# SWINDON AND WILTSHIRE SKILLS ADVISORY PANEL LOCAL SKILLS REPORT

## *Annex A: Core Indicators*

Swindon and Wiltshire Local Enterprise Partnership

MARCH 2021

Swindon & Wiltshire
LOCAL ENTERPRISE PARTNERSHIP

# Contents

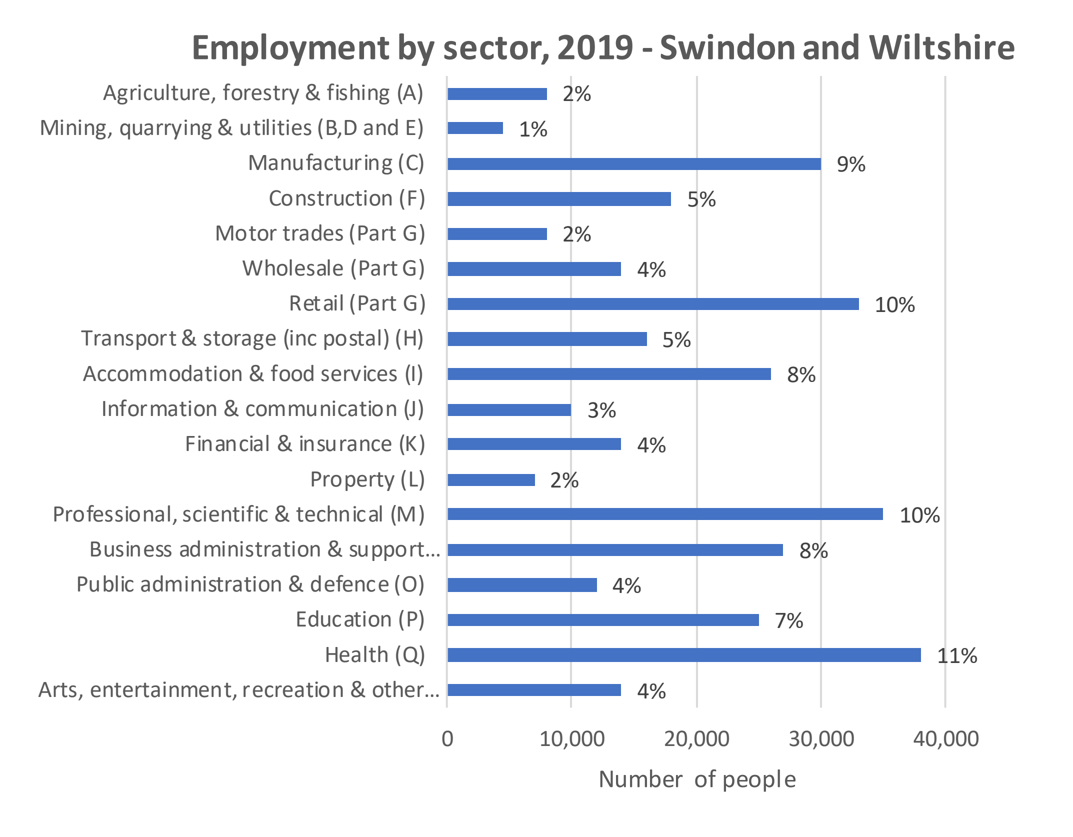
Swindon&Wiltshire LOCAL ENTERPRISE PARTNERSHIP

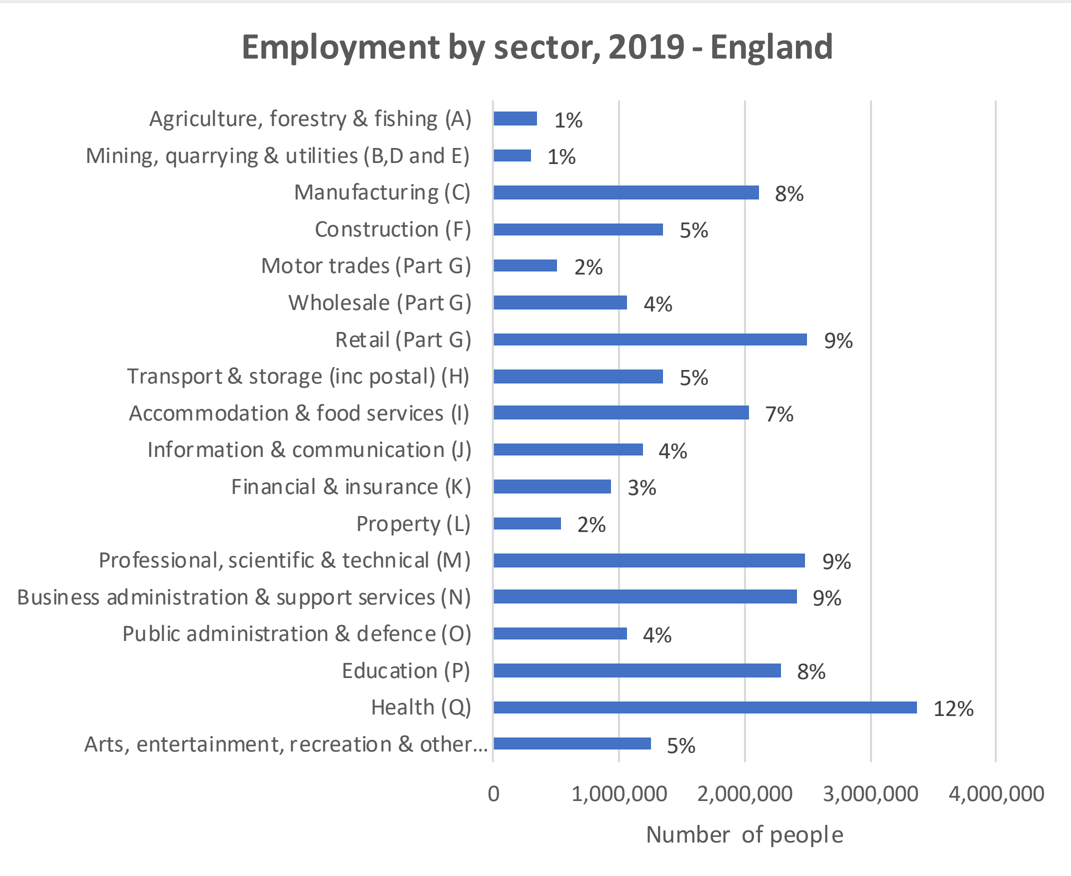
# 1. Local Landscape

**Local Landscape - Summary**

- When it comes to employment, Swindon and Wiltshire's sector mix is broadly in line with the national picture, with the highest location quotient for agriculture, forestry and fishing (A) at 1.5% and the lowest for information and communication (J) at 0.7%. Our diverse industry mix increases our resilience, as demonstrated by our swift recovery following the 2008 recession.
- Our priority sectors, as presented in the Swindon and Wiltshire Local Industrial Strategy, build on our existing strengths, but they also aim to leverage our assets and capabilities to capitalise on the future growth potential of several emerging industries. In addition, they are mainly high-productivity sectors. They include: advanced engineering and high value manufacturing, digital technology, electronics and connective systems; sustainable technologies; life sciences; and defence and security, including cyber resilience. Growth of the priority sectors is expected to increase the demand for higher skilled occupations, which in turn will see the proportion of residents with Level 4 and above qualifications increase.
- Our occupation mix is broadly in line with the national average, with the highly skilled roles accounting for 51% of employment (50% nationally) and our GVA per hour work remains above the national average. The development of the priority sectors is expected to further increase the proportion of highly skilled roles.
- Swindon and Wiltshire benefit from a strong employment rate. However, there are concerns in relation to the ageing population, especially in Wiltshire, lower median wages, especially for workplace and above-average proportion of micro businesses, which acts as a constraint on apprenticeship growth and makes engagement harder.
- Strong businesses survival rates are driving the increase in the number of businesses locally, in part offsetting below-average businesses births.
- Based on the analysis of local job postings, and in line with local intelligence from businesses, all sectors except health and care services have been negatively impacted by the COVID-19 pandemic, with Swindon and Wiltshire broadly following the national trends.

## 1.1 Employment by sector




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

Of the four largest sectors in 2019/20, public administration, education and health (with 29% of employment) and distribution, hotels and restaurants (with 15% employment), were slightly below the national average (31% and 17%, respectively). In contrast, banking and finance, etc (with 19% of employment) and manufacturing (with 11% of employment) were slightly above the national average (18% and 9%, respectively).

Swindon and Wiltshire's priority sectors have been selected based on their strength, in terms of their existing contribution to the local economy or their future growth potential. Their performance has been monitored over time to ensure that they remain a relevant focus. The skills analysis undertaken for the Skills Plans and the Swindon and Wiltshire Local Industrial Strategy (LIS) have enabled a more detailed view of the priority sectors and have formed a sound base for our Skills Action Plan. As outlined in the LIS, Swindon and Wiltshire's priority sectors are:

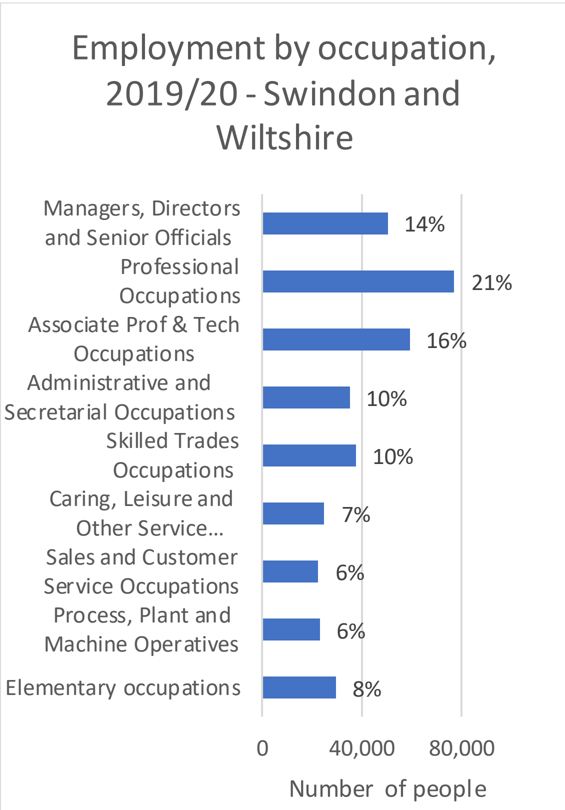
- advanced engineering and high value manufacturing, digital technology, electronics and connective systems, building on the manufacturing strengths including pharmaceutical manufacturing around Swindon (employs eight times as many people as the national average); motor vehicle manufacturing (nearly seven times larger than the national average); the electrical equipment manufacturing (more than three times the national average); and the manufacture of computer, electronic and optical products (employs twice as many people in Swindon and Wiltshire as the country overall); although motor vehicle manufacturing will significantly decline after the Honda closure in Swindon in the summer of 2021, we anticipate that this will provide the needed influx of skills to grow the existing high value manufacturing businesses, create new ones and attract further investment into the area;
- sustainability technologies, with strong development potential in a clean growth, helping to reach Net Zero targets;
- life sciences, including activity within our Life Sciences Opportunity Zone at Porton with the Porton Science Park which is home to a plethora of research-related companies and Universities from around the world working in partnership with Defence Science and Technology Laboratory (Dstl) and Public Health England (PHE); and
- defence and security, including cyber resilience, with Swindon and Wiltshire together with GFirst, Worcestershire, and The Marches LEPs forming the Cyber Valley, a region with high concentration of skills and businesses in cyber security, extending into Western Gateway super-region, with further strengths in Bristol and Newport.

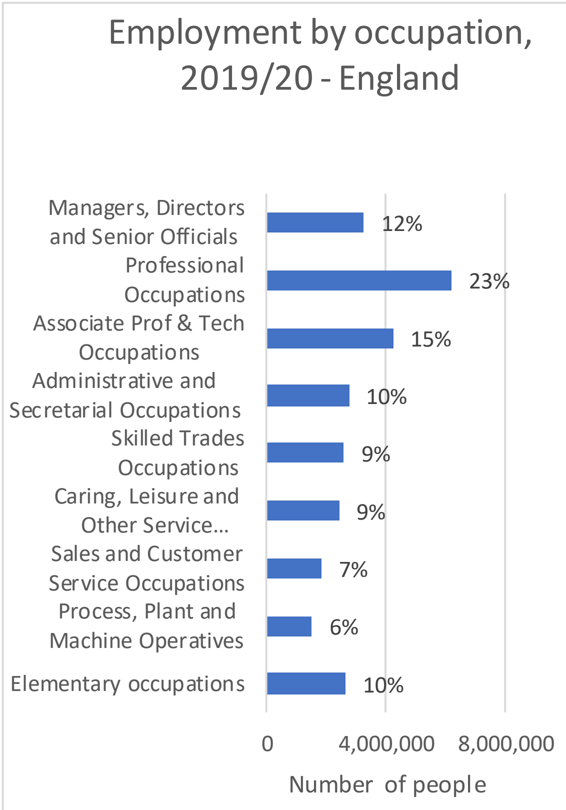
Swindon and Wiltshire's job postings have changed broadly in line with the UK averages. This is despite manufacturing and construction, which according to the monthly gross domestic product and components index have been more affected by COVID-19, being slightly more pronounced in Swindon and Wiltshire employment

Based on the job vacancy data, which the SWLEP has monitored and reported each month, our largest sectors have shown some degree of resilience. According to the Labour Insights data, after six months of continuous recovery, Swindon and Wiltshire job postings in October 2020 were broadly in line with the October 2019 levels, although the mix of the jobs was considerably different. In November 2020, however, driven by the second lockdown, the number of job postings in Swindon and Wiltshire was nearly a quarter below the November 2019 figures, showing a slightly higher decline than the UK postings, which were 15% lower.

Although the data is limited, it suggests that only one industry, human health and social work activities, reported increases in vacancies during 2020 compared to the same period in 2019. This is a trend observed across the UK, as well as Swindon and Wiltshire. However, Swindon and Wiltshire area has seen slower relative declines in several industries, including: professional, scientific and technical services; manufacturing; and administrative and support services.

## 1.2 Employment by occupation




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

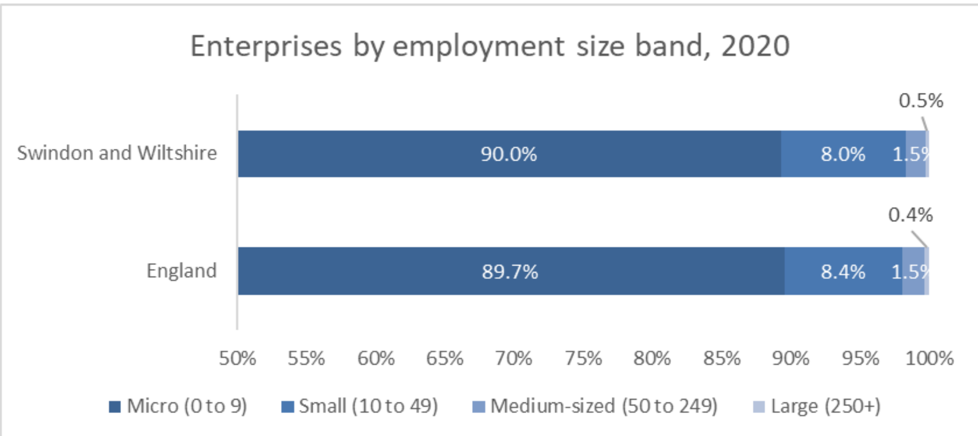
The Swindon and Wiltshire area is slightly above the national averages for the highly-skilled occupations, accounting for 51% of employment in 2019/20 compared to 50% for England. Within this, managers, directors and senior officials and associate professional and technical occupations were slightly above the national average, with professional occupations, which accounted for the highest percentage of employment in Swindon and Wiltshire and England, slightly below the national average of (21% and 23% respectively). The Swindon and Wiltshire area also has a higher proportion of skilled trades and process, plant and machine operators, which reflects its strong engineering and manufacturing base and lower proportions of caring, leisure and other service; sales and customer service; and elementary occupations than found nationally.

The low-skill occupations, sales and customer service and elementary occupations, account for 14% of the local employment compared to the national average of 17%. The remaining 35% of employment are middle-skill occupations, accounting for a slightly higher proportion of employment than in England (33%)

The Swindon and Wiltshire Local Industrial Strategy focusses on extending innovation activity and further growing priority sectors which require higher skills, typically associated with higher earnings and increased productivity for example life sciences particularly centred in our life sciences Opportunity Zone, advanced engineering and high value manufacturing, sustainable technologies and cyber.

Throughout the COVID-19 pandemic, online job postings suggested that Swindon and Wilshire's demand for occupations has largely followed the national trends. Based on the Labour Insights data, between April and November 2020 year-on-year increases in job postings were recorded in only in caring, leisure and other service occupations in Swindon and Wiltshire. All other occupations saw fewer jobs advertised between April and November 2020 than during the same period in 2019. The highest decreases were recorded in job postings for Sales and Customer Service roles, which during April to November 2019 were the third largest occupation group in terms of job adverts, dropping to the eighth largest during April – November 2020. We assume that this was because most businesses that trade face-to-face had to close down during the lockdown, with their staff put on furlough.

### 1.3 Enterprises by employment size band




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

Swindon and Wilshire have a similar business size profile to the national average, however with slight geographical variations. The profile for the Swindon unitary authority area, which is dominated by the town, is home to a significant number of large and multinational companies. This is in contrast to Wiltshire which is a large rural county with network of market towns and has a larger proportion of micro and small businesses. Companies with over 250 staff represented 0.4% of enterprises in England and 0.3% in Wiltshire in 2020, compared to 0.7% in Swindon. In contrast, Wiltshire had 90.2% micro businesses, compared to 89.7% for England and 89.5% for Swindon. Both Swindon and Wiltshire had a lower proportion of small businesses, 8.0% and 8.1%, respectively, compared to 8.4%[1].

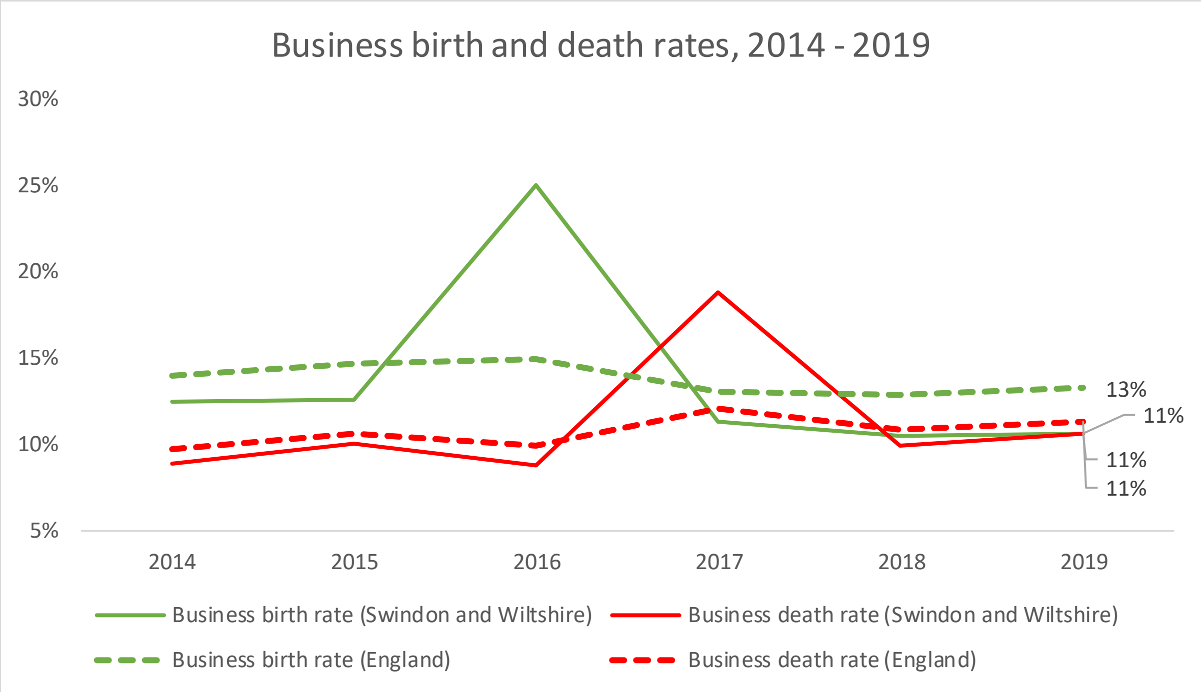
A high proportion of micro businesses comes with a number of implications ranging from increased difficulty for our Growth Hub in supporting nearly 27,000 micro businesses, through to the greater difficulty of increasing the number of apprenticeships, since many of these micro businesses do not pay the levy and often have insufficient resources to support apprentices. In response, we are extending our reach by working with a wide range of local business representation organisations.

Anecdotal feedback, gathered through our Growth Hub, indicates that the main issues facing our local business community include:

- financial losses;
- gaps in accessing government support, especially amongst the self-employed;
- disproportionate impact on the visitor economy;
- the repeated impact of successive lockdowns in terms of stock on small business owners for example, shops and pubs;
- increased need for digital skills as businesses move to working from home and/or trading more online;
- larger services-based firms have continued to operate with staff working from home; this is likely to have a long-term impact on the commercial office property market; and
- many businesses need to enhance digital capability to adapt and build future resilience; this ranges from e-commerce, online booking systems, cyber security, data management to flexibility to work from home and improved connectivity with remote workforce.

[1] Local Skills Report – Annex B

### 1.4 Business birth and death rates:

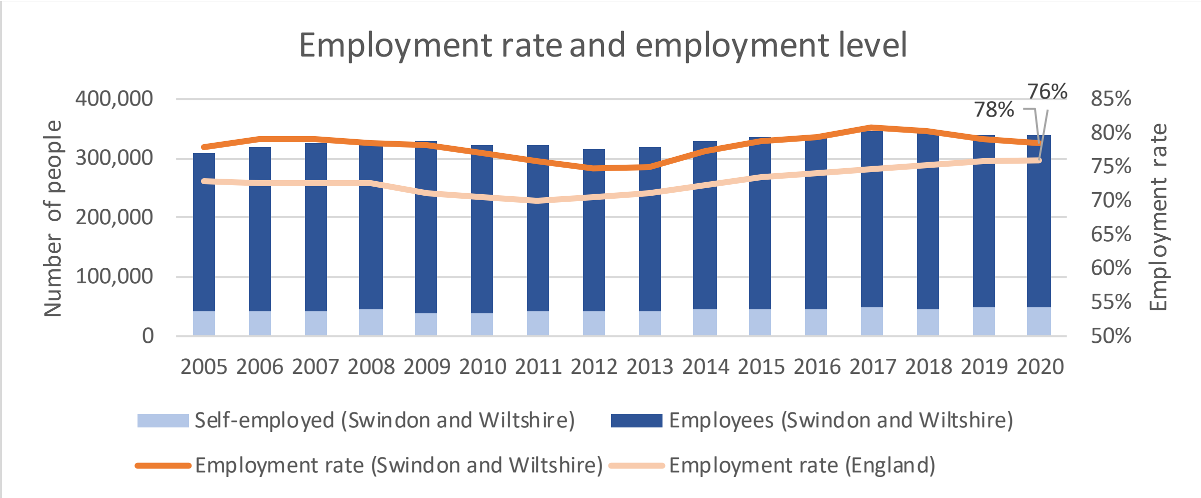



***Source:*** *ONS Business Demography, 2015 - 2018 (published 2019), 2020 SAP boundaries*

With the exception of the data anomalies (the spike in birth rate in 2016, that was corrected through corresponding the spike in death rate in 2017; local intelligence suggest that this was due to a local company offering to register other businesses from across the country from its Wiltshire trading address), the Swindon and Wiltshire area consistently reported birth rates and death rates below the national average. Despite fewer companies being created every year, the business survival rate for Wiltshire (as well as the South West region) is particularly strong at 48% compared to 43% for England for business created in 2012. Higher survival rates resulted in high overall numbers in the production, motor trades, wholesale, transport and storage, information and communication, finance and insurance, property, professional and scientific and business administration sectors.

Over the short to medium term we will continue to monitor the impact of the COVID-19 pandemic on the performance and prospects of our businesses and our overall economy. In doing so we will look at the impact on our residents, workers and communities and work in collaboration with our public and private sector partners to responding accordingly.

### 1.5 Employment rate and level



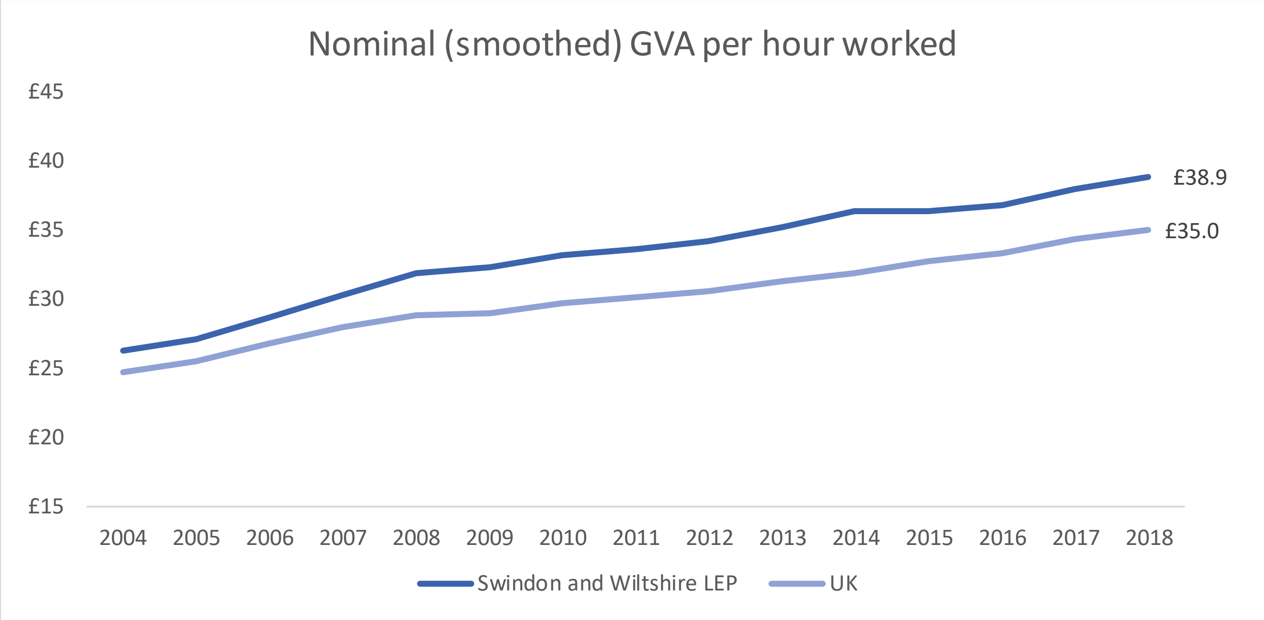

***Source:*** *Annual Population Survey, 2005 - 2020, 2020 SAP boundaries*

The Swindon and Wiltshire area benefits from a consistently higher employment rate than the average for England. It peaked in 2017 as the economy recovered from the 2008 recession, which saw the local employment rate fall to just 75% in 2012. Anecdotal evidence from local businesses suggests that the fall in employment rate since 2018 reflects the uncertainty that businesses faced as a result of the prolonged EU trade negotiations. Despite this, the Swindon and Wiltshire area was in the top third of LEPs with highest employment rates in 2020. Wiltshire's employment rate at 78% lagged slightly behind Swindon at 81%.

Wiltshire has a higher proportion of self-employed (18% of those in employment in 2020 were self-employed), compared to both England (14%) and Swindon (9%). Due to lifestyle choices, self-employment tends to be more prominent in rural areas, however it can have impact on overall earnings.

Because of the furlough schemes, it is not possible to understand the full impact of COVID-19 on unemployment rates. Claimant Count data, which measure the number of people claiming benefits principally for the reason of being unemployed, shows that the proportion of residents aged 16-64 in Wiltshire has consistently remained below the national average, whilst the level in Swindon is broadly in line with the national average. The rates for both Swindon and Wiltshire have increased since the begin of the March 2020 lockdown, but not as fast as for England.

## 1.6 Nominal GVA per hour worked:

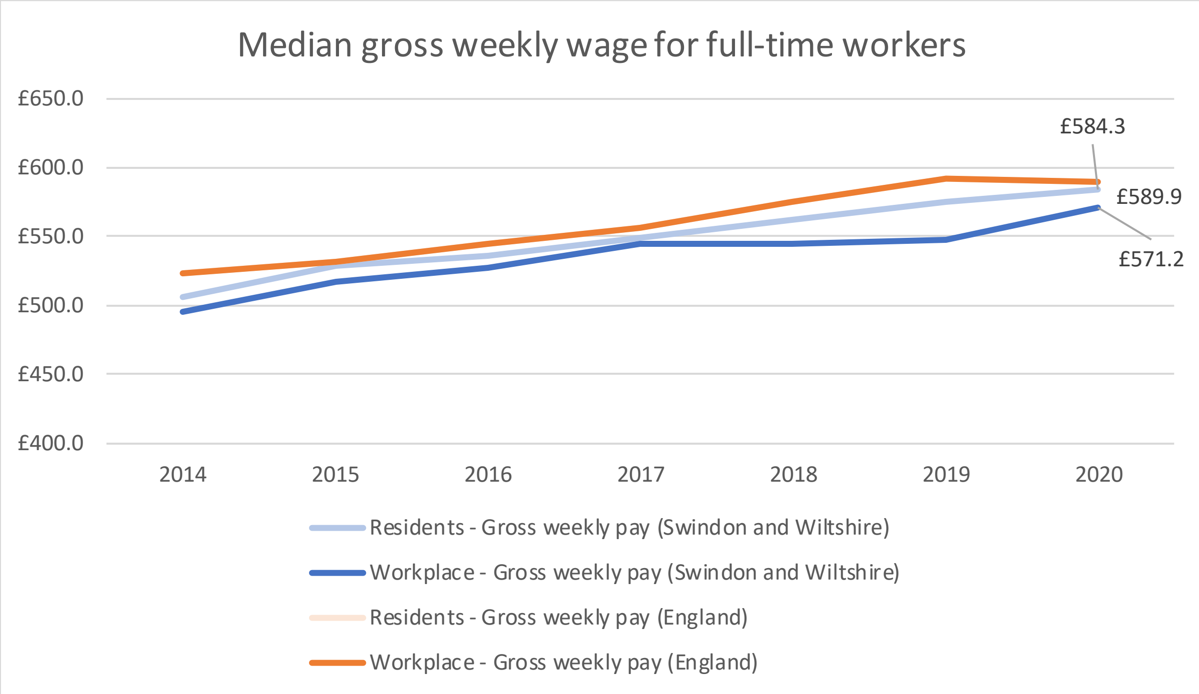



***Source:*** *ONS Subregional Productivity, 2004 - 2018 (published 2020), 2018 LEP/MCA boundaries*

Swindon and Wiltshire's Gross Value Added (GVA) per hour worked continues to outperform the UK average. Moreover, the gap has increased due to Swindon and Wiltshire's strong growth rate over the last 15 years. Since 2004, Swindon and Wiltshire's GVA per hour worked improved at a compound annual growth rate of 2.8% compared to the UK's 2.5%. The strong performance is driven by Swindon, with a compound annual growth rate of 3.7% over the same period, and GVA per hour worked consistently over 40% higher than the UK's over the last five years. Swindon's considerable growth in the recent years has been driven by several key sectors, including: construction; financial and insurance activities; professional, scientific and technical activities; and administrative and support service activities.

In contrast, Wiltshire's GVA per hour worked is slightly below the national average and is a reflection of its sector mix and business size, namely higher levels of employment in lower-value activities such as agriculture and accommodation and food services and lower levels of employment in higher-value sectors, such as financial and insurance activities.

**1.7 Median gross weekly wage for full-time workers**:




***Source:*** *Annual Survey of Hours and Earnings, 2014 - 2019, 2019 LEP boundaries;*

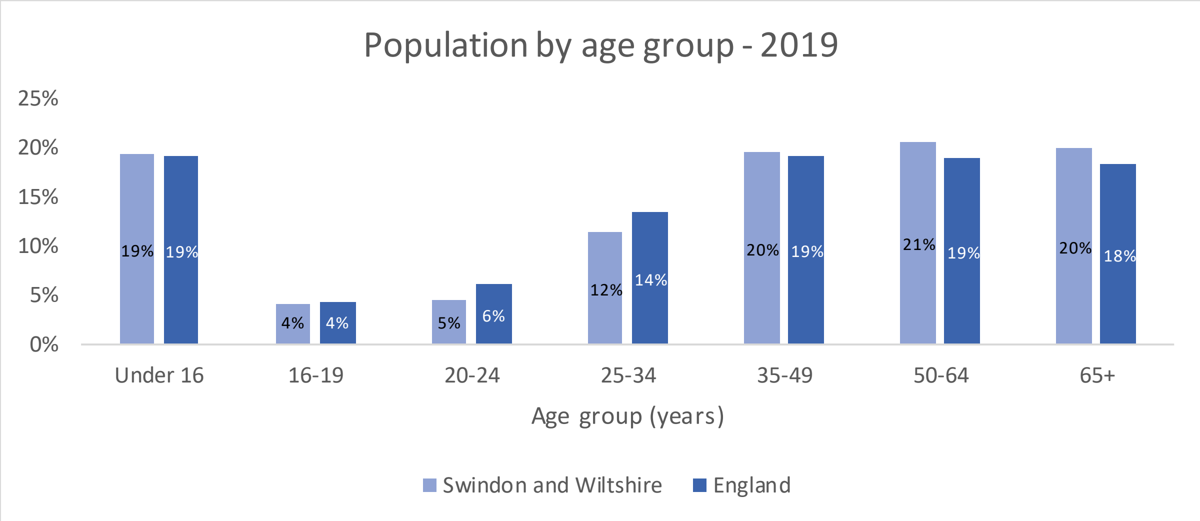
*Note: resident and workplace figures for England are the same*

The median gross weekly wages in Swindon and Wiltshire, both for residents and workplace, have continued to be below the England average. However, there are differences between the two unitary authorities in the area. In 2020, wages in Swindon Borough were higher than the national average and Wiltshire's were lower narrowed the gap somewhat in 2020, bringing resident wages to within 3% of national average and workplace wages to 9% below. The reasons for Wiltshire's lower wages are thought to be driven by three main factors:

- sector mix and higher proportion of sectors typically associated with lower wages (for example, agriculture, and accommodation and food services);
- higher proportion of self-employed in Wiltshire: 18% of those in employment were self-employed, compared to 9% in Swindon and 14% for England. In Wiltshire in 2017-18 the median income for a self-employed worker was £14,600, nearly 40% below the median income of an employee at £23,600; and
- higher proportion of part-time working: workplace analysis in the Annual Survey of Hours and Earnings shows that the median hours worked by part-time employees were 16.2 in Wiltshire compared to 19.6 in Swindon and 18.7 for England. Wages by resident analysis shows similar, although less pronounced, differences, with Wiltshire at 16.5 hours, Swindon at 17.5 and England at 18.7.

In Wiltshire, like in many other predominantly rural areas, resident wages are higher than workplace earnings because people travel to local urban areas to higher paid jobs. Wiltshire has a daily net out-commuting population of 21,000[2]. In the urban area of Swindon, we see a daily net commute in-flow of 14,000 and the resident and workplace wages are similar.

## 1.8 Population by age group



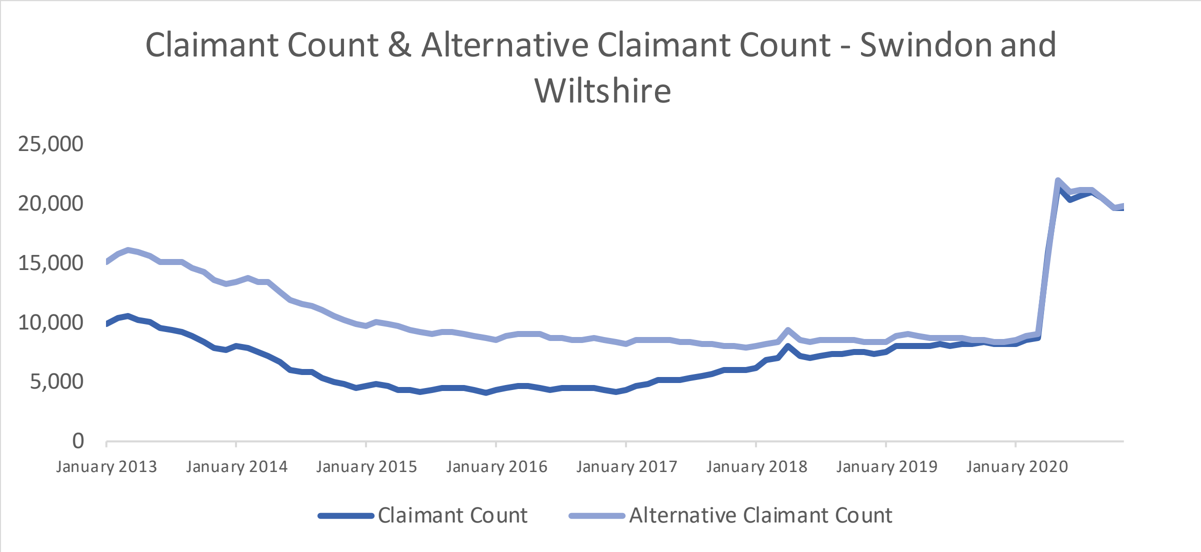

***Source:*** *Annual Population Survey, 2005 - 2020, 2020 SAP boundaries*

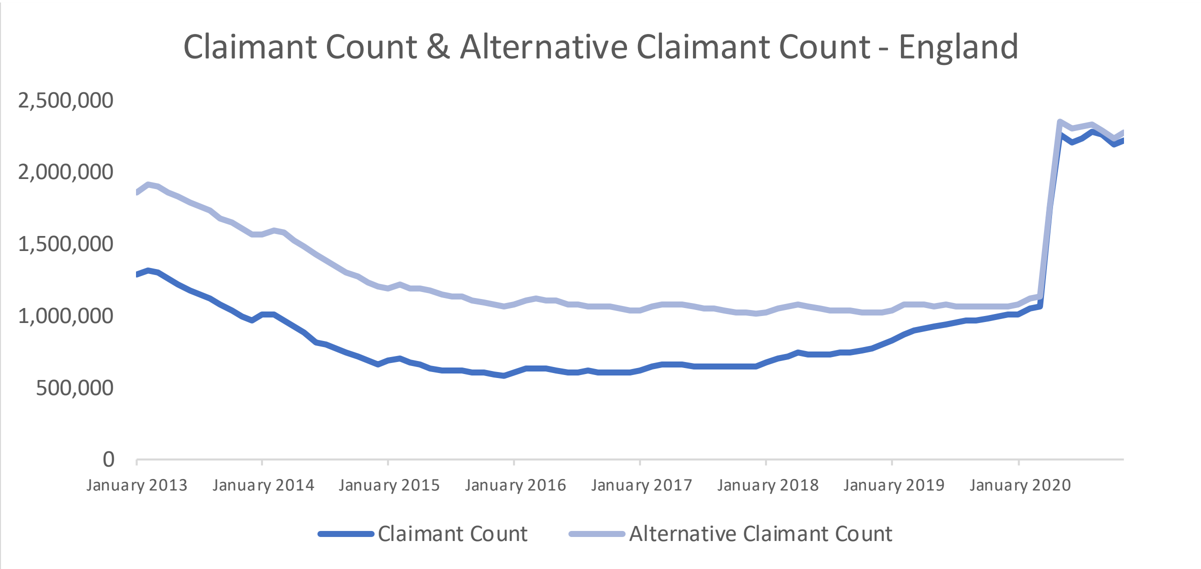
Whilst the three-year growth rate for the overall population of Swindon and Wiltshire is in line with the national average, the working age population has been growing slightly slower[3]. Swindon and Wiltshire have a below-average lower proportion of people 20-35 years of age and more people in the over 50 age groups. However, we see several differences at the Local Authority level. Whilst Swindon has an above-average proportion of people aged 49 or younger, Wiltshire has a considerably higher percentage of people aged 50 and over. Whilst the ageing population is a problem for both the UK and Europe, the more pronounced decline in working-age population in Wiltshire can have number of local implications, from the negative impact on economic growth to the increasing demographic burden, with a negative impact on the standard of living.

2 Swindon and Wiltshire Functional Economic Market Area Assessment

3 LEP Outlook Report 2019

## 1.9 Claimant Count and Alternative Claimant Count:



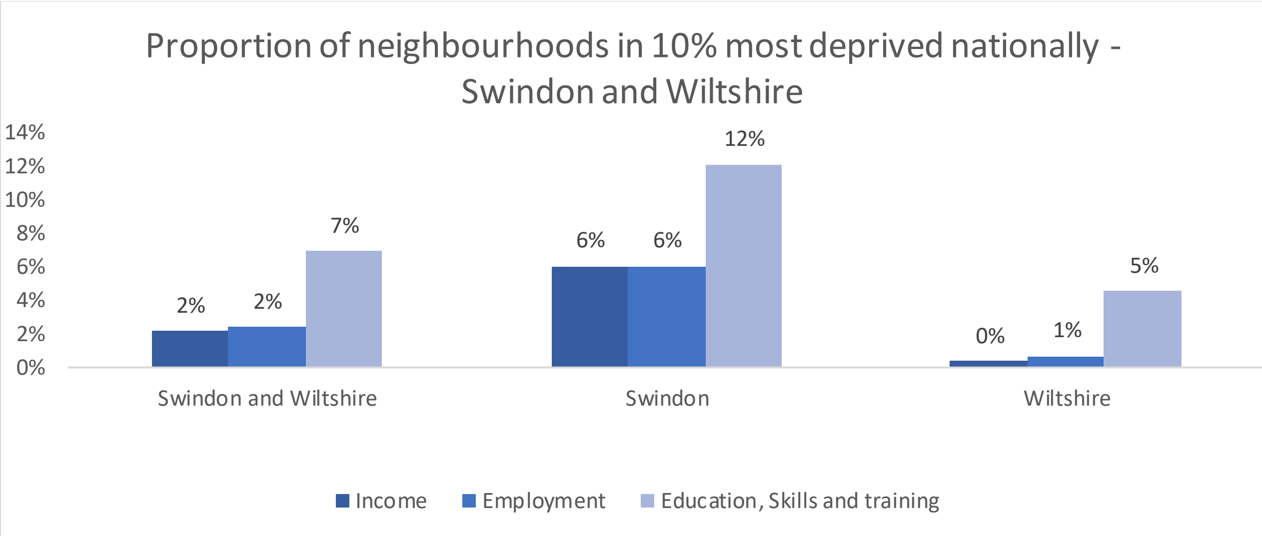

***Source:** ONS claimant count & DWP Stat Xplore, January 2013 – November 2020, 2020 SAP boundaries*

The Claimant Count measures the number of people claiming benefits principally for the reason of being unemployed and is based on administrative data from the benefits system. Since the introduction of Universal Credit from April 2013, the Claimant Count is measured as the number of people claiming Jobseeker's Allowance and the number of Universal Credit claimants placed in the 'Searching for Work' conditionality group. The Alternative Claimant Count models what the count would have been if Universal Credit had been fully rolled out since 2013 (when Universal Credit began) with the broader span of people this covers.

During the COVID-19 pandemic period, the number of people claiming out of work benefits has increased across Swindon and Wiltshire. However, when we look at the claimants as a proportion of residents aged 16-64, Swindon and Wiltshire remain well below the national average. This is primarily driven by Wiltshire, where only 4% of people claim work-related benefits compared to 6% for Swindon and England[4].

Whist the overall claimant count is low locally, there are more young people aged 16-24 claiming work-related benefits in Wiltshire. However, the increases driven by COVID-19 had improved significantly by January 2021, with five months of consecutive declines in the number of claimants aged 16-24 in Wiltshire and Swindon broadly remaining in line with the national average.

### 1.10 Income, Employment and Education deprivation:




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

Swindon and Wiltshire have a low proportion of Lower-layer Super Output Areas (LSOAs) in the most deprived 10% nationally, especially for Income (2%, 6th lowest of the LEPs) and Employment (2%, 8th lowest), which Education, Skills and Training somewhat higher at 7% (14th lowest), with especially strong figures in Wiltshire (0%, 1% and 5%, respectively).

Based on the 2019 Index of Multiple Deprivation (IMD), there are substantial differences between Swindon and Wiltshire, with additional analysis provided in Local Skills Report – Annex B. In line with the national figures that show that overall rural areas tend to be less deprived than urban ones, with 12% per cent of people living in urban areas within the most deprived 10%, compared to only 1% of people living in rural areas[5], Wiltshire performs better across the seven domains when compared to Swindon.

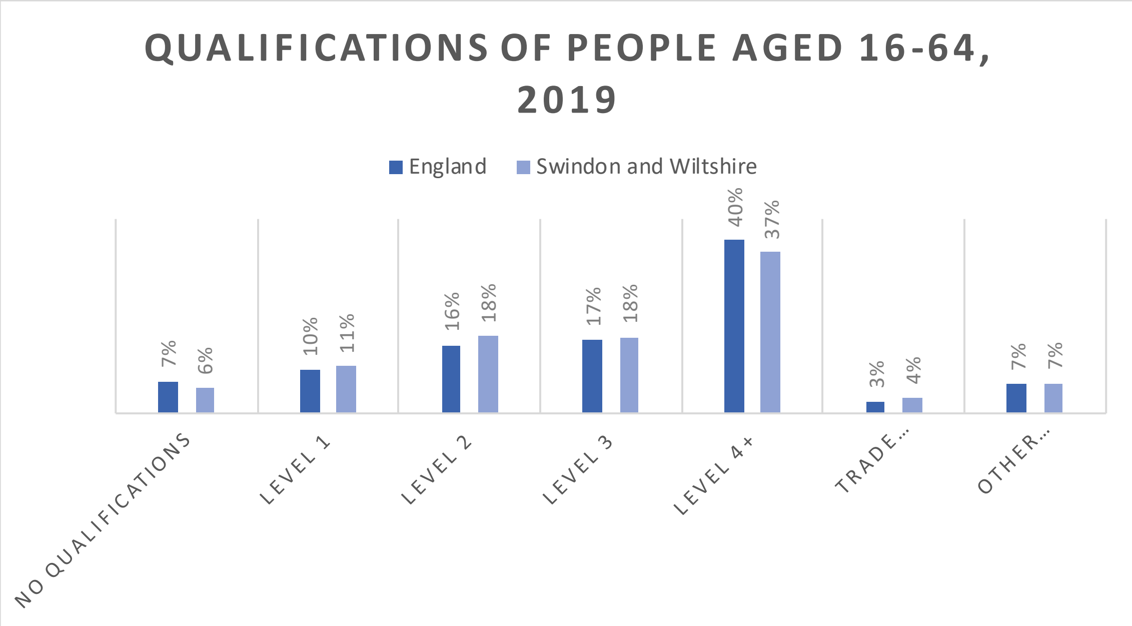
4 Local Skills Report – Annex B
5 Deprivation

# 2. Skills Supply

**Skills Supply – Summary**

- Swindon and Wiltshire benefit from good Further Education provision and access to apprenticeship courses, but the Higher Education offer is fragmented, contributing to the lower proportion of people qualified to L4 and above and to the net graduate loss.
- The availability of employment requiring skills at Level 3 or below, as well as learning on the job without receiving official qualifications, is thought to be one of the main reasons behind the lower proportion of people progressing to Level 4 and above, particularly in Swindon. There is a further national challenge relating to the lack of agility in the college funding system, which can act as a barrier for the supply to swiftly respond to changes in demand.
- Because of the high availability of jobs at lower levels, especially in Swindon, coupled with lower educational aspirations, particularly in the more deprived areas and the absence of a traditional campus university in the area, Swindon and Wiltshire have high sustained employment rates at all levels, including KS5, adult FE and skills learning and apprenticeships.
- The largest subject areas are broadly aligned to the main employment sectors in Swindon and Wiltshire: public administration, education and health (29%), banking, finance, etc (19%); distribution, hotels and restaurants (15%); and manufacturing (11%).
- When it comes to achievements in adult education, Swindon and Wiltshire are in line with England for the top three subjects. Similarly, apprenticeships achievements, both in terms of proportions and subjects, are broadly in line with the national average, although the subject ranking is different, with the top four subjects (engineering and manufacturing technologies followed by retail and commercial enterprise; health, public services and care; business, administration and law) accounting for 81% of achievements in 2018/19.
- Although the advanced apprenticeships continue to increase, the decline in the intermediate levels in 2018/19 is thought to be problematic because it is expected to limit progression to higher levels in the later years. Our emerging apprenticeship strategy aims to address this, by engaging individuals, employers and providers.
- It is important to note that the analysis below of the one-year data, especially that based on surveys where the samples can vary considerably year to year, provides limited insights into the historic changes and long-term trends.

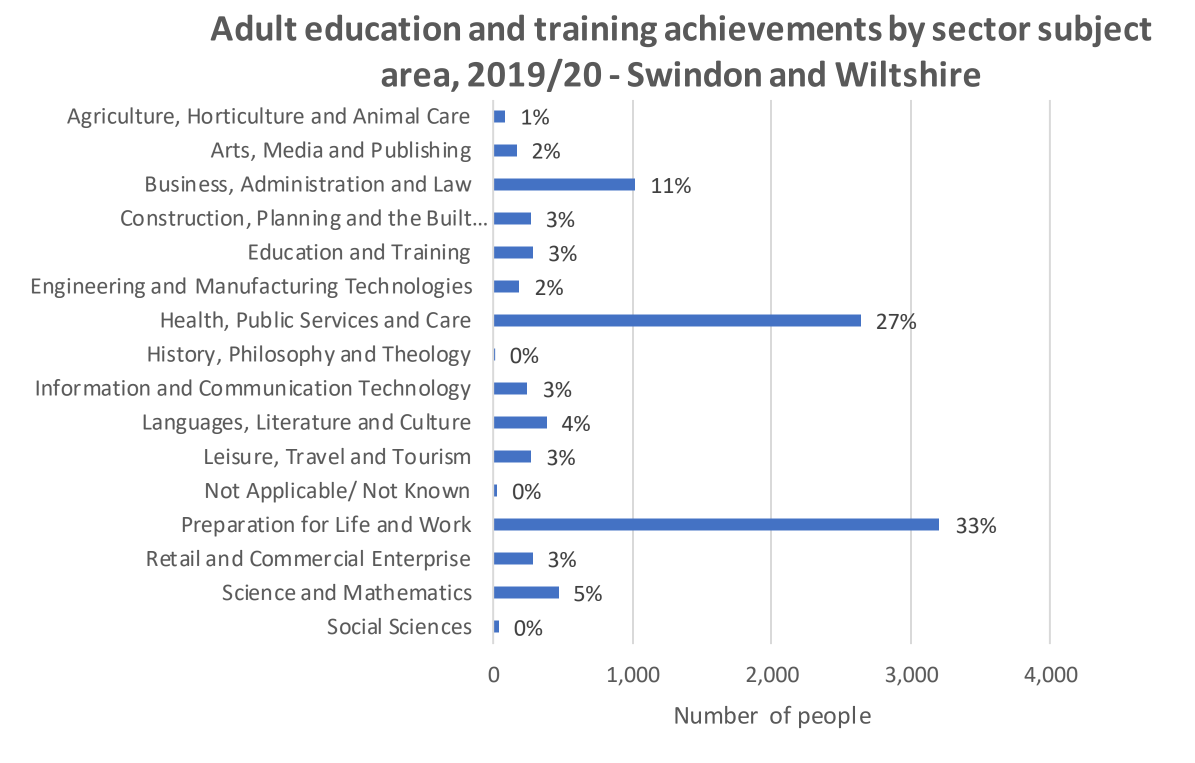
## 2.1 Qualification levels

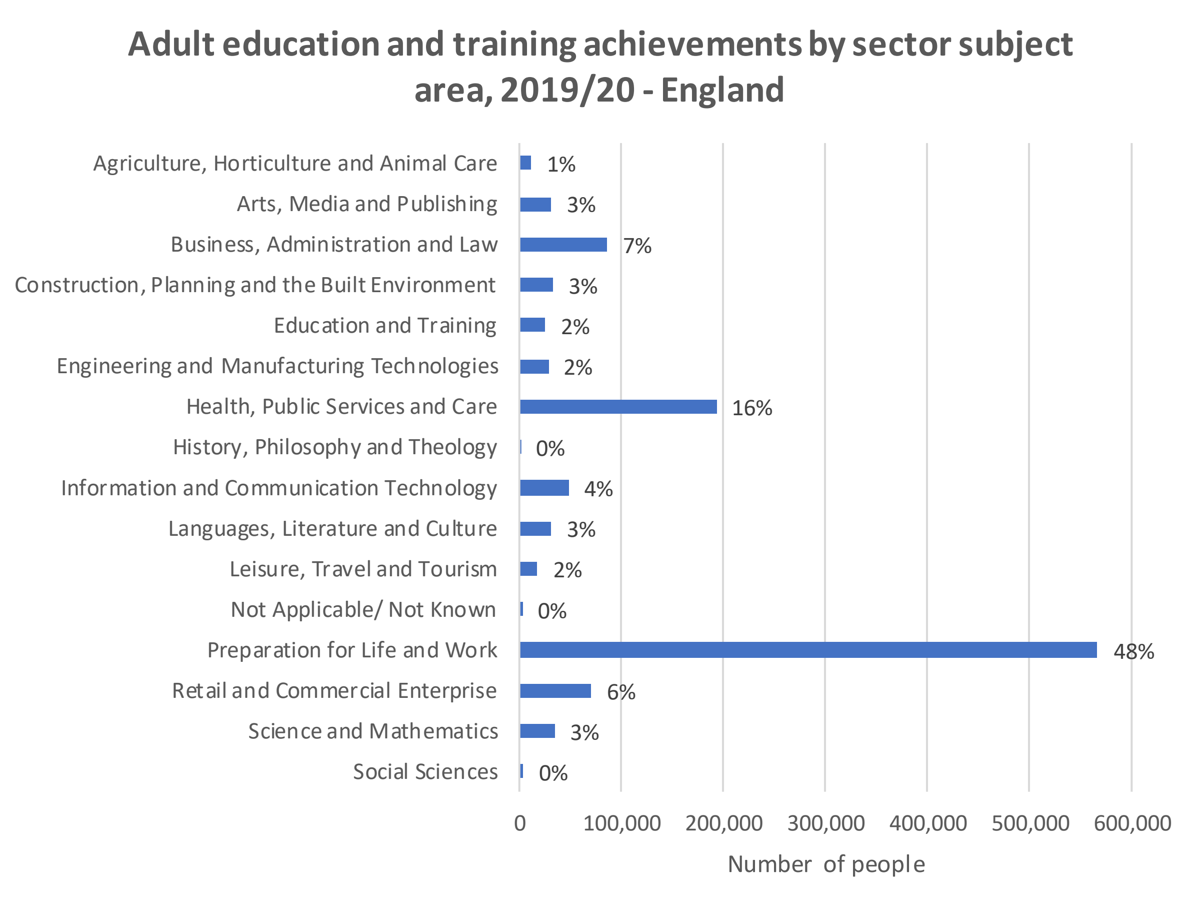



***Source:*** *Annual Population Survey, January 2019 – December 2020, 2020 SAP boundaries*

Whilst the area benefits from a lower proportion of unqualified people and a higher proportion of trade apprenticeships, compared to England, Swindon and Wiltshire have a lower proportion of people qualified to Level 4+, which needs to be addressed to support the development of our priority sectors. This is partly driven by the demands of the local labour market. A lack of a traditional local university is thought to be a contributing factor, particularly in Swindon, which has been identified as a higher education cold spot. This fact was instrumental in the successful 2019 bid to establish an Institute of Technology in the town.

## 2.2 FE Education and Training Achievements




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

The top three subject areas in Swindon and Wiltshire's achievements are in line with England's in terms of adult education and training achievements. That said, there is a significant difference in the proportion of people attaining achievements, the most notable being a greater proportion of adults in Swindon and Wiltshire with achievements in health, public services and care. This is significant given the ageing population profile of the area. Despite this above average activity, the evidence suggests that the demand for people with these achievements is still greater than is being supplied. In part, this demand has been inflated over the last year by the COVID-19 pandemic, however demand for these skills outstripped local supply in the pre-pandemic period.

Preparation for Life and Work, despite being the largest category for achievements is much smaller than the national average at 33% (48% for England).

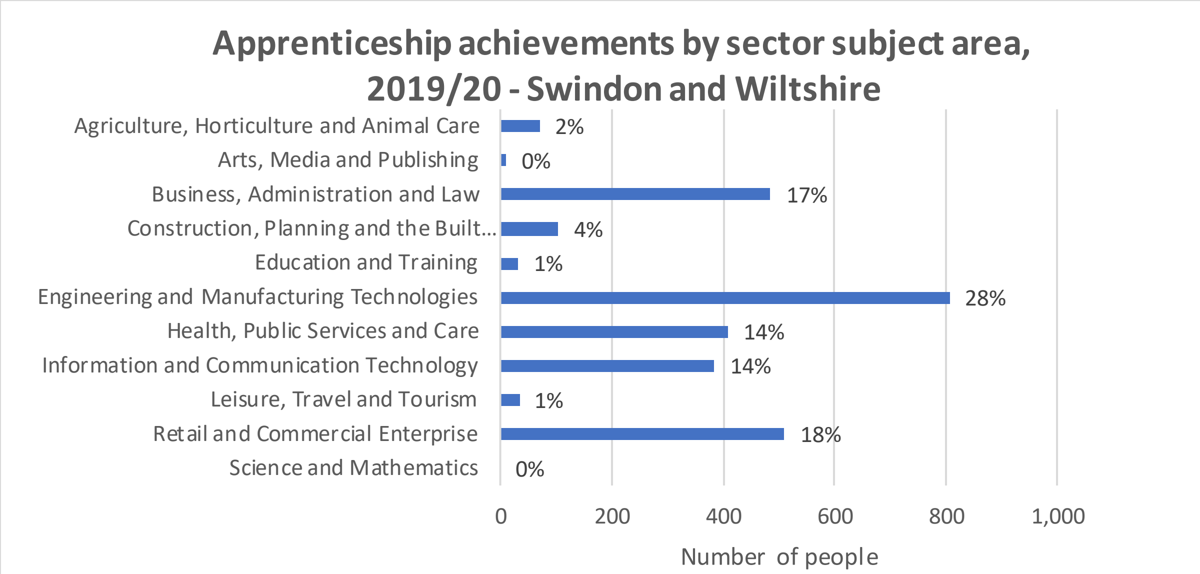
Business, administration and law achievements at 7% is slightly higher than the national average of 11% and this may be a reflection of the higher incidence of self-employment locally driving the demand for learning in this field.

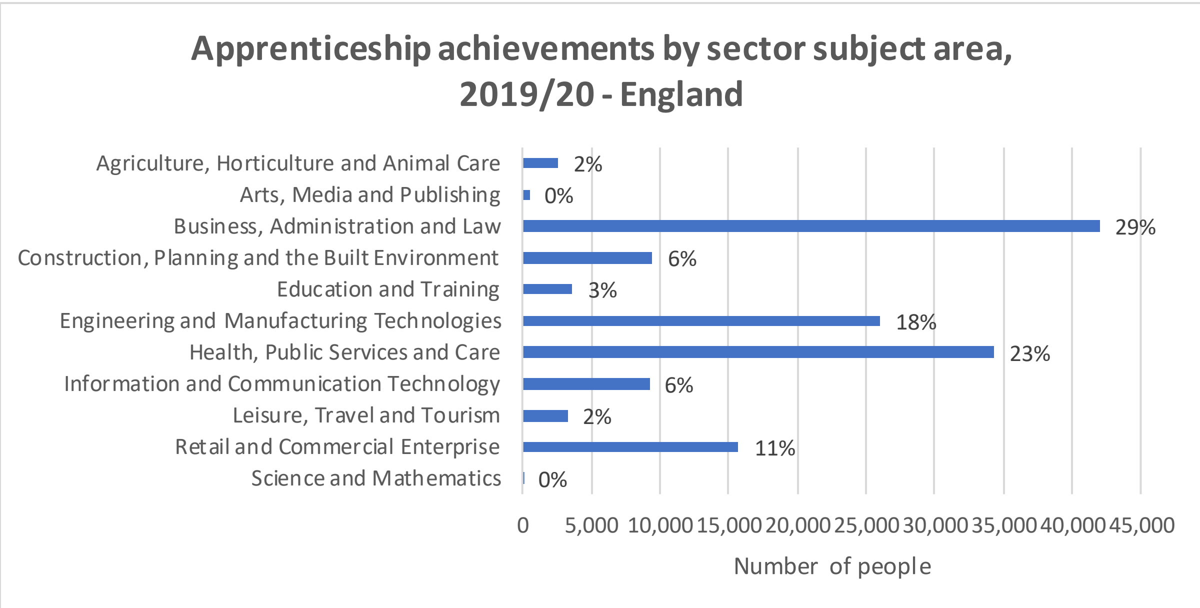
Achievements in all other subjects in the area account for 5% or less of total achievements and 6% nationally. Locally and nationally the low level of achievements in construction and ICT could be an issue in terms of reskilling and the ageing profile of workers in the construction sector and the on-going demand for good digital and ICT skills in the current and future working environment, however this may be offset by apprenticeship achievements.

The Education and Training Achievement data, based on Individualised Learner Records from 2014/15 to 2018/19, shows a considerable increase in the proportion of people studying Preparation for Life and Work in Swindon and Wiltshire and a decline in business, administration and law (-3%), information and communication technology (-5%) and retail and commercial enterprise (-4%).

Some of the differences between England and SWLEP can be explained with the employment sector mix (for example, for Information and Communication Technology), whilst the others are thought to be driven by the lower uptake of apprenticeships (for example, health, public service and care; and business, administration and law), as well as the focus of local FE colleges the lack of a local university.

## 2.3 Apprenticeship Achievements 19/20




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

There are differences in apprenticeship achievements for Swindon and Wiltshire compared to the England in terms of the mix and scale of activity by sector. The largest subject area for Swindon and Wiltshire is engineering and manufacturing technologies, a reflection of the continued importance of advanced engineering and manufacturing activity in the area, an asset which we will seek to capitalise on in the future and encourage continued innovation in process and product technologies.

Swindon and Salisbury are the largest retail centres in the area, followed by a network of approximately 20 market towns offering services within their community areas. It is therefore not surprising that retail has been a popular choice or apprenticeships. The future of the high street is hanging in the balance and the rise in online retail during the COVID-19 pandemic is likely to leave a permanent imprint on the scale of future apprenticeship participation in this subject area.

Business, administration and law, followed by health, public services and care were the largest sector subject areas for England, but only third and fourth largest for Swindon and Wiltshire. This is thought to be in part because of the high proportions of adult education and training in these subject areas reducing the business demand for apprentices.

Information and communication technology is the fifth largest subject for apprenticeship achievements in Swindon and Wiltshire, attracting a considerably larger proportion of students than in England overall. This is in line with both our focus on improving digital skills across all sectors and the development of cyber security sector. As one of our priority sectors, we expect to see continued heightened demand for this subject area.

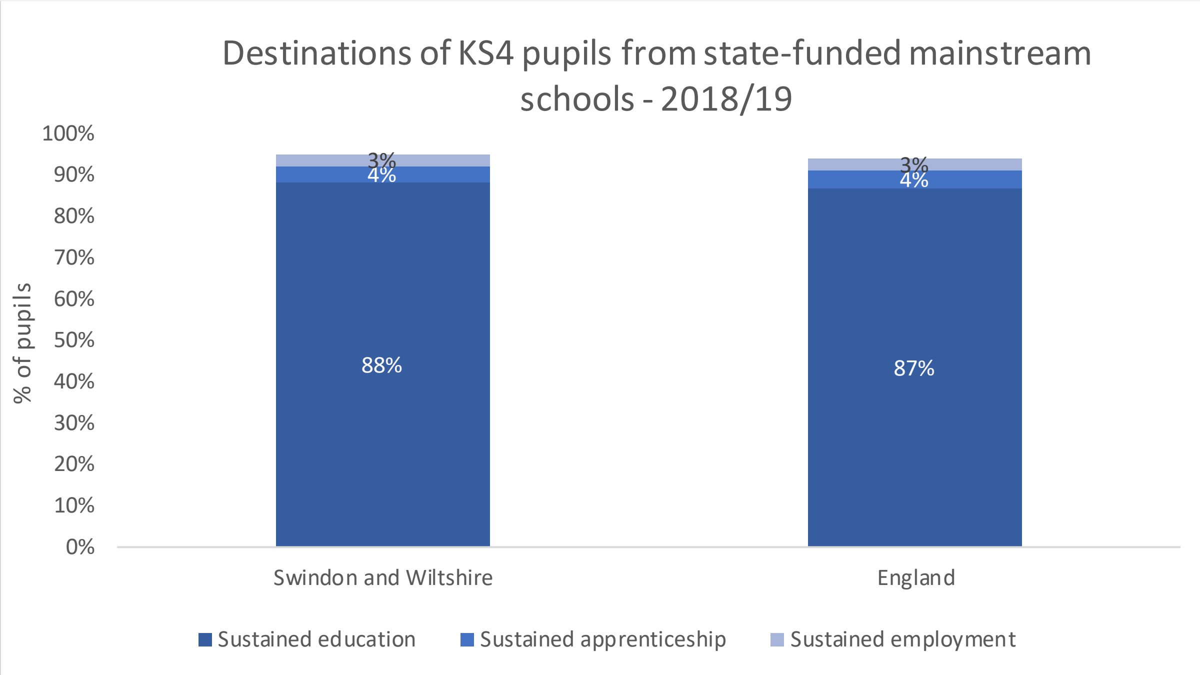
The sixth largest subject group for apprenticeship achievements in Swindon and Wiltshire, and slightly below the national average, is construction, planning and built environment. Anecdotal evidence from local employers suggests difficulties in recruiting apprentices, ranging from poor perceptions of the industry through to lower wages. In addition to that, some employers find the duration of apprenticeships to often exceed the duration of their construction contracts, making them difficult to complete.

**2.4 HE Qualifiers:**

Swindon and Wiltshire is the only LEP area in England without a traditional campus university. Although there is some higher education provision in the area, it is accredited by universities operating outside of the LEP area. As a result, there is no available data that can be extracted for this section.

Work is underway to develop closer links with neighbouring universities across a range of disciplines, some in relation to education and training and others to support innovation and technology transfer with local businesses and entrepreneurs.

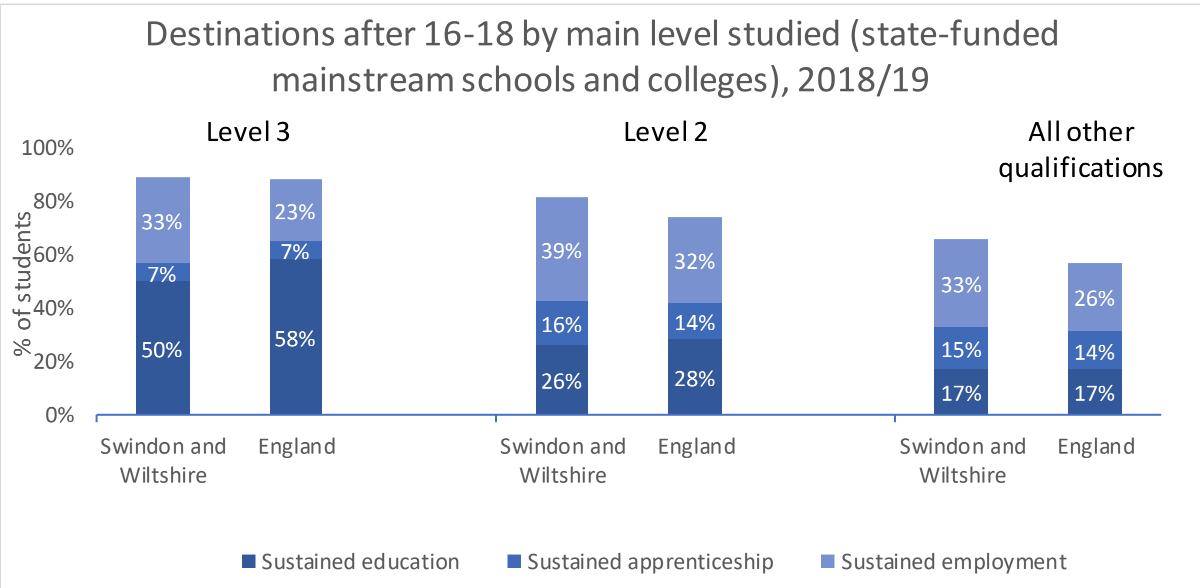
## 2.5 KS4 destinations




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

For Key Stage 4 (KS4) destination of pupils from the state-funded, mainstream schools Swindon and Wiltshire reported numbers very close to the England's averages, with only slightly higher proportion of students in sustained education.

## 2.6 KS5 destinations




***Source:*** KS4 & KS5 destinations of 2018/2019 leavers, DfE, (published 2020), 2020 SAP

The level of continued participation in education post 16-18 is an issue, particularly in Swindon, which has been recognised as a Higher Education 'cold spot'. Extensive work was undertaken locally to develop an evidence base upon which to build our Higher Education Strategy to encourage further sustained education participation and to raise aspirations. The availability of good employment opportunities in the Swindon is thought to contribute to the lower-than-average participation rates, which is reflected in the 33% reported as entering sustained employment, 10% higher than found nationally. Wiltshire is closer to the national average for education and apprenticeships, but with the employment levels only slightly below Swindon's and considerably above the national average[6].

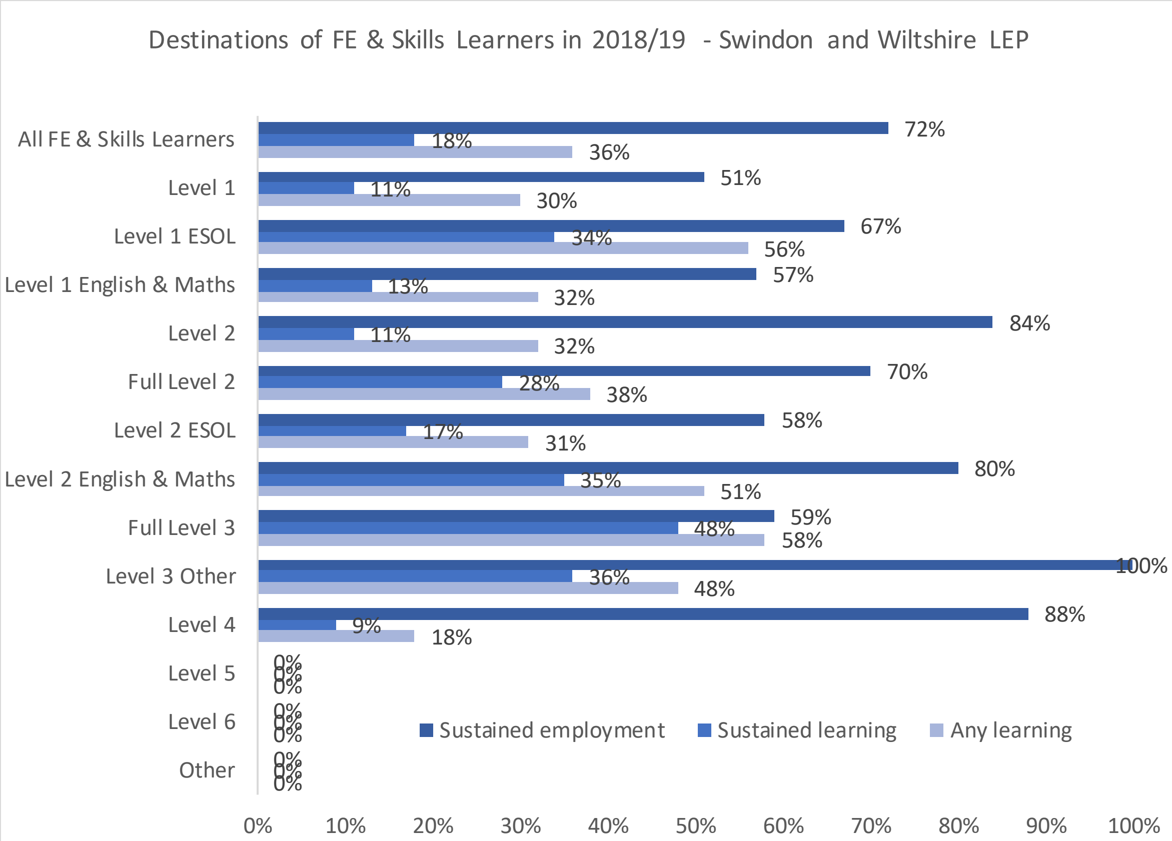
Whilst the high availability of jobs can facilitate faster COVID-19 recovery, local businesses need to be encouraged to create more high-skill jobs to ensure longer-term productivity improvements.

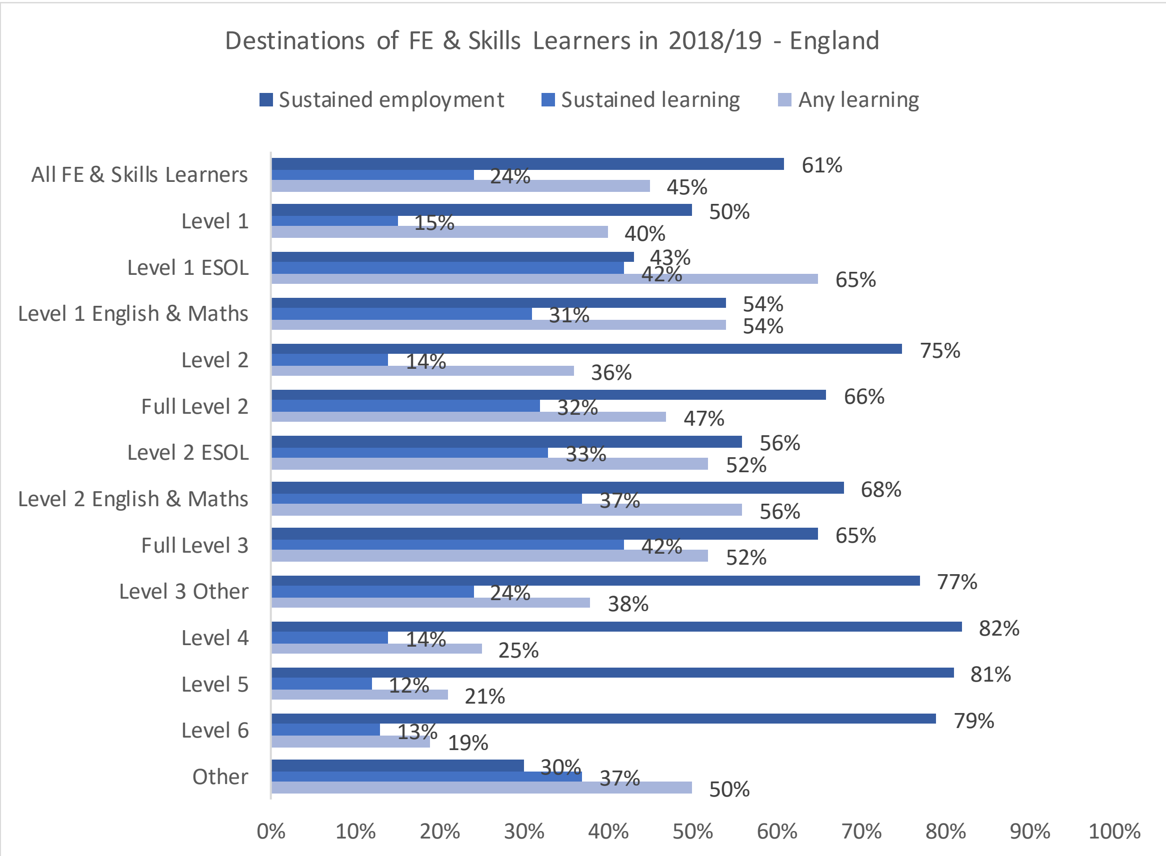
For destinations after 16 to 18 by main level studied, 2018/19, Swindon and Wiltshire reported higher proportion of sustained employment than England at all levels. Swindon and Wiltshire also had a lower proportion of those in sustained education for Level 3, slightly lower number for Level 2 and was in line with England for all other levels. For sustained apprenticeships, the area was in line with England for Level 3 and ahead for Level 2 and all other qualifications.

With below-average GCSE outcomes, a high percentage of students at 16 progress into FE, but study at Level 2 and often do not progress onto Level 3. This has become more of an issue when students are unable to progress to Level 3 without GCSE English and Maths.

[6] Local Skills Report – Annex B

## 2.7 FE and skills destinations



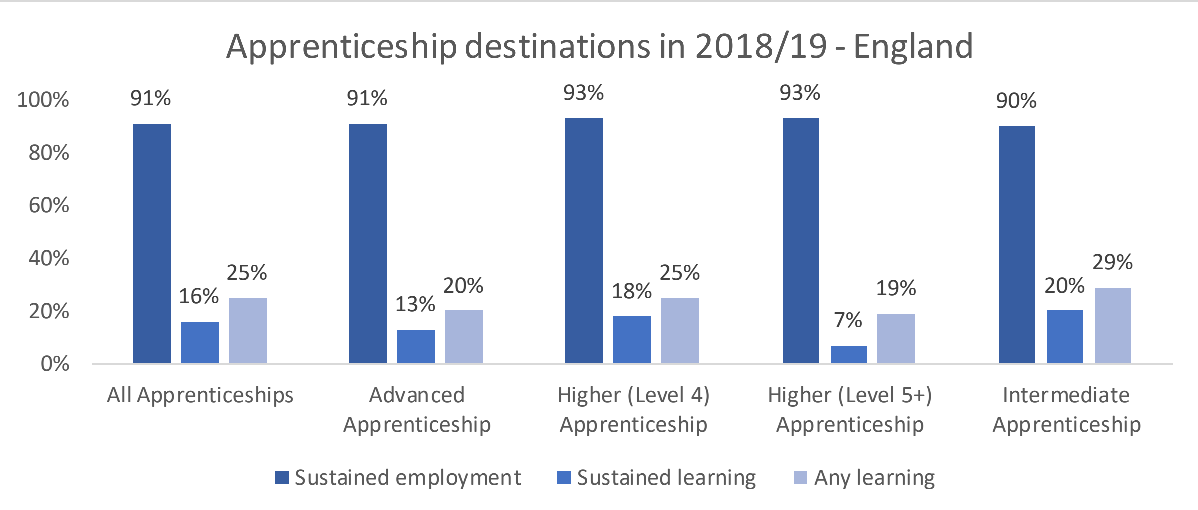

***Source:*** *FE outcome-based success measures, 2018/19 destinations, DfE, (published 2020), 2018 LEP boundaries*

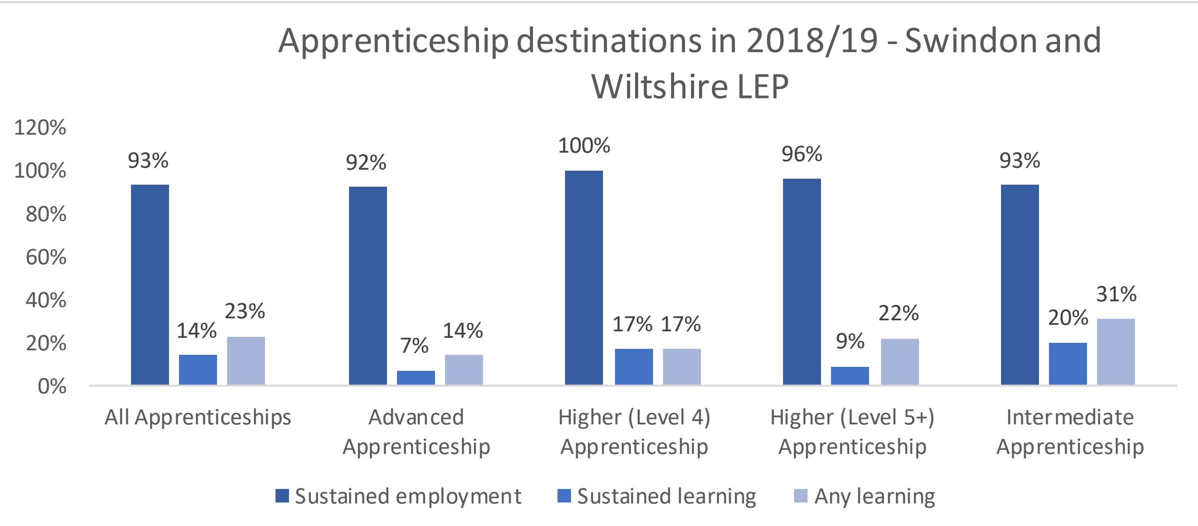
For all FE and Skills learners, there is a higher proportion of people in sustained employment in Swindon and Wiltshire compared to England (72% and 61%, respectively, which is an increase on the 64% and 58% in the previous year). With the exception of full Level 3, this seems to be the case across all levels and subjects.

In contrast, Swindon and Wiltshire has a lower proportion of sustained learning (18%) and any learning (36%) compared to England (24% and 45% respectively); this is lower than in the previous year when we had 22% and 39%, respectively for SWLEP and 25% and 46% for England. The only exceptions for 2018/19 destinations were Full Level 3 and Level 3 Other.

As we explained in the section above, the high sustained employment and lower sustained learning or any learning are thought to be driven by the abundance of employment opportunities, especially in Swindon, that require lower levels of qualification.

### 2.8 Apprenticeship destinations



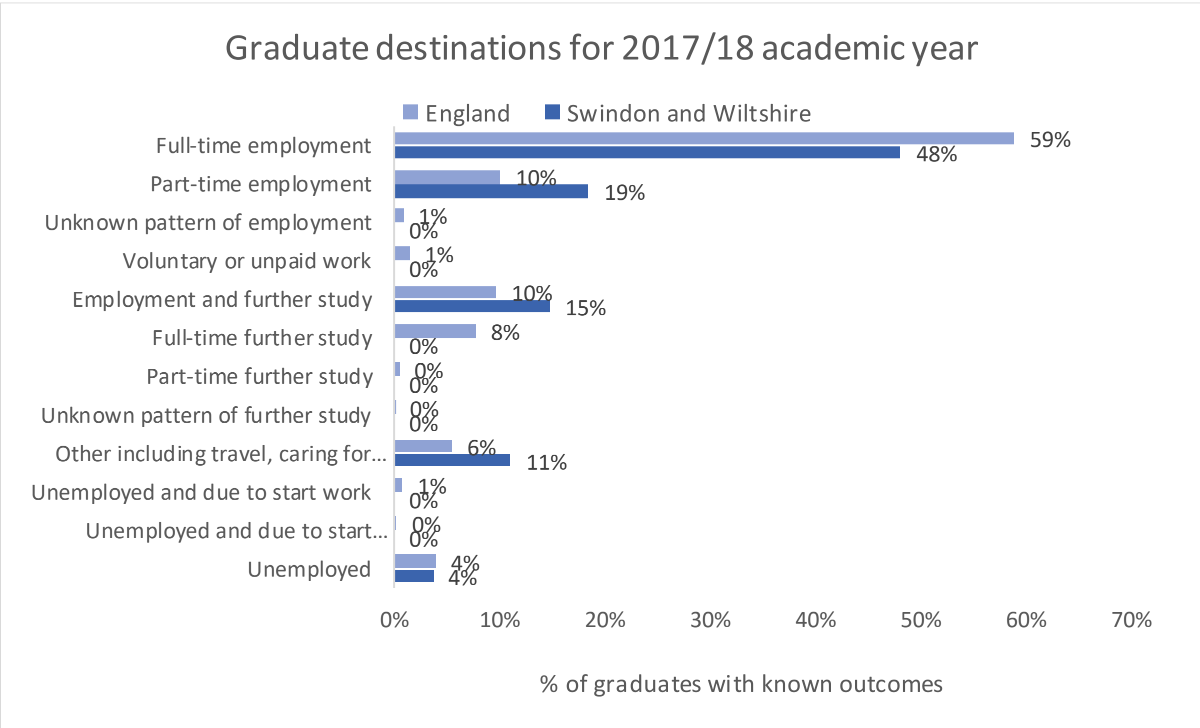

***Source***: *FE outcome based success measures, 2018/19 destinations, DfE, (published 2020), 2018 LEP boundaries*

The trend we saw in the previous two sections, driven by the abundance of jobs, holds when it comes to apprenticeships, too. Swindon and Wiltshire have a higher proportion of apprenticeships in sustained employment than the England average and the figures have increased year on year, both locally (from 92% in 2017/18) and nationally (from 89%). As explained in the section above, the high sustained employment and lower sustained learning or any learning are thought to be driven by the abundance of employment opportunities, especially in Swindon, that require lower levels of qualification.

SWLEP had slightly lower proportions in sustained learning (14% vs 16% for England, down from 17% and 19% in 2017/18) and any learning (23% vs 25% for England, down from 26% vs 29% in 2017/18). This is driven by Advanced and Higher (Level 4) apprenticeship. SWLEP was above national average for sustained learning and any learning for Level 5+ and Intermediate apprenticeships.

As for FE and Skills learning, higher employment and lower sustained learning, anecdotal evidence suggests that the key driver behind this is the local labour market, with the greater availability of jobs that do not requiring higher qualifications across sectors and occupations such as such as retail, trades, construction, agriculture/land-based industries. The lower proportion remaining in sustained learning could be attributed to the fact we do not have a traditional campus HE institution in the area. Even though both main providers in Swindon and Wiltshire offer Higher Apprenticeships, the depth, range and demand for them is not as high as found elsewhere.

### 2.9 H E graduate destinations




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

SWLEP has a higher proportion of graduates than England going to Other incl. travel, caring for someone or retired (11% vs 6%), employment and further study (15% vs 10%), part-time employment (19% vs 10%) and lower proportions for full-time further study (0% vs 8%) and full-time employment (48% vs 59%).

The higher proportion of people going into part-time employment is thought to be partly driven by a higher proportion of part-time jobs availed locally. Based on the Labour Insight online job postings data, Swindon and Wiltshire traditionally have had similar proportions of part-time jobs as the UK average, but since 2019 Swindon and Wiltshire's proportion has increased faster than the UK average.

The evidence that supports our Higher Education strategy suggests that the age profile of SWLEP's learners is slightly different, with Swindon having a greater proportion of older learners than Wiltshire (35.5% and 31.7% respectively in 2015-16), which may contribute to more people going to Other incl. travel, caring for someone or retired group.

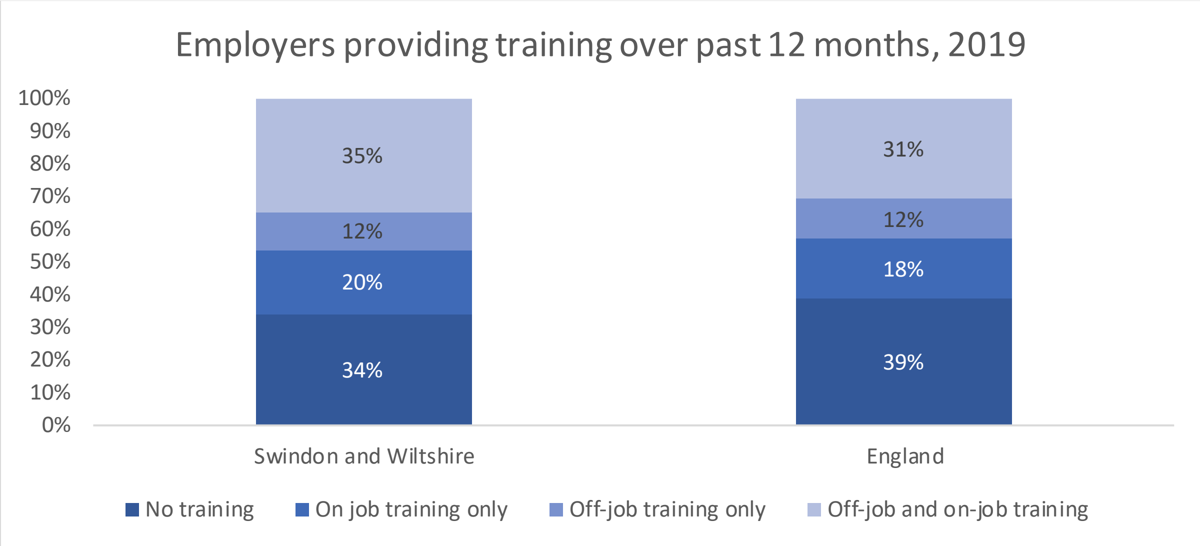
This is also thought to be primarily driven by the local industry mix and the lack of local university / sole HE provider with depth / range of provision could attribute to the lower FT / PT study progression.

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

Swindon and Wiltshire is the only LEP area in England without a traditional campus university. Although there is some higher education provision in the area, it is accredited by universities operating outside of our area, as a result there is no available data which can be extracted for this section.

Work is underway to develop closer links with neighbouring universities across a range of disciplines, some in relation to education and training and others to support innovation and technology transfer with local businesses and entrepreneurs.

## 2.11 Employer provided training




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

Employers in Swindon and Wiltshire are more active in providing training to employees than found nationally with only 34% not offering any training compared to 39% across England. The most common type of training offered is a blended approach of on- and off-job (35%), which is appreciably higher than the national figures (31%), this is followed by on-the-job training which, at 20%, is also higher than the average for England.

Off-the-job training is in line with the national average and is the least popular form, this is probably an indication of the cost in accessing this provision and possibly a reflection of the size profile of companies; releasing staff for training in a micro or small company is expensive not only in financially to pay for provision but also in terms of the loss of staff resource operationally.

There was a considerably lower proportion of staff fully proficient / no need for training in SWLEP compared to national average (59% vs 70%) and a higher proportion of staff training arranged and funded elsewhere (8% for SWLEP vs 5% for all respondents). Anecdotal evidence suggests that, in line with the national views, local businesses found the lack of staff time and funds to be the main barriers to training.

In terms of the skills requirements, employers' needs vary depending on the industry. Overall, the technical skills needed in the workforce in next 12 months suggested above-average need for: computer literacy / basic IT skills, and advanced or specialist IT skills. Conversely, compared to the national average, Swindon and Wiltshire had a considerably lower need for specialist skills or knowledge needed to perform the role; knowledge of products and services offered; knowledge of how the organisation works; reading and understanding instructions, guidelines, manuals or reports; and basic numerical skills and understanding. (See Local Skills Report – Annex B for graphs.)

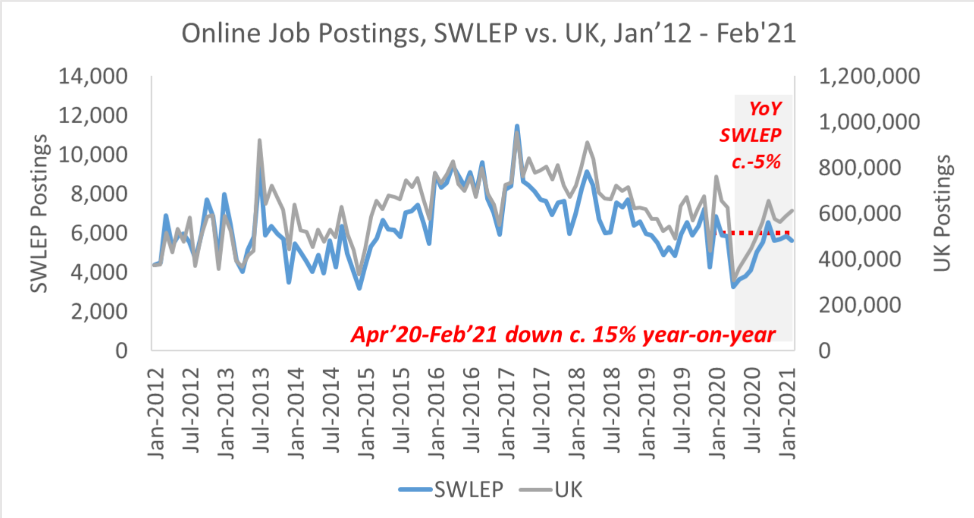
Swindon and Wiltshire employers had a lower need for all other skills, in some cases substantially lower, including specialist skills or knowledge needed to perform the role; knowledge of products and services offered; knowledge of how your organisation works and reading and understanding instructions, guidelines, manuals or reports.

## 3. Skills Demand

**Skills Demand – Summary**

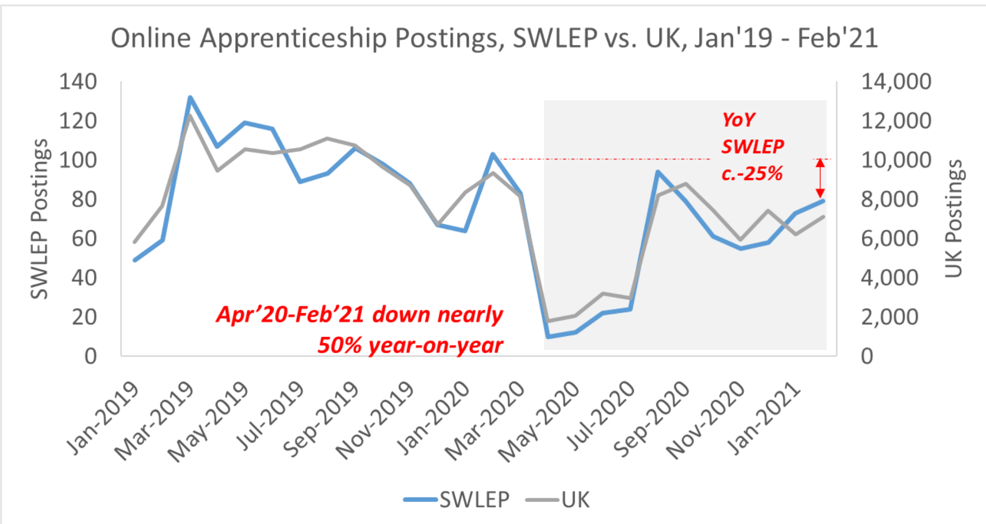
- Based on the online job postings data, the demand for staff is falling across all sectors except for human health and social work activities, which recorded year-on-year increase across Swindon and Wiltshire between April 2020 – February 2021 compared to April 2019 – February 2020. Similarly, all occupations except caring personal services and health professional have been in decline, driven by the impact of the COVID-19 pandemic.
- We expect the growth of vacancies in the health sector to continue, because of the increased demand for these services as the population ages, but we do not expect the level of demand to remain as high as it has been throughout the COVID-19 pandemic.
- Similarly, we expect that the increased reliance on technology that we saw during lockdown will continue.
- The demand for skills in the arts and entertainment and the professional services sectors, which declined considerably during pandemic, are expected to recover but at a lower rate than before COVID-19. Based on the HR1 data, which provides advance notification of potential redundancies where employers are dismissing 20 or more staff in a single establishment, these two sectors so far have reported above-average rates of redundancies locally, which might impact their recovery.
- Pre-pandemic unemployment rates were low, although they have increased over the year, the expectation is that they have been suppressed by the furlough scheme and business support grants. A further increase in the unemployment rate is expected over the short term, due to the uncertainty regarding the economic recovery period at home and abroad.

3.1 Online vacancies



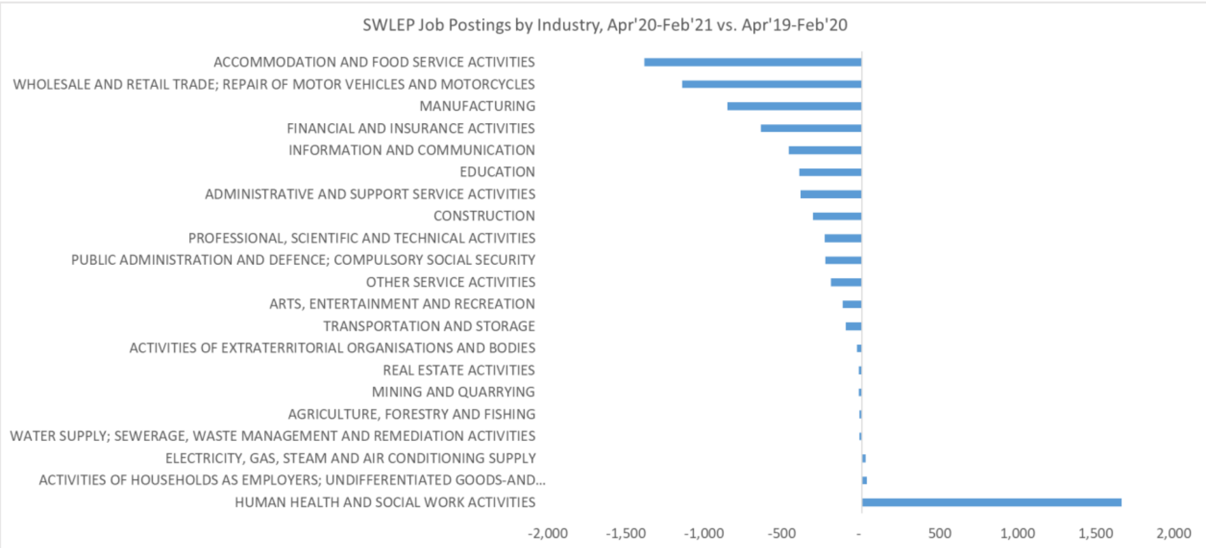

***Source:*** *Labour Insights*

The analysis of Labour Insights online job postings data shows that the shifts in Swindon and Wiltshire continue to be aligned to the broader UK changes. The number of job posting in April 2020 declined considerably, to half the March 2020 levels and over 30% below April 2019 levels, for both SWLEP and the UK. By October 2020, however, the number of job postings in Swindon and Wiltshire was broadly in line with the October 2019 levels, although the mix of jobs was very different. In November 2020, for the first time since April 2020, we again saw declines. In Swindon and Wiltshire, November 2020 postings were nearly a quarter below the November 2019 figures (UK was c.15% lower). December 2020, which is seasonally low, performed better this year. Both SWLEP and the UK postings were approximately a third above the December 2019 levels. We have seen further recovery in January and February 2021, with the latter only c. 5% below February 2020, both for Swindon and Wiltshire and the UK. Looking at the 11 months since the first lockdown, between April 2020 and February 2021 job postings were c. 15% below the levels reported during the same period in the previous year, suggesting that the job market is recovering gradually.



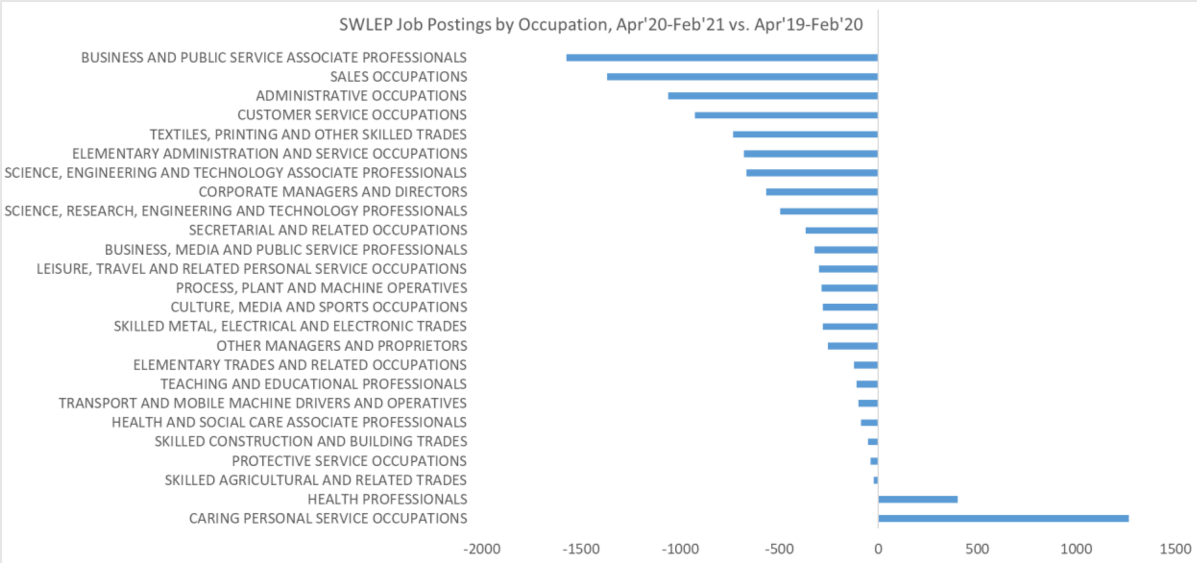

***Source:*** *Labour Insights*

Apprenticeship vacancies, however, are still nearly a quarter behind the February 2020 levels, for Swindon and Wiltshire and the UK. The recovery that began in August 2020, following the introduction of the new apprenticeship support scheme for businesses, did not last and we saw month-on-month falls in September, October and November, with a flat December 2020. Both January and February 2021 brought slight monthly improvements, but the online apprenticeship vacancies for the 11 months to February 2021 still remain at nearly half the volume seen during the same period a year ago.




*Source:* *Labour Insights*

Although the industry data is limited, since not every job advert includes industry references, the sample available suggests that only one industry – human health and social work activities – reported significant increases in vacancies during the period between April 2020 and February 2021, compared to the same period of the previous year. This is a trend observed across the UK, as well as Swindon and Wiltshire. However, the comparisons of the shifts in the proportions of job postings suggest that Swindon and Wiltshire area has seen slower declines in several industries, including: professional, scientific and technical services; manufacturing; and administrative and support services.




***Source:*** *Labour Insights*

By occupation, business and public service associate professionals, together with sales, administrative and customer service occupation were amongst the fastest declining in Swindon and Wiltshire during the April 2020 to February 2021 period, when compared to the same period of the previous year. Only two occupation groups, namely caring personal services and health professional reported year-on-year increases during the same period.

### 3.2 Sector growth forecasts

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

| **Swindon and Wiltshire LEP** | |
|---|---|
| **Sectors with highest forecast growth (2017-2027)** | **Sectors with lowest forecast growth (2017-2027)** |
| 1) Arts and entertainment | 1) Food drink and tobacco |
| 2) Health and social work | 2) Public admin. and defence |
| 3) Professional services | 3) Rest of manufacturing |
| 4) Other services | 4) Engineering |
| 5) Information technology | 5) Agriculture |

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

Looking at the underlying drivers of demand, recent local shifts in online job postings and feedback from our local businesses, of the five sectors expected to see the highest growth between 2017 and 2027 in Swindon and Wiltshire, we expect:

- the growth that the health sector has seen due to COVID-19, as demonstrated by the higher online job postings vacancies, to bring forward much of the expected increase in demand. The underlying drivers behind its growth, namely increased demand for health services as the size of the population increases and it ages, are expected to continue;

- the increase in demand for information technology services, in particular the demand cyber security solutions for businesses, which is one of Swindon and Wiltshire's priority sectors. It has been suggested that the COVID -19 pandemic has accelerated the digital revolution and that the demand for these skills will be maintained; and
- potentially slower growth in arts and entertainment and professional services sectors. Based on the HR1 data, these two sectors so far have reported above-average rates of redundancies, which might impact their recovery. We continue to monitor these sectors, including the impact of the EU transition.

In terms of the fastest declining sectors in the table above, we do not expect any major shifts. Working Futures report projected a decline in total employment in public administration, health and education between 2017 and 2027. In the short term, as part of the COVID-19 recovery, we may see more opportunities created by the central government departments, although the local government finances, and correspondingly employment, are likely to remain constrained. With its high proportion of private sector employment, Swindon is likely to be affected less by the public sector cuts, facilitating faster recovery. Whilst advanced manufacturing remains one of our priority sectors, it is expected that over the coming years we will see large shifts in focus to higher-value and more productive sectors, instead of large increases in engineering.

### 3.3 Occupation growth forecasts

| Please note these forecasts were produced prior to COVID-19: **Swindon and Wiltshire LEP** | | | |
|---|---|---|---|
| **Occupations with highest forecast growth (2017-2027)** | | **Occupations with lowest forecast growth (2017-2027)** | |
| 1) | Caring personal service occupations | 1) | Secretarial and related occupations |
| 2) | Health professionals | 2) | Process, plant and machine operatives |
| 3) | Health and social care associate professionals | 3) | Textiles, printing and other skilled trades |
| 4) | Customer service occupations | 4) | Skilled metal, electrical and electronic trades |
| 5) | Corporate managers and directors | 5) | Administrative occupations |

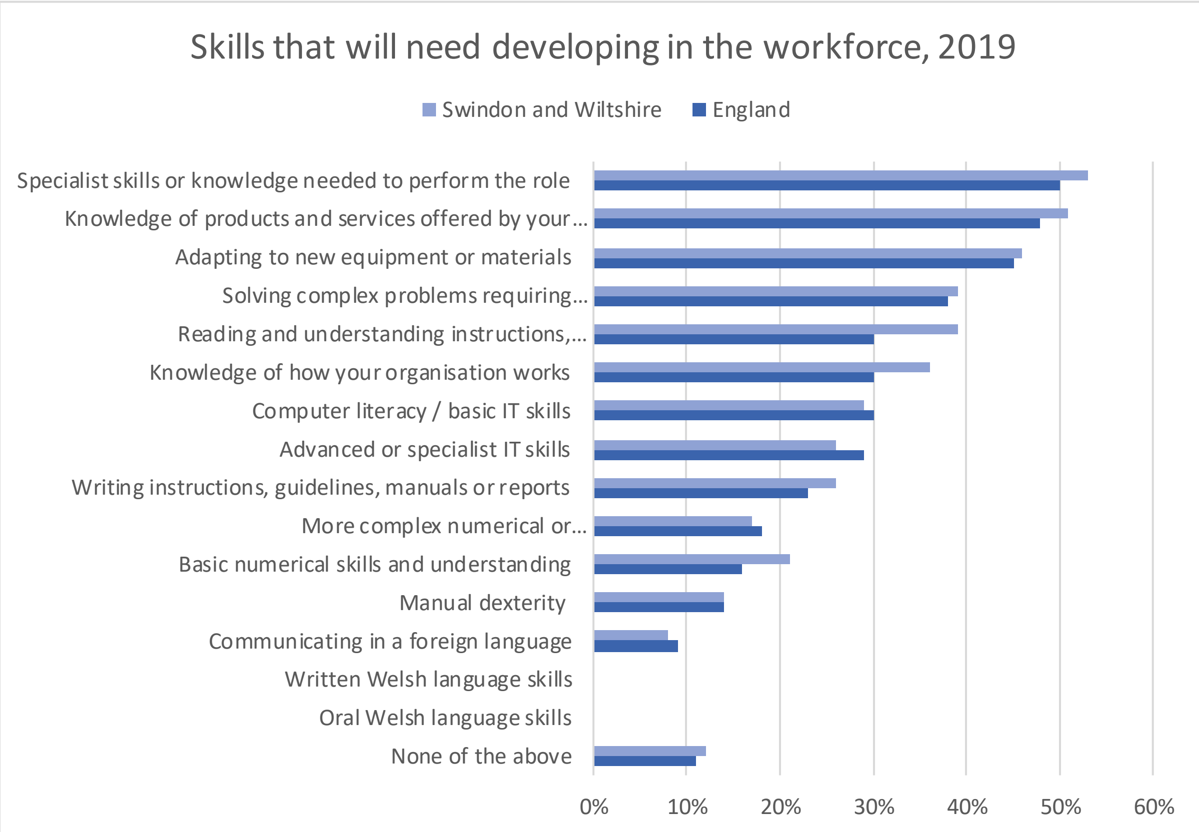
***Source:*** *Working Futures, 2017-2027 (published 2020), 2017 LEP boundaries*

As previous stated, the only occupation groups that recorded year-on-year increases in online job postings during 2020 in Swindon and Wiltshire were health professionals and caring personal service occupations. Due to the difficulties in replacing non-routine manual and non-manual tasks with machines, the underlying rising demand for services from an ageing population is expected to continue, but with much of the increase happening earlier than expected due to COVID-19.

The demand for managers, directors and senior officials, which includes managers and proprietors, and which has been growing before COVID-19, is expected to continue to do so after the recovery period. This will partly be driven by the rebalancing of the economy towards the private sector and creation of more new businesses. Based on the Working Futures analysis, the shift towards the greater use of the internet, which will cause the closure of smaller businesses as well as some larger retailers, is likely to dampen the growth of this occupation group.

Associate professional and technical and sales and customer service occupations have seen the greatest year-on-year declines during 2020 as retail and non-essential services were closed during successive lockdowns. The rise in internet shopping and automated self-checkouts means that the future of the high street and the demand for sales and customer service staff remains uncertain, with further reductions possible in the near term.

### 3.4 Skills that need developing




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

In 2019, Swindon and Wiltshire had below-average demand for the development of three groups of skills: complex analytical, operational and digital skills. This is a considerable improvement on previous results, especially for digital skills. In 2017, digital skills were highlighted by 61% of SWLEP establishments as needing development compared to 48% nationally. In 2019, only 43% of SWLEP establishments mentioned digital skills compared to

47% nationally. The significant change is thought to be driven by numerous local programmes aimed at improving digital skills, however, it must be noted that the Employer Skills Survey varies in terms of participation and penetration making year on year comparisons difficult.

In 2019, there were several fundamental skills development needs which stood out:

- reading and understanding instructions, guidelines, manuals or reports;
- knowledge of how your organisation works; and
- basic numerical skills and understanding.

The need for these skills seems to be primarily driven by the introduction of new technologies or equipment, new practices or new products and services[7].

Our sector and occupation mix is thought to play a role in explaining differences from the national average. For example, the survey found that employers in the manufacturing sector were substantially more likely to cite a lack of skills to do with adapting to new equipment or materials among applicants (32%) than employers overall (21%). The manufacturing sector remains an important source of local employment (11%) compared to the national average (9%). Similarly, by occupation, skilled trades, which are more prevalent in Swindon and Wiltshire than the country overall, had the highest density of skill-shortage vacancies.

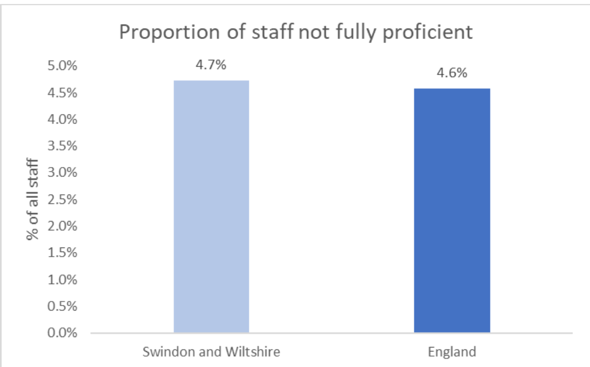
[7] Local Skills Report – Annex B

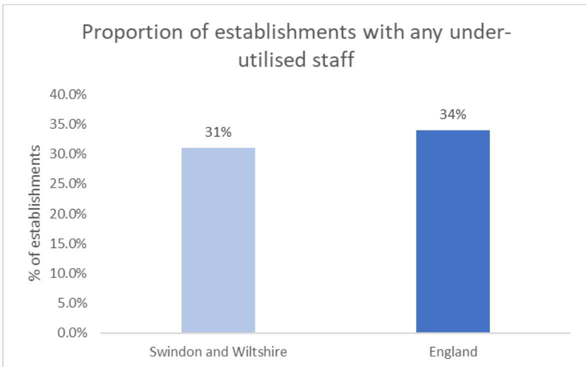
# 4. Mapping Skills Supply and Demand

**Mapping Skills Supply and Demand – Summary**

- Above-average proportion of high-skill occupations in Swindon and Wiltshire is thought to be one of the key drivers of our above-average productivity.
- Despite this, we have a lower proportion of people qualified to Level 4 and above. This is thought to be driven by higher proportions of people learning on the job and progressing to high-skill occupations, but without receiving official qualifications.
- In terms of destinations, the high volume of employment in lower skill and lower value sectors, together with lower educational aspirations, particularly in the more deprived areas and the lack of a traditional campus university in the area has resulted in above-average sustained employment and lower sustained education at all stages. The availability of jobs requiring lower skills also drives 'the long tail of productivity', which together with the high rate of self-employment is thought to be bringing the mean for wages down. Work is underway to try to attract higher value, higher skilled investment into to the area.
- The balance between the skills supply and demand has improved over the recent years. Focussing on the identified needs, such as improving digital skills of for employees, has yielded positive results. We will continue to use evidence to better understand the skills needs and their underlying causes and will continue to work to enable collaboration between our businesses, skills and education providers and government bodies, to address the imbalances in the labour market.

## 4.1 Proficiency of workforce



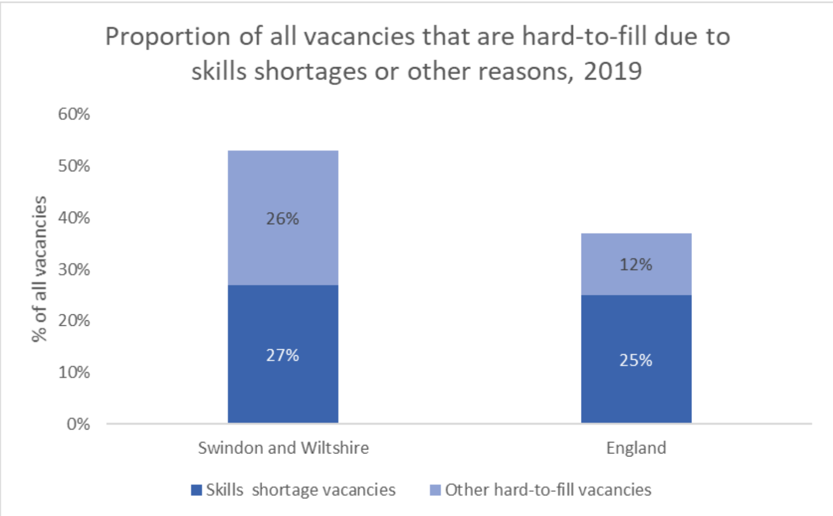




***Source:*** *Employer Skills Survey, 2019 (published 2020), 2019 LEP boundaries*

The proportion of workforce considered to have a skills gap (lacking in full proficiency) is broadly in line with England's. Based on the Employer Skills Survey, nearly half (45%) of employers that provided training over the last 12 months would have liked to provide more training than they did. The main barriers for these employers were not being able to spare more staff time (50%) and lacking funds (48%).

SWLEP has a lower proportion of under-utilised staff than reported nationally, with 31% of surveyed establishments reporting that they had at least one employee with both qualifications and skills more advanced than required for their current job role, compared to 34% for England as a whole. Although better than the national average, this suggest that there is still considerable amount of work to be done to align supply and demand, which is one of the strategic priorities highlighted in our Skills Plan.

### 4.2 Hard-to-fill and skills shortage vacancies:




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

Swindon and Wiltshire have a slightly higher proportion of skills shortage vacancies than England (27% vs 25%) and a considerably higher proportion of hard-to-fill vacancies (26% vs 12%). This is thought to be due to the sector mix, with construction and manufacturing (which together account for 19% of the SWLEP employment compared to 16% nationally), reporting 36% of vacancies as hard-to-fill because of applicants lacking the appropriate skills, qualifications or experience (compared to the 24% national average)[8].

[8] Employer Skills Survey 2019: Summary Report