

# Regional Employment and Skills Analysis 2010 Evidence Base

## Introduction

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**European Union**  
European Social Fund  
Investing in jobs and skills



**South West RDA**

## PREFACE AND ACKNOWLEDGEMENTS

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This report reviews the evidence base for employment and skills in the South West, as of March 2010. A wide range of data and analysis underpins this document. Key sources are referenced within the document and are also available on the SLIM website:

<http://www.swslim.org.uk/labourmarket/swrsp/regional-analysis/index.asp> .

Many thanks go to the employment and skills agencies in the region for sharing their own analysis, plans, priorities and data, without which this regional analysis would not be possible. Particular thanks go to Pete Gisborne at the Learning and Skills Council (LSC) for contributing key sections of the *Skills Supply* document. Thanks also go to Eleanor Field of the Economy Module of the South West Observatory for providing the employment structure analysis. The Economy Module reports and briefings have also been referenced extensively in relation to the recession impact analysis, which appears in this report. Thanks also go to Marina Auburn, Senior Skills Analyst at the Regional Development Agency (RDA) for extensive support for the project and to Liz Georgeson, Head of Skills Policy at the South West Regional Employment and Skills Board (RESB). Finally, thanks also go to all those who gave of their time in interviews, including Viv Rayner; Jenny Rudge; John Tempest; Nigel Costley; Nicola Oates; representatives of SSCs; and representatives of the Local Employment and Skills Boards in the region.

Finally, thanks go to the Steering Group and the project team.

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# INTRODUCTION

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## 1.1 Purpose

The *South West Regional Employment and Skills Analysis 2010 (Regional Analysis)* has been commissioned by the South West Regional Development Agency (SWRDA), and written by the South West Observatory (SWO) Skills and Learning Intelligence Module (SLIM), under the direction of, and in consultation with, the South West Regional Employment and Skills Board (RESB).

The *Regional Analysis* will provide the evidence base for the South West Regional Skills Strategy and South West Regional Priorities Statements for 2010/11 and 2011/12.

The RESB also plays a leading role in ensuring that European Social Fund (ESF) spending is directed towards regional employment and skills priorities. This *Regional Analysis* has therefore also provided the evidence base for the refresh of the ESF Frameworks for Competitiveness and Convergence in 2009.

## 1.2 Scope

This evidence base examines the region's current and future employment and skills needs.

It provides:

- a review of the changing policy and economic context facing the region;
- a review of employment trends and issues, particularly in the light of the recession;
- a review of the skills agenda from 14-19 through to the adult workforce;
- a review of all skill/qualification levels (from basic skills to higher level skills);
- A detailed analysis of sectors.

Key reference documents include:

- The South West LSC Analyses of youth and adult provision (2009)
- South West Regional Funding Advice (2009)
- Sector Skills Assessments and Sector Operations group reports
- UKCES Ambition 2020

- Skills for Jobs: Today and Tomorrow: The National Strategic Skills Audit for England 2010
- National Employer Skills Survey 2009
- Economy Module and SLIM Recession Briefings
- Moving to Inclusion 2009
- Working Futures, National Report 2007-2017 (2008)
- State of the South West 2009
- STEM: Demand and Supply of Skills in the South West (2009)
- Local Area Agreements
- Learning Theme Reports and Research Briefings on Green Skills and Rurality.

In addition to this report, SLIM has produced a range of Working Papers<sup>1</sup> which set out research into aspects of the Regional Analysis in more detail:

- Working Paper on Higher Education
- GCSE and A level attainment in the South West 2009

### 1.3 Background

This evidence base is published against a backdrop of significant changes in the employment and skills sectors as a result of the recent recession, policy directives and significant organisational restructuring in the skills sector. This report thus updates and builds upon the *Regional Analysis 2007* report but provides additional analysis in a number of key areas. In line with concerns about rising unemployment, this report has placed greater emphasis on the analysis of employment trends and the impact of the recession. However, whilst understanding the impact of the recession is critical, partners have been clear about the need to retain their focus on the building blocks for recovery and the medium to longer-term issues. Thus this analysis continues to focus on future needs.

The evidence base is intended to provide a broad sweep of the key issues in relation to employment and skills. All the key partners have played an active role in its development and the authors are grateful for access to information and intelligence as well as the direct input into the development of the recommendations for action.

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<sup>1</sup> These Working Papers are available for download on the SLIM website [www.swslim.org.uk/labourmarket/RSP](http://www.swslim.org.uk/labourmarket/RSP)

### 1.3.1 Regional Skills Priorities

Three key themes emerged from the 2007 analysis which informed the development of the RESB's Statement of Priorities 2007-2010<sup>2</sup>, and which are closely linked to the region's competitiveness. They are:

- **Productivity** – to ensure that South West businesses have access to the right skills and business practices to improve their productivity.
- **Progression** – to ensure the availability of effective routes for progression to enable people to maximise their potential within the workforce, addressing issues of equality and diversity.
- **Sustainability** – to ensure that the development of the region is sustainable, maximizing the impact of the public resources that are deployed, encouraging investment by individuals and businesses, and planning for the future.

These three themes continue to inform the content of this evidence base and the *Regional Analysis Summary* report which follows. In addition, the recession and recovery from it forms a new and important area for analysis. The importance of place forms a further thread, recognising the shifting policy emphasis on the local areas as the basis for determining need. Thus, the analysis includes a significant sub-regional analysis of employment and skills issues, together with detailed sub-regional reports, produced at the request of the region's Local Employment and Skills Boards (LESBs).

### 1.3.2 Key Changes from 2007

A number of developments have taken place since 2007 and these require further changes to the evidence base, which now includes:

- LESBs – a review of the emerging priorities and issues from the perspective of the new LESBs.
- Recession Analysis – an analysis of the recession and its impact on the region together with some scenarios for the post recession landscape.
- LSC Analysis – as with the 2007 analysis, the 2010 analysis incorporates the key analysis of LSC funded provision and an analysis of LSC data on trainee starts and achievements.
- Sectoral Analysis - a strong sectoral analysis sits at the heart of the evidence base, both in the data analysis of skills needs in the region, and in the more qualitative review of Sector Skills Council (SSC) information including Sector Skills Assessments (SSAs). There is much to build upon in terms of developing a sector approach in the region and to ensure that public interventions are effectively focused. One of the recommendations of the 2007 analysis was the need for further regional focus on sector priorities. Since that time, the sector working in the region has strengthened considerably and, through the Sector Operations Group, SLIM has conducted a range of investigations into sector demand and the development of action plans. We are thus able to draw upon a considerable body of knowledge from sectors on the needs of employers in the region.

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<sup>2</sup> *South West Regional Skills Partnership Statement of Regional Priorities, 2007-2010*, SW RSP  
<http://www.swrsp.org.uk/strategy/priorities.asp>

- Low Carbon economy – this is now a key feature of government and regional strategy and thus the employment and skills implications are explored.

## 1.4 Consultation

Whilst a review of data and research forms the basis of this evidence base, we have also sought the perspectives of a range of stakeholders on the key issues facing them, thus ensuring that the development of the evidence base is an inclusive process. This has included:

- Face-to-face interviews with LESBs (undertaken during June to September 2009);
- Telephone interviews with all but one of the SSCs (during June and July 2009);
- RESB Standing Groups, which draw together a range of partners, who were invited to comment on key issues and priorities;
- South West Councils;
- National Apprenticeship Service;
- TUC;
- LSC;
- Business Link;
- FSB.

The development of the evidence base and accompanying analysis was also overseen by a Steering group comprising lead partners.

## 1.5 Presentation of Evidence Base

The evidence base is presented in four parts:

- Part 1 Policy Context
- Part 2 Employment Analysis
- Part 3 Skills Demand Analysis
- Part 4 Skills Supply Analysis

<http://swslim.org.uk/labourmarket/gap/regional-analysis-index.asp>

Whilst the evidence base has been segmented in order to manage the amount of evidence available, employment and skills are, of course, inextricably linked. The *Regional Analysis Summary* report thus presents the evidence in an integrated way. Parts of the report are also cross-referenced and significant evidence sources referenced with web links. In addition, a series of sub-regional data reports have been produced at the request of LESBs:

- Bournemouth, Dorset and Poole
- Bristol, BANES, North Somerset, South Gloucestershire
- Cornwall and the Isles of Scilly
- Devon
- Gloucestershire
- Plymouth
- Somerset
- Swindon
- Torbay
- Wiltshire

<http://swslim.org.uk/labourmarket/gap/lesbs.asp>





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