

# **NED District Skills Analysis**

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**2016**

## SCR Supply and Demand

Key factors that were identified for the Sheffield City Region in the Sheffield City Region Labour Market Review 2015 are:

- By 2022, almost 40% of the existing workforce will need to be replaced.
- Between 2012 and 2022, the SCR economy is projected to require 340,000 workers.
- Latest projections suggest that lower skills occupations will continue to shrink as a share of the workforce as higher skilled occupation grow.
- The SCR currently has only 2 jobs for every 3 working age residents.
- A significant effort is required to ensure that more people are gaining qualifications and skills at a high enough level to satisfy the projected demand.
- The proportion of the economically active population with NVQ 4 and above has been growing steadily in SCR. However the gap between SCR (32%) and that national average (40%) continues to increase. SCR must close the gap with national average in terms of higher qualifications if it is to increase GVA and productivity significantly.

### SCR Supply and Demand for NED Priority Sectors

There are likely to be enough supply to meet the demand for skills at least in terms of actual numbers. The challenge is to ensure that the supply is at the right level and is flexible enough to adapt to emerging technology.

The following tables show the demand for jobs required in the NED priority sectors – both across the SCR area and the NEDD area.

#### SCR Demand for labour

	Construction	Manufacturing	Finance	Creative and Digital
<i>Share of employment in 2012</i>	33,000 jobs	81,400 jobs	80,400 jobs	38,000 jobs
<i>Projected expansion of jobs by 2022</i>	7,365	7,000	2,035	6,132
<i>Replacement demand (retirements/migration/churn)</i>	19,203	23,686	7,483	8,057
<i>Total requirement of jobs needed by 2022</i>	26,568	16,686	9,518	14,189

#### North East Derbyshire Demand for labour

pro-rata by 3.68% - (NED in employment / SCR in employment x 100 )

	Construction	Manufacturing	Finance	Creative and Digital
<i>Share of employment in 2012</i>	1214 jobs	2995 jobs	2958 jobs	1398 jobs
<i>Projected expansion of jobs by 2022</i>	271	258	75	226
<i>Replacement demand (retirements/migration/churn)</i>	706	872	275	296
<i>Total requirement of jobs needed by 2022</i>	978	614	350	522

#### Notes:

- Not all occupations covered especially in 'financial and other business services' – other services will need to be identified and included.

## Construction

This sector employed 33,000 people in SCR by the end of 2013, making up 4.6% of the workforce. This represented a 17% drop on the 2010 level when it counted for 5.5% of the workforce

Construction includes a wide range of sub-sectors: (are these sic codes?)

- Construction of domestic buildings
- Electrical installation
- Construction of other civil engineering projects
- Plumbing, heat and air-conditional installation
- Construction of roads and motorways
- Specialised construction activities (other than scaffold erection)
- Construction of commercial buildings
- Other construction installation
- Joinery installation
- Construction of railways and underground railways
- Development of building projects
- Painting
- Other building completion and finishing
- Scaffold erection
- Floor and wall covering
- Roofing activities
- Construction of utility projects for fluids
- Plastering
- Glazing
- Site preparation
- Demolition
- Construction of bridges and tunnels
- Construction of utility projects for electricity and telecommunication

### Change in Construction Occupations 2012-2022 (SCR)

	2012 - 2022		
Construction occupations	Expansion demand	Replacement demand	Total requirement
Managers, directors and senior officials	1,900	2,000	3,900
Professional occupations	1,600	1,600	3,300
Associate professional and technical	1,300	1,300	2,600
Administrative and secretarial	200	1,900	2,100
Skilled trades occupations	1,700	9,400	11,000
Caring, leisure and other services	-	100	100
Sales and customer service	300	400	700
Process, plant and machine operatives	100	1,500	1,700
Elementary occupations	200	1,100	1,300
<b>Total (rounded)</b>	<b>7,400</b>	<b>19,200</b>	<b>26,600</b>

Source: Working Futures (UKCES)

### Change in Construction Occupations 2012-2022 (NEDD)

pro-rata by 3.68% - (NED in employment / SCR in employment x 100 )

	2012 - 2022		
Construction occupations	Expansion demand	Replacement demand	Total requirement
Managers, directors and senior officials	70	74	144
Professional occupations	59	59	118
Associate professional and technical	48	48	96
Administrative and secretarial	7	70	77
Skilled trades occupations	63	346	409
Caring, leisure and other services	-	4	4
Sales and customer service	0.5	0.5	1
Process, plant and machine operatives	4	55	59
Elementary occupations	7	40	47
<b>Total (rounded)</b>	<b>272</b>	<b>707</b>	<b>979</b>

### Qualifications required within Construction (SCR)

	<b>2012 - 2022</b>		
<b>QFC Group</b>	<b>Expansion demand</b>	<b>Replacement demand</b>	<b>Total requirement</b>
<b>QFC 7-8</b>	2,200	600	2,800
<b>QCF 4-6</b>	4,000	3,100	7,100
<b>QCF 3</b>	-900	6,000	5,100
<b>QCF 2</b>	2,900	5,200	8,200
<b>QCF 1</b>	600	3,000	3,600
<b>No qualifications</b>	-1,500	1,200	-200
<b>Total (rounded)</b>	<b>7,400</b>	<b>19,200</b>	<b>26,600</b>

Source: Working Futures (UKCES)

### **Qualifications required within Construction (NEDD)**

SCR data pro rata by 5.15% (NED Working age population / SCR Working age population x 100)

	<b>2012 - 2022</b>		
<b>QFC Group</b>	<b>Expansion demand</b>	<b>Replacement demand</b>	<b>Total requirement</b>
<b>QFC 7-8</b>	113	31	144
<b>QCF 4-6</b>	206	160	366
<b>QCF 3</b>	-46	309	263
<b>QCF 2</b>	149	277	426
<b>QCF 1</b>	31	155	186
<b>No qualifications</b>	-77	62	-15
<b>Total (rounded)</b>	<b>381</b>	<b>989</b>	<b>1370</b>

#### **Notes:**

- The only group projected to shrink are those with no qualifications.
- Expansion demand focused on those with QFC 2 or higher.
- Employer survey carried out by SCR in April 2015 also suggested that construction firms are looking to improve management skills within their organisations, along with more technical industry and job specific skills.

### **Levels of learning within construction (NEDD)**

Education and Training	Starts 2013/2014	Starts 2014/2015	Total Starts 2013 - 2015	Achievements 2013/2014	Achievements 2014/2015	Total Achievements 2013 - 2015
Below level 2	65	89	154	43	70	113
Level 2	215	253	468	118	248	366
Level 3	107	104	211	61	78	139
Level 4 +	11	10	21	8	10	18
Unassigned	21	19	40	20	18	38
Apprenticeships	Starts 2013/2014	Starts 2014/2015	Total Starts 2013 – 2015	Achievements 2013/2014	Achievements 2014/2015	Total Achievements 2013 – 2015
Intermediate level (2)	38	39	77	17	13	30
Advanced level (3)	10	11	21	12	6	18
Higher level (4&5)	0	0	0	0	0	0
Degree level (6+)	0	0	0	0	0	0

Source: SFA

### Total of qualifications within construction sector needed by 2022 within NEDD

QFC Group	Total requirement	Total achievements as at end 2014/2015 (Education and training + Apprenticeships)	Total still needed
QCF 2	426	366 + 30 = 396	0
QCF 3	263	139 + 18 = 157	106
QCF 4-8	510	18 + 0 = 18	492

#### Notes:

- The bulk of the projected requirement is expected to be accessible to QFC level 2 or higher.
- Starts and achievements are dominated by levels 2 qualification.
- 78% of all classroom based starts in construction were level 2 or higher
- 79% of apprenticeship starts were at intermediate level
- Employers are expected to demand higher level qualifications and skills within the industry.

#### Additional statistical evidence:

- There is an impending skills crisis with an ageing workforce due to retire that will not be replaced due to a 9% fall in the number of technicians entering the profession between 2012 – 2022 (source: The Institute of Civil Engineering Skills Report 2015).
- The country's skills shortage has reached its highest level for 18 years, highlighting a 64% national shortage of quantity surveyors. (source: The RICS 2015 UK Construction Survey)
- The global construction market is forecast to grow by over 70% in 2025. Civil engineering skills are critical to this sector, with engineers needed broader and deeper skills such as BIM and off-site construction. (source: The RICS 2015 UK Construction Survey)

## Manufacturing

This sector employed over 81,400 people in SCR by the end of 2013, making up 11% of the workforce.

Sub-sectors within manufacturing are:

- Fabricated metal products, except machinery and equipment
- Food products
- Rubber and plastic products
- Basic metals
- Machinery and equipment
- Repair and installation of machinery and equipment
- Other non-metallic mineral products
- Electrical equipment
- Wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
- Other manufacturing
- Printing and reproduction of recorded media
- Furniture
- Motor vehicles, trailers and semi trailers
- Computer, electronic and optical products
- Chemicals and chemical products
- Paper and paper products
- Textiles
- Wearing apparel
- Other transport equipment
- Beverages
- Coke and refined petroleum products
- Basic pharmaceutical products and pharmaceutical preparations
- Tobacco products
- Leather and related products

	2012-2022		
Manufacturing Occupations	Expansion demand	Replacement demand	Total requirement
Managers, directors and senior officials	700	2900	3500
Professional occupations	900	2600	3500
Associate professional and technical	400	2500	2900
Administrative and secretarial	-500	2200	1700
Skilled trades occupations	-3800	7000	3200
Caring, leisure and other service	200	300	500
Sales and customer service	-100	700	600
Process, plant and machine operatives	-3800	3900	-
Elementary occupations	-900	1600	700
<b>Total (rounded)</b>	<b>-7000</b>	<b>23700</b>	<b>16700</b>

Source: Working Futures (UKCES)

### Change in Manufacturing Occupations 2012-2022 (NEDD)

pro-rata by 3.68% - (NED in employment / SCR in employment x 100 )

	2012-2022		
Manufacturing Occupations	Expansion demand	Replacement demand	Total requirement
Managers, directors and senior officials	26	107	129
Professional occupations	33	96	129
Associate professional and technical	15	92	107
Administrative and secretarial	-18	81	63
Skilled trades occupations	-140	258	118
Caring, leisure and other service	7	11	18
Sales and customer service	-4	26	22
Process, plant and machine operatives	-140	144	4
Elementary occupations	-33	59	26
<b>Total (rounded)</b>	<b>-258</b>	<b>872</b>	<b>614</b>

### Qualifications required within Manufacturing (SCR)



	2012 - 2022		
QFC Group	Expansion demand	Replacement demand	Total requirement
QFC 7-8	2000	1200	3100
QCF 4-6	2200	5400	7600
QCF 3	-3700	6000	2400
QCF 2	-1700	5600	3900
QCF 1	-3000	3800	800
No qualifications	-2800	1600	-1200
<b>Total (rounded)</b>	<b>-7000</b>	<b>23700</b>	<b>16700</b>

Source: Working Futures (UKCES)

### Qualifications required within Manufacturing (NEDD)

SCR data pro rata by 5.15% (NED Working age population / SCR Working age population x 100)

	2012 - 2022		
QFC Group	Expansion demand	Replacement demand	Total requirement
QFC 7-8	103	62	165
QCF 4-6	113	278	391
QCF 3	-191	309	118
QCF 2	-88	288	200
QCF 1	-155	82	-73
No qualifications	-144	82	-62
<b>Total (rounded)</b>	<b>-361</b>	<b>1221</b>	<b>860</b>

#### Notes:

- The only group projected to shrink within the manufacturing workforce are those with no qualifications.
- The number of people in the workplace with QFC 3 or lower is projected to shrink considerably.
- The reverse is the case for those with higher level qualifications.

### Levels of learning within Manufacturing, Engineering Technologies and Transportation Operations and Maintenance (NEDD)

Education and	Starts	Starts	Total Starts	Achievements	Achievements	Total
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Training	2013/2014	2014/2015	2013 - 2015	2013/2014	2014/2015	Achievements 2013 - 2015
Below level 2	92	136	228	65	108	173
Level 2	333	440	773	184	508	692
Level 3	69	77	146	69	71	140
Level 4 plus	10	9	19	5	8	13
Unassigned	34	2	36	32	2	34
Apprenticeships	Starts 2013/2014	Starts 2014/2015	Total Starts 2013 – 2015	Achievements 2013/2014	Achievements 2014/2015	Total Achievements 2013 – 2015
Intermediate level (2)	81	107	188	44	53	91
Advanced level (3)	79	84	163	59	52	111
Higher level (4&5)	0	2	2	0	0	0
Degree level (6+)	0	0	0	0	0	0

Source: SFA

### Total of qualifications within Manufacturing sector needed by 2022 within NEDD

QFC Group	Total requirement	Total achievements as at end 2014/2015 (Education and training + Apprenticeships)	Total still needed
QCF 2	200	692 + 91 = 783	0
QCF 3	118	140 + 111 = 251	0
QCF 4-8	556	13 + 0 = 13	543

#### Notes:

- Starts and achievements within manufacturing are dominated by level 2 qualifications.
- It is projected that employers are likely to demand higher level qualifications and skills within the industry
- Issue of whether learners are acquiring the appropriate skills at a high enough level to satisfy the sector.

#### Additional statistical information:

- Engineering UK states that engineering enterprises are more than likely to have hard-to-fill vacancies for professionals (31.7% compared with 17.6%) and skilled trades occupations (24.8% compared with 12.6%) leading to delays in developing new products or services (source The State of Engineering report 2015)
- A year-on-year increase from 12 to 19 per cent of firms reporting difficulties in finding suitable graduate recruits demonstrate that there is a clear skills gap (source The State of Engineering Report 2015).
- Either a doubling of the number of engineering graduates or a 50% increase in the number of engineering and technology and other related STEM and non-STEM graduates who are known to enter engineering occupations are needed to increase the supply of workforce needed. (source: The State of Engineering Report 2015)

## Financial and other business services

The financial sector employed 80,400 people in SCR by the end of 2013, making up 11% of the workforce.

Subsectors of the sector are:

- Financial services activities, except insurance and pension funding
- Insurance, reinsurance and pension funding, except compulsory social security
- Activities auxiliary to financial services and insurance activities
- Legal and accounting activities
- Office administrative, office support and other business support activities
- Rental and leasing activities
- Travel agency, tour operator and other reservation service and related activities
- Securing and investigation activities
- Services to buildings and landscape activities

	2012-2022		
Manufacturing Occupations	Expansion demand	Replacement demand	Total requirement
Managers, directors and senior officials	1400	3000	4400
Professional occupations	1500	2600	4100
Associate professional and technical	1800	4100	5800
Administrative and secretarial	-100	5600	5,500
Skilled trades occupations	-300	900	600
Caring, leisure and other service	1300	1700	3000
Sales and customer service	1200	1900	3100
Process, plant and machine operatives	0	1400	1500
Elementary occupations	400	6400	6800
<b>Total (rounded)</b>	<b>7200</b>	<b>27700</b>	<b>34900</b>

Source: Working Futures (UKCES)

### Change in Finance Sector Occupations 2012-2022 (NEDD)

pro-rata by 3.68% - (NED in employment / SCR in employment x 100 )

	2012-2022		
Manufacturing Occupations	Expansion demand	Replacement demand	Total requirement
Managers, directors and senior officials	52	110	162
Professional occupations	55	96	151
Associate professional and technical	66	151	217
Administrative and secretarial	-4	206	202
Skilled trades occupations	-11	33	22
Caring, leisure and other service	48	63	111
Sales and customer service	44	70	114
Process, plant and machine operatives	0	52	52
Elementary occupations	15	356	371
<b>Total (rounded)</b>	<b>265</b>	<b>1019</b>	<b>1284</b>

### Qualifications required within Finance Sector (SCR)

	2012 - 2022		
QFC Group	Expansion demand	Replacement demand	Total requirement
QFC 7-8	1700	800	2500
QCF 4-6	2300	2600	4900

<b>QCF 3</b>	-800	1600	800
<b>QCF 2</b>	-300	1700	1400
<b>QCF 1</b>	-800	700	-
<b>No qualifications</b>	-100	100	0
<b>Total (rounded)</b>	<b>2000</b>	<b>7500</b>	<b>9500</b>

Source: Working Futures (UKCES)

### Qualifications required within Finance Sector (NEDD)

SCR data pro rata by 5.15% (NED Working age population / SCR Working age population x 100)

	<b>2012 - 2022</b>		
<b>QFC Group</b>	<b>Expansion demand</b>	<b>Replacement demand</b>	<b>Total requirement</b>
<b>QFC 7-8</b>	88	41	129
<b>QCF 4-6</b>	118	140	258
<b>QCF 3</b>	-41	82	41
<b>QCF 2</b>	-15	88	73
<b>QCF 1</b>	-41	36	-5
<b>No qualifications</b>	-5	5	0
<b>Total (rounded)</b>	<b>104</b>	<b>390</b>	<b>494</b>

#### Notes:

- Further stats are needed for 'other services'. SFA stats available for Business Administration and the Law but SCR targets have not been set for these. Potential discussion at workshop when developed.
- Expansion demand is likely to be focused on QCF 4 or higher.

### Levels of learning within Business, Administration and Law sector (NEDD)

<b>Education and Training</b>	<b>Starts 2013/2014</b>	<b>Starts 2014/2015</b>	<b>Total Starts 2013 - 2015</b>	<b>Achievements 2013/2014</b>	<b>Achievements 2014/2015</b>	<b>Total Achievements 2013 - 2015</b>
<b>Below level 2</b>	85	85	170	74	86	160
<b>Level 2</b>	210	213	423	138	207	345

Level 3	164	134	298	113	130	243
Level 4 plus	32	32	64	18	28	46
Unassigned	3	0	3	2	1	3
Apprenticeships	Starts 2013/2014	Starts 2014/2015	Total Starts 2013 – 2015	Achievements 2013/2014	Achievements 2014/2015	Total Achievements 2013 – 2015
Intermediate level (2)	202	205	407	126	143	269
Advanced level (3)	116	163	279	98	65	163
Higher level (4&5)	8	23	31	4	2	6
Degree level (6+)	0	0	0	0	0	0

Source: SFA

### Total of qualifications within finance sector needed by 2022

QFC Group	Total requirement	Total achievements as at end 2014/2015 (Education and training + Apprenticeships)	Total still needed
QFC 2	73	345 + 269 = 614	0
QCF 3	41	243 + 163 = 406	0
QCF 4-8	387	46 + 6 = 52	335

#### Notes:

- Starts and achievements within finance are dominated by level 2 qualifications.
- It is projected that employers are likely to demand higher level qualifications and skills within the industry

#### Additional statistical information Management:

- A lack of management skills remain a key challenge across all sectors, estimating the cost to the economy of over £19b per year. (Source BIS report Leadership and Management in the UK – the Key to Sustainable Growth)
- Developing high potential employees and grow future leaders is a key focus for employers – particularly in sectors with an ageing workforce (source CIPD 2015 report Avoiding the demographic crunch: Labour supply and the ageing workforce)
- 50% of demand was for the provision of leadership and management programmes (source Derby University 2014 analysis of commercial activity)

## Creative and Digital

This sector employed 38,000 people in SCR by the end of 2013, making up 5% of the workforce

Sub-sectors within this sector:

- Printing and service activities related to printing
- Reproduction of recorded media
- Manufacture of electronic components and boards
- Manufacture of computers and peripheral equipment
- Manufacture of communication equipment
- Manufacture of consumer electronics
- Manufacture of instruments and appliances for measuring, testing and navigation; watches and clocks
- Manufacture of jewellery, bijouterie and related articles
- Manufacture of musical instruments
- Publishing of books, periodicals and other publishing activities
- Software publishing
- Motion picture, video and television programme activities
- Sound recording and music publishing activities
- Radio broadcasting
- Television programming and broadcasting activities
- Wired telecommunications activities
- Wireless telecommunications activities
- Satellite telecommunications activities
- Other telecommunications activities
- Computer programming, consultancy and related activities
- Data processing, hosting and related activities; web portals
- Other information service activities
- Architectural and engineering activities and related technical consultancy
- Research and experimental development on social sciences and humanities
- Advertising
- Market research and public opinion polling
- Specialised design activities
- Photographic activities
- Translation and interpretation activities
- Other professional, scientific and technical activities
- Creative, arts and entertainment activities
- Repair of computers and communication equipment
- Repair of personal and household goods.

#### Change in Creative and Digital Sector Occupations 2012 – 2022 (SCR)

	2012-2022		
Manufacturing Occupations	Expansion demand	Replacement demand	Total requirement

Managers, directors and senior officials	1100	1200	2300
Professional occupations	2700	2700	5400
Associate professional and technical	1100	1300	2400
Administrative and secretarial	400	900	1300
Skilled trades occupations	-100	600	600
Caring, leisure and other service	200	200	400
Sales and customer service	500	600	1100
Process, plant and machine operatives	100	200	300
Elementary occupations	200	300	500
<b>Total (rounded)</b>	<b>6100</b>	<b>8100</b>	<b>14300</b>

Source: Working Futures (UKCES)

### Change in Creative and Digital Sector Occupations 2012-2022 (NEDD)

pro-rata by 3.68% - (NED in employment / SCR in employment x 100 )

	2012-2022		
	Expansion demand	Replacement demand	Total requirement
Manufacturing Occupations			
Managers, directors and senior officials	40	44	84
Professional occupations	99	99	198
Associate professional and technical	40	47	87
Administrative and secretarial	15	33	48
Skilled trades occupations	-4	22	18
Caring, leisure and other service	7	7	14
Sales and customer service	18	22	40
Process, plant and machine operatives	3	6	9
Elementary occupations	6	11	17
<b>Total (rounded)</b>	<b>224</b>	<b>298</b>	<b>522</b>

Source: Working Futures (UKCES)

### Qualifications required within Creative and Digital Sector (SCR)

	2012 - 2022		
QFC Group	Expansion demand	Replacement demand	Total requirement
QFC 7-8	2900	1000	3900
QCF 4-6	3600	3500	7100
QCF 3	-500	1300	800



<b>QCF 2</b>	-200	1200	1000
<b>QCF 1</b>	200	900	1100
<b>No qualifications</b>	200	200	400
<b>Total (rounded)</b>	<b>6100</b>	<b>8100</b>	<b>14300</b>

Source: Working Futures (UKCES)

### Qualifications required within Creative and Digital Sector (North East Derbyshire)

SCR data pro rata by 5.15% (NED Working age population / SCR Working age population x 100)

	<b>2012 - 2022</b>		
<b>QFC Group</b>	<b>Expansion demand</b>	<b>Replacement demand</b>	<b>Total requirement</b>
<b>QFC 7-8</b>	149	52	201
<b>QCF 4-6</b>	185	180	365
<b>QCF 3</b>	-26	67	41
<b>QCF 2</b>	-10	62	52
<b>QCF 1</b>	10	46	56
<b>No qualifications</b>	10	10	20
<b>Total (rounded)</b>	<b>314</b>	<b>417</b>	<b>731</b>

#### Notes:

- Expansion demand is likely to be focused on those with QFC4 or higher.

### Levels of learning within Creative and Digital sector (2013/2014) (NED)

<b>Education and Training</b>	<b>Starts 2013/2014</b>	<b>Starts 2014/2015</b>	<b>Total Starts 2013 - 2015</b>	<b>Achievements 2013/2014</b>	<b>Achievements 2014/2015</b>	<b>Total Achievements 2013 - 2015</b>
<b>Below Level 2</b>	267 + 52 = 319	203 + 68 = 271	590	213 + 42 = 255	175 + 63 = 238	493
<b>Level 2</b>	120 + 195 = 315	74 + 164 = 238	553	100 + 166 = 266	64 + 145 = 209	475
<b>Level 3</b>	41 + 208 = 249	50 + 215 = 265	514	35 + 180 = 215	33 + 176 = 209	424

<b>Level 4 plus</b>	7 + 14 = 21	2 + 17 = 19	40	8 + 10 = 18	6 + 11 = 17	35
<b>Not assigned</b>	153 + 1115 = 1268	85 + 705 = 790	2058	137 + 992 = 1129	76 + 689 = 765	1894
<b>Apprenticeships</b>	<b>Starts 2013/2014</b>	<b>Starts 2014/2015</b>	<b>Total Starts 2013 – 2015</b>	<b>Achievements 2013/2014</b>	<b>Achievements 2014/2015</b>	<b>Total Achievements 2013 – 2015</b>
<b>Intermediate level (2)</b>	2 + 1 = 3	5 + 1 = 6	9	4 + 0 = 4	5 + 1 = 6	10
<b>Advanced level (3)</b>	13 + 3 = 16	17 + 8 = 25	41	7 + 1 = 8	12 + 2 = 14	22
<b>Higher level (4&amp;5)</b>	1 + 0 = 0	0 + 0 = 0	1	0 + 0 = 0	0 + 0 = 0	0
<b>Degree level (6+)</b>	0	0	0	0	0	0

Source: SFA

### Total of qualifications within Creative and Digital sector needed by 2022

QFC Group	Total requirement	Total achievements as at end 2014/2015 (Education and training + Apprenticeships)	Total still needed
<b>QFC 2</b>	52	475 + 10 = 485	0
<b>QCF 3</b>	41	424 + 22 = 446	0
<b>QCF 4-8</b>	566	35 + 0 = 35	531

#### Notes:

- Apprenticeship data is included jointly from Information and Communication (code 06 on SFA data cube) Technology and Arts (first figure in table), Media and Publishing (code 09 on SFA data cube)
- Starts and achievements within Creative and Digital Industries are dominated by levels 1, 2 and 3 qualifications with below level 1 seeing the largest share.
- There are higher numbers of advanced level apprenticeships and this needs to continue if employers continue to demand higher level qualifications and skills within the industry.
- The priority needs to be on the higher level and degree level qualifications – to include qualifications

### Additional Evidence

**CBI/Pearson 'Inspiring Growth' - Education and Skills Survey 2015**

<http://news.cbi.org.uk/reports/education-and-skills-survey-2015/>

Skills are an increasingly urgent priority. Over half of businesses surveyed were not confident there will be enough people available in the future with the necessary skills to fill their high-skilled jobs. Demand for more people with higher-level skills is expected to be particularly strong in sectors central to growth such as construction, manufacturing and engineering, science and hi-tech.

Business is responding to the skills challenge, but apprenticeship reform is critical. Around two thirds of the businesses that responded to this survey are involved in apprenticeships. Amongst this cohort, prospects for further expansion are strong, with close to two thirds either intending to expand their current apprenticeship programmes or to start providing apprenticeship places in the next three years. Provision of apprenticeships has spread beyond traditional sectors such as manufacturing to new sectors such as professional services. Actions that would help to engage more employers in apprenticeships include making qualification programmes more relevant to business needs and putting more purchasing power in the hands of firms by routing the apprenticeship grant directly to employers.

Making sure graduates are skilled for success must be a priority. Many more businesses have increased their graduate recruitment in the past year than have cut back. The biggest growth in graduate opportunities in the past year has been in engineering, science and hi-tech and manufacturing. Businesses look first and foremost for graduates with the right attitudes and aptitudes to enable them to be effective in the workplace – nearly nine in ten employers value these above factors such as degree subject. Many businesses report worrying weaknesses in graduates' basic skills and general readiness for employment. Businesses want to see higher education institutions doing more to improve the business relevance of undergraduate courses and to help students become job-ready.

Business recognises the value of strong links with higher education: more than two thirds of businesses have developed links of some type with universities and more than a third are looking to grow their ties with universities in the future.

Careers guidance and support must be improved to aid young people in their transitions from school into work and to minimise the risk of their falling into unemployment: more than 940,000 of those aged 16-24 are currently not in education, employment or training. The overwhelming majority of employers believe the quality of careers advice for young people is not good enough.

### **The Employer Skills Survey of 2015 undertaken by the UK commission for Employment and Skills** <https://www.gov.uk/.../ukces-employer-skills-survey-2015-uk-report>

In 2015 there was substantial growth in the number of employers active in the recruitment market compared to 2013. There was an increase of 42 per cent of reported vacancies in 2015, compared to 2013. However skill shortage vacancies presented a growing challenge for employers in filling their vacancies. 6% of all employers had at least one skill-shortage vacancy in 2015, compared to 4% in 2013. This was an increase from 146,000 skill-shortage

vacancies in 2013 to 209,000 skill shortage vacancies in 2015 – an increase of 43% in the number of skill shortage vacancies. Over two thirds of employers that had difficulty filling their vacancies solely as a result of skill shortages had experienced a direct financial impact through either loss of business to competitors, increased operating costs of having to outsource work.

### **Employers and the Apprenticeship Levy**

25% of employers surveyed do not know if they will have to pay the levy.

Evidence to date suggests that for many employers, much more of a close support service will be needed than has been provided by the National Apprenticeship Service in recent years if there are to be an increase in apprenticeships being sought from non-levy paying organisations. 20% of SMEs and 32% of larger organisations that do not currently provide

apprenticeships state that they would consider introducing apprenticeships if more support and guidance was offered.

The survey suggests that careful consideration will need to be given on how to encourage non-levy paying organisations, particularly micros and small businesses, to access levy via the Digital Apprenticeship Service.

Findings from the survey suggest that the apprenticeship levy is not likely to change the current status quo of level 2 and 3 apprenticeships. The employers that know the cost of the levy are twice as likely to increase the quantity of level 2 apprenticeships they provide and reduce the proportion of level 3 apprenticeships as level 2 apprenticeships are less expensive.

Currently 6 in 10 apprenticeships generated each year are at level 2. Unless more organisations start providing more level 3 and above apprenticeships, apprenticeships will not be regarded as a meaningful alternative to university and the apprenticeship route will continue to be regarded as a second-class option for non academic students.

There needs to be more strategic partnerships between higher and further education providers and employers at a local level to act as catalysts for the creation of more advanced and higher-level apprenticeships.

(Source: Employer views on the apprenticeship Levy – CIPD June 2016)

## **Learners perspective**

Online research has been carried out by YouGov in April 2016 to assess how well apprenticeships are currently understood and what challenges there might be to their wider adoption.

Results of this survey showed:

- 75% of parents had not heard of degree level apprenticeships
- 65% of parents had not heard of higher level apprenticeships
- 55% of young people stated that they did not know what higher level or degree level apprenticeships are
- 82% of young people did not know the difference between a higher level or degree level apprenticeship
- 27% of parents surveyed with an under 18 year old not currently at university think an apprenticeship would be most useful for them in pursuing a future career.
- Only 17% of young people said they felt that doing an apprenticeship is the most useful way to start a career.
- 47% of young people said they felt that having a university degree is the most useful way to start a career.
- 7% of the young people surveyed said they are planning to do an apprenticeship

Positive attitudes towards apprenticeships clearly rank lower than other largely academic based career pathways among young people and their parents. The report however also states there is a significant shift when both are given more information about the different standards that are now available to include higher and degree level apprenticeships, clearly demonstrating how important awareness and understanding are.

Finances have an impact on young people when they leave school. When it was explained what a degree apprenticeship was 70% of participants said that earning a salary whilst learning would be the most important reason they would take this route.

Appendix 1

### **Qualification and Credit Framework**

#### **QCF levels for common English and Welsh qualifications**

	UNIVERSITY						
LEVEL 8	Doctorate PhD						
LEVEL 7	Master's Degree MA, MSc, MPhil						
LEVEL 6	University Degree BA, BSc						
LEVEL 5					Foundation Degree FdA, FdSc		HND
LEVEL 4							HNC
LEVEL 3	A-Level	A2 AS	L3 Extended Diploma (National Diploma)	L3 Diploma (National Certificate)			
LEVEL 2	GCSE Grades A-C		L2 Diploma (1st Diploma)				
LEVEL 1	GCSE Grades D-G		L1 Diploma (Foundation)				
ENTRY LEVEL 3	Key Stage 3		E3 Diploma (Foundation)				
	SCHOOL / 6TH FORM		F.E. COLLEGE				

(source: [www.accreditedqualifications.org.uk](http://www.accreditedqualifications.org.uk))

### Apprenticeship levels

Intermediate level – level 2 (5 GCSEs)  
 Advanced level – level 3 (2 A levels)  
 Higher – levels 4 and 5 (Foundation degree )  
 Degree – levels 6 and 7 (Bachelors or master degree)