THE ECONOMY, SKILLS, AND APPRENTICESHIPS

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WHAT I'LL COVER

- Skills as a key driver of productivity and growth
- Growing the Economy strong out of recession
- A shift to technical apprenticeships
- Working across demand and supply – how we will do it

“Skills for Growth”

“Skills are a key part of our plan for economic recovery and, as such, an urgent challenge”

Peter Mandelson,
November 2009

“Skills for Growth”

“In April 2010 we will create a Skills Funding Agency that will switch more funding into the sectors and markets where it can make a demonstrable difference in underwriting necessary skills development”.

November 2009

“Skills for Growth”

- Businesses constantly tell us that skilled people are their most critical asset
- “Skills for Growth” is a critical element of economic development - skills a key driver of both business productivity and individual progression
- RDA role in engaging business within and across regions will help to put business in driving seat of articulating demand
- RDA advocacy role to drive up skills utilisation and up-skilling

HIGH GROWTH VERSUS HIGH EMPLOYMENT SECTORS

- High growth companies: 6% of all UK firms employing 10 or more people
- But more than half the growth in jobs: 54% between 2005 and 2008 (1.3 million out of 2.4 million)
- High growth companies disproportionately innovative
- Innovation = growth !

HIGH GROWTH VERSUS HIGH EMPLOYMENT SECTORS

- But most jobs already exist
- So high employment sectors such as retail, care also important
- Retain apprenticeships in traditional; move into new sectors
- Win/win = innovation in high employment sectors

GROWTH SECTORS

- RDA work on high growth sectors in England:
  - Life Sciences
  - Low Carbon
  - Digital
  - Advanced Manufacturing
  - Plastic Electronics
  - Composites
  - And cross-cutting ‘Business Critical Infrastructure’
- Each team led personally by an RDA Chief Exec

BUSINESSES AND APPRENTICES IT'S WIN-WIN

- 81% of businesses employing apprentices say they bring higher overall productivity
- 66% say apprentices help them be more competitive
- 78% say apprenticeships will be a bigger part of their recruitment policy in future
- Apprentices love their work more and stay for longer !

RDA SUPPORT FOR APPRENTICESHIPS

- RDAs working on ground to increase awareness/ promote apprenticeships
  - Access to Apprenticeships programme (London)
  - Astrium satelites (South East)
  - Aylesford print (South East)
- Working with National Apprenticeship Service
- Taking us out of recession
  - Career Chain (East Midlands)
  - BT Openreach (Yorkshire)
- RDAs taking apprenticeships themselves

MOVING TO ADVANCED APPRENTICESHIPS

- Great successes in manufacturing, construction, the Armed Forces
- Developing the model for new sectors now critical
- To maximise the win-win, link the innovation and skills of apprentices with the high-growth sectors

SO …

- Need to use the opportunities in 10/11 and beyond to look at focus on higher level skills, advanced apprenticships and the high growth sectors to
  - invest in apprenticeships for young people and adults;
  - smooth the progression path for learners;
  - support colleges and providers in identifying and meeting new markets; and
  - ultimately, to benefit businesses and individuals and achieve economic growth

HOW WILL WE DO IT ?

"RDAs, working in partnership with the SSCs, local authority leaders and sub-regional bodies, will take responsibility for producing regional skills strategies that will articulate employer demand and more closely align skills priorities with economic development. The SFA will contract with colleges and providers to deliver the skills priorities in these strategies."

November 2009

HOW WILL WE DO IT?

- 20-year Regional Skills Strategies as part of regional strategies, with LA Leaders
- Annual Skills Priorities Statements – linked to sectors work
- RDAs working with
  - Sector Skills Councils
  - UKCES
  - Business Link
  - Sub-regional partnerships.
- With SFA and Providers - how will it work locally

OUTCOMES

- **Shifting emphasis to high growth to grow the economy strong**
- **Apprenticeships have role to play – bringing innovation**
- **Win-win for business and individuals: business productivity and individual wage/career progression**
- **Demand side articulation met by providers to join up for economy and individuals**

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