

The logo for West Yorkshire Combined Authority features a large, stylized 'W' shape composed of three overlapping, curved segments in shades of teal and blue. The text 'West Yorkshire' is written in a large, bold, teal font, with 'Combined Authority' in a smaller, teal font below it.

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**LEEDS CITY REGION LABOUR MARKET ANALYSIS
2018: HEADLINE MESSAGES**

Outline of the presentation

- Background to the labour market analysis
- Selected key messages around:
 - Economic and labour market context
 - Raising the bar on higher level skills
 - More and better apprenticeships
 - Employability, accessing jobs and realising potential
 - Great Education Connected to Businesses
 - Building workforce skills and attracting talent
- Conclusions

Why do we analyse the labour market

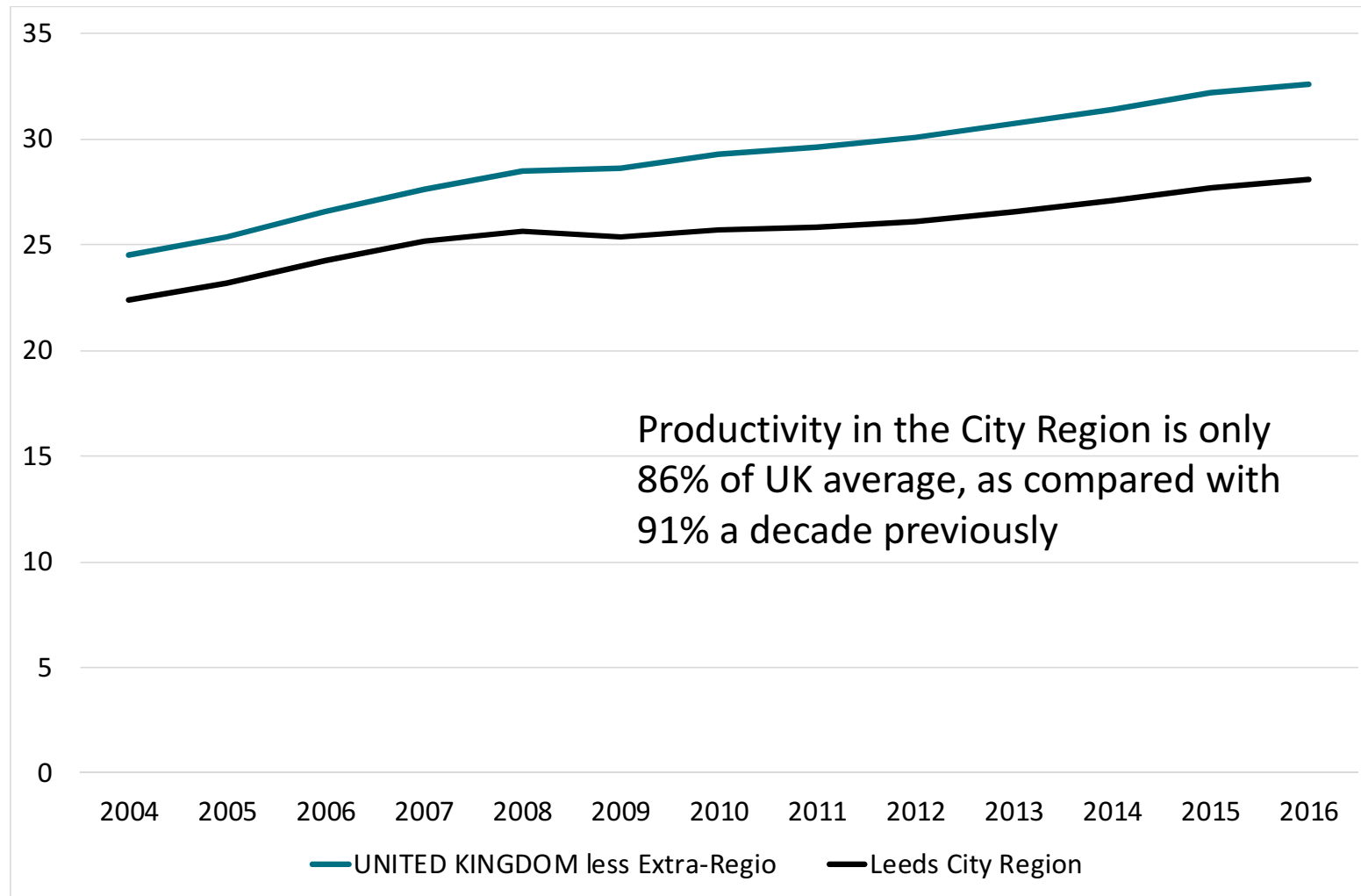
- Support strategy and policy development, address market failure; measure progress against our priorities
- Demonstrate to sponsors the evidence base for our interventions
- Influence local learning provision in line with labour market demand
- Inform careers choice by providing information on labour market opportunities
- Inform action by local employers to address the skill needs of business.



Context

The City Region has seen a widening productivity gap with the UK average

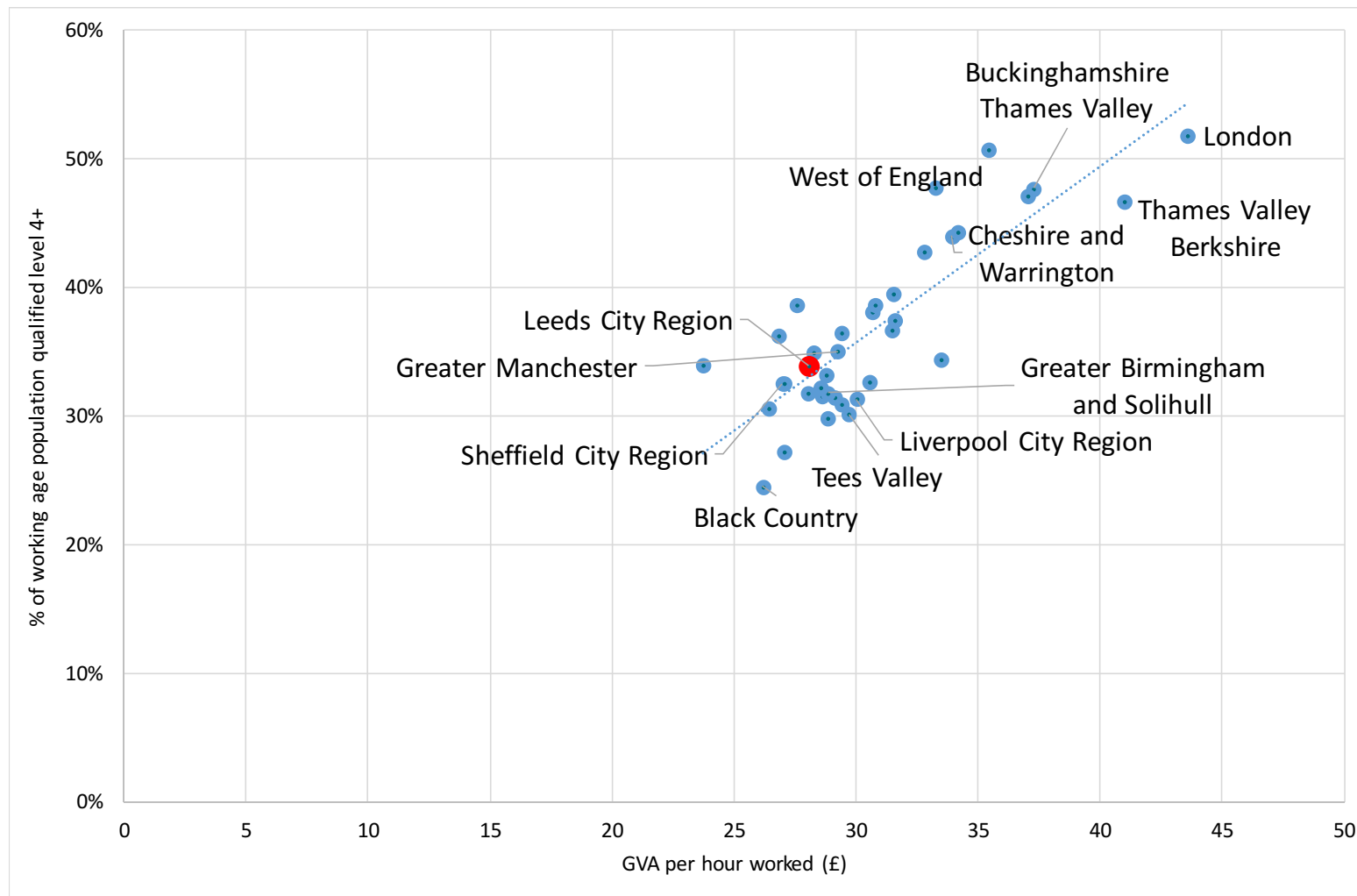
Figure: Nominal (smoothed) GVA per hour worked (£)



Source: ONS, Sub-regional Productivity

There is a strong correlation between skills and productivity performance at LEP level

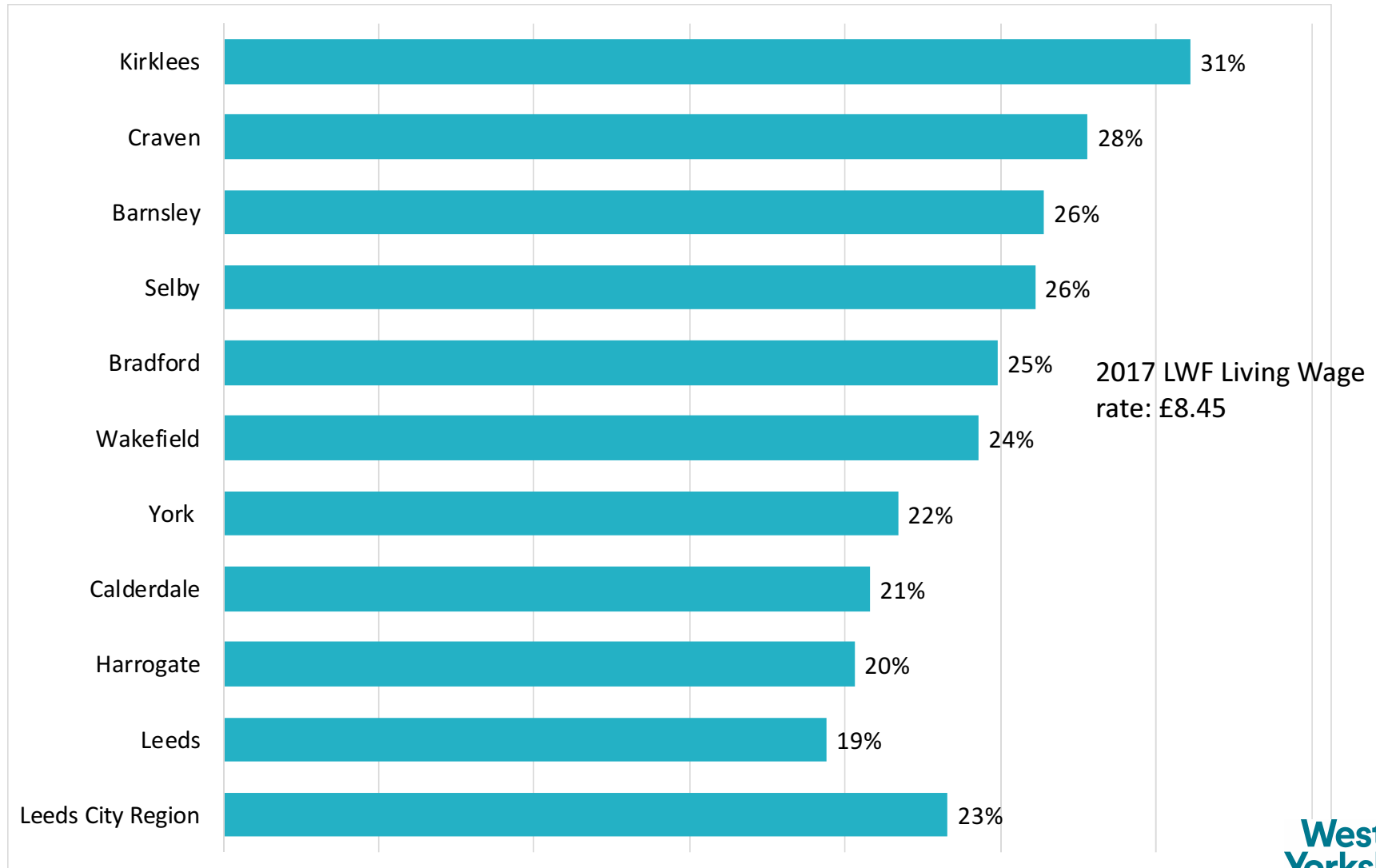
Figure: High level qualifications and productivity by LEP area



Source: Annual Population Survey; ONS LEP level estimates of productivity

23 per cent of jobs pay below the LWF Living Wage across the City Region

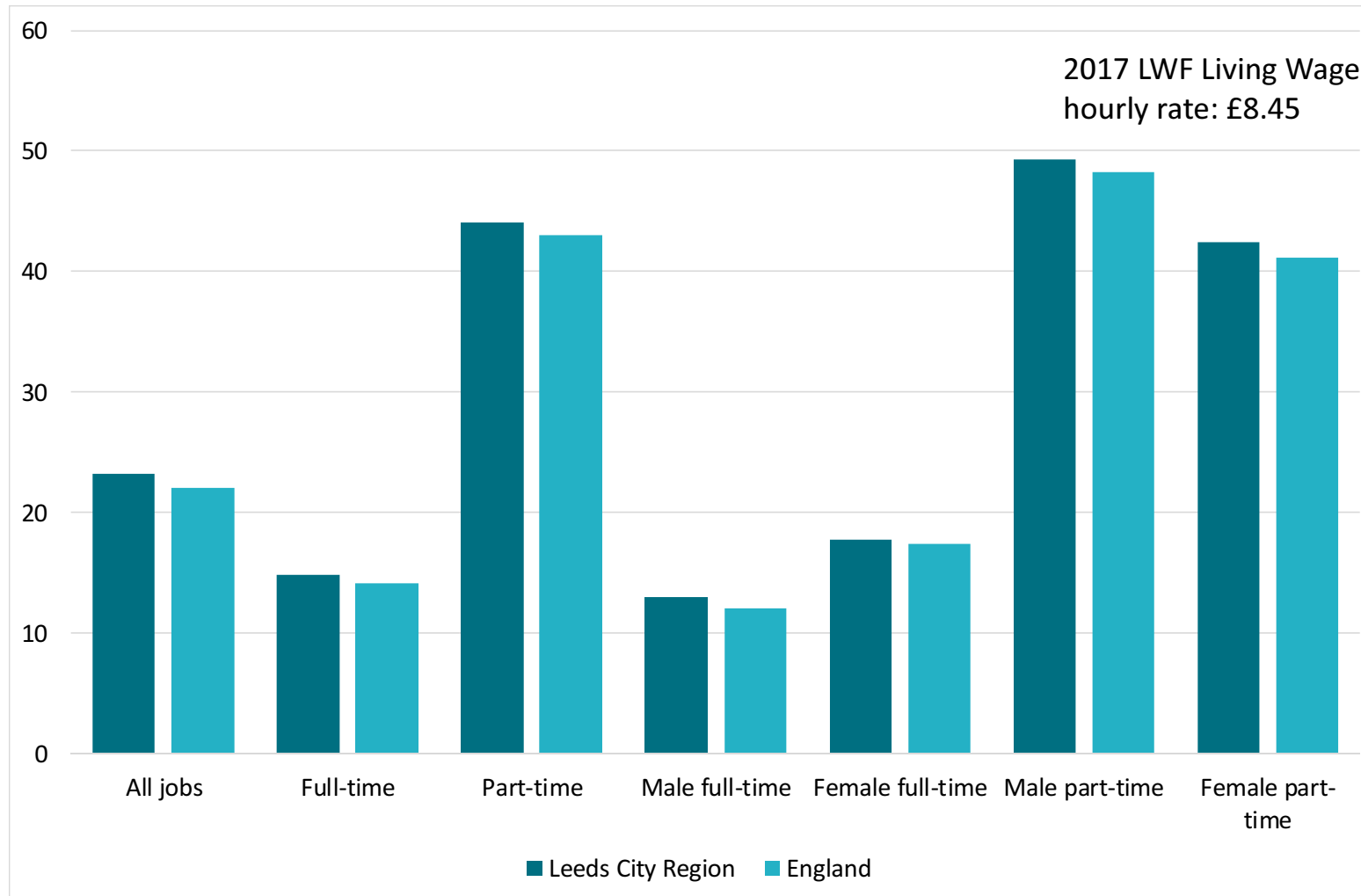
Figure: % of employee jobs paying below the living wage (as defined by the LWF), 2017



Source: Annual Survey of Hours and Earnings 2017
Note: Workplace-based

Likelihood of being paid LWF Living Wage varies markedly by employment status

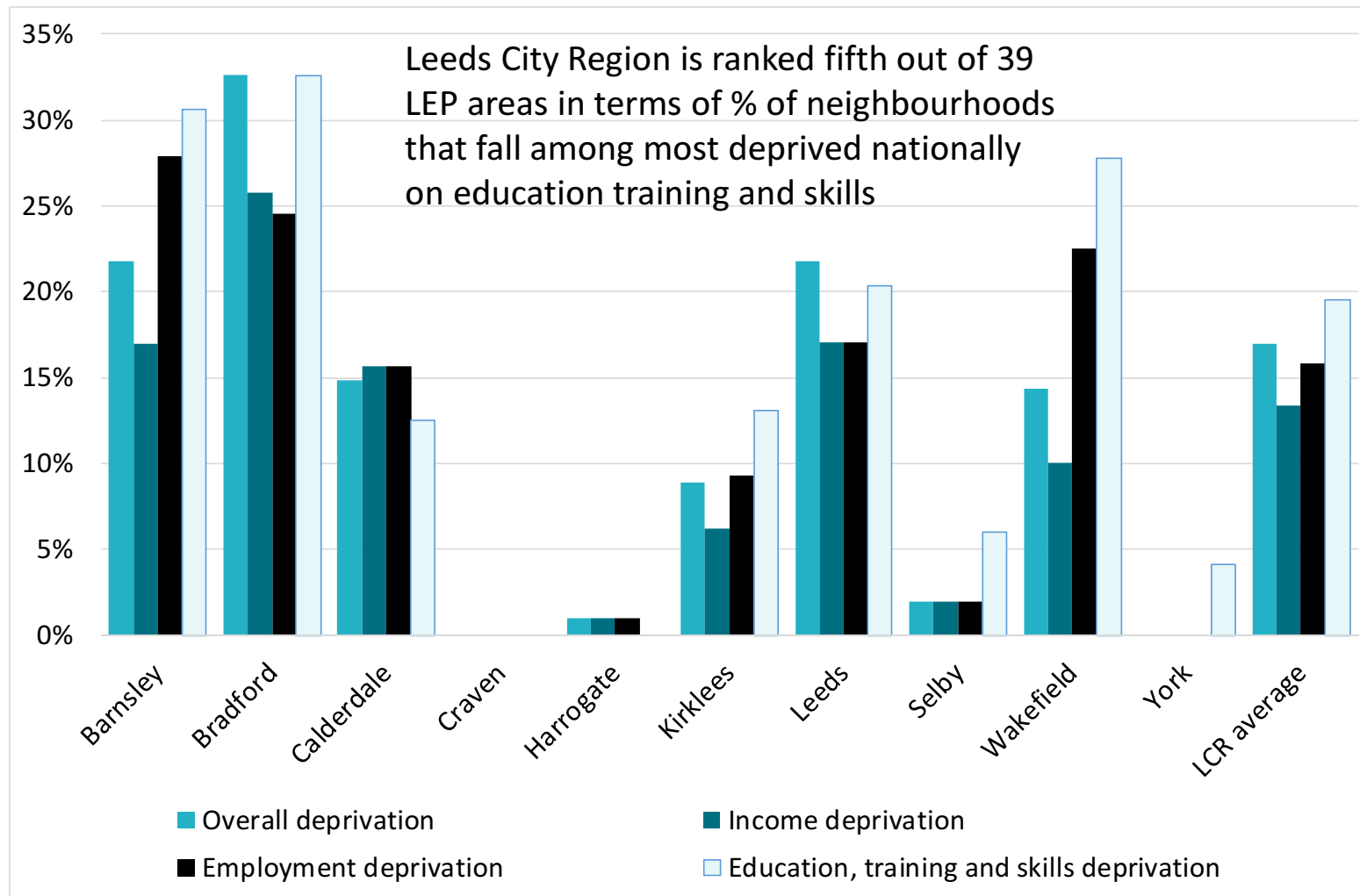
Figure: % of employee jobs paying below the living wage (as defined by the LWF) by status, 2017



Source: Annual Survey of Hours and Earnings 2017
 Note: Workplace-based

Skills deprivation is most prevalent in Barnsley, Bradford and Wakefield

Figure: Proportion of neighbourhoods in 10% most deprived nationally by domain of deprivation

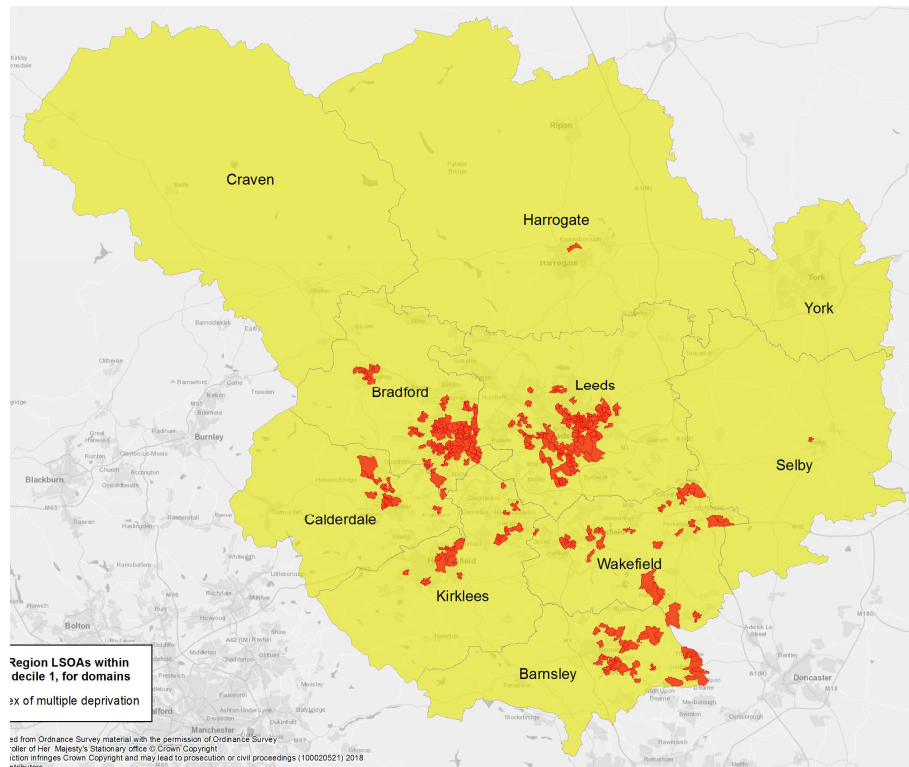


Source: Department of Communities and Local Government, Index of Multiple Deprivation

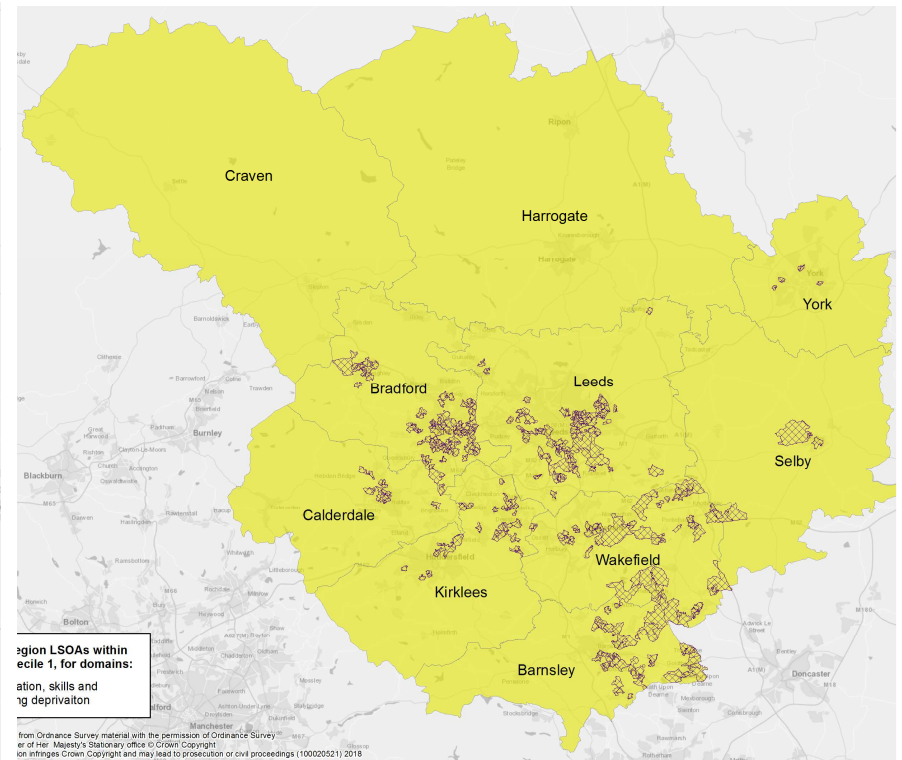
Note: The Education, Skills and Training Domain measures the lack of attainment and skills in the local population.

Pattern of skills deprivation at neighbourhood level is similar to overall pattern of deprivation

Neighbourhoods falling into 10% most deprived nationally in City Region



Overall deprivation



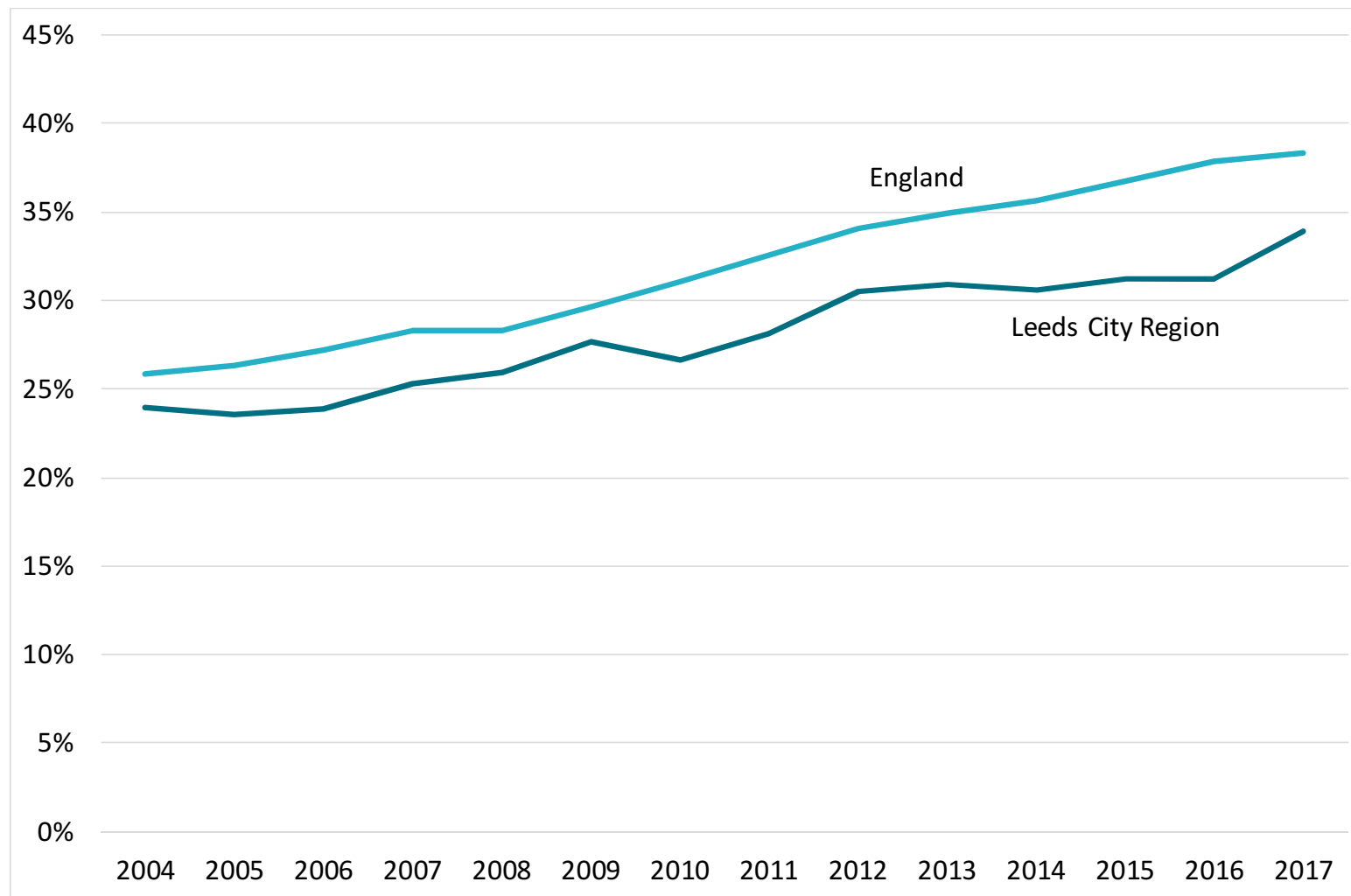
Education, skills and training deprivation



**RAISING THE BAR ON HIGHER
LEVEL SKILLS**

Latest figures for City Region show slight improvement in proportion qualified at higher level

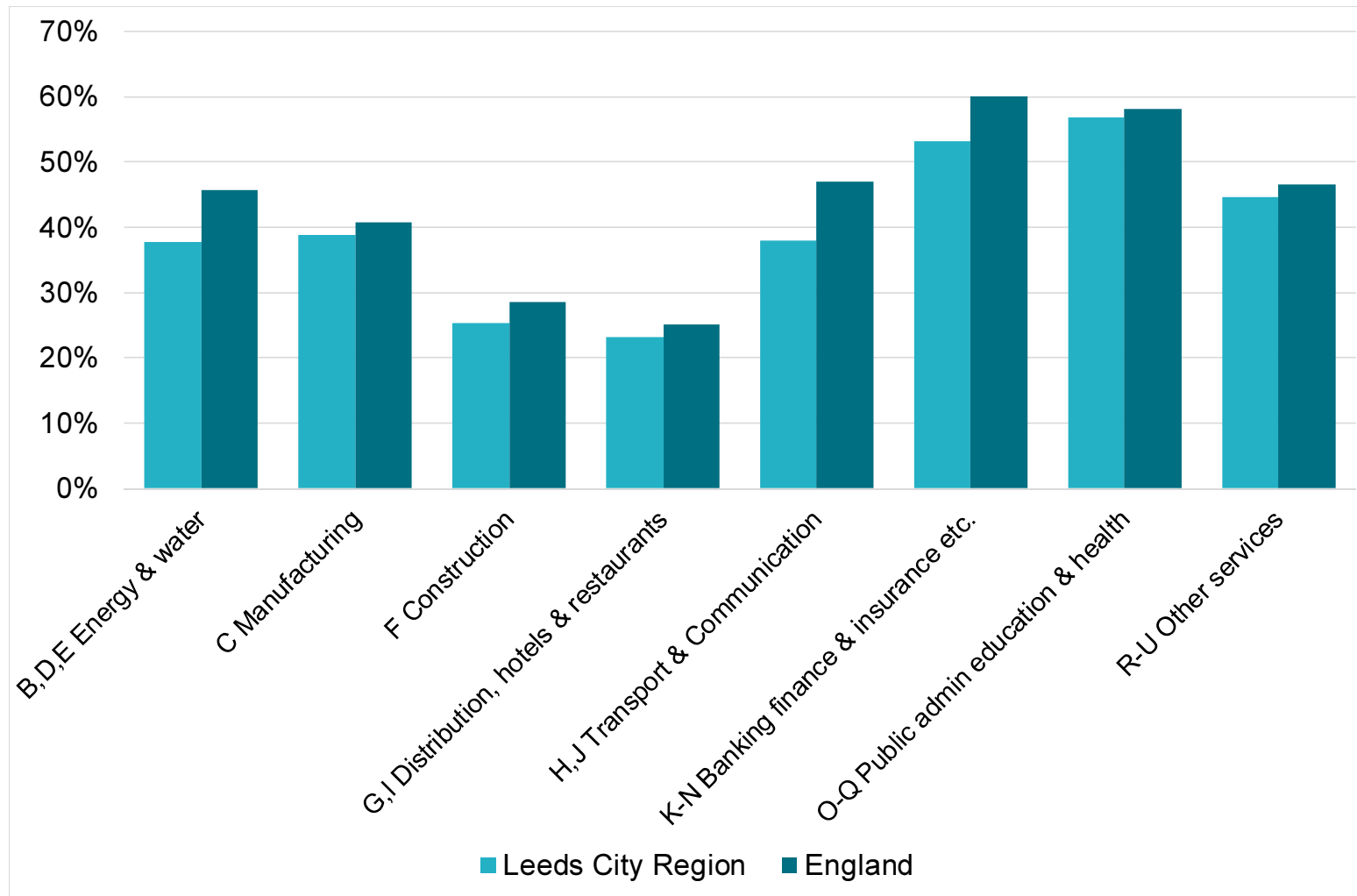
Figure: % of working age population qualified at tertiary level (level 4+), Leeds City Region



Source: Annual Population Survey

Lower proportions of workers in high skilled occupations in important sectors helps to explain low levels of productivity in City Region

Figure: Proportion of the sectoral workforce in higher skilled occupations

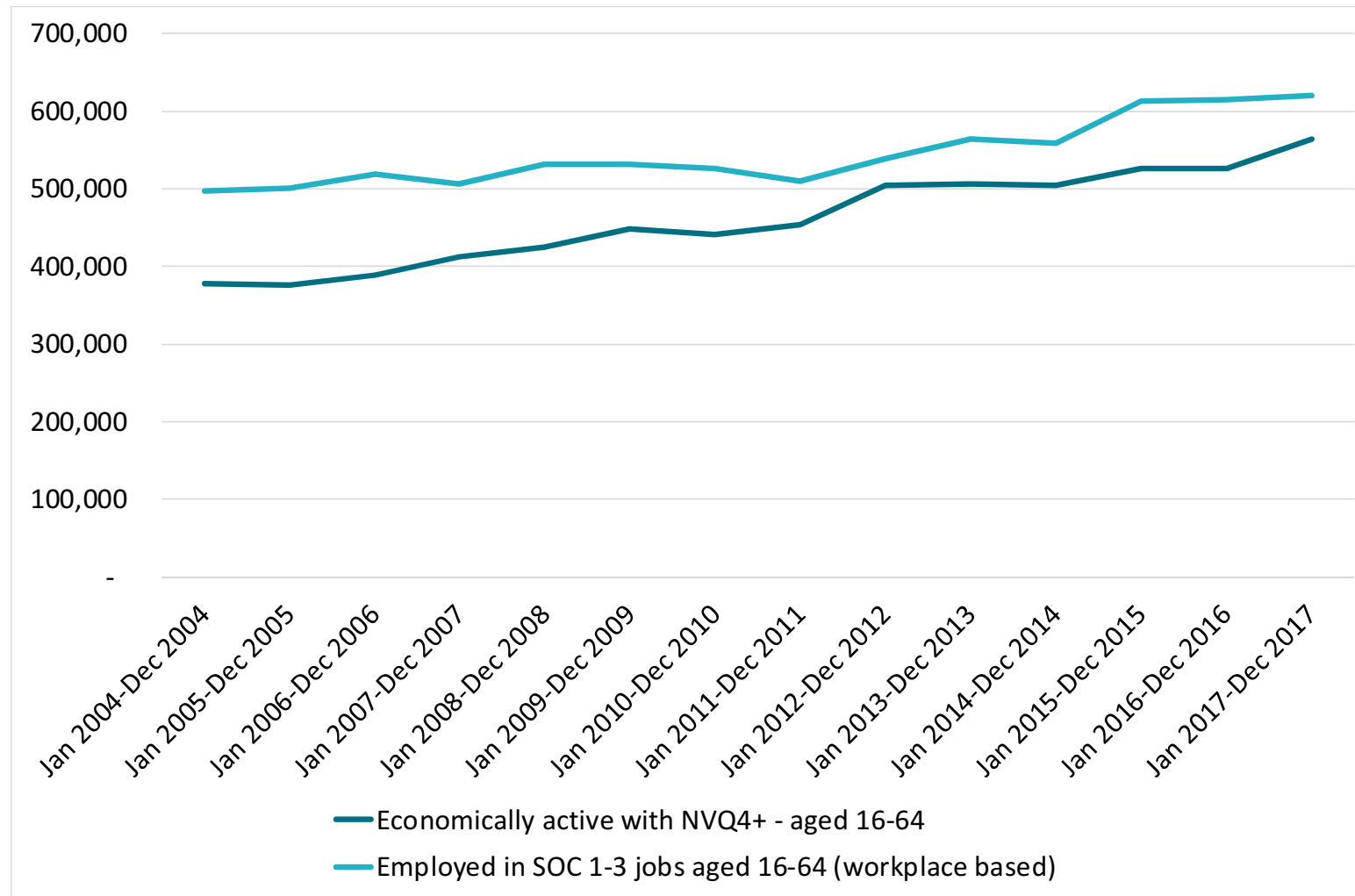


Source: Annual Population Survey, workplace analysis, Jan – Dec 2017

Note: Higher skilled occupations are SOC major groups 1-3; managers, professionals and associates professional / technical

Still more high skilled jobs than high qualified people

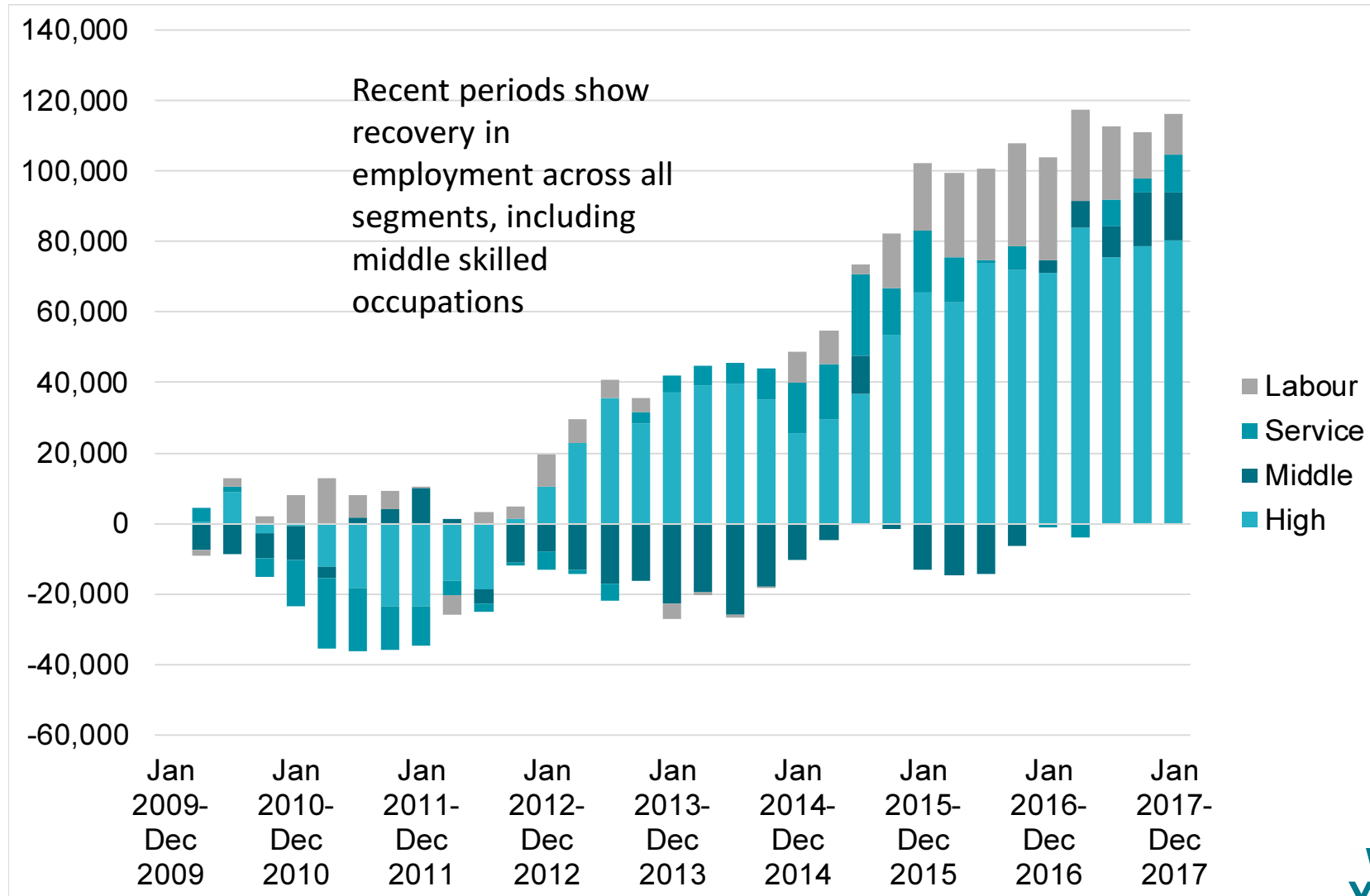
Figure: Trends in high skilled people and high skilled employment, Leeds City Region



Source: Annual Population Survey

High skilled occupations still main source of employment growth with cumulative increase of 80,000 since recession

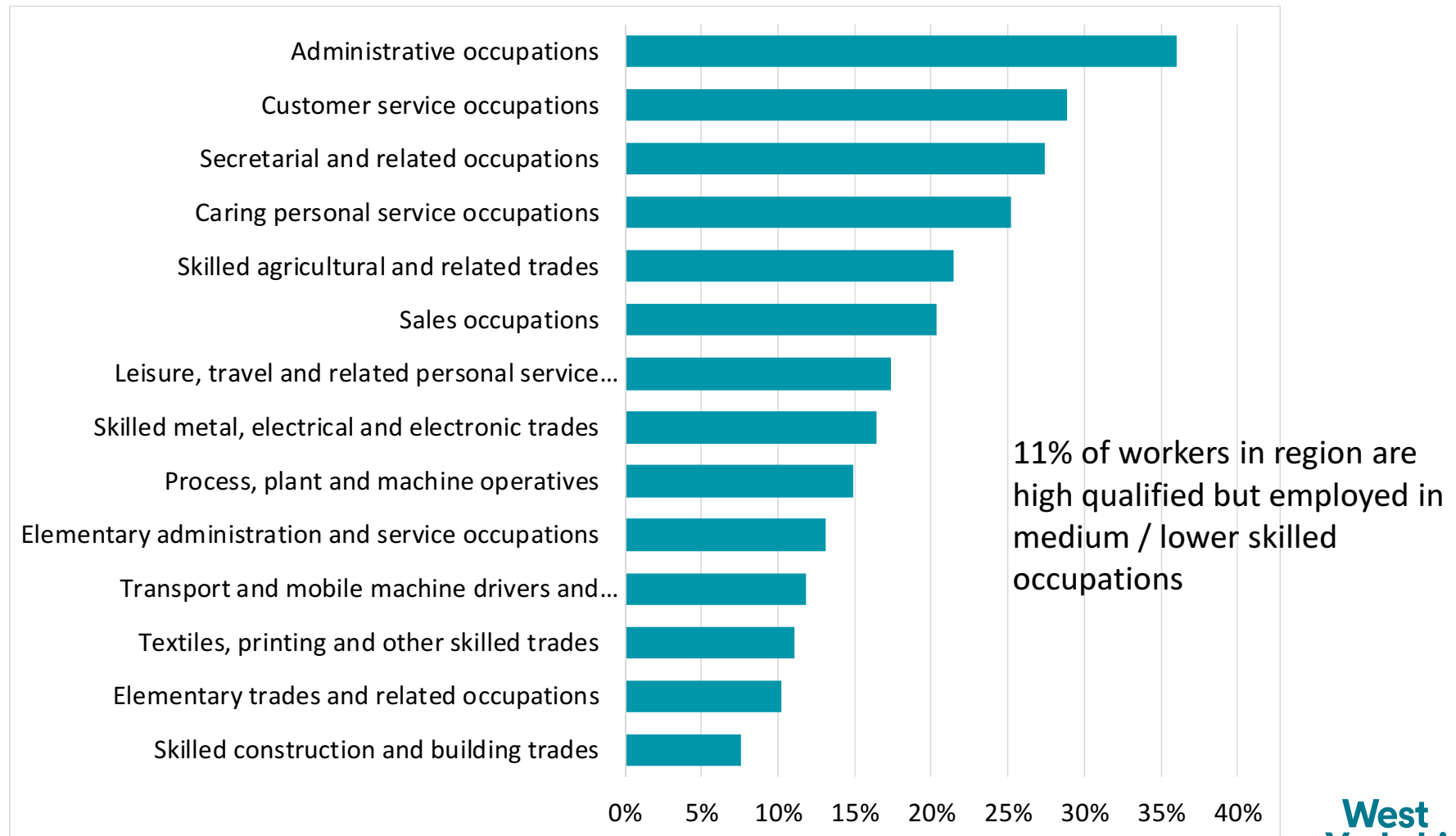
Figure: Occupational contribution to cumulative employment growth, Leeds City Region



Source: Annual Population Survey

Nonetheless many workers in medium / lower skilled roles are over-qualified for their job

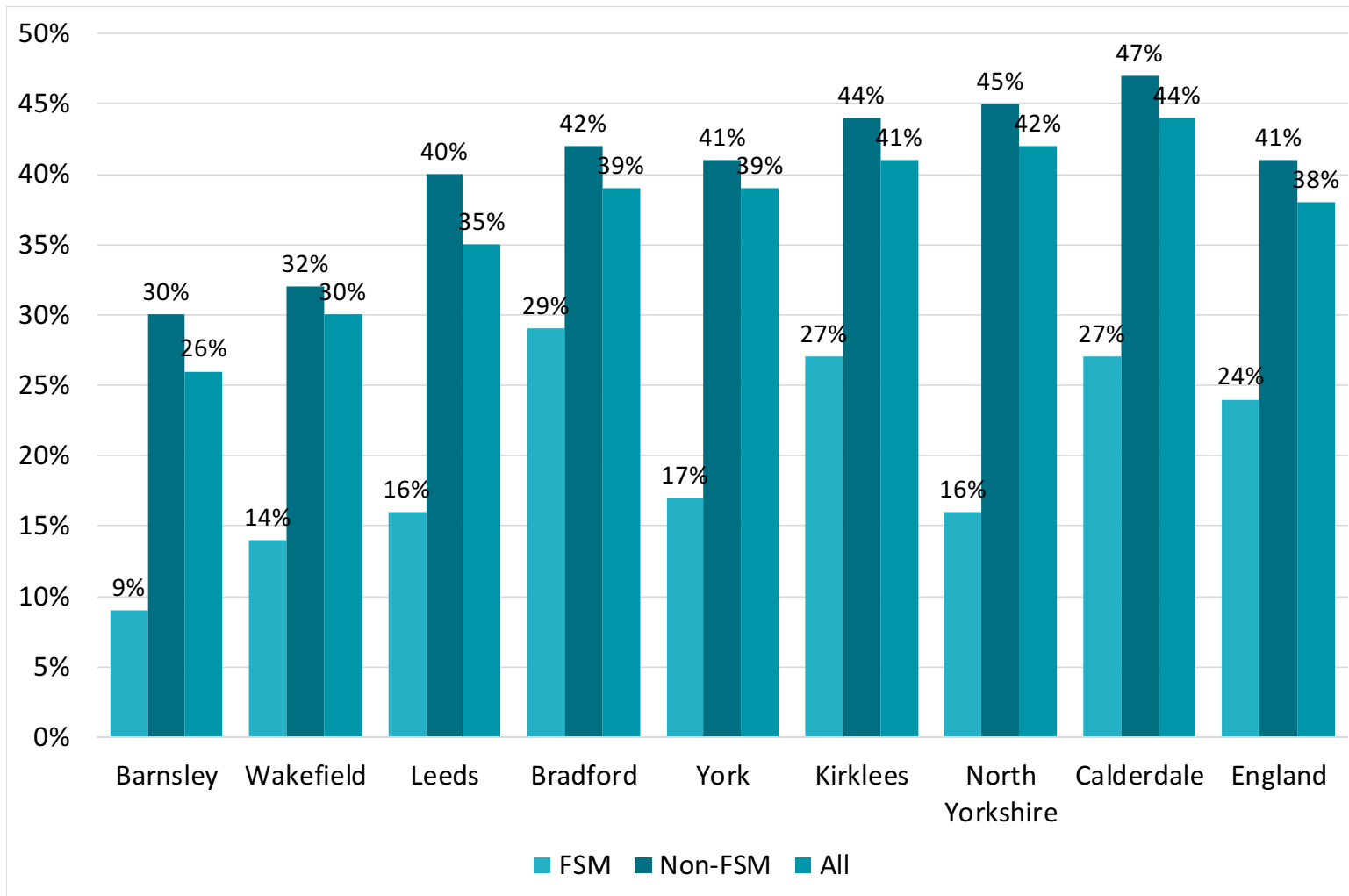
Figure: Medium and lower-skilled occupations with the greatest proportion of workers qualified at level 4+; Yorkshire and the Humber



Source: Labour Force Survey, Oct – Dec 2017

Disadvantaged pupils less likely to participate in higher education

Figure: % of pupils entering higher education by free school meal status



Source: Department for Education

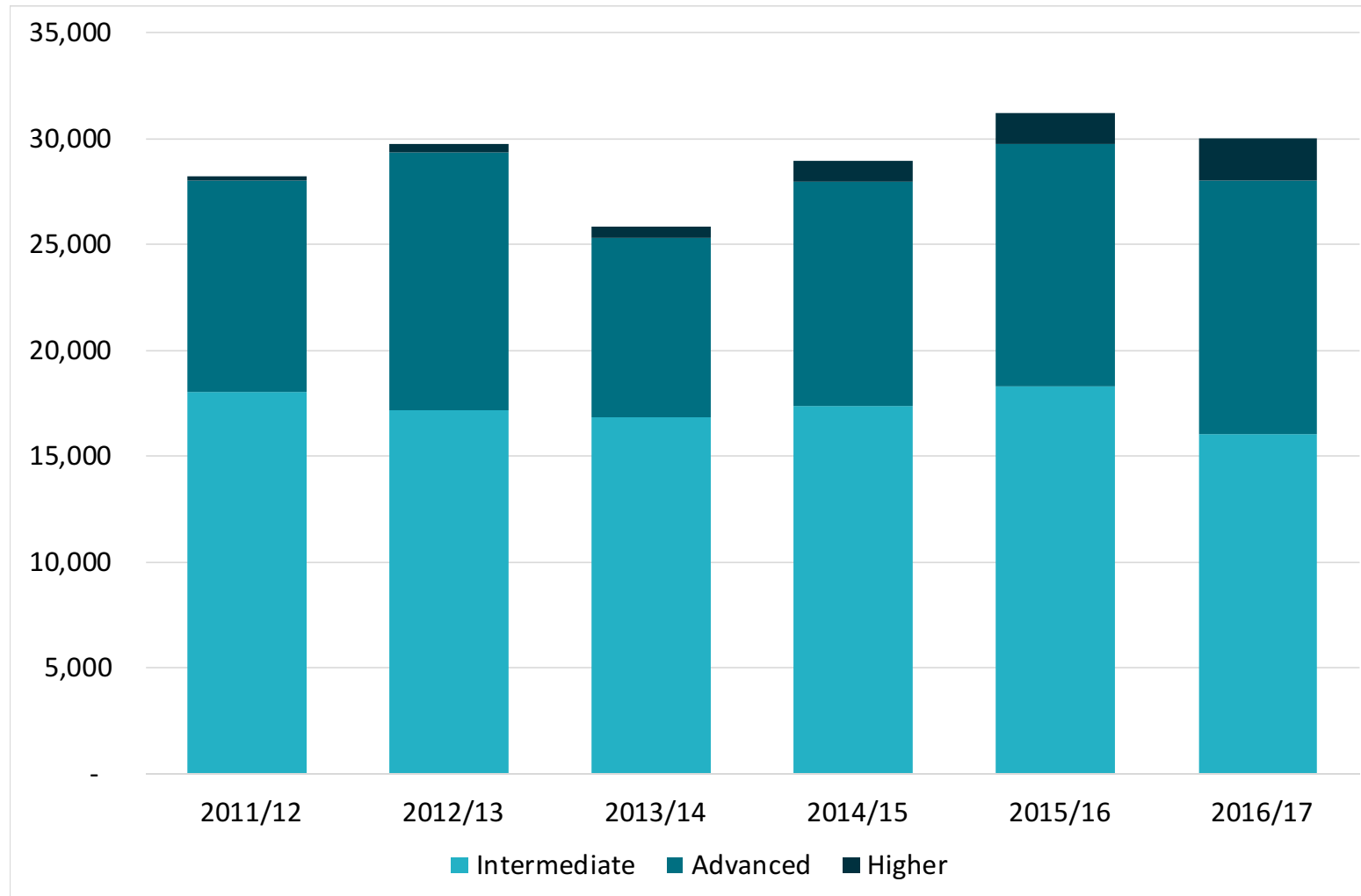
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**MORE AND BETTER
APPRENTICESHIPS**

Apprenticeship starts declined by 4 per cent in 2016/17 following two years of growth

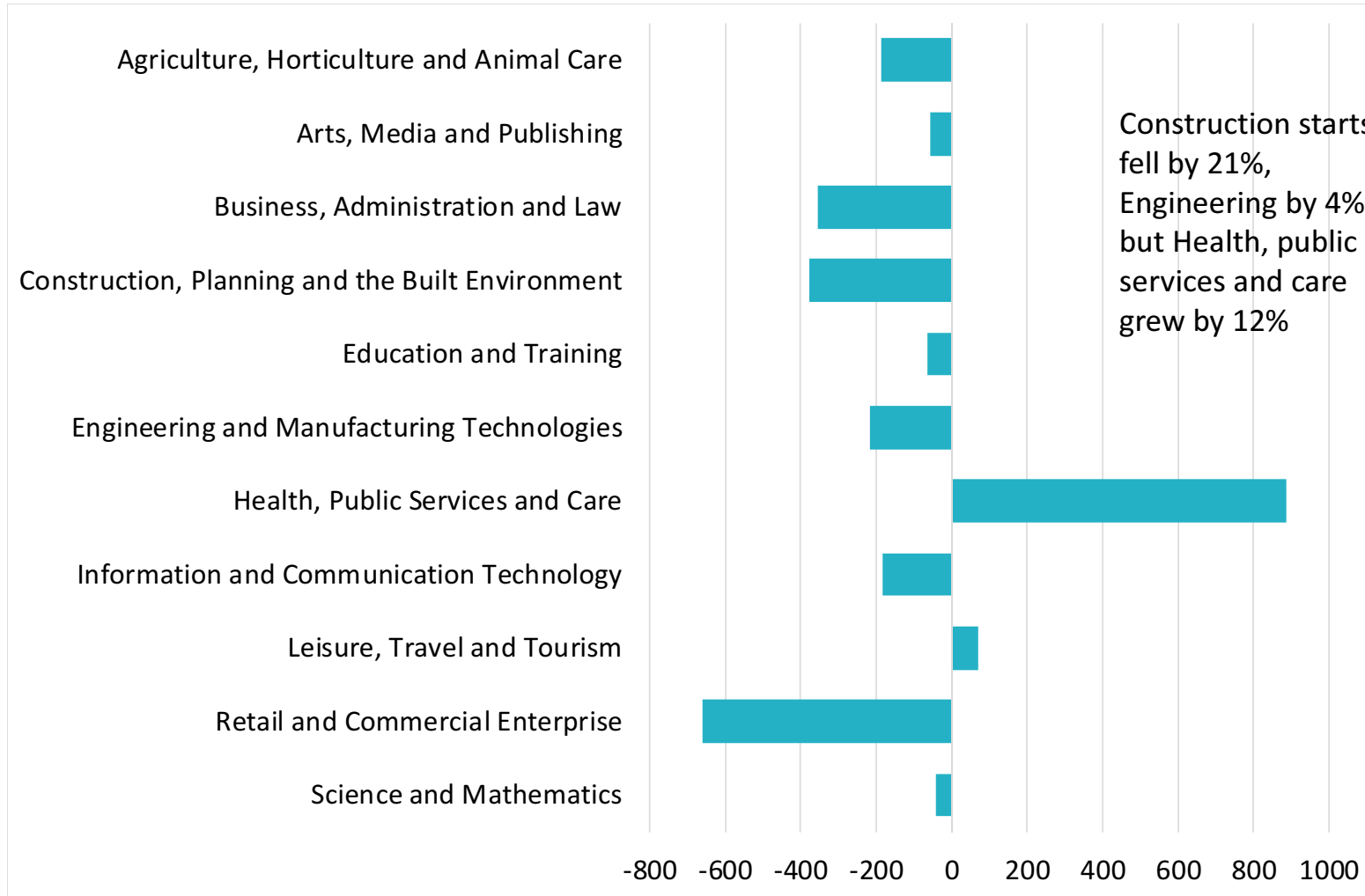
Figure: Trend in apprenticeship starts, Leeds City Region



Source: Education and Skills Funding Agency

Retail and Business admin saw biggest falls but construction and engineering also hit

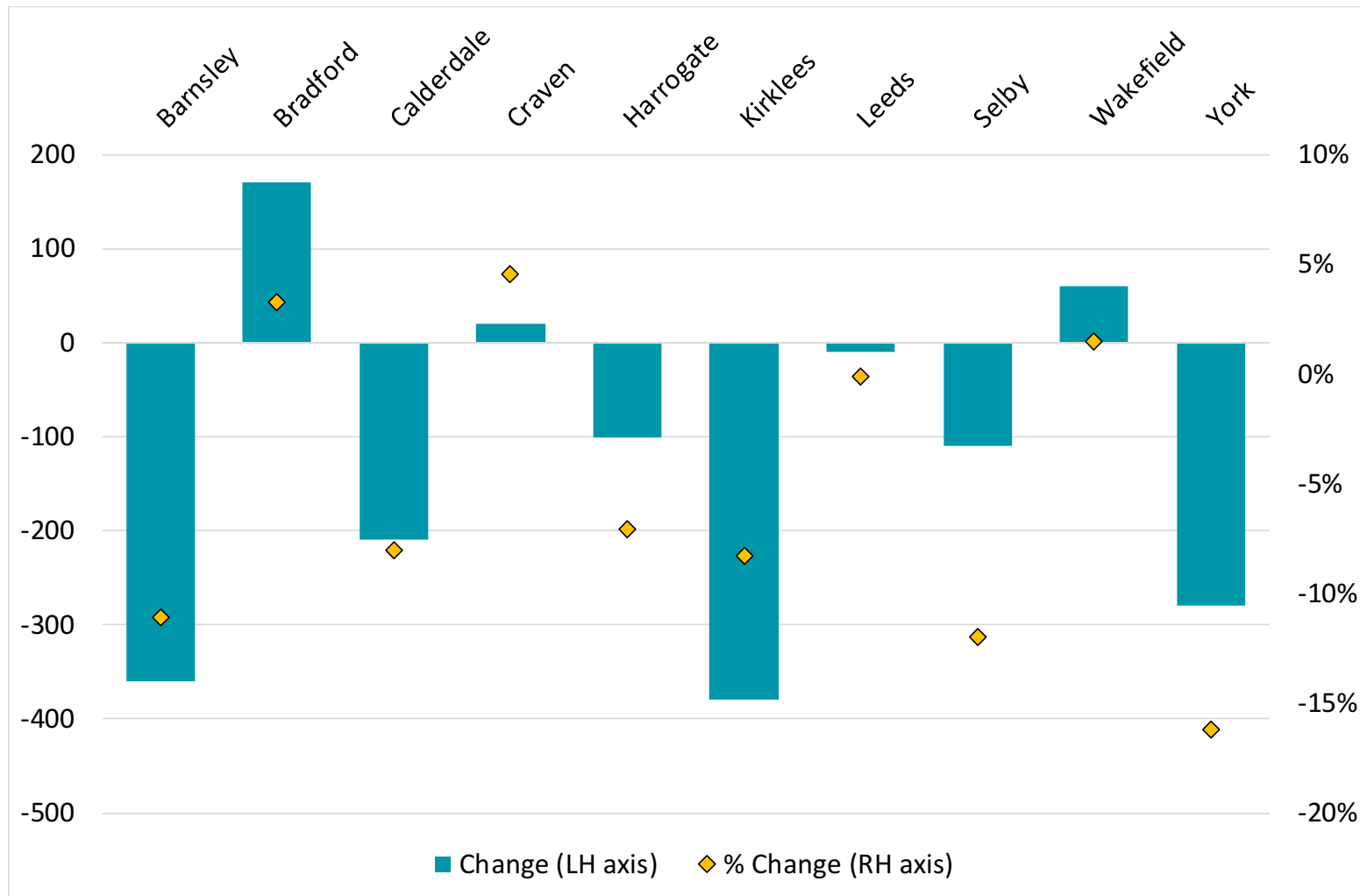
Figure: change in apprenticeship starts between 2015/16 and 2016/17 by sector subject area, Leeds City Region



Source: Education and Skills Funding Agency

Barnsley, Kirklees and York saw biggest falls in starts

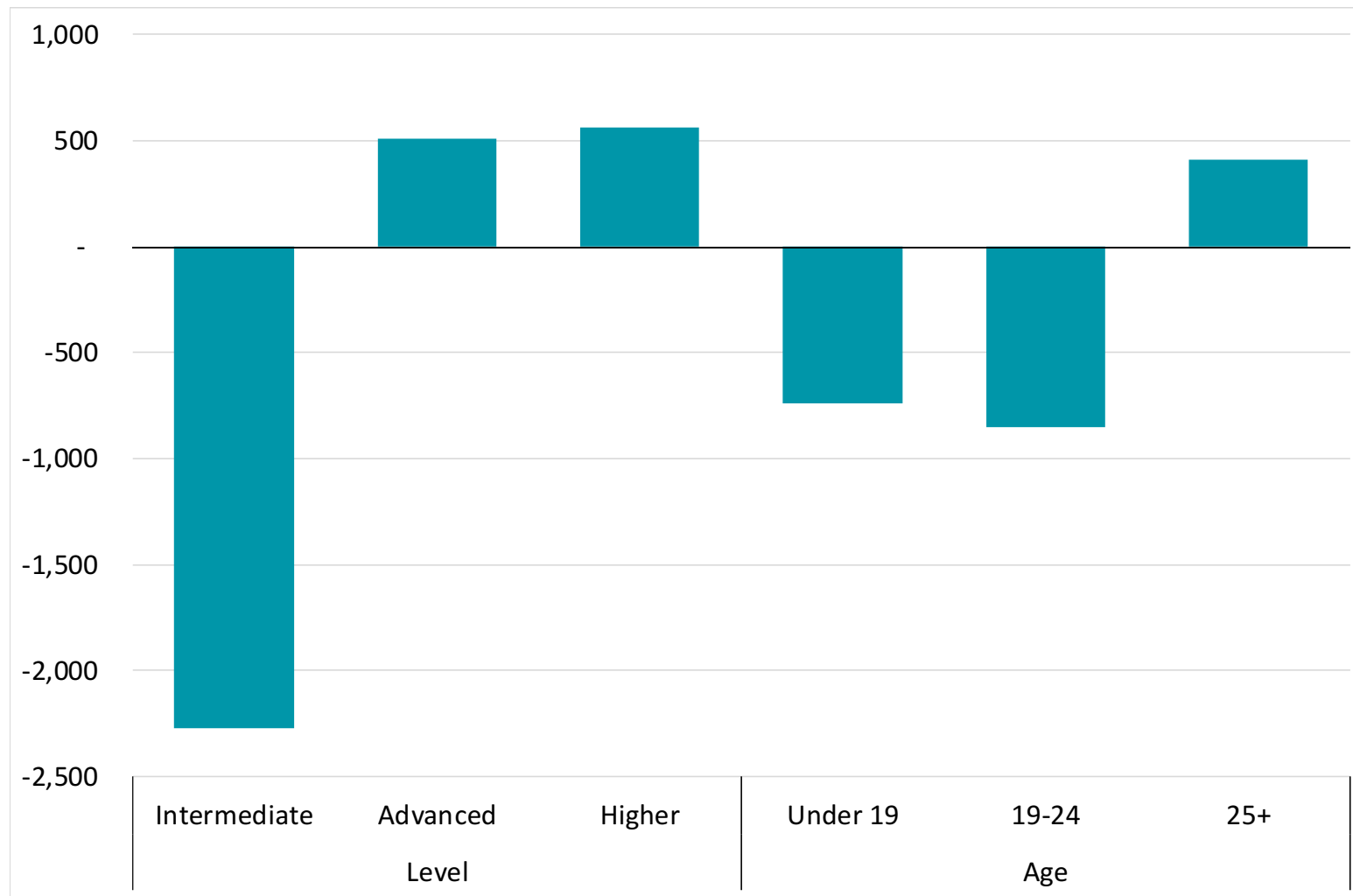
Figure: change in apprenticeship starts between 2015/16 and 2016/17 by district, Leeds City Region



Source: Education and Skills Funding Agency

Intermediate and young (<25 years) apprenticeship starts fell

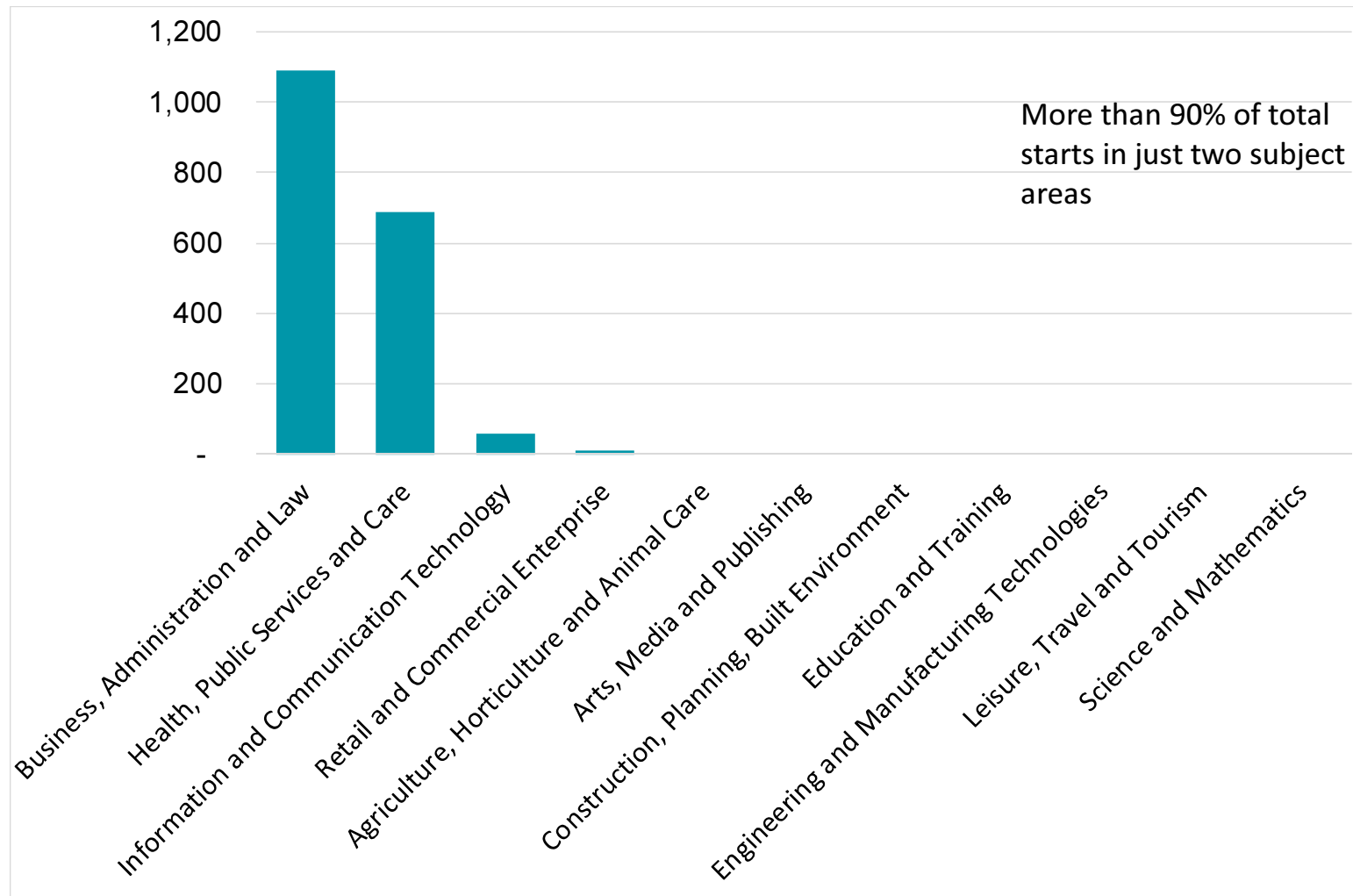
Figure: change in apprenticeship starts between 2015/16 and 2016/17 by type, Leeds City Region



Source: Education and Skills Funding Agency

Subject range of higher apprenticeships remains limited

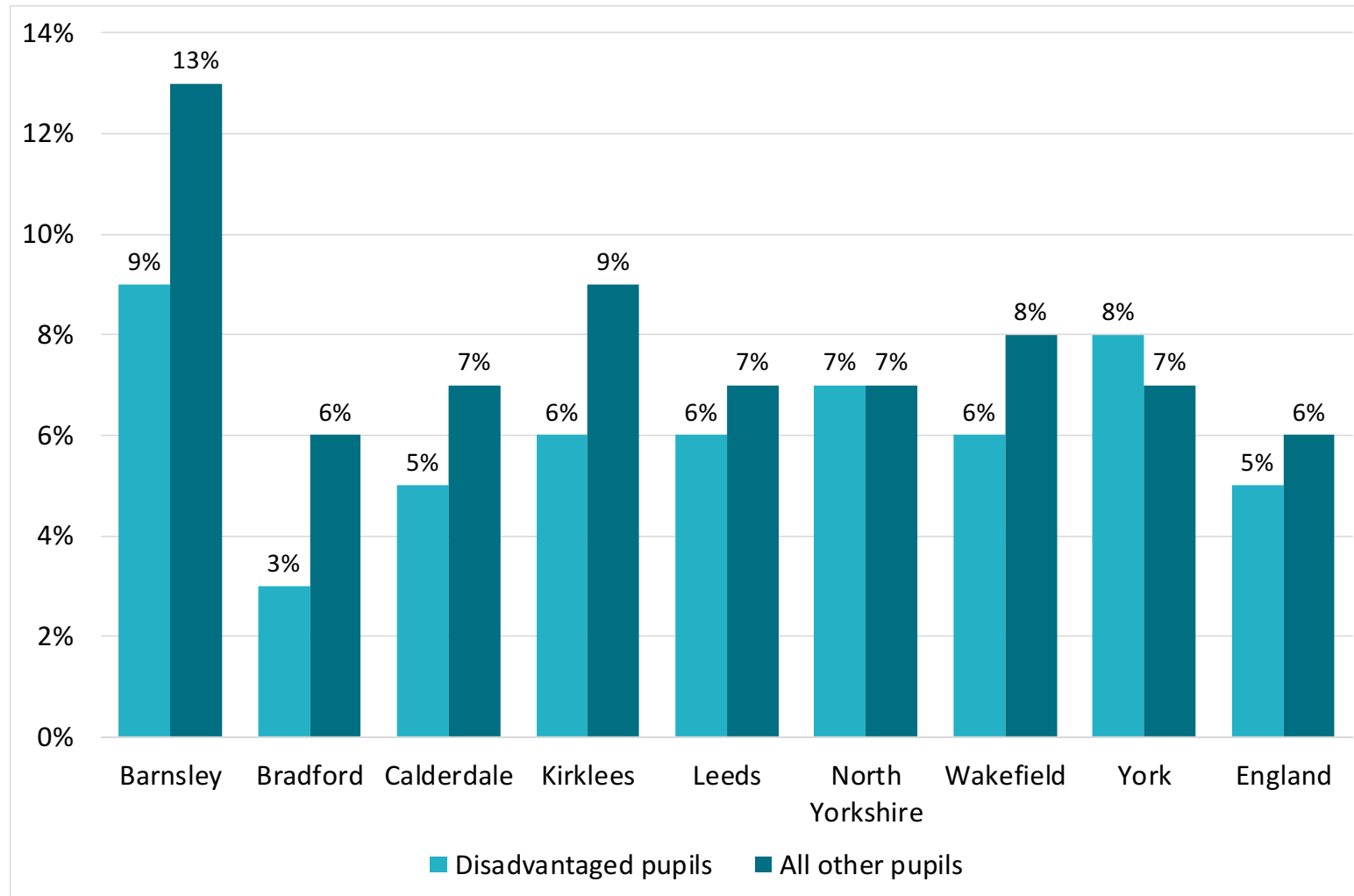
Figure: Higher apprenticeship starts by sector subject area, 2016/17, Leeds City Region



Source: Education and Skills Funding Agency
Note: Figures rounded to nearest 10

Disadvantaged are less likely to participate

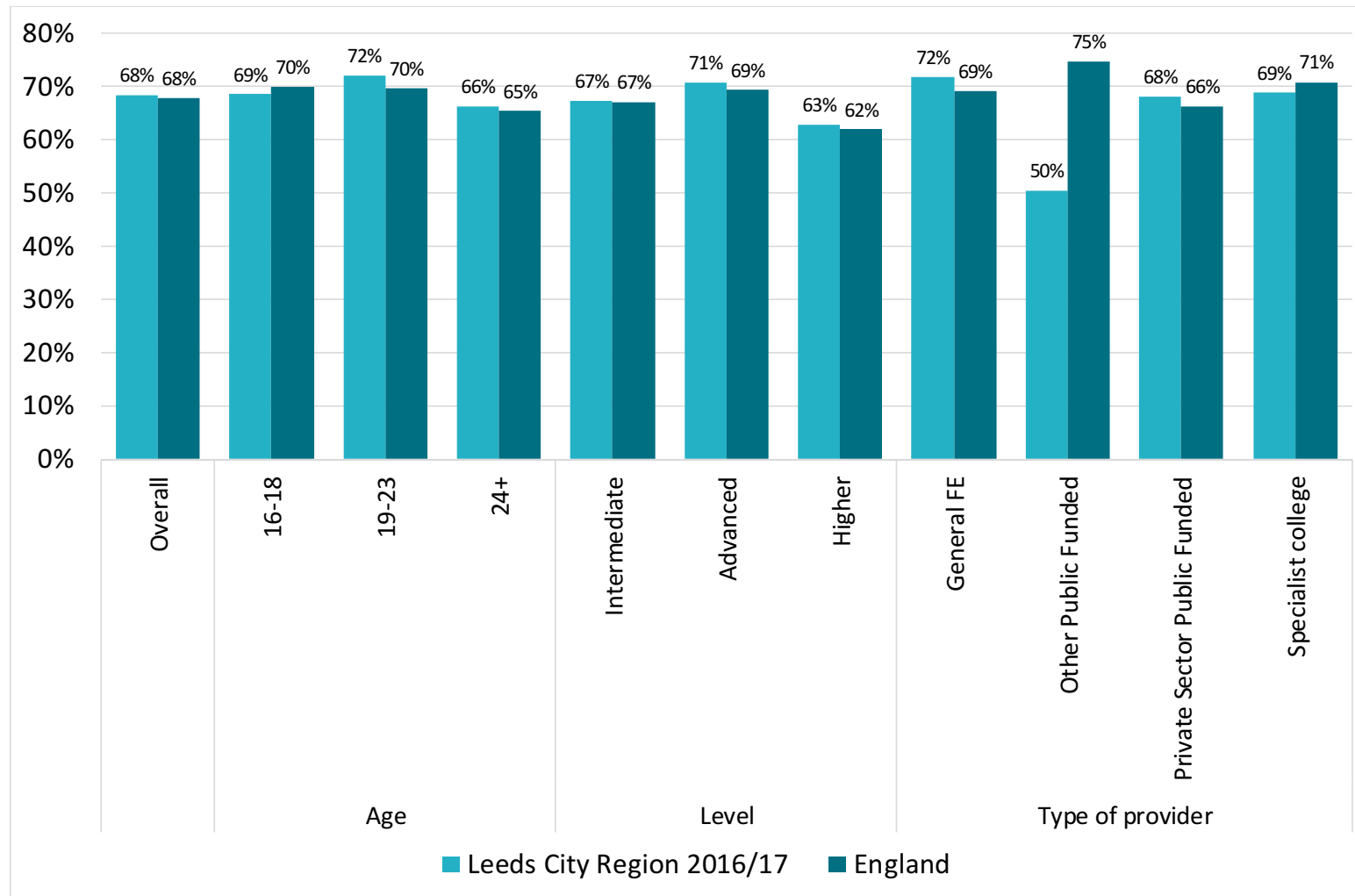
Figure: % of pupils entering apprenticeships following completion of key stage 4



Source: Department for Education. 2014/15 destinations for the 2013/14 cohort (state-funded mainstream schools)

Apprenticeship achievement rates remain similar to national average but with variations between apprenticeship types

Figure: Overall achievement rates by apprenticeship type, 2016/17



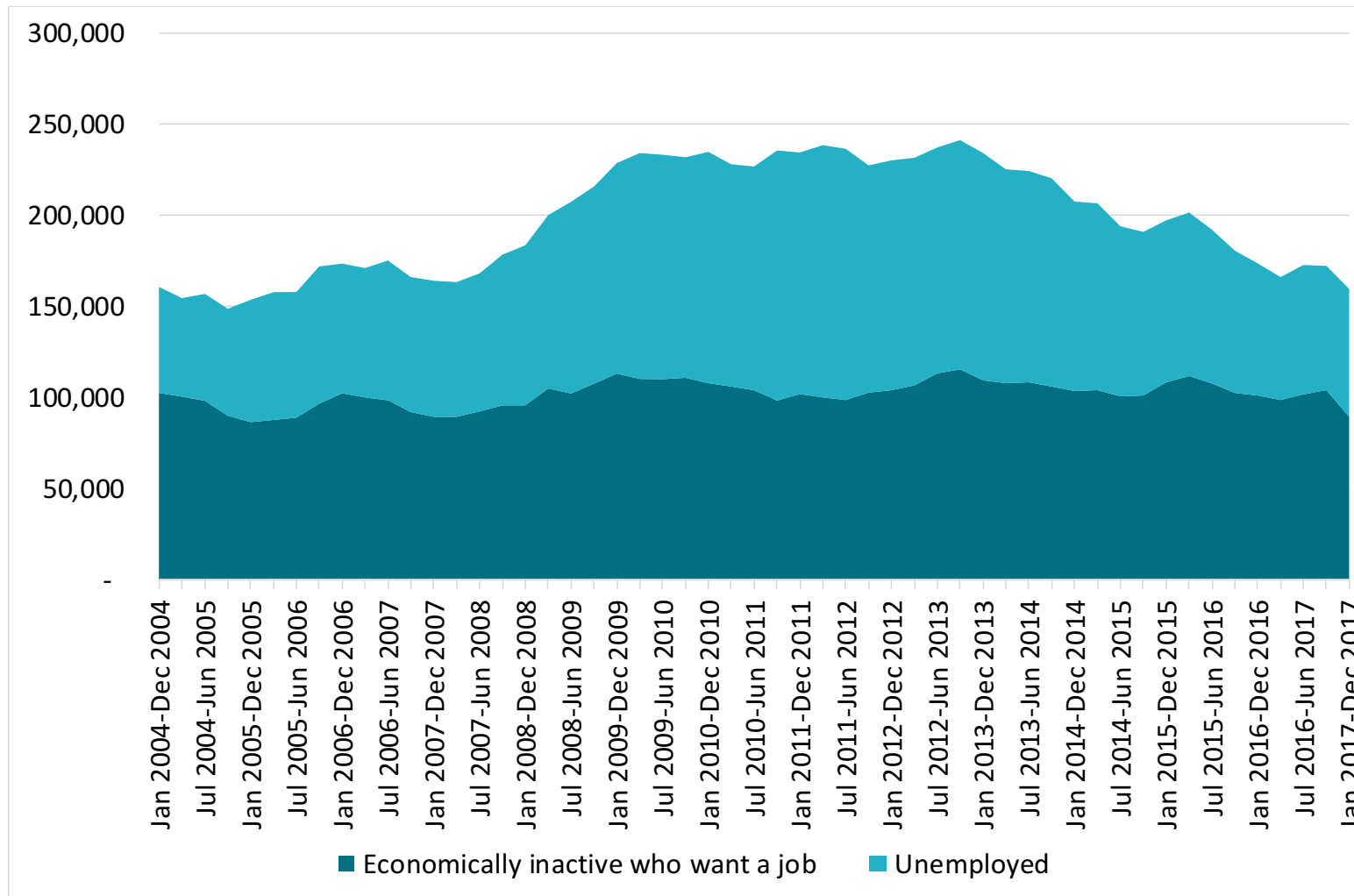
Source: Education and Skills Funding Agency



**EMPLOYABILITY, ACCESSING JOBS
AND REALISING POTENTIAL**

Strong decline in unemployed but little change in number of inactive people who want a job

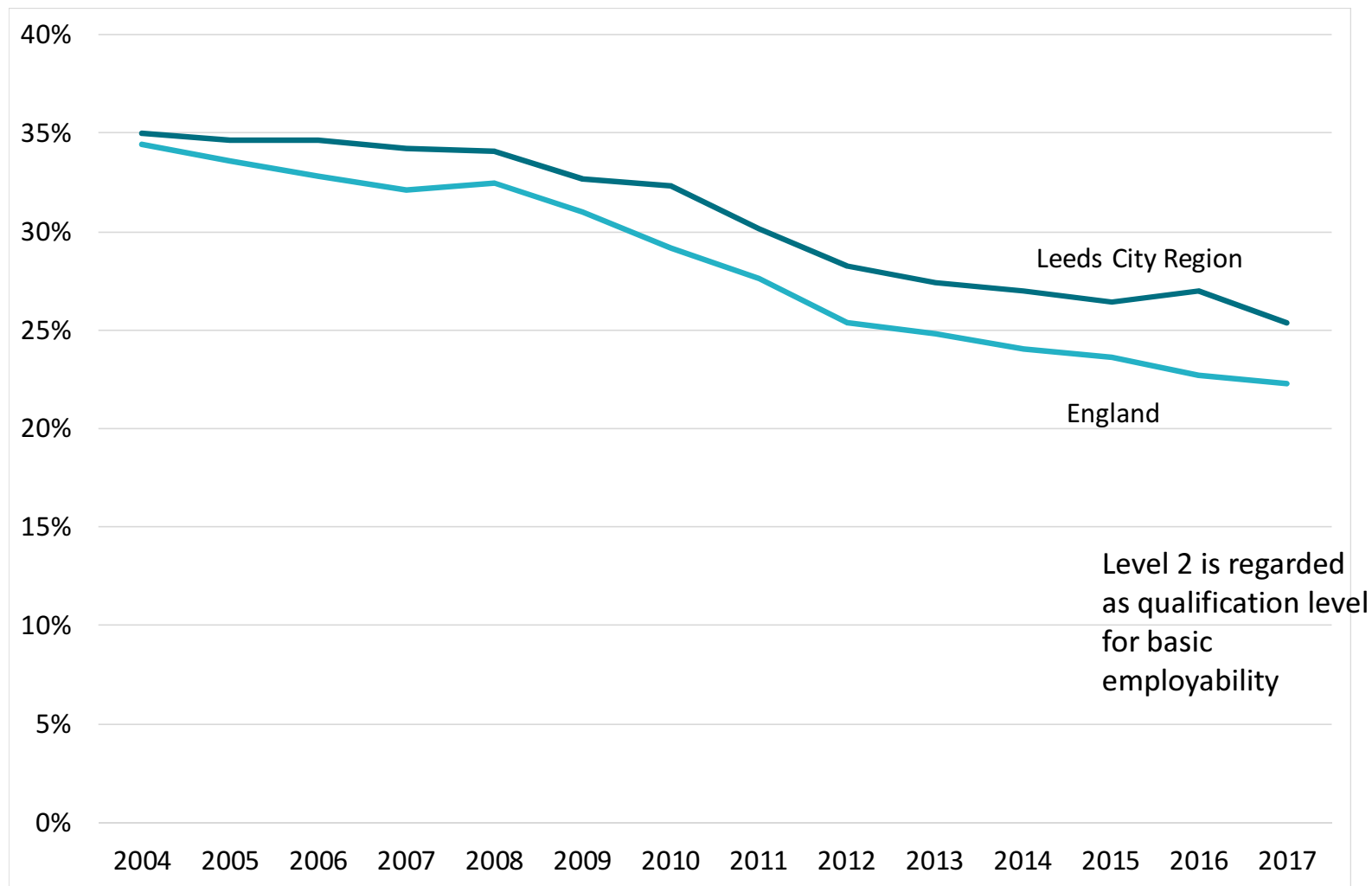
Figure: Trend in level of ILO unemployed and economically inactive who want a job, Leeds City Region



Source: Annual Population Survey

Continued gap with national average with regard to % qualified below level 2

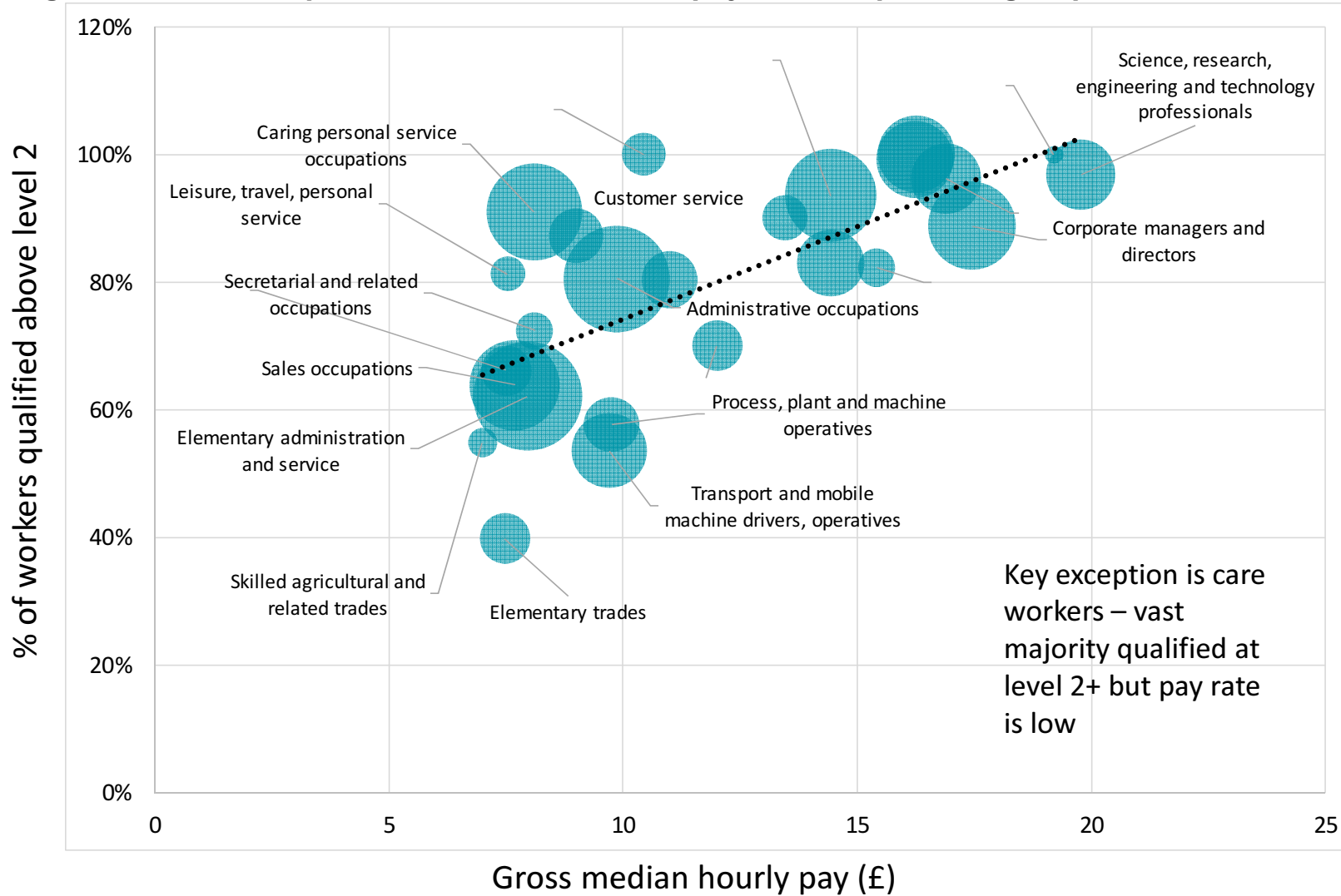
Figure: % of working age population qualified below Level 2, Leeds City Region



Source: Annual Population Survey

Workers in low-skilled occupations are generally low paid

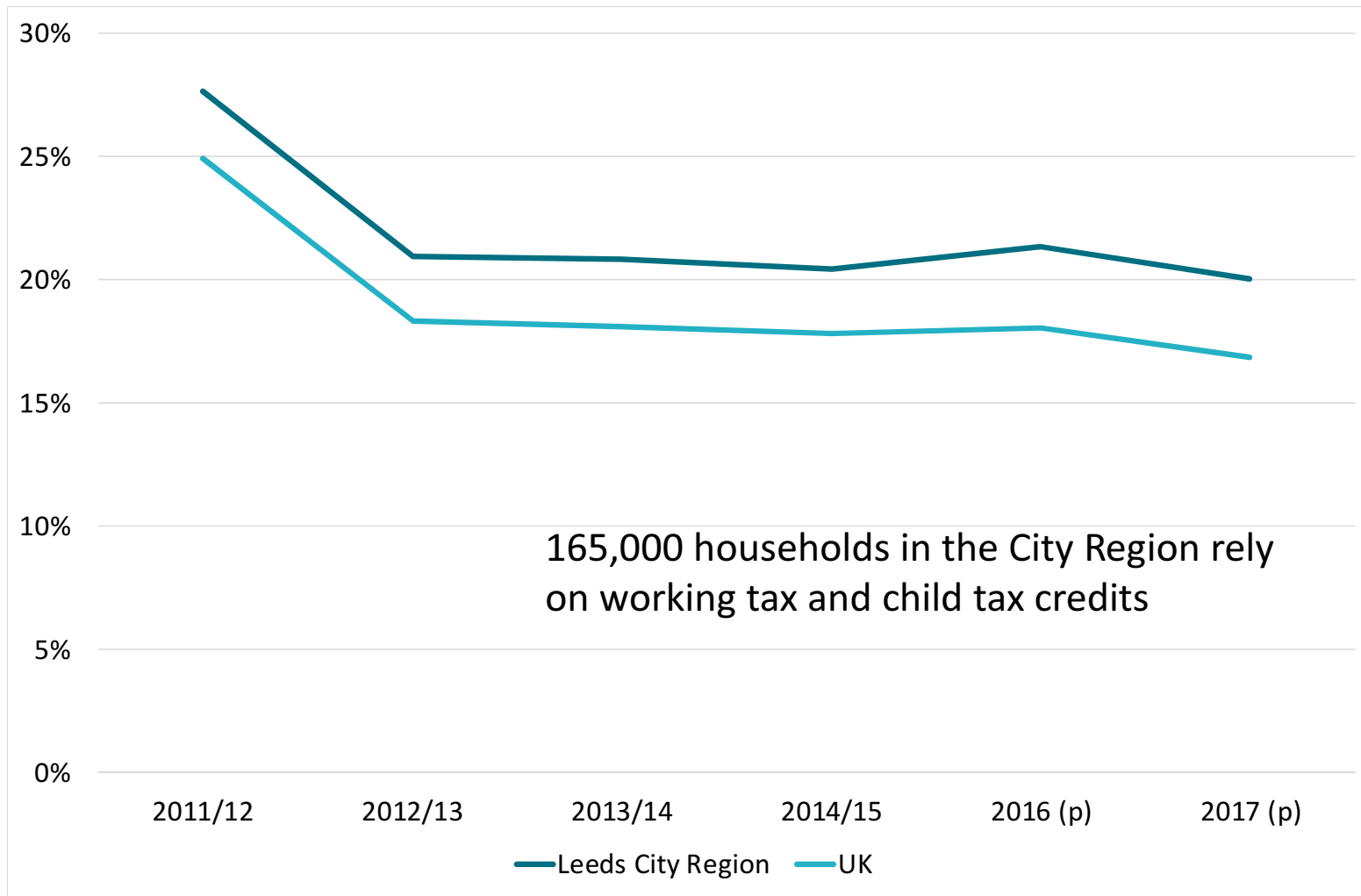
Figure: Relationship between skill levels and pay for occupational groups



Source: Annual Population Survey, 2017; Annual Survey of Hours and Earnings, 2017. Pay data for Yorkshire and Humber

A fifth of working households rely on Working Tax and Child Tax Credits

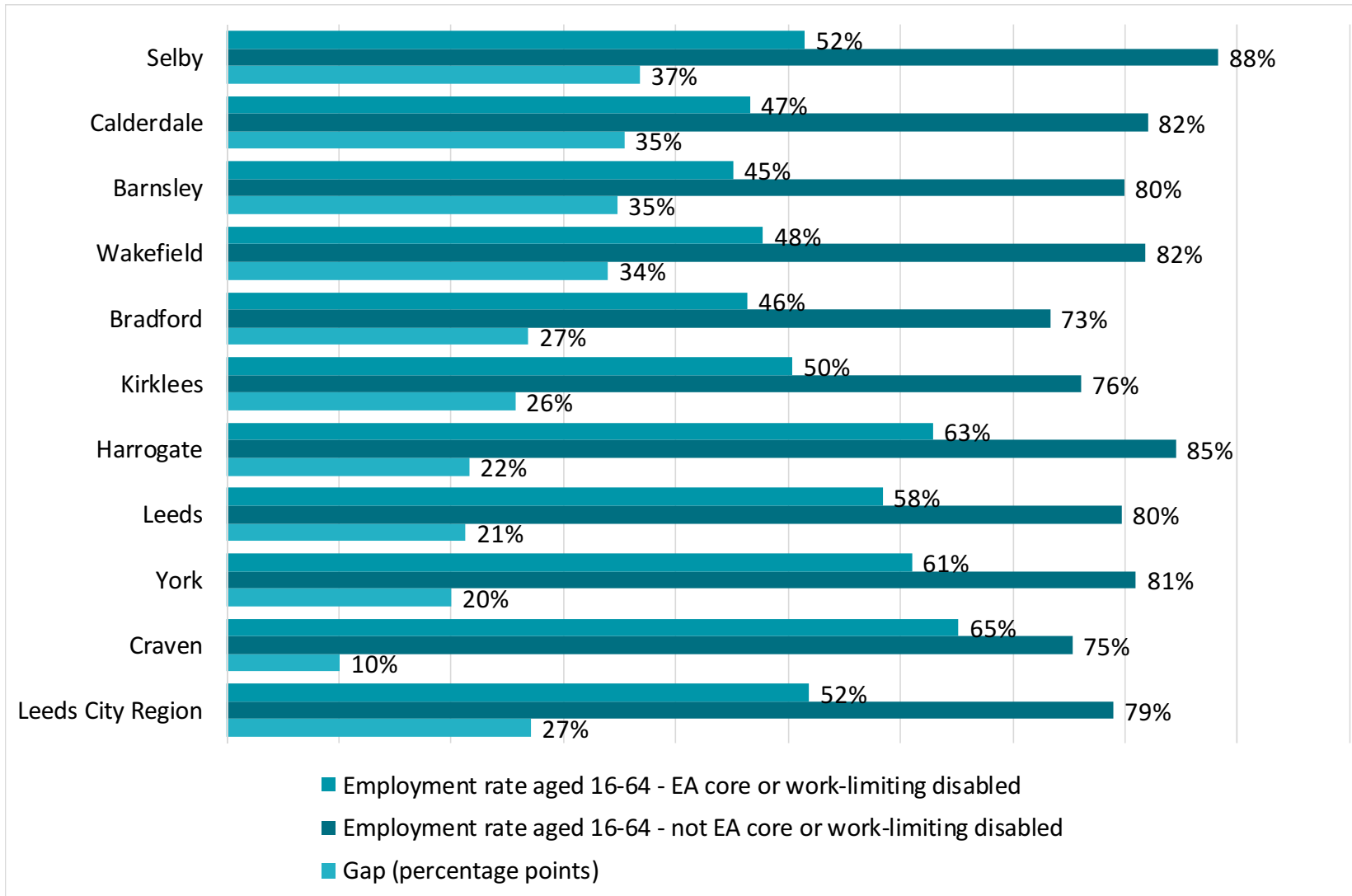
Figure: Proportion of working households in receipt of Working Tax and Child Tax Credits



Source: HMRC: Child and Working Tax Credits statistics

The employment rate gap for disabled people is 27 points across the City Region

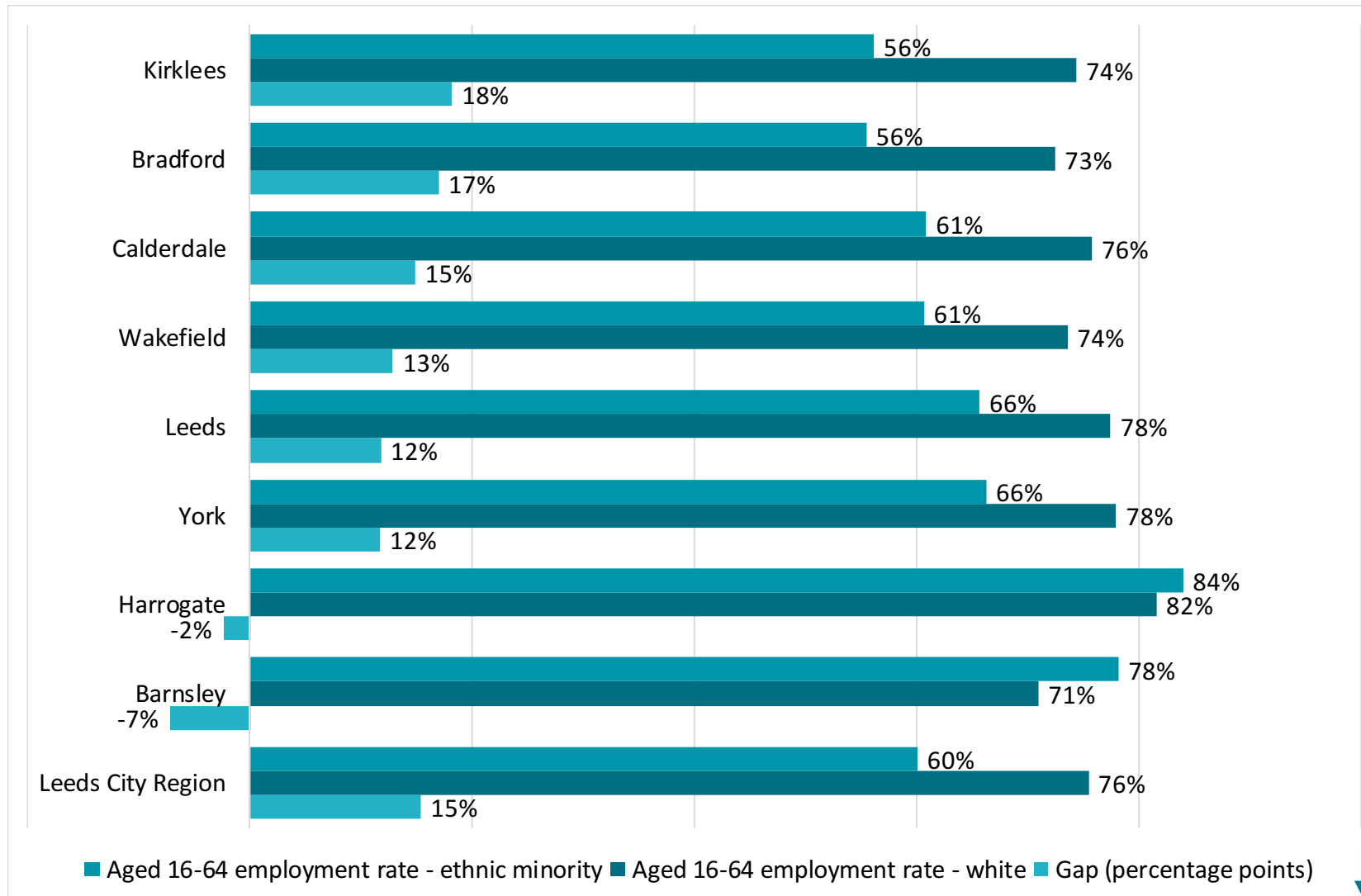
Figure: Employment rate gap for disabled by district



Source: Annual Population Survey 2017
 Note: Residence-based

Whilst the employment rate gap for ethnic minorities is 15 points across the City Region

Figure: Employment rate gap for ethnic minorities by district



Source: Annual Population Survey, July 2016 – June 2017
 Note: Residence-based. Data not available for Craven and Selby.

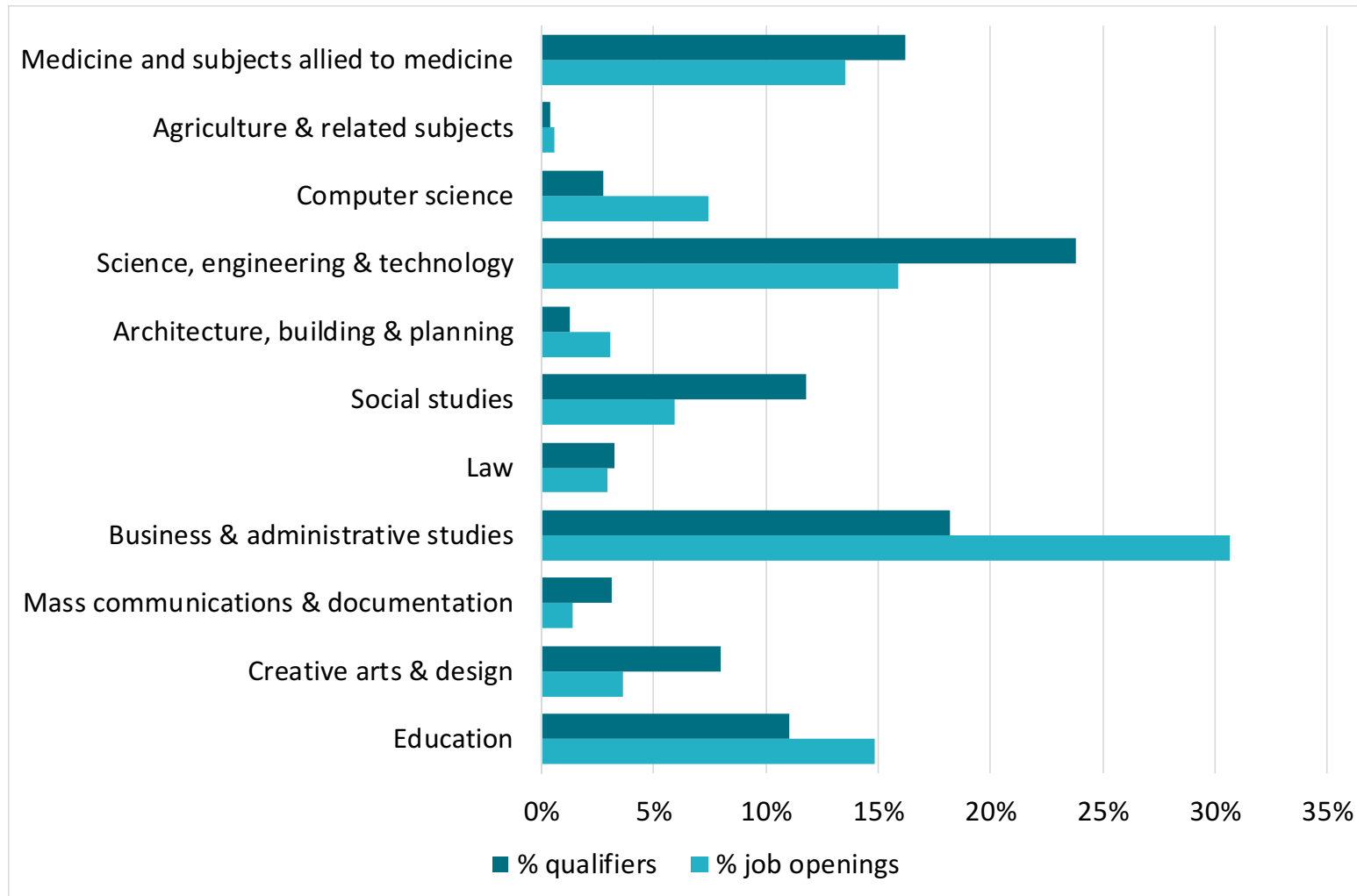
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**GREAT EDUCATION CONNECTED TO
BUSINESSES**

Mismatches in profile of HE and local market demand

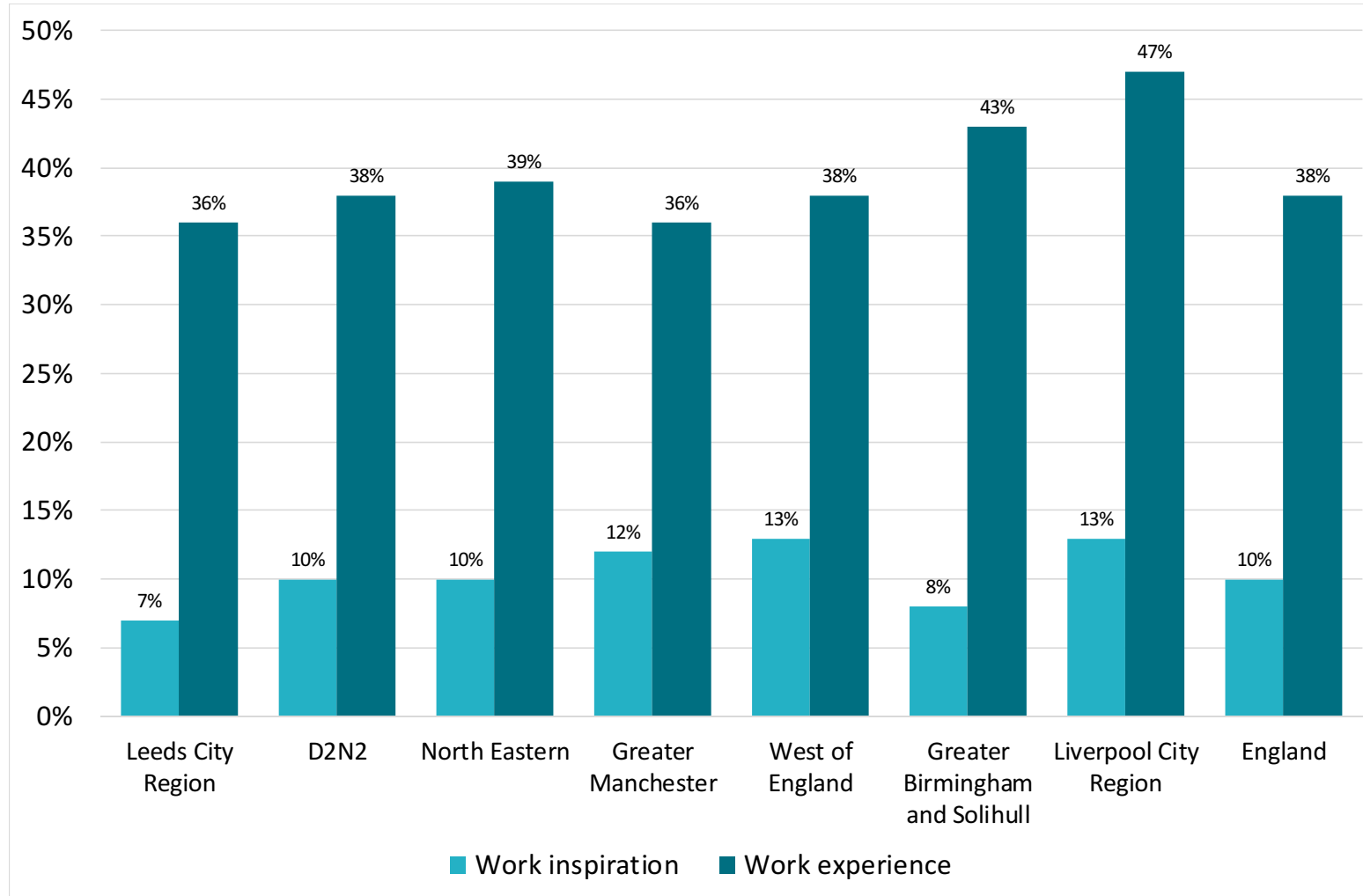
Figure: Comparison of profile of HE achievements versus projected job openings in related occupations, Leeds City Region



Source: HESA achievements data for 2016/17; Working Futures

A minority of local employers engage with work experience and work inspiration opportunities

Figure: % of local employers participating in work inspiration and work experience activities, Leeds City Region



Source: Employer Perspectives Survey, 2016

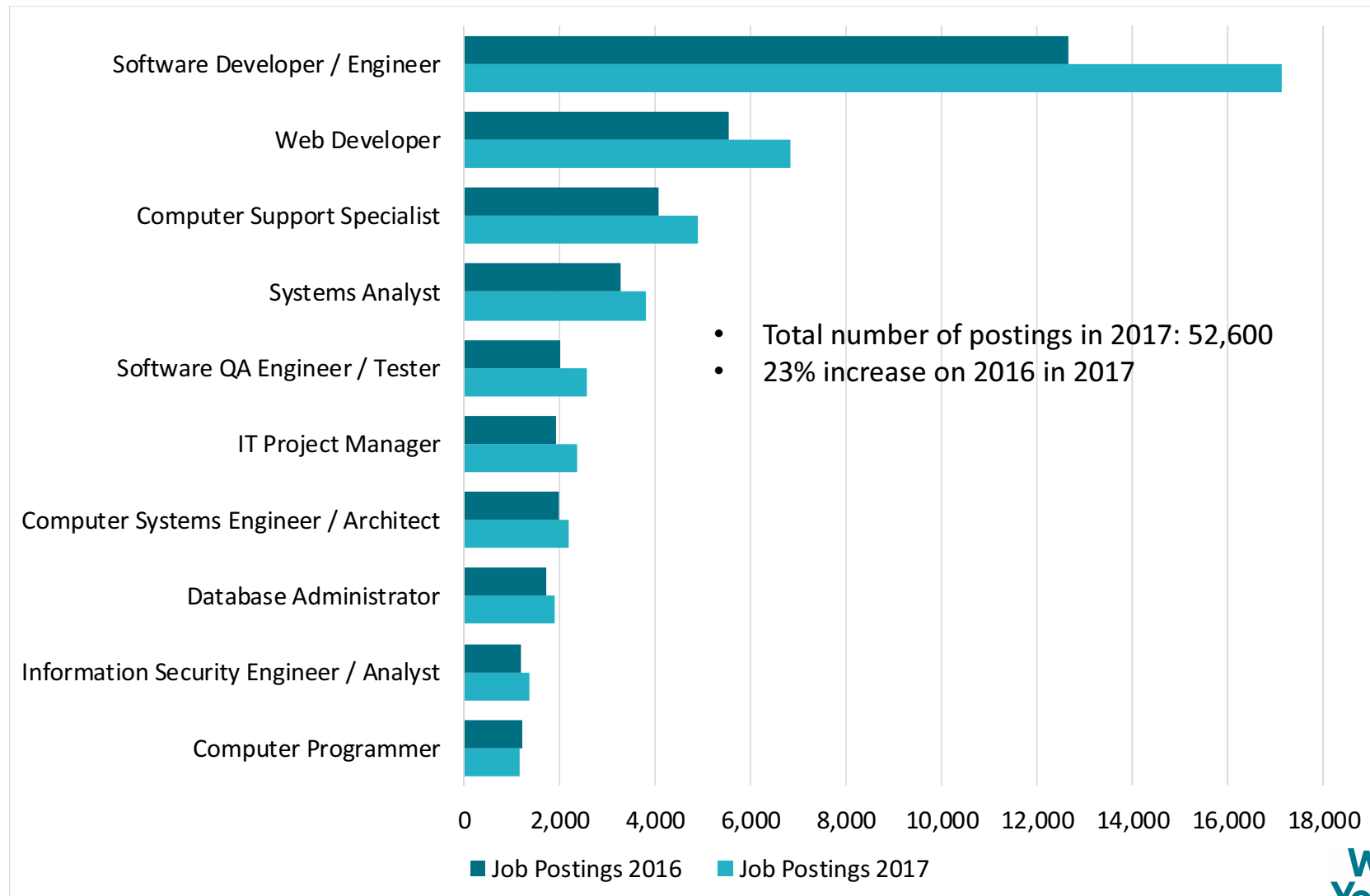
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**BUILDING WORKFORCE SKILLS AND
ATTRACTING TALENT**

Strongest area of demand for digital occupations continues to be for developers

Figure: Top 10 digital occupations with greatest number of online job postings

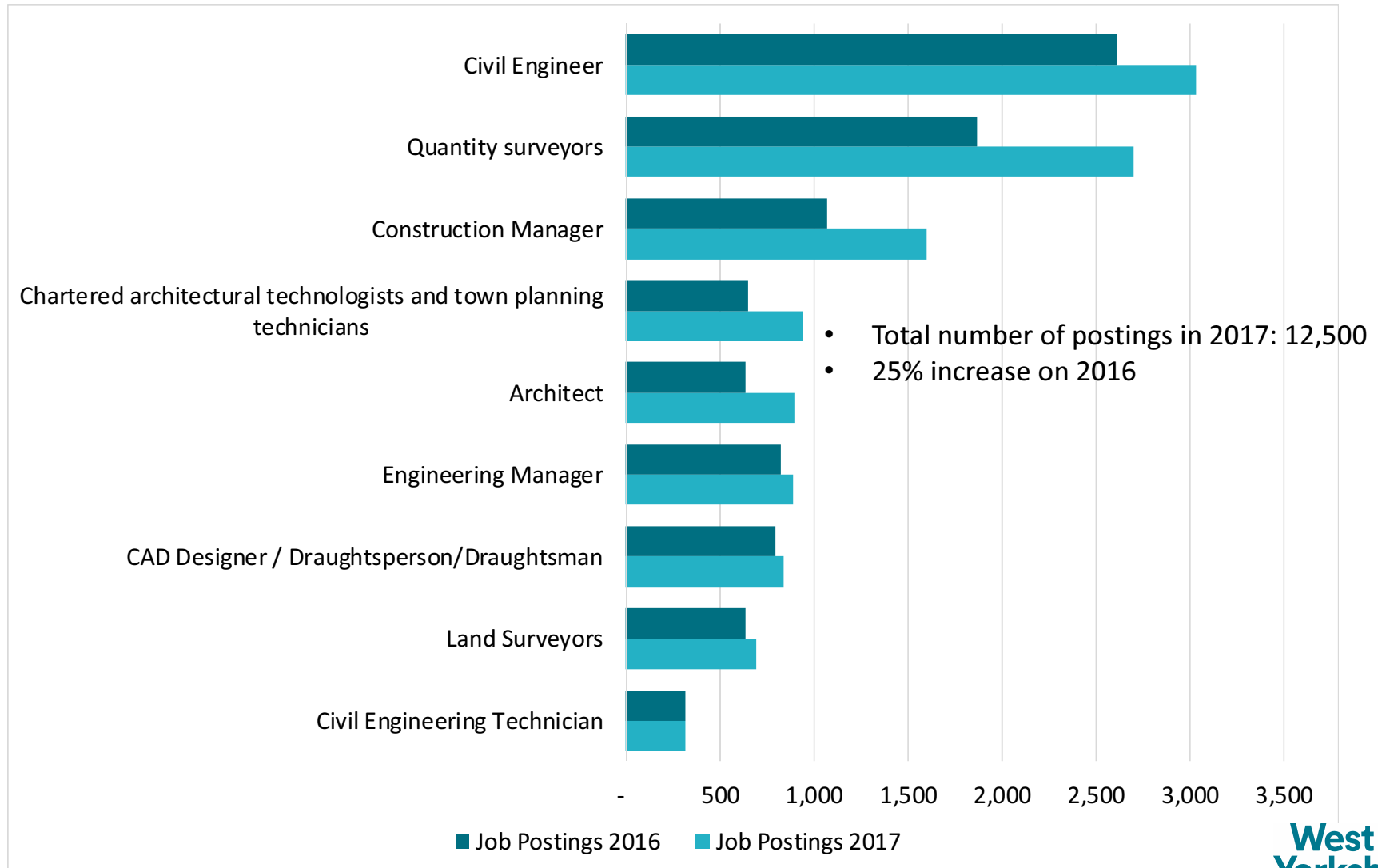


Source: Labour Insight, job openings posted Jan – Dec 2016, 2017

Note: Analysis limited to management, professional and associate professional occupations

Civil engineer most in-demand occupation in construction

Figure: Top 10 construction occupations with greatest number of online job postings

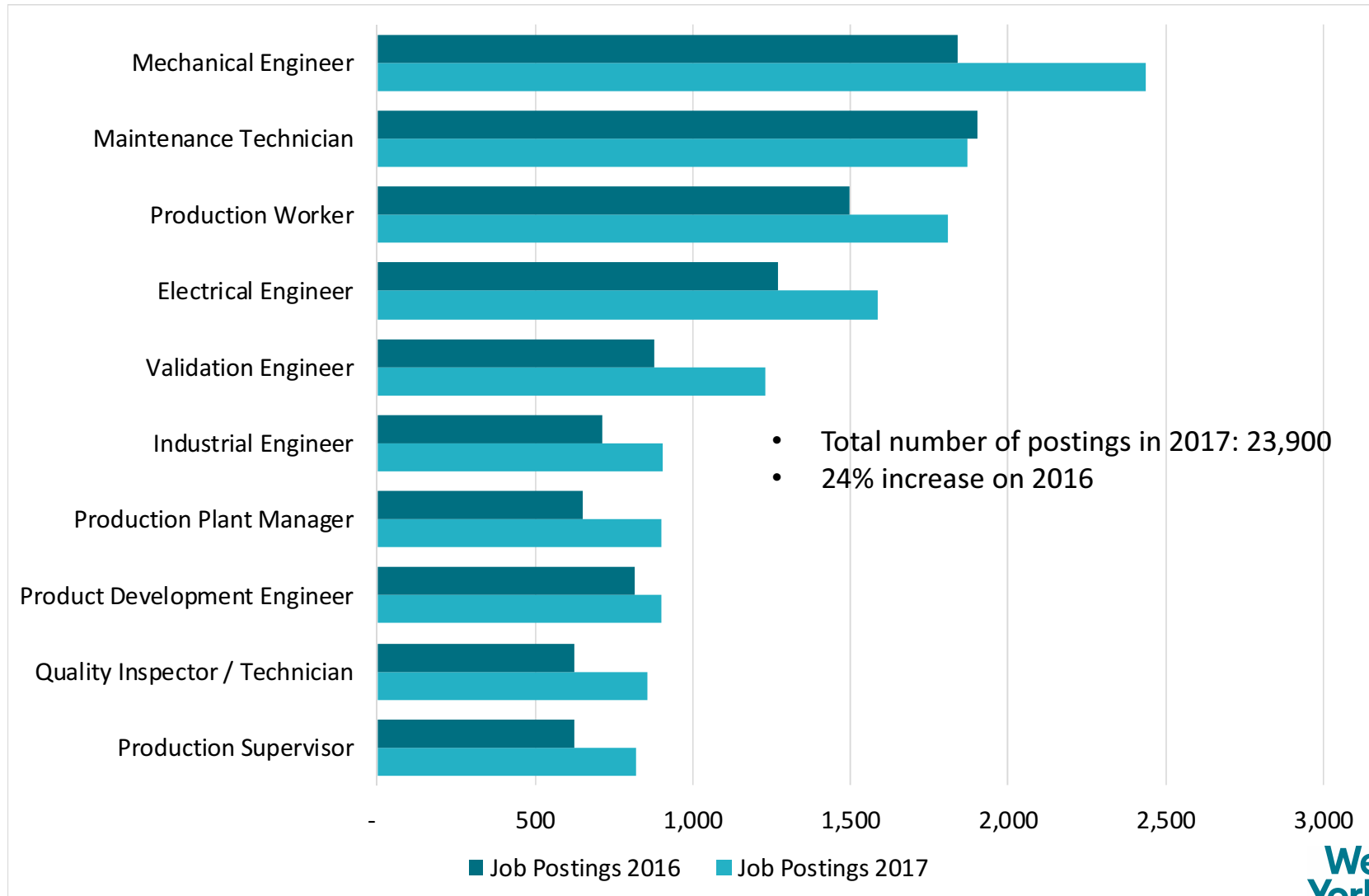


Source: Labour Insight, job openings posted Jan – Dec 2016, 2017

Note: Analysis limited to management, professional and associate professional occupations

Mechanical engineers most in-demand occupation

Figure: Top 10 engineering / manufacturing occupations with greatest number of online job postings

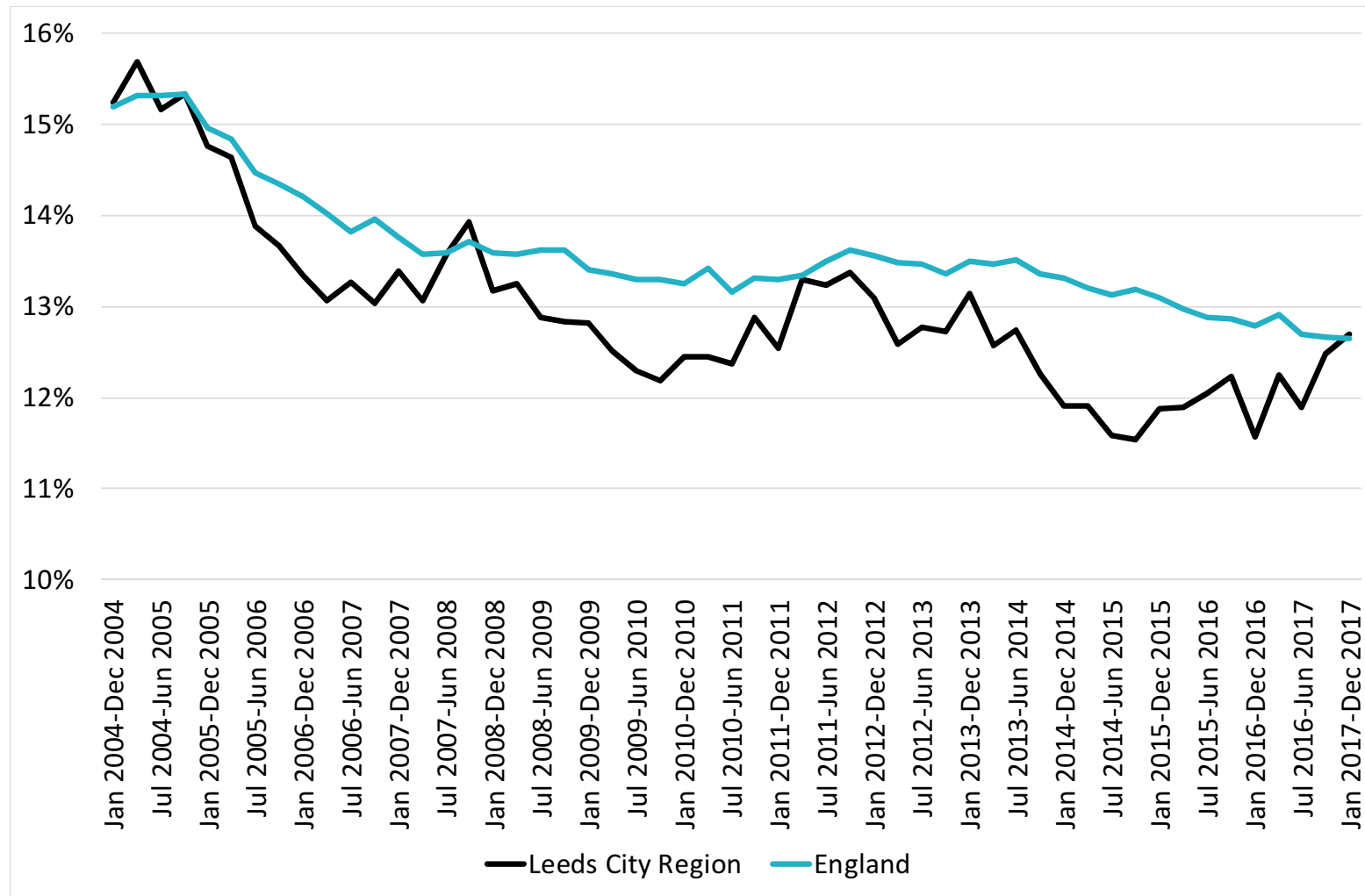


Source: Labour Insight, job openings posted Jan – Dec 2016, 2017

Note: Analysis limited to management, professional and associate professional occupations

Some evidence that decline in job-related training activity has abated

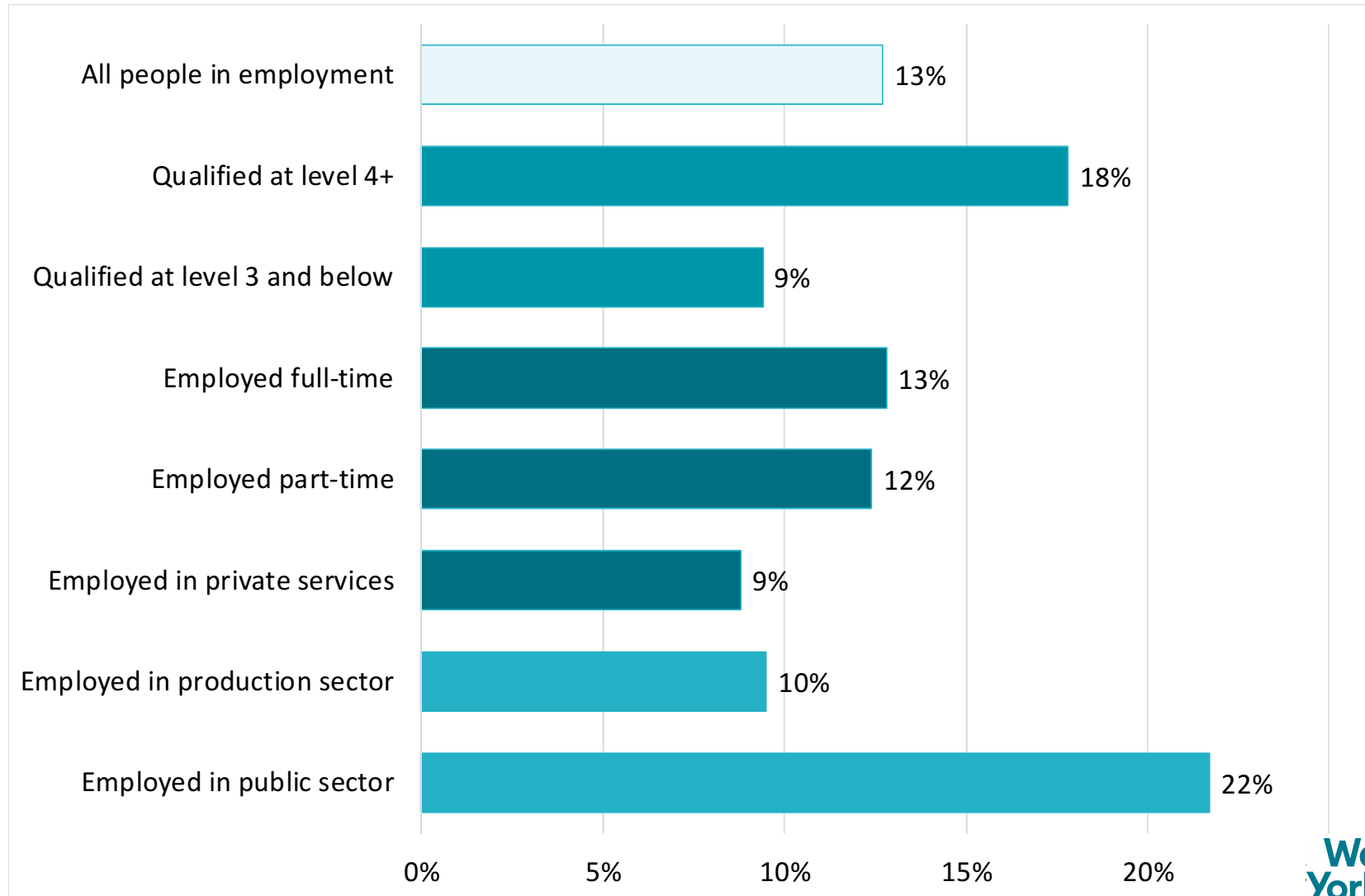
Figure: Proportion of workers receiving job-related training in previous 4 weeks



Source: Annual Population Survey

Participation in training remains uneven

Figure: Proportion of workers receiving job-related training in previous 4 weeks



Source: Annual Population Survey

Conclusions

- There is no sign that the productivity gap with the UK average is narrowing – a weak skills base plays a key part in this deficit
- 2017 saw an improvement in the qualification profile of the City Region, with a narrowing of the gap with the national average
- Implementation of reforms has had a negative impact on level of take-up of apprenticeships but this impact has been uneven, with priority skill areas particularly affected
- Local labour market continues to perform strongly, with continued decline in number of jobless and demand for high level skills remaining strong
- Strong demand for high skilled workers in priority areas supports view that skill shortages persist in digital, engineering and construction
- There is some evidence that the long-term decline in job-related training has abated; however, access to training remains uneven with low-skilled workers less likely to benefit