



The Marches Skills Plan 2013 – 2015

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Note at February 2014

For the most recent evidence base and supporting information to the Marches Skills Plan, please refer to the First Annual Review dated October 2013. Link: http://www.marcheslep.org.uk/document-library/cat_view/10-marches-lep-skills-plan

FOREWORD

This Skills Plan sets out a series of interventions to tackle the key skills and employment issues which have been prioritised by partners within The Marches.

The Plan has been overseen by the Marches Skills Board and supported by Worcester Research. It is based on extensive desk-based research; a series of workshops with partners in Herefordshire, Shropshire and Telford and Wrekin and one to one interviews with employers and other stakeholders. Consequently a wide range of partners have been engaged in the Plan development. This phased process has been helpful in drawing together an extensive evidence base and has been particularly effective in promoting dialogue; ensuring that the evidence base is rooted in local experience; creating consensus about what needs to be achieved; and in formulating a shared set of priorities.

There is no doubt that these are challenging times, but we need to prepare for renewed growth and invest in The Marches' skills base so that employers and individuals can take advantage of the upturn in the future. In The Marches we are building on a record of success which reflects the dynamism of those involved in meeting our skills challenges and will enable us to take advantage of opportunities as they arise.

Together, we aim to create an efficient and effective infrastructure to support skills development in The Marches which in turn will provide clear strategic leadership and direction. To do this, we propose a range of integrated activities that will:

- Align the range of activities and interventions which partners undertake;
- Effectively communicate and promote what is available to employers and the workforce; and
- Develop and co-ordinate interventions to address specific local needs.

This Plan sets out how we will achieve these goals.



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1. INTRODUCTION

The challenges we face

The Marches LEP has a central role in ensuring that the skills agenda has a high priority amongst local businesses and stakeholders. The development of this Skills Plan, which has been underpinned by the principles of collaboration and engagement with partners across the LEP area, marks an important step in this process.

These are challenging times and the Plan's proposed actions must be set against a backdrop of the deepest recession the country has faced for eighty years. Employers and partners face real financial pressures and with the economy facing the challenge of recovering from prolonged recession and returning to renewed economic growth, it is ever more important that the LEP leads the way in championing the skills agenda to enable and support local businesses maximise their potential for growth.

Skills are vital to this task. Not only are they important contributors to the region's performance and prospects, but if The Marches is to grow and prosper and provide opportunity for all then it is essential that there is close alignment between the skills employers need and those available in the local labour market. As the economy has changed, so too has the nature of the world of work; the organisation of the workplace; and the skills that individuals need to participate effectively in an ever-changing world. Our aim in the Skills Plan is to address the realities of this structural change and to ensure that our work is geared to longer term priorities as well as shorter term needs.

The Skills Plan is one of a suite of inter-related documents which aligns with The Marches Strategy for Growth 2013-2022 and The Marches Apprenticeship Plan 2013-2015. Additionally, in an Appendix to this document, The Hereford Enterprise Zone Skills Plan sets out detailed policies and actions specifically for the Enterprise Zone which complements the Skills Plan for The Marches as a whole.

2. OUR VISION FOR SKILLS

A GROWING ECONOMY SUPPORTED BY A SKILLED AND FLEXIBLE WORKFORCE WHERE
YOUNG PEOPLE CAN REALISE THEIR POTENTIAL

The actions proposed in the Plan revolve around four priorities set out below:

Priority 1: Developing the skills required for business growth

The evidence is clear that increasing the level of skills in the workforce is fundamental to economic recovery and long term growth. As the national economy moves to a model characterised by high performing and high value added sectors, this in turn requires more people to be employed in higher level jobs with the skills to match. The Marches is no exception to this structural change and the shifts in the sectoral composition of the economy and the occupational profile demanded by employers will have major implications for the demand for qualifications. The major growth in demand locally will be for **graduates**, while demand for workers with skills below Level 2 will fall significantly and the opportunities for those without qualifications diminish.

Management skills have long been identified as a key driver of productivity and growth, however, the evidence shows that concerns about the adequacy of management skills are an issue for the majority of sectors identified as central to The Marches' economic future. Employers highlight them as one of their top priorities for improvement. 'Good' managers and leaders, and more specifically, their management skills, are essential to ensuring high performance working and business success, and to enable firms to take advantage of economic opportunities.

Unsurprisingly, in the current economic climate, recruitment difficulties and skill shortages were running at subdued levels. However, there are still pockets of skill shortages which have the potential to compromise the prospects for growth, especially in the Care and Construction Sectors.

As well as specific skills issues there is evidence pointing to the importance of **generic skills** – which often cross-cut different sectors across the economy. These include 'key skills' such as customer handling, problem solving, team working and communication, but also extend to cover the basic skills of literacy and numeracy too. Gaps in these skills when recruiting and also amongst the existing workforce were more apparent locally than nationally and local employers were more likely to report higher levels of dissatisfaction. These concerns affected the existing workforce but also extended to school leavers.

For many years the main focus of policies relating to skills has been on improving the supply of skills, however, the evidence also points to weaknesses in the demand for training and development amongst small businesses in particular. In most occupational groups, fewer employees in The Marches received training than nationally and generally there is a less structured approach to training amongst local employers. The data indicates that many employers have continued to pursue **low value added business strategies**, with little or no strategic planning of their skill

needs and workforce development. Whilst this may be perceived to be an appropriate strategy for these firms, in the longer term many of these businesses will have poor survival prospects in the face of intense competition.

Priority 2: Supporting enterprise and access to employment

Employment growth in The Marches has been more volatile than nationally, with the region having grown more strongly than England at the start of the millennium, but then contracted faster between 2005-2010. In contrast to national forecasts of weak growth to 2015, locally there is the prospect of **no growth** at all over the same period. This will have consequences in terms of the demand for workers and skills, as well as for employment opportunities for the employed and the workless. The Hereford Enterprise Zone will have a key role to play in addressing this issue through attracting new inward investment and fostering growth. In addition if the LEP is to prove these forecasts wrong, then action needs to be taken to realise greater productivity and potential among local businesses and encourage the better use of underused skills.

Perhaps one of the most striking features of the employment forecasts is that nine out of ten of the additional jobs likely to be generated locally up to 2020 are likely to go to women. This forecast reflects a decline in sectors of traditionally male employment and a rise in employment in occupations and sectors dominated by women and assumes that existing patterns of gender bias will continue. The challenge will be how to support both sexes adapt to labour market change, through up-skilling economically inactive women and re-skilling men to take advantage of new opportunities which may arise.

A key feature of the underpinning analysis of skills and employment in The Marches was the recognition of linkages between skills issues and other policy areas. These include links between the skills, economic development and innovation agendas where better sharing of information on inward investment and planning can enable providers to better develop provision to meet needs. Another linkage which was highlighted as of particular importance was ensuring that the local **transport infrastructure** is improved to better enable local people access jobs and training. This was particularly identified as an issue amongst young people, with their more limited means of transport, which can pose a severe barrier to skills development.

There is also scope to encourage more entrepreneurial spirit and a **culture of enterprise** building on the area's strengths in this respect. There is a need to embed enterprise education within all groups outside the labour market, not just young people but all those who are out of work as well.

Priority 3: Realising the potential of young people

Young people have suffered disproportionately in the current recession and unemployment among those aged 18-24 is above the national average and running at more than twice the rate seen in the wider population. Youth long-term unemployment has also almost doubled in the past two years. The high level of 16-18 year olds not in education, employment or training (NEETs) in some parts of The Marches provides further evidence of a lack of demand for young workers. However, the economic downturn is not the only factor; there has also been

significant structural change in the nature of the youth labour market. To address this, there is a need for a specific **strategic focus on young people** with better and stronger linkages and understanding between the worlds of work and education. At the same time there is a clear case for local businesses to take responsibility for creating more opportunities and progression routes for young people.

The government's flagship programme for young people is the Apprenticeship programme, but whilst there has been growth in adult apprentices there has been little change in the uptake of young apprentices aged 16-18 over the past five years. A clear priority for the LEP is to address the barriers which prevent employers and young people benefitting from this initiative.

In parts of The Marches, the lack of any higher education institution is believed to adversely impact on young people's aspirations and create a 'brain drain' whereby those who leave to learn do not return to work. Stakeholders were clear that improved access to higher education should be a priority.

Priority 4: Developing a shared responsibility for skills through effective partnerships

The successful implementation of the Skills Plan will depend on close and effective co-operation between key partners. Provider networks with links to the LEP Board will provide clear information and intelligence on local capacity and capabilities and provide co-ordination for funding bids. Through time, effective linkages will help develop a sense of common ownership and responsibility for skills and foster clear accountabilities. It is encouraging to note that in a separate, but linked, development, the main post-16 non-compulsory education providers have taken the initiative to move towards better integrating their approaches to align with the LEP boundaries. Although taking place outside the formal structures of the LEP, this action by core partners provides an important focus for maintaining and developing the learning and training infrastructure of The Marches.

Stakeholders were clear that the LEP should not just be inward looking but that there is also a role for strategic planning **across LEP boundaries** and the development of inter-LEP relationships where there are similar economic clusters. This is especially important in addressing the demand for skills provision in The Marches that is sub-regional (e.g. the i54 development) or national (e.g. the Defence and security industry) rather than local.

Employers involved in the research were concerned about what they perceived as a patchy skills system and expressed concern about a lack of information about the availability of training provision. Understandably, they were keen on the idea of a seamless or aligned system to address inconsistencies of approach. For many, this meant having a one-stop-shop, a diagnostic service from which generalist advisers would signpost employers to specialists in different organisations.

3. POLICY CONTEXT

The skills and employment agenda has long been a national priority for consecutive governments and this has remained the case under the current administration. Policies reflect a widespread recognition that the UK is lacking the skills to compete in an increasingly globalised market. Allied to this is the evidence which highlights that some sections of society are entirely excluded from the labour market. To address these issues the Coalition Government has introduced a number of reforms in relation to growth, welfare and education which provide relevant context for the Skills Plan.

National Policy

Of course, all of the government's ambitions for change are set against the backdrop of recession, and the major challenge for the country is to support economic growth. To achieve this, the government's economic policy objective is to achieve *'strong, sustainable and balanced growth that is more evenly shared across the country and between industries'*¹. This policy marks a shift away from an over-reliance on public sector jobs and towards private sector growth; away from an over-dependence on financial services and towards manufacturing; and away from the South East towards other parts of the country. The Marches, aided by the potential of the Hereford Enterprise Zone, is well placed to support this agenda.

In the skills and learning agenda, there is a new emphasis on voluntarism, markets and private investment to secure world class skills in the UK. Even so, despite a marked shift in policy, the underpinning analysis around skills and learning supply has remained constant; and although the Leitch targets² have been abandoned, a commitment to their ambitions remains. In short, there continues to be a focus on skills as the major driver of economic competitiveness and social mobility. Accordingly, the five priorities of the UK Commission on Employment and Skills reflect this and aim to achieve a system which delivers the *"high skill, people driven economy of the future"*³. Its priorities emphasise the interdependence of skills and economic development; the need for responsive provision and an imperative to maximise the local skills base.

The Government White Paper, **Skills for Sustainable Growth**,⁴ published in November 2010, supported by an investment strategy, **New Challenges, New Chances**⁵ also continues to emphasise the importance of achieving high levels of participation in skills development, but moves away from focusing on particular sectors to providing greater freedom for providers to deliver provision linked to local needs and embraces the principle that those who benefit from training should pay.

¹ HM Treasury/BIS (2011) 'The Plan for Growth' Norwich, The Stationery Office

² Leitch, A. (2006) Leitch Review of Skills: Prosperity for all in the global economy – world class skills. Final Report. Norwich, HMSO

³ UKCES (2009) 'Ambition 2020: world Class Skills and Jobs for the UK', London, UKCES

⁴ BIS (2010) 'Skills for Sustainable Growth', London, Dept. for Business, Innovation and Skills (<http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/s/10-1274-skills-for-sustainable-growth-strategy.pdf>)

⁵ BIS (2011) 'New Challenges, New Chances: Further Education and Skills System Reform Plan: Building a World Class Skills System' (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32313/11-1380-further-education-skills-system-reform-plan.pdf)

The **Local Growth White Paper 2010**⁶ sets out Government policies to ensure that local areas have the tools and incentives to maximise their potential for growth. These policies, which are described in detail in the White Paper, are based around three central themes:

1. **Shifting power to local communities and businesses** – Based on the understanding that every place is unique and has potential to progress, the government believes that localities themselves are best placed to understand the drivers and barriers to local growth and prosperity, and as such should lead their own development to release their economic potential. The creation of Local Enterprise Partnerships stems from this analysis.
2. **Promoting efficient and dynamic markets** – Seeking to increase confidence to invest by creating the right conditions for growth and prosperity, allowing markets to work. This involves reforming the planning system, so that it continues to support economic growth and is more engaged with businesses and local communities.
3. **Focused investment** - tackling barriers to growth that the market will not address itself, supporting investment that will have a long term impact on growth and supporting the transition of areas with long term growth challenges to better reflect local demand. National and local government policies should work with, and promote, the market, not seek create artificial and unsustainable growth.

The White Paper also sets out detail around the Regional Growth Fund to support economic growth across England and help those areas that have been particularly affected by public sector cuts.

Two other pieces of legislation which are of relevance to the Plan are:

- **The Education Act 2011**⁷ which makes provision for increasing the participation age for young people to 17 in 2013 and 18 in 2015; changes to the delivery of careers guidance in schools, allowing for greater flexibilities and freedoms and increase in college freedoms and changes to skills entitlements.
- **The Welfare Reform Act 2012**⁸ which introduces wide-ranging change, many of which will come into effect during 2013, including the transformation of the benefit system through the introduction of the Universal Credit to make work pay; introduction of the Work Programme; a greater focus on partnership working – Department for Work and Pensions (DWP), providers, local authorities, employers, and jobseekers working together to find new solutions

⁶ HMSO (2010) 'Local Growth: Realising Every Place's Potential', London, The Stationery Office
<http://www.bis.gov.uk/assets/BISCore/economic-development/docs/L/cm7961-local-growth-white-paper.pdf>

⁷ HMSO (2011) 'The Education Act 2011' London, The Stationery Office

⁸ HMSO (2012) 'The Welfare Reform Act 2012' London, The Stationery Office

to unemployment; and the introduction of specialist disability employment programmes.

At the time version 1.0 of the Marches Skills Plan was written, the government had yet to respond to the **Richard's Review of Apprenticeships**⁹, but the Review gave a clear indication of the likely future direction of travel.

In this independent report Doug Richard called on the Government to improve the quality of apprenticeships and make them more focused on the needs of employers.

He proposed a three-point plan that involves employers designing and developing apprenticeships in line with quality standards defined by the Government, which would be part-funded by the Government through tax incentives (rather than via Government grants, as is the case now) and only to those employers who can show that their training meets the widest needs of apprentices for career progression in and beyond the company. All apprentices will be expected to reach a good level in English and Maths before they can complete their apprenticeship.

The term 'apprenticeship' should be reserved only for new jobs requiring sustained and substantial training. Everything else should be seen as separate work-based programmes, including the large number of level-2 (GCSE-equivalent) and pre-apprenticeship vocational schemes, which currently also attract Government funding.

The Government "Implementation Plan"¹⁰ was published in October 2013 in response to the Richards consultation and sets out policy, process and timescales for reforming apprenticeships in England.

Government reforms will ensure that apprenticeships become more rigorous and more responsive to the needs of employers. The aim is to improve the quality of apprenticeships through introducing:

- higher expectations on English and maths
- grading, e.g. pass, merit and distinction
- an increased emphasis on assessment at the end of an apprenticeship

'Trailblazers' will lead the way in implementing these new apprenticeships. The Government has announced the first 8 Trailblazers in the 'Implementation Plan'. The 'Guidance for Trailblazers'¹¹ sets out the next steps for this work.

⁹ Richard, D. (2012) 'The Richard Review of Apprenticeships' London, School for Start Ups
<http://www.schoolforstartups.co.uk/richard-review/richard-review-full.pdf>

¹⁰ Future of apprenticeships in England: implementation plan BIS/13/1175
<https://www.gov.uk/government/consultations/future-of-apprenticeships-in-england-richard-review-next-steps>

¹¹ Future of apprenticeships in England: guidance for trailblazers BIS/13/P194
<https://www.gov.uk/government/consultations/future-of-apprenticeships-in-england-richard-review-next-steps>

Another far-reaching review, the **Heseltine Review 'No Stone Unturned in the Pursuit of Growth'** ¹² – which considers how economic growth can be fostered in the UK, also provides a detailed plan of action for the government. The government has yet to respond to the recommendations, and the extent to which it will back the proposals is less clear, but it is of interest to note that the review seeks a much stronger role for LEPs including recommendations that:

- LEPs develop their own tailored local economic plans and compete from 2015-16 for a share of a single national pot to support growth over a five year period
- BIS must set out a clear statement explaining how they and other government agencies will work with LEPs and the devolved administrations to better connect national strategy with local initiative
- The Government and the private sector should work together to strengthen the existing network of local Chambers of Commerce which should have an increased role building a stronger relationship between businesses and LEPs in their area
- Business engagement should be incorporated far deeper into the school curriculum and in all boards of governors in secondary schools
- Each LEP should incorporate skills needs within their local economic plans and all FE learning providers must consult and agree their provision with LEPs to ensure that the courses they offer to 16-18 year olds reflect local labour requirements
- LEPs working with local authorities, employers and other local partners should develop proposals for reducing NEET numbers as part of their local economic plans.
- In developing their economic plans, LEPs and chambers should consider ways in which leadership and management capabilities in local businesses can be raised

The Skills Plan incorporates many of the principles of the Heseltine Review and has been designed to be sufficiently flexible to accommodate these, and potential future changes, while providing a realistic road map to ensure that The Marches will have a dynamic and skilled workforce which will continue to contribute to economic growth and competitiveness.

Local Policy

The LEP cannot deliver its Skills Plan on its own, but in its strategic leadership role to promote the national skills agenda it will look to the actions of all partners to contribute to the Plan's successful implementation. There are already many interventions and activities undertaken by our partners and others that promote the aims of the Skills Plan. One of the roles of the Skills Plan is to inform and align these in the most effective way to ensure that the benefits to local businesses are maximised and that local skills initiatives take place within this wider Marches context. The Plan therefore highlights and references existing local policies to identify Marches-wide issues which align with local priorities.

¹² Heseltine, M. (2012) 'No Stone Unturned in Pursuit of Growth' London, BIS

4. THE MARCHES: A REVIEW OF THE EVIDENCE ON CHALLENGES AND OPPORTUNITIES

Introduction

The priorities of the Skills Plan and the detailed policies are largely derived from a detailed analysis of the latest available statistical evidence contained in The Marches Skills Evidence Base 2012. Key findings are highlighted below.

The Marches is home to a population of 630,000 people and more than 28,000 businesses¹³. Manufacturing plays an important role in the economy and the region has one of the highest concentrations of manufacturing employment of any LEP area. The range of its major employers conveys the breadth of its economy from leading advanced manufacturers such as Bischof and Klein and Fujitsu; food processors such as Muller Dairy and Anglo Beef Processors to a fast growing business tourism industry based on its heritage and landscape quality. Recently, The Marches has successfully attracted significant investment to the area, with GKN investing in its Land Systems site at Telford and Tblisi Aircraft Manufacturing set to locate to the Hereford Enterprise Zone, indicating the potential of the area to become a hub of advanced manufacturing.

As well as being home to major international companies, The Marches business base mainly comprises small and medium sized enterprises. The area has one of the highest self-employment rates of any LEP, and with 44 enterprises per 000 of population it has far more businesses per person than nationally (34 per 000), indicating a strong entrepreneurial spirit. Other strengths on which to build include below average rates of unemployment; a high employment rate; and improving relative performance in terms of economic output.

Times set to remain tough for jobs growth

Recent trends and future projections show that the recession has had a significant impact on The Marches workforce and it is likely that its effects will continue to be felt for much of the life of this plan period. Between 2005 and 2010 total employment in The Marches fell by an estimated 2.7% and no recovery is forecast until after 2015. Even after that date the projections show that growth will not return to the levels recorded at the start of 2000. The prolonged effect of the downturn means that there is a possibility of further redundancies; little growth in entry level opportunities making it harder to tackle long term unemployment; and continued pressure on employers' training budgets for the foreseeable future.

Rising opportunities for part time work and self-employment, but falls in full time jobs

Longer term trends to 2020 show a decline in the volume and proportion of jobs accounted for by full time work, but an increase in part time work and self-

¹³ Sources: ONS Mid year population estimates (2010) and ONS Inter Departmental Business Register (2011)

employment. Women are forecast to take up 11,000 of the 12,000 additional jobs to be generated, reflecting the very different fortunes of different industries. Sectors forecast to witness the greatest growth include: construction; support services (including property rental and security); professional services (such as accountancy and solicitors); real estate; arts & entertainment and health & social work. Sectors seen as most likely to contract in terms of employment include: agriculture; engineering; the rest of manufacturing; and public administration & defence. It is clear that some priority sectors¹⁴ in The Marches, such as advanced engineering and defence, look likely to face strong headwinds in the coming years and if they are to buck this trend locally they need to find competitive strategies that allow them to out-perform their national competitors.

Changes in the structure of employment will affect the demand for skills

In addition to changes in the sectoral make-up of The Marches economy, there is also likely to be a continuing shift in the occupational composition of the workforce with fewer people employed in: plant, process & machine operative roles; administration roles; elementary roles and, even, skilled trades. These reductions will, however, be more than offset by expansion in the number of people employed in: professional; associate professional; managerial and caring, leisure and other service occupations which collectively are forecast to generate 22,000 new jobs. Even where the total number of jobs in an individual occupation is forecast to decline it should be noted that there will be a demand for new recruits in order to replace those who leave the occupation. However, overall, the forecasts show a continuing trend of employment moving up the occupational hierarchy with increasing numbers of higher level staff required over the medium to long-run.

Higher skills levels will be in increasing demand

The skills impact of the changing pattern of employment in The Marches is that between 2010 – 2020 businesses will require 9% more workers qualified to degree level in order to successfully meet the demands of the economy. At the other end of the spectrum, the volume of jobs where workers do not need any qualifications is forecast to fall from 11% to just 7% by 2020. This would suggest that, unless action is taken to reduce the current volume of workers with no qualifications, around 4% of the entire LEP workforce would be unable to gain employment even if the economy recovers and jobs become more readily available.

¹⁴ Note: Priority sectors include Tourism, Defence and Security, Advanced Manufacturing, Food and Drink, Environmental technology

Demographic change will affect the age structure of the workforce

The Marches' working age population, i.e. its potential workforce, is estimated to be around 392,900 people. Although the population is forecast to grow to 2020, this will be driven largely by increases in the elderly. The proportion of the working age population expected to decline marginally over the coming years.

73% of the working age population (280,000 people) are in employment in The Marches, well above the national average of 70%. Part-time work is more common locally than nationally and the flexibility offered by part-time work and its prevalence is likely to be a key factor in the relatively high employment rates of the LEP area.

The structure of the workforce

Although The Marches has one of the greatest concentrations of manufacturing employment in the country, in fact, service sector jobs predominate and 1 in 2 workers are employed in just two sectors – Public administration, education and health and Distribution, hotels and restaurants. Manufacturing accounts for the third largest proportion of jobs (14%) – compared with the national average (10%). Although only accounting for 3% of employment the relative strength of The Marches agricultural base is evident from the statistics.

Within the workforce the most common jobs are professional occupations, skilled trades and elementary occupations. Overall, The Marches has fewer 'higher level' occupations and lower skilled jobs – process, plant and machine operatives and elementary staff than is the case nationally.

There is a need for workforce upskilling

Latest data shows that in The Marches 49% of its working age population is qualified to Level 3 and above, compared with 52% in England. At the other end of the scale more than one-in-three of the workforce are qualified to below Level 2; a figure which includes 12% who possess no qualifications.

Strengths in entrepreneurship generate high levels of self-employment

In The Marches, self-employment makes up 11.4% of the working age population in the area, equivalent to 44,000 people. Almost seven out of ten self-employed people in the area are male (69%); in line with the national position. This relatively high rate of self-employment gives The Marches one of the highest proportions of self-employed people of any LEP areas.

Although unemployment has risen it remains below average rates

Trends in unemployment over the past 20 years show that following a lengthy period of falling unemployment from 1998, there was a sharp reversal of this pattern in 2008/09 when unemployment rose sharply following the financial crash. In The Marches this resulted in a doubling of the unemployment rate from a low of 1.6% in 2008 to 3.2% in July 2009, somewhat below the national rise to 3.9%, but a sharp rise nevertheless. The rate subsequently reduced through to 2010 but has since risen again to stand at 3.1% in The Marches (12,117 people) compared with 3.8% in England. In common with the national pattern, men have been more adversely

affected by unemployment, and although low in historic terms, unemployment rates for men from 2009 onwards have been at their highest for 16 years. Analysis by age shows that almost one-in-three unemployed people in The Marches are aged between 16-24, 2.7% higher than nationally.

Training and development

In the last 12 months 58% of establishments in The Marches had provided training for one or more of their employees, an identical proportion to the national figure. In total, employers have delivered training to 146,664 employees in The Marches, equivalent to around 5.5 people per employer.

It is encouraging to note that all the industries identified as priority sectors are more likely to train than average. In particular, amongst Advanced Manufacturing and Defence and Security industries there is a strong emphasis on off-the-job training and the LEP will wish to ensure that these key employers can access appropriate training locally.

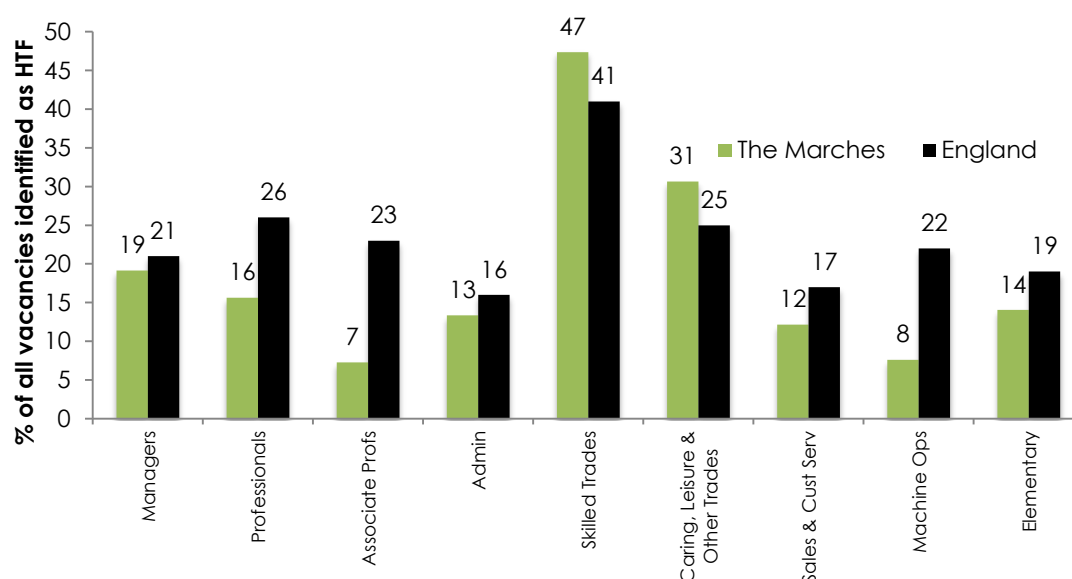
Generally, employers in the LEP area train lower proportions of their staff in most occupations with the exception of associate professionals and elementary staff. It is also evident that employers in The Marches are less likely to provide management and supervisory training than average and only 38% of managers receive training compared with 45% in the UK.

Recruitment and skills shortages are running at low levels but some occupations hard to recruit

Across the LEP area as a whole recruitment levels are low with just 8% of firms having a current vacancy compared with 12% in England. This would indicate a rather static labour market with little churn providing few opportunities for new entrants or returners to the labour market.

In addition to a low overall level of recruitment, The Marches area also has a lower than average level of companies reporting difficulties in recruiting new employees. Just 3% of all businesses reported the existence of hard-to-fill vacancies in 2011 which was one percentage point lower than the figure seen across England. Recruitment difficulties are most likely to affect employers seeking to recruit skilled trades or care, leisure and other trades. As can be seen, almost half those looking for skilled trades staff were finding vacancies difficult to fill.

Percentage of vacancies identified as hard-to-fill by occupational group



Base: All organisations with vacancies. Source: Employer Skills Survey 2011

The main causes of hard-to-fill vacancies identified by employers were a lack of relevant work experience and a low number of applicants with required skills, both of which were identified by a quarter of all respondents. It should also be noted that the proportion of employers identifying skills deficiencies was substantially lower in The Marches than across England as a whole. Skills issues per se in the external labour market therefore seem to be less of a barrier to economic growth than is the case nationally.

However, non-skills related causes for hard-to-fill vacancies were important with one-in-five employers citing a lack of people interested in doing the type of work as a cause of difficulties. A remote location and poor public transport provision in the area was also identified as a factor by 17% of all employers. This was more than double the proportion of employers which identified it as a cause of recruitment difficulties nationally and reflects a specific barrier impacting upon The Marches local economy. Shift work and unsociable hours also featured more highly amongst the causes of recruitment difficulties affecting The Marches than was the case across the country.

Skills shortages at low levels

Only one percent of employers considered they were facing skills shortages and in both The Marches and England the top two skills shortages were identified as job-specific skills and technical or practical skills related to the type of role. Employers in The Marches area did, however, highlight a higher degree of dissatisfaction with applicants' skills in relation to: problem solving; literacy; team working and numeracy skills. The significantly higher degree of dissatisfaction with the core basic skills of literacy and numeracy amongst applicants should perhaps be of particular concern

as much previous research has demonstrated that these skills are vital pre-requisites in the acquisition of other skills.

It was also clear that there was a continuing need to see improvements in applicants "softer" skills such as team working, customer handling and problem solving which were cited as shortages by between one-third and two-fifths of all respondents.

Skills gaps amongst current employees

The Marches LEP area has a total of approximately 4,300 employers facing skills gaps, i.e. where at least one employee not fully proficient in their current role. This equates to around one-in seven (15%) of all employers and 5.5% of all employees. Gaps were not evenly distributed and were highest amongst elementary occupations (9.7%); caring, leisure and other service roles (7%); admin & clerical (5.9%) and managers (5.4%). By industry, three key sectors, Defence & Security, Advanced Manufacturing and Tourism, exhibited higher than average levels of skills gaps. Across all the priority sectors job specific/technical and practical skills were either the first or second most frequently identified as being in need of improvement. In these priority sectors there was a general agreement on the need to improve the skills of employees to work effectively together in teams. Management skills were also highlighted by four of the six key sectors as an area where competence needed to be improved.

Young people

Young people who are not in education, employment or training are referred to as NEET, and nationally, NEET rates have been amongst the highest for a decade. In The Marches, an estimated 1,460 young people aged between 16 and 18 are classed as NEET, equivalent to 6.8% of the cohort, compared with 8.1% nationally. Many more young people have unknown destinations so it is likely that the figure may well be higher. Currently, Telford and Wrekin and Herefordshire have the first and second highest proportions of NEETs in the West Midlands with Telford and Wrekin's figure placing it among the top 20 in country.

A further 3,750 young people aged 18-24 are unemployed in The Marches and at 7.6% the youth unemployment rate is above the England rate of 7.3%. In July 2012, 1290 people aged 18-24; have been looking for work for more than 6 months, a rise of 530 people in one year.

Attainment at Levels 2 and 3 among young people is good and the uptake of STEM qualifications is broadly in line with the national picture.

Young people well prepared for work but there are some concerns over lack of work experience

Findings from the Employers Skills Survey 2011 suggest that most employers in The Marches consider that young people are, generally, well prepared for work. The one significant difference between the data for The Marches and England was in relation to 17/18 FE leavers where only 16% of employers from the local area rated young people as “poorly” or “very poorly prepared” as compared with 24% nationally, suggesting local colleges may be doing a better job of preparing young people. Even so, it is of some concern that approximately one-third of all employers of school leavers (at age 16 and 17/18) believe young people to be either “poorly prepared” or “very poorly prepared” for the demands of the workplace. A lack of work/life experience was identified as being one of the main reasons for that assessment.

Apprenticeships

Locally, statistics from the National Apprenticeship Service show that the numbers starting apprenticeships have been rising swiftly since 2005/06. This increase has largely been driven by adult apprenticeships which have increased dramatically, whereas apprenticeships among 16-18 year olds in The Marches have increased slowly, at an average rate of 22 extra young people per year. As a consequence, the proportion of apprenticeships accounted for by the under 19s has reduced through time and has fallen from 37% three years ago to 24% in 2010/11.

Currently, most of the apprenticeships starts (58%) in The Marches are at Level 2 with just over 4 out of 10 accounted for by Advanced apprenticeships (Level 3).

Nevertheless, numbers of Advanced apprenticeships have been rising fast and have risen as a proportion of the total from 21% in 2005/06 to 41% in the past year. Whilst this Skills Plan contains strategic policy actions around apprenticeships, more detailed actions are given separately in the Marches Apprenticeship Plan 2013-2015.

5. THE ACTION PLAN

Priority 1: Delivering the skills required for business growth					
Issue 1: Continue the shift towards a higher qualified workforce					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans and ESF / ERDF Priorities (See references below* ¹⁵)
Improved sharing of labour market information (LMI)	Increase understanding of labour market with a particular focus on effective dissemination of LMI to schools, colleges and training providers	On-going	Marches LEP Local Authorities	Local Authorities	SESAP Priority 3 (1) ESF 8.1, 10.1, 10.2, 10.3
	Register interest in piloting UKCES LMI for All	2013	Department for Work and Pensions (DWP)	Jobcentre Plus	
Promote progression from Level 2 to 3 as basis for further progression	Review provision to ensure that there are progression routes, particularly in relation to vocational learning from Level 2 to Level 3 as the basis for further progression to Level 4. Develop pilot approach in one authority area to share best practice	2015	Local Authorities Training providers FE Colleges Schools	Shropshire Learning Network	HEDS Aim 3 ESF/ERDF 10.2, 10.3
Advanced apprenticeships	Promote the uptake of advanced apprenticeships by building on and sharing	2014	National Apprenticeship	Training Providers	MAP GAAP

¹⁵ Herefordshire Economic Development Strategy (**HEDS**); Herefordshire Employment and Skills Development Strategy Plan (**HESDSP**) Shropshire Employment and Skills Action Plan (**SESAP**); Shropshire Economic Growth Strategic Action Plan (**SEG**); The Marches Apprenticeship Plan 2013-15 (**MAP**); Shropshire, Telford and Wrekin: Growing Apprenticeships Action Plan (**GAAP**); An Apprenticeship Growth Strategy for Herefordshire 2012-2015 (**AGSH**) European Social Fund / European Regional Development Fund (**ESF/ERDF**)

	best practice		Service (NAS) Training providers FE Colleges Schools Employers	Association	AGSH ESF/ERDF: 10.2, 10.3
Issue 2: Address basic skills problems					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Functional skills	Ensure that functional skills are embedded in local education and training provision	2014	Training providers FE colleges Schools	Training Providers Association	ESF/ERDF: 10.3
Issue 3: Tackle low take-up of training in certain areas and refocus on productivity increasing workforce development					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Keeping employers informed about local education and training course provision	Explore potential for the Marches LEP to develop a web-based course search tool so that employers can see the range of provision available	2015	Training providers FE Colleges Schools HE providers NAS DWP Marches LEP	Marches LEP	ESF/ERDF: 3, 8.7, 8.5
Issue 4: Address management and leadership skills deficiencies					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Promote management and leadership training development	Stimulate demand for management and leadership training through development of case studies of benefits and promotion of local courses	2015	Marches LEP Training Providers FE Colleges HE providers Chambers	Shropshire Learning Network & FSB	ESF/ERDF: 10.2, 10.3

			FSB		
Identify gaps in provision	Map management and leadership training offer to identify gaps	2014	Marches LEP Training Providers FE Colleges HE providers	Shropshire Learning Network & FSB	ESF/ERDF: 10.2, 10.3
Promote sector specific training	Link with the National Skills Academies operating in LEP priority sectors to offer sector specific management training	On-going	Marches LEP Hereford EZ Business Boards Training Providers FE Colleges HE Providers	Shropshire Learning Network & FSB	
Issue 5: Tackle known skills shortages and gaps					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Sector groups	Explore the feasibility of developing employer-led sector skills forums for each of LEP priority sectors to identify action needed to align skills provision to employer needs	2014	Marches LEP Business Boards	Marches LEP	SESA Priority 3 (3) SEG Priority 3
Issue 6: Address the continuing concerns about soft skills					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Embed employability skills	Schools, Training providers, FE and HE providers to review how employability skills such as communication and team working can be further embedded in provision	2015	Training providers Schools FE Colleges HE providers	Shropshire Learning Network	ESF/ERDF: 8.1, 10.3
Involve recruitment	Marches LEP to lead work with recruitment	2014/15	Telford and	Telford & Wrekin	ESF/ERDF:

agencies in skills development	agencies to include the development of soft skills among temporary workers. Develop pilot approach in one local authority		Wrekin Council	Council	10.3
Introduce employability passport	Education/Business link activity to help employers and schools to develop a shared understanding of employability skills and how they can be developed in schools. Consider introduction of a quality marks and an employability passport which documents skills	2014	Local Authorities	Shropshire Learning Network Business Boards Local Authorities Employers	SESAP Priority 6 (1-3) ESF/ERDF: 8.1, 8.2, 10.1, 10.3
Priority 2: Supporting enterprise and access to jobs					
Issue 7: Supporting the creation of new jobs					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Providing seamless support	Develop a one stop shop for companies and potential inward investors to signpost to appropriate training provision. Pilot in Hereford Enterprise Zone	2015	Hereford EZ	Hereford EZ CEO	Hereford EZ Skills Plan 2013 HEDS Aim 3 ESF/ERDF: 3, 8.7, 8.5
Access funding opportunities	Ensure awareness of relevant funding opportunities and bidding is shared across The Marches. Seek to exploit opportunities which align with the Skills Plan objectives	On-going	Marches LEP	Marches LEP	SESAP Priority 1 (2)
Strengthen employer involvement with LEP	Explore interest in further development of sector based representation for LEP's priority sectors plus Care and Construction sectors	2014	Marches LEP Business Boards	Marches LEP	

Issue 8: Tackling future gender imbalance of job opportunities					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Promote jobs opportunities for atypical recruits	Explore potential for partnership with relevant SSCs in industries with a gender bias, e.g. Care and Construction to tackle gender stereotypes	2015	Marches LEP Business Boards Training Providers	Care Workforce Development Partnership	ESF/ERDF: 8.4
Work trials	Promote greater opportunities to 'test drive' jobs for those interested in atypical careers	2015	Marches LEP DWP Local Authorities Training Providers Schools FE Colleges HE Providers	Care Workforce Development Partnership	ESF/ERDF: 8.4
Issue 9: Support all to consider and access potential for enterprise					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Review availability of enterprise taster sessions	Conduct map and gap exercise on enterprise learning via existing FE/school groups. Share best practice across The Marches	2014	Training Providers FE Colleges Schools forums Local Authorities	Marches LEP Local Authorities	HEDS Aim 2 ESF/ERDF: 8.3
Promote enterprise among young people	Work with key employers to develop a 'real world' Enterprise Challenge competition. Competition to be tailored from Key Stage 2 upwards	2013	Marches LEP Business Boards Chambers FSB Employers Primary and Secondary schools FE Colleges HE Providers	Marches LEP Local Authorities	SESAP Priority 5 (3) ESF/ERDF: 8.2, 8.3

			Training Providers Enterprise Support e.g. Young Enterprise		
Improve access to incubator provision	Raise awareness of access to/marketing/letting arrangements of enterprise incubator provision for young people and those out of work	2014	Local authorities DWP FE Colleges Training Providers Schools HE Providers	Marches LEP Local Authorities	SESAP Priority 5 (3) ESF/ERDF: 8.2, 8.3
Deliver skills for self-employment	Review availability of existing provision of self-employment skills. Develop and deliver programmes of learning for self-employment to address gaps in provision	2014/15	Training providers FE providers HE providers Local authorities DWP	Marches LEP Local Authorities	SESAP Priority 5 (3) ESF/ERDF: 8.2, 8.3
Issue 10: Better linking of economic development opportunities and the skills system					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Improved linkages with economic development	Further develop information sharing between local authorities/EZ and training providers, schools and FE colleges of potential inward investors and major initiatives. Monitor progress of proposed Construction Skills Academy in Hereford to explore options in rest of the Marches	2014/15	Hereford EZ Local authorities DWP NAS	Hereford EZ CEO Business Boards	Hereford EZ Skills Plan ESF/ERDF: 8.1, 8.7, 9.1
Issue 11: Tackling barriers facing disadvantaged groups					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Improve availability of work experience and	Support the development of training packages well matched to employer need	2015	DWP Local authorities	Jobcentre Plus	HESDSP Priority 5

work trials	which includes work experience and work trials		Training providers FE Colleges Schools		ESF/ERDF: 8.1, 8.7
Identify needs of those out of work to tailor provision	Develop an understanding of the needs of different groups at labour market disadvantage to ensure that the services on offer (including the voluntary sector) is mapped and meets identified needs. Assess availability of supported employment to meet specific needs	On-going	DWP Local authorities Voluntary and third sector organisations	Jobcentre Plus Local Authorities	SESAP Priority 7 (1) ESF/ERDF: 8.1, 8.2, 9.3, 9.4
Enhancing the role for the voluntary sector	Ensure that the work of the voluntary sector in employment support and training is clearly understood with a view to promoting awareness	2015	DWP Local authorities Voluntary sector	Jobcentre Plus	ERDF/ESF: 10.3

Priority 3: Realising the potential of young people

Issue 12: Tackling the growth in youth unemployment this includes those Not in Education, Employment or Training and (NEETs)

Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Entry Level and Level 1 learning provision	Education and training providers to review Entry and Level 1 current offer, particularly around transition for school leavers. Review to be used to develop and strengthen capability and capacity to meet likely demand arising from Raising Participation Age (RPA) requirements	2014	Training providers FE Colleges Local authorities Schools	Telford and Wrekin Council	ESF/ERDF: 9.1, 9.2, 9.3, 10.2, 10.3

Traineeships	Develop Traineeship model with appropriate progression routes into apprenticeships	2015	Training providers FE Colleges NAS Local authorities Employers	Training Providers Association	HESDSP Priority 5 ESF/ERDF: 9.1, 9.2, 10.2, 10.3
Supported Internships	Develop supported internship opportunities for young people aged between 16 and 25 who have complex learning difficulties and / or disabilities	2013 / 2014	Training Providers FE Colleges Schools Local Authorities Employers DWP	Training Providers Association	ESF/ERDF: 9.3
Delivery of employability skills	Review and audit scope to develop and implement a Marches employability award/standard for recruits of all ages, to be used by individuals and training providers and funders, drawing on best practice elsewhere	2015	Telford and Wrekin Council Chamber of commerce DWP Training Providers FE Colleges Schools	Shropshire Learning Network	HESDSP Priority 5 SESAP Priority 6 (1-3) ESF/ERDF: 8.1, 8.2, 9.1, 9.2
	Share good practice in the delivery of employability skills through existing networks and specific events	On-going	Marches LEP Local Authorities DWP	Marches LEP	HESDSP Priority 5 SEG Priority 4 (1-2)
	Work with local primary and secondary head teachers to encourage commitment to school-employer links and CPD	2015	Local Authorities Schools Employers	Marches LEP	HESDSP Priority 5 ESF/ERDF: 10.3
	Dependent on funding, establish support model on lines of Future Jobs Fund	As available	Marches LEP Local Authorities	Marches LEP	ESF/ERDF: 8.1
Support for young recruits	Launch a campaign outlining the business benefits of employing young recruits	2015	Training providers NAS Marches LEP Local authorities	Marches LEP	HESDSP Priority 6 ESF/ERDF: 8.7

			Chambers FSB		
	Develop an award to recognise employer best practice in the recruitment and development of young people	2015	Training providers NAS Marches LEP Local authorities Chambers FSB	Marches LEP	ESF/ERDF: 8.7
Issue 13: Increase take up of apprenticeships					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Improve awareness of apprenticeships among SMES	Partners to work with NAS to identify good practice in promoting apprenticeships and increase the number of employers offering apprenticeships	On-going	NAS Local authorities Training providers FE colleges FSB Chambers of Commerce DWP	Training Providers Association NAS	HESDSP Priority 5 SESAP Priority 2 (2-4) SEG Priority 4 (1) MAP GAAP AGSH ESF/ERDF: 10.3
Run apprenticeship awareness campaign targeting parents, schools and teachers	Partners to work with NAS to further promote apprenticeship awareness and make available readily accessible information	On-going	NAS Local authorities Training providers FE colleges Schools DWP	Training Providers Association	SESAP Priority 2 (2,3) AAP Priority 2 MAP

					GAAP AGSH ESF/ERDF: 10.3
Develop common apprenticeship publicity material	Partners to work with NAS to develop local case studies to use in publicity materials	On-going	NAS Local authorities Training providers FE colleges DWP	Training Providers Association	HESDSP Priority 4 AAP Priority 1 MAP GAAP AGSH ESF/ERDF: 10.3
Scope potential for encouraging supply chain model/Agency model	Work with providers, EZ and NAS to explore options for a pilot project to develop new approaches to apprenticeships	2014	NAS Hereford EZ Hereford Local Authority	Herefordshire Council Hereford EZ CEO	MAP GAAP AGSH Hereford EZ Skills Plan ESF/ERDF: 9.3, 10.3
Issue 14: Improve the availability of work experience for young people					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Improve education-business links	Explore levels of interest in establishing Education Business links in those areas where there is no such body. The EB Link to take lead in fostering and maintaining links between schools and employers	2014	Marches LEP Local authorities	Local Authorities	HESDSP Priority 5 ESF/ERDF: 8.7
Promote 'work placement'	Work with FE and HE partners to identify courses where work placements are	2015	FE colleges HE Providers	Training Provider Association	HEDS Aim 2 SESAP

opportunities	required and promoted through existing employer groups and 16-19 study programmes		Training providers		Priority 5 (2) ESF/ERDF: 8.1
Promote graduate employment	Hold discussions with Higher Education institutions in and around the Marches to identify potential to expand their graduate internship programmes into the Marches	2014	Marches LEP HE providers Employers	Local Authorities Marches LEP	HESDSP Priority 4 SESAP Priority 5 (2) ESF/ERDF: 10.3

Priority 4: Developing a shared responsibility for skills through effective partnerships

Issue 15: Address non-skills barriers to training and work

Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Explore potential for improved public transport	LAs to lead work with public transport infrastructure providers to consider potential for delivering services that better meet the travel needs of those looking to access jobs	2014	Local Authorities	<i>Marches Local Transport Body</i>	HEDS Aim 4 ESF/ERDF: 6.4
Consider option of subsidies	Explore funding to offer time-limited transport subsidies to the unemployed, young people and disadvantaged to access work	On-going	Marches LEP Local Authorities	<i>Marches Local Transport Body</i>	
'Wheels to work' type schemes	Build on past success in Shropshire by introducing interest-free loans to help young people buy car or scooter subject to availability of funding	On-going	Marches LEP Local Authorities	<i>Marches Local Transport Body</i>	ESF/ERDF: 6.4

Issue 16: Develop a sense of common ownership between demand and supply sides to tackle skills issues

Project	Action	Timescale	Accountability	Lead	Alignment
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					with local plans
Communications plan	Develop a 'Skills Who's Who?' directory for LEP stakeholders as first step in a communications plan to ensure all stakeholders informed of local responsibilities	2014	Marches LEP	Marches LEP Skills Board	
Skills compact	Create a business and provider Compact/Accord where both sides of skills system formally agree that they share a common interest and responsibility for skills	2014	Local Authorities Schools Training Providers FE HE Business Boards	Marches LEP Skills Board	
Align strategies	Existing Skills Board to act as clearing house for agreeing skills priorities, actions and bids	2013/14	Skills Board Marches LEP	Marches LEP Skills Board	HESDSP Priority 1 SESAP Priority 1
Develop sector groups	Explore potential for engagement with local sector groups for each of LEP key sectors (links to issue 5)	2014	Skills Board Marches LEP	Marches LEP Skills Board	ESF/ERDF: 10.3
Issue 17: Recognise the need to work across LA and LEP boundaries to maximize opportunities					
Project	Action	Timescale	Accountability	Alignment with local plans	Alignment with local plans
Inter LEP co-operation	LEP to organise regular bi-lateral meetings with neighbouring LEPs to explore joint skills priorities and opportunities to collaborate	2014	Skills Board Marches LEP	Marches LEP	
Issue 18: Deliver access to a comprehensive and coherent HE offer					
Project	Action	Timescale	Accountability	Lead	Alignment with local

					plans
HE gateway	Develop Marches HE partnership that enables a gateway to HE – not focused on new build	2015	HE providers Local Authorities	Marches LEP	HESDSP Priority 4 HEDS Aim 3 SESAP Priority 4 (1) ESF/ERDF: 10.2
Issue 19: Joined-up offer of providers to business and individuals					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
HE and FE collaboration	HE, FE colleges, training providers and schools agree to work collaboratively on future funding applications	2013	HE providers FE colleges Training providers Schools	Shropshire Learning Network	
Skills advisory service	Explore the potential for forming an impartial independent skills advisory service that will respond to the needs of inward investors as well as existing businesses (cross ref: issue 7)	2015	Training providers FE colleges HE providers Local authorities Hereford Enterprise Zone DWP	Hereford EZ CEO	Hereford EZ Skills Plan

6. Monitoring and evaluation

This Plan has been developed to provide a strategic framework for the key organisations involved in the delivery of skills & employment services in The Marches. It sets out the agreed priorities which aim to ensure that the skills and competences of the workforce and young people are well aligned to those needed by employers through:

- **Improving employer engagement** with skills development and promoting a targeted support offer, especially to key sectors for the local economy.
- **Improving the skills, competences and aspirations** of the working age population;
- **Improving the educational attainment** and aspirations of young people.

The implementation of the Plan comes at a time when many pressures will be put on partners and employers as a result of current state of the economy. It must also be acknowledged that the current skills and employment scene is complex and there is a broad range of bodies and organisations engaged in shaping national and local policy on the one hand and delivery on the other. Through the delivery of the Plan, The Marches LEP will play a **leadership role** in ensuring that the skills agenda has high priority and will seek to maximise the benefits of local partner initiatives and funding opportunities to achieve a co-ordinated delivery approach at local level.

The successful achievement of this Plan will require the active collaboration of all partners. Reflecting this, the principles of **collaboration, partnership and employer engagement** have been at the heart of the Plan development process, building on extensive research and consultancy with local employers and key stakeholders from the public, private and third sectors.

The Skills Plan has been shaped by the Skills Steering Group, a partnership group consisting of representatives from the public and private sectors. Going forward the Marches Skills Board will have overall responsibility to monitor delivery against the Plan.

The Plan is a living document and will be reviewed on annual basis to manage performance and update the focus in response to new economic challenges. A set of outcomes has been developed which will allow progress to be monitored and make adjustments as necessary. Progress towards individual actions will be reported on quarterly basis through The Marches Skills Board.

The Plan identifies the accountabilities of different partners to take on individual interventions. These may be supported by task and finish groups as necessary. The performance indicators will enable us to assess the extent to which our work is having an impact. These are set out below:

Performance indicator	Baseline	Year and source
Employment		
Employment change year on year	+0.4% (1,012)	2011-12 (APS)
Employment rate	72.7%	March 2012 (APS)
Private sector employment	70.5%	March 2012 (APS)
Rate of self-employment	11.4% (44,000 people)	April 2012 (APS)
Unemployment rate	3.1% (12,117 people)	July 12 (Claimant count)
18-24 unemployment rate	7.6% (3750 people)	July 12 (Claimant count)
18-24 long term unemployment rate (>6 months)	1290	July 12 (Claimant count)
Proportion of unemployed who have been out of work for more than 6 months	41.5% (5020 people)	July 12 (Claimant count)
NEETs (%)	6.8% (1460 people)	
Skills		
% of workforce qualified to Level 4	27.2%	Jan – Dec 2011 (APS)
% of workforce qualified to below Level 2	35.2%	Jan – Dec 2011 (APS)
% of workforce with no qualifications	11.9%	Jan – Dec 2011 (APS)
% of young people attaining 5 GCSEs at A-C including English and Maths	Herefordshire (56.5%) Shropshire (58.5%) Telford and Wrekin (61.0%)	SFR 25/2012 (Results for 2012)
Training and development		
Apprentices 19+	5170 starts	NAS starts January 2012 (relating to 2010/11)
Apprentices 16-18	1650 starts	NAS starts January 2012 (relating to 2010/11)
Number of advanced apprenticeships	2810 starts	NAS starts January 2012 (relating to 2010/11)

7. List of stakeholders and key partners

Organisation	Coverage
Herefordshire Council	Herefordshire
Shropshire Council	Shropshire
Telford and Wrekin Council	Telford and Wrekin
FE Principals Group	The Marches
Herefordshire and Shropshire Training Providers Association	The Marches
Shropshire Secondary Head teachers Group	Shropshire and Telford and Wrekin
Shropshire and T&W Foundation Learning Providers	Shropshire and Telford and Wrekin
National Apprenticeship Service	The Marches
Higher Education institutions	The Marches
Job Centre Plus	The Marches
Hereford Enterprise Zone	Herefordshire
Business Boards	The Marches
Federation of Small Businesses	The Marches
Chambers of Commerce	The Marches

Glossary

Terminology

Hard to fill vacancies	A term used in the UK Employers Skills Survey 2011 to denote vacancies described by employers as being hard to fill. Reasons often include skills-related issues, but can simply involve such aspects as poor pay or conditions of employment, or the employer being based in a remote location.
Skills gaps	A term used in the UK Employer Skills Survey 2011 where at least one employee is not fully proficient in their role.
Skills shortage vacancies	A term used in the UK Employers Skills Survey 2011 to denote those hard to fill vacancies which result from a lack of applicants with the required skills, work experience or qualifications.
LMI	Labour Market Information
NEET	Not in Education, Employment or Training
STEM	Science, Technology, Engineering and Manufacturing.

Documents

AGSH	An Apprenticeship Growth Strategy for Herefordshire 2012-2015
GAAP	Shropshire, Telford and Wrekin: Growing Apprenticeships Action Plan
HEDS	Herefordshire Economic Development Strategy
HESDSP	Herefordshire Employment and Skills Development Strategy Plan
MAP	The Marches Apprenticeship Plan 2013-15
SEG	Shropshire Economic Growth Strategic Action Plan 2013-16
SESAP	Shropshire Employment and Skills Action Plan 2013

Organisations

BIS	The Department for Business, Innovation and Skills
FSB	Federation of Small Businesses
NAS	National Apprenticeship Service



Hereford Enterprise Zone Skills Plan

2013 – 2015

June 2013

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Note at February 2014

For the most recent evidence base and supporting information to the Marches Skills Plan, please refer to the First Annual Review dated October 2013. Link:
http://www.marcheslep.org.uk/document-library/cat_view/10-marches-lep-skills-plan

FOREWORD

As Chairman of the Board of the Hereford Enterprise Zone I am delighted to be able to lend my support to this first Skills Plan for the Zone.

This Plan has been built upon the firm foundations of a comprehensive analysis of both the demand for, and supply of, skills in the local area. Employers, colleges, training providers, business organisations, local authorities and the voluntary sector have all played a significant part in establishing the key issues and in agreeing the way forward.

It is clear that if the Zone is to succeed then it must be able to ensure that companies operating here have access to a good supply of highly skilled and motivated workers who can adapt and respond to the changing demands of a constantly evolving economy. This Skills Plan therefore plays a central role in ensuring that the area is in the best possible position to respond to whatever skills demands those investing in the zone may have.

The Enterprise Zone itself is key to the future prosperity of the City and County, creating jobs and apprenticeships not only in the zone, but throughout Herefordshire and the wider Marches area.

Our vision for the Enterprise Zone is:

- **Not just another Business Park** - The creation of high quality business space and a vibrant, dynamic business community in an attractive historic setting
- **High quality design and environment** - A positive market perspective of Skylon Park as a place to invest, develop and work is heavily influenced by the design and planning of the park both in the attractiveness of the buildings and the high quality, well maintained soft landscape. This achieves the sense of a unified and identifiable place. The business park has been designed into a countryside setting and has allocated pockets of plots as "clearings in the woods" complementing Herefordshire's rural heritage
- **Provider of excellent facilities** - High quality leisure facilities including conferencing, meeting space, cafe and restaurant
- **Increased business profile** - relocating to Skylon Park will give businesses enhanced international profile and favoured treatment from UKTI.
- **Clustering and supply chain boost** - Businesses from the same sector will be encouraged to cluster together for mutual benefit

The Enterprise Zone Board looks forward to working with employers and local partners to deliver on the objectives of this plan and maximising the contribution of skills to the economic growth of the Zone, Herefordshire and the wider Marches area.

Bill Jackson
Chairman
Hereford Enterprise Zone

1. OUR VISION FOR SKILLS

**A GROWING ECONOMY SUPPORTED BY A SKILLED AND FLEXIBLE WORKFORCE WHERE
YOUNG PEOPLE CAN REALISE THEIR POTENTIAL**

The actions proposed in the Plan revolve around four priorities set out below:

Priority 1: Developing the skills required for business growth

The evidence is clear that increasing the level of skills in the workforce is fundamental to economic recovery and long term growth. As the national economy moves to a model characterised by high performing and high value added sectors, this in turn requires more people to be employed in higher level jobs with the skills to match. The Enterprise Zone and the wider Marches are no exception to this structural change and the shifts in the sectoral composition of the economy and the occupational profile demanded by employers will have major implications for the demand for qualifications. The major growth in demand locally will be for **graduates**, while demand for workers with skills below Level 2 will fall significantly and the opportunities for those without qualifications diminish.

Management skills have long been identified as a key driver of productivity and growth, however, the evidence shows that concerns about the adequacy of management skills are an issue for the majority of sectors identified as central to the area's economic future. Employers highlight them as one of their top priorities for improvement. 'Good' managers and leaders, and more specifically, their management skills, are essential to ensuring high performance working and business success, and to enable firms to take advantage of economic opportunities.

Unsurprisingly, in the current economic climate, recruitment difficulties and skill shortages were running at subdued levels. However, there are still pockets of skill shortages, which have the potential to compromise the prospects for growth, especially in the Care and Construction Sectors.

As well as specific skills issues there is evidence pointing to the importance of **generic skills** – which often cross-cut different sectors across the economy. These include 'key skills' such as customer handling, problem solving, team working and communication, but also extend to cover the basic skills of literacy and numeracy too. Gaps in these skills when recruiting and also amongst the existing workforce were more apparent locally than nationally and local employers were more likely to report higher levels of dissatisfaction. These concerns affected the existing workforce but also extended to school leavers.

For many years the main focus of policies relating to skills has been on improving the supply of skills, however, the evidence also points to weaknesses in the demand for training and development amongst small businesses in particular. In most occupational groups, fewer employees in The Marches received training than nationally and generally there is a less structured approach to training amongst local employers. The data indicates that many employers have continued to pursue **low value adding business strategies**, with little or no strategic planning of their skill

needs and workforce development. Whilst this may be perceived to be an appropriate strategy for these firms, in the longer term many of these businesses will have poor survival prospects in the face of intense competition.

Priority 2: Supporting enterprise and access to employment

Employment growth in The Marches has been more volatile than nationally, with the area having grown more strongly than England at the start of the millennium, but then contracted faster between 2005-2010. In contrast to national forecasts of weak growth to 2015, locally there is the prospect of **no growth** at all over the same period. This will have consequences in terms of the demand for workers and skills, as well as for employment opportunities for the employed and the workless. The Hereford Enterprise Zone will have a key role to play in addressing this issue through attracting new inward investment and fostering growth. In addition if the LEP is to prove these forecasts wrong, then action needs to be taken to realise greater productivity and potential among local businesses and encourage the better use of underused skills.

Perhaps one of the most striking features of the employment forecasts is that nine out of ten of the additional jobs likely to be generated locally up to 2020 are likely to go to women. This forecast reflects a decline in sectors of traditionally male employment and a rise in employment in occupations and sectors dominated by women and also assumes that existing patterns of gender bias will continue. The challenge will be how to support both sexes adapt to labour market change, through up-skilling economically inactive women and re-skilling men to take advantage of new opportunities which may arise.

A key feature of the underpinning analysis of skills and employment in The Marches was the recognition of linkages between skills issues and other policy areas. These include links between the skills, economic development and innovation agendas, where better sharing of information on inward investment and planning can enable providers to better develop provision to meet needs. Another linkage which was highlighted as of particular importance was ensuring that the local **transport infrastructure** is improved to better enable local people access jobs and training. This was particularly identified as an issue amongst young people, with their more limited means of transport, which can pose a severe barrier to skills development.

There is also scope to encourage more entrepreneurial spirit and a **culture of enterprise** building on the area's strengths in this respect. There is a need to embed enterprise education within all groups outside the labour market, not just young people but all those who are out of work as well.

Priority 3: Realising the potential of young people

Young people have suffered disproportionately in the current recession and unemployment among those aged 18-24 is above the national average and running at more than twice the rate seen in the wider population. Youth long-term unemployment has also almost doubled in the past two years. The high level of 16-18 year olds not in education, employment or training (NEETs) in some parts of The Marches provides further evidence of a lack of demand for young workers. However, the economic downturn is not the only factor; there has also been

significant structural change in the nature of the youth labour market. To address this, there is a need for a specific **strategic focus on young people** with better and stronger linkages and understanding between the worlds of work and education. At the same time there is a clear case for local businesses to take responsibility for creating more opportunities and progression routes for young people.

The government's flagship programme for young people is the Apprenticeship programme, but whilst there has been growth in adult apprentices there has been little change in the uptake of young apprentices aged 16-18 over the past five years. A clear priority for the LEP and the Enterprise Zone is to address the barriers which prevent employers and young people benefitting from this initiative.

In parts of The Marches, the lack of any higher education institution is believed to adversely impact on young people's aspirations and create a 'brain drain' whereby those who leave to learn do not return to work. Stakeholders were clear that improved access to higher education should be a priority.

Priority 4: Developing a shared responsibility for skills through effective partnerships

The successful implementation of the Skills Plan will depend on close and effective co-operation between key partners. Provider networks with links to the LEP Board will provide clear information and intelligence on local capacity and capabilities and provide co-ordination for funding bids. Through time, effective linkages will help develop a sense of common ownership and responsibility for skills and foster clear accountabilities. It is encouraging to note that in a separate, but linked, development, the main post-16 non-compulsory education providers have taken the initiative to move towards better integrating their approaches to align with the LEP boundaries. Although taking place outside the formal structures of the LEP, this action by core partners provides an important focus for maintaining and developing the learning and training infrastructure of The Marches.

Stakeholders were clear that the LEP should not just be inward looking but that there is also a role for strategic planning **across LEP boundaries** and the development of inter-LEP relationships where there are similar economic clusters. This is especially important in addressing the demand for skills provision in The Marches that is sub-regional (e.g. the i54 development) or national (e.g. the Defence and security industry) rather than local.

Employers involved in the research were concerned about what they perceived as a patchy skills system and expressed concern about a lack of information about the availability of training provision. Understandably, they were keen on the idea of a seamless or aligned system to address inconsistencies of approach. For many, this meant having a one-stop-shop, a diagnostic service from which generalist advisers would signpost employers to specialists in different organisations.

2. POLICY CONTEXT

Enterprise Zones are one the Coalition government's flagship economic policies designed to support economic growth and regeneration across England. The Hereford Enterprise Zone is one of 24 Zones now operating across the country.

The Prime Minister has stated that: "Enterprise zones are a major step towards delivering the best place in the world to start and grow a business - cutting business taxes, easing planning restrictions and giving businesses the tools they need to invest and expand. Enterprise zones will be trailblazers for growth, jobs and prosperity throughout the country"

Enterprise Zones are specially designed to promote growth by offering a number of specific benefits:

Financial benefits: Businesses locating on an Enterprise Zone can claim up to 100% Business Rates relief (worth up to £275,000) over a 5-year period. In some Enterprise Zones there are also sites available where you can claim Enhanced Capital Allowances for investment in plant and machinery. Some Enterprise Zones provide even more benefits, such as lease payment holidays, low-rent incubator units and development funding.

An on-site customer base: Enterprise Zones are encouraging businesses in the same sector to cluster together, for mutual benefit. Major businesses are specifically choosing Enterprise Zones that can provide them with the goods and services they need. By working in clusters it is hoped that businesses in similar sectors can increase their sales and reduce distribution costs.

A straight forward planning process: Enterprise Zones are designed to have a positive attitude to planning through the use of simplified planning procedures – for example, Local Development Orders grant automatic planning permission for specified types of development. By locating on an Enterprise Zone it is hoped that for most businesses they will be able to save time and money.

Business-ready infrastructure: Enterprise Zones are being developed with business in mind – with features like superfast broadband and easy access to motorways, rail, airports or ports being planned in at the design stage. It is also hoped that through clustering similar businesses can make use of a locally based pool of labour with the skills those businesses need.

Some Enterprise Zones have also negotiated '**soft landing**' packages with partners – to encourage new businesses into their area. These packages might include pre-agreed deals with developers, accountants, or estate agents to make it easier for businesses to establish a base there.

3. REVIEW OF THE EVIDENCE ON CHALLENGES AND OPPORTUNITIES

Introduction

The priorities of the Skills Plan and the detailed policies are largely derived from a detailed analysis of the latest available statistical evidence contained in The Marches Skills Evidence Base 2012. While the evidence was collected for the wider Marches as a whole, qualitative interviews with stakeholders suggests that the issues hold true for the Enterprise Zone to.

Times set to remain tough for jobs growth

Recent trends and future projections show that the recession has had a significant impact on The Marches workforce and it is likely that its effects will continue to be felt for much of the life of this plan period. Between 2005 and 2010 total employment in The Marches fell by an estimated 2.7% and no recovery is forecast until after 2015. Even after that date the projections show that growth will not return to the levels recorded at the start of 2000. The prolonged effect of the downturn means that there is a possibility of further redundancies; little growth in entry level opportunities, making it harder to tackle long term unemployment; and continued pressure on employers' training budgets for the foreseeable future.

Rising opportunities for part time work and self-employment, but falls in full time jobs

Longer term trends to 2020 show a decline in the volume and proportion of jobs accounted for by full time work, but an increase in part time work and self-employment. Women are forecast to take up 11,000 of the 12,000 additional jobs to be generated, reflecting the very different fortunes of different industries. Sectors forecast to witness the greatest growth include: construction; support services (including property rental and security); professional services (such as accountancy and solicitors); real estate; arts & entertainment and health & social work. Sectors seen as most likely to contract in terms of employment include: agriculture; engineering; the rest of manufacturing; and public administration & defence. It is clear that some priority sectors¹⁶ in The Marches, such as advanced engineering and defence, look likely to face strong headwinds in the coming years and if they are to buck this trend locally they need to find competitive strategies that allow them to out-perform their national competitors.

Changes in the structure of employment will affect the demand for skills

In addition to changes in the sectoral make-up of The Marches economy, there is also likely to be a continuing shift in the occupational composition of the workforce with fewer people employed in: plant, process & machine operative roles; administration roles; elementary roles and, even, skilled trades. These reductions will, however, be more than offset by expansion in the number of people employed in: professional; associate professional; managerial and caring, leisure and other service occupations which collectively are forecast to generate 22,000 new jobs.

¹⁶ Note: Priority sectors include Tourism, Defence and Security, Advanced Manufacturing, Food and Drink, Environmental technology

Even where the total number of jobs in an individual occupation is forecast to decline it should be noted that there will be a demand for new recruits in order to replace those who leave the occupation. However, overall, the forecasts show a continuing trend of employment moving up the occupational hierarchy with increasing numbers of higher level staff required over the medium to long-run.

Higher skills levels will be in increasing demand

The skills impact of the changing pattern of employment in The Marches is that between 2010 – 2020 businesses will require 9% more workers qualified to degree level in order to successfully meet the demands of the economy. At the other end of the spectrum, the volume of jobs where workers do not need any qualifications is forecast to fall from 11% to just 7% by 2020. This would suggest that, unless action is taken to reduce the current volume of workers with no qualifications, around 4% of the entire LEP workforce would be unable to gain employment even if the economy recovers and jobs become more readily available.

Demographic change will affect the age structure of the workforce

The Marches' working age population, i.e. its potential workforce, is estimated to be around **392,900 people**. Although the population is forecast to grow to 2020, this will be driven largely by increases in the elderly. The proportion of the working age population is expected to decline marginally over the coming years.

73% of the working age population (280,000 people) are in employment in The Marches, well above the national average of 70%. Part-time work is more common locally than nationally and the flexibility offered by part-time work and its prevalence is likely to be a key factor in the relatively high employment rates of the LEP area.

The structure of the workforce

Although The Marches has one of the greatest concentrations of manufacturing employment in the country, in fact, **service sector** jobs predominate and 1 in 2 workers are employed in just two sectors – Public administration, education and health and Distribution, hotels and restaurants. Manufacturing accounts for the third largest proportion of jobs (14%) – compared with the national average (10%). Although only accounting for 3% of employment, the relative strength of The Marches agricultural base is evident from the statistics.

Within the workforce the most common jobs are professional occupations, skilled trades and elementary occupations. The Marches has significantly fewer professional and associate professional jobs, which between them account for 28% of all jobs compared with 34% of jobs in England. At the other end of the spectrum, the area has a higher proportion of lower skilled jobs – process, plant and machine operatives and elementary staff, which account for more than one-in-five local jobs.

There is a need for workforce upskilling

Latest data shows that, in The Marches, 49% of its working age population is qualified to Level 3 and above, compared with 52% in England. At the other end of the scale more than one-in-three of the workforce are qualified to below Level 2 ; a figure which includes 12% who possess no qualifications.

Strengths in entrepreneurship generate high levels of self-employment

In The Marches, self-employment makes up 11.4% of the working age population in the area, equivalent to 44,000 people. Almost 7 out of 10 self-employed people in the area are male (69%); this is in line with the national position. This relatively high rate of self-employment gives The Marches one of the highest proportions of self-employed people of any LEP areas.

Although unemployment has risen, it remains below average rates

Trends in unemployment over the past 20 years show that following a lengthy period of falling unemployment from 1998, there was a sharp reversal of this pattern in 2008/09 when unemployment rose sharply following the financial crash. In The Marches this resulted in a doubling of the unemployment rate from a low of 1.6% in 2008 to 3.2% in July 2009, somewhat below the national rise to 3.9%, but a sharp rise nevertheless. The rate subsequently reduced through to 2010 but has since risen again to stand at 3.1% in The Marches (12,117 people) compared with 3.8% in England. In common with the national pattern, men have been more adversely affected by unemployment, and although low in historic terms, unemployment rates for men from 2009 onwards have been at their highest for 16 years. Analysis by age shows that almost one-in-three unemployed people in The Marches are aged between 16-24, 2.7% higher than nationally.

Training and development

In the last 12 months 58% of establishments in The Marches had provided training for one or more of their employees, an identical proportion to the national figure. In total, employers have delivered training to 146,664 employees in The Marches, equivalent to around 5.5 people per employer.

It is encouraging to note that all the industries identified as priority sectors are more likely to train than average. In particular, amongst Advanced Manufacturing and Defence and Security industries there is a strong emphasis on off-the-job training and the LEP will wish to ensure that these key employers can access appropriate training locally.

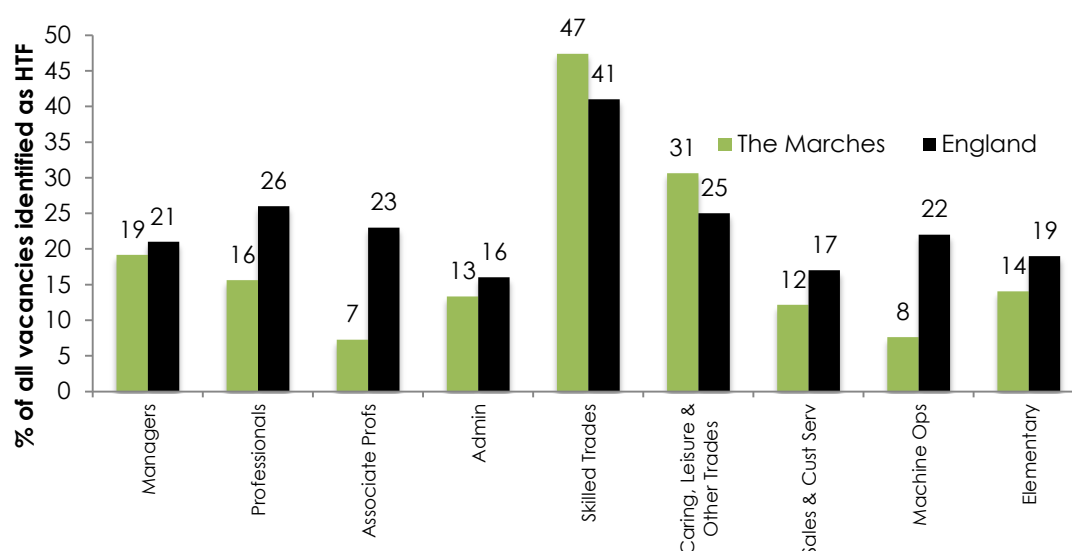
Generally, employers in The Marches train lower proportions of their staff in most occupations with the exception of associate professionals and elementary staff. It is also evident that employers in The Marches are less likely to provide management and supervisory training than average and only 38% of managers receive training compared with 45% in the UK.

Recruitment and skills shortages are running at low levels but some occupations hard to recruit

Across the area as a whole recruitment levels are low with just 8% of firms having a current vacancy compared with 12% in England. This would indicate a rather static labour market with little churn providing few opportunities for new entrants or returners to the labour market.

In addition to a low overall level of recruitment, The Marches area also has a lower than average level of companies reporting difficulties in recruiting new employees. Just 3% of all businesses reported the existence of hard-to-fill vacancies in 2011 which was one percentage point lower than the figure seen across England. Recruitment difficulties are most likely to affect employers seeking to recruit skilled trades or care, leisure and other trades. As can be seen, almost half those looking for skilled trades staff were finding vacancies difficult to fill.

Percentage of vacancies identified as hard-to-fill by occupational group



Base: All organisations with vacancies. Source: Employer Skills Survey 2011

The main causes of hard-to-fill vacancies identified by employers were a lack of relevant work experience and a low number of applicants with required skills, both of which were identified by a quarter of all respondents. It should also be noted that the proportion of employers identifying skills deficiencies was substantially lower in The Marches than across England as a whole. Skills issues per se in the external labour market therefore seem to be less of a barrier to economic growth than is the case nationally.

However, non-skills related causes for hard-to-fill vacancies were important with one-in-five employers citing a lack of people interested in doing the type of work as a cause of difficulties. A remote location and poor public transport provision in the area was also identified as a factor by 17% of all employers. This was more than double the proportion of employers which identified it as a cause of recruitment difficulties nationally and reflects a specific barrier impacting upon The Marches local economy. Shift work and unsociable hours also featured more highly amongst the causes of recruitment difficulties affecting The Marches than was the case across the country.

Skills shortages at low levels

Only one percent of employers considered they were facing skills shortages and in both The Marches and England the top two skills shortages were identified as job-specific skills and technical or practical skills related to the type of role. Employers in The Marches area did, however, highlight a higher degree of dissatisfaction with applicants' skills in relation to: problem solving; literacy; team working and numeracy skills. The significantly higher degree of dissatisfaction with the core basic skills of literacy and numeracy amongst applicants should perhaps be of particular concern as much previous research has demonstrated that these skills are vital pre-requisites in the acquisition of other skills.

It was also clear that there was a continuing need to see improvements in applicants "softer" skills, such as team working, customer handling and problem solving, which were cited as shortages by between one-third and two-fifths of all respondents.

Skills gaps amongst current employees

The Marches LEP area has a total of approximately 4,300 employers facing skills gaps, i.e. where at least one employee not fully proficient in their current role. This equates to around one-in seven (15%) of all employers and 5.5% of all employees. Gaps were not evenly distributed and were highest amongst elementary occupations (9.7%); caring, leisure and other service roles (7%); admin & clerical (5.9%) and managers (5.4%). By industry, three key sectors, Defence & Security, Advanced Manufacturing and Tourism, exhibited higher than average levels of skills gaps. Across all six priority sectors job specific/technical and practical skills were either the first or second most frequently identified as being in need of improvement. In these priority sectors there was a general agreement on the need to improve the skills of employees to work effectively together in teams. Management skills were also highlighted by four of the six key sectors as an area where competence needed to be improved.

Young people

Young people who are not in education, employment or training are referred to as NEET, and nationally, NEET rates have been amongst the highest for a decade. In The Marches, an estimated 1,460 young people aged between 16 and 18 are classed as NEET, equivalent to 6.8% of the cohort, compared with 8.1% nationally. Many more young people have unknown destinations so it is likely that the figure may well be higher. Currently, Telford and Wrekin and Herefordshire have the first and second highest proportions of NEETs in the West Midlands with Telford and Wrekin's figure placing it among the top 20 in country.

A further 3,750 young people aged 18-24 are unemployed in The Marches and at 7.6% the youth unemployment rate is above the England rate of 7.3%. In July 2012, 1290 people aged 18-24, have been looking for work for more than 6 months, a rise of 530 people in one year.

Attainment at Levels 2 and 3 among young people is good and the uptake of STEM qualifications is broadly in line with the national picture.

Young people well prepared for work but there are some concerns over lack of work experience

Findings from the Employers Skills Survey 2011 suggest that most employers in The Marches consider that young people are, generally, well prepared for work. The one significant difference between the data for The Marches and England was in relation to 17/18 FE leavers where only 16% of employers from the local area rated young people as “poorly” or “very poorly prepared” as compared with 24% nationally, suggesting local colleges may be doing a better job of preparing young people. Even so, it is of some concern that approximately one-third of all employers of school leavers (at age 16 and 17/18) believe young people to be either “poorly prepared” or “very poorly prepared” for the demands of the workplace. A lack of work/life experience was identified as being one of the main reasons for that assessment.

Apprenticeships

Locally, statistics from the National Apprenticeship Service show that the numbers starting apprenticeships have been rising swiftly since 2005/06. This increase has largely been driven by *adult* apprenticeships which have increased dramatically, whereas apprenticeships among 16-18 year olds in The Marches have increased slowly, at an average rate of 22 extra young people per year. As a consequence, the proportion of apprenticeships accounted for by the under 19s has reduced through time and has fallen from 37% three years ago to 24% in 2010/11.

Currently, most of the apprenticeships starts (58%) in The Marches are at Level 2 with just over 4 out of 10 accounted for by Advanced apprenticeships (Level 3). Nevertheless, numbers of Advanced apprenticeships have been rising fast and have risen as a proportion of the total from 21% in 2005/06 to 41% in the past year.

Whilst this Skills Plan contains strategic policy actions around apprenticeships, more detailed actions are given separately in the Marches Apprenticeship Plan 2013-2015.

4. THE ACTION PLAN

The following are a sub-set of the comprehensive actions detailed in from The Marches LEP Skills Plan. They represent those specific actions where the Enterprise Zone has either a defined role in delivering the action or a specific interest in the achievement of the action by others.

Priority 1: Delivering the skills required for business growth					
Issue 1: Continue the shift towards a higher qualified workforce					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans and ESF / ERDF Priorities (See references below* ¹⁷)
Promote progression from Level 2 to 3 as basis for further progression	Review provision to ensure that there are progression routes, particularly in relation to vocational learning from Level 2 to Level 3 as the basis for further progression to Level 4. Develop pilot approach in one authority area to share best practice	2015	Local Authorities Training providers FE Colleges Schools	Shropshire Learning Network	HEDS Aim 3 ESF/ERDF 10.2, 10.3
Advanced apprenticeships	Promote the uptake of advanced apprenticeships by building on and sharing best practice	2014	National Apprenticeship Service (NAS) Training providers FE Colleges Schools	Training Providers Association	MAP GAAP AGSH ESF/ERDF: 10.2, 10.3

¹⁷ Herefordshire Economic Development Strategy (**HEDS**); Herefordshire Employment and Skills Development Strategy Plan (**HESDSP**) Shropshire Employment and Skills Action Plan (**SESAP**); Shropshire Economic Growth Strategic Action Plan (**SEG**); The Marches Apprenticeship Plan 2013-15 (**MAP**); Shropshire, Telford and Wrekin: Growing Apprenticeships Action Plan (**GAAP**); An Apprenticeship Growth Strategy for Herefordshire 2012-2015 (**AGSH**) European Social Fund / European Regional Development Fund (**ESF/ERDF**)

			Employers		
Issue 3: Tackle low take-up of training in certain areas and refocus on productivity increasing workforce development					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Keeping employers informed about local education and training course provision	Explore potential for the Marches LEP to develop a web-based course search tool so that employers can see the range of provision available	2015	Training providers FE Colleges Schools HE providers NAS DWP Marches LEP	Marches LEP	ESF/ERDF: 3, 8.7, 8.5
Issue 4: Address management and leadership skills deficiencies					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Promote management and leadership training development	Stimulate demand for management and leadership training through development of case studies of benefits and promotion of local courses	2015	Marches LEP Training Providers FE Colleges HE providers Chambers FSB	Shropshire Learning Network FSB	ESF/ERDF: 10.2, 10.3
Promote sector specific training	Link with the National Skills Academies operating in LEP priority sectors to offer sector specific management training	On-going	Marches LEP Hereford EZ Business Boards Training Providers FE Colleges HE Providers	Shropshire Learning Network FSB	
Issue 5: Tackle known skills shortages and gaps					
Project	Action	Timescale	Accountability	Lead	Alignment

					with local plans
Sector groups	Explore the feasibility of developing employer-led sector skills forums for each of LEP priority sectors to identify action needed to align skills provision to employer needs	2014	Marches LEP Business Boards	Marches LEP	SESAP Priority 3 (3) SEG Priority 3
Priority 2: Supporting enterprise and access to jobs					
Issue 7: Supporting the creation of new jobs					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Providing seamless support	Develop a one stop shop for companies and potential inward investors to signpost to appropriate training provision. Pilot in Hereford Enterprise Zone	2015	Hereford EZ	Hereford EZ CEO	Hereford EZ Skills Plan 2013 HEDS Aim 3 ESF/ERDF: 3, 8.7, 8.5
Access funding opportunities	Ensure awareness of relevant funding opportunities and bidding is shared across The Marches. Seek to exploit opportunities which align with the Skills Plan objectives	On-going	Marches LEP	Marches LEP	SESAP Priority 1 (2)
Issue 9: Support all to consider and access potential for enterprise					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Review availability of enterprise taster sessions	Conduct map and gap exercise on enterprise learning via existing FE/school groups. Share best practice across The	2014	Training Providers FE Colleges Schools forums	Young Enterprise	HEDS Aim 2 ESF/ERDF: 8.3

	Marches		Local Authorities		
Promote enterprise among young people	Work with key employers to develop a 'real world' Enterprise Challenge competition. Competition to be tailored from Key Stage 2 upwards	2013	Marches LEP Business Boards Chambers FSB Employers Primary and Secondary schools FE Colleges HE Providers Training Providers Enterprise Support e.g. Young Enterprise	Young Enterprise	SESAP Priority 5 (3) ESF/ERDF: 8.2, 8.3
Improve access to incubator provision	Raise awareness of access to/marketing/letting arrangements of enterprise incubator provision for young people and those out of work	2014	Local authorities DWP FE Colleges Training Providers Schools HE Providers	Start Up Britain Herefordshire Council - Economic Development	SESAP Priority 5 (3) ESF/ERDF: 8.2, 8.3
Deliver skills for self-employment	Review availability of existing provision of self-employment skills. Develop and deliver programmes of learning for self-employment to address gaps in provision	2014/15	Training providers FE providers HE providers Local authorities DWP	Herefordshire Council - Economic Development	SESAP Priority 5 (3) ESF/ERDF: 8.2, 8.3
Issue 10: Better linking of economic development opportunities and the skills system					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Improved linkages with economic	Further develop information sharing between local authorities/EZ and training	2014/15	Hereford EZ Local authorities	Hereford EZ CEO Business Boards	Hereford EZ Skills Plan

development	providers, schools and FE colleges of potential inward investors and major initiatives. Monitor progress of proposed Construction Skills Academy in Hereford to explore options in rest of the Marches		DWP NAS		ESF/ERDF: 8.1, 8.7, 9.1
Priority 3: Realising the potential of young people					
Issue 12: Tackling the growth in youth unemployment this includes those Not in Education, Employment or Training and (NEETs)					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Traineeships	Develop Traineeship model with appropriate progression routes into apprenticeships	2015	Training providers FE Colleges NAS Local authorities Employers	Training Providers Association	HESDSP Priority 5 ESF/ERDF: 9.1, 9.2, 10.2, 10.3
Support for young recruits	Launch a campaign outlining the business benefits of employing young recruits	2015	Training providers NAS Marches LEP Local authorities Chambers FSB	Marches LEP	HESDSP Priority 6 ESF/ERDF: 8.7
	Develop an award to recognise employer best practice in the recruitment and development of young people	2015	Training providers NAS Marches LEP Local authorities Chambers FSB	Marches LEP	ESF/ERDF: 8.7

Issue 13: Increase take up of apprenticeships					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Improve awareness of apprenticeships among SMES	Partners to work with NAS to identify good practice in promoting apprenticeships and increase the number of employers offering apprenticeships	On-going	NAS Local authorities Training providers FE colleges FSB Chambers of Commerce DWP	Training Providers Association NAS	HESDSP Priority 5 SESAP Priority 2 (2-4) SEG Priority 4 (1) MAP GAAP AGSH ESF/ERDF: 10.3
Run apprenticeship awareness campaign targeting parents, schools and teachers	Partners to work with NAS to further promote apprenticeship awareness and make available readily accessible information	On-going	NAS Local authorities Training providers FE colleges Schools DWP	Training Providers Association	SESAP Priority 2 (2,3) AAP Priority 2 MAP GAAP AGSH ESF/ERDF: 10.3
Scope potential for encouraging supply chain model/Agency model	Work with providers, EZ and NAS to explore options for a pilot project to develop new approaches to apprenticeships	2014	NAS Hereford EZ Hereford Local Authority	Herefordshire Council	MAP GAAP AGSH Hereford EZ Skills Plan ESF/ERDF:

					9.3, 10.3
Issue 14: Improve the availability of work experience for young people					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Improve education-business links	Explore levels of interest in establishing Education Business links in those areas where there is no such body. The EB Link to take lead in fostering and maintaining links between schools and employers	2014	Marches LEP Local authorities	Local Authorities	HESDSP Priority 5 ESF/ERDF: 8.7
Promote 'sandwich' placement opportunities	Work with FE and HE partners to identify courses where industrial work placements are required and promoted through existing employer groups.	2015	FE providers HE Providers	Training Providers Association	HEDS Aim 2 SESAP Priority 5 (2)
Promote graduate employment	Hold discussions with Higher Education institutions in and around the Marches to identify potential to expand their graduate internship programmes into the Marches	2014	Marches LEP HE providers Employers	Local Authorities Marches LEP	HESDSP Priority 4 SESAP Priority 5 (2) ESF/ERDF: 10.3
Priority 4: Developing a shared responsibility for skills through effective partnerships					
Issue 15: Address non-skills barriers to training and work					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Explore potential for improved public	LAs to lead work with public transport infrastructure providers to consider	2014	Local Authorities	Marches LEP Transport Group	HEDS Aim 4 ESF/ERDF:

transport	potential for delivering services that better meet the travel needs of those looking to access jobs				6.4
Issue 16: Develop a sense of common ownership between demand and supply sides to tackle skills issues					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Communications plan	Develop a 'Skills Who's Who?' directory for LEP stakeholders as first step in a communications plan to ensure all stakeholders informed of local responsibilities	2014	Marches LEP	Marches LEP	
Skills compact	Create a business and provider Compact/Accord where both sides of skills system formally agree that they share a common interest and responsibility for skills	2014	Local Authorities Schools Training Providers FE HE Business Boards	Marches LEP	
Align strategies	Existing Skills Board to act as clearing house for agreeing skills priorities, actions and bids	2013/14	Skills Board Marches LEP	Marches LEP	HESDSP Priority 1 SESAP Priority 1
Develop sector groups	Explore potential for engagement with local sector groups for each of LEP key sectors (links to issue 5)	2014	Skills Board Marches LEP	Marches LEP	ESF/ERDF: 10.3
Issue 17: Recognise the need to work across LA and LEP boundaries to maximize opportunities					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
Inter LEP and EZ co-operation	LEP to organise regular bi-lateral meetings with neighbouring LEPs and EZs to explore	2014	Skills Board, Marches LEP	Marches LEP	

	joint skills priorities and opportunities to collaborate		Enterprise Zone		
Issue 18: Deliver access to a comprehensive and coherent HE offer					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
HE gateway	Develop Marches HE partnership that enables a gateway to HE – not focused on new build	2015	HE providers Local Authorities	Marches LEP	HESDSP Priority 4 HEDS Aim 3 SESAP Priority 4 (1) ESF/ERDF: 10.2
Issue 19: Joined-up offer of providers to business and individuals					
Project	Action	Timescale	Accountability	Lead	Alignment with local plans
HE and FE collaboration	HE, FE colleges, training providers and schools agree to work collaboratively on future funding applications	2013	HE providers FE colleges Training providers Schools	Marches LEP	
Skills advisory service	Explore the potential for forming an impartial independent skills advisory service that will respond to the needs of inward investors as well as existing businesses (cross ref: issue 7)	2015	Training providers FE colleges HE providers Local authorities Hereford Enterprise Zone DWP	Hereford EZ CEO	Hereford EZ Skills Plan

5. Monitoring and Evaluation

This Plan has been developed to assist the Enterprise Zone to gain the focused support of the range of key organisations involved in the delivery of skills & employment services in the area. It sets out the agreed priorities which aim to ensure that the skills and competences of the workforce are well aligned to those needed by employers likely to operate from the Zone, as well as those companies in the local supply chain.

The implementation of the Plan comes at a time when many pressures will be put on partners and employers as a result of current state of the economy. It must also be acknowledged that the current skills and employment scene is complex and there is a broad range of bodies and organisations engaged in shaping national and local policy on the one hand and delivery on the other. Through the delivery of the Plan, The Enterprise Zone in partnership with the LEP will play a **leadership role** in ensuring that the skills agenda has high priority and will seek to maximise the benefits of local partner initiatives and funding opportunities to achieve a co-ordinated delivery approach at local level.

The successful achievement of this Plan will require the active collaboration of all partners. Reflecting this, the principles of **collaboration, partnership and employer engagement** have been at the heart of the Plan development process, building on extensive research and consultancy with local employers and key stakeholders from the public, private and third sectors.

The Plan is a living document and will be reviewed on annual basis to manage performance and update the focus in response to new economic challenges. A set of outcomes has been developed which will allow progress to be monitored and make adjustments as necessary.

The Plan identifies the accountabilities of different partners to take on individual interventions. The performance indicators will enable the Enterprise Zone to assess how successful they are in translating the potential of the Zone into real economic benefits. These are set out below:

Performance indicator	Baseline	Year and source
Employment		
Employment change year on year	+0.4% (1,012)	2011-12 (APS)
Employment rate	72.7%	March 2012 (APS)
Private sector employment	70.5%	March 2012 (APS)
Rate of self-employment	11.4% (44,000 people)	April 2012 (APS)
Unemployment rate	3.1% (12,117 people)	July 12 (Claimant count)
Skills		
% of workforce qualified to Level 4	27.2%	Jan – Dec 2011 (APS)
% of workforce qualified to below Level 2	35.2%	Jan – Dec 2011 (APS)
% of workforce with no qualifications	11.9%	Jan – Dec 2011 (APS)
Training and development		
Apprentices 19+	5170 starts	NAS starts January 2012 (relating to 2010/11)
Apprentices 16-18	1650 starts	NAS starts January 2012 (relating to 2010/11)
Number of advanced apprenticeships	2810	NAS starts January 2012 (relating to 2010/11)

6. List of stakeholders and key partners

Organisation	Coverage
Herefordshire Council	Herefordshire
Shropshire Council	Shropshire
Telford and Wrekin Council	Telford and Wrekin
FE Principals Group	The Marches
Herefordshire and Shropshire Training Providers Association	The Marches
Shropshire Secondary Headteachers Group	Shropshire and Telford and Wrekin
Shropshire and T&W Foundation Learning Providers	Shropshire and Telford and Wrekin
National Apprenticeship Service	The Marches
University of Wolverhampton	The Marches
Harper Adams University	The Marches
Job Centre Plus	The Marches
Hereford Enterprise Zone	Herefordshire
Business Boards	The Marches
Federation of Small Businesses	The Marches
Chambers of Commerce	The Marches

Glossary

AGSH	An Apprenticeship Growth Strategy for Herefordshire 2012-2015
BIS	The Department for Business, Innovation and Skills
FSB	Federation of Small Businesses
GAAP	Shropshire, Telford and Wrekin: Growing Apprenticeships Action Plan
Hard to fill vacancies	A term used in the UK Employers Skills Survey 2011 to denote vacancies described by employers as being hard to fill. Reasons often include skills-related issues, but can simply involve such aspects as poor pay or conditions of employment, or the employer being based in a remote location.
HEDS	Herefordshire Economic Development Strategy
HESDSP	Herefordshire Employment and Skills Development Strategy Plan
LEP	Local Enterprise Partnership
LMI	Labour Market Information
MAP	The Marches Apprenticeship Plan 2013-15
NAS	National Apprenticeship Service
NEET	Not in Education, Employment or Training
SEG	Shropshire Economic Growth Strategic Action Plan 2013-16
SESAP	Shropshire Employment and Skills Action Plan 2013
Skills gaps	A term used in the UK Employer Skills Survey 2011 where at least one employee is not fully proficient in their role.
Skills shortage vacancies	A term used in the UK Employers Skills Survey 2011 to denote those hard to fill vacancies which result from a lack of applicants with the required skills, work experience or qualifications.
STEM	Science, Technology, Engineering and Manufacturing.

Marches Apprenticeship Plan

2013 – 2015

February 2014

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Note at February 2014

For the most recent evidence base and supporting information to the Marches Skills Plan, please refer to the First Annual Review dated October 2013. Link: http://www.marcheslep.org.uk/document-library/cat_view/10-marches-lep-skills-plan

FOREWORD

This Apprenticeship Plan sets out a series of key strategic priorities and interventions to increase Apprenticeship participation within the Marches Local Enterprise Areas.

The Plan has been overseen by the Marches Skills Board and is part of a suite of plans including:

- Marches Growth Plan
- Marches Skills Plan
- Marches Enterprise Zone Skills Plan
- Herefordshire, Shropshire and Telford and Wrekin Training Provider Association Apprenticeship growth plans

There is no doubt that these are challenging times, but we need to prepare for renewed growth and invest in The Marches' skills base via Apprenticeships so that employers and individuals can take advantage of the upturn in the years ahead.

Together, we aim to create an efficient and effective infrastructure to support skills development and employment in The Marches which in turn will provide clear strategic leadership and direction.

To do this, we propose a range of integrated activities that will effectively communicate and promote what is available to employers, the workforce and potential workforce via the Apprenticeship programme

This Plan sets out how we will achieve these goals.

Professor Ian Oakes

Deputy Vice-Chancellor, University of Wolverhampton
Chair of The Marches Skills Board

1. INTRODUCTION

The challenges we face

The Marches LEP has a central role in ensuring that the skills agenda has a high priority amongst local businesses and stakeholders.

The Marches Strategy for Growth 2013-2022 sets out its strategic priorities up to 2022 including

SKILLS ENHANCEMENT: We will support employers to develop themselves and their workforce and to provide employment opportunities for young people

These are challenging times and the Plan's proposed actions must be set against a backdrop of the deepest recession the country has faced for eighty years.

Employers and partners face real financial pressures and with the economy facing the challenge of recovering from prolonged recession and returning to renewed economic growth, it is ever more important that the Marches LEP leads the way in championing Apprenticeships to enable and support local businesses maximise their potential for growth.

The Marches Skills Plan sets out a number of priorities including:

Priority 3: Realising the potential of young people

Young people have suffered disproportionately in the current recession and unemployment among those aged 18-24 is above the national average and running at more than twice the rate seen in the wider population. Youth long term unemployment has also almost doubled in the past two years. In Telford and Wrekin and Herefordshire the high level of 16-18 year olds not in education, employment or training (NEETs) provides further evidence of a lack of demand for young workers.

The economic downturn however is not the only factor; there has also been significant structural change in the nature of the youth labour market. To address this, there is a need for a specific **strategic focus on young people** with better and stronger linkages and understanding between the worlds of work and education. At the same time there is a clear case for local businesses to take responsibility for creating more opportunities and progression routes for young people.

2. OUR VISION FOR APPRENTICESHIPS

High Quality Apprenticeships which support business growth and give young people and adults the skills they need to succeed at work

The Government's flagship programme for young people is the Apprenticeship programme, but whilst there has been growth in adult apprentices there has been little change in the uptake of young apprentices aged 16-18 over the past five years.

A clear priority for the LEP is to address the barriers which prevent employers and young people benefitting from this initiative.

The actions proposed in the Apprenticeship Plan revolve around two strategic priorities set out below:

Priority 1: Raising employer demand for and investment in Apprenticeships

Priority 2: Increasing the number of learners who are commencing and participating in an Apprenticeship programme including the progression of Apprentices to higher levels

3. POLICY CONTEXT

The skills and Apprenticeship agenda has long been a national priority for consecutive governments and this has remained the case under the current administration. Policies reflect a widespread recognition that the UK is lacking the skills to compete in an increasingly globalised market.

National Policy

The National Apprenticeship Service (NAS) state that the transformation in Apprenticeships in this country over recent years has been remarkable. NAS consider it to be an exciting time for Apprenticeships as the Government continues to invest heavily in Apprenticeships at a time when public finances are very tight.

NAS business priorities are to:

- Increase the number of new employers employing apprentices
- Increase the number of young people starting an Apprenticeship
- Provide high quality Apprenticeships
- Provide more advanced and higher level Apprenticeships
- Broaden access to the Apprenticeship programme

A recent letter from the Education Funding Agency in March 2013¹⁸ to institutions delivering 16-19 education and training highlights a total planned budget for participation in Apprenticeships of £7,430m in 2013-14.

Legislation of specific relevance to this Plan is:

- **The Education Act 2011**¹⁹ which makes provision for increasing the participation age for young people to 17 in 2013 and 18 in 2015; changes to the delivery of careers guidance in schools, allowing for greater flexibilities and freedoms and increase in college freedoms and changes to skills entitlements.

At the time version 1.0 of the Marches Skills Plan was written, the government had yet to respond to the **Richard's Review of Apprenticeships**²⁰, but the Review gave a clear indication of the likely future direction of travel. This plan will be amended accordingly to reflect the outcomes and developments resulting from the Review over time.

In this independent report Doug Richard called on the Government to improve the quality of apprenticeships and make them more focused on the needs of employers.

He proposed a three-point plan that involves employers designing and developing apprenticeships in line with quality standards defined by the Government, which would be part-funded by the Government through tax incentives (rather than via Government grants, as is the case now) and only to those employers who can show that their training meets the widest needs of apprentices for career progression in and beyond the company. All apprentices will be expected to reach a good level in English and Maths before they can complete their apprenticeship.

The term 'apprenticeship' should be reserved only for new jobs requiring sustained and substantial training. Everything else should be seen as separate work-based programmes, including the large number of level-2 (GCSE-equivalent) and pre-apprenticeship vocational schemes, which currently also attract Government funding.

The Government "Implementation Plan"²¹ was published in October 2013 in response to the Richards consultation and sets out policy, process and timescales for reforming apprenticeships in England.

¹⁸ EFA letter to institutions delivering 16-19 education and training,
<http://media.education.gov.uk/assets/files/pdf/m/pm%20letter%20dated%20march%2013%20funding%20ref%20orms.pdf>

¹⁹ HMSO (2011) 'The Education Act 2011' London, The Stationery Office

²⁰ Richard, D. (2012) 'The Richard Review of Apprenticeships' London, School for Start Ups
<http://www.schoolforstartups.co.uk/richard-review/richard-review-full.pdf>

²¹ Future of apprenticeships in England: implementation plan BIS/13/1175
<https://www.gov.uk/government/consultations/future-of-apprenticeships-in-england-richard-review-next-steps>

Government reforms will ensure that apprenticeships become more rigorous and more responsive to the needs of employers. The aim is to improve the quality of apprenticeships through introducing:

- higher expectations on English and maths
- grading, e.g. pass, merit and distinction
- an increased emphasis on assessment at the end of an apprenticeship

'Trailblazers' will lead the way in implementing these new apprenticeships. The Government has announced the first 8 Trailblazers in the 'Implementation Plan'. The 'Guidance for Trailblazers'²² sets out the next steps for this work.

Local Policy

The LEP cannot deliver its Marches Action Plan alone. Through its strategic leadership role however it will look to the actions of all partners to contribute to the Plan's successful implementation.

There are already many interventions and activities being undertaken by partners and others that promote the aims of the Apprenticeship Plan. One of the roles of the Apprenticeship Plan is to inform and align these in the most effective way to ensure that the benefits to local businesses are maximised and that local Apprenticeship initiatives take place within this wider Marches context.

The Plan highlights and references existing local policies to identify Marches-wide issues which align with local priorities.

4. THE MARCHES: CHALLENGES AND OPPORTUNITIES for APPRENTICESHIPS

Introduction

Apprenticeships

Locally, statistics from the National Apprenticeship Service show that the numbers starting Apprenticeships have been rising swiftly since 2005/06. This increase has largely been driven by *adult* Apprenticeships which have increased dramatically. Apprenticeships among 16-18 year olds in The Marches however have increased slowly, at an average rate of 22 young people per year. As a consequence, the proportion of Apprenticeships accounted for by the under 19s has reduced through time and has fallen from 37% three years ago to 24% in 2010/11:

Currently, most of the Apprenticeship starts (58%) in The Marches are at Level 2 with just over 4 out of 10 accounted for by Advanced apprenticeships (Level 3).

²² Future of apprenticeships in England: guidance for trailblazers BIS/13/P194
<https://www.gov.uk/government/consultations/future-of-apprenticeships-in-england-richard-review-next-steps>

Nevertheless, numbers of Advanced apprenticeships have been rising fast and have risen as a proportion of the total from 21% in 2005/06 to 41% in the past year.

Current levels of Apprenticeship participation

16-18 Apps	2009/10	2010/11	2011/12	2 Year Perf.	1 Year Perf.
LA	Period 15	Period 15	Period 15	09/10-11/12	10/11-11/12
Herefordshire	474	444	518	9.3%	16.7%
Shropshire	728	725	774	6.3%	6.8%
Telford and Wrekin	424	481	454	7.1%	-5.6%

Data source: NAS 16-18 Apprenticeship starts

Young people

Young people who are not in learning, work or training are classified as not in education, employment or training (NEET), and nationally, NEET rates have been amongst the highest for a decade. In The Marches, an estimated 1,460 young people aged between 16 and 18 are classed as NEET, equivalent to 6.8% of the cohort, compared with 8.1% nationally. Many more young people have unknown destinations so it is likely that the figure may well be higher.

A further 3,750 young people aged 18-24 are unemployed in The Marches and at 7.6% the youth unemployment rate is above the England rate of 7.3%. In July 2012, 1,290 people aged 18-24; have been looking for work for more than 6 months, a rise of 530 people in one year.

Although unemployment has risen it remains below average rates

Trends in unemployment over the past 20 years show that following a lengthy period of falling unemployment from 1998, there was a sharp reversal of this pattern in 2008/09 when unemployment rose sharply following the financial crash. The rate subsequently reduced through to 2010 but has since risen again to stand at 3.1% in The Marches (12,117 people) compared with 3.8% in England.

Analysis by age shows that almost 1 in 3 unemployed people in The Marches are aged between 16-24; 2.7% higher than nationally.

The Apprenticeship Plan recognises the key economic growth sectors for the Marches LEP area. It also provides linkage and coherence with other local plans, with a focus on increasing employer engagement and increasing the range of Apprenticeships available. The plan also takes into account the government commitment to increasing the number of Higher Apprenticeships. Over time the plan will be refreshed to reflect changes in the economy locally, government policy directives and the relationship with the employer base as employers develop a

greater role in the delivery of apprenticeships. Whilst the Apprenticeship Plan is presented as a sub-set of the Marches LEP Skills Plan, many of the priorities within the skills plan link to this plan and there are a number of interdependencies, for example, transport solutions, challenging gender stereotypes in employment, engaging employers in skills developments and education business links.

5. APPRENTICESHIP PLAN

Marches Skills Plan Priority 3: Realising the potential of young people					
Issue 13: Increase take up of young apprentices					
Priorities	Action	Outcomes	Target	Timescales	Reporting Route to Marches Skills Board
Priority 1: Raise employer demand for and investment in Apprenticeships	Raise levels of promotion to and support for employers to recruit apprenticeships	<p>Increase the number of employers recruiting apprenticeships in order to align more closely with national figures. Increase by 3%</p> <p>Increase vacancies advertised on Apprenticeship vacancy site by 20%</p> <p>The focus for apprenticeship growth should reflect the economic growth needs of the Marches area ,for example, the sectors of advanced engineering/manufacturing/construction/food and drink/tourism and visitor economy/green and environmental technologies/health and care</p>	<p>Increase by 3% - 2015</p> <p>Increase by 20% - 2015</p>	2015	LAs, TPA, Business Boards, Employment and Skills Groups
Priority 2: Increase the number of learners who are commencing and participating in an Apprenticeship	Further develop the Information, Advice and Guidance arrangements to promote Apprenticeships	Increase number of apprenticeship starts at age 16-18 at in each of 3 LA areas by 10% each year with a focus on aligning the growth in apprenticeships with the economic growth sectors identified in the Marches LEP Skills Plan and Strategic Economic Plan. This is also in line with the government aspiration of 1 in 5 young	Increase by 10% - 2015	On going	LAs, TPA, Business Boards,

programme including those at higher levels	to young people and IAG practitioners	people taking apprenticeships by 2020, and reflects the falling demographic of the age group			Employment and Skills Groups
	Increasing the opportunities for collaboration between stakeholders	Increase number of apprenticeship starts at Advanced Level in each of the 3 LA areas by 10% each year aligning the growth with the economic growth sectors	Increase by 10% - 2015		
		Increase the number of higher apprenticeships by 25% to reflect the prediction of the need for higher level skills in the workforce	Increase by 25% - 2015		
		Identify and increase the number of collaborative projects for Apprenticeship delivery building on examples such as image-match, CITB apprenticeship sharing programme.			
		Increase levels of funding obtained by TPAs to support collaborative delivery of the 2 Training Provider Associations Apprenticeship growth plans e.g. utilise funding sources from CITB and other external funding sources.			

Supported by the Shropshire, Telford and Wrekin and Herefordshire Apprenticeship Growth Plans

6. Monitoring and evaluation

This plan has been developed to provide a strategic framework for the key organisations involved in the delivery of Apprenticeships in The Marches. It sets out the agreed priorities which aim to ensure that the skills and competences of the workforce and young people are well aligned to those needed by employers through:

- **Improving employer engagement**
- **Improving the participation in the Apprenticeship programme**
- **Improving the impact of Apprenticeships on economic growth**

The implementation of the Plan comes at a time when many pressures will be put on partners and employers as a result of current trends in the economy.

It must also be acknowledged that the current skills and employment scene is complex and there is a broad range of bodies and organisations engaged in shaping local policy on the one hand and delivery on the other.

Through the delivery of the Plan, The Marches LEP will play a **leadership role** in ensuring that Apprenticeship have a high priority and will seek to maximise the benefits of local partner initiatives and funding opportunities to achieve a co-ordinated delivery approach at local level.

The successful achievement of this Action Plan will require the active collaboration of all partners. Reflecting this, the principles of **collaboration, partnership and employer engagement** are at the heart of this Action Plan.

This Apprenticeship Action Plan has been shaped by the Marches Skills Board and the Herefordshire, Shropshire, Telford and Wrekin Training Provider Associations.

These groups will also have overall responsibility to monitor delivery against the Action Plan which will be reviewed on annual basis to manage performance and update the focus in response to new economic challenges.

The Training Provider Association Apprenticeship Growth Plans identify the accountabilities of different partners to take on individual interventions. These may be supported by task and finish groups as necessary.

The performance indicators will enable us to assess the extent to which our work is having an impact. These are set out below:

Performance indicator	Baseline	Year and source
Training and development		
Apprentices 19+	5,170 starts	NAS starts January 2012 (relating to 2010/11)
Apprentices 16-18	1,650 starts	NAS starts January 2012 (relating to 2010/11)
Number of advanced apprenticeships	2,810 starts	NAS starts January 2012 (relating to 2010/11)
Number of higher apprenticeships	30 starts	NAS starts January 2012 (relating to 2010/11)

7. List of stakeholders and key partners

Organisation

Herefordshire Council
Shropshire Council
Telford and Wrekin Council
Herefordshire and Shropshire Training
Providers Association
Shropshire Secondary Head teachers
Group
National Apprenticeship Service
University of Wolverhampton
Job Centre Plus
Business Boards
Federation of Small Businesses
Chambers of Commerce

Coverage

Herefordshire
Shropshire
Telford and Wrekin
The Marches

Shropshire and Telford and Wrekin
The Marches
The Marches
The Marches
The Marches
The Marches
The Marches

Version Control

Version No	Date	Changes
V1	June 2013	First publication of the Marches Skills Plan, Hereford Enterprise Zone Skills Plan and the Marches Apprenticeship Plan completed March 2013
V1.1	July 2013	Updates include changes to layout, page and section numbers, addition of Version Control and clarification of details and reporting route to the Marches Skills Board in the actions under the Marches Skills Plan and corresponding actions in the Hereford Enterprise Zone Skills Plan.
V1.2	August 2013	New detail added to Skills Action Plan sections identifying the Lead. Some minor changes to accountability details.
V1.3	February 2014	Note added referring to First Annual Review October 2013 Updates to sections referring to Richards Review and adding details about the response from Government Correction from Marches Transport Group to Marches Local Transport Body Some clarifications to lead organisations in the Action Plans Detail added to the Apprenticeship Plan giving targets for the actions.