# Skills and Employment

11.00 **Introductory Presentation** – Kathy Slack, Enterprise M3

**Round table discussions** (50 minutes)
(Professor Elizabeth Stuart, Tim Jackson, Major Jodie Kennedy-Smith)

**Q1 - Having heard the presentation what are the key issues for you?**
**Q2 – Taking into account the data and your experience of what works, where could your organisation, and the Hampshire Partnership, have a role?**
**Q3 – Which, for you, would be the priority areas to focus on initially?**

**Plenary** - feedback from each table & next steps

12.30 **Close**

# Skills and Employment in Hampshire

Kathy Slack

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# Enterprise M3

- Large economy - £42.7bn in 2012 (5th largest LEP economy in England)
- 3rd highest LEP GVA per capita in England – cc £26,000 in 2012
- Large business base - 90,000 local businesses (local units), 22% of the South East, 78,400 enterprises
- Concentration of advanced manufacturing and service activities:
  - Computing, digital media, professional services, aerospace & defence, pharmaceuticals, advanced engineering
- Strong labour market outcomes:
  - 760,000 employees in employment (workplace); 830,000 residents in employment (77.5% vs 72.1% UK)
  - Above average self-employment rate (11.4% in EM3 vs 9.9% GB and 11% S.E.)

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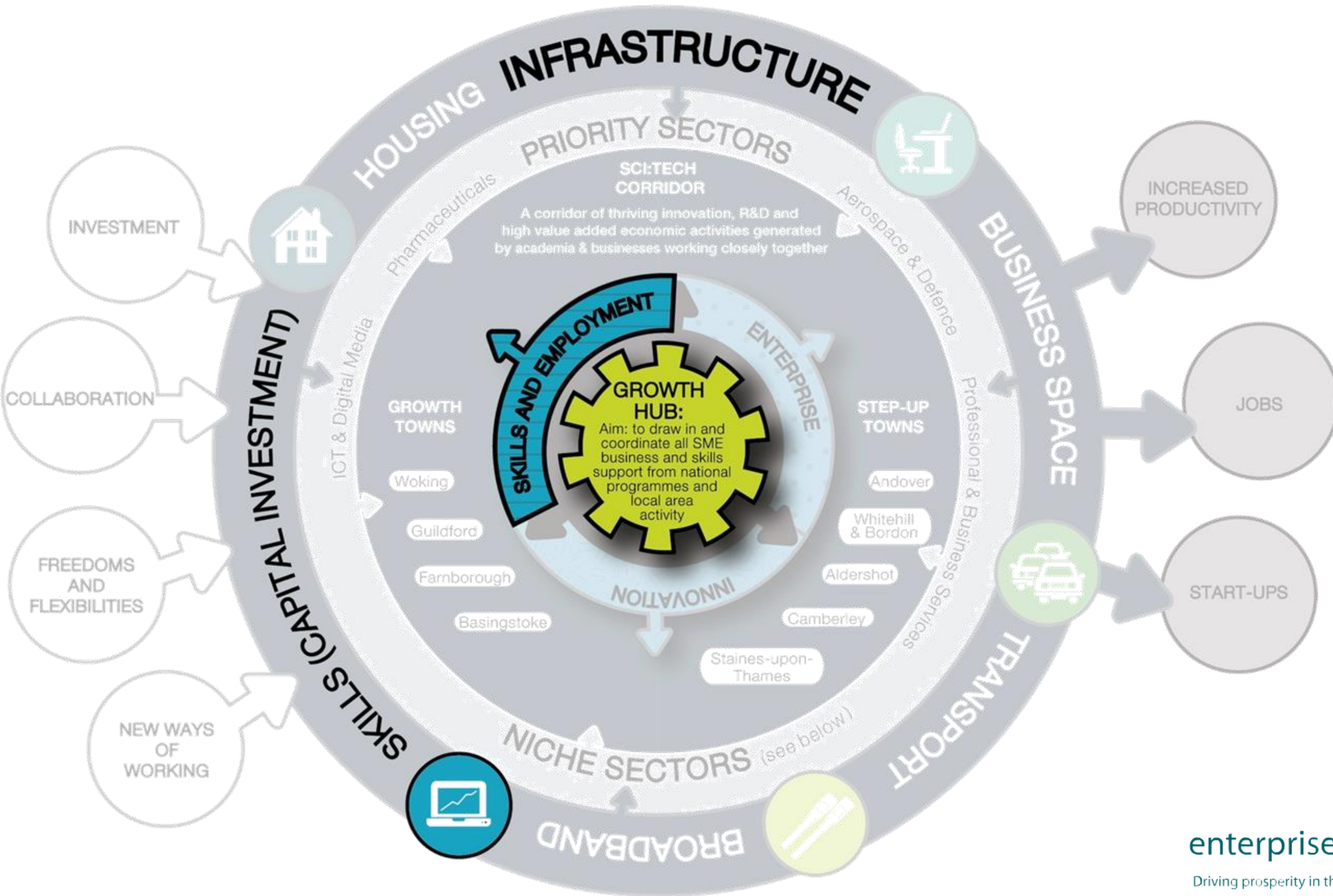
# Solent

- Large economy - £31.9bn in 2012 (10th largest LEP economy in England)
- 14th highest LEP GVA per capita in England – cc £20,500 in 2012.
- Large business base – 64,500 local businesses (local units), 16% of the South East, 53,500 enterprises
- Concentration of advanced sectors:
  - Advanced manufacturing & marine, transport & logistics, low carbon, visitor economy, defence, insurance
- Relatively strong labour market outcomes:
  - 662,500 employees in employment (workplace); 770,500 residents in employment (75% vs 72.1% UK)
  - Above the national average self-employment rate (10.3% in Solent vs 9.9% GB) but marginally below S.E. average (11% S.E.)

# Skills and our integrated approach to growth

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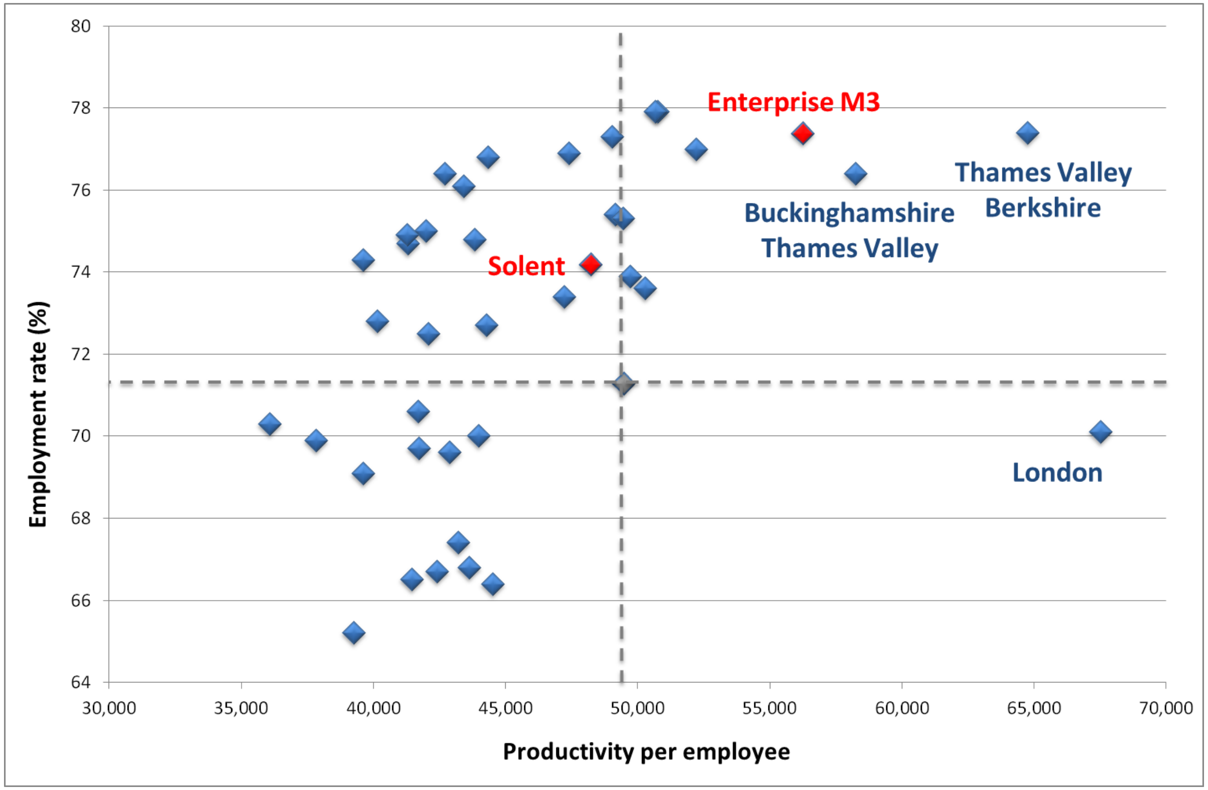
# Drivers of Economic Growth




- Economic growth depends on two factors – how many people are working and how productive they are
- Above average employment rate in EM3 and Solent
- Productivity marginally lags UK average (Solent); EM3 highly productive but only in the UK context

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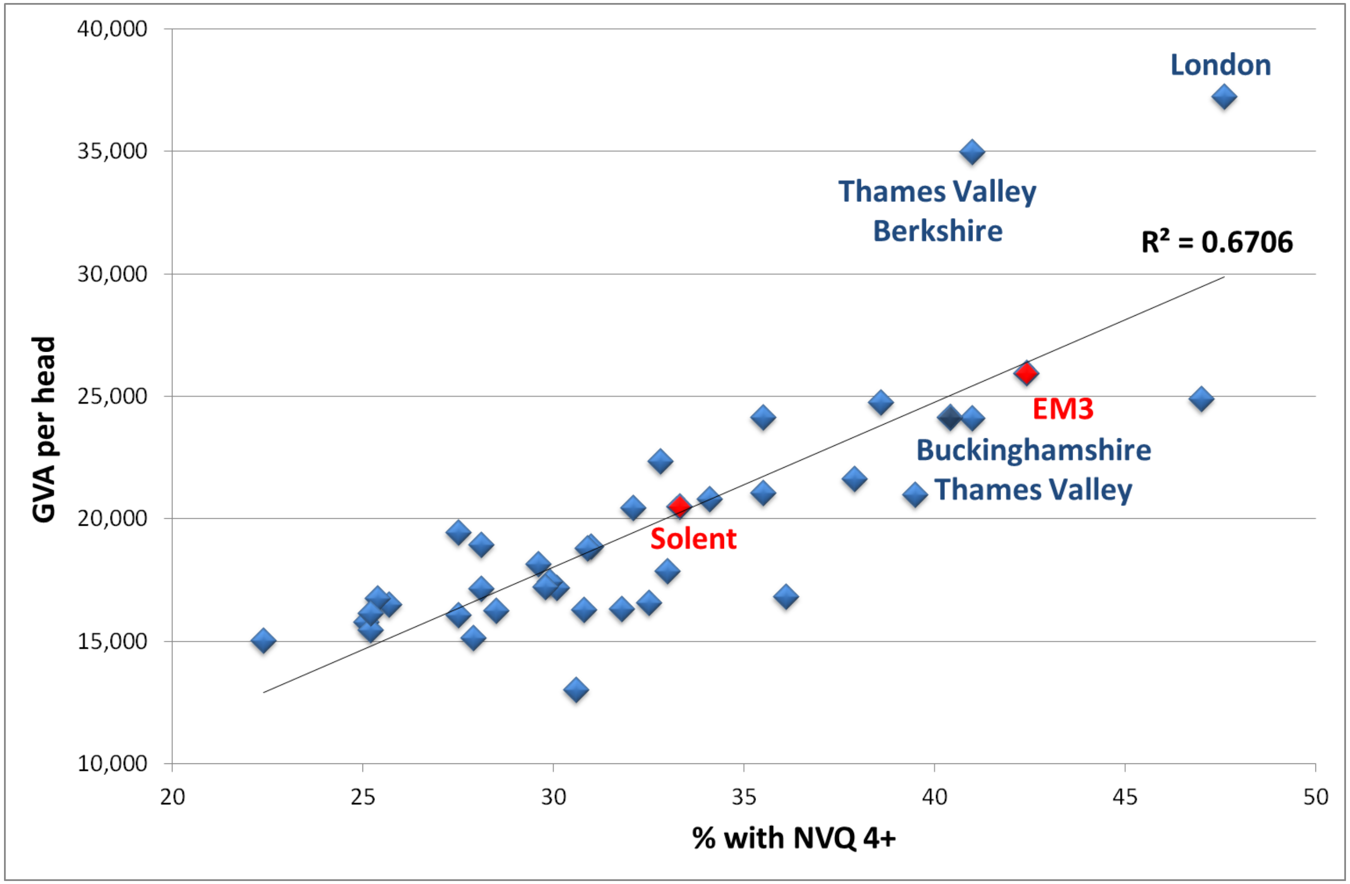
# Employment and productivity

- Employment rate – approaching 80% in Enterprise M3, not far behind in Solent
- Ageing population to impact on growth and limit the growth in the employment rate (hard to increase above 80%)
- Competitiveness and long-term growth depend on productivity growth
- UK losing ground against other G7 economies since 2007 – to remain competitive and prosperous need to boost productivity growth
- Drivers of productivity growth:
    - Investment
    - Innovation
    - Enterprise
    - Competition
    - **Skills** – the quantity and quality of labour of different types available in an economy

# Strong link between skills and economic prosperity




- Strong positive link between skills and economic prosperity, …higher skill levels are associated with better labour market outcomes and higher GVA per head
- Skills complement physical capital, and are needed to take advantage of investment in new technologies and organisational structures.

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# Labour Shortages

**(Persistent skill shortages and hard to fill vacancies)**

**A. Skills shortage vacancies by occupation**

| | LEPs | EM3 | Solent |
|---|---|---|---|
| Managers | 6% | 3% | 6% |
| Professionals | 18% | 15% | 23% |
| Associate professional | 21% | 25% | 18% |
| Administrative/clerical | 9% | 4% | 5% |
| Skilled trades | 18% | 21% | 12% |
| Caring, leisure | 14% | 14% | 11% |
| Sales and customer se | 9% | 9% | 10% |
| Machine operatives | 5% | 7% | 10% |
| Elementary staff | 9% | 10% | 14% |

**B. Hard to fill vacancies by occupation**

| | LEPs | EM3 | Solent |
|---|---|---|---|
| Managers | 6% | 3% | 5% |
| Professionals | 17% | 13% | 20% |
| Associate professionals | 19% | 22% | 19% |
| Administrative/clerical | 9% | 6% | 5% |
| Skilled trades | 17% | 21% | 12% |
| Caring, leisure | 15% | 15% | 13% |
| Sales and customer serv. | 9% | 8% | 10% |
| Machine operatives | 5% | 10% | 9% |
| Elementary staff | 12% | 11% | 15% |

- Sluggish supply and ‘brain drain’ to other areas
- Relative to the LEP average:
  - Enterprise M3: Associate professional and skills trades (shortage) and associate professional, skills trades and machine operatives (hard-to-fill)
  - Solent: Professionals, machine operatives and elementary staff (shortage) and professionals and machine operatives (hard-to-fill)

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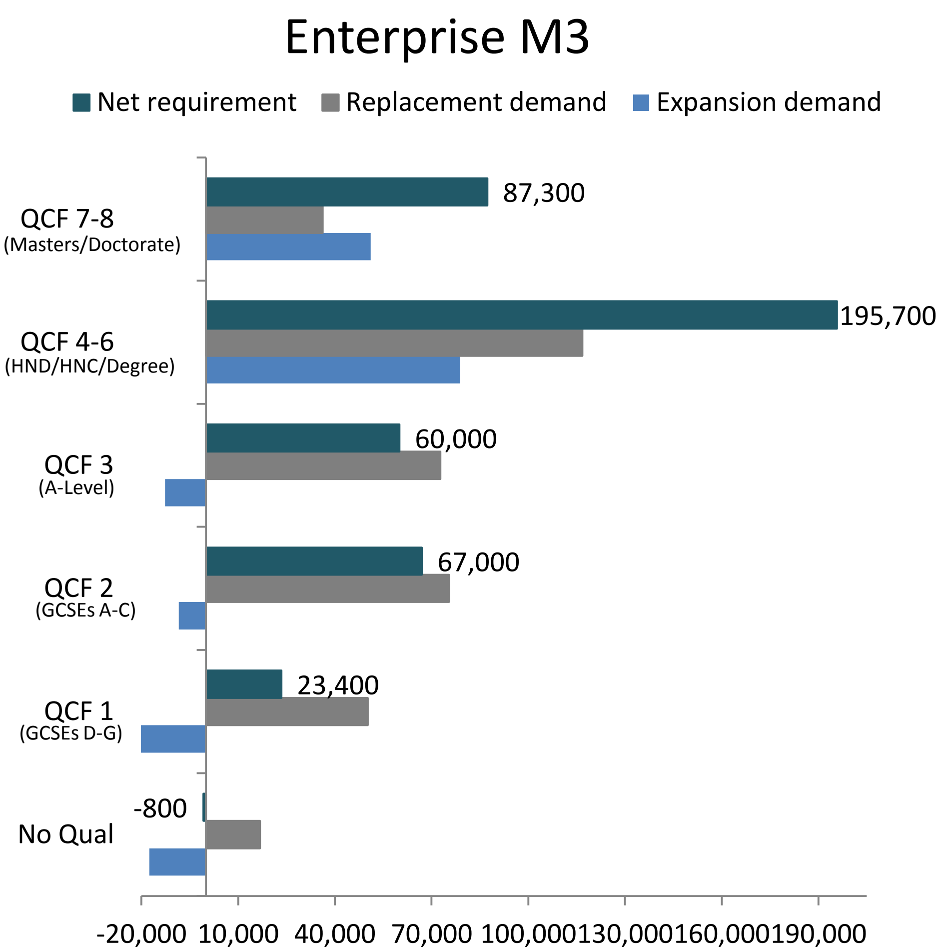
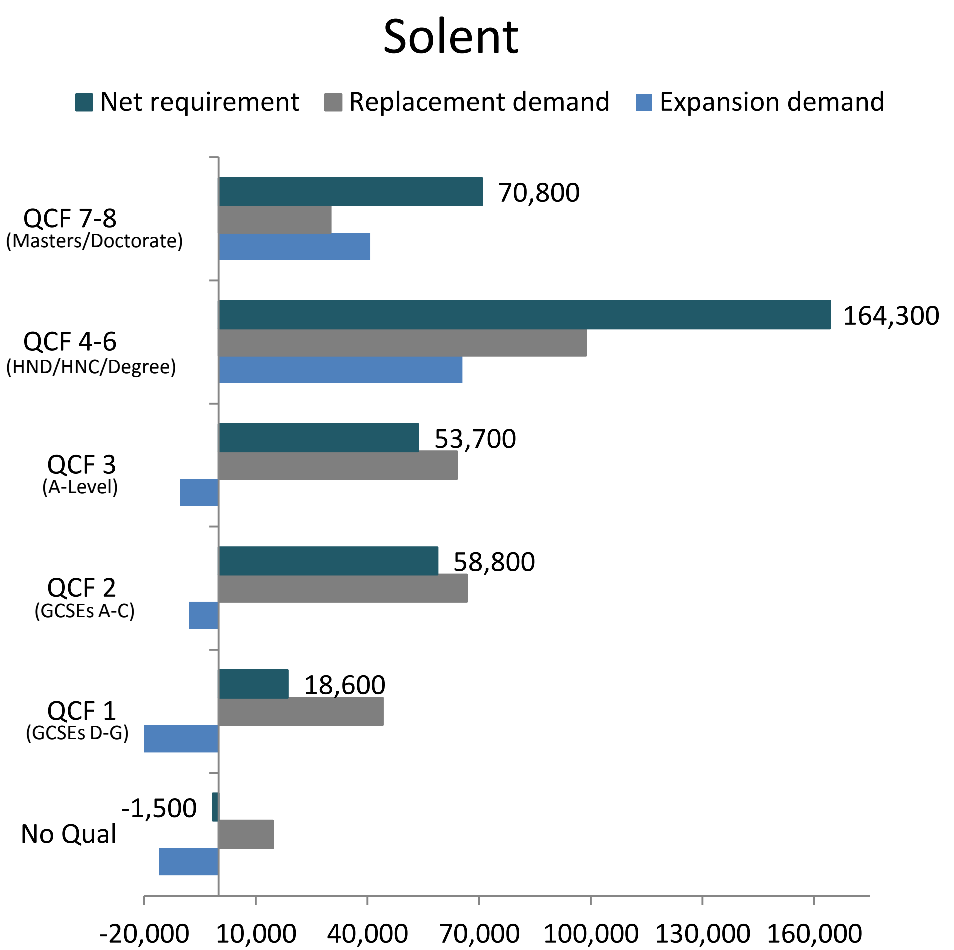
# Employment demand by qualifications 2012-22

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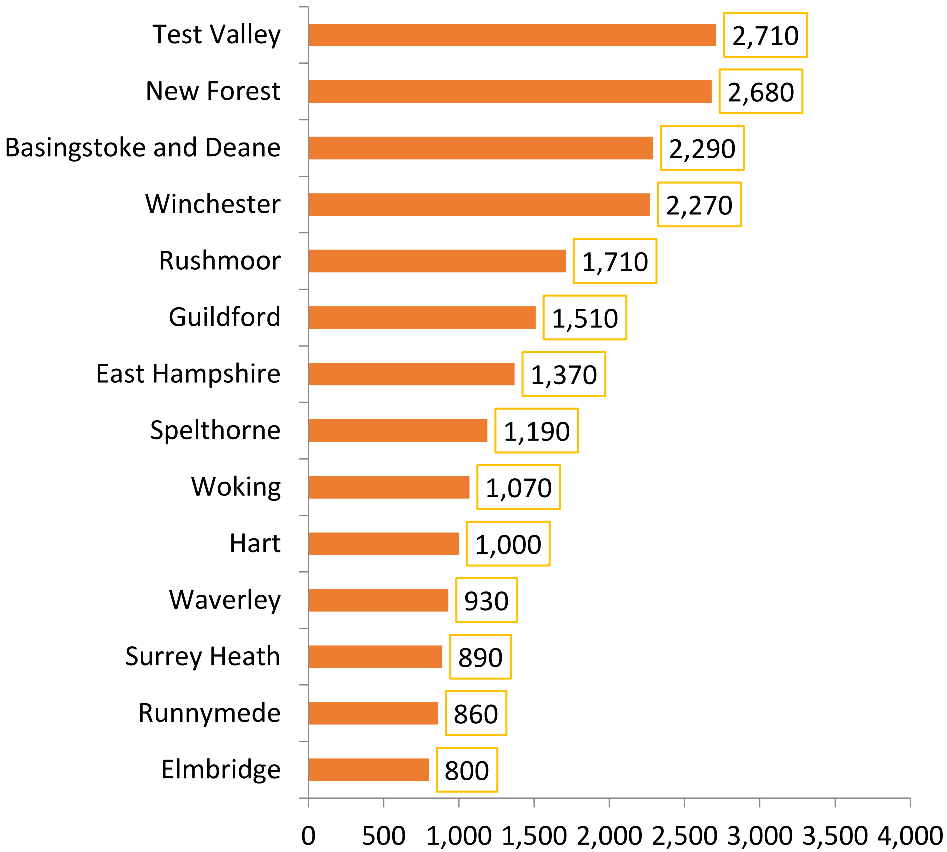
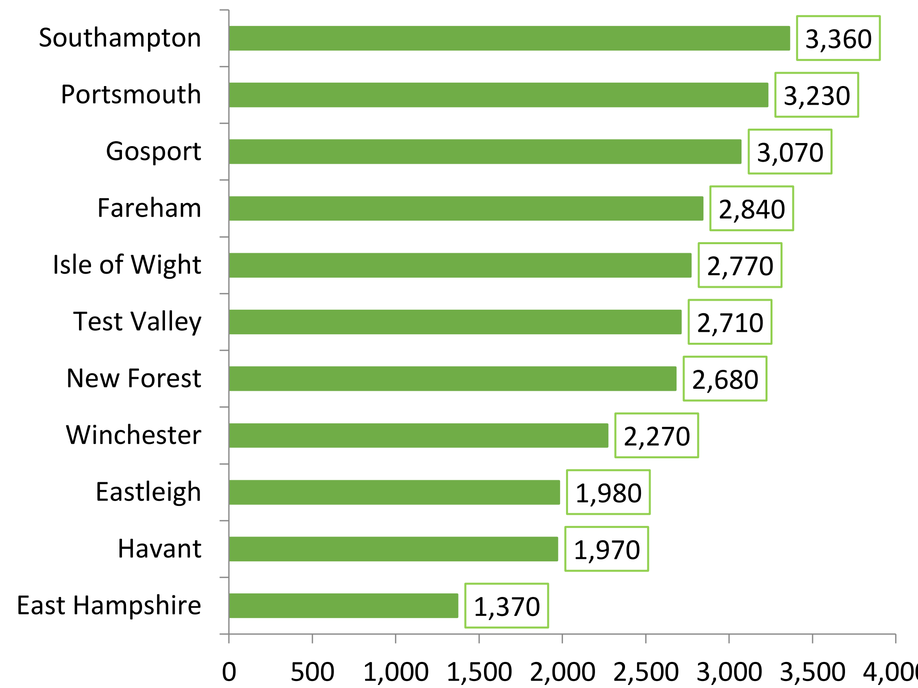
# Apprenticeship Programme Participation 2013/14

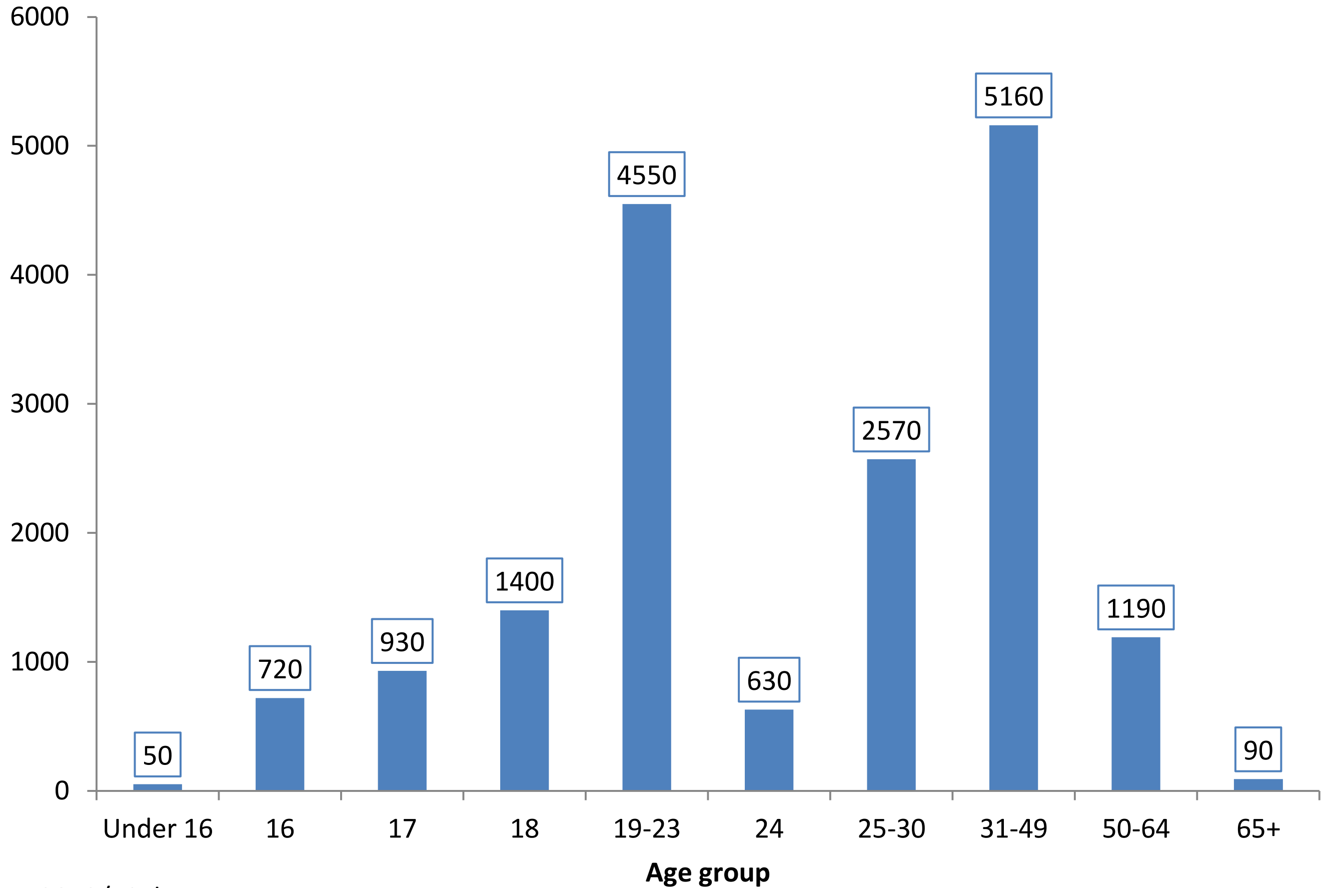
## Enterprise M3




## Solent



# Apprenticeship by age in Enterprise M3




2012/13, learner, R14

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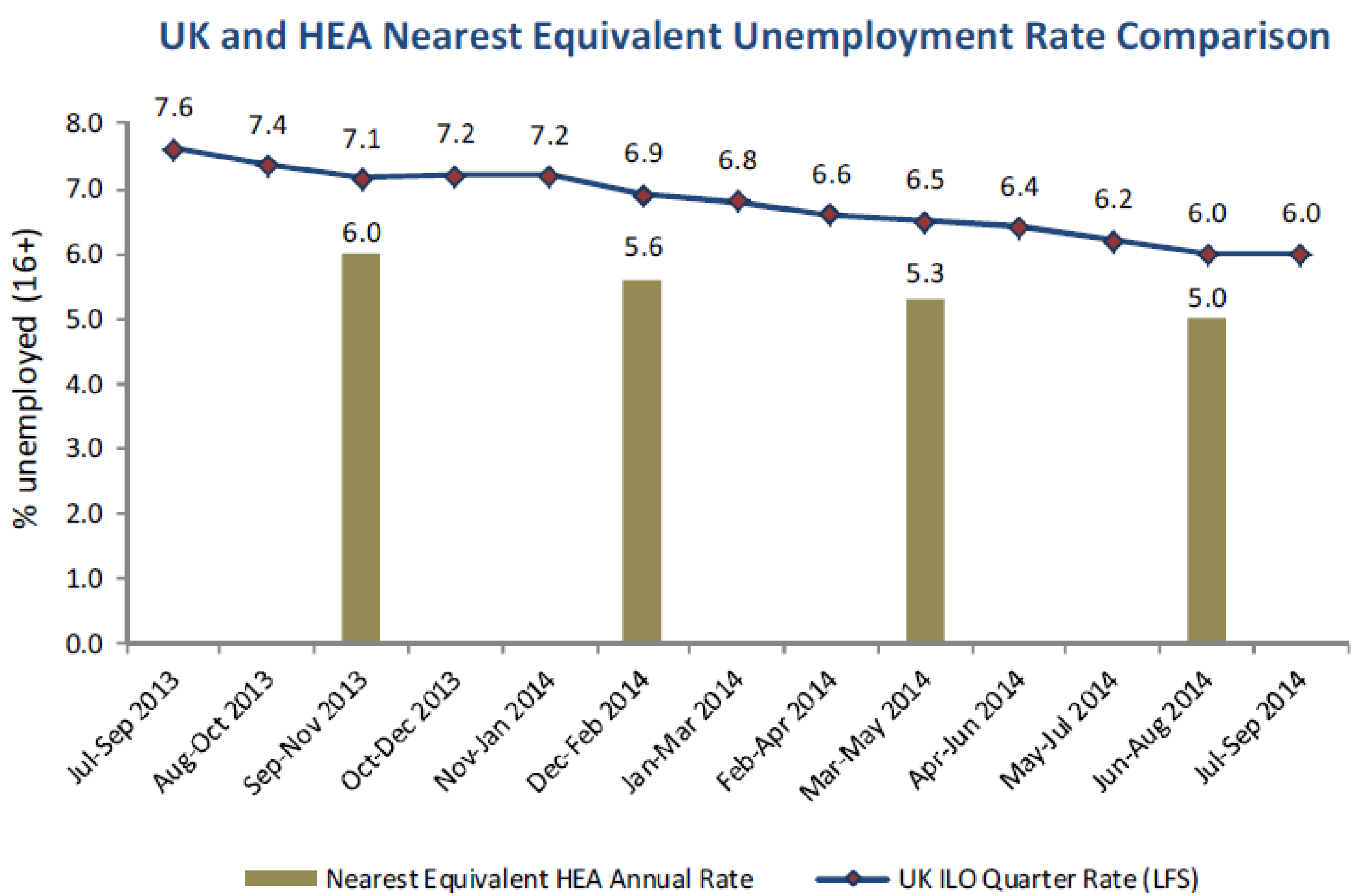
# Comparison of UK and Hampshire unemployment rate

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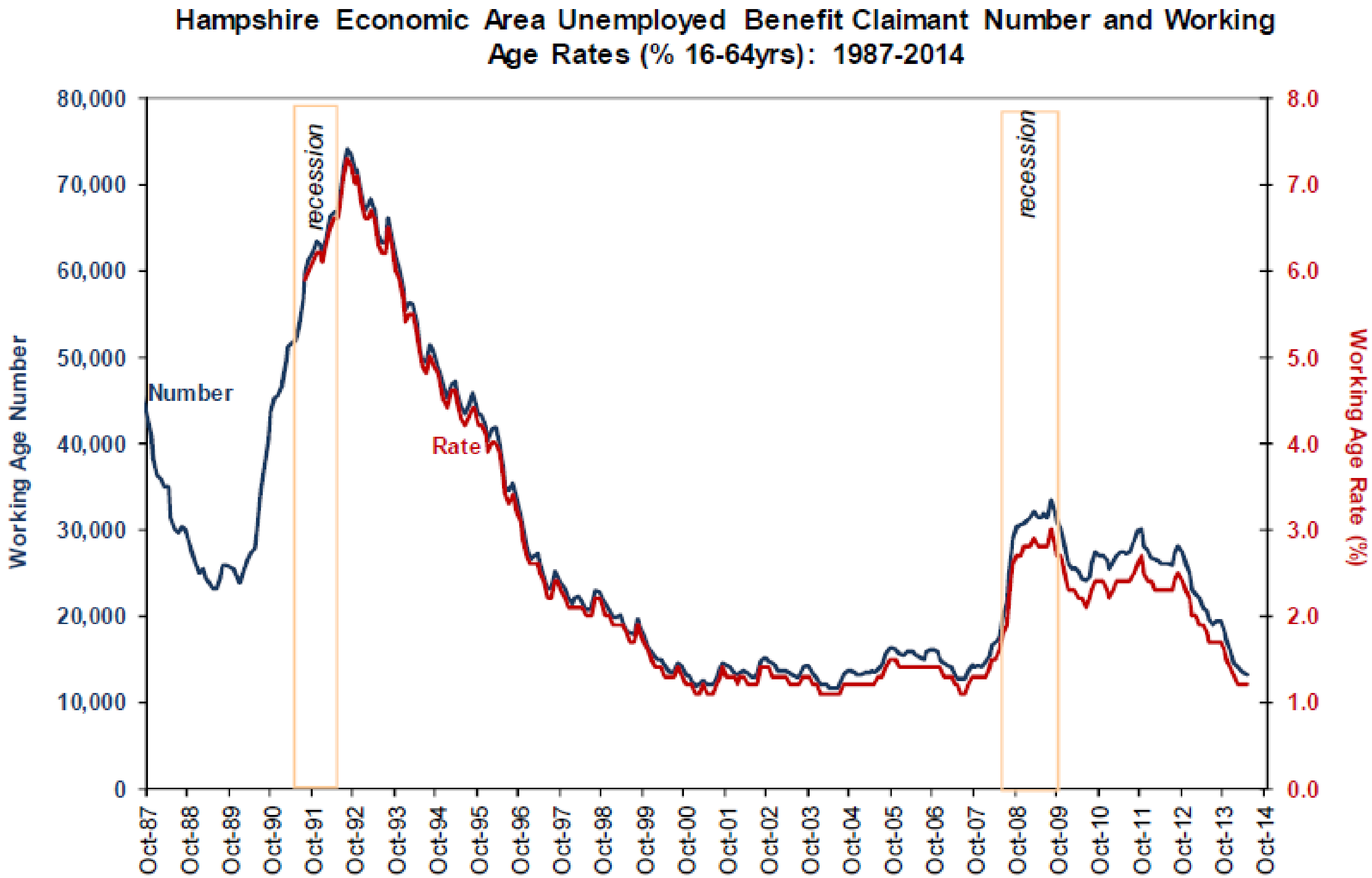
# Hampshire unemployment rates 1987-2014

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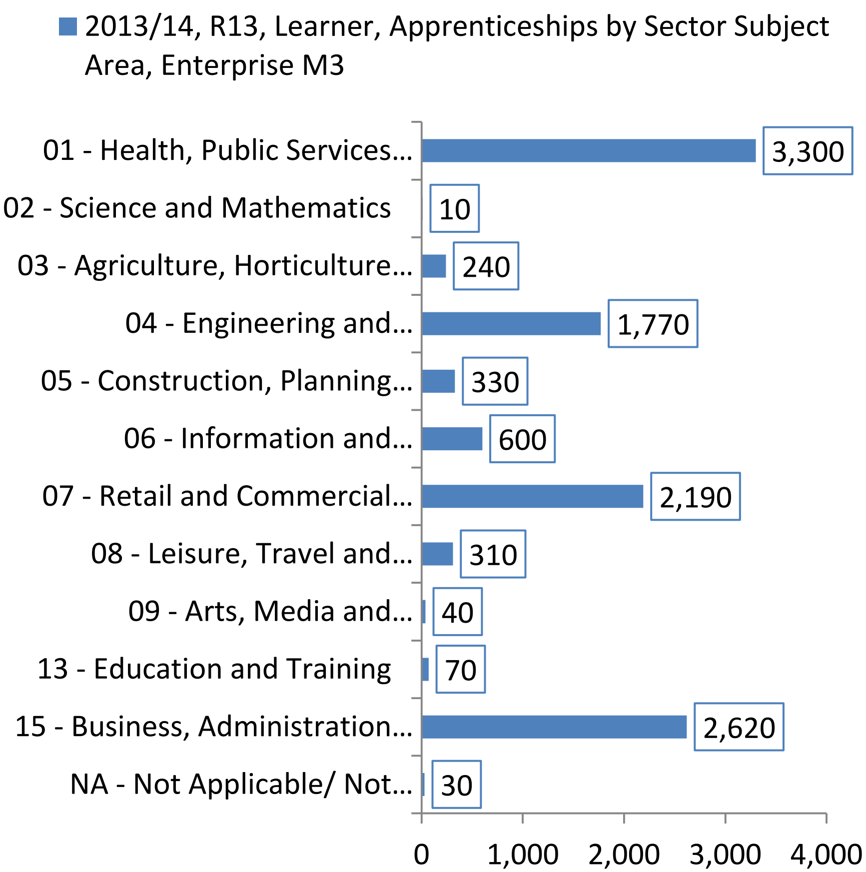
# Apprenticeship starts by sector 2013/14

## Enterprise M3

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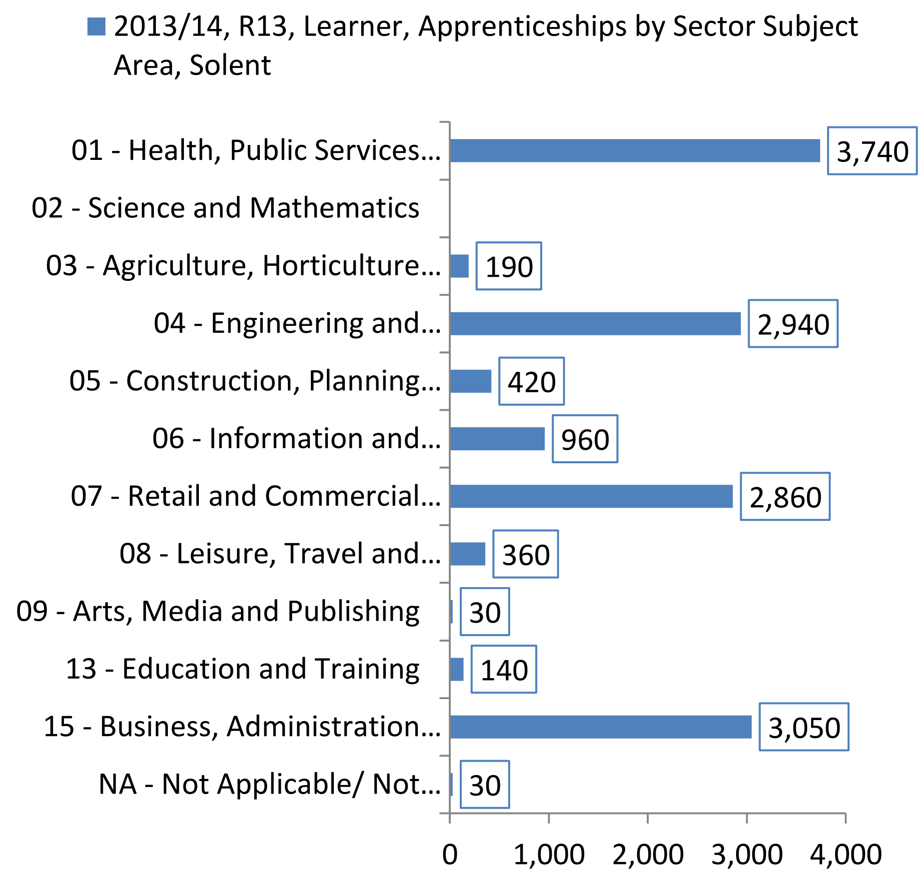


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# Career Guidance Initiatives in Hampshire (examples)


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# What works in practice

Evaluation evidence from the ESRC What Works Centre for Local Economic Growth shows that:

- In-firm / on the job training programmes outperform classroom-based training programmes. Employer co-design and activities that closely mirror actual jobs appear to be key design elements.
- Shorter programmes (below six months, and probably below four months) are more effective for less formal training activity. Longer programmes generate employment gains when the content is skill-intensive.
- Training has a positive impact on participants' employment or earnings in more than half the evaluations reviewed.

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