

Regional Skills Assessment 2007:

Key Headlines

Skills are at the centre of the national and regional policy agenda. There is increasing recognition that increased investment in training and development by employers and raising the skill levels of individuals are the key to improving economic performance and tackling deprivation and exclusion.

1 Employers

In order to develop and grow employers require a workforce that is more highly qualified, with a better mix of 'employability' skills and with improved management & leadership capabilities. However, only 56% of employers in the West Midlands have invested in training for their staff in the last year - the lowest proportion in England.

Nevertheless there are numerous examples of employers 'bucking the trend' and it will be important for more employers to follow their lead by:

- Recognising the importance of training at the highest level;
- Systematically assessing the needs to be addressed;
- Working with training providers to devise solutions;
- Evaluating the impact of the training provided;
- Exploiting the benefits of training to:
 - Increase productivity and sales and to
 - Improve customer satisfaction,
 - Win new business and
 - Reduce staff turnover

2 Individuals and communities

The rates of skills and qualification attainment by individuals lag behind national trends. In 2006, the proportion of the Region's working age population with no qualifications (17.5%) was the highest in England. The proportions qualified to at least level 2 (64%) and at least level 3 (42%) were the lowest in England.

A lack of investment in skills is acting as a barrier to participation in employment, particularly in urban areas of the Region. While 80% of working age people in Herefordshire and Worcestershire are in employment, in Stoke-on-Trent and the Black Country the employment rates are 70%, and only 63% of people in Birmingham are in employment. Participation in employment is particularly low among:

- Young people - Some 1 in 6 young people in the region are unemployed
- Older people - the rate of employment of men aged 50 to retirement age is 13 percentage points lower than the rate for 45-49 year olds
- Certain minority ethnic communities - less than half of those of mixed parentage and those from Pakistani and Bangladeshi communities are in employment. Less than 60% from the Black Caribbean and Black African communities are in employment.

If individuals are to take the initiative and invest in learning and training to upgrade their skills and qualifications the wide range of inter-related barriers they face will need to be addressed. Action to tackle these issues can potentially be doubly beneficial. As well as helping to raise employment rates and tackle disadvantage and exclusion there will also be benefits for employers and the wider economy.

For example:

- There is a need for improved access to information, advice and guidance. Many people not in the labour market have little idea where to go for help and rely principally on friends, family and the internet.
- There is a need to link learning to employment opportunities more effectively - which can act as a key 'trigger' to increased participation.
- The voluntary and community sector has a key role to play in providing a link for people with a mistrust of institutions and/or poor experiences of learning and work and in breaking down barriers through the provision of flexible, low cost, local and culturally-sensitive learning.

3 Demographic change

These issues need to be set in the context of demographic change for the region

- Demographic trends indicate that older people and those from the longer established minority ethnic communities represent another growing, but hitherto under-utilised, source of labour and skills.
- Between 2001 and 2025 the region is forecast to see increases of:
 - 120,000 in numbers of 55-64 year olds (from 640,000 to 760,000)
 - 90,000 in the Region's Asian communities (from 370,000 to 460,000)
 - 30,000 in the Region's black communities (from 95,000 to 125,000)
 - 30,000 in numbers of people of mixed heritage.