SEMLEP
South East Midlands
Local Enterprise Partnership

South East Midlands

Local Skills Report

Annex A: Core Indicators

Annex A – Core Indicators

Local Landscape

Local Landscape - Summary

Despite the impact of Covid-19, the South East Midlands has continued to be a successful area for business and employment.

Below is a summary of the local employment landscape.

- 836,200 people are in employment in the South East Midlands of which 99,400 are self employed
- Employment growth higher than the national average for England from 2015
- Employment rate higher than the national average for England
- Main sectors of employment are logistics and supply chain; retail; health and care; business administration & support; education; manufacturing; construction; hospitality; public administration; financial; digital.
- The main occupational groups of employment are elementary administration & service occupations, administrative occupations, corporate managers and directors, caring personal service occupations, business & public service associate professionals, teaching and educational professionals, science, research, engineering and technology professionals, business, media and public service professionals, sales occupations, transport & mobile machine drivers/operatives, health professionals, skilled metal, electrical and electronic trades, skilled construction and building trades, other managers and proprietors.
- Small and Medium Enterprises (SME) make up over 99% of the business sizes in the South East Midlands has a higher proportion of micro businesses than the national average for England at 91%.
- The impact of Covid-19 has seen the reduction of business birth rates in the South East Midlands, dropping below the national average. Business death rates remain above the national average but have reduced.
- GVA per hour has increased at a faster rate than the national average, the value remaining just below the national average.
- Resident have risen above the national average and workplace wages are rising and are just below the national average.
- The South East Midlands has a growing population with an experienced workforce, an ageing demographic but a higher proportion of young people than the national average.
- Claimant count for principally for the reason of being unemployed is now decreasing with unemployment below the national average for England.
- Improvements are being made in income, employment and education deprivation, however, there remain cold spots within the South East Midlands and especially for education, skills and training in Northamptonshire.

Employment by sector:

The largest employment by sectors in the South East Midlands are health, transport and storage, business administration and support services, education, retail, manufacturing and professional, scientific and technical.

This is broadly in line proportionally to that of England with the exception of transport and storage/wholesale due the prominence of the logistics sector in the area.

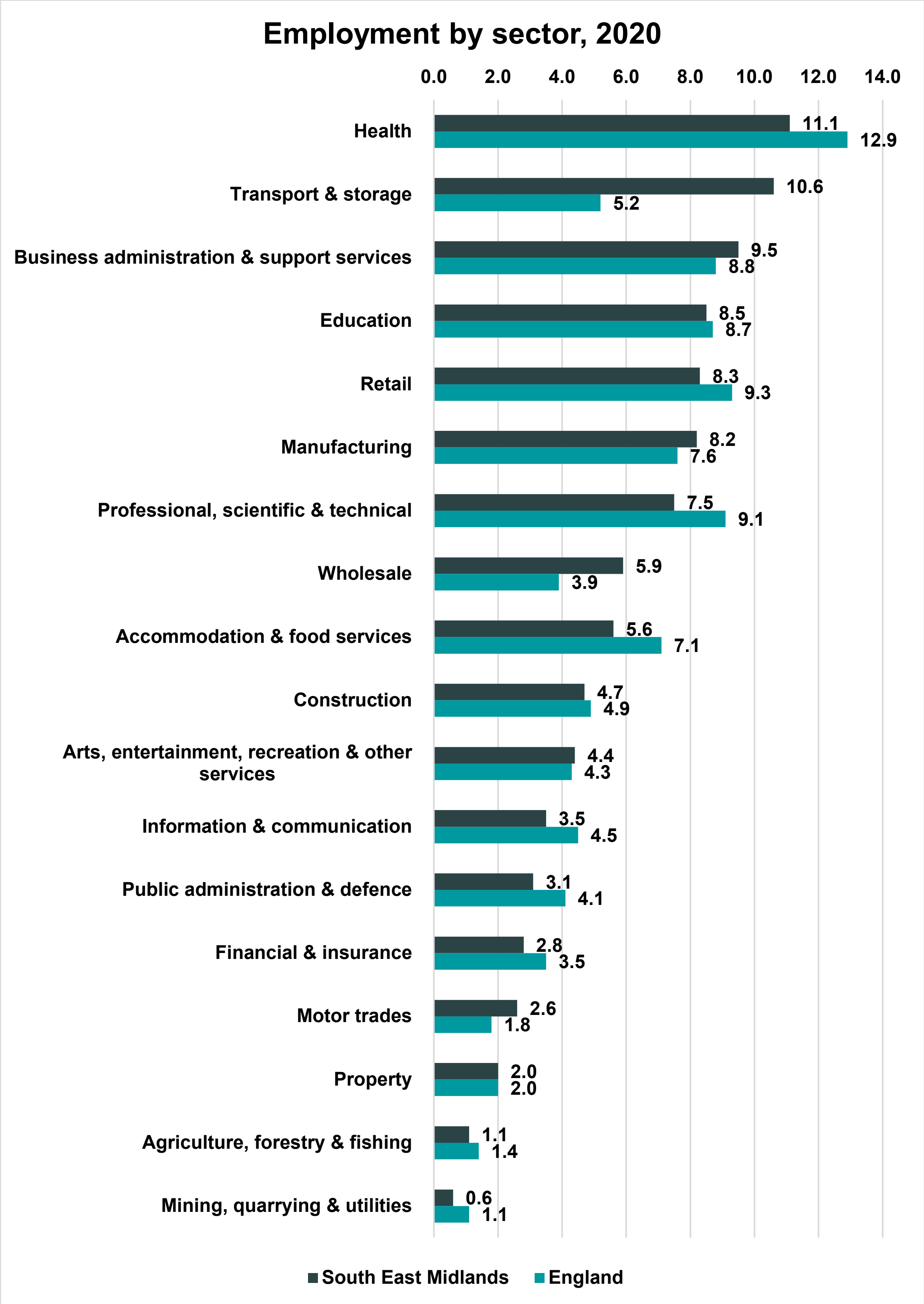
These sector definitions can be broken down further (see Annex B) providing a clearer picture of current employment by sectors being:

1. Logistics and Supply Chain
2. Retail
3. Health and Care
4. Business Administration & Support
5. Education
6. Manufacturing
7. Construction
8. Hospitality
9. Public Administration
10. Financial
11. Digital

The impact of the pandemic based on HR1 redundancy and the last furlough data before the scheme ended, indicates that largest number of job losses in the area will and are occurring in the retail, some manufacturing and accommodation and food services. However, in the long term, we expect that jobs will recover in most of these sectors, with retail remaining most at risk.

Due to the location, local experienced workforce, the increase of online shopping, increased same day delivery and supply chain/commercial impact of leaving the EU, logistics will continue to grow in the South East Midlands.

In addition, job growth in health and care, construction and digital will lead growth of employment up to 2030.



Source: *ONS, Business Register and Employment Survey, 2020 (published 2021), 2020 SAP boundaries*

Employment by occupation:

The largest employment by high level occupation groups in the South East Midlands are professional occupations; associate professional and technical occupations; managers, directors, and senior officials; elementary occupations, administrative and secretarial occupations; skilled trades occupations and are broadly in line proportionally to that of England.

As per the national trend, there has been a 'hollowing-out' of the labour market in recent years, with the proportion of workers in 'higher skilled', professional and trade occupations together with 'lower skilled' elementary occupations increasing and mid-range positions within businesses reducing.

Both the impact of digital and automation are partly responsible for driving this trend primarily in manufacturing, logistics and business support. The use of digital business systems and application of AI will influence the ability of more people in elementary occupations conducting perceived mid and higher-level work. This is and will continue to drive the need for digital skills locally.

These higher-level occupation groups can be broken down into more defined occupational groups (see Annex B) showing trends. Over 80% of employment is provided within:

1. Elementary administration & service occupations
2. Administrative occupations
3. Corporate managers and directors
4. Caring personal service occupations
5. Business & public service associate professionals
6. Teaching and educational professionals
7. Science, research, engineering and technology professionals
8. Business, media and public service professionals
9. Sales occupations
10. Transport & mobile machine drivers/operatives
11. Health professionals
12. Skilled metal, electrical and electronic trades
13. Skilled construction and building trades
14. Other managers and proprietors

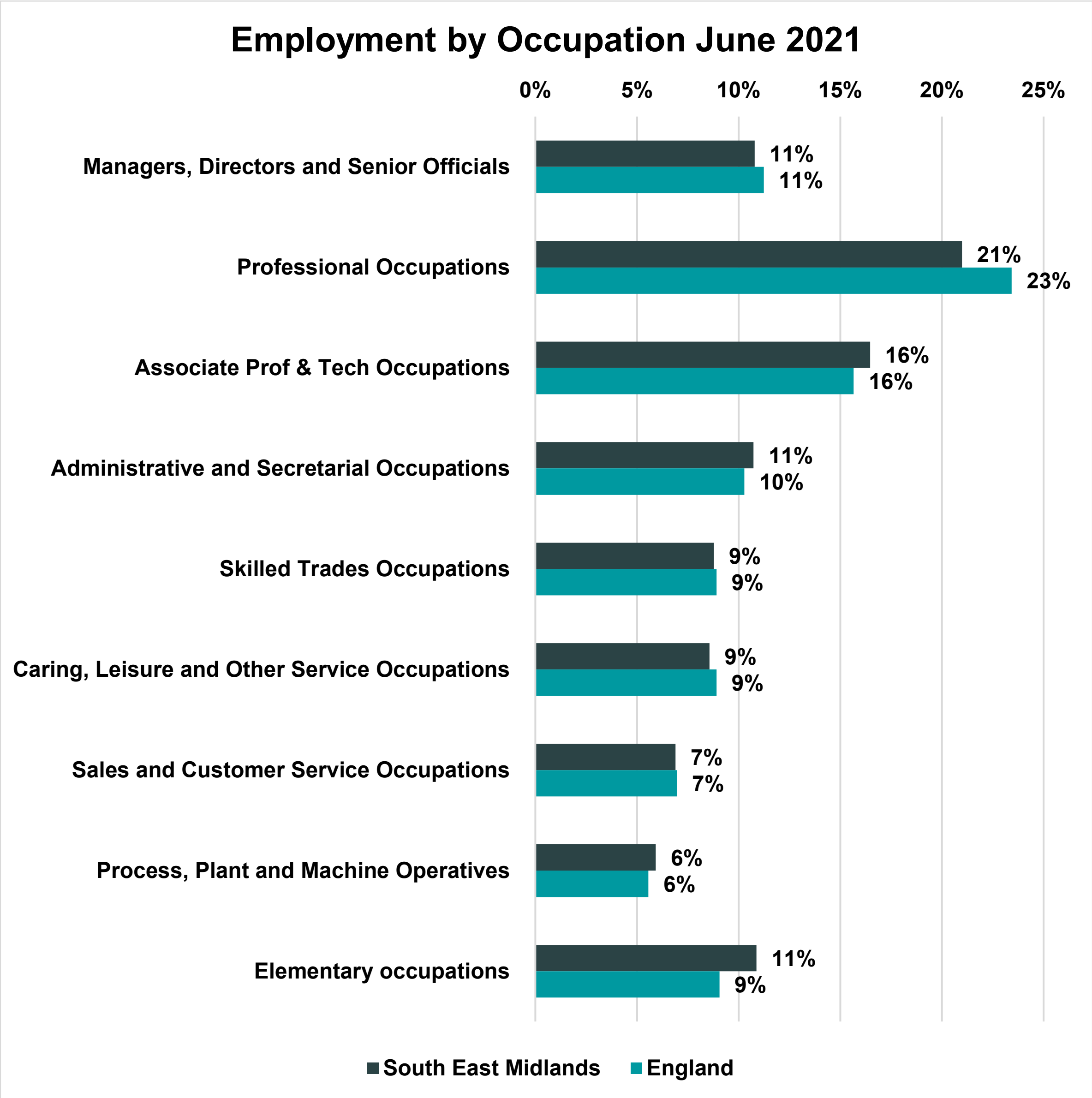
The impact of Covid-19 and business/organisation growth has seen increases in employment for the occupational groups of:

- Caring personal service occupations
- Business & public service assoc. professionals
- Teaching and educational professionals
- Business, media and public service professionals
- Sales occupations
- Other managers and proprietors
- Science, engineering and technology associate Professionals
- Health & social care associate professionals
- Elementary trades and related occupations
- Protective service occupations

The impact of Covid-19, leaving the EU and business/organisation reduction has seen decreases in employment for the occupational groups of:

- Elementary administration & service occupations
- Corporate managers and directors
- Science, research, engineering and technology Professionals
- Transport & mobile machine drivers/operatives
- Other managers and proprietors
- Process, plant and machines operatives
- Culture, media and sports occupations
- Leisure, travel and related personal service occupations
- Textiles, printing and other skilled trades
- Skilled agricultural and related trades

A more detailed analysis can be found in Annex B.



Source: *Annual Population Survey, June 2021,2020 SAP boundaries*

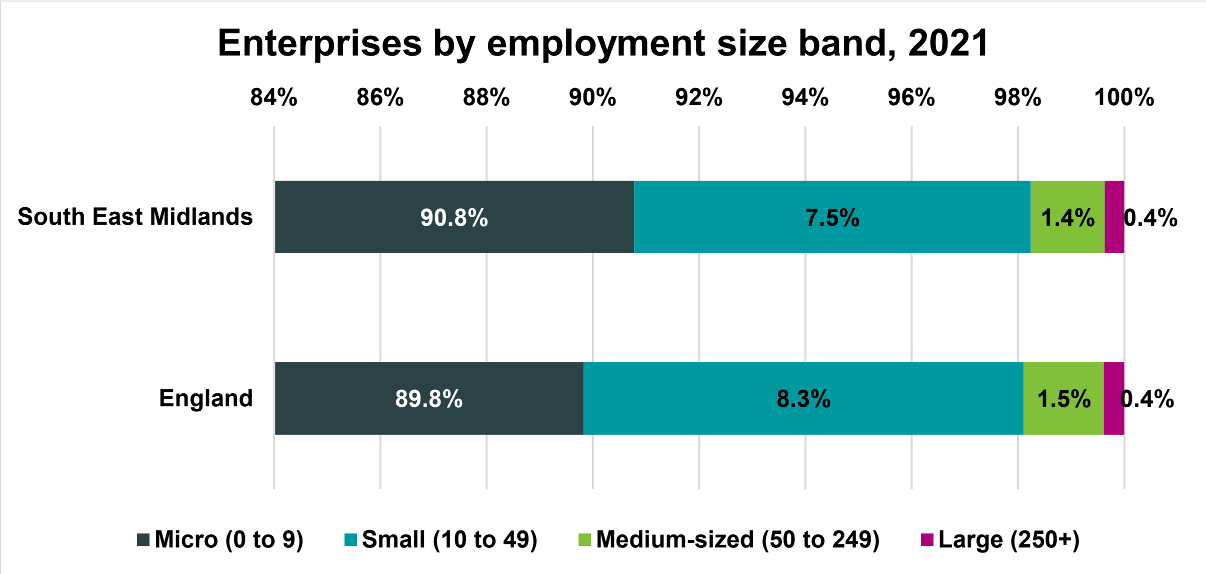
Enterprises by employment size band:

As shown below, the structure of the local business population by employment broadly matches the national picture, with a slightly higher concentration of micro and a slightly lower concentration of medium sized businesses.

This is primarily due to higher proportion of micro businesses in North Northamptonshire (91.3%), Central Bedfordshire (91.0%) and Luton (92.3%). Milton Keynes has a lower proportion of micro businesses (89.9%) and a larger quota of medium (1.8%) and large (0.6%).

The number of businesses grew from 76,940 in 2020 to 78,215 in 2021.

Micro grew by 1,255 and small by 50. Medium reduced by 20 and large by 5.



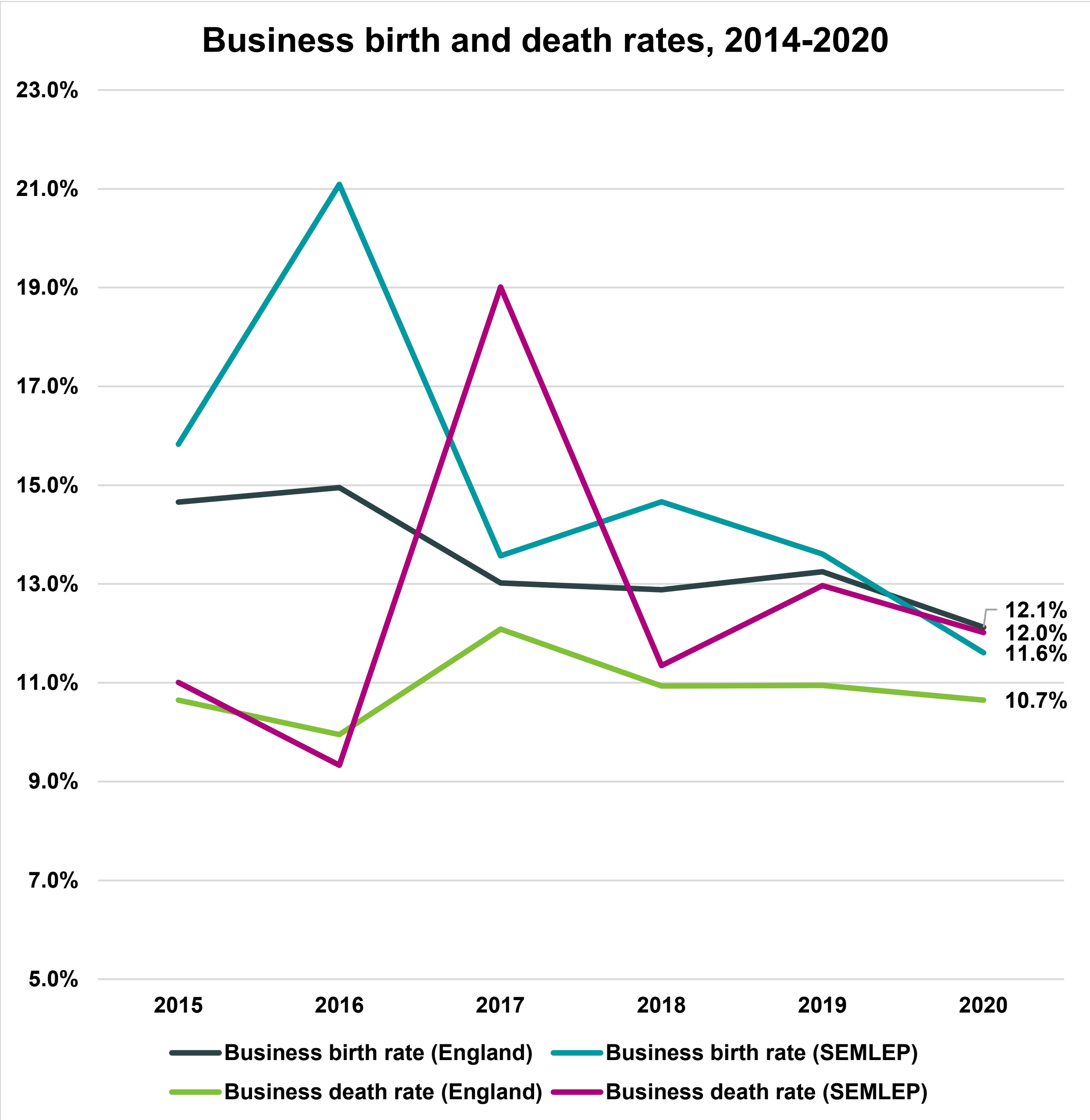
Source: *UK Business Counts, 2021, 2020 SAP boundaries*

SEMLEP SAP continues to engage directly with businesses both in consultation for the skills reports and through the work of the SEMLEP Growth Hub. We conduct a biannual business survey of over 1600 businesses reflecting the make-up of the types and sizes of businesses within the area. We also work with a Business Engagement Group (comprising business networks such as Chamber of Commerce, FSB, IOD, CBI, ICAEW, etc.), showcase sector working groups and a local authority skills economic development officer group.

Business birth and death rates:

The business birth rate in the South East Midlands dropped just below the national average in 2020, 11.6% versus 12.1%.

The business death rate remained above the national average, 12.0% versus 10.7%, with the death rate reducing in the South East Midlands from 13.0% in 2019.



Source: *ONS Business Demography, 2014 - 2020 (published 2021), 2020 SAP boundaries*

Employment rate and level:

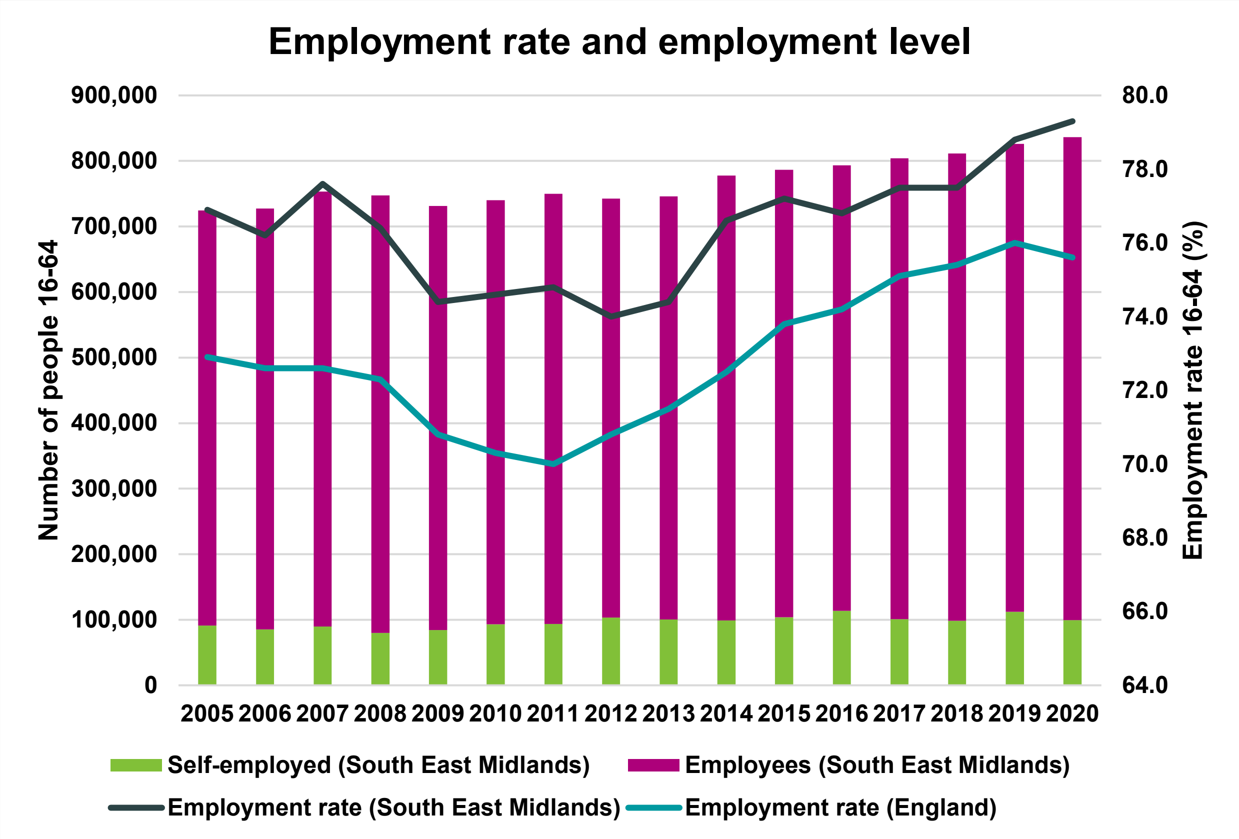
The employment rate for the SEM area is higher than the national average, matching the national trend since 2005.

In the SEM the rate increased in 2020 to 79.3% compared with a reduction to 75.6% for England.

Self-employment reduced by 12,900 in 2020 within the SEM to 99,400. However, employees increased by 23,200, a net gain of 10,300.

Employers report this shift is partly due to the change in IR35 rules, a shift to employing people to retain staff and business growth, especially in the logistics sector. The reduction of the workforce cohort from the EU has also contributed to the elevated employment rates in Bedford (2019, 76.9% to 2020, 85.0%).

Within the SEM employment rates vary with Luton below the national and local averages at 70.7%. All other local authority areas are above the national average



Source: *Annual Population Survey, 2005 - 2020, 2020 SAP boundaries*

Nominal GVA per hour worked:

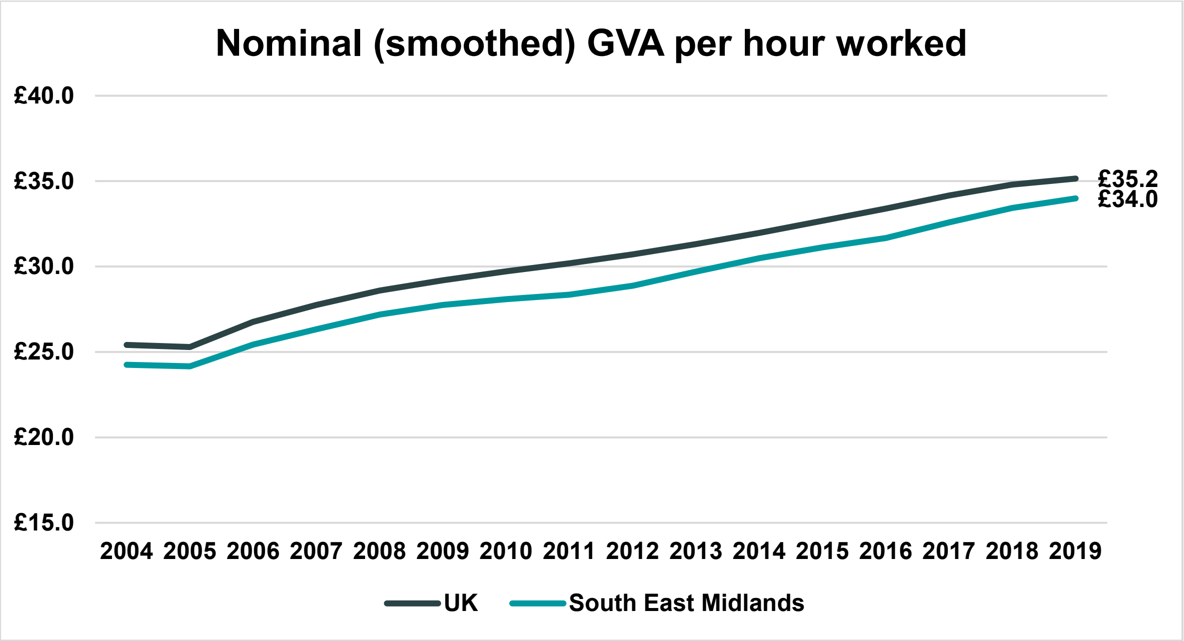
The GVA per hour worked for the South East Midlands was £34.00 in 2019, below the national average of £35.20.

The variance from the national average reduced from 2018 to 2019 by £0.20 (-14%).

Within the area there is a wide variance reflecting the mix of sector and type of business in each local authority area:

- Milton Keynes £43.9
- Luton £36.3
- Central Bedfordshire £32.9
- West Northamptonshire £31.5
- Bedford £31.3
- North Northamptonshire £26.5

The large quotient for the logistics sector makes a significant contribution to the local economy and influences the overall value of GVA per hour worked.



Source: *ONS Subregional Productivity, 2004 - 2019 (published 2021), 2018 LEP/MCA boundaries*

Median gross weekly wage for full-time workers:

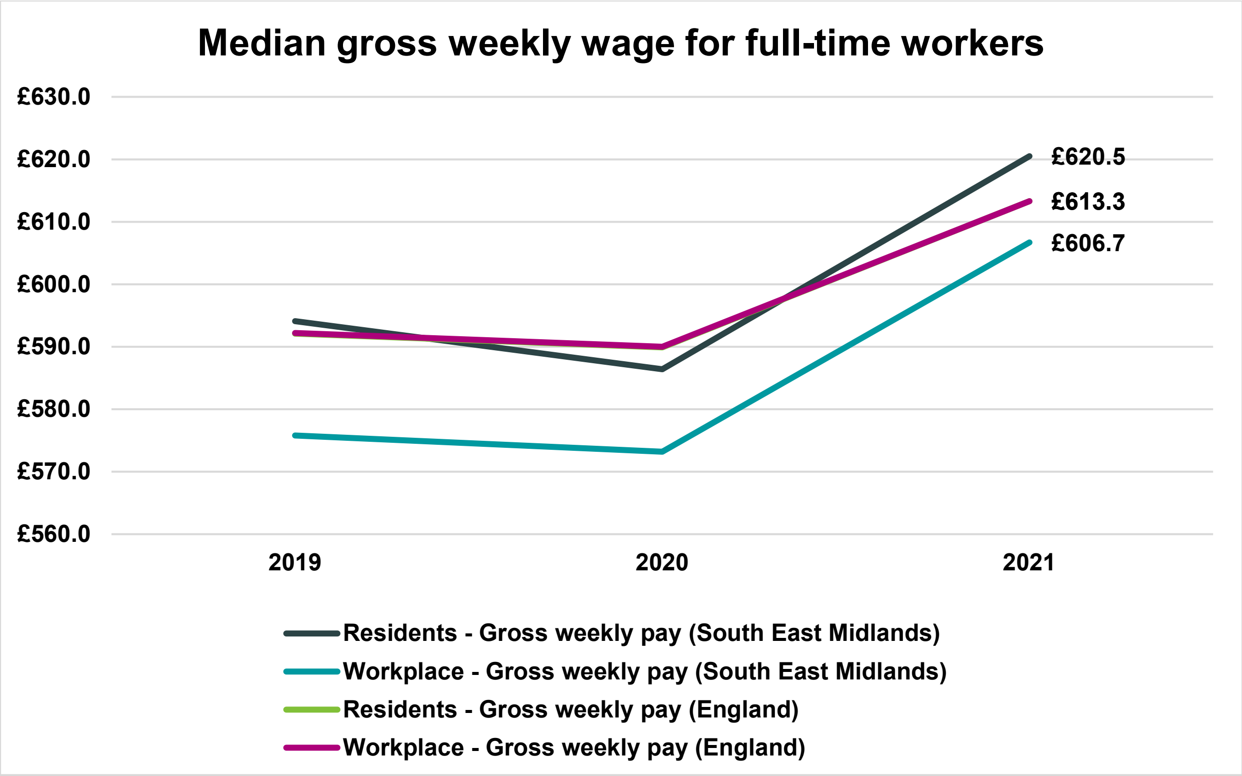
The median South East Midlands resident gross weekly pay has risen above the national average from 2020 to 2021.

The equivalent for the workplace also increased from £573.20 to £606.70 but remain below the national average of £613.30, the gap narrowing by £10.20 (61%) from 2020 to 2021.

Luton overtook Milton Keynes as the highest median gross weekly wage for the workplace, but is one of the lowest for residents, the value for each local authority area being:

Local Authority Area	Workplace	Residents
Luton	666.2	585.1
Milton Keynes	657.7	642.7
Central Bedfordshire	619.9	676.5
Bedford	591.7	625.6
West Northamptonshire	573.6	598.8
North Northamptonshire	554.6	579.7

A competitive labour market and the relocation of people's places of work have contributed to this increases.



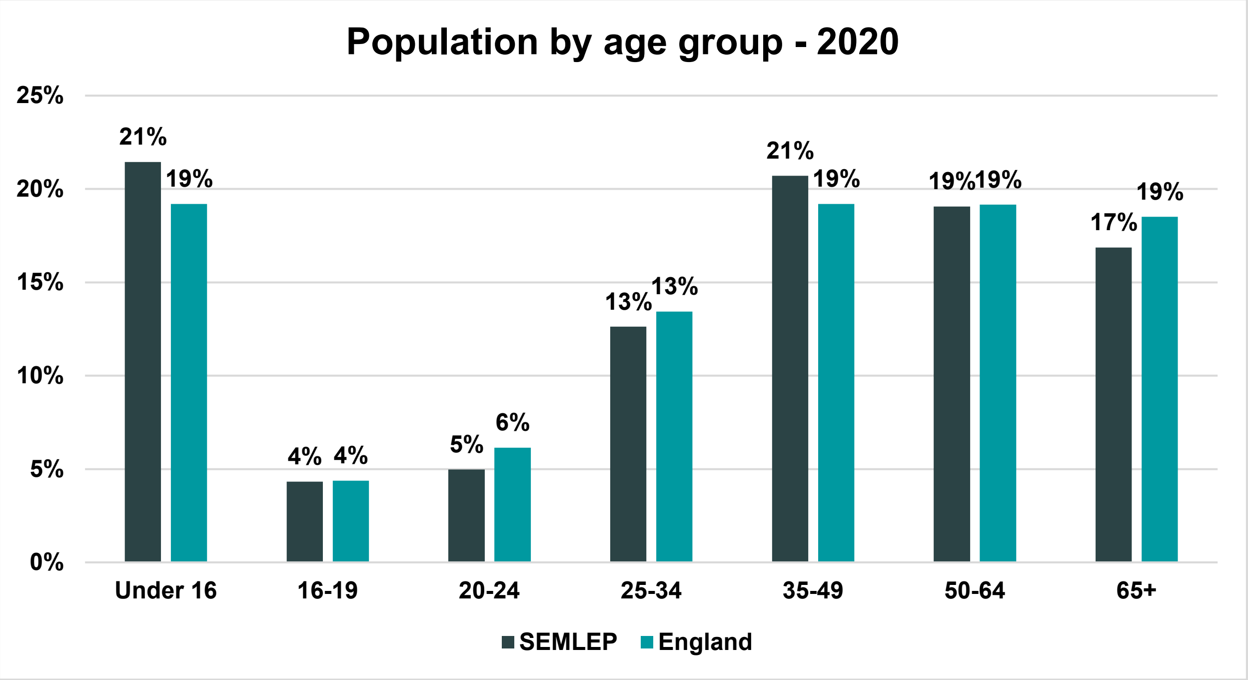
Source: *Annual Survey of Hours and Earnings, 2014 - 2021, 2021 LEP boundaries*

Population by age group:

The South East Midlands has higher proportions of under 16 and 35-49 within the local population. A combination of a potential talent pipeline and an experienced workforce.

Both Luton and Milton Keynes have high proportions of under 16 at 25% and 23% respectively. Milton Keynes also has a high proportion of 35-49 at 23%.

Luton and Milton Keynes have lower proportions of +65 at 13% and 14% respectively. North Northamptonshire has the highest proportion of +65 at 19%.



Source: *Annual Population Survey, 2005 - 2021, 2020 SAP boundaries*

Claimant Count and Alternative Claimant Count:

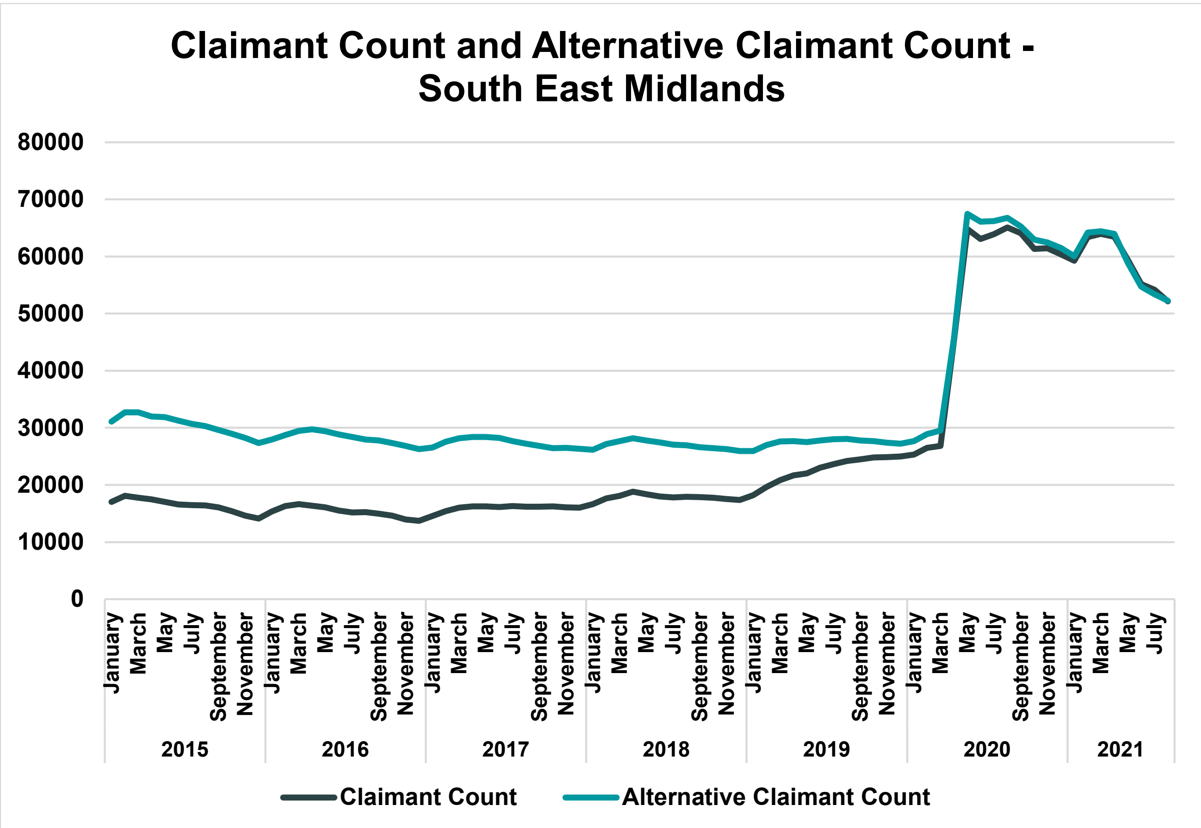
The SEM area has had a low proportion of people claiming unemployment benefits.

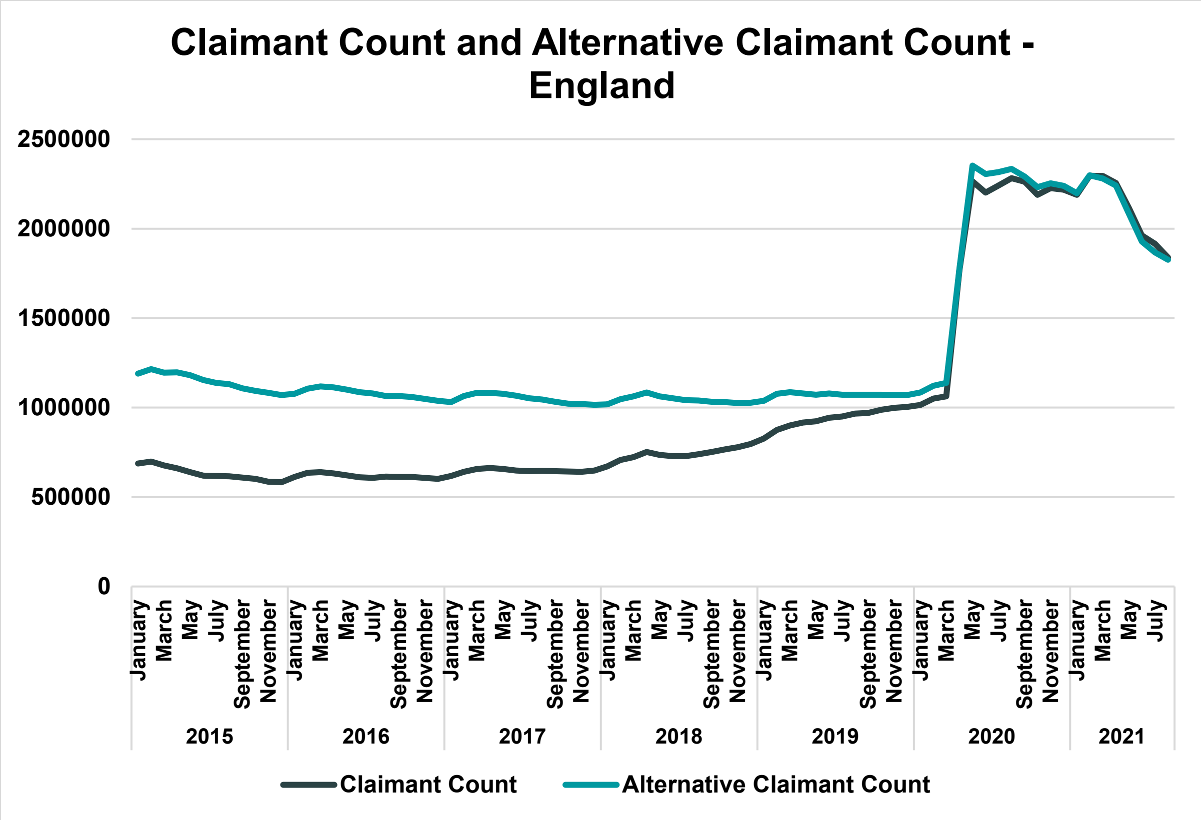
As of October 2021 the claimants as a proportion of residents aged 16-64 were below the national average at 4.6% with some variance by local authority with Luton (7.5%), Bedford (5.3%) and Milton Keynes (5.0%) higher than the national average (4.9%).

England	4.9%
South East Midlands	4.6%
Luton	7.5%
Bedford	5.3%
Milton Keynes	5.0%
West Northamptonshire	4.2%
North Northamptonshire	4.1%
Central Bedfordshire	3.0%

After the impact of Covid-19 the claimant count has grown at a faster rate than the national levels with the exception of North Northamptonshire and Bedford.

Both age 16-24 and +50 claimant counts have risen at higher rates than the national averages.





Source: *ONS claimant count & DWP Stat Xplore, January 2013 – August 2021, 2020 SAP boundaries*

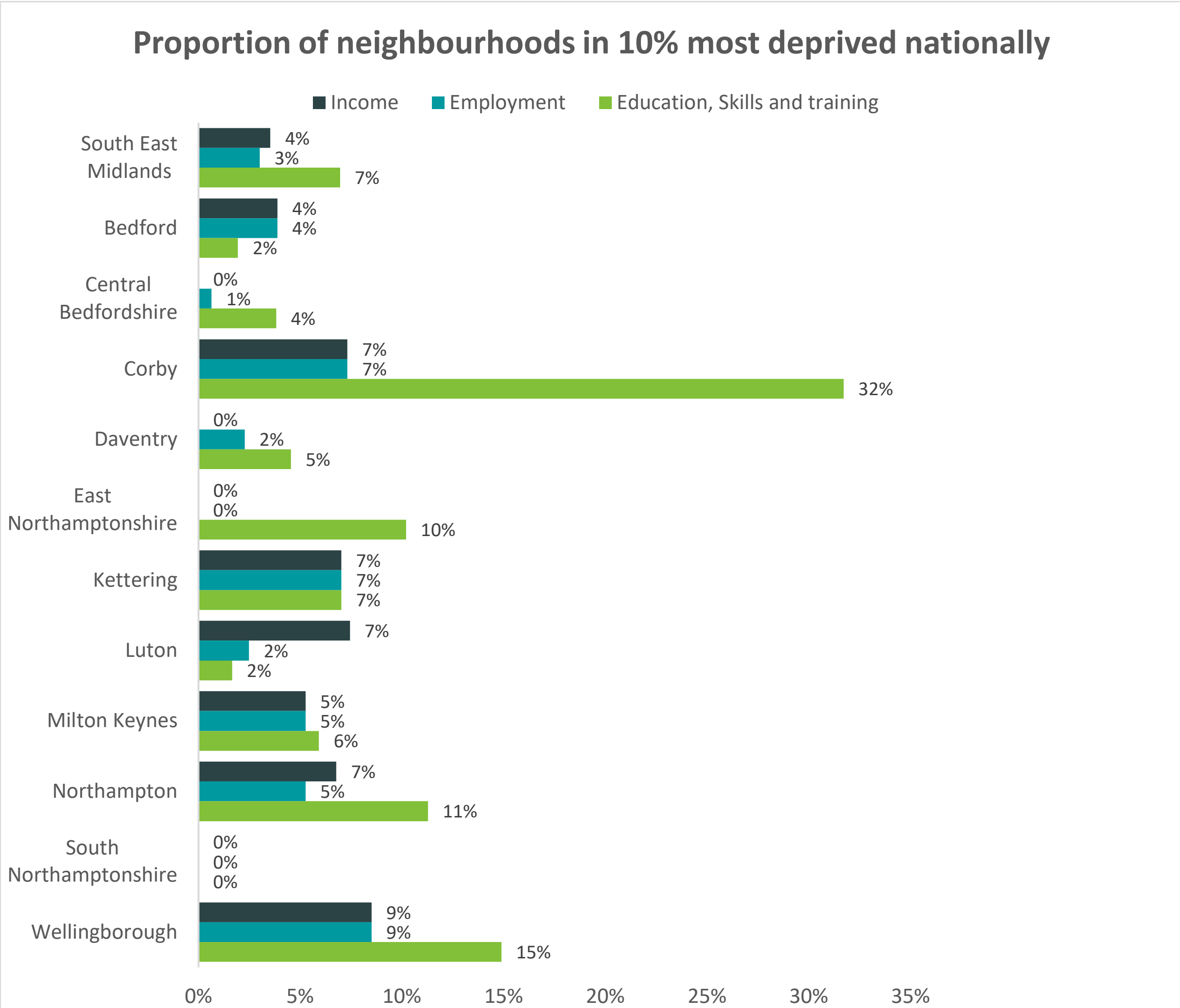
Note: Under Universal Credit, a broader span of claimants are required to look for work than under Jobseeker's Allowance. This has the effect of increasing the Claimant Count and Office for National Statistics (ONS) have stated that the figures are no longer a reliable economic indicator. To address this, the new Alternative Claimant Count statistics measure the number of people claiming unemployment benefits by modelling what the count would have been if Universal Credit had been in place since 2013 with the broader span of people this covers.

Income, Employment and Education deprivation:

The SEMLEP area, generally has low levels of deprivation relative to England. However, the area has significant issues regarding access to education in some areas, particularly in Corby, Wellingborough and Northampton. Luton also has a degree of relative deprivation in terms of education and skills access, with some 45% LSOAs in the bottom 30% nationally.

However, as shown in Annex B, relative deprivation in the SEMLEP area has been decreasing across all local authority areas from 2015 to 2019, particularly in Luton which moved out of the bottom quintile of local authorities for its average IMD score.

Relative deprivation is variable in the area, with South Northamptonshire being the fifth least economically and socially deprived area in England in 2019, while Luton and Corby are close to being in the bottom fifth of local authority areas. The skills strategy will consider necessary actions to rebalance some of these inequalities, particularly the education and skills issues across North Northamptonshire and Luton.



Source: *Index of Multiple Deprivation, MHCLG, 2019, 2017 LEP boundaries*

Skills Supply

Skills Supply – Summary

SEMLEP continues to with stakeholders to ensure skills provision was aligned with employers needs through the Skills Advisory Panel, capital funding and consultation through working groups for both employers and educators.

Qualification levels locally are lower than the national average for higher levels, but employment remains at higher rates, emphasising the importance of the development of relevant skills and attainment.

Skills supply data shows continued alignment with the demands within the labour market especially for engineering/manufacturing, construction and digital.

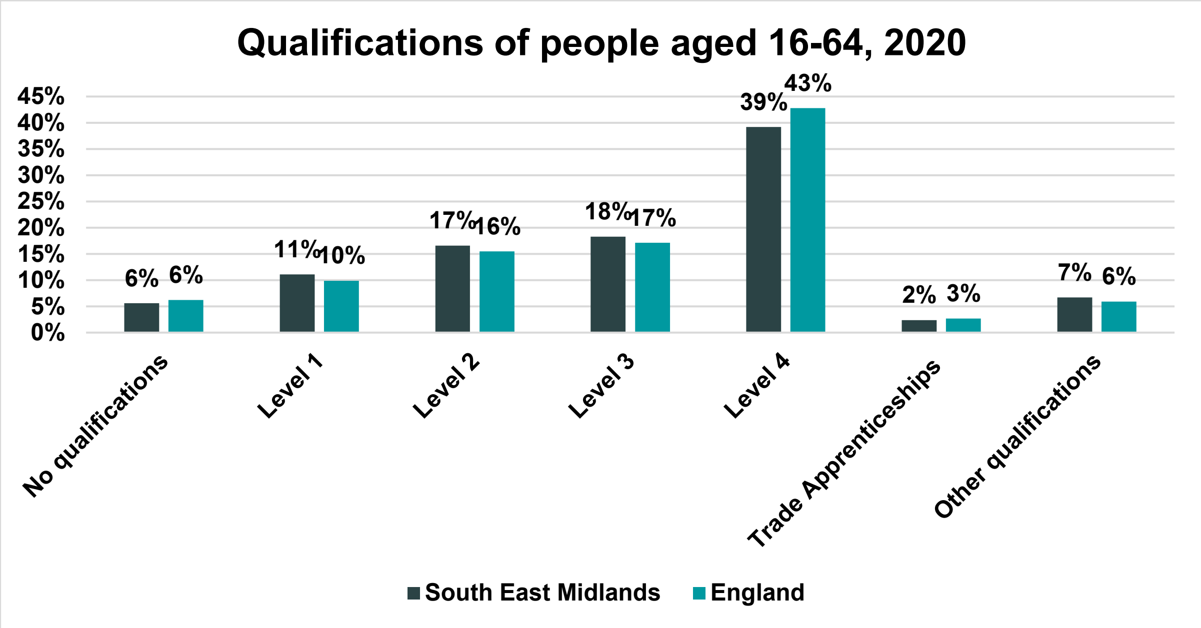
The impact of Covid-19 has slowed down recruitment through apprenticeships. Replacement need due to people relocating back to the EU and growth in some sectors has placed a demand on employers to up-skill or re-skill quickly. There is an additional demand now for vacancies in food and accommodation as some of the workforce found alternative employment during the lockdowns.

The summary below highlights the information in the following pages:

- Qualifications held by residents are above or equal to the national average for level 1 to 3 and other qualifications. Trade apprenticeships and level 4+ are below the national average. There are opportunities for level 4 and 5 qualifications with employers seeking to take people from education earlier and develop in house through higher level apprenticeships.
- The Further Education and the training achievements remain high for occupational groups with need for health, education, digital and business operations.
- The apprenticeship achievements had higher proportional achievement rates in occupational groups with need for engineering, construction, business operations and health.
- Qualifiers from higher education are broadly in line with employers needs for engineering, health, business operations/management, education and digital.
- Destinations of students at all levels are better or comparable to national averages.
- The pipeline of those entering sustained apprenticeships from key stage 4 is lower than the national average, the problem being the opportunities offered by employers.
- There is a need to ensure there are suitable entry levels for all young people of all abilities.
- There are high levels of graduate retention in the area based on the regional data.
- More employer-based training is required in SMEs.
- There is anecdotal evidence of low participation in the Skills Bootcamps as the contracts were awarded on a regional basis. The SEM has parts on the edges of 3 regions and consequently the location of the bootcamps tend to be too far for people to participate. Future contracts should be awarded for more local geographies.

Qualification levels:

On average, the residents in the South East Midlands have slightly lower levels of educational attainment than the average for England at level 4 or higher qualifications.



Source: *Annual Population Survey, 2020, 2020 SAP boundaries*

Levels changed from 2019 with no qualification and level 3 reducing by 1% and other qualifications by 2%. Level 4+ increased by 2%.

There is considerable variation by local authority area. The table below shows the levels at or above the national average in green.

Qualification Level	**England**	**Bedford**	**Central Beds**	**Luton**	**North Northants**	**West Northants**	**Milton Keynes**
No qualifications	6%	4%	5%	11%	4%	5%	6%
Level 1	10%	8%	13%	9%	12%	13%	9%
Level 2	16%	13%	17%	16%	17%	19%	15%
Level 3	17%	13%	16%	15%	25%	19%	19%
Level 4	43%	53%	44%	34%	35%	36%	41%
Trade Apprenticeships	3%	2%	2%	2%	4%	2%	2%
Other qualifications	6%	7%	4%	13%	4%	6%	8%

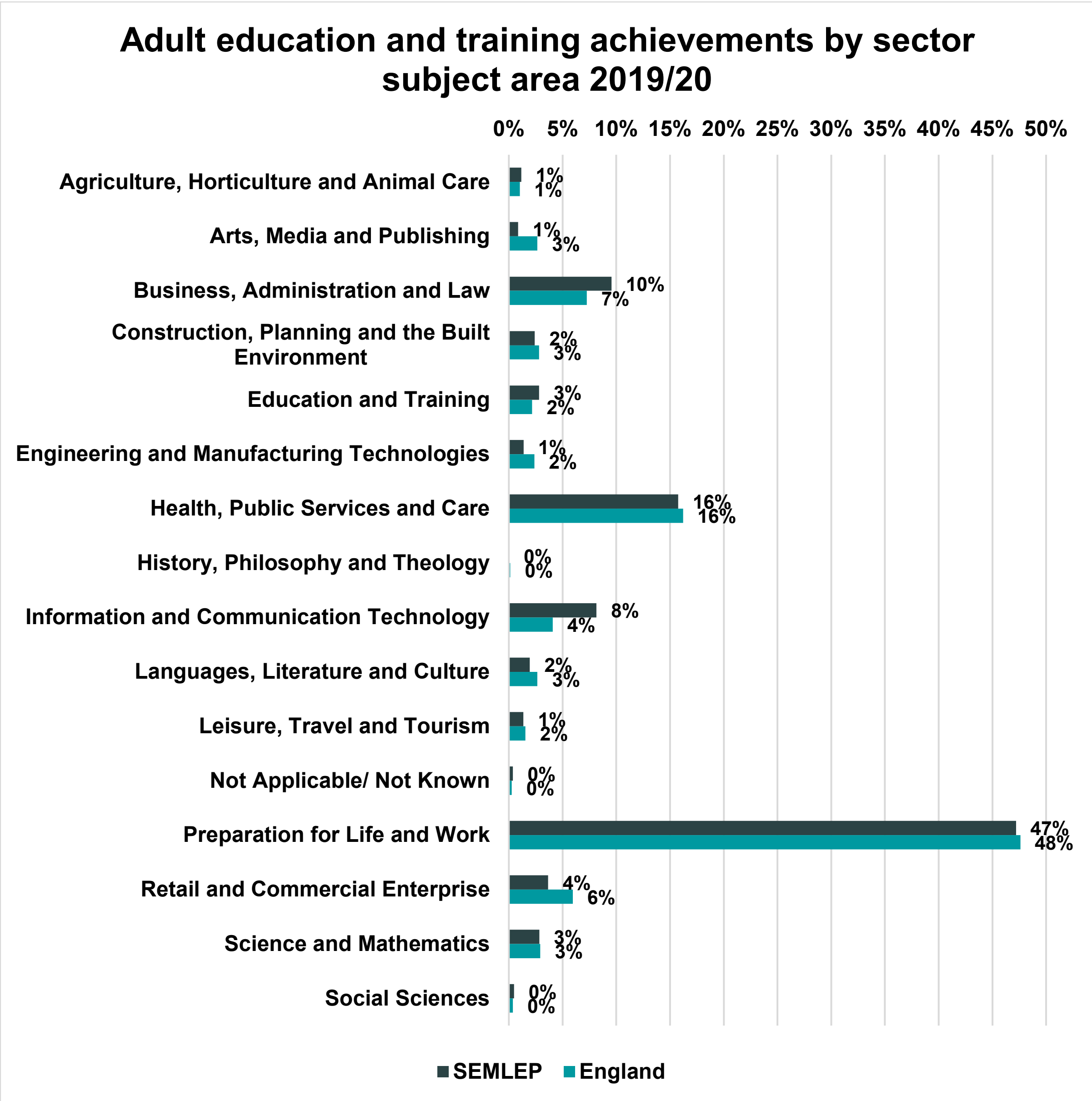
However, qualifications are not the main focus and decision-making criteria for many employers. These figures do not capture all the relevant employability skills, such as core competencies, technical/vocational certification, numeracy, literacy, attitudes and behaviours demanded from employers.

FE Education and Training Achievements:

Compared to the national data, the area has a proportionally higher rate of educational achievement in business, administration and law, education and training and information and technology.

After preparation for life and work, health and social care achievements are the highest training achievements. All the above are in line with some of the employer demand. STEM subject achievements are still proportionately low locally.

The trends of the proportion of the total cohort for learner starts from 2016/17 to 2019/20 remained high in the priority occupational groups/sectors with need for digital, health, care, construction, engineering and education (see Annex B).



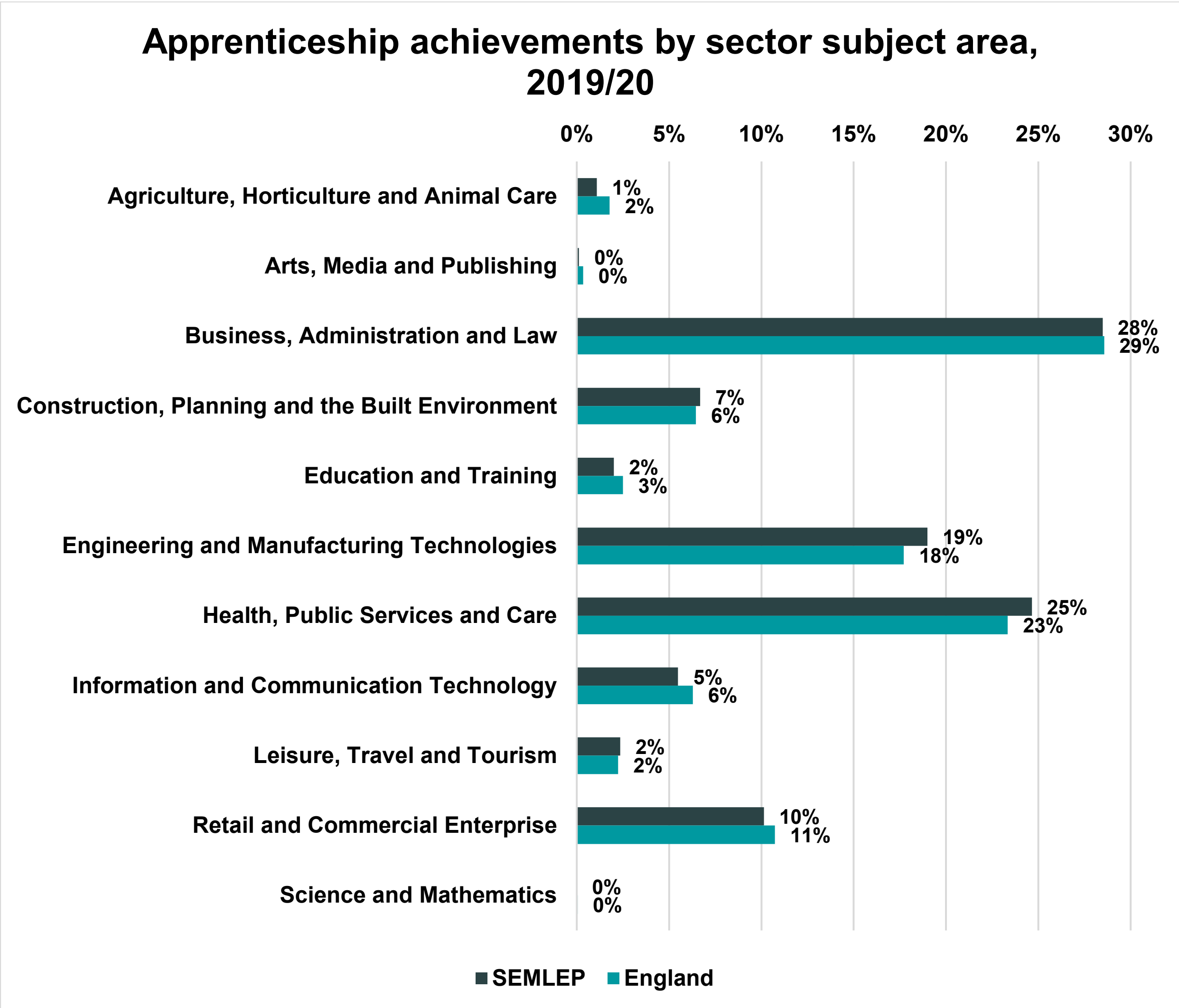
Source: *Further Education & Skills data, DfE, (published 2020), 2020 SAP boundaries*

Apprenticeship Achievements:

The trends of the proportion of the total cohort for learner starts from to 2019/20 increased in the priority subject sector for Business, Administration and Law, Health, Public Services and Care, Engineering and Manufacturing Technologies and Construction, Planning and the Built Environment.

The SEMLEP Business Survey 2021 (2) respondents showed that for employers stating that they would not consider employing an apprentice has remained the same since 2017 at 41%, the main increases in reasons were:

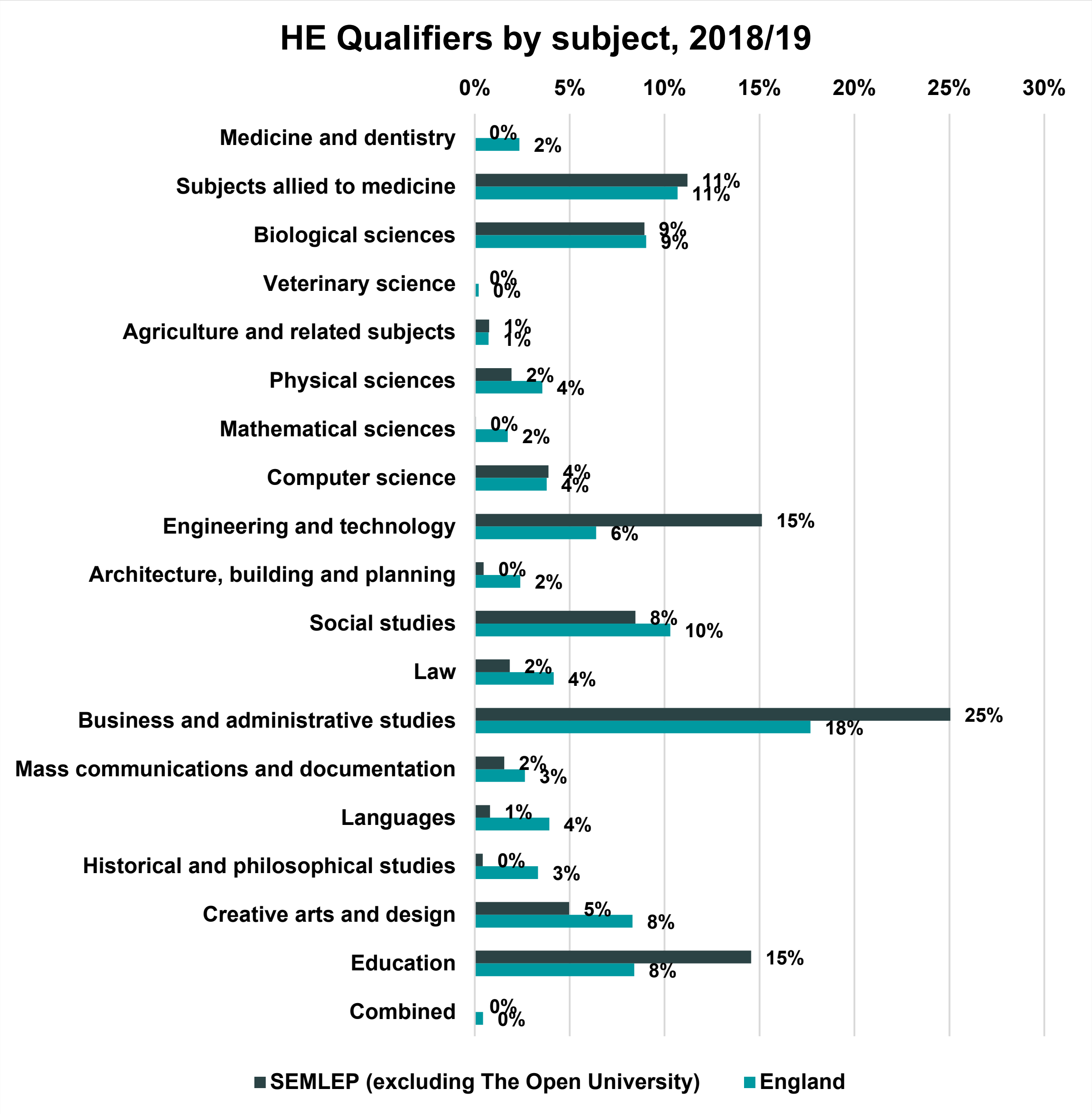
- No current business need/not recruiting - 39% (50% 2019)
- Business/type of work is unsuitable for apprentices - 17% (17% 2019)
- Size of business is too small - 11% (27% 2019)
- Apprentices don't have the necessary skills/experience/qualifications we want to employ people that are ready to do the job - 11% (10% 2019)
- Poor experience of apprenticeships - 8% (7% in 2019)



Source: *Apprenticeship data, DfE, (published 2020), 2020 SAP boundaries*

HE Qualifiers:

Compared to the national level, the local proportion of HE qualifiers for the University of Bedfordshire, University of Northampton and Cranfield University are higher than the national average for subject allied to medicine, computer science, engineering and technology, business and administrative studies and education. This is aligned with employer need.



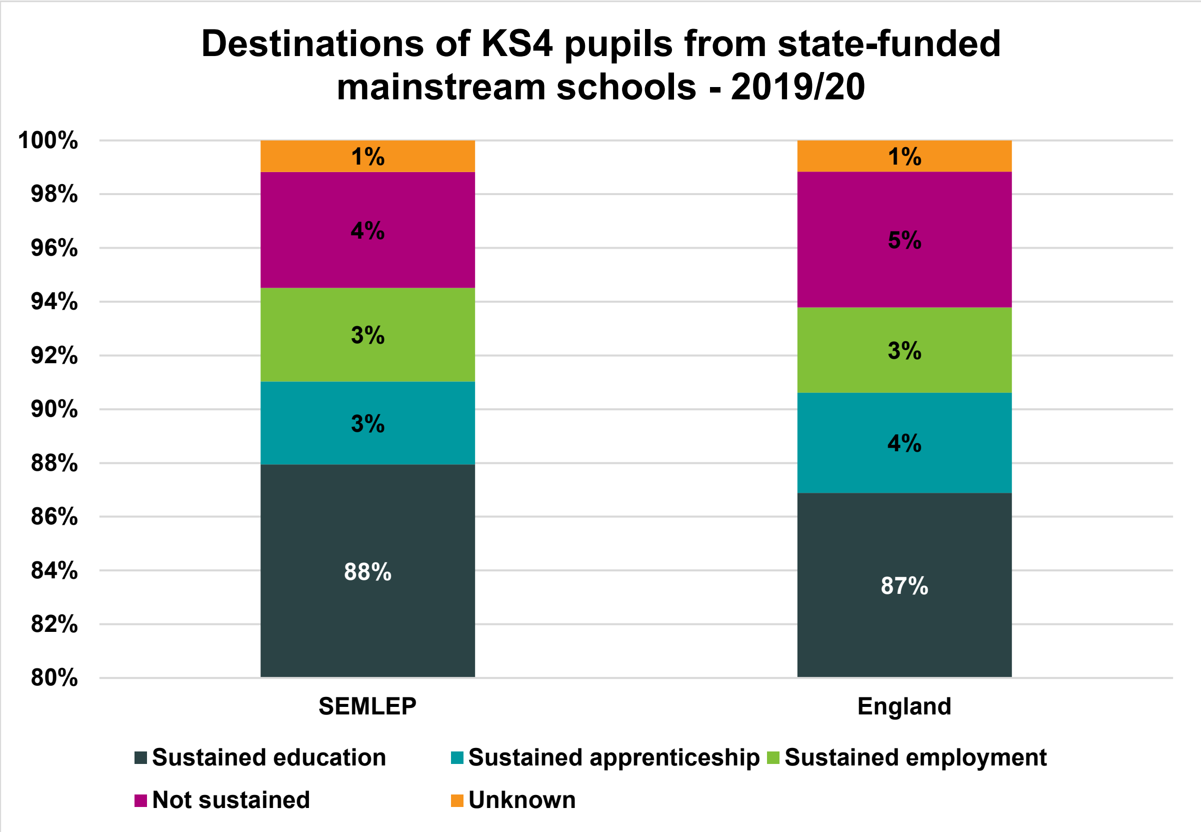
Source: *HESA, 2018/2019 qualifiers (published 2020), 2020 SAP boundaries)*

Key stage 4 destinations:

Within the South East Midlands, Key Stage 4 pupils that remain in education increased in 2019/20 to 88% (87% 2018/19). 3% enter apprenticeships making a combined rate equivalent to the national average.

As per the national average, 3% of young people enter sustained employment.

Only 4% enter a non-sustained pathway compared to 5% nationally.



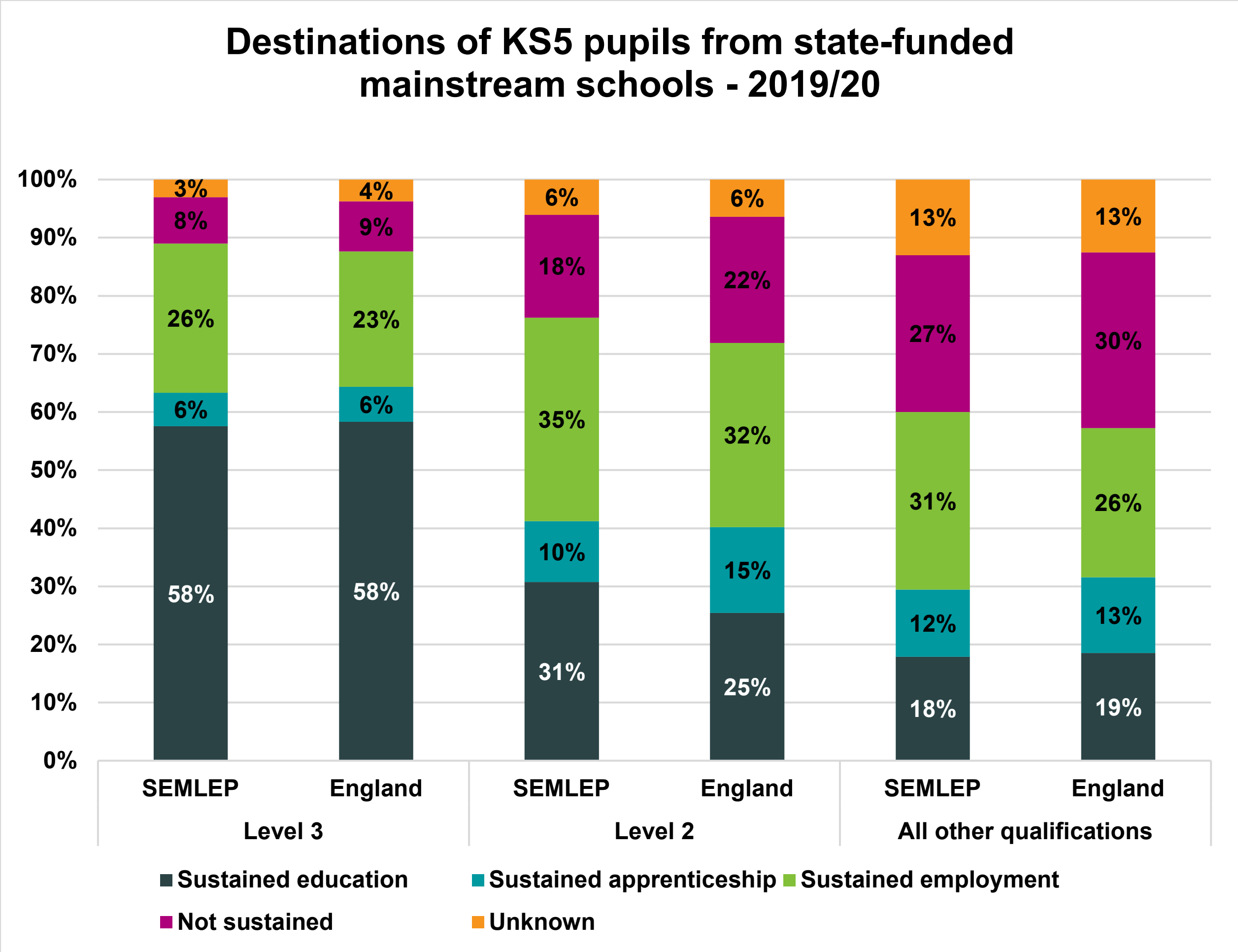
***Source**: KS4 destination measures, DfE, 2019/20 (published 2021), 2020 SAP boundaries*

Key stage 5 destinations:

Compared to 2018/19, more young people are in sustained education at level 3 (58% vs 56% 2018/19). The impact of Covid-19 saw a proportional reduction in entries to apprenticeships at all levels and for other qualifications.

More local more key stage 5 (KS5) leavers in 2019/20 entered sustained employment than the corresponding national rate, for all levels of qualifications.

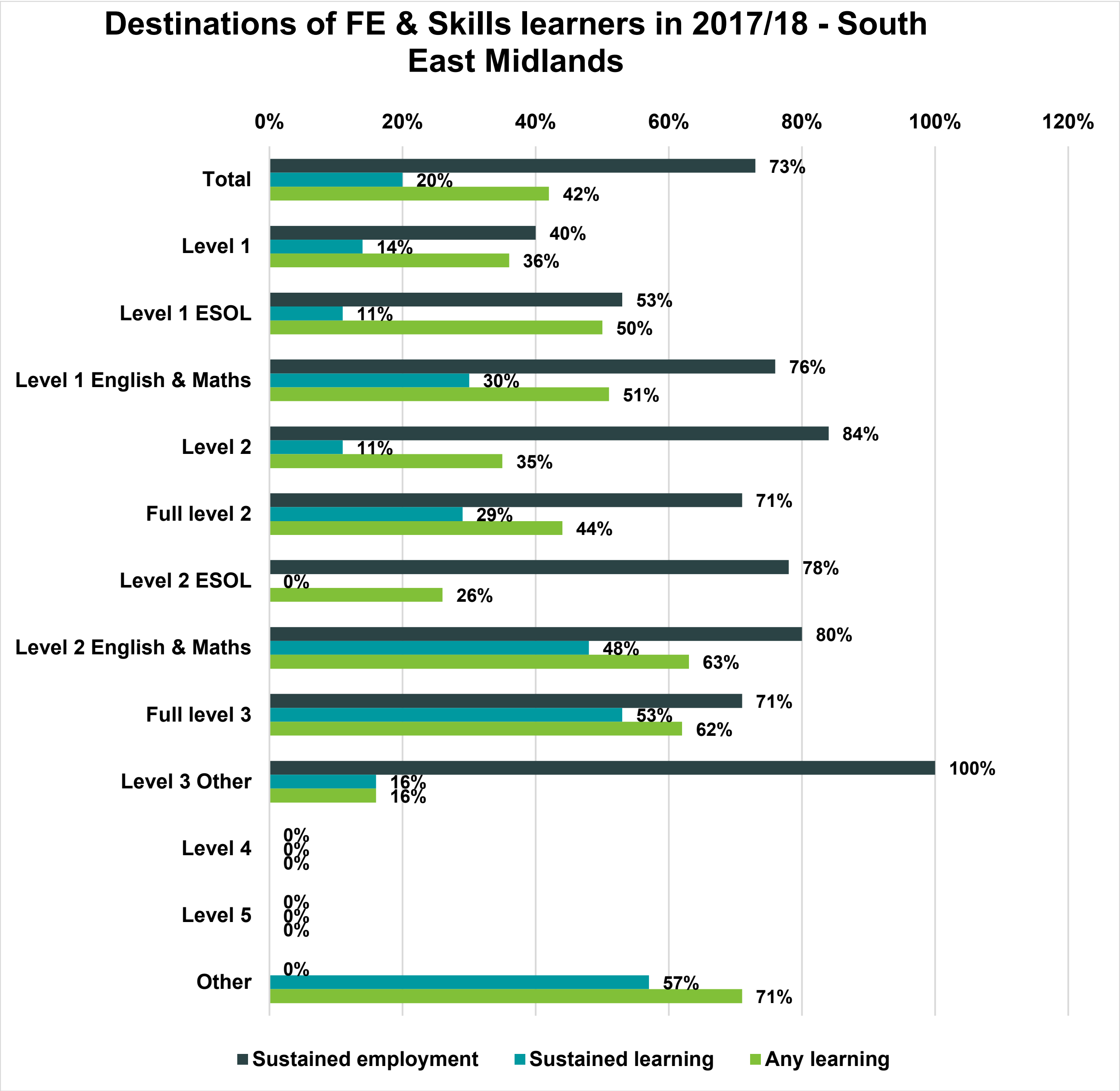
The same proportion of KS5 leavers enter apprenticeships from level 3 and fewer from level 2 and other qualifications than the national average.

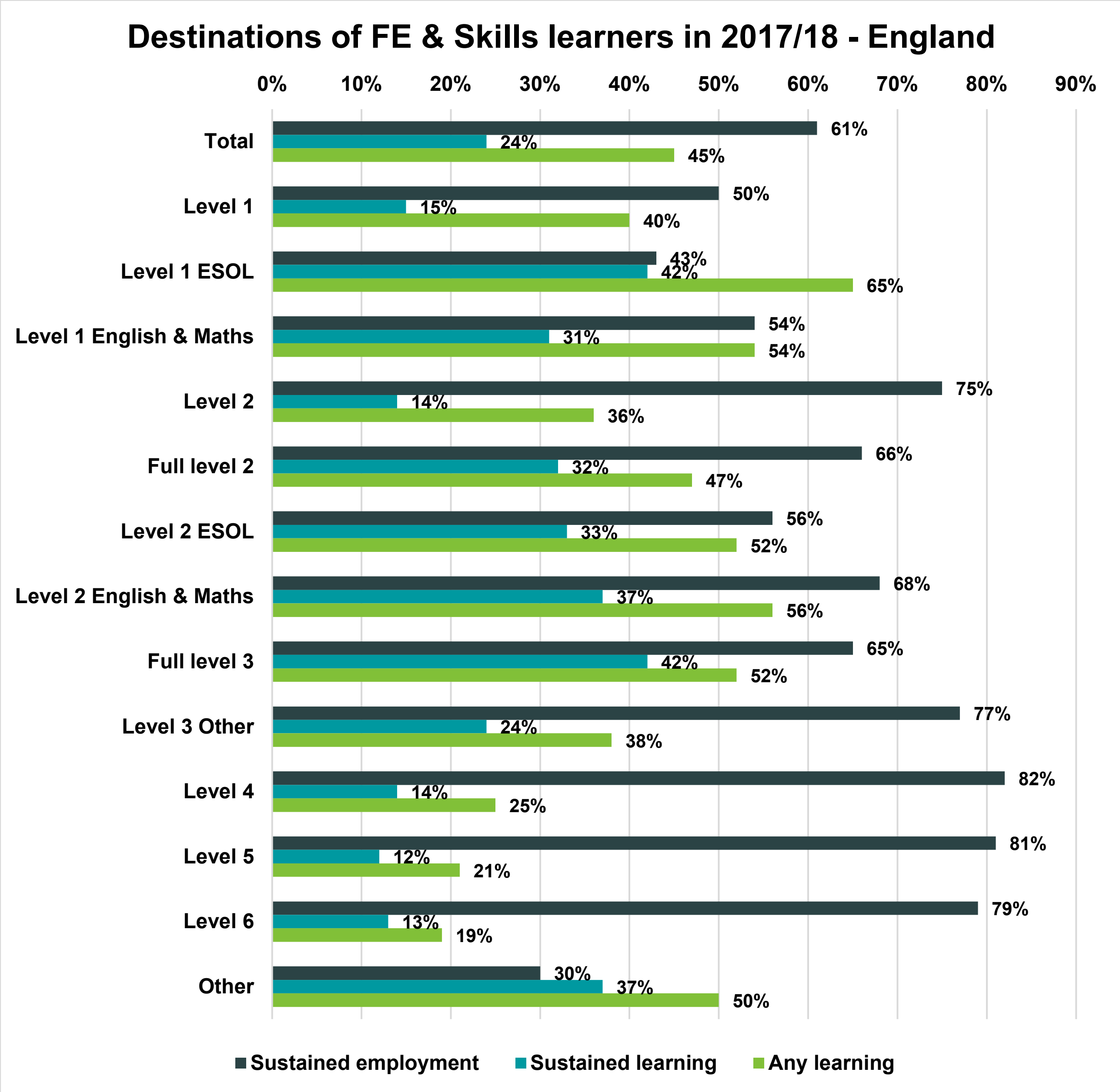


Source: *16-18 Destination Measures, DfE, 2019/20 (published 2021), 2020 SAP boundaries*

FE and skills destinations:

Overall learners from FE and skills within the South East Midlands have a higher rate of entry into sustained employment (+12%) than the national average. The exception are those from Level 1. Those progressing to sustained learning is lower by 4% and any learning by 3%.



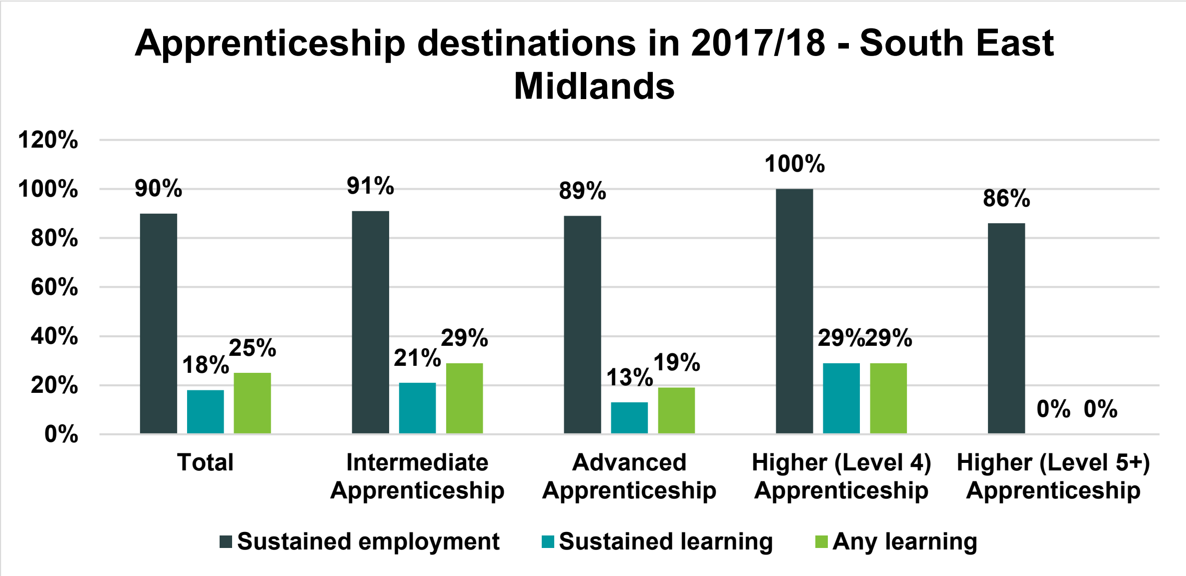


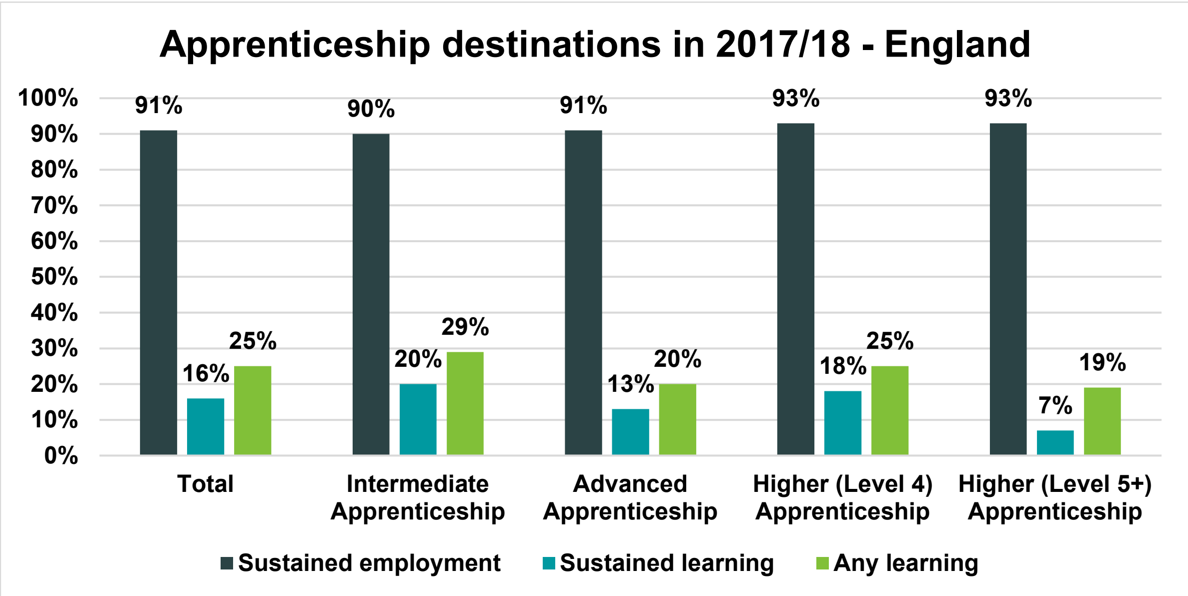
Source: *FE outcome based success measures, 2017/18 destinations, DfE, (published 2020), 2018 LEP boundaries*

Apprenticeship destinations:

Local apprentice destinations into sustained employment are 1% lower than the national average for all levels with Advanced and Higher (Level 5+) being lower than the national average.

Those remaining in sustained learning has increased and is above the national average at 18% (England 16%). This is mainly due to those from apprenticeships at the Intermediate level and Level 4+. This is consistent with the SEMLEP Strategy ambitions to promote a culture of lifelong learning, with employers using levy and/or the apprenticeships to invest in workforce development and upskill appropriately.



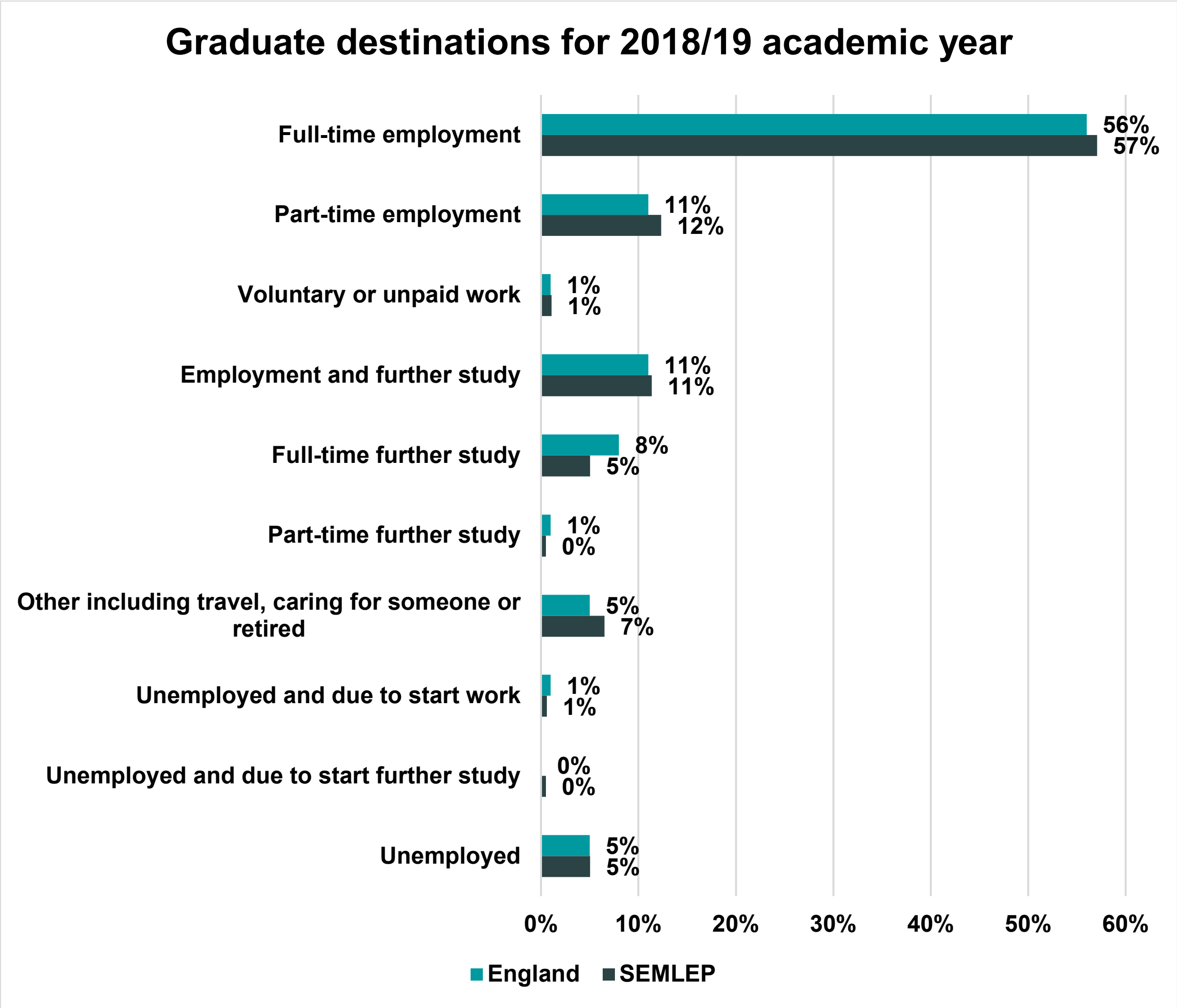


Source: *FE outcome-based success measures, 2017/18 destinations, DfE, (published 2021), 2018 LEP boundaries*

HE Graduate destinations:

Local graduates are finding full-time and part-time employment at a higher rate than nationally, together with employment with further study.

The average for other destinations including travel, caring for someone or retired is also higher than the national average. Other destinations are at parity with national averages.



Source: *HESA, 2018/19 graduates (published 2021), 2020 SAP boundaries*

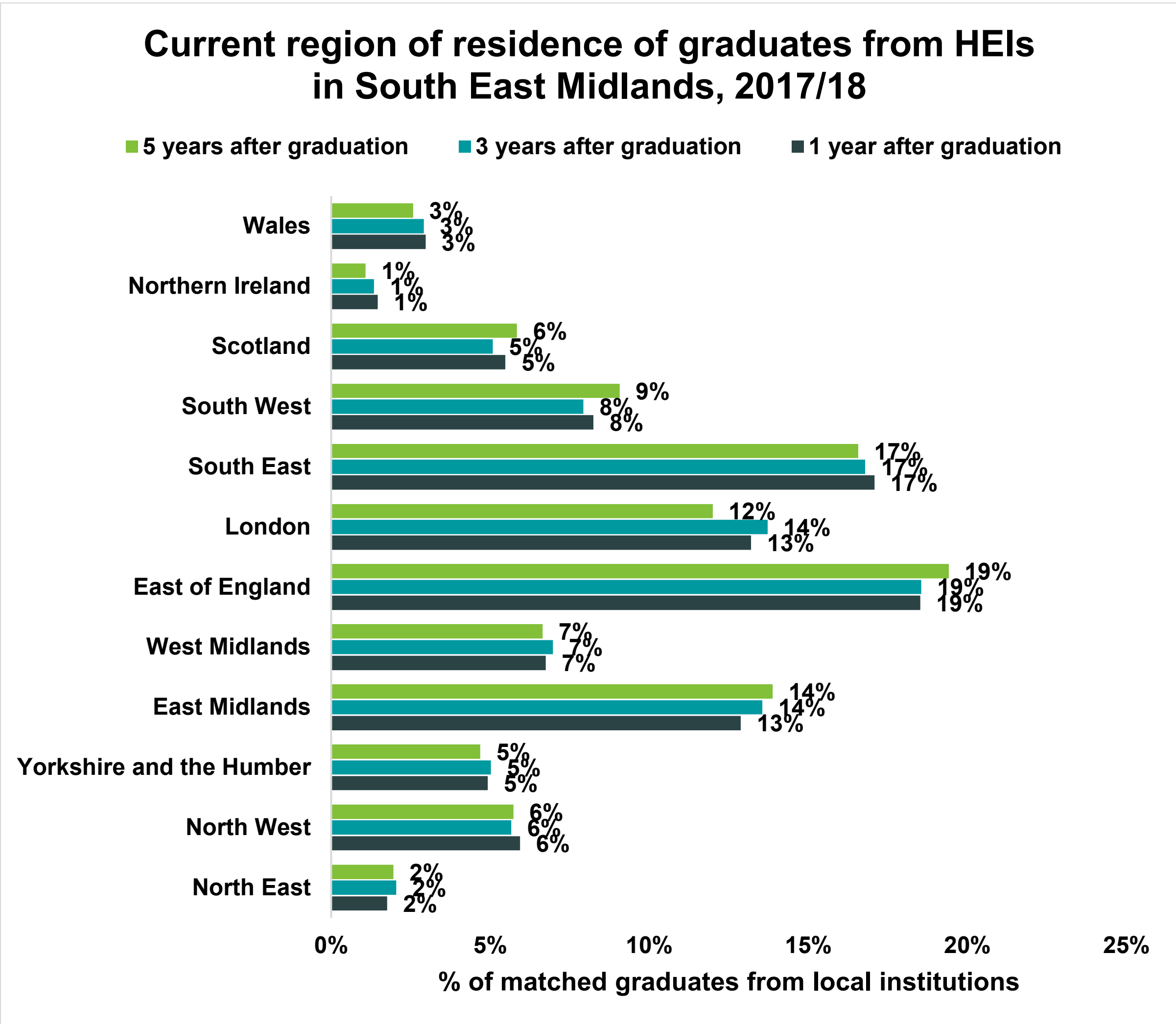
Note: Data does not include The Open University.

Graduate retention:

The South East Midlands is part of three regions, East Midlands, East of England and South East, the three highest retention rates for graduates from the South East Midlands nationally. Whilst we cannot isolate the specific date for retention within the SEM, from consultation with employers and HE establishments we know;

- The cost of living in the South East Midlands is relatively lower than areas closers to London or further east or west.
- Employment opportunities are good being one of the fastest growing labour markets outside of London with a diverse employer base.

This is confirmed by the Higher Education Institution (HEI) graduate outcomes by provider and current region, five years after graduation which show for The University of Northampton at retention rate in the three regions of 75% (46% in the East Midlands) and for the University of Bedfordshire 74% (52% in The East of England).



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

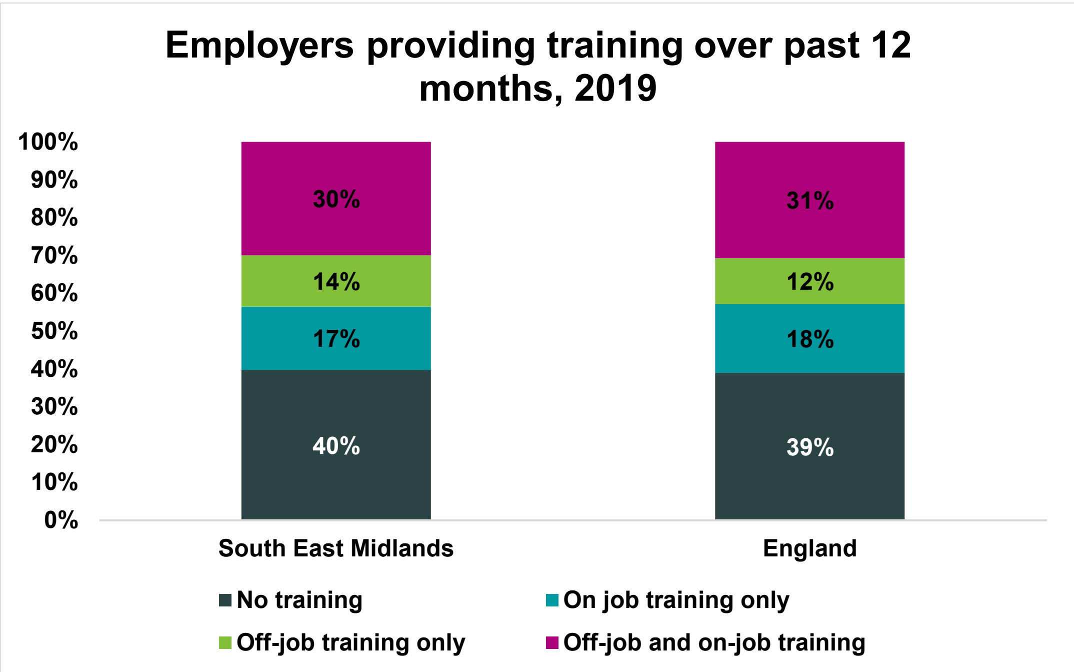
Employer provided training:

The national and local picture are similar, although local employers are slightly less likely to offer no training to employees than the national average employer (+1%), and slightly more likely to offer off the job training only (+2%).

Covid-19 would appear to have slowed training activity with the findings from the SEMLEP Business Survey 2021, showing that 16% of businesses had taken no actions to increase the skills of their workforce, up from 6% in 2019 (see Annex B).

There are an increasing proportion of employers offering in house training (28% vs 19% 2019) and outsourcing training and development/working with independent training providers (15% vs 10% 2019). There was also a continued increase in training with colleges and apprenticeships.

The main reasons provided for no training were a lack of appropriate training or courses (24%), existing staff not seeking upskilling (18%), lack of investment in staff training and development (11%, up from 5% in 2019) and impact of Covid-19 pandemic on levels of training (8%).



Source: *Employer Skills Survey, 2019 (published 2020), 2019 LEP boundaries*

Skills Demand

Skills Demand - Summary

Job postings (vacancies) have increased month on month from March 2021 and as of October 2021 were 35% higher than 2020 YTD at 183,300

Vacancies

As of October 2021 the job postings in the South East Midlands

Occupational Groups with Demand

1. Business Operations
2. Logistics (specific to sector)
3. Digital
4. Health
5. Manufacturing
6. Sales
7. Financial
8. Education
9. Construction
10. Engineering
11. Care
12. Services (cleaners/security)

Greatest Increase of Occupational Groups with Demand – October 2021 last 365 days vs March 2019 last 365 days (pre Covid-19).

1. Logistics (specific to sector)
2. Business Operations
3. Digital
4. Manufacturing
5. Health
6. Care
7. Services (cleaners/security)
8. Sales
9. Construction
10. Financial
11. Real Estate
12. Education
13. Food and Accommodation
14. Auto Service

Future Growth and Skills Needs

It is anticipated that the South East Midlands will see growth in the sectors of:

- Logistics and Supply Chain
- Health
- Care
- Education
- Digital
- Construction
- Manufacturing
- Green Economy

with demand for occupational groups:

1. Logistics (specific to sector)
2. Business Operations
3. Digital
4. Manufacturing
5. Health
6. Care
7. Construction
8. Education

Skills Needed by Employers

The most common employability skills in demand are defined as:

- **Basic Skills –** Literacy, English, Numeracy, Spoken English, Basic Digital
- **Attitudes & Behaviours -** Detail Orientated, Work ethic, Curiosity, Independence, Honesty, Reliability, Politeness, Humility, Empathy
- **Core Competencies –** in order of frequency of demand:

    1. Communication
    2. Organisation
    3. Teamwork/Collaboration
    4. Digital literacy
    5. Problem solving
    6. Creativity
    7. Leadership
    8. Time management
    9. Resilience
    10. Self-motivation/Initiative

- **Technical/Vocational Skills -** Most in demand are Customer Relationships/Service, Teaching, Sales, Business Management, Business Operations, Financial, Technical/Practical/Trades, Engineering, Specialist digital skills, Health and Care
- **Qualifications and certification –** both academic and/or technical, some certification such as CSCS cards for construction, etc.

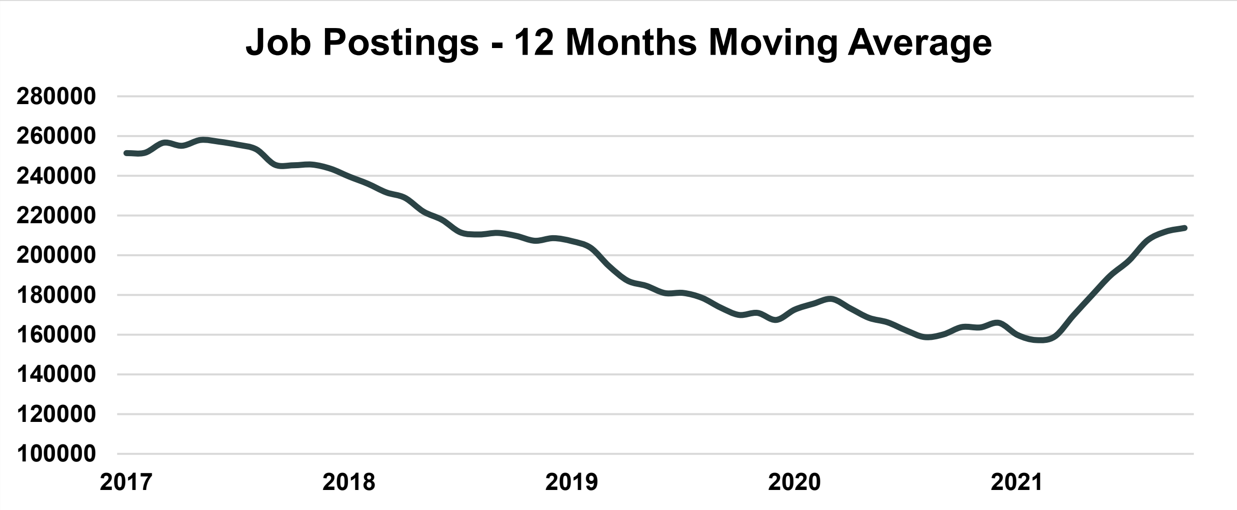
The basic skills are expected to be in place before the age of 16 and the development of core competencies, attitudes and behaviours embedded throughout education from the latter stages of primary education.

Delivery of training and qualification needs to become more flexible with greater use of online systems and shorter more modular structures to facilitate engagement around work patterns and personal development planning.

Employers need to be made aware of skills development opportunities and the benefits of them through awareness promotion, case studies and role models.

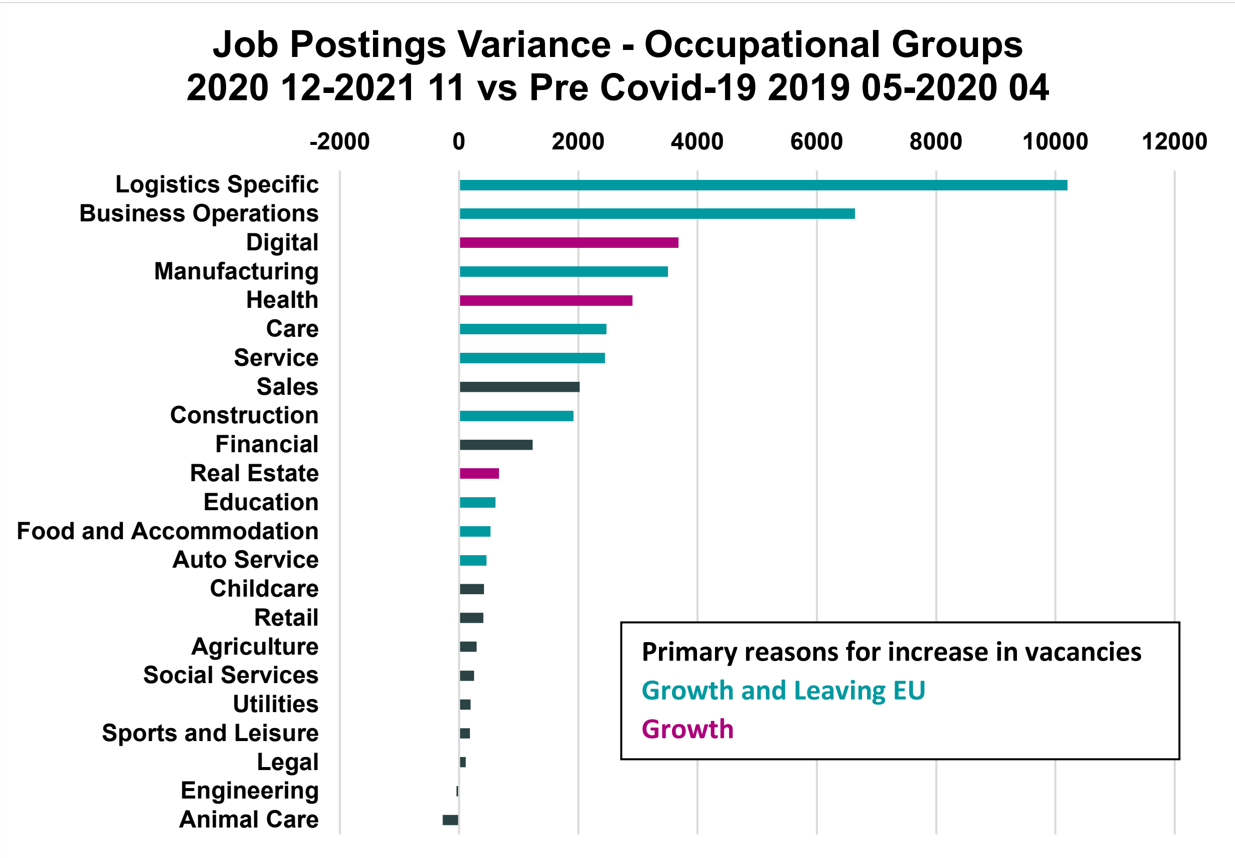
Online vacancies

Job postings (vacancies) over a 9-month period have increased to 213,700 in October 2021 from a low of 157,250 in February 2021.



Source: *Labour Insight (Burning Glass Technologies)*

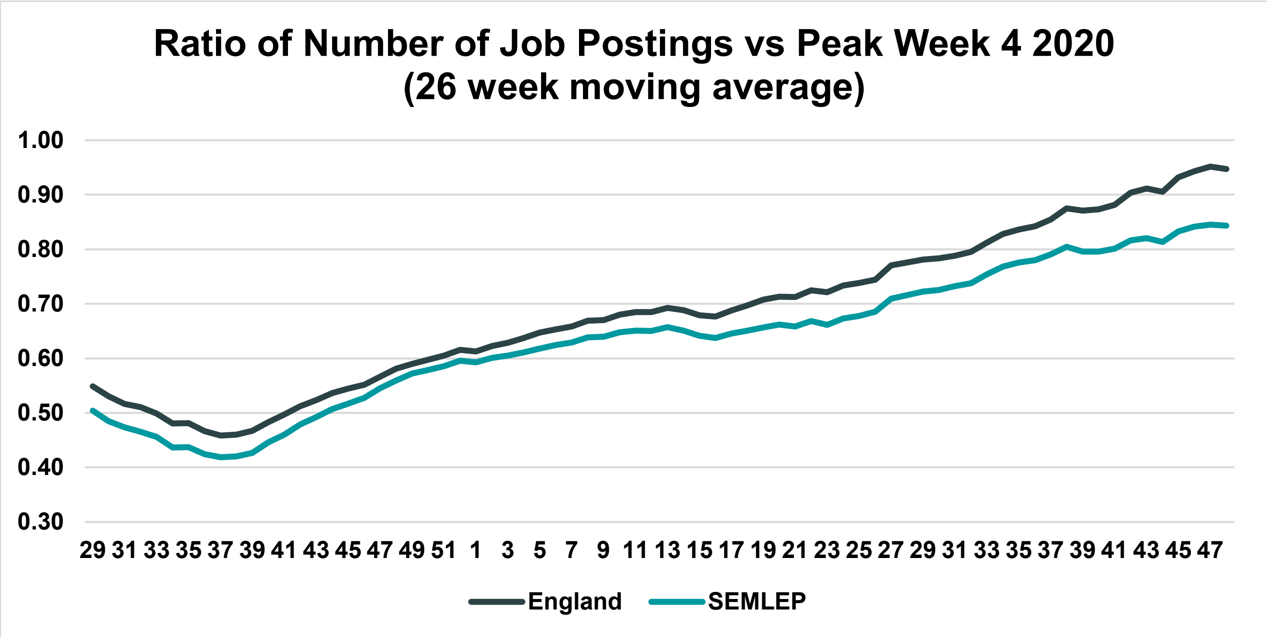
The growth is primarily due to the economic recovery and shifts in consumer purchasing leading to business growth, especially in logistics. Leaving the EU has also had a direct impact with replacement need on some occupational groups as summarised below.



Source: *Labour Insight (Burning Glass Technologies)*

Using the peak of job posting pre-Covid-19 in week 4 of 2020, the impact of the pandemic saw job postings drop to 29% of the peak just slightly lower than that for England. The recovery has seen the 6-month moving average increase to 84% in November 2021.

The recovery rate is slower than the national average with both Northampton, Luton and parts of central Bedfordshire recovering at slower rates, primarily due to the impact of Covid-19 on the operations at Luton Airport.

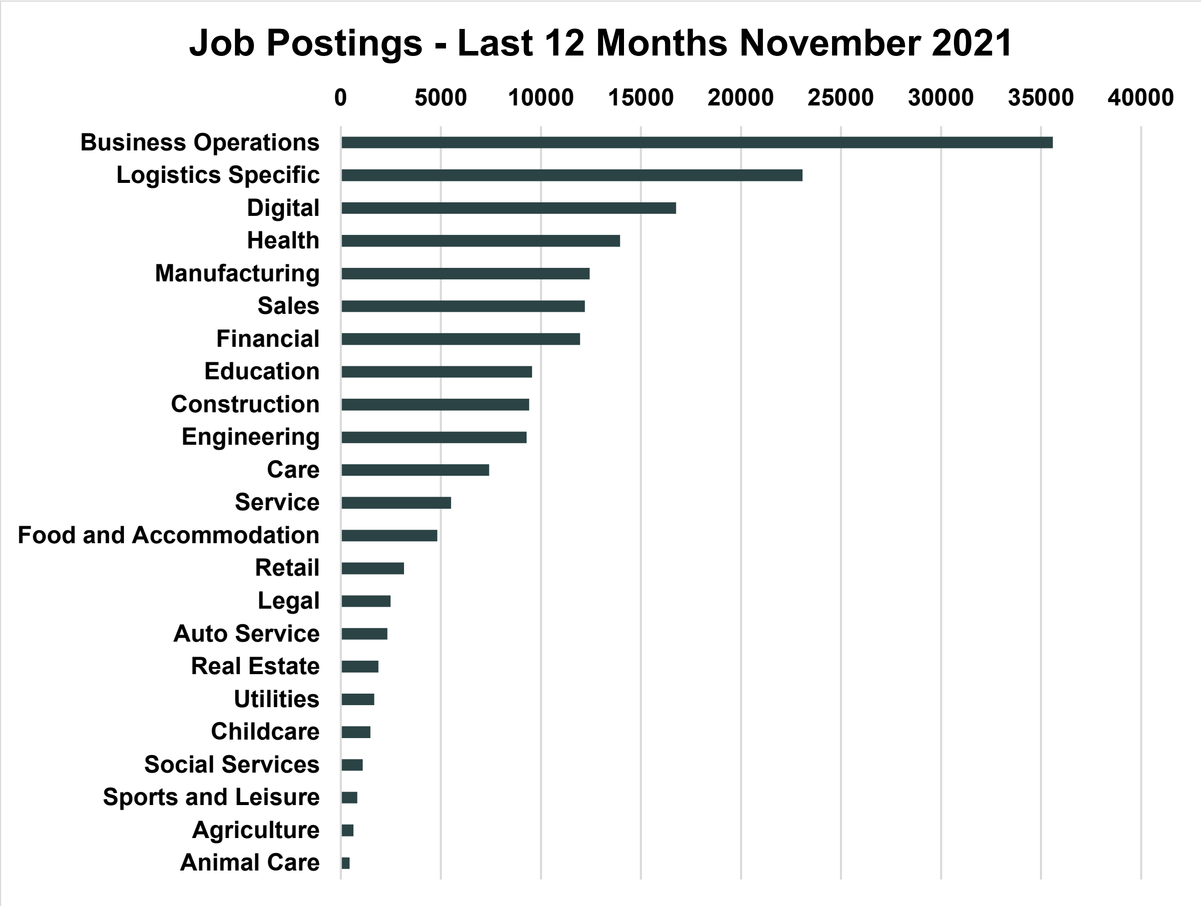


Source: *Labour Insight (Burning Glass Technologies)*

Business operations, logistics specific, digital, health, manufacturing, sales, financial, education, construction, engineering and care are the main occupational groups promoting job postings.

There are high demands for:

Office / Administrative Assistant
Labourer / Material Handler
Customer Service Representative
Software Developer / Engineer
HGV / LGV Class 1 & 2 Drivers
Registered General Nurse (RGN)
Caregiver / Personal Care Aide
Account Manager / Representative
Project Manager
Delivery Driver
Production Worker
Warehouse / Inventory Associate
General cleaner
Bookkeeper / Accounting Clerk
Accountant
Care assistant
Sales Manager
Computer Support Specialist
Maintenance Technician
Teaching Assistant
Automotive Service Technician / Mechanic
Data / Data Mining Analyst
Human Resources / Labour Relations Specialist
Sales Assistant
Financial Manager



Source: *Labour Insight (Burning Glass Technologies)*

The highest increases in demand compared to pre Covid-19 are for:

Labourer / Material Handler
Office / Administrative Assistant
Warehouse / Inventory Associate
Caregiver / Personal Care Aide
Production Worker
General cleaner
Software Developer / Engineer
Delivery Driver
HGV / LGV Class 1 & 2 Drivers
Care assistant
Customer Service Representative
Account Manager / Representative
Forklift / Pallet Jack Operator
Teaching Assistant
Tutor
Human Resources / Labour Relations Specialist
Registered General Nurse (RGN)
Automotive Service Technician / Mechanic
Receptionist
Construction Helper / Worker

Data and details on job postings/vacancies can be found in Annex B.

The SEMLEP Business Survey 2021 indicates that vacancies for occupations for food preparation and hospitality are becoming increasingly difficult to fill.

Sector growth forecasts:

The forecasts below generally align with the growth forecasts produced as part of the SEMLEP Economic Recovery Strategy, namely showing health and social care as a key sector driving economic recovery locally, in addition to business support activities and professional services. However, some of these sectors (such as water and sewage) are relatively small in terms of absolute employment numbers.

Contrary to the Working Futures forecasts, we expect logistics to be among the fastest growing local sectors by employment, with an expected increase of 10% from 2019 – 2030, based on the significant logistics investments taking place across the area, reflecting the increase in demands on the sector following on from the pandemic and leaving the EU.

We would expect manufacturing to show some growth due to the high-tech nature of the businesses and food production and construction to grow with the large infrastructure projects and house building projects in the area.

Our focus will be on occupational groups rather than sectors as whilst 'engineering' as a sector may have lower growth, the need for engineers across many sectors will remain high as will digital, business operations and management.

Covid-19 is not expected to have any impact on the sectors over the longer term with the exception of a reduction in employment in retail and growth in wholesale/logistics.

South East Midlands LEP	
Sectors with highest forecast growth (2017-2027)	**Sectors with lowest forecast growth (2017-2027)**
1) Health and social work	1) Engineering
2) Arts and entertainment	2) Agriculture
3) Support services	3) Rest of manufacturing
4) Water and sewerage	4) Finance and insurance
5) Professional services	5) Transport and storage

Source: *Working Futures, 2017-2027 (published 2020), 2017 LEP boundaries*

Occupation growth forecasts:

Similar to the above, these forecasts suggest a rapid increase in demand for skills in the health and social care sectors, particularly care workers. This is consistent with wider national trends of an aging population, as well as 2017-based occupation forecasts from the East of England Forecasting model (EEFM). Indeed, these alternative forecasts also corroborate the Working Futures projections for low growth sectors, although the EEFM also projects low growth in sales related occupations.

The pandemic has created increased levels of uncertainty regarding retail including customer service occupations.

From the job postings, increasing demand trends are being seen for the occupational groups for digital, education, health and social care, logistics specific (warehouse staff and drivers), construction and services (cleaners/security).

With ageing workforces, it is anticipated that there will be high replacement needs also in manufacturing/engineering and education.

South East Midlands 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) Business, media and public service professionals	5) Administrative occupations

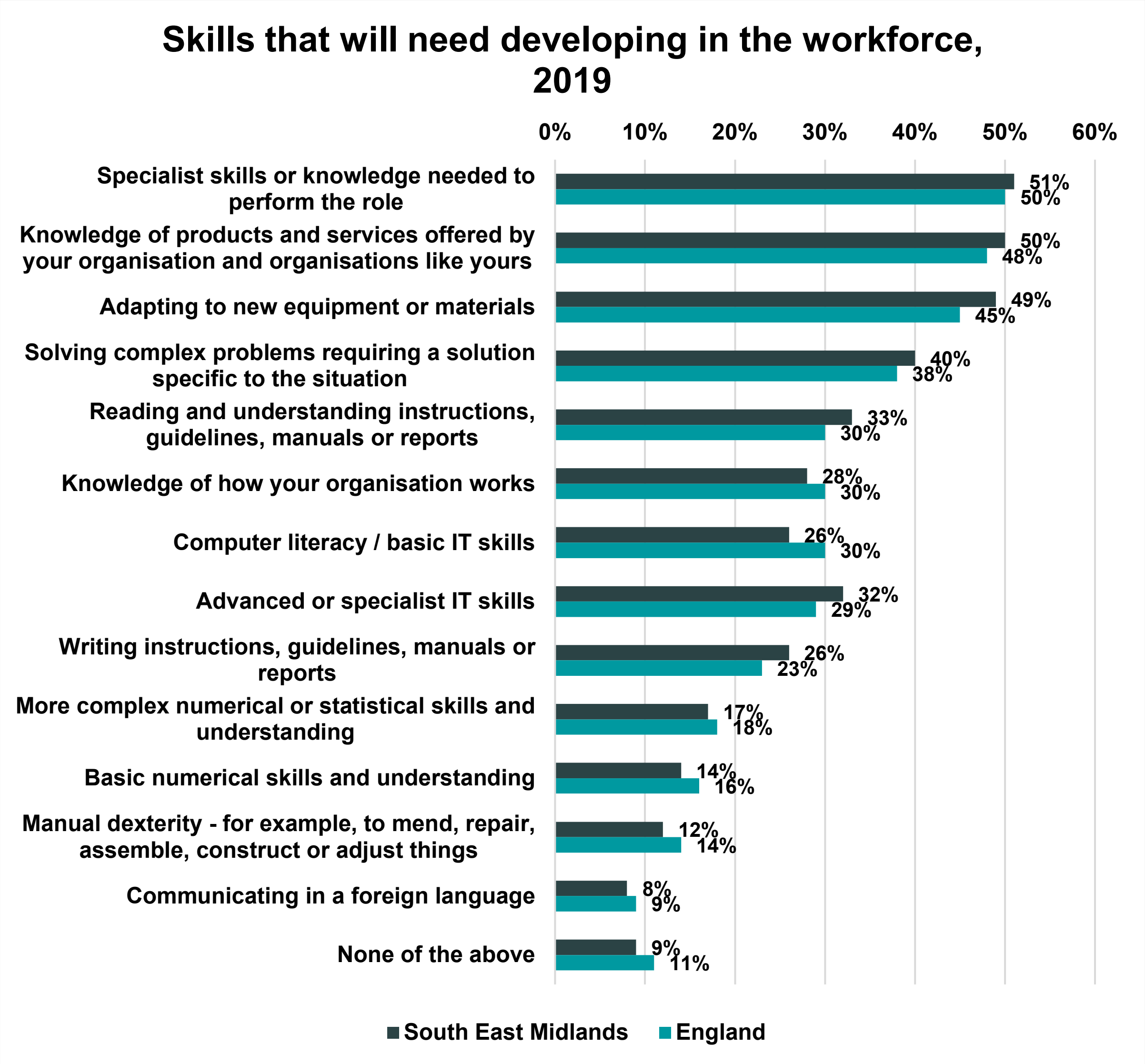
***Source:** Working Futures, 2017-2027 (published 2020), 2017 LEP boundaries*

Skills that need developing:

According to the SEMLEP Business Survey 2021, 26% employers found applicants lacking job specific skills, an increase of 8% from 2019. 20% stated applicants lacked technical or practical skills, the same as 2019. This corroborates with the findings from the ESS below, indicating issues with a pipeline of people with relevant technical, practical and job specific skills education, particularly regarding the use of machinery, equipment and specialist IT skills.

There is a need to focus more on digital literacy and advanced digital skills, specific to industries where demand is highest.

The SEMLEP job postings data above and SEMLEP Business Survey 2021, highlight the need for embedded development of core competencies (transferable/soft skills), digital skills, attitudes, behaviours, technical and vocational skills within education from early ages. Definitions and more information can be found in Annex B.



Source: *Employer Skills Survey, 2019 (published 2020), 2019 LEP boundaries*

Mapping Skills Supply and Demand

Skills Supply and Demand - Summary

When compiling Sector/Occupational Group Skills Reports, SEMLEP conducted an analysis of employment, job postings and education pathways as quotients of total numbers and cohorts (see Annex B).

From this analysis, the conclusions can be summarised as below:

Sufficient provision/capacity and/or learners
Insufficient learners
Immediate need, insufficient provision/capacity and learners
Further review required

	Supply/Demand	
Occupational Group	Pathway Provision/Capacity	Learner Pipeline Numbers
Agriculture		
Animal Care		
Auto Service		
Business Operations		
Care Specific		
Childcare		
Construction		
Digital		
Education Specific		
Engineering		
Financial Specific		
Food and Accommodation		
Health Specific		
Legal		
Logistics Specific		
Manufacturing Specific		
Real Estate		
Retail Specific		
Sales		
Security/Cleaning		
Social Services		
Sports and Leisure		
Utilities		

Reviewed against the SEMLEP Business Survey 2021 ‘hard- to-fill’ occupations, the quotients align with employer needs.

More employers reported that they had experienced ‘hard-to-fill’ vacancies in 2021 than 2019, an increase of 15%. This was from a reduced number of businesses stating that they had vacancies in the last 12 months.

Reasons for hard to fill vacancies are a low number of applicants due to the tight labour market or a lack of applicants with either with the required skills, attitude, motivation or personality, work experience or qualifications the employer demands.

The tight labour market and reference to poor terms and conditions require support for businesses to review remuneration locally and open their recruitment processes.

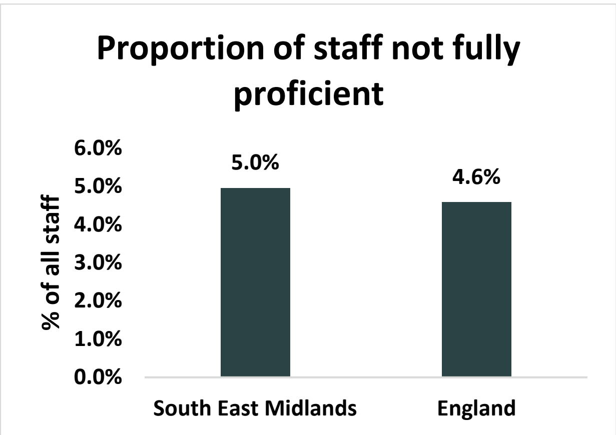
The proportion of staff not fully proficient within the South East Midlands is slightly above the national average indicating a need for more in work training or up-skilling. This aligns with a higher proportion of businesses not providing training as shown earlier in this annex under ‘employer provided training’ and those reporting ‘no action’ for training in the SEMLEP Business Survey (see Annex B).

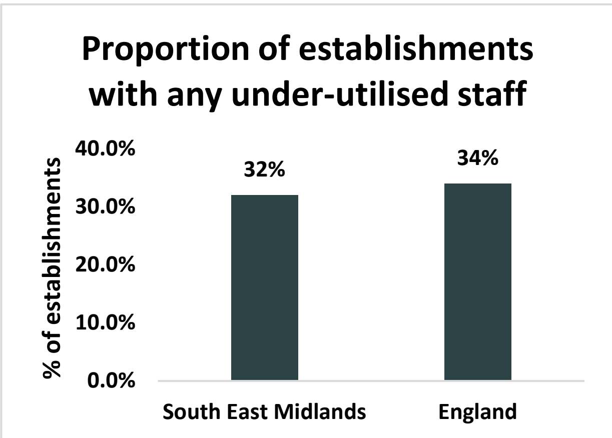
Proficiency of workforce:

The evidence below suggests that employers are slightly more likely to fully utilise their staff locally compared to nationally but are slightly less likely to have staff which are fully proficient.

This somewhat links to the productivity analysis explored earlier, namely that while output per worker is slightly above the national rate, the output per hour worked is slightly below the national rate. Thus, while staff are utilised well, their productivity within their role is slightly below the national average.

This continues to be consistent with the strategic themes explored in the LIS and Skills Strategy of a need for employer led skills development, as well as support for a culture of lifelong learning, to ensure that individuals are equipped with the skills to be as productive as possible within their existing roles.





Source: *Employer Skills Survey, 2019 (published 2020), 2019 LEP boundaries*

Hard-to-fill and skills shortage vacancies:

Skill shortage and other ‘hard to fill’ vacancies are higher than the national average.

The SEMLEP Business Survey 2021 indicated an increase in hard to fill vacancies with confirmation from 65% of employers who had vacancies, compared to 45% in 2019.

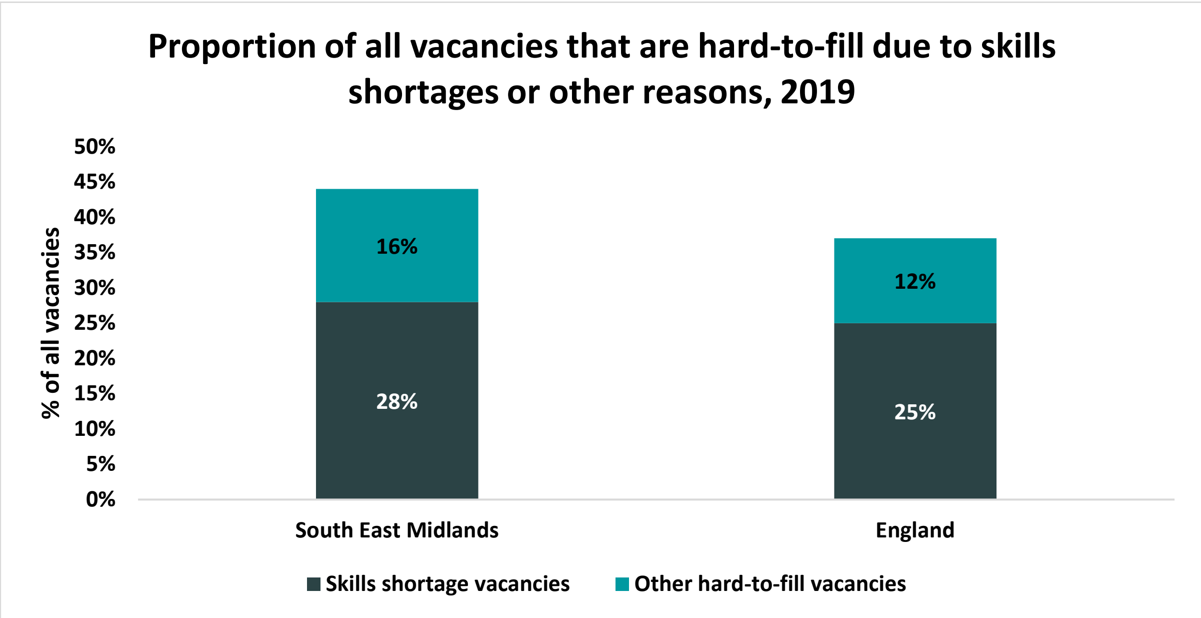
The main reasons given for hard to fill vacancies are:

- Low number of applicants with the required skills (49%)
- Low number of applicants generally (30%)
- Low number of applicants with the required attitude, motivation or personality (28%)
- Lack of qualifications the company demands (20%)
- Lack of work experience the company demands (14%)
- Reduction in availability of EU applicants (10%)

Employers also highlighted challenges of a competitive labour market and location:

- Poor terms and conditions (e.g., pay) offered for post (11%)
- Job entails shift work/unsociable hours (8%)
- Too much competition from other employers (7%)
- Remote location/poor public transport (2%)

As per the strategy and action plan, this will be addressed through the development employer defined employability skills, employer engagement with education and support for businesses to review and open their recruitment processes and remuneration.



Source: *Employer Skills Survey, 2019 (published 2020), 2019 LEP boundaries*