

# Agenda Item 10



Policy and Scrutiny

## Open Report on behalf of Andy Gutherson, Executive Director - Place

Report to:	<b>Environment and Economy Scrutiny Committee</b>
Date:	<b>10 September 2019</b>
Subject:	<b>Analysis of the Local Labour Market</b>

### **Summary:**

Local Enterprise Partnerships across England have been asked by the Department for Education (DfE) to generate a high quality analysis of the local labour market. The Greater Lincolnshire LEP's Employment and Skills Board has commissioned this analysis and the first initial findings are included within this committee paper. Lincolnshire has a well-established understanding of its local labour market so there should not be any big surprises in the new analysis. However it will help central Government shape new initiatives and understand where local interventions are needed most.

### **Actions Required:**

The Environment and Economy Scrutiny Committee is requested to consider and comment on the analysis that is currently underway and comment on the initial results.

### **1. Background**

At the start of the year all 38 Local Enterprise Partnerships (LEP) across England were invited by the Department for Education (DfE) to form local advisory groups to help understand local skills challenges.

The Department for Education has given these groups specific responsibilities (see: <https://www.gov.uk/government/publications/skills-advisory-panels-saps-role-and-governance> ). In some areas, like ours, these groups already exist and are called Employment and Skills Boards (ESB) so they will carry out the responsibilities.

The first task, to produce a high quality labour market analysis, must be completed by October 2019 and this work is underway. The Employment and Skills Board met on 20 August to review a first draft.

## **2. What is the data telling us?**

- a. The proportion of residents with higher level qualifications is growing but not as fast as the national average.
- b. Around 207,000 job vacancies are predicted between 2014-2024, most of them because people retire/leave work.
- c. Lincolnshire might struggle to fill these predicted future job vacancies because there are not enough school leavers to fill them and we have an ageing population.
- d. Around 29% of current advertised job vacancies are described by employers as hard to fill, lower than the England average of 33%.
- e. Of the current hard to fill vacancies the largest proportion is described as a skills shortage; Lincolnshire 21% and England 22%.
- f. Wages rates are approximately 14% lower than the national average however this fact hides a very complex picture, and in the last year (2017-18) wages in Greater Lincolnshire have grown more quickly than nationally. (NB it is important to recognise the lower cost of living in Lincolnshire alongside discussion about wages).
- g. There are 140,000 residents of working age who choose not to work, cannot work or are not seeking work. Over a quarter say they would like a job.

Hard to fill vacancies are reported by around 5% of employers across Greater Lincolnshire. More employers in the transport and storage sector report hard to fill vacancies, but they are reported fairly evenly across most sectors. The occupations that were more likely to be cited as hard to fill are 'skilled trade occupations', 'sales and customer service staff', and 'Caring, leisure and other services staff'.

- 'Skilled trade occupations' include roles such as farmers, electricians, machine setters, plasterers, motor mechanics, butchers and chefs.
- 'Sales and customer service staff' include call centre agents, telesales, retail cashiers, and customer care operations.
- 'Caring, leisure and other service staff' cover positions such as care assistants, nursery nurses and dental nurses.

Local research also shows that skills gaps in the workforce are across all types of roles: front line staff, supervisor level, leadership and technical/professional.

### **3. Next Steps**

The Council and the LEP are already delivering activity to train the existing workforce to reduce skills gaps, to prepare the future workforce to think about local jobs and to help people lead fuller working lives.

For example, the Learning Team at LCC provides training to adults to help them find work or progress in work; the Growth Hub, Business Lincolnshire, is hosting a HR Conference to support employers, the LEP has commissioned a number of EU funded skills programmes to help the workforce of Lincolnshire businesses re-train; and the LEP and LCC are working together to ensure that secondary schools in Lincolnshire have access to support that helps them improve careers advice to young people.

Once this new analysis is complete and approved by DfE it can be used to inform how we develop more activity. It will be used to inform the people section of the local industrial strategy; to guide how adult education funds are spent and to shape new national policies.

### **3. Consultation**

#### **a) Have Risks and Impact Analysis been carried out?**

No

#### **b) Risks and Impact Analysis**

N/A

### **4. Background Papers**

This report was written by Clare Hughes, who can be contacted on 01522 550545 or [Clare.hughes@lincolnshire.gov.uk](mailto:Clare.hughes@lincolnshire.gov.uk).

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