Northampton Waterside Enterprise Zone (NWEZ) Skills Strategy and Plan March 2013

Contents:

1. Purpose and ambition for the strategy;
2. Summary of evidence to support the priorities;
3. Objectives, activities and outcomes;
4. Governance and alignment with other plans;
5. Delivery of projects;
6. Supporting Appendices.

1. Purpose and ambition

This strategy is the result of work initiated by the Skills Funding Agency to promote partnership to deliver skills priorities to support the successful economic development of the NWEZ and the Northamptonshire and South East Midlands Local Enterprise Partnerships (NEP and SEMLEP) areas. It reflects the ambitions of the NWEZ and SEMLEP: strong economic growth through the expansion of key sectors; ready supply of highly skilled labour; suitable support for local businesses, especially the small and medium enterprises; maximum opportunities for the local workforce; a co-ordinated provider network; career pathways for young people, starting in school.

2. Summary of evidence

Purpose of evidence:

- Provide informed basis for choice of priorities
- Support joint and individual planning by providers, employers, stakeholders
- Promote partnerships and co-ordination
• Constitute an on-going resource to be used by partners in implementing plans
• Link skills with the rest of the economy
• Provide evidence of extensive consultation with employers
• Structure evaluation of impact

Sources:
• 2 research reports commissioned from Ecorys and ICF GHK, including employer surveys (appendices 1-3)
• In depth face to face research with 20+ engineering companies commissioned from Stuart Banks Engineering Ltd (appendix 6)
• Feasibility study of possible Centre(s) of Excellence and Sensemaker survey commissioned from Castleton Consulting (appendix 7)
• Workshops involving a mixture of businesses, providers and stakeholders (appendix 4)
• Face to face meetings and discussions with businesses, providers and stakeholders (appendix 5)
• Feedback on proposals from individual participants (appendix 5)

Summary of desk top research (for more detail see appendices 1a and 1b):

Note: evidence base to be dynamic- adding and updating as work progresses and including outcomes of work and further intelligence gained.

National picture:

The UK workforce needs to be more highly skilled in order for the UK to be fully competitive – hence the work of the Sector Skills Councils and the UK Commission for Employment and Skills (UKCES). In particular there are skills shortages in the technical trades, manufacturing and care. The ageing profile in the engineering sector combined with rapid technological change leads to a high demand for skills both for replacement and up-skilling. While most companies invest in training much of this is in-house, views of the quality and suitability of external training and qualifications are mixed and cost and time are major barriers. 15% of adults are not functionally literate. Companies report work readiness issues in both graduates and school leavers. Current government priorities include growing manufacturing and high performance
technologies and reducing the number in the UK who are out of work. Trends suggest growth in higher skilled jobs and decline in lower skilled jobs over the next decade although the latter will remain important to the economy.

Local (Northampton unless otherwise stated):

- SEMLEP and NEP: sector priorities include high performance technologies and advanced manufacturing, logistics, visitor economy, creative industries and the green economy. As part of the latter there will be skills needs in construction as most parts of SEMLEP and NEP are scheduled for population and housing growth. SEMLEP and NEP have not dissimilar employment patterns although NEP has a higher percentage involved in manufacturing (12.3% NEP, 10% SEMLEP both above the national average). Over 60% of NEP and SEMLEP employment opportunities are in the more highly skilled roles eg managerial, professional, scientific, technical.

- Northamptonshire is reported as one of the UK areas of high skills shortage
- 78% of businesses in Northampton employ less than 9 people
- 67% of the population is of working age
- Employment is running at 75.8%, economic activity at 81%, unemployment around 7%
- Qualification levels: figures vary between reports and the Office for National Statistics but the message is the same: at the upper end – eg NVQ4+ Northampton is only slightly behind the UK level, but at the lower end has 15.9% without qualifications as opposed to 10.9% nationally; school leavers standards in English and Mathematics across Northamptonshire are reported to be behind the UK levels
- Business survival rates in Northampton are above the national average and there has been a recent increase in self employment
- Future demand will include the engineering and technical requirements and the appropriate combinations of skills, leadership and management, financial services, industrial experience, higher levels of ICT expertise, entrepreneurship
- Higher level and more specialised positions are increasing in number most fields including logistics and construction

Note: employer feedback from surveys and interviews will be referred to under specific objectives as will case studies.
3. Strategic Objectives, activities and outcomes:

Implementation/delivery plans lead by key partners including specific outputs/targets and details of who is to deliver – to be developed April-June; in addition to specific communications relating to each objective, an overview web resource to be developed to promote the whole strategy and keep people informed.

Summary of Objectives:

A. Skills Information and Support Services
B. Employers in Partnership
C. Making the most of Apprenticeships
D. Accessing the Labour Market
E. Centre of Excellence
F. Collaborative Implementation

A. Development and dissemination of accessible and reliable skills, linked information and support services for:

- Young people and career changers; Careers and other advisers; Businesses; Agencies

<table>
<thead>
<tr>
<th>Activities</th>
<th>Outcomes</th>
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<tbody>
<tr>
<td>• Grow from existing activities and initiatives initially, with a</td>
<td>• Static (updated) information via websites, locations and</td>
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<tr>
<td>focus on better routing of careers information and provision of</td>
<td>advice materials - ongoing</td>
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<tr>
<td>related industrial experience for young people and career</td>
<td>• Activities to make information real in practice eg</td>
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<tr>
<td>changers, to develop a recognised network of information</td>
<td>businesses working with schools; use of mentors; events</td>
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</table>
sources and organisations:

Eg Science, Technology, Engineering, Maths (STEM) project, Connexions commissions, NEP portal, work on using Labour Market Information captured in Ekosgen report commissioned by NEP and information from Sector Skills Councils et al

- **Identify the views and needs of the wider community** through the Sensemaker survey commissioned from Castleton Consulting gathering and analysing stories from a wide range of contributors (see Appendix 7). Include here engagement with University of Northampton students. Gathering of responses followed by analysis, sharing, publicising April to June 2013

- Support development of 16+ work type experiences for all studying in Further Education from September 2013; link to the proposals for Local Enterprise Partnerships to be more involved in business support for the education and training curriculum

- Pilot business information work with interested NWEZ companies and involve Chamber, FSB, IoD, groups of employers in developing a **partnership to help develop this area** including their contribution eg work experience, internships

- Information sources, active networks and services could be available at or accessed through the **Centre of Excellence** – see Appendices 2c and 7 and Objective E.

like Science and Engineering Week- ongoing

- Pathways into and through a variety of careers actively promoted in schools, colleges, universities and other locations – tackle STEM availability, take up and relationship with employers – Summer 2013

- Range of materials used across the system - in schools, colleges, by JCP, by employer networks 2013-14 leading to greater interest in and recruitment to careers in the priority sectors

- Greater engagement between education and training, learners and employers. Also a methodology is developed for gathering evidence of impact

- Feed into Local Enterprise Partnership proposals for local adult careers budgets (next spending round)

- Skills availability clear to local employers through bulletins and briefing meetings which also generate activity and commitment; Chamber and other business facing organisations play their part in achieving this

- Engagement targets established 2014-15

- Development of partnership Autumn 2013 following pilot engagement

- See Objective E
B Develop an ‘Employers in Partnership’ approach to local provision

<table>
<thead>
<tr>
<th>Activities</th>
<th>Outcomes</th>
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<tbody>
<tr>
<td>• Given the national shortage of skilled engineers and Northamptonshire’s high concentration of high end engineering and manufacturing companies, focus the first local equal partnership between employers and providers in the engineering sector, based on the 20+ engineering employers who have been interviewed in depth (report due April/May 2013) and the work of the Northampton Engineering Training Partnership (NETP) based at the University of Northampton (UoN) and developments at Northampton College. Refer to Appendix 6</td>
<td></td>
</tr>
<tr>
<td>• As part of ‘employers in partnership’ challenge the nature of current provision based on employer feedback (see Appendix 3b), investigate the appetite of local companies to work collaboratively to develop the mutually beneficial methods of delivering training and develop new approaches eg access to specified niche modules from specialised providers</td>
<td></td>
</tr>
<tr>
<td>• Make a strong link between this partnership initiative and the University Technical Colleges (UTCs) at Silverstone and Daventry</td>
<td></td>
</tr>
<tr>
<td>• Support similar existing initiatives eg in Logistics, Creative</td>
<td>• Local engineering partnership in place (June /July 2013), provision influenced Autumn 2013 to Spring 2014 before first review</td>
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<td></td>
<td>• employers in partnership’ concept locally defined and recognised Spring 2014</td>
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<tr>
<td></td>
<td>• Target numbers of employers to be engaged by size and sector are clarified/established – Autumn 2013</td>
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<tr>
<td></td>
<td>• Target numbers of additional opportunities leading to more recruits trained to meet employers’ needs - Autumn 2013</td>
</tr>
<tr>
<td></td>
<td>• Partnership programmes which have been initiated in engineering, creative sector and logistics are extended and evidence of meeting skills needs gathered 2013-14</td>
</tr>
<tr>
<td></td>
<td>• Programmes developed in other sectors 2015 onwards</td>
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<tr>
<td></td>
<td>• UTC way of working established and extended beyond the school system 2015 onwards</td>
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<td></td>
<td>• Evaluation mechanism in place by December 2013 for first application in 2014</td>
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<td></td>
<td>• Link to Objective A – need to promote and update through a</td>
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</table>
Industries, Green Construction

- From these projects develop a prototype for local employer partnerships and seek funding support; once the current round of successful Employer Ownership pilots is published, seek to align to /learn from relevant projects; refer to Higher Education Case Study in Appendix 2b and Local Investment Case Study in Appendix 2d

- Periodically evaluate using available intelligence to ensure that the provision that is developed is meeting articulated needs and responding to evidence of what will be needed in the future

- Draw on and take advantage of the work of Sector Skills Councils eg SEMTA, C Skills, Skills for Logistics, Creative and Cultural Skills and others and their academies; also of various Professional Associations and the relevant range of technical and specialised bodies

- See Centre of Excellence –Objective E and Appendix 7

well-established local briefing/networking structure

- Visible link to Objective C –progression routes and opportunities visible and working

- Employers are regularly and efficiently involved in shaping FE/HE methods of delivery, influencing curriculum design and providing opportunities to gain practical experience

- See Objective E

<table>
<thead>
<tr>
<th>C Maximise apprenticeship take up at all levels</th>
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<tbody>
<tr>
<td>Activities</td>
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<tr>
<td>------------</td>
</tr>
<tr>
<td>• Align with Local Enterprise Partnership Apprenticeship (LEP) plans as they develop; link also with LEP strategic skills developments</td>
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<td></td>
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<tr>
<td><strong>Stakeholder Engagement</strong></td>
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<td>---------------------------</td>
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<tr>
<td>• Align with SEMLEP initiatives eg: ensure apprenticeships well developed in the target sectors eg manufacturing, creative industries, logistics, engineering and tackle specific framework issues eg maths levels; make provisions suit employers so that they participate; and increase take up by young people</td>
</tr>
<tr>
<td>• Make explicit the investment in young people through the mainstream funded provision and through Objectives A and B and the Centre of Excellence promote the image of apprenticeships</td>
</tr>
<tr>
<td>• Develop the diversity of advanced/higher level apprenticeships and explore ways of offering cost effective and tailored opportunities for older employees to up-skill through apprenticeships into higher education</td>
</tr>
<tr>
<td>• Include consideration of other linked issues eg work/industrial experience, traineeships and current work to support individuals or employers eg Construction Futures</td>
</tr>
<tr>
<td>• Identify areas where apprenticeship take up is growing to build on good practice; and do what is needed to remove barriers, eg lack of time and resources, ref Objective B</td>
</tr>
<tr>
<td>• <strong>See Objective E and Appendix 7</strong> – possible Apprentice Training Agency or similar to promote and facilitate greater take up by young people and adults and participation by employers or similar through <strong>Centre of Excellence</strong></td>
</tr>
<tr>
<td>• Maths project – possibly using innovation code – Autumn 2014</td>
</tr>
<tr>
<td>• Progression opportunities published 2013-14 – refer to Objective A and longer term plans to improve reflected in Apprenticeship Plans and LEP Strategic Plans</td>
</tr>
<tr>
<td>• Through Objective B structured input made from employers</td>
</tr>
<tr>
<td>• Good practice to support employers or learners showcased eg Apprenticeship Week 2014</td>
</tr>
<tr>
<td>• Increased numbers of apprentices in priority sectors</td>
</tr>
<tr>
<td>• See Objective E</td>
</tr>
</tbody>
</table>
### D  Build an holistic approach to up-skilling and/or supporting people to access the labour market

<table>
<thead>
<tr>
<th>Activities</th>
<th>Outcomes</th>
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<tbody>
<tr>
<td>• Build on worklessness group and other projects to bring together expertise, funding, experience to enhance and develop strong local programmes.</td>
<td>• There is a recognised and co-ordinated programme for a range of customer groups, long term unemployed, ex-offenders, those suffering from impairments, recently redundant which is well recognised with a reasonable level of success (to be defined Summer/Autumn 2014 in terms of the positive outcomes for those groups)</td>
</tr>
<tr>
<td>• Learn lessons from current work including the ‘Reach’ project and the Hope project – see Case Study 2a and the place of social enterprises in meeting some needs</td>
<td>• There is strong leadership for such a programme</td>
</tr>
<tr>
<td>• Seek funding to support the above or similar</td>
<td>• There are clear plans to develop and improve the programme</td>
</tr>
<tr>
<td>• Local Department for Work and Pensions (DWP) (JobCentreplus) to take a strategic approach to their work by being involved in discussions about the wider economy and community and relating their work and that of partners to the wider agenda</td>
<td>• There is innovative work on enterprise as well as employment.</td>
</tr>
<tr>
<td>• Based on the Sector Work Based Academy model to link with Objectives B/C, as part of the equal partnership between providers and employers, expand pre-employment opportunities</td>
<td></td>
</tr>
<tr>
<td>• Given the strength of entrepreneurship/self employment/business resilience in Northampton expand support for own businesses, perhaps through the social enterprise model linking with the University of Northampton</td>
<td></td>
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</tbody>
</table>
or an Enterprise Centre on the NWEZ

- Establish **strong partnership of providers, stakeholders and interested parties eg businesses**, led by DWP, supported by NEP to **lead the planning** for the above

- See **Objective E and Appendix 7: Centre of Excellence** could be a location for support for business start-ups and other support for career changers

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### E Centre of Excellence

<table>
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<tr>
<th>Activities</th>
<th>Outcomes</th>
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<tbody>
<tr>
<td>Longer term aspirations include:</td>
<td>The Centre of Excellence is intended to provide significant added value to what can be achieved under Objectives A-D eg information point, resources and support activities, state of the art development equipment, apprentice and other training opportunities, R&amp;D facilities, enterprise resources</td>
</tr>
<tr>
<td>• Information sources</td>
<td></td>
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<tr>
<td>• Interactive resources</td>
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<tr>
<td>• Support services for businesses</td>
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<tr>
<td>• Learning, development, training</td>
<td></td>
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<tr>
<td>• Leadership and management</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Physical Centre of Excellence and/or similar established 2015-16, including at least the single information and reference point and a range of the services and opportunities as listed under activities</td>
</tr>
</tbody>
</table>
• Apprenticeship Training Agency or similar
• Support for new businesses
• Technical emphasis – access to state of the art activity and equipment etc
• No sector excluded if can be accommodated and resourced
• Could be in part on the lines of a Growth Hub – refer to Appendix 2c
• Opportunities to put on lectures, provide local on-line resources, launch projects etc

• Timeframe:
  ➢ Feasibility study April/May 2013
  ➢ Review of options and aspirations following publication
  ➢ Business Plan linked to planned Innovation Centre and potential Enterprise Centre by December 2013
  ➢ 2013-2014 – programme of linked activities to test/promote the proposition
## F Create appropriate collaborative structure for implementation

<table>
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<th>Activities</th>
<th>Outcomes</th>
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<tr>
<td>• Develop an overall partnership structure to guide, monitor and own the</td>
<td>Partners work efficiently together to plan activity, maximise resources, effort and results. There is a clear methodology for doing</td>
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<tr>
<td>strategy as a whole; based on current Strategic Skills Group convened by</td>
<td>this which respects autonomy but where appropriate prioritises joint working, pooling/sharing</td>
</tr>
<tr>
<td>NEP</td>
<td>Strategic Skills Group briefed – March 2013 (done)</td>
</tr>
<tr>
<td>• Make explicit the governance structure – see section 4</td>
<td>Strategy published March 2013</td>
</tr>
<tr>
<td>• Examine what is needed in terms of structure to initiate/drive, co-</td>
<td>Groupings and individuals approached April 2013</td>
</tr>
<tr>
<td>ordinate efficiently the range of initiatives and projects in hand and</td>
<td>Work starts on implementation plans May 2013</td>
</tr>
<tr>
<td>planned and to encourage the sharing of activity and ideas which can be</td>
<td>Progress reported June 2013</td>
</tr>
<tr>
<td>very powerful</td>
<td>Co-ordination of activity and on-going information sharing</td>
</tr>
<tr>
<td>• Identify key qualities and behaviours to nurture; in particular the need</td>
<td>Action/implementation plans developed for each objective</td>
</tr>
<tr>
<td>to have a project leader with a background in skills who can think and</td>
<td>Process in place to monitor effectiveness</td>
</tr>
<tr>
<td>plan strategically, win the respect of partners, challenge and energise</td>
<td></td>
</tr>
<tr>
<td>them to contribute and drive the work with energy, enthusiasm and passion.</td>
<td></td>
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<tr>
<td>• Consult with other current groups looking at shared working</td>
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<tr>
<td>• Discuss with individuals/present to college leadership teams re roles and</td>
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<td>responsibilities for delivery</td>
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<tr>
<td>• Examine models in development locally or regionally.</td>
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<tr>
<td>• Identify key partners and funding/resources/capacity</td>
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</tbody>
</table>
4 Governance and alignment with other plans

Governance:

- Partnership structure to own the work, guide and monitor, holding partners to account, see Objective F
- The Enterprise Zone Board to receive reports of progress against the strategy and to provide feedback and if necessary to initiate intervention
- Initial plans to cover 2013-15; strategy and evidence base to be referred to as the work progresses and kept under review; formal review 2015-16 – unless too much changes before then!
- There would need to be someone with a skills background and experience of partnership working and strategic planning based in the EZ team at Northampton Borough Council with the remit to hold the work together and promote the partnership working. See Objective F

Alignment with other plans:

This plan will draw on and feed into other work eg LEP Apprenticeship Plans and Skills priorities, also institutions’ plans etc. Plans that are developing alongside (apprenticeship, SEMLEP Skills) will feed into and reflect the development of this one. For a matrix of other plans and priorities see appendix 5.

5 Development of projects (starting points)

Objective A (Skills, Linked Information and Support Services)- NBC to convene partners, including NEP, Chamber, IoD, FSB, STEM consultant, school/education rep to scope out the work based on the activities and outcomes listed and to consider appropriate involvement of businesses and others. Take note of outcomes from Sensemaker work, views of students etc, and measures to enable LEPs to encourage work placements.
Objective B (Employers in Partnership)- Work with the University of Northampton on developing NETP et al in the light of the report from the engineering companies. Also examine other contributions from the University, Colleges etc

Objective C (Apprenticeship) – Set up once the LEP plans are available – May 2013

Objective D (Access the Labour Market )- Support DWP lead

Objective E (Centre of Excellence) - Determine after publication of feasibility study

6 Appendices (available on request from mcumbleton@northampton.gov.uk)

Appendix 1a – Ecorys summary of desk top research
Appendix 1b- ICF GHK summaries of desk top research
Appendix 2a- Social Enterprise Case Study (ICF GHK)
Appendix 2b –Higher Education Case Study (ICF GHK)
Appendix 2c – Growth Hub Case Study (ICF GHK)
Appendix 2d – Local Investment Case study (ICF GHK)
Appendix 3a – Phase One employer survey (Ecorys)
Appendix 3b – Phase Two employer survey (Ecorys)
Appendix 4 – Workshops
Appendix 5 – Associated responses and plans
Appendix 6 – Face to Face research with engineering companies (Stuart Banks Engineering Ltd)
Appendix 7 – Centre Of Excellence (Castleton Consulting)
Appendix 8 – Sensemaker Survey
Northampton Waterside Enterprise Zone Skills Research

A report for Northampton Borough Council and South East Midlands Local Enterprise Partnership (SEMLEP)

Desk Research Summary Report
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1.0 Executive Summary

- The establishment of a more competitive and balanced economy is predicated on raising the skills profile of the UK workforce to successfully provide higher level skills for strategically and economically important sectors;
- Once locally specific strengths have been identified, responsibility for the targeting of resources, particularly in relation to education and training, rest with local authorities, providers and wherever possible, employers;
- The Coalition Government has identified Advanced Manufacturing and Engineering, Knowledge Intensive traded services and enabling sectors (such as energy and construction) as key growth sectors for local and national economies;
- According to SEMTA, Advanced Manufacturing comprises six sub-sectors, Aerospace, Silicon Electronics, Plastics/Printed Electronics, Industrial Biotechnology and Nano-technology, all of which are prominent within the Northampton and wider LEP economies;
- The most important occupational categories within SEMTA's footprint are skilled trades (21%), managers (20%) and professionals (20%);
- Over the next 10 years there is expected to be an 11% increase in managers, directors, and senior officers and a 14% increase in professional, associate and technical roles;
- The UK automotive industry is home to a number of high end, premium car manufacturers, which allows them to differentiate themselves from European and Asian manufacturers through greater export value and higher level skills;
- Automotive companies invest heavily in training, characterised by the recruitment of 14,000 apprentices during 2011;
- Construction, of late, has been the sector that larger economies (most notably the US) have utilised to stimulate job creation, economic recovery and growth;
- The skills profile of the construction industry is shifting to include a higher proportion of Managers, Professionals and Associate Professionals;
- Financial and Professional Services identified as 1 of 8 sectors in the 2011 Growth Review; a sector dominated by managers, professionals and associate professionals;
- It is important to recognise and cater for the contribution of the Logistics sector to the Northampton and LEP economies as part of any representative skills strategy and Action Plan;

The Local Picture

- The three largest sectors in terms of employment, across all spatial levels are Wholesale and Retail, Administrative and Support Service activities and Human Health and Social Work;
- According to the LEA, almost 2 in 5 employees (38.6%) in Northamptonshire work in sectors characterised as being part of the knowledge economy;
- Financial and Business Services account for well over a quarter of all jobs in Northampton;
- Northampton has a lower proportion of its workforce in the top three occupational categories of employment;
- Both Northamptonshire and Northampton Enterprise Partnership (NEP) have a lower proportion of people employed in professional occupations (16%) when compared to the national average of 19%);
- NEP has a lower proportion of its working age population with degree level qualifications or above;
- Northampton and Daventry have higher proportions of their working age populations with no formal qualifications.
2.0 Sectoral Profiling and Key Growth Sectors

This report provides a detailed but succinct summary of strategic and statistical information that achieves two principal objectives to support the future strategy development work of the Steering Group and other key stakeholders, including local authorities, Northampton Waterside Enterprise Zone, employers and training providers. Firstly, it is important to frame the research and the resultant strategy within a wider national context, with particular emphasis on understanding the infrastructural, labour market and skills profiles of key growth sectors and sectors of importance to national economic recovery and sustainable growth. Secondly, attention is turned to providing a detailed economic profile and structure of the spatial area covered by the South East Midlands Local Enterprise Partnership (SEMLEP). This will include assessments of the local labour market and proposed growth sectors identified within the Local Economic Assessment. Emphasis has been placed on detailing locally specific strengths and weaknesses in both the labour market and sectoral profiles of the study area to assist in the identification of possible actions for the strategy.

2.1 Long Term Economic Prosperity and Sectoral Specialisation

Successive National Skills strategies, penned by both the former Labour and current Coalition Governments, have sought to position the labour market and skills base of the UK within a wider assessment of European skills and to consider the role skills will play in providing a more stable, and diverse economy. In seeking to establish a more competitive and balanced economy, emphasis has been placed on raising the overall skills profile of the UK workforce, alongside providing higher level skills for strategically and economically important sectors. As stated within the Coalition Government’s Industrial Strategy, a sector based approach to industrial policy and sustainable economic growth ‘can promote a greater measure of diversity in economic activity, which may secure an enhanced resilience to economic shocks’.

2.1.1 The UK’s Growth Sectors

Both immediate and long-term recovery will be predicated on identifying where the UK, and its constituent regions and localities, can have greatest success in capturing high value opportunities based upon key strengths and capabilities. Once identified, it is then the responsibility of locally specific stakeholders (supported through national policy and funding interventions) to target resources, particularly within the education and training arenas, to facilitate and nurture continued development and expansion in these areas of strength. However, it is essential that policy and decision makers at all spatial levels ensure that growth is not predicated solely on the relative performance of one or two industry sectors or sub-sectors, but on the contributions that can be made by a variety of industries. For example, Northamptonshire and the wider SEMLEP and NEP areas, have clear areas of specialisation and competitive advantage in motorsport, mechanical engineering, business and finance and logistics.

The sectoral specialisations of prominence within the economies of Northampton, the wider county, SEMLEP and NEP, carefully mirror those that have been pushed to prominence at national level as part of the National Growth and Industrial strategies. Through considering the size and opportunity for future growth, together with the barriers to growth and scope for government action, both the Department for Business, Innovation and Skills (BIS) and the Coalition Government have collectively identified the following sectors as adding the most value:

- Advanced Manufacturing and Engineering: Including aerospace, automotive and life sciences;
• Knowledge intensive traded services: Including professional and business services, the information economy and traded aspects of higher and further education; and
• Enabling sectors: such as energy and construction.

Many of the sectors above benefit from a strong physical infrastructure within the enterprise zone and the wider catchment area and are now in a position to benefit from central Government support, including a major Government initiative in relation to STEM, which has served to highlight skill shortages in the workforce.

2.2 National Profile of Locally Important Industrial Sectors

As highlighted above, many of the industrial sectors of importance to the national economy feature prominently in the sectoral profile of the study area, particularly within Northampton and Northamptonshire. Therefore, before assessing the labour market and economic infrastructure of the study area, there is significant benefit to be gleaned from outlining and analysing the national profiles of these growth sectors. Particular emphasis has been placed on understanding the strategic importance of the sector, its composition and profile, workforce demographics and current and future skills requirements.

2.2.1 Advanced Manufacturing and Engineering

Relevant Sector Skills Councils: SEMTA and Summit Skills

BIS has identified the Advanced Manufacturing (including engineering) as comprising six sub-sectors, all of which play an important role in the local economies of Northampton, Northamptonshire, SEMLEP and the Enterprise Zone: Aerospace, Silicon Electronics, Plastics/Printed Electronics, Industrial Biotechnology; Composites and Nano-technology. The automotive industry is also of particular importance to the Enterprise Zone and wider study area and is analysed below.

Advanced Manufacturing represents one of the best opportunities for the UK to not only re-balance the economy, but also to promote long-term economic growth. The constituent sectors have the potential to drive up levels of value added and make a substantial contribution to export growth. This is evidenced by the fact that the industry accounted for over half of all UK exports in 2009, 12% of gross value added (GVA) and employed approximately 2.6 million people in 2010.

Table 2.1 Key Economic, Demographic and Infrastructural Facts

- Mature engineering industries account for 47% of employment, 815,000 employees;
- The six sub-sectors above contain a higher proportion of micro-businesses employing between 1 and 10 people;
- Almost two thirds of the workforce (61%) are between the ages of 35 and 59, much higher than the 46% for all sectors;
- Only 9% of the manufacturing workforce is under 25 compared to the cross-sectoral average of 13%;
- The most important occupational categories within SEMTA’s footprint are skilled trades (21%), managers (20%) and professionals (20%);
- The proportion of employees in higher skilled occupations (SOC codes 1, 2 and 3) is greater for SEMTAs sectors (52%) than for all sectors in the UK (43%);
- Over the next 10 years there is expected to be an 11% increase in managers, directors, and senior officers and a 14% increase in professional, associate and technical roles;
- This is counterbalanced by a 16% reduction in skilled trades, highlighting the importance of ‘upskilling’
2.2.2 Automotive

The UK automotive industry, which incorporates both manufacturing and retail activities, remains a vitally important part of the UK economy, particularly in the heartlands of the East and West Midlands. Annually, the sector generates £50 billion in turnover and typically delivers around £10 billion in net value added to the UK economy. The UK is home to seven volume car manufacturers, eight commercial vehicles manufacturers, 11 coach and bus manufacturers and more than 10 niche and specialist vehicle manufacturers. There are two critical differentiators between the UK Automotive industry and those of other European nations and the Far East; two differentiators that serve to maintain its competitive advantage within the global market place. Firstly, many automotive companies, thinking in particular, of Jaguar Land Rover and Bentley, operate in the premium market, and provide far superior vehicles to those manufactured in many European and Far Eastern countries. Only Germany, with Mercedes Benz and BMW, has car manufacturers to rival those of the UK. Secondly, and related to the previous point, the UK Automotive sector is not as heavily reliant on the suppressed consumer markets and wider economies of Europe. As stated, below, the sector is the largest in terms of export revenue. Jaguar Land Rover sold over 71,000 vehicles to overseas markets last year, and the sector as a whole exports to over 100 markets worldwide accounting for 11% of total UK exports across all sectors. This compares more than favourably with the likes of Peugeot, Fiat and Renault, who have been adversely impacted by waves of poor demand, severe over capacity and a lack of finance.

Table 2.2 Key Economic, Demographic and Infrastructural Facts

- The automotive industry is the UK’s largest sector in terms of exports and generated £29 billion of export revenue for the UK in 2010. In a typical year, UK car manufacturers;
- The industry employs over 730,000 people across manufacturing, retail and aftermarket sectors;
- Eight Formula One teams and the largest concentration of motorsport firms can be found in Motorsport Valley, of which Northampton, the county and SEMLEP are an integral part;
- The automotive industry is at the forefront of Research and Development and has been a constant innovator of new products to encourage safer and greener motoring;
- The industry invests 20 billion Euros a year in R&D and a strategic shift towards a low carbon economy will see in excess of £150 billion invested in low and ultra low carbon vehicle technologies over the next 20 years;
- 2011 saw a number of high profile announcements from Global Original Equipment Manufacturers (OEMs) regarding investment in the UK automotive sector. The investments, from companies such as McLaren Automotive, Rolls Royce, Tata Motors, Toyota, Honda and Aston Martin, resulted in the creation of 9,900 new jobs and the safeguarding of a further 12,000. Investments in facilities expansion and new models were worth more than £4 billion.

The UK automotive industry is a very highly skilled sector, and as such, invests heavily in training and upskilling, employing thousands of apprentices. According to SMMT, new engineering and technology graduates have a starting salary more than 10% higher than other UK graduates and in 2011 over 14,000 Apprentices were recruited. According to the Chief Executive of SMMT, ‘The UK automotive industry offers fantastic career and skills opportunities for young people across a huge variety of disciplines, from design, engineering, supply chain, manufacturing, retail and aftermarket.

Table 2.3 Automotive Skills

- In 2011 64% of UK automotive companies provided training, with 58% recruiting 16 year olds from schools and 11% directly from Universities and Higher Education Institutions;
2.2.3 Construction (incorporating Sustainable Construction)

Relevant Sector Skills Council: Construction Skills

Construction, which is increasingly having to consider implications associated with environmental sustainability and sustainable construction, continues to be a vital component of the UK economy, not only directly as a result of its contribution to output and employment, but also strategically in its contribution to the built environment and as part of various initiatives to stimulate growth. Construction was one of the first sectors impacted by the economic downturn and one of the worst affected in terms of relative decrease in employment. It has also been the sector that larger economies like those of the US and UK have turned to in order to stimulate recovery and growth.

Table 2.4 Key Economic, Demographic and Infrastructural Facts

- Turnover for the sector was £184.13 billion in 2010, with the top 100 construction companies in the UK accounting for more than 37% of the sector’s total turnover;
- Across all sectors of the UK, 59% of employment is within SMEs (0-249) while in construction 85% of employment is concentrated in firms with less than 250 employees;
- The majority of construction workers are between the ages of 25 and 59 (more than 80%);
- Only 11% are aged between 16 and 24, compared with 13% for all sectors;
- Replacement demand for skilled construction and building trades in the period 2010 to 2020 is expected to be 434,000, which will equate to 43% of the sector workforce by 2020;
- There are continued concerns about the attractiveness of the sector to young people and the importance of bringing in skilled trades at the younger age ranges;
- Drivers for change in the construction sector include meeting low/zero carbon requirements, adopting new technologies and satisfying other regulatory requirements;
- To meet these challenges, the skills profile of the sector has been changing with an increased share of people working in higher level occupations, particularly Managers, Professionals and Associate Professionals.

2.2.4 Professional and Business Services

Relevant Sector Skills Council: Financial Skills Partnership

The Financial and Professional Services sector continues, in spite of its recent negative press, to be a major engine for growth for the UK economy throughout the 21st Century and was identified by the Coalition Government as one of 8 sectors within the 2011 Growth Review. According to 2010 data, the sector had output of nearly £200,000 million, having grown by 4.4% every year in the period 2000 to 2010, and employment of 3.65 million.

Table 2.5 Key Economic, Demographic and Infrastructural Facts

- In 2010, 63% of total employment resided in financial, insurance and other professional services sub-sectors, 12% in real estate activities, 4% in rental and leasing and 21% in employment activities;
- Over half of all employment in the financial, insurance and other professional services sub-sectors can be found among micro-businesses and a further 35% among establishments with fewer than 24 employees;
- 30% of employment in the sector are aged 45-59, with 28% aged 25-34 and 26% aged 35-44;
Employment in the sector is dominated by managers, professionals and associate professionals, who comprised approximately 55 per cent of employment in the sector;

In the period to 2020, the number of employees required in these highly skilled occupational groups will continue to grow and will account for 60% of the workforce;

In addition to requirements at managerial and professional level (SOC codes 1, 2 and 3), the sector will have strong demand for within other occupational groups, in particular clerical and administrative and sales and customer service (SOC codes 4 and 9)

2.2.5 Logistics

Relevant Sector Skills Council: Skills for Logistics

Whilst perhaps not considered to be one of the ‘sexy’ sectors that will elicit significant economic growth and the provision of large volumes of highly skilled, high value added employment, it is still an important contributor to the economy of the study area. To this end, it is important to briefly reflect upon, and assess the profile of the sector in the same way as those outlined above.

Logistics is the flow of goods between the point of origin and the point of consumption in order to meet the requirements of consumers. The sector operates 24 hours a day, does so on a global scale and underpins all other sectors of the economy. Despite this, many people are still unaware of the sector’s importance to global, international, national, regional and local economies. To this end, it is not surprising that the sector has been somewhat overlooked by national and local policy objectives. Logistics employers are spread across the UK and are engaged in all modes of transport: road, rail, air and sea. Logistics also includes other activities that form part of the supply chain, such as cargo handling, warehouse and storage, freight forwarding and the supporting activities provided by port and airport authorities.

Table 2.6 Key Economic, Demographic and Infrastructural Facts

- The Logistics Sector employs 1.55 million people across 192,740 companies. The sector is dominated (81%) by workplaces employing 10 or fewer people;
- Nearly half (48%), or 746,800 individuals, do not have a level 2 qualification, a much higher proportion than the all-sectors figure of 29%;
- The extent to which UK logistics employees are trained is particularly weak compared to international competitors;
- Research shows that 47% of companies with fewer than 5 employees provide training, while nearly all (97%) of those with more than 100 employees do so. This is significant in a sector dominated by small companies;
- The transport sector accounts for 21% of the UK’s domestic greenhouse gas emissions with freight transport alone accounting for 31% of the sector’s output. The sector is looking at a number of ways to reduce its environmental impact;
- The Driver CPC legislation will have a massive impact on the Logistics Sector as over 300,000 professional drivers, in vehicles over 3.5 tonnes, will be required to take the training in the next five years;
- The Coalition Government has increased numbers of apprenticeships places, with Logistics recognised as a priority sector by the National Apprenticeship Service.
2.3 The Local Picture

In order to ensure the strategic relevance and appropriate targeting of interventions as part of the proposed strategy, it is important to consider and discuss the profile of the study area. That said, the individuals and organisations that will ultimately be responsible for the design, content and implementation of the strategy should have a detailed understanding of the relative strengths of the study area and its profile. The information provided in this sub-section, therefore, will draw out key facts and statistical evidence that may be of importance, and may potentially shape the content of the final skills strategy and action plan. Data contained in this section has been derived from the Northamptonshire Local Economic Assessment and Office for National Statistics employment and business data (taken from NOMIS and neighbourhood statistics).

2.3.1 Employment by Sector

Table 1.7 below provides an abridged version of local employment by industry sector. Data has been provided based upon two key criteria: firstly, the importance of the sector for employment and GVA and secondly, its identification and inclusion as one of the ‘key growth sectors’ within either national or local policy.

### Table 2.7 Employment by Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Northamptonshire (County and LEP)</th>
<th>Northampton</th>
<th>Nottinghamshire</th>
<th>SEMLEP</th>
<th>East Midlands</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>12.3</td>
<td>7.6</td>
<td>13.3</td>
<td>10.0</td>
<td>13.0</td>
<td>8.7</td>
</tr>
<tr>
<td>Construction</td>
<td>4.3</td>
<td>3.7</td>
<td>7.0</td>
<td>4.1</td>
<td>4.9</td>
<td>4.5</td>
</tr>
<tr>
<td>Wholesale and retail trade; repair of motor vehicles and motorcycles</td>
<td>18.5</td>
<td>16.0</td>
<td>18.4</td>
<td>18.7</td>
<td>17.4</td>
<td>16.2</td>
</tr>
<tr>
<td>Transportation and storage</td>
<td>7.7</td>
<td>6.0</td>
<td>4.3</td>
<td>6.2</td>
<td>5.0</td>
<td>4.7</td>
</tr>
<tr>
<td>Financial and insurance activities</td>
<td>3.1</td>
<td>6.0</td>
<td>1.5</td>
<td>2.8</td>
<td>2.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Professional, scientific and technical activities</td>
<td>5.6</td>
<td>6.3</td>
<td>4.8</td>
<td>6.8</td>
<td>5.0</td>
<td>7.5</td>
</tr>
<tr>
<td>Administrative and support service activities</td>
<td>11.0</td>
<td>13.5</td>
<td>6.1</td>
<td>10.3</td>
<td>9.2</td>
<td>8.3</td>
</tr>
<tr>
<td>Education</td>
<td>8.2</td>
<td>7.0</td>
<td>8.6</td>
<td>9.3</td>
<td>10.0</td>
<td>9.5</td>
</tr>
<tr>
<td>Human health and social work activities</td>
<td>11.0</td>
<td>12.9</td>
<td>13.8</td>
<td>11.0</td>
<td>13.0</td>
<td>12.7</td>
</tr>
</tbody>
</table>

*NOMIS Business Register and Employment Survey (BRES), 2011*

The three largest sectors in terms of employment, across all spatial levels are Wholesale and Retail, Administrative and Support Service activities and Human Health and Social Work and the proportions of employment are all higher than the national average. These sectors would be classified as low skilled and low value added and reflect the broad skills profile of the study area. There is also significant employment in manufacturing, particularly within the NEP boundary (12.3%) and that of the East Midlands (13%) region, when compared to the national average (8.7%), and Transport and
Storage. Transport and Storage, more commonly referred to as Logistics, is also a more important sector to the local economy, when compared to other regional averages and the national average.

2.3.2 Key Areas of Employment

The table and descriptive text above, has provided an overview of the sectoral profile of the spatial area, but it is important to ‘drill deeper’ and consider industries and activities within which Northampton, the county and the wider LEP areas, have a strategic and competitive advantage. These activities have been identified and discussed as part of the Local Economic Assessment (LEA) and should form the focal point of any proposed strategy and action plan.

2.3.2.1 High Performance Technologies, Engineering and Motorsports

Northamptonshire, which also encompasses the Enterprise Zone, has a world wide reputation as a leader in high performance engineering and research. The county alone is already home to over 1,500 high performance technology companies, representing all levels of the supply chain. This ‘sector’, which has a local annual turnover of approximately £2bn, encompasses a range of industrial and research and development activities in the low carbon sector, in relation to renewable energy and sustainable construction. Key strengths, both in relation to infrastructure and business presence include the following:

- Recognition as ‘Motorsport Valley’ largely as a direct result of its rich heritage, the location of Silverstone, home of the Formula One British Grand Prix, and the quality and quantity of world class engineers;
- The presence of engineering employers including: Cosworth in Northampton, Mercedes-Benz HPE and Imor Engineering in Brixworth, together with F1 teams such as Force India and Mercedes GP at Brackley and other racing tracks such as Rockingham and Santa Pod;
- 3.1% of employees in the Northamptonshire work in the high performance engineering sector;
- The importance of High Performance Technologies for the immediate locality has been recognised via the establishment of the High Performance Technology (HPT) Network;
- The presence of the UTC at Silverstone has been widely recognised as an opportunity for growth and skills development and as a link between employers and training providers.

2.3.2.2 Knowledge Economy Employment

According to research undertaken for the completion of the Local Economic Assessment, almost 2 in 5 employees (38.6%) in Northamptonshire work in sectors characterised as being part of the knowledge economy. This proportion is below the England average of 42.1%, but higher than the regional position that equates to 36%. Northampton has the highest proportion of employment in the ‘Knowledge Economy’ (44%) with Corby having the least (28.6%). However, many of the comparator areas, most notably Milton Keynes (48.5%) have a higher percentage of knowledge economy employment.

2.3.2.3 Business Services

The business services sector is flourishing in Northampton. Financial and business services account for well over a quarter of all jobs in the town, which is significantly above the national average. With its expanding population, competitive overheads, and strategic location in the centre of England, Northampton and the wider catchment, including the county and SEMLEP areas, offer a competitive advantage to the full spectrum of firms in the sector, from SMEs to multinational corporations.

Financial giants including Barclaycard and Nationwide have a major presence in the town, and are joined by a wide variety of companies that chose Northampton to base their regional, national or international headquarters.
2.3.3 Occupational Profile

A critical element of the strategy and action plan will be its focus on particular occupational levels and the establishment of an approach that facilitates progression from lower to higher occupations. An important starting point in achieving this is to provide key decision makers with an occupational breakdown of the workforce. Ideally, it would have been beneficial to provide an occupational breakdown by each of the sectors and industries discussed above. However, the vagaries of data collation mean that there is no occupational profiling data for individual sectors at the necessary spatial levels.

Table 2.8 Employment by Sector

<table>
<thead>
<tr>
<th>Occupational Level</th>
<th>Northamptonshire</th>
<th>Northampton</th>
<th>Nottinghamshire</th>
<th>SEMLEP</th>
<th>NEP</th>
<th>East Midlands</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers, directors and senior officials</td>
<td>10.5</td>
<td>8.2</td>
<td>9.1</td>
<td>10.3</td>
<td>10.5</td>
<td>10.0</td>
<td>10.2</td>
</tr>
<tr>
<td>Professional occupations</td>
<td>16.0</td>
<td>17.4</td>
<td>17.2</td>
<td>18.5</td>
<td>16.0</td>
<td>16.9</td>
<td>19.5</td>
</tr>
<tr>
<td>Associate prof &amp; tech occupations</td>
<td>13.8</td>
<td>13.5</td>
<td>12.3</td>
<td>14.0</td>
<td>13.8</td>
<td>12.4</td>
<td>13.9</td>
</tr>
<tr>
<td>Administrative and secretarial occupations</td>
<td>10.1</td>
<td>11.2</td>
<td>12.0</td>
<td>11.2</td>
<td>10.1</td>
<td>10.7</td>
<td>11.1</td>
</tr>
<tr>
<td>Skilled trades occupations</td>
<td>10.4</td>
<td>8.2</td>
<td>12.7</td>
<td>10.4</td>
<td>10.4</td>
<td>12.2</td>
<td>10.7</td>
</tr>
<tr>
<td>Caring, leisure and other service occupations</td>
<td>10.5</td>
<td>9.8</td>
<td>9.1</td>
<td>8.8</td>
<td>10.5</td>
<td>9.1</td>
<td>8.9</td>
</tr>
<tr>
<td>Sales and customer service occupations</td>
<td>6.2</td>
<td>7.6</td>
<td>7.8</td>
<td>7.7</td>
<td>6.2</td>
<td>7.6</td>
<td>8.0</td>
</tr>
<tr>
<td>Process, plant and machine operatives</td>
<td>8.5</td>
<td>6.4</td>
<td>6.7</td>
<td>6.3</td>
<td>8.5</td>
<td>8.2</td>
<td>6.4</td>
</tr>
<tr>
<td>Elementary occupations</td>
<td>14.2</td>
<td>17.7</td>
<td>12.7</td>
<td>12.5</td>
<td>14.2</td>
<td>12.6</td>
<td>11.0</td>
</tr>
</tbody>
</table>

Looking first at higher level occupations, Northampton has a lower proportion of the workforce in the top three categories of employment, when compared, not only to the national average, but also compared with the county and two LEP areas. Northamptonshire and Northampton Enterprise Partnership (NEP) have a lower proportion of people employed in professional occupations (16%) when compared to the national average (19.5%).

Of particular concern from the perspective of the skills strategy, is the proportion of the Northampton workforce employed in elementary occupations, with it being more than 6% higher than the national average and a minimum of 3% higher when compared to the county and LEP areas.
2.3.4 Skills and Qualifications Profile

In reviewing the qualifications data detailed in Table 1.9 below, there are some significant variations in the prevalence of high level skills, particularly when assessing district performance.

Table 2.9 Highest Level of Qualification

<table>
<thead>
<tr>
<th>Location</th>
<th>% with nvq4+ aged 16-64</th>
<th>% with nvq3+ aged 16-64</th>
<th>% with nvq2+ aged 16-64</th>
<th>% with nvq1+ aged 16-64</th>
<th>% with no qualifications aged 16-64</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corby</td>
<td>17.2</td>
<td>41.3</td>
<td>59.5</td>
<td>76.9</td>
<td>11.2</td>
</tr>
<tr>
<td>Daventry</td>
<td>29.7</td>
<td>50.2</td>
<td>65.3</td>
<td>78.0</td>
<td>18.0</td>
</tr>
<tr>
<td>East Northamptonshire</td>
<td>29.2</td>
<td>48.5</td>
<td>73.4</td>
<td>89.2</td>
<td>6.9</td>
</tr>
<tr>
<td>Kettering</td>
<td>33.7</td>
<td>53.1</td>
<td>70.5</td>
<td>84.0</td>
<td>7.0</td>
</tr>
<tr>
<td>Northampton</td>
<td>31.0</td>
<td>48.4</td>
<td>62.0</td>
<td>75.0</td>
<td>15.9</td>
</tr>
<tr>
<td>South Northamptonshire</td>
<td>32.9</td>
<td>50.9</td>
<td>75.0</td>
<td>88.5</td>
<td>6.5</td>
</tr>
<tr>
<td>Wellingborough</td>
<td>21.4</td>
<td>44.7</td>
<td>66.7</td>
<td>81.9</td>
<td>12.0</td>
</tr>
<tr>
<td>Milton Keynes</td>
<td>30.9</td>
<td>51.9</td>
<td>68.8</td>
<td>84.3</td>
<td>8.9</td>
</tr>
<tr>
<td>Northamptonshire (same as NEP)</td>
<td>29.1</td>
<td>48.6</td>
<td>66.9</td>
<td>80.9</td>
<td>11.9</td>
</tr>
<tr>
<td>South East Midlands LEP</td>
<td>31.9</td>
<td>52.1</td>
<td>69.5</td>
<td>83.0</td>
<td>10.3</td>
</tr>
<tr>
<td>East Midlands</td>
<td>28.4</td>
<td>50.1</td>
<td>68.2</td>
<td>82.1</td>
<td>11.5</td>
</tr>
<tr>
<td>England</td>
<td>32.7</td>
<td>52.4</td>
<td>69.5</td>
<td>82.8</td>
<td>10.4</td>
</tr>
</tbody>
</table>

At county level, Northamptonshire and NEP has a lower proportion of its working age population (16-64) with Degree level qualifications or above (29.1%) when compared to the national average, a situation mirrored by the overall qualifications profile of the East Midlands region (28.4%). SEMLEP performs better with a qualifications profile very similar to that of the national average. Of particular concern are the figures for selected local authorities. Both Corby and Wellingborough have significantly lower proportions of their working age population qualified to Level 4 or above, highlighting the need for targeted support to raise this percentage. However, these two localities do not have significantly different issues in respect of individuals with no formal qualifications, when compared to other areas. The same cannot be said for Daventry and Northampton, both of who have significantly higher proportions of their working age populations with no formal qualifications (18% and 15.9% respectively).
Northampton Waterside Enterprise Zone
Skills Strategy

Appendix 1b: National and local skills context
Northampton Borough Council
Northampton Waterside Enterprise Zone Skills Strategy

Report 1: National and local skills context

Northampton Borough Council

A report submitted by ICF GHK

Date: 22nd March 2013
Document Control

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</tr>
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<td>Marc Eatough, Peter Dickinson and Jane Sanderson</td>
</tr>
<tr>
<td>Checked by</td>
<td>Peter Dickinson</td>
</tr>
<tr>
<td>Date</td>
<td>22nd March 2013</td>
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# Introduction

ICF GHK was commissioned by Northampton Borough Council in September 2012 to undertake a research study to develop a comprehensive evidence base and analysis of current and future skills needs of target sectors and high growth clusters within the Northampton Waterside Enterprise Zone (NWEZ) and the wider South East Midlands Local Enterprise Partnership (SEMLEP) area. The NWEZ was established to catalyse growth opportunities for Northampton and the wider SEMLEP and NEP areas with ambitions to create a significant level of jobs and businesses that will lever private sector investment.

The aspiration for the NWEZ is to create:

‘a national centre of excellence for advanced technologies, precision engineering, low carbon technology, sustainable construction and high performance engineering, motorsport, aerospace, automotive and sustainable construction’.

*Source: Northampton Waterside Enterprise Zone Submission to Government*

The key findings and recommendations of the study will be used to inform the preparation of a Skills Strategy and Action Plan for the target sectors of the NWEZ. The Strategy and Action Plan will form a key strategic document to help stimulate growth in the local economy through ensuring that the provision of skills meets the current and future needs of the local economic and labour market and provide the framework to enable training and education providers to work with existing and prospective businesses to ensure future educational and skills-based training is appropriate to employers’ needs.

## 1.1 Study objectives

The main aim of this study was to provide: “...comprehensive evidence base and analysis of the current and future adult skills needs of target sectors and high growth clusters to facilitate the development of a Skills Strategy and Action Plan for the Northampton Waterside Enterprise Zone (NWEZ) and the wider South East Midlands LEP (SEMLEP) and Northamptonshire Enterprise Partnership (NEP) areas”.

As outlined in the ITT and our subsequent proposal the associated objectives and outcomes of the study were to:

**Analyse the current position**

- Contextualise local and sectoral labour market information to provide an accurate picture of the current and future skills levels, requirements and provision within the Northampton Waterside Enterprise Zone and its catchment area.

**Identify key issues, challenges**

- Review existing and future skills needs, opportunities and challenges and barriers to skills training of existing and potential occupiers of the Northampton Waterside Enterprise Zone in the target sectors and associated supply chains.
- Identify the actual and perceived barriers to effective skills training from a provider perspective.

**Diagnose and identify good practice**

- Consider the quality and effectiveness of skills and skills training provision, including best practice and innovative approaches, challenges and gaps within the context of the Enterprise Zone’s target sectors, identifying those areas that need to be addressed.
- Explore through case studies of skills and business support initiatives from elsewhere in the UK of how provision could be developed and replicated in Northampton to promote innovation and business growth connected to the NWEZ

**Inform the preparation of the Skills Strategy and Action Plan**
Provide recommendations and areas for consideration to inform and help shape the Strategy and Action Plan.

1.2 Purpose of this report

The purpose of this report is to: set out the national sector skills picture identifying existing and future skills needs, gaps and challenges to the six NWEZ priority sectors; and, Contextualise the local and sectoral labour market by providing an accurate picture of the current and future skills levels & needs across Northampton and the wider SEMLEP area.

1.3 Summary of data reviewed

The findings and key issues identified in this report have been informed by interviews with members of the NWEZ Steering Group and wider stakeholders, (including, representatives from the FE and HE sectors, local business support organisations), and a detailed review of national and local reports and relevant ‘grey literature’, including:

- Sector based studies, specific to the six target sectors of the Enterprise Zone, including national intelligence gathered by SEMTA, Sector Skills Council ‘Sector Skills Assessments’, Skills Funding Agency, and local sector specific intelligence and research, such as the Roger Tym and Partners High Performance Engineering Sector Study for Northamptonshire, etc;

- Labour market, employment, skills and economic data e.g. identifying (through the Annual Business Inquiry, data held on the Northamptonshire Observatory, Local Economic Assessments, Working Futures projections and National Employer Skills Survey where employers in priority sectors are located, key economic trends in terms of labour market profiles, skills gaps, business start-up and density rates, hard to fill vacancies, vacancies by industry, etc;

- Key national, local and SEMLEP strategy, planning and policy documents pertinent to the Northampton EZ, as well as the geographical area more broadly, for example the NWEZ Application Form and associated evidence base; and

- Mapping of existing skills and associated business support provision: which sectors and businesses learning providers deliver to (e.g. from the ILR), target sectors and businesses (e.g. start-ups, high growth) with the intention of identifying geographic and sector coverage and potential gaps in provision. This included an initial presentation of effective practice approaches based on ICF GHK’s existing knowledge base.

1.4 Geographic and sector focus of the study

The analysis contained in this report has the following spatial and sector focus:

- Spatial focus: Northampton; the South East Midlands Local Enterprise Partnership (SEMLEP) area, the East Midlands; and, the United Kingdom.

- Sector focus: Advanced Technology and High Performing Engineering; Financial and Business Services; Logistics; Sustainable Construction; Creative Industries; and Leisure.

1.5 Report structure

The report is structured as follows:

- Section 2 National Skills Context for Northampton sets out the headline skills problems and challenges facing the UK economy as a whole; and the opportunities facing each local priority sector at the national level, including their implications in terms of demands on each sector’s skill requirements;

- Section 3 Local Labour Market and Skills Context: sets out the economic and labour market context for the study, providing insights into the current and future skills levels and needs across Northampton and the wider SEMLEP area specific to the six target NWEZ sectors.
2 National sector skills context Northampton

2.1 Introduction

Section 2 provides:

- an overview of the headline skills problems and challenges facing the UK economy as a whole;
- a summary of the key challenges and opportunities facing each NWEZ priority sectors at the national level, including their implications in terms of demands on each sector’s skill requirements;
- the national employment and skills needs of each priority NWEZ sector; and,
- the skills supply and demand issues, identifying the key skills-matches and gaps in skills training requirements and provision.

2.2 National skills overview

The UK’s working age population is less skilled than its main competitors which impacts on productivity and competitiveness. The current economic situation means that relatively few employers have hard-to-fill and skill shortage vacancies, but those who do report them are concentrated in certain sectors and occupations. Reported skills shortages in Northamptonshire are amongst the highest in the UK:

- The UK’s working age population is less skilled than that of France, Germany and the US and this contributes to the UK being at least 15% less productive than those countriesiii;
- Almost 1.5 million employees do not have the skills required to perform their job role, with persistent pockets of concentration of these skills gaps, to which training is often a responseiv;
- The labour market is largely able to meet the requirements of most businesses. Only 4% of employers had a vacancy they considered to be 'hard-to-fill'. A third of all vacancies were hard-to-fill as a result of a lack of skillsv;
- But there are concentrations of skills shortages in particular industries and occupations. For instance it is amongst Skilled Trades occupations where employers experience the greatest difficulties in meeting their demand for skills from the available labour market;
- Businesses in the Manufacturing and Community, Social and Personal Services sectors are most likely to report that their vacancies are hard-to-fill for skills related reasons (24 and 23%, respectively, of vacancies are skill-shortage vacancies)vii;
- Kirklees, Coventry and Northamptonshire are the Local Education Authorities with the highest density of skill-shortage vacanciesviii;
- Mid-sized establishments (employing between 25 and 199 staff) are the only ones to report an increase in the proportion of vacancies that are due to skill-shortagesix;
- The UK is currently weak in the vital intermediate technical skills that are increasingly important as jobs become more highly skilled and technological change acceleratesix;
- Approximately 80% of the people who will be in the workforce in 2020 have already left compulsory educationvii; and,
- There remains a problem with adult literacy in this country with 16% of the working age population (5.2 million people), not having functional levels of literacy in 2003xi.
Most workplaces provide off or on the job training whilst the main barrier to training is the financial cost

- Most workplaces (59%) provide off-or on-the-job training for some of their staff. In the 12 months prior to 2012 employers had funded or arranged training for approximately 15 million staff (equivalent to 54% of the total UK workforce at the time of the survey) and provided 117m days of training (equivalent to 4.3 days per employee per annum);xi;
- Whilst the numbers of people trained by UK businesses is comparable to its competitors the duration and quality of training is lower;xiii
- The most common reason for not training is that employers consider their staff to be fully proficient and / or that their staff did not need training;
- Failures in training supply was not identified as a reason for not training, though a lack of suitable provision is one of a number of factors preventing employers that train from providing more training; and,
- The main barrier cited amongst employers that train was the financial cost.

1 ½ million jobs will be created between 2010 and 2020

- Total employment in the UK labour market is expected to rise from 28.9 million to 30.6 million, with the UK economy generating around 1 ½ million additional jobs between 2010 and 2020;
- The working age population and workforce are projected to rise significantly but labour market participation rates are expected to fall slightly, reflecting the aging of the population;

Private services will be the main source of employment growth in the UK

- Private services are expected to be the main source of jobs growth, with employment projected to rise by more than 1.5m (+9%) increasing its share of total employment from 55% to 58%. Business and other services will experience significant growth of 12%, equivalent to more than 1 million additional jobs;
- Manufacturing is projected to maintain its share of total output (at around 11%) up to 2020 but to see a small fall in its share of employment, from 8% to 7%.

Table A1.1 in Annex 1 summarises the sector prospects and employment growth projections by broad sector.

There is projected growth in high skilled, white collar occupations and a continued sharp decline in skilled and semi-skilled manual roles

- There is forecast to be a continued trend of employment growth in higher skilled, white collar occupations, including managers, professionals and associate professional roles with an estimated 2 million additional jobs in these occupations by 2020. These three occupations are projected to increase their share of total employment from 42% to 46% over the 10 year period;
- Continuing sharp declines in employment are expected for skilled and semi-skilled manual roles, including in skilled trade occupations and process, plant & machine operatives. 400,000 such manual jobs are forecast to disappear between 2010 and 2020, reducing the combined employment share of these occupations from 18% to 16%;
- Administrative and secretarial occupations are projected to see a loss of almost 400,000 jobs, a fall of around 11%, largely as a result of the continuing impact of technology in the workplace. There is still expected to be around 3 million jobs in this occupational area by 2020.

Lower skilled jobs will remain a significant component of the labour market

- Lower skilled jobs will remain a significant component of the labour market. There is expected to be an increase of more than 300,000 jobs in caring, personal and other
service occupations (+10%) and 100,000 (+3%) in low-skilled elementary jobs between 2010 and 2020, again mostly in service-based areas;

- The demand for skills as measured by formal qualifications is projected to rise as is the supply of people holding higher level qualifications. The number of jobs in occupations typically requiring a degree is expected to continue to grow but perhaps more slowly than previously forecast.

2.3 National sector skills issues

The following summarises the headline supply and demand issues and challenges facing the targets sectors of the NWEZ. Further detail is provided in Annex 1: National Sector Skills Review.

- **Advanced Manufacturing & Engineering**: Expected increase in demand for managers, directors and senior officers, which is driving up skill levels. Moreover, demand for production, works and maintenance managers, metal working production and maintenance fitters, mechanical engineers will also increase. The supply-side often has to adapt quickly in order to keep pace with developments on the demand side. The skills which supply side provides - most notably numeracy skills – are ones which are in high demand in other sectors. Gaps and challenges are concentrated in particular occupations including skilled trades/craft and management occupations, whilst the speed of technological change requires higher levels of flexibility and need for soft skills.

- **Financial and Business Services**: Demand will be oriented towards highly skilled and qualified people and as a result there will be a need to up-skill people from Level 3 to Level 4+. There will also be strong demand for clerical/administrative and sales/customer service workers. The supply side is supported by a substantial training infrastructure, including highly regarded professional institutes. There are few skills gaps, and where gaps do exist employers tend to train their staff. The sector has a higher share of skill shortage vacancies but fewer skills gaps and there is a good level of alignment between qualifications and skills needs.

- **Sustainable Construction**: Demand: current skills needs tend to be centred on more craft operatives, practical skills, IT and legislative training. Supply: A substantial volume of training is taking place and a high level of engagement by employers with the training infrastructure is evident. Apprenticeship starts were previously increasing, but levels have been affected by the economic downturn. Skills shortages are evident in bricklayers; electricians; plasterers; carpenters/joiners; and general labourers. The basic skills of new entrants are seen to be declining, in particular in literacy, numeracy and IT skills.

- **Logistics**: There is current demand for technical, practical or job specific skills, customer handling skills and oral communication skills. In terms of supply there is a low share of employers training staff towards an NVQ compared to provision across all sectors, with training primarily locally provided through short, bite-sized courses. Gaps are evident in junior and middle managers and supply chain management, whilst IT skills are becoming increasingly important as are customer handling skills.

- **Creative Industries**: There is high demand for managerial, professional, business and technical skills. Working in cross-functional creative/technical teams within and across companies is becoming increasingly important. Supply: The quantity of graduates may not be sufficient to meet the growing demand for professional and technical skills. Gaps and challenges: The sector has above average proportions of hard-to-fill vacancies and demand exceeds supply in the digital sub-sector.

- **Leisure**: Demand: Future demand is likely to be for managerial roles – however operational roles will continue to be required due to the transient nature of the labour force in the sector. Supply: the majority of training is undertaken on the job. Gaps and challenges: gaps exist in regards to general management and customer service.
3 Local economic and labour market context

3.1 Introduction

There are a number of strengths and challenges but also a number of significant opportunities in the SEMLEP and NEP areas, in particular the NWEZ. The NWEZ was established as a catalyst for growth opportunities for Northampton and the wider SEMLEP and NEP areas with ambitions to create a significant level of jobs and businesses that will lever private sector investment.

The employment and business creation targets for the NWEZ will place significant demands on the local workforce and therefore it is important to understand the local supply and demand issues facing the labour market. The following section therefore provides an analysis of the local economy and labour market including employment and skills patterns, qualifications, occupational profiles.

The local economic and labour market characteristics considered below provide context to Northampton’s position within the wider SEMLEP and NEP areas and in comparison to the region and UK. There are key strengths, weaknesses and challenges facing the local area in terms sector growth and skills development, meeting the needs of the labour market, and ensuring skills provision ‘matches’ the needs of individuals and employers, both in generic and sector-specific training.

Annex 2: ‘Local labour market analysis’ provides supporting data to complement the evidence set out in this section, including sectoral employment trends including future growth projections, business and enterprise (including start-up and self-employment) and local skills issues and challenges.

3.2 Headline economic indicators

Northampton contributes approximately £4bn GVA to the SEMLEP economy

The EZ falls within SEMLEP area which is a designated national growth zone. This area has delivered employment and housing growth at a faster rate than the wider national economy over the last decade\textsuperscript{iv}, with over 62,000 jobs created since 2001.

Northampton itself has a population of over 212,000 with just under 8,000 businesses and an estimated GVA in 2009 of £3.8b. Northampton therefore accounts for 11% of the LEP’s businesses and 13% of its working age population.

Table 3.1  Key economic indicators of the SEMLEP area by local authority area

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Population (2011)\textsuperscript{v}</th>
<th>Projected population (2021)\textsuperscript{vi}</th>
<th>Businesses (2011)\textsuperscript{vii}</th>
<th>GVA (billion) (2009)\textsuperscript{viii}</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northampton</td>
<td>212,069</td>
<td>245,500</td>
<td>7,895</td>
<td>3.84</td>
</tr>
<tr>
<td>SEMLEP total</td>
<td>1,709,718</td>
<td>1,844,200</td>
<td>72,640</td>
<td>£34.8</td>
</tr>
</tbody>
</table>

Source: Census 2011 estimates, UK Business Activity by Size and Location and NUT3 GVA.

85,000 new jobs are expected in Northamptonshire between 2001 and 2021, particularly in business and financial services\textsuperscript{ix}. In Section 2.2 we saw that an estimated 1.5 million jobs will be created in the UK. Local estimates also forecast significant employment growth between 2001 and 2021. In Northamptonshire, as in the UK, business and financial services will drive much of this growth. In Northamptonshire it is forecast to account for almost half (47%) of all new employment. One in five jobs is expected to be created in wholesale or retail sectors – with a similar share in public administration, education and health. Over this period almost 7,500 jobs are expected to be lost with most of these in the manufacturing sector (5,823 jobs).
Diversity in the economy is a strength and there are opportunities for the EZ to encourage a number of sectors

Northampton and the wider SEMLEP area has a diverse economy with strengths in High Performance Engineering (HPE), precision engineering, business services, logistics, food manufacturing, life sciences, bio-technologies and the creative industries.

As a key component of the UK’s ‘motorsport valley’, Northampton and the wider Northamptonshire LEP economy is home to approximately 1,500 high performance technology companies, generating an annual local turnover of £2bn and employing between 15,000 and 21,000 people. This includes internationally renowned brands, such as Cosworth, who are already based in the Enterprise Zone.

Northamptonshire also has a strong network of innovation and enterprise centres which support its key sectors, including:

- iCon in Daventry which focuses on environmental technologies and sustainable construction and houses the Sustainable Construction iNet;
- Corby Enterprise Centre which focuses on supporting small and growing early stage technology companies; and,
- Portfolio and Avenue Innovation Centres in Northampton which prioritises design and new product development.

3.3 Business and enterprise

78% of SEMLEP businesses employ less than 10 people

Almost 73,000 businesses were based in the SEMLEP area in 2011, of which just fewer than 8,000 were in Northampton (11%). The majority of these businesses were employing less than 9 people (78%), slightly less than the UK and SEMLEP.

Between 2000 and 2007 new business registrations have accounted for approximately 11% of Northampton’s business stock each year

This is slightly above the SEMLEP, East Midlands and UK figures of 10%. The most significant increases in business stock over this period were in the Real Estate, renting and business activities SIC classes.

Northampton has a strong business survival rate

Northampton has strong survival rates with over 96.3% of firms surviving beyond their first year, this is above the LEP, regional and national averages. Five year survival rates are higher than the UK, similar to SEMLEP and slightly lower than the East Midlands average.

Rates of self employment has increased significantly over recent years

The rate of self-employment increased by 8% between 2008/2009 and 2011/2012 across the SEMLEP area, slightly higher than the UK building on a self-employment rate higher than the national average. In Northampton, 13,900 people (9.7%) were self-employed.

3.4 Labour market profile

Northampton has an above national average rate of economic activity (81%), employment (75.8%) and lower unemployment (7.3%)

However, when compared with the SEMLEP area it has an above average economic rate, but a slightly higher unemployment rate than SEMLEP (6.6%).
Table 3.2  Employment and activity rates in the April 2011/March 2012 year

<table>
<thead>
<tr>
<th></th>
<th>Northampton</th>
<th>SEMLEP</th>
<th>East Midlands</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic activity rate - aged 16-64</td>
<td>81.8</td>
<td>80.0</td>
<td>77.5</td>
<td>76.4</td>
</tr>
<tr>
<td>Employment rate - aged 16-64</td>
<td>75.8</td>
<td>74.6</td>
<td>71.2</td>
<td>70.1</td>
</tr>
<tr>
<td>Unemployment rate - aged 16-64</td>
<td>7.3</td>
<td>6.6</td>
<td>8.1</td>
<td>8.2</td>
</tr>
</tbody>
</table>

Source: Annual Population Survey

Northampton has a larger working age population (67%) than either SEMLEP (65%) or GB (65%).

In Milton Keynes and Northampton there is a more substantive working age population of 67% of the total population, compared to a sub-average 64% in South Northamptonshire.

Northampton also has a higher population of young people (0-15) and young adults (16-24) than the county, region or England.

Northampton has much higher reliance on elementary occupations than SEMLEP and UK

The largest occupations in the SEMLEP area are professional occupations (17.8%), associate professionals and technicians (14.7%) and elementary occupations (12.2%). In Northampton, the majority of people work in elementary occupations (17.4%) with associate professionals and technicians and professionals accounting for less than 15% of occupations.

Figure 3.1  Comparison in Employment at broad Standard Occupational Classification (SOC) Level (April 2011 – March 2012)

Source: Annual Population Survey Year. SEMLEP calculations based on ICF GHK Analysis.

Northampton has a growing and significant knowledge intensive economy

Sectors such as High-Tech Manufacturing and Knowledge-Based Services form the Knowledge Economy. In Milton Keynes 48.5% are employed in the Knowledge Economy as are 38.6% in Northamptonshire. This compares with a regional figure of 36% and a national figure of 42.1%.
Using an OECD definition of knowledge based industries\textsuperscript{xxvii}, the SEMLEP area has 136,700 people employed in knowledge based industries (18% of SEMLEP’s jobs) with 33,000 working in Northampton (26%). The national figure is 21%.

**Northamptonshire\textsuperscript{xxviii} has a compact functional geography**

Northamptonshire’s most significant travel to work area is to the south to Milton Keynes and Cherwell – the draft Northamptonshire Local Economic Assessment found that the county’s residents are increasingly travelling south to work, primarily to Milton Keynes, Oxford, Hertfordshire and Bedfordshire. However it is anticipated that in-commuting to Northampton is expected to increase due to surrounding sub-national growth.\textsuperscript{xxix}

**Northampton has a tight labour market**

Northampton’s job density is considerably higher than all other geographical areas at 0.97 which means that there are 97 filled jobs for each 100 residents of a working age, compared to 0.79 in the SEMLEP area and 0.77 in the UK. Since 2000, Northampton’s job density decreased by 5%.

**Northampton’s employment offer has been characterised by perennial skills issues jobs**

Extensive research and analysis has been undertaken in recent years to map the key skills and labour market issues and challenges facing Northampton and the wider East Midlands economy\textsuperscript{xxx} which identifies a number of perennial local skills issues:

- **Northampton’s employment offer has been characterised by lower skilled jobs:** this is compounded by lower skill levels in the local population and in-commuting by high skilled workers outside the LEP area;

- **Low percentage of the workforce employed in high level occupations:** just over 2 in 5 employees (41.8%) are in higher level occupations, below the England average and that of surrounding counties / areas;

- **Basic skills amongst school leavers:** achievement of Northampton young people is lower than average in English and Maths;

- **Negative perceptions of certain sectors:** Skill shortages in Northamptonshire have been generated as a result of a lack of willingness amongst the workforce to enter certain professions, particularly those in the Manufacturing and Distribution sector;

- **Low skills and qualifications profile:** in Northamptonshire 15% of the working age population in the county have no qualifications and only 26.1% have qualifications at NVQ4 and above;

- **Skill gaps:** exist in occupations at the following levels; Associate Professional and Technical, Process Plant and Machine Operatives, Professional and Skill Trades. Inadequate training provided by employers and reluctance on the part of the employee to acknowledge and address their problem were identified as the main causes of skill gaps.

### 3.5 Local supply and demand issues and challenges

#### 3.5.1 Overview

Research into demand for skills in the East Midlands has found levels to be weak.\textsuperscript{xxxi} However, forecasts suggest that between 2010-2013 employment in key sectors and specific occupations will increase. These include highly skilled occupations (such as Managers, Senior Officials, Professionals, and Associate Professionals), service and Sales occupations, and low skilled Process, Plant and Elementary jobs. All these are projected to increase more in Northamptonshire than the East Midlands region.

In the long term to 2017, replacement demand will exceed the number of new jobs created by economic growth. Replacement demand is forecast to be significant for high and intermediate skilled occupations in Transport Equipment and Advanced Engineering in
Northamptonshire, and is likely to be significant in terms of education and training requirements, both in terms of content and delivery method.

In terms of skills demands, there is likely to be growing demand for: higher levels of industrial experience, particularly from companies operating in the six target growth sectors, technical and sector specific skills, including engineers, electricians, software engineers, ICT and customer service skills and competences²⁸xii.

### 3.5.2 Sector specific issues

The six priority sectors of the Northampton Waterside Enterprise Zone are:

- Advanced Manufacturing and Engineering;
- Financial and Business Services;
- Sustainable construction and building services engineering;
- Logistics;
- Creative and Digital Industries; and,
- Leisure.

Annex 1 provides detailed analysis to support the summary evidence outlined in Table 3.3. Table 3.3 combines the national skills overview with information concerning the SEMLEP area. It identifies the key skills supply and demand issues and skills gaps, mismatches and their implications for each sector where available. The geographic focus of these priority sectors across the SEMLEP area is shown in Figure 3.2.

**Figure 3.2  Priority sectors across the SEMLEP area**

Source: SEMLEP Proposition and Outline Business Case, Annex D
<table>
<thead>
<tr>
<th>Sector</th>
<th>Overview</th>
<th>Demand issues</th>
<th>Supply issues</th>
<th>Gaps and mismatches</th>
</tr>
</thead>
<tbody>
<tr>
<td>National: Advanced Manufacturing and Engineering</td>
<td>Accounts for over 50% of exports, employs 8% of the national workforce. Projected growth of output of 2.5% per annum accompanied by a longer term decline in employment of 3%-4% per annum. Faces increasing competitive pressures. Subject to cost and regulatory pressures.</td>
<td>Skills needs are significant and focus on strategic and change management skills, levels 3, 4 and 5 in a range of technical fields, supply chain management, R&amp;D and interdisciplinary expertise. High-level technical skills represent the most important element of specific skills demand in over the long-term. The speed of technological change requires higher levels of flexibility, agility and a broader spread of soft skills across the workforce. High replacement demand and a growing demand for multi-skilled and flexible workforce (e.g. problem solving and team work skills).</td>
<td>Supply-side often has to run very fast in order to keep pace with developments on the demand side. The skills which supply side delivers to advanced manufacturing – essentially numeracy – are ones which are in high demand in other sectors. Need to be seen in the context of the sector’s capacity to attract and retain people who have the skills it requires.</td>
<td>The incidence of skills gaps increases significantly by size of establishment. Semta sectors were most likely to report skills gaps for skilled trades/craft, engineers and management occupations. Skills shortages are a major issue for high value manufacturing businesses. Age profile skewed towards older workers.</td>
</tr>
<tr>
<td>SEMLEP: Advanced Manuf. and high value engineering</td>
<td>19,200 employees in the sector (2011), 2.5% of all jobs in the SEMLEP area. The SEMLEP area has a Location Quotient of 1.0 for this sector. High profile manufacturers.</td>
<td>Skills are a particular concern for high performing engineering businesses. Ageing workforce, lack of appropriate skills and undersupply of qualified workforce with low mobility. Inspiring and maintaining interest in young people. Loss of skilled engineers during the recession. Further skills issues relate to low carbon agenda especially legislation compliance.</td>
<td>Helping young people acquire experience in the sector and understand the range of careers available. Ensuring FE and HE curricula meet the skill needs of employers. General lack of ‘sector-targeted’ business support available for highly technical and innovative businesses operating in HPE. Limited career paths with unclear progression routes Understanding the range of potential career opportunities is also perceived to be low. Large and mature FE and HE sector with active SSC. Proposed UTC.</td>
<td>Skills research of the Cogent sectors for the period 2004-14 identified skills issues in Management and leadership – particularly in change management, business management, and business improvement. Technical skills and core behaviours such as communications and customer service lacking. Significant shortage of engineers in the workplace, due to the number of skilled engineers retiring and the lower number of graduates.</td>
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<tr>
<td>Sector</td>
<td>Overview</td>
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<tr>
<td><strong>National:</strong></td>
<td><strong>Overview</strong></td>
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<tr>
<td>Financial and Business</td>
<td>- Employs 12% of the workforce.</td>
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<td>Services</td>
<td>- Employment growth of 4.4% per year.</td>
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<td>- Dominated by managers and professionals educated to at least degree level.</td>
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<td></td>
<td><strong>Demand issues</strong></td>
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<tr>
<td></td>
<td>- Skill demand is oriented towards highly skilled and qualified people.</td>
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<td></td>
<td>- Remains a strong demand for other occupational groups in particular clerical and administrative, and sales and customer service workers.</td>
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<td></td>
<td>- Economic downturn affected recruitment.</td>
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<td></td>
<td><strong>Supply issues</strong></td>
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<tr>
<td></td>
<td>- Supported by a substantial training infrastructure, including highly regarded professional institutes.</td>
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<td>- Employers, especially in the financial sub-sector, have high levels of training.</td>
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<td></td>
<td>- Need to ensure skills supply as part of the recovery and as a replacement for retirees.</td>
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<td></td>
<td>- Will recruit level 3 and graduates and is also developing an apprenticeship route.</td>
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<td><strong>Gaps and mismatches</strong></td>
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<tr>
<td></td>
<td>- Although the sector has a higher share of skill shortage vacancies it has relatively fewer skills gaps.</td>
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<td></td>
<td>- Take-up of vocational qualifications is relatively low compared to the wider economy.</td>
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<td></td>
<td>- Sector has a track record of understanding and remedying skills gaps.</td>
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<td><strong>Semlep:</strong></td>
<td><strong>Overview</strong></td>
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<tr>
<td>Financial and Business</td>
<td>- 50,700 people employed in Northampton in 2011 (6.6% of total employment).</td>
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<tr>
<td>Services</td>
<td>- Key employers in Northampton include Barclaycard Nationwide Building Society IPSL: business process outsourcing.</td>
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<td></td>
<td>- Growing business base and management development specialisms at the Cranfield, Northampton and Open universities.</td>
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<td></td>
<td>- Opportunities include business relocations and a growing shared services industry</td>
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<td></td>
<td><strong>Demand issues</strong></td>
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<tr>
<td></td>
<td>- There has been significant growth in this sector. The sector generates significant value in local economies, employing people with above average skills and earnings.</td>
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<td></td>
<td>- Excluding the self-employed, in 2007 there were more than 77,000 employees in 12,400 businesses in the South East Midlands – almost 18% of all businesses (an increase of 14% over four years).</td>
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<td></td>
<td>- 26% of business service jobs are located in Milton Keynes and 21% are found in Northampton.</td>
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<td></td>
<td>- Nationally, employment in the sector is projected to increase by around 1.2 million by 2020 (a rate of growth of 1.3% per annum).</td>
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<td></td>
<td><strong>Supply issues</strong></td>
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<tr>
<td></td>
<td>- Recession has dampened the demand for staff with professional qualifications.</td>
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<td></td>
<td><strong>Gaps and mismatches</strong></td>
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<tr>
<td></td>
<td>- Employers also continue to identify a persistent issue in relation to poor generic skills and attitudes of new entrants to the labour market.</td>
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<tr>
<td></td>
<td>- Potential skills shortages (e.g. degree level or higher) could restrict the growth of the sector.</td>
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<tr>
<td>Sector</td>
<td>Overview</td>
<td>Demand issues</td>
<td>Supply issues</td>
<td>Gaps and mismatches</td>
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<tr>
<td>National: Sustainable Construction</td>
<td>Employs 10% of the workforce and accounts for 8% of GDP.</td>
<td>Absence of current and future skills planning was identified as a key factor for making the sector reactive, rather than proactive to emerging markets such as renewables and addressing ageing workforce issue, resulting in weakened capacity to meet future client demands.</td>
<td>Substantial volume of training taking place &amp; high level of engagement by employers with the training infrastructure.</td>
<td>The quality of basic skills of new entrants were seen to be getting worse, in particular literacy, numeracy and IT skills.</td>
</tr>
<tr>
<td></td>
<td>Challenges include: lack of investment and confidence, application of new technologies and construction methods.</td>
<td>Workforce replacement demand is a key issue (a result of the physical nature of the work and the age of the workforce).</td>
<td>Training and education covers a wide range of qualification types and levels ranging from NVQs through to University degrees and masters qualifications.</td>
<td>Applicants lacking aptitude or motivation made vacancies hard to fill.</td>
</tr>
<tr>
<td></td>
<td>Employment is concentrated in organisations with less than 25 employees.</td>
<td></td>
<td>Evidence of an increasing number of Apprenticeship starts at Level 2 and 3, though this has tailed off recently.</td>
<td>Not enough young people being trained in construction was a key issue.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Need to support investment in training at apprenticeship and higher skill levels.</td>
<td>There are mismatches between supply and demand for a number of disciplines including both the like of electricians, plasterers, labourers and the new/renewable technologies.</td>
</tr>
<tr>
<td>SEMLEP: Sustainable Construction</td>
<td>31,400 employed in the construction sector in 2011 (4.1% of employment).</td>
<td>Economic downturn has made forecasting future of sector difficult.</td>
<td>Provider capacity in Northamptonshire will need to meet increases in demand for employment in Construction due to population growth and likely increase in house building as the economy recovers. This includes significant planned housing development in the Milton Keynes South Midlands Growth Area.</td>
<td>Concerns that the sub-region will not have sufficient supply of skilled workers able to progress to higher level occupations such as project management, technical engineering, positions emerging in the sustainability field and building logistics.</td>
</tr>
<tr>
<td></td>
<td>95% of firms (9,100 firms) employ less than 10 employees.</td>
<td>Employment in the sector is forecast to rise by 10% in 2011-21, although it is expected to contract in Milton Keynes and Northampton</td>
<td>High dependence on public sector investment and an ageing workforce.</td>
<td>Large and mature FE sector with active SSC. Proposed UTC.</td>
</tr>
<tr>
<td></td>
<td>Widely spread across LEP area.</td>
<td>High dependence on public sector investment and an ageing workforce.</td>
<td>Expected replacement demand as older workers retire.</td>
<td>University of Bedfordshire has a Centre for Sustainable Construction, while Cranfield University develops environmental technologies and modelling.</td>
</tr>
<tr>
<td>Sector</td>
<td>Overview</td>
<td>Demand issues</td>
<td>Supply issues</td>
<td>Gaps and mismatches</td>
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<tr>
<td>National: Logistics</td>
<td>Including logistics occupations in other sectors, employs around 8% of the national workforce, accounts for nearly 8% of GDP.</td>
<td>Three in ten vacancies were deemed to be hard to-fill and of these nearly three quarters skill-shortage vacancies.</td>
<td>The sector generally trains a smaller share of its workforce in each occupational group than other sectors.</td>
<td>IT skills are likely to become increasingly important as the sector becomes more automated.</td>
</tr>
<tr>
<td></td>
<td>Predicted that over 700,000 extra workers needed by 2017 including managers, customer service and transport and machine operatives.</td>
<td>Current demand for technical, practical or job specific skills, customer handling skills and oral communication skills.</td>
<td>Low share of employers in the sector were training a member of staff towards an NVQ qualification compared to provision across all sectors.</td>
<td>Skills gaps in junior and middle managers and the supply chain management.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Skills that are hard to find include technical, practical or job specific skills, customer handling skills and oral communication skills.</td>
<td>Training is primarily locally provided through short, bite-sized courses.</td>
<td>Poor literacy and numeracy skills.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lack of career pathways.</td>
</tr>
<tr>
<td>SEMLEP: Logistics</td>
<td>Employed 65,300 people in 2011(8.5% of employment).</td>
<td>Increased congestion and new logistics hubs in other parts of the UK.</td>
<td>Few knowledge transfer partnerships and poor perceptions of the industry.</td>
<td>A need for a wider and more intensive range of management training, with a particular focus on SMEs.</td>
</tr>
<tr>
<td></td>
<td>In 2011 it remains a significant sector for employment with an LQ of 1.4.</td>
<td>The logistics sector has a smaller proportion of its workforce with high educational qualifications than the overall UK workforce and a higher than average proportion of employees with only basic qualifications. As such the UK’s logistics is considered at being at risk of moving to a ‘low skills equilibrium’.</td>
<td>If employers cannot train people to achieve required qualifications, they will buy them in by using agency staff or ‘poach’ staff from other firms.</td>
<td>Deficiencies in basic skills, notably literacy and numeracy, among the lower levels of the workforce.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Poor perception of the industry is one of the major reasons for the shortage of labour; the sector has an ageing workforce, with a low number of young people coming through.</td>
<td>Supported by ‘Skills for Logistics’ Foundation Degree at Milton Keynes, Chartered Institute of Logistics and Transport at Corby, Northampton University and Northampton College.</td>
<td>The composition is overwhelmingly male and white, less than 25% of employees in the sector are women.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Many firms are driven by short-term considerations and are ambivalent about training and skills development.</td>
</tr>
<tr>
<td>Sector</td>
<td>Overview</td>
<td>Demand issues</td>
<td>Supply issues</td>
<td>Gaps and mismatches</td>
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</tr>
<tr>
<td>National: Creative</td>
<td>■ Employs around 6% of national workforce, accounts for nearly 8% of GDP and has grown faster than the whole economy over the last decade.</td>
<td>■ Security issues are anticipated to have a major impact on skills requirements.</td>
<td>■ The quantity of graduates may not be sufficient to meet the growing demand for professional and technical skills.</td>
<td>■ The sector has above average proportions of hard-to-fill vacancies.</td>
</tr>
<tr>
<td>Industries</td>
<td>■ Ranked 6th in the world and the largest creative sector in Europe.</td>
<td>■ Technology specific skills in the creative sub-sector technical skills will be needed to produce content across multiple-platforms.</td>
<td>■ Apprenticeship numbers have risen rapidly in recent years, from a low base.</td>
<td>■ Skills gaps that exist are most common among professional occupations in the digital sub-sector, and sales and customer service areas in the creative sub-sector.</td>
</tr>
<tr>
<td></td>
<td>■ Challenge is to maximise that competitive advantage.</td>
<td>■ High demands for managerial, professional, business and technical skills.</td>
<td>■ The majority of training carried out in the sector is done informally, whilst formal training is also below average and falling.</td>
<td>■ Skill demand exceeds supply in the digital sub-sector, particularly for highly qualified and experienced professional and technical staff.</td>
</tr>
<tr>
<td>National: Leisure</td>
<td>In 2011, 46,400 were employed in creative industries, 6.1% of total employment.</td>
<td>■ Strong base of small creative firms.</td>
<td>■ The majority of training is undertaken on the job – with staff employed due to personality over experience in operational roles.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strong base of small creative firms.</td>
<td>■ Demand in the future is likely to be for managerial roles – however operational roles will continue to be required due to the transient nature of the labour force in the sector.</td>
<td>■ Qualifications vary from no qualifications to NVQ level 4.</td>
<td></td>
</tr>
<tr>
<td>SEMLEP: Creative</td>
<td>■ 75% SMEs accounting for 78% of employment</td>
<td>■ Growing population with increased disposable income and a demand for leisure opportunities.</td>
<td>■ Key issues related to the perception of the sector and high staff turnover due to the transient nature of the workforce.</td>
<td></td>
</tr>
<tr>
<td>Industries</td>
<td>■ Employment expected to rise to over 8% by 2017.</td>
<td>■ Employment expected to rise to over 8% by 2017.</td>
<td>■ Skills gaps exist in regards to general management and customer service, as well as those required for chefs.</td>
<td></td>
</tr>
<tr>
<td>National: Leisure</td>
<td>■ Growing population with increased disposable income and a demand for leisure opportunities.</td>
<td>■ Growing population with increased disposable income and a demand for leisure opportunities.</td>
<td>■ Slight decline in employment since 2008 of 400 jobs (-1%).</td>
<td></td>
</tr>
<tr>
<td>SEMLEP: Leisure</td>
<td>■ Employed almost 62,000 in 2011.</td>
<td>■ Competition from other areas.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Tables A2.1 (Number of employees by industry) and A2.2 (Employment in key sectors) and A2.3 Location Quotient Analysis in Annex 2 provides further detail on the breakdown of employment by industry, each priority sector and location quotient analysis when compared with national employment across England. Table A2.4 sets out the anticipated employment growth by sectors in Northamptonshire between 2001 and 2021, highlighting that almost 85,000 jobs will be created over this period.

3.5.3 Summary of skills gaps and shortages

Recent research undertaken by Ecorys (2012/13) to facilitate the preparation of the Skills Strategy and Action Plan sought to establish both the extent and nature of the skills gaps and shortages manifesting themselves in workplaces throughout the SEMLEP study area. Three particular types of skills were identified as being in short supply.

1. **Basic and transferable skills**, including team working, literacy, numeracy and communication skills;

2. Across all sectors, **skilled trades and sector specific skills** were considered to be in short supply; and,

3. **Leadership and management and supervisory skills** need to be increased and improved.

These skills gaps and shortages relate closely to those identified at the various occupational levels. Table 3.4 lists examples of skills gaps and shortages by occupational level.

**Table 3.4 Skills Gaps and Shortages by Occupation**

<table>
<thead>
<tr>
<th>Occupational Level (SOC codes)</th>
<th>Skills Gaps and Shortages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and Senior Officials</td>
<td>Leadership and Management, Management, Information Technology and Financial Management</td>
</tr>
<tr>
<td>Professional</td>
<td>Supervisory and management skills, product design and development, engineering, software development</td>
</tr>
<tr>
<td>Associate Professional &amp; Technical</td>
<td>Electrical Engineers, Mechanical Engineering,</td>
</tr>
<tr>
<td>Administrative &amp; Secretarial</td>
<td>Communication, Customer Service, Information Technology</td>
</tr>
<tr>
<td>Skilled Trades</td>
<td>Motor Mechanics, Precision Engineers, Programmers, Chefs, Baristas, Designers, Builders, Plasterers, Financial Advisors</td>
</tr>
<tr>
<td>Personal Services</td>
<td>Care Staff, Customer Service</td>
</tr>
<tr>
<td>Sales and Customer Service</td>
<td>Communication, literacy and numeracy, Transferable Skills, Information Technology</td>
</tr>
<tr>
<td>Process, Plant and Machine Operatives</td>
<td>Usage of new machinery, Technological change, Professionalism, Transferable Skills</td>
</tr>
<tr>
<td>Elementary</td>
<td>Basic Skills and Transferable Skills, Motivation, Time Keeping</td>
</tr>
</tbody>
</table>

*Source: Ecorys Business Survey (2012)*

3.5.4 Profiling the supply of skills

Having considered the current and future issues around the demand for skills, it is also crucial to look at skills supply, within the context of supporting the “matching” process between the two. At its broadest level, we can gain an indication of the supply side context by looking at the highest qualification level held. The analysis below sets out the local area profile of qualifications held by people of working age.
Northampton has a slightly lower skills profile when NVQ qualification attainment is compared to both the SEMLEP and UK profile.

In 2011, 31% of the Northampton working age population had an NVQ level 4 or above, slightly below both the SEMLEP (31.9%) and UK (32.7%) averages. Conversely, while 10.9% of the working age population in the SEMLEP area had no qualifications, this was true for 15.9% in Northampton.

For those in employment, there is an above average share of the population with no qualifications (8.2%) and an above average share with NVQ Level 1 only. There is also a lower share of those in employment with trade apprenticeships, with just 1.5% holding a trade apprenticeship compared with a UK average of 4.1% and a LEP average of 3.8%.

Table 3.5 Qualification attainment in 2011

<table>
<thead>
<tr>
<th>% of population aged 16-64 with ...</th>
<th>Northampton</th>
<th>SEMLEP</th>
<th>East Midlands</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree or equivalent and above</td>
<td>23.2</td>
<td>23.4</td>
<td>19.7</td>
<td>24.3</td>
</tr>
<tr>
<td>Higher education below degree level</td>
<td>8.4</td>
<td>8.8</td>
<td>9.0</td>
<td>8.7</td>
</tr>
<tr>
<td>GCE A level or equivalent</td>
<td>20.8</td>
<td>23.3</td>
<td>24.6</td>
<td>22.7</td>
</tr>
<tr>
<td>GCSE grades A-C or equivalent</td>
<td>20.7</td>
<td>23.7</td>
<td>24.5</td>
<td>22.9</td>
</tr>
<tr>
<td>No qualifications</td>
<td>16.2</td>
<td>10.3</td>
<td>11.6</td>
<td>11.0</td>
</tr>
<tr>
<td>% of those aged 16 to 64 in employment with ...</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NVQ4+</td>
<td>35.4</td>
<td>36.0</td>
<td>33.4</td>
<td>38.4</td>
</tr>
<tr>
<td>NVQ3 only</td>
<td>18.6</td>
<td>17.7</td>
<td>18.8</td>
<td>16.8</td>
</tr>
<tr>
<td>Trade Apprenticeships</td>
<td>1.5</td>
<td>3.8</td>
<td>4.2</td>
<td>4.1</td>
</tr>
<tr>
<td>NVQ2 only</td>
<td>13.1</td>
<td>16.6</td>
<td>17.3</td>
<td>16.3</td>
</tr>
<tr>
<td>NVQ1 only</td>
<td>13.2</td>
<td>12.5</td>
<td>13.1</td>
<td>11.6</td>
</tr>
<tr>
<td>No qualifications</td>
<td>8.2</td>
<td>6.4</td>
<td>6.6</td>
<td>6.3</td>
</tr>
</tbody>
</table>

Source: Annual Population Survey.

Employees in Northampton are more likely to have received training in the last 13 weeks prior to being surveyed than in the broader SEMLEP area and when compared with the UK average.

Over 22% of workers aged 16 to 64 had received training compared to the SEMLEP area the UK (19.0% and 18.4% respectively). Those working in managerial or professional occupations were more likely to have received training, with those qualified to above NVQ Level 4 or higher (44.2%) being more likely to have received training than those with a qualification below NVQ Level 3 (21.9%).

Apprenticeships

5,040 people started on an apprenticeship programme in Northamptonshire in the 2011/12 year, an increase of 81% since 2005/2006xxxvi. This was slightly lower than the increase of 127% seen across England in apprenticeship starts. However, when data is compared for the previous year (2010/11) there has been a decrease in apprenticeship starts of 13% in Northamptonshire, a smaller decline than was seen more broadly across England (16%).

3.6 Summary

Key findings of the local research review include:
Labour market trends and issues:

- **Above average employment in the knowledge economy** than the wider region; with some areas of the LEP also above the national average (e.g. Milton Keynes), largely due to concentrations of high-tech manufacture and knowledge based services, however, Northampton does have a lower than national average of the workforce employed in high level occupations;

- **High job density**, despite a decline since 2000 it remains above average when compared to SEMLEP, East Midlands and UK;

- **Above average short term enterprise survival rates** (one year) compared with wider geographical areas. Over a 5 year period survival rates are above the UK average and aligned with the LEP area.

- **An improving entrepreneurial culture**: Northampton has moved from below average levels of self-employment to above average in recent years;

- **A relatively low-skilled workforce**: Northampton suffers from a relatively low skilled workforce in the centre of the town. There is also a trend that higher skilled workers commute into other areas e.g. southern areas of the SEMLEP and London. Higher share of working age population (in and out of employment) with no qualifications;

- **Northampton’s employment offer has been characterised by lower skilled jobs**: just over 2 in 5 employees (41.8%) are in higher level occupations. This is below the England average and that of surrounding counties / areas highlighting that the county has proportionately fewer higher value added jobs.

- **Skill gaps** exist in occupations at the following levels; Associate Professional and Technical, Process Plant and Machine Operatives, Professional and Skill Trades.

- **Reliance on elementary qualifications**: Northampton has a higher than average reliance of elementary qualification.

- **Raising the skills needs of young people**: there is a need for higher levels of basic skills amongst school leavers, especially in mathematics

Supply and demand issues in priority sectors:

- **The demand for skills in the East Midlands more broadly has generally been acknowledged as being weak**: some occupations are expected to grow within Northamptonshire but these are predominantly service and sales, low skilled process, plant and elementary jobs;

- **Skills are a key issue for high performing engineering businesses** in Northamptonshire, most notably the lack of appropriate skills and the undersupply of adequately qualified workforce with higher level skills (Levels 3 and 4) and the general need to re-skill the existing labour force with new skills;

- **Future demand** for managerial occupations, technical engineers and soft skills such as communication, problem solving and team working have been identified;

- **Skills gaps have also been reported in the aerospace, automotive, bioscience, electrical, and electronics sub-sectors** including technical and engineering skills at all levels, as well as communication and management. Skills gaps also exist in customer services, management and leadership in the **business services sector**.

- **Sustainable construction** is expected to experience growth, and provider capacity in Northamptonshire will need to meet increases in demand for employment in Construction.
4 **Summary of key findings**

4.1 **Introduction**

The following section summarises the key findings of the research.

4.2 **What national and local evidence says**

The evidence presented in this report highlights that:

- The UK requires higher level skills in order to compete, in particular in engineering, manufacturing, construction, creative industries and knowledge based and professional sectors. For example:
  - Skills are a key issue for high performing engineering businesses in Northamptonshire, most notably the lack of appropriate skills and the undersupply of adequately qualified workforce;
  - Skill gaps existed in occupations at the following levels; Associate Professional and Technical, Process Plant and Machine Operatives, Professional and Skill Trades;
  - Skills gaps have also been reported in the aerospace, automotive, bioscience, electrical, and electronics sub-sectors include technical and engineering skills at all levels, as well as communication and management skills.

- Alongside Kirklees and Coventry, Northamptonshire are the Local Education Authorities with the highest density of skill-shortage vacancies;

- Northampton’s employment offer has been characterised by lower skilled jobs: just over 2 in 5 employees (41.8%) are in higher level occupations;

- There are pockets of deprivation and disadvantaged across specific geographic areas and amongst particular groups in the population;

- There is also a trend that higher skilled workers commute into other areas e.g. London;

- A perennial issue is low basic skills amongst school leavers especially maths. Achievement of Northampton young people is lower than average in English and Maths;

- Some occupations are expected to grow within Northamptonshire but these are predominantly service and sales, low skilled process, plant and elementary jobs;

- Replacement demand is forecast to be significant for high and intermediate skilled occupations in Transport Equipment, Advanced Engineering in Northamptonshire; and,

- Sustainable construction is expected to experience growth, and provider capacity in Northamptonshire will need to meet increases in demand for employment in Construction.

- There is a growing demand for higher levels of industrial experience, particularly from companies operating the six target growth sectors, which can be obtained via vocational training and work experience, particularly Apprenticeships,
5 Footnotes and references

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i The SEMLEP includes the local authorities of Northampton, Aylesbury Vale, Cherwell, Milton Keynes, Bedford, Central Bedfordshire, Luton, Corby, Daventry, Kettering and South Northamptonshire

ii This sub-sector covers a range of Sector Skills Councils (SSCs), namely SEMTA (science, engineering and manufacturing technologies); Summit Skills (building services engineering); Cogent (chemical and pharmaceutical, oil, gas, nuclear, petroleum and polymers); and Energy & Utility Skills (which includes waste management);

iii ONS: International Comparisons of Productivity, October 2010;

iv UK Commission’s Employer Skills Survey 2012

v UK Commission’s Employer Skills Survey 2012

vi UK Commission’s Employer Skills Survey 2012 (England Report)

vii UK Commission’s Employer Skills Survey 2012 (England Report)

viii UK Commission’s Employer Skills Survey 2012 (England Report)

ix Working Futures, 2010;

x BIS analysis of Labour Force Survey, updating the Leitch Review of Skills report “Prosperity for all in the global economy”, HMT, December 2006

xi Bell, D & Blanchflower, D, ‘What Should be Done About Rising Unemployment in the UK?)

xii UK Commission’s Employer Skills Survey 2012


xiv SQW, mksm Research Project 2009

xv Census 2011 estimations.

xvi SEMLEP Business Case and Proposition: Annex B Population Table


xviii Estimations based data from 2009 including ONS mid-year population 2009 and ONS NUT3 GVA data (2009). N.B where data was not available at the same geographical level, the closest geographical unit was used. For instance, for Aylesbury Vale, GVA for Buckinghamshire was used.


xxii ONS VAT registrations/ de-registrations by industry

xxiii 5 year Survival rates of newly born enterprises. Enterprises born in 2005. ONS.

xxiv ONS mid-year population estimates from Labour Market Profile South East Midlands LEP, Nomis.

xxv Northamptonshire County Council (2010) Northamptonshire Local Economic Assessment, DRAFT (2010/11)

xxvi Northamptonshire includes the following SEMLEP areas: Corby, Daventry, Kettering, Northampton and South Northamptonshire

xxvii SIC code definition of the knowledge based economy can be found in Annex 1.
Data on Northampton’s travel to work area is unavailable.

Northamptonshire Local Economic Assessment, DRAFT (2010/11)

Including: Northamptonshire Local Economic Assessment Evidence Base (2010/11); the East Midlands Skills Priorities Statement (2011-2012); LSC East Midlands Sector Skills (including Cogent sectors, logistics, etc) Research; LSC Skills Forecasting in Northamptonshire (2004); and the SEMLEP Business Plan (2012-15); and the Northamptonshire Observatory that provides extensive information and data to profile the context for local skills and labour market activity

East Midlands Skills Priorities Statement, Academic Year: 2011-2012, emda


This is just over 5,000 jobs lower than was estimated in the SEMLEP business case which stated that in 2007 there were 25,000 employees in the Advanced Technology & Precision Engineering sector accounting for 3.3% of all jobs in 1,530 businesses across the sub-region. Definition of the Advanced Technology & Precision Engineering used for these statistics is unknown.

Location Quotient (LQ) is used to illustrate the importance of a sector to the local economy. It considers a sector’s employment in a locality as a share of total employment in that locality and as a share of the national sectoral employment. An LQ larger than 1 indicates that a particular sector is more important to the local economy than to the locality that it is to the national economy.


East Midlands Sector Skills Research (Cogent): Northamptonshire LSC Report:

Apprenticeship Programme Starts by Region and Local Authority (2005/06 to 2011/12 in-year estimates). Data at LA level, therefore no data at SEMLEP geographical area.
Northampton Waterside Enterprise Zone
Skills Strategy – Appendix 2a

Report 6: Social Enterprise Case Study
Northampton Borough Council
Northampton Waterside Enterprise Zone
Skills Strategy

Report 6: Social Enterprise Case study
Northampton Borough Council

A report submitted by ICF GHK
Date: 22nd March 2013
## Document Control

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1 Social enterprise case study

1.1 Introduction

Headline messages

Challenges

- Ensuring that the opportunities afforded by the NWEZ are distributed across the people and communities within Northampton.
- Addressing low skill levels within the local population, including basic and employability skills.
- Engaging with people at a distance from the labour market and with little or no post-16 education and training.
- Meeting lower level skills needs within priority sectors.
- Developing a responsive and innovative engagement and provider infrastructure.

A potential solution

- **Social enterprise**: a ‘social’ and ‘entrepreneurial solution that works with and brings benefits to disadvantaged and deprived people and communities by connecting them with employment, training and enterprise opportunities. An opportunity to align the Skills Strategy to support and complement the University of Northampton’s long term strategic plan for social enterprise

Benefits delivered

- Derived from and embedded in the communities and population groups they serve.
- Develop relationships and engage with people and communities as a springboard for moving people towards training and jobs.
- Develop relationships and engage with people and communities currently underrepresented on other programmes.
- Ability to link with and develop relationships with other agendas, such as, health, housing, justice.
- Variety of business and financial models available outside the mainstream.
- Ability to build on a well developed local support and development infrastructure, with local examples of effective solutions.
- Ability to build on European and national initiatives and funding.

Key lessons and building blocks

- **Need to build on both the social and entrepreneurial dimensions** – in order to maximise the strengths of social enterprises.
- **Need to build on the well developed local infrastructure, including the University of Northampton who recently received international recognition for its commitment to social innovation and entrepreneurship by being designated as a ‘Changemaker Campus’ by Ashoka U – the first University in the Uk to be awarded this honour – to support and create opportunities for ‘bottom-up’ responses and solutions.
- **Information and intelligence** – provide information and intelligence about developments on the NWEZ so social entrepreneurs can respond to opportunities. But also create feedback information and intelligence loops in order to identify what works and what does not work.
- **Build on existing business and delivery models** – there are many local examples of what works as well as social franchising opportunities elsewhere.
1.2 Overall Social Enterprise case study purpose

The rationale for the case study approach is outlined in Section 1.1 of the Executive Summary and Report 1: National and local skills context. This case study provides practical examples of how to address the following:

- The development of a proactive growth oriented approach to skills training rather than a reactive deficit model.
- To enable education providers to work with existing and prospective businesses to ensure future educational and skills-based training is appropriate to employers’ needs and that the young people and those returning to training have the skill sets to enhance their employability.
- To develop innovative processes that combine the best research methodologies with the practicalities of running businesses and growing the economy.
- To promote innovation and business growth connected to the NWEZ, creating a pool of trained people in the region ready for enhancing existing and future employment offers.
- There is also the opportunity to explore how skills’ training is developed in the future for the NWEZ building up a support network and a collective skills base for current and future employers to utilise.

1.3 Why Social Enterprise?

The skills narrative report showed that the local population in Northampton was characterised by low skills and such people could become divorced from the opportunities available on the NWEZ if the EZ is developed as an advanced/high performing/high tech sector, skills and occupation zone.

Whilst Northampton is characterised by relatively high levels of economic activity and relatively low rates of unemployment, in common with all areas there are high levels of deprivation focused on particular communities be they geographic (Northampton has 7 LSOAs amongst the 10% most deprived LSOAs in England) or groups of people (such as, ex-offenders, homeless people, and people with learning difficulties and/or disabilities).

In order to maximise the job and skills opportunities on the EZ and within the wider Northamptonshire economy it is important to develop links between the local workforce and community and the possibilities which the EZ presents and also build on local infrastructure and good practice that currently exists in Northampton. For example, the University of Northampton has aspirations to become the UK’s number one university for social enterprise by 2015 and is delivering a wide variety of initiatives through its social enterprise strategy including: work placements in social enterprises, embedding social enterprise within teaching, learning and research, nationwide market driven support for social enterprise (e.g. Inspire2Enterprise), Social Enterprise Development Fund and social enterprise hatcheries.

This innovative and leading activity recently culminated in the University receiving international recognition for its commitment to social innovation and entrepreneurship by being designated a ‘Changemaker Campus’ by Ashoka U. Ashoka U is the global association of the world’s leading universities supporting social entrepreneurs - people working together to create solutions for the world’s most urgent social problems. The University of Northampton is the first in the UK to be awarded this honour, and one of only 22 in the world to receive the designation, joining prestigious institutions such as Cornell University, Duke University, the University of Colorado and Tulane University. The award came after an intensive 12-month process during which every aspect of the University’s social enterprise strategy, philosophy and ethos was tested; from its leadership and culture, to its social enterprise curriculum and impact.
Social enterprises can be a suitable and effective vehicle for creating and developing these links. They are both entrepreneurial and social, and can provide a flexible, responsive and sustainable mechanism for identifying and responding to job and skills needs as they develop, and linking such opportunities to local communities:

- 39% of all social enterprises work in the 20% of most deprived communities in the UK compared to 13% of standard businesses;
- Social enterprises are run by a diverse range of people - 86% of social enterprise leadership teams have at least one female director, 27% of leadership teams have directors from Black and Minority Ethnic communities and 7% have directors under the age of 24;
- Around a third of all social enterprise start-ups are in the most deprived communities;
- 15% of social enterprises define themselves as ‘social firms’ (i.e. fully staffed by people under-represented in the labour market), whilst 17% of the sample employ more than 25% of these staff from people from disadvantaged groups;
- 16% of social enterprises state that they aim to support the long-term unemployed;
- 82% of social enterprises reinvest profits back into the communities where they are earned to further their social or environmental goals;
- 74% of social enterprises actively involve their beneficiaries in decisions about their business – a proportion that rises to nine out of 10 social enterprises in the most deprived communities in the UK.

There is also currently a large focus on social enterprise both at the European level and nationally, which is providing support and a development infrastructure and, importantly, funding. For example, the Social Business Initiative (SBI) a European policy initiative launched in 2011 which aims to place the civil society and social innovation as a key component of its wider Single Market agenda and the EU 2020 Strategy in order to meet EU economic, social and environmental policy targets. This will be achieved by aligning finance and commerce activities with ‘ethical’ and ‘social’ principles (e.g. the SBI includes 11 key actions to support social entrepreneurship in Europe in order to improve access to funding, including social investment). Locally, within Northampton and the wider county, there are developed and developing social enterprise structures and organisations, such as those at the University of Northampton that can help drive and also build on the European and national social enterprise agenda.

Social enterprises come in many shapes and sizes, undertaking a wide variety of activities and sectors, including several of SEMLEP’s priority sectors - manufacturing, construction, logistics, leisure, and business and financial services.

There are a range of legal forms available to people wishing to develop a social enterprise, be they individual social entrepreneurs, Third Sector Organisations developing an ‘off-shoot’ enterprise, or businesses wanting to formalise their social responsibility activities.

1.4 Why Social Enterprise(s) for the NWEZ?

It is the combination of the social and enterprise dimensions coupled with the national and local emphases and support that make social enterprises a suitable vehicle for maximising the opportunities from the NWEZ for local people.

We believe that there are a number of advantages to utilising social enterprise models in helping to meet the employment and skills needs of existing and potential businesses on the NWEZ:

- **Strategic national.** Although social enterprises have been around for decades in the UK, this is the first time they have gained such prominence at a national strategic level. This is largely as a result of the Big Society agenda, but also due to a greater emphasis on Corporate Social Responsibility (CSR), as well as a reaction to the failings of commerce which underpinned the current economic problems.
**Strategic local.** There is a significant local emphasis and infrastructure promoting and supporting social enterprises. This includes the University of Northampton which is seeking to become the foremost HEI for social enterprise in the country, and Enterprise Solutions (about to celebrate its thirtieth year). In addition, the Northampton Economic Partnership (NEP) stresses the social enterprise approach.

**Enterprise** – developing flexible and responsive provision. In stressing the *enterprise* element, social enterprises have the potential to develop entrepreneurial solutions and are therefore able to respond to emerging and fluctuating needs.

**Social** - linking in with the needs of the local community. In stressing the *social*, social enterprises can provide an independent and organic link between the local community and the employer needs on the NWEZ.

**Potential.** There is a wealth of untapped entrepreneurialism within communities, particularly amongst traditionally excluded groups (i.e. young people, BME groups, women, etc.); but many of these nascent entrepreneurs face issues that other start-up businesses may not, many: live in deprived areas, are not close to the labour market, may have low levels of skills and confidence and do not always recognise themselves as potential business start-ups.

**Value added.** Social enterprises, if successful, are more likely to recruit people from their local area, serve their local area, and spend their resources in the local area. As highlighted previously 39% of social enterprises are based in the most deprived communities compared to 13% of SMEs;

**Funding and business support opportunities.** A wide range of pro-business and growth measures, and efforts to prime the social investment market exist. These aim to make it easier to set up, run and grow social enterprises (i.e. the idea is that social enterprises benefit from an enabling businesses environment and appropriate business support).

### 1.5 What can Social Enterprise(s) do for employment and skills on the NWEZ?

In the light of the previous discussion we believe that there are five roles for social enterprises in meeting the employment and skills needs of businesses on the NWEZ.

#### 1.5.1 Strategic

As the organisations that are most closely aligned with local communities, social enterprises have the potential to link disadvantaged and other groups of people to the significant opportunities of the NWEZ. There is a need to include a social enterprise perspective in the strategic overview of the NWEZ. In other areas, this has been at the level of the LEP. The Northamptonshire Enterprise Partnership (NEP) has ‘supporting social enterprise’ as one of its key objectives and is engaging with social enterprise partners, such as, Enterprise Solutions Northamptonshire.

A social enterprise strategic perspective could cover:

- Ensuring social enterprise is on the agenda for the NWEZ;
- Present the opportunities which social enterprises afford to business on the NWEZ;
- Funding opportunities – developing understanding and expertise on funding options, as well as ‘clearing house’ for developing bids to national programmes, such as the European structural funds;
- Providing a focus to further linkages between social enterprises and support organisations;
- As a conduit to identify and respond to NWEZ business needs.

Northampton is probably one of the most proactive areas at present for social enterprise support. But there is scope for doing more to ensure that there is a visible, accessible and coherent ‘enterprising infrastructure’ in local communities. Through a strategic social
enterprise capability the LEPs could play a coordinating role, and bring in specialist social entrepreneur support from external agencies such as UnLtd and the School for Social Entrepreneurs, and from umbrella agencies such as Locality and the CDFA.

1.5.2 Operational – skills and employment

There are a number of examples of employment and skills provision and support developed and delivered by social enterprises which cover both the social and the enterprise dimensions. Whilst many are focused on supporting disadvantaged people and communities, there are a number that support higher levels skills.

Businesses on the NWEZ will require a number of people with lower level skills and qualifications whatever the profile of businesses – security staff, cleaners, receptionists etc. The main skills employers will require of such people are employability skills. Developing life skills and employability skills amongst disadvantaged people is an area that social enterprises excel.

Although there are many examples of successful social enterprises, we have highlighted the work of Catalyst Pluss and Hope Enterprises (who are based close to the NWEZ) who have developed successful social enterprises.

It is important to note that these two organisations do not merely produce people with cleaning or catering skills. These are mechanisms for giving people self esteem and confidence and moving them towards the labour market. In some cases it helps expose people’s inherent skills and talents that could be in higher level skills but years of disadvantage have kept hidden.

### Catalyst Pluss – Future Clean and New Horizons

#### Introduction

Pluss is a social enterprise that supports people with learning disabilities, physical disabilities, mental health issues and long term medical conditions to find employment.

The two social enterprises set up as part of Catalyst Pluss of interest to this project are:

- Future Clean is an eco friendly car park based car cleaning business. It is an eco-friendly car wash company and, in addition to people with learning difficulties, also employs the skills of ex-servicemen who also have disabilities in running the business.
- New Horizons: two grounds maintenance businesses. Two were established, in Plymouth and Exeter, but only the Plymouth business survives. The business and delivery model is the same as Future Clean.

Future Clean has been more successful than New Horizons and we therefore focus on the former in this summary.

For Pluss: “Social enterprise provides a real business environment in which employees can gain employment support and prepare for a mainstream paid job. In respect to disabled employees, the level of support that is often needed would not be a possibility in a mainstream job. Social enterprise means that everything that needs to be done can be done to progress a client into mainstream employment.”

A key component of the social enterprises is an Intermediate Labour Market (ILM) model. ILM differs from other employability support in that it provides a contract of employment to participants. The social enterprises offer work placements and temporary and part-time employment opportunities, alongside training and support with job seeking. The jobs act as supported employment with the aim that participants move into open employment afterwards.

#### Business model

The idea for Future Clean came from seeing the cleaning method being used in a car park elsewhere. Both Future Clean and New Horizons were developed as part of external...
funding bids to the European Social Fund. Catalysts Pluss received £600k from ESF ITM over three years. Other costs and income:

**Start-up costs:** There were high costs for health and safety and insurance. But other costs were kept to a minimum: equipment (clothes, the hand units, cleaning chemicals) and the local authority provided the car parks and access to gardens free of charge.

**Ongoing revenue and capital costs:** Capital costs are low as only car cleaning and landscaping equipment is needed, although a van was brought later on for storing equipment and staff belongings. Employees are paid national minimum wage but they are hoping to pay a living wage soon. Pluss Job Coaches incur a higher cost.

**Income:** additional income comes from Jobcentre Plus (its Work Choice programme) and revenue from the car cleaning business and its franchising.

Enterprises were *not* identified on a commercial basis but rather were partly designed to fit with the client group i.e. what kind of work clients would find most suitable. Low-start-up costs were also a consideration.

In addition to external funding, the social enterprise creates its own business revenue to fund additional client support, including through franchising.

**Delivery model**

Employees are referred from the Disability Employment Advisor at Jobcentre Plus. There remains close contact with the Disability Employment Advisor who sometimes provides additional support to clients. There are mandatory hours of job searching and training for employees as part of Jobcentre Plus’s requirements.

The enterprises offer:

- Job search support;
- Literacy and numeracy skills;
- Support with job application and interviews;
- Employees of Future Clean also gain on-the job skills such as selling, communication, being quality focused, and money handling;
- NVQs are offered, such as in customer skills and business development and entry level NVQs (Level 2 and 3) in car valeting.

Catalyst Pluss do not expect people to necessarily continue in car cleaning jobs or similar low skill occupations. There are examples of people going into positions such as a laptop engineer, a cleaner, carers and a school janitor.

**Developing the business**

The main emphasis of Catalyst Pluss has been on expanding Future Clean into new areas of operations and into new premises. The business has spread into other local authority car parks in other areas though the social franchise model. The franchise model involves a full training, materials and support package for any organisations to set up sites and provide employment opportunities to disadvantaged people. The cost is around £2,500.

There are currently discussions to franchise the model with local authorities in other regions; a major national supermarket chain, and; plans to use the cleaning system in areas other than cars, for example, cleaning mobility equipment, and cleaning the insides of ice-cream vans.

**Drivers and learning points**

Future Clean has been successful because it has exploited a niche market and because it appeals to the social responsibility of the commercial parts of local authorities.

Local authorities have been attracted by the eco-friendly low-water cleaning system, which would avoid prior problems of water damage. Starting in Plymouth, Future Clean were given access to one car park on a trial basis. After 5-6 weeks they were given two further car parks. Local authorities have not charged Future Clean for using their car parks seeing
it as an opportunity to support social enterprise from a social value perspective.

Future Clean has proved much more successful than New Horizons both in terms of business demand and the progress to paid job outcomes. This is because there is more competition in gardening (New Horizon’s business) and there is more travel time and down-time involved.

In regard to job outcomes, Future Clean has a higher success rate. This is because landscape gardening requires more training for employees and the skills gained are less flexible for other occupations. Also, lower demand for gardening services has meant that New Horizons has not been able to attract as much business which impacts on the number of clients it can employ and train.

Key lessons

Future Clean is successful because of the ecological cleaning system brand and the high quality of its cleaning. The social nature of the enterprise is secondary to its success but it does create a unique selling point.

A social enterprise must be able to trade on a good business idea, merely being a social enterprise is not enough to survive, and that is why the Future Clean business is more successful from New Horizons.

Examples of successful case studies abound, and there are a number of examples closer to home, some of which are in close proximity to the NWEZ.

University of Northampton Social Enterprise Strategy

As previously highlighted, the University is delivering numerous innovative and nationally leading initiatives to support the University’s aspirations to become the UK’s leading university for social enterprise by 2015. This includes:

- Work placements for students: all University students are given the opportunity, as part of their degree, to work in a social enterprise;
- Supporting student social entrepreneurs: bespoke support for students and staff in order to assist them to set up and operate sustainable social enterprises through programmes such as We Do idea and the Social Enterprise Development Fund;
- Inspire2Enterprise service: a nationwide initiative that provides customised, market driven support to new and existing social entrepreneurs and enterprises, including specialist advice from start-up through initial growth and beyond;
- University Challenge: University of Northampton led initiative to encourage UK universities to spend at least £1bn of the £7bn per annum they currently spend on procuring goods and services from external suppliers, with social enterprises.

Northampton Hope Centre

Hope Enterprises is a social enterprise (Community Interest Company) set up by Northampton’s Hope Centre, formerly Northampton Soup Kitchen, with more than 30 years’ experience working with the town’s homeless. See http://hopeenterprises.org.uk/

Hope Enterprises has created workshops to enable their homeless clients to develop necessary skills to build their self-esteem as well as generate much needed funds to support Northampton Hope Centre’s charitable work. There are three social enterprises:

- Hope Tools – refurbish second-hand garden tools and sell them;
- Hope Catering – Hope run a cafe at the White Water Training Centre and is looking to expand into outside catering;
Hope PAT Testing – routine safety checking for all electrical appliances.
Any surpluses are fed back into the Hope Centre.

Hope would like to develop its business model further and establish a social enterprise hub which would include a training workshop.

It is currently putting together a training programme aimed at homeless people and ex-offenders. The programme will deliver life skills and employability skills to clients with the help of the University of Northamptonshire. The programme will be a rolling 12 week programme, working with 3-4 clients during each 12 week session.

The social enterprise hub could also provide business support services for social enterprises, and also provide a forum to develop a coherent voice for social enterprise to input into developments like the NWEZ and also share their ideas.

Access to finance is an important concern at the moment, and they would welcome support in accessing social capital and other sources of funding.

1.5.3 Information and intelligence

One of the objectives of the study was to help the: “Development of a proactive growth oriented approach to skills training rather than a reactive deficit model”.

We have argued for a strategic social enterprise dimension, but in order to develop a ‘proactive growth oriented approach to skills training’ there needs to be a mechanism for social enterprises to understand the needs of businesses on NWEZ that in turn informs social enterprises of how they can help their communities develop provision to meet employer’s needs. These mechanisms could be:

- Access to job vacancy data to help TSOs and potential social entrepreneurs understand the employment and skills needs of employers on the NWEZ;
- Access to other information sources, such as, the Innovation Cube, and Northampton Chamber of Commerce;
- Involvement of a social enterprise representative at the employer and training forums, with some time given on the agenda (annually or bi-annually) devoted to social enterprise;
- Informal contact between employers in social entrepreneurs, such as, invitations to collective events;
- Promotion of TSOs and social entrepreneurs as creative, innovative, alternative and responsive business, financial and delivery models;
- Discussions with LEPs, local authority and West Northamptonshire Development Corporation over the utilisation of community clauses (Section 106 agreements);
- Feedback mechanisms from employers to understand the limitations of current employability and skills programmes, and the job applications they receive.

The most effective programmes working with disadvantaged people we have seen, have all involved employers. This has been in providing ‘real’ interview experiences, providing training on employer’s premises, and employers giving presentations to people on the sorts things they are looking for when recruiting, as well as providing work tasters and experience. So the involvement of employers in supporting the work of social enterprises should be promoted.

1.5.4 Symbiotic

Finally, there needs to be a process of linking in the whole community with the NWEZ so it does not seem an alien zone to local people. Inviting people on to the NWEZ site through an annual fireworks display, tours for school children, sponsored walks can help to create an ongoing relationship between the NWEZ and local communities if the opportunities of the NWEZ site are to be maximised for local people.
1.6 **Summary: key learning points for Northampton**

- Social enterprises represent an **opportunity to disseminate the opportunities** of the NWEZ throughout Northampton, and into local communities.
- There is a **current significant emphasis on social enterprises that has manifested itself in new business and funding opportunities**.
- Social enterprises can **maximise the potential** of disadvantaged and other local communities.
- But for social enterprises to be successful, there needs to be an **equal focus on the social and the enterprise**. Like any business, social enterprises have to compete in the market, and unless what they offer is saleable and in demand they will not be successful.
- As enterprises, they offer a **responsive and proactive mechanism** for meeting the jobs and skills needs of business on the NWEZ, as long as they are given a chance to understand those needs, and have access to opportunities.
- Similarly, the social dimension offers a **unique business and delivery model** that can utilise a number of income streams to deliver goods and services that also benefit (mostly) disadvantaged local people.
- **Northampton already has a successful social enterprise support infrastructure**, and examples of successful social enterprises that provide a sound basis to further develop the sector.

**Footnotes and references**

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Northampton Waterside Enterprise Zone
Skills Strategy – App 2b

Report 3: Generating business-HE linkages
case study

Northampton Borough Council
Northampton Waterside Enterprise Zone
Skills Strategy

Report 3: Generating business-HE linkages
case study
Northampton Borough Council

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Generating business-HE linkages case study

1.1 Introduction

Headline messages

Challenges
- Ensuring that the opportunities afforded by the NWEZ are distributed across the people and communities within Northampton.
- Addressing higher level technical, supervisory, management and leadership skills gaps and shortages.
- Support the significant local ‘knowledge economy’.
- Improving the engagement of sectors and occupations that do not usually engage with HE.
- Improving the quality, effectiveness and responsiveness of HE provision to business needs.
- Meet the employment and skills needs of the increased forecast demand for higher level skills and jobs.

A potential solution
- Improving graduate employability skills: ensure that graduates have the business and employability skills to go with their higher level skills so they can contribute to the business more quickly and add greater value over time.
- Engaging with micro businesses: provide responsive and flexible higher level skills provision to very small businesses who typically do not engage in HE.

Benefits delivered
- Increasing the relationship between HEIs and businesses, especially SMEs.
- Improving the understanding of both SMEs and students/graduates of each other’s opportunities.
- Broadening the understanding and development of employability skills across HEIs.
- Improving the added value of graduates and appropriateness of HE provision.
- Creating more business oriented and flexible learning opportunities for micro businesses.

Key lessons and building blocks
- Requires significant resources – to engage with businesses and develop the infrastructure for businesses.
- Smaller businesses will require incentives – costs of higher level skills and engaging with HEIs are expensive for small businesses and they will require financial incentives initially.
- Involving employers in design and delivery – initiatives need to involve employers in the design and delivery, be it in designing training programmes or employability skills support to students.
- Developing employability skills is necessary to attract students – with much greater financial commitments required of students getting a job, and the support HEIs bring to that, will be an important selling point.
- Whole organisation approaches – business focused activities need to be aligned with the strategic objectives of HEIs. They also need to be embedded across the whole organisation, and not just in particular departments or types of employability support.
1.2 Case study rationale

The rationale for the case study approach is outlined in Section 1.1 of the Executive Summary and Report 1: National and local skills context. The purpose for focusing on linkages between business and HE was:

- Matching HE course provision with employers existing and pipeline skills demands;
- Increasing graduate retention;
- Targets a range of sectors (therefore fits with EZ aim to encourage the growth of a number of sectors);
- Offers synergy with local initiatives: University of Northampton Employability initiative and schemes being delivered by other Universities / Colleges across the SEMLEP area, link to local employability and progression opportunities;
- The development of a proactive growth oriented approach to skills training rather than a reactive deficit model;
- To enable education providers to work with existing and prospective businesses to ensure future educational and skills-based training is appropriate to employers’ needs and that the young people have the skill sets to enhance their employability;
- To develop innovative processes that combine the best research methodologies with the practicalities of running businesses and growing the economy;
- To promote innovation and business growth connected to the NWEZ, creating a pool of trained people in the region ready for enhancing existing and future employment offers.
- Explore how skills' training is developed in the future for the NWEZ building up a support network and a collective skills base for current and future employers to utilise.

1.3 Why should businesses and higher education collaborate?

A principle aim and aspiration for the skills agenda is to increase the quantity, quality and relevance of higher level skills in the UK economy, thus giving UK plc a competitive edge over its main competitors. ‘You can’t beat Beijing on price’ but you can on innovation, and ‘workers doing jobs better and doing better jobs’.

Underpinning such approaches is the better utilisation of skills. One aspect of this is greater collaboration and communication between the development of skills by providers (both further and higher education institutions), and employers who will eventually utilise them. More effective higher education (HE) -business collaboration has been a policy goal for a number of years, recently reiterated by Professor Wilson in his recent review of business-university collaboration:

‘The economic and social prosperity of the UK depends upon a healthy knowledge-based economy. In our globally competitive economic environment, never before has there been a greater need for a talented, enterprising workforce, for constant innovation in product and service development, for a thriving culture of entrepreneurship, for dynamic leading-edge scientific and technological development and for world-class research that attracts investment.’

1.4 Graduate employability skills

In particular, improved graduate employability is a key outcome of collaboration and is a means to ensure a positive and effective transition for graduates from studying at university to working in a commercial business. The CBI defines ‘employability skills’ as:

*A set of attributes, skills and knowledge that all labour market participants should possess to ensure they have the capability of being effective in the workplace – to the benefit of themselves, their employer and the wider economy.*
This encompasses skills of self-management, team working, business and customer awareness, problem solving and literacy, application of numeracy, application of information technology, an underpinning positive “can-do” attitude and entrepreneurship (or an innovative approach), therefore encompassing both hard and soft skills.

While there has been a history of university collaboration with businesses and of supplying graduates with the skills needed by employers, the Leitch Review of Skills in 2006 emphasised a move from broad graduate employability to more specific workforce skills, for instance those promoted through innovative programmes of teaching and learning; in-company programmes, courses designed by industry and placements, internships and sandwich years as part of student degrees. As such employer engagement is part of academic culture for many higher education institutions through ‘whole-curriculum-based approaches’ and growth in enterprise education and entrepreneurship more broadly.

Ensuring that graduates possess skills of employability is, therefore, not a problem for higher education institutions alone – it is also a challenge for businesses:

Universities form the skills supply chain for business: and in any supply chain the secret of success is consistent detailed dialogue and mutual problem solving. Businesses that sit back and wait to be supplied with high level skills will inevitably be disappointed. As well as providing training for their employees, they need to engage with universities about their constantly evolving needs, and to provide high quality work experience opportunities for students.

1.5 Collaborative programmes to improve graduate employability

Businesses have varying requirements of higher education (including universities, colleges, private training providers, in-house training and professional bodies). As such, there exists a broad array of approaches to delivering employability approaches through HEI and business collaboration.

Improving employability skills through collaboration is consistently a part of funding interventions, emphasising its perceived importance by government. Research has found that work experience can significantly impact on a student’s employability, success rates during their studies and early career destinations. For instance, Aston University states that over one-third of their students on placements across degree courses are offered graduate jobs by their placement employer, regardless of their course of study - furthermore, 81% of Kingston University placement students got a first of 2:1 in the Faculty of Science, Engineering and Computer in 2008, compared to just 34% of non-placement students.

Swansea University and GO Wales

Swansea University is providing a range of support across the whole university to increase the employability skills of its students.

Since the implementation of student loans and increase in tuition fees, students have realised that they need as much support as possible in getting well paid employment when they graduate. HEIs also believe that they need to support students in this aim, in part, as a selling point of the university.

In addition to working with students and employers, staff also support academic colleagues in their attempts to improve the employability skills of their students.

Swansea works with a range of large businesses and SMEs. Larger businesses tend to have specific requirements (for example, STEM requirements) whereas the requirements of SMEs tend to be broader and more immediate. They require graduates to be multi-skilled, think laterally and add value to the business in a shorter timescale.

GO Wales

GO Wales is a national programme funded through ESF Convergence funds. It provides a range of support including:

- **Work placements.** SMEs can recruit graduates and students for a 6-10 week work placement. Company work placements are advertised on a website which students can search for. The website provides a job description, essential and desirable skills
Work tasters. Work tasters assist undergraduates to gain quality work experience. University students are matched with local organisations for periods of experience lasting between 3 – 10 days or 17 – 70 hours.

Swansea employs a work placement co-ordinator, and runs an employability award based on the City and Guilds Professional Development Award. The Higher Education Achievement Record (HEAR) enables students and graduates to build up credits to the awards from placements, tasters and other activities, such as, volunteering.

Engaging with SMEs to provide placements and tasters is a challenge. The university uses a variety of approaches including word of mouth, governing body contacts’ the local chamber etc. A good route to employers are graduates who have gone on to set up their own business or are managers within existing businesses. Being able to provide a financial incentive to help with wage costs also helps. Students are also encouraged to do their own research to identify placements.

An important driver for work placements and tasters is working with SMEs. In part this reflects the make-up of Swansea’s local economy, but it also makes SMEs aware of the potential of HE graduates, and makes HE students aware of the employment opportunities in SMEs.

Swansea University, like all HEIs, are seeking to embed employability skills within students in order to increase their employment chances and options when they graduate. In addition to GO Wales, the university encourages students to use their extracurricular activities, including volunteering, to develop and then display their employability skills e.g. team working, customer service, taking responsibility.

The university also works with departments to identify the generic employability skills graduates will require. For example, he university career’s service worked with the Criminology Department to engage with youth justice organisations to look at the practical aspects of working within this sector. Classes were arranged with careers officers co-delivering the sessions. Students are then encouraged to use the opportunities for placements, tasters and volunteering within the university to further develop these practical skills.

Success factors

- Easy process to engage with GO Wales and the universities support employers;
- Includes a range of mechanisms including volunteering and longer term placements;
- Covers all departments, undergraduates, post graduates and graduates;
- Works across all types of employers, especially SMEs.

1.6 Challenges and barriers to employability and how they may be overcome

1.6.1 The complexity of ‘employability’

All job roles require generic employability skills – with some also requiring more technical skills provided by a graduate’s studies. However while higher education needs to offer the workplace with work-ready graduates and encourage innovative thinking, employers also play a role in training graduates further as part of a longer process of learning and development. The means through which graduates have gained employability skills is changing and will continue to do so, in a shift away from a traditional student under 24 years of age and studying full time – to one where students increasingly working part-time alongside studies, studying alongside a full time job, entering education as a mature student, beginning studies with a foundation course or studying for a vocational course.

A number of factors exist that may inhibit or reduce the effectiveness of collaboration between higher education and businesses – particularly in regards to the definition and delivery of skills provision. This includes:

- **Strategic fit for the HEI and its partners**: employer engagement needs to be aligned with and supportive to an HEI’s direction of development;
Finding partners and establishing a relationship: a central contact point at an education institution and within a business; commitment from partners to spend time exploring employer needs and meeting them; positive relationships between individuals;

Designing and delivering an appropriate learning package: the development of complementary learning experiences which does not have to be entirely offered by the training provider; identifying the preferences and abilities of learners and developing provision based on this;

Developing, sustaining and leading the partnership: clear roles between partners; buy-in from key partners, structures to ensure continuity particularly where an individual may be leaving; ongoing leadership and recognition of different requirements of leadership;

Staff resourcing and capability: engagement in areas where staff are experts as a unique selling point; responsiveness to employer requirements and careful consideration of the resourcing of courses;

Culture and systems supportive of collaboration; cross-cultural support from an intermediary if required, recognition and acknowledgement of providers/individuals who actively engage with employers; flexible internal systems that adapt; and,

Funding and investment: appreciation of the true cost of employer engagement; a sustainable income stream.

In part, these barriers and challenges are backed up by perceptions that higher education, particularly ‘traditional’ universities, are more focused on optimising research output through the transfer of knowledge and applied research, rather than providing higher skills for those already in work and the involvement of employers in improving provision for staff. While establishing links and relationships with employers has long been viewed important – it has been argued that it forms the ‘third stream’ or mission which is carried out in addition to research and teaching, rather than alongside itxv.

Teesside University is an example of an HEI with an employer-led agenda and where barriers to collaboration have been reduced through effective employer management. The University’s Vice Chancellor identifies that the key success factors to this positive engagement are the possession of the qualities that would be required of a successful business, namely customer focus, responsiveness and commitment to deliver quality on time and at an agreed pricexvi. A further tool which supports their employer engagement strategy is the Client Relationship Management (CRM) Systemxvii:

Client Relationship Management at Teesside University

Teesside University’s CRM system has helped to improve employer engagement activity, particularly through being embedded across the institution. The system is used to increase transparency in managing employer relationships and maximise efficiency and communication - as well as ensuring that rather than employers / individuals in businesses being contacts of specific university individuals, they are clients of the University as a whole.

The system was developed through funding from the Strategic Development Fund in 2009. A grant of £5.13m was used to embed the employer-led ethos including through the development of the CRM system and the appointment of seven Account Managers to support ‘long-term responsive relationships with employers’.

The system also ensures that interaction with employers is of a high quality – for instance, through informed marketing campaigns providing detail by the type, size, involvement and location of employers, information can be tailored to the business recipient to maximise impact.

The university has previously won awards, including from the Times Higher Education magazine, in regards to its work with businesses in the region – and in particular, the Business School’s Foundation Degree in Leadership and Management (in partnership with the North East Chamber of Commerce, NECC).

Success factors

Centralised management system for employers regardless of sector or university
1.6.2 Barriers to effective work experience

A study of employer perceptions of graduate employability published in 2011 found that placements, internships and work experiences were particularly effective modes to enhance graduate employability, regardless of the size of business or sector\textsuperscript{xviii}. A third of companies fill graduate vacancies with those graduates that have already had experience within their company either through an internship or work experience placement\textsuperscript{xix}, emphasising the importance that experience can play in raising employability or increasing employment opportunities.

However, whilst they are broadly important - the duration of placements was of paramount importance to their effectiveness. For instance, placements that were 6 months or longer were viewed as more effective to acquire the full benefits of work experience. As such, this meant that sandwich placements and work during holidays from study are particularly effective for students to gain skills that will improve their employability.

While internships also provide advantages to employers, they also lead to costs, particularly when involving supervision by senior staff. The size of business may further impact on willingness to engage and the effectiveness of collaboration – with links more prevalent in larger entities than SMEs, as larger employers have more resources to develop and sustain links with education providers, than smaller employers. The STEM Engagement Centre at the University of Reading has produced a 'A toolkit for setting up credit-bearing placements to improve the employability skills of STEM students'\textsuperscript{xx}. The toolkit emphasises means of effectively engaging with employers, including the need to emphasise benefits to engagement in language that they will understand. These benefits are three fold – including publicity and marketing opportunities, opportunities to enhance the workforce and corporate social responsibility. However it also emphasises the need to ensure that employers are realistic as to their expectations of students.

The study of employer perceptions also found that employers felt higher education institutions' willingness to engage with employers varied by department and faculty – as did individuals' willingness to engage. This could potentially limit engagement opportunities, despite employers wishing to support graduates.

The University of Kent uses an employability points scheme to improve engagement with extra-curricular activity as a means to develop transferrable employability skills, using work experience, placements, internships and training as ‘prizes’ for those that have worked towards developing such skills. This provides employers with the opportunity to provide experience to students that have proved they are dedicated and willing to work hard, and thus provides employers with an expectation that their skills may be more developed than those students who have not earned enough points to win a reward:

**Work experience as a reward for broader involvement in extra-curricular activity at the University of Kent**\textsuperscript{xxi}

At the University of Kent, the Employability Points Scheme\textsuperscript{xxi} has been established to reward students that choose to engage in extra-curricular activity related to work (such as working part-time, learning new languages, engaging in enterprise activities or active membership of clubs/ societies). The points can be used to apply for further employability enhancing rewards such as work experience, job shadowing or internships, in addition to training opportunities. Prizes are employment related and sponsored by employers and help students to overcome a situation whereby they have a degree but no work experience by supporting the development of employability skills and providing contacts with businesses that sometimes lead to sustained employment.

The scheme has engaged both students and companies and delivered over 275 work experience related rewards in 2012. In its 2010-2011 pilot, over 1,000 students and 30 companies were engaged.
App 2b

(and 70 students rewarded) – increasing to 2,000 students and 86 companies in the 2011-2012 year with 282 student rewards offered. Corporate sponsors include both local companies and governing bodies including the County Council and large companies such as Coca Cola and Tesco.

Employer engagement

Employers are engaged at various stages of the process. Once the idea had been drafted by the university, the team brought in a group of employers to test the idea on them and gain feedback. Following this, a smaller and varied group (by sector, size, engagement with students / work experience) was brought together to discuss the skills they viewed as important from new recruits. Each activity that students could choose to engage with through extra-curricular activity was therefore weighted according to its perceived importance to an employer and the types of skills developed – for instance part time work was positively weighted (i.e. was worth more points) than a one off training opportunity.

The university’s engagement strategy was similar to that followed for business development – via direct calling, making contacts with the supply chain of existing clients, networking sessions and inviting employers to visit the campus.

Barriers and challenges

- Similar challenges to setting up a business in terms of getting commitment from the University and then initially engaging employers and students. Employed a part time student to support the development of the pilot – providing them with work experience – and also supporting the team to develop initial contacts with employers and students and advertise the scheme;
- Employers were initially unable to ‘put their finger’ on what they were looking for. They knew they wanted motivated individuals who could demonstrate commitment – but were unable to demonstrate exactly what this meant in reality. It took time and hard work from the team to identify the skills that were valued and to establish a weighted criteria to activities through which skills could be developed;
- Once initial students and employers were engaged, the success and engagement from the university student body was visualised – and subsequently more employers engaged;
- Once the scheme had gained popularity (i.e. over 500 students), a manual IT system for monitoring was not suitable for the data requirements (time consuming process of manual input). The university is currently in process of designing a bespoke and automated system to streamline data entry / processes. While they could not have illustrated the need for a system in the scheme’s earlier days, it would have been a beneficial system to save time.

Success factors

- Easy process to engage with - rewards student motivation and commitment to activities outside of their studies where employability skills can be developed. Many students may already be involved in activities – but also encourages students to be competitive and motivated;
- No barriers to entry – anyone can engage regardless of academic degree / discipline;
- Mirrors the world of work – with competitive element and drive required from individuals to gain points and ultimately ‘win’ opportunities;
- Provides real-life opportunities for work and training with well known brands and smaller companies;
- Variety of employers engaged (sector, size) to offer students with broad opportunities for experience regardless of their study discipline.
- The University has received interest in the scheme from the EU and UK – at HEI and university level – and from local authorities in regards to sixth form colleges. They are considering potential opportunities to commercialise the scheme and enable its adoption into different learning environments. They were also nominated for the 2012
1.7 Driving HE links with businesses

Employer engagement with higher education is driven by two primary factors:

- **Increasing the supply of graduates / specific skills.** To overcome shortfalls in the workforces’ skills for an individual employer or a sector more broadly. This may be to improve the graduate recruitment pool, or to establish better relationships with students whilst at university through teaching, placements etc.;

- **Improving productivity or ways of working.** Where employers seek to develop a range of higher skills, introduce new skills as a result of changes in an industry or a changing business environment / to move into new markets.

The main benefits for business of engaging with higher education are the ability to improve the supply of graduates they receive, enhance productivity and to develop new and/or innovative ways of working.

Increasingly employers are looking to higher education to establish long term relationships, and vice versa. For instance, research suggests that employers are actively engaging as partners in learning provision through provision of work experience opportunities and support to teaching. Further business benefits to engaging with higher education institutions, include access to a pool of potential employees, support with recruitment and knowledge transfer opportunities. Employers can also gain from receiving bespoke training support and the accreditation of learning.

A study undertaken in 2012 found that 63% of employers had developed links with universities in varied activities from sandwich year placements to a role in shaping or influencing degree programmes. Businesses also choose to provide practice projects that help students to appreciate the real-world relevance of their course, partnered with universities for research and innovation development – including KTPs. Internships were identified as particularly useful at boosting employability – with two thirds of firms offering such internships operating in engineering, hi-tech/IT and science sectors (66%) and over half in professional services (59%) – compared to 47% of all businesses. As a result STEM subjects and skills were viewed as most important.

All HEIs have good links with a range of large employers. Increasingly HEIs are developing their links with SMEs and micro businesses. This creates a greater challenge as engaging with smaller businesses is generally more of a challenge, SMEs tend not have a dedicated HR function to manage these activities, and SMEs on the whole tend to invest in training and higher level skills.

### Adapting to work with SMEs - PP4SD

Professional Practice for Sustainable Development (PP4SD UK) is a national organisation aimed at embedding sustainable development practices within business and other organisations. They have developed a range of training courses, including dedicated materials for the land based, financial services and retail sectors.

PP4SD UK tend to work with large business and organisations and were keen to adapt their provision to meet the needs of SMEs.

In association with Swansea University and Lantra (the Sector Skills Council for the environmental and land-based sector), PP4SD UK secured funding from the European Social Fund to: “…create sets of training materials to enable owners and managers of [SMEs] to understand the basic principles of sustainable development and to give them some business-planning tools to help deal with challenges to the sustainability of their business”.

The training materials are primarily aimed at four industry sectors: Environmental Management, Aquaculture, Fisheries Management and Agricultural Manufacturing. These sectors were chosen...
because they predominantly include micro and SMEs with low levels of training.

Whilst the training materials were developed for these four sectors, both the approach and the materials are based on processes that can be applied to any sector and any business.

As technical content is increasingly freely available on the internetxxvii, so the approach is much more

Key elements of the approach are:

- Developing course content in association with businesses;
- Backcasting – starting from where you want the business to end up and, from there, working out how best to achieve the goal;
- The use of a range of tools (such as mind mapping) in order to develop critical thinking skills so that people can independently apply what they have learnt;
- The use of participatory exercises that bring people from different businesses together so they can share their experiences and complement their knowledge;
- Create business ownership of what sustainable development means to them, and the benefits and barriers to achieving this.

The learning materials – available in Welsh and English, in paper, on-line and CD format – were based on existing materials, but developed with the target sectors and businesses. However, the main focus of the course was in getting people to think for themselves, and in collaboration with other learners. Therefore a number of events were organised in order to bring people together so they could network, interact and discuss ideas with each other and cross-fertilise from their different approaches and experiences.

Unfortunately, seminars were poorly attended due to the weather, the rurality of Wales and business commitments. PP4SD therefore had to run more 1-2-1 sessions with learners than originally planned.

The materials were developed in consultation with businesses in the four sectors. Could you say a bit more about how this was done, how many businesses, how did they contribute.

The big hook to engaging with businesses was being able to deliver the provision for free. Many of the businesses are family run businesses and have limited time for training, as well as being run on tight margins. However, as business people they are interested in developing their business and, in land based sectors, sustainable development is important to achieving this.

PP4SD has successfully delivered the course to 200 learners from 100 businesses. The course is now delivered through Lantra’s accredited trainers.

1.8 Summary: key learning points for Northampton

Key learning points from the case study review of HE and business engagement:

- **Increasing employability skills is a key aim of all HEIs:** there are a large number of HEIs that could have been selected, as increasing the employability skills of students and graduates is a priority for HEIs, as they seek to compete for students and demonstrate their progression into appropriate employment.

- **Whole institution approaches are essential:** it is not sufficient to focus on placements or tasters. Approaches to improving employability skills need to embedded throughout the institutions.

- **Extensive employer support is needed:** engaging and supporting employers, especially SMEs, is requires a lot of resources and a consistent approach that is in-line with the HEI’s strategic objectives. Using previous graduates as a method of engagement is an additional approach universities have found to be effective.
Management of knowledge will become increasingly important: developing higher level skills will become less about transferring knowledge and more about knowledge management. Increasingly resources are available on the internet, so employers, especially small businesses will need support in identifying the most appropriate knowledge for their business. This approach also creates flexible approaches which also business people and employees to customise course materials and undertake training when they want to.

Footnotes and references

7. BIS (2012) ibid
8. BIS (2012) ibid
10. Aston University (2012) Placement years - The Aston Advantage http://www1.aston.ac.uk/study/undergraduate/placements/
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21. Interview with Business Engagement Lead at University of Kent, 15/01/13.
xxii http://www.kent.ac.uk/employabilitypoints/

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xxiv Bolder et al (2009) ibid

xxv Bolder et al (2009) ibid


xxvi Especially since the development of on-line US HE websites such as coursera; edX; UDACITY.
Northampton Waterside Enterprise Zone Skills Strategy – Appendix 2c

Report 5: North West Business Growth Hub Case Study

Northampton Borough Council
Northampton Waterside Enterprise Zone
Skills Strategy

Report 5: North West Business Growth Hub
Case Study

Northampton Borough Council

A report submitted by ICF GHK
Date: 22nd March 2013
# Document Control

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<tr>
<td>Prepared by</td>
<td>Marc Eatough, Peter Dickinson and Jane Sanderson</td>
</tr>
<tr>
<td>Checked by</td>
<td>Peter Dickinson</td>
</tr>
<tr>
<td>Date</td>
<td>22nd March 2013</td>
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</table>

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1 Tailored diagnostic and brokerage – the North West Business Growth Hubs case study

1.1 Introduction

Headline messages

Challenges

- One of the key components for driving improvement in business performance is in part raising the demand for business advice, information and support.
- Business support can be highly fragmented, complex and difficult to access and navigate, resulting in a shortage of demand.
- Challenges facing businesses: a lack of trust in providers, difficulty in knowing where to turn to for support, diagnosing their own business requirements, identifying the full range of services they actually need; and understanding the benefits of support.
- Support agencies criticised for lacking a clear approach of engaging with businesses, understanding their needs or signposting to appropriate support provision.
- A key challenge for local providers is to establish infrastructure and/or mechanism to help ensure business support is coherent, simplified and co-ordinated.

A potential solution

- **Business Growth Hub model**: a demand led ‘wraparound’ IDB service which offers business needs analysis, diagnostics through to provider referral and the development of bespoke support solutions to address specific needs and barriers to growth.

Benefits delivered

- Key benefit of providing brokered services is likely to be that they are demand led – and feed from what business support requirements employers have in a locality.
- Effectively engage businesses and develop their trust to drive up demand for products
- Direct support towards local businesses with growth potential, by bringing businesses and services together.
- Job creation, new business start-ups, up-skilling, business growth (GVA, etc)
- Act as a conduit for potential further funding.

Key lessons and building blocks

- **Understand the business support landscape** – through an audit of commercial services and public sector business support programmes currently available
- **Articulation of demand through research and intelligence** - identifying current and future problems in the context in which they operate, and establishing key priorities to address identified gaps and shortages.
- **Hub development** - Build on existing expertise and infrastructure: e.g. operationally many of the processes of Business Link, not least the call centre, IDB service, product offerings, events, networking and one to one support have been developed and are understood both by the market place and suppliers.
- **Marketing and branding** – raising the profile of the business support offer to employers
- **Diagnostic and information, advice and guidance** – build trust through provision of impartial (and free), IDB, identifying appropriate provision, identifying appropriate funding, facilitating and supporting the interaction between business and providers and providers and providers.
1.2 Case study purpose

The rationale for the case study approach is outlined in Section 1.1 of the Executive Summary and Report 1: National and local skills context. The purpose of this case study is to review the Business Growth Hub initiative that engages businesses via support on a wide range of business problems, utilising specialist diagnostic and brokerage models to deliver a comprehensive and tailored range of support and information to businesses.

1.3 Case study rationale

The abolition of the Regional Development Agencies and advisor component of Business Link has changed the regional business support landscape, naturally resulting in the loss of structures that were responsible for co-ordinating and managing the delivery of business support within regions. Sub-regional and local provision has also developed in response to the new national policy initiatives identified above and funding streams, such as the Regional Growth Fund, European Regional Development Fund, European Social Fund and Skills Funding Agency programmes.

As highlighted in Section 4 there is no shortage of supply of skills, training and business support services on offer at the local level, with support coming from public, private and third sector sources, including banks, accountants, consultants and government agencies. As highlighted during stakeholder interviews and at the two Skills Strategy and Action Plan Workshops help in January and February 2013 there is concern however, that the new local approach could pit different business support suppliers against each other, and there is a potential danger that their priority is to chase businesses to get them to ‘sign up for specific services’, without understanding the larger picture.

A key challenge for the two Local Enterprise Partnerships and partners is to establish frameworks to help ensure business support is delivered in a coherent, simplified and co-ordinated manner. Indeed, Lord Heseltine (2012) in ‘No Stone Unturned in the Pursuit of Growth’ proposes a radical improvement to how businesses are engaged and supported at the local and sectoral level, suggesting a coordinated business support infrastructure that is led by the private and offers easy access to trusted business support and advice.

Business Growth Hubs offer a potential delivery model to address this recommendation, whilst providing a useful mechanism for:

- effectively engaging businesses, diagnosing their problems and brokering an effective support response; and,
- building trust through non-skills support to businesses which can be developed into skills support applicable to the business.
1.4 North West Business Growth Hubs

**What is a Growth Hub?**

The North West of England is on the first areas to pilot the Business Growth Hub support model. The region’s Local Enterprise Partnerships (LEPs) have endorsed the development of Business Growth Hubs in the North West to support and accelerate business growth; key to the creation of jobs and increased GVA.

A key driver has been the North West ERDF Programme which allocated up to £15m through its Operational Programme to fund the establishment and delivery of a number of sub-regional Growth Hubs across the region:

1. **Cheshire and Warrington** – private sector led Growth Hub
2. **Greater Manchester** – public / private ‘not for profit’ partnership
3. **Lancashire** – public sector led Growth Hub

The Growth Hub is *specialist demand led wraparound business support programme* that aims to accelerate the creation and growth of sustainable high growth ventures. As in the case of the Cheshire and Warrington Growth Hub it operates from a central hub with satellite offices across each sub-region. The Hub provides a *single access point to a tailored package of diagnostic, advisory and coaching and mentoring services* and access to a range of partner services (e.g. finance, marketing, legal, ICT, leadership and management training, investment readiness advice), specifically targeting the support and business growth needs of firms with high growth potential.

The Hubs have a broad remit and use a range of solutions and business support activities to support companies with the ambition and potential to grow. At the heart of the Business Growth Hub model is an extensive partner network, members of which are committed to helping businesses to grow, including Technology and Innovation Centres, UK Trade and Investment Services, Business Angel Networks and venture capitalists.

The form of Growth Hubs is not prescribed, but they are generally set up as a combination of a website/telephone portal, online support, a core team of advisors / account managers that help guide businesses seeking help to a range of programmes and providers of services who might be able to assist them (e.g. relevant business training events and networks and one-to-one advisory and mentoring services).

**Summary of key activities**

The following illustrates the broad range of services that are provided by the Hub’s:

- **Client Engagement/recruitment:** including ‘taster sessions’ with a focus is on informing businesses of the flexibility and ‘tailored’ aspects of the support package, as well as promoting the opportunity to network with providers and other businesses.

- **Knowledge Hub:** central call centre that handles all referrals, undertakes basic signposting and tracks SME client demographics, services required, solution identified and actions completed to support the client.

- **Specialist Information, Diagnostic and Brokerage (IDB)** Face to face IDB activities will be based on established assessment processes (examples being RIPEN, SWOT/PEST) which results in the preparation of an Action Plan for each client. Referral to specialist services - including the national Growth Accelerator and specialists offering leadership and management training and innovation services that focus on IP and innovation skills.

- **Entrepreneurship and Leadership Development programmes** aimed at stimulating higher levels of start-up activity, growth and improved productivity within SMEs.

- **Business Advisory Services** including skills – either to fill a skills gap or to recruit
new employees, succession planning, start-up training, business planning, etc

- **One to One specialist Business Coaching and Mentoring**, which includes leadership and management. The Hub operates a mentoring service where clients are carefully matched with a mentor who will provide pro-bono advice and guidance to clients. The support is designed to develop new skills and expertise, stimulate new thinking in dealing with challenges, and to enhance networking opportunities.

- **Skills Development** This includes activities aimed at encouraging the take-up of training and education linked to career opportunities in priority sectors. This forms part of wider package of intervention rather than a stand-alone skills-focused project.

- **Growth Groups** - Directly, and in partnership with external providers (e.g. Academy of Chief Executives) the Hub also offers peer-to-peer growth groups

### Client journey

Figure 7.1 outlines the ‘**client journey**’ for the Growth Hub based upon the expected business journey of a participant. The process commences with marketing and/or referral of a business to the programme, subsequent application processes and, if successful, a business diagnostic as the basis for the programme of business advisory services, coaching and mentoring and other specialist business support elements.

**Figure 1.1 Growth Hub Client Journey**

<table>
<thead>
<tr>
<th>Engagement</th>
<th>Diagnostic &amp; brokerage</th>
<th>Tailored support</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDB Service</td>
<td>Knowledge Hub</td>
<td>Growth Hub Core Programme</td>
</tr>
<tr>
<td>Call Centre</td>
<td>Internal handling of client enquiries / 90%</td>
<td>Growth Masterclasses</td>
</tr>
<tr>
<td>Marketing</td>
<td></td>
<td>1:1 specialist support/coaching</td>
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<tr>
<td>Business ‘Taster’ Sessions</td>
<td></td>
<td>Business Planning</td>
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<td></td>
<td></td>
<td>Growth Workshops &amp; events</td>
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<td>Advisory Services (legal, finance, etc)</td>
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<td>Mentoring</td>
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<td></td>
<td>Leadership &amp; Management</td>
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<td></td>
<td></td>
<td>Skills &amp; career development training</td>
</tr>
</tbody>
</table>

### Funding lessons from the Cheshire & Warrington Growth Hub

Funding to establish and deliver the Hub up to July 2015 was sought from a mix of sources, including c: £3m Northwest European Regional Development Fund, £2.7m from private sector contributions and £300k from public sector partners. There is also an additional £1.5m Growth Accelerator component to the scheme. The costs for the running of the Hub and IDB service over the lifetime of the scheme will be approximately £730k. There will be no revenue generated by the project, as there is no payment made by SMEs to any delivery partner for the service.

### Impacts and benefits - performance to date

Each Growth Hub is in the early stages of delivery very few outputs and outcomes have been delivered to date, however each will deliver significant local economic impact. For example, the Cheshire and Warrington Growth Hub aims to create 1,000 new jobs, safeguarding 270 existing jobs, the creation of 170 businesses and assisting 85 people into employment. The Growth Hub aims to deliver support to over 900 businesses. The Greater Manchester Growth Hub has witnessed an increase in business engagement. The
Hub has engaged with 1,193 Manchester clients and there have been 1,200 Manchester attendees at Hub events (some have attended more than one event). In terms of specific services, 701 clients used UKTI and 107 MAS (Jan – Oct 2012).

1.5 Why a Growth Hub for Northampton – the potential benefits?

There are a number of advantages to establishing a ‘business growth hub’ in the Northampton in order to meet the employment, skills and growth needs of existing and potential businesses on the enterprise zone and within the wider SEMLEP and NEP areas

- **Strategic**: The Growth Hub meets with national economic goals to assist private sector recovery by unlocking private business potential, driving business growth and employment generation in order to stimulate economic growth and create new, sustainable private sector jobs.

- **Economic impact** - by Increasing business start-up and survival rates; generating new private sector jobs (and safeguard existing jobs); contributing to SEMLEP and NEP GVA targets through improved business performance and competitiveness (e.g. GVA from new / improved products).

- **A more skilled, adaptable and entrepreneurial and enterprising workforce**: The Growth Hub model aims to develop entrepreneurial solutions that are responsive to emerging and fluctuating business needs. The Growth Hub brokerage service provides a more active opportunity for relationships to be established with businesses. A key impact of this support on employers could be their ability to have a more skilled and adapted workforce and in maintaining, developing and implementing training processes – including re-focusing training resources and reducing skills shortages and gaps.

- **Co-ordinated an integrated business support offer through effective IDB model**: one of the key benefits of the Growth Hub is that it aims to deliver added value by addressing the increasingly fragmented and complex business support offer that is evident across many LEP areas to ensure local businesses can find the public or privately funded business support which best meets their needs. The Hub will be a practical demonstration that Northampton is committed to business and enterprise and has the service to nurture and grow local businesses.

- **Effective business engagement**: Having identified barriers to growth and potential solutions many businesses still fail to proceed with addressing these issues as they lack the resources (financial, managerial or time) to properly engage with business development solutions. The Growth Hub seeks to address this issue by providing resource to encourage businesses to embark on the business development process. This takes the form of vouchers or loans which cover the cost of initial support and demonstrate the business benefit of engaging in this activity.

- **Mechanism to improve intelligence on business needs, barriers to growth and solutions** – the Business Growth Hub model provides an umbrella mechanism to clearly understand the needs of businesses and deliver a support service that effectively meets demand through effective, and practically based solutions.

- **Increase demand for services and increased trust in service offer** – one of the key benefits of providing brokered services is likely to be that they are demand led – and feed from what skills requirements employers have in a locality. Similarly, employers are able to get access to information and knowledge on new standards and are often linked to broader business support offers.

1.6 Opportunities for local replicability

There are a number of local initiatives and support networks that offer the potential to be formalised into a Northampton Business Growth Hub. An initial review of providers of business support and skills provision highlights that there is a broad coverage in the area surrounding the Enterprise Zone, through private sector provision (e.g. A4e and Ingeus) and...
higher and further education provision. Skills provision is likely to be further enhanced through the new University Technical Colleges which are to open in 2013. The research and interviews have identified the importance of not looking at skills in isolation and that it is important to understand the wider support needs of businesses.

There is evidence of activity to co-ordinate business support activity across Northampton, including collaboration between key business support organisations, such as the Northamptonshire Enterprise Partnership, Northants Chamber, Federation of Small Business, etc for intelligence regarding business support needs and challenges. The three Further Education Colleges of Northampton College, Tresham College and Moulton College also work in partnership within the Federation of Northamptonshire Colleges.

**Northamptonshire Enterprise Partnership (NEP)**

NEP is putting in place infrastructure to help develop and strengthen the county’s proposition for new investment by UK and overseas owned businesses with a particular focus on the Engine of Growth and Logistics sectors. Providing a strong ‘front of house’ enquiry response point, NEP aims to build and develop a ‘virtual sales team’ of Ambassadors and other partners to assist with the strong presentation of Northamptonshire and its offer.

The NEP is currently working with a range of partners (e.g. local colleges, sector skills councils, the University of Northampton and local authorities) and has identified a set of target priority interventions, including working with Solutions for Business, East Midlands Business and others to identify an approach that provides tailored business support packages for High Performance Engineering (HPE) in Northamptonshire; and establish a clearer picture of education pathways into the HPE sector for use by teachers and career advisers.

**NEP Job Brokerage Service**

The NEP has introduced a new Job Broker service to help local employers find solutions that work. The Job Broker provides a single point of contact and works with local companies to help them understand their business requirements. The Broker operates across the Northamptonshire Enterprise Partnership network to develop the right recruitment solutions and to put in place a range of support that meets the company's needs whilst giving young jobseekers a chance to work.

1.7 **Summary: key learning points for Northampton**

Key learning points from the case study review of the Business Growth Hub’s include:

- **Understand the local business support landscape**: The development of the Lancashire Business Growth Hub was informed by a detailed audit and mapping of commercial services and public sector business support programmes currently available to new and established companies based in the County.

- **Identify gaps in provision to facilitate business growth**: Despite the apparent breadth of the current publicly and privately funded business support offer, there may remain some key areas where the demands of businesses are not being met, therefore restricting their growth potential. For the Lancashire Growth Hub, this included the need to deliver face to face support to develop skills, knowledge and confidence of local businesses to access private and public business finance products and build awareness of and use of appropriate private and publicly funded support provision.

- **Ensure simplicity and a fit for purpose service offer**: The Cheshire and Warrington Growth Hub model operates a central call centre and knowledge hub for SMEs to access information regarding a range of sub-regional business services from the hub itself, strategic partners and associated services (e.g. Business Services). The service has been designed in consultation with local organisations, including the LEP to ensure it
meet national, regional and local and sub-regional challenges, strategic priorities and growth aspirations

- **Integrated, responsive and consistent** The Cheshire and Warrington Growth Hub delivery model is based on robust and tried and tested management and delivery mechanisms in place to ensure consistency of delivery across Cheshire and Warrington. Referral to Growth Hub partners and other programmes is a key element of the service to allow “one stop” access to business services across Cheshire and Warrington and avoid duplication of support activities.

- **To achieve greatest impact and reach the support has to be highly targeted and flexible** The IDB element of the Growth Hub is an integral component of the service. This free and impartial service is designed to provide businesses with up-to-date and relevant information to diagnose their individual needs and, where relevant, broker them towards the most appropriate sources of business support to cater to those needs. The Growth Hub delivery partners also have an extensive track record of working with the small business community to identify challenges and design appropriate support solutions to ensure support is delivered in order to achieve the best value for money.

- **Build on existing expertise and infrastructure**: Operationally many of the processes of Business Link, not least the call centre, IDB service, product offerings, events, networking and one to one support have been developed and are understood both by the market place and suppliers. An alumnus of former Business Link exists across the sub-region and expertise exists to develop the Growth Hub, both for back office and client facing services.

- **Effective diagnostic and brokerage mechanisms**, including robust research and intelligence to identify current and future employer skill needs in the context in which they operate and establishing key priorities to address identified skill gaps and shortages. Marketing and promotion and branding of service offer is also critical in order to raise the profile of the learning and skills offer to employers, and raising employer learning and skills needs with providers.

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**Footnotes and references**

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1 As identified in HM Treasury’s Plan for Growth (Mar 2011) (which builds upon BIS’s The Path to Strong, Sustainable and Balanced Growth of Nov 2010) – make UK one of the best places in Europe to start, finance and grow a business
Northampton Waterside Enterprise Zone
Skills Strategy – Appendix 2d

Report 4: Investing in local workforce development case study
Northampton Borough Council
Northampton Waterside Enterprise Zone Skills Strategy

Report 4: Investing in local workforce development case study

Northampton Borough Council

A report submitted by ICF GHK

Date: 22nd March 2013
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1 Investing in local workforce development case study

1.1 Introduction

Headline messages

Challenges

■ The evidence shows that 15% of the working population within Northamptonshire have no formal qualification. Equally, employers in Northampton report skills shortage vacancies which affect growth and productivity. Further challenges such as meeting replacement demand, mean that individuals and employers alike need to be supported to upskill to meet the increasing need for training and skills development;

■ There is sectoral diversity in the local area, however there is above average employment in the knowledge economy. This is a key strength but also places considerable demands on the skills base to meet the needs of companies locally (and if these cannot be met then recruitment takes place outside the area);

■ Workforce development is taking place in the local area, however this tends to be confined to higher level occupations and to specific sectors e.g. engineering. The challenge for partners and stakeholders locally is to develop and disseminate a clear message around the benefits of developing the workforce;

A potential solution

■ In order to meet the skills demands identified within the evidence base, and articulated by employers and those who work to support them, investing in skills development and training activities for individual employees is an effective solution. Developing skills resources internally, rather than having to recruit, and facilitating partnership working with providers to ensure that skills provision on offer is geared towards meeting the employers organisational needs, are both central to success.

Benefits delivered

■ Investing in the local workforce offers significant benefits – for employers, individuals, stakeholders and partners, and also the local economy. Research shows that developing skills internally within a company structure shows a commitment to staff, resulting in increased retention and greater productivity;

■ Developing the skills of people in the local area means that the labour market is better equipped to meet the documented skills shortages experienced by employers. By investing in the local workforce, companies are helping to prevent the ‘brain drain’ which affects the Northampton area, as well as strengthening the local ‘offer’ for potential inward investors;

■ Developing partnerships between employers, providers, and other stakeholders strengthens the local strategic and operational infrastructure, facilitating joint working and developing connections which can generate a myriad of other joint working opportunities.

Key lessons and building blocks

■ In order to successfully engage with employers, providers and employer representative organisations are key. The evidence shows that effective collaborative working between employers, providers, and other stakeholders is crucial to achieve an impact;

■ Not only do the benefits of investing in the workforce need to be clearly articulated, but employers must be given the opportunity to work with providers and directly input into shaping provision, to ensure that it meets the needs of companies;

■ Employers also need to be helped to identify the ‘tools’ and appropriate support available to enable them to participate. This may be information and advice, financial resource, in-kind support, or other kinds of support;
The Action Plan represents an opportunity to bring together key stakeholders locally, to develop and implement activity to engage with employers locally, and ensure they are aware of the benefits of, and know how to go about, developing the skills of their employees.

1.2 Case study purpose

The rationale for the case study approach is outlined in Section 1.1 of the Executive Summary and Report 1: National and local skills context. The purpose of this case study is to present and discuss evidence and examples of the impacts of investing in the local workforce:

- Engaging with and supporting employers to articulate their training and skills needs;
- Understand how such companies promote and embed their provision with local economies, whilst also linking to national skills priorities (e.g. as identified by Sector Skills);
- Potential to identify a ‘model’ that can be rolled out into other sectors across the NWEZ / SEMLEP areas;
- Collective employer efforts to increase the level of training, so lessons for developing ATAs and other group training.

1.3 Case study rationale

Greater investment in skills by employers is a vital part of UK policy to drive economic recovery – with training enhancing productivity, performance and ultimately driving growth. In addition to employer investment in training, it is important that employers engage with broader skills issues within their sector and thereby contribute to the up-skilling of current and future workforces.

There are numerous different models to support employers to upskill their employees. The UKCES’s Employer Ownership of Skills model is just one example of activity to encourage and support business to invest in their workforce. The range of tailored projects and targeted funding programmes geared towards employers investing in skills development highlights the diverse nature of the business population, and the associated challenges: there is no ‘one size fits all’ when it comes to motivating and supporting employers to invest in skills. Mainstream programmes such as Apprenticeships, as well as other more locally focussed projects and programmes all strive to support employer investment in skills.

Rolls Royce Apprenticeship Academy

Rolls-Royce has developed an Apprenticeship Academy which offers high quality training towards apprenticeships. Rolls-Royce invests approximately £38m each year on vocational education – with £1.2m invested in supporting further and higher education for apprentices. The Apprenticeship Academy is based at Rolls-Royce’s Learning and Career Development Centre in Derby – and was developed in partnership with the Skills Funding Agency. There are four engineering focused apprenticeships programmes:

- **Midlands Manufacturing Apprenticeship** (Level 2); a partnership between Rolls-Royce, a local education college and Training 2000 who have provided an apprenticeship which recruits people wishing to specialise training in engineering and prepares people to progress onto an advanced apprentice framework. The programme includes an 11-month off the job programme to widen the qualification base of each individual and to develop new skills;
- **Rolls-Royce Apprenticeship** (Level 3 and 4): Advanced apprenticeship includes a mix of class-room based and on-the-job training and usually lasting 3.5 years. The higher Apprenticeship also enables individuals to move to graduate level and build up practical work experience using world-class technologies and processes;
- **Community Apprenticeship (Level 3):** Rolls-Royce acts as the training provider in this programme for individuals from SMEs engineering companies across the East Midlands and supports the recruitment process, training and assessment delivery;

- **Young Apprenticeship (Derby only):** a two year programme designed to support students from Year 9 onwards to develop engineering skills and gain new qualifications, alongside Key Stage 4 studies. A day each week is spent at Rolls-Royce in addition to two 10 day work placements, one at a Rolls-Royce company and the other in a local engineering company.

654 trainees were employed by Rolls-Royce in their advanced apprenticeship scheme in the UK in 2011. Rolls-Royce have achieved a 98% retention rate on their apprenticeships, with the scheme graded an Ofsted 1:1. Over half of their apprentices enter higher education courses before the age of 30. Furthermore, 30% of senior management roles are occupied by ex-Apprentices. In 2011, Rolls-Royce in Derby began to train more Apprentices than its own requirements had capacity for. These apprentices were placed in local manufacturing businesses and supply chain companies. The Rolls-Royce facilities are also used by local companies to deliver foundation skills training – with 59 apprentices from non-Rolls-Royce companies as of March 2012.

In directly engaging with employers, and achieving the crucial ‘match’ between employers effectively articulating their skills needs, and provision being flexible enough to respond to and meet these needs, therein lies the challenge.

### 1.4 Why a similar initiative for Northampton – the potential benefits?

There is a considerable amount of evidence highlighting the benefits of investing in the workforce, encompassing benefits for business, and also for stakeholders. These include:

**The benefits to business**

- **Skills supply:** skills that can be shared with the broader workforce, ensuring that a good fit between skills of employees and employer needs, internal supply of skills;

- **Recruitment and retention of staff:** the ability to attract better staff due to the offer of training / qualifications, staff that receive training are more likely to stay;

- **Motivation and reward:** receipt of a qualification can motivate staff, and investment in staff is a sign that they are considered worthy of investment;

- **Meeting industry norms:** particularly in sectors such as engineering / construction – apprenticeships are viewed as the norm in vocational education and training;

- **Corporate social responsibility:** investing in young people and the workforce.

A study on the [impact of apprenticeships](#) found that returns to employers are significant:

- **Value for money** - despite wage costs being greater for apprenticeships during training, post-training costs are recouped through increased worker output;

- **Increased competitiveness:** 77% of employers felt more competitive as a result of involvement with apprenticeships, 76% felt they enjoyed higher productivity;

- **Retention and internal progression:** higher employee retention and potential for staff to progress internally. Staff turnover is reduced and training provides the skilled workers required for the future;

- **Apprentices as a resource:** apprentices are seen as more loyal and providing a pool of skilled people for future promotion.

**Benefits for stakeholders**

- **Businesses:** developing training to meet business needs; power to businesses in the training market; increasing the responsiveness of providers to business needs;
- **Young People**: placing increased economic value and status on skills; provide better options; an improved culture of employer-employee partnership and greater commitment to skills development;

- **Colleges and training providers**: the ability to compete on quality and innovation; better partnerships with employers; better articulation of how training can benefit employers;

- **Government**: a long term skills strategy based on sustainability and growth, a system based on employer and employee need that delivers more valuable skills (i.e. directly responding to identified need and providing those that are needed).

### 1.5 The challenges to engaging employers to invest

Employers are more likely to invest in their workforce through provision of training where they attach value to that training. Employer engagement with external training such as HE provision can also be inhibited by a number of factors, such as viii:

- Financial (costs);
- Credibility (demonstrable value to employer and employee);
- Time (availability);
- Student support in the workforce;
- Lack of flexibility and responsiveness (too slow, too static);
- Complexity (complicated systems and bureaucracy); and
- Lack of relevance and outdated curricula.

Key to overcoming these barriers is dialogue and communication between providers and employers so that both are aware of the realities of what can be provided and the demands an employer has of its workforce.

**Providers are the key**

Employer involvement in workforce development has benefits for employers, providers and learners. However, research ix shows that employers rarely take the initiative to make or maintain contact with training providers or to influence provision. More often, providers take the lead in instigating relationships. Bodies representing employers such as Sector Skills Councils also have a role in improving mechanisms to enable smaller providers and the employers they work with to influence the development of provision nationally and locally. They can also encourage employers to become more actively involved with providers, to ensure they get the education and training they need.

In the best examples of employer involvement seen in the research, strong partnerships were formed between employer and provider (and in some cases also involving schools and other education sector organisations), in which each recognised and valued the other’s contribution to developing provision to meet employers’ and learners’ needs.

### NEXUS: Training and Resources for Engineers

Nexus is a training centre based on the Enterprise Zone, situated just outside Great Yarmouth. There are other Enterprise Zones in the area locally. The location of Nexus on the Great Yarmouth and Lowestoft Enterprise Zone x came about due to existing links and relationships between partner organisations, and those involved in developing the Enterprise Zone.

The centre comprises units housing training facilities, teaching space, specialist equipment housed in a workshop area, as well as a large meeting room and office facilities. Funding for the Centre was secured via Norfolk County Council, to support delivery of vocational training and qualifications. There is already a need for engineering skills development locally, due predominantly to older workers retiring and the replacement demand. Also there are offshore wind developments, with discussions currently around developing one off the Norfolk coast. There is a lot of activity around
renewables currently, opening up the Southern North Sea, which has implications locally.

Nexus is a not for profit organisation and therefore has no liability conditions attached. Management arrangements have been set up as a two-tier system, with three Directors: Two Heads of Schools, and Head of Norfolk County Council Children’s Services; and Stakeholders: including: three Business Organisation Representatives - OPITO\textsuperscript{iv} for oil and gas, EEEGR\textsuperscript{viii} the East of England Energy Group, and the Mason Trust\textsuperscript{vii} a support organisation for young people aged 12 to 25 in Norfolk and Suffolk who have become, or are at risk of becoming, disengaged; a Borough Council representative; Principal of Lowestoft College; Head Teacher of local school; Head of Engineering at Great Yarmouth College.

**Funding and resources**

At the time of establishing the Centre, the local Borough Council contributed funding from the Development Fund. Currently, Nexus funding comes via the Trust - Local schools ‘buy into’ the Trust and partnership, at a cost of £2 per pupil per year.

Nexus is housed in the first building on the Enterprise Zone to be occupied, in this way it represents a ‘flagship’ for the Zone, and acts as a ‘show home’ for the site. The favourable rates afforded by locating on the Enterprise Zone have been beneficial to establishing and developing the centre. Four members of staff are employed in the centre.

**The NEXUS ‘offer’:** Nexus works with a range of partner organisations, offering services to:

- **Business:** offering bespoke adult training for businesses, for example developing and delivering CNC (computer numerical control – a specialisation in mechanical engineering) training for a local company. This was developed and tailored specifically to meet the needs of the business;

- **Education:** engaging with schools in the local area: for example the Centre offers a half day training provision for a BTEC Levels 2 Engineering Course, as well as supporting delivery of GCSE courses such as Graphic Products. Also developing KS2 provision for primary schools, a package based around STEM engineering. Also offer summer schools, and provide equipment on loan free of charge. Locally post-16 provision includes an FE College and a Sixth Form College, both of whom link in with Nexus. Nexus delivers courses for Great Yarmouth College, for instance as part of the ECITB – engineering and energy qualification, The centre also offers the building for teacher training and CDP activity, as well as teambuilding activities. Nexus also use the 3D CAD software, and manage the license on behalf of local schools, this includes telephone back up and support, as well as providing training for the teachers;

- **Engineering sector:** offering a specialist parts-making service, rapid prototyping, CAD, etc.

**Progress to date**

Delivery began on 5\textsuperscript{th} November 2012. Since then there has been a lot of interest in the centre, including visits from local stakeholders, schools, colleges, industry representatives, local companies, partners, press, MPs, etc. as well as organisations interested in the EZ site. There have been approximately 200 learners through the doors to date (End of Jan 2013). Nexus has produced a business plan which will be reviewed and updated at least every 2 years. The priority for Nexus now it is about becoming self-sustaining and sustainable, becoming part of the provision offer locally, not duplicating existing provision.

1.6 **Opportunities for local replicability**

The evidence around employer investment in the workforce for the local area is presented in Section 3.5. Key points of relevance here are:

- 22\% of workers in Northampton aged 16 to 64 had received training compared to SEMLEP and UK averages of 19.0\% and 18.4\% respectively.

- 5,040 people started on an apprenticeship programme in Northamptonshire in the 2011/12 year, an increase of 81\% since 2005/2006\textsuperscript{vi}.

Therefore there is already some investment taking place in the workforce, however the evidence suggests this is focussed on higher level occupations and particular sectors and businesses e.g. engineering.

The opportunity lies in ‘spreading the word’ promoting the benefits of investing in the workforce, and ensuring this is an activity undertaken across all sectors and all types of
companies. In relation to directly engaging with employers, and achieving the crucial ‘match’ between employers effectively articulating their skills needs, and provision being flexible enough to respond to and meet these needs, therein lies the challenge. However, during the course of the research project, an example of this exact interaction between provider and employer currently taking place was identified within the Northampton area.

The University of Northampton and Norbert Dentressangle

The University of Northampton is currently working with logistics firm Norbert Dentressangle, to develop a new course to provide existing management staff with new management techniques.

Norbert Dentressangle is the second largest transport and logistics company in the UK with over 12,800 employees, and as is a key actor within the logistics sector for the Northampton area and more broadly.

The co-operative working arose from existing links between the University and the logistics company, developed through the University Engineering Department.

The Foundation Degree in Leadership and Management teaches management skills that can be applied immediately in the working environment and integrates teachings with current Norbert Dentressangle practices, providing managers with a nationally recognised degree.

The course took four months from concept to delivery, and is delivered to an average of 30 people per year, and is delivered on a flexible basis, in two day blocks, which can take place at the weekend if needed.

Since successfully employing this approach, the University has replicated this model with other companies.

Northampton College has also developed a joint working partnership with Dale Carnegie Training, a training organisation with a global presence. The agreement means that business in the Northamptonshire area can access training opportunities offered by Dale Carnegie at a preferential rate. Courses available include Leading and Managing to Engage and Motivate employees, as well as sales-related training.

The evidence has identified that there are emerging opportunities for the local area, especially with regard to facilitating and enhancing employer engagement in training and workforce development, e.g. the new University Technical Colleges which are to open in 2013. The different channels by which employers can be encouraged and supported can be considered in the local context:

- Accessing existing mainstream programmes such as ESF, Apprenticeships: a key challenge is to ensure the ‘message’ permeates the business community locally, and that employers are made aware of what is available, what the eligibility criteria are, and are supported to apply;

- Local Authorities identifying resource in response to a local need: identifying flexibility or available resource within current Local Authority controlled funds to support tailored activity to support employer investment in the workforce. NEP currently deliver a range of business support activities including tailored events and on-line resources, this could be further developed to promote and facilitate employer investment in the workforce. There are also examples of overarching funds, that join together several funding pots to create one flexible source of funding for a range of projects, for example, the Yorkshire and the Humber Skills Fund;

- Co-investment such as the Unionlearn Collective Learning Funds, whereby projects are funded to support investment in the workforce, on a co-investing model to make such learning affordable and accessible by leveraging in cash and in-kind contributions from employers, providers, unions and individuals;
Group Training Associations/ Apprenticeship Training Agency: a relatively new development, in its nascent stages but nonetheless should be considered as a potential route to engaging with employers and facilitating workforce development through local area activity and collaborative working on the part of providers.

1.7 Summary: key learning points for Northampton

The key points to note from the case study evidence are:

- Partnership working is the key – in particular enabling employers to work collaboratively with providers to directly input and shape the provision to meet their needs. Other stakeholders will also be involved, e.g. Local Authority, sector bodies, educational sector organisations. This will strengthen partnership working locally, allowing the sharing of intelligence and facilitate the development of strategic and operational relationships between stakeholders;

- There are existing examples of employer investment in the workforce, through dedicated provision (University of Northampton, Northampton College) however there is huge potential for more. The key messages around the benefits of investing in the workforce, and the support available to facilitate this investment need to be effectively disseminated;

- The local economy enjoys sectoral diversity but nonetheless has higher than average employment in the knowledge economy. This is a key driver for economic growth and prosperity, but only as long as the local labour market and skills supply can meet the demands of a knowledge-intensive based business population. Encouraging employers to invest in the workforce is a powerful tool for meeting these requirements, identifying and developing skills resources internally avoids the need to look elsewhere and recruit from the wider labour market (potentially outside the area);

- There are a range of mechanisms to facilitate investment in the workforce (mainstream national programmes, locally targeted interventions, institutional level activity) but all offer holistic support, tailored to the needs of the employer, whilst also recognising the importance of supporting the individual to develop within the context of the ‘host’ business;

- The barriers to employers investing in the workforce are known and have been well documented, these can be considered in the context of the Action Plan, and appropriate interventions and/or support mechanisms developed to encourage business to upskill and move towards meeting the skills shortage vacancies highlighted in the evidence base.

Footnotes and references


3 Rolls-Royce Apprenticeship Academy http://theapprenticeshipacademy.com/


5 BIS (2012) ibid.


8 DIUS (2008) Higher Education for the workforce: Barriers and facilitators to employer engagement. Dr. Marilyn Wedgwood, Manchester Metropolitan University. DIUS Research Report 08 04
Ofsted: Good practice in involving employers in work-related education and training, 2010
https://www.education.gov.uk/publications/standard/Trainingandworkplacelearning/Page1/090227
http://www.opito.com/
http://www.eeegr.com/
http://www.themasontrust.org/
Apprenticeship Programme Starts by Region and Local Authority (2005/06 to 2011/12 in-year estimates). Data at LA level, therefore no data at SEMLEP geographical area.
http://www.northampton.ac.uk/info/20021/training-solutions/26/leadership-and-management-development
http://www.northamptoncollege.ac.uk/business/about/DaleCarnegiecourses.aspx
Northampton Waterside Enterprise Zone Skills Research

A report for Northampton Borough Council and South East Midlands Local Enterprise Partnership (SEMLEP)

Appendix 3a - Phase One Employer Survey Analysis
Executive Summary

- This first phase of the survey has recorded the viewpoints of 500 Northampton and wider SEMLEP based employers in relation to five specific issues: skills gaps and shortages; company engagement with training and professional development; future skills requirements; business performance; and locality as a place to do business;
- Just under 1 in 5 companies (18.2%) stated they were suffering from skills gaps or shortages, a figure that is broadly in line with data from the National Employer Survey;
- A far higher proportion of companies in Education (30%), Professional, Scientific and Technical (29%), Accommodation and Food Services (25.9%) and Business Administration (24.2%) reported the presence of skills gaps and shortages;
- Only 11.8% of Northampton based companies (9 out of 78) stated they were experiencing skills gaps and shortages, far lower than both the national and overall survey averages of 18%;
- Three particular types of skills were identified as being in short supply:
  - Basic and transferable skills;
  - Skilled trades and sector specific skills; and
  - Leadership and management and supervisory skills.
- Professional, Scientific and Technical and Production companies (including Advanced Manufacturing) stated that knowledge of domestic, European and International markets need to be improved;
- Companies with skills gaps and shortages are attempting to tackle the issue through three main mechanisms:
  - Widening the scope of their recruitment through increasing expenditure on advertising;
  - Internal training with existing staff to provide them with the required skills to fill the gap; and
  - Identification of suitable external training courses offered through colleges and private training providers.
- JCP should act as a more effective broker between potential employees and companies. They should play a more active role in identifying appropriate individuals based on the job descriptions and information provided by companies;
- More than three quarters of companies (76.8%) have undertaken either formal or informal training within the last 12 months;
- Of the 384 companies that have engaged with training, one third only use accredited training for between 1 and 10% of their overall training programme. Conversely, almost 1 in 5 companies used accredited courses for between 91 and 100% of their training needs;
- An overwhelming majority (88.6%) stated there were no barriers, leaving only 11.4% in a position to identify barriers. the most common were lack of courses locally (31.6%), cost of courses (26.3%), limited budgets (21.1%) and lack of customised training (17.5%), although clearly the sample sizes for these are very small.
- Future skills requirements were identified in 5 main areas:
  - Technical and Sector Specific Skills;
  - Industry Experience;
  - Management and Leadership Training;
  - Customer Service; and
  - Information Technology.
1.0 Employer Survey

1.1 Introduction

This section provides a detailed analysis of company responses to Ecorys’ telephone survey, which was completed during the last week of November and the first two weeks of December 2012, using a structured questionnaire, the content of which was designed in conjunction with Northampton Borough Council.

This first phase of the survey has recorded the viewpoints of 500 Northampton and wider SEMLEP based employers in relation to five specific issues:

- To identify skills gaps and shortages that are impacting on employers propensity to recover and grow following the economic downturn;
- To assess levels of company engagement with employment, training and professional development;
- To consider likely future skills that will be required to take advantage of market opportunities;
- Respondent views on their business performance in the 12 months preceding the survey; and
- Localities as a place to do business.

The survey has incorporated cross-tabulations by industrial sector (defined by Office for National Statistics Standard Industrial Classifications), together with additional cross-tabulations for locality, company size and, where appropriate, occupational profile.

1.2 Sampling

Phase One of the survey has collated and analysed responses from 500 companies across all industrial sectors within the boundaries of South East Midlands Local Enterprise Partnership (SEMLEP). In ensuring collation of sufficient data by key sectors, early stage discussions and meetings with the client group at Northampton Borough Council led to the incorporation of ‘booster’ samples for each of the six sectors identified via national, regional and local strategic and policy literature.

The sampling framework and associated survey quotas were developed to broadly reflect the structure of the study area’s economy as illustrated in the latest available Business Register and Employment data taken from NOMIS. It is important to note that the aim of this Phase 1 survey has been to provide local stakeholders and decision makers with an overview of business profile of the study area and its constituent localities, to ensure the development of a skills strategy that represents all sectors of the economy and not only those identified as growth sectors. However, in seeking to maximise information from respondents within the growth sectors, whilst also maintaining a representative survey, booster samples were introduced.

1.3 Company Background

The first section of the survey collated information detailing the profile of participating businesses, including organisation/company type (public or private sector), sectoral profile, age of business, company size, turnover and occupational profile.
1.3.1 Company Type

As Table 1.1 illustrates, 76.6% of all survey respondents classified themselves as being private limited companies and 9.4% were sole traders (the proportion of sole traders within the wider population is higher). Only 1.6% of respondents are public sector with 4.8% being public limited companies and 3% being third sector or social enterprises.

<table>
<thead>
<tr>
<th>Type</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole Trader</td>
<td>47</td>
<td>9.4%</td>
</tr>
<tr>
<td>Private Limited Company</td>
<td>380</td>
<td>76%</td>
</tr>
<tr>
<td>Public Limited Company</td>
<td>24</td>
<td>4.8%</td>
</tr>
<tr>
<td>Company Limited by Guarantee</td>
<td>3</td>
<td>0.6%</td>
</tr>
<tr>
<td>Public Sector Organisation</td>
<td>8</td>
<td>1.6%</td>
</tr>
<tr>
<td>Third Sector Organisation/Social Enterprise</td>
<td>15</td>
<td>3%</td>
</tr>
<tr>
<td>Partnership</td>
<td>23</td>
<td>4.6%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>500</td>
<td>100</td>
</tr>
</tbody>
</table>

1.3.2 Sectoral Profile (Survey Sample)

As illustrated in Table 1.2 below, the sectoral profile of the survey sample is broadly similar to that of the population as a whole with one notable exception. The proportion of companies involved in Production, Construction, Finance and Insurance, and Professional, Scientific and Technical industries have been increased or have remained high to reflect their significance as key growth sectors for the local economy (with production incorporating advanced manufacturing and engineering companies).

<table>
<thead>
<tr>
<th>Nature of Activity (Standard Industrial Classification)</th>
<th>Percentage (Sample)</th>
<th>Percentage (Population)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry and fishing</td>
<td>0.8%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Production</td>
<td>14.6%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Construction</td>
<td>12.6%</td>
<td>13.3%</td>
</tr>
<tr>
<td>Motor trades</td>
<td>6.4%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>2.2%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Retail</td>
<td>8.6%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Transport and storage</td>
<td>4.4%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Accommodation and food services</td>
<td>5.4%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Information and communication</td>
<td>6.8%</td>
<td>10.4%</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>5.4%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Property</td>
<td>3%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Professional, scientific and technical</td>
<td>13.8%</td>
<td>18.3%</td>
</tr>
<tr>
<td>Public administration and defence</td>
<td>0.2%</td>
<td>7.7%</td>
</tr>
</tbody>
</table>
### 1.3.2.1 Sector by Locality

There are some notable variations from the survey average in production (manufacturing), Retail and Professional, Scientific and Technical. For example, over one quarter of respondents in Bedford (27.8%), Daventry (28.6%) and Oxfordshire (28.6%) work in production, whilst this figure drops considerably to only 9% in Northampton.

As would be expected, there is a greater proportion of companies operating in the retail sector in Northampton (15.5%), Daventry (14.3%) and Kettering (13.3%) when compared to the overall survey average of 8.6%. Given the focus on key growth sectors within national and local policy, it was interesting to note that the presence of Professional, Scientific and Technical companies was higher than the survey average and closer to the national average in Bedford (16.7%) and Milton Keynes (16.7%), significantly higher in South Northamptonshire (31.6%) and significantly lower in Northampton (7.7%).

### 1.3.3 Company Size

As in the case of sectoral profile, the breakdown of the survey sample by company size is broadly reflective of the SEMLEP business population as a whole, which is dominated by Small and Medium-sized enterprises employing 10 or fewer staff. The survey sample is also reflective of the very small number of large companies and company headquarters present in the study area.

Focusing attention on company size within particular sectors, Construction has a lower proportion of companies employing between 0 and 5 staff (37%) and a higher proportion employing between 6 and 10 staff (31.5%), Finance and Insurance have a significantly higher proportion of companies employing between 0 and 5 staff (70.4%) and Retail has a far higher proportion of companies employing 11-49 staff (55.8%).
1.3.3.1 Size by Locality

Whilst the size of company did not vary considerably from the survey average in the majority of localities, there were one or two exceptions. Most notably, two thirds of companies in Wellingborough (66.7%), 58.7% in Aylesbury and 58.1% in Luton, employ between 1 and 5 staff, a figure that drops to 47.4% in Northampton. At the other end of the scale, 7.1% of companies in Daventry employ between 50 and 99 staff, compared to the survey average of 3.2%.

1.3.4 Age of Business

As can be seen from Figure 1.2 below, almost one third of all companies surveyed (30%) have been established for at least 20 years and over two thirds (67%) have been established for at least 6 years. This indicates that the study area has a stable business profile, which is a particular strength, but also a limited influx of new business start-ups. In analysing company age by sector, a higher proportion of production companies have been operating for more than 6 years (79.5%) and over two fifths of retail companies (41.9%) and one third of transport companies (36.4%) have been in existence for at least 20 years. The age profile of the other key growth sectors is broadly similar to the overall survey population.
1.3.4.1 Age by Locality

Analysis of company age by locality led to a number of interesting findings; findings that may well indicate higher levels of new business start-ups. 1 in 5 respondent companies in Kettering have been in business for less than a year, a trend also mirrored in East Northamptonshire (18.8%) and Milton Keynes (16.7%). At 11.5% Northampton was broadly in line with the survey average, with 11.5% of companies having been in existence for less than one year. It was interesting to note too, that over one quarter of companies based in Luton (25.8%) have been in business for between 1 and 2 years.

1.3.5 Turnover

Associated with company size, the survey also sought to interview companies with varying turnovers from less than £100,000 through to £10,000,000. Turnover is the best proxy by which to measure the performance of a business as it is almost impossible to obtain profitability figures.

As is often the case with responses to turnover, a significant proportion of companies (64.6%) did not wish to provide information, which means the analysis must be treated with a degree of caution. However of those that did (which totals 177 companies), 18.1% had turnovers of less than £100,000, 15.8% had turnovers between £100,001 and £250,000, 13.6% had turnovers of between £250,001 and £500,000 and 17.5% had turnovers of between £500,001 and £1,000,000. This would be broadly reflective of the wider profile of the study area given the high proportion of SMEs involved in the economy. In addition, 27.1% of the 177 had a turnover of between £1m and £5m with only 7% having a turnover in excess of £5m.
The reduced sample size resulting from respondents choosing not to answer the question means that analysis by locality does not yield any meaningful additional information.

1.3.6 Location of Suppliers

All businesses operate within and are supported by a network of local, regional, national and international suppliers. The long-term sustainability and growth of a locality is predicated on maximising the usage of locally based suppliers and minimising the outflow of expenditure to different spatial locations outside the immediate locality.

The interpretation of this question needs to be explained as the percentages on both axes can be confusing. By way of example, in taking the second column of Figure 1.4 below, this states that 8.3% of respondents have a supplier base where between 11 and 20% are from the locality. In reviewing Figure 1.4 in greater detail, there is a concerning statistic that over one third of companies (36.8%) have a supplier base where less than 10% are located locally (within 10 miles). More encouragingly, 1 in 6 (14.9%) companies use local firms for between 91 and 100% of their supplies.
1.4 Employment

Following on from providing a general profile of their business, respondents were asked a series of questions relating to their workforce, with particular emphasis on understanding where they live, how staff numbers have changed and the occupational profile of the workforce.

1.4.1 Staff Numbers

Respondents were first asked the travel to work distance of their employees, together with any changes to staff numbers over the last 12 months. With reference to the former, almost two thirds of all companies interviewed stated that between 90 and 100% of their staff live within 10 miles. There were no significant variations by sector, geography or company size.

Almost one quarter (24.4%) of companies reported an increase in staff numbers over the last 12 months, with almost two thirds (62.2%) maintaining current staffing levels and only 12.6% stating a decrease in numbers. Analysis by sector served to identify some variance from this norm, with over one third of Finance and Insurance businesses (37%) recruiting new staff and just over one quarter of Wholesale businesses (27.3%) having to shed staff. In looking at trends in staffing by company size, as would be expected, the smaller the company the lower the proportion reporting increases in staff numbers. Only 15.7% of companies employing 1-5 staff have been able to recruit in the last 12 months compared with one third of companies employing between 6 and 49 and more than 2 in 5 companies (41.2%) employing 51 or more.

Respondents were asked to consider their future staffing levels and, positively, an overwhelming majority (89%) stated they would be looking to recruit staff in the next 2 years.
1.4.2 Occupational Profile

Table 1.3 below provides two comparable statistics, the occupational profile of our survey sample and the profile of the population of the SEMLEP area as a whole, with data for the latter derived from the NOMIS Annual Population Survey (APS). The survey sample has a higher proportion of Managers and Senior Officials and Skilled Trade occupations than the population as a whole. This can be explained by the need to weight the sample to take account of the 6 key growth sectors, some of which have a higher skills profile and a greater proportion of skilled trades (e.g sustainable construction and Advanced Manufacturing and Engineering). The occupational profile of the wider population is skewed towards lower level activities with only 10.3% employed in managerial positions and 12.5% employed in elementary roles.

Table 1.3 Occupational Profile

<table>
<thead>
<tr>
<th>Occupational Level (SOC Codes)</th>
<th>Sample</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and Senior Officials</td>
<td>28.95</td>
<td>10.3</td>
</tr>
<tr>
<td>Professional</td>
<td>9.61</td>
<td>18.5</td>
</tr>
<tr>
<td>Associate Professional and Technical</td>
<td>5.83</td>
<td>14.0</td>
</tr>
<tr>
<td>Administrative and Secretarial</td>
<td>11.57</td>
<td>11.2</td>
</tr>
<tr>
<td>Skilled Trades</td>
<td>16.43</td>
<td>10.4</td>
</tr>
<tr>
<td>Personal Services</td>
<td>3.74</td>
<td>8.8</td>
</tr>
<tr>
<td>Sales and Customer Service</td>
<td>16.11</td>
<td>7.7</td>
</tr>
<tr>
<td>Process, Plant and Machine Operatives</td>
<td>3.29</td>
<td>6.3</td>
</tr>
<tr>
<td>Elementary</td>
<td>4.46</td>
<td>12.5</td>
</tr>
</tbody>
</table>

Analysis by sector highlights a far greater proportion of Skilled Trades in Production and Construction companies and Process, Plant and Machine Operatives in Production. As would be expected, the retail and Accommodation and Food sectors have a high proportion of Sales and Customer Service staff (57% and 44.3% respectively). The breakdown of other sectors is broadly the same as the sample data detailed above.

1.4.2.1 Occupational Profile by Locality

In analysing occupational profile by locality, there are some notable variations across the majority of occupational levels. Looking first at Managers and Senior Officials, there were higher average scores in Central Bedfordshire (31.25) and Kettering (35.83%) and lower average scores in Daventry (21.1) and Northampton (24.3), when compared to the survey average of 28.95. At professional level, there were considerably higher average ratings in Oxfordshire (22.43) and Luton (15.29) and lower than average ratings in Central Bedfordshire (6.62) and Corby (4.63) when compared to the survey average of 9.61. In Northampton the figure was slightly higher at 11.

There were equally interesting results among Skilled Trade occupations, with significantly higher average ratings among companies in Kettering (23.03), Oxfordshire (22.86) and Bedford (21.06) compared to 16.43 for the survey as a whole. Higher than average ratings for Sales and Customer Service staff were observed among companies in Daventry (28.36) and Luton (22.55), compared to the survey average of 16.11. The Northampton average was slightly higher at 19.29.
1.5 Skills Gaps and Shortages

This sub-section of the survey analysis sought to establish both the extent and nature of the skills gaps and shortages manifesting themselves in workplaces throughout the SEMLEP study area.

Figure 1.5 Skills Gaps and Shortages

As can be seen by Figure 1.5 above, just under 1 in 5 companies (18.2%) stated they were suffering from skills gaps or shortages, a figure that is broadly in line with the national figure, as reported in the Annual Workforce Survey.

Analysing skills gaps and shortages by sector does serve to identify some important variances. A far higher proportion of companies in Education (30%), Professional, Scientific and Technical (29%), Accommodation and Food Services (25.9%) and Business Administration (24.2%) reported the presence of skills gaps and shortages, whereas as lower proportion of companies identified gaps and shortages in the Retail (7%) and Wholesale (9.1%) sectors. Focusing briefly on the presence of skills gaps and shortages by company size, one quarter of companies employing between 11 and 49 staff and over one third of companies employing between 50 and 199 staff (35.3%) stated they suffer from them.

1.5.1.1 Skills Gaps and Shortages by Locality

An important aspect of this work is to identify notable differences and variations between the constituent localities that collectively make up the SEMLEP study area. With reference to the presence of skills gaps and shortages, there are some interesting findings. Most notably, only 11.8% of Northampton based companies (9 out of 78) stated they were experiencing skills gaps and shortages, far lower than both the national and overall survey averages of 18%. This proportion increases significantly among companies in Luton, South Northamptonshire and Wellingborough, where approximately one quarter of companies state the presence of skills gaps and shortages. It is important to note, however, that the number of companies interviewed in each locality is but a fraction of their overall business base meaning that these figures should be treated with a degree of caution.
1.5.2 Nature of the Skills Gaps and Shortages

Having highlighted the presence of skills gaps and shortages among the survey population, it is important to understand the nature of these skills gaps and, in particular the types of skills gaps and shortages by occupational level.

In focusing on the survey population as a whole, three particular types of skills were identified as being in short supply. Firstly, it was felt that there was a shortage of basic and transferable skills, including team working, literacy, numeracy and communication skills. Secondly, across all sectors, skilled trades and sector specific skills were considered to be in short supply and thirdly, leadership and management and supervisory skills need to be increased and improved. With reference to the latter, respondents in sectors such as Professional, Scientific and Technical and Production (including Advanced Manufacturing) stated that knowledge of domestic, European and International markets need to be improved if companies are to maximise the benefits from product export and supply import. These skills gaps and shortages relate closely to those identified at the various occupational levels. Before looking at the specific skills gaps at each of the occupational levels, there is a general trend that can be observed. As the occupational level lowers, the prevalence of transferable and basic skills gaps and shortages increase. Table 1.4 below lists examples of skills gaps and shortages by occupational level.

**Table 1.4 Skills gaps and shortages by occupational profile**

<table>
<thead>
<tr>
<th>Occupational Level (SOC Codes)</th>
<th>Skills Gaps and Shortages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and Senior Officials</td>
<td>Leadership and Management, Man Management, Information Technology and Financial Management, Marketing, Knowledge of export markets (particularly among high growth companies)</td>
</tr>
<tr>
<td>Professional</td>
<td>Supervisory and management skills, product design and development, engineering, software development</td>
</tr>
<tr>
<td>Associate Professional and Technical</td>
<td>Electrical Engineers, Mechanical Engineering,</td>
</tr>
<tr>
<td>Administrative and Secretarial</td>
<td>Communication, Customer Service, Information Technology</td>
</tr>
<tr>
<td>Skilled Trades</td>
<td>Motor Mechanics, Precision Engineers, Programmers, Chefs, Baristas, Designers, Builders, Plasterers, Financial Advisors</td>
</tr>
<tr>
<td>Personal Services</td>
<td>Care Staff, Customer Service</td>
</tr>
<tr>
<td>Sales and Customer Service</td>
<td>Communication, literacy and numeracy, Transferable Skills, Information Technology</td>
</tr>
<tr>
<td>Process, Plant and Machine Operatives</td>
<td>Usage of new machinery, Technological change, Professionalism, Transferable Skills</td>
</tr>
<tr>
<td>Elementary</td>
<td>Basic Skills and Transferable Skills, Motivation, Time Keeping</td>
</tr>
</tbody>
</table>

1.5.2.1 Skills Gaps by Locality

Analysis of the nature of skills gaps by locality indicates an interesting finding among companies in Northampton. There is particular concern relating to the attitude of prospective employees to work. It can be difficult for companies to identify people with a ‘hard working’ attitude, who turn up on time and undertake what is required of their roles. This trend is repeated in South Northamptonshire and
Wellingborough, where 66.7% and 60% respectively cite the same issue. The lack of people with the required attitude may well go some way to explaining the reluctance of businesses, across all sectors and geographies, to recruit graduates in favour of other available individuals within the labour market. Looking briefly at verbatim responses highlighting skills gaps by Occupation, the majority of Northampton based companies cite skilled trades, such as precision engineers, chefs and finance and accounting. This reflects the skilled trades identified in the table above.

### 1.5.3 Company Actions to respond to Skills Gaps

Companies with skills gaps and shortages are attempting to tackle the issue through three main mechanisms. Firstly, Human Resources Departments are widening the scope of their recruitment campaigns through increasing expenditure on advertising both within and outside the region. It is hoped this will attract individuals from outside the study area with the right skills. In addition, a number of companies seeking managerial staff have attempted to poach and head hunt individuals from rival firms. Secondly, companies have undertaken internal training with existing staff to provide them with the required skills to fill the gap. The use of internal training has focused on developing the sector or even company specific skills in the workforce and this tends to relate to skilled trades. Thirdly, companies have attempted to identify suitable external training courses offered through colleges and private training providers, although access to external training has been hampered by limited budgets and a lack of available funding support.

### 1.5.4 Vacancies

Respondent businesses were asked to identify whether or not they were having difficulty in recruiting staff to fill particular vacancies. As Table 1.5 below indicates, over three quarters of companies stated they had no difficulties in filling vacancies. Analysis by locality indicates notable variations from the survey average in Corby, where only two thirds of companies (68.4%) stated they had no problems with vacancies, and in Daventry, where the figure increases to 89.3%.

The main reason for this was the presence of a highly skilled and larger pool of labour as a result of higher levels of unemployment across all qualification and occupational levels. Interestingly, almost 1 in 6 companies stated difficulties in filling vacancies resulting from individuals lacking the experience or the required skills for the role.

#### Table 1.5 Problems filling vacancies

<table>
<thead>
<tr>
<th>Problem</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No problems in recruiting</td>
<td>75.8%</td>
</tr>
<tr>
<td>DK haven't had to employ anyone</td>
<td>1.0%</td>
</tr>
<tr>
<td>Lack of experience/skills</td>
<td>12.2%</td>
</tr>
<tr>
<td>Quality of staff</td>
<td>3.0%</td>
</tr>
<tr>
<td>People with the right attitude</td>
<td>3.0%</td>
</tr>
<tr>
<td>Lacking in practical skills</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Companies are using a variety of means to tackle the problem of hard to fill vacancies. Examples of approaches to minimising the detrimental impacts of hard to fill vacancies include ‘muddling through’ or performing multiple tasks or roles, advertising more widely and further afield to fill particular roles, utilising internal training and the upskilling of staff already within the company, taking on apprenticeships and trainees and utilising agency and sub-contractor staff for short to medium-term periods of employment.
1.5.5 Role of Particular Agencies

When asked what particular agencies and organisations could do to assist companies in the recruitment of the right staff, companies struggled to identify a role for the local authorities aside from facilitating the advertising of vacancies. However, strong opinions were reserved for the role of Job Centre Plus (JCP). There was a general consensus of opinion among survey participants, of the need for JCP to change their approach to employment. In particular, they should act as a more effective broker between potential employees and companies. JCP should play a more active role in identifying appropriate individuals based on the job descriptions and information provided by companies. A number of companies stated there were ‘sick and tired’ of interviewing individuals who did not have the intention of working, but were ‘going through the motions’ in order to retain their benefits. JCP should filter these individuals out and only send people to interview who are genuinely interested in the role and working for that company. JCP are too fixated by the unemployment figures, resulting in highly qualified individuals being employed in lower level occupations where their skills are being under-utilised. One company stated ‘the skills needed by companies are out there, they are just in the wrong place and people do not know where to look’. Too many people are in roles that are different to what they trained for and are working at occupational levels below that which they qualifications enable them to obtain.

When asked explicitly about the role of the Enterprise Zone, companies were positive about how the zone could be used to attract new businesses through the offer of incentives and benefits to business start-ups. However, they were clear that decisions to locate were dominated by the need for the right skills.

1.6 Vision, Strategy and Forward Planning

Survey respondents were asked to identify whether or not they had plans, policies and mechanisms in place to facilitate the training and ongoing professional development of their staff. Responses to a number of specific questions are detailed in Figure 1.6 below.
1.6.1 Business Planning

When companies were asked whether or not they had a business plan, over two thirds (68.6%) stated that they had. Analysis by sector illustrated that a higher proportion of Wholesale companies (81.8%) and organisations operating in Finance and Insurance (74.1%) develop business plans, but only just over half of Transport and Logistics companies (54.5%) had done so. Analysis by company size shows that the larger the company, the more likely they are to develop a business plan, although even at the lower end of company size, almost two thirds of companies employing fewer than 5 staff (60.9%) have developed formal business plans.

1.6.1.1 Local Trends

Analysis by locality indicates a higher proportion of companies in Milton Keynes (79.5%), Corby (78.9%) and Bedford (72.2%) using business plans, with lower proportions in Daventry (53.36%) and East Northamptonshire (50%).

1.6.2 Training Plan

It was positive to note that over half of all companies surveyed (56.4%) have formal training plans for their staff. Training plans are particularly prevalent among the Education (76.9%) and Retail (65.1%) sectors. Although it would be expected that smaller companies would be less likely to develop formal training plans, it was concerning to note that only 37.5% of companies employing 1-5 staff have training plans.

1.6.2.1 Local Trends

Usage of training plans are more prevalent among companies in Northampton (65.4%), Corby (63.2%) and Bedford (61.1%) and significantly lower among companies in Luton and Central Bedfordshire at 41.9% and 46.6% respectively.
1.6.3 Available Training Budget and Training Needs Assessments

The responses for training budgets and TNAs are broadly the same with just over one third (35%) of companies stating they had either a training budget or TNA. In respect of TNAs, the results reflect the survey profile with a high proportion of companies employing a small number of staff. The proportion of companies that undertake TNAs varies considerably by size, with 94% of companies employing over 50 staff utilising TNAs to identify staff requirements.

1.6.3.1 Local Trends

The proportion of companies with Available Training Budgets is higher in Bedford (50%), Milton Keynes (46.2%) and Northampton (42.3%) and lower in South Northamptonshire (18.4%), Corby (21.1%), Luton (22.6%) and Daventry (25%).

The usage of formal Training Needs Assessments is more common among companies in Kettering (63.3%), Daventry (53.6%), Milton Keynes (53.6%), Aylesbury (50.8%) and Northampton, and is less common among companies in East Northamptonshire (31.3%), Corby (31.6%), Bedford (33.3%) and Central Bedfordshire (35.6%).

1.6.4 Internal Staff Appraisal

Aside from Business Planning, the use of Internal Staff Appraisal was the most commonly used mechanism for facilitating staff development and training. This was viewed by many respondents as the most efficient and effective way of gauging both individual and company training needs. Two thirds of all the companies interviewed undertake such appraisals. This proportion is significantly higher among Finance and Insurance (77.8%) Property (86.7%), Education (76.9%) However, a significantly lower proportion of Accommodation and Food (51.9%) and Construction (52.4%) companies undertake formal Staff Appraisals when compared to the overall average.

1.6.4.1 Local Trends

Looking briefly at Internal Staff Appraisals, a far higher proportion of companies in Daventry (82.1%) and a higher proportion of companies in South Northamptonshire (76.3%), Corby (73.7%) and Milton Keynes (73.1%) use internal staff appraisals whilst a smaller number of companies in Northampton (57.7%), East Northamptonshire (56.3%) and Central Bedfordshire (54.8%) utilise them.

1.6.5 Engagement with Training

Survey respondents were asked to state whether or not they undertake training within their businesses. Overall, more than three quarters of companies (76.8%) have undertaken either formal or informal training within the last 12 months, leaving just under one quarter of companies that have not provided training over the same period. When asking the same question of Sheffield businesses, as part of our 2011 Skills Strategy and Action Plan, only 43% had undertaken training in the previous 12 months. There were no significant variations by sector, however, in focusing briefly on company size, over 90% of companies employing more than 11 employees had provided some form of training over the last 12 months. This figure decreases to 64.5% of companies employing between 1 and 5 staff, but even this is very positive.

1.6.5.1 Local Trends

As would be expected, there were a cluster of localities with percentages close to the survey average. However, it was very positive to identify a significantly higher proportion of companies engaging in training in Kettering (93.3%), Corby (89.5%), Daventry (89.3%) and Oxfordshire (85.7%). Conversely,
only 54.8% of companies in Luton and two thirds of companies in Wellingborough have undertaken training over the same period.

**Figure 1.7 Engagement with Training**

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>76.8%</td>
<td>23.2%</td>
</tr>
</tbody>
</table>

1.6.6 Type of Training

Respondents that had stated their engagement with training were then asked to state the type of training they provide to the workforce. The vast majority of companies (77.1%) that engage with training deliver at least some of their training via internal staff. Just over half undertake formal training and development (50.4%) with 55.2% undertaking more informal training. The trends outlined in Figure 5.9 below are broadly mirrored across sizes of company, with one exception, which sees the percentage of companies employing between 1 and 5 staff, utilising off the job training reducing to 41.9%.

Analysis by sector serves to identify a number of interesting findings. Firstly the proportion of companies delivering in-house training within Wholesale (90%), Retail (90.9%) and Production (85.7%) is significantly higher than the average. A higher proportion of Wholesale companies are also making greater use of distance learning (20%). Another point of interest has been the increased prevalence of online courses with almost 1 in 5 (19.8%) respondents having utilised such provision over the last 12 months. Again, a higher proportion of Wholesale businesses (40%) have used online provision, but it is Education businesses with 66.7% that are using online courses the most. Proportions are also higher than the average among Information and Communication (26.1%) and Finance and Insurance (28.6%).

Of interest, given the specific nature of some of the work in sectors such as ICT, Professional and Scientific, Manufacturing, Construction and Health, only 1 in 10 companies provide staff with bespoke training.
1.6.6.1 Training by Locality
Analysis by locality indicates a higher usage of online courses among respondents in Luton (29.4%), Milton Keynes (29%), and Northampton (28.8%), higher usage of bespoke training courses among companies in Luton (23.5%) and Northampton (16.9%) and a higher prevalence of in-house training among companies in Luton (94.1%).

1.6.7 Accredited Training
Having discussed with respondents the type of training delivery that is most commonly implemented, the questionnaire went on to consider the relative importance and usage of accredited training. Looking first at the proportion of accredited training used, there is a polar relationship with higher proportions of companies at either end of the scale. Of the 384 companies that have engaged with training, one third only use accredited training for between 1 and 10% of their overall training programme. Conversely, almost 1 in 5 companies used accredited courses for between 91 and 100% of their training needs. Analysis by sector illustrates the greater importance placed on accredited training among Construction (33.3% used accredited courses for at least 90% of their training) and Information Technology (26.1%) companies.

The types of accreditation most commonly used fall into three main categories. Firstly, there is the industry and sector specific training, examples including Builders and Master Craftsmen accreditation, Chartered Engineering and Surveying, Pharmaceutical Technician Training and HGV driving license. Secondly, and most commonly there is significant usage made of National Vocational Qualifications (NVQs), particularly Levels 2 and 3 and City and Guilds training. Thirdly, and an area of training particularly important in sectors such as Construction, Finance and Insurance, Accommodation and Food
Services, there is training relating to specific legislative requirements, two common examples being Health and Safety and Food Hygiene.

Overall, just over one third of companies (35.8%) viewed accredited training as very important, just under one quarter considered it to be quite important and 40% stated accredited training was not important at all.

1.6.8 Satisfaction with Training

Survey respondents were asked to state their levels of satisfaction with training in five areas: availability, quality, range, affordability and relevance. The analysis below is based on all 500 business respondents.

Figure 1.9 Satisfaction with Training

Taking an overall view of Figure 1.9 above, there are very similar trends across all five categories discussed. It is important to note that a significant proportion of companies did not know a suitable response to these questions, meaning that the analysis below should be treated with some degree of caution.

Availability: Just under half (44%) of all companies were either satisfied or very satisfied with the availability of training with only 9.8% stating they were dissatisfied or very dissatisfied. Levels of satisfaction with availability of training were highest among companies operating in Health and Social Work (all companies at least satisfied with the training) and Education (61.6%) and lowest among property companies (33% satisfied with training) Analysis by company size indicated a higher level of satisfaction among companies employing between 50 and 199 staff.
**Availability by Locality:** Looking at location, the highest levels of satisfaction were found in Milton Keynes and Bedford (both 50%) whilst the highest levels of dis-satisfaction with training were to be found in Kettering (16.7%), Corby (10%) and Northampton (10%)

**Quality:** 45.6% of all companies were either satisfied or very satisfied with the quality of training with only 6.6% stating they were dissatisfied or very dissatisfied. Analysis by sector showed higher levels of satisfaction in ICT (52.9%), and Education (77%). There are no other variations by sector. Analysis by company size shows a slightly lower satisfaction level among companies employing between 1 and 5 staff (37.5%).

**Quality by locality:** Focusing on location, highest satisfaction levels are to be found in Northampton (53%) and South Northamptonshire (52.6%), whilst lowest levels of satisfaction with quality were to be found in Central Bedfordshire (10.9%) and East Northamptonshire (12.6%). There is a correlation between these last two figures and the higher usage of in-house training among companies in these localities.

**Range:** 44% of all companies were either satisfied or very satisfied with the range of available training, although 10.6% stated they were dissatisfied or very dissatisfied. Levels of satisfaction with the range of training were broadly similar to the average, with no significant variation. However, of greater concern were the higher levels of dissatisfaction among 3 of the 6 ‘growth sectors’. 15.9% of Construction, 14.5% of Professional, Scientific and Technical and 13.7% of Production companies were at least dissatisfied with the range of training available.

**Range by Locality:** Analysis by location highlighted greater levels of dissatisfaction among companies in East Northamptonshire (18.8%) and South Northamptonshire (15.8%).

**Affordability:** Levels of dissatisfaction with the cost of training was not dissimilar to the proportions in each of the other 4 areas. 42% of all companies were either satisfied or very satisfied with the affordability of training with only 8.4% stating they were dissatisfied or very dissatisfied. There were no significant variations by company size or sector, but there was some variation by location.

**Affordability by locality:** Most notably, levels of dissatisfaction with affordability were in Northampton (12.8%), Luton (12.9%) and East Northamptonshire (12.5%).

**Relevance:** It was positive to note that this category had the lowest levels of dissatisfaction out of the five categories, with only 5.6% stating they were dissatisfied. The only variations were associated with Construction and Professional, Scientific and Technical companies where the level of dissatisfaction increased to 9.6% and 10.1% respectively.

1.6.9 Barriers to Training

Although respondents were asked to consider whether there were any barriers to training an overwhelming majority (88.6%) stated there were no barriers, leaving only 11.4% in a position to identify barriers. The only variation came in the company size cross-tabulation, surprisingly among larger companies, with 17.6% of companies employing between 50 and 99 staff identifying barriers. Among the 57 companies that did identify barriers to training, the most common were lack of courses locally (31.6%), cost of courses (26.3%), limited budgets (21.1%) and lack of customised training (17.5%), although clearly the sample sizes for these are very small.
1.6.9.1 **Barriers to Training by Locality**

There were no significant variations by locality in respect of barriers to training, although slightly higher percentages were identified for South Northamptonshire (18.4%), Kettering (16.7%) and Wellingborough (14.3%).

1.7 **Future Skills Requirements**

When asked to comment on the current skills gaps and shortages apparent in their businesses, the majority of respondents stated they did not suffer from any. Their response to this question was influenced by two labour force issues. Firstly, the pool of available and skilled labour has increased significantly following the almost exponential growth in unemployment over the last two years, making the prospect of recruitment less daunting. Secondly, companies, particularly SMEs are simply looking to survive into the short-term. This has resulted in staff undertaking numerous corporate roles and covering the duties of staff made redundant in order to ensure cost efficiencies. However, once the economy begins to recover, many companies who have sought to ensure short-term survival will not be as well placed to benefit from the upturn in fortunes.

When asked about the future skills requirements for their company and for the wider local economy as a whole, the most common responses centred on five main areas.

**Technical and Sector Specific Skills:** A high proportion of companies stated that technical and sector specific skills will remain and become increasingly important. Such skills were of particular importance among Production, Construction, Professional, Scientific and Technical companies and ICT. Examples of such skills included engineers, electricians, hardware and software designers, chefs and electronics.

**Information Technology:** This was arguably the most commonly cited requirement of companies, with a need for more ICT proficient staff in all sectors and across all occupational levels, but particularly with Management and Supervisory roles.

**Management and Leadership Training:** This type of training is always flagged up in skills surveys and relates strongly to the higher occupational levels and to the smaller companies that often have managers that lack business acumen and leadership, financial and team management skills. They have often come up with the idea for a marketable product but do not know how to effectively manage the business.

**Customer Service:** These skills are generally needed at the lower end of the occupational and skills profile and are particularly prevalent among retail food and accommodation and the finance and insurance sectors.

**Industry Experience:** Lastly, and arguably most importantly from the standpoint of the identified ‘growth sectors’ companies have stated the need for individuals with higher levels of industry experience. This can be obtained via vocational training and work experience, particularly Apprenticeships, which now hold a more prominent place within the training environment. Such training is of particular importance among production, constructions and professional, scientific and technical companies. Many state that graduates and new recruits know all the theory in the world but lack the capacity to channel it effectively within a business context.
1.8 Business Performance

A short section at the end of the business survey questionnaire sought to obtain views on the performance of businesses and their perceptions of likely performance moving forward. Key issues discussed included the quality of their local area, concerns regarding a loss of skills, possible barriers to growth and potential for improved business performance moving forward.

1.8.1 Local area as a place to do business

Looking first at the issue of location and the relative business perception of their locality as a place to do business, the results are highly positive. Focusing on Figure 5.11 below, which details findings for the whole survey population, over two thirds (68.6%) consider their locality to be a good place to do business, with 29% stating their locality is a very good place to do business. Only 4.4% consider their locality to be a poor or very poor place to do business, although almost one quarter (23.6%) of respondents only consider their locality to be an average place to do business.

Figure 1.11 Place to do business

1.8.1.1 Place to do business by Locality

Analysis of the 14 areas incorporated within the SEMLEP boundary, does serve to highlight some notable variations. For example, whilst 52.1% of businesses consider Central Bedfordshire to be a good or very good place to do business, more than one third (35.6%) only view it as average. 10% and 12.9% of businesses in Kettering and Luton respectively, stated their locality as being a poor place to do business, and 42.9% of companies in Wellingborough consider the locality as an average business location. Higher proportions of companies in Milton Keynes (84.6%) and Northampton (74.3%) stated these areas as either good or very good places to do business.
Reasons for positive perceptions of their area included strong transport links, proximity to London, a strong customer base and a strong local business climate, characterised by clustering of activity, particularly in relation to advanced manufacturing and logistics. Negative reasons given related to the proportion of vacant premises in town centre locations, associated dilapidation in such locations, and the need for significant town centre redevelopment, the latter being a point that came across strongly in Northampton despite the broadly positive perceptions of the area. An important strength for companies within, Production, Professional, Scientific and Technical, and Finance and Insurance businesses, was the strong network of universities and higher education institutions, although as discussed later, there are some interesting findings in relation to graduate retention.

1.8.2 Loss of Skills

Results from the business survey show that 91.8% of companies do not consider retirement and the associate loss of skills to be a major issue. However, there are some interesting variations by geography and sector. With reference to the former, 15.8% of companies in Corby and 12.3% of companies in Central Bedfordshire are concerned, both proportions significantly higher than the survey average of 5.8%. In relation to sector, a higher proportion of companies in Production (15.1%) and Wholesale (18.2%) sectors are concerned.

Figure 1.12 Graduate Retention

![Pie chart showing graduate retention results.](image)

A more interesting set of results occurred when companies were asked to consider the issue of graduate retention. If we were to simply look at the ‘yes’ and ‘no’ responses, it could be assumed that the study area does not have a problem with graduate retention. However, a statistic of some concern is that more than one third (37.2%) of all companies do not recruit graduates. This statistic is even starker among companies in Production, Construction and Finance and Insurance, where 53.4%, 50.8% and 40.7% respectively, do not recruit graduates. Analysis by company size also highlights that 41.5% of companies employing between 1 and 5 staff do not recruit graduates. The reason in all three cases is simple, experience. Companies stated that graduates have impressive theoretical knowledge but lack the practical understanding to make the most of it. Graduates also lack business acumen, which is a real problem for smaller companies, where staff will have to perform a number of roles and responsibilities.
1.8.3 Barriers to Growth

The last couple of questions asked companies to consider whether or not they had any barriers to growth. As would be expected given the current economic climate and associated uncertainty, one third of the companies interviewed stated they were detrimentally affected through barriers to growth, a situation that appears worse among companies in the Transport (45.5%), Accommodation and Food (44.4%) and Production (37%) sectors and for companies employing between 1 and 5 staff (39.1%). Looking briefly at barriers to growth by locality, a higher proportion of companies are experiencing barriers to growth in Kettering (56.7%), Luton (45.2%), Central Bedfordshire (43.8%) and Northampton (37.2%). Barriers to growth appear to be less of an issue for companies in Milton Keynes (24.4%).

The most commonly cited barriers were cash flow (15.5%), access to finance (13.7%) and competition (12.4%). Only 8.1% of companies that identified a barrier, stated availability of skilled labour to be a problem. The sample sizes by location are too small to discern any meaningful conclusions in relation to barriers to growth.
Northampton Waterside Enterprise Zone Skills Research

A report for Northampton Borough Council and South East Midlands Local Enterprise Partnership (SEMLEP)

Appendix 3b Phase Two: High Performance Technology (HPT) Survey Analysis
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Executive Summary

• This second phase survey has recorded the viewpoints of 100 High Performance Technology (HPT) companies located in Northampton and the wider county authority and in-depth consultations with a further 50 companies;
• Over 90% of respondents operated in the areas of product design, engineering and manufacture, and consulting;
• 37% employed at least one member of staff with a Postgraduate Qualification with 13% benefiting from a workforce where at least half of all staff were qualified to Masters or PhD degree level; Almost half employ staff at Degree Level, with 5% employing staff solely of graduate level;
• It was encouraging to note that 24 of the 100 companies currently have an Apprentice working in one or more of their departments;
• 41 of the 100 companies stated they had problems in recruiting new staff to fill vacancies or to facilitate the growth and expansion;
• Three skills gaps and shortages were routinely identified by respondents:
  ➢ Recruitment of mechanical and structural engineers, a situation highly prominent among automotive companies;
  ➢ New recruits and job applicants do not possess appropriate combinations of skills; and
  ➢ The third skills gap or shortage focused on sector-specific technical skills and skilled trades. 45 of the companies surveyed were concerned about the uneasy tension between traditional skills and increased technological advancement and usage of IT.
• For some respondents, particularly those still focused on short-term goals of immediate survival, emphasis was placed on ‘muddling through’;
• For those companies seeking longer-term sustainability, growth and market expansion, there were two more proactive responses:
  ➢ Senior management and highly qualified and skilled staff seek to identify the likely changes in market trends, learn new techniques, processes and uses of technology and seek to develop internal training modules; and
  ➢ More formal engagement with training provision. This engagement manifests itself in two ways, assisting in the design of courses and facilitating or aiding the delivery of particular elements.
• Respondent companies make significant use of industry-related training providers, including institutions, employer representative groups and industry-specific organisations;
• There was extensive use of private training provision. However, whereas much external private provision deal with generic skills requirements across other industry sectors, emphasis for HPT provision is almost entirely sector specific;
• Thirdly and perhaps unsurprisingly given the qualifications profile of the HPT workforce, respondent companies utilised Further and Higher Education Institutions, including colleges and universities;
• HE providers and universities need to be more active in understanding the dynamics of particular sectors and activities
• Secondly, there was interest from both survey and in-depth respondents, in engaging with aspects of course design. There was widespread consensus of the need for modular provision
• Thirdly, respondents expressed an interest and willingness to facilitate delivery of course components and modules. Clearly, the most obvious area of engagement is in the offer of practical experience. A small number of in-depth respondents are engaging formally with local universities through the delivery of lectures, industry talks and classroom/laboratory sessions.
1.0 Employer Survey

1.1 Introduction

This section provides a detailed analysis of company responses to Ecorys’ Phase 2 telephone survey, which was completed during the second half of February 2013, using a structured questionnaire, the content of which was designed in conjunction with Northampton Borough Council.

This second phase survey has recorded the viewpoints of 100 High Performance Technology (HPT) companies located in Northampton and the wider county authority. In addition, 50 in-depth company consultations have also been completed. Please note, the graphical and tabular representations are based on the survey of 100 companies, with the in-depth consultations utilised in the descriptive/analytical text. The focus of this survey and associated in-depth interviews was similar to that of the Phase One survey, however, there were more ‘open questions’ to facilitate the completion of a more discursive interview and the collation of more detailed qualitative responses. Key issues discussed with HPT employers included:

- Product and Process Development and Implications for Skills;
- Ensuring the Availability of Suitable Skills;
- Engagement with Internal and External Training Provision; and
- Future Skills and Training Requirements.

1.2 Sampling

The businesses contacted for this Phase 2 survey and in-depth consultations were derived from the Northamptonshire Enterprise Partnership’s High Performance Technologies (HPT) business database. This database, which requests locally based HPT companies (or those companies that identify themselves as HPT) to provide information pertaining to industrial activity and contact details, is categorised by sub-sector and includes businesses from the following sub-sectors:

Table 1.1 Industry Sub-Sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>Interviews Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motorsport</td>
<td>7.0%</td>
</tr>
<tr>
<td>Materials and Composites</td>
<td>7.0%</td>
</tr>
<tr>
<td>Automotive</td>
<td>5.0%</td>
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<tr>
<td>Medical Products and Services</td>
<td>2.0%</td>
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<tr>
<td>Mechanical Engineering</td>
<td>26.0%</td>
</tr>
<tr>
<td>Civil and Structural Engineering</td>
<td>17.0%</td>
</tr>
<tr>
<td>Marine</td>
<td>2.0%</td>
</tr>
<tr>
<td>Green Technologies</td>
<td>4.0%</td>
</tr>
<tr>
<td>Aerospace</td>
<td>1.0%</td>
</tr>
<tr>
<td>Renewable Energy</td>
<td>3.0%</td>
</tr>
<tr>
<td>Sustainable Construction</td>
<td>2.0%</td>
</tr>
<tr>
<td>Other Businesses</td>
<td>24.0%</td>
</tr>
</tbody>
</table>

Source: NEPs High Performance Technologies (HPT) Business Database
As Table 1.1 above shows, we have ensured representation from companies in all sub-sectors included within the HPT database, however we chose to interview a higher proportion of companies within the Engineering and ‘Other Businesses’ categories. The purpose of the latter was to incorporate responses from as many industry activities and supply chains as possible. Given the size of the survey, cross-tabulations have not been included to minimise analysis and reporting on sample sizes that are too small. The 50 in-depth interviews followed a similar breakdown with a greater emphasis on engineering companies, particularly within Automotive and Building Technologies (Civil and Structural Engineering).

1.3 Company Background

The first section of the survey collated information detailing the profile of participating businesses, including sectoral/industry profile (Table 1.1 above), products and/or services offered, company size and staff profile.

1.3.1 Activity and Product Profiles

Looking first at the business activity and product profiles of participant companies, over 90% of respondents operated in the areas of product design, engineering and manufacture, and consulting. Table 1.2 below identifies and categorises the products and services under each of these three areas and serves to highlight the high level activities that are taking place within this cohort of companies.

<table>
<thead>
<tr>
<th>Engineering and Manufacture</th>
<th>Product Design</th>
<th>Consulting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bespoke Electronic Displays</td>
<td>Design of Offshore Oil Rigs and Machinery</td>
<td>Design Consultancy</td>
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<tr>
<td>Building Services Engineering</td>
<td>Photo realistic, visualisation and animation of anything using the latest software.</td>
<td>Structural Engineering Consultancy and Design</td>
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<td>Bespoke Plastic Manufacture</td>
<td>Design of Scientific Laboratory Equipment</td>
<td>Civil Engineering Consultancy</td>
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<tr>
<td>Conversion of Waste to Energy Supply and Synthetic Gas</td>
<td>Technical Drawing and Structural Surveying</td>
<td>Design Consulting of Electrical Infrastructure</td>
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<tr>
<td>High Voltage Testing and Calibration Services</td>
<td>Design of Remote Monitoring Equipment (gas, air and environmental emissions)</td>
<td></td>
</tr>
<tr>
<td>Manufacture of Automotive Components</td>
<td>Electrical circuit design and prototype development</td>
<td></td>
</tr>
<tr>
<td>Marine Diesel Engines</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laboratory Equipment Manufacture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motorsport Manufacture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Precision Machine Engineering</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plastic Injection Mouldings</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1.3.2 Company Size

High Performance Technology sectors and sub-sectors are dominated by the prevalence of small and micro businesses employing 10 employees or less. As Figure 1.1 below illustrates, almost two thirds of the 100 companies surveyed (63%) employ less than 10 staff, with 48% employing 5 or less staff. However, we also wanted to ensure representation of larger companies and 13% of our sample employs more than 50 staff. As in the case of sector, the additional in-depth interviews secured a similar profile of businesses by company size.

![Figure 1.1 Company Size](image)

Focusing briefly on the larger companies interviewed, all were engaged in automotive engineering and manufacture and sustainable building construction.

1.3.3 Staff Profile

To ensure the appropriate focus of training and education provision for high performance and high growth companies, it is important to identify the skills and qualifications profile of the existing workforce. This includes identification of how particular skills, roles and functions relate to Standard Occupational levels (as categorised by Standard Occupational Codes). Looking first at qualifications, of the 100 companies surveyed, 37% employed at least one member of staff with a Postgraduate Qualification with 13% benefiting from a workforce where at least half of all staff were qualified to Masters or PhD degree level. Looking at the prevalence of Level 4 (Undergraduate Degree) qualifications, almost half employ staff at Degree Level, with 5% employing staff solely of graduate level. Given that the two qualification levels were considered independently, this means that 78 of the 100 companies interviewed employ graduates and or postgraduates, illustrating the high skills levels required by HPT companies. At the opposite end of the qualifications spectrum, only 32% employ staff whose highest qualification is 5 or more A* to C grade GCSEs and these tended to be administrative staff or those involved in basic manufacturing functions.
A particular focus of the proposed skills strategy will be the inclusion of actions to facilitate and improve the take-up of Apprenticeships within Advanced Manufacturing and Engineering. To this end, it was encouraging to note that 24 of the 100 companies currently have an Apprentice working in one or more of their departments, illustrating a willingness to engage with Apprenticeship programmes and the provision of practical experience. The in-depth interviews have identified how SMEs are setting apprentices and graduates specific industry or company problems that need solving. This is facilitating the practical implementation of theoretical knowledge and solving a problem for the business at the same time.

1.4 Current Skills Requirements

1.4.1 Processes Utilised

In order to understand the current skills requirements of HPT and engineering companies, it was first necessary to identify the ‘types’ of processes implemented in the development of products or the delivery of design and consultancy services. The processes can best be assessed and analysed through the identification of a flow diagram that starts with design and ends with product manufacture and assembly.

Table 1.2 Engineering and Manufacturing Processes

<table>
<thead>
<tr>
<th>Design</th>
<th>Prototype/Testing</th>
<th>Engineering and Manufacture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Programming and Design Software</td>
<td>Electrical Diagnostic Equipment</td>
<td>Computer Numerically Controlled Manufacture</td>
</tr>
<tr>
<td>Computer Aided Design</td>
<td>Contaminant Removal</td>
<td>Computer Aided Manufacture</td>
</tr>
<tr>
<td>Finite Element Analysis</td>
<td>Structural and Stress Testing</td>
<td>Component Manufacture</td>
</tr>
<tr>
<td>Technical Drawing</td>
<td>Lloyds Accredited Processes (attesting to product conformity and quality)</td>
<td>Machine Processing and Product Assembly</td>
</tr>
</tbody>
</table>

1.4.2 Associated Skills Requirements

Having identified some of the design and manufacturing processes that are utilised among participant companies, respondents were then asked to consider the specific skills required to successfully implement these design, manufacture and assembly processes. In addition, we have sought to categorise these skills requirements according to Standard Occupational Classifications (SOC). Emphasis has been placed on the identification of higher level management, professional and technical skills, however companies require employees at all occupational levels to be run effectively and efficiently.

Table 1.3 Occupational Level and Associated Skills Requirements

<table>
<thead>
<tr>
<th>Occupational Level (SOC Codes)</th>
<th>Related Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and Senior Officials</td>
<td>Accountancy Skills; Excel; Time, Resource and Man Management; National Examination Board in Occupational Safety and Health; Export and Domestic Market Knowledge; Branding and Marketing; Ethnographic Research; Ergonomics; Budgeting and Costing</td>
</tr>
<tr>
<td>Professional, Associate Professional and Technical</td>
<td>Risk Assessment; Method Statement Development; National Examination Board in Occupational Safety and Health; Technical Drawing; Semiotics in Design; Model Making; Material Composition;</td>
</tr>
</tbody>
</table>
1.5 Recruitment Difficulties

Respondent companies were asked to state whether or not they had problems in recruiting individuals, particularly for the higher level professional, associate professional and technical occupations and how this related specifically to the problem of skills gaps and shortages.

Figure 1.2 Difficulties with Recruitment

As Figure 1.2 above shows, of the 100 companies interviewed through the survey, 41 stated they had problems in recruiting new staff to fill vacancies or to facilitate the growth and expansion of the company. This compared to less that one quarter of respondents within the Phase 1 all sector survey, illustrating the heightened difficulty HPT companies have in recruitment.

1.5.1 Skills gaps and recruiting the right skills

When asked to identify the specific skills gaps and recruitment issues, three were continually mentioned. Firstly, there was widespread agreement on the continued shortage of engineers, an issue that also manifests itself at national level. In particular, companies struggled to recruit mechanical and structural engineers, a situation highly prominent among automotive companies. Secondly, new recruits and job applicants do not possess appropriate combinations of skills. For example, a number of companies require individuals with both mechanical and electrical engineering skills and relevant industry experience.
Findings from the in-depth interviews highlighted that graduates are highly skilled in one specific discipline but lack the experience and ability to apply their skills to different activities or to develop additional skills in different areas of engineering. Many of the SMEs spoken to highlighted the importance of multi-skilling. In the Phase 1 survey, multiskilling was often associated with ‘muddling through’, but for HPT companies, it is of critical importance that staff have an understanding of all processes and activities that occur in different departments. By way of example, a number of engineering design companies stated the need for their designers to understand the composition of materials, their stress limits and the limitations of production and manufacturing processes. Newly qualified designers have ‘off the wall’ ideas that make work in theory and on paper, but cannot be replicated in prototype development or in full manufacture.

The third skills gap or shortage focused on sector-specific technical skills and skilled trades. 45 of the companies surveyed were concerned about the uneasy tension between traditional skills and increased technological advancement and usage of IT. Whilst there was recognition that HPT companies must move with the times and embrace technological change and advancement, companies interviewed as part of the in-depth consultations were concerned about the loss of skilled trades and hands-on practical skills due to retirement and the lack of new blood into the industry. The next generation will have a detailed understanding of the latest computer programmes; design software and computer aided manufacturing techniques, but will have limited expertise and experience in more practical design and manufacture. However, if our domestic companies are to remain competitive with foreign investors, they will have to embrace these new technologies, risking the permanent eradication of skilled trades and traditional design and manufacturing techniques.

1.5.2 Company Responses

How companies responded to their recruitment difficulties varied considerably and the in-depth interviews served to highlight a spectrum of activity from ‘do nothing’ through to the development and implementation of in-house training and more formal engagement and networking with training providers, a point that will be discussed in greater detail in the next section.

For some respondents, particularly those still focused on short-term goals of immediate survival, emphasis was placed on ‘muddling through’. One in-depth respondent likened their company to an Ostrich burying its head in the sand, hoping that the issues highlighted above would be fixed by the industry as a whole with limited need for personal investment of time and resources. For those companies seeking longer-term sustainability, growth and market expansion, there were two more proactive responses. Firstly, senior management and highly qualified and skilled staff seek to identify the likely changes in market trends, learn new techniques, processes and uses of technology and seek to develop internal training modules, courses and programmes for staff. This highlights the need for market knowledge, knowledge of legislative changes and constant updating of technical competencies. The second approach, and one of greatest relevance to the proposed skills strategy, is more formal engagement with training provision. This engagement manifests itself in two ways, assisting in the design of courses and facilitating or aiding the delivery of particular elements. It is these two latter examples that need to become the rule, rather than the exception to the rule.

1.6 Training Provision

Having outlined the current skills requirements of HPT companies and the associated difficulties in recruiting individuals with the necessary skills, survey and in-depth respondents were asked a series of
questions aimed at determining the type, relevance and quality of training provided for companies in highly skilled industries.

1.6.1 Type of Training

Firstly, companies were asked to identify the type of training they utilise to assist in the upskilling of their staff. As Figure 1.3 below illustrates, almost three quarters of all companies surveyed (72%) utilise in-house training, with just over half undertaking practical ‘on the job’ training and just under half (48%) engaging in external provision.

**Figure 1.3 Type of Training**

Of particular interest, when compared to the Phase 1 all sector survey, are the results for bespoke and online training. Almost one quarter (22%) of HPT companies undertake bespoke training compared to the all sector average of only 9.1%, whilst online training sees a dramatic reduction from 19.8% in the all sector survey to only 12% among HPT respondents.

1.6.2 Training Providers

In going one step further than the Phase 1 survey, HPT companies were asked to identify the external providers they most commonly use to train their staff. The providers can be readily categorised into 3 different types. Firstly, respondent companies make significant use of industry-related training providers, including institutions, employer representative groups and industry-specific organisations. Secondly, there was extensive use of private training provision. However, whereas much external private provision deal with generic skills requirements across other industry sectors, emphasis for HPT provision is almost entirely sector specific. Thirdly and perhaps unsurprisingly given the qualifications profile of the HPT workforce, respondent companies utilised Further and Higher Education Institutions, including colleges and universities. Examples of each are provided in Table 1.4 below.
### Table 1.4 Training Providers

<table>
<thead>
<tr>
<th>Industry Related Providers</th>
<th>Private Training Provision</th>
<th>Further and Higher Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Association for Project Management</td>
<td>Nital Training and Development</td>
<td>Tresham College</td>
</tr>
<tr>
<td>British Quality Foundation</td>
<td>Citrus Training</td>
<td>University of Northampton</td>
</tr>
<tr>
<td>Chamber of Commerce</td>
<td>Edgecam</td>
<td>Northampton Technical College (UTC)</td>
</tr>
<tr>
<td>Department for Trade and Industry</td>
<td>CB Training</td>
<td>Northampton College</td>
</tr>
<tr>
<td>EEF</td>
<td>Aston Training and Recruitment (Apprenticeships)</td>
<td>Moulton College</td>
</tr>
<tr>
<td>Timber Research and Development Association</td>
<td>Blue Flame Associates (Gas)</td>
<td>Wellingborough College (Tresham)</td>
</tr>
<tr>
<td>Institute of Mechanical Engineers</td>
<td>Easybook Training (Health and Safety)</td>
<td>Bedford College</td>
</tr>
<tr>
<td></td>
<td>Elevation Learning</td>
<td>Home Learning College</td>
</tr>
<tr>
<td></td>
<td>GM Academy</td>
<td>Leicester College</td>
</tr>
<tr>
<td></td>
<td>iPath (IT systems and networking)</td>
<td>Loughborough University</td>
</tr>
<tr>
<td></td>
<td>Omnicom</td>
<td>Open University</td>
</tr>
<tr>
<td></td>
<td>Phoenix Training (Leadership and Management)</td>
<td>Oracle University</td>
</tr>
<tr>
<td></td>
<td>Sterling Power Group (Electrical)</td>
<td>University of Surrey</td>
</tr>
<tr>
<td></td>
<td>Studer Group</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sage (Software Training)</td>
<td></td>
</tr>
</tbody>
</table>

#### 1.6.3 Training Courses

According to in-depth respondents, the rapidity with which technology advances, combined with requirements for high level professional and technical skills, means that companies, irrespective of size and the likelihood of growth, have to continually identify training to upskill their workforce. It is important under these training sub-sections to distinguish between existing employees and new industry entrants, with the former being the focus of training provision to respondents.

When asked to identify the courses offered and taken-up by businesses, both survey and in-depth consultations highlighted the prominence of course provision in five main areas. Firstly, and encouragingly from the perspective of the strategy, a number of companies are engaging in Apprenticeship programmes, particularly those with multi-disciplinary activities that include design, manufacture and assembly as they are able to provide young people with a range of experiences. Although not strictly a question on training, in-depth respondents were asked why they had a preference to recruit graduates in favour of Apprentices. Companies that have engaged with apprentices stated the real problem is time and resources. Both on the course itself and in subsequent employment, the amount of time needed to be spent with apprentices, often by technical and skills trained staff, is considerable and in smaller companies often has a detrimental impact on business performance. In addition, there are concerns that apprentices will be trained and either not continue into employment or move to larger companies. However, there was recognition of the importance of attracting and encouraging new entrants into the various industries and a number of in-depth SME respondents considered an option of sharing apprentices and spreading the responsibility and cost and resource.

Secondly, there were significant calls for sector-specific technical training with an emphasis on engineering and design, gas training, mathematics and programming. Thirdly, and related to technical
training, many employers engaged in sector specific machine operative training, incorporating areas such as software, CNC operatives, machine maintenance and operation. The fourth area of training of particular significance was training for senior management and key decision makers. This training tended to focus on Sales and Marketing, export and international market development, project and programme management, accountancy and finance and a small number engaged in business planning and action plan development. Lastly, an overwhelming majority of companies in both the survey and in-depth consultations engaged with legislative training, most commonly Health and Safety.

1.6.4 Satisfaction with Training

There was an interesting dichotomy between survey interview responses and in-depth responses where greater time could be spent ‘unpicking’ specific issues. Of the 100 companies surveyed, 92 stated they were satisfied with the training, although the reason given for this was the usage of in-house training. Only 8 companies mentioned external training, even though 48 make regular use of such course provision. Of greater interest were in-depth respondent views of Further and Higher Education provision, particularly with reference to engineering degree courses. There was widespread concern regarding both the relevance and responsiveness of degree courses. Starting with the latter, respondents stressed the need for a more responsive and ‘real time’ approach to the design and delivery of degree courses. The legislative requirements and technological advances occur so quickly and frequently that universities and Higher Education providers need to be more proactive to keep pace with individual company and wider industry requirements.

Higher education formed the basis of discussions on improvements to training provision; discussions that centred on three areas of employer engagement. Firstly, respondents stated the need for HE providers and universities to be more active in understanding the dynamics of particular sectors and activities and to use their research skills to collate up to date evidential data to be used in course design. Many of the in-depth employers interviewed find it particularly difficult to establish dialogue and more formal relationships with universities, not knowing appropriate individuals to speak with or being discouraged as a result of the numerous ‘gatekeepers’ needed to finally engage with the relevant people.

Secondly, there was interest from both survey and in-depth respondents, in engaging with aspects of course design. There was widespread consensus of the need for modular provision, which would facilitate the responsiveness of training. If a new technology or new process comes on stream, it would be easier to incorporate new, or modify existing, modules than to adopt or design an entirely new course. This type of engagement with employers is already occurring through the Silverstone University Technical College (UTC), however this example of good practice needs ‘rolling out’ to other training providers and industry sectors.

Thirdly, respondents expressed an interest and willingness to facilitate delivery of course components and modules. Clearly, the most obvious area of engagement is in the offer of practical experience. A number of companies stressed the importance of problem solving and have set students specific research objectives aimed at solving real life industry wide or company specific problems. Not all of the companies interviewed have the capacity to provide this opportunity but it is certainly one that the students value. A small number of in-depth respondents are engaging formally with local universities through the delivery of lectures, industry talks and classroom/laboratory sessions. This involvement in more theoretical and scientific delivery was of interest to more than half of all companies interviewed and would provide a mechanism to facilitate more established and formal linkages.
To support the process of shaping the Skills Strategy a network of over 100 organisations including over 30 businesses was identified. The attendance for the two workshops was drawn from this network. 40 representatives took part. About one third were from businesses, one third from providers, one third from stakeholders. The sessions were facilitated and involved presentations of evidence and table top discussions to test veracity and suggest actions.

Below is a summary of the discussions.

**Notes from January 29 Workshop**

**Table 1**

- Recognise current picture? Yes but…..
- Is the employer/provider link as bad as made out?
- Job readiness criticism—University of Northampton (UoN) find this disappointing -?is this a fact – graduate retention issue?
- Work experience – Wolf report v health and safety
- On-going problem of devaluing of vocational
- Nuffield Bursaries – lack of employers
- Course design initiatives quite encouraging – EOS etc

**Current project**

- Foundation degree (Norbett D) Logistics – 30 people through each year- designed over 4 months, repeated with Masters, flexible where/when deliver, very different from normal degree, highly embedded
- MISSING LINK IS THAT UoN CAN DO THIS FOR MORE COMPANIES – NOT KNOWN ABOUT – CAN Small and Medium Enterprises COME TOGETHER TO DELIVER/PURCHASE – REF Sector Skills Councils. More that local partners could do to roll out?
- Funding?
- Ideas could include: using EZ as a focus/location for bringing people together; making the learning journey explicit (progression, transition, employment routes)
- EZ all sectors
- Facilitation of networks/comms – SEMLEP/NEP
- Collaborate rather than threaten/compete
- ‘Regroup’ following structural change
Skills Workshops – Summary of Table Notes from Both Workshops

- Use Northamptonshire Enterprise Partnership Skills Portal
- Use national Science Technology Engineering Maths ambassadors programme
- A ‘Local Training Fund’ – bid writing

Table 2
- Hubs……………..connectivity…………………networks
- More info needed eg Nexus
- Look at level of interdependency needed and collaboration
- Importance of sectors
- Voice of business first – not chasing funding first
- EZ catalyst for aspiration to bring that voice out and using networks that exist
- About Northamptonshire businesses, EZ part of whole economy of area
- Inspiring younger generation
- Need for entity?
  - Employer commitment?
    - More locally distinctive
    - Know what si being developed/is possible locally
    - Accessible for SMEs – suitable HE, information etc
    - For all – build and accelerate the good stuff going on
    - Careers issues – knowledge, advice, opportunity, progression etc
    - Making all better known – all part of business/growth support
    - Linking in private providers

Table 3
One thing not to happen: Don’t just become a talking shop. No action/follow up

One thing to happen: Central resource of all the initiatives – maybe a meeting every couple of months – website – circulars or such.

Mahle cannot get enough degree and higher qualified staff. They have a national recruitment drive round all the major universities.

ACS They are trying to recruit locally to improve the local area.
PART 1

Reaction to Ecorys presentation – Pretty much spot on

Nital – Their numbers undertaking training have grown year on year since 2008. They try to tailor apprenticeships etc to the employers requirements.

Not enough good careers advice to older students in school so they can be aware of different opportunities and plan for any requirements.

Mahle disagreed that they didn’t know what they wanted.

Nital – Employers may know what they what but needed some guidance in the best ways to achieve it.

Nital – private providers can provide more niche/specialist training as they don’t need the high numbers to fill courses. But he felt they didn’t get the support they needed from agencies eg SFA

Colleges turned out too many graduates without the high end skills required by employers?

PART 2

Poor presentation – not enough basic information to understand the bones of the initiatives.

Nexus sounded much like any college but after more discussion with Peter they felt this might be useful.

There used to be one stop shop type project NDTP but this faded once funding was withdrawn.

Actions

Information meetings – Mahle willing to contribute as long as things are fresh and relevant

Try to establish similar organisation to NDTP

Table 4

Part A:

- There was a general feeling that this represented a familiar picture
- Flybrid Automotive recruited graduates and recognised that they came to them lacking certain key skills, one of which was noted was the ability to work across departments to understand the needs of other disciplines, ie Designers not talking to engineers. They also take the opportunity to move graduates between departments to develop this understanding. So although they know some of the drawbacks with graduates they recognise the ability to mould them into the people they want to be as part of the business.
- The was mention of the issue of STEM graduates being lost to the City for greater salaries offered in the Finance sector of the City of London meaning the skills are not only los to the County but also to the sector.
Part B:

- Flybrid Automotive are involved as part of the UTC at Silverstone
  - Curriculum steering
  - Lecturing
- Mentions of the issues of an ageing workforce and the opportunity of Apprentices to fill that gap.
- Mention of funding driving behaviour so it is more difficult to engage older workers 25+ who have now worked out where their career lies but there is still a need to develop skills without the same funding subsidies.
- Skills for Logistic are working on Management Development Programmes with employers as an alternative to University and to be able to upskill higher levels on the job.
- The Apprenticeship brand is still seen as lower level skills for younger workers so on occasions employers are using Apprenticeship frameworks for training but they are not using the brand so as not to disengage older and higher level employees. (Logistics)
- Yorkshire Water is working with Castleton on a “Water University” to put in place a full set of quals for the industry.

Session 2

Part A:

- It was felt that delivery had always been funding led but there is need for it to be needs led – this will be driven by things such as employer contribution and Employer Ownership of Skills pilots.
- There is a need to create networks of support and advice for business rather than the proliferation of free services that hold little value and is not always understood, such as the Business link products.
- A need to create a real employer voice for Northampton so the business community carries impact and is able to articulate its need and deliver strategic vision rather than just chase one off funding opportunities. This employer voice could use the EZ as a catalyst and it is more likely to be heard because of the priority of the EZ but that shouldn’t be at the exclusion of the wider town and county needs.
- Skills for Logistics are working with the military as a source for the skills within the sector, some people leaving the military already have a lot of the requisite skills whilst training programmes are being delivered to augment the skills and fill the gaps where they exist.
- The need for an enterprise centre for clustering of likeminded businesses, this could happen for the wider EZ but that would take time to develop and to deliver impact.

Part B:

- The Borough Council are meeting with the Top 10 local employers to listen to their views and see where opportunities exist.
- NBC are holding a Business breakfast for the EZ employers at the end of February.
- Brackmills BID and other such representative business groups exist and there might be an opportunity to develop a wider/Strategic group to represent the wider views of the town or county on the back of this existing engagement.
- There is still a need for real ownership of this agenda and who is going to pull it together and really drive it forward – the enthusiasm and good will for it to happen is all in place what is required now is the drive to make it succeed.
Notes from February 11 2013 Workshop

Table 1

Feedback on Questions A and B

- Employers appear to have identified training needs in leadership and management skills
- New recruits appear not to be ‘job ready’- they appear to lack employability skills
- Employees/new recruits need to develop their business skills e.g. team working, people management, interpersonal skills, confidence building skills
- Often organisations don’t realise what their training needs are. An analysis of these needs was therefore required.
- In addition to the above, there was a lack of understanding as to where information, advice and training can be readily obtained from i.e. courses/training etc. Employers tend to do their own research to find this information, this is time consuming
- Concerns raised over the reduction in funding streams and the general lack of funding that was available
- The Group believed that a number of skills could be developed via work experience/work trials. It was noted that a number of local schools were now reducing work experience opportunities.
- A suggestion was made that local educational institutions should work together to provide information for employers-a ‘One Stop Shop’ for Information and guidance might be developed
- The Group felt partnership working and collaboration should be encouraged- this would help develop business skills.

Group Work Feedback on Questions A and B

- The idea of establishing a Business Growth Hub- a type of ‘One Stop Shop’ for obtaining information and advice appealed to Group members
- The Business Growth Hub appears to be similar to the ‘Skills Brokerage’ scheme that was in existence in Northampton about 2 years ago.
- The information given by the ‘Hub’ needed to be simple and understandable and there was a need to reduce the amount of bureaucracy.
- A lengthy discussion took place over how such a centre could be promoted/marketed
- The cost implications of setting up such a centre were discussed
- There was a lack of understanding of the current support systems that were available to local businesses. Large organisations seemed to know what existed, whereas smaller businesses were unaware of what was available.
- How to raise the awareness for these organisations was discussed
- The Group felt that a co-ordinated, collaborative approach, building on the existing networks was necessary if the Enterprise Zone was to succeed.
Skills Workshops – Summary of Table Notes from Both Workshops

Table 2

Encouraging signs on recruitment.

Graduate attitude rings true.

- High end graduate skills into motorsports
- Different to recruit into manufacturing
- Knock on effect from Jaguar/Land Rover – 200 jobs
- Cosworth apprenticeships (20) – in house recruitment

Centralised offer

Logistics – high end skills and management

Apprenticeships – positive view

Centralised offer

Logistics – high end skills and Management

Apprenticeships – positive view with employees and allow progression to degree level.

- Growing recognition of apprentice route
- Build on experience and knowledge in the workplace

Apprenticeships

Potential for Centre of Excellence – Engineering

- Centrally
- Cost effective
- Promotion of the industry – link to schools
- Re-entry to labour market

Apprenticeships are now an alternative to University

Supply chain training – possible opportunity as some employers were not trainers.

Work Programme: 1800 on books

TNT
Barclaycard

Under employment – part-time who wish to work more

Working tax credits

Specialism – job search, interview and support in work
Skills – re-entry’s to work – BT Open Reach

Employment legislation barrier to work
Education links between Businesses and schools

- Young Chamber
- Challenges for schools to embed in curriculum
Skills Workshops – Summary of Table Notes from Both Workshops

- UTCs (JCB UTC) curriculum is key – industry challenges – buy in
- Some GAPS – filled by RGF funding though NEP – NEP would fill this need

Build on existing practice rather than re-invent the wheel.

University runs Entrepreneurship clubs

Format not important
Does it add value? \[ \rightarrow \]
How is it targeted? \[ \rightarrow \] EZ could be used to ID need

Leading to specialist not generalist

Flybrid – moving to small scale production from prototype

Diversification of traditional motorsport - info \[ \rightarrow \] certification

I.T.

Shortage in manufacturing/ machine shop skills etc.

Like to See

- Matching industry and any requirements in Education provision
- Schools – inspiring next generation
- Apprenticeships!
- Uni – matching offer to Industry requirements (ie bridge gap BA to Masters)

Very difficult otherwise would be done before

Sharing best practice from Mercedes who would be keen to share in supply chain

Schools – difficult to engage with

DHL – Kettering (Logistics)

Lift Tower

Table 3

Part A

- General agreement that the description in the presentation reflected the perspective from around the table.
- There appeared to be a lack of business acumen, in terms of being prepared for interviews and what working life actually entails, ie, protocols, etc
- It would be good to see more evidence of work experience either in Saturday jobs or in placements, etc – though it was recognised that casual job opportunities were not as easy to obtain as a few decades ago
- Need to manage expectations, graduates joining organisations often expect to be fast-tracked into management roles and will leave within 18 months if that expectation is not realised.
Skills Workshops – Summary of Table Notes from Both Workshops

- Industry knowledge is important but so are the soft skills – the table felt there was a 50:50 split between the need for relevant technical knowledge and things like enthusiasm, personality, team work, etc.
- Need to recognise the value of transferable skills
- It would be good to see more engagement between training providers/HE and employers to provide work experience opportunities. UoN noted that all students now needed to complete a 20-credit employability module, which previously had been optional
- There was some share surprise around the table that there had been some growth in staff numbers, and expected there to be higher levels of redundancy
- In terms of what they would like to add, the table agreed that it would be useful to increase employer awareness of support available for training and staff development

Part B

- The Employability Programme at UoN (see above)
- UTC at Silverstone (and Daventry)
- A negative development was seen as the changes around work experience in schools (and also the changes to IAG provision)
- Centurion mentioned that they use simulated work experience to support learners on their programmes (with real work experience too)
- It would be good to see funding in schools ring-fenced to ensure liaison with employers and relevant IAG around careers in the area
- Apprenticeship frameworks can be restricting from an employer perspective and it would be good to see more creativity and flexibility
- Need to start early – liaison with primary schools too – it is essential for young people to understand the purpose behind the learning, ie, to get job

Second Session

Part A

- North West business model is a good idea, but partnership working in Northamptonshire does not have a strong track record to date
- To a great extent the North West case study is already happening in Northamptonshire – although perhaps not so well packaged or promoted and maybe not with the same level of resource behind it.
- More collaborative working between training providers would be valuable

Part B

- Improved employer-schools liaison co-ordination – increase the pool of employers willing to get involved so it’s not the “usual suspects” always giving up their time
- Create a network of learning and training providers to improve co-ordination
- Central hub for advice, with marketing to promote its existence – this could be a source of direct advice or simply signposting to other sources

Table 4

- Highly skilled recruitment improving
- Heavy industry struggling. Manufacturing
Skills Workshops – Summary of Table Notes from Both Workshops

• Mercedes 20 apprentices, Carlsberg 6
• Vast majority of above picked straight from uni- not JCP customers
• Primarily focussed on high tec industries and their processes and trends
• No real overview for general needs ie without specific skills sets
• Who are atking on apps?
• Engineering/high tec apps are quite prescriptive/diverse in their needs
• Much talk about graduates – what is in place beyonf the normal pracrice for the unemployed in the town (WP etc)
• Northampton UTCs – how do we get onto one of these?

We need to deliver a presentation at one of these to get our message across to as large an audience as possible

Chamber of Commerce etc

Use the above to sow seeds and then go out to individual businesses and deliver employer specific presentations highlighting routeways. JSM to support. Talk to Sally.

Table 5

Ecorys Presentation
• General recognition of the picture painted.
• Jobcentreplus (JC+) focusing on the younger unemployed which can leave older people less well supported.
• FESTO have adopted apprenticeships as a good way of recruiting. They have two apprentices at present. Competition for the places was strong and they had a good field to chose from.
• JC+ find that they still have people drop out of apprenticeships.
• Knights of Old have an HGV apprenticeship scheme which seems to work well.
• Tresham felt that UTC’s could be in danger of attracting some people who like the glamorous image but are not that willing to put in the work.

Part B

• Silverstone & Daventry UTCs – links with employers, longer term - starts in Sept
• From Nov FE colleges will be able to accept 14 year olds as full time students. Could this be used as an opportunity to roll out the UTC model in other sectors/areas?
• JC+ - Engaged with schools to show what is available mainly 14 – 24 year olds eg road show this week at Rushden. They offer business mentoring through contracted agencies.

NEEDED
• Need to develop work values in younger people
• Need better facilities/opportunities for older people to retrain.
• Because of increased competition we need to provide better support – CV skills, interview skills, work values etc
Skills Workshops – Summary of Table Notes from Both Workshops

- Central recruitment service to avoid the need to log on to hundreds of company websites.
- Transport issues can be a barrier for rural areas. Old “Wheels” scheme has closed – some companies run mini buses eg Silverstone hotel had a bus for their apprentices.
- There is a lack of schools putting apprenticeships forward as an option. This could because of the funding regime – schools need to keep students to get funding but after age 19 available funding is reduced.

ICF GHK

- Need to establish the real/actual local skills gaps and then put in place mechanisms to meet them. Must be job orientated – no use in training people with no real chance of a job at the end eg JC+ trained security people but only 3 of 12 have gone into jobs.
- Need an end employer
- Use planned developments such as he rail station to insist on new apprenticeships being created. UTC did this?
- The uni innovation centre has a support package for occupants.
- The Growth Hub model could be used in a public/private basis so the public sector does the admin/bureaucracy etc which private sector is not really interested in.

Part B

- Use current developments to create local opportunities/apprenticeships etc
- Need a mechanism to bring employers providers and stakeholders together
- UK Skills competition could be used in marketing etc to attract entrants
- Need better involvement with schools – providing unbiased generic advice not from those with a vested interest

Table 6

| Education, learning, training, jobs ……. collaboration v competition ……. | jobs, careers, business support and economic growth…jobs, careers |

Bringing it all together, making the most of any investment, information services/use

Central info/support service; co-ordination of provision/signposting/capacity = one stop shop?

Support to find resources

Simple language

Employment legislation?

**Education and Industry match; employers and co-ordination/increase amount, number**

Good Manufacturing Advisory Service practice

Generic advice for learners
Appendix 5 Associated Responses and Plans

1. Local organisations with relevant plan/policies/strategies:
   • South East Midlands Local Enterprise Partnership (SEMLEP)
     ➢ SEMLEP apprenticeship plan
     ➢ SEMLEP skills plan
     ➢ SEMLEP City Deal Core Package
   • Northampton Enterprise Partnership
   • Local authorities in SEMLEP
   • Northampton Borough Council
   • Northamptonshire County Council
   • Northampton Waterside Enterprise Zone
   • University of Northampton
   • Northampton College
   • Moulton College
   • Tresham College
   • Job Centre Plus (local)
   • Northants Chamber of Commerce
   • Institute of Directors

2. National Policies/policy bodies
   • Department of Business, Innovation and Skills:
     ➢ Industrial Strategy: UK Sector Analysis September 2012
     ➢ Richard Review of Apprenticeships November 2012
     ➢ Heseltine: No stone unturned in pursuit of growth Nov 2012
     ➢ Government response to Heseltine March 2013
     ➢ Rigour and Responsiveness in Skills April 2013
   • UK Commission for Employment and Skills
- 2012 Employer Survey
- Employer Ownership Pilot 2012/13

- Work of Sector Skills Councils notably SEMTA
- Manufacturing Advisory Service – 2013 Survey
- Skills Funding Agency including National Apprenticeship Service
- Department for Work and Pensions
- Ministry of Justice

**Partners’ responses during strategy development phase:**

Refer to Appendix 4 on workshops. In addition to informing the members of the network and involving them as appropriate including in the workshops, one to one conversations took place. Some of the comments are reflected below:

**Companies visited:**

- Need more flexible apprenticeship frameworks – small companies cut across disciplines
- Content of learning and training doesn’t necessarily reflect small businesses who need people to learn or be trained in a wide variety of skills – some accredited, some not - latest IT/digital often essential
- Some requirements don’t reflect what is needed at that level in the workplace (eg engineering and maths at level 3)
- Recruitment is handled in a very specific way by larger companies which reflects not only initial job needs but also careers within the company
- SMEs want reliable cost effective recruitment
- JCP has tendency to send unsuitable people
- Prepared to give people a chance if they are willing to learn

**Providers:**

- Need more input from industry
- Maths standards an issue, particularly in engineering and other technical
- Gaps in capacity eg ESOL, literacy and numeracy
- Numbers are needed to make courses viable – applies to JCP referrals and company negotiations
• Shortage of good Labour Market Information
• Demand for leadership and management
• New developments in enterprise and recording destinations
• Like more real flexibility over ages and curriculum

Stakeholders (including Chamber of Commerce, Institute of Directors, Job Centre Plus):
• Businesses looking for more work ready recruits
• Engagement with providers needs to be differentiated according to the company
• Flexible workforce needed – lots of changes
• Businesses and schools/colleges seem to live in different worlds
• Cost of recruitment and uncertainty about quality deters people from taking on staff
• JCP need to develop sense of quality required by company
• How dealing with graduates among claimants?
• Graduate employability an issue
• Training needs to be close to the business and the operation
• Work together more to maximise resources and reduce confusion
• Simplify language and content
• Happy to contribute.

Feedback to drafts of strategy covered aspects like:
• Importance of careers advice and working with young people
• Need for enough focussed activity without ending up with a long document
• Engage young people through University
• We have many of the activities but nothing like enough capacity
• Need a big idea
• The Centre of Excellence would be a good development for Northampton.
The viability of an ‘Engineering Centre of Excellence’ within the Northampton Waterside Enterprise Zone

D. S. BANKS CEng, FIMechE.

8th May 2013
**Introduction**

This document provides analysis of the current practice of engineering employers within the High Performance Technology sector within Northamptonshire with regard to the recruitment and training of engineering apprentices and graduates, the continued professional development of those engineering professionals and the inspiration of the next generation of engineers.

This specific project is additional to the existing 'Northampton Waterside Enterprise Zone (NWEZ) ‘Skills Research’ and includes specific feedback on whether the idea of an ‘Engineering Centre of Excellence’ has traction in the view of local employers.

**Survey background information**

The region includes a wide variety of engineering employers often operating in very specialist applied fields e.g. engine design and development, composite materials, computerised simulation (Computational Fluid Dynamics etc.), specialist materials coatings, passenger lift testing and whilst generally included under the ‘Engineering’ title the actual skills required can be quite diverse. Therefore face to face discussions with a selection of engineering employers was seen as essential to identify any common technologies and training requirements which could be supported by an ‘Engineering Centre of Excellence’.

Employer support is seen as essential for the success of such a venture as there are numerous examples of initiatives which are under-utilised and not supported by employers. One example of this was the growth in ‘Motorsport’ degree courses a few years ago, many of which have since been removed as employers in this sector continue to recruit graduates with general Mechanical, Automotive and Aeronautical degrees from Universities with established reputations.

Key to growing the skills base in the future is inspiring the next generation and again many organisations in the region are already engaged in activities with schools through STEMNET and Imagineering initiatives and also through the provision of work experience and sponsorship of engineering students. It was seen as important to get a feel for how much of this is already taking place and whether there are opportunities for a more collaborative approach by employers to these activities.

Several engineering resources already exist, which could be used to inspire the next generation of engineers within the area e.g. the National Lift Tower, NVision, and the Silverstone Circuit and associated motorsport activities (including Formula Student). It is envisaged that many of these could be included in an alternative to a dedicated centre of excellence.
## Companies Surveyed

The following organisations kindly contributed to this survey.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Nature of Business</th>
<th>No. Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flybrid</td>
<td>Design &amp; manufacture of mechanical hybrid systems.</td>
<td>17</td>
</tr>
<tr>
<td>G.E. Precision</td>
<td>Motorsport &amp; automotive precision manufacture &amp; design.</td>
<td>21</td>
</tr>
<tr>
<td>Hartings</td>
<td>Sales &amp; manufacture of integrated electronic systems.</td>
<td>100</td>
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<tr>
<td>Delta Motorsport</td>
<td>Motorsport &amp; automotive design and low volume build.</td>
<td>12</td>
</tr>
<tr>
<td>Viper Motorsport Harnesses</td>
<td>Motorsport &amp; prototype wiring harness manufacture.</td>
<td>4</td>
</tr>
<tr>
<td>Mahle Powertrain</td>
<td>Powertrain design, development and test.</td>
<td>180</td>
</tr>
<tr>
<td>EDM Precision</td>
<td>Precision electro-discharge machining.</td>
<td>7</td>
</tr>
<tr>
<td>Festo</td>
<td>Design &amp; manufacture of pneumatic and automation systems.</td>
<td>74</td>
</tr>
<tr>
<td>Ilmor</td>
<td>Design, development &amp; manufacture of racing engines.</td>
<td>70</td>
</tr>
<tr>
<td>Mercedes AMG HPP</td>
<td>Design, development &amp; manufacture of F1 engines.</td>
<td>600</td>
</tr>
<tr>
<td>Turnell and Odell</td>
<td>Precision manufacturing engineers.</td>
<td>40</td>
</tr>
<tr>
<td>Schumacher Racing</td>
<td>Design and manufacture of radio controlled cars.</td>
<td>25</td>
</tr>
<tr>
<td>Scott Bader</td>
<td>Development &amp; manufacture of composites, adhesives and emulsions.</td>
<td>250</td>
</tr>
<tr>
<td>Three Sixty Aerospace</td>
<td>Design and manufacture of premium class aircraft seating.</td>
<td>100</td>
</tr>
<tr>
<td>Sandwell</td>
<td>Shot peening &amp; surface engineering.</td>
<td>18</td>
</tr>
<tr>
<td>N and B Engineering Ltd</td>
<td>Precision manufacturing engineers.</td>
<td>8</td>
</tr>
<tr>
<td>Total Sim</td>
<td>Engineering consultancy &amp; contract support.</td>
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<tr>
<td>Varoehm</td>
<td>Sensor manufacture and sales.</td>
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<tr>
<td>Torquemeters Limited</td>
<td>Design &amp; manufacture of torque measurement systems.</td>
<td>55</td>
</tr>
<tr>
<td>Cummins Distribution (Wellingborough)</td>
<td>Sales and service of Cummins products.</td>
<td>200</td>
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</tbody>
</table>
Historical Information

One of the major industries in the region is Motorsport and, in particular, racing engine design and development with Cosworth and later Ilmor being major employers over recent decades. Cosworth in particular was, in the past, a major recruiter and trainer of engineering graduates and technicians, many of whom have gone on to form their own companies. Whilst this is still an important sector with Mercedes AMG HPP now being the largest employer in this sector and Ilmor being a major supplier of engines to the Indycar Championship, it is a changing market and future growth potential may be limited causing companies to diversify into new markets.

To support the prototype and high manufacturing quality requirements of the Motorsport industry the county has developed a network of small manufacturing companies specifically skilled in precision, small batch manufacture. By necessity many of these smaller companies have actively pursued alternative markets for their services in recent years, including aeronautical, medical, defence and the oil and gas industry.

Another significant change in the engineering industry in Northamptonshire, in the last two decades, has been the closure of two major engineering companies namely Timken Bearings (Duston) and Express Lifts (St James). This is very relevant as many engineers gained training through these two companies, some of whom have also progressed to form their own companies. Indeed the Head of Engineering at the University of Northampton started his career as an apprentice with Express Lifts. The loss of these two companies has had a significant impact on the apprentice training provision in the county.

Summary of Engineering Roles

With the diverse nature of the High Performance Technology sector, in the region there is a large variation in the roles of engineers within Northamptonshire. As a means of dividing the roles and matching the qualifications and experience requirements, the following definitions are those published by The Engineering Council and used by all Engineering Institutions which are licenced to award professional registration.

This is considered an appropriate definition as many companies within the area e.g. Cummins, Mahle Powertrain, ThreeSixty Aerospace and Mercedes AMG High Performance Powertrains operate employee development plans to achieve professional registration.

Engineering Council Definitions for Professional Engineers

**Engineering Technicians** are concerned with applying proven techniques and procedures to the solution of engineering problems. They carry supervisory and/or technical responsibility and are competent to exercise creative aptitudes and skills within defined fields of technology. Professional Engineering Technicians contribute to the design, development, manufacture commissioning, decommissioning, operation or maintenance of products, equipment, processes or services. Professional Engineering Technicians are required to apply safe systems of working. *(Benchmark academic qualifications = Tech Certificate from an Approved Apprentice Programme, NVQ3/SVQ3).*

**Incorporated Engineers** maintain and manage applications of current and developing technology and may undertake engineering design, development, manufacture, construction and operation. Incorporated Engineers are variously engaged in technical and commercial management and possess effective interpersonal skills. *(Benchmark academic qualification = accredited BEng degree).*

**Chartered Engineers** are characterised by their ability to develop appropriate solutions to engineering problems, using new or existing technologies, through innovation, creativity and change. They might develop and apply new technologies, promote advanced designs and design methods, introduce new and more efficient production techniques, marketing and construction methods. Chartered Engineers are variously engaged in technical and
commercial leadership and possess effective interpersonal skills. *(Benchmark academic qualification = accredited MEng degree).*

**What is an Engineering Centre of Excellence?**

There are many different facilities, nationally, which are called ‘Engineering Centres of Excellence’ and these range from dedicated apprentice training centres to centres supporting industry with the development and application of new and emerging technologies examples of these are:-

**Toyota Apprentice Development Centre (Burnaston)**

This is a training facility for maintenance technicians where all training is provided on site by Toyota staff supported, for some modules, by staff from a local FE college. The current intake is 24 per annum with a plan to increase this number to 36 in 2014 and 48 in 2015. A significant recent development is that Toyota is now offering this facility to their suppliers for apprentice training.

The programme is delivered over a 40 month period consisting of 18 months ‘off the job programme’ including NVQ L2 (Performing Engineering Operations) and VRQ Technical Certificate, a 4 month transition period and 18 months ‘on the job training’ leading to NVQ L3 (Engineering Maintenance Systems). The trainees are trained on equipment, including robotic manufacturing cells, which is up to date with modern manufacturing technology.

There is quite a rigorous selection process with a high failure rate at the selection stage due to numeracy and literacy issues. Also there is a rigorous appraisal process throughout the process with the opportunity to remove trainees from the programme or repeat years where appropriate.

Key factors from this initiative are that the training is driven by industry, the training is on equipment appropriate to the employer’s production facility and it is selective. Quite a few of the intake have A Level qualifications before entering the apprentice programme.

**Manufacturing Technology Centre (Coventry)**

This facility was opened in 2010, with £40.5M of public funding, to develop advanced manufacturing technologies into practical manufacturing solutions.

Specific technologies include Advanced Tooling and Fixturing, Metrology and Non Destructive Testing, Intelligent Automation, Net Shape and Additive Manufacturing (3D printing, laser sintering etc.), Electronics Manufacturing and High Integrity Fabrication (including rotary friction welding, laser welding, adhesives and coatings).

Some major industrial partners include Aero Engine Controls, Airbus and Rolls Royce but companies from Northamptonshire, including some who contributed to the survey, are also working with the MTC on new manufacturing processes.

It is believed that the MTC are to develop an apprentice training facility which will have residential facilities.

Key factors from this initiative are that the technology is driven by what industry requires moving forward, particularly in the automotive and aerospace sectors. There is also significant investment in the developing of internal technical skills.

**Local Initiatives**

Some local initiatives which could be described as ‘Engineering Centres of Excellence’ are:-

**Siemens-National Training Academy for Traction and Rolling Stock**

A state of art training academy for apprentices focused on rolling stock technology under construction at Kingsheath in Northampton.
NVISION
An immersive 3D visualisation centre based at Northampton University with different 3D projection technologies available for industrial applications including ‘Active Walls’ and an ‘Active Cube’. The take-up with the Northamptonshire High Performance Technology Centre is limited.

Scott-Bader Innovation Centre
One of the companies surveyed (Scott Bader) has an innovation centre which supports start-up businesses with workshops and office facilities. Utilisation of this facility is 80% and there is space to expand the facility by conversion of an existing building.
### Existing Connections with Centres of Excellence and Innovation Centres

Some of the Centres of Excellence and Innovation Centres which the companies surveyed have experience of are shown below.

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<tr>
<th>Centre Name</th>
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<td>Advanced Manufacturing Research Centre</td>
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<td>Silverstone Innovation Centre</td>
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<td>Nottingham Uni. Advanced Manufacturing Centre</td>
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<td>The Welding Institute</td>
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<td>National Composites Centre (Bristol)</td>
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<tr>
<td>Scott Bader Innovation Centre</td>
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<td>Warwick University Manufacturing Group</td>
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**Note:** This list is not extensive and largely dependent on the personal experience of the company contact for the survey e.g. HR personnel may not have access to this information.
Recruitment Policy

Within the Northamptonshire High Performance Technology Sector there is a high proportion of MEng and PhD level engineers and some of the smaller companies surveyed employ almost exclusively this level of engineers (with suitable post-graduation industrial experience). Also some of the larger companies surveyed have a high dependence on highly qualified engineering graduates. The general feedback regarding high level graduate recruitment is that companies recruit nationally and internationally and employers don’t believe that this level of education is provided within the county. Some employers have recruited from Cranfield University in Bedfordshire and others have used Cranfield University to provide additional short courses and ‘Masters level’ qualifications.

The intermediate level of engineers, who traditionally would be employed as production engineers, managers and applications engineers is an area where there is a shortfall and this is an area which can partially be addressed by local education providers e.g. Northampton University. Historically this level of engineer has been recruited locally often progressing through the apprentice and HNC/HND route. There is significant employer interest and involvement in this level of engineering training and employment through the NETP (Northants Engineering Training Partnership). Of the companies surveyed Festo has strong links with the NETP project but other companies in the area e.g. KAB Seating and G.E. Intelligent Platforms are known to use this as a source of engineering employees.

There is considerable interest, from the companies surveyed, in apprenticeships with 70% either having apprentices at present or in the recent past. Generally there was concern about the quality of candidates on offer and little interest in the use of apprentice training agencies as a selection tool. Where possible, employers prefer to get involved with selection of apprentices at an early stage of the training process. Three companies in the survey said that they sponsor more students than they require through the initial college period so that they can select the most able candidates for employment. The majority of employers were keen that apprenticeships should include study to HNC and beyond. Whilst some employers recruit apprentices only when required, others have policies to take on apprentices every year, one company targets 6 per year, a second usually take on 2 per year (although 5 this year) and a third company aims to take on 1 per year.

Note: At all levels of intake (apprentice to MEng) employers expressed concerns about the mathematics standards of candidates.

Some employers expressed concern about the quality of more mature candidates who are applying for vacancies and this seems to be across all sectors. Two companies, covering mechanical and electrical engineering, said that generally the candidates in their 30s and 40s with industrial experience were not used to working to the quality standards and level of autonomy that they required. Alternative sources for experienced engineers include ex-services personnel and engineers from Poland and other European countries who tend to have a high level of engineering experience and qualification.

Training and Further Learning

Throughout the companies surveyed there was very positive approach to employee development with the larger companies generally offering a structured approach to graduate and apprentice training. Mercedes AMG HPP, ThreeSixty Aerospace and Mahle operate a Monitored Professional Development Scheme (MPDS) for graduates with a view of developing the competences required for Chartered or Incorporated Engineer status after 4 years with the company. This is seen both as an effect mechanism for employee development and a benefit to attract the best quality candidates.

Due to the diversity of the industries in the HPT sector in the county, much of the skills requirement is company specific e.g. electro-discharge machining and shot peening and a large proportion of training needs to be provided in-house.

Where not operating structured development programme training is often dictated by annual appraisals and internal ‘skills matrices’ but overall there was a good approach to continued professional development across the companies surveyed.
Also most companies were supportive of employees wishing to take further learning courses e.g. Open University Degrees, if it meets the business needs as well as the individual.

Where skills cannot be provided internally companies use a variety of external training providers including:-

- **Smallpeice Enterprises** (Lean, Six Sigma etc.)
- **Tutorcare** (H&S)
- **Solomon** (continuous improvement techniques)
- **INTACS Training** (fault finding on high voltage circuits)
- **Dark Matter** (composites)
- **Oaktree** (management)
- **Nottingham University Advanced Manufacturing Centre** (manufacturing and quality)
- **Production Engineering Research Association** (growth & change management)

**Engagement with local education providers**

Of the companies surveyed the use of local education providers is:-

- **Northampton University** = 4
- **Northampton College** = 8
- **Tresham College** = 3

**Feedback on local education providers**

1) Colleges are not training apprentices on machine tools appropriate to the ones which they will use in industry.
2) Mixed opinions on the feedback of apprentice assessors, some though that this was good whilst others thought that some assessors didn’t focus enough on the technical skills and questions focused too much on soft skills.
3) Visibility of what training is available could be improved ‘A central directory would be useful’! Several companies stated that communication on training opportunities is poor.
4) The standard of some candidates offered to employers by colleges fell short of their expectations particularly in numeracy and literacy.
5) Whilst happy with the quality of education provided, one company felt that the education providers lacked a clear understanding of the career options available within the industry.
6) One employer was frustrated with the lack of flexibility in courses particularly relating to a very competent apprentice who they want to fast-track to HNC. They were told that this would take 7 years!
7) One employer was unable to get the IT training they required for an apprentice locally and had to use a college in Hinckley. Another uses Stephenson College in Coalville as when they last reviewed they did not feel that local colleges were able to match their requirements. They are looking to review their training provider again in the near future.
8) Several employers thought that the Northants Engineering Training Partnership was a good opportunity for both students and employers but its existence has not been marketed well in the past.
9) Several companies expressed an interest in what the Silverstone UTC could offer and are actively pursuing links with this venture.
Collaborative Approach to Training and Development

There was interest in a collaborative approach to training and development from over 50% of the companies surveyed particularly where technical knowledge exists in companies which could be shared without jeopardising an organisation’s technical advantage.

Some links already exist with suppliers and customers on collaborative training but these could be expanded on a geographical basis. Examples could include industry based training (and assessment) on multi-axis machining centre and dissemination of process information to potential customers e.g. shot peening, electro-discharge machining, metallurgy, surface treatment and heat treatment.

Several employers expressed an interest in exploring a collaborative approach to apprentice training.

Support for Promotion of Engineering as a Profession

Work placement students (school age)
There is a high level of support for work placement opportunities but some companies restrict this to relatives of existing employees and personal recommendations.

Some companies noted a decline in support from local schools for this in recent years.

A common concern was about the selection of suitable candidates by schools and that employers were looking for placement students with a genuine interest in engineering and science as a career and an aptitude for mathematics and science.

There was concern about the careers advice that young people are being given and the awareness of teachers about the opportunities for careers in engineering.

Two companies who were surveyed have a particularly well established and pro-active approach to work placements from school age children. The first typically takes 2 placements in product development and 4 placements in the factory each year. The second take 2 or 3 placements a year but have noticed a decrease in support from schools and teachers. Additionally Festo take groups of 50 to 60 school children every month for a 4 hour ‘hands-on’ session in their training facility.

Work placement students (college and university age)
Many of the larger companies are involved with providing sandwich year and/or holiday placement opportunities for university and college students these include one company with 20 sandwich placements per year, a second who currently have 6 sandwich placements and a third who take 2 per year. A further company regularly take students on 5 month placements through the Northants Engineering Training Partnership (NETP).

Generally employers consider this type of placement as a useful assessment process/ extended interview for future employees.

Support for STEM (science, technology, engineering and mathematics) type projects
There is significant support from this type of initiative from both employers and employees with graduates and experienced engineers acting as STEM Ambassadors. This is also seen as a useful tool for personal development of young engineering and science employees.

Festo is working with NETP and Northampton University on ‘STEM Summer Clubs’ and one day events with primary schools as part of Northampton ‘Science and Engineering Week’.

Scott Bader invites local schools into the company during ‘National Chemistry Week’.
Some young engineers are willing to get involved as STEM Ambassadors but have found difficulty finding information on local activities.

There is also evidence of support from employers and employees for the Formula Student and Green Power competitions.

**Note:** STEM initiatives are seen to be gaining momentum as a result of the increasing visibility of the ‘Science and Engineering Week’ and the establishment of local University Technical Colleges.

**Sponsorship of University Projects**  
Many companies surveyed are actively involved with sponsorship of undergraduate and PhD projects with universities nationally.

**Interest in University Technical Colleges**  
There was considerable interest in the development of the Silverstone UTC with several companies already establishing links with input on the curriculum and interest in supporting industry based projects.

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**Support and Expectations of an Engineering Centre of Excellence**  
There was genuine interest in the idea of an Engineering Centre of Excellence but obviously this would depend on the actual function and deliverables of such an initiative. The key areas which have support are:-

1) **Promotion of engineering as a profession with young people and education providers.**  
Particularly providing hands-on experience to young people.

2) **An opportunity for engineering employee development.**  
This could be delivered on virtual basis, from a physical building or a hybrid of the two. One observation is that any learning delivered virtually needs to be of a high standard of delivery utilising the best simulation technology.

   There is also interest in the provision of a ‘Training Hub’ which could include courses provided by existing colleges and universities, other training providers and from individuals and companies with specific knowledge and skills. There was a clear indication that such a ‘Training Hub’ should be independent of any single training provider.

3) **A centre of excellence for apprentice training.**  
There is an opportunity to create an apprentice training facility which focuses on training on modern manufacturing equipment (e.g. 5 axis machining centres) and Computer Aided Manufacture. Some local employers are currently reviewing the way that they provide apprentice training but support for a dedicated apprentice training centre would be dependent on the demonstration of ‘engineering excellence’.

4) **Networking opportunities.**  
There are some opportunities to improve the networking opportunities for employers and engineers in the region including factory visits and industry specific lectures. Some initiative already exist, the Northampton Engineering Symposium (organised by Northamptonshire Enterprise Partnership) was very well received by those who attended also the Northampton Young Members Panel (IMechE) organise some industry related lectures.

Whilst employers expressed an interest in supporting an Engineering Centre of Excellence with the provision of resources, projects, factory tours and input from experienced staff any financial support is likely to be restricted to payment for training provided.
Feedback from survey on an Engineering Centre of Excellence
Some comments on the expectations of an Engineering Centre of Excellence are:-

'Would be interested if it offered training in basic mechanical and electrical skills particularly in diesel engines and power generation. Also interested in a 'Training Hub' for other training such as 6 Sigma but only if the hub is independent of individual training providers. Prepared to pay for the service but only if the achievement of skills could be demonstrated in the workplace and matches employer's requirements'.

'Computational Fluid Dynamics, Finite Element Analysis and materials training. Also some project management training would be useful as whilst currently the engineers in the company are trained in the use of tools (e.g. MS Project), the practical application and planning style is currently left largely to the individual'.

'Exposure to some other existing industries and technologies would be useful e.g. there is a lot of engineering on space satellite projects in the country but this is not promoted. Would like to see hands-on projects for trainees e.g. restoration of old vehicle or plane (ref. Spitfire project at BAE apprentice training school)'.

'For graduates would like to see Masters level teaching in practical application of Applied CFD, Aerodynamics and Fluid Mechanics. To achieve this, could pay companies with the skills to provide modules and deliver training. Industry should drive the learning requirements and provide live projects'.

'Modern (e.g. 5-axis) machine tool training and exposure to high speed tooling and advanced manufacturing processes. Possibly with support from machine tool manufacturers'.

'General engineering training and other skills such as project planning (MS Project etc.). The provision of basic workshop and manufacturing training for graduates could be another possibility'.

'An Engineering Champion would be good! Higher level training for mechanical apprentices than is currently available.'

'Would like to see CNC and multi-axis training and also machine maintenance training'.

'Could have common engineering modules with suppliers e.g. for grinding, turning and milling and also subjects like Geometric Dimensioning and Tolerancing but training needs to be at the high end (quality and technology) of manufacturing. Can see advantage of a 'Harvard for Technicians' with an on-line provision to reach an audience over a wider geographical area. This could also act as a focus for recruitment from local and national schools'.

'Would welcome the opportunity to be able to mix and match training modules to meet the company's needs and employee's ability and potential.'

'Could include some business training e.g. sales and marketing for engineers. An opportunity to extend the Science and Engineering Week activities and for more engagement with schools, to break down the barriers between schools and industry'.

'The quality of training needs to be at a very high standard. It would be useful for the company if additional training was available in inspection standards, reading engineering drawings, surface finishes, materials, heat treatment, tolerances and limits and fits. This would help operators to understand customer (design) requirements and inspection needs. This would be useful as an on-line resource with the ability to pick and choose from a training menu. Also some basic maths training would be useful'.

'Because we are in a specialist industry the technical training may be too specialist for an Engineering Centre of Excellence. However there may be opportunities for training in standard I.T. packages and some soft skills e.g. interview techniques, running meetings, project planning etc.'
‘Electronic engineering understanding and circuit design. Understanding of systems and components e.g. how pressure sensors and other sensors work and why these inputs are required in the systems. Also a good understanding of data logging systems and the mechanical side of race car design/ integration of electrical systems (why parameters need to be logged)’.

‘Would like to see a centre of excellence which is design focused including the basics of projection and the laying out of engineering drawings. Also would like to include material science (metals and composites)’.

‘Hands on practical assembly experience and basic electronics. The understanding of engineering drawings and the ability to read these. Materials technology, particularly copper based alloys. Also some business/ continuous improvement techniques training’.

‘General appreciation of manufacturing skills with more emphasis on spending time in industry to appreciate the applied skills. Industry talks and visits. Better appreciation of design, manufacturing and quality. Perhaps machine tool manufacturers could provide practical demonstrations to students’.

‘Should start with schools and get pupils thinking about how things work with simple calculations applied to real life situations. For apprentices the learning should be more specific including materials and manufacturing technology. Teaching needs to keep pace with industry technology e.g. CAD/CAM software’.

The companies surveyed were asked to rate the importance of various features which could be included as part of an Engineering Centre of Excellence and four which gained the strongest support were:

- Support for higher and further education training
- Learning centre for primary and secondary education
- Advanced/prototype manufacturing technology
- Computer aided engineering/simulation technology

**Summary**

The companies surveyed reflect the breadth of technology and size of organisation within the Northamptonshire High Technology Sector. Northamptonshire itself could be considered as an ‘Engineering Centre of Excellence’.

There is a high level of engineering qualifications and skills within the HPT sector in the county and a requirement to maintain this especially with an increasing age profile within some organisations.

The requirement for highly qualified engineering graduates e.g. MEng and PhD for Chartered Engineer type roles cannot currently be provided from within the county and employers will continue to recruit from Universities nationally and internationally.

For the intermediate type of engineering qualifications (Incorporated Engineer roles) there is a useful resource in the Northants Engineering and Training Partnership (NETP) which provides both work experience for students and visibility to employers of potential engineers. Whilst, to date there have been a limited number of companies involved in this scheme and limited marketing of the scheme it does have opportunity to expand in the future.

For apprentice training there is support from local colleges (Northampton, Tresham and Moulton) for basic training with much of the applied skills being provided in the workplace. There is potential for some additional apprentice training capability incorporating modern machine tools and manufacturing processes which could be incorporated into an ‘Engineering Centre of Excellence’ but this would require a significant financial commitment.
At all levels there is a recruitment issue with employers stating that mathematics skills, in particular, fell short of their expectations.

For apprentice recruitment employers have a preference for direct selection rather than the use of apprentice training agencies. There is also evidence that employers are prepared to sponsor more students through college and select the most able for employment.

Generally employers are supportive of higher apprenticeships with targets of HNC and HND qualifications and if suitable they will support individuals through to a degree qualification.

With the bespoke training requirements of most employers in the survey, they tend to use a mixture of training providers and there is an opportunity for an Engineering Centre of Excellence to provide a ‘Training Hub’ which is independent of any single training provider and offers visibility of all training available. This should incorporate both formal and informal training and, where necessary, include training providers from outside the region and the sharing of process knowledge by companies.

The level of technology and engineering knowledge within companies in the HPT sector is generally in advance of that available with the colleges and university within the county.

Employers recognised opportunities for a collaborative approach to training and the sharing of knowledge and skills. This could be aided by more networking opportunities such as the Engineering Symposium organised by Northamptonshire Enterprise Partnership as part of the Science and Engineering Week.

There is strong support within the HPT sector for activities to promote engineering as a profession both to pupils and to school teachers and significant activity already in this area by individuals and employees. An Engineering Centre of Excellence could be a useful tool to provide some of this in combination with other initiatives in the region such as the Science and Engineering Week STEM activities and the STEM Summer Schools which are being developed by Northampton University. No barriers were seen to more collaboration between companies to support these initiatives e.g. a programme of factory tours as part of the Science and Engineering Week.

Employers expressed significant interest in the University Technical Colleges which are being developed in the area and see these as a potential source of future employees with the emphasis on science and mathematics qualifications and industry related projects.
Conclusion

Northamptonshire can, as a county, be described as a ‘Centre of Engineering Excellence’ with a network of engineering companies, with highly skilled and qualified staffing requirements. There is a focus on High Performance Technologies and a high proportion of small and medium sized enterprises offering quite a diverse range of precision and specialist services. This diversity including precision small batch manufacture and advanced predictive analysis techniques means that employers’ expectations of what the function of an additional facility (Centre of Excellence) should offer is quite wide. Caution should therefore be exercised before committing to a new facility and further research would be required to ensure that the nature of a new facility and importantly the technical content and quality of delivery of services meets employers’ expectations to ensure their support and participation.

There are some areas which would be supported by most of the employers surveyed and these include an expansion of the activities which already exist to promote engineering as a profession to young people, teachers and parents building on the STEM projects and the Science and Engineering Week. The University Technical Colleges at Silverstone and Daventry are seen as another important opportunity for industry to engage with young people to promote engineering as a career and identify potential future employees. Several employers would be willing to provide additional projects, lectures (including presentations by recent graduates and apprentices) and factory tours to promote the profession. The Northants Engineering Training Partnership was also seen as a very useful opportunity to develop engineers and give employers exposure to future employees but many companies were not previously aware of its existence.

The second area of common support is for a flexible approach to training of the engineering workforce with more visibility of formal and informal training opportunities through a ‘Training Hub’ which should be run independently of any single existing training provider. Much of this training could be provided in a virtual environment or by using existing facilities (lecture theatres at colleges, the university and within companies). It was also identified that manufacturing students need to be trained on equipment which matches that which they will be required to use in industry, perhaps involving a collaborative approach to providing and the assessment of this within industry. Flexibility is also required by existing further and higher education providers to match the training provided to employers’ requirements including increasing mathematics levels and allowing fast-tracking of talented students.

The third area, which has support, is to build on the opportunities for networking between employers and individual engineers to increase knowledge of the skills and technology which already exist in the county and encourage collaboration between local companies on training and developing new business opportunities. The Northamptonshire Enterprise Partnership is seen as an important vehicle for this type of activity including the Engineering Symposium and the company directory on the High Performance Technologies website.

Therefore expanding the existing activities in networking and promotion of the profession to the next generation whilst also investigating a flexible approach to training and a ‘Training Hub’ would be a sensible approach to further promotion of Northamptonshire as a ‘Centre of Engineering Excellence’. This is also likely to provide direction for any future dedicated facility and ensure employers’ support for any such facility. To ensure quality control of the training offered in a ‘Training Hub’ the content would need to be controlled independently of training providers by an individual or organisation who has expert knowledge of industry requirements and training on offer. Linking the on-line element of a Training Hub and the NEP High Performance Technologies website could also offer the opportunity to incorporate some elements of the activities to promote engineering as a profession and attract young people into the local engineering industry. This could include virtual factory tours and lectures by industry experts and again build on the Science and Engineering Week, the UTCs and other local activities and be offered to a wide audience.

Any new dedicated facility and/or on-line resource would need to match the high level of engineering knowledge and expertise that exists within the engineering industry in the county to succeed.
Northampton Waterside Enterprise Zone – Research into collaboration opportunities to make a difference

Kevin Goodwin
Castleton Consulting
May 2013
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Introduction and Context

Northampton Waterside Enterprise Zone (NWEZ) has the long-term ambition of becoming a national centre of excellence for advanced technologies, precision engineering, low carbon technology, sustainable construction and high performance engineering supported by related professional, financial, logistics, green economy, creative media, leisure and business services. To this end, it has initiated a programme of research to facilitate the development of a “Skills Strategy and Action Plan” for NWEZ and its catchment area in order to support its vision and ambitions.

This research is part of that programme and addresses the key strategic theme of how to inspire people - especially the young - into the world of engineering and related technologies. More specifically, this research is focused on exploring how the following arenas might contribute to this strategic theme:

1. Opportunities for different types of collaboration between employers and skills/education providers. For example, Employers Ownership Pilots, Apprenticeship Training Agencies, Innovation/Technology centres and the conditions required for implementing and sustaining them.

2. Alternative models for centres of excellence including the advantages and disadvantages of a single physical centre compared to other options such as satellite and virtual centres.

3. The appetite in the region amongst employers and skills/education providers for collaboration; investigating the forms of collaboration that are most favoured; assessing levels of support for investment and the return on investment expected. This will provide a clear sense of the starting point with regard to the level of engagement which currently exists and whether it is sufficient to support the NWEZ vision.
Centres of Excellence

A review of the literature and information relating to Centres of Excellence (COEs) indicates that whilst COEs differ according to both size and purpose they can usefully be grouped into three categories. Each category is relevant in relation to NWEZ strategy and each category has different cost implications:

1. Large private or government funded centres as exemplified by Siemens/NSARE (National Skills Academy for Railway Engineering) and CEME (Centre for Engineering and Manufacturing Excellence). The former is an example of collaboration between private and not for profit organisations such as National Skills Academies whilst the latter is part of a major government regeneration programme. Often the focus is on developing specific expertise and skills in the form of vocational training such as apprenticeships.

2. Small to medium centres as exemplified by the Cambridge Science Centre. These centres are often characterised by strong relationships (either as founders or investors) with educational establishments. They are often not for profit with a focus on bringing science and technology to young people.

3. The third category is characterised by centres which offer opportunities such as access to knowledge, technology, equipment and processes which organisations might not otherwise be able to afford in order to build and test products. These vary in size and structure from small co-operative style arrangements such as MakeSpace (described below) to larger multi-partner arrangements between universities with government funding such as the High Value Manufacturing Technology Innovation Centre (HVM TIC). The commercial focus may also differ with some having a strong commercial and profit focus in the form of exploiting technologies developed at the associated university whilst for others the focus is to be self-funded for the benefit of their members.

Interviews and visits were held with five centres of excellence. These were selected on the basis of their relevance to the NWEZ industry sectors and as exemplars of different forms as described above. Brief descriptions of each are provided below along with 2 case studies (in appendix 1). The purpose of the interviews and visits was to establish criteria for success, their benefits and impact and then to consider which models might best fit with NWEZ strategy.

Examples

Cambridge Science Centre

A small centre set up to inform and inspire young and old around science. It is open in the afternoon to the public (a small entrance fee is required) and in the morning for school visits. The format is an interactive exhibition and is very experiential. The interactive pods which for the basis of the exhibition are portable allowing them to be rotated to keep interest for returning visitors. This system also allows them to take the interactive pods on road shows to schools and events. It is funded by private
investors and government initiatives and is located in a central position in Cambridge.

**MakeSpace**

A 24/7 shared open hack space set up for people to join as members. It enables the member community access to a space where they can come to use tools they may not have available to them to design, develop and build. The community also offers the opportunity for sharing knowledge and experience and the ability to work with other members on projects. The member community are the driving force behind decisions, equipment maintenance and budget control for the centre and what tools are needed. A grant initially supported set up (£40k) whilst private sponsors (four, each contributing £20k) and initial membership fees have enabled it to move forward. Its plans to be self-funded by monthly membership fees (£40 per member). It is centrally located in Cambridgeshire on a free lease provided by one of the Cambridge universities. Access is enabled 24/7 via electronic key fobs which can also measure usage.

It has two key objectives – to act as an outreach facility for engineering and manufacturing by providing access and knowledge to a wider community and to support new and existing businesses, with space, equipment and peer support. Importantly it is perceived as a “cool place to hang out to make and share”.

**nVision**

A 3D business modelling facility set up by Northampton University. Its purpose is threefold: To raise the profile of the University; to increase the level of commercial business engagement and research and provide a new revenue stream and to act as a facility that can be used and incorporated into courses. As part of the initiative SMEs have use of the facility free of charge.

It required a large investment of £2.5m and was part of the refurbishment of the university site (total cost £9m). It was the first of its kind when launched and as such was not able to benefit from learning from the experience of other similar arrangements. Consequently, it is reported that the initial research was not sufficient to ensure that it was effectively aligned to real business needs and thus the result has been a struggle in promotion and uptake of use. In hindsight the University would also have considered establishing a mobile unit providing greater access and opportunity for education.

**Siemens and the National Skills Academy for Railway Engineering (NSARE)**

This will be a Siemens owned bespoke facility to support education and training and is led by the industry skills and strategy requirements within the Traction Rolling Stock industry. Initial funding is £7m with 50% from Siemens and 50% from government. It is intended that the facility will be used by industry and the supply chain. NSARE is the driving force behind the collaboration with industry and supply chain.

It is seen as a great facility to pull people into Northampton and to showcase what can be achieved. It will support 8 apprenticeships per year, rising to 18 in following
years. The aspiration is that these numbers will be matched by industry and the supply chain.

The facility is seen as an important part of Siemens Corporate Responsibility Strategy and as a place to inspire the next generation into railway engineering by working with education and local community. The apprentices will also have the opportunity to work on local community projects.

**CEME – The Centre for Engineering and Manufacturing Excellence.**

This is a large Centre of Excellence. It was initially set up 9 years ago with funding from government and support from Ford to be used as part of their training facility. The centre offers everything from industry training and apprenticeships, local education support for tailored events and teacher training which is funded by CEME, visits, conference facilities, office and manufacturing space. Ford, Toyota and AA all use the facility for industry training purposes. The centre has also recently set up a research institute for High Speed Manufacturing which is industry led and is embarking on opening a UTC with University College London and Ford. These are seen as ways to continue growth and sustainability.

CEME was heavily funded in the initial stages and over the last few years they have been driving to a self-funded model which by the end of this year will be realised. The setup is now managed and run by a group of 24 people who work directly for CEME to deliver the strategy and manage the connections and links; the rest of the setup such as conference facilities, café, office letting, site security and up keep of the site are outsourced.

**High Value Manufacturing Centre**

The High Value Manufacturing Catapult was established in October 2011. Seven partners are working together to form the Catapult centre, bringing together their expertise in different and complementary areas of high value manufacturing. The Catapult provides an integrated capability and embraces all forms of manufacture using metals and composites, in addition to process manufacturing technologies and bio-processing. The centres provide new opportunities for manufacturing knowledge and technology transfer, allowing accelerated testing, demonstration and industrialisation of manufacturing concepts, technologies and processes.

**Findings and Conclusions**

**Success Criteria**

The following were found to be important ingredients for success and/or questions which need to be addressed when considering a COE. We have elaborated each to indicate how it might inform the NWEZ approach:

**Creation of clear vision, goals, objectives and terms of reference**

These provide the framework to drive much of the other actions and decisions. The key is to establish the purpose of the COE in terms of the value it will bring to NWEZ; what is the motivation/need and what will be different as a result of the COE? This should be well thought out and articulated unambiguously to serve as the
foundation for the creation of any Centre of Excellence. Without this, it cannot be successful. However, the caution is that this should be the starting point. It is important to recognise the need to periodically revisit the terms of reference and shape them according to emerging learning and experiences. This is important to create ownership but also to recognise that the COE is a learning environment.

Early findings from the research⁠¹ (see table 1) indicate a high level of support for the following three functional areas from survey participants. These need to be interpreted with caution as the results may be influenced by the size and homogenous nature of the participants (these will be elaborated on and investigated further in the next phase of research).

- Support for higher and further education training
- A learning centre for primary and secondary education
- Advanced/prototype manufacturing

**Table 1**

<table>
<thead>
<tr>
<th>Function</th>
<th>Rank order</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support higher and further education training</td>
<td>2</td>
</tr>
<tr>
<td>Learning centre for primary and secondary education</td>
<td>3</td>
</tr>
<tr>
<td>Advanced/prototype manufacturing</td>
<td>3</td>
</tr>
<tr>
<td>CAE/simulation technology support</td>
<td>3</td>
</tr>
<tr>
<td>Fully fitted facilities</td>
<td>5</td>
</tr>
<tr>
<td>Share Equipment</td>
<td>5</td>
</tr>
<tr>
<td>Business function rooms</td>
<td>5</td>
</tr>
<tr>
<td>Conference facilities</td>
<td>6</td>
</tr>
<tr>
<td>Display area (own products/suppliers)</td>
<td>6</td>
</tr>
<tr>
<td>Networking and café area</td>
<td>6</td>
</tr>
<tr>
<td>Offices to let</td>
<td>9</td>
</tr>
</tbody>
</table>

In essence the findings suggest that survey participants are seeking a combination of education, learning and training from a COE. Interestingly the three categories of COE described earlier place different levels of emphasis on each of these functions. For example the Cambridge Science Centre focuses on broad level education; that is acting as a funnel to capture and inspire young people to engage their interest in the sciences; MakeSpace focuses more on peer to peer learning and providing opportunities to experiment and develop ideas in a peer learning environment, whilst Siemens focus is to provide vocational training in specialised areas. The desired function naturally will influence form and what is interesting in this finding is that it suggests that all three categories of COE (in terms of what they deliver) are required or desired. How this might be achieved is discussed later in this section.

¹ courtesy of Stuart Banks who incorporated some research questions regarding the purpose of a COE into his interviews with Engineering Companies
Passionate people

For a centre of excellence of any size a key contributing factor is the passion of the people leading it. They have a connection to the subject area of the centre of excellence and it is something they really want to work. This passion is driven by a range of motivations, values and beliefs which include; the desire to inspire people of all ages, to outreach and provide access to facilities, knowledge and experiences not readily accessible to many populations and to address a clear sector/organisational need with regard to sustainability of the business. This passion is the reason the centres of excellence we reviewed were able to get off the ground; it provides drive, resilience and tenacity in the face of the many challenges the founders experienced.

The passion is also needed from private investors. They need to be aligned to the value and belief systems on which the centre is founded and to be engaged with the long term vision.

Key questions for NWEZ, therefore, are where will these passionate people come from, and how might their passion be harnessed? The next stage of the research will go some way to answering this in that it will assess the appetite and desire for a centre of excellence amongst local organisations, the form it should take and levels of support for different types of investment (e.g. time, resources, and finance).

What form of COE?

As mentioned earlier the findings suggest that all three categories in terms of the function they provide are desirable. However, this is not to say that NWEZ need to establish three different COEs; rather we need to be innovative and look at how the ingredients of the three approaches might be combined to achieve the desired end goal. Examples are explored below; however our key recommendation is that this would be the subject of further participant and stakeholder working sessions to explore the data and findings in order to facilitate interpretation and testing of options. This will facilitate the building of a community of businesses which will provide momentum and focus in continuing and sustaining the options moving forward.

Function: higher and further education training

The building of a dedicated centre such as the Siemens/NSARE is clearly a long term undertaking and one which require substantial investment both in terms of time and resources. Additionally, the key requirement for this form of establishment is for a large organisation to drive and taking the lead. This necessarily reduces opportunities for collaboration between NWEZ organisations as ultimately the lead company is in the driving seat and their needs will commercially have to take priority. However, in the first instance it is possible for NWEZ to forge closer links with such centres in order to facilitate access for NWEZ organisations. This might be enhanced by combining this approach with the use of Apprenticeship Training Agencies (either established or by establishing a dedicated agency for NWEZ). This option is discussed in the ATA section of this research. In this way the vocational training need would be met.
Function: primary and secondary education

The Cambridge Science centre is an interesting model to consider replicating and is relatively low cost with regard to funding. This could be conceived as a combination of dedicated centre (only a small amount of space is required) and mobile facility based on the same principles as the new phenomenon of “pop up” shops. The nature of such a facility has the added advantage of creating closer links between different parts of the community, i.e. business, volunteers, educational establishments (at all levels) and current and future customers of all three sectors.

Such a facility can provide training to enable teachers to develop their understanding of areas like STEM which will enable them to enhance the classroom experience of their pupils. The small size also serves to ensure agility and flexibility and in turn the sustainability of the facility in that it will be able to experiment and play to see what works and doesn’t work. Consequently it is in a position to evolve and change in response to the changing needs and requirements of NWEZ.

Function: learning and Advanced/prototype manufacturing. CAE/simulation technology support

The need for such facilities as advanced prototyping might be met in similar way to that described for training: by accessing existing establishments such as nVision and the High Value Manufacturing Centre. The feasibility of establishing such a facility in NWEZ is very dependent on the expertise and technology which exists in regional academic institutions but is worth exploring as part of the next phase of research.

Superficially, support for a centre such as MakeSpace does not appear to be high. This may be due to the organisations surveyed and the manner in which the question was posed (i.e. learning from peers was not included, just sharing of equipment). The perceived benefits described by MakeSpace together with our own experience of facilitating peer to peer learning suggests that such an arrangement might have many direct and indirect benefits. These include:

- Creating communities of practice around shared interests and problems which can evolve into virtual centres of excellence.
- The emergence of creation spaces where the focus is on providing immediate value to participants in terms of helping them tackle difficult performance challenges while at the same time reducing the effort required to capture and disseminate the knowledge created.
- Acting as an attractor to create clusters of innovative firms which in turn generates benefits in the form of knowledge spill overs, the sharing of inputs and forward and backward linkages to research innovation, which make firms within the cluster more productive and innovative.

In conclusion the above discussion suggests that there is no single solution to the COE question. Rather the more productive and agile approach is to consider how the different ingredients might be incorporated to facilitate and create an energised and vibrant community of organisations exemplified by what happens between them in the form of linking, connecting and collaboration.
The Employer Ownership of Skills pilot is a competitive fund open to employers to invest in their current and future workforce in England. Employers are invited to develop proposals that raise skills, create jobs, and drive enterprise and economic growth. Government will invest in projects in which employers are also prepared to commit their own funds in order to make better use of our combined resources. In September 2012 the round one successful bids were notified of which there were 34 out of 269 applications in total. These ranged from consortiums of SMEs right up to large corporate companies like BAE Systems Plc. Round two launched in November 2012 and closed at the end of March 2013 with 314 applications.

Proposals have come from a wide range of leading businesses and include a substantial number of ambitious proposals to take “end to end” responsibility for skills through sector wide or local area based industrial partnerships. But this is not just about large companies. Many of the proposals are collaborative with the focus on innovative ways to encourage smaller firms to train for the first time. There is a strong emphasis on helping young people into work through high quality work experience, pre-apprenticeships, traineeships and apprenticeship programmes tailored directly to employer needs. The bids involve a large number of employers, universities, colleges, training providers, unions and other key partners in the skills landscape.

Goodwin PLC

Goodwin PLC a large international engineering company with its Head office in Stoke On Trent, it has 22 trading subsidiaries and globally employing over 1000 employees with approx. 750 of them based in the Stoke on Trent area of which over 500 are engineers. Each subsidiary is run independently with the benefits of being part of the larger group, the largest employs around 300 and the smallest 20 people. Being independent subsidiaries is how Goodwin PLC were able to secure funding as part of the round one Employer Ownership Pilots due to one of the parameters being that the bid could not be an individual company in its own right. Goodwin PLC already has an apprenticeship programme but wanted to up scale the operation and saw this as the opportunity to link to the current shortage of talent in engineering and their ageing workforce as a way of managing succession planning. The company culture is very much paternalistic with it still being run by the Goodwin family, it has a very low turnover of staff and enables fast and proactive decision making. Their plan of an academy will enable them to take on 125 apprentices (25 per year for 5 years), they have filled their quota for the first year with intake in December 2012 which includes 3 females.

Barriers and challenges:

- Engineering as an industry is not seen as a sexy sector to develop a career in.
- It is seen that schools are funded by bums on seats and not about supporting the learner journey.
- High cost and high resource requirement to provide this level of in house training development.
• Finding the right candidates for fulfilling the openings.
• The lack of interest from young women in wanting to get into engineering (only 3 out of 25 taken on are females, although the current level of the females is of an excellent standard).
• On receiving the go ahead to commence, the time frames were tight to recruit, source equipment for the academy and develop an interim facility.

Opportunities:
• To develop the academy as part of the business and to be continued on past the 5 year plan.
• To support the business as part of their 5 year succession plan for part of the aging workforce.
• The grant enabled the up scaling of existing apprenticeship programme.
• The offer to the local community to provide an engineering academy for up and coming engineers in a local business with great international career potential.

What has helped:
• Identifying that an in house programme would support the business better than using existing training providers. It means the apprentices are taught in the Goodwin way.
• Gaining the funding has enabled the vision of developing an academy.
• The whole business pulling together with hands on approach to delivering within the tight timescale.
• Developing a plan which had a strong purpose, project plan and vision.
• Being selfish as a business to ensure it delivered what you want and satisfying the need of the business and ensuring you are not being driven by the funding but the talent development potential.

What has hindered:
• The amount of bureaucratic form filling and loop holes to complete in such a short period of time.

Energie Group and Construction Consortium
The consortium is made up of some of the leading companies in construction, which includes Balfour Beatty, Costain, Galliford Try, Kier Group, Lend Lease, Lovell, Vinci, Wates Group and Willmott Dixon. The vision for this consortium is to provide a structured, consistent and sector specific training and development not only for themselves but their whole supply chain. By increasing the talent and knowledge within the supply chain they believe that the value to the end client will be realised through increased quality, project management and cost to delivery. All the companies are committed to achieving this vision and are working collaboratively to ensure the vision is achieved, it is a big move to working closely with direct competitors but the benefits over the long term to up skill and drive talent development is seen to be the key to success.
Barriers and challenges:

- Tight timescales to deliver what was expected.
- Pulling resources together to deliver initial bid.
- Collaboration between consortium; they have the same EOP vision but have to overcome the different individual company ways of working.

Opportunities:

- Being part of the first round winners and starting something big contributes to the company’s reputation.
- Delivering and changing the way training provision is provided through the whole supply chain.
- Driving consistency of knowledge and training through the whole supply chain.

What has helped:

- All companies in the consortium are committed to up skilling not only their employees but the supply chain to drive benefits back into the clients.
- Knowing that although it has been hard work all are prepared to realise the vision set out.

What has hindered:

- Government delaying the starting point, then expecting everything to be in place within very tight deadlines.

Findings and Conclusions

Success criteria

The following themes were found to be important to the successful Employer ownership pilot bids from the first round and shed some light on the approach needed to develop a shared and collaborative learning environment. Ranging from apprenticeships, to up skilling of current workforce and development of management with leadership skills to support and embed a new and different approach to skills and talent.

Skill and talent development, not funding focused

It is evident from the findings that the companies involved in Employer Ownership Pilots (EOPs) have identified the need and value of providing opportunities for bringing in and developing talent, up skilling current workforce and building a framework to replicate and share across the supply chain and competitors to drive consistent quality learner provision. There is also a need not only for general apprenticeships but also for specialist ones to ensure the uptake of new emerging skills and provide opportunities where there is no existing learning provision. EOPs have also highlighted the need to up skill current leadership capability around areas like coaching and mentoring so new talent coming through can be supported throughout the process.
Committed companies

For companies to deliver the above it is evident from the research they need to be tenacious to get through the funding process and committed to supporting the bigger picture and the long term plan for skill and talent development. This may require a change in mindset as many will be working closely with their competitors and their supply chain and may feel that their individual competitive advantage is at risk.

Clear strategy and vision

A clear strategy and vision for the short, medium and long term is critical for success. This is due to the strong collaboration needed from all parties to make it work which requires commitment, thinking and working differently. This is key to the successfully delivering something new and innovative to the industry which supports and drives skill and talent development. A clear strategy and vision supports this by setting out the requirements each business has to play in the EOP, what their part is and act as a benchmark to measure success.

Industry sector skills provision

What the EOP does is enable the industry to lead and drive the learning requirements needed, not only to bring young and fresh blood into the industry but also ensuring that the training provision meets the needs of the industry for future proofing and re-generation. As the industry will be in control it can act fast and be proactive in changing needs and requirements. For instance when an emerging skill or craft is identified it can be acted upon and the opportunity seized in real time to provide the right level of learning and at the right cost to benefit all.

By developing an industry led skill provision it provides the learners with the right skill sets required to secure a career at the end of the programme. This benefits the employer as a key issue highlighted from the research is work readiness or right skill level, both of which are seem to be lacking in the normal method of learning provision.

Doing it differently, doing it right

A common theme across the case studies is that the current offering is not good enough to deliver the right level of skill; it does not meet the needs of employers or employees. The feeling is that current apprenticeships do not prepare the apprentice ready for work or provide them with the right level of education and skills to secure a job at the end of the apprenticeship; this has a negative effect on the employer and apprentice. By taking the lead an EOP has the opportunity to drive the right level of education and skill training incorporated with the industry specific requirements. It also enables the EOP to address further up skilling of the existing workforce across the whole supply chain. This means higher numbers of learners can be accessed across a multitude of businesses and SMEs can benefit from on-going training and development which normally they would not be able to fund. All of this drives cost down and delivers consistency across the whole supply chain.
The lesson from the EOP research is collaboration is the key to success. Whether it is developing NWEZ or to drive sectorial change in thinking and performance then there is a need for strong and committed collaboration to make it happen. Although the common thread for the EOPs was funding providing leverage to start something this shouldn’t be a prerequisite to doing it, or at least building momentum to do something different.

Using the EOPs as an example of how businesses throughout the supply chain and even across sectors can work together to deliver business benefits should be seen as an opportunity for Northamptonshire. A need to approach and think differently about how areas such as skills and talent and inspiring the next generation is not down to one individual or a business but can be achieved as a collaborative community.
As stated on the Apprenticeships website, Apprenticeship Training Agencies (ATAs) offer a unique approach to the recruitment of apprentices. The ATA model is intended to support the delivery of a high quality apprenticeship programme with a focus on small employers who wish to use the services of an ATA to source, arrange and host their apprenticeships. This could be for a number of reasons including them not being able to commit to the full framework, short term restrictions on employee numbers, or uncertainty about the value of an apprenticeship.

- ATA acts as employer and places them with a host employer
- Support with recruitment, finding the right apprentice to meet the employers’ needs
- Responsibility for the wages, tax, National Insurance as well as administration and performance management
- Supervision of the apprentice during the apprenticeship period
- Links with an approved training provider and support to both the apprentice and host employer throughout the apprenticeship

The ATA is not a ‘temporary work’ business but rather a means to manage and give real flexibility to the delivery of a high quality apprenticeship. This flexibility also applies where employers may not be able to offer all aspects of a framework but linking them with other host employers allows the full range to be covered.

For the apprentice the ATA gives another route into an apprenticeship which can offer them the opportunity to experience a range of employers and increased security around the continuation of their apprenticeship.

For a full description of the key features and behaviours of an ATA see Appendix 4 the ATA Framework.

**Examples**

**SEAC – South East Apprenticeship Company**

SEAC have built relationships with over 40 different colleges to support the delivery of apprenticeships across their region. They are not tied to one particular college to deliver their development programmes which enables them to be flexible and agile to work in any area, any sector and any job role the employer may require.

SEAC employ five people full time and permanent and one person part time. This can however be built upon if required by utilising SEAC’s parent company Keits Training Services Ltd. They have strong connections with local authorities and have placed over 34 apprentices in Bucks alone. They also provide apprenticeships into Mercedes Petronas F1 team in Northamptonshire. Working closely with employers SEAC gains the knowledge to understand employer needs helping ensure the right apprenticeship provision with the right training provider is offered. If an apprenticeship is not currently offered to support the business need SEAC look to industry to see how they can fulfil the requirement by tapping into their vast contacts and knowledge and putting a programme together.
Impact Apprenticeship

Impact has developed their ATA as a commercial business which they feel is highly focused on providing the best customer experience whether you are a business or apprentice. Impact is co-founded by MEGT and Loughborough College, although they are not tied to only providing training from Loughborough meaning they can link with any other training establishment which is best placed to provide this. MEGT are an Australian based ATA and bring over 30 years’ experience and over 10,500 apprenticeship placements. They offer a full pastoral service and use social media to interact with potential apprentices and as a way of advertising positions alongside their proactive team to ensure they get the best candidates matched to employers. Impacts success rate for apprenticeship placements in 2011/2012 was 95% with an overall employer satisfaction of 98%, this lead to 81% of apprentices going into full time employment.

Findings and Conclusions

Success Criteria

Business readiness to take on apprentices

From the research into ATAs one of the hardest parts is the readiness of a business to take on an apprentice. It seems the majority of businesses lack an understanding of what apprenticeships can offer and the value they provide as a way of bringing young and new talent into their business. It was expressed that one of the benefits to having an apprentice is the company can mould the learner into the way of their business. Unfortunately in the eyes of some businesses it still seems that apprentices are seen as cheap labour or have the stigma attached of lower levels of intelligence. The strength of an ATA is being able to support and guide the business and provide the knowledge and understanding around apprenticeships, the value they can provide with the risk taken out.

Promotion and marketing of Apprenticeship Training Agencies

Part of the role of an ATA is to work with businesses and apprentices to support and guide them in securing the right company with the right role with the right candidate. However, to succeed the promotion and marketing of ATAs and apprenticeship is pivotal to successfully working with businesses. However this does not seem to be supported efficiently or proactively by the government agency NAS (National Apprenticeship Agency). It seems to fall foul of consistency of message, approach and support in some areas of the country.

Training providers

Without training providers apprenticeships would not be able to be delivered meaning selecting, working with and building relationships with training providers is fundamental to successfully driving an ATA.

Achieving business needs (not being specific but servicing all industries and areas)

ATA’s can be set up to service specific apprenticeship types i.e. construction or to cover a broad range of apprenticeships, this can be dependent on the background
and relationship of the ATA and the need at the time. If there is a desire to develop
an ATA for Northamptonshire then the broad range of businesses and industries in
and around the area could benefit from having access to the support, guidance and
services an ATA has to offer. This could enable industry led relationships to develop
the right programme, enhancing the offering and career potential for the learner, by
working with a range of local and national training providers, local businesses and
with the possibility of partnering with an existing ATA.

Providing full continued support through whole life cycle and beyond (relationship
management)

It is evident from the research that a pivotal role of an ATA is not only to build and
develop relationships with businesses and training providers but to provide a full
cradle to grave service and beyond if needed for the business or apprentice. The
people that work within the ATA are not seen as just an employer to the apprentice
or a service to the business but also a friend, colleague, support, guidance and
pastoral service to help both business and apprentice through the term of the
apprenticeship. The key goal is to enable the business to be able to make an easy
decision on offering a full time employment at the end of the apprenticeship.

Performance appreciation and pay

Apprenticeships are not seen as cheap labour through an ATA, rather the premise is
about getting the right candidate for the role and the host company. Part of this is
working with the business to ensure the value of an apprenticeship is understood
and quantifiable. The ATAs interviewed stated that apprentices on their programmes
tended to have a higher starting salary and remuneration attached to levels of
achievement throughout their apprenticeship. This demonstrates that businesses
using ATAs see the value and long term picture of using apprentices and ATA’s as a
way to increase their talent pool.

Northamptonshire could benefit from an ATA whether in setting one up or
partnering with an existing one. If the promotion and marketing is done right it could
provide the kudos apprenticeships need to gain support from businesses and interest
people into taking on an apprenticeship to develop and strengthen skills. Working
with industry to help shape the right programmes would also go some way to
managing the skill gaps and succession planning for an ageing workforce in all
sectors.
The action plan being developed from the NWEZ research highlighted other sectors of influence of which one was Logistics. On this basis further research was conducted with a small sample of logistic companies in Northampton to gain their view of the challenges and barriers to recruiting talent within their industry sector. Part of this research was also to test whether they saw a Centre of Excellence as being able to support their industry and business.

Skills for Logistics

Skills for Logistics are the Sector Skills Council for Logistics. They have five strategic goals:

**Goal 1:** We will increase sector and public investment in training

**Goal 2:** We will produce relevant and fit for purpose skills development solutions

**Goal 3:** We will be a credible and respected voice in the sector on skills development and related policy issues

**Goal 4:** We will ensure that employers can benefit from the workforce skills that will increase business efficiency and contribute to meeting UK carbon reduction targets

**Goal 5:** We will strive to be regarded by employers and stakeholders as a high performing Sector Skills Council.

Their mission is to "Enable employers in the logistics sector to gain competitive advantage by developing workforce skills" which they are doing by working closely with the organisations within logistics to support and guide them where possible on developing an industry led programme around business need. Currently there is no specific provision for the logistics sector under the NAS (National Apprenticeship Service) framework. There is a Chartered body for Logistics CILT UK (Chartered Institute for Logistics and Transport) which is part of a larger body CILT International and has presence in more than 30 countries worldwide.

One of the biggest challenges Skills for Logistics has is raising the awareness of logistics as a viable career route. The general feeling, as with engineering, is that the industry is not seem as sexy and people seeing it as haulage and driving trucks or forklifts in warehouses.

As in most industries Skills for Logistics see a big area of concern around the SME businesses who suffer from not getting good talent and the right skill sets, and then being able to continue to develop the talent on tight budgets. The larger organisations are able to run in house development programmes to provide further training and up skilling but also suffer from getting good quality management and leaders into the business. One of the largest skill shortages are HGV drivers which will only get more difficult due to the new Drivers CPC requirement which comes into law in September 2014. All drivers need to have passed this to be able to carry on doing their job. Whether it is a large or small company this has a big cost impact to the business and the general consensus is that many of the aging workforce have decided not to take the test and retire in September 2014 when it comes into force.
Skills for Logistics see a great opportunity for driving SME collaboration around doing things differently with the promotion and marketing of logistics and also by providing multi organisation drivers. They see a huge benefit of being a Centre of Excellence (COE) which supports inspiring the next generation and training and development of new and existing staff across the industry. There is also a level of engineering support needed for logistics with maintenance staff for warehousing and machinery such as fork lift trucks. They are already initiating the possibility of a COE for logistics but have been having issues with location and space.

Skills for Logistics are constantly looking at ways to engage with the industry, schools and work ready people in order to promote logistics as a viable career option. To support this Skills for Logistics have recently developed a career framework called “The Professional Development Stairway” providing people with a route map on how to plan their career in logistics. They are also working hard to set up a framework which supports ex-armed forces personnel into a career in logistics.

Brown Bros

Brown Brothers Distribution is the leading national distributor to the UK crash repair industry and has been going since 1889. They have had a centre in Northampton for over 45 years. Over the last 18 months they have been through a re-organisation and closed down a few of their centres, however Northampton has been retained due to its network links and prime location. They have 10 employees at Northampton and over 160 across the UK. Brown Bros are owned by PPG industries an international business that employs over 3000 people across the UK.

Their biggest issue is finding the right person with the right attitude to work at their Northampton branch. As a bigger organisation there are career opportunities across the UK and worldwide with diverse opportunities in Brown Bros and PPG Industries. They had an apprentice working for them around a year ago who left to work on the tools as a labourer due to better financial reward at the time. They currently use JHP for training across the UK but feel this has limitations as they do not get the right support locally or the right people for the job. They have current concerns over an ageing workforce and understand that they need to get people into the business to able to succession plan.

As part of the re-organisation the wider business has started to engage with their employees through culture surveys like Your Say, this is to try and understand what is driving the business from the employee’s perspective. Part of the re-organisation is planned refurbishments or relocation of premises into new developments to assist in developing in house capability and creating training rooms across sites. This has all led to new development and excellence programmes internally to shift the thinking across the business and step up their game.

As a local business they currently do not get involved in any sponsorship or projects. If there was a COE they would be interested in seeing how they could support projects with schools. In general see that a COE could also support local businesses in learning and development to overcome the skills gaps and shortages.
Bookers

Bookers are a wholesale, distribution and logistics company with sites across the whole of the UK. At the Wellingborough depot they employ around 180 staff across warehousing, office and management. They use their internal training and external training resources to deliver development programmes. These programmes are ad-hoc and set up on an as needed basis which may be in collaboration with other depots to help reduce and manage budget requirements. Currently, they do not use apprentices; however this is being trialled at another depot and if successful will be rolled out across the rest of the UK. As a depot they have a strong workforce that is committed to achieving the highest standards possible. Within warehousing they have very little churn which could be due to the performance related bonus structure. However due to this being in place it has a knock on effect when new staff joins as the warehouse management and staff are focused on achieving their targets and not engaging or supporting new staff and personal development. An area they have found difficult to recruit for is more specialist areas with the office environment.

All staff have personal development plans based over the upcoming 12 month period with annual appraisals and with a new initiative for annualised working hours which provides flexible working around study. They regularly get involved in work experience but only through colleagues or friends children and only in the office environment as the warehouse has a strict 18+ age policy.

There is a genuine interest in supporting local initiatives around inspiring the next generation and they see working with schools around projects would be beneficial to get across how logistics really works and the career opportunities available. They see benefits to having a COE within Northampton either virtual or physical and see a link with logistics could support open learning across industry with shared learning and development of incoming and existing staff.

Action Express

Action Express are an independent logistics company who are currently expanding, they have been established for over 30 years and are part of a bigger collaborative network through Pallettrack (65 other independents in network) and APC (118). They employ around 408 people and have a fleet of 40 vehicles to support the business.

They currently employ 2 apprentices in the office who they recruited through “Starting Off” who are a recruitment and training company, specialising in careers and apprenticeships in business related environments. They have recently promoted 2 people internally who are going on external development courses to support their new roles within the business.

A key challenge for Action Express is recruiting quality drivers who are looking for a permanent position rather than through agencies where due to demand they can earn a better rate. They are restricted through their insurance company and have to employ drivers who have more than 2 years HGV driving experience. This means that they are unable to promote quality and committed internal drivers who want to take
the step up to HGV. With the CPC driver compliance regulation coming into force Action Express are paying for all their drivers to complete the training.

Due to the size of the business they have a small budget for training and development but ensure where possible especially if there is a business need their people receive the development they need. Currently, the majority of the budget has been used to support the CPC Driver regulations.

They really see the benefit of employing apprentices and plan to continue this when needed. By working with the apprentices they can mould and shape them in the Action Express way. They pay above the apprenticeship rate and treat them as employees not as cheap labour. Apart from Starting Off they use the Chamber of Commerce for all other training requirements and feel this supports and provides all the provision they need. They have a close working relationship with the Chamber of Commerce, and have not thought about using local colleges to provide training. Action Express is very keen to be involved in the ex-armed forces recruitment and 6 months ago employed one as their Transport Operations Manager. This has already proved successful by supporting the business and bringing a more structured approach to how the business is run. Although they have been able to do this they feel that the initiative to set something up with Skills for Logistics has not progressed enough and are keen to continue to build momentum especially with their planned growth.

An area they feel they lack support from was Job Centre Plus who did not seem to understand the requirements needed to recruit someone into their business, e.g. age restraints and English as a first language. They were told this was discriminative, which led to having hundreds of applicants for roles which they were not able to do. This has meant that Action Express no longer have a working relationship with JCP and use either their own network or advertising.

Action Express would be happy to be involved in a COE as part of school projects and inspiring the next generation. They see there would be a benefit to the local education and training and development of people and see that logistics as an industry could play a big part in this.

**Findings and Conclusions**

**Challenges and barriers**

- Logistics industry not seen as a career choice
- No formal apprenticeship specific for logistics sector
- Good drivers seeking higher pay through agency driving rather than benefits of working for a company
- The new CPC driver requirement, big cost on business or individual and high potential of losing an ageing workforce who would rather retire than taking test
- Restrictions on driver experience via insurance companies, this makes it hard for people who want to make a career change
Relationship with Job Centre Plus is not strong, not providing quality applicants but flooding businesses with people who do not fit the requirements

Finding young people with the right attitude to work and being work ready

Opportunities

- Apprenticeships seen as a good choice to bring people into the industry
- Ex-Armed Forces initiative seen as a good step to recruiting quality people into industry who are committed and hardworking, they have a lot of experience and knowledge to bring
- Supporting an inspiring the next generation project to raise awareness levels of logistics and the career opportunities
- A collaborative approach to sector training for logistics and closer working with larger and SME organisations to develop this, maybe along the lines of an Employer Ownership type programme
- Cross industry projects for education and unemployed

Further research or engagement would be needed but there seems to be a need for better communication and collaboration across the different industries in Northampton to share, link and connect opportunities. This is could be around working with education and other businesses to promote and market career opportunities providing a more in depth and company perspective of career choices. A COE and an ATA approach could go some way to supporting this within Northampton to inform and raise the awareness of learning and development through apprenticeships, linking different activities with education projects where business supports and sponsors. Or even provide a scheme where drivers are employed but work across different organisations.

The research findings provide strong evidence that businesses are hungry to know what is going on in Northamptonshire but don’t know where to turn or where to offer support. This should be seen as a positive and something to act upon to build and drive momentum in engaging and informing proactively what is happening. A COE in any form could form the basis of knowledge share and transfer and be the driving force behind making a difference.
1 Siemens and NSARE (National Skills Academy for Railway Engineering)

Introduction and background

Interview conducted with Sue Gill from NSARE

Project: National Training Academy for Traction & Rolling Stock - Joint project with SIEMENS Rail Systems UK.

Location: Kingsheath Northampton

Siemens approached NSARE to support the development of the National Training Academy for Traction and Rolling Stock. The project cost was identified at £7m. The facility will be Siemens owned and purpose built for their own training and provision. If Siemens and NSARE are able to secure rail sector use of the facility for industry and supply chain then the government will match fund 50% of the project, a provision of 50% capacity for industry use is required for this to come into force. The project is due for completion April 2014.

The initial intake of Siemen apprentices is targeted at 8 per year with an increase to 16/18 apprentices over time, it is expected that industry and supply chain will match these figures.

To support the provision of apprenticeships it is planned for Siemens to provide the technical requirement for industry and to work with local colleges in delivering the core requirements.

There is a desire to work with other Academies, initiatives and the HPT industry in Northamptonshire to promote and inspire the next generation into engineering.

The development of this facility is to inspire learners and they believe that this is not being offered elsewhere. The setup will enable learners to have access to the latest technology for classroom training and access and to a 3D - visualisation suite (initially being developed as a sales aid). Within the academy there will be a training hall which will have an 80-100 metre powered line to enable trains and carriages to be brought in for the apprentices to work on real problem solving and maintenance. Once the train station has been redeveloped there will be access along a walkway direct to the academy.

There is also a desire for the academy to be used as part of developing the local community by hosting school visits, mentoring and continuing to grow the apprenticeship programme and by involving apprentices in local community projects and school projects. There is a need that the links and connections are developed and supported by administration to ensure this happens.
Commercial Drivers

Siemens continued success in the UK & the recent awards of Eurostar and Thames link resulted in the need to:

- Increase the training requirement of 3000 man-days per annum to 4500 man-days per annum.
- Increase the Apprentice intake
- Further strengthen training and skills specific to new rolling stock with ever increasing levels of technical complexity e.g. Desiro City and Velaro E
- Position Siemens to respond from a skills perspective to further contract success
- Ensure cultural alignment of new and existing Siemens staff
- Play a leading role in the new Railway Skills development programmes being driven by NSARE
- Ensure the development of an adequate supply of skilled staff at a time when the railway industry is facing a critical shortage of qualified people.
- Position Siemens to respond from a skills perspective to further contract success
- Ensure cultural alignment of new and existing Siemens staff
- Play a leading role in the new Railway Skills development programmes being driven by NSARE
- Ensure the development of an adequate supply of skilled staff at a time when the railway industry is facing a critical shortage of qualified people.
- Provide world class training to the entire UK Railway Industry

The decision to make Northampton Kings Heath the preferred location for the Academy was made following a detailed analysis of all possible locations. The evaluation of the best site was based upon:

- Minimising staff travel requirements
- Effectiveness of the regional transport network
- Providing ‘Hub’ based training opportunities to the greatest number of people
- Partnership possibilities with ‘excellent’ local colleges (particularly for Apprentices)
- Availability of a suitable land footprint
- Optimising location in respect of Customers and Suppliers
- Optimised ‘dovetailing’ with existing training programmes
- The level of support from Local Authorities
Key Challenges in establishing the facility:

- Process to secure government funding complicated and time consuming
- Government Personnel frequently changed
- Lack of cognisance of UK Industry drivers
- Varied approaches and not consistent
- Timeframes – still waiting on final outcome
- Selecting the right location
- Commercial approach to working partnerships with further education
- Keeping the interest and buy in of stakeholders

Successes:

- Working collaboratively with industry competitors to make it work
- Smooth transition through project
- Identification of the right training and developments needs for Siemens and industry

Benefits:

- Showcases Siemens commitment to developing talent
- Supports Siemens succession planning for an aging workforce and provision of skilled workers for securing current and future contracts
- Support for industry and supply chain to train and develop their people

What does the future hold?

- A Centre of Excellence for Traction and Rolling Stock
- A facility to promote UK PLC capability
- Delivery of training and development in a state of the art facility
- To showcase Siemens capability
- Bringing people to Northampton
- Developing talent from Northampton

Advice for others:

- Ensure true collaboration - willingness to collaborate with competitors
- NSARE were key due to providing independent consultation
- Clear understanding and total commitment
- Allocate sufficient resources – personnel not just financial
- To secure funding allow plenty of time if this is a prerequisite
- Need expertise in working with government
About NSARE: (provided by the NSARE website http://www.nsare.org/about-us.aspx)

NSARE Ltd was established with wide railway industry support to help tackle current and future skills needs within the railway engineering industry. The industry’s vision is that by 2015, its engineering workforce will have the necessary skills to support the maintenance, development and expansion of a first-class, cost effective 21st Century railway.

NSARE doesn’t deliver training — it works with employers to understand their skills needs, with training providers to ensure they are delivering what the industry needs and with other stakeholders, such as sector skills bodies and Government, to make sure that the industry has the right qualifications to support its vision.

The Board is made up of a number of senior railway engineering employer and stakeholder representatives. Key activities include:

- Training provision accreditation. From January 2012 they are managing the Network Rail training and assessment scheme (known as the RTAS scheme). They plan to extend the opportunity for providers to become accredited to deliver other railway engineering training later in the year.
- Development of a national competence database (SkillsID). Work is underway to develop a national database that will be capable of holding records of training and competence for all workers in the railway engineering industry.
- Working with employers. They provide advice and support as well as more complex consultancy.
- Industry promotion. They believe the railway engineering industry offers some great career opportunities — but there is a need to get this message out to school leavers and graduates. They are working closely with The Smallpiece Trust to deliver a number of activities aimed at different age groups, including the following courses:
  - Railway Systems Engineering for 15 to 17 year-olds at Birmingham University
  - Railway Engineering for 13 and 14 year-olds at Bath University

NSARE is part of a national network of National Skills Academies (NSAs). Funding to enable establishment of NSARE was confirmed as part of the Government’s new skills strategy in November, 2010, and the Academy was launched on 1 December 2010 at the House of Commons with more than 150 industry representatives present. In January 2011 NSARE was incorporated as a ‘not for profit’ Company Limited by Guarantee, wholly-owned by its Members.
2 Cambridge Science Centre

Introduction and background

Interview conducted with Chris Lennard (CEO) and Katia Smith-Litiere 21st February 2013

Location: Jesus Lane, Cambridge

Nature of facility: walk in science centre to inspire children and adults about science

Number of employees at this site: 5-6 inclusive of full time and volunteers

Main objective of project:

A registered educational charity guided by three main principles:

- To develop and host exhibitions, events and outreach programmes which advance education and inspire young people to engage with science and technology.
- To provide a physical and online hub for public engagement with scientific research. To enhance the public understanding and debate around public policy and ethics related to scientific progress.
- To deliver targeted outreach and travelling exhibitions that will improve access to science and technology for underserved communities around Cambridgeshire and East Anglia.

The role of a public science centre

Science centres are institutes of informal science education which directly engage the public and help extend curriculum teaching. There is about one centre for every 1 million people in the UK. They are a place for families to play around with science and they help inspire individual self-guided learning. Science centres offer an environment which can showcase research and are a dynamic place for experience sharing. As part of the UK science centre network they aim to be:

- A place of engaging hands-on exhibits, projects and interactivity for families on a rainy day
- A place for curiosity-inspiring events for a wide range of audiences including school groups, youth and adults
- A window into world-famous Cambridge science and a place for public collaboration with researchers
- An online presence to enhance the visitors’ experience and help them remain engaged after their visit
- A community space where town and gown celebrate the joy of scientific discovery
- A place for tourists to drop in and get a sense of the rich scientific culture of Cambridge
Inspiring teachers, pupils and the next generation

As an educational charity, the Science Centre in Cambridge will help establish the value of science, technology, engineering and mathematics (STEM) as vital skills for day-to-day life and future careers. The centre also develops cross-disciplinary programmes, stocks teaching kit and hosts sophisticated scientific assets to supplement resources currently available to teachers. They aim to create high quality, curriculum-linked online content from multiple sources to enhance the in-class experience. School groups are able to interact both directly on-site and through online forums with staff who are experienced in enhancing curriculum learning.

To ensure that their impact reaches well beyond those able to visit central Cambridge, they have developed an extensive science outreach programme, delivered both directly and eventually through partners. All of the on-site exhibition space, mobile exhibits and school kits will be brought to life with lively chats, intriguing experiments and amazing demonstrations. The centre hosts regular events for teachers and educators to help share best practices and enhance the classroom experience by injecting informal learning techniques.

Current set up and how it works:

Funding is a combination of private investors and a government funded initiative.

It has a very strong link with education with the purpose of supporting and inspiring children and teachers with regard to STEM and plays a pivotal role in enabling access to this support.

The setup is seen as being at the top of a funnel of activities which help inspire and generate learning around STEM, as the funnel gets closer to the bottom the more defined the activity or area being promoted or taught is. The plan is for it to be part of a community/network of other activities to support, inspire and promote STEM.

The centre’s environment is very interactive and immersive. On our visit it was a hive of activity and energy and was clearly engaging visitors who included young children and parents. Every part of the centre is dedicated to providing an interactive activity to inspire or provide interest for the learner young or old. Staff are always walking around supporting or assisting their visitors with further understanding of how things work or what to do. Every hour one of the staff calls all the visitors to one corner of the centre where there is a workbench. The member of staff will put on an interactive learning show demonstrating an experiment and explain what it is, how it works and what the outcome is.

The location is ideal with regard to access and is ideally located to generate footfall from passers-by. The setup has been developed and designed to be portable and is purposefully small to facilitate sustainability, growth and learning from the local environment and to be able to test what works and doesn’t work.
1. Goodwin International

Goodwin are creating a new purpose built training school that will be the centre of excellence for 125 engineering Apprentices over the next 5 years.

The skills challenge

Goodwin International Ltd. is part of Goodwin PLC’s UK group of companies, a major employer in the UK, with locations around the world. Based in Stoke-on-Trent, the Group has been a supplier of machined castings since 1883 and employs over 500 engineers across several sites in the UK, most of whom are highly qualified and require training to a very high standard. The Group’s success is dependent upon continued engineering excellence and the ability to train sufficient engineers to satisfy future job requirements and growth.

There is a significant skills shortage of high quality engineers in the UK. The business needs to grow the next generation of highly technical engineers to allow its UK operations to thrive. Training delivered through mainstream provision is slow, expensive and not delivering the right business results. This gap in provision needs to be addressed to ensure that the business remains competitive and engineering activity in the UK remains viable. A radical new approach is needed to raise the skill level of the individual worker to the standard that Goodwin requires for the future.

The solution

Supported by investment from the Employer Ownership of Skills pilot (EOP), alongside investment from the Regional Growth Fund, Goodwin will create a new purpose built training school that will be the centre of excellence for 125 engineering Apprentices over the next 5 years. 75 Apprentices will be directly supported by the EOP in the first two years. The business is developing its own advanced Apprenticeship programme with the intention that Apprentices will be employed by the business on a long term basis.

The Apprenticeship programme will:

- Be supported by the development of a new purpose built training facility which will be the centre for training 25 engineering Apprentices each year for a period of at least 5 years
- Facilitate vocational training at Goodwin International and its six UK sister companies based around Stoke-on-Trent
• Provide accelerated career development opportunities and long term sustainable employment for the region
• Include 368 hours each year of specialist training delivered by industry experts
• Facilitate a mentoring programme at each stage of the process
• Provide guaranteed employment at the end of the programme

Impact

This project will provide increased opportunities for young people to participate in a training experience that will see them fast tracked to an Advanced Apprenticeship level and provide them with real long term employment with Goodwin. 125 new Apprentices will be fast tracked to a status comparable to Advanced Apprenticeship level within four years and 50 existing employees will be advanced to Higher Apprenticeship equivalent in the same time period. The EOP will support 75 Apprentices within the first two years of the programme.

The training programme will enable 80% of the Apprentices to achieve level 4 within a four year period, a much shorter time scale than has been historically achieved. Young engineers will be qualified quicker and have the right skills to make a significant impact within the Goodwin group, both in the UK and worldwide.

The training and development of young people, giving them the technical skills to progress to senior careers, benefits not only the individual and the company but makes UK engineering more profitable, competitive and hence benefits the UK economy as a whole.

Investment

**Employer investment**: £2,927,266
**Employer Ownership Pilot Funding**: £1,738,590
**Total**: £4,665,856
2. Energie Group and Construction Employers Consortium

Industry collaboration to help share best practice, increase relevant skills development and utilise their collective purchasing power to drive the relevance, availability and quality of training provision. It will also develop the workforce in the key skills needed for growth.

The skills challenge

Construction is fundamental to the UK economy’s health representing up to 13% of GDP and employing over 2.6 million workers. Every £1 spent on construction output generates a total of £2.84 in GDP*. Investment in construction activity and training is good for the economy, productivity, employers and employees.

This Employer Ownership of Skills Pilot (EOP) project is being delivered by a consortium of construction employers, led by Balfour Beatty, and including Kier Group, Wates Group and BAM Nuttall. The consortium includes a total of 18 businesses, including SMEs, and is backed by industry bodies.

A number of skills challenges have been identified by the consortium. There is an urgent need to address the lack of work readiness amongst new entrants to the sector including ‘softer’ skills. The consortium has also identified a lack of Apprenticeship entry routes in a range of critical occupations and a restricted uptake of specialist Apprenticeships. A key concern is also the lack of leadership and management skills to meet the challenges of a rapidly changing environment.

The solution

The EOP project will support industry collaboration to help share best practice, increase relevant skills development and utilise their collective purchasing power to drive the relevance, availability and quality of training provision. It will also develop the workforce in the key skills needed for growth.

Encompassing employability, Apprenticeships and up-skilling, there are expected to be in excess of 150 employers involved in the project. Previously employers have tended to tackle skills issues within their own business but this collaboration begins a move to address issues on a larger scale which benefits the sector and the wider economy as a whole.
The project will:

- Pilot a sector recognised work experience programme and new entry routes
- Develop five new Apprenticeships in areas with key skills gaps
- Increase the uptake of specialist Apprenticeships to address skills gaps via engagement with more and harder to reach SMEs
- Deliver almost 15,000 additional workforce up-skilling interventions
- Deliver over 3,600 training interventions for managers and future leaders
- Enhance best practice through sector-led course design and collective purchasing power

**Impact**

The EOP creates a unique opportunity for companies in the sector to collaborate on skills solutions. Usually the companies only concentrate on their own organisation’s skills and development issues and traditionally there is a reluctance to collaborate due to competitive advantage.

The project will provide almost 900 young people and over 700 adults with access to pre-employment work placements, enabling them to gain relevant experience better placing them to take up jobs in the sector. It will create almost 700 Apprenticeships in areas of skills shortage and with SMEs in the supply chain. Over 18,000 skills training interventions will be implemented to up-skill the current workforce and increase the sector’s capacity and capability through its leaders, managers and skilled occupations.

The project will reduce duplicate training interventions, costs and will be a catalyst for the sharing, management and implementation of best practice skills solutions.

*L.E.K. Consulting 2009

**Investment**

Employer investment: £6,076,546

Employer Ownership Pilot Funding: £6,076,546

Total: £12,153,092
The skills challenge

Digital marketing is the use of digital media to attract and engage with current and potential customers for example online advertising, email marketing, social media campaigning, and search engine optimisation. It is growing in importance for many organisations, but many do not have the skills and capacity they need to take advantage of the opportunities it presents. A survey of over 500 companies carried out by eConsultancy/Experian in January 2012 found many firms planned to expand their digital marketing departments.

Current capability remains low and expensive, supplied mainly through micro-agencies and providing only a short-term solution. This leads to under-investment and a resulting lack of growth and innovation. Sector employers need access to effective, in-house expertise that they can grow and nurture and they need their existing managers to understand and utilise these skills effectively.

The solution

Agilisys is a fast-growing service provider serving local authorities, other public bodies and private sector companies. Working with other sector employers such as Google as well as partners from the skills industry including Sector Skills Councils, awarding bodies and colleges, local authorities and organisations in the third sector including the Charity Technology Trust, they are leading the transformation of how skills are developed and deployed in the rapidly growing digital marketing industry.

Three areas have been identified as key in achieving the sector’s needs:

- **Work experience to inspire 16-18 year olds in digital marketing**: Places are being identified within Agilisys and partners and their networks for young people to experience digital marketing work for 2-4 weeks. In total, 150 work placement opportunities will be created and participants who successfully complete the work experience can then apply for the apprenticeship.
• **Road-testing a digital marketing apprenticeship at level 3 and developing a new level 4 apprenticeship:** The project partners are “road-testing” an existing level 3 digital marketing apprenticeship, making assessments on its suitability and recommendations for improvement. A new level 4 apprenticeship is also being developed. In total, 150 apprentices will be employed by Agilisys and the other partners and members of the network.

• **Training for managers so they can recruit and manage young people effectively:** Management training will ensure employers take advantage of the new found employees’ capability and capacity, allowing them and the business to achieve their full potential. A programme to ensure managers can confidently recruit school leavers is also being delivered.

**Impact**

The project is creating a vital new talent pool and a deeper understanding of digital marketing. By linking young people (school and college leavers) with employers’ digital marketing needs, it will enhance sector productivity while creating new jobs especially suitable for young people. The sector will benefit from new, proven, apprenticeship frameworks and the practical experience of delivering digital marketing training. New jobs will lead to greater digital marketing capacity and managers will be better trained in identifying and developing digital marketing talent. 150 work placement opportunities will be provided and 150 apprentices employed by Agilisys and other members of the network. 150 managers will be trained in managing young people more effectively.

**Investment**

**Employer investment:** £2,152,000  
**Employer Ownership Pilot Funding:** £2,145,000  
**Total:** £4,297,000
4. AJ Woods

A group of local SMEs realised that unless they address recruitment and training issues quickly, local firms will lose out on a once-in-a-generation opportunity to generate new private sector growth and employment.

Summary

Harwich Port, in the east of England, provides shore-based facilities for the construction of the UK’s largest wind farms, but most workers come from outside the region. A group of local employers are working together for the first time in order to energise both businesses and the potential workforce in Harwich and to tackle the skills issues holding them back. They plan to help local small and medium-sized businesses (SMEs) to develop their ability to compete for contracts, and to get local people into work using apprenticeships, work placements and a new skills passport.

“This is a deprived coastal community with few other economic growth options. This project is a vital opportunity for the future of Harwich’s businesses and its local community - and it’s just the beginning.”

Alistair Davidson, Managing Director, Pontoon Hire Limited

The skills challenges

Government figures suggest that by 2020 the UK’s offshore wind industry could be worth £75 billion and support 70,000 new jobs. Energy engineering construction contracts are generally held by large multinational companies that rely on contracting smaller companies to deliver projects. Each major contractor has different compliance requirements, and it can cost thousands of pounds for supply chain firms to obtain the accreditations needed for each worker. SMEs find these costs prohibitive, and even though Harwich is an established offshore community, local businesses are missing out. The region suffers from high unemployment and skills shortages and has one of the highest national percentages of people with no qualifications.

The solution

A group of local SMEs realised that unless they address recruitment and training issues quickly, local firms will lose out on a once-in-a-generation opportunity to generate new private sector growth and employment. The employers are pooling their expertise and are working together for the first time to develop a programme of skills development, shared work experience and support for new entrants to the sector. They aim to:
• Help them to win contracts by providing support such as business needs analysis, and developing the workforce needed to deliver contracts to the high quality required
• Promote the sector to the local workforce and create a “Passport to Work”. This will include employability skills, work experience provided by consortium members and mandatory accreditations that will lead new employment opportunities and apprenticeships
• Immediately create 30 apprenticeships and 60 work placements.

Experienced employees will act as mentors to pass on skills, experience and knowledge to younger employees. The project will also offer unemployed people the opportunity to improve their skills or re-train.

Impact

The project will make the identification and delivery of training much more cost effective for local employers. Planned outcomes include:

• 90 ready-to-work employees with a passport to work
• 30 of these employed or on an apprenticeship scheme
• 35 supervisory and leadership qualifications
• 138 technical training interventions specific to employers’ needs.

The employers are confident that they have come up with a package of training and support that, for the first time, will really meet their needs and enable firms in the area to compete for business. Success will mean new contracts in a growth industry awarded to local firms, and increased local employment.

Who’s involved?

Ten local SMEs are working as a consortium, with up to 30 more employers identified as having the potential to come on board later. The consortium has partnered with Essex County Council, Tendring District Council, Job Centre Plus, The Haven Gateway Partnership, SEMTA, the East of England Energy Group and Colchester Institute leading training provision. Regional employers will contribute more than £3m to the project over two years, supported by £0.85m of public funding through the Employer Ownership Pilot.

“As employers, we know we needed some genuinely out-of-the-box thinking to get local people skilled up. The truly innovative part of this project is that local employers have joined together, identified the issues and created solutions that can get people into work straight away.”

Tony Woods, Managing Director, AJ Woods Engineering Limited

Investment

Employer investment: £2,538,068
Employer Ownership Pilot Funding: £850,977
Total: £3,389,045
5. AkzoNobel

AkzoNobel are developing a new range of learning products and qualifications tailored towards business need, ease of delivery, value for money and the benefit to the wider local economy.

The skills challenge

The chemical sector in which AkzoNobel operates is highly competitive and cost sensitive. The reduction of manufacturing costs is needed for continued innovation, product development and UK operational viability. AkzoNobel has participated previously in vocational qualification programmes but has found success levels to be varied and limited. Despite there being a strong recruitment pool, there are major skills gaps within 16-24 year olds in both knowledge of chemistry and general business acumen.

AkzoNobel need the right skills to be developed and at an accelerated pace to remain competitive.

The solution

A new range of learning products and qualifications are being developed tailored towards business need, ease of delivery, value for money and the benefit to the wider local economy.

AkzoNobel operates a range of business units in the UK, including the International Paint and Dulux brands. Working with training providers, awarding organisations, schools, colleges and JobCentrePlus, the business will take the lead in developing new qualifications as a "pilot" before rolling out into other parts of AkzoNobel and other supply chain employers in the region.

Four themes have been identified to achieve the sector’s needs:

- **Employability & Internships in Production, Research, Marketing and Logistics:**
  AkzoNobel will work with local young unemployed people and deliver teaching across core subjects. The programme will include project work within AkzoNobel with delegates being signposted to Apprenticeship opportunities in the sector. 200 delegates will enrol from April 2013.

- **Employability - Female graduates:**
  This will encourage female graduates to consider the chemical industry as an employment route by raising the profile of the industry as a whole with
emphasis on coatings manufacture, marketing and sales. 60 graduates or undergraduates will be recruited through a network of four universities.

- **Sector leadership:**
  This theme is aimed at existing experienced employees and will develop leadership, coaching and mentoring skills enabling them to support people development in their own work areas. Training will be delivered to over 100 employees across four UK sites.

- **Apprenticeships:**
  A specialist Apprenticeship style pathway will begin at our oldest manufacturing facility based at Felling, Gateshead. The programme is developed to combine specific teaching in either coatings design and production or supply chain. 260 apprentices will be recruited across three production sites in total.

**Impact**

This project will address a skills shortage in the chemical and coatings sector. It will specifically increase employability in the manufacturing sector for a minimum of 200 people. More opportunities will become available for female graduates and a new Apprenticeship pathway will create opportunities for new entrants. Long term leadership and coaching skills will also be developed to support young people entering the sector.

**Investment**

**Employer investment:** £1,530,748  
**Employer Ownership Pilot Funding:** £1,017,998  
**Total:** £2,548,746
6. Arla Foods

UK dairy employers want the industry to be the most competitive in Europe. In order to achieve this, employers have identified the common vision ‘An industry where learning drives sustainable success’.

The industry needs world-class training provision for all their staff, to ensure that high value products are produced efficiently and to provide a sustainable future.

World-class training means more than just learning the technical aspects of the job or demonstrating competence in a job role. It means developing a workforce for the future who are united by the core values associated with the industry such as pride, passion, excellence and ambition as well as the behavioural, technical and attitudinal capability to drive the industry to become the best in Europe. For geographically dispersed organisations, who compete with one another, having such a vision and making it a reality requires an unusual and ground breaking approach to skills delivery.

The skills challenge

At the start of this journey, six dairy employers*, representing 80% of the industry’s workforce will work in partnership, led by Arla Foods, to meet their common vision. The project will build on previous sector collaboration, which has developed dedicated training facilities and curriculum at Reaseheath College, Cheshire for its dairy technology needs and Midlands Group Training Services (MGTS), Coventry where the industry has access to a talent pipeline of dedicated dairy engineers. Delivery of the project will be supported by the NSA for Food and Drink and Dairy UK.

The employers will collaborate in developing industry-led, fit for purpose cross sector qualifications and apprenticeship programmes that are specific to the industry’s needs. A range of programmes will be developed either from scratch or from existing programmes that require modification. At the heart of all training and learning, the six employers have set the following principles:

- Giving learners the right time and space to learn
- Providing the best education available in Europe by the most talented providers – all operating under one ‘roof’ and with the best conditions to learn
- Supporting learners in the workplace through specially trained mentors
- Adding value to the UK dairy industry supply chain from Farmer to Consumer
- Ensuring the talent pipeline has sufficient dedicated professionals to meet the advanced skills needs of the future
Impact

The dairy industry is fiercely competitive and to have six major employers working together is hugely innovative. The project supports the industry’s desire to lead and improve the quality and robustness of training provision available. It will lead to better trained employees able to contribute to sustainable business success and growth.

Over 270 apprenticeships at various levels and over 6,000 other qualification based training outcomes will be achieved. It will lead to the creation of new jobs, 300 qualified dairy jobs in Aylesbury alone, around 700 in total as the world’s largest fresh milk site is developed, as well as improved sustainability and productivity savings. Engineering and logistics qualifications will be extended to reflect the specific technical requirements of the sector. Conservative industry estimates are that around £1.2m of savings might be unlocked through the reduction in carbon emissions arising from improved logistics and reductions in water and energy usage across all plants.

* Arla Foods; Dairy Crest; Milk Link Ltd; Robert Wiseman Dairies; Müller Dairy; First Milk

Investment

Employer investment: £2,520,162
Employer Ownership Pilot Funding: £2,291,990
Total: £4,812,152
7. Berfords Information Press

SMEs in the print industry sector are collaborating to introduce a new management development programme

The skills challenge

The UK print industry is the world’s 5th largest producer of printed products. It contributes £14.3 billion of turnover and employs 140,000 people, mainly in small and medium-sized companies (SMEs). Print is an advanced manufacturing sector that utilises cutting edge information and production technologies.

The industry is facing significant skills and management challenges in terms of an aging workforce (the average age in the industry is over 50), rapidly changing technology, supply chain dynamics and, most importantly, a move away from national agreements and bargaining to local company based performance.

Employers have identified management skill shortages in SMEs within the Printing Industry. The industry has typically promoted from within without formal management training to support career progression. Consequently there is perceived to be a lack of professional management within the industry, making it difficult to attract high calibre recruits. Within the industry, there is no specifically tailored training or structured management education beyond level 4. The industry needs to invest in professional leadership and management skills to improve operational performance, leading to growth and sustainability. However, the current financial status and size of many of the companies in the sector prevents them from implementing appropriate management development programmes of their own.

The solution

SMEs in the sector are collaborating to introduce a new management development programme for the sector. The Employer Ownership Pilot will support the introduction of an employer-led higher level Apprenticeship programme to extend craft Apprenticeships into formal management qualifications based on the evolving needs of the sector.

Employers will lead the programme design to harness the latest industry developments in work flow, materials and inventory management and printing processes whilst also developing core management and leadership skills.

Individuals participating in the programme will gain both core leadership and management skills and specific industry knowledge and application that will enable
them to transfer learning directly to operational performance improvement. They will also have the opportunity to gain a transferable qualification to support their career development. They will build networks to support their development and experience mentoring relationships to enhance both their own effectiveness and to value the concept for their own staff. A new web portal, support seminars and mentoring programme with enhance the development programme giving every participant access to the best support and resources.

Typically, between 10 and 20 employers will be involved per region. The project will be piloted in the East of England region where there are many print and media companies typically employing fewer than 50 people. After evaluation, the project will be extended to six other regions: North East; North West; Midlands; South West; and East of England. The British Printing Industries Federation (BPIF) will oversee the implementation of the programme.

Impact

200 individuals will be supported through the programme. The increased support for current and potential managers will increase the operational efficiency of participating companies. It will enable them to offer new services to their clients and increase their operating margins by implementing efficiency programmes. It is anticipated that the project will deliver a 100% return on investment within two years of implementation. It will also enable the sector to attract high calibre managers from other industries by giving the sector a reputation for investing in the development of its people.

Investment

**Employer investment:** £997,752  
**Employer Ownership Pilot Funding:** £1,096,000  
**Total:** £2,093,752
8. Fabricom GDF Suez

Yorkshire and Humber energy, process and renewable employers have an ambitious plan to offer a new form of authentic, site-based training. The employer-led ‘Skills Enhancement Centre’ creates opportunities for new apprentices, employees and unemployed people in the region. It offers on-site experience ranging from plant build, fit out and commissioning to emergency response training and hazardous plant shutdown - all vital skills where current learning opportunities are highly restricted.

“This funding will enable us to provide real solutions to employer needs in skills, training and competency programmes.”

Sabine Holmes, Skills Manager, Humber Chemical Focus Ltd

The skills challenges

Yorkshire and Humber is the UK’s powerhouse for the process, energy and renewable sectors, with a potential £6bn of new capital projects in the pipeline. However, nationally these sectors face a skills shortfall of 56,000 skilled workers, and need 500 new apprentices every year until 2020. Employers are finding skilled vacancies hard to fill. Many supply chain employers can’t afford to take on apprentices or to offer site-based assessment or training opportunities in high-risk environments.

The solution

More than a dozen regional oil, gas, power, chemical and process industries employers have joined forces to tackle these major skills challenges and leave a legacy of greater productivity and growth. This project aims to help boost apprentice numbers and improve the work-readiness of new recruits and unemployed people by creating a new ‘Skills Enhancement Centre’. The centre will be established within a pre-existing £12m industrial training centre in the Humber, the largest training facility of its kind in the UK.

The centre will provide training and assessment in an environment that mirrors real life engineering tasks on industrial sites. The most innovative element will be the creation of the UK’s first advanced training programme to replicate key elements of a main plant shutdown, re-engineering and start up. All programmes will be designed by employers to meet entry requirements into their organisations, with a high level of employer engagement including site visits and practice with consortium
employers. The programme will also create opportunities for unemployed people in the Humber, with programmes that directly address hard-to-fill vacancies in the sector.

Impact

This innovative approach to training will enable 80 advanced apprentices to complete their apprenticeships with enhanced skills and more quickly, potentially leading to the creation of more apprenticeship places. Outcomes will also include 60 pre-apprenticeship work experience opportunities, 160 pre-employment programmes, and 90 candidates undertaking ‘project shutdown’ for assessment at intermediate and advanced levels. The employers aim to improve the current productivity rate of 55% for a newly qualified apprentice to 77% using this new way of delivering training, and believe that the pilot has the potential for wider roll out nationally.

Who’s involved?

The consortium is led by Fabricom Oil, Gas and Power Ltd. Regional employers will contribute more than £1m to the project over two years, leveraging £1m public funding through the Employer Ownership Pilot. Managing agents, Humber Chemical Focus Ltd estimate that, in addition to the consortium members, 15 manufacturing companies and 25 supply chain companies will also benefit.

“This consortium is uniquely placed to address critical barriers to increasing apprentice numbers. We have developed an innovative and purpose built industrial training centre, led by employers and providing a ground-breaking, authentic industrial-scale training and skills environment.”

Nigel Carlton, Chief Executive Officer UK, Fabricom Oil Gas and Power

Investment

Employer investment: £765,424
Employer Ownership Pilot Funding: £1,047,161
Total: £1,812,585
9. GE Aviation

Gloucestershire-based GE Aviation is one of the top five avionics and electrical power systems plants in the world, and its business is growing. It faces an urgent and ongoing need for new entrants, but the number of young people and graduates taking science and technical subjects is dwindling. GE Aviation plans a large work experience and school engagement programme that includes its own apprenticeship programme and the development of its young employees as industry mentors in schools. It aims to encourage the next generation of the local community into employment in the avionics industry.

The skills challenges

GE Aviation’s Cheltenham plant employs 1,600 people in areas ranging from software and hardware design to the development of power distribution systems for commercial and military aircraft. Some parts of the business are projected to grow by up to 30% in the next three to five years but the company is facing major recruitment challenges to meet this growth. Fewer young people and graduates are opting for STEM subjects (science, technology, engineering and mathematics), and many courses are not delivering ‘work ready’ trainees. Limited careers advice also means that young people may not realise the opportunities the sector offers them.

“It’s a chance to commit to young people in schools and colleges and give them opportunities to work in the future of flight.”
Alan Jones, Executive Site Leader, Cheltenham, GE Aviation

The solution

GE Aviation’s integrated solution involves young people at school and college, teachers and lecturers, and young employees and trainees. It combines STEM subject promotion with early career development, and aims to deliver certified manufacturing training in areas increasingly outsourced from the UK. GE is establishing an in-house enhanced apprenticeship programme, offering additional accreditations and experience for 35 apprentices at advanced and higher levels. The solution also offers a wide range of opportunities for young people in more than 120 Gloucestershire schools to engage with STEM subjects and explore relevant careers. GE Aviation’s outreach work with the schools takes young mentors from the company, close to the pupils’ own ages and to whom they can relate, into a network of schools, helping young people understand the world of work and the skills they
will need. The young mentors will also receive training in skills such as organisational ability and communication skills to support their outreach work.

“The programme gives GE Aviation the opportunity to partner with government and education providers, so that we can all be accountable and learning objectives can be tailored to the strategy and the culture of the business.”

Alan Jones, Executive Site Leader Cheltenham, GE Aviation

Impact

The collaboration aims to have a substantial impact on career options for young people in Gloucestershire. GE Aviation sees the programme as an essential driver for its future productivity and growth, and important both to its succession planning and development of a diverse workforce. Young professionals will gain coaching and mentoring skills, whilst pupils will have the opportunity to engage with industry on repeated occasions throughout their schooling, especially for those taking STEM subjects. The pilot will create sustainable career opportunities and the company envisages recruiting an additional 80 – 100 young people as a result of the programme.

Who’s involved?

GE Aviation in Cheltenham and in Gloucester lead the pilot and will involve other local employers in shared skills areas. The University of the West of England, SEMTA and the Institution of Engineering and Technology will collaborate on benchmarking training quality. GE Aviation will contribute over £2m to the project over two years, matched by £2m from the Employer Ownership Pilot.

Investment

**Employer investment:** £1,103,997
**Employer Ownership Pilot Funding:** £1,105,998
**Total:** £2,209,995
10. Manchester Airport Group

Manchester Airport Group (MAG) has developed a community strategy to increase employability, address youth unemployment in a deprived area and extend career progression opportunities in the business.

The skills challenge

In 2011 Manchester Airport was the third busiest airport in the United Kingdom in terms of passenger numbers, and the 23rd busiest airport in Europe. This Employer Ownership Pilot (EOP) project is a consortium between the Airport, Stockport College, Manchester Metropolitan University, the food travel business SSP, and World Duty Free.

The North West of England has a high percentage of young people currently not in education, employment or training. Additionally, those who leave full time education are often faced with a lack of work skills, self-confidence and find it challenging to relate to older people or those already in the work environment. This is particularly prevalent in Wythenshawe where in the neighbouring ward of Woodhouse Park, youth unemployment is currently 34.9% (March 2012).

Many Wythenshawe residents have never travelled outside of the local area and have very little personal confidence and self-esteem.

The solution

The Airport has traditionally struggled to attract young unemployed people to start careers in entry level jobs. Therefore, Manchester Airport Group (MAG) has developed a community strategy to increase employability, address youth unemployment in a deprived area and extend career progression opportunities in the business.

EOP investment will support the creation of a new Young Person’s Airport Skills Academy - building clear development pathways from work experience through to employment. The Academy will provide learning and work opportunities and experiences, including paid employment, to young people helping to fill the entry level jobs on site which have been traditionally very difficult to fill due to the nature of the roles and the anti-social hours. It will also align with the Airport’s existing Adult Academy by seamlessly linking students to employer-led Apprenticeships and work experience.
The project will:

- Provide an offer to local school leavers, giving coaching, employability, basic skills training, work experience and qualifications
- Deliver a talent management programme for 11-21 year olds to inspire students through a structured programme to run alongside their secondary education
- Give opportunities for young people to progress onto an Apprenticeship within the MAG and/or service companies linked to the Airport
- Train existing staff in coaching and mentoring to support students and develop talent

Impact

Supported by the EOP, the Young Person’s Airport Skills Academy will implement a strategy to tackle the youth unemployment challenges in the local area. The project will support a flow of young people into the world of work and to progress into a future of economic activity. In total the project will support 123 people through an Apprenticeship programme.

At least 75 students will start at the Young Person’s Academy in the first two years. Any 18-21 year-old learners who apply for the Young People’s Academy will be referred to the Adult Airport Academy and receive an extended programme to ensure employability. This will support 100 students over the two years.

The EOP will enable the Airport to extend its community strategy and provide valuable work experience opportunities to local students. It will both continue and expand the Airport’s training link to employment for local people, especially young people, who could benefit from the ground transport infrastructure at Manchester Airport.

Investment

Employer investment: £1,320,650
Employer Ownership Pilot Funding: £1,366,719
Total: £2,687,369
11. Midlands Co-operative Society

A consortium led by Midlands Co-operative Society and supported by the National Skills Academy for Retail and Skillsmart Retail Ltd are developing a programme of industry recognised, bespoke and accredited learning and development solutions to support the growth of their individual businesses, alongside supporting the wider professionalisation of the sector.

The skills challenge

The global economic climate has put many retailers in a vulnerable position resulting in many chain and independent stores losing their market position, or even closing down. National chains, SMEs and independent retailers have recognised the need to address skills issues to strengthen their position and stay on our high streets.

Employers have identified that additional training beyond what is currently available is essential to develop their workforce and support business growth. Bespoke sector-specific solutions are urgently needed to ensure retailers and their employees can thrive. Employers have identified some urgent training needs:

- Pre-employment training: To ensure young people are ‘work-ready’ whilst also developing their ‘soft’ skills
- Numeracy and literacy training: Nearly a fifth of retail employers cited ‘good basic’ literacy and numeracy skills to be lacking in younger applicants
- Customer service training: Industry research found nearly half of retailers thought customer service skills need to be improved in their staff
- Independent and SME business support: Support is needed across a range of areas including business planning, finance, driving sales, merchandising, buying and mentoring
- Mapping existing in-house and industry programmes: This will ensure retailers and employees undertake the training of most benefit to drive up the sector’s skills base

The solution

This Employer Ownership of Skills Pilot (EOP) project brings major competitors together in a collaboration supported by the National Skills Academy for Retail and Skillsmart Retail Ltd. Midlands Co-operative Society are leading the project but also involved are: NISA Today; Miss Sixty; Poundworld; TK Maxx; JJB Sports Ltd; Solihull College; and many others.

The consortium will lead the development a programme of industry recognised, bespoke and accredited learning and development solutions to support the growth
of their individual businesses, alongside supporting the wider professionalisation of the sector.

The project will:

- Develop a clear and focused route that new recruits and existing staff can follow in order to grow capability and skills, therefore maximising performance
- Enable medium-sized employers who have not previously worked with the National Apprenticeship Service to engage in Apprenticeships nationally
- Support SME and independent retailers who have not engaged with the skills agenda in the development of their HR and learning and development functions
- Offer retail specific courses across a range of business needs e.g. finance, business planning and sales, through various delivery channels including webinars.

**Impact**

This EOP project will uniquely support retailers in collaborating, developing and delivering high quality training and development programmes, equipping them to be leaders in the sector. It will share best practice and raise the standard of training across the sector, especially amongst those retailers who have only previously engaged in mandatory training i.e. compliance training.

Fifty additional retailers will start delivering Apprenticeship programmes creating new employment opportunities across the retail sector for 800 16 – 18 year olds and support circa 10,000 existing employees in their personal and professional development.

Ultimately the project will improve business productivity and growth through people development.

**Investment**

Employer investment: £945,158  
Employer Ownership Pilot Funding: £1,764,719  
**Total:** £2,709,877
12. Nissan

Nissan Motor Manufacturing (UK) Ltd, in collaboration with large regional suppliers, Gateshead College and the University of Sunderland, has developed a major skills programme across 14 areas of training to enable the company to implement its ambitious growth plans.

Typically, a car plant launches a new model every two years. The award of new contracts means that Nissan’s Sunderland plant, which employs 5,000 people, is set to launch four new models in the next two years, and recruit 2,000 additional workers. This is a huge boost to an area with high unemployment, but creates an urgent need to tackle regional skills shortages. Nissan’s new programme will bridge skills gaps for more than 3,600 people: new recruits, technical staff, and supply chain workers involved in producing new models and working with new technologies, such as electric vehicles. The programme, operating alongside Nissan’s current £2m p.a. training programme, will also offer training for more senior roles, as the growth creates new opportunities to promote from within.

“These new contracts are hugely important to the region, and we have a great opportunity to show what we can do. This programme means that suppliers can ensure they have the skilled people they need to deliver.”

Neil Prest, Training Manager, Unipres Limited

The skills challenges

There is widespread concern amongst Nissan and its key suppliers that urgent action on new labour and skills is needed to prevent critical jobs and export earnings being lost from the UK. There is a serious regional shortage of recruits at technician level, and future severe skills shortages are likely. New recruits are unlikely to be able to achieve Nissan’s required standard without additional training and a better understanding of the rapidly changing working environment, employer expectations, and the importance of quality, productivity and team working.

“Our USP is our workforce, and we need to equip them with the skills they need to enable Nissan to grow. This project will enable us to do that, and to create new job opportunities for thousands of people in the region.”

Steve Pallas, Manager - Training & Development / Global Training Centre (GTC) UK, Nissan Motor Manufacturing (UK) Ltd

The solution

Nissan has developed a major skills programme that will enable the company to implement its ambitious growth plans. 40% of the programme will support key suppliers in the north-east: Nissan relies on its supply chain for up to 80% of its parts.
There are four categories of training: Enhanced apprenticeship programmes, enabling new recruits to work in manufacturing production and maintenance, and developing specialist skills not currently supported by apprenticeship programmes; An enhanced introduction to modern manufacturing, giving new recruits more time for workplace familiarisation than is currently supported to get new recruits to the right level; Filling skills gaps caused by the planned growth, including developing manufacturing staff into team leaders, and team leaders into supervisors; Addressing skills shortfalls in new and existing staff, enabling them to cope with new technologies and meet Nissan’s exacting standards.

Impact

The programme will make a vital contribution to skills development at a critical time in the expansion of the north-east’s automotive sector, and foster an environment of continuous improvement and innovation. Outcomes include training for a total of 3,662 staff via a range of programmes, including four apprenticeship programmes and the delivery of more than 250 courses, resulting in nearly 2,500 formal qualifications.

Nissan is the largest private employer in the region and, at around £4bn, its largest exporter. Being able to win new models and then deliver them is key to the Sunderland plant’s continuing success. The resulting growth leads to substantial regional benefits including the creation of a significant number of high quality, sustainable job opportunities with a resultant reduction in unemployment – especially among young people.

Who’s involved?

Nissan Motor Manufacturing (UK) Ltd, large regional suppliers, Gateshead College and the University of Sunderland. Nissan will contribute more than £4m over two years, with public finding of £2.7m from the Employer Ownership Pilot.

Investment

Employer investment: £4,036,320
Employer Ownership Pilot Funding: £2,690,880
Total: £6,727,200
13. PwC

PwC will foster collaboration amongst professional services employers to address the ‘talent crunch’ constraining SME potential to drive growth. The project will give streamlined access to funding direct to employers who will work with the best of Further and Higher Education in training delivery.

The skills challenge

Employers of all sizes in all sectors need access to a range business services skills to support and improve their businesses: payroll, audit, accounting, tax, IT and HR to name a few. For many smaller employers, having fast and reliable access to these skillsets has proved a challenge for years, a situation not helped by limited collaboration in the professional services sector and the real (and perceived) complexity of the ‘skills system’. This has led to a recognisable ‘talent crunch’ constraining SME potential to drive growth.

The solution

The PwC proposal is the creation of a skills ecosystem established and facilitated by PwC for all professional services occupations and employers in England. PwC will work with employers to define shared skills needs, develop and deliver the training programmes to address them.

The overarching objective is to foster collaboration amongst professional services employers to address the ‘talent crunch’. PwC will take overall responsibility for the ecosystem and the public funding flowing through it, giving streamlined access to funding direct to employers who will work with the best of Further and Higher Education in training delivery. Within the ecosystem there will be two distinct routes for employers to access training: in the first route PwC will support individual employers to identify their training needs and access provision to address those needs; in the second, specifically designed to meet the need of SMEs, PwC will manage an end-to-end service enabling employers to access the same high quality training that PwC provides for its own people. In developing this solution, PwC took feedback from the Higher Apprenticeship working groups including representation from over 30 employers: Detica, Challenge Consulting, UCLH and Right Management have all been involved.

Impact

This proposal will realise five critical outcomes: strong, sustainable talent pipeline; broad, diverse talent pool; workforce with the business skills employers need; new entrants possessing the business competence employers need; and, substantial SME engagement. The work will deliver benefits with an NPV of c£80m p.a.
SME employers will be able to access the same high quality training that PwC provides for its own people: More than half of PwC’s clients are SMEs - served by PwC offices across the UK. PwC’s support to those SME clients across all aspects of their businesses gives them real insight to the issues and barriers SMEs face in engaging with the skills agenda. Through this proposal PwC will leverage that insight, along with in-house expertise in the design and delivery of professional services training, to deliver an end-to-end service shaped to meet the needs of SME employers. PwC will itself play an active, substantial role in delivery, working with a carefully selected group of delivery partners.

**Investment**

**Employer investment:** £4,376,000  
**Employer Ownership Pilot Funding:** £11,452,000  
**Total:** £15,828,000
14. Siemens

Siemens is working collaboratively with organisations including SBMW and SEMTA to roll-out a wide-ranging skills programme. The programme includes pre-employment training and enhancing their Apprenticeship training, with the aim of developing the skills of their supply chain.

The skills challenge

Siemens recognises that skills development is a central component in its continued success. Whilst the organisation attracts sufficient numbers of suitably qualified applicants for its entry level positions there is recognition that this is not the case for the SME supply chain in the Energy and Utility sector.

Although Siemens already offers Apprenticeships, the company believes there is a need for a stronger regional pipeline of talent, to meet current requirements. Siemens also wants to ensure a competitive supply chain which will be both sustainable and productive in the long term. Through improved knowledge and understanding of best practices, those in the supply chain may operate more effectively.

The solution

Siemens is working collaboratively with organisations including SBMW and SEMTA to roll-out a wide-ranging skills programme.

To improve the talent available in regional labour markets for the SME supply chain in the Energy and Utility sector, a customised pre-employment training programme will focus on giving numerous cohorts of those Not in Education Employment or Training (NEET) the opportunity to acquire the skills and experience which will allow them to successfully enter employment as an Apprentice.

By extending Siemens’ Apprenticeship offer to the South and North West of England, the organisation will improve the local provision of talent. In Oxfordshire, BMW are currently developing a technical training centre to deliver high quality advanced Apprenticeships in Engineering. Siemens will work with BMW to introduce a world-class training centre which will introduce the German Apprenticeship model to the UK.

Working with supply chains to increase skill levels, Siemens Magnet Technology plans to share best practices in lean practices to reduce waste, improve quality, stimulate innovation and reduce cost; enabling continuous improvement and raised productivity.
All three elements of this project will pilot a simplified funding approach for Apprenticeships.

**Impact**

Working collaboratively, organisations from across the manufacturing, energy and automotive industries will help to achieve significant impact through the different strands of activity.

Pre-employment training will improve the supply of work-ready applicants for the Energy and Utility sector, creating additional entry routes into the workplace for young people.

Working with various partners, Siemens will expand its Apprenticeship offer in regions across the country, ensuring that the best training models are implemented for as many employees as possible. This joined-up approach will ensure that best practice skills development is realised beyond Siemens and in total will create 45 advanced Apprenticeship places.

The knowledge transfer from Siemens to its supply chain companies will enable more to adopt best in class training. Expected outcomes include greater competitiveness, the safeguarding of jobs and improved productivity.

**Investment**

**Employer investment:** £2,223,223  
**Employer Ownership Pilot Funding:** £1,105,000  
**Total:** £3,328,223
The skills challenge

SME manufacturers in Cornwall are finding it difficult to access the training they need to develop and grow their organisations due to high costs and poor economies of scale. As a result of the economic climate and technology developments they are finding it increasingly difficult to change their businesses to meet these challenges. Training, although viewed as important, is often considered to be too expensive.

The solution

To address this, a collaboration of (at least) 12 SME employers, led by Spiral Construction, will work to identify and commission bespoke training they believe will have the greatest impact on their future growth.

The employers have identified four key areas of skills need:

- **Apprenticeships**: The employers identified that existing Apprenticeship programmes are ‘difficult’ to fit into their own processes. As a result, the SMEs have identified the need for a ‘cross company’ Apprenticeship for those in manufacturing. The employers will work together to develop an innovative level 3 Apprenticeship specifically for SME manufacturers, creating a delivery mechanism more suitable to the needs of the sector. At present none of the companies involved currently employ Apprentices. The project will create more opportunities for more young people, delivering a minimum of 11 new Apprentice places initially and more in the future.

- **Marketing**: Through the initiative the SMEs will improve their marketing capabilities, focusing on currently untapped opportunities the internet presents them. Employees will attend training to develop integrated, multi-channel marketing plans, combining traditional and digital tools and techniques with appropriate multi-channel metrics to assess performance. Training will be delivered in Cornwall, negating the need for substantial travel and resulting loss of time.
• **A design ‘community’**: Several of the companies involved in the consortium identified the need to find new ways to diversify and / or meet increased demands for individualised products from their customers. The SMEs will work together to develop a manufacturing ‘design’ community, allowing for collective development of ideas, products and solutions. Working with University College Falmouth, a programme of five one-day workshops will be developed and delivered covering a mixture of design and software skills.

• **Continuous improvement**: For many SMEs, lean production techniques and reducing waste is essential if they are to remain competitive. With training costs of approximately £1,000 per day for up to 20 days, it is a substantial outlay that can put it beyond the means of many smaller companies. Using previously tried and tested providers that have worked with larger manufacturers in Cornwall, investment will deliver one set of 20 days in each of two years, for 10 individuals per year. There is a clear expectation that waste and cost will be reduced by a minimum of 10% across the board.

**Impact**

The Employer Ownership of Skills pilot provides the opportunity to develop a strong and supportive network of smaller manufacturers to become more able to commission the skills delivery they need by enabling a collective approach to their design and delivery. This will be a key legacy of the project when the public funding has ceased.

**Investment**

**Employer investment**: £549,375  
**Employer Ownership Pilot Funding**: £312,960  
**Total**: £862,335
16. The Academy of Music and Sound

The Academy of Music and Sound are working with music instrument retailers and distributers to establish the first-ever apprenticeships for music instrument retail.

Summary

Music instrument retailers, distributers and their trade body are working together to establish the first-ever apprenticeships for music instrument retail. There are more than 1,000 music instrument shops across the UK, but there has not been any formal training, qualifications or assessment structure for the sector, even though it requires specialist skills. This pilot offers apprenticeship and pre-apprenticeship opportunities for young people, as well as continuing professional development (CPD). The employers involved envisage that the resulting improvements in service skills and professionalism will help to revitalise a retail sector under threat from online competition and a general decline in high street sales and the number of businesses.

“I haven’t spoken to a music instrument retailer or manufacturer that hasn’t been overjoyed by the news of this investment. It will make a big difference to the viability of the sector and we want to ensure that this project has the widest possible economic impact nationally. Even at this early stage, we are seeing the benefits of a new era in industry collaboration.”

Kevin Harding, Project Director (Employer Ownership of Skills), Academy of Music & Sound

The skills challenges

Currently on average, one music instrument shop closes down every week. Retailers are often small businesses and tend to recruit freelance musicians or young people who are passionate about music but lack customer service and specialist skills and have no opportunities for formal training. There are more than 100 distributors and manufacturers operating in the UK, who are equally keen to be involved in the development of sector training. Without being able to offer value-added service, retailers are losing out to online and catalogue sales.

The solution

A new employability skills programme will address the collective barriers faced by employers. It will tackle recruitment problems using a new three-month pre-apprenticeship programme, providing employability skills such as ICT, retail and customer service skills, as well as work experience with retailers. The lack of
structured training will be addressed through a new apprenticeship programme. Advanced apprenticeships and CPD will, for the first time, offer opportunities for structured career development.

Training will be provided by the Academy of Music & Sound (UK) via six existing centres across England, with the National Skills Academy for Creative & Cultural benchmarking standards across the project. Trainees and small retailers that don’t have easy access to a regional centre will be able to access an online Virtual Learning Environment and attend offsite training hosted by other employers in the network who are pledging support.

A new centre of excellence, the “Music Innovation Centre” is being established in Birmingham city centre and will pilot all stages of the programme.

Impact

The pilot aims to build the foundation for the development of industry standards linked to employment, qualifications and improved employee engagement. During the two years of the programme 246 young people are expected to be recruited to the pre-apprenticeship programme. The programme will liaise closely with employers to decide which candidates will progress to a full level 2 or 3 apprenticeship and a one-year employment contract, resulting in 164 apprentices nationally.

“Having a recognised framework in training will allow the industry to ensure existing staff have the key skills required and, perhaps more importantly, that a new generation of employment seekers can start employment quickly and show productive results.”

Adrian Ashton, Manson’s Guitars

Who’s involved?

Employers involved include Manson’s Guitars, Sheehan’s Music, Absolute Music, Professional Music Technology, Music Industries Association (MIA) retail members, and manufacturers and distributors such as Yamaha, Peavey, and JHS. The Academy of Music & Sound (UK) Ltd leads the initiative, in partnership with the MIA, sector skills council Creative and Cultural Skills, and the sector’s National Skills Academy.

Together, employers and the Employer Ownership Pilot have established a fund of more than £1.4m over two years.

Investment

Employer Investment: £140,894
Employer Ownership Pilot Funding: £1,320,450
Total: £1,461,344
17. The Glass Academy

British Glass has launched its own industry-led learning and skills development programme, ‘The Glass Academy’, designed to ensure the industry has the skills to be a world leader by 2020.

The skills challenge

The combined UK turnover of glass manufacturers is approximately £1.7 billion and employs approximately 7,000 people directly plus many tens of thousands more in both customer and supplier industries. Glass making today is a hi-tech industry operating in a fiercely competitive global market where quality, design and service levels are critical to achieving and maintaining market share. Many aspects of our lives depend on glass manufacturers – from touch-screen technologies and components for computer chips to food and drink containers.

The industry has identified skills gaps in technical and ‘soft’ skills, due to the combination of an ageing work force allied with the difficulty in attracting young people into the industry. The industry needs a workforce that is properly trained and highly skilled in all aspects of manufacture, not just with the appropriate technical skills, but also with specialist commercial, management and leadership skills.

The UK glass industry faces a challenge in persuading school leavers (16-18 year old) that industry is a viable career choice. Presently there is no mechanism for the industry to easily promote itself to those making decisions about their academic future.

The solution

British Glass has launched its own industry-led learning and skills development programme, ‘The Glass Academy’, designed to ensure the industry has the skills to be a world leader by 2020. Already active, the Academy will create and deliver a range of innovative learning programmes across all levels of the industry and respond actively to its needs. Along with funding from the Employer Ownership Pilot, the Academy is co-financed by British Glass (British Glass Manufacturers’ Confederation) and member companies.

The Academy will co-ordinate Apprenticeships across the industry and its associated supply chain, whilst developing a range of more innovative and learner-led programmes to significantly improve upon the current provision. It will also offer...
new, higher level Apprenticeships targeted specifically at the future leaders of the manufacturing sector.

The industry also needs to ensure that it has a steady supply of young people with the skills and behaviours to give them the best chance of building a career. In order to make the industry attractive to students the Academy will design and deliver multimedia interventions that will support the key stage three (KS3) curriculum. The Academy will also work closely with schools, colleges, universities and businesses to offer well-structured and meaningful work placements and sandwich-courses within the industry. It will provide career opportunities to school and college leavers that are visible, attractive and tangible.

**Impact**

Through this innovative and industry led Academy, over 350 new Apprenticeships for 16 to 23 year olds and over 2,000 supporting programmes to enhance the skills of those already in more advanced positions, will be developed. These will vary from simple day, or two day events, to much more substantial interventions at levels up to and beyond a first degree.

The work with schools and other learning establishments will help ensure that the glass industry has a steady supply of young people with the skills and behaviours it needs and which will give individuals the best chance of building a long-term and fulfilling career.

Self-sustaining in subsequent years, the Academy will up-skill the sector to improve profitability and increase the competitiveness of UK manufacturing on the global stage.

**Investment**

*Employer Investment:* £2,519,129  
*Employer Ownership Pilot Funding:* £2,735,159  
*Total:* £5,254,288
18. Timpson Group

This project will expand and develop the ground breaking ex offender training already in place at Timpson.

The skills challenge

The Timpson Group is a private business owned by John Timpson and his family. There are over 900 Timpson shops in the UK offering a range of services such as shoe repairs, key cutting, watch repairs and dry cleaning.

The company is passionate about solving the issue of mass unemployment amongst ex-offenders and believe that the ex-offender population presents a pool of untapped potential to UK businesses. The Group already works with over 75 prisons and is the largest employer of ex-offenders in the UK. Re-offending blights lives and communities, carrying personal, social and economic costs of between £9.5 billion and £13 billion a year. A quarter of claims for out-of-work benefits as at 1 December 2010 in England and Wales were made by offenders who had received at least one caution or conviction between 2000 to 2010. For about half of all job vacancies, employers are likely to reject most people with a criminal record.

The solution

This project will expand and develop the ground breaking ex offender training already in place at Timpson. The programme recruits and trains ex-offenders (and ‘disadvantaged’ individuals referred by other agencies) in the full range of skills required for long term employment within the shoe repair, key cutting, dry cleaning and photo retail industries.

Ex-offenders are trained in the same way as other employees, through the Group’s internal ‘Apprenticeship’ scheme, which teaches and assesses both industry specific and transferable skills. If new recruits have a great personality and some practical aptitude, they can succeed, regardless of educational background or their ability to thrive in a ‘classroom’ environment. This is why the training is suitable for people who traditionally struggle to find employment. The project will:

- Expand the in-prison training academies, training over 300 inmates over 2 years. On release, all trainees are guaranteed a three month trial in the business and many (c40 per cent so far) secure permanent roles at the end of this
• Provide work experience and hands on training to 225 young offenders and inmates on ROTL (release on temporary licence)
• Provide advanced skills training to 200 'Foundation colleagues' (ex-offenders) recruited into the Timpson and Max Spielmann businesses, through the apprenticeship to ‘master craftsman’ programmes.

Impact

The programme will give over 300 inmates the quality skills training, confidence and discipline that will help them find a job post release. 200 ex-offenders will be recruited and provided with the skills and support they need to secure permanent employment in the industry.

In essence, the programme provides the opportunities that enable ex-offenders to secure sustainable long term employment and avoid re-offending.

16 of Timpson shops are now managed by people recruited from prison. Out of nearly 300 men and women who have joined Timpson over the last four years they only know of seven who have re-offended.

Investment

**Employer investment:** £2,123,838  
**Employer Ownership Pilot Funding:** £1,201,992  
**Total:** £3,325,830
19. Whitbread

Whitbread Hotels and Restaurants is, together with other major employers in the hospitality sector, working to create a wide-ranging skills initiative to impact on the skills and knowledge of prospective employees, existing workers who want to progress, and the country’s high potential population.

Whitbread Hotels and Restaurants has joined with other major employers in the hospitality sector to create a wide-ranging skills initiative that will make a significant difference to the skills and knowledge of prospective employees, existing workers who want to progress, and to the Company’s high potential employees. An employer-led skills initiative enables Whitbread and its partners to combine the rigour of national standards and qualifications with design and delivery which really works for the sector. The programme is also designed to support the hardest to reach people, who are unemployed and potentially disengaged with opportunities in their community, and to create a pipeline of talent from schools through apprenticeships into management roles.

The skills challenges

The hospitality sector suffers from negative perceptions and an outdated image amongst schools, parents and young people, proving a barrier to recruitment and a tendency to view hospitality as a source of casual jobs rather than as a career. Whitbread, which has more than 1,000 hotels and restaurants across the UK, has noted significant skills gaps and a lack of hospitality qualifications amongst key groups of employees. They and other employers in the sector face increasing shortages of potential recruits of the right calibre, a problem which is even more acute for SMEs.

The solution

Whitbread and its partners will deliver a programme to help young people to understand the huge range of career opportunities available and offer the chance to experience careers in the sector first-hand. It will also improve career progression routes within the sector. It consists of five innovative projects:

- Engagement with schools to promote the sector and careers at Whitbread Hotels and Restaurants, offering information, advice and guidance (IAG), work related curriculum materials, work placements and tasters to young people in schools and colleges
- Jobs with training and work placements for the unemployed, especially NEETs, and outreach into local communities to offer work placements
A ladder of apprenticeship progression from intermediate to higher levels and into management development, allowing much improved career progression opportunities.

Innovative projects to offer better evidence of the return on investment of training, creating simpler methods for funding and tracking learners, and developing a new system of quality assurance.

Reinvigoration of Whitbread’s Academy network as a training resource for its supply chain and local communities.

**Impact**

The programme will provide:

- 540 training places for SMEs in Whitbread’s supply chain
- 2,240 work experience places
- 475 apprenticeships, including 115 at advanced and higher levels and 150 for 16-18 - all in addition to existing commitments
- 6,000 new jobs in the next three years.

Whitbread see this opportunity as a chance to work collaboratively with its partners to help shape a future-facing hospitality sector, and to pilot new ways to demonstrate how accountability for public funds can be made both more robust and simpler. It offers young people the potential for a meaningful career in hospitality, with real opportunity for structured, quality development and progression. The employers involved all want to see hospitality better recognised as a professional sector.

“Whitbread is proud to support the Government’s priorities for skills and economic growth. I passionately believe that by working together we in business can make a real difference to the lives of young people in this country and be a force for good. We are creating 6,000 new jobs over the next three years and we want all young people, their parents and teachers, in our local communities to know about the career opportunities, apprenticeships and development we offer. We are delighted that the government’s investment will enable us to speed up and scale up this work.”

Patrick Dempsey, Managing Director, Whitbread Hotels and Restaurants

**Who’s involved?**

Whitbread Hotels and Restaurants leads the programme, working with employers Compass, Hilton Group, Mitchells and Butlers, Spirit Group, People 1st and The b-live Foundation CIC who bring the organisations together through an integrated schools programme. Whitbread also proposes an entirely new collaboration with the SMEs in its supply chain.

Whitbread will contribute over £7million to the project, in addition to its regular training activity, and public funding of £4.3m will be provided from the Employer Ownership Pilot.
Investment

Employer investment: £7,194,490
Employer Ownership Pilot Funding: £4,393,129
Total: £11,587,619

20. WT Johnson

W.T. Johnson & Sons is leading a skills project involving 40 organisations from across the sector to create a new pre-Apprenticeship programme, to assess and match young people with companies for an initial trial period before taking up employment and their Apprenticeship.

The skills challenge

The apparel and textiles sector has major skills challenges which have held back its progress. A negative image and the long-term decline of Apprenticeships have contributed to this situation. Challenges the sector face include:

- A high average workforce age (20 per cent are aged 55+)
- A shortage of skilled people to fill technical roles at operative and craft level
- The need for leadership, management and business skills to promote growth
- A need to up-skill the workforce to take advantage of new technologies
- Little awareness of and appetite for Apprenticeships
- A lack of information throughout education about the range of high level career opportunities available

The solution

W.T. Johnson & Sons, one of the world’s leading textile dyeing and finishing companies, is leading a skills project involving 40 organisations from across the sector, including manufacturers from textiles, technical textiles, apparel and textile services sectors, their trade associations and Creative Skillset, the Sector Skills Council.

The sector understands that some employers are reluctant to take school leavers and graduates into Apprenticeships due to their lack of industry knowledge and basic ‘employability skills’. To address these concerns a new pre-Apprenticeship programme is being created to assess and match young people with companies for an initial trial period before taking up employment and their Apprenticeship. This activity includes a week-long introductory programme of industry orientation, visits to companies and supply chain partners, functional skills assessments and interview preparation and presentation skills training.
Further actions to improve awareness of the sector as a viable career choice will include co-ordinated activity covering school visits to provide information, company visits, localised Apprenticeship information materials, company internships and work placements.

To replace the large proportion of skilled workers nearing retirement age, partners will scale-up Apprenticeships. A new model for Apprenticeships will be organised regionally, with three intakes a year. It will include content developed by businesses and will be delivered mainly in-company.

To address a major need for increased levels of technical skills, partners will drive the implementation and delivery of new knowledge content in business-critical areas, scaling up, extending and building on Creative Skillset’s Higher Level Apprenticeship development activity.

A programme of activity will also address the lack of managerial skills, which is cited by many high-growth companies as a significant obstacle to their success. Specific skills and knowledge in key business areas including leadership and management, ‘train the trainer’, change management, product and process innovation will be developed.

**Impact**

This industry-driven skills development project will create nearly 700 Apprenticeship opportunities, as well as over 2,000 other training opportunities.

Planned activity will increase recruitment of talent into the industry, open new opportunities for young people, encourage more employers to be engaged with Apprenticeships, increase skill levels and improve company performance.

**Investment**

**Employer investment:** £1,652,368  
**Employer Ownership Pilot Funding:** £2,279,539  
**Total:** £3,931,906
**IMPACT Apprenticeships Case Study**

**Organisation:** Impact Apprenticeships (Founded by: MEGT and Loughborough College)

**Contact:** Laura Parker – Business Manager

**Address:** Loughborough College, Loughborough

**Date of visit:** 8th April 2013

**Nature of business:** Apprenticeship employment, they work with training providers best suited to the business and apprentice. They do not provide training directly.

**Number of employees:** 6 full time employed directly by IMPACT.

**Main purpose of the business:** To remove the stress and hassle for employers taking apprentices into their business, either due to poor previous experience or for businesses which do not have the resource to manage apprenticeship intake.

**About IMPACT:** IMPACT provide a full service from finding and selecting candidates to suit the employers requirements, engaging with the training provider and managing the apprentice throughout the life and beyond of the apprenticeship. They offer a full pastoral service, personal development and employment service. They use the MEGT model for apprenticeship employment. MEGT are an Australian formed company who started over 30 years ago with 4 members of staff and 1 apprentice. They now employ over 1800 members of staff based in offices in every major city across Australia and have placed over 10,500 apprentices.

MEGT approached colleges across the Midlands area to form a partnership in May 2011 to develop and implement their already successful business model into the UK. IMPACT work on a purely commercial model and did not gain any funding from the SFA or other funding bodies to set the business up. They chose the Midlands in the UK as being a central point to establish and build the business. They partnered with Loughborough College with the agreement that the training would not be solely through the college but based on the best training fit and requirement for the employer and apprentice. The plan for growth matches the Australian model and has aspirations to also have bases in every major city across the UK.

Currently IMPACT work closely with 8 other training providers across the Midlands and are expanding as and when new opportunities arise for new providers. With some of the providers they work on a direct contract with IMPACT and other on a basis of a referral system and share knowledge and information.

Impact received NAS (National Apprenticeship Service) recognition last year (2012) and were the 3rd in the country to receive accreditation, this enables them to grants and funding for apprentices.
IMPACT seeks to understand the business need and requirement to ensure they provide a full cradle to grave service. They use 13 different channels to find apprentices using methods like normal media with adverts, JCP and work fairs through to social media with twitter and Facebook. As a business they are very proactive and target employers, word of mouth and a telesales team. They provide work readiness programmes for the job seekers before interviewing and down selecting for the employer. Each available position the employer has IMPACT will select the best 4 suited for the role and fit for the employer, meaning the employer only see’s the best 4 candidates for the job opening, with written up interview packs and a full support and guidance service. ON average there are 30 people per vacancy. Once the candidate has been chosen IMPACT will work with them throughout the term of the apprenticeship by supporting them in regular one to one meetings, appraisals and disciplinary, personal development and even personal issues if and when required. The end goal is to enable the apprentice a job either with the current employer or another if there is no job at the end. The employers see the advantages and benefits of using IMPACT and having apprentices within the business so they have stepped progression pay increases throughout the apprenticeship to incentivise and show the apprentices the value of working well and developing. This has led to graduates also applying for apprenticeship by seeing the opportunity and development value being placed on using IMPACT and working closely with the selected companies to provide the host business.

As an example, IMPACT is working with an apprentice who wanted to study teaching in sports. IMPACT was not able to find one school that were able to take an apprentice on full time. By identifying and working with 4 schools IMPACT were able to secure the apprentice with all 4 schools by taking him on 1 day each and 1 day at day release. This meant the apprentice was able to study his chosen subject and the 4 schools all benefited. At the end of the apprenticeship due to the success all 4 schools wanted to keep him on the same agreement of job sharing, although not one school could afford to take him on full time. By working closely with the schools IMPACT provided the schools with a working contract so that he can continue to work for all 4 schools though IMPACT.

**Barriers and challenges:**

- Finding the right employers who are looking for the opportunity to develop talent within their business by bringing in apprentices and not looking for cheap labour.
- Getting the message across that apprenticeships can provide a talented workforce and are valuable to the business for growth.
- Apprenticeships being seen as the first step on development and as a progression route for learners for further and higher education but vocationally based.
- Attracting the right candidates who see this as learning and work opportunity.
• Finding and working with the right training provider to link and connect with the employer and IMPACT to provide the best level of training provision.
• Responsiveness of training provider to understand the urgency of developing a programme, in many cases it takes over 4 months for a training provider to develop a programme.

Opportunities:

• Working with the right employer and training provider can lead to fantastic learning environment for the learner.
• IMPACT providing the support, guidance and removal of hassle for the employer to see the value and benefits of continuing and taking on more apprentices.
• Right employer offering the pay increases means higher retention rate of apprentices and long term work commitment.

What has helped most to getting to where you are today?

• Working with schools, job fairs, Chamber of Commerce and businesses to share experiences of what apprenticeships are about and how they can add value to a business and career opportunity for a learner.
• Independence which allows IMPACT to work with any training provider to ensure best fit for employer giving a quality and transparency.
• Being self-funded and not reliant on government funding which enables them to be commercially focussed and not educationally led.

What has hindered you the most to getting to where you are today?

• Employers lack of understanding about apprenticeships, seen as cheap labour and undereducated people, meaning added time, resource and management in the business.
• Government agency NAS is very hit and miss with support and guidance, in some areas of the business and geographical very helpful and proactive in others not so much.

More about IMPACT:

Services:

• Offer full recruitment service
• Legally employs the Apprentices
• Issues contract of employment and manages all correspondence
• Performance management of Apprentice
• Pays the Apprentice on a weekly basis
• Manages the short or long term placement of Apprentices
• Provides you with the ability to return the Apprentices, giving two weeks notice if not suitable
• Shares Apprentices across multiple companies
• Training provider identification and performance management

**Quality framework:**

IMPACT Apprenticeships operates in line with the Australian Group Training Company quality standards and includes the minimum National Apprenticeship Services (NAS) ATA operating framework.

To ensure that we provide the highest quality service IMPACT Apprenticeships have combined both the Australian Apprenticeship Agency standards with the United Kingdom National Apprenticeship Service Framework for Apprenticeship agencies. IMPACT Apprenticeship standards cover the following:

Standard 1: Systems for ATA include management of hosting

Standard 2: Compliance with regulatory requirements

Standard 3: Effective financial management procedures

Standard 4: Effective administration and record management procedures

Standard 5: Effective corporate governance

Standard 6: Access and equity

Standard 7: The skills of ATA staff

Standard 8: Ethical practice

Standard 9: Quality

**Added Value:**

• HR and mentoring support
• Training provider management
• Quality
• Independent
• Partnerships
• Professionalism and expertise
• Graduate recruitment
• End to end solution

**Stats and figures:**

• overall employer satisfaction 2011/2012 98%
• repeat business rate 2011/2012 65%
• success rate 2011/2012 95%
• apprentices going into higher education 14%
• rotations 8% returns 5%
• apprentices going into full time employment 81%
Testimonials:

“I would recommend and advise all our clients to work with IMPACT, as the support provided is vital to the success of our apprentices” Loughborough College Sports Department – Rob Jarram

“We have always directly employed apprentices, but the recruitment and employment service provided by IMPACT allows me the time to focus on running my business, knowing that I will receive quality apprentices and superb HR support” Mulberry Square – Craig Johnstone, MD

“We were very impressed with how quickly IMPACT set up our apprenticeship scheme” 3M – Ammer Ishoque, E-business Manager

“I would highly recommend IMPACT Apprenticeships to all employers, their support has been highly beneficial to Broom Leys and we are looking to build on this in the future” Robert Prior – Head of Broom Leys school, Coalville

“If I had to choose an employer for apprentices, I would choose IMPACT every time” Central College Nottingham – Operations Manager Katrina Woodward

“When I employ an apprentice it will be an IMPACT Apprentice” Loughborough MP, Nicky Morgan

“IMPACT Apprenticeships have provided relevant support to me when I needed it. They responded very fast to any requests I made or any queries I’ve had, with efficiency and professionalism.” eMarketing Apprentice – Jared Pickering

SEAC Apprenticeships Case Study

Organisation: SEAC Ltd (South East Apprenticeship Company part of KEITS Training Services Ltd)

Contact: Irene Hoare – Business Manager

Address: Unit C, Houndswood Gate, Harper Lane, Radlett, Hertfordshire WD7 7HU

Date of visit: 7th March 2013

Nature of business: Not for profit apprenticeship training agency

Number of employees: 5 full time and one part time employed directly by SEAC, can increase capacity by utilising KEITS Training Services Ltd.

Main purpose of the business: To engage companies around the value and benefits that apprenticeships can offer a business, either to develop growth and talent or build on the current workforce. Identify areas in an organisation where
apprenticeships can be utilised and to offer a full recruitment and employment service of apprentices.

**About SEAC:** SEAC have been going since April 2010 and were one of the initial companies funded by the Skills Funding Agency, they see themselves as an innovative service for employers and apprentices and is one of several Apprenticeship Training Agencies (ATAs) throughout England. They operate across the South East and aim to create 1,600 apprenticeships in the region by 2013, benefiting businesses and young people, aged 16 - 24, alike. "SEAC allows employers of all shapes and sizes to engage with Apprenticeships without employing them directly. SEAC removes all of the bureaucracy and red tape from the employer, allowing them to concentrate on their business whilst up-skilling their workforce."

**Apprenticeships:**

- help harness new talent and fill skills gaps e.g. where there is an ageing workforce, new technology
- provide you with a flexible workforce
- motivate your workforce - eager, flexible and loyal young people who bring in fresh/new ideas
- provide a cost effective staffing solution

**SEAC:**

- employ the apprentice - you enjoy the benefit, we take the risk
- carry out the recruitment process at no cost to you
- provide you with work ready apprentices interested in your sector

As well as offering the full service from recruitment to employment and support and management through the life of the apprenticeship they are happy to work as a recruit and introduction service for businesses too. They currently work closely with over 40 colleges across their region to ensure the delivery of the apprenticeship is right for the apprentice and the business. They seek out the best solution by identifying the location of both the apprentice and business with the right training provider and they cover all occupations and will search the whole of the UK if a local or existing training provider is not currently delivering the apprenticeship identified. There are 4 key players in providing and delivering SEAC apprenticeships.

1) **Host Company** – Connecting and working with the employer to identify the right apprenticeship requirements across the business.

2) **Apprentice** – Selecting and recruiting the best candidate that fits for the business and apprenticeship.

3) **Training Provider** – Either through existing relationship or identifying excellence in their area working with the right training provider to deliver the apprenticeship and work with the host company to deliver a smooth and professional programme is critical.
4) SEAC – The management, linking and connecting all the parts together to provide a seamless service and support to the apprentice and host company throughout the life of the apprenticeship.

How SEAC works:

They are a one-stop shop covering all aspects of Apprenticeships. They remove all the risk and hassle of taking on new recruits - from initial advice to actual placements

SEAC’s services include:

- A consultation with your company to agree the role of an apprentice or apprentices
- Screening and interviewing of potential candidates
- A shortlist of the most suitable applicants for your job role
- Setting up government-funded training for the apprentice
- Employing the apprentice direct - you don't need to worry about payroll, tax, National Insurance, administration and performance management
- Flexibility - if things change, you can choose not to continue with the apprenticeship
- Full support of a dedicated Apprenticeship Support Consultant for the duration of the placement
- Training and support provided by a local, quality assured training provider

Barriers and challenges:

- Employer engagement - Lack of understanding and knowledge with employers
- Larger organisations – if not part of HR initiative then educating other areas of a business can be challenging
- The willingness of employers to take on apprentices, either due to bad experience, lack of faith in current day apprenticeships or don’t see value to their business

Opportunities:

- Marketing – by providing a service which enables businesses to gain a better understanding of apprenticeships – telemarketing, networking events, Chamber of Commerce, through local authorities and success stories
- Increase the retention rate of apprentices by working closer and supporting the apprentices and businesses to overcome issues
- Sustain and grow current offering and engaging with more businesses to develop existing and new programmes
- Develop a closer link with schools for students to understand all options and future career opportunities
Increase the profile of SEAC across the whole of its geographical area – currently very good in Kent
Opportunities of working/partnering with other ATA’s (accredited only or going through accreditation) and sectors or training providers to provide a stronger offering.

What has helped most to getting to where you are today?

- KEITS Training Services Ltd in April 2012 providing financial commitment, additional admin, resource and office space to enable SEAC to keep trading. The KEITS CEO support and belief that SEAC’s offering is worth committing to.
- Not targeting specific areas and becoming a specialist provider for a sector, by working across sectors it means the offering is due to understanding and identifying the businesses needs and supporting their requirement going forward
- Working in partnership with training providers – started with 9 providers in Kent and now have a broad enough range of apprenticeships and providers to support all areas of business.
- High and consistent conversion rate to full time employment in excess of 90%, this is believed to be heavily down to the support and service provided by SEAC
- Placing 26 Learning Support Assistants in Education sector, over 30 in Bucks Local Authority and working with the Northampton based Mercedes Petronas Team to provide their apprentices.
- £1500 age grant is now accessible
- SEAC’s staff responsiveness to the learning curve in covering a broad and diverse area.

What has hindered you the most to getting to where you are today?

- Lack of promotion and marketing of ATA’s as a viable support to business for apprenticeships by NAS, national and local government and education
- Businesses lack of knowledge and willingness to learn how an ATA can support the growth of talent within their business
- Parents mind set around apprenticeships being a viable option for their kids further education and career.
The Apprenticeship Training Agency (ATA) model is intended to promote and support the delivery of a high quality Apprenticeship Programme involving employers who wish to use the services of an ATA to source, arrange and host their Apprenticeships. This could be for a number of reasons including them not being able to commit to employment for the period of the full framework, short term restrictions on employee numbers, or the uncertainty about the value of an Apprenticeship.

NAS/Skills Funding Agency encourages all ATAs to work with and support smaller employers to help them hire and employ apprentices in their businesses.

The ATA will not replace the traditional model of Apprenticeship delivery based on direct employment of the apprentice, into a permanent job role, by an employer and linked to high quality training delivered by an accredited training provider.

The ATA is designed to create new Apprenticeship opportunities not to displace existing programmes.

As with traditional Apprenticeships a focus of the ATA will be progression into permanent employment, whilst there is not necessarily a guarantee of a permanent job at the end of the Apprenticeship, the offer to support on progression opportunities as the Apprenticeship nears the end should make this the most likely outcome.

**Purpose of the Framework**

The framework is intended to help all those involved in an Apprenticeship delivered through the ATA model make a judgement as to the extent to which their experience is reflecting the best practice available. For ATAs to be listed on the National Approved Register of ATAs they will need to demonstrate to NAS/SFA that they are able to operate in accordance with the framework.

It sets out the core features which underpin the ATA model and gives examples of the behaviour apprentices, employers, training providers and others should expect to see.

Aspects of the ATA delivery model will be regulated through the normal work of bodies such as the Employment Agency Standards Inspectorate, Ofsted and Awarding Bodies. The framework will set out standards against which other interested parties can make judgements. The National Apprenticeship Service will review the model as part of its wider responsibility for Apprenticeship development and quality.
Key Features

1. An ATA is a business whose core functions are the sourcing of employers and candidates interested in engaging with Apprenticeships, leading to the employment, training and development of apprentices. Under the model the apprentice will be hired out to host employers who provide the productive employment, key to the Apprenticeship. Training will be delivered by an SFA contracted training provider. ATAs may also impact on growth in traditional ‘directly’ employed Apprenticeships and/or offer ‘recruitment only’ or Access to Apprenticeship programmes that are designed to ease both candidates and employers into apprenticeship take-up.

2. An ATA will always aim to contribute to a high quality Apprenticeship experience. To ensure this they will make the quality of the apprentices’ working and learning experience central to all they do, working closely with training providers and host employers.

3. An ATA will focus on the creation of new Apprenticeship opportunities with employers who wish to benefit from using the ATA model to engage an apprentice(s). They should complement, not displace Apprenticeships directly employed by an individual employer.

4. An ATA will agree clear terms and standards with all the employers, providers and apprentices with which they work. These terms and standards should underpin the delivery of a high quality Apprenticeship.

5. ATAs must be aware of and comply with all relevant employment law and regulation including those appropriate to Employment Agencies and Employment Businesses where these apply.

Key behaviours associated with an ATA

1. An ATA is a business whose core function is the employment and development of apprentices. Under the model the apprentice will be hired out to host employers who provide employment key to the Apprenticeship. Training will be delivered by a Skills Funding Agency (the Agency) contracted training provider. This can be recognised by the ATA:

   • Being a separate legal entity established to recruit and employ apprentices with the intention of hiring them out to host employers to support the Apprenticeship. The ATA will have ultimate responsibility for the welfare, health and safety, learning and employment of the apprentice.

   • Operating a business model that offers sustainability over the longer term and is based on a commercial charge on the host employer and in some instances on the training provider. Income should not be dependent on SFA participation funding which must be used in adherence with the Agency terms and conditions and solely support the delivery of training.
• Having clear and robust systems to support their role as an employer. The workforce will include 16-18 year old apprentices, an age group that requires greater support and structure. The systems should reflect this as well as the nature of the operating model.

• Offering full time employment of the apprentice as the norm. Part time employment is only available in limited circumstances based on the individual apprentice’s personal circumstances. There will be a contract of employment giving clarity around all aspects of their employment. The contract length should ensure the individual has sufficient time to complete the Apprenticeship with scope for an extension to allow for any delay. An apprentice must not be employed under any form of self-employment.

• Agreeing a wage in conjunction with the host employer which must be at least the legal minimum Apprenticeship wage currently set at £2.65 per hour (as of 1st Oct 2012). In line with the ATA delivering a high quality Apprenticeship they should not be promoted as a minimum pay model.

• Ensuring clarity on responsibilities as an employee set out for the apprentice in some form of handbook or guidance document.

2. An ATA will always aim to contribute to a high quality Apprenticeship experience. To ensure this they will make the quality of apprentices’ working and learning experience central to all they do. This can be recognised by the ATA ensuring;

• Where appropriate there should be independent advice and guidance (IAG) for the apprentice before embarking on a framework.

• The host employer(s) will offer the apprentice productive employment which supports the Apprenticeship framework. The majority of the apprentice’s time should be spent in productive employment with a host employer not through simulated work place activity.

• That the host employer’s vacancy should be clear from the outset and where possible offer productive employment for the length of the Apprenticeship. Given that a feature of the ATA is that it allows employers who cannot commit for the full period to engage with Apprenticeships there will be examples where the offer of productive employment is for part of the length of the Apprenticeship.

• Where it is clear from the outset that the vacancy cannot offer the range of productive tasks or the full period of the Apprenticeship then the ATA (working with the training provider) should agree a combination of host employers to offer a structured Apprenticeship programme.
• Where there is an interruption in employment with a host employer, there is an agreed period of continued employment with the ATA whilst suitable alternative arrangements are made with an appropriate host employer.

• An Apprenticeship Agreement is in place covering all aspects of the training and including all parties (apprentice, host employer, provider and ATA).

• Training provision supports the employment opportunity offered by the host employer (the Apprenticeship should be based on the job role not on the training available).

• The length of the programme should support the beneficial outcomes associated with Apprenticeships, including those gained from working in productive employment. ATAs will encourage the development of Apprenticeships driven by good Apprentice training practice.

3. An ATA will focus on the creation of the new Apprenticeship opportunities with employers who wish to benefit from using the ATA model to engage an apprentice(s). They should complement not displace directly employed Apprenticeships. This can be recognised by the ATA having;

• A clear rationale for the services offered that they are able to share with employers.

• A close working relationship with organisations currently engaged in the promotion of Apprenticeships to employers. This will include the National Apprenticeship Service, colleges and independent training providers, Sector Skills Councils, National Skills Academies and other organisations.

• A clear engagement strategy and engagement criteria to secure host employers. There will be a focus on ensuring employers both understand, and are committed to Apprenticeships and to supporting the apprentice for the period of the Apprenticeship.

• Clear systems to ensure that host employers can give necessary and appropriate support to the apprentice during their Apprenticeship.

• A focus on engagement with employers looking to recruit into future jobs rather than on employers who use the ATA as a source of temporary agency staffing or offering temporary work experience.

• Systems in place that allow the host employer to recruit the apprentice directly during the period of the Apprenticeship should the opportunity arise and subject to payment of a fee at least equal to the income expected from the hosting placement should it run to completion.
• A focus on securing employment for the apprentice at the end of the Apprenticeship. This could be with the host employer, other employers linked with the ATA or through support on job search by the ATA.

• Systems in place to ensure that those applying for an ATA Apprenticeship are encouraged to maintain their search for an Apprenticeship if not successfully placed with a host employer within a reasonable period (including registrations with Apprenticeship Vacancies and other sources).

4. An ATA will agree clear terms with all the employers, providers and apprentices that they work with. These terms should reflect best practice in the delivery of an Apprenticeship. This will be recognised by the ATA having:

Apprentice

• An engagement strategy and criteria to attract suitable apprentices.

• A clear process to recruit suitable apprentices based on a link with real vacancies and training opportunities. The Apprenticeship Vacancies system should be a key feature of the recruitment process.

• A clear process to match suitable apprentices with vacancies and training opportunities. The Apprenticeship Vacancy system can support this process.

• Ensured that the apprentice fully understands the position of the ATA and is clearly aware of the nature of the employment.

• Ensure that the apprentice is clear on the role and responsibilities of the ATA, training provider and host employer and who they should contact for support.

• Ensured that the apprentice is clear about their responsibilities in relation to the Apprenticeship delivery.

• Systems in place so that should a hosting arrangement break down, the ATA should aim to find the apprentice a new host whose business activity compliments the training programme. During any such break the ATA is expected to maintain the employment and training programme for an agreed period. ATAs should have plans and provision to facilitate this.

Host Employer

• A formal agreement in place between the ATA and the host setting out the roles and responsibilities of both parties (there may be some variation depending on the sector and/or employer characteristics). The ATA should have systems in place to withdraw the apprentice where the host does not discharge their roles and responsibilities appropriately.
• Made clear the key role the employer plays in the delivery of the Apprenticeship. The host should understand their role in supporting the apprentice and where necessary be supported by the ATA and training provider to ensure workplace activity is appropriately linked with training.

• Clear agreements in place with host employers to ensure that moves between host employers can be managed. This to include an agreed notice to be given by the host employer.

Training Provider

• A strategy and systems in place for selecting high quality training providers (providers must as a minimum be SFA accredited). Wherever possible associated providers should be named.

• Agreements in place with all associated providers to ensure on roles and responsibilities

General

• Systems in place to monitor the quality of the Apprenticeship experience from the perspective of the apprentice, host and training provider. The ATA should be able to evidence the success of the Apprenticeship programme measured in terms of successful completion and progression into a job.

5. **ATAs must make themselves aware of and comply with all relevant employment law and regulation including those included in the Employment Agency regulations. ATAs will show they have;**

• Clarity on their status in relation to Employment Agency Standards Regulations and the Employment Agency Standards inspectorate.

• Governance structures that will include access to appropriate expert advice.

• Risk strategies that include the position of their apprentices and how they can be best protected.