

**Calderdale Employment and Skills Strategy
2010 - 2015**

Foreword

We are in the most challenging environment for many years and are faced with difficult decisions across a range of services. It is therefore, very important that the Council and our wider partners work together to make the maximum use of all the resources we have.

We are pleased to be able to present this Employment and Skills Strategy jointly sponsored by our two directorates. The strategy recognises that the people who live here and the businesses located in Calderdale are our greatest assets. In order to grow and prosper it is vital that we invest in our local people, our local communities and our employers. We can only build a stronger and more resilient Calderdale if people and businesses are equipped with the skills, expertise and knowledge for success.

The creation of a skilled workforce will boost the productivity of our businesses and provide more and better jobs for those living in Calderdale. Increased levels of employment and the generation of opportunities for all will lead to stronger, healthier and safer communities, where people want to live and work as a matter of choice.

Our success depends on improving the economy and linking skills and employment to what employers need. In a time of diminishing resources it is vital that we encourage individuals and employers to invest in skills whilst supporting those who are most vulnerable in terms of getting and keeping a job. One of the major challenges we face is the large number of young people (under 25) that are now out of work or struggling in low-paid, part-time jobs. We will need to focus on supporting our young people to gain the necessary skills through Apprenticeships and other learning opportunities to equip them properly for their adult working lives. We remain committed to supporting adults to achieve their potential, to enhance employment skills as well to strengthen communities, support families and promote social cohesion.

Our overarching aim is therefore to raise the levels of employment in Calderdale and to work with our partners on four key priorities:

- Improve the skill levels of those who have no or low level skills and those who have poor work prospects or a high chance of spending long periods out of work, especially the young people of the Borough.
- Address skills gaps and skills shortages.
- Encourage employers and individuals to invest in skills.
- Support business productivity.

Councillor A Evans
Children's and Young People Service

Councillor B Collins
Economy and Environment

Contents

- 1. The vision to promote learning and skills**
- 2. Introduction**
- 3. Calderdale in the regional context**
- 4. National skills and employment policies**
- 5. Calderdale employment and skills**
 - 5.1. Population**
 - 5.2. Economy**
 - 5.3. Calderdale Business Sectors**
 - 5.4. Employment and worklessness**
- 6. Impact of the Recession**
 - 6.1. Child Poverty**
 - 6.2. Economic strengths and challenges**
- 7. Skills**
 - 7.1. Skills Overview**
 - 7.2. Supply of skills**
 - 7.3. Skills gaps, shortages and mismatches**
 - 7.4. Funding for skills**
- 8. Realising the vision**
- 9. Measuring Success**
- 10. Calderdale Employment and Skills Strategy – Priorities**

1 The vision to promote learning and skills

1.1 The Sustainable Community Strategy sets out a vision for Calderdale:

“Our vision is for Calderdale to be an attractive place where people are prosperous, healthy and safe, supported by excellent services and a place where we value everyone being different and through our actions demonstrate that everyone matters”

1.2 The main outcome for this strategy is “Safeguarding Calderdale’s future and fostering economic prosperity for all” which will be achieved by:

- *Increasing skill levels amongst the district’s workforce to access quality employment*
- *Increasing employment for young people, disadvantaged groups, people with disabilities and the workless*
- *Increasing attainment levels of young people by age 19*
- *Increasing the numbers of successful and sustainable existing and new businesses, including social enterprises*
- *Creating and supporting dynamic and vibrant town centres*

1.3 In 2011, the Council’s Liberal Democrat/Labour coalition agreed a ‘Fresh Start for Calderdale’ with 10 key priorities:

- *Get the basics right*
- *Open Government and Effective Consultation*
- *Safeguarding and Care*
- *Tackling Recession*
- *Stronger Communities*
- *Supporting Children and Young People*
- *Supporting Adult Social Care*
- *Climate Change and Environmental Action*
- *Fair Enforcement*
- *Change and Value for Money.*

1.4 In 2012, the Council’s Labour/Liberal Democrat party groups agreed their priorities for Calderdale in “Moving Forward in Challenging Times”. The document recognises that Youth Unemployment is one of the Borough’s major challenges. The Council’s delivery priorities are set out as :-

- The Local economy (“in addition to tackling youth unemployment..”)
- Sustainable towns
- Green Agenda
- Road Safety
- Fairness

1.5 In May 2012, Calderdale Council also signed up to the Leeds City Region Employment and Skills Campaign “Five – Three – One”. This campaign is to encourage businesses and public sector partners to commit to one or more of the following:-

- Investing more in skills
- Mentoring a budding entrepreneur
- Building links with Education
- Offering a work placement to an unemployed person
- Offering an apprenticeship

1.6 The Employment and Skills Strategy supports the Sustainable Community Strategy and the “Moving Forward in Challenging Times” document, as well as the Leeds City Region “Five-Three-One” campaign. The Strategy will focus on developing a skills and employment market to encourage economic progress across the Borough to generate growth, improve productivity and meet employers’ needs for a skilled workforce. The strategy will provide opportunities for individuals to acquire new skills whether they are in employment, seeking employment or require first steps support to access the skills ladder and will be part of the Council’s response to tackle the impact of the current recession.

1.7 It is recognised that the people and businesses of Calderdale are our greatest assets and the skills of our people are one of the keys to our future prosperity. The current recession provides opportunities to improve and upgrade skills at all levels, in order to provide a workforce suited to the future needs of our businesses.

1.8 Employer and individual investment in training will improve productivity and growth. In the current economic climate we must rely more on our own resources and champion the benefits of improving skill levels with our businesses and our people.

2 Introduction

2.1 The aim of this strategy is to set out a clear vision that explains the current and future skills needs across Calderdale from both the business and the individual perspective.

2.2 The strategy outlines the present employment and skills context for Calderdale and identifies skills priorities and proposals for how to address these needs. The main focus is on the skills priorities for employers and learners aged 19+ who are in employment; those who are seeking employment and those who are furthest away from the labour market.

2.3 The principal audience for the strategy document is employers, colleges and training providers, the Calderdale Health and Well-Being Board, elected members with an interest in skills and employment, senior officers of the

Council and local partners including Jobcentre Plus and the Leeds City Region's Local Enterprise Partnership.

- 2.4 The strategy has been revised following a period of significant change in the provision of services to businesses and local communities at national, regional and local level and at a time when the country is still suffering from a national and international recession. We are already experiencing significant pressures to cut public spending. This reinforces the need to ensure the resources that are available are used in the best possible way.
- 2.5 The strategy is inextricably linked to Calderdale's Economy and Enterprise Strategy. Calderdale's future prosperity depends ultimately on employment and productivity: how many people are in work and how productive they are when they are in work. Skills are essential to both. In the end, the demand for skills is mainly a 'derived' demand; it depends on the shape of the economy and the level of economic activity.
- 2.6 In December 2006 the Leitch Review of Skills was published. The report identified that the skills base of the country had improved significantly over the last decade with rising school standards and growth in graduate numbers. However, the report concluded that despite this, the UK's skills base remained weak by international standards, holding back productivity, growth and social justice. The Review found that, even if current targets to improve skills are met, the UK's skills base will still lag behind that of many comparator countries in 2020.
- 2.7 The UK Commission for Employment and Skills was established following the Leitch Review to advise Government on the policies, strategies, and measures that we need as a country to achieve our World Class Ambition of being one of the top eight countries in the world for skills, jobs and productivity. In July 2010 UKCES produced an assessment of the progress to achieving the Leitch 2020 targets. The assessment¹ concluded that we will not, as a country, achieve the desired improvement in 'low' level skills (level 2) or in intermediate skill levels (level 3) but we will achieve the higher level skill ambition of 40% of the working age population having a qualification at Level 4 or above. Indeed although the UK does have more high skill jobs than high skill people the gap is quite small relative to other countries. Moreover, the growth in our numbers of highly skilled people significantly exceeds the growth in our numbers of high skill jobs i.e. the supply of graduates is outpacing the growth of jobs that require them.

¹ Ambition 2020: World Class Skills and Jobs
Page 6 of 25

3 Calderdale in the regional context

- 3.1 Calderdale has a population of over 201,600 people (Local Economic Assessment, 2011)) and is close to both Manchester and Leeds and is part of the Leeds City Region (LCR). The LCR comprises the five West Yorkshire districts of Bradford, Calderdale, Kirklees, Leeds and Wakefield, the district of Barnsley in South Yorkshire, the unitary authority of York, as well as the three North Yorkshire districts of Selby, Craven and Harrogate. It has a population of just over 2.9 million; around 1.8 million of these are of working age. It has approximately 100,000 businesses and generates around £50bn GVA per annum. It is, therefore, a significant source of employment and output for the country. There are over 8,000 businesses in Calderdale which is home to some major companies including Lloyds Banking Group, Nestle, Marshalls and Crosslee. Calderdale's GVA is approximately £3.36bn per annum (2011).
- 3.2 LCR's successful bid to become a city region pilot focused on the potential to coordinate investment and delivery in the areas of housing, innovation, transport and – of most relevance to this strategy – adult skills. The LCR submitted a proposal to the Government to form one of the first Local Enterprise Partnerships (LEP) in the country – and this was approved by the Government in October 2010. A key part of the LCR LEP has been to focus on employment and skills, through the Employment and Skills Board (ESB) , reporting to the LEP Board. The LCR ESB has produced an Employment and Skills Strategy for the city region. The LCR ESB is an employer-led partnership established to transform skills delivery from being provider led (by the Universities, Colleges and other providers) to demand led (by employers).
- 3.3 The LCR ESB board includes several business representatives from across the Leeds City Region as well as five city region local authority representatives, including a member of Calderdale Council's Cabinet.
- 3.4 The LCR Employment and Skills Strategy has five strategic objectives:
- 3.4.1 To improve skills and boost employment in selected sectors:
- Manufacturing/advanced manufacturing;
 - Finance and Business Services;
 - Hospitality, Leisure, Travel, Tourism;
 - Creative Industries;
 - Future Low carbon employment opportunities;
- 3.4.2 Increase employer and individuals investment in skills.
- 3.4.3 Skills development for those out of work.

- 3.4.4 Better information for learners, employers, colleges etc. To enable better informed decisions.
- 3.4.5 Create an aspirational and innovative enterprise culture.
- 3.5 It is now appropriate to consider establishing a Calderdale Employment and Skills Board, to provide strong links into the LCR ESB and provide support at a local level for the LCR activity, as well as drive forward support needed for Calderdale.
- 3.6 The proximity of Calderdale to Manchester has led to an increasing number of people travelling to work in Manchester. The Association of Greater Manchester Authorities (AGMA) was the first city region outside of London to be granted a statutory ESB, The Commission for the New Economy, in March 2010. This strategy needs to understand and identify areas where there might be benefit in collaborating with neighbouring Authorities such as Kirklees and AGMA, particularly in the field of economic development. Calderdale currently have formal observer status with the Manchester City Region and will continue to work with them on the themes of jobs, transport, skills and tourism.
- 3.7 The Chief Executive of Calderdale Council meets monthly with the Chief Executives of Greater Manchester and the other authorities neighbouring Greater Manchester to identify and discuss opportunities. This group has agreed that Calderdale and Kirklees will work together with Greater Manchester to determine where collaboration can best be undertaken to mutual benefit.
- 3.8 With an increasing focus on devolving responsibilities to city region and local level it is important to ensure Calderdale has a voice at the appropriate spatial level and aligns priorities to maximise opportunities at local level. This also means adopting a pragmatic approach in identifying appropriate solutions at different spatial levels – locally, city region, and cross boundary with another local authority or authorities.

4 National Skills and employment policies

- 4.1 The coalition government has identified skill levels as a critical component in securing economic health and competitiveness with an increased focus on a wide variety of learning routes into further and higher education and a particular emphasis on more high quality apprenticeships to meet employers and individual needs. In November 2010, the government produced a White Paper on skills policy ‘Skills for Sustainable Growth’. The White Paper sets out the Government’s approach to improving skill levels, with a focus on “Skills for growth” – including more adult Apprenticeships, a new growth and innovation fund for businesses, and encouraging the teaching of entrepreneurial skills – and on “Skills for a Fair Society” – which includes a

commitment to improve basic literacy and numeracy skills for school-leavers and to reorganise funding for people on state benefits into more targeted provision. Set within the context of the current policy to reduce the national deficit, the “Skills for Growth” priorities are to de-clutter the skills landscape, simplify the further education system and the funding mechanisms to maximise value for money. The direction of travel is clearly to simplify the national system to become transparent, equitable and fair and to rebalance the investment between the public purse, the individual and business.

- 4.2 In October 2010, the Department for Works and Pension announced that support for people with more severe disabilities would be consolidated into a single “Work Choice” programme. Over 200 national contracts to support people with severe disabilities would be consolidated into 28 contracts nationally, managed by “prime providers”. The “Work Choice” programme aims to “greatly improve the effectiveness of current programmes by tailoring support to the needs of each person to help them find employment and then progress and stay in work”. According to DWP, “Work Choice will replace the previous suite of specialist disability employment programmes (i.e. Work Preparation, WORKSTEP and the Job Introduction scheme). It will provide customers with severe disabilities and more complex support needs with a seamless service covering all stages of the journey into work”.
- 4.3 In 2011, the Department for Business Innovation and Skills announced that all employability schemes were to be re-organised into a single “Work Programme”. To replace all previous employability schemes. The overarching programme is also led by “prime providers” and is targeted at a multi-client group, tailored to individual need.
- 4.4 In April 2012, the DWP also launched the “Youth Contract”, in response to the rising levels of unemployment nationally among the Under 25s. The Youth Contract is a £1billion programme, to help young unemployed people get a job. The Youth Contract, aims to provide nearly half-a-million new opportunities for 18-24 year olds, including apprenticeships and voluntary work experience placements. It also marks an increase in the support and help available to young people through the Work Programme, Jobcentre Plus and sector-based work academies.

5 Calderdale employment and skills context

5.1 Population

- 5.1.1 Calderdale Council is the sixth largest of the 36 metropolitan authorities in terms of land area, yet the seventh smallest in terms of population. The population is 201,600 (2009 Mid-year Estimate). Almost half the residents live in Halifax. The latest government population projections (2006) suggest that if the trends of the last 5 years continue, numbers will rise by 10,000 over the next five years. The older population (65+) is projected to grow quite rapidly. There will be a sharp growth in numbers aged 65-74, whilst numbers in the 75-84 age-group will increase slightly and the 85+ group continues to grow

steadily at about 2% per annum. The under 15's are projected to increase by 4% over the next 5 years.

5.1.2 The non-white population was 10% of the total in 2007, below the national average of 11%. The age profile is young, with 1 in 3 being under 16 years old (compared to 1 in 5 of the white population). Most non-white residents are of Pakistani / Kashmiri origin, living mainly in one area of Halifax, where they comprise more than half of the population, with smaller numbers living in Elland and Todmorden.

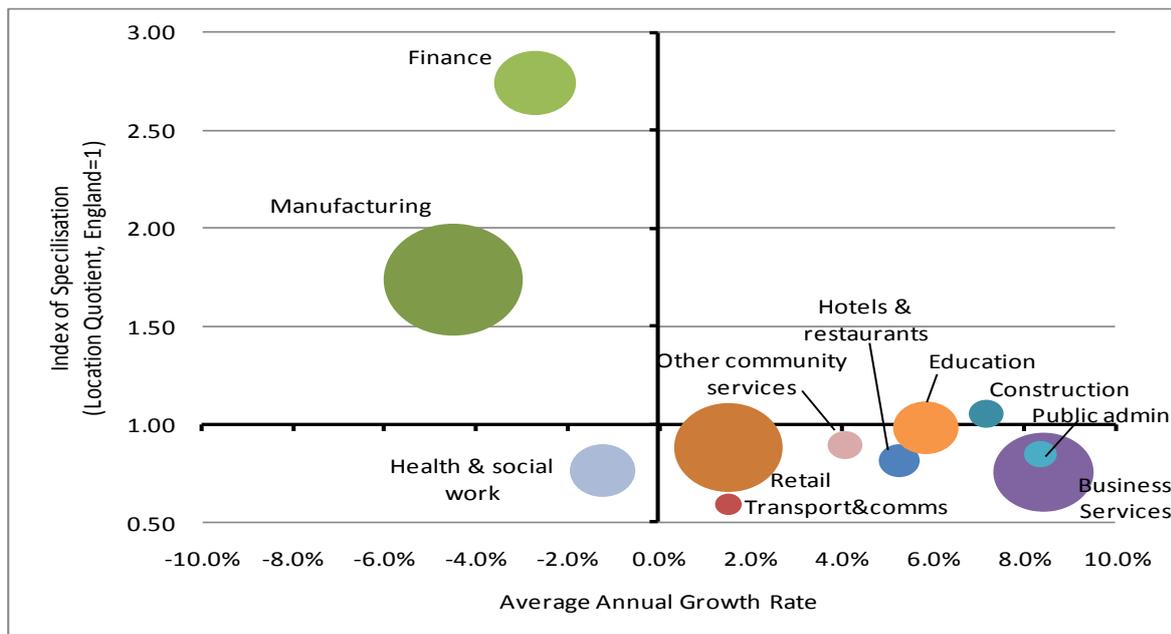
5.1.3 These changing demographics need to be taken in to account in planning future skills provision for professional occupations in health and social care, teaching and learning and leisure.

5.2 Economy

5.2.1 The district's traditional economic base was founded on textiles, engineering and other manufacturing industries. In recent years, service industries have overtaken manufacturing in terms of number of employees. Employment in the financial services has increased significantly (the Lloyds Banking Group is the single biggest private sector employer) and tourism-related jobs have risen, supporting the equivalent of 3,300 full-time jobs. However, manufacturing continues to account for 19% of local employment, far above West Yorkshire and national levels.

5.2.2 The diagram below describes Calderdale's economy. The size of each circle represents the number of people employed, the vertical height the value added to Calderdale's economy and the horizontal position growth in the sector with left of the line a contracting sector and right of the line a growing sector. This suggests our highest value sectors of finance and manufacturing are contracting but other sectors such as creative industries, tourism and leisure are growing. In summary, the diagram confirms our dependence on manufacturing and finance and emphasises the need for greater economic diversity.

5.3 Calderdale Business Sectors



Source: Ekosgen 2009

5.3.1 The Economy and Enterprise Strategy reflects the challenges for Calderdale and looks to put actions in place to regenerate the area and overcome the difficulties of the recession by:

- supporting existing sectors (financial services, manufacturing).
- diversifying into new sectors.
- encouraging enterprise and physical regeneration.
- narrowing the gap between the 'haves' and 'have-nots' in Calderdale.

5.3.2 The Economy and Enterprise Strategy identifies that financial services and manufacturing sectors are still strong but this has left the area vulnerable to the effects of the recession and has identified priority areas for encouraging job growth that align well with the LCR priority sectors:

- Creative and digital industry businesses, which represent 18% of all businesses in the borough and 11% of all creative businesses in Yorkshire.
- Small businesses and unique shops are integral to the identity of Calderdale.
- Tourism; Calderdale as a tourist destination has much to offer.
- Care Services; it is anticipated, due to the needs of a changing population, employment in health will grow by 10.8% between 2006 and 2016.
- Green industries and low carbon technologies
- Continued support for finance and manufacturing sectors.

5.3.3 The Calderdale Economy and Enterprise Strategy sets out a partnership approach to tackling economic issues and strengthening the local economy and can be summarised as supporting people, business and place.



5.4 Employment and Worklessness

5.4.1 Youth Unemployment has increased in the UK from 14.1% in 2008 to 22.3% in 2011. (Ofsted Report Card, LEAFEA 17 July Update)

5.4.2 Employment data from 2010 indicates there are approximately 82,300 jobs in Calderdale with Manufacturing accounting for 19% and Banking, Finance and Insurance Services 25% which is higher than the national average.

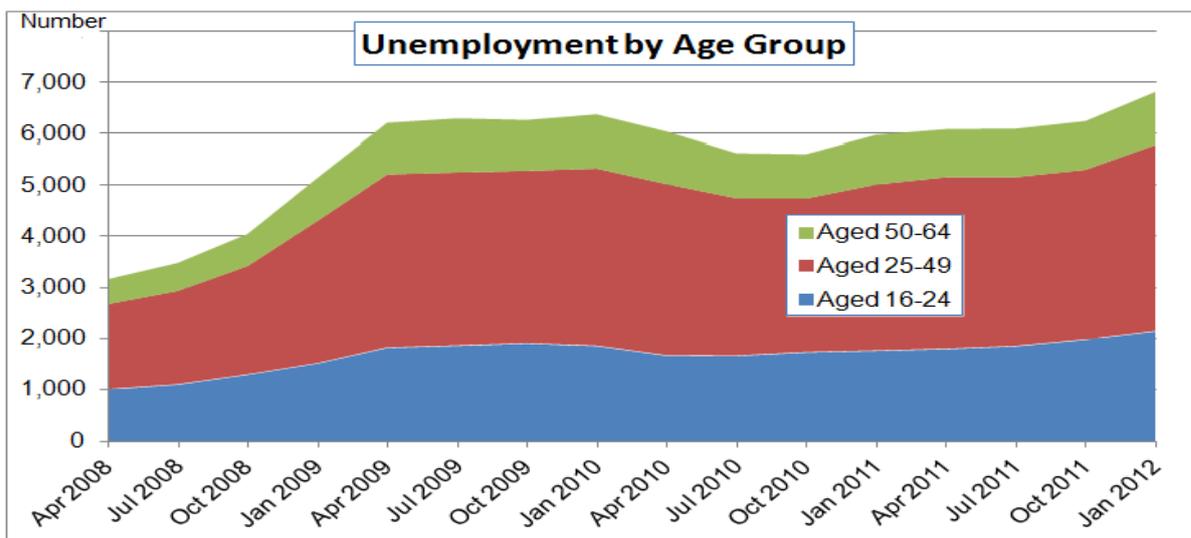
5.4.3 Whilst more men than women are in work, increasing numbers of both men and women work part time. Average pay is below national hourly rates but above West Yorkshire averages. Increasingly, the workforce is more mobile, with 28% of residents working outside the district and 24% of jobs in Calderdale being filled by people from other areas.

5.4.4 Calderdale's employment rate at 73.2% is close to the national average of 73.7% however there are concentrations of unemployment and worklessness within the Borough for example 39% of the working age population in Mixenden claim out of work benefits compared to 16.7% for the Borough.

6 Impact of the recession

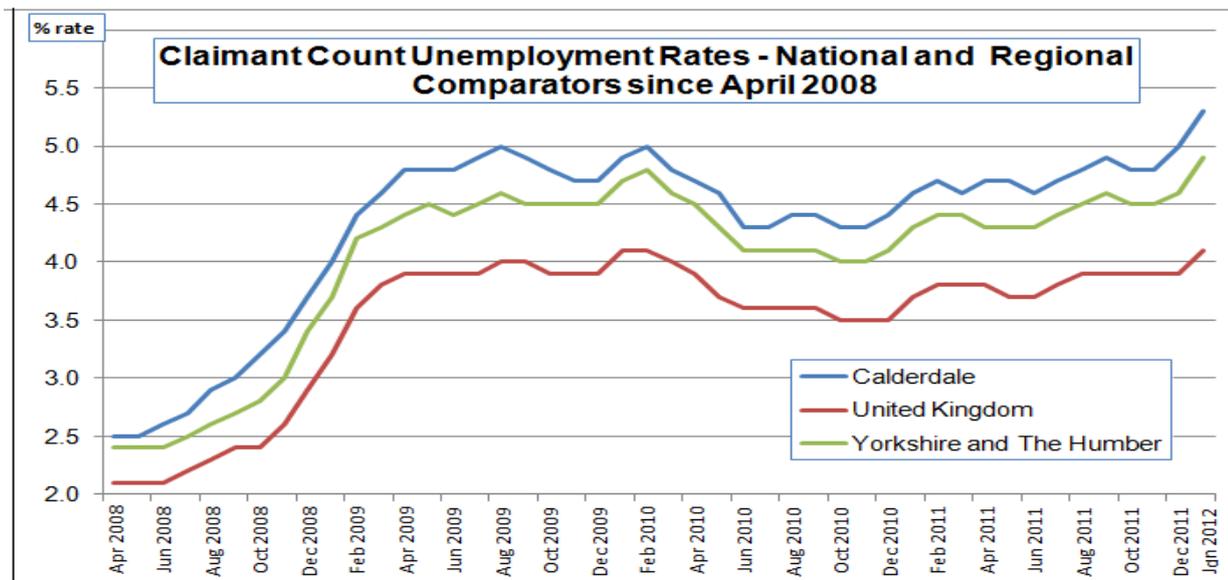
6.1.1 The impact of the recession on unemployment in Calderdale has been severe as the levels of unemployment (or “Job Seekers Allowance” claimants) have more than doubled from 3,000 in April 2008, to 6,740 (April 2012). The April 2012 unemployment rate in Calderdale is 5.2% (compared with 4.8% across Yorks and Humber, or 4.0% UK-wide).

Source: ONS, Claimant Count – age and duration



TRENDS in Unemployment

Source: NOMIS, Claimant Count Data-set



6.1.2 Since April 2008, unemployment amongst the under 25s has also doubled, from 1,000 in April 2008 to 2,020 in April 2012. In Calderdale, unemployment amongst the Under 25s is nearly 30% of the total Job Seekers Allowance count.

6.1.3 The increase in unemployment for young people is exacerbated by a number of factors. Young people are entering the employment market for the first time, and find it harder to get jobs and generally have lower wages for many years. Unemployment at a young age damages self-esteem and future prospects. Therefore the significance of a rising number of unemployed 18-24 year olds must not be overlooked and should be noted a priority.

6.1.4 From 2001 Census data, 17% of those in the minority ethnic population were unemployed, compared to 5% in the white population. The highest levels of unemployment lie in West, Central and North Halifax. Some significant pockets of unemployment do occur in other areas – including Elland, Brighouse, Sowerby Bridge and Todmorden.

Youth Unemployment/ NEET

6.1.5 Long term youth unemployment as a total of those that are unemployed is 27.2% in comparison to 30.2% in the Region and 28.5% nationally. (source: *benefits agency April 2010*). Calderdale's figures for young people Not in Education, Employment or Training (NEET) are higher than both regional and national averages. However despite the economic downturn the borough has seen a reduction in the numbers of 16 – 18 year olds who are NEET with approximately 370 16-18 year olds NEET (July 2010).

6.1.6 The lead responsibility for the reduction of NEET lies with the local authority. The Calderdale NEET strategy identifies the strong culture of seeking employment amongst 16 to 18 year olds and this group has reduced significantly between December 08 (17.1%) and December 09 (11.2%) and recognises the need to prioritise interventions and use of resources in order to progress young people into education, apprenticeships and employment

Worklessness

6.1.7 The term 'worklessness' collectively describes unemployment (those looking for work and on Jobseekers Allowance- JSA) and economic inactivity (people on Incapacity Benefit/Employment Support allowance - IB/ESA or lone parents on Income Support who are not working or looking for work).

6.1.8 Worklessness is a highly complex issue with a variety of reasons why an individual may become workless including the decline of the traditional manufacturing base and the rise of knowledge based industries which require a greater level of skills. Poor health and poverty can result in a lack of aspiration and drains self esteem, resulting in pockets of worklessness in our communities

6.1.9 Living in an area where there are high rates of worklessness can be damaging to individuals, their families and entire communities. There is evidence that worklessness contributes to ill health, unhappiness and depression, with people who move into work tending to report substantial improvements in mental health. Periods of unemployment can also have a lasting negative impact on earnings.

6.1.10 In the context of the current economic climate and the predicted increased demand for higher level skills and, with fewer jobs available requiring lower level skills, there is a particular risk to disadvantaged communities where there is a preponderance of no or low level skills. People with low level skills seeking employment will find it more difficult to find work. There is therefore a continuing need to prioritise employability, basic skills and progression to a level 2 qualification which is accepted as the springboard to employment.

6.2 Child Poverty

6.2.1 Child poverty can be a consequence of poor economic performance of a district or a particular locality. Possibly the most important aspect of child poverty is family income, a factor which is shaped by the local economy. In the current economic climate growing unemployment has a direct impact on child poverty as families see reductions in their incomes. The availability of permanent employment for families is a key factor.

6.2.2 There are significant numbers of people who are living in benefit dependant families in Calderdale, where child poverty is high and where social and economic deprivation lead to a range of health issues, lower or poor educational attainment, higher rates of crime, drug and alcohol abuse.

6.2.3 In order to address these issues a multi-agency approach is needed to join up services for the most disadvantaged groups and close the gap between the “have”s and the “have not”s. Local solutions tailored to local needs are needed with targeted support for the specific communities where concentrations of low skills are located. Interventions and solutions need to be linked directly to employability. The focus on job relevant qualifications and employability skills as part of an overall package of support will contribute to a reduction in the number of children living in poverty. We need to ensure more individuals are economically active. The Children’s Trust has identified the following priorities as a mechanism to do this as:

- Supporting families to maximise their income.
- Reducing the number of young people on NEET.
- Identifying and supporting the hard to reach and vulnerable through Family Intervention Pilots.
- Reducing teenage pregnancy.

6.2.4 Skills have a critical role to play in economic growth; by focusing our resources on those in the greatest need, skills can support our actions to reduce child poverty and contribute to increased social mobility.

6.3 Economic strengths and challenges

6.3.1 The scale of economic turbulence and uncertainty makes the forecasting of economic data difficult, especially future trends in employment, investment and spending. There are, however, some basic points affecting all local economies in the UK:

- the UK economy has seen a significant drop in output, which means the country is poorer than expected.
- public spending as a proportion of national income is being reduced, resulting in reductions in public sector spending and employment that is affecting the health of local economies.
- unemployment has continued to rise
- the “old” regeneration and development models, based on rising property values, are being re-thought and re-developed, especially with less funding available and changes to the infrastructure and support mechanisms, with the closure of Regional Development Agencies and (effectively) of Business Link , as well as the introduction of LEPs.
- the UK economy has been heavily reliant on finance and banking and there is now a need to “re-balance” the economy to look at other high value sectors, including advanced manufacturing, creative and low-carbon.
- economic re-structuring offers the opportunity for new ways of doing business, with different spatial patterns. For example, some elements of manufacturing and assembly that had previously been outsourced may relocate back to the UK
- there are growing export markets in Brazil, India and China, along with inward investment opportunities from those emerging economies, which offer opportunities to UK businesses and local economies
- the need to move to a low carbon economy and to adapt to climate change offers new markets and opportunities, as well as posing difficult investment decisions for public and private sector organisations.

6.3.2 All these points are relevant for Calderdale. Calderdale’s economic base was traditionally in textiles, manufacturing and engineering. The second half of the twentieth century has seen service industries overtaking manufacturing in terms of the number of employees but manufacturing still accounts for 19% of local employment (2010).

6.3.3 The highest value economic sectors in Calderdale are manufacturing and finance; the highest growth sectors of Calderdale’s economy are creative and digital industries, tourism and leisure. However, as stated previously the heavy reliance on manufacturing and financial sectors has left Calderdale vulnerable to the effects of the recession and greater economic diversity needs to be encouraged to develop sectors such as creative businesses and sustainable tourism. It is also important to encourage new start-ups

(“enterprise”) and social enterprises, as well as providing support (eg through mentoring or sector networks) to sustain the growth of new businesses.

6.3.4 Job growth in the identified priority sectors and replacement demand for sectors with large numbers of employees have some common skill needs including management and leadership, commercialisation, ICT, front-line service skills and up-skilling requirements. Underpinning this is the need to ensure people can move into employment through the acquisition of employability skills and literacy and numeracy skills.

6.3.5 It is also important for the Borough to take advantage of opportunities to redevelop town centres, and to encourage developers and new end-user tenants to recruit local people or apprentices, as well as taking advantage of local supply chains and contractors or sub-contractors.

7 Skills

7.1 Skills Overview

7.1.1 People need a broad range of skills in order to contribute to a modern economy and take their place in the technological society of the twenty-first century. Through technology, the workplace is changing, and so are the skills that employees must have to be able to change with it.

7.1.2 Analysis of employment statistics indicates that people in employment have higher level skills than those seeking work and employed people are more qualified at all levels. Most forecasts suggest that in the future, some 50% of new jobs will require higher level skills and if we do not improve the skills of our adult workforce the local economy will suffer. Increasingly skills matter and will continue to do so. To move to a higher skilled economy and workforce will require improvements at all levels.

7.1.3 In terms of skill levels, the Calderdale working age population has been lagging behind the regional and national averages for the proportion of the working age population with L2 or higher, level 3 or higher and level 4 or higher skill levels. However the most recent statistics indicate an improvement:

	Calderdale	YH Region	England	% points difference	Leitch Targets
No qualifications	12.5%	12.8%	12.3%	+0.2	-
Level 2 and above	63.9%	63.5%	65.4%	-1.5	79%
Level 3 and above	46.5%	47.0%	49.3%	-2.8	56%
Level 4 and above	26.5%	26.6%	29.9%	-3.4	34%

Source: ONS annual population survey; Qualifications (Jan 2009-Dec 2009)

- 7.1.4 In order to prosper the people of Calderdale need to have the skills, expertise and knowledge to get and/or keep employment both within the district and in the neighbouring areas. Calderdale's inflow and outflow of workers is about equal but the neighbouring areas such as Leeds and Manchester do have some advantages in terms of a more vibrant economic base.
- 7.1.5 For businesses to prosper in Calderdale, the skills system needs to be focused on employer demand and encourage more employers to support the cost of upskilling their workforce. An analysis of employer take up of Train to Gain funding by Calderdale employers shows that Calderdale may be under performing. In other words Calderdale employers may not be accessing their share of the funds available.
- 7.1.6 The biggest challenge is making the decision about which skills are more important and which skills are less important to the current and future economy of Calderdale and the Region. This calls for a commitment to ensure 'economically valuable' skills are prioritised i.e. those skills that will add the most value to individuals, employing organisations and the local economy. Growth in demand for labour is predicted to be dominated by a demand for higher level skills, however it must not be overlooked that opportunities will still be available at entry level and significant replacement demand will exist for the sectors that employ large numbers such as construction, business services, retail and health and social care. However overall there will be fewer jobs requiring lower level skills and more requiring higher Level 4 and 5 skills.
- 7.1.7 The Employment and Skills Strategy should also support the most vulnerable in our society as well as promoting economic growth. Adult and Community Learning (ACL) can be a key component in helping everyone to achieve their potential, to strengthen communities, support families and promote social cohesion. ACL is an important element of the overall strategy and must form part of the continuum of learning for adults in Calderdale. ACL must run alongside skills-focussed learning programmes offering a variety of progression opportunities at different points and not be seen as separate activity.

7.2 Supply of skills

- 7.2.1 The supply of skills must respond to two main challenges: to meet business needs today and in the future and support individuals to gain economically valuable skills so they can be in a strong position to progress in work. Economically valuable skills help people to get and hold on to a job and are those that can improve business performance if applied effectively.

- 7.2.2 Calderdale has one general further education college, Calderdale College, offering a range of foundation learning, vocational qualifications, Train to Gain and Apprenticeships covering most curriculum areas for adults and young people aged 16-18. From September 2010 the College will be offering a range of foundation learning opportunities for the 16-18 age group through a consortium of locally based specialist providers. The College also deliver programmes for the unemployed, and offenders serving community sentences.
- 7.2.3 Calderdale College deliver a range of Higher Education provision with a particular strength in the creative sector.
- 7.2.4 There are 5 Apprenticeship providers based or with a base in Calderdale. However there are many more apprenticeship providers delivering to Calderdale residents. In 2009/10 seventy one providers were recorded as training residents in Calderdale. The top 5 apprenticeship frameworks in terms of the numbers are hairdressing, construction, engineering, childcare and business administration.
- 7.2.5 Calderdale Council provides an adult education service (Calderdale Adult Learning) offering a range of provision across the Borough through adult education centres and other community providers. In 2009/10 a total of 3000 learners enrolled on 450 courses ranging from art classes to vocational learning, skills for independent living, ICT and English for Speakers of Other languages (ESOL). Adult learning contributes to personal well-being and skills development, as well as economic participation and success. It also has an inter-generational impact because children are far more likely to thrive educationally and benefit from further and higher education if their parents and carers participate in learning.
- 7.2.6 It is essential to continue to harness and build on the success of the local adult learning partnership. The effective engagement with the third sector in Calderdale is a key strength and the partnership must continue to focus on those parts of our community that are disadvantaged and disaffected and to reengage people in learning activity that supports employability and encourages participation in community activity. Flexible learning opportunities are vital with a focus on new skills, first steps engagement, literacy and numeracy as well as English for speakers of other languages (ESOL).
- 7.2.7 The Council (through Workwise) also deliver a range of provision funded through a DWP prime contractor to meet the needs of the unemployed and those furthest away from the labour market.
- 7.2.8 Calderdale residents and Calderdale employers have access to a range of first class universities across the West Yorkshire sub-region offering an array

of specialisms and centres of excellence. Analysis of student access data indicates that almost 10% of West Yorkshire applicants and successful enrolments are Calderdale residents. As Calderdale accounts for approximately 9-10% of the population of the sub region this is a good position from which to build participation in higher education.

7.2.9 In terms of the demand for skills from employers the Leeds City Region research reports that employers face challenges in finding people with the right skills and attitudes. Employers frequently comment on the difficulty they experience during recruitment of finding local residents and young people who are “job-ready”.

7.2.10 In May 2012, the Council signed up to the Leeds City Region Local Enterprise Partnership’s “5-3-1” campaign, to encourage local businesses to improve skill levels and to take on more apprentices.

7.2.11 Employers perceive the current system of providing training and up-skilling as too complex and being more focused on the needs of learning providers than on the needs of employers.

7.2.12 It is therefore crucial that we prioritise:

- qualifications that lead to jobs and self employment.
- apprenticeships.
- progression to higher education.
- pathways to achieve the outcomes above.

7.3 Skills gaps, shortages and mismatches

7.3.1 Skills shortages are defined as a lack of adequately skilled individuals in the labour market and are relatively low in the UK with only a small impact on small employers and are mainly associated technical and professional jobs. However skills shortages are already evident in the Health and Social Care sector and, as demand increases as the overall population ages, the shortages will become more acute.

7.3.2 Skills gaps are defined as the employer’s perception that current employees have lower skill levels than needed to achieve business objectives. Skills gaps have been increasing in recent years but this may be due to better employer awareness. Filling a skills shortage vacancy with someone without the full skills required, results in a skills gap.

7.3.3 The most prevalent skills gaps reported for both large and small employers are management and team leadership skills. This is consistent with the UKES Ambition 2020 report which notes that the UK has lower level management skills and fewer qualified managers than competitor nations.

“As we noted in the 2009 report, for some time there has been a concern that, in general, management capability and the deployment of managers in the UK is poor in various respects relative to competitor countries and that this has contributed to reduced productivity and inhibited economic performance across the UK. Concerns about the quality of UK managers have grown through the 1990s and beyond. Most recently this has been exemplified through the National Strategic Skills Audit conducted by the UK Commission which, having reviewed a wide range of labour market and skills evidence, identified management and leadership as one of the most pressing skills priorities.”²

7.3.4 After managers, workers in sales, administration and elementary roles are more likely to have skills gaps in literacy, numeracy, communication, team working and customer service.

7.3.5 UKCES have identified that any mismatch between the skills supply and demand side is associated with a deficiency in demand (from employer):

“...misalignment may arise either because demand for skills is too low or because supply is too great. Our view is that this problem lies largely on the demand side. The relatively low level of skills in the UK; the limited extent of skill shortages; and the relatively low demand for skills compared to supply, imply a weakness in demand. The UK has too few high performance workplaces, too few employers producing high quality goods and services, too few businesses in high value added sectors. This means that in order to build an internationally competitive economy, the future employment and skills system will need to invest as much effort in raising employer ambition, in stimulating demand, as it does in enhancing skills supply.”³

7.3.6 This supports our priorities in the Economy and Enterprise Strategy and our focus on encouraging existing businesses to become higher performing businesses and attract new high performing businesses to Calderdale.

7.4 Funding for Skills

7.4.1 In 2010/11, the government carried out consultation on the future direction of skills policy ‘Skills for Sustainable Growth’ and this has now become a White Paper. The White Paper sets out the Government’s approach to improving skill levels, with a focus on “Skills for growth” – including more adult Apprenticeships, a new growth and innovation fund for businesses, and encouraging the teaching of entrepreneurial skills – and on “Skills for a Fair Society” – which includes a commitment to improve basic literacy and numeracy skills for school-leavers and to reorganise funding for people on state benefits into more targeted provision. Alongside this a separate

² Ambition 2020: World Class Skills and Jobs in the UK 2010 report

³ Ambition 2020: World Class Skills and Jobs in the UK

consultation was launched on simplifying the funding system 'A Simplified Further Education and Skills Funding System and Methodology' which is set out in the context of reducing the public spending deficit. It is clear that there will be significant reductions in funding from the adult Further Education budget over the next few years and payments will be made on results. This will pose significant challenges for the providers in the sector and will add pressure to secure contributions from learners and employers.

- 7.4.2 Over the next few years we are likely to see major changes in the FE sector including possible mergers and more innovative ways of colleges and other providers such as schools and academies working together to reduce costs and improve services at the same time.
- 7.4.3 To achieve more with less is essential. The Local Authority has a key role to play in supporting the changes ahead by engaging with employers and individuals to promote the value of learning and encourage those that can contribute to the cost of up-skilling and re-skilling to do so. It is vital that this activity is taken forward at a corporate level and integrated with council wide employer engagement activity.

8 Realising the vision

- 8.1 The overarching aim to achieve the vision for Calderdale is a focus on the economy and for people to have employment.
- 8.2 The Economy and Enterprise Strategy addresses the need for more and better businesses which will lead to more and better jobs. Skills are to some extent a derived demand – if the employers and work is available the skills required will follow. This is particularly relevant with higher level skills where people will migrate and travel for work. Therefore our first priority is to those people whom the market does not help – those who have no or low level skills and those who have poor work prospects or a high chance of spending long periods out of work. This includes people in work with skills below level 2. Calderdale benefits from a strong local partnership and we will work together to ensure the investment in skills focuses on those skills/qualifications that benefit individuals and businesses the most. This is underpinned by a commitment to ensure access to high quality impartial information, advice and guidance to help better inform the choices people make and which will demonstrate the benefits that any investment will bring.
- 8.3 Our second priority will target skills shortages and gaps. This paper sets out areas where growth is expected – such as the Health and Social Care sector, which has identified skills shortages and (with an ageing workforce itself) is experiencing recruitment challenges and will require significant replacement demand. As part of this priority, we will prioritise management and supervisory skills to enable our businesses to improve productivity and

become more competitive in all of the growth sectors – including creative and digital industries, tourism and low carbon technology sectors.

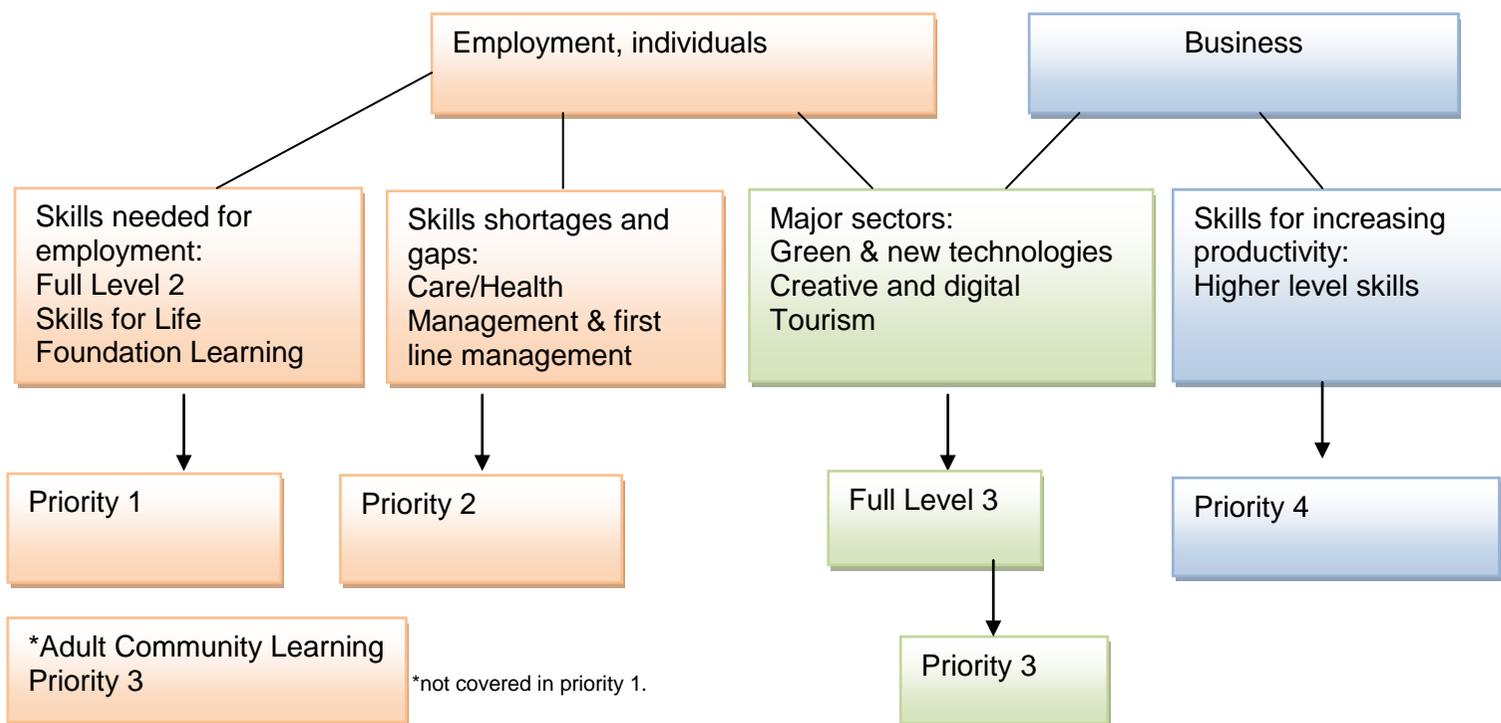
- 8.4 Our third priority will target employers and the current workforce with a focus on existing important sectors such as manufacturing and finance. The Leitch review recognised 70% of the 2020 workforce is currently in work. At the time of writing this strategy, the future direction of national skills policy was being debated but it is clear that in an age of reducing public funds we need to rebalance the investment in skills and build a shared responsibility between employers, individuals and the state. This means stimulating the demand for skills and encouraging employers and individuals to contribute more through championing the value of skills and demonstrating the benefits of investing in training.
- 8.5 Recognising the importance of a flourishing local economy and to support our businesses to grow, our fourth priority is to integrate employment and skills activity with economic and regeneration activity. We will work with the business community to explore relevant economically valuable qualifications, to improve workforce skill levels, develop higher level skills and build a culture of enterprise and innovation.
- 8.6 In addition to these priorities we must build on the work started across administrative boundaries and ensure Calderdale has a voice at the appropriate spatial level. Local strategies must be mapped against City Region policies and strategies to maximise opportunities at local level. This also means adopting a pragmatic approach in identifying appropriate solutions at different spatial levels – locally, city region, cross boundary with another local authority or authorities. In summary we need to:
- Exploit our strategic position between two City Regions by engaging at City Region level to maximise opportunities for Calderdale from both Leeds and Manchester.
 - Align local strategies as much as possible to City Region priorities.
 - Be prepared to work across administrative boundaries.

9 Measuring Success

- 9.1 The Employment and Skills Strategy intends to make a real difference to the Calderdale labour market. Its success will be measured against the following indicators:
- Increasing the percentage of Calderdale working age residents in employment from 73.2% to 76.3% by 2015
 - Increasing the percentage of Calderdale working age residents with a Level 2 qualification from 63.9% to 71% by 2015

- To reduce the number of unemployed young adults aged 18-24 below 500 by the end of 2012.
- To measure an improvement in business satisfaction levels – benchmark to be agreed.

10 Calderdale Employment and Skills Strategy - Priorities



Overall aim: to raise levels of employment in Calderdale:

Help people get the skills to find and keep a job
Focus on Skills for Life, Foundation Learning, and Full Level 2 qualifications
Raise aspirations
Build on the entrepreneurial spirit
More apprenticeship places

Overall aim: to raise levels of employment in Calderdale:

Encourage businesses to come to Calderdale:

- Good place to live - environment
- Good schools and FE.
- Excellent access to wide variety of HE specialisms.
- Connectivity to large urban conurbations and London.
- Large labour markets of Leeds and Manchester.
- Entrepreneurial spirit.

Encourage businesses to stay in Calderdale (or close environs):

- Business support
- Cross border collaboration with neighbouring authorities
- Relocation sites

Help businesses in Calderdale to grow:

- Business support
- Apprenticeship grants
- Higher Level Skills coordinator
- Graduate placements & retention of higher level skills
- Knowledge Transfer Partnership