

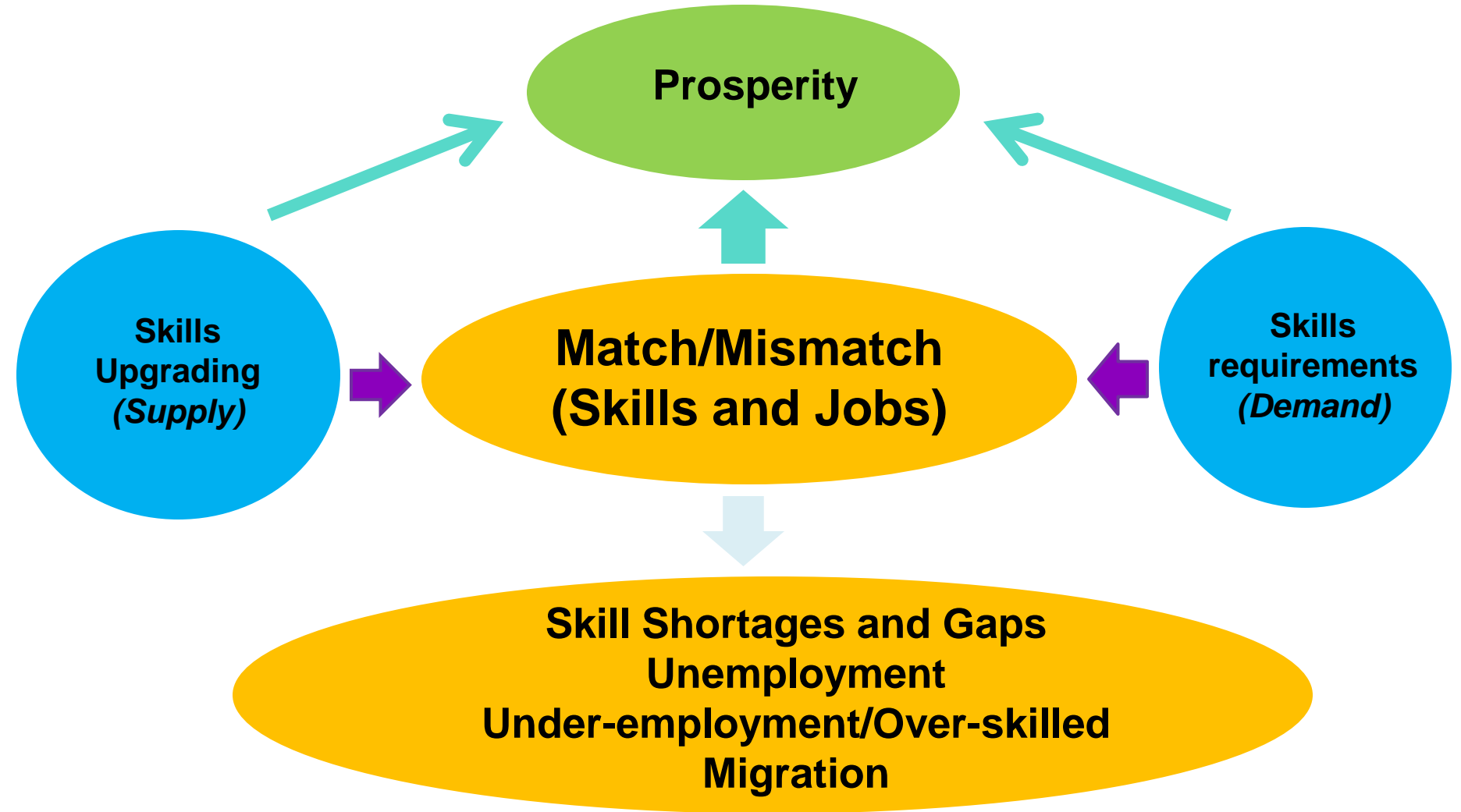
Skills for Jobs

Skills Funding Agency Regional Provider Event
Westminster Kingsway College, London
Friday 7 January 2011

Professor Mike Campbell OBE
Director of Research and Policy

Jobs: Key Headlines

- The economy is ever more **'globally connected'** as is the labour market
- There are, even now, nearly 3 million **more jobs** than 15 years ago But around $\frac{3}{4}$ million less than a year ago. Vacancies are running at c.460,000 per month
- The **recession** has impacted most on young people; the low skilled, lower skilled occupations; and manufacturing
- The **sectoral distribution** of jobs continues to change. 1 in 8 people work in manufacturing; 1 in 5 in hospitality and retail; and more than 1 in 4 in education/health/other 'public services'
- The **regional concentration** of the economy and jobs is significant and growing e.g. Nearly a third of England's jobs are in London and the South East
- The **occupational distribution** of jobs is changing substantially e.g. 44% of all jobs now are management, professional and associate professional/technical jobs
- But don't forget **'replacement demand'** due to **ageing** and occupational mobility

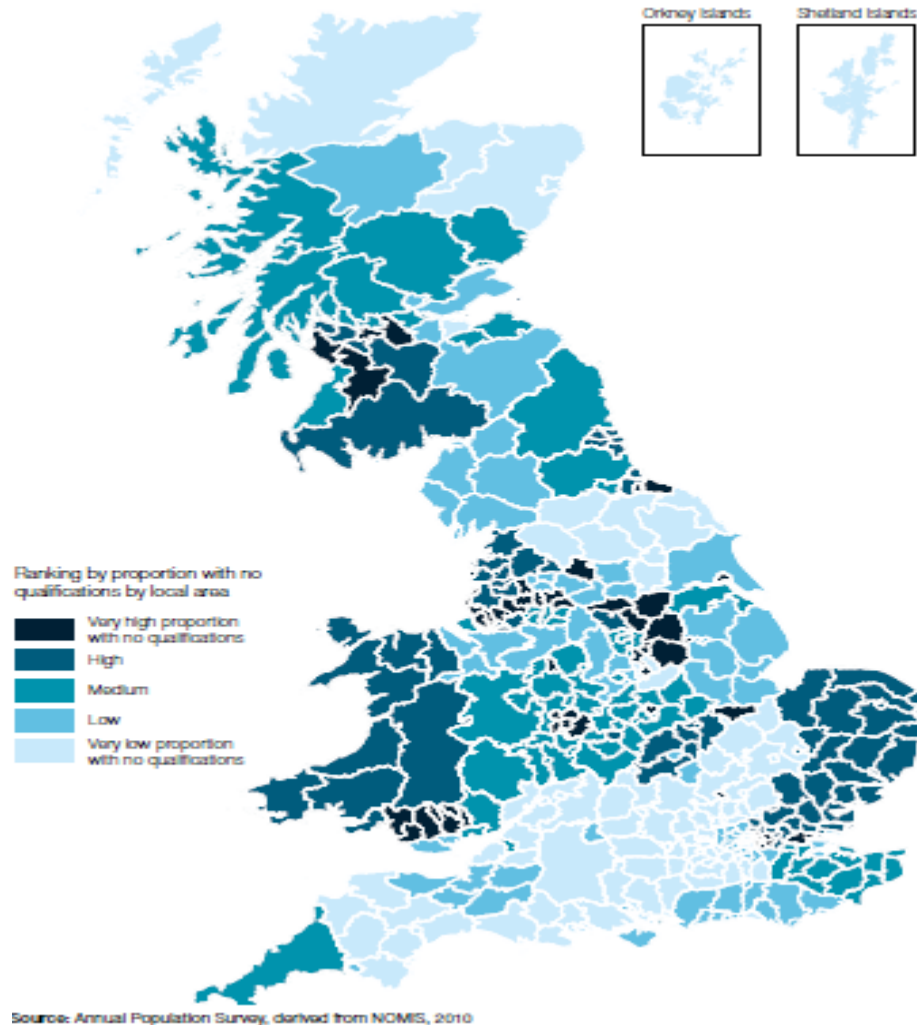


Skills: Today and Tomorrow

(1) The Domestic Position

	2008		2020 Projected attainment		
	%	Number	%	Number	
Level 4+	31	11,179	42	16,399	44% increase in last 10 years and 46% in next 10
Level 3	20	7,082	19	7,599	
Level 2	20	7,201	20	7,723	
Below Level 2	17	6,130	14	5,428	26% reduction in last 10 years and 34% in next 10
No quals	12	4,083	5	2,144	

Skill Rich and Skill Poor Areas



Skill poor areas in England

- Parts of Lancashire, Greater Manchester and Merseyside
- West Midlands
- South Yorkshire and Hull
- Tees Valley and Durham
- East London and Essex
- Notts, Leicestershire and Northants

Skills: Today and Tomorrow (2) The International Position

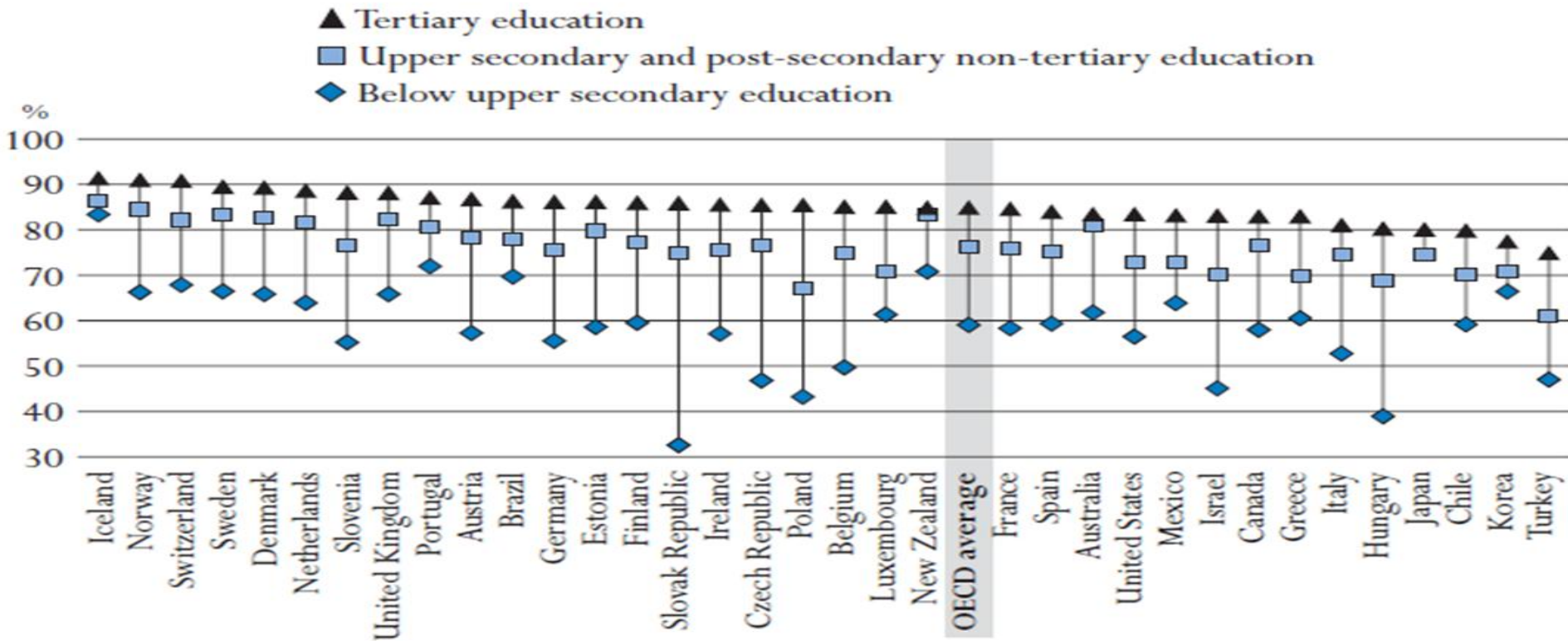
- The UK is, and we expect it in the future to remain, **far from ‘world class’** (Top 8) in comparison to other OECD countries

	Current rank	Expected rank 2020
Low	19	20
Intermediate	21	21
High	12	11

Skills Matter: (1) Employment

Chart A6.1. Positive relation between education and employment (2008)

This chart shows the percentage of 25-64 year-olds in employment, by level of educational attainment.

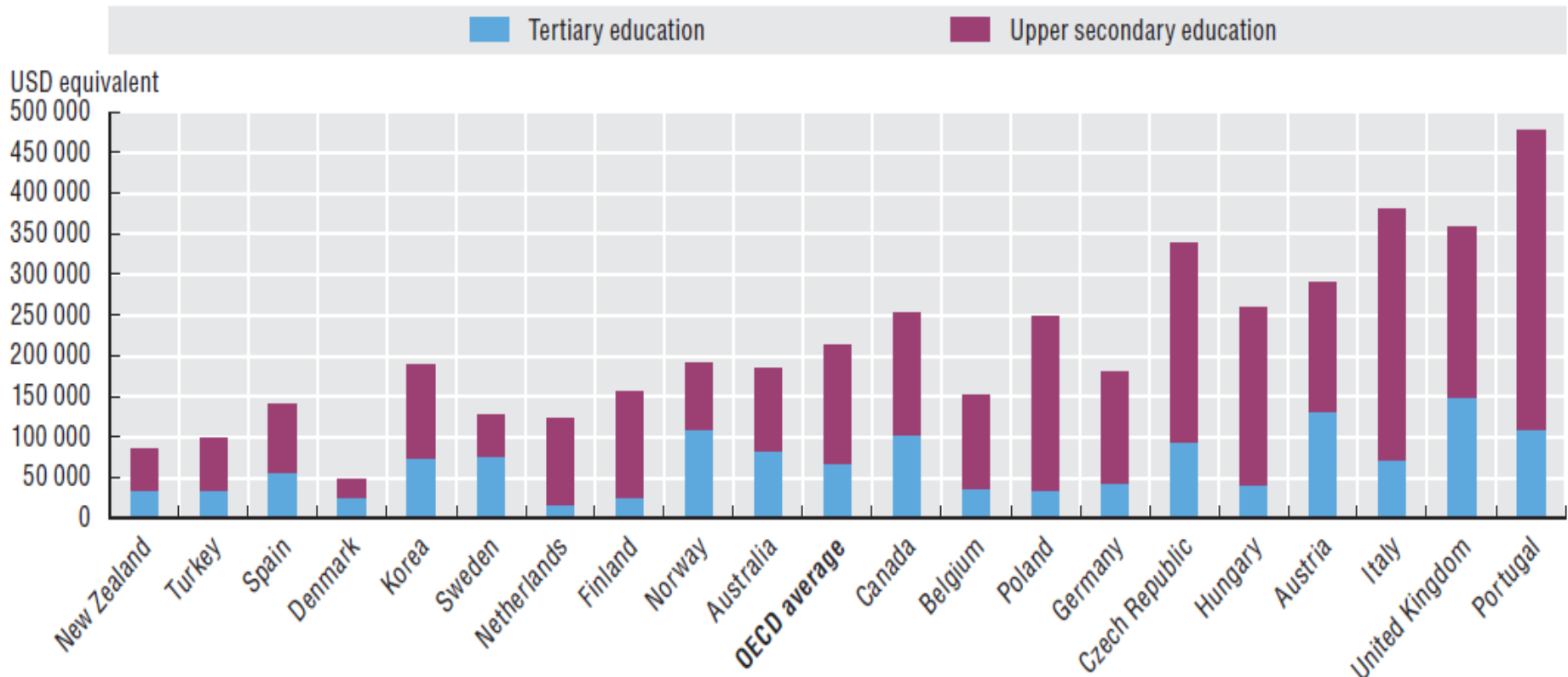


Countries are ranked in descending order of the employment rate of 25-64 year-olds with tertiary education.

Skills Matter: (2) Earnings

Figure 2.5. **Economic returns for an individual from obtaining higher levels of education, 2006**

This figure shows the private economic returns – in the form of net present value – for men obtaining, firstly, an upper secondary or post-secondary non-tertiary education, and, secondly, a tertiary education as part of their initial education.



Our Skill Needs

Jobs: Today and Tomorrow

- **Jobs growth** has been greatest in higher skilled occupations
- **Jobs growth** in the future is most likely within **higher skilled occupations** (managers, professionals, technical occupations) **and** also in **personal service occupations**
- There is likely to be a **particularly significant demand** for:
 - **ICT skills** amongst managers and professionals across a range of sectors (particularly in computing)
 - **STEM** related skills in medical technology and pharmaceuticals
 - **Management** skills across a range of sectors
 - **Technician roles** across a range of sectors
 - Managers and associate professionals in **health and social care**
 - **Frontline service** staff including in social care
 - **Employability/generic skills** and **basic skills**

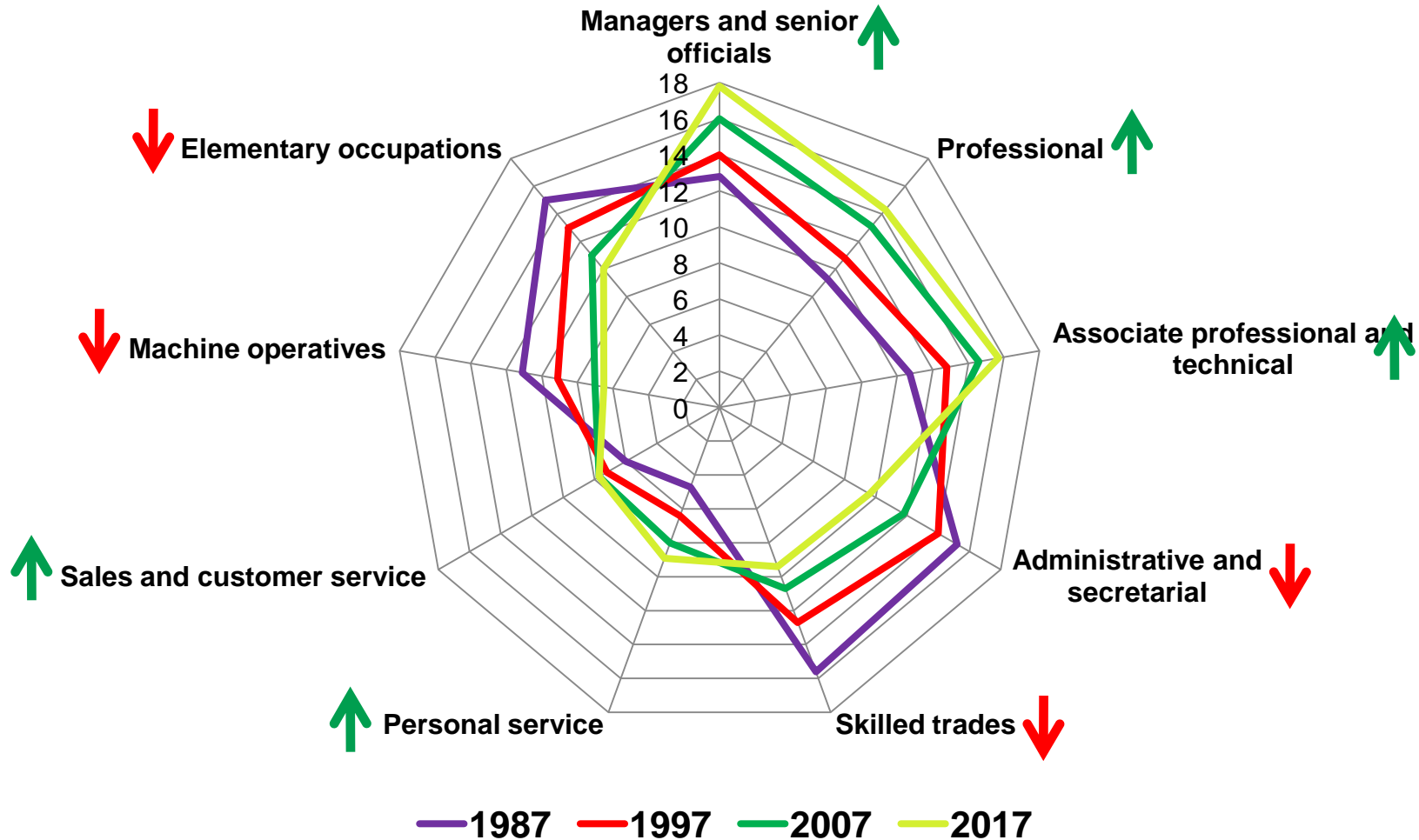
Top 20 Fastest Growing Occupations: 2001-09

Occupation Category	Numbers (2001)	Numbers (2009)	Numerical change	% change since 2001	Main level of qualification
Conservation & environmental protection officers	11,797	26,470	14,673	124%	Level 4
Paramedics	11,101	23,798	12,673	114%	Level 4
Legal associate professionals	24,509	51,250	26,741	109%	Level 3
Refuse and salvage occupations	21,750	44,393	22,643	104%	Below Level 2
Leisure and theme park attendants	11,101	22,471	11,370	102%	Level 2
Town planners	13,886	26,931	13,045	94%	Level 4
Educational assistants	252,358	482,979	230,621	91%	Level 3
Driving instructors	23,265	44,494	21,229	91%	Level 2
Registrars & senior education administrators	25,195	44,210	19,015	75%	Level 4
Purchasing managers	24,415	41,457	17,042	70%	Level 4
Psychologists	20,947	35,080	14,133	67%	Level 4
Undertakers and mortuary assistants	11,157	18,379	7,222	65%	Level 3
Beauticians and related occupations	32,476	53,055	20,579	63%	Level 3
Youth and community workers	70,868	114,992	44,124	62%	Level 4
Senior officials in special interest organisations	17,767	28,385	10,618	60%	Level 4
Housing and welfare officers	110,357	176,173	65,816	60%	Level 4
Aircraft pilots and flight engineers	15,129	24,079	8,950	59%	Level 4
Pharmaceutical dispensers	25,505	40,052	14,457	57%	Level 3
Social service managers	32,201	50,463	18,262	57%	Level 4
Statutory examiners	11,067	17,275	6,208	56%	Level 3

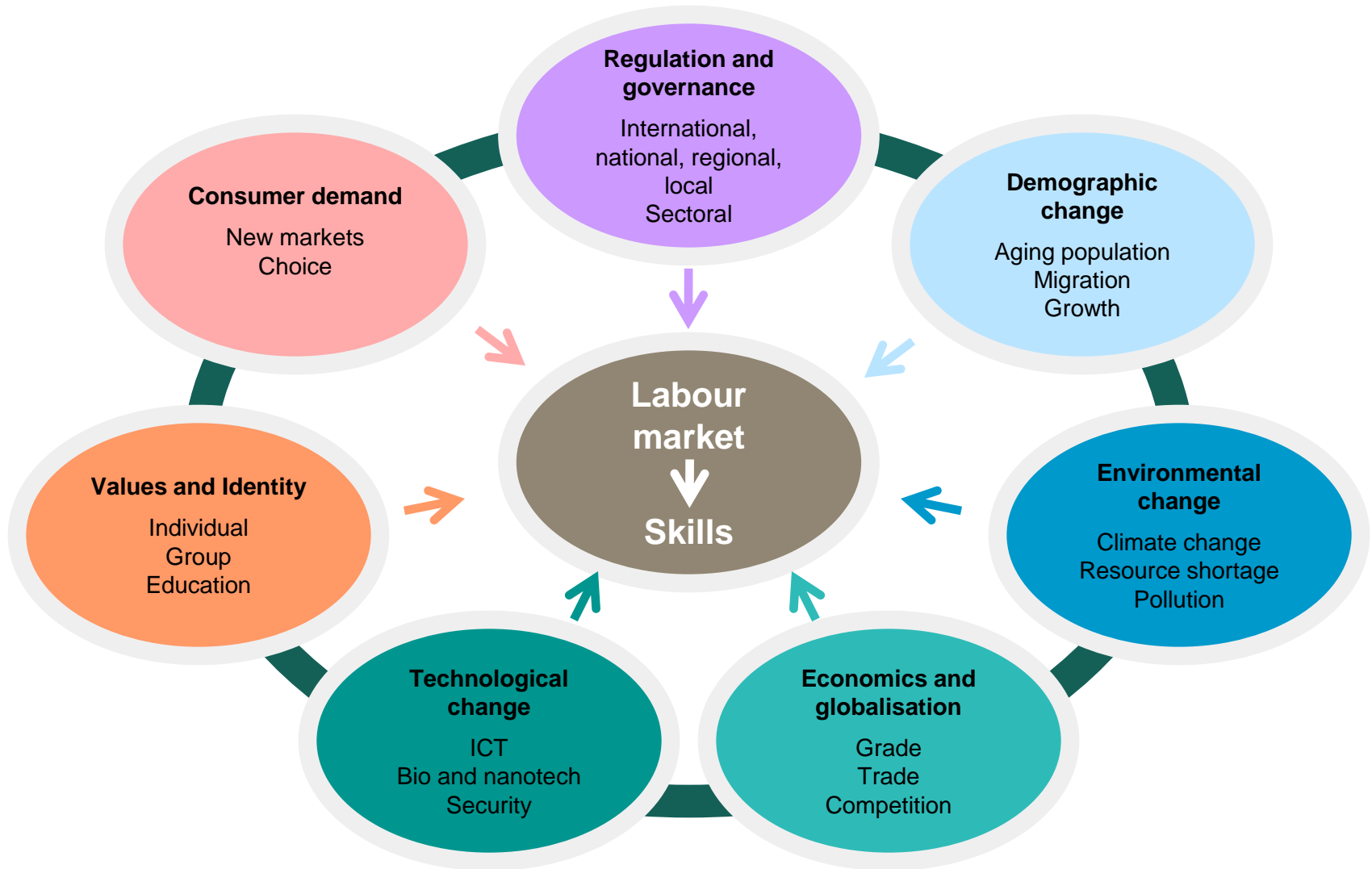
Top 20 Fastest Declining Occupations: 2001-09

Occupation Category	Numbers (2001)	Numbers (2009)	Numerical change	% change since 2001	Main level of qualification
Assemblers (electrical products)	108,076	33,885	74,191	-69%	Level 2
Collector salespersons and credit agents	26,735	9,794	16,941	-63%	Level 2
Assemblers (vehicles and metal goods)	68,745	26,556	42,189	-61%	Level 2
Typists	36,682	15,189	21,493	-59%	Level 3
Bookbinders and print finishers	36,266	15,385	20,881	-58%	Level 3
Metal making and treating process operatives	27,732	11,910	15,822	-57%	Level 2
Metal machine setter and setter-operators	94,580	40,708	53,872	-57%	Level 3
Telephonists	49,581	22,090	27,491	-55%	Level 2
Precious instrument makers and repairers	35,907	16,348	19,559	-54%	Level 3
Sewing machinists	74,480	35,757	38,723	-52%	Below Level 2
Tool makers, tool fitters and markers-out	35,691	17,136	18,555	-52%	Level 3
Printing machine minders and assistants	34,098	18,060	16,038	-47%	Level 2
Telephone salespersons	93,014	52,020	40,994	-44%	Level 2
Rounds(wo)men and van salespersons	35,300	20,092	15,208	-43%	Level 2
Plastics process operatives	69,596	39,492	29,898	-43%	Level 2
Textiles and garment trades occupations	59,261	35,492	23,769	-40%	Level 3
Quality assurance technicians	20,705	12,450	8,255	-40%	Level 4
Shopkeepers, wholesale and retail dealers	204,638	123,516	81,122	-40%	Level 2
Glaziers window fabric and fitters	59,255	36,397	22,858	-39%	Level 2
Metal working machine operatives	110,029	67,626	42,403	-39%	Level 2

Changes in the UK's Occupational Structure: 1987 to 2017



The Drivers of Change



Current Mismatches between Skills and Jobs in England



- **Skill shortages** relatively small; **skill gaps** larger – primarily at ‘intermediate’ skill levels
- **Unemployment** and **under-employment** even larger – the under-employment of higher skilled people is possibly substantial
- **Migration is especially significant in some occupations/sectors at high/intermediate and low skill levels:** a ‘balancing’ force but, for how much longer?
- Most **mismatches** are **occupationally, sectorally and geographically specific**

Skills Requirements: Raising Ambition, Raising Demand

- Skills are, in the end, a ‘derived’ demand: we need more **‘economic pull’**
- Demand depends on:
 - **Level** of economic activity/growth
 - **Balance** of economy
 - **Business strategy**: Management, Leadership and Skill Utilisation
- We need a much **more highly skilled workforce**
But we also need many **more high skill jobs for them to do**

Priority RED

High priority skill needs with scale and/or long lead time –
for immediate action

Occupation and/or skills	Level	Key sectors, industries or specialisation
Corporate Managers across many sectors	4+	Retail, business services, computing, digital media, finance and professional services, health and social care, education, public administration and hospitality
Managers and professionals with computing and software skills	4+	Especially in harnessing the potential of new media, effectively delivering multi-platform content, successful operation of networks, exploitation of broader ICTs in manufacturing , and in the service sectors
Health and social care professionals	4+	Medical specialisms such as audiological medicine, genitourinary medicine, haematology, paediatric surgery Pharmacists Qualified social workers
Science and technology professionals	4+	Pharmaceutical and medical technology industries Traditional and advanced manufacturing Low carbon and environmental sciences - with a wide range of specialisms including biology, chemistry, physics, mathematics and statistics
Teaching and research professionals	4+	Across further and higher education, especially teacher educators. Major requirements in all science, technology, engineering and maths areas, and an emerging need for multi-disciplinary teachers and researchers across scientific, technical and business areas

Priority RED

High priority skill needs with scale and/or long lead time –
for immediate action

Occupation and/or skills	Level	Key sectors, industries or specialisation
Health and social care associate professionals	3+	Many areas of nursing, including operating theatres, neonatal, and intensive care units Many areas of therapeutic care
Associate professional and technical roles in manufacturing	3+	Widespread and extensive shortages in oil, gas, electricity, nuclear, chemicals, pharmaceuticals, automotive, engineering and broadcasting.
Skilled trades in construction	3	Persistent and increasing shortages for fully qualified craftsmen in building, electrical trades, plumbing, joinery, heating, ventilation and air-conditioning, together with specialist skills in prefabrication construction, cross-trade skills and specialist sub-skills (e.g. roofing)
Care assistants, esp. care for children and the aged	2-3	Persistent and increasing shortages of trained care assistants, including greater understanding of ICT to use modern diagnostic systems, and support people using assisted living technologies.
Customer service roles in retail and hospitality	2-3	Potential future shortages of scale across most parts of the service sector, including retailing, after-service and maintenance roles, especially related to the manufacturing and digital economy sectors, plus the hospitality, tourism and leisure sectors.

Priority PINK

High priority skill needs though less critical, smaller in scale, or shorter lead times

Occupation and/or skills	Level	Key sectors, industries or specialisation
Procurement, commissioning and financial management skills	3-4	Across a range of private sector industries, and key parts of central and local government
Innovation skills in medical/healthcare markets	4	Management skills necessary to develop innovation processes to apply existing products for new products and services to the medical and healthcare markets
Financial services senior managers	4	Within financial services sector, improved risk management, skills, ethics and influencing skills for senior managers
Intellectual property and data security management	4	Particularly in the digital economy and advanced manufacturing, the ability to commercialise user-generated innovations and develop new revenue stream through the exploitation of intellectual property
Food technologists	4+	For the food manufacturing and processing industries, and parts of the biotechnology sector, to safeguard quantity and quality of food supplies
Urban planners and actuaries	4+	For the professional and financial services sectors – demand is relatively low, but lead time is long
Science and engineering professionals & technicians	4+	Scientists and engineers with specialist expertise in low carbon energy generation for large scale projects in the engineering construction sector and energy generation industries

Priority AMBER

High priority skill needs of moderate scale and time frame
with less critical impact

Occupation and/or skills	Level	Key sectors, industries or specialisation
Chartered civil/mechanical engineers	4+	For large scale national and international construction projects in the engineering construction sector
Investment advisers	4	In the financial services sector, where such roles now require a Level 4 qualification and a sufficient supply is essential to strengthen process, improve service delivery, and restore trust in the sector,
Associate professional and technical roles, and skilled trades, in many sectors	3-4	These include chefs, graphic designers, paraprofessional roles in the public sector, especially the health sector. Also advice workers, counsellors and community development workers for victims of crime or substance abuse
Change managers with staff engagement skills	4	Managers in sectors affected by recession or public spending cuts, to support a process of successful change to improve efficiency and effectiveness, and retain staff engagement through a period of substantive change
Sports coaches	3-4	Demand is increasing in response to increased interest in active leisure pursuits stimulated by the Olympics, and required to support a national drive to improve health and wellbeing.
Continuing demand for low skilled jobs	2	The Commission expects that up to 25% of jobs will still require only relatively low skills (though level 2 will increasingly become the norm) in retail, hospitality and care sectors.

The 10 Key High Level Messages from the Skills Audit

1. **High quality intelligence** is crucial to better inform decisions – by Providers, Individuals and Employers
2. **Skills for jobs** matter – we need economically valuable skills
3. **Demand for skills** matters as much as supply of skills
4. **Workplace ambition**, organisation, and development matter
5. **Migration** matters
6. **Sectors and geography** matter
7. **High level skills** and jobs matter
8. **Intermediate skills** and jobs matter
9. **Generic, employability** and **basic skills** matter
10. **Low skills jobs matter**: they will not disappear (still around 20%-25% in 2020?)

London

- High level skills
- Employability skills
- Apprenticeships in key growth sectors
- Leadership and Management
- Progression routes for the low skilled
- Sustainable employment and progression

General

- Alignment between 'supply' and 'demand' at all levels
- IAG/LMI
- Key growth sector needs
- Disadvantaged groups/localities

Recent Relevant Developments

<p>General</p>	<ul style="list-style-type: none"> • Government commitment to public information as drivers of choice, quality and responsiveness to learners/labour market needs • Changed balance of funding between state, individuals and employers
<p>Employers</p>	<ul style="list-style-type: none"> • Raising employer ambition – Role of UKCES and Sector Skills Councils in challenging employer ambition for, and investment in, skills. • New £50 million Growth and Innovation Fund (GIF) supporting best market solutions – to overcome obstacles to employer-led innovation to raise skills in sectors. The Fund will pump-prime and pilot new initiatives developed by businesses to increase the contribution skills makes to growth in their sectors, e.g. through professional standards, occupational licensing, levies, Investors in People and other ‘collective’ measures. Prospectus in February
<p>Individuals</p>	<ul style="list-style-type: none"> • All Age Careers Service, supported by high quality LMI and public course level information on wage gain, destinations, career paths etc to enable individuals to make more informed choices • Skills Accounts and FE income contingent loans
<p>Providers</p>	<ul style="list-style-type: none"> • Public Information to help inform choice and drive up quality across FE, WBL, ACL and HE. Course level information will be published from next year building on Unistats in HE to produce Key Information Sets (KIS) and building on Framework for Excellence in FE/ACL/WBL to produce FE Public Information data • Institutional performance scorecard in development including extent to which FE providers meet local community needs • Flexibility of provider budget lines to enable more responsive provision