

Elevate Joint Committee Meeting - 22 January 2016

Labour Market and Business Intelligence Update

1. Thames Valley Berkshire Skills Priority Statement

About the Statement

- An overview of the skills required in Berkshire to support and grow the economy.
- Published in December 2015
- Executive summary and detailed evidence base
- Informed by quantitative and qualitative intelligence (the latter from a Call for Evidence)
- Identifies priority sectors and job families for skills interventions (see table 1 below)
- Includes key messages for different partners (including local post-16 education and training providers, career advisers, employers and local authorities)
- Report can be downloaded here: <http://thamesvalleyberkshire.co.uk/NewsDetails/talent-will-drive-future-growth-in-thames-valley-berkshire-23430>

Headline findings

- Digital technology skills are in very high and growing demand
- STEM skills remain in high demand
- Communication skills are in high demand at all levels
- Entrepreneurialism, innovation and business development skills are vital for future growth
- SMEs often find it most difficult to recruit and retain skilled staff
- International companies face particular challenges
- Some sectors', recruitment difficulties are compounded by them having a low profile amongst young people (e.g. warehousing, care, community pharmacy)

Table 1: Priority sectors and job families

	Priority sectors	Priority job families for skills interventions
High priority sectors for local economy (GVA and employment growth)	Digital technologies	Digital technologies
		Sales and customer service
	Financial, professional and business services	Business and finance
		Digital technologies
	Life sciences and healthcare	Engineering and science
		Health, care and welfare
	Construction and the built environment	Construction
		Engineering and science
	Logistics	Transport and Logistics
	Energy and environment	Engineering and science
Other sectors with acute skills issues	Education	Education
	Care	Hospitality
	Hospitality	Health, care and welfare

2. Labour market conditions

Headlines from the October 2015 Labour Market Update report -

<http://thamesvalleyberkshire.co.uk/Data-Research>

After a period of stability, we are now seeing a clear trend of rising employment and falling unemployment across Berkshire. Employment rates have risen and unemployment rates fallen for the last three quarters. Within Berkshire, the labour market fortunes of Slough residents appear to have improved to the greatest extent over the last 12 months, with total unemployment dropping considerably from just under 8% to 5% over this period. In comparison, unemployment in Reading has fallen marginally (by less than 1 percentage point) over the same time period.

There is good news in terms of youth unemployment. After a period of stability the proportion of young people (aged 16-24) who are unemployed is estimated to have fallen over the last two quarters and now stands at 12.1% across Berkshire as a whole. The number of young people claiming JobSeekers Allowance in Berkshire (approximately a quarter of all those who are unemployed and not studying) fell from 1,175 to 840 between September 2014 and September 2015.

In terms of employer demand for skills, digital technology talent continues to be in greatest demand. Software developer roles remain the most frequently sought positions to fill, and demand for people to fill these roles has increased substantially over the last 12 months. In line with this, many of the skills in most (and in increasing) demand from local employers are IT-related (including SQL, JavaScript, LINUX, Microsoft C# and Oracle).

In addition to digital technology talent, demand for sales representatives and sales skills is high (although not as high as 12 months ago) and demand for Registered General Nurses remains high and is increasing.

3. Business conditions

Headlines from the October 2015 Business Intelligence report -

<http://thamesvalleyberkshire.co.uk/Data-Research>

There were 6,400 more enterprises operating in Berkshire in 2015 than five years ago. Much of the growth (nearly two-thirds) has been in micro businesses (employing fewer than five people) in the Information & Communication and Professional, scientific & technical sectors. Over the last five years, the proportion of enterprises operating in Berkshire's two dominate sectors (Professional, scientific & technical and Information & Communication) has increased (from 35% to 39%).

Over the last five years, the proportion of enterprises in Berkshire whose legal status is 'company' has increased from 71% to 78%. Over the same period, the proportion of enterprises that are classified as 'sole proprietors' fell from 18% to 14%.

4. Future reports

The next quarterly reports will be circulated in February 2016