

Lancashire  
Local Skills  
Improvement  
Plan



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UK Government

# Lancashire Local Skills Improvement Plan

August 2023

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*“This Local Skills Improvement Plan has been approved by the Secretary of State in line with the approval criteria set out in the [Skills and Post-16 Education Act 2022](#), and in accordance with the [LSIP statutory guidance](#).”*

## GLOSSARY

LSIP	Local Skills Improvement Plan
LSIF	Local Skills Improvement Fund
SDF	Strategic Development Fund
LSEH	Lancashire Skills & Employment Hub
GVA	Gross Value Added
NCF	National Cyber Force
ESIF	European Strategic Investment Fund
ERB	Employer Representative Body
CPD	Continuous Personal Development
CEIAG	Careers Education, Information, Advice & Guidance
UK SPF	UK Shared Prosperity Fund
LA	Local Authority
DWP	Department for Work & Pensions
JCP	Job Centre Plus
ITP	Independent Training Provider
LQ	Location Quotient

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## Part One – LSIP priorities

### Introduction

The Lancashire Local Skills Improvement Plan (LSIP) builds on the work carried out by the LEP Skills & Employment Hub and the LSIP Trailblazer (March'22). Led by the North & Western Lancashire Chamber of Commerce, the LSIP has worked with local stakeholders including local authorities, etc. to ensure collaboration across relevant bodies both in the development of the LSIP but also in the future delivery of recommendations.

Providers have been engaged throughout the process and have received draft priorities which have fed into accountability agreements and Local Skills Improvement Fund (LSIF) bids. Collaboration with providers has been ongoing from the start of the LSIP Trailblazer and Strategic Development Fund (SDF) pilots in 2021.

The LSIP has the opportunity to help inform and direct key funding related to skills.

### Economic background

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.

### Challenges

The diversity of Lancashire's economy means that it is difficult to focus on a handful of key areas that need extra people and skills. Throughout the Trailblazer it was clear that most sectors are struggling to attract and retain staff.

Lancashire's working age population is decreasing and significant numbers are leaving the workforce as a result of ill health or caring responsibilities. The resultant pressure on jobs is possibly the biggest threat, not only to businesses' future growth, but for some to continue trading.

These problems are worse in those areas of higher deprivation e.g. Blackpool, Blackburn with Darwen, Burnley, Hyndburn, Pendle, Rossendale, where generational economic inactivity makes attracting young people into the workforce especially difficult.

The challenge is to attract enough people into the workforce to support future needs and to upskill and reskill the existing workforce.

As will be shown later, the need to respond to digital transformation is crucial to digital businesses but also to companies in other sectors. There is already pressure on digital roles and that is only going to grow as the sector increases, more businesses incorporate digital technology and the impact of the National Cyber Force due to open in the heart of the county.

Chamber surveying has found that take up of low carbon technologies and working practices is very low among smaller companies. There is a real risk for some firms to leave it too late to move towards net zero targets and not be able to achieve future targets imposed on them.

## Priorities

### **Lancashire Skills and Employment Strategic Framework (2021)**

The Lancashire Skills and Employment Strategic Framework (2021) provided an in-depth view of the county's labour market, challenges, key themes, and priority sectors.

#### Key Themes

These themes were developed to help articulate the aims and objectives of the framework.

**Future Workforce:** working with education and business to establish a talent pipeline and future workforce that meets the current and future demands of the local labour market.

**Inclusive Workforce:** supporting unemployed and economically inactive residents into sustainable employment, driving up digital skills and embedding social value to 'level up' areas of Lancashire and accelerate inclusive growth.

**Skilled & Productive Workforce:** working with business to drive up skills in Lancashire's workforce to boost productivity, in-line with the needs of Lancashire's growth pillars.

**Informed Approach:** taking an evidence-based approach to identifying the skills and employment issues facing Lancashire's businesses and industries, prioritising and influencing locally and nationally, and working with partners to identify best practice.

#### LEP Pillars of Growth

The LEP has identified six sectors which have been defined as Pillars of Growth, due to contribution in terms of GVA and employment to Lancashire:

- Health
- Energy & Low Carbon
- Tourism, Culture & Place
- Digital
- Advanced Manufacturing
- Food & Agriculture

#### Interactions with Enablers

The Framework also highlighted key enablers and the interactions with skills and employment, which brings in the importance of the construction workforce in supporting capital investment and infrastructure developments.

#### **Infrastructure:**

- Investment in skills infrastructure.
- Embedding social value.
- Building construction skills & the workforce of the future.

#### **Mental Health:**

- Building the resilience of our Future Workforce.
- Healthy workplaces driving up productivity and health and well-being.

#### **Finance & Inward Investment:**

- Supporting inward investment through skills base offer and supporting recruitment.

#### **Stakeholder Engagement:**

- Businesses, providers and stakeholders engaged in the implementation of joint objectives.

The LSIP priorities that have been agreed largely following the Lancashire Skills & Employment Framework. There have been other areas added or areas of focus widened. This includes the following sectors and themes.

The Framework is being refreshed in 2023 and the LSIP will be involved in the consultation process.

### Manufacturing

Advanced manufacturing is one of the LEP's growth pillars. The decision was taken to widen this to manufacturing as there was confusion during the Trailblazer about what constituted advanced manufacturing and many of the skills issues were similar regardless of whether they were deemed to be advanced manufacturers or not. The biggest factor in the types of issues faced related more to size of business.

- 80,000 manufacturing jobs across 3,750 businesses and Lancashire's 3rd largest employment sector, accounting for 12.5% of all employment in Lancashire (LQ=1.64). It's also Lancashire's most highly value added sector.
- The manufacturing sector contributes almost £6bn to Lancashire's £33bn economy, with 17.7% of GVA coming from the manufacturing sector, a location quotient of 1.84 showing output 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 nationally.
- Other aspects of Manufacturing that are more heavily concentrated in Lancashire than is typical nationally include Manufacture of Textiles (LQ=1.88), Manufacture of Furniture (LQ=1.8), and Manufacture of Rubber and Plastic Products (LQ=1.42).
- Similar in concentration is also Petroleum, Chemicals, and Pharmaceuticals, which despite being only marginally (LQ=1.01) above the national average, still contributes 13% of Lancashire's manufacturing GVA.
- Jobs in high demand that appear harder to fill than the average Manufacturing job include "Electrical Maintenance Engineers", "Multi-Skilled Maintenance Engineers", "Assembly Operators", "Manufacturing Engineers". In the main, the hard to fill jobs centre around "Engineering Technicians", "Maintenance Technicians" and "Manufacturing Engineers".
- Jobs more generally in the Manufacturing sector are on aggregate as hard to fill as any other job, with the above noted exceptions.

### Construction

Although not one of the LEP's growth pillars it is considered a strategic enabler. Upskilling the sector and ensuring the future workforce is an important part of the Framework.

- In Lancashire, the Construction sector is the 7th biggest employment sector, with 39,000 people working in the sector, accounting for 5.8% of total employment in Lancashire. This compares to 4.9% nationwide, and so employment in this sector is more concentrated than the national average (LQ = 1.18).
- In 2020, the Construction sector contributed £2.2bn to Lancashire's £33.3bn GVA, approximately 6.6% of total economic output, Lancashire's 6<sup>th</sup> highest contributing sector. Nationally, Construction GVA in 2020 was 5.8% of the total economic output, showing Lancashire's construction sector to be relatively more concentrated in economic output terms than the national average (LQ = 1.13).

- There are parts of Lancashire which have a higher percentage of economic output from the Construction sector than is typical nationally, most notably in Mid-Lancashire (Preston, South Ribble etc), where 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).
- Some parts of Lancashire have a massive Construction sector workforce, with areas such as South Ribble having as much as 1/5<sup>th</sup> of the workforce working in the Construction sector.
- Jobs in high demand in the Construction sector include "Plumbing, Heating and Ventilation Engineers", "Quantity Surveyors", "Carpenters and Joiners", "Construction Managers", "Draughtspersons", "Construction and Building Trade Supervisors", "Architects", "Painters and Decorators", "Chartered Surveyors" and "Bricklayers".

### Transport & Distribution

Although this is not a LEP priority area, work with companies working in transport & distribution has shown that there are major issues around recruitment and skills that are impacting the sector. The sector is important in supporting priority areas such as manufacturing and leisure & tourism.

- 22,000 people in Lancashire are employed in this sector, accounting for 3.5% of the workforce, and contributes approximately £1bn to the economy in Lancashire across more than 2,800 businesses. In Lancashire, this is relatively less concentrated than is typical nationally both as a proportion of the workforce and of its economy. This is quite possibly as a result of the size of the businesses in Lancashire relative to what is typical nationally, considering a larger proportion of Lancashire's business base are Transportation and Storage businesses (5.2%) compared to the national average (5%).
  - 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%). This is particularly prevalent in places like Blackpool, where GVA from Postal and Courier activities is worth 37% of the total Transport and Logistics sector output, more than double the national average.
  - 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.
- Jobs in high demand include "Large Goods Vehicle Drivers", "Vehicle Technicians, Mechanics and Electricians", "Van Drivers", "Warehouse Operatives", "Fulfilment Associates", "Couriers", and "Pickers/Packers".

### Digital

Digital is one of the LEP growth pillars.

- The digital sector in Lancashire is wide and diverse. This includes an Information and Communications cluster bringing over £1bn a year to Lancashire's economy, as well as an e-commerce and creative sector worth £1.3bn annually.

- Estimates of Lancashire's digital workforce range from 20,000 when looking at workers in digital businesses to 33,000 when considering digital workers more widely.
- Digital roles and skills are essential to many more sectors. While digital roles are growing there is also a significant increase in greater digital confidence and competence required in all sorts of job roles across all sectors.
- The National Cyber Force investment in Sarnesbury 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.

### Low Carbon & Sustainability

Energy & Low Carbon is one of the LEP's pillars for growth.

- A workforce of 40,000 workers across 5,200 businesses in Lancashire, including nuclear power stations in Heysham, Springfields nuclear fuel manufacturing (providing fuel that produces 32% of the UK's low-carbon electricity), as well as investments such as the Clean Energy Technology Park. There are also many smaller innovative firms such as Vital Energi, NanoSun, LiNa energy, and lots of university expertise.
- In Lancashire, Energy and Low Carbon, particularly low carbon electricity, is projected to be a major opportunity in the future – with South Ribble being home to the highest number of low carbon jobs of any local authority district in the country. Lancashire is also projected to have the highest number of Low Carbon jobs per head of the population of anywhere in the country, and the 4th highest number of jobs (bettered only by larger areas like London, The South East, and Leeds City Region).
- In Lancashire, according to Lightcast job posting data from the Lancashire Skills and Employment Hub, there were more than 4,000 jobs advertised in 2020 where "Green Skills" were required.

### Hospitality, Leisure & Tourism

Tourism, culture & place is a LEP growth pillar.

- Worth approximately £1bn in 2020 to Lancashire's economy. A similar proportion of GVA in Lancashire comes from this sector as is typical nationally (3% in Lancashire vs 3.1% nationally). It also accounts for more than 10% of Lancashire's employment, employing almost 70,000 people.
  - 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.
- Hospitality jobs in high demand include "Kitchen and Catering Assistants", "Chefs", "Catering and Bar managers", "Bar Staff", "Waiters and Waitresses", "Kitchen Porters" and "Housekeeping Staff".

### Health & Social Care

Health is a LEP growth pillar.

- Largest employment sector in Lancashire, employing more than 100,000 people, and accounting for 16.4% of all employment. A larger share than is typical nationally (LQ=1.19). The sector has also grown its employment

share faster in Lancashire than it has nationally since 2015, with +0.4% of employment nationally and +0.6% in Lancashire.

- Similarly, Health and Social care is a massive contributor to Lancashire's economic output, with a £4.3bn contribution in 2020, the third highest of any sector, and the almost 13% of overall economic output. This shows Lancashire's health and social care sector to contribute a higher proportion of GVA to their total GVA than is typical nationally, with a location quotient of 1.42 (i.e compared to the 9.1% typical GVA contribution nationally).
  - 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.
- Jobs are in high demand and are hard to fill in the Health and Social Care sector in Lancashire, 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. Such jobs which are particularly hard to fill include "Health Care Assistants", "Staff Nurses", "Mental Health Practitioners", "Occupational Therapists", "Registered Nurses", "Midwives", and "Registered Mental Health Nurses".

Feedback coming out of social care organisations highlights severe difficulties around staffing, recruitment and retention. This has led to its inclusion alongside health for the LSIP.

### Farming & Agriculture

One of the LEP growth pillars is food and agriculture which covers the wider food industry. Other food industry areas are covered in manufacturing and hospitality priorities.

- In 2020, the Farming and Agriculture sector in Lancashire contributed some £217m to Lancashire's £33.3bn GVA. This constitutes around 0.7% of Lancashire's GVA in total, which is in line with what is typical nationally. This shows the economic output contributed by the sector locally to be in line with what is typical nationally, despite employment being relatively more concentrated.
- In Lancashire, the "Agriculture, Forestry and Fishing" sector employs 12,000 people (including self-employed and business owners) in Lancashire, accounting for 1.8% of total employment. This is above the 1.3% the sector contributes to total employment in England, showing Lancashire to be relatively more concentrated in Farming and Agriculture employment than is typical nationally (LQ=1.38).
- Jobs haven't grown in this sector from 2015, and account for a slightly lower proportion now (1.8%) than they did in 2015 (1.9%), as a consequence of the growth in jobs in other sectors.
- 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 a higher proportion of the workforce working in occupations which would typically require Level 2 qualifications, relative to the typical national profile of the sector, with some 87.6% of workers, compared to 81.6% nationally. Conversely, it has a lower proportion of workers working in Level 3 and Level 4+ occupations, with 8.6% at Level 3 (compared to 10.6% nationally) and 2.7% at Level 4+ (compared to 5.3%) nationally.

## Need for change

There are clear difficulties for companies across all sectors in recruiting enough people. These issues are likely to only be exacerbated due to working age population decline and increased economic inactivity.

Coupled with the rapid pace of technological change and the move to net zero, this leaves employers unable to find people with the right skills or the right attitude to being trained.

With these major challenges affecting many employers it is important that the system is in place that can adequately meet their needs and support them through decarbonization and digital transformation. Not only do the skills and careers systems have to be able to meet their needs but employers need to be more closely engaged with them to take advantage of what is available.

Too many employers are sat outside the system, not sure how to engage or whether it is of benefit to them. Significant numbers are not aware of many programmes available to help them attract people into their organisations or industries.

Employers need to support the skills and careers systems by informing curriculum design, getting involved in delivery, providing apprenticeships and industry placements, supporting college staff CPD, allowing access to equipment and facilities, going into schools and colleges to help with CEIAG.

What is clear is that schools, colleges, job centres and CEIAG are not currently producing sufficient numbers of people for the priority areas of the county's workforce. However, it's important to recognise the role employers need to take in making their jobs/sectors more attractive and using new methods for reaching out to people.

A hospitality business in East Lancashire noted the use of social media aided recruiting young staff: "Advertising roles on various social media channels – especially LinkedIn and TikTok," as well as using their venues to promote roles "so potential recruits can see where they might be working."

When this stretches across different priority sectors it limits Lancashire potential to take full advantage of digital working and the opportunities of green jobs.

This is an important time for the county to move forward with giving employers the tools, training and support to make the most of change and for the county to become a centre for digital and green skills.

## Part Two – Taking forward the LSIP priorities

### Employer engagement overview

The LSIP in Lancashire has been engaged with employers since the Autumn of 2021 and the launch of the Trailblazer.

Through a range of focus groups, roundtable events, and surveys the Trailblazer gathered responses from over 1,200 employers. The current iteration of the LSIP has been successful in re-engaging many of these original contributors as well as including more companies and more individuals within organisations.

Since November 2022, the LSIP has worked closely with over 150 employers in a series of monthly focus groups in some of the county's key sectors, namely:

- Manufacturing
- Construction
- Transport & Distribution
- Hospitality, Leisure & Tourism
- Services (while not one of the priority sectors the services group acted as a good 'catch-all' to discuss general trends and cross-cutting themes)

In addition to these groups roundtable events have taken place in covering other key sectors and cross-sector themes:

- Farming & Agriculture
- Health & Social Care
- IT, Digital & Cyber
- Low Carbon & Sustainability
- Employability

Information from these groups was shared with providers in monthly update meetings. Providers were also given the opportunity to attend some focus groups and the roundtable events.

The groups were bolstered by the feedback received from participating industry experts also heavily involved in engaging with employers. In particular, some of the groups were chaired by industry leads such as Advanced Manufacturing Research Centre (AMRC) NW, Construction Industry Training Board (CITB), and Marketing Lancashire.

Building on the survey work from the Trailblazer was the smaller, more targeted Lancashire Skills and Workforce Survey, running from January to March 2023. This gathered responses from over 300 employers.

Engagement with employers has provided a wealth of information both in terms of quantitative and qualitative data. The employers that have been engaged have now formed key groups to involve in reviewing ideas to deliver on employer needs and be an experienced core to future sector groups.

### Emerging priorities

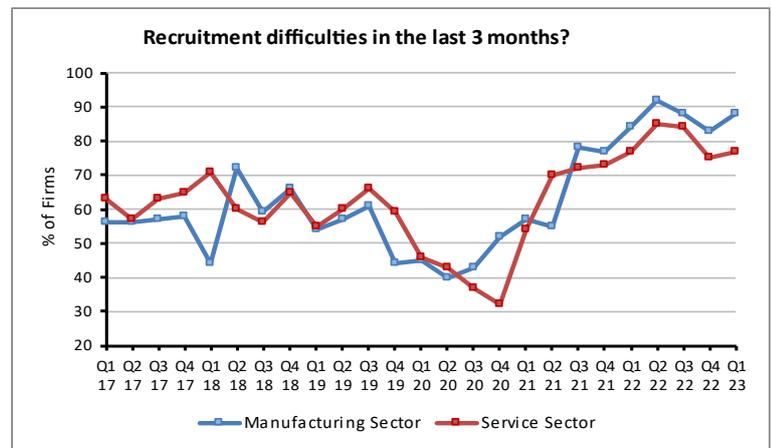
The main priorities coming from research and engagement activities were shared on 31<sup>st</sup> March 2023 with providers and stakeholders in the Emerging Priorities document (see Annex D).

## General feedback

### People shortages

Pressures on recruitment have been evident for some time through the Lancashire Chambers' Quarterly Economic Survey.

Historically high percentages of employers are reporting having difficulty recruiting new staff members.



Across all sectors investigated as part of the LSIP process going back to the Trailblazer, employers have confirmed this difficulty repeatedly. It leads to an uncertain future for a number of sectors with deep concerns over how they will be able to keep operating, never mind achieve their full potential to grow.

Coming from the difficulty to recruit is wage inflation for key roles. This is hampering companies' ability to invest in equipment and training.

Recruitment difficulties arise from a number of reasons including lack of available technical skills or the right behaviours. Despite less than 4% of employers responding that they have no issues finding the right people only 21% of employers have implemented any changes to attract more applications.



Employers feel that there is too much of a drive from schools for young people to follow academic qualifications rather than following technical and vocational routes. They believe there needs to be a rebalancing of between the promotion and expectation of vocational and academic routes for school leavers.

Another key shortage that has featured throughout conversations with providers is difficulty recruiting and retaining teaching staff, especially those with technical experience and expertise as they can't compete with wages available in industry. Shortages in teaching have a much wider impact across the economy through preventing new courses or increasing student numbers.

## Employability skills

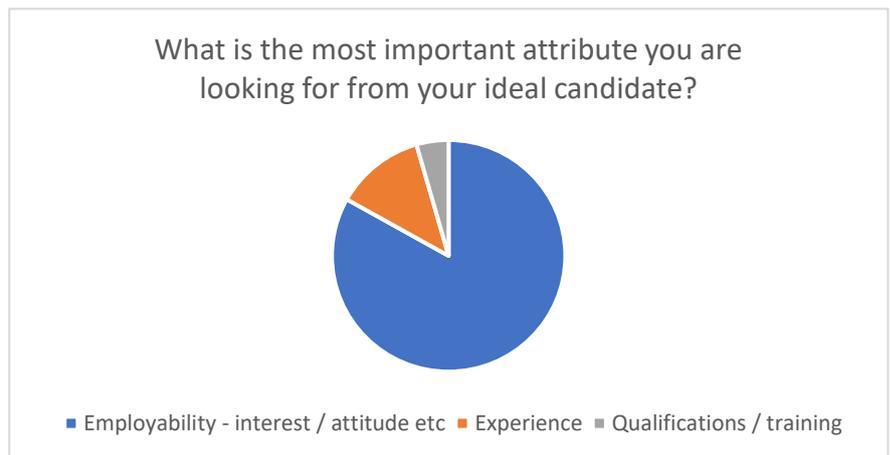
Employability skills is the number one priority when it comes to recruitment provision in Lancashire. Throughout the LSIP process, the theme of employability and behavioural skills, primarily among young people, in the workplace has been a constant in all activities, from focus groups to surveys.

The most common observation from employers from all sectors is how those coming from full-time courses are not "work ready". This is down to a number of issues but typically the following is proving the most problematic:

- The right attitude and aptitude to work;
- Basic communication skills – ability to make phone calls, converse with colleagues or outside organisations;
- Time management and organisational skills;
- Resilience and adaptability

The LSIP Trailblazer showed 84% of employers surveyed responded that employability skills were the most important attribute when seeking a candidate – more so than experience and qualifications or training.

Behaviours and attitudes are considered to be essential when it comes to successful employment. When engaging with employers, the majority of them say when they take on a new employee, the behaviour and attitude is far below what is expected.



The stats from the Trailblazer have been further backed up by the latest data from the LSIP Lancashire Skills & Workforce survey which show employability is still front and centre of recruiting staff.

## Employer feedback

Central to this discussion has been feedback from employers in all sectors – with the majority expressing their frustration at the lack of basic skills when entering the workforce.

Many point to the lack of basic "soft" skills such as letter-writing, making and taking phone calls and communication with peers or new employees – often citing the effects of the COVID pandemic and the "bedroom generation" as a reason.

While others say the problems are more systemic and societal, the overriding issue of employability skills remains a constant theme throughout the LSIP process.

The issues with employability skills relates to all sectors and all job roles with many employers struggling to recruit across the board – from basic administrative positions to management roles. Feedback from employers relating to those leaving full-time education, whether school, college or university, frequently features the following problems:

- poor attitude;
- expectations of starting role and salary unrealistic;
- not taught ‘basic life skills’ e.g. communication skills, problem solving, shaking an interviewer’s hand, eye contact;
- “more interested in becoming influencers on social media than actual respected employees of a respectable business”.

It must be acknowledged that, while these are common complaints, these issues are by no means applicable to every young person entering the workplace. Examples have also been shared of apprentices with exceptional willingness to learn and to work, and of under-graduate placements that have brought a dedicated, hard-working attitude to the projects.

Employers recognize that they have an important role in developing these skills and attributes among new starters. Some employers have commented that employability skills and knowledge of the role can be learned on the job without any need for qualifications – they can follow once a job role is confirmed.

- A Preston construction company is a: “Big believer is getting people working, getting the experience and knowledge and then getting the qualifications. Rather than trying to bring someone in and make them fit into a role because they have a bit of academia behind them.”

Some also made the point that employers need to adapt:

- A Preston-based freight-forwarder states: “Employers need to change the mindset and that things have changed. Personal skills is the biggest issue we have.”

There was sentiment that working collaboratively with the education system to engage young people with the world of work will help give them a better understanding of what the expectations are within businesses, even from primary age.

### **Provider feedback**

Further and higher education providers are keen to promote what they are already doing in colleges and universities on courses in order to enhance the employability skills of students entering the workforce.

Many have modules for soft skills which have proved popular with students, while some have initiated ambassadorial roles within their organisation which gives students employment skills and experience before entering the world of work.

Like employers, some providers point to a societal change when it comes to the behaviours of students in post-16 education. While the COVID pandemic is seen as a reason for this, it was noted by providers and employers that these behaviours were happening years before national lockdowns.

Providers, for the most part, accept they have an important role in making students work-ready especially for those on full-time courses. Where they are on apprenticeships it is a joint responsibility between provider and employer.

Some providers have expressed frustration with employers in arranging work placements and experience for students with some businesses resistant at taking responsibility for them – many due to lack of staff to look after them while in the workplace.

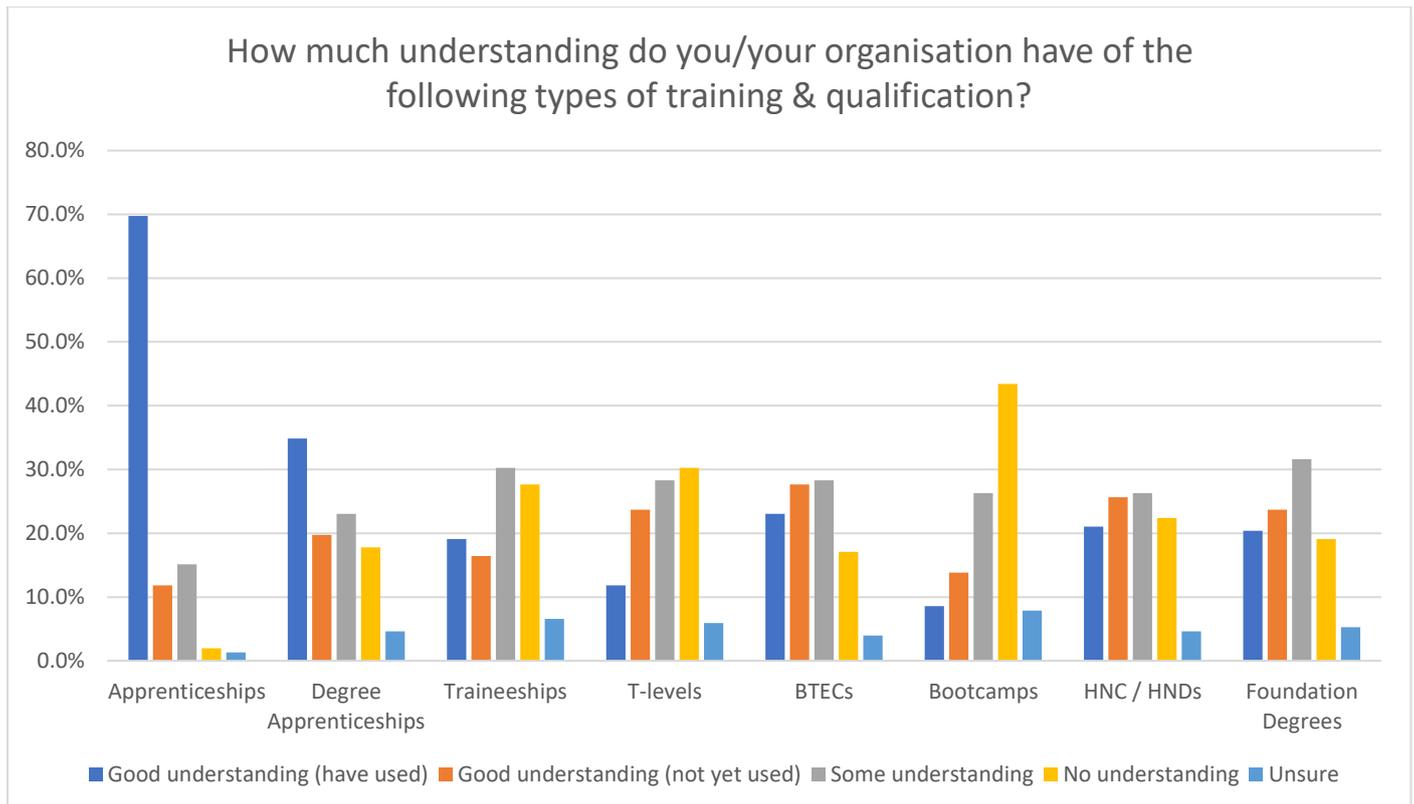
Both employers and providers are keen to work in partnership in order to create more opportunities for students.

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## Awareness of training

Apprenticeships are the most common form of training and vocational skills of which employers are aware with the majority of those responding to LSIP surveys not only having a good understanding but having used. There is significantly less awareness of other types of training and vocational qualifications.

Although relatively recent additions to the skills landscape, the numbers aware of T-Levels and Skills Bootcamps are low.



As potential routes to upskill staff and to develop a pipeline of future staff, this highlights an opportunity to help deal with shortages.

In conversation with employers, many have expressed uncertainty about the best types of training to meet their needs and which courses are most suitable for their staff to undertake. This relates to course levels, the most appropriate apprenticeships, and what can be funded.

This has been a theme since the Trailblazer activity and employers have shown support for a single point of entry to the skills system and to understand available funding.

## Sectoral analysis

### Digital

#### Background

Recent years have seen a rapid growth in the digital sector and digital roles right across the county's workforce. Much research has taken place, primarily by the Lancashire Digital Skills Partnership and can be seen in their Digital Strategy.

#### **Lancashire Digital Strategy**

LSIP research builds upon the Lancashire Digital Strategy produced by the LEP's Lancashire Digital Skills Partnership. The Strategy is part of ambitions "for Lancashire to harness its combined industrial, entrepreneurial and academic strengths in innovative applications of digital, data and cyber technologies, so that by 2035 Lancashire will be a globally significant economic powerhouse at the forefront of the next industrial revolution."

The main findings include:

- *Skills gaps and shortages of people* with digital skills at all levels are, and will remain, the main constraints to growth of Lancashire's digital economy. Unless addressed, this will also limit the ability of other priority sectors within Lancashire to meet their objectives.
  - *Capacity needs to be increased* across the education and training system, from schools to universities and including private sector providers and employers' own CPD, to provide Lancashire with a workforce with the skills needed to access any of the 2,000 employment opportunities at NCF. The county requires a systemic approach to increasing the number of people entering the digital workforce, beginning in primary school with information and inspiration about digital careers, progressing through all stages of education and continuing throughout people's working lives.
  - *Working with the Lancashire Digital Skills Partnership, the strategy has identified five priority actions which align with three of the four strategic priorities in the Lancashire Skills & Employment Framework:*
    - Future Workforce
    - Skilled and Productive Workforce
    - Inclusive Workforce
- 1. Careers inspiration and transformation of the school curriculum for computer science.**
  - 2. Develop a campaign to lobby for a change in national skills policy to embed digital in curriculum.**
  - 3. Extend and expand flexible models of delivery, such as digital bootcamps.**
  - 4. Integrate provision of CPD to drive recruitment and retention.**
  - 5. Innovative and sustained approach to equality, diversity and inclusion.**

These combine to address the key problem faced by the digital sector and other pillars of growth in Lancashire's economy – **the need for more people with digital skills.**

#### Challenges

Digital skills are in increasing demand across all sectors. With significant growth expected in digital-based companies as well as in digital needs in other sectors the pressure for these skills is expected to increase over the coming years and is already felt.

The diversity of digital skills needs mean that it is difficult to focus on a small number of quick wins that will have a significant impact. This is not just in the kinds of skill but also across all levels.

The move to a more digitalized workforce is challenging for some employers with employees resistant to change. An ageing workforce has led to some businesses still using pen and paper over tablets and CRM systems due to the older generation refusing to accept change.

The speed of change in the industry brings about a challenge for employers to keep pace but is difficult for training to update quickly enough, both in terms of deliverable content and sufficiently trained or experienced teaching staff.

These pressures are being exacerbated by a shortage of teaching staff, as can be seen across other sectors.

### Priorities

Shortage occupations have been developed through surveying, conversations with employers and cross-referenced with LMI vacancy data.

The most in demand occupations within the digital sector are:

- Software developers/engineers
- Web developers
- Computer support specialists
- Computer systems engineers/architects
- Cyber security technicians

Digital roles and skills most frequently requested by companies in other sectors are:

- Data analysis
- Web design
- Digital marketing
- Excel

Underpinning all of this is the absolute priority of attracting significantly more people into digital roles and training. There are a number of routes that could help meet these needs:

- Increased employer interaction with schools to promote the industry and attract more young people into the industry.
- Increased employer interaction with Job Centres and the Careers Service to promote the industry to the unemployed or those looking for a change in career; identify applicable experience and transferrable skills suitable for digital careers.
- Increase opportunities for upskilling employees whether to progress in their careers or to keep up with new technologies being introduced to their workplaces.
- Continued development of shorter training allowing access for re-skilling and upskilling through funded models such as Skills Bootcamps, Adult Education Budget, and LSIF.

The loss of ESIF is reducing the digital offer in Lancashire so it is essential that there is investment from these new funding models to bridge the gap.

In order to expand training provision to match the increasing need across the county more teacher staff will need to be employed. As with other sectors, there are difficulties attracting enough new teachers with the right skills. Barriers include:

- Comparative pay between working in industry and teaching.
- Relying on upskilling existing staff which is expensive, can take months learn and then a teachable product be developed.

### Provider Feedback

More courses being put on to cope with the demand for new technologies (AI, chatGPT etc...) which a lot of the larger employers are interested in but not a lot of call from SMEs.

A real challenge to recruit teaching staff with skills to cope with the changing technologies.

T-Level recruitment is disappointing as the course titles are a turn-off for students, the T-Levels that are currently on the curriculum are too technical.

## Manufacturing & Engineering

### Challenges

Many manufacturing & engineering companies have expressed concerns that the workforce is ageing. There are particular worries that some of the more traditional skills will disappear while there is still a need for them.

While some manufacturers are introducing new digital and automated technologies these are often running side-by-side with older, traditional machines. This causes the need to have two different kinds of skill in the workforce while increasing concerns about losing that older workforce and the knowledge they have.

There is difficulty attracting enough people into the industry. Employers feel that the industry is not promoted enough in schools with negative attitudes among parents and teachers towards manufacturing as an occupation. They also feel the industry suffers from the traditional image of dirty, manual, unskilled roles despite many companies having different kinds of workplace and highly skilled roles.

Manufacturing has a particular problem with attracting women into technical roles. Women are in a clear minority within the industry and most of those employed are engaged in support roles e.g. finance, administration, HR.

### Priorities

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

Combined with engagement with employers these are the most in demand industry specific occupations:

- Manufacturing Engineers
- CNC Machinist
- Electrical & Multi-Skilled Maintenance Engineers

- Tool Maker

Other skills that are frequently requested by manufacturers but not specific to the industry are:

- Data analysis
- Procurement management
- Project and change management
- Leadership, management and supervisory
- Digital confidence and competence

### Provider Feedback

Providers accept that traditional skills are still required, and Lancashire is not on its own when it comes to a lack of CNC machinists. There are difficulties engaging with SMEs, despite colleges holding events and courses asked for by employers they sometimes only have a handful of employers attend.

Staff recruitment and retention is a challenge when private sector wages are better. Providers welcome a collaborative approach with employers in helping to deliver course content and to attract more learner, with a number of sector leads saying schools are not promoting apprenticeships as a viable route.

## Health & Social Care

### 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.

Recruitment difficulties are exacerbated by struggles retaining staff mainly due to pay, hours and stress.

Employers are having to recruit overseas workers but then face problems with qualification equivalency and funding any required training.

### Priorities

Vacancy data and employer engagement show the following as the most in demand occupations:

- Health Care Assistants
- Staff Nurses
- Registered Nurses
- Mental Health Practitioners
- Occupational Therapists
- Midwives
- Registered Mental Health Nurses
- Adult Care Workers

There are also needs for upskilling team members within the care sector into leadership and management roles.

### Provider Feedback

Employers unable to release staff to undertake apprenticeships due to lack of staff available in hospitals/care homes etc.

Challenges with getting interest from parents as they see all the negative headlines and tell youngsters not to go down that route.

## Construction

### 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.

Transport is an issue for some apprentices who may not be able to travel to construction sites due to not having their own transport or poor public transport links.

Assumption industry is low paid, unsafe and dirty

Not enough awareness among companies of opportunities available with the move to net zero.

Problems with recruiting course tutors due to competition from other colleges or lack of trained staff in those subjects.

### Priorities

Occupations:

- Plumbing, Heating and Ventilation Engineers
- Quantity Surveyors
- Carpenters and Joiners
- Construction Managers
- Construction and Building Trade Supervisors
- Electricians/Electrical Engineering

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.

#### Provider Feedback

Courses in construction are proving popular but challenges with finding tutors.

Carpentry and joinery courses – the modern-day jobs are not matching the apprenticeship. Some employers are going to stop doing apprenticeships because the standards of the course do not fit the job.

Employers need a better understanding of retrofit opportunities.

Employer engagement is a struggle and the new skills boot camps are too low a level with many not fit for purpose.

## Hospitality, Leisure & Tourism

### Challenges

Unlike other European countries, hospitality is not considered to be a viable career even though some have been in the sector for most of their working lives, starting as a seasonal worker and progressing up the managerial ladder.

Struggle to recruit and retain staff to the sector, from entry-level jobs to managerial roles.

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.

Particular issues in pockets of the county with Blackpool's tourism industry reliant on both seasonal and full-time staff, also challenges in places like the Ribble Valley and Morecambe.

Employability skills a challenge, particularly with many roles customer-facing – people entering work for the first time lacking communication skills and many not used to picking up phone or answering calls.

### Priorities

Occupations:

- Kitchen Porters & Kitchen and Catering Assistants
- Chefs – Commis and Professional Chef (L2)
- Catering and Bar Managers
- Bar Staff

- Waiting Staff
- Housekeeping Staff
- Receptionists
- Business Administrators
- Digital Marketing
- Events Managers

Other areas where skills need to be improved are:

IT skills

- Excel and other basic software packages
- general digital competence so staff are comfortable with things like booking systems, handheld devices 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.

### Provider Feedback

Soft skills being delivered into a number of courses but limited time with students mean they cannot teach them everything – work might be better placed for that.

Government not doing enough to promote the industry, it is not a priority yet so many places rely on it for local economy. A number of FE establishments have dropped hospitality courses as there is no longer the appetite.

More adult learners are wanting to come into the industry than students.

Recruiting and retaining teaching staff is an issue.

## Transport & Distribution

### Challenges

Struggles attracting people into the industry; people not aware of range of opportunities in the industry and have perceptions of low pay. Many think it's just about driving a truck when there are opportunities in warehouses, distribution centres and admin.

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.

Lack of knowledge in low carbon opportunities.

### Priorities

#### Occupations:

- Large Goods Vehicle Drivers
- Vehicle Technicians, Mechanics and Electricians
- Van Drivers & Couriers
- Warehouse Operatives, Fulfilment Associates & Pickers/Packers
- Transport Managers
- Coach and Bus Drivers

### Provider Feedback

No real interest from students in the sector and teachers not signposting to the industry as do not see it as a career. No demand for Skills Bootcamps in HGV driving, there has to be a demand from businesses for courses.

## Farming & Agriculture

### Challenges

Attracting new people into the industry is difficult, poor image and low pay are issues

Issue increased following Brexit – accessing seasonal, overseas workers is difficult.

Many of those trying to enter the industry struggled at school and vocational training in the sector requires grades that they will struggle to achieve.

Courses tend to require a crop or livestock specialisation which doesn't work for many mixed farms.

### Priorities

#### Occupations:

- General farm worker

### Provider Feedback

A lot of employers do not know how to access courses and attracting new people to the sector is difficult. When people ask for work outdoors they are directed to councils, the DWP know nothing regards animal and land-based work.

## International Trade

Research was conducted by the Chamber's international trade team with employers who are regularly exporting and importing. These employers have described struggles to find enough experienced staff and to access training.

## Challenges

Struggle to find staff with experience and expertise in trading internationally:

- have to take on untrained staff and either train them internally or seek external training;
- find trained staff that are already working in industry.

Shortage of experienced staff leads to wage inflation.

Training only available commercially so an expensive option.

Since the departure of the United Kingdom from the E.U. employers report an increase in paperwork which has added to the need for staff experienced in export and import.

Jobs in International Trade tend to be specialised, revolving around certain steps in the import, export, and supply chain cycle.

## Priorities

Occupations:

- Procurement Clerk
- Freight Forwarder
- Export Coordinator or Export Forwarder

There is a demand for training both new and existing staff in essential skills across sectors.

The availability of funded upskilling courses would encourage more employers to recruit inexperienced staff and develop the skills they need.

## **Low Carbon & Sustainability**

Skills and recruitment to match the needs of low carbon and sustainability have met with mixed responses when it comes to employers.

While the larger employers have the budget and knowledge to hire individuals to take on the role, SMEs often have very little understanding and the requirements needed to undertake such a position.

There is an increasing awareness of the subject, however, many employers lack the fundamental knowledge to even consider a roadmap in which to contribute to a low carbon economy. The lack of basic training needs to be addressed before many SMEs can even consider taking on employees to tackle such roles.

It might be on the radar for some, but for others, low carbon and sustainability and the hopes of becoming “net zero” are not even in the planning stages for others.

Many businesses have taken steps to ensure their companies are heading in the right direction when it comes to being “environmentally friendly”, but when it comes to skills and recruitment, they are not ready to start the process.

The Lancashire LSIP recognised the need for low carbon and net zero and its impact on skills provision, both with employers and education providers and have engaged with businesses in a series of focus groups and a dedicated roundtable event.

The original LSIP Trailblazer incorporated low carbon skills into its discussion and relevant surveys but, for this report, greater emphasis was placed in all sector focus groups in order to find out what employers’ knowledge was of the subject and how they planned to incorporate it into their skills and recruitment provision.

Research undertaken by the Work Foundation in partnership with the LEP and the Lancashire Skills and Employment Hub, highlighted a number of skills challenges that the network of Lancashire colleges aimed to address through the SDF Skills Accelerator Trailblazer.

As part of the work carried out by the SDF on looking into low carbon and sustainability, the engagement process meant the LSIP attempted to uncover how it affects recruitment and how much – if anything – businesses know it will impact them.

All our sector focus groups were asked how low carbon and net zero effects their business recruitment and – by and large – the majority were unaware of what they needed to do, even if they were aware of the issue. There is an increasing awareness in all sectors that procurement and supply chain management is an important element in the move towards net zero and how it can assist in lowering emissions.

### **Response from employers**

Many employers have acted in changing to LED lights, installing solar panels and investing in electric vehicles in order to reduce emissions, but very few have the knowledge about how to recruit anyone to look after how the business operates in bringing in low carbon and net zero initiatives.

As part of a facilitated discussion during a dedicated low carbon roundtable, the following observations were made:

- A small energy specialist company based in Preston noted: “The majority of businesses have no idea where to start. The term net zero is banded about and they don’t have the knowledge or experience where to start.”
- A Chorley-based manufacturer said: “Staff-wise, don’t have anyone in place to look at net zero / sustainability so it falls on the shoulders of current staff and just have to muddle through.”
- A civil engineering company in Leyland said: “Businesses are struggling with net zero as it is very expensive and don’t know what resources are available.”

It was clear from the discussions in sector focus groups and roundtable events that while the majority of employers are aware of low carbon, while there is no mandatory requirement in law, many do not see it as a priority and therefore do not have it as part of their plans either in upskilling their current workforce or recruiting for roles within their business.

The impact of cost on their business was given as a reason by some employers as to why low carbon was a low priority:

- A Transport/Construction company based in Blackpool said: “Moving to net zero is really expensive and it brings in a whole host of other issues, including infrastructure, supply chains etc.”
- A large hospitality employer in Blackpool stated: “Going to be more long term as it is a costly exercise and don’t have plans at the moment to change from gas to more sustainable sources of energy.”

Those employers who do recruit for low carbon roles commented that interviewees have expressed an interest in the environment but do not necessarily have the skills to match, as education providers do not have this as part of their courses.

While young people might be seen as the drivers to change in a low carbon economy, it was expressed by employers the need to have sustainability and net zero modules as part of the curriculum in further and higher education establishments.

## Actionable Priorities

### Deal with shortages

#### **A: Attracting people to shortage occupations and sectors**

- Broad problems across sectors e.g. manufacturing, construction still seen as “dirty” industries, while hospitality seen as a “stop gap” with no defined pathway for many roles, even seasonal roles are not seen as a viable option for young people.
- Need to drive more towards vocational and technical futures rather than academic routes. More needs to be done working with schools to highlight careers and their benefits, teaching youngsters about trades and skills, instead of academia. Sectors such as manufacturing/construction not promoted enough in primary education and seen as a non-aspirational career.
- Change the image of roles and industries to make them more attractive to potential employees. Highlight benefits of the role and potential for growth in the business.
- Improve opportunities for providing experience of the workplace to school pupils and college students.

#### **B: Ensure provision is aligned to needs**

- Provision is broadly aligned across the county
- Need to consider:
  - 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.
- Plan to increase provision as demand increases.
- Need to find solutions to recruitment and retention issues of teaching staff within colleges.

#### **C: Develop new shorter, modular, relevant courses reacting to upskilling needs and changing employer requirements**

- Employers have been clear that they want 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, Skills Bootcamps, and potentially through UK SPF, to develop and deliver standalone courses that sit outside traditional qualifications and funding.
- Employers do not necessarily require such courses to result in qualifications.

## **D: 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.
- Look into potential of using experienced, skilled staff from employers to assist to course design and delivery.

## **E: Improve future staffing and skills planning among smaller employers**

- Employers, especially smaller SMEs, are frequently dealing with day-to-day issues and not planning very far ahead.
- Work needed to support them in planning how to deliver on plans for growth and cope with changing technology, including digitalisation, low carbon and sustainability.
- Improved planning by employers around future workforce and skills needs will help provide more knowledge to help direct skills provision planning.

## **F: Introduce employers to adult careers organisations**

- Many employees are not involved with JCPs, the prison service, adult careers services, or CICs engaging in careers and employability support.
- Opportunity to develop new recruitment routes with the above organisations.
- Conversation regards older workers, the inactive residents of Lancashire who want to work but can only do certain hours so require flexibility from employers – opens up a larger pool of potential employees.

### Raising awareness

## **G: Employers require greater support to navigate the skills system and providers need to build trust with employers**

- Need to raise awareness of existing apprenticeships for new staff and upskilling existing workforce.
- Most employers are unaware of T Levels and Bootcamps.
- Need to further the reach of those not currently engaged with the skills systems.
- Raise awareness of funded training or any funding to pay for / contribute to commercial training.

### Improving work readiness & employability skills

## **H: Develop a greater understanding among young people of what is needed and expected in the workplace**

- Ensure that engagement with schools and colleges features examples of behavioural expectations.
- Joined up approach between providers and employers to develop employability skills.
- Address lack of work-readiness from those on full-time college courses and increase engagement with employers for students.

### Digital

## **I: Support employers to understand the changing digital landscape**

- Develop understanding of opportunities and efficiencies possible through digital transformation.
- Support to help plan the digital skills needed across the workforce in both directly digital and non-digital roles.

## **J: Ensure information to employers and provision is kept as up-to-date as possible**

- Work with those at the cutting edge of digital technology to understand what is needed now and what provision will need to be developed.
- Develop engagement with digital and non-digital employers to keep them updated on upcoming technologies and new training that becomes available.
- Work closely with providers in future course planning.

### Low Carbon & Sustainability

## **K: Support employers to understand impact, requirements and opportunities of net zero**

- Knowledge transfer with employers about how the move to net zero is changing working practices and jobs.
- Support to help plan the green skills and awareness needed across the workforce.

## **L: Develop best practice on low carbon projects and training**

- Work with providers and other stakeholders delivering currently or recently engaged in delivering low carbon projects to understand how future activities could be best delivered.
- Engage employers to understand how they would like such projects to be delivered to meet their needs.
- Work with skills providers to develop their curriculum to enhance and embed awareness for learners and employers.

## Part Three – Delivering the LSIP priorities

### A roadmap for change

In order to address the challenges and priorities laid out in Part Two, it is important that a clear plan is outlined to how what actions can be taken and what collaborations can be put in place to support these actions.

This roadmap seeks to address the actionable priorities laid out in the previous section.

### Solid foundations

Collaboration across important stakeholders in Lancashire will be essential to successfully deliver on employer needs. Throughout the LSIP process from before the Trailblazer to the release of this report there has been a clear desire to be involved in the LSIP's work and to act upon recommendations from many crucial organisations.

Stakeholder engagement has been strong involving a range of providers (colleges, ITPs and Universities), local authorities, other ERBs and trade bodies. Crucially there has been a very good working relationship with the LEP's Skills & Employment Hub, building on their existing work, promoting each other's activities and their support with data and LMI.

There is an excellent record of collaboration in Lancashire across all of these stakeholders and this bodes well for further work on delivering on employer needs.

### Develop collaborative business clusters

The idea of building business clusters for specific sectors is a popular one among employers and providers. Through the creation of truly collaborative industry groups supported by providers, local authorities and other business support groups, it is felt there is a real opportunity to deal with a number of the key priorities:

- Collaborations between employers, providers, ERBs/trade bodies, and careers organisations.
- Work together to better promote key sectors and occupations.
- Closer working with providers in the development of courses.
- Potential of supporting providers with experienced staff for teaching and training.
- Support employers with skills around business planning, digital transformation and understanding the move to net zero.

An excellent example of how a business cluster can work well is that of the electech sector in North Lancashire (see Annex E).

**Responding to priorities: A, B, C, D, E, F, G, H, I, K, L**

## **Make access to training and the skills easier**

Develop thorough vocational and technical provision map across Lancashire

- Work with providers, Lancs Forum and LSEH
- Incorporate employer views to ensure language used is clear and understandable
- Promote to employers and stakeholders encouraging signposting

Develop thorough funding map

- Work with providers, Lancs Forum, LSEH, LAs and ERBs to produce guidance on available funding for training
- Incorporate employer views to ensure language used is clear and understandable
- Promote to employers and stakeholders encouraging signposting

Promote apprenticeships, T Levels and Skills Bootcamps

- These all provide excellent opportunities for businesses to bring in new talent as well as upskilling existing staff
- Improve understanding and support employers wishing to find out more or take on placements.

### **Responding to priorities: G**

## **Focus on digital**

- Close collaboration between LSIP and Digital Skills Partnership
- Disseminate up-to-date knowledge about the changing digital landscape
- Develop continuous information gathering about digital needs from employers in the digital sector and outside
- Collaborations of employers and providers to develop short, flexible upskilling opportunities for existing staff members as well as building digital confidence and competence
- Support employers who need help to understand the impact and opportunities of digital transformation as well as future skills planning

### **Responding to priorities: I, J**

## **Focus on green skills**

- Support employers who are not yet engaged in reducing their carbon footprint or increasing sustainability to understand issues and opportunities
- Signpost employers to existing support either for training or starting their low carbon journey
- Collaborations of employers and providers to develop short, flexible upskilling opportunities for existing staff members taking on green responsibilities in their roles such as carbon monitoring, procurement, regulations
- Work with new initiatives creating new green jobs or needed reskilling of a workforce to understand requirements, pace of change and wider opportunities for provision

- Promote successful green initiatives that demonstrate best practice for introducing new working practices and skills planning.

## Responding to priorities: K,L

### Build & maintain key relationships

While the LSIP has already succeeded in developing close working relationships with key stakeholders, the delivery of the roadmap will require new partnerships and the strengthening of those already in place.

Key relationships to maintain and grow are:

- Lancashire Skills & Employment Hub
- The Lancashire Colleges
- Lancashire Work Based Learning Executive Forum
- DWP and JCPs
- Careers organisations e.g. Careers Hub, National Careers Service
- Lancashire & Cumbria Institute of Technology (starting September 2023)
- Upper tier and lower tier local authorities
- Independent training providers
- Other ERBs and trade bodies
- Boost Lancashire Growth Hub

### Further research & deep dives

Through the review and update period there will be the opportunity to deliver deep dives in particular sub-sectors or localities.

Here are some of the planned deep dives:

- Key manufacturing sub-sectors:
  - Aerospace
  - Textiles
  - Chemicals
- Construction and retrofit
- Digital (a coordinated approach with the Digital Skills Partnership to cover gaps in research and support their activities)

There will also be the opportunity for the LSIP to engage in other research as new priorities emerge or to support activity carried out by local partners. Some examples of localised work that is already planned include:

- Hillhouse Enterprise Zone (alongside Wyre Council and LSEH)
- Blackpool Airport Enterprise Zone (alongside Blackpool Council and other partners)

Further activity will be discussed with other localities across the county.

## Annex A - summary of the strategic and economic context of the local area

Lancashire's diverse economic landscape presents both challenges and opportunities moving forward.

Like all of the UK, the county was hit hard by the financial impact of the COVID-19 pandemic and its after-effects are still being felt when it comes to the skills and recruitment provision. Coronavirus and its resulting impact have forced organisations to change tact in the way it both communicates and involved itself in the economic climate.

Various strategies have been put in place by a number of partners across Lancashire to ensure future prosperity amongst the background of social and economic uncertainty in many sectors of the economy.

Given the county's size and diversity, the challenge has been to appeal to those who find themselves unable to work because of the effects of COVID-19 or have been made redundant or lost their jobs because of the pandemic.

Lancashire has a proud industrial heritage, with the manufacturing sector contributing to Lancashire's gross value added (GVA) more than any other sector, over £6.3bn (18%) as of 2018. The manufacturing sector also provides 13.1% of all employment in Lancashire, the third highest sector for employment in the area, and 5.1% higher than the percentage of manufacturing jobs in Great Britain (GB).

Household disposable incomes in the LEP's 14 districts were below the UK average along with significant geographic variation, with over £6,000 disparity annually between Chorley (£18,496) with the highest average household disposable income, and Blackburn with Darwen (£12,450) with the lowest. These figures show the disparity between different areas of Lancashire, and the need to 'level up' the economic prosperity across the LEP area.

While the figures might make for grim reading, Lancashire leaders are confident the strategies being put in place – some pre-dating the pandemic – will bring the county back on a level playing field with its neighbouring counties and the rest of the UK.

However, there are a number of social and economic factors which need to be taken into account:

- Lancashire's ageing workforce - as of 2019, 60.9% of the population were aged 16-64, compared to 62.5% in the UK.
- Lancashire LEP has a higher rate of 16- and 17-year-olds who are not in education, employment or training (NEET), than the national picture.
- Lancashire lags behind the UK in terms of the percentage of working age residents qualified to Level 4 or above and is 5% below the UK level. This is in contrast to the demand for Level 4+ qualifications projected between 2018 to 2028.
- Local authority data on 'sickness absence when at work' is higher than the UK average for the percentage in terms of hours of work lost annually due to sickness.
- Both Blackpool and East Lancashire have seen the highest claimant counts and furlough rates in Lancashire. Each have economic dependencies on sectors which have been severely impacted as a result of the pandemic.

The challenge that Lancashire faces to support people and businesses is undoubtedly steep. Its strengths lie in its ability to work collaboratively along with a strong network of excellent education institutions, with their cutting-edge facilities and technical education expertise. Before the pandemic, there were moves to collaborate with more organisations and the effects of COVID-19 have further exacerbated these requirements.

The culmination of these strategies – which will be highlighted later in this annex – is the ambitious Lancashire 2050 plan which aims to “bring people together with a shared ambition, shared goals and shared priorities”, including:

- Succeed as a globally recognised, competitive and sustainable economy, distinguished by its quality of life, connectivity and access to opportunities.
- Become better-connected and accessible, with infrastructure that links opportunities to need, and travel choices that are safe, inclusive, affordable and low carbon.
- Meet low carbon ambitions, promote clean energy and enhance our rich natural environment.
- Deliver decent and affordable housing for every community. High quality housing will benefit existing residents, as well as attract and retain the people required to drive the economy over the long term.
- Support children so they are ready to learn, achieve, and can access opportunity.
- Support people to develop skills throughout their lives and attract business to the county because of our high skilled workforce.
- Improve health, life chances and independence, so residents can live healthy lives and access quality care when they need it.
- Build pride, belonging, and resilience in all our diverse communities and ensure people have a voice and stake in Lancashire’s future.

With Lancashire 2050 now the goal, the framework is taking shape to make these ambitions a reality with a number of strategies being delivered across the county aimed at improving the overall economic landscape while developing skills across the workforce, targeting those harder to reach individuals and communities and providing opportunities for all.

Significant progress has been made in relation to technical education, with the publication of the independent report on technical education and the Post-16 Skills. Apprenticeship reforms and the establishment of the Institute for Apprenticeships and Technical Education (IfATE) has sought to establish an employer-led system. The Lancashire Enterprise Adviser Network (EAN) has gone from strength to strength since its beginnings in February 2016 and phased roll out. This has since been complemented by the launch of the pilot Careers Hub in the Blackpool Opportunity Area, Burnley and Pendle in September 2018. It has now been rolled out across the county.

The LEP established the first local Digital Skills Partnership which enabled investment in a Regional Coordinator and has seen considerable progress made in working with partners to tackle local digital skills challenges – including embedding digital within careers provision, boosting digital skills in business, upskilling Lancashire people to improve employability and address digital skills shortages and hard to fill vacancies. Most recently, the Lancashire Skills and Employment Hub has released a number of cross-sector “skills bootcamps” which are fully funded, as well as the government-funded Multiply project which is targeted at adults aged 19+ who do not have a GCSE at Grade 4 (or equivalent). It aims to help people improve their ability to understand and use maths in daily life – from improving household finances, helping children with homework, and improving employability/job prospects.

The strengths of Lancashire’s digital sector, in particular its cyber and data security capabilities, have been recognised in recent investments in national centres of excellence in the County, including the National Cyber Force (NCF) and the 5G Factory of the Future at Samlesbury. These successes embody the sector’s ability to translate research into products and services capable of transformational impacts in areas of major societal and technological challenge.

Strategic interventions in skills, business support, investment and a digital infrastructure which encompasses a nationally significant Innovation Enterprise Hub and a network of hubs in towns and cities across the county, will

make Lancashire the fastest-growing digital economy in the UK, increasing digital employment to over 50,000 and the contribution of the digital sector to over £5 billion per annum by 2035 – growing from the current 3% contribution to over 10% of economic output.

While a significant amount of investment has been made into digital skills in the county, as well as the introduction of Bootcamps, maths and literacy, Lancashire’s green credentials are high on the agenda with the low carbon and the environment becoming part of the overall framework of strategies.

Lancashire has significant strengths in the large-scale renewables sector, nuclear, and other large energy supply industries which are complemented by a cutting-edge advanced manufacturing and technology sector. A taskforce has been established which will promote the county’s “Green Economy” although – as the Local Skills Improvement Plan has reported – low carbon jobs in the county have yet to catch on with larger employers able to hire for these positions while the smaller SMEs admitting the green agenda is not even on their radar.

With a series of strategies in place for cross-sector industries, Lancashire is well placed to reach its 2050 aims as laid out in the action plan. However, there are many challenges ahead, not least with it’s skills and recruitment provision.

Recovery from the effects of the COVID-19 pandemic is well documented and instrumental into how the county adapts to these challenges. Though many of these strategic developments are in their infancy, they are already bearing fruit with some sectors on the road to recovery faster than others – a resurgence in the hospitality industry is just one example – though others will take time, especially with many employers unable to find the right people with the right skills to fill the roles.

Through collaboration with employers, education providers and stakeholders, these challenges can be faced with a fresh approach and the expertise to improve the economic landscape for all.

## Annex B – methodology

The LSIP has been developed using a wide range of existing labour market information, previous studies and an extensive, dedicated research specifically for the project.

### LMI

The LSEH has been a key partner throughout, with the provision of existing data and additional analysis as requested. Alongside the thorough information that can be found in the LSEH evidence base that is openly available more specific information has been provided using the following reputable data sources:

- Lancashire Enterprise Partnership Analysis of Cambridge Econometrics Local Economy Forecasting Model Projections, 2022.
- Lightcast, 2022.
- Business Register and Employment Survey, ONS, 2022.
- Regional gross value added (balanced) by industry, ONS, 2022.
- LinkedIn Talent Insights, 2023.

These sources and the supporting analysis performed by the LSEH form a great deal of the information used in strategic planning across the county by the LEP, local authorities and education providers. Utilising the same information ensures a joined up approach between the LSIP and skills activities as well as providing a level of confidence in the findings of the LSIP.

### Previous studies

Eager to build on existing knowledge carried out by some the LSIP's key stakeholders and not to duplicate research already undertaken, the LSIP has used some key studies and reports to support activity.

The studies and reports used are:

- Lancashire Enterprise Partnership (2021) 'Lancashire Skills and Employment Strategic Framework: 2021 refresh incorporating the Local Skills Report'. Available at: [https://lancashirelep.co.uk/wp-content/uploads/2021/07/LancashireSkillsFramework\\_2021-compressed.pdf](https://lancashirelep.co.uk/wp-content/uploads/2021/07/LancashireSkillsFramework_2021-compressed.pdf)
- Lancashire Enterprise Partnership (2022) 'Lancashire Digital Strategy'. Available at: [https://lancashirelep.co.uk/wp-content/uploads/2022/09/FINAL-Lancashire-Digital-Strategy-September-2022\\_compressed.pdf](https://lancashirelep.co.uk/wp-content/uploads/2022/09/FINAL-Lancashire-Digital-Strategy-September-2022_compressed.pdf)
- Work Foundation (2021). 'Skills for Net-zero in Lancashire: Building the low carbon workforce of the future'. Available at: <https://www.lancaster.ac.uk/media/lancaster-university/content-assets/documents/lums/work-foundation/reports/SkillsforNetZero.pdf>
- Lancashire 2050 (2023). 'Lancashire 2050: A strategic framework for Lancashire'. Available at: <https://www.lancashire2050.co.uk/media/939097/l2050-web.pdf>
- Lancashire Enterprise Partnership (2021). 'Lancashire Energy & Low Carbon Sector Plan'. Available at: <https://www.dropbox.com/s/vireeeu4vpf2e8b/FINAL%20Energy%20and%20Low%20Carbon%20-%20June%202021.pdf?dl=0>

- Construction Industry Training Board (2023). 'Driving construction skills, growth, and jobs through Local Skills Improvement Plans (LSIPs)'. Available at: <https://www.citb.co.uk/media/v3ybdhft/citb-lsips-guidance-january-2023v2.pdf>
- Lancashire Enterprise Partnership (2022). 'Lancashire Food and Agriculture Sector LMI Report'. Available at: <https://www.lancshireskillshub.co.uk/wp-content/uploads/2022/10/Lancashire-Food-Agriculture-LMI-study-Final-Report-2022.pdf>

### **LSIP process**

More than 1,200 employers have so far engaged with the Lancashire Local Skills Improvement Plan (LSIP) across all sectors which contribute to the local economy.

This LSIP builds on the work of the Trailblazer which took place from November 2021 and was published in March 2022. The full report can be found here:

[https://www.lancshireslip.co.uk/downloads/LSIP\\_Report\\_31%20March%202022\\_Website\\_Publication.pdf](https://www.lancshireslip.co.uk/downloads/LSIP_Report_31%20March%202022_Website_Publication.pdf)

In order to make this phase of the LSIP as robust as possible, officers have also been conversing with providers, stakeholders and organisations who have shown an interest in the process.

### **Focus groups**

Monthly focus groups have allowed the LSIP to engage solely with employers – some who were involved in the original Trailblazer, while others have been contacted since the national roll out – to discuss the challenges they face in recruitment and skills. Each month the agendas have included specific areas which employers are being asked to address when it comes to skills development – low carbon and sustainability, digitalisation and green skills.

Made up by a mix of HR and training managers and senior decision makers, the focus groups have given the LSIP an insight into their world and the challenges they face with recruitment and the challenges they face with apprenticeships, funding streams and qualifications. Where possible, the sector focus groups have been held face-to-face but the majority have been held online.

The sector focus groups were chaired by experienced managers from respected Lancashire businesses, as well as trade organisations who were able to share their own experience with members. These were invited specifically to the sectors in order to ask the pertinent questions and engage with employers on their level.

They included representatives from the CITB, Marketing Lancashire and the Advanced Manufacturing Research Centre.

All focus group chairs were invited to be part of the LSIP Board which was made up of representatives from the Chambers of Commerce, providers and higher tier local authorities, as well as partner organisations of the LEP.

LSIP Board members played a vital role in delivering guidance on how the process would develop, any decisions were ratified by its members who also had to declare any conflicts of interest in the plan. All documents which were drawn up by LSIP officers had to be rubber-stamped by the Board before they were circulated to stakeholder and provider groups, as well as all sector focus groups and relevant roundtables.

The LSIP stakeholder group was also an important part of the process as it included relevant organisations to the process and those who had shown an interest in engaging with the plan. The following stakeholder were all invited to take part in the group which was chaired by the Lancashire Skills Hub:

- Lancashire Economic Partnership
- NCFE – qualification organisation
- Road Haulage Association
- The Lancashire Colleges
- Department for Work and Pensions
- North West Aerospace Alliance
- Lower tier authorities
- Federation of Small Businesses
- Northern Auto Alliance
- Lancashire Boost
- Independent training providers
- Prison service
- Chartered Institute of Marketing
- Lancashire Work-Based Learning Executive Forum
- Affiliated Chamber of Commerce (Lancaster)

Fourteen local authorities were contacted during the process and LSIP officers engaged with employment teams from upper and lower tier on a face-to-face basis to understand how they were engaging with local businesses and what the LSIP could do in order to help bridge the gap with councils and employers. All authorities were invited to have a seat on the stakeholders group.

Being stakeholders, the LSIP was keen to expand its reach so requested the sharing of information with a broader audience than those who attended the meetings. This has led to officers meeting with outside organisations who have helped provide insights into data which might not normally have been within the public domain.

Representatives from the Institute of Physics, The Skills Network, See-Tec, the Manufacturing Institute, VisitBritain, were all engaged with.

A separate provider group was established to include further and higher education establishments from across Lancashire, including ITPs. Largely made up of members of providers' senior management teams, the group meet at the end of every month and was invited to engage in any activity coming out of the sector focus groups.

Throughout the process, all providers have been invited to take part in various monthly sector focus groups, whether they be face-to-face or online. They have been invited to pose questions to employers in all sectors on how they can work together for best practice and how they can collaborate on putting on the best courses for students. With employability skills at the top of decision-makers agendas, the employers have, in-turn, asked how the education providers can assist them in getting college leavers to be "work-ready".

#### Engagement process

The LSIP has been very clear from the start of the roll-out that the employers and providers set the agenda when it comes to how the recruitment gap can be bridged. Having spoken to more than 1,000 businesses as part of the Trailblazer and many hundreds since, it was clear that factors including employability skills and the "people supply" was key.

An activity plan (attached supplementary document) was drawn up and approved by the Board and Stakeholders and shared with focus group members in order to make them aware of what was planned during the sessions and all minutes taken and distributed throughout the process. Any matters arising were dealt with, along with actions which an LSIP team member was delegated for.

Important points made by employers were shared with the Board, Stakeholders and Providers and any actions resulting from them were in-turn shared throughout the engagement process.

Members of all focus groups were also asked to download the LSIP app which would send out notifications of events, surveys and other organisation's events which might have fallen out of the LSIP's remit but could be of use to members. Social media was also used to engage with members as employers and providers were targeted when any events were taking place which included the LSIP.

## **Annex C - Supporting data from LSIP research**

The findings of the LSIP are built on existing information and extensive research carried out with employers across Lancashire.

This annex will show the key data points supporting the findings laid out within the LSIP. The information is from three surveys carried out during the Trailblazer period and the current LSIP phase.

These are:

Lancashire Skills survey (Nov'21-Feb'22) 970 respondents

Training Provision in Lancashire survey (Jan-Mar'22) 318 respondents

Lancashire Workforce & Skills survey (Jan-Apr'23) 326 respondents

### **Section 1 – Shortages**

*'Which of the following have you experienced when recruiting over the past 12 months?'*

Difficulty finding people with the right technical skills for your business	49.1%
Difficulty finding people with the right behaviours (employability skills, transferable skills, communication, attitude, body language etc)	42.8%
Found people but not always met exact needs	39.6%
Difficulties in recruiting from local area	31.4%
Difficulty finding sufficient numbers of people	30.8%
Implemented changes within the business to attract more applications	20.8%
Taken time but managed to find the right people with the right skills	19.5%
Not applicable – not tried to recruit over the past 12 months	8.2%
Difficulty finding people with sufficient levels of English and Maths	6.9%
Always found the right people with the right skills easily	3.8%
Other (please specify)	3.8%

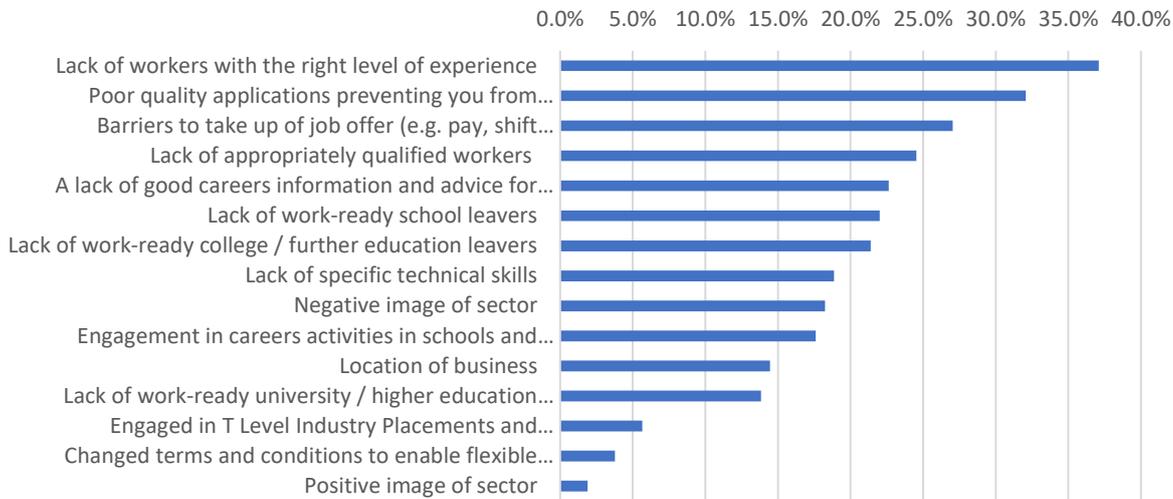


Source: LSIP Lancashire Workforce & Skills survey, March 2023

*‘Do any of the following factors affect your ability to recruit?’*

Lack of workers with the right level of experience	37.1%
Poor quality applications preventing you from identifying the right potential candidates	32.1%
Barriers to take up of job offer (e.g. pay, shift patterns, transport or caring responsibility)	27.0%
Lack of appropriately qualified workers	24.5%
A lack of good careers information and advice for candidates so that they understand your business / sector	22.6%
Lack of work-ready school leavers	22.0%
Lack of work-ready college / further education leavers	21.4%
Lack of specific technical skills	18.9%
Negative image of sector	18.2%
Engagement in careers activities in schools and colleges to attract young people to my business	17.6%
Location of business	14.5%
Lack of work-ready university / higher education leavers	13.8%
Engaged in T Level Industry Placements and Apprenticeships to develop technical skills	5.7%
Changed terms and conditions to enable flexible working	3.8%
Positive image of sector	1.9%

### Do any of the following factors affect your ability to recruit?

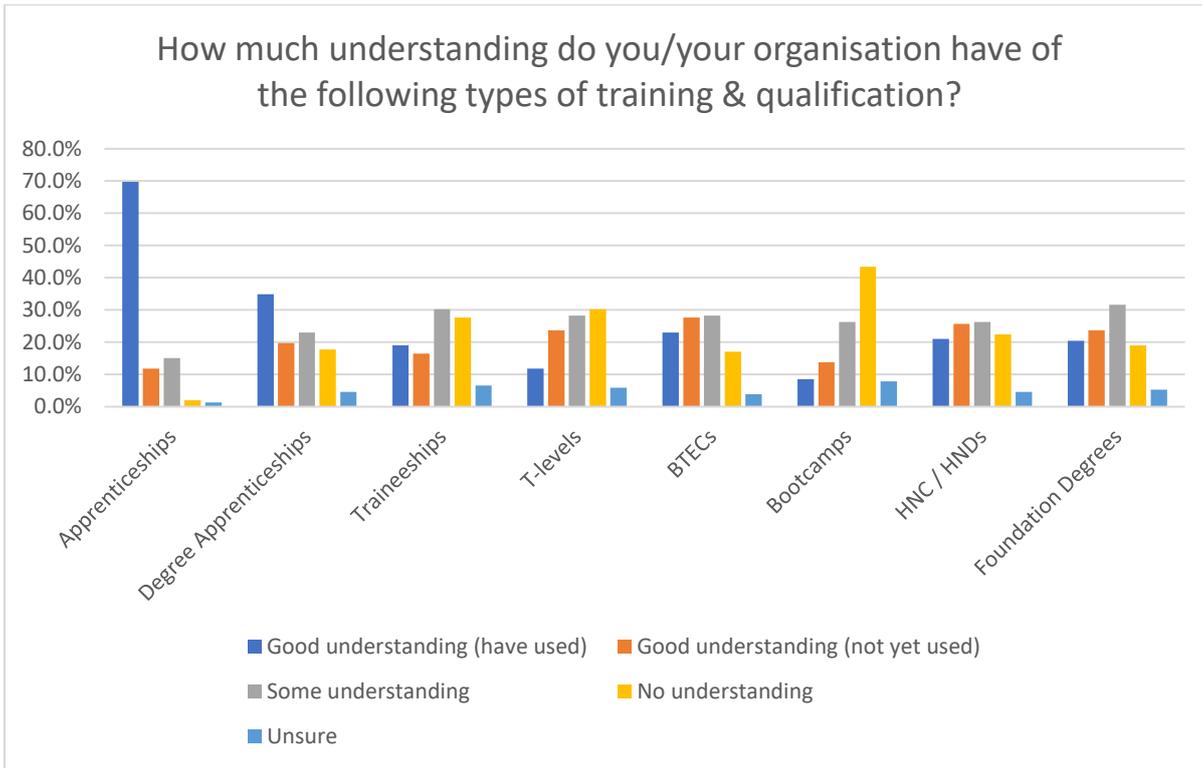


Source: LSIP Lancashire Workforce & Skills survey, March 2023

## Section 2 – Awareness

*‘How much understanding do you/your organisation have of the following types of training & qualification?’*

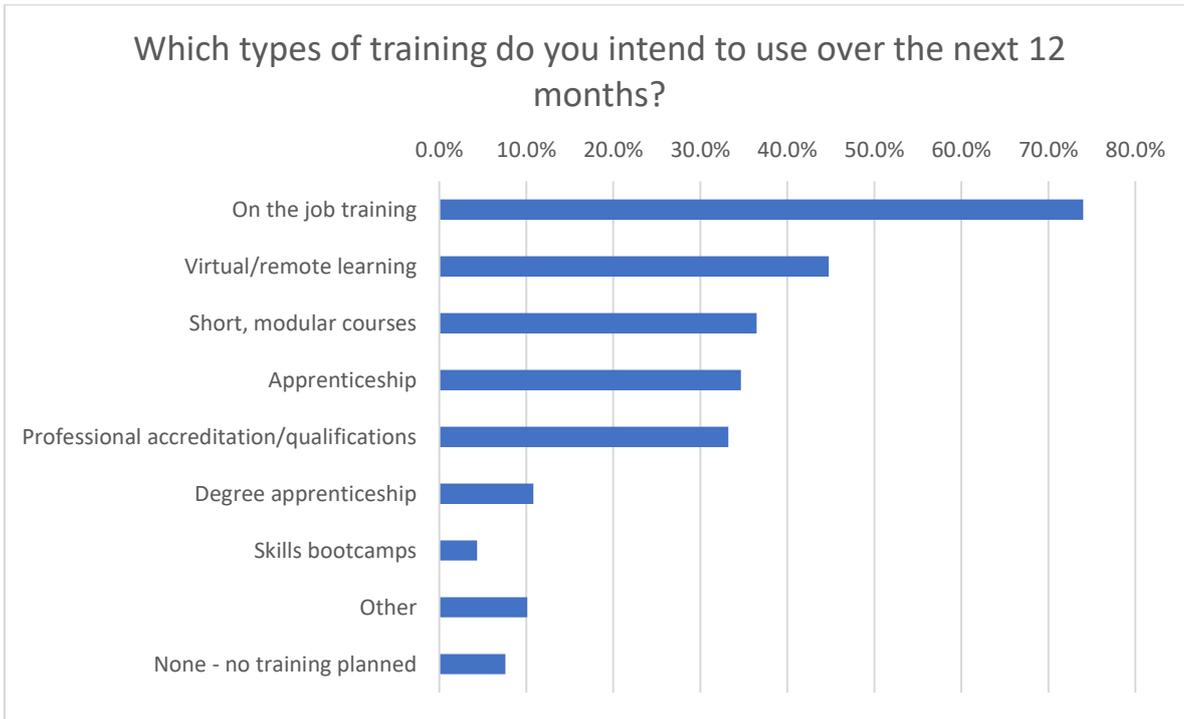
	Good understanding (have used)	Good understanding (not yet used)	Some understanding	No understanding	Unsure
Apprenticeships	69.7%	11.8%	15.1%	2.0%	1.3%
Degree Apprenticeships	34.9%	19.7%	23.0%	17.8%	4.6%
Traineeships	19.1%	16.4%	30.3%	27.6%	6.6%
T-levels	11.8%	23.7%	28.3%	30.3%	5.9%
BTECs	23.0%	27.6%	28.3%	17.1%	3.9%
Bootcamps	8.6%	13.8%	26.3%	43.4%	7.9%
HNC / HNDs	21.1%	25.7%	26.3%	22.4%	4.6%
Foundation Degrees	20.4%	23.7%	31.6%	19.1%	5.3%



Source: LSIP Lancashire Workforce & Skills survey, March 2023

*'Which types of training do you intend to use over the next 12 months?'*

On the job training	74.0%
Virtual/remote learning	44.8%
Short, modular courses	36.5%
Apprenticeship	34.7%
Professional accreditation/qualifications	33.2%
Degree apprenticeship	10.8%
Skills bootcamps	4.3%
Other	10.1%
None - no training planned	7.6%



Source: LSIP Lancashire Workforce & Skills survey, March 2023

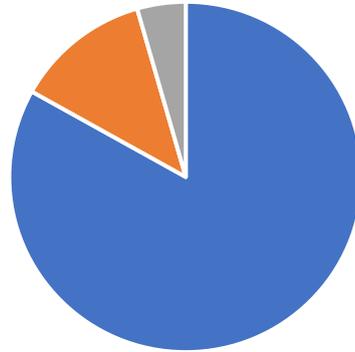
### **Section 3 – Work-readiness & Employability**

Employers routinely describe the importance of the right behaviours and attitudes, readiness for work and employability skills as essential to recruiting new staff.

When asked ‘*What is the most important attribute you are looking for from your ideal candidate?*’ 83.1% answered that employability (interest / attitude) was the most important attribute over experience or qualifications.

Employability - interest / attitude etc	83.1%
Experience	12.4%
Qualifications / training	4.4%

What is the most important attribute you are looking for from your ideal candidate?



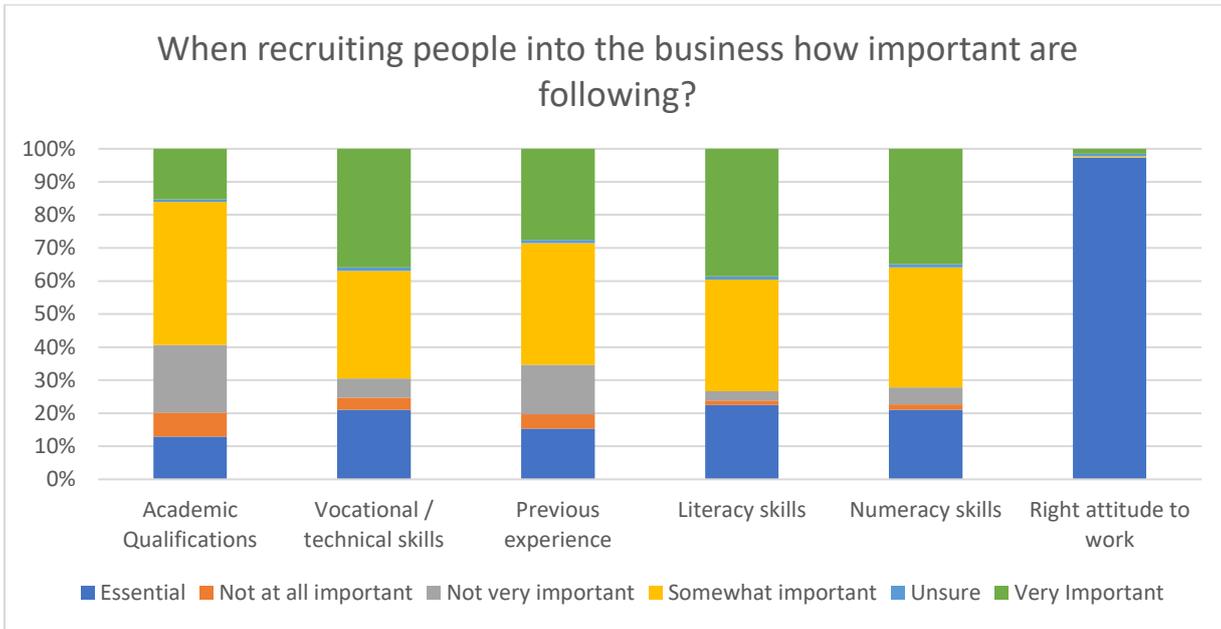
■ Employability - interest / attitude etc ■ Experience ■ Qualifications / training

Source: LSIP Training Provision in Lancashire survey, March 2022

This was supported by a follow-up question to ascertain the importance of different attributes. When asked ‘*When recruiting people into the business how important are following?*’ 97.4% of employers rated the right attitude to work as essential.

	Academic Qualifications	Vocational / technical skills	Previous experience	Literacy skills	Numeracy skills	Right attitude to work
Essential	13.0%	21.0%	15.3%	22.5%	21.0%	97.4%
Very Important	15.4%	35.9%	27.6%	38.6%	34.9%	1.5%
Somewhat important	43.3%	32.5%	36.7%	33.8%	36.3%	0.4%
Not very important	20.5%	5.8%	15.0%	2.7%	5.1%	0.0%
Not at all important	7.2%	3.7%	4.4%	1.4%	1.7%	0.0%
Unsure	0.7%	1.0%	1.0%	1.0%	1.0%	0.7%

Source: LSIP Skill survey, February 2022



Source: LSIP Lancashire Workforce & Skills survey, March 2023

Beyond the need for the right attitude to work a wider range of ‘soft’ skills important to employers have been identified when answering ‘Which soft skills do you train your people in?’

Soft skill	%
Customer service	57.5%
Problem-solving	54.5%
Time management	53.3%
Organisational	52.6%
Communications - verbal	51.5%
Strong work ethic	49.5%
Leadership	46.7%
Ability to work well in groups	45.8%
Telephone answering	41.6%
Communications - written	37.5%
Adaptability	36.9%

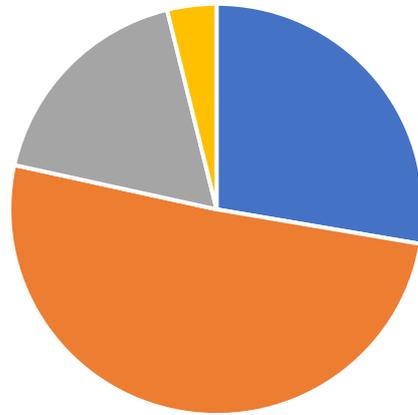


**Section 4 – Digital**

*'Is your business undergoing any change due to increasing or changing digital technology?'*

Yes – significant	27.7%
Yes – a little	50.8%
No	17.7%
Not sure	3.8%

Is your business undergoing any change due to increasing or changing digital technology?



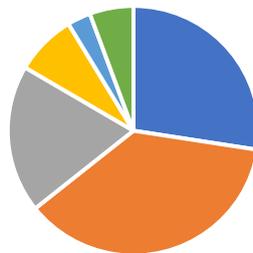
■ Yes – significant ■ Yes – a little ■ No ■ Not sure

Source: LSIP Lancashire Workforce & Skills survey, March 2023

*'Digital awareness: How confident are you that your business has the right skills available within the workforce to identify new digital technologies, opportunities and skills needs?'*

Very confident	27.4%
Confident	36.8%
Neutral	19.2%
Not very confident	7.9%
Not at all confident	3.0%
Not sure	5.6%

Digital awareness: How confident are you that your business has the right skills available within the workforce to identify new digital technologies, opportunities and skills needs?

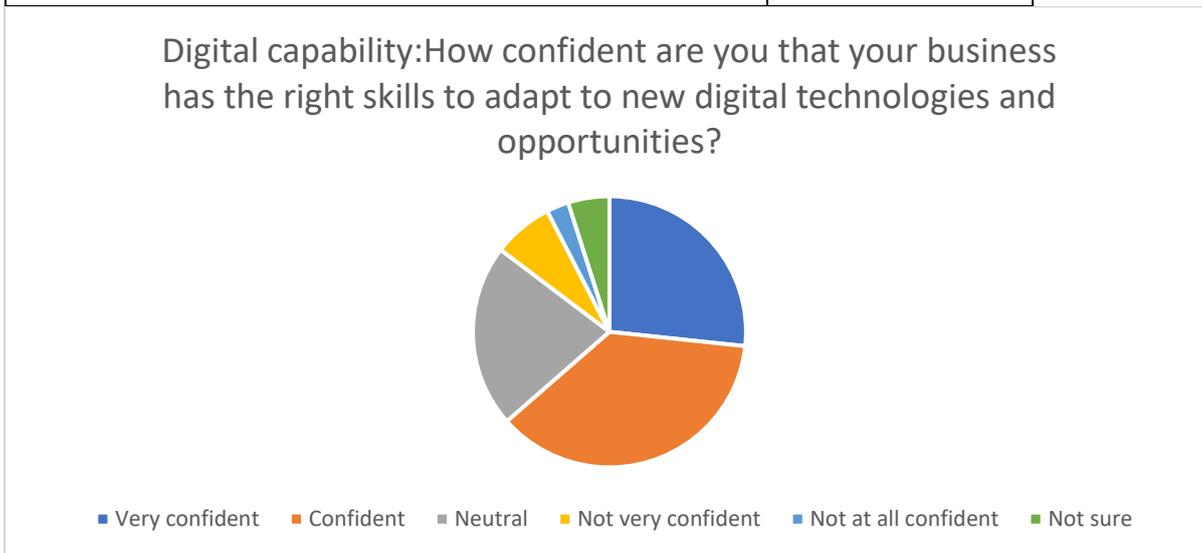


■ Very confident ■ Confident ■ Neutral ■ Not very confident ■ Not at all confident ■ Not sure

Source: LSIP Lancashire Workforce & Skills survey, March 2023

‘Digital capability: How confident are you that your business has the right skills to adapt to new digital technologies and opportunities?’

Very confident	26.7%
Confident	36.8%
Neutral	21.8%
Not very confident	7.1%
Not at all confident	2.6%
Not sure	4.9%

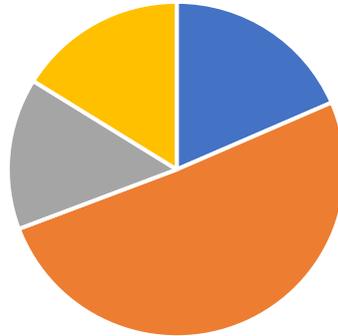


Source: LSIP Lancashire Workforce & Skills survey, March 2023

‘To what extent are you currently able to access the required digital skills training for your business?’

Fully, can access all digital skills training needed	18.5%
Partly, can access some of the digital skills training needed	50.8%
Not at all, cannot access the necessary digital skills training	14.6%
Not relevant, have not tried to access digital skills training	16.2%

To what extent are you currently able to access the required digital skills training for your business?



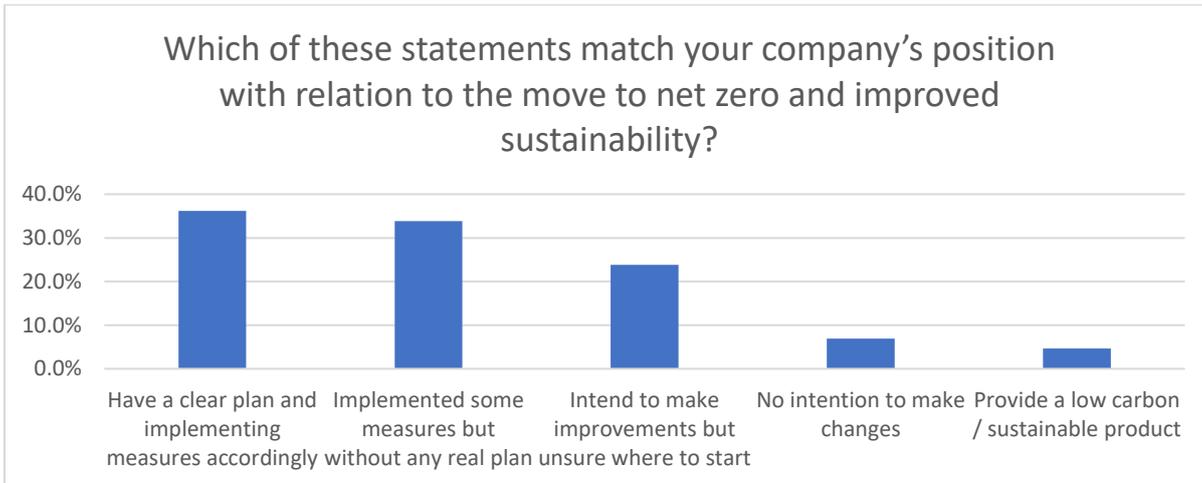
- Fully, can access all digital skills training needed
- Partly, can access some of the digital skills training needed
- Not at all, cannot access the necessary digital skills training
- Not relevant, have not tried to access digital skills training

Source: LSIP Lancashire Workforce & Skills survey, March 2023

### **Section 5 – Low Carbon & Sustainability**

The uncertainty among employers about how to implement low carbon or sustainability measures has been clear from direct conversations. It was highlighted when they were asked ‘Which of these statements match your company’s position with relation to the move to net zero and improved sustainability?’. Although the most common answer was that they had a clear plan and were implementing measures, 57.7% answered that they had no real plan or were unsure where to start.

Have a clear plan and implementing measures accordingly	36.2%
Implemented some measures but without any real plan	33.8%
Intend to make improvements but unsure where to start	23.8%
No intention to make changes	6.9%
Provide a low carbon / sustainable product	4.6%



Source: LSIP Lancashire Workforce & Skills survey, March 2023

Most, however, believe that their current workforce have the right skills to deal with decarbonization and improving sustainability. It does leave 48.9% of employers who aren't sure or believe they don't have the skills.

Yes	51.1%
No	19.2%
Not sure	29.7%

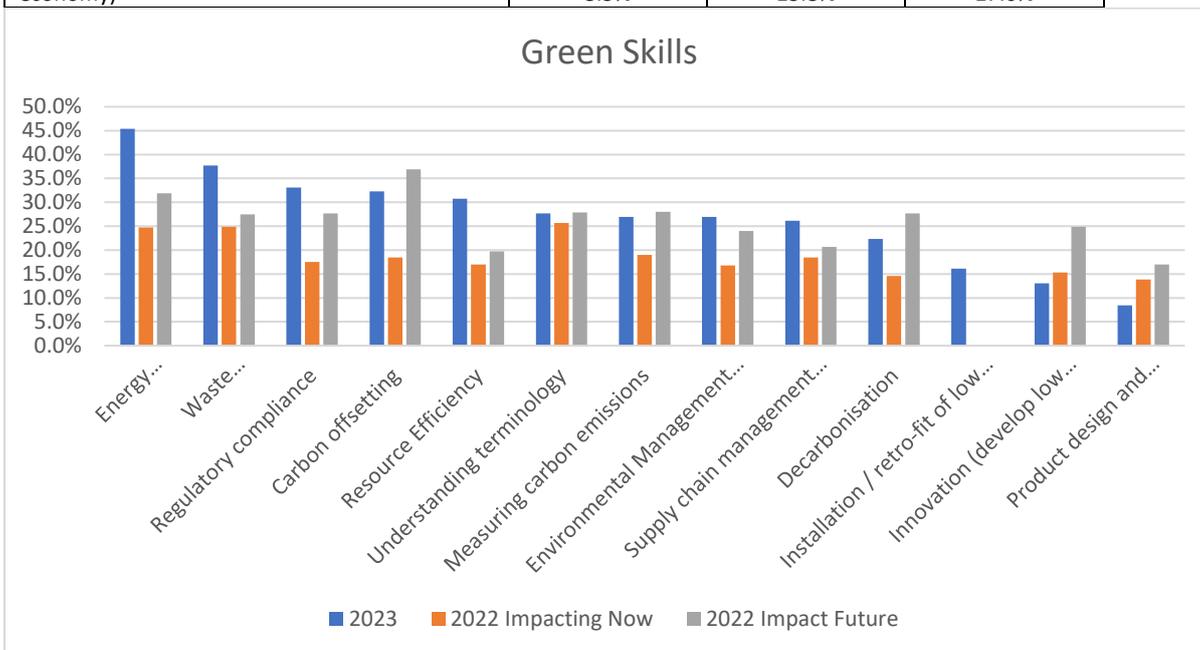


Source: LSIP Lancashire Workforce & Skills survey, March 2023

During the Trailblazer employers were asked what green skills were impacting them now and what they anticipated to impact them in the future. They asked again during the work on this LSIP *'Do you anticipate needing to develop any of the following skills in order to adapt to net zero goals?'*

Overall more employers responded recently that they anticipate needs across a broader range of topics. The most common areas are energy efficiency/management, waste management/minimisation, regulatory compliance, carbon offsetting, and resource efficiency.

	2023	2022 Impacting Now	2022 Impact Future
Energy efficiency/management	45.4%	24.7%	31.9%
Waste Management/Minimisation	37.7%	24.9%	27.5%
Regulatory compliance	33.1%	17.5%	27.7%
Carbon offsetting	32.3%	18.5%	36.9%
Resource Efficiency	30.8%	17.0%	19.7%
Understanding terminology	27.7%	25.6%	27.9%
Measuring carbon emissions	26.9%	19.0%	28.0%
Environmental Management Systems	26.9%	16.8%	24.0%
Supply chain management and collaboration	26.2%	18.5%	20.7%
Decarbonisation	22.3%	14.6%	27.7%
Installation / retro-fit of low carbon products	16.2%		
Innovation (develop low carbon products or services)	13.1%	15.3%	24.9%
Product design and remanufacturing (circular economy)	8.5%	13.8%	17.0%



Source: LSIP Lancashire Workforce & Skills survey, March 2023: 'Do you anticipate needing to develop any of the following skills in order to adapt to net zero goals?'

Source: LSIP Skill survey, February 2022: 'Skills for Net Zero...'

## Annex D – Lancashire LSIP emerging priorities report (March 2023)

### INTRODUCTION

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

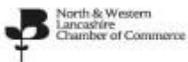
Difficulty recruiting and skills gaps have been problem raised by employers for years. LSIPs aim to understand not only where the gaps are but why those gaps exist. Working in collaboration with employers, skills providers and other local stakeholders the LSIP will help develop and co-ordinate solutions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



### 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



**BACKGROUND**

**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 .

<b>Rationale</b>	A brief overview explaining why this has been included as a sector.
<b>Labour Market Information</b>	Data on employees, GVA etc.
<b>Industry Challenges</b>	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.



**SECTOR ANALYSIS**

**MANUFACTURING & ENGINEERING**

<b>Rationale</b>	Manufacturing has been identified as a local priority sector featuring as one of the LEP’s pillars of growth. Lancashire’s 3rd largest employment sector and most highly value -added sector.
<b>Labour Market Information</b>	<p>Employment: 80,000 jobs, 12.5% of all employment in Lancashire (LQ=1.64)            Businesses: 3,750            GVA: almost £6bn, 17.7% of Lancashire GVA (LQ=1.84), almost double the typical national proportion</p> <ul style="list-style-type: none"> <li>• 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 nationally.</li> <li>• Other aspects more heavily concentrated in Lancashire than is typical nationally include Textiles (LQ=1.88), Furniture (LQ=1.8), and Rubber and Plastic Products (LQ=1.42).</li> </ul>
<b>Industry Challenges</b>	<ul style="list-style-type: none"> <li>• Aging workforce</li> <li>• Lack of diversity i.e. low numbers of women and those mainly employed in support roles</li> <li>• Industry not well promoted in schools; teachers and parents don’t know enough about industry</li> <li>• Still has the image of a dirty, manual industry despite not always being the case</li> <li>• Not much thought from smaller companies about moving to net zero</li> <li>• Moving to newer technologies while still operating traditional machines simultaneously</li> </ul>



**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
<p>"Manufacturing Engineers", "CNC Machinist"</p> <ul style="list-style-type: none"> <li>• <i>Machining Technician (L3)</i></li> </ul> <p>"Electrical &amp; Multi-Skilled Maintenance Engineers"</p> <ul style="list-style-type: none"> <li>• <i>Maintenance &amp; Operations Engineering Technician (L3)</i></li> </ul> <p>"Tool Maker"</p> <ul style="list-style-type: none"> <li>• <i>Engineering Operative (L3)</i></li> <li>• <i>Engineering Technician (L4) - Toolmaker and Tool and Die Maintenance Technician</i></li> </ul> <p>"Data Analyst"</p> <ul style="list-style-type: none"> <li>• <i>Data Technician (L3)</i></li> <li>• <i>Data Analyst (L4)</i></li> </ul> <p>"Procurement Manager"</p> <ul style="list-style-type: none"> <li>• <i>Procurement &amp; Supply Assistant (L3)</i></li> <li>• <i>Commercial Procurement &amp; Supply (L4)</i></li> <li>• <i>Senior Procurement &amp; Supply Professional (L6)</i></li> </ul>	<p>Procurement and supply chain personnel</p> <ul style="list-style-type: none"> <li>• <i>understand carbon and sustainability impact of products, materials, transportation and supplier emissions.</i></li> </ul> <p>Project and change management</p> <ul style="list-style-type: none"> <li>• <i>leaders dealing with technological change;</i></li> <li>• <i>greater understanding needed of how to prepare and plan for the move to net zero.</i></li> </ul> <p>Leadership, management and supervisory</p> <ul style="list-style-type: none"> <li>• <i>particularly for machinists and engineers moving from the shop floor into supervisory roles.</i></li> </ul> <p>Digital confidence and competence</p> <ul style="list-style-type: none"> <li>• <i>help those with limited digital and computing experience cope with increased digital processes.</i></li> </ul>



**SECTOR ANALYSIS**

**CONSTRUCTION**

<b>Rationale</b>	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.
<b>Labour Market Information</b>	<p>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)</p> <ul style="list-style-type: none"> <li>• In Mid-Lancashire (Preston, South Ribble etc), the Construction sector accounted for 9.5% of total GVA in 2020 (LQ = 1.63).</li> <li>• 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).</li> </ul>
<b>Industry Challenges</b>	<ul style="list-style-type: none"> <li>• Difficulty attracting people into the sector</li> <li>• Not seen as an aspirational career; only for those who don’t succeed at school</li> <li>• 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</li> <li>• Assumption industry is low paid, unsafe and dirty</li> <li>• Not enough awareness among companies of opportunities available with the move to net zero</li> </ul>



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**SECTOR ANALYSIS**

**HEALTH & SOCIAL CARE**

<b>Rationale</b>	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 <sup>rd</sup> highest contribution to GVA.
<b>Labour Market Information</b>	<p>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)</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
<b>Industry Challenges</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Struggles retaining staff due to pay, hours and stress.</li> <li>Having to recruit overseas workers but facing problems with qualification equivalency and funding any required training.</li> </ul>



**SECTOR ANALYSIS**

**HEALTH & SOCIAL CARE**

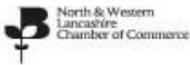
Shortage Occupations	Upskilling Needs
<p>"Health Care Assistants"</p> <ul style="list-style-type: none"> <li>Healthcare Support Worker (L2)</li> </ul> <p>"Staff Nurses" &amp; "Registered Nurses"</p> <ul style="list-style-type: none"> <li>Registered Nurse (L6)</li> </ul> <p>"Mental Health Practitioners"</p> <ul style="list-style-type: none"> <li>Senior Healthcare Support Worker (L3) – Mental Health Support</li> </ul> <p>"Occupational Therapists"</p> <ul style="list-style-type: none"> <li>Occupational Therapist (L6)</li> </ul> <p>"Midwives"</p> <ul style="list-style-type: none"> <li>Midwife (L6)</li> </ul> <p>"Registered Mental Health Nurses"</p> <ul style="list-style-type: none"> <li>Registered Nurse (L6) – Mental Health</li> </ul> <p>"Adult Care Workers"</p> <ul style="list-style-type: none"> <li>Adult Care Worker (L2)</li> <li>Lead Adult Care Worker (L3)</li> </ul>	<p>Leadership &amp; management training, especially for staff moving into supervisory and management roles:</p> <ul style="list-style-type: none"> <li>Lead Practitioner in Adult Care (L4)</li> <li>Leader in Adult Care (L5)</li> </ul>



**SECTOR ANALYSIS**

**TRANSPORT & DISTRIBUTION**

<b>Rationale</b>	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.
<b>Labour Market Information</b>	<p>Employees: 22,000, 3.5% of Lancashire’s workforce GVA: approx. £1bn</p> <ul style="list-style-type: none"> <li>• 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%).</li> <li>• Pre-pandemic, Lancashire's Transport and Logistics sector grew economic output faster than the national average (+3% year on year vs +2.2% nationally).</li> <li>• 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.</li> </ul>
<b>Industry Challenges</b>	<ul style="list-style-type: none"> <li>• Struggles attracting people into the industry; people not aware of range of opportunities in the industry and have perceptions of low pay.</li> <li>• Not supported by teachers and parents as an option for young people.</li> <li>• Challenges of moving to electric vehicles due to cost and range of new vehicles.</li> </ul>



**SECTOR ANALYSIS**

**TRANSPORT & DISTRIBUTION**

<b>Shortage Occupations</b>	<b>Upskilling Needs</b>
<p>"Large Goods Vehicle Drivers"</p> <ul style="list-style-type: none"> <li>• <i>Large Goods Vehicle (LGV) Driver C+E (L2)</i></li> </ul> <p>"Vehicle Technicians, Mechanics and Electricians"</p> <ul style="list-style-type: none"> <li>• <i>Autocare Technician (L2)</i></li> <li>• <i>Heavy Vehicle Service &amp; Maintenance Technician (L3)</i></li> </ul> <p>"Van Drivers"; "Couriers"</p> <ul style="list-style-type: none"> <li>• <i>Urban Driver (L2)</i></li> <li>• <i>Express Delivery Operative (L2)</i></li> </ul> <p>"Warehouse Operatives"; "Fulfilment Associates";</p> <p>"Pickers/Packers"</p> <ul style="list-style-type: none"> <li>• <i>Supply Chain Warehouse Operative (L2)</i></li> </ul> <p>"Transport Managers"</p> <ul style="list-style-type: none"> <li>• <i>Transport &amp; Warehousing Operations Supervisor (L3)- Transport Operations Supervisor</i></li> <li>• <i>Supply Chain Leadership Professional (L6)</i></li> </ul> <p>"Coach and Bus Drivers"</p> <ul style="list-style-type: none"> <li>• <i>Passenger Transport Driver (L2)</i></li> </ul>	<p>Electric vehicles</p> <ul style="list-style-type: none"> <li>• There are limited moves within large goods delivery companies to introduce electric vehicles into fleets.</li> <li>• 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.</li> </ul> <p>Digital confidence and competence</p> <ul style="list-style-type: none"> <li>• Help those with limited digital and computing experience cope with increased digital processes.</li> </ul> <p>Materials Handling Equipment (MHE)</p> <ul style="list-style-type: none"> <li>• Entry-level warehouse operatives such picker/packers would benefit from access to quick upskilling training on specific MHE, especially forklift trucks.</li> </ul>



**SECTOR ANALYSIS**

**HOSPITALITY, LEISURE & TOURISM**

<b>Rationale</b>	Hospitality, Leisure & Tourism is linked to the LEP pillar of growth, Tourism, Culture & Place.
<b>Labour Market Information</b>	<p>Employees: almost 70,000, more than 10% of Lancashire employment                      GVA: approx. £1bn, 3% of the county's economic output</p> <ul style="list-style-type: none"> <li>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).</li> <li>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.</li> </ul>
<b>Industry Challenges</b>	<ul style="list-style-type: none"> <li>Struggle to recruit and retain staff to the sector</li> <li>Not seen as a career and is something people fall into or only do while waiting to start a planned career.</li> <li>Seasonal work is not attractive.</li> <li>Young people not directed towards the sector; need to appeal to teachers and parents as well as young people.</li> </ul>



**SECTOR ANALYSIS**

**HOSPITALITY, LEISURE & TOURISM**

<b>Shortage Occupations</b>	<b>Upskilling Needs</b>
<p>"Kitchen Porters" &amp; "Kitchen and Catering Assistants"</p> <ul style="list-style-type: none"> <li><i>Hospitality Team Member (L2)</i> - Food Production</li> </ul> <p>"Chefs"</p> <ul style="list-style-type: none"> <li><i>Commis Chef (L2) &amp; Production Chef (L2)</i></li> </ul> <p>"Catering and Bar managers"</p> <ul style="list-style-type: none"> <li><i>Hospitality Supervisor (L3)</i></li> <li><i>Hospitality Manager (L4)</i></li> </ul> <p>"Bar Staff"; "Waiting Staff"; "Housekeeping Staff";</p> <p>"Receptionists"</p> <ul style="list-style-type: none"> <li><i>Hospitality Team Member (L2)</i></li> </ul> <p>"Business Administrators"</p> <ul style="list-style-type: none"> <li><i>Business Administrator (L3)</i></li> </ul> <p>"Digital Marketing"</p> <ul style="list-style-type: none"> <li><i>Digital Marketer (L3)</i></li> </ul> <p>"Events Managers"</p> <ul style="list-style-type: none"> <li><i>Hospitality Management (L4)</i></li> </ul>	<p>IT skills</p> <ul style="list-style-type: none"> <li>Excel and other basic software packages</li> <li>general digital competence so they're comfortable with things like booking systems or tills.</li> </ul> <p>Cellar management</p> <ul style="list-style-type: none"> <li>for alcoholic beverage service team members and bar supervisors.</li> </ul> <p>Leadership &amp; management</p> <ul style="list-style-type: none"> <li>especially for team members moving into supervisory and management roles.</li> </ul>



**SECTOR ANALYSIS**

**IT & DIGITAL**

<b>Rationale</b>	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.
<b>Labour Market Information</b>	<p>Employees: 20,000 in digital businesses / 33,000 digital workers across all sectors                      GVA: Information &amp; Communications - £1bn / E-Commerce &amp; Creative - £1.3bn</p> <ul style="list-style-type: none"> <li>The National Cyber Force investment in Sarnesbury 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.</li> </ul>
<b>Industry Challenges</b>	<ul style="list-style-type: none"> <li>The growth of the digital sector and digital roles more widely is creating a pressure on available people with the right skills.</li> <li>The diversity of Lancashire’s digital sector means that the range of skills provided need to be varied.</li> <li>Challenge to keep up with the rapid pace of change in both new technologies and growth of digital jobs presents.</li> </ul>



**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
<p>"Software Developer/Engineers"; "Web developers"</p> <ul style="list-style-type: none"> <li>Software Development Technician (L3)</li> <li>Software Developer (L4)</li> </ul> <p>"Computer Support Specialists"</p> <ul style="list-style-type: none"> <li>Digital Support Technician (L3)</li> <li>Information Communication Technician (L3)</li> </ul> <p>"Computer Systems Engineer/Architect"</p> <p>"Cyber Security Technician"</p> <ul style="list-style-type: none"> <li>Cyber Security Technician (L3)</li> <li>Cyber Security Technologist (L4)</li> <li>Cyber Security Technical Professional (L6)</li> </ul>	<p>Within digital roles the most requested skills are:</p> <ul style="list-style-type: none"> <li>SQL (Structured Query Language)</li> <li>Agile Methodology</li> <li>JavaScript</li> <li>Microsoft Azure</li> <li>CSS"</li> <li>C# (Programming Language)</li> </ul> <p>Within non-digital businesses the most frequently requested skills are:</p> <ul style="list-style-type: none"> <li>Data analysis</li> <li>Web design</li> <li>Digital marketing</li> <li>Excel</li> </ul>



**SECTOR ANALYSIS**

**FARMING & AGRICULTURE**

<b>Rationale</b>	Farming & Agriculture forms part of the LEP growth pillar of Food & Agriculture. The sector’s activities are also strategically critical in terms of food resource and environmental protection.
<b>Labour Market Information</b>	Employees: 12,000, 1.8% of Lancashire employment (LQ=1.38) Almost all of these jobs are in "Crop and Animal Production and related Service activities", which is more concentrated within Lancashire's Farming and Agriculture sector than is typical nationally. GVA: £217m, 0.7% of Lancashire’s output, which is in line with what is typical nationally 95% of Lancashire's GVA from the sector comes from Agriculture and Hunting (£207m), compared to 89% nationally (LQ=1.06).
<b>Industry Challenges</b>	<ul style="list-style-type: none"> <li>• Attracting new people into the industry is difficult; poor industry image and low pay are big issues.</li> <li>• The issue has been exacerbated over recent years due to access to seasonal, overseas workers being more difficult.</li> <li>• 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.</li> <li>• 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.</li> <li>• Courses tend to require a crop or livestock specialisation which doesn’t work for many mixed farms</li> </ul>



**SECTOR ANALYSIS**

**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" • <i>General Farm Worker (L2)</i>	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 those 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.



## CROSS-CUTTING THEMES

### 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 full-time 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.



## CROSS-CUTTING THEMES

### 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.



## CROSS-CUTTING THEMES

### 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.



## CONCLUSION

### 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.



## Annex E – Case Study: Forsberg’s outreach initiatives and the benefits & the ElechTech Innovation Cluster

### Introduction

Forsberg, a positioning, navigation and timing technology company based in Heysham, experienced difficulties enlisting skilled production technicians and engineers with software and electronics experience from the local talent pool as well as retaining talent from the local universities and attracting talent into the area. To address this issue, Forsberg initiated outreach efforts with local higher and further education institutions, and other local businesses, to create a network and pipeline of talented candidates for their workforce.

### Engaging with Lancaster University

In 2017, Forsberg engaged with the School of Engineering at Lancaster University to run a short Sprint engineering project. The project itself ran over 2 weeks and gave the students a real world engineering challenge to overcome. The project provided contextual learning for the students and exposed them to commercial challenges that businesses face.

From the Forsberg viewpoint, the project identified talented graduates for recruitment whilst offering valuable experience within industry for the students.

Through engagement with Lancaster University, Forsberg talked with the Physics department who run an industrial project programme, a programme that aligned well with their outreach initiative. The aim was to outline how physics was applied to real world challenges. The first undergraduate project was provided in 2019, and through this project, Forsberg recruited one of the students. This student has since gone on to become a product manager whilst also maintaining the connection with his old department by heading up the industrial project engagement. Forsberg runs an industrial project each year, a PhD sponsorship and has supported two Masters projects. Their work extends within Lancaster University to include the Computing/ Cyber department and the Management School. So far, the engagement with the university has resulted in:

- One Masters student joining the Forsberg team and applying their research directly into a new product development.
- Two Physics graduates who became aware of Forsberg through engagement activities and applied for positions as Software Engineers.
- A Computer Science graduate, who spent two years in industry before applying to Forsberg, having heard about the company through the University.

Forsberg have identified other benefits, beyond recruitment from the engagement with the University:

- Identifying academics who are developing cutting edge research applicable to their product lines.
- Student projects to provide constructive feedback to Forsberg operations including a recruitment strategy assessment and cyber security review.
- Funded support through catalysts, where a University placement would work on a specific task in the business to support operational and product development.
- Personal development and idea generation for all Forsberg members who interact with projects that often challenge the status quo.

- Accumulated a network of contacts who provide commercial and research opportunities.

#### Delivering the Tech Lancaster Boot Camp

In 2020 to 2021, Forsberg worked with five other local businesses, led by Milliamp, to deliver the Tech Lancaster Boot Camp. The level 1/2 Electronics skills boot camp focused on practical electronics skills, that were identified by the companies themselves, as lacking from the curriculum. The industrial consortium identified that graduates entering the workforce required a high level of training in practical fault finding and soldering, as well as providing hands on experiential learning. As a collective, they developed the content, and delivered the course in the local area of Lancaster and Morecambe during the pandemic.

Ultimately, 64 students passed the course, and 40 of them have gone on to pursue new careers, new positions, or new jobs. The program was so successful that in 2022, it moved to a second cohort, and is currently delivering training across the country to 250 students.

Forsberg benefitted directly from the Boot Camp, upskilling some of their employees through the training program, as well as identifying new recruits for the production team.

#### Forming the ElecTech Innovation Cluster

The ElecTech Innovation Cluster was formed in 2021 as a collective of electronic technology businesses with a shared focus on the Lancaster, Morecambe Bay and South Lakeland area. They identified that by collaborating on common challenges, the bigger the impact on the local area and are focused on identifying the region as a centre of excellence for ElecTech Businesses. Through engagement they tackle education, innovation, facilities, infrastructure, and representation needs and drive for positive actions to create opportunities for social and economic benefits. The cluster is truly business-led to ensure that it is agile and adaptive, with an aim to enable change through their collective actions.

#### Partnering with Lancaster and Morecambe College

To address the shortage of technicians in their workforce and with the Tech Lancaster Boot Camp in development, Forsberg engaged with their local College, Lancaster and Morecambe College. Forsberg, and other ElecTech Innovation Cluster members, provided an overview of needs, in particular a local institute for their Apprentices and for upskilling. Lancaster and Morecambe College acted quickly and developed an electronics course as well as providing apprenticeship support for electronics engineering. The course is well aligned to industry needs as the College regularly engages with the Cluster members to gain feedback and support in the development of their curriculum. Today, the college teaches 65 students in electronics and has seen a rise in interest in this discipline, thus growing the talent pipeline for technicians. Forsberg has two apprentices who study at Lancaster and Morecambe College.

#### Benefits of Forsberg's Outreach Initiatives

Forsberg's outreach initiatives have resulted in significant benefits for the company, the local educational institutions, and the wider community. These benefits include:

- A pipeline of talented candidates: By engaging with local educational institutions, Forsberg were able to create a source of skilled candidates for their workforce.
- Improved relationships with local educational institutions: Forsberg's engagement with Lancaster University and Lancaster and Morecambe College has resulted in closer relationships between the company and these institutions.
- Development of a local business network: By partnering with other businesses in the ElecTech Innovation Cluster, Forsberg has helped develop a local business network. This network has allowed the businesses to share knowledge and expertise, as well as to collaborate on projects and initiatives.
- Improved skills development: The Tech Lancaster Boot Camp has provided students with the practical and in demand electronics skills required for industry, resulting in the students improving their employability and contributing to the growth of the local economy.

Forsberg's experience highlights the importance of collaboration between businesses and educational institutions in developing a skilled workforce. By establishing focused advisory boards, relevant curriculum can be developed to meet the needs of local industries and provide students with valuable work placements, industrial experience, and project opportunities. In turn, this creates a network of businesses and educational institutions that work together to shape the future talent pipeline, ensuring that graduates and apprentices are well-prepared for the workforce and able to contribute to the growth of the local economy.



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