

PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE

EMPLOYMENT AND SKILLS DEMAND STUDY 2010

REPORT OF THE CHIEF EXECUTIVE

20 OCTOBER 2010

1. Purpose of Report

- 1.1 To inform Members of the Prosperous and Economic Development Scrutiny Committee of the forthcoming Employment and Skills Demand Study 2010, which will provide an overview of the current and future demand for employment and skills in the City and gather data on recent employment trends and skills forecasts across a range of organisations.

2. Background

- 2.1 There is an on-going need for improved data and information on the demand-side aspects of the local employment and skills market. By undertaking an employment and skills demand study, a greater understanding of the workforce profile can be achieved, and in particular, it can identify gaps between labour demand and supply and identify major occupational strengths and skills gaps. The identification of occupational skills gaps will provide one of the key indicators of where future resources and efforts may be best targeted. This information will then inform the development and implementation of the Sunderland Skills Strategy (as part of Aim 4 of the Economic Masterplan). The vision of the draft Skills Strategy is "Delivering 21st Century skills for 21st Century Sunderland".
- 2.2 This research will build on the Sunderland Employment Demand Study 2008.

3. Employment & Skills Demand Study – The Proposal

- 3.1 Historically, employment development delivery has adopted a primarily client (supply side) centred approach based on the needs of the client and the need to move them into employment. Whilst all the agencies involved have endeavoured to match individuals with employer needs (demand side) this has proved difficult to do largely because of the lack of intelligence and clarity of local employers needs.
- 3.2 The emerging challenge, therefore, is to analyse the issue from the demand side of the equation. A more detailed analysis of demand should result in a more realistic and focussed approach to getting people into employment and give a comprehensive breakdown of the needs of local employers.

- 3.3 In 2008, the City Council conducted a similar Employment Demand Study, trying to identify potential areas of employment growth and the corresponding skills needs. In completing this research, almost 1,000 businesses were surveyed, across a variety of economic sectors and from a range of differing employee sized organisations. Unfortunately, this research was undertaken at the early stage of the recession, and the feedback from employers was generally very little employment growth expected, with minimum investment in skills development. So, although the study framework and adopted approach were suitable, it was just unfortunate timing. By repeating the study, it is hoped to gain an improved understanding of the position of local employers.
- 3.4 The city's economic future depends on educated, enterprising and inspirational people with the right skills to contribute towards economic growth and improved prosperity. This research will provide an evidence base that will influence future support and activities that will;
- Give a thorough understanding of the training and development needs of actual and potential labour force and ensure identified needs are met
 - Provide children, young people and adults with the skills required to underwrite current and prospective industries that will shape the city's economy, which will accommodate both business growth and recovery needs.
 - Through local communities, schools, colleges and the university provide the skills base necessary that will contribute towards an evolving entrepreneurial city.
- 3.5 Funding has been secured via Working Neighbourhood Strategy to progress this research. It is anticipated that this work will be procured during November 2010, with a final report expected around March 2011.

4 Recommendation

- 4.1 Members are asked to note the report and provide any comments as appropriate.

5. Background Papers

Draft Sunderland Skills Strategy – Development Framework
Employment Demand Study 2008

Contact Officer: Andrew Perkin, Senior Economic Development Officer
(0191 561 1451)
Andrew.Perkin@sunderland.gov.uk