

Swindon and Wiltshire Local Economic Assessment

March 2022

5

People and Labour Market



People and Labour Market Summary



Swindon and Wiltshire has a similar age profile to England this includes an ageing demographic, with a larger proportion of over 65s in Wiltshire than in Swindon.

Swindon and Wiltshire has net inflow migration amongst all age groups except in the 15-19 age group, this is likely due to a student age population leaving the area, though an inflow of all other age groups suggests the Swindon and Wiltshire offer is appealing across multiple demographic cohorts.

Swindon has a high share of non-EU born residents, demonstrated by one in ten residents being non UK born. The success of the area is therefore represented by its ability to attract this level of talent.

Although Swindon and Wiltshire has a low economic inactivity rate (17.4%) one in five of these want a job. A low rate of economic inactivity indicates a highly utilised population in terms of accessing labour. The remaining 83% of residents are engaged in the labour market.

Despite having low rates of unemployment, Swindon and Wiltshire has experienced a large increase since 2019. This is likely a result of impacts from COVID, to prevent long term labour market scarring effort must be made to assist these people back to work.

Claimants rose during the pandemic and are yet to recover to pre-pandemic numbers, this may suggest significant immediate labour market issues, as stated above immediate action to reduce unemployment is needed to prevent long term scarring in the labour market.

A small percentage of people remained on furlough until the scheme's closure, with certain industries relying on it more, labour market impacts from COVID will vary between sectors. Ensuring the most impacted sectors return to normalcy will be important to assisting the parts of the labour market that have been most acutely impacted by COVID.

Full time employment is increasing while flexible employment has fallen over the past five years, this may suggest a degree of labour market orientation towards more fixed and traditional working roles. This will likely increase job security but may create a less flexible workforce that could hinder some business goals.



Swindon and Wiltshire's Demographic Characteristics

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Swindon and Wiltshire has a similar age profile to England...

Around 727,000 people live in Swindon and Wiltshire, of which 31% (222,900) live in Swindon compared to 69% (504,100) in Wiltshire. The two areas have similar demographics, though a greater proportion of Swindon's residents are of working age (63%) compared to Wiltshire (59%).

As a proportion of the working age population in the LEP area, there is a 50/50 split in male and females, which reflects the same pattern seen at a national level. There are slightly more females (54%) within the 65+ age group compared to men (46%) but this also reflects the same national trend.

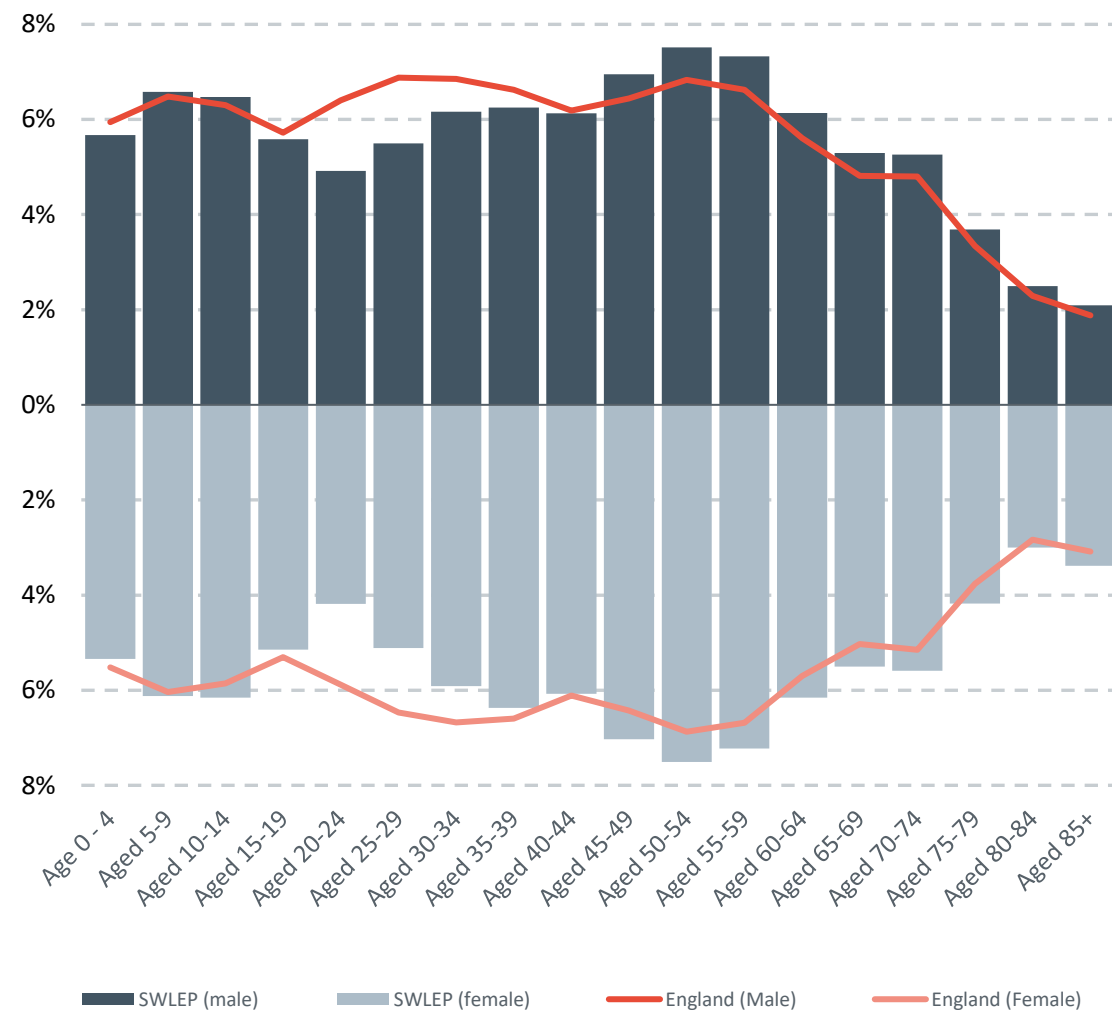
This is reaffirmed by the picture in the growth zones. Excluding the A350, the growth zones have a higher proportion of people aged 16-64 compared to the rural zone of Swindon and Wiltshire. However, this difference is only 2-3 percentage points higher, highlighting that rural zone still plays an important role in attracting people to live and work in Swindon and Wiltshire, likely due to its strong rural economy and quality of life offer.

Population 2020	Swindon and Wiltshire	A350	Salisbury A303	Swindon M4	Rural Zone
Total	727,000	126,000	105,000	320,000	177,000
16-64 (no.)	439,000	75,000	64,000	197,000	104,000
16-64 (%)	60%	59%	61%	62%	59%

Source: Mid-Year Population Estimates, ONS, 2020

Note: due to area overlap of the sum of the zones does not equate to the total for Swindon and Wiltshire

Age Profile, 2020



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Swindon and Wiltshire's Demographic Characteristics

Swindon and Wiltshire is vulnerable to the pressures of an ageing population...

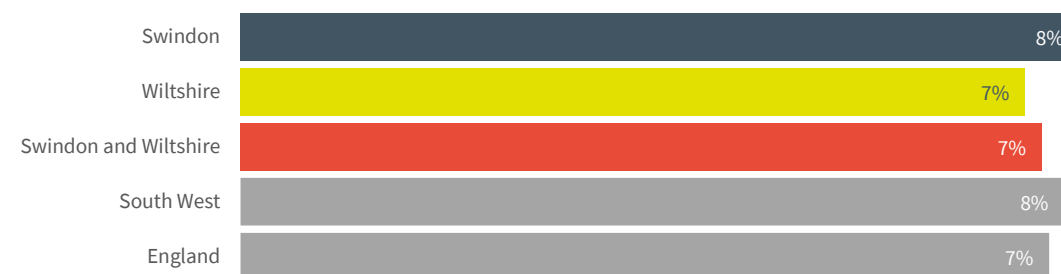
Over the last decade, Swindon and Wiltshire's population has grown by 7% (50,000 people) which is broadly in line with change experienced in the South West (8%) and England (7%). As a source of population change, both net births and international migration have fallen whilst internal migration has grown in importance.

Residents aged 0-15 have grown by 7% (9,000) which is the same as the South West (7%) but below England (9%).

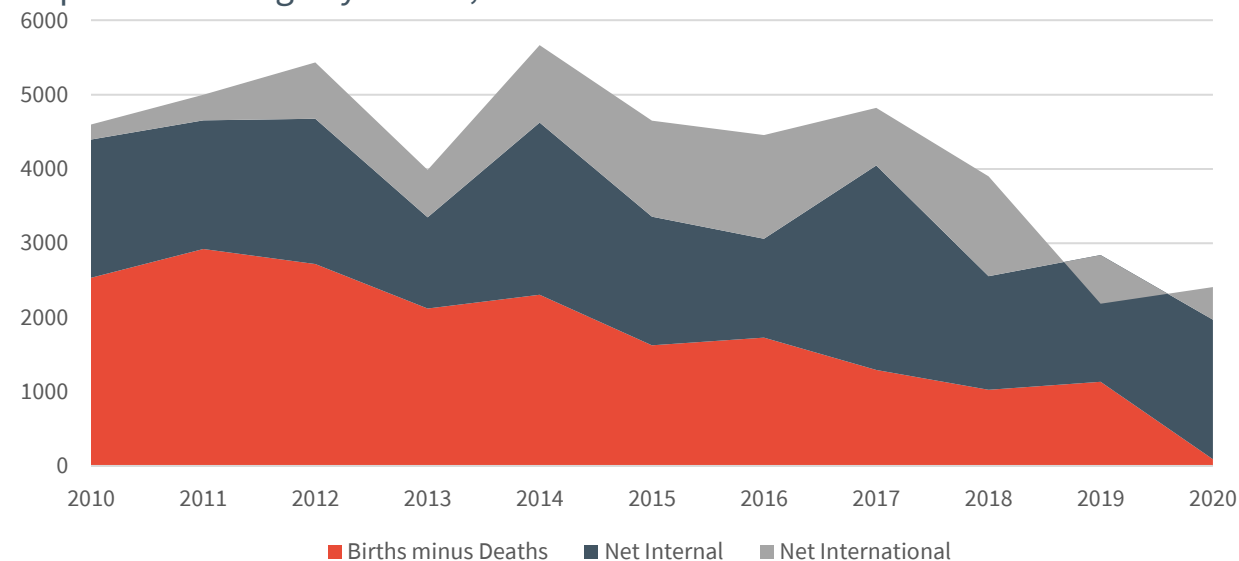
The number of working-age adults in Swindon and Wiltshire has only grown by 1% (6,000 people) compared to 2% in the South West and 3% in England. With an already below average working age population this might have direct implications for future growth as businesses base their decision to locate on local workforce availability.

People aged 65+ have seen the largest growth by 31% (34,700) which is notably higher than both the South West (24%) and England (22%). If this rate of change continues alongside the small growth in working age people, this may create pressure for Swindon and Wiltshire as the amount of people exiting the workforce is not reflected in those entering. However, some of this may be mitigated by the planned increased in the state pension age.

Population growth 2010-2020, 2010 = 100



Population change by source, 2010 – 2020*



Source: Mid-Year Population Estimates, ONS, 2020

*Internal migration for Swindon and Wiltshire LEP may include internal migration between the two LADs due to data only being available at a LAD level and aggregated to create Swindon and Wiltshire LEP area



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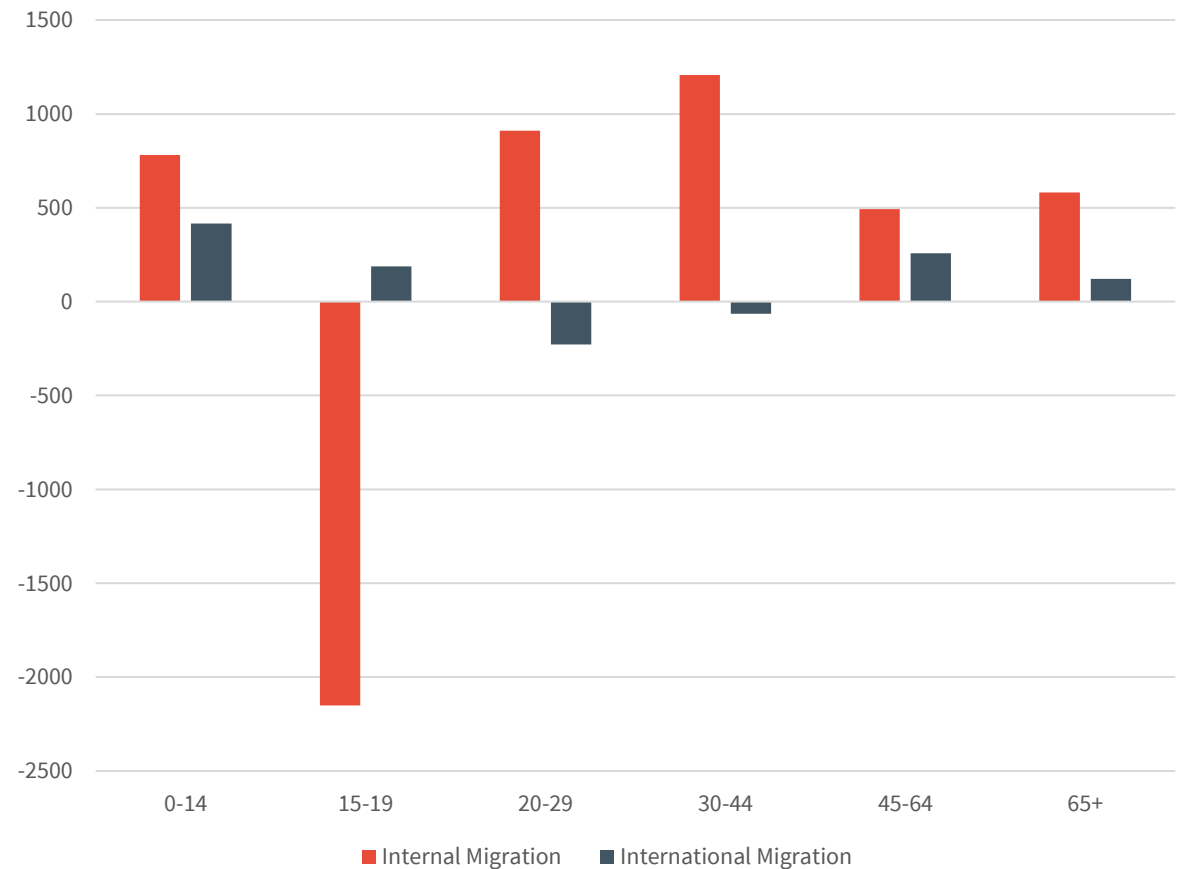
Swindon and Wiltshire's Demographic Characteristics

Swindon and Wiltshire has net inflow amongst all age groups except in the 15-19 age group...

Internal migration to Swindon and Wiltshire since 2012 has remained positive for all age groups except those aged 15-19, which is likely due to a large number of young people moving away to university towns and cities. The large inflow of people aged 0-14 and 20-44 suggests that young families are likely attracted to Swindon and Wiltshire as a place to live.

Coupled with the growing importance of net migration as a source of population change (see p.64), this could further reiterate the desirability of Swindon and Wiltshire as a place to live. With its strong economic centres and connectivity to other key employment locations in the South West, more people may be choosing to move to the LEP area.

Average net migration by age group in Swindon and Wiltshire, 2012-2020*



Source: ONS Population by Country of Birth, 2021; ONS Mid-Year Population Estimates, 2020

*Internal migration for Swindon and Wiltshire LEP may include internal migration between the two LADs due to data only being available at a LAD level and aggregated to create Swindon and Wiltshire LEP



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Swindon and Wiltshire's Demographic Characteristics

Swindon has a high share of non-EU born residents...

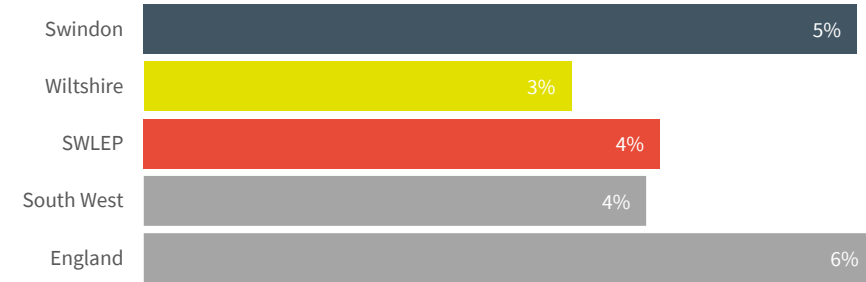
Whilst international migration has decreased or remained low in Swindon and Wiltshire the share of non-UK born people is not insignificant. In 2021 there were 68,000 non-UK born residents in Swindon and Wiltshire, of which 36,000 resided in Swindon compared to 32,000 in Wiltshire.

This means that, as a proportion of total residents, nearly one in ten residents are non-UK born, rising to just under one in six (16%) in Swindon.

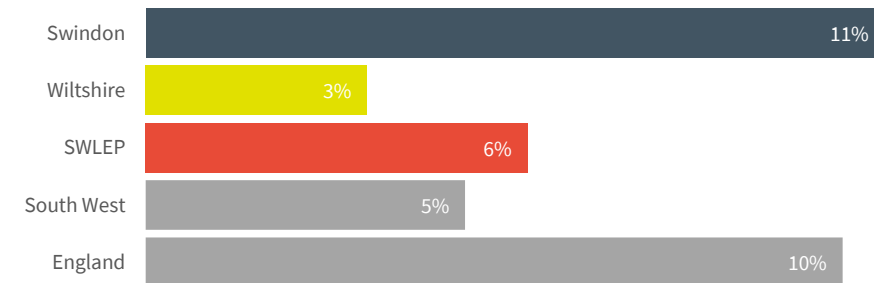
Non-EU born residents make up 40,000 of all residents, accounting for 6% of all residents in Swindon and Wiltshire, with 28,000 born in the EU (4%). There are clear differences between Swindon and Wiltshire in terms of international migrants, with non-EU born residents accounting for 11% of the population in Swindon compared to 3% in Wiltshire.

With the UK departure from the European Union and, therefore, marking the end of 'free movement', Swindon and Wiltshire could be particularly vulnerable to a possible decline in European Union based migration. However, with the high number of non-EU born people in the LEP area, there may also be an opportunity to increase non-EU migration in Swindon and Wiltshire to support economic growth.

% of EU population by country of birth, 2021



% of Non-EU population by country of birth, 2021



Swindon and Wiltshire's Labour Market Characteristics

Although Swindon and Wiltshire has a low economic inactivity rate (17%) one in five of these residents want a job...

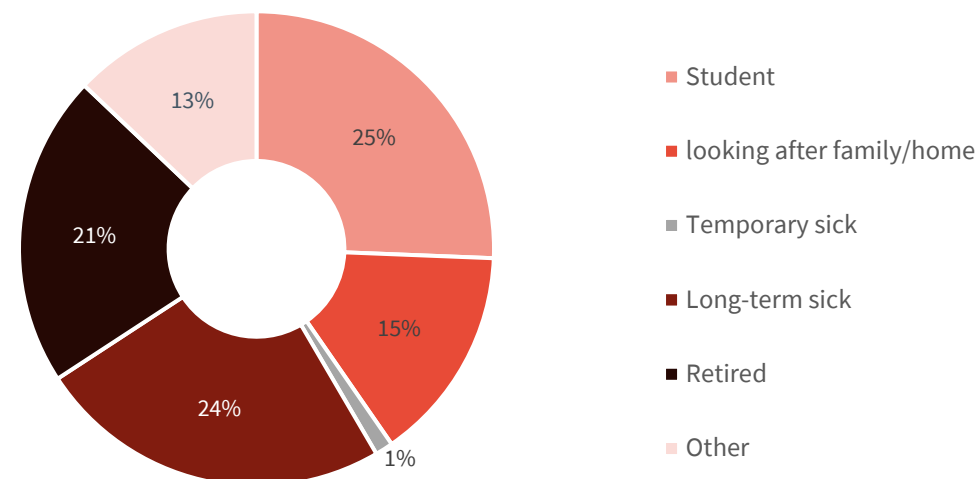
There are 75,000 people aged 16-64 in Swindon and Wiltshire who are considered economically inactive. Relative to comparator areas and England, this represents a low level of economic inactivity.

A quarter of the economically inactive population the LEP area are students, and as such are likely to only be economically inactive in a transient sense. A further quarter are long-term sick and one fifth are retired.

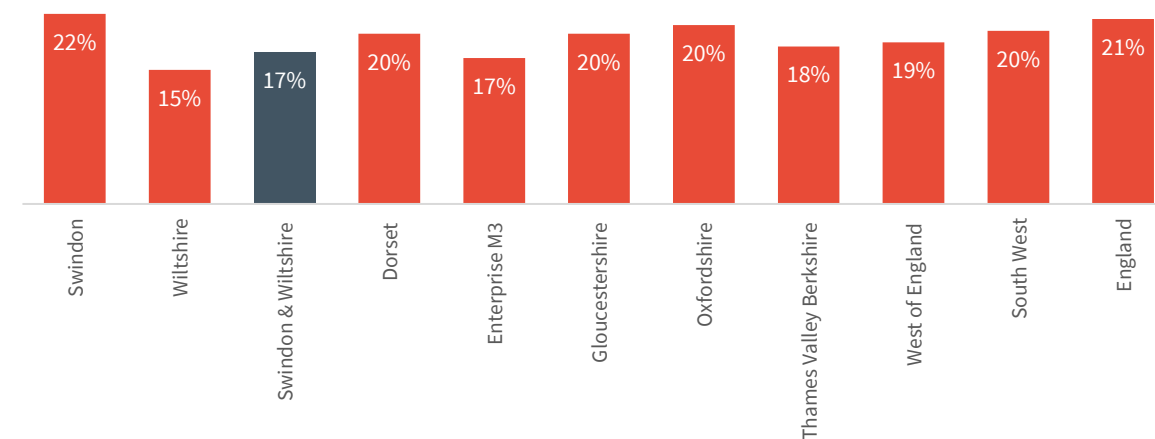
The definition of economic activity is narrow, including only those who are either employed or out of work but have actively sought work in the previous four weeks and are available to start in the next two weeks. It can be thought of as the immediate labour supply but it doesn't include people that may still want to engage in the labour market.

ONS data suggests 20% of those who are classed economically inactive in the LEP area want a job – a similar proportion to the South West and nationally.

Reason for economic inactivity, Swindon and Wiltshire LEP, 2021



Economically inactive as proportion of working age population, 2021



Swindon and Wiltshire's Labour Market Characteristics

83% of residents are engaged in the labour market...

Over four in five people living in Swindon and Wiltshire are considered “economically active”. This means a large proportion of working age adults are participating in the labour market in some way. Whilst the economic activity rate in 2021 for Swindon and Wiltshire was above the national rate (79%), this masks differences at the authority level; Wiltshire’s economic activity rate is 6.4 percentage points above Swindon’s with the latter having seen a decline since the pandemic.

Just 4.3% of Swindon and Wiltshire’s economically active population are currently unemployed. This is broadly in line with the national rate (4.9%) is broadly similar in both Swindon (4.3%) and Wiltshire (3.2%).

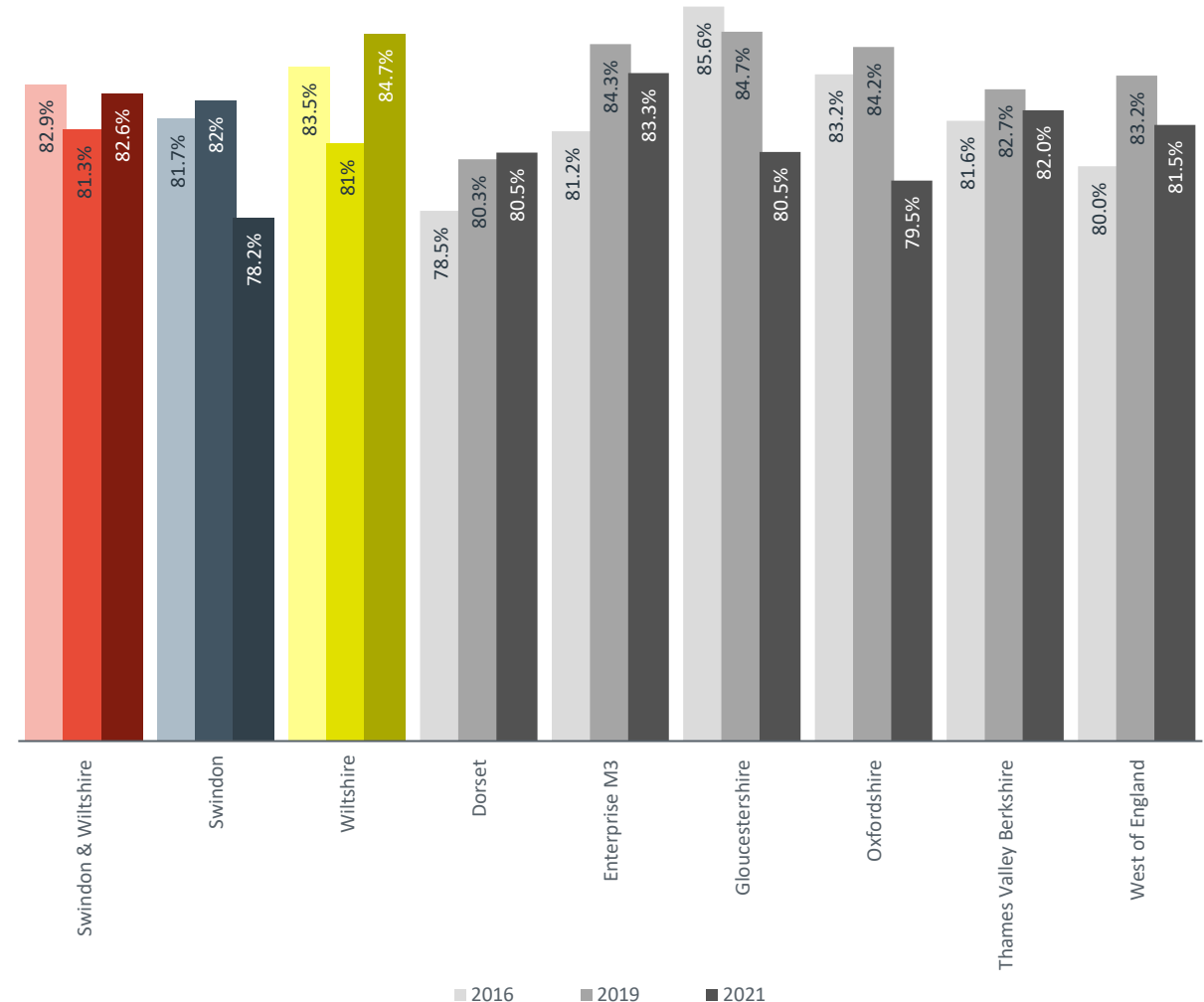
This is a good indication of strong demand for Swindon and Wiltshire labour, though is also an indicator of a very restricted supply of future labour and may suggest businesses in will struggle to meet their labour needs from the Swindon and Wiltshire labour pool.

Number of people economically active, 2021

Swindon
109,000

Wiltshire
247,000

Proportion of working age population economically active, 2019 to 2021



Source: Annual Population Survey, ONS, 2019-2021



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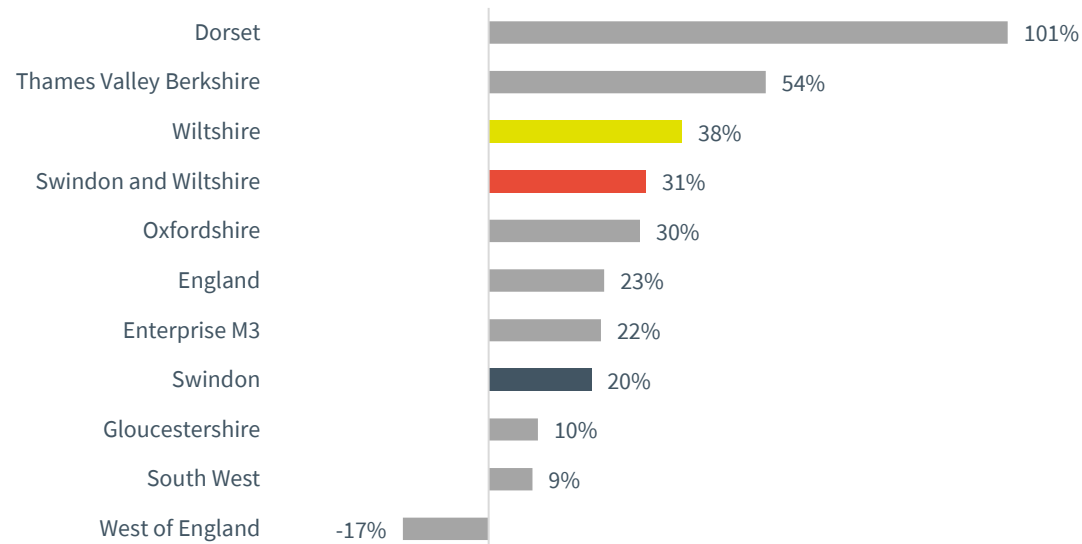
Swindon and Wiltshire's Labour Market Characteristics

Despite having low rates of unemployment, Swindon and Wiltshire has experienced a large increase since 2019...

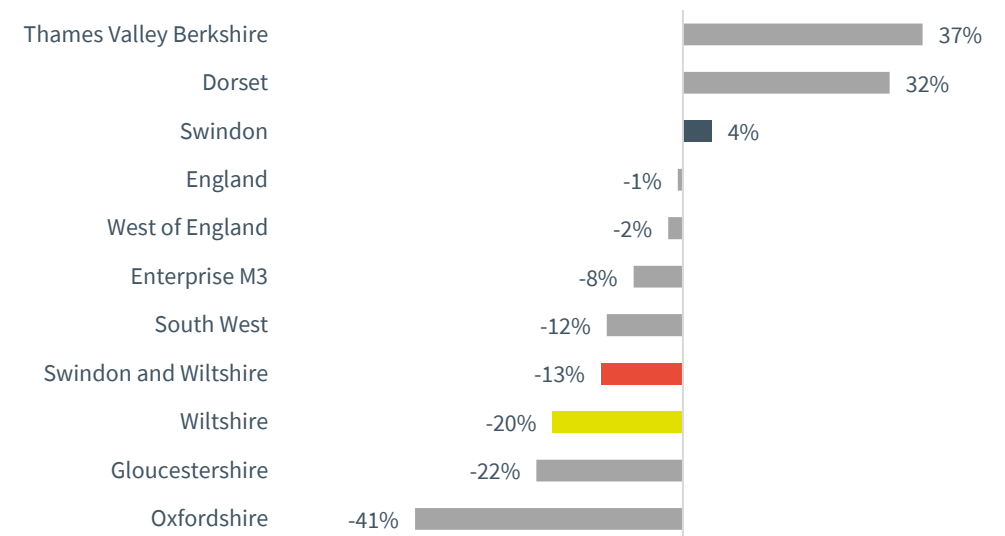
As of September 2021, there were 13,200 people unemployed in Swindon and Wiltshire. Of this, 64% derived from Swindon compared to 36% in Wiltshire. This gives Swindon and Wiltshire an unemployment rate of 3.5% (4.3% and 3.2% respectively) which is broadly in-line with the comparator LEP areas and South West (4%) but below England (5%).

However, between 2019 and 2021, Swindon and Wiltshire experienced the fourth largest increase in unemployment (31%). A large part of this increase was concentrated in Wiltshire (38%) compared to Swindon (20%). This suggests that, whilst the positive trajectory in unemployment over the last 5 years may have been thwarted by the impact of COVID-19, the LEP area is still on track to reducing overall unemployment in the region (-1,900 since 2016), albeit at a slower rate as it recovers from the pandemic.

Change in unemployment, 2019-2021



Change in unemployment, 2016-2021



Source: APS, 2021



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Swindon and Wiltshire's Labour Market Characteristics

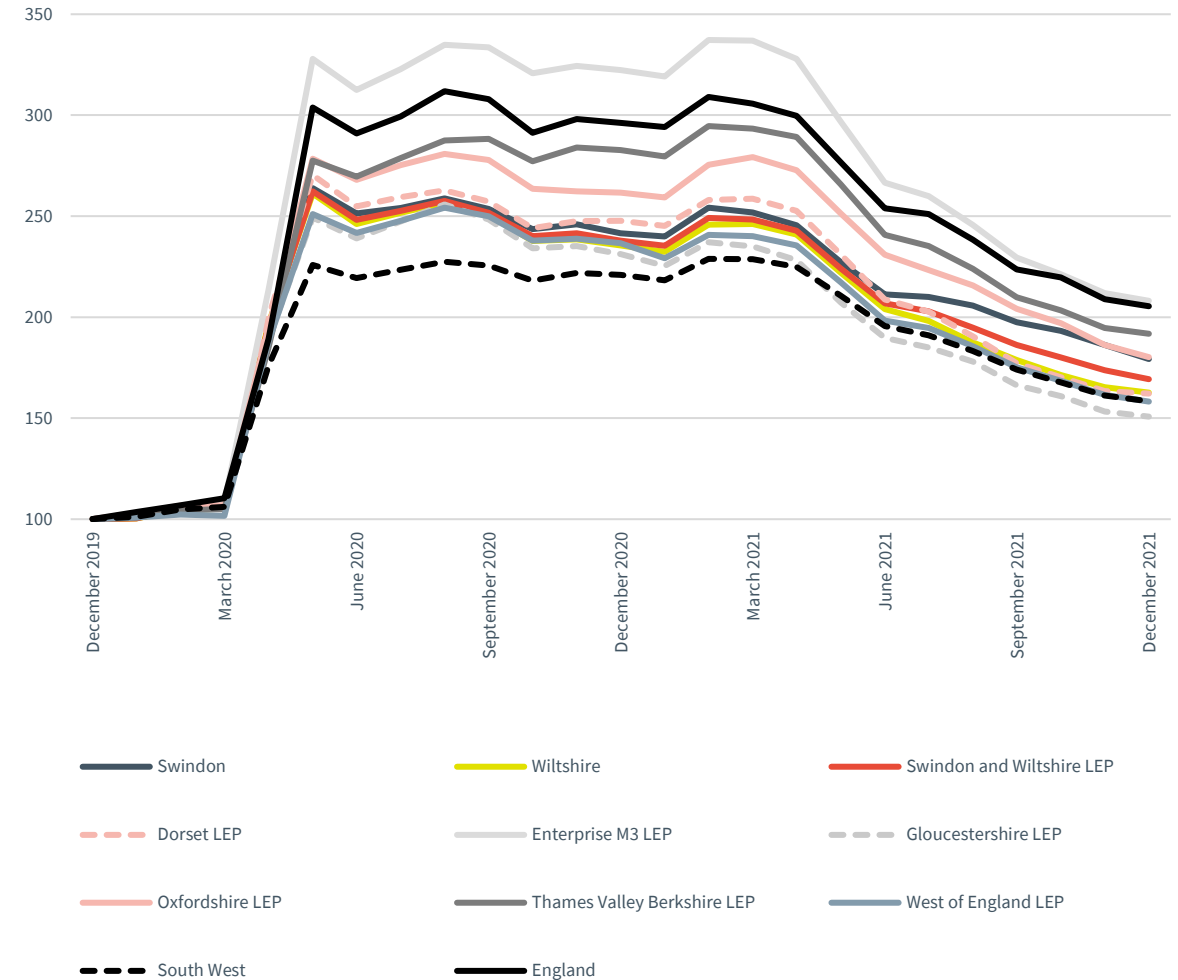
The number of claimants rose during the pandemic and are yet to recover to pre-pandemic numbers...

Claimant Count is a measure of the number of people claiming benefits principally for the reason of being unemployed, based on administrative data from the benefits system. Whilst there is a large overlap between the unemployed and claimants there are some important differences. Perhaps most important is that the claimant count includes a small proportion of people who may be in work but on low income.

Since the onset of the pandemic, at its peak, there were an additional 13,300 claimants in Swindon and Wiltshire in May 2020 (21,400) compared to December 2019 (8,200). However, since then the claimant count has fallen to 13,800 in December 2021. The majority of claimants in the LEP area have been from Swindon (58%) compared to Wiltshire (42%).

From March 2020, the increase in claimants in Swindon and Wiltshire (60%) has been largely below the comparator LEP areas but above the South West (44%) and England (49%). This has been driven by high growth (67%) in Swindon compared to Wiltshire (55%).

Indexed growth in claimants, 2019-2021, 2019 = 100



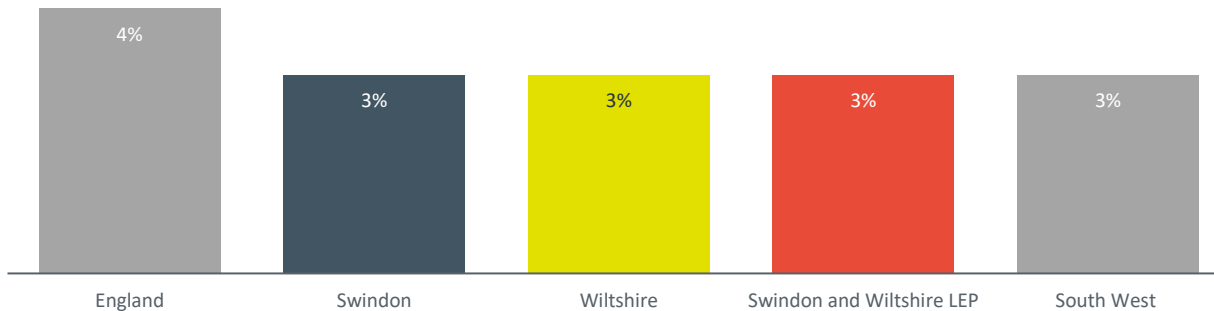
Swindon and Wiltshire's Labour Market Characteristics

A small percentage of people remained on furlough until the scheme's closure, with certain sectors reliant on the scheme...

As of September 2021, the take-up rate of the job retention scheme in Swindon and Wiltshire was 3%, which is in line with the South West average and just below the national average of 4%. As this was the last month the scheme was in place, it suggests the labour market scarring from the pandemic may be moderate.

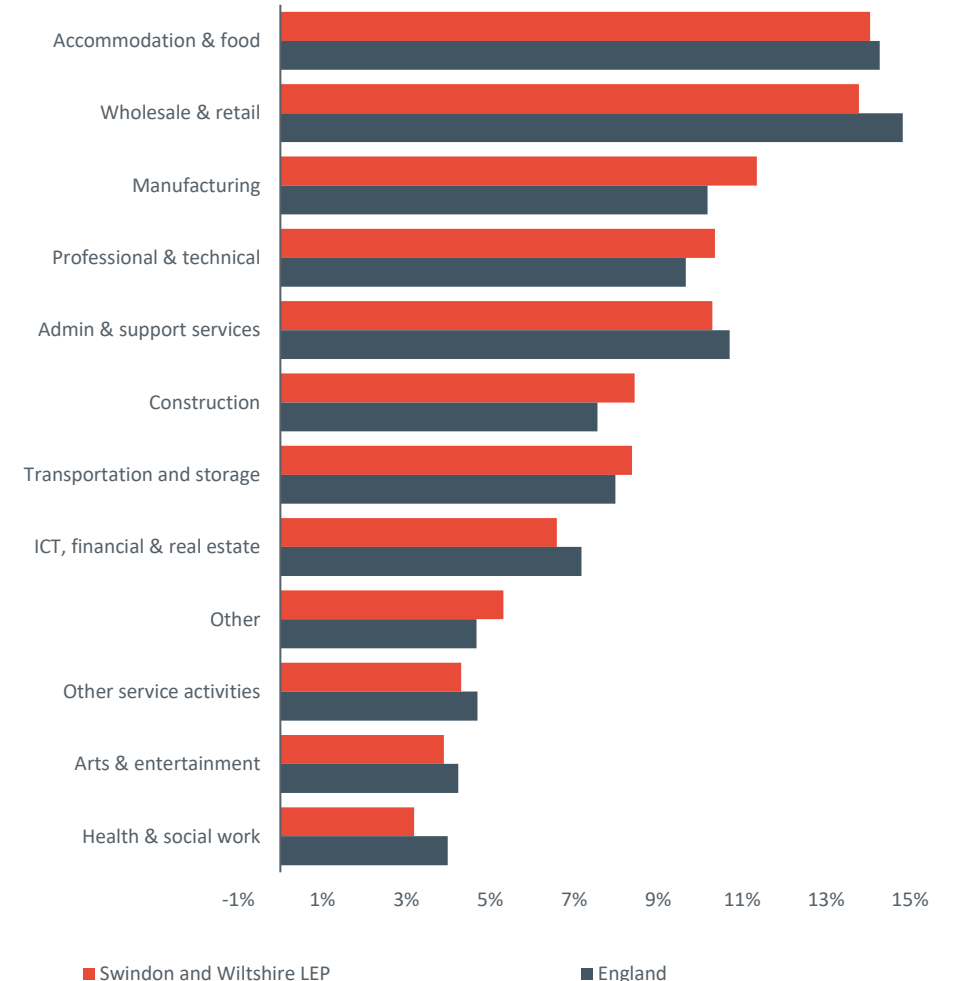
Within Swindon and Wiltshire, the Accommodation and Food services, Wholesale and Retail, and Manufacturing sectors had the highest proportion of employments on furlough, suggesting these sectors may struggle to recover from the effects of the pandemic most. This trend is largely mirrored in the national data, suggesting these sectors are commonly struggling to recover from the COVID-19 pandemic.

Coronavirus job retention scheme take-up rate, Sept 2021



Source: HMRC, Job Retention Scheme Statistics, August 2021

Sectoral Breakdown of employments on Furlough, August 2021



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Swindon and Wiltshire's Labour Market Characteristics

In the three months to September 2021 there were 342,800 residents in employment in Swindon and Wiltshire...

This equates to an employment rate of 79.5% in the LEP area, above both the national rate (74.9%) and the South West (77.2%). However the rate in Wiltshire (81.8%) is much higher than in Swindon (74.9%). The employment rate is a resident based measure.

Sectorally, employment growth has been strongest in the public admin, education and health sectors, due to the time period covered, it is likely that this is a result of COVID-19. However, compared to workplace data as shown on page 53 both education and health employment contracted by 4% and 8% respectively.

Nearly a quarter (24%) of employment of in Swindon and Wiltshire are in the public sector – similar to England (23%) and broadly unchanged over the last five years.

15 % of employed residents are self-employed

Similar to the South West (15%) and England (14%) and unchanged since 2015/16

15%

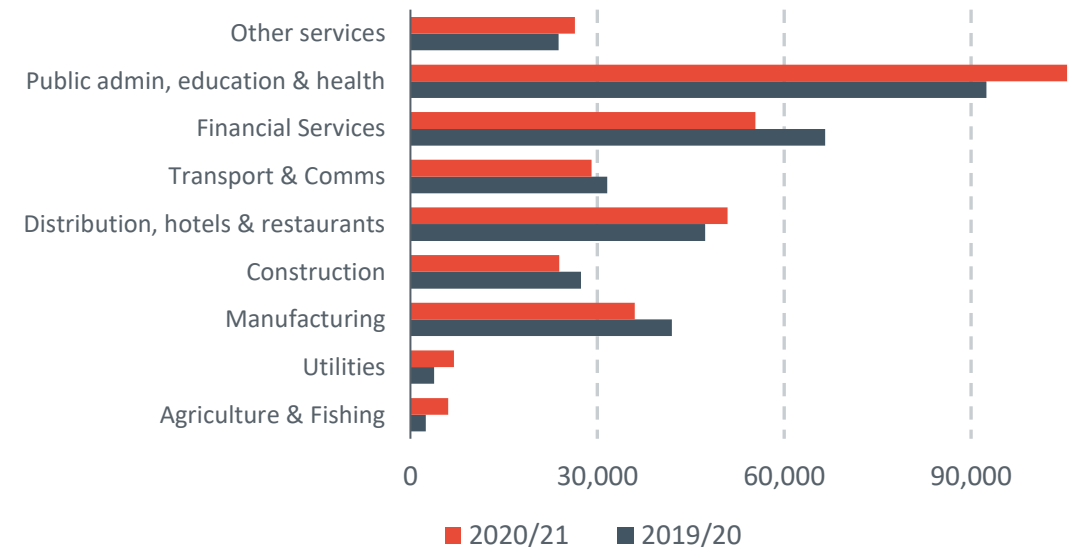
4 % of employed residents are in flexible employment

In line with the South West (4%) and England (5%) and broadly unchanged since 2015/6

4%

Source: APS

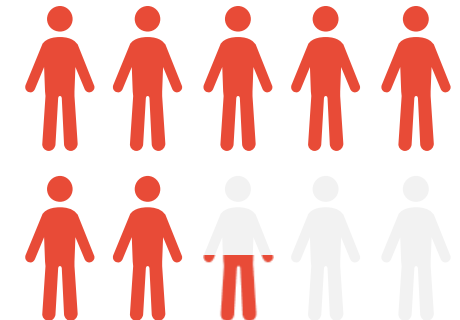
Resident-Based Employment by Sector, 2019/20 – 2020/21



Resident-Based Private Sector Employment, 2020/21

76%

Private sector employment



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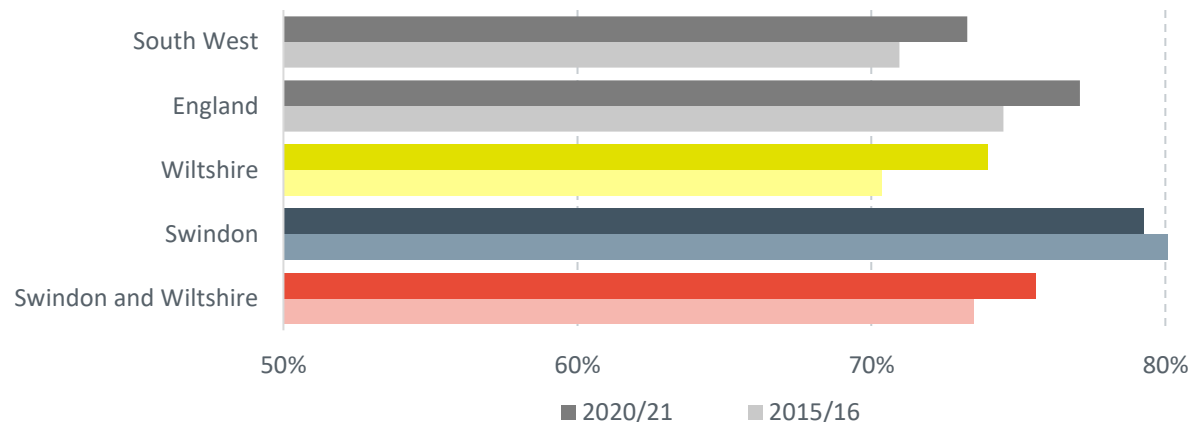
Swindon and Wiltshire's Labour Market Characteristics

Full time employment is increasing while flexible employment has fallen over the past five years...

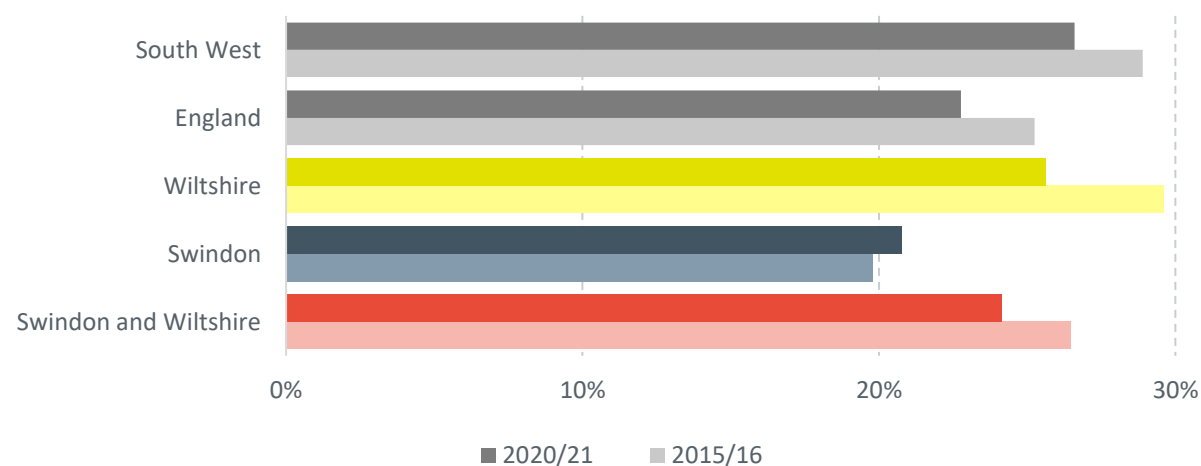
Most employment in Swindon and Wiltshire is full-time employment at 76%, accounting for 83,000 jobs. Overall, this rate is slightly lower than national rates (77%), this due to lower rates of full-time employment in Wiltshire (74%) being lower.

In addition to full-time employment, it is possible to consider the role and proportion of flexible workers in an area's labour market. Over the last five years flexible working rates have fallen by 28% (-5,200 jobs) in the LEP area. Latest data shows that there are 13,700 workers who are considered to be undertaking flexible work (4% of the Swindon and Wiltshire's workforce). Flexible work includes work that is temporary due various reasons such as work being seasonal, fixed-term contracts, agency work, temping and other casual work. It should not be perceived as a positive or negative indicator of the labour market and can be a representation of labour supply fluidity while also being an expression of more insecure work.

Full-time Employment Rates, 2015/16 – 2020/21



Flexible Working Rates, 2015/16 – 2020/21



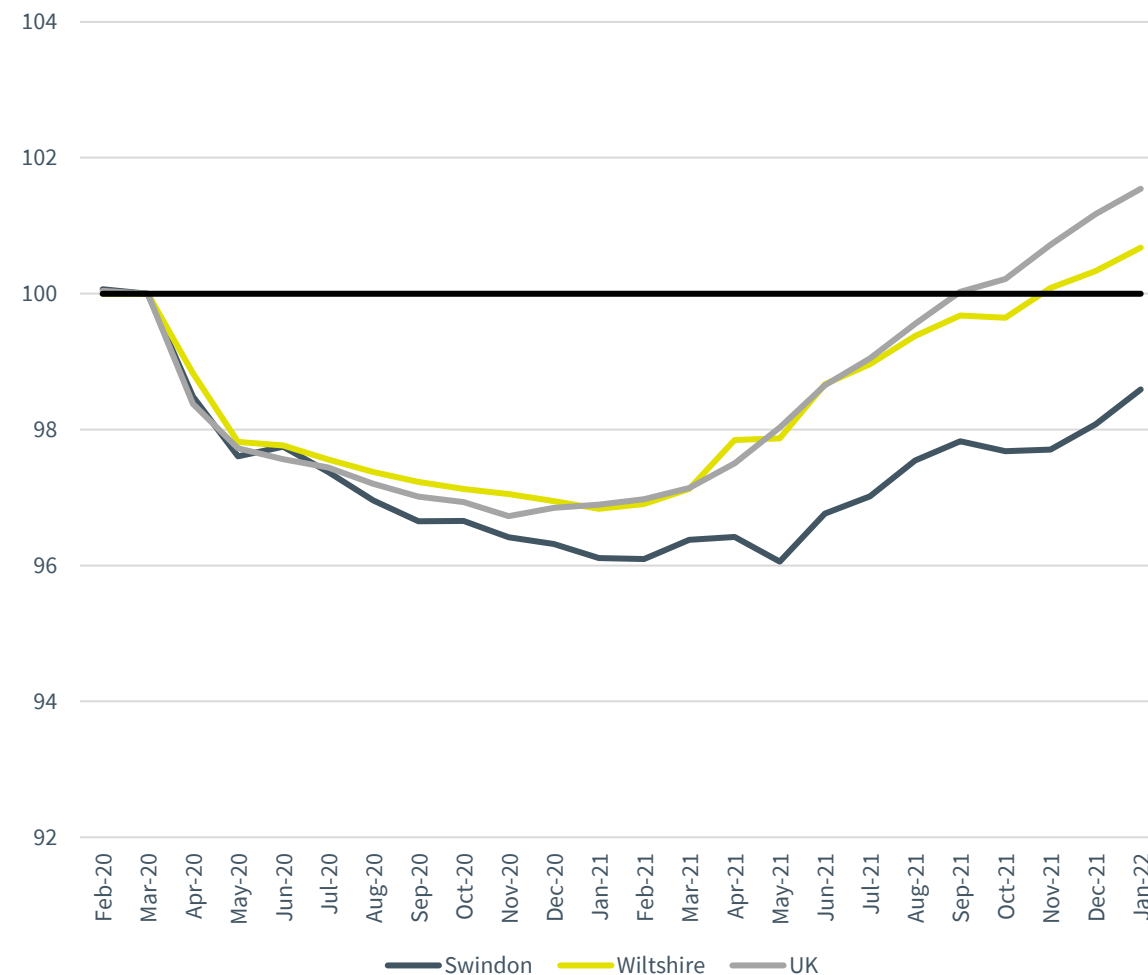
Swindon and Wiltshire's Labour Market Characteristics

Payrolled employee numbers in Swindon is yet to recover to pre-pandemic levels...

HMRC provides data on people paid through the Pay As You Earn (PAYE) system where their pay is reported through the Real Time Information (RTI) system. Employees who were furloughed should still have their payments reported through this system, and so feature in the data. People who are solely self-employed will not be included.

Following the first UK lockdown in March 2020 all areas of the UK saw a fall in the number of payrolled employees. Whilst the fall in Wiltshire (-3.2%) was slightly less than in Swindon (-3.9%) its recovery has been faster, meaning payrolled employees in Wiltshire is now above pre-pandemic levels (+1,500) but remain below pre-pandemic levels in Swindon (-1,600).

Growth in payrolled employees, March 2020=100



Swindon and Wiltshire's Labour Market Characteristics

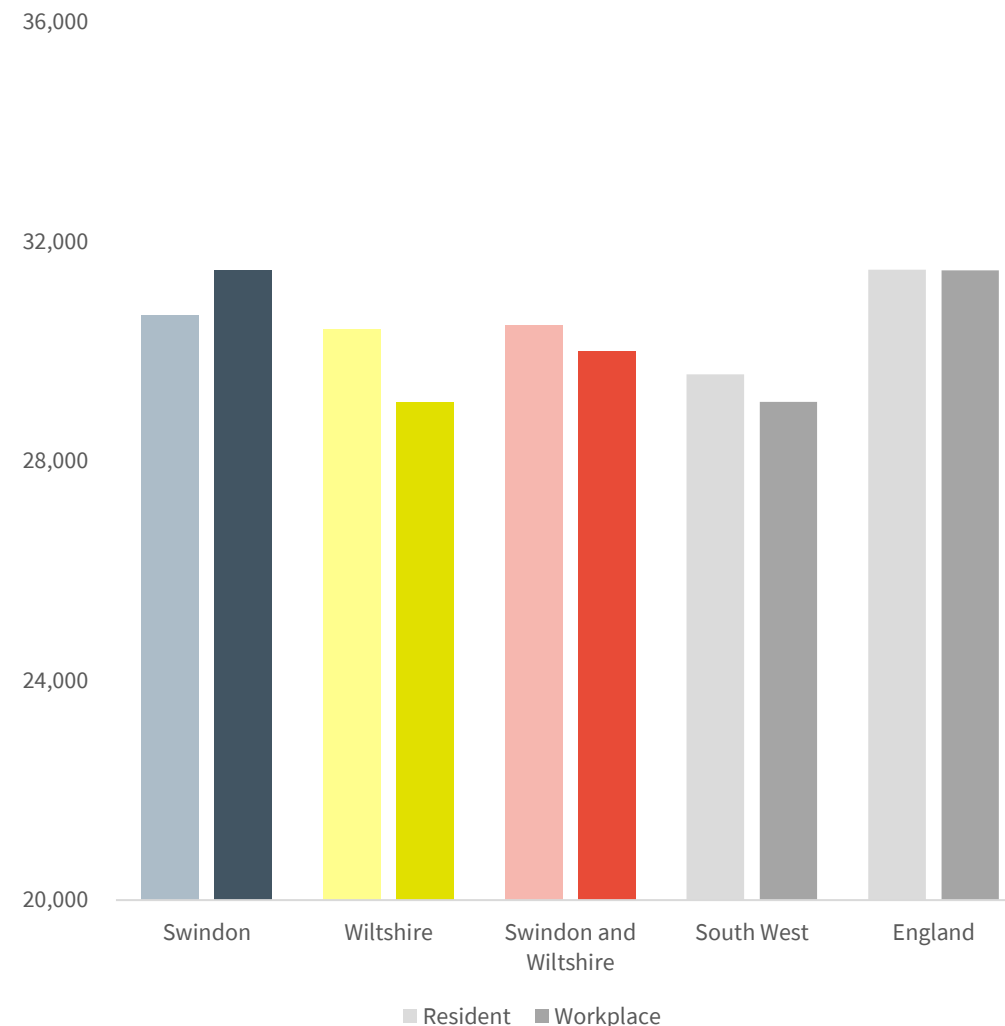
People living in Swindon and Wiltshire earn more than people who work in the area...

People living in Swindon and Wiltshire on average earn £30,500 per annum which is nearly £1,000 more than the average in the South West (£29,600) but £1,000 less than the England average (£31,500). Internally, people living in Swindon earn £300 more than people living in Wiltshire (£30,700 versus £30,400).

The main difference experienced in Swindon and Wiltshire is between resident earnings and workplace. Workplace earnings in the LEP area (£30,000) are 2% less than resident earnings which is broadly inline with the regional average (£29,000, 2%). However, internally, there is a very different picture. Workplace earnings in Swindon (£31,500) are 3% higher than residents whilst Wiltshire shows the reverse, with workplace earnings (£29,000) -5% below residents. This suggests more people may be leaving Wiltshire to access higher-value employment opportunities whilst Swindon, as the largest commercial centre, offers higher paid employment for people entering the district.

Median resident and workplace earnings in the LEP area, however, have experienced the same growth (10%) as the regional and national average suggesting a strong labour market for people residing and working in the area. Again, this picture changes when broken down internally. Resident earnings have only grown by 5% in Swindon compared to 13% in Wiltshire, with workplace earnings in Swindon (4%) also below Wiltshire (14%). This above average growth paints an optimistic picture of earnings in Wiltshire and its attraction as a key place for employment.

Median annual resident and workplace earnings (£), 2021



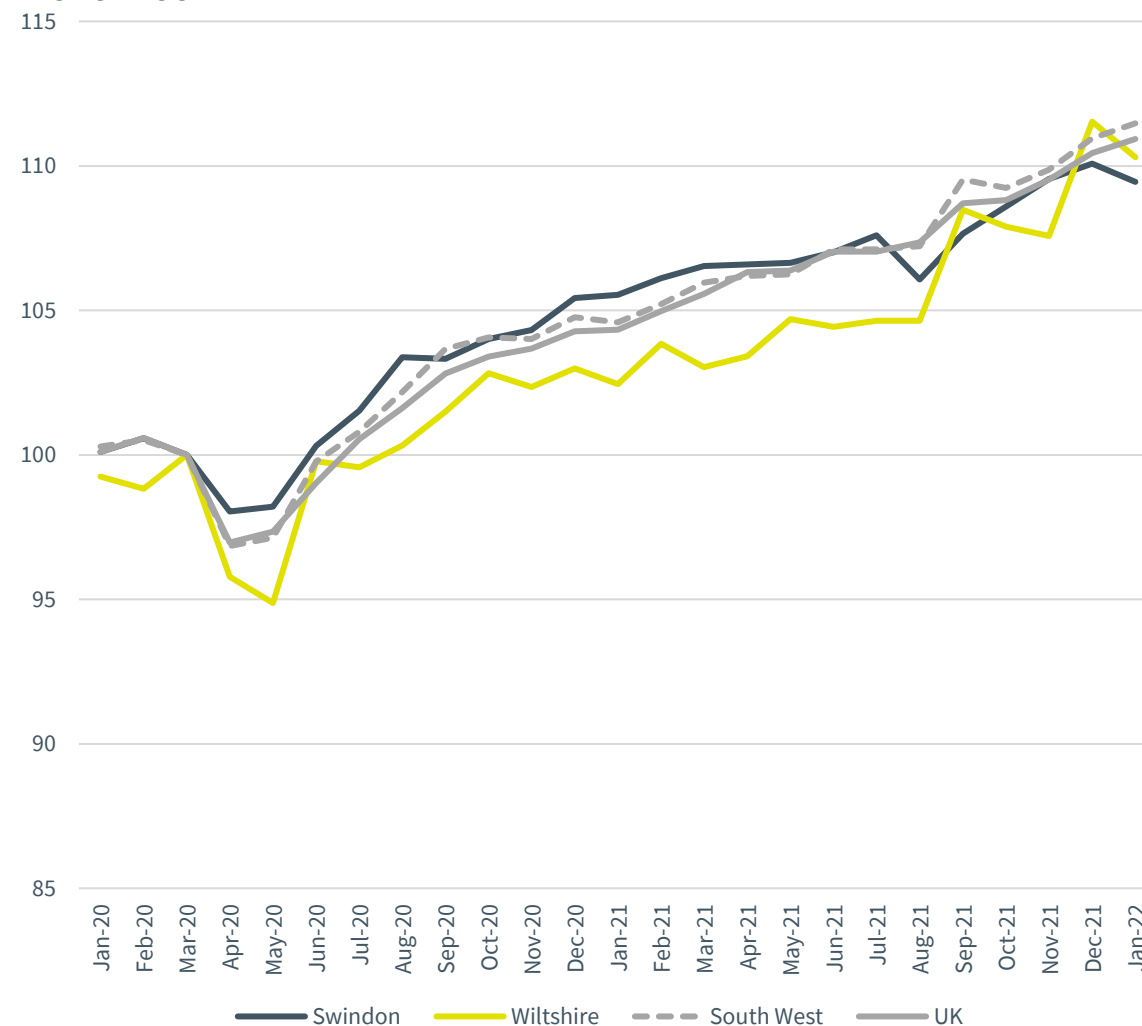
Swindon and Wiltshire's Labour Market Characteristics

Median monthly pay has grown strongly as the impact of the pandemic on the economy has eased...

The median monthly pay of payrolled employees experienced a larger fall in Wiltshire (-5.1%) than in Swindon (-1.8%), but it has recovered strongly since August 2021. Pay is now 10.3% higher than in March 2020 in Wiltshire, and 9.4% higher in Swindon, illustrative of a tightening labour market and wage inflation.

This suggests that for those on payroll earnings growth has generally held strong over time.

Growth in payrolled employees' median monthly pay , March 2020=100



Most KS4 pupils and 16-18-year-olds in the Swindon and Wiltshire enter sustained education, with fewer choosing apprenticeships compared to the national average...

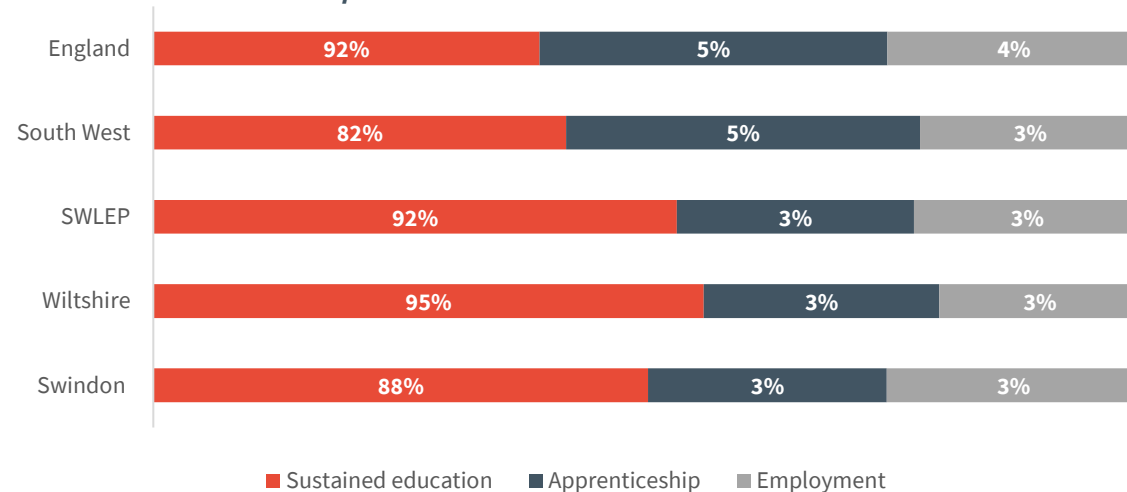
The most common KS4 destination in Swindon and Wiltshire is sustained education with 92% of KS4 learners entering education in 2019/20. This is in line with the English average, but considerably higher than the South West average (82%). Within the Swindon and Wiltshire, a larger proportion of learners enter education in Wiltshire than in Swindon at 95% compared to 88%.

Conversely, a lower percentage of KS4 learners in the Swindon and Wiltshire enter apprenticeships at 3%, compared to 5% in both the South West and England.

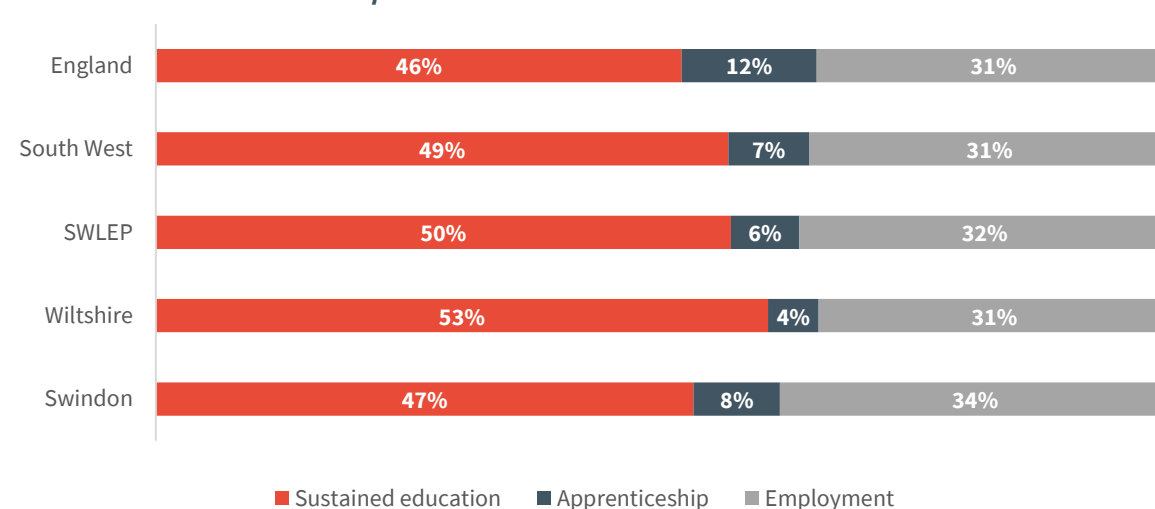
Within Swindon and Wiltshire, the most common destination for 16–18-year-olds in 2019/20 was sustained education, with 50% of people entering education. This is above the national average of 46%.

However, fewer 16–18-year-olds are entering apprenticeships in Swindon and Wiltshire compared to in England, at 6% compared to 12% nationally. Within the Swindon and Wiltshire, just 4% of 16-18-year-olds enter apprenticeships in Wiltshire, which is considerably lower than the figure in Swindon (8%). Similar proportions of 16-18-year-olds enter employment in the Swindon and Wiltshire and in both the South West and England.

KS4 destinations 2019/20



16-18 destinations 2019/20



Swindon and Wiltshire's Skills Supply

A higher proportion of further education learners and apprentices in Swindon and Wiltshire enter employment than the English average...

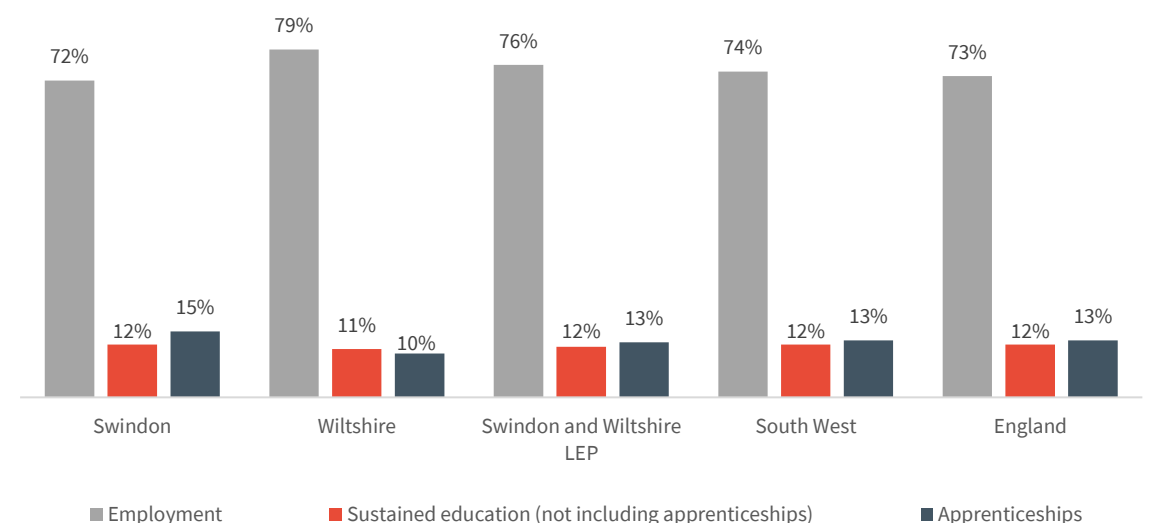
The majority of further education learners in Swindon and Wiltshire enter sustained employment (63%). This is higher than both the South West and English averages at 55% and 48% respectively. Consequently, a comparatively lower percentage of learners go in to sustained education at 33%, compared to 37% in the South West and 40% in England.

The destination of apprentices in Swindon and Wiltshire generally mirrors those in England and the South West, with a slightly larger percentage of learners entering employment (76%), compared to 74% in the South West and 73% in England. Within Swindon and Wiltshire, a larger proportion of apprentices enter employment in Wiltshire than in Swindon (79% compared to 72%), whilst in Swindon a larger proportion of apprentices go on to further apprenticeships at 15% compared to 10% in Wiltshire.

Further education and skills learner's destinations 2018/19



Apprentices' destinations 2018/19



Swindon and Wiltshire's Skills Supply

Many employers are engaged in formal apprenticeships but there is scope to increase this further...

Apprenticeship starts provide an overview of appetite for technical skills and careers across different sectors. Overall, Swindon and Wiltshire had 5,100 apprenticeship starts in 2020/21 (1,110 and 4,010 respectively). Sectors with the highest apprenticeship starts included engineering and manufacturing technologies (26%), business, administration and law (18%) and retail, commercial and enterprise (17%).

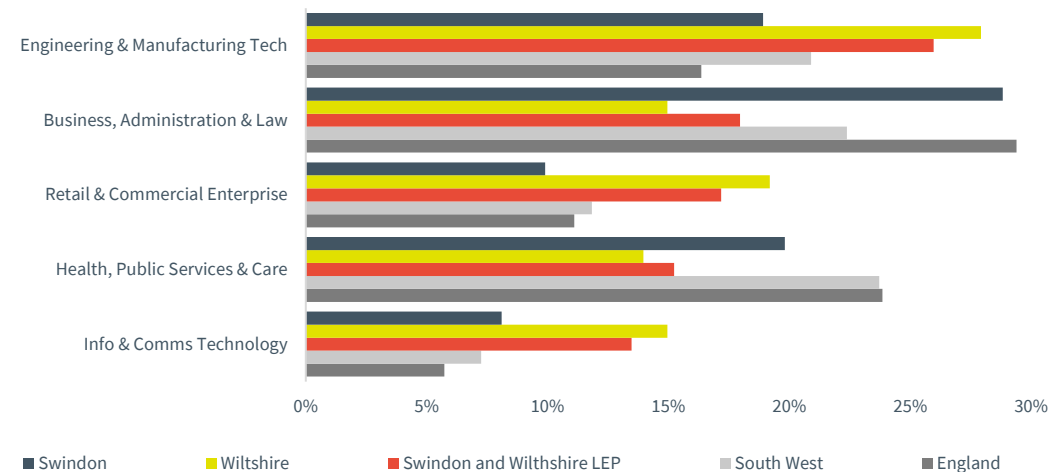
In the LEP area, data from the Employer Skills Survey suggest 14% of employers had at least one staff member undertaking a formal apprenticeship (compared to 11% nationally). However, a higher proportion of these (81%) only had one apprentice (60% nationally).

There is scope to increase the number of employers who offer apprenticeships; of the 86% who did not offer a formal apprenticeship in the last year, over four fifths hadn't offered any in the last 3 years.

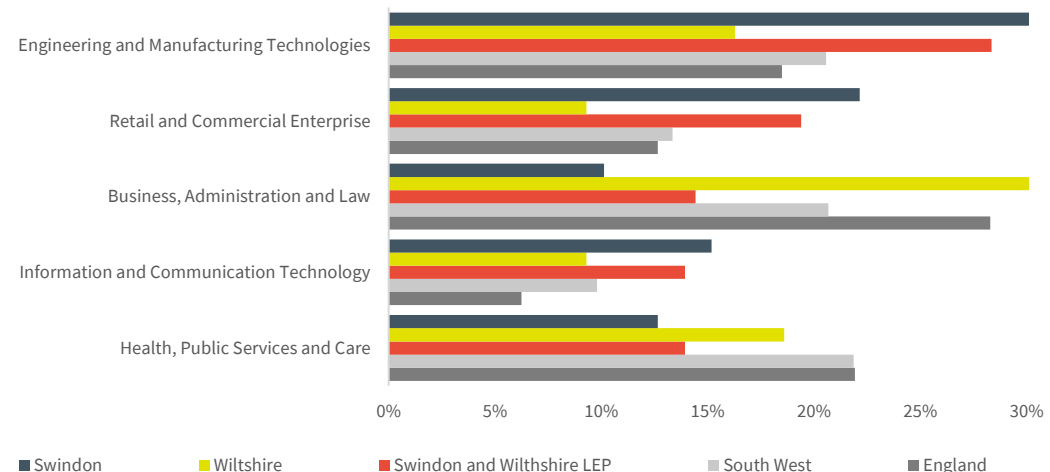
Apprenticeship achievements give an indication of retention and success. In 2020/21, Swindon and Wiltshire had 2,000 apprenticeship achievements. Sectors accounting for the greatest proportion of achievements included engineering and manufacturing technologies (28%), retail and commercial enterprise (19%), and business, administration and law (14%).

Source: Employer Skills Survey 2019, DfE 2021

Top 5 Apprenticeship starts by subject area



Top 5 Apprenticeship achievements by subject area



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Swindon and Wiltshire's Skills Supply

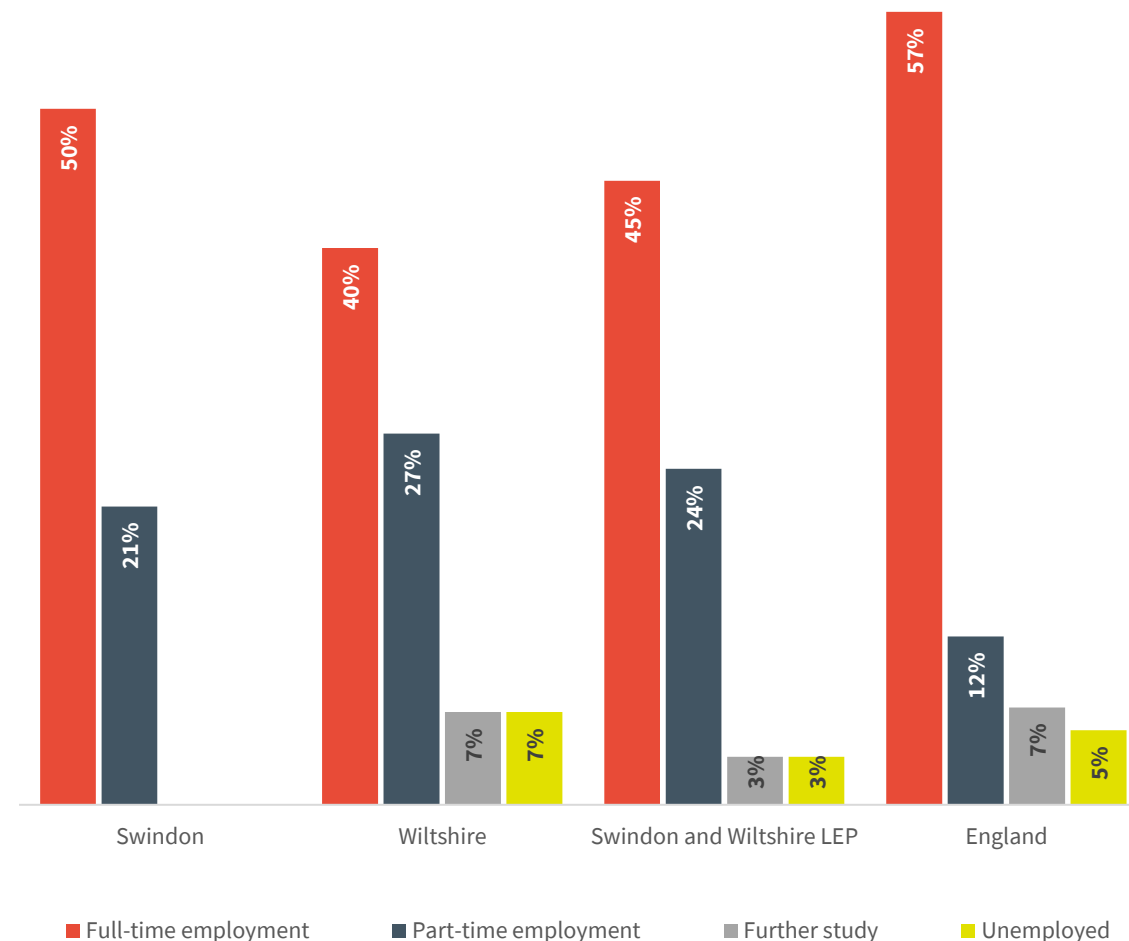
Progression to full time employment after graduation is significantly below the national average...

Within Swindon and Wiltshire, full-time employment is the most common graduate destination, with 45% of graduates who attended the region's higher education institutes entering full-time employment. Within Swindon and Wiltshire, a larger proportion of graduates in Swindon entered full-time employment at 50%, compared to in Wiltshire (40%). This is considerably lower than the percentage of graduates entering full time employment nationally (57%).

A large proportion of graduates attending Swindon and Wiltshire Higher Education Institutes enter part-time employment at 24%, compared to just 12% nationally. This is particularly high within Wiltshire at 27% and indicates a pool of under-utilised graduate labour.

However, a lower proportion of graduates from Swindon and Wiltshire HEIs are unemployed (3%), compared to England at (5%). It is worth noting that some of the difference may be due to small sample sizes and sampling variability.

Graduate destinations 2018/19

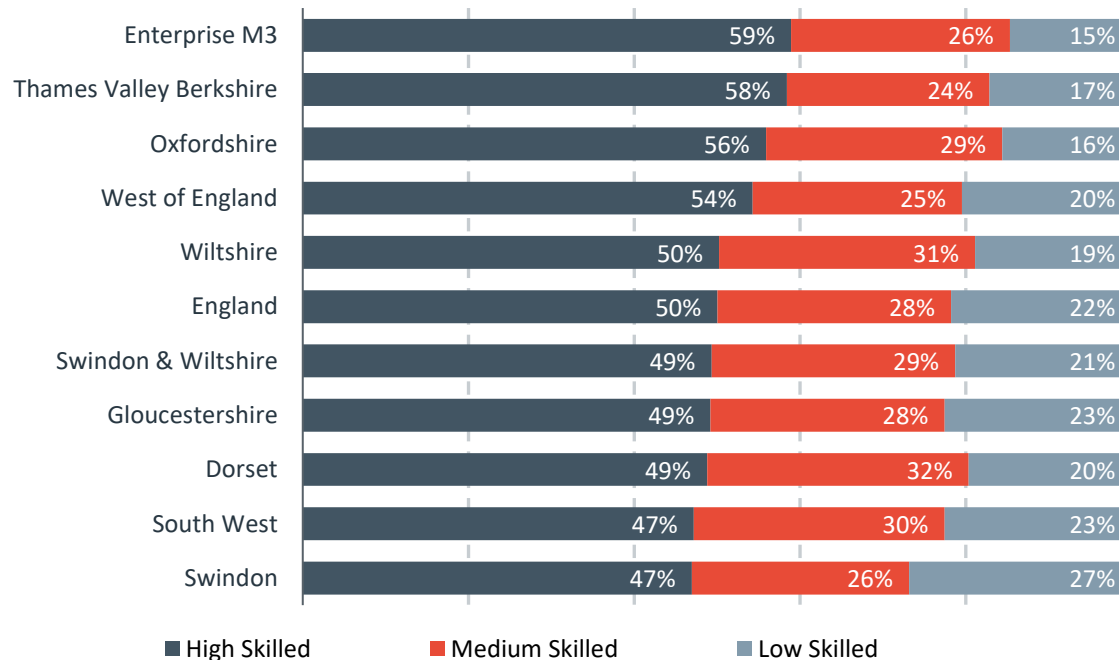


Swindon and Wiltshire's Skills Supply

Swindon and Wiltshire has a high proportion of resident workers in high level occupations but this cohort is growing slowly relative to comparator areas...

Swindon and Wiltshire's occupational profile shows a higher proportion of high level occupations (49%) than the South West (47%) and a broadly similar composition to the England average (50%). However, compared to comparator LEP areas, Swindon and Wiltshire has the third lowest proportion of high skilled occupations.

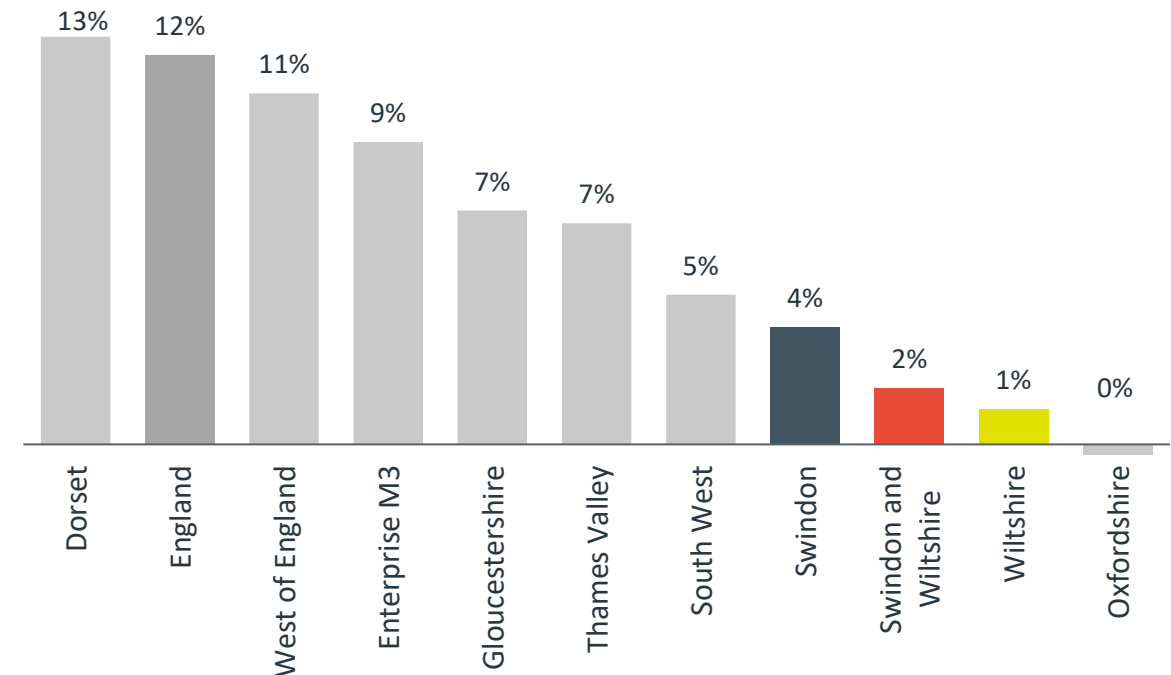
Resident Workers by Occupation, 2020/21



Source: ONS Annual Population Survey, 2021

Growth in high level occupations is slow, with a 2% increase since 2015/16 relative to 12% in England. If this trend continues, Swindon and Wiltshire may lose its competitive position relative to neighbouring LEP areas who have experienced significant growth in the proportion of resident workers holding high level occupations.

Percentage Change in High Skilled Occupations 2015/16 to 2020/21



Swindon & Wiltshire
LOCAL ENTERPRISE PARTNERSHIP

HATCH

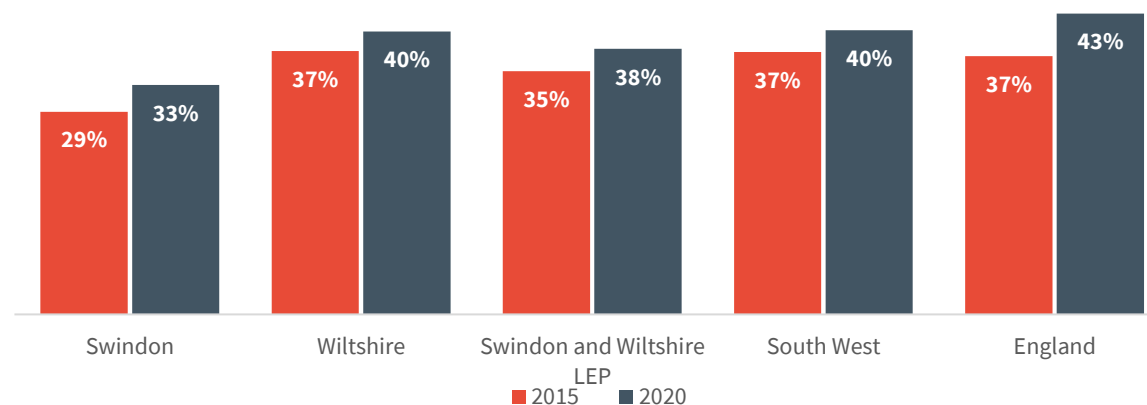
Swindon and Wiltshire's Skills Supply

Residents qualified to Level 4 and above are under-represented in Swindon and Wiltshire...

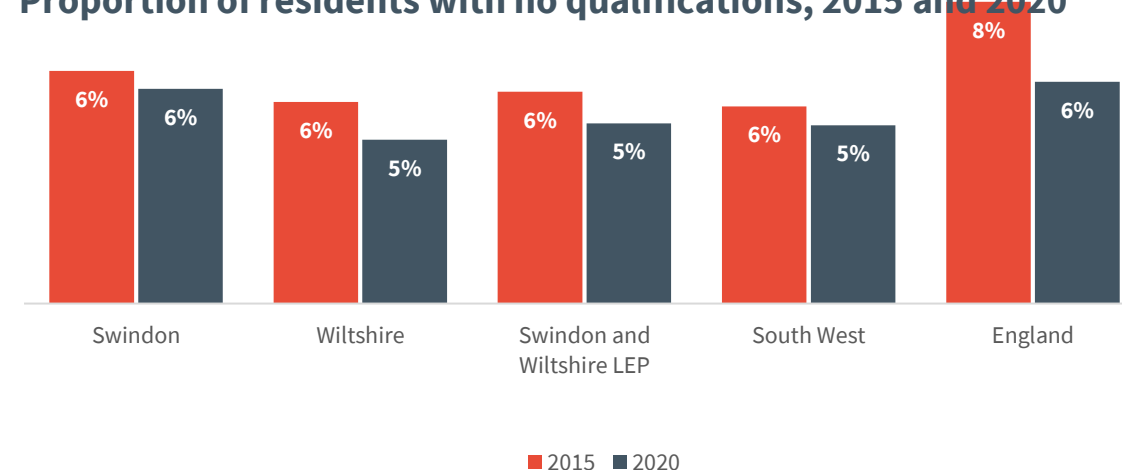
The proportion of residents educated to Level 4+ in Swindon and Wiltshire (38%) is below both the South West (40%) and England (43%) averages. Although this proportion has increased by 3 percentage points since 2015 (from 35%), the growth has been faster in England (from 37% in 2015 to 43% in 2020). Within the LEP area, a larger proportion of residents in Wiltshire hold a Level 4+ qualification at 40%, compared to just 33% in Swindon. Both areas record similar levels of growth since 2015.

The proportion of residents with no qualifications in Swindon and Wiltshire (5%) is in line with the South West average (5%) and lower than in England (6%). Since 2015, this figure has reduced from 6%, which is in line with the South West. However, the reduction in the proportion of residents with no qualifications in England over this period is slightly larger, reducing from 8% to 6%. Within Swindon and Wiltshire, a slightly smaller percentage of residents hold no qualifications in Wiltshire (5%) than in Swindon (6%).

Proportion of residents educated to Level 4+, 2015 and 2020



Proportion of residents with no qualifications, 2015 and 2020



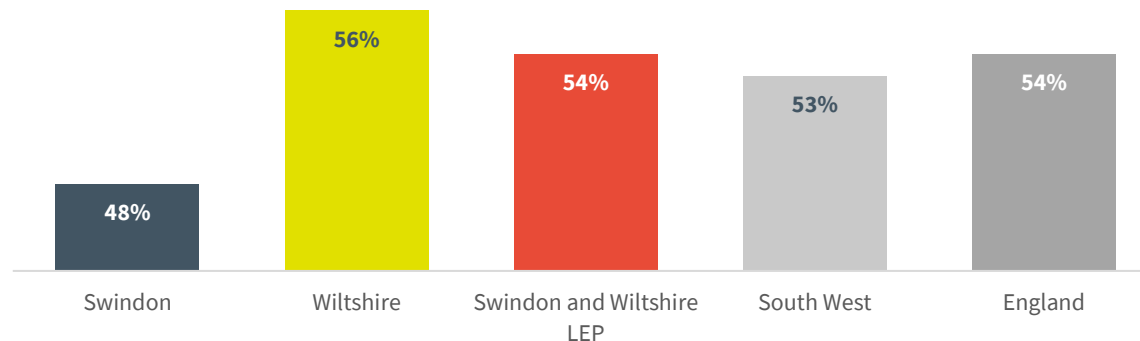
Investment in staff training in Swindon and Wiltshire is on par with the national average but there are geographic differences...

Within the last 12 months, 54% of staff in Swindon and Wiltshire have received training, this is in line with the national average, and slightly above the South West average (53%). However, across the LEP area there are distinct geographic differences. In Swindon, just 48% of staff received training, which is significantly lower than in Wiltshire, at 56%.

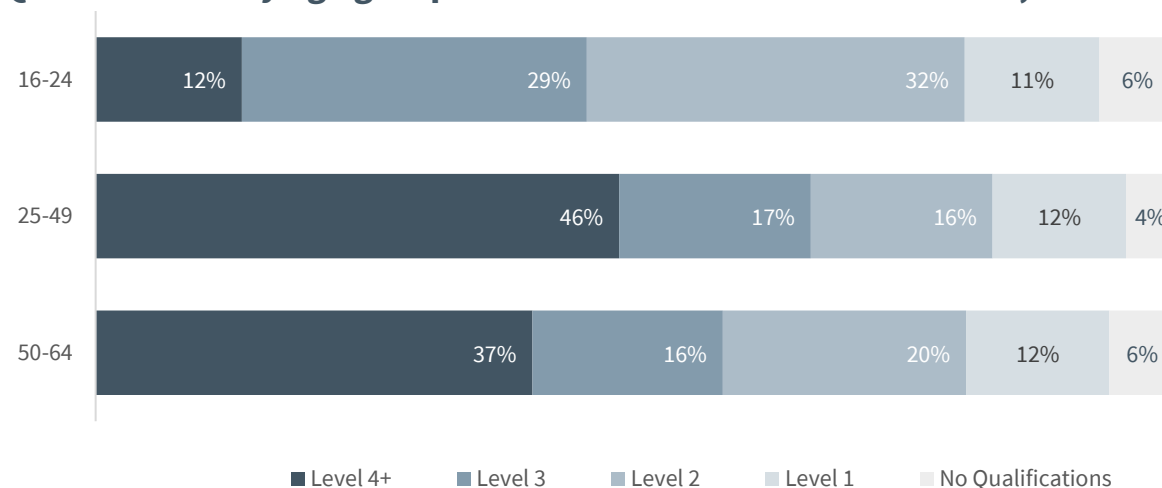
Within Swindon and Wiltshire, the 25–49-year-old age group are the highest qualified, with 46% of people holding Level 4+ qualifications. This is above the 50–64-year-old age group, with 37% of people holding level 4+ qualifications, suggesting increasingly more people are becoming higher qualified.

The 16–24 cohort has the lowest proportion of people holding level 4+ qualifications. However, this is likely due to those in the age group not yet reaching an age to gain these qualifications.

Percentage of staff who have received training in the last 12 months, 2019



Qualifications by age group in Swindon and Wiltshire LEP area, 2020



Swindon and Wiltshire's Skills Demand

A skills mismatch exists in Swindon and Wiltshire...

The Employers Skills Survey found that 7% of employers identified skills shortage as the reason behind vacancies in Swindon and Wiltshire which is above both the regional and national average (6% respectively). This is higher in Swindon (8%) than Wiltshire (7%).

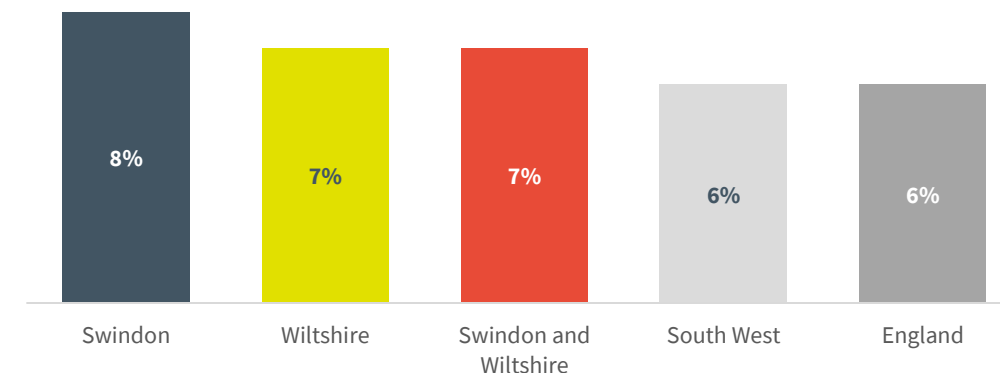
Alongside this, a higher proportion of employers in Swindon and Wiltshire advertised a vacancy to address a skills shortage or gap (23% versus 17% nationally). This was most common in professional occupations (35% versus 19% nationally) followed by skilled trades occupations (22% versus 19% nationally).

Hard-to-fill vacancies can constrain growth and productivity in an area. Swindon and Wiltshire may be more at risk of this as 28% of employers said it led to difficulties introducing new technologies (versus 22% nationally).

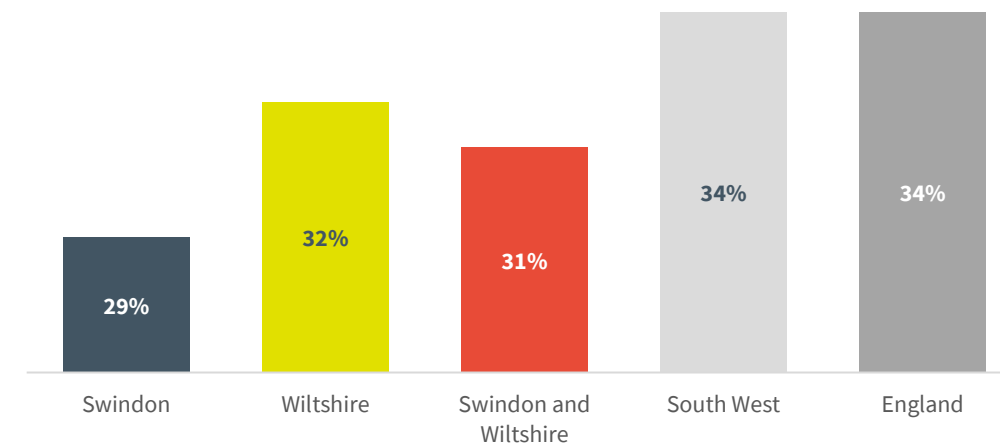
Of those employers with a skills gap, 14% recruited (or tried to recruit) non-UK nationals, with only 2% of those looking to non-EU nationals. If recruitment habits continue to focus on EU-based nationals to fill this skills gap, then the transition from free movement to a point-based immigration system will also likely increase the number of skills gap-based vacancies due to limitations on EU-based recruitment.

At the same time, 31% of employers had at least one employee who was underutilised. This suggests a significant skills mismatch (albeit at a lower frequency than in the region and nationally).

Vacancies by skills shortage, 2019



Under-utilisation of at least one employee, 2019



Swindon and Wiltshire's Skills Demand

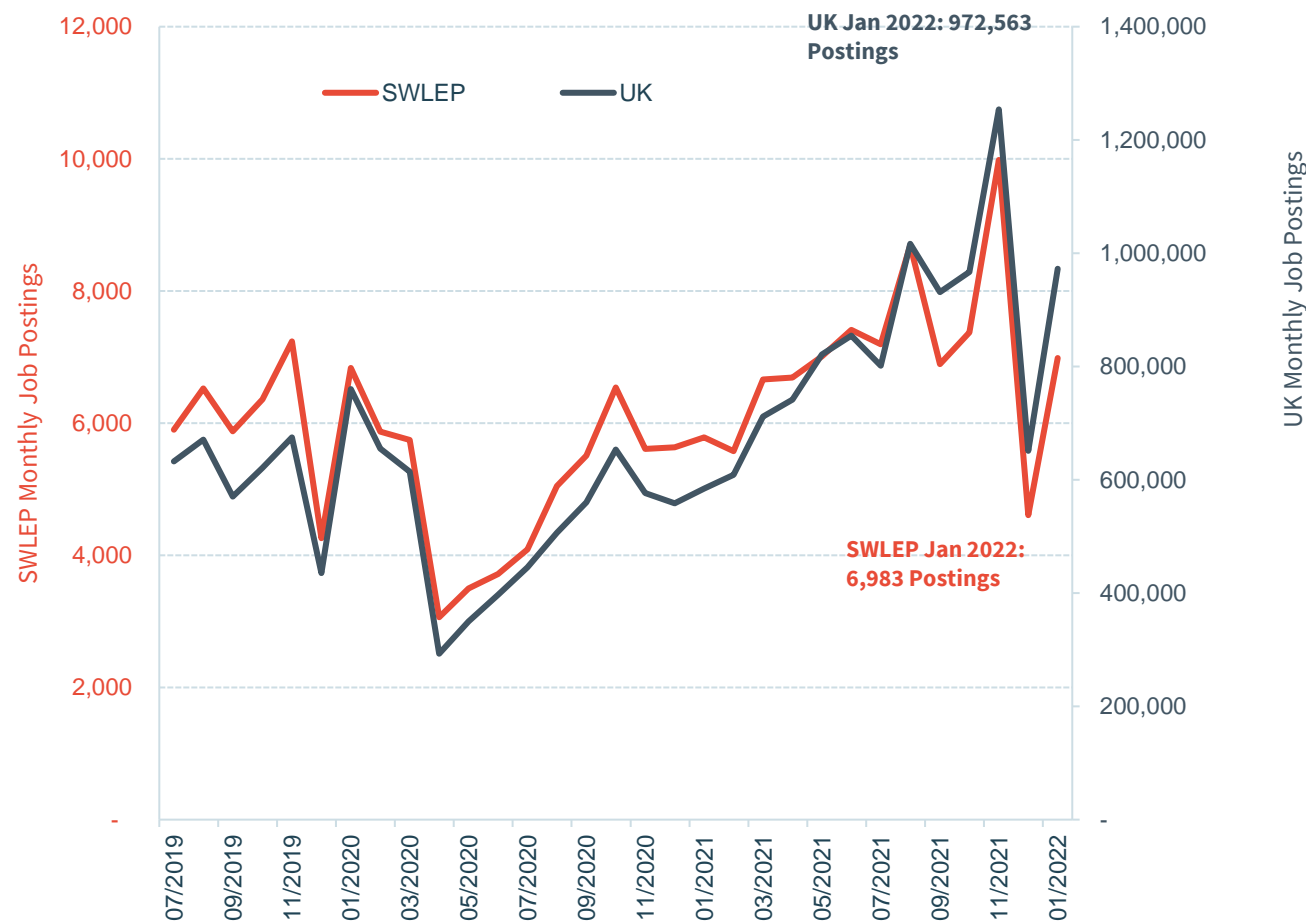
A high number of job postings

Swindon and Wiltshire had 6,983 jobs advertised in January 2022. Swindon has a high number of job vacancies (6,000). This is likely due to its position as the main commercial centre of the LEP area compared to Wiltshire.

Ten sectors experienced increases in the number of vacancies between December 2021 and January 2022. These included:

- + Admin services
- + Education
- + Finance and insurance
- + Hospitality
- + Human health
- + IT
- + Manufacturing
- + Prof. services
- + Public admin
- + Wholesale and retail

Job postings, 2019-2022





The labour market in Swindon and Wiltshire is very active and buoyant, but there are risks to retaining sufficient labour supply and addressing skills gaps:

- With a growing share of older residents policy should look to leverage the Lifetimes Skills Guarantee to ensure lifelong learning amongst residents that can assist their retention and engagement in the labour market;
- A high share of non-UK residents (in Swindon particularly) suggests a possible reliance on international migrant labour that may be affected by EU Exit and exacerbate existing skills gaps which policy will need to address.

High rates of part-time working (in Wiltshire) suggests an underutilisation of human capital that could help address shortages of local labour supply.

It may also be necessary for policy intervention to mitigate long term labour scarring from the pandemic, particularly in areas where employment is yet to recover and where the claimant count remains above pre-pandemic. The Swindon and Wiltshire Skills Plan looks to spur a step-change in the take-up of apprenticeships. With a large proportion of business in the LEP area not offering apprenticeships this could be a route for policy to look to increase numbers. Focusing on high level apprenticeships in certain sectors could also help address some of the existing skills gaps.