



**LIVERPOOL
CITY REGION**
COMBINED AUTHORITY

Liverpool City Region Employer Skills Survey

**Initial Findings
September 2017**

wavehill
social and economic research

Context - Labour Market

- Significant recent jobs growth in the City Region similar to NW, but lower than national rate
- Types of jobs have become more highly skilled over the past 10 years, Level 4 occupations now 28% of workforce
- Proportion of residents with higher level qualifications has increased; those with no qualifications still above average
- Impact of replacement demand will increase the number of job openings, replacing experience will be a challenge
- Low levels on in-commuting and of migrant labour, lower levels of population growth and higher rates of economic inactivity all point to a tightening of the labour market

Context - Survey

- The largest and most comprehensive sub-regional skills survey undertaken to date
- Includes key questions important to local economic growth
- Builds on national research into employer skills needs
- The survey is a mixed-mode exercise - telephone with online 'sweep up' option
- Interim findings here require further analysis but this provides an overview of the key issues raised
- Part of underpinning evidence base to inform devolution of the Adult Education Budget

Context - Employers

- Broad range of responses from employers of different sizes, sectors, types and across the City Region as a whole
- 1 in 7 City Region businesses that employ 5 or more people have participated in the survey
- 10% have primary markets outside the UK, 44% have a primarily local market

Emerging Messages (1)

- Two thirds of employers surveyed had recruited in the past 12 months for a total of 4,000 opportunities
- Around half of these were to replace an employee leaving their firm and a third due to business growth
- Three in five employers reported no problems in undertaking recruitment
- But the City Region has more **hard to fill vacancies** (41%) than is typically the case (nationally, 23%)
- Vacancies in some occupations cut across a number of sectors (e.g. engineers or electricians required in Advanced Manufacturing and Construction)

Emerging Messages (2)

- Employers reporting a **larger workforce skills gap** (21%) than nationally (14%), mainly around specific technical skills and general employability
- Job applicants **better prepared for work** (83%) than nationally (74%)
- **Lack of preparedness** most prevalent amongst long term unemployed and new entrants to the workforce
- **Workforce training** occurs across businesses but, with limited budgets, many deliver in-house provision
- General view is of a low wage economy where employers are **choosing not to increase wage rates to improve retention**

Health and Social Work

Largest single employment sector in Liverpool City Region (c.108,000 people)

Vacancies	<ul style="list-style-type: none"> • 81% of businesses had vacancies in the last 12 months • 41% of these are hard to fill vacancies (23% UK) • Particular shortages reported in Nursing and Care
Main reasons for hard to fill vacancies?	<ul style="list-style-type: none"> • Low numbers of applicants with skills (35%, survey 27%) • Low number of applicants generally (25%, survey 15%)
Which skills are lacking?	<ul style="list-style-type: none"> • 38% of respondent businesses cited general employability and work readiness (26% survey-wide)
Prepared for work	<ul style="list-style-type: none"> • 80% of applicants described as prepared for work
Apprentices	<ul style="list-style-type: none"> • 24% of respondent businesses employ apprentices

Information Technology

Sector with highest levels of technical skills gap

Vacancies	<ul style="list-style-type: none"> • 83% of businesses had vacancies in last 12 months • 44% hard to fill vacancies (41% survey, 23% UK)
Main reasons for hard to fill vacancies?	<ul style="list-style-type: none"> • Not enough people interested in doing this type of job (25%, 13% survey-wide)
Which skills are lacking?	<ul style="list-style-type: none"> • 71% cited technical skills specific to the sector (39% survey-wide) – e.g. Java development • Particular shortages reported for technical roles
Impact of hard to fill vacancies	<ul style="list-style-type: none"> • Most commonly leading to delays in developing new products or services (stifling innovation and growth)
Prepared for work	<ul style="list-style-type: none"> • 77% of applicants described as prepared for work
Apprentices	<ul style="list-style-type: none"> • 40% of respondent businesses employ apprentices

Training

- Workforce training is commonplace across the area, concerning 83% of businesses surveyed
- 43% of all businesses sampled have no training budget and 35% access public funding for training
- Eight out of 10 businesses who have provided training did so through external training providers
- Highest satisfaction with private training provision (90%), then HE (82%), lowest with FE (78%)
- Training still seen as costly & time-consuming by some
- Overall, 23% of businesses surveyed employ apprentices, with 56% aware of the levy

Next Steps

- Focus groups/business panels - each Chamber of Commerce and with selected LEP sector panels
- Chamber panels themed around: SMEs with identified skills needs, advanced materials and manufacturing, apprenticeships, and high potential for growth
- Detailed analysis of data and qualitative feedback, including sectoral and geographic analysis
- Findings will inform Skills Investment Statement and long term Skills Strategy