

Future of Work & Skills in Manchester

Economy Scrutiny Committee
06 December 2017

This presentation will cover

Global and Labour Market trends

National Drivers & Policy

Greater Manchester – devolution of work & skills

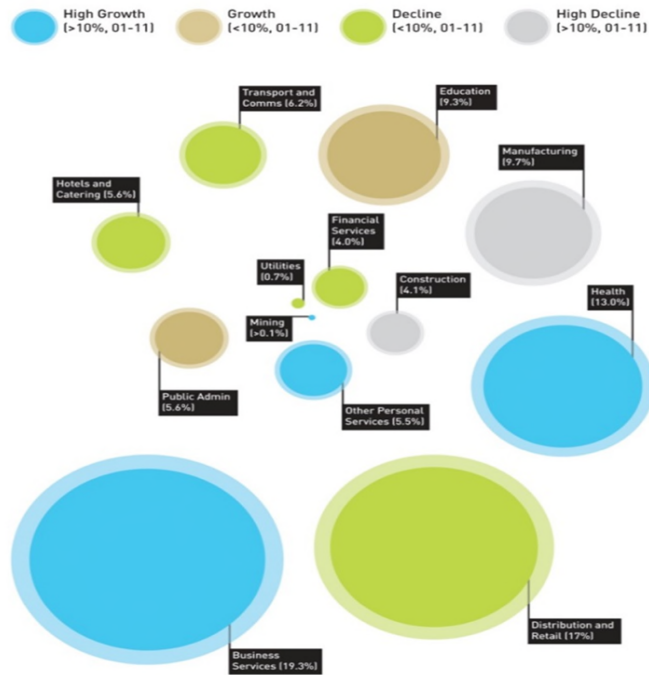
Skills Demand & Supply in the City now

Work & Skills Strategy

Questions for the future

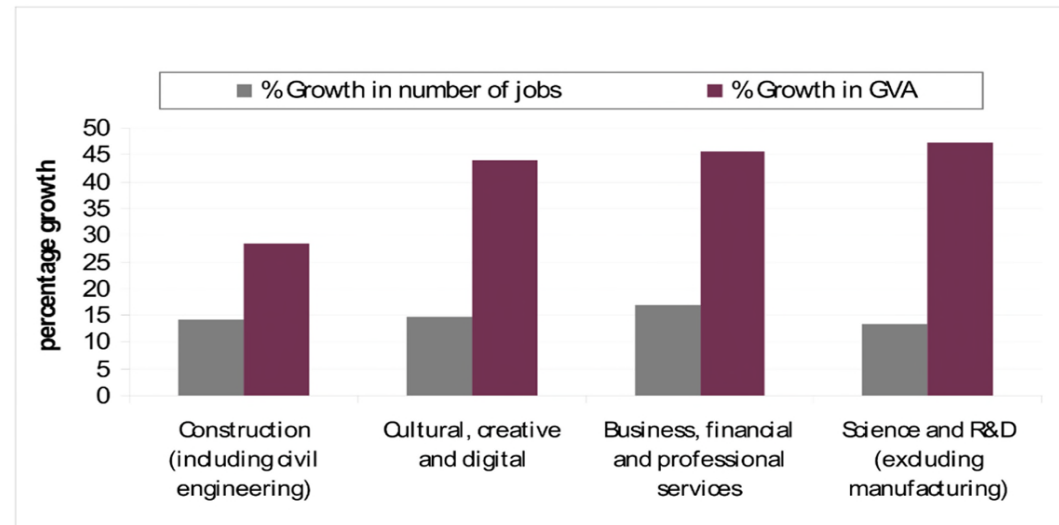
2015-2020: Growth sectors, jobs and productivity...

FIGURE 2: SECTORS IN GREATER MANCHESTER IN 2011



Source: Oxford Economics, 2012

Figure 1: Fastest growing sectors 2015-2025



Source: Greater Manchester Forecasting Model (Oxford Economic Forecasting, 2014)

2030: Range of issues testing longer term assumptions of growth?

Figure 3.1: Trends driving the future of UK jobs and skills

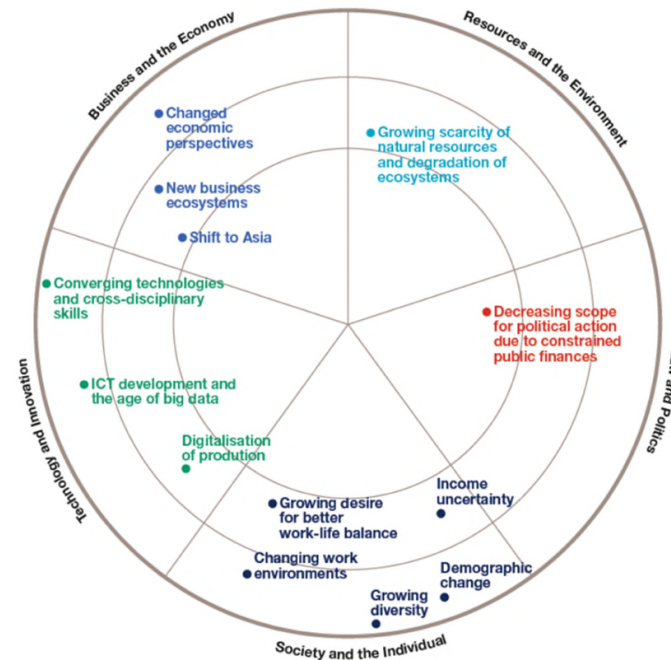


Table 4.1: Trend and disruption relationship

Trend	Related Disruption
	Radical deviation from trend assumptions
Demographic change	Reverse migration
Growing desire for a better work-life balance	Employees' changing values
Income uncertainty	Zero-hour contracts become the norm
Digitalisation of production	Artificial intelligence and robots
	Geographically alternative centres of excellence
Shift to Asia	De-globalisation
ICT development and big data	Disrupted internet developments
Scarcity of resources	Resource conflicts or climate disasters threaten supply

2030: Longer term occupational and sector change likely?

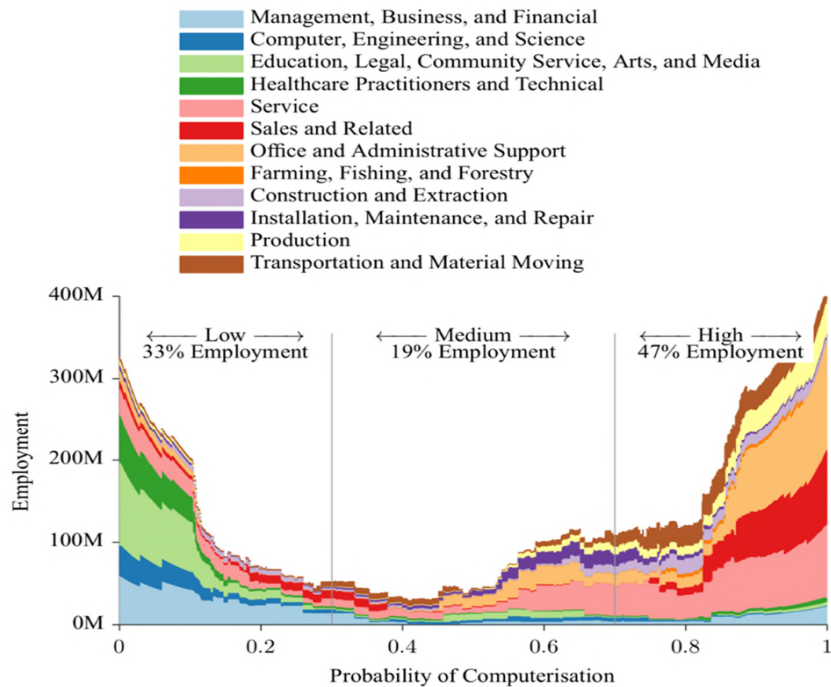
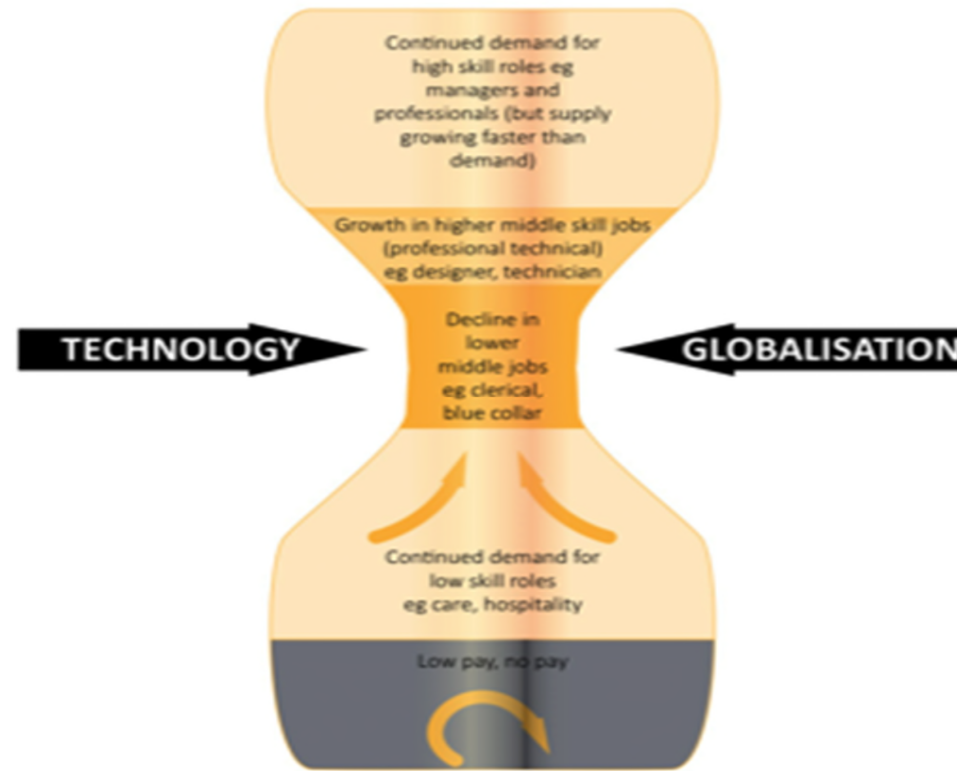


FIGURE III. The distribution of BLS 2010 occupational employment over the probability of computerisation, along with the share in low, medium and high probability categories. Note that the total area under all curves is equal to total US employment.

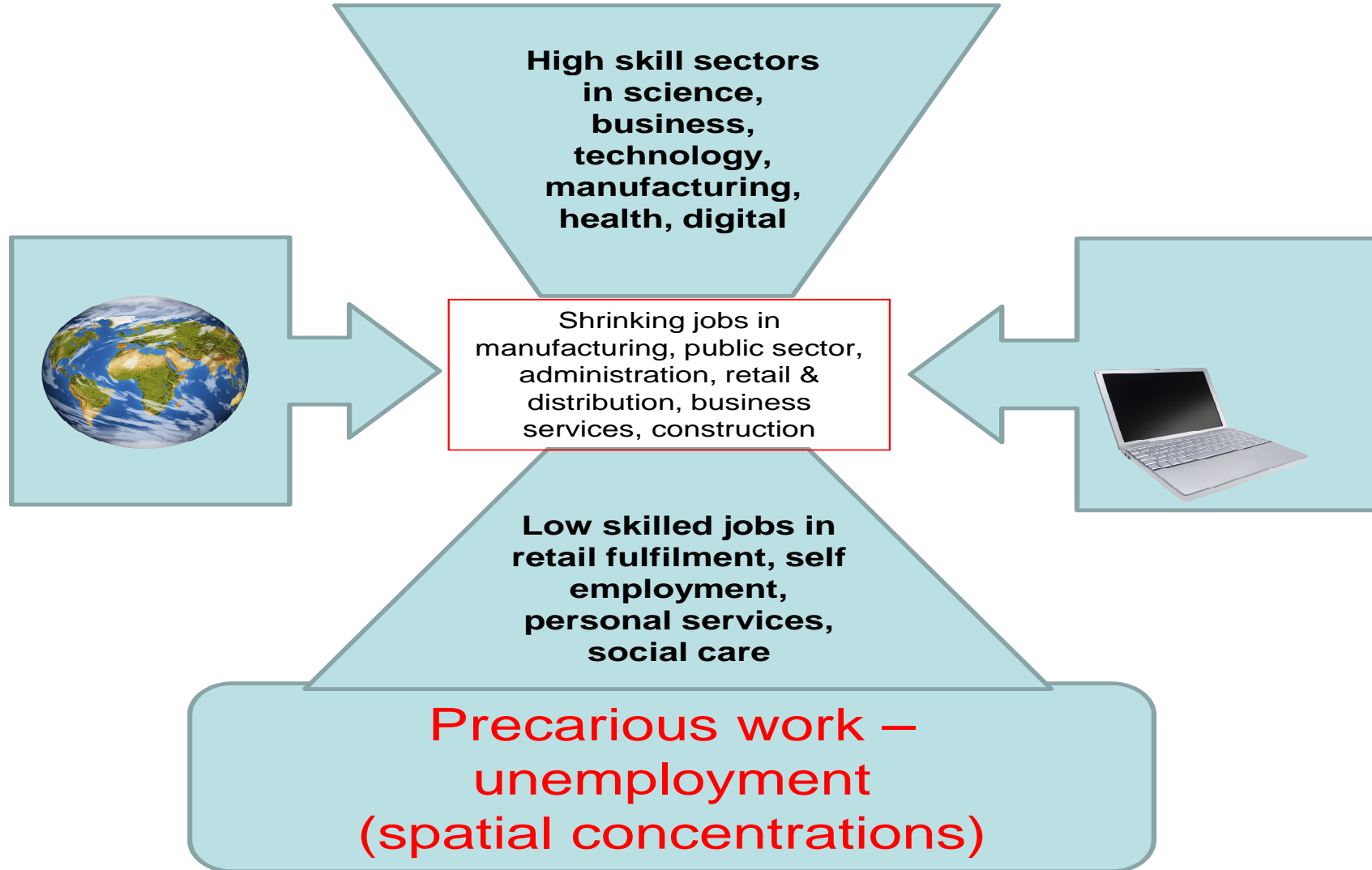


- *Globalisation*
- *Technological change*
- *Automation*
- *Ageing population and workforce*
- *Jobs and sectors of 2015-2020 unlikely to look same in 2030...?*

2030: cities in advanced economies – growth increasingly polarised (1)



GM 'Hourglass'



2030 trends test shorter term forecasts and assumptions?

- Supports assumptions in jobs and GVA growth in health/biotech and digital/creative sectors
- But qualifies job growth in advanced manufacturing and business/professional services (but not GVA?)
- Suggests continuing trends of hollowing out of labour market, polarisation of jobs, sectors and places
- In key sectors growth is driven by more than just skills and/or labour supply – including investment, innovation, enterprise etc

National Context

Brexit – impact on labour supply & skills likely to be focused in key sectors – opportunity as well as threat? Replacement for ESF?

Inclusive Growth – RSA Commission/growing realisation current model of growth not sustainable?

Ageing Population – changes to retirement age & pensions; health & work practices, care challenge;

Education Reform – level 8 & progress 8 & emphasis on exams. Impact on success rates & post-16 sector; response to the Sainsbury Review & plan to introduce 'T Levels with 15 technical pathways

Welfare Reform – Universal Credit – in-work as well as out of work conditionality

Industrial Strategy – high level skills a critical element in the drive to improve productivity;

Apprenticeships – growing employer interest & will increase employer engagement in the skills system;

Institute of Technology – new addition focused on higher level skills @ level 4+

HE – response to productivity challenge, changing skills landscape & growing concern re student debt;

Greater Manchester

Greater Manchester Strategy – new strategy with a greater emphasis on people as well as place & inclusive growth;

Post Area Review – development of specialisation & collaboration

Skills Capital Funding - £70m to support the above & investment in learning infrastructure;

Devolved Adult Education Budget – 19/20 academic year with potential to develop a Post-16 Strategic Skills plan for wider influence;

Devolved Work & Health programme building on Working Well for those furthest from the labour market;

Budget announcement - SAP (Skills Advisory Panel) to drive a post-16 skills strategy with local influence across the system

Skills Demand In Manchester

Job growth will be focussed in the core of the conurbation

- 45% of new GM jobs over the next 10 years will be created in Manchester

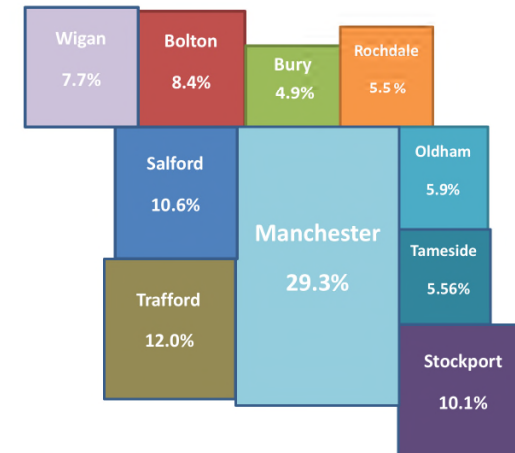
- Over 25% of all jobs in GM are located in Manchester

Local Authority	Jobs 2016-2026
Manchester	37,500
Salford	14,100
Trafford	13,000
Stockport	7,800
Bolton	5,300
Bury	3,600
Oldham	2,000
Wigan	1,100
Rochdale	0,000
Tameside	-800
Total	83,600



... and GVA

% of total GM GVA 2014



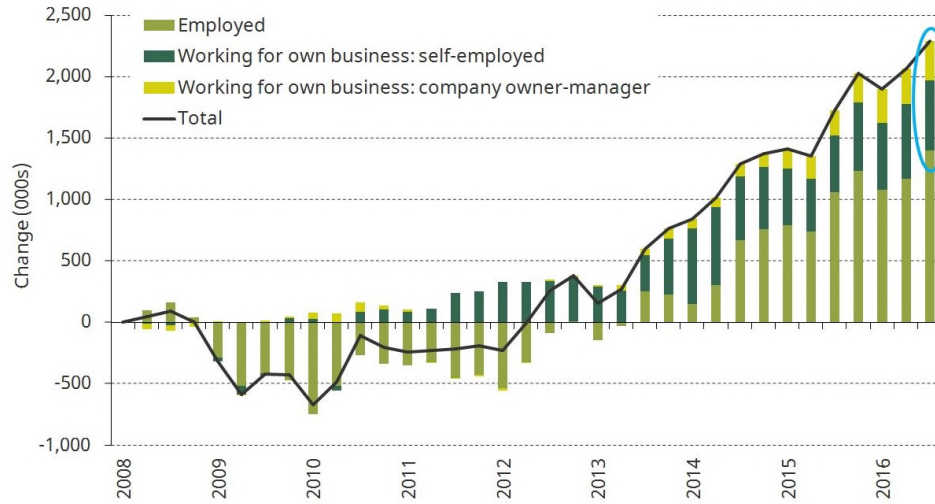
Source: Oxford Economics

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OXFORD ECONOMICS

Continued growth in self-employment low skill, low productivity sectors with jobs in 'gig economy & the 'precariat'

More individuals are working for their own business ...

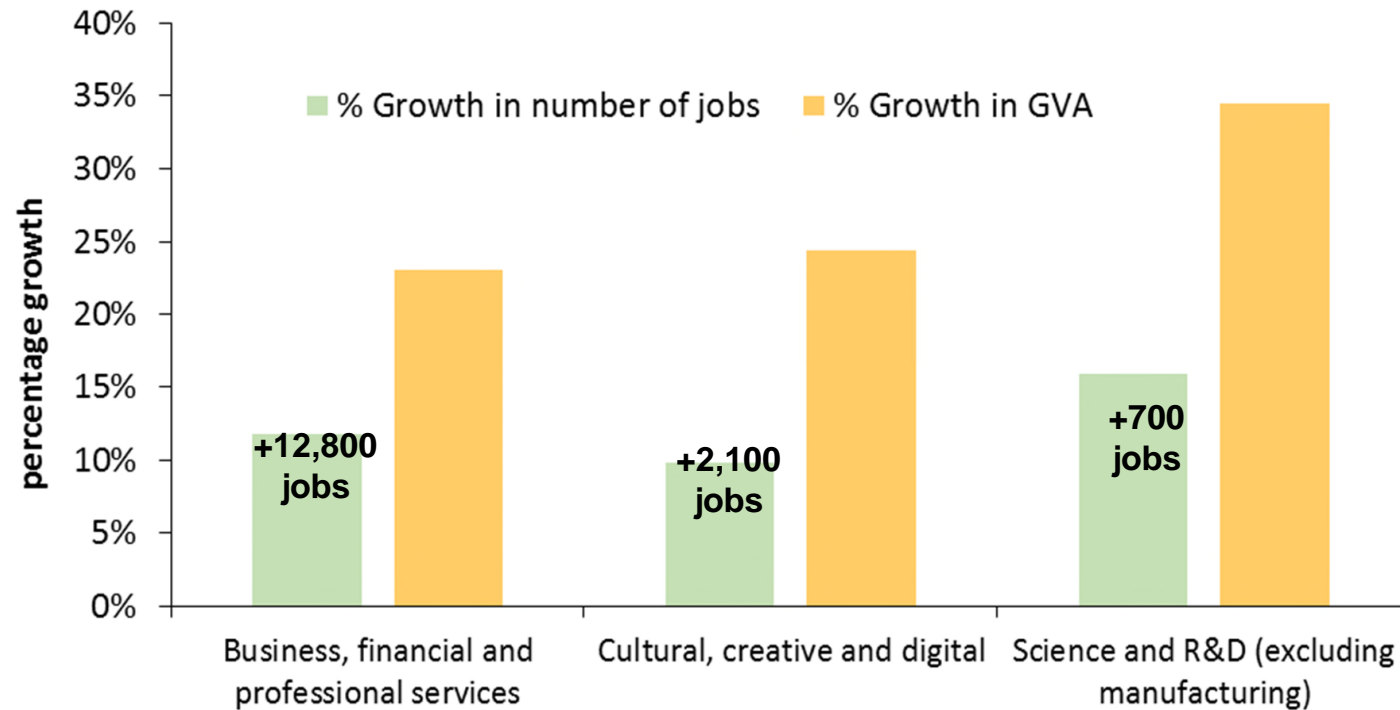


Source: Figure 7.2 of the Green Budget



Manchester has 3 clear growth sectors to 2025

Fastest Growing Sectors 2017-2025



Source: Greater Manchester Forecasting Model (2016), Oxford Economics

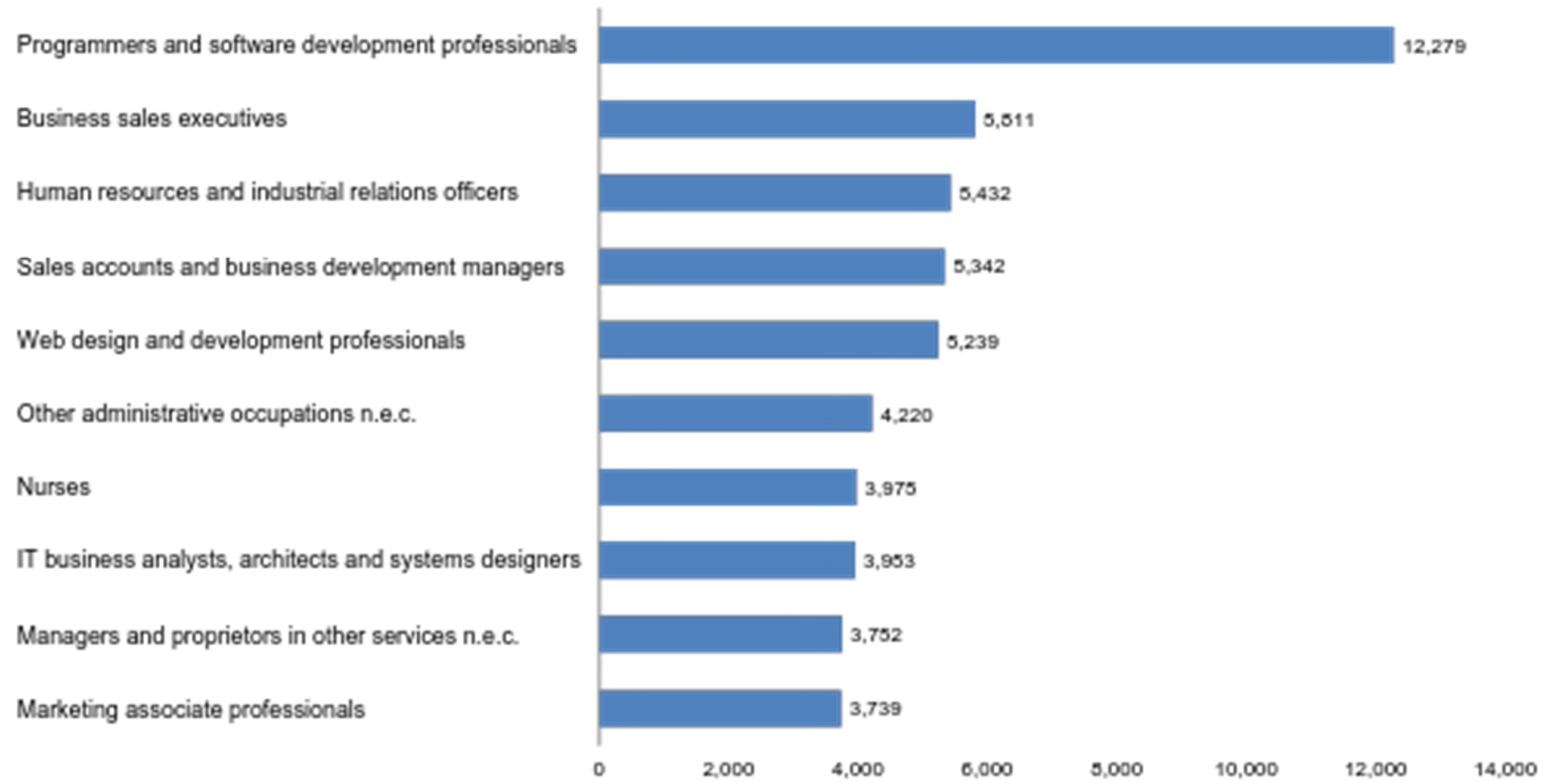
Snapshot of job vacancies by occupation in Manchester, 01 April 2015 – 31 March 2016 and 1 April 2016 – 31 March 2017

Occupation Group	% of Total Jobs 1 April 2015 - 31 March 2016	% of Total Jobs 1 April 2016 - 31 March 2017	Total Number of Jobs 1 April 2016 - 31 March 2017
Professional occupations	34.0%	33.5%	63,896
Associate professional and technical occupations	24.7%	25.8%	49,196
Administrative and secretarial occupations	9.2%	10.0%	19,062
Managers, directors and senior officials	8.3%	9.0%	17,067
Sales and customer service occupations	7.9%	7.1%	13,608
Skilled trades occupations	5.0%	4.9%	9,284
Caring, leisure and other service occupations	4.0%	3.7%	7,114
Process, plant and machine operatives	3.7%	3.4%	6,558
Elementary occupations	3.2%	2.5%	4,684

Source: Labour Insight Note: 1 April 2016 – 31 March 2017 period = 192,533 postings

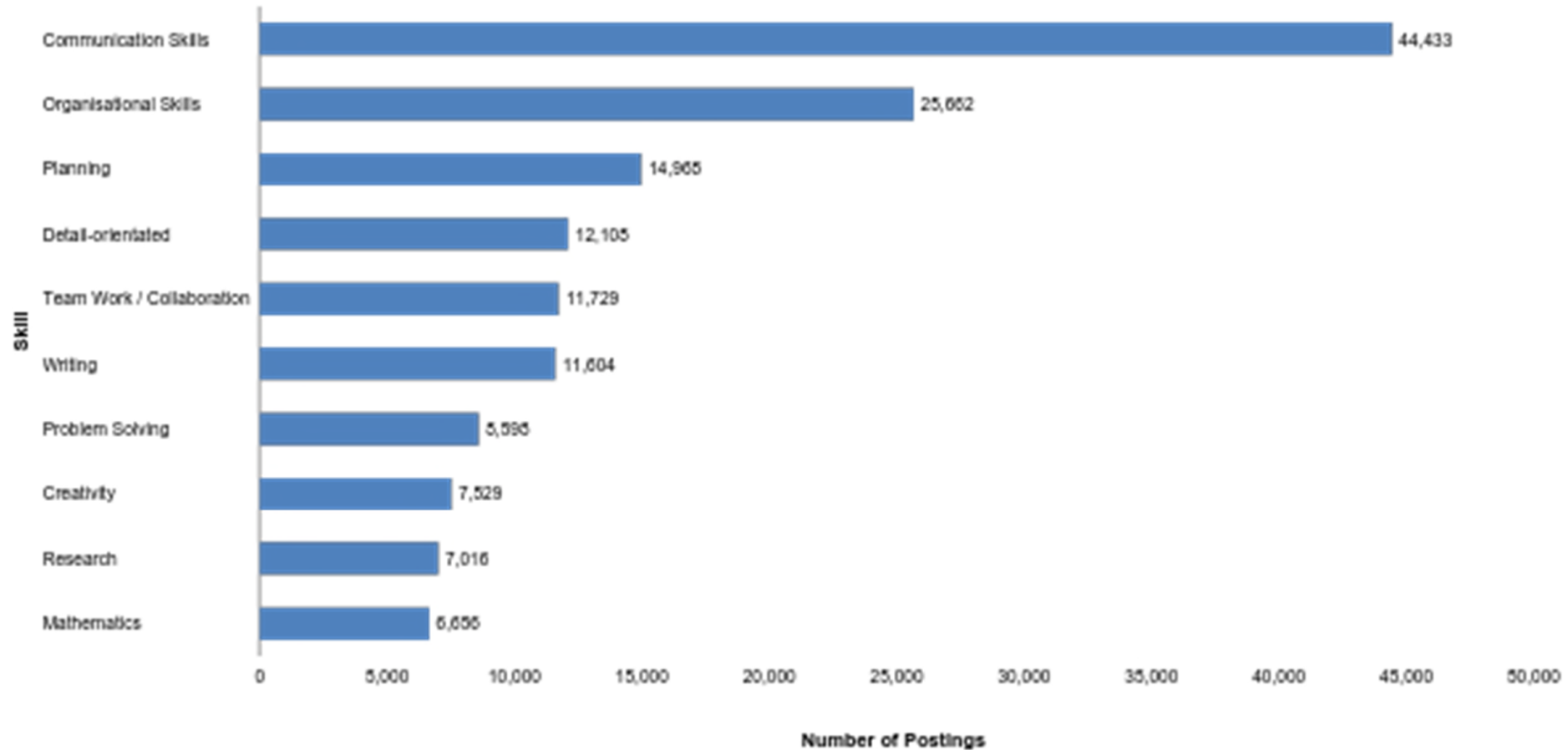
Top 10 Detailed Manchester Occupations

01 April 2016 – 31 March 2017



Source: Labour Insight

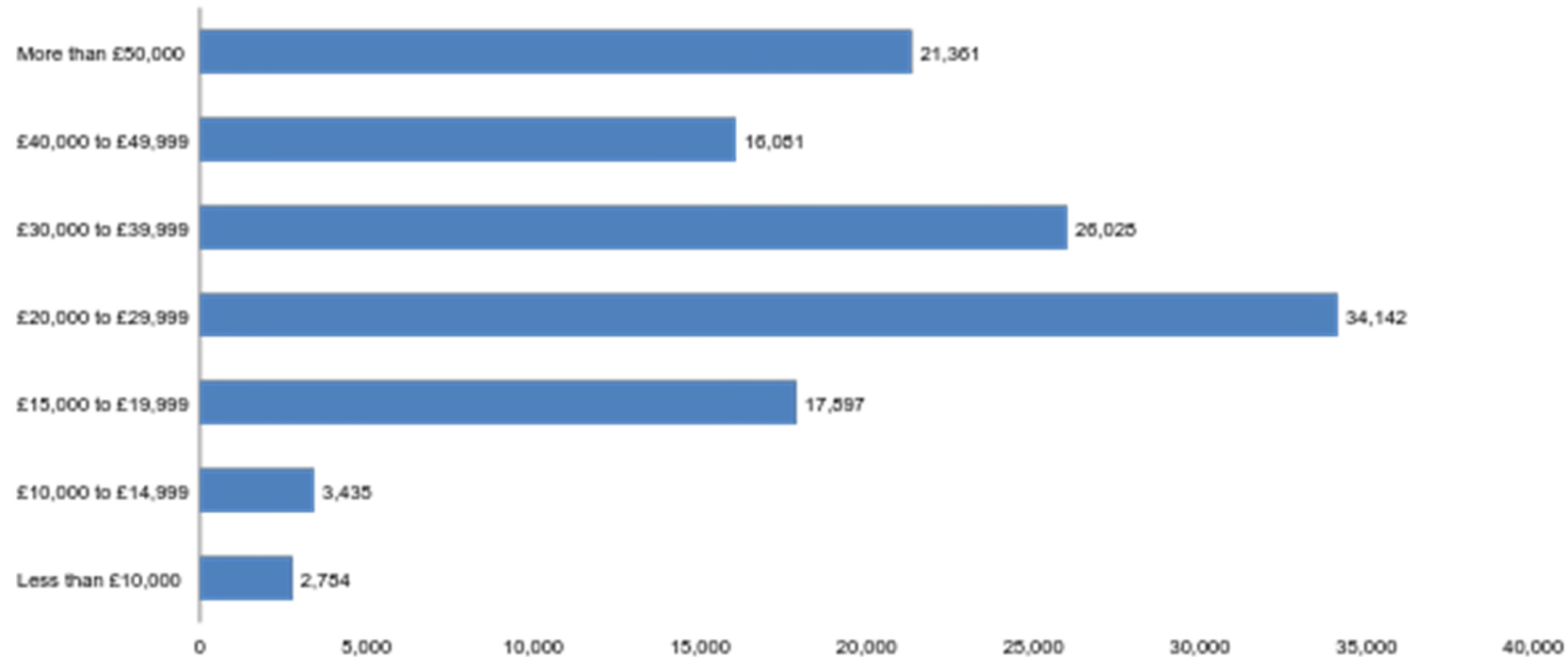
Top 10 Baseline Skills in Demand, 01 April 2016 – 31 March 2017



Source: Labour Insight

Distribution of Advertised Salary in Manchester

01 April 2016 – 31 March 2017



- Mean real time salary £35,179
- Analysis only based on 121,738 vacancies as no specified salary in 70,805

Supply



Part 1: Youth 16-18

The Manchester College, Loreto College and Xaverian College remain the top 3 providers

Figure 1. Number of EFA funded course starts by Manchester residents (16 – 18) by provider and level 2015/16

Provider	Entry & Level 1	Level 2	Level 3	Grand Total
THE MANCHESTER COLLEGE	4,898	4,120	2,114	11,132
LORETO COLLEGE	55	314	5,704	6,073
XAVERIAN COLLEGE	995	953	3,964	5,912
TRAFFORD COLLEGE	396	667	534	1,597
BURY COLLEGE	294	368	366	1,028
SALFORD CITY COLLEGE	225	282	452	959
CHEADLE AND MARPLE SIXTH FORM COLLEGE	64	267	622	953
ECONOMIC SOLUTIONS LIMITED	638	293	8	939
STOCKPORT COLLEGE	402	398	102	902
HOPWOOD HALL COLLEGE	359	358	184	901
HOLY CROSS COLLEGE	0	111	695	806
AQUINAS COLLEGE	1	40	342	383
TAMESIDE COLLEGE	95	103	130	328
OLDHAM SIXTH FORM COLLEGE	2	40	249	291
ASHTON SIXTH FORM COLLEGE	0	31	211	242
THE OLDHAM COLLEGE	95	97	39	231
NCG	159	63	0	222
ACCESS TO MUSIC LIMITED	25	40	48	113
YMCA TRAINING	37	13	0	50
BOLTON COLLEGE	21	8	9	38

Science and maths is still the most popular L3 course; 10 out of 15 courses have increased at L3

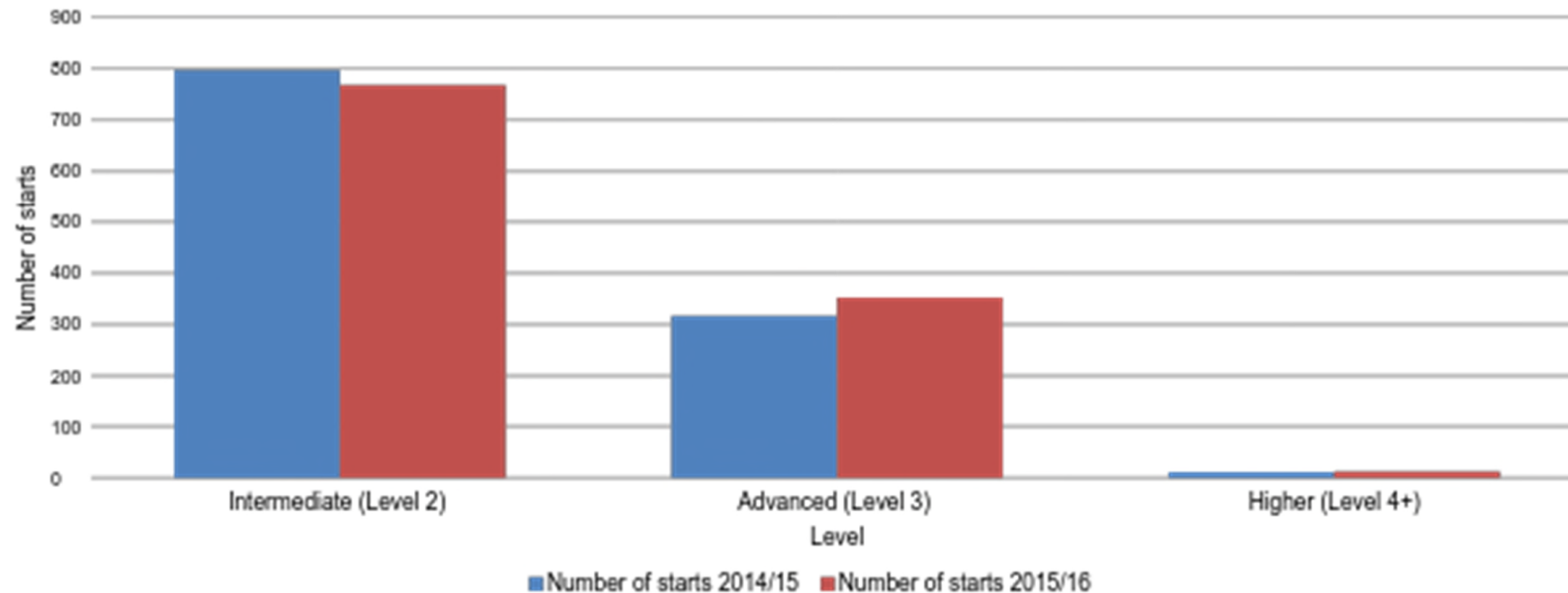
Figure 2. Number of EFA funded course starts by Manchester residents (16-18) by subject and level 2014/15 – 2015/16

COURSE	Entry level		Level 1		Level 2		Level 3	
	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
01 - Health, Public Services and Care	30	1	318	317	714	507	798	922
02 - Science and Mathematics	0	0	18	63	1,280	1,983	4,623	4,723
03 - Agriculture, Horticulture and Animal Care	3	2	48	27	48	48	67	51
04 - Engineering and Manufacturing Technologies	72	55	209	225	324	290	173	172
05 - Construction, Planning and the Built Environment	81	48	251	305	216	209	82	107
06 - Information and Communication Technology	18	25	96	164	169	191	596	747
07 - Retail and Commercial Enterprise	3	3	278	191	342	425	73	84
08 - Leisure, Travel and Tourism	0	0	107	93	269	252	515	501
09 - Arts, Media and Publishing	7	6	154	130	374	320	2,001	2,189
10 - History, Philosophy and Theology	0	0	734	844	550	517	782	891
11 - Social Sciences	0	0	0	0	48	1	1,329	1,538
12 - Languages, Literature and Culture	2	2	12	4	1,151	1,903	1,334	1,464
13 - Education and Training	0	0	0	0	17	5	6	1
14 - Preparation for Life and Work	4,186	3,370	3,915	2,950	2,273	1,773	675	647
15 - Business, Administration and Law	13	39	38	36	311	265	1,732	1,820

Source: SFA 2015/16

Decrease in intermediate apprenticeship starts but increases in advanced and higher apprenticeship starts

Manchester resident youth apprenticeship (16-18) starts by level 2014/15 – 2015/16



Part 2: Youth 19-24

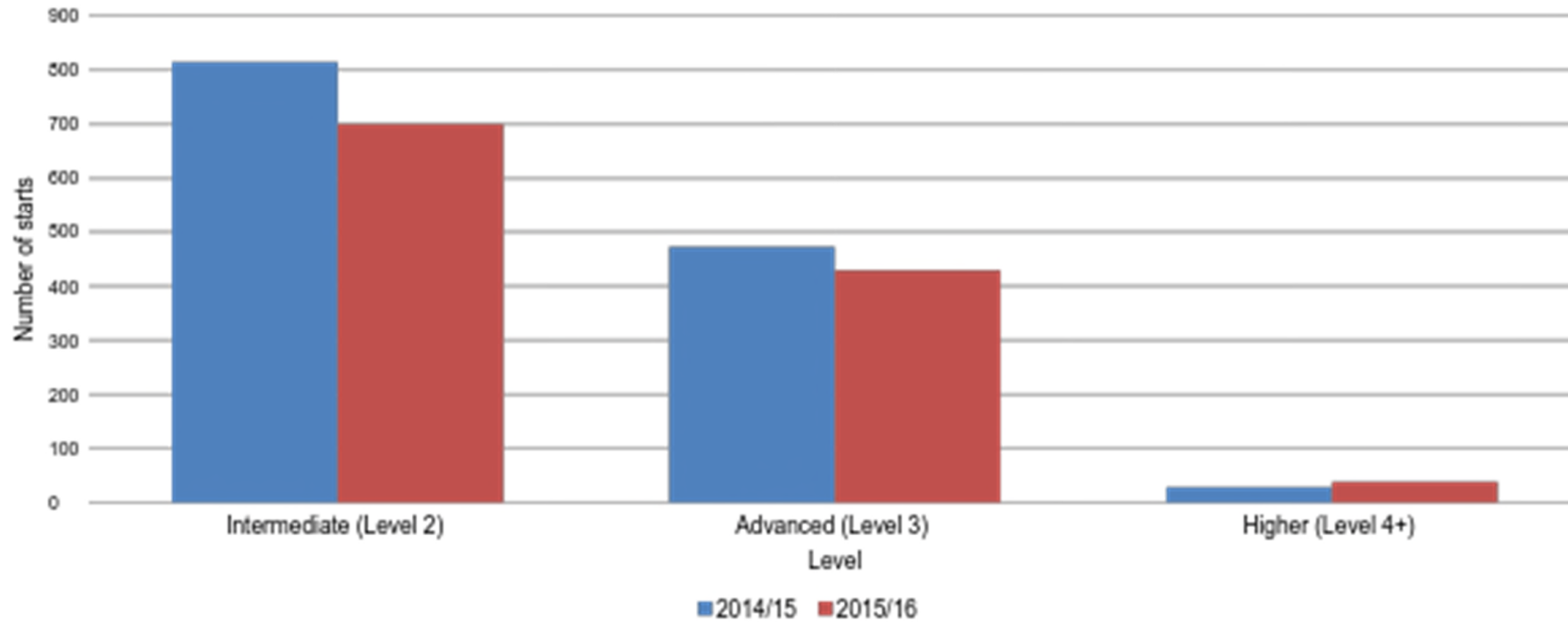
Total numbers have decreased at each level; each sector has a total overall decrease

Figure 6. Manchester residents (19-24) SFA funded course starts by sector 2014/15 – 2015/16

Sector		Entry & Level 1		Level 2		Level 3		Level 4+		N/A (Other)		Totals	
		14/15	15/16	14/15	15/16	14/15	15/16	14/15	15/16	14/15	15/16	14/15	15/16
High job growth	Creative	93	81	26	22	129	118	93	115	0	0	341	336
	Business admin / F&P	301	217	241	131	158	178	73	37	0	0	773	563
	Personal Services	336	182	193	105	70	70	3	3	0	0	602	360
	Construction	150	69	146	98	45	53	14	16	0	0	355	236
	Sport	14	6	128	63	58	65	30	19	0	0	230	153
	Tourism & Hospitality	58	73	203	102	19	11	4	4	0	0	284	190
	Retail	144	53	10	0	0	0	2	1	0	0	156	54
	Science	2	1	460	280	83	97	30	11	0	0	575	389
Modest job growth	Health & Social Care	249	47	477	194	267	232	28	33	1	0	1,022	506
	Transport & Logistics	60	21	166	71	11	19	0	1	0	0	237	112
	Digital	217	149	101	58	73	79	18	49	1	0	410	335
	Education	4	17	40	32	45	26	7	11	1	0	97	86
Declining / static	Manufacturing & Engineering	18	10	187	120	79	50	9	11	0	0	293	191
	Environment	27	6	29	6	8	19	1	2	0	0	65	33
	Academic	36	14	346	274	80	47	6	1	1	2	469	338
Other	Preparation for life / work	5,585	4,543	785	606	3	6	3	7	899	351	7,275	5,513
	Other N/A	112	0	4	0	0	0	4	0	538	237	658	237
	Totals	7,406	5,489	3,542	2,162	1,128	1,070	325	321	1,441	590	13,842	9,632

Falling Level 2 and 3 apprenticeships but a slight increase in Level 4+

Manchester resident youth apprenticeship (19-24) starts by level 2014/15 – 2015/16



Part 3: Adult 25+

Decrease in total starts across all Levels, bar small increase at Level 3

Figure 11. Manchester resident (25+) SFA funded course start by sector 2014/15 – 2015/16

	Sector	Entry & Level 1		Level 2		Level 3		Level 4+		N/A (Other)		Total	
		14/15	15/16	14/15	15/16	14/15	15/16	14/15	15/16	14/15	15/16	14/15	15/16
High growth	Creative	707	530	216	113	47	27	29	62	19	9	1,018	741
	Business admin / F&P	853	836	834	622	200	215	175	101	4	0	2,066	1,774
	Personal Services	1,151	1,041	354	287	122	235	6	7	1	0	1,634	1,570
	Construction	380	279	365	202	98	135	18	21	3	10	864	647
	Sport	20	53	276	127	98	173	10	5	4	0	408	358
	Tourism & Hospitality	258	341	936	745	94	99	4	8	1	0	1,293	1,193
	Retail	394	153	45	13	0	0	0	2	0	0	439	168
	Science	1	1	673	399	27	17	46	15	0	0	747	432
Modest growth	Health & Social Care	1674	361	2,370	888	493	403	91	87	5	1	4,633	1,740
	Transport & Logistics	242	223	693	703	15	36	1	1	0	0	951	963
	Digital	1,560	903	296	245	52	53	10	49	0	0	1,918	1,250
	Education	39	81	220	213	189	134	37	53	5	0	490	481
Declining / static	Manufacturing & Engineering	65	44	747	463	98	104	14	12	0	0	924	623
	Environment	64	17	63	57	12	12	1	5	10	2	150	93
Other	Academic	216	67	507	295	53	33	7	6	18	10	801	411
	Preparation for life / work	22,921	17,151	2,130	1,732	0	0	0	3	2,736	419	27,787	19,305
	Other N/A	0	0	0	0	0	0	8	1	1,582	138	1,590	139
	Total	30,545	22,081	10,725	7,104	1,598	1,676	457	438	4,388	589	47,713	31,888

Source: SFA 2015/16

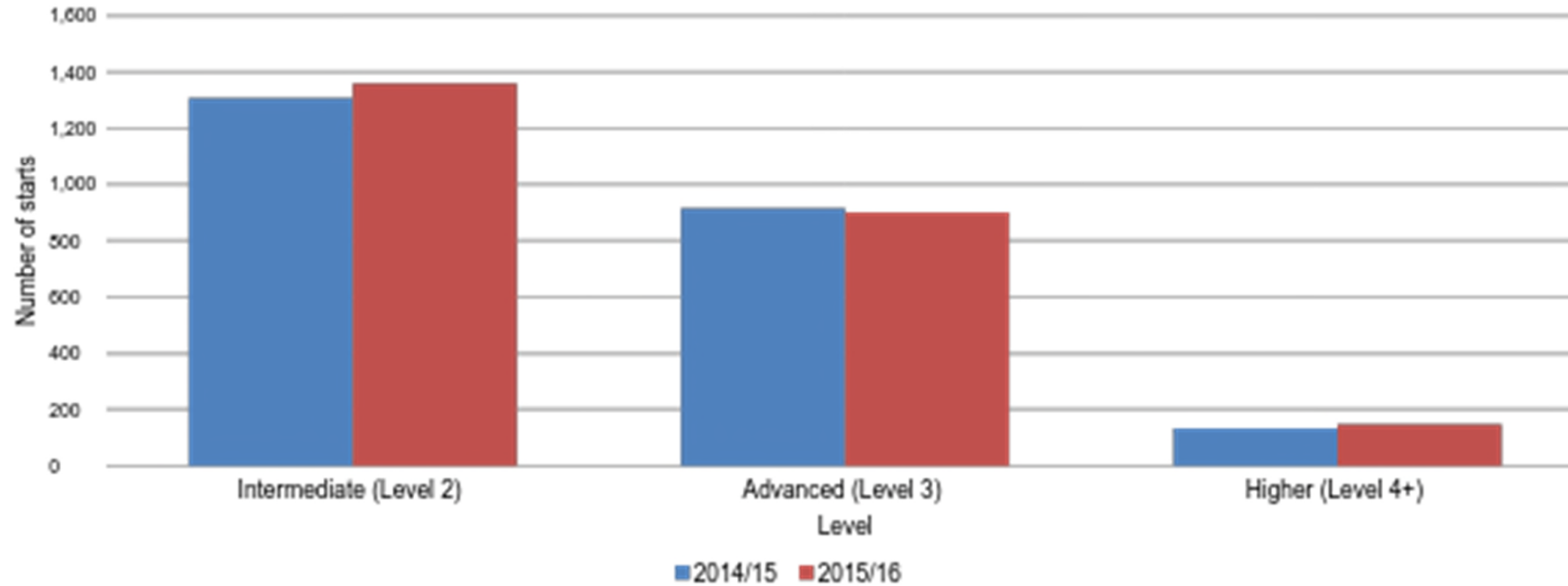
The Manchester College and MAES are still the top two providers but have significantly decreased on last year

Figure 12. Manchester resident adult (25+) SFA funded course starts by provider 2014/15

Provider	Starts	Leavers	Achievements
THE MANCHESTER COLLEGE	15,804	15,771	12,247
MANCHESTER CITY COUNCIL	4,862	4,862	3,729
ECONOMIC SOLUTIONS LIMITED	1,440	1,263	1,097
LEARNDIRECT LIMITED	1,244	1,301	1,067
WORKERS' EDUCATIONAL ASSOCIATION	922	900	695
MANTRA LEARNING LIMITED	707	691	638
TRAFFORD COLLEGE	664	659	588
THE CITY OF LIVERPOOL COLLEGE	441	517	451
STOCKPORT COLLEGE	665	635	422
SALFORD CITY COLLEGE	473	473	398
ACCRINGTON AND ROSSENDALE COLLEGE	312	313	263
TAMESIDE COLLEGE	278	301	251
MARKET DRIVEN TRAINING LIMITED	215	215	212
THE OLDHAM COLLEGE	198	214	186
HOPWOOD HALL COLLEGE	225	223	180
SOFTMIST LIMITED	167	159	156
SYSTEM GROUP LIMITED	165	165	154
GATESHEAD COLLEGE	140	127	127
BARNET & SOUTHGATE COLLEGE	84	98	98
MILTON KEYNES COLLEGE	51	82	75

Small increases at Levels 2 and 4+ but a small decrease at Level 3

Figure 13. Manchester resident adult apprenticeship (25+) starts by level 2014/15 – 2015/16



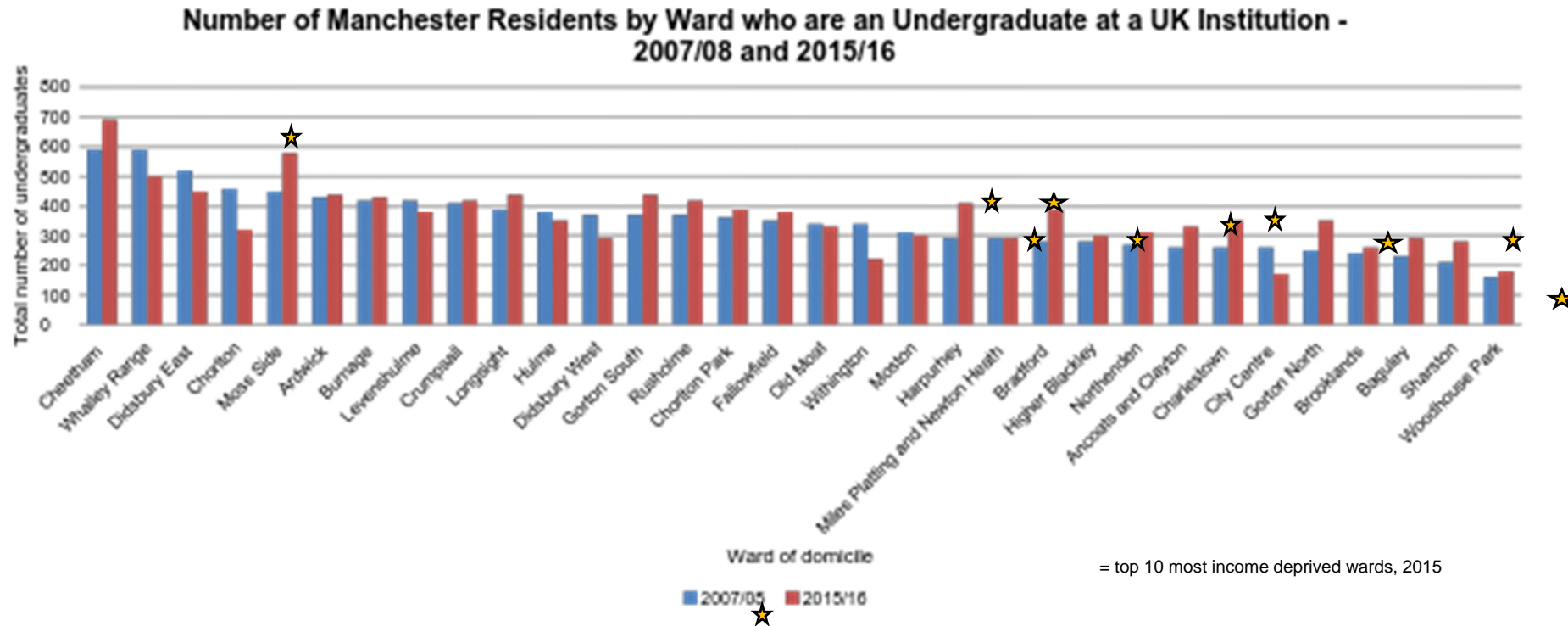
Decrease at Advanced causing overall total decrease; Business Administration and Health and Social Care still the most popular

Figure 14. Manchester resident adult apprenticeship (25+) starts by sector 2015/16

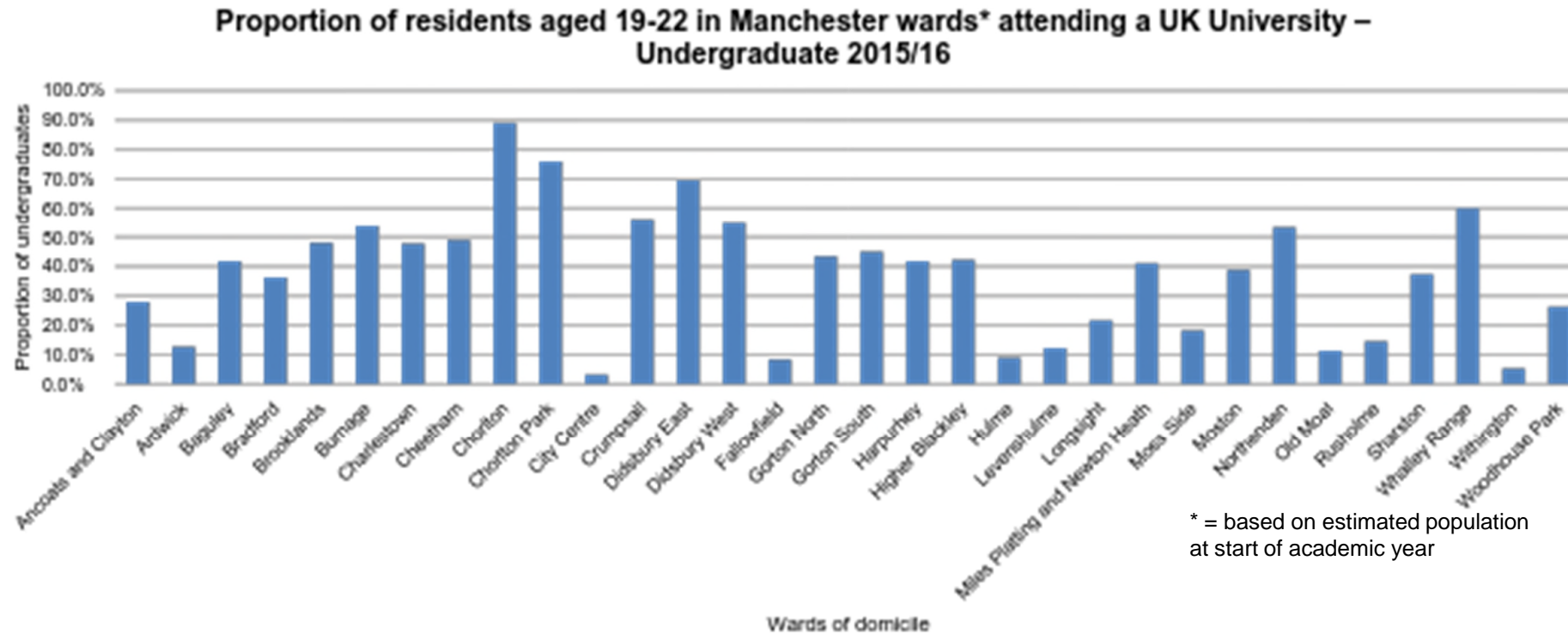
	Sector	Intermediate	Advanced	Higher	Total
High growth	Creative	0	0	0	0
	Business administration / F&P	396	297	72	765
	Personal Services	88	26	0	114
	Construction	75	13	3	91
	Sport	32	18	0	50
	Retail	20	10	0	30
	Tourism & Hospitality	149	48	2	199
	Science	0	0	0	0
Modest growth	Health and Social Care	345	411	68	824
	Transport and Logistics	108	11	0	119
	Digital	9	6	2	17
	Education	13	33	0	46
Declining / static	Manufacturing & Engineering	115	26	0	141
	Environment	11	2	0	13
	Total	1,361	901	147	2,409

Part 4: Higher Education

Increases in undergraduate numbers in top 10 most income deprived wards but still lagging behind



Different wards dominate when the number of 19-22 residents is taken into account



N.B. not all undergraduates will be aged 19-22 so proportions may be slightly higher

Key themes

- Strong demand for Level 3+ occupations
- Business and Digital most demanded specialist skills; Communication and Organisation most demanded baseline skills
- Significant cross border travel in GM to other course providers
 - Apprenticeship numbers increasing at Level 4+ from a low base but mixed picture for Level 2 and Level 3
- Construction apprenticeships starts up for all levels
- Science, Creative & Digital all underrepresented
- All of the top 10 most income deprived wards have seen an increase in their number of residents going to university as undergraduates but young people in the affluent wards to the south of the city are still more likely to access Higher Education

Skills System to 2020

Issues for consideration

- **Technical & Higher level skills** - the offer
- **Specialisation** – in the City & GM
- **Future proofing** – digital disruption & how residents will learn
- **Investment Strategy** linked to other investment & growing the skills funding pot
- **Low Skills Challenge** – cost & funding to bridge gap with national average
- **ESOL** – meeting the continued demand
- **Working & Health programme** delivering impact
- **Older People** – over 50s least skilled & qualified
- **Digital Inclusion Challenge**
- **Pathways** into & through the skills system