

UKCES Employer Skills Survey 2015 – Tees Valley Summary

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1. Introduction

The Employer Skills Survey is run every two years by the UK Commission for Employment & Skills (UKCES). The survey is intended to provide an insight into employers' needs covering skills, training and recruitment issues. Results for the 2015 survey were published in March 2016 including data at National, Local Enterprise Partnership (LEP) and Local Authority level. This report is intended to give an overview of the results for the Tees Valley and covers:

- Recruitment;
- Vacancies, including:
 - General Vacancies;
 - Hard to fill vacancies; and
 - Skills shortage vacancies.
- Skills Gaps;
- Training;
- Underutilisation of Skills; and
- Profile of employers surveyed, including:
 - Sector;
 - Occupation; and
 - Establishment size

Please note - the charts and graphs in this report show percentages as reported by UKCES, actual numbers have not been provided.

Definitions

A hard to fill vacancy is a job vacancy that an employer is finding hard to fill, for any reason. For example, a vacancy might be hard to fill if there's too much competition from other employers, or if the business is located in a remote area.

A skills shortage vacancy (SSV) is a job vacancy that is hard to fill because applicants are lacking the skills, qualifications, or work experience they are looking for. The difference to a skills gap is that skills gaps are problems with skills inside the business – a problem with the existing employees. SSVs are problems with not being able to find the right skills outside the business.

2. Summary

- Tees Valley employers report a **higher level of recruitment than nationally**, with 54% of employers in the Tees Valley stating they have employed someone in the past 12 months, compared to 51% nationally;
- 17% of Tees Valley employers reported to have at least one vacancy compared to 20% nationally. This has risen 2% since the 2013 survey, compared to a 5% rise nationally;
- 7% of Tees Valley employers have at least one vacancy that is **hard to fill** compared to 8% nationally and 6% in the North East. ¹The Tees Valley figure of 7% **has risen by 3%** from the 4% reported in 2013, matching the national rise of 3%;
- 5% of Tees Valley employers have reported a **skills shortage vacancy**, this compares to a national figure of 6% and a North East figure of 4%. This figure has risen 2% in Tees Valley since the 2013 survey, matching a 2% rise nationally;
- 29% of all vacancies in the Tees Valley are classed as **skills shortage vacancies** compared to 23% nationally and 24% across the North East;
- There has however been a **9% reduction in skills shortage vacancies** reported in the Tees Valley since the 2013 survey (down from 38%). This is in contrast to the national performance where there has been a 1% increase since 2013;
- Skills shortage vacancies in **Caring, leisure and other services** staff have **increased by 14.5%** (from 3.4% in 2013 to 17.9% in 2015), compared to a 6% decrease nationally;
- Skills shortage vacancies in **Skilled trades occupations** have **decreased by 18.3%** (from 32.3% in 2013 to 14% in 2015) compared to a 5.5% increase nationally;
- 16% of Tees Valley employers reported that they had at **least one member of staff not fully proficient**, compared to 14% nationally and in the North east;
- **The Tees Valley has the highest number of employers training staff in the UK** (when compared to all other LEP areas) with 70% having trained staff over the last 12 months, compared to 66% nationally and 67% in the North East;
- A higher percentage of Tees Valley employers reported that they have **underutilised staff** (34% compared to 30% nationally).

¹ The North East of England includes Northumberland, County Durham, Tyne and Wear and the Tees Valley.

3. Recruitment

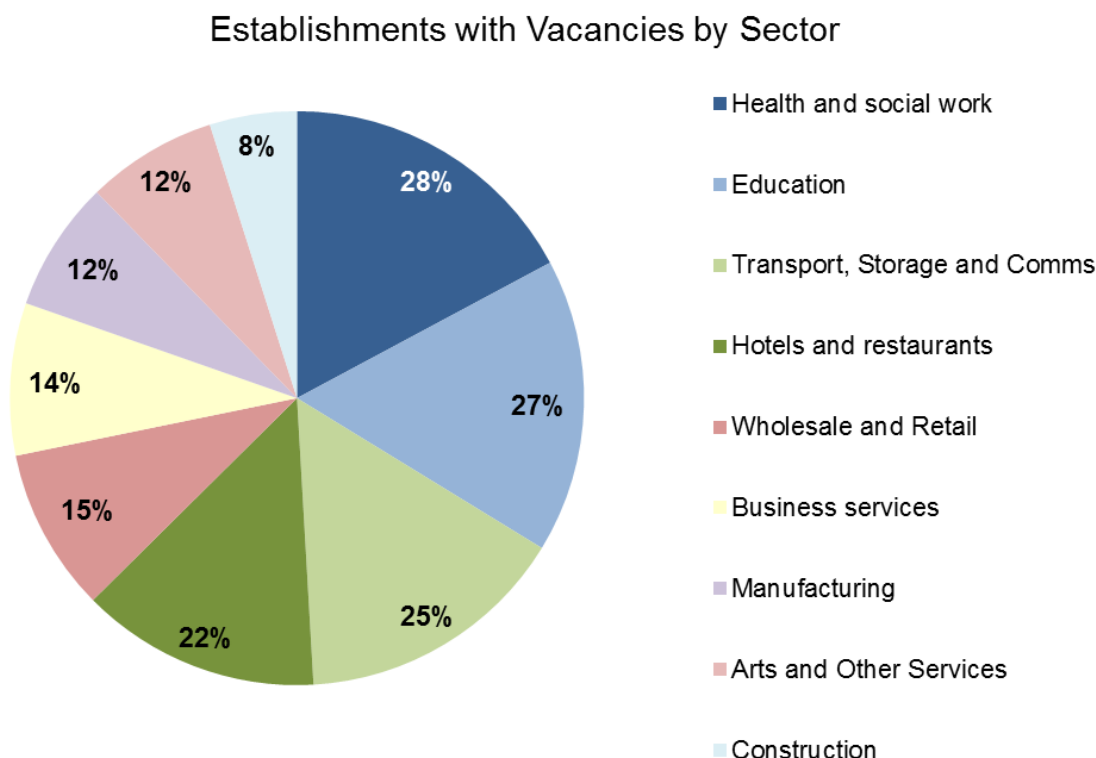
- 54% of Tees Valley employers surveyed have employed someone in the past 12 months, compared to 51% nationally, with Tees Valley employers showing a higher level of recruitment than nationally.

4. Vacancies

4.1 General Vacancies

- The Tees Valley is below the national average for the number of vacancies available per establishment, with 17% of Tees Valley employers surveyed saying they have at least one vacancy compared to 20% nationally. However the Tees Valley is above the North East figure of 16%;
- The percentage of Tees Valley employers claiming to have vacancies has risen by 2% from the 15% reported in the 2013 survey, compared to a 5% rise nationally;
- The chart below shows the percentage of establishments in the Tees Valley with a vacancy by sector:²

Chart 1: Establishments with vacancies by sector



- 28% of **Health and Social Work** establishments in the Tees Valley reported a vacancy, followed closely by the **Education** sector at 27%.

² The charts shows percentages as reported by UKCES – UKCES have not provided the actual numbers.

Nationally the Education sector reported the highest number of vacancies at 34% followed by the Health and Social Work sector at 30%;

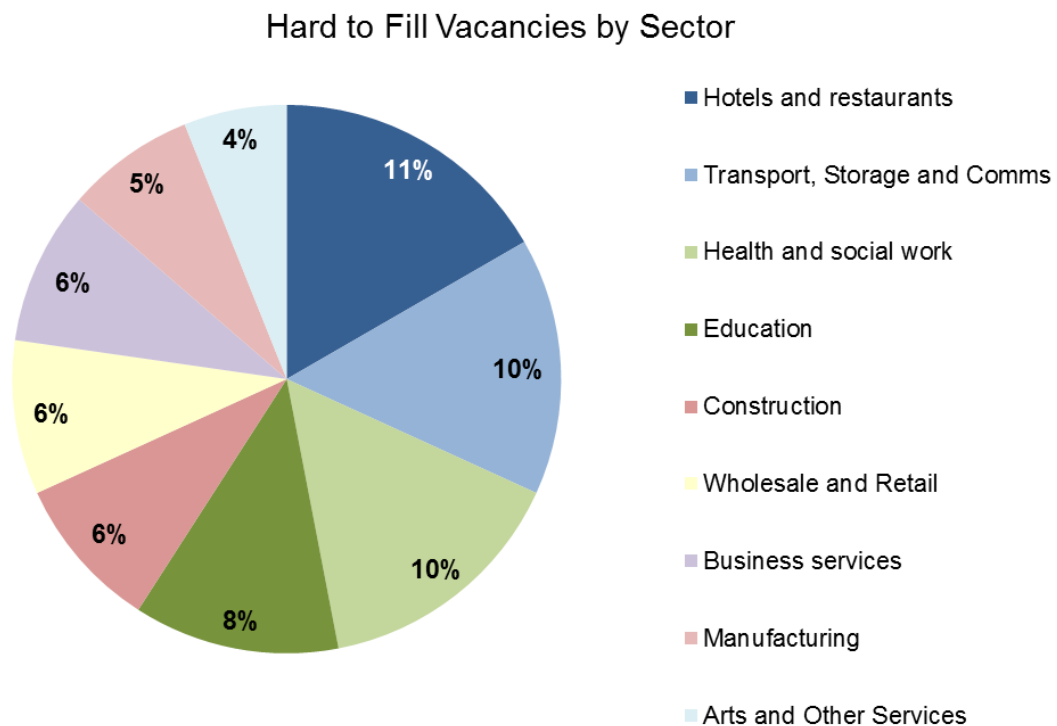
- 25% of **Transport, Storage and Communications**³ establishments in the Tees Valley reported a vacancy compared to 19% nationally.

4.2 Hard to Fill vacancies

A hard to fill vacancy is a job vacancy that an employer is finding hard to fill, for any reason. For example, a vacancy might be hard to fill if there's too much competition from other employers, or if the business is located in a remote area.

- 7% of employers have at least one vacancy that is hard to fill compared to 8% nationally and 6% in the North East. The Tees Valley figure of 7% has risen by 3% from the 4% reported in the 2013 survey, matching the national rise of 3%; and
- The chart below shows the percentage of establishments in the Tees Valley with at least one vacancy that is hard to fill by sector:

Chart 2: Hard to fill vacancies by sector



³ UKCES merged Transport and Storage with Information and Communications to create 'Transport, storage and communications'. Transport and Storage includes land, water and air transport (passenger and freight), warehousing and support activities for transportation, postal and courier activities. Information and Communications includes Including publishing (books, journals, newspapers etc. and software/computer games), television, film and music production, broadcasting, telecommunications, computer programming and consultancy, information service activities (e.g. data processing and hosting).

- 11% of **Hotels and Restaurants** in the Tees Valley have at least one vacancy that is hard to fill, compared to 10% nationally; and
- 10% of **Transport, Storage and Comms** establishments have at least one hard to fill vacancy compared to a national figure of 8%. Whilst 10% of **Health and Social Work** establishments reported at least one hard to fill vacancy compared to a 12% figure nationally.

4.3 Skills Shortage Vacancies

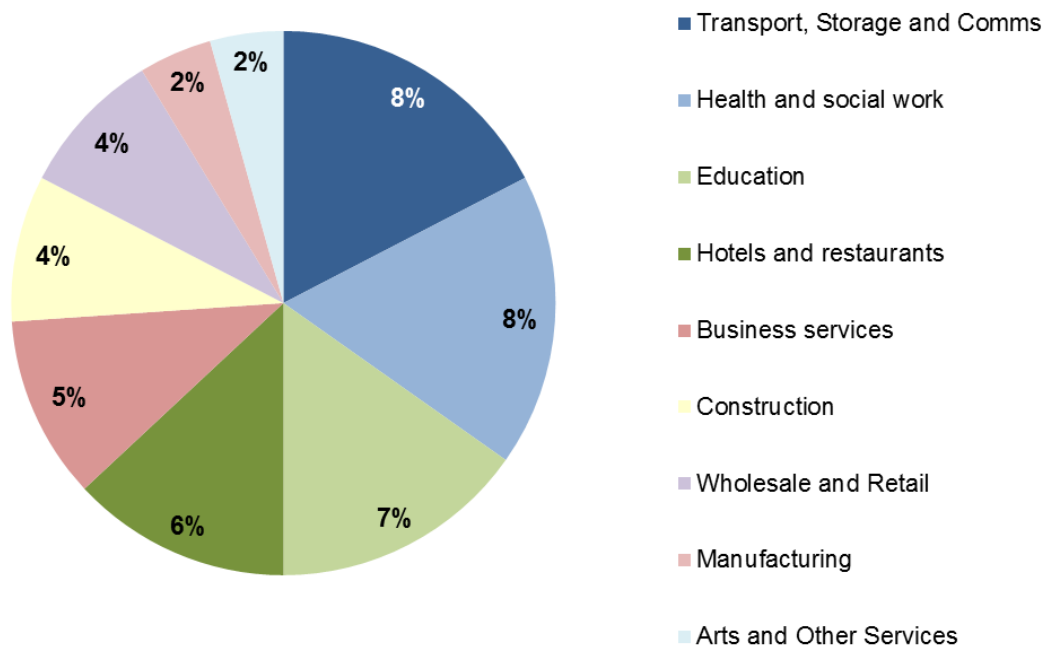
A Skills Shortage Vacancy (SSV) is a job vacancy that is hard to fill because applicants are lacking the skills, qualifications, or work experience they are looking for. The difference to a skills gap is that skills gaps are problems with skills inside the business – a problem with the existing employees. SSVs are problems with not being able to find the right skills outside the business.

Employers reporting SSVs

- 5% of Tees Valley employers have reported a SSV, this compares to a national figure of 6% and a North East figure of 4%;
 - The Tees Valley figure of 5% has risen by 2% since the 2013 survey, matching a 2% rise nationally.
- The chart below shows the percentage of employers by sector who report having a SSV:

Chart 3: Skills shortage vacancies by sector

Skills Shortage Vacancies by Sector

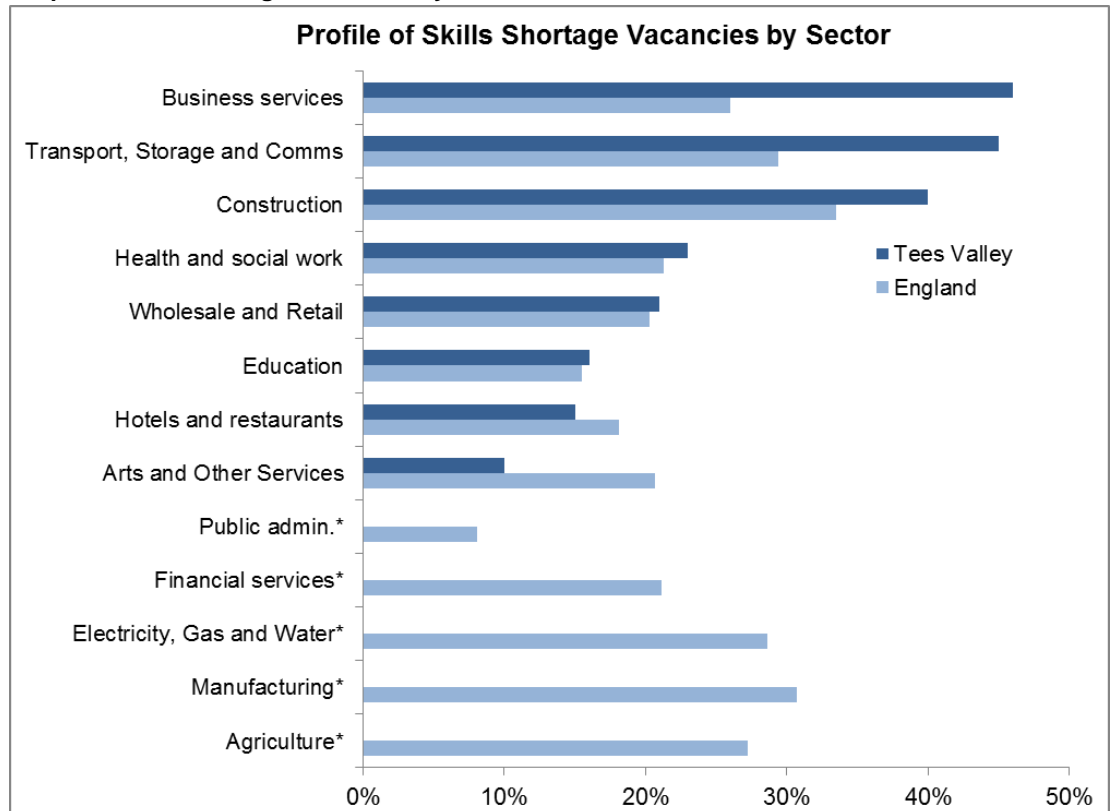


- 8% of **Transport, Storage and Comms** employers and 8% of **Health and Social work** employers have reported a SSV. This is above the 7% figure reported nationally by employers in both sectors; and
- 7% of **Education** employers report a SSV, compared to 8% nationally.

SSVs as a proportion of all vacancies

- 29% of all vacancies in the Tees Valley are classed as SSVs, this compares to 23% nationally and 24% in the North East;
- There has however been a 9% reduction in reported SSVs in the Tees Valley since the 2013 survey (down from 38%). This is in contrast to national performance, where there has been a 1% increase since 2013;
- The graph below shows the breakdown of these SSVs by sector compared to the national picture:

Graph 1: Skills Shortage Vacancies by Sector

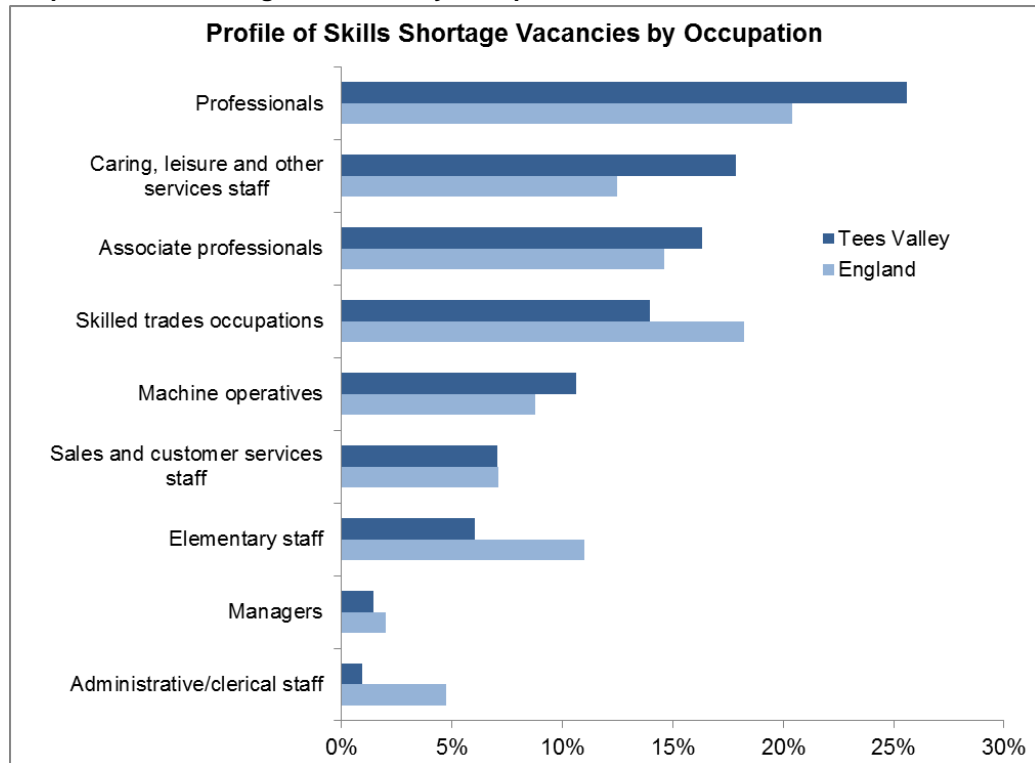


*(Sectors marked with * have no Tees Valley numbers for comparisons as there were fewer than 25 employers in the base size):*

- 46% of all vacancies in the **Business Services** sector were SSVs compared to 26% nationally;
- 45% of all vacancies in the **Transport, Storage and Comms** sector were SSVs compared to 29% nationally;

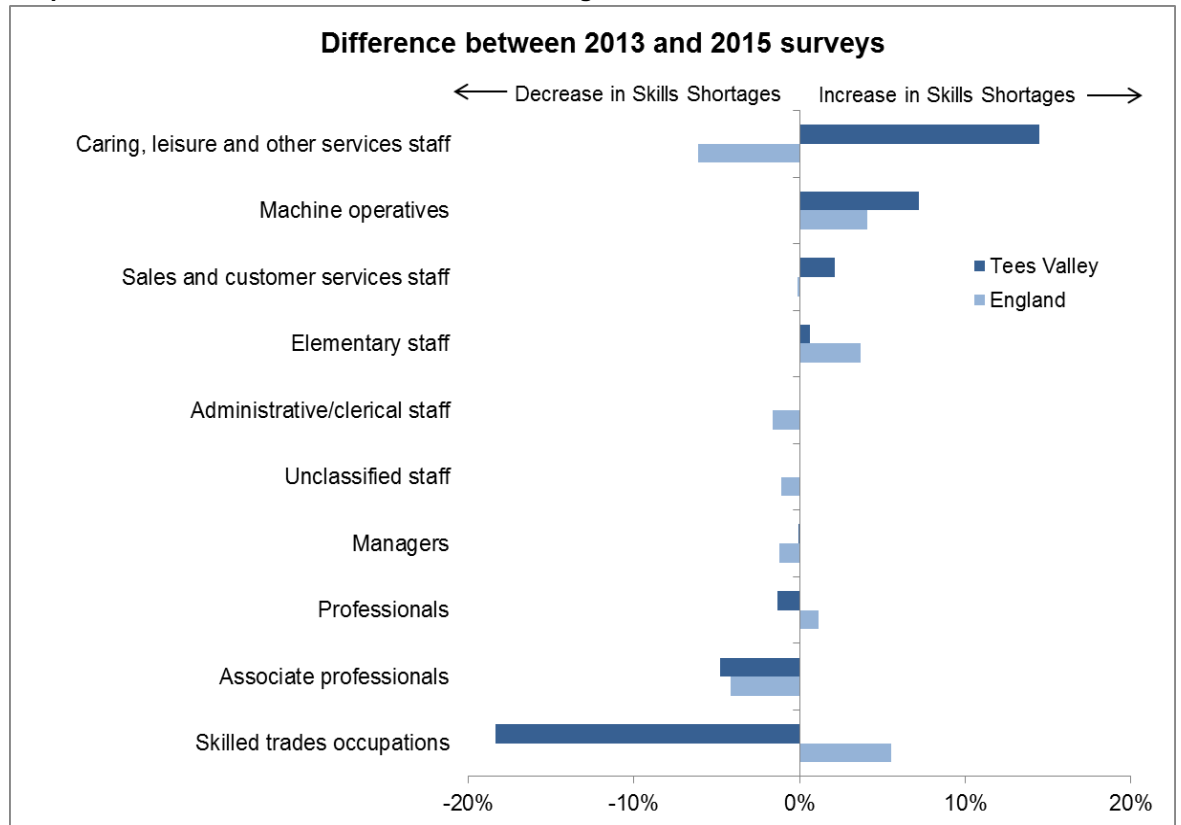
- 40% of all vacancies in the **Construction** sector were SSVs compared to 34% nationally.
- The graph below shows the breakdown of these SSVs by occupation compared to the national picture:

Graph 2: Skills Shortage Vacancies by Occupation



- Over a quarter (26%) of all SSVs in the Tees Valley were reported to be in **Professional** occupations compared to 20% nationally;
- 18% of SSVs in the Tees Valley were in **Caring, Leisure and Other Service** occupations compared to 12.5% nationally; and
- There have been **significant changes** to the occupational breakdown when compared to the last survey in 2013. The graph below shows the most significant variances when compared to the 2013 survey:

Graph 3: Increases and decreases in Skills Shortage Vacancies

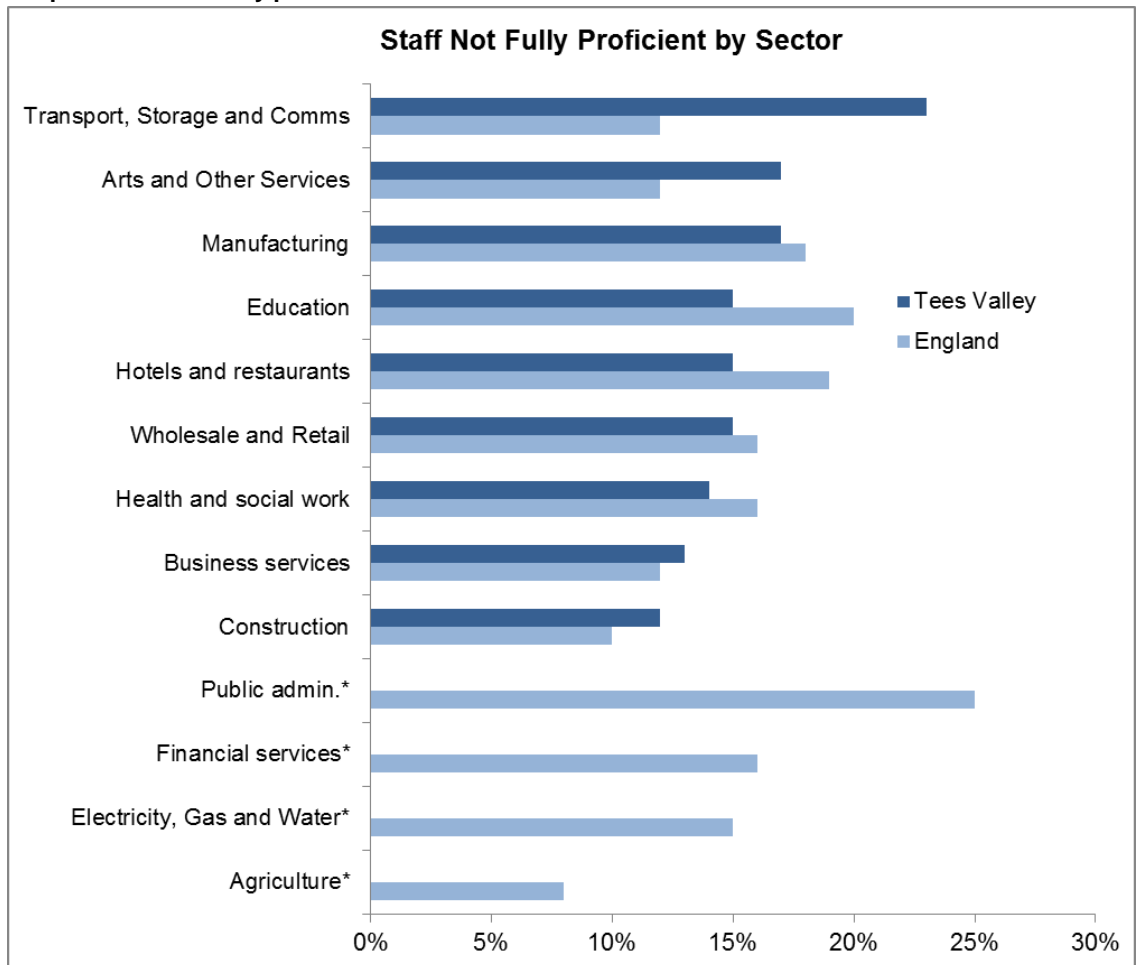


- SSVs in **Caring, Leisure and Other Services** staff have increased by 14.5%, from 3.4% of all vacancies in 2013 to 17.9% of all vacancies in 2015. This is compared to a 6% decrease nationally;
- SSVs in **Machine Operatives** have increased by 7.2%, from 3.5% of all vacancies in 2013 to 10.7% in 2015. This is compared to a 4.1% increase nationally; and
- SSVs in **Skilled Trades Occupations** have decreased by 18.3%, from 32.3% of all vacancies in 2013 to 14% of all vacancies in 2015. This is compared to a 5.5% increase nationally.

5. Skills Gaps

- 16% of Tees Valley employers reported that they had at least one member of staff not fully proficient, compared to 14% nationally and in the North East.
- The graph below shows the percentage of employers reporting staff not fully proficient:

Graph 4: Staff not fully proficient



*(sectors marked with * have no Tees Valley numbers for comparisons as there were fewer than 25 employers in the base size.)*

- 23% of **Transport, Storage and Comms** employers reported at least one member of staff not fully proficient compared to 12% nationally; and
- 17% of **Arts and Other Services** employers reported staff not fully proficient compared to 12% nationally.

6. Training

- The Tees Valley LEP area has the highest number of employers reporting training of staff in the UK (when compared to all other LEP areas); and
- 70% of Tees Valley employers reported having trained staff over the last 12 months. This compares to 66% nationally and 67% in the North East.
- This can be broken down into:
 - 49% off-the-job training (48% nationally);
 - 57% on-the-job training (52% nationally); and
 - 45% on-line training or e-learning (45% nationally).
- The graph below shows the percentage of Tees Valley employers who have trained staff over the last year by industry sector:

Graph 5: % of employers training staff over last year



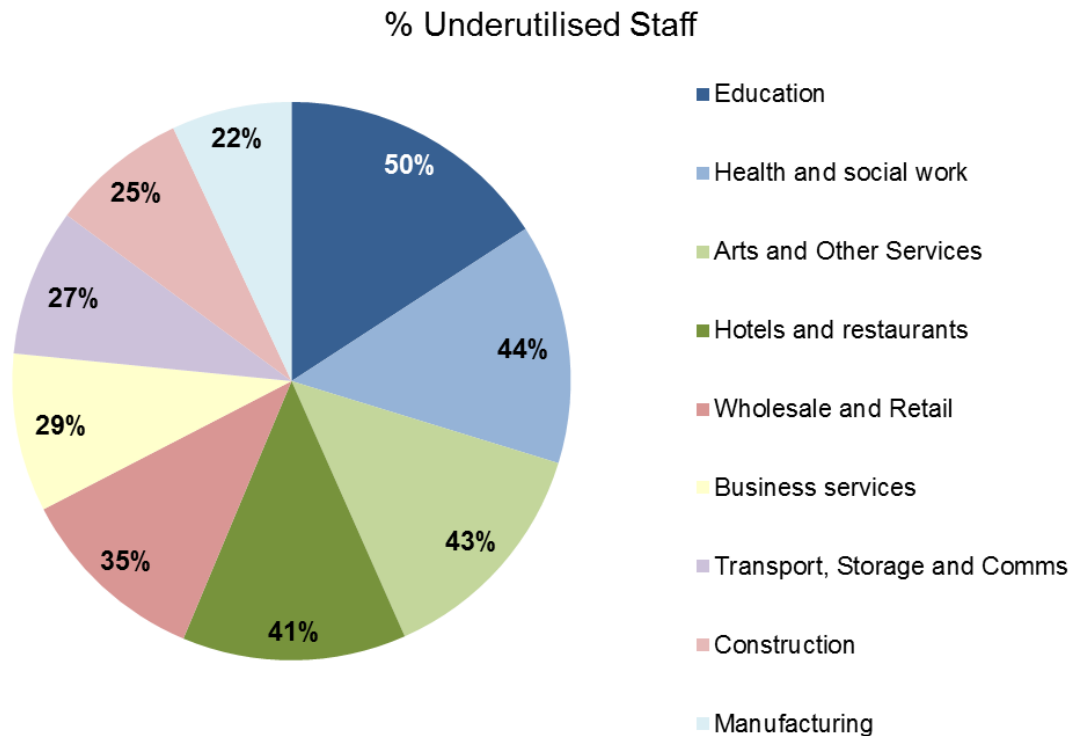
*(sectors marked with * have no Tees Valley numbers for comparisons as there were fewer than 25 employers in the base size.)*

- 99% of Tees Valley education employers have trained staff over the last year, compared to 93% nationally; and
- 80% of **Arts and Other Services** employers have trained staff over the last year compared to 69% nationally.

7. Underutilisation of skills

- 34% of Tees Valley employers report that they have underutilised staff, compared to 30% nationally and 32% in the North East.
- The graph below shows the percentage of Tees Valley employers with underutilised staff by industry sector:

Chart 4: Underutilised Staff



- Half of all employers surveyed in the **Education** sector report having underutilised staff; and
- Employers in the **Manufacturing** sector report the lowest percentage of underutilised staff; however this figure is still at 22%.

8. Conclusion

Tees Valley employers show a higher level of recruitment than nationally over the last year, with 54% of employers claiming to have employed someone in the past 12 months, compared to 51% nationally. When surveyed, 17% of Tees Valley employers reported having at least one vacancy, compared to 20% nationally.

There are slightly fewer employers reporting hard to fill vacancies in the Tees Valley than nationally, with 7% of Tees Valley employers reporting at least one vacancy that is hard to fill compared to 8% nationally. There has been a 3% rise both locally and nationally in this figure since the 2013 survey.

The Tees Valley has a higher proportion of skills shortage vacancies than nationally, with 29% of all vacancies classed as skills shortage vacancies, compared to 23% nationally. There has however been a 9% reduction in skills shortage vacancies since the 2013 survey (down from 38%). This is in contrast to the national performance where there has been a 1% increase, indicating a narrowing of the gap between the Tees Valley and national figures.

5% of the employers surveyed in the Tees Valley reported a skills shortage vacancy (SSV), this is slightly lower than the national figure of 6% but higher than the North East figure of 4%, however this varies between sectors.

SSVs in Caring, Leisure and Other Services occupations have increased by 14.5% since the 2013 survey, which compares to a national decrease of 6%. By contrast, SSVs in Skilled Trade Occupations have decreased by 18% compared to a 5.5% increase nationally, indicating an improvement in TVCA's priority sectors.

A higher percentage of Tees Valley employers report having underutilised staff (34% compared to 30% nationally). The number of employers reporting that they had at least one member of staff not fully proficient is slightly higher in the Tees Valley (16%) than both nationally and in the North East (14%). However Tees Valley employers appear to be responding to the need for up skilling as Tees Valley has the highest number of employers training staff in the UK (when compared to all other LEP areas) with 70% having trained staff over the last 12 months, compared to 66% nationally and 67% in the North East.

9. Appendix A: Profile of employers surveyed

9.1 Sample accuracy

75,129 interviews took place in general in England with 1,353 of these interviews taking place with Tees Valley employers.

The sampling unit of the UKCES Employer Skills Survey is at business until (site) level, rather than enterprise (organisation) level, in recognition of the fact that it is at the site level that skill shortages are most acutely experienced and strategies to combat them are pursued.

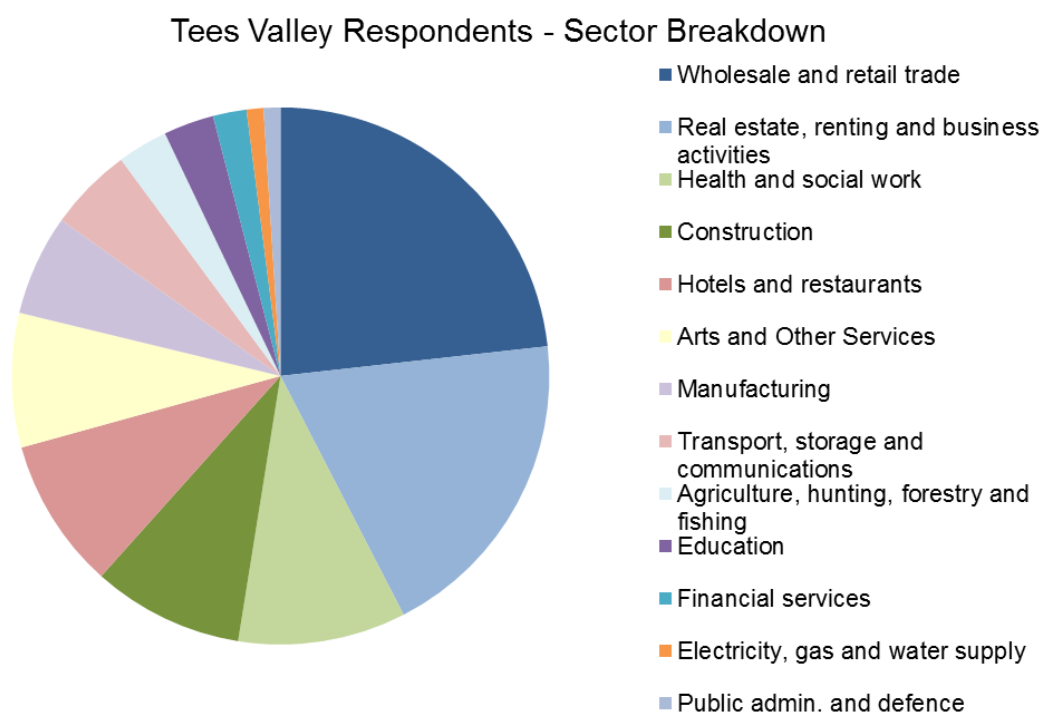
There are around 21,300 business units in the Tees Valley; consequently 6.3% of Tees Valley business units were included in the survey.

Within England, half the interviews were divided evenly across the nine Government Office Regions (GOR), and the remaining half in proportion to the number of business units that each region accounted for. This ensured a minimum number of interviews were achieved in each English region, whilst still apportioning more interviews to the regions with larger business populations. To ensure coverage at a local level, quota targets were also set for each Local Authority in proportion to the population that each Local Education Authority accounted for in each GOR.

9.2 Sector

- The graph below shows the sectoral breakdown of the employers surveyed in the Tees Valley:

Chart 5: Sector breakdown of respondents

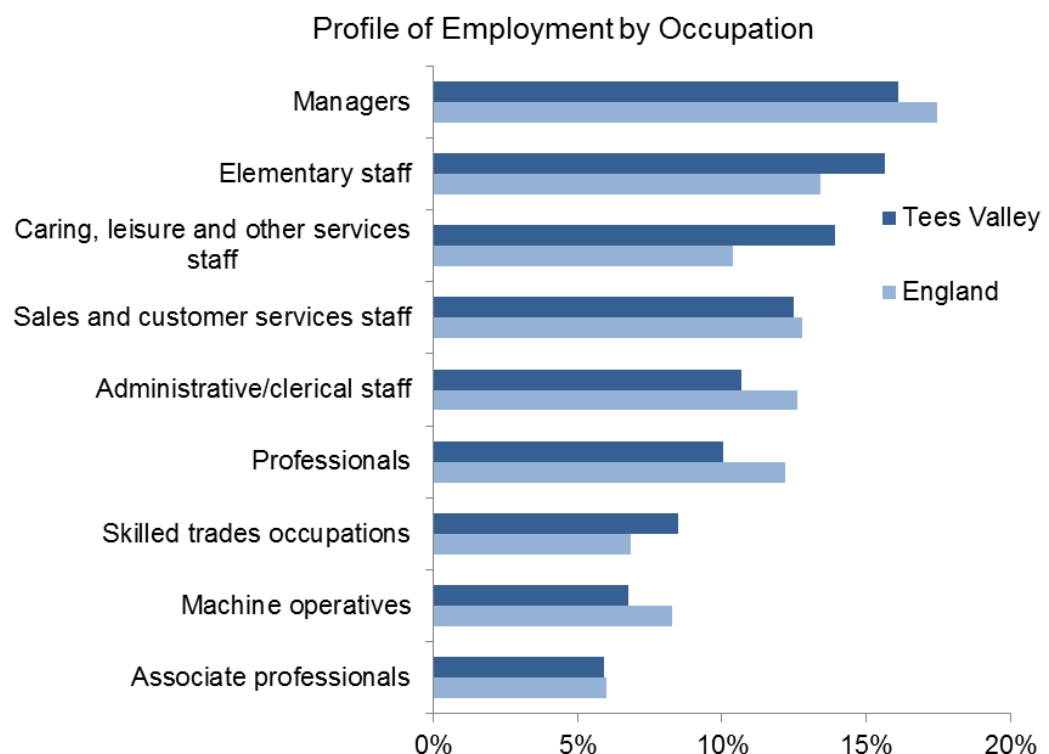


- There were three sectors for which the response was above the national average:
 - Health and Social Work, 10% compared to 7%;
 - Wholesale and retail trade, 23% compared to 21%; and
 - Arts and Other Services, 8% compared to 7%.
- There were three sectors for which the response was below the national average:
 - Transport, storage and communications, 5% compared to 8%;
 - Agriculture, hunting, forestry and fishing, 3% compared to 5%; and
 - Real estate, renting and business activities, 19% compared to 21%.
- All other sectors matched the national figures.

9.3 Occupation

- The graph below shows the occupational breakdown of the employers surveyed in the Tees Valley:

Graph 6: Profile of employment by occupation



- There were three sectors for which the response was above the national average:
 - Caring, leisure and other service staff, 13.9% compared to 10.4%;
 - Elementary Staff, 15.6% to 13.4%; and
 - Skilled Trade Occupations 8.5% to 6.9%.

- The Tees Valley has a lower percentage of the remaining occupational groups with the greatest difference in:
 - Professional staff, 10.1% to 12.2%;
 - Administrative/clerical staff, 10.7% to 12.6%; and
 - Machine Operatives, 6.7% to 8.3%.

9.4 Establishment Size

- 68% of establishments surveyed in the Tees Valley employed between 2-9 people compared to 74% nationally, with 87% employing between 2-24 people (89% nationally).