

Regional Skills Assessment 2008

Summary for individuals and communities



West Midlands
Regional
Observatory

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Summary and conclusions

While accounting for a growing share of the region's working age population disadvantaged individuals and communities in urban centres remain marginalised in the labour market with low rates of participation in education and training and qualification attainment. Employment rates are low even in areas where significant numbers of new jobs have been created in recent years.

There is a real danger that these groups may lag further behind in the future, with those who are already relatively well qualified continuing to be the most likely to invest in their skills and qualification levels. Policies to help those marginalised in the labour market to access education, training and employment need to be prioritised to both:

- Raise aspirations and tackle labour market disadvantage, ensuring that these individuals and communities are able to share in the benefits of economic and employment growth
- Ensure that employers can meet their labour and skills needs in the future

Background

The Regional Skills Assessment has been produced on an annual basis since 2005, providing an analysis of the changing needs of the region's labour market. This briefing paper highlights the key issues for individuals and communities that emerge from the analysis.

Key trends

There have been significant local and sub-regional variations in skills and labour market trends and issues in recent years. In particular:

Some parts of the region have benefited significantly from employment growth in recent years, notably Solihull, Staffordshire and Warwickshire, driven principally by growth in business & professional services), Birmingham (driven principally by growth in employment in hotels & catering and public administration off setting falling employment in engineering) and Wolverhampton (driven principally by growth in education and construction).

Meanwhile areas such as Sandwell, Walsall and Coventry have been disproportionately affected by job shedding in engineering (notably motor vehicles and electrical and mechanical engineering) and areas such as Stoke-on-Trent and Dudley by significant falls in employment in other manufacturing industries (for example ceramics and other mineral products)

At the same time the 'available for work' population in the region's urban centres is becoming younger and more ethnically diverse. The main minority ethnic groups in the region are of Indian, Pakistani, Bangladeshi and Black Caribbean origin along with other white ethnic groups, which have been boosted as significant numbers of migrant workers from Eastern Europe have arrived in the region. Currently, only London has greater diversity.

However young people from these areas are less likely to perform well at school and gain good qualifications or to go on to further or higher education. This has a knock on effect within the adult population with a high proportion having no formal qualifications. The gap in attainment between poorer performing urban areas and better performing parts of the region, moreover, is widening year on year.

A lack of appropriate skills and qualifications is acting as a barrier to participation in employment with much lower employment rates in these urban areas. Employment rates are low even in Birmingham and Wolverhampton, where significant new jobs have been created in recent years.

This suggests that a significant proportion of local people in these and other urban areas are marginalised in the labour market. Many localities are affected by a cycle of social and economic deprivation, limited opportunities, low attainment and aspirations. Many wards are among the most deprived 20% nationally in terms of young peoples' and adults' qualification attainment and school absences and staying on rates.

In response to these challenges the Skills Action Plan, which has been developed by Advantage West Midlands, the Learning & Skills Council and other regional partners, calls for a step change in the region's skills performance, based on meeting the targets set in the Leitch Review of Skills.

These are very ambitious targets. By 2020, more than 420,000 additional more working age adults need to have attained level 1 or above in literacy, nearly 570,000 more need to have attained entry level 3 or above in numeracy, nearly 700,000 more need to be qualified to level 2 or above and more than 400,000 more need to be qualified to level 4 or above.

The size of the challenge is particularly significant for a number of the region's urban areas where rates of qualification attainment are currently particularly low with regard to the Level 2 targets and especially the Level 4 targets.