Labour Market & Skills Review

Section Two: Employment









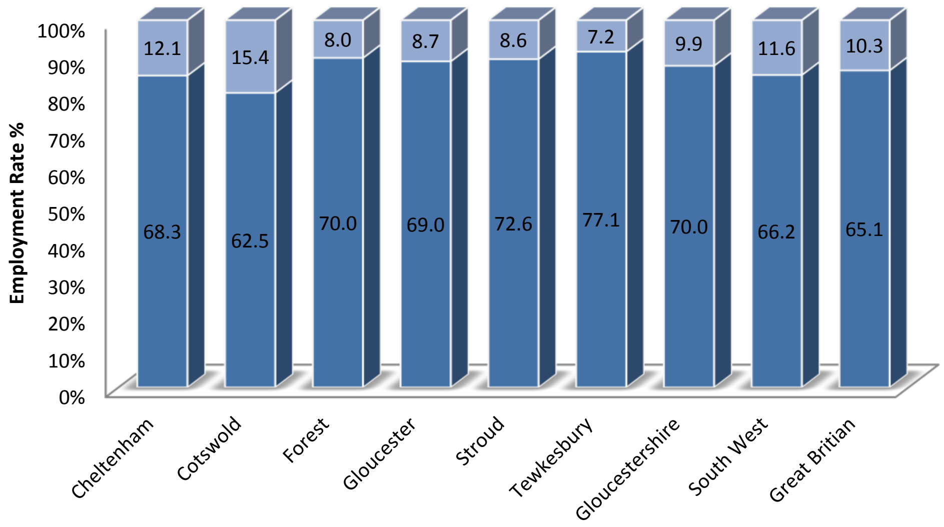

gfirst LEP
growing gloucestershire

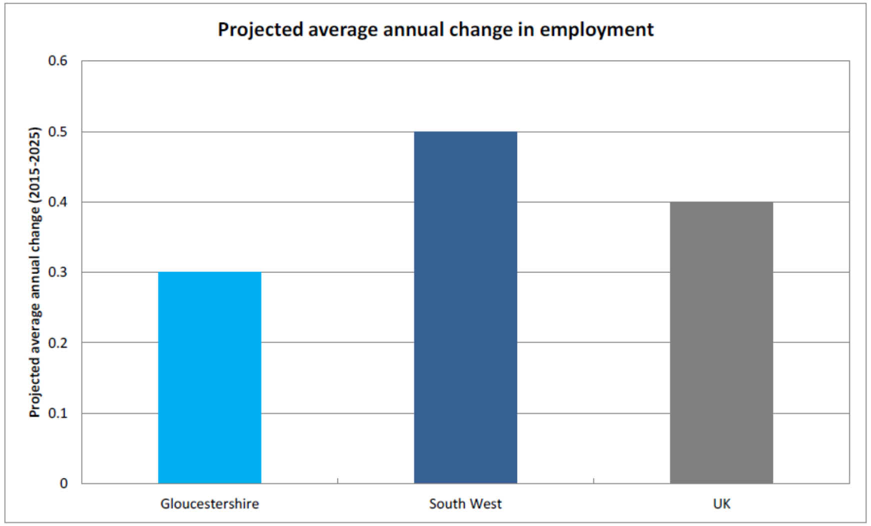
Contents

Employment

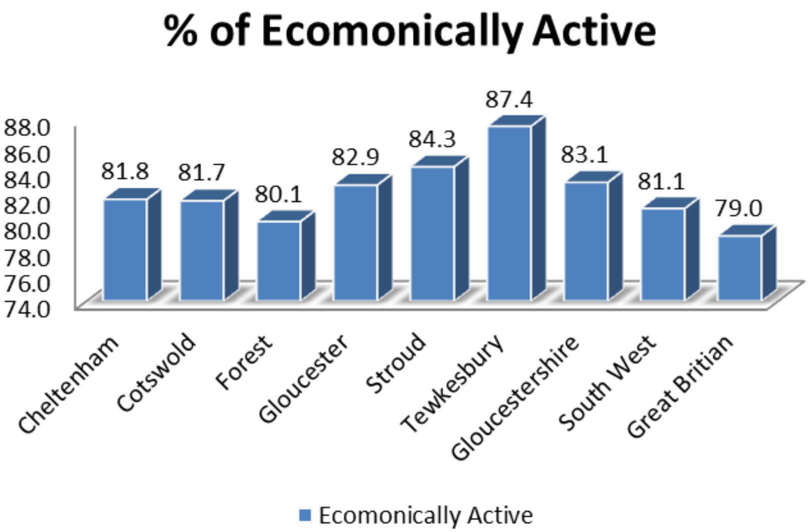
The working age population (aged 20-64) made up 56.0% of the population in Gloucestershire in 2019. This was slightly higher than the figure for South West, but lower than that for England and Wales. The percentage of the population of working age in Gloucestershire at 56.0%, is nearly 2 percentage points lower than that of England and Wales, and has declined from 56.2% last year. Of the working population 337,800 were economically active equating to 83.1% of the population and 64,000 were economically inactive or 16.9%. The majority of those who are economically inactive do not want a job (72.4%). There are 26,625[1] businesses in Gloucestershire, creating 359,000[2] jobs and a workforce of 327,300[3].

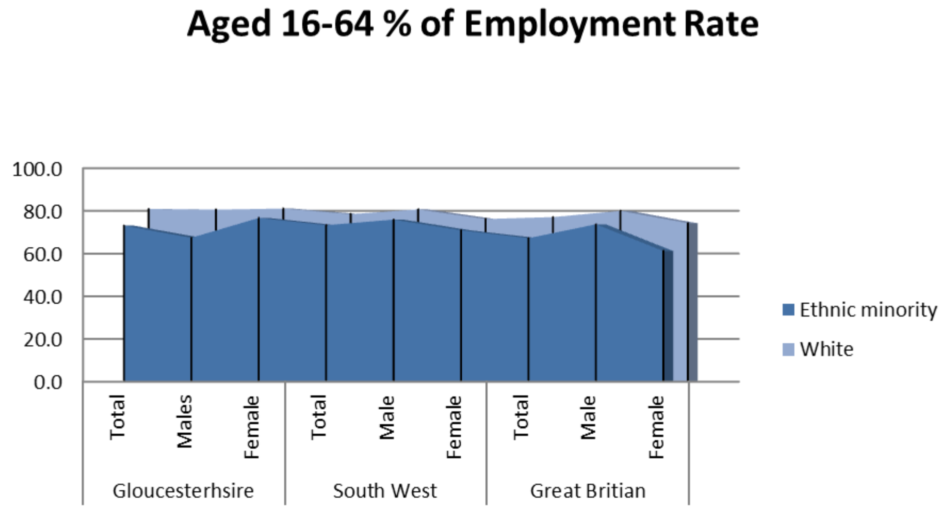
At a district level Gloucester has the lowest level of those in employment (77.7%), followed by the Forest of Dean (78.0%). The highest level of those in employment is recorded in Tewkesbury (84.3%). All areas have slightly decreased on the previous year but are in line with regional (78.2%) and national figures (75.7%).

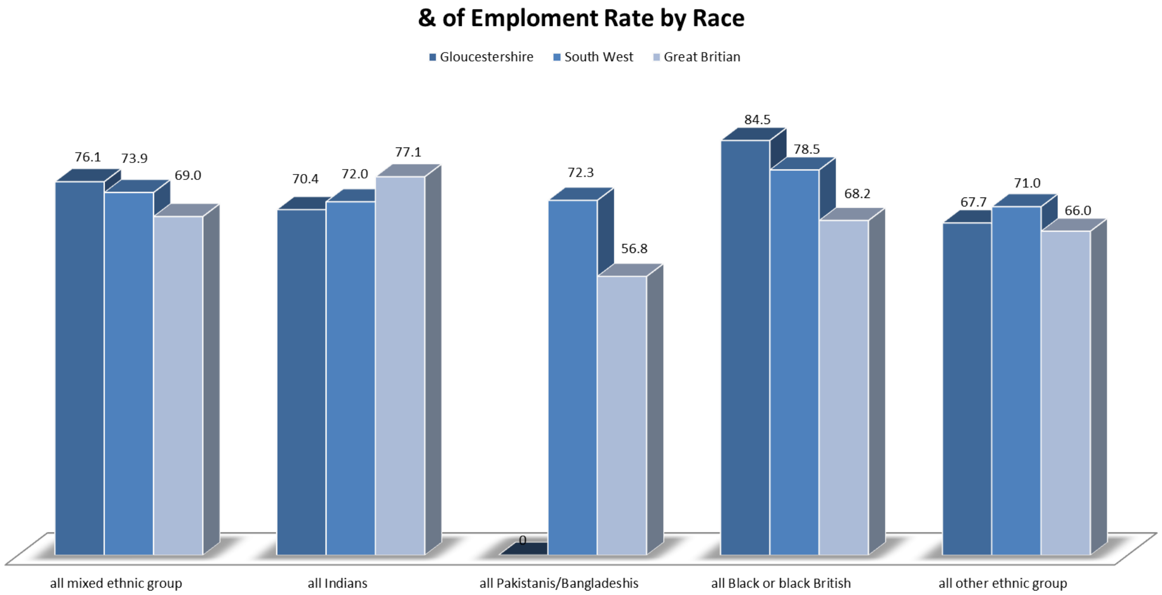




[1] UK Business Counts, ONS via http://www.nomisweb.co.uk/, Enterprises (2020)
[2] Job Density, ONS, The total number of jobs is a workplace-based measure and comprises employee jobs, self-employed, government-supported trainees, and HM Forces. It will include people that live outside of the county.
[3] Annual Population Survey, ONS, The workforce figure is a residence-based measure and refers to the number of residents aged 16+ in employment, residents may not be employed by businesses in Gloucestershire but instead work outside of the county.







[4]

It could be argued that lower levels of minority groups represented as economically active shows vulnerability in the local labour market. Further analysis is needed to fully understand whether this is linked to deprivation, carer opportunities, housing and health.

[4] ONS, Annual Population Survey, Oct 19 – Sept 20

Workforce Structure

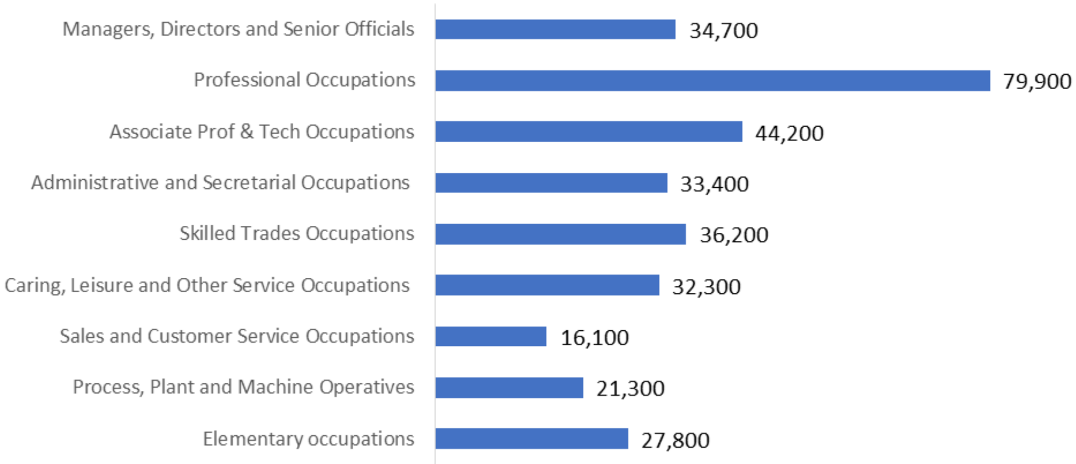
Gloucestershire has broadly the same representation of employment in higher skilled occupations, compared with the UK as a whole. In Gloucestershire, 48.7% of employment is in the three high skilled occupational groups: managers, professionals and associate professionals. This compares with a UK average of 49%.

The proportion of employment in the three lowest-skilled occupations is slightly lower than the UK average. In Gloucestershire, 29.8% of employment is in sales or customer service, plant/process operatives and elementary roles, compared with a UK average of 31.2%.

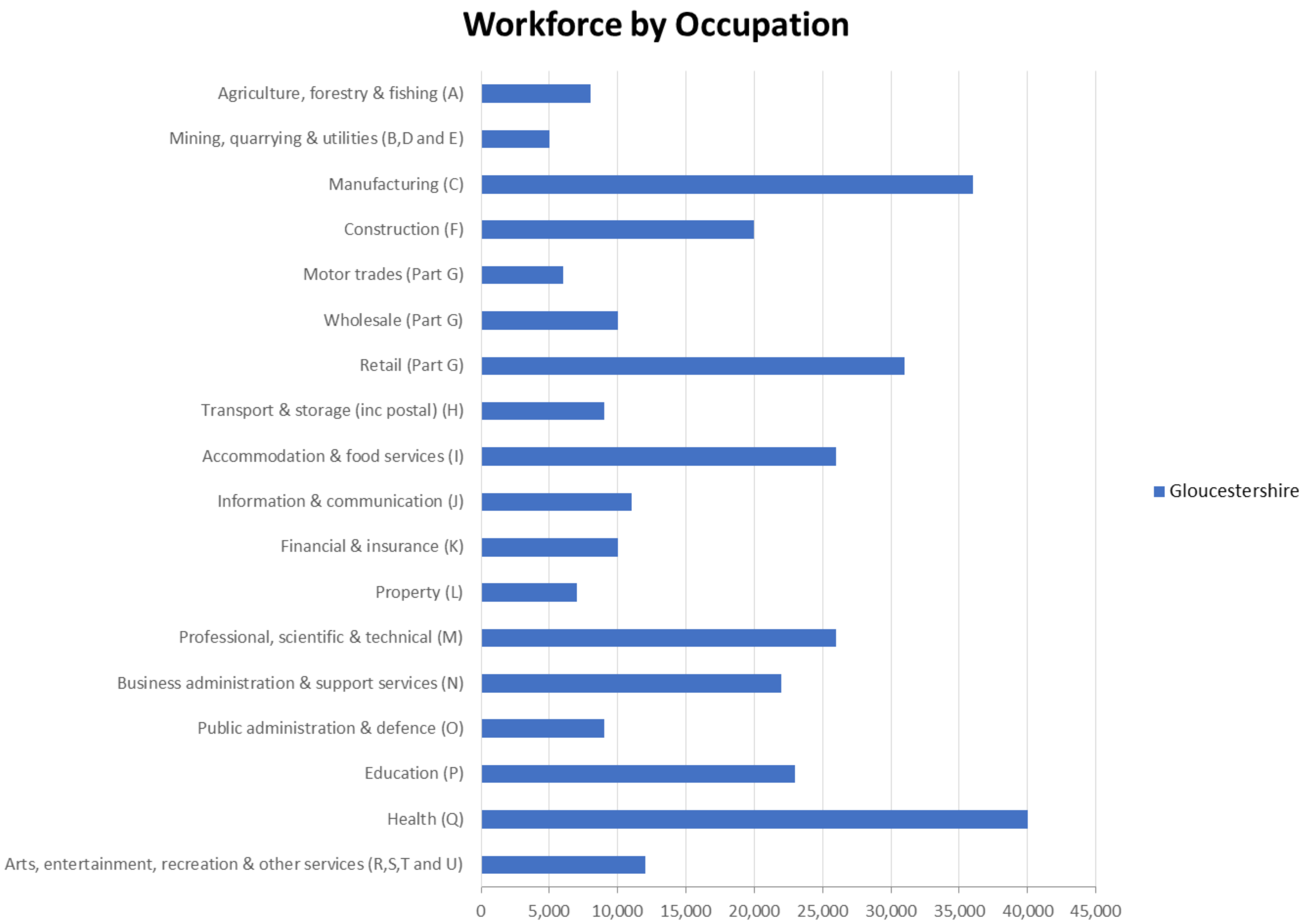
The proportion employed in middle-ranking occupations is higher than the UK average: jobs in administrative, skilled trades and caring/leisure roles account for 21.3% of employment in Gloucestershire, compared with 19.5% in the UK

SOC 2010 Major Groups	2018	Change	2019
High Skills	**43.6%**	**6.4%**	**48.7%**
% all in employment who are - 1: managers, directors and senior officials (SOC2010)	10.5%	**0.5%**	10.6%
% all in employment who are - 2: professional occupations (SOC2010)	17.8%	**7.2%**	24.4%
% all in employment who are - 3: associate prof & tech occupations (SOC2010)	15.3%	**-1.3%**	13.5%
Mid-Skills	**21.0%**	**0.0%**	**21.3%**
% all in employment who are - 4: administrative and secretarial occupations (SOC2010)	9.9%	**0.1%**	10.2%
% all in employment who are - 5: skilled trades occupations (SOC2010)	11.1%	**-0.1%**	11.1%
Low Skill	**35.3%**	**-4.3%**	**29.8%**
% all in employment who are - 6: caring, leisure and other service occupations (SOC2010)	8.2%	**1.9%**	9.9%
% all in employment who are - 7: sales and customer service occupations (SOC2010)	8.8%	**-3.8%**	4.9%
% all in employment who are - 8: process, plant and machine operatives (SOC2010)	6.8%	**0.2%**	6.5%
% all in employment who are - 9: elementary occupations (SOC2010)	11.5%	**-2.5%**	8.5%

Employment by Occupation (SOC2010)

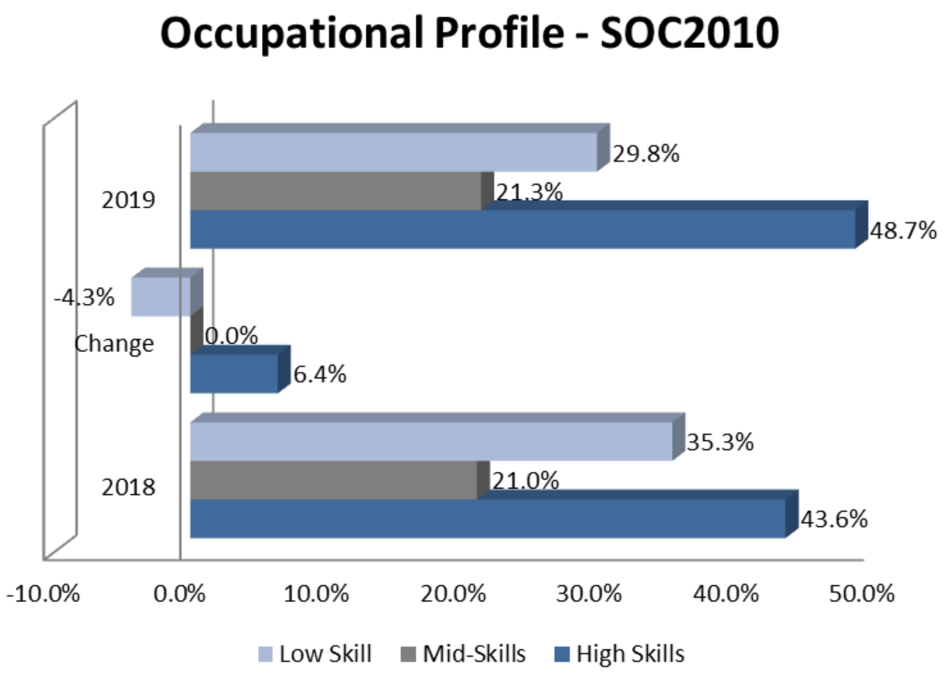


	Gloucestershire		England	
	No. of People	% of Workforce	No. of People	% of Workforce
Agriculture, forestry & fishing (A)	8,000	3%	357,000	1%
Mining, quarrying & utilities (B,D and E)	5,000	2%	303,000	1%
Manufacturing (C)	36,000	12%	2,113,000	8%
Construction (F)	20,000	6%	1,355,000	5%
Motor trades (Part G)	6,000	2%	517,000	2%
Wholesale (Part G)	10,000	3%	1,070,000	4%
Retail (Part G)	31,000	10%	2,504,000	9%
Transport & storage (inc postal) (H)	9,000	3%	1,355,000	5%
Accommodation & food services (I)	26,000	8%	2,033,000	7%
Information & communication (J)	11,000	4%	1,188,000	4%
Financial & insurance (K)	10,000	3%	942,000	3%
Property (L)	7,000	2%	541,000	2%
Professional, scientific & technical (M)	26,000	8%	2,490,000	9%
Business administration & support services (N)	22,000	7%	2,413,000	9%
Public administration & defence (O)	9,000	3%	1,064,000	4%
Education (P)	23,000	7%	2,288,000	8%
Health (Q)	40,000	13%	3,368,000	12%
Arts, entertainment, recreation & other services (R,S,T and U)	12,000	4%	1,253,000	5%



[5]

[5] Business Register and Employment Survey, 2019 (published 2020), SAP Boundaries



Gloucestershire's economy is very diverse with a variety of industries well represented, and not relying too much on any one sector for employment. The Health and Social Care sector is the sector that employs the most people in Gloucestershire and accounts for 13% of total employment. The Manufacturing sector is the next largest sector, accounting for 12% of employment, followed by Retail, Accommodation & Food Services and Professional, Scientific & Technical Sector. Together these sectors account for over half of total employment in Gloucestershire.[6]

Gloucestershire has broadly the same representation of employment in higher skilled occupations, compared with the UK as a whole. The proportion of employment in the three lowest-skilled occupations is slightly lower than the UK average. The proportion employed in middle-ranking occupations is lower than the UK average.

Four sectors, namely Agriculture, forestry & fishing; Health; Information & communication; and Accommodation & food services are anticipated to see the greatest growth over the next 20 years for Gloucestershire compared to the UK average. These sectors along with Construction; Mining, quarrying and utilities; Motor trades; and Education are all expected to grow above the national rate. The Wholesale sector is expected to exceed the national decline, while the Manufacturing sector is also expected to decline, but at a slower rate than the national average. The Finance & insurance; Property; Public administration & defence; and Transport & storage sectors are also

[6] Source: BRES, 2019

expected to decline in contrast to the national picture. In absolute numbers the greatest increase in employment in Gloucestershire is expected to be in Health and Accommodation & food services. Conversely the greatest fall is projected to be in Manufacturing, followed by Public administration & defence[7].

Gloucestershire's economy is notably broad-based, rather than having pronounced and distinctive sectoral specialisms. Three sectors have seen significant additional business formation and start-up activity: Professional scientific and technical; Mining and Utilities; and ICT.

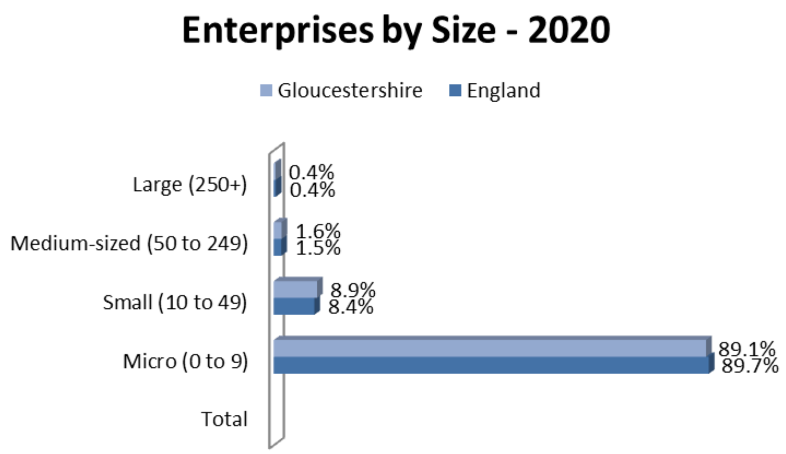
Gloucestershire LEP	
Occupations with highest forecast growth (2017-2027)	**Occupations with lowest forecast growth (2017-2027)**
1) Caring personal service occupations	1) Secretarial and related occupations
2) Health and social care associate professionals	2) Process, plant and machine operatives
3) Health professionals	3) Textiles, printing and other skilled trades
4) Customer service occupations	4) Skilled metal, electrical and electronic trades
5) Corporate managers and directors	5) Administrative occupations

The COVID-19 Pandemic has only increased demand in health and social care. Elsewhere the need for digital skills remains high. Risks of automation, replacement demands and a high proportion of hard to fill vacancies are continuing issues for the Engineering and Manufacturing sectors. Other recruitment challenges for these more highly skilled sectors that may be likely to rely on agencies where they are outside of larger urban skills networks and reserve pools of graduate skills. Gloucestershire ranks above average for STEM employment but it does not produce STEM graduates at a large enough scale locally to support the employment base and is relatively poor at graduate retention in relation to local comparator areas. STEM provision in the County is expanding but this needs to remain an important focus for GSAP. Health and Care Professionals and Occupations are largely constantly in demand due to a high number of female workforce who do not return after childbirth. Low pay and unsociable hours and own transport particularly cited as recruitment retention issues.

Gloucestershire LEP			
Sectors with highest forecast growth (2017-2027)		**Sectors with lowest forecast growth (2017-2027)**	
1)	Health and social work	1)	Food drink and tobacco
2)	Arts and entertainment	2)	Rest of manufacturing
3)	Information technology	3)	Engineering
4)	Professional services	4)	Agriculture
5)	Other services	5)	Public admin. and defence

[7] Gfirst LEP Industrial Strategy – Five Foundations of Productivity 2018

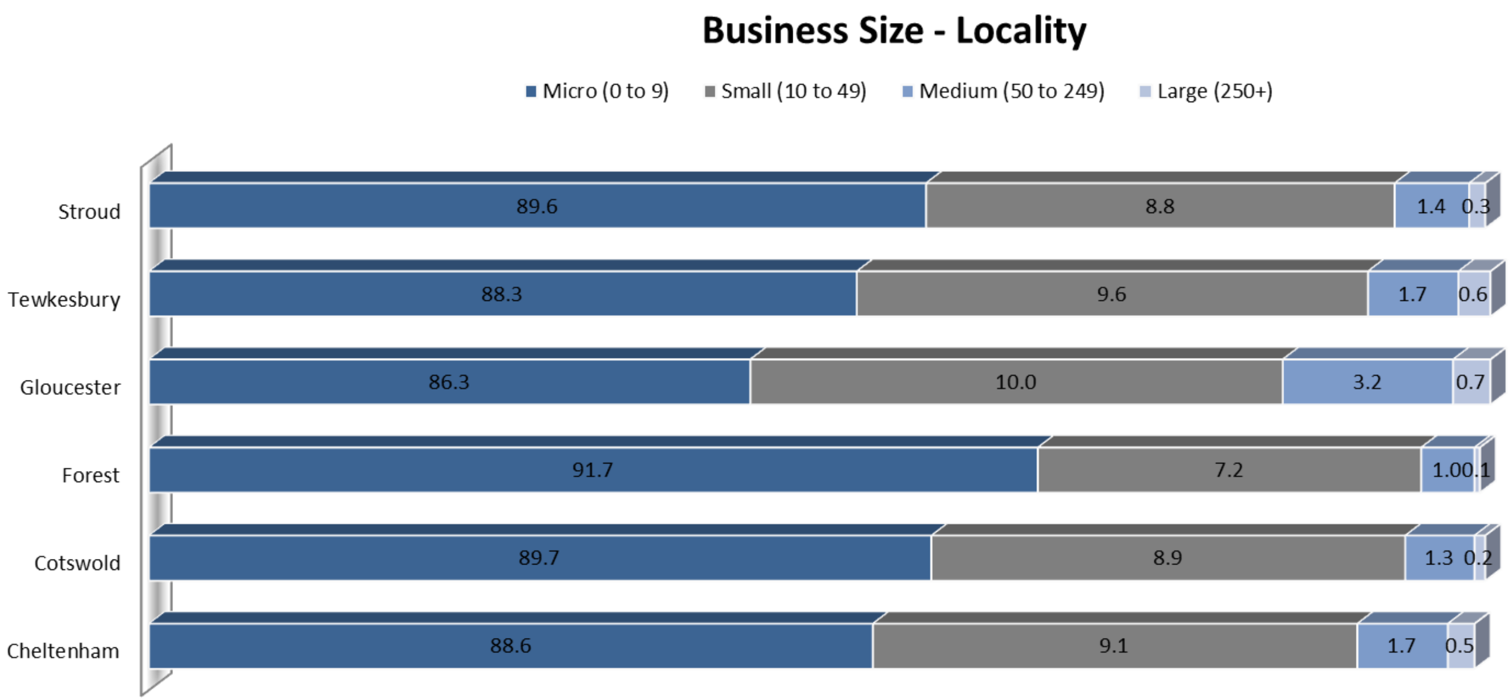
Gloucestershire has **a large SME community**; 89% of Gloucestershire's businesses employ less than 9 people, the same as the national average, compared to approximately 110 businesses employing 250 or more people[8].



Business formation, entrepreneurialism and start-up rates are high in Gloucestershire, and a healthy overall growth dynamic can be observed in terms of employee and business growth, though with weaker recent performance. The benefits of deep skills networks in surrounding areas such as Bristol and Oxfordshire provide growth businesses with access to mature skills but scaling up is proving challenging, as seen in the business structure of the area. Growth dynamics in these neighbouring areas have out-paced Gloucestershire, but this represents an opportunity for the future. Convergence with more dynamic neighbours is unlikely without addressing specific localised place constraints, however opportunities to harness the 'pull-through' effect from proximity to high-level industrial capabilities will continue to be explored. Across the county, though with important local trends, three relatively distinct groups of growth sectors can be observed, with knowledge intensive and micro-business sectors of ICT, professional scientific and technical leading performance. The numbers of micro-businesses in knowledge sectors are also driving private sector innovation activity in terms of the number of firms involved. This suggests there is potential for innovation networks and clusters to become stronger through networking.[9]

The COVID-19 pandemic and subsequent containment measures have placed SMEs firmly at the centre of the economic crisis, perhaps more so than during the last recession. As such, the business composition may be different to the one presented in the report, although this will largely depend on the duration of the pandemic and whether there is a quick rebound, and the ability of businesses to access finance and deferring payments. To help mitigate for lost revenue the Government has introduced various policies geared mostly to SMEs such as: Job Retention Scheme; Business Interruption Loan Schemes; Business Rate Relief; VAT deferral; and some protection from eviction and cessation of repossession proceedings for a set period. Initially excluded, larger businesses can access the Large Business Interruption Loans Scheme. The impact of Brexit and new the rise of new tarfifs and how that will effect these businesses is not yet clear either.

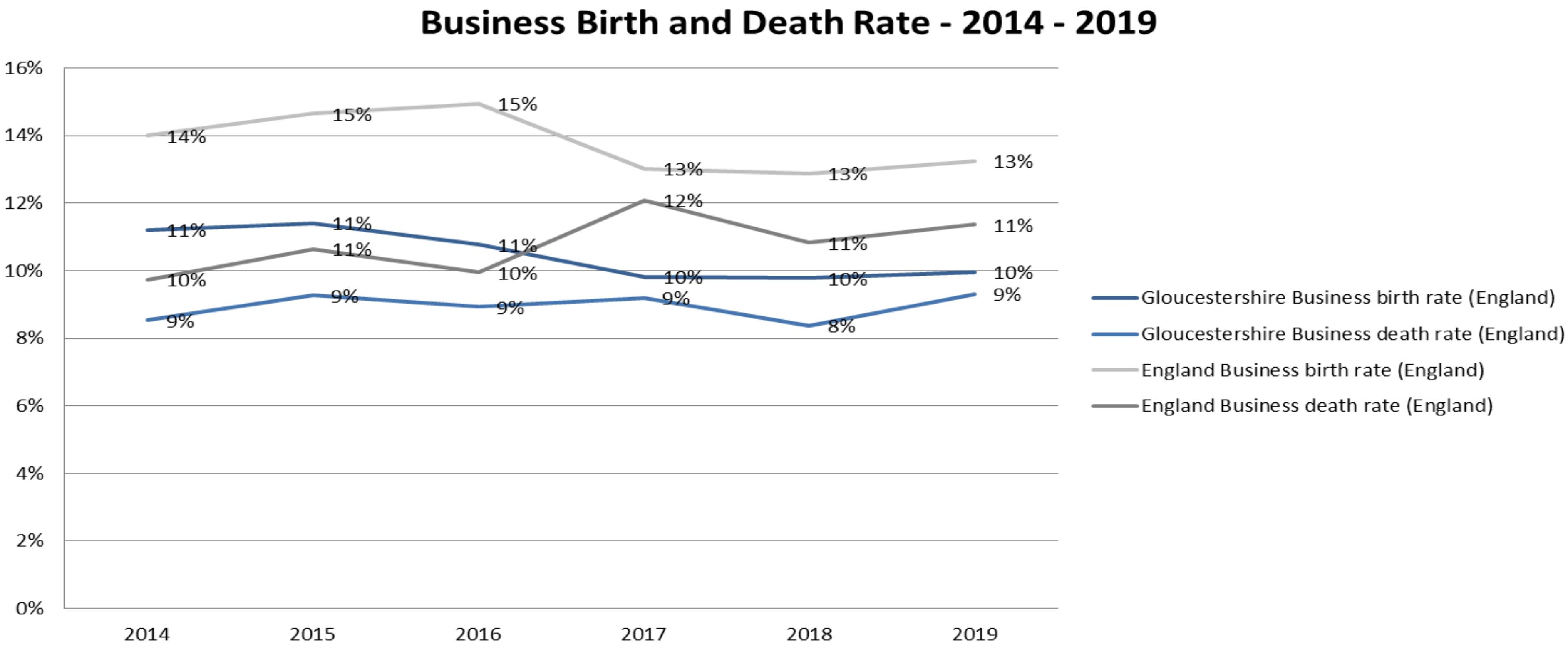
[8] http://www.nomisweb.co.uk/
[9] Gfirst Local Industrial Strategy, Five Foundations of Productivity Report 2019



[10]

Across the county, though with important local trends, three relatively distinct groups of growth sectors can be observed, with knowledge intensive and micro-business sectors of ICT, professional scientific and technical leading performance. The numbers of micro-businesses in knowledge sectors are also driving private sector innovation activity in terms of the number of firms involved. This suggests there is potential for innovation networks and clusters to become stronger through networking.

[10] Inter Departmental Business Register (ONS) 2020, Note: % is as a proportion of total (enterprises)



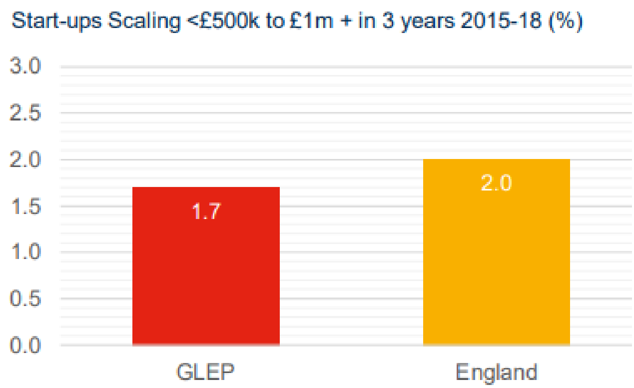
[11]

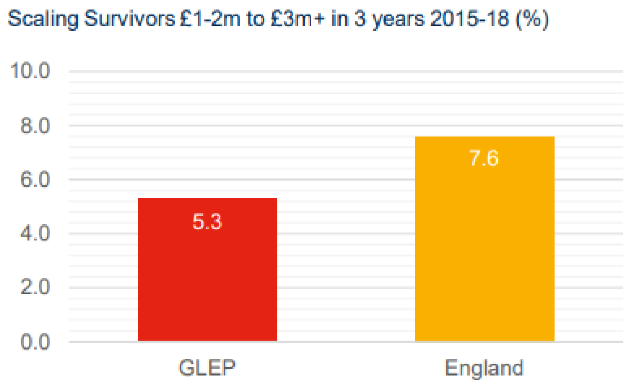
In terms of providing locations for start-ups, Gloucestershire has done well and currently has very high business density per head relative to regional or national levels. However, significant entrepreneurial and business formation strengths in Cotswold district are not replicated in the Forest of Dean and Gloucester. Gloucester, as an urban setting, has notable numbers of large businesses but low 'employment density' compared to other Gloucestershire locations, appearing to have, to some extent, 'crowded out' new business formation. The Forest of Dean as a rural setting seems to lack comparable attributes for driving start-ups at the rate seen in Cotswold district. Gloucester is the location with the highest number of students and younger workers; this suggests there may be a need to further support entrepreneurialism, skills and talent retention. The Forest of Dean and Cotswold have the highest proportion of business survivals. Over the longer-term, it seems likely that the structural trends outlined here will resume, however, the rate of growth and decline may be different from that projected before Covid-19.

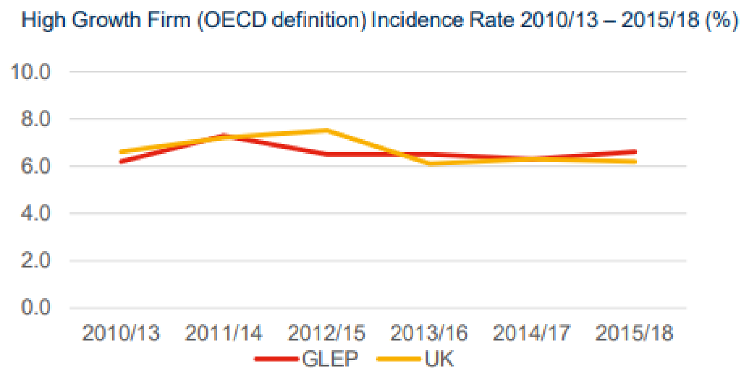
[11] ONS Business Demography, 2014-2019 (SAP Boundaries)

Start Ups:
2,192 new registered businesses in 2018,
35 start-ups per 10,000 population in 2018, 60% of 2015 start-ups survived to 2018,
1.7% of surviving 2015 start-ups grew from <500k to £1m + T/O by 2018
Growth:

6.6% high-growth firms (OECD 20% employment definition) incidence rate (2015-2018) – 129 firms
- 15.7% high-growth firms (OECD 10% employment definition) incidence rate (2015-2018) – 306 firms
- 1.2% small high-growth firm (Clayton variation to OECD definition) incidence rate (2015-2018) – 1.3% for England – 125 firms
- 5.3% of £1-2m T/O businesses in 2015 grew to a minimum of £3m by 2018 – 35 firms
- 8.1% of job-creating firms with positive productivity growth (2015-18) – 979 firm[12]

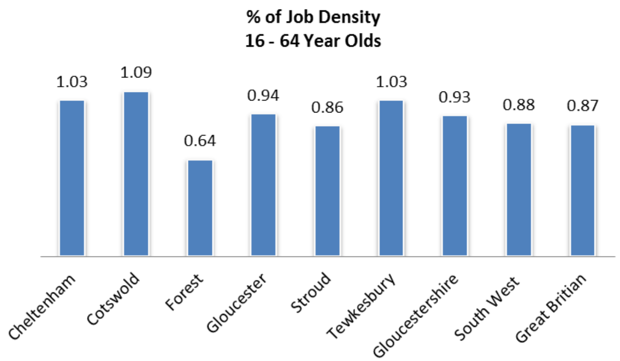




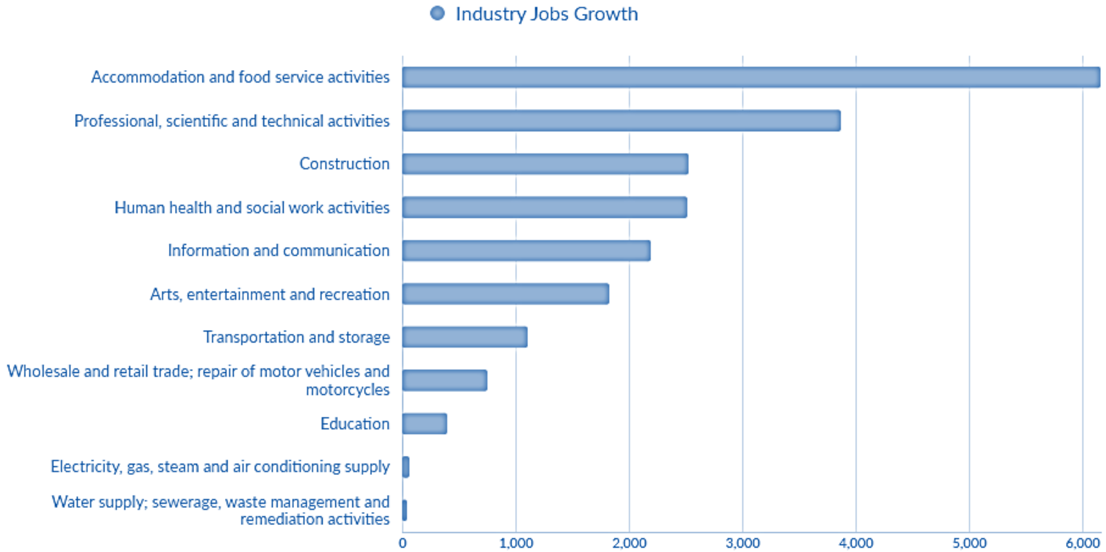


[13]

[12] ERC UK Local Growth Dashboard September 2019
[13] ERC UK Local Growth Dashboard, June2018 - The dataset used in the production of the growth and start-up data is the Business Structure Database (BSD). This is a dataset produced by the Office of National Statistics (ONS) and is an annual snapshot of the Inter-Departmental Business Register (IDBR) which is a live register of data collected by HM Revenue and Customs via VAT and Pay as You Earn (PAYE) records. The IDBR data are complemented with data from ONS business surveys. If a business is liable for VAT (turnover exceeds the VAT threshold) and/or has at least one member of staff registered for the PAYE tax collection system, then the business will appear on the IDBR (and hence in the BSD). We use the firm-level BSD for firm growth rates, start-ups, and T/O calculations and the site-level BSD for the calculation of new and gross new jobs. All the data contained in this report can be downloaded from the Data Hub on the ERC website.



Job density is an estimation of the overall balance between jobs and people. It is defined as the number of filled jobs in an area divided by the number of people of working age resident in that area, a job density of 1.0 would mean that there is one job for every resident of working age. In 2019 Gloucestershire had a job density of 0.93 which is Higher than the regional average (0.88) and higher than the national average (0.87). By district, Cotswold has the highest job density (1.09) and Forest of Dean the lowest (0.64)[14].



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[14] Job Density, 2017,ONS https://www.nomisweb.co.uk

[15] Top Growing Industries – ESMI Economic Modelling 2019 (Gfirst LEP)

<u>Industry Growth: The Western Gateway</u>

The Western Gateway is formed by an alliance of local authorities that have made a commitment to work together to drive innovation, maximise economic growth and improve industrial productivity by strengthening travel connections to local, national and international markets. By working together the authorities aim to maximise Government funding for strategic transport projects to assist in strengthening travel connections to local, national and international markets which will in turn help the area to drive innovation, maximise economic growth and improve industrial productivity. Ultimately this investment will support the national economy and enable inclusive growth.

The Gateway area is home to over 3 million people and is set for a step change in prosperity and productivity through an ambitious growth agenda over the next 20 years delivering 300,000 new homes and over 190,000 new jobs. Gloucestershire aims to deliver over 60,000 new homes and over 35,000 new jobs by 2031. The growth is focused around unlocking employment and housing land within the M5 Growth Zone. This includes delivery of a new Cyber Business Park near Cheltenham and extensions to Gloucester’s Southern Fringe. The District Planning Authorities have embarked on a review of their local plans. The County Council will support this by facilitating a coordinated approach to secure improvements to transport networks that provide safe, reliable and convenient transport choices[16]

Many of the conurbations and strategic travel corridors that traverse the Western Gateway area are subject to a variety of constraints, such as regular delays imposed by a lack of capacity. This can negatively impact business productivity and the willingness of individuals to travel when accessing employment or the continual reliance on the car. Connectivity improvements reduce or remove these constraints. The quantifiable impacts of these benefits include: Greater productivity from the existing workforce due to much improved journey times on the corridors, and additional Gross Value Added (GVA) from those employed at new employment sites across the Western Gateway area.

• Supporting the national recovery from the Coronavirus pandemic: providing strategic leadership to its local authority members in terms of long-term strategy development in response to the UK Government’s post pandemic recovery plan and providing additional capacity for local authority officers to focus on front-line transport operations;

• Boosting productivity levels: as the UK is experiencing a widespread ‘productivity gap’ in relation to other countries, enhancements across the Western Gateway can help to redress this;

• Boosting employment in developing, hightech sectors: The Government’s Industrial Strategy White Paper sets out several sectors that need to be developed and several of these are in the Western Gateway and

• Boosting housing delivery: the UK faces a national shortage of housing units, especially in the affordable sector. By helping to unlock housing sites across the STB area, improvements to the strategic corridors will enable the region to meet its housing targets as well as providing those who work across the STB to find good, affordable homes, and also remain in the region.

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[16] Western Gateway Sub-National Transport Plan, 2020

An economic connectivity study undertaken to inform this plan has identified the benefits of improved connectivity within the Western Gateway area including:

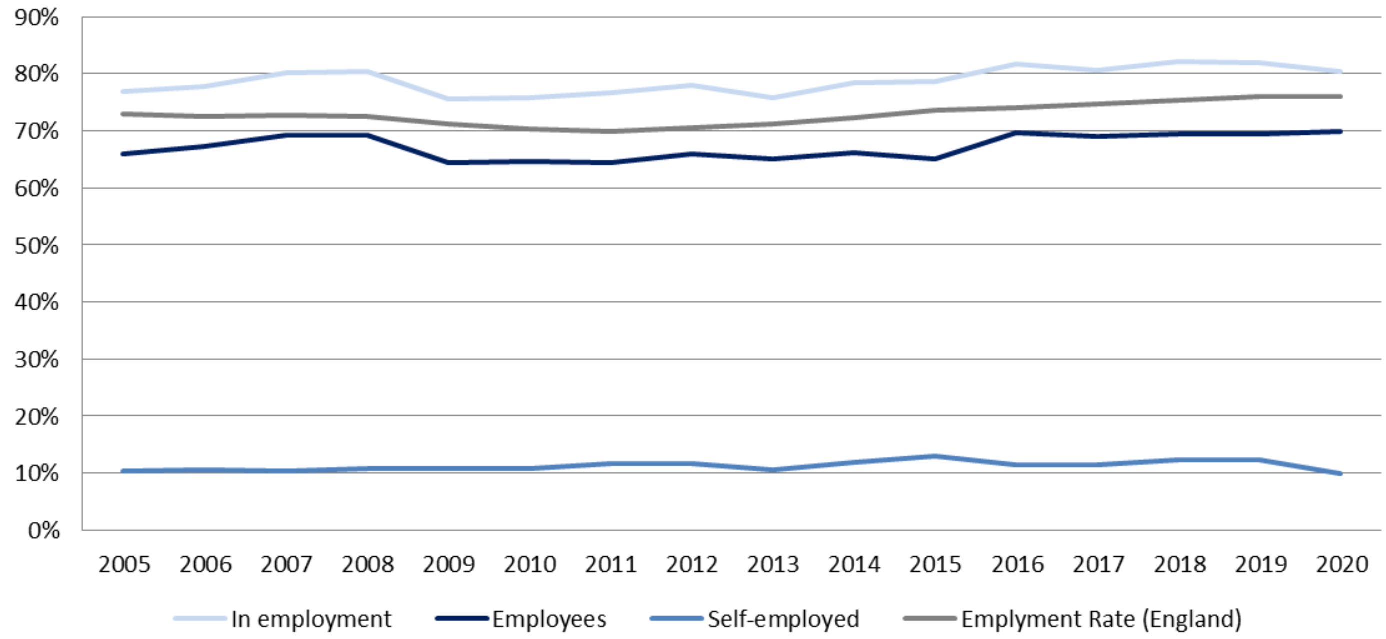
• Agglomeration-based productivity improvements: £5.5 billion p.a. across strategic corridors (with labour supply benefits as well);

• GVA impacts from employment at the new sites: £12.3 billion; and

• Total land value gains from unlocked housing: £1.3 billion.[17]

[17] Western-Gateway-Strategic-Transport-Plan-2020-2025.pdf

Employment status:



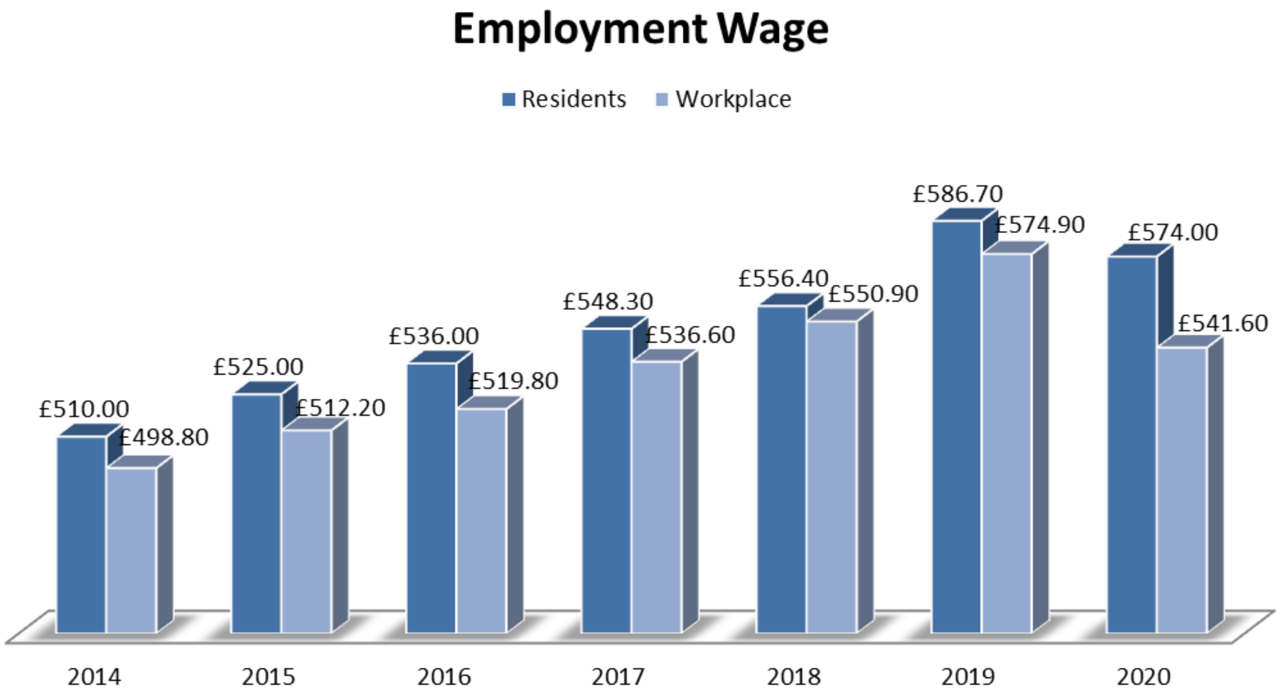
The employment and unemployment rates in Gloucester have followed a similar trajectory to national rates during the economic downturn and gradual recovery, although there remain persistent gaps in some rural areas of the county. Those that were economically inactive have remained a relatively similar size over the past decade. Full time employment remains the most common type of employment in Gloucestershire, followed by part-time employment and self employment.[18]

According to the Local Economic Forecasting Model (LEFM), Gloucestershire's employed population (employee and self-employed) is set to increase by around 24,000 between 2016 and 2036, to 360,600 people. This trend, however, shows that growth is expected to be at a more conservative rate than it has been recently, with a projected average annual change of 0.35% in line with the regional and national average.[19]

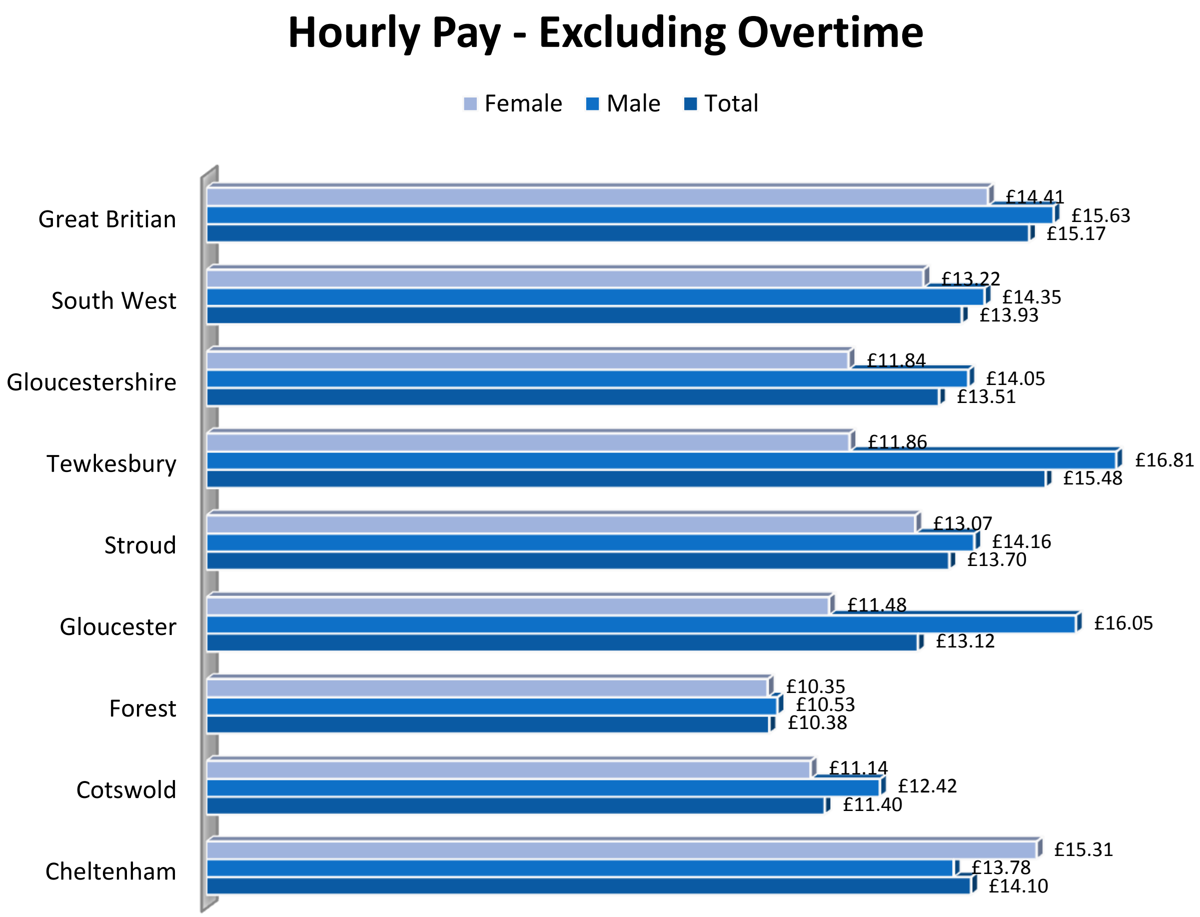
There has been a potential rise in atypical working however atypical work is very hard to quantify as it covers various categories of 'atypical 'work –sole-trading, freelancing, fixed-term contracts, zero hours contracts, agency, self-employment and the gig-economy, to name but a few and these often overlap, creating the risk of double-counting.

[18] http://www.nomisweb.co.uk/
[19] Gfirst Local Industrial Strategy, Five Foundations of Productivity 2019

Employment Wage



Gloucestershire had a median annual residential wage of £28,186 in 2020 (£541.60 weekly), which is lower than the England figure of £30,674. Gloucestershire has slightly higher median gross weekly pay for residents than workplace earnings (£574.00 against £541.60) suggesting some out-commuting to higher paying jobs. There are two main measures of earnings, workplace based earnings and residence base earnings. The difference between the two is often related to commuting patterns, areas with higher workplace based earnings tend to be centres of employment attracting commuters from elsewhere, while areas with higher residence based earnings are generally residential areas where people commute from. However, significant variance in distribution of earnings exists: by geography – Nine neighbourhoods in Gloucestershire fall into the top 10% nationally for income deprivation (please section 1, page … .by gender - women in full time roles less then male. There are particular concerns that coronavirus related economic and employment issues will affect those at the lowest wage part of the spectrum.


Hourly Pay - Excluding Overtime
Female
Male
Total
Great Britian
£14.41
£15.63
£15.17
South West
£13.22
£14.35
£13.93
Gloucestershire
£11.84
£14.05
£13.51
Tewkesbury
£11.86
£16.81
£15.48
Stroud
£13.07
£14.16
£13.70
Gloucester
£11.48
£16.05
£13.12
Forest
£10.35
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Cheltenham
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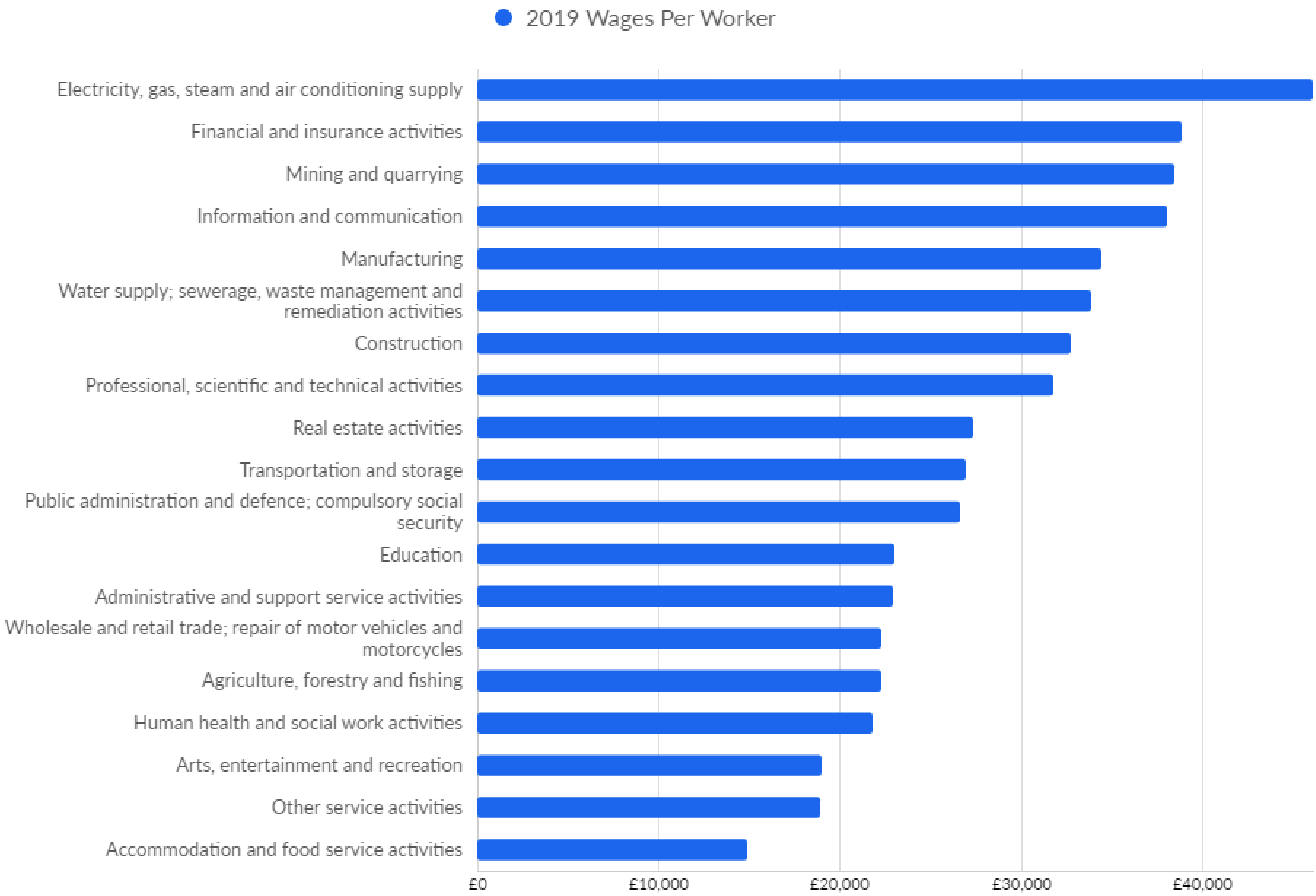
£13.78
£14.10



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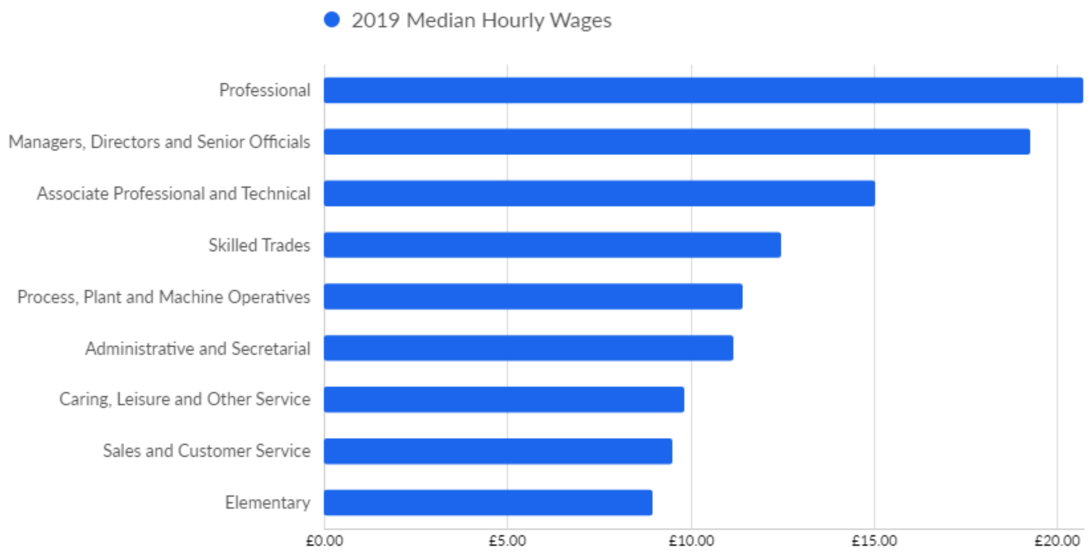
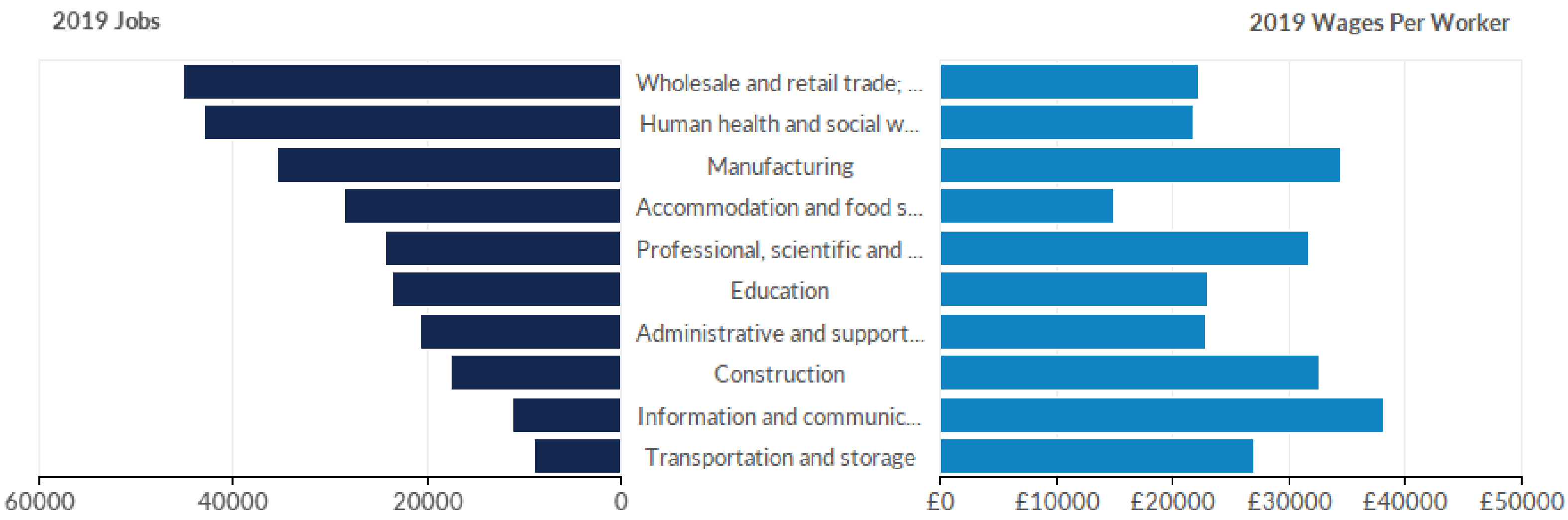
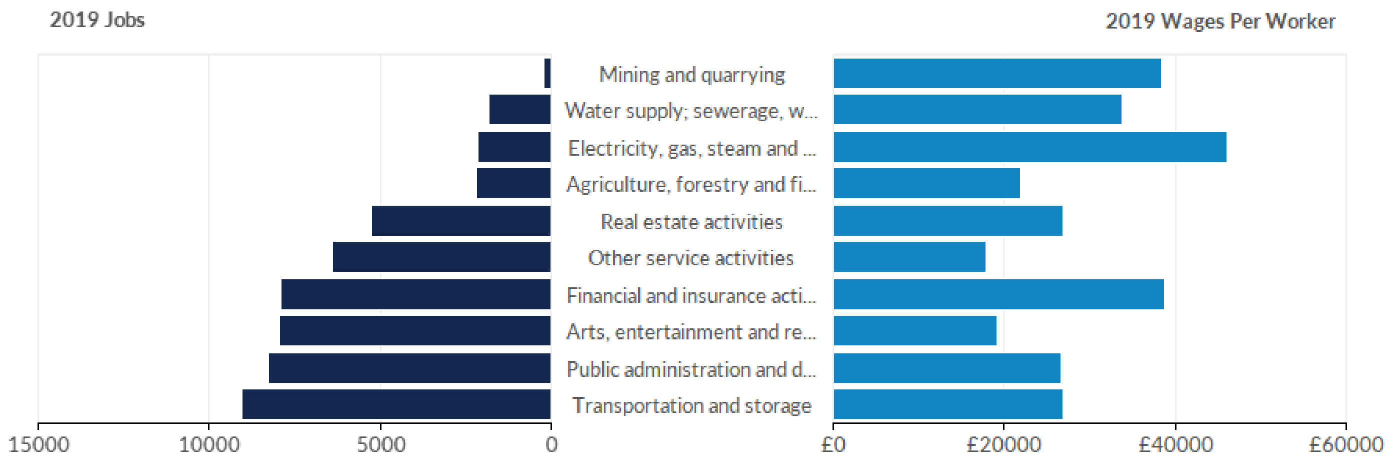
[20] Top Industry Wages – ESMI Economic Modelling 2019 (Gfirst LEP)



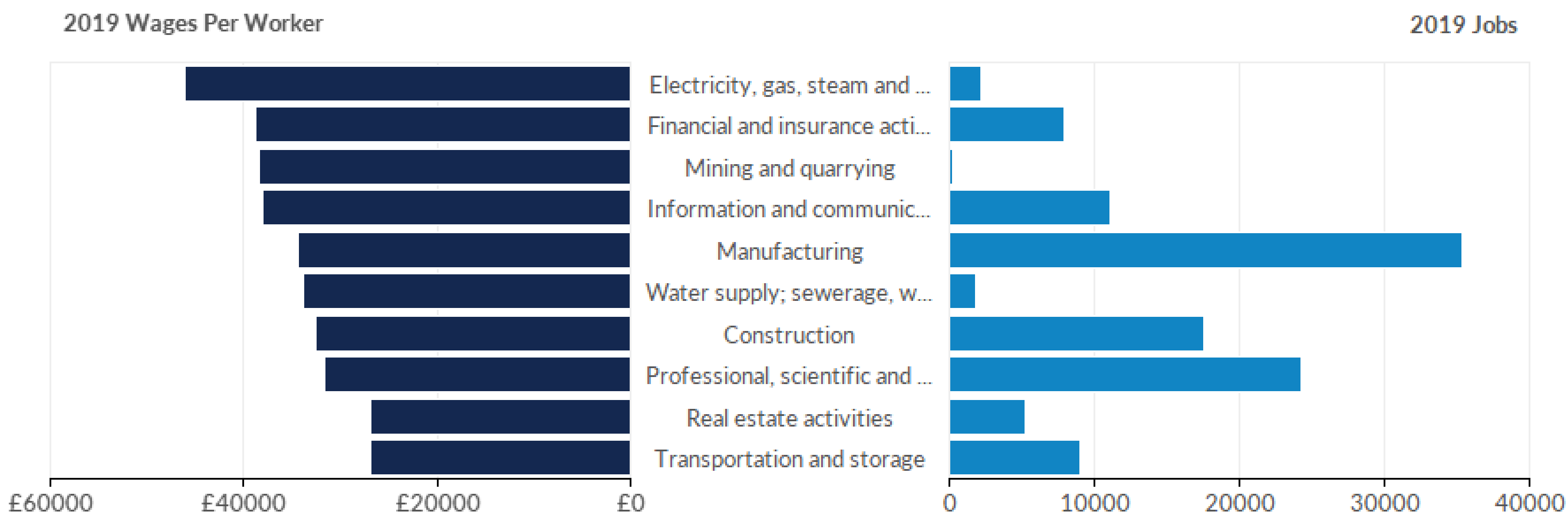
Largest Industries



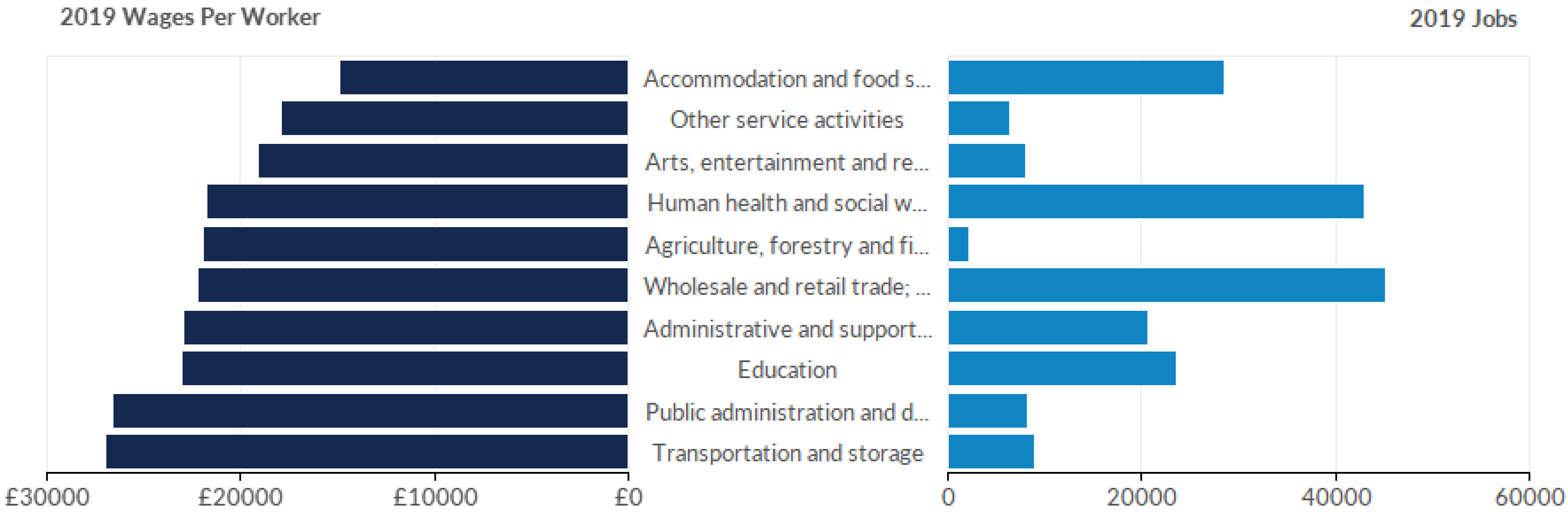
Smallest Industries



Highest Paying Industries



Lowest Paying Industries

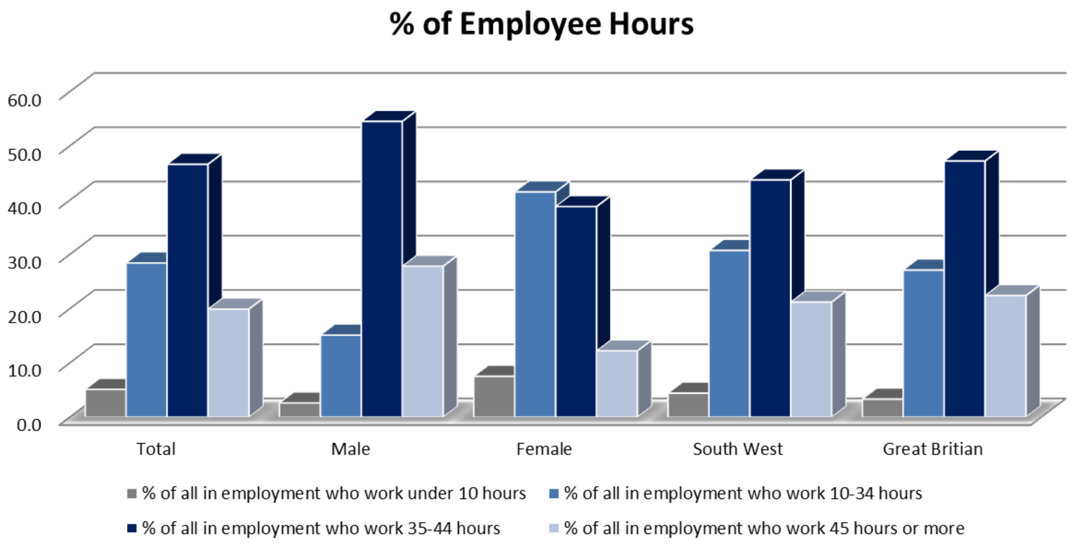


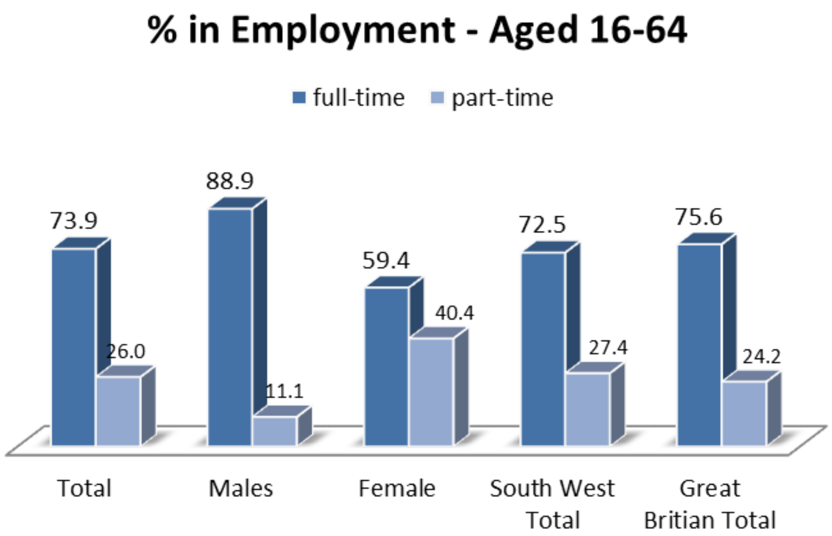
Earnings data is another alternative indicator of the value of skills (skills demanded) in an open labour market.

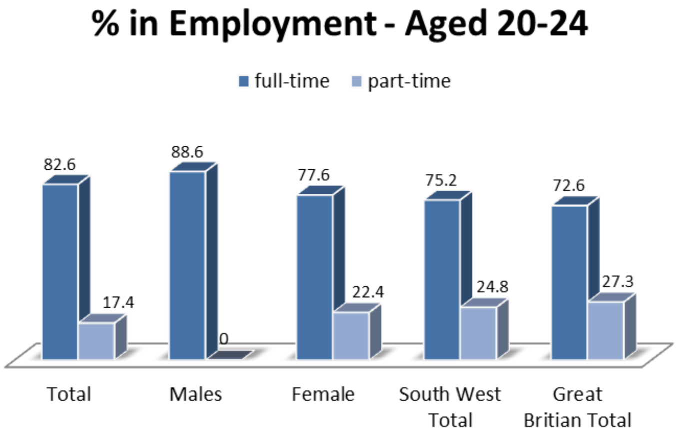
Labour market projections, such as Working Futures, suggest that this broad pattern of change in occupational employment, characterised by growth in higher skilled occupations and in lower skilled caring roles, is likely to persist into the future. Such projections also highlight the crucial importance of replacement demands to future recruitment requirements. Replacement demands consist of the job openings that arise when workers leave the labour force due to retirement or other reasons, such as maternity leave. Working Futures estimates that replacement demands will generate 10 times as many job openings over the next decade as net employment growth, equivalent to a recruitment requirement of around 600,000 openings. Moreover, replacement demands are expected to create job openings across all broad occupational areas, in the short to medium term, even in those that are expected to see net employment decline. In the longer term, developments like automation may impact on the career prospects in particular occupational areas. Higher occupations tend to have a higher proportion of jobs that require higher-level skills.

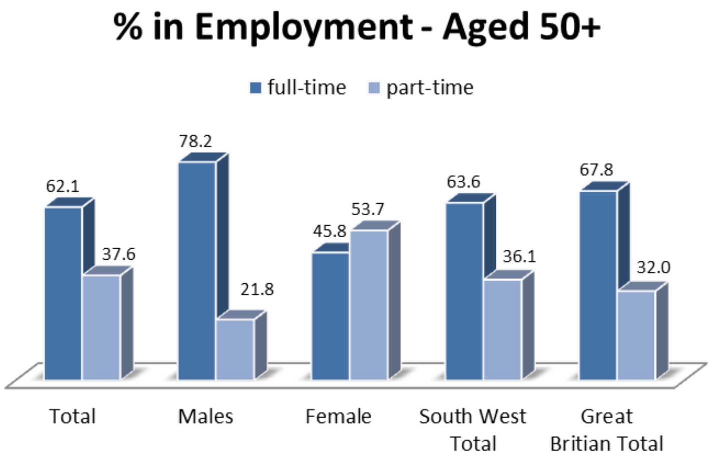
Given that skills are hard to define and hard to measure, occupational data is often used as a proxy indicator in the analysis of skills demand. Data on qualification attainment of people in employment is another proxy indicator that is frequently used to define skills demand.

Employee Hours







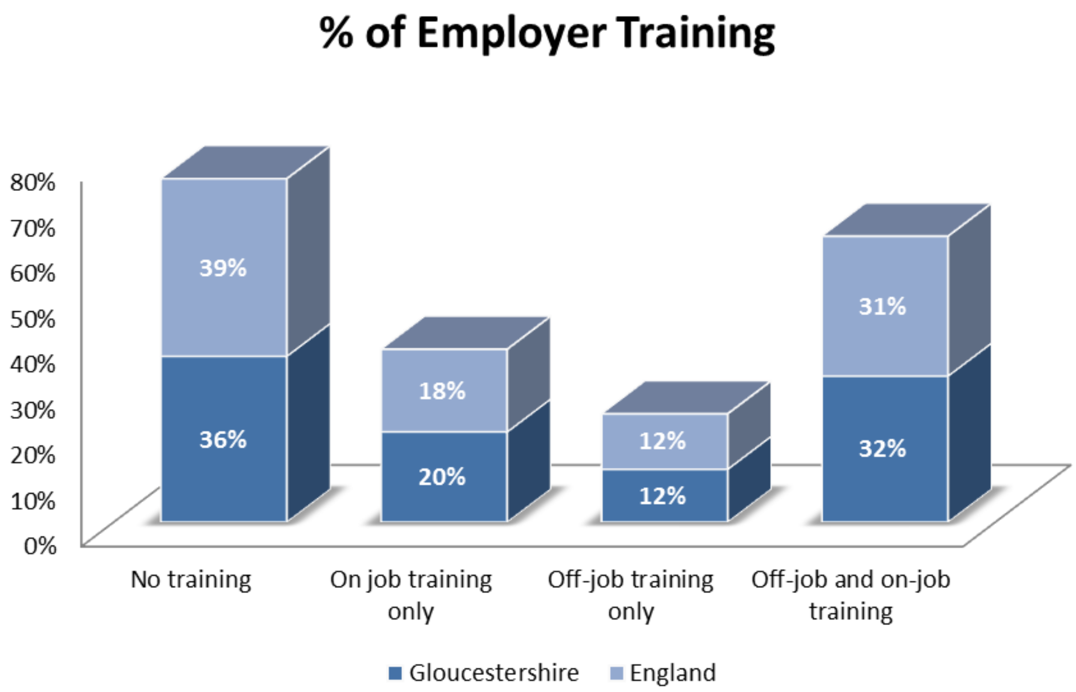


A recent study by the UK Office for National Statistics (ONS, 2019) looks at the probability of automation in the UK across occupations and sub-areas (local authority districts). This study is a modified version of the OECD approach which accounts for the fact that high risk occupations contain a share of tasks that would be difficult to automate. The ONS study finds that 7.4% of people in England were employed in jobs at high risk of automation (where the probability of automation is greater than 70%) but the estimate for 2017 is lower than for 2011. The same study finds that 27.7% of all employees were in jobs at low risk of automation (where the probability of automation is lower than 30%). This represents an increase on 2011. The same study shows that women account for 70.2% of employees in jobs with a high risk of automation and 42.6% of employees in jobs at low risk of automation. People in part-time jobs seem to be more exposed to the high risk of automation (69.9%) than people in full-time employment. In 2017, younger people were proportionally more likely to be working in jobs at high risk of automation. People between the ages of 20 and 30 accounted for over 45% of the high-risk jobs. The share of the people in jobs at high risk of automation is the lowest for the 35 to 39-year olds. The risk then increases with age. The OECD study by Nedelkoska and Quintini (2018) has also found that the risk of automation is higher among young people's jobs than those of older workers.

[21] ONS (2019) The probability of automation in England: 2011 and 2017, UK Office for National Statistics, March 2019

[22] Nedelkoska, L. and Quintini, G. (2018) Automation, skills use and training, OECD Social, Employment and Migration Working Papers

Employer Training



[23]

There can also be shortages in the skill levels of the existing workforce–known as a 'skills gap'. Skills gap density refers to the number of staff judged to lack proficiency as a proportion of all staff. For employers, the ability to recruit skilled staff is vital, staff who are not fully proficient in their roles can lead to quality issues, loss of business, increased operating costs and additional workload for other members of staff. Effective staff training and personal development is seen as just as vital as employers attitudes toward recruitment. Gloucestershire has a higher incidence of firms reporting vacancies than nationally and regionally – with 28% of firms reporting at least one vacancy[24] and 43% of these classed as 'hard to fill'.[25] The main reasons for hard-to-fill vacancies are low number of applicants with required skills, as well as a lack of qualifications or work experience required by the employer. This is broadly the same pattern as was witnessed across England as a whole.[26] The increasing demand for high skilled roles is a concern for many employers. In 2017, three quarters of businesses surveyed in the CBI/Pearson Education and Skills Survey expected to have more job

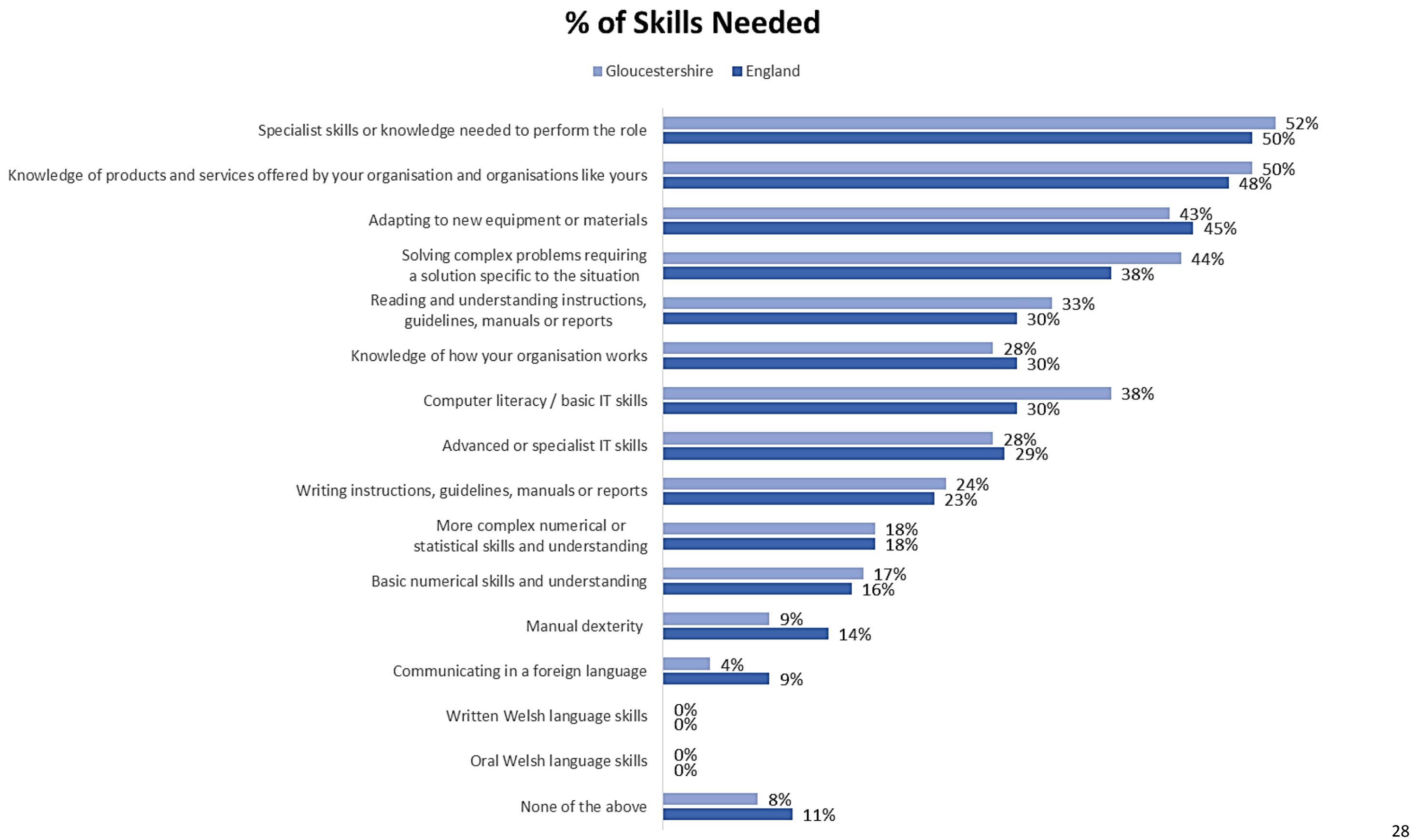
[23] Employer Skills Survey, 2019
[24] 20% nationally and 21% in the South West region
[25] Gloucestershire Five Foundations of Productivity Evidence Report
[26] LMI Summary – Working Futures 2012-2022

openings for people with higher level skills over the coming years, and 61% expressed a lack of confidence that there will be enough people available in the future with the necessary skills to fill their high-skilled job vacancies.

Strong competition for candidates with appropriate qualifications (62%) and a lack of candidates with appropriate qualifications (55%) were identified as the most widespread cause of the skills gap, but ranking almost as high was lack of awareness among young people of education routes to enter particular careers (50%) and careers advice poorly aligned to the sector (49%). Notably, the proportion of employers reporting a lack of candidates with appropriate qualifications was much higher among the manufacturing, construction, and engineering, science and hi-tech/IT sectors than on average[27]

Evidence from employers suggests that the current provision of training is not necessarily meeting the skills needs of the workforce. Specialist skills are most cited as the largest skills gaps as well as more digital based skills. There is a need to ensure that training providers and the courses that are offered better reflect the needs of local employers and that they bridge the skills gaps that exist in the workforce to support the growth of local businesses.

[27] CBP Pearson Education and Skills Survey 2017



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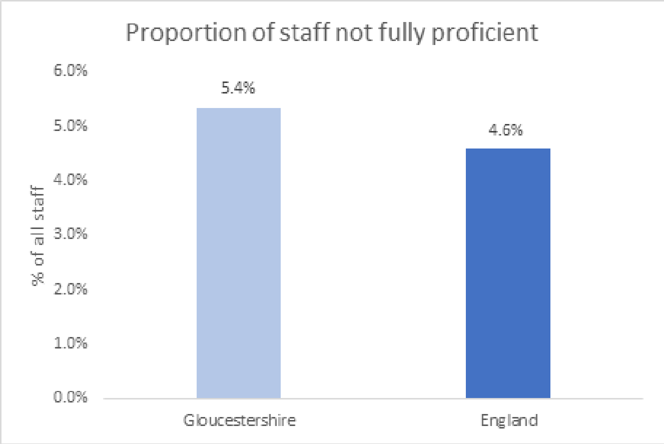
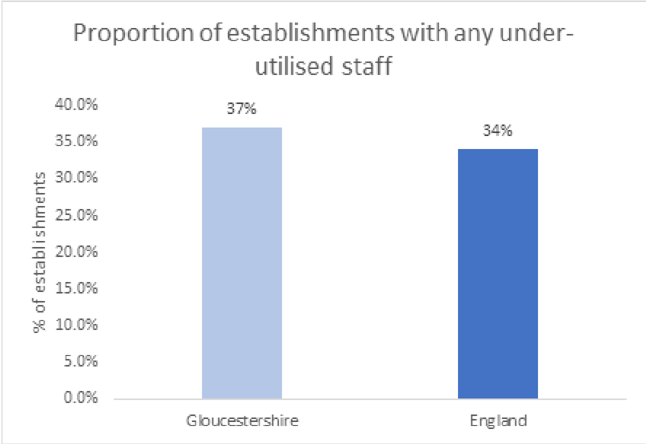
[28] Employer Skills Survey, 2019





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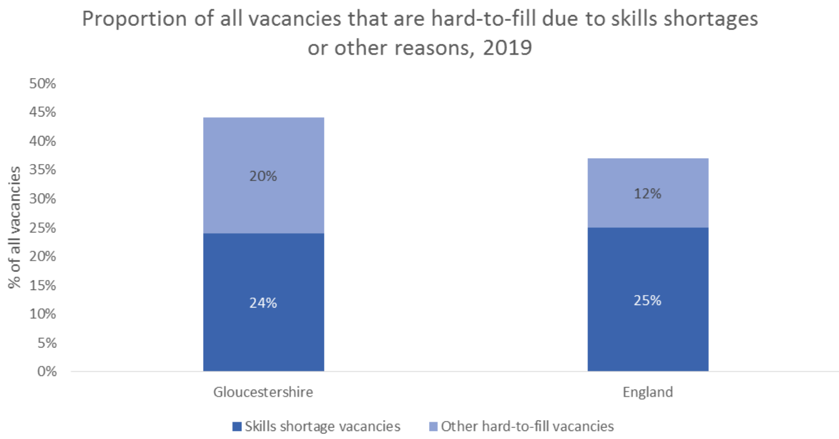
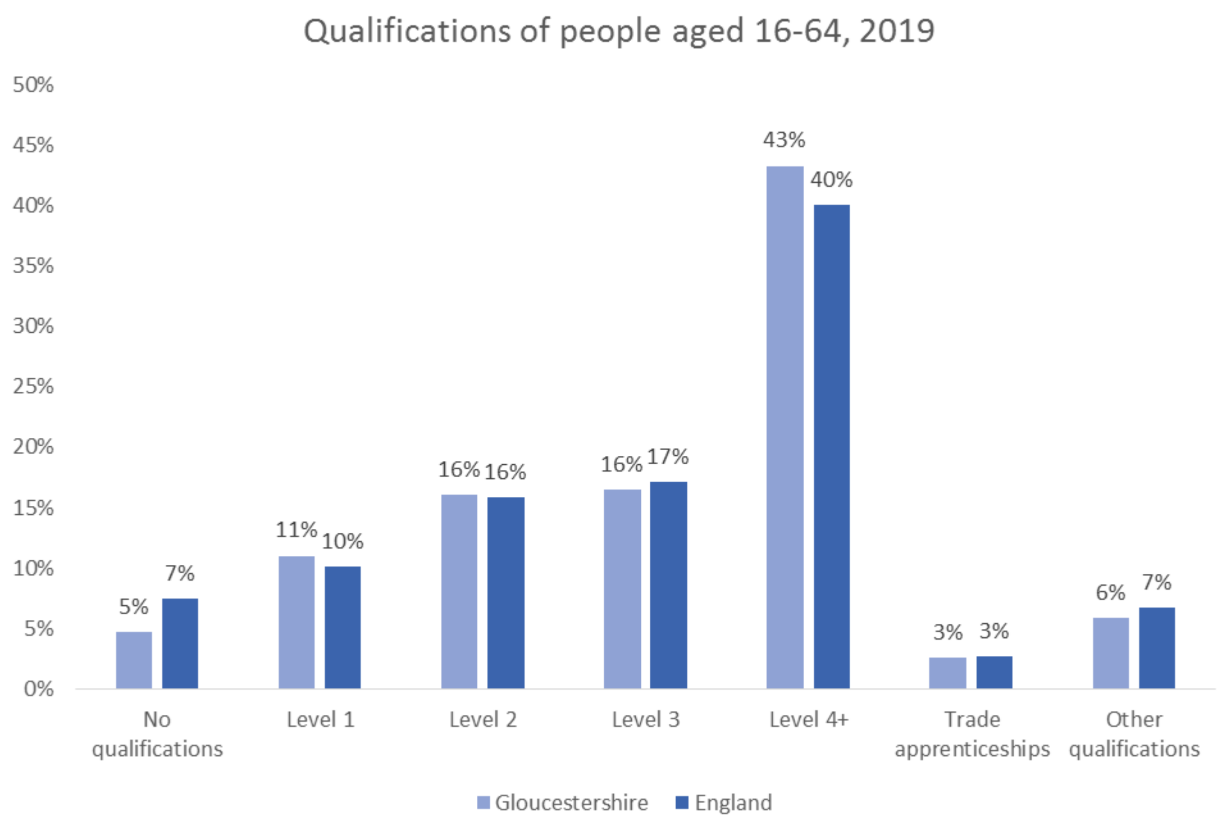


We know that skills contribute in a number of ways:

- Apprenticeships enable employers to develop specialist skills needed to drive the performance of their business.
- A strong supply of high level skills supports the effective use of technology within firms and an increased focus on innovation.
- Management skills are key to implementing positive business practices and more productive business models and strategies.
- A strong skills base is key to attracting inward investment from productive companies who can transfer technology and best practice through supply chains

[29] Employer Skills Survey, 2019

Employee Qualifications

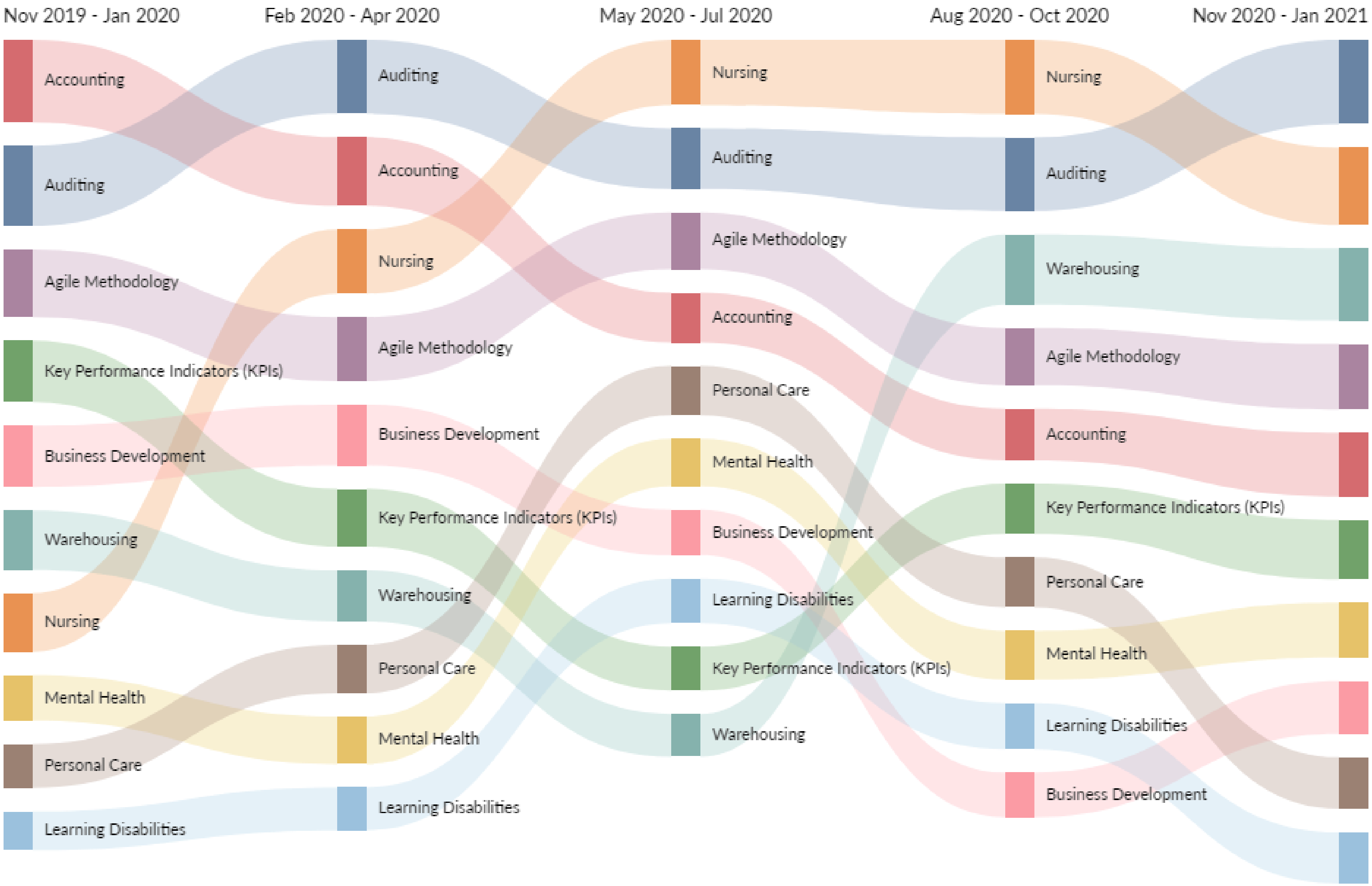


[30]

According to a Local Government Association and Learning & Work Institute report, by 2024 there will more than four million too few high-skilled people to take up available jobs, two million too many with intermediate skills and more than six million too many low skilled. On average, expectations for higher qualification requirements are on the rise. Forecasting models show continued shift to high-level qualifications with 55% of those employed expected to be qualified at level 4 and above, whilst the proportion of those with level 1 or no formal qualifications expected to shrink from 14% to under 8% in 2027. This growing demand for formal qualifications going forwards is most clearly reflected in the net demand of jobs projected.

[30] Employer Skills Survey 2019

Top 10 Skills in Demand by Quarter



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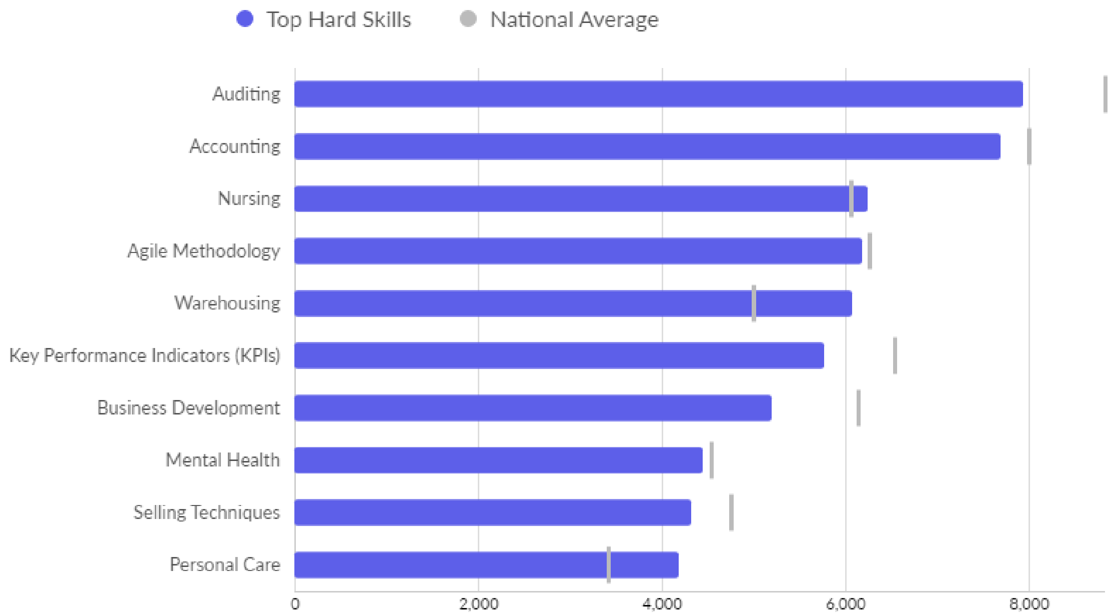
[31] EMSI Economic Modelling 2019 (Gfirst LEP)

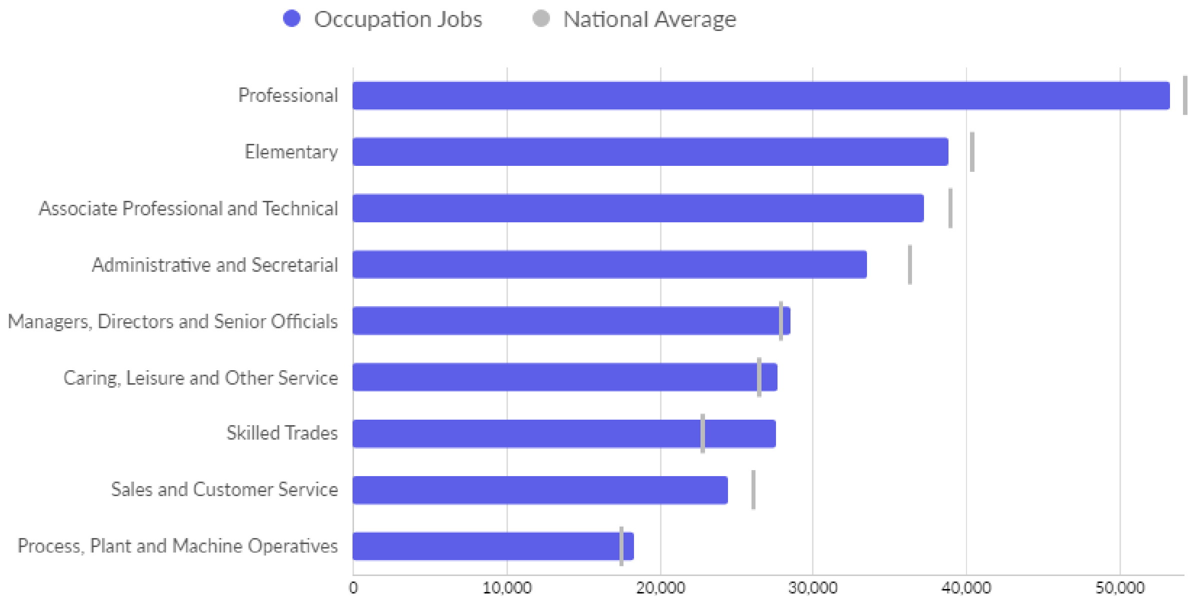


Analysis of online job postings enables us to examine the picture of current local labour demand in detail without the technical limitations of national surveys. However, a key caveat is that lower skilled jobs tend to be significantly under-represented in the data as they are much less likely to be advertised online.

The five most significant hard-skills (skills that a person has either been taught or learnt) within the Gloucestershire LEP region were during the period between January and October 2020 using Emsi job postings data. Significance is measured by considering the relative concentrations of hard-skills in the Gloucestershire LEP/CA region compared to other areas of the UK. In the Gloucestershire LEP, the most significant hard skills within the top five most significant in the Gloucestershire LEP region related to auditing, accounting and health & social care.[32]

[32] EMSI Local Labour Market Outlook, January 2021

Vacancies by Largest Occupation

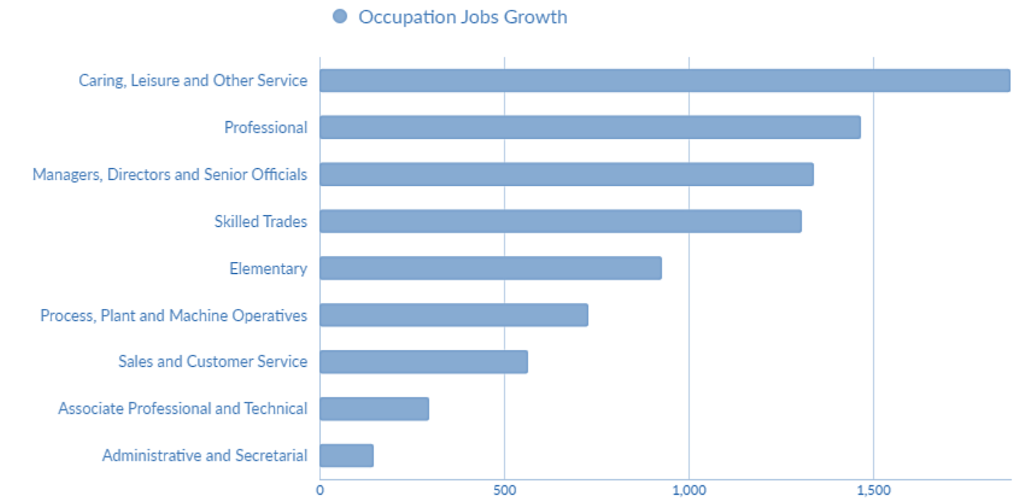


Jobs in Gloucestershire have grown by 8,651 over the last 5 years and are projected to grown by 4,455 over the next five years[33].

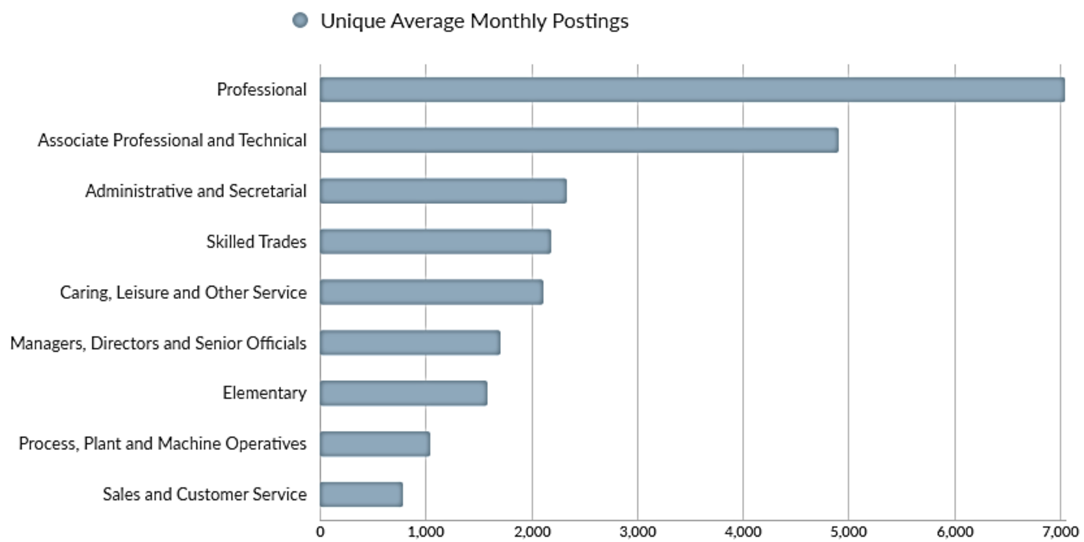
Skills shortage vacancies have stayed relatively low over the past couple of years and altogether the skills supply and skills demand appear to be broadly in balance, an apparent ‘match’ between demand and supply at the aggregate level does not hold for all industries and data suggests a mismatch between the supply and demand. Skills mismatches typically occur because of market failures (information failures, imperfect information and externalities) that are related to learner demand and an inadequate supply of training. However, mapping skills demand and supply and assessing any skills mismatches is plagued by definitional and measurement issues. Wage differentials and relative wage growth at industry or occupational level is often used as a measure of skills mismatches in an economy. Here we have used EMSI Economic Modelling alongside the Employer Skills Survey to show Employer reported recruitment difficulties related to skills shortages and skill gaps within their existing workforce.

[33] EMSI Economic Modelling 2019 – Economy Overview

Vacancies by Top Growing Occupations



Vacancies by Top Posted Occupations



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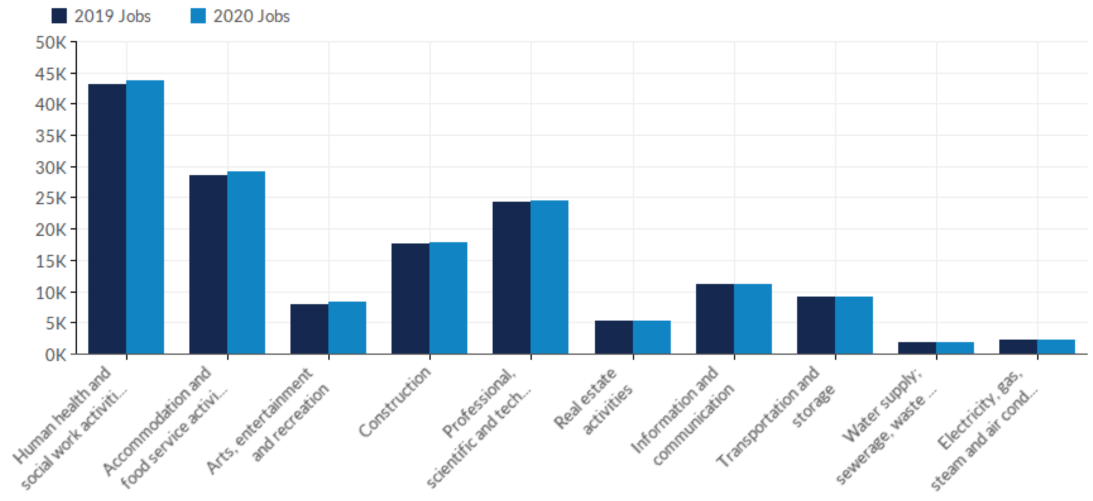
[34] EMSI Economic Modelling

Fastest Growing Industries

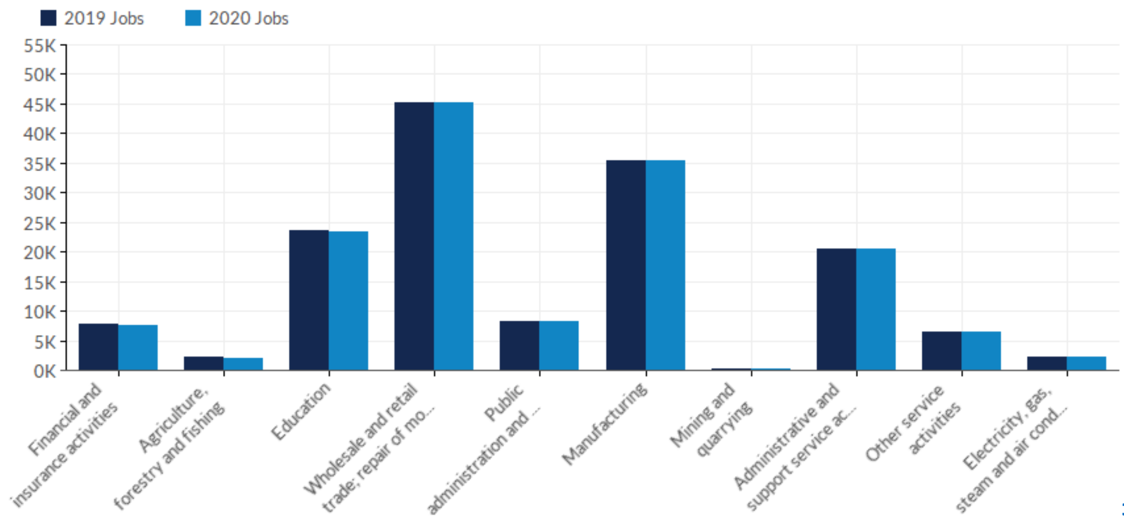


Despite the recent uncertainty around the economy, there are still industries in the UK which have enjoyed exceptional growth. They also have big projections for the future though some industries will struggle and may find it hard to adapt to the current economic restrictions.

Accommodation and Food Service activities had been on the rise in Gloucestershire and the COVID-19 Pandemic has only increased demand in health and social care. Elsewhere the construction industry, and job creation remains strong, with investment returning to the sector.

At the other end of the scale industries with the slowest growth remained relatively in line with the previous.

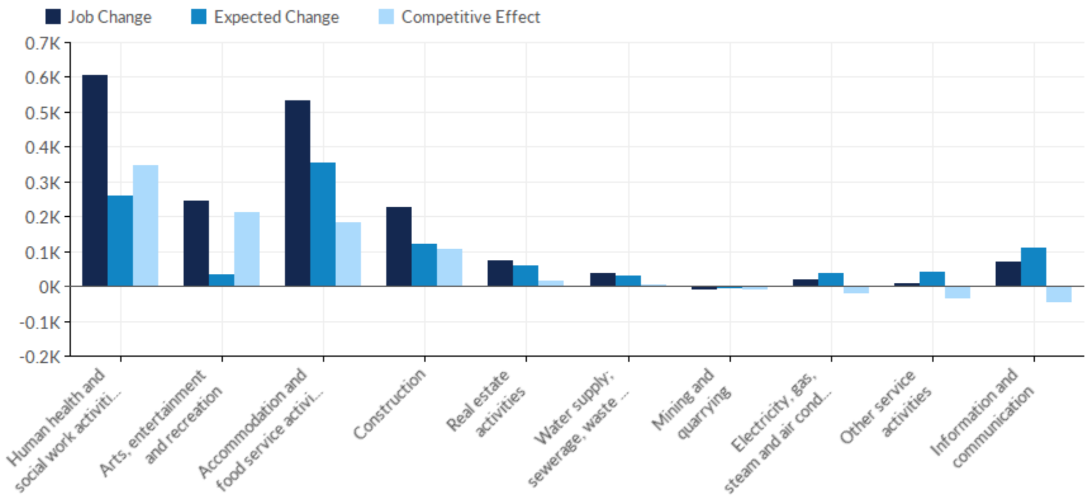
Slowest Growing Industries



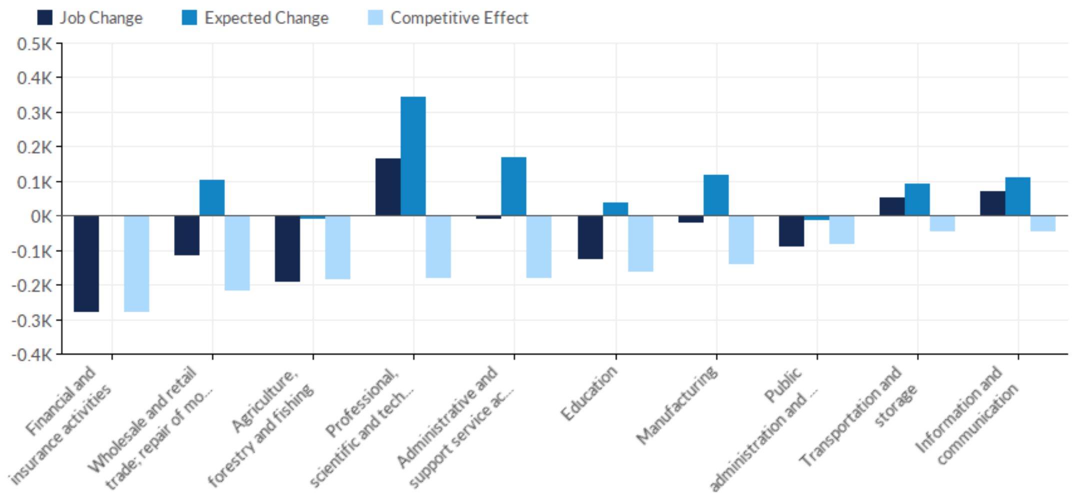
[35]

[35] EMSI Economic Modelling, Industry Overview

Most Competitive Industries



Least Competitive Industries



[36]

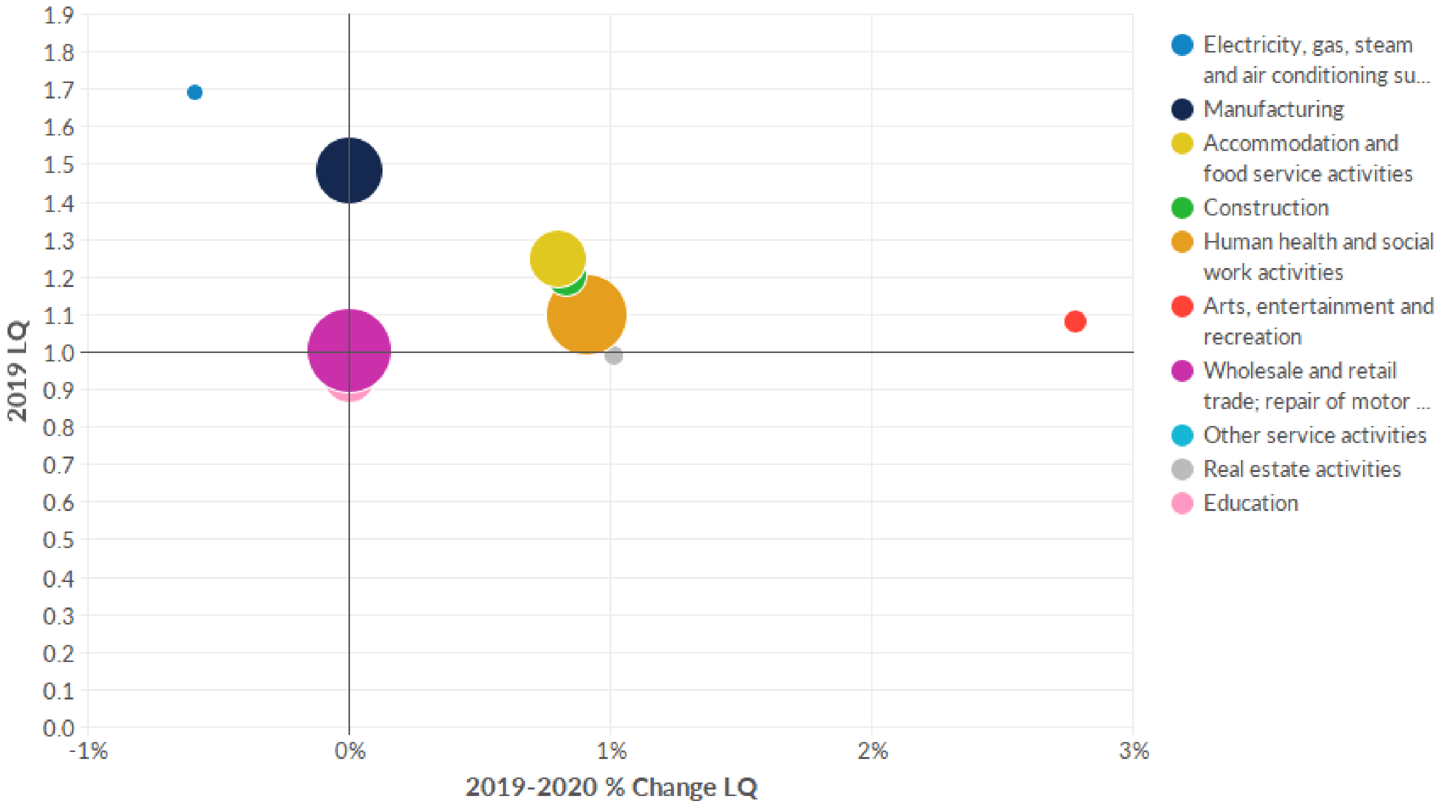
Competition with other firms is a key aspect of running a business of any size, from a brand new venture to a large corporation. In competitive markets, companies have to fight over the business of potential consumers. The UK job market is becoming more competitive However, this is no surprise given that so many professionals have sadly been made redundant or placed on furlough, due to the coronavirus pandemic.

As lockdown restrictions relax over the next few months, many organisations will see an influx of business and may need to hire new staff. This job market data spells good news for those that are looking to expand their workforce, as it's clear there is no shortage of candidates applying for jobs

[36] EMSI Economic Modelling, Industry Overview

Highest Industry Location Quotient

Location Quotient (LQ) and the number jobs in each industry - industries are defined using two digit Standard Industrial Classifications (SIC). An LQ is the ratio between an industry or occupation local employment share and the national share, such that as the value goes above one it represents an industry or occupation concentration.

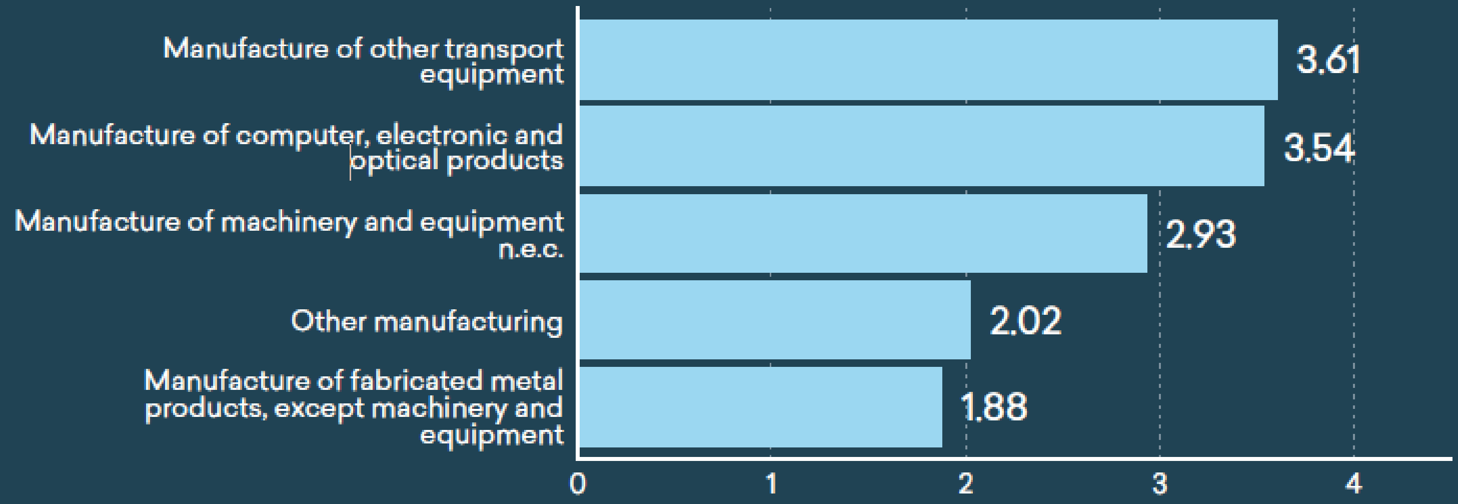


The most concentrated industry in the Gloucestershire LEP/CA region before Covid-19 struck was manufacture of other transport equipment (LQ = 3.61), which generated 4,600 jobs. In comparison, the least concentrated industry (i.e. manufacture of fabricated metal products, except machinery and equipment) generated 6,050 jobs. Employment in the sectors changed by -2.1% and 23.2% respectively between 2015 and 2019 before the Covid-19 arrived.[37]

[37] EMSI Economic Modelling, Industry Overview/Local Labour Report January 2021

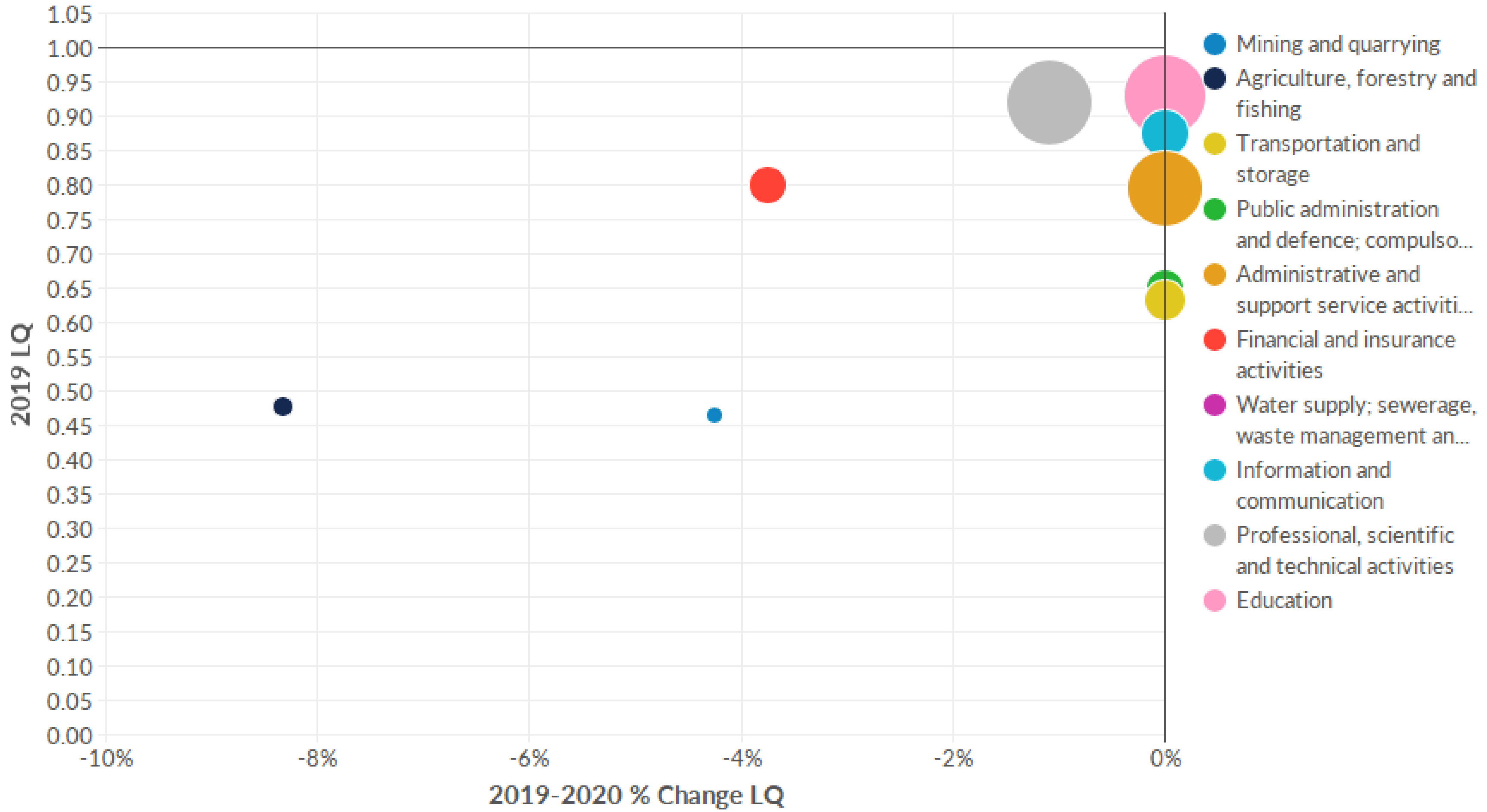
TOP 5 INDUSTRIES BY LOCATION QUOTIENT

Industry Location Quotient, 1=UK



	Total Jobs in 2019	Gross Value Added	Exposure Index
Manufacture of other transport equipment	4600	£268,190,000	40%
Manufacture of computer, electronic and optical products	4010	£221,140,000	36.1%
Manufacture of machinery and equipment n.e.c.	4660	£188,310,000	45.9%
Other manufacturing	1490	£100,150,000	37.4%
Manufacture of fabricated metal products, except machinery and equipment	6050	£194,680,000	48.1%

Lowest Industry Location Quotient



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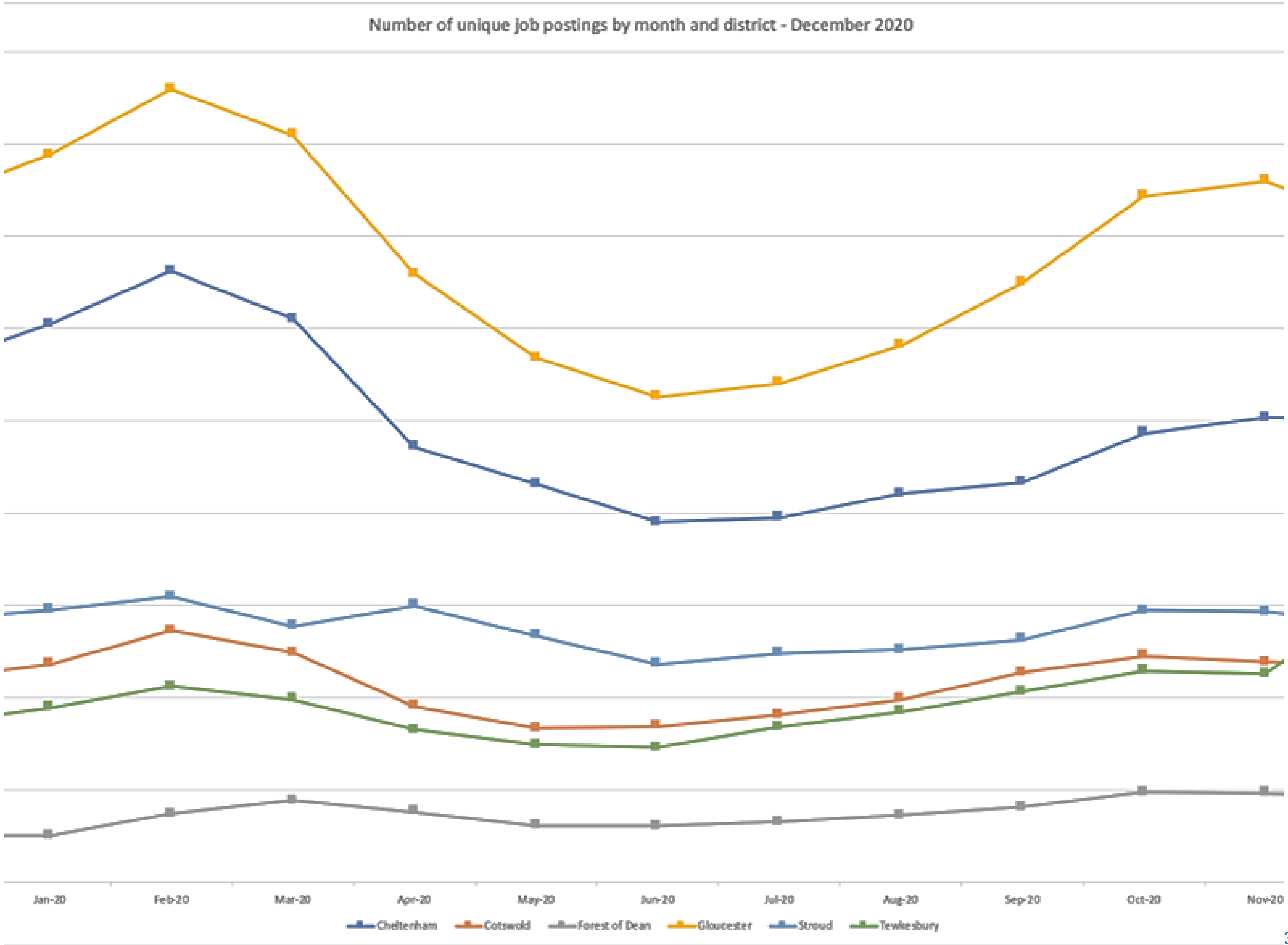
[38] EMSI Economic Modelling , industry overview

The below shows total jobs by district for the past year, with most districts displaying a similar trend to the past few months. However, December 2020 has seen a decrease in Gloucester alongside a smaller decrease in Stroud when compared to November 2020. Tewkesbury stands out with a large increase in the total job numbers in December, which is higher than any previous month at 3,199 in December compared to 2,259 in November, an increase of 940 month on month.



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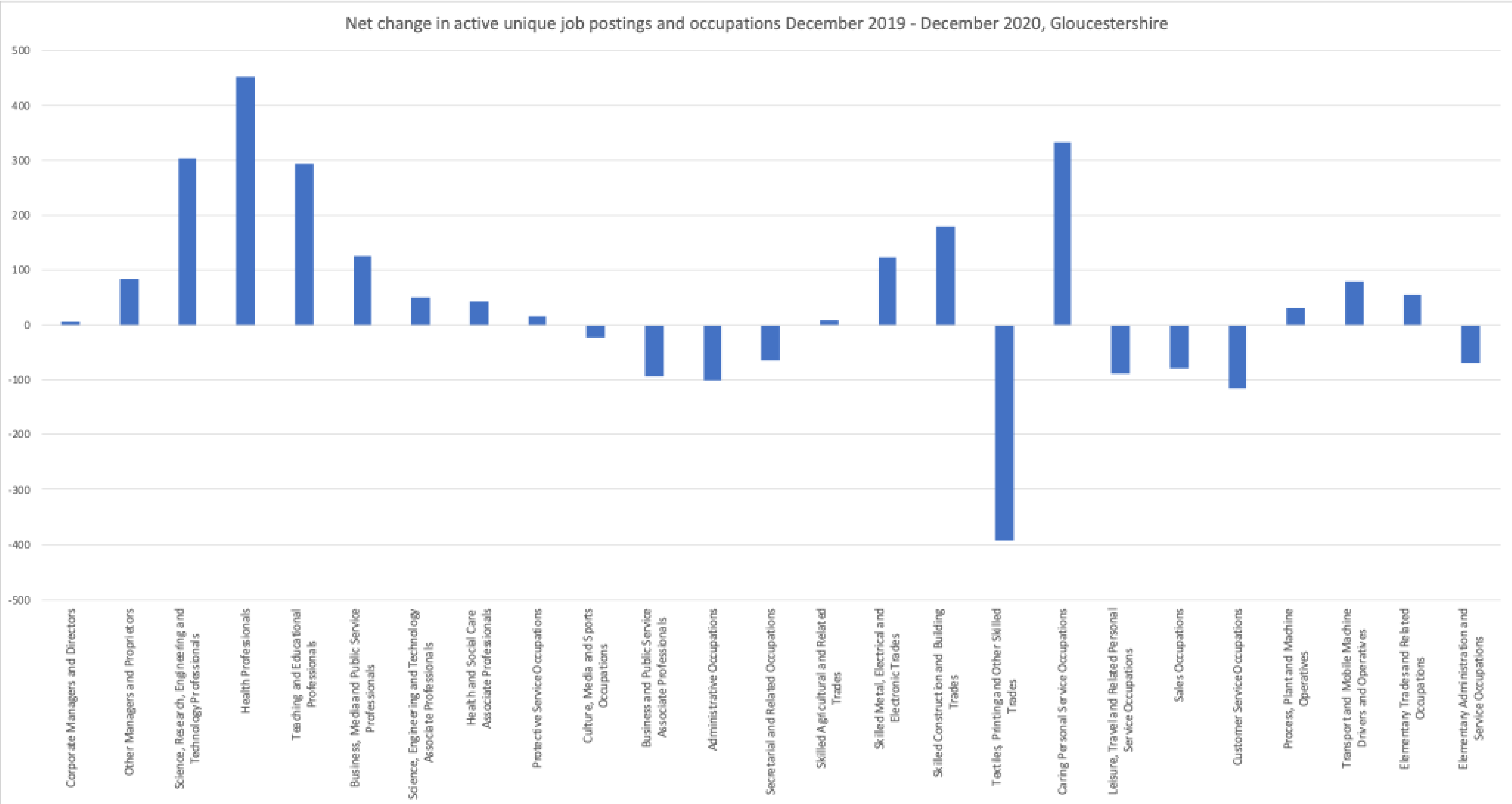
39 EMSI Job Postings, Gfirst LEP Employment Bulletin

The graph below shows the net change in the number of job postings by top level occupation (two-digit SOC), comparing **December 2019 <u>to</u> December 2020**.

Occupations to see the largest **<u>increase</u>** when compared to last year continue to be **Health Professionals** and **Caring Personal Service Occupations**, but as you can see below there are also several other occupations that have increased compared to December 2019. **Textiles, Printing and Other Skilled Trades** has seen the largest decrease.



The following are for the month of **December 2020** <u>**only**</u> and highlight the top companies posting jobs, occupations, job titles and the most frequent hard and common skills listed in job postings..

- **Top companies** posting jobs in December include: **NHS**, **Gloucestershire Hospitals NHS Foundation Trust** and **Gloucestershire County Council** – **please note** that I have not included employment agencies in top companies posting, employment agencies do however form part of the total jobs posted in the report.

- **Top posted occupations** in December include: **Nurses**, **Care workers and home carers**, **Programmers and software development professionals**, **Sales accounts and business development managers** and **Van drivers**.

- **Top posted job titles** in December include: **Family Support Workers**, **HGV/Large Goods Vehicle (LGV) Drivers**, **Registered Nurses, Home Care Social Workers**, **Teaching Assistants**, and **Software Engineers.**

- **Top hard skills** listed in job postings in December include: **Auditing, Nursing, Warehousing**, **Accounting** and **Agile Methodology**.

- **Top common skills** listed in job postings in December include: **Communications**, **Management**, **Customer Service, Sales** and **Enthusiasm**.[40]

[40] EMSI Job Postings – Gfirst LEP Employment Bulletin

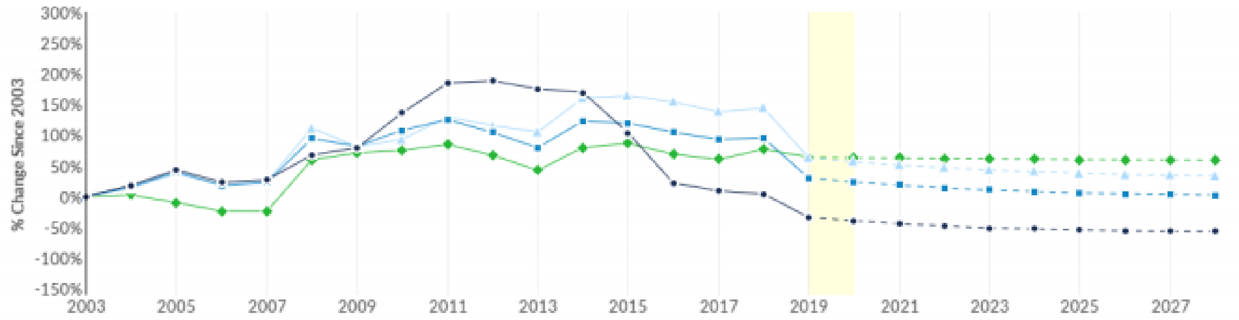
Vacancies by Industry

In order to gauge both expansion and replacement demand, we look at labour market intelligence to understand the scale and types of jobs advertised within Gloucestershire. We focus on the data from the past year (January-December 2019). The source we use is EMSI Economic Modelling, accessed under a licence funded by Gloucestershire LEP/Gloucestershire County Council.

Agriculture, Forestry and Fishing

2,206	-8.6%	£21,921
Jobs (2019)	% Change (2019-2020)	Avg. Wages Per Job (2019)
52% below National average	Nation: -0.4%	Nation: £19,929

Regional Trends

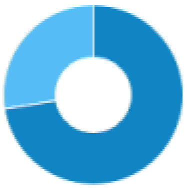


Region	2019 Jobs	2020 Jobs	Change	% Change
Region	2,206	2,017	-189	-8.6%
South West	41,928	39,913	-2,015	-4.8%
Bath and North East Somerset, North Somerset and South Gloucestershire	2,838	2,726	-112	-3.9%
West Midlands	34,921	34,705	-216	-0.6%

Occupations Employed by this Industry

Description	Employed in Industry (2019)	% of Total Jobs in Industry (2019)
Farmers	790	35.8%
Farm workers	676	30.6%
Managers and proprietors in agriculture and horticulture	108	4.9%
Fishing and other elementary agriculture occupations n.e.c.	98	4.4%
Horticultural trades	84	3.8%

National Industry Gender Breakdown



Gender	2016 Jobs
Males	72.5%
Females	27.5%

National Industry Age Breakdown

Age	2016 Jobs
16-24	11.2%
25-34	15.4%
35-44	14.0%
45-54	23.4%
55-64	20.5%
65+	15.6%

Gross Value Added (GVA)

£46.2m	£40.7m	-£3.5m	£83.4m
Earnings (2016)	Capital Income (2016)	Taxes on Production less Subsidies (2016)	Total GVA (2016)

Industry Requirements

Purchases from	In-region Purchases	Imported Purchases	Total Purchases
Silviculture and other forestry activities	£31,939,552	£0	£31,939,552
Growing of crops, market gardening, horticulture; Farming of animals	£5,016,143	£9,725,548	£14,741,691
Manufacture of prepared feeds for farm animals	£191,634	£6,588,962	£6,780,595
Support services to forestry	£2,377,424	£2,945,658	£5,323,082
Other monetary intermediation	£2,933,824	£1,552,408	£4,486,232

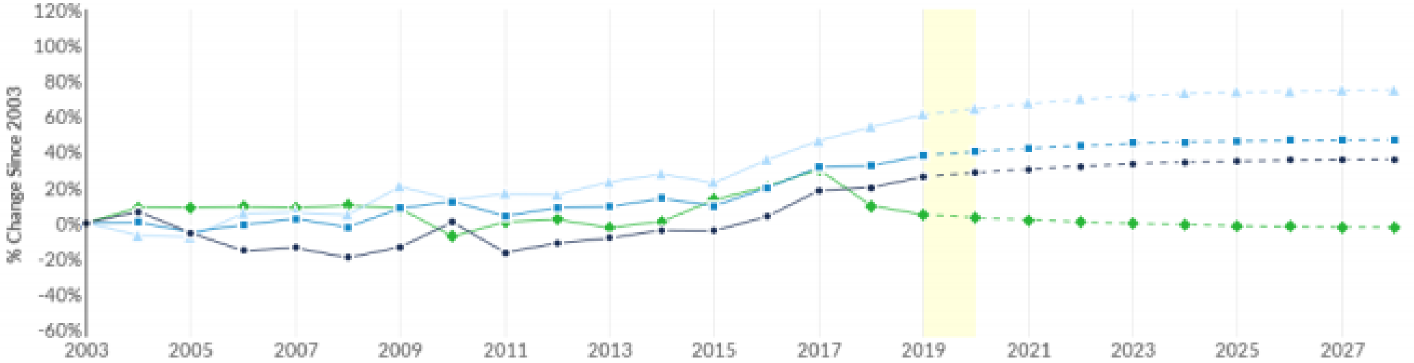
[41]

[41] data from Emsi's Input-Output model. It is based on data from Office for National statistics' Input-Output supply and use tables, Census flows data, UK Business Counts from BRES, and several Emsi in-house data sets.

Accommodation and Food Service Activities

28,533	+1.9%	£14,894
Jobs (2019)	% Change (2019-2020)	Avg. Wages Per Job (2019)
25% above National average	Nation: +1.2%	Nation: £16,509

Regional Trends

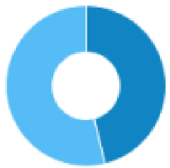


Region	2019 Jobs	2020 Jobs	Change	% Change
Region	28,533	29,067	534	1.9%
South West	259,548	263,531	3,983	1.5%
Bath and North East Somerset, North Somerset and South Gloucestershire	29,200	29,810	610	2.1%
West Midlands	147,374	145,121	-2,253	-1.5%

Occupations Employed by this Industry

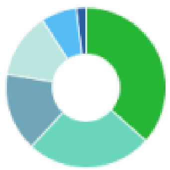
Description	Employed in Industry (2019)	% of Total Jobs in Industry (2019)
Kitchen and catering assistants	5,444	19.1%
Waiters and waitresses	4,235	14.8%
Bar staff	3,204	11.2%
Chefs	2,808	9.8%
Cleaners and domestics	1,394	4.9%

National Industry Gender Breakdown



Gender	2016 Jobs
Males	46.2%
Females	53.8%

National Industry Age Breakdown



Age	2016 Jobs
16-24	36.5%
25-34	25.3%
35-44	15.8%
45-54	13.2%
55-64	7.2%
65+	2.0%

Gross Value Added (GVA)

£326.6m	£160.7m	£20.9m	£508.2m
Earnings (2016)	Capital Income (2016)	Taxes on Production less Subsidies (2016)	Total GVA (2016)

Industry Requirements

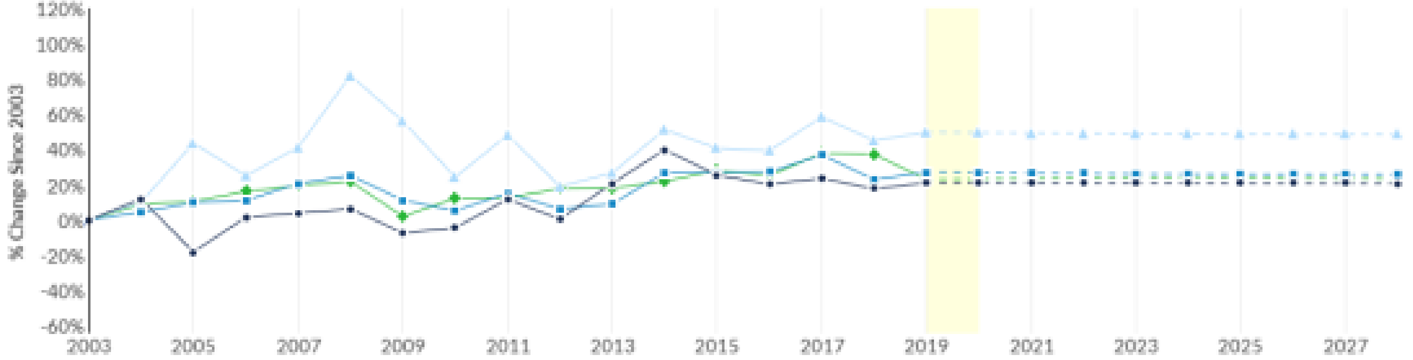
Purchases from	In-region Purchases	Imported Purchases	Total Purchases
Retail sale in non-specialised stores with food, beverages or tobacco predominating	£10,555,186	£4,629,721	£15,184,907
Other monetary intermediation	£3,616,668	£7,167,900	£10,784,568
Manufacture of beer	£9,305,618	£284,178	£9,589,796
Accounting, bookkeeping and auditing activities; tax consultancy	£2,769,096	£6,289,082	£9,058,179
Temporary employment agency activities	£3,883,176	£5,049,143	£8,932,319

While accommodation, representing the well-established tourism, food and beverage services locally have grown significantly, the demand in the sectors has been predominantly for lower skilled workforce. In general, these jobs are more prone to automation, with some forecasts estimating that over 60% of tasks in these industries could be automated and together with changes in consumer behaviours mentioned above might mean job losses in the longer term.

Administrative and Support Service Activities

20,591	0.0%	£22,933
Jobs (2019)	% Change (2019-2020)	Avg. Wages Per Job (2019)
21% below National average	Nation: +0.8%	Nation: £25,256

Regional Trends

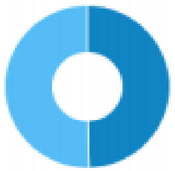


	Region	2019 Jobs	2020 Jobs	Change	% Change
●	Region	20,591	20,584	-7	0.0%
■	South West	173,160	172,772	-388	-0.2%
▲	Bath and North East Somerset, North Somerset and South Gloucestershire	25,403	25,364	-39	-0.2%
◆	West Midlands	201,633	202,024	391	0.2%

Occupations Employed by this Industry

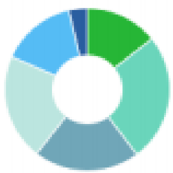
Description	Employed in Industry (2019)	% of Total Jobs in Industry (2019)
Cleaners and domestics	2,334	11.3%
Security guards and related occupations	1,006	4.9%
Human resources and industrial relations officers	840	4.1%
Nurses	694	3.4%
Care workers and home carers	681	3.3%

National Industry Gender Breakdown



Gender	2016 Jobs
Males	49.7%
Females	50.3%

National Industry Age Breakdown



Age	2016 Jobs
16-24	14.3%
25-34	25.4%
35-44	20.7%
45-54	21.0%
55-64	14.8%
65+	3.6%

Gross Value Added (GVA)

£404.9m	£532.0m	£14.8m	£951.7m
Earnings (2016)	Capital Income (2016)	Taxes on Production less Subsidies (2016)	Total GVA (2016)

Industry Requirements

Purchases from	In-region Purchases	Imported Purchases	Total Purchases
Temporary employment agency activities	£29,238,518	£36,778,836	£66,017,354
Other business support service activities n.e.c.	£45,660,369	£1,659,658	£47,320,027
Business and other management consultancy activities	£34,757,168	£11,902,287	£46,659,455
Engineering activities and related technical consultancy	£22,556,624	£12,531,677	£35,088,301
Combined facilities support activities	£16,535,617	£17,898,365	£34,433,982

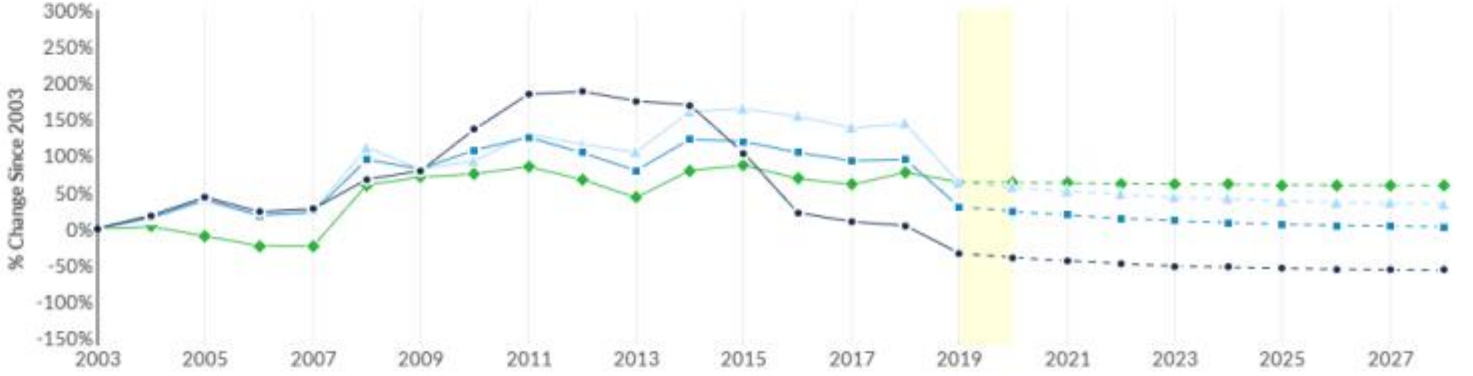
Administrative and support service is another significant sector in terms of employment. Job vacancies were advertised in a range of subsectors in office administrative, office support and other business support activities, where the replacement demand is expected to be decreasing over the coming years.

Agriculture, Forestry and Fishing

Industry Summary for Agriculture, forestry and fishing

2,206	-8.6%	£21,921
Jobs (2019)	% Change (2019-2020)	Avg. Wages Per Job (2019)
52% below National average	Nation: -0.4%	Nation: £19,929

Regional Trends

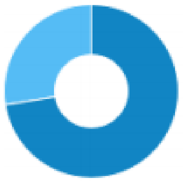


	Region	2019 Jobs	2020 Jobs	Change	% Change
●	Region	2,206	2,017	-189	-8.6%
■	South West	41,928	39,913	-2,015	-4.8%
▲	Bath and North East Somerset, North Somerset and South Gloucestershire	2,838	2,726	-112	-3.9%
◆	West Midlands	34,921	34,705	-216	-0.6%

Occupations Employed by this Industry

Description	Employed in Industry (2019)	% of Total Jobs in Industry (2019)
Farmers	790	35.8%
Farm workers	676	30.6%
Managers and proprietors in agriculture and horticulture	108	4.9%
Fishing and other elementary agriculture occupations n.e.c.	98	4.4%
Horticultural trades	84	3.8%

National Industry Gender Breakdown



Gender	2016 Jobs
Males	72.5%
Females	27.5%

National Industry Age Breakdown

Age	2016 Jobs
16-24	11.2%
25-34	15.4%
35-44	14.0%
45-54	23.4%
55-64	20.5%
65+	15.6%

Gross Value Added (GVA)

£46.2m	£40.7m	-£3.5m	£83.4m
Earnings (2016)	Capital Income (2016)	Taxes on Production less Subsidies (2016)	Total GVA (2016)

Industry Requirements

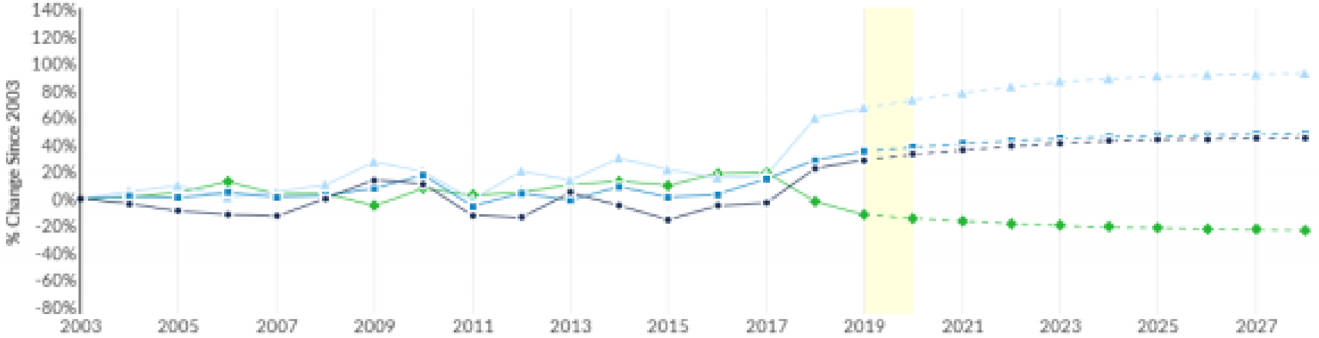
Purchases from	In-region Purchases	Imported Purchases	Total Purchases
Silviculture and other forestry activities	£31,939,552	£0	£31,939,552
Growing of crops, market gardening, horticulture; Farming of animals	£5,016,143	£9,725,548	£14,741,691
Manufacture of prepared feeds for farm animals	£191,634	£6,588,962	£6,780,595
Support services to forestry	£2,377,424	£2,945,658	£5,323,082
Other monetary intermediation	£2,933,824	£1,552,408	£4,486,232

Arts, Entertainment and Recreation

Industry Summary for Arts, entertainment and recreation

7,967	+3.1%	£19,139
Jobs (2019)	% Change (2019-2020)	Avg. Wages Per Job (2019)
8% above National average	Nation: +0.4%	Nation: £23,811

Regional Trends

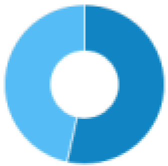


	Region	2019 Jobs	2020 Jobs	Change	% Change
●	Region	7,967	8,213	246	3.1%
■	South West	71,734	73,374	1,640	2.3%
▲	Bath and North East Somerset, North Somerset and South Gloucestershire	8,546	8,863	317	3.7%
◆	West Midlands	46,332	44,986	-1,346	-2.9%

Occupations Employed by this Industry

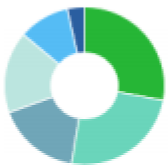
Description	Employed in Industry (2019)	% of Total Jobs in Industry (2019)
Sports coaches, instructors and officials	690	8.7%
Sports and leisure assistants	506	6.4%
Leisure and sports managers	406	5.1%
Animal care services occupations n.e.c.	333	4.2%
Kitchen and catering assistants	325	4.1%

National Industry Gender Breakdown



Gender	2016 Jobs
Males	53.5%
Females	46.5%

National Industry Age Breakdown



Age	2016 Jobs
16-24	28.0%
25-34	24.6%
35-44	16.9%
45-54	16.8%
55-64	10.3%
65+	3.5%

Gross Value Added (GVA)

£104.2m	£91.3m	£8.5m	£204.1m
Earnings (2016)	Capital Income (2016)	Taxes on Production less Subsidies (2016)	Total GVA (2016)

Industry Requirements

Purchases from	In-region Purchases	Imported Purchases	Total Purchases
Temporary employment agency activities	£20,771,258	£17,831,006	£38,602,264
Activities of employment placement agencies	£6,036,730	£2,961,129	£8,997,859
Business and other management consultancy activities	£8,052,272	£505,875	£8,558,147
Performing arts	£1,675,365	£6,389,582	£8,064,947
Gambling and betting activities	£1,720,657	£5,960,902	£7,681,559

The Arts, Entertainment and Recreation sector has seen a general growth in recent years and the number of advertised jobs for Caring, Leisure and Other service occupations including care workers, hairdressers, barbers, beauticians and health and leisure assistants increase.

Construction

Industry Summary for Construction

17,552	+1.3%	£32,568
Jobs (2019)	% Change (2019-2020)	Avg. Wages Per Job (2019)
20% above National average	Nation: +0.7%	Nation: £35,346

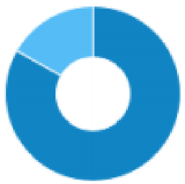
Regional Trends

Region	2019 Jobs	2020 Jobs	Change	% Change
Region	17,552	17,778	226	1.3%
South West	144,658	146,367	1,709	1.2%
Bath and North East Somerset, North Somerset and South Gloucestershire	19,417	19,593	176	0.9%
West Midlands	132,794	134,509	1,715	1.3%

Occupations Employed by this Industry

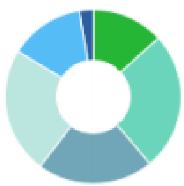
Description	Employed in Industry (2019)	% of Total Jobs in Industry (2019)
Electricians and electrical fitters	1,333	7.6%
Plumbers and heating and ventilating engineers	1,326	7.6%
Production managers and directors in construction	1,012	5.8%
Carpenters and joiners	945	5.4%
Elementary construction occupations	892	5.1%

National Industry Gender Breakdown



Gender	2016 Jobs
Males	83.2%
Females	16.8%

National Industry Age Breakdown



Age	2016 Jobs
16-24	13.3%
25-34	25.6%
35-44	21.3%
45-54	23.4%
55-64	13.8%
65+	2.5%

Gross Value Added (GVA)

£426.4m	£423.6m	£9.9m	£859.9m
Earnings (2016)	Capital Income (2016)	Taxes on Production less Subsidies (2016)	Total GVA (2016)

Industry Requirements

Purchases from	In-region Purchases	Imported Purchases	Total Purchases
Construction of residential and non-residential buildings	£126,211,164	£32,484,025	£158,695,189
Electrical installation	£62,731,903	£15,887,283	£78,619,187
Construction of other civil engineering projects n.e.c.	£35,701,148	£32,115,268	£67,816,416
Plumbing, heat and air-conditioning installation	£39,108,730	£11,814,105	£50,922,835
Other specialised construction activities n.e.c.	£47,674,738	£2,457,326	£50,132,064

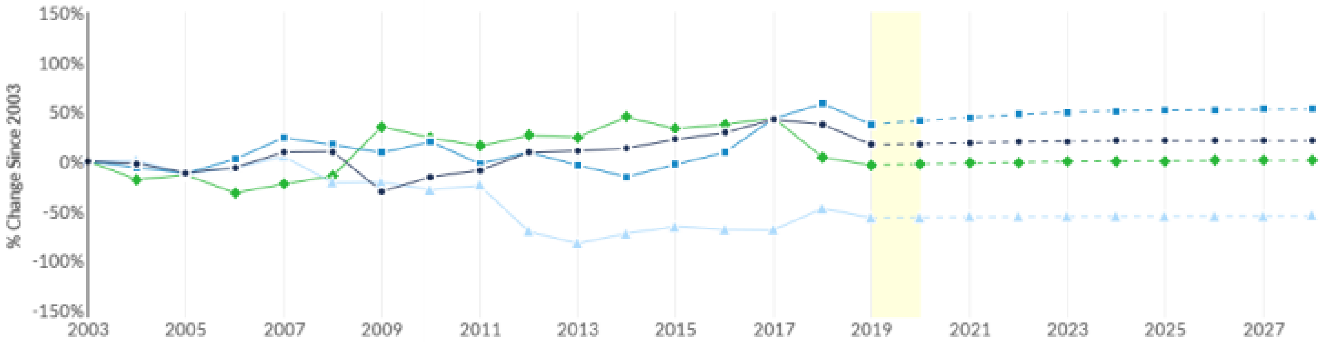
Projections for this sector suggest modest long-term growth. This is partly driven by an expected slowdown in investment due to uncertainty around Brexit with high concentration of EU migrants (now adding coronavirus restrictions to the mix of unknown variables) as well as the skills shortage facing the sector. Working futures reports shown the sector is struggling to attract and retain young workers and the skills demanded are becoming outdated due to technological advances. However, the sector will continue to deliver long-term major public infrastructure projects and global commitments to climate change and sustainability will be key concerns, generating new opportunities and challenges for the construction sector. Environment policy in the built environment is anticipated to create new opportunities and areas of growth in the sector, as companies seek innovative technologies to adapt to wider environmental concerns.

Electricity, Gas, Steam and Air Conditioning Supply

Industry Summary for Electricity, gas, steam and air conditioning supply

2,166	+1.0%	£46,147
Jobs (2019)	% Change (2019-2020)	Avg. Wages Per Job (2019)
69% above National average	Nation: +1.7%	Nation: £44,042

Regional Trends

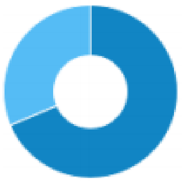


	Region	2019 Jobs	2020 Jobs	Change	% Change
●	Region	2,166	2,187	21	1.0%
■	South West	11,378	11,706	328	2.9%
▲	Bath and North East Somerset, North Somerset and South Gloucestershire	445	449	4	0.9%
◆	West Midlands	9,268	9,389	121	1.3%

Occupations Employed by this Industry

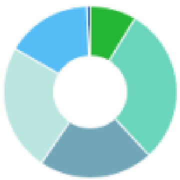
Description	Employed in Industry (2019)	% of Total Jobs in Industry (2019)
Customer service occupations n.e.c.	128	5.9%
Other administrative occupations n.e.c.	126	5.8%
Electricians and electrical fitters	101	4.6%
Electrical engineers	94	4.3%
Sales accounts and business development managers	72	3.3%

National Industry Gender Breakdown



Gender	2016 Jobs
Males	68.6%
Females	31.4%

National Industry Age Breakdown



Age	2016 Jobs
16-24	8.7%
25-34	29.5%
35-44	21.3%
45-54	23.9%
55-64	16.0%
65+	0.7%

Gross Value Added (GVA)

£115.8m	£286.9m	£38.4m	£441.1m
Earnings (2016)	Capital Income (2016)	Taxes on Production less Subsidies (2016)	Total GVA (2016)

Industry Requirements

Purchases from	In-region Purchases	Imported Purchases	Total Purchases
Distribution of electricity	£64,600,055	£480,507,318	£545,107,373
Production of electricity	£333,141,382	£39,901,037	£373,042,419
Extraction of crude petroleum	£12,727,483	£76,307,813	£89,035,297
Trade of gas through mains	£575,679	£56,812,914	£57,388,593
Trade of electricity	£49,437,152	£0	£49,437,152

This sector looks at the industries involved in the production and sale of energy including fuel extraction, manufacturing, refining and distribution. Energy policies and environmental legislation are likely to grow in importance, and further investment in agri-tech is expected to grow agricultural output. There may be a shift to more activities oriented towards environmental preservation and carbon neutral. Agriculture has long been part of the Gloucestershire landscape.

- Over 70% of the county is agricultural land.[42]
- Gloucestershire has a food and agriculture sector valued at nearly £1.5bn
- The sector supports 50,000+ jobs in the county, and has double the national proportion of activity.[43]

[42] Source: National Farmers Union South West

Gloucestershire has two institutions (Royal Agriculture University – Farm 491 and Hartpury) that lead the way in developed technology for agriculture. Combined with the opportunities technology brings and can be developed in the county means that this could be a niche area. Agriculture has a looming demographic crisis. National the proportion of workers under 35 years of age was just 3%. Associated with this development of food and drink in the county and the natural landscape that much of the tourism industry relies on.

Farm 491 - awarded £2.92m through Local Growth Fund (LGF) has enabled the Royal Agricultural University (RAU) to establish the Farm 491 Agri-Tech centre, based over 2 sites. This delivers space for innovators to establish and grow enterprises that develop and apply technology to agriculture. These entrepreneurs have access to a support network of farmers, businesses, investors, and academics, as well as open access to data, research, equipment, and resources[44].

Hartpury University – Tech to Plate - This project, awarded £1m in 2018, will complement the Farm 491 Agri-Tech Innovation Centre by delivering a technology application and training centre for Gloucestershire and the wider region. The centre will support the wider adoption of digital technology to deliver productivity improvements in agri-businesses and the traceability of farm produce, particularly livestock.

A short survey to indicate the significance was carried out in May 2019 with companies contracted to the Hartpury – Gfirst LEP Tech to Plate project. They confirmed the strategic evidence that demand is increasing for digital skills in the Agricultural sector. Key areas will impact the future of Further and Higher education will fall into multiple sectors but cross cutting themes emerge that require rapid enhancement of skills at all levels. Artificial Intelligence, Machine Learning and the data-driven economy are all highly applicable to agriculture. Building on existing Cyber Security and Agricultural technology investments, there is logic in future development and driving Innovation in these two rapidly advancing sectors.

Also the presence in the county of a nationally significant research institution such as Campden BRI provides Gloucestershire's fledgling agri-tech businesses with a unique opportunity to revolutionise farming techniques and processes, building on the distinctly rural character of the county. Campden BRI is a world leader in the agri-tech sector supporting companies with practical scientific, technical and advisory services and actively looking at opportunities for collaboration with agri-tech businesses and academic institutions within Gloucestershire.

One of the aims of the local industrial strategy is the creation of an advanced agri-tech hive[45], a virtual innovation cluster that builds on previous GFirst LEP investment in agri-tech and cyber security to develop a hive that attracts global investment by:

- coordinating business development;
- delivering foundation projects to incubate solutions for international consumption;
- utilising this knowledge, research and trial hub, develop the protocols, systems and evidence for new models of 'net zero' farming;
- developing transferable networks for peer-to-peer data sharing, innovation and knowledge exchange that enables productivity and resource efficiency on farms;

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[43] The Scale and Impact of the Farming, Food, Drink & Rural Economy in Gloucestershire, Collison et al, March 2019
[44] https://www.gfirstlep.com/projects/farm-491/
[45] This is a working title, Draft Local industrial strategy.

- creating partnerships between Further Education (FE), Higher Education (HE), and commercial training providers to develop technical and business skills;
- accelerating the development of dynamic procurement platforms with traceability, sustainability, origin and ingredient credentials;
- working with other nationally and internationally recognised FE and HE institutions to close the digital and technical skills gap in food and farming, attracting and developing talent in Gloucestershire.
- exploiting improvements in connectivity, transport and storage solutions to enhance the opportunities of this investment to benefit local farms, food businesses and communities; engaging with Local Authorities, Local Nature Partnership and community initiatives, to ensure that our plans complement other relevant initiatives, such as Gloucestershire's emerging Health and Wellbeing Strategy.[46]

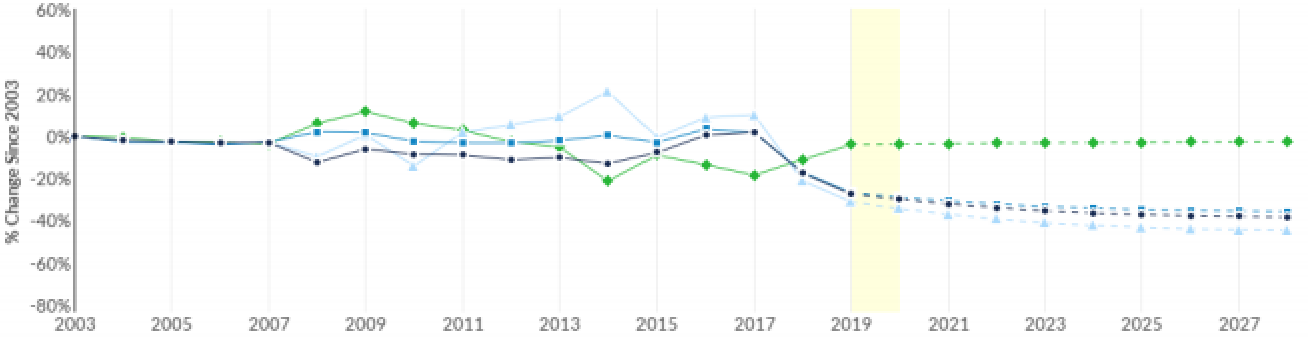
[46] Gloucestershire Health and Wellbeing Strategy – Gloucestershire County Council

Financial and Insurance Activities

Industry Summary for Financial and insurance activities

7,891	-3.5%	£38,868
Jobs (2019) 20% below National average	% Change (2019-2020) Nation: +0.0%	Avg. Wages Per Job (2019) Nation: £61,870

Regional Trends

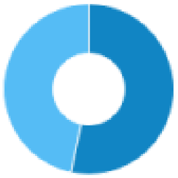


	Region	2019 Jobs	2020 Jobs	Change	% Change
●	Region	7,891	7,616	-275	-3.5%
■	South West	61,142	59,390	-1,752	-2.9%
▲	Bath and North East Somerset, North Somerset and South Gloucestershire	6,950	6,620	-330	-4.7%
◆	West Midlands	67,019	67,204	185	0.3%

Occupations Employed by this Industry

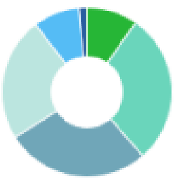
Description	Employed in Industry (2019)	% of Total Jobs in Industry (2019)
Bank and post office clerks	693	8.8%
Finance and investment analysts and advisers	660	8.4%
Pensions and insurance clerks and assistants	553	7.0%
Financial institution managers and directors	483	6.1%
Brokers	455	5.8%

National Industry Gender Breakdown



Gender	2016 Jobs
Males	53.4%
Females	46.6%

National Industry Age Breakdown



Age	2016 Jobs
16-24	9.7%
25-34	28.9%
35-44	27.4%
45-54	23.6%
55-64	8.8%
65+	1.6%

Gross Value Added (GVA)

£351.7m	£287.4m	£13.7m	£652.8m
Earnings (2016)	Capital Income (2016)	Taxes on Production less Subsidies (2016)	Total GVA (2016)

Industry Requirements

Purchases from	In-region Purchases	Imported Purchases	Total Purchases
Non-life insurance	£30,603,688	£43,453,336	£74,057,024
Business and other management consultancy activities	£43,427,773	£12,473,263	£55,901,036
Life insurance	£55,096,469	£0	£55,096,469
Computer consultancy activities	£18,450,164	£16,466,674	£34,916,838
Activities of head offices	£24,522,894	£9,621,953	£34,144,847

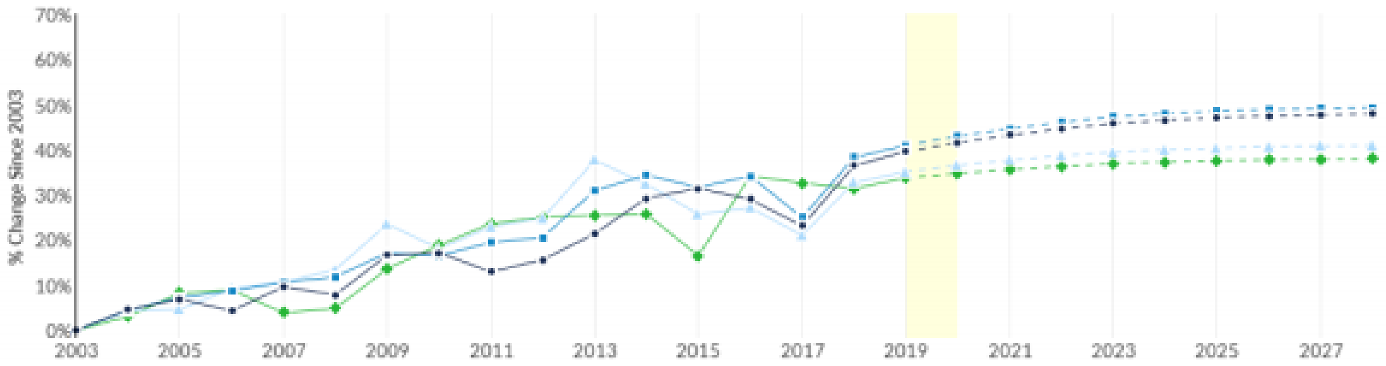
The finance industry is responsible for managing the money of individuals and businesses. The services provided by the industry can include banks and building Societies, investment funds, accountancy, consumer finance, credit card companies, insurance and financial planning. The professional services industry includes professional, scientific and technical actviivites, which require a high degree of training and make specialised knowledge and skills available to users. The output growth in the sector is mainly driven by the demand for more programming, software development and technical roles.

Human Health and Social Work Activities

Industry Summary for Human health and social work activities

43,079	+1.4%	£21,758
Jobs (2019)	% Change (2019-2020)	Avg. Wages Per Job (2019)
10% above National average	Nation: +0.6%	Nation: £24,706

Regional Trends

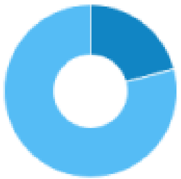


	Region	2019 Jobs	2020 Jobs	Change	% Change
●	Region	43,079	43,685	606	1.4%
■	South West	377,668	383,075	5,407	1.4%
▲	Bath and North East Somerset, North Somerset and South Gloucestershire	42,569	43,007	438	1.0%
◆	West Midlands	355,106	357,797	2,691	0.8%

Occupations Employed by this Industry

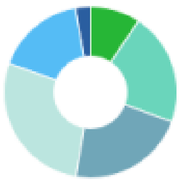
Description	Employed in Industry (2019)	% of Total Jobs in Industry (2019)
Care workers and home carers	8,126	18.9%
Nurses	5,931	13.8%
Nursing auxiliaries and assistants	3,023	7.0%
Medical practitioners	2,930	6.8%
Receptionists	1,350	3.1%

National Industry Gender Breakdown



Gender	2016 Jobs
Males	20.9%
Females	79.1%

National Industry Age Breakdown



Age	2016 Jobs
16-24	9.4%
25-34	21.2%
35-44	22.1%
45-54	27.7%
55-64	16.7%
65+	2.9%

Gross Value Added (GVA)

£816.6m	£283.5m	£1.0m	£1.1b
Earnings (2016)	Capital Income (2016)	Taxes on Production less Subsidies (2016)	Total GVA (2016)

Industry Requirements

Purchases from	In-region Purchases	Imported Purchases	Total Purchases
Temporary employment agency activities	£18,410,444	£17,817,061	£36,227,506
Other social work activities without accommodation n.e.c.	£14,304,746	£19,683,492	£33,988,238
Legal activities	£7,472,142	£13,972,322	£21,444,465
Social work activities without accommodation for the elderly and disabled	£12,097,970	£5,907,294	£18,005,265
Engineering activities and related technical consultancy	£14,989,327	£2,674,482	£17,663,809

Healthcare is one of the largest employment sectors in Gloucestershire and has seen a spike in employment over recent years and these trends are set to continue largely linked to ageing demographic. Almost half of the sector workforce is made up of professional, associate professional occupations and care occupations. These are also the areas where the growth in employment is projected with some decline in administrative occupations likely. As these reflections suggest, the demand in healthcare is likely already exceeding supply, which may drive further innovation in delivery.

The Adult Social Care Workforce:

- The sector has a 7.8% vacancy rate
- Lowest number of Zero-hours contracts in South West
- 80% of the workforce is female
- Average age is 42, higher for regulated professionals at 48

- 64% of people starting new roles are recruited from within the sector (high churn within the sector) so the sector does retain experience and skills.
- Estimated 17,500 jobs in Gloucestershire - split across – local authorities (6%); independent sector (88%) and direct payment recipients (5%).

There are some clear issues in the Health & Social Care Labour Market, these are not just limited to Gloucestershire but countywide, these include:
•Vacancies (long term and turnover); hard to recruit to posts and national shortages.
•Supply of newly qualified staff is more difficult to predict now that Health Education England (HEE) no longer commission non-medical undergraduate programmes. The loss of NHS bursaries has had a significant impact on application levels and whilst applications are still in excess of places available, it has had a more significant effect on those professions which have traditionally attracted a more mature student – such as Mental Health Nursing.
•EU exit may have a significant impact on Gloucestershire. Although numbers of staff from the EU may be relatively small across the NHS in Gloucestershire (less than 4%), It is recognised that there are some services/teams with a higher concentration which may be impacted. Impact assessments have been made. However of greater note for Gloucestershire Integrated Care Service is the relatively high percentage of EU staff in Care services (approximately 12%)
Gloucestershire's Integrated Care Service's Workforce Development Plan:
•Recruitment & Retention - Over the next 5 to 10 years the labour force age projected to show the largest growth is the 60-70 age group. This combined with the changing in state pension's age (particularly for women) will mean that overall our labour force will have an older age prolife. To guarantee the retention of skills, knowledge and experience there is a need to ensure that we can preserve these older, more experienced staff members in a way that is both productive and beneficial for both staff member and employer.

•developing new routes of supply – University of Gloucestershire Nursing College - The first cohort of general nursing degree students are soon to start their 3rd year of study. There are 60 students who will qualify in the summer of 2020. The 30 students undertaking the mental health nursing degree will be starting their 2nd year in September. 30 Paramedic students commenced training in January and we are exploring with the university the feasibility of an additional intake this year. The University has had approval to run an undergraduate degree in Physiotherapy and 30 students have commenced on this programme in September. 41 Trainee Nursing Associates are starting their second year with further intakes each of 42 students planned to start in September and April.

•Apprenticeships – A greater focus on effective use of apprenticeship levy will be required in 2019/10 – to support "all entry level jobs to be offered as apprenticeships". Plans have been developed to create an apprenticeship hub for the county, funding will need to be agreed before this can be implemented. The hub will enable apprenticeships to be considered across the ICS, supporting both health and care in an integrated way and supporting the delivery of the long term plan. (there is more information about this is the future skills section of this document).

•"Proud to Care" - aiming to raise profiles of careers in care, the primary recruitment tool of Gloucestershire's Adult Social Care Service.

• Succession Planning and Upskilling - Clinical Care Pathways support; aimed at supporting skills required for transformation of services across One Gloucestershire including: Young onset dementia; Respiratory clinical pathway; End of Life Care; Falls and Rehab; Falls prevention; Cancer Pathway; Circulatory clinical pathway (CVD and Hypertension); Stroke; Diabetes (Adults with a learning disability).[47]

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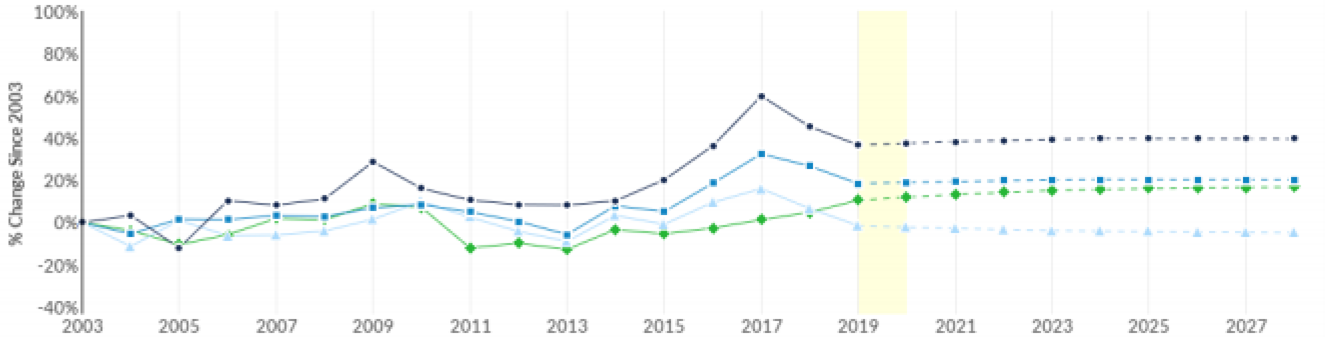
[47] One Gloucestershire, Integrated Social Care workforce strategy

Information and Communication

Industry Summary for Information and communication

11,091	+0.6%	£38,108
Jobs (2019) 13% below National average	% Change (2019-2020) Nation: +1.0%	Avg. Wages Per Job (2019) Nation: £45,606

Regional Trends

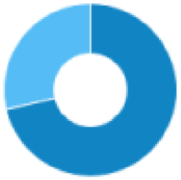


Region	2019 Jobs	2020 Jobs	Change	% Change
Region	11,091	11,160	69	0.6%
South West	79,885	80,254	369	0.5%
Bath and North East Somerset, North Somerset and South Gloucestershire	13,594	13,490	-104	-0.8%
West Midlands	74,792	75,805	1,013	1.4%

Occupations Employed by this Industry

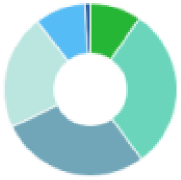
Description	Employed in Industry (2019)	% of Total Jobs in Industry (2019)
Programmers and software development professionals	1,605	14.5%
Information technology and telecommunications professionals n.e.c.	963	8.7%
IT specialist managers	837	7.5%
Sales accounts and business development managers	536	4.8%
Information technology and telecommunications directors	427	3.9%

National Industry Gender Breakdown



Gender	2016 Jobs
Males	71.3%
Females	28.7%

National Industry Age Breakdown



Age	2016 Jobs
16-24	9.6%
25-34	30.3%
35-44	27.9%
45-54	21.6%
55-64	9.4%
65+	1.1%

Gross Value Added (GVA)

£397.8m	£207.3m	£5.4m	£610.5m
Earnings (2016)	Capital Income (2016)	Taxes on Production less Subsidies (2016)	Total GVA (2016)

Industry Requirements

Purchases from	In-region Purchases	Imported Purchases	Total Purchases
Temporary employment agency activities	£15,219,643	£13,576,129	£28,795,773
Business and other management consultancy activities	£16,925,096	£2,425,483	£19,350,579
Computer consultancy activities	£10,726,496	£6,479,532	£17,206,028
Engineering activities and related technical consultancy	£14,308,315	£2,027,222	£16,335,537
Other telecommunications activities	£7,877,729	£4,301,291	£12,179,020

Cyber, Artificial Intelligence and Robotics

At present, 15.4% of young people surveyed have plans to enter the cyber-tech sector showing a good level of interest, with room to grow. 20.4% want to enter the creative industries, which is increasingly likely to incorporate advanced digital skills.[48] Gloucestershire's Higher and Further Education institutions are increasingly seeking to align the courses they offer with the many local opportunities in cyber-tech.

Digital and cyber-tech courses are now available across the county at:

- University of Gloucestershire through its School of Business and Technology and C11 Cyber Training facility at Berkeley Science and Technology Park which undertakes research and knowledge exchange activities that support innovation; delivers innovative solutions, courses, training materials in areas related to cyber-tech and digital, business growth and innovation.
- Gloucestershire College which in partnership with the University of the West of England, will offer cyber-tech degrees from September 2019.

[48] GFirst LEP Magnet County Youth Survey

- South Gloucestershire and Stroud College;
- Adult Education in Gloucestershire;
- Gloucestershire County Council Library Service; and
- Local independent training providers.

Initiative Schemes:

Cyber Valley

Cyber Valley, formed by GFirst LEP with neighbouring LEPs in Swindon and Wiltshire, Worcestershire, and The Marches, has the following ambitious objectives:

- double the size of the cyber-tech and digital sector in the region;
- position the region as the UK's largest cluster of cyber-tech and digital activity outside London; and
- promote an entrepreneurial start-up culture, attract new investment, develop talent and embed cyber-tech resilience in firms across all industries.

Cyber Valley has identified that 'there is a strong concentration of skills in cyber security within the region, which can be used to embed cyber-tech resilience through a wider industrial base, including making a strong contribution to the growth of the UK's cyber security sector directly, and supporting industries within which their demand for secure solutions grow the region's economy'.[49] This has resulted in a 185% growth in the number of registered active cyber security firms across the geography in the ten years leading up to 2017.[50] The ambition of Cyber Valley extends to promoting an entrepreneurial start-up culture and attracting new investment, which is further supported at a local level with a greater focus on ensuring the infrastructure is fit for purpose and on developing the skills and talent pipeline.

CyNam

Cyber Cheltenham (CyNam) is a locally-based community interest company whose network acts as a focal point in bringing together ideas and collaboration in the cyber-tech and digital sector. CyNam is the UK's best attended regular cluster event and boosts a 1000+ person strong community from over 100 local businesses.

CyNam brings together cyber-tech SMEs, enterprise technology companies, academia, local and central government departments as well as the investment community and wider supporting industries to fulfil a vision of enabling Cheltenham and Gloucestershire to reach its potential as a globally recognised hub of cyber-tech innovation. CyNam recently partnered with Hub8 to create a 7000sq/ft physical incubation and innovation workspace in central Cheltenham, the first purpose-built facility for private cyber tech innovation in the South West.

An additional ambition of CyNam is to demystify cyber security for those who are outside of the sector, educating and enabling the general public and wider businesses to protect their data more effectively. This includes students and children, to also inspire the cyber-tech generation of tomorrow. CyNam has so far drawn on limited private funding through industry sponsors and is run by a Board of Directors featuring Directors of various local cyber-tech companies.

Cyber Central

The planned UK cyber-tech park development located adjacent to GCHQ in Cheltenham will encourage new and existing businesses to develop within the Cheltenham

[49] Cyber Resilience Alliance (now Cyber Valley) – Science and Innovation Audit
[50] Source: University of Gloucestershire

cyber-tech cluster. Cyber Central must be closely linked to GCHQ, connected with data and people, as well as being suitably linked with the county's main centres of Cheltenham and Gloucester. Infrastructure is key, with a need to fully address challenges of congestion on the A40, Cheltenham Spa railway station and the limited entry and exit at junction 10 of the M5 motorway.

GFirst LEP has committed £22m towards infrastructure improvements in the vicinity of Cyber Central to unlock the first phases of development at the site.
Cyber Central is expected to host the National Cyber Security Centre's (NCSC's) National Cyber Innovation Centre, a dedicated facility to harness government, academic and private sector expertise to develop UK cyber-tech capability and businesses.
The park will also host:

- a research and education facility for development of cutting-edge research in cyber-tech;
- zoned space that can cater for different industry requirements;
- a dedicated hub to house local cyber-tech start-ups originating in part from the NCSC and its innovation centre;
- larger corporate businesses; and
- a skills and visitor centre.

This will require a broad-based collaboration across local, national and international academia, including world-leading accredited research universities. The emerging masterplan for Cyber Central also sets out the need for a residential offering relevant to the local workforce including:

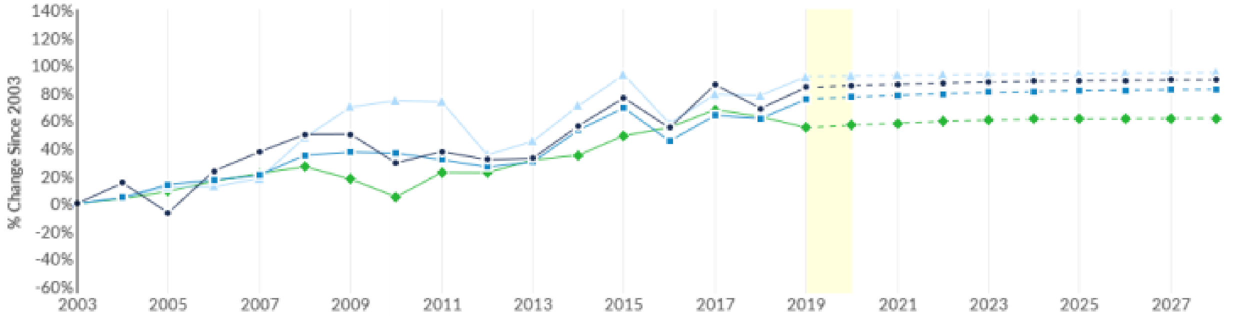
- hotel and conference facilities – which will be important to establish Cyber Central as an internationally significant venue for the sector;
- housing and leisure facilities – which will draw talent, particularly young talent, to the park; and
- ensuring that the local community of West Cheltenham, including some of the most deprived parts of the county, can use the facilities and interact with the Cyber Central community, helping to raise local aspirations about careers in cyber-tech.

Professional, Scientific and Technical Activities

Industry Summary for Professional, scientific and technical activities

24,254	+0.7%	£31,660
Jobs (2019)	% Change (2019-2020)	Avg. Wages Per Job (2019)
8% below National average	Nation: +1.4%	Nation: £42,300

Regional Trends

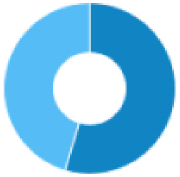


	Region	2019 Jobs	2020 Jobs	Change	% Change
●	Region	24,254	24,418	164	0.7%
■	South West	203,646	205,521	1,875	0.9%
▲	Bath and North East Somerset, North Somerset and South Gloucestershire	28,036	28,110	74	0.3%
◆	West Midlands	174,556	176,534	1,978	1.1%

Occupations Employed by this Industry

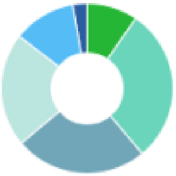
Description	Employed in Industry (2019)	% of Total Jobs in Industry (2019)
Management consultants and business analysts	1,324	5.5%
Book-keepers, payroll managers and wages clerks	1,082	4.5%
Sales accounts and business development managers	842	3.5%
Other administrative occupations n.e.c.	760	3.1%
Marketing and sales directors	609	2.5%

National Industry Gender Breakdown



Gender	2016 Jobs
Males	54.6%
Females	45.4%

National Industry Age Breakdown



Age	2016 Jobs
16-24	9.6%
25-34	29.3%
35-44	25.0%
45-54	21.6%
55-64	11.8%
65+	2.7%

Gross Value Added (GVA)

£585.8m	£508.5m	£25.5m	£1.1b
Earnings (2016)	Capital Income (2016)	Taxes on Production less Subsidies (2016)	Total GVA (2016)

Industry Requirements

Purchases from	In-region Purchases	Imported Purchases	Total Purchases
Business and other management consultancy activities	£95,798,312	£17,459,829	£113,258,140
Engineering activities and related technical consultancy	£63,399,210	£15,670,155	£79,069,365
Activities of head offices	£44,775,173	£24,403,900	£69,179,073
Temporary employment agency activities	£30,545,746	£27,444,311	£57,990,056
Accounting, bookkeeping and auditing activities; tax consultancy	£20,395,563	£30,988,572	£51,384,135

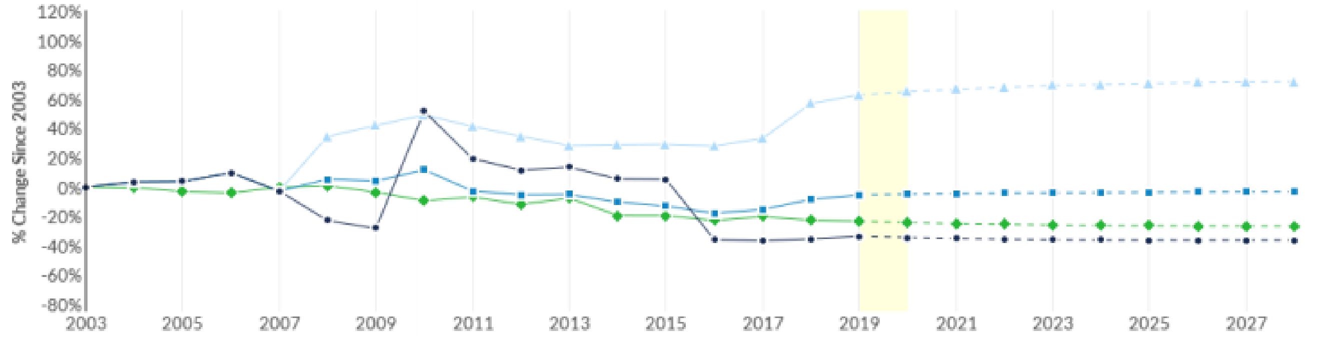
This sector is smaller on average than the national profile and has seen a small rise in professional occupations, such as Solicitors, Veterinarians, Programmers etc. and in associate professional occupations such as Legal and Marketing associates.

Public Administration and Defence, Compulsory Social Security

Industry Summary for Public administration and defence; compulsory social security

8,283	-1.1%	£26,654
Jobs (2019)	% Change (2019-2020)	Avg. Wages Per Job (2019)
35% below National average	Nation: -0.1%	Nation: £31,535

Regional Trends

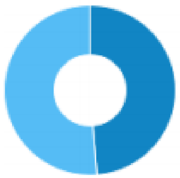


	Region	2019 Jobs	2020 Jobs	Change	% Change
●	Region	8,283	8,195	-88	-1.1%
■	South West	111,723	112,265	542	0.5%
▲	Bath and North East Somerset, North Somerset and South Gloucestershire	23,040	23,331	291	1.3%
◆	West Midlands	92,163	91,184	-979	-1.1%

Occupations Employed by this Industry

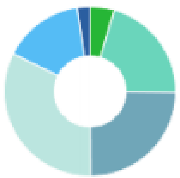
Description	Employed in Industry (2019)	% of Total Jobs in Industry (2019)
Police officers (sergeant and below)	1,021	12.3%
National government administrative occupations	789	9.5%
Local government administrative occupations	543	6.6%
Fire service officers (watch manager and below)	333	4.0%
Public services associate professionals	248	3.0%

National Industry Gender Breakdown



Gender	2016 Jobs
Males	48.7%
Females	51.3%

National Industry Age Breakdown



Age	2016 Jobs
16-24	4.6%
25-34	20.6%
35-44	24.7%
45-54	32.4%
55-64	15.2%
65+	2.5%

Gross Value Added (GVA)

£225.2m	£196.5m	£0	£421.7m
Earnings (2016)	Capital Income (2016)	Taxes on Production less Subsidies (2016)	Total GVA (2016)

Industry Requirements

Purchases from	In-region Purchases	Imported Purchases	Total Purchases
Legal activities	£8,288,044	£12,209,108	£20,497,152
Other monetary intermediation	£5,608,282	£7,319,505	£12,927,787
Renting and operating of own or leased real estate	£9,847,077	£2,347,749	£12,194,826
Business and other management consultancy activities	£9,171,649	£804,368	£9,976,017
Primary education	£8,389,020	£1,329,667	£9,718,687

This sector includes public administration, defence, compulsory social security and education. The levels of employment in the sector may decline slightly over the next years mainly projected in administrative roles. According to projections, the levels of employment in the education sector will be maintained over the coming years, which aligns with the focus on lifelong learning and education. [51]

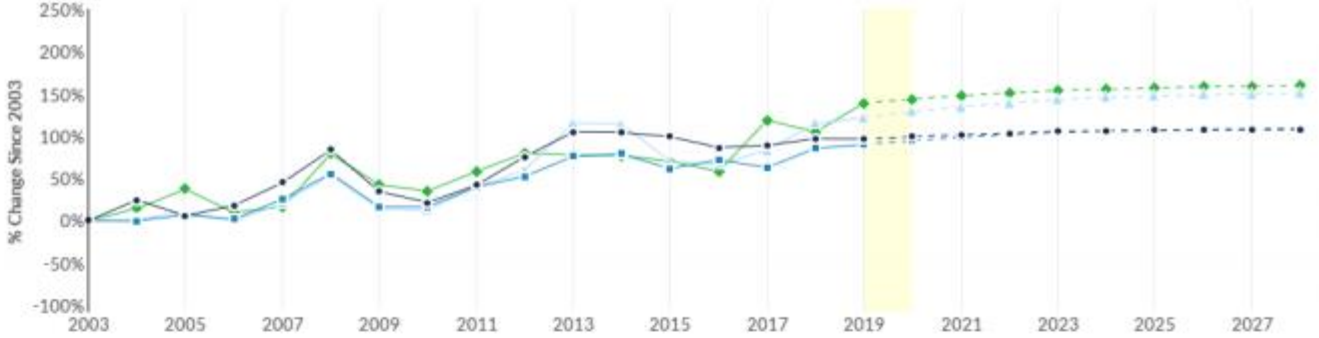
[51] Working Futures 2017-2027 – Long-run labour market and skills projections for the UK, DfE 2020

Real Estate Activities

Industry Summary for Real estate activities

5,258	+1.4%	£26,967
Jobs (2019)	% Change (2019-2020)	Avg. Wages Per Job (2019)
1% below National average	Nation: +1.1%	Nation: £30,244

Regional Trends

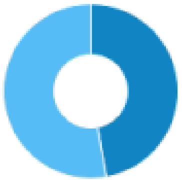


	Region	2019 Jobs	2020 Jobs	Change	% Change
●	Region	5,258	5,331	73	1.4%
■	South West	53,670	54,957	1,287	2.4%
▲	Bath and North East Somerset, North Somerset and South Gloucestershire	7,350	7,575	225	3.1%
◆	West Midlands	58,269	59,423	1,154	2.0%

Occupations Employed by this Industry

Description	Employed in Industry (2019)	% of Total Jobs in Industry (2019)
Property, housing and estate managers	869	16.5%
Estate agents and auctioneers	778	14.8%
Other administrative occupations n.e.c.	367	7.0%
Housing officers	264	5.0%
Book-keepers, payroll managers and wages clerks	151	2.9%

National Industry Gender Breakdown



Gender	2016 Jobs
Males	47.1%
Females	52.9%

National Industry Age Breakdown

Age	2016 Jobs
16-24	8.9%
25-34	19.5%
35-44	21.6%
45-54	26.5%
55-64	16.9%
65+	6.7%

Gross Value Added (GVA)

£107.9m	£451.3m	£10.0m	£569.2m
Earnings (2016)	Capital Income (2016)	Taxes on Production less Subsidies (2016)	Total GVA (2016)

Industry Requirements

Purchases from	In-region Purchases	Imported Purchases	Total Purchases
Other monetary intermediation	£17,864,998	£23,469,021	£41,334,019
Construction of residential and non-residential buildings	£24,007,461	£422,257	£24,429,718
Electrical installation	£11,894,725	£208,002	£12,102,727
Construction of other civil engineering projects n.e.c.	£7,174,755	£3,264,981	£10,439,736
Engineering activities and related technical consultancy	£9,792,533	£233,527	£10,026,061

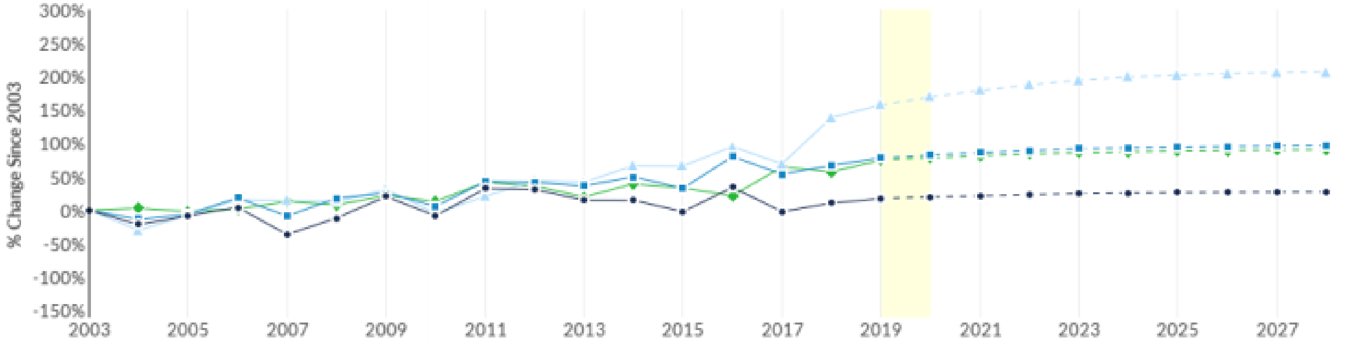
Projections for this sector suggest modest long-term growth, This is partly driven by an expected slowdown in investment due to uncertainty around Brexit with high concentration of EU migrants (now adding coronavirus restrictions to the mix of unknown variables) as well as the skills shortage facing the sector. Recent reports have shown the sector is struggling to attract and retain young workers and the skills demanded are becoming outdated due to technological advances. However, the sector will continue to deliver long-term major public infrastructure projects and global commitments to climate change and sustainability will be key concerns, generating new opportunities and challenges for the construction sector. Environment policy in the built environment is anticipated to create new opportunities and areas of growth in the sector, as companies seek innovative technologies to adapt to wider environmental concerns.

Water Supply; Sewerage, Waste Management and Remediation Activities

Industry Summary for Water supply; sewerage, waste management and remediation activities

1,811	+2.0%	£33,891
Jobs (2019)	% Change (2019-2020)	Avg. Wages Per Job (2019)
18% below National average	Nation: +1.7%	Nation: £35,435

Regional Trends

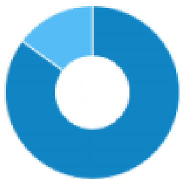


	Region	2019 Jobs	2020 Jobs	Change	% Change
●	Region	1,811	1,848	37	2.0%
■	South West	22,456	23,013	557	2.5%
▲	Bath and North East Somerset, North Somerset and South Gloucestershire	5,468	5,722	254	4.6%
◆	West Midlands	23,327	23,809	482	2.1%

Occupations Employed by this Industry

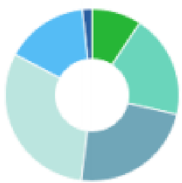
Description	Employed in Industry (2019)	% of Total Jobs in Industry (2019)
Large goods vehicle drivers	421	23.3%
Refuse and salvage occupations	402	22.2%
Metal working production and maintenance fitters	75	4.1%
Waste disposal and environmental services managers	65	3.6%
Street cleaners	59	3.3%

National Industry Gender Breakdown



Gender	2016 Jobs
Males	85.1%
Females	14.9%

National Industry Age Breakdown



Age	2016 Jobs
16-24	9.2%
25-34	19.4%
35-44	23.4%
45-54	30.8%
55-64	15.4%
65+	1.8%

Gross Value Added (GVA)

£71.8m	£50.5m	£5.0m	£127.3m
Earnings (2016)	Capital Income (2016)	Taxes on Production less Subsidies (2016)	Total GVA (2016)

Industry Requirements

Purchases from	In-region Purchases	Imported Purchases	Total Purchases
Collection of non-hazardous waste	£9,984,623	£35,988,861	£45,973,485
Treatment and disposal of non-hazardous waste	£11,763,856	£7,124,895	£18,888,751
Recovery of sorted materials	£5,181,884	£6,469,545	£11,651,429
Freight transport by road	£4,345,727	£6,601,647	£10,947,373
Other monetary intermediation	£2,442,496	£6,444,832	£8,887,328

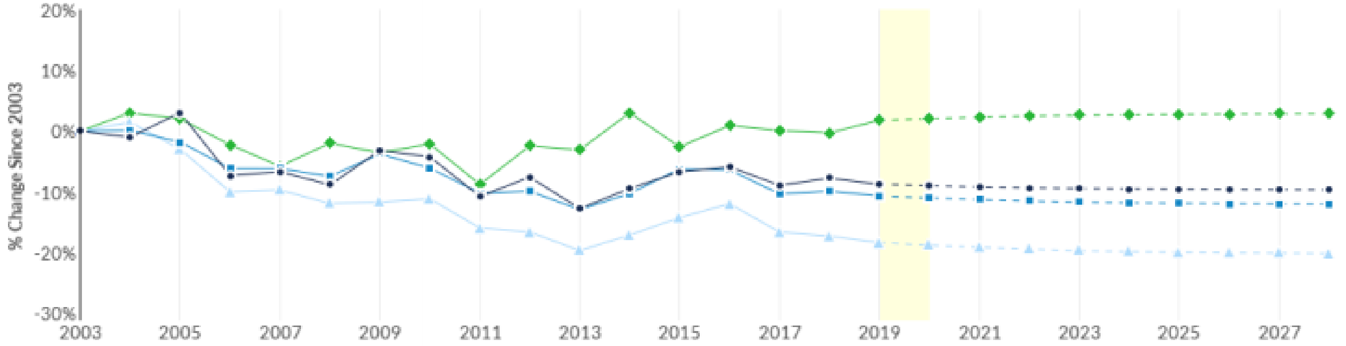
This another sector where further investment in “agri-tech” is expected to grow agricultural output potentially requiring new skills and increased productivity within the sector i.e. producing more from less land resource devoted to production.

Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles

Industry Summary for Wholesale and retail trade; repair of motor vehicles and motorcycles

45,241	-0.2%	£22,251
Jobs (2019) 0% above National average	% Change (2019-2020) Nation: +0.2%	Avg. Wages Per Job (2019) Nation: £23,975

Regional Trends

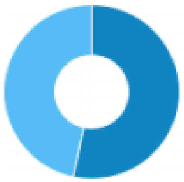


	Region	2019 Jobs	2020 Jobs	Change	% Change
●	Region	45,241	45,129	-112	-0.2%
■	South West	402,197	400,702	-1,495	-0.4%
▲	Bath and North East Somerset, North Somerset and South Gloucestershire	47,337	47,093	-244	-0.5%
◆	West Midlands	444,868	446,058	1,190	0.3%

Occupations Employed by this Industry

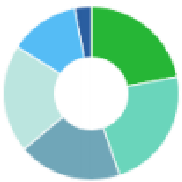
Description	Employed in Industry (2019)	% of Total Jobs in Industry (2019)
Sales and retail assistants	9,806	21.7%
Managers and directors in retail and wholesale	2,856	6.3%
Retail cashiers and check-out operators	2,241	5.0%
Elementary storage occupations	2,201	4.9%
Sales supervisors	1,847	4.1%

National Industry Gender Breakdown



Gender	2016 Jobs
Males	53.4%
Females	46.6%

National Industry Age Breakdown



Age	2016 Jobs
16-24	21.9%
25-34	22.8%
35-44	19.2%
45-54	20.1%
55-64	13.0%
65+	3.0%

Gross Value Added (GVA)

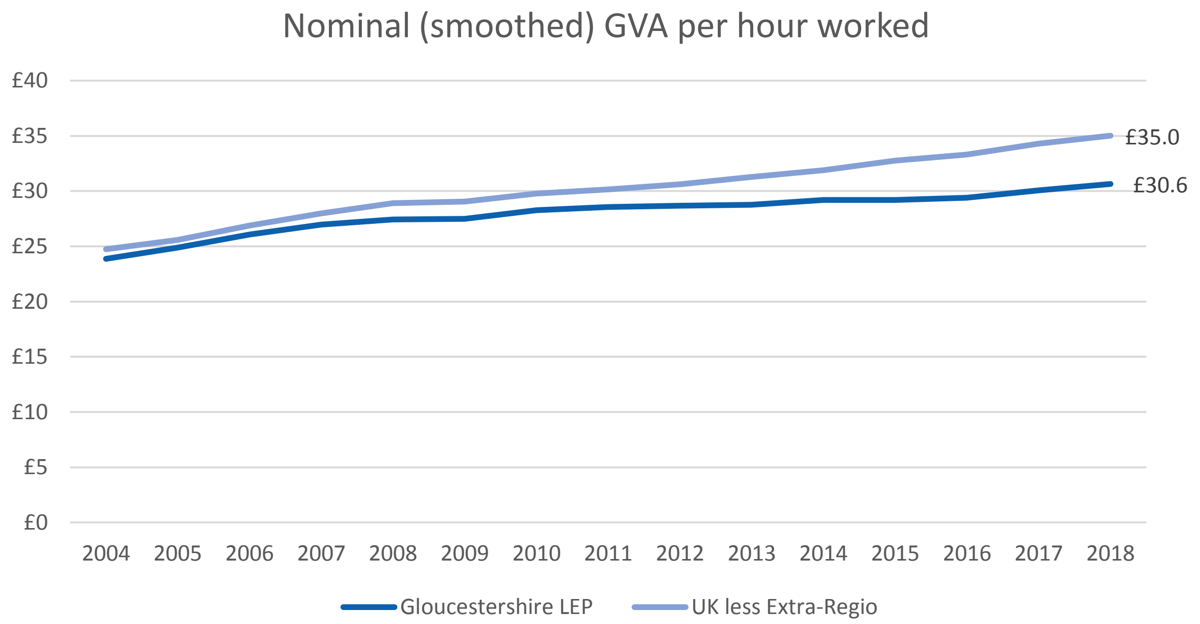
£910.2m	£393.6m	£69.1m	£1.4b
Earnings (2016)	Capital Income (2016)	Taxes on Production less Subsidies (2016)	Total GVA (2016)

Industry Requirements

Purchases from	In-region Purchases	Imported Purchases	Total Purchases
Business and other management consultancy activities	£55,874,073	£11,683,561	£67,557,634
Renting and operating of own or leased real estate	£48,106,196	£18,234,623	£66,340,819
Freight transport by road	£35,409,138	£13,973,695	£49,382,833
Warehousing and storage	£16,145,103	£33,009,701	£49,154,804
Activities of head offices	£27,913,627	£13,351,173	£41,264,800

Unfortunately, these areas have been amongst the worst affected by the outbreak and in the current uncertain climate near term job projections seem bleak. The capacity of the sector is expected to be reduced in the short-term and local efforts focused on the recovery once the economy starts to reopen. In addition, rapidly changing consumer behaviours, further accelerated during lockdown, such as switching to purchasing goods and services online, is likely to further dampen employment in retail, as new technologies improve the ease and efficiencies in online browsing and delivery.

Productivity TBC by Kate Martin



Labour productivity is defined as the quantity of goods and services produced per unit of labour input, for example, per hour worked or per filled job. It is one of the most widely used measures of economic performance. Productivity matters because increasing productivity is critical to increasing economic growth in the long-run. Strong economic growth will generally mean an improvement in living standards. Economic output can only be increased by either increasing the amount of inputs or by raising productivity."[52] Gross Value Added (GVA) per hour is a preferred indicator of regional labour productivity when benchmarking regions differing in geographical size, economic output and population. It measures productivity by dividing the products and services by the labour input (hours worked) to create it.

The 2016 UK Competitiveness Index[53] ranks GFirst as the 14th (out of 38) most competitive LEP in the country. Similarly, in 2012, LEP Network data placed GFirst as the 9th most resilient LEP area. Total output of the county's economy represents 13% of the value of output in the South West and 1% of the UK economy[54]. According to latest figures In 2018 Gloucestershire's GVA per hour worked was £30.6, When compared to the other 38 Local Enterprise Partnerships, Gloucestershire has a rank of 24 out of 38 (1 having the highest GVA per hour worked).

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[52] Labour Productivity, ONS 2019
[53] http://www.cforic.org/pages/uk-competitiveness.php
[54] Gross Value Added ONS Balanced Approach which combines income and production.
https://www.ons.gov.uk/economy/grossvalueaddedgva/bulletins/regionalgrossvalueaddedbalanceduk/1998to2016

Latest available data on GVA in Gloucestershire shows that before the crisis it was £16.5 billion per year, or £4.1 billion per quarter. Modelling the latest monthly GVA figures for the UK to the structure of the Gloucestershire economy shows this fell slightly in Q1 of 2020 (January to March), to 98% of the pre-crisis level as the initial impact of Coronavirus was felt, with the UK-wide lockdown starting in the last week of March. In Q2 of 2020 (April to June) GVA is forecast to fall to its lowest level, of between £2.9 billion and £3.7 billion across the three scenarios i.e. between 71% and 91% of the pre-crisis level. The rate of recovery from this trough varies across the three scenarios. In the best-case scenario GVA returns to the pre-crisis level in Q1 of 2021, and then continues to grow steadily thereafter. In the middle scenario the recovery to pre-crisis level happens in Q3 2022 (July to September); and in the worst-case scenario it does not recover until Q3 of 2023.[55]

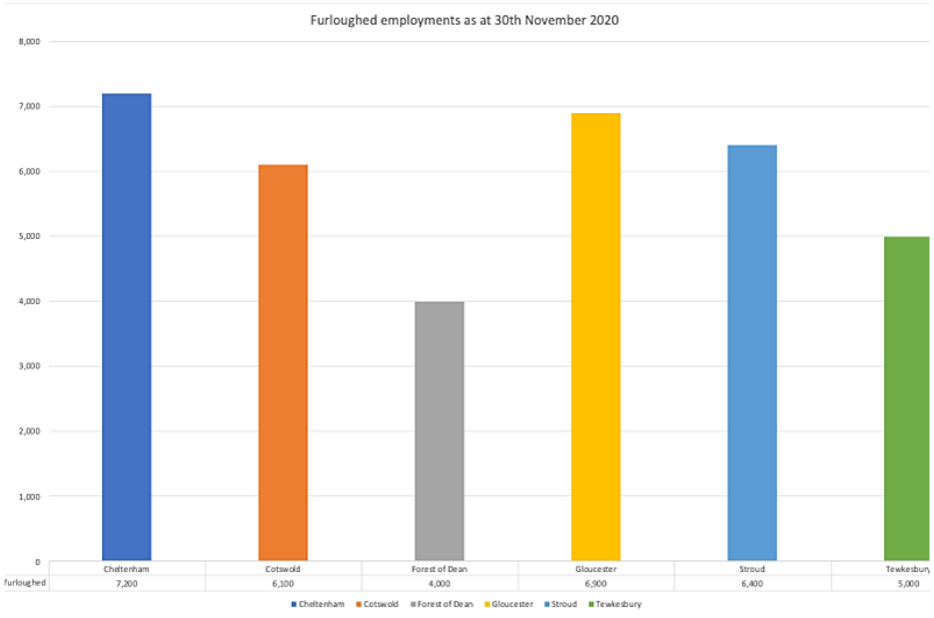
[55] Estimating the Economic Impact of Covid-19 on the Gloucestershire Economy, July 2020

COVID-19 Pandemic Economic Impact

The global Covid-19 pandemic has created more economic turmoil than the great financial crisis of 2008 and led to significant Government interventions to support the economy against strong headwinds. This situation will likely continue deep in 2021, affecting local economies and the labour market. The lockdowns created new economic conditions and constraints that businesses, organisations and institutions had never experienced including prohibitions to travel and social distancing. To support these economic stakeholders, the UK Government and devolved administrations deployed significant interventions including the Coronavirus Jobs Retention Scheme (CJRS), Self-Employment Income Support Scheme (SEISS) and mass non-domestic rates relief. Many of the interventions will likely remain in place for sometime into 2021. At this stage, the rate of recovery is hard to predict; however, using detailed Emsi labour market data, it is possible to see where we have come from and provide an indication of the economic impact of the pandemic to date.

Furloughed Workers

The total number of **workers furloughed in Gloucestershire as at the 30th November was 35,600** and provisional data released shows this figure to be **33,800** as at the **31st December**. This is an increase from the 20,000 reported to be furloughed at the end of October last year. The graph below shows the district breakdown of workers furloughed at the end of November.



Furloughed employments as at the 30th November 2020

Area	Employments furloughed	Eligible employments	*Take-up-rate
Gloucestershire	35,600	**292,200**	**12%**
South West	320,000	2,517,100	13%
England	3,209,500	25,577,800	13%

**Take up rate is the percentage of workers furloughed, as a proportion of those eligible employments*

Self Employment Income Scheme

Latest figures show the **third phase** of the **Self Employment Income Scheme** saw a total of **17,300 claims** made in Gloucestershire up to the 31st December, which had a **take up rate of 51%** of those potentially eligible and totalling **£50.4 million**.

The below graph shows the take up rate (bars) and average value of claims (third phase) represented by the line for each district and Gloucestershire, compared to the South West and England.

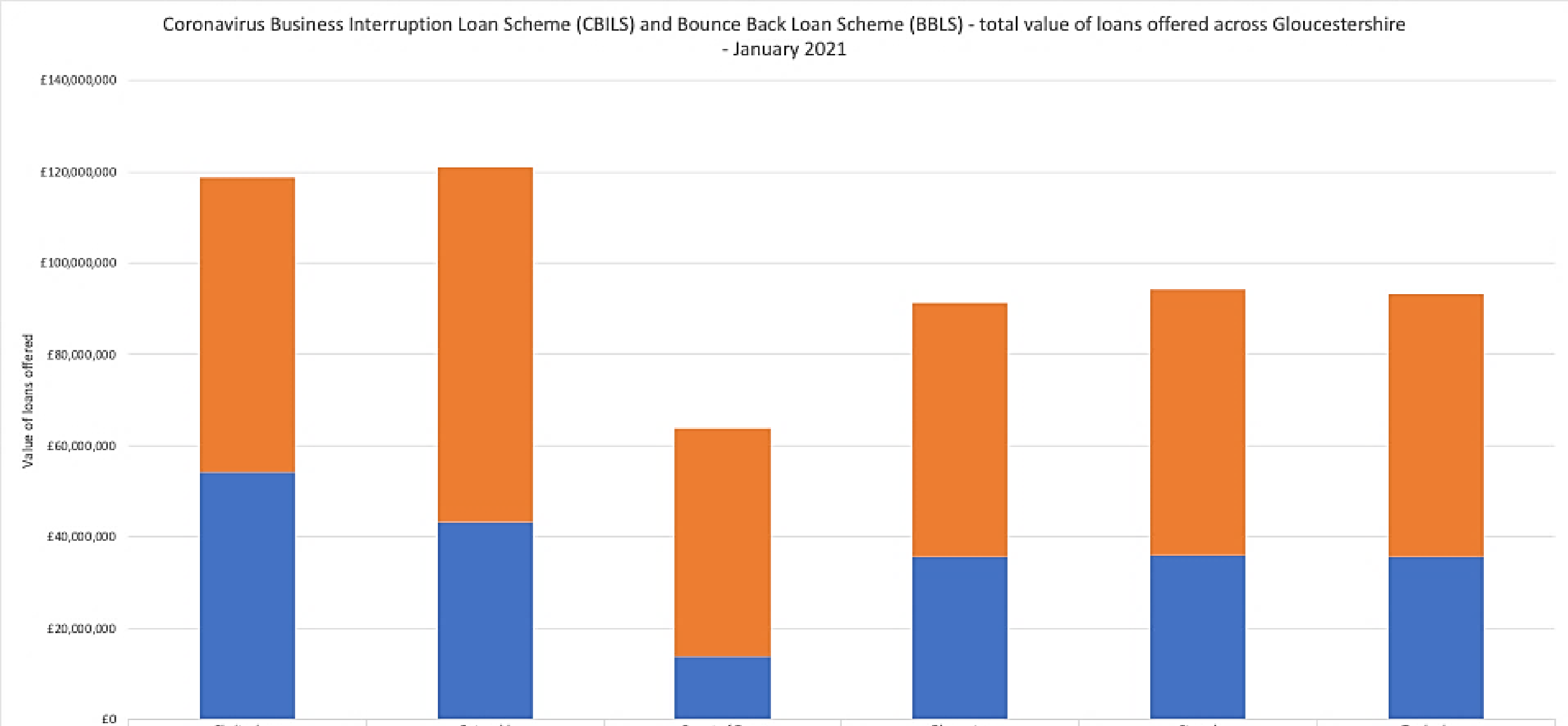
	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury	Gloucestershire	South West	England
Take-Up Rate	54%	46%	51%	58%	47%	51%	51%	52%	58%
Average value of claims made to 31/12/20 (£)	2,900	3,100	2,800	2,900	2,900	2,900	2,900	2,800	2,800

For information

- *The first grant, for which applications closed on 13th July 2020, was based on 80% of trading profits and capped at £7,500 in total.*
- *The second grant, for which applications closed on 19th October, was based on 70% of average monthly trading profits, paid out in a single instalment covering 3 months' worth of profits, and capped at £6,570 in total*
- *The third grant is now open for applications, which is worth 80% of average monthly trading profits, paid out in a single instalment covering 3 months' worth of profits, and capped at £7,500 in total.*

Coronavirus Business Interruption Loan Scheme (CBILS) and Bounce Back Loan Scheme (BBLS)

Recent figures from the British Business Bank reveal that as of January 2021, the total value of Coronavirus Business Interruption Loans (CBILS) and Bounce Back Loan Scheme (BBLS) offered to Gloucestershire businesses now stands at **£582 million**, which is an increase of around £100 million since the last figures were reported in October. The graph below shows how the loans offered by type are split across the six Gloucestershire districts, as you can see the Forest of Dean is seeing a much larger proportion of Bounce Back Loan Scheme (BBLS) numbers compared to the Coronavirus Business Interruption Loans (CBILS).



	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury
BBLS	£64,760,391	£77,543,451	£50,253,762	£55,664,709	£58,413,241	£57,554,722
CBILS	£54,072,475	£43,319,009	£13,615,105	£35,461,110	£35,949,863	£35,502,643

Constituency	CBILS		BBLS		Total	
	Number of loans offered	Value of loans offered (£m)	Number of loans offered	Value of loans offered (£m)	Number of loans offered	Value of loans offered (£m)
Cheltenham	150	£54,072,475	2198	£64,760,391	2,348	£118,832,866
Cotswold	166	£43,319,009	2670	£77,543,451	2,836	£120,862,460
Forest of Dean	78	£13,615,105	1824	£50,253,762	1,902	£63,868,866
Gloucester	133	£35,461,110	1960	£55,664,709	2,093	£91,125,819
Stroud	158	£35,949,863	2087	£58,413,241	2,245	£94,363,104
Tewkesbury	165	£35,502,643	2027	£57,554,722	2,192	£93,057,365
Gloucestershire Total	**850**	**£217,920,205**	**12766**	**£364,190,276**	**13,616**	**£582,110,480**

GFirst LEP,
University of
Gloucestershire,
Oxstalls Lane, Longlevens,
Gloucester GL2 9HW