Emsi

City & Guilds Group

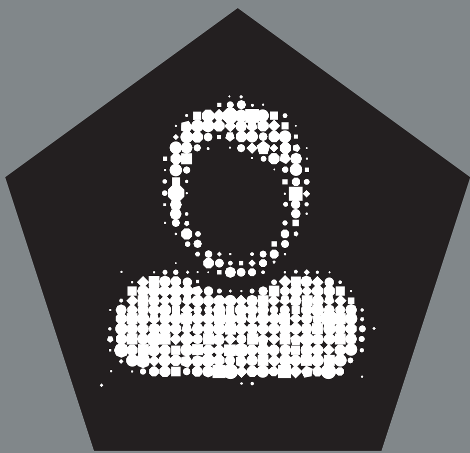
Missing Millions

Considering the untapped potential of millions of working age people in the UK

February 2020

31 million
approx jobs in
the UK in 2019

42.2%
(13 million) were
high skilled roles



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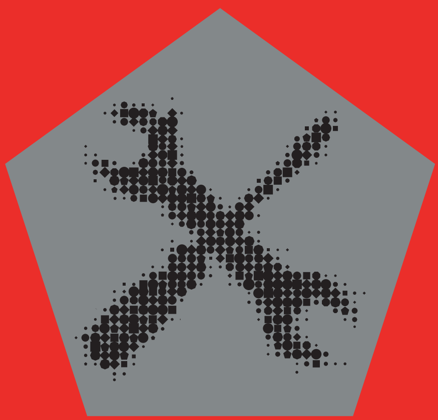


Foreword

We have just started a new decade, and 2020 is looking likely to be every bit as transformational and unpredictable, as the start of the 1920s. It is quite possible we will see every aspect of our lives revolutionised by the changing political landscape, and by technology advancing at ever increasing speed. No place is that more evident than the workplace.

The OECD estimate that owing to the fourth industrial revolution and Artificial Intelligence 38% - 42% of the UK population will need to completely retrain within the next 10 years. Therefore, a key question now needs to be answered – if we are working for longer and our workplace skills are forecast to change at a faster and faster pace, how do we ensure that someone who completed full-time education in 2000, for example, will still have relevant workplace skills by 2030, let alone 2040 and beyond?

It's no secret that the Further Education sector has seen drastic cuts in funding over the last few decades with spending on apprenticeships and other work-based learning for adults decreasing by about 25% in real terms since 2009–10. Employer provided training has also declined significantly in recent decades, with UK employers now investing just half the EU average in workplace training. In addition to this we have some of the lowest levels of self-funded training in Europe.

In fact, between 2010 and 2020, participation in adult learning has fallen by 10% – with an estimated 3.8 million fewer adult learners having access to adult education at the close of the decade than at its start. That means there are a lot of people who's skills are at risk of becoming obsolete already – and that number will be growing all the time.

We decided to undertake this research to allow us to understand the current impact of the low levels of investment in training in this country and, in addition, to try to quantify how many people's potential contribution to society is being squandered as a result of not having access to regular skills development. And the inevitable impact of that on social mobility.

Our research found that almost half of respondents (47%) had not taken part in any workplace training in the last three years, whilst over a quarter (26%) had not had any training for at least a decade. We found that part-time workers, those aged 55 and over, and those from lower socio-economic groups were disproportionately affected by this lack of training investment. We also saw a clear London versus the rest of the UK divide in terms of levels of training and job opportunities available, with those living in the capital much better placed to meet the demands of the future workplace.

This is clearly not a pattern that can continue, not if we want the UK to keep pace with change and remain competitive in the global marketplace. And certainly not if, post Brexit, we want to address people's concerns about the economic imbalance in our society and make it a fairer place for all.

The Chancellor recently stated he wanted to "unleash Britain's potential, level up across the UK and usher in a decade of renewal". If that vision is to become a reality, it is vital there is an ongoing sustained investment in people's skills throughout their careers, not just at the start – no matter where they live in the country.

Kirstie Donnelly MBE
Chief Executive
City & Guilds Group

The Employer’s view

These are uncertain times, but the consensus amongst business leaders is that finding the right people with the right skills is now one of their top priorities.

The problem is so severe in some parts of the economy, that it is being described as the ‘war for talent’. The stakes are high; the performance and competitiveness of so many organisations are increasingly driven by the quality of people they employ.

With historically low levels of unemployment and tightening immigration controls, employers are struggling to recruit the staff they need to survive and thrive. Businesses report that they are suffering direct financial loss[1] and limited growth[2] as a result.

This is a complex problem with no simple answers or quick fixes. However, there are some practical steps that businesses can take to start to respond to the challenge.

- Make training available to all ages rather than to those at the start of their career. Changing demographics are resulting in dramatic shifts in the workforce; between 2018 and 2025, there will be 300,000 fewer workers under the age of 30 but 1million more workers over the age of 50[3]. Older workers have all the soft skills that employers so badly need but will need to upskill and reskill for technical skills as the economy changes shape.
- Don’t underestimate the value of flexible working. While many employers have opted for flexible work arrangements to respond to the preferences of millennial and GenZ workers, the greatest impact they can have is on those whose personal circumstances depend on them. Childcare or caring for an elderly relative means that many are excluded from careers they are qualified for and roles where they can add significant value.
- Look in new places to find talent. Seemingly different jobs require many of the same skills. For example, school secretaries have many of the skills to become IT business analysts[4]. Rather than relying on sector-relevant experience, employers need to concentrate on assessing a job candidate’s underlying skills profile and match this to the occupational requirements.
- Leverage the wealth of training that already exists. There is an abundant supply of training materials online; the challenge is to know where to start. This requires employers to curate training content to allow for continuous incremental training that hones and develops specific skills relevant to individual skills gaps and needs.

While this is by no means a comprehensive list that will fix every employer’s skills challenge, it will remove many of the major obstacles that limit the supply of talent and the creation of relevant skills. For those business leaders who make this happen, the reward will be to turn today’s uncertainty into tomorrow’s opportunity.

Anthony Impey,
Serial Entrepreneur and
Chair of the Skills Policy Unit,
Federation of Small Businesses

[1] FSB (2017). ‘Learning the Ropes: Skills and Training in Small Businesses’. Federation of Small Businesses. https://www.fsb.org.uk/docs/default-source/fsb-org-uk/skills-and-training-report.pdf

[2] PWC (2019). ‘22nd Annual Global CEO Survey: CEOs’ curbed confidence spells caution’. PWC. https://www.pwc.com/gx/en/ceo-survey/2019/report/pwc-22nd-annual-global-ceo-survey.pdf

[3] Mercer (2018). ‘Mercer Workforce Monitor: March 2018 Report’. Mercer. https://www.uk.mercer.com/our-thinking/career/workforce-monitor-2018.html

[4] McKinsey (2019). ‘The future of work’. McKinsey. https://www.mckinsey.com/~/media/McKinsey/Featured%20Insights/Future%20of%20Organizations/The%20future%20of%20work%20Rethinking%20skills%20to%20tackle%20the%20UKs%20looming%20talent%20shortage/The-future-of-work-Rethinking-skills-to-tackle-the-uks-looming-talent-shortage.ashx

The Economist's view

This report highlights two big issues that are crucial to understanding and responding to the challenges of closing skills gaps, equipping the workforce of the future, and ultimately driving productivity and growth.

The first is that what we call the "national economy" is, in fact, an aggregation of lots of much smaller and often very disparate local economies. This is shown very clearly in the differences between the Mayoral Combined Authorities looked at throughout the report, whether in terms of educational attainment, demographics, occupational profiles, industry mix, productivity or job growth.

The second is that the current system of education is not really geared towards providing solutions for the rapidly changing workforce. The findings from this report suggest that for many, the skills they learnt during their education and training may end up being obsolete to them as they move from career to career. Throw into the mix the fact that many careers themselves are changing quickly, often as a result of things like automation, and it becomes clear that today's education system needs to adapt to cater to these new, ever-evolving realities.

By highlighting these issues, we can begin to see a way forward in terms of finding effective solutions. For instance, we can say that such solutions cannot be made on a catch-all basis at the national level, but instead will need to be tailored to local need. We can also say that such solutions need to take account of the fact that people are having to plan for, and adapt to, multiple careers in their working lifetime, and that those careers themselves are changing – our recent report on automation[5] highlighted how work is shifting from requiring physical skills to requiring more analytical and interpersonal skills. Alarmingly, it seems the segments of the labour market that might experience greatest exposure to major disruptions, such as through automation, are currently those same people who are reporting a lower rate of access to the upskilling resources needed to adapt to the changing nature of work. What is needed, therefore, is a greater emphasis on lifelong learning, whereby workers are encouraged to supplement their core skills on an ongoing basis with a subset of specific skills that help them perform new tasks and change with the labour market.

Needless to say, this can only happen if education providers, economic developers and employers are working together to make this happen, which in turn presupposes the need for good, localised insight to help them understand the dynamics and particular needs of their local economy and its workforce.

The message of Missing Millions is clear: If we are really going to untap the skills potential of millions of people across the country, and thereby alleviate the ongoing skills and productivity issues we face, interventions are going to have to become far more intentional – intentional in terms of understanding the needs of specific locations, and intentional in terms of adapting to the skills needed in the changing career landscape.

Andy Durman,
Managing Director – UK,
Emsi

[5] https://www.economicmodelling.co.uk/auto-nation/

Introduction

Across the world, economies continue to grapple with the ongoing changes the fourth industrial revolution is bringing to the workplace. As a nation, if we are to remain competitive in the global marketplace, we must consider how we ensure that our industries can maintain highly skilled workforces that are able to meet the ever changing demands that are placed upon them.

This research considers the likely demand for skills over the next seven years, the current skill levels of people living in the UK and highlights the underutilisation of millions of working age Britons.

We worked with economic modellers Emsi to consider the size of the UK jobs market and the rate at which it is forecast to grow between now and 2027, with a spotlight specifically on Mayoral Authority areas. We have looked at these areas as they have a devolved adult education budget and are, therefore, able to make their own decisions about how and where they spend money on skills development and resolve issues that are uncovered. In these areas we have considered the number of high skilled jobs[6] that are needed and how this is likely to change over the coming years.

We also polled 5,000 working age people to understand the types of formal education and workplace training they have received, if they believe that the skills they have attained have been useful and give an understanding of how people's experiences of training and job opportunity vary across the country.

What we have discovered through this research has been fascinating and highlights the huge challenges we have ahead if we are to unleash the talent of millions of working age people in the UK today. We found that there is a huge opportunity to harness the potential of the underemployed people in society – particularly people from lower socio-economic groups, older workers (those aged 55+), people living outside of London and the South East and part time workers to help us meet the challenges and opportunities that AI and the fourth industrial revolution will bring and ensure the UK remains a global leader in the future.

[6] High skilled jobs = These are defined as Levels 1-3 occupations on the Standard Occupation Classification (SOC) i.e. Managers, Directors and Senior Officials; Professional Occupations; and Associate Professional and Technical Occupations.

Background
– The UK jobs market

Job growth across the country between 2011-2019 has been impressive, at 11.9%, and this is projected to continue over the following eight-year period, albeit at the much slower rate of 2.0%.

However, there is a huge amount of regional variation. A significant amount of this growth has been fuelled by London's vast economy, which has seen almost double the national average growth between 2011-2019 at 22.1%, and is again predicted to grow at 3.3%, so above the UK average, between 2019-2027.

Continued growth in high skilled jobs expected

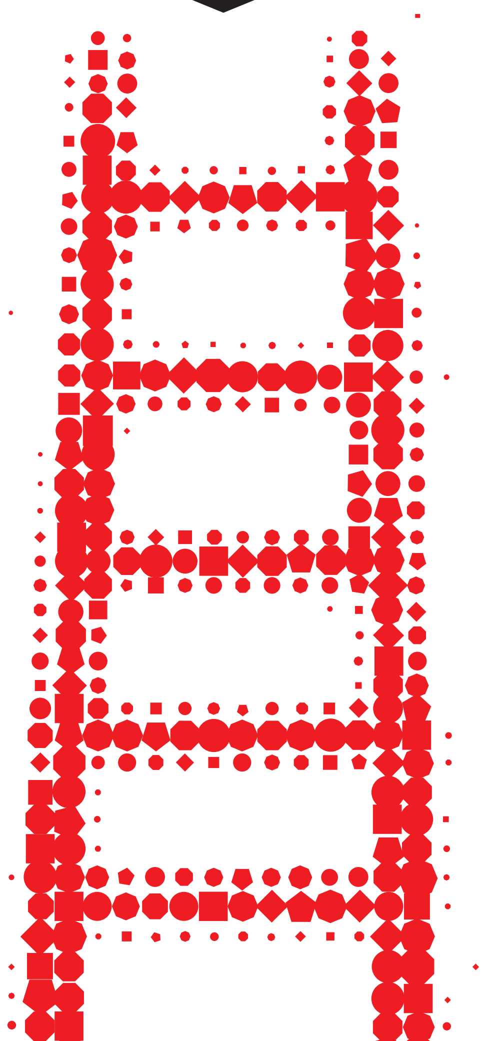
There were approximately 31 million jobs in the UK in 2019 of which 42.2% (or 13 million) were high skilled roles.

The number of high skilled jobs has steadily increased over recent years with almost 13% growth seen between 2011 and 2019.

High skilled jobs are predicted to grow again, albeit more modestly, between now and 2027 with a prediction of 2.1% growth (or 269,856) in this area.

2.1%

High skilled job growth 2019 - 2027 in the UK



The UK economy 2011-2027

2019 Total Working Age Population	**52,327,558**
2019 Unemployed	**1,866,404**
2019 % of Working Age Population Unemployed	**3.6%**
Jobs 2011	**27,661,293**
Jobs 2019	**30,952,943**
Jobs 2027	**31,572,977**
Growth 2011-2019	**3,291,650**
Growth 2011-2019 (%)	**11.9%**
Jobs growth 2019-2027	**620,034**
Predicted jobs growth 2019-2027 (%)	**2.0%**
Annual Job Openings	**2,676,512**
Annual Openings Per Working Age Population	**5.1**
Average Wage	**£29,230**
High Skilled Jobs 2011	**11,565,166**
High Skilled Jobs 2019	**13,048,466**
Predicted high Skilled Jobs 2027	**13,318,322**
Growth in High Skilled Jobs 2011-2019	**1,483,300**
Growth in High Skilled Jobs 2011-2019 %	**12.8%**
Predicted growth in High Skilled Jobs 2019-2027	**269,856**
Growth in High Skilled Jobs 2019-2027 %	**2.1%**
High Skilled Jobs as % of all Jobs in 2019	**42.2%**

As noted above, we expect the number of high skilled jobs to continue to grow, and of course there will be churn in staff turnover, people will retire etc and therefore it will be incredibly important to ensure that we are training people to fill those jobs.

Low UK unemployment

We are in the fortunate position that unemployment in the UK remains very low at 3.6%, so whilst we could train these people and get them into the workforce, we need to consider other ways to fill the high skilled jobs that are set to grow over the coming years in a post-Brexit world. This might be by utilising more people currently working in lower skilled and part-time roles for example.

Where are the UK's high skilled jobs located?

In terms of growing regional economies, a key factor is the proportion and growth in high skilled jobs. London is way ahead of the pack, with 51.6% of its entire economy in high skilled jobs, compared to 42.2% across the UK.

High skilled jobs growth 2011-2019

12.8%
UK

22.9%
London

High skilled jobs growth 2019-2027

3.4%
London

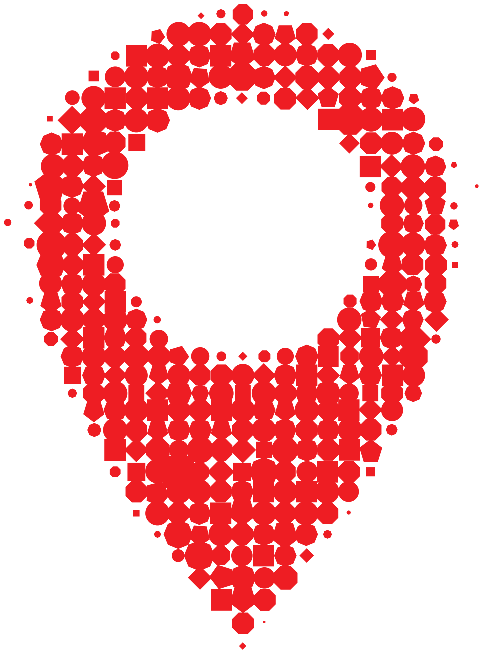
2.1%
UK

Levels of education in the UK – by Mayoral Authority area

We have chosen to focus on the Mayoral Authority areas in this section because they have devolved adult education budgets, so greater power over addressing any skills challenges that are raised.

As we can see from the chart below, people living in London (53%) are far more likely to have received a higher level of education than the rest of the nation (39.3%), suggesting that they will be better placed to fill the higher skilled roles that are going to be created in the coming years.

The West Midlands in particular has the fewest people with an NVQ4 and above (30.5%) with those in London at 44.8%, which is clearly a huge divide and shows the West Midlands lagging far behind counterparts in other areas of the country.



Level of qualifications in the UK Mayoral Authority areas

	London	Liverpool	Greater Manchester	West Midlands	UK
NVQ4[2] And Above	51.3%	32.9%	35.6%	30.5%	39.3%
NVQ3 And Above	66.3%	52.0%	54.9%	48.5%	57.8%
NVQ2 And Above	78.0%	72.8%	72.7%	66.3%	74.9%
NVQ1 And Above	84.8%	82.8%	83.5%	78.0%	85.4%
Other Qualifications	8.5%	6.5%	6.7%	9.1%	6.8%
No Qualifications	6.6%	10.7%	9.8%	12.9%	7.8%

	North East	West of England	Cambridge and Peterborough	Tees Valley	Leeds City Region
NVQ4[7] And Above	31.1%	46.3%	36.9%	30.6%	34.1%
NVQ3 And Above	51.9%	66.5%	55.7%	50.8%	53.9%
NVQ2 And Above	73.0%	81.8%	73.7%	69.0%	71.8%
NVQ1 And Above	84.7%	90.5%	86.1%	80.3%	84.5%
Other Qualifications	5.8%	5.6%	7.5%	7.7%	6.9%
No Qualifications	9.5%	3.9%	6.4%	12.0%	8.6%

[7] The data on this tab is based on Labour Force Survey data for 2018. The qualifications data (from no qualifications to NVQ4 and above) includes all people who have graduated up to the most recent completed academic year of 2018 in each geography.

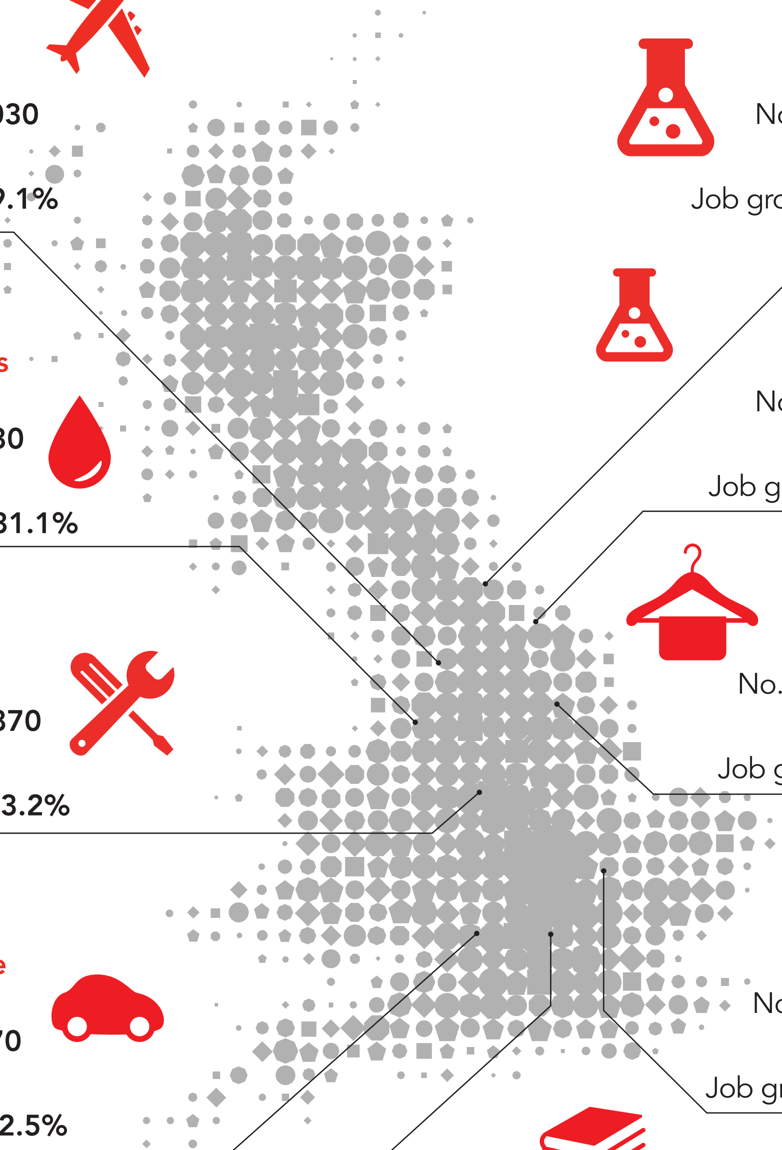
Anthony Impey MBE, Serial Entrepreneur and Chair of the Skills Policy Unit, Federation of Small Businesses: **"As this research highlights, in society many people's skills are underutilised. There are no quick fixes but there are things that employers can do such as looking in new places to find talent, as seemingly different jobs require many of the same skills, as well as embedding flexible working practices and make training available to people at all ages and stages of their careers."**

Niche industry clusters by region

Whilst there are a few industries that dominate the labour market in every region, for example Health and Social Care and Retail, there are industry clusters that are specific to certain areas. These are called niche industry clusters, so whilst they are not the top employing industries they are important drivers of skills and demonstrate the different sorts of skills that each regional economy might require.

Niche industry clusters by region

This graph shows that the top niche industry driving growth in each regional economy is different depending upon which area we consider.



Greater Manchester
Air Transport
No. of jobs 2019 **15,030**
GVA **£690m**
Job growth 2019-27 **9.1%**

Liverpool
Hazardous Materials and waste
No. of jobs 2019 **3,830**
GVA **£4m**
Job growth 2019-27 **31.1%**

West Midlands
Upstream Metal[8]
No. of jobs 2019 **21,870**
GVA **£964m**
Job growth 2019-27 **-3.2%**

West of England
Vehicle and Defence Technology
No. of jobs 2019 **9,870**
GVA **£697m**
Job growth 2019-27 **-2.5%**

London
Creative
No. of jobs 2019 **214,550**
GVA **£17,681m**
Job growth 2019-27 **0.4%**

North East
Upstream Chemical
No. of jobs 2019 **3,215**
GVA **£384m**
Job growth 2019-27 **-12.7%**

Tees Valley
Upstream Chemical
No. of jobs 2019 **2,170**
GVA **£260m**
Job growth 2019-27 **-9.6%**

Leeds City Region
Textiles & Apparel
No. of jobs 2019 **16,690**
GVA **£369m**
Job growth 2019-27 **6.9%**

Cambridge & Peterborough
Paper & Packaging
No. of jobs 2019 **5,900**
GVA **£289m**
Job growth 2019-27 **-8.9%**

Key:
GVA = Gross Value Added to local economy

[8] Upsteam = The upstream sector includes searching for potential underground or underwater crude oil and natural gas fields, drilling exploratory wells, and subsequently drilling and operating the wells that recover and bring the crude oil or raw natural gas to the surface.

We can see that the predicted level of growth is quite different in each area with jobs in Hazardous Materials and waste expected to grow by 31% between 2019 and 2027 in Liverpool but Upstream Chemical in the North East is predicted to shrink by 12.7% over the same period.

Ages of working age population by region

As we are all now working for longer, there are often four generations working together in the same workplace. Clearly people from different generations have different requirements when it comes to keeping their skills fresh and relevant.

Later in the report we will show that older workers were the group least likely to have received training recently, suggesting that there is a danger that older workers are being left to stagnate. The impact of this could be huge in areas that have a heavy reliance on older workers.

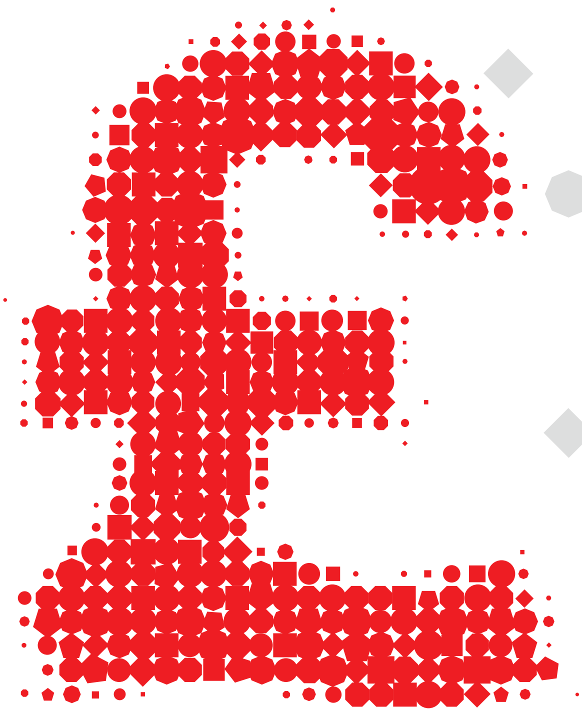
As we can see from the data below, the regions have different densities of age groups, with London having the lowest percentage of those aged 55-74 still working (16%) compared to the North East (24%) and Liverpool (23%).

For those areas with a heavy reliance on workers aged 55+ there will clearly be implications regarding both the need for businesses and industries to succession plan for retirement, and the kinds of training that workers might need to enable them to stay current as the impact of the fourth industrial revolution continues to be realised.

Population Details	16 to 34 years	35 to 54 years	55 to 74 years	75 years and over	Total population
London	29.0%	29.0%	16.0%	5.4%	8,965,588
Liverpool	25.2%	24.9%	23.1%	8.6%	1,549,333
Greater Manchester	26.4%	26.2%	19.9%	7.0%	2,814,751
West Midlands	25.8%	25.5%	20.3%	8.0%	4,234,290
North East	24.2%	25.1%	24.1%	8.0%	2,649,233
West of England	28.2%	25.2%	20.0%	8.2%	1,153,233
Cambridge and Peterborough	22.5%	26.6%	22.6%	8.9%	1,446,214
Tees Valley	23.6%	25.0%	23.4%	8.6%	673,462
Leeds City Region	25.1%	25.9%	21.4%	7.8%	3,077,832
UK	24.2%	26.4%	22.1%	8.4%	65,361,983

16%

of people aged 55-74 are still working in London (compared to 21.3% in Liverpool)



The productivity puzzle in the UK vs G7[9] nations

Whilst none of the G7 nations have managed to repair their levels of productivity to pre 2008 recession levels, the ONS has stated that the UK has one of the worst "productivity puzzles" of all of the G7 nations[10] (the level of slowdown seen in productivity levels vs what they would have been had the economic crash not happened). In 2016, the gap in the UK was 15.6%, around double the average of 8.7% across the rest of the G7.

A number of issues are suggested to have impacted this, including poor Government investment in updating infrastructure such as roads and rail and low levels of employer investment in training and updating business IT systems and machinery post-recession.

Regional productivity variations

As we noted above, it is no secret that the UK's productivity is lagging behind that of their counterparts in the G7. However, in one area in the UK that is most definitely not the case. London's productivity is ranked at 133 'gross value added per hour worked'[11], which is way above the national average, (benchmarked at 100 by the Office for National Statistics).

Of the other Government Office Regions in the country, only productivity in the South East and and the West of England are above the national average of 100. Other areas in the country are lagging badly behind, we can see that in Greater Manchester for example productivity per worker is 89.7 GVA per worker meaning that workers in London are 45.1 GVA ahead per worker – or in layman's terms workers in London are around a third more productive than those in Manchester.

[9] The Group of Seven (G7) is an informal forum of countries representing around half of global economic output. It includes UK, Canada, USA, Italy, Germany, France and Japan

[10] ONS press release on the Productivity Puzzle 6 April 2018 https://www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/bulletins/internationalcomparisonsofproductivityfinalestimates/2016

[11] Annual labour productivity = gross value added (GVA) per hour worked or GVA per filled job

Regional productivity variations

Illustration shows the strength of productivity of the local economy in each of the Mayoral Authorities

Opposite page shows more detailed results

London

All job growth 2011-2019	22.1%
All job growth 2019-2027	3.3%
Growth in High Skilled Jobs 2011-2019	22.9%
Growth in High Skilled Jobs 2019-2027	3.4%
High Skilled Jobs as % of all Jobs in 2019	51.6%

Liverpool

All job growth 2011-2019	11.8%
All job growth 2019-2027	2.7%
Growth in High Skilled Jobs 2011-2019	9.5%
Growth in High Skilled Jobs 2019-2027	2.5%
High Skilled Jobs as % of all Jobs in 2019	39.7%

Greater Manchester

All job growth 2011-2019	18.1%
All job growth 2019-2027	3.1%
Growth in High Skilled Jobs 2011-2019	18.2%
Growth in High Skilled Jobs 2019-2027	3.1%
High Skilled Jobs as % of all Jobs in 2019	40.6%

West Midlands

All job growth 2011-2019	11.3%
All job growth 2019-2027	2.3%
Growth in High Skilled Jobs 2011-2019	11.0%
Growth in High Skilled Jobs 2019-2027	2.3%
High Skilled Jobs as % of all Jobs in 2019	39.5%

North East

All job growth 2011-2019	5.6%
All job growth 2019-2027	1.7%
Growth in High Skilled Jobs 2011-2019	5.6%
Growth in High Skilled Jobs 2019-2027	1.6%
High Skilled Jobs as % of all Jobs in 2019	38.2%

West of England

All job growth 2011-2019	11.5%
All job growth 2019-2027	1.8%
Growth in High Skilled Jobs 2011-2019	14.6%
Growth in High Skilled Jobs 2019-2027	2.1%
High Skilled Jobs as % of all Jobs in 2019	52.0%

Cambridge & Peterborough

All job growth 2011-2019	18.8%
All job growth 2019-2027	2.7%
Growth in High Skilled Jobs 2011-2019	21.2%
Growth in High Skilled Jobs 2019-2027	3.1%
High Skilled Jobs as % of all Jobs in 2019	42.1%

Tees Valley

All job growth 2011-2019	3.2%
All job growth 2019-2027	1.6%
Growth in High Skilled Jobs 2011-2019	4.5%
Growth in High Skilled Jobs 2019-2027	1.7%
High Skilled Jobs as % of all Jobs in 2019	38.4%

Leeds City Region

All job growth 2011-2019	10.6%
All job growth 2019-2027	2.1%
Growth in High Skilled Jobs 2011-2019	11.0%
Growth in High Skilled Jobs 2019-2027	2.0%
High Skilled Jobs as % of all Jobs in 2019	23.2%

The experiences of the UK workforce

We have so far considered the UK economy, jobs market and forecasts for the future. In the next section we will begin to consider the opinions of workers in the UK about how prepared they believe they are to meet the demands of the future.

We polled 5,000 working age people in the UK, with a cross section of people working full time and part time and people who were unemployed and not working (but screening out people who had retired and students).

What kind of work do people do?

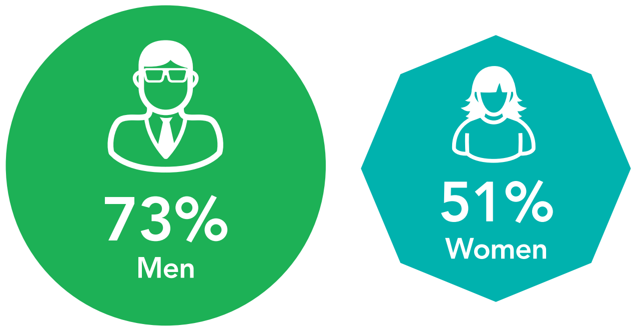
Full time workers

As can be seen from the graph below, (61%) of our survey respondents told us that they work full time with 17% working part time (between 8 – 29 hours per week).

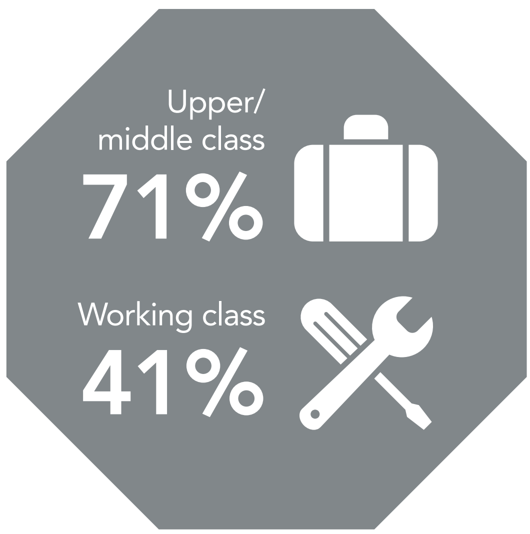
Working full time (30 or more hours per week)	61%
Working part time (8-29 hours a week)	17%
Working part time (Less than 8 hours a week)	2%
Unemployed	6%
Not working	14%
Other	0%

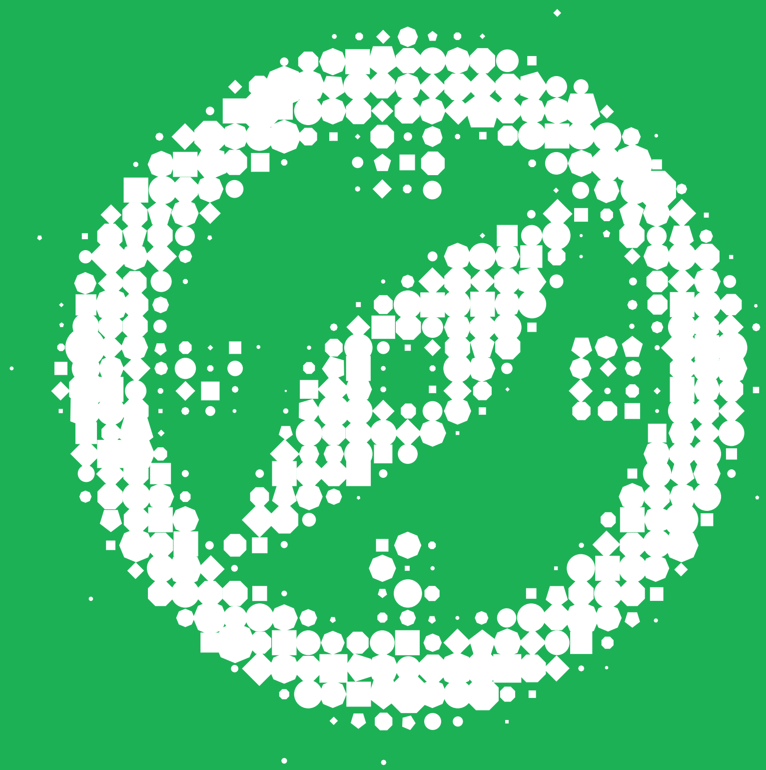
We also found that women (51%) are still much less likely to be working full time than men (73%). In addition, people from less advantaged socio-economic backgrounds (C2DE – 41%) are also far less likely to be working full time that those from more advantaged socio-economic backgrounds (ABC1 – 71%).

Working full time – gender



Working full time
Upper/Middle class vs Working class





People living in **London (73%)** were much more likely to be working full-time than any other region in the country. People living in the **North East (45%)** were the least likely to be working full time out of any region, followed closely by **Northern Ireland (47%)**.

Young people aged 18-24 (37%) were the least likely group to be working full time with older workers aged 55+ (51%) being the second least likely. Those aged 25-34 were the most likely to be working full time (76%).

As you might expect, there remains a direct correlation between working full time and being from a more affluent group / geographical area. This is important when we look at the amount of training people receive later in the report as we will see those who work part time are least likely to have received workplace training recently, so there are clear implications for social mobility.

Job roles

Over two fifths of workers in the UK do not have any sort of management responsibility (44%). Women are more likely (49%) than men (39%) not to have any sort of management responsibility.

Graph showing levels of jobs of people working in the UK

Owner/ Proprietor	9%
Partner	1%
Chairperson	0%
Chief Executive	1%
Managing Director	1%
Non-Executive Director	1%
Other board level manager/director	1%
Other senior manager or director below board level	4%
Middle manager	13%
Junior manager/ team leader/ supervisor	19%
Other	6%
Not applicable – I don't have any management responsibility	44%
Not Applicable – I don't work	0%

People living in London were the most likely to have managerial responsibility (65%) compared to the national average (56%), and those living in the North East were the least likely to have any management responsibility (50%).

Number of workers without any management responsibility – regions

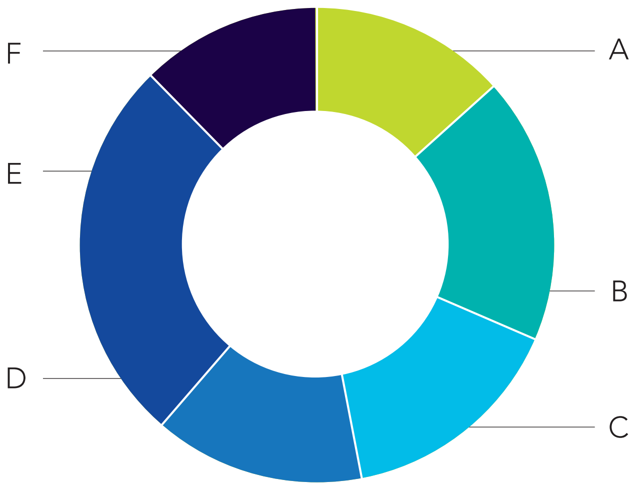
People from less advantaged socio-economic backgrounds (C2DE) are the least likely to have managerial responsibility (35%) vs those from more advantaged socio-economic backgrounds (ABC1 = 63%).

Number of workers without any management responsibility

Across all regions people from Scotland are least likely to have managerial responsibility 50% vs 56% nationally.

Perceptions of whether key political and economic factors will have a positive or negative impact on the UK jobs market over the next 5 years

People's perspectives on how the new conservative Government will affect the UK jobs market over the next 5 years



A. Very positive impact	11%
B. Fairly positive impact	18%
C. It will make no difference	14%
D. Fairly negative impact	17%
E. Very negative impact	29%
F. Don't know	11%

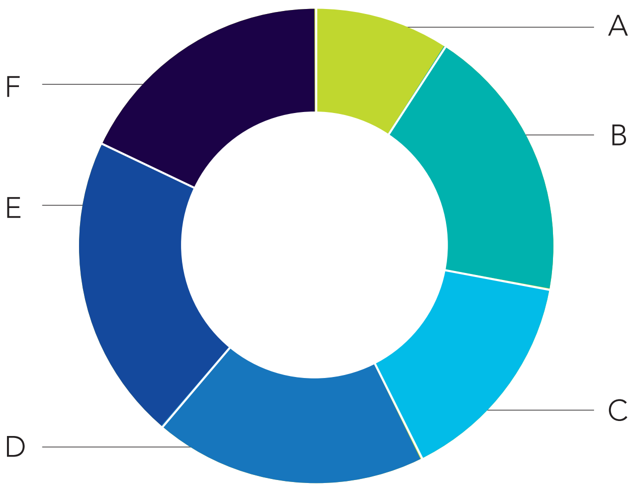
Overall people in the UK were more likely to believe that the new Government will have a negative impact on the UK jobs market over the next 5 years. 46% negative vs 28% positive.

Younger workers i.e. those aged 25 – 34 (58%) and 18 – 24 (54%) were much more likely to believe that the Government would have a negative impact than older workers. Those aged 55+ bucked the trend with only 39% believing that it would have a negative impact on jobs.

Those from higher socio-economic groups (ABC1) were more likely to believe that the new Government would have a negative impact on jobs (50%) than those from lower socio-economic groups (C2DE) (39%).

Those living in London were most likely to think it would have a negative impact (56%) compared to those living in the West Midlands (38%) who were least likely to believe this. Those living in the West Midlands were also most likely to say that the new government would have a positive impact on jobs (36%) than anywhere else.

The impact of post Brexit legislation in the next 5 years – i.e. less employment legislation or ability to agree our own trade deals



A. Very positive impact	8%
B. Fairly positive impact	16%
C. It will make no difference	14%
D. Fairly negative impact	20%
E. Very negative impact	26%
F. Don't know	16%

Overall 46% of respondents across the UK thought that legislation post Brexit would have a negative impact on jobs whilst just 24% felt that it would have a positive impact (the rest either felt it would make no difference or were unsure).

In terms of different opinion amongst the ages. 25 – 34 year olds were most likely to be negative (56%) whilst those aged 55+ were least likely to be negative (40%).

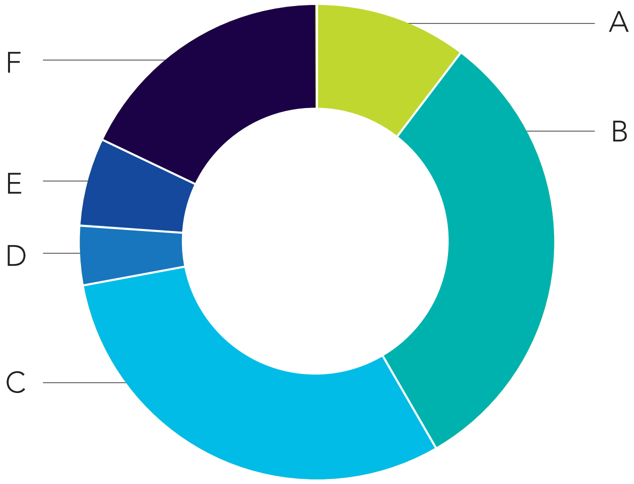
People from higher socio-economic groups (ABC1) were much more likely to be negative about the impact of post Brexit legislation (51%) vs those from lower socio-economic groups (37%).

In terms of the other parts of the United Kingdom, people living in Northern Ireland (58%) and Scotland (54%) were most likely to be negative about post Brexit legislation.
In the English regions people in London were most negative (56%) whilst people in the West Midlands were the least negative (40%).

46%

of respondents across the UK thought that legislation post Brexit would have a negative impact on jobs

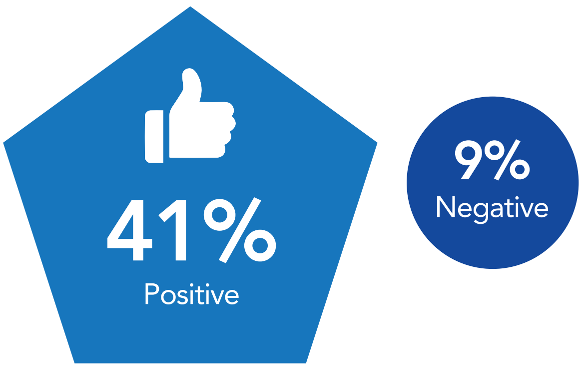
The impact of the Northern Powerhouse agenda in the next 5 years



A. Very positive impact	10%
B. Fairly positive impact	31%
C. It will make no difference	31%
D. Fairly negative impact	5%
E. Very negative impact	4%
F. Don't know	19%

Overall people in the UK were more likely to be positive about the Northern Powerhouse agenda with 41% saying that they thought it would have a positive impact on jobs in the UK and only 9% stating that they thought it would have a negative impact.

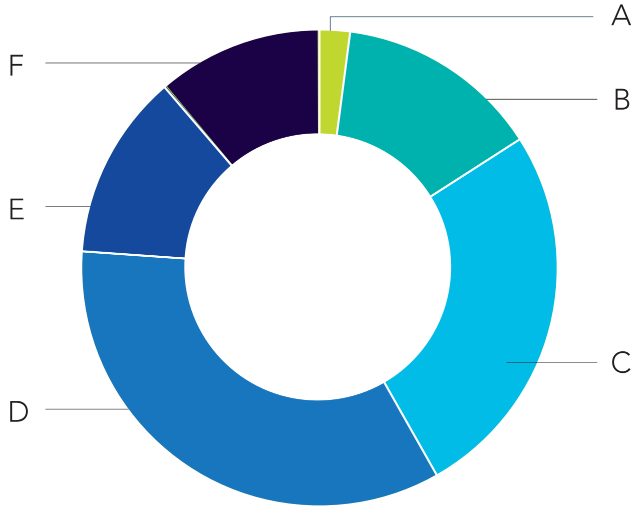
Positive vs negative views of Northern Powerhouse – UK



However, there was some scepticism with almost a third (31%) stating that they didn't think it would make any difference.

As you would imagine those living in the North of England saw the greatest benefit with 48% in Yorkshire and Humber and 47% in the North West stating that it would have a positive impact.

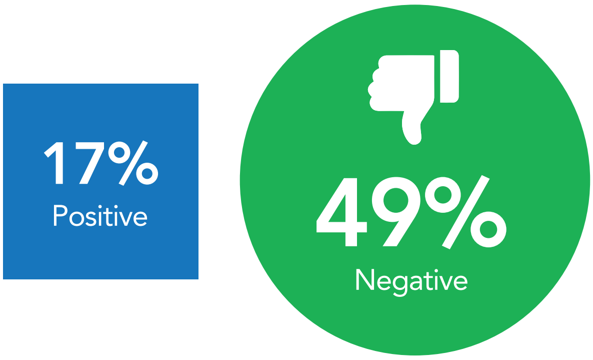
The impact of the aging workforce on jobs in the next 5 years



A. Very positive impact	3%
B. Fairly positive impact	14%
C. It will make no difference	23%
D. Fairly negative impact	35%
E. Very negative impact	14%
F. Don't know	11%

Overall people in the UK were more likely to think that the aging workforce was likely to have a negative impact on jobs with 49% stating it would be negative vs 17% stating that it would be positive.

Impact of the aging workforce on jobs



Those aged 25-34 were the most negative with 58% of respondents telling us that the aging workforce was likely to have a negative impact vs 43% of those aged 55+.

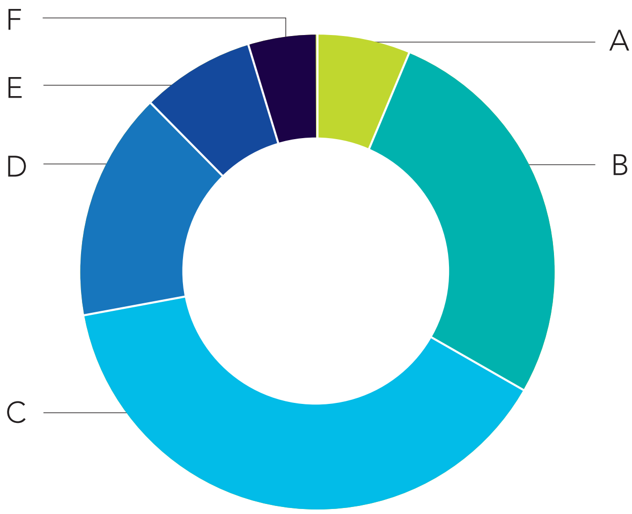
Levels of positivity around career prospects

Just a third of our respondents (33%) told us that they felt positive about their future career prospects.

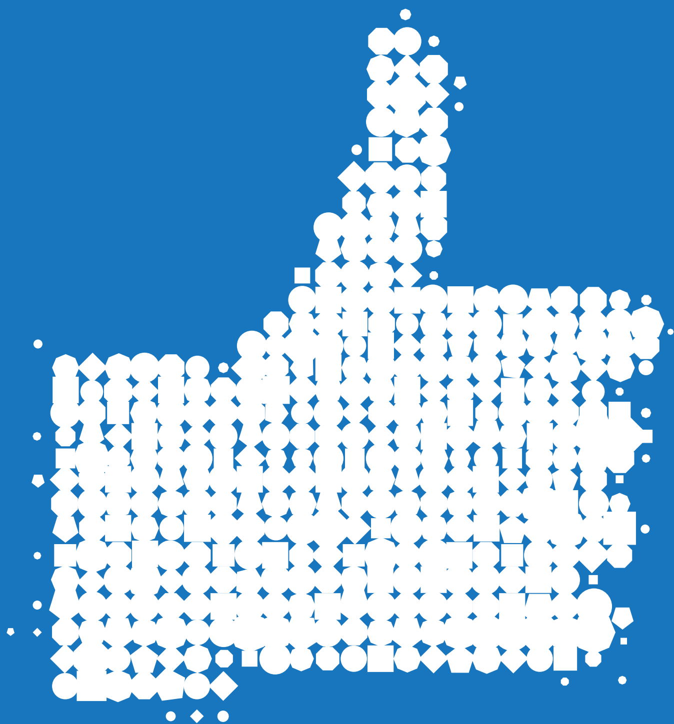
33%

of people felt **positive** about their career prospects

To what extent do you feel positive or negative about your career prospects?



Very positive	7%
Fairly positive	26%
Neither positive or negative	36%
Fairly negative	17%
Very negative	9%
Don’t know	5%



Those **aged 25 – 34** were the **most positive (46%)** and those aged 55+ (27%) the least positive.

People from more affluent backgrounds (ABC1) were more likely to feel positive about their career prospects (39%) than those from less affluent backgrounds (C2DE) 22%.

People living in the South East were more likely to feel positive about their future career prospects (41%) than those living in the rest of the country with those in the North East (24%) and Northern Ireland (24%) least likely to feel positive.

Why do people feel negative about their career prospects?

The most common reason was a lack of career progression opportunities in their area (37%), followed by there being no opportunity for progression within the company where they worked (30%).

37%	There aren't any opportunities to progress in my career around where I live
31%	Other
30%	There are no prospects of future progression in my company
26%	I don't have the skills I need to progress any further
19%	The skills that I have attained are not recognised in the sector(s) I want to progress in

People living in the South West were the most likely to say that there were no opportunities to progress in their area (51%), followed by those living in Wales (50%). People living in the South West (43%) and the South East (excluding London) (44%) were most likely to say that there were no progression opportunities at their current employer.

Why did people feel positive about their career prospects?

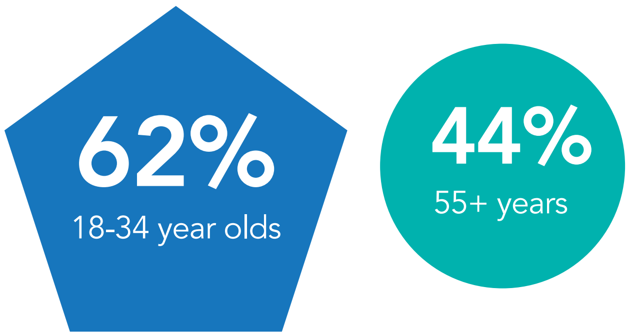
55% felt they had the right skills to progress

Notably, of the people who stated that they felt positive about their career prospects, 55% said it was because they felt they had the right skills to progress further in their current role and 52% felt that the skills they had attained were recognised in the sector they wanted to progress in.

55%	I have the right skills I need to progress further
52%	The skills I have attained are recognised in the sector(s) I want to progress in
35%	There are opportunities to progress in my career around where I live
32%	There are good prospects for future progression in my company
7%	Other

Younger workers, both 18 – 24 year olds (62%) and 25-34 year olds (62%) were the most likely to feel positive about the skills they had attained, with those aged 55+ the least confident (44%).

Levels of positivity around personal skill set – age

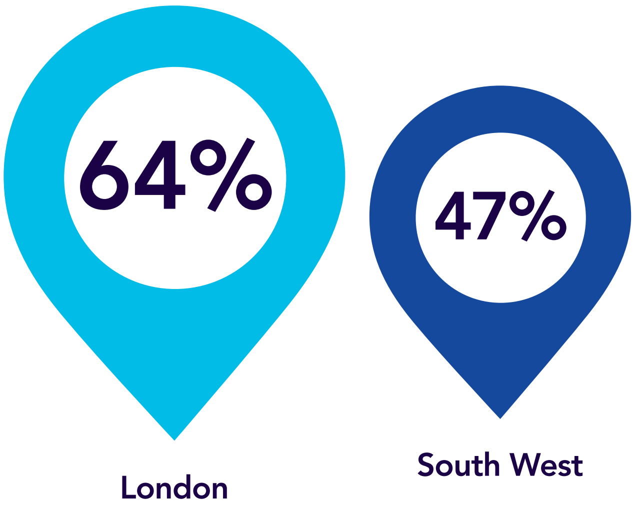


People from higher socio-economic groups (ABC1) were more likely to feel confident that they had the right skills to progress (59%) than people from lower socio-economic groups C2DE (43%).

People aged 55+ were the least likely to think that there were good prospects for progression where they worked (19%) compared to those aged 18-24 who were the most likely to believe this (44%).

Those living in London (64%) were the most likely to believe that they had the right skills to progress compared to those living in the South West (47%) who were the least likely.

Levels of positivity around personal skill set – geography



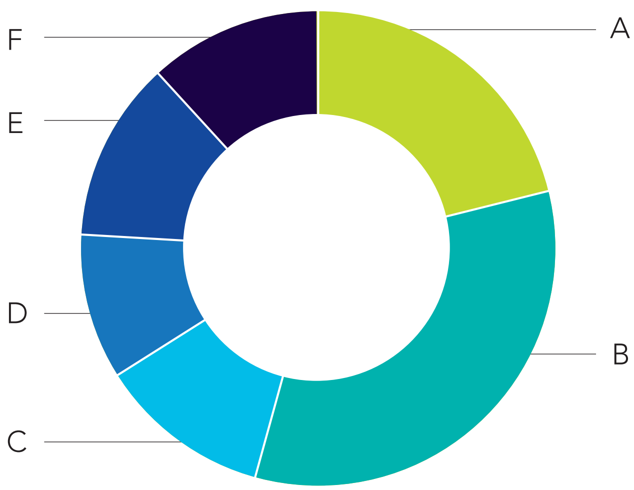
People living in the West Midlands (28%) were the least likely to say that there was opportunity to progress in their area, compared to those living in London (45%).

Part-time workers (22%) were far less likely to believe that there was opportunity to progress where they were working than full time workers (36%).

How likely, if at all, are you to be in the same career in 5 years' time?

Only 22% of workers stated that they were very likely to be in the same job in five years' time with a further third (36%) stating that they were fairly likely to be there.

A third told us that they wouldn't be in the same job in five years' time, either due to leaving (20%) or retiring (11%). A further 11% stated that they were unsure.

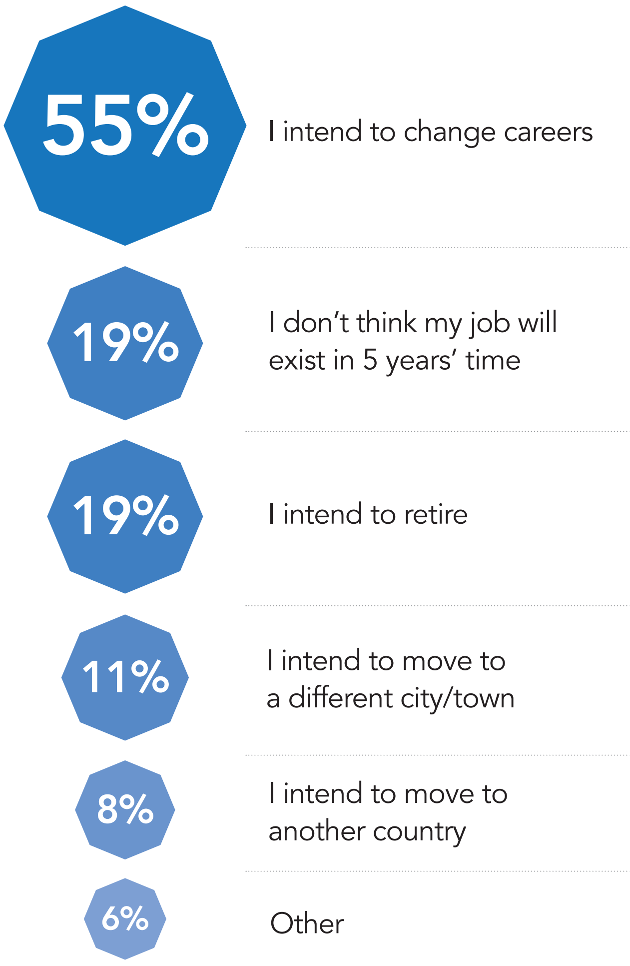


A. Very likely	22%
B. Fairly likely	36%
C. Not very likely	12%
D. Not at all likely	8%
E. Don't know	11%
F. Not applicable – I'm likely to retire within the next 5 years	11%

In terms of age variation, those aged 18-24 were the most likely to say that they planned to move jobs (83%) whilst those aged 44-55 were the least likely (17%) and as you would imagine those that were 55+ were the most likely to retire (32%).

Reasons that people were intending to leave their career in the next 5 years

Of those that stated they were intending to leave their roles in the next 5 years, over half (55%) said that they were going to move on to another role whilst almost a fifth (19%) stated that they did not believe that their job would exist in 5 years' time.



83% of young people aged 18-24 stated that they intended to change careers in the next 5 years compared to just 21% of those aged 55+. This suggests that there is real value to be attained in training those older, more loyal staff in addition to those at the earlier stages of their careers.

I intend to change careers in next 5 years

83%
18-24 year olds

21%
55+

People who were working part time were much less likely to say that they intended to be in the same job in five years' time (44%) than those who worked full time (62%).

Level of positivity towards local job market

Overall less than a third (31%) of people stated that they were positive about the jobs market in their area.

As we can see from the map to the left, there were some wide regional variations in feelings of positivity about the labour market in their local areas with just a fifth of people (21%) in the North East stating that they felt positive about the local labour market compared with just under half in London (45%).

Across the UK people in Northern Ireland (20%) were far less likely to feel positive about job opportunities in their area than people living in England (32%).

There was also a marked difference in levels of positivity about the local job market between people who were from lower socio-economic backgrounds (22%) and those from higher socio-economic groups (35%).

Reasons why people felt positive about the jobs market in their area

For people who felt positive about the jobs market in their area, the main reason was that there were lots of job opportunities (44%) followed by the fact that many of the jobs available matched their skill sets (41%).

44%	There are lots of job opportunities in my area
41%	There are lots of jobs that use and/or require my skill sets in my area
39%	There are lots of good businesses in my area
18%	There are lots of training opportunities in my area
17%	It's easy for unemployed people to get into a job here
16%	There is little competition for jobs using my skills in my area
15%	It is a really good place to start your own business here
3%	Other

People living in the North East (31%) and people in Wales (29%) were far less likely than those living in London (64%) to say that there were lots of job opportunities in their area.

There are lots of job opportunities in my area

Wales 29%

London 64%

Those that felt negative about the jobs market in their area

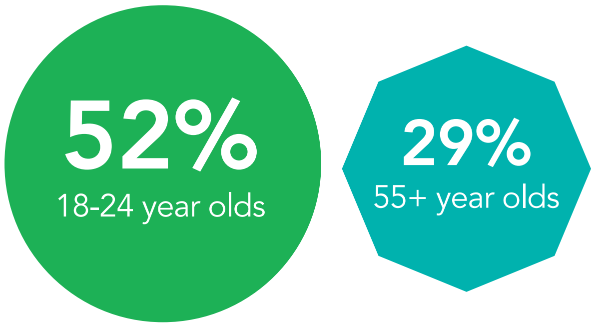
Over half of respondents (52%) who felt negative about the jobs in their area stated that this was because there were hardly any jobs in their area.

37% stated that there weren't any jobs with their specific skills set and 35% stated that it was difficult for unemployed people to get into work.

52%	There are hardly any job opportunities in my area
37%	There aren't any jobs that use and/or require my skill sets in my area
35%	It's difficult for unemployed people to get into a job here
29%	There aren't many good businesses in my area
26%	There aren't many training opportunities in my area
22%	There is too much competition for people with my skills here
16%	It is too difficult to start your own business here
11%	Other

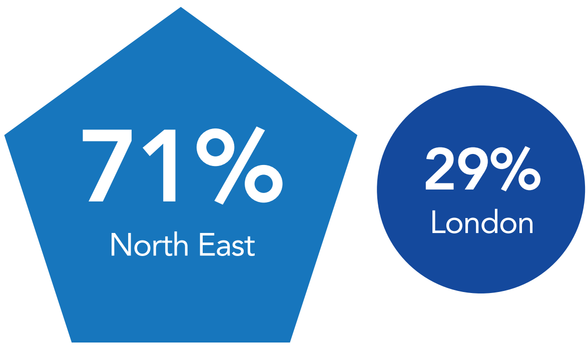
People aged 18-24 (52%) were more likely than any other group to state that there weren't jobs that used their skills in their area with people aged 55+ (29%) the least likely to think this.

Young people were likely to believe they did not have the skills needed by the local labour market



People living in the North East (71%) were far more likely than people living anywhere else to believe that there were hardly any jobs in their area, with those living in London (29%) least likely to believe this.

There are hardly any jobs in my area – geography

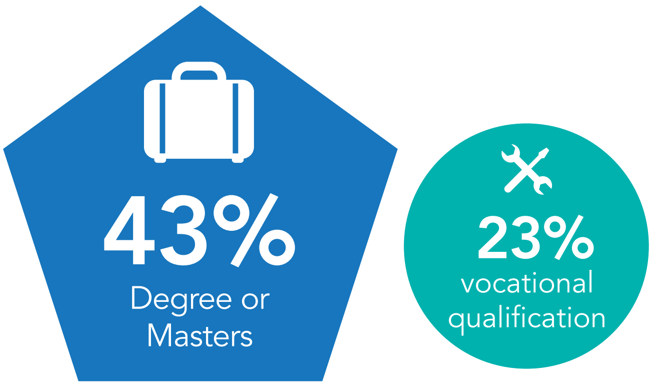


What types of education and training have people received?

What is the highest educational or work-related qualification you have?

As we can see from the chart to the right almost half of respondents (43%) told us that they had a degree or a master's degree[12]. With just 2% of respondents telling us that they had completed an apprenticeship.

We know that somewhere in the region of 30% of jobs are graduate level, suggesting that people are not always studying for the qualifications needed to help them into the labour market.



In total 23% of people had taken some sort of vocational qualification or study (including apprenticeships, ONC/BTEC, City & Guilds qualifications, teaching and nursing).

3% of people left school with no qualifications, 9% left with GCSEs or similar and 11% with A Levels.

People's highest level of qualifications – UK

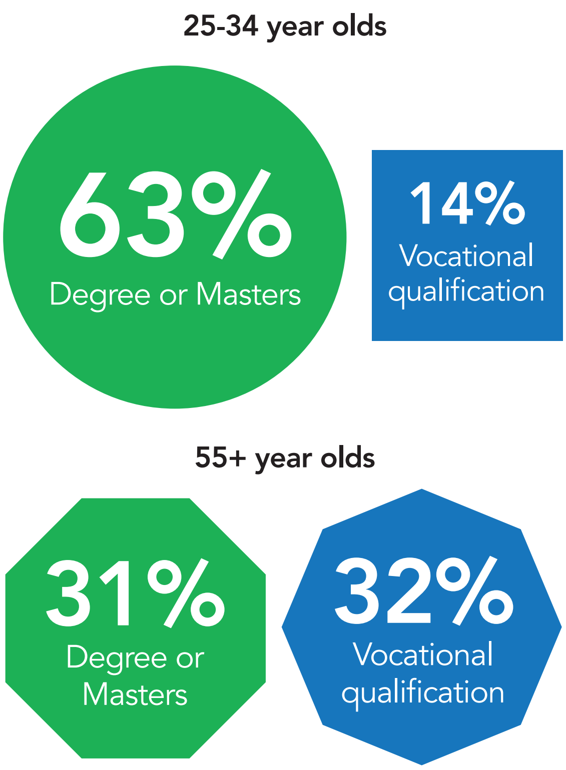
University or CNAA first degree (e.g. BA, B.Sc, B.Ed)	28%
University or CNAA higher degree (e.g. M.Sc, Ph.D)	15%
GCE A level or Higher Certificate	11%
Other technical, professional or higher qualification	10%
CSE grade 1, GCE O level, GCSE, School Certificate	9%
University diploma	5%
City & Guilds certificate	4%
No formal qualifications	3%
ONC/ BTEC	3%
City & Guilds certificate – advanced	2%
CSE grades 2-5	2%
Prefer not to say	2%
Recognised trade apprenticeship completed	1%
Higher apprenticeship completed	1%
Clerical and commercial	1%
Scottish Higher Certificate	1%
Nursing qualification (e.g. SEN, SRN, SCM, RGN)	1%
Teaching qualification (not degree)	1%
Don't know	1%
Scottish Ordinary/ Lower Certificate	0%
Youth training certificate/skillseekers	0%

[12] NB This figure differs from the Emsi educational data referenced on p** as it considers slightly different criteria. i.e. NVQ4 vs anyone who has studied for a university diploma, an undergraduate degree or a Master's qualification

Workers aged 25-34 (63%) were more likely than any other age group to hold a Degree or Masters and least likely to have undertaken a vocational qualification or apprenticeship (14%).

Whilst those aged 55+ were the most likely to have (32%) undertaken a vocational qualification and least likely to have gone to university (31%).

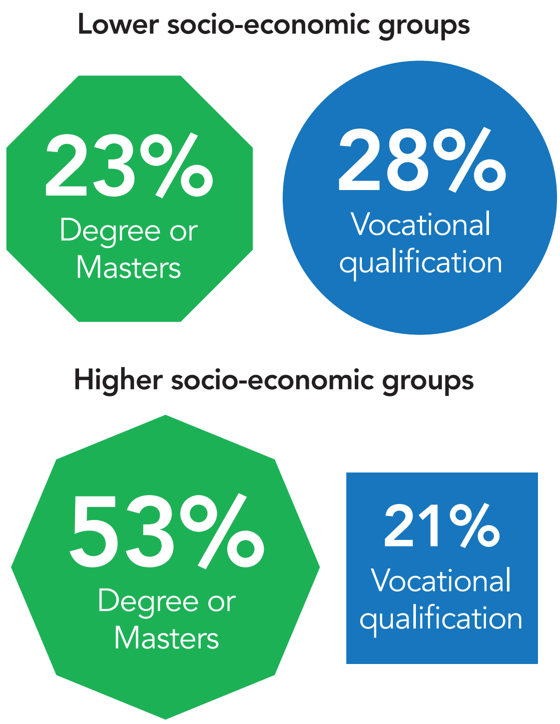
Vocational education vs university education – by age



Workers aged 18 – 24 were more likely than any other group to have A Levels (23%) as their highest level of educational attainment. However, the qualification that most had attained in this age group was a degree (41%).

People from lower socio-economic groups were slightly more likely to have attained a vocational qualification or apprenticeship (28%) than those from higher socio-economic groups (21%). With 53% of those people from higher socio-economic groups gaining a degree vs 23% of those from lower socio-economic groups.

Vocational education vs university education – by socio-economic groups

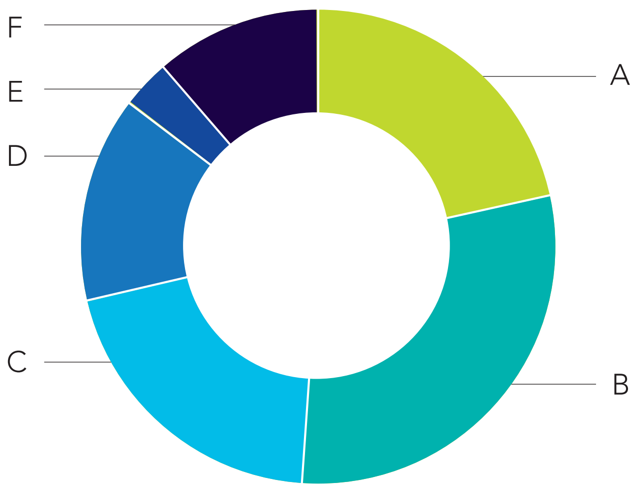


People from lower socio-economic groups were far more likely to have attained no qualifications (7%) than those from higher socio-economic groups (1%).

London had the highest number of people in the country with a degree, masters or university diploma (59%) vs those living in the North East (33%) who were the least likely.

How useful was your highest level of education in helping you progress in your current career?

Half of the respondents (50%) stated that their highest level of education was useful in their current career.



A. Very useful	23%
B. Fairly useful	27%
C. Not very useful	20%
D. Not useful at all	15%
E. Don't know	3%
F. Not applicable – My educational/ work-related qualification is no longer relevant to my current career	12%

People from higher socio-economic backgrounds were far more likely to state that they believed that their education had been helpful in getting them a job (57%) than those from lower socio-economic groups (35%).

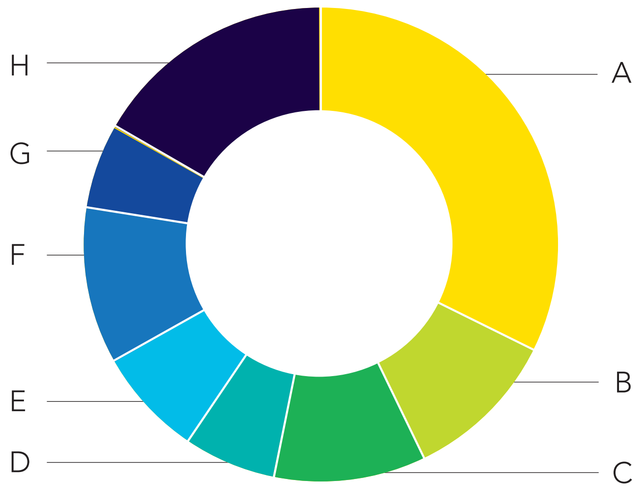
50%
of people stated education helped them progress

Feelings about highest level of education – by social class

Higher socio-economic group (ABC1)	Lower socio-economic group (D2EF)
57% Useful	**35%** Useful

People living in London (56%) were more likely than people living anywhere else in the country to state that their highest level of education helped in their current career, with those living in the North East (43%) the least likely.

When did you last receive any workplace training?



A. In the last 6 months	32%
B. More than 6 months ago, but within the last year	10%
C. More than 1 year ago, but within the last 3 years	11%
D. More than 3 years ago, but within the last 5 years	7%
E. More than 5 years ago, but within the last 10 years	8%
F. More than 10 years ago	11%
G. Don't know/can't recall	6%
H. Not applicable – I have never received any workplace training whilst in employment	15%

Just under a third (32%) of people stated they had received workplace training in the last 6 months. However, 8% of respondents told us that they hadn't received any training in at least 5 years, 11% hadn't received any training for over a decade and 15% of people stated that they had never received any workplace training.

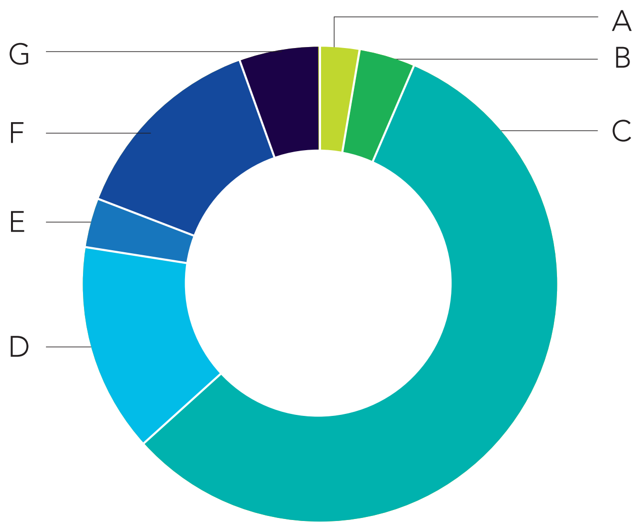
26%

of people had not received training for at least 10 years

Those aged 55+ were most likely to have received training more than 10 years ago (17%). People from more affluent socio-economic groups (ABC1) were much more likely (37%) to have received training in the last 6 months than those from less affluent socio-economic groups (22%) and were far less likely to have never received any workplace training (11%) than those from less affluent socio-economic groups (23%).

What kinds of workplace training did people receive?

As we can see from the chart below, people who received workplace training were most likely to have attended an in-house training programme (58%). With 15% receiving leadership and management training. Just 3% stated that they had studied an apprenticeship.



A. Traineeship	2%
B. Apprenticeship	3%
C. In-house training programme	58%
D. Leadership and/or management training	15%
E. License to practice	3%
F. Other	13%
G. Don't know/ can't recall	6%

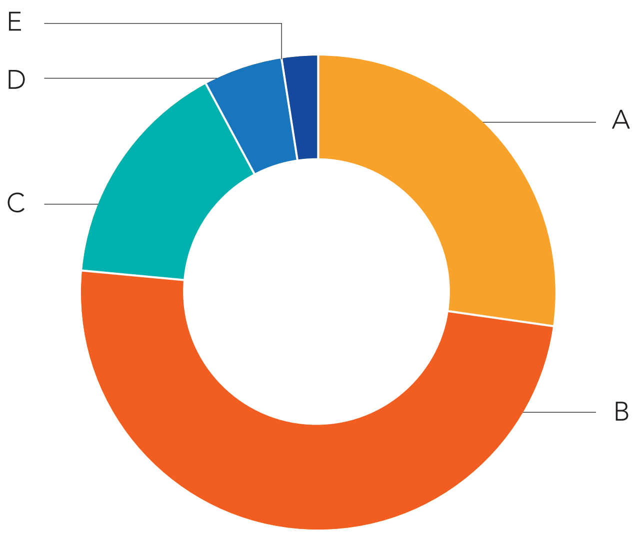
How useful was the workplace training that you received to your career?

Over three quarters of the people who had received training (77%) stated that they thought it had been useful to their career.

77%

of people thought workplace training had been useful to their career

This was pretty consistent across all age categories and geographical areas in the UK.



A. Very useful	28%
B. Fairly useful	49%
C. Not very useful	16%
D. Not at all useful	5%
E. Don't know	2%

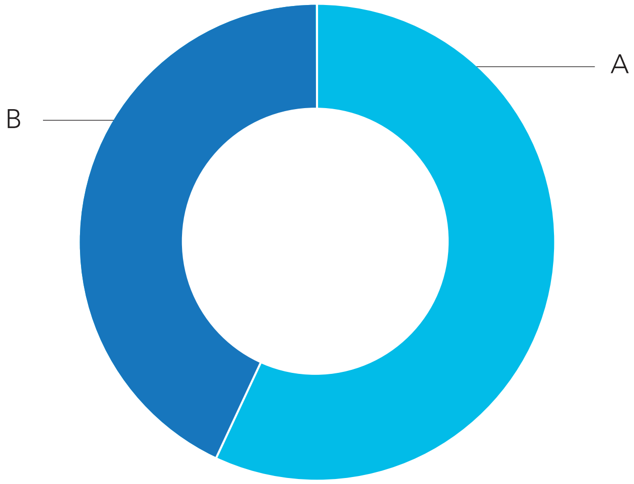
Why was the training useful to you?

Of the respondents that told us the training was useful to them, the majority (68%) told us that this was because it helped them improve their skills in the current role whilst over a quarter (27%) told us that it had helped them improve their skills at a previous role.

68%	It helped improve my skills for my current role
27%	It helped improve my skills at my previous role(s)
18%	It helped me to progress in my career
7%	It helped me get a better job
4%	Other

Do you plan to participate in any training whilst working to help with progressing your current career/intended career over the next year?

Over half of the people we surveyed (55%) told us that they intended to undertake some workplace training to help them progress in their current career in the next year.



A. Yes, I plan on doing so	55%
B. No, I don't plan on doing so	45%

25-34 year olds were most likely to state that they did intend to undertake training in the year ahead (67%) with those aged 55+ stating that they are least likely to (41%).

Those from higher socio-economic groups were more likely to state that they plan to participate in training in the coming year (58%) than those from lower socio-economic groups (45%).

People living in London were more likely (60%) to state that they intended to undertake training in the coming year, with those in the North East least likely (49%).

How do people want to receive workplace training?

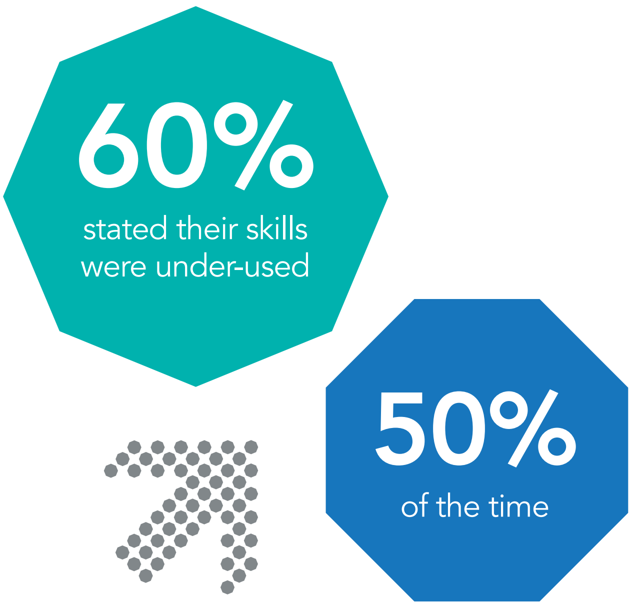
As can clearly be seen from the data below the preference for people is to receive training at work (49%) followed by learning online using an online device (44%) such as a laptop or PC. Using a smartphone was the least popular choice (9%) followed by full time study in a classroom (15%).

49%	At my workplace
44%	Online via a laptop/ PC/tablet
27%	Part time study in a classroom outside my workplace
20%	Not applicable – I would not like to receive workplace training in any way in particular
15%	Full time study in a classroom outside my workplace
9%	Online via a smart phone
2%	Other

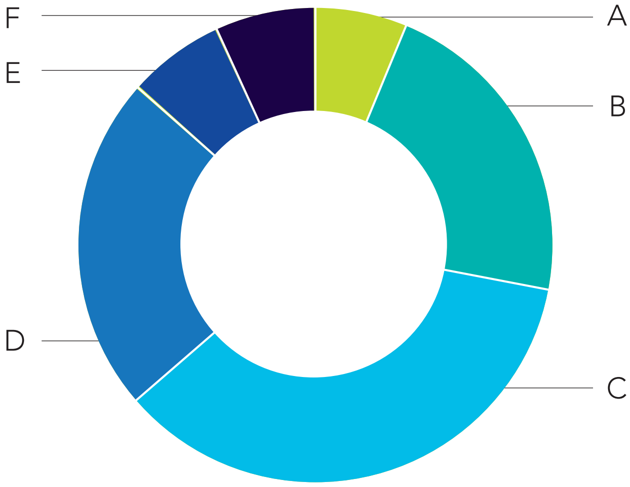
How often, if at all, do you ever feel your skills are under-used at work?

60% of respondents stated that their skills were under-used at least 50% of the time. With less than a tenth (9%) of respondents feeling that their skills were never under used at work. This equates to 39.8[13] million people whose skills are underutilised in the country.

How often are your skills under-used at work?



There was very little variation in this across any of the different demographic groups.

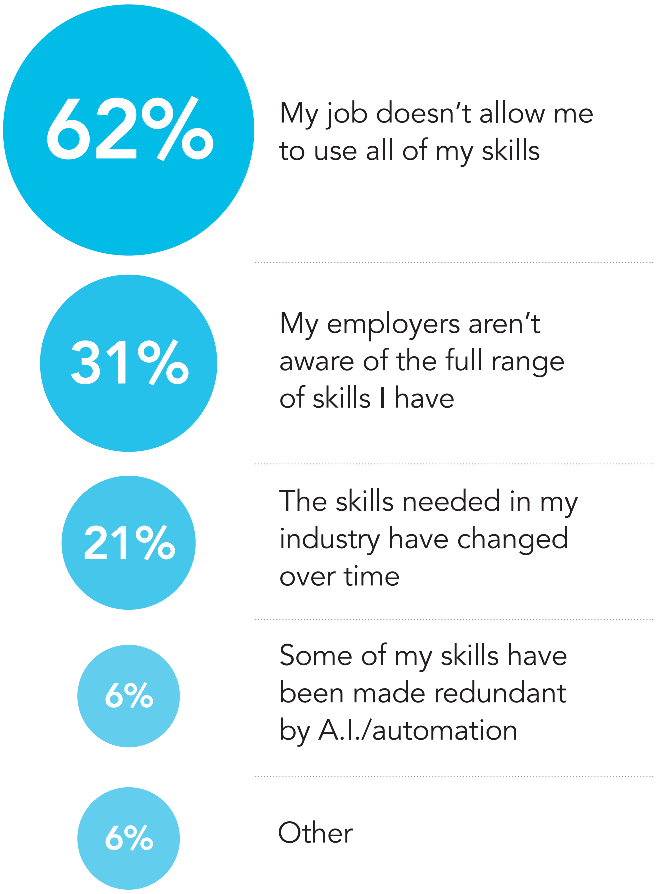


A. Always (i.e. 100% of the time)	8%
B. Often (i.e. 75% of the time)	21%
C. Sometimes (i.e. 50% of the time)	31%
D. Rarely (i.e. 25% of the time)	25%
E. Never (i.e. 0% of the time)	9%
F. Don't know	6%

[13] ONS population data
https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/august2019

Why did people feel their skills were under-used at work?

Almost two thirds of people (62%) stated that their skills were underutilised at work because their job didn't allow them to use all of their skills, whilst almost a third (31%) stated that it was because their employers weren't aware of the skills that they had and just over a fifth (21%) felt the skills their industry required had changed over time.



Which, if any, of the following barriers have you faced when looking for a new job and/or career in the last 5 years?

The most significant barrier that people had faced when looking for a new job or career was that there were not suitable jobs in their area (22%). People living in the North East (30%) were more likely to believe this than any other area in the UK and people living in London (13%) least likely to believe it.

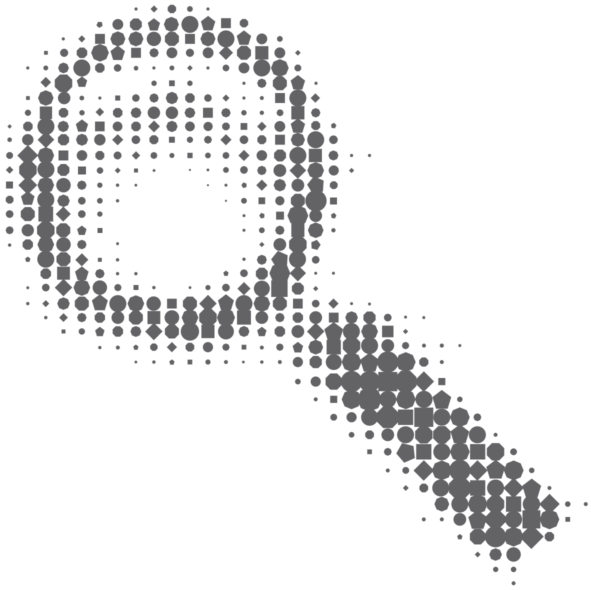
The area where I live is a barrier to getting a new job

A fifth of all respondents told us that their age had been a barrier, with those at the upper and lower ages most likely to believe that this was an issue (34% and 25%) and those aged 25-34 (9%) and 35-44 (9%) least likely to believe that their age was a barrier.

Those aged 18-24 were more likely than anyone else to state that they didn't have the right skills needed to get a job with almost a third stating that this was a problem (32%) vs those aged 55+ (9%).

Over a quarter (28%) told us that they hadn't looked for a job in the last 5 years

28%	Not applicable – I haven't looked for a new job and/ or careers in the past 5 years
22%	Non-suitable jobs in the areas where I live
20%	My age
18%	Not having the right qualifications and/or skills
18%	Not applicable – I haven't faced any barriers when looking for a new job and/ or career in the past 5 years
13%	Being unable to work for the hours required for the job(s)
13%	It is difficult to get a job when you have been out of work for a while
12%	The skills I had attained were not recognised or valuable anymore
8%	Other



Conclusion

As we have discussed, the advent of artificial intelligence (AI) and the fourth industrial revolution will continue to revolutionise the workplace in the coming years, rapidly changing the skillsets that will be required to do many roles, making some jobs completely obsolete and creating some brand new ones. The introduction of AI also means some human skills will be valued above those that can be performed by technology, whilst in other areas there will be a need for humans to collaborate with robots to get jobs done efficiently.

The research considered the experiences of the UK workforce and highlighted the regional disparity in terms of educational levels, career opportunity and access to workplace training and development. We saw from the labour market data provided by economic modellers Emsi that each region has a unique micro-economy which differs in terms of the skills required. We also saw a range of different demographics in terms of the age profile of local workforces and the educational levels and access to workplace training in each area.

All of the above demonstrates that there are varying levels of risk and opportunity for each region in the coming years, and it's clear that there needs to be a different approach to training and development across different regions to ensure that they are able to provide people with the skills the local economy needs to thrive.

Below, we've outlined a set of recommendations for Government, employers and educators to help address regional disparities and set the UK up for getting the skills it needs to succeed in a post-Brexit world.

Recommendations

1. There is an urgent need for a review of adult education, re-prioritising funding in this area and creating a system that supports retraining and reskilling throughout our working lives

The OECD has stated that between 38% and 42% of the UK workforce will need to completely retrain in the next 10 years. However, the current adult education system is not well-equipped to deliver this.

Our research discovered that over a quarter of the workforce had not received any workplace training for at least 10 years, with two fifths saying that they had not received any for at least 5 years. This suggests that the economy is likely to be ill-prepared for the changes that are coming thanks to ongoing automation and globalisation.

The National Retraining Scheme has the potential to address this in part, but to fix the problem, however, there needs to be proper funding and resource directed at adult education to ensure it can meet the upskilling and reskilling needs we have over the decades to come.

It is no secret that the Further Education sector has seen drastic cuts in funding over the last few decades. The Institute for Fiscal Studies (IFS)[14]. noted that spending on apprenticeships and other work-based learning for adults has fallen by about 25% in real terms since 2009–10 and that there has been a decline in learner numbers, which have fallen from 4.4 million in 2004-05 to 1.5 million in 2017-18.

We believe it's important for the Government to act on the Augar recommendations[15] to reverse cuts to adult education to allow for people to gain critical technical skills throughout their lives.

2. Central and Local Governments should collaborate with employers and learning providers, to create 'Lifelong Learning Hubs' focussed on creating the skills that the local labour market needs

We would like to see the creation of 'Lifelong Learning Hubs' which would be centres for skills development. These should be created in areas of deprivation as well as those areas that are likely to be most impacted by the changes that wider technology and AI and Brexit will bring to the labour market. These hubs should focus on supporting people who are displaced by the changing labour market to enable them to learn new skills that help them transition immediately into new careers/job opportunities. The hubs should be informed by local labour market data and led by local employer demand, ensuring that they are genuinely meeting the future skills need of the local area.

Employers should be involved in shaping the curriculum and content of courses and allow them to recruit directly from the hubs – providing a win/win for the local community as well as employers.

3. Skills policies should look to address the widening social mobility gap in this country

Our research highlighted a depressing picture of a nation divided with the job and progression opportunities concentrated in London and the South East and cold spots, particularly in the North East, where people felt they lacked opportunities and hadn't been invested in sufficiently to enable them to progress.

Policy pieces such as the Northern Powerhouse Agenda and National Infrastructure Plan have the potential to 'level up' the country by creating jobs and better transport links between major cities. However, as highlighted recently by the National Institute of Economic and Social Research[16],

[14] https://www.ifs.org.uk/publications/14369
[15] Agaur Review of Post 18 Education - https://www.gov.uk/government/publications/post-18-review-of-education-and-funding-independent-panel-report
[16] https://www.niesr.ac.uk/media/niesr-press-release-uk-growth-unlikely-hit-government-28-ambition-14119

the Government's proposed spending plans on skills and infrastructure do not go far enough to rebalance the economy.

With many large infrastructure projects planned, and not enough skilled people to do them, there must be a push now to prioritise skills development particularly focusing on the 'left behind' in more economically deprived areas to allow them to access the opportunities this might bring.

4. We need a decentralised skills system that better meets the needs of the local and national economy

Our research highlighted the fact that the regions we considered (Mayoral Combined Authority areas with devolved adult education budgets) each had unique micro-economies with different industries driving high skilled job growth and different workforce challenges to be addressed.

Currently only seven areas in the UK have been given the opportunity to manage their own Adult Education Budget[17], rising to nine from August 2020. We would like to see a less centralised skills system that gives all areas in the country the ability to manage their own needs. In its report Local Skills Deficits and Spare Capacity[18] the Local Government Association called for Government to address the mismatch in the skills system by devolving all back-to-work, skills, apprenticeship, careers advice, and business support schemes and funding to the local areas in which they are used. We would support this proposal whilst recognising there is still a need for some joined up thinking at a national level in addition to this.

5. Careers advice and guidance needs to improve for people at all stages of their career, and must be better funded

Our research showed that there was still a significant skew towards university education at the expense of vocational education and a great deal of dissatisfaction with qualifications and the fact that they hadn't created the career opportunities they had hoped for.

The Careers and Enterprise Company and the Gatsby Foundation are trying to address the problem through Careers Hubs, however, there is still more work to be done to ensure that people are aware of the labour market needs in their local area and the kinds of careers that certain types of training could help them access. This also needs to be readily available for people at all stages of their careers to ensure that when the impacts of AI are realised people who are displaced from jobs are able to access advice and guidance.

We want to see real investment in careers advice and guidance and support for schools to enable robust, impartial careers advice, informed by local labour market information. We'd also like to see that the Baker Clause, requiring schools to ensure that pupils have the opportunity to speak to further education providers about post-16 options, is properly enforced. In addition, we would like to see school league tables measured on referrals to apprenticeships and other technical training pathways for their students to address the skew of young people being advised to study for A Levels and go onto university.

6. Employers should invest in training and development across the whole business to drive up levels of retention and drive down the need for costly recruitment

Our research found a direct correlation between training received and levels of staff satisfaction, loyalty and confidence. There is clearly a huge benefit to upskilling current staff to meet changing needs as workforce profile shifts, not only will this harness the loyalty and motivation of the current workforce, but it is clearly far more cost effective than recruitment.

[17] https://www.gov.uk/guidance/adult-education-budget-aeb-devolution

[18] https://www.learningandwork.org.uk/resource/local-skills-deficits-and-spare-capacity/

Sadly, a quarter of respondents told us that they had never received any workplace training or received some more than 10 years ago, making them vulnerable to having skill sets that will become obsolete and their employers becoming less productive. Older workers were less likely to have received training, however, they were the least likely to say they would change careers so investing in training across the entire workforce makes good business sense.

We would urge organisations to look at their whole workforce needs for the next 5-10 years and invest in their employees at all levels to ensure the future success of their business. Any employers paying the apprenticeship levy should also consider the potential benefits that it could bring and use it to support retention and progression as well as to meet any retraining needs they might have.

7. Employers need to get better at recognising and utilising people's skills

60% of people told us they felt that their skills were underutilised at least half of the time. This presents a huge opportunity for employers to fully understand the range of skills they have within their organisations and make full use of them to push up productivity whilst at the same time increasing people's feelings of being recognised and valued. As the workforce profile shifts the ability to harness loyalty of staff and thereby drive up levels of retention is far more productive than redundancy and recruitment.

Digital credentialing is a solution that could allow employers to easily recognise the unknown skills of their employees and tap into potential as well as creating progression pathways within organisations or across industries.

8. Harness the underemployed to fill skills gaps and push up social mobility

Linked to the point above, our research found that part-time workers were more likely to feel their skills were underutilised at work or not to have received any training recently. If employers and Government were able to harness these underemployed people in society we could close many of the skills gaps UK industries currently face.

As you might expect, many of those who were working part time were women suggesting that caring responsibilities play a part in this. Whilst some may not want to work full time, for those that do, better funded childcare could help release more people back into the labour market. Also, if employers were more willing to embrace flexible working we could unleash a mighty workforce.

In addition, we saw regional disparities with those living in more economically deprived areas, such as the North East being far more likely to state that they were a part time worker, and feel they lacked opportunity. Creating a fairer and more productive society overall means focusing on these areas where there is less opportunity to progress in the workplace.

9. Learning programmes should be designed to meet the needs of today's learners

Employers, educators and Government must keep pace with the modern world when funding, designing and delivering learning. For training providers, the benefits of introducing virtual and online learning mean that we can make learning more focussed or even individualised – driving up efficiency. Our research demonstrated that employees had a strong preference for learning on digital devices across all age categories, providing a great opportunity for businesses to put blended learning approaches in place that will drive down costs and make learning more efficient.

Combined Mayoral Authorities have a role in supporting innovation by creating an ecosystem where each party does what they do best and removing the need for profiteering from the funding system that we have seen in the past and is more geared in rewarding and funding outcomes.

Glossary of terms

1) High skilled jobs: These are defined as Levels 1-3 occupations on the Standard Occupation Classification (SOC) i.e. Managers, Directors and Senior Officials; Professional Occupations; and Associate Professional and Technical Occupations.

2) Working population: This includes working age population, unemployment numbers and the proportion of working age population that are unemployed.

3) Annual openings: The number of openings (job growth + job churn), expressed both as an absolute, and as a percentage of the working population (ages 16-75).

4) High Skilled Job Growth: The growth in these jobs between 2011 - 2019 and projections from 2019 - 2027, in absolute numbers and percentage.

5) Proportion of High Skilled Jobs: The proportion of high skilled jobs in each area in 2019, in relation to the rest of the area's economy.

6) Task Share: This is the task time shares of every occupation in the area, and whether they are deemed to have high, medium or low exposure.

7) Job Share: This is the number of jobs in each economy where the amount of time spent in high exposure tasks is either 70% or more; between 30% and 70%; or less than 30%. These can be seen as high, medium and low job share exposure respectively.

8) Skill split: Jobs are split into 35 different skills, and the use of each skill calculated for each job. These 35 skills are then bundled into three categories – analytical, interpersonal and physical – and the figures show the usage of all three across the five areas.

Methodology

In late December 2019 we worked with research agency YouGov and carried out a poll of 5000 working age people in the UK of all employment statuses, from unemployed through to those in full-time employment. We asked the respondents a number of questions to ascertain their experiences of employment, education and workplace training and to see if this was affected by issues such as gender, age and where they live in the country.

We also worked with economic modellers Emsi to provide an economic forecast for the different Government regions of the UK to understand how quickly the skills need is going to change and how well-prepared different regions are likely to be to meet this demand.

About City & Guilds Group

Our vision is for a world in which everyone has the skills and opportunities to succeed. We support over 4 million people each year to develop skills that help them into a job, develop on that job and to prepare for their next job. As a charity, we're proud that everything we do is focussed on achieving this purpose.

Through our assessment and credentialing, corporate learning and technical training offers, we partner with our customers to deliver work-based learning programmes that build competency to support better prospects for people, organisations and wider society. We create flexible learning pathways that support lifelong employability, because we believe that people deserve the opportunity to train and learn again and again – gaining new skills at every stage of life, regardless of where they start.

Our foundation activities amplify our purpose by helping to remove barriers to getting into a job, celebrating best practice on the job, and advocating for jobs of the future.

Our brands are:

Assessment and credentialing

A City & Guilds Group Collaboration

Corporate learning

A City & Guilds Group Collaboration

Technical training

A City & Guilds Group Collaboration

About Emsi

Emsi's goal is to help local, regional and national economies function more effectively through helping people and organisations make better decisions relating to the world of work. Through a unique integration of a variety of labour market data sources, we create a detailed and holistic understanding of workforce supply and demand down to the local level.

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