

Lancashire Careers Hub Annual Conference

25th June 2024

Joseph Mount

Lead for Skills and Economic Intelligence

Lancashire Skills and Employment Hub

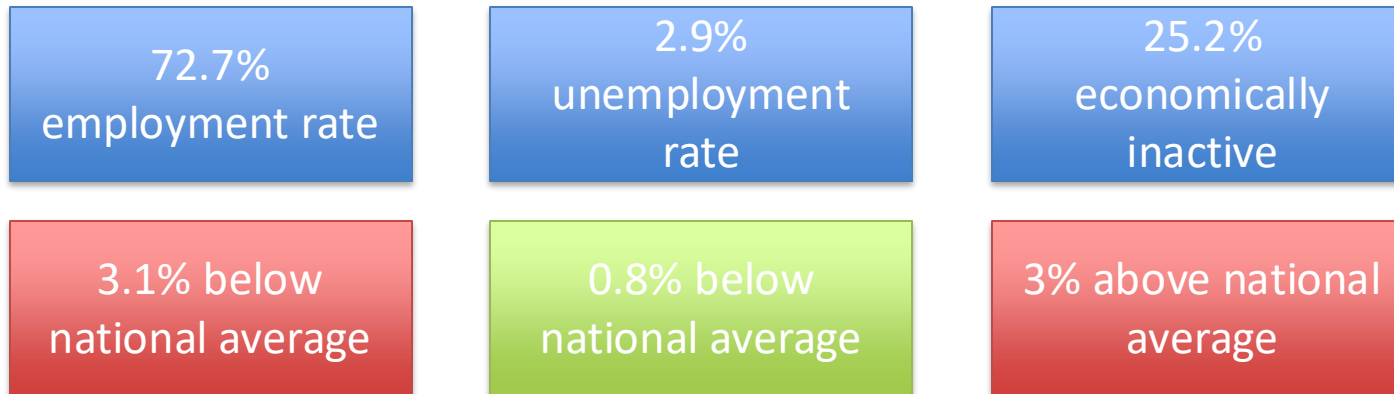
joseph.mount@lancashireskillshub.co.uk

Today's exciting agenda



- Lancashire Labour Market Update (Unemployment, Employment, Economic Inactivity, and Job Postings)
- Quick Macroeconomic snapshot
- Overview of Lancashire's economy (key sector specialisms)
- Lancashire's economic growth projections (replacement and expansion demand)
- Spotlight on Careers in Advanced Manufacturing
- Future Skills Questionnaire
- Technical Education Data, Employer Skills Survey Results
- Close

The Labour Market - Overall



- Economic inactivity in Lancashire is primarily driven by long-term sickness, with a third of inactive residents citing long-term ill health as the reason for inactivity. Looking at benefit and health data, this shows it is mainly to do with mental health and musculoskeletal issues.
- We have collaborated with the Lancashire and South Cumbria ICB on a winning bid for a pilot work and health programme called WorkWell, which will drop support into the most challenged communities.

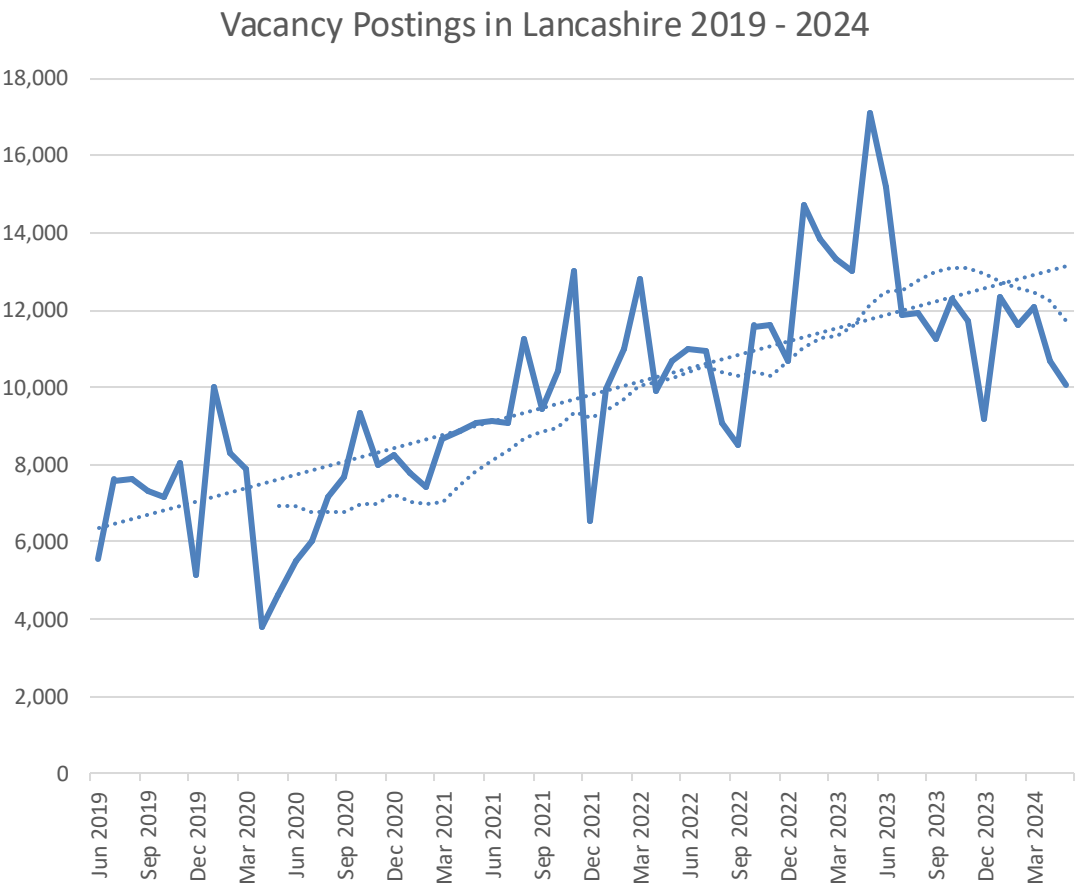
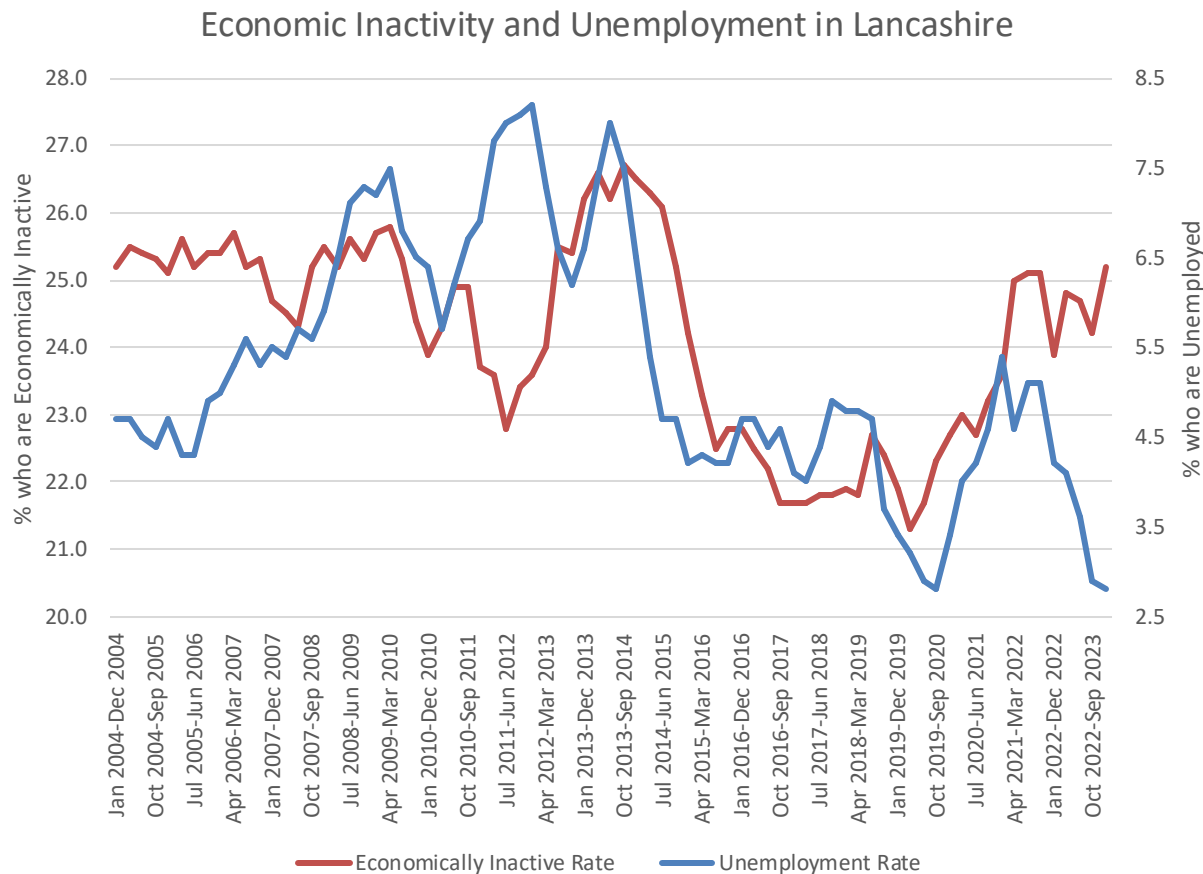


Lancashire
Enterprise Partnership

 @LancsSkillsHub

www.Lancashireskillshub.co.uk

Labour Market Snapshot



@LancsSkillsHub

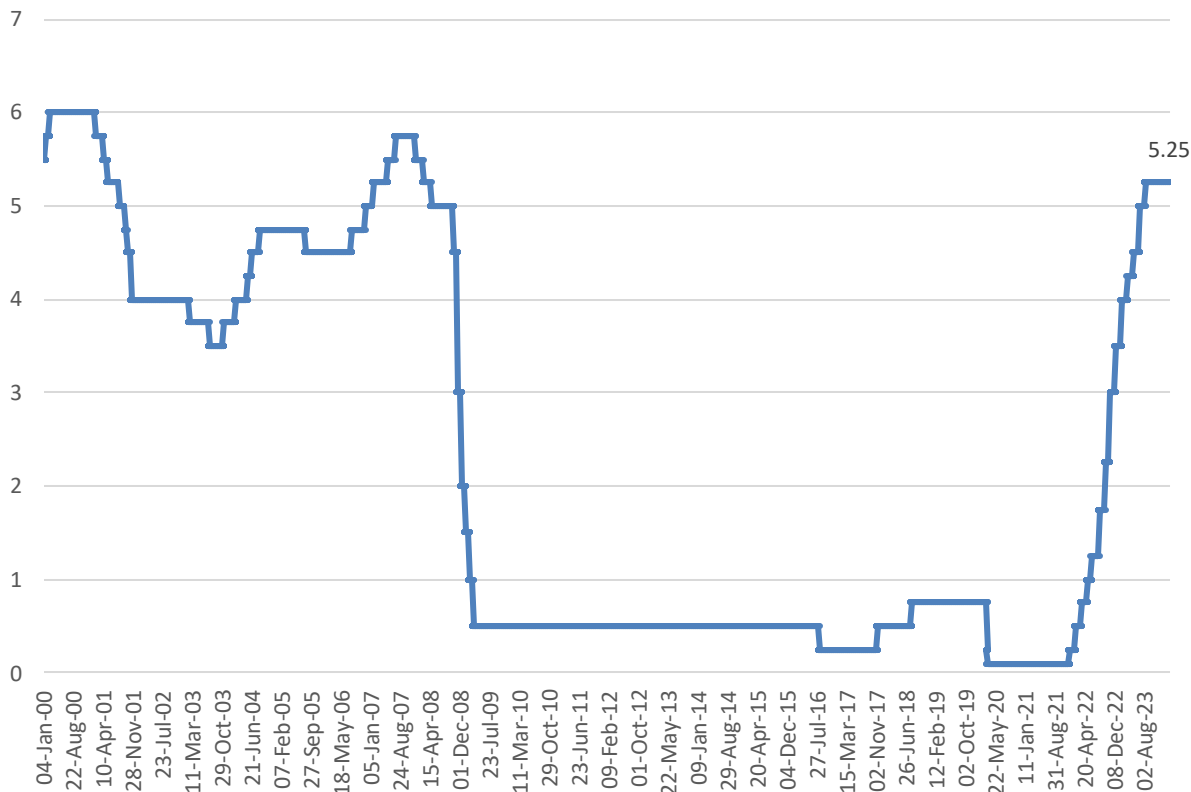
www.Lancashireskillshub.co.uk

Macro Snapshot

Consumer Price Index, 12 Month Change



Bank of England Base Interest Rate



Lancashire's economy



- Lancashire's economy in 2022 was worth £39.6bn, and there are 670,000 people employed here.
- Lancashire's is the fourth largest economy in the North, and the second largest in the North West.
- Lancashire's economy is now 5.1% larger than it was pre-pandemic, a stronger recovery than nationally and regionally.
- Manufacturing is the biggest contributor to Lancashire's economy, worth almost 1/5th and more than £7.5bn in 2022, this is more than double the national proportion of GVA.

Broad Sector	2022 GVA (£m)	% of GVA	GVA LQ	Employment	Employment LQ
Manufacturing	£7,660.00	19.3%	2.07	86,200	1.73
Wholesale and retail trade; repair of motor vehicles	£5,876.00	14.8%	1.42	107,000	1.15
Real estate activities	£4,294.00	10.8%	0.87	9,000	0.68
Human health and social work activities	£3,885.00	9.8%	1.25	105,000	1.18
Construction	£2,767.00	7.0%	1.13	38,000	1.13
Education	£2,672.00	6.7%	1.13	57,000	1.02
Public administration and defence	£1,926.00	4.9%	0.94	38,000	1.25
Professional, scientific and technical activities	£1,918.00	4.8%	0.59	40,300	0.66
Accommodation and food service activities	£1,590.00	4.0%	1.28	56,000	1.05
Administrative and support service activities	£1,445.00	3.6%	0.72	40,250	0.68
Agriculture, mining, electricity, gas, water and waste	£1,274.00	3.2%	0.82	19,365	1.04
Information and communication	£1,128.00	2.8%	0.44	16,400	0.55
Financial and insurance activities	£1,013.00	2.6%	0.28	9,625	0.44
Transportation and storage	£1,012.00	2.6%	0.73	23,800	0.71
Other service activities	£670.00	1.7%	1.00	12,250	0.91
Arts, entertainment and recreation	£409.00	1.0%	0.75	14,350	0.88
Lancashire Total	£39,601.00	100.0%	16.62	672,540	-

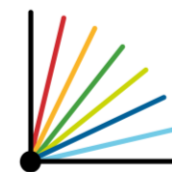
LEP Geography	2022 GVA (£m)	National Rank
Greater Manchester	£ 89,516	3
Leeds City Region	£ 66,727	4
North East	£ 47,381	11
Lancashire	£ 39,601	16
Liverpool City Region	£ 39,589	17
Cheshire and Warrington	£ 37,739	19
Sheffield City Region	£ 32,159	20
York and North Yorkshire	£ 25,721	28
Hull and East Yorkshire	£ 15,865	34
Tees Valley	£ 15,727	35
Cumbria	£ 13,263	38

 @LancsSkillsHub

www.Lancashireskillshub.co.uk

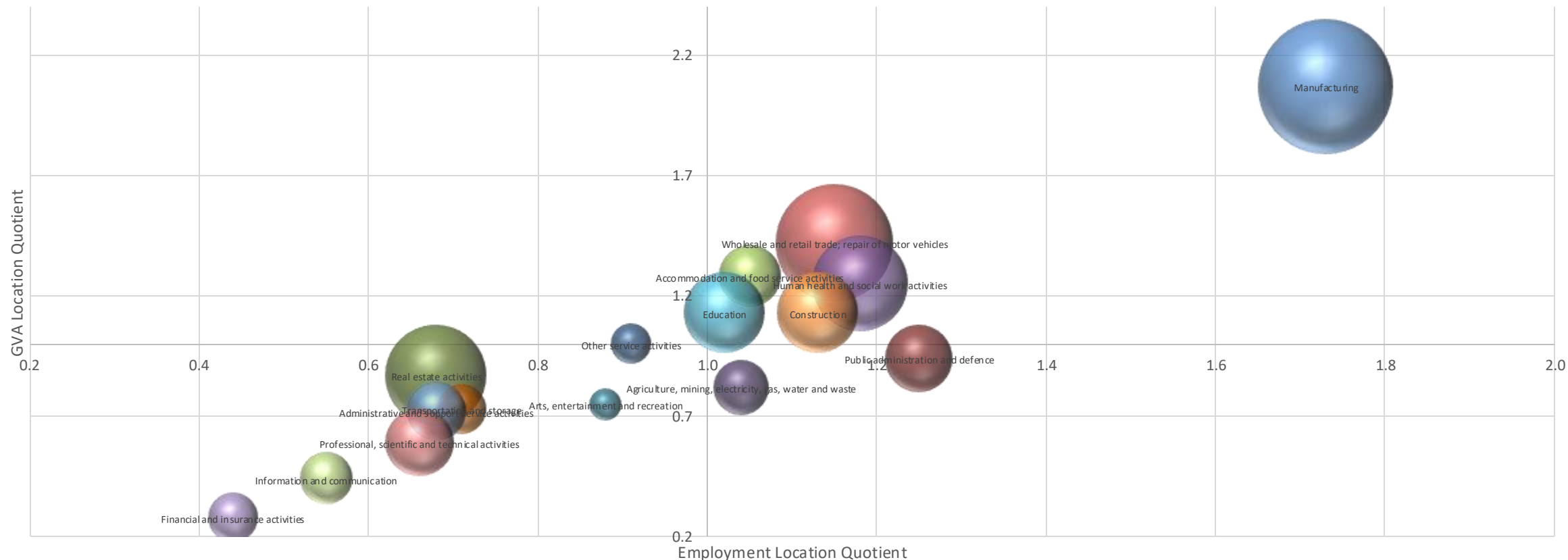
Source: ONS Regional Gross Value Added by City and Enterprise Regions 2022

What are Lancashire's specialisms?



LANCASHIRE SKILLS
& EMPLOYMENT HUB

Lancashire Sector Specialisms, 2022



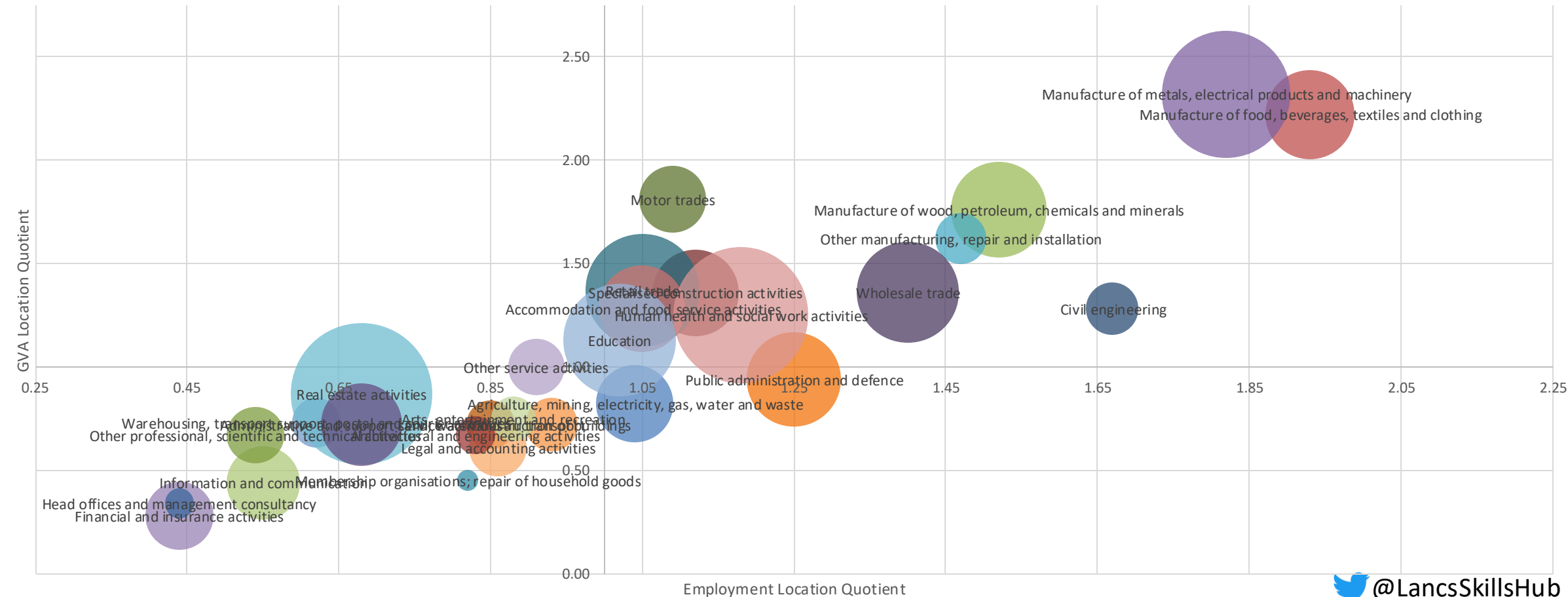
Lancashire has employment and GVA specialisms in Wholesale, Retail and Motor Repair, Healthcare, Construction, Education, and Accommodation and Food Services.

 @LancsSkillsHub

www.Lancashireskillshub.co.uk

What specifically?

Lancashire's Economy and Labour Market

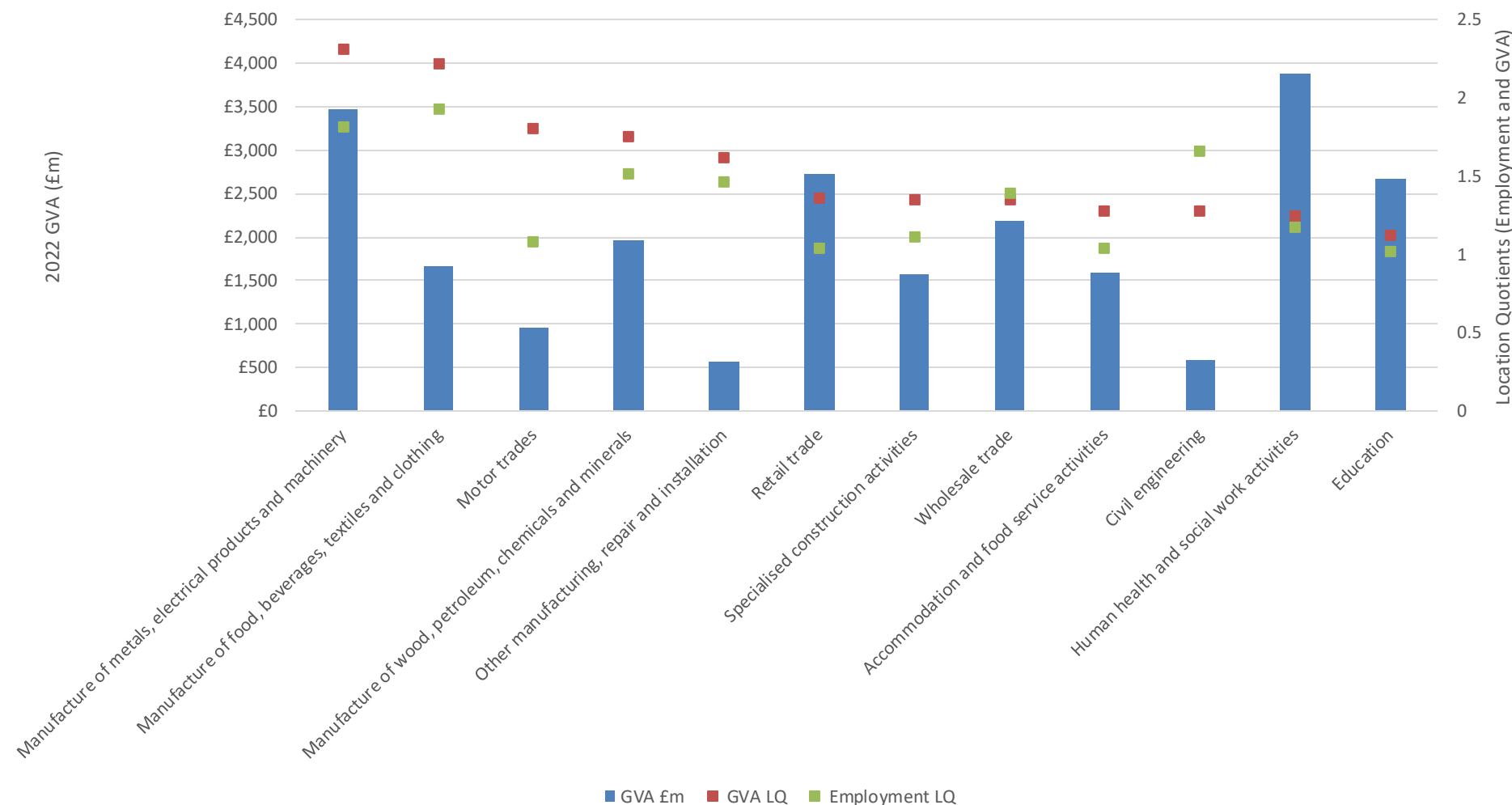


What are Lancashire's specialisms?



**LANCASHIRE SKILLS
& EMPLOYMENT HUB**

Lancashire's Economic and Labour Market Specialisms



- These sectors are those that would be considered Lancashire's specialisms, based on an employment and GVA location quotient both being above 1.
- These sectors account for 60% of Lancashire's economy.
- Some sectors are specialties but not necessarily large sectors, others are much larger.



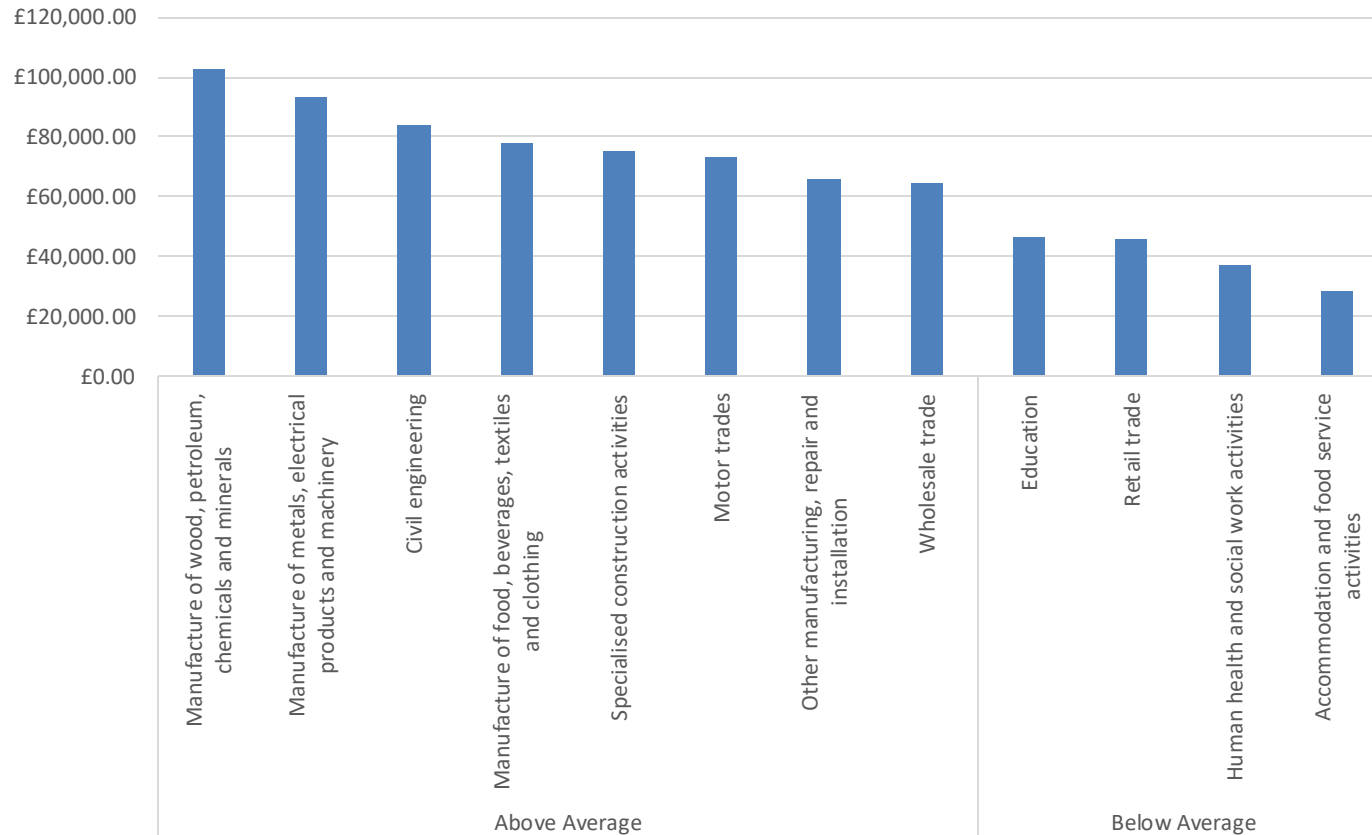
@LancsSkillsHub

www.Lancashireskillshub.co.uk

Productivity in Lancashire's specialist sectors



Implied Productivity by Specialist Sectors - Lancashire



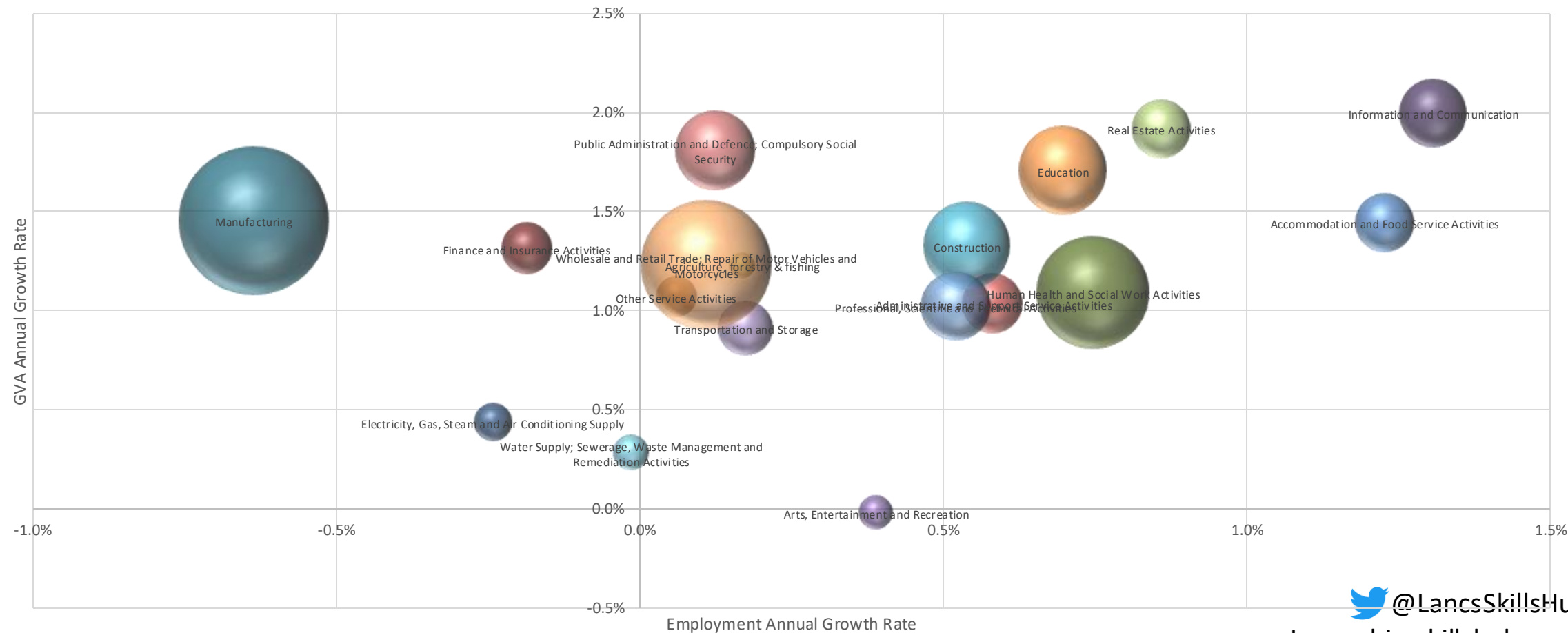
- Most of our specialist sectors are those with above average productivity levels compared to national average productivity per filled job.
- However, they are of different scales, large sectors which are large employers and make big economic contributions like Education, Retail, Health and Social Care and Tourist sectors are lower productivity than some of our other specialisms.
- 45% of the economic output from our specialist sectors comes from the four sectors which are considered to be “below average” in productivity terms. This is 27% of our economy as a whole.

@LancsSkillsHub

www.Lancashireskillshub.co.uk

Future Growth Prospects

GVA and Employment Projections - 2022 to 2050 Annual Growth Rate



Source: Lancashire Analysis of Projections from Cambridge Econometrics LEFM

What does this mean?

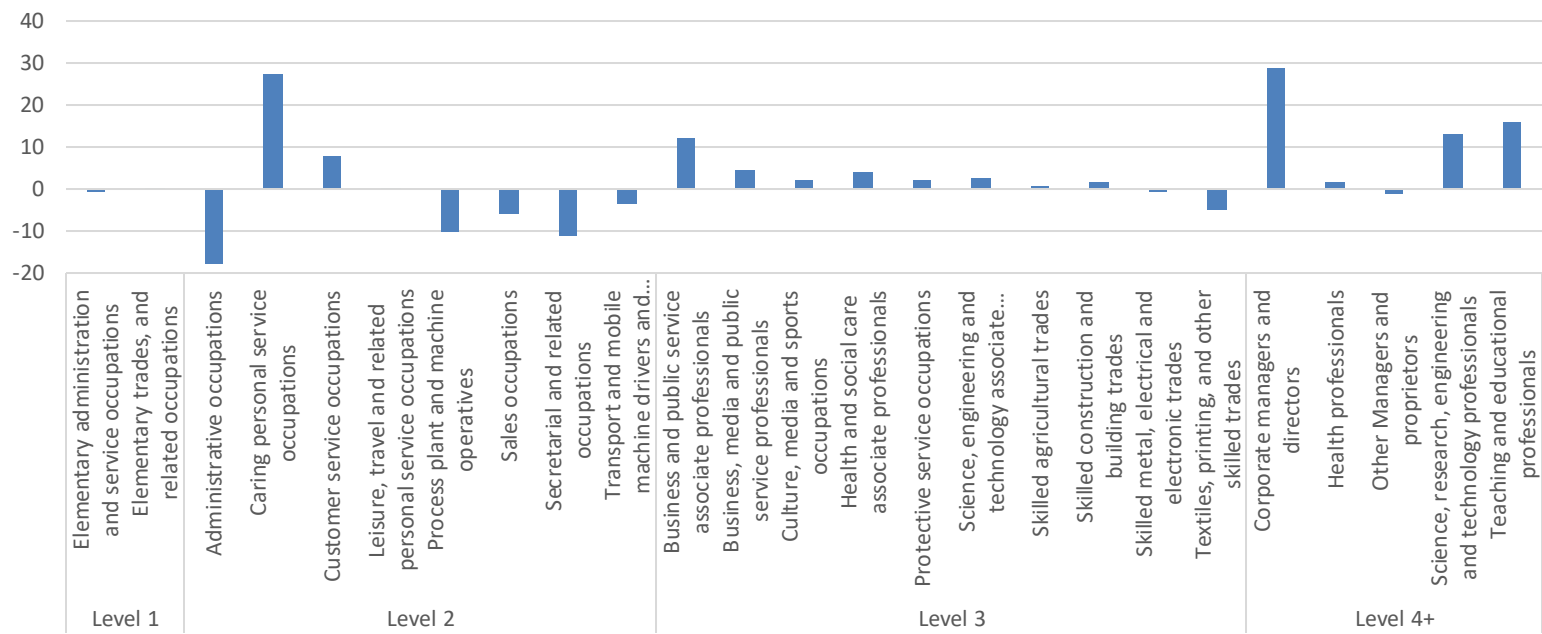


- You may note that sectors which Lancashire already has a local specialism in are expected to grow in employment terms and financially between now and 2050, though employment in the Manufacturing sector is expected to shrink by approximately 0.5% a year.
- It would be worth noting the manufacturing workforce is larger now in Lancashire than it was in 2015
- Obviously we are concerned with growing the economy locally, but our main focus is employment, we have to think of movements in demand for employment in terms of two component parts:
 - Replacement demand
 - Expansion Demand
- Growth in the previous slide refers to the overall number of people employed in a sector, but Replacement and Expansion demand are better estimates.
- Lancashire's labour market expected to grow to almost 750,000 by 2050.
- In that time 669,000 people will have retired and 70,000 additional jobs will be created.
- Just looking at growth can give a false sense of the future opportunities in Lancashire's labour market.

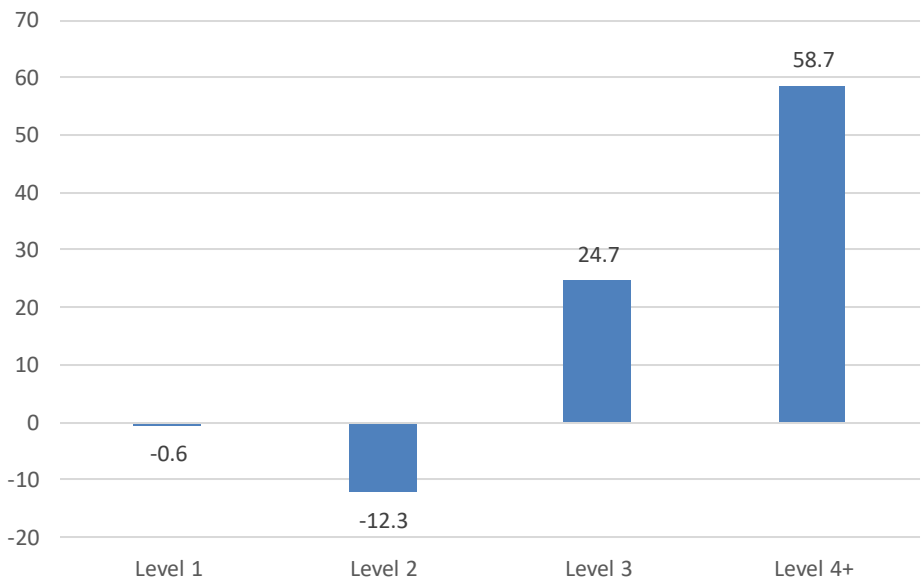
Expansion Demand

- Visually, you can see expansion demand is being driven by occupations which require higher levels of qualifications and the story really is around a rebalancing of the types of jobs and levels of qualification required, rather than meaningful sector movements.

Expansion Demand, Lancashire 2022-2050

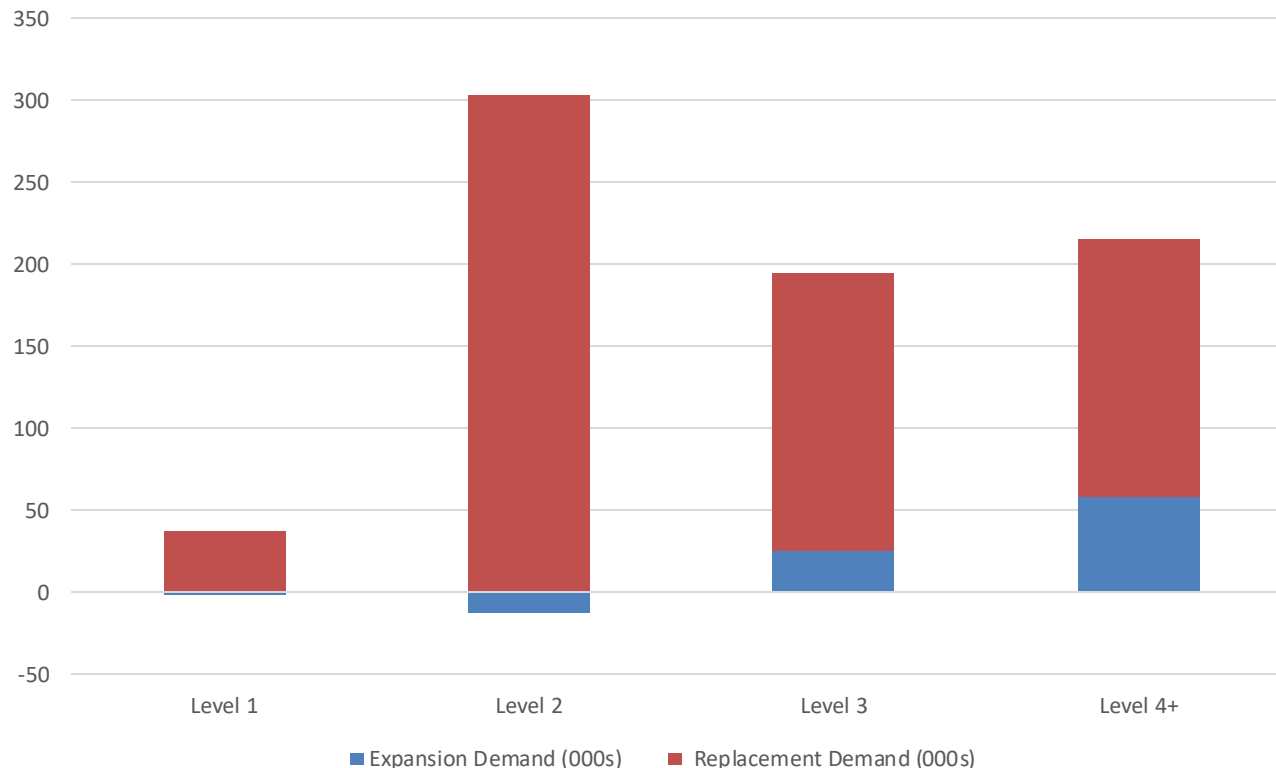


Expansion Demand by Occupation Qualification Level



Replacement and Expansion Demand

- It is however, quite clear, that the majority of the changes in our labour market over the next 25+ years come from replacement demand rather than expansion demand. Expansion takes place more in jobs requiring higher levels of qualifications, replacement demand takes place across all levels.



- Labour market opportunities are continually driven by churn, whether it be retirements, occupational mobility, or migration etc.

Other growth factors



- We can't quantify everything, economic and social developments will come along from time to time, and take us by surprise or manifest themselves in unexpected ways that we can't foresee.
- There are some obvious examples which are potentially transformative locally:
 - National Cyber Force
 - Eden Project Morecambe
- And influences which will be national and international:
 - Automation
 - Artificial Intelligence
 - Innovation
 - Net Zero and the Green Economy
 - Inflation and interest rate environments, and wider macroeconomic factors.

A spotlight on Advanced Manufacturing

Given what we know about future prospects in Manufacturing in Lancashire, there are some important things we should discuss.

How do we define Advanced Manufacturing?



- There are many ways, and not necessarily any which are unanimously agreed to be good definitions.
- And so, it depends on who you ask!
- For the purposes of this, we are using the UK Commission for Employment and Skills definition which was formulated in 2015, this is based off classifications done by Eurostat in 2013 as to manufacturing industries which are high-tech or medium-high tech.
- For much of the data we will look at for Lancashire, where possible we will stick to this definition.
- You may think that these are out of date, and you might be right, but where do we stop? There will be many permutations in reality that will differ depending on where in the country you are.
- This definition includes R&D more broadly

- SIC20: Manufacture of chemicals and chemical products;
- SIC21: Manufacture of basic pharmaceutical products and pharmaceutical preparations;
- SIC25.4: Manufacture of weapons and ammunition;
- SIC26: Manufacture of computer, electronic and optical products;
- SIC27: Manufacture of electrical equipment;
- SIC28: Manufacture of machinery and equipment not elsewhere classified (n.e.c);
- SIC29: Manufacture of motor vehicles, trailers and semi-trailers;
- SIC30.2: Manufacture of railway locomotives and rolling stock;
- SIC30.3: Manufacture of air and spacecraft and related machinery;
- SIC.30.4: Manufacture of military fighting vehicles;
- SIC30.9: Manufacture of transport equipment n.e.c;
- SIC32.5: Manufacture of medical and dental instruments and supplies;
- SIC72.1: Research and experimental development on natural sciences and engineering.

 @LancsSkillsHub

www.Lancashireskillshub.co.uk

p

Source: UKCES, https://assets.publishing.service.gov.uk/media/5a801075ed915d74e33f83c7/150626_AM_SIMI_report.pdf

So what do we know about Manufacturing?



- There are 86,000 jobs in the Manufacturing sector in Lancashire, representing 13% of all employment in Lancashire.
- The manufacturing sector contributes £7.6bn a year to Lancashire's economy, more than 19% of all economic output.
- 3,700+ manufacturing businesses, 45 of these employ more than 250 people, the other 98.8% of them are SMEs, and 75% employ less than 10 people.
- In this way, because % of jobs < % of GVA the manufacturing sector is a higher productivity sector. This typically means higher wages.
- Manufacturing is more concentrated in Lancashire than any other sector is, relative to the national average.
- We have more than double the proportion of both our economy and our labour market coming from the manufacturing sector compared to the national average.

£7.6bn

86,000 jobs

3,700 businesses

Source: ONS BRES, Regional GVA, and UK Business Counts

 @LancsSkillsHub

www.Lancashireskillshub.co.uk

So what do we know about Advanced Manufacturing?

£3.9bn 30,000 jobs



- There are 30,000 jobs in the Advanced Manufacturing sector in Lancashire, 4.6% of all jobs in Lancashire. 35% of all Manufacturing jobs in Lancashire are Advanced Manufacturing jobs.
- The Advanced Manufacturing sector contributes around £3.9bn* a year in GVA to Lancashire's economy, and makes up around 10% of the economy. Manufacturing overall makes up 19%. 60% of GVA from Manufacturing comes from Advanced Manufacturing. 35% of Jobs vs 60% of £ - high productivity.
- This shows how highly productive Advanced manufacturing jobs and businesses are in Lancashire, just 4.6% of all employment, but more than 10% of the economy.
- Almost half of Lancashire's Advanced manufacturing economic output comes from Transport equipment (i.e vehicles and aerospace), and this is more than 4 times as concentrated in Lancashire as it is nationally.
- Other sectors which are more concentrated include Chemicals and Pharmaceuticals, Metal Products, Machinery and Equipment, and Other Manufacturing.
- The largest employment sector in the Advanced Manufacturing sector is Air, Spacecraft and Related Machinery (13,000 jobs), followed by Motor Vehicles, Trailers and Semi-Trailers (4,500), and then "Chemical and Chemical Products" (4,000)

*Not all GVA data is available at the specific levels needed to precisely outline Advanced Manufacturing and strip away economic contribution from sub-sectors which aren't considered to be "Advanced" manufacturing, therefore there will be some over-estimating with the £3.9bn.

 @LancsSkillsHub

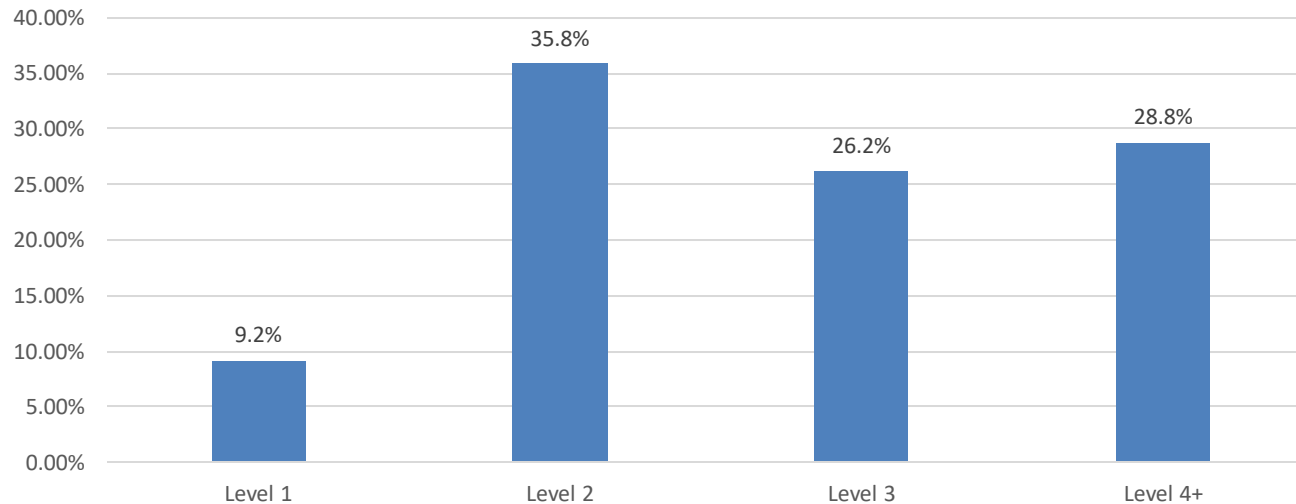
www.Lancashireskillshub.co.uk

What level of qualifications to jobs in the Manufacturing sector normally require?



- We can infer this from looking at the staffing patterns of Manufacturing businesses.
- If we look at employment by occupation, these carry a connotation from the ONS as to what level of qualification would typically be required to discharge the usual duties of these occupations.
- Almost half of these jobs require reasonably low level qualifications which are correlated with lower pay, around 45% require GCSE level or below.

Manufacturing Jobs in Lancashire by Qualification Level Required



Source: Lightcast, 2024

- Of course, not all of these jobs are what you would consider to be the usual manufacturing-y kind of jobs, they include warehousing and logistics, sales and business development, book keepers, delivery drivers, amongst many others.

 @LancsSkillsHub

www.Lancashireskillshub.co.uk

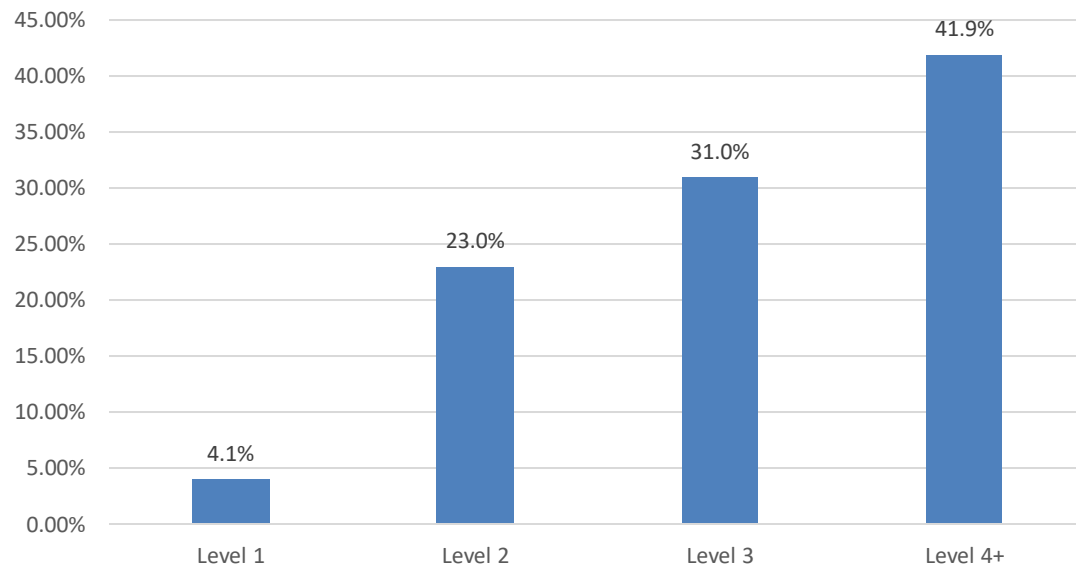
How does this change for Advanced Manufacturing?

- Using the definition we saw on the first slide (from UKCES), the picture is very different.
- Almost 3 quarters of jobs in Advanced Manufacturing businesses require qualifications at A Level equivalent or above.
- Around a quarter only required GCSE level qualifications or below, compared to almost half for all Manufacturing businesses.
- The most common occupations require qualifications at Level 4* or above, 42% of the workforce.



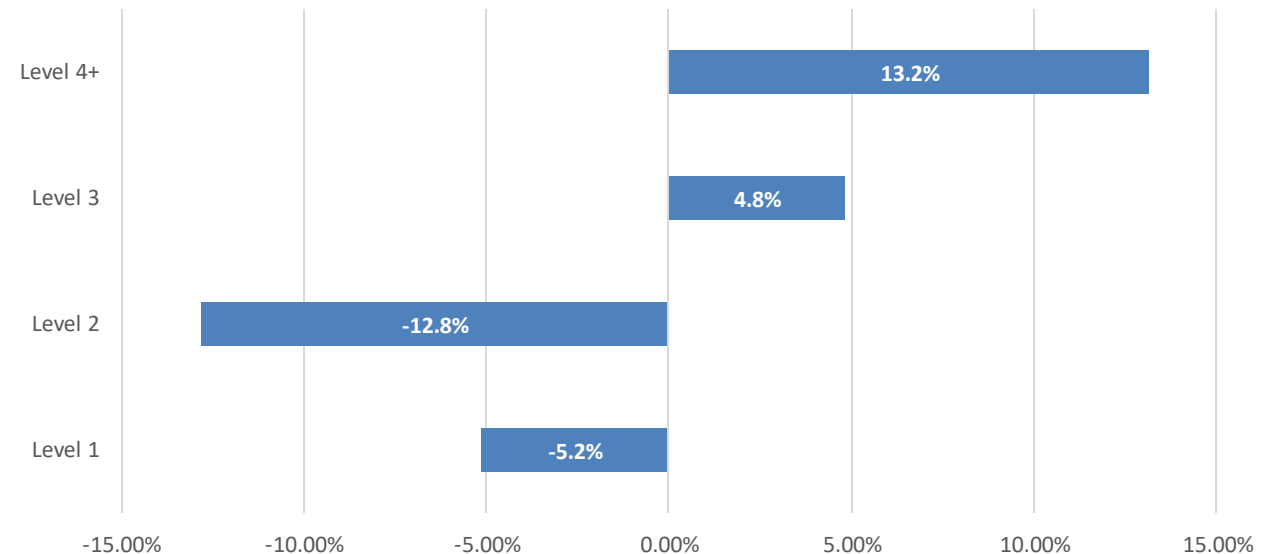
*These include occupations like Aircraft Maintenance, Engineering Professionals, Production managers, Aerospace Engineers, mechanical Engineers and higher level business support functions such as Project Managers, Quality control and Planning, software development and programming.

Advanced Manufacturing Jobs in Lancashire by Qualification Level Required



Source: Lightcast, 2024

Qualification Level Requirement for Advanced Manufacturing Jobs in Lancashire vs All Manufacturing Jobs

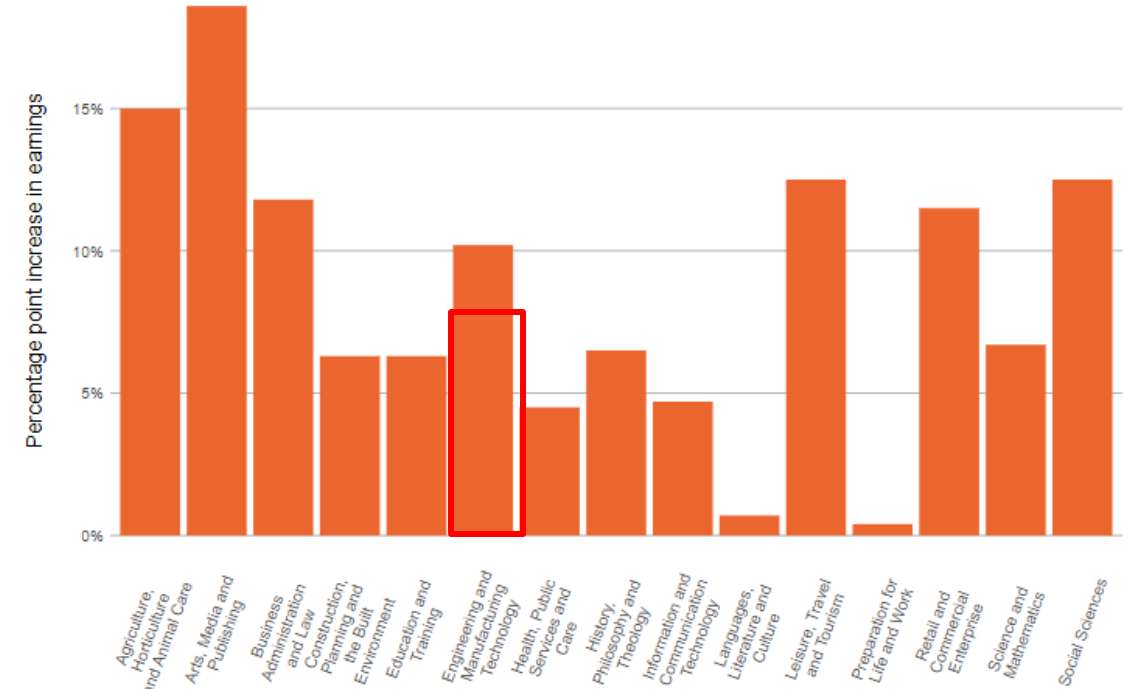
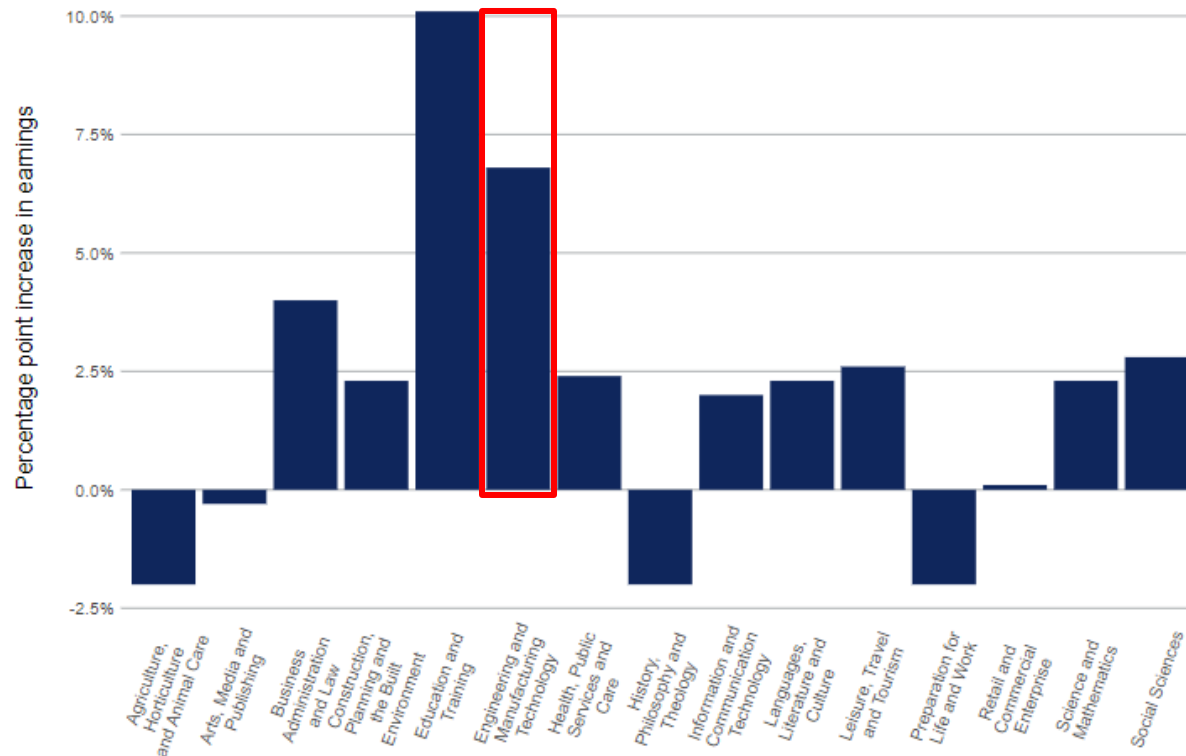


 @LancsSkillsHub

www.Lancashireskillshub.co.uk

Education returns to Engineering and Manufacturing

- Economic returns to Engineering and Manufacturing Technologies in FE are very good.
- For Men 5 years after studying, only “Education and Training” has a higher earnings uplift than Engineering and Manufacturing Technologies



- For Women, the Returns to Engineering and Manufacturing Technologies at FE is high, more than 10% earnings uplift, higher than for Men.

 @LancsSkillsHub

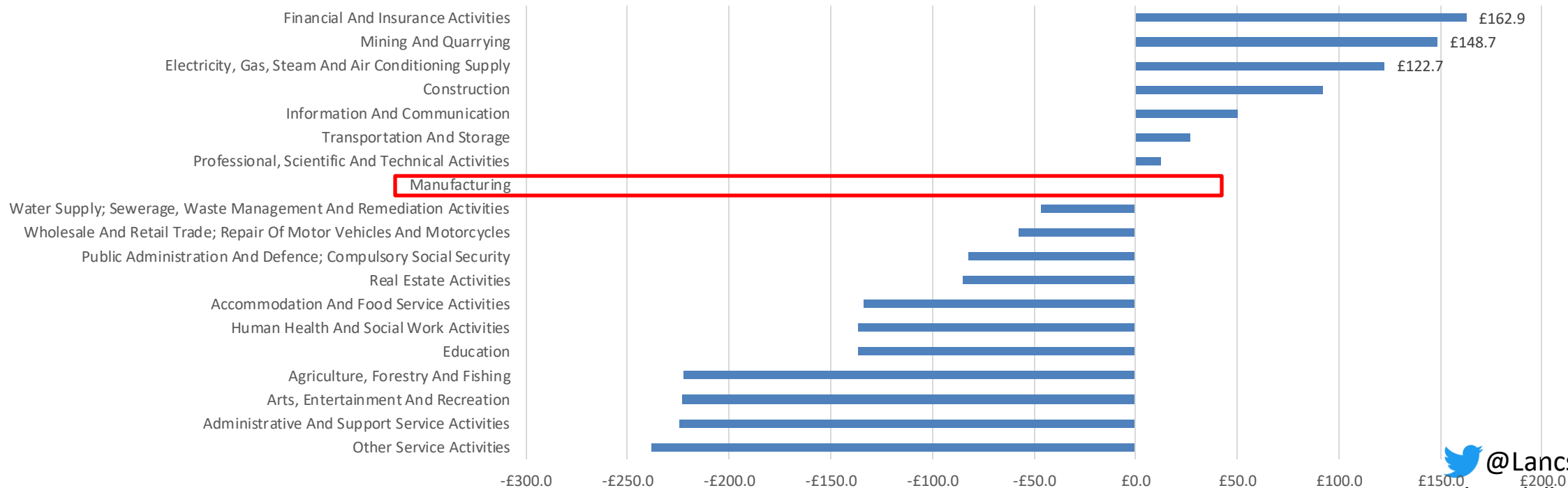
www.Lancashireskillshub.co.uk

Earnings in Manufacturing

- The average weekly wage in Manufacturing in GB is £751.30 = ~£40k
- Average salary increased by 7.2% between 2022 and 2023.
- Professional Occupations within Manufacturing sector pay £926.10 weekly, and for STEM professionals £917.90 weekly.
- Associate Professional, and Skilled Metal, Electrical and Electronic trades, weekly earnings are still between £700-£800.
- Wages for Professionals in Manufacturing compare well versus other industry sectors, higher only in sectors which are more concentrated in areas with higher average wages and higher costs of living (smaller gap in real terms wages).



Difference in Weekly Wages for Professionals by Sector (2023) Vs Manufacturing



@LancsSkillsHub

www.Lancashireskillshub.co.uk

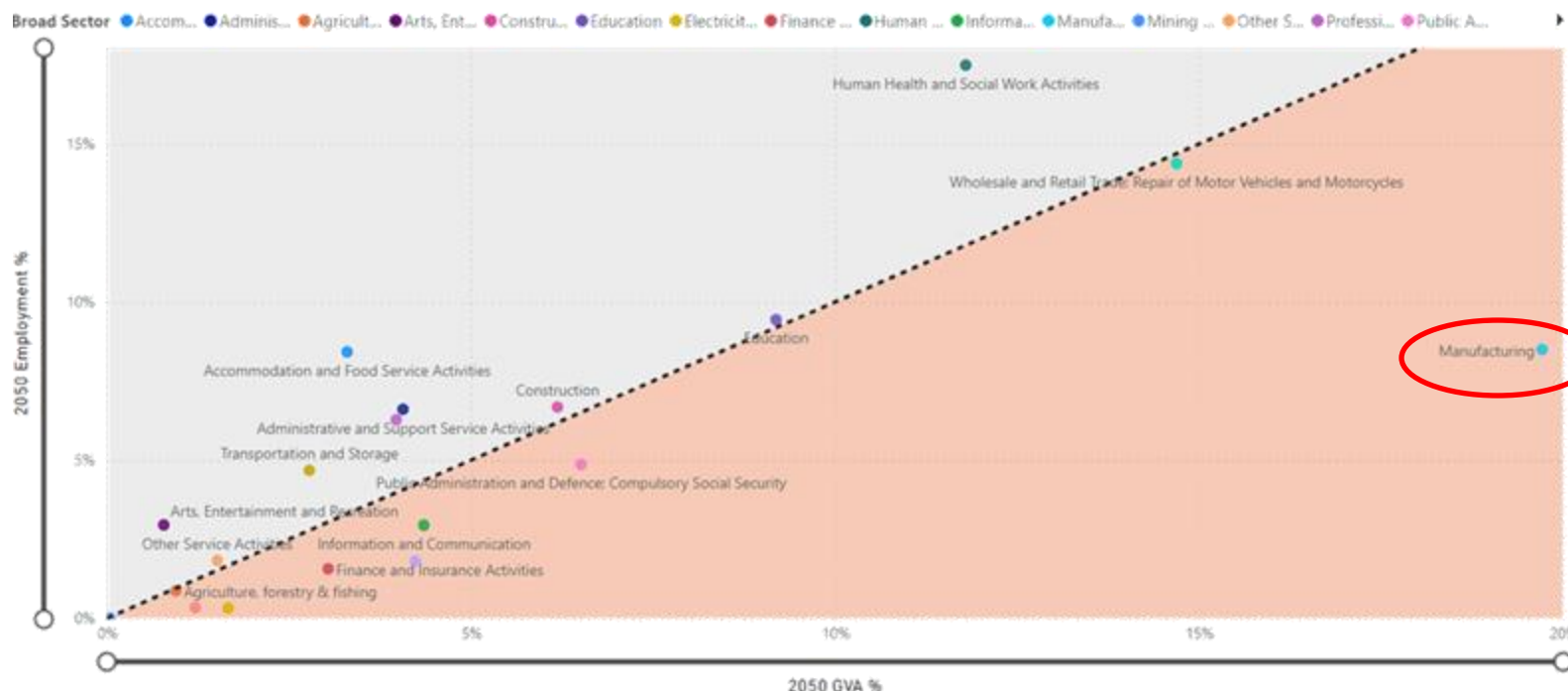
Source: ONS, Annual Survey of Hours and Earnings, Table 29: Earnings and hours worked by industry and occupation. 2024

Prospects for the Future

- Come 2050, Manufacturing = bigger (biggest) economic contributor, smaller employment contributor.
- This is driven by the expected opportunities for automation in jobs which typically require lower level qualifications and could be described as “predictable, physical activities”.
- There is a lower “replacement demand” for lower-level repetitive manufacturing jobs, and automation will likely fill the gap.
- Specialising over-time towards more Advanced Manufacturing. More than doubling employment and almost doubling GVA.



Projected 2050 Percentage of GVA and Employment by Sector in Lancashire LEP



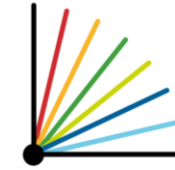
@LancsSkillsHub

www.Lancashireskillshub.co.uk

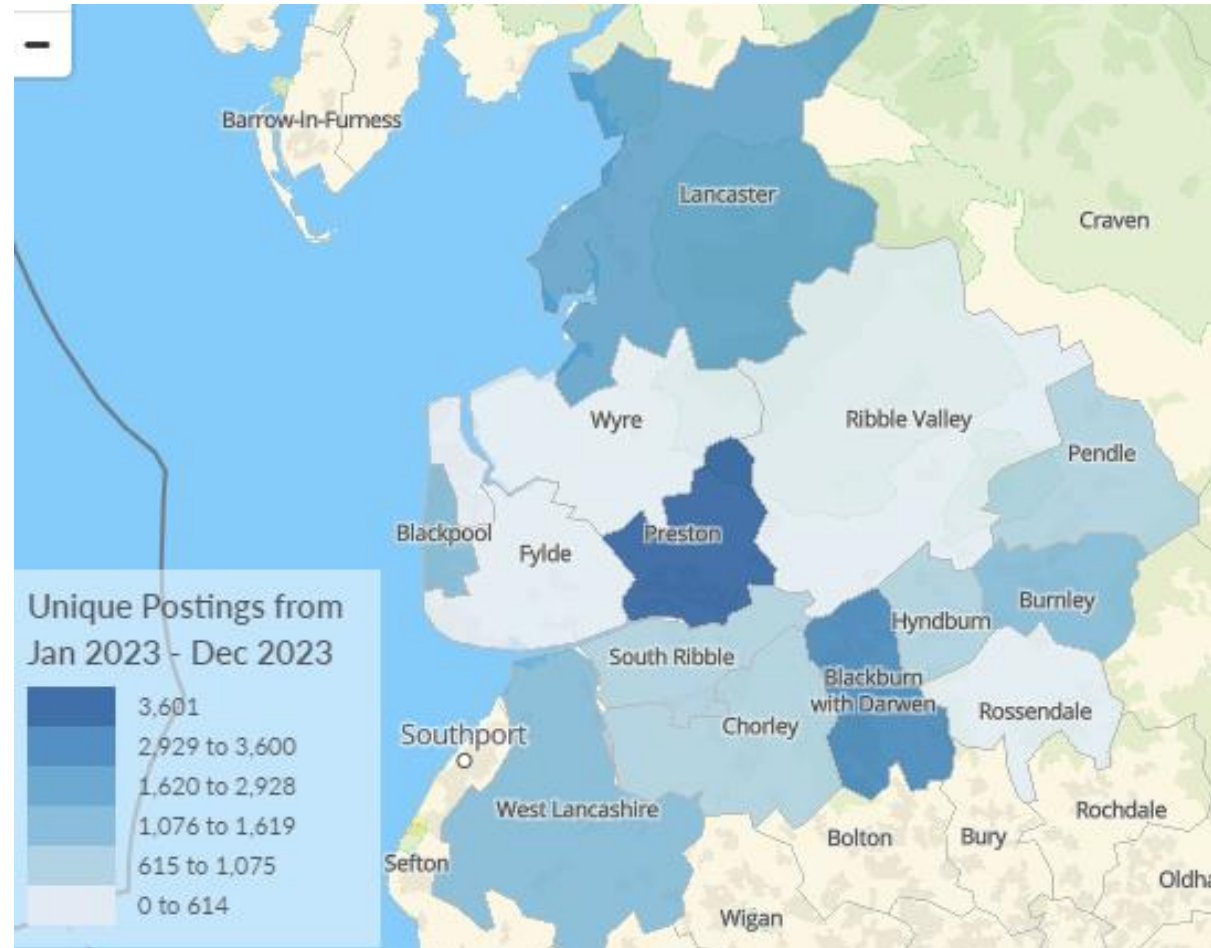
Source: Lancashire LEP Analysis of Cambridge Econometrics Local Economy Forecasting Model Projections, 2024.

Vacancies – Location

Looking across 54 different occupations which are allied to Manufacturing and Advanced Manufacturing. Shows that there were almost 16,000 vacancies posted last year for such jobs, across 2,800 employers right across Lancashire. They aren't just in East Lancashire, they are everywhere!



**LANCASHIRE SKILLS
& EMPLOYMENT HUB**



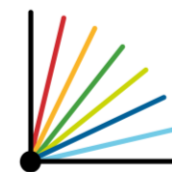
Source: Lightcast, 2024

 @LancsSkillsHub

www.Lancashireskillshub.co.uk

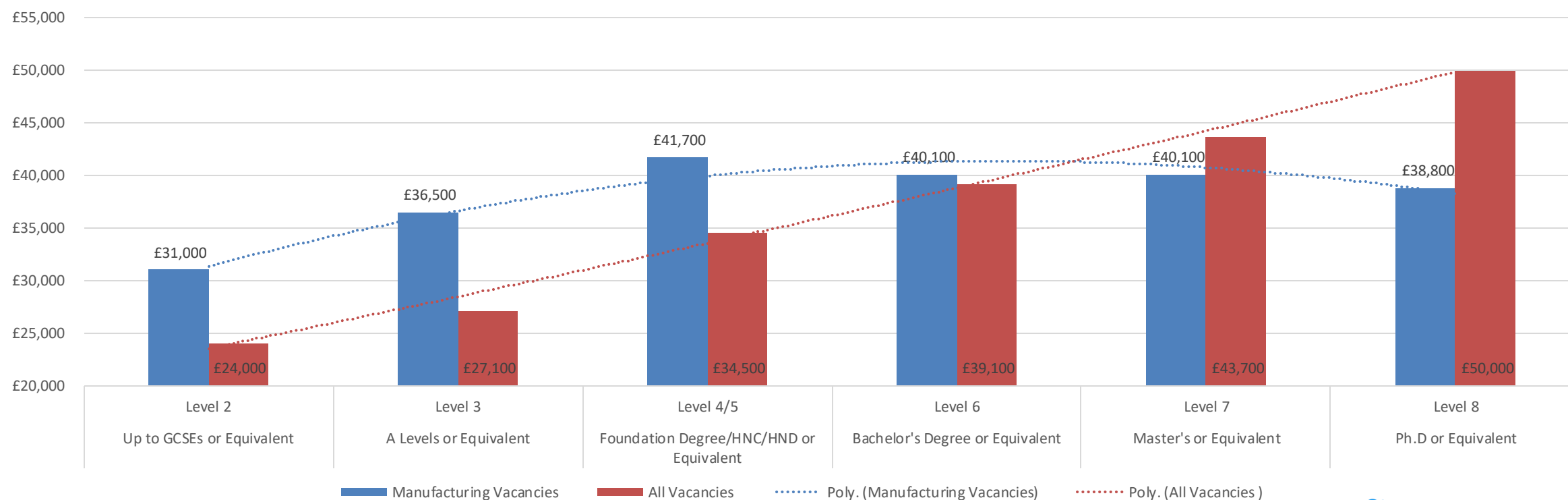
Vacancies – Median Advertised Salary

- Strong wage gains in Manufacturing jobs as you move up the qualification level hierarchy, better paid than average.
- Diminishing returns to education for Manufacturing Vacancies beyond L4/5, but still better compensated than the average job that requires a Bachelor's degree in Lancashire – this changes for jobs requiring a Masters and above.



**LANCASHIRE SKILLS
& EMPLOYMENT HUB**

Manufacturing Job Vacancies in Lancashire 2023: Median Advertised Salary by Minimum Education Level Required vs All Vacancies



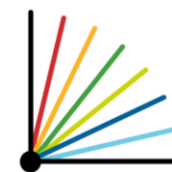
 @LancsSkillsHub

www.Lancashireskillshub.co.uk

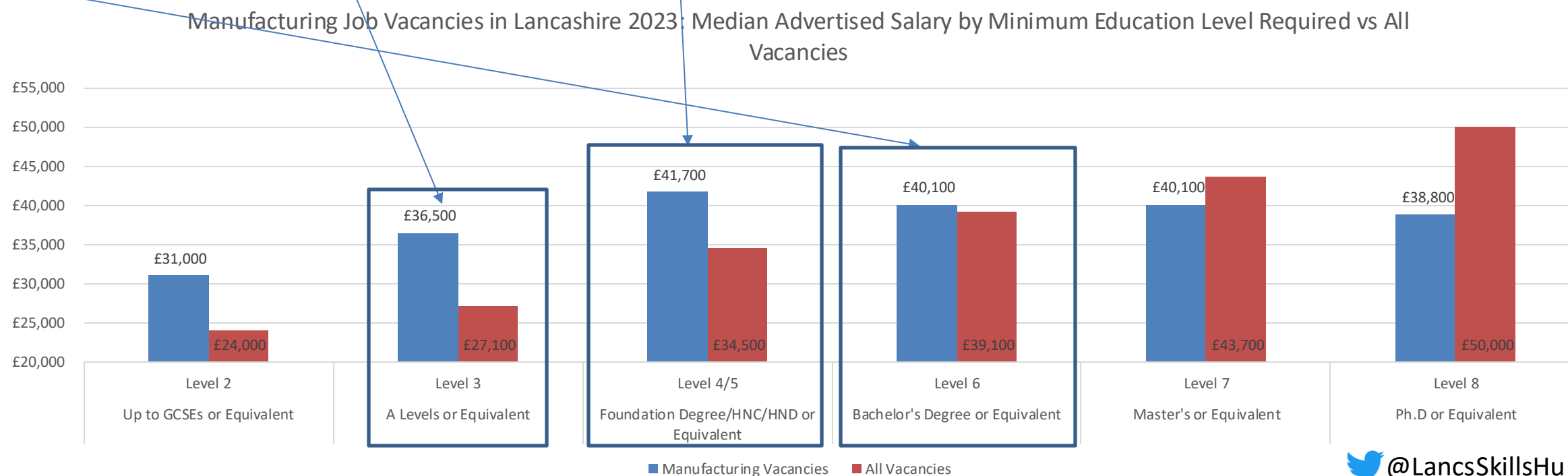
Source: Lancashire Skills and Employment Hub Analysis of Lightcast Jobs Postings Data, 2024

Apprenticeships and FE

- In the last 3 years, there have been around 90 different qualifications studied by young people in Engineering and Manufacturing Technologies, a total of 5,100 starts on these courses since 2020/21. 62% of these starts are at Level 3.
- Apprenticeships are one of the great ways into a career in Manufacturing, 4,500 Apprentices over the last 3 years in “Engineering and Manufacturing Technologies”
- Almost 2/3rds of these (61%) were at Level 3, and 12% were at Level 4+, and more than half of Level 4+ were at degree level (6%).



**LANCASHIRE SKILLS
& EMPLOYMENT HUB**



 @LancsSkillsHub

www.Lancashireskillshub.co.uk

Source: Lancashire Skills and Employment Hub Analysis of Lightcast Jobs Postings Data, 2024

Why Manufacturing? Why Advanced Manufacturing?

- Advanced Manufacturing is an economic strength in Lancashire, the jobs typically require higher levels of qualifications and are highly paid!
- Lancashire's labour market is more concentrated with these higher level manufacturing jobs than is typical nationally.
- For people considering their career path, there are really strong financial returns to FE in Engineering and Manufacturing Technologies, especially for Females.
- Professional Occupations in Manufacturing are especially well paid, and probably in real-terms better than most other industry sectors (controlling for geographic concentrations of jobs in Manufacturing and other sectors).
- Manufacturing jobs are here to stay – we expect further specialisation in Lancashire towards a higher proportion of Advanced Manufacturing jobs for well qualified people. Last year there were 16,000 job vacancies posted.
- Manufacturing jobs in Lancashire are paid in excess of the wider market rates at all qualification levels below L7, degrees aren't necessary for high earnings.
- There are lots of FE options (90+) and more than 5,000 qualifications starts, as well as 4,500 Apprenticeship starts in E+M in the last 3 years, with plenty of higher and degree level apprenticeship opportunities.



What do young people want to do?

Analysis from the Future Skills Questionnaire

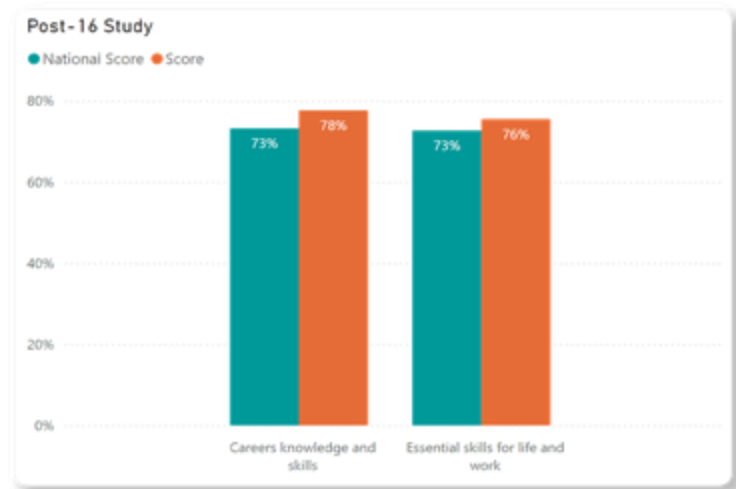
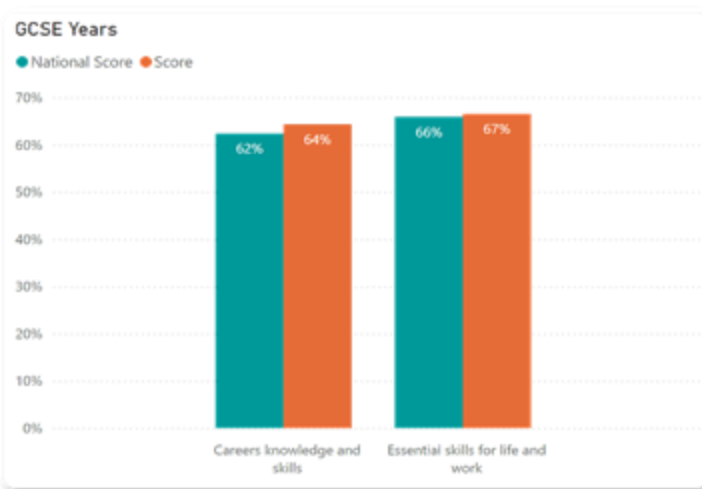
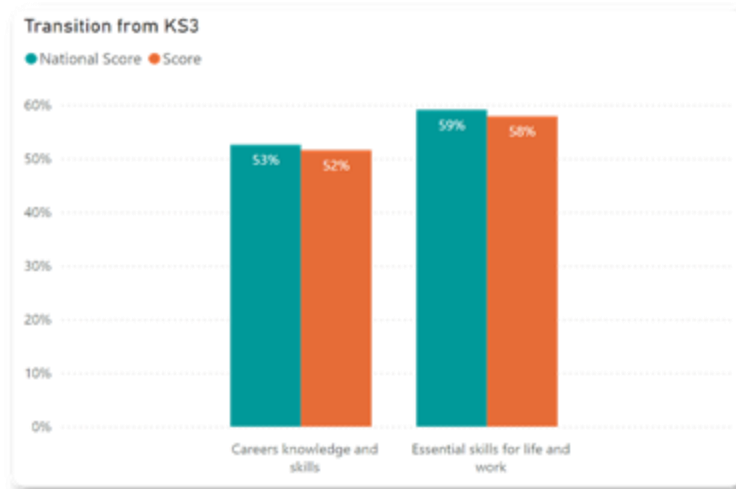
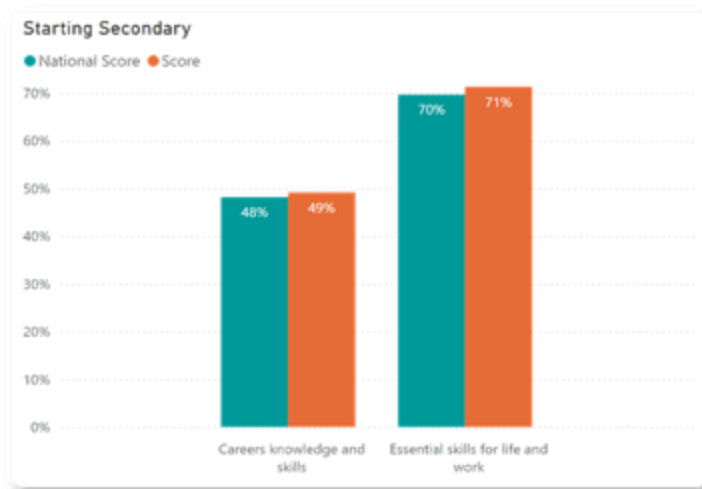
Future Skills Questionnaire

- The Future Skills Questionnaire is an incredibly rich source of insight into the aspirations of young people and where they are on their careers journey.
- More than 7,000 students across Lancashire have completed the survey this year from 36 different schools.
- Schools are able to access individual reports for their school, and we would very much encourage you to do so – speak to your Enterprise Coordinator from the Lancashire Careers Hub!
- The FSQ allows us to better understand the understanding of young people around their knowledge of careers, pathways into further study and/or employment, and their confidence in their employability skills.
- This is a rich source of information to allow schools to better understand where the focus should be at when it comes to careers provision, at different stages in their education, from starting secondary school to post-16 study.
- It also allows us to understand how well young people feel like they understand the opportunities from different educational pathways, from A Levels, Apprenticeships, T Levels, Higher Education (both technical and academic) and other routes.



Careers Knowledge and Life and Work Skills

- Lancashire young people score more highly for careers knowledge and essential skills for life and work at all ages except KS3 transition



- At post 16, more than 3 quarters of young people in Lancashire feel they have the essential skills for life and work.
- Do you agree? WorkReady programme around a common language for employability skills in conjunction with the Chambers of Commerce in Lancashire.



www.Lancashireskillshub.co.uk

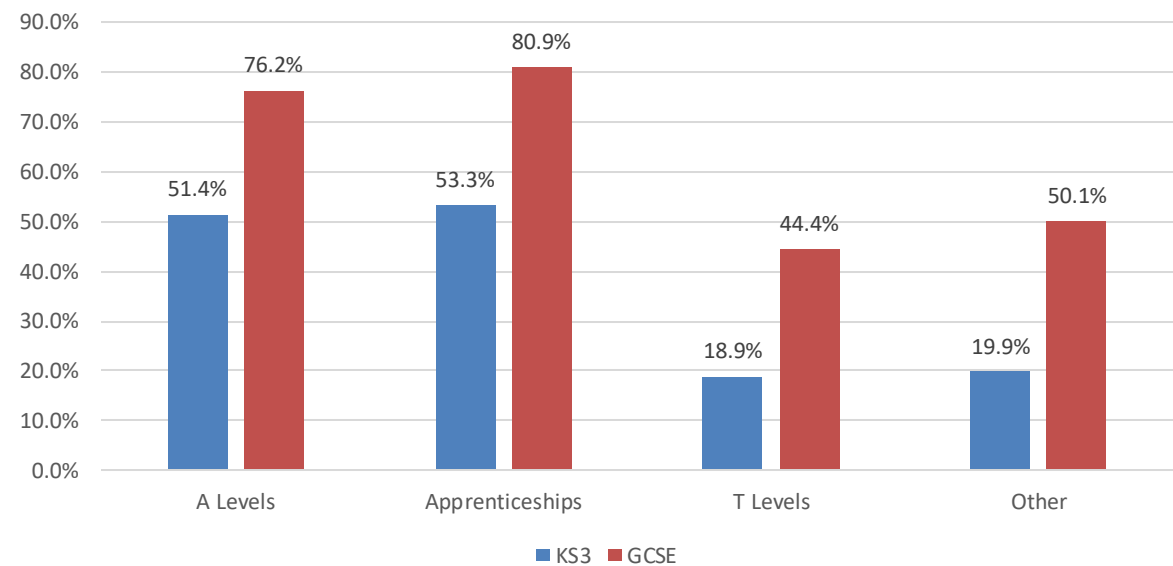
An Apprenticeship Renaissance?

- Awareness of educational pathways is developing with the passing of each educational phase, which is really positive.
- More GCSE students have an understanding of Apprenticeships than they do of A Levels, but not to the same extent. A higher proportion (34.7%) said they knew about A Levels “to a great extent” than about Apprenticeships (28.7%)
- Understanding of T level routes are building, but just 12.9% of GCSE students said they knew about them “to a great extent”.
- Post 16 there is good understanding of most routes, but Technical HE understanding is poorer than other HE, Employment and Apprenticeships

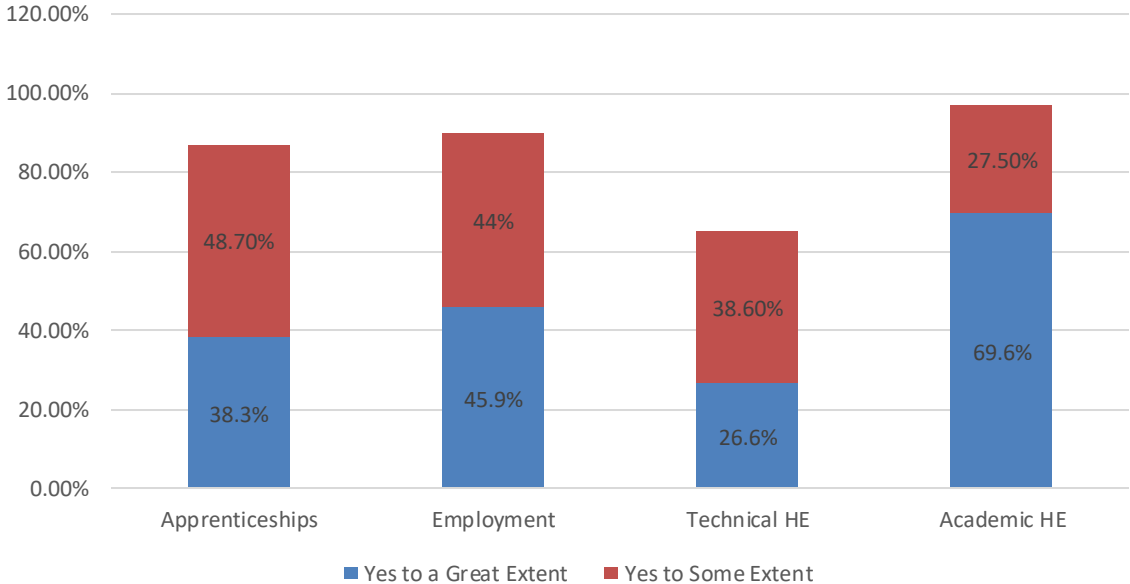


**LANCASHIRE SKILLS
& EMPLOYMENT HUB**

"Yes, I understand these options" - Lancashire Students by Phase



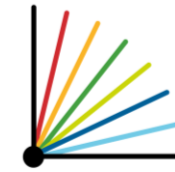
Post 16 Understanding of Options



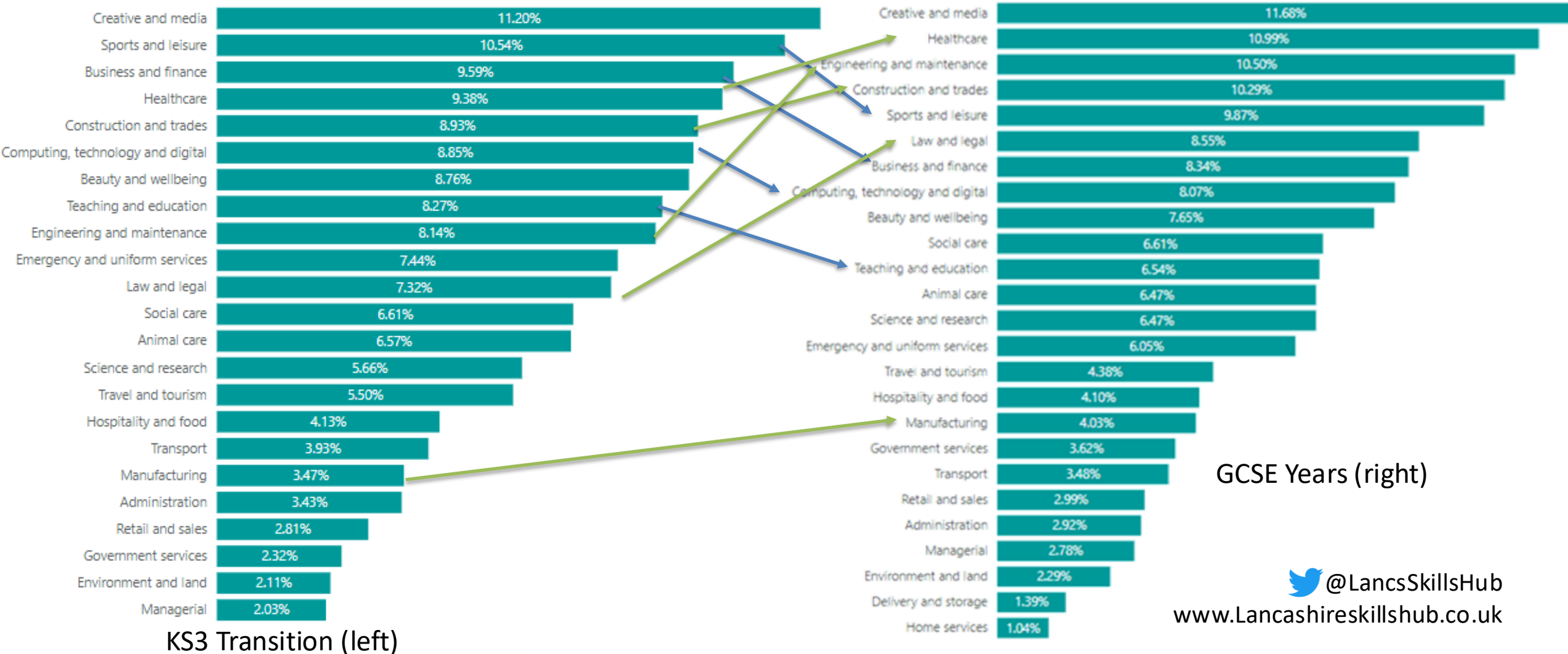
@LancsSkillsHub

www.Lancashireskillshub.co.uk

What types of careers are young people interested in?



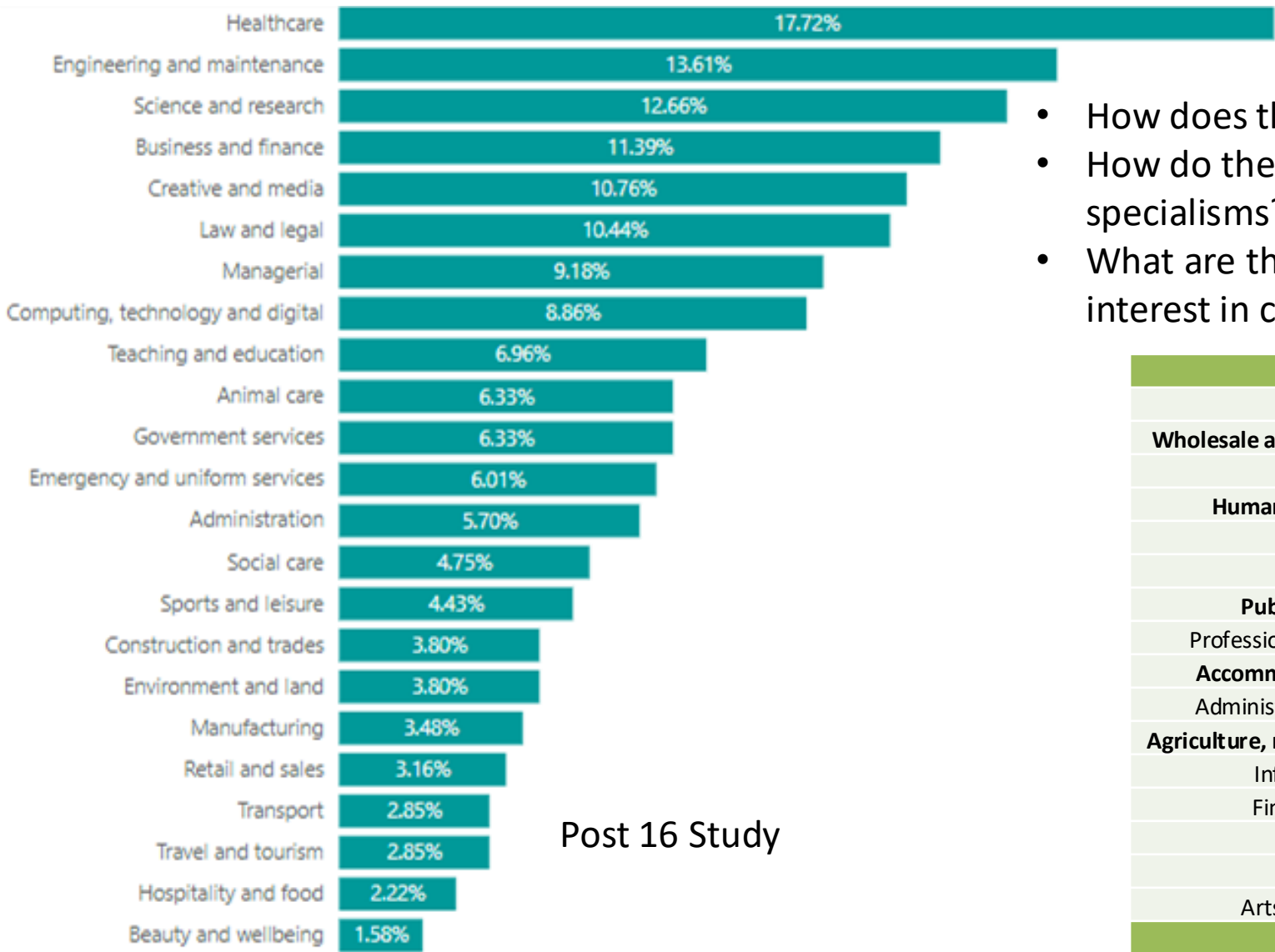
LANCASHIRE SKILLS
& EMPLOYMENT HUB



What types of careers are young people interested in?



LANCASHIRE SKILLS
& EMPLOYMENT HUB



Post 16 Study

- How does this chime with the young people you speak to?
- How do these stack up against Lancashire’s sector specialisms?
- What are the reasons behind why young people express an interest in certain types of career?

Broad Sector	% of Employment	Employment LQ
Manufacturing	12.8%	1.73
Wholesale and retail trade; repair of motor vehicles	15.9%	1.15
Real estate activities	1.3%	0.68
Human health and social work activities	15.6%	1.18
Construction	5.7%	1.13
Education	8.5%	1.02
Public administration and defence	5.7%	1.25
Professional, scientific and technical activities	6.0%	0.66
Accommodation and food service activities	8.3%	1.05
Administrative and support service activities	6.0%	0.68
Agriculture, mining, electricity, gas, water and waste	2.9%	1.04
Information and communication	2.4%	0.55
Financial and insurance activities	1.4%	0.44
Transportation and storage	3.5%	0.71
Other service activities	1.8%	0.91
Arts, entertainment and recreation	2.1%	0.88
Lancashire Total	100.0%	-

Employers and Skills, and Technical Education Update

Including analysis from the Employer Skills Survey (2022)

Apprenticeships

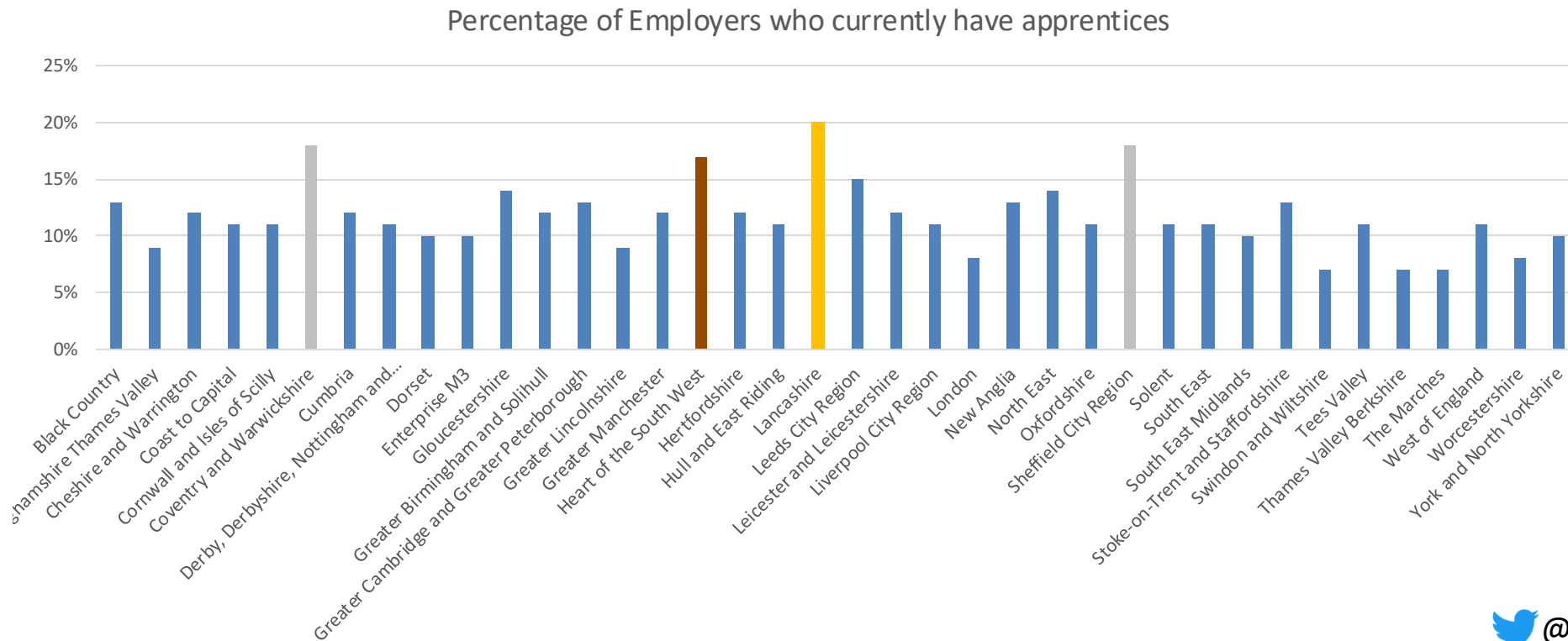


- Apprenticeship starts continue to hold up well, though are still below pre-pandemic levels
- In 2022/23 there were **10,780** apprenticeship starts
 - Down on the previous year by 1.2% (compared to 3.5% fall nationally).
 - 17.5% below pre-pandemic levels, compared to 14% nationally.
- Starts are down for all ages relative to the pre-pandemic, but held up year-on-year for 25+ and Under 19s, whilst 19-24 shrank by 7.5%.
- As has been the trend post-reforms, intermediate (L2) apprenticeships fell YoY by around 400 starts, advanced (L3) grew marginally, and Higher (L4+) grew by around 300 starts.
- Apprenticeship starts from Female apprentices grew by 110 year on year, and for Males fell by 220.
- As usual, starts were highest in Business, Administration and Law (2,830: +90), whilst Engineering and Manufacturing fell by around 80 starts.
- **The 2022 Employer Skills Survey shows 48% of Lancashire employers who offer apprenticeships expect to see an increase in the number of apprentices in their business over the next 2 years. 4% expect the number to fall, and the rest to stay about the same.**

Apprenticeships – Employer Skills Survey



- Lancashire has the highest percentage of businesses who employ apprentices of anywhere in the country!
- 20% of businesses in Lancashire employ an apprentice – nationally 11% of businesses employ an apprentice



T Levels

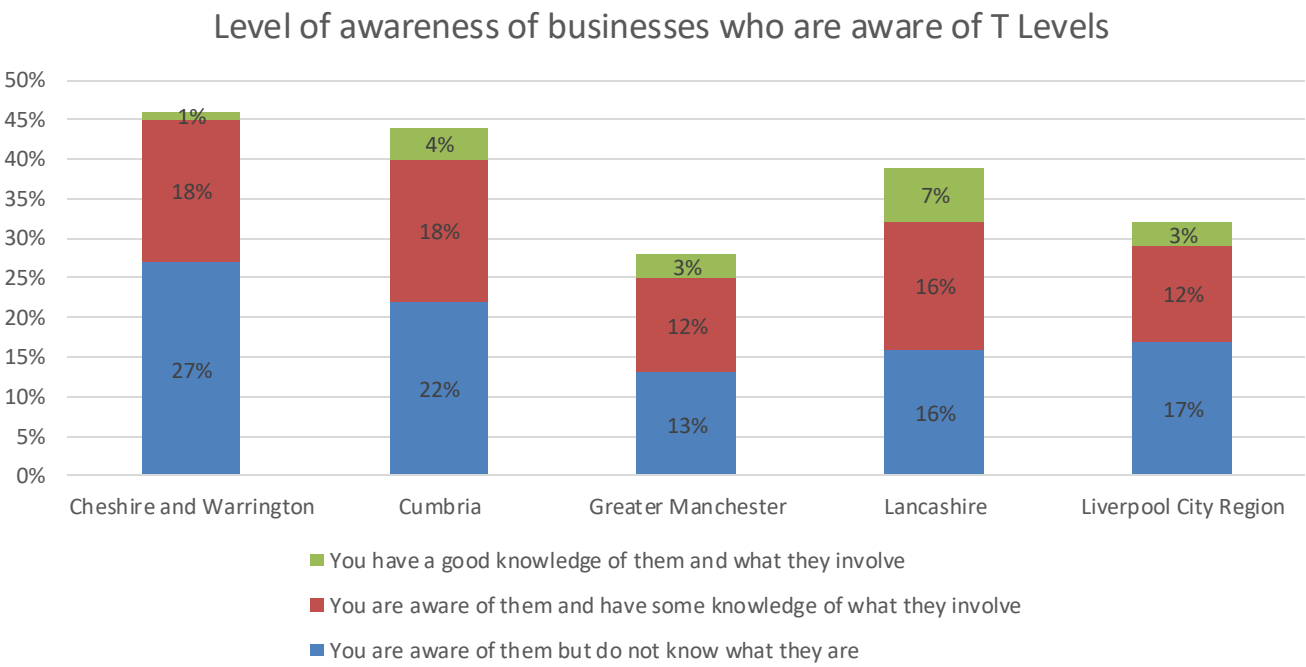
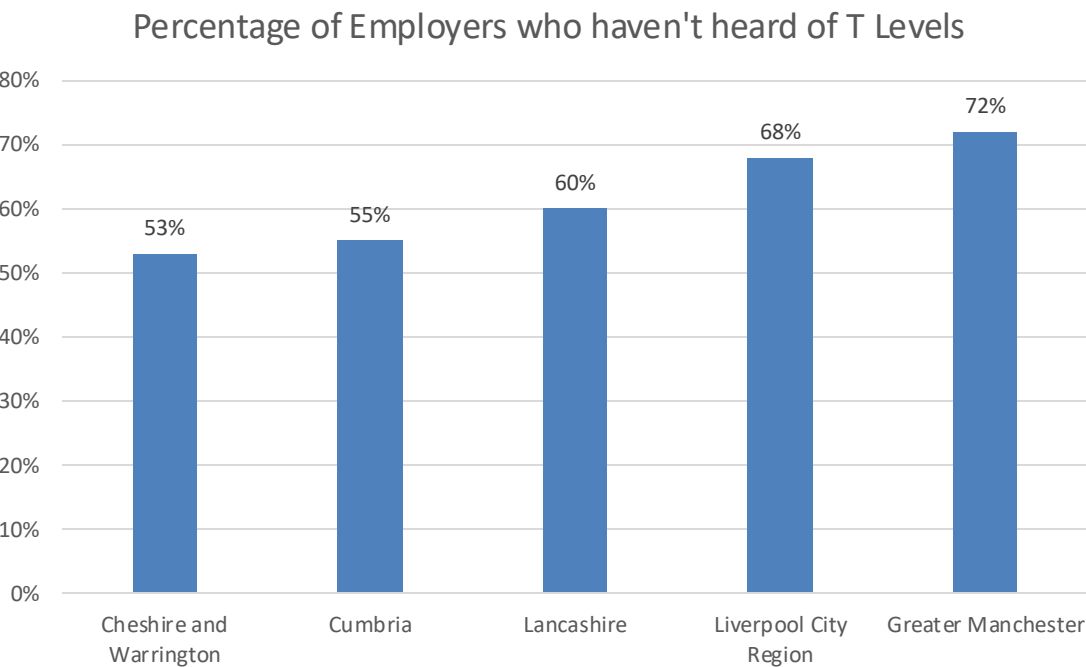


- There were 500 T-Level starts in Lancashire last year, up by almost 150 from the year before, with now almost 1,000 starts since 2020/21 for T-Levels in Lancashire.
- On a sector subject area basis, Construction has been the most popular, with 264 starts to date, and 150 last year.
 - Design, Surveying and Planning for Construction: 71 Starts last year
 - Building Services Engineering for Construction: 69 Starts last year
- 61% Male 39% Female in 2022/23
- 18% of learners in 2022/23 were ethnic minority learners

Employer Awareness of T Levels



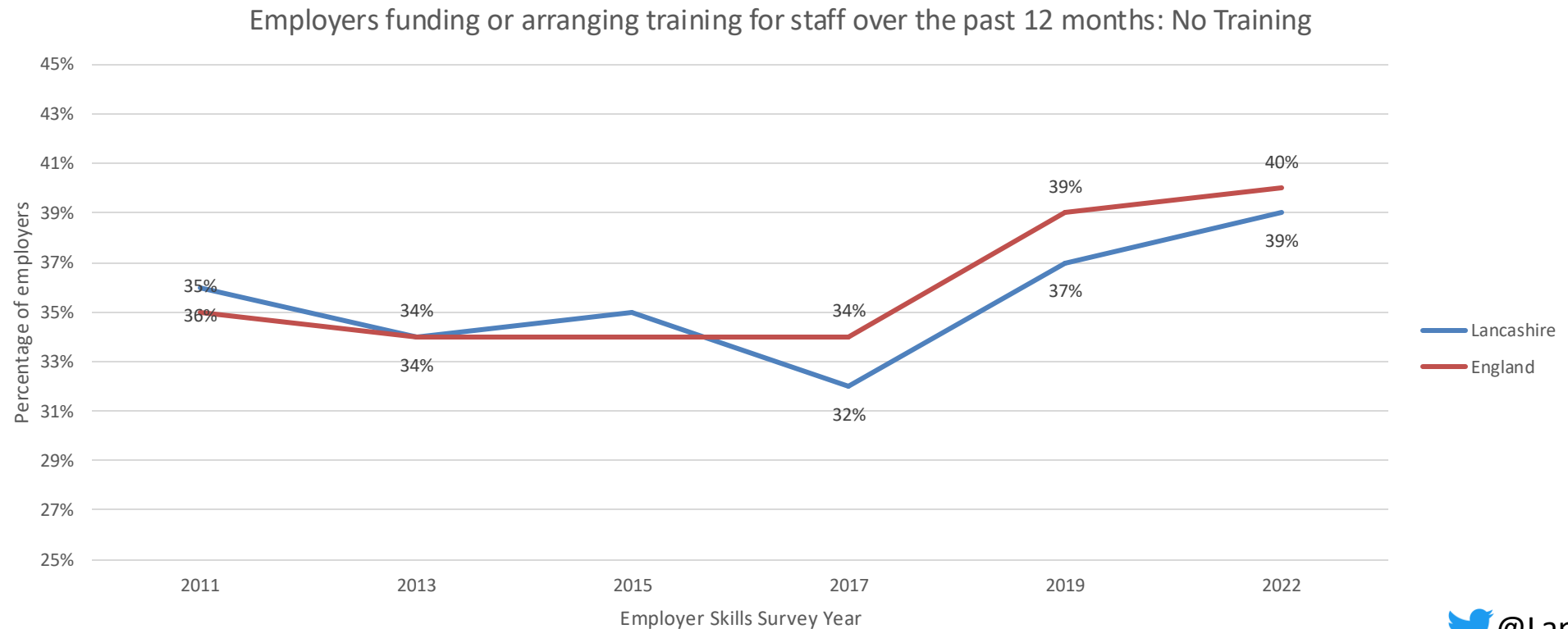
- Nationally, Lancashire businesses have a decent awareness of T Levels, the 7th lowest LEP area where businesses have no awareness of T Levels at all, though it is better in Cheshire and Warrington and Cumbria.
- Looking at the level of understanding, a higher proportion of Lancashire businesses have good knowledge of T Levels than elsewhere in the North West, and in terms of some knowledge and good knowledge, we're about on par with Cumbria.



Employers Providing Training



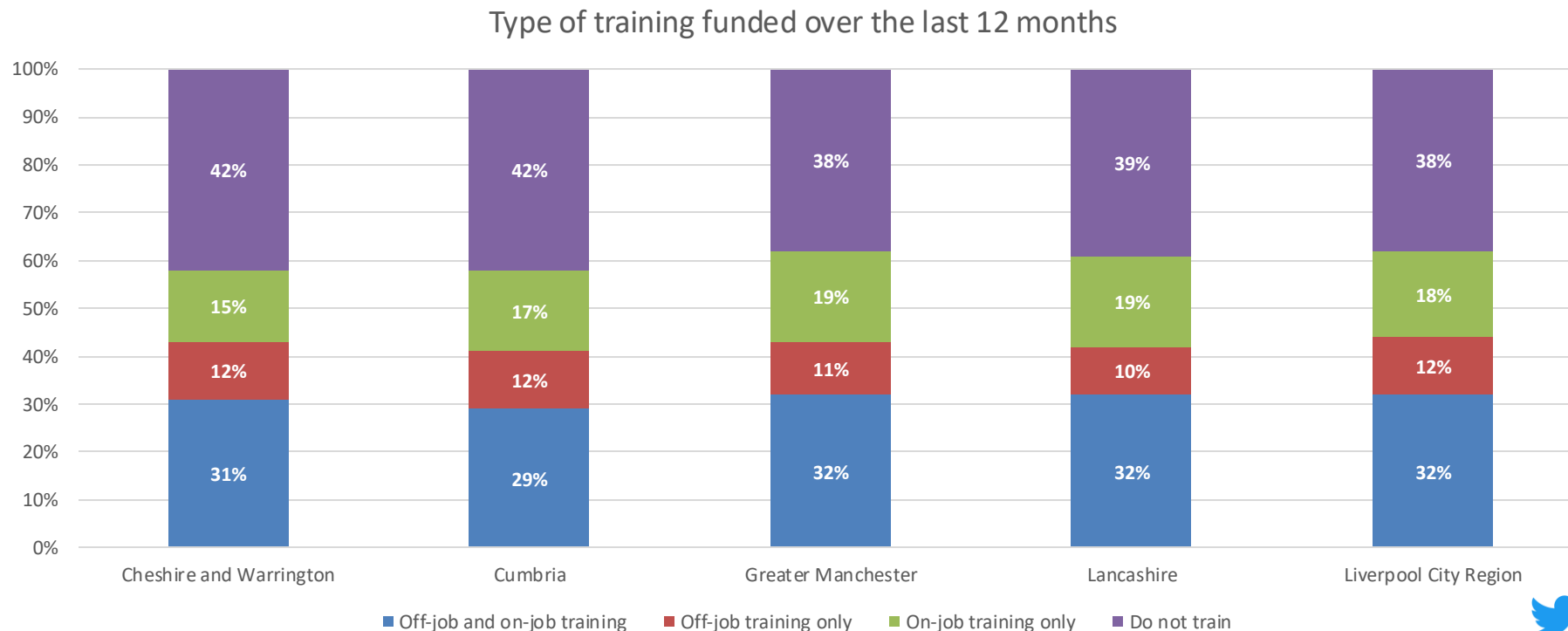
- 2022 employer skills survey data shows 39% of Lancashire businesses provide no training for staff.
- This is on an upward trajectory nationally too, having risen 6 percentage points (7 in Lancashire) between 2017 and 2022.
- Lancashire is pleasingly slightly below the national average in this measure, though the jump post-pandemic was larger in Lancashire than in England



Employers Providing Training



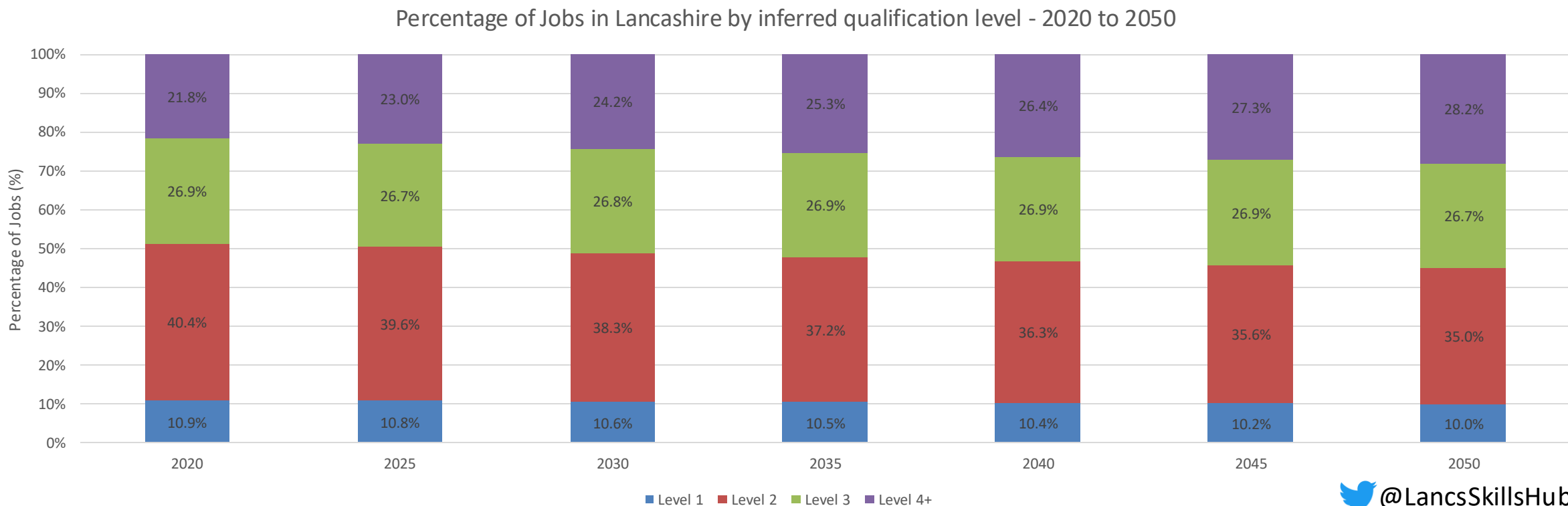
- In the North West, Lancashire has the joint highest proportion of businesses who provide on and off the job training, but the lowest proportion who do off the job training.
- For employers who provide no training, Lancashire outperforms Cumbria and Cheshire and Warrington, and is marginally behind Greater Manchester and the Liverpool City Region.



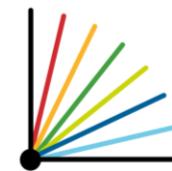
A look to the future



- What is our understanding of what the labour market looks like in the future? We expect to see a growth in the proportion of jobs in Lancashire which require a Level 4 or above qualification. Roughly maintaining the same proportion which require a Level 3 qualification, and shrinkage at Level 2, Level 1 and below.
- Moving from 21.8% of Jobs in 2020 requiring a Level 4+ qualification, to 28.2% in 2050 (+6.4%)



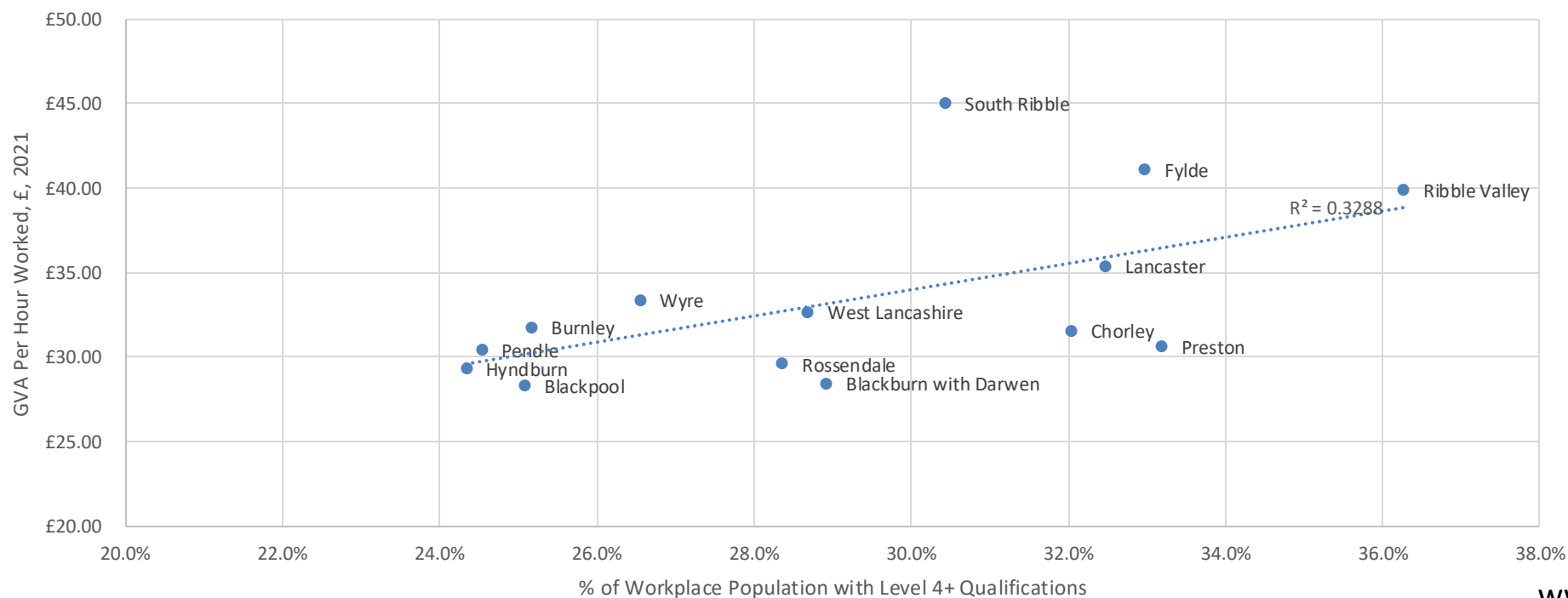
Why do we care so much about L4+?



**LANCASHIRE SKILLS
& EMPLOYMENT HUB**

- Productivity varies across Lancashire's districts, and the proportion of the population with Level 4+ qualifications appears in economic literature to be a powerful predictor of these differences.
- Research by PwC stated the effect of increasing the proportion of people employed with Level 4+ qualifications by 1% was to increase GVA by between 1.6 and 2.0%.

Productivity (GVA Per Hour Worked, £, 2021) Vs % of Workplace Population with L4+ Qualifications: Local Authority District



- Outliers include South Ribble and Fylde, both of which have a high percentage of jobs in the advanced manufacturing sector
- Productivity and wages are closely related, but more straightforwardly, on average the more well qualified someone is the more they earn.



@LancsSkillsHub

www.Lancashireskillshub.co.uk

Questions

- If we have made it this far without going over time, I will be amazed.
- If we have got time – does anyone have any questions?
- If we don't have time – thank you very much for listening!



 @LancsSkillsHub

www.Lancashireskillshub.co.uk