The Importance of Labour Market Intelligence (LMI)

The UKCES Offer

London

www.gov.uk/ukces
Growing importance of labour market intelligence for colleges
Applications of labour market intelligence

Content

Curriculum strategy

Business development

Local strategic dialogue

Careers information and advice
Sources of Information

Internal resources:
- Direct employer engagement
- Curriculum panels
- College MIS
- College CRM
- Customer feedback

Partners:
- LEPs
- National Careers Service
- Jobcentre
- Employer bodies
- Outcomes data

Products:
- Official statistics
- Labour market models
- Surveys
- Business databases
- Business Intelligence services
UK Commission Intelligence Products

UK Commission Employer Skills Survey
- 90,000 interviews
- Employer investment in training and skills challenges

UK Commission Employer Perspectives Survey
- 18,000 interviews
- Employer views and interaction with the external skills system

Working Futures
- Labour market projections
- Picture of UK employment, productivity, labour supply and skills for the next ten years
Youth unemployment in London

Source: The Inter-Departmental Business Register (IDBR), March 2014
Skills shortage vacancies and skills gaps mean workers without the right skills to do their jobs...

**Skill shortage vacancies**

- Managers
- Professionals
- Assoc prof's
- Admin
- Skilled trades
- Caring, leisure etc
- Sales and cust svcs
- Machine ops
- Elementary

**Skills gaps**

- Managers
- Professionals
- Assoc prof's
- Admin
- Skilled trades
- Caring, leisure etc
- Sales and cust svcs
- Machine ops
- Elementary

While skill mismatches remain, too many employers remain unmoved to invest more in skills

Internal training used more than external training

According to the UK Commission's Employer Perspectives Survey (2012/2014), 71% of all employers provide training for their staff. In 2012, 59% of all employers provided internal training, while 44% provided external training. In 2014, these figures increased to 70% for internal training and 44% for external training.

Of all employers that provide training, 33% provide both internal and external training (2012: 35%).

External providers used, across all establishments:

- **Commercial organisations**: 33% (2012: 32%)
- **Suppliers***: 21% (2012: 11%)
- **Regulatory bodies***: 11% (2012: 7%)
- **Further Education Colleges**: 7% (2012: 5%)
- **Non-profit organisations**: 11% (2012: 9%)
- **Customers***: 8% (2012: 4%)
- **Universities or HEIs**: 5% (2012: 4%)

*Not asked in 2012

The source for this information is the UK Commission’s Employer Perspectives Survey (2012/2014).
Recruitment of education leavers varies by sector

Of all establishments recruited education leavers

Base: All London establishments (10,371)

Source: UK Commission’s Employer Skills Survey 2013
Levels of recruitment of education leavers up from 2013, most considered prepared for work

- **16 year-old school leavers**
  - Very poorly prepared: 8%
  - Poorly prepared: 32%
  - Well prepared: 46%
  - Very well prepared: 9%

- **17-18 year-old school leavers**
  - Very poorly prepared: 6%
  - Poorly prepared: 25%
  - Well prepared: 54%
  - Very well prepared: 10%

- **17-18 year-old college leavers**
  - Very poorly prepared: 3%
  - Poorly prepared: 23%
  - Well prepared: 56%
  - Very well prepared: 13%

- **University/HE leavers**
  - Very poorly prepared: 2%
  - Poorly prepared: 12%
  - Well prepared: 60%
  - Very well prepared: 22%

Source: UK Commission's Employer Skills Survey 2013

Base: All London establishments that have recruited each type of education leaver in the previous 2-3 years; 16 year old school leavers (779), 17-18 year old school leavers (1,567), 17-18 year old FE leavers (1,580), University / HE leavers (3,361).
Where are the new jobs coming from?
Projected industry growth, 2012-2022 (London)

- Professional Services: 14% London, 14% UK
- Information Technology: 30% London, 30% UK
- Health and Social work: 10% London, 11% UK
- Finance and Insurance: 12% London, 9% UK
- Construction: 18% London, 15% UK
- Food, Drink and Tobacco: -4% London, -6% UK
- Rest of Manufacturing: -14% London, -9% UK
- Media: -7% London, -3% UK
- Public admin. and defence: -12% London, -9% UK

Source: Working Futures 2012-2022
What new workers will we need?
Projected occupation growth, 2012-2022
(London)

- Professional Occupations
  - Expansion: 62%
  - Replacement: 59%
- Associate professional and technical
  - Expansion: 51%
  - Replacement: 51%
- Managers, directors and senior officials
  - Expansion: 59%
  - Replacement: 59%
- Caring, leisure and other service
  - Expansion: 65%
  - Replacement: 69%
- Sales and customer service
  - Expansion: 31%
  - Replacement: 33%
- Elementary occupations
  - Expansion: 34%
  - Replacement: 35%
- Process, plant and machine operatives
  - Expansion: 32%
  - Replacement: 26%
- Skilled trade occupations
  - Expansion: 29%
  - Replacement: 25%
- Administrative and secretarial
  - Expansion: 22%
  - Replacement: 30%

Source: Working Futures 2012-2022
LMI for All

- Open access LMI data portal
- Improves evidence base for careers decisions and strategic planning
- Places onus on third-parties to develop engaging interfaces
- Pilot is live now

Informed Individuals making effective career decisions
Getting access

Employer Skills and Perspectives Surveys
- Open access via website to UK and regional reports, infographics and slide packs plus local data tables
- More information: employer.surveys@ukces.org.uk

Working Futures
- To find out more email: working.futures@ukces.org.uk

LMI for All
- More information: www.lmiforall.org.uk
The LMI Network connects users of labour market information and supports them in sharing ideas and expertise.

The LMI Network will be valuable for those who are responsible for analysing and using LMI such as: unemployment statistics, employer surveys, qualifications levels, pay rates, occupational and industrial make-up of an area.

It’s free of charge network that supports peer-to-peer learning and support between LMI users.

Join today at: www.tiny.cc/LMINetwork

The LMI Network will help its members to:

- Share their expertise and experience
- Identify research collaboration opportunities
- Share advice on technical issues, definitions and
- Methodological problems; and
- Signpost each other to reports, findings and events of interest.