

Emerging Priorities

March 2023

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LANCASHIRE LSIP - EMERGING PRIORITIES

INTRODUCTION

The Lancashire Local Skills Improvement Plan (LSIP) gives employers a platform to inform skills providers about their requirements of the skills system.

Difficulty recruiting and skills gaps have been problem raised by employers for years. LSIPs aim to understand not only where the gaps are but why those gaps exist. Working in collaboration with employers, skills providers and other local stakeholders the LSIP will help develop and co-ordinate solutions to these problems.

The North & Western Lancashire Chamber of Commerce is lead employer representative body designated to deliver the LSIP in Lancashire, supported by the East Lancashire and Lancaster & District Chambers, and working with range of local stakeholders and national trade bodies.

The NWL Chamber was first awarded the LSIP as one of only eight Trailblazer areas across the country. Activity took place between November 2021 and March 2022.

LSIPs have since been rolled out across all areas of England with this phase of activity starting in November 2022. The LSIP will be delivered to the Department for Education (DfE) at the end of May 2023. Activity will continue, including an annual review and update, until May 2025.

Activity has to date included surveys, focus groups, roundtables, roadshow events, and one-to-one interviews. This activity has garnered responses from in excess of 1,200 separate employers of all sizes and sectors.



LANCASHIRE LSIP - EMERGING PRIORITIES

PURPOSE OF THE REPORT

This report shares with providers the responses from employers and highlights the main issues around getting people in key roles with the right skills.

Wherever possible occupation and skills needs have been linked to the IfATE occupational pathways.

Using the feedback from local employers, using LMI data provided by the Lancashire Skills & Employment Hub, and referring to regional and national trends, providers are tasked with detailing their response to employer needs.

This will be featured in annual accountability agreements and will help instruct applications to new funding streams such as Local Skills Improvement Fund (LSIF), Skills Bootcamps and UK Shared Prosperity Fund (SPF).

STRUCTURE OF THE REPORT

Sector specific findings:

- Occupation shortages
- Upskilling opportunities
- Skills priorities
- Key challenges

Cross-cutting issues:

- Employability & soft skills
- Green skills
- Understanding the skills system
- Course delivery

Provider priorities:

- Collated priorities
- Addressing challenges
- Future collaboration



THE LANCASHIRE ECONOMY

The Lancashire economy and labour market is characterised by a population of 1.5million people, with 940,000 working age residents, of whom around 700,000 are in the workforce. 660,000 of Lancashire's workforce are in employment, many of whom work in one of Lancashire's 55,000 businesses.

Lancashire is home to some 730,000 jobs, and has an economy worth £33.3bn in 2020. Lancashire is characterised as having a lower job density than is typical nationally (77 jobs for every 100 working age people compared to 85 in Great Britain), and a workforce that has a lower proportion of residents with higher level qualifications, trailing the national average by 8.6 percentage points in the context of those with Level 4 or above qualifications.

Despite challenging economic circumstances, Lancashire businesses are still trying hard to recruit skilled workers in the job market, this comes alongside high labour market churn, with some 10% of workers having changed jobs in the last 12 months, and increasing economic inactivity which is shrinking the talent pool.

Throughout 2022, there were almost 140,000 job vacancies in Lancashire according to Lightcast data from the Lancashire Skills and Employment Hub. Businesses in some sectors are experiencing challenges finding workers who are appropriately qualified or have the qualities that they are looking for. This is the intention of the LSIP, to explore with businesses and colleges how labour market demand and the supply of skills and qualifications can be more closely aligned, to make sure that Lancashire has a skilled and productive workforce for those businesses to draw upon.



SECTOR ANALYSIS

OVERVIEW

The information in each sectoral analysis is built upon LMI data and responses from employer engagement activity. Each sector analysis will be structured accordingly.

Rationale	A brief overview explaining why this has been included as a sector.
Labour Market Information	Data on employees, GVA etc.
Industry Challenges	Information from employers about the biggest challenges facing the sector

Shortage Occupations	Upskilling Needs
"Job roles" (IfATE occupations where possible)IfATE Pathways and standards	Priorities for upskilling existing staff linked to existing IfATE standards where applicable

Throughout the sector analyses reference is made to LQ. This stand for "Location Quotient" which shows the significance of a particular statistic compared to national figures i.e. 15% locally compared to 10% nationally, LQ = 1.5.



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mployment: 80,000 jobs, 12.5% of all employment in Lancashire (LQ=1.64)
usinesses: 3,750 VA: almost £6bn, 17.7% of Lancashire GVA (LQ=1.84), almost double the typical national proportion Particular specialisms, such as Aerospace and "Other Transport Equipment Manufacturing", worth 1.3bn to Lancashire's economy in 2020, more than 4 times as concentrated in Lancashire as is typical ationally. Other aspects more heavily concentrated in Lancashire than is typical nationally include Textiles .Q=1.88), Furniture (LQ=1.8), and Rubber and Plastic Products (LQ=1.42).
Aging workforce Lack of diversity i.e. low numbers of women and those mainly employed in support roles Industry not well promoted in schools; teachers and parents don't know enough about industry Still has the image of a dirty, manual industry despite not always being the case Not much thought from smaller companies about moving to net zero Moving to newer technologies while still operating traditional machines simultaneously
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SECTOR ANALYSIS

MANUFACTURING & ENGINEERING

According to current vacancy data, in the main, the hard to fill jobs centre around "Engineering Technicians", "Maintenance Technicians" and "Manufacturing Engineers".

Shortage Occupations	Upskilling Needs
 "Manufacturing Engineers", "CNC Machinist" Machining Technician (L3) "Electrical & Multi-Skilled Maintenance Engineers" Maintenance & Operations Engineering Technician (L3) "Tool Maker" Engineering Operative (L3) Engineering Technician (L4) - Toolmaker and Tool and Die Maintenance Technician "Data Analyst" Data Technician (L3) Data Analyst (L4) "Procurement Manager" Procurement & Supply Assistant (L3) Commercial Procurement & Supply (L4) Senior Procurement & Supply Professional (L6) 	 Procurement and supply chain personnel understand carbon and sustainability impact of products, materials, transportation and supplier emissions. Project and change management leaders dealing with technological change; greater understanding needed of how to prepare and plan for the move to net zero. Leadership, management and supervisory particularly for machinists and engineers moving from the shop floor into supervisory roles. Digital confidence and competence help those with limited digital and computing experience cope with increased digital processes.
Rorth & Western Lancashire Chamber of Commerce	

SECTOR ANALYSIS

CONSTRUCTION			
Rationale	While not among the LEP's priority sectors, Construction is considered a strategic enabler. 7th biggest employment sector and 6th highest contributing sector to GVA.		
Labour Market Information	 Employment: 39,000 jobs, 5.8% of all Lancashire employment (LQ=1.18) GVA: £2.2bn, 6.6% of Lancashire's output (LQ=1.13) In Mid-Lancashire (Preston, South Ribble etc), the Construction sector accounted for 9.5% of total GVA in 2020 (LQ = 1.63). Lancashire has a much higher proportion of Construction sector GVA that comes from Civil Engineering, more than 70% above the national average (32.7% of Construction Sector GVA vs 19.1% nationally – LQ=1.71). 		
Industry Challenges	 Difficulty attracting people into the sector Not seen as an aspirational career; only for those who don't succeed at school People (young people, teachers, parents, unemployed) not aware of the range of opportunities available in the sector e.g.difficulty attracting people into digital roles Assumption industry is low paid, unsafe and dirty Not enough awareness among companies of opportunities available with the move to net zero 		



SECTOR ANALYSIS

CONSTRUCTION

Shortage Occupations

"Plumbing, Heating and Ventilation Engineers"

- Plumbing & Domestic Heating Technician (L3)
- Low Carbon Heating Technician (L3)
 "Quantity Surveyors"
- Quantity Surveying Technician (L4)
- Construction Quantity Surveyor (L6) "Carpenters and Joiners"
- Carpentry & Joinery (L2)

"Construction Managers"; "Construction and Building Trade Supervisors"

- Construction Site Supervisor (L4)
- Construction Site Management (L6) "Electricians/Electrical Engineering"
- Domestic Electrician (L3)

"Groundworkers" - Groundworker (L2) "Scaffolders" - Scaffolder (L2) "Roofers" - Roofer (L2)



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Upskilling Needs

Retrofit

- Some companies are, as yet, unaware of what retrofit opportunities they could take advantage of and the strong growth expected in this area.
- Domestic electricians to understand the different types of environmental technologies that may be found in a domestic dwelling including solar photovoltaic systems, heat pumps, micro wind turbines and domestic battery storage and their interaction with conventional electrical installations
- Plumbing & domestic heating technicians to understand the principles of selection, installation, testing, commissioning and service and maintenance techniques on solar thermal, heat pumps and water recycling systems

Roofers

only training available locally is for Roof Slater & Tiler. Requirement for upskilling option for that but also for Sheeter & Cladder / Waterproof Membranes Installer.

HEALTH & SOCIA	CARE	
Rationale	Health & Social Care is not one of the LEP's economic priorities as a pillar of growth. However, it is a key sector due to employment size and significant difficulties with staffing over recent years. Largest employer in Lancashire and 3 rd highest contribution to GVA.	
Labour Market Information	 Employees: more than 100,000, 16.4% of all Lancashire employment (LQ=1.19) GVA: £4.3bn, almost 13% of Lancashire's output (LQ=1.42) Lancashire has a higher percentage of GVA that comes from Residential and Social Care (29.4%) than is typical nationally (25.9%) – contributing almost £1.3bn to Lancashire's economy in 2020. Despite Lancashire having a higher proportion of GVA that comes from Residential and Social Care, Healthcare still represents more than 70% of the total economic output of the sector. 	
Industry Challenges	 Massive recruitment problems, especially in social care. Jobs are in high demand and are hard to fill, with the average role having to be posted 6 times in order to be filled, twice as often as is typical across the wider labour market. Struggles retaining staff due to pay, hours and stress. Having to recruit overseas workers but facing problems with qualification equivalency and funding any required training. 	



MAIN HEADING

HEALTH & SOCIAL CARE

Shortage Occupations	Upskilling Needs
 "Health Care Assistants" Healthcare Support Worker (L2) "Staff Nurses" & "Registered Nurses" Registered Nurse (L6) "Mental Health Practitioners" Senior Healthcare Support Worker (L3) – Massion Support "Occupational Therapists" Occupational Therapist (L6) "Midwives" Midwife (L6) "Registered Mental Health Nurses" Registered Nurse (L6) – Mental Health "Adult Care Worker (L2) Lead Adult Care Worker (L3) 	Leadership & management training, especially for staff moving into supervisory and management roles: • Lead Practitioner in Adult Care (L4) • Leader in Adult Care (L5)
B North & Western Lancashire Chamber of Commerce	partment

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TRANSPORT & D	ISTRIBUTION
Rationale	Whilst not one of the LEPs pillars of growth the logistics and passenger transport industries are important supports to other sectors such as manufacturing and hospitality, leisure & tourism.
Labour Market Information	 Employees: 22,000, 3.5% of Lancashire's workforce GVA: approx. £1bn In Lancashire, the shape of the transport and logistics sector differs to what is typical nationally, with a higher proportion of economic output coming from Land Transport and Postal and Courier Activities (a combined 68%) compared to the national average (54.8%). Pre-pandemic, Lancashire's Transport and Logistics sector grew economic output faster than the national average (+3% year on year vs +2.2% nationally). Forecasting from the Lancashire Skills and Employment Hub and Cambridge Econometrics projects the Transport and Logistics sector will grow to account for 4% of total employment in Lancashire by 2050.
Industry Challenges	 Struggles attracting people into the industry; people not aware of range of opportunities in the industry and have perceptions of low pay. Not supported by teachers and parents as an option for young people. Challenges of moving to electric vehicles due to cost and range of new vehicles.
North & Western Lancashire	East Lancashire Chamber of



SECTOR ANALYSIS

TRANSPORT & DISTRIBUTION				
Shortage Occupations				
 "Large Goods Vehicle Drivers" Large Goods Vehicle (LGV) Driver C+E (L2) "Vehicle Technicians, Mechanics and Electricians" Autocare Technician (L2) 				
 Autocare Technician (L2) Heavy Vehicle Service & Maintenance Technician (L3) "Van Drivers"; "Couriers" Urban Driver (L2) 	•			
 Express Delivery Operative (L2) "Warehouse Operatives"; "Fulfilment Associates"; "Pickers/Packers" 				
• Supply Chain Warehouse Operative (L2) "Transport Managers"				
 Transport & Warehousing Operations Supervisor (L3) – Transport Operations Supervisor 				
Supply Chain Leadership Professional (L6) "Coach and Bus Drivers" Bassenger Transport Driver (L2)				
Passenger Transport Driver (L2)				



Department for Education

Upskilling Needs

Electric vehicles

- There are limited moves within large goods delivery companies to introduce electric vehicles into fleets.
- The passenger transport industry is seeing a greater growth in electric vehicle fleets and will see much more need for electric vehicle maintenance technicians over the next 1-2 years. This is largely centred on Blackpool with a large electric vehicle expansion getting underway.
 Digital confidence and competence
- Help those with limited digital and computing experience cope with increased digital processes.

Materials Handling Equipment (MHE)

• Entry-level warehouse operatives such picker/packers would benefit from access to quick upskilling training on specific MHE, especially forklift trucks.

HOSPITALITY, LEISURE & TOURISM

Rationale	Hospitality, Leisure & Tourism is linked to the LEP pillar of growth, Tourism, Culture & Place.
Labour Market Information	 Employees: almost 70,000, more than 10% of Lancashire employment GVA: approx. £1bn, 3% of the county's economic output Lancashire has a higher proportion of jobs that are in Accommodation and Food Services (8.3%) than is typical nationally (7.5%) and a lower proportion in Arts, Entertainment and Recreation (2.2% vs 2.3% nationally). Lancashire has particular pockets of high employment in the Hospitality, Leisure and Tourism sector, most notably in Blackpool, where around 16% of employment comes from this sector.
Industry Challenges	 Struggle to recruit and retain staff to the sector. Not seen as a career and is something people fall into or only do while waiting to start a planned career. Seasonal work is not attractive. Young people not directed towards the sector; need to appeal to teachers and parents as well as young people.



SECTOR ANALYSIS

HOSPITALITY, LEISURE & TOURISM

Shortage Occupations	Upskilling Needs
 "Kitchen Porters" & "Kitchen and Catering Assistants" Hospitality Team Member (L2) - Food Production "Chefs" Commis Chef (L2) & Production Chef (L2) "Catering and Bar managers" Hospitality Supervisor (L3) Hospitality Manager (L4) "Bar Staff"; "Waiting Staff"; "Housekeeping Staff"; "Receptionists" Hospitality Team Member (L2) "Business Administrators" Business Administrator (L3) "Digital Marketing" Digital Marketer (L3) "Events Managers" Hospitality Management (L4) 	 IT skills Excel and other basic software packages general digital competence so they're comfortable with things like booking systems or tills. Cellar management for alcoholic beverage service team members and bar supervisors. Leadership & management especially for team members moving into supervisory and management roles.
North & Western Lancashire Chamber of Commerce	

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IT & DIGITAL			
Rationale	This a LEP priority sector. There is a huge growth in digital jobs with opportunities coming from significant future inward investment. The impact of digital skills goes far beyond the sector with all sectors requiring some of these skills to a greater or lesser extent.		
Labour Market Information	 Employees: 20,000 in digital businesses / 33,000 digital workers across all sectors GVA: Information & Communications - £1bn / E-Commerce & Creative - £1.3bn The National Cyber Force investment in Samlesbury will bring 2,000 new jobs by 2030 and will catalyse digital investment, clustering and agglomeration in Lancashire as a result. The Lancashire LEP digital strategy cites a feasible scenario of digital employment growing to over 50,000 by 2050 as a result, but highlight skills gaps and shortages of people with digital skills as constraints to growth of the sector. 		
Industry Challenges	 The growth of the digital sector and digital roles more widely is creating a pressure on available people with the right skills. The diversity of Lancashire's digital sector means that the range of skills provided need to be varied. Challenge to keep up with the rapid pace of change in both new technologies and growth of digital jobs presents. 		
North & Western	East Lancashire		







SECTOR ANALYSIS

IT & DIGITAL

Digital roles are already in high demand and are forecast to be increasingly so, looking at a cross section of high-level digital occupations, we can see a number of high demand roles.

Shortage Occupations	Upskilling Needs
 "Software Developer/Engineers"; "Web developers" Software Development Technician (L3) Software Developer (L4) "Computer Support Specialists" Digital Support Technician (L3) Information Communication Technician (L3) "Computer Systems Engineer/Architect" "Cyber Security Technician" Cyber Security Technician (L3) Cyber Security Technician (L4) Cyber Security Technical Professional (L6) 	 Within digital roles the most requested skills are: SQL (Structured Query Language) Agile Methodology JavaScript Microsoft Azure CSS" C# (Programming Language) Within non-digital businesses the most frequently requested skills are: Data analysis Web design Digital marketing Excel



FARM	ING & /	AGRICI	ITURE

Information Alm mor GVA 95%	nployees: 12,000, 1.8% of Lancashire employment (LQ=1.38) most all of these jobs are in "Crop and Animal Production and related Service activities", which is ore concentrated within Lancashire's Farming and Agriculture sector than is typical nationally. VA: £217m, 0.7% of Lancashire's output, which is in line with what is typical nationally
89%	5% of Lancashire's GVA from the sector comes from Agriculture and Hunting (£207m), compared to 9% nationally (LQ=1.06).
Challenges • T b • D r • N s	Attracting new people into the industry is difficult; poor industry image and low pay are big issues. The issue has been exacerbated over recent years due to access to seasonal, overseas workers being more difficult. Decarbonisation and environmental protection are becoming much bigger issues within the sector, requiring new skills sets for those already working in the sector and new job roles being created. Many of those trying to enter the industry did not succeed at school but vocational training in the sector frequently requires grades they will struggle to achieve just to start. Courses tend to require a crop or livestock specialisation which doesn't work for many mixed farms



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FARMING & AGRICULTURE

Looking at the occupations that make up Lancashire's Farming and Agriculture sector show a certain concentration of occupations that are different to what is typical nationally. Specifically, Lancashire has around 3,800 farmers working in the sector, constituting some 45.9% of total sector employment, compared to 40.9% nationally, showing an LQ of 1.11. Similarly Lancashire has a higher proportion of Farm Workers, with 1,900 (23.2%) of the sector workforce working as a Farm Worker, compared to 17.4% nationally, yielding an LQ of 1.32. Lancashire has almost 500 people working in Horticultural Trades specifically (5.5% of the sector workforce), which is more than twice as concentrated as is typical nationally (2.5% nationally, LQ=2.13). Lancashire has a lower proportion of Agriculture and Horticulture Managers or Proprietors, with 5.1% of the sector workforce compared to 6.2% nationally (LQ=0.82).

Shortage Occupations	Upskilling Needs
"Farm Worker"; "Farm Hand"General Farm Worker (L2)	Low carbon and environmental management:



CROSS-CUTTING THEMES

EMPLOYABILITY SKILLS

Throughout all activity the biggest need of employers across all sectors relate to what are termed 'employability skills'. Typically this relates to:

- The right attitude for work;
- Basic communication skills;
- Time management & organisation;
- Resilience;
- Adaptability.

Employers are, for the most part, adamant that these skills are lacking in new recruits, especially young people first entering the workplace. In some cases, a lack of these skills is preventing people being offered work because they can't communicate their abilities and interests, or because employers don't have sufficient confidence in their attitude.

During the Trailblazer 84% of employers responded that employability skills were the most important attribute they were looking for in a candidate, over experience and qualifications/training. Asked more recently how important certain considerations were when recruiting the right attitude to work was deemed essential by 86% of employers with almost all of the rest saying it was very important.

Most employers consider these behaviours and attributes to be the building blocks of successful employment. So much training is done internally on machines and processes that it is more important to have a willingness to be there, to learn and progress.



EMPLOYABILITY SKILLS

The difficulty is how can employability be dealt with in post-16 education and skills training.

Employers and providers have both commented that discussing these behaviours in a classroom setting is not always the most productive way get their importance across to learners. The key is for employers to demonstrate them in the workplace and reinforce what is being done in the classroom.

A common complaint from employers is how those coming from full-time courses are not 'work-ready'. This backs up the feeling that the dual-approach between employer and provider is essential. However, for those on fulltime courses it is difficult to gain that employer interaction and feedback.

Provider Priorities

- A joined-up approach between employer and provider to work actively work on employability skills is essential.
- It would be beneficial to learners on full-time courses to have more interaction with the workplace, whether through placements, work experience or employer visits.



GREEN SKILLS

The feedback from employers about their response to net zero goals and improving sustainability was very mixed.

Larger companies have frequently hired an individual to manage all of these aspects. In smaller companies there is often little understanding of what will be required.

Many smaller employers are in need of basic training on the fundamentals of the low carbon economy, the impact on their business and how they will need to adapt. This is needed before they can start to consider the big issues of whether new job roles will be needed or whether the workforce requires new skills.

Where smaller companies have started to pay attention to low carbon issues it often ends as an extra task on top of someone's existing role.

Highlighted in the Manufacturing sector analysis, there is an increasing awareness in other sectors that procurement and supply chain management is an important element in the move towards net zero.

Provider Priorities

- Leadership and management teams will benefit from carbon literacy training and support to understand the changes they can make.
- Support and training for people taking on low carbon issues as part of their existing role to understand the different areas this can impact and how to develop a decarbonisation and sustainability plan.
- Upskilling training for procurement and supply chain personnel to understand carbon implications of contracts and tenders.



AWARENESS

Employers have repeatedly stated that they struggle to navigate the skills system. This includes:

- not knowing what courses are available,
- deciding which is the most suitable course to achieve specific aims,
- accessing and applying for funding,
- feeling they have been sold what a provider can offer rather than being made aware of the best option on the market.

Provider Priorities

- Employers require greater support to navigate the skills system and providers need to build trust with employers.
- Providers can work closely with other organisations operating within the skills system to further understanding and engage with employers they don't currently work with.



PROVIDER PRIORITIES

RESPONDING TO SHORTAGES

Align provision with shortage occupations (see sector analyses).

Where a provider is already running the course, can more places be made available to help service employer needs? Where a provider is not running the course, based on localised LMI data is there a need for the course in that geography and can the provider deliver it if so?

Where courses have been dropped due to learner demand, work with local employers, schools and job centres to help create the demand.

Develop new shorter courses reacting to upskilling needs and changing employer requirements.

Employers have been clear that they wan to see more training available outside of existing lengthy qualifications. It is difficult for employers to commit to courses such as apprenticeships for at least one year when there are only one or two elements that are relevant to the employee's role.

There are opportunities through new funding models such as LSIF, Multiply, UK SPF, and Skills Bootcamps, to develop and deliver standalone courses that sit outside traditional qualifications and funding.

Ensure employers continue to be engaged during course development.

While paying attention to what employers have stated they need and setting up new courses is, of course, a positive step, it is important that employers are involved with their development to ensure they meet needs and are delivered to best effect.



SUMMARY

While there are specific gaps in occupations and skills many issues are actually caused by a lack of people coming through to those sectors. There is a genuine opportunity for providers to foster ongoing relationships with employers and work collaboratively with them to promote the variety of roles alongside the skills training pathway.

The relationships providers and those employers who don't currently engage with them can be improved significantly with more dialogue and communication in responding to employers needs.

This provides an excellent opportunity to develop those relationships and deliver on employer needs. The LSIP will continue to work with all parties to make the changes we all want to see.

NEXT STEPS

By May 2023, the LSIP report must be produced and delivered to the DfE for approval from the Secretary of State. At the same time providers must finalise their accountability agreements detailing, in part, how they will respond to local employer needs. It is also expected that LSIF applications will need to be made during this time.

This means that a lot of work will be done in a short space of time to determine the skills landscape in Lancashire. The LSIP team remain available throughout to assist providers with their agreements and applications.

As the LSIP enters the next stage in June, lasting until May 2025, it will important to continue the sense of collaboration to engage more employers with the skills system and agree areas to do more in depth research and analysis.





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