Worcestershire
Local Enterprise Partnership

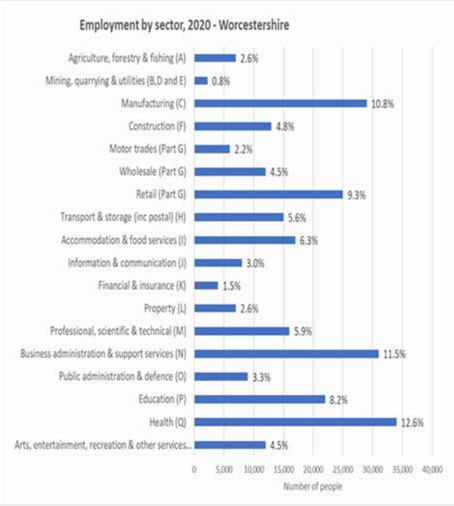
Local Skills Report

Annex A: Core Indicators and Additional Data

LOCAL LANDSCAPE

SUMMARY

- Worcestershire has a diverse economy with no single sector achieving dominance, making it generally more resilient to economic shocks.
- There are a number of sectors of high employment or specialisation such as Health, Manufacturing, Business Administration, Agriculture and Retail, with all but Retail having been generally less adversely impacted by COVID-19.
- The local labour market is characterised by relatively high employment, but generally lower average wages and productivity. There is evidence of out-commuting to higher wage areas both within Worcestershire districts but potentially also to neighbouring regions and counties.
- Worcestershire has a larger proportion of older population groups and the population is ageing more rapidly than nationally. This indicates a priority for skills training and planning for succession as well as making it a priority to enable people to extend their working lives should they wish to do so.
- Whilst remaining below average, the claimant count has seen similar percentage point increases to nationally throughout the COVID-19 period but with significant increases in unemployment amongst young people. Whilst the claimant count is now following an overall downward trend to Q3 2021, unemployment amongst young people remains a key focus for initiatives to tackle unemployment long term.
- Although deprivation is generally below average, there are pockets of deprivation in urban areas particularly in relation to Education, Skills and Training indicators.



EMPLOYMENT BY SECTOR, 2020 - WORCESTERSHIRE

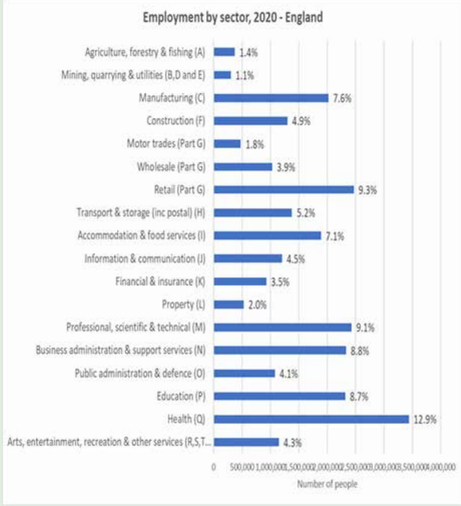
Source: Business Register and Employment Survey, 2020 (published 2021), 2020 SAP boundaries

EMPLOYMENT BY SECTOR

The sectors with the highest levels of employment are Health (12.6%), Business administration and support services (11.5%) and Manufacturing (10.8%).

These align with local priority sectors of Advanced manufacturing, Health & care and Business administration & professional services. Manufacturing, Business administration & support services and Agriculture, forestry & fishing have the highest employment location quotients, indicating a larger share of jobs in Worcestershire than nationally. Data from the CJRS furloughed employments programme indicates that in Worcestershire furloughed employments decreased steadily from 39,700 in January 2021 to 9,500 at 30th September 2021. The sectors with the highest levels of furloughed jobs at the end of September 2021 were: Manufacturing (1,780 jobs), Wholesale and retail (1,580 jobs) and Business administration and support services (1,110 jobs).

The District level data indicates that Redditch, Wychavon and Malvern Hills have higher quotients for Manufacturing than both the Worcestershire and England average, whilst Malvern Hills and Wychavon have higher employment quotients for Agriculture, forestry & fishing than both the England and Worcestershire average. Other districts reporting higher employment quotients than the county and national average include Bromsgrove for Business administration & support services and Construction, Worcester for Health and Property and Wyre Forest for Retail and Transport and storage.



EMPLOYMENT BY SECTOR, 2020 - ENGLAND

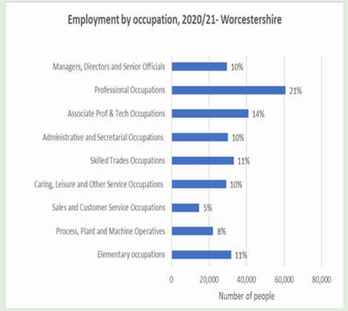
Source: Business Register and Employment Survey, 2020 (published 2021), 2020 SAP boundaries

EMPLOYMENT BY OCCUPATION

The largest occupations are Professional, Associate Professional & Technical, Skilled Trades and Elementary Occupations. There are 2% more people employed in Skilled Trade Occupations and Plant & Machinery Operatives than nationally, with those employed in Professional and Associate Professional & Technical occupations 2% lower than nationally.

Worcestershire's ageing workforce and the higher proportion of manufacturing employment than the national level brings into focus the need for continued replacement and enhancement of skilled occupations through initiatives including all apprenticeship levels as well as employer-based training schemes to cover areas such as changes to technology and working practices. Worcestershire also has a larger than national proportion of employments within the caring, leisure & other services sector with the health & care sector in particular having experienced rapid and profound changes to methods of daily working since the onset of the pandemic.

EMPLOYMENT BY OCCUPATION, 2020/2021 - WORCESTERSHIRE



EMPLOYMENT BY OCCUPATION, 2020/2021 - ENGLAND

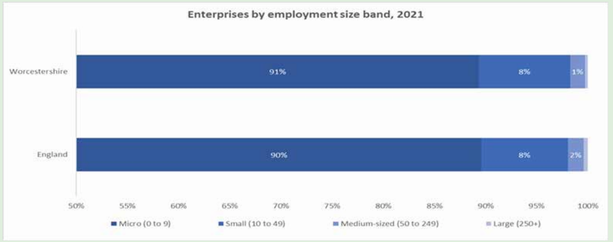
Source: Annual Population Survey, July 2020 - June 2021, 2021 SAP boundaries

ENTERPRISES BY EMPLOYMENT SIZE BAND

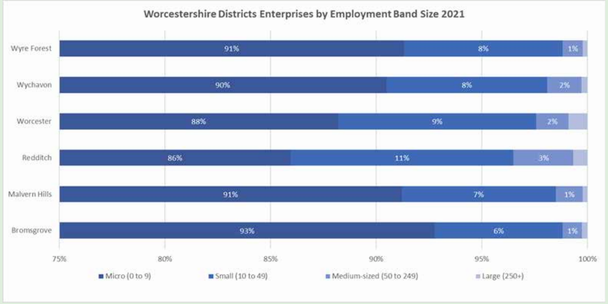
Enterprises in Worcestershire are very similar to the national average. Worcestershire has a slightly higher percentage of micro enterprises and slightly smaller percentage of medium enterprises than the England average.

At District level there are some notable differences. Bromsgrove has a higher proportion of micro enterprises (93%) than the Worcestershire average, with Redditch and Worcester having a higher proportion of small enterprises (11% and 9% respectively). Redditch and Worcester are joined by Wychavon as having a higher proportion of medium-sized enterprises than the Worcestershire average, consequently reducing their proportion of micro enterprises to below that of the Worcestershire and national average. The concentration of Worcestershire businesses in the micro category has implications for the SAP in terms of ability to communicate and engage with the target audience given the diversity of business sectors covered. In addition, whilst small businesses can have greater elasticity in response to opportunities for improved skills need, capacity issues remain a key issue for small and micro businesses within the county. The SAP will need to provide relevant programmes and messaging when reaching out to businesses of all sizes within Worcestershire to best represent the county's employment opportunities.

ENTERPRISES BY EMPLOYMENT SIZE BAND, 2021



DISTRICT ENTERPRISES BY EMPLOYMENT SIZE BAND, 2021



Source: UK Business Counts, 2021, 2021 SAP boundaries

BUSINESS BIRTH AND DEATH RATES

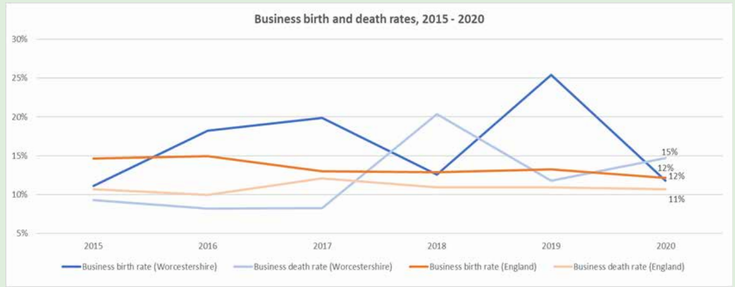
Business demography data for 2020 shows that whilst the business birth rate for Worcestershire is at the national level (12%), the business death rate has risen to 15% compared to the England average of 11%. Historically, business birth and death rates had tended to be lower in Worcestershire than nationally, suggesting limited enterprise churn and a more long-standing business population.

However, the registering of multiple businesses at the same address by a management company in Bromsgrove from 2015 onwards has resulted in increased volatility in the Worcestershire business demographic, and at the same time potentially over stating the number of organisations with business premises located within the county. The main sector in Bromsgrove affected by this is the Business, administration and professional services sector with the new businesses mainly micro enterprises. The impact of COVID-19 on the business demography in Worcestershire remains uncertain at present. The Job Retention Scheme, which closed at the beginning of October 2021, and the COVID-19 business loans and grants payments programmes may have protected a number of businesses from closure during and immediately after the periods of national lockdown.

There is also the potential for this business protection to continue into 2022 for some Worcestershire organisations with the Autumn Budget 2021 extending the Recovery Loan Scheme until 30th June 2022. Going forward, the number of businesses in Worcestershire is likely to remain relatively stable underpinned by more business start-ups but with some business closures.

The major concern for the impact on employment within the county is the imbalance in employee numbers between the large number of micro start-ups and the much smaller number of larger, established business with the closure of just one large enterprise likely to see a spike in employment losses.

BUSINESS BIRTH AND DEATH RATES, 2015-2020



Source: ONS Business Demography, 2015 - 2020 (published 2021), 2021 SAP boundaries

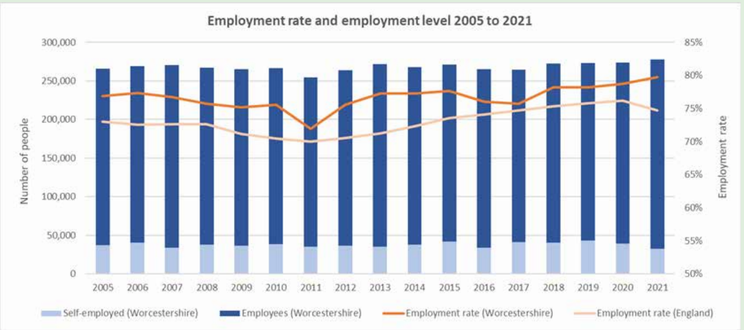
EMPLOYMENT RATE AND LEVEL

At 79.7% in 2021, the employment rate in Worcestershire is above the national rate (74.7%), having increased from 75.7% in 2017. The Worcestershire rate, although subject to greater sampling variability, has tended to follow national trends in recent years but with an increase of 0.9% in 2021 compared with decline of -1.5% for England.

Data at district level indicates that 4 out 6 districts have employment rates above the national level in 2021, the exceptions being Malvern Hills and Worcester. The proportion of self-employed people in Worcestershire is slightly lower than the national rate in 2021 contrasting with the previous 4 years when the Worcestershire rate for self-employment was consistently above the national level. This may reflect the impact of the pandemic restrictions on the entrepreneurial sector, particularly in sectors such as food service and independent non-food retail. District level data indicates that only 2 Worcestershire districts, Wyre Forest and Worcester, had self-employment rates above both the Worcestershire and national level in 2021. Within Worcestershire, the overall impact of COVID-19 on the employment rate as yet remains unknown since 2021 data was gathered and published before the end of the Job Retention Scheme in early October 2021. In addition, the extent to which working patterns and hours worked has been disrupted by imposed restriction and limitations of the national lockdown periods has yet to be fully investigated.

Employment rates have been lower in Malvern Hills in recent years, reflecting relatively high inactivity rates.

EMPLOYMENT RATE AND LEVEL



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

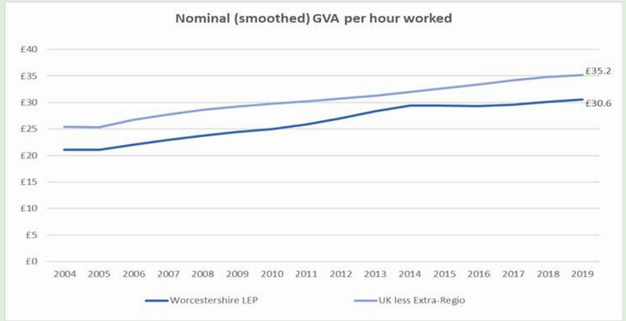
NOMINAL GVA PER HOUR WORKED

Productivity in Worcestershire remains below average and the gap with national GVA per hour worked widening in recent years.

This is mainly due to slightly below average increases in GVA and higher growth in hours worked reflecting high employment levels but relatively low wages.

The Wyre Forest has particularly low productivity levels and is ranked the second lowest local authority in terms of GVA per hour worked in England at £23.30 in 2019. The sectors with the highest GVA per workplace job were Financial & insurance services and Real estate activities (excluding rental income).

NOMINAL (SMOOTHED) GVA PER HOUR WORKED



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

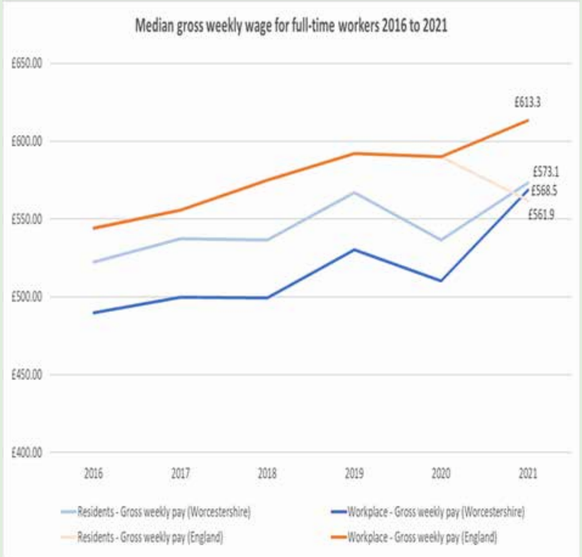
MEDIAN GROSS WEEKLY WAGE FOR FULL-TIME WORKERS

Wages in Worcestershire have previously tended to follow national trends but both residents and workplace earnings were below national levels.

This has changed slightly in 2021 with Worcestershire residents earnings at £573.10 compared with England average of £561.90. However, workplace earnings remain lower than the national average.

Workplace earnings are lower than resident earnings in 4 out of 6 Worcestershire districts in 2021 indicating out-commuting. Both Redditch and Wychavon have higher workplace earnings than residents earnings in 2019 indicating possible in-commuting activities from other Worcestershire districts as well as surrounding counties and the wider West Midlands region.

NOMINAL (SMOOTHED) GVA PER HOUR WORKED



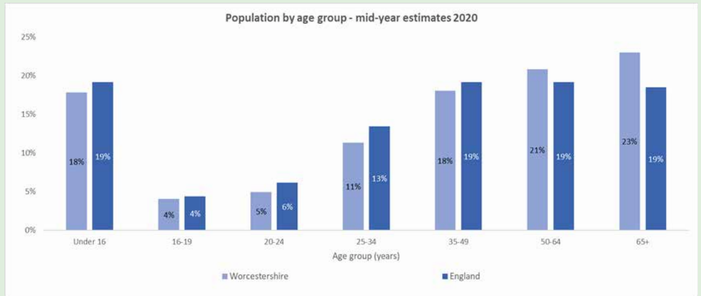
Source: Annual Survey of Hours and Earnings, 2016 - 2021, 2021 LEP boundaries

POPULATION BY AGE GROUP

The population profile for Worcestershire shows a higher proportion of population aged over 50 than nationally (Worcestershire 43.8%, England 37.7%).

This is also borne out at district level with 4 out of 6 Worcestershire districts having a higher proportion of population aged 50+ than nationally. The ageing population means that Worcestershire has a lower proportion of working age population than the national level at 59.2% compared with the England average of 62.3%. At district level only Worcester (64.0%) has a higher proportion of working age population than the national level. Increases in the working age population are forecast due to population growth and increases to the State Pension Age, which could increase the number of people remaining in, or available for, work at older ages. These changes are likely to present challenges and opportunities to the skills base in Worcestershire as some skilled workers retire but with others choosing to extend their working lives and potentially looking to re-skill or adopt more flexible working patterns. From a business perspective, this highlights the need for sharper focus on adequate succession planning at all levels of the operation.

POPULATION BY AGE GROUP - MID YEAR ESTIMATES 2020



Source: ONS Mid-Year Population Estimates, 2020, 2021 SAP boundaries

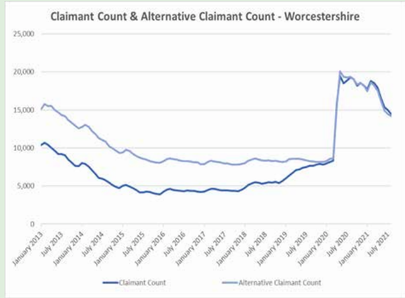
CLAIMANT COUNT AND ALTERNATIVE CLAIMANT COUNT

Following the roll-out of Universal Credit from the end of 2017, the claimant count increased steadily to the end of Q1 2020. The alternative claimant count, which adjusts for the impact of Universal Credit, indicated that unemployment in Worcestershire was stable prior to the impact of the pandemic.

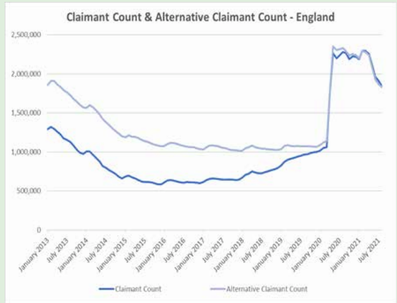
Both measures of the claimant count peaked in May 2020 in Worcestershire and remained high through to April 2021, the beginning of the easing of lockdown restrictions, and then fell rapidly following further easing and subsequent removal of lockdown restrictions. However, the Worcestershire unemployment rate remains below the national rate.

Youth unemployment peaked at 3,840 in October 2020, with the overall Worcestershire rate subsequently continuing to be slightly below the national level. At district level both Redditch and Wyre Forest have had higher youth unemployment rates than the national level. Within Worcestershire, the need to provide opportunities for accessing employment, education and training for young people remains a key focus.

CLAIMANT COUNT & ALTERNATIVE CLAIMANT COUNT - WORCESTERSHIRE



CLAIMANT COUNT & ALTERNATIVE CLAIMANT COUNT - ENGLAND



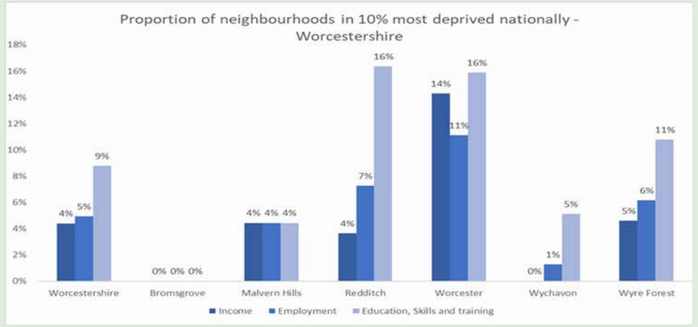
Source: ONS claimant count & DWP Stat Xplore, January 2013 – August 2021, 2021 SAP boundaries

INCOME, EMPLOYMENT AND EDUCATION DEPRIVATION

Levels of deprivation are generally below average, although there are some pockets of deprivation, particularly in Worcester and also in Redditch and Wyre Forest in relation to Education, Skills and Training.

Those areas in the 10% most deprived for Education, Skills and Training are generally in the most deprived 10% for both the Children and Young People and Adult Skills sub-domains of this indicator, but tend to have lower (more deprived) rankings for the Children and Young People sub-domain suggesting a greater need to address this aspect of deprivation to avoid long term implications of greater imbalance in social mobility as the long term impacts of COVID-19 are felt.

PROPORTION OF NEIGHBOURHOODS IN 10% MOST DEPRIVED NATIONALLY - WORCESTERSHIRE



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

SKILLS SUPPLY

SUMMARY

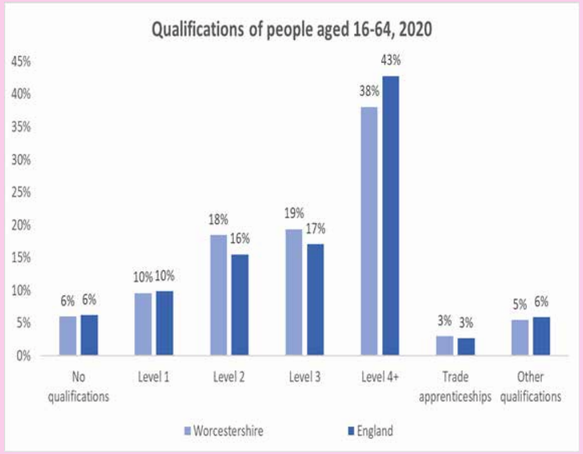
- Worcestershire qualification levels are similar to the England average, although some districts have lower proportions of learners with a Level 4+ qualification.
- There are high rates of positive destinations from education and training, particularly into sustained employment at all qualification levels. This may reflect high employment in the local labour market as well as high levels of engagement with and achievement of Gatsby Benchmarks by schools and colleges.
- 56% of graduates from Worcestershire leave the county to study and do not return for work compared with 23% who leave for study and do return for work. The majority of graduates from Worcestershire HEI's remain within the West Midlands region for work.
- There is one main HE institution in the area but also specialist colleges awarding foundation degree and under-graduate courses.
- FE and HE achievements align with the priority sector of Health, with apprenticeship achievements also aligning with Advanced manufacturing and Business administration & professional services. All institutions are represented on the SAP.
- COVID-19 has impacted on the delivery of education and training. There has been a dip in apprenticeship and traineeship starts, particularly from vocational sectors including Engineering and manufacturing.
- National Policies often rely on employer engagement, in Worcestershire large numbers of SMEs mean there is a greater need for co-ordinated and clear messaging from stakeholders to ensure maximum impact.
- Digital Skills training and engagement has been brought to the fore by the national lockdowns, increases in the number of people working from home and the growth of hybrid working patterns. Access and training in Digital Skills remains a challenge and local support is required for employers and residents to effectively compete in their businesses and compete for employment opportunities.

QUALIFICATION LEVELS

The profile of qualifications in Worcestershire is similar to the national level. However, a slightly lower proportion of the population have a Level 4+ qualification and a slightly higher proportion have Level 2 and Level 3 qualifications.

District level data reveals that Bromsgrove, Wychavon and Wyre Forest have a higher proportion of Level 2 qualifications than both the Worcestershire and national level, with Bromsgrove and Wychavon also having a higher proportion of Level 3 qualifications than county and national level. At Level 4+ Bromsgrove, and Malvern Hills have a higher proportion than both the county and national level. In contrast, Redditch, Wyre Forest and Wychavon have a lower proportion of Level 4+ qualifications than both the county and national average.

QUALIFICATIONS OF PEOPLE AGED 16-64, 2019



Source: Annual Population Survey, January 2020 – December 2020, 2020 SAP boundaries

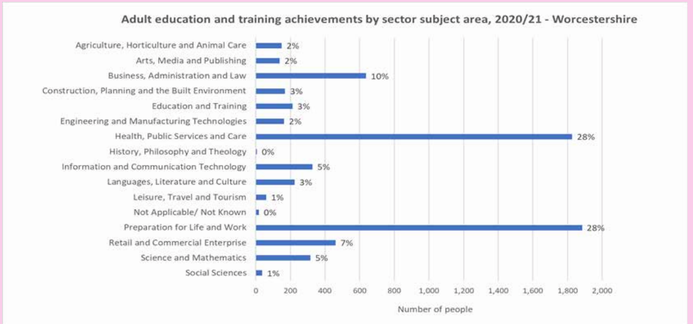
FURTHER EDUCATION & TRAINING ACHIEVEMENTS

Within Worcestershire, adult education and training achievements are concentrated in Preparation for Life & Work and Health, Public Services & Care.

Whilst the former is significantly below national levels, the Health, Public Services & Care achievements in Worcestershire were 10 percentage points above the national level. Additional sectors where Worcestershire adult learning achievements are higher than the national level include Business Administration & Law, Science & Mathematics and Education & Training.

Achievements within the priority sectors of Health & care and Cyber security and IT within Worcestershire are encouraging with Health & care achievements of particular note. From 2016/17 onwards within Worcestershire achievements at Level 2 and above have increased whilst those at Level 1 and entry level have fallen. However, concerns remain regarding the impact of COVID-19 and the disruption caused to the examinations which may yet impact the long-term education and training landscape.

ADULT EDUCATION & TRAINING ACHIEVEMENTS 2019/20 WORCESTERSHIRE AND ENGLAND



Source: Further Education & Skills data, DfE, (published 2021), 2021 SAP boundaries

APPRENTICESHIP ACHIEVEMENTS

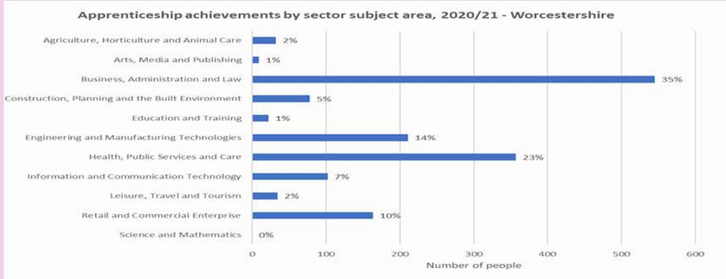
Achievements within Worcestershire are concentrated in Business, Administration & Law, Health, Public Services & Care and Engineering & Manufacturing Technologies which together account for 72% of achievements in 2020/21.

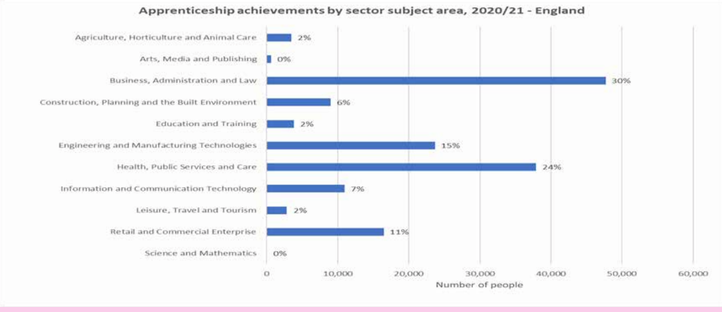
These are similar to national levels although Business Administration & Law is higher than the national percentage level. Information & Communication Technology and Leisure, Travel and Tourism and Agriculture, Horticulture & Animal Care are all at the national level whilst, Retail & Commercial Enterprises and Education & Training are slightly below national levels.

The apprenticeship achievements in Worcestershire align with priority sectors and also reflect the sectors with the highest employment levels. Following the introduction of the apprenticeship levy, overall apprenticeship starts fell in 2017/18 which led to a reduction in the overall number of achievements in 2019/20.

The decline has continued into 2020/21 with a total of 1,553 which is 90 fewer achievements than in 2019/20. However, the proportion of achievements at intermediate level has been falling over time with the proportions at advanced and higher level increasing reflecting the changes in starts, the introduction of the End Point Assessments and more employers using the Levy to upskill existing staff in higher levels.

APPRENTICESHIP ACHIEVEMENTS 2019/20 WORCESTERSHIRE AND ENGLAND





Source: Apprenticeships data, DfE, (published 2021), 2021 SAP boundaries

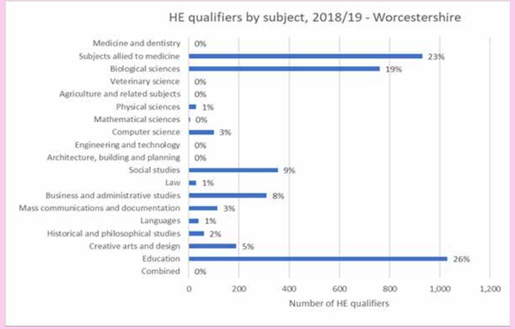
HE QUALIFIERS

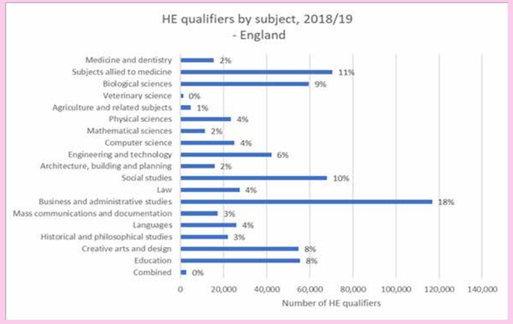
The courses offered by higher education institutions within Worcestershire have an impact on the number of qualifiers within the county with subjects Allied to Medicine, Biological Sciences and Education scoring above the national average in Worcestershire.

Conversely, Worcestershire scores below the national rate for Engineering & Technology, Mathematics, Business & Administrative Studies and Architectural, Building & Planning due to the limited courses available within the county at HE level. In addition, whilst Worcestershire has a renowned horticultural college located in Pershore, the college is part of the Warwickshire colleges group which is centred in Leamington Spa consequently giving Worcestershire a lower score for Agriculture qualifiers than possibly expected.

Data from HESA shows that 44% of students from Worcestershire enrolled at a HE provider within the West Midlands region in 2019/20. This shows Worcestershire needs to highlight the careers and training opportunities available within the county and also to provide encouragement to graduates to return once qualified.

HE QUALIFIERS BY SUBJECT 2018/19 WORCESTERSHIRE AND ENGLAND





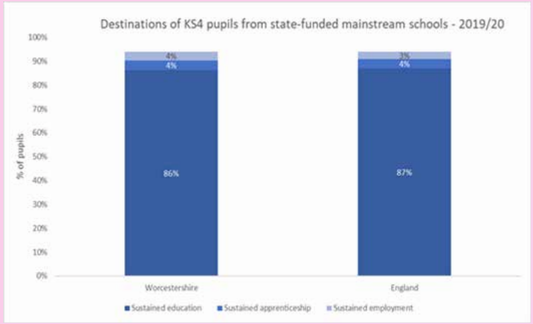
Source: HESA, 2018/2019 qualifiers (published 2020), 2020 SAP boundaries)

KS4 DESTINATIONS

In Worcestershire, sustained education remains the most common destination for KS4 students, having remained at 86% since 2018/19. This is marginally below the national level.

Whilst sustained apprenticeships in Worcestershire are at the national level, the sustained employment proportion for Worcestershire (4%) is slightly above the national level. Comparisons with 2018/19 show that sustained education and sustained employment remain at the same levels in 2019/20 but that sustained apprenticeships have recorded a marginal decline.

DESTINATIONS OF KS4 PUPILS FROM STATE-FUNDED MAINSTREAM SCHOOLS 2019/20



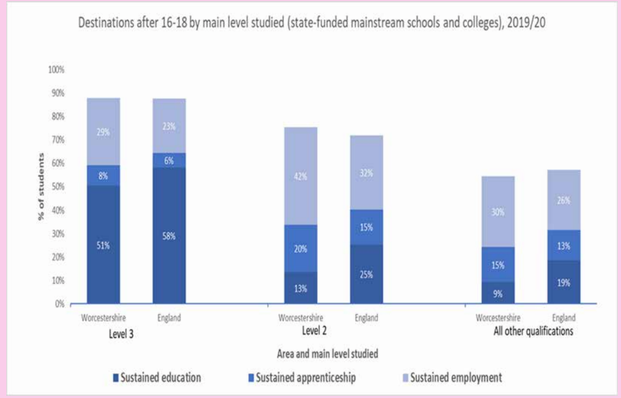
Source: KS4 destination measures, DfE, 2019/20 (published 2021), 2021 SAP boundaries

KS5 DESTINATIONS

Overall Worcestershire had a smaller proportion of KS5 students in sustained education than nationally but had larger proportions of students in sustained apprenticeships and employment than the England average. This is also borne out at qualification level with Worcestershire having lower than national proportion of KS5 leavers in sustained education in all qualification levels.

The widest differential for Worcestershire is at Level 2 where sustained apprenticeships are 5 percentage points higher than nationally with sustained employment 10 percentage points higher. At district level, 4 out of the 6 districts are equal to, or have a higher proportion of students in sustained education at all qualification levels than nationally. In addition the data also indicates that all districts apart from Bromsgrove had a proportion of students in sustained apprenticeships at, or above the national level in 2019/20 and all except the Wyre Forest district had proportion of students either equal to, or higher than the national level for sustained employment. The data is consistent with the programme actively adopted within Worcestershire since 2015 to promote apprenticeships as an alternative to Higher Education for some skills areas as well as reflecting the higher employment levels within the county for some key sectors. This is also underpinned by data for July 2021 showing 86% of Worcestershire schools and colleges achieved the Gatsby Benchmark for Encounters with employers and employees with the benchmark for Encounters with further and higher education being achieved by 52% of schools and colleges in Worcestershire.

DESTINATIONS AFTER 16-18 BY MAIN LEVEL STUDIED FROM (STATE-FUNDED MAINSTREAM SCHOOLS & COLLEGES), 2018/19



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

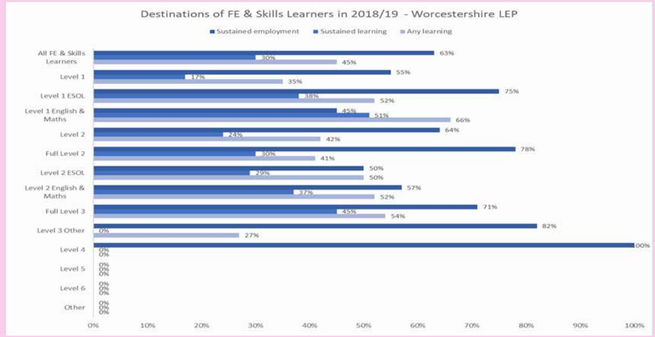
FE AND SKILLS DESTINATIONS

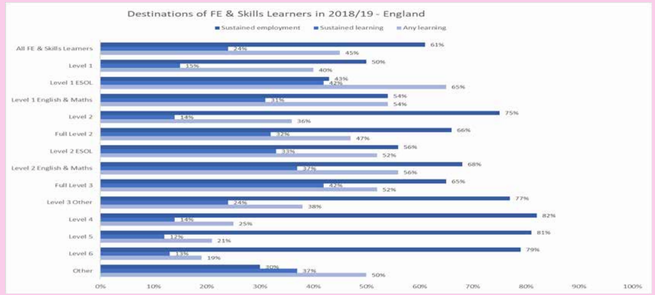
Worcestershire is above the national level for positive FE & skills learners destinations with sustained employment being the most common destination.

However, the destination categories are not mutually exclusive and some FE & skills learners in Worcestershire could be counted in 1 or more destinations in that they are in sustained employment but could also be participating in sustained learning or any learning.

Rates for sustained employment are higher in Worcestershire for those achieving Level 3 and above than the national level, reflecting wider rates of employer sponsorship of higher-level qualifications within the county. Where Worcestershire differs from the national level is at Level 4 where sustained employment is the only recorded destination for FE & skills learners.

DESTINATIONS OF FE AND SKILLS LEARNERS 2018/19 WORCESTERSHIRE AND ENGLAND





Source: FE outcome based success measures, 2018/19 destinations of 2017/18 Learners, DfE, (published 2020), 2018 LEP boundaries

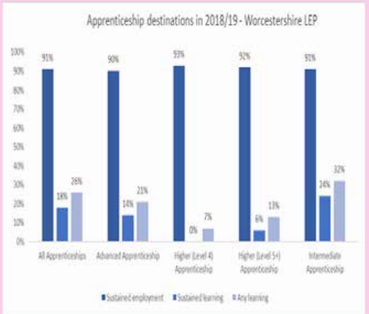
APPRENTICESHIP DESTINATIONS

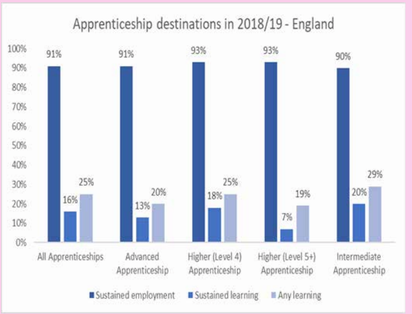
Destinations for overall apprenticeships in Worcestershire were similar to the national rate but with sustained learning and any learning slightly higher than for the England average.

The most common destination is sustained employment with sustained employment rates at Level 4 and above marginally higher than for advanced apprenticeship learners. However, Worcestershire is slightly lower for the sustained employment destination for Level 5+ apprenticeships than the national level.

Whilst the overall level for sustained learning and any learning is at national level for overall apprenticeships the rates for Worcestershire are lower than the national level for Higher Level apprenticeships. Sustained employment destinations were highest for Construction, Planning & the Built Environment and Engineering and Manufacturing Technologies and were lowest for Leisure, Travel and Tourism. The focus for employers within these sectors is to ensure succession planning at all levels, which is particularly relevant for an ageing workforce.

APPRENTICESHIP DESTINATIONS 2018/19 WORCESTERSHIRE AND ENGLAND





Source: FE outcome based success measures, 2018/19 destinations of 2017/18 learners, DfE, (published 2020), 2018 LEP boundaries

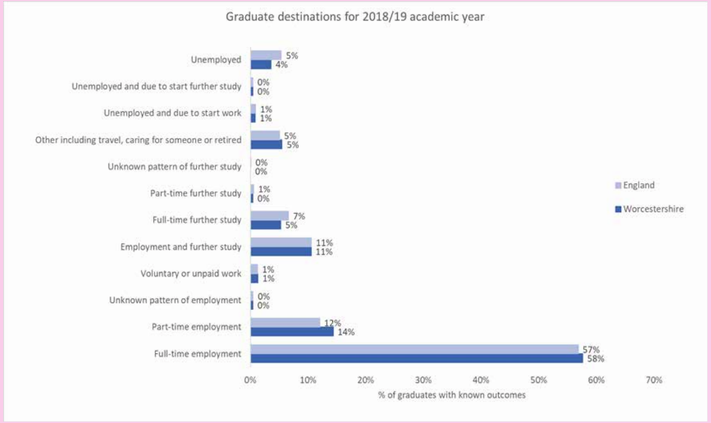
HE GRADUATE DESTINATIONS

The destination for the highest proportion of graduates from Worcestershire institutions for the 2018/19 academic year was full-time employment which was marginally higher than the national level.

Destinations for graduates of Worcestershire higher education providers are similar to the national level but with slightly higher proportions in full-time and part-time employment and slightly lower levels of full-time and part-time further study.

The proportion of graduates who were unemployed is slightly lower for Worcestershire based providers than the national level.
The earnings levels for graduates from Worcestershire based providers remain below the UK average with a higher proportion of graduates concentrated in the below £27,000 earnings bands than nationally. This continues to reflect the specialisms of Worcestershire based providers, particularly in the nursing, midwifery, paramedic and teaching courses offered.

GRADUATE DESTINATIONS FOR 2018/19 ACADEMIC YEAR WORCESTERSHIRE AND ENGLAND



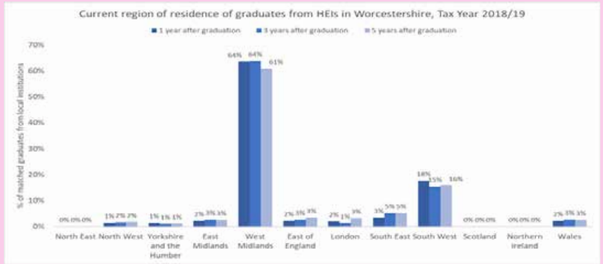
Source: HESA, 2018/19 graduates (published 2021), 2021 SAP boundaries

GRADUATE RETENTION

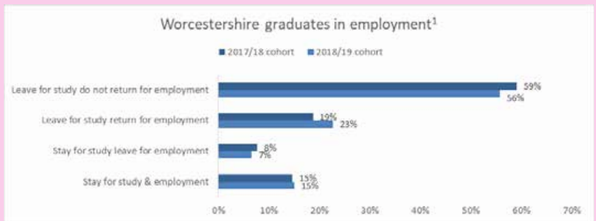
Most graduates from local institutions remain in the region after graduation, with the South West the main region graduates relocate to outside the West Midlands. Data on graduate retention of Worcestershire residents suggests that 56% of those leaving the county to study do not return.

This has fallen slightly for the 2018/19 cohort but it is not yet clear if this is because of the pandemic or reflects an improvement in graduate retention in the county impacted by the commitment to the Careers and Enterprise Company programme. The tendency for graduates to leave for study and work may reflect both the awareness of and actual employment opportunities in the county, as well as high housing costs relative to earnings in some parts of Worcestershire. This is not an abnormal picture, but the LEPs drive to potential highlight careers in Worcestershire to Worcestershire based students is hoped to reverse this in the long term.

CURRENT REGION OF RESIDENCE OF GRADUATES FROM HEIs IN WORCESTERSHIRE, 2017/18



Source: Graduate Outcomes in 2018/19 Tax Year for Graduating Cohorts 2012/13, 2014/15 and 2016/17, DfE, (published 2021), 2021 SAP boundaries



Source: Graduate Outcomes Survey, Copyright Higher Education Statistics Agency Limited 2021.
Neither the Higher Education Statistics Agency Limited nor HESA Services Limited can accept responsibility for any inferences or conclusions derived by third parties from data or other information supplied by the Higher Education Statistics Agency Limited or HESA Services Limited. Graduate Outcomes Survey Quality Report https://www.hesa.ac.uk/data-and-analysis/graduates/quality-report.

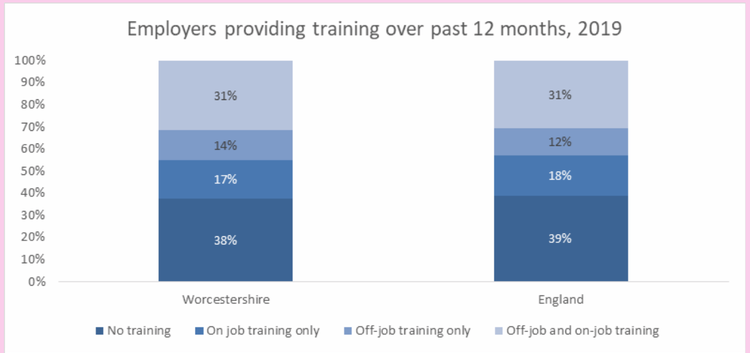
EMPLOYER PROVIDED TRAINING

Worcestershire has a similar rate of employers providing some form of training to the England average. A balance of 62% of Worcestershire employers provide training with the largest category being Off the job and on-job training which is at the same level as nationally.

Worcestershire also has a marginally lower level of No training than the England average. Barriers to providing training or extending training programmes encountered by Worcestershire employers include the restrictions on staff time and access to funding to cover the cost of employee training. Local training provision at the appropriate level for their business is also cited by some employers as a barrier to extending employee training leading to excess demand for some training courses leading to vocational qualifications and longer waiting times for some potential trainees to access appropriate courses.

Job specific training tends to be the most common types of employer provided training in Worcestershire such as Health & safety/first aid and Basic induction training for new staff. Surveys of Worcestershire businesses indicate that employers continue to face difficulties in filling skilled manual and technical roles both from within the business but also through new applicants. Skills and succession gaps for some employers within Worcestershire have been brought into sharper focus during the COVID-19 pandemic but for many employers the efforts needed to keep businesses going under the restrictions imposed during lockdowns has impacted on time and resources available for training.

EMPLOYERS PROVIDING TRAINING OVER PAST 12 MONTHS, 2019



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

SKILLS DEMAND

SUMMARY

- One of the key concerns for Worcestershire employers is the availability of a skilled workforce with IT, job specific and technical skills the most commonly cited skills deficits.
- The ageing population in Worcestershire is likely to see increased demand for Health and care skills in the medium-longer term and also signals the need for continuing replacement of skills levels which are either lost to retirement or job migration.
- The impact of an older workforce highlights the need for employers, training providers and SAP to concentrate on the need for replacement demand and succession planning as well as encouragement of skills required to successfully manage new recruits.
- Key sectors may experience changing needs for the skills base such as increased automation of production processes but this could also encourage demand for a higher level of skills needed to programme and maintain machinery.
- COVID-19 has impacted many sectors in Worcestershire particularly for Arts & entertainment, Retail and Accommodation & food services sectors. Whilst the indications are for the continuation of recovery within these sectors, they remain susceptible to changes in consumer spending levels and also remain at the forefront of any potential further lockdown measures.
- The Skills for Worcestershire careers portal has been successfully rolled out in the county and is focused on highlighting the opportunities for education and training paths for young people, employees and those looking for work, as well as Worcestershire businesses looking to develop their future workforce.
- The demand for IT technical skills is significant and the need to address through national and local schemes is a priority.

ONLINE VACANCIES

ONS data indicates that the online job adverts Index (February 2020 average =100) for the West Midlands region increased from a low point of 36.5 in the week ending 22nd May 2020 to 74.7 in the week ending 31st December 2020.

The results for 2021 are positive showing an underlying upward trend with online vacancies reaching February 2020 levels in the week ending 12th March and increasing to 159.8 in the week ending 26th November. The index for the West Midlands has shown higher growth than the England average which was at 143.5 for the week ending 26th November 2021. Analysis of Adzuna data for Worcestershire in the 12 months between December 2020 and November 2021 show that online job vacancies have increased by 92% to 9,255 in November 2021.

Recent analysis from the Chamber of Commerce in Autumn 2021[2] shows that 51% of businesses who responded to a local survey attempted to recruit across Worcestershire between August and October 2021, however 31% of those experienced difficulties through either skills deficit or simply lack of availability of suitable candidates. As part of the local response, the Worcestershire Jobs website was launched in April 2021 and to November 2021 has experienced 30,000 unique searches.

Leading sectors with vacancies listed on the site in November 2021 included logistics & warehousing, engineering, manufacturing and IT.

MONTHLY VACANCY ANALYSIS[3]

Date	Bromsgrove	Malvern Hills	Redditch	Worcester	Wychavon	Wyre Forest	Worcester-shire
Dec-20	484	314	718	1341	708	620	4809
Jan-21	432	343	554	1246	666	611	4703
Feb-21	492	367	705	1463	820	705	5640
Mar-21	597	427	905	1722	1016	883	6735
Apr-21	660	464	901	1769	1213	936	7165
May-21	720	549	1091	2116	1258	1028	7701
Jun-21	754	545	1420	2453	1539	1127	8796
Jul-21	776	573	1519	2597	1633	1195	9323
Aug-21	828	610	1624	2753	1737	1266	9886
Sep-21	758	525	1386	2590	1568	1157	9159
Oct-21	769	502	1499	2771	1595	1140	9431
Nov-21	771	482	1585	2754	1447	1064	9255
Change since Dec-20	59.3%	53.5%	120.8%	105.4%	104.4%	71.6%	92.5%

NB: Data for table is derived from data available for key towns/areas within each district as well as the Worcestershire total. However, the data is not compiled by Adzuna on a month-by-month basis for towns/areas where monthly online vacancies remain low leading to differences in the overall Worcestershire total and that derived from summing the data from the districts.

Source: Adzuna: Monthly online vacancy analysis December 2020 to November 2021

SECTOR GROWTH FORECASTS

The Arts and entertainment and Water and sewerage sectors are forecast to see the highest percentage growth in employment. This contrasts with the last five years where employment levels in these sectors have seen little change, with the highest growth in Accommodation and food services and Transport and storage sectors.

Employment is forecast to see the largest percentage falls in Manufacturing and Agriculture, with employment levels in these sectors having seen little change over the last five years. Employment levels are also forecast to decline in the Wholesale and retail and Education sectors, which were the only sectors to see reductions in employment in the last five years.

COVID-19 is likely to have reduced growth in the Arts and entertainment and Accommodation and food services sectors in the short-term and accelerated trends in growth in Transport and storage and decline in Wholesale and retail sectors.

Worcestershire's lack of prevalent sector dominance will mean the impact of COVID-19 is not seen across just one sector and follows national forecasts.

SECTOR GROWTH FORECASTS

Please note these forecasts were produced prior to COVID-19:

Sectors with highest forecast growth (2017-2027)	Sectors with lowest forecast growth (2017-2027)
1. Arts and entertainment	1. Rest of manufacturing
2. Water and sewerage	2. Agriculture
3. Real estate	3. Food, drink and tobacco
4. Health and social work	4. Finance and insurance
5. Professional services	5. Public admin and defence

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

OCCUPATION GROWTH FORECASTS

Employment growth is forecast to be highest for Caring personal service occupations, reflecting trends in growth over the last five years. Secretarial and related occupations are forecast to see the highest decline in employment, in contrast to recent trends which has seen growth in this occupation over the last five years.

The decline in Process, plant and machine operatives is consistent with the trend over the last 5 years. COVID-19 is likely to have reduced growth in Sales and customer service occupations.

COVID-19 impact has highlighted a longer-term challenge around recruiting and retaining care staff into the county, with turnover at 35.8% prior to Covid, suggesting that with an ageing population work needs to be done to support the sector.

OCCUPATION GROWTH FORECASTS

Please note these forecasts were produced prior to COVID-19:

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. Customer service occupations	2. Process, plant and machine operatives
3. Corporate managers and directors	3. Textiles, printing and other skilled trades
4. Health and social care associates	4. Skilled metal, electrical and electronic trades
5. Health professionals	5. Sales occupations

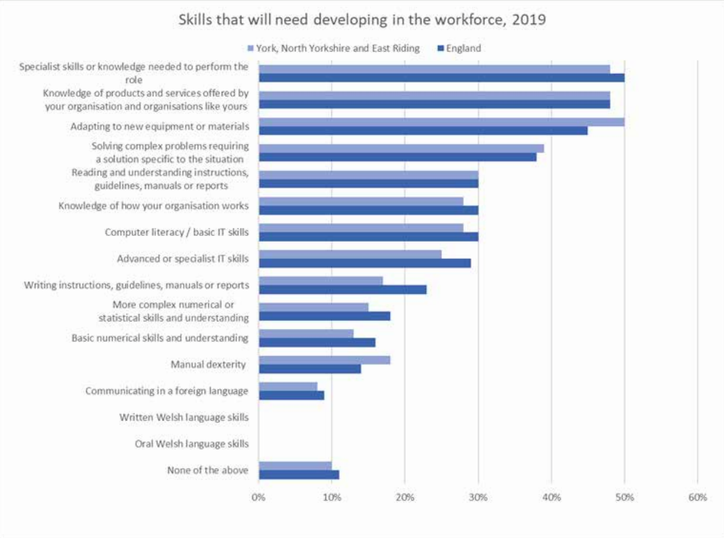
Source: Working Futures, 2017-2027 (published 2020), 2017 LEP boundaries

SKILLS THAT NEED DEVELOPING

This data also suggests that job specific, technical and IT skills remain a priority to support organisational growth, specifically 'Adapting to new equipment or materials' as well as 'Knowledge of products and services offered by your organisation and similar organisations' and 'Specialist skills or knowledge needed to perform the role', are the skills local employers most anticipate will need developing.

The picture is similar to nationally, although generally lower proportions of local employers anticipate skills will need developing. However recent surveys from the Chamber of Commerce[3] suggest that over 50% of those businesses who struggled to recruit cited not having the right skills as the reason and the skills employers cited were IT, Technical and Engineering skills.

SKILLS THAT NEED DEVELOPING IN THE WORKFORCE, 2019

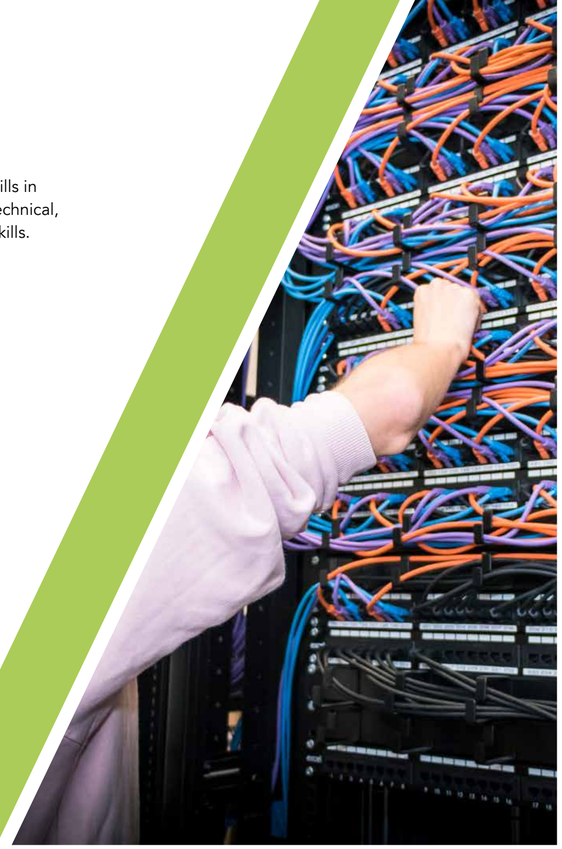


Source: Employer Skills Survey, 2019 (published 2020), 2019 LEP boundaries

SKILLS SUPPLY & DEMAND

SUMMARY

- Worcestershire has high rates of positive destinations from education and training, particularly into sustained employment which reflects high employment levels in the local labour market. However, low wages and productivity suggests a need to shift employment to more highly skilled jobs.
- The specialisation in health by local institutions means that they are well placed to meet likely future growth in this sector.
- The relatively high proportion of underutilised staff suggests that there is oversupply of some skills locally, with potential oversupply of Performing Arts, Leisure and Recreation and Sport and Fitness courses.
- Hard-to-fill and skills shortage vacancies are highest amongst middle-skill roles, particularly Skilled trades, which is likely to reflect both the relatively large manufacturing sector and lower numbers of FE and HE achievements in engineering and manufacturing. Although automation may mean falls in employment in manufacturing, replacement demand due to an ageing workforce in these sectors is likely to result in continued demand for these skills.
- Recent Surveys suggest lack of skills in the employment market in ICT, Technical, Engineering and Manufacturing skills.

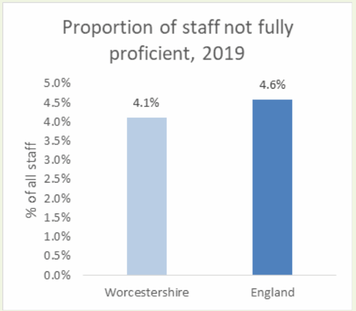


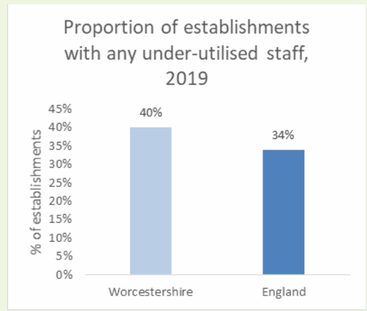
PROFICIENCY OF WORKFORCE

At 4.1% the proportion of staff who are not fully proficient is slightly lower than nationally. The proportion of employers with under-utilised staff is above the national average, with a similar difference in over-qualified staff, suggesting that there is oversupply of some skills locally.

Analysis mapping FE course completions to projected annual job openings found oversupply greatest in Performing Arts, Leisure and Recreation and Sport and Fitness, with undersupply greatest in Management, Marketing and Sales and Hospitality and Catering Operations.

PROFICIENCY OF WORKFORCE





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

HARD-TO-FILL AND SKILLS SHORTAGE VACANCIES

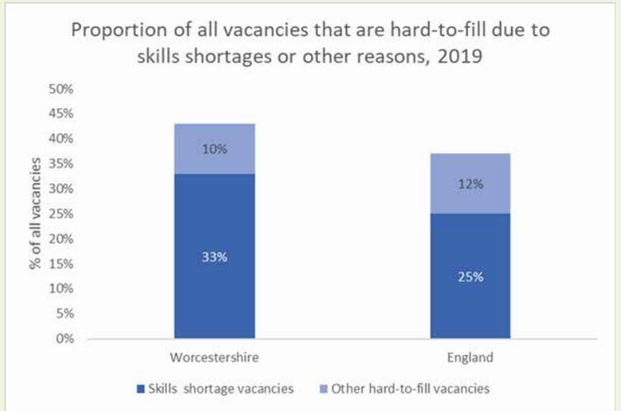
A higher proportion of vacancies are hard-to-fill or skills shortage vacancies than nationally. Hard-to-fill and skills shortage vacancies are highest amongst middle-skill roles, particularly Skilled trades.

The cause given most often for having a hard-to-fill vacancy is the 'Low number of applicants with the required skills', although the quantity of applicants was cited more often than nationally. 'Specialist skills or knowledge needed to perform the role' is the most common skill found difficult to obtain from applicants, with higher proportions of vacancies than nationally where basic skills or management and leadership skills were found difficult to obtain.

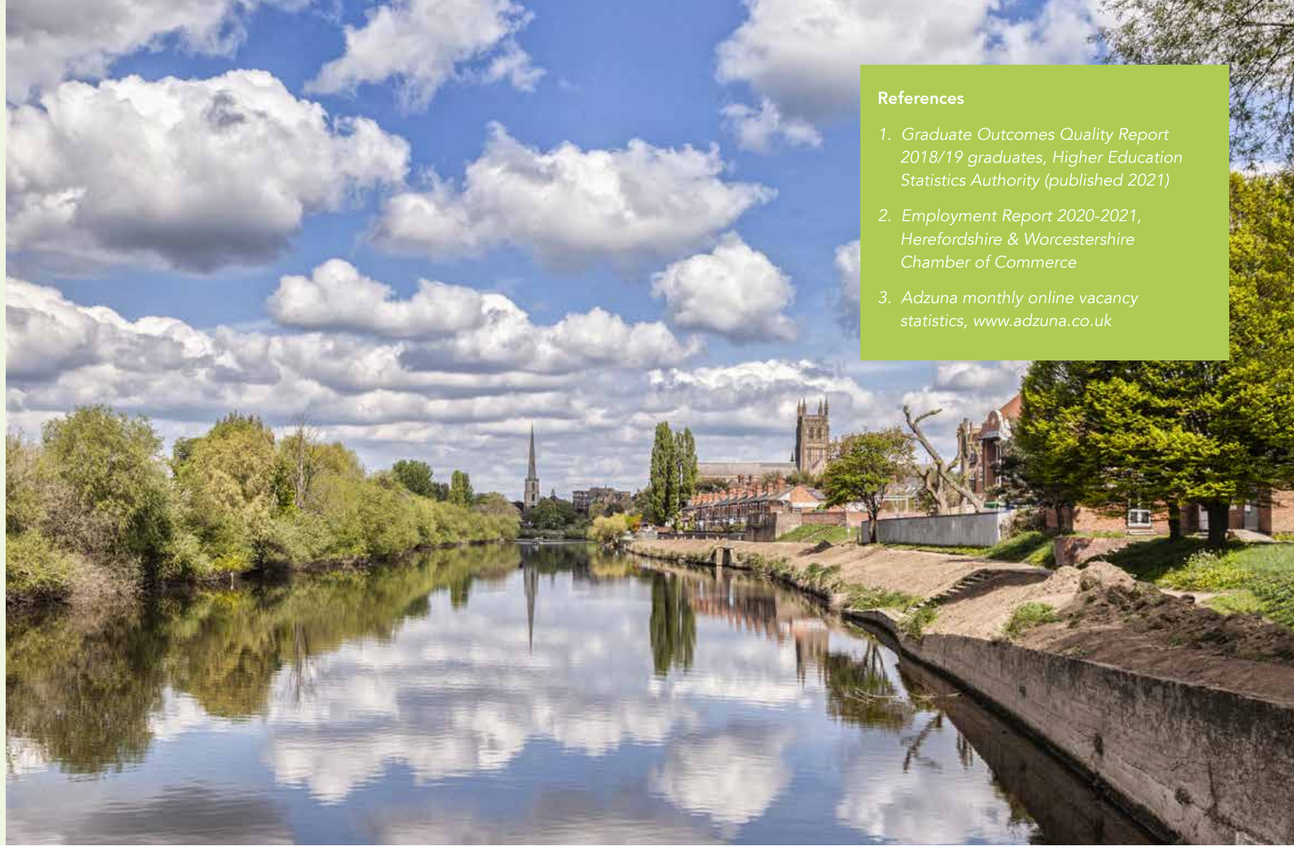
Recent local employment surveys conducted by the Chamber of Commerce[3] confirm this challenge has not been impacted significantly by higher numbers of available labour in the market due to COVID-19, and that supply is still the challenge in this area.

More work needs to be done to encourage the marketplace to respond to these demand issues.

HARD-TO-FILL AND SKILLS SHORTAGE VACANCIES



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



References

1. *Graduate Outcomes Quality Report 2018/19 graduates, Higher Education Statistics Authority (published 2021)*
2. *Employment Report 2020-2021, Herefordshire & Worcestershire Chamber of Commerce*
3. *Adzuna monthly online vacancy statistics, www.adzuna.co.uk*