Dec 2021

gfirst LEP
growing gloucestershire

Gloucestershire's
Skills Advisory Panel

Local Skills Report

2020/21

Annex A

Local Skills Report Annex A – Core Indicators

This Annex provides data and intelligence on key aspects of Gloucestershire's Skills Advisory Panels (GSAP) Labour Market and Skills Landscape. The dataset found in this annex have been defined by the Department of Education (DfE) to ensure consistency between the reports produced by LEPs (Local Enterprise Partnerships) and MCAs (Mayoral Combined Authorities).

Demand for skills in Gloucestershire is strong, with local employers seeking employees with skills through from Entry level to post-graduate level (Level 7). Some sectors such as health and social care, had shortages before the pandemic which have since increased, while other sectors such as hospitality and tourism and logistics, have been particularly impacted by the loss of EU workers and employees transitioning to other sectors.

The combination of Covid and EU Exit has resulted in shortages of talent to fill particular roles and, in some sectors, challenges in recruiting to multiple roles within the sector. An example is construction workers – the number of EU construction workers in the UK has halved in the past 4 years and contractors laying off workers at the start of the pandemic have not been able to re-hire them. Other examples include: heating engineers, food processors, hospitality and catering workers – especially chefs and waiting staff, IT and computing roles, retail supply chain roles, truck drivers. In June 2021, UK Hospitality indicated that there was a shortfall of approx. 188,000 workers in the sector nationally and at one point in October 2021 Gloucestershire hospitality employers confirmed they had 664 hotel vacancies, 599 restaurant staff vacancies and 292 bar staff vacancies – all permanent roles, as opposed to those usually hired in the run up to the Christmas period.

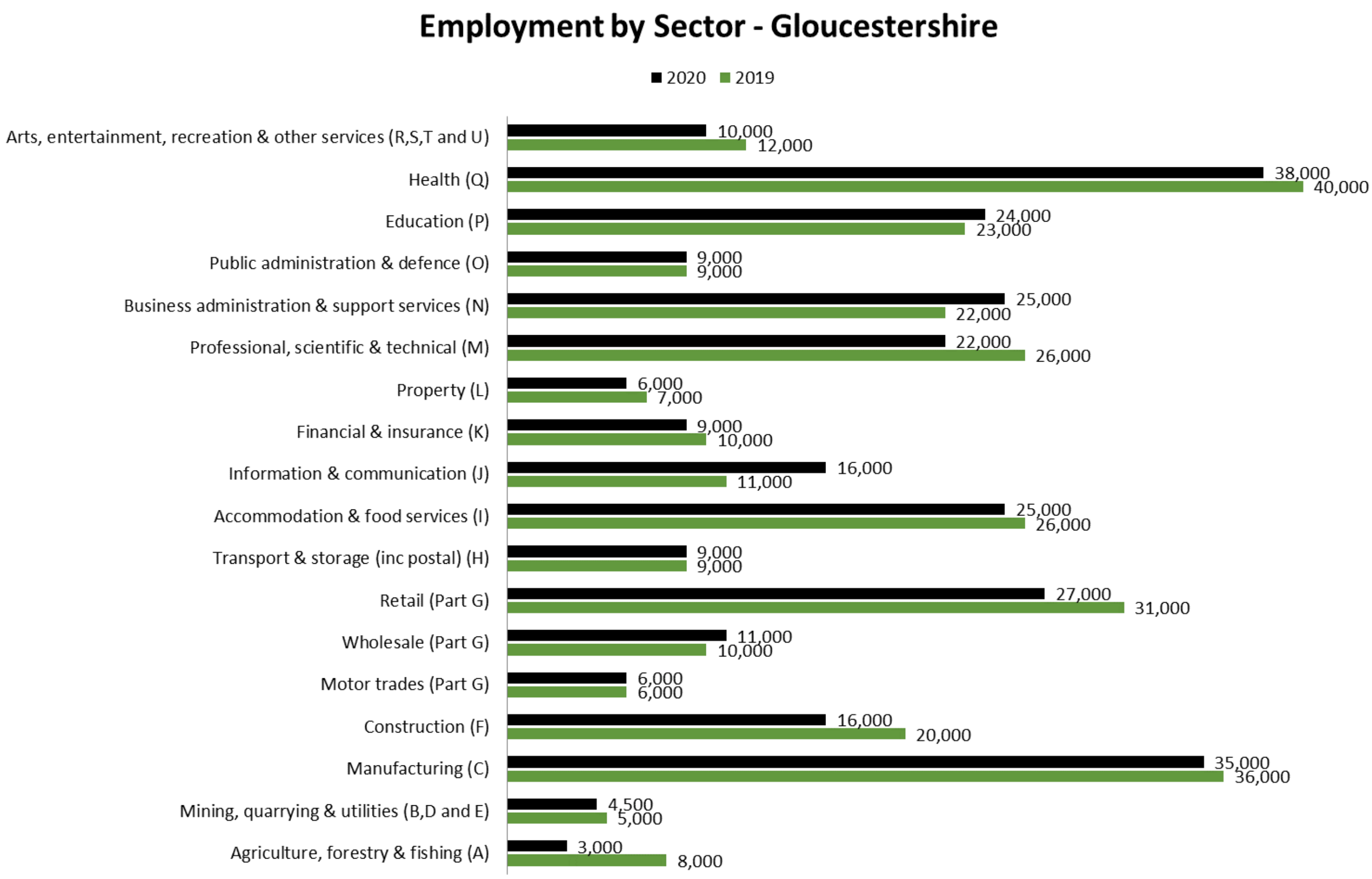
GFirst LEP is in the process of finalising its skills strategy for 2021-2025. In order to provide these skills for local businesses and local residents, the complex, careers, employment and skills landscape needs to be 'decluttered', co-ordinated effectively across the County and for employers, training providers and funders to work collaboratively.

Employers are key to the success of any inclusive employment and skills strategy. Understanding their needs and then ensuring people have the right skills to do the jobs required is essential. Gloucestershire has a number of local initiatives which help people who are furthest from the labour market or at risk of long-term unemployment to develop their employability skills. This includes initiatives for young people in education through to people who have been disengaged from the labour market for some time.

Section One: Local Landscape

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 led 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.
- The economy is diverse with no single sector dominating, making it more resilient to economic shocks. Sectors of high employment or specialisation such as Health, Manufacturing and Agriculture have generally been less adversely impacted by COVID-19.
- There are high levels of out-commuting and Gloucestershire has not attracted or retained those with higher skills to the same extent as comparator LEP areas, especially the West of England.
- 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.
- Deprivation is generally in line with national averages, but there are pockets of deprivation in urban and rural areas particularly in relation to Education, Skills and Training indicators.



[1] Source: Business Register and Employment Survey 2020, (November 2021 release)

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.

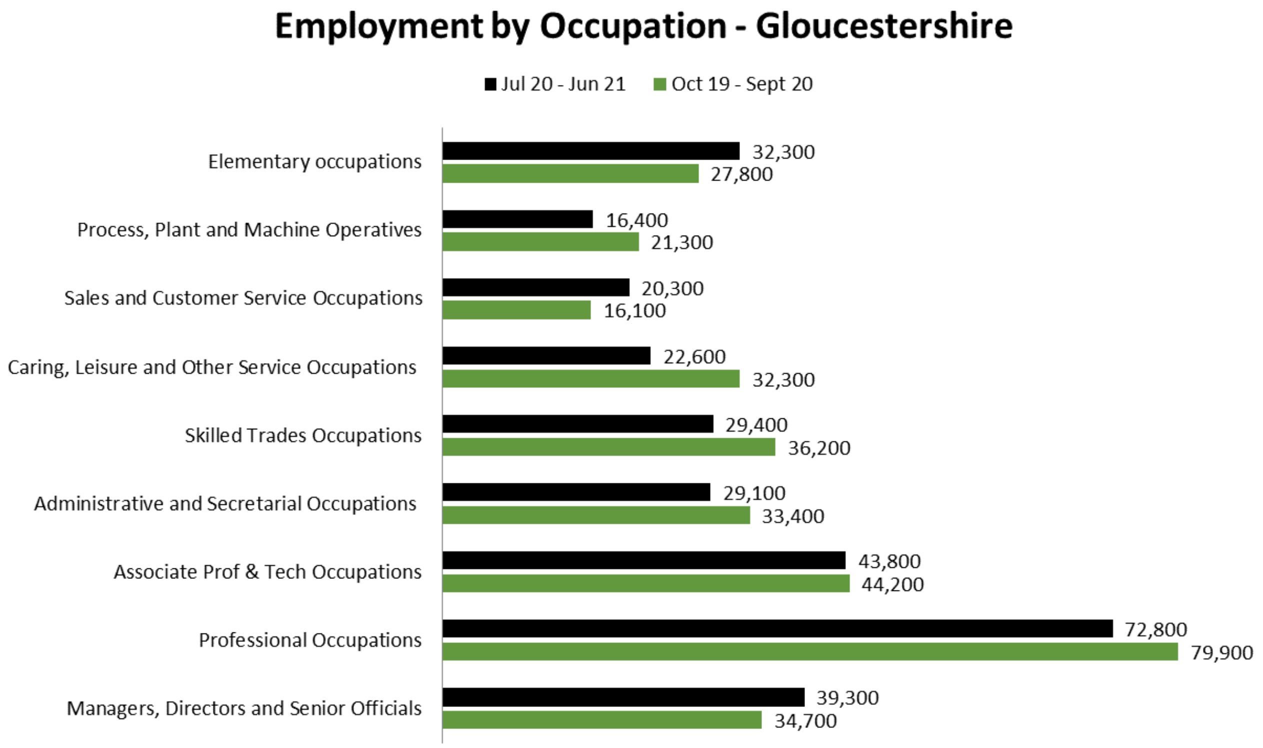
It is still unclear exactly how big an impact the covid pandemic will have on the workforce however retail, accommodation and food services are expected to be amongst the hardest hit workers on furlough choosing to move sectors. There have also been staff shortages in physical retail are due to EU workers returning home prior to EU Exit. The EU exit will also have an amplified effect on longstanding shortages within the health and social workforce.

The Finance & insurance; Property; Public administration & defence; and Transport & storage sectors are also expected to decline in contrast to the national picture. However, the highest need for jobs in the financial sector is in the South West – at 92.37% above the national average for the UK.

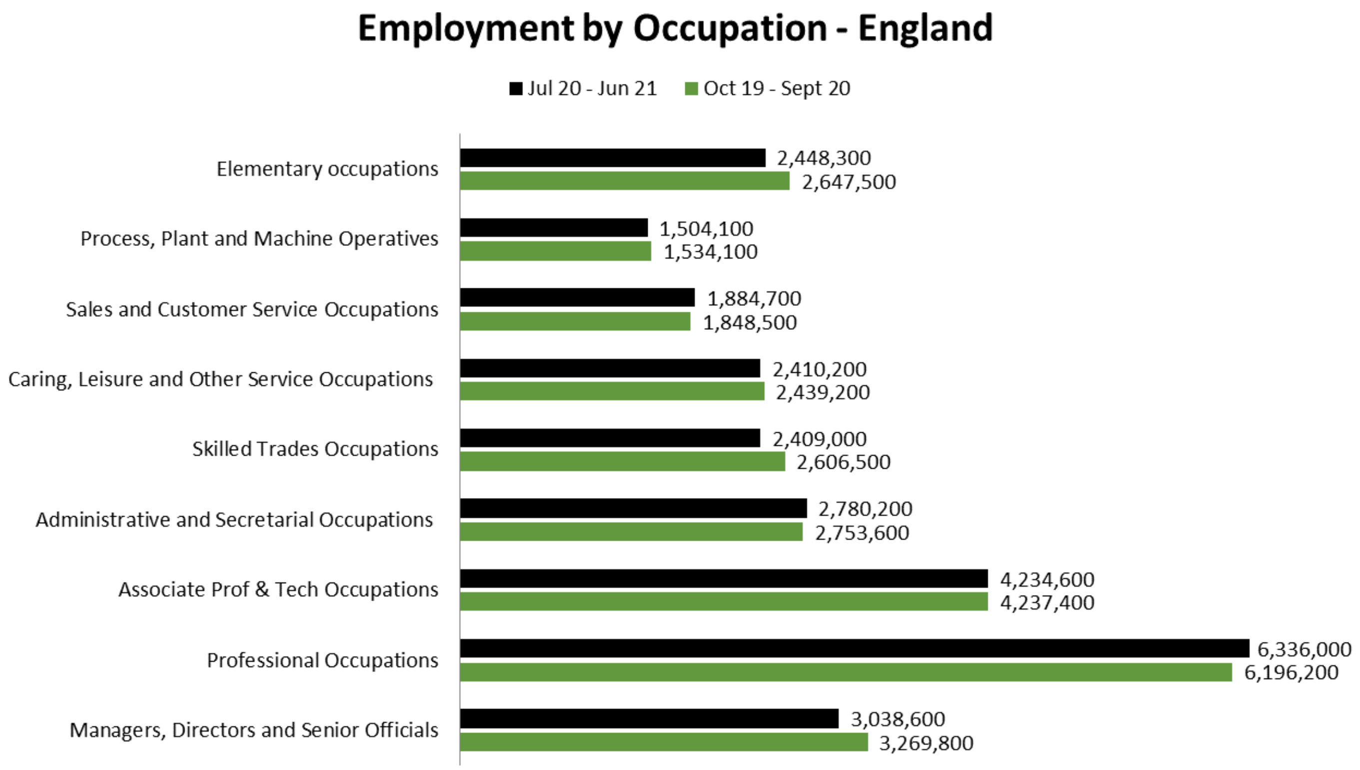
Gloucestershire is the 2nd largest Cyber cluster behind London with Cheltenham having the highest density of Cyber businesses in the country[2]. Gloucestershire is also in the top percentile of counties in the UK where recruitment is rising in the renewables sector[3].

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.

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.



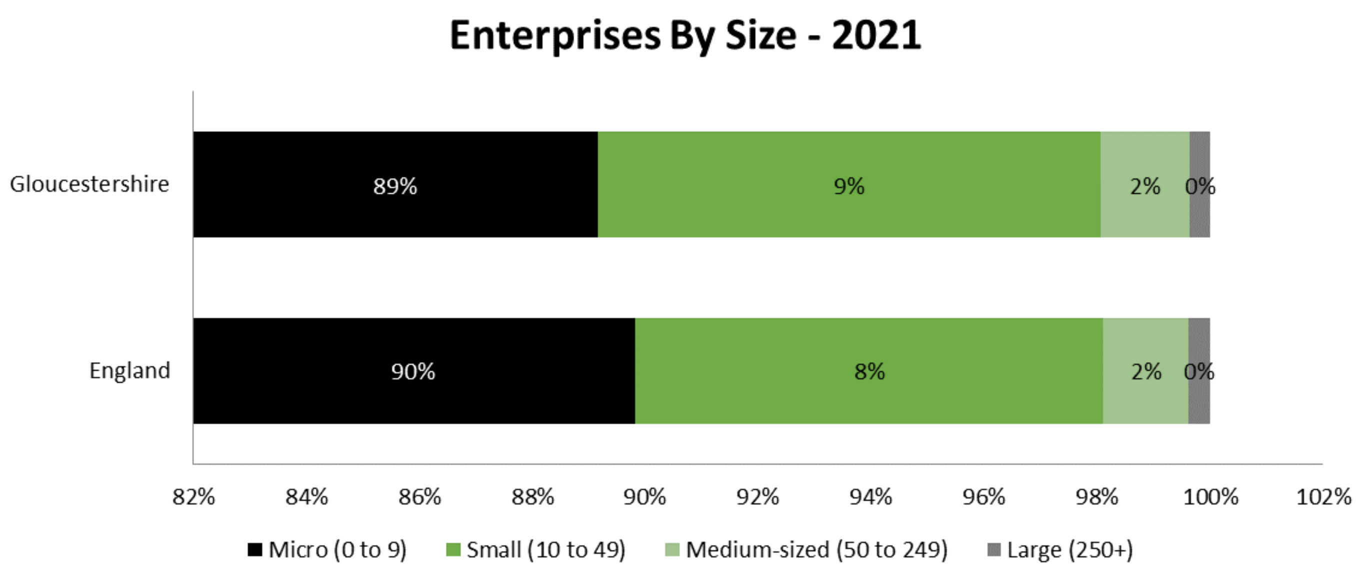
[2] GFirst LEP Skills Strategy 2021-2025
[3] EMSI



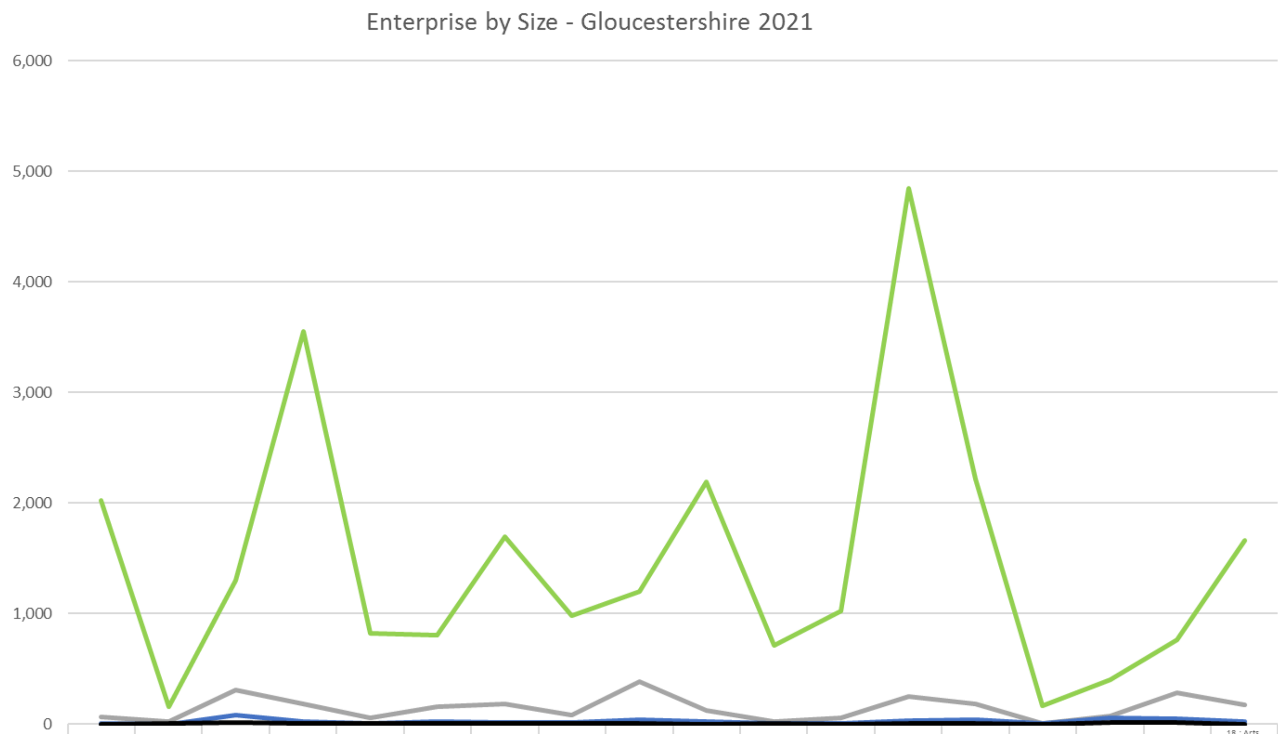
[4]

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.



[4] Source: Annual Population Survey, July 2020 to June 2021 and October 2019 to September 2020.



	1 : Agriculture, forestry & fishing (A)	2 : Mining, quarrying & utilities (B,D and E)	3 : Manufacturing (C)	4 : Construction (F)	5 : Motor trades (Part G)	6 : Wholesale (Part G)	7 : Retail (Part G)	8 : Transport & storage (inc postal) (H)	9 : Accommodation & food services (I)
Micro (0 to 9)	2,025	155	1,300	3,555	820	805	1,695	980	1,200
Small (10 to 49)	70	25	310	185	60	160	185	80	385
Medium-sized (50 to 249)	5	0	80	25	10	25	20	15	40
Large (250+)	0	5	20	5	5	5	5	5	5

	10 : Information & communication (J)	11 : Financial & insurance (K)	12 : Property (L)	13 : Professional, scientific & technical (M)	14 : Business administration & support services (N)	15 : Public administration & defence (O)	16 : Education (P)	17 : Health (Q)	18 : Arts, entertainment, recreation & other services (R,S,T and U)
Micro (0 to 9)	2,195	710	1,025	4,845	2,220	170	400	760	1,660
Small (10 to 49)	125	25	55	250	185	5	75	285	180
Medium-sized (50 to 249)	25	10	10	35	45	5	55	50	25
Large (250+)	0	5	0	5	10	0	15	15	0

Micro (0 to 9) Small (10 to 49) Medium-sized (50 to 249) Large (250+)

[5]

Enterprises by Employment Size

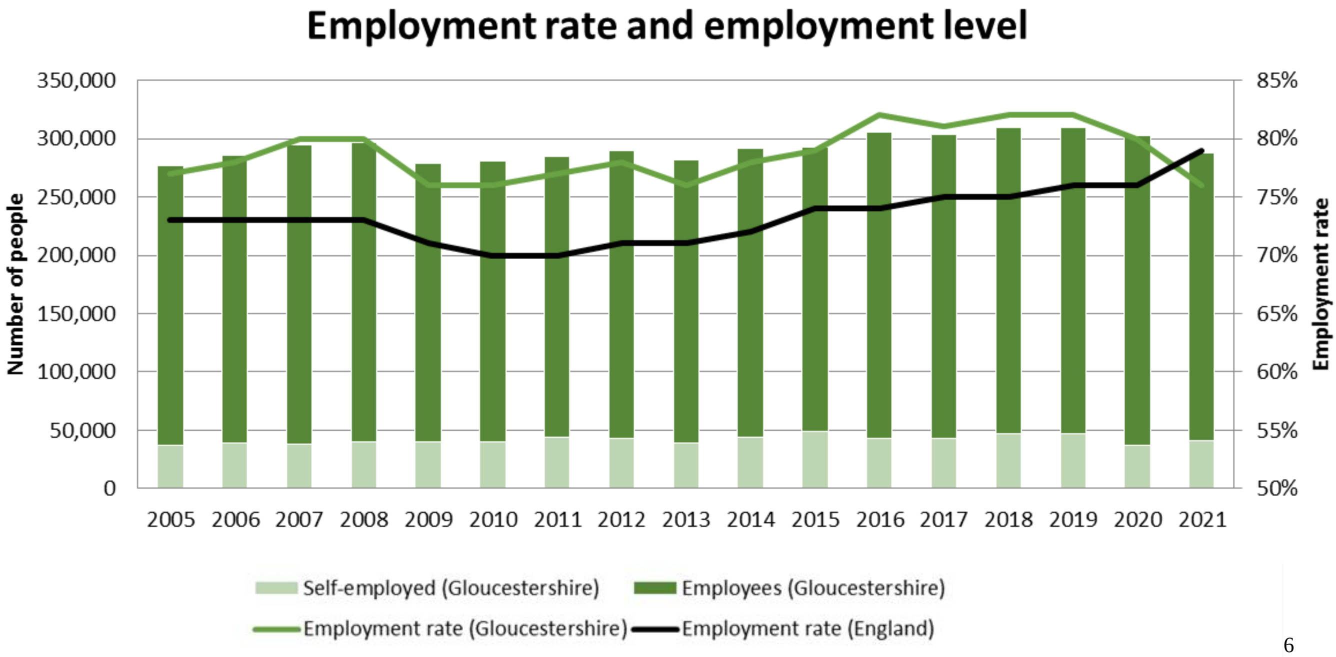
Gloucestershire has a large SME community; 89% of Gloucestershire's businesses employ less than 9 people, compared to approximately 110 businesses employing 250 or more people.

Business formation, entrepreneurialism and start-up rates are high in Gloucestershire, and pre-pandemic had a healthy overall growth dynamic that could be observed in terms of employee and business growth. 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 whilst keeping their supply chains operational. 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.

Supply chain issues are not the only challenges being faced by SME manufacturers across the South West; over half of respondents (56%) from a Gloucestershire skills survey said that recruitment is also causing concerns.

[5] Source: UK Business Counts, 2021



[6]

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)[7], 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.

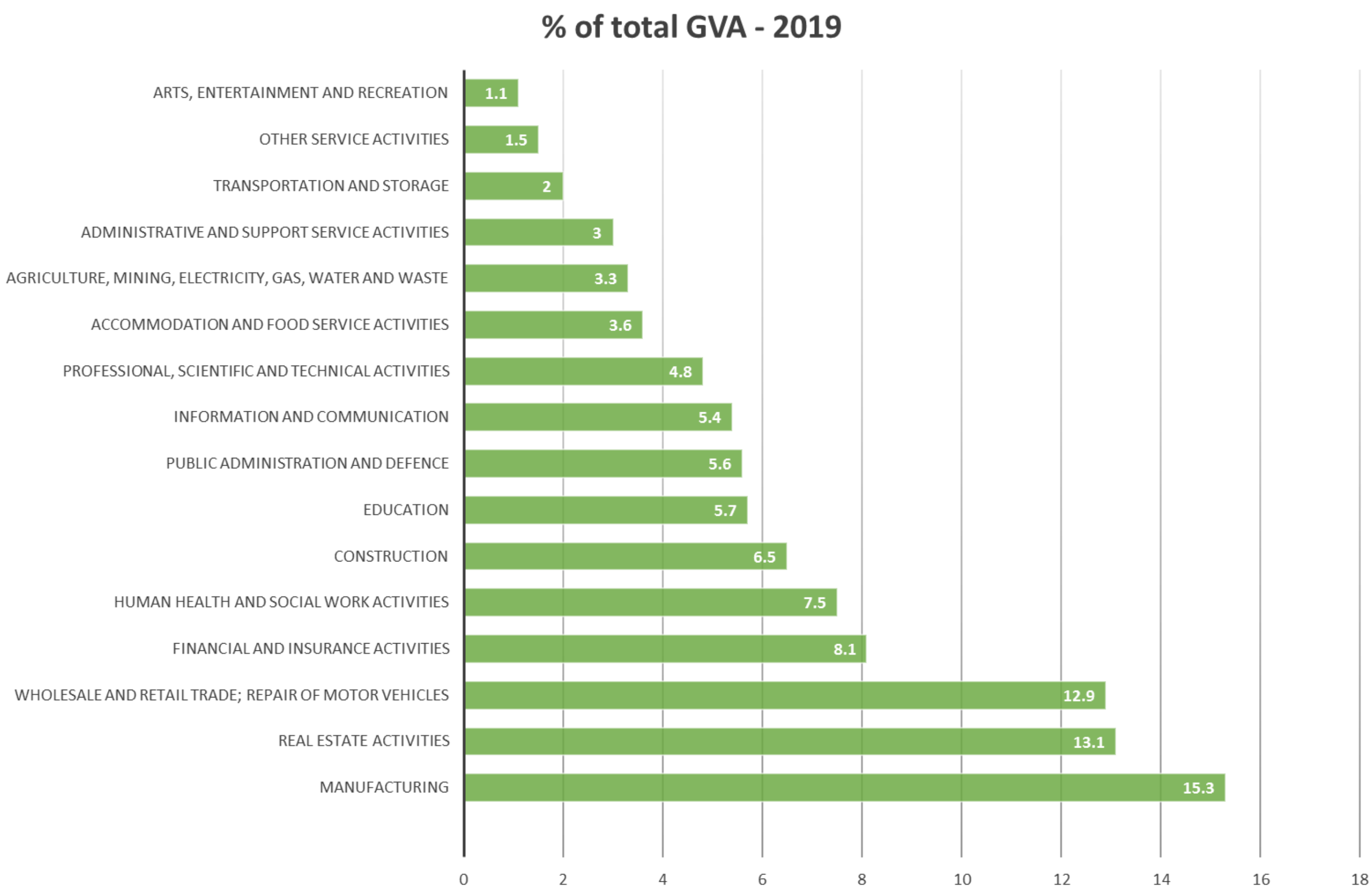
The true impact of the covid-19 panademic is not yet known but the current figures do not take into consideration ending furlough and the amount of work that has a reduction in hours.

[6] Source: Annual Population Survey, 2005 - 2021
[7] Gfirst Local Industrial Strategy, Five Foundations of Productivity 2019

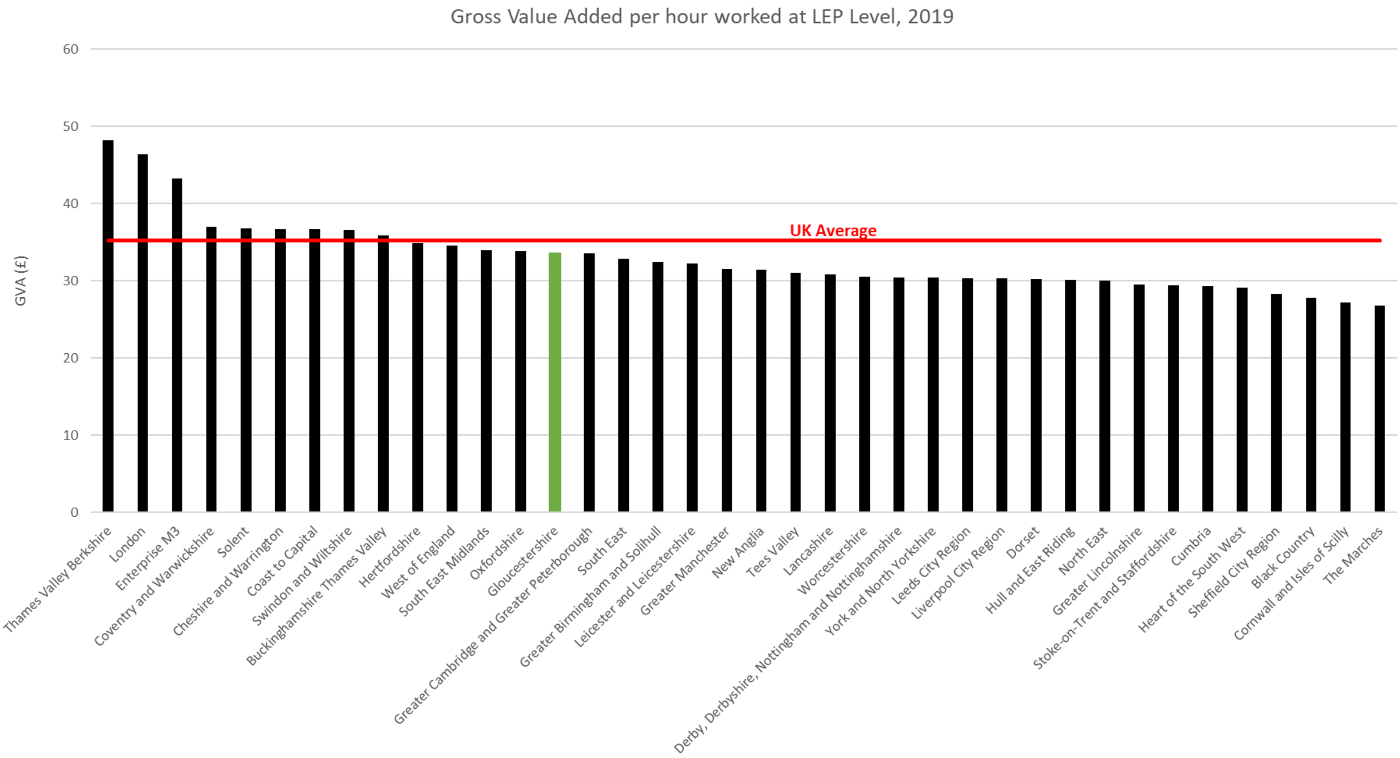
Furloughed employments as at 30th September 2021 (final)

District	Employments furloughed	Eligible employments	Take-up-rate
Cheltenham	1,600	50,800	3%
Cotswold	1,300	37,100	4%
Forest of Dean	1,100	33,800	3%
Gloucester	1,600	61,300	3%
Stroud	1,700	51,600	3%
Tewkesbury	1,200	41,000	3%
Gloucestershire	**8,500**	**275,700**	**3%**
South West	72,300	2,369,400	3%
England	971,900	23,881,800	4%

**Take up rate is the percentage of workers furloughed, as a proportion of those eligible employments.*[8]



[8] furlough statistics are **provisional** and are based on the latest available information from HMRC, which includes claims made by the 14th October 2021. The furlough scheme came to an end on the 30th September, and final numbers for September are currently scheduled to be released mid-December by HMRC

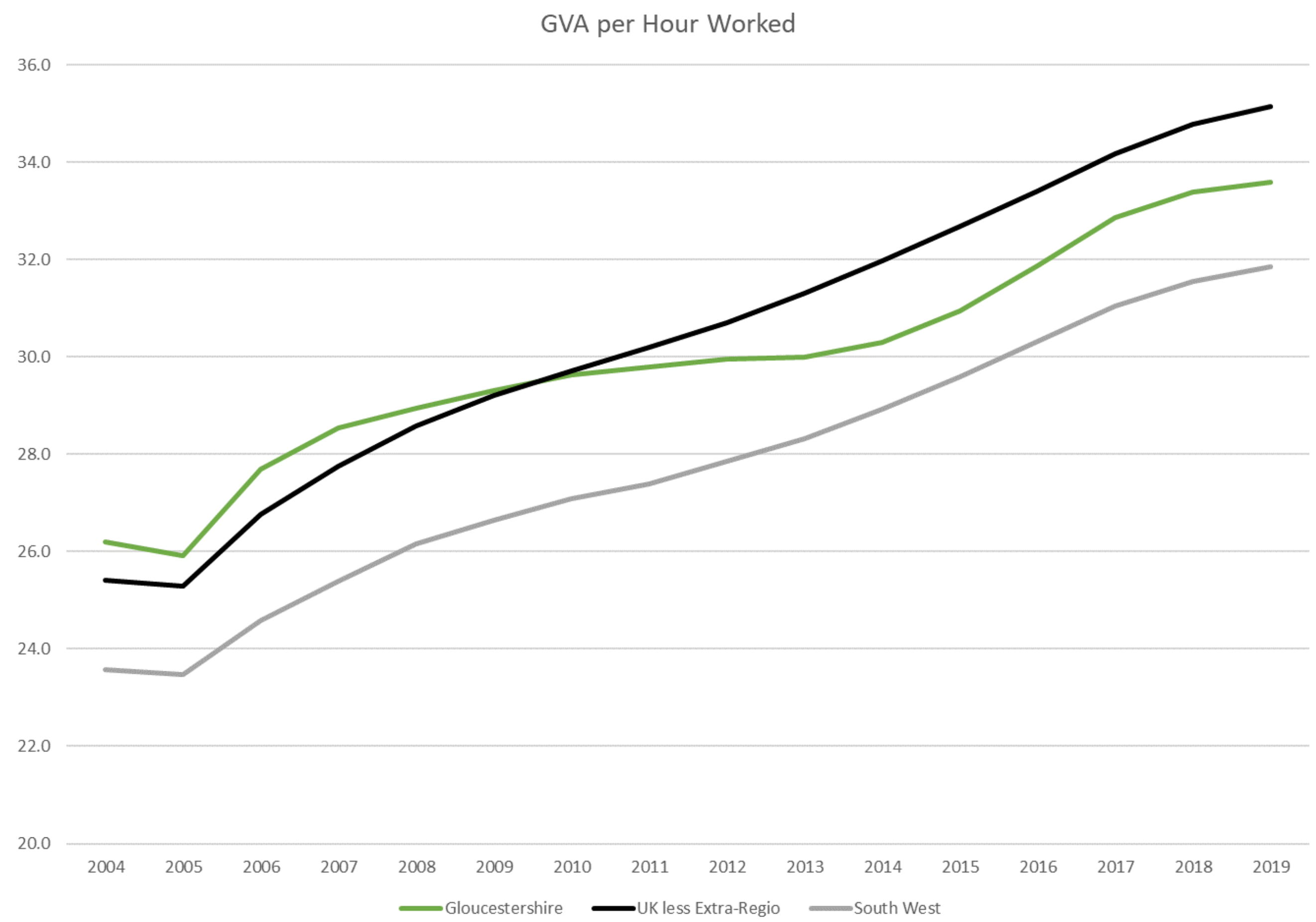


Nominal GVA per hour worked:

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.

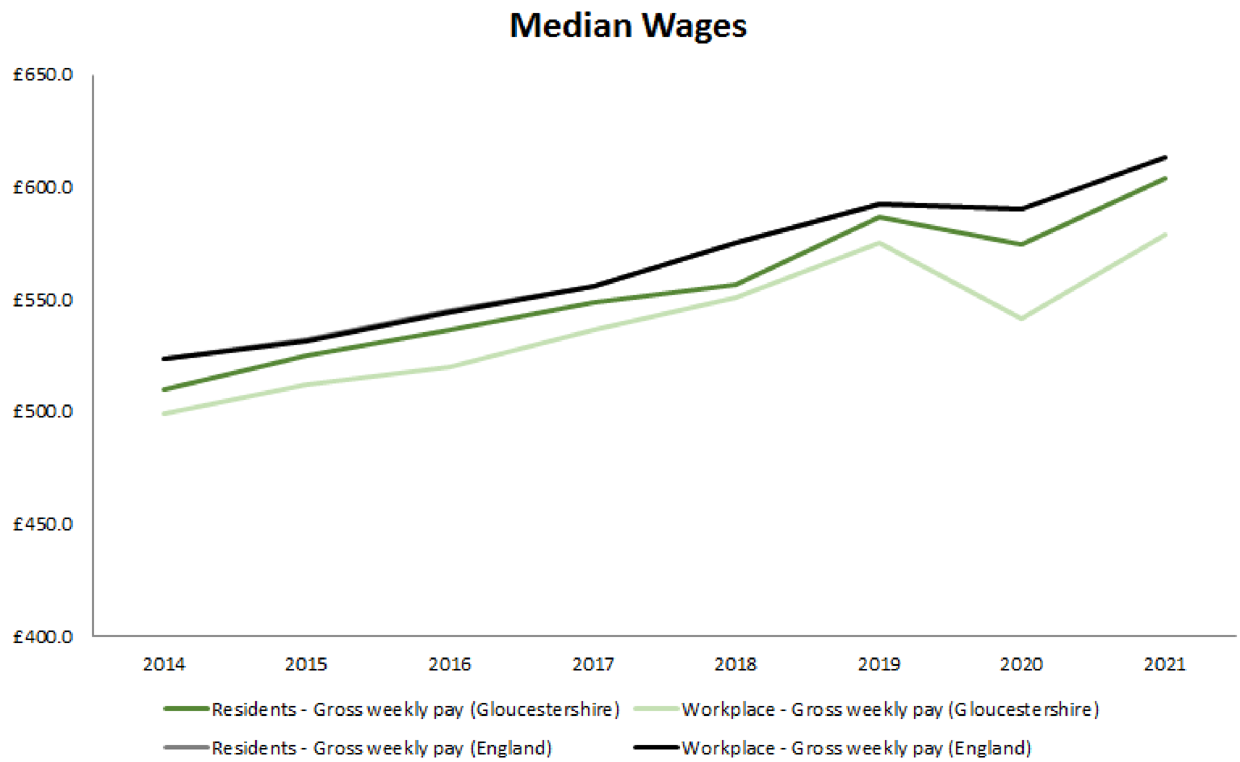
Gloucestershire is amongst areas that suffered the greatest falls in their input factors according to the UKCI Input index 2019, Gloucestershire LEP was ranked 15th place. Gloucestershire LEP area observed a reduction of its UKCI Input Index score by 5.6 points, also dropping by 4 places in this listing. 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]

[9] http://www.cforic.org/pages/uk-competitiveness.php

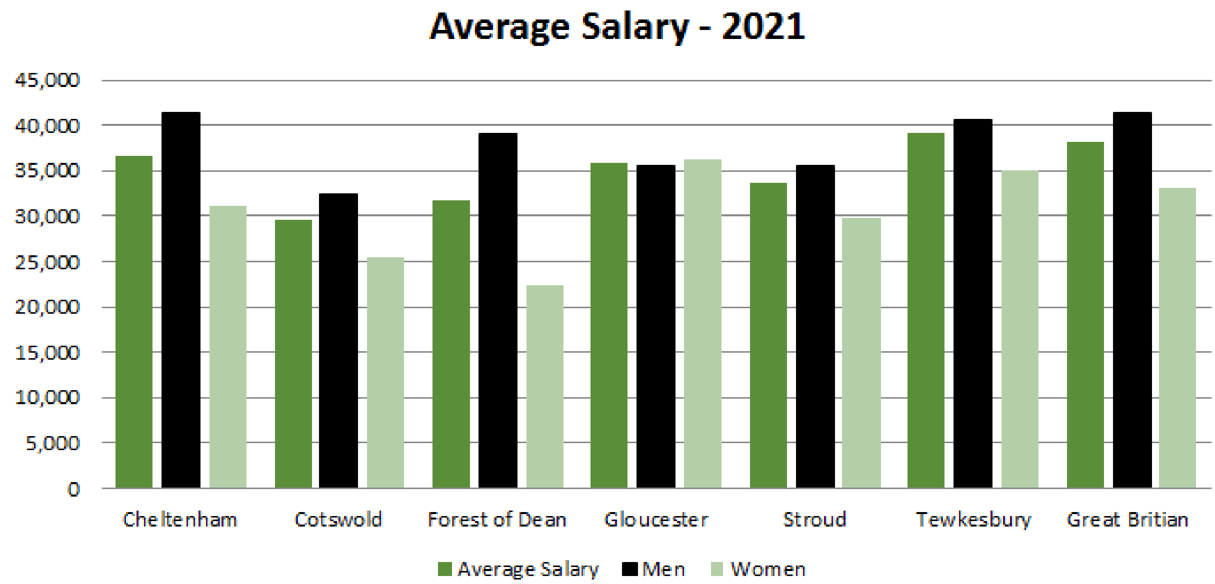


[10]

[10] Source: office for national statistics



[11]



[12]

Median gross weekly wage for full-time workers:

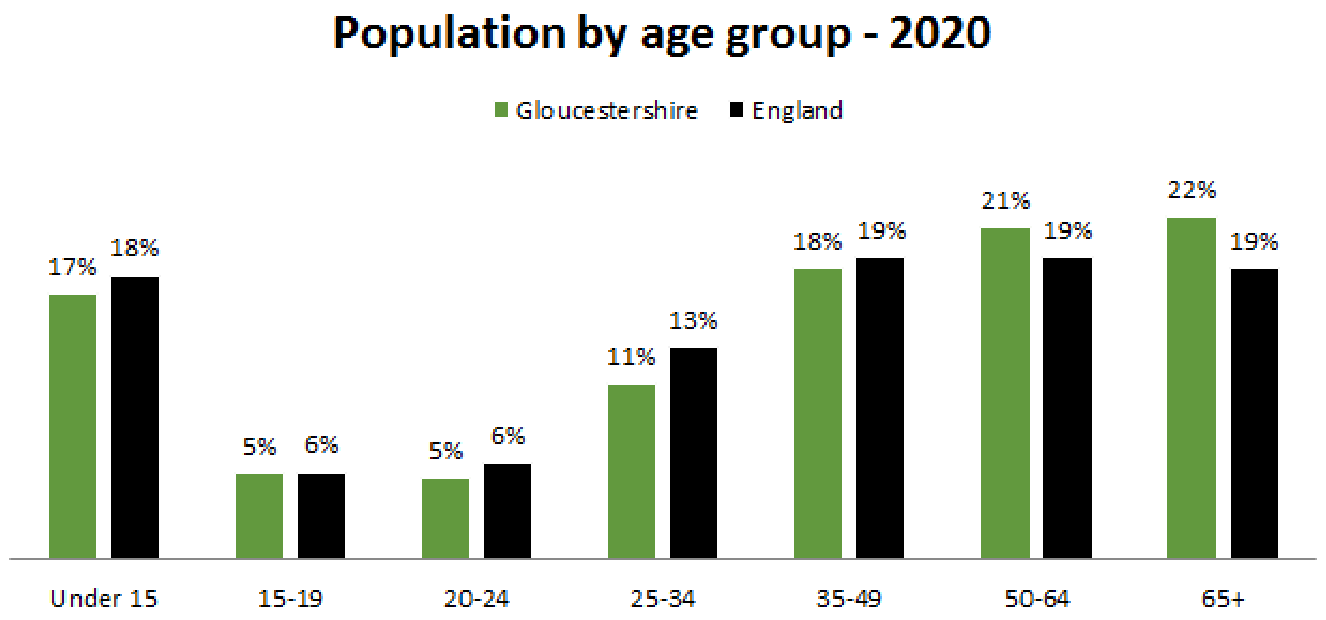
Gloucestershire had a median annual residential wage of £28,000 in 2021 (£578.60 weekly), Trends in wages decreased dramatically in Q3 2021. On average salaries in Gloucestershire have gone down 6.4% year-on-year whilst the national annual change is –4.7%[13].

Gloucestershire has slightly higher median gross weekly pay for residents than workplace earnings (£603.8 against £578.6) 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

[11] Annual survey of Hours and Earnings, 2014-2021
[12] Plumplot
[13] Adzuna

with higher residence based earnings are generally residential areas where people commute from. However, it remains to be seen if we will see the high levels of out-commuting once it is safe to return back to office-based working after the pandemic. Or whether, there is a hybrid of working from home with the occasional day in the office.

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.



[14]

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 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.

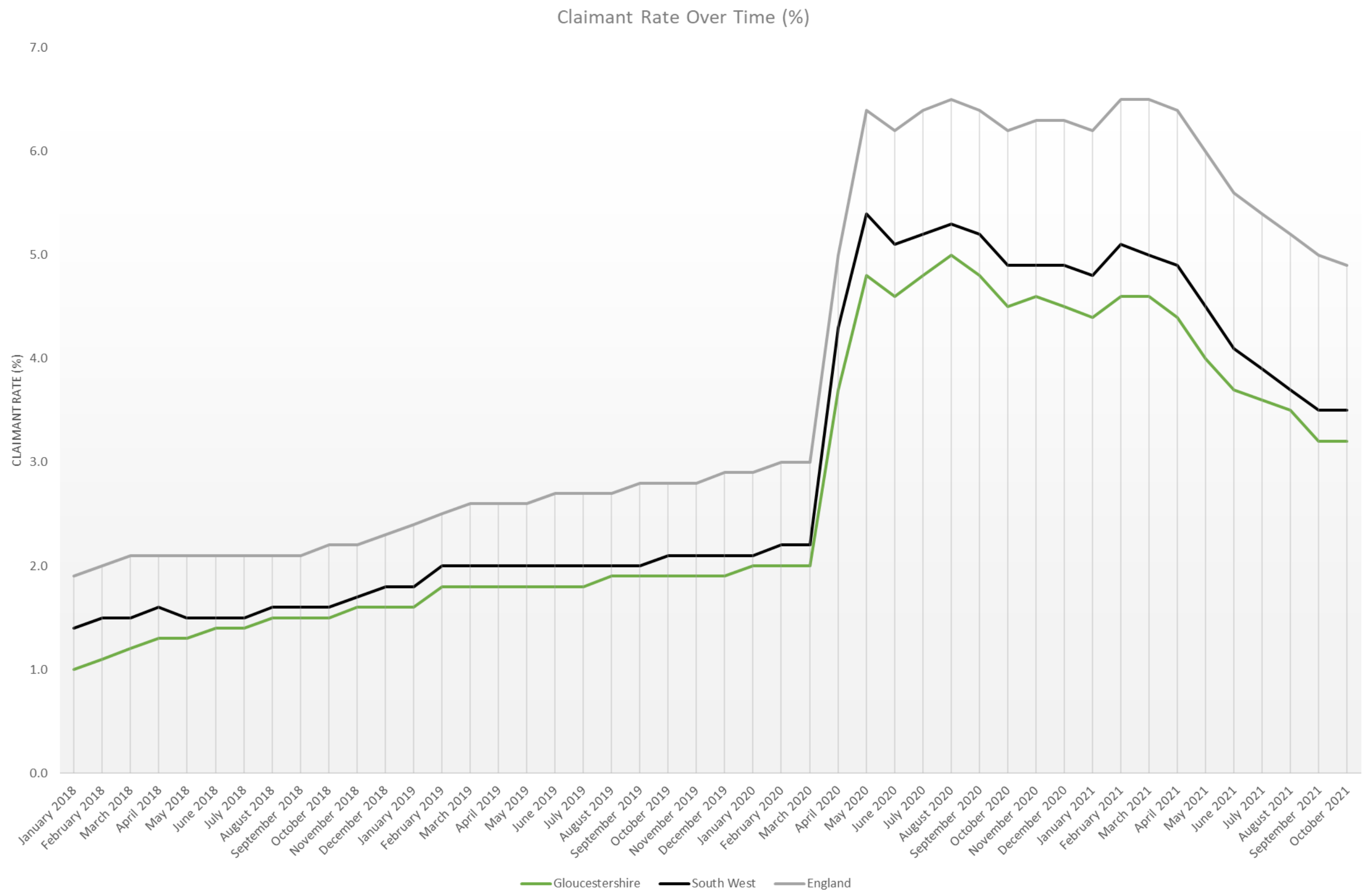
With a population continuing to age over the coming years, the simple conclusion is that there would be less labour resource available within Gloucestershire. A key influence on the scale and shape of future labour demand will therefore be related to replacement demand.

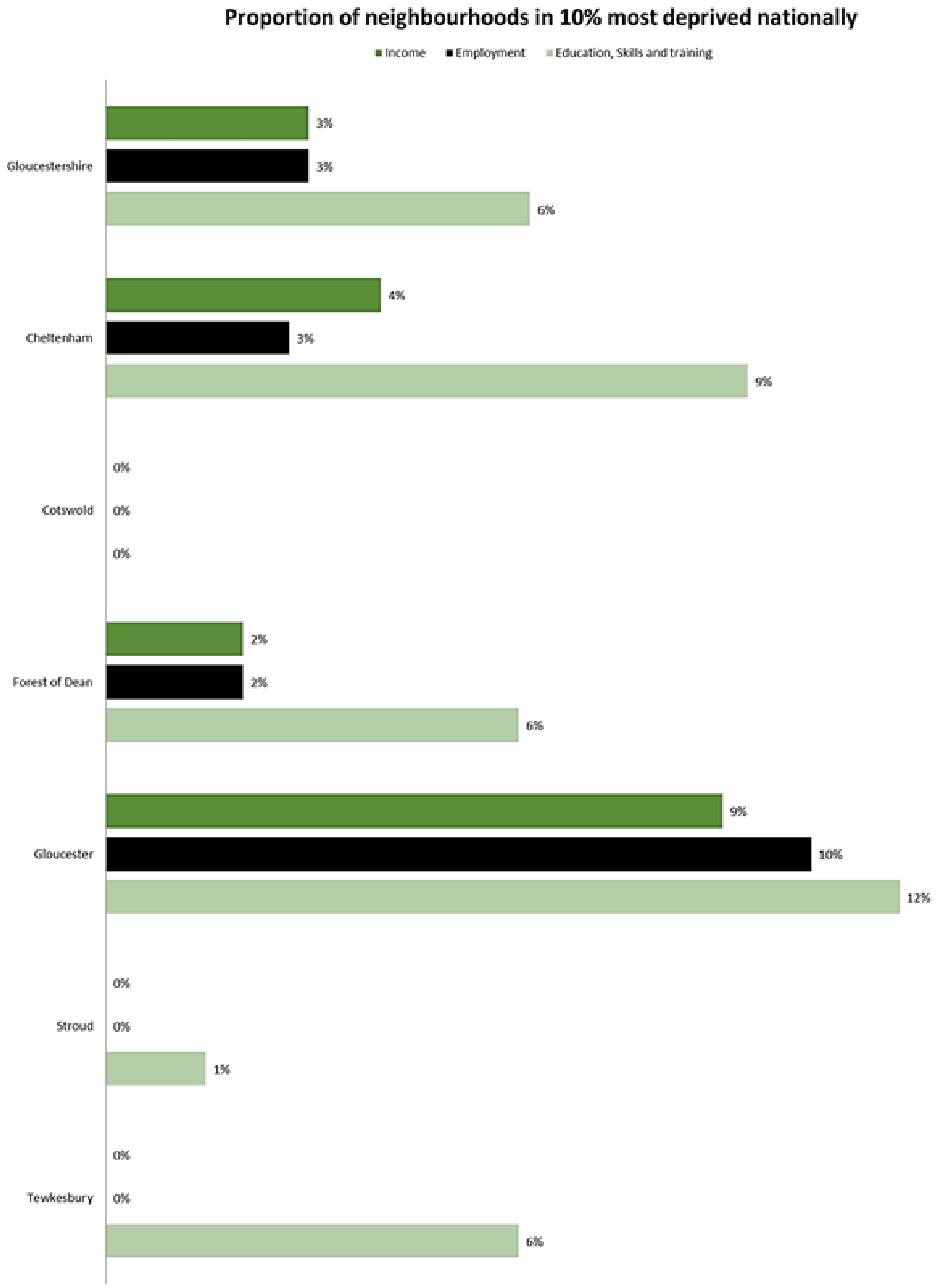
Historically, Gloucestershire has been a net exporter of 18-24-year olds. A fundamental element of Gloucestershire's Local Industrial Strategy (LIS) is to become a 'magnet county', which aims to attract and retain young talent.

[14] Mid-2000 Year Estimates, NOMIS

Claimant Count and Alternative Claimant Count:

Historically, 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.





15

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).

[15] 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.

Section Two

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 digital skills.

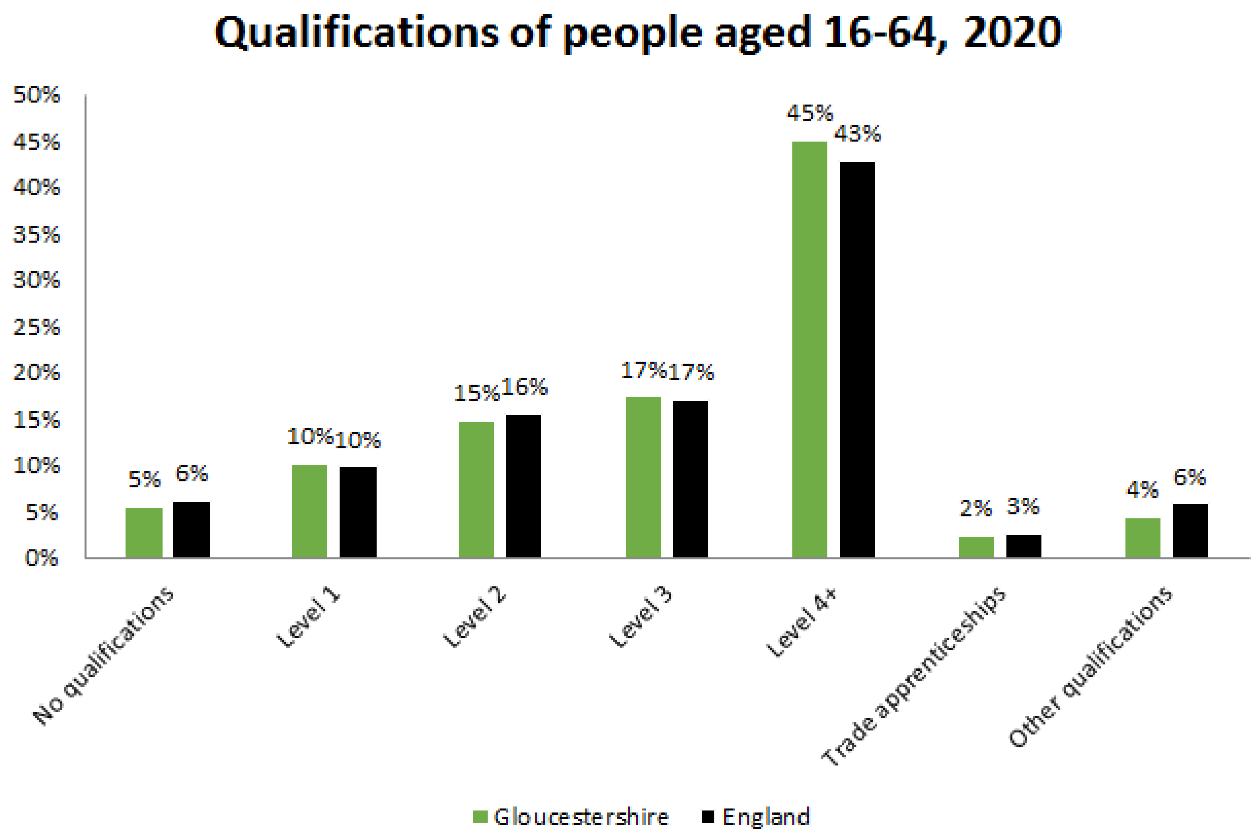
• Management skills are key to implementing positive business practices and more productive business models and strategies.

• 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 a 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.

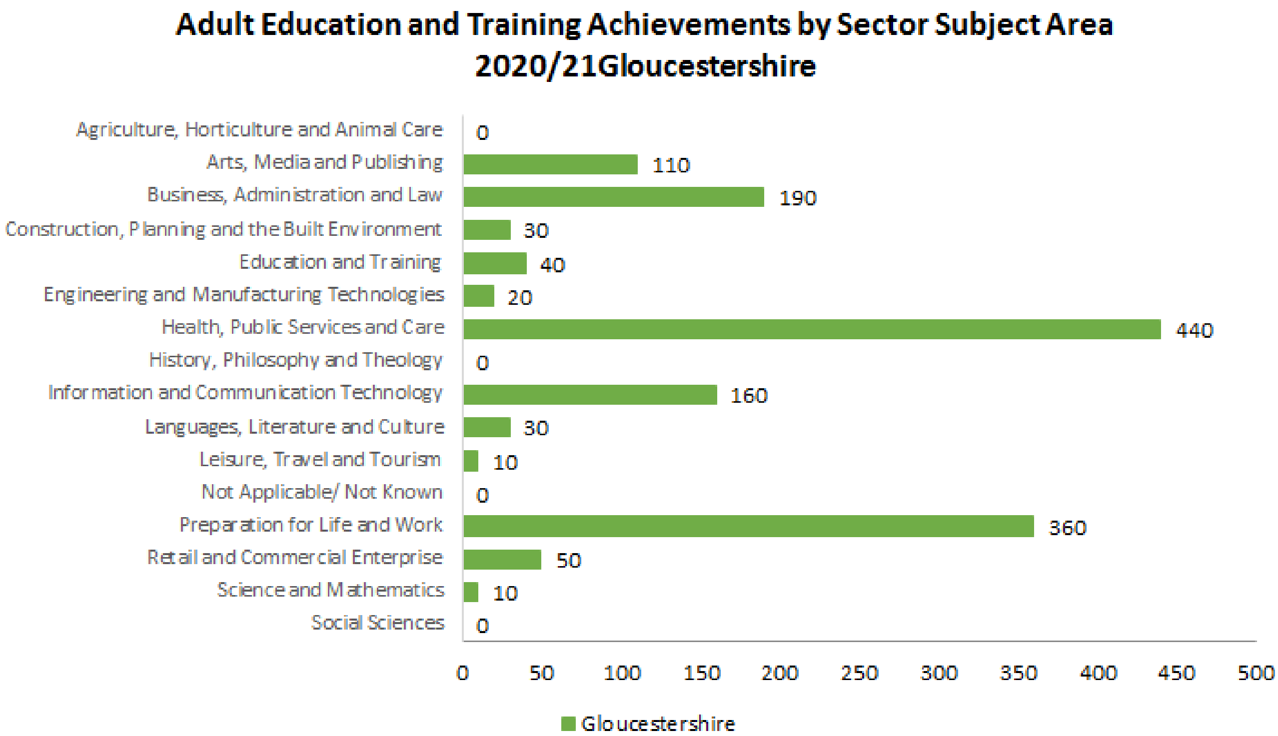


[16]

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.

[16] Annual Population Suvery, January 2020- December 2020



17

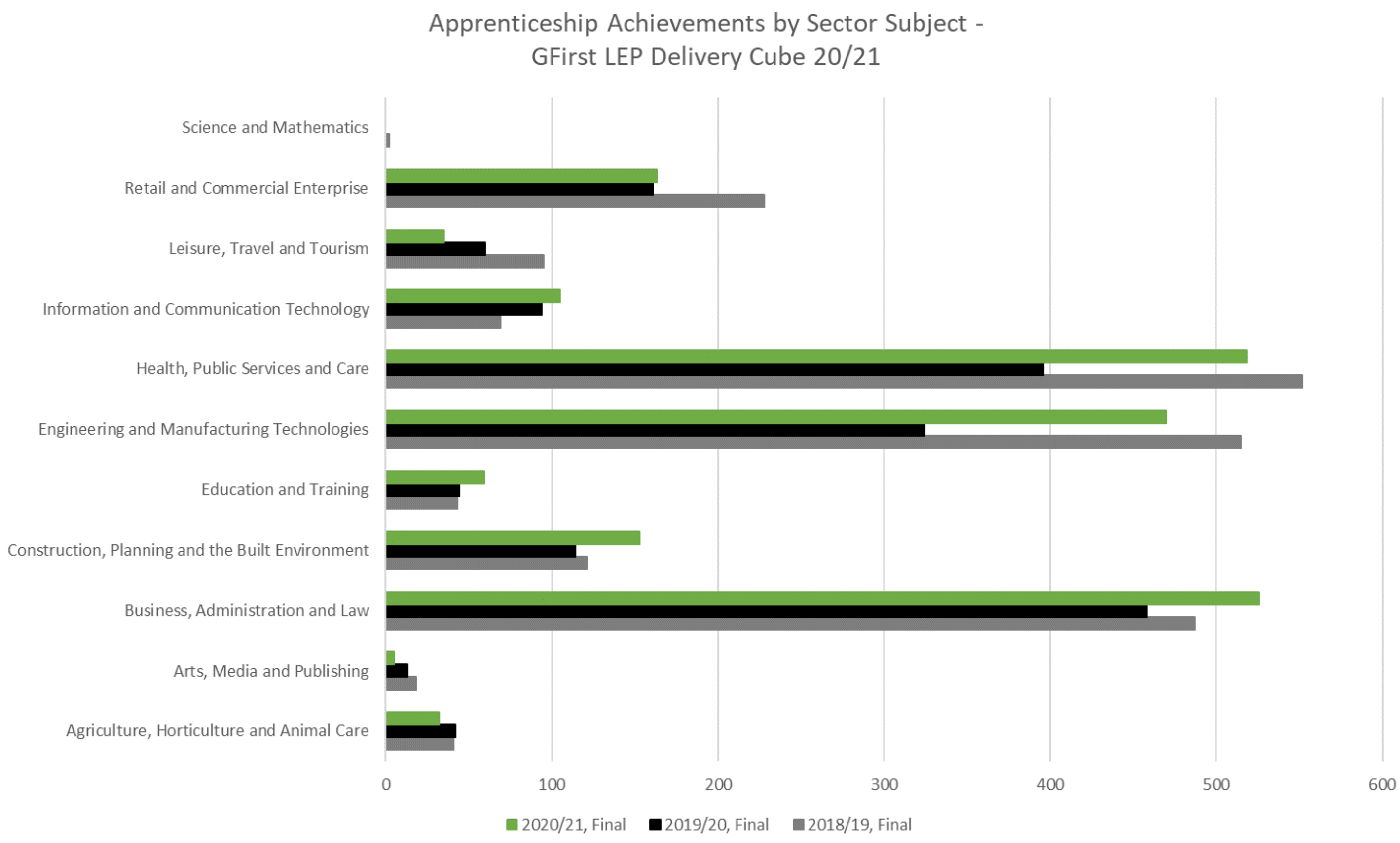
FE Education and Training Achievements:

Gloucestershire has shown improvement since 2010, compared to the 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 in 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.

The 2020/21 data covers the period affected by COVID-19 and the associated restrictions, which have impacted on FE provision.

[17] Further Education & Skills Data, DfE – Latest Dataset



18

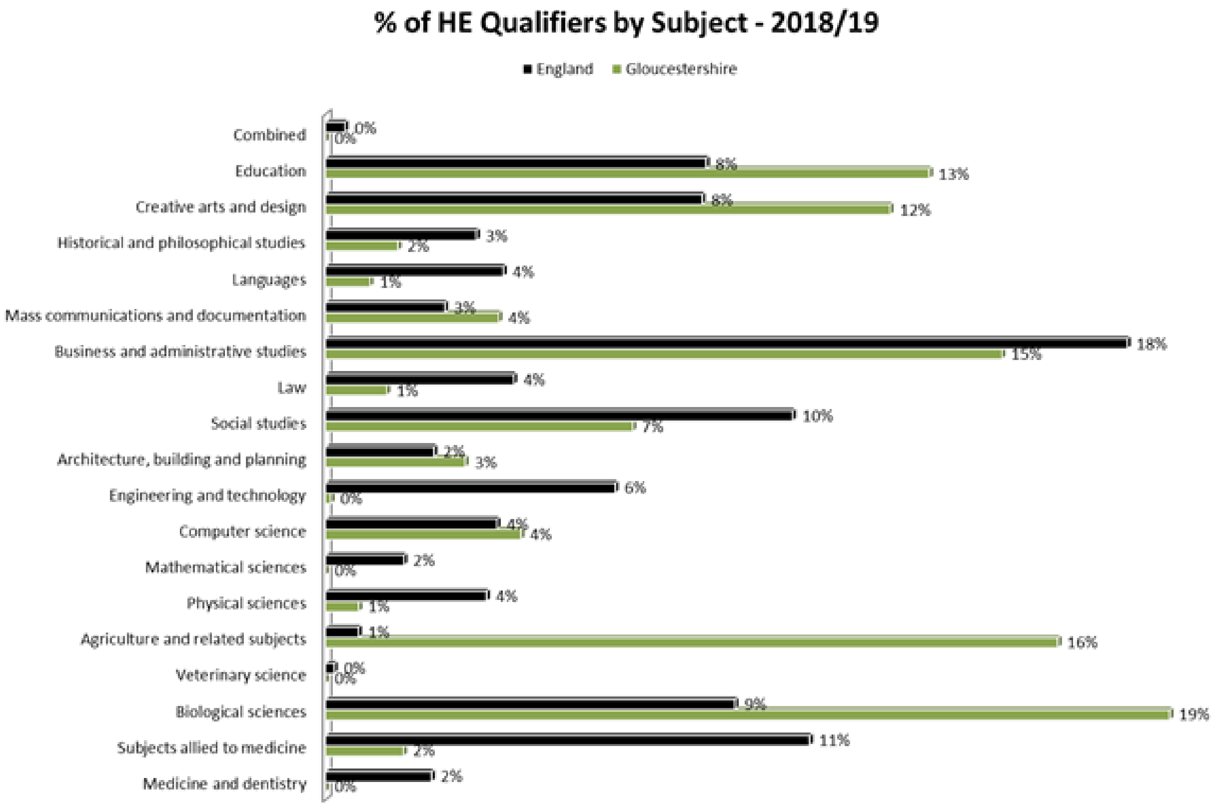
Apprenticeship Achievements:

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 (25%), Health, Public Services and Care (25%), Engineering and Manufacturing Technologies (23%), Retail and Commercial Enterprise (8%). 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.

Apprentices that either started their apprenticeship either prior to the pandemic or at any point in the last twelve months, have experienced not only the change in the way they work, but also in the way that their apprenticeship training has had to be delivered. The move from face-to-face delivery to that of completely remote delivery through virtual technologies has both been a positive step forward, but also, in some cases had a negative impact on the individuals.

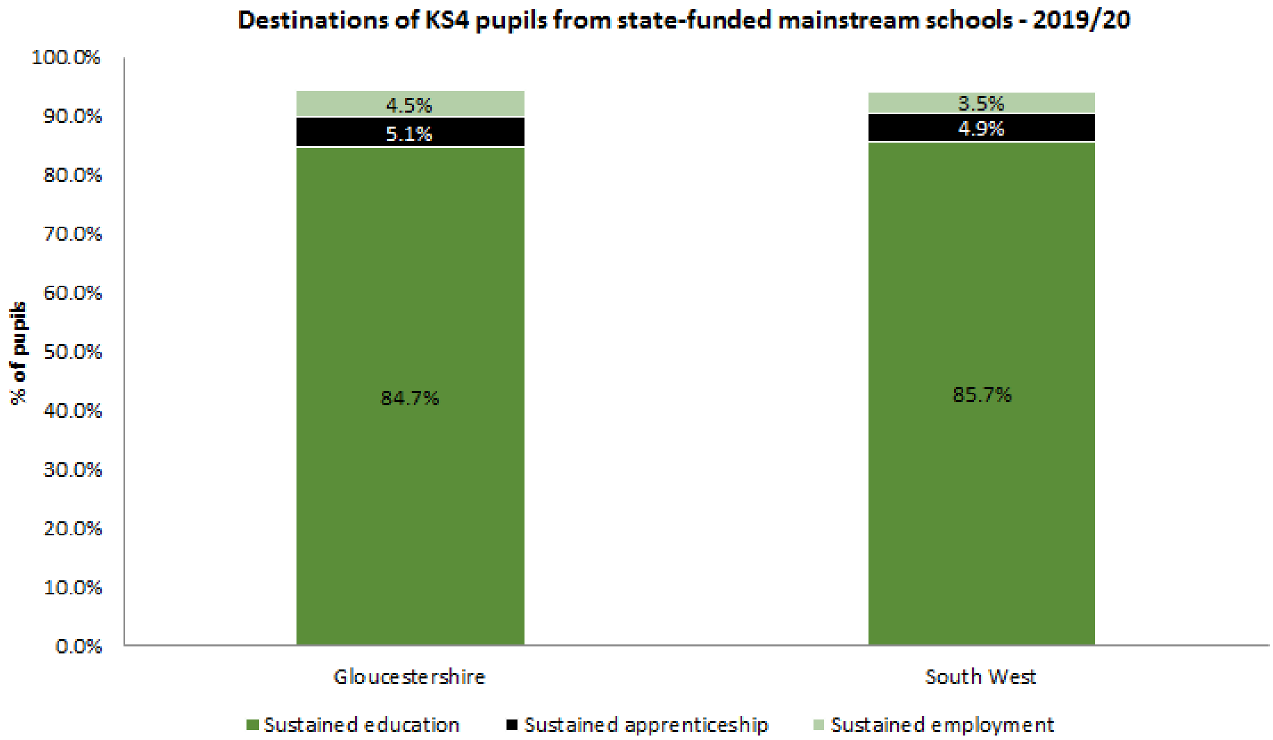
[18] Apprenticeship Datacube, DfE (final release 2020/21)



19

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 county's 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.

[19] Source: HESA, 2018/19 Qualifiers



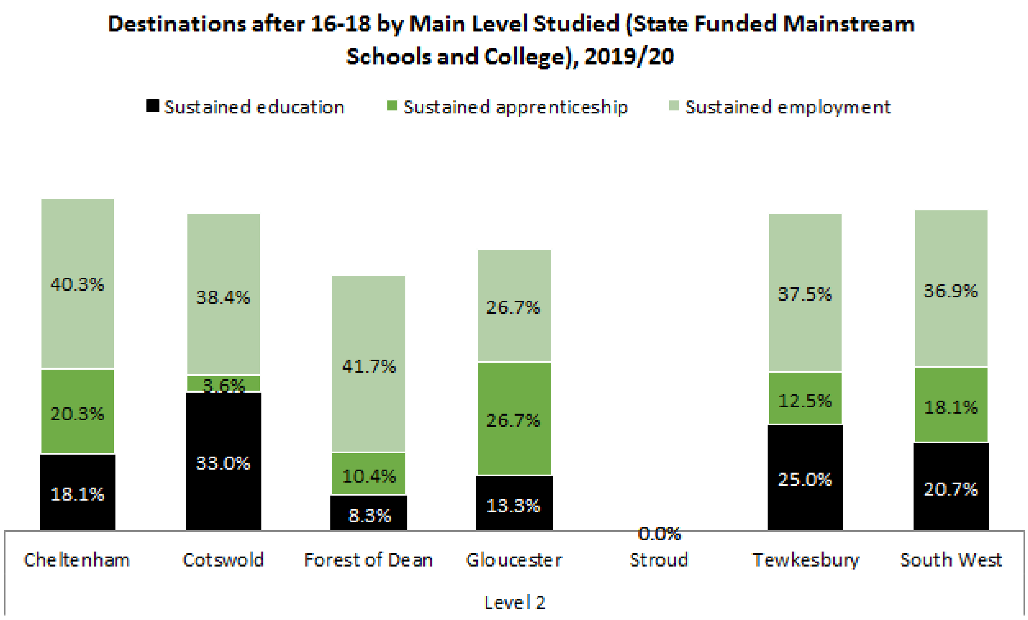
[20]

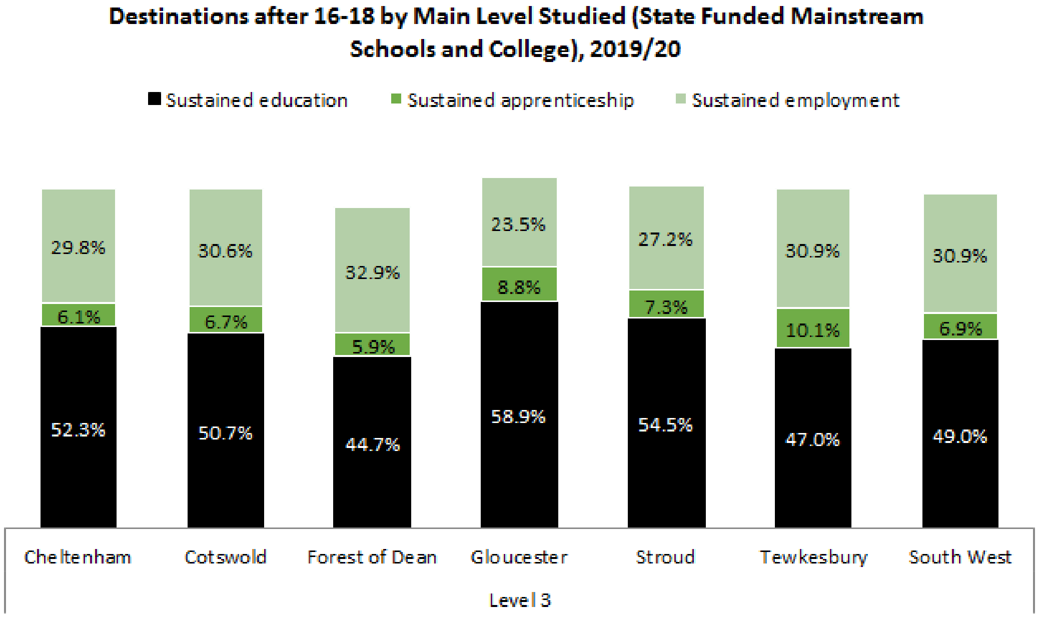
KS4 destinations:

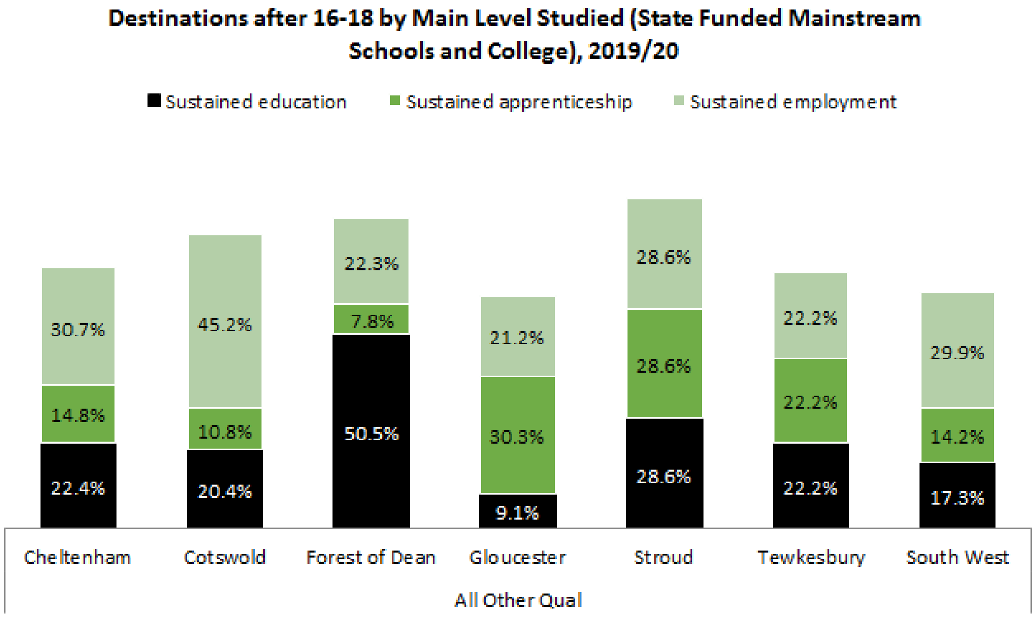
Schools in Gloucestershire are expected to see growth in student numbers over the next few years, at least up to 2025/26, including 8% growth in 11-16 year olds and 20.3% growth in 16 years plus.

The vast majority in every district in Gloucestershire proceed to sustain 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.

[20] Source: KS4 Destination Measures, DFE 2019/20 (published 2021)







[21]

[21] 16-18 Destination Measures, DfE, 2019/20 (published 2021)

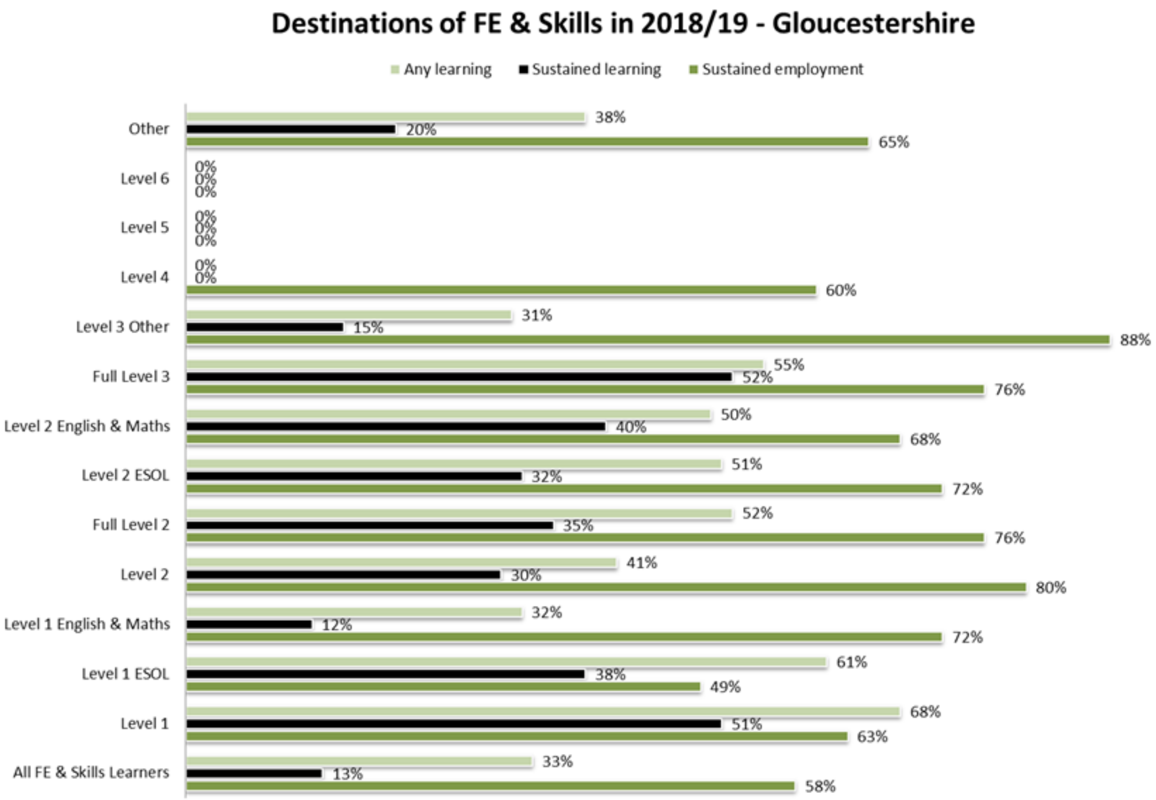
KS5 destinations:

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.



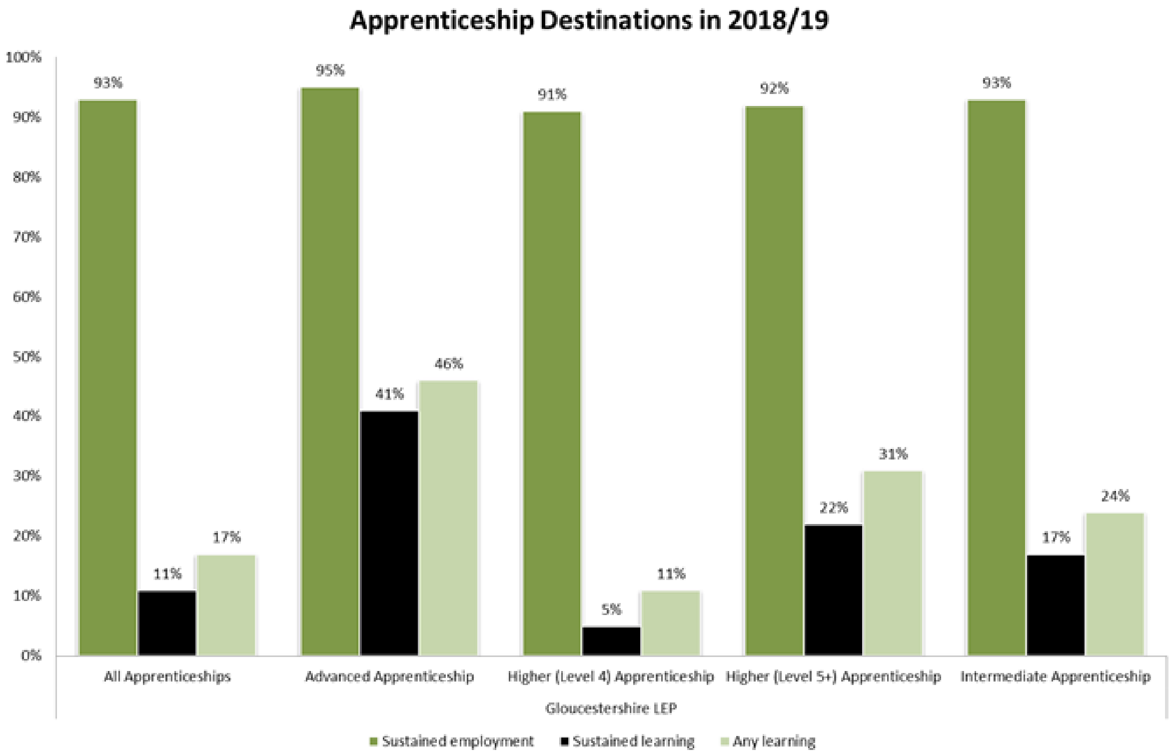
[22]

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

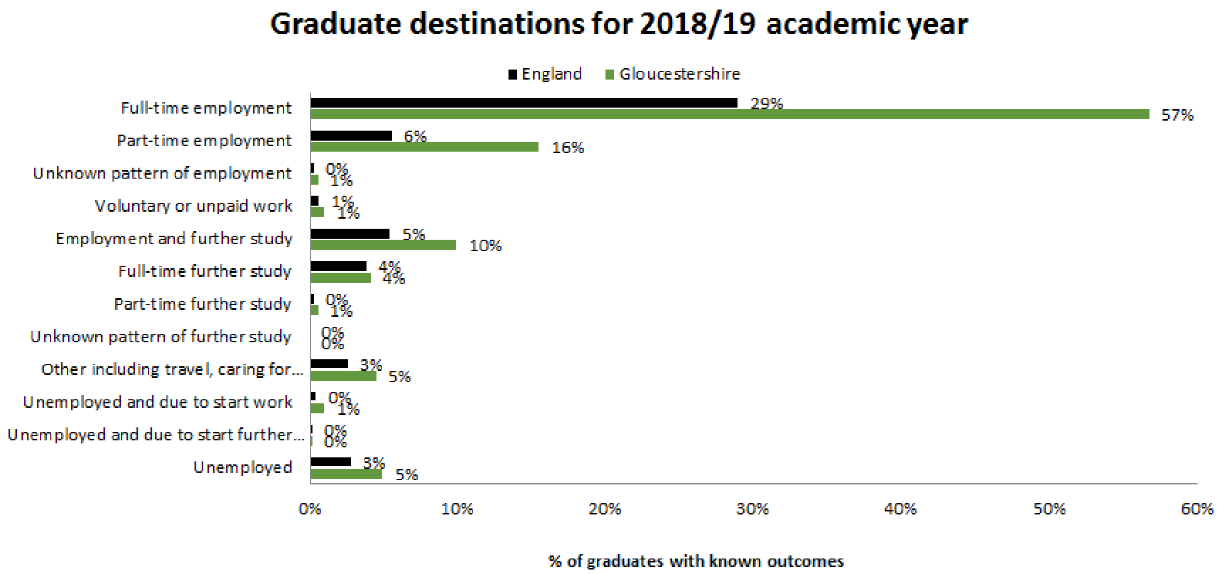
---

[22] Source: FE Outcome based success measures, 2018/19 destinations, DfE (published 2020)



[23]

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.

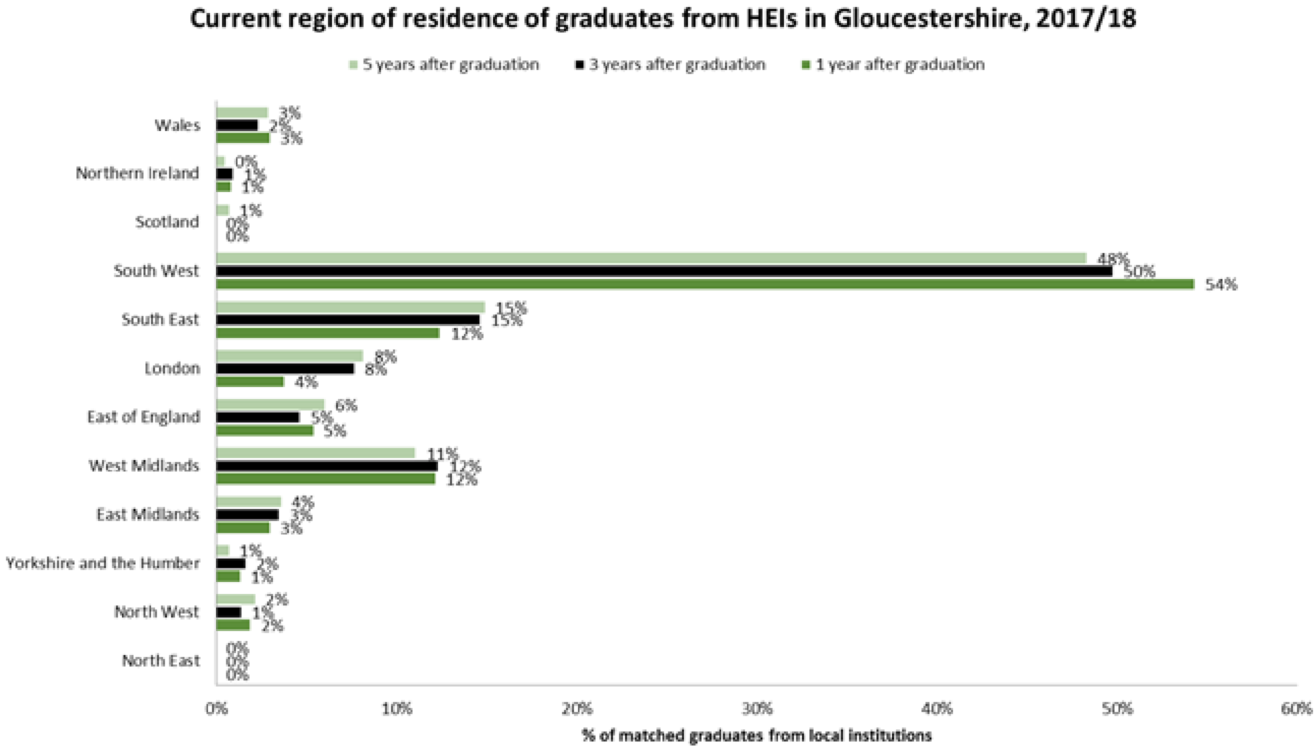


[24]

[23] Source: Apprenticeships data, DfE (published 2020)
[24] HESA, 2018/19 Gradates (published 2021)

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.



[25]

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.

25

26

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[27] and 43% of these classed as 'hard to fill'.[28] 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] Source: employer Skills Survey, 2019 (published 2020)
[27] 20% nationally and 21% in the South West region
[28] Gloucestershire Five Foundations of Productivity Evidence Report

Section Three
Skills Demand

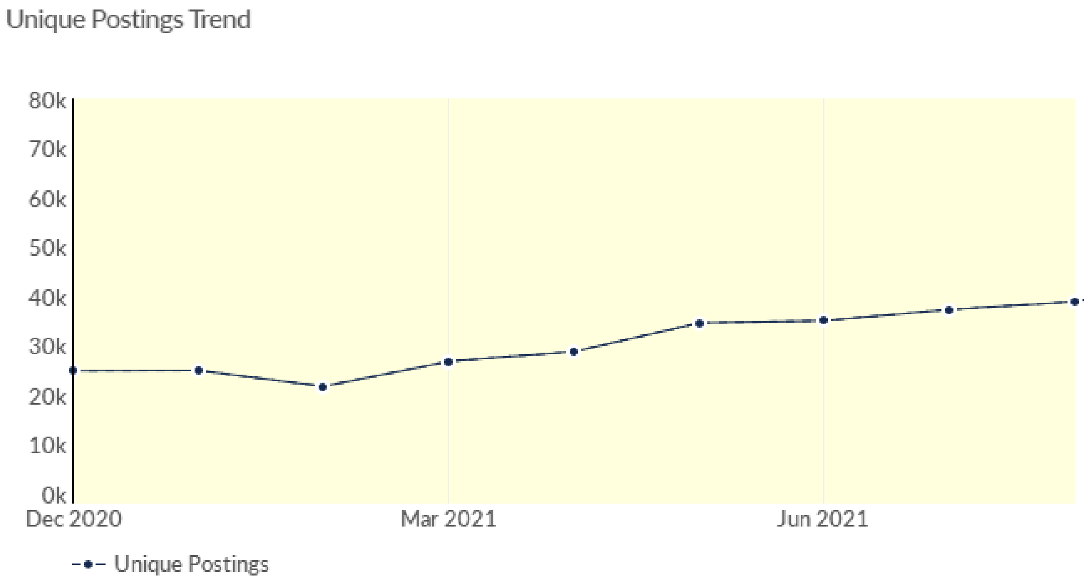
Skills Demand – Summary

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 additions 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.

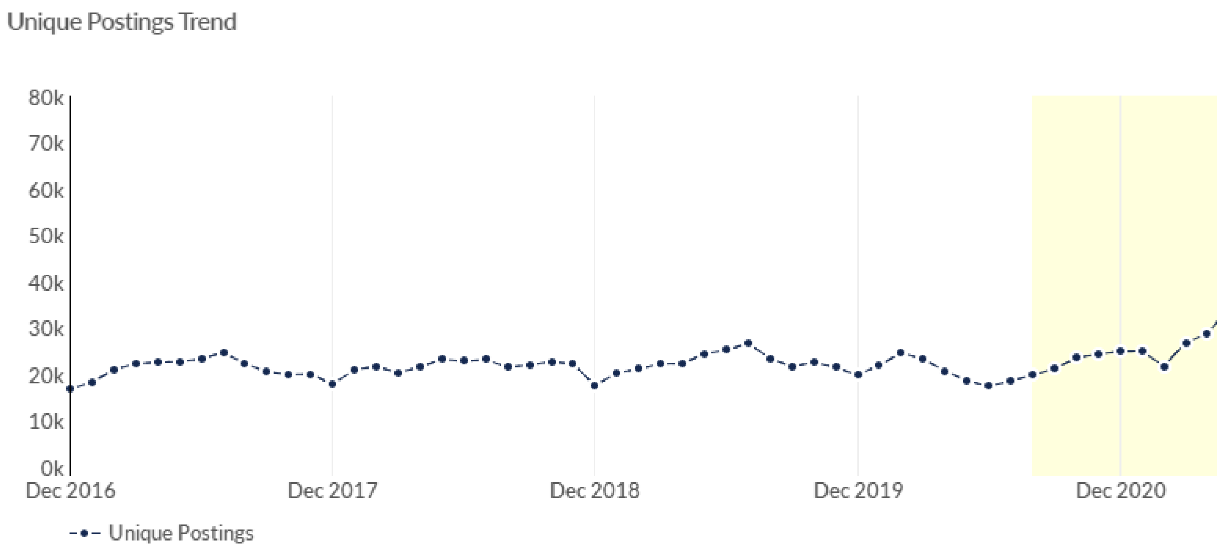
Through our Local Industrial Strategy research, we identified that 15.4% of young people surveyed have plans to enter the cyber-tech sector showing a good level of interest, with room to grow. 20.4% want to enter the creative industries, which is increasingly likely to incorporate advanced digital skills. 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.

[29]

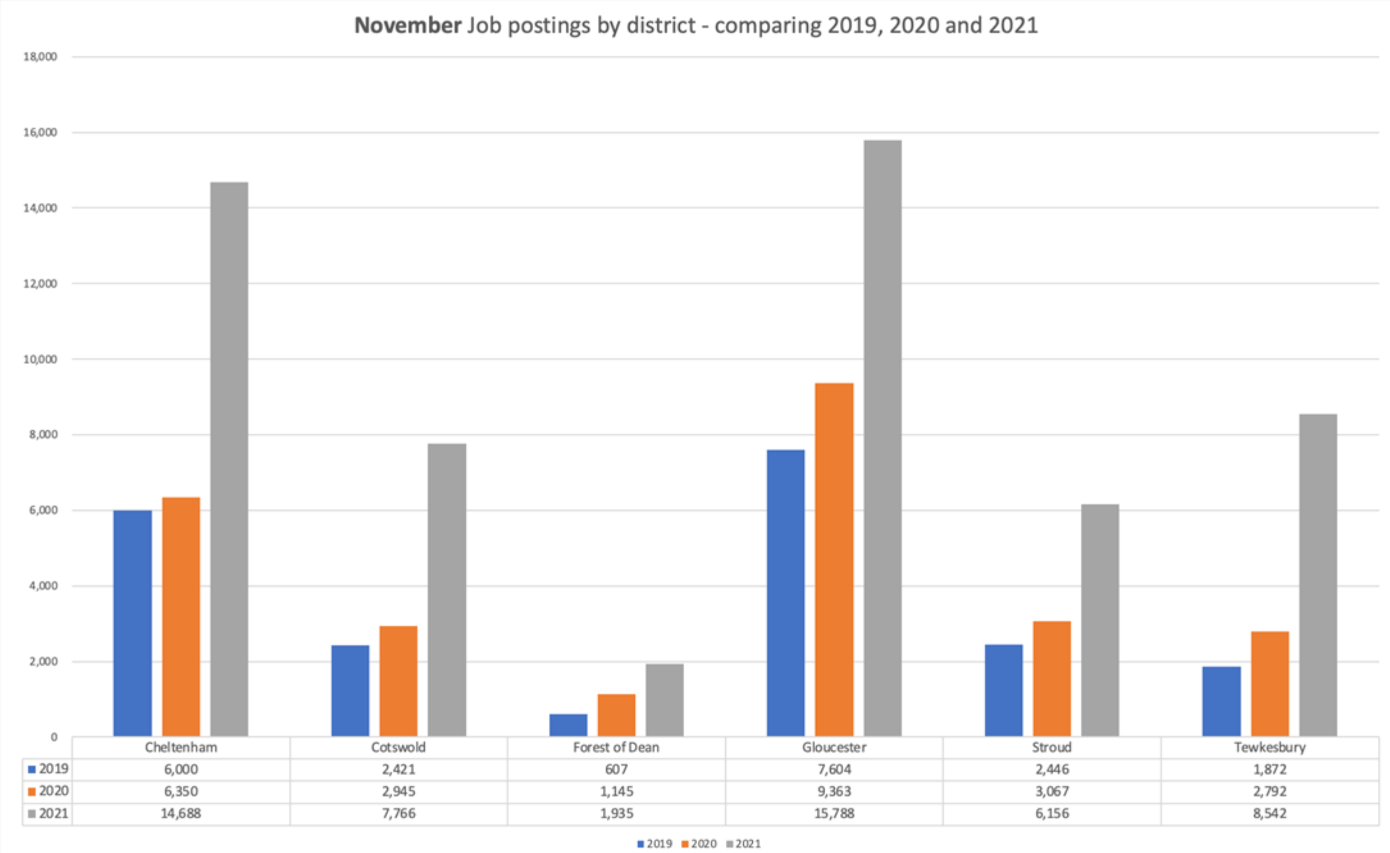
[29] ESMI


Unique Postings Trend
80k
70k
60k
50k
40k
30k
20k
10k
0k
Dec 2020
Mar 2021
Jun 2021
Unique Postings

[30]


Unique Postings Trend
80k
70k
60k
50k
40k
30k
20k
10k
0k
Dec 2016
Dec 2017
Dec 2018
Dec 2019
Dec 2020
Unique Postings

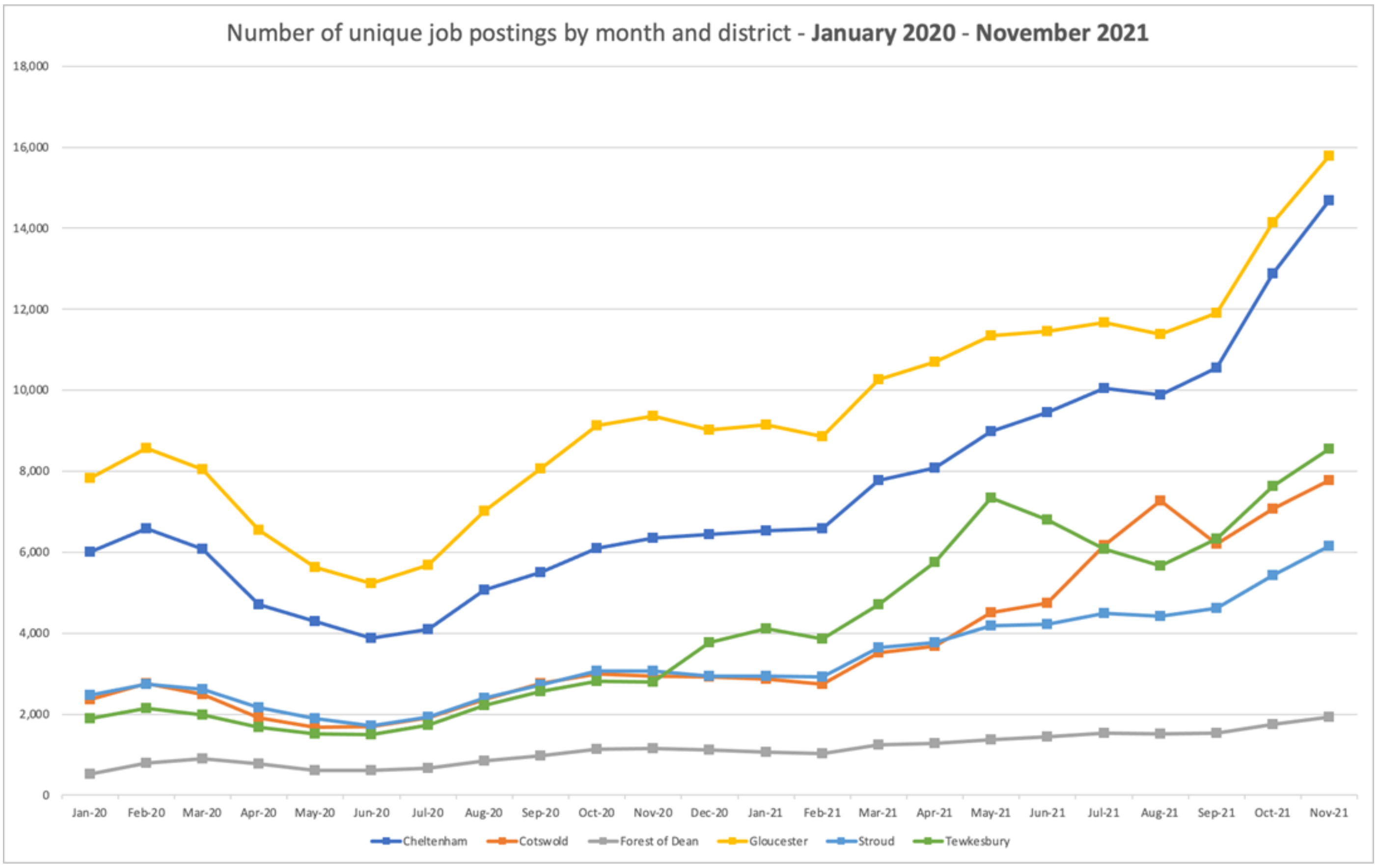
[30] EMSI



	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury
2019	6,000	2,421	607	7,604	2,446	1,872
2020	6,350	2,945	1,145	9,363	3,067	2,792
2021	14,688	7,766	1,935	15,788	6,156	8,542

The following are for the month of November 2021 only 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 October include: Gloucestershire Hospitals NHS Foundation Trust, NHS, Gloucestershire Education Department, Gloucestershire Health and Care NHS Foundation Trust and Barchester – please note that employment agencies are not included in top companies posting, employment agencies do however form part of the total jobs posted in the report.
- Top posted occupations in October include: Nurses, Care workers and home carers, Sales accounts and business development managers, Programmers and software development professionals and Chefs.
- Top posted job titles in October include: Support Workers, Warehouse Operatives, Care Assistants, Health Care Assistants and Registered Nurses.
- Top hard skills listed in job postings in October include: Finance, Auditing, Warehousing, Accounting, and Key Performance Indicators (KPIs).
- Top common skills listed in job postings in September include: Communications, Management, Customer Service, Sales and Enthusiasm.



[31]

The above shows total jobs by district from January 2019 to November 2021, with most districts displaying a similar trend over the past few months. Cotswold job posting numbers have increased when compared to October, when they dropped back slightly.

[31] ESMI

Top Posted Occupations

Occupation (SOC)	Total/Unique (Aug 2020 - Jun 2021)	Posting Intensity	Median Posting Duration
Nurses	34,180 / 5,044	7 : 1	33 days
Programmers and Software Development Professionals	29,186 / 4,409	7 : 1	29 days
Care Workers and Home Carers	25,156 / 4,261	6 : 1	33 days
Sales Accounts and Business Development Managers	11,314 / 2,718	4 : 1	31 days
Elementary Storage Occupations	10,808 / 2,715	4 : 1	31 days
Van Drivers	12,116 / 2,518	5 : 1	32 days
Book-keepers, Payroll Managers and Wages Clerks	12,986 / 2,273	6 : 1	32 days
Other Administrative Occupations n.e.c.	9,762 / 2,242	4 : 1	23 days
Primary and Nursery Education Teaching Professionals	8,338 / 2,095	4 : 1	27 days
Information Technology and Telecommunications Professionals n.e.c.	11,255 / 1,844	6 : 1	31 days

Top Posted Job Titles

Job Title	Total/Unique (Aug 2020 - Jun 2021)	Posting Intensity	Median Posting Duration
Support Workers	14,191 / 2,195	6 : 1	37 days
Warehouse Operatives	3,363 / 886	4 : 1	32 days
Registered Nurses	6,137 / 794	8 : 1	43 days
Health Care Assistants	5,314 / 775	7 : 1	34 days
Care Assistants	4,873 / 773	6 : 1	32 days
Production Operatives	3,159 / 630	5 : 1	33 days
Cleaners	2,381 / 576	4 : 1	30 days
CSCS Labourers	1,828 / 567	3 : 1	32 days
Vehicle Technicians	3,138 / 466	7 : 1	43 days
Software Engineers	3,665 / 453	8 : 1	30 days

Online vacancies:

The employment and unemployment rates in Gloucestershire 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 from each job listing provides analysis on industries, occupations, skills and qualifications, however the tool will inevitably not capture all vacancies

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

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 are likely to rely on agencies where they are outside of larger urban skills networks and reserve pools of graduate skills; this can pose recruitment challenges for the sector.

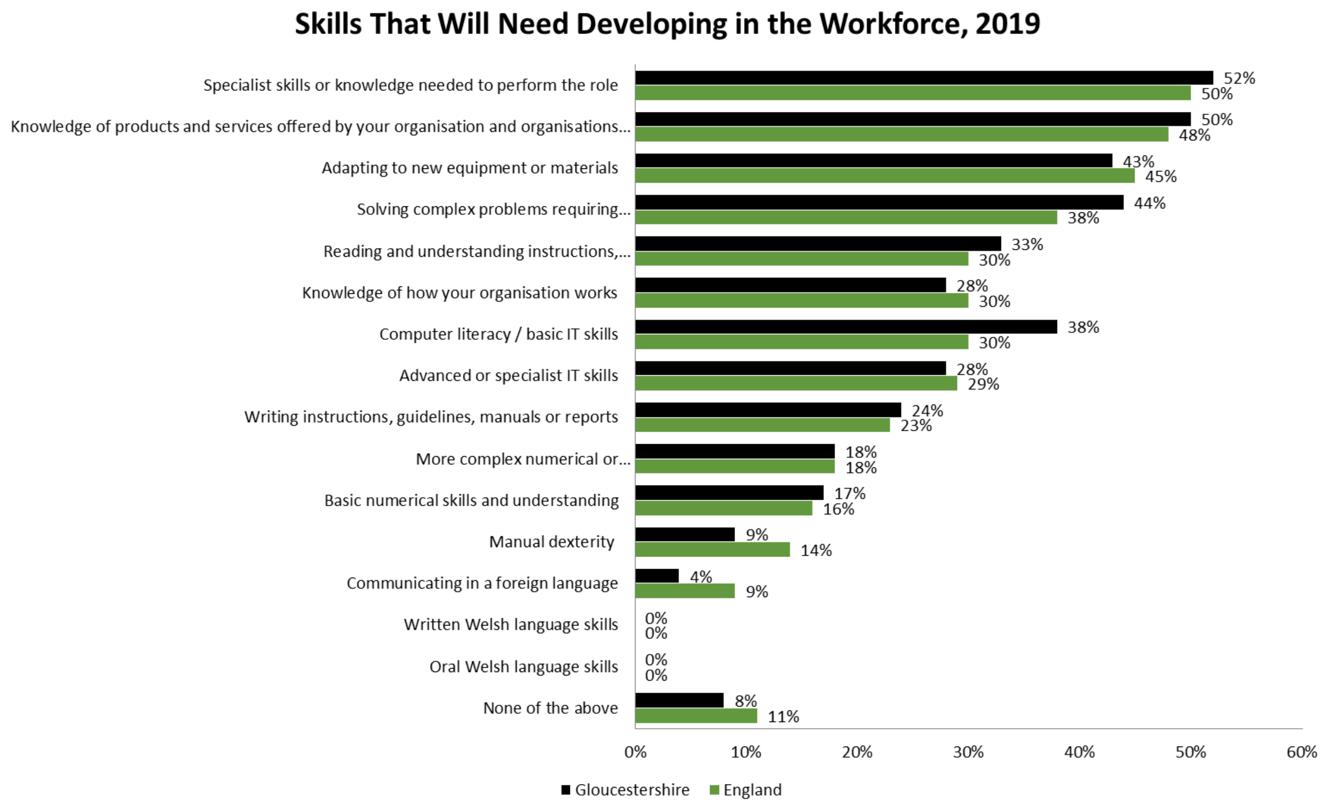
Gloucestershire LEP			
	Occupations with highest forecast growth (2017-2027)		**Occupations with lowest forecast growth (2017-2027)**
1)	Caring personal service occupations	1)	Secretarial and related occupations
2)	Health and social care associate professionals	2)	Process, plant and machine operatives
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

[32]

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 the Gloucestershire Skills Advisory Panel (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 the need for own transport particularly cited as recruitment retention issues.

[32] Source: Working Futures, 2017-2027 (published 2020)

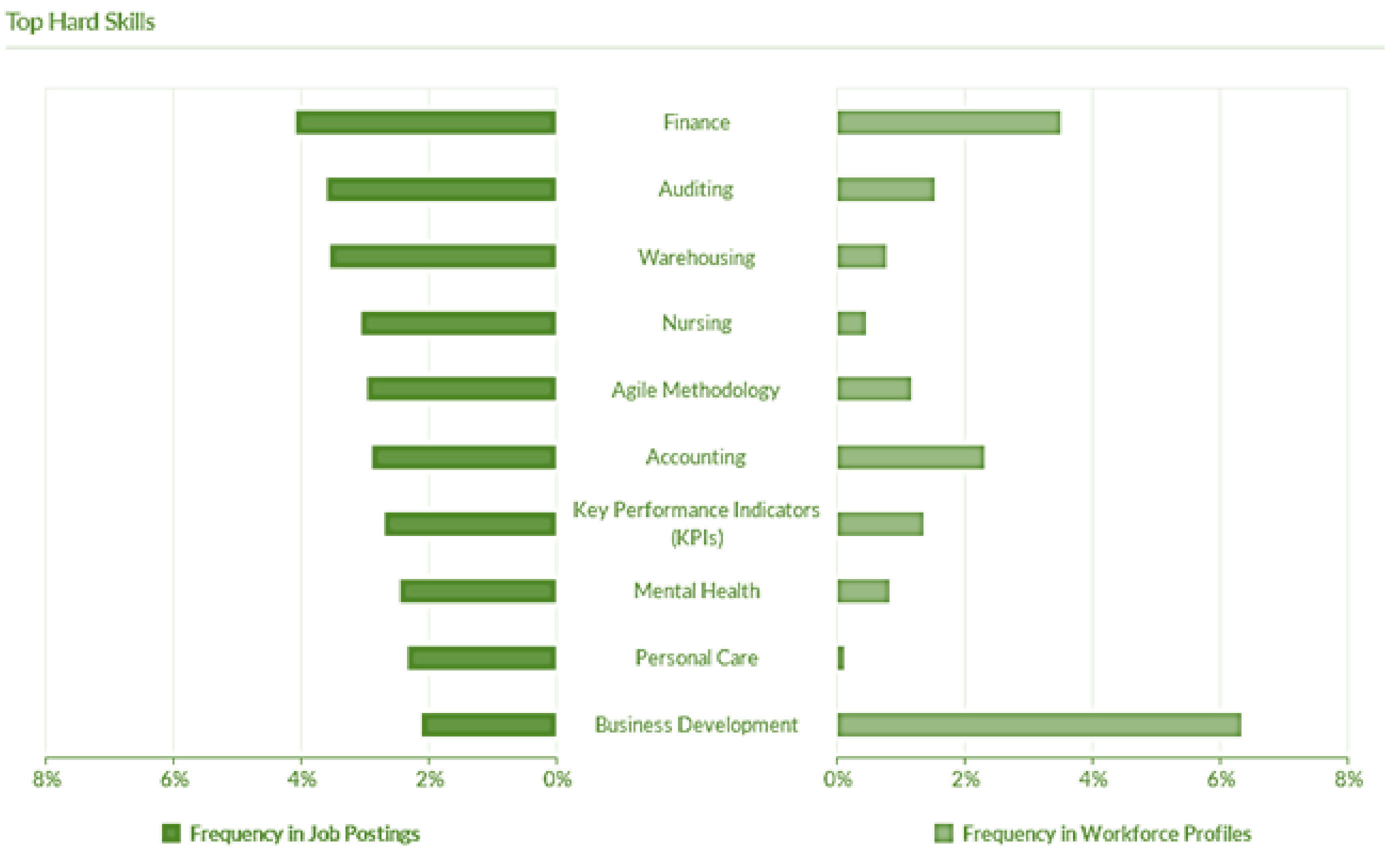


33

Skills that need developing:

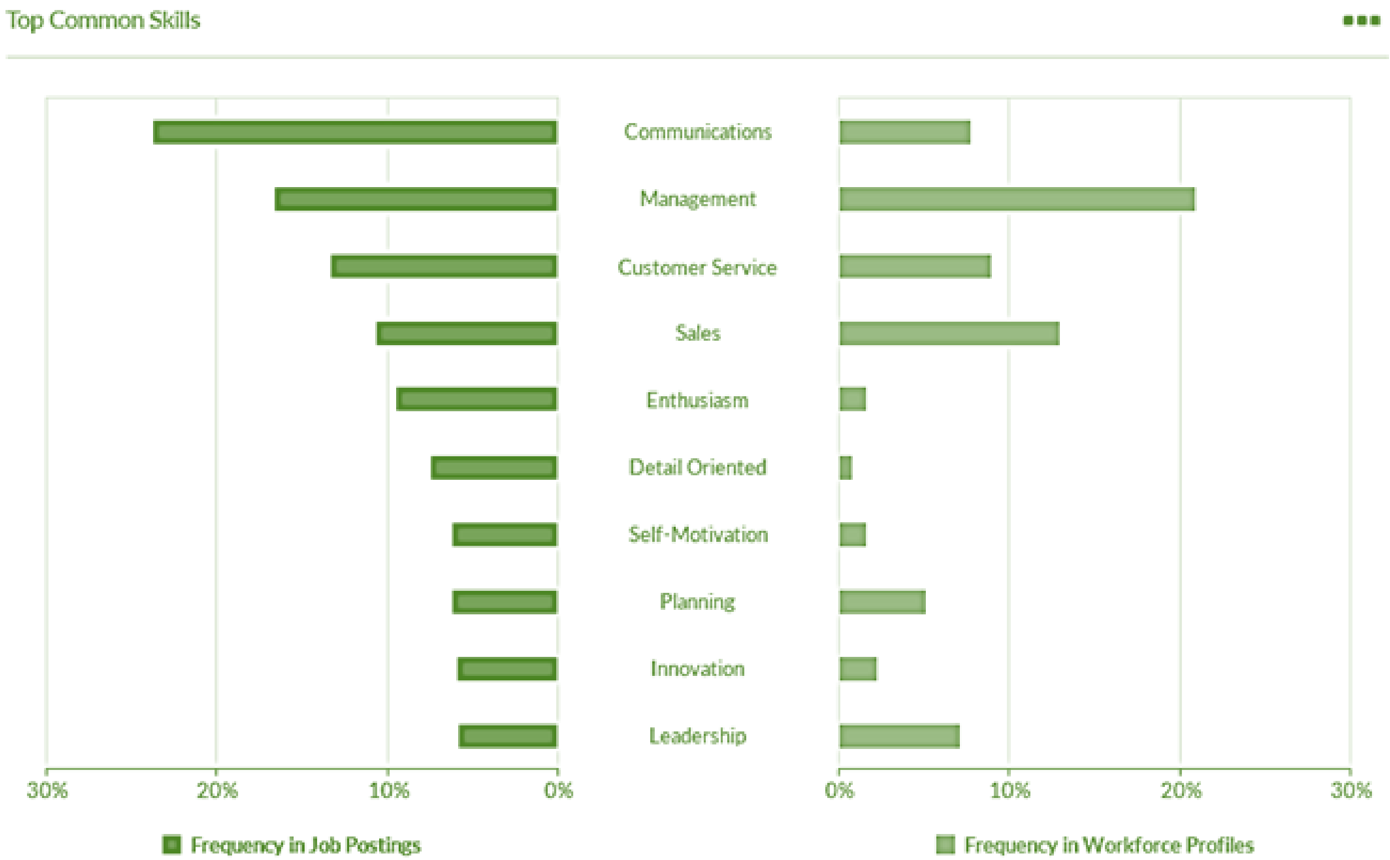
Approx. 7.5% of Gloucestershire employment (22,778 people) is in STEM roles including science, research, engineering and technology professions and through our LIS research, we identified that 15.4% of young people surveyed have plans to enter the cyber-tech sector showing a good level of interest, with room to grow. 20.4% want to enter the creative industries, which is increasingly likely to incorporate advanced digital skills.

[33] Source: Employer Skills survey, 2019 (latest dataset)



Top Hard Skills
Finance
Auditing
Warehousing
Nursing
Agile Methodology
Accounting
Key Performance Indicators (KPIs)
Mental Health
Personal Care
Business Development
8%
6%
4%
2%
0%
0%
2%
4%
6%
8%
Frequency in Job Postings
Frequency in Workforce Profiles

34



Top Common Skills
Communications
Management
Customer Service
Sales
Enthusiasm
Detail Oriented
Self-Motivation
Planning
Innovation
Leadership
30%
20%
10%
0%
0%
10%
20%
30%
Frequency in Job Postings
Frequency in Workforce Profiles

[34] ESMI

Section Four

Mapping Skills Demand

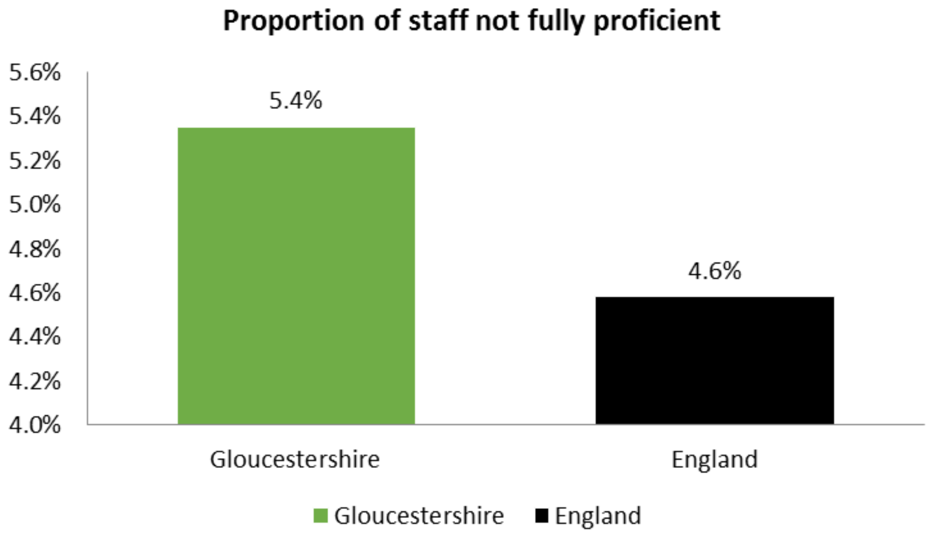
Mapping Skills Supply and Demand

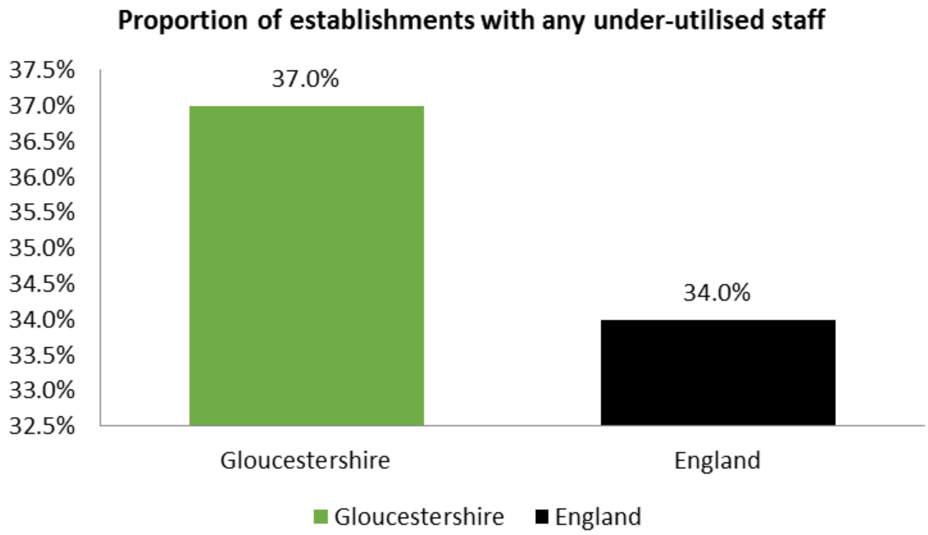
Skills Supply and Demand - Summary

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. Therefore, 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.





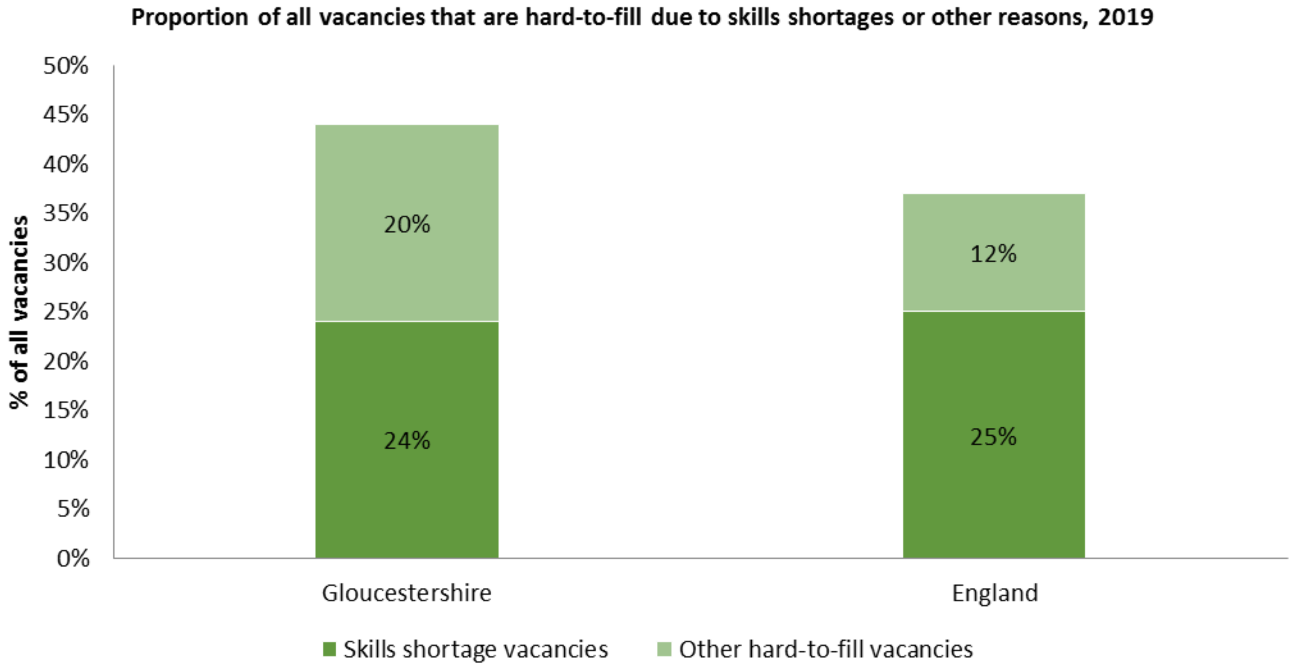
[35]

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 also could be a 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.

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



[36]

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.[37]

[36] Source: Employer Skills Survey, 2019 (published 2020), 2019 LEP boundaries
[37] 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 2020/21.

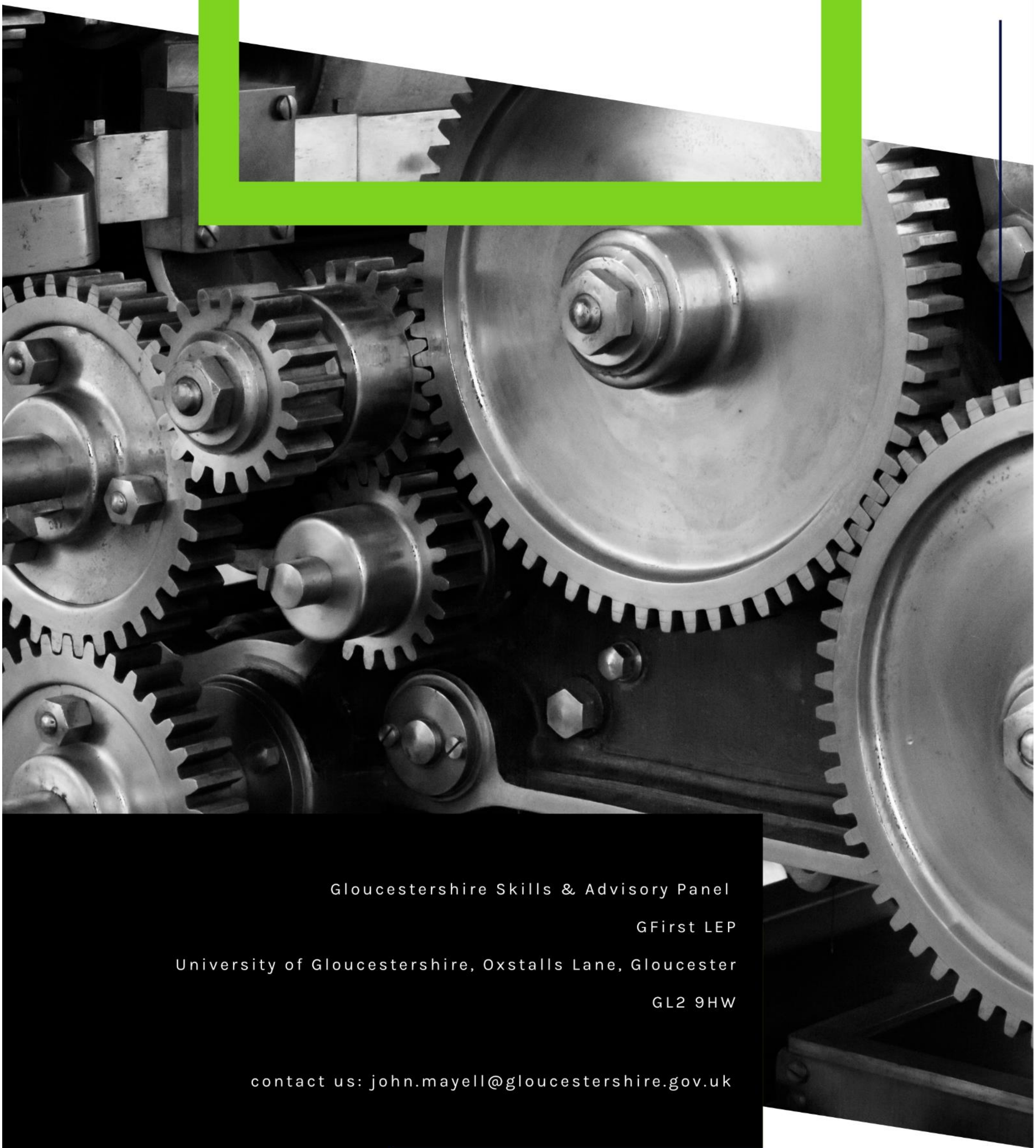
For more information on ***Gloucestershire's Employment Overview*** including business growth, employee training, job vacancies and productivity please see ***section two*** of the labour market and skills review 2020/21.

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 2020/21.

These reports can be found at the below link:

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

Dec 2021



Gloucestershire Skills & Advisory Panel

GFirst LEP

University of Gloucestershire, Oxstalls Lane, Gloucester

GL2 9HW

contact us: john.mayell@gloucestershire.gov.uk