AWAZ Cumbria

Social Justice - Equality - Enterprise

Engaging BME Businesses into Apprenticeships in Cumbria

Research Report

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June 2012

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Engaging BME Businesses with Apprenticeships in Cumbria

A research report prepared for the National Apprenticeship Service

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1. Introduction

This report is the result of a community-based action research project funded by the National Apprenticeship Service (NAS) through the Business Development Fund from the Department of Business, Innovation and Skills. AWAZ Cumbria was commissioned by NAS in October 2011 to both conduct a survey among BME businesses and facilitate networking opportunities between businesses and apprenticeship training providers.

The aim was for better understanding of the perceptions within BME businesses across Cumbria about apprenticeships. The project concentrated upon promoting and stimulating demand for apprenticeships within BME businesses and to generate additional apprenticeship opportunities for BME individuals across Cumbria.

2. Context

The project was conceived through AWAZ Cumbria's on-going work with BME groups and individuals across Cumbria who experience difficulties in accessing a range of services. AWAZ found their client group were often underrepresented in the uptake and benefits of many projects and initiatives. This can be explained in part by a lack of timely information, lack of networking opportunities and perceived or actual barriers, particularly those in living in rural Cumbria.

The BME population and BME businesses are concentrated in mostly urban areas across the North West, which allows communities to provide mutual support and access to programmes such as 'Apprenticeships'. In rural areas, however, the more sparse distribution of people and businesses from BME backgrounds - with maybe only one household or business in a village or town - can lead to isolation and a lack of support. Moreover, in rural Cumbria where the number of BME businesses is less and the apprenticeship providers are few, giving support to them is perceived to be less of a priority for the providers.

In the Learning and Skills Council report: *Understanding the impact of ethnicity on perceptions of workplace skills and training in the North West of England* (2009: iv) it was found that "A higher proportion of BME employers had not received information/advice about training compared with White Other and White British / Irish owned businesses; and 39% of BME businesses had not heard of any of the three schemes (Apprenticeships, Train to Gain, or Skills Pledge) compared with 16% of White British / Irish owned businesses."

In the North West the BME population generated £1.66bn for the region's economy, with 19,000 BME owned businesses and 104,000 people from BME communities in the region's labour market (NWRDA, 2006).

According to mid-2010 estimates, Cumbria has a total population[1] of 494,400. There are an estimated **4.9%** of Cumbria's population who are members of BME groups compared to **16.7%** nationally and 8% in the North West. South Lakeland has the

[1] Cumbria Observatory: http://www.cumbriaobservatory.org.uk/Population/peopleandpopulation.asp

highest proportion of people from BME groups in Cumbria at **6.3%** while Copeland has the lowest at **3.7%.**

The BME businesses in Cumbria are making significant contributions to the local economy in terms of job creation and employment, and they are key contributors to local economic growth. The social enterprise, voluntary and community sector is still in the early stages of its development.

Therefore, identifying the perceptions of BME employers in Cumbria about apprenticeships, and providing information, networking and support to engage them more in apprenticeships seems particularly important.

3. Aims and Objectives of the Project

- To promote and stimulate demand for apprenticeships with BME businesses across Cumbria and generate additional apprenticeship opportunities.
- To provide information and facilitate provider networking
    - 1 BME business networking event
    - 25 BME employers to be fully informed of the apprenticeship offer
    - Report on apprenticeship perceptions and action plan

To achieve these objectives AWAZ Cumbria carried out this pilot action research project over 6 months.

AWAZ Cumbria exists to empower the voice of Black and Minority Ethnic (BME) people and communities in Cumbria; Working with people to improve their quality of life and social mobility, Supporting community development initiatives and partnerships, Delivering training, engagement and enterprise solutions for all sectors and providing public policy advocacy.

4. Methodology

The methodology comprised a mixed method approach based on participatory action research. The aims were to identify and engage BME businesses, social enterprises, and voluntary and community sector organisations across Cumbria in a supportive and empowering process of sharing information, identifying their perception about apprenticeships, and barriers in accessing training and development for their workforce.

The target audience for this project was 25 BME businesses. This small research sample was intentional as it allowed for outreach and one to one contact with employers; as there is a significant gap in knowledge of BME businesses' needs across Cumbria, this was seen as the most effective approach. The principle of action research methodology underpins this project.

4.1 Data Collection

In order to incorporate insight and knowledge from this research into the wider research on work based learning, an initial planning meeting was held between the

Cumbria Work Based Learning Providers Forum, Cumbria Chamber of Commerce, Cumbria Intelligence Observatory and the researcher coordinator who is the Development Officer of AWAZ Cumbria.

Stage 1: Mapping of BME businesses and Questionnaire design

AWAZ Cumbria carried out the mapping of over one hundred businesses in diverse sectors across Cumbria. In order to compare and contrast BME businesses and their mainstream counterparts, a joint questionnaire was developed by a steering group made up of members of WBLP Forum, Cumbria Chamber of Commerce and AWAZ Cumbria. Using this questionnaire, a business survey was undertaken during March and April 2012.

Stage 2: Action

The survey questionnaire was circulated to over one hundred BME businesses by post and electronic means, followed up by phone calls and in person meetings; provision of additional information about the Employer Incentive (AGE 16 to 24) Apprenticeship Grant for Employers of 16 to 24 year olds (AGE 16 to 24); and signposting to training providers.

A networking meeting for BME Businesses in South Cumbria was held on 12 March 2012 at Kendal to provide an opportunity for BME Business owners to share their experiences and perceptions about hosting the apprentices and identify their support needs.

The findings of this report have been informed by feedback received from this event, one-to-one meetings, and the analysis of survey questionnaires. This last was undertaken by the Cumbria Intelligence Observatory from data on apprenticeship activity and data from official sources and provides economic context for the project.

Stage 3: Networking with providers

As a follow up activity of the BME business survey, the BME employers were provided with the information and opportunity to network with major apprenticeship providers in North Cumbria at an event called *Pathways to Employability*, an Open Day on 8 May 2012 organised by AWAZ Cumbria in partnership with Riverside Housing. The aim of this event was to assist members of BME communities in their social mobility.

4.2 Ethical Issues

The research coordinator and writer of this report is a Development Officer of AWAZ Cumbria, employed to provide capacity building support to BME social enterprises and voluntary and community sector organisations, public policy advocacy and support to BME individuals in their social mobility. His work has been focused on capacity building of 3rd sector and public policy advocacy. This piece of research enabled new insight into identifying needs and perceptions of BME businesses, and

will help in extending the knowledge base for policy making, economic development and provision of appropriate training for the growth of BME businesses.

The Cumbria Intelligence Observatory, Cumbria Chamber of Commerce and Cumbria Work Based Learning Providers Forum have worked together for the first time with AWAZ Cumbria to look into the needs of BME businesses. In order to extend the research on the diversity characteristics of business owners and their employees, for the first time questions on employer's equality characteristics were included in this study's business survey and analysis was done to identify trends among BME businesses as compared to other businesses.

In order to gain informed consent, all participants were provided with the information upfront with an explanation of the survey was about, who was undertaking it, why it was being undertaken and how it would be published and presented (BSA guidelines, 2002), and their agreement for the use of their perceptions in the final research report. Participation was voluntary; the questionnaire was structured to ensure authenticity and verification of data. In order to secure anonymity, privacy and confidentiality, no names of businesses were used.

5. Findings

The usual definition of a BME led business is one where more than 50% of directors, partners or owners are from BME heritage, but for the purpose of comparative analysis with all businesses involved in the survey as part of this research, it was agreed that a BME led business would be defined as such if any of the directors, partners or owners were from BME heritage. Using this definition, 26 responses came from BME led businesses, representing 9.9% of the total responses. Forty-nine respondents said they employed BME heritage employees, representing 18.6% of the total sample (22.1% of those who provided a response to the question). These 49 respondents employed an average of 3 BME heritage employees each. The overall findings of the survey are contained in the Cumbria Skills & Apprenticeship Survey (2012:3) and key findings from BME businesses are extracted and presented below - for further details please see appendix 1.

However, care should be taken over interpretation of these results due to the small number of BME business respondents.
Below is the summary of the key findings from the BME employers' perspectives noted as part of this research, literature review, networking with Cumbria Work based Learning Provider's Forum and Cumbria Skills and Apprenticeships Survey (2012);

- There is no data available from training providers and National Apprenticeship Services on the number of BME businesses currently employing an apprentice across Cumbria.
- There is no data available from training providers and National Apprenticeship Services on the number of BME apprentices currently undertaking an apprenticeship and employed by any employer across Cumbria.

- Forty two respondents (16%) said they employed people on Government funded apprenticeships (none of them BME led businesses).
- Larger businesses were much more likely to employ apprentices than smaller ones, with 50% of those with more than 250 employees employing apprentices compared to 10.6% of those with 5-19 employees. None of the BME businesses in Cumbria fall into the category of a large business.
- BME led businesses were twice as likely to report skills gaps as other businesses, with 8 out of 10 saying this was the case.
- Among BME led businesses with skills gaps, team working (63.6%) was the skill mentioned the most, followed by customer handling (50.0%). Translation/interpretation, problem solving and written communication were also more likely to be mentioned by BME led businesses than others.
- Almost a third (31.3%) of businesses reported current vacancies at the time of the survey, with BME led businesses more likely than average to report current vacancies (52%).
- Amongst those businesses with current vacancies, more than half said they were proving hard to fill, rising to over 90% of BME led businesses (a note of caution here because of the small sample size).
- Businesses with hard to fill vacancies were then asked why they thought they were proving hard to fill. Three quarters said it was because there were too few applicants with the required skills (91.7% of BME led businesses with hard to fill vacancies).
- BME led businesses were more likely than average to select experienced workers, apprentices and workers from overseas as one of their preferred recruitment pools.
- BME led businesses were significantly less likely than non-BME led businesses to agree they could find the skills they need locally, with fewer than 20% agreeing/strongly agreeing that this was the case, and half disagreeing or strongly disagreeing.
- BME led businesses were more likely to say they often have to recruit from outside the area, 40% of them agreeing/strongly agreeing with this statement, compared to 25.1% of non-BME led businesses.
- There is little evidence of businesses recruiting from overseas with fewer than 10% saying they agreed/strongly agreed with this statement. Even among BME led businesses (who had previously said they were more likely to recruit from outside the area) the proportion agreeing with this statement was relatively small.
- BME led businesses were much less likely than non-BME led ones to agree they knew where to go to access quality assured training – 30.8% agreeing/strongly agreeing with the statement, compared to 65.8% of non-BME led businesses.
- There were no major differences in the ranking of skills/qualities by BME led businesses and non-BME led ones, although BME led businesses were more likely to mention customer handling, management and foreign languages.
- BME led businesses were more likely to say their employment of young people had decreased in the past 12 months than non-BME led businesses and in the case of the BME led businesses, there was a net decrease with

more businesses reporting a decrease than increase (which was not the case for non-BME led businesses).

- Despite this trend for BME led businesses in the past 12 months, a higher proportion in this group felt they would employ more young people in the next 12 months than in the non-BME led group, 36.4% v 26.4%. However, more BME led businesses also felt the number would decrease (18.4%) than was the case for non-BME led businesses (4.3%).
- BME businesses showed strong agreement that Government support and incentives would encourage them to get more involved in employing and training young people (88.5%) and also that better quality of training would help (84.6%).
- BME led businesses selected the local FE college as a place to go for advice the same as non-BME led businesses, but there were some differences with the other options. BME led businesses were more likely to select Jobcentre Plus than non-BME led businesses (30.8% v 23.3%) but less likely to select the Chamber of Commerce (3.8% v 23.8%), Inspira (11.5% v 29.1%) and NAS (7.7% v 25.1%). Whilst only 3.5% of non-BME led businesses said they didn't know where they would go for advice, 15.4% of BME led businesses said this.

Conclusions and Recommendations

Although the number of BME businesses taking part in this survey was small by design, caution should be taken in interpreting the findings from the survey for future policy interventions.
The findings of this research did, however, provide us with a snap shot of BME employers' perceptions about apprenticeships and the need for development of their workforce.

- We know that there are 2,940 young people (aged 16-24) claiming JSA in Cumbria in May 2012, 910 young people (16-18 year olds) in Cumbria classified as NEET (2011 estimate), and 5,290 apprenticeship starts in 2010/11, (Cumbria LEP, 2012). However, we don't know how many of them are from BME backgrounds.

- The majority of BME businesses participating in this survey have shown their interest in apprenticeship by hosting an apprentice or offering opportunities for their existing staff to take up apprenticeships.

- The majority of BME businesses in Cumbria are small to medium enterprises.

- This research finds that existing methods and mediums of engagement with BME businesses in Cumbria used for promoting apprenticeships by training providers and other organisations responsible for skills and economic development activity are not effective.

On the basis of the analysis of the results of Cumbria Skills and Apprenticeships Survey (2012, see appendix 1), and from the feedback and conversations with BME employers it is recommended that:

- There is a need for sustainable and trusted channels of communication for business advice, support, information and needs identification within the BME business and social enterprise sector;
- There is an urgent need for provision of baseline ethnic monitoring data on the current number of BME businesses hosting apprentices and the number of BME individuals undertaking apprenticeships in Cumbria by National Apprenticeship Service to help training providers and other stakeholders to identify gaps in the provision of their offer and services. This would also help in advancing equality and tackling underrepresentation in apprenticeship take up among BME businesses and individuals;
- There is an urgent requirement for all stakeholders such as the Cumbria Chamber of Commerce, Apprenticeships training providers e.g. members of Cumbria Work Based Learning Forum, involved in developing policy, projects and initiatives for economic development in Cumbria, to identify and recognise the needs of BME businesses and make their provisions accessible and easy to reach for BME communities;
- There is a need for development of a pilot project in Cumbria to create a network of BME businesses and social enterprises to enable their participation in mainstream initiatives for growth, skills and economic development in Cumbria;
- The National Apprenticeship Service and training providers need to work more closely with BME social enterprises and businesses to engage them in apprenticeships, and advertise the apprenticeships' opportunities via BME networks and community groups.

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Appendix 1

Cumbria Skills & Apprenticeships Survey

June 2012

Prepared for: **Cumbria Work Based Learning Forum**
National Apprenticeship Service
AWAZ Cumbria

Prepared by: **Ginny Murphy**
Cumbria Intelligence Observatory

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1. Executive Summary and Key Findings

1.1 Background & methodology

In February 2012 the Cumbria Work Based Learning Provider Forum secured funding from the National Apprenticeship Service Business Development Fund for apprenticeship research and sector targeting activity. The first phase, an apprenticeship research project, aimed to develop a clear understanding of current and future employer skills requirements in order to inform a strategy for apprenticeship growth across Cumbria.

The Cumbria Intelligence Observatory undertook baseline analysis of data on apprenticeship activity and also drew on data from official sources and in order to provide economic context for the project. Alongside this, Cumbria Chamber of Commerce, WBLP Forum members and AWAZ Cumbria undertook a business survey in April 2012 using a questionnaire agreed by the Steering Group.

1.2 Executive Summary

Cumbria is the second largest county in England with a population of almost half a million and 25,800 VAT/PAYE registered business units. These general £7,927m in gross value added for the Cumbrian economy. In GVA terms, Cumbria's economic performance has been variable and GVA per filled job remains stubbornly behind the UK average. To some extent, this is reflective of the economic structure of the county which has proportionately fewer people and businesses engaged in high value activities. Despite this, Cumbria's manufacturing sector has held up relatively well during the current economic difficulties and still accounts for one in eight employees in employment in the county. Health, retail and hospitality are also key employment sectors but have experienced some difficulties during the recession.

Economic projections suggest that there will be a slow, steady recovery from 2013/14 onwards and that much of this will be replacement of employment in health, retail and hospitality, sectors which have all lost employment in recent years. Decommissioning at Sellafield will have a negative impact on employment in the manufacturing sector and in business services. The construction sector, which has lost over 1,500 FTEs in the past 5 years, should experience recovery when the planned GSK expansion in Ulverston comes on stream and will have a massive boost if nuclear new build is confirmed, although it will be towards the end of the decade before construction jobs at either of these developments are created and they will have a limited timespan.

Young people are having an especially difficult time in the current economic climate. Almost 3,000 under 25s are claiming JSA in Cumbria and they are twice as likely to be unemployed as the population as a whole. It is therefore crucial that they are equipped with the skills and attitudes to maximise opportunities that do arise. A key finding of the survey conducted for this project, as well as research conducted for other partners, is that businesses need young people to have the social skills and attitudes necessary for the world of work. They are prepared to equip them with job related skills but positive attitude, oral communication, team working, social skills etc are deemed essential for young people to gain employment and businesses don't believe it should be their responsibility to develop those.

Against this backdrop, it is a positive finding that 5,290 young people started apprenticeships in 2010/11, 67% more than 2 years previously. Key sector growth areas for apprenticeships were retail and adult social care whilst business admin and hospitality were consistent major

providers of opportunities. This is against a backdrop of falling employment in these sectors, although they are projected to show growth when economic recovery finally begins. The retail sector especially had a major expansion of apprenticeship starts at a time when employment in the sector overall has been severely hit. It is interesting to note that 4 out of 10 retail sector businesses in the survey expressed the view that apprenticeships didn't apply to their business, which appears to run counter to the data on apprenticeship starts and perhaps suggests that opportunities are being created in a sub-set of the sector and not across the board.

Overall, businesses in the survey showed strong interest in providing work experience and other development opportunities for young people. More specifically they expressed the aspiration to recruit apprentices, although this was not always borne out by practice and a quarter of businesses felt apprenticeships didn't apply to them. More Government support and incentives, together with more relevant qualifications, were cited as key in converting interest in the employment and development of young people into more direct involvement. The challenge for Work Based Learning Forum members is to find ways of doing this.

1.3 Key Findings – economic overview

- The potential workforce in Cumbria (employed + unemployed) is 240,000;
- Cumbria's working age population is projected to fall by up to 25,000 in the next decade;
- Manufacturing employs almost 35,000 people in Cumbria;
- Health, retail and hospitality are also major employment sectors;
- The past decade has seen large falls in employment in retail, the public sector, banking & insurance and food & drink;
- Growth over the next decade is projected to be based around a limited recovery of employment in hospitality, health, retailing;
- Expansion at GSK and potential nuclear new build would bring major demand for construction employment;
- School and workforce qualifications in Cumbria are similar to the UK;
- Almost 3,000 young people in Cumbria are claiming JSA;
- Young people are twice as likely as average to be unemployed;
- Almost 1,000 young people are classified as NEET;
- There were 5,290 apprenticeship starts in Cumbria in 2010/11, 67% more than 2 years earlier;
- Retail, business admin, adult social care and hospitality were the biggest sectors for apprenticeship starts in 2010/11;
- There has been a major increase in retail and adult social care apprenticeship starts in the past 3 years but a fall in science, engineering & manufacturing and in construction.

1.4 Key findings – business survey

- A quarter of businesses said they thought their employment of young people would increase in the next year, against just 5% who thought it would fall;
- 16% of businesses in the survey employed apprentices;
- 50% of large businesses (250+ employees) in the survey had apprentices, compared to 11% of small businesses (5-19 employees);
- A fifth of businesses employ people in jobs without training, mostly the over 25s;
- 40% of businesses are experiencing skill gaps;
- Skills reported to be lacking were technical & practical skills, management skills and customer handling skills;
- 32% of businesses had current vacancies, over half of which were proving hard to fill;
- The key reason given for hard to fill vacancies was that there were too few people with the required skills;
- A fifth of businesses say they can't find the skills they need in the local skills pool;
- Businesses expressed a clear desire to recruit apprentices but this aspiration was not borne out by practice;
- Positive attitude and oral communication were the two main skills/qualities businesses thought were essential for young people;
- Team working and social skills, as well as literacy and numeracy skills also featured highly on the list of desired skills for young people;
- A quarter of businesses felt that apprenticeships don't apply to their business;
- Only 4 out of 10 businesses believe that young people have the motivation to work in their business;
- Retail & wholesale businesses were most likely to say that apprenticeships don't apply to their business, four out of ten saying this;
- Accommodation & food, IT and manufacturing businesses were least likely to say that apprenticeships don't apply to them;
- Two thirds of businesses said more Government support and incentives would encourage them to get more involved in employing and training young people;
- Four out of 10 businesses said more relevant qualifications would encourage them to get more involved in recruiting and training young people;
- Half of businesses would go to a local FE college for advice about young people;
- Around a quarter of businesses would go to either Inspira, Jobcentre Plus, NAS or a private training provider for advice about young people;
- Businesses expressed strong interest in providing work experience, talking to students and having student visits to their organisation;
- There was only weak support for mentoring teachers, taking part in enterprise challenges, developing curriculum resources and competitions for students.

2. Background

In February 2012 the Cumbria Work Based Learning Provider Forum secured funding from the National Apprenticeship Service Business Development Fund for a two-phase project covering apprenticeship research and sector targeting activity. The first phase, an apprenticeship research project, aimed to develop a clear understanding of current and future employer skills requirements in order to inform a strategy for apprenticeship growth across Cumbria. This phase included the following areas of activity:

- map current apprenticeship activity;
- primary research into employer perceptions of and future requirements for apprenticeships across Cumbria;
- identification of key opportunities within priority sectors.

In order to maximise project benefits and economies of scale, the primary research funding was combined with funding from the LEP Capacity Fund in order to secure access to existing data and intelligence and to facilitate a larger scale survey than would otherwise have been possible.

3. Methodology

The Cumbria Intelligence Observatory undertook baseline analysis of data on apprenticeship activity available through the Data Service and also drew on data from official sources in order to provide economic context for the project.

Cumbria Chamber of Commerce, several WBLP Forum members and AWAZ Cumbria undertook a business survey in April 2012 via a mixture of telephone, face-to-face and postal methods and using a questionnaire agreed by the Steering Group. Through these various sources, a total response sample of 263 businesses was achieved, covering all sectors and areas within Cumbria. Analysis of the survey was conducted by the Cumbria Intelligence Observatory.

4. Economic context

Cumbria is the second largest county in England covering an area of 6,768 sq km. It is home to 494,400 people and 25,800 VAT/PAYE registered business units generating £7,927m in gross value added for the Cumbrian economy. The composition of the Cumbrian economy has significant variations from the national economy. The world class environment supports a thriving visitor economy with the food and accommodation sector making up 10% of the workforce. Alongside this, the county is home to world class manufacturing on a major scale, including BAE Systems Submarine and the Sellafield nuclear site.

Cumbria's economic performance (measured by GVA) has fluctuated with the county being one of the slowest growing when viewed over the past decade (1999-2009). However, within this period, the county was one of the slowest growing at the start of the decade, recovered to become one of the fastest growing in the medium term, before falling back as the recession took hold in 2008/9. Cumbria's GVA per head of population has consistently lagged behind the UK and stood at £16,012 in 2009 compared to £20,341 nationally (80.1 when indexed). When demographic factors are removed and GVA is expressed per filled job, Cumbria still fares less well with a figure of 80 when indexed against the UK. This is primarily a reflection of the economic profile in the county with proportionally fewer businesses and people engaged in high value activities than average.

Cumbria's business base is made up principally of small and medium sized enterprises with 97.6% of business units employing fewer than 50 employees. The county has a higher than

average proportion of business units in land based industries and in accommodation & food but fewer than average in technology and communication sectors. In 2011 the rate of new registrations for PAYE/VAT in Cumbria was lower than the UK but the rate of de-registrations was also lower, indicating less churn locally. This is supported by the fact that Cumbria also has above average survival rates (3 yrs+) for PAYE/VAT enterprises compared to nationally.

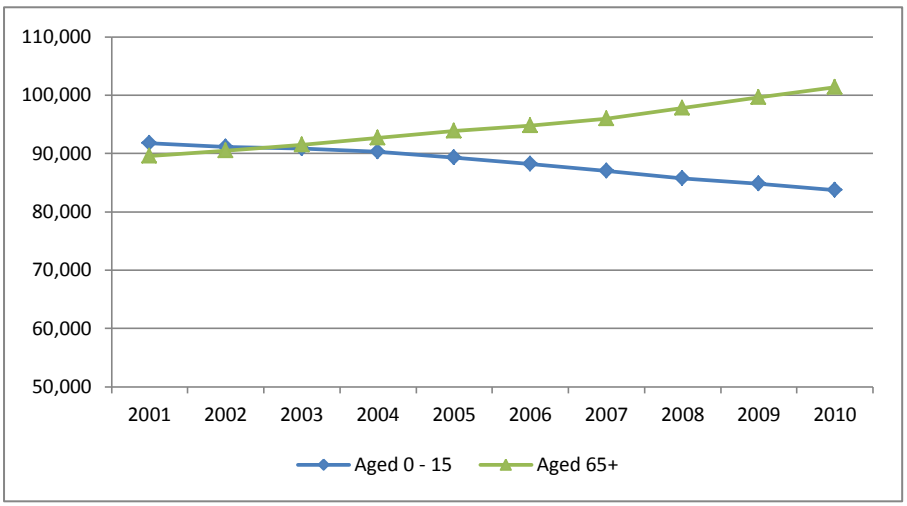
5. Cumbria's labour market

5.1 Population

Cumbria's population in mid-2010 was 494,400. This is a small rise (1.4%) from mid-2001, although there was some variation within the county with Barrow experiencing a small decline (-1.8%) but Carlisle (3.7%) and Eden (3.8%) experiencing larger rises than the county average. Nationally, the population rose by 5.3% between mid-2001 and mid-2010.

Cumbria's working age population (aged 16-64 yrs) in mid-2010 was 309,200 which is 2,800 higher than a decade earlier. However, within this period there was a rise up to 2005 and then a fall from 2007 onwards, although the level is still higher than in mid-2001. In addition to the recent fall in the 16-64 year old population, the number of 0-15 year olds has fallen by 8.8% since mid-2001. Figure 5.1 shows the change in the 0-15 population and the over 65 population, clearly illustrating the fall in the number of young people and the rise in those over 65.

Figure 5.1: Cumbria's 0-15 and 65+ populations, 2001-2010

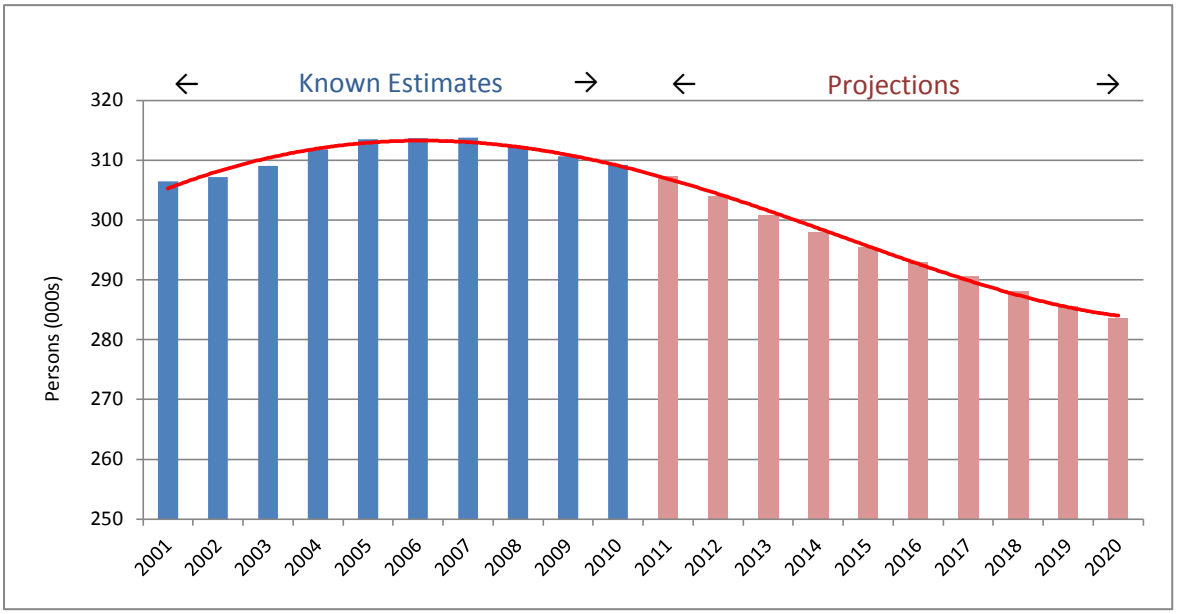


Source: Office for National Statistics

Taking all the demographic factors into account, the population aged 16-64 in Cumbria is projected to fall by up to 25,000 over the next 10 years which will have implications for the labour market and economy as a whole. Some of the impact of the fall in the 16-64 year old population will be compensated for by rising retirement ages for both men and women which will retain people in the labour market post beyond the age of 65 but it remains to be seen how big this impact will be.

Figure 5.2 shows the estimated change in Cumbria's working age (16-64 yrs) population since 2001 and projected change to 2020. The projections have been produced using Cumbria Intelligence Observatory's POPGROUP modelling software and are based on a 5 year migration scenario which takes account of trends observed in fertility, mortality and migration over the 5 years to 2010 with weight given to the 2 most recent years.

Figure 5.2: Cumbria's working age population (16-64), 2001-2010 and projections 2010-2020



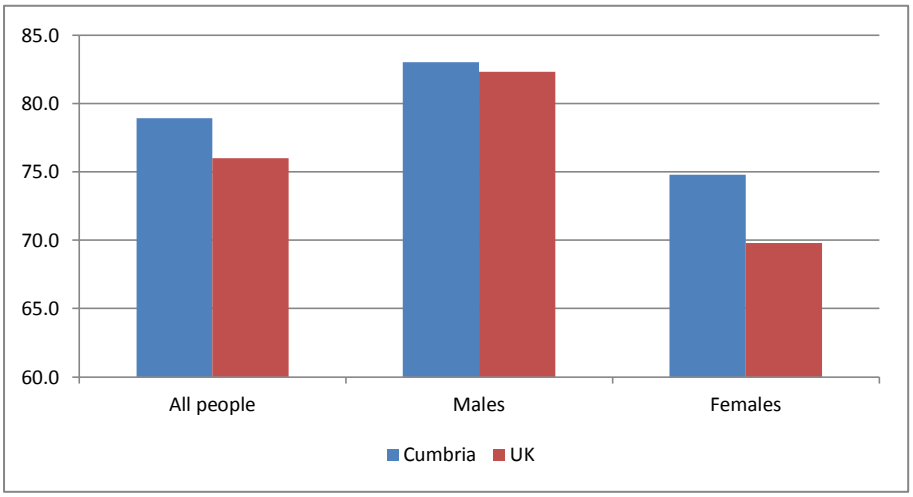
Source: Office for National Statistics & POPGROUP 5 year migration

5.2 Economic activity

Economic activity is a measure of how many people resident in an area are available for work. The category comprises those in work, those claiming out of work benefits and those not claiming benefit but who are actively looking for work. In Cumbria, economic activity levels are good with 78.9% of the working age population classified as active, slightly higher than the national average of 76%. This is largely because economic activity among females in Cumbria is higher than nationally (74.8% v 69.8%).

Based on this economic activity rate, it is estimated that there are currently 240,000 economically active people in Cumbria. As discussed in the previous section, the changing retirement age means that more people will remain economically active after the age of 65 but this is in the context of a reducing population aged 16-64 and the impact on the size of the available workforce is still unclear.

Figure 5.3: Economic Activity Rates, Cumbria v UK



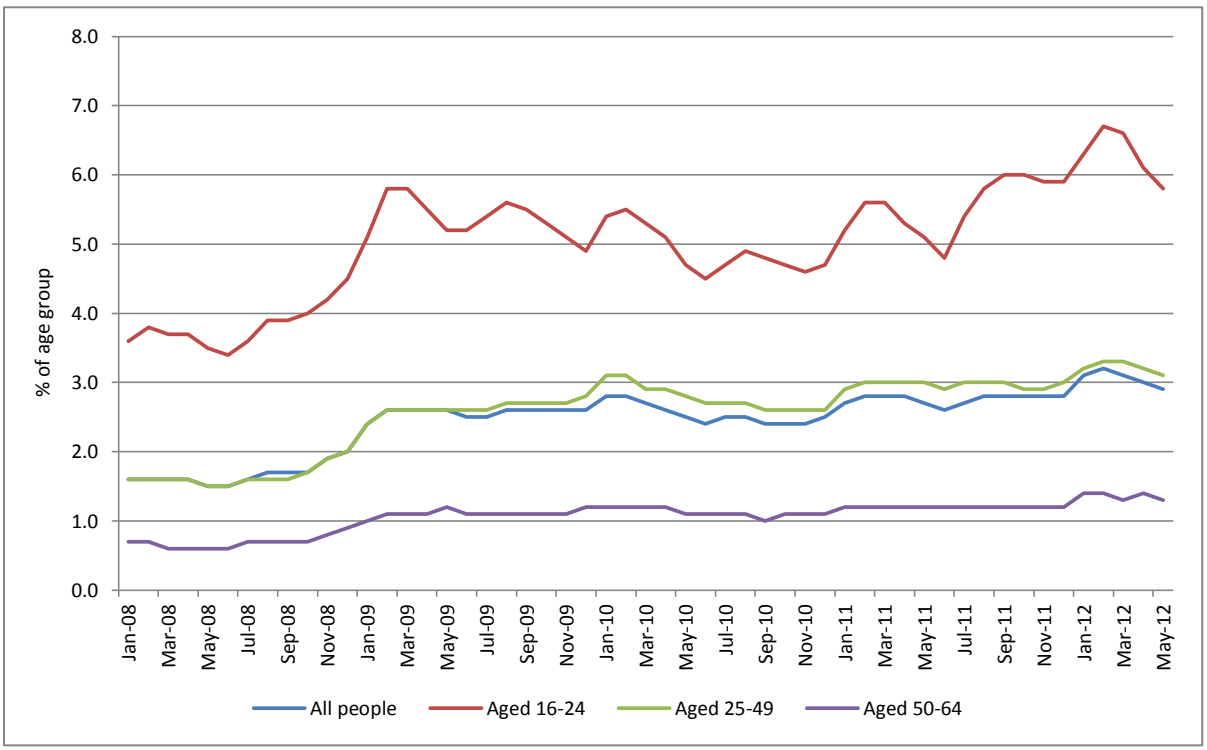
Source: Annual Population Survey, 2011

5.3 Youth unemployment (JSA claimants) & NEETs

There were 2,940 young people (aged 16-24) claiming JSA in Cumbria in May 2012, a third of all claimants in the county. This means that 5.8% of the population in this age group is claiming JSA, double the rate for the adult population as a whole in Cumbria and just below the national rate of 6.1%. Young males are twice as likely as their female counterparts to be claiming JSA (7.9% of males v 3.6% of females).

Figure 5.4 shows youth unemployment rates in Cumbria compared to those for other age groups and clearly demonstrates the challenge facing young people in today's labour market. Plotting the rates over time also shows the effect of the current economic situation with rising rates in all age groups since 2008.

Figure 5.4: JSA claimant rates by age group, Jan 2008-May 2012

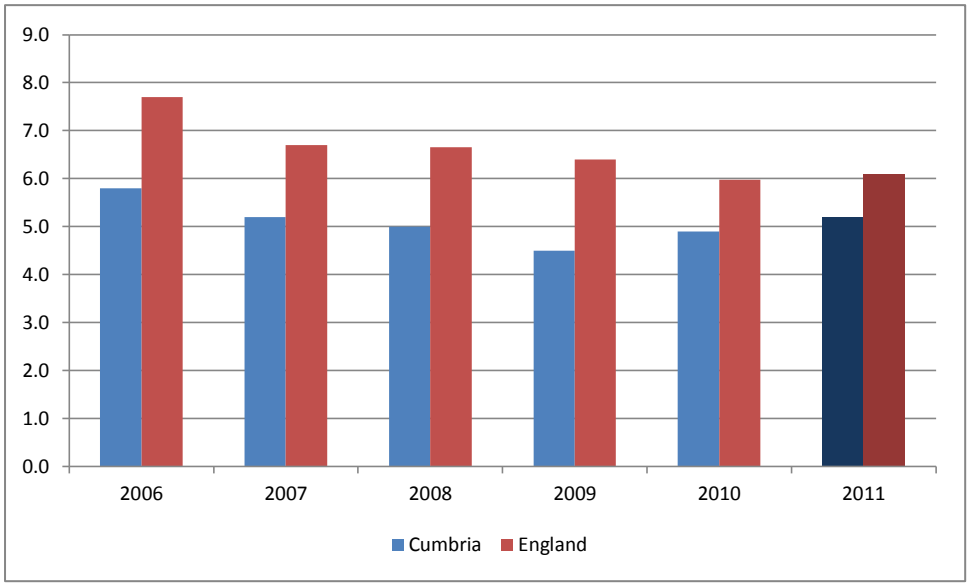


Source: Office for National Statistics

There are several ways of measuring the number of young people who aren't in education, employment or training and for local areas DfE uses rates based on the number of 16-18 year olds known to the local authority plus the number of those who are outside the education and training system. DfE makes an adjustment to compensate for those who are out of contact, although it is accepted this may under-represent the situation in areas where "not knowns" are particularly high.

In 2011 there were estimated to be 910 young people (16-18 year olds) in Cumbria classified as NEET, 5.2% of young people known to the local authority. This is slightly below the England average of 6.1%. The rate is highest among 18 year olds (7.3%) and lowest for 16 year olds (3.4%).

Figure 5.5: Proportion of NEETs in Cumbria and England, 2006-2011



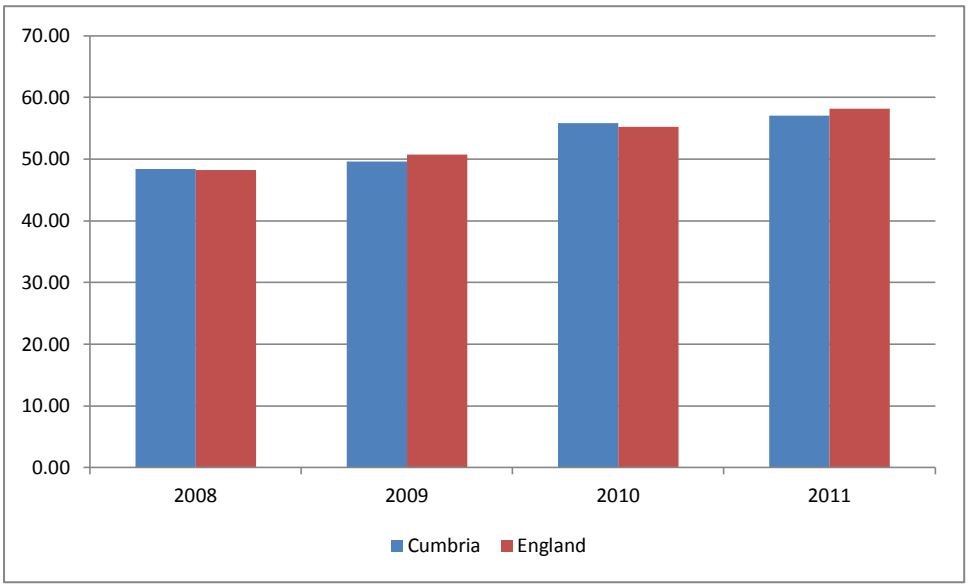
Source: Department for Education

Note: Figures for 2011 are not directly comparable with previous years as they have been calculated based on where the young person lives rather than where they went to school/college and have also been calculated based on academic age rather than school year age as previously.

5.4 Qualifications

Achievements at GCSE level in Cumbria are broadly in line with national averages. In 2011, 57% of pupils achieved 5 or more GCSEs at A*-C including English and Maths. This is slightly below the England average of 58.2% but is up from 48.4% in 2008.

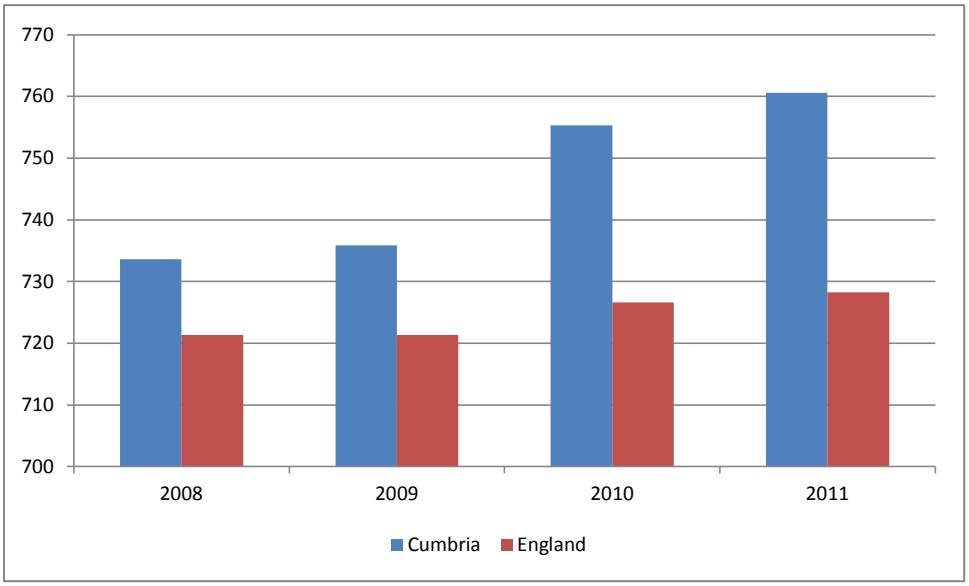
Figure 5.6: Proportion of pupils achieving 5+ GCSEs at A-C, 2008-2011*



Source: Department for Education (state funded schools only)

At A level, Cumbria is also broadly in line with the national average with 94.6% of pupils achieving 2 or more A levels in 2011 compared to 93.6% for England as a whole. The average points score for pupils in Cumbria has risen from 733.6 in 2008 to 760.6 in 2011 and has been consistently above the England average throughout this period.

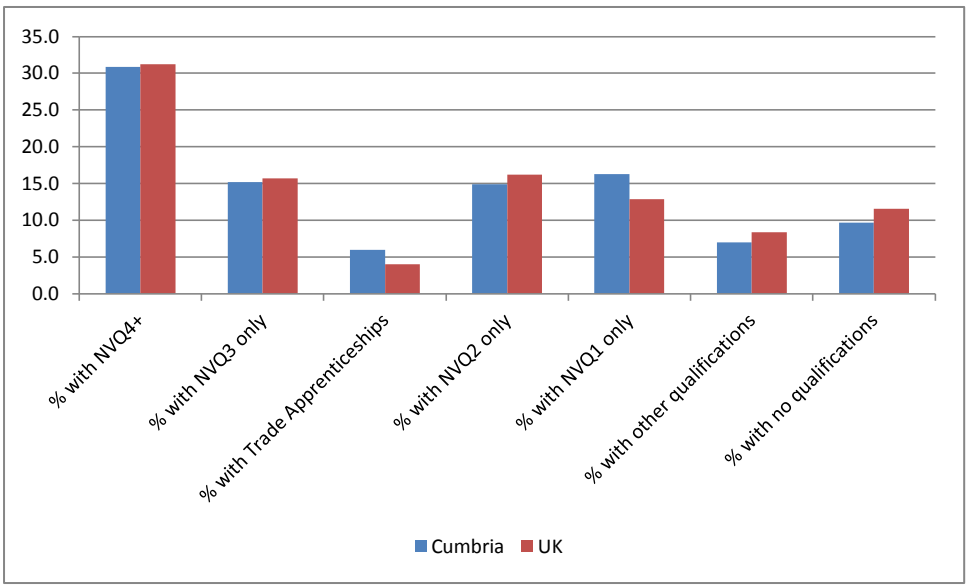
Figure 5.7: Average A level points score per student, 2008-2011



Source: Department for Education (state funded schools/colleges only)

As with school/college performance, for the working population as a whole, Cumbria's qualification profile is similar to nationally, although there is a slightly higher proportion with Trade Apprenticeships which reflects the dominance of the manufacturing sector in the area. There are also slightly more people whose highest level of qualification is Level 1 but this is balanced by fewer with no qualifications or other qualifications.

Figure 5.8: Highest qualification level of the working age population, 2010



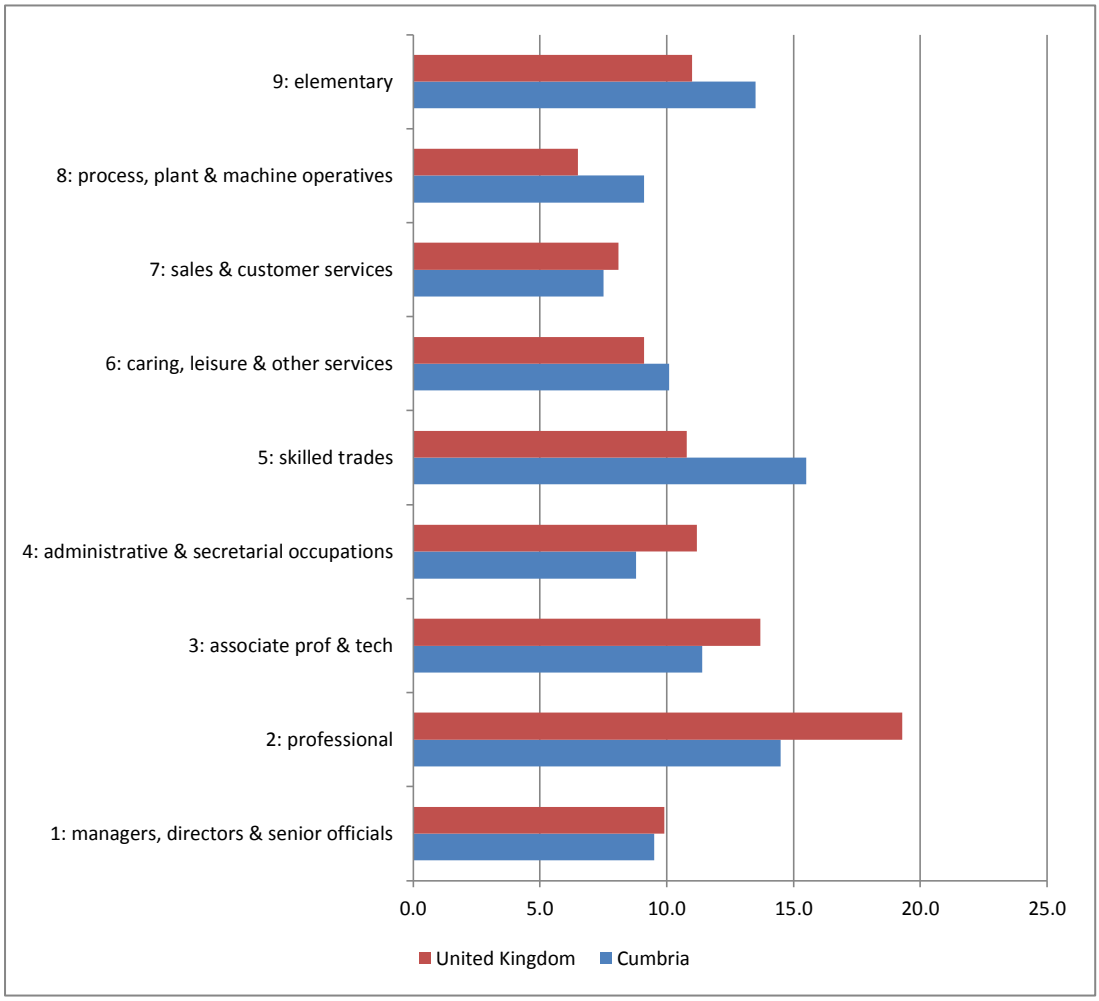
Source: Annual Population Survey, 2010

5.5 Occupations

The Annual Population Survey estimated that there were 234,500 people in employment or self employment in 2011, the highest number of them in skilled trades occupations, closely followed by professional occupations and elementary occupations. Figure 5.9 shows the proportion of the workforce by broad occupation group for Cumbria and the UK. The comparison reflects the differing industrial structures locally and nationally. Cumbria for

example has proportionately more people in skilled trades, elementary occupations and process, plant & machine operatives than nationally and proportionally fewer in professional, associate professional & technical and administrative & secretarial occupations.

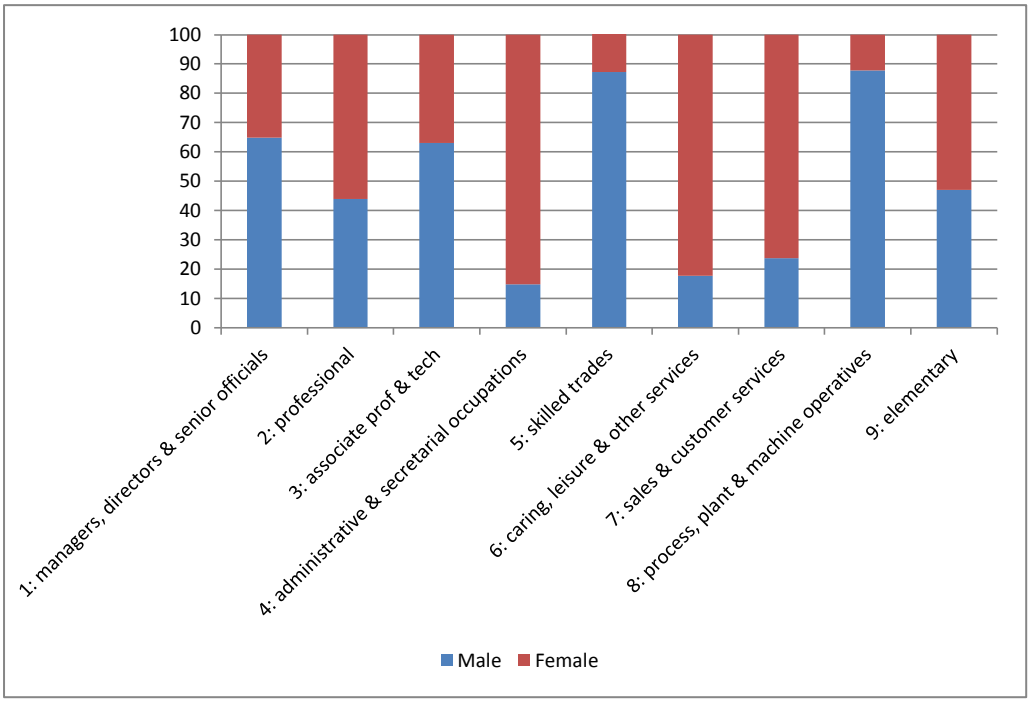
Figure 5.9: Proportion of workforce by occupation, Cumbria v UK



Source: Annual Population Survey, 2011

Figure 5.10 shows the proportion of each occupational group in Cumbria that is male and female. It can be seen from this that some occupations are dominated by one or other gender. Administrative trades are female dominated as are caring & leisure occupations and sales and customer services. Conversely skilled trades and process, plant & machine operative occupations are male dominated.

Figure 5.10: Proportion of occupational group which is male/female, Cumbria

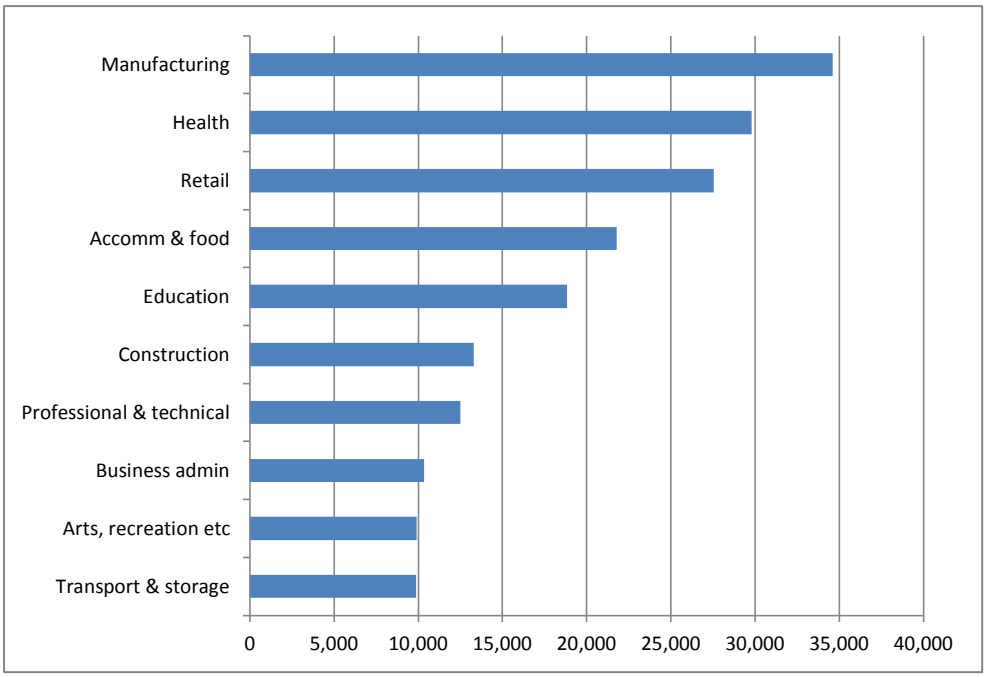


Source: Annual Population Survey, 2011

5.6 Sector employment

There were estimated to be 222,300 employees in employment in 2010 (not including the self employed or agriculture). The highest number of these, 34,600 was in the manufacturing sector, closely followed by 29,800 in health and 27,500 in retail. The following figure shows the top 10 sectors by employment size in Cumbria.

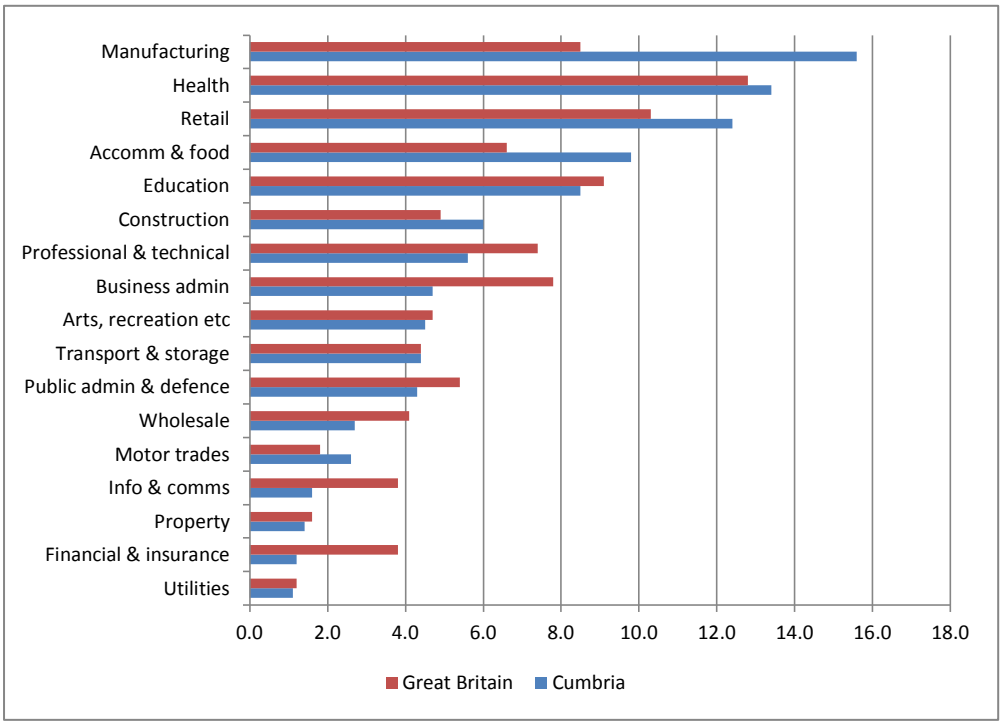
Figure 5.11: Top 10 sectors by employment size, 2010



Source: ONS BRES, 2010

Figure 5.12 shows the relative size of sectors in Cumbria compared to the UK and the county's strength in manufacturing is immediately apparent with Cumbria having almost twice the proportion of workforce in this sector. Cumbria also has a higher proportion of employees in accommodation & food and, to a lesser extent, in retail. Conversely, Cumbria has relatively fewer employees in sectors such as business administration, finance and information & communications.

Figure 5.12: Employees in employment by sector, Cumbria v UK



Source: BRES, 2010

5.7 Employment projections

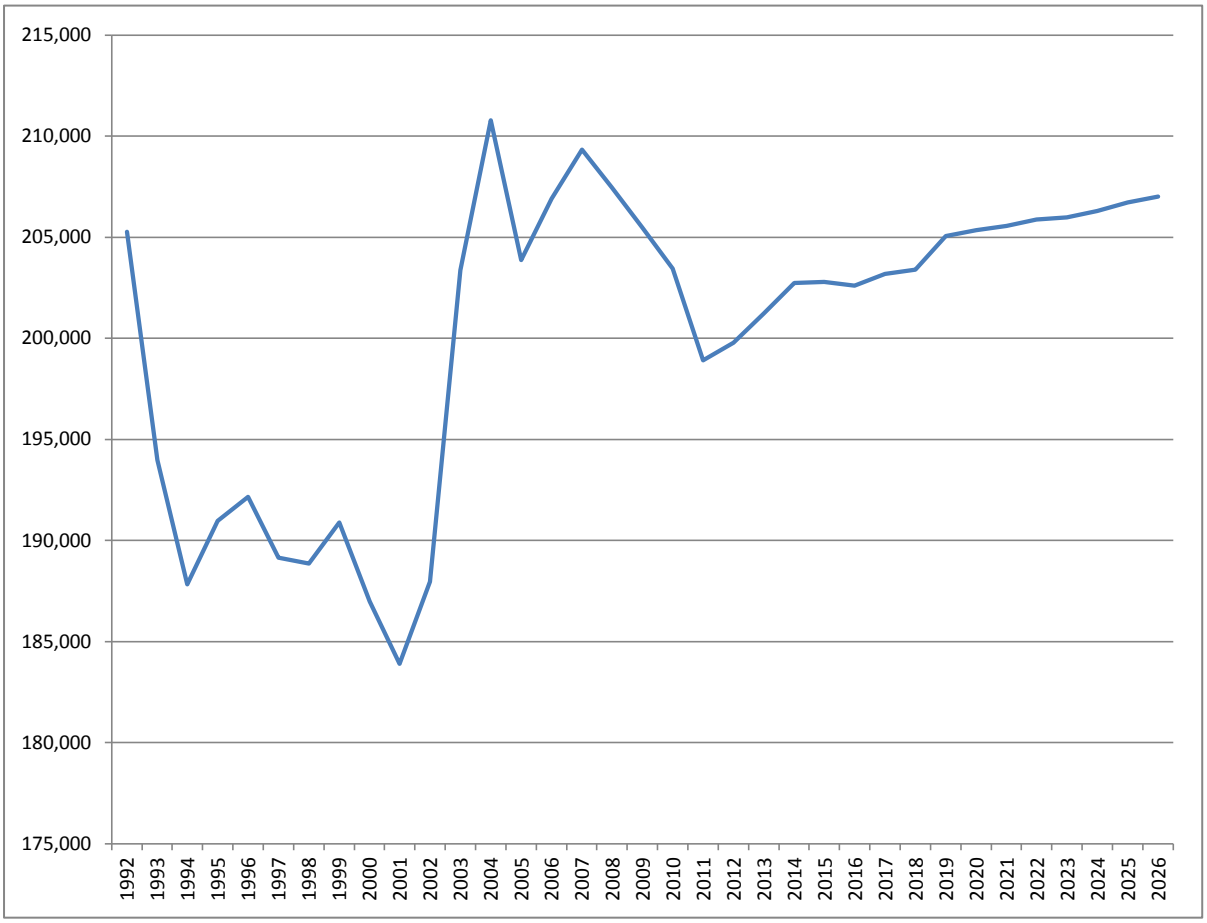
Cumbria Intelligence Observatory has an economic projections model, supplied by Experian and funded by partners including local authorities and FE Colleges. The projections model takes account of the macro economic forecasts for the UK alongside a moderated position shaped by local knowledge. The projections described here are based on Experian's April 2011 UK forecasts and factor in the latest Sellafield Lifetime Plan. They do not include projections for nuclear new build as the development has not yet been confirmed. Nor do they currently take account of the announcement of a major expansion at GSK in Ulverston.

This section will be updated when a revised version of the Experian model is received in July 2012 which will include the latest UK forecasts together with the outcomes of a meeting held with local partners and Experian in March 2012.

An important element of any employment projections model is the historical performance of sectors. The Experian model combines data from a variety of official sources including data on employment, self employment and financial trends. Taking all these elements into account, Experian estimates that the number of full time equivalent employees (FTEs) in Cumbria fell by around 5,500 over the 20 years between 1992 and 2012.

Figure 5.13 plots estimated total FTEs in Cumbria from 1992 through to 2026. The effect of the major recession in the 1990s is clearly evident as is the boom of the early part of the century. A decline of jobs as we entered the current period of economic instability is also evident followed by weak but steady recovery anticipated over the next few years.

Figure 5.13: Estimated FTEs in Cumbria, 1992-2026



Source: Cumbria Intelligence Observatory/Experian UK

Looking over the past decade and the next decade, we can focus on the sectors which are declining and growing. Comparing 2012 with 2002 we can see that there have been major falls in the number of FTEs in retail, the public sector, banking & insurance and food & drink. This was largely balanced by strong growth in construction, health, education and fuel refining. Figure 5.14 shows the difference in change in FTEs over the past decade.

Turning to Experian's estimates for growth over the next decade, we can see in figure 5.15 that the run down of employment at Sellafield due to decommissioning has a major effect on employment and there is also a decline in business services employment, some of this linked to Sellafield. Experian anticipate that there will be some recovery of employment in health and education, although not on the scale of the previous losses. They also anticipate growth in hospitality and retail over the next decade.

The expansion at GSK in Ulverston is not factored into these projections but will see a short term demand for construction employment from around 2015 followed by longer term demand for operational employment from 2020 onwards. If nuclear new build is given the go ahead at Sellafield there will be a significant demand in West Cumbria for construction employees for around 5 years.

Figure 5.14: Change in FTEs in Cumbria, 2002-2012

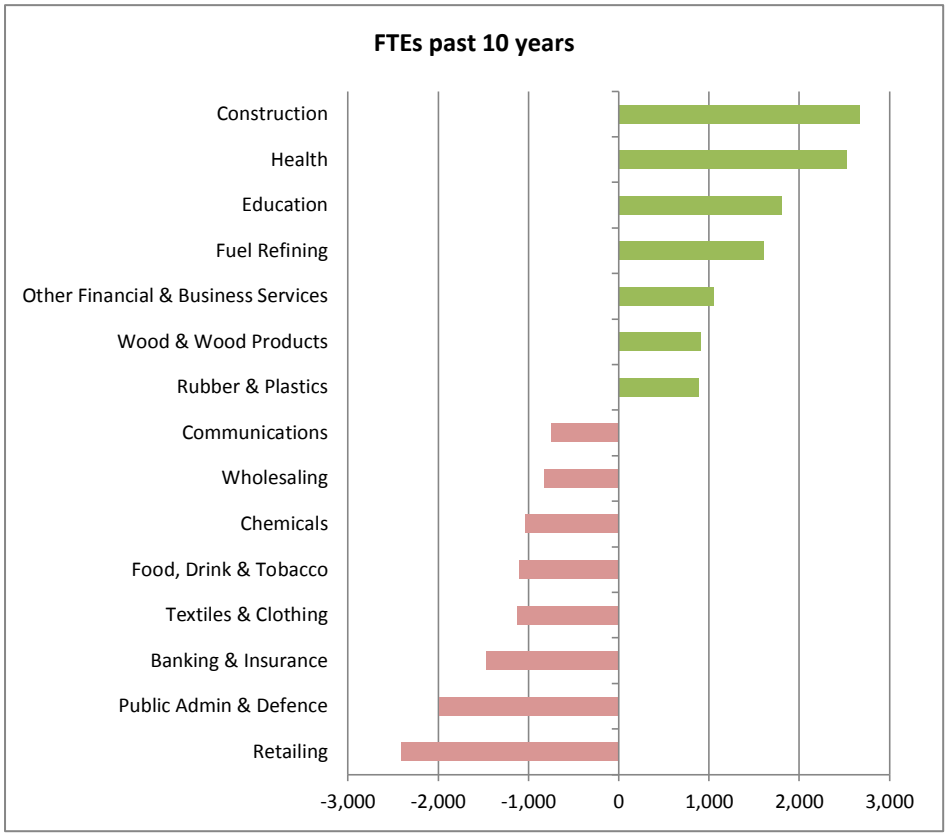
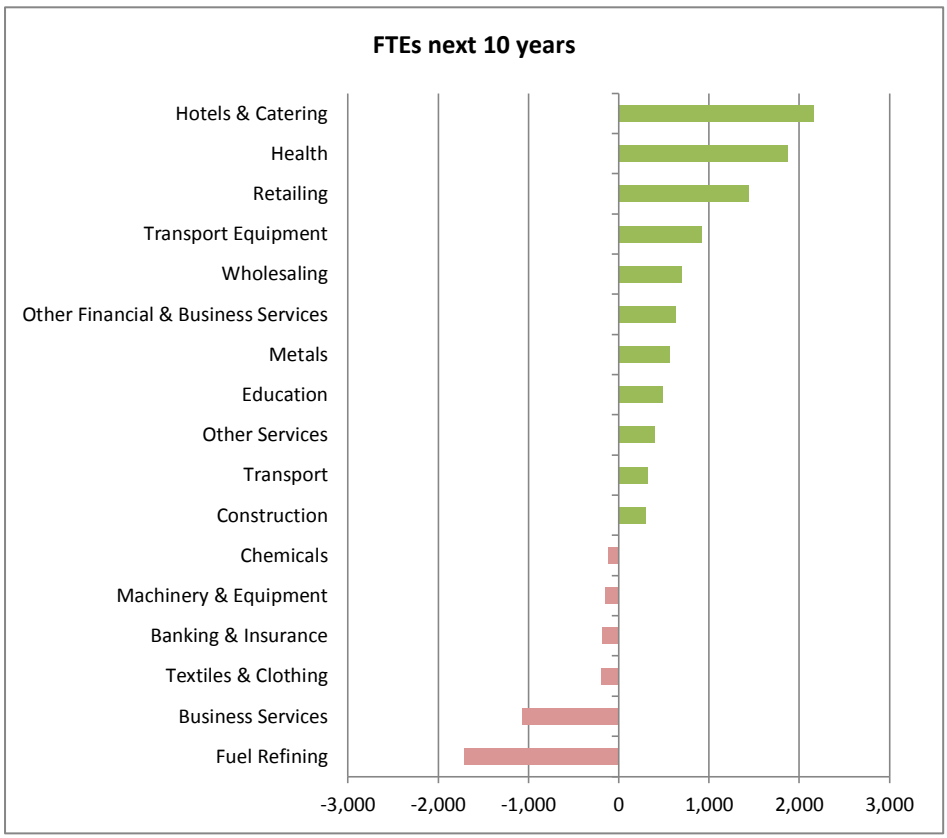


Figure 5.15: Change in FTEs in Cumbria, 2012-2022



Source: Cumbria Intelligence Observatory/Experian UK

If we narrow the period under consideration to the past 5 years and the next 5 years we can see the effect of the recession on employment in business services, some of this linked to public sector job losses and also changes in outsourcing. There are also sharp falls in employment in retailing, hospitality, construction and the public sector.

Over the next 5 years we can see that the recovery is relatively small but that growth is anticipated in transport equipment, hospitality, other service, health and retailing. The decline in business services employment is expected to continue however.

Figure 5.16: Change in FTEs in Cumbria, 2007-2012

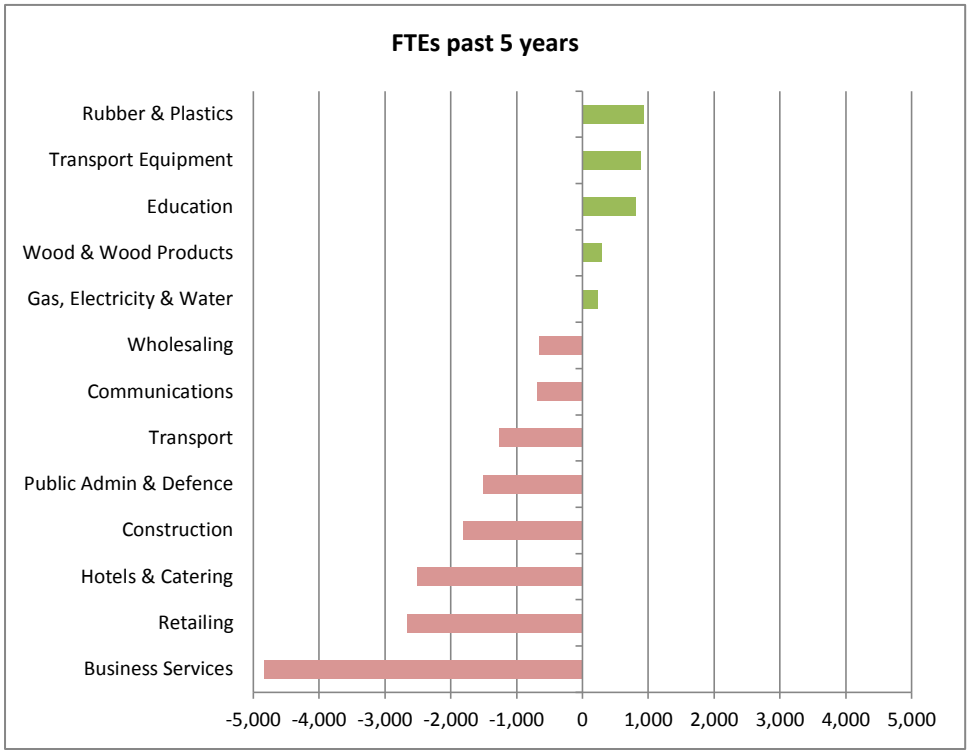
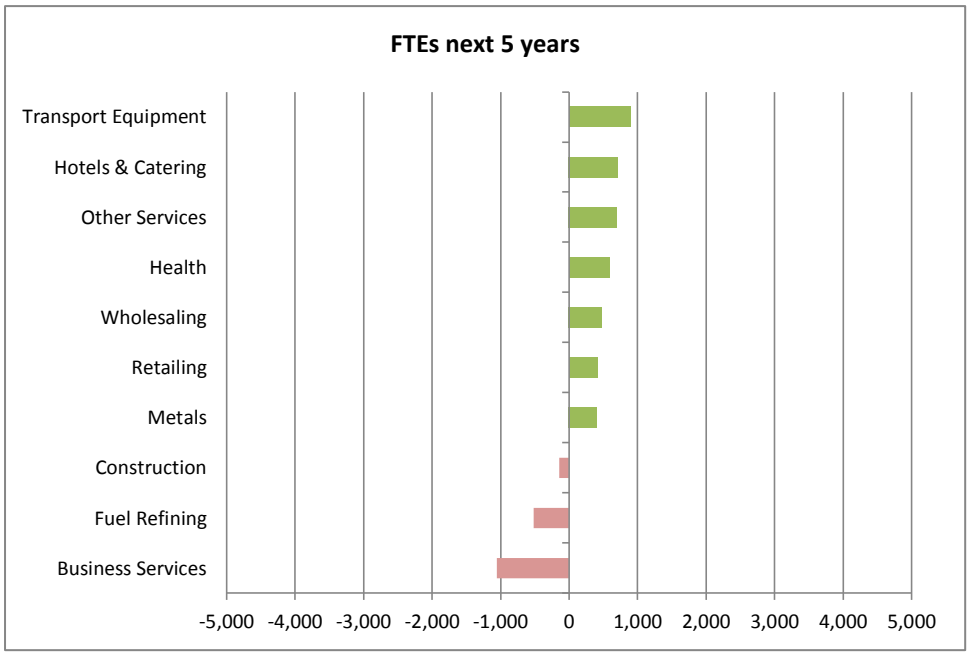


Figure 5.17: Change in FTEs in Cumbria, 2012-2017

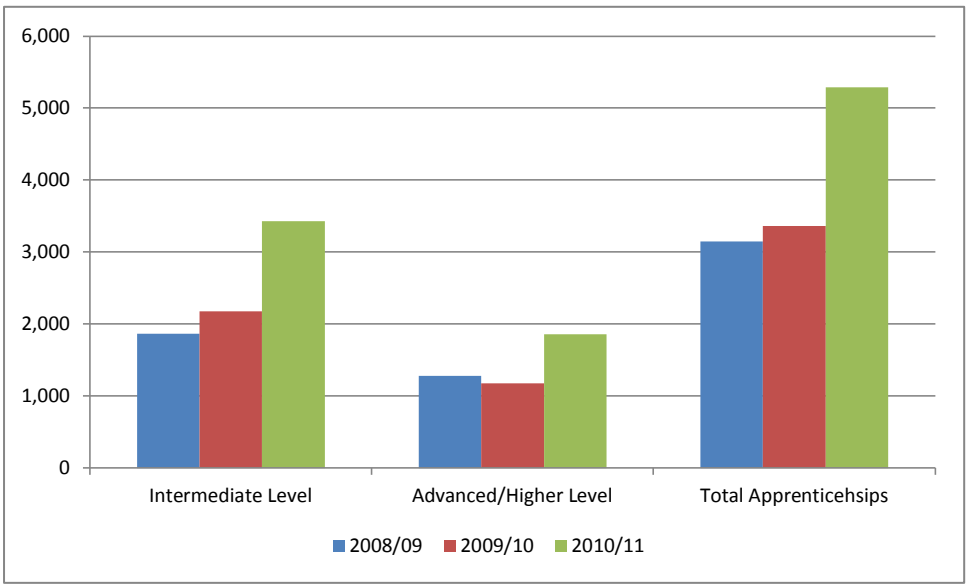


Source: Cumbria Intelligence Observatory/Experian UK

6. Apprenticeship activity

According to The Data Service there were 5,290 apprenticeship starts in Cumbria in 2010/11, two thirds of them at intermediate level and a third at advanced/higher level. The overall number increased by 67.9% from 2008/9 with the majority of the increase coming at intermediate level where numbers rose by 83.4% compared to a 45.3% rise at advanced/higher level.

Figure 6.1: Apprenticeship starts, 2008/9-2010/11

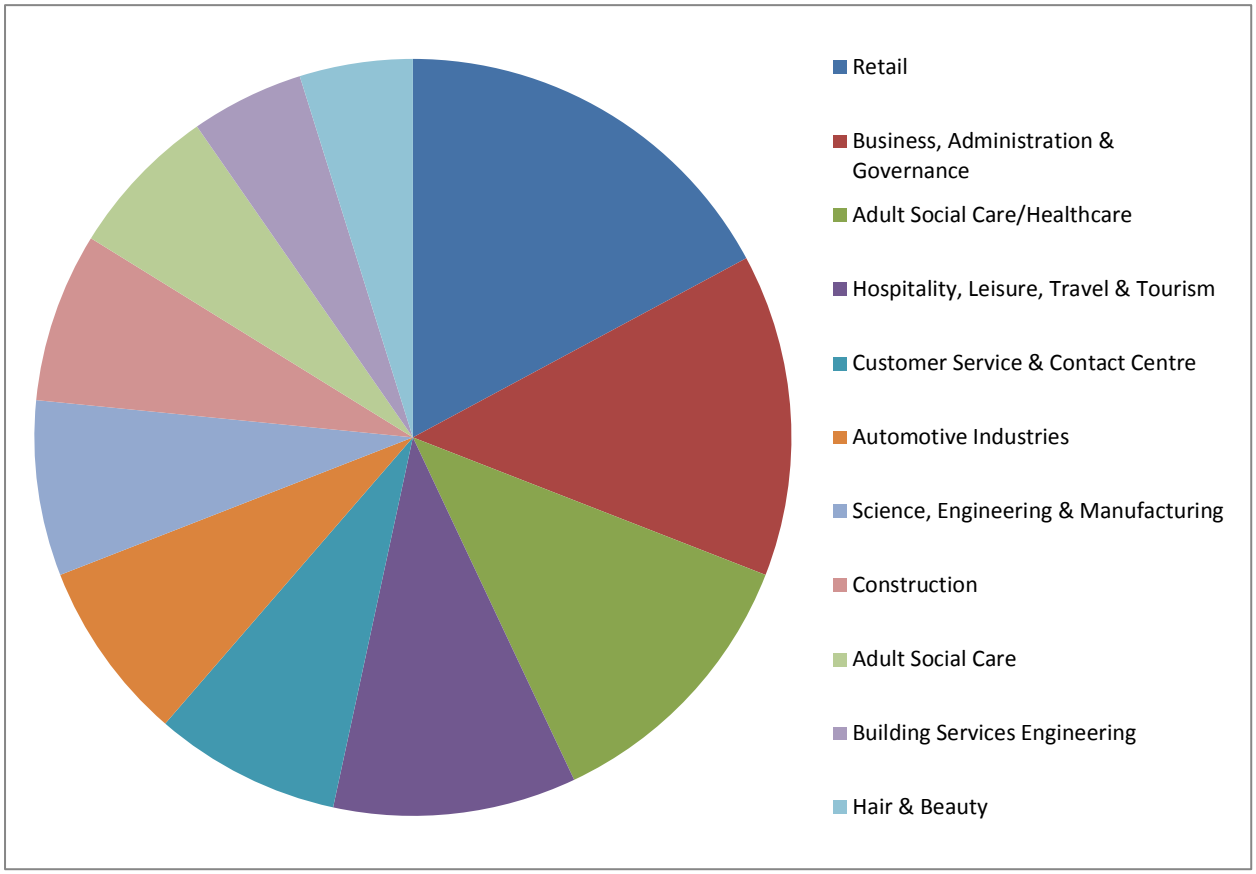


Source: The Data Service

The Data Service presents statistics according to Sector Lead Body rather than the Standard Industrial/Occupational Classifications used by ONS and others which makes direct comparisons between apprenticeship activity and industrial structure difficult. However, the data shows that in Cumbria the top sector for apprenticeships was retail with 710 starts (13.4% of the total), followed by business, administration & governance with 570 starts (10.8% of the total).

The following figure shows the top 11 sectors for apprenticeship starts in 2010/11 in Cumbria which, between them, account for 78% of all starts in the county.

Figure 6.2: Top Apprenticeship starts in Cumbria by Sector Lead Body, 2010/11



Source: The Data Service

Six of the top 10 sectors for apprenticeship starts in Cumbria are also in the top 10 nationally but there are some significant differences. Automotive industries feature locally, together with construction and building services engineering which possibly reflects the industrial makeup of the economy. At national level, management & leadership and business information technology & communications are both in the top 10 with 3 times as many trainees in these sectors nationally than is the case in Cumbria.

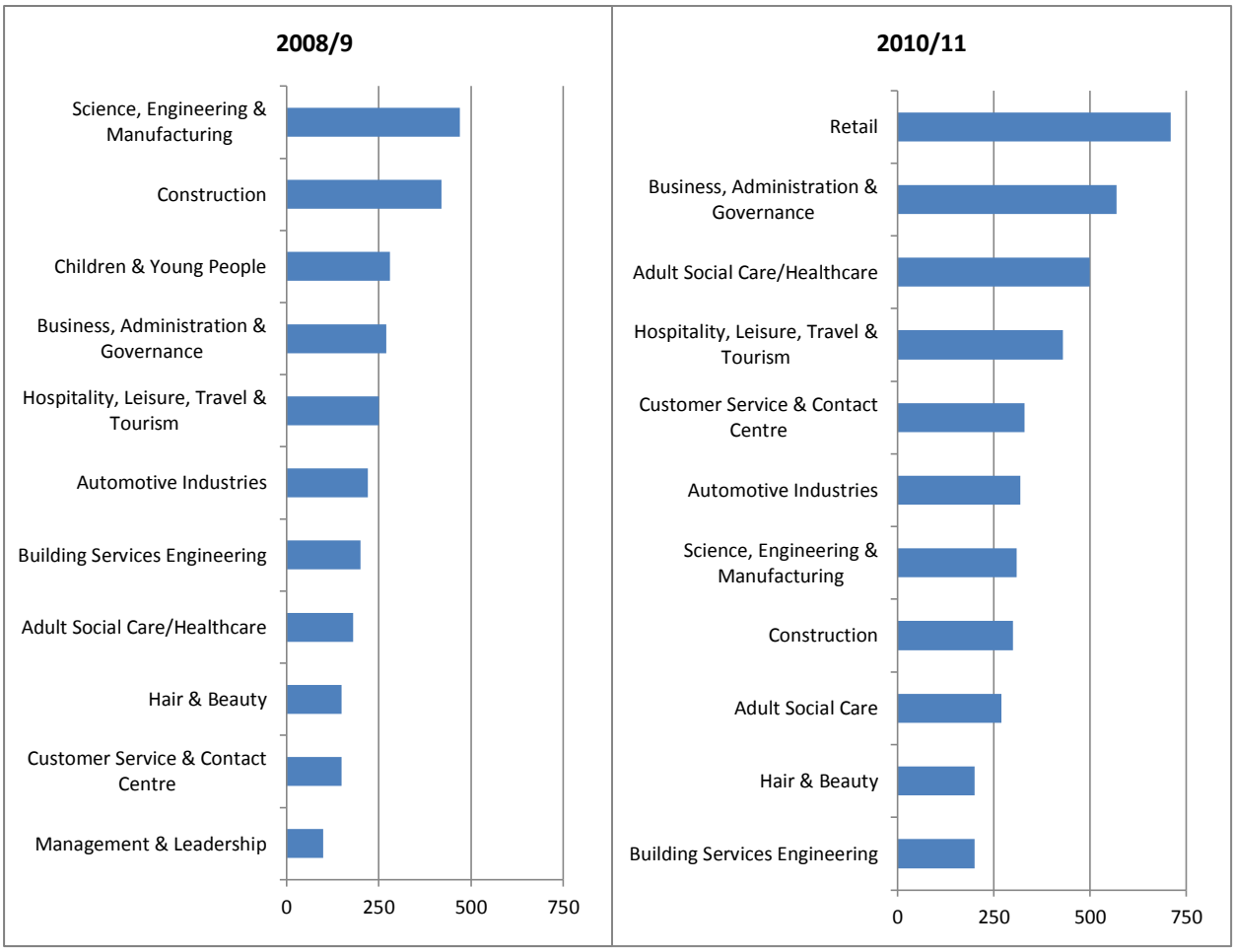
Figure 6.3: Top 10 Apprenticeship starts in Cumbria & England by Sector Lead Body, 2010/11

Top 10 Sectors	Cumbria	Top 10 Sectors	England
Retail	13.4	Business, Administration & Governance	12.4
Business, Administration & Governance	10.8	Customer Service & Contact Centre	9.8
Adult Social Care/Healthcare	9.5	Retail	9.1
Hospitality, Leisure, Travel & Tourism	8.1	Adult Social Care/Healthcare	8.5
Customer Service & Contact Centre	6.2	Hospitality, Leisure, Travel & Tourism	6.7
Automotive Industries	6.0	Management & Leadership (including HR & Recruitment)	5.0
Science, Engineering & Manufacturing Technologies	5.9	Science, Engineering & Manufacturing Technologies	4.9
Construction	5.7	Children & Young People	4.8
Adult Social Care	5.1	Active Leisure, Learning & Well-being	4.7
Building Services Engineering	3.8	Business Information Technology & Telecommunication	4.3

Source: The Data Service

There has been a change in the sector focus of apprenticeships over the past 3 years with a marked rise in the number of apprentices in retail, business administration, adult social care, hospitality and customer service/contact centres. There were 620 more apprenticeship starts in retail in 2010/11 than in 2008/9 and 590 more in adult social care/healthcare and adult social care combined. Conversely there has been a fall in the number of apprentices in science, engineering & manufacturing, construction and children & young people. There were 160 fewer apprenticeship starts in science, engineering and manufacturing and 120 fewer in construction. Figures 6.4 and 6.5 show the top 11sectors in 2008/9 and 2010/11.

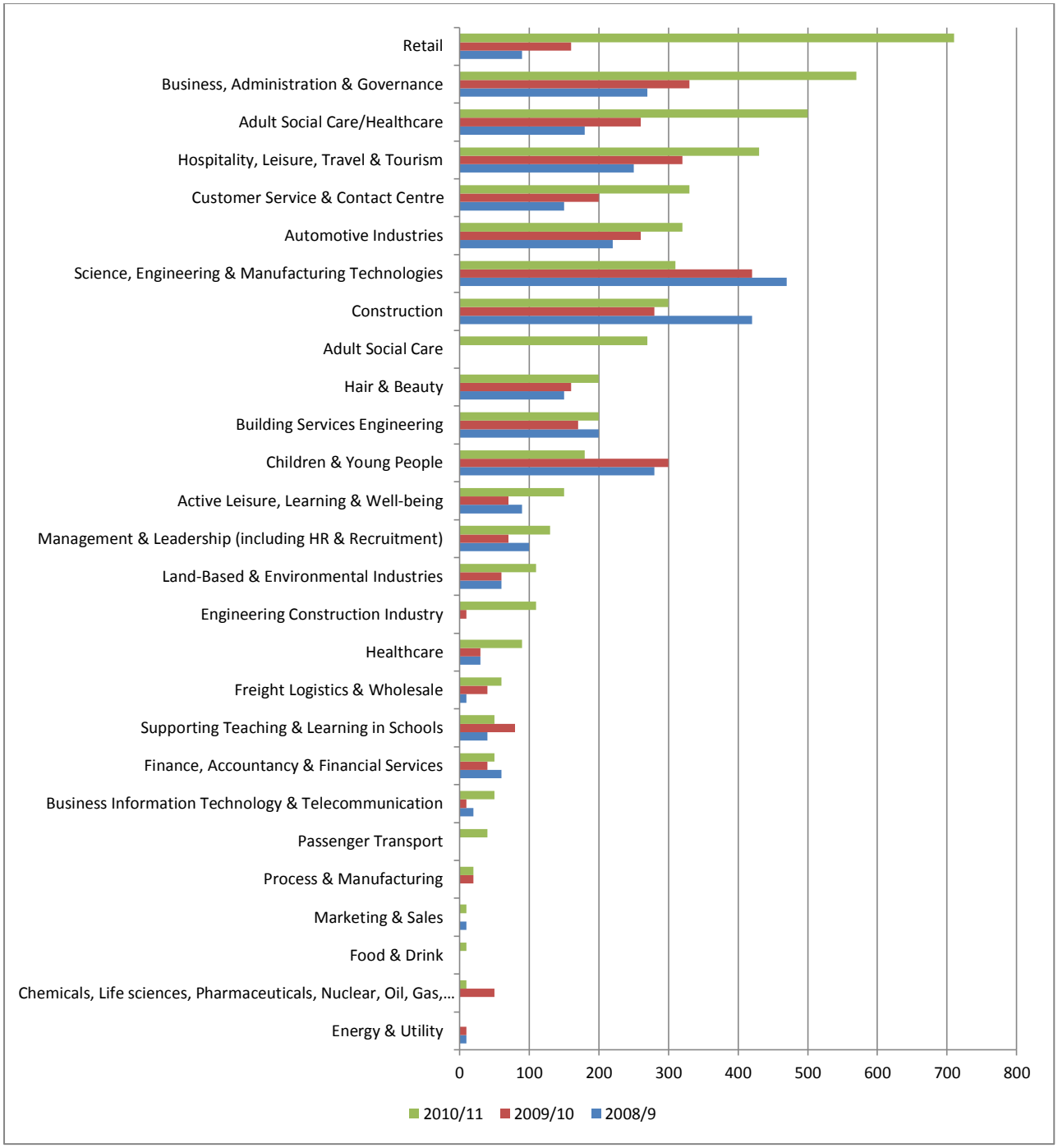
Figures 6.4 & 6.5: Top Apprenticeship starts by sector, 2008/9 and 2010/11



Source: The Data Service

Figure 6.6 shows the number of starts for every Sector Lead Body for each of the past 3 years and demonstrates quite clearly the huge increase in retail starts in 2010/11.

Figure 6.6: Apprenticeship starts by Sector Lead Body, 2008/9-2010/11



Source: The Data Service

7. Skills & Apprenticeships survey

Cumbria Chamber of Commerce, several WBLP Forum members and AWAZ Cumbria undertook a business survey in April 2012 via a mixture of telephone, face-to-face and postal methods and using a questionnaire agreed by the Steering Group. Through these various sources, a total response sample of 263 businesses was achieved, covering all sectors and areas within Cumbria.

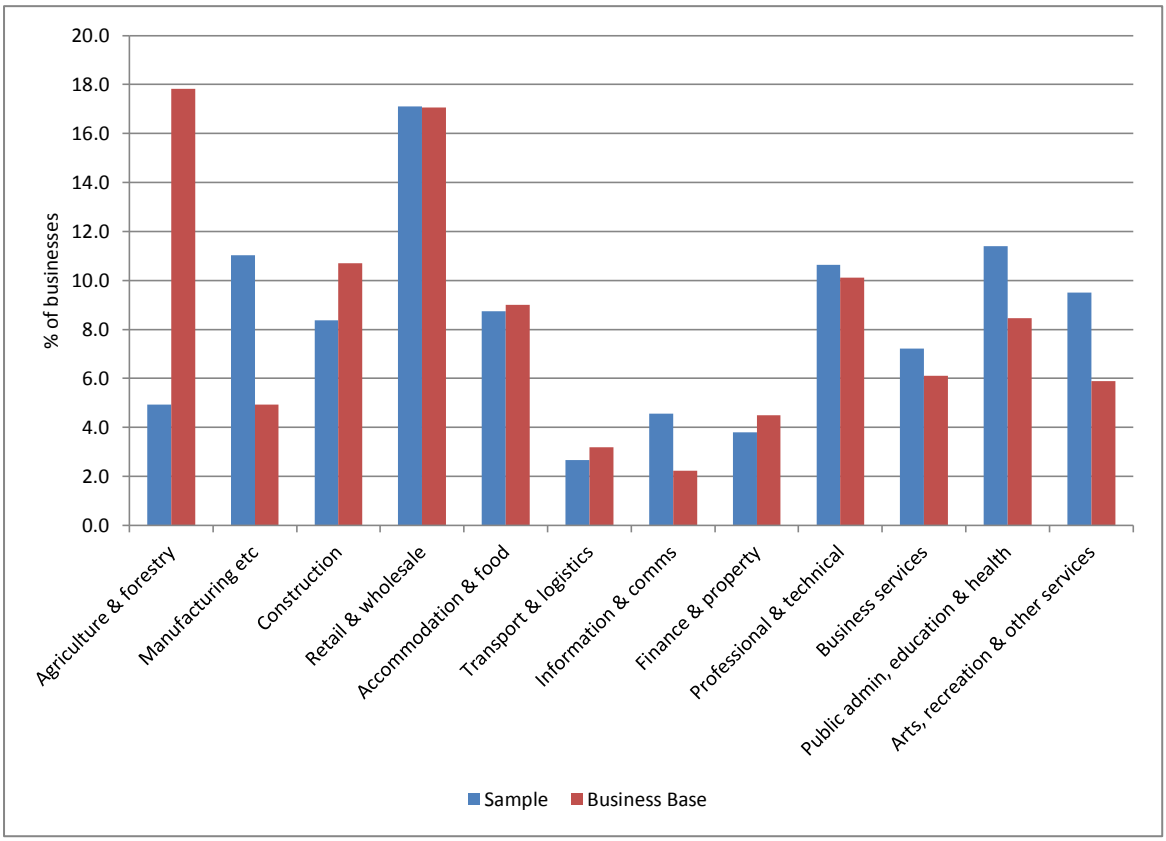
Where appropriate, analysis has been provided separately for BME led businesses in the sample. However, care should be taken over interpretation of these results due to the small number of respondents in this group.

7.1 Sample profile

7.1.1 Sectors

Responses were achieved from businesses in all sectors with the highest number (45) in wholesale & retail, representing 17.1% of all responses. This is similar to the proportion in this sector within the total business base in Cumbria. The agriculture sector was under-represented in the survey which was not unexpected due to the methodology, whilst the manufacturing and arts, recreation & other services sectors were over-represented. Despite this, the spread of respondents by sector is good and we can be confident in the findings.

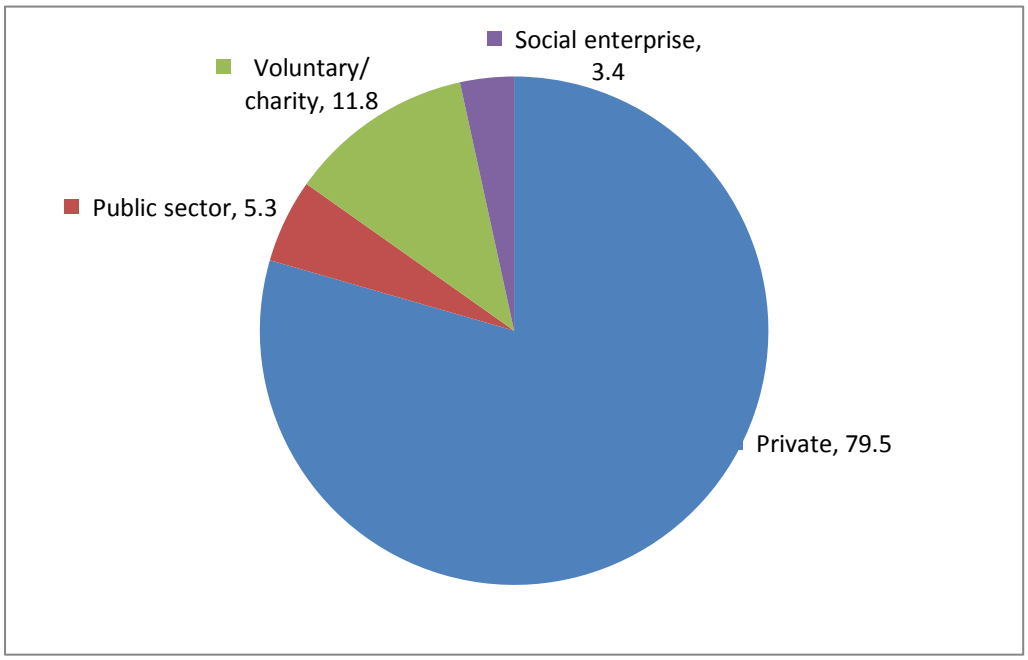
Figure 7.1: Responses by industry sector



7.1.2 Organisation structure

Eight out of ten (79%.5) of responses were from private sector enterprises and 11.4% from the voluntary/charity sector. A further 5.3% and 3.4% were from the public sector and social enterprises respectively.

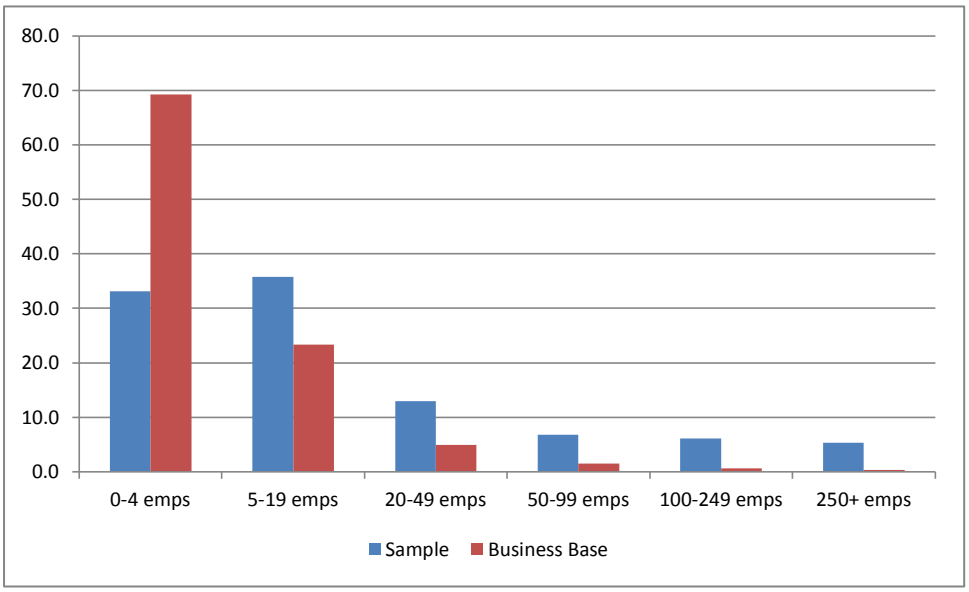
Figure 7.2: Responses by organisation structure



7.1.3 Employment size

There were proportionately fewer small and micro businesses in the respondent profile than is the case for the business base overall. This was intentional in order to capture responses from businesses covering as much of the workforce as possible, whilst not excluding smaller businesses from the survey altogether. Respondent enterprises employed over 12,000 people between them with an average of 46 per survey respondent.

Figure 7.3: Proportion of by employment size



7.1.4 Ethnicity

The usual definition of a BME led business is one where more than 50% of directors, partners or owners are from BME heritage but following discussion with AWAZ Cumbria, it was agreed that in the context of this survey, a BME led business would be defined as such if any of the directors, partners or owners were from BME heritage. Using this definition, 26 responses came from BME led businesses, representing 9.9% of total responses. Forty-nine respondents said they employed BME heritage employees representing 18.6% of the total sample (22.1% of those who provided a response to the question). These 49 respondents employed an average of 3 BME heritage employees each.

Where appropriate, analysis within this report has been sub-divided into BME led and non-BME led businesses.

7.1.5 Disability

Forty-six respondents said they employed people who would consider they had a disability, which is 17.5% of all responses (20.7% of those who answered the question). These 46 respondents employed an average of 3 disabled employees each.

7.2 Employment by training type

Respondents were asked to provide the number of people they employed (by age band) in the following groups:

- Government funded apprenticeships
- Jobs with on-the-job training
- Jobs with formal training
- Jobs without training
- Unpaid internships/work experience
- Paid internships/work experience

The responses are summarised in the figure below and then explored in more detail in subsequent paragraphs.

Figure 7.4: Numbers employed by training type

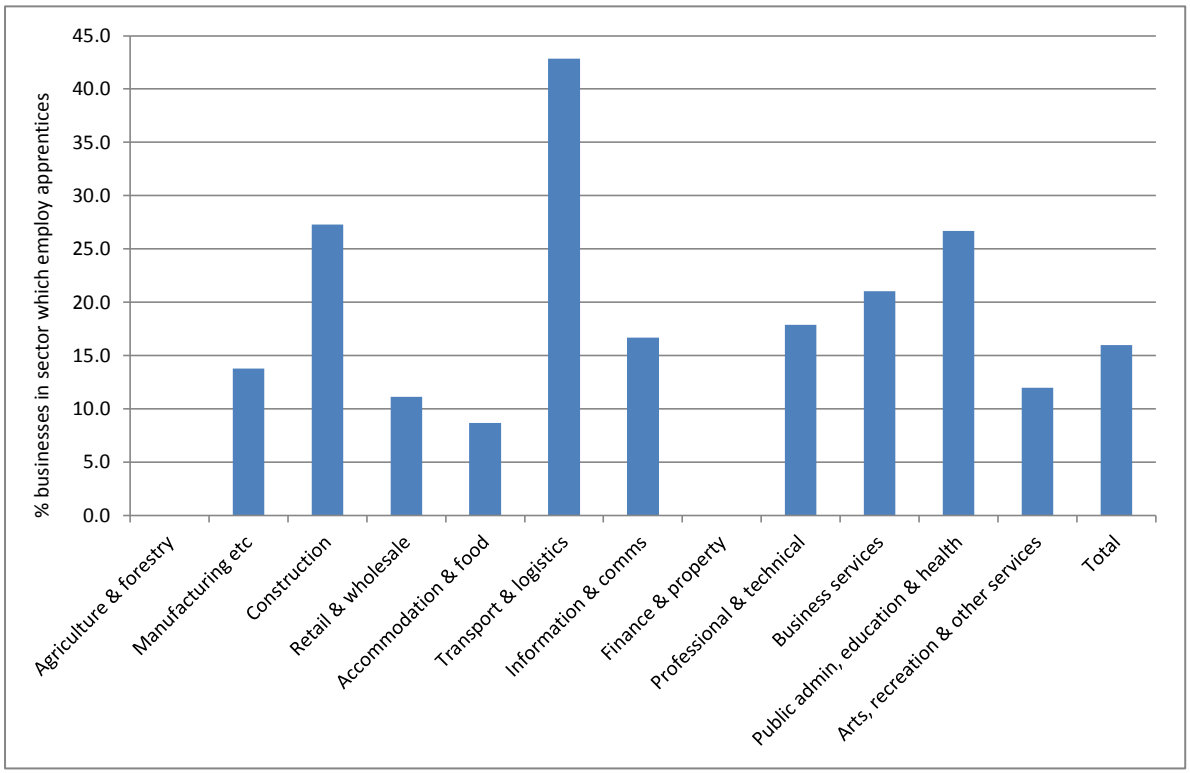
	Businesses employing within group	% of total businesses	Number employed				
			16-18	19-24	25+	Total	Average per employing business
Govt funded apprenticeships	42	16.0%	61	94	37	192	5
Jobs with on the job training	131	49.8%	105	634	5,275	6,014	46
Jobs with formal training	85	32.3%	147	394	2640	3,181	37
Jobs without training	57	21.7%	4	50	424	478	8
Unpaid internships/work experience	21	8.0%	32	15	78	125	6
Paid internships/work experience	14	5.3%	24	34	53	111	8

7.2.1 Government funded apprenticeships

Forty two respondents (16%) said they employed people on Government funded apprenticeships (none of them BME led businesses). The total number of apprentices (of all ages) employed by survey respondents was 192, an average of 5 per employing company. The highest number employed by a single company was 25 (1 company) and the lowest was 1 apprentice (28 companies). Almost half of the apprentices employed were in the 19-24 age group, a third in the 16-18 group with the remainder aged 25+.

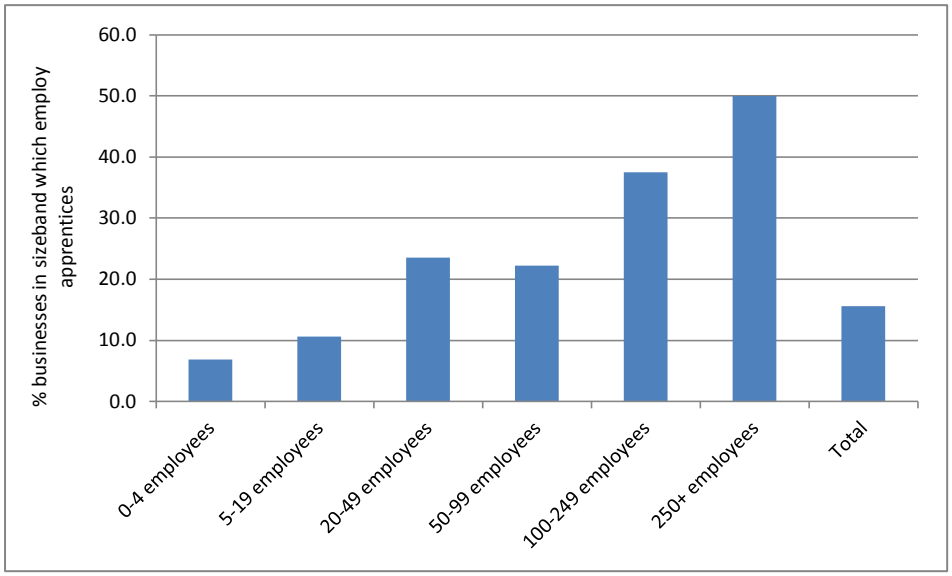
The transport sector had the highest proportion of businesses which employ apprentices (42.9%), although the sample was small in this sector and so caution should be exercised when drawing conclusions. The construction and public admin, education & health sectors both had just over a quarter of businesses involved with apprenticeships.

Figure 7.5: Proportion of businesses which employ apprentices by sector



Larger businesses were much more likely to employ apprentices than smaller ones with 50% of those with more than 250 employees employing apprentices compared to 10.6% of those with 5-19 people employees.

Figure 7.6: Proportion of businesses which employ apprentices by sizeband



7.2.2 Jobs with/without training

Half the respondent businesses (49.8%) said they employed people in jobs with on-the-job training and a third (32.3%) employed people in jobs with formal training. A total of 9,015 people were employed in these two ways, almost all of them aged 25+ in both cases.

A fifth of businesses (21.7%) employed people in jobs without training with a total of 478 people being employed by respondent businesses in this way, 88.7% of them aged 25+.

7.2.3 Internships or work experience

Only a very small proportion of businesses said they employed people on internships or work experience whether paid (5.3%) or unpaid (8.0%). Around a quarter of those employed in paid or unpaid internships/work experience were aged 16-18.

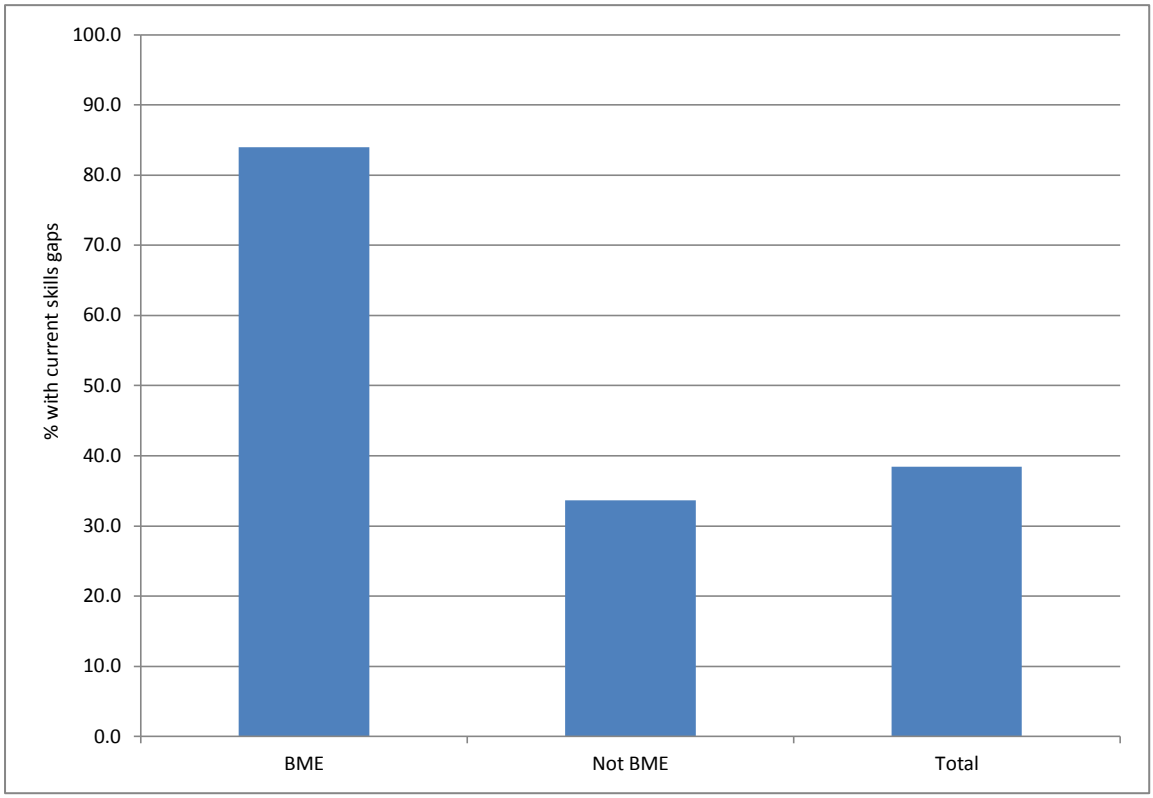
7.3 Business skill needs

The second section of the survey focussed on skills gaps, vacancies and recruitment practices and experience.

7.3.1 Current skill gaps

Almost 40% of businesses said they had skills gaps among their current workforce, although some interpreted the question more widely and included skills they were having difficulty recruiting. This probably accounts for why the proportion with gaps is higher than in the Cumbria Business Survey conducted in September 2011 where the figure was only 12%. Nevertheless, it still demonstrates a clear issue for Cumbrian employers in sourcing the skills their business needs whether for their existing workforce or when seeking new recruits. BME led businesses were twice as likely to report skills gaps as other businesses with 8 out of 10 saying this was the case.

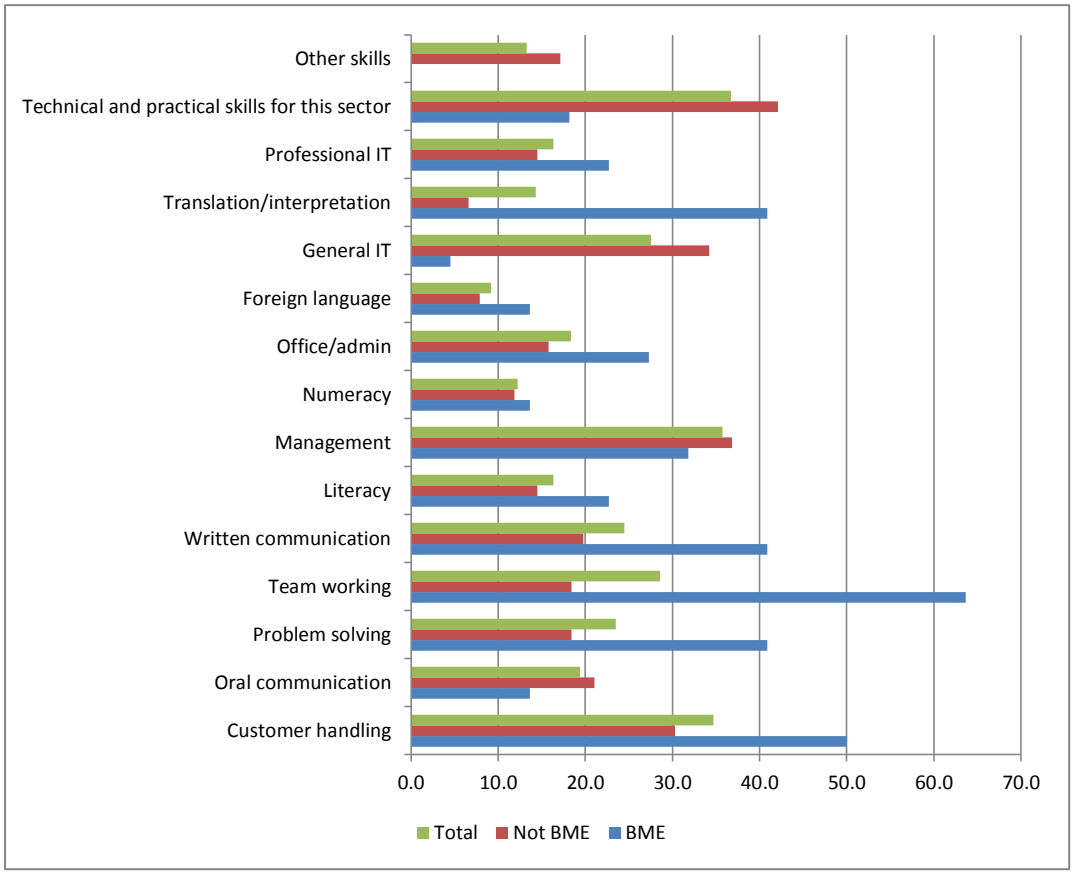
Figure 7.7: Proportion of businesses reporting skills gaps



Those businesses which reported skills gaps were asked to say what type of skills were lacking. Just over a third (36.7%) said they were technical and practical skills specialist to their sector, closely followed by management skills (35.7%) and customer handling skills (34.7%).

Among BME led business with skills gaps, team working (63.6%) was mentioned the most, followed by customer handling (50.0%). Translation/interpretation, problem solving and written communication were also more likely to be mentioned by BME led businesses than others. The following figure shows the proportions citing each skill gap with the figures for BME led business identified separately (caution small sample for BME led businesses).

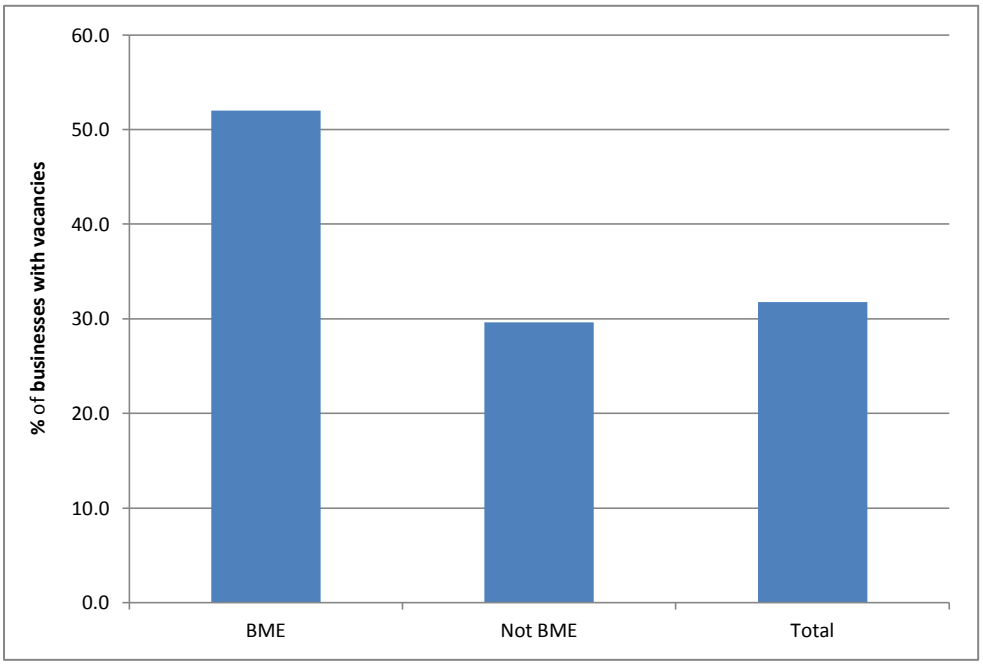
Figure 7.8: Type of skills lacking (among businesses with gaps)



7.3.2 Vacancies

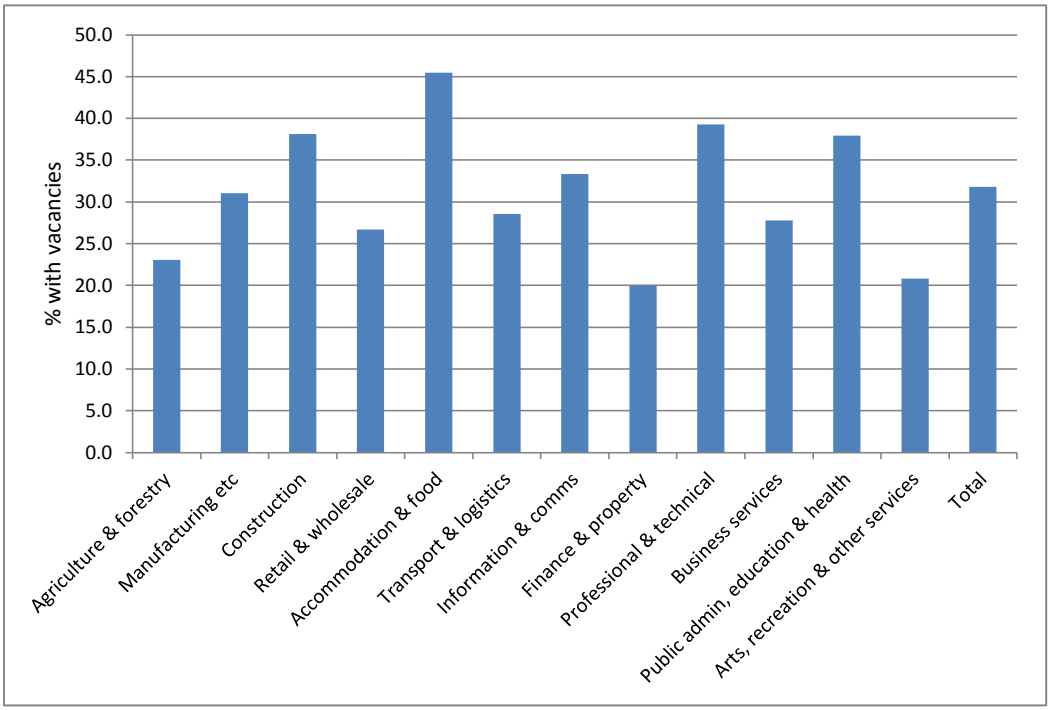
Almost a third (31.8%) of businesses reported current vacancies at the time of the survey, with BME led businesses more likely than average to report current vacancies (52%).

Figure 7.9: Proportion of businesses with current vacancies



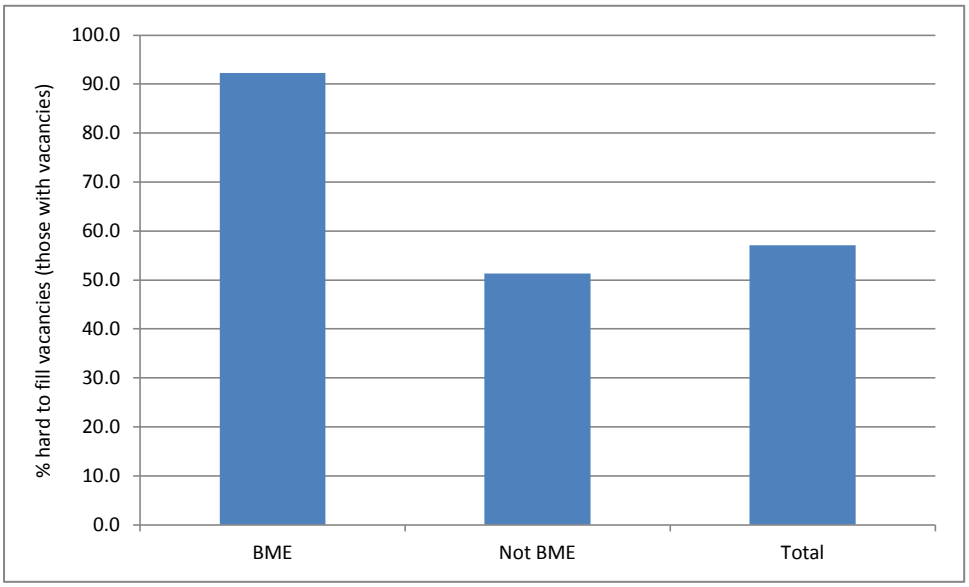
Businesses in the accommodation & food, professional & technical, construction and public admin sectors were most likely to report current vacancies.

Figure 7.10: Proportion of businesses with vacancies by sector



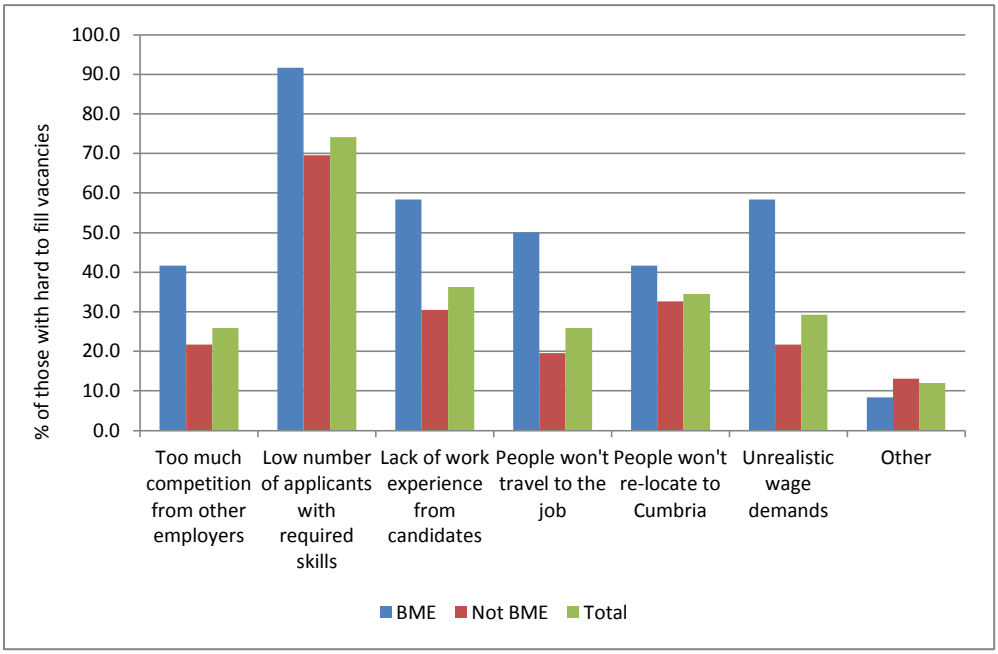
Amongst those businesses with current vacancies, more than half said they were proving hard to fill, rising to over 90% of BME led businesses (caution, small sample sizes).

Figure 7.11: Proportion of businesses with vacancies reporting they are hard to fill



Businesses with hard to fill vacancies were then asked why they thought they were proving hard to fill. Three quarters said it was because there were too few applicants with the required skills (91.7% of BME led businesses with hard to fill vacancies).

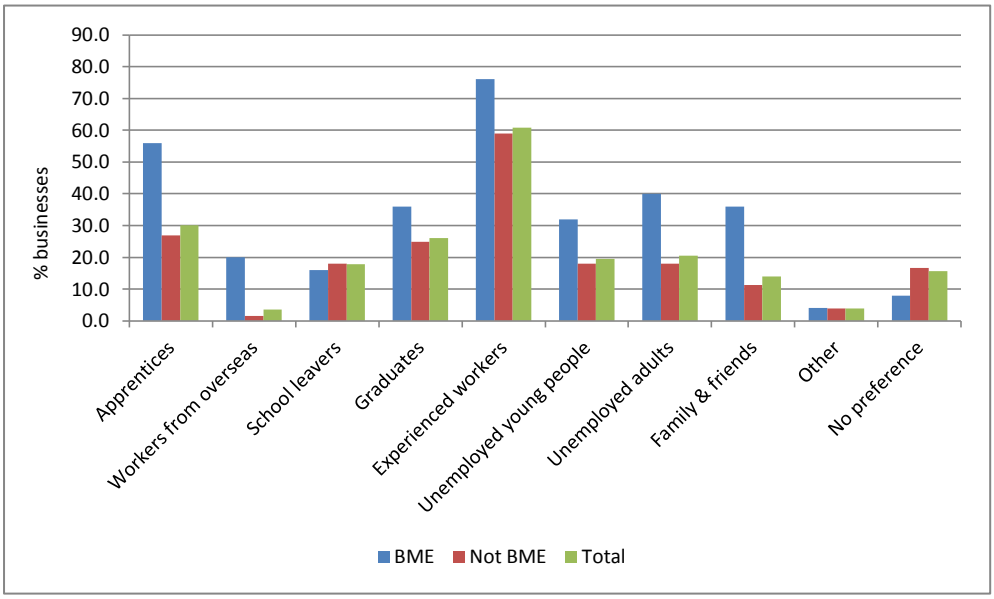
Figure 7.12: Reasons for hard to fill vacancies (% of businesses with vacancies)



7.3.3 Recruitment groups

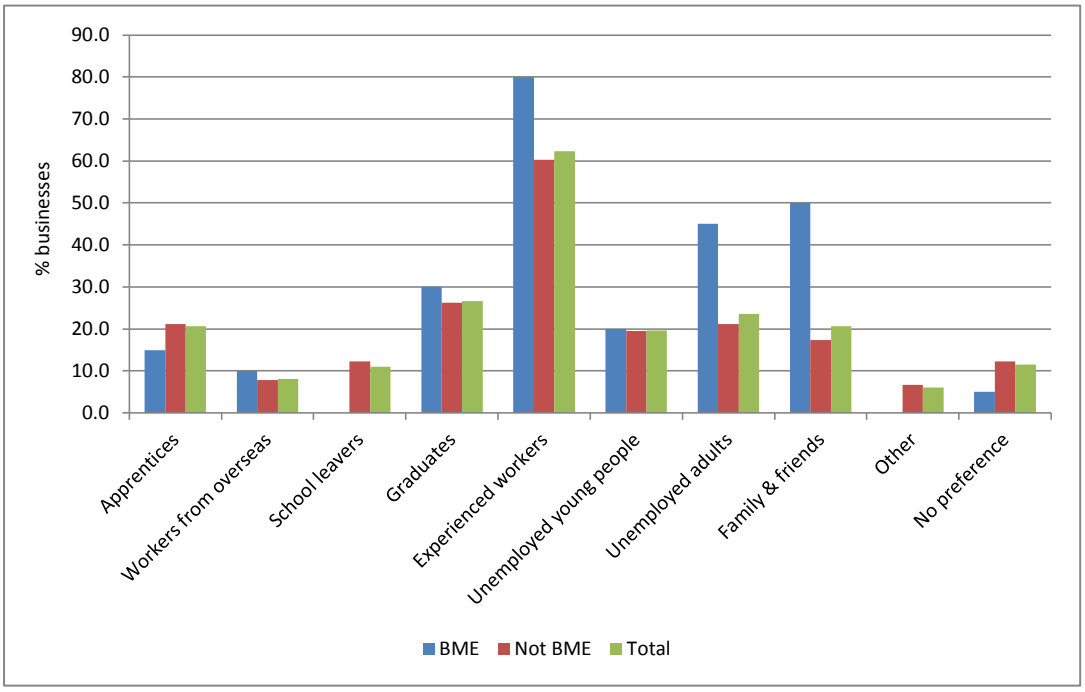
All businesses were asked to select the groups from which they would prefer to recruit when they have a vacancy and which groups they actually do recruit from (respondents could select more than one group). There was a clear preference for experienced workers with 60.9% saying they would prefer to recruit from this group, more than 3 times the proportion who selected school leavers or unemployed young people as a preferred group. Apprentices was the second most popular choice of group with 30.0% of businesses saying they would prefer to recruit from this group. BME led businesses were more likely than average to select experienced workers, apprentices and workers from overseas as one of their preferred groups.

Figure 7.13: Groups from which businesses <u>prefer</u> to recruit when they have a vacancy



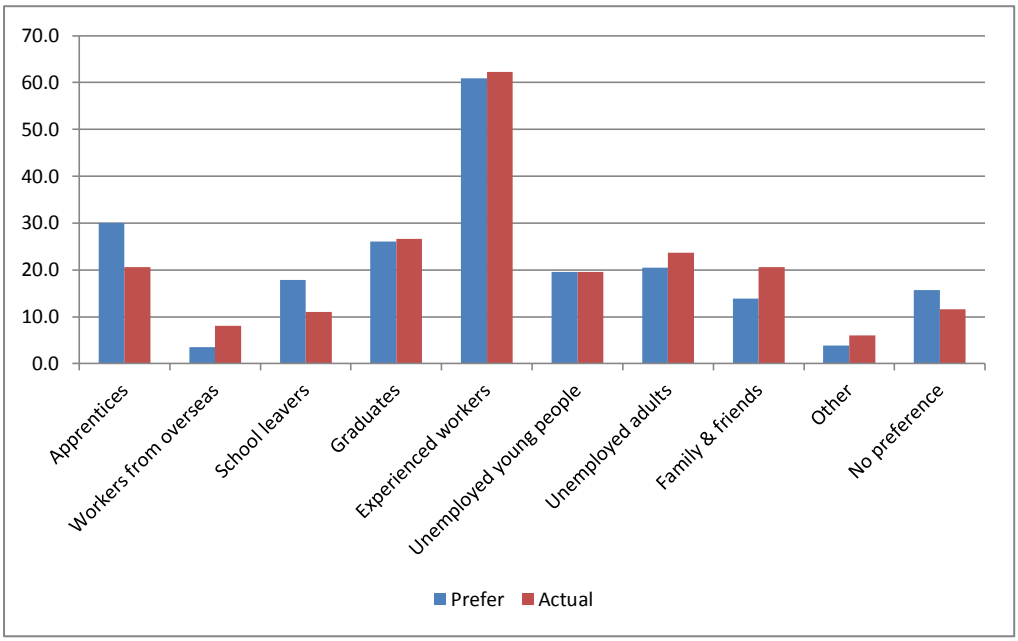
Businesses were then asked from which groups they actually do recruit so that we could assess whether there was a variance between aspiration and reality. The figure below shows the same information as the previous one but for the groups businesses actually do recruit from.

Figure 7.14: Groups from which businesses actually recruit when they have a vacancy



It's clear that the preferences to recruit apprentices and school leavers are not borne out in reality. Conversely, businesses appear to recruit more from family and friends and unemployed adults than they would prefer. The following figure shows the two sets of data alongside each other for the total sample.

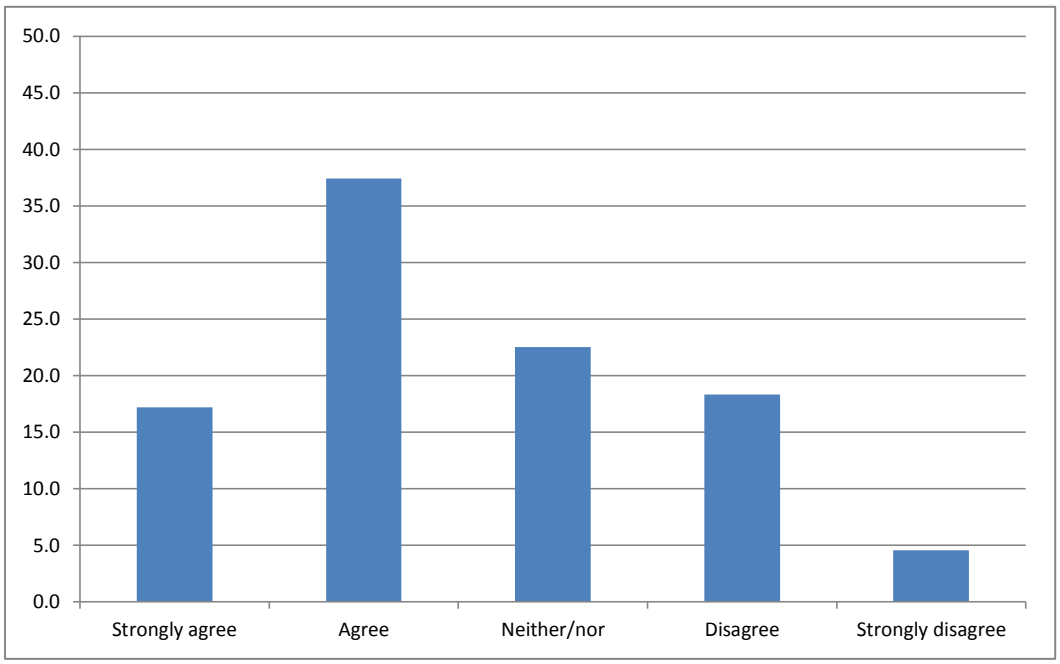
Figure 7.15: Groups from which businesses prefer and actually recruit when they have a vacancy



7.3.4 Skills and recruitment

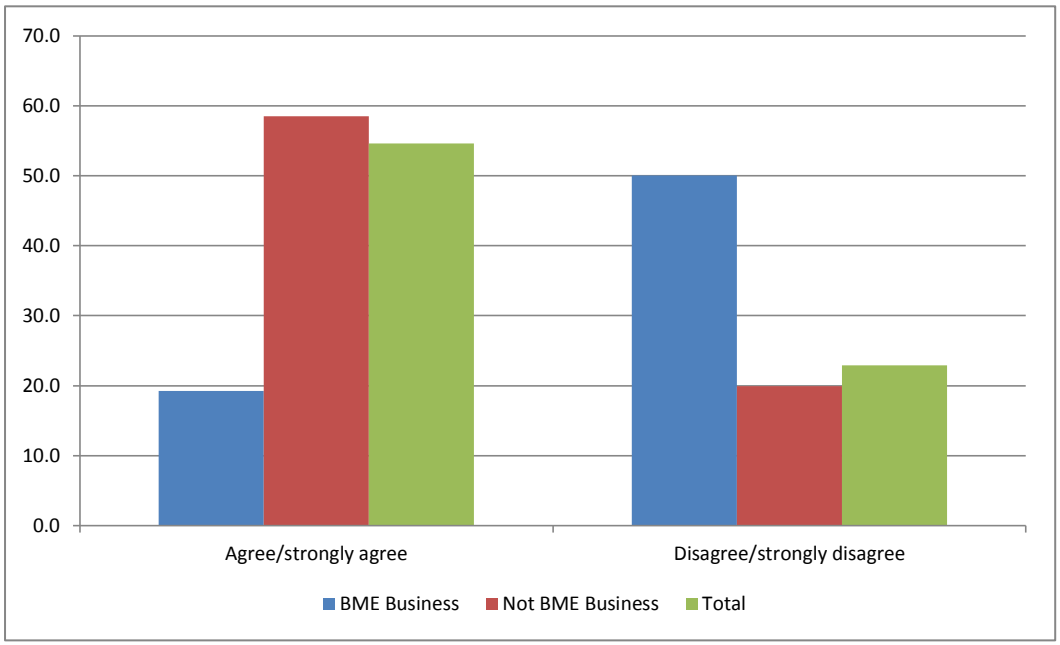
Businesses were asked to rate their level of agreement with several statements about skills and recruitment in Cumbria. Firstly they were asked whether they could find the skills their organisation needs within the local skills pool and more than half agreed or strongly agreed with this statement. However, one in five either disagreed or strongly disagreed reflecting the earlier findings about lack of skills being a reason for hard to fill vacancies.

Figure 7.16: Extent to which businesses agree they can source skills locally



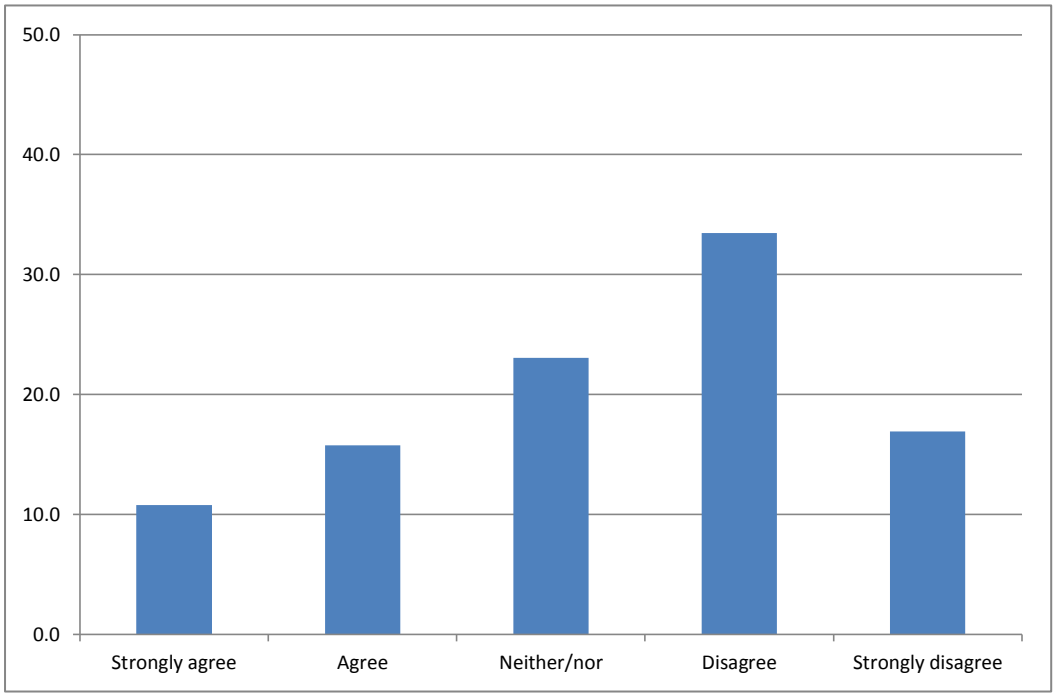
BME led businesses were significantly less likely than non-BME led businesses to agree they could find the skills they need locally with fewer than 20% agreeing/strongly agreeing that this was the case and half disagreeing or strongly disagreeing.

Figure 7.17: Extent to which businesses agree they can source skills locally, by BME status



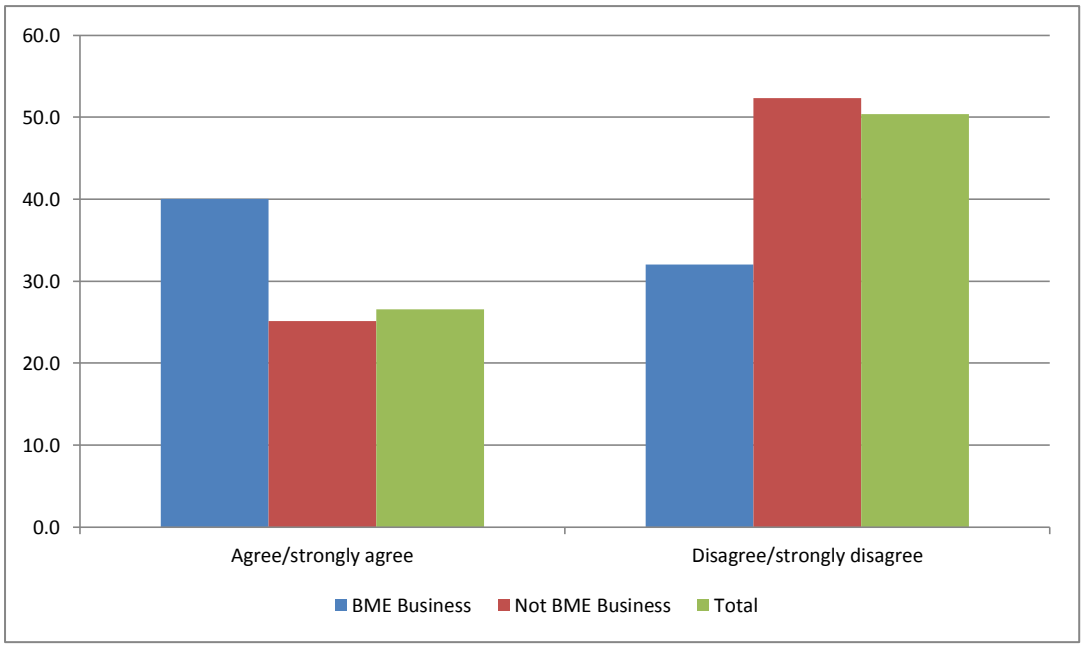
Following on from this, businesses were asked about having to recruit from outside the area. Despite the apparent problems with finding skills locally, the majority did not say that they recruit from outside the area and only a very small proportion recruit from abroad.

Figure 7.18: Extent to which businesses agree they often have to recruit from outside the area



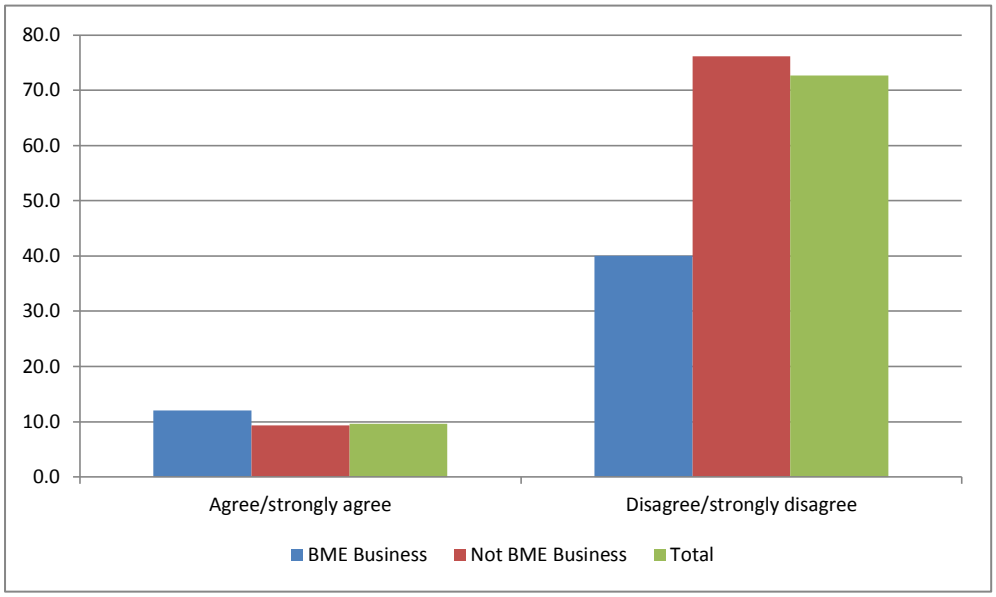
As one would expect from the previous findings, BME led businesses were more likely to say they often have to recruit from outside the area, 40% of them agreeing/strongly agreeing with the statement, compared to 25.1% of non-BME led businesses.

Figure 7.19: Extent to which businesses agree they often have to recruit from outside the area, by BME status



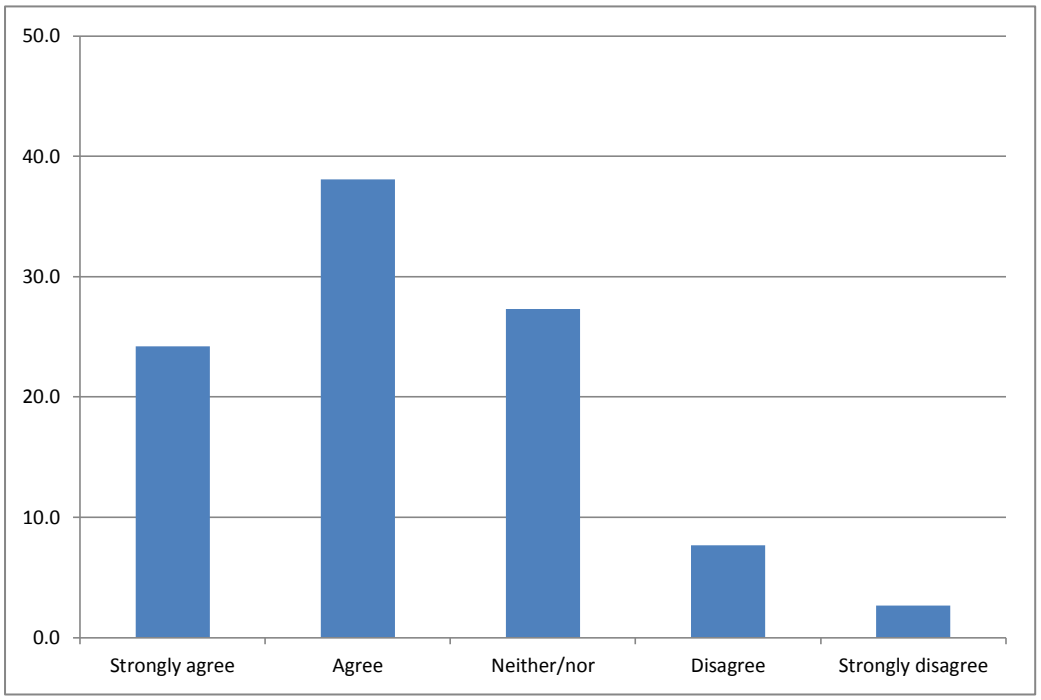
There is little evidence of businesses recruiting from overseas with fewer than 10% saying they agreed/strongly agreed with this statement. Even among BME led businesses (who had previously said they were more likely to recruit from outside the area) the proportion agreeing with this statement was relatively small.

Figure 7.20: Extent to which businesses agree they have to recruit from overseas, by BME status



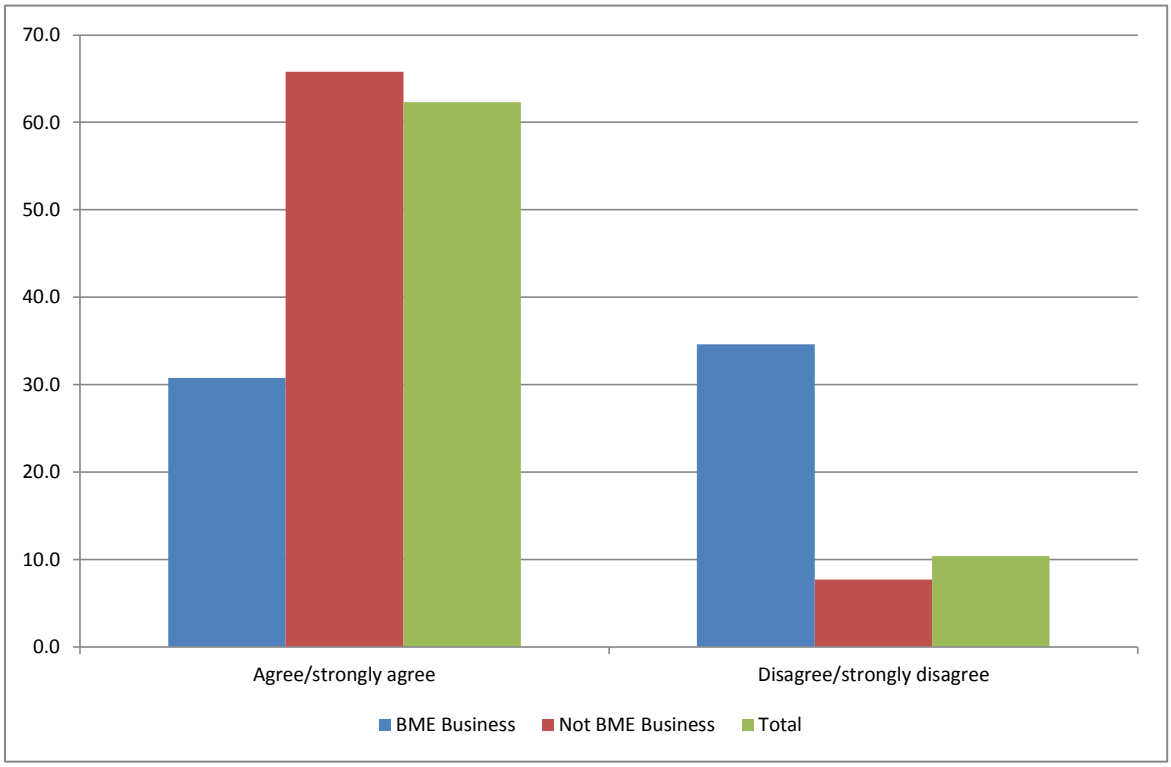
The final question in this section asked to what extent businesses agreed that they knew where to go to access quality assured training. Two thirds of respondents agreed or strongly agreed that they did know where to go, a quarter were non-committal and one in ten disagreed/strongly disagreed that they knew where to go to access quality assured training.

Figure 7.21: Extent to which businesses agree they know where to go to access quality assured training



BME led businesses were much less likely than non-BME led ones to agree they knew where to go to access quality assured training – 30.8% agreeing/strongly agreeing with the statement compared to 65.8% of non-BME led businesses.

Figure 7.22: Extent to which businesses agree they know where to go to access quality assured training, by BME status



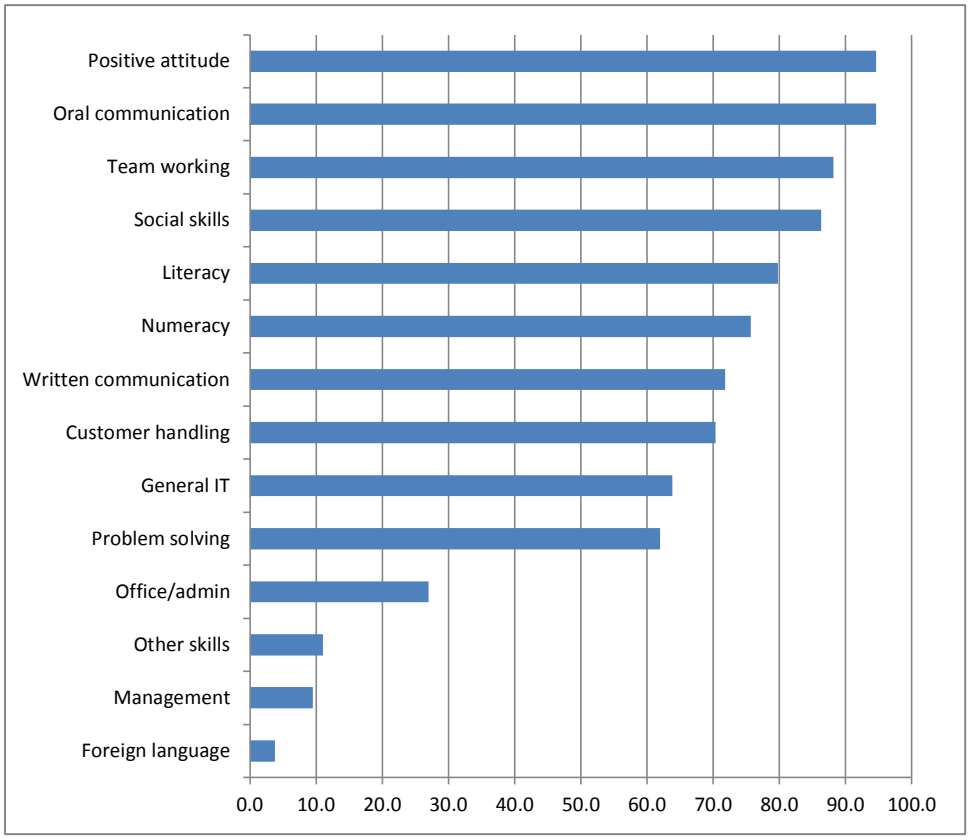
7.4 Young people

The third section of the survey looked at young people's skills and the level of involvement businesses have with activities relating to young people.

7.4.1 Skills and qualities

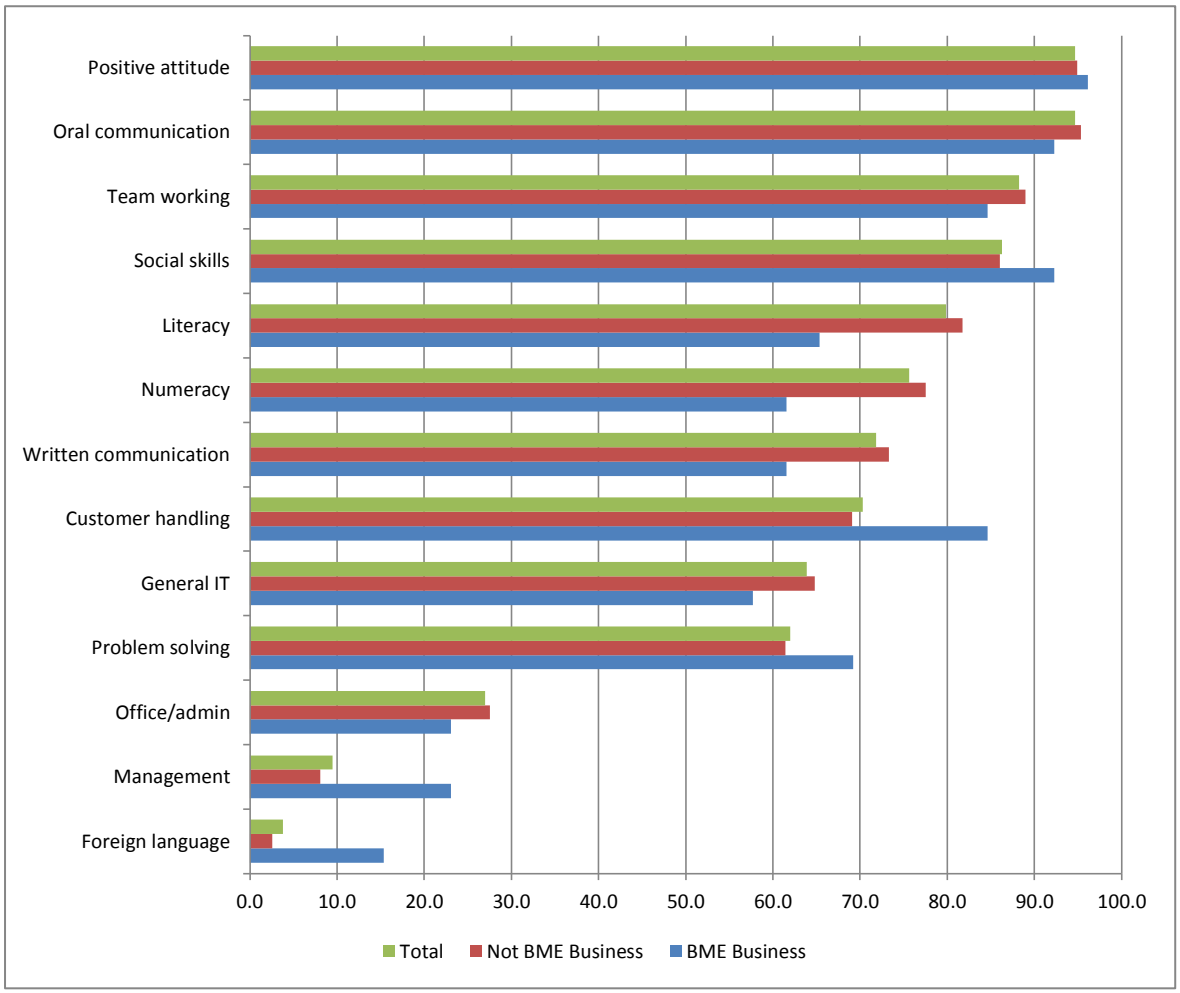
Firstly businesses were asked which skills and qualities they feel are essential for young people to help them gain employment. Positive attitude and oral communication were the top two responses, selected by almost every respondent, closely followed by team working and social skills.

Figure 7.23: Skills or qualities essential for young people to help them gain employment



There were no major differences in the ranking of skills/qualities by BME led businesses and non-BME led ones, although BME led businesses were more likely to mention customer handling, management and foreign languages.

Figure 7.24 Skills or qualities essential for young people to help them gain employment, by BME status

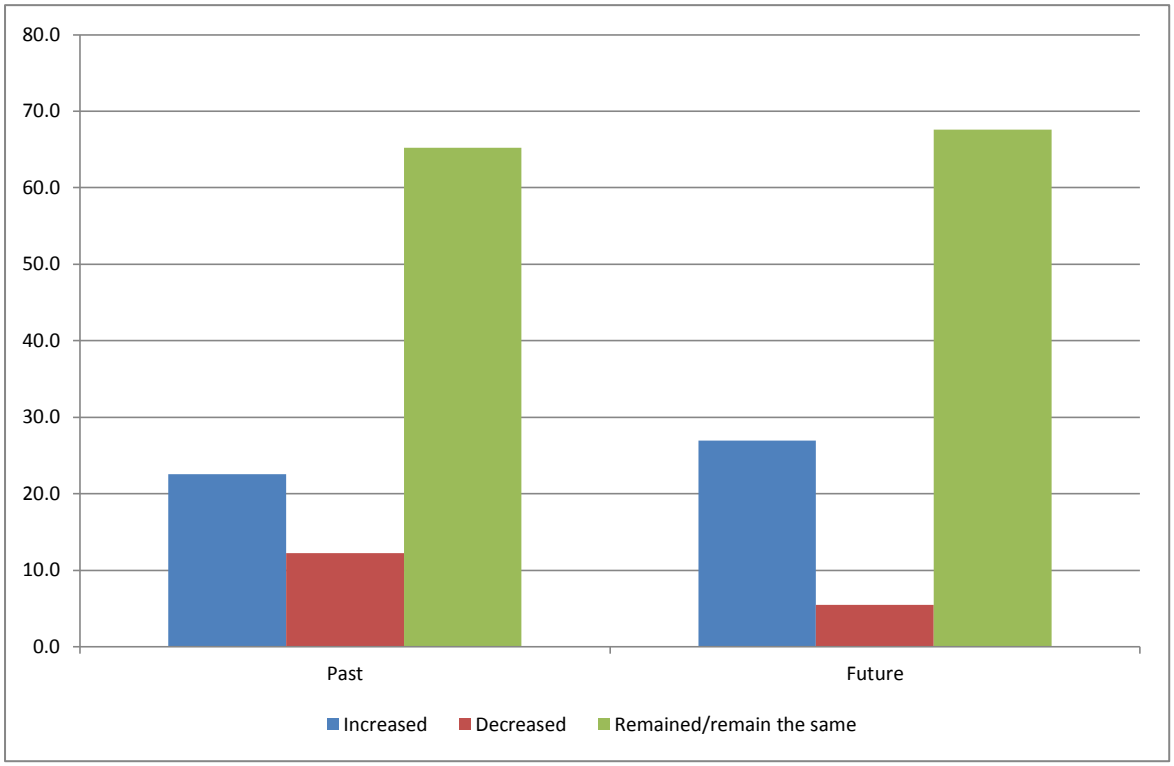


7.4.2 Employment of young people

Businesses were asked whether their employment of young people had increased in the past 12 months and how they thought it would change in the next 12 months. In both cases, the majority of respondents indicated that there would be no change. Around a fifth of respondents indicated their employment of young people had risen in the past 12 months with around a tenth saying it had fallen, giving a net positive balance.

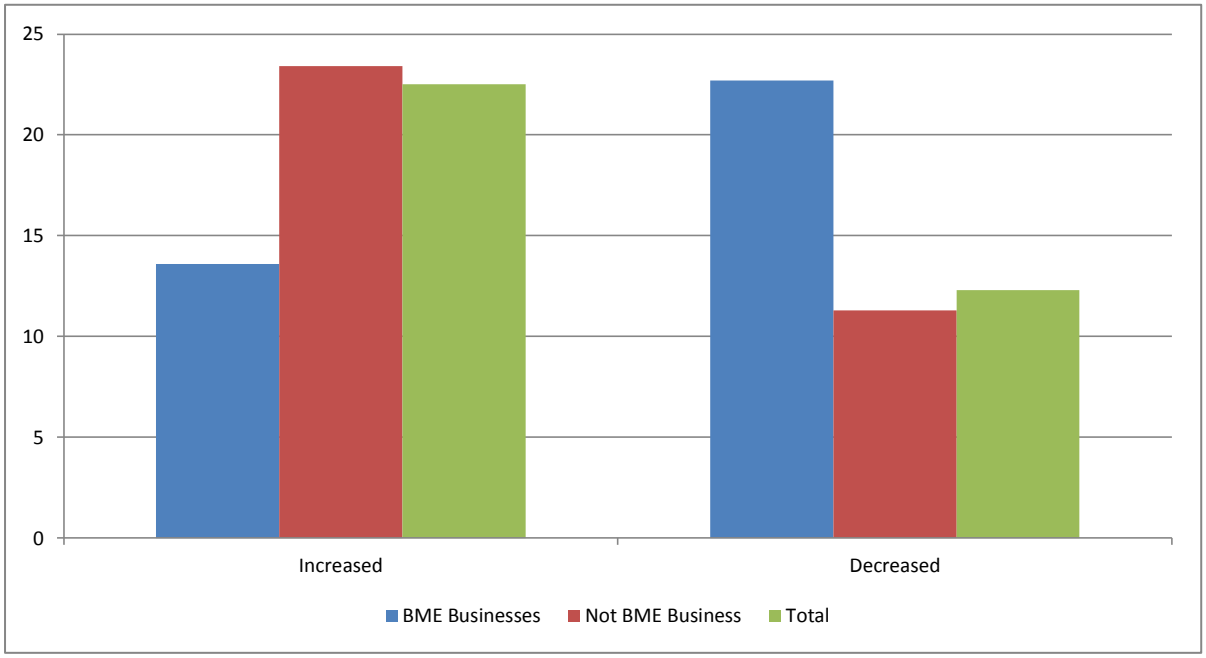
Future intentions were even more positive with 27.3% of respondents saying they thought they would employ more young people in the coming year against just 5.5% who thought it would fall.

Figure 7.25: How employment of young people has changed and will change



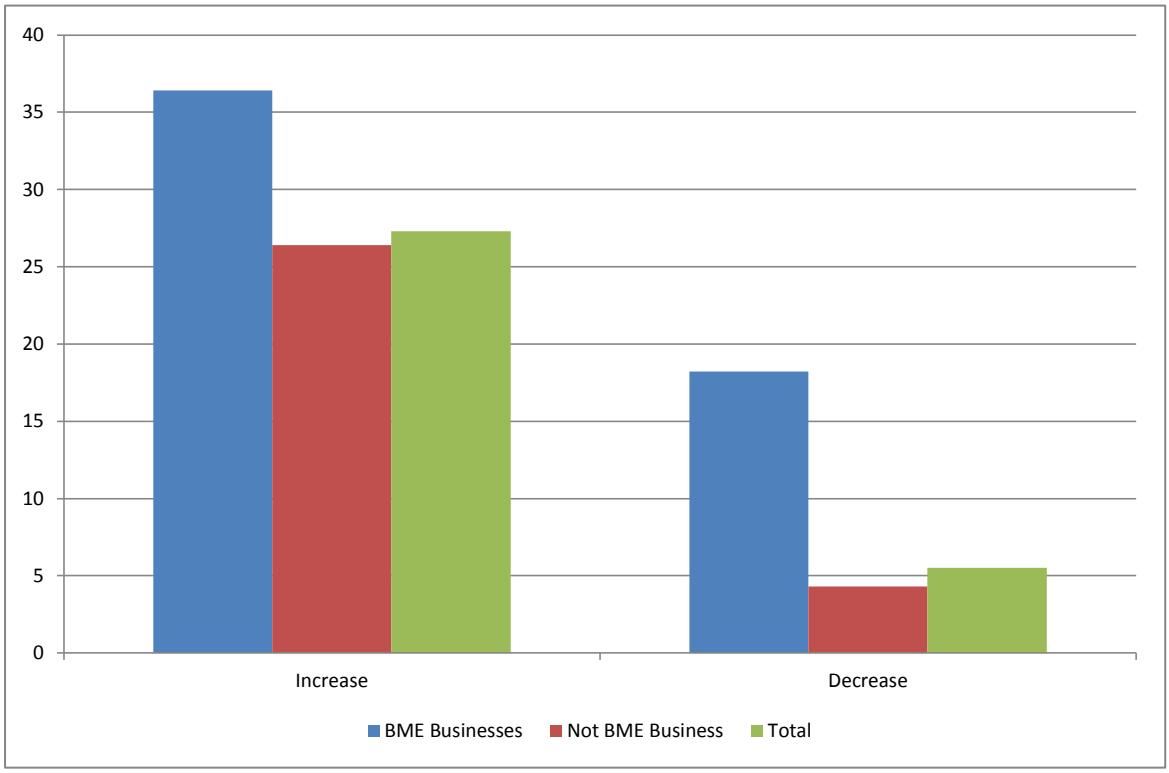
BME led businesses were more likely to say their employment of young people had decreased in the past 12 months than non-BME led businesses and in the case of the BME led businesses, there was a net decrease with more businesses reporting a decrease than increase (which was not the case for non-BME led businesses).

Figure 7.26: How employment of young people has changed in past 12 months, by BME status



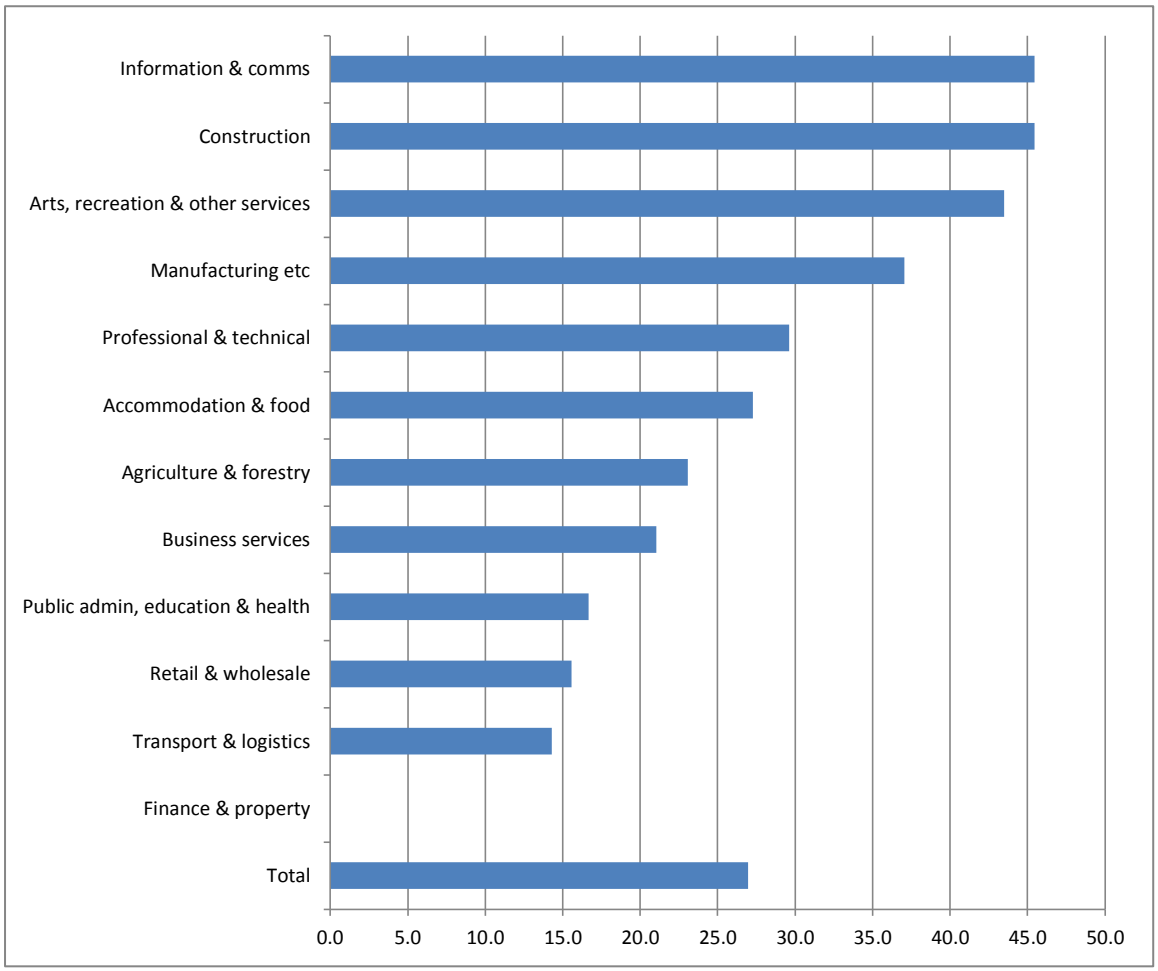
Despite this trend for BME led businesses in the past 12 months, a higher proportion in this group felt they would employ more young people in the next 12 months than in the non-BME led group, 36.4% v 26.4%. However, more BME led businesses also felt the number would decrease (18.4%) than was the case for non-BME led businesses (4.3%).

Figure 7.27: How employment of young people will change in next12 months, by BME status



Businesses in the information & communications, construction, arts, recreation & other services and manufacturing sectors were the most optimistic about increasing the number of young people they employ whilst those in the retail & wholesale and accommodation & food sectors were least optimistic. (It should be noted that there were only a small number of respondents in some sectors.)

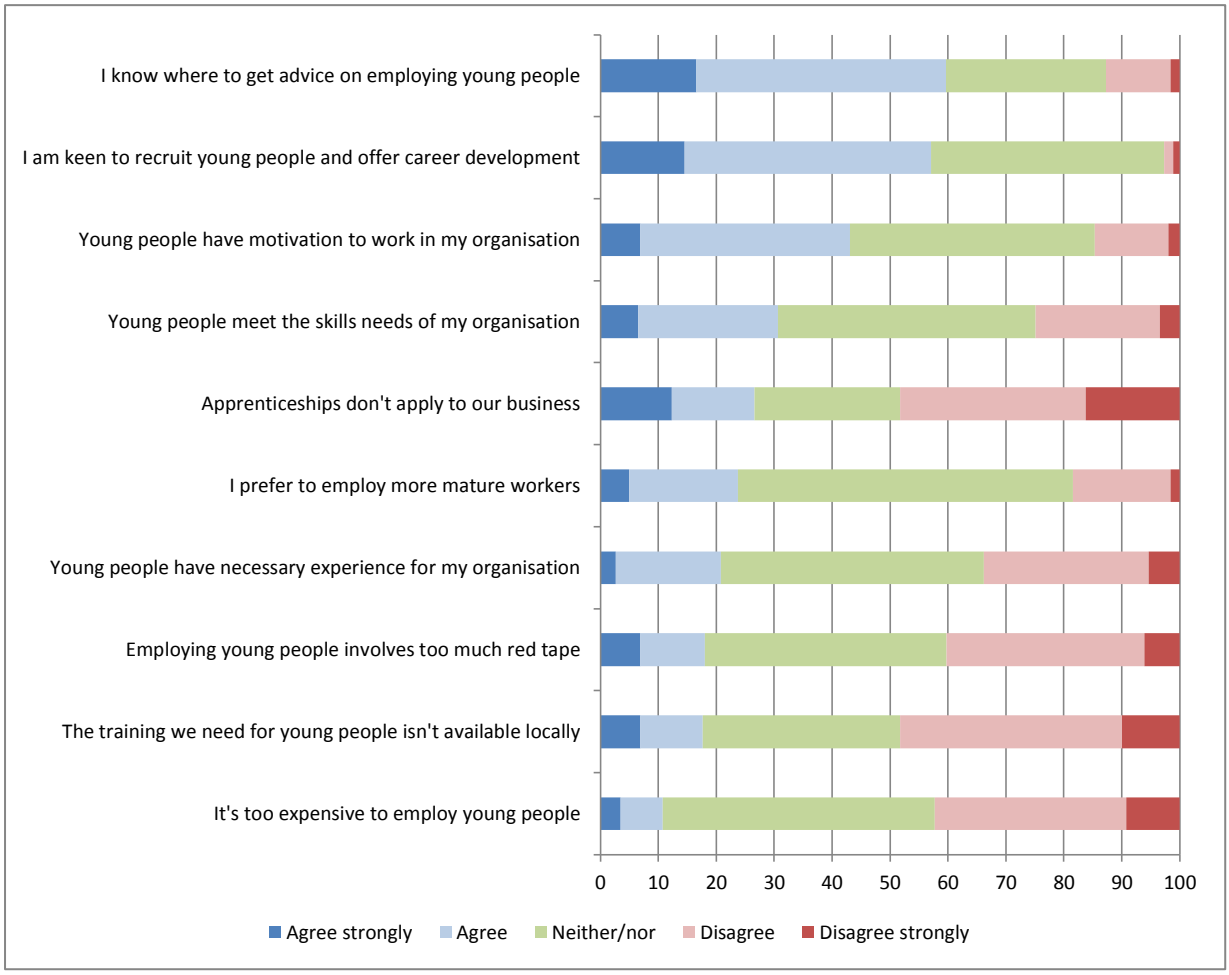
Figure 7.28: Proportion of businesses thinking they will employ more young people in next 12 months, by sector



After indicating how their employment of young people might change in the future, businesses were asked to rate their agreement with a number of statements about young people and their organisation.

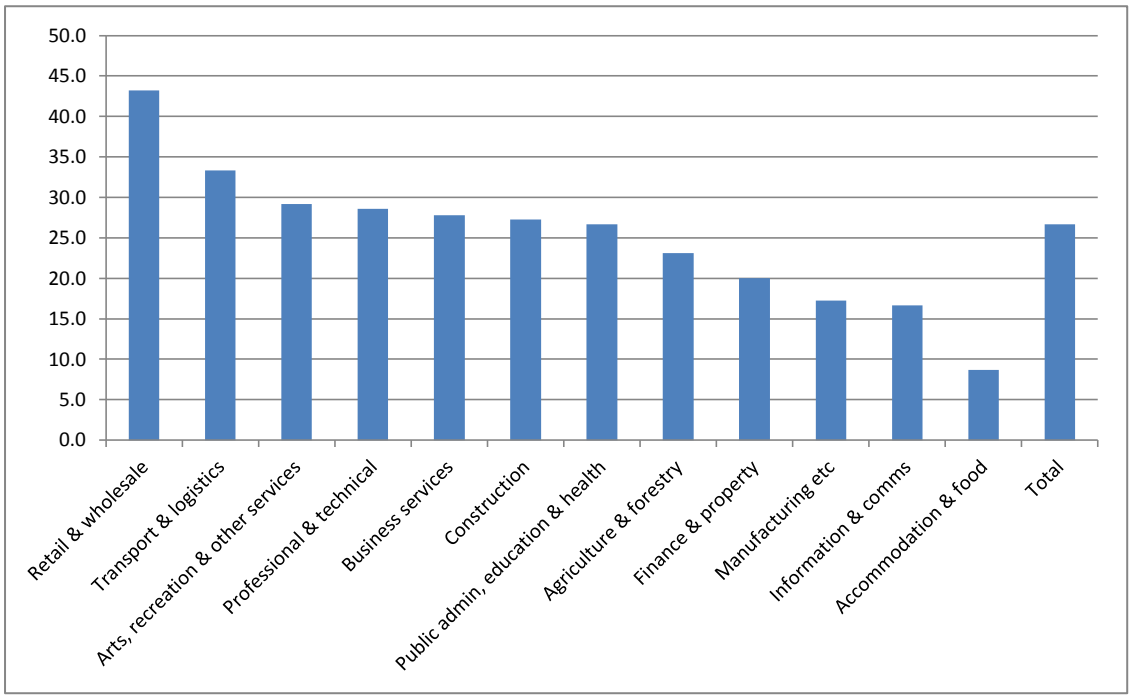
Businesses were strongest in their agreement that they knew where to get advice on employing young people with 59.6% of respondents strongly agreeing/agreeing with this statement. Businesses were also strong in their agreement that they were keen to recruit young people and offer career development within their organisation. However, a quarter of respondents (26.6%) strongly agreed/agreed that apprenticeships didn't apply to their business and fewer than a third (30.6%) strongly agreed/agreed that young people had the necessary experience for their organisation.

Figure 7.29: Level of agreement with statements about employing young people



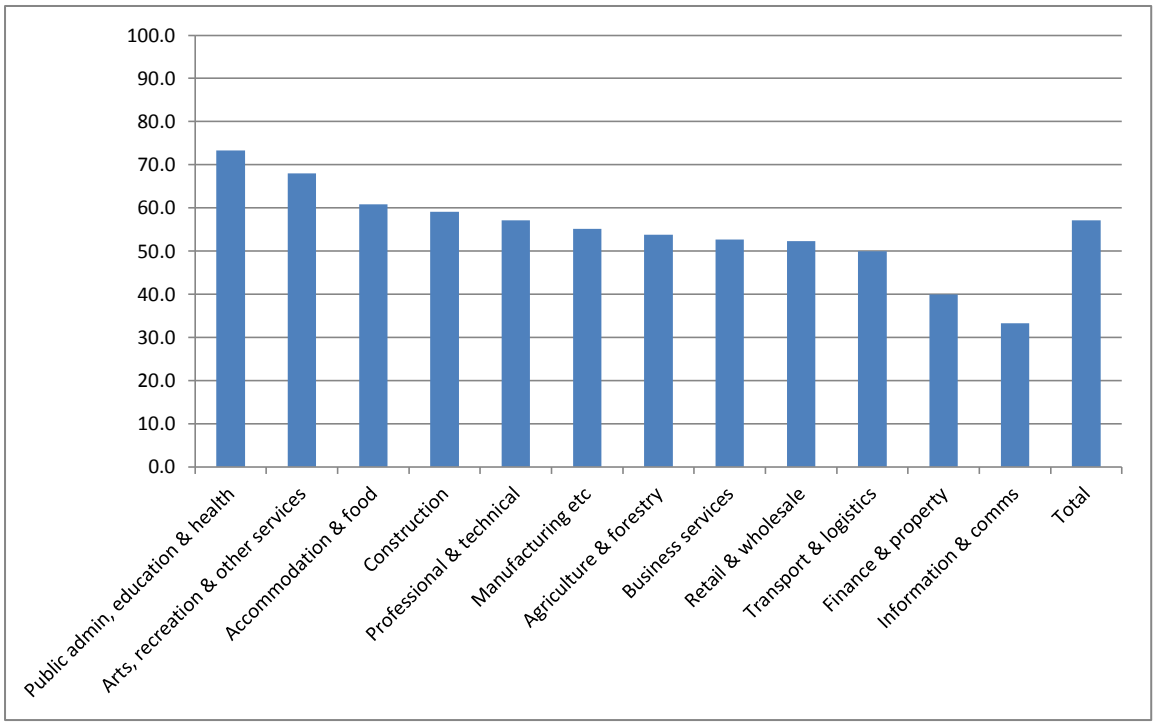
Businesses in the retail & wholesale sector were most likely to believe that apprenticeships don't apply to their business with 43.2% of respondents in this sector strongly agreeing/agreeing with the statement. A third of those in the transport & logistics sector also believed this whilst those in the accommodation & food sector were least likely to.

Figure 7.30: Proportion of businesses which strongly agree/agree that apprenticeships don't apply to their business, by sector



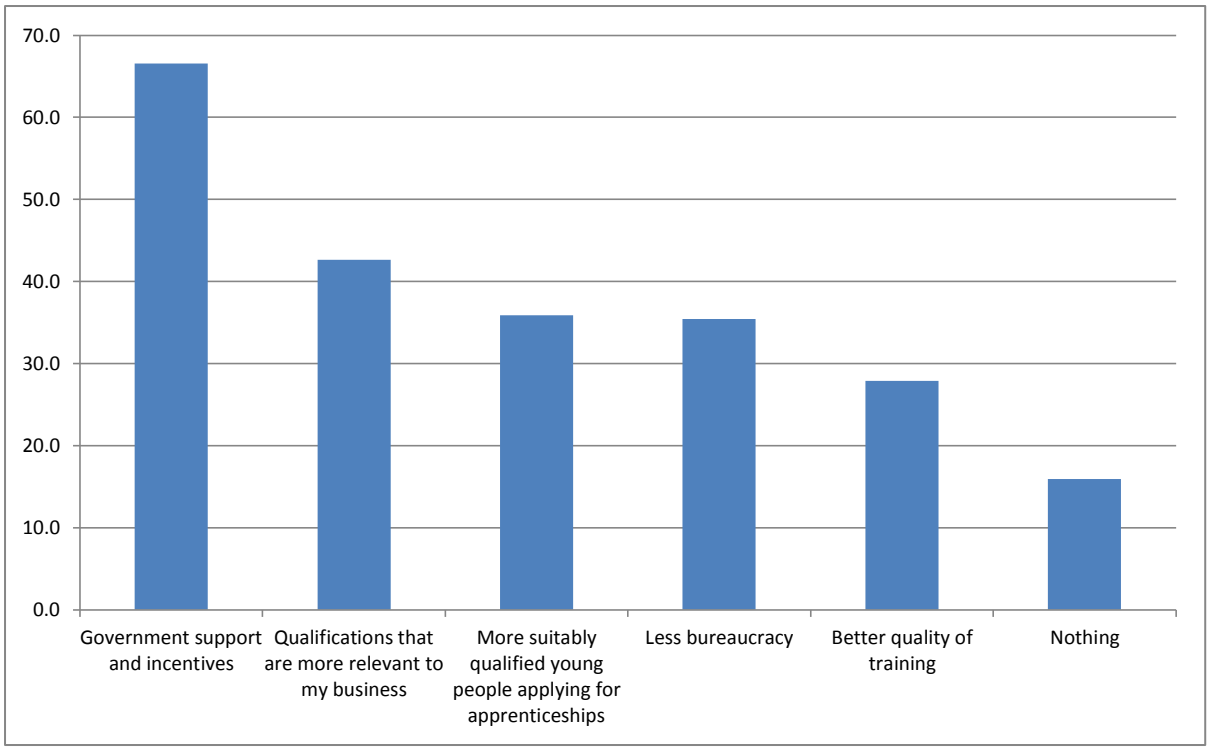
Businesses in public admin, education & health were most likely to agree that they are keen to recruit young people and offer career development, followed by those in the arts, recreation & other services sector. Those in information & communications and finance & property were least likely to agree with this statement.

Figure 7.31: Proportion of businesses which strongly agree/agree that they are keen to recruit young people and offer career development



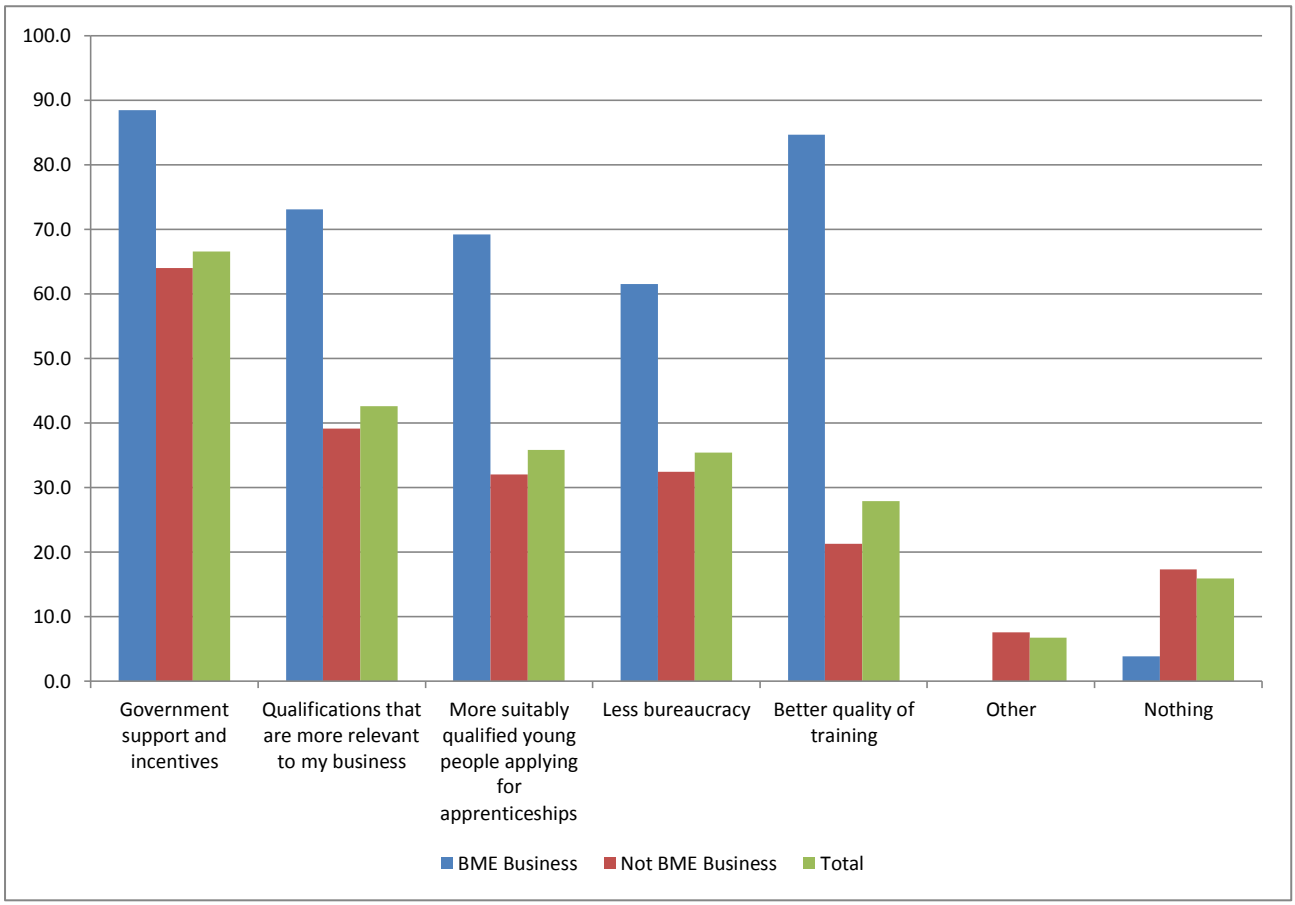
We have seen that businesses are keen to recruit and train young people so the next question in the survey asked businesses what would encourage them to get more involved in employing and training young people. Perhaps not surprisingly, the most popular selection was more Government support and incentives, two thirds of businesses (66.5%) selecting this. There was also strong support for there being qualifications more relevant to the business (42.6%). Only one in six respondents (15.9%) said that nothing would encourage them to get more involved.

Figure 7.32: What would encourage businesses to get more involved in employing and training young people



BME businesses were more likely to select all the statements in this question. In particular they showed strong agreement that Government support and incentives would encourage them to get more involved in employing and training young people (88.5%) and also that better quality of training would help (84.6%).

Figure 7.33 What would encourage businesses to get more involved in employing and training young people, by BME status

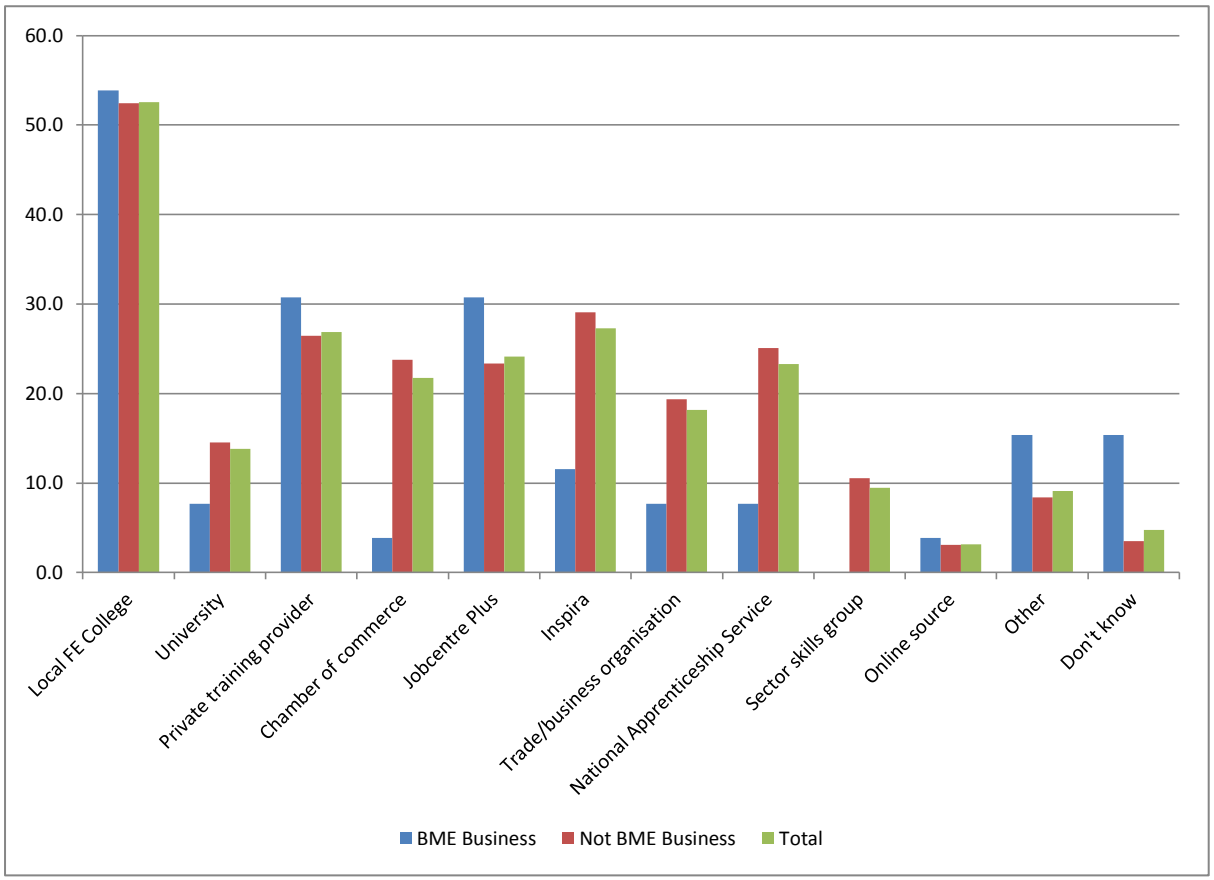


7.4.3 Sources of advice

The next question in the survey asked respondents where they would go for advice about recruiting and training a young person. The most common response was the local FE college which was selected by 52.6% of respondents. There was then a gap to Inspira (27.3%), private training provider (26.9%), Jobcentre Plus (26.1%) and the National Apprenticeship Service (23.3%) all selected by around a quarter of respondents.

A similar proportion of BME led businesses selected the local FE college as a place to go for advice as non-BME led businesses but there were some differences with the other options. BME led businesses were more likely to select Jobcentre Plus than non-BME led businesses (30.8% v 23.3%) but less likely to select the Chamber of Commerce (3.8% v 23.8%), Inspira (11.5% v 29.1%) and NAS (7.7% v 25.1%). Whilst only 3.5% of non-BME led businesses said they didn't know where they would go for advice, 15.4% of BME led businesses said this.

Figure 7.34: Where businesses would go for advice about recruiting and training a young person, by BME status



7.4.4 Training/development activities

The final section of the survey concentrated on ways in which businesses could be involved with training and development activities for young people. A number of activities were listed and businesses were invited to say whether they were already involved, interested in becoming involved, not interested or not sure.

Work experience is the activity which the most respondents said they were already involved with (37.0%) and a further 23.7% were interested in doing this. A quarter of respondents said they were already taking on an apprentice (24.6%) and a slightly higher proportion was interested in doing so (27.4%). There was also reasonably strong interest in giving talks to students about the organisation and skills needed for sector as well as having student visits to the organisation.

Taking part in an enterprise challenge, mentoring teachers and developing curriculum resources for the industry were the activities in which there was least interest.

Figure 7.35: Interest in training and development activities for young people