

Stoke-on-Trent and Staffordshire Labour Market Information

October 2020



Overview

- Provide an overview of the pre-COVID (latest available core datasets and Government KPIs) labour market position
- Consider the impact of COVID on the local economy
- Identify COVID recovery opportunities
- Consider economic renewal & transformation opportunities including priority sectors and skill areas
- Provide detailed priority sector information

Pre-COVID Labour Market Position



Strong recent jobs growth, record low unemployment and the LEP economy grow prior to COVID...



61,000 new jobs since 2011, equivalent to 13% growth and similar to increase seen regionally & nationally



Record low unemployment at **1.1%** claiming JSA or Unemployment Universal Credit, lower than regional and national averages



Economy now worth **£23.6bn** increased by £4.8bn since 2011

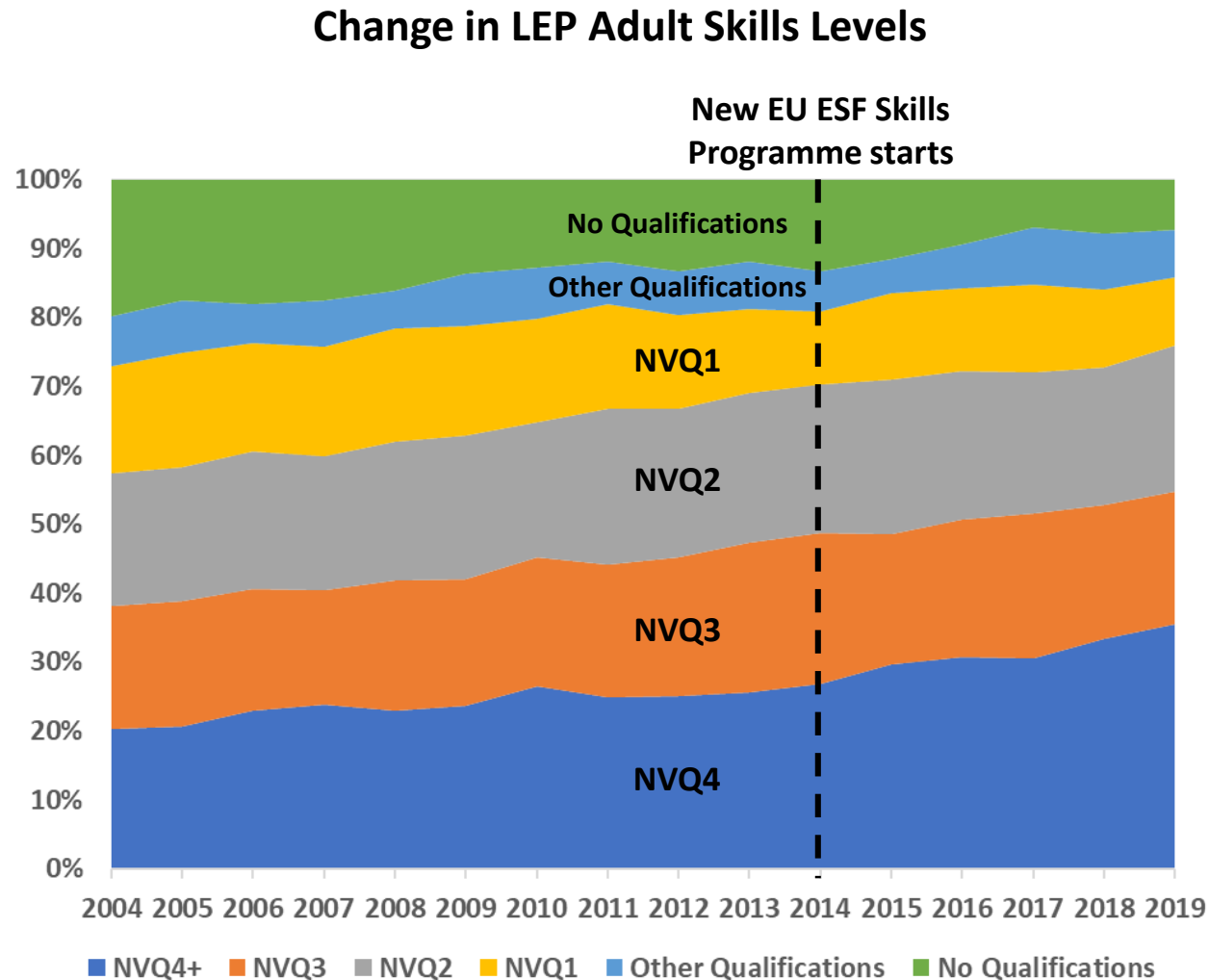
Comparatively Strong Labour Market Position Entering the Crisis in Staffordshire

	Staffordshire		Stoke-on-Trent		West Midlands	England
	Number	%	Number	%		
Economic activity rate	429,300	82.0	121,700	76.5	77.8	79.4
Employment rate	416,600	79.5	116,500	73.2	73.9	76.2

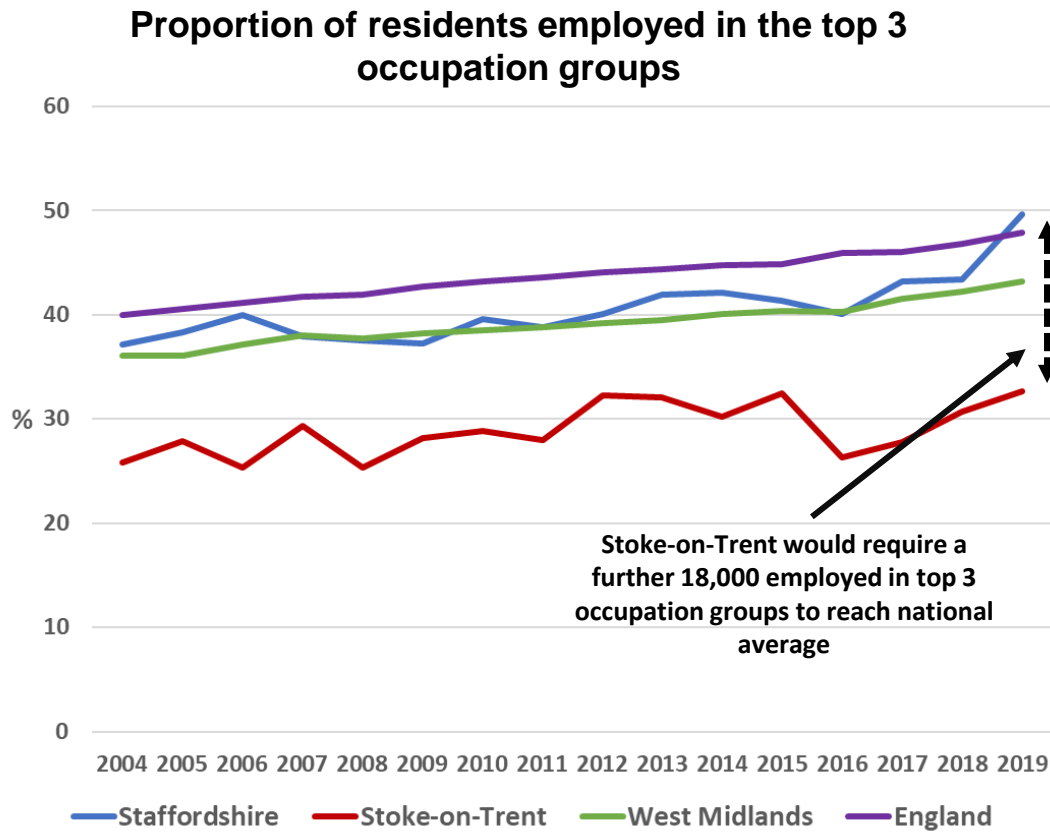
- Staffordshire has seen decent improvement in economic activity with latest figures for Apr 2019-Mar 2020 showing that **82% economically active in Staffordshire above both the regional (78%) and national (79%) rates**. While the latest rate of economic activity in **Stoke-on-Trent was 77%**.
- Similarly, the latest **Staffordshire employment rate for the same period stood at 80% compared to 74% regionally and 76% nationally while in Stoke-on-Trent employment was at 73%**.

Fast Improving Skill Levels to help Drive Growth and Productivity

- **Staffordshire seeing faster improvement in those with no qualifications now at just 5.7% compared to 7.7% nationally and closed the gap at Level 4+ with 38.4% compared to 40.3% nationally.**
- **Stoke-on-Trent also seen improvement prior to COVID-19, however the area still lags behind regional and national rates with 12.6% having no qualifications in 2019 and 25.8% with Level 4+.**



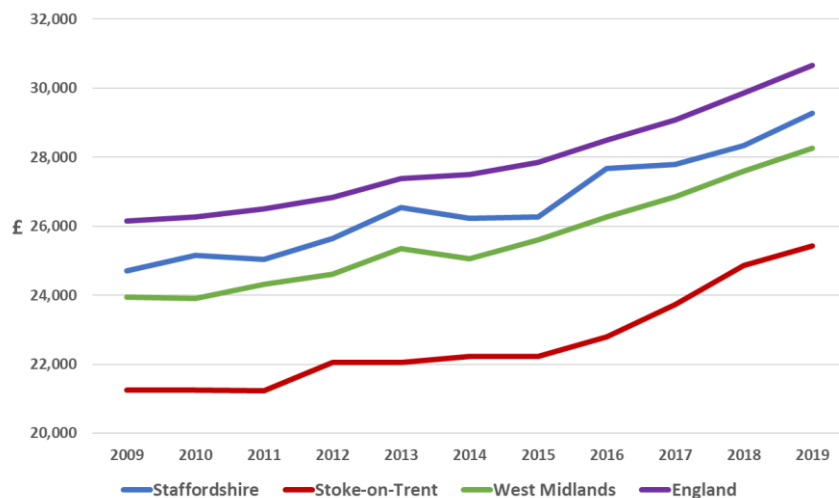
The proportion of residents employed in one of the top 3 occupation groups has increased in Staffordshire, but Stoke-on-Trent lags behind the national average



- Staffordshire has seen an increase in the proportion of jobs in the top 3 occupation groups from 37% in 2009 to 50% in 2019 equivalent to 63,600 more residents employed in these higher occupations and now just above the national average of 48%
- Stoke-on-Trent has 38,700 residents in the top 3 occupation groups and has seen a 29% increase since 2009. However, only 33% of residents are employed in these occupations, lower than the national average

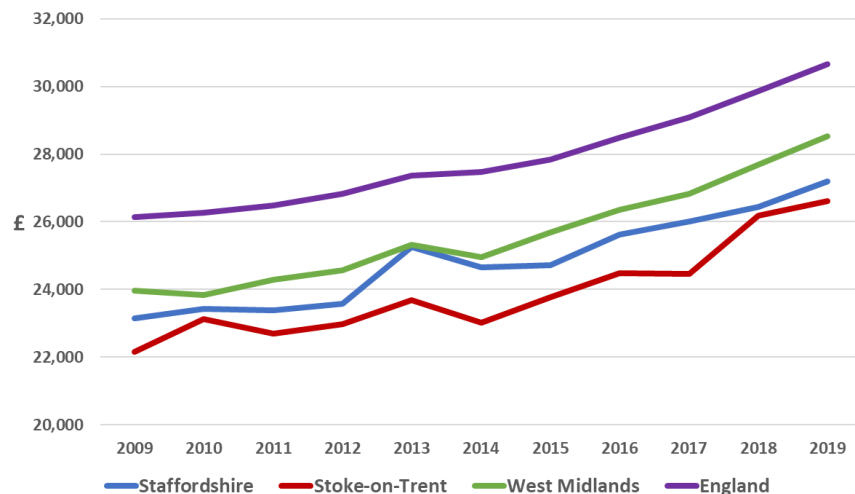
Improving wage levels but still lower than average...

Resident Earnings



- Resident earnings in Staffordshire now stand at £29,280 and have grown by £4,240 or 17% since 2011 / Stoke-on-Trent £25,420 up £4,200 or 19.8%
- Staffordshire workplace earnings are currently £27,200 and have grown by £3,830 or 16.4% since 2011 / Stoke-on-Trent £26,620 up £3,930 or 17.3% – indication of better paid local jobs which is likely to be a key factor in the growth of resident earnings

Workplace Earnings



- **For both measures Staffordshire and Stoke-on-Trent have seen faster growth than nationally however both are still below the national averages**

Impact of COVID on the Local Economy



Our Economic Structure Makes Us Potentially More Vulnerable to COVID Impacts

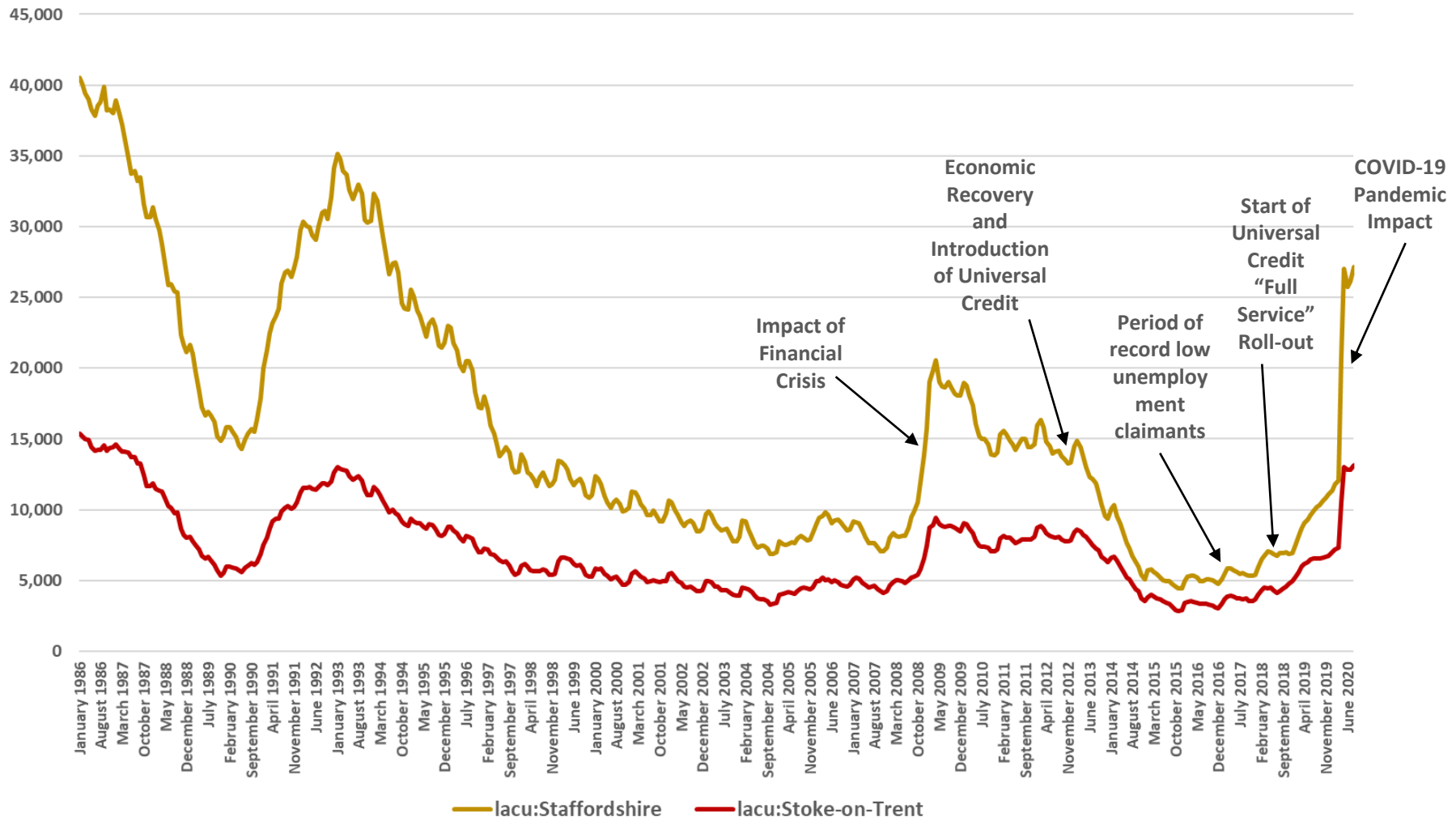
- The COVID-19 public health crisis has had an unprecedented impact on the local, national and global economy. The industrial make-up of areas at all scales will be a determining factor in how severely they are affected by the crisis and how quickly they recover.
- Early in the crisis it was clear that due to lockdown and other restrictions there were a number of economic sectors which would likely be hit hardest by the crisis, these **high-risk sectors included Accommodation and food service activities; Arts, entertainment and recreation; Construction; Manufacturing; and Wholesale and retail**. As a result of the impacts faced, businesses within these high-risk sectors have been more likely to furlough, lay off staff in the short-term or reduce working hours.
- Our area appears to be particularly vulnerable to COVID-19 due to the prevalence of jobs in these high-risk sectors, with **45% or 221,000 Stoke-on-Trent and Staffordshire jobs in high-risk sectors far higher than the regional (41%) and national (38%) averages**.

Rising Universal Credit Claimant Count

- Over recent months we have continued to see a further increase in those claiming Universal Credit.
- The number of claimants in **Staffordshire has more than doubled since March (pre-COVID) with an increase of over 15,000 to a total of 27,130 claimants in August, while in Stoke-on-Trent there has been an increase of over 5,800 to 13,155.**
- However, due to Staffordshire's strong position going into the pandemic it still performs comparatively well for the **claimant rate which stood at 5.1% in August compared to 7.4% regionally and 6.6% nationally. Stoke-on-Trent's rate stood at 8.2%.**
- *These increases need to be viewed in the context of the move to Universal Credit. Before Universal Credit, the Claimant Count was based upon Jobseeker's Allowance claimants - people out of work but looking for a job.*
- *A **proportion of claimants currently will still be in work but claiming Universal Credit** because they are on a low income, although it is not currently possible to quantify the proportion of people that are indeed unemployed or employed but on a low income.*

Long-term Claimant Count Trend

Staffordshire and Stoke-on-Trent Claimant Count



Sectors hardest hit by COVID

Expecting highest unemployment increase within:

- **Arts, entertainment, and recreation** (Furlough take-up rate / SEISS / HR1s)
- **Accommodation & food services** (Furlough take-up rate / HR1s)
- **Construction** (Furlough take-up rate / SEISS / CCJs)
- **Wholesale & retail** (Furlough no. jobs furloughed / HR1s)
- **Manufacturing** (Furlough no. jobs furloughed / SEISS / HR1s / BREXIT?)

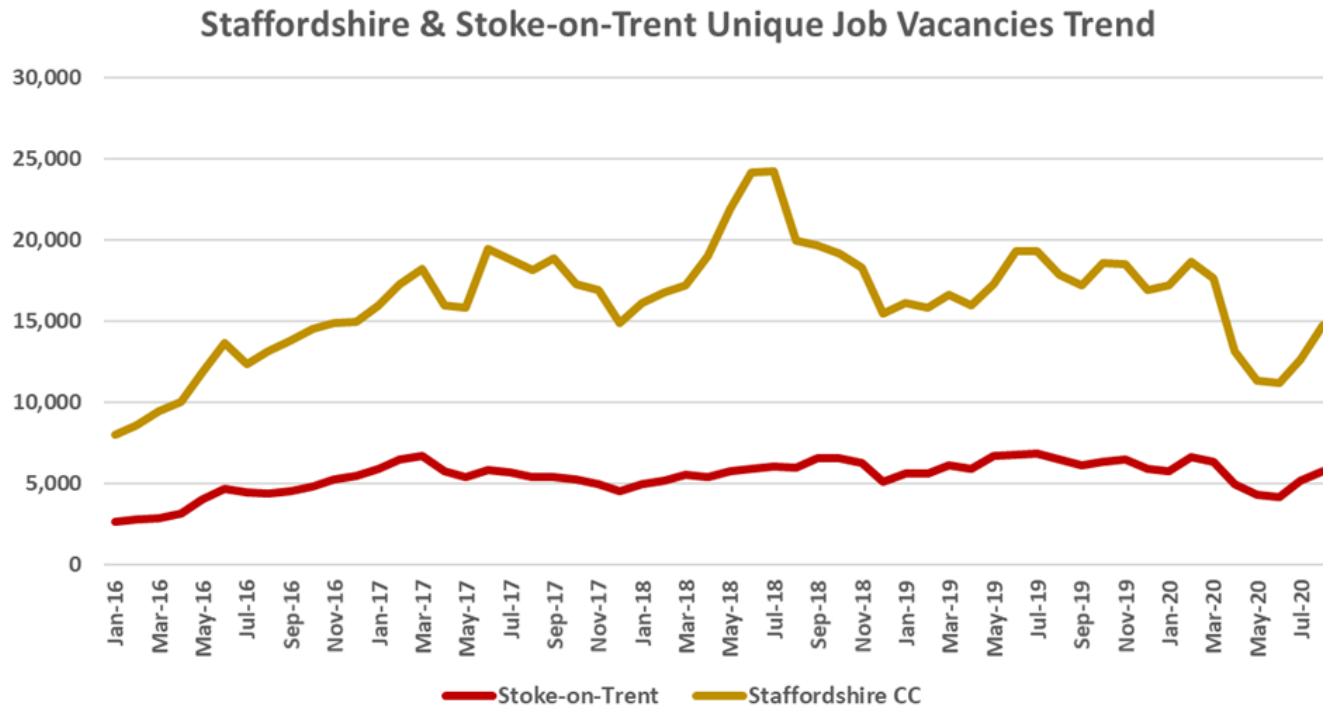
Response policy interventions focus on **supporting viable businesses to survive and saving jobs**

COVID Recovery Opportunities



Early Signs of Labour Market Improvement – Job Vacancies Growth

- Although job vacancies in Staffordshire have been heavily hit early in the crisis, we are now starting to see growth with a **17% increase in August equivalent to 2,100 more jobs which is slightly above the growth seen regionally (13%) and nationally (14%).**
- **Stoke-on-Trent saw a 10% growth with just over 540 more vacancies in August compared to July.**



Current Sectors Growth Opportunities

Increasing employment demand within:

- **Digital** – adoption of new technologies (automation and AI) and ways of working (working from home general digital skills) across virtually all sectors of economy (happening before COVID but been accelerated) – skills supply issues i.e. higher level advanced digital skill gaps e.g. coding, computer programming, machine learning, data science
- **Health and social care** - associated to ageing population/COVID/BREXIT – skills supply e.g. nurses and social care workers and pay issues
- **Transport and storage** – increasing inward investment enquiries associated to online retail
- **Construction** (Get Building Fund Projects / HS2 / WM Freight / Existing Infrastructure Projects / Retrofitting / Housing - requirements from Government but potential demand issues post-COVID??)

COVID Related Employment Demand Impact

Top 20 occupations declining and top 20 increasing between Feb 2020 (Pre-COVID) and Aug 2020 in SSLEP



- The main recruitment growth occupations between Feb (pre-COVID) and August have been nurses, care workers and home carers, cleaners, elementary storage occupations, and residential, day and domiciliary care managers and proprietors.
- While demand for nurses and social care workers and home carers remains by far the strongest of all occupations.

COVID Related Employment Demand Impact

Top 20 occupations in demand in SSLEP during Aug 2020



- Demand for nurses and social care workers and home carers remains by far the strongest of all occupations.

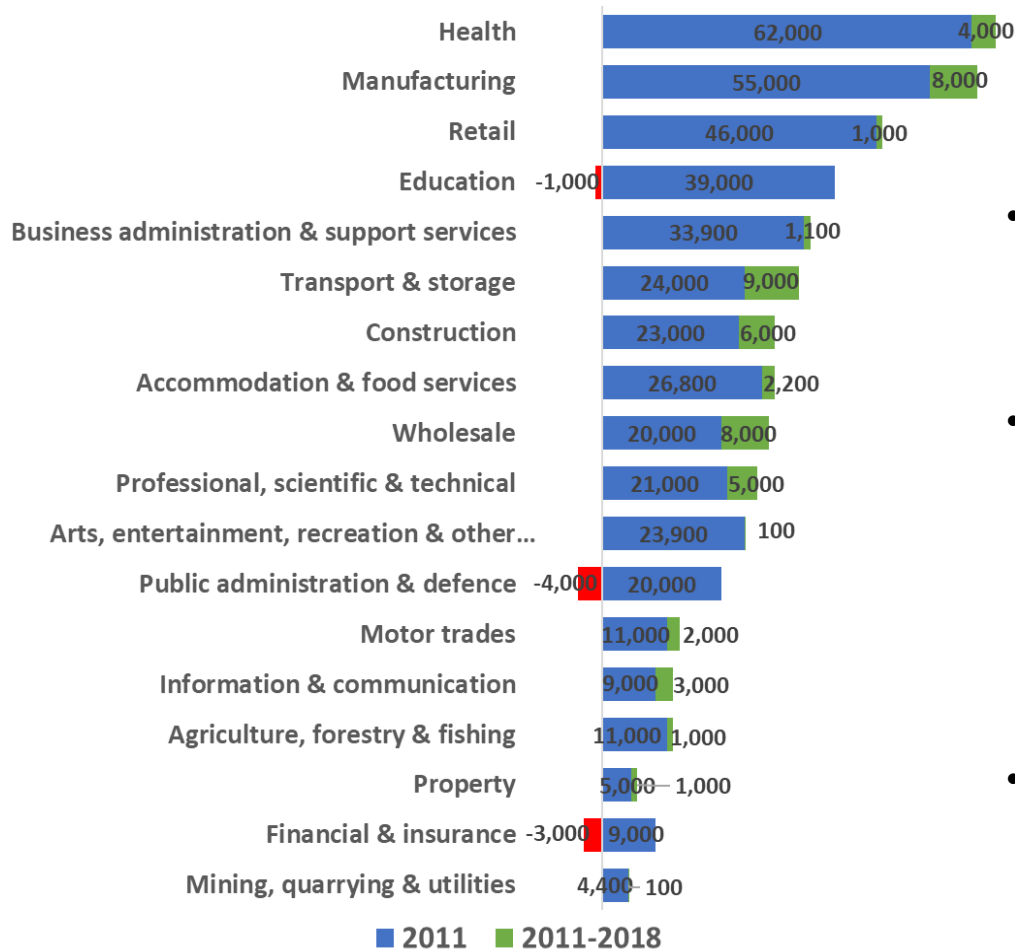
Economic Renewal & Transformation Opportunities



Current Economy

LEP change in jobs producing a more balanced economy with growth in professional & service based industries and declines in the public sector

2011 employment and change in employment, 2011-2018



- **Increase of 61,000 jobs** between 2011-2018, with job density increasing inline with national and faster than regionally and now **544,000 jobs** in the SSLEP area
- Largest sectors are 'health' (66,000 jobs), 'manufacturing' (63,000), and 'retail' (47,000)
- Greatest growth in jobs since 2011 have been in '**transport & storage**' (+9,000), '**wholesale**' and '**manufacturing**' (both +8,000), and '**construction**' (+6,000), and '**professional, scientific & technical**' seeing an increase of 5,000 jobs
- Largest declines in jobs have been in 'public administration & defence' (-4,000), 'financial & insurance' (-3,000), and 'education' (-1,000)

Future Economy

Employment Forecasts (pre-COVID past trend based)

SSLEP Forecast Employment Growth by Sector 2017-2027

	2007	2012	2017	2022	2027	Growth 2017- 2027
Health and social work	57	65	75	78	81	6.2
Support services	37	42	38	40	42	3.8
Professional services	22	24	31	33	34	2.4
Accommodation and food	28	27	37	36	39	2.4
Transport and storage	30	31	40	41	43	2.4
Arts and entertainment	13	16	17	17	18	1.6
Construction	39	33	34	34	35	0.9
Information technology	11	9	12	13	13	0.8
Other services	14	14	20	21	20	0.3
Real estate	7	6	6	6	6	0.3
Water and sewerage	2	3	3	3	3	0.2
Media	2	2	2	2	2	0.0
Electricity and gas	1	1	1	1	1	0.0
Mining and quarrying	1	1	0	0	0	0.0
Engineering	15	13	12	13	12	-0.1
Public admin. and defence	23	21	17	17	17	-0.2
Education	38	44	38	38	38	-0.2
Agriculture	6	9	7	6	6	-0.4
Food drink and tobacco	8	8	9	8	8	-0.5
Finance and insurance	12	8	9	9	9	-0.6
Wholesale and retail trade	86	89	91	90	89	-1.7
Rest of manufacturing	46	37	41	38	36	-5.0
All industries	497	502	540	544	553	12.6

Employment Forecasts (pre-COVID past trend based)

SSLEP Forecast Employment Growth by Occupation Group 2017-2027

thousands

Levels (000s)	2007	2012	2017	2022	2027	2017-2027		Total Requirement
						Net Change	Replacement Demand	
Professional occupations	72	78	91	96	102	11	31	43
Caring, leisure and other service	44	51	58	61	65	8	23	31
Associate professional and technical	58	58	67	71	74	7	22	29
Managers, directors and senior officials	39	41	49	53	56	7	19	26
Elementary occupations	63	60	61	61	62	1	20	20
Sales and customer service	42	44	45	44	44	-1	14	12
Administrative and secretarial	65	62	62	57	54	-8	20	12
Process, plant and machine operatives	50	47	48	45	44	-4	14	10
Skilled trades occupations	65	61	59	55	52	-6	15	9
All occupations	497	502	540	544	553	13	179	192

Increasing demand for high-skilled roles and impact of technology (digital/automation/AI) on lower-skilled roles

Employment Forecasts (pre-COVID past trend based)

SSLEP Forecast Employment Growth by Occupations 2017-2027

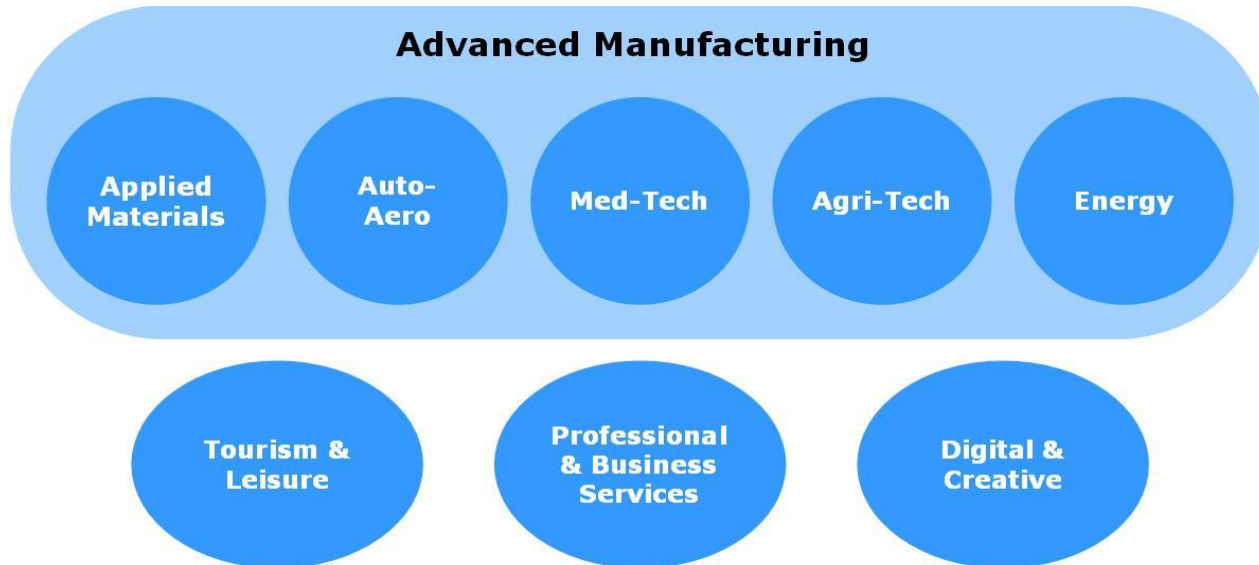
thousands

Levels	2017-2027							
	2007	2012	2017	2022	2027	Net Change	Replacement Demand	Total Requirement
61 Caring personal service occupations	33	39	45	48	53	8	19	27
11 Corporate managers and directors	28	29	36	39	41	5	14	19
92 Elementary administration and service occupations	52	50	50	50	51	1	17	18
35 Business and public service associate professionals	29	29	34	36	38	4	11	16
22 Health professionals	19	22	27	29	30	4	11	14
41 Administrative occupations	50	48	50	48	47	-3	17	14
24 Business, media and public service professionals	17	18	22	23	25	3	8	11
82 Transport and mobile machine drivers and operatives	24	25	26	26	27	1	9	10
23 Teaching and educational professionals	17	19	18	19	21	2	7	9
21 Science, research, engineering and technology professionals	19	20	24	26	27	2	6	9
12 Other managers and proprietors	10	12	14	14	15	1	6	7
71 Sales occupations	34	34	34	32	30	-3	10	7
72 Customer service occupations	8	10	12	13	14	2	4	6
32 Health and social care associate professionals	6	7	9	10	10	1	4	5
53 Skilled construction and building trades	20	17	18	18	18	0	5	5
34 Culture, media and sports occupations	8	9	10	11	11	1	3	4
62 Leisure, travel and related personal service occupations	10	11	13	13	13	0	4	4
91 Elementary trades and related occupations	10	10	11	11	11	0	3	3
31 Science, engineering and technology associate professionals	9	8	9	9	10	0	3	3
52 Skilled metal, electrical and electronic trades	27	25	25	22	21	-4	6	2
51 Skilled agricultural and related trades	4	7	5	5	5	0	2	2
33 Protective service occupations	6	5	5	5	5	0	1	1
54 Textiles, printing and other skilled trades	13	11	11	10	9	-2	3	1
81 Process, plant and machine operatives	26	23	22	19	17	-5	5	0
42 Secretarial and related occupations	15	14	12	9	6	-6	3	-2
All occupations	497	502	540	544	553	13	179	192

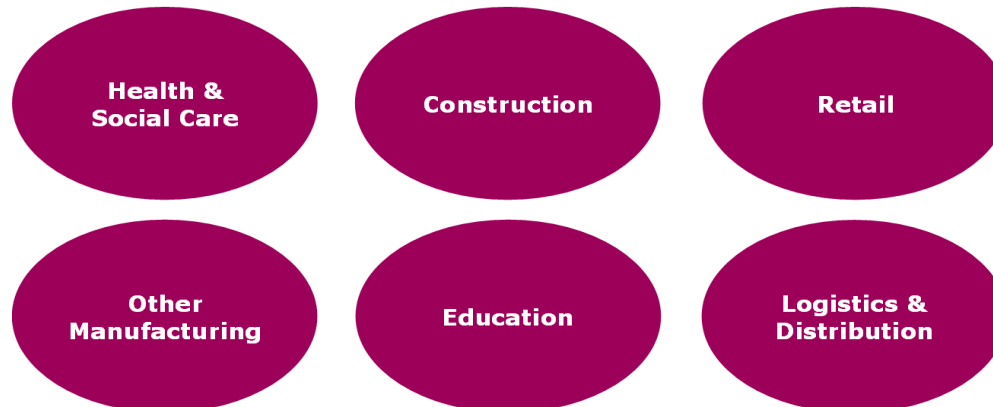
SEP Priority & Locally Important Sectors

**Stoke-on-Trent
& Staffordshire**
Enterprise Partnership

Priority Sectors



Other Locally Important Sectors (due to size / recent growth)



Future Growth Opportunities

- Opportunities to recover the losses in the long-term with potential growth in high-skilled high-value jobs in sectors including:
 - **Digital** (cross-cutting - new technologies and ways of working)
 - **Advanced manufacturing & ceramics** (Automation/AI)
 - **Advanced logistics** (Automation/AI)
 - **Modern methods of construction** (Automation/AI/Retrofitting)
 - **Health and Social Care** (Digitisation of Services/New Technologies)
 - **The Green Economy/Climate Change/Clean Energy**
- Dependent on how local businesses make use of new technologies such as AI and automation and partners support them to do so, alongside the availability of skills in the local workforce to support this type of high value growth.

Skills

Priority Sector Skill Areas

To ensure that the priority growth sectors and existing significant sectors in the LEP area have the skills in the local workforce to drive economic growth, key sector skill areas have been identified as priorities for skills development locally including:

- **Digital** (cross-cutting - new technologies and ways of working)
- **STEM** (advanced manufacturing (including auto/aero, med-tech, agri-food and energy)
- **Construction** – (trades skill gaps i.e. site ready/higher skill gaps e.g. architects /MMO advanced skills demand)
- **Health & Social Care** – (skill gaps inc nurses and care workers/digitisation)

Detailed sector analysis of the issues, challenges, and opportunities within each sector can be found here:

<https://www.stokestaffslep.org.uk/sap-priority-sector-and-cross-cutting-themes-report/>

Cross-cutting Importance of Digital Skills

- Growing importance of digital skills across all sectors of economy with such skills now essential to majority of occupations
- Main benefits include improved overall efficiency and better marketing and sales
- Around a fifth of businesses report having digital skills gaps
- All sizes of businesses report digital skills gaps but it is larger businesses (250+ employees) which are most likely to have such issues
- The sectors most likely to have digital skills issues are:
 - Information and communication; Professional, scientific and technical activities; Administrative services
 - Commerce, transport, accommodation and food service
 - Construction
- With 1 in 5 businesses saying it was having a major impact on overall performance
- Only around 1 in 10 businesses have taken action to address digital skills gaps with on the job training being the main action followed by external training and changing working practices