



Annual Report on Skills and Skills Requirements 2013

Foreword

Early in 2012 the new Council of Ministers published its Strategic Plan 'Inspiring Confidence in Jersey's Future'. Getting people back to work became the leading priority and this put skills and employment needs at the top of the government's agenda.

Skills Jersey had an important role during 2012 to support that goal. This Annual Report provides a review of the issues as well as the work that has been undertaken by or on behalf of Skills Jersey to help develop Jersey's workforce and meet the skill requirements of our economy.

Unemployment statistics plus feedback from businesses and recruitment agencies shows that the focus is still largely on consolidation rather than growth but there is some movement in the jobs market. The challenge is to ensure we continue to look further ahead as well as tackling the immediate pressures.

To achieve that, Trackers, a new apprentice scheme was launched in Autumn 2012, and Skills Jersey has been addressing a range of issues from literacy and numeracy to vocational education for 14 to 16 year olds, higher education and the IT industry. A new Skills Strategy developed by the Skills Board will be published in 2013. It focuses on four key areas of individuals, employers, jobseekers and increased productivity.

Skills Jersey itself has seen significant changes during 2012. The membership of the political group, the Skills Executive, changed after new Ministers were elected in 2011. I have taken over from Senator Alan McLean as Chairman and we have welcomed Senator Francis Le Gresley, the Social Security Minister.

The membership of the Skills Board has also altered. While Chairman Richard Plaster has been reappointed for a second four-year term, three other members have retired – Peter Walsh, Tina Palmer and Alex Morel. They have been replaced by Richard Rolfe, Alexis Wintour and Luke Heynes.

Deputy Patrick Ryan
Chairman, Skills Executive (2013)

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Executive Summary

Introduction

The purpose of this report is to advise Skills Jersey's key audience, namely careers professionals, education and training providers and members of the public about opportunities, changes and trends in skills required in the workplace. It is based on current and future thinking, setting out the current employment situation on the Island, pertinent skills and workforce development strategies or policies, and work that will be undertaken by Skills Jersey in 2013.

Setting the Scene

In economic terms, ongoing feedback from businesses has continued to indicate negative sentiments regarding business activity and business optimism. Employment has fallen by 1% over the twelve months to June 2012. Unemployment appears to have stabilised, but the full impact of the removal of Low Value Consignment Relief (LVCR) has yet to be felt. The prospects for growth in the Jersey economy appear limited.

Anecdotal evidence from recruitment agencies echoes the feedback from the surveys. Businesses are focusing on consolidation rather than growth and while there is some movement in the jobs market with new jobs being created, this is limiting, and the process arduous.

At political and board level, Skills Jersey has seen changes in 2012. There are now new Ministers at both: Education, Sport and Culture and Social Security. The Chairman of the Skills Board has been re-appointed for a further term of four years, and three board members have retired and three new appointments have been made.

A Review of 2012

A report on older workers in the workplace highlighted a number of issues including the difficulty of these individuals finding employment, and perceptions of older workers. Amongst the recommendations were training, encouraging flexible working arrangements, financial incentives and removing barriers including misconceptions of these individuals.

Following the completion of the pilot 14-16 vocational provision between the four non-fee paying 11-16 schools and Highlands College, a report 'Review of 14-16 vocational provision in Jersey' was produced. The Report concluded, for the programme to succeed longer term that a common Key Stage 4 curriculum would be required along with the creation of subject development groups that may include the involvement of employers.

An updated report on current and future thinking on on-Island Higher Education was commissioned. 'Higher Education – the Next Phase' charted the improvement in the on-island higher education offering since the publication of the Higher Education Paper in 2005. The Report considered how, if possible, existing and potentially new providers could work more closely together.

Further research, led by Economic Development, has begun on the potential economic benefits of increasing the higher education presence in the island, seizing on Jersey's strengths to create employment opportunities - one of the key priorities of the new States Strategic Plan.

Conscious that limited amounts of work had been undertaken following the recommendations made in the 2010 report 'The Literacy and Numeracy Needs for Employment', a proposal was brought forward to the Skills Board to train qualified

teachers not currently working in the education system, to deliver literacy and numeracy, particularly to those who were 'hard to reach'.

A new apprenticeship scheme - *Trackers* - was launched to replace the current Jersey Apprenticeship Scheme. The new programme, which encompasses those in employment, and those seeking work-experience, will require candidates to complete a number of competencies and qualifications.

The results of a number of student surveys were presented to the Skills Board. During 2011, Careers Jersey undertook an on-line questionnaire for Jersey graduates who had graduated over the last 20 years. A destination survey was also conducted by Highlands College for those individuals who had left at the end of the 2011 academic year.

With the development and establishment of *Digital Jersey*, the Information Communications Technology (ICT) organisation responsible for marketing and promoting the sector, a joint piece of work was commissioned with the Skills Board to gather current labour market intelligence on the industry. The review made a number of recommendations which will be developed further in 2013.

Following the review of recruitment and retention of nursing across both the public and private sectors at the end of 2010, Health and Social Services are seeking a preferred provider who will commence in-island training in September 2013.

2012 saw the strategic direction of Advance to Work and Advance Plus move from the Skills Board to be part of the overall offering of the Back to Work programme managed by Social Security and overseen by the Ministerial Task Force. During the year, over 900 locally qualified job seekers have been assisted into paid employment.

The results from the 2011 Jersey Census were released by the States of Jersey Statistics Department throughout 2012. From a skills perspective, pertinent information identified included individuals with 'No Qualifications' having reduced from 33% to 19% in the period 2001 to 2011 whilst those with 'Higher Level' qualifications have risen from 14% to 37% over the same period.

The formation of a new Council of Ministers at the end of 2011, saw a new States of Jersey States Strategic Plan "Inspiring Confidence in Jersey's Future" being developed. Skills needs and employment are at the heart of the Plan with two key priorities being: to get people into work; and to manage population growth and migration.

An Economic Growth and Diversification Strategy was adopted by the States in 2012. Skills and workforce development will, again, contribute to its success through initiatives aimed at raising the productivity of the whole economy and reducing the reliance on inward migration.

The Skills Board developed a Skills Strategy during the year, which once approved by the States, will become the Island's Skills Strategy. Policies and procedures will focus on jobseekers, employers, individuals and leadership.

Further strategies are at various stages of development including an Enterprise Strategy and Tourism Strategy, both of which will have skills and workforce priorities.

Skills Guernsey was launched in 2012. Structured similarly to Skills Jersey, a representative from Guernsey has attended a number of Skills Board meetings to get a better understanding of the work currently being undertaken and see potential joint work streams in the future.

Business for Skills Jersey in 2013

2013 will be a year to build on previous work undertaken, as well as monitoring progress and advising. With the former, previous skills surveys will be reviewed, and

where applicable, updated. Other sector surveys will also be considered. Consideration will also be given to identifying those, of working age, who are not economically active, save those Actively Seeking Work and reviewing the success of the 2008 strategy for Inclusive Vocational Day Services and Employment. A review of training places created following changes to States of Jersey procurement policies and procedures will also be undertaken.

While the Skills Board no longer has strategic oversight of the Advance to Work and Advance Plus programmes, the Board will monitor progress and give advice on the Back to Work programmes, as well as – *Trackers* - the new apprenticeship scheme and the vocational offering for 14-16 year olds.

A Communications and Marketing Strategy will be developed that will raise the profile of the Skills Board, and the work that has and will be undertaken in the future.

Annual Report on Skills and Skills Requirements 2013

1 Introduction

The development of this year's Annual Report on Skills and Skill Requirements coincides with significant changes at both political and Skills Board level. The Island has a new Council of Ministers, and as an outcome the Skills Executive has two new Ministers. A new States Strategic Plan has been developed and a new Island-wide Skills Strategy has been developed by the Skills Board. There have been a number of Skills Board changes with the Chairman being re-appointed for a further four years and three board members retiring and three new appointments made bringing a different breadth of knowledge and expertise.

The Skills Strategy and this document, together with the skills and work related training objectives of the business plans from the Departments for Economic Development, Education, Sport and Culture and Social Security will collectively be used to develop the Skills Jersey Business Plan for 2013.

2 Background

In 2007 the Council of Ministers agreed the establishment of a Skills Executive comprising the Ministers and Chief Officers for Education Sport and Culture, Economic Development and Social Security. The purpose of the Skills Executive was to give political leadership, determine policy priorities and provide strategic direction to an employer-led Skills Board charged with co-ordinating the work of three government departments in developing policy and strategy for enhancing skills in the workforce and those about to enter it. For convenience, the Skills Executive and the Skills Board are referred to, collectively, as 'Skills Jersey'.

3 An Economic Perspective

While this is a skills related report, it is important to ascertain an economic perspective for the Island, as this will go a long way to shaping the thinking of the 2013 Business Plan.

Data, from the quarterly Business Tendency Surveys, suggests that the majority of undertakings continue to have negative sentiments regarding business activity, with this indicator remaining close to record low levels throughout 2012. Business optimism has also remained negative, though there has been some improvement since the end of 2011 - particularly for the financial services sector.

Retail sales have declined over the last year, but have shown some signs of recovery in the most recent figures. There was a 1% fall in employment over the twelve months to June 2012, which has resulted in total employment returning to the essentially flat level seen between 2008 and 2010. Employment has fallen significantly in particular within the fulfilment sector, in banking and in the construction sector.

The speed of recovery in the Jersey economy is impacted by global developments, where recovery has continued in 2012 but has weakened as fiscal consolidation and a weak financial system continue to act as a drag on growth. Risks remain due to uncertainty about the ability of the Euro area to stabilise credit conditions in the periphery, slowdown in growth in emerging markets (China and India) and the ability of the US to put in place fiscal policies to prevent a return to recession in 2013.

4 A Review of 2012

During 2012, the Skills Board commissioned and received a number of reports on a diverse range of skills and workforce-related subject areas including:

- Older Workers in the Workplace;
- A review of the vocational offering for 14 - 16 year olds;
- A review of on-Island Higher Education (including a model for going forward);
- A literacy and numeracy proposal;
- A final route map for the new apprenticeship scheme '*Trackers*';
- Graduation Survey;
- Highlands College Destination Survey; and
- A review of the IT sector.

In addition, a new Skills Strategy has been developed by the Skills Board and will be presented to the Council of Ministers for consideration late in 2012.

4.1 Older Workers in the Workplace

A report on older workers was commissioned by the Skills Board in 2011 and the findings were presented by Beverley Le Cuirot, of Immediate Impact, in early 2012. The brief looked at the perception of older workers in the workplace.

The report highlighted a number of issues, these being:

- Attitudes and perceptions of employers to older workers
- Opportunities for continued employment beyond pensionable age
- Local barriers encountered with employment beyond the normal retirement age
- Identification of the benefits this group can bring to the workplace

The Report went on to recommend the following:

- To continue monitoring trends through closer working with the States Statistics Unit;
- To change perceptions about the value of the older worker;
- To assist employers to engage, retain and retire older workers; and
- At the appropriate time, create specific opportunities for the older worker.

While the Skills Board welcomed the findings in the report, it was agreed to await more detailed findings of the 2011 Census relating to employment, and more specifically the age range of the economically active. Jim Pearce, of Third Phase Limited, was subsequently engaged to:

- Clarify the issues that arise from Jersey's ageing population;
- Highlight the key messages from the Immediate Impact report and other research from around the world; and
- Shed new light on the opportunities to employ older workers in Jersey.

The review identified that Jersey already has one of the highest older workforce activity rates, which make it difficult to achieve significant increases. However, it highlighted a number of opportunities to:

- Remove barriers to the employment of older people, including tackling common misconceptions, training , pay and business incentives; and
- Encourage older people to continue in employment through a combination of flexible working arrangements and financial incentives.

4.2 Review of 14-16 Vocational Provision in Jersey

In 2010, a pilot scheme for vocational education was launched as a partnership between the four non fee-paying 11-16 schools and Highlands College. The purpose of the Scheme was to broaden the learning experience, and improve the performance of some 14-16 year olds by introducing an element of practical vocational education into the curriculum.

A report 'Review of 14-16 vocational provision in Jersey' was produced by Brian Styles, and the findings of his report were presented to the Skills Board in July 2012. The Review of the Pilot highlighted:

- The need for an extended vocational curriculum that is collaboratively delivered, and can achieve educational and cost effectiveness. This will require detailed collaboration on timetabling and curriculum development and greater movement of students between centres;
- The need for a common examination board strategy and for all Key Stage 4 options (14-16 year olds) to have clearly defined progression routes post-16, to accelerate students studies; and
- The need for a new performance indicator for the four schools that measures their success or failure based on the prior attainment and progression of their students.

Subsequently, a further piece of work was undertaken by Brian Styles that focused on improving Key Stage 4 outcomes in the four 11-16 schools. The key recommendations were as follows:

- The four schools and Highlands College should set up a joint Working Group to review and develop the Key Stage 4 curriculum. All courses offered would have clearly defined post 16 progression routes to guarantee students rapid progress in their studies
- A common Key Stage 4 timetable should be drawn up to facilitate the movement of students between institutions.
- Subject development groups with representatives from relevant schools and Highlands College should meet to determine how to deliver the curriculum and ensure that best practice is shared. In some cases, (maths and science in particular), external assistance may be required to help improve outcomes substantially. For the vocational subjects, the involvement of employers would be desirable.
- A joint 'Key Stage 4 student fair' would be held annually for Year 9 students (13-14 year olds) and their parents to ensure that they are familiar with all the options available and the transport arrangements that are in place.
- The vocational subjects offered at Highlands College as a pilot, should be considered as part of the new curriculum with a view to it being offered at three levels rather than just Level 4, as currently.

Following the Review, a Working Group was established with representatives from the four schools and Highlands College. The Group's Terms of Reference included

considering the recommendations of the report, as well as other points that the ESC Department consider is important relating to this provision and to report back in March 2013 with what can be done and how and for these to be introduced at the start of the 2014 academic year.

4.3 Higher Education on Jersey

The Skills Board commissioned Dr Michael Goldstein to review the current higher education offering on Island and to consider how, existing and potentially new providers could work more closely together. The report "Higher Education – the Next Phase" charted the increased higher education offering since the publication of the Higher Education Paper in 2005. It concluded that while current providers could operate as presently (independently, and without interaction with one another), allowing the market to determine success and future development, there were likely to be huge additional benefits in providers working more co-operatively. This would maximise resources, and present a coherent range of opportunities for Jersey students that may ultimately see the development of joint degree programmes, and ideally working from within one facility thus improving the student experience. The Skills Board will work with local providers in an attempt to develop this scenario further

While the final report was being developed, consideration was given to the potential economic benefits of higher education, seizing on Jersey's strengths, and determining in which fields the Island is a 'world leader'. This piece of research will be led by Economic Development and will work with interested parties to undertake an economic benefits analysis on a number of proposals for increasing the on-Island higher education offering and creating subsequent employment opportunities - one of the priorities of the States Strategic Plan.

4.4 Literacy and Numeracy Proposal

In 2010, Ursula Howard was commissioned by the Skills Board to undertake research on the Island's literacy and numeracy levels. The Report, 'The Literacy and Numeracy Needs for Employment' had three broad aims:

- The extent of functional illiteracy and innumeracy in the Island;
- The importance of functional literacy and numeracy for employers; and
- Options for practical action.

The Report concluded with a list of early, mid, long and ongoing actions.

While significant resource from Education has been targeted at primary school children to ensure these individuals have a good grasp of both literacy and numeracy, there still remains a significant number of individuals from all socio-economic backgrounds who have low levels of both which may act as a barrier for those currently in work as well as those seeking employment.

A proposal was brought forward to the Skills Board to train up qualified teachers who were not currently working in the education system, to deliver literacy and numeracy, particularly to those who were 'hard to reach'. While the initiative was supported, in principle, by the Skills Board, it was recognised that further research was required to determine the size and scale of the problem and how these teachers would have access, and delivery, to these 'hard to reach' individuals.

4.5 Tracker

During 2012, progress was made on the development of a new apprenticeship scheme - *Tracker* - which was launched to coincide with the new academic year.

The new programme, funded in the main from securing additional funding from the Mid-Term Financial Plan, has been given new branding to move it away from the archetypical assertions associated with the word 'apprenticeships' relating just to craft areas. The longer term vision is to have Trackers for a whole range of professional training.

The new programme will require candidates to complete four areas, namely: technical competence, vocational competence in the workplace, softer skills training (including a certain level of literacy and numeracy) and employer and employee responsibilities including health and safety. The programme is available to those in employment as well as those seeking employment, with work placements being arranged for this latter group to enable them to gain their vocational competence.

4.6 Graduate Survey

In 2011, Careers Jersey developed an on-line questionnaire to determine what Jersey graduates had been doing over the past 20 years, were doing now and where they currently lived. The Survey wanted to ascertain which institutes individuals studied at, and in which subject areas.

Overall, more than 800 local graduates completed the survey, of which 62% were male and 38% female. Of the respondents, more than a third (37%) studied at southern universities. Over half said they would not have chosen to study in Jersey if the range of degree programmes would have been greater. Those who would have studied in Jersey have cited financial and family reasons for staying.

The most popular subject areas historically studied are: Biological, Chemistry and related, Medical and related, Humanities and related, and Social Sciences and Youth Related. There were gender differences with Social Sciences, Medical and Teaching being more popular with females, while Maths and IT, Accountancy and Business and Engineering being favoured more by males.

As for what individuals are doing now, more than two-thirds (68%) are working full-time for an employer, (6%) temping full-time and (7%) temping part-time with a further (7%) being self-employed.

Further cross-tabulation work will be undertaken on the statistics and the results published in early 2013 along with recommendations on the findings.

4.7 Highlands College Destinations 2011

A destination survey was also undertaken to track the destination of those students who left Highlands College in 2011 after having completed further education courses. A sample size of 493 individuals was targeted. Of the total, just under half (46%) were interviewed. Of the original sample size, 141 (28%) have gone onto further or higher education and of those interviewed 61% are now working.

The courses studied and their relevance to what work individuals went onto do, while there were positives in Motor Vehicle Maintenance, Hairdressing, Food Preparation and Childcare, the Skills Board raised their concerns that none of the students who had undertaken training in Media and Art and Design had gone into work in these vocational areas, and less than a third (29%) who studied on the art and design course were working at all.

Further analysis will be undertaken by Highlands College on the results and another destination survey on those who graduated in 2012 will be completed. Then findings on both surveys will be reported back to the Skills Board

4.8 Review of the IT Industry

During 2012, a new body – *Digital Jersey* was established to market and promote the Information Technology (IT) sector. As part of the development of the new entity, a joint piece of work was commissioned with the Skills Board to gather current labour market intelligence on the industry.

The results of the work undertaken by Jim Pearce of Third Phase Limited, was captured in 'The Digital Picture: a review of Jersey's digital skills' and the most pertinent to the skills agenda are as follows:

- The Information Technology industry employs c.560 staff (14% female) in just over 200 organisations, with only 10 companies employing more than 10 staff.
- Digital professionals are generally well qualified with over 50% having a university level qualification.
- A significant amount of Continuous Professional Development (CPD) is undertaken by digital professionals, the majority of training undertaken off-Island, possibly as a consequence of the global head office making decisions off-Island.
- While there are a number of IT courses and qualifications available on the Island both at pre and post 16 years of age, up to a Foundation degree, most individuals consulted felt that there was insufficient computer science (how Information Communications Technology (ICT) systems work and programming) offered at schools and colleges on the Island.
- ICT has moved from being an important tool underpinning business processes to being a critical element of the business offer and strategy. As a consequence, digital professionals have had to develop a much wider understanding of the business environment and the way businesses are managed and operate.
- There are few opportunities in the sector for young people leaving school at 16 years of age.
- Very few employers employ and retrain mature workers in the sector.
- The vast majority of IT and finance companies undertake most of their IT in-house, as outsourcing is more expensive.

Out of the key findings, the following recommendations were made:

- Adopt a new curriculum for ICT and computing at Key Stages 0 – 3;
- Build on the existing work of IT companies to encourage young people into a career in computing;
- Place greater emphasis on the development of the soft skills that will be in demand in the future;
- Promote programmes in productivity improvement to Intensive IT Users and Managers across Jersey;
- Review the range of CPD available in Jersey for digital professionals; and
- Create a graduate entrepreneurship programme.

Once Digital Jersey is fully established, the Skills Board will work closely with it to develop a sector specific strategy, outlining who is responsible for delivering individual

initiatives. Once established, it is proposed that a representative of the Skills Board will join Digital Jersey's Training Advisory Group to ensure that the IT skills developed, support digital industries. It is further proposed that a further Skills Board member will also join the Education Review Group to assess the digital curriculum skills needs.

5 Update on Nurse Training in Jersey

Following the review of recruitment and retention of nursing across both the public and private sectors at the end of 2010 by the Skills Board and presented to Health and Social Services, an update was sought by the Board as to what had happened with regard to the Report's findings. The Board was pleased to be informed that expressions of interest have now been sought from a number of higher education providers to deliver the nurse degree programme, at a significantly lower cost than at present, and over a shorter time frame. It is the intention of Health and Social Services to appoint a provider very shortly and for training to commence in September 2013.

6 Programmes to assist the Actively Seeking Work

At the beginning of 2012, responsibility for Advance to Work and Advance Plus moved to be part of the Back to Work Team at Social Security following its establishment, along with the Ministerial Task-Force in late 2011. And while strategic direction for the Advance programmes formerly fell under the stewardship of Skills Jersey, Board members are given progress reports on a monthly basis.

During 2012, the Back to Work programme has helped over 900 locally qualified job seekers into paid employment. Of this, Advance to Work has helped 117 young people find paid work. The activities of the Back to Work programme has helped limit the increase in numbers registered Actively Seeking Work that was expected following the withdrawal of LVCR by the UK Government from April 2012.

7 2011 Census

In March 2011, an Island-wide Census was undertaken. The Skills Board were interested to see details of skills and qualification changes that had taken between 2011 and 2001, when the last Census was undertaken. Duncan Gibaut, Head of the Statistics Unit, presented the findings detailed below to the Skills Board.

Not surprisingly, as has been recorded in numerous Annual Social Surveys over the last ten years, the number of individuals in the workplace who have higher level qualifications has more than doubled, and those with no formal qualifications has fallen by nearly a half. In comparative terms with the UK, (and it is noted that the statistics for the UK are four years out of sync with the latest census figures), that Jersey's qualifications are 5% higher and lower respectively for higher education and no formal qualification. From the statistics, it is clear that individuals, and businesses alike, have seen the importance of gaining qualifications, particularly at the higher level, as the Island taps deeper into the global economy.

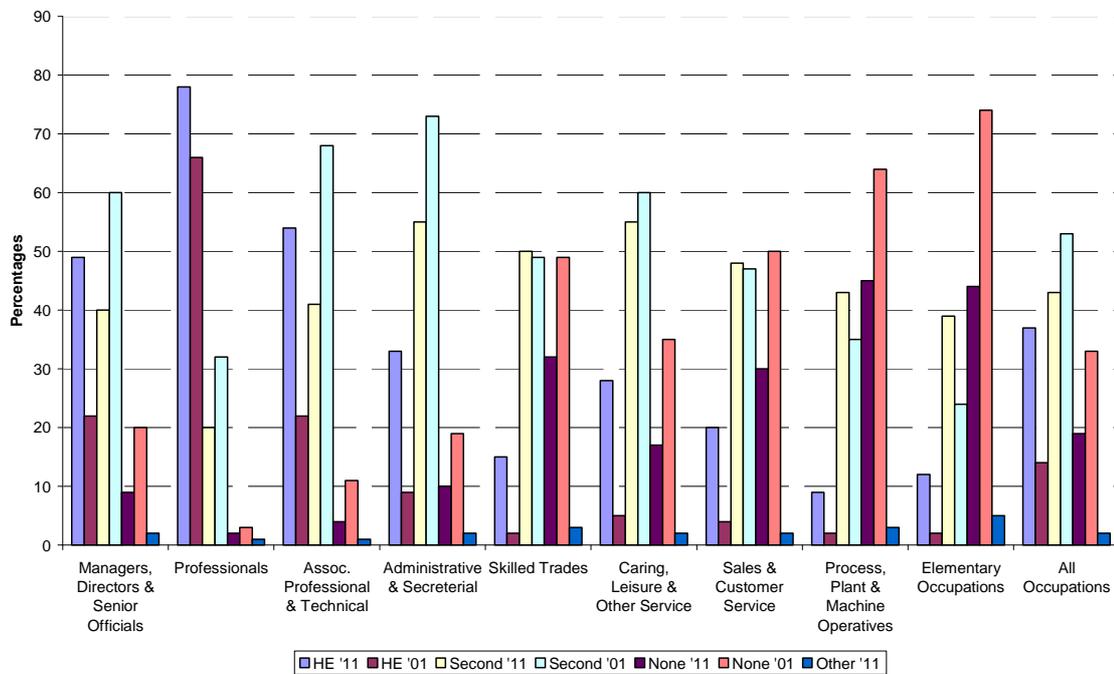
Table 1: Skills Sets Comparisons – 2011 and 2001 (Jersey) with 2007 (UK)

	Census 2011	Census 2001	UK 2007*
Higher Level	37%	14%	31%
Secondary Level	42%	53%	57%
No formal qualifications	19%	33%	12%
Other	2%	-	-

*Latest comparable figures from the Office of National Statistics

Figure 1 below gives greater detail comparing the skills levels, based on academic attainment, versus vocational activity. The key findings are that higher level qualifications have more than doubled in almost all categories between 2001 and 2011 and those with no formal qualifications has fallen by between a third and a half over the ten year period.

Figure 1: Comparison of Skills Levels versus Vocational Activity 2011 - 2001



8 Strategies and Policies

A number of new policies and strategies have been developed and delivered by the States throughout 2012 which the Skills Board has had the opportunity to comment on.

The overarching document is the States Strategic Plan with all subsequent Island strategies dovetailing into the requisite key priorities of the Plan.

8.1 States of Jersey Strategic Plan

Every new Council of Ministers is mandated to produce a new States Strategic Plan within one hundred days of being appointed, for the period that they are in office. The new Strategic Plan (2012-15) "Inspiring Confidence in Jersey's Future"

gives even greater emphasis towards meeting future skills needs and employment, by setting the vision for Jersey as:

“Inspiring confidence in Jersey’s future through (inter alia):

-a strong and sustainable economy
-preparing for the future
-protecting our environment
-a highly skilled and motivated workforce”.

Within this vision, two key priorities are most pertinent to the work of Skills Jersey, these being:

To get people into work – this is the most urgent priority to get unemployed Islanders working, keep people in work and create new employment opportunities and jobs through sustainable economic growth.

To manage population growth and migration – the challenge being for Jersey to maintain a working age population which enables the economy to flourish and public services to be sustained without threatening our environment, infrastructure and way of life.

These key priorities have formed the basis of the thinking for the development of the Skills Strategy.

8.2 Economic Growth and Diversification Strategy

The Economic Growth and Diversification Strategy (EGDS), was agreed in July 2012. The key objectives of the EGDS are to deliver growth, improve competitiveness, diversify the local economy and create employment. This will be achieved by the States working in partnership with business and the population to prioritise efforts and resources against the following four main strategic aims:

- Encourage innovation and improve Jersey’s international competitiveness.
- Grow and diversify the financial services sector, capacity and profitability.
- Create new businesses and employment in high value sectors
- Raise the productivity of the whole economy and reduce the reliance on inward migration.

Aspects of the Strategy will be supported by Skills Jersey through its own Skills Strategy and actions thereafter.

8.3 Skills Strategy

During 2012, the Skills Board developed a Skills Strategy, which ultimately will become an Island’s Skills Strategy. The overall aim of the Strategy is to:

“Support achievement of the States Strategic Plan. To this end, it will develop means to enhance the skills levels of Jersey’s resident population to meet the changing needs of the economy, thereby contributing to achieving maximum possible levels of employment and minimal use of imported labour”

To achieve this aim will require the development of policies and processes through the following high level strategic objectives:

- To minimise unemployment - *jobseekers*
- To enable employers to recruit locally - *employers*

- To maximise occupational potential - *individuals*
- To support increased productivity - *leadership*

The Strategy is not a plan, and will be reviewed from time to time to ensure that its objectives are still pertinent to the needs of the Island. It will, on an annual basis, be used as a basis for the development of the Skills Jersey Business Plan.

8.4 Enterprise Strategy

Early in 2013, a new Enterprise Strategy will be presented to the States.

The vision for enterprise in Jersey is to make the Island one of the best places in the world to start and grow a business. The key priorities of the Strategy best aligned to Skills Jersey activities are:

- ***To create an entrepreneurial culture*** - enterprising people, culture, knowledge and skills; and
- ***To support companies so they can reach their full potential in both local and international markets***

8.5 Tourism Strategy

A new Tourism Strategy Green Paper, which highlights the issues for the industry and puts forward a number of options to resolve them, went out to public consultation over the summer months. The Skills Board commented on the priority that is most pertinent to the work that it does, namely:

“Increase the number of locals employed in the tourism sector”

The Skills Board’s comments centred around the need for industry to work more closely with schools and colleges, and the community at large, on the opportunities available in the sector as well as the misconceptions of working in the industry.

9 Skills Guernsey

Launched in 2012, Skills Guernsey is a joint initiative between Guernsey’s Commerce and Employment, Education and Social Security Departments, tasked with delivering the Island’s Skills Strategy. The employer led board, while having a similar composition to the Skills Board in Jersey, differs in that it has training provider representation from the Guernsey Training Agency and Further Education College.

A representative of the Guernsey Skills Board has attended a number of Skills Board meetings in Jersey during 2012 to gain a better understanding of what activities the Board is currently undertaking. Longer term, it is hoped that where there are common issues that through joint working can potentially lead to savings.

10 Recent or planned legislative changes

Amendments to employment legislation that came into effect in 2012 relate primarily to redundancy and what employees are entitled to, or claim for. In 2013, the Minister for Social Security intends that the Discrimination primary law will be in force, as will the first attribute of Race (Race discrimination). The Minister also intends that preparation for Stage 1 of the Family Friendly Law will progress as a priority alongside Sex Discrimination Regulations.

11 Changes to Business Support

During 2012, a policy decision by the Minister for Economic Development was taken to integrate Jersey Business Venture and Jersey Enterprise's On-Island Business Creation and Growth team to create an independent, grant funded, entity – *Jersey Business*. While still in its infancy, the intention is for Skills Jersey to develop relationships with Jersey Business, particularly around entrepreneurship, both as a career path, as well as supporting those into self-employment who are currently on the Actively Seeking Work register

The former Inward Investment Team within Economic Development, (now branded *Locate Jersey*) continues to encourage and support high value businesses from outside of the Island to relocate here. During 2012, the Team have dealt with over 90 enquiries and assisted in the granting of 29 new business licences in areas such as mining, retail and IT. The Economic Development resources allocated to training and workforce development continue to support the Locate Jersey Team with inward investment enquiries and direct these organisations to the appropriate agency for assistance.

12 Jersey Labour Market at June 2012

The key findings of the June 2012 Jersey Labour Market Report were as follows:

Total employment in the Island stood at 56,380, 530 lower than in June 2011.

Nearly half of all employers were single person undertakings, representing an increase of 220 compared with a year earlier. This is not uncommon during an economic downturn. Table 2 details the full scale and size distribution of businesses in Jersey.

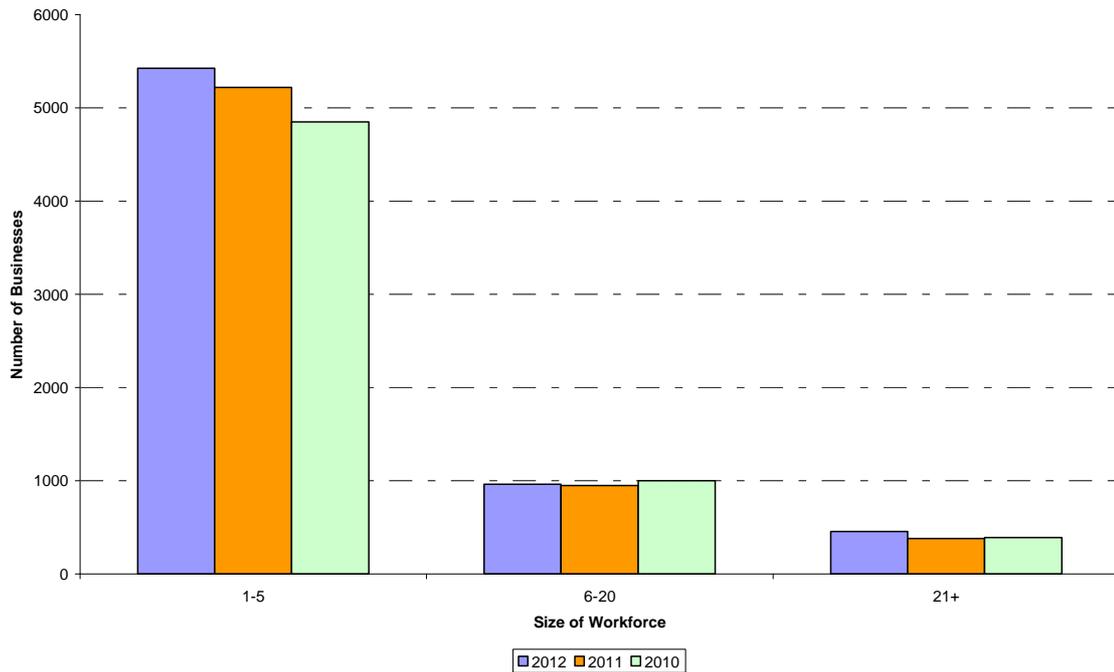
Table 2 - Current scale and size distribution of businesses in Jersey

Sector	Number of businesses by size of workforce				Total Number of Employees
	1-5	6-20	21+	Total	
Agriculture and Fishing	271	61	17	349	2,230
Manufacturing and Utilities	180	39	10	229	1,630
Construction and Quarrying	1,066	161	34	1,261	5,100
Wholesale and Retail Trades	935	167	49	1,151	8,420
Hotels and Restaurants	352	163	48	563	6,320
Transport, Storage & Communication	259	29	27	315	2,800
Financial and Legal Activities	311	84	99	494	12,590
Education, Health and Other Services	918	143	147	1,208	5,930
Other Business Activity*	1,132	115	240	1,271	4,610
Total	5,424	962	455	6,841	49,630

* This covers computer and related activities; real estate and other business; renting of transport, equipment and goods; advertising; architects; security activities; recruitment etc.

By way of a comparison over the last three years of the total number of businesses by size of the workforce (see Figure 2), not surprisingly numbers in the "1 – 5" category have increased by 574 (12%) over the last three years.

**Figure 2: Comparison of total number of businesses by size of the workforce
June 2010 – June 2012**



13 View from Recruitment Agencies

Discussions with recruitment agencies highlight that the last twelve months have been equally challenging to the previous three years. Periods of increased activity are followed by months of quietness. For those who are considered for interview, there can be quite an arduous process with potentially up to four or five interviews over a number of months. Overall, businesses are planning for contraction rather than growth.

In larger organisations, human resource functionality continues to be consolidated in other jurisdictions as well as being outsourced through an IT solution. Requests coming through e-portals, removes the personal relationship between the line managers/senior managers and the agency. It is therefore of paramount importance to now have a very good CV.

Where individuals are made redundant, agencies are recommending individuals keep themselves busy, even if it is voluntary work as gaps in CVs without valid reasons, will hamper re-employment.

14 Skills Jersey's Priorities, 2013

During 2013, the Skills Board will continue to monitor progress and give advice on a number of initiatives including the Back to Work Programme, Trackers and the vocational offering for 14-16 year olds. And building on the skills survey work that has been previously undertaken, update where appropriate, in areas that will increase productivity of employees in each of those sectors including retail, nursing, construction, hospitality, care, rural and teaching, and consider other sectors to review such as finance.

Following the findings of the skills survey on the digital sector in Jersey, it is proposed that a Skills Board member will join Digital Jersey's Training Advisory Group to assist in ensuring that the IT skills developed support digital industries, and a Skills Board

member will also join the Education Review Group to assess the digital curriculum skills needs.

The publication of the report on on-Island higher education paper, and potential road map, will hopefully lead to the development of further and greater collaboration between local providers and a wider degree offering for those who may consider undertaking a degree on-Island. Further work, being lead by Economic Development, will consider the economic benefits of further tertiary opportunities, focusing on the Island's strengths. Following the survey work undertaken by Careers Jersey on graduates, consideration will be given to the barriers for individuals not returning to the Island to take up employment, following graduation.

While it is recognised that Highlands College is at, or close to, capacity of full-time students, and that where possible students' choices are catered for, it will be important to continue monitoring graduates to ensure that there are career pathways and opportunities following vocational training and qualifications.

One of the main strategic objectives of the new Skills Strategy relates to leadership and management, and the Skills Board will work with partners to identify and scope options to improve these skills, in the local economy.

Thought will also be put into identifying those groups, of working age, who are currently not economically active including: those with special needs and disabilities, ex-offenders, returning parents, older workers and carers and to develop strategies, following research, as to how they can enter the workplace. These strategies will include up-skilling and challenging attitudes which restrict entry into the workplace. A review of the success of 2008 Strategy for Inclusive Vocational Day Services and Employment will be undertaken at the same time.

In September 2012, the 2012 Jersey population projections report was published. The document produced a series of projections to assist government, businesses and the general public in understanding potential changes in size and structure which would arise under particular scenarios of births, deaths and migration patterns. It is clear that if the status quo remains, the dependency ratio¹ will change significantly over the next 20 years, particularly as people are continually living longer. The need for increased productivity and greater leadership and management will become of paramount importance, as highlighted as one of the strategic aims in the Skills Strategy. The Skills Board will play a large role in the population debate, during 2013, and will need to consider ways of supporting increased productivity and leadership and management across all sectors.

Following agreed amendments of the States of Jersey procurement policies and procedures to ensure training places have been created upon the securing of a contract, the Skills Board will review the number of positions created and the training undertaken for those successful organisations.

While it is apparent, from reading this document, that the Skills Board has instigated a substantial amount of work, it is also recognised, as a shortcoming, that what is undertaken is not well publicised. The issue of publicity and communication of the Skills Board's activities will be addressed over the next twelve months, with the development of a comprehensive Communications and Marketing Strategy that will include the Board's Terms of Reference, and who the Board members are, as well as regularly updating the website.

¹ The dependency ratio is calculated as the number of children aged under 16 years, plus the number of persons aged 65 year or over (i.e. 'dependency persons'), divided by the number of people aged 16 -64 inclusive

With the delivery of Skills Guernsey, links have been established and a Guernsey Board representative has sat in on a number of Skills Board meetings. It is hoped, that as relationships develop, that common cross-Island issues, can be researched jointly.

15 Changes at Skills Jersey

During 2012, significant changes have taken place at both Skills Executive and Skills Board level. Following the elections in 2011, there are now two new Ministers; at Education, Sport and Culture, and Social Security. The Chairmanship of the Skills Executive has also changed with the Minister for Economic Development standing down and being replaced by the Minister for Education, Sport and Culture.

At Skills Board level, the Chairman, Richard Plaster, has agreed to stand for a further four year term. Three of the six Skills Board members have retired: Peter Walsh, Tina Palmer and Alex Morel. These individuals have been replaced by Richard Rolfe, Luke Haynes and Alexis Wintour, who bring a different knowledge set and breadth of experience in other areas.

As officer level, David Greenwood, who acted as secretariat for Skills Jersey has retired and has been replaced by Andy Gibbs.

16 In Summary

It is clear, judging by the results of business optimism and activity, that the economic outlook for 2013 will remain similar to 2012 i.e. relatively, negative. Recruitment activity, per se, has remained relatively low and slow throughout the year and anecdotally, thoughts are that this will not pick up significantly for a further five years. That said, the number of business undertakings, in the 1 – 5 employee range, particularly one man undertakings has continued to rise.

A number of Jersey Business' key strategies will see them working closely with schools and colleges, Careers Jersey and other agencies on entrepreneurship as a career choice. They will also continue to work with Social Security to establish a programme to provide business advice and guidance on self-employment for those individuals on the Actively Seeking Work register.

Locate Jersey, with increased financial and manpower resources, will be widening its reach to encourage more high value businesses to locate on the Island which, over time, will create new job opportunities in new sectors . Where required, skills and workforce advice will be offered, and these businesses directed to the requisite agency. It is proposed to launch a new fellowship programme in 2013 to support the training of local candidates in these high value businesses to reduce the longer-term reliance on inward migration for positions in these types of organisations.

Support for those individuals Actively Seeking Work has continued, particularly for those who have been unemployed for longer than three months through the Back to Work Team, overseen by the Ministerial Task Force. As the Skills Board formerly oversaw the Advance to Work and Advance Plus programmes, they will continue to monitor progress and advise Social Security during 2013.

Despite the economic climate, the Skills Board has remained busy, commissioning reviews on Island activities including: older workers in the workplace, 14-16 vocational provision, higher education and the IT industry. With the 14-16 vocational training and the Tracker programme, while being funded by Education, Sport and Culture, the Skills Board will continue to monitor progress, and give advice where appropriate.

The Skills Board has developed a new Skills Strategy, and contributed to the development of the States Strategic Plan, Economic Growth and Diversification

Strategy, Enterprise Strategy and Tourism Strategy Green Paper, all of which have, or will have skills and employment at the heart of their respective successes.

The Skills Executive has two new members, the Minister for Education, Sport and Culture and Social Security. At Skills Board level, the Chairman has been re-appointed for a further term of four years, three board members have retired and three new appointments have been made.

Chris Kelleher

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