

**Local Skills Report Annex A:
Core Indicators and Additional Data**
An overview of the data underpinning the
Local Skills Report 2021



**CORNWALL &
ISLES OF SCILLY**
LOCAL ENTERPRISE PARTNERSHIP

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1. Introduction

This document (Annex A) is one of a suite of three inter-related documents. It is designed to provide a succinct insight into the key aspects of the local labour market and skills landscape. The statistics in this Annex together with a more detailed analysis entitled The Labour Market Assessment (LMA) underlie the Local Skills Report. The data used in this document is the latest available data from the DfE Core Indicators Dataset dated 2nd February 2021.

1.1. Overview

In this first section a number of datasets are explored to better understand the economic output of the area; the composition of the business base; the structure of local employment and how the changing make-up of the population will impact on labour supply in Cornwall and the Isles of Scilly (CloS).

The importance of 'place' to economic growth is increasingly being recognised - currently through the levelling up agenda - and CloS LEP has a strategic aim to maximise its competitive future as it sets out a course for a decarbonised and sustainable future for business, for people and for the environment. Given its unique peripheral and rural position in England, surrounded on 3 sides by water, the analysis does not use any other LEPs for comparative purposes.

Prior to the COVID-19 pandemic, jobs in the area had reached an all-time high, with an above average employment rate of 78% in March 2020. Since then, the employment landscape has changed dramatically, with unemployment on the rise and the nature of recovery uncertain. However, CloS's long term prospects are good with a number of niche industries or priority sectors which will provide distinctive opportunities for future growth. These sectors will contribute not only to local growth and diversification but also to the national drive for clean energy and green jobs growth.

In the following section, headline figures on employment, business starts and closures, pay rates, productivity and unemployment are set out. Because of time-lags in the production of national statistics these do not fully capture recent events, but do illustrate the longer term challenges the LEP faces such as productivity and low pay.

Summary points

- The sectoral make-up of the economy is very different from the national average with almost 1 in 3 jobs accounted for by tourism and retail, compared to 16% in England as a whole. This dependence, along with the small scale of firms is the most critical factor underlying the vulnerability of the local economy to the impact of COVID-19.
- Reflecting its sectoral make up, the local jobs market comprises much higher rates of lower-skilled employment than is seen across England.
- In March 2020, there were 24,825 business enterprises in CloS, with 84.5% employing fewer than ten people.
- There were 2,305 business births in CloS in 2019; giving the region a business birth rate of 10%, which is below the national average of 13%.
- Conversely, there were 1,930 business deaths in CloS in 2019; giving the region a business death rate of 9%, which is, again, below the national average of 11%.
- In 2020, employment in CloS hit an all time high of 251,800. This translated to an employment rate of 76.3%, which is down 0.4% year-on-year from 76.7% in 2019, but above the national average of 76.0%.
- As of 2018, GVA in CloS amounted to a total of £10.96 billion.

- Using GVA per hour worked as a measure of productivity, CloS faces a significant productivity deficit relative to that of the England, with a GVA per hour worked equivalent to 76% of the national average.
- Median gross weekly pay for residents amounted to £493.80, which is down 2% year-on-year and approximately 20% lower than the national average of £589.80. Workplace pay in CloS, down 5.8% year-on-year, at £461.90, was just 78% of the national average for 2020.
- Cornwall and Isles of Scilly has an estimated resident population of 571,802¹, making it one of the smallest LEPs in the country.
- The pandemic has brought about a spike in the claimant count which has led to a doubling of the count in CloS between March and April, from 9,553 to 19,387 claimants, as a result of the first national lockdown.
- As a local authority, Cornwall ranked 83 out of 317 local authorities on the Index of Multiple Deprivation.

1.2. Employment by sector

The sectoral make up of an economy is a key determinant of labour demand that affects not only the number of available jobs, but also the occupational structure and types of employment contracts. Total employment for CloS has been estimated at 237,500; which meant that employment in CloS accounted for 0.87% of total employment seen within England in 2019.

The three largest employment sectors in CloS accounted for 41% of total employment and show:

- Accommodation and food services account for the largest share of employment in CloS, at 15%, which is over double the average of 7% seen across England as a whole;
- Retail accounts for 13% employment share in CloS, which is approximately 50% greater than the average of 9% seen across England as a whole;
- Health accounts for 13% of employment within CloS, which is in line with the English average of 12%.

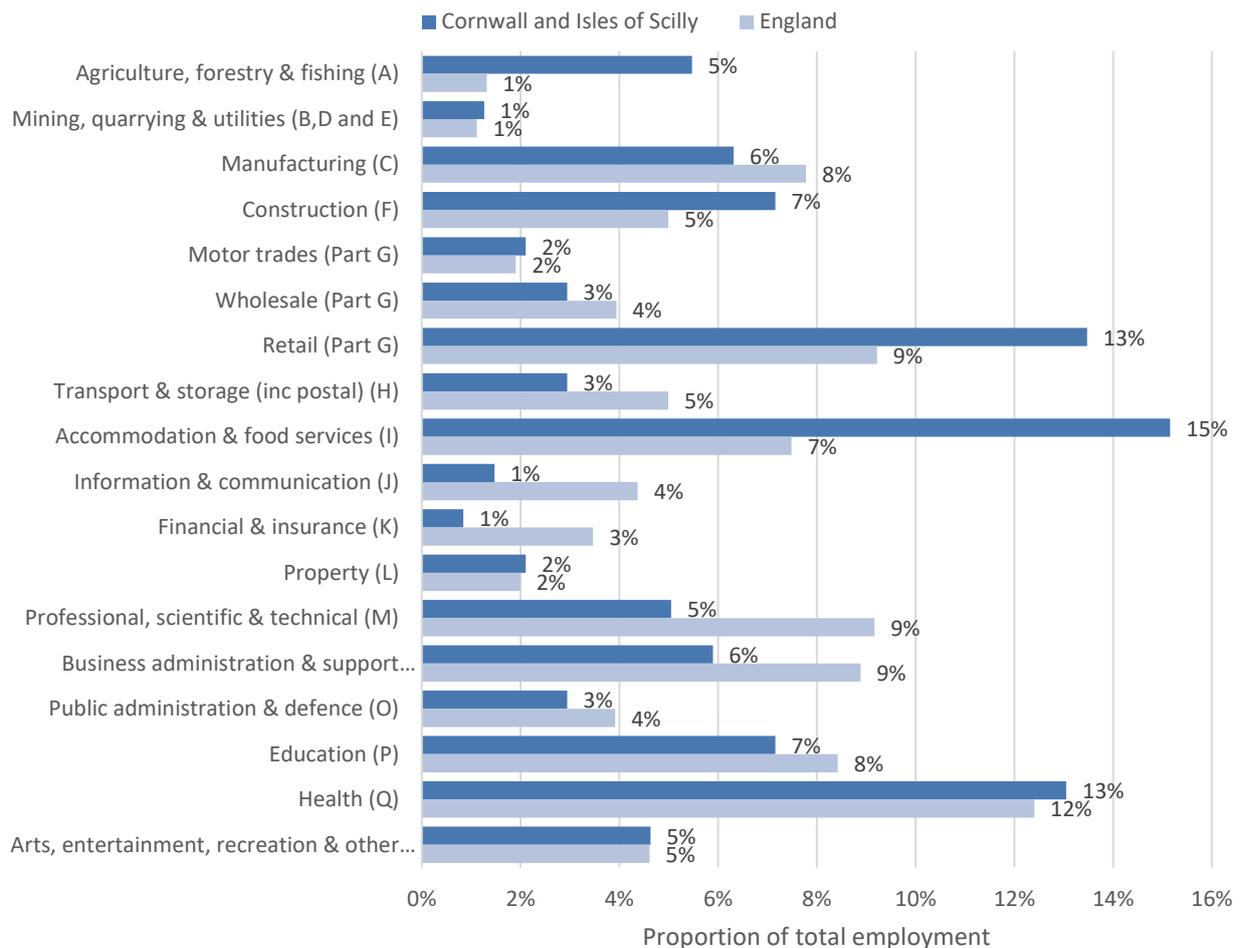
CloS shows significant sectoral employment under-representation against the national average in:

- Professional, scientific and support services; 6% in CloS versus 9% national average;
- Business administration and support services; 5% in CloS versus 9% national average; and
- Financial and insurance; 1% in CloS versus 3% national average.

Thus, CloS operates with greater dependence on retail and accommodation and food services, with an employment level of 66,000, compared to the national average; two sectors severely impeded by lockdown restrictions. Similarly, data also highlights the lack of representation of CloS in high-value sectors, such as professional services that have not faced restricted trade, have been able to continue working remotely unimpeded and, in some cases, have even seen business grow throughout the crisis. Thus, this framework underpins why CloS has, and still is very vulnerable to the [COVID-19 crisis](#), which is highlighted by the claimant count.

¹ Source: *ONS Mid-Year Population Estimates, 2019, 2020 SAP boundaries*

Employment by sector, CloS and England compared 2019



Source: *Business Register and Employment Survey, 2019 (published 2020), 2020 SAP boundaries*

Going forward, CloS LEP have identified the Visitor Economy as one of our distinctive opportunities in the Local Industrial Strategy, along with the niche sectors of clean energy, geo-resources, data and space and agri-food that will play a critical role in growing the local economy through diversification both now and in future.

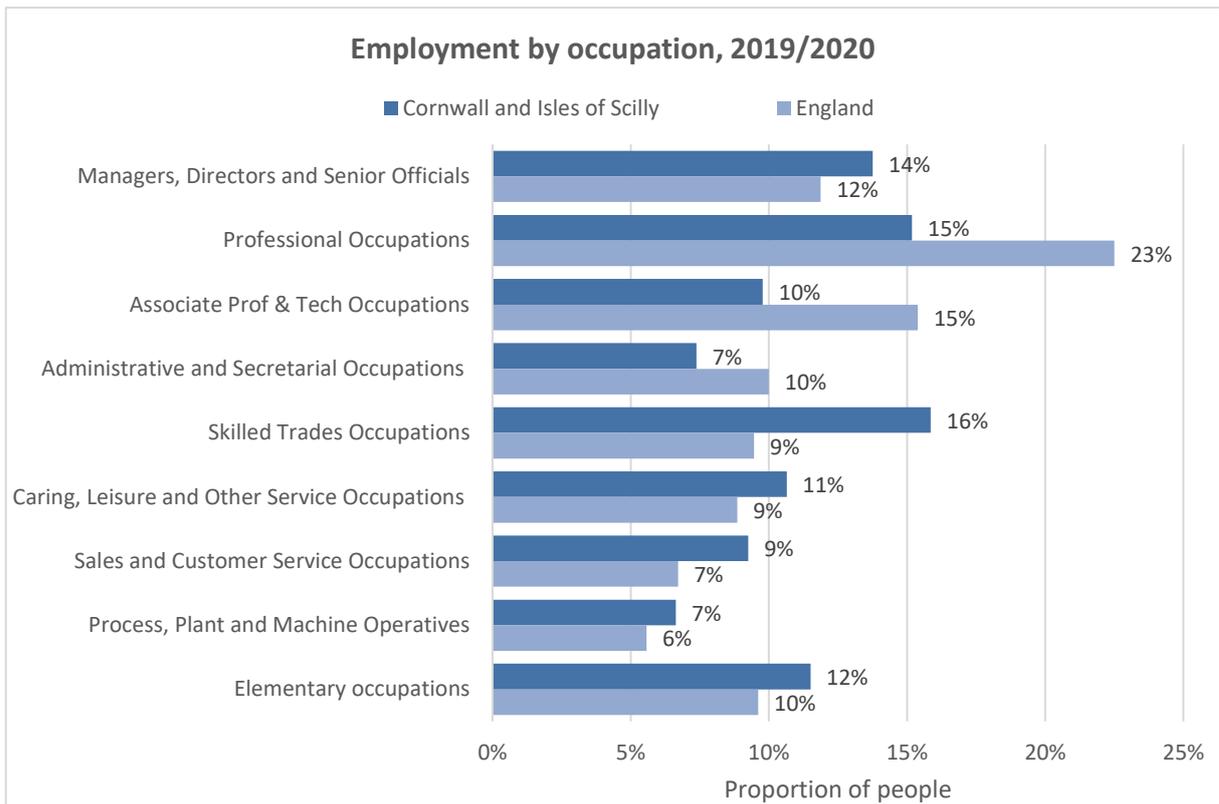
1.3. Employment by occupation

The local jobs market comprises much higher rates of lower-skilled employment than is seen across England. This is, in part, due to the sectoral differences CloS has with England, but is also due to a lower proportion of mid-size and larger employers (See Labour Market Assessment para 4.2), which gives rise to fewer opportunities for career progression and for professional/associate professional work.

The main differences between the local and national picture in 2019/20 are:

- A far lower proportion of high-skilled occupations: a group consisting of managers, directors, senior officials, professional occupations and associate professionals and technical occupations. In CloS this group accounts for 39% of jobs, compared to 50% in England as a whole. As can be seen, the local proportions of professional and associate professional jobs are especially low.

- Middle-skilled occupations, comprising administrative and secretarial and skilled trade occupations, account for 23% of employment, compared to 19% seen across England as a whole.
- Service-intensive occupations, including caring and personal services and sales and customer service occupations, account for 20% of employment, compared to 16% seen across England as a whole.
- Labour-intensive service sector occupations, comprising plant and machine operatives and elementary occupations, account for 19% of employment, compared to 18% nationally, with the main difference in the proportion of elementary occupations.



Source: *Annual Population Survey, October 2019 - September 2020, 2020 SAP boundaries*

As might be expected, these differences between CloS and England are reflected in the qualifications base of local residents.

This occupational structure means that the impact of Covid has been greater locally, in that the CloS labour market has fewer workers who have been able to continue working remotely through the pandemic (professionals and associate professionals) and more people in sales and customer service jobs who have been furloughed or laid off. In turn this has impacted on household income and there has been a greater increase in households claiming benefits in CloS than in the South West or Great Britain, underlining the area's greater vulnerability to the impact of the pandemic on working life. (See Labour Market Assessment, para 2.17)

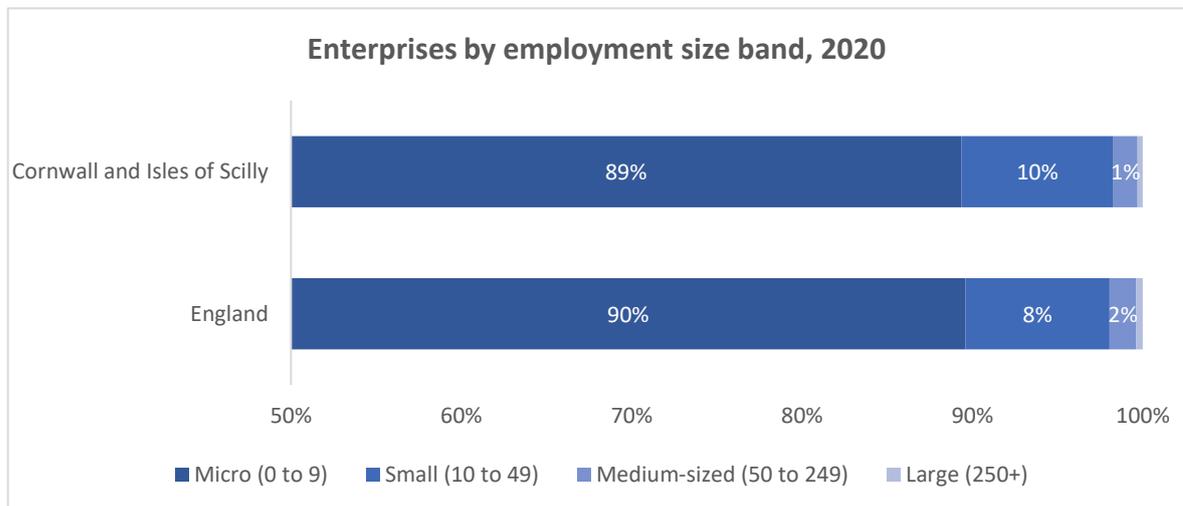
1.4. Enterprises by employment size

As of March 2020, CloS had **24,825** registered business enterprises, 3.4% more than reported in 2018. It is home to a small and micro-enterprise-rich business base, which makes up almost 9 out of 10 organisations. While the enterprises by employment size band shows CloS to be largely similar with rest of England, data in the LMA (para. 2.4) shows that there is a distinct lack of representation of larger employers in CloS:

- Businesses with 50-99 employees account for 1.3% of the total provision of businesses in CloS, but 1.7%, in total, across England - 24% lower than nationally.
- Business with 100-249 employees account for 0.6 % of the total provision of businesses in CloS, but 0.9%, in total, across England - 33% lower than nationally.
- Businesses with 250+ employees account for 0.26% of the total provision of businesses in CloS, but 0.4%, in total, across England -35% lower than nationally.

Since large companies are more likely to train their employees, invest in R&D, and implement high-performance management practices, CloS is relatively disadvantaged in terms of productivity, skills development and innovation without additional intervention measures.

In addition to lacking the in-house resources for in house training, smaller and micro enterprises often cannot compete with large business by way of position, salary or career progression, which means attracting high skilled workers to the area is more challenging. In partnership with other bodies, CloS LEP already has projects currently under way that engage with local enterprises to support their growth and development, such as the Growth Hub, the Careers Hub, the CloS Investment Fund, and the Skills Hub.



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

1.5. Births and deaths of enterprises over time

In 2019, there were 2,305 new business births and 1,930 deaths in CloS; and a total of 22,490 active businesses. Because both the CloS business birth rate, 10% versus 13%, and death rate, 9% versus 11%, are lower than the average in England, this indicates a slightly lower level of local business dynamism than is typical of the country as a whole. Business survival rates, however, compare favourably with the average seen across England. In 2018, at 92%, the 1-year survival rate for newly born businesses in CloS was broadly in line with that of England, at 92.3%, but the five-year rate in CloS was much higher, at 45.1%, compared to England, at 42.5%. The Isles of Scilly had a 1-year survival rate of 100% and a 5-year rate of 66.7% in the same period.²

The exogenous shock to business birth and death rates that COVID-19 has provided is likely to have accelerated the closure of previously weaker enterprises, while at the same time delaying

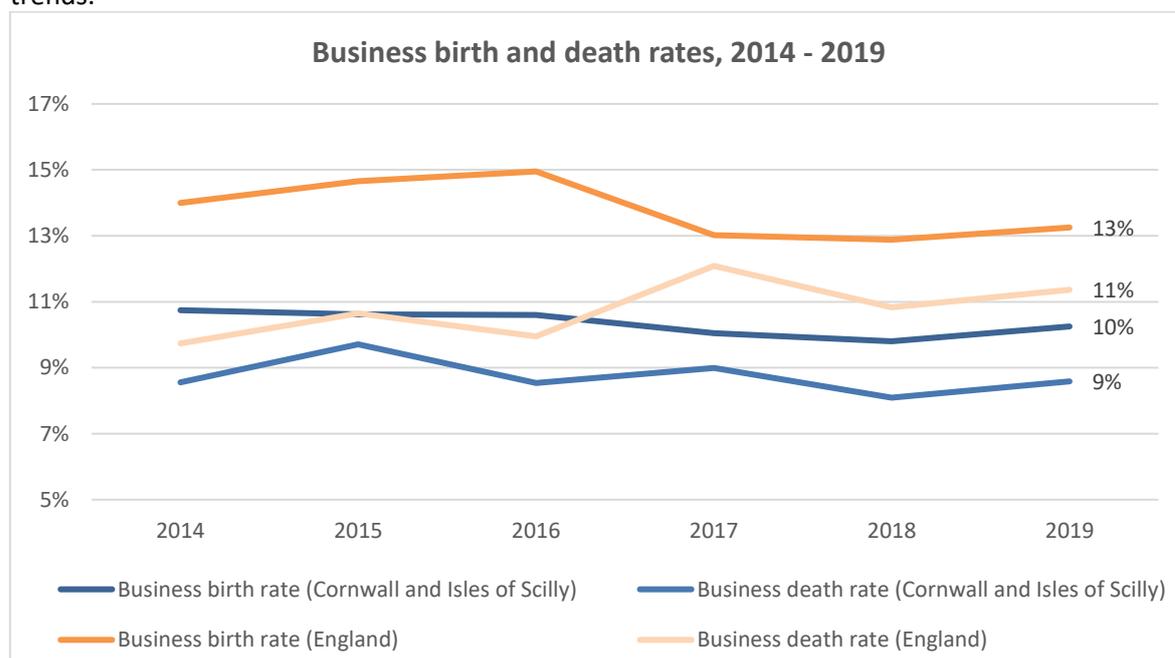
²

<https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/businessdemographyreferencetable>

the business case for new start-ups to form. ONS said that as many as 64% businesses were at risk of closure, with 43% of enterprises having less than six months of cash reserves³. The following data from the Chamber of Commerce Survey⁴ highlights the effect on CloS businesses:

- In Q2 2020, only 14% of businesses reported operating at full capacity, down from 38% in the previous quarter;
- 27% of businesses expected turnover to increase over the next 12 months, down from 66% in the previous quarter;
- 22% expected profitability to increase, down from 54% previously.

Overall, there were negative readings in 10 of the 12 indicators provided by the survey. It would be expected that such effects will accelerate the business death rates, especially for those businesses forced into extensive closure both because of lockdown and changing consumer trends.



Source: *ONS Business Demography, 2014 - 2019 (published 2020), 2020 SAP boundaries*

1.6. Employment level and rate

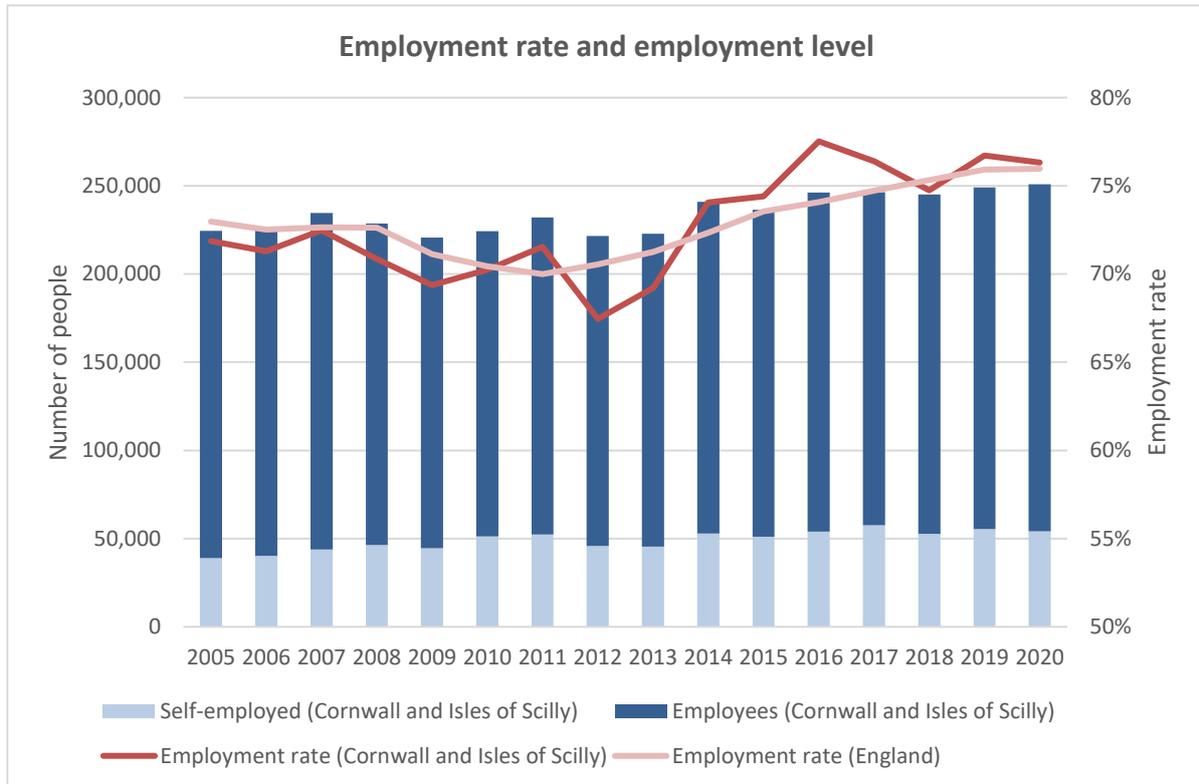
Historically, CloS has had a strong track record in generating jobs and self-employment opportunities for local residents:

- The employment rate in CloS of 76.3% in 2020 compares favourably against the 76% employment rate seen across England as a whole.
- CloS has reversed a trend that until 2013 saw an employment rate consistently below the national average;
- In this time, between 2013 and 2020, CloS added 11.6% to its employment level, which compares favourably against the increase of 7.3% seen at this time across England;
- The overall employment level in CloS, as of 2020, stood at **251,800**.

³ <https://www.theguardian.com/business/2020/oct/28/uk-facing-flood-of-bankruptcies-over-coming-months-says-ons>

⁴ <https://www.cornwallchamber.co.uk/qes>

Employment growth has largely been driven by part-time, non-permanent and self-employment rather than full time jobs. Currently, 17,500 people work temporary roles, up from 12,000 just a decade ago. 32% are in part time roles locally compared with 25% nationally. (See LMA Figure 2.14)



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

Despite a strong level of employment within the region, the pre-COVID-19 levels of economic inactivity in CloS, as of March 2020, according to the Annual Population Survey, stood at 191,300 people. This can be broken down into:

- Those aged 65 years old and over, which accounted for two-thirds of inactivity, accounting for 127,400 people.
- Those aged between 16 and 64 years old, which accounted for the remaining one-third of inactivity, accounting for 63,900 people.

Across England, the proportion of 16 to 64 years represents approximately 45% of economically inactive residents which is much greater than the 33% seen across CloS. This difference can be explained, in part, by CloS's higher share of residents 65 and older, which is driven by CloS's strong retirement community and ageing population.

Economic inactivity of working age residents in CloS can be explained through:

- Long-term sickness at 29.6%;
- Seeking work at 28%;
- Home/caring responsibilities at 19.9%;
- Pre-65 retirees, at 17.6%;
- Students, at 13.4%⁵.

⁵ <https://www.nomisweb.co.uk/reports/lmp/la/1946157349/report.aspx?#tabeinact>

Of those in work in CloS, approximately one in six are self-employed, representing 16% of all workers⁶. This is the highest rate seen across all LEPs. However, self-employed statistics for the region estimate an average annual income of around £13,600, which is 30% lower than the national average of £19,400⁷.

Given that a lower income provides a smaller safety net in the event of a shock, such as COVID-19, combined with the structural blend of CloS which is heavily skewed towards sectors most affected, the impact of Covid 19 is considered to be significant. Indicators, taken from Cornwall Council's EMMU⁸, show:

- Cornwall Council estimated in May 2020, using ISER Research, a net loss of 58,700 jobs for employees and 14,100 for self-employed, with accommodation and food services most affected, with 28,500 positions impacted in this sector alone.
- Furlough supported 83,400 employees in CloS, representing 37% of all workers; 15,700 furlough-supported jobs remained on furlough as of 30 September 2020⁹.
- The number of Universal Credit claimants in CloS rose from 24,876 in March to 48,591 in October, up 23,715 or 95.3%.
- Under the Self-Employed Income Support Scheme, for which HMRC showed 40,600 people to be eligible, CloS saw a 77% take-up rate under Scheme 1 and a 65% take-up rate under Scheme 2.
- 20,919 businesses were supported by Small Business & Retail, Hospitality and Leisure Grant Funds.
- The Local Authority Discretionary Fund facilitated £10,000 grant funding to 1,345 businesses.

1.7. Nominal (smoothed) GVA over time

Gross Value Added (GVA) measures the overall performance – the productivity - of a given area. It measures the total output of an economy, minus any inputs required to generate that output.

Productivity, calculated in terms of GVA per hour worked, was 24.3% lower in CloS, at £26.50, than seen across England as a whole, which stood at £35.00 per hour in 2018. Such is the difference in productivity between regions, the GVA per hour level achieved by CloS in 2018 was still below the national average in 2006. The productivity gap between CloS and the rest of the England is largely explained by the makeup of the economy, with its high dependency on lower value-added sectors such as tourism and health care, and lower representation in high-value sectors, such as finance, engineering and science. Diversification of the economy, in line with the Local Industrial Strategy, is designed to grow more higher value added sectors to boost productivity and higher skilled employment.

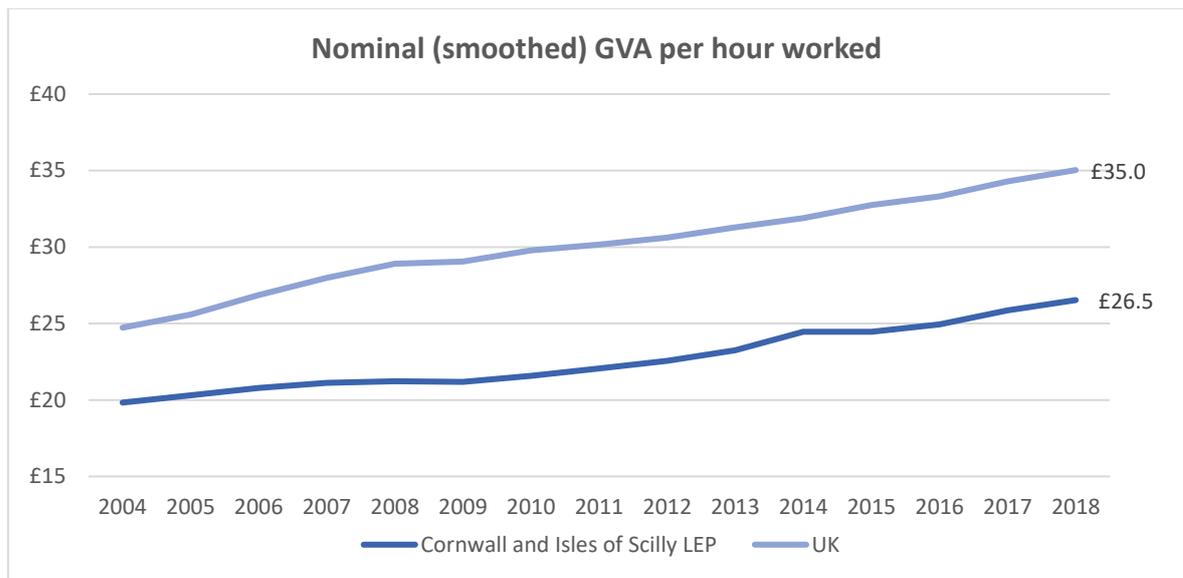
Nominally, GVA per hour worked in CloS has shown a steady increase from 2004, and is currently 33.8% above 2004 levels. But this level of growth in GVA per hour has risen more slowly than the national average of 41.7%, suggesting that the productivity gap between CloS and England has widened. The LEP and other bodies, with the help of EU funding, have invested in upskilling the

⁶ <https://www.nomisweb.co.uk/reports/lmp/lep/1925185540/printable.aspx>

⁷ <https://www.gov.uk/government/statistics/personal-incomes-tables-312-to-315a-for-the-tax-year-2017-to-2018>

⁸ <https://www.cornwall.gov.uk/media/44999218/09-20-emmu-sept-fin-v2.pdf>

region through increasing educational attainment in the region. This will further be required to close the productivity gap and increase GVA within the region.



Source: *ONS Sub regional Productivity, 2004 - 2018 (published 2020), 2018 LEP/MCA boundaries*

In 2018, using current price estimators, the biggest contributors to GVA in the local area were:

- Real estate activities, at £2,045m;
- Wholesale and retail trade; and repair of motor vehicles, at £1,294m; and
- Construction, at £1,009m¹⁰.

The total GVA of CloS in 2018 was £10.96bn.

1.8. Median wages over time

In 2020, the median gross weekly pay for CloS residents was £493.80 and for the workforce it was £461.90, in other words those who commute outside of the LEP area earn more than those who work within it. While median pay is above 2018 levels, the current level represents a 2% decline in resident pay and a 5.8% decline in workplace pay when compared to 2019. Undoubtedly, the effect of the COVID-19 crisis is the exogenous factor causing pay decay.

Nationally, the average gross weekly pay seen in 2020 was £589.80 for residents and £589.90 for workplaces, with neither pay statistic showing a falling-off of more than 0.4% from 2019 levels. While resident pay across England is 19.4% above that of CloS, it has also been growing quicker than CloS, 13% versus 9% between 2014 and 2020. This reflects the underlying structure of the CloS economy, with its predominance of lower paying service sector jobs and lack of higher paid roles in areas such as Finance, Insurance and ICT.

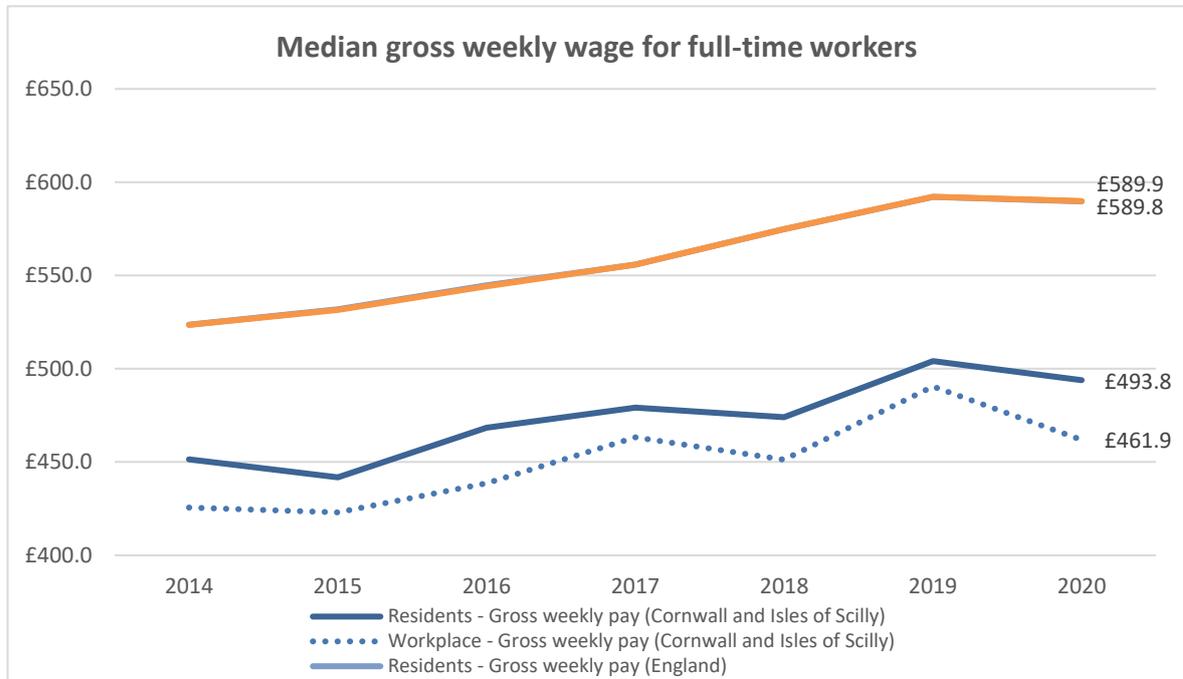
Lower weekly gross pay may also be reflective of a labour market situated within a lower cost of living area, or a labour market more saturated with either low skilled jobs and/or low productivity – i.e. less GVA generation. This could also mean that the labour market is not competitive; that

¹⁰

<https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/nominalandrealregionalgrossvalueaddedbalancedbyindustry>

firms may pay less than the market wage because they face little competition. In the case of CloS, the drive to increase productivity and pay is central to the LEP’s ambitions to close this pay gap.

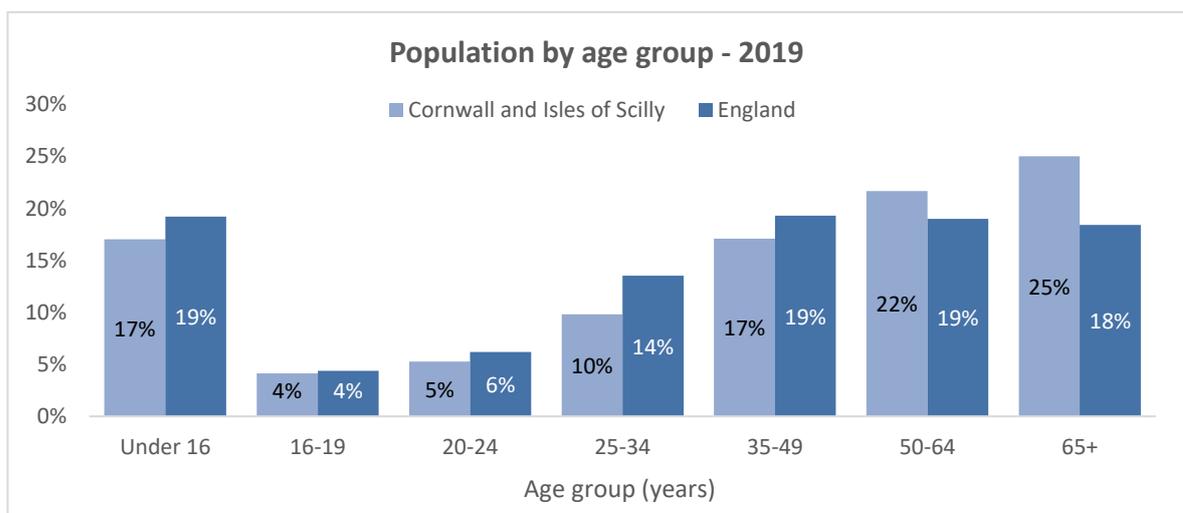
Given that resident pay is higher than workplace pay, this indicates that some residents benefit from higher paying jobs outside the Duchy. Given the rising popularity of remote working, brought on by the crisis, residents of CloS may be provided an opportunity to capture higher pay from firms outside the Duchy, which would improve the resident pay in years to come.



Source: *Annual Survey of Hours and Earnings, 2014 - 2020, 2020 LEP boundaries*

1.9. Population by age group over time

The population of CloS, currently estimated to stand at 571,802, contributes to approximately 1% of the overall population of England. This can be broken down by age group, as seen below:



Source: *ONS Mid-Year Population Estimates, 2019, 2020 SAP boundaries*

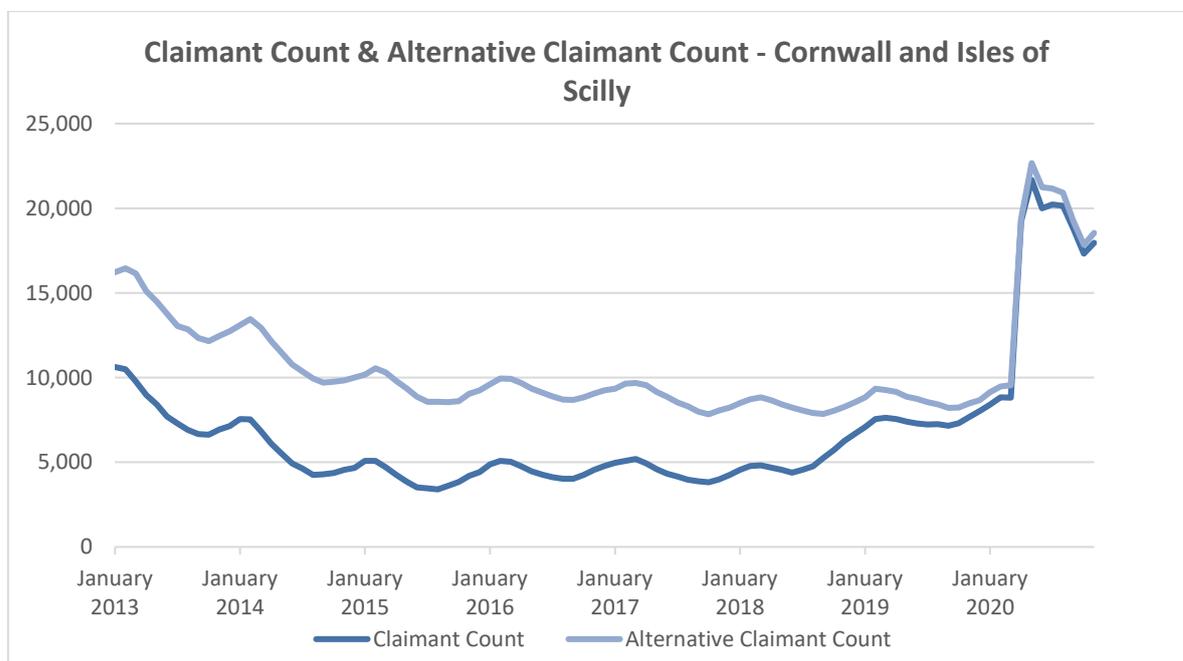
A key feature of CloS is its growing elderly population, which is highlighted by the fact that 47% of residents are 50 years old and over, compared to the national average of 37%. At the same time, Cornwall, like many rural communities, is struggling to maintain its young workforce, who

continue to relocate outside the Duchy in search of better employment prospects. Between the ages of 20 and 49, this age group accounted for just 32% of residents, compared to the national average of 39%. Similarly, there are fewer people below 16 years old than across England.

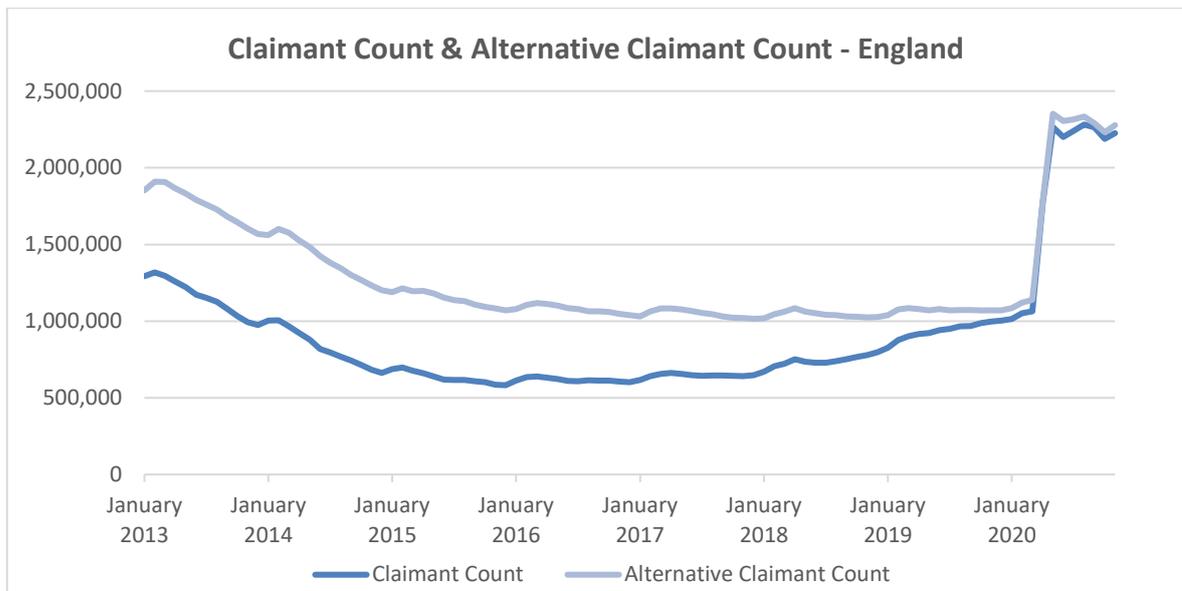
However, CloS is not uncommon in this regard. ONS¹¹ highlights that older people are more likely to live near Areas of Outstanding Natural Beauty, National Parks and the coast, which CloS offers in abundance; and younger people are more likely to live in cities, where CloS only has one city, which cannot compete with the likes of Exeter, Bristol and London on social and job prospects.

1.10. Claimant count

The increase in joblessness at the local level is demonstrated by the dramatic rise in the 'claimant count': a headline estimate of the number of people seeking welfare mostly because they are unemployed. Prior to COVID-19, the trend in the claimant count in CloS echoed that of the rest of England, but with more cyclical variation given CloS's heavy seasonal employment industries. The overall trend shows the claimant count to be falling across both CloS and England prior to 2020.



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



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

The spike in the alternative claim count caused by COVID-19 led to a doubling of the count in CloS between March and April, from 9,553 to 19,387 claimants, as a result of the first national lockdown. This is lower than the initial surge seen across England from March to April, from 1,137,995 to 1,774,669 claimants, but, unlike CloS, claimants across England continued to rise, while CloS settled around double March 2020 levels.

In November 2020, 18,535 people in CloS were claiming unemployment-related benefits, equivalent to 5.6% of the working age population. This is below the national rate of 6.5%. Of those claiming in CloS, 22% were aged between 16 to 24 years old and 26% were aged 50 and over.

Additional points to note from a more detailed analysis seen in 4.3 of the LMA, are:

- The rate of increase since lockdown has risen at broadly the same rate for men and women.
- 59% of claimants are men who had an unemployment rate of 7.1% at September 2020 compared with a 4.6% rate for women.
- The rise in unemployment has impacted on all age groups with the impact being marginally greater for 16-24-year olds (up 133% compared with 129% overall).
- All wards have experienced sharp rises in unemployment since the start of the pandemic with wards in Newquay showing some of the greatest unemployment rates.

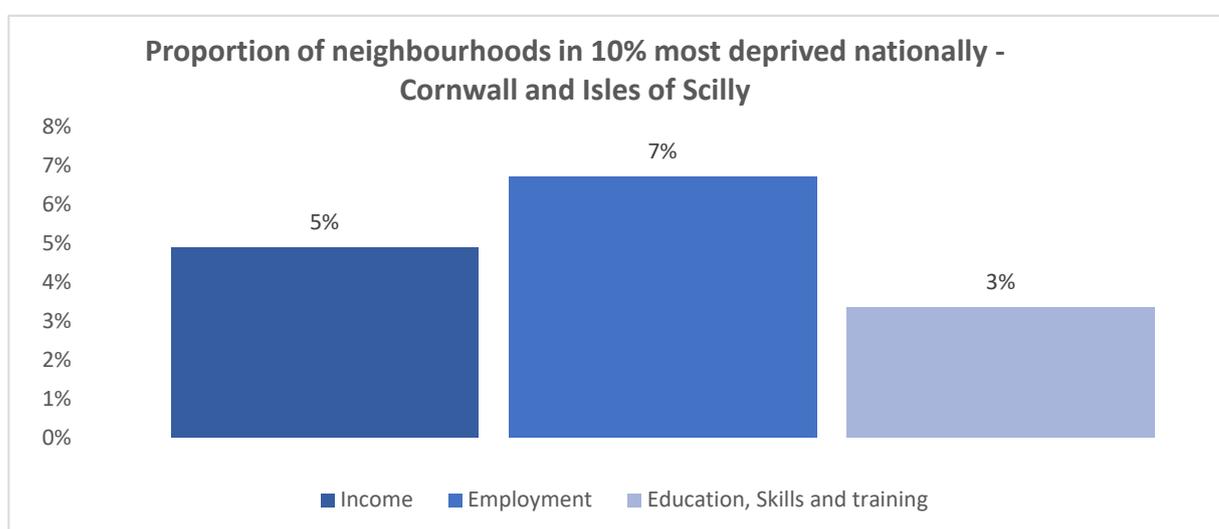
1.11. Proportion of LSOAs, in most deprived 10% nationally (income, employment, education)

In CloS, the proportion of neighbourhoods that reside within the top 10% of national deprivation statistics by income, employment and/or education are as follows:

- 5% of neighbourhoods are deprived in terms of income;
- 7% of neighbours are deprived in terms of employment;
- 3% of neighbourhoods are deprived in terms of education, skills and training.

Given that anything below 10% is suggestive of relative ‘success’ against national performance, CloS, benefits from less deprivation, on average, than the national average. However, this does not mean CloS does not contain pockets of deprivation. As a local authority, Cornwall is ranked 83 out of 317 local authorities on the Index of Multiple Deprivation; and using the 30% deprivation benchmark, Cornwall was ranked 21st in 2019¹². Broken down by LSOA, of which there are 32,833 across England, Camborne Pengegon, at 577th, and Penzance Treneere, at 884th, were placed in the top 1,000 LSOAs for being in the top 10% most deprived areas¹³.

The primary types of deprivation in CloS’s worse affected neighbourhoods relates to income, employment, education, skills and training and health and disability. Skills and human capacity are vital ingredients for innovation success, in particular STEM/STEAM skills. Higher level skills are closely linked to innovation and productivity and are essential to the transformational agenda currently being pursued by the LEP. While improvements have been made in the number of people qualified at Level 2, there continues to be a large number of people without a Level 2 qualification and this is strongly linked to low paid, insecure employment. While reversing this trend is key to lowering deprivation, deprivation itself, predominantly financial, is a preventative barrier for many of our residents in becoming more skilled; it is a cycle.



Source: [Index of Multiple Deprivation, MHCLG, 2019, 2017 LEP boundaries](#)

Although there is no up to date statistical evidence on the level of basic skills in the workforce, the national Employers Skills Survey 2019 showed that 52% of local employers who experienced hard to fill vacancies cited a lack of basic skills compared with 36% in England – this was the highest proportion recorded by any LEP. Further, 45% of employers said that having GCSE maths and English was critical for them when looking to recruit. At the same time there has been a 31% decline in adults participating in up to a Level 2 English and maths and a 30% decline in the number of those achieving up to Level 2 qualifications in CloS between 2010/11 and 2017/18. Stakeholder feedback given in connection with the development of the Local Skills Report confirmed this analysis and pointed to a particular issue with numeracy. As a consequence of these findings, tackling basic skills deficiencies has been prioritised in the accompanying Skills Strategy.

¹² <https://www.cornwall.gov.uk/media/40596801/imd-2019-cornwall.pdf>

¹³ <https://www.cornwall.gov.uk/media/40596801/imd-2019-cornwall.pdf>

2. Skills Supply

2.1. Overview

The ability to remain globally competitive is, to a large extent, dependent on the skills of the workforce. The data shows some progress has been made in upskilling the workforce although those out of work are particularly poorly qualified relative to the rest of the workforce. Furthermore, progression into higher education is low, and apprenticeships are dominated by intermediate level qualifications.

Forecasts suggest that the impact of COVID-19 will be severe recession and unemployment has already risen sharply. It is clear that the impact of the pandemic will hit the young, the lowest skilled and self-employed hardest and there is real potential for levels of deprivation to worsen. The change to working patterns brought on by COVID-19 is likely to be long-lasting and opportunities for home working and the development of the digital infrastructure and digital skills will be needed. Local community solutions may help support the economic health of key towns.

Summary points

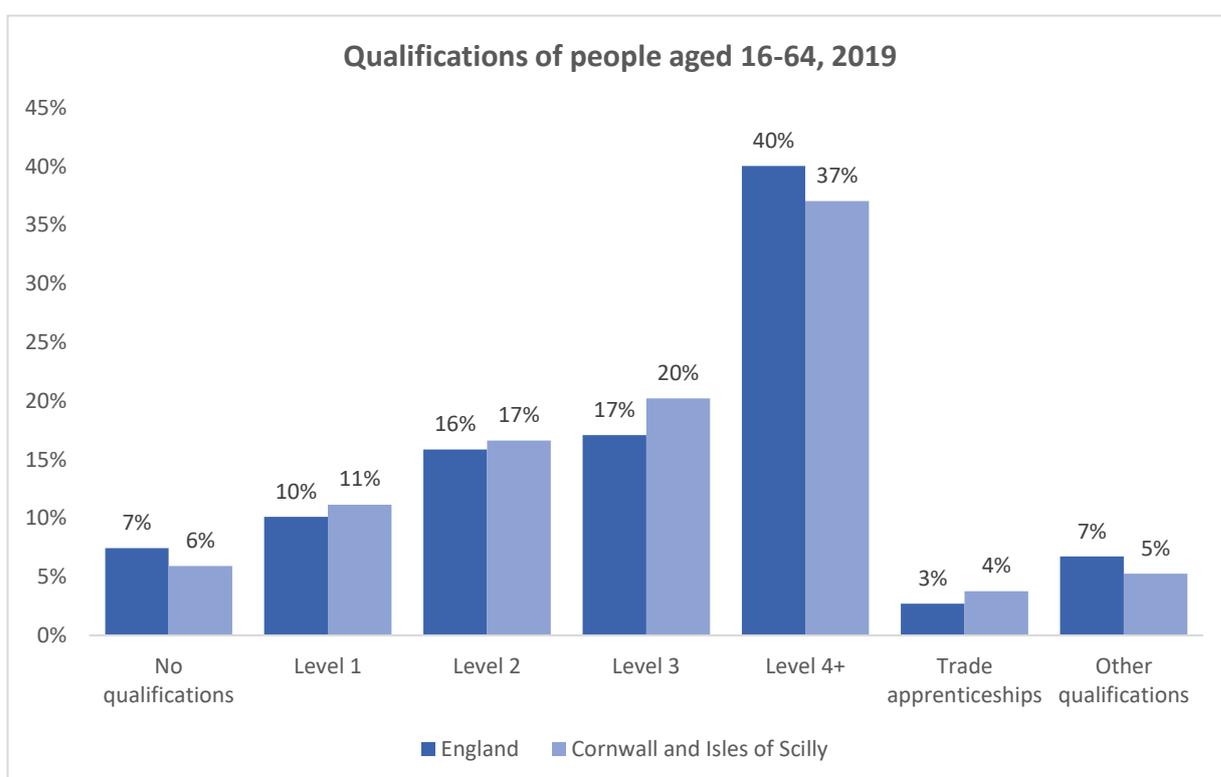
- CloS residents in general are less highly qualified than average. 37% are qualified to Level 4 or above, compared to the national average of 40%, however, the gap is diminishing.
- In terms of adult learning, the pattern reflects the local economy with more learners taking up Health, Public Services and Care and Leisure, Travel and Tourism than the national average. Conversely, STEM subjects such as Science and maths, ICT and Engineering account for relatively low proportions of total provision and have been declining.
- A total of 4,240 apprenticeships were started in the LEP in the 2018/19. 51% of starts were at Intermediate level compared with 37% nationally, suggesting that apprenticeships are not being fully used to drive up the higher-level qualification base of the workforce.
- At Key Stage 4, comparisons between the rate of students entering sustained destinations highlight that CloS, with 93%, and England, with 94%, follow largely similar patterns of positive destinations.
- Progression into higher education from Key Stage 5 is far less likely in CloS. 50% of students in 2017/18 progressed to HE from Level 3 compared to the average of 58% seen across England. Direct entry into work, possibly reflecting the ready availability of seasonal work is a more popular destination in CloS than in England as a whole.
- HESA statistics do not convey a full picture of the subjects of learning of local residents or their retention rates for the economy of CloS, because of the limited availability of local provision.
- Qualified apprentices, on average, entered sustained employment at a rate of 92%; sustained learning at a rate 16%; and some form of learning at a rate of 24%, broadly similar to the national picture.
- Headline data from the Employer Skills Survey 2019 for Cornwall and the Isles of Scilly shows that 64% of local employers trained their staff compared to 61% nationally. However, although more employers engaged in training, trend data shows that fewer staff were trained for shorter periods than in the past.

2.2. Highest qualifications

The qualification profile of CloS residents broadly mirrors the English average, but with greater emphasis on intermediate level qualifications at Level 3 and correspondingly fewer residents with qualifications at Level 4 and above.

Comparison with other LEPs shows that on this measure CloS occupies a mid-range position along with other rural LEPs such as Worcestershire, The Marches and Heart of the South West, but well below the top performing economies of London (54%) and Oxfordshire (51%).

Trend analysis shows that there has been a **significant increase in graduate level qualifications** locally since 2015 (See Annex B, section 4.6). The proportion with Level 4 qualifications has risen 7.7 percentage points compared with a national growth rate of 3.3 percentage points, resulting in a considerable narrowing of the gap between the two. Conversely, there has been no change in the 5.9% who possess no qualifications.



Source: *Annual Population Survey, January 2019 – December 2020, 2020 SAP boundaries*

As is the case nationally, there is a marked contrast between the qualification profile of people in work and those outside the labour market who are unemployed or economically inactive (See LMA). 30% of the unemployed/economically inactive possess either no qualifications or qualifications below Level 2, commonly taken to be the standard for employability compared with 20% of those in employment.

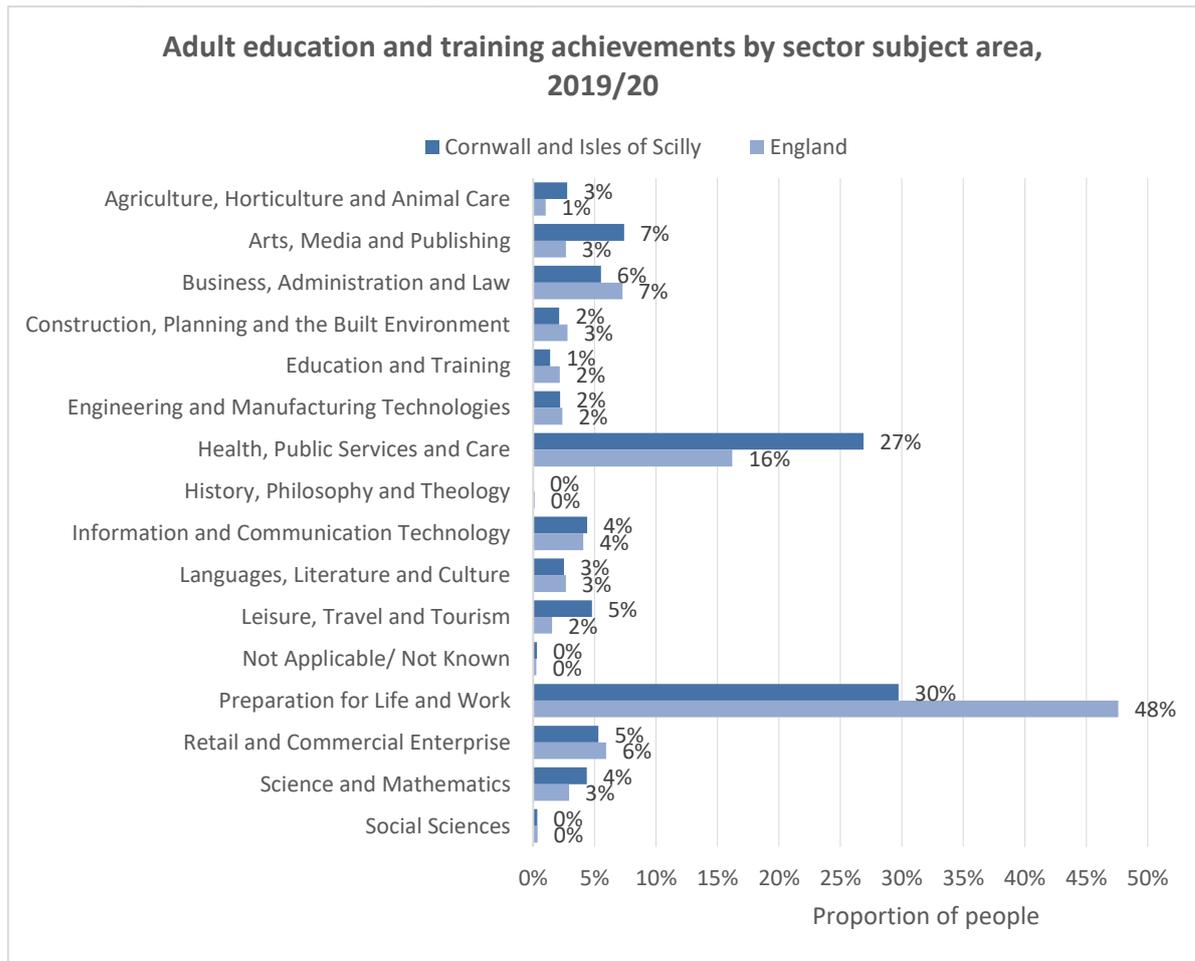
2.3. Adult FE Education and Training Achievements by Sector Subject Area

There are some key differences between the national and local pictures of learning (See 4.11, LMA):

- Preparation for Life and Work contributed 30% of total provision in 2018/19 compared to 48% across England as a whole.

- Health, public services and care accounts for 27% of all learning aims, and Leisure, Travel and Tourism a further 5%, **three times** the national average. Both of these sectors are significant in the local economy.
- STEM subjects such as Science and maths, ICT and Engineering account for relatively low proportions of total provision and have been declining. It will be necessary to grow this provision in order to achieve the LEP's aims to diversify the economy into high tech sectors.

As is the case nationally, there are stereotypical gender differences in study with women most likely to take up Health, Public Services & Care and Retail & Commercial Enterprise and men dominating in Construction and Engineering:



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

Adult education is in decline. The decline is evident in terms of funding and participation, with adult apprenticeships being the only exception since 2015/16. Nationally, the Social Mobility Commission has found that:

- Since 2005, there has been a 45% decline in adults (age 19+) participating in FE and skills.
- Since 2010, community learning participation has fallen by 28% and part-time adult learning has fallen by 43% in the same period.
- 49% of the poorest adults have received no training since leaving school, compared to 20% of the richest.
- Of all those low paid in 2006, only 1 in 6 made a sustained progression onto higher wages ten years later. Over half were 'stuck' on low pay for this period with no imminent prospects to progress.

- Basic skills are critical for entry level jobs but between 2010/11 and 2017/18, there was a 31% decline in adults participating in up to a Level 2 English and maths and a 30% decline in the number of those achieving up to Level 2 qualifications over the same period.

2.4. Apprenticeship achievements by subject area

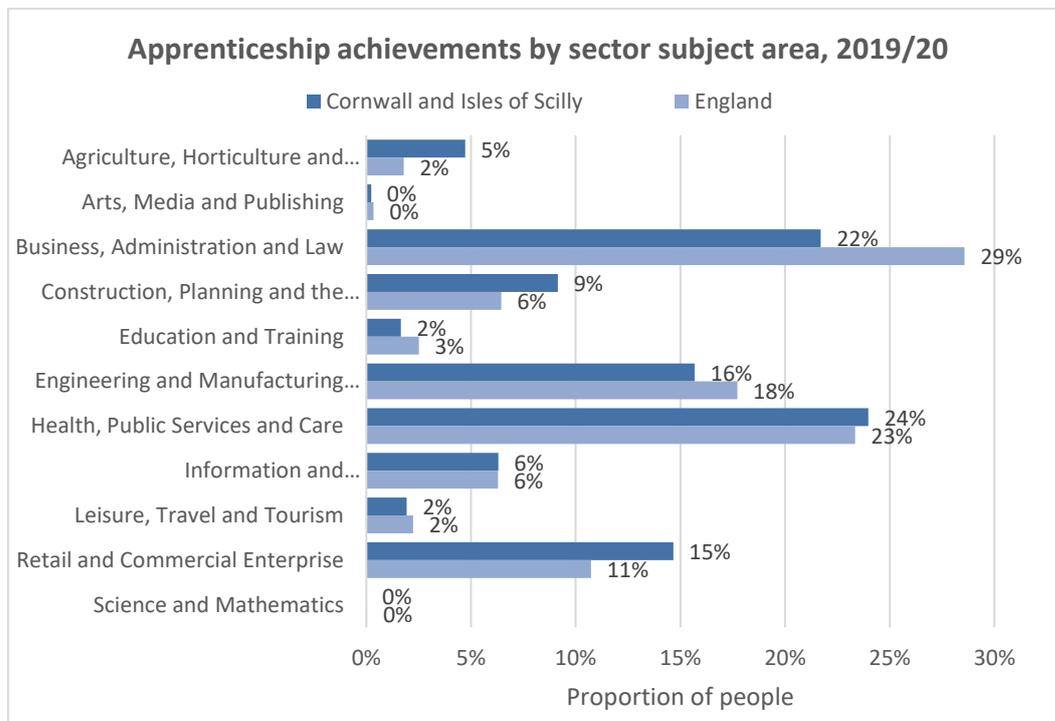
The take up of apprenticeships has fallen both nationally and locally with the introduction of the Apprenticeship Levy. While the apprentice levy has prompted a fall in demand, the new incentive payment for taking on apprentice in response to COVID-19 provides an opportunity to reverse this trend.

Locally, possibly reflecting the absence of major employers with defined career pathways, far more apprenticeships are at intermediate level than nationally; with fewer at advanced and higher levels. More detailed analysis shows that just over half (51%) of starts are at Intermediate level; 38% at Advanced and 12% at Higher levels. The predominance of Intermediate level apprenticeships is more pronounced than in the South West or England. A total of 4,240 apprenticeships were started in the LEP in the 2018/19 year, 54% men to 46% women.

Turning to achievement data, the main areas of participation are in:

- Health, Public Services and Care: 24%
- Business administration: 22%
- Retail: 15%
- Engineering and Manufacturing: 16%

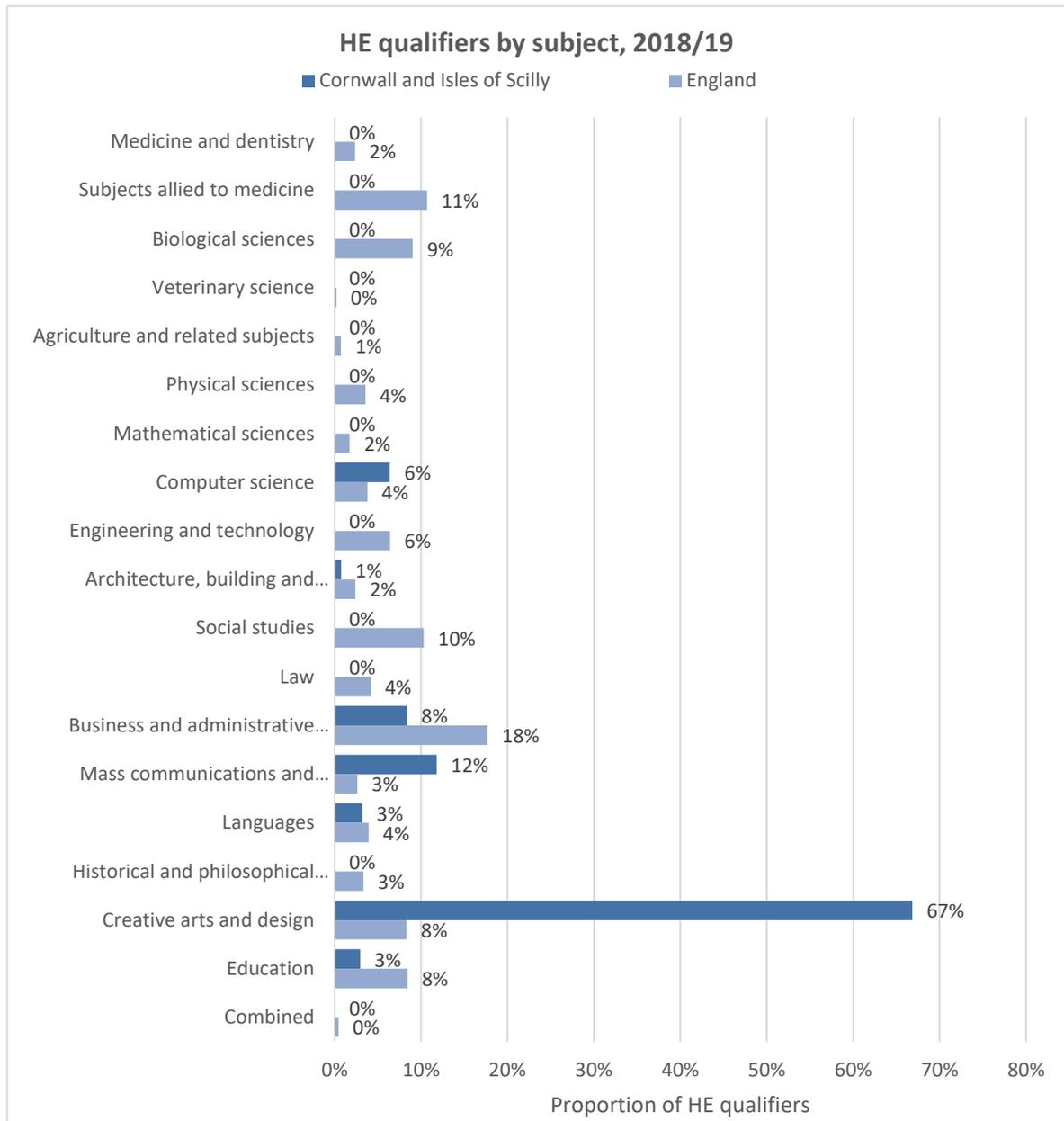
The main difference with the national position is far lower participation in Business administration than the average (which fits with the make-up of the industrial base), but more uptake of Construction, Retail and Agriculture Apprenticeships:



Source: Apprenticeships data, DfE, (published 2020), 2020 SAP boundaries

2.5. Higher Education qualifiers by Sector Subject Area

HESA data is not helpful in understanding what local people learn at HE level since it is based on delivery within a LEP area, rather than conveying what local people study. In Cornwall and the Isles of Scilly, there is only one university – Falmouth, supplemented by some limited additional provision delivered by the FE sector. Whilst Exeter and Plymouth universities do deliver some learning within Cornwall this will not be reflected in the statistics. As a result, the data below largely reflects the courses offered by Falmouth University, which specialises in creative industries. In 2018/19 6,425 students were enrolled, otherwise most residents choose to leave the Duchy to study.¹⁴



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

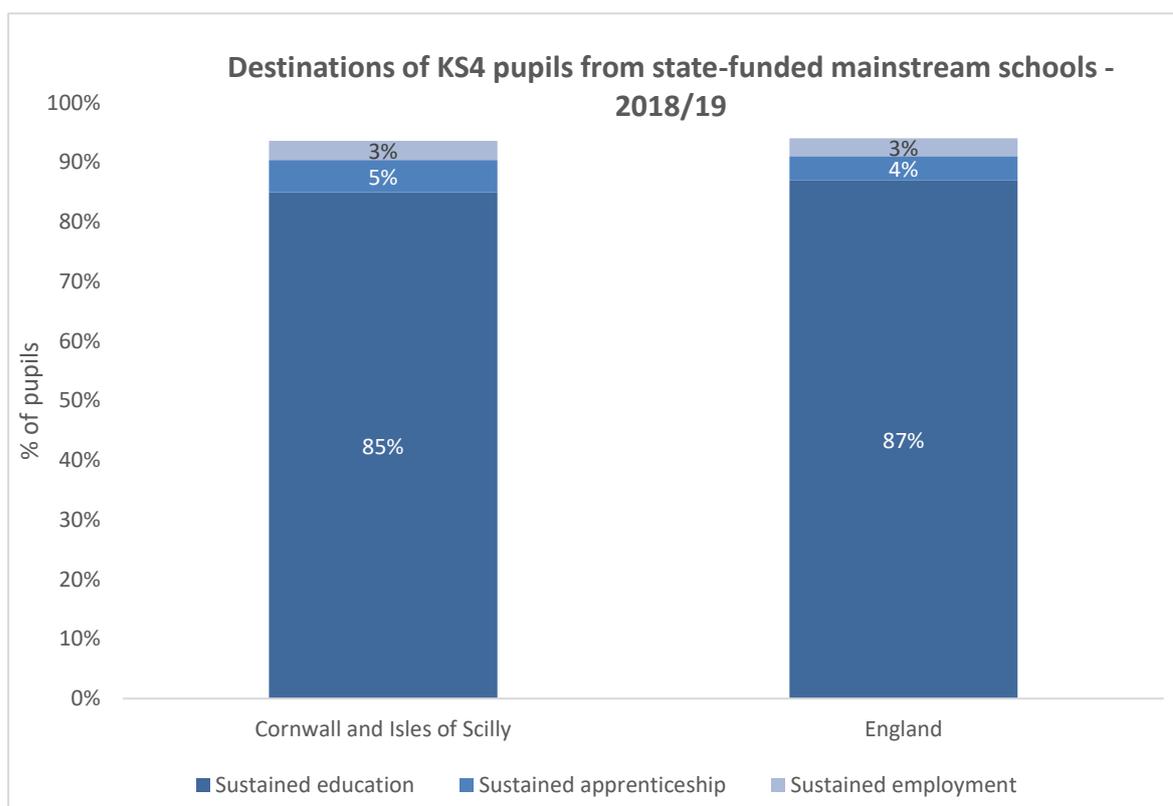
¹⁴ <https://www.hesa.ac.uk/data-and-analysis/students/table-1>

2.6. Key Stage 4 destinations

Comparisons between the rate of students entering sustained destinations highlight that CloS, with 93%, and England, with 94%, follow largely similar patterns of positive destinations.

Latest data shows that overall, CloS's performance against the main accountability measures at Key Stage 4 is a little below the national average. The average attainment score per pupil for the LEP area is 45.4% compared with the national average of 46.7%. CloS also underperforms the national average with regard to attainment against English and Maths GCSEs. 39% achieved Grade 5 or above in Cornwall compared with 43% in England.

At 85%, continuing education was the most common choice at in CloS. 8% of local students graduating KS4 elected to go into employment, with 5% choosing an apprenticeship and the remaining 3% going into sustained employment.



Source: *KS4 destination measures, DfE, 2018/19 (published 2020), 2020 SAP boundaries*

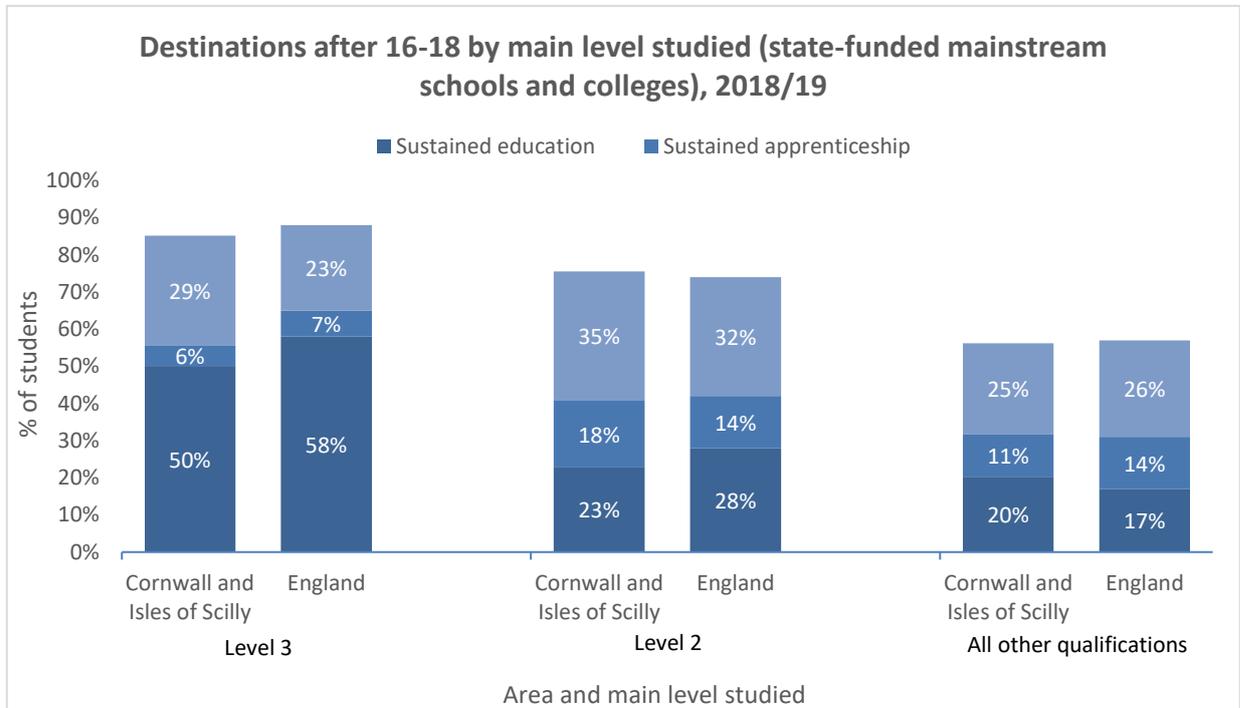
2.7. Key Stage 5 destinations

When comparing the destination of state-maintained-schooled students at KS5 by main level studied, we note some key differences between student destinations between qualification location and whether the pupil is within CloS or not:

- A lower share of pupils continue into sustained education among those who study Level 2 and 3 qualifications. At Level 3, only 50% of pupils are likely to continue in education, which is below the 58% national average; at Level 2, similarly, only 23% progress into sustained education, which is below the 28% national average. At 20%, a higher share of CloS students not captured within Level 2 and 3 qualifications continue progression in education.
- A greater share of pupils enters into employment, either through sustained employment or an apprenticeship. For those with Level 3 qualifications, this accounts for 35% of

students; at Level 2, this is higher at 53%; and for those with other qualifications, the rate of 36% is slightly below the national average of 40%.

- Sustained employment proves more a more popular route than apprenticeships across all Levels, which is problematic for young workers given they are likely to be entering into insecure employment, which offers little career growth, at a time where those around them, those in apprenticeships and education, are continuing to upskill and increase their employment potential.



Source: *16-18 Destination Measures, DfE, 2018/19 (published 2020), 2020 SAP boundaries*

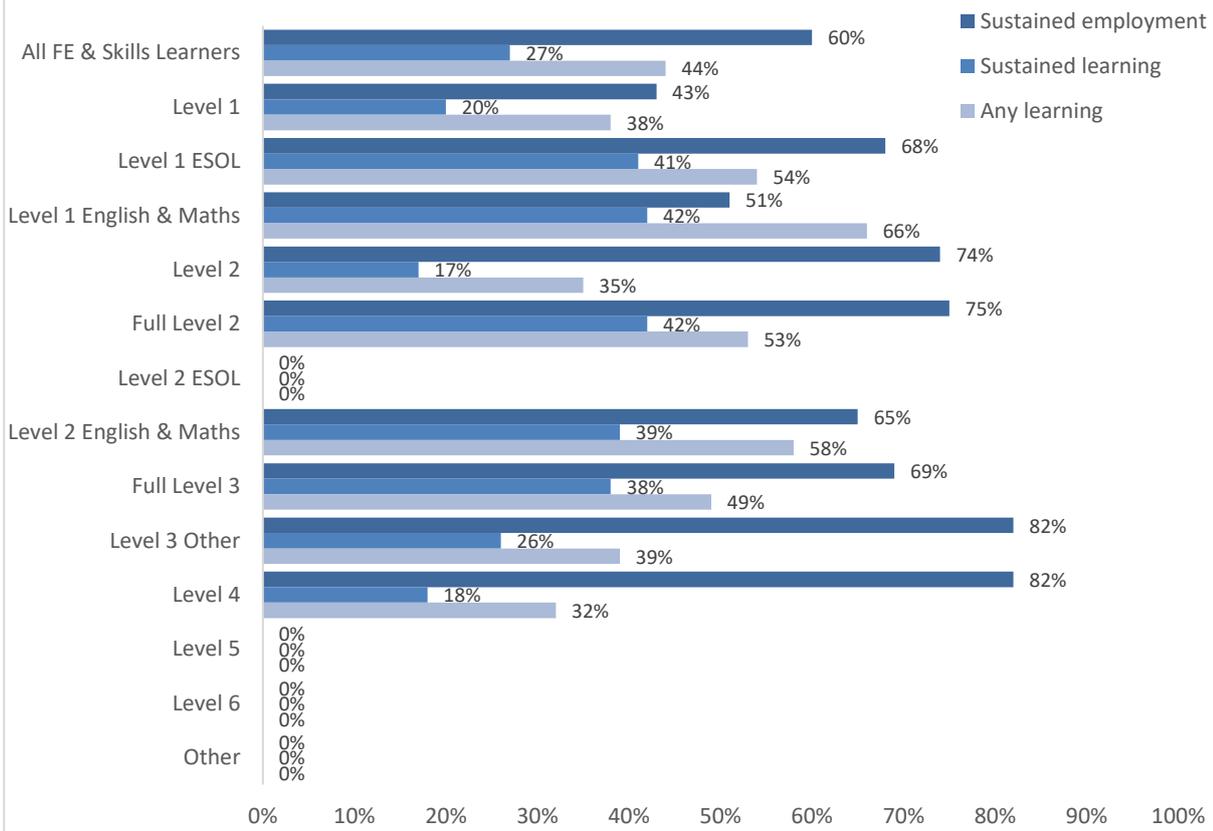
The low level of progression to Higher Education amongst Level 3 students is of concern. This is accompanied by a decline in interest in the uptake of STEM qualifications. Stakeholders consider there is an issue with aspiration and there is a need to do more to reverse these trends. The delivery of sub-degree qualifications as proposed by the Skills for Life White Paper may provide an alternative route to upskilling. The expansion of higher level apprenticeships is also a priority.

Outcomes for adult FE and Skills learners

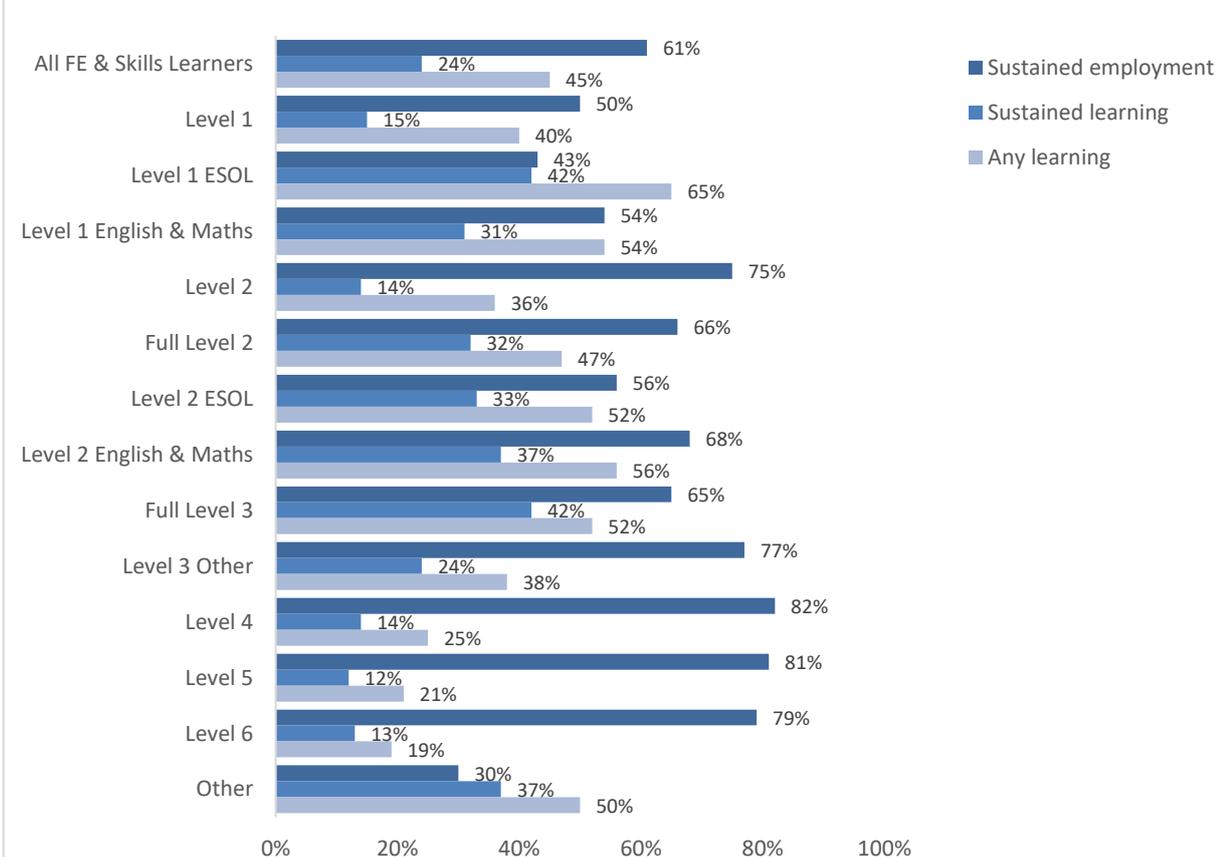
The 2018/19 academic year learners' FE and skills destination profile shows an average sustained employment rate of 60 percent across CloS, only marginally below the 61 percent rate observed across England as a whole. Sustained learning accounted for the destiny of 27% of students, which is higher than the 24% rate seen in England, while 44% of residents entered some form of learning, slightly below the 45% national average.

Naturally, CloS sees a positive correlation between qualification level and sustained employment. Those with Level 4+ enter sustained employment at a rate at 82%, but this drops to 43% for those only with Level 1. Across all levels, the rate at which students have entered sustained learning is very often greater in CloS when compared to the national average; this may be, in part, due to local initiatives aimed to increase skills and attainment in the area, which has long ranked below average and contributes to low productivity seen within the region.

Destinations of FE & Skills Learners in 2018/19 - Cornwall and Isles of Scilly LEP



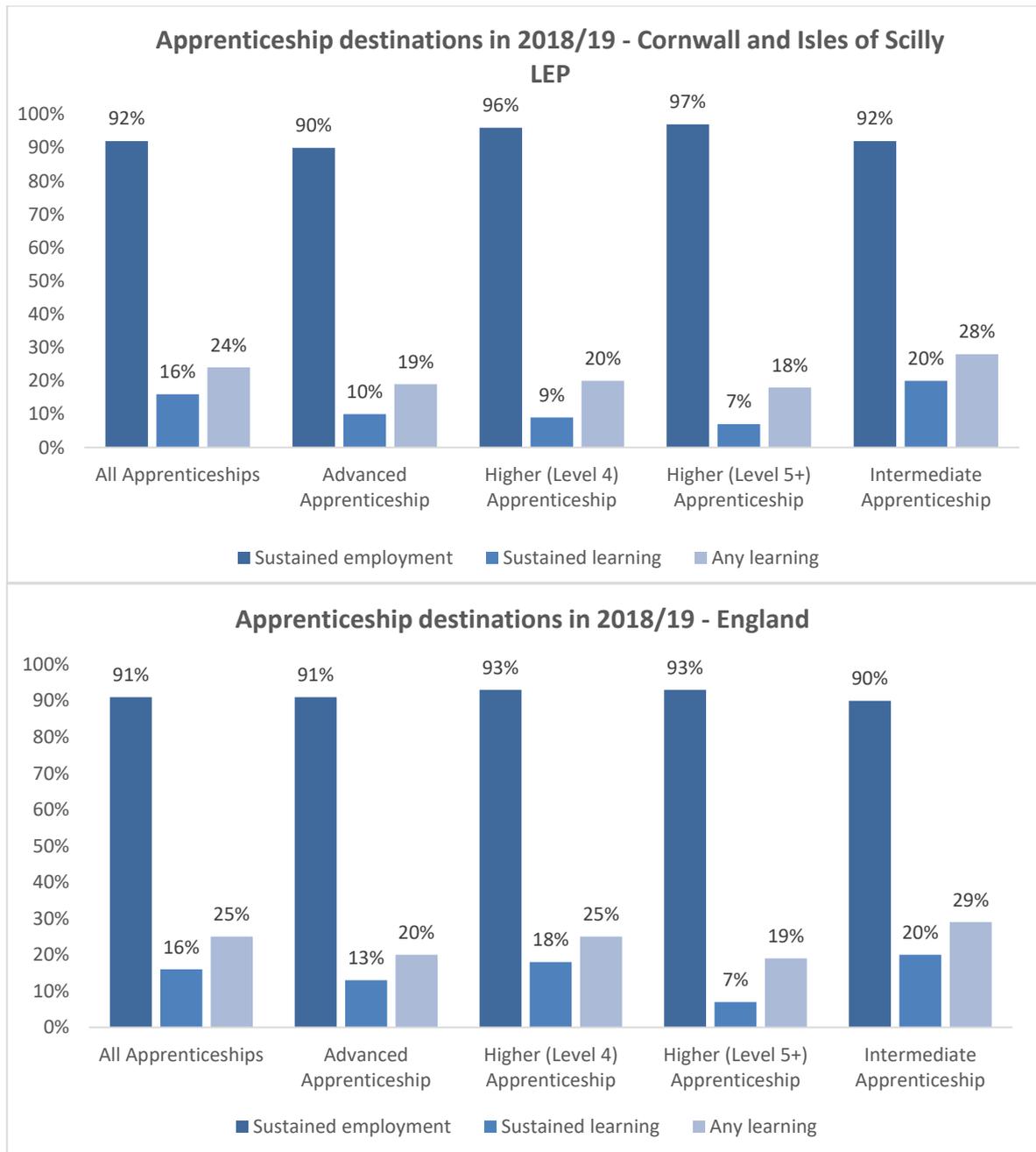
Destinations of FE & Skills Learners in 2018/19 - England



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

2.8. Outcomes for apprenticeships by level

In CloS, 92% of students across all apprenticeships entered sustained employment, 16% entered sustained learning and 24% entered some form of learning; all of which were very similar the national averages. The greatest divergence comes from the fact that sustained employment rates were higher in CloS for those in Level 4 and Level 5 apprenticeships than seen across England; but the differences can be largely explained through a lower sustained learning rate in CloS, which offsets this variation. This is suggestive that students in CloS appear less likely to continue formal studying, instead choosing to enter employment.



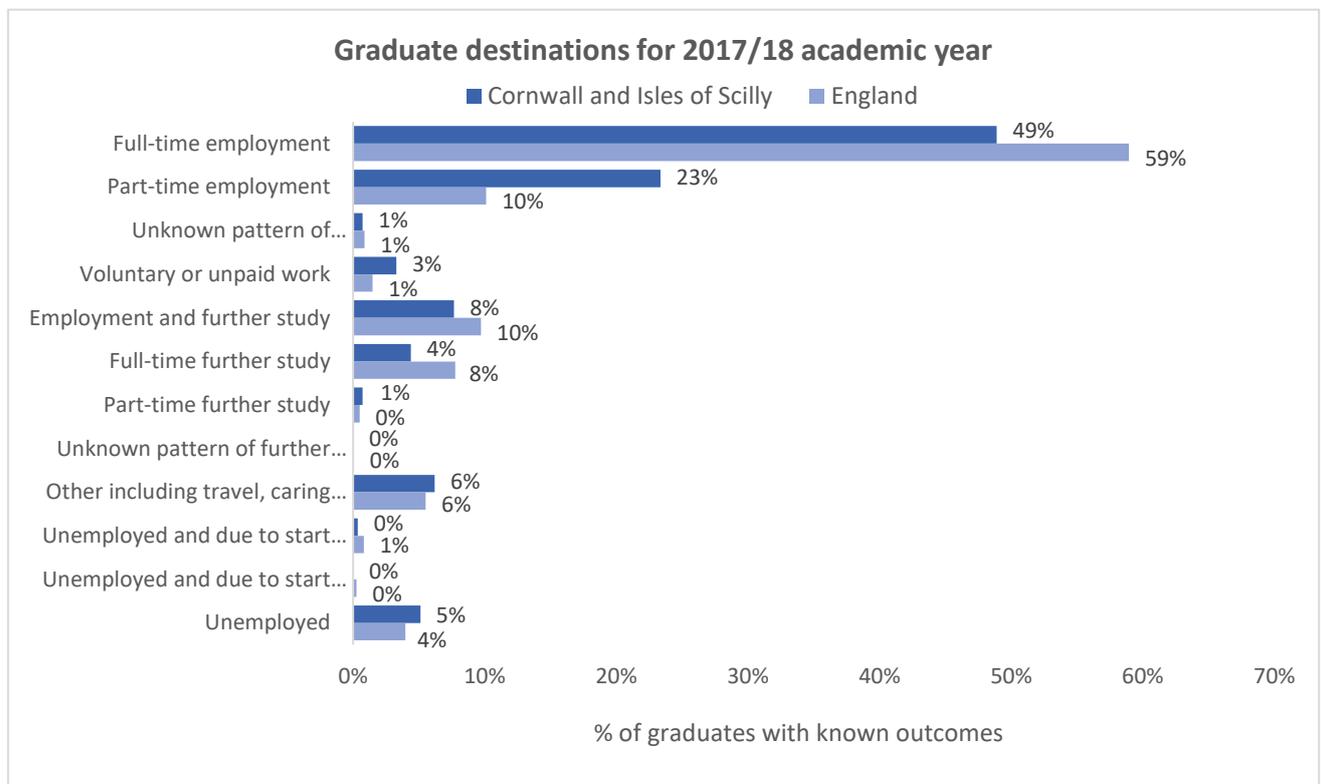
Source: *FE outcome based success measures, 2016/17 achievements, DfE, (published 2019), 2018 LEP/MCA boundaries*

2.9. Higher Education graduate activities

Please note the caveats around this data in paragraph 2.5.

The graduate profile of students within CloS from the 2017/18 academic year highlight some key differences from the national profile:

- 49% of HE graduates in CloS enter full-time employment, but this is much less than the 59% seen across England. However, more go into part-time employment, 23%, than seen in England, 10%.
- 13% of graduates from 2017/18 go onto further study, but this trails the English average, 18%.
- Unemployment for CloS for 2017/18 academic year is 5%, against the English average of 4%.



Source: HESA, 2017/18 graduates (published 2020), 2020 SAP boundaries

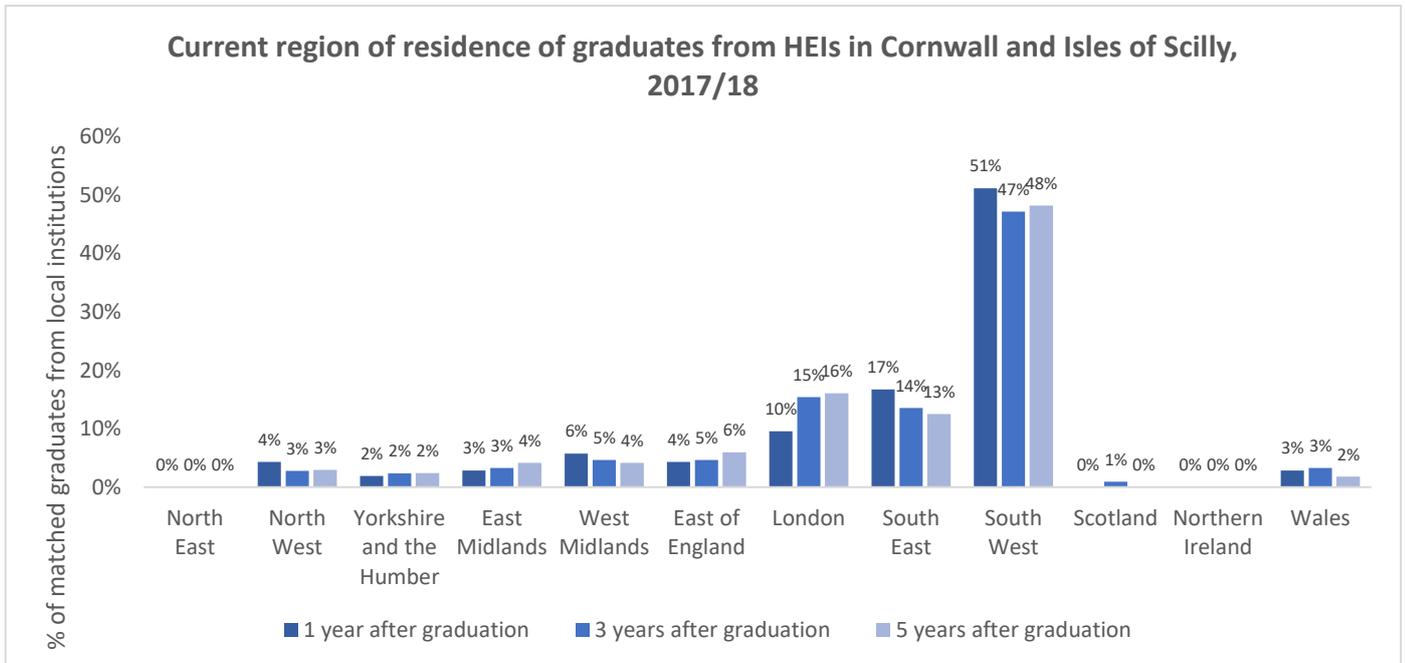
2.10. Graduate retention

HESA data on the activities of graduates 15 months after graduation shows that for the 2017/18 academic year, 83% of graduates from Cornwall HEIs (Falmouth University, Cornwall College and Truro & Penwith College) were in employment, compared to 81% for all UK HEIs. 5% went onto further study (8% nationally), 5% were unemployed, and 6% went onto other destinations, including travelling or caring for someone.

Data is also collected on which UK region graduates are located in, 1, 3 and 5 years after graduation. For Falmouth University, in 2017/18, after 1 year, 51% of graduates were living in the South West, which fell slightly to 47-48% after 3 and 5 years. This retention rate in the South West is nevertheless relatively positive. London and the South East are the most popular locations for

Falmouth University graduates, accounting for 26% of graduates after 1 year, rising to 29% after 3 and 5 years.

Anecdotal evidence suggests that CloS suffers from a ‘brain drain’ with many students who leave for Higher Education not returning. The Local Industrial Strategy ambitions to grow higher skilled employment in the LEP area seeks to provide new opportunities for graduate employment. Careers advice and information will be vital to increase awareness of the graduate level jobs available in the economy.



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

2.11. Employer provided training over the last 12 months

Headline data from the Employer Skills Survey 2019 for CloS shows that:

- The proportion of local employers who had trained their staff was 64% compared to 61% nationally. In CloS, this represents a rise compared with figures of 62% in 2017, although over a longer time period the level of training is down from 66% in 2013.
- Employers are training fewer staff and the proportion of staff trained over the last 12 months, at 60%, is down from 2013 (64%) and 2017 (63%).
- Local employers had provided 736,723 training days over the last 12 months, equivalent to 5.5 days per annum per person trained and 3.3 days per employee. Again, these figures were lower than in 2017, when 831,418 training days were reported, and trainees received an average of 6.2 days training.

See the LMA for more detailed analysis (Para 4.13). The main forms of training offered by employers in CloS could be identified as following:

- Technical/job-specific training, at 88%;
- Health and safety training, at 72%;
- Induction training, at 56%; and
- Training in new technology, at 46%.

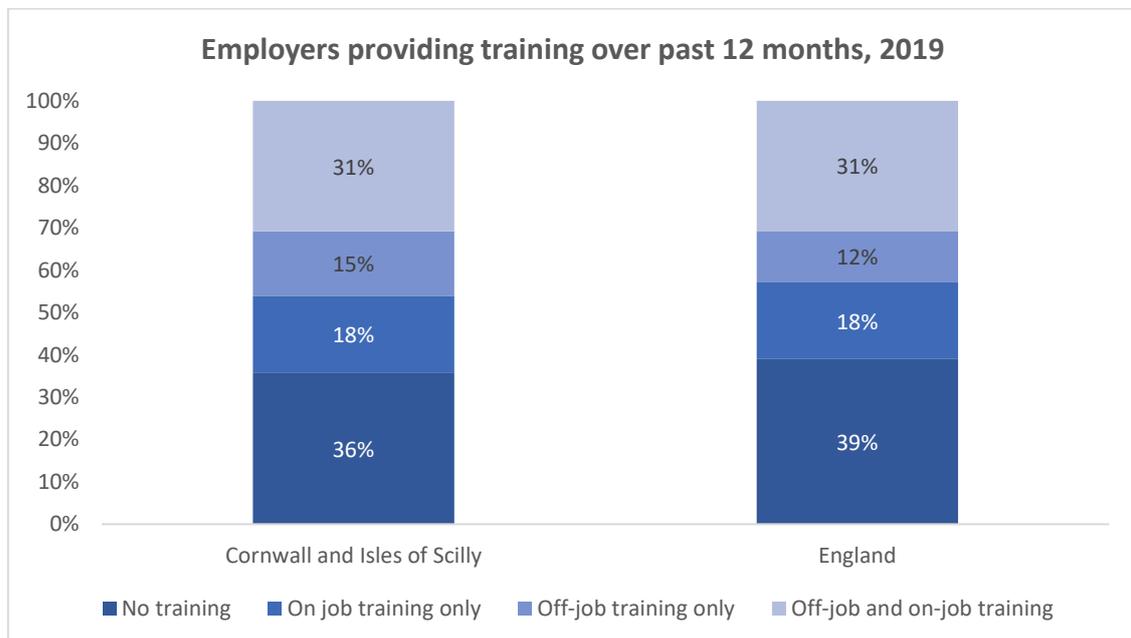
Managers and higher skills staff were most likely to benefit from training although the proportion of higher skilled staff trained in CloS (65%) is significantly lower than in England (72%). More positively, training is higher in CloS for Skilled trades staff.

Those who used external suppliers to provide training were asked who they used. It is interesting to note that whilst private training companies were most likely to be used (56% of employers used them), in CloS employers were significantly more likely to use local FE colleges (23%) than nationally (17%). Locally, these were the second highest providers of training, whereas in England the FE sector was ranked fourth. Overall, employers in CloS were the fifth highest user of FE of all LEPs.

Perhaps reflecting this, local employers were more likely to train their staff to a qualification (30%) than average (26%). At 30% this puts CloS amongst the highest performing LEPs in this regard. As a result, it is estimated that 24% of trainees (15% of all staff) have been trained to a qualification locally, well above the average of 18% of trainees and 11% of all staff. Over time this above average performance will contribute to narrowing the gap between CloS and England in terms of workforce qualifications, which has already narrowed considerably in recent years.

The main reasons for not training given by the 1 in 3 employers who did not provide training echoed the national data. The main reasons were that:

- Staff were thought to be fully proficient (71%) and did not need training;
- Their training had been undertaken elsewhere (12%); and
- There was no budget available for training (7%).



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

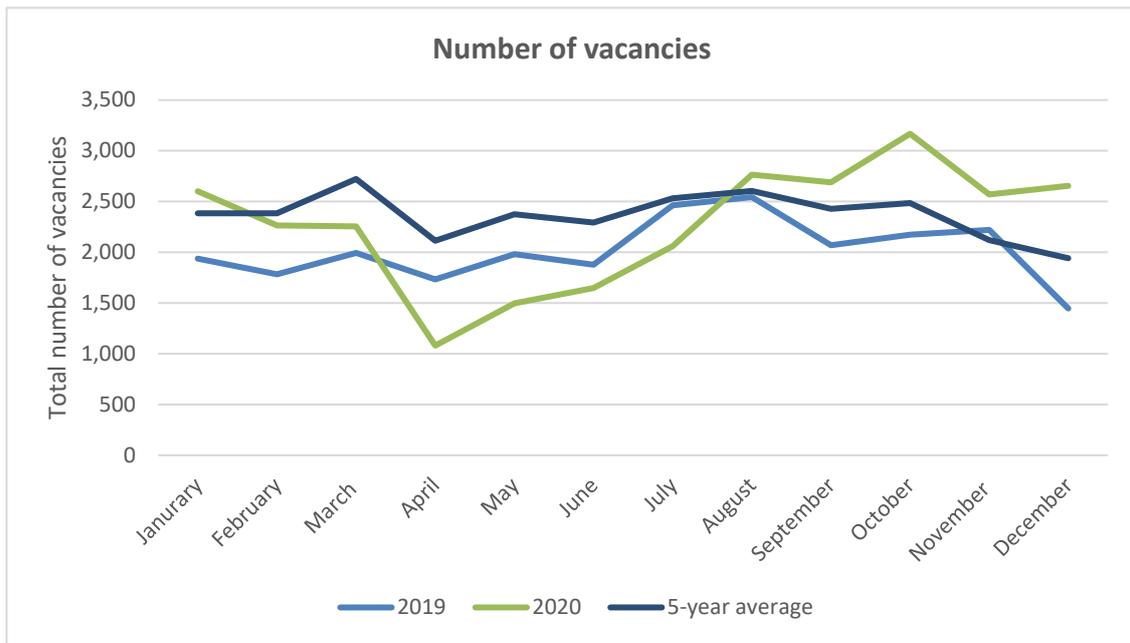
3. Skills Demand

3.1. Overview

- Prior to COVID-19, the Employers' Skills Survey 2019 showed that 15% of local employers had at least one vacancy and almost half of them (45%) were having difficulty filling that vacancy; this is in line with national data.
- Employment demand in the past 3 years has been bolstered by job growth in three sectors: Accommodation and Food Services; Health and Social Care; and onstruction. Occupational growth has been notable in caring, leisure and other service occupations, and higher-skilled occupations.
- Forecasts to 2027 show that much of the growth in demand will be driven by the health sector.
- Skills which employers anticipate need developing as recorded in the Employers Skills Survey 2019 include a need for specialist skills or knowledge, (46%); adapting to new equipment or materials, (46%); knowledge of products and services (45%); and solving complex problems (34%).
- The impact of COVID-19 will accelerate the urgency of the skills challenge. For example, the pandemic has accelerated personal development in digital skills, with as many as 78% of people nationally agreeing that that the pandemic increased their need for digital skills, the same study also recognised that 52% of the UK workforce were not yet fully digitally equipped.
- Many workers face uncertain job prospects, particularly those where skill levels are low in sectors such as hospitality and retail. Upskilling and reskilling will be essential to enable workers to move into other sectors, but a lack of basic skills can make it more difficult for them to access learning programmes and apprenticeships.

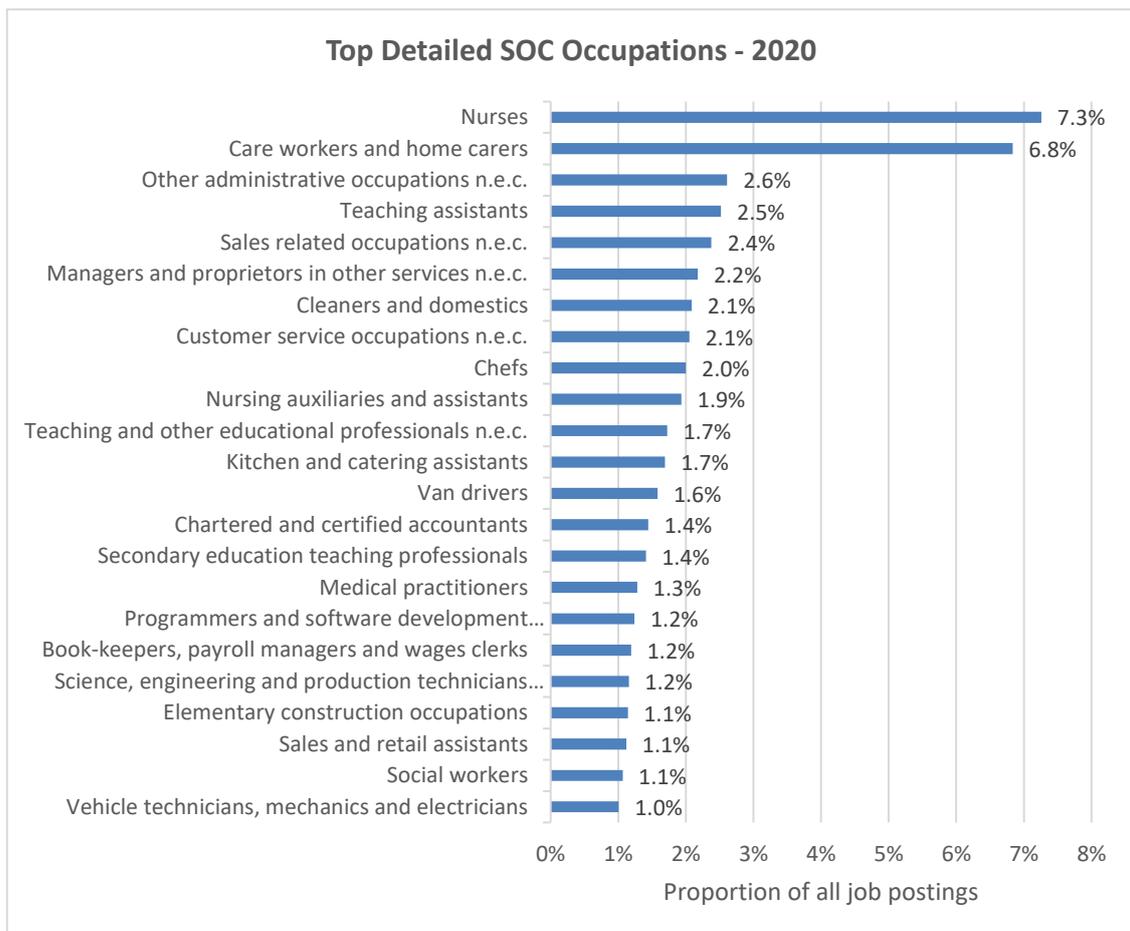
3.2. Online Vacancies

As of December 2020, there were 2,654 vacancies in CloS, up 83.4% from 1,447 in December 2019. In 2020, there were an average of 2,271 vacancies across the CloS, up from 2,019 in 2019, but down from the 5-year average of 2,366. Following the impact of COVID-19 restrictions, 2020 was a year of greater volatility on a month-by-month basis in terms of vacancy postings, as evidenced within the chart below. The lowest vacancy month was April, when there were 1,081 vacancies, down from 2,264 the previous month. The month with the most vacancies was October, with 3,168; at the same time in 2019, there were 2,173 vacancies.



Source: January 2016 to December 2020 Vacancy Data for Cornwall and the Isles of Scilly, Burning Glass

Nursing was the top occupation group in 2020, accounting for 7.3% of vacancies. A further 6.8% of vacancies were related to other administrative occupations. The top 23 occupations, those with a vacancy share of 1.0% and above, accounted for 48.9% of all vacancies in 2020; there was 200 listed occupations in this time.



Source: 2020 Vacancy Data for Cornwall and the Isles of Scilly, Burning Glass (Occupations representing 1%< of all job postings)

Prior to COVID-19, the Employers' Skills Survey 2019 shows that 15% of local employers had at least one vacancy. 45% were having difficulty filling that vacancy, this is in line with national data. Reasons for difficulties revolved around the quality of applicants, cited by 49%, and not enough interest in type of work, such as uncompetitive pay or unsocial hours, cited by 43%. Recruitment was particularly challenging in Skilled trades and Machine Operatives, which represented 33% and 20% of total vacancies during the period covered by the survey. Lack of basic skills, such as numeracy and literacy, affected 52% of local employers. 25% of the skills gap was related to the introduction of new technology.

3.3. Highest and lowest sectors by forecast growth

The trend of growth and decline across industry sectors is a significant indicator of current and future and skills demand. Between the years of 2015 and 2018, Accommodation and Food Services, with 7,000 net change in employment, added the most by way of employment. This was followed by Health, with 3,000, and Construction, with 2,000. Meanwhile, Education, with a net loss of 2,000 employed, had the largest decline in employment level. (See 3.2 of the LMA)

Going forward, sectoral growth has been impacted by COVID-19, however prior to 2020, Arts and entertainment was estimated to have the highest growth potential, followed by support services, health and social work, professional services, and then other services. In contrast, food, drink and tobacco had the most pessimistic outlook on growth, followed by engineering, public administration and defence, rest of manufacturing, and then transport and storage.

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) Food, drink and tobacco
2) Support services	2) Engineering
3) Health and social work	3) Public admin and defence
4) Professional services	4) Rest of manufacturing
5) Other services	5) Transport and storage

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

The impact of COVID-19 on sectors has been asymmetrical; some sectors have not seen much impact from lockdowns, some have even expanded, such as financial services, whilst others, in particular arts and entertainment, have been stifled and may, in future, have significantly revised growth forecasts. Hence, the above data should be treated with caution. The '10 Opportunities'¹⁵ and Local Industrial Strategy still remain the LEP's vision on how CloS will expand and meet its long-term economic goals.

¹⁵ <https://www.cioslep.com/vision/10-opportunities>

3.4. Highest and lowest occupations by forecast growth

The main sources of occupational growth and skills demand are driven by the need for higher skilled professional occupations and “service-intensive” occupations. Whilst customer service occupations have the highest growth forecast, secretarial and related occupations have the lowest growth outlook as digital technology replaces much of the work previously done by these occupations. As can be seen, many of the growth occupations relate to the health sector and the demand for services driven by the ageing population.

Please note these forecasts were produced prior to COVID-19 and the pandemic has had greater impact on CloS than the South West region and the rest of England, due to both the structural blend of CloS, as previously mentioned, and the lower representation of sectors locally that have been particularly resilient during COVID-19 (those that have continued by remote working).

Occupations with highest forecast growth (2017-2027)	Occupations with lowest forecast growth (2017-2027)
1) Customer service occupations	1) Secretarial and related occupations
2) Caring personal service occupations	2) Process, plant and machine operatives
3) Health and social care associate professionals	3) Textiles, printing and other skilled trades
4) Health professionals	4) Skilled metal, electrical and electronic trades
5) Corporate managers and directors	5) Administrative occupations

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

Employment statistics are volatile at local level. In order to gain a clear picture of the more detailed pattern of change in occupational employment over time, figures presented in 3.3 of the LMA have been averaged for a pair of three-year periods: 2009-2012 and the most recent period 2017 -2020. Key points to note are:

- A strong rise in demand for Caring, leisure and other service occupations where demand has risen by 23,900 (34.3%) and Sales and customer service – up by 39.6% or 18,800 jobs.
- An increase of 25% in higher skilled Professional occupations, accompanied by a rise in Managerial and Associate and technical positions. Between them, these 3 occupational groups account for 43% of the net growth.
- Only three occupational groups have declined: Process, plant and machine operatives; Administration and secretarial and Skilled trades.

The changes seen in the occupational growth is being driven by:

- Technological change and automation;
- Changing organisational structures and modes of working;
- The ageing and changing workforce
-

While all occupations will see jobs contract in 2020, as predicted by an Oxford Economics study commissioned by South West Councils, lesser-skilled occupations will be hit hardest: the bottom three occupational groups (sales & customer services, process, plant & machine operatives, and elementary occupations) will account for 42% of all job losses in 2020. Alongside skilled trades, a loss of jobs in the latter two groups largely arises due to the sharp contraction in manufacturing employment, while a fall in sales & customer services can be largely attributed to a loss of employment in hospitality. Similarly, a fall in managers, directors & senior officials—who are typically employed across the economy—reflects the downturn in activity across most sectors in 2020.

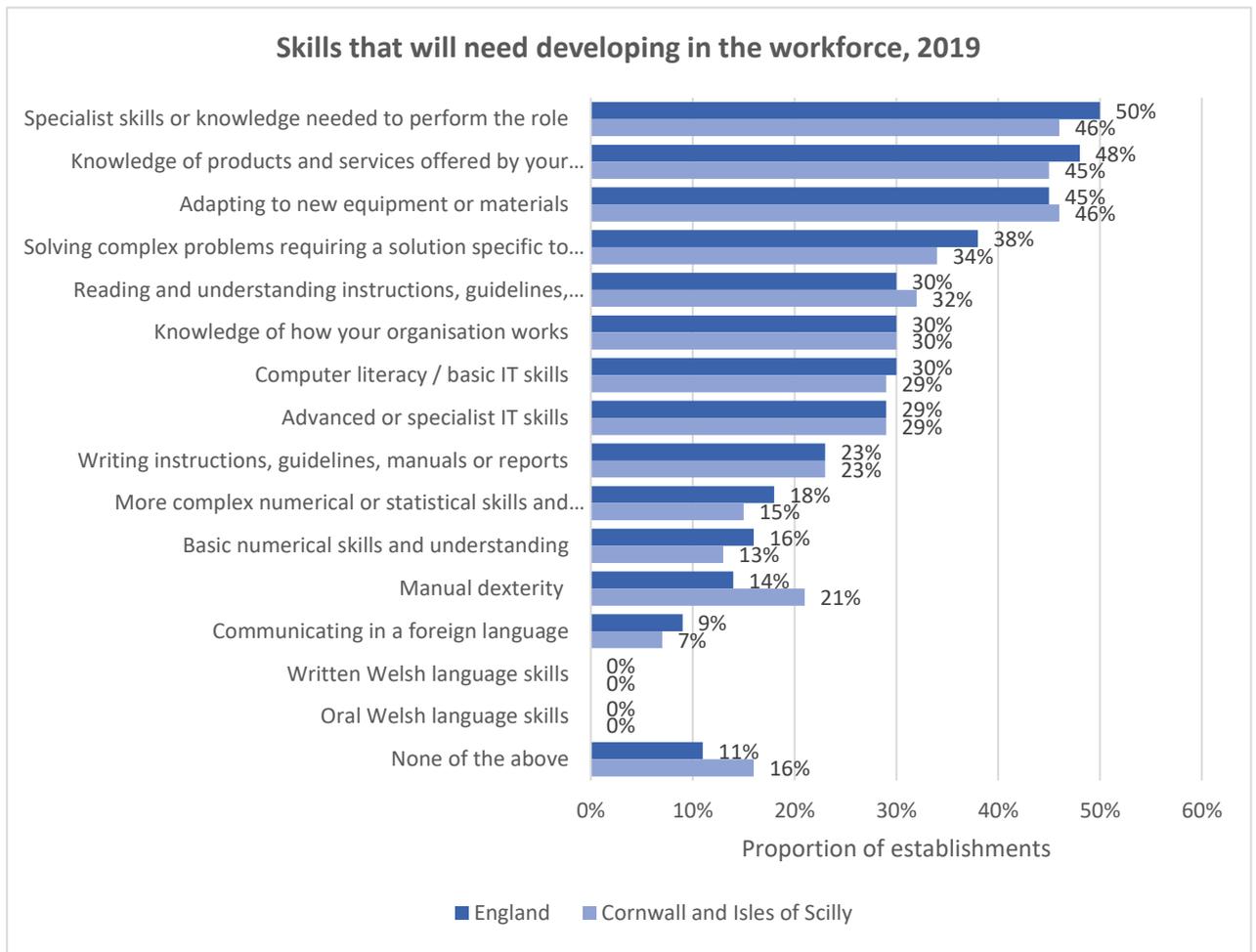
In contrast, the job recovery will be mostly led by higher-skilled occupations. Over the period to 2025, 59% of additional employment (2,700 workers) will be in the managerial, professional or associate occupations—reflective of the growth in business services and human health & social work, which typically support higher-skilled occupations. The increase in caring, leisure & other services (1,700 workers) is also a reflection of growth in human health & social work in particular.

3.5. Skills that need developing

The anticipation of skills in need of development by employers across CloS as recorded in the Employers Skills Survey 2019 highlights the most common skills in need of development as:

- Specialist skills or knowledge needed to perform the role, at 46% in CloS;
- Adapting to new equipment or materials, at 46% in CloS;
- Knowledge of products and services offered by your organisation and organisations like yours, at 45% in CloS; and
- Solving complex problems requiring a solution specific to the situation, at 34%.

Nationally, the anticipation of skills in need of development from enterprises in 2019 is similar, but, on the whole, enterprises within CloS anticipate a smaller skills gap than seen across England as a whole. The exception to this, manual dexterity, being cited 21% in CloS against 14% nationally, may be explained through industrial mix differentiation



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

As shown above, digital skills are needed more than ever. In 2016, the ONS estimated that within the next 10 to 20 years, 90% of jobs will require some sort of digital skills.

Research by Lloyds Bank, 'The UK Consumer Digital Index 2020' shows that the levels of digital exclusion are high:

- 52% of the UK workforce are not yet fully digitally enabled (c.17.1 million people)
- c.2.7 million (5%) people can access the Internet but lack the ability to use it to its full advantage; in total, an estimated 11.7 million (22%) people in the UK are without the skills needed for everyday life.
- If these rates continue and trends remain the same, by 2030 1 in 4 of the UK will still have a very low level of digital engagement.

Data for the 2020 Index was collected prior to the COVID-19 pandemic and the lockdown measures that followed. However, Lloyds undertook specific research to investigate the impact of the virus on consumers' digital behaviours and attitudes. The research found that:

- 78% of people agree that the COVID-19 pandemic increased their need for digital skills, and 80% agree that using technology has been a vital support to them
- Just over half of people surveyed (51%) believe the need for digital skills in their home/work life due to the lockdown has been more necessary)
- 31% have improved their digital skills solely for work-related reasons

- Well over half of people (57%) agreed they will continue to boost their digital skills after the COVID-19 pandemic, but with only 32% saying they feel more confident about their digital skills, the survey indicated that 'support must be ongoing throughout and beyond this crisis.'

4. Mapping Skills Supply and Demand

4.1. Overview

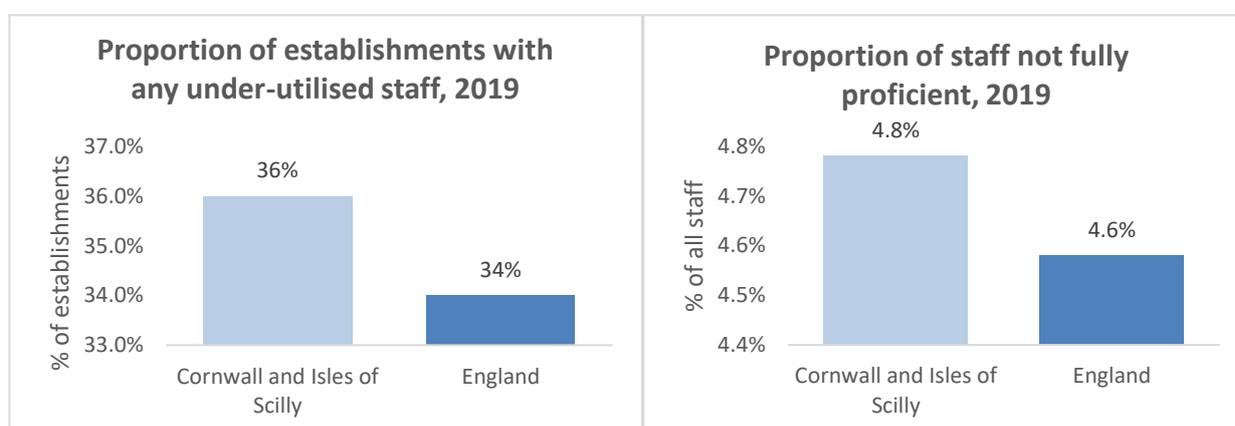
- Skills issues prevail within the existing workforce, 15% of local employers have staff who are not fully proficient.
- Just over a third of employers say that they have workers whose skills/qualifications are in advance of those needed for the job, a figure broadly in line with the national average.
- CloS has skills mismatches: The Employers Skill Survey 2019 undertaken before the pandemic showed that:
 - 4 in 10 employers have had difficulty filling their vacancies in the past 12 months
 - Employers were less likely (20%) than average (25%) to attribute their difficulties to skills shortage, with more difficulties associated with unsocial hours, remote location and seasonal work than in England.
 - Jobs most difficult to recruit were skilled trades and machine operative positions.

4.2. Staff proficiency

According to the Employers Skills Survey 2019, most employers (85%) considered all of their staff to be fully proficient at their job. Of the 15% who identified skills gaps these were most likely to affect Elementary and Sales occupations. 25% of those with skills gaps reported that they related to the introduction of new technology. The overall proportion of staff said to not be proficient amounted to 4.8% of the total workforce, this is slightly higher than the 4.6% rate seen across England, suggesting that the skills gap is marginally higher, on average, in CloS than England.

Across CloS, 36% of establishments, in 2019, reported some degree of staff under-utilisation, slightly above the average seen across England in this time was 34%. This can be a simple supply and demand suggests issue, where workers are trained in employment not available within the local area. It can also be as a result of individuals choosing to live in CloS for personal lifestyle reasons, not employment reasons, which may result in down-skilling of workers who relocate to an economy less equipped in high-skilled jobs. Alternatively, it suggests that local employers themselves may not have the managerial skills to maximise the efficiency of their staff.

COVID-19 has further highlighted the weakness of skills supply in CIOS. The employment base has a number of structural demand-side weaknesses. For example, it has few high skilled jobs and a predominance of low paid low skilled jobs. Addressing this issue means raising the demand for skills by shifting the local business base to one that is founded on higher value market strategies as proposed in the LEP's local industrial strategy.



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

4.3. Hard-to-fill and skills shortage vacancies

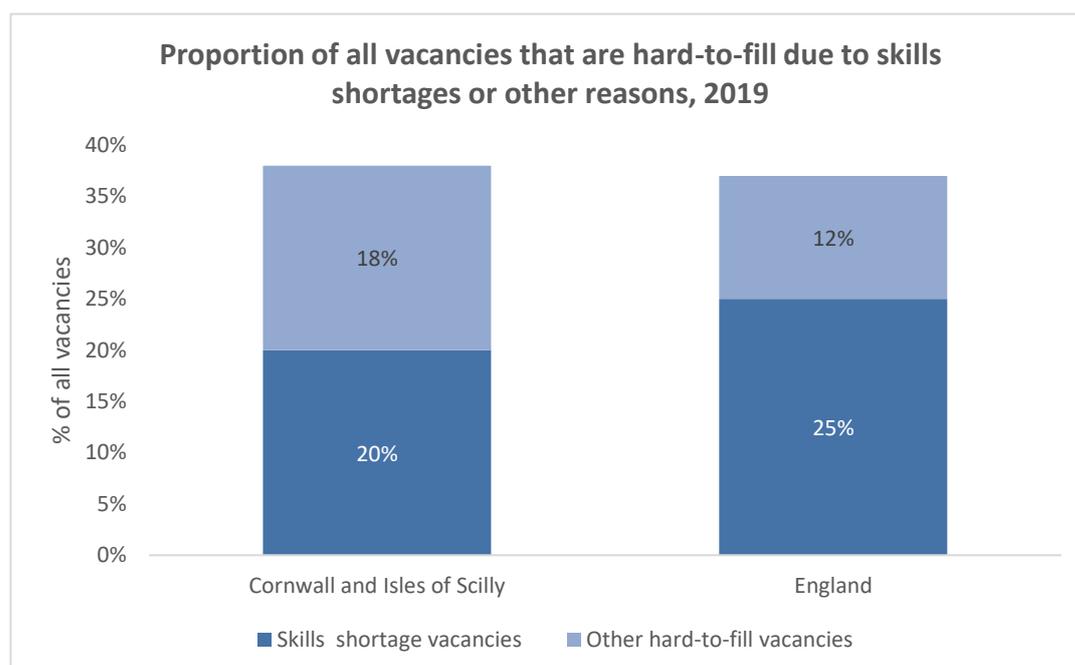
The most recent local data on recruitment is available from the Employers' Skills Survey 2019 which provides an indication of the extent to which the skills and qualifications of the workforce meet employers' needs. At the time of the survey, before the pandemic, labour market conditions were very different from today and it is very unlikely that recruitment difficulties will be at the same level for some time. Nevertheless, the series of surveys undertaken every two years paint a fairly consistent picture which gives an indication of the structural issues the local economy faces.

Headline findings show: the profile of hard-to-fill vacancies is largely similar across CloS and the rest of England, with 38% reported as such in CloS and 37% across England as a whole, as of 2019.

As reported by enterprises, one in five vacancies in CloS was difficult to fill due to skills shortages. This was smaller than seen across England as a whole, where 25%, or one in four, vacancies were stated to be difficult to fill due to a lack of skills. Enterprises within CloS estimated that 18% of the remaining hard-to-fill vacancies were reported as hard-to-fill for other reasons, which is comparatively higher than the 12% reported across England as a whole and largely reflects its remote and rural location.

The occupations most difficult to recruit locally because of skills shortages were Skilled Trades (25% of total) – a group which includes chefs, electrical and electronic trades, vehicle trades) and Machine operatives (25%). The difficulty in recruiting Skilled Trade workers has persisted through time with the survey in 2017 also showing this to be the hardest occupational group to recruit. As might be expected from the composition of the local economy 33% of the difficulties could be ascribed to labour intensive roles compared with 19% in England. Conversely, employers in CloS had far fewer difficulties recruiting 'highly skilled' people (21% compared with 35% in England).

Accessibility of jobs remains an issue for the area. This is reflected in the role of physical access as a cause of hard-to-fill vacancies. In the LEP area, 13% of hard-to-fill vacancies are due to remote location and/or poor public transport links, somewhat higher than the national average of 10%.



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