

North East Wales Skills and Labour Market Assessment



Final Report • March 2006

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Introduction

This Skills and Labour Market Assessment provides an in-depth description and analysis of the supply of skills and qualifications and the demand side issues facing North East Wales, and the three constituent Unitary Authority (UA) areas (Denbighshire, Flintshire and Wrexham).

Education and Learning Wales (ELWa) commissioned **Hoshin** Ltd to undertake the Skills and Labour Market Assessment during October-December 2005. The project involved detailed secondary research and analysis of the key datasets, coupled with a small scale consultation with a selection of local stakeholders. The consultation was undertaken through a series of face to face interviews with representatives from the local Further Education institutions, Local Authorities (economic development), and the Welsh Development Agency (WDA), supplemented by a discussion meeting with ELWa staff members working in North East Wales. Annex I contains information on consultees involved in the project.

Report Structure

The report is presented in four sections:

- A summary review of the evidence in terms of the supply and demand for skills;
- A brief overview of the general context and trends;
- Sections on the local skills base for young people and adults;
- A discussion of the demand for skills in the local labour market.

Supply and Demand for Skills

Table I.1 provides a summary review of the evidence in terms of the supply and demand for skills in North East Wales.

Table I.1: Supply and Demand for Skills	
Supply of Skills	Demand for Skills
The North East Wales population will grow by around 2% to 2010. The cohort of young people will be relatively stable (up 0.9%), emphasising the need to engage more adults in learning (widening participation). Below average numbers of residents are from Black and Ethnic Minority groups, although this group is increasing.	The Skills Strategy White Paper has argued that a demand-led approach to developing skills in the labour force must enable individual employers to access training provision in a way that suits their business needs. Nationally, there is a drive to upskill the nation to Level 2 or above.
NE Wales has a relatively large proportion of residents of working age compared to other areas of Wales where there are more retirees. Plus, economic activity rates are higher. Denbighshire	Employment in manufacturing is relatively high in North East Wales, although declining relative to other sectors. North East Wales as a whole has proportionally

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<p>and Flintshire have relatively higher than average female economic activity rates. Self-employment is above the average rate for Wales, especially in Denbighshire and Flintshire.</p>	<p>more large employers than the average. Although micro employers still dominate in all three local authority areas. Over two-fifths of jobs are in employment in large companies (with 250+ employees).</p>
<p>Adult unemployment levels are relatively low, although there are likely to be pockets of unemployment. In general, this means that employers are likely to have to attract greater numbers of workers from non-traditional groups within the economically inactive population, or incomers to the area.</p>	<p>North East Wales has proportionally more people in employment in managerial and senior official positions than Wales as a whole. Personal service occupations are more prevalent than average in North East Wales (especially in Denbighshire), as are process, plant and machine operatives (especially in Wrexham).</p>
<p>Amongst economically inactive people, relatively few actually want a job. Levels of economic activity are likely to be associated with high levels of incapacity benefit claimants. Many in this group have no formal qualifications. Encouraging people from inactivity back to the workforce is essential in view of the relatively low pool of unemployed people, so the base to recruit is small especially at low skill levels.</p>	<p>The numbers in employment in North East Wales is increasing faster than for Wales as a whole. The largest increases in employment in North East Wales were in distribution hotels and restaurants, and public admin, health and education. Female employment increased at a faster rate than male employment between 1998-2003, as did part-time employment.</p>
<p>Staying on rates in post 16 learning are steady, but there is a worrying group of young who are not in employment, education or training. There is small cohort of young people experiencing long term unemployment. Young people achievement rates vary and are below the average in Denbighshire and Wrexham. A significant proportion of young people (under 28 years) remain unqualified.</p>	<p>Statistics for job related training as a whole, suggests that Denbighshire and Flintshire rank relatively highly in terms of the propensity to provide training, whilst Wrexham lags slightly behind the other areas. Participation in job related training is related to occupation. The figures suggest that it is the people who are already relatively well qualified who receive most training, and this contributes to the cycle of non participation in learning. Larger employers are also more willing to train than smaller companies.</p>
<p>Recruitment of vocational learners is problematic where there is competition from further and higher education, and large employers. Smaller local companies are often unable to compete for the most highly skilled people, and the remaining skills pool is lower. Increasing demand for apprentices locally, means larger companies are finding it increasingly difficult to get the right people. The potential provider base is large extending across the sub-region.</p>	<p>Employers in Wrexham and Denbighshire are proportionally more likely than average to support off-the-job training for employees, although most is for managers and senior staff, followed by administrative and secretarial and professionals.</p>
<p>Levels of qualifications vary across North East Wales. There are above average levels of people with Level 2+ in Denbighshire and Flintshire, compared to Wales as a whole.</p>	<p>Evidence from Future Skills Wales (2003) suggests that overall employers are generally happy that staff are proficient to do their jobs, although they are less happy in Denbighshire than the other districts. Across North Wales the majority of establishments felt that their employees already had sufficient skills to meet their business needs.</p>
<p>Relatively high numbers have no qualifications. Wrexham in particular has above the Wales average levels of unqualified residents, and high proportions with poor literacy and numeracy.</p>	<p>The incidence of hard to fill vacancies is highest in Denbighshire, whilst Wrexham is well below the average. Although data is not available at district level, incidence of skills shortage vacancies in North</p>

	Wales was on a par with the national average.
Participation in FE varies, and is highest in Denbighshire. Residents identify significant barriers to learning – mainly family commitment for women, time and work pressures for men. Part-time training indicates many adults are combining studying with work.	The percentage of employers reporting a skills gap is below average in Denbighshire and Flintshire, but slightly above in Wrexham. The proportion of establishments reporting skill gaps tends to rise as firm size increases. The manufacturing sector has the highest proportions of employers reporting skill gaps.
The 2003 Future Skills Wales survey found that many residents feel their current skills are already higher than those demanded by employers, suggesting that the supply of skills is starting to exceed demand.	There is no significant evidence from employers of a push for higher skills, although interventions on the demand side such as management development may address this.
Inactivity is an issue for young people, and not just the older age groups. There is scope for higher economic activity in 16-25 years in order to secure the future workforce.	A new network of UK wide Sector Skills Councils (SSCs) is being set up to lead the skills and productivity drive in industry, but more needs to be done to ensure the linkages are in place between SSCs and local providers, and to provide a strategic overview of sector initiatives.
Basic skills are a key concern, and this links to low qualification rates amongst residents. Basic skills issues are affecting peoples lives, as well as their employment prospects. There has been an increase in the use of migrant workers, for example in the service sectors and entry level jobs.	
Community based learning provision is significant, but there is little hard evidence of the benefits for jobs and employment.	
Training provision is changing through the increase in part-time provision and a modularised learning approach, increase in remote learning, increase and development of venues for learning, and a focus on technical skills training. However, there needs to be a more focused approach linked to better forecasting and forward planning.	

Context

Overview

This section briefly examines the national, regional and local economy of North East Wales in order to provide an overview of the current economic climate and to demonstrate the contribution of North East Wales to overall economic activity in Wales.

Investment and economic growth are on the increase in Wales, and the National Assembly and partners are working to build the Welsh competitive advantage. Much emphasis has been placed on support to inward investment, alongside a strong 'brand' image, and public sector organisations have been successful in securing many new investors. Land prices and office rents are relatively competitive, and ease of access to the rest of the UK and international markets are also crucial factors. Wales has also worked to secure good industrial relations, and the physical regeneration of many parts of Wales has played an important role, especially in the Objective 1 areas. The North East Wales area as a whole is distinctive due to the differing availability of European Union funding for activities (i.e. Denbighshire is with North Wales in Objective 1). Further information on the focus of European funding is appended.

Wales as a whole is experiencing unprecedented economic growth, and the latest employment figures show that Wales had the biggest increase in the employment rate to March 2003 in the UK (up 2.9 percentage points). The working age economic inactivity rate fell by 2.6 percentage points, the biggest reduction in Great Britain. West Wales and the Valleys (Objective 1 areas) saw particular increases; however, the districts in North East Wales have also seen employment rise and inactivity decline.

Whilst the positive changes in economic indicators suggest that Wales has recovered well from profound economic change, the Welsh economy currently creates less wealth than many comparable regions. Judged against European standards, Gross Domestic Product (GDP) per head in Wales is 80% of the European Union (EU) average (the lowest of any British region).

There are some notable features in the structure of the Welsh economy. Manufacturing provides a relatively large contribution to GDP in Wales, as does the public sector (Public Administration and Defence; and Education, Social Work and Health Services). At the same time, financial and business services are relatively small. Wales is more dependent on agriculture than the UK as a whole, and tourism makes a more substantial contribution.

Over the last few years, the sectors experiencing the biggest increases in Gross Value Added in Wales were education, construction and financial intermediation, which experienced growth at over twice the average rate. Real estate, renting and business activities also increased strongly, as did transport, storage and communication, and wholesale and retail trade.

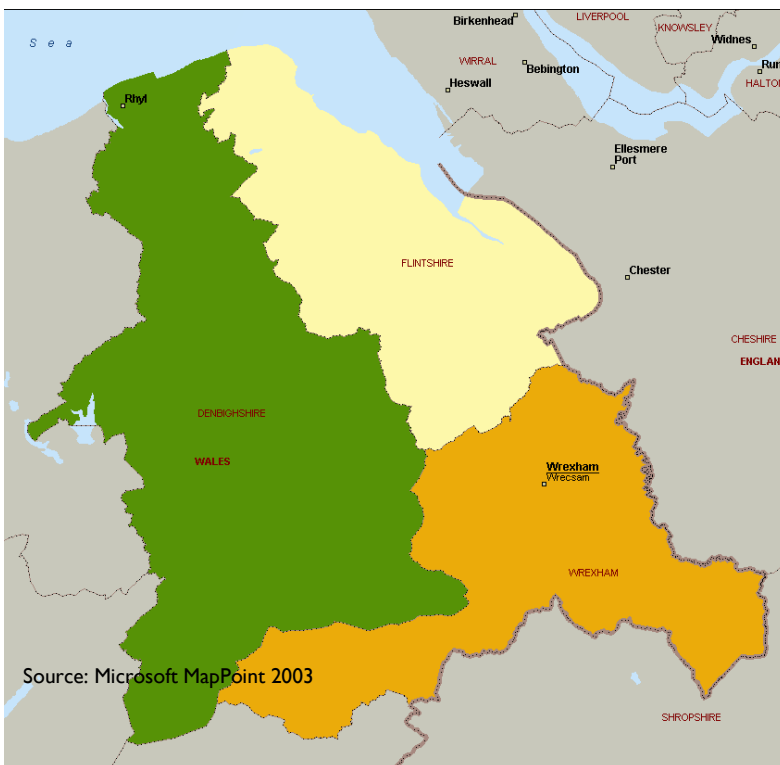
Table 2.1: Highest Growth Sectors (Wales) 1997-2002	
Industry	% Growth GVA 1997-2002
Education	48%
Construction	47%
Financial intermediation	46%
Real estate, renting and business activities	45%
Transport, storage and communication	43%
Health and social work	43%
Wholesale and retail trade	36%
Other community, social and personal service activities	28%
Hotels and restaurants	26%
Coke, refined petroleum products and nuclear fuel	22%
All industries	23%

Source: Regional Accounts, Welsh National Government

Skills and training have been identified as factors underpinning future prosperity, as positive economic growth shifts the labour market closer to full employment. In order to exploit future economic opportunities there needs to be a match between the developing economic base, and the skills available and being developed within the labour market in the key economic sectors. Some commentators have highlighted concerns in terms of a mismatch between educational attainment and skills/training needs, although availability of a pool of skilled labour is also a key concern.

North East Wales

Figure 2.1: North East Wales Administrative Boundaries



The North East Wales area is comprised of three counties: Denbighshire, Flintshire and Wrexham, a combined area of 1780 sq km.

Together these three unitary authority areas comprise some 374 thousand people, representing around thirteen percent of the Wales total population (based on mid year population estimates 2003). Denbighshire is the largest area (838 sq km), and also the least densely populated (109 people per sq km). Wrexham and Flintshire are much more density populated (249 and 337 people per sq km respectively), compared to 141 per sq km in Wales (1999).

The size of the North East Wales economy is above the average for the size of population. North East Wales had an estimated Gross Value Added

(GVA) – the sum of all incomes earned from productive activity - in 2002 of around £5,100 million, which is around 15% of total GVA for Wales. However, there are differences across the areas for which figures are available (NUTS3). GVA per head of population in 2002 was relatively high

in Flintshire and Wrexham (£14,654), but only £10,001 in Denbighshire and Conway, compared to £11,971 for Wales as a whole.

The North East Wales geographical location means that it offers a main thoroughfare between North Wales and the North West of England.

The whole of Denbighshire has Tier 1 'Assisted Area' status, and Denbighshire also qualifies for Objective 1 Structural Funds. The County has some blue chip employers, such as Thales in St Asaph and Smurfit in Llangollen. In the north of the county and seaside areas, leisure and tourism is a big employer, especially in the resorts of Prestatyn and Rhyl. Llangollen in the south hosts the annual international musical Eisteddfod. As well as attracting tourism, Rhyl is also an important sub-regional shopping centre with representation from many national retailers. The largest employer on one site is the district general hospital at Bodelwyddan. The south of the County is mainly rural and agriculture is a key sector, although there are some industrial estates in the market towns (such as Corwen, Denbigh, Ruthin and Llangollen).

In Flintshire, manufacturing continues to play a significant role in the economy, and contributes to around a quarter of jobs. Access to markets in the North West has led to development of industrial sites in the east of the county including Deeside Industrial Park. The area around Queensferry and Connaught Quay is a main focus for industry and employment.

Wrexham has seen a decline in the traditional industries of coal extraction and brick making, but many national companies have established manufacturing here (e.g. Kellogg's, Hazlewood's Foods, Sharp, and Brother). Industrial sites have been established, including Redwither Industrial Complex and Wrexham Technology Park. Two major shopping developments, Henblas Square and Island Green, has created over 18,000 square meters of retail space, attracting major national stores. There are also some major Banks and Building Societies and some government area offices are located in Wrexham town.

The above average contribution to Gross Value Added in Flintshire and Wrexham reflects the relatively high income from manufacturing and services here. Geographically the area is well placed for high value added investment and linkages to the North West of England and in particular the fast-growing economies in Cheshire and Warrington.

Labour market indicators suggest that labour market conditions in North East Wales are relatively tight, and overall North East Wales is close to full employment, although there are variations between the three authorities. Latest estimates of working age employment rates (2003) in each of the three authority areas are above the average for Wales, and rates of inactivity are below the average. Unemployment rates are relatively low.

The measure of jobs density (number of jobs per working age resident) is above the average for Wales in Denbighshire. Unemployment rates are also higher here indicating a larger pool of available workers.

Jobs density is relatively low in Wrexham compared to the other areas, and economic inactivity is higher here.

	Denbighshire	Flintshire	Wrexham	Wales
Working age Population (000s)	55	92	80	1,765
In Employment (000s)	42	74	59	1,243
Employment Rate	75.7%	79.1%	74%	71.2%
Unemployment Rate 16+*	3.7%	2.4%	2.6%	4.8%
Inactive (000s)	12	18	19	439
Inactivity Rate	21.4%	18.9%	24.1%	25.1%
Claimant Count**	1,056	1,543	1,313	40,735
Claimant Rate***	1.9%	1.7%	1.6%	2.3%
Total (000s)	41	68	57	1,306
Jobs Density (Working Age)	0.76	0.74	0.71	0.74

* As a percentage of 16+ economically active population.
 ** Count of claimants of Jobseeker's Allowance. Average for January 2004 to December 2004.
 *** Jobs densities are calculated as the number of jobs per resident of working age (16-59/64).
 Source: Welsh Assembly Government, StatsWales

At the same time, average earnings are very variable across the districts, reflecting the differing economies. Average gross weekly earnings for full-time employees on adult rates in 2004 varied from £400.30 in Denbighshire, to £423.20 in Wrexham and £469.70 in Flintshire, compared to £441.70 for Wales.

	1999			2004 (including supplementary survey information)		
	Persons	Males	Females	Persons	Males	Females
Denbighshire	343.30	366.40	299.20	400.30	435.60	343.80
Flintshire	384.20	413.00	310.10	469.70	512.10	356.40
Wrexham	360.10	411.10	277.40	423.20	476.40	330.50
Wales	358.70	391.90	300.50	441.70	480.40	377.40

Source: Welsh Assembly Government, StatsWales

Figure 2.3: Index of Multiple Deprivation 2005



■	First 10% (1.0 to 190.0)
■	Next 10% (190.0 to 380.0)
■	Next 10% (380.0 to 570.0)
■	Next 20% (570.0 to 950.0)
■	Last 50% (950.0 to 1896.0)

Source: Local Government Data Unit
 Wales, Index of Multiple Deprivation
 2005

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North East Wales contains some significant concentrations of disadvantage and deprivation. Based on the 2005 Index of Multiple Deprivation, Rhyl West and Rhyl South West in Denbighshire, and Plas Madoc in inner Wrexham, are amongst the most deprived 10% in Wales.

Supply of Skills - Young People

Population

Wrexham has the largest cohort of young people aged 16-19 in North East Wales (accounting for 35% of the total). As a proportion of all residents young people represent around 5% of the total (or over 6% of the working age population).

Table 3.1: Population Aged 16-19 Years

	Population 16-19	% of total population
Denbighshire	4,530	4.5
Flintshire	4,880	4.8
Wrexham	5,110	5.1

Source: Office for National Statistics, Labour Force Survey 2003 © Crown Copyright.

Figure 3.1: Population Projections for North Wales Aged 15-19



Source: Welsh Assembly Government, 2003-Based Sub-National Population Predictions for Wales

The latest population projections for young people suggest that the rate of increase in the numbers of young people in Wales will be under one percent over the current decade. This pattern is reflected in North Wales (where 15-19 year olds are projected to increase by 0.9% to 2010). Overall, the cohort of young people is now stabilising after a period of growth, and numbers are set to start to fall back towards the end of the current decade. Overall, the North Wales population will increase by 2% to 2010. The 19+ age

group is increasing more quickly than the number of children and young people. This puts emphasis on the need to widen participation for adult learners.

Unemployment

Young people aged 18-24 years eligible for Job Seekers Allowance (JSA) represent around a third (32%) of all JSA claimants in North East Wales. Wrexham has the highest numbers of young JSA claimants. Long term unemployment (6+ months) amongst claimants aged 18-24 years is an issue, and proportionally more young JSA claimants in North East Wales authorities have been unemployed for this length of time, compared to the average for Wales.

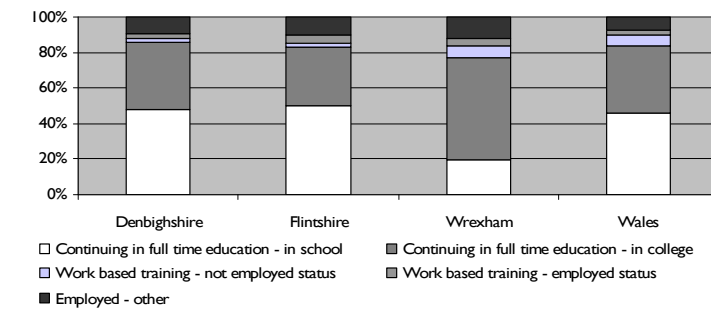
	All youth unemployed*	6+ months (%)
Denbighshire	354	87.6%
Flintshire	458	86.5%
Wrexham	532	87.0%
Wales	13,684	86.2%

*2003 average
Source: Welsh Assembly Government, StatsWales, 2003 based on Jobcentre Plus administrative system © Crown Copyright.

Transition to Education and Training

Over time increasing numbers of young people have stayed on in learning beyond the end of compulsory education. Of the approximately 5,000 leavers in North East Wales in 2004, some 72% continued in full time education, compared to 74% across Wales as a whole. However, as a whole North East Wales has a slightly lower proportion of people staying on in full time education post Year 11 compared to Wales.

Figure 3.2: Year 11 Leavers in Employment, Education and Training (2004)



Source: Careers Wales, Pupil Destinations, 2004

The profile of those staying on in education varies by Authority, from 67% in Wrexham to 75% in Denbighshire. There are also marked differences in the routes taken, with above average rates of pupils from Flintshire continuing in full time education in schools, but proportionally more Wrexham leavers taking up college places (nb The Careers Wales North East careers company covers Flintshire and Wrexham but only the southern part of Denbighshire, although the figures are for the local authority areas).

Proportionally fewer leavers from North East Wales schools went into work based learning compared to Wales as a whole (6.2% compared to 7.7%). However, there were more people going into other types of employment (9.4% of North East Wales leavers compared to 6.5% overall).

The level of leavers not in employment, education or training (NEET) is below average in North East Wales (6.8% compared to 7.1% NEET for Wales as a whole). However, there are variations between the local authorities, and Wrexham has a significantly higher than average NEET cohort.

	Denbighshire	Flintshire	Wrexham	NE Wales
In employment, education and training	1,295	1,772	1,301	4,368
NEET	94	107	128	329
Not known	35	54	40	129
Total cohort*	1,424	1,933	1,469	4,826
Percentage NEET (Wales = 7.1%)	6.6%	5.5%	8.7%	6.8%

*Excludes those leaving the area. Source: Careers Wales, Pupil Destinations, 2004

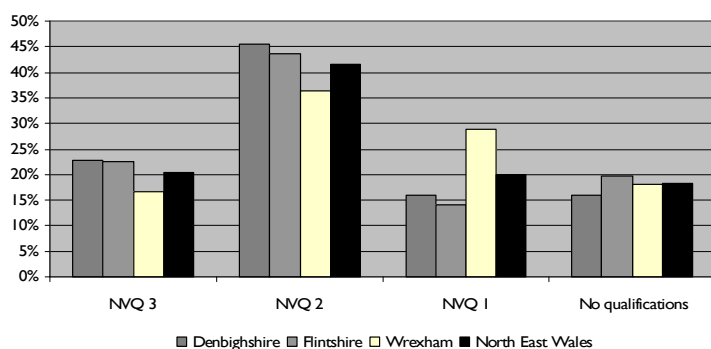
Achievement

Qualification levels are generally high in Flintshire. However, pupils in Denbighshire and Wrexham perform below the average at GCSE/GNVQ.

	Percentage achieving 5 or more GCSE grades A*-C or equivalent	Percentage achieving 5 or more GCSE grades A*-G or equivalent	Average GCSE/ GNVQ Points score
Denbighshire	48.0	83.7	38.1
Flintshire	53.4	89.7	41.3
Wrexham	43.9	82.5	36.5
Wales	51.4	85.3	39.9

Source: Welsh Assembly Government, StatsWales

Figure 3.3: Profile of 16-19 Year Olds by Qualifications



The largest group of 16-28 year olds (41%) have NVQ Level 2. However, a significant proportion of young people (18%) remain unqualified.

The numbers of young people failing to achieve in examinations highlights problems in terms of the extent of the skills base within young people, and issues of poor literacy and numeracy. Statistics on achievement levels in the North East Wales authorities in core subjects at each of the Key Stages shows that Wrexham and Denbighshire tend to lag behind other

areas, and that the differences become magnified for older age cohorts of children and young people.

	Denbighshire	Flintshire	Wrexham	Wales
Key Stage 3 (% at Level 5+ in tests)				
English	62.8	67.7	59.4	63.1
Mathematics	67.5	71.7	64.6	67.5
Science	70.5	74.4	69.7	69.5
Key Stage 2 (% at level 4+ in tests)				
English	77.4	79.4	78.1	78.9
Mathematics	72.5	74.8	74.6	74.9
Science	85.9	87.5	88.1	87.6
Key Stage 1 (% at level 2+ teacher assessment)				
English	86.9	84.6	83.2	82.3
Mathematics	88.8	85.0	88.1	86.7

Source: Welsh, Assembly Government, StatsWales

During the consultation element of the research, local colleges serving the North East Wales area reported high levels of poor basic skills amongst young people going into further education. One local Further Education institution estimated that a third to a half of the annual cohort had only low levels of basic skills.

To some extent, North East Wales is in a good position to benefit from the economic success spreading out from Chester, but this will depend on having a more skilled workforce. The statistics show that there are strong

deficiencies in the schools in Wrexham, and issues around poor basic skills, which are not unrelated to the schools performance. Pupils in Denbighshire perform better on average than in Wrexham, but results in Denbighshire are below the average for Wales. Pupils in Flintshire get the best results on average in North East Wales, and achievement here is above the overall Wales achievement rate.

School Sixth Forms

The numbers staying on in learning in School Sixth Forms varies between the districts, as does the profile of Sixth Form students in terms of qualifications achieved. Flintshire has by far the largest cohort of 17 year olds in maintained schools entered into A/AS levels or vocational equivalents. Pupils in maintained schools in Flintshire and Denbighshire have below the Wales average rate of achievement of two or more A/AS grades A-C or equivalent.

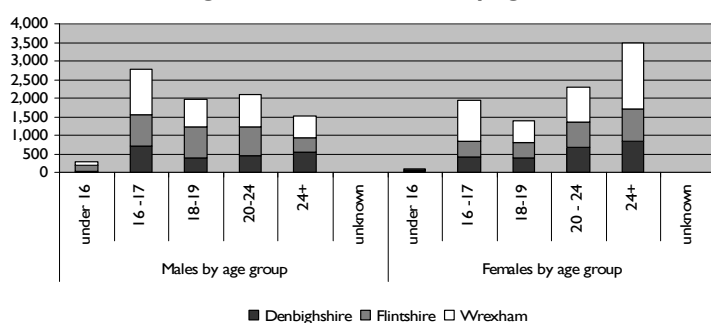
	Number Entered for two or more A/AS levels of vocational equivalent	% achieving two or more A/AS grades A-C or vocational equivalent	% achieving two or more A/AS grades A-E or vocational equivalent
Denbighshire	383	67%	96%
Flintshire	520	66%	94%
Wrexham	79	72%	95%
Wales	10,041	68%	95%

Includes independent schools but excludes Further Education institutions.
 *Age at the start of the Academic Year
 Source: ELWa Learning and Labour Market Intelligence Report 2005

Work Based Learning

In the 2002-03 financial year, around 150 Work Based Learning training providers were supported by ELWa funding in total for Wales. The vast majority of Work Based Learning training in Wales is full-time, generally below Level 3. Of the trainees for whom data were available: the largest group (57%) were male and well over four-fifths (83%) were under the age of 25.

Figure 3.3: Enrolments in WBL by Age*



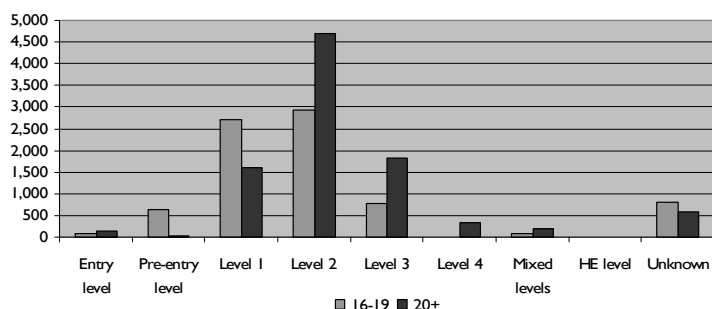
*Number of Learning Activities ending or expected to end during 2004/05 for Denbighshire, Flintshire and Wrexham domiciled learners

Source: ELWa, LLWR as at 6 January 2006

There were nearly 18,000 enrolments by residents of North East Wales in WBL activities which ended or were expected to end in 2004/05 (nb. each individual could be enrolled on more than one activity). The largest share of WBL enrolments (45%) were by Wrexham residents.

Overall the largest group (51%) of all WBL enrolments by North East Wales residents ending in 2004/05 were by females. However, the largest share of enrolments by those aged nineteen and under was made by males (60%).

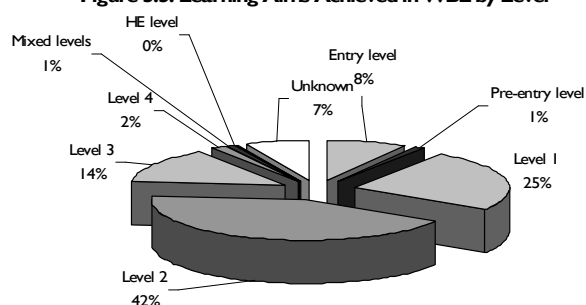
Figure 3.4: Learning Aims in WBL by Level and Age*



*Number of Learning Activities ending or expected to end during 2004/05 for Denbighshire, Flintshire and Wrexham domiciled learners
Source: ELWVa, LLWR as at 6 January 2006

In relation to learning aims associated with enrolments by North East Wales residents in younger age groups (16-19 years) in WBL activities ending in 2004/05, the largest group were at Level 2 (36%), followed by Level 1 (33%). Only 10% of learning aims were at Level 3 or above. Only 17% of learning aims associated with enrolments by North East Wales residents in older age groups (20+ years) in WBL activities ending in 2004/05 were at Level 1. The largest group (50%) were at Level 2, and over a fifth (22%) were at Level 3 or above.

Figure 3.5: Learning Aims Achieved in WBL by Level*



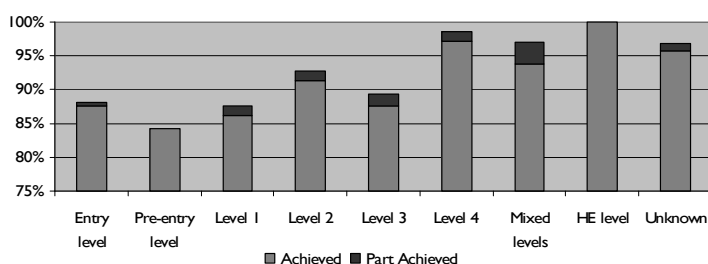
*Number of Learning Activities ending or expected to end during 2004/05 for Denbighshire, Flintshire and Wrexham domiciled learners
Source: ELWVa, LLWR as at 6 January 2006

Some 89% of learning aims were achieved by WBL leavers in 2004/05 and a further 8% were part achieved.

The profile of qualifications outcomes from WBL reflects the pattern of provision. The largest proportion of qualification outcomes (42%) were at Level 2, followed by Level 1 (25%). This equates to around 3,700 learning aims achieved at Level 2 and over 2,100 at Level 1.

Rates of achievement of learning aims by North East Wales residents in WBL vary by level.

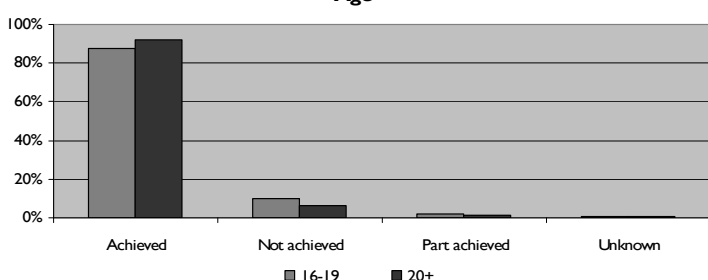
Figure 3.6: Achievement Rates of Learning Aims in WBL by Level*



*Number of Learning Activities ending or expected to end during 2004/05 for Denbighshire, Flintshire and Wrexham domiciled learners
Source: ELWVa, LLWR as at 6 January 2006

Achievement of learning aims also varies between age groups. Overall a higher percentage of learning aims are fully achieved by older age groups (19+) compared to learning aims undertaken by 16-19 learners.

Figure 3.7: Achievement Rates of Learning Aims in WBL by Age*



*Number of Learning Activities ending or expected to end during 2004/05 for Denbighshire, Flintshire and Wrexham domiciled learners
Source: ELWVa, LLWR as at 6 January 2006

ELWVa has set a target of 11.8% for the numbers of learners who achieve an accredited award at Level 3 or above in the last year of Work Based Learning, as a proportion of that cohort of learners (Business Plan 2005-08). Latest information for learners resident in North East Wales suggests that leavers are achieving this target (around 13% achieve Level 3+).

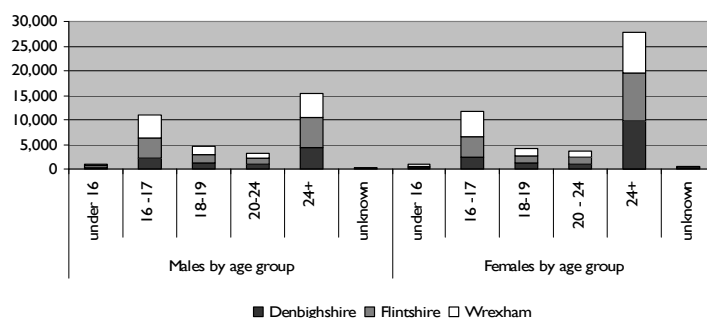
Further Education

Two-fifths (40%) of enrolments in FE were by people aged under 20 years, of which the largest group were aged 16-17 years. Indeed, 16-17 year olds accounted for a quarter (25%) of all enrolments.

Recruitment and retention of learners and WBL trainees has been highlighted by colleges in the consultation as a problem for the North East Wales area.

This is because those who are the most educated tend to move out of the area in the search for higher education and employment. This issue of the migration of the best talent affects the vocational training sector, especially where large employers are able to recruit the most able into the larger companies. The effect is that smaller local companies are often unable to compete for the most highly skilled people, and the remaining skills pool is lower.

Figure 3.8: Enrolments in FE by Age*



*Number of Learning Activities ending or expected to end during 2004/05 for Denbighshire, Flintshire and Wrexham domiciled learners

Source: ELWa, LLWR as at 6 January 2006

Supply of Skills - Adults

Population

According to the mid 2003 population estimates, North East Wales has a total population of over 374,000. Females slightly out-number males overall. Flintshire contains the largest number of residents in North East Wales (around two-fifths of the total).

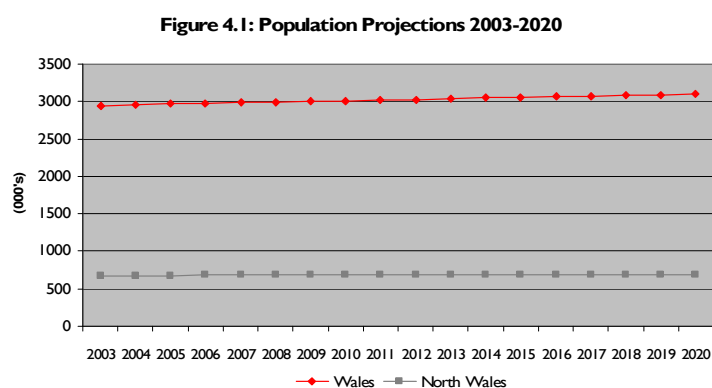
	Total (000s)	Males (000s)	Females (000s)
Denbighshire	94.3	45.1 (47.8%)	49.2 (52.2%)
Flintshire	149.3	73.1 (49.0%)	76.2 (51.0%)
Wrexham	129.3	63.2 (48.9%)	66.1 (51.1%)
Wales	2,918.7	1,410.7 (48.3%)	1,508.0 (51.7%)

Source: Office for National Statistics, Mid-2002 Population Estimates © Crown Copyright.

People of working age represent 61% of the total, which is slightly above the average level of working age residents for Wales (60%). North East Wales has slightly fewer residents over retirement age. However, there are variations by local authority: Denbighshire (57%) has proportionally fewer residents of working age than the other two authorities.

	Population change		Components of change (%)	
	(000's)	(%)	Natural change*	Net migration & other
Denbighshire	1.2	1.3%	-17%	117%
Flintshire	0.7	0.5%	29%	71%
Wrexham	0.8	0.6%	-12%	112%
Wales	11.1	0.4%	-24%	124%

*Births minus deaths
Source: Welsh Assembly Government, Digest of Local Area Statistics for Wales 2004



Source: Welsh Assembly Government, 2003-Based National and Sub-National Population Projections for Wales

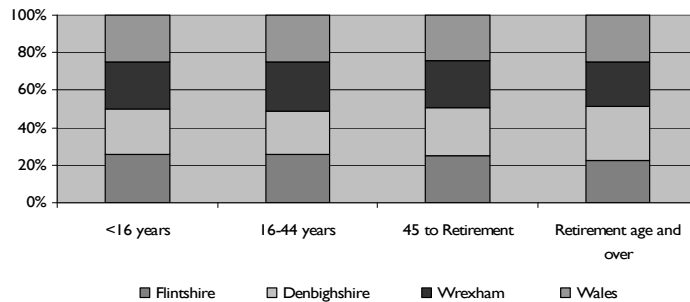
Analysis of population change shows that the population is increasing fastest in Denbighshire (up 1.3% which is more than three times the rate for Wales as a whole). In line with the trend for Wales overall, net migration is the biggest contributor to population change, especially in Denbighshire and Wrexham. Natural changes (births minus deaths) is contributing to declining numbers, apart from in Flintshire, although the population increase here is below the rate of the other two North East Wales local

authorities.

Wales's population as a whole is projected to increase by some 6.2% between 2003 and 2023 (approximately 0.3 per cent each year over the

next twenty years) and is set to reach some 3,120,700 people by 2023. However, the North Wales area is predicted to have much slower growth than Wales as a whole (around 3.6% between 2003 and 2023). South East Wales is projected to have the greatest increase in population between 2003 and 2023 at 7.8%, and net inward migration will be highest in South West Wales.

Figure 4.2: Population by Age



Source: Office for National Statistics, Mid-2003 Estimates of Population

The Wales population is slanted towards older age groups, and this profile is reflected in North East Wales, especially in Denbighshire. Some 46% of residents in Denbighshire are 45 years or older compared to around 41% in Flintshire and Wrexham (and 41% for Wales overall). One of the main changes for the period up to 2023 is predicted to be the decline in the number of people aged under 24 years. The population of people aged 25 to 44 is also predicted to fall in North Wales

(although increasing in South East Wales). The number of people aged 45 and above is set to increase, with the biggest increase being amongst the oldest age group (75+ years), reflecting improvements to life expectancy.

North East Wales has relatively small numbers of residents of black and minority ethnic (BME) origin, compared to Wales as whole and other parts of the UK. People of mixed ethnic origin are the largest ethnic minority group.

Table 4.3: Ethnic Origin

	Denbighshire	Flintshire	Wrexham	Wales
White	98.9%	99.2%	98.9%	97.9%
Mixed	0.9%	0.7%	0.7%	1.2%
Asian or Asian British	0.3%	0.2%	0.4%	0.9%
Black or Black British	0.1%	0.1%	0.1%	0.2%
Chinese or other ethnic group	0.3%	0.2%	0.3%	0.4%

Source: Office for National Statistics, Census of Population 2001

The vast majority of people in North East Wales were born in Wales. The next largest group were from other parts of the UK, followed by the rest of Europe (mainly Western Europe).

Table 4.4: Country of Birth (000's)

	Denbighshire	Flintshire	Wrexham	Wales
Wales	53,886	75,988	92,399	2,188,754
Other UK (incl Channel Islands)	36,686	68,953	33,007	624,125
Other Europe	1,245	2,061	1,566	40,394
Africa	281	399	339	10,722
Asia	610	689	759	27,304
America	218	315	244	7,656
Oceania	117	168	133	3,415
Other	22	19	28	715
Total	93,065	148,592	128,475	2,903,085

Source: Office for National Statistics, Census of Population 2001

Registered Unemployment

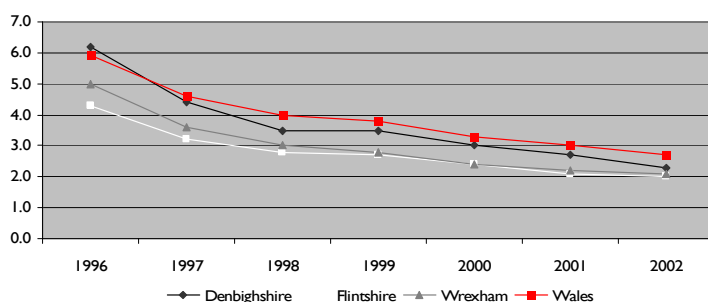
Well over 4,000 people were registered for Job Seekers Allowance (JSA) in North East Wales in 2005. The claimants count rate of unemployment shows that Denbighshire is much closer to the average rate for Wales than the other two North East Wales districts.

	Rate*	Number	Male (%)	Female (%)
Denbighshire	2.1	1,169	887 (75.9%)	282 (24.1%)
Flintshire	1.8	1,628	1,169 (71.8%)	459 (28.2%)
Wrexham	1.8	1,483	1,109 (74.8%)	374 (25.2%)
Wales	2.4			

*JSA claimants as % of working age residents. Source: Office for National Statistics via NOMIS (February 2005)

Amongst the total in North East Wales, male JSA claimants outnumber females (74% to 26%).

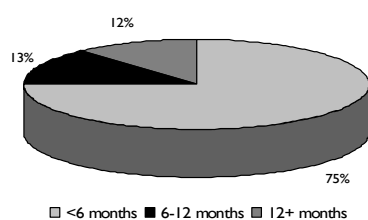
Figure 4.3: Annual Average Claimant Unemployment Rate 1996-2002*



Trend information shows that registered unemployment has been on a downward trend since the mid 1990's. Authorities in North East Wales have tended to have a consistently lower rate of registered unemployment than the Wales average, although the gap between unemployment here and the rest of Wales is narrowing over time as overall unemployment reduces.

By far the largest group of claimant unemployed in North East Wales have been out of work for less than 6 months only (75%). Wrexham has proportionally more short term unemployed (79%).

Figure 4.4: Duration of JSA Unemployment



Long term unemployed people (12+ months) represent 12% of total claimants (or around 500 people). However, the level of long term unemployment varies by district, and is highest in Denbighshire and Flintshire (over 13%).

The largest group of claimant unemployed are aged 25-49 years (around a half). However, the profile varies between districts. Denbighshire and Flintshire have above average older unemployed (50+ years), whilst Wrexham has more claimants under 24 years (over a third of the total, although this is in line with the average for Wales as a whole).

	Denbighshire	Flintshire	Wrexham	Wales
18-24 years	31.7	29.7	34.9	34.1
25-49 years	50.3	50.9	49.0	49.0
50+ years	17.0	17.8	15.2	15.5

Source: Office for National Statistics via NOMIS (February 2005)

The unemployment level in North East Wales is relatively low compared to the average for Wales. The travel to work area covers a large area. Many workers travel both from (and to) North East Wales in great numbers and the travel-to-work area extends from as far away as Manchester, Liverpool, the North Wales Coast, North Shropshire and Cheshire. Based on the 2001 Census of Population for example, it is estimated that over a quarter (26%) of Flintshire workers journeyed to work outside of North East Wales, and 16% of Wrexham residents (GVA Grimley, West Cheshire-North East Wales Sub Regional Study, 2004).

In general, low rates of unemployment indicate that the pool of potential recruits to the labour market is relatively limited in North East Wales. This means that employers are likely to have to attract greater numbers of workers from non-traditional groups within the economically inactive population, or in-comers to the area.

Economic Activity

The working age population totals around 227,300 residents (ONS, Mid-2003 population estimates). The rate of economic activity varies between the districts, and is highest in Flintshire (81%), and lowest in Wrexham (77%). However, economic activity rates are above the average for Wales overall (74%).

	Work age population	Economically active (%)	Economically inactive (%)
Denbighshire	54,600	78.1	21.9
Flintshire	92,300	80.7	19.3
Wrexham	80,400	76.7	23.3

Source: Office of National Statistics Mid-2003 population estimates, and Labour Force Survey (Mar 2003-Feb 2004)

As might be expected, activity rates differ between men and women. Economic activity amongst males is consistently higher than for females, however the gap is much narrower than average in Denbighshire and Flintshire, due to high levels of female economic activity in these districts.

Amongst economically active residents, the largest group are employees. However, self-employment is a significant factor in North East Wales, especially in Denbighshire and Flintshire. Self employment rates for both men and women are above the Wales average in these two districts.

The Labour Force Survey records unemployment at a broad level (essentially people willing and able to work should a job become available). Overall, unemployment rates are below the Wales average across all districts in North East Wales. Wrexham has the lowest unemployment rates for both men and women (less than half the Wales rate). There are variations by district and gender. Male unemployment in Denbighshire is relatively high compared to the trend, as is female unemployment in Flintshire.

Table 4.8: Economic Activity (%)

	Denbighshire			Flintshire			Wrexham			Wales		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
Economically active:	78.1	81.6	74.3	80.7	83.7	77.5	76.7	82.3	70.7	74.2	78.6	69.6
Employed:												
Self employed	10.2	14.8	5.4	8.6	10.9	6.0	8.2	12.6	3.4	8.4	12.0	4.5
Employee	64.5	62.1	67.0	69.3	70.7	67.8	66.4	67.2	65.6	61.6	61.4	6.7
Total employed	75.2	77.3	72.9	78.3	81.8	74.5	75.0	80.5	69.0	70.5	74.0	66.7
Unemployed	3.7	5.3	1.8	3.0	2.3	3.9	2.3	2.3	2.4	5.1	5.9	4.2
Inactive:												
Wanting a job	4.8	4.7	4.9	2.3	2.5	2.1	4.0	2.3	5.9	6.1	5.2	7.1
Not wanting a job	17.2	13.7	20.8	16.9	13.8	20.4	19.2	15.4	23.3	19.6	16.2	23.3
All inactive	21.9	18.4	25.7	19.3	16.3	22.5	23.3	17.7	29.3	25.8	21.4	30.4

Source: Labour Force Survey (Mar 2003-Feb 2004)

Differences in economic activity rates between areas are due to differences in the composition of populations combined with different propensities towards economic inactivity.

In general, low levels of unemployment are associated with higher levels of economic activity. This pattern is reflected in the picture in North East Wales. However, compared to other areas of Wales and the UK economic activity rates are not as high as might be expected, especially in Flintshire. The relatively low inactivity rates (six percentage points below the Wales average in Flintshire), suggests that proportionally more people have been attracted into the labour market by favourable labour market conditions in North East Wales compared to Wales as a whole. Inactive workers represent a pool of potential labour and therefore the pool of potential workers is smaller here, however, proportionally fewer than average of the number of residents who remain inactive in districts in North East Wales actually want a job. LFS data suggests that roughly well over three-quarters of inactive people do not want to work, and in Wrexham proportionately more economically inactive men than women do not want work.

Encouraging people from inactivity back to the workforce is essential in view of the relatively low pool of unemployed people, so the base to recruit is small especially at low skill levels. However reducing the inactivity rate is not easy, and is indeed a long term recognised problem – few effective solutions have been identified yet, although good practice is developing, and most labour market reports and new strategies mention this group.

Incapacity Benefit Claimants

Research for the Welsh Assembly highlights the relationship between low activity rates in the Welsh Unitary Authorities and high incidences of Incapacity Benefit claims and self reported illness (University of Swansea, Identifying barriers to economic activity in Wales, 2004). Although age standardised mortality rates and other major health indicators have improved in Wales over time there has also been a substantial increase in the numbers claiming Invalidity/Incapacity Benefit. Administrative statistics of Incapacity Benefits suggest that Welsh authorities tend to have higher Incapacity Benefit claimant rates than comparable authorities in England.

Table 4.9: Incapacity Benefit Claimant Rate

	Rate*
Denbighshire	7.5%
Flintshire	6.4%
Wrexham	7.9%

*Of working age population
 Source: Welsh National Government, Economic Research Unit, 2003

Recent research into inactivity has shown that the likelihood of remaining economically inactive increases as the time spent inactive grows, and this suggests that a sustained period out of work leads to an erosion of skills which makes it harder to re-enter the labour market. Moreover, the research involved a survey of economically inactive people which found that although in general the inactive group are extremely heterogeneous, over two thirds had no formal qualifications, and a large majority lived in workless households (University of Swansea, Identifying barriers to economic activity in Wales, 2004).

Supply of Skills

Qualifications

Compared to the UK as a whole, Wales has a higher proportion of residents with no qualifications and a lower proportion with NVQ levels 4 or 5. Across North East Wales, the qualifications profiles vary: Denbighshire and Flintshire have comparably low rates of unqualified residents. Denbighshire has proportionally more people with high level qualifications. Wrexham performs closer to the Wales average.

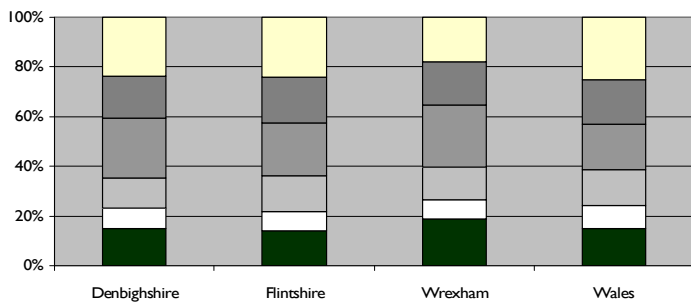
Table 4.10: Qualification Levels (% of Adults of Working Age)

	Attained no qualifications	Attained at least a level 2 qualification or higher	Attained at least a level 3 qualification or higher	Attained at least a level 4 qualification or higher
Denbighshire	15.4	72.3	49.6	29.1
Flintshire	13.7	67.6	45.3	23.5
Wrexham	17.4	66.4	42.9	23.0
Wales	17.0	66.2	44.9	25.5

Source: Office for National Statistics, Labour Force Survey 2004

The UK as a whole has lower levels of skills than major competitor countries, and Wales is one of the poorest performing parts in terms of rates of highly qualified people. The North East Wales area performs relatively poorly in relation to the average for Wales in terms of the supply of working age residents with higher level qualifications - all three districts have below the Wales average proportion of residents with NVQ Level 4 or above (25%). Denbighshire and Flintshire are closest to the average (24% respectively), whilst Wrexham lags considerably behind (18%). The pattern is similar for Level 3 qualifications.

Figure 4.5: Highest Qualifications Held



Source: Office for National Statistics, Labour Force Survey (2003-04)

Denbighshire and Flintshire have relatively large groups of working age residents qualified to at least NVQ Level 2 (64% and 65% respectively, compared to 61% for Wales).

Figure 4.6: Qualifications by Status



Source: Office for National Statistics, Labour Force Survey (2003-04)

Wrexham has above average rates of unqualified residents (19%), whilst Flintshire fewer than average unqualified (14%). Some 15% in Wales as a whole have no qualifications.

Economic activity rates and employment status tend to be related to qualifications levels. In North East Wales as a whole, rates of employment are highest for people with NVQ Levels 3 and 4+ (and these groups have the highest proportions of employees and self-employed). Employment rates are lowest amongst people with no qualifications and inactivity rates are highest for this group.

At the same time, employment rates for people with Level 2 qualifications are slightly below those for people at Level 1, and unemployment is highest amongst people with Level 2, suggesting a degree of polarisation in the labour market between high level and low level skills. However, employment opportunities for people with low/no qualifications tend to be in decline.

Literacy and Numeracy

Good levels of literacy and numeracy are essential to the vast majority of employers (Future Skills Wales 2003 Generic Skills Survey: North Wales Regional Report).

In Wales overall, some 28% of people are estimated to have poor literacy and 32% poor numeracy. Residents in Denbighshire and Flintshire are estimated to have below the average levels of poor literacy and numeracy, whilst Wrexham has above average levels. Lack of basic skills is a serious issue: over 58,000 people in North East Wales have poor literacy, and nearly 64,000 have poor numeracy (Basic Skills Agency, Adult Basic Skills Benchmark Information, 2001).

	Population aged 16-60	With poor literacy	With poor numeracy
Denbighshire	50,632	13,266 (26.2%)	14,886 (29.4%)
Flintshire	88,666	23,585 (26.6%)	25,181 (28.4%)
Wrexham	72,987	21,239 (29.1%)	23,575 (32.3%)
North East Wales	212,285	58,090 (27.4%)	63,642 (30.0%)
Wales	-	28.0%	32.0%

Source: Basic Skills Agency, Adult Basic Skills Benchmark Information, 2001

Research for the Welsh National Government confirms that literacy and numeracy are associated with positive economic growth, higher wages and improved chances of being in employment, as well as non-economic outcomes such as better health and reduced likelihood of offending

(London School of Economics, Literature Review of the Effects of Improvements in Adult Basic Skills, 2004). The results are stronger for numeracy than for literacy. Some factors were identified as being important for effective basic skills learning, including clearly structured programmes, use of ‘real world’ contexts to maintain interest, use of individual learning plans, regular assessment and progress reviews, and accreditation of learning. However, although basic skills are associated with beneficial economic effects, it does not follow that improving adult basic skills will yield benefits, as the individuals concerned are likely to face multiple barriers to participation in the labour market.

Work-Related Skills

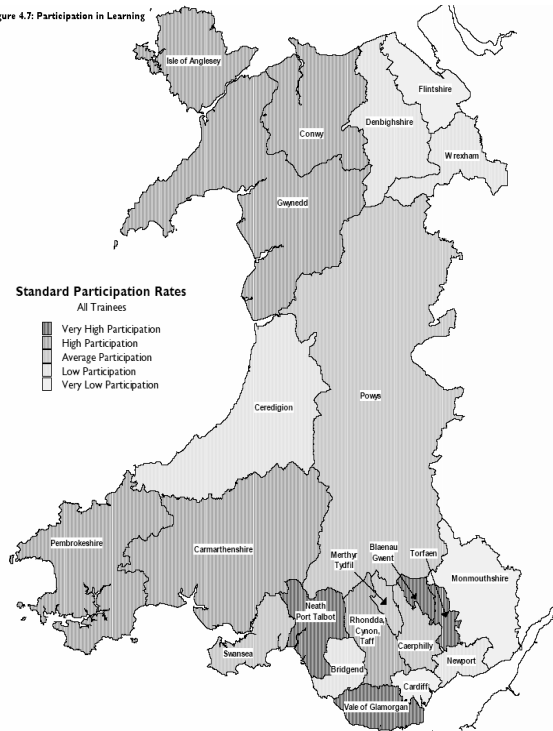
People in work in North East Wales are most likely to rate themselves as having high or advanced levels of skills around following instructions, followed by team working (Future Skills Wales Partnership, Future Skills Wales Survey, 2003). Workers in Wrexham were proportionally less likely to identify high level skills in these areas compared to workers in the other two North East Wales districts.

Table 4.12: Work Skills	
Six skills with the highest percentage of respondents in work rating themselves as high or advanced (Household Survey)	
Denbighshire	<ol style="list-style-type: none"> 1) Ability to follow instructions (89%) 2) Understanding customer needs (88%) 3) Adaptability/flexibility (83%) 4) Team working skills (83%) 5) Showing Initiative (83%) 6) Communication skills (82%).
Flintshire	<ol style="list-style-type: none"> 1) Ability to follow instructions (89%) 2) Showing Initiative (84%) 3) Team working skills (84%) 4) Understanding customer needs (83%) 5) Adaptability/flexibility (82%) 6) Communication skills (82%).
Wrexham	<ol style="list-style-type: none"> 1) Team working skills (77%) 2) Ability to follow instructions (76%) 3) Showing initiative (73%) 4) Communication skills (72%) 5) Adaptability and flexibility (69%) 6) Understanding customer needs (66%).
Source: Future Skills Wales Partnership, Future Skills Wales Survey, 2003	

The supply-side has traditionally been emphasised in the skills debate, but increasingly attention is being focus on the demand from employers since without higher demand the economic benefits of higher skill levels will not be realised. Some people have pointed to the tendency for UK employers to avoid high-value added product strategies, preferring relatively ‘low specification’ goods and services which are perceived as being less risky. Alongside this is the tendency towards low skill work practices which reinforces a ‘low skill equilibrium’. Interestingly, the 2003 Future Skills Wales survey found that many residents feel their current skills are already higher than those demand by employers, suggesting that the supply of skills is starting to exceed demand.

Participation in Education and Training

Figure 4.7: Participation in Learning



The Standard Participation Rate is defined as numbers of learners domiciled in an area divided by the expected numbers of learners multiplied by 100 (i.e. Participation Rates <100 denote fewer than expected learners based on the Welsh averages).
Source: ELWa, Learning and Labour Market Intelligence: Area Profiles, 2005

The local authority districts in North East Wales have low to average levels of participation in ELWa funded training (sixth forms, FE and WBL), compared to the picture for Wales as a whole.

In general rates of participation in FE are higher in North Wales than in the East. This pattern is reflect in North East Wales: Denbighshire has above average participation in FE.

Flintshire has one of the lowest participation rates in WBL in Wales (along with Monmouthshire and Cardiff) (ELWa Area Profiles 2005).

Further Education

There were well over 90,000 enrolled at FE colleges in North Wales in 2002-03, of which around 50,000 were at institutions in North East Wales. Well over four out of five students (87%) were on part-time courses, and that suggests that many adults were likely to be combining study with work.

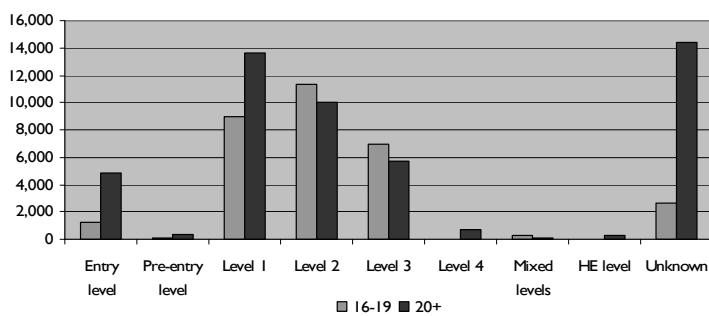
Table 4.13: Students Enrolled in FE Institutions in North East Wales (2002-03)

	Full-time	Part-time	Total *
Coleg Llandrillo	2,713	19,599	22,312
Coleg Lllysfasi	239	4,443	4,682
Coleg Menai	1,614	8,510	10,124
Deeside College	1,145	13,530	14,675
Welsh College of Horticulture	332	4,100	4,432
Yale College	3,167	10,901	14,068
North East Wales Institute of HE	73	151	224
University of Wales Bangor	12	1,458	1,470
Total	9,295	62,692	71,987

*Excludes mode not known.

Source: Higher Education Statistics Agency and ELWa, Higher Education, Further Education and Training Statistics in Wales 2002/03

Figure 4.8: Learning Aims in FE by Level and Age*



*Number of Learning Activities ending or expected to end during 2004/05 for Denbighshire, Flintshire and Wrexham domiciled learners

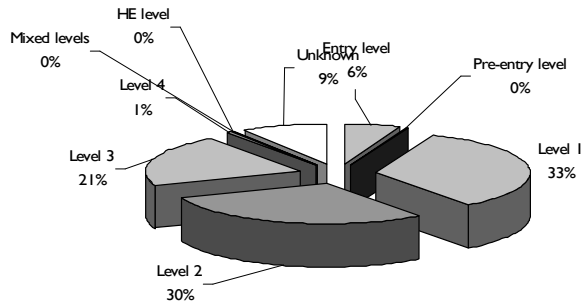
Source: ELWa, LLVWR as at 6 January 2006

Rates of participation in Further Education are variable between the North East Wales districts. Denbighshire has very high participation rates compared to the average, whilst Flintshire is closer to the average and Wrexham has low participation.

For North East Wales domiciled learners taking part in FE programmes which ended or were anticipated to end in 2004/05, learning aims at NVQ Level 1

accounted for over a third (35%) of learning aims (excluding unknown aims). A further third (33%) were at Level 2. Amongst this group, around a fifth (21%) of learning aims were at Level 3.

Figure 4.9: Learning Aims Achieved in FE by Level*



*Number of Learning Activities ending or expected to end during 2004/05 for Denbighshire, Flintshire and Wrexham domiciled learners
Source: ELWVa, LLWR as at 6 January 2006

The profile of learning aims achieved in FE reflects the pattern of enrolments. For 2004/04 leavers, around a third (33%) of learning aims achieved were at NVQ Level 1, and a further 30% were at Level 2. Level 3+ achievements accounted for around a fifth (22%) of achieved learning aims.

Over 1,300 people were on English as a Second or Other Language (ESOL) programme in 2003/04. Of these almost two-thirds (65%) were men.

Table 4.14: Number of ESOL students at FEIs in North East Wales (2003/04)

	Male	Female	Total
Coleg Llandrillo	86	145	231
Coleg Lllyfasi	581	109	690
Coleg Menai	61	103	164
Deeside College	30	25	55
Yale College	130	102	232
Total	888	484	1,372

Source: ELWVa, LLWR, 2003/04

Many of the local colleges serving the North East Wales population have developed new ways and styles of providing education and training. This includes, for example, the development of distance learning, training on employers premises and concentrating investment in learning on specific key sectors. There is some evidence that the subjects provided in the FE sector locally are shifting to reflect the growth in the key economic sectors in the area. Also, several of the colleges have high level investments in new specialist facilities, including automotive, construction, care and so on.

The above developments include partnership agreements between institutions and with employers and other agencies. For example, agreement in principle has been reached by Deeside College and Barry College to establish partnership and exploit commercial opportunities in Aerospace Training. Another example is centred around the Optic technium based in St Asaph Business Park, that includes a Business Centre, Technology Centre and Incubation Centre. Recent activity includes training courses for both industrial and academic users in Microscopy.

The Further Education institutions consulted during the project tended to be very business focused, and most provided cost recovery commercial services. Some colleges, for example Deeside, are facilitating employers groups (SMEs) to act as learning support networks, and there were some examples of shared training on quality and standards amongst supply chain partners.

During the consultation phase of the project, Further Education providers in North East Wales tended to highlight a strong demand for technical skills, mainly due to the influence of Airbus as a large employer in the area, and associated supplier companies. Some areas are fairly specialist and employers have made approaches to providers to develop customised provision. One problem in responding to employers' demand for technical skills training was identified as lack of qualified trainers, or inability to recruit sufficient qualified trainers.

Higher Education

Standardised participation rates for learners in HE suggest that relatively large numbers of people go into HE in Denbighshire, as is the case to a lesser extent in Flintshire. As with FE, Wrexham residents have low HE participation (ELWa, Area Profiles 2005).

The North-East Wales Institute of Higher Education at Wrexham is one of thirteen HE institutions in Wales and is one of the smaller institutions by total numbers of students.

Most people in Higher Education study full-time in Wales, although people in part-time training is still a significant minority (around 40%).

	Full-time	Part-time	Total*
Coleg Llandrillo	156	556	712
Coleg Llysfasi	N/A	N/A	99
Coleg Menai	153	384	537
Deeside College	0	225	225
Yale College	0	203	203
North East Wales Institute of Higher Education	2,636	3,107	5,743
University of Wales Bangor	7,229	2,628	9,857

*Includes mode of study unknown
Source: Higher Education Statistics Agency and ELWa, Higher Education, Further Education and Training Statistics in Wales 2002/03

Although a higher proportion of Welsh people leave Wales to study, compared to the situation in the English regions, Wales as a whole is a net importer of HE students (almost 7,000 more people come to Wales to take part in HE than leave Wales to study).

The North Wales Institute of Higher Education (NEWI) has its own recruitment agency, which deals only with graduates. Most are ex-NEWI students but it also acts for graduates of other institutions, who live in the area. NEWI is also involved in a number of initiatives which subsidise the cost of placing graduates with employers to work on particular projects. Many employers find that these schemes offer a useful way of identifying key staff.

Adult and Community Education

In 2003-03 there were just under two and a half thousand enrolments in Adult and Community Education across North East Wales.

Denbighshire	607
Flintshire	830
Wrexham	1,002
Source: ELWw, Learning and Labour Market Intelligence Reports, 2005	

Workforce Development

Proportionally more respondents to the Future Skills Wales household survey from Wrexham had taken part in training, including taught courses, compared to the average for Wales (although slightly fewer than average said courses were leading to qualifications). Denbighshire respondents were least likely to have been involved in any type of training.

	Denbighshire	Flintshire	Wrexham	Wales
Undertaken training in the 12 months leading up to the survey	50%	53%	62%	54%
Taught courses designed to help you develop skills that might be used in a job	27%	32%	34%	30%
Keeping up to date with work-related developments e.g. reading books, manuals or attending seminars	19%	26%	30%	26%
Taught courses that were meant to lead to qualifications	17%	16%	20%	21%
Supervised training on-the-job	10%	12%	N/A	17%
Another taught course, instruction or tuition	9%	20%	17%	14%
Source: Future Skills Wales Partnership, Future Skills Wales Survey, 2003				

Statistics for job related training as a whole, suggests that Denbighshire and Flintshire rank relatively highly in terms of the propensity to provide training, whilst Wrexham lags slightly behind the other areas.

	% receiving job related training	Rank of all authorities in Wales for proportion receiving JRT (highest=1)
Denbighshire	13.2	4
Flintshire	12.5	5
Wrexham	11.3	9
Wales	11.4	
Source: Office for National Statistics, Labour Force Survey, 2003		

Demand for Skills

Introduction

Learning and skills is high on the policy agenda for Wales. Raising qualifications is seen as essential to sustaining a competitive, productive economy, and encouraging all individuals to improve their skills has also been identified as a key driver of social inclusion. The UK Government set out its strategy for skills in the National Skills Strategy which aims to ensure that “employers have the right skills to support the success of their businesses, and individuals have the skills they need to be employable and personally fulfilled”. Most people agree that to be effective the Skills Strategy needs to understand the skills required by business, including the skills needed to maintain productivity in the future. Moreover, the Skills Strategy White Paper has argued that a demand-led approach to developing skills in the labour force must enable individual employers to access training provision in a way that suits their business needs.

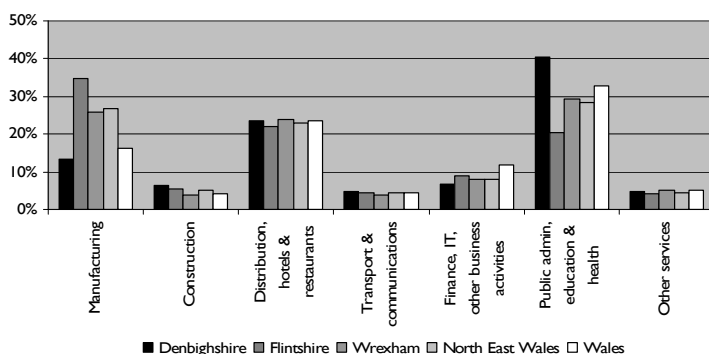
Studies suggest that skilled workers benefit employers and the economy in a range of ways, including enhancing the productivity of companies, increasing the adaptability of companies to industrial and market changes, and maximising the returns on new capital investment (HM Treasury and DfES, *Developing Workforce Skills: Piloting a New Approach*, 2002).

The drive to maintain competitiveness and productivity, including the potential for a successful knowledge economy, depends on the availability of higher technical skills. In the UK there is a drive to upskill the people to Level 2 or above.

Large urban centres in Wales, as elsewhere, tend to be characterised by higher levels of in-commuting than out-commuting of workers.

Employer and Employees Profiles

Figure 5.1: Employee Jobs by Sector (2003)



Source: Office for National Statistics, Annual Business Inquiry 2003

According to the Annual Business Inquiry (2003), there are around 140,800 employee jobs in North East Wales. Flintshire has the largest share of employee jobs (37%), followed by Wrexham (35%), and Denbighshire (28%).

Overall, the proportion of employee jobs in service industries in North East Wales (68%), is low compared to Wales as a whole (80%). This is due however to the relatively high level of non-service related employment in Flintshire and Wrexham.

Indeed, the proportion of employee jobs in

services varies widely between the local authority districts – from 60% in Flintshire, 70% in Wrexham to 80% in Denbighshire.

Employment in manufacturing is relatively high, especially in Flintshire. Employment in public administration, education and health is a major contributor to overall employment in Denbighshire.

Denbighshire	Public admin, education & health (41%), Distribution, hotels & restaurants (24%), Manufacturing (13%)
Flintshire	Manufacturing (35%), Distribution, hotels & restaurants (22%), Public admin, education & health (20%)
Wrexham	Public admin, education & health (29%), Manufacturing (26%), Distribution, hotels & restaurants (24%)
Source: Office for National Statistics, Annual Business Inquiry 2003	

Compared to manufacturing, many more job opportunities are being created in the service sector, which has the highest rate of growth. Some of the new employment is relatively less labour intensive and requires more technical know-how, better communication skills and flexible working patterns. Women are participating more than in past when traditional industries like coal and steel were more dominant.

Employment Sites

North East Wales has over 171 thousand enterprises (an enterprise is taken to be an entire organisation, including its head office and all the individual UK sites, wherever they may be located). Analysis of the numbers of enterprises by size shows that North East Wales as a whole has proportionally more large employers than the average (the figures given for employment for local authorities in this analysis relate only to the sites of the enterprises located in those local authorities). However, although the proportion of micro employers is below average, micro employers still dominate in all three local authority areas, and particularly in Denbighshire.

Size band	All enterprises	Micro (0 - 9)	Small (10 - 49)	Medium (50 - 249)	Large (250 +)
Denbighshire	6,970	91.6%	4.6%	1.1%	2.8%
Flintshire	6,815	87.2%	7.1%	2.0%	3.8%
Wrexham	7,850	90.0%	4.8%	1.5%	3.7%
North East Wales	21,635	89.6%	5.5%	1.5%	3.4%
Wales	171,065	93.8%	4.2%	1.0%	0.9%
Source: Welsh Assembly Government, Statistics for Wales (2004)					

The largest group of employee jobs in North East Wales (over two-fifths) are in employment in large companies (with 250+ employees). However, by district it is apparent that large companies dominate the labour market much more in Flintshire and Wrexham than in Denbighshire. Indeed, over half of employee jobs in Flintshire are in micro or small businesses (less than 50 people).

	All size bands	Micro (0 - 9)	Small (10 - 49)	Medium (50 - 249)	Large (250 +)
Denbighshire	28,790	39.5%	20.2%	11.5%	28.8%
Flintshire	54,595	22.2%	16.1%	15.0%	46.7%
Wrexham	44,755	27.4%	15.3%	15.0%	42.3%
North East Wales	128,140	27.9%	16.7%	14.2%	41.1%
Wales	924,595	31.3%	14.8%	12.4%	41.5%
Source: Welsh Assembly Government, Statistics for Wales (2004)					

North East Wales has proportionally more people in employment in managerial and senior official positions than Wales as a whole, and this is driven by the prevalence of these occupations in Denbighshire and Flintshire. Personal service occupations are also more prevalent than average in North East Wales, mainly due to those in these positions in Denbighshire. There are relatively more people than the average for Wales in employment in process, plant and machine operatives positions, and this is driven by the prevalence of these jobs in Wrexham.

Table 5.4: Employment by Occupation (2004)*

	Denbighshire	Flintshire	Wrexham	North East Wales	Wales
Managers and senior officials	14.0%	14.5%	11.5%	13.3%	12.6%
Professional occupations	11.6%	10.5%	9.8%	10.6%	10.9%
Associate professional and technical occupations	14.0%	9.2%	13.1%	11.7%	13.1%
Administrative and secretarial	11.6%	13.2%	11.5%	12.2%	12.3%
Skilled trades occupations	14.0%	11.8%	13.1%	12.8%	12.8%
Personal service occupations	11.6%	7.9%	8.2%	8.9%	7.9%
Sales and customer service occupations	7.0%	7.9%	8.2%	7.8%	8.4%
Process, plant and machine operatives	7.0%	14.5%	13.1%	12.2%	9.6%
Elementary occupations	9.3%	9.2%	11.5%	10.0%	12.3%
Occupation unspecified	0.0%	0.0%	0.0%	0.0%	0.2%

*Annual average
Source: office for National Statistics, Labour Force Survey

During the consultation element of the project, local FE colleges reported that employers attitudes to learning are becoming increasingly positive, with many local employers, including small firms, starting to accept the current system of National Vocational Qualifications. Several FE college principals noted that NVQ's are increasing in popularity with employers, who are starting to recognise the flexible nature of these qualifications, with regard to subject and the modular aspect. However, the perennial problems of engaging with the large variety of smaller employers and micro businesses remain. The problems include difficulties of responding to the range of needs in such a varied sector, lack of training budgets within SMEs, remote access in some areas, and difficulties in persuading employers that they want training. At the present time a key issue raised is the prospect of European funding ending in 2008 with no other provision planned as a substitute. Lack of subsidised training was seen as a major potential barrier to employer demand for learning.

Entrepreneurship

Entrepreneurship is fairly healthy in North East Wales, with above the average rate of VAT registrations per year, especially in Denbighshire and Flintshire.

Table 5.5: VAT Registrations and Net Change (2004)

	Registrations	Registrations per 16+ population	Net change 2004 (Registrations minus de-registrations)
Denbighshire	260	0.00335	0
Flintshire	410	0.00340	85
Wrexham	265	0.00252	0
Wales	6,900	0.00290	250

Source: Department of Trade and Industry, Small Business Service

In the year to 2004 Denbighshire and Flintshire saw a net increase in the number of VAT registered manufacturing businesses, despite a downward trend in Wales as a whole.

By far the biggest increase in VAT registrations in North East Wales has been in real estate, renting & business activities, and this reflects the pattern for Wales as a whole.

	Registrations 2004				Net Change 2003-2004			
	Denbigh-shire	Flintshire	Wrexham	Wales	Denbigh-shire	Flintshire	Wrexham	Wales
Agriculture; Forestry & fishing	15	10	5	305	-20	-15	-25	-690
Mining and quarrying; Electricity, gas & water supply	0	0	0	10	0	0	0	0
Manufacturing	25	30	15	435	15	10	-5	-25
Construction	35	60	35	970	5	20	5	235
Wholesale, retail & repairs	60	85	55	1,430	-10	5	-10	10
Hotels restaurants	35	50	40	1,055	-5	15	15	180
Transport, storage & communication	15	25	20	370	5	5	5	70
Financial intermediation	0	5	0	30	0	5	0	0
Real estate, renting & business activities	60	115	80	1,900	15	40	20	495
Public administration; Other community, social & personal services	10	25	10	330	0	10	-5	-35
Education; Health & social work	0	5	0	65	-5	0	0	10
Total	260	410	265	6,900	0	85	0	250

Source: Department of Trade and Industry, Small Business Service

North East Wales has done relatively well in terms of the survival rates of new manufacturing plants opening and sustaining in the last three decades, especially in Flintshire.

	Closures 1966-2003		Still in production in 2003	
	Plants	Employees	Plants	Employees
Denbighshire	48	1,219	30	2,139
Flintshire	166	7,274	132	13,008
Wrexham	158	8,552	111	10,626
Wales	372	17,045	273	25,773

*Only plants with 11 or more employees are counted
Source: Welsh Assembly Government, Welsh Register of Manufacturing Employment in Digest of Welsh Local Area Statistics, 2004

The trend towards increasing numbers of migrant workers is changing the labour pool, and on the back of the inward migration others are wanting to settle and set up services for the migrant communities (such as translation services, shops etc).

Employment Structure

Males in employment in North East Wales as a whole out number females, although this is not the case in Denbighshire. Well over four-fifths of male employees are in full time work, compared to just under half of female workers.

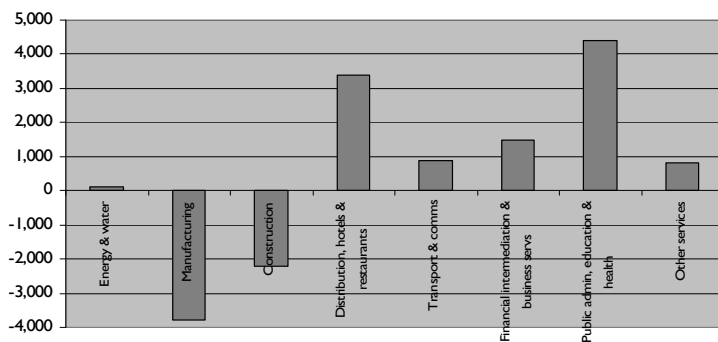
Table 5.8: Employment Structure

	Total in employment	Male	% male full time	% male part time	Female	% female full time	% female part time
Denbighshire	33,700	14,600	83.6%	17.1%	19,100	48.2%	51.8%
Flintshire	59,500	33,300	89.5%	10.8%	26,200	51.9%	48.1%
Wrexham	49,000	24,500	85.3%	14.7%	24,600	47.6%	52.0%
North East Wales	142,200	72,400	86.9%	13.4%	69,900	49.4%	50.5%
Wales	1,115,300	538,200	83.7%	16.3%	577,000	50.0%	50.1%

Source: Welsh Assembly Government, Statistics for Wales (2003)(provisional figures)

Employment Change

Figure 5.2: North East Wales Employment Change 1998-2003



Source: Welsh National Government, StatsWales

Figures from the Annual Business Inquiry (ABI), suggest that the number of people in employment in North East Wales increased by around 16% between 1998 and 2003. The numbers in employment in Wales increased by 6% during the same period. The number of employee jobs increased fastest in Denbighshire (9%). There was also an increase in Flintshire (5%), but a slight decline in the number of employee jobs in Wrexham (-1%).

Manufacturing and construction employment were on a downward trend in North East Wales during this period (-24%), above the national average (-14%), although they still remain significant employers.

The largest increases in employment in North East Wales were in distribution hotels and restaurants (+44%), and public admin, health and education (+41%), above the rate of increase for Wales as a whole (+6% and +16% respectively).

Figure 5.9: Top Three Growth Sectors for Employee Jobs (1998-2003)

Denbighshire	Other services (27%); Financial intermediation and business services (23%); Distribution, hotels and restaurants (16%)
Flintshire	Public admin, education and health (33%); Financial intermediation and business services (17%); Distribution, hotels and restaurants (11%)
Wrexham	Transport and communications (22%); Distribution, hotels and restaurants (13%); Financial intermediation and business services (12%)

Source: Office for National Statistics, Annual Business Inquiry 1998 and 2003

The emerging sectors tend to be very different from the traditional ‘heavy industry’ manufacturing base, even within the productive industries sector,

and in this respect the economy is in transition. For example, key emerging manufacturing sectors in Wrexham include: healthcare/medical/pharmaceutical; Electronics; Optical Fibres/Opto-electronics; Food processing.

The structure of the workforce in terms of gender and working patterns is changing. Overall, female employment increased at a faster rate than male employment between 1998-2003, and this was driven by increases in women workers in Denbighshire and Wrexham. This means that in 2003 women represented just under half (49%) of people in work, and of this group around half are working part time.

The proportion of both males and females in part time employment increased above the full time rate for each group between 1998 and 2003. The largest shift was in the proportion of males in part time jobs in Wrexham.

Table 5.10: Employment Structure Percentage Change (1998 – 2003)

	Total in employment	Male	% Male full time	% Male part time	Female	% Female full time	% Female part time
Denbighshire	7.0%	-1.4%	-0.8%	0.0%	14.4%	16.5%	12.5%
Flintshire	3.8%	5.7%	6.0%	5.9%	1.6%	3.0%	0.0%
Wrexham	-2.0%	-8.2%	-12.2%	24.1%	5.1%	-9.3%	21.9%
North East Wales	2.4%	-0.8%	-2.0%	10.2%	6.1%	1.5%	10.7%
Wales	7.4%	5.0%	1.2%	29.6%	9.8%	12.4%	7.4%

Source: Welsh Assembly Government, StatsWales

Employer Feedback

Evidence from Future Skills Wales (2003) suggests that overall employers are generally happy that staff members are proficient to do their jobs, although they are less happy in Denbighshire than the other districts. Some 84% of employers in Denbighshire, 90% in Flintshire and 89% in Wrexham surveyed strongly or tended to agree that their employees had sufficient skills to meet business needs. Across Wales there was generally little difference in attitudes to skills by sector but there was variation by firm size. A higher proportion of large establishments said that skills were important than was the case with small establishments. This suggests the necessity of particularly improving small establishments' attitudes to skills.

Table 5.11: Attitudes to Skilled Workforce

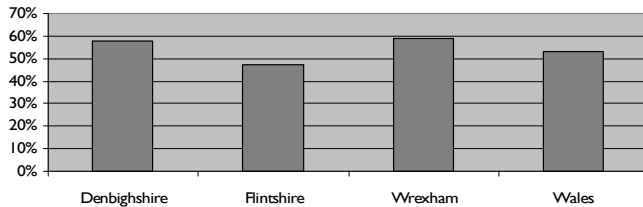
(% of employers saying....)	Denbighshire	Flintshire	Wrexham	Wales
Employees have sufficient skills to meet business needs	84	90	89	88
Investment in skills has brought business benefits	77	79	79	77
A skilled workforce is crucial to the success of the business	91	95	94	95
No. Employers surveyed	203	291	232	6,020

Source: Future Skills Wales Partnership, Future Skills Wales Survey 2003

Within the local economy, the demand for skills is linked to the propensity amongst employers to take up high skill work practices and this tends to relate to management and leadership within companies. Respondents to

the Future Skills Wales survey in the North East Wales authorities generally agreed that investment in skills brought business benefits, however fewer thought that a skilled workforce is crucial to the success of the business (and across North Wales the majority of establishments felt that their employees already had sufficient skills to meet their business needs).

Figure 5.3: % of Employers Funding Off the Job Training in Previous 12 Months



Source: Future Skills Wales Partnership, Future Skills Wales Survey 2003

Employers in Denbighshire rated understanding customer needs and communication skills as the generic skills most in demand at a high or advanced level. Employers in Flintshire and Wrexham rated the ability to follow instructions and understanding customer needs as the most important generic skills. Feedback from the research highlighted the point that many employers, especially SMEs, want to teach recruits through in-house company training (to

teach them 'how to do it their way'...). They are therefore looking for people who are committed to work, and with a general capacity for learning.

Employers in Wrexham and Denbighshire were found to be proportionally more likely than average to have supported off-the-job training for employees in the previous 12 months. By far the largest group of employers had provided off-the-job training for managers and senior staff, followed by administrative and secretarial and professionals.

There is a strong link between the size of employer and the likelihood of receiving training, with the amount of training increasing for larger employers, as the Future Skills reports for Wales and North Wales show.

Table 5.12: Provision of Off-the-Job Training by Size of Employer (% of Employers)

	Wales	North Wales
Micro (2-9)	45	45
Small (10-49)	74	74
Medium (50-249)	90	85
Large (250+)	92	100
All	53	52

Source: Future Skills Wales Partnership, Future Skills Wales Survey 2003

During the consultation phase of the project, local colleges suggested that locally based employers tend to require skills at Level 2-3, although there is some demand for Level 4. Foundation degrees are also popular with employers, especially for supervisory management skills. A more developed framework for learning provision locally might help to encourage the progression of learners from foundation to a full degree. A further growth area is compliance training which has led to an increase in 'public admin' training.

Issues of cost and poaching were raised during the consultation phase of the project as being key barriers to employers engaging in training, and these issues underlie the preference for short unaccredited courses. Some consultees expressed the view that where employers choose NVQ training to train their work force, this is due to the lack of an alternative. The modularisation of qualifications has helped to encourage employers to begin

training and upskilling their workforce, and employees themselves may then drive the demand for ongoing training since once the cycle of learning has begun students may want to complete the course and gain the full qualification.

Sector Initiatives

A new network of UK wide Sector Skills Councils (SSCs) is being set up to lead the skills and productivity drive in industry, under the umbrella of the Sector Skills Development Agency (SSDA). SSCs are employer-led, giving employers responsibility for leadership for strategic action to meet their sector's skills and business needs, and allow employers to have a far greater influence on education and training partners. SSCs therefore will have a key role in actions to reduce skills gaps and shortages, boost the skills and productivity of workers, including action on equal opportunities, and in improving learning supply, including apprenticeships, higher education and national occupational standards. A key underlying issue for learning provision will be whether it is well received by employers, and whether employers engage with the process sufficiently to make improvements a reality.

SSCs bring together employers, trade unions and professional bodies working with government to develop the skills that business needs. They aim to:

- Identify and articulate their sector's skills needs
- Help develop more responsive provision to meet business needs
- Provide the business case for skills
- Engage employers in skills development
- Influence skills policy

Sector Skills Councils lead on the development of Modern Apprenticeship frameworks, and work with employers in their sector to make sure the frameworks meet the employers' needs.

Sector Skills Agreements underpin the SSC delivery framework, as a mechanism that link partners representing both demand and supply in an agreement that develops a shared analysis of the skills challenge for each sector, shared objectives for tackling it, collaboration in taking the necessary action, and the development of a demand-led method for allocating funds in response to employer needs. The Welsh Assembly Government has agreed to introduce SSAs in Wales in conjunction with the other UK regions. Currently, SSAs are being developed with ten sectors in Wales.

The sector approach is already apparent in the focus of a number of local learning initiatives (examples include Catering for Change – a project for re-skilling employees of SMEs in the catering and hospitality sector in Flintshire and Wrexham (led by Deeside College); Manufacturing a Change 2 and Enhancing Manufacturing – skills training for employees of manufacturing companies in Flintshire and Wrexham (led by Deeside College); Photonics Academy – development of credit framework units for Photonics Technicians and Leadership and Managements units for the opto electronics sector (Led by Deeside College); Mind the Gap – research designed to

establish the skills needs and the current provision of training in Wales related to tourism (led by Tourism Partnership North Wales).

To be effective the Skills Strategy needs to understand the skills required by business, including the skills needed to maintain productivity in the future. Work between the learning providers and partners and the new SSCs is therefore a cross-cutting theme. The Sector Skills Councils work will start to have an impact as more agreements move forward and are implemented, concluding that there appears to be synergy within the work of partners on a regional level within a number of key sectors i.e. Optronics, hospitality. However, a key issue raised is the extent to which SSCs will be able to engage in all the regions, and how far resources will be devoted to sectors in North East Wales, especially where there are concerns that some SSCs' assessment of jobs in key sectors in Wales reflects the actual picture on the ground.

On the positive side, the SSCs provide an opportunity to encourage key sector to engage with the higher level skills agenda, thereby giving the economy the best growth potential (including SMEs). This has implications not just for post-16 provision since it will be important to link sectors early enough into pre-16 provision to maximise careers opportunities and progression routes.

The complexity of the sectoral approach and number of agencies involved raises the issue of how local training providers can tap into the SSC network, especially where SSCs may not have a local presence. Feedback from colleges collected during the consultation phase of the project suggests that the current picture is one of only ad hoc linkages between SSCs and providers, and no overall strategic co-ordination of linkages being put in place.

Skills Shortages and Skill Gaps

Demand for employees in the form of vacancies for positions arises from staff turnover and business growth. Across Wales vacancies represent around 2% of total employment. Employers in Wales report relatively more vacancies (per employee) compared to those in the English regions suggesting that the labour market in Wales may not be functioning as effectively as elsewhere.

In 2003, 21% of employers across the North Wales area said they had vacancies, which is on a par with the Wales average (22%). Figures are not available for North East Wales. Generally, the structure of vacancies in Wales mirrors the overall employment structure with a relatively high concentration in the public sector and fewer in banking and finance. Proportionally fewer Flintshire and Wrexham employers reported vacancies compared to the average for Wales.

The incidence of hard to fill vacancies is highest in Denbighshire, whilst Wrexham is well below the Wales average.

	% employers reporting vacancies	% employers reporting hard-to-fill vacancies	No. of employers surveyed
Denbighshire	22	16	203
Flintshire	20	14	291
Wrexham	18	9	232
North Wales	21	14	1,400
Wales	22	14	6,020

Source: Future Skills Wales Partnership, Future Skills Wales Survey 2003

Just under a third (33%) of establishments in North Wales with hard-to-fill vacancies said applicants lacked relevant skills, while 29% said there were insufficient numbers willing to work at the market rate or to take up the kind of work on offer. Although data is not available at district level, incidence of skills shortage vacancies in North Wales was on a par with the national average: where 6 per cent of establishments in North Wales are estimated to experience skills shortage vacancies compared to 7% Wales as a whole.

Overall in North Wales, around 18% of employers report a gap between the types of skills employees currently have, and those required to meet the business's objectives. This compares with 19% overall in Wales. In Wrexham skills gaps are above the average level (reported by 20% of employers). (This compares with 21% of respondents to the equivalent employers' survey in Cheshire and Warrington reporting a skills gap (Learning and Skills Council, National Employers Skill Survey, 2003).

	% of employers reporting skills gaps	% of employers providing off The job training in last 12 months	No. employers surveyed
Denbighshire	17	58	203
Flintshire	18	47	291
Wrexham	20	59	232
Wales	19	53	6,020

* Difference between skills employees have and those required for the job
Source: Future Skills Wales Partnership, Future Skills Wales Survey 2003

Denbighshire employers who recruit graduates were more likely to report a significant gap between the skills the graduates have and those that are expected of them when first recruited. Well over two-thirds of Denbighshire employers who recruit graduates reported a skills gaps, compared to 29% of employers in both Flintshire and Wrexham (Future Skills Wales Partnership, Future Skills Wales Survey 2003). Over half (54%) of Denbighshire employers who recruit school or college leavers reported a significant gap between the skills the leavers have and those that are expected of them when first recruited, and this is also a problem for significant proportions of employers in Flintshire and Wrexham (39% and 47% respectively).

The proportion of establishments reporting skill gaps tends to rise as firm size increases. Across the whole of Wales, only 12% of Micro establishments reported skill gaps compared to 49% medium sized and 80%

of large establishments (Future Skills Wales Partnership, Future Skills Wales Survey 2003).

Across the range of generic skills, without exception, it is anticipated that employers will demand higher skills levels in the future. The greatest expected increase between current and future skills needed is in IT, followed by management skills, organising own learning and development, Welsh language skills and leadership skills (ELWa, Annual Learning and Skills Assessment 2005 – 2006). ELWa forecast that:

- The general trend of greater gains in employment for females than for males will continue up to 2012, so that females will account for 51% of Welsh employment in that year.
- Full-time employees will account for less than 59% of total employment in the UK by 2012. Part time working is expected to increase across the UK. Since part-timers receive less training than full-timers this poses a particular challenge to education and training policies.
- Employment in Wales will decline in the primary sectors and utilities, manufacturing and construction, but will increase in distribution, transport, business and other services and non-marketed services. This will produce increased demand for occupational retraining. Job losses will be concentrated in elementary occupations and skill trades, and on average the new jobs have higher educational and skill requirements. Among professional occupations the largest gains will be in teaching and research, professional and health professions.

Annex 1: List of Consultees

Name	Organisation
Jasbir Dhesi	Yale College
Mark Dickson	Denbighshire County Council
Hugh Evans	Llandrillo College
David Hegarty	Flintshire Council
David Jones	Deeside College
Julie Owens	ELWa
Malcolm Philips	Wrexham Council
Sioned Rees	Welsh Development Agency
Bryn Richards	Welsh Development Agency
David Savage	ELWa
Mark Simpkin	College of Horticulture
Jo Tincello	ELWa

Annex 2: Main European Funding Schemes in North East Wales

Programme (Fund)	Measures	Geographical coverage (NE Wales)
Objective 1	Six priorities are: Expanding and developing the SME base; Developing Innovation and the Knowledge - Based Economy; Community Economic Regeneration; Developing People; Rural Development and the Sustainable use of Natural Resources; Strategic Infrastructure Development.	Denbighshire
Objective 2 (ERDF)	Support for economic regeneration (transitional areas)	Parts of Wrexham (area around Chirk, the Ceiriog Valley and Trevor)
Objective 3 (ESF)	Five broad priorities are Tackling or Preventing Unemployment, Social Inclusion, Lifelong Learning, Business Competitiveness, Equal Opportunities.	Flintshire, Wrexham
URBAN II (ERDF)	Economic and social regeneration of cities and of urban neighbourhoods with a view to promoting a sustainable urban development.	West Wrexham
LEADER + (EAGFF)	Economic and social regeneration of Rural Areas.	Denbighshire; Flintshire; East Wrexham (from Rossett to Chirk);
Article 33 (Rural Development Plan programme)	Aimed at generating lasting economic prosperity and providing for sustainable development that improves the quality of life in rural communities.	Rural wards outside the Transitional areas
Interreg III	Promotes trans-national and inter-regional co-operation	Denbighshire

Annex 3: Sector Skills Councils

Asset Skills	Property, housing, cleaning and facilities management
Automotive Skills	Retail motor industry
Central Government	Government Departments, Executive Agencies and Non-Departmental Public Bodies in the UK
ConstructionSkills	Construction
Cogent	Chemical, nuclear, oil and gas, petroleum and polymer industries
Creative & Cultural Skills	Arts, museums and galleries, heritage, craft and design
e-skills UK	Information technology, telecommunications and contact centres
Energy and Utility Skills	Electricity and renewables, gas, waste management and water
Financial Services Skills Council	Financial Services industry
GoSkills	Passenger transport
Improve Ltd	Food and Drink manufacturing and processing
Lantra	Environment and land-based industries
Lifelong Learning UK	Higher/Further education, work-based learning, community-based learning/development, libraries and information services, youth work.
People 1 st	Hospitality, leisure, travel and tourism
Proskills UK	Processing and manufacturing technologies
SkillsActive	Active leisure and learning
SEMTA	Science, engineering and manufacturing technologies
Skillfast-UK	Apparel, footwear, textiles and related business
Skillset	Audio visual industries – Broadcast, film, video, interactive media and photo imaging
Skills for Care & Development	Social care including children, families and young people
Skills for Health	Health including independent and voluntary sectors
Skills for Logistics	Freight logistics industry
Skills for Justice	Custodial care, community justice and police
Skillsmart Retail	Retail
SummitSkills	Building Services engineering – Electro-technical, heating, ventilating, air conditioning, refrigeration and plumbing