

# **A Workforce and Skills Strategy for Halton**

## **Executive Summary**

**September 2006**

# **Halton's Employment, Learning & Skills Specialist Strategic Partnership**

## **Member organisations**

Business Link for Greater Merseyside

Government Office North West

Greater Merseyside Connexions

Greater Merseyside Learning and Skills Council

Halton Borough Council

Halton Chamber of Commerce and Enterprise

Halton College

Halton YMCA

HVA Together

Jobcentre Plus

## Context

1. This is the first Workforce Development Strategy for the Borough of Halton. It was commissioned by the Halton Employment, Learning & Skills Specialist Strategic Partnership (SSP), which is part of Halton Local Strategic Partnership (LSP) and it sits alongside the other commissioned complementary strategies for Enterprise and Employment. In addition, a Skills for Life Strategy for the borough is being drawn up which will dovetail all commissioned strategies.
2. The LSP has developed Halton's Community Strategy 2006-2011, which is structured around 5 priorities:
  - A Healthy Halton
  - Halton's Urban Renewal
  - Halton's Children & Young People
  - **Employment, Learning & Skills**
  - A Safer Halton
3. The overall aim of the Employment, Learning & Skills (ELS) SSP, is set out within the Community Strategy:

*"To create an economically prosperous borough that encourages investment, entrepreneurship, enterprise and business growth, and improves the education, skills and workforce so they can share in all the opportunities Halton affords".*

4. An SSP leads on each priority and has identified a number of associated 'improvement targets. The improvement targets for the ELS SSP that relate to this strategy are as follows:

By 2011, we aim to:

<i>Skills</i>	Increase number of adults qualified to level 3 by 25%
<i>Skills</i>	Increase number of adults qualified to level 2 by 15%
<i>Learning</i>	Reduce number of adults with no qualifications by 15%
<i>Knowledge</i>	Increase number of adults qualified to level 4/5 by 15%
<i>Economy</i>	

5. Furthermore, Halton's Local Area Agreement (LAA) sets out a clear vision of making changes across many issues that will make a big difference to life in Halton – *'Halton will be a thriving and vibrant borough where people can learn and develop their skills, enjoy a good quality of life with good health; a high quality modern urban environment; the opportunity for all to fulfil their potential; greater wealth and equality; sustained by a thriving business community; and within safer, stronger and more attractive neighbourhoods'*.

The LAA is a 3 year agreement between the LSP, Halton Borough Council and central government and sets out the priorities for Halton. This Workforce Development Strategy and Action Plan will be an integral element of the work required to fulfil the LAA.

6. In addition, Halton Borough Council has entered into a number of Local Public Service Agreements, one of which fits with the implementation of this Workforce Development Strategy and is aimed at helping people improve their literacy, numeracy and spoken English, essential employability skills:

	<b>Baseline</b>	<b>Without LPSA</b>	<b>With LPSA (31/8/2008)</b>
The number of adults who gain a Skills for Life Level 1 or Level 2 qualification in Adult Literacy and/or Numeracy or an ESOL Skills for Life national qualification at Entry Level 1, Entry Level 2, Entry Level 3, Level 1 or Level 2	19	52	116

7. These targets, focussing on employment, learning and skills, together with a review of existing evidence and qualitative research with local stakeholders/employers [as part of the consultation process] provide the context within which this Strategy is positioned. The specific focus of the Strategy is therefore:

*“Skills development activities to support employees and employers in the Borough and residents who are not employed but are ‘job ready’.”*

The activities highlighted within it also provide key links to the Economic and Tourism Development Strategy for Halton, ‘Halton: Gateway to Prosperity’ – the aim of which is to promote “The development of a thriving and sustainable economy”.

8. As well as local drivers for workforce and skills development, it is imperative that the Workforce Development Strategy & Action Plan has been developed in total alignment with a number of key regional and national strategic policies and drivers, including:
- The Green Paper on Welfare Reform – A new deal for Welfare: Empowering People to Work
  - The Northern Way - seeking to lift the productivity of the three northern regions and bring the jobs, investment and quality housing that can create sustainable communities

- Regional Economic Strategy (RES) - The NWDA's Regional Economic Strategy sets out the latest thinking on the strategic economic framework for the North West and identifies the major drivers for the economy.
- Liverpool City Region Development Programme (CRDP) – The Mersey Partnership's City Regional Development Programme response to the Northern Way

#### **The Halton Economy – some facts**

- The economy consists of around 3200 establishments employing approximately 52,000 people.
- The business base is made up of a higher proportion of SMEs, with significantly fewer micro businesses
- Four industry areas are particularly important to the local economy – chemicals, wholesale, transport and telecommunications, with another 11 industries employing more than 2000 people
- 27% of the Halton workforce works in low skilled elementary or machine operative occupations
- The overall need for labour in the period to 2012 is estimated at 25,000 jobs and will be across all industries. However, nine out of ten jobs will require a qualification at level 2+ and over a quarter will require a level 4 qualification
- Forecasts show a net increase of 4000 jobs, with the service sector accounting for the majority of new jobs created and cleaning, security, computer-related, professional and retail sectors having the largest employment growth
- There will be employment opportunities outside of Halton and increasing competition for labour for Halton businesses
- Based on the current level of skills held in the workforce there is forecast to be acute skills shortages in public administration sector roles at level 4; manufacturing and hotel and catering roles at level 3; and construction, retail and transport roles at level 2
- Halton's labour market has tightened significantly over the last few years and is likely to tighten till 2012 (as the population is forecast to decline and age slightly)
- There is a need to up-skill the local working population to the skills levels required by local employers
- Employers require more highly skilled and qualified people to meet their needs and remain competitive

Sources:  
Halton Economic Development Review (2003)  
Local Labour Force Survey (March 2002-February 2003), ONS  
Annual Business Inquiry (2001), ONS

## Rationale for the strategy

9. Workforce Development is going through a period of structural change and the Strategy is an important part of ensuring that changes at national and regional levels are seen within a local context and applied to meet local conditions:
- The proposals set out in the March 2005 Skills White Paper for the establishment of the National Employer Training Programme (Train to Gain) by 2007, which is an employer-led initiative providing an integral Skills Brokerage Service for businesses (See appendix 1).
  - The introduction in 2006 of funding to support any adult to gain their first full level 2 qualification.
  - The creation of Business Skills Northwest, the North West's 'Alliance for Skills and Productivity', which will include the co-ordination of NWDA, LSC, Jobcentre Plus and European budgets.
  - Expectations that colleges and education/training providers will become more responsive to employers' needs by working more closely with them in identifying their needs and delivering the training that they want and need.
  - An increasing sectoral focus for economic and workforce development strategy and activity
10. Halton partners need to ensure that sub-regional and regional funders and deliverers recognise the importance of the strategic sectors in Halton. The industrial structure of the Halton economy is changing and with it the skills needed by local employers. There is a move away from low skilled manufacturing occupations to customer focused service sector employment and higher skilled manufacturing jobs. Nine out of ten new or replacement jobs<sup>1</sup> between 2002 and 2011 will require a qualification at level 2<sup>2</sup> or above and over one quarter will require a level 4 qualification<sup>3</sup>.
11. There are increasing employment opportunities for Halton residents as a result of developments both inside and just outside the Borough. Unemployment has much reduced over recent years; however, Halton's working population has high levels of economic inactivity and is ageing. The proportion of Halton's working age population holding intermediate level qualifications (i.e. NVQ level 2 or equivalent) is slightly higher than the Greater Merseyside, regional and national average, but compares poorly at either end of the qualification spectrum. The result is increasing employment opportunities for Halton residents who have the right skills and increasing competition amongst local businesses for more highly skilled labour.

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<sup>1</sup> i.e. new jobs created or jobs created by employees leaving the labour market or moving between industries

<sup>2</sup> equivalent to GCSE level

<sup>3</sup> equivalent to degree level

12. Over the next five years, skills mismatches will widen. Employers will require more and more highly skilled and qualified people to meet their needs and remain competitive and Halton residents will need to raise their skills and qualification levels in order to meet these needs. If this does not happen the implication is that employers will either need to recruit from outside the area, relocate elsewhere or, in the worst-case scenario, cease trading due to lack of competitiveness.
13. A Business Perceptions' survey was carried out in March 2006, to gauge the views of 150 Halton employers in terms of workforce development activity and support services available to them. The survey suggested that:
- 11% organisations surveyed had received a subsidised **Training Needs Analysis** with only 8% saying they were satisfied with it.
  - 54% organisations had received funded or subsidised **training/grants**. 93.85% were satisfied with the quality of the training received with only 6.15% being dissatisfied.
  - 59% felt there was a **mismatch between skills** of the local workforce and those needed by their businesses, with 80% of the companies spoken to recruiting from outside the area usually or sometimes.
  - Half of the organisations interviewed felt that the local workforce had **low aspirations** and were not very ambitious
  - 63% felt there was not enough contact from the local support agencies for them to understand the employment needs of the area and 72% stated that they were not fully **aware of the training that is available**
  - 89% felt that they had a **skills gap** now or will have in the future, and many said that even if there was not a current shortage of experience or knowledge, then it was desirable that the local workforce pool should have training to make them more employable
  - The larger companies said there was a general **lack of graduates and professionals** available in the local area particularly chemists, engineers and people with a minimum of NVQ level 3 and above.

## **A vision of Workforce Development in 2011**

14. The Halton Economic Development and Tourism Strategy sets out a vision for “*The development of a thriving and sustainable economy*”. To achieve this the Workforce Development Strategy establishes a vision for skills in the Borough –

### **The development of a skilled workforce that meets the needs of businesses.**

15. The ideal characteristics of Workforce Development activities in Halton in five years time will be:

- A single independent brokerage providing a high quality well regarded training needs analysis and matching service to local employers;
- Workforce Development activities (and funding) targeted at the chemicals, tourism, science and technology, construction, ICT, logistics and other manufacturing sectors, and in the area of customer service;
- Well understood quality local workforce development activity; Skills Brokers will refer employers to other LSC and non-LSC funded provision to ensure needs are being met;
- A protocol agreed by local workforce development providers for contacting employers ensuring that there is a co-ordinated approach;
- Good networks between local training providers and employers, with high quality training closely matched to employers’ needs;
- Local employers able to recognise the value of undertaking Workforce Development activities and formal mechanisms in place for identifying and addressing the skills needs of their employees. Organisations associated with the Halton Strategic Partnership will be exemplars and champions of good Workforce Development practices;
- Residents of Halton to have a good understanding of the types of jobs that are available, the skills that employers need and how to obtain these skills if they do not have them. Young people and adults will have access to a high quality well-informed network of employment and careers advice and guidance;
- An increased level of skill development and Workforce Development activity within the borough, this will be aligned to the needs of businesses and the longer term economic needs of Halton. There will have been significant progress in developing basic skills and higher level skills within the resident workforce, placing individuals in the strongest position to compete for employment opportunities in Halton and adjoining areas;
- Employers will hold positive views regarding the Workforce Development infrastructure available to them and how to access it. They will also hold positive views regarding the skills and quality of the resident workforce, and will rely less on recruitment from outside the local area to secure the skills they need;
- The Halton Strategic Partnership will monitor Workforce Development activities in the borough and use its influence to ensure the skills development needs of Halton are understood and funded by key regional and sub-regional agencies.

## Achieving the vision

16. To achieve this vision the strategy has two key objectives.

- **Meeting the needs of businesses**
- **Encouraging Skills Development**

17. In order to achieve these two key objectives, a number of actions have been identified and are detailed in the following Action Plan. It should be noted that, at this time, and with the many changes that are being introduced with regards to skills development, the Strategy is not advocating a large injection of monies. Instead, it concentrates on monitoring how effective the new ways of working are, and seeks to promote skills development to businesses and individuals through improved communication and by developing clear progression routes. Above all, the Action Plan is about making partners work more closely together and simplifying communication in order to reduce confusion and duplication that exists currently.

18. The following activities outline the actions needed to develop the Workforce Development agenda in Halton.

### Aim 1: Meeting the needs of businesses

Objective	Target Action
1.1 Establish a resource to pro-actively target employers, particularly those in the target sectors, with a view to meeting their skills needs	Local Workforce Development providers to agree a protocol for contacting employers ensuring that there is a co-ordinated approach
1.2 Remove employer confusion as to where to go for advice	Establish up to date database of provision and liaise closely with LSC Skills Brokers
1.3 Monitor the effectiveness of Train to Gain in bridging the TNA gap	Perform follow-up Business Perceptions surveys
1.4 Improved employer culture and greater levels of investing in Workforce Development activities aligned with sector needs	Gain understanding of concerns of businesses  Address identified gaps  Establish a Skills Group (as a subset of the Employment, Learning & Skills Specialist Strategic Partnership) including members of Halton Work based Learning Provider Group and LSCGM  Produce annual statements of workforce needs in Halton
1.5 Establish a clear Workforce Development infrastructure	Develop a clear database of Workforce Development provision and gain commitment from members of the Skills Group to work collaboratively within the infrastructure

<b>Objective</b>	<b>Target Action</b>
1.6 All providers of WFD to collect core data in a consistent format to enable comparable analysis	Skills Group to agree core data requirements and reporting process in relation to customer satisfaction
1.7 Local employers able to access WFD provision to meet specific needs of businesses and individual employees	<p>Targets for WFD activity and Skills for Life to be set and agreed</p> <p>To audit existing accommodation and resources for WFD activity and ensure it is fit for purpose</p> <p>To ensure Workforce Development is planned and funded at boroughwide level</p>

## **Aim 2: Encouraging Skills Development**

<b>Objective</b>	<b>Target Action</b>
2.1 Increase awareness of value of skills development among employers	Co-ordinate a programme of high profile events to celebrate achievement of both individuals and businesses
2.2 Ensure those providing employment and careers advice guidance to young people and adults have an understanding of the local economy and employer skills needs	<p>Publish and disseminate annual statement of workforce needs to relevant agencies</p> <p>Establish links with 14-19 curriculum / EBP</p>
2.3 Raise aspirations of those seeking work and currently in work	Focused marketing and promotion of job opportunities and skills requirements
2.4 Existing workforce have access to flexible learning in order to progress	Develop clear progression routes within the WFD infrastructure
2.5 Develop an understanding of the scale of need within the Voluntary Sector in Halton	Identify skill gaps and need

## Measuring success

19. The success of the overall Workforce Development Strategy will be measured by progress against a number of contextual indicators and strategic targets detailed below, that will be reviewed on an annual basis:

**Table 1: Contextual Indicators**

Measure	Current position
The proportion of adults with (i) literacy and (ii) numeracy skills at or above level 1.	(i) 32% literacy (ii) 11% numeracy
Percentage of economically active of working age with no qualifications	17.3%
Percentage of economically active of working age with qualification below NVQ level 2 or equivalent.	32.1%
Percentage of population of working age qualified to NVQ level 3 or equivalent or above.	39.2%
Percentage of population of working age qualified to NVQ level 4 or equivalent or above	19.3%
Proportion of employees and self-employees that have received job related training in the last 13 weeks.	11.9%

**Table 2: Strategic Targets**

Measure	Current position (based on March Business Perceptions survey 2006)	Position at 2011
Percentage of businesses agreeing: "Local training providers are of the quality they need to be"	41%	75%
Percentage of businesses agreeing: "The support activities available to our business to help us develop our workforce are currently meeting our needs"	37%	60%
Percentage of businesses not formally assessing skills gaps	44%	30%
Percentage of businesses not having a business or training plan.	27%	30%
Percentage of businesses reporting Skills Shortage Vacancies	29%	15%
Percentage of businesses reporting skills gaps in their workforce	59%	30%
Percentage of businesses funding or arranging training and Workforce Development activities in last 12 months	59%	75%

## **Train to Gain and the LSC's Skills Brokerage Service**

A highly experienced Train to Gain Skills Broker will provide quality, affordable training for employees. The Skills Broker takes the employer through 5 steps:

### **Step 1: Identify the skills your business needs**

The Train to Gain Skills Broker works with the employer to carry out a free review and analysis of business needs to assess what skills the business needs now, and what it might need in the future, based on a clear understanding of business goals.

### **Step 2: Pinpoint the right training**

The Skills Broker makes training recommendations based on their skills analysis, explained in Step 1. These will help the employer to:

- pinpoint the type of training that best suits business needs
- select the right training providers (all Train to Gain training providers meet national quality standards)
- choose how and when the training is delivered
- determine which qualifications the employees will benefit most from.

### **Step 3: Agree a tailored training package**

Together with the Skills Broker and the training provider the employer selects, a training package is agreed.

### **Step 4: Find available funding**

The Skills Broker can recommend the best ways of funding the training, explaining all the funding options available to employers. Train to Gain provides some funding itself.

### **Step 5: Review the progress**

The Skills Broker provides continual support and reviews of how the training is progressing.

For more information on Train to Gain, contact:

**The Learning & Skills North West Skills Brokerage Service**

**0845 602 0062**

For more information about the Workforce Development Strategy or about opportunities available to employers/employees, please contact the:

**Adult Learning & Skills Development Service  
Kingsway Learning Centre  
Victoria Road  
Widnes  
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