A Hertfordshire Local Enterprise Partnership Perspective

On local skill shortages
Current Picture

• Economy growing slowly...
  – Hertfordshire grew 0.4% 2012 to 2013
  – GVA : £30.4bn
  – Fifth largest economy outside London

• Growth and productivity remain a concern...
  – 2nd lowest growth rate (2003 to 2013): 2.5% pa
  – Worst GVA per head growth (2003 to 2013): 1.7% pa

• Back towards full employment
  – Workforce of 600,000 (2/3 full time / 1/3 part time)
  – Lowest JSA level since 2008
  – 2014 unemployment rate at 4.6% (UK 7.6%)
  – Still wide sub-county variances
Current Picture

- Growing business population
  - Circa 63,000 businesses (St Albans 9,000)
  - During recession County lost > 1,000 SMEs
  - 2012-14 increase of 3,630 businesses (net).

- Signs of overheating?
  - House prices up 13.2% (UK average 7.6%)
  - Lack of suitable employment sites
  - Tightening of labour market
  - Skills shortages emerging
Hertfordshire Businesses’ Skills Gap Survey

• 79% of businesses surveyed identified skills gaps
• 45% of businesses say skills gaps affecting competitiveness
• Most common cited skills gaps are job specific; however…..
• keys skills such as:
  - problem solving;
  - oral and written communications;
  - advanced IT skills regularly cited
Hertfordshire Skills Strategy

5 Key Themes

• Developing our future workforce
• Towards fuller employment
• Enhancing opportunities through lifelong learning
• A leading economy – skills to drive growth
• Skills to grow small and medium size businesses
Hertfordshire Highlights

Current labour market
- Positive picture with reducing JSA claims
- However tightening labour markets, therefore need to engage those furthest from the labour market

Skill levels
- Positive picture for qualification levels of working age residents
- But qualification levels of employees not as positive
St Albans & District Key Facts

- Employment rate of circa 83%
- 559 JSA claimants at end Oct 2015
- That’s 0.6% v England at 2.2% & Oct 2014 at 0.9%
- 48.7% working age residents with degree equivalent qualifications v 41.9% of employees
- Low apprenticeship participation at 16 but rising at 17 and 18
- 18-24 yrs JSA claimants down more than 50 yrs
Hertfordshire Skills Strategy

• Support for particular cohorts i.e. 50 yrs +, people with mild mental health conditions (DWP)

• English & maths up-skilling to support employability and sustainable employment (HAFLS)

• European Structural and Investment Funds priorities for European Social Fund 2014-20
  - £4m to support those furthest away from the labour market (Big Lottery)
  - £1.8m to up-skill JSA/ESA claimants (DWP/SFA)
A Personal View

- Business struggles with workforce planning
- Business struggles with pace of technological change
- Business struggles with shifting consumer preferences