

GLOUCESTERSHIRE

LMI SUMMARY



UKCES

UK COMMISSION FOR
EMPLOYMENT AND SKILLS

ABOUT

This document provides a summary of key findings for the Gloucestershire LEP area, based on findings from three major UKCES research products: Working Futures, the Employer Skills Survey (ESS) and the Employer Perspectives Survey (EPS).

Throughout the document, findings for the LEP area are compared with England or the UK as a whole.

For ESS and EPS differences are only reported when they are statistically significant; when figures are described as 'similar' or 'no different', this means that there is no statistically significant difference. Whilst the percentages may differ slightly between the figure for the LEP area and England/the UK, when we say 'similar' it means that we cannot be confident that the difference is due to anything more than chance. In the case of Working Futures statistical significance is a more complex issue, since the analysis is forward-looking. The published guidelines relating to the interpretation of this dataset have been followed.



Working Futures

Working Futures uses robust sources of national data on demographics, education, employment and the economy to make projections of the UK labour market. Whilst not a crystal-ball, Working Futures moves beyond anecdotal guesses to provide rigorous, evidence-based projections through the application of proven models.



Employer Skills Survey

The Employer Skills Survey is the UK's definitive source of intelligence on employer investment. Exploring the skills challenges that employers face, the levels and nature of training investment, recruitment of young people and the relationship between skills challenges and business strategy, the ESS gives us a reliable, timely and valuable insight into the skills issues employers face.



Employer Perspectives Survey

The Employer Perspectives Survey provides insights into the thoughts and behaviour of UK Employers as they make decisions about how to engage with training providers, schools, colleges and individuals in the wider skills system, to get the skills they need.

WORKING FUTURES

2012 - 2022

Jobs and the economy

- The overall picture for the UK economy over the next decade (2012-2022) is one of gradual upturn, but with no quick return to long term trends as observed following previous recessions.
- Overall, the number of jobs in Gloucestershire is projected to rise by around 14,000 over the next decade (2012-2022), an average annual rate of growth of 0.4 per cent. This is a little below the UK average rate (0.6 per cent).

Sectors

- The LEP area is “over-represented”, relative to the UK, in a number of sectors, including engineering and manufacturing, and agriculture. It is “under-represented” in transport and storage, wholesale and retail, support services and professional services.
- Private sector services as a whole are expected to contribute around 47 per cent of net job growth in the LEP area between 2012 and 2022, which is a little below the UK average of 85 per cent.
- The leading sources of employment growth in the Gloucestershire area (in absolute terms) are forecast to be: health & social work (+9,000); professional services (+3,000); information technology (+2,000); construction (+2,000) and wholesale & retail (+2,000).
- Manufacturing (including engineering) is projected to see a continued decline in jobs (with a loss of 4,000 jobs – the equivalent of a fall of 10 per cent - over the decade in the LEP area); this decline is a little above the overall UK picture (-9%).
- Public administration is expected to see a decline (-1,000) in its level of employment between 2012 and 2022 in the LEP area, broadly in line with that projected at the UK level.

Occupations

- Gloucestershire has broadly the same representation of employment in higher skilled occupations, compared with the UK as a whole. In the LEP area, 42 per cent of employment is in the three high skilled occupational groups: managers, professionals and associate professionals. This compares with a UK average of 43 per cent. However, the figure is much higher in London (57 per cent).
- The proportion of employment in the three lowest-skilled occupations is slightly lower than the UK average. In the LEP area, 24 per cent of employment is in sales or customer service, plant/process operatives and elementary roles, compared with a UK average of 25 per cent.
- The proportion employed in middle-ranking occupations is higher than the UK average: jobs in administrative, skilled trades and caring/leisure roles account for 34 per cent of employment in Gloucestershire, compared with 32 per cent in the UK.
- As with the wider UK picture, we expect to see job growth concentrated in higher level roles, as well as in lower level roles relating to care. The projections for the LEP area are for:
 - 22,000 additional high level jobs (for managers, professionals and associate professionals), with 55 per cent of these in professional roles. Higher skilled jobs are expected to grow at a similar rate to the UK (around 16 per cent over the course of the decade).
 - 11,000 fewer jobs in middle ranking administrative, secretarial and skilled trades occupations. Nevertheless, these areas of decline are expected to remain significant sources of employment by the end of the decade. For example, there are still expected to be around 31,000 administrative and secretarial jobs in 2022 in the LEP area, despite the loss of around 6,000 jobs in the previous decade.
 - Around 9,000 additional jobs in caring or leisure roles.

- Women are expected to take over two thirds of the additional high level jobs created in the LEP area over the decade, although female workers will be hit by the losses noted above in sales and elementary jobs.

Qualifications

- As a result of supply and demand factors, the qualification profile of employment is expected to shift markedly in the LEP area:
 - The proportion of jobs held by people qualified at a higher level (level 4 and above) is projected to increase from 38 per cent to 48 per cent between 2012 and 2022.
 - Workers with low qualifications (below level 2) are expected to decline from 18 per cent to 12 per cent of the total workforce over this period.

Replacement Demands

- We estimate that replacement demands (i.e. job openings created by people leaving the labour force temporarily or permanently) will contribute nine times as many job openings as net job growth over the next decade: 130,000 openings compared with 14,000.
- Replacement demands mean that there will be a need to recruit suitably skilled people across all broad occupational groups, including those projected to decline:
 - For some occupational groups (mostly higher skilled ones), we expect to see strong net growth in the number of jobs, supplemented by large replacement demands. For example, net growth of 12,000 jobs in professional roles is projected to be supplemented by 26,000 job openings arising from replacement demands.
 - For those occupational areas in which we expect to see a net decline in the number of jobs, replacement demands mean that we can still expect a strong supply of job openings. For example, in administrative roles, it is projected that a loss of around 2,000 jobs will be more than offset by 12,000 job openings resulting from replacement demands.

EMPLOYER SKILLS SURVEY

2013

Skill shortages

- The number of employers reporting vacancies at the time of the survey (March to July 2013) is similar in Gloucestershire (14 per cent) to England as a whole (15 per cent).
- While in most cases demand for skills is met through successful recruitment, just under a third of vacancies in the LEP area (25 per cent) are reported to be hard-to-fill. This is broadly in line with the England average of 28 per cent.
- In the LEP area, 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.
- Overall, 'skill-shortage' vacancies represent 20 per cent of all vacancies in the LEP area, which is similar to the England-wide figure of 22 per cent.

Skill gaps

- Most employers say that they have a proficient workforce with no skill gaps, and the proportion reporting skills gaps in the Gloucestershire LEP area is the same as in England as a whole, 15 per cent. An estimated four per cent of the total workforce in Gloucestershire have skills gaps, which is also slightly lower than the England figure of five per cent.
- In most cases, proficiency problems are due at least in part to employees being new in their roles and/or still in training for their roles. These factors account for roughly the same proportion in Gloucestershire (where they account at least in part for 73 per cent of all skills gaps) as in England as a whole (75 per cent).
- However, employers in the LEP area also attribute skills gaps to problems in recruiting staff with the required levels of skills or motivation, although these factors feature less strongly in the LEP area than in England generally; for example 15 per cent of skills gaps in the LEP area are attributed (at least in part) to difficulties in recruiting staff with the required skills levels, compared with 25 per cent in England as a whole.
- Overall, this suggests that there is a range of factors contributing to skills gaps in the LEP area, both transient (relating to new and/or untrained staff) and more lasting (relating to skills and/or motivation).
- The occupations where skills gaps are most acute are Associate Professionals, Sales and Customer Services Staff and Skills Trades. Some of the same patterns are discernible between occupations facing internal (skills gaps) and external (skills shortage) difficulties. Associate Professionals and Skilled Trades roles have both high levels of skills shortage vacancies and skills gaps. This is not, however, true of Sales and Customer Service Staff where skills shortage vacancies are relatively low but skills gaps are amongst the highest.
- In general, employers tend to be challenged either in terms of having inadequate skills among some of their existing workforce or struggling to find new recruits with the skills that the vacant positions require. It is very rare for employers to be challenged from both directions; just two per cent of all employers experience both skill-shortage vacancies and skills gaps; this proportion is however higher than the one per cent in England as a whole.
- Almost half of employers in the LEP area (47 per cent) report skills under-use (i.e. they have staff who are over-skilled and over-qualified for the jobs that they are currently doing); this is very similar to the England-wide figure of 48 per cent.

Training and Workforce Development

- Most employers fund or arrange training for their staff: in the LEP area, around two-thirds had done so over the previous 12 months (68 per cent); this is in line with the England-wide figure of 66 per cent.

- Compared with England as a whole, employers in Gloucestershire are just as likely to provide off-the-job training (50 per cent compared with 48 per cent), and to offer on-job training only (19 per cent locally and 17 per cent across England).
- The number of staff receiving training is slightly higher in the LEP area than in England generally. In Gloucestershire, 65 per cent of staff received training in the previous 12 months, compared with the England-wide figure of 62 per cent.
- However, the number of days training was similar in the LEP area to England as a whole. Each person trained received an average of 6.6 days training over the previous 12 months in the LEP area, compared with 6.7 days on average in England.
- While most employers could be described as being in 'training equilibrium' having been able to provide all the training that they wanted over the previous 12 months, just over one-third of all employers in the LEP area (38 per cent, including non-trainers that had not delivered any) wanted to provide more training than they had been able to do. This is, however, lower than the proportion in England as a whole (42 per cent).

Recruitment of Young People

- Over one in four employers in the LEP area (29 per cent) recruited at least one education leaver in the two to three years preceding the survey, in line with the England-wide figure (27 per cent). Specifically:
 - Nine per cent had recruited a 16 year-old school leaver (similar to the England average of eight per cent);
 - 10 per cent had recruited a 17-18 year old school leaver (similar to the England average of 11 per cent);
 - 14 per cent had recruited a 17-18 year old college leaver (similar to the England-wide figure of 12 per cent);
 - 13 per cent had recruited someone from a university or HEI (similar to the England-wide figure of 14%).

High Performance Working practices and Product Market Strategies

- High Performance Working (HPW) is defined by the UK Commission as 'a general approach to managing organisations that aims to stimulate more effective employee involvement and commitment in order to achieve high levels of performance' (UKCES 2009).
- The survey identifies a minority of employers – 10 per cent in the LEP area – who are "HPW employers" in the sense that they adopt a number of HPW practices. This is broadly in line with the proportion in England as a whole (12 per cent).
- Product Market Strategies (PMS) are defined within the survey by aggregating responses to a series of questions exploring pricing strategies, approaches to innovation and the nature of the product market (the extent to which the market attracts a "premium" and the extent of customisation of products and services in the market).
- Aggregating these responses classifies just over half (54 per cent) of private sector employers in Gloucestershire as having a high or very high product market strategy, indicating that their competitive success is not dependent on price, they pursue innovation, they compete on quality and/or that they offer customised goods or services. This is some way higher than the proportion in England as a whole (45 per cent).

EMPLOYER PERSPECTIVES SURVEY 2014

Employer Perspectives on Recruitment

- Almost three-fifths (58 per cent) of employers in Gloucestershire had recruited at least one member of staff in the 12 months prior to the survey, which was significantly higher than the proportion for England as a whole (46 per cent).
- Three fifths of employers in Gloucestershire (60 per cent) rated core English and Maths skills as a critical or significant factor looked for in candidates. Work experience skills were considered critical or significant by a higher proportion (66 per cent). Just over half of recruiting employers rated vocational qualifications as critical or significant (52 per cent), slightly less than the proportion who said this about academic qualifications (58 per cent).
- Slightly more than a third of employers in Gloucestershire (35 per cent) had recruited a young person aged 16-24 over the previous 12 months, in line with the proportion found across England as a whole (31 per cent). A similar proportion (30 per cent) of employers in Gloucestershire had recruited someone straight from school, college or university over the preceding 2-3 years, consistent with the figure of 31 per cent for England as a whole.
- The level of recruitment of older workers in Gloucestershire was in line with that found nationally in England. Overall, 16 per cent of employers in Gloucestershire had recruited anyone over the age of 50 in the previous 12 months before the survey, as compared with 13 per cent across England.

Employer Perspectives on Work Experience

- Somewhat paradoxically, while a little over three-fifths of Gloucestershire employers cited relevant work experience as critical or significant when recruiting, less than half of employers (44 per cent) in the LEP area had themselves had anyone on work experience in the previous 12 months. Across England as a whole, 38 per cent of employers reported having had at least one person on work experience during the same period.
- Less than one-fifth (17 per cent) of local employers within the LEP area had offered any work inspiration, such as holding site visits at their establishment for students or conducted mock interviews with students. This was broadly the same level as found England-wide, which stood at just 18 per cent.

Employer Perspectives on People Development

- A significantly higher proportion (79 per cent) of employers in Gloucestershire had provided training to their employees in the preceding 12 months than was seen across England (69 per cent).
- A higher proportion of employers in the LEP area had provided internal training over the previous year (63 per cent) than had offered external training (43 per cent) with employees being trained by people and organisations other than the employer.
- Commercial organisations were the most frequently used type of organisation to deliver external training. Overall, 40 per cent of all employers in Gloucestershire had used a commercial organisation for training over the preceding 12 months to the survey. This was broadly the same proportion found nationally across England, where 41 per cent of employers had used a commercial organisation.
- Lower proportions of employers in the LEP area had used either FE or HE institutions to conduct training for staff. Just 8 per cent of employers in Gloucestershire had used an FE institution and just 4 per cent had used a HE institution to deliver training over the previous 12 months. These were identical levels to those found across England as a whole.

- Approximately one-third (34 per cent) of employers in the LEP area had sought or received information, advice or more practical help on skills or training-related issues from people external to their organisation in the preceding 12 months. This was similar to the 27 per cent that had done so nationally.
- Broadly the same proportion of employers in the LEP area had collaborated with other employers with regards to training and skills development as was the case nationally. Overall, 16 per cent of Gloucestershire employers had participated in a collaborative venture as compared with 17 per cent across England as a whole.
- Just over one-quarter of employers in Gloucestershire (28 per cent) had provided training that led towards the achievement of a nationally recognised vocational qualification in the preceding 12 months. This was consistent with the 26 per cent of employers which had done so nationally.
- Just under two-fifths of employers (37 per cent) in the LEP area were aware of National Occupational Standards (NOS), which describes what an individual needs to do, know and understand to be competent in an occupation and underpins the development of vocational qualifications. The level of awareness in Gloucestershire was similar to that seen across England, where 39 per cent of employers were aware of NOS.

Employer Perspectives on Apprenticeships

- Only a minority of employers offered apprenticeships at the time of the survey (11 per cent) in Gloucestershire. Locally the level of engagement with apprenticeships was similar to the figure of 15 per cent seen in England as a whole.
- Interest in engaging with the apprenticeship programme appears to be on the rise in the Gloucestershire LEP area as 34 per cent of local employers stated their intention to offer apprenticeships in the future. This is broadly comparable with the 35 per cent found across England as a whole.





UK Commission for
Employment and Skills (UKCES)

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