

The Dorset Skills Plan 2014-2016



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SUMMARY

Purpose

The Dorset Skills Plan will provide a clear framework to achieve the aims of *Talented Dorset* – the Local Enterprise Partnership's commitment to increase the skills levels of the workforce and to raise aspiration, employability and entrepreneurial opportunity. It builds on existing evidence, links closely with the forthcoming Strategic Economic Plan and European Structural and Investment Fund Strategy, and has been informed by primary research undertaken with key stakeholders from across the LEP area.

The plan will be implemented locally, with the delivery of the actions tailored to reflect the needs and priorities of Dorset's local economies. Local employer led skills and economic groups, the Dorset Employment and Skills Board and the Local Enterprise Partnership will all have an important role to play in ensuring that the plan translates into positive change for learners and employers alike.

Process

In developing this plan, input has been sought from employers, Further Education colleges, universities, training providers, local authorities, Work Programme contractors and other stakeholders working in the skills and training arena in Dorset. They have given their views on the skills needs of the county, the sufficiency of the current system to meet those needs and the actions that are needed to address any imbalances. A wealth of existing analysis about Dorset's economic and skills performance has also been reviewed, including the latest forecasts for employment change at sector level.

Delivering Change

The success of the plan – and of Dorset's skills system more broadly – will be determined by measurable improvements in performance. Fewer hard to fill vacancies, a more highly skilled workforce and lower youth unemployment are, amongst others, all areas in which targets have been set and where progress will be tracked. Importantly, each of these can also have a positive impact on productivity and economic prosperity.

The delivery of the plan will not be the only determinant of whether, and on what scale, improvements occur. A host of other factors will also play a part, not least the ongoing and excellent work of the county's skills providers, the introduction of new policy and funding initiatives and the evolving economic climate. The plan must therefore be a live document that can remain relevant within this context, accelerating the pace of change and maximising opportunity.

1 BACKGROUND

Developing the Plan

1.1 The development of the Dorset Skills Plan for 2014-2016 ('the plan') has taken place during August and September 2013 and has involved the following strands of work:

- Analysis of the existing evidence base on labour market and skills issues in Dorset¹;
- One-to-one and group interviews with stakeholders from across the Dorset Local Enterprise Partnership (LEP) area, including employers, representatives from Further Education (FE) colleges, universities, training providers, voluntary and community organisations and local authorities. A full list of the organisations consulted is provided at Appendix A;
- Analysis of written responses submitted by a selection of the county's FE colleges, universities and training providers about their current and planned activity across a range of priority areas for skills;
- An assessment of the political, economic, social and technological factors that are likely to influence the delivery and outcomes of the actions in the plan.

1.2 This is the final version of the plan.

Acknowledgements

1.3 Thanks are owed to everyone that has contributed to the development of this plan through direct consultation and/or written submission. The Dorset Employment and Skills Board (ESB), in particular, should be thanked for its role in co-ordinating the consultation programme.

Rationale for the Skills Plan

1.4 The underpinning reason for developing the Skills Plan was to provide a clear framework to achieve the aims of *Talented Dorset* – the Dorset LEP's commitment to increase the skills levels of the workforce and to raise aspiration, employability and entrepreneurial opportunity. Having a LEP-wide plan to which key stakeholders have signed up also provides the opportunity to influence and make best use of the skills-related elements of the forthcoming European and Structural Investment Funds for 2014-2020 (and in particular the European Social Fund) and to contribute to the priorities of the Strategic Economic Plan.

1.5 Responsibility for the ownership, monitoring and updating of the plan will reside with the Dorset ESB.

¹ The main source for this has been the *Dorset LEP Employment and Skills Strategy Evidence Base Report* produced by the Marchmont Observatory at the University of Exeter, dated June 2013.

Strategic Priorities

1.6 Summarised in the diagram below, the actions in the plan are structured around six strategic priorities. These align very closely with the four sub-themes of *Talented Dorset* (the table beneath the diagram shows the relationship) and include two strategic priorities (numbers 1 and 2 in the diagram below) that have relevance across all elements of *Talented Dorset*.



Aligning the Dorset Skills Plan with <i>Talented Dorset</i>				
Strategic Priority	Talented Dorset Sub-Themes			
	Current workforce	Future workforce	Welfare to Work	Enterprise and Start-up
Improving labour market information	✓	✓	✓	✓
Promoting skills to enable economic prosperity	✓	✓	✓	✓
Unlocking enterprise and employment growth		✓		✓
Advising and supporting our future workforce		✓		
Supporting our current workforce	✓			
Supporting the unemployed workforce			✓	

Structure of the Dorset Skills Plan

1.7 Chapters Two and Three of the plan provide contextual information about Dorset's workforce, labour market and skills profile. The actions are presented in Chapters Four to Nine inclusive and are structured around the aforementioned strategic priorities.

1.8 The later chapters of the plan cover the external factors that are likely to influence its delivery, the metrics through which it will be measured and the next steps for taking the plan forward.

2 LABOUR MARKET AND WORKFORCE

The Dorset LEP Area

2.1 The Dorset LEP area consists of three distinct geographical areas, each of which has a key role in the economy:

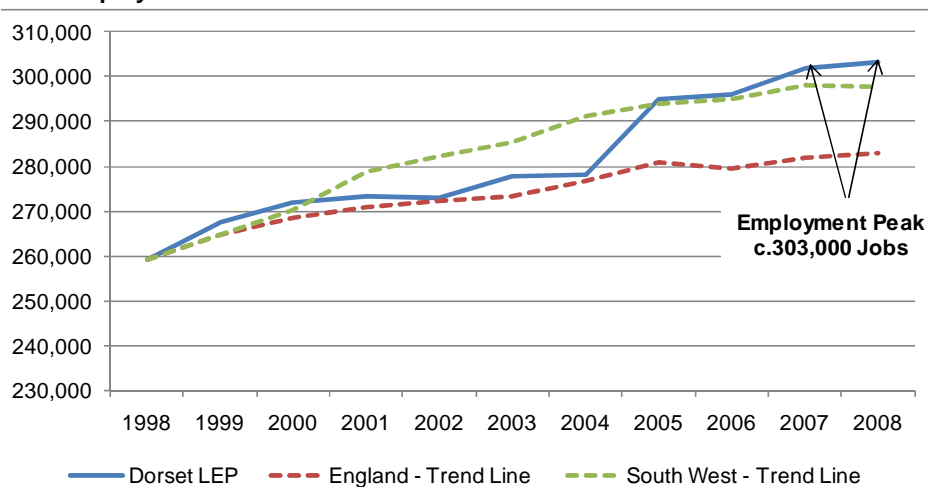
- The **conurbation** (Bournemouth, Poole, Christchurch and parts of East Dorset and Purbeck) contains the majority of Dorset's population and employment. It benefits from an airport, a major port, two universities and a strong business services and visitor economy.
- The **coastline** between Lyme Regis and Swanage has World Heritage Status and serves as a major attractor of visitors to the area.
- **Rural Dorset**, which is characterised by a diverse range of small and micro businesses in retail, manufacturing and accommodation and food services.

Dorset facts at a glance	
Area	1,025 square miles
Population	745,300
Employees	295,374
Business base	30,400
GVA	£13.4bn

Features of the Dorset economy

2.2 Employment in the Dorset LEP area is self-contained – 93% of those employed within the boundary also live there. During the last growth cycle (1998-2008), the employment increase in Dorset was impressive and in terms of new jobs created (approximately 44,000) the area was ranked fourth of the 39 LEPs in England.

Total Employment Growth 1998-2008



Source: Annual Business Inquiry

2.3 Even so, Dorset continues to have a shortfall in the number of jobs available relative to the size of its population. This is especially the case in the private sector, where an additional 11,600 jobs would be required to bring Dorset in line with the national average².

2.4 Looking at sectoral composition, wholesale and retail is the largest sector by employment in Dorset, followed by health and social work and education (see table below). Each of these sectors has an above average representation compared with the England-wide figures and collectively they account for over a third of total employment in Dorset.

Dorset LEP Current Employment by Sector 2011			
Sector	Dorset	Dorset (%)	England (%)
Sectors with above average employment			
Wholesale & retail	51,700	17.5%	16.2%
Human health & social work	45,000	15.2%	12.7%
Education	30,600	10.3%	9.5%
Manufacturing	28,600	9.7%	8.7%
Accommodation & food	27,600	9.3%	6.8%
Financial & insurance	14,800	5.0%	4.0%
Construction	14,600	5.0%	4.5%
Source: BRES 2011			

2.5 Whilst the table also shows manufacturing and accommodation and food to be well represented in Dorset (reflecting local specialisms), other key private service sectors are underrepresented, such as professional, scientific and technical services, and information and communication. Whilst overrepresentation in one area by definition means underrepresentation in another, the significance of this is that the higher value-added sectors tend to be those in which a below average proportion of the workforce are employed.

Economic activity

2.6 The employment rate in Dorset exceeds that of the South West region and England as a whole (see table overleaf). Correspondingly, unemployment is lower, and whilst a relatively high proportion of the population have retired, the area's economic inactivity rate remains low as a result of there being fewer students and fewer residents that are unable to work due to illness than in other parts of the country.

² Source: ekosgen

Economic activity in the Dorset LEP area				
	Dorset Total	Dorset %	South West %	England %
Economically active	331,300	78.8%	78.4%	77.1%
Employed	313,400	74.5%	73.6%	70.9%
Unemployed	17,900	4.3%	4.8%	6.2%
Economically inactive	89,400	21.2%	21.6%	22.9%
Retired	19,100	4.5%	4.3%	3.7%
Student	21,900	5.2%	5.1%	5.8%
Looking after family/home	19,700	4.7%	5.3%	5.9%
Long-term or temporary sick	16,300	3.9%	4.5%	5.2%
Other	9,700	2.3%	2.0%	2.2%
Total	420,600	100%	100%	100%
Source: Annual Population Survey 2012				

2.7 Whilst the effects of the recession were felt sharply in Dorset, its recovery from 2011 onwards has been very strong, with employment returning to pre-recession levels and, at 74.5%, exceeding the national rate of 70.9%. Unemployment has fallen, which is in contrast to regional and national statistics which have remained more static.

2.8 Looking ahead, annual average growth in GVA in Dorset between 2011 and 2021 is expected to be stronger than that seen nationally or regionally, particularly in Bournemouth and Poole (see table below).

GVA forecasts	
Area	Average Annual GVA growth 2011-2021
Bournemouth	2.2%
Poole	1.9%
DCC Dorset	1.7%
Dorset LEP area	1.9%
South West	1.6%
UK	1.5%
Source: Cambridge Econometrics Local Economy Forecasting Model (2013).	

Youth unemployment

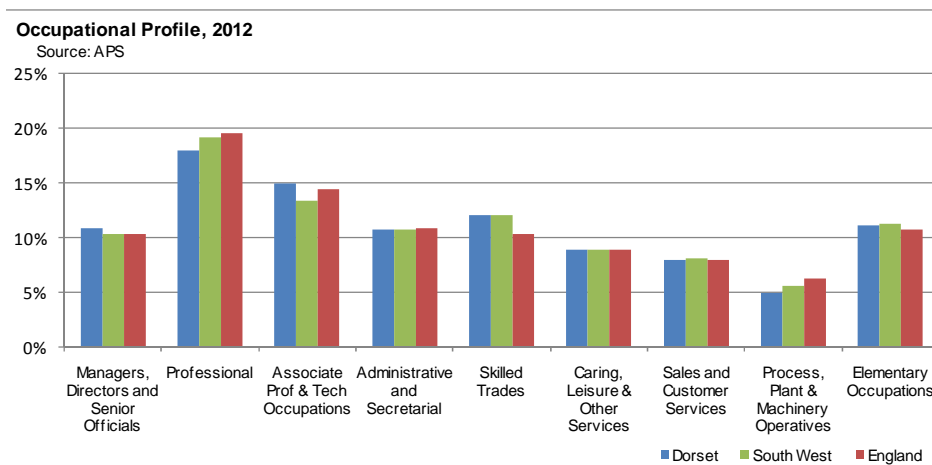
2.9 In 2012, an estimated 5.3% of Dorset's 16-18 year olds (1,190 young people) were not in education, employment or training (NEET), which is slightly below the national average of 5.7%. Some variation by local authority is evident, although is not especially large, with the Dorset County Council area having the lowest NEET rate at 4.9%, followed by Bournemouth at 5.4% and Poole at 6.4%.

2.10 When measured in terms of Jobseekers Allowance (JSA) claimants, youth unemployment since the recession has increased more quickly than that of other age groups, although the differences are relatively small. In 2008, for example, 1.6% of 16-24 year olds in Dorset were claiming JSA (1,295 claimants), which had risen to 3.1% (2,455 claimants) by

2012. The equivalent increases for 25-49 year olds and 50-64 year olds were 1.2 and 0.8 percentage points respectively.

Occupations

2.11 The occupational profile of the Dorset workforce is broadly in line with the South West and national profiles – see chart below. Whilst there are some variations – for example, the proportion of the workforce in professional roles is slightly lower than the regional and national equivalents and the proportion in associate professional roles slightly higher – in no categories do the differences exceed a few percentage points.



Employment forecasts

2.12 Based on data from Cambridge Econometrics Local Economy Forecasting Model, overall employment levels in Dorset will increase by approximately 13% between 2012 and 2022, from 354,800 to 401,800. As shown in the table in the following page (and looking specifically at the 'Net change in employment' column), the most significant increases are expected to be in:

- Corporate managers;
- Caring and personal service occupations (in part reflecting the age demographics of the LEP area);
- Skilled construction trades (reflecting the increase in construction activity as the local and national economies continue their recoveries from recession).

2.13 Other occupations are expected to see a decrease in overall employment levels. These include process, plant and machine operatives, skilled agricultural trades and teaching and research professionals.

2.14 Note, however, that this analysis is looking only at the total number of people that are expected to be employed in these occupations by 2022. It does not take account of replacement demand, i.e. jobs that need to be filled because people have retired or have moved into other positions. Forecast replacement demand is presented in the rightmost column of the table and reveals a very varied picture. Looking at caring and personal service occupations as an example, it suggests that in addition to the 9,400 new jobs that will be created by 2022, an additional 15,200 existing jobs will become available due to retirement or

churn within the industry. In other words, caring and personal services will require nearly 25,000 new recruits between 2012 and 2022.

2.15 The situation with admin and clerical occupations is even more pronounced. The forecasts would suggest that 1,000 new jobs will be created, but a much higher figure – nearly 16,000 jobs (more than half of the current workforce) – will become available due to replacement demand. And in some occupations, such as teaching and research professionals, an overall reduction in employment by 2022 should not be confused with an absence of employment opportunities. More than 7,000 teaching and research professional posts are expected to become available due to replacement demand, and nearly 6,000 in skilled agricultural trades.

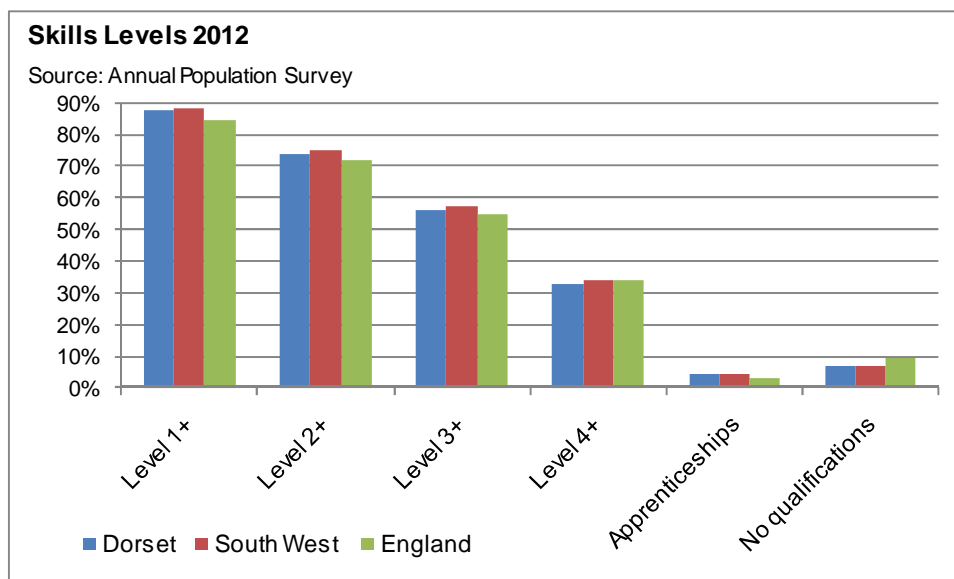
Dorset Skills Plan 2014-2016

Employment forecasts by occupations 2012–2022				
	2012 employment	2022 forecast employment	Net change in employment	Replacement demand
Corporate managers	49,600	59,900	10,300	23,900
Managers and proprietors	16,500	19,700	3,200	7,600
Science/technology professionals	9,500	12,200	2,700	2,400
Health professionals	1,300	3,400	2,100	200
Teaching and research professionals	17,100	14,900	-2,200	7,400
Business/public service professionals	3,700	7,200	3,500	-1,100
Science associate professionals	7,100	6,900	-200	1,400
Health associate professionals	22,500	28,600	6,100	13,500
Protective service occupations	7,100	7,500	400	400
Culture/media/sport occupations	8,300	9,800	1,500	3,400
Bus/public service associate professionals	15,900	21,300	5,400	5,800
Admin and clerical occupations	31,100	32,100	1,000	15,900
Secretarial and related occupations	6,600	5,000	-1,600	2,800
Skilled agricultural trades	8,900	6,600	-2,300	5,700
Skilled metal/electrical trades	9,600	9,100	-500	1,400
Skilled construction trades	13,700	21,000	7,300	5,100
Other skilled trades	5,500	3,600	-1,900	100
Caring and personal service occupations	27,300	36,700	9,400	15,200
Leisure/other personal service occupations	4,500	4,200	-300	300
Sales occupations	25,300	26,100	800	8,900
Customer service occupations	3,500	5,800	2,300	700
Process, plant and machine operatives	9,100	6,800	-2,300	800
Transport drivers and operatives	11,800	12,000	200	4,500
Elementary: trades/plant/machinery	16,500	18,400	1,900	7,700
Elementary: clerical/service	22,900	23,000	100	-300
All occupations	354,800	401,800	+46,900	+118,500
Source: Cambridge Econometrics Local Economy Forecasting Model				

3 THE SUPPLY OF SKILLS AND LEARNING

Skills of the working age population

3.1 There are some clear strengths to Dorset's skills profile, with more of the workforce qualified to Level 2 and above (often the minimum requirement for employment) and Level 3 and above than across England as a whole. Dorset also has a below average proportion of its working age population with no qualifications. However, a significant feature of the skills profile in Dorset is that a smaller proportion is qualified to Level 4+ than across the South West region and England overall.

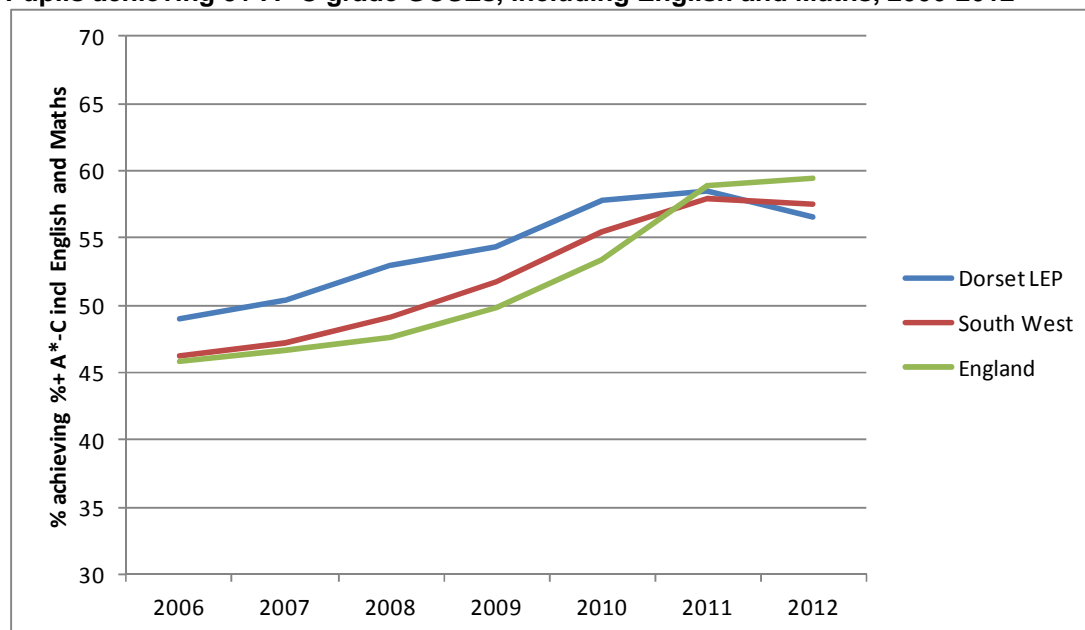


3.2 At the local authority level, skills issues in Poole appear more prevalent than elsewhere in the LEP area. In Poole, 27% of the workforce is qualified to Level 4+, compared with 32% across the full LEP area. It should also be recognised that within Dorset there exist areas – such as Bridport and Weymouth and Portland – where concentrations of low skills are particularly prevalent and which are coupled with relatively high levels of deprivation.

GCSE Performance

3.3 Between 2006 and 2011, Dorset outperformed regional and national averages on GCSE attainment in schools³ (five or more GCSEs at grades A*-C including maths and English). However, over the same period the gap became steadily smaller and by 2012 attainment in Dorset had fallen below both the South West and England-wide levels – see the chart on the following page.

³ It is noted that some GCSE delivery also takes place in FE colleges.

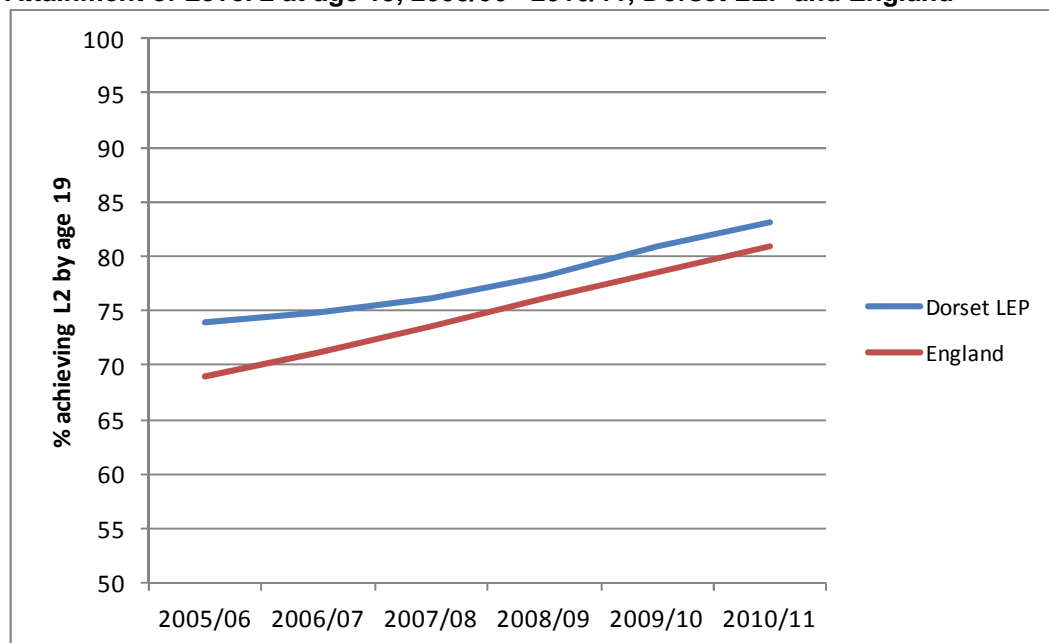
Pupils achieving 5+ A*-C grade GCSEs, including English and Maths, 2006-2012

Source: DfE SFR 02_2013

3.4 At a local authority level, both Bournemouth and Poole were close to the national average in 2012, although the attainment rate in the Dorset County Council area, at 54.1%, was notably lower.

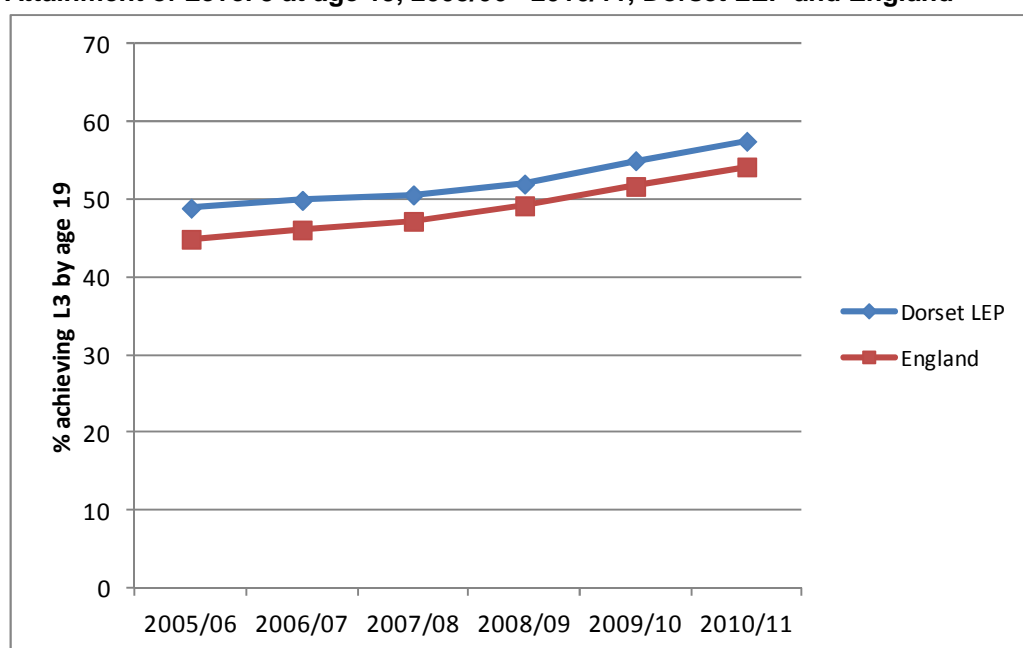
Achievement of Level 2 and Level 3 qualifications at age 19

3.5 The achievement of a Level 2 or 3 qualification by age 19 is one of the Department for Education's key indicators. Encouragingly, the proportion of Dorset 19 year-olds achieving a Level 2 qualification has increased significantly, from 74% in 2005/06 to 83% in 2010/11 (although a gap with the national average still exists). There are no significant differences across the three local authority areas.

Attainment of Level 2 at age 19, 2005/06 - 2010/11, Dorset LEP and England

Source: DfE SFR 05/2012

3.6 The proportion of 19 year-olds in Dorset achieving a Level 3 qualification has also risen (see below), largely mirroring the national trend.

Attainment of Level 3 at age 19, 2005/06 - 2010/11, Dorset LEP and England

Source: DfE SFR 05/2012

3.7 It should be noted, however, that whilst these improvements deserve positive recognition, there are still around 17% of 19 year-olds in Dorset that haven't achieved Level 2 – generally regarded as the benchmark for employability. Level 3 qualifications are, of course, also extremely significant, not least because they are the widely recognised standard for entry into university or other high level learning routes.

Further Education and Training

3.8 In the 2011/12 academic year, there were 46,440 learners taking part in FE and work based learning provision in Dorset. Of some significance is that this represents a reduction of 14% on the previous year, whereas nationally the reduction was 1%.

3.9 The majority of learners in Dorset undertook provision at Level 2 (48%) or below (18%), with just over a fifth at Level 3 and 1% at Level 4 and above. Nationally in the same year there were more learners on provision below Level 2 (23%) than in Dorset and fewer at Levels 2 and 3 (44% and 25% respectively).

3.10 The top ten FE subject areas in Dorset in 2011/12, as measured by number of starts⁴, are shown in the table below. The biggest area by some margin was Foundations for Learning and Life, which had more than three times the number of starts in any other area.

FE Enrolments by Sector Subject Area			
	2011/12	Change 09/10- 11/12	% change 09/10 - 11/12
Foundations for Learning and Life	6,650	550	9%
Preparation for Work	1,890	1,630	625% ⁵
Sport, Leisure and Recreation	1,580	290	23%
Crafts, Creative Arts and Design	1,060	170	19%
Science	760	-220	-23%
Service Enterprises	710	100	18%
Performing Arts	670	-60	-9%
Hospitality and Catering	620	160	35%
Media and Communication	610	-20	-4%
Health and Social Care	580	100	22%
Source: Data Service			

Apprenticeships

3.11 Between 2009/10 and 2011/12, Apprenticeship starts in Dorset increased by a third. Taken in isolation this is an encouraging statistic, although nationally the increase over the same period was, at 86%, significantly higher⁶. Bournemouth and Poole saw large increases in starts, while the scale of change (in relative terms) in the Dorset County Council area was more modest – see the table on the following page.

⁴ A start equates to a learning aim (be that a unit or a qualification). Given that many learners will pursue several learning aims in a given academic year, the number of starts will be considerably higher than the number of individual learners.

⁵ That is to that the number of learners on Preparation for Work courses increased six-fold between 2009/10 and 2010/11, from 260 to 1,890.

⁶ Some caution is required when interpreting the national figure as commentators have suggested that it has been influenced by employers switching to Apprenticeships when Train to Gain became unavailable, rather than by a 'genuine' increase in demand on the scale that the numbers might suggest.

Apprenticeship starts			
	Starts 2011-12	Change 09/10 - 11/12 (No.)	Change 09/10 - 11/12 (%)
Dorset CC	5,920	1,110	23.1%
Bournemouth	1,640	650	65.7%
Poole	1,250	460	58.2%
Dorset LEP	8,810	2,220	33.7%
England	515,000	238,100	86.0%
<i>Source: The Data Service</i>			

3.12 The increase in Apprenticeship activity in Dorset is due almost exclusively to the 25+ age group, amongst whom the number of starts trebled between 2009/10 and 2011/12. Conversely, and of some concern, is that the number of apprentices age 16-18 fell by 16.8% during this period, while nationally the figure was an increase of 11%. Similarly, the modest increase in apprentices in Dorset aged 19-24 (5.8%) was significantly lower than the 42% observed nationally.

Apprenticeship starts by age			
	Starts 2011-12	Change 10/11 - 11/12 (No.)	Change 10/11 - 11/12 (%)
Under 19	1,870	-230	-11%
19-24	3,470	160	5%
25+	3,480	650	23%
All Ages	8,810	580	7%
<i>Source: The Data Service. Note starts do not sum due to rounding.</i>			

3.13 In 2011/12, over half of the starts were accounted for by Intermediate Apprenticeships (57%), with Advanced Apprenticeships accounting for the vast majority of the remainder and growing significantly in scale from the 2009/10 position. Higher Apprenticeships took place on only a very small scale.

Apprenticeship starts by level			
	Starts 2011-12	Change 09/10 - 11/12 (No.)	Change 09/10 - 11/12 (%)
(L2) Intermediate Level	4,990	940	23%
(L3) Advanced Level	3,790	1,250	49%
(L4+) Higher	30	20	200%
Total	8,810	2,210	33%
<i>Source: The Data Service</i>			

3.14 In 2011/12, Apprenticeships in the health, public services and care sector, retail and engineering and manufacturing sectors were the most popular, together accounting for over three fifths of all frameworks. There were notably fewer business administration Apprenticeships in Dorset than nationally, offset by above average proportions in engineering and ICT.

Apprenticeship starts by sector			
	Dorset LEP		England
	No.	%	%
Health, Public Services and Care	1,920	22%	21%
Retail and Commercial Enterprise	1,790	20%	21%
Engineering and Manufacturing Technologies	1,640	19%	11%
Business, Administration and Law	1,370	16%	32%
Information and Communication Technology	1,300	15%	4%
Construction, Planning and the Built Environment	310	4%	5%
Leisure, Travel and Tourism	230	3%	4%
Agriculture, Horticulture and Animal Care	200	2%	1%
Education and Training	60	1%	1%
Arts, Media and Publishing	0	0%	0%
Languages, Literature and Culture	0	0%	0%
Preparation for Life and Work	0	0%	0%
Science and Mathematics	0	0%	0%
Unknown	0	0%	0%
Total	8,810	100%	100%
<i>Source: The Data Service. Note percentages do not sum due to rounding.</i>			

Higher Education

3.15 There are two Higher Education Institutions in the Dorset LEP area: Bournemouth University and Arts University Bournemouth. Across the two there were just over 22,615 students enrolled in 2011/12, with Bournemouth University accounting for the vast majority (87%).

3.16 At Bournemouth University, the most popular subjects in 2011/12 were business and administration and subjects allied to medicine, together accounting for 45% which is considerably higher than the national figure of 27% (see the following table). Arts University Bournemouth offers specialist education in art, design, media and performance across the creative industries.

Higher Education students by subject
<i>Students at Bournemouth University</i>

	Bournemouth University	UK
Business & administrative studies	27%	15%
Subjects allied to medicine	18%	12%
Social studies	11%	9%
Mass communications & documentation	10%	2%
Biological sciences	7%	8%
Creative arts & design	7%	7%
Computer science	5%	4%
Engineering & technology	5%	7%
Historical & philosophical studies	3%	4%
Law	3%	4%
Physical sciences	2%	4%
Agriculture & related subjects	1%	1%
Languages	1%	5%
Architecture, building & planning	-	2%
Education	-	8%
Medicine & dentistry	-	3%
Veterinary science	-	0%
Mathematical sciences	-	2%
Combined	-	4%
<i>Students at Arts University Bournemouth</i>		
	Arts University Bournemouth	UK
Creative arts & design	92%	7%
Business & administrative studies	4%	15%
Architecture, building & planning	4%	2%
<i>Source: Higher Education Statistics Authority</i>		

3.17 Across the two institutions, there were 7,825 students enrolled onto STEM subjects in 2011/12, representing 34.6% of all students, the vast majority of whom (predictably) were at Bournemouth University. This is a slightly lower proportion than the equivalent figure for STEM study in higher education institutions nationally.

3.18 Similarly, STEM subjects as a whole at Bournemouth University have grown by 11% since 2007/08, which is slightly higher than the increase for all subjects (10.5%), but slightly below the national average for STEM growth (12%). However, there has been particularly strong growth in engineering and technology (a 173% increase in student numbers), biological sciences (66% increase), physical sciences (48% increase) and computer science (35% increase).

4 IMPROVING LABOUR MARKET INFORMATION

WHERE ARE WE NOW?

- Good quality labour market information is essential in enabling Dorset's skills providers to make well informed business decisions that will help to align the supply of skills and learning with the needs of employers, the priorities of the LEP and the policies of the UK Government.
- The provider base in Dorset acknowledges that the quality and granularity of labour market information, especially where it relates to employers' future skills needs, should be better. However, it is resource intensive and costly to canvas employers on any significant scale about their skills needs. It is also the case that without the appropriate support or diagnostics, many employers (SMEs in particular) will not necessarily be in a position to make a full assessment of what those needs are.
- With a drive from Government to bring supply and demand in the skills/labour market closer together, new approaches need to be considered to help strengthen the evidence upon which providers are taking important, forward-looking decisions about provision and other aspects of their business.
- To help do this cost effectively, sector representatives on the ESB should exploit the excellent links that they have with employers in their industries. Consideration should also be given to a LEP-wide training diagnostic that is made available to all providers.
- The issue can also be tackled by providers working together in a new way – by signing up to sharing important labour market information across organisations. This is not with a view to compromising commercial confidentiality or advantage, but to ensure that providers collectively have access to the information they need to make a contribution to the shared objectives of the county.

Improving Labour Market Information: Actions

Key: Action Lead					
Dorset LEP		Dorset ESB and its sub-groups		Employers	
Local authorities and local ESBs		Government departments and agencies		Skills providers (colleges, universities, private training providers)	
Other					

Ref.	Action	Lead
1	Improve providers' knowledge of employers' specific skills needs and workforce development requirements through closer dialogue between the ESB's employer representatives in key sectors and Dorset's skills providers.	Dorset ESB
		Skills providers
2	Explore funding options for a project to develop a LEP-wide SME training diagnostic available to all providers across the LEP area.	Dorset ESB
		Skills providers
3	Introduce a pan-Dorset information sharing protocol across providers to allow the provider network to collaboratively respond to the future skills needs of the economy in a way that makes the most of their individual strengths and their collective capabilities.	Skills providers

Ref.	Action	Lead
4	Review the level of detail and specificity gained, and the cost incurred, in local employer skills surveys elsewhere in the country ⁷ to understand whether these could be used as the blueprint for LEP-wide intelligence gathering from employers in Dorset alongside the measures outlined in Actions 1 to 3 above.	Dorset ESB
5	Monitor the LEP area's economic, skills and employment forecasts at sector level, cascading the results to the provider network, the ESB and the LEP.	Local authorities

⁷ E.g. the Kirklees Employer Survey in the Leeds City Region.

5 PROMOTING SKILLS TO ENABLE ECONOMIC PROSPERITY

WHERE ARE WE NOW?

- Relative to the England average, Dorset's employers are reasonably positive about the work readiness and employability of job applicants. A great deal of work has taken place in this area (and continues to do so), such as pre-training courses for school leavers, 16-19 mentoring programmes (matching mentors to NEETs), post-19 interventions and Sector Based Work Academies.
- Wholesale changes to current arrangements are therefore not justified, although there is an argument for introducing more consistency to work readiness delivery through the adoption of a LEP-area wide standard or charter mark similar to that being introduced elsewhere in the South West.
- Action is also needed to address the shortage of meaningful placement opportunities for young people and adults, especially with SMEs, which currently acts as a barrier to the development of core work readiness skills and attributes. Young people's exposure to local employers whilst in learning should also be increased.
- It is well recognised that many SMEs do not have all of the strategic management skills required to prosper and grow. These encompass not only leadership disciplines but also knowledge of how external agencies might help them. Many growing SMEs will reach a point where they need to bring in specialist expertise in areas such as finance, human resources, research and development and marketing. Having the right skills to do so effectively, and having the right support in place to assist them, will be very important and are areas where Dorset's forthcoming allocation of European Structural and Investment Funds can make a tangible difference.

Promoting Skills to Enable Economic Prosperity: Actions

Key: Action Lead					
Dorset LEP		Dorset ESB and its sub-groups		Employers	
Local authorities and local ESBs		Government departments and agencies		Skills providers (colleges, universities, private training providers)	
Other					

Ref.	Action	Lead
6	Enable and encourage more employers to host work placements (for schools and FE learners) and paid internships (for HE learners), especially in LEP priority sectors: <ul style="list-style-type: none"> - Make better use of the Chambers and the Federation of Small Businesses as a way of engaging employers; - Better the emphasise the skills that placement students bring, and the tasks/projects they can undertake, to help address the issue of placements being seen as a burden; - Where possible secure funding to support projects which can offset costs/lost earnings, especially for SMEs. 	Dorset LEP
		Dorset ESB
		Local authorities
		Employers
7	Develop an employer-led 'employability standard' for Dorset, drawing on examples of effective practice from elsewhere, e.g. the employability manifesto and charter mark being taken forward by the West of England LEP ⁸ .	LEP
		Employers
		Skills providers
		Local authorities

⁸ These seek to secure the approval of all partners to joint working to improve employability and ensure that local businesses have access to an appropriately skilled local labour force to create economic growth.

Ref.	Action	Lead
8	Encourage more employers from across Dorset to visit schools, colleges and universities to share information about their industry and the skills they require now and in the future (core and job specific), job roles and career pathways.	Dorset ESB
		Local authorities
9	Monitor the success of the CEIL (Centre of Excellence in Industrial Liaison) model and roll-out to other parts of Dorset as appropriate.	Local authorities
10	Better promote existing leadership/management skills products that are available to business, through events, HE business schools, business networks and relevant websites	Skills providers
11	Encourage co-investment by SMEs in leadership and management skills linked to business growth, drawing on evidence which demonstrates the link between investment in training and commercial returns, and using monies through the 2014-2020 European Structural and Investment Funds to address cost as a barrier.	Dorset LEP
		Dorset ESB
12	Deploy the 2014-2020 European funds to help address identified skills gaps, including for higher level skills and transferable skills such as leadership and management, particularly where they reflect the requirements of growth sectors and sectors forecast to require substantial levels of replacement demand (e.g. skills required to grow the low carbon economy and support greater resource efficiency).	Dorset LEP

6 UNLOCKING ENTERPRISE AND EMPLOYMENT GROWTH

WHERE ARE WE NOW?

- Across Dorset, 8-10% of companies currently employ an apprentice(s), although in some sectors (e.g. tourism) the figures are notably lower. And whilst Apprenticeship numbers have grown overall in Dorset in recent years, the rate of growth has been far less than that observed nationally, and the number of 16-18 Apprenticeship starts has fallen. Action is therefore needed if Dorset is to keep pace with other parts of the country in this key policy area.
- Linked to the above, there would be merit in introducing a Dorset-wide co-ordination function for Apprenticeships (e.g. via a hub or brokerage service) to give employers a clear route through which they can engage young people, establish their entry requirements, identify the content of pre-Apprenticeship training, set up screening processes and receive impartial advice and support.
- Dorset has a strong local enterprise tradition and a well-developed and intrinsic entrepreneurial culture. Even so, the economic climate has affected start-up rates and with future growth likely to be driven by SMEs, there is a need to ensure that companies are developing the business and enterprise skills that will improve their chances of survival.
- Self-employment has soared in the Dorset LEP area and is now well above national rates. The need to support new and young businesses and to ensure that skills provision meets their needs has therefore never been greater.
- Nationally, through the Disability Confident campaign, the Government is working with employers to remove barriers, increase understanding and ensure that disabled people have the opportunities to fulfil their potential and realise their aspirations. Dorset is well positioned to take advantage of this and to be exemplar of best practice.

Unlocking Enterprise and Employment Growth: Actions

Key: Action Lead					
Dorset LEP		Dorset ESB and its sub-groups		Employers	
Local authorities and local ESBs		Government departments and agencies		Skills providers (colleges, universities, private training providers)	
Other					

Ref.	Action	Lead
13	<p>In discussion with the National Apprenticeship Service, a Dorset-wide co-ordination function for Apprenticeships (e.g. a hub or brokerage service) should be explored, linked to City Deal arrangements where appropriate, to:</p> <ul style="list-style-type: none"> i) Ensure that employer demand at a sectoral level is reflected in the supply of places; ii) Increase the scale of Apprenticeships across the LEP area; iii) Improve the profile and perceptions of Apprenticeships with parents and employers; iv) Engage many more SMEs who have not previously employed Apprentices; v) Improve employment prospects for young people across the LEP area. 	Dorset LEP
		Dorset ESB
14	<p>Promote Apprenticeships as a work-based route to a good job, higher qualifications and the opportunity to run your own business and encourage schools, teachers and parents to value this as an equal status option to the academic pathway.</p>	Skills providers
		Local authorities
15	<p>Recruit, support and develop the role of local Apprenticeship Ambassadors from LEP priority sectors, and ideally from SMEs, to provide sector specific case studies and “what’s in it for the employer” information focusing on the benefits of Apprenticeship recruitment within the LEP area.</p>	Dorset ESB
		National Apprenticeship Service

Ref.	Action	Lead
16	Introduce the government's new Traineeship programmes to help unemployed young people gain the necessary experience, qualifications and work readiness to secure an Apprenticeship (or employment with training).	Skills providers
17	Where practicable, introduce 'minimum Apprenticeship quotas' into public service contracts, obliging companies to employ a minimum number of Apprentices as a condition of receiving local authority (and other) contracts.	Local authorities
18	Promote mentoring for new entrepreneurs and young people by members of the business community. Extend the support for mentoring through the use of existing enterprise/skills budgets to train and co-ordinate mentors.	Dorset LEP
		Dorset ESB
		Local authorities
19	Forge closer links between the Dorset ESB and the work being taken forward through the LEP's <i>Competitive Dorset</i> programme to access employers' views on, and support for, enterprise education activities (for young people and new entrepreneurs)	Dorset LEP
		Dorset ESB
20	Through the forthcoming 2014-2010 European Structural and Investments Funds provide tailored packages of skills related support for: i) Prospective start-ups, including increasing awareness of enterprise and social enterprise opportunities and providing support needed to launch and manage an organisation (this will include start-ups by members of disadvantaged groups, e.g. ex-offenders); ii) Companies developing business growth strategies, entering new domestic and international markets, and implementing productivity improvements.	Dorset LEP

Ref.	Action	Lead
21	Champion the Disability Confident campaign across Dorset and take steps (supported by funding where appropriate) to: i) Provide disabled people with the skills and support they need to access local employment opportunities; ii) Encourage more Dorset employers to recruit disabled people	Dorset LEP
		Local authorities
		Government departments and agencies
		Skills providers

7 ADVISING AND SUPPORTING OUR FUTURE WORKFORCE

WHERE ARE WE NOW?

- The dissolution of the Connexions service and the associated changes to the way in which careers guidance is administered in schools is generating significant concerns about how well (or otherwise) young people are informed of the full range of post-16 options available to them. These local concerns are being echoed nationally, especially in terms of the number of pupils pursuing post-16 STEM subjects and careers.
- It is also recognised that to be effective, the nurturing of young people's aspirations in terms of future subject and career choices should begin during primary schooling and not be confined to Key Stage 4 option choices and beyond.
- Employers in a number of Dorset's priority sectors report that their industries are not well perceived and more needs to be done to attract young people to consider careers in sectors which currently suffer from poor image with young people.
- Action is therefore needed to ensure that young people in schools have access to up to date, accurate and independent information to help them make the right choices. This requires a combination of building on the good practice already evident in Dorset alongside adding the Dorset voice to the lobbying of central government on this topic.
- Linking back to points raised under 'Promoting Skills to Enable Economic Prosperity' (Chapter Five), it is also important to foster links between employers and local schools, so that young people can better understand and take advantage of growing employment opportunities. Young people are very attentive to the views of professionals who they meet in educational settings and agree that such contacts can play a big part in career making.
- Turning specifically to Key Stage 4, Dorset has historically outperformed both the South West region and England as a whole in terms of GCSE attainment (five or more GCSEs at grades A*-C including maths and English), but declining achievement saw Dorset fall below the regional and national averages in 2012. Government policy is focusing on this issue nationally in response to employer concerns and the UK's poor performance compared with international competitors, while at the Dorset level, English and maths are increasingly recognised as strategic priorities for FE and work based learning providers. These developments (national and local) will take time to be reflected in improvements in GCSE results, but the LEP should monitor closely performance at the Dorset level and maintain a close dialogue with key partners*.

*2013 preliminary data suggests that Dorset has returned to be above the national average.

Advising and Supporting our Future Workforce: Actions

Key: Action Lead					
Dorset LEP		Dorset ESB and its sub-groups		Employers	
Local authorities and local ESBs		Government departments and agencies		Skills providers (colleges, universities, private training providers)	
Other					

Ref.	Action	Lead
22	Encourage employers and schools to come together in curriculum development projects, linking science teaching to local industry needs and encourage schools to access support from initiatives such as the national network of Science Learning Centres and the Stimulating Physics Network which promote the uptake of existing good practice.	Dorset LEP
		Dorset ESB
23	Track the success and impact of educational initiatives on GCSE maths and English attainment and seek to influence results. Involve more businesses in schools in areas with poor performance to encourage additional motivation for pupils to see the relevance of higher aspiration and the importance of good maths and English.	Local authorities
24	Monitor the uptake of triple science at GCSE and work with schools and colleges to increase the numbers of young people studying STEM subjects across the LEP area.	Local authorities

Ref.	Action	Lead
25	Introduce (greater) representation from schools on the Dorset ESB to help facilitate the above	Dorset Employment and Skills Board
26	Lobby nationally to change policy on careers guidance for young people in schools to allow more face-to-face advice that is impartial and informed by better links to business and awareness of the realities of the local labour market.	Dorset LEP

8 SUPPORTING THE CURRENT WORKFORCE

WHERE ARE WE NOW?

- Skills gaps are present across Dorset. Fifteen per cent of Dorset LEP employers (4,400 employers) report having a skills gap, with around 15,800 employees assessed as not being fully proficient in their jobs. Whilst this is slightly below the national average, it is still a significant challenge, with particular concentrations in health and social care and hospitality and tourism.
- Other priority sectors for Dorset are also facing workforce skills challenges. Examples include a shortfall in the supply of technicians and engineers trained to Levels 3 and 4 in advanced engineering, a lack of customer service skills in financial services and insurance, and a lack of basic skills and management skills in construction. And whilst the proportion of those with low or no skills is falling, the Dorset LEP area still has a below average share of higher-level skilled individuals.
- Tackling specific skills gaps and shortages will involve a range of measures across this plan. These include better links between employers, schools, colleges and HE so that providers are aware of local employer demand; better careers guidance that corrects outdated perceptions and highlights opportunities in sectors with skills gaps; promoting relevant courses and Apprenticeship options to prospective learners (and their parents); extending provision where it is required; and addressing barriers to training, especially those associated with rurality.
- The new European Social Fund programme and other funding streams can make an important contribution here through up-skilling and re-skilling support targeted at workforce skills gaps.

Supporting the Current Workforce: Actions

Key: Action Lead					
Dorset LEP		Dorset ESB and its sub-groups		Employers	
Local authorities and local ESBs		Government departments and agencies		Skills providers (colleges, universities, private training providers)	
Other					

Ref.	Action	Lead
27	Take a LEP-wide, co-ordinated approach to better publicising the commercial benefits to employers of investing in the skills of their workforce. This includes promoting Higher Apprenticeships, Foundation Degree, Degree and Masters opportunities.	Dorset LEP
		Skills providers
28	Use the forthcoming 2014-2020 European Structural and Investment Funds to: <ul style="list-style-type: none"> - Target skills gaps and shortages identified in the LEP's priority sectors; - Help freelancers and micro-businesses to acquire the skills that they need to succeed; - Support businesses in rural areas to overcome barriers to participating in training (e.g. through remote learning and virtual classrooms). 	Dorset LEP
29	Encourage employers (especially those in the LEP's priority sectors) to collaborate in the acquisition of training, e.g. through Group Training Associations and to take advantage of potential public co-funding such as the aforementioned European programmes and the Employer Ownership of Skills initiative.	Dorset LEP

9 SUPPORTING THE UNEMPLOYED WORKFORCE

WHERE ARE WE NOW?

- Although Dorset has not faced the scale of worklessness challenges observed elsewhere in the country, pockets of worklessness are present. For example, the large majority of wards in Bournemouth have a higher JSA claimant rate than the average across Dorset and in almost half of the wards, the rate also exceeds the national average. In total, there are over 41,000 people of working age in Dorset claiming out of work benefits. This includes over 25,000 people who are claiming Employment Support Allowance/Incapacity Benefit and who are likely to face significant barriers to employment. Many will require intensive support to help them to first access and then retain work.
- Demand for this type of support is likely to increase as the transition from Incapacity Benefits to Employment and Support Allowance continues. As existing IB claimants are reassessed, there will be those who are not deemed to have sufficiently serious health problems or disabilities to receive unconditional support and are therefore expected to return to work. These individuals will be placed into work related activity groups to help prepare for this transition. There will however be cases, especially with regards to those who have been receiving IB for a number of years, where additional support is required.
- The actions proposed in this strategic priority therefore tie in very closely with Dorset's proposals for how it will deploy elements of the European Social Fund 2014-2020 (especially through Thematic Objectives 8 and 9). ESF will be a key source of funding to enable the actions proposed in the table below to be taken forwards.

Supporting the Unemployed Workforce: Actions

Key: Action Lead					
Dorset LEP		Dorset ESB and its sub-groups		Employers	
Local authorities and local ESBs		Government departments and agencies		Skills providers (colleges, universities, private training providers)	
Other					

Ref.	Action	Lead
30	Develop initiatives to support the unemployed, including those aged over 50 in parts of the LEP area where this is a particular issue, through the Welfare to Work strategy group and in partnership with the Enterprise and Start Up group.	Dorset LEP
31	Raise Dorset employers' awareness of, and encourage them to use, the support available through Jobcentre Plus and Welfare to Work providers. This could involve Jobcentre Plus training specialist advisors with detailed understanding of the skills and recruitment needs of priority sectors.	Dorset LEP DWP/JCP
32	Develop initiatives to enable the long term unemployed, members of troubled families and ex-offenders to participate in work placement activity (with the requisite support).	Skills providers Employers

Ref.	Action	Lead
33	Continue to provide employability support for those that are currently the furthest from the labour market.	Skills providers
34	Support the retraining and up-skilling of individuals who are at risk of redundancy or who have been made redundant to ensure that talent is retained, particularly in sectors such as engineering, as well as rebalancing requirements.	Dorset LEP
35	Promote self-employment as a route out of worklessness and support people to take the steps forward to achieve this.	JCP

10 OUTCOMES AND MEASUREMENTS

Measuring change

10.1 The extent to which the baseline position against each of the measures on the following pages changes over the three years of the plan will be influenced by a broad array of factors. These include the actions presented in Chapters Four to Nine alongside a number of other political, economic, social and technological issues, the most significant of which are summarised in Chapter Eleven. There will also be new developments, not yet known, which will have an influence on progress.

10.2 The correlation between the actions in the plan and measurable change at LEP level is therefore not a direct one. The actions in the plan have a very important part to play, but they will not be the sole drivers. With this in mind, the targets that have been set are deliberately relative rather than absolute. They do not propose, for example, a specific percentage point increase in GCSE attainment, or a specific percentage point reduction in skills gaps. Instead, they look at how the Dorset LEP is performing now relative to other areas and set ambitious goals for improvement. These goals include exceeding national averages and improving performance to be amongst the top performing LEPs.

10.3 An alternative approach would be to measure the outcomes of each individual action in the plan. Whilst this might provide a lot of detailed information, the data collection and monitoring requirements would have considerable resource implications. Of equal significance, it would risk losing sight of the larger, more strategically important issues that the plan is looking to influence and which will help to boost Dorset's economic performance.

No.	Measure	Sub-measures	Baseline position	Target for end of 2016
1	Reduction in skills shortages	% of businesses with a skills shortage vacancy/vacancies	Dorset: 3.9% Average for 'top 5' LEPs: 2.2% Dorset ranking: 18 th of 39 LEPs	Halve the difference with the top 5 average
		% of vacancies that are hard to fill due to skills shortages	Dorset: 17% England average: 16% Dorset: 26 th of 39 LEPs	Exceed the England average
	Data source: UK Employer Skills Survey 2011. Next release date: early 2014			

No.	Measure	Sub-measures	Baseline position	Target for end of 2016
2	Reduction in skills gaps	% of businesses with a skills gap(s)	Dorset: 16.3% Average for 'top 5' LEPs: 14.7% Dorset ranking: 9 th of 39 LEPs	Exceed the average for the 'top 5' LEPs
		% of employees reported as being not fully proficient	Dorset: 5.2% Average for 'top 5' LEPs: 4.5% Dorset ranking: 12 th of 39 LEPs	Exceed the average for the 'top 5' LEPs
	Data source: UK Employer Skills Survey 2011. Next release date: early 2014			

No.	Measure	Sub-measures	Baseline position	Target for end of 2016
3	Improved employer perceptions on work readiness	% employers who state that 16 year old school leavers are well prepared for work	Dorset: 59% Average for 'top 5' LEPs: 65% Dorset ranking: 22 nd of 39 LEPs	Halve the difference with average for the 'top 5' LEPs
		% employers who state that 17-18 year old school leavers are well prepared for work	Dorset: 61% Average for 'top 5' LEPs: 74% Dorset ranking: 36 th of 39 LEPs	Halve the difference with average for the 'top 5' LEPs
		% employers who state that 17-18 FE College leavers are well prepared for work	Dorset: 75% Average for 'top 5' LEPs: 82% Dorset ranking: 17 th of 39 LEPs	Halve the difference with average for the 'top 5' LEPs
		% employers who state that university/HR leavers are well prepared for work	Dorset: 80% England average: 83% Dorset ranking: 25 th of 39 LEPs	Meet the England average
	Data source: UK Employer Skills Survey 2011. Next release date: early 2014			

No.	Measure	Sub-measures	Baseline position	Target for end of 2016
4	Reduction in youth unemployment	Unemployment rate for 16-24 year-olds	Dorset: 17% Average for 'top 5' LEPs: 14% Dorset ranking: 11 th of 39 LEPs	Halve the difference with average for the 'top 5' LEPs
		Jobseekers Allowance claimant rate for 18-24 year-olds	Dorset: 3.1% Average for 'top 5' LEPs: 3.3% Dorset ranking: 3 rd of 39 LEPs	Maintain position within the 'top 5' LEPs
	Data source: Annual Population Survey 2012 and Claimant Count 2013. Release schedule: Annual Population Survey is quarterly and the Claimant Count is monthly.			

No.	Measure	Sub-measures	Baseline position	Target for end of 2016
5	Increase in the number of apprentices in Dorset LEP	-	Between 2009/10 and 2011/12, apprentice numbers in Dorset increased by a third. The national increase over the same time period was 86%.	Match the national increases in all local authorities and across all apprentice age groups.
Data source: The Data Service. Next release date: October 2014.				

No.	Measure	Sub-measures	Baseline position	Target for end of 2016
6	Increase the qualification levels of the Dorset workforce	Proportion of the workforce qualified to Level 2 and above	Dorset: 74% Average for 'top 5' LEPs: 78% Dorset ranking: 15 th of 39 LEPs	Meet the average for the 'top 5' LEPs
		Proportion of the workforce qualified to Level 3 and above	Dorset: 56% Average for 'top 5' LEPs: 63% Dorset ranking: 16 th of 39 LEPs	Halve the difference with average for the 'top 5' LEPs
		Proportion of the workforce qualified to Level 4 and above	Dorset: 33% England average: 34% Dorset ranking: 15 th of 39 LEPs	Exceed the England average
	Data source: Annual Population Survey 2012. Release schedule: quarterly.			

No.	Measure	Sub-measures	Baseline position	Target for end of 2016
7	Increase in the proportion of companies providing training for their staff	% employers providing any training for their staff	Dorset: 64% England average: 66% Dorset ranking: 27 th of 39 LEPs	Exceed the England average
		% employers providing on-the-job and off-the-job training for their staff	Dorset: 31% England average: 34% Dorset ranking: 32 nd of 39 LEPs	Exceed the England average
	Data source: UK Employer Skills Survey 2011. Next release date: early 2014			

No.	Measure	Sub-measures	Baseline position	Target for end of 2016
8	Improved GCSE attainment in maths and English	% pupils achieving 5 A*-C GCSEs including English and maths	Dorset: 57% England average: 59% Dorset ranking: 27 th of 39 LEPs	Exceed the England average
		% pupils achieving A*-C GCSEs in English and maths	Dorset: 57% England average: 60% Dorset ranking: 27 th of 39 LEPs	Exceed the England average
	Data source: Department for Education (2011/12 data). Next release date: January 2014.			

11 NEXT STEPS

11.1 This skills plan presents a series of actions, structured around six strategic priorities, which collectively will make an important contribution to Dorset's ongoing economic development. Against each action, a lead organisation(s) has been specified whom it is suggested be given responsibility for taking that particular part of the plan forward. Measures and targets have been identified, and whilst we know that the plan will only be one of many influences on the achievement of those targets, we know what it is we are aiming for.

11.2 It is important to recognise that the publication of this plan does not represent us having reached the finishing line. On the contrary, it is a starting point. To achieve what is in the plan will require more collaboration between education providers, and between education providers and employers, than is happening now. It will also require more co-investment from employers in the skills and development of their workforce, but in return the skills system must be able to meet employers' needs. We must also take steps to address the barriers that prevent many employers from engaging in skills development at all.

11.3 The LEP and the ESB will have essential roles throughout the life of the plan, communicating, co-ordinating and supporting (where appropriate through funding) the work that is being taken forward by the lead organisations for the various actions.

11.4 The plan does not prescribe LEP-wide solutions; to do so would be wholly inadvisable given the geographic and demographic differences that exist in Dorset. Rather, the actions in the plan identify activities that can be taken forward across the LEP area, but the intention is very clearly that the specifics of how they are delivered at a local level will be influenced by the needs and priorities of Dorset's local economies, employers and individuals. Expertise from within local authorities, skills providers and employers, amongst others, will therefore be vital in translating this plan into programmes of work that can tackle both local and LEP wide issues. To support this, an exercise to map current provision and compare it with the anticipated skills needs of local labour markets would be appropriate, resulting in a gap analysis that can help inform providers' curriculum planning decisions.

11.5 A timetable has been agreed which will see the Dorset Skills Plan published by the end of 2013 and its implementation mapped out in more detail by the ESB in early 2014. With this in mind, the LEP and its partners are advised to give consideration to each of the activities outlined in the table below.

Topic	Suggested activity
Awareness raising and buy-in	<ul style="list-style-type: none"> - Launch event(s) for skills providers and employers - Press releases and e-shots - Members of the LEP Board, ESB and their sub-groups to distribute the plan (or a summary version) amongst their network
Implementation	<ul style="list-style-type: none"> - Engage local partners in implementation planning - Agree the mechanisms through which actions will be taken forward at a local level (and at a LEP level) - Put in place theme or geography specific working groups, ESB sub-groups etc as appropriate
Monitoring and performance review	<ul style="list-style-type: none"> - Agree how progress against the actions/strategic priorities will be reported back to the ESB and the LEP - Assign responsibility for measuring progress against the targets in the plan

APPENDIX 1: CONSULTATIONS

Organisation
Ansbury
Arts University Bournemouth
Best Training
Bournemouth Chamber of Commerce
Bournemouth Churches Housing Association
Bournemouth and Poole 14-19 Strategic Team
Bournemouth and Poole College
Bournemouth University
Brockenhurst College
Care South
Careers South West
Castlepoint Shopping Centre
Dorset 14-19 Strategic Team
Dorset Probation Service
Dorwest Herbs
DSTPN
DWP
East Dorset District Council
Education Funding Agency
Federation of Small Businesses
First4Skills
FNTC Training
HIT Training
Kingston Maurward College
Locomotivation
Paragon Training

Organisation
Poole Borough Council
Quest Vocational Training
Rockley Park
Sign It!
Skills and Learning Dorset
Skills Funding Agency
South West Regional Assessment Centre
Spectrum Housing
Weymouth College
Wise Old Uncle
Woodspeen Training
Working Links
Yeovil College

APPENDIX 2: CONTEXTUAL ANALYSIS

Overview

The Government's latest skills strategy – *Rigour and Responsiveness in Skills* – was published in April 2013 and identifies six areas where the government believes further changes are required to create a system which ensures that provision responds to the individual and the employer. In summary, these are:

- i. **Raising standards:** the strategy announces three approaches to raising standards. The first is the introduction of a new FE Guild and 'Chartered Status', designed to become internationally recognised marks of quality for learners and employers. The second is a faster and more robust intervention regime that aims to protect learners while tackling poor provision. The third will give individuals and employers more information on the quality of provision and more power to choose training, thus sharpening the incentives for colleges and providers to achieve higher standards.
- ii. **Reforming Apprenticeships:** in response to the recommendations made in the Richard Review, significant reforms of Apprenticeships are planned. These include the introduction of an overall assessment to demonstrate competency, increased employer involvement in setting standards, and a greater focus on the achievement of GCSE English and maths at Grade C or above. Underpinning this, and a theme that runs through the national strategy, is enabling employers to be effective purchasers and owners of training and ensuring that employers and individuals have access to the right information and data to make informed decisions.
- iii. **Creating Traineeships:** the introduction of the Traineeship programme is intended to provide a combination of a focused period of work preparation, a high quality work placement and training in English and maths. Employers will have a clear line of sight over the design and delivery of the programme, ensuring that it provides the right skills for the workplace. The rationale supporting the introduction of Traineeships includes evidence which shows that young people who spend more than 12 months out of work in their late teens and early 20s are significantly more likely to experience unemployment at a later age.
- iv. **Meaningful qualifications:** Up to 2,500 qualifications with little or no uptake are being removed from the funding system, and more are likely to follow. In order to remain eligible for government funding, those that remain will need to be rigorous and demonstrate strong employer input.
- v. **Funding improving responsiveness:** the strategy makes clear that the government does not intend to pay for poor or irrelevant provision but rather will concentrate on where it can add most value. New approaches such as loans for those aged 24 or over, and direct employer funding through the Employer Ownership Pilots, are designed to provide better incentives for colleges and training providers to respond to what students want to study.
- vi. **Better information and data:** FE and skills data is being made available in open access formats and is becoming easier to find data through data.gov.uk. A new monthly real time scorecard will be trialled on the National Careers Service website, summarising local information, including labour market trends, job opportunities and courses available

for each LEP area and city region. The National Careers Service will be charged with connecting employers, education institutions and local partners. It will also identify and promote opportunities for young people through direct work with employers, schools and colleges, including encouraging business leaders to visit schools and colleges.

Each of these six areas will, to varying degrees, impact upon the way in which the actions in the Dorset Skills plan are taken forward. The LEP and members of the ESB (and its sub-groups) will need to be attuned to the developments taking place through the national strategy and ensure that the actions being implemented at a local level are as well aligned as possible with the national direction of travel.

Political Factors

1. Public spending constraints	2. University tuition fees	3. FE loans
4. Apprenticeships	5. Traineeships	6. Social welfare reform
7. Raising the participation age	8. Qualification and schooling reforms	9. Careers advice and IAG
10. The role of LEPs		

1. The context of a large national **financial deficit and ongoing public spending cuts** has significant implications for skills. The overall FE and skills budget is reducing by 25% between 2011/12 and 2014/15, a consequence of which is that fewer courses are eligible for full funding. Large reductions in local authority discretionary budgets will also have an impact, while slower than expected progress in cutting the national deficit may point to future austerity measures that are more severe and extended than expected.
2. Increases in **university tuition fees** (undergraduate and postgraduate) are likely to affect the demand to study. It is expected that subjects and institutions that are seen to lead to greater employment and salary prospects will fare best, a factor exacerbated by relatively high unemployment (and under-employment) rates nationally, including amongst graduates. There is also concern that this might lead some institutions and departments to become (more) risk averse and avoid developing new provision.
3. **FE fees/loans for those aged 24 and over** were introduced in August 2013 and mean that those studying for Level 3 and 4 qualifications (including Apprenticeships) will be expected to take out student loans on a similar basis to those in HE. No cap on course fees has been set, but the limit for a loan will be the maximum fully funded rate for that qualification set by the Skills Funding Agency.
4. Government policy has been supportive of **Apprenticeships** for some time, resonating with the positive message from businesses about the value of Apprenticeships and the combination of work and study that they offer. The Richard Review published in late 2012 calls for only 'true' Apprenticeships to be labelled as such, with a focus on high quality training rather than a *"myriad of learning experiences which are labelled as*

*Apprenticeships*⁹. Government has responded to the Richard Review and will look to involve employers to a greater extent in the design of Apprenticeships and will seek to ensure higher standards of quality assurance.

5. A new **Traineeships programme** for 16-24 year olds is being launched in 2013, offering a mixture of work experience, lessons in English and maths, CV writing tips and advice on how to prepare for an interview. Traineeships will last around six months and will aim to help those young people who are motivated by work, but whose lack of experience often means they fall short of employer expectations. The introduction of traineeships is supported by the 2012 CBI annual education and skills survey, which showed that 61% of employers were unsatisfied with the self-management skills of school leavers.
6. The raft of **social welfare reforms and changes** that have and will continue to be introduced include real term cuts to benefits levels, tougher tests on ability to work, housing benefit restrictions, stronger promotion of work experience and the introduction of universal credit. A generally harsher benefits environment may act as an incentive for some people to take up study (which could see increased demand for some courses) or to consider jobs opportunities (where they exist) that they would not have done previously, which may have specific skills requirements of their own. However, very low benefit incomes may equally make it harder to study if there are travel costs involved or course/tuition fees to pay up front or as a loan.
7. The new **requirement to participate in education, training or work based learning to at least age 18** could have notable impacts, not least an uplift in learning and qualifications. However, a proportion of young people are still expected to drop out and furthermore, learning institutions such as colleges may have to cope with a cohort of reluctant learners amongst the additional students they take on.
8. There remains a degree of uncertainty over the current government's **educational reforms** given recent policy announcements and revisions. However, the signs are that GCSEs will move from coursework to exams and will be graded from 8 to 1, rather than A* to G, with pass marks pushed higher. In addition, A-level reforms include changes to the structure of the qualifications, the introduction of a standalone AS qualification and arrangements for the involvement of higher education in future A-level design. Whilst these reforms might help to give employers more clarity over the value of qualification achievement, the full range of impacts is far from certain. They could include, for example, fewer learners leaving school with good qualifications and associated issues for self-confidence and employability.
9. Considerable changes to **careers advice/IAG provision** have taken place recently, with schools given much greater responsibility (but not proportionate budgets) in this area. The impacts to date are widely viewed as having been negative, with less face-to-face time available and some accusations over the genuine impartiality of the advice¹⁰.

⁹ The Richard Review of Apprenticeships. Doug Richard/Department for Business, Innovation and Skills. November 2012.

¹⁰ Careers guidance for young people: The impact of the new duty on schools. Education Committee Seventh Report

10. **Localism** – one economic manifestation of the localism agenda has been the establishment of LEPs in place of Regional Development Agencies. Initially LEPs have had little budget other than for specific funding applications. However, the Heseltine Review ('No Stone Unturned', 2013) and the Government's response to it (associated with the 2013 Budget) points to a different future. LEPs are being given responsibility for the allocation of European Structural and Investment Funds for 2014-2020 and the Government has announced that it will negotiate a Growth Deal with every LEP that will take effect from 2015. Through Growth Deals, LEPs can seek freedoms, flexibilities and resources from Government and a share of the new Local Growth Fund to target their identified priorities. LEPs are expected to develop ambitious, multi-year Strategic Economic Plans to inform the delivery of this funding, within which skills will be a key theme.

Economic Factors

1. Subdued economy	2. Demand for high level skills	3. R&D and innovation
4. Specific skills shortages	5. Climate change and low carbon	6. Youth and long term unemployment
7. Employer requirements on work readiness		

1. **A subdued global and national economy** – growth in the domestic and international economy will remain limited for some time, reflected in sluggish employment growth and suppressed employer investment in training. Current forecasts suggest that 2014 and 2015 will see the recovery accelerate and the number of job opportunities increase. This will have implications for training, especially in high employment sectors and those with an older workforce experiencing high levels of replacement demand.
2. In an increasingly global and knowledge based economy, **employer demand for higher level skills** is increasing faster than for other skills levels and is correlated with overall economic success. These skills are also linked to higher salaries, and the gap between 'low skilled low wage' and 'high skilled higher paid' jobs is increasing, **widening inequalities** in the process.
3. **R&D and innovation** is becoming strongly linked to productivity and growth and requires both specialist and generic skills to support it. These include creativity and problem solving, collaboration and networking. The role of higher education in fuelling innovation is central and is an area in which the 2014-2020 European Structural and Investment Funds can make an important contribution over the coming years.
4. Some important sectors to the Dorset economy are (potentially) being limited by **specific skills shortages**, such as in advanced engineering, financial services and insurance, and construction. Addressing these shortages through both stimulating demand (to study them) and better provision will support the growth of the companies who rely on them, including priority sectors in the LEP area.

5. **Climate change** coupled with rising demand for (but limited supply of) energy, water and natural resources means that **energy and resource prices** are likely to continue to rise into the medium term at least. The same pressures also create opportunities in new and growing sectors (notably low carbon) with their own skills needs. Skills such as energy and environmental management within businesses will also become more important in reducing operating costs in tight fiscal conditions.
6. High levels of **youth and long term unemployment** risk creating sections of society who are cut off from job opportunities and face challenges in reconnecting with the labour market. Enhancing qualifications, confidence, attitude and generic skills and work experience will be important in countering that, including ways of 'de-risking' employment of this group by businesses, for instance through short and funded placements.
7. Employer desire for **work ready employees** is pronounced and will have a major impact on securing jobs in a tight labour market. 'Earning plus learning' models such as **Apprenticeships and placements** are an important solution. They chime with the context of increasing tuition fees which may heighten student desire to lessen study costs and to command an income as they gain qualifications and experience. Universities are increasingly seeking to extend their market penetration amongst employers by offering a mix of internships, student placements and knowledge transfer projects, all aimed at improving their record of post-graduate employment prospects.

Social Factors

1. Ageing population	2. Extended retirement age	3. Ethnic diversity
4. Gender imbalances in learning and career choices	5. Personalisation of services	6. Cultural influences
7. Rising cost of living		

1. **An ageing population** – by 2030, only half of Dorset's population is forecast to be of working age. This could have significant impacts on the numbers of learners, trainees and recruits available, presenting challenges for skills providers and reinforcing the importance of up-skilling the wider workforce.
2. Linked to an ageing population, the **state pension age** is rising to age 66 from 2020 and rising further beyond that. This will mean the average age of the workforce is likely to increase and that a smaller proportion of workers will be in the youngest groups, bringing implications for skills development and recruitment.
3. **Ethnic diversity** is expected to increase, with a larger proportion of the population accounted for by people from non-British backgrounds. Exactly how that will affect skills and employers is unclear, not least because it will be influenced by the countries from which people relocate and the language skills they possess. Government policies on migration connected to this may also have an impact, including on businesses and skills providers, especially universities which benefit from international students.

4. There are significant learning factors that vary by **gender**, often persisting despite efforts to rebalance affairs. These include fewer young women studying STEM subjects and going into related careers, a shortage of male primary school teachers and poorer educational attainment by boys in some subjects at GCSE. Whether these differences persist or decrease will affect learner demand and the number of trainees in different disciplines and their abilities. There are also gender based links to leadership and management skills and take up of these. Despite a massive shift in the proportion of women who are working and their career aspirations over recent decades, there remains a pronounced under-representation of women at boardroom level.
5. **Personalisation** – expectations are for **more tailored and rapidly delivered services**, whether that is to do with buying a product or the operation of public services including health, care and education. This is likely to impact on skills, with businesses already seeking training provision with content tailored to their needs, shorter and more flexible modules, and more delivery done in the workplace. Students too are likely to seek courses that meet their specific needs and which may take less time to complete, factors heightened by rises in tuition fees.
6. **Cultural factors** including peer pressure, the media, role models and parents will affect career aspirations, attitudes to learning (and working) and the subjects which learners want to study. Recently, cultural factors have been linked to demand for certain subjects (e.g. those relating to media) that are linked to celebrity or popular culture or otherwise seen as desirable, with others (e.g. science and engineering) suffering a decline. Predicting how these factors will change in the future is difficult, but it is clear that they will have a major impact on demand for different courses and careers and that this will affect employers and learning providers alike. Potential responses include promoting role models, information on the modern realities of workplaces in different sectors (for instance to change outdated perceptions of manufacturing and engineering), and IAG that offers good, impartial information on the range of career options and the chances and nature of employment within them.
7. **Cost pressures** – such as course fees, housing and travel costs are impacting on the disposable incomes available to students. Higher costs may make the option of living at home whilst studying at a nearby college or university (or in the workplace) more popular. The location of learning could therefore have greater impact on course take up than in the past, with colleges and universities close to large populations and in central locations with good public transport accessibility and walking/cycling options particularly advantaged.

Technological Factors

1. Growing importance of ICT to business	2. Availability of web-based learning	3. Broadband and mobile advances
5. Pace of technological change	4. New research and innovation	

1. The need for businesses to **apply ICT** in how they work and secure customers will continue to grow. That includes being able to take advantage of online trading and good use of social media in their marketing. The same factors are important to recruitment, in business, and also for skills providers such as colleges and universities as they seek to attract new students.
2. The ability to access a huge array of **web-based information** makes it much more possible and important for students and employees in key roles to be able to source and digest information for themselves. That has implications in business and for learning models, where **self-development and learning** will be important alongside more traditional models that are more dependent on expertise imparted through teachers, trainers and lecturers. There is also great potential to use web based information within lessons and courses, and potentially to achieve efficiencies in doing so.
3. ICT advances, especially in **broadband and mobile devices**, offer great potential for more **learning at home or on the move**. This may provide a route for young people who are disconnected from school or college settings but whom are IT savvy to re-engage with learning through a different route. It also offers potential for different learning models, such as 'flipped classrooms' where home based learning is complemented by a focus on discussion and practical exercises in the classroom.
4. The **pace of change**, especially technological, is already making it hard for skills providers to keep up with the new technologies that businesses apply rapidly to stay at the forefront of their fields. This pressure is likely to become more pronounced given resource constraints in education.
5. New research will continue to point to **more effective ways of teaching and training**, whether that be about the good use of ICT and other new technologies or good practice in teaching practice more generally. In the HEI sector, for example, ICT is transforming teaching and learning through the introduction of Massive Open Online Courses (MOOCs), enabling students to connect, share and collaborate with virtual 'classmates' across geographical and cultural boundaries.