gfirst LEP
growing gloucestershire

Gloucestershire's
**Skills Advisory Panel**

# Local Skills Report

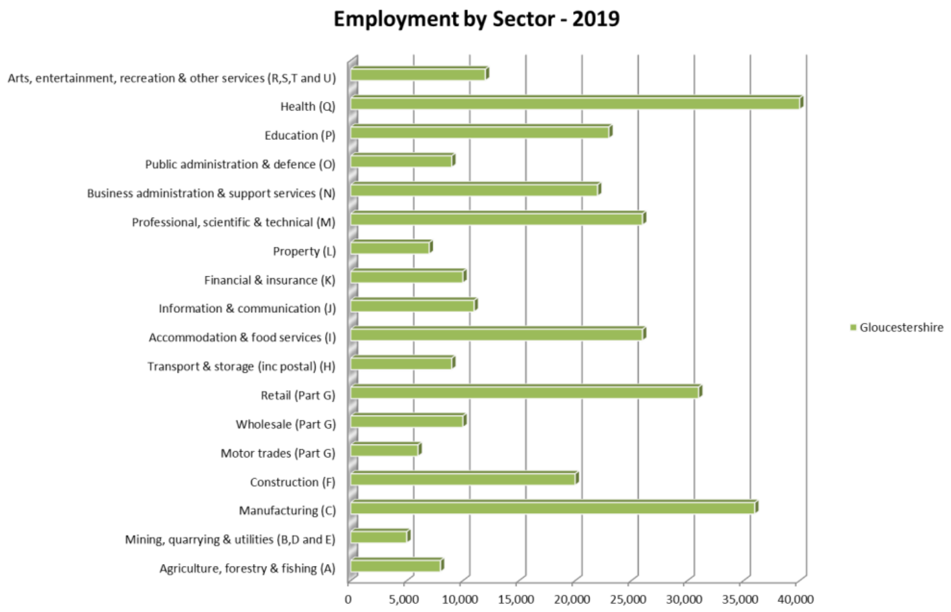
## Annex A

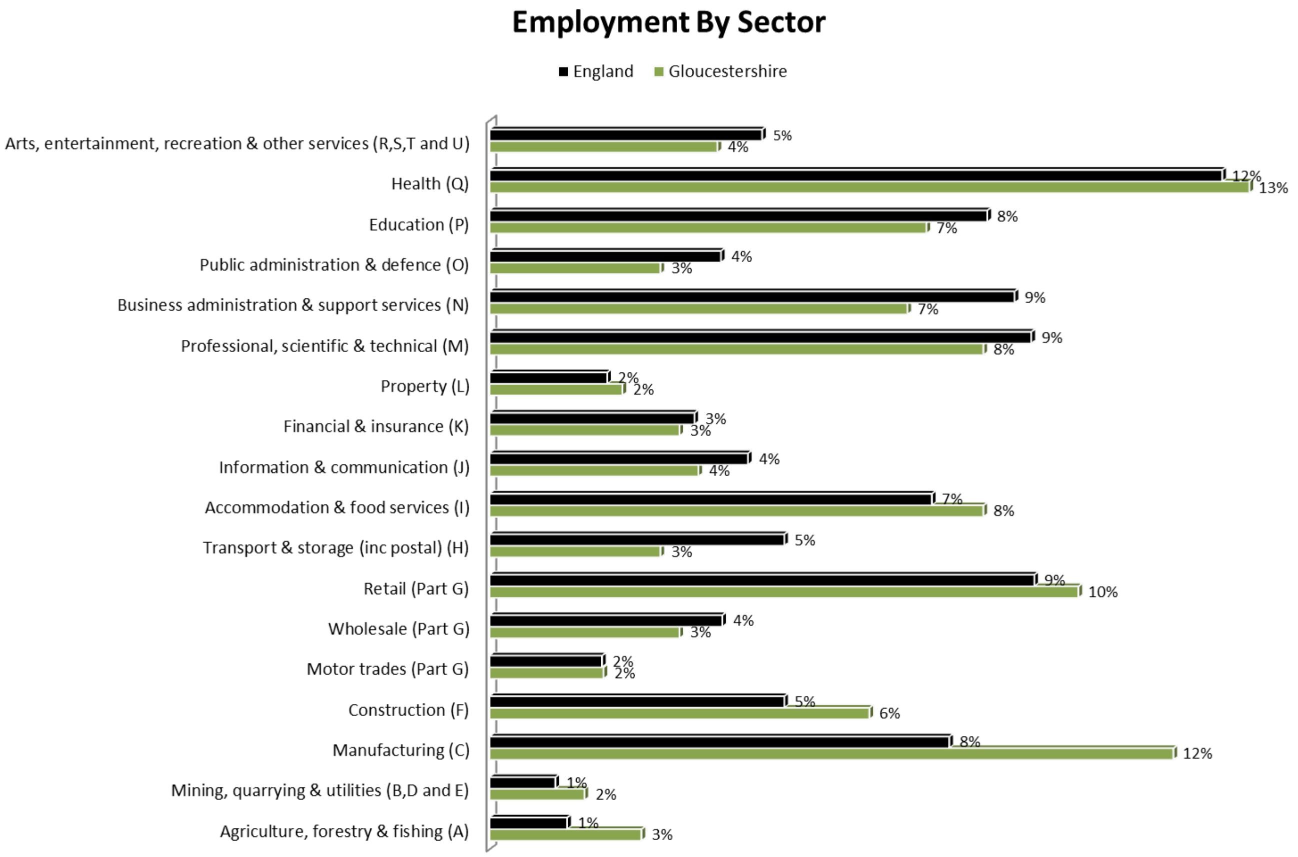
**2019 / 2020**

March 2021

## Local Landscape - Summary

- 29% of the Gloucestershire population live in rural areas compared to 17% nationally. The area therefore has a 70% higher rural population than average. This has lead to a varying performance and skills imbalance around the county.
- Gloucestershire, like most of the UK, has an ageing population. The local dynamic is unlike neighbouring places in that Gloucestershire has the highest share of 50–64-year-olds of all neighbouring areas, has declining resident workforce availability and is also a net exporter of 18–24-year-olds. This has had an impact on businesses as Gloucestershire has a higher proportion of business vacancies classed as hard to fill and skills shortage vacancies than the natural average. Helping businesses undertake succession planning will be key over the next few years.
- Business formation, entrepreneurialism and start-up rates are high in Gloucestershire but The COVID-19 pandemic and subsequent containment measures have placed SMEs firmly at the centre of the economic crisis.
- Compared to national, regional and comparator LEP areas, Gloucestershire has the highest employment rate. It is expected that nationally and locally-commissioned employment and skills initiatives will help support economic recovery and along skills and training interventions /programmes in geographically targeting of in some of the more deprived areas of the county.
- Gloucestershire has not attracted and retained those with higher skills to the same extent as comparator LEP areas, especially the West of England. Consideration should be given to how those with higher skills can be retained in Gloucestershire through the proposals for a 'Magnet County' in the Gloucestershire Local Industrial Strategy.
- 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.
- There is strong collaboration between businesses active in the cyber-tech and digital sector, academia, and nationally important institutions such as GCHQ. This is an expected growth area not just for Gloucestershire but nationally with a high percentage of young people surveyed through the LIS interested in entering the cyber-tech sector.



[1]

## Employment by Sector:

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 employing most people in Gloucestershire and accounting 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. Pre-Covid Four sectors,

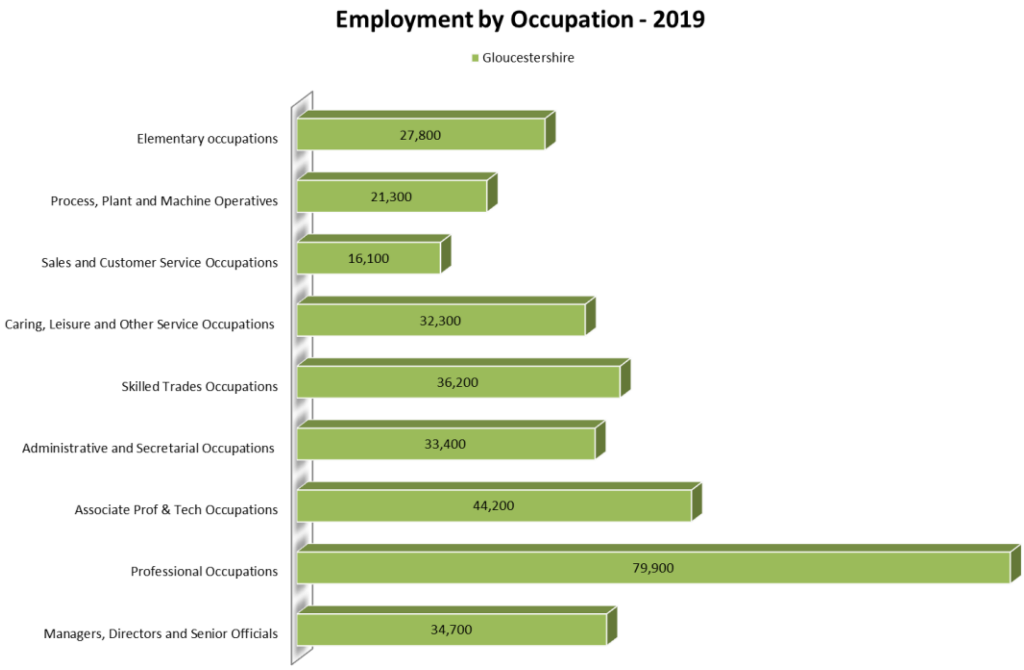
[1] Source: Business Register and Employment Survey, 2019 (published 2020), 2020 SAP boundaries

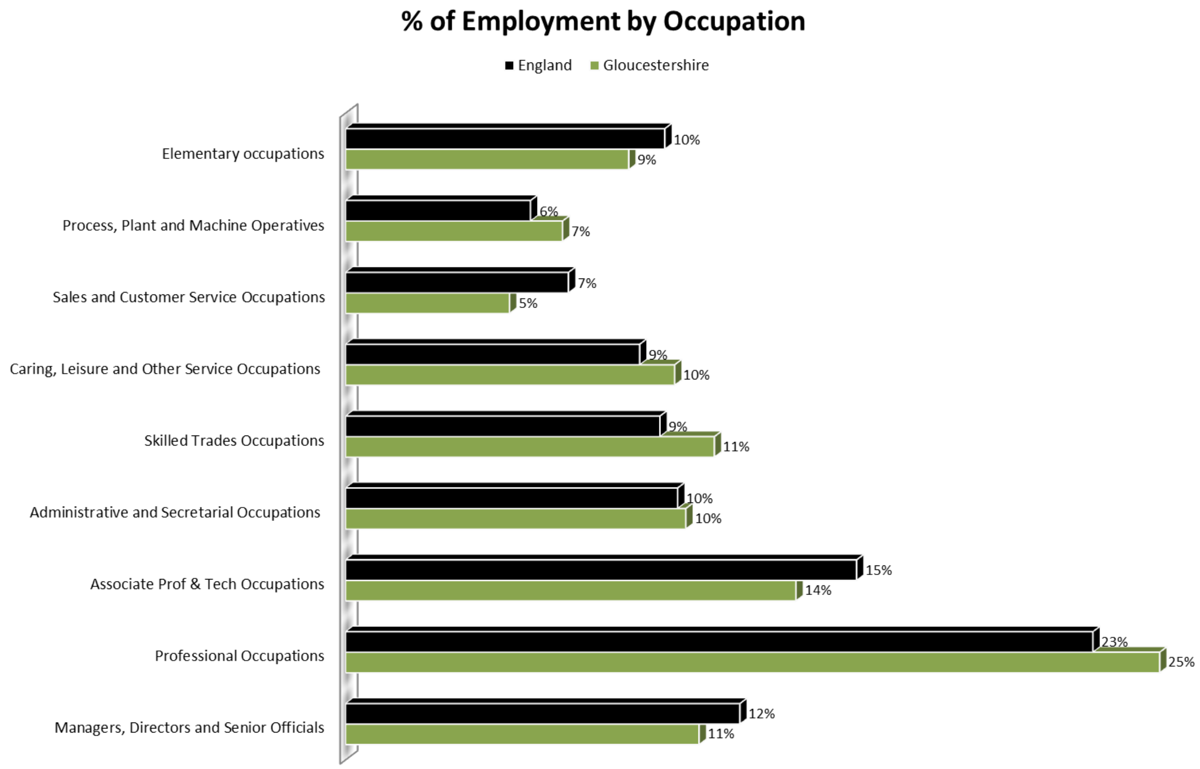
namely Agriculture, forestry & fishing; Health; Information & communication; and Accommodation & food services are anticipated to see the greatest growth over the next 20 years for Gloucestershire compared to the UK average. These sectors along with Construction; Motor trades; and Education are all expected 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. Occupations within social and residential care are high but there are still also a high number of vacancies reported, these are likely to be due to the relatively low pay and high physical demand, which is making the attraction and retention of workers progressively challenging in a post-Brexit climate.

The Finance & insurance; Property; Public administration & defence; and Transport & storage sectors are also 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, additional during the impact of Covid-19 health professionals and caring personal service occupations job postings have continued to increase.

Conversely the greatest fall is projected to be in Manufacturing, followed by Public administration & defence. Manufacturing' and 'Business and other services' sectors have the highest proportion of skills shortage vacancies, suggesting this is an area for GSAP to focus on in the future.

There may be particular recruitment challenges for the 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, these sectors are also struggling to attract and retain young workers, which are to be further affected by Brexit.



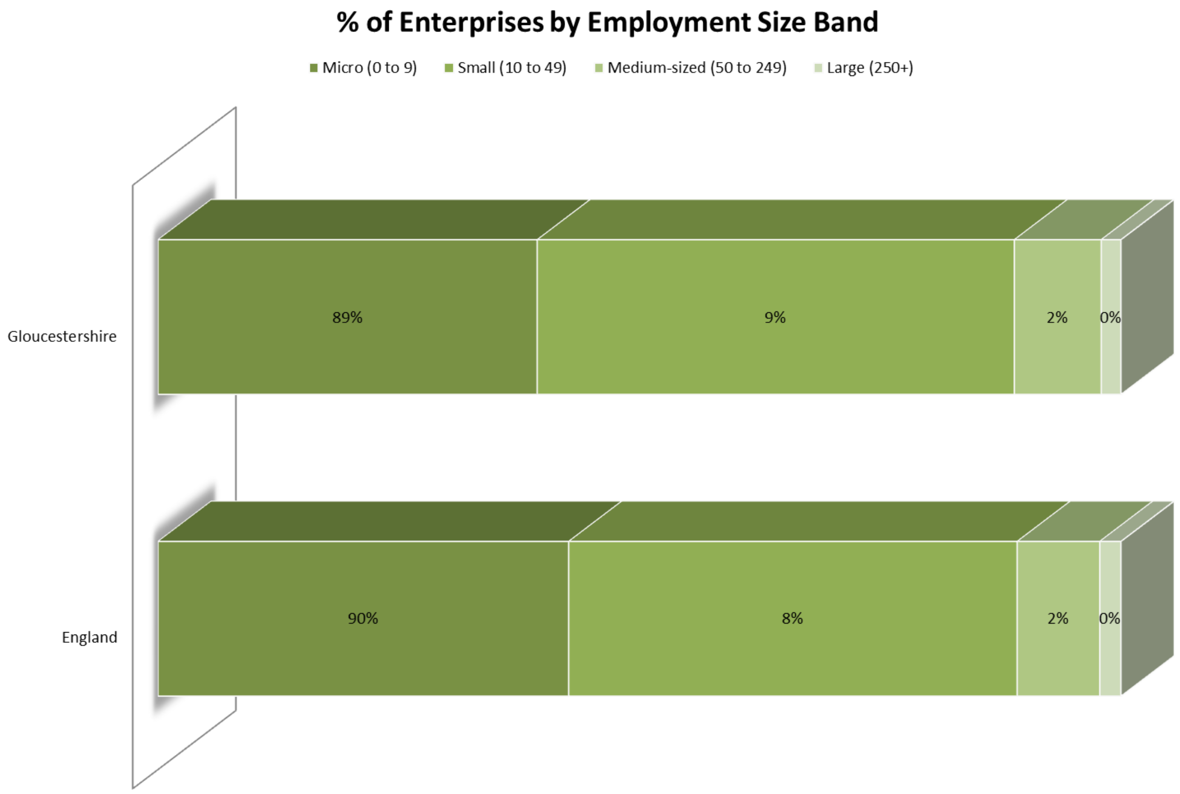


[2]

## Employment by Occupation:

Gloucestershire's occupational profile is largely similar to that seen nationally with a higher proportion of people in professional occupations, 'managers', skilled trades as well as 'administrative' and 'caring' occupations. The larger proportion of people aged 50+ in Gloucestershire means that a key influence on the scale and shape of future labour demand is related to replacement demand. Replacement demand is also likely to largely offset the decline in occupations such as administration, skilled trades, plant/machine operations and sales.

[2] Source: Business Register and Employment Survey, 2019 (published 2020), 2020 SAP boundaries



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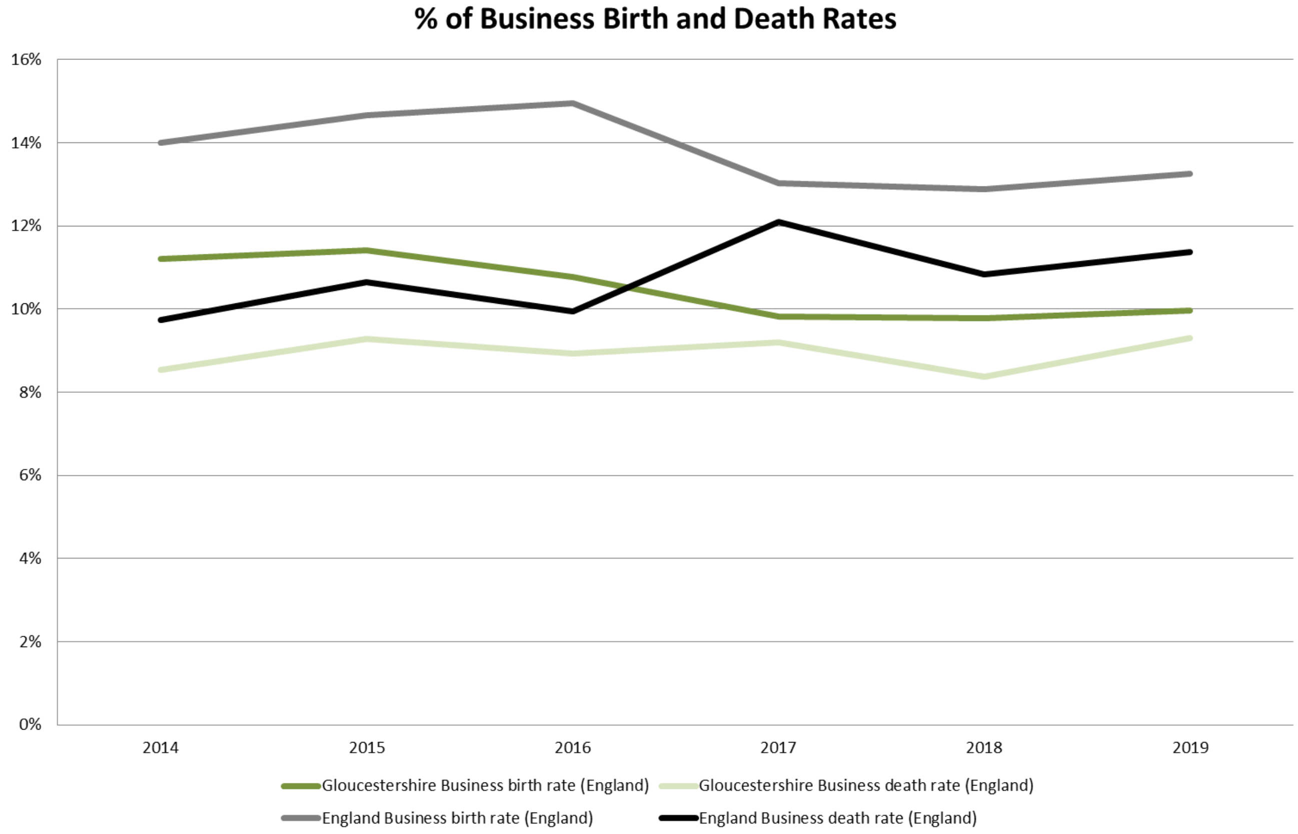
## Enterprises by Employment Size

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. 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. 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.

[3] Source: UK Business Counts, 2020, 2020 SAP boundaries

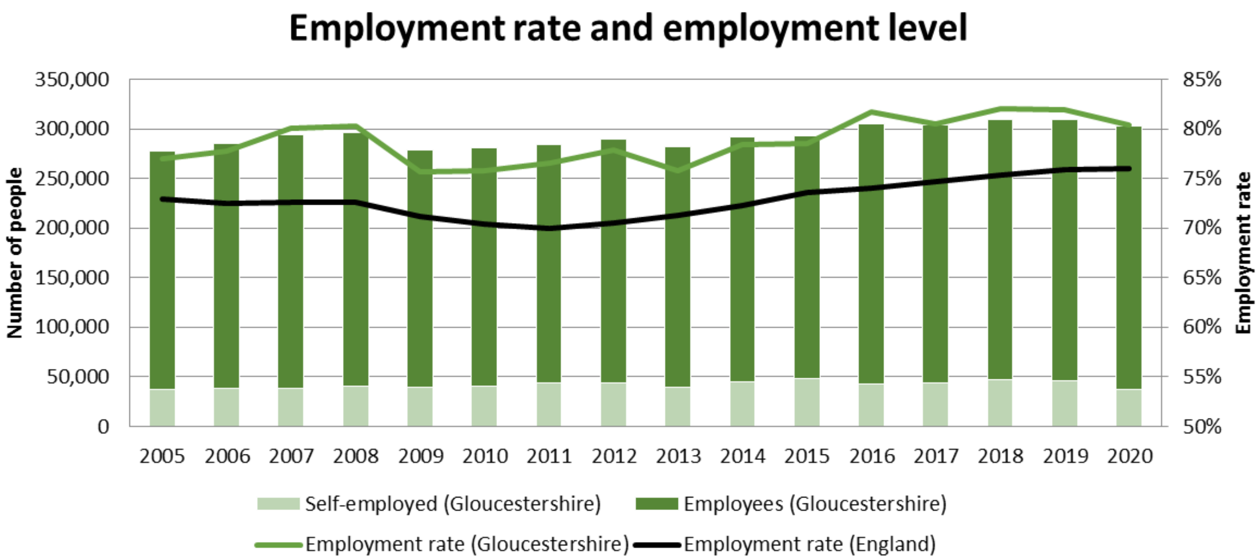


[4]

**Business Birth and Death Rates:**

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.

[4] Source: ONS Business Demography, 2014 - 2019 (published 2020), 2020 SAP boundaries

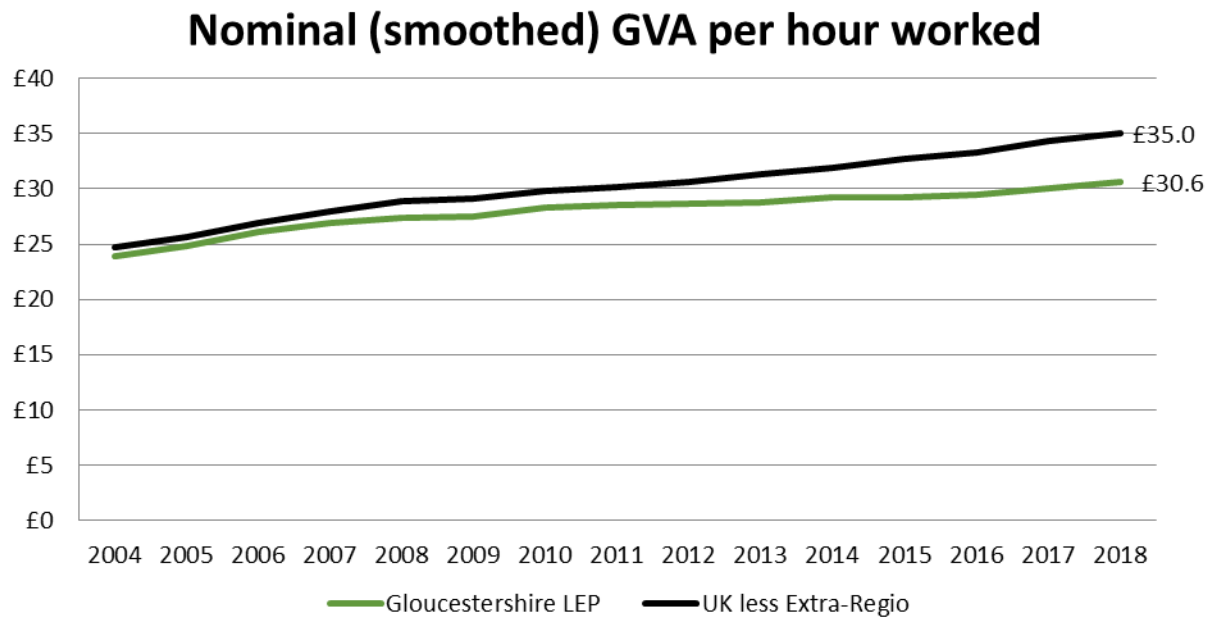


[5]

**Employment rate and level**:

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. According to the Local Economic Forecasting Model (LEFM)[6], 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. 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. As of December 2020, 51% of those potentially eligible for the Self Employment Income Scheme had claimed for support during the Covid pandemic and 12% of all workers were listed as being furloughed[7].

[5] Source: Annual Population Survey, 2005 - 2020, 2020 SAP boundaries
[6] Gfirst Local Industrial Strategy, Five Foundations of Productivity 2019
[7] Take up rate is the percentage of workers furloughed, as a proportion of those eligible employments.



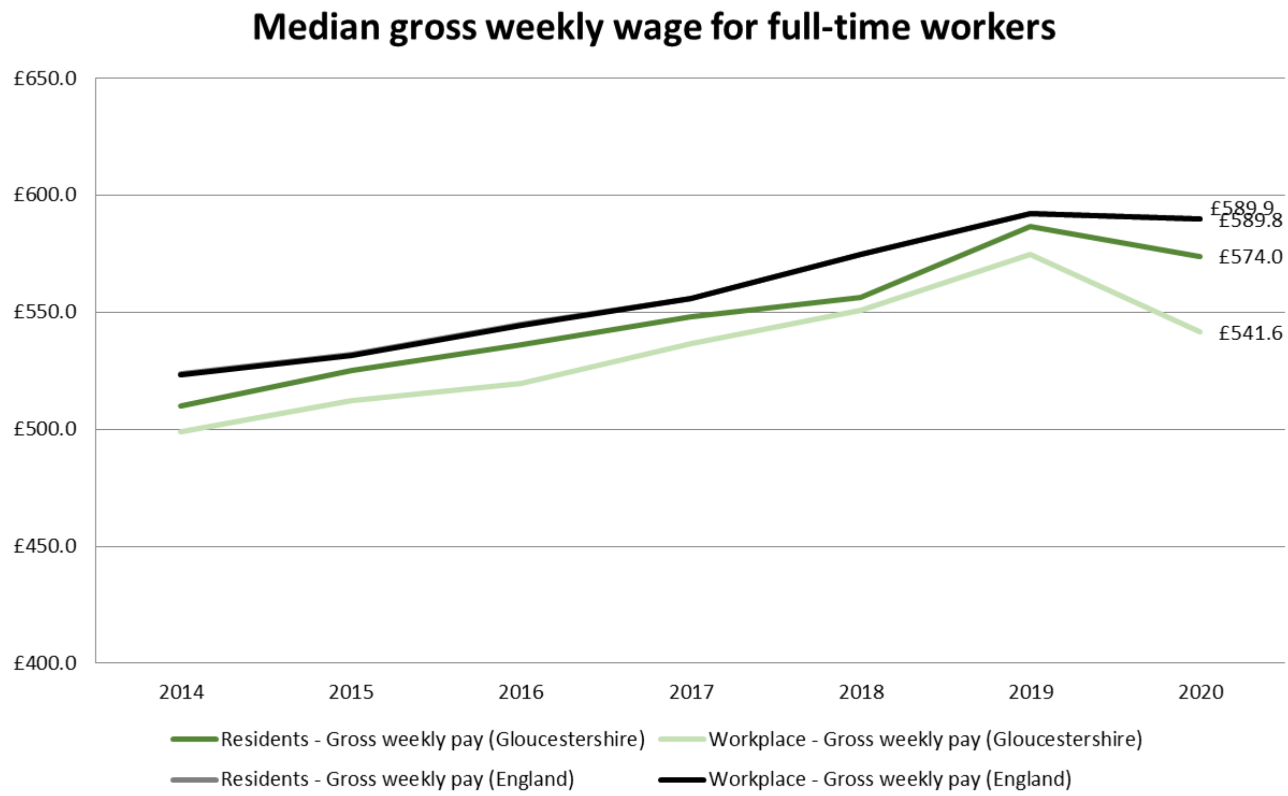

[8]

## Nominal GVA per hour worked:

Gloucestershire has generally followed the national trend in output per hour worked and per worker with growth in productivity prior to the recession, followed by several years of limited growth, which has since been followed by a return to growth. Interestingly in the run-up to the recession and the years directly following the recession, Gloucestershire's productivity grew at a slower rate than nationally, this saw a gap develop between productivity in Gloucestershire and the UK average which had not been present in 2004. However, in recent years this gap has been narrowing in terms of GVA per filled job and is fairly steady in terms of GVA per hour worked, which suggests Gloucestershire's productivity is now growing at a faster rate than nationally. The greatest growth was in Agriculture, mining, electricity, gas, water and waste; Construction,; and Other services and household activities, which suggests these sectors may have played a particular role in driving Gloucestershire's productivity growth.

Gloucestershire is amongst areas that suffered the greatest falls in their input factors according to the UKCI Input index 2019, Gloucestershire LEP was ranked 15th place. Gloucestershire LEP area observed a reduction of its UKCI Input Index score by 5.6 points, also dropping by 4 places in this listing. The dynamics of the input factors presented here illustrates that there needs to be a clear set of strategies and long-term commitment to stimulating the development of the underlying resource conditions among the LEP/city region areas.[9]

[8] Source: ONS Subregional Productivity, 2004 - 2018 (published 2020), 2018 LEP/MCA boundaries
[9] http://www.cforic.org/pages/uk-competitiveness.php

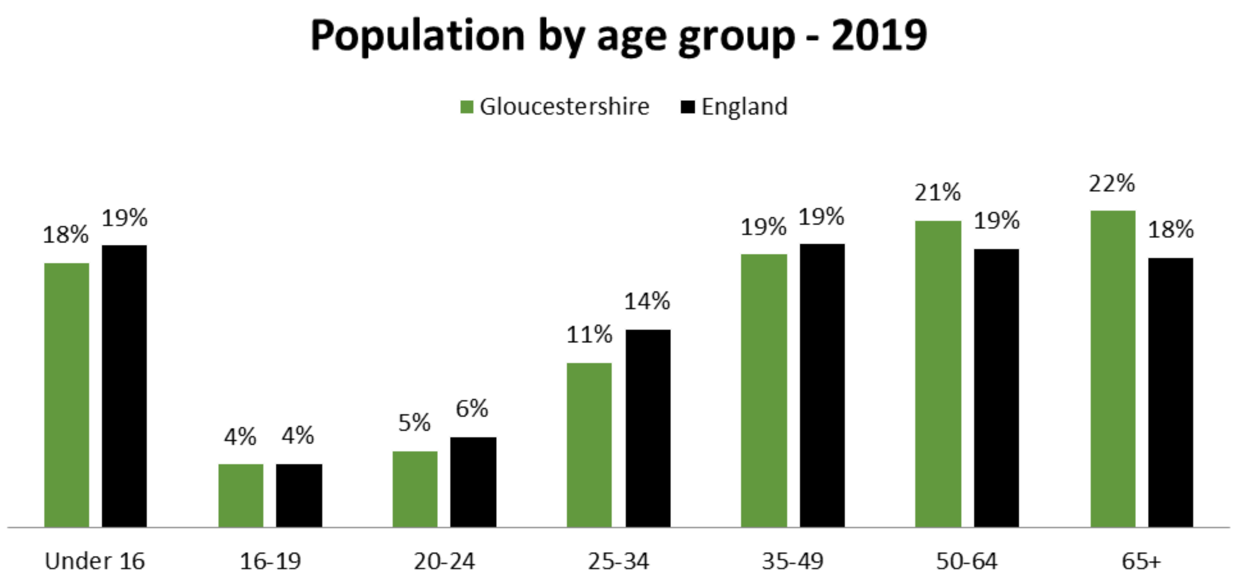


[10]

### Median gross weekly wage for full-time workers:

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. 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.

[10] Source: Annual Survey of Hours and Earnings, 2014 - 2020, 2020 LEP boundaries



[11]

## Population by age group

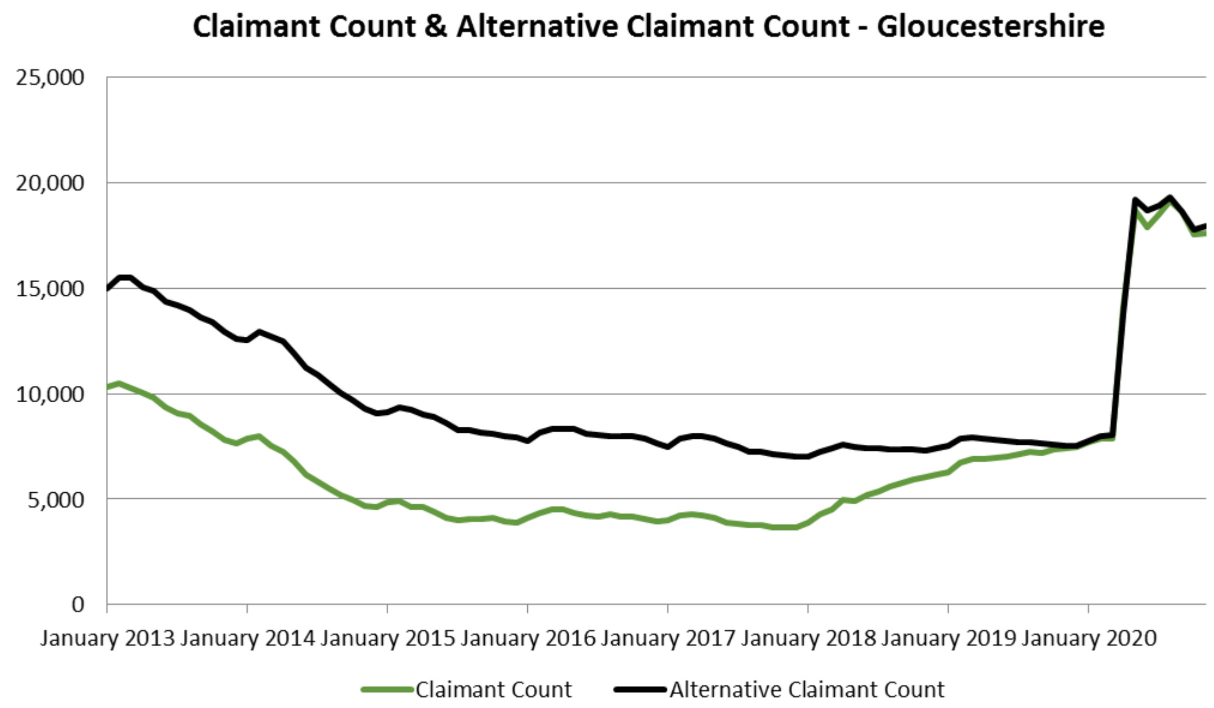
The proportion of children and young people aged 0-19 in Gloucestershire was slightly higher than that for the South West but lower than that for England and Wales. The working age population (aged 20-64) made up 56.0% of the population in Gloucestershire in 2019. This was slightly higher than the figure for South West, but lower than that for England and Wales. The proportion of people aged 65 or over (21.6%) was lower than that for South West but higher 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.

Gloucestershire does have an ageing population, the median age is 44.5 years in 2019 compared with 44.3 years in 2018 and only 39.9 in 2001. All the individual districts also have an ageing population with the exception of Tewkesbury Borough where the median age peaked at 45.0 in 2016 and has now fallen to 44.5. This is likely to be the effect of younger people moving into the Borough where there has been, and continues to be, significant new housing.

With a population continuing to age over the coming years, the simple conclusion is that there would be less labour resource available within Gloucestershire. A key influence on the scale and shape of future labour demand will therefore be related to replacement demand.

Historically Gloucestershire has been a net exporter of 18-24-year olds. A fundamental element of Gloucestershire's Local Industrial Strategy (LIS) is to become a 'magnet county', which aims to attract and retain young talent.

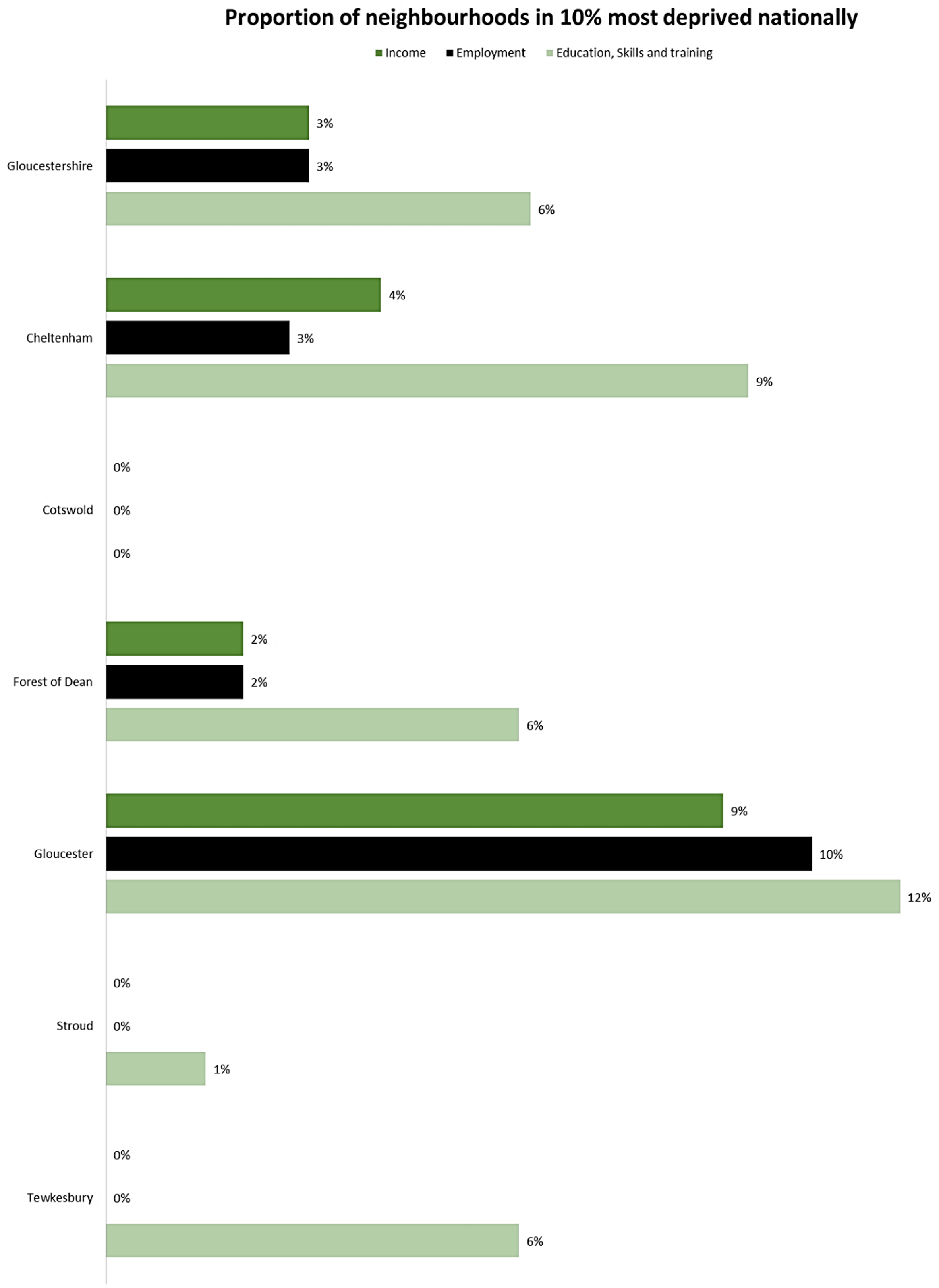
[11] Source: ONS Mid-Year Population Estimates, 2019, 2020 SAP Boundaries




[12]

**Claimant Count and Alternative Claimant Count:**
Historical the unemployment claimant rate for Gloucestershire has closely followed the regional rate and although both mirror the national trend. Although unemployment in the county is generally low, there were a number of wards with claimant rates above the county average showing there is work to be done geographical to target support in the more deprived areas of the County.
As of November 2020 claimant rate remained the same as the previous month at 4.6% (the value is expressed as a proportion of residents aged 16-64). The November 2020 total now stands at 17,890 compared to the October 2020 figure of 17,535 which is a monthly increase of 325. The November 2020 figure for the South West is 5.0%, England is 6.4% and the UK figure is 6.3%. Claimant rate in Gloucestershire increased considerably between March 2020 and May 2020, between May and June it dropped slightly before increasing again in July, August, October and November following the national and regional trend. All districts have been affected by this increase in claimants, Gloucester and Cheltenham have seen the greatest net change and have seen the greatest increase in the claimant rate with the claimant rate in Gloucester increasing from 2.8% to 6.1%. All age groups have been affected by the impact of COVID19, There does appear to be a correlation between age and the increase, with the younger age groups seeing the greatest increases.

[12] Source: ONS claimant count & DWP Stat Xplore, January 2013 – November 2020, 2020 SAP Boundaries

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## Income, Employment and Education deprivation:

There has been relatively little shift in the relative position of Gloucestershire neighbourhoods between 2015 and 2019. The number of neighbourhoods in the most deprived 10% nationally has fallen by one from thirteen in 2015 to twelve in 2019. These twelve areas account for 19,415 people (3.1% of the county population).

[13] Source: Index of Multiple Deprivation, MHCLG, 2019, 2017 LEP Boundaries

Nine of these neighbourhoods are in Gloucester, two in Cheltenham and one in the Forest of Dean. At the county level, Gloucestershire remains in the least deprived 20% nationally. At district level, only Gloucester and the Forest of Dean have above average levels of deprivation compared with England as a whole, and neither are in the 40% most deprived districts. Cotswold and Stroud have no neighbourhoods in the most deprived 20% nationally.

There are 11 areas of Gloucestershire in the most 10% deprived nationally for Income Deprivation, the same number of areas as 2015. These 11 areas account for 17,516 people (2.8% of the county population).

There are also 11 areas of Gloucestershire in the most deprived 10% nationally for Employment Deprivation, an increase from 9 areas in 2015. These 11 areas account for 17,525 people (2.8% of the county population).

There are 23 areas of Gloucestershire in the most deprived 10% nationally for Education, Skills and Training Deprivation, the same number as 2015. These 23 areas account for 36,118 people (5.8% of the county population).

The urban areas, particularly Cheltenham and Gloucester, have a mix of high and low levels of deprivation. Deprivation in Gloucester is spread, with the more deprived areas in the west and the less deprived in the east, while in Cheltenham the more deprived areas are in the north and the less deprived in the south. In contrast, the rural areas of Gloucestershire are largely, but not exclusively, somewhere in the 40–60% of most deprived neighbourhoods, although there are large areas of limited deprivation, Forest of Dean is an area of specific rural deprivation focus.

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## Skills Supply

### Skills Supply – Summary

The demand for skills is dictated by the actual or anticipated demand for goods and services. 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

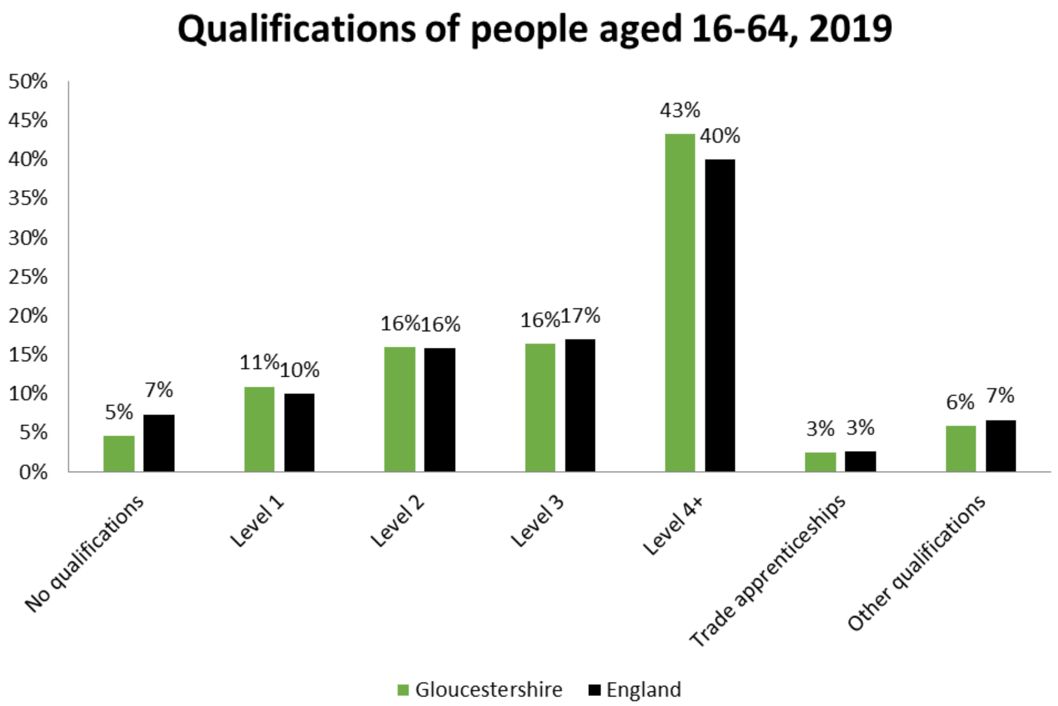
• Management skills are key to implementing positive business practices and more productive business models and strategies.

• A strong skills base is key to attracting inward investment from productive companies who can transfer technology and best practice through supply chains

Apart from the job-specific skills, the majority of jobs require relatively 'generic' skillsets, such as customer service, teamwork, budgeting and project management. These findings highlight the importance of holistic educational programmes that combine key specialist with key soft skills. 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.

All of Gloucestershire's business sectors have a role to play in ensuring that career pathways are developed to retained those with higher skills.

Gloucestershire is projected to have a surplus of skills at the low and intermediate levels and a deficit of high skills by 2030. A shortage of skills at all levels can constrain economic growth. There is strong relationship between skills and productivity. Thus, any shortfall in the qualifications needed by employers will lead to reduced productivity and lower economic growth, subject to how employers choose to respond to these (for example, by changing their business models to rely more on technology). The projected skills gaps for Gloucestershire, and each of the case study areas have been used to calculate the potential loss of economic output in 2030 equating to10% of GVA at risk.

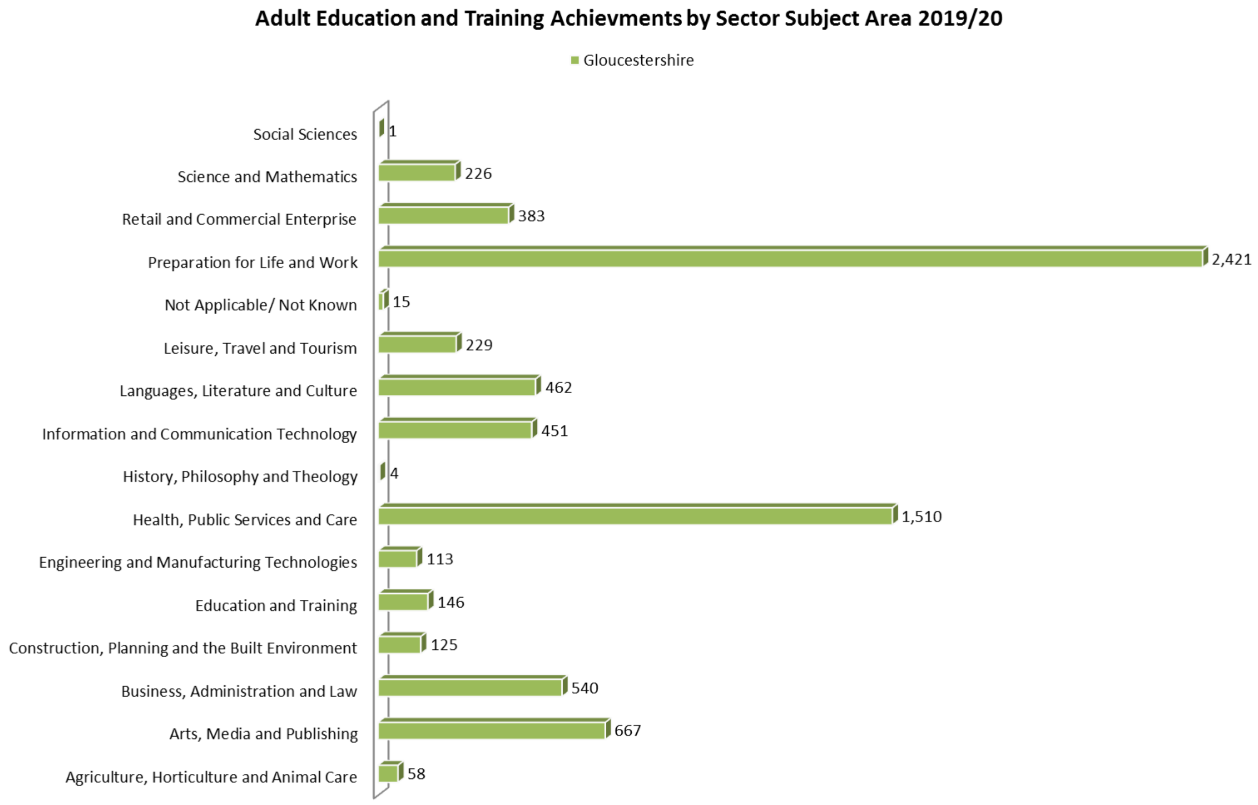


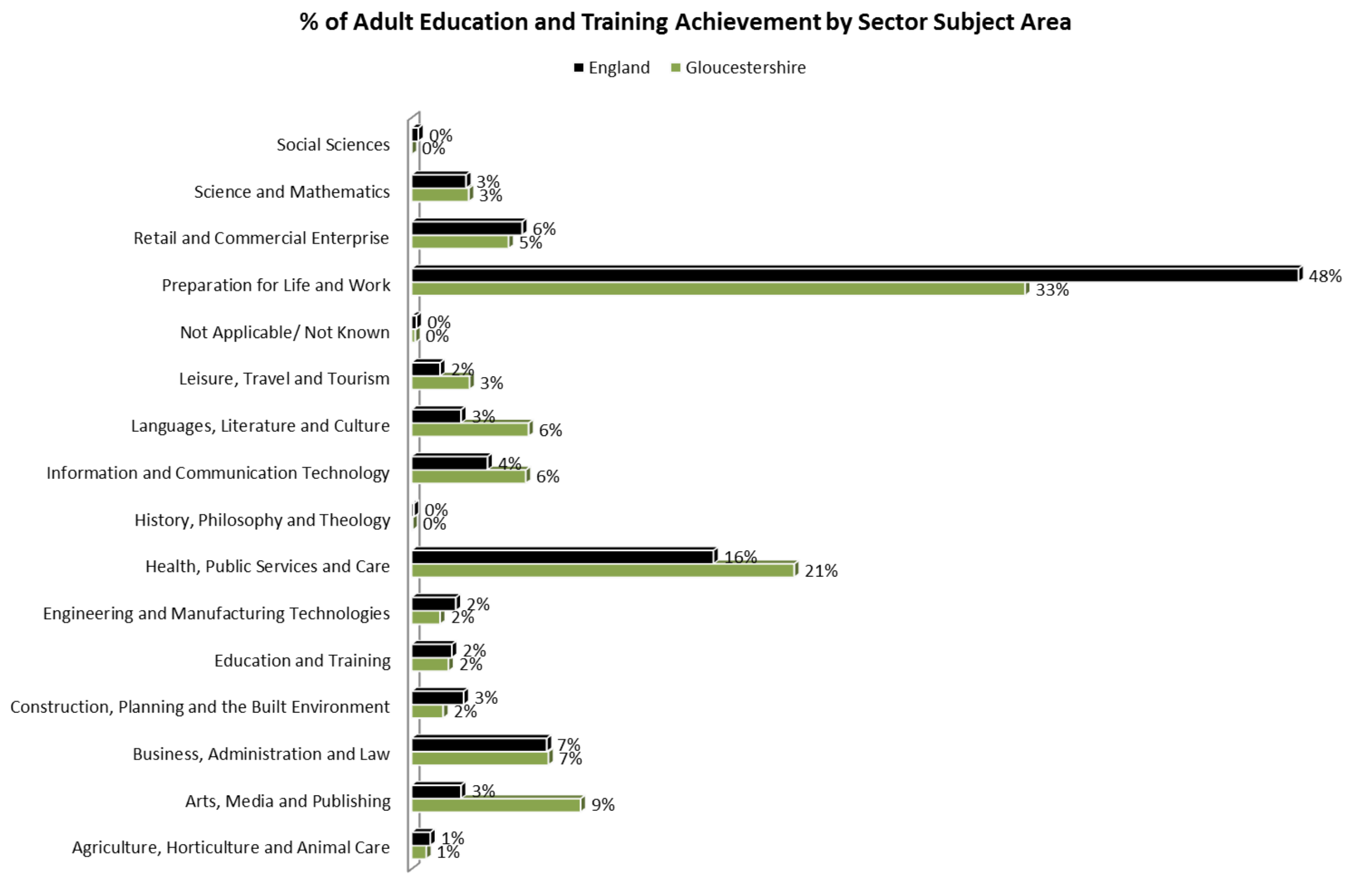
[14]

### Qualification levels:

Gloucestershire has generally mirrored the national trends. 16% of the working age population does not have a Level 2 qualification, which is regarded a benchmark for employability. The number of people in the economically active population with NVQ4+ higher level skills was 43% higher than both the South West and England. 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.

[14] Source: Annual Population Survey, January 2019 – December 2019, 2020 SAP Boundaries



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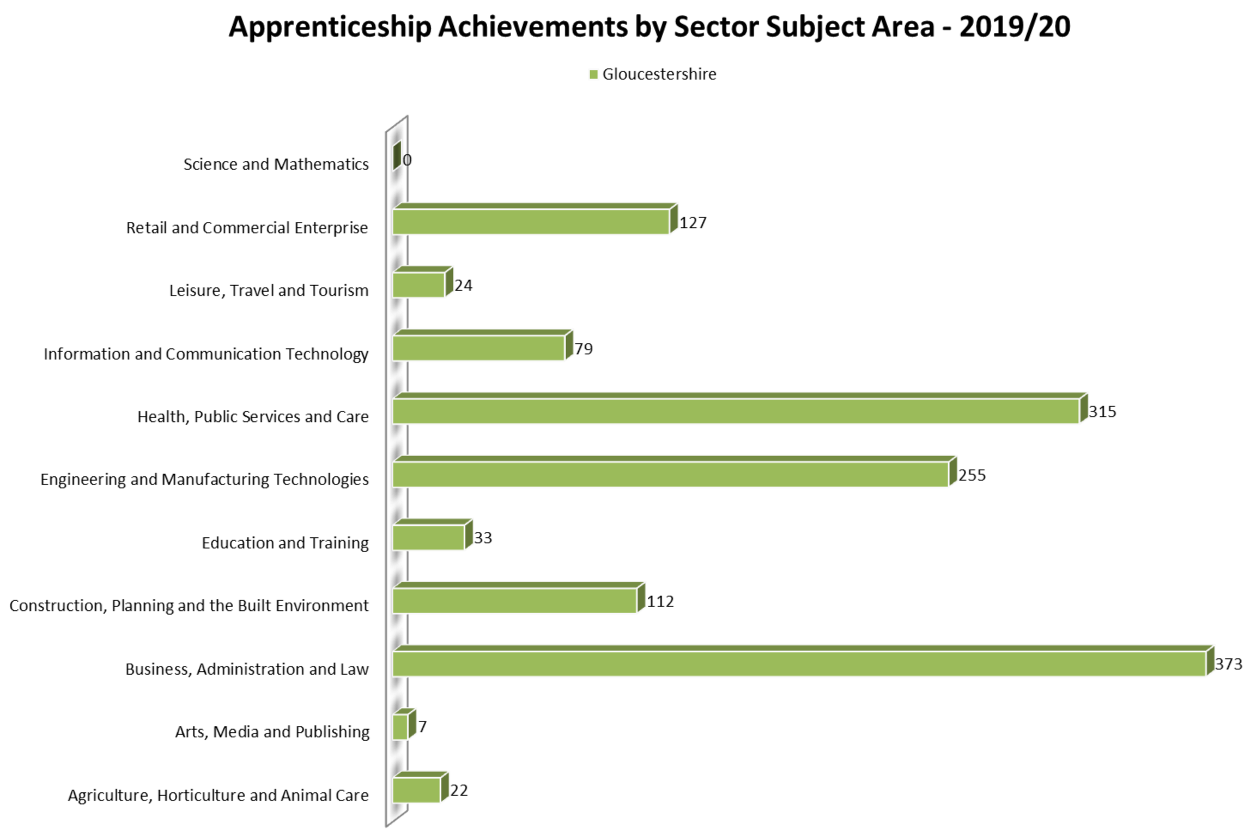
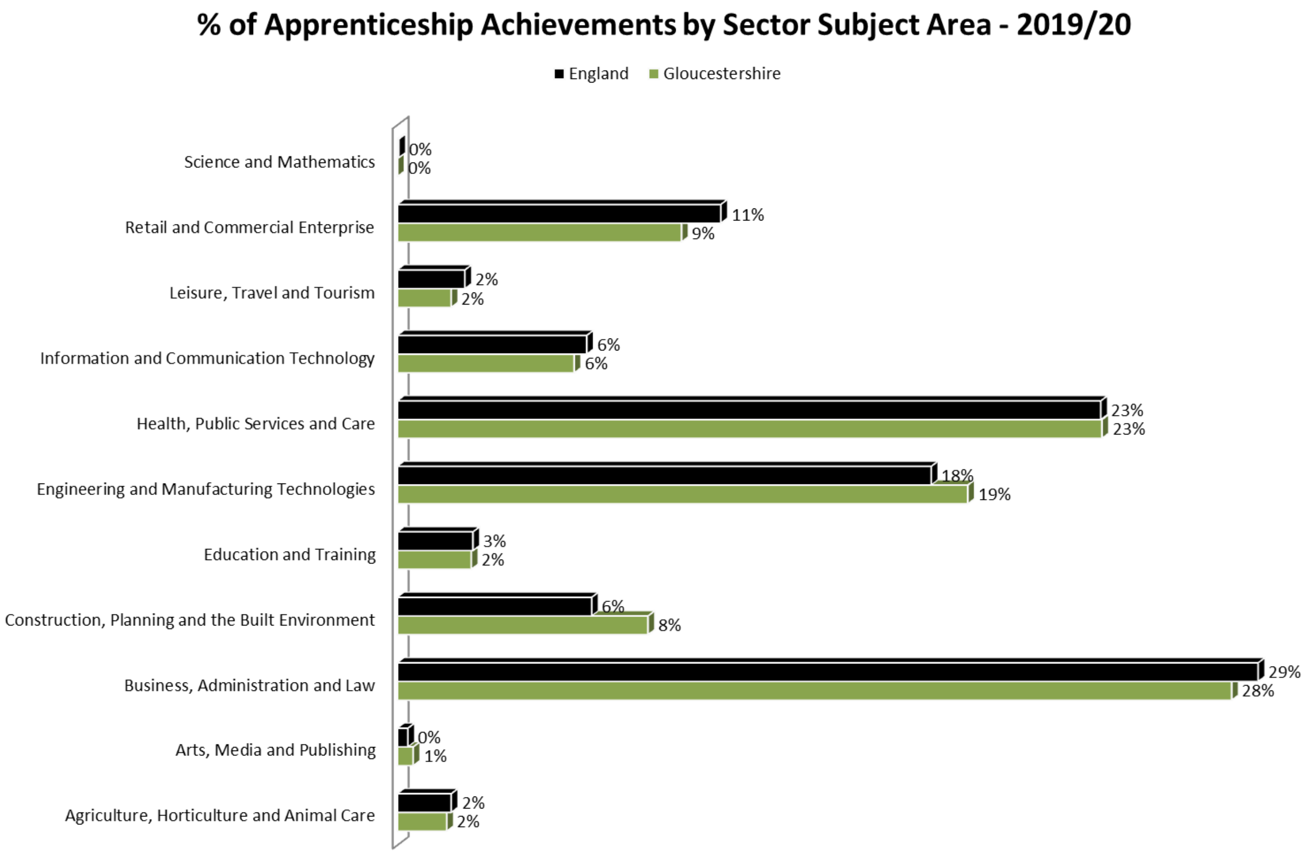
[15] Source: Further Education & Skills Data, DfE (published 2020), 2020 SAP Boundaries

**FE Education and Training Achievements:**

Gloucestershire has shown improvement since 2010 compared to South West, statistical neighbours and nationally. Technical and vocational skills are of particular importance to the Gloucestershire economy with potential to address the particular skills shortage vacancies faced as STEM provision, STEM provision in the County is expanding but this needs to remain an important focus for GSAP.

The outcomes for pupils eligible for FSM are generally lower than those pupils that are not eligible. The gap tends to be wider in Gloucestershire compared to regionally and nationally.



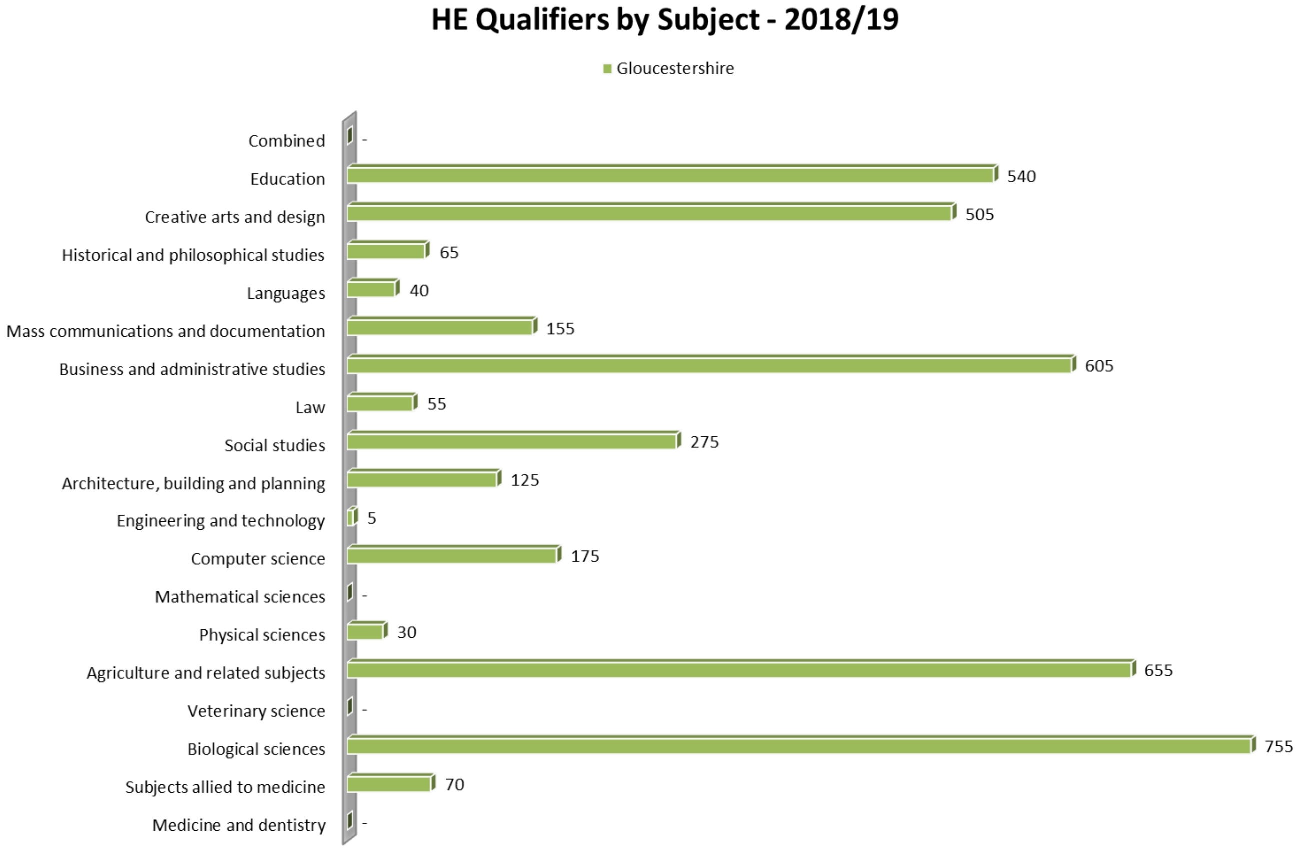


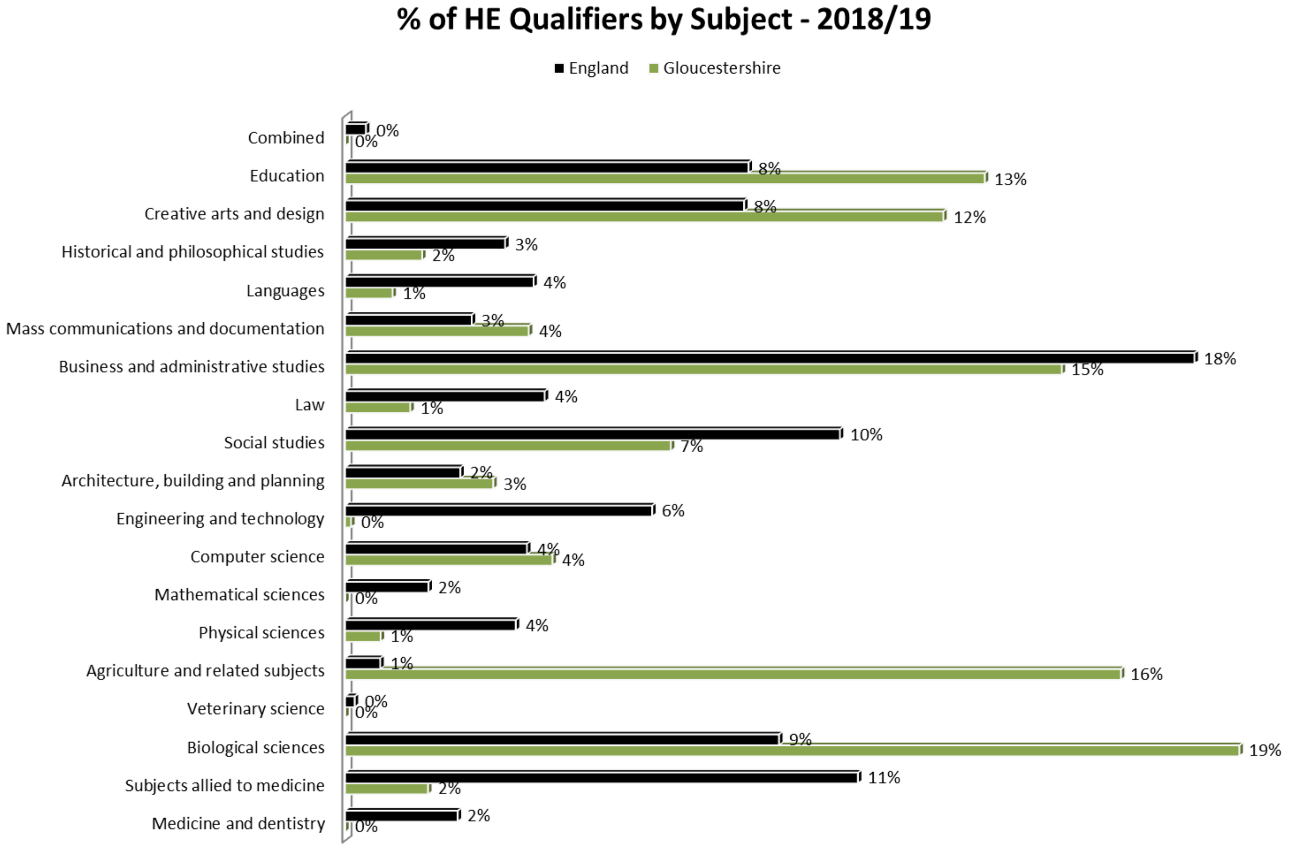
[16]

**Apprenticeship Achievements**:
Apprenticeship delivery numbers suggest a strong expansion of delivery including the expansion of higher standards and new progression routes from intermediate and advanced frameworks. There is continued growth in take up of higher-level apprenticeships resulting in expansion in this skills pipeline.

The content of each apprenticeship is set out in a 'framework' or a 'standard'. Frameworks are phased out in favour of standards, which are designed by employer groups from the relevant sector, and consist of occupational standard (setting out the knowledge, skills and behaviours the apprentice will need) and an endpoint assessment. Apprenticeship delivery is highly concentrated in four of ten frameworks Business, Administration and Law (28%), Health, Public Services and Care (23%), Engineering and Manufacturing Technologies (19%), Retail and Commercial Enterprise (9%) and there is potential to target provision more closely at productivity skills shortages and to ensure that apprenticeship provision aligns with and supports the longer-term planned growth sectors of the County including cyber and digital, agri-tech and green/renewables/retrofit.

[16] Source: Apprenticeships data, DfE, (published 2020), 2020 SAP boundaries

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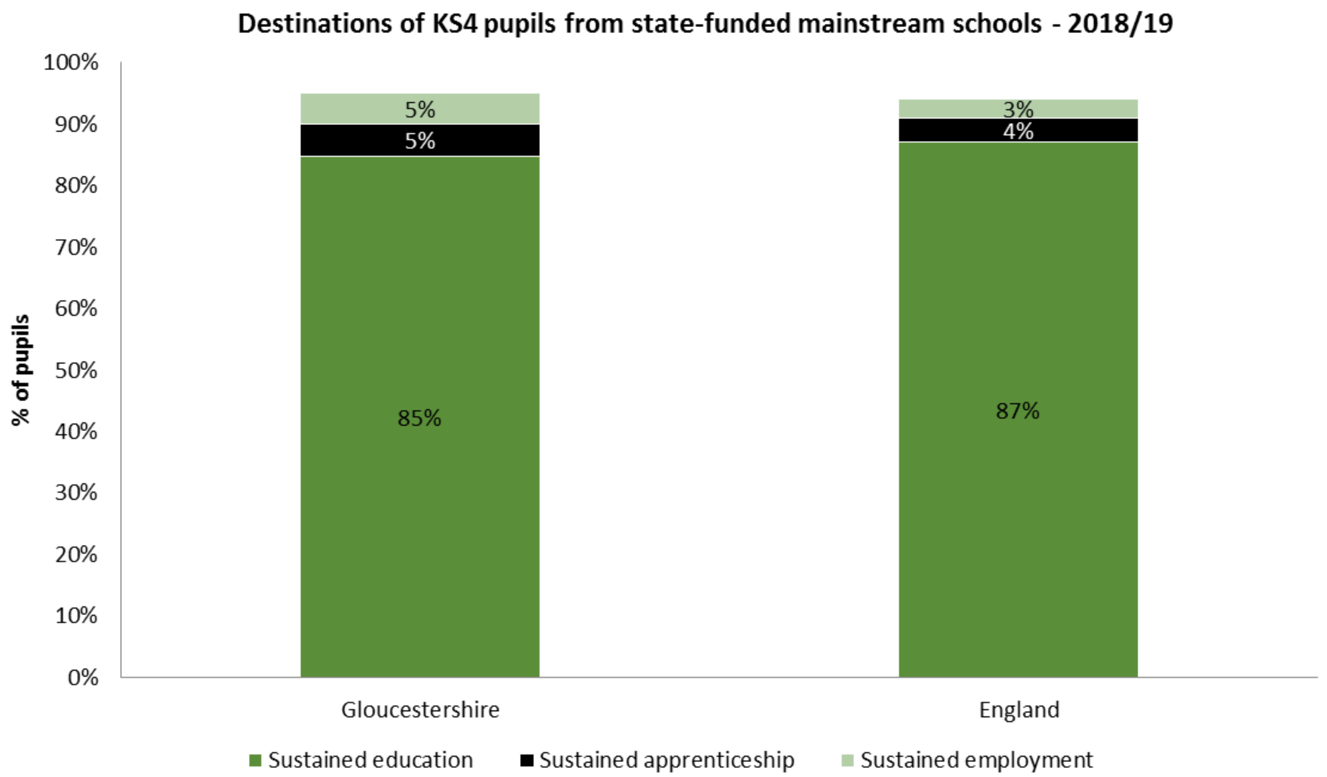
[17] Source: HESA, 2018/2019 qualifiers (published 2020), 2020 SAP boundaries)

### HE Qualifiers:

At a local level will need to place an emphasis on training/upskilling the existing workforce – partly to address the replacement demand issue highlighted earlier, as well as aiming to move more of the workforce into more productive jobs. Providing and retaining a talented workforce within the county remains a barrier to growth and productivity. The availability of high level technical skills is essential to drive innovation and the inevitable digitalisation of Agriculture as well as the increase in Cyber-tech. This priority is an opportunity to differentiate Gloucestershire Internationally through combining and building on existing assets and investments within the counties education institutions. GFirst has a close working relationship with and continues to invest in growth of these sectors within the University of Gloucestershire, Hartpury University and the Royal Agriculture University.



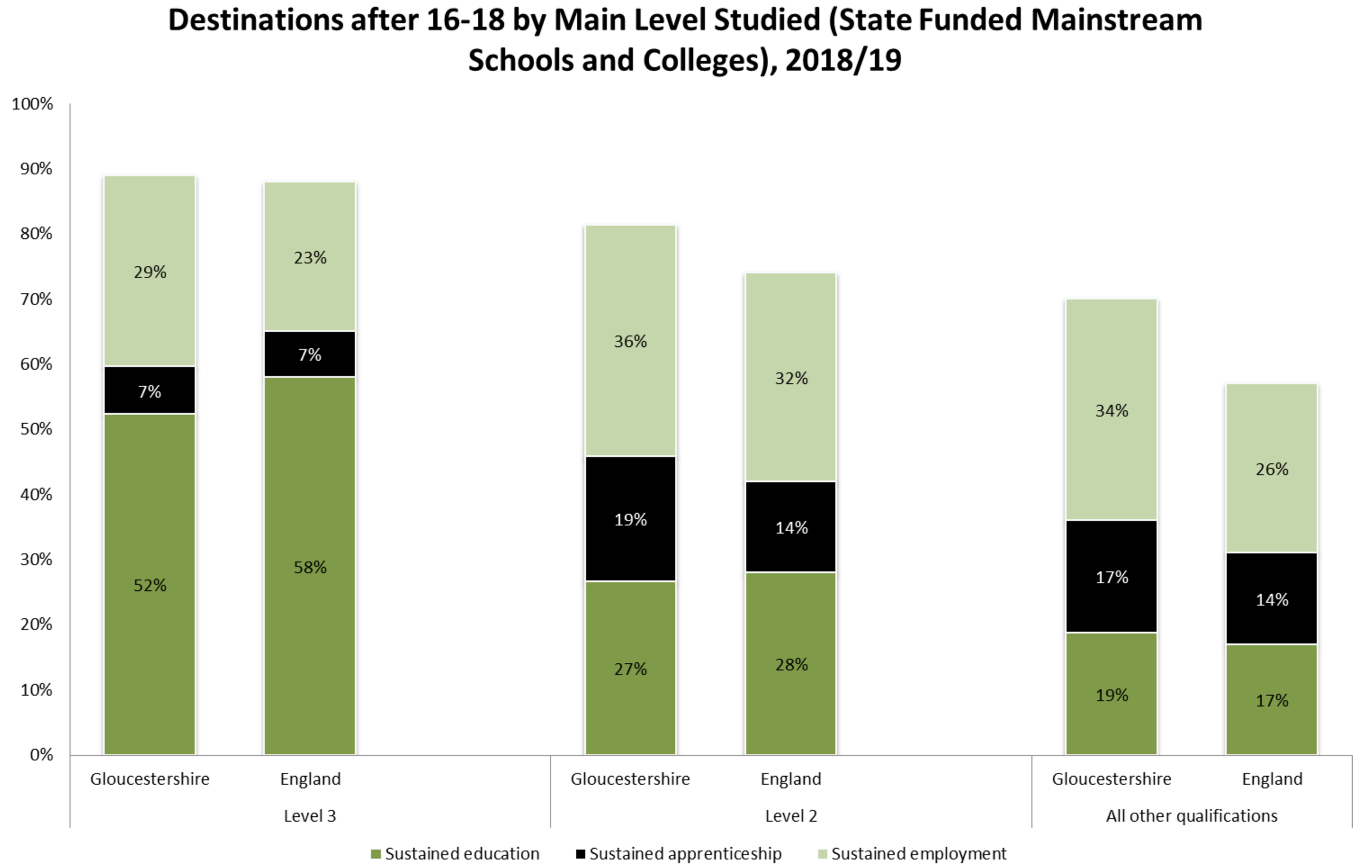

[18]

### KS4 destinations:

Schools in Gloucestershire are expected to see growth in student numbers over the next few years, at least up to 2025/26, including 8% growth in 11-16 year olds and 20.3% growth in 16 years plus

The vast majority in every district in Gloucestershire proceed to sustained further education, following the national trend. The Forest of Dean has the lowest rate of students going into full time education, at just below 80%, while Cheltenham has the highest rate, at just below 90%. Most school leavers at this stage start apprenticeships or full-time work, although nearly 10% of students in the Forest of Dean have no sustained destination. Historically there has been some disparity in educational attainment in the Forest of Dean area and the wider county.

[18] Source: KS4 destination measures, DfE, 2018/19 (published 2020), 2020 SAP boundaries



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## KS5 destinations:

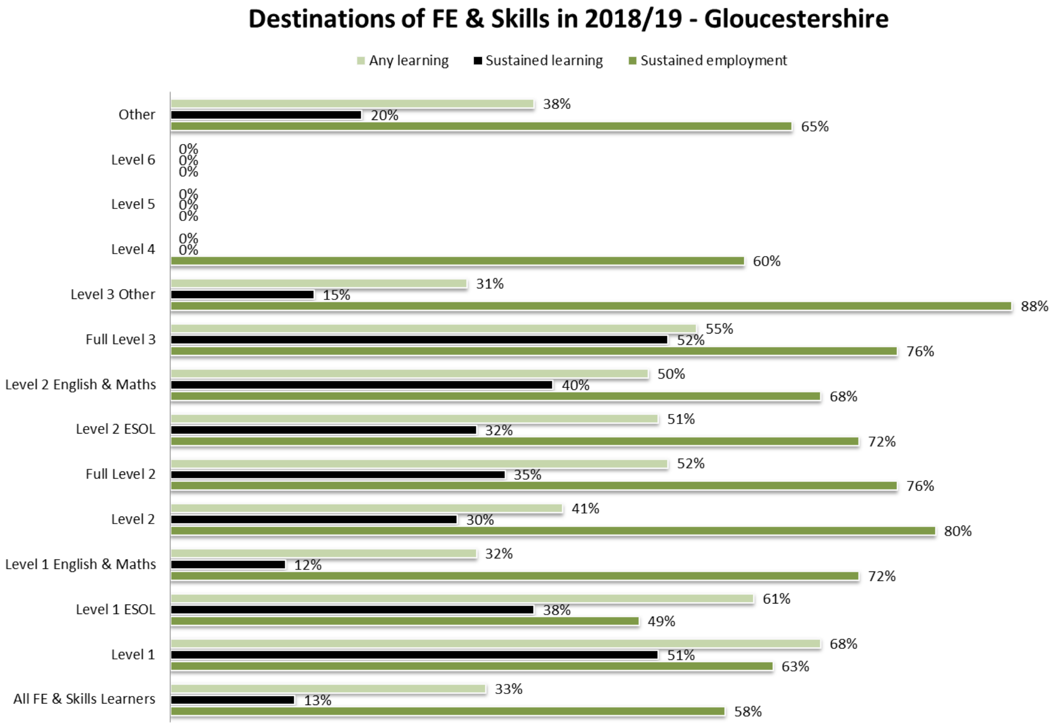
There are a number of Post 16 settings situated within Gloucestershire:

- Four FE colleges including one sixth form college (16-25)
- Twenty Five Mainstream School Sixth Forms (16-19)
- Four Maintained Special School Sixth Forms (16-19)
- One University Technology College (14-19)
- Four Special Post 16 Institutions (16-25)
- Three Private Partnership Post 16 Training Providers (16-25)

In addition, Gloucestershire County Council commissions a small number of places at independent special schools to meet the needs of young people with profound learning needs.

Over 50% of those who leave school after Key Stage 5 in all districts proceed to further sustained education, with most of those students going on to further education. Of those that do not go into education, a large proportion go into sustained employment, with a small number starting an apprenticeship. Again, the Forest of Dean has the greatest proportion of school leavers (around 15%) who have no sustained destination. In terms of Student destinations a higher proportion of students continue in education.  Apprenticeship delivery numbers suggest a strong expansion of delivery.

[19] Source: 16-18 Destination Measures, DfE, 2018/19 (published 2020), 2020 SAP boundaries

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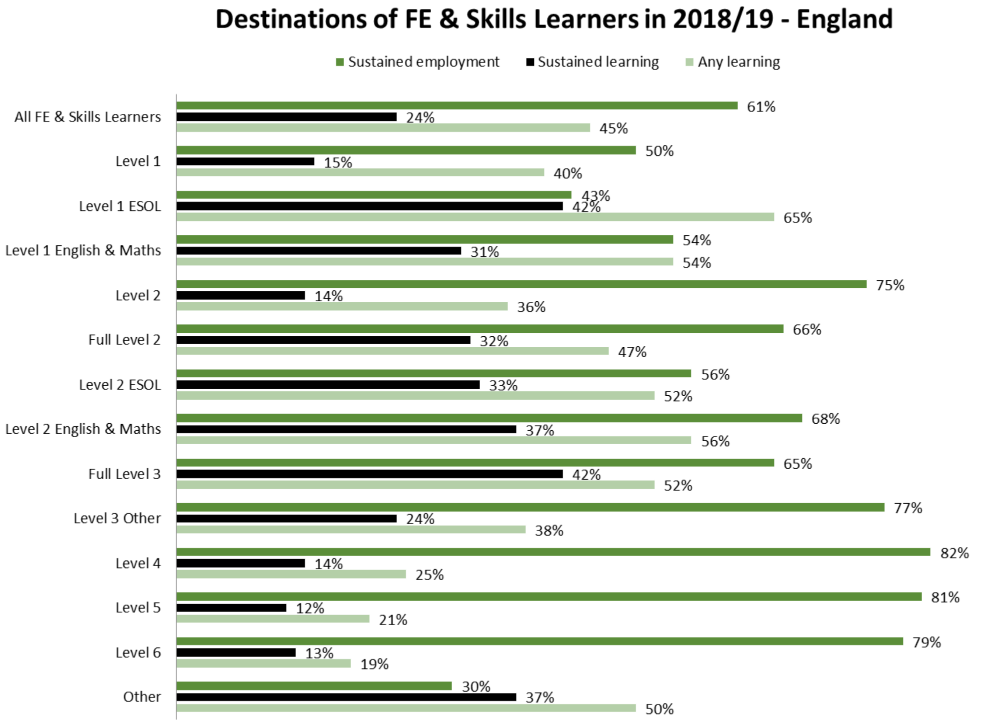
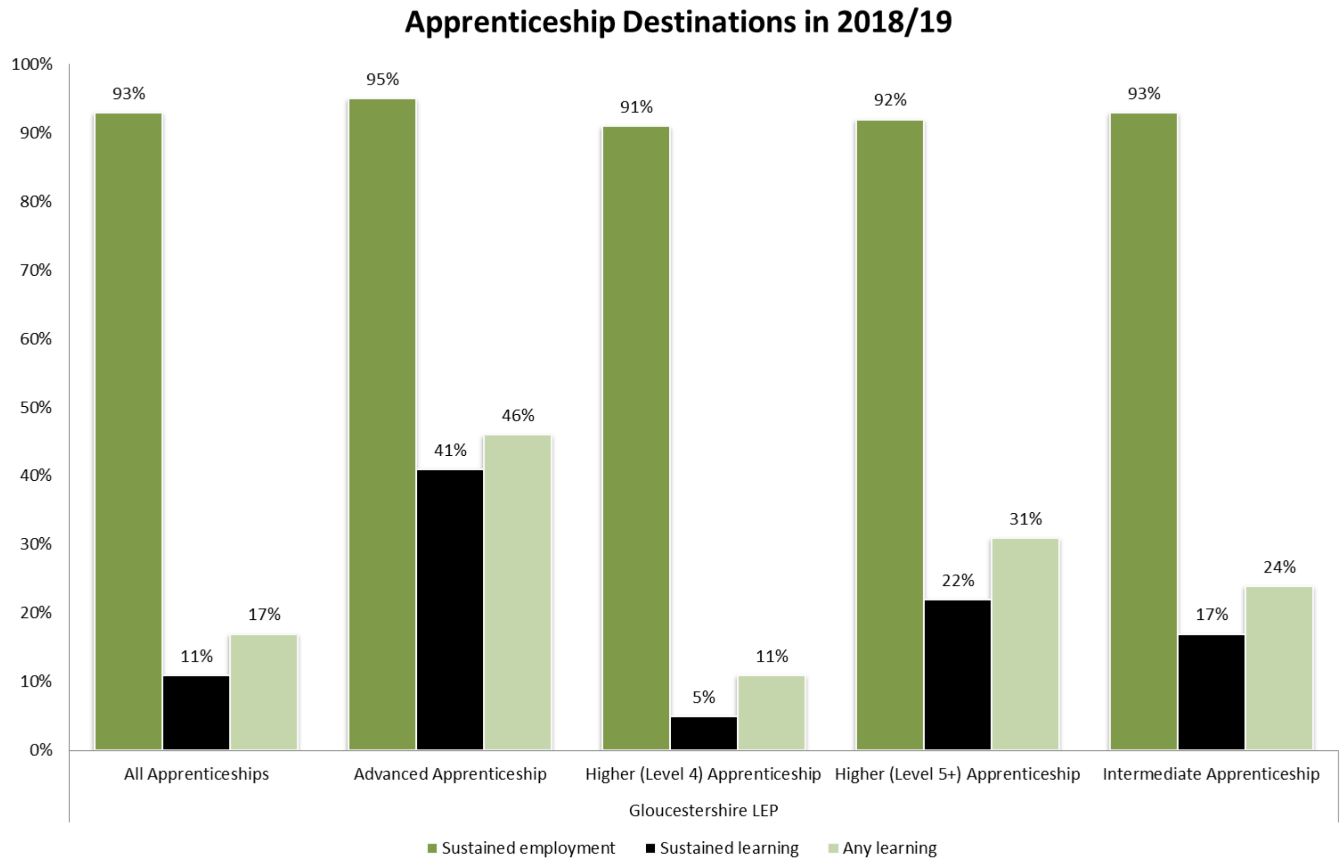



## FE and skills destinations:

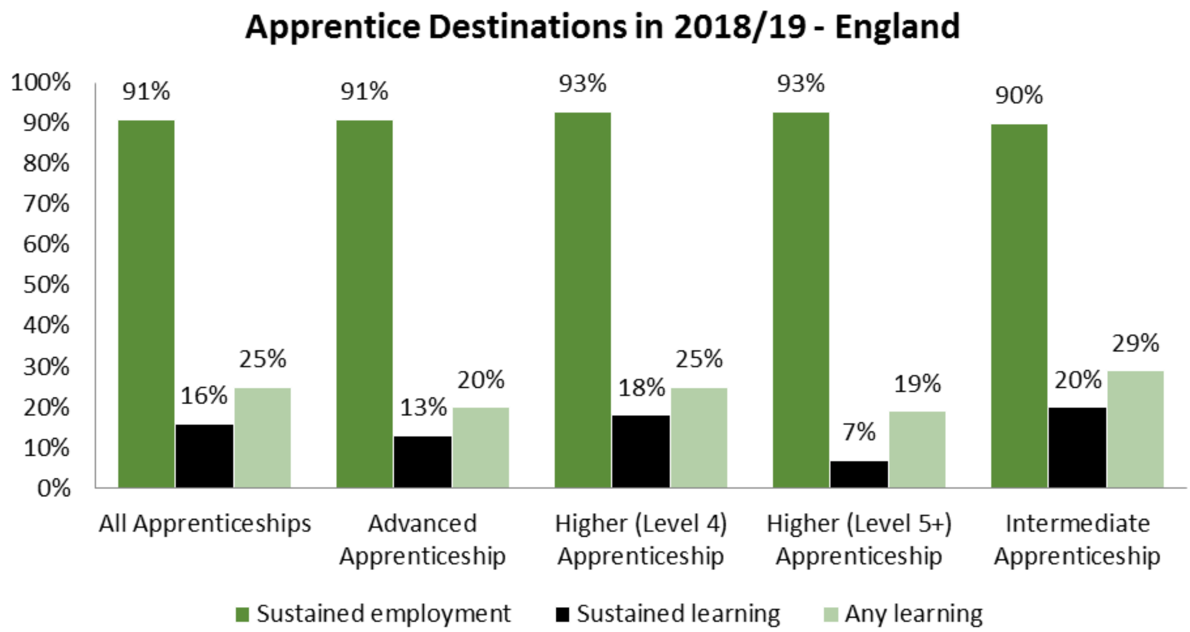
For young people there are a variety of academic and vocational routes in Gloucestershire – including sixth form, vocational qualifications via FE colleges and Skills Funded learning opportunities. Historical data shows disadvantaged pupils are less likely to move into continued

[20] Source: FE outcome based success measures, 2018/19 destinations, DfE, (published 2020), 2018 LEP boundaries

forms of education and that also disadvantaged pupils tend to move into outcomes/destinations which are not sustained.



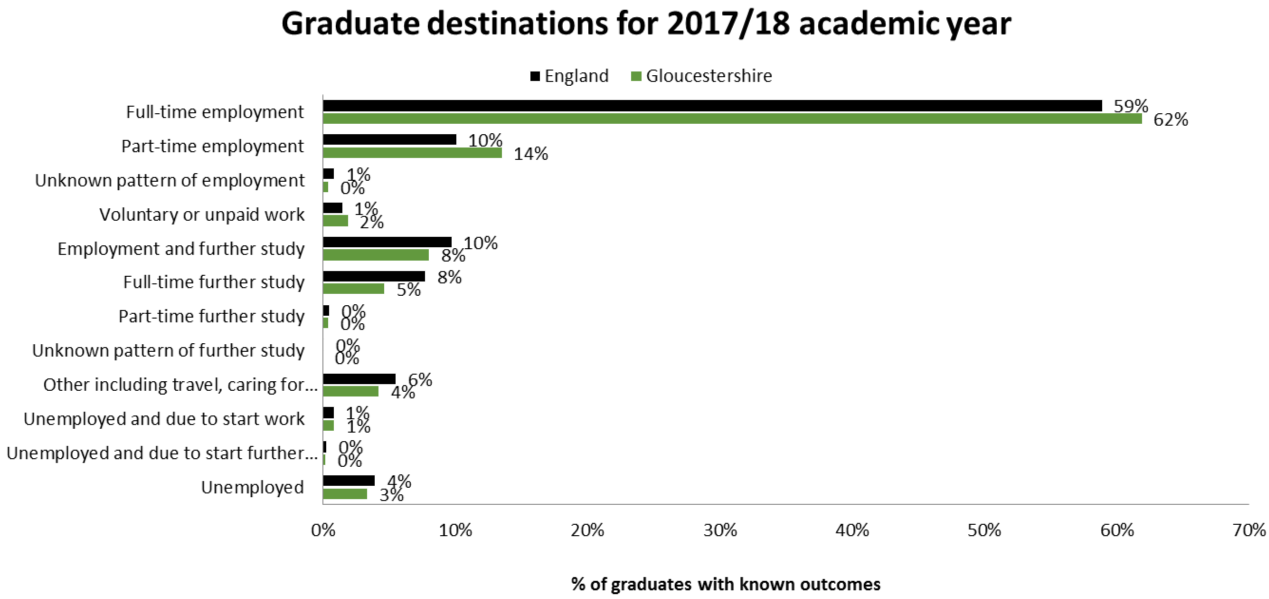

[21]




[21] Source: Apprenticeships data, DfE, (published 2020), 2020 SAP boundaries

**Apprenticeship destinations:**

Apprenticeship programmes and job creation schemes will be essential to help the 18–24 year old age group who will be the most significantly affected in the county with regards to redundancy due to COVID-19. This problem is not unique to Gloucestershire, although we will be more significantly affected due to the above average levels of employment in tourism and hospitality. Degree Apprenticeships are particularly suitable for mature apprentices and 18-24 year olds deciding not to attend university full time. This is an opportunity for employers to attract top level talent wishing to reskill or deciding not to attend university. We need to ensure that such opportunities are supported and where possible the associated degree courses are available from Gloucestershire Universities.

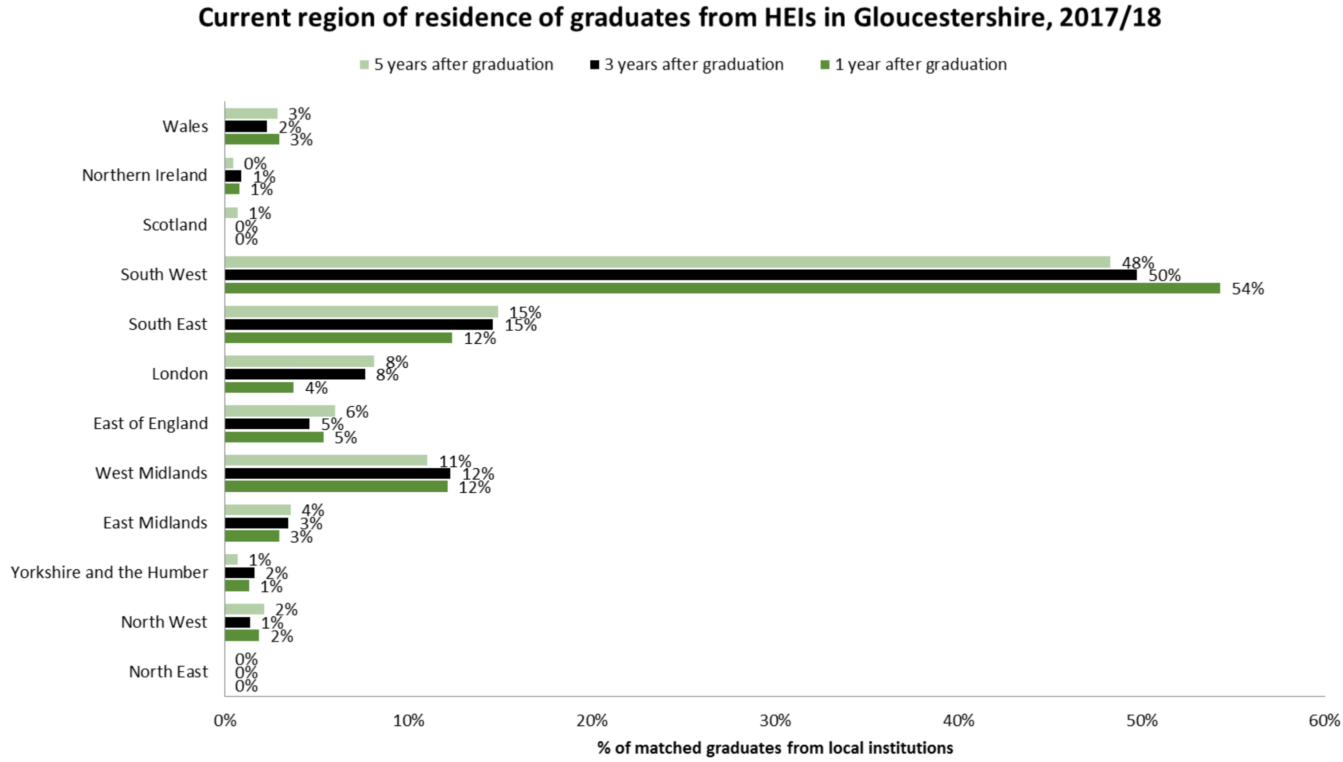



[22]

**HE Graduate destinations:**

HE graduate destinations are largely in line with the national averages with the majority going into full time or part time work, some graduates are working in temporary employment or taking additional time to volunteer or gain appropriate work experience. Some graduates may have entered graduate schemes or professional careers.

[22] Source: HESA, 2017/18 graduates (published 2020), 2020 SAP boundaries

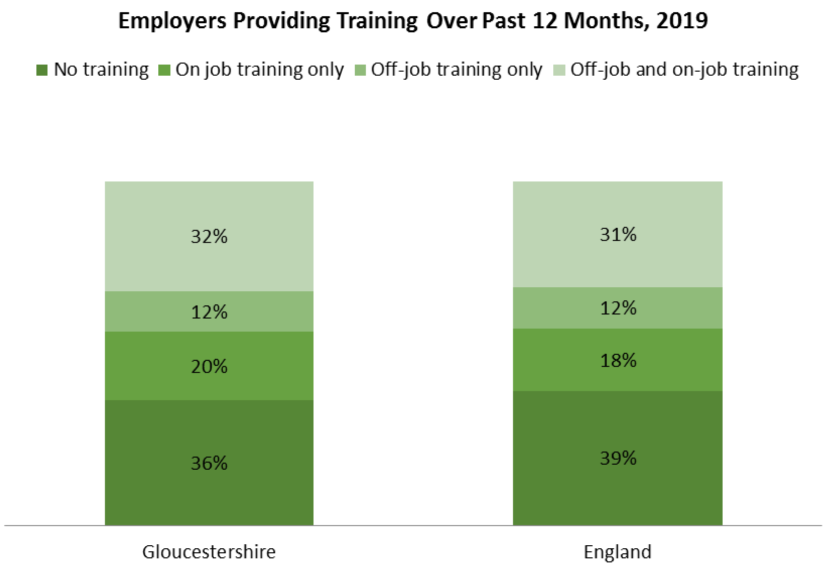



[23]

**Graduate retention:**

Gloucestershire does not have the world class higher education opportunities other areas have and, as a result young people leave to find these opportunities. There is no clear alternative offering to either retain or entice young people into the area. Entry level housing affordability is worse than that seen nationally making settling in the county difficult. Access to quality jobs in some areas is also lacking. In combination this leads to a forced net migration of young people away from the county. When combined with the growing number of older people in the population this presents a serious issue for the county as a whole. Because of its geographical location young people are often attracted to other major cities such as Bristol, Birmingham, Cardiff or Bath.

[23] Source: Graduate Outcomes in 2017/18, DfE, (published 2020), 2020 SAP boundaries



[24]

**Employer provided training:**

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[25] and 43% of these classed as 'hard to fill'.[26] 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.

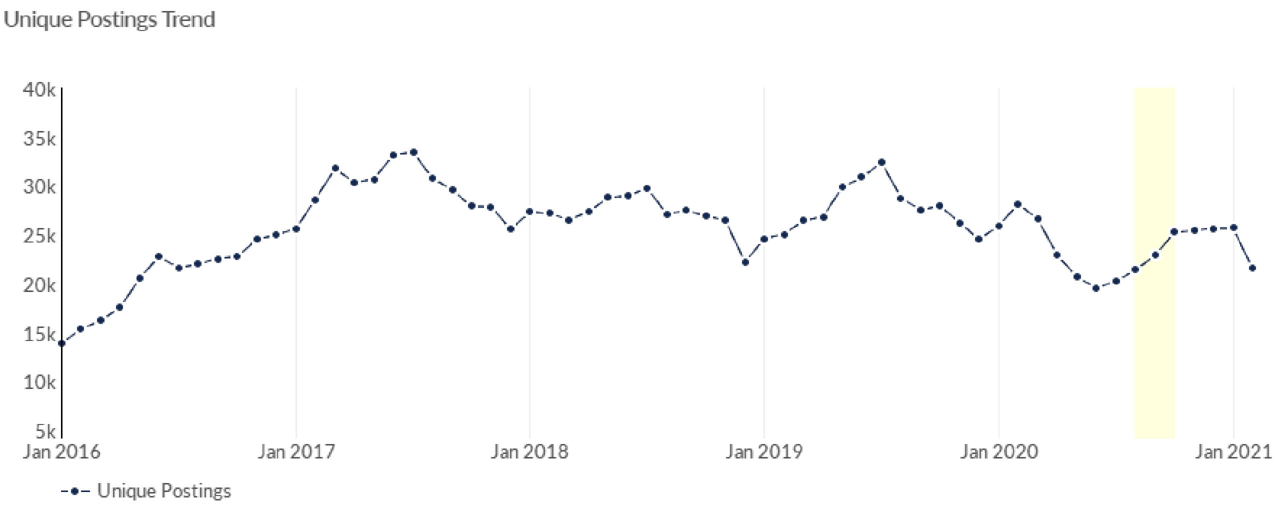
[24] Source: Employer Skills Survey, 2019 (published 2020), 2019 LEP boundaries
[25] 20% nationally and 21% in the South West region
[26] Gloucestershire Five Foundations of Productivity Evidence Report

# Skills Demand

## Skills Demand - Summary

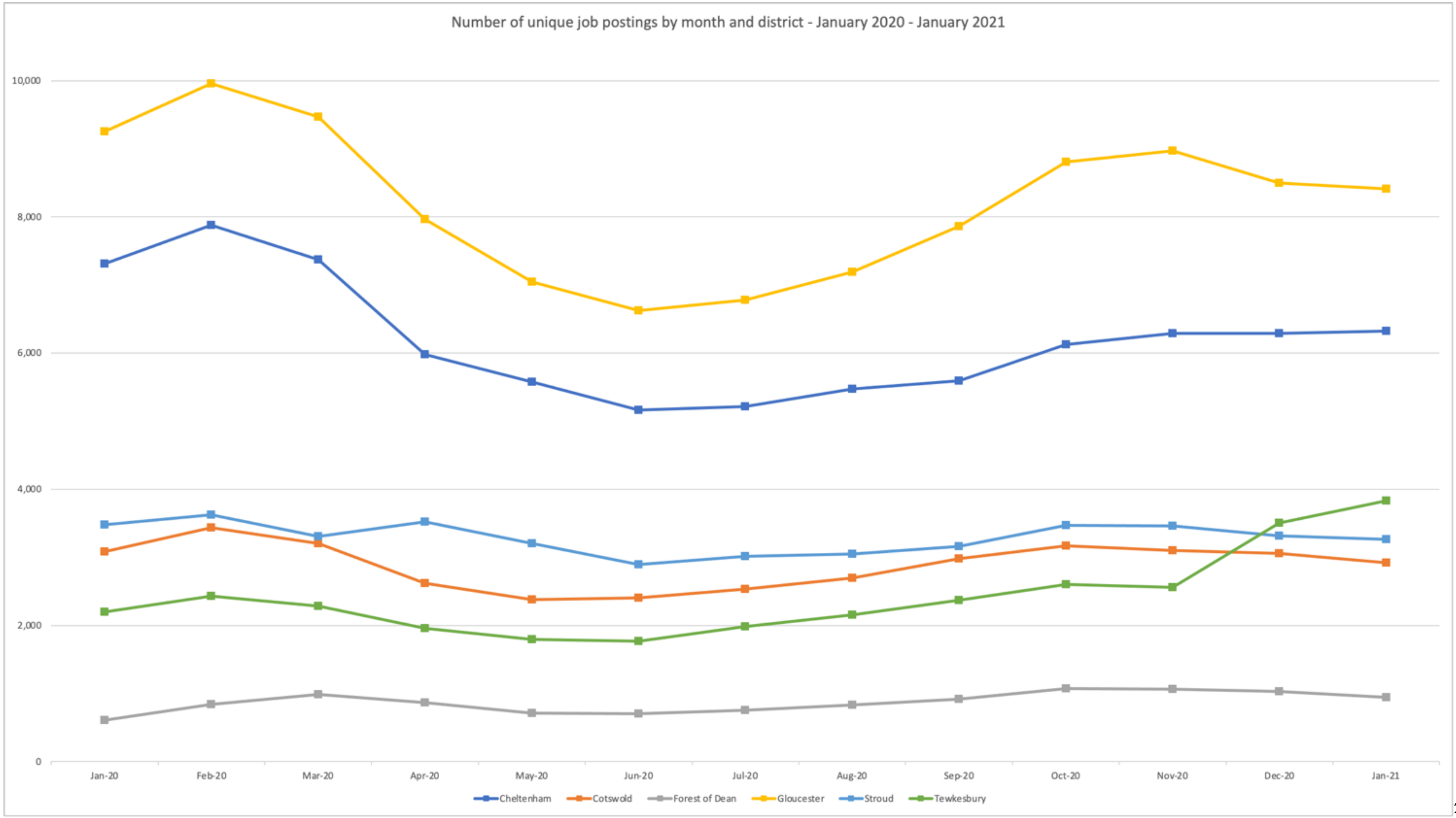
Labour market projections, such as Working Futures, suggest that this broad pattern of change in occupational employment, characterised by growth in higher skilled occupations and in lower skilled caring roles, is likely to persist into the future. Long term future skills developments in support of transferable skills and soft skills as essential addition to the core specialised and technical competencies required for performing a job. 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.

Through our LIS research, we identified that 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. Gloucestershire's Universities, Further Education colleges, Adult Education Service, Library Service and independent training providers (ITPs) are increasingly seeking to align the courses they offer with the many local opportunities in cyber-tech.




[27]

[27] EMSI Economic Modelling



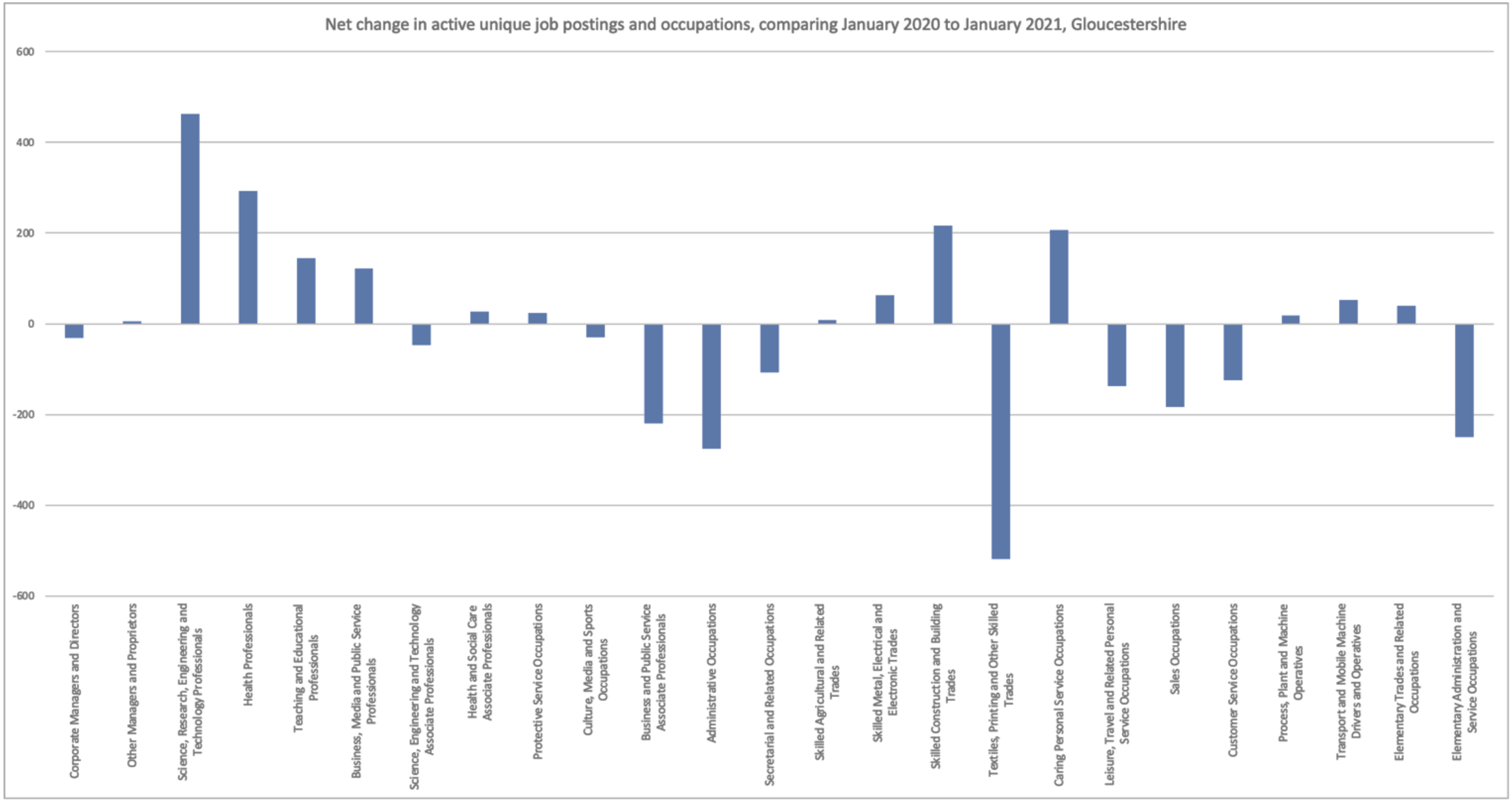
[28]

The above shows total jobs by district for the past year, with most districts displaying a similar trend over the past few months. However, January 2021 has seen small decreases in Cotswold, Forest of Dean, Gloucester and Stroud when compared to December 2020. Tewkesbury stands out, having seen another increase in January, in addition to the steep increase seen in December.

[28] ESMI Economic Modelling

The graph below shows the net change in the number of job postings by top level occupation (two-digit SOC), comparing **January 2020 to January 2021**.

Occupations to see the largest **increase** when compared to last year are **Science, Research, Engineering and Technology Professionals**, **Health Professionals, Skilled Construction and Building Trades** and **Caring Personal Service Occupations**, but as you can see below there are also several other occupations that have increased compared to January 2020. **Textiles, Printing and Other Skilled Trades** has seen the largest decrease.



Top Posted Occupations

| Occupation (SOC) | Total/Unique (Aug 2020 - Oct 2020) | Posting Intensity | Median Posting Duration |
|---|---|---|---|
| Nurses | 12,468 / 1,960 | 6 : 1 | 31 days |
| Care workers and home carers | 9,913 / 1,536 | 6 : 1 | 33 days |
| Programmers and software development professionals | 11,944 / 1,264 | 9 : 1 | 29 days |
| Elementary storage occupations | 5,120 / 996 | 5 : 1 | 27 days |
| Sales accounts and business development managers | 5,326 / 915 | 6 : 1 | 26 days |
| Van drivers | 5,132 / 898 | 6 : 1 | 31 days |
| Book-keepers, payroll managers and wages clerks | 4,965 / 706 | 7 : 1 | 32 days |
| Cleaners and domestics | 2,845 / 688 | 4 : 1 | 17 days |
| Information technology and telecommunications professionals n.e.c. | 5,469 / 680 | 8 : 1 | 30 days |
| Other administrative occupations n.e.c. | 3,332 / 671 | 5 : 1 | 17 days |
| Chefs | 3,064 / 600 | 5 : 1 | 28 days |
| Primary and nursery education teaching professionals | 3,456 / 567 | 6 : 1 | 24 days |
| Business sales executives | 3,071 / 524 | 6 : 1 | 28 days |
| Nursing auxiliaries and assistants | 2,570 / 523 | 5 : 1 | 25 days |
| Finance and investment analysts and advisers | 3,249 / 522 | 6 : 1 | 35 days |
| Metal working production and maintenance fitters | 4,421 / 489 | 9 : 1 | 31 days |
| Sales and retail assistants | 2,424 / 453 | 5 : 1 | 21 days |
| Science, engineering and production technicians n.e.c. | 3,210 / 444 | 7 : 1 | 26 days |
| Social workers | 2,449 / 423 | 6 : 1 | 32 days |
| Residential, day and domiciliary care managers and proprietors | 2,233 / 420 | 5 : 1 | 32 days |

[29]

[29] EMSI Economic Modelling

## Online vacancies:

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.

The number of active job postings per month this is provided by a tool called EMSI which delivers real time access to job vacancies from a comprehensive range of sources including job boards, employer sites, newspapers, public agencies etc. Data extraction and analysis technologies mine and code data from each job listing to provide analysis on industries, occupations, skills and qualifications. The tool will inevitably not capture all vacancies.

The number of active job postings are increasing across all districts, as can be seen in the graph above, which gives the picture for the past 12 months. In September 2020 there were approximately 18,705 unique job postings in Gloucestershire, which is 19.9% lower when compared to September 2019. There has been a decline in a number of occupations with the biggest in Textiles, Printing and Other Skilled Trades as well as Administrative Occupations, however there have been increases in occupations such as health professionals.

| 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 |

*30*

## Sector growth forecasts:

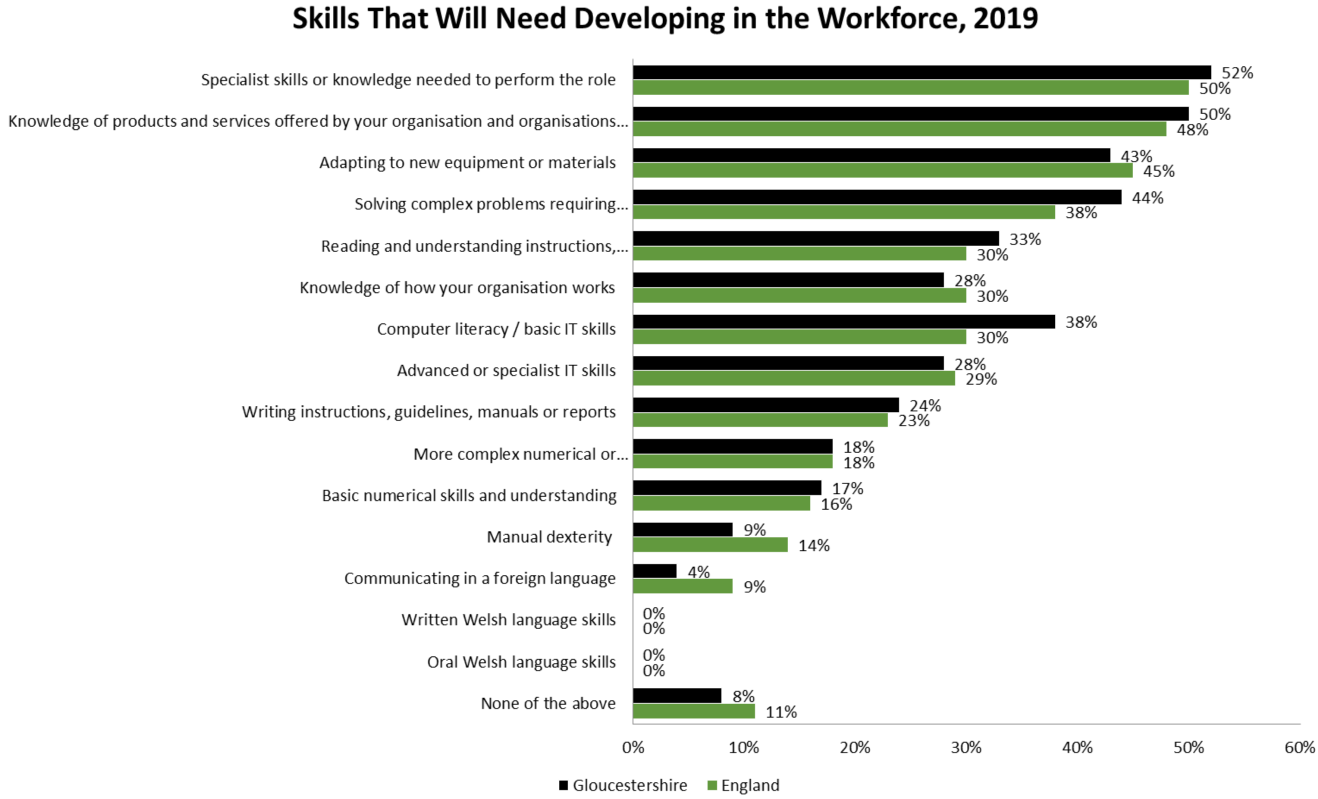
The COVID-19 Pandemic has only increased demand in health and social care. Elsewhere the need for digital skills remains high. Risks of automation, replacement demands and a high proportion of hard to fill vacancies are continuing issues for the Engineering and Manufacturing sectors. Other recruitment 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 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 |

[30] Source: Working Futures, 2017-2027 (published 2020), 2017 LEP boundaries

## Occupation growth forecasts:

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.



[31]

## Skills that need developing:

Approx. 7.5% of Gloucestershire employment (22,778 people) is in STEM roles including science, research, engineering and technology professions and Through our LIS research, we identified that 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.

[31] Source: Employer Skills Survey, 2019 (published 2020), 2019 LEP boundaries

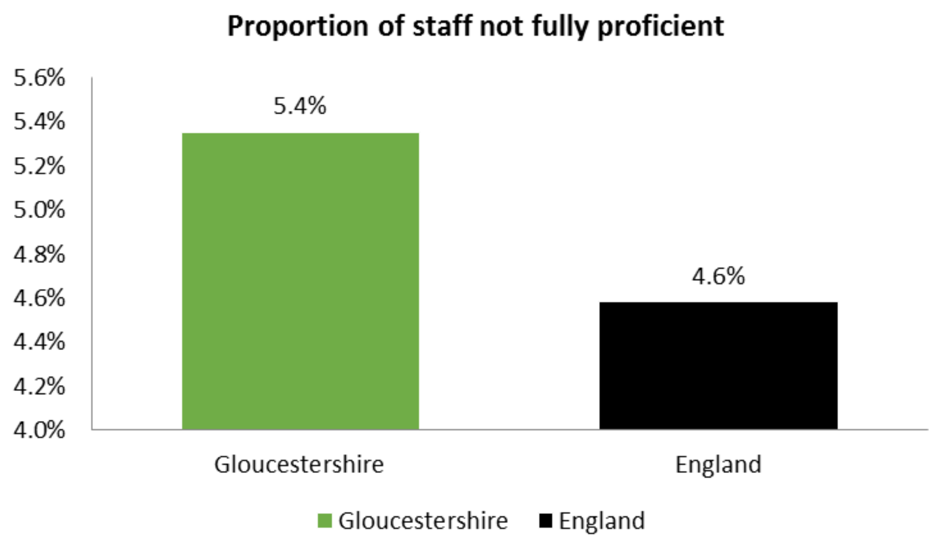
# Mapping Skills Supply and Demand

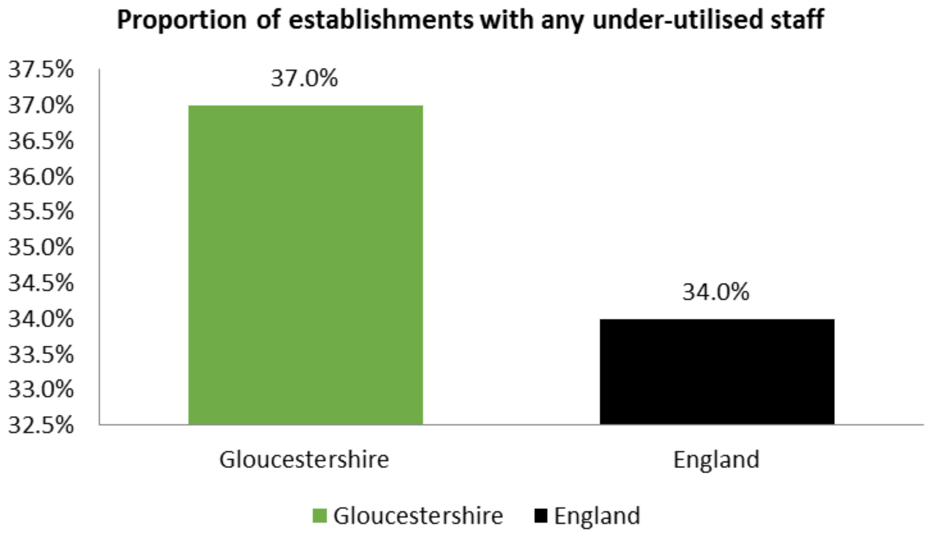
**Skills Supply and Demand - Summary**

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. As well as presenting issues in terms of recruitment, a high proportion of SSV's may also present problems in terms of retaining skilled staff. The demand for these skilled workers is high and they are able to move between employers – often influenced by the terms and conditions (wages) on offer. Thus, creating competition between businesses.

Employers often refer to ageing workforce as a recruitment concern. Within this group there is disproportionately high representation of employers from sectors with a lot of manual roles - agriculture, forestry, human health & social work and manufacturing sectors. The employer skills survey also often highlights the under-utilisation of existing skills.

There are also concerns effects of Brexit on recruitment in certain sectors such as health and social care, hospitality and construction.



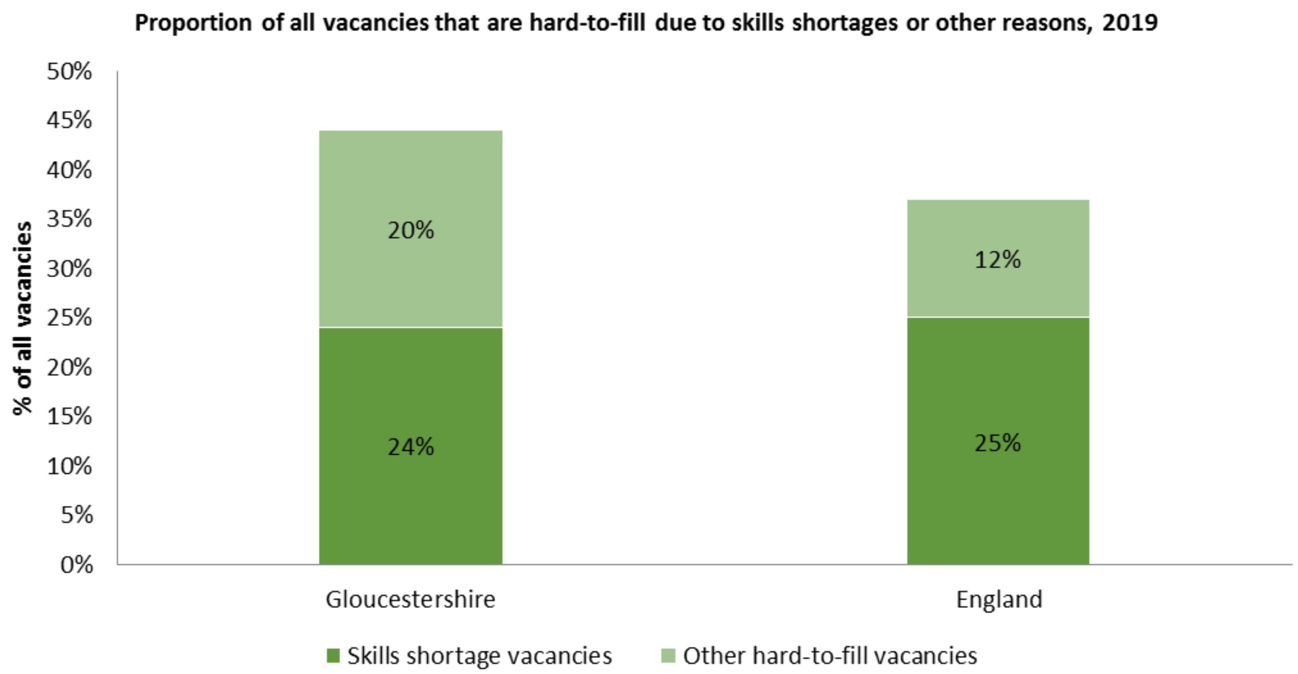

[32]

## Proficiency of workforce:

The relatively high number of staff identified as under-utilised may imply that they do not know whether or how they may be under-utilising skills, but recognise that they could potentially be missing out on opportunities. There could be also lack of carer progression routes and lack of succession planning.

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.

[32] Source: Employer Skills Survey, 2019 (published 2020), 2019 LEP boundaries



[33]

**Hard-to-fill and skills shortage vacancies:**

It is noteworthy that higher rates of HTF vacancies span all sectors by level of skill; for example, Public administration and defence and Professional, scientific, and technical services are high skills sectors; Health, and Manufacturing are medium skills sectors; Accommodation and food services is a low skill sector but also has higher than average HTF vacancy rates. The lack of a direct correlation between sector skills levels and HTF vacancies leads us to conclude that there is no one explanation for vacancies being hard to fill across Gloucestershire, and, very specifically, we cannot conclude that skills shortages are the sole driver of businesses struggling to fill empty positions.

One of the main impacts of recruitment issues is increased workload. Obviously, the impact of higher workloads also then has a potential impact upon the ability to retain staff and thus a potentially circular effect upon labour market churn.

Higher staff turnover appears to be experienced among Skilled trades, which corresponds with the high HTF vacancy rates reported for this group, suggesting that employers have a hard time replacing lost workers.

Higher retention is apparent among those at the lower end of the HTF vacancy scale, suggesting an underlying stability among Chief executive and senior managers and Administrative and secretarial occupations.[34]

[33] Source: Employer Skills Survey, 2019 (published 2020), 2019 LEP boundaries
[34] Gloucestershire Countywide Business Survey, Wavehill Social and Economic Research 2018

You can find more information on ***Gloucestershire's Labour Market Background*** including Population, Employment and Deprivation estimates and analysis in ***section one*** of the labour market and skills review 2019/20.

For more information on ***Gloucestershire's Employment Overview*** including business growth, employee training, job vacancies and productivity please see ***section two*** of the labour marker and skills review 2019/20.

If you would like to know more information about ***Gloucestershire's Future Skills*** including school attainment, student destinations, apprenticeships, career support and social mobility please see ***section three*** of the labour market and skills review 2019/20.

These reports can be found at the below link:

*https://www.gfirstlep.com/about-us/skills-for-business/*

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