N2 LABOUR MARKET ASSESSMENT

LEARNING, SKILLS AND EMPLOYMENT 2015 ~ 2022

Prepared by Nottingham City Council, Economic Development Team
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The Strategic Challenge

This Labour Market Assessment 2014 - 2022 identifies eight over-riding challenges for Nottingham and Nottinghamshire (N2) which will require a wider mobilisation of resources and a long-term strategic focus:

1. Demographic change - N2 has an increasing and more diverse population and labour force but also one which is ageing. These trends have important repercussions for the replacement demand for skills.

2. Changing demand for skills - anticipating skills needs and addressing (higher/intermediate level) skill shortages within key growth sectors will be important to business competitiveness and employment growth.

3. Full utilisation of workforce skills - dealing with skills gaps and under-employment by improving skills utilisation is crucial to improving productivity.

4. The attraction and retention of talent is vital, especially graduates and other people with higher level skills (potential).

5. Improving the skills and employability of people not in work, but who want to be, will help reduce skill shortages and poverty.

6. Stimulating demand for jobs and skills within priority sectors which offer the greatest opportunity and potential for job and wealth creation.

7. Raising aspirations and improving transitions into work and/or further learning amongst young people and helping them to gain employability, as well as technical and vocational, skills.

8. Ensuring learning provision is demand-led, flexible and efficient. Aligning education and training output with the specific skills demands of employers is a necessary and important objective in order to support local economic growth and reduce worklessness. Provision must become even more responsive to business needs, evidence-based and forward-looking.

Key Features of the N2 Labour Market

N2 has a reasonably large and vibrant labour market with several key defining features:

- A population of 1.1m residents living in 460,000 households.

- 526,000 economically active people equivalent to a rate of 75%, but below the England average (77%), which limits opportunities to raise skills through work.

- 30,000 active enterprises with a strong presence of micro and small businesses with fewer than 10 employees.

- 489,000 people in employment within the service sector accounting for 84% of all employment; while 26% are employed in the public sector.

- Average annual (workplace) full-time earnings of £29,200 compared to £34,200 for England.

- The overall skills profile of N2 has been improving but compared with England the N2 sub-region has a higher proportion of working age adults with no qualifications and a lower percentage at NVQ Levels 1 to 4+.

- 176,000 economically inactive people, a rate (25%) well above the England average (22%).

- In March 2015 JSA claimant unemployment stands at 18,000 (2.5%) but variations exist between some groups and significant pockets of unemployment remain in the inner city and some outer estates; long term unemployment has been falling but remains above average and youth unemployment also remains relatively high in Nottingham.

Labour Market Trends

Both demand and supply sides of the N2 and wider labour market has been subject to considerable change over recent decades.

On the demand side, the local economy has been re-balancing with the proportion of N2 employees working in the private sector rising in comparison with the public sector. The long term trend towards increasing service sector employment remains clearly evident with particularly strong growth across N2 in Administration and Support Services; Health and Social Work; Education; and Wholesale and Retail. In recent years substantial job losses have occurred in Public Administration and Defence; Construction; and Arts, Entertainment and Recreation.

Occupations and skills needs are also changing with substantial growth in the numbers of higher skill level occupations, modest growth in intermediate skill occupations and an overall fall in the numbers of jobs requiring lower level skills or no qualifications. IT and digital technology know-how, alongside customer service skills, are becoming relevant to a wider range of occupations and job roles as are employability skills which are particularly important for first-time entrants into the labour market such as school leavers and graduates.

Around half of N2 employers with skills gaps identified the development of new products and services and the introduction of new technologies as contributory factors. Skills shortages have been identified as a key contributory factor in terms of explaining the problems some employers face in recruiting people into employment, especially into more highly skilled jobs.

Where shortages occur, employers express concern over lack of applicants with the right work experience and employability skills as well as insufficient numbers of job seekers with the required type and level of technical skills.

On the supply-side, demographic change, particularly an ageing labour force and a more diverse population, present both challenges and opportunities in terms of raising skills levels and economic activity. The rate at which people change jobs in their working life continues to rise. Part-time working continues to make up a growing share of employment in N2 and this has been cited as one factor (the growth in self-employment being another) in explaining why the economic recovery has seen relatively low average earnings growth thus far. In 2014 average workplace earnings in N2 were almost £29,000, making them 15% below the England average.

Over the last year N2 unemployment has been falling at a faster rate than for England, but this has not been the case within Nottingham. The unemployment rate amongst 16-24 year olds is well above average. The City has a higher proportion of people of working age on Out of Work Benefits compared with the average for England.

There have been considerable improvements in the overall levels of qualifications attainment in over several years but the pace of change in N2 has not been sufficient to close the gap on regional or national rates. The primary and secondary education sector has been subject to many variations in policy and structural reform and school-level GCSE attainment in N2 has improved overall and the performance gap has narrowed slightly compared to England, but less so within the City which also has a lower than average percentage of Year 11 leavers making a successful transition into any education, training or employment destination.

There is an extensive range of post-16 learning provision across N2 but the scope, coverage and quality remain variable and sometimes insufficiently integrated. There is also a more wide-ranging concern that provision needs to be more responsive to employer needs, especially within key growth sectors. Improving post-16 learning provision and transitions into employment are therefore key priorities alongside talent retention, particularly students from the two universities and sixth form/FE colleges.

Outlook

Forecast overall employment growth for N2 to 2022 is 4.5% which is equivalent to 22,000 net new jobs. There are also expected to be around 170,000 jobs which will arise due to replacement demand, mainly due to retirement. With a forecast labour force of around 755,000 by 2022 there should be sufficient numbers of people resident in N2 (at that time) to meet labour demand provided they possess relevant skills, work experience and qualifications.

Industry growth sectors which are expected to see substantial job growth in N2 have been identified as: Construction; Wholesale and Retail; Administration, Office Support and Related Services; Health and Social Work; and Information Technology, Media and Information Services. In terms of net new job creation, four occupational groups are expected to grow: Professional; Caring, Leisure and Other Services; Managers, Directors and Senior Officials; and Associate Professional and Technical job roles.

Forecasts point to a general rise in jobs requiring intermediate to high level qualifications with a net increase in demand for QCF4+ qualifications of 246,000 (34%) to 2022. This stands in marked contrast to the demand for QCF1 qualifications, or for people with no qualifications, where there are expected to be a sharp decline in demand - a decline which is almost certainly long term and irreversible.

The percentage of working age residents with qualifications (at all levels) has improved since 2007 but there is still a need to close the national and regional skills shortfall, and therefore having the opportunity to compete for higher level skilled jobs locally remains a significant challenge. In order to just meet England averages (at December 2014), N2 would need: 35,400 more people qualified at NVQ 4+; 30,600 more people qualified at NVQ 3+; 23,900 people qualified at NVQ 2+; 18,400 people qualified to NVQ 1+; and 16,300 fewer people with no qualifications.

National trends in terms of falling unemployment and a reduction in the number of people claiming Out of Work Benefits are mirrored at the N2 level and, to varying degrees, within it. N2’s youth and long term unemployment rates remain relatively high however, especially in Nottingham.

1. Introduction

The purpose of this Labour Market Assessment (LMA) is to provide an analysis of the existing evidence base on labour market and skills issues in Nottingham and Nottinghamshire and in so doing highlight strategic challenges to be addressed through the N2 Skills and Employment Framework 2014 - 2020.

Drawing on the latest available statistics from various sources the LMA provides an analysis of employment and skills trends affecting a number of key discrete groups in the labour market: people in work; people engaged in learning; people not in learning or work; and employers. As well as being reflective, it also provides insights into future prospects and challenges facing N2 going forward.

Economic growth and prosperity ultimately depends on two things: firstly, the number of people employed in the economy; and secondly, the value of what they produce. In the long-term it is the relationship between the two (productivity) that provides the foundation for growth in real incomes and living standards in N2. Competition, enterprise, innovation and investment in physical capital all drive productivity performance. Skills also play a crucial role in stimulating productivity growth via their effects on innovation and knowledge transfer in particular. Increasing the stock of skills is then critical to achieving greater competitiveness within businesses, sectors and economies.

Over the past two years it has become increasingly clear that the national economy is at last moving on from recession to growth and the signs of recovery at a sub-regional N2 level are now evident. Employment is rising as economic output picks up again and employer confidence is growing. However, the evidence in this report highlights the persistence of some deep-rooted structural skills and employment challenges which may hamper the pace and extent of the local economy's recovery going forward.

By way of clarification and consistency, when the report refers to:

- Nottingham, we specifically mean the City of Nottingham.
- Nottinghamshire, we mean the County of Nottinghamshire, excluding Nottingham ie to Ashfield, Bassetlaw, Broxtowe, Gedling, Mansfield, Newark and Sherwood and Rushcliffe combined.
- N2 sub-region, we mean the County of Nottinghamshire including Nottingham.

We hope you find this report informative and useful.

If you would like to provide any feedback or comments, or have any queries, please email clive.lacourt@nottinghamcity.gov.uk.

2. The Importance of Skills

Definition and Key Concepts

Skill is the ability to perform a task to a predefined level of competence. They are often divided into: transferable or generic skills, which can be relevant to a large number of different jobs; and vocational skills, which are more specific to work within an occupation or occupational group. Hence, the labour market can be viewed as not one homogenous market, but several smaller markets, each defined by the types of skills demanded and available within them.

The paper makes an important distinction between four types of key skills (disequilibrium) concepts or issues:

- *Skills Shortages* refer to shortfalls of relevant suitably skilled people available in the labour market relative to the jobs that employers are offering. These can manifest themselves in, for example, hard to fill job vacancies.

- *Skills Under-utilisation* refers to a situation where the full (skill/ productivity) potential of some workers is not being fully realized and they are therefore effectively under-employed.

- *Skills Gaps* refer to deficiencies in the skills of an employer's (sector's) existing workforce relative to employer need. Skills gaps are important for two main reasons: they inhibit the productivity (growth) and therefore efficiency of businesses, and they signal where future skills shortages might arise.

- *Skills Needs* are defined in terms of the jobs that employers require to be done and the occupational profile of employment in a locality or sector gives a measure of such needs.

Although it is very useful to make these distinctions, these skills issues are inter-related - for example, skills gaps may be drivers of skills shortages if an employer finds the necessary skills are hard to find in the wider labour force.

Key Factors

Drivers of future skills needs include technological and environmental change, new business models, globalisation and trade, and changes in individuals' tastes and values. In a dynamic but imperfect labour market mismatches in the demand and supply of skills are inevitable and the factors which give rise to a skills disequilibrium, especially skills gaps and shortages, are known to include:

- Education and training provision: all else being equal, a highly educated workforce and a high volume of good quality training provision should result in individuals being quickly and closely matched to jobs, and hence vacancies remaining open for only short periods of time.

But if provision is poorly matched to employer need, and/or slow to respond, then skills shortages are likely to increase.
Inadequate or poor quality job-related training is a key reason that skills gaps emerge and persist within some businesses and sectors.

- Information problems: it can be difficult for both employers and individuals to get sufficient relevant and accurate information about choices (jobs, types of support, providers etc) available to them and how best to make choices between them.

- Numbers of people seeking work: all else being equal, the greater the ratio of people seeking work to jobs being offered, the fewer skill shortage (hard to fill) vacancies there are likely to be. But where there are many applicants per vacancy the entire recruitment process (of filling vacancies) slows down. Skill shortages arise when there are more vacancies with certain skills needs than there are people currently available with those skills.

- Flexibility: skill shortages may reflect employers' inability or unwillingness to offer flexible working conditions, or individuals' unwillingness or inability to be flexible themselves by, for example, working unusual hours.

- Mobility: if individuals find it difficult to relocate for work (perhaps because of rigidities in the housing market or family circumstances) or find it difficult to commute to and from their workplace, then that may make it harder for employers to find the relevant skilled workers they need.

Typology of Local Labour Markets

The relationship between labour skill supply and demand is complex. A useful typology to understand this relationship at the level of local economies has been developed by Anne Green[1]. According to this typology (Figure 1), local labour markets can broadly fall into (and move between) four different categories:

- Low skills equilibrium: low supply and low demand for skills.

- Skills gaps and shortages: low supply and high demand for skills.

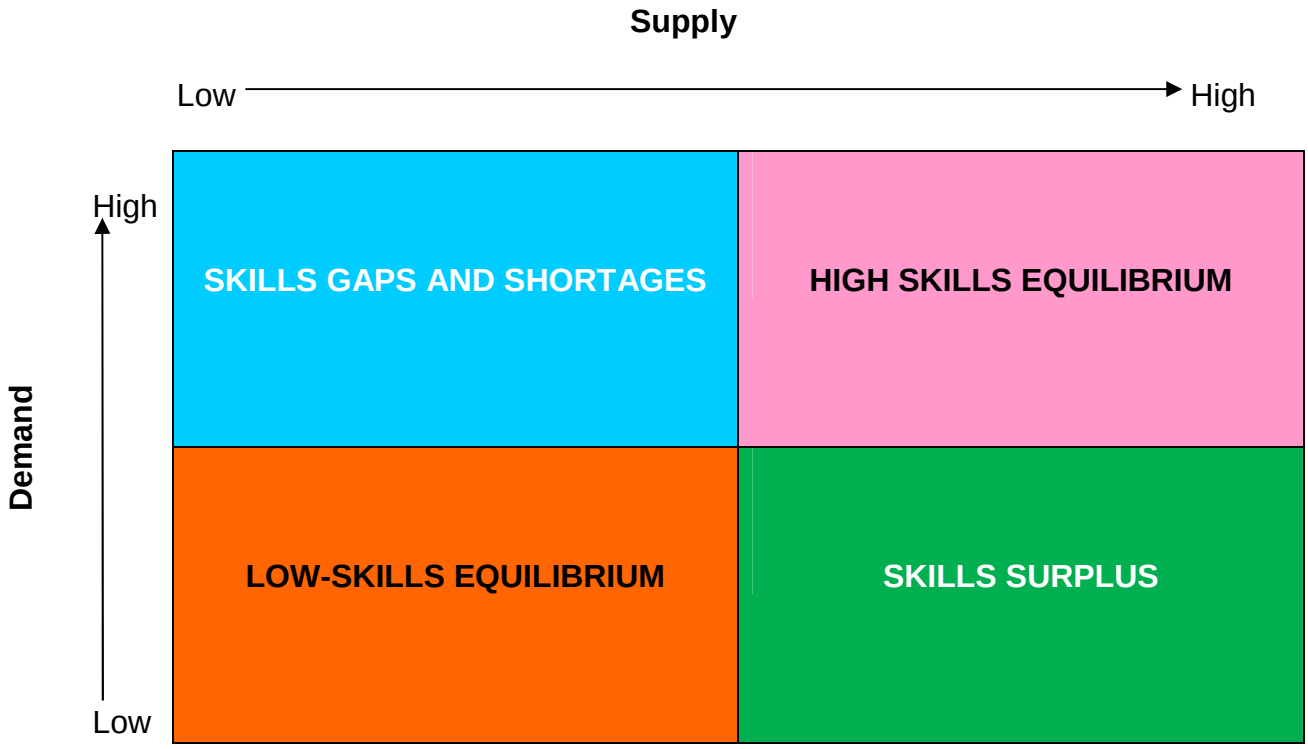
- Skill surplus: high supply and low demand for skills.

- High skills equilibrium: high supply and high demand for skills.

Within a sector or sub-region different businesses and sectors may be affected by different issues so the typology is a generalisation of reality but useful nonetheless.

[1] Skills and Competitiveness: Country Report for UK, Anne Green, OECD, 2012

Fig. 1: Skills Typology for Local Labour Markets



Source: Green A., OECD, 2012

The balance of evidence collected in this LMA suggests much of N2, and especially the City of Nottingham, is located somewhere (and probably intermittently) between the 'High Skills Equilibrium' and 'Skills Gaps and Skills Shortages' quadrants of the typology. In the context of demographic change and mobility, many urban areas have found themselves experiencing skills gaps and shortages before the economic downturn with such problems continuing, and sometimes becoming more acute, in the recovery phase. But the presence of two universities and FE colleges within the City does provide a boost in terms of the supply of (and demand for) high level skills.

The policy implications from this analysis are two-fold: addressing skills gaps and shortages should be a key priority; and so too should the retention of talent, especially higher level skills. However, more rural parts of the N2 local economy and former industrial areas are more akin to the low-skills equilibrium scenario whereby a low supply of skills is matched by a low demand for skills amongst many employers. This problem reflects the industrial structure and history of these areas (eg former mining communities) and their corresponding skills profile but may also be a consequence of an under-developed and/or under-performing education and training structure, especially where there are limited higher education opportunities. Where or when localities are in a low skills equilibrium, policy needs to seek to increase employer demand for skills as a well as improving skills supply.

This analysis implies that the over-riding policy goal for N2 as a whole should be to strive to achieve and sustain a high skills equilibrium over the medium to longer term.

3. The Strategic Challenge

In this section of the LMA we summarise the key strategic challenges and opportunities that have arisen from our extensive analysis of the structure and performance of the N2 labour market.

Strategic Challenges and Opportunities

The evidence presented throughout this LMA contains many detailed findings and highlights a range of issues, opportunities and challenges. There are, however, eight over-riding challenges which will require a wider mobilisation of resources and a long-term strategic focus:

- **Demographic change** – an increasing but ageing labour force has important percussions for replacement demand for skills.

  The size and composition of the N2 labour force is changing. It is growing, become more diverse and it is ageing. Replacement demand for skills, mainly due to people retiring from the workforce, is becoming a key issue and a driver of both skills gaps and skills shortages across a range of occupations and sectors.

- **Changing demand for skills** – anticipating skills needs and addressing skill shortages (especially at intermediate and higher levels) within key growth sectors will help reduce barriers to business growth.

  We are continuing to see a shift in occupational structure and therefore in skills needs across the labour market. Although we expect to continue to see an above average growth in higher level (especially professional) occupations, skills and qualifications levels are rising in virtually all occupations and will continue to do so. The demand for skills, as measured by the numbers in higher level occupations, and the numbers employed holding higher level qualifications, is projected to rise.

  In terms of skill shortages, occupational areas which are hardest to fill were identified as: Caring, Leisure and related jobs; Professional occupations; Skilled trades; and Associate Professional and Technical occupations

- **Full utilisation of workforce skills** – addressing skills underutilisation and under-employment remain key challenges. We need confident, motivated and relevantly skilled individuals who are aware of the skills and talents they posses and understand how to best use them in the workplace. At the same time, however, we also need workplaces, and therefore employers, to provide meaningful and appropriate encouragement, opportunity and support for employees to use and develop their skills effectively.

In terms of skills gaps within the existing N2 workforce, there appear to be particular concerns in relation to Sales and Customer Services jobs, Administrative and Secretarial occupations and Managers, Directors and Senior Officials.

In order to positively influence future generations' employment and life chances, a dedicated effort by employers, learning provides, schools and individuals to 'up-skilling' the existing workforce will remain critically important.

- **Attraction and retention of talent**, especially people with higher level skills (potential).

  N2 must strive to achieve and sustain a high-skills equilibrium where the availability of highly qualified labour, especially graduates, incentivises employers to create more highly skilled occupations which in turn encourage graduates to learn and then take up employment and residence in N2. We also know how important the supply of graduate labour is to attracting UK and overseas investors.

  Our two universities achieve graduate retention rates on a par with the UK especially those with education and health-related skills; encouraging as this is, retention rates in some other major universities are understood to be considerably higher.

- **Improving the skills and employability of people not in work, but who want to be, will help reduce skill shortages and poverty.**

  N2 still has high relatively proportions of adults with few or no qualifications which makes them more vulnerable to unemployment or becoming trapped in the low-wage, low-skill cycle. Increasing the participation of under-represented groups and people who are economically inactive could expand the size of the N2 labour force, although it is unlikely to prevent the overall aging of the workforce or to address higher level skill shortages.

  Even with the economic upturn there are concerns about pockets of high long-term unemployment and inactivity, often in areas which suffer from multiple disadvantages in terms of infrastructure, skills and sectoral presence. Effective targeting of a range of support, not just employment and training, is essential to help these people re-engage into the economically active labour force on a permanent basis.

  There is a particular need to improve core skills (numeracy, literacy, languages, ICT etc) and to raise aspirations and confidence, especially amongst the longer term unemployed.

- **Stimulating demand for jobs and skills within priority sectors which offer the greatest opportunity and potential for job and wealth creation**.

  Just as the industrial structure of the N2 economy has changed over the past two decades and more, so it will continue to do so. Some sectors are forecast to grow in size, in terms output and employment but skills gaps and shortages, amongst other factors, may impede their ability to do so. The City Council, County Council and D2N2 have all identified sectors which they believe offer significant potential for growth in the foreseeable future. It will therefore be important and advantageous if skills provision can be customised to these sectors in ways that address sector-specific as well as more generic skills gaps and shortages.

  There is a particular need to increase the proportion of N2 residents with Level 3 and Level 4 and above qualifications, especially linked to employer and occupational needs within priority growth sectors.

- **Raising aspirations and improving transitions into work and/or higher levels of learning amongst young people**.

  The pipeline and flow of skills coming through the education system is a key issue. Overall, skills supply is rising as more young people stay in education longer and acquire higher level qualifications. But attainment gaps at Key Stage 4 are a particular concern within Nottingham and there is also a gap at NVQ Level 2 in N2.

  The number of young people engaged in education has continued to increase and more 16 and 17 year olds are taking part in some form of education beyond compulsory school age. This upward trend will need to continue if N2 is to have a thriving, competitive economy founded on a highly skilled labour force. We still have too many young people left behind, disengaged from learning and with poor prospects for employment. There is a particular concern about 16 to 19 year olds not in education, employment or training.

  Improving the work readiness of all young people leaving education and supporting their journey into further learning and employment is vital. In particular, all young people should enter the labour market with strong core skills and a positive outlook on the world of work and the opportunities it can offer them as individuals.

- **Ensuring learning provision is aligned with and responsive to business needs, evidence-based and forward-looking**.

  Aligning training provision and delivery with the specific skills needs of employers and key sectors is a necessary and important priority. It will also help to ensure that the curriculum offer and careers Information, Advice and Guidance service on offer in N2 schools, colleges and learning providers is increasingly responsive and in line with employer demand.

Providers need to continue to develop employability skills alongside technical skills to ensure learners are work ready.

This will need businesses of all sizes and operating in different sectors to engage in efforts to shape and re-shape the skills offer available through a range of learning providers from schools through to universities.

4. Employer Demand for Skills

This section provides an overview of employer demand for labour and skills within the N2 sub-region. It is important to recognise that employers meet their skills needs in various ways such as through staff training and development, reorganization of structures or business processes, revision to job roles and via recruitment of new staff. These responses to skills needs may not be mutually exclusive and may, especially in larger organizations, take place simultaneously as part of workforce development plans.

The key challenge for N2 is to create a supportive environment where employers are able to commission training or source suitably skilled employees within an improving economy and labour market environment.

Key Findings

According to the UKCES Employer Skills Survey 2013 Nottingham employers have a relatively high incidence of either skills gaps or shortages compared to elsewhere in the County or the UK average. In terms of skills gaps within the existing workforce, there appear to be particular concerns in relation to Sales and Customer Services jobs, Administrative and Secretarial occupations and Managers, Directors and Senior Officials.

The three main causes of skills gaps, as identified by N2 employers are: employees are new to the job role and have not yet received or completed appropriate training; staff lack the motivation to engage in skills training; and staff has been trained but their performance/productivity has not noticeably improved.

Around half of employers with skills gaps identify the development of new products and services and the introduction of new technologies as contributory factors.

In terms of skill shortages, occupational areas which are hardest to fill include: Caring, Leisure and related jobs; Professional occupations; some Skilled Trades; and Associate Professional and Technical occupations. The three main causes of skill shortages, according to employers are: low numbers of job applicants with the required (level of) skills; low numbers with the required attitude, motivation or personality; and applicants lacking the necessary work experience required by the employer.

A majority of N2 employers have funded or arranged training for their staff over the previous 12 months, but a higher proportion of City-based establishments invest in workforce training (on or off the job) when compared with employers based elsewhere in the County and the UK average.

Overall Job Range

N2 has over 36,500 business units employing some 480,600 people (including the self-employed). Figure 2 provides a breakdown of business units compared to total jobs by sector. This indicates that there are a considerable concentrations of employment in Wholesale and Retail (18%); Human Health and Social Work (15%); Administrative and Support Services (12%); Manufacturing, Production and Utilities (11.5%).

Fig. 2: Job Range in Nottinghamshire, 2012 and 2013

Industry Sector	Employment (2013)	Business Units (2012)
Agriculture, forestry and fishing	740	1,360
Manufacturing, Production and Utilities	55,300	2,610
Construction	24,000	4,040
Wholesale and retail trade; repair of motor vehicles/cycles	86,900	7,635
Transportation and storage	17,000	1,170
Accommodation and food service activities	26,700	2,200
Information and communication	12,600	1,790
Financial and insurance activities	9,200	935
Real estate activities	6,300	1,295
Professional, scientific and technical activities	26,300	4,460
Administrative and support service activities	56,700	2,160
Public administration and defence; compulsory social security	24,400	880
Education	43,800	1,035
Human health and social work activities	71,000	2,595
Arts, entertainment and recreation	10,100	2,345
Other service activities	9,800	n/a
Total	**480,600**	**36,510**

Source: Annual Business Inquiry

Recruitment (Skills Shortages)

Data on vacancy rates by occupation is no longer published by ONS but there are two main sources which shed light on labour demand at an occupational level:

- UKCES Employer Skills Survey 2013
- Labour/Insight Jobs, Active Informatics

UKCES

The UKCES Employer Skills Survey 2013 reports on both skills gaps and skills shortages at various geographical levels. As can be seen from Figure 3, Nottingham employers have, overall, a relatively high incidence of either skills gaps or shortages (22%) compared to elsewhere in the County (16%) or the UK average (18%).

Fig. 3: Skills Deficiency Summary, Nottingham, Nottinghamshire and UK, 2013

%	Nottingham	Nottinghamshire	UK
Have any skills gap	20	14	15
Have skill-shortage vacancy	4	3	4
Either skills gap or skill-shortage vacancy	22	16	18
Both skills gap and skill-shortage vacancy	2	1	1

Source: UKCES

In terms of skills gaps within the existing workforce, there appear to be particular concerns in relation to Sales and Customer Services jobs, Administrative and Secretarial occupations and Managers, Directors and Senior Officials.

The three main causes of skills gaps, as identified by N2 employers are:

- Employees are new to the job role and have not yet received or completed appropriate training.
- Staff lack the motivation to engage in skills training.
- Staff have been trained but their performance/productivity has not (as yet) noticeably improved.

Around half of employers with skills gaps identified the development of new products and services and the introduction of new technologies as contributory factors.

The main types of actions employers take in response to skills gaps are identified as:

- Increase training activity/spend or increase/expand trainee programmes.
- More supervision of staff.
- More staff appraisals and performance reviews.

Figure 4 shows that occupational areas which are hardest to fill were identified as: Caring, Leisure and related jobs; Professional occupations; Skilled Trades; and Associate Professional and Technical occupations. Skill shortages appear to be a significant factor across all these occupational groups.

Fig. 4: Hard to Fill Vacancies and Those Due to Skill Shortages, Nottingham and Nottinghamshire, 2013

%	Hard to Fill		Skill Shortage Incidence
	Nottingham	Nottinghamshire	Nottinghamshire
Managers, Directors and senior officials occupations	0	0	0
Professional occupations	20	17	20
Associate professional and technical occupations	11	17	18
Administrative and secretarial occupations	9	4	4
Skilled trades	12	20	22
Caring, leisure and Other services occupations	28	23	21
Sales and customer service occupations	12	14	9
Process, plant and machine operatives	6	3	4
Elementary occupations	8	7	7

Source: UKCES
Note: data on Skills Incidence within Nottingham are not available

The three main causes of skill shortages, according to employers are:

- Low numbers of job applicants with the required (level of) skills.
- Low numbers of applicants with the required attitude, motivation or personality.
- Applicants lacking the necessary work experience required by the employer.

The main types of actions employers take in response to skill shortages are to:

- Increase advertisement and recruitment expenditure.
- Use new recruitment methods and channels.
- Redefine existing jobs.

Active Informatics

Data sourced by Active Informatics (Burning Glass Technologies) for Nottingham over January - August 2014 provides some useful insights into employer skills demands:

- Top Detailed Occupations: Programmers and Software Development Professionals (1,570); Nurses (1,045); IT Analysts and Systems Designers (808); Business Sales Executives (576); Primary and Nursery Teachers (527); Other Administrative occupations (524); HR and Industrial Relations Officers (524).

- Top Job Titles being recruited for: Drivers (774); Sales Executives (317); Account Manager (306); Recruiting Consultant (218); Software Engineer (179); Business Analyst (166); Staff Nurse (163).

- Employers with the most job openings: National Health Service (1,200); University of Nottingham (720); Nottingham City Homes (425); Remploy (140); Experian (120); Capital One (120); Games Workshop (116); Nottingham Trent University (100).

- Skills in greatest demand: Javascript (1,403); Sales (1,278); SQL (941); Microsoft (873); Rehabilitation (861); .NET (755); Repair (741); Contract Management (723); Business Development (697); Accounting (637); Administrative Support (578).

Employer Investment in Training

In line with national trends, a majority of N2 employers have funded or arranged training for their staff over the previous 12 months, but as Figure 5 Shows, a higher proportion of City-based establishments invest in workforce training (on or off the job) when compared with employers based elsewhere in the County and the UK average.

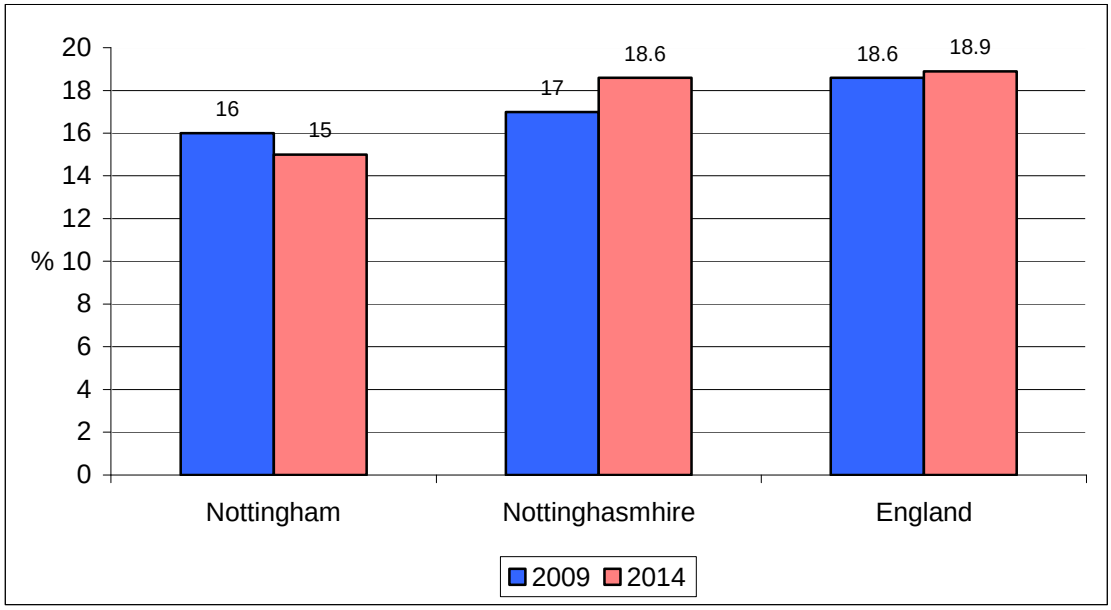
Fig. 5: Whether Training and has been Funded or Arranged over the Last Year, Nottingham, Nottinghamshire and UK, 2013

%	Nottingham	Nottinghamshire	UK
Do not train	30	35	34
Any Training	70	65	66
Any Off the Job Training	49	46	48
Any On the Job Training	60	53	52

Source: UKCES

The APS also collects data relating to employer investment in Job-Related Training (JRT) as summarised in Figures 6 and 7. Over the five years to 2014, the number of City-based adults who received JRT fell slightly but increased elsewhere in the County. In Nottingham the percentage of working people who receive JRT is below the England average and this difference is particularly marked in the service sector.

Fig. 6: Percentage of 16-64 Year Olds who Received Job-related Training in the Last 13 Weeks, Nottingham, Nottinghamshire and England, Jan - Dec 2009 - 2014



Source: Annual Population Survey

Fig. 7: Employer Investment in Job-Related Training, Nottingham, Nottinghamshire and England, April 2013 - March 2014

%	Nottingham	Nottinghamshire	England
% all who received JRT in last 13 wks	15	18.6	18.9
% employees & self-employed who received JRT in last 13 wks	23.8	25.9	26.1
% all part-time who received JRT in last 13 wks	24.2	17.4	23.3
% males who received JRT in last 13 wks	16	17.7	18.1
% females who received JRT in last 13 wks	14	19.5	19.7
% all in service industries who received JRT in last 13 wks	25.1	28.6	28
% all in production industries who received JRT in last 13 wks	20.1	16	20.1
% all in public sector who received JRT in last 13 wks	32.6	41.5	40.2

Source: Annual Population Survey

Workplace Learning

ONS data about the extent of Workplace Learning is set out in Figures 8 and 9. We note that:

- Workplace Learning Starts have increased at around the same rate (57%) between 2006/07 - 2011/12 in Nottinghamshire and England, but the rate of increase within Nottingham was significantly higher (66%). But the City accounts for two-thirds of all N2 starts.

- Achievement rates for both the City and County surpassed those for England over the same period, but the County's performance was especially impressive.

Fig. 8: Workplace Learning Starts, Nottingham, Nottinghamshire and England, 2006/07 - 2011/12

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% change 2006/07-2011/12
	Full Year	Full Year	Full Year	Full Year	Full Year	Full Year (provisional)	
Nottingham	1,610	2,410	6,690	6,440	4,980	2,670	65.8
Nottinghamshire	3,250	6,000	14,500	15,350	10,630	5,360	56.7
England	202,800	339,200	891,400	765,400	593,200	319,500	57.5

Source: ONS

Fig. 9: Workplace Learning Achievements, Nottingham, Nottinghamshire and England, 2006/07 - 2011/12

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% change 2006/07-2011/12
	Full Year	Full Year	Full Year	Full Year	Full Year	Full Year (provisional)	
Nottingham	400	1,290	4,240	5,000	4,640	2,150	437
Nottinghamshire	890	2,910	9,480	12,700	11,080	4,890	1,122
England	71,000	183,200	573,700	668,000	579,300	258,500	264

Source: ONS

5. Employment and Skills Outlook

In this section of the LMA we provide a forward looking assessment of employment and skills requirements from a sectoral, occupational and qualifications perspective.

Key Findings

Between 2012 and 2022 there is forecast to be a 4.5% increase in employment equivalent to adding 47,000 net new jobs. An additional 404,000 jobs will become available due to replacement demand, mainly through retirement.

Forecast job growth sectors over 2012-22 are: Construction; Wholesale and Retail; Administration, Office Support and Related Services; Health and Social Work; and Information Technology, Media and Information Services.

In terms of net new job creation, four occupational groups are expected to grow: Professional; Caring, Leisure and Other Services; Managers, Directors and Senior Officials; and Associate Professional and Technical occupations.

The forecasts point to a significant increase in demand for skill levels of NVQ 2 and above with these accounting for 83% of the forecast increase. This stands in marked contrast to the demand for people with no qualifications where there is expected to be lower demand - a decline which will almost certainly be long term and irreversible.

Industry Sector Forecasts

We begin with employment forecasts produced by UKCES (Working Futures) for the D2N2 sub-region[2].

Forecast job growth sectors over 2012-22 (see Figure 10) are:

- Construction (+13,000; 16.4% growth).
- Wholesale and Retail (+10,000; 5.9% growth).
- Administration, Office Support and Related Services (+9,000; 9.4% growth).
- Health and Social Work (+9,000; 6.8% growth).
- Information Technology, Media and Information Services (+8,000; 26.7% growth).

[2] Projections for areas within the D2N2 sub-region (eg N2) are not available.

Manufacturing (including Engineering) is the sector expected to experience the greatest job losses (-9,000) and net job losses are also forecast in Public Administration; Education; and Agriculture (-8,000 combined).

Fig. 10: Projections of Employment for 22 Industry Groups, D2N2, 2012 - 2022

	Levels ('000's)			Changes			
	2012	2017	2022	2012-2017	2017-2022	2012-2022	2012-22 % change
Agriculture	13	10	9	-3	-1	-3	-23.1
Food drink and tobacco	18	19	18	0	0	0	0
Engineering	13	12	11	-1	-1	-2	-15.3
Rest of manufacturing	95	92	89	-3	-3	-7	-7.4
Electricity and gas	3	3	3	0	0	0	0
Utilities (incl.Mining)	9	8	9	-1	1	0	0
Construction	79	85	92	6	7	13	16.4
Wholesale and retail trade	170	175	180	5	4	10	5.9
Transport and storage	44	45	47	1	2	3	6.8
Accommodation and food	60	59	63	-1	4	2	3.3
Information technology & Media	30	36	38	6	2	8	26.7
Finance and insurance	16	16	16	0	0	1	0.4
Real estate	13	14	15	1	1	1	7.7
Professional services	43	45	47	2	2	4	9.3
Office, Admin & Support services	96	102	106	5	4	9	9.4
Public admin. and defence	52	47	48	-6	2	-4	-7.7
Education	102	101	101	0	0	-1	-1.0
Health and social work	132	134	141	3	7	9	6.8
Arts and entertainment	31	31	32	1	1	2	6.4
Other services	21	22	22	1	0	1	4.8
All Sectors	**1,042**	**1,058**	**1,089**	**16**	**30**	**47**	**4.5**

Source: UKCES

Occupational (Skills Needs) Projections

Occupational projections can generate estimates of future employer skills levels and needs and therefore help to highlight potential future imbalances in demand and supply. Two issues should be borne in mind however:

- Both skills and occupations continuously change as the economy evolves, employers needs change and due to the impact of technology for example.

- Jobs increasingly require not just single but multiple technical skills but also employability skills such as punctuality, reliability, strong work ethic, willingness to learn and act appropriately.

Figure 11 sets out forecasts relating to future occupational change to 2022. Total replacement demand refers to how many vacancies are likely to be created through retirements, people migrating, becoming unemployed or leaving one occupation for another; over this period this is forecast to be just over 400,000.

In terms of net new job creation, four occupational groups are expected to grow:

- Professional (+29,000; 16% growth).
- Caring, Leisure and Other Services (+26,000; 23% growth).
- Managers, Directors and Senior Officials (+17,000; 16% growth).
- Associate Professional and Technical (+14,000; 9% growth).

It is important to note that three of these occupational areas[3] are often referred to as high skill occupational areas; together they are expected to account for 7 in every 10 net new jobs being created.

[3] The exception being Caring, Leisure and Other Services

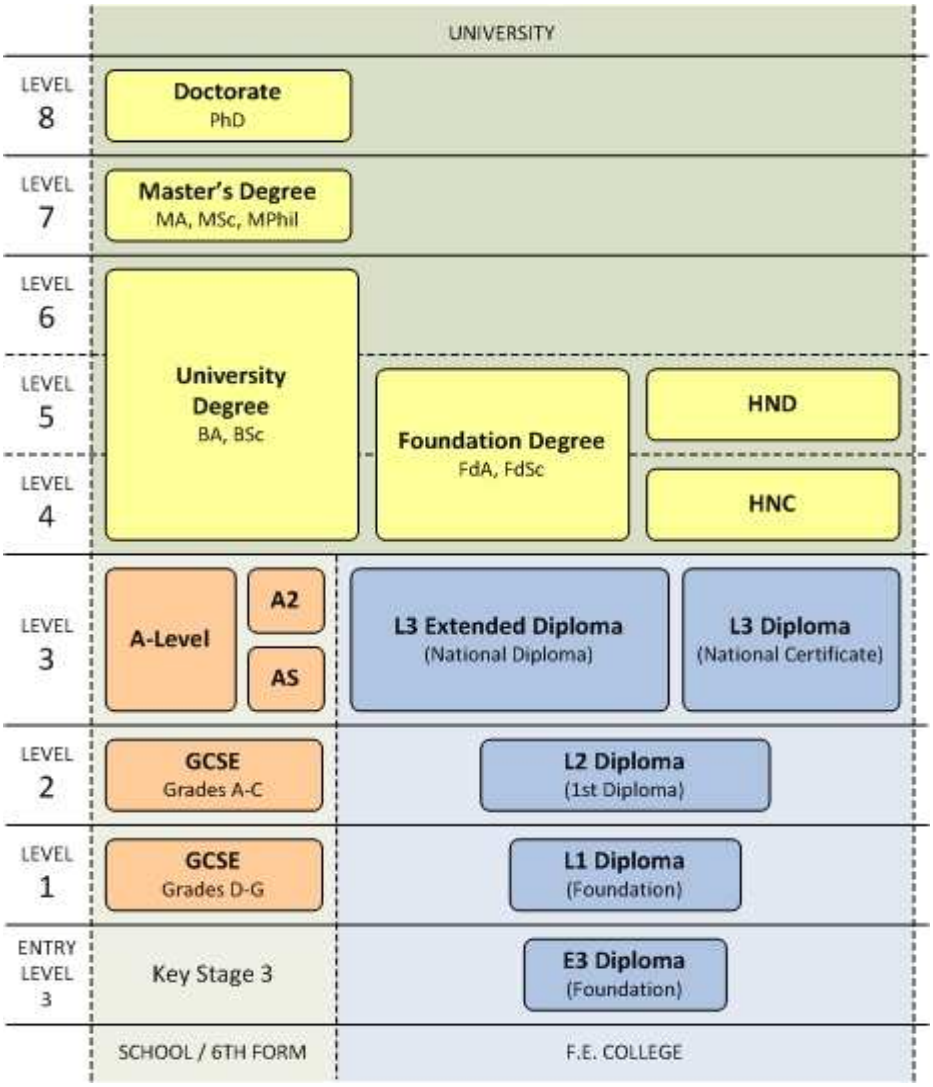
Fig. 11: Changing Composition of Employment by Occupation, D2N2, 2012 - 2022

Employment Levels (000s)	2012	2017	2022	2012-2022 Net Change	Replacement Demand	Total Requirement
Managers, directors and senior officials	107	114	123	17	44	60
Professional occupations	181	197	211	29	71	100
Associate professional and technical	122	128	136	14	43	58
Administrative and secretarial	116	108	102	-15	50	36
Skilled trades occupations	122	114	109	-13	41	28
Caring, leisure and other service	114	129	141	26	53	79
Sales and customer service	87	85	86	-1	31	30
Process, plant and machine operatives	80	75	71	-9	28	19
Elementary occupations	113	109	111	-2	41	40
Total	**1,042**	**1,058**	**1,089**	**47**	**404**	**451**
Percentage Shares	**2012**	**2017**	**2022**	**2012-2022**		**% Change**
1. Managers, directors and senior officials	10.2	10.8	11.3	15.6	41.0	56.7
2. Professional occupations	17.4	18.6	19.3	16.2	39.3	55.5
3. Associate professional and technical	11.7	12.1	12.5	11.6	35.7	47.2
4. Administrative and secretarial	11.2	10.2	9.3	-12.5	43.2	30.7
5. Skilled trades occupations	11.7	10.8	10.0	-10.4	33.6	23.2
6. Caring, leisure and other service	11.0	12.2	12.9	22.9	46.4	69.2
7. Sales and customer service	8.3	8.0	7.9	-1.4	36.2	34.9
8. Process, plant and machine operatives	7.7	7.1	6.5	-11.6	35.7	24.1
9. Elementary occupations	10.8	10.3	10.2	-1.7	36.7	35.0
Total	**100.0**	**100.0**	**100.0**	**4.5**	**38.8**	**43.3**

Source: UKCES

Qualification Forecasts

Figure 12 provides illustrative projections of the changing occupational employment structure for the numbers of people employed by qualification in the D2N2 sub-region to 2022. The Qualifications and Credit Framework (QCF) is a new credit transfer system which has replaced the National Qualification Framework (NQF). It is based on units which have credit value and levels (from Entry Level to Level 8). According to the QCF system, the learners can gain three types of qualifications: awards; certificates; and diplomas. The level indicates the challenge or complexity of the qualification with level 3 being equivalent to 'A' levels and level 8 being equivalent to PhD.



The forecasts clearly point to a general rise in the number of new jobs requiring intermediate to high level qualifications with a net increase in demand for QCF4 to 8 qualifications of 128,700 (34%) to 2022.

This stands in marked contrast to the demand for QCF1 qualifications where demand is relatively modest (82,700) as it is for people with no qualifications where there is expected to be decline in demand (excluding replacement demand) to 2022 - a decline which will almost certainly be long term and irreversible.

Fig. 12: Changing Industry and Occupational Forecasts - Implications for QCF Levels, 2012 - 2022, D2N2

QCF Group	Base year level	Projected level	Change	Replacement Demand	Total Requirement
	2012	2022	2012 - 2022		2012 - 2022
QCF 7-8	75,600	113,800	38,100	29,300	67,500
QCF 4-6	299,200	389,800	90,600	116,000	206,600
QCF 3	226,000	212,000	-14,400	87,800	73,400
QCF 2	229,500	223,300	-6,300	89,000	82,700
QCF 1	149,600	116,000	-33,600	58,000	24,400
No Quals.	61,500	33,700	-27,800	23,900	-3,900
Total	**1,041,781**	**1,088,593**	**46,812**	**403,985**	**450,797**
	% share	% share	% change	% share	% of base year level
QCF 7-8	7.3	10.5	50.4	7.3	89.2
QCF 4-6	28.7	35.8	30.3	28.7	69.1
QCF 3	21.7	19.5	-6.3	21.7	32.4
QCF 2	22.0	20.5	-2.7	22.0	36.0
QCF 1	14.4	10.7	-22.4	14.4	16.3
No Quals.	5.9	3.1	-45.2	5.9	-6.4
Total	**100.0**	**100.0**	**4.5**	**100.0**	**43.3**

Source: UKCES
Note: numbers may not sum exactly due to rounding

Figure 13 provides illustrative projections of the changing occupational employment structure for the numbers of people employed by NVQ qualification in the N2 sub-region to 2022. The forecasts point to a significant increase in demand for skill levels of NVQ 2 and above with these accounting for 83% of the forecast increase.

This stands in marked contrast to the demand for people with no qualifications where there is expected to be lower demand - a decline which will almost certainly be long term and irreversible.

Fig. 13: Changing Industry and Occupational Forecasts - Implications for NVQ Levels, N2, 2012 - 2022

QCF Group	Base year level	Forecast Change % Base Year	Total Requirement
	Dec. 2012		2012 - 2022
NVQ4+	216,000	73.1	158,000
NVQ3+	388,700	32.4	126,000
NVQ2+	512,700	36.0	184,600
NVQ1+	603,300	16.3	98,400
No Quals.	68,900	-6.4	-4,400

Source: UKCES

Priority Growth Sectors

D2N2 aims to bring about a step change in skills and employment levels through an employer and growth sector led approach.

D2N2's Strategy for Growth 2013 - 2023 identifies the following priority growth sectors:

Transport Equipment and Manufacturing	Construction
Medical and Bioscience	Visitor Economy
Food and Drink Manufacturing	Low Carbon Goods and Services

Nottingham City Council's Growth Plan and Growth Sector Strategy identifies the following key growth sectors:

Nottingham Growth Plan	Nottingham Growth Sector Strategy
Creative, Digital and Media	Retail and Leisure
Life Sciences	Food and Drink
Clean Technologies (Low Carbon)	Health and Social Care
	High Value Manufacturing
	Transport and Logistics
	Construction

Nottinghamshire County Council's Growth Plan refers to a number of key sectors:

Advanced Manufacturing	Creative Industries
Food and Drink	Knowledge-driven services (eg IT, R&D, finance)
Sport, Leisure and Health	

Further research is underway to investigate the particular employment and skills needs of these priority growth sectors.

6. Population and Employer Base

This section of the LMA provides insights into N2 demographics, economic activity and the employer base in N2.

Key Findings

There was a surge in population growth in Nottingham over the last decade with a 13% increase compared to 5% for the rest of the County. An increasing student population, rising birth rate and increased in-migration all go towards explaining this.

According to the 2011 Census, N2 has a population of 1.1m residents living in 460,000 households. The City accounts for 28% of the total population. Of the resident N2 population, two-thirds are aged between 16 and 65 years - traditionally described as ‘working age’. The City’s has a population of working age which is higher when compared with the rest of Nottinghamshire.

ONS projections suggest that N2’s population will rise by around 37,000 (3%) to the end of the decade with a higher rate of increase outside of the City.

The overall N2 economic activity rate was 74% in March 2014 but there are marked differences within the sub-region with the City’s rate well below the average for England. This partly reflects above average rates of unemployment and a lower employment rate.

N2 has a total business population of around 37,200 units. The largest sectors are Professional, Scientific and Technical, Retail and Wholesale; and Construction. A key feature of the N2 business base is the prevalence of micro businesses with fewer than 10 employees which account for 80% of total business units.

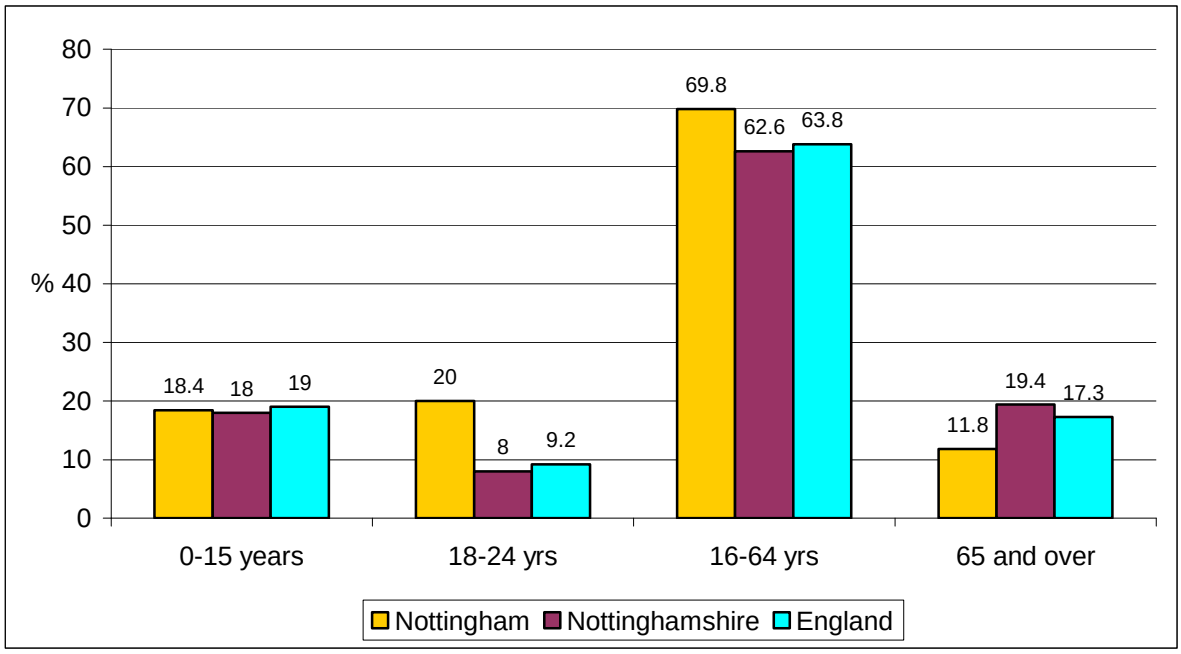
Size and Age Structure

Demographic change is presenting key challenges in terms of raising skills levels and better matching demand and supply within the labour market. In N2, these challenges largely stem from two drivers: the increasing size of population which has been largely driven by increased in-migration over the last decade; and an ageing population. The former has increased the supply of skills as well as the demand for employment, while the latter is causing a loss of skills but an increase in replacement demand to fill jobs being vacated by people who are retiring.

According to the 2011 Census, N2 has a population of 1,100,000 residents living in 460,000 households. The City accounts for 28% of the total population. Of the resident N2 population, two-thirds are aged between 16 and 65 years - traditionally described as ‘working age’. The City’s has a population of working age which is higher (70%) when compared with the rest of Nottinghamshire (63%).

The age structure of the N2 population as a whole is broadly similar to that of England (Figure 14) although the City has a relatively high proportion of young people aged 18-24 years and the County has a higher than average share of people aged 65 or over.

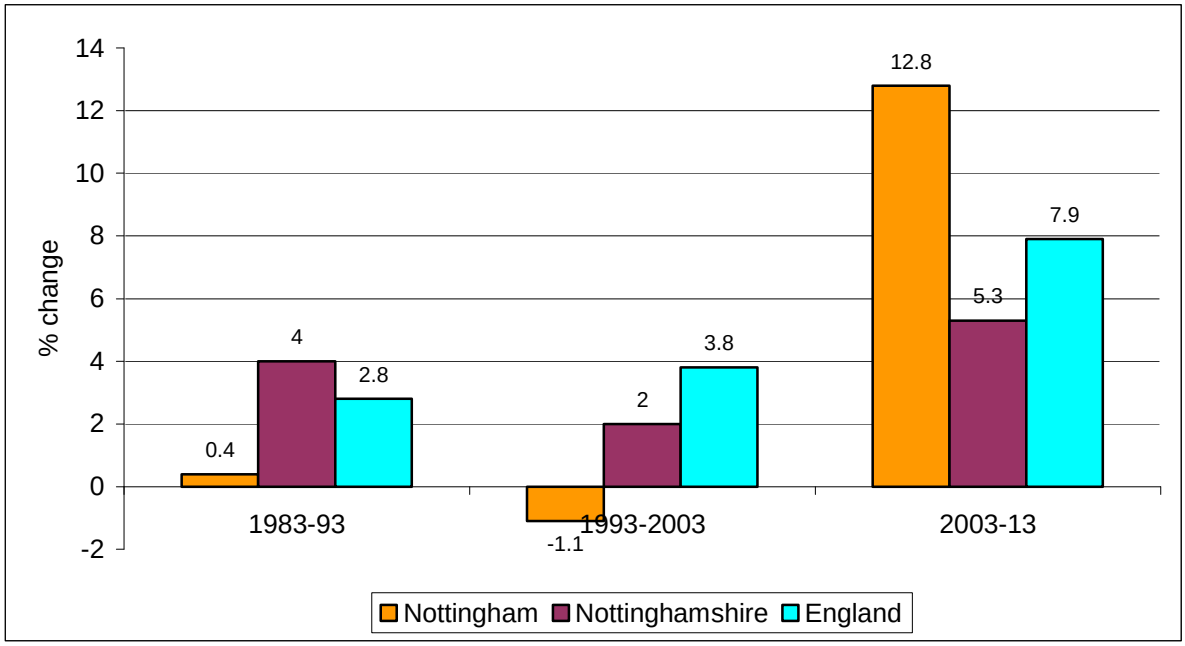
Fig 14: Population by Age Band, Nottingham, Nottinghamshire and England, 2013



Source: Census mid-year population estimates, ONS

The N2 population increased by 10.5% between 1983 and 2013 which, though substantial, was slower than for England as a whole (15.1%). Figure 15 shows that there was a surge in population growth in Nottingham over the last decade with a 13% increase compared to 5% for the rest of the County. An increasing student population, rising birth rate and increased in-migration all go towards explaining this increase.

Fig. 15: Percentage Change of Population, Nottingham, Nottinghamshire and England, 1983 - 2013



Source: Census, ONS

Looking ahead, ONS projections suggest that N2's population will rise by around 37,000 (3.3%) to the end of the decade with a higher rate of increase outside of the City (Figure 16).

Fig. 16: Population Projections, N2, Nottingham and Nottinghamshire, 2014 - 2020

thousands	2014	2015	2016	2017	2018	2019	2020	% change 2014-20
Nottingham	312	314	316	317	319	320	321	2.9
Nottinghamshire	798	803	807	812	817	821	826	3.5
N2	1,110	1,117	1,123	1,129	1,136	1,141	1,147	3.3

Source: 2012-based sub-national population projections, ONS

Economic Activity

The economically active population refers to people of working age who are either in employment or unemployed. There were 525,800 such people resident in N2 in September 2014 (Figure 17).

Fig. 17: Economic Activity of People Aged 16-64, Nottingham, Nottinghamshire and England, Jan - Dec 2014

	Nottingham		Nottinghamshire		England	
	No.	%	No.	%	No.	%
People aged 16-64	216,000		491,000		26.4m	
All Economically Active (aged 16-64)	**153,100**	**70.9**	**378,000**	**77.0**	**26.4m**	**77.4**
In Employment	135,900	62.9	353,400	72.0	24.7m	72.5
Employees	119,700	55.4	308,100	62.8	21.1m	61.8
Self-Employed	14,900	6.9	44,500	9.1	3.5m	10.3
Unemployed	17,100	11.2	24,600	6.5	1.7m	6.4

Source: Annual Population Survey

The overall N2 economic activity rate is 75% but there are marked differences within the sub-region with the City's rate (71%) well below the average for England (77%). The City's relatively low rate reflects above average rates of unemployment and a lower employment rate, including both employees and the self-employed.

Employer Population

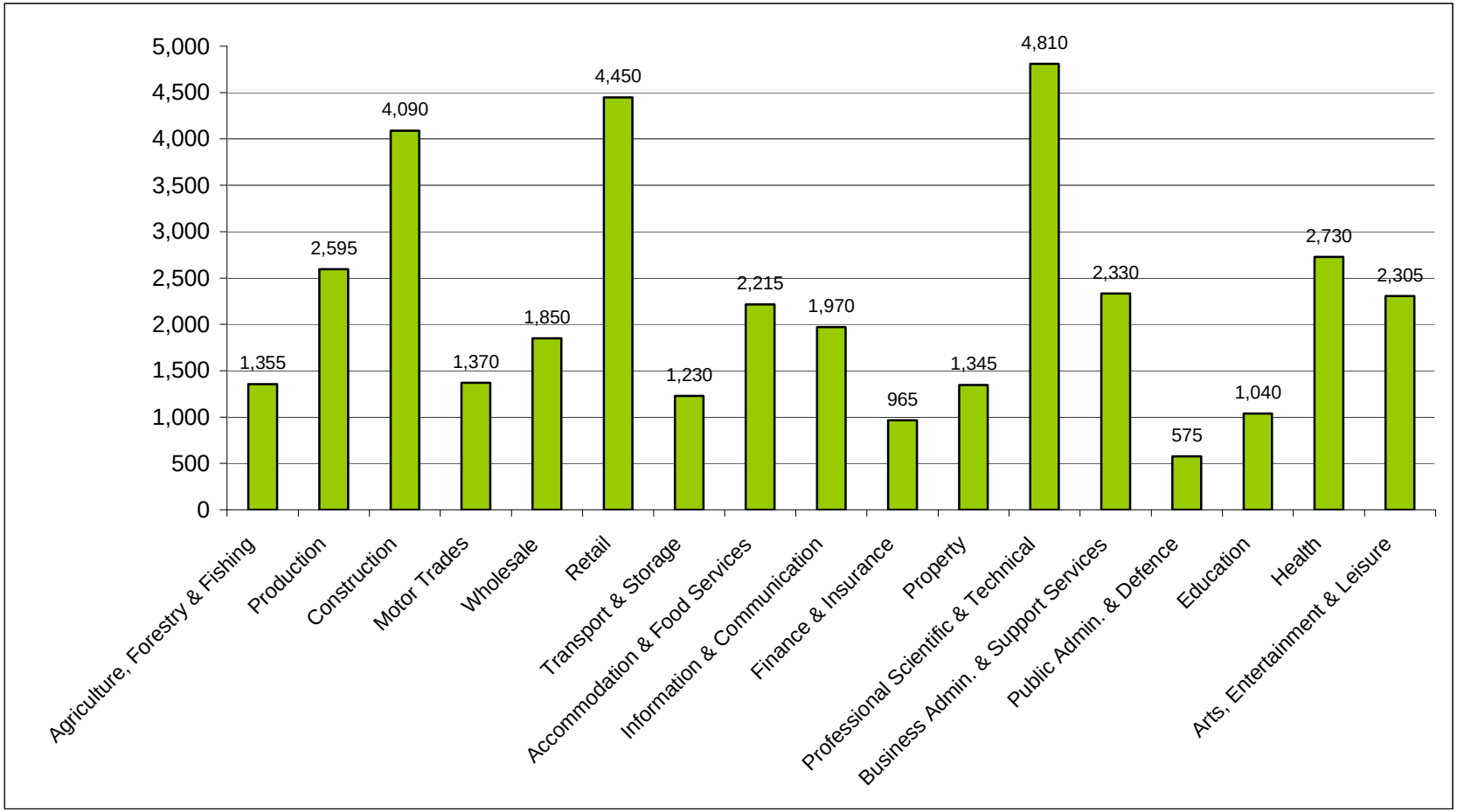
According to the ONS's UK Business Activity, Size and Location 2013 data set there were 9,915 business units within Nottingham in March 2013 and a further 27,310 located elsewhere in Nottinghamshire, amounting to 37,225 units for the entire N2 sub-region. There were 29,935 VAT and/or PAYE enterprises in N2. The 7,290 difference are businesses based in N2 but operating multiple sites, and businesses not based in N2, but operating sites (eg outlets, venues) located here.

As shown in Figure 18, the largest sectors by number of business units in N2 are Professional, Scientific and Technical, Retail and Construction which collectively account for 13,340 jobs, 36% of the total.

A key feature of the N2 business base is the prevalence of micro and small businesses. Businesses with fewer than 10 employees account for almost 80% of total business units (Figure 19). There are very high numbers of micro businesses in several sectors, Wholesale and Retail and Construction in particular.

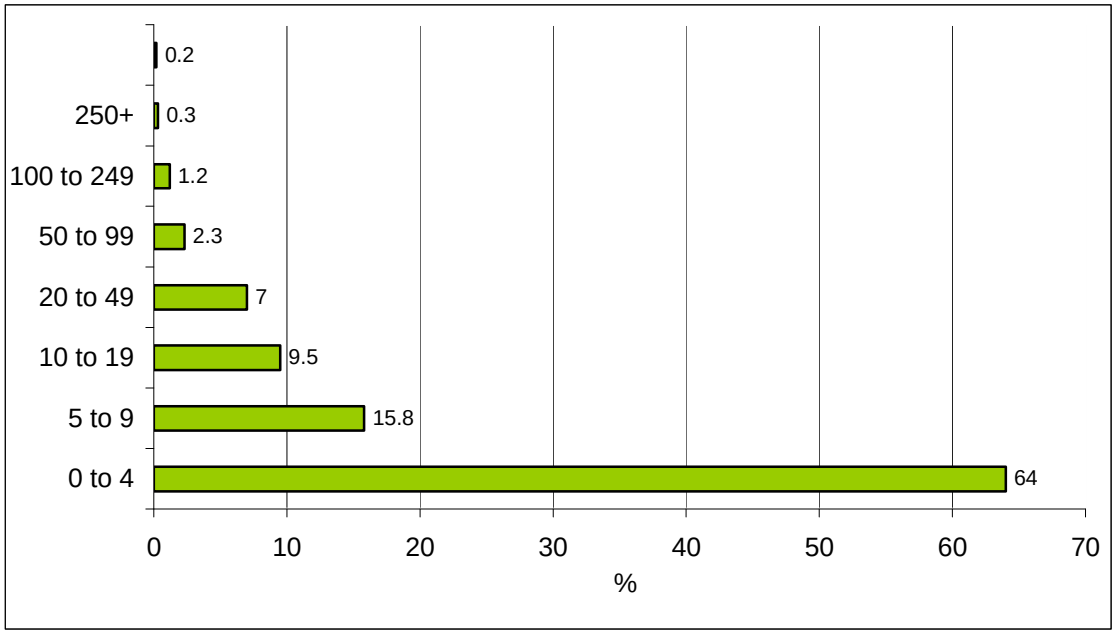
Smaller employers typically require greater flexibility in work roles, have less clear boundaries between occupational groups and roles and rely more heavily on informal modes of recruitment. SMEs are also often harder to engage in staff development as they do not have the economies of scale to support employee training during work hours or the time to investigate which support is most applicable to their circumstances and needs.

Fig. 18: Business Units by Sector, N2, 2013



Source: IDBR, UK Business Activity, Size and Location

Fig. 19: Distribution of Business Units by Employee Size Band, N2, 2013



Source: IDBR, UK Business Activity, Size and Location

7. Overall Skills Profile

This section provides an overview of the skills and qualifications profile of the N2 (Nottinghamshire) population in comparison with England.

Skills Profile

Using qualifications as a proxy for skill levels, we can see that the skills profile of N2 has improved over recent years (Figure 20). There has been a significant fall in the number of people with no qualifications over 2009 - 2013 although this has not been to the same extent as nationally. However, the rate of increase in qualification/skills at all levels has been higher in the City compared to England.

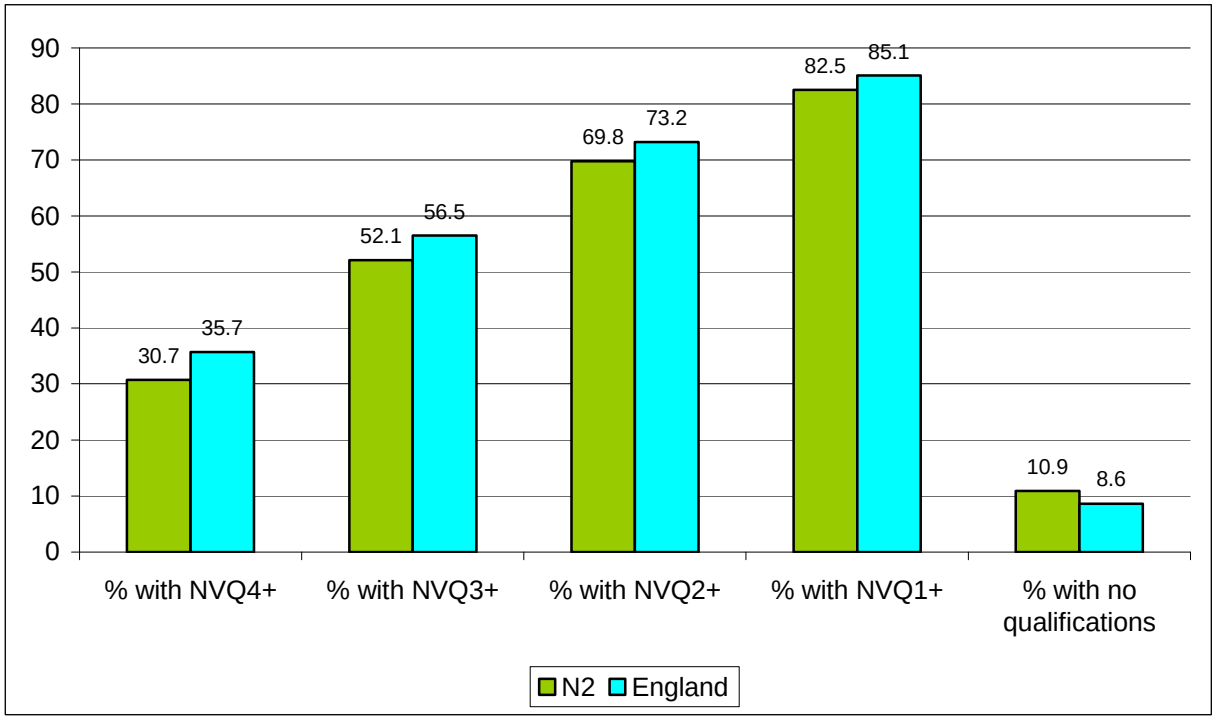
Fig. 20: Skills Profile Change, 16 - 64 year olds, Nottingham, Nottinghamshire and England, 2009 - 2014

	Nottingham		Nottinghamshire		England	
	No. Change	% Change	No. Change	% Change	No. Change	% Change
NVQ4+	19,500	42	19,900	15	2.2m	22
NVQ3+	19,500	20	22,900	10	2.8m	17
NVQ2+	26,800	22	22,100	7	3.1m	14
NVQ1+	25,300	17	6,700	2	2.5m	9
No Qualifications	-7,500	-23	-6,400	-11	-1.1m	-28

Source: Annual Population Survey

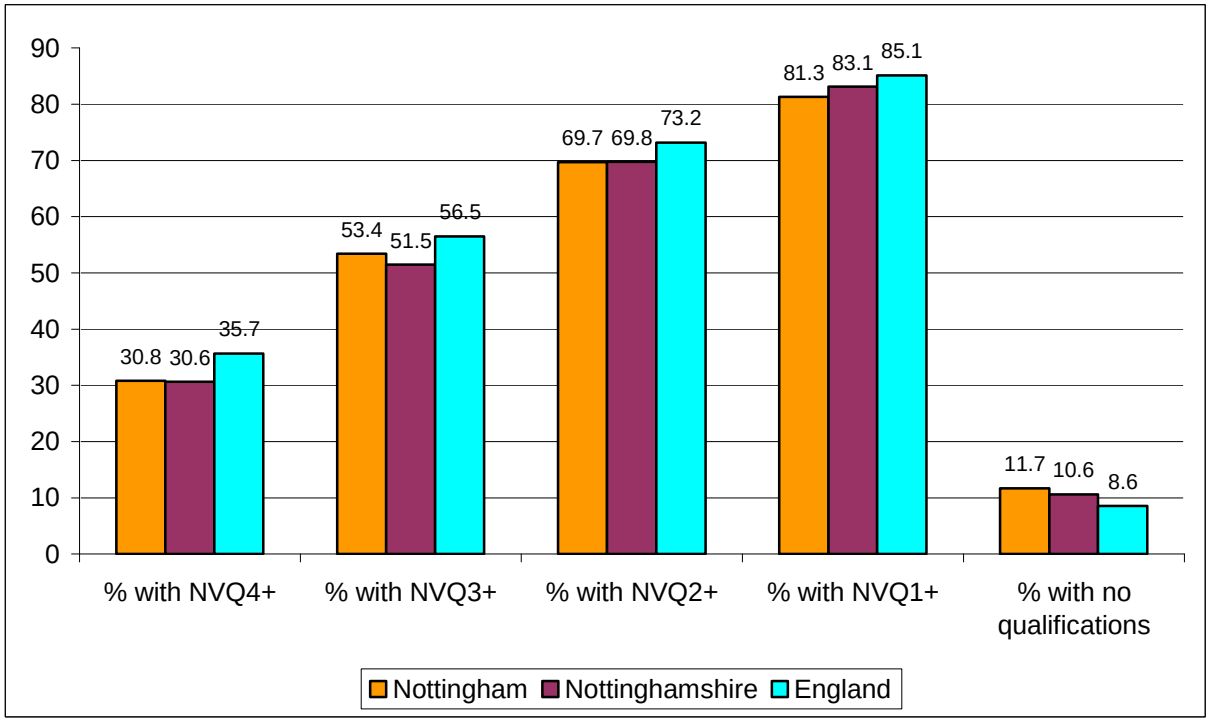
Notwithstanding this improved performance, Figure 21 shows that in comparison to England N2 has a higher proportion of working age residents with no qualifications and a lower percentage at all other qualification levels. Figure 22 indicates that Nottingham has a relatively high percentage (53.4%) of its working population qualified to NVQ3 and above.

Fig. 21: Working Age Population Qualifications, N2 and England, Jan - Dec 2014



Source: Annual Population Survey

Fig. 22: Working Age Population Qualifications, Nottingham, Nottinghamshire and England, Jan - Dec 2014



Source: Annual Population Survey

N2

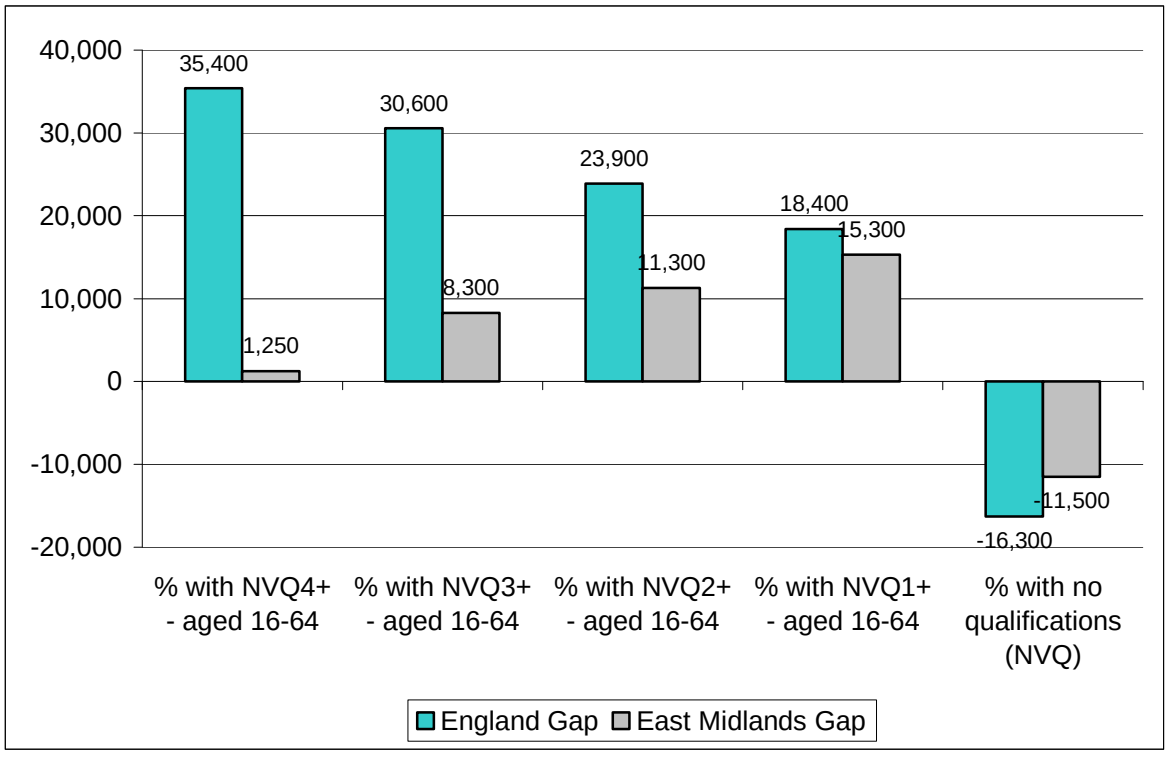
One way to look at the more immediate skills challenge facing N2 is to consider what magnitude of 'skills up-lift' would be required to bring us to the national or regional average across different NVQ Levels.

The percentage of working age residents with qualifications (at all levels) has improved since 2007 but there is still an issue in closing the national and regional skills shortfall, and therefore having the opportunity to compete for higher level skilled jobs locally remains a significant challenge. In order to just meet England averages (at December 2014), N2 would need:

- 35,400 more people qualified at NVQ 4+
- 30,600 more people qualified at NVQ 3+
- 23,900 people qualified at NVQ 2+
- 18,400 people qualified to NVQ 1+
- 16,300 fewer people with no qualifications

Figure 23 provides a graphic illustration.

Fig. 23: Working Age Population Qualifications, N2 compared to East Midlands and England, December 2014



Source: Annual Population Survey

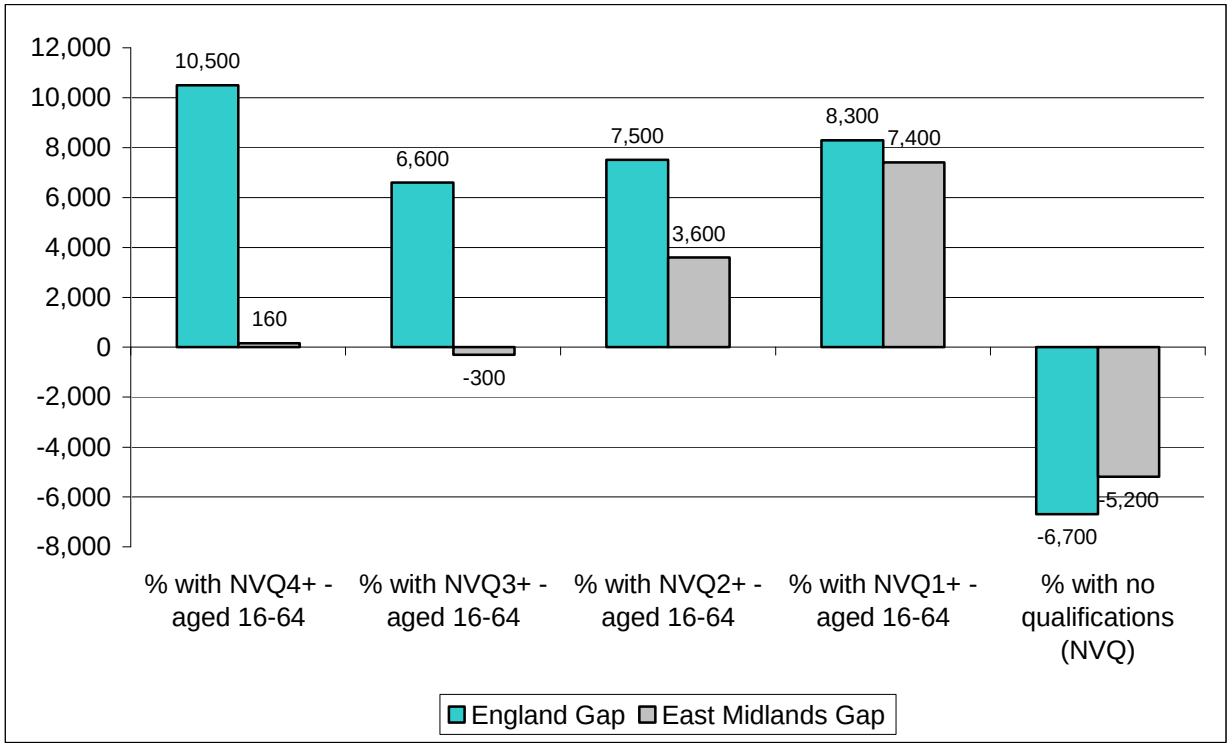
Nottingham

In order to just meet England averages (at December 2014), Nottingham would need:

- 10,500 more people qualified at NVQ 4+
- 6,600 more people qualified at NVQ 3+
- 7,500 people qualified at NVQ 2+
- 8,300 people qualified to NVQ 1+
- 8,600 fewer people with no qualifications

Figure 24 provides a graphic illustration.

Fig. 24: Working Age Population Qualifications, Nottingham compared to East Midlands and England, December 2014



Source: Annual Population Survey

Nottinghamshire

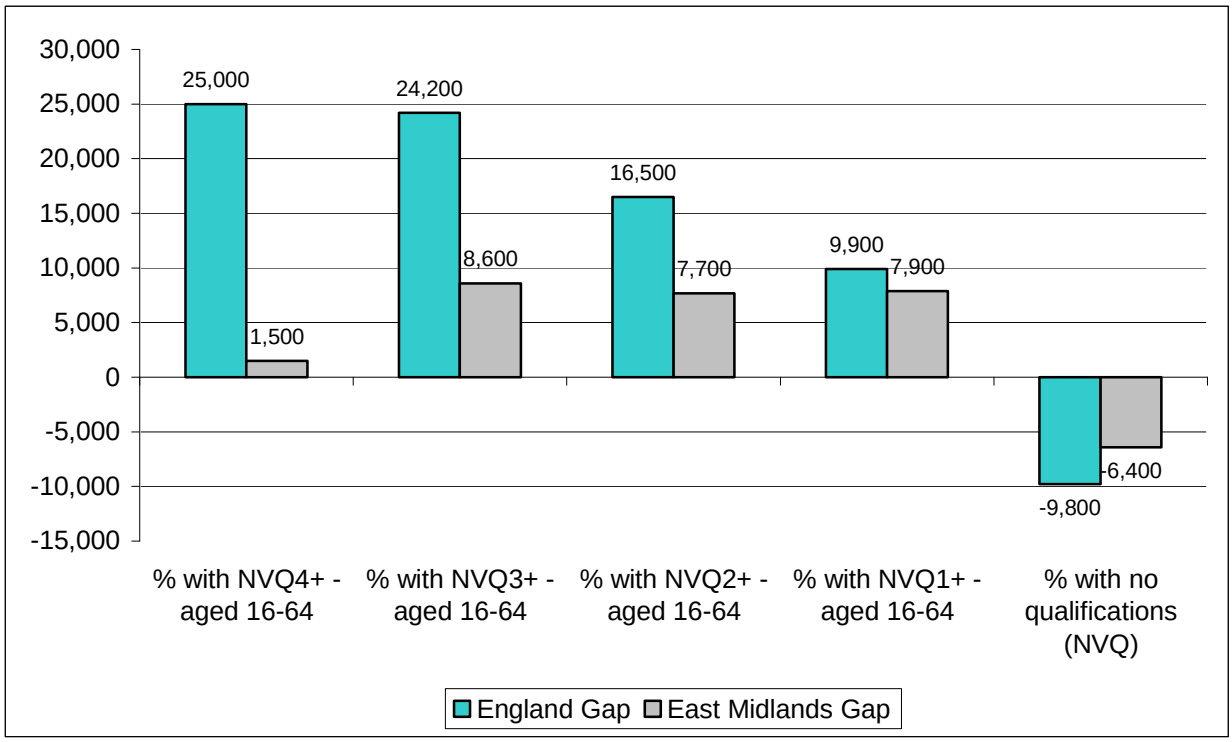
In order to just meet England averages (at December 2014), Nottinghamshire would need:

- 25,000 more people qualified at NVQ 4+
- 24,200 more people qualified at NVQ 3+

- 16,500 people qualified at NVQ 2+
- 9,900 people qualified at NVQ 1+
- 9,800 fewer people with no qualifications

Figure 25 provides a graphic illustration.

Fig. 25: Working Age Population Qualifications, Nottinghamshire compared to East Midlands and England, December 2014



Source: Annual Population Survey

8. People in Work

In this section we look at employment trends by sectors and occupations and report on productivity levels.

Key Findings

Total employment in the N2 sub-region stood at 484,200 in September 2014, some 2,200 above its pre-recession level of September 2007. During this period the number of people in the 16 - 64 population in N2 grew by 16,400 (2.4%), so as a consequence the N2 employment rate fell from 70% to 68%.

Part-time working continues to make up a growing share of employment in N2 - at almost 170,000 in 2013, part-time jobs account for 35% of N2 employment which is higher than that for England (32.1%).

The public sector accounts for 26% of all employment in N2 compared with 22% for England and the City has a slightly higher share of all jobs within the public sector compared with the rest of the County.

For N2 as a whole, by far the two largest employing sectors are Wholesale and Retail and Health and Social Work. The data also underlines the relative importance of Manufacturing to the County and of Administration and Support Services to the City.

Between 2009 - 2013 N2 sectors which added the most jobs were Administration and Support Services; Health and Social Work; Education; and Wholesale and Retail. Substantial job losses occurred in Public Administration and Defence; Construction; and Arts, Entertainment and Recreation.

The City has a higher share of people in lower skilled jobs compared to N2 and England, and a lower share of people in intermediate and higher skill level jobs.

Nationally, between 2006 - 2014, there has been substantial growth in the numbers of higher skill level occupations, modest growth in intermediate skill occupations and an overall fall in the numbers of jobs requiring lower level skills. Although these changes are broadly reflected within N2:

- There appears to have been a relatively large fall in the numbers of Managers, Directors and Senior Officials.
- The rate of decline in Skilled Trades has been much sharper in recent years.
- There is a fairly mixed picture when it comes to lower level skilled occupations with some expanding and others contracting.

Over 2008 - 2012 the rate of increase in productivity in the City was lower than that achieved nationally but GVA per hour increased far more quickly elsewhere in the County over the period. However, GVA per head within N2 has consistently lagged behind that of England which clearly demonstrates the existence of a productivity gap.

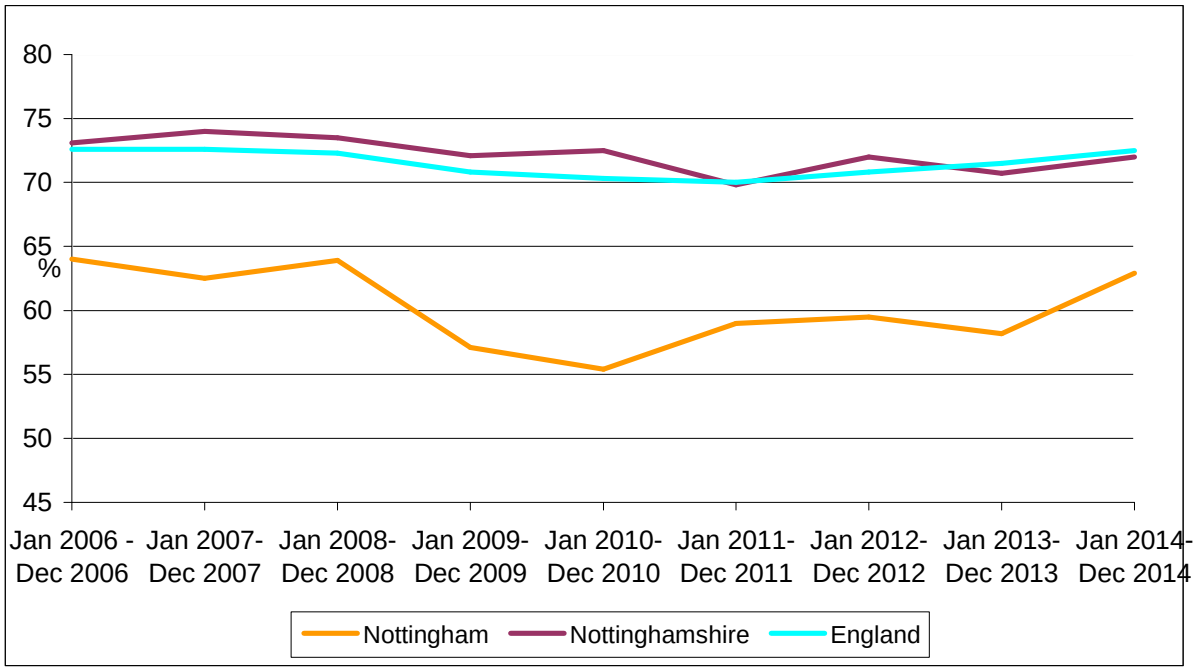
While employment levels have been increasing and unemployment falling, average workplace earnings growth has been relatively low or, in the case of the City, has actually fallen over the last year and there remains a significant gap (of over £5,000) in average annual workplace earnings when N2 is compared with England.

Employment Trends

Total employment in the N2 sub-region stood at 489,300 in December 2014, some 1,000 above its pre-recession level of 2007. This indicates that the local economy is back into recovery mode. During the same period the number of people in the 16 to 64 population in N2 also grew, by 15,800 or 2.3%. The upshot is that the N2 employment rate fell slightly from 70.6% to 69.2%.

Between 2006 and 2014 (Figure 26) the City's employment rate has remained consistently below that for N2 and England. While the gap in rates widened during the recession it began to narrow again as the economy recovered.

Fig. 26: Employment Rates, Nottingham, Nottinghamshire and England, Dec 2006 - 2014



Source: Annual Population Survey

Part-time working continues to make up a growing share of employment in N2 and this trend has been evident for several decades. More recently, between 2009 and 2013, part-time employment grew by 100,000 (2.9%) compared to an increase in full-time working of 0.6%. At almost 170,000, part-time jobs account for 35% of N2 employment which is higher than that for England (32.1%).

Broad Sectors (Public and Private)

The latest APS shows that the N2 employed labour force is relatively more dependent on the public sector for employment compared with England as a whole (Figure 27).

Fig. 27: Net Change in Proportion of Public/Private Sector Employment, Nottingham, Nottinghamshire and England, 2005 - 2014

	Public Sector	% row	Private Sector	% row
Nottingham				
Jan - Dec 2009	34,500	29.5	82,400	70.5
Jan - Dec 2014	33,900	25.0	101,800	75.0
Net change	-600		19,400	
% change	-1.7%		23.5%	
Nottinghamshire				
Jan - Dec 2009	98,800	27.3	263,300	72.7
Jan - Dec 2014	94,700	25.9	270,500	74.1
Net change	-4,100		7,200	
% change	-4.1		2.7%	
England				
Jan - Dec 2009	5.86m	24.2	18.4m	75.8
Jan - Dec 2014	5.58m	21.9	19.92m	78.1
Net change	-283,200		1.52	
% change	-4.8		8.3%	

Source: Annual Population Survey

The public sector accounts for 26% of all employment in N2 compared with 22% for England. Between 2009 and 2014 the N2 private sector added jobs whereas public sector employment declined. The rate of increase in private sector jobs in Nottingham over this five year period (23.5%) is almost certainly an over-estimate due to the way in which jobs within head offices and employment agencies record their workforce size.

Industry Sectors[4]

The sectoral structure of the local economy is an important factor in its ability to respond effectively to economic shocks and to capture and capitalise on economic growth opportunities. Different industrial sectors are important for different reasons - for growth in output, for volume of jobs and as a source of (overseas/UK) inward investment. These sectors are also influenced by various drivers of change such as macro-economic trends, Government policy and legislation, energy and materials costs and availability, innovation and technology and demographic trends.

Figure 28 shows net change in total employment by Industry Sector between 2009 and 2012. In 2013 there were 496,200 jobs in the N2 labour market with Nottingham accounting for 43% of the total.

By far the two largest employing sectors in N2 are Wholesale and Retail and Health and Social Work which together account for 154,000 jobs, 31% of the total. These two sectors are also the major employers at a national level although they account for a lower share (29%) compared with N2. The data also underlines the relative importance of Manufacturing to the County where it accounts for 14% of jobs (City 4%) and of Administration and Support Services to the City where it accounts for 23.5% of employment (County 5.5%).

We can also assess the relative importance of different sectors to the N2 economy and labour market using Location Quotients (LQs) which show a degree of over- or under-representation of N2 sector employment relative to the English average where the LQ is equal to 1.0. The analysis reveals that:

- N2 as a whole is relatively specialized in 7 sectors: Mining and Quarrying; Transportation and Storage; Administration and Support Services; Electricity, Gas and Water Supply; Manufacturing; and Health and Social Work.

- Nottingham is relatively specialized in 6 private and public sector service industries: Administration and Support Services, Financial and Insurance Services; Information and Communications; Real Estate; Education; and Health and Social Work.

- Nottinghamshire (excluding the City) has relatively higher concentrations of employment than nationally in 8 industry sectors: Mining and Quarrying; Manufacturing; Electricity, Gas and Water Supply; Construction; Wholesale and Retail; Health and Social Work; Public Administration and Defence; and Other Services.

[4] ONS (BRES) employment data contains figures which may have been skewed by some national companies appearing to report their whole workforce as being based in Nottingham which may affect how jobs are apportioned between different industrial sectors.

Some sectors are highly dependent on wider cyclical factors affecting the growth of the economy as a whole (eg Construction, Real Estate) and others are particularly sensitive to changes in public policy (eg Education, Health and Public Administration). Specialisation is a positive factor where local economies are well represented in growing sectors, but carries a risk if market conditions and structural factors move against these industries.

N2 sectors which added the most jobs between 2009 - 2013 (Figure 29) were Administration and Support Services; Health and Social Work; Education; and Wholesale and Retail. Substantial job losses occurred in Public Administration and Defence; Construction; and Arts, Entertainment and Recreation.

Between 2009 and 2013 part-time employment (employees) grew by just over 100,000 with four sub-sectors (all services) accounting for two-thirds of the increase: Retail and Wholesale (+21,400); Health and Social Work (+16,800); Education (+15,800); and Accommodation and Food Services (+12,800).

Fig. 28: Employment by Sector (Industry Sections), Nottingham, Nottinghamshire and N2, 2013

Industry Sector	Nottingham		Nottinghamshire		N2		
	No.	%	No.	%	No.	%	Location Quotient
Agriculture	0	0	440	0.2	440	0.1	0.1
Mining & Quarrying	50	0	1,300	0.5	1,350	0.3	2.9
Manufacturing	9,050	4.3	38,900	13.7	47,950	9.7	1.2
Electricity, Gas and Air Supply	290	0.1	2,000	0.7	2,290	0.5	1.3
Water Supply, Sewerage & Waste Management	680	0.3	3,200	1.1	3,880	0.8	1.2
Construction	6,400	3	15,900	5.6	22,300	4.5	1
Wholesale and Retail	30,800	14.5	50,800	17.9	81,600	16.4	1
Transportation & Storage	5,400	2.5	12,800	4.5	18,200	3.7	1.8
Accommodation & Food Services	10,600	5	19,700	6.9	30,300	6.1	0.9
Information & Communication	8,400	3.9	7,900	2.8	16,300	3.3	0.8
Financial & Insurance Services	4,600	2.2	3,500	1.2	8,100	1.6	0.4
Real Estate	3,600	1.7	4,100	1.4	7,700	1.5	0.8
Professional, Scientific & Technical Activities	13,200	6.2	16,800	5.9	30,000	6	0.7
Administration & Support Services	49,700	23.5	15,800	5.5	65,500	13.2	1.6
Public Administration & Defence	10,600	5	11,700	4.1	22,300	4.5	1
Education	20,500	9.7	26,600	9.4	47,100	9.5	1
Health and Social Work	31,600	14.9	40,700	14.3	72,300	14.6	1.1
Arts, Entertainment & Recreation	4,000	1.9	6,500	2.3	10,500	2.1	0.9
Other Service Activities	2,700	1.3	5,700	2	8,400	0	0.8
Total Employment	**211,900**	**100**	**284,300**	**100**	**496,200**	**100**	

Source: Annual Business Inquiry

Fig. 29: Net Change in Employment by Sector, Nottingham, Nottinghamshire and N2, 2009 - 2013

Industry Sector	Nottingham		Nottinghamshire		N2	
	No.	% change	No.	% change	No.	% change
Agriculture	-51	-100%	-66	-13%	-117	-21%
Mining & Quarrying	45	4500%	-647	-33%	-602	-31%
Manufacturing	-2,198	-20%	750	2%	-1,448	-3%
Electricity, Gas & Air Supply	-104	-27%	-1,450	-42%	-1,554	-41%
Water Supply, Sewerage & Waste Management	330	96%	1,442	81%	1,772	83%
Construction	-1,386	-18%	-7,281	-31%	-8,667	-28%
Wholesale & Retail	3,793	14%	-1,069	-2%	2,724	3%
Transportation & Storage	81	2%	-729	-5%	-648	-3%
Accommodation & Food Services	155	1%	21	0%	176	1%
Information & Communication	640	8%	355	5%	995	7%
Financial & Insurance Services	83	2%	181	5%	264	3%
Real Estate	-508	-12%	-1,188	-23%	-1,696	-18%
Professional, Scientific & Technical	789	6%	216	1%	1,005	3%
Administrative and Support Services	19,179	63%	-1,339	-8%	17,840	37%
Public Administration & Defence	-3,619	-25%	-6,596	-36%	-10,215	-31%
Education	246	1%	3,940	17%	4,186	10%
Human Health & Social Work	2,022	7%	3,350	9%	5,372	8%
Arts, Entertainment & Recreation	-2,674	-40%	-2,779	-30%	-5,453	-34%
Other Service Activities	-166	-6%	-133	-2%	-299	-3%
Total	**16,656**	**9%**	**-13,020**	**-4%**	**3,636**	**1%**

Source: Annual Business Inquiry

Occupations (Skills Needs)

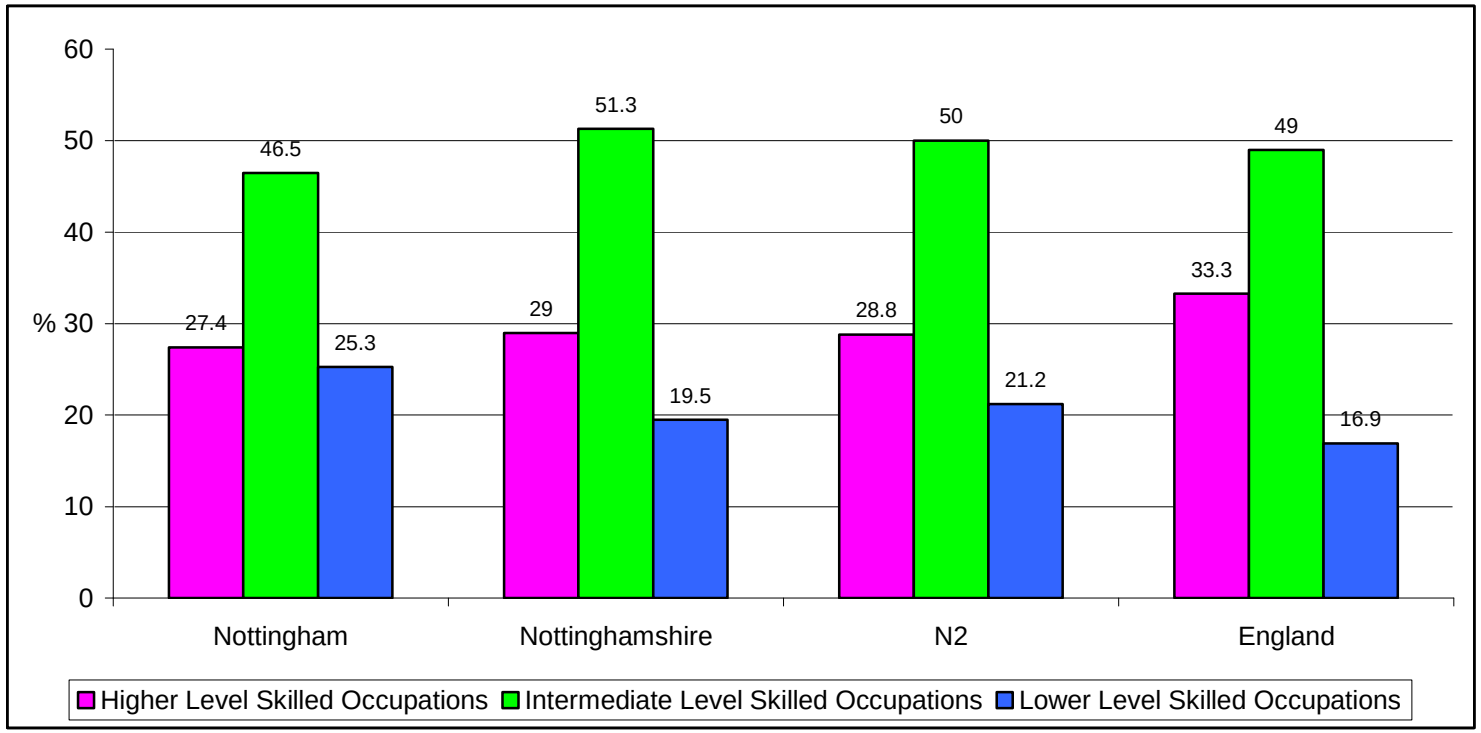
Occupational groups can provide some insights into changing skills needs and levels although there is inevitably some degree of overlap between the Standard Occupational Categories (SOCs). With that proviso, it can broadly be inferred that higher level skills are generally clustered in Managerial, Professional and many Associate Professional type occupations; lower skill levels are largely clustered in Elementary and most Process, Plant and Machine Operative jobs; with intermediate skill levels prevalent amongst the remaining occupational groups such as Administration, Skilled Trades, Caring and Leisure Services and Sales and Customer Services.

An occupational profile of the N2 labour market is presented in Figures 30 and 31 including a comparison with the national average. We can clearly see that, relative to England, N2 has a lower share of people in occupations which generally require high level skills and qualifications, and a higher share of people in intermediate and lower skilled occupations. But the differences within N2 are important: the City has a far higher share of people in lower skilled jobs compared to N2 and England, and a lower share of people in intermediate and higher skill level jobs.

Fig. 30: Employment by Occupation, Nottingham, Nottinghamshire and England, Dec 2014 (Source: APS)

Occupational Groups (Sub-Major)	Nottingham		Nottinghamshire		England	
		%		%		%
Higher levels skilled	**37,600**	**27.4**	**106,400**	**29.0**	**8,592,400**	**33.3**
Corporate Managers & Directors	5,500	4.0	21,200	5.8	1,824,400	7.1
Other Managers & Proprietors	3,600	2.6	10,000	2.7	859,900	3.3
Science, Research, Engineering & Technology Professionals	7,000	5.1	16,200	4.4	1,394,800	5.4
Health Professionals	5,100	3.7	12,100	3.3	1,037,000	4.0
Teaching & Educational Professionals	8,700	6.3	24,000	6.6	1,272,800	5.0
Business, Media & Public Service Professionals	3,900	2.9	15,700	4.3	1,400,700	5.4
Science, Engineering & Technology Associate Professionals	1,800	1.3	4,500	1.2	441,200	1.7
Health & Social Care Associate Professionals	2,000	1.5	2,700	0.7	361,600	1.4
Intermediate level skilled	**63,100**	**46.5**	**187,100**	**51.3**	**12,609,300**	**49.0**
Protective Services	600	0.4	3,300	0.9	313,100	1.2
Culture, Media and Sports	3,300	2.4	5,800	1.6	623,600	2.4
Business & Public Service Associate Professionals	8,500	6.2	23,800	6.5	1,928,000	7.5
Administrative	9,600	7.0	36,900	10.1	2,119,200	8.2
Secretarial & Related Trades	4,000	2.9	15,400	4.2	905,500	3.5
Skilled Metal, Electrical & Electronic Trades	3,800	2.8	19,700	5.4	975,100	3.8
Skilled Construction & Building Trades	3,900	2.8	14,900	4.1	895,500	3.5
Textiles, Printing & Other Skilled Trades	3,600	2.6	7,000	1.9	541,500	2.1
Caring & Personal Service	10,300	7.5	28,000	7.7	1,814,500	7.1
Leisure, Travel & Related Personal Service	1,600	1.2	7,500	2.1	518,000	2.0
Sales	10,300	7.5	17,800	4.9	1,518,600	5.9
Customer Service	3,600	2.6	7,000	1.9	456,700	1.8
Lower level skilled	**34,800**	**25.3**	**71,200**	**19.5**	**4,349,200**	**16.9**
Process, Plant & Machines Operatives	11,000	8.0	30,4000	8.3	1,606,700	6.2
Elementary Trades & Related	4,100	3.0	7,300	2.0	424,100	1.7
Elementary Administration & Service	19,700	14.3	33,500	9.2	2,318,400	9.0
Total Employment	**135,500**	**100**	**364,700**	**100**	**25,550,900**	**100**

Fig. 31: Occupational Profile by Broad Skill Level Categories, Nottingham, Nottinghamshire, N2 and England, Dec 2014



Source: Annual Population Survey

Shifts in the occupational structure of the overall workforce over time also imply a shift in the demand for different levels and types of skills. There are three main external drivers affecting occupational change: technological change and globalization affecting labour market demand; skills evolution resulting from education, training and immigration affecting labour supply; and public policy (including legislative and regulatory frameworks).

Between 2009 and 2014 (Figures 32 and 33) nationally there has been substantial growth in the numbers of higher skill level occupations, modest growth in intermediate skill occupations and a small increase in the number of jobs requiring lower level skills. Although these changes are broadly reflected within N2 it is worth noting that:

- There appears to have been a fall in the number of N2 Managers, Directors and Senior Officials over recent years which is in marked contrast to the national trend. The rate of increase in Professional level jobs has been relatively high across N2, especially within the City where there is a high density of service level employment and economic activity.

- The number of jobs in Skilled Trades (eg manufacturing and construction) has fallen within the City but not elsewhere in Nottinghamshire or nationally.

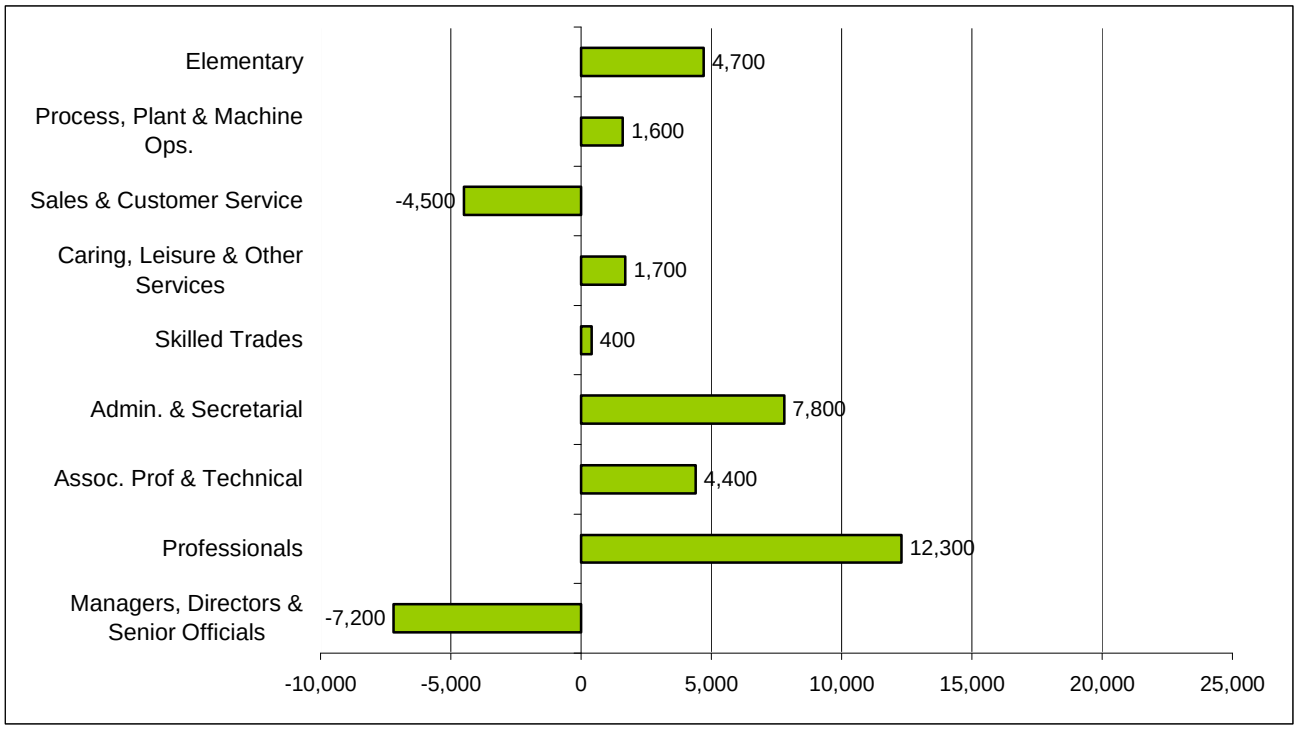
- There is a mixed picture when it comes to lower level skilled occupations with some types increasing and others falling over the period which suggests some turbulence in the demand for and skills content of many of these jobs.

Fig. 32: Net Change in Employment by Occupation (Major Groups), Nottingham, Nottinghamshire and England, 2004/05 - 2013/14

Occupational Groups (Major)	Nottingham		Nottinghamshire		England	
	Change	% change	Change	% change	Change	% change
Managers, Directors and Senior Officials	-100	-1.1%	-7,100	-18.5%	197,200	7.9%
Professional	5,400	28%	6,900	11.3%	571,600	12.6%
Associate Professional & Technical	3,200	24.6%	1,200	3.1%	270,800	8.0%
Administrative and Secretarial	2,600	23.5%	5,200	12.5%	-141,200	-4.9%
Skilled Trades	-1,300	-10.2%	1,700	3.7%	41,300	1.6%
Caring, Leisure and Other Service	600	5.3%	1,100	3.2%	196,600	9.2%
Sales and Customer Service	3,000	27.5%	-7,500	-23.2%	38,800	2.0%
Process, Plant and Machine Operatives	800	7.8%	800	2.7%	-7,700	-0.5%
Elementary	4,600	24%	100	0.2%	93,800	3.5%
Total Employment	**18,800**	**16.1%**	**2,400**	**0.7%**	**1,261,200**	**5.2%**

Source: Annual Population Survey

Fig. 33: Net Change in Employment by Occupation, N2, 2004/05 - 2013/14



Source: Annual Population Survey

GVA and Productivity

Gross Value Added (GVA) measures the increase in the value (output) of the economy due to the production of goods and services ie the contribution to the economy of each individual producer, industry or sector. GVA is the most widely used indicator of local economic growth and, being workplace-based, provides a measure of the wealth generated by commuters as well as employed N2 residents.

ONS data shows that N2 experienced GVA growth over the period 2002-2012 but the gap widened with England. Over that period, GVA in N2 increased by £5.5bn or 40%. Within N2, GVA grew by 41% in the City and 39% elsewhere in the County. But the rate of increase in GVA for England was higher at 44%.

GVA per head of population has risen more slowly for N2 compared to England over 2002-2012. Although GVA per head in the City (£26,750 in 2012) is above the national average (£21,940), it grew more slowly over the decade (by 24%) compared to England (by 34%).

Part of the reason for this gap in relative economic performance can be explained by differences in employment and economic activity rates as well as differing economic structure when comparing N2 and England as a whole, as well as differences between the City and the remainder of the County.

However, a significant part of this output gap also arises because of lower productivity levels within N2 compared with the national average, and especially London and the South East. And a key factor explaining lower productivity growth is the incidence and severity of skills shortages and gaps.

GVA per hour worked is the most widely used productivity indicator and, as Figure 34 illustrates, there are significant discrepancies between the constituent parts of N2 and England as a whole. Over 2008 - 2012 the rate of increase in productivity in the City was lower than that achieved nationally, but GVA per hour increased far more quickly elsewhere in the County over the period. However, GVA per head within N2 has consistently lagged behind that of England which clearly demonstrates the existence of a productivity gap.

Fig. 34: GVA per hour worked, Nottingham, Nottinghamshire and England, 2008 - 2012

	Nottingham	Nottinghamshire	England
2008	24.0	23.1	26.9
2009	23.9	23.0	27.0
2010	24.5	23.9	27.9
2011	25.1	24.7	28.4
2012	25.1	24.9	28.3
2008-12 % change	4.6	7.8	5.2

Source: Sub-Regional Productivity, ONS
Nominal, smoothed data

The relationship between skills and productivity is well established and raising skill levels is therefore a key policy priority in efforts to improve UK domestic and international competitiveness. Sustained investment in skills training at the sub-regional level will be required if the N2 - England productivity gap is to be narrowed in years to come.

Earnings

Getting as many people into the workforce as soon as possible ought in time to deliver big benefits to the N2 economy. Once in work, many people can be expected to progress up the skills and income ladder, thereby adding to the economy's productive potential and wealth. But while employment levels have been increasing and unemployment falling, average earnings growth has been relatively low or, in the case of the City, has actually fallen over the last year. A recent TUC report[5] suggests that the fall in average weekly earnings growth reflects the growth of low-paying sectors and the shift from full-time to part-time work coupled with a rise in self-employment.

In 2014 average workplace earnings in N2 were almost £29,000, making them 15% below the England average (Figure 35).

[5] Earnings and Settlements, IDS, TUC, June 2014

N2 workplace earnings rose by just £40 between 2013 - 2014 which compares with a rise of £220 for England. In the City workplace earnings actually fell by £800 over the year while they increased by £710 elsewhere in the County.

Fig. 35: Average (Mean) Annual Earnings, Full Time Employees, Workplace and Resident Analysis, Nottingham, Nottinghamshire and England, 2014

£	Workplace	Resident
Nottingham	29,200	26,500
Nottinghamshire	28,600	31,000
N2	28,900	28,750
England	34,200	34,200

Source: Annual Survey of Hours and Earnings, NOMIS

The average earnings of those people who are resident in Nottingham City [£26,500] is significantly lower than workplace earnings [£29,200]. This reflects the higher average earnings of those people who commute into the city to work but who live in neighbouring areas such as, though not exclusively, Rushcliffe, Gedling and Broxtowe.

9. People Engaged in Learning

In this penultimate section we provide a detailed analysis of trends and issues in relation to participation and attainment in learning and transitions into higher levels of learning and into work.

Key Findings

48% of Nottingham schools and 60% of those elsewhere in the County achieve 5+ A*-C GCSEs including English and Maths compared to 61% across England.

In terms of NVQ attainment amongst 16-19 year olds:

- Substantial progress has been made at NVQ Level 3 where N2 rates of achievement are well above the national average.
- There is a gap at NVQ Level 2, although Nottinghamshire rates were above those for England between 2009 and 2012.
- Rates of achievement at NVQ Level 1 are now broadly in line with the national average.
- Good progress has been made in terms of reducing the proportion of 16-19 year olds without qualifications - the rate at which this has fallen since 2004 has been faster in N2 compared with that for England.

The proportion of Key Stage 4 (Year 11) leavers going into any education, employment or training destination in Nottingham is below that for Nottinghamshire and England. In the City, a relatively high proportion of these students progress into Further Education colleges whereas in the County a relatively high proportion makes a transition into a School Sixth Form College.

The evidence about participation in education, training and employment amongst 16-17 year olds show that:

- The County has a relatively high level of participation compared with the City and England.
- Levels of engagement in Apprenticeships and Work-based learning are relatively high within the City.
- According to the latest available data there were estimated to be almost 1,500 people aged 16 - 17 years who were not in education, employment or training (NEET) at the end of 2013.

A Level performance within City-based schools and colleges is on a par with England as a whole as is the case in Nottinghamshire except for a gap at the highest level of attainment (3 A Levels at A*-E). Within the overall FE and Skills sector Nottinghamshire has a relatively high proportion of learner engagement at Level 2 and above, whereas Nottingham has a higher percentage learning at below Level 2 when compared with the County and England.

In 2012-13, N2 had almost 20,500 Apprentices with a slightly higher proportion at Intermediate Level, slightly below average at the Advanced Level and about the same at the Higher Level. Within N2, the City's Apprenticeships profile is significantly skewed towards the Intermediate Level. In 2012-13, there were 12,200 Apprenticeship starts in N2 with 58% at Intermediate Level and 42% at either Advanced/Higher Levels - this compares with 43% at Advanced/Higher Levels for England. There has been a year on year increase in the numbers of Advanced/ Higher Apprenticeships since 2009-10.

The number of Apprenticeship achievements has increased steadily since 2005/06 though not always year on year. The five areas which attract the largest proportion of Apprenticeship achievements are: Business, Administration and Law; Retail; Health, Public Services and Care; and Engineering and Manufacturing Technologies.

Nottingham's Apprenticeships Overall Success Rate (all ages) in 2013-14 was below that for England but exceeded the national average at the Higher 4+ level. Nottingham's overall performance amongst 16 to 18 year olds was also above the England average.

In 2012-13 the two universities based within N2 had 62,400 students and of these: 75% were under-graduates; 86% were on full-time courses; and 80% were UK citizens. The overall graduate retention rate for Nottingham's universities is 28%, although the proportion of working graduates who stay in Nottingham or Nottinghamshire is lower at 23%. More than half of graduates from the two universities who continue their studies remain in Nottingham to do so.

Young People (16 - 19 year olds)

Attainment

GCSEs

There is a very significant difference between the overall GCSE performance of schools located in Nottingham and those in the County, with the latter consistently out-performing the former when taken as an average. Figure 36 shows that 48% of Nottingham schools and 60% of those elsewhere in the County achieve 5+ A*-C GCSEs including English and Maths compared to 55.5% across England.

Fig 36: Percentage of Pupils Achieving 5+ A*-C Grades (incl. English and Maths) GCSEs, Nottingham, Nottinghamshire and England, 2011-2014 (Secondary Schools, Key Stage 4)

	% achieving 5+ A*-C GCSEs, incl. English & Maths				% achieving A*-C in English & Maths 2014
	2011	2012	2013	2014	
England - all schools	59.0	59.4	59.2	53.4	55.5
England - state-funded schools	58.2	58.8	60.6	56.6	58.9
Nottingham – state-funded schools	46.7	49.6	50.3	44.6	48.3
Nottinghamshire – state-funded schools	57.6	60.6	63.4	58.0	60.4

Source: Dept for Education

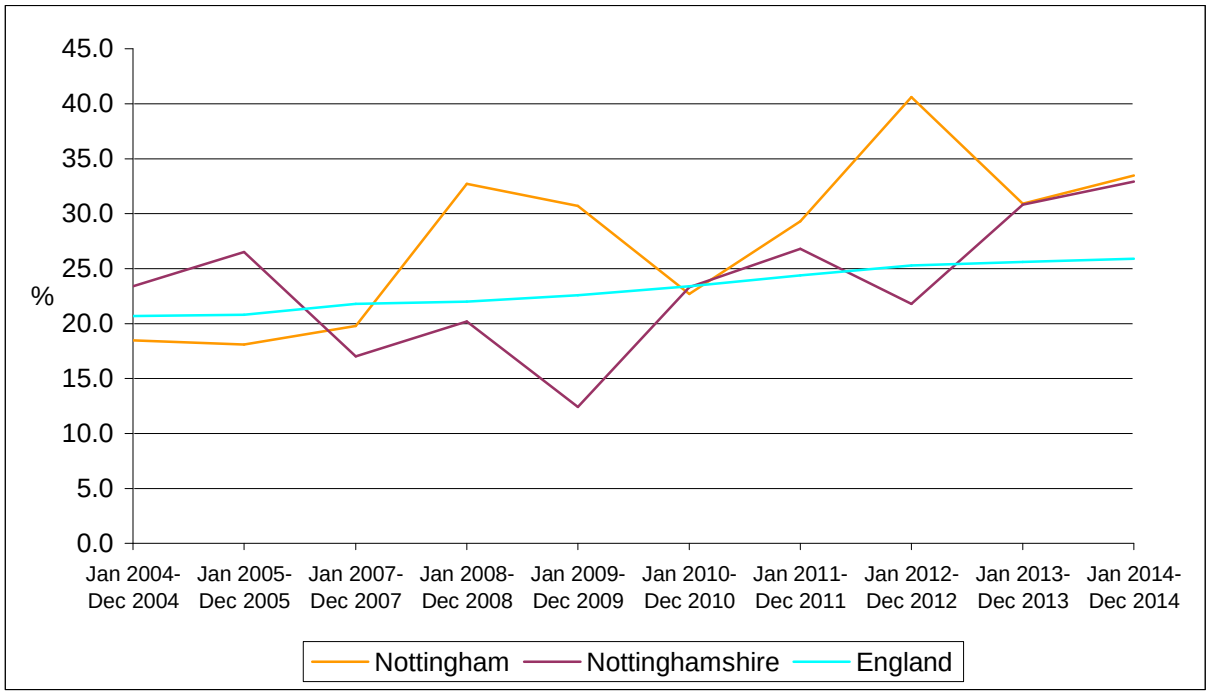
NVQs

In terms of NVQ attainment amongst 16-19 year olds, analysis of the APS data for 2004 and 2014 (Figure 37) shows that:

- Substantial progress has been made at NVQ Level 3 where N2 rates of achievement are well above the national average.
- There is a gap at NVQ Level 2, although the Nottinghamshire rate is now above average.
- Rates of achievement at NVQ Level 1 are now higher in the City compared with the rest of the County.
- Good progress has been made in terms of reducing the proportion of 16-19 year olds without qualifications - the rate at which this has fallen since 2004 has been faster in N2 compared with that for England.

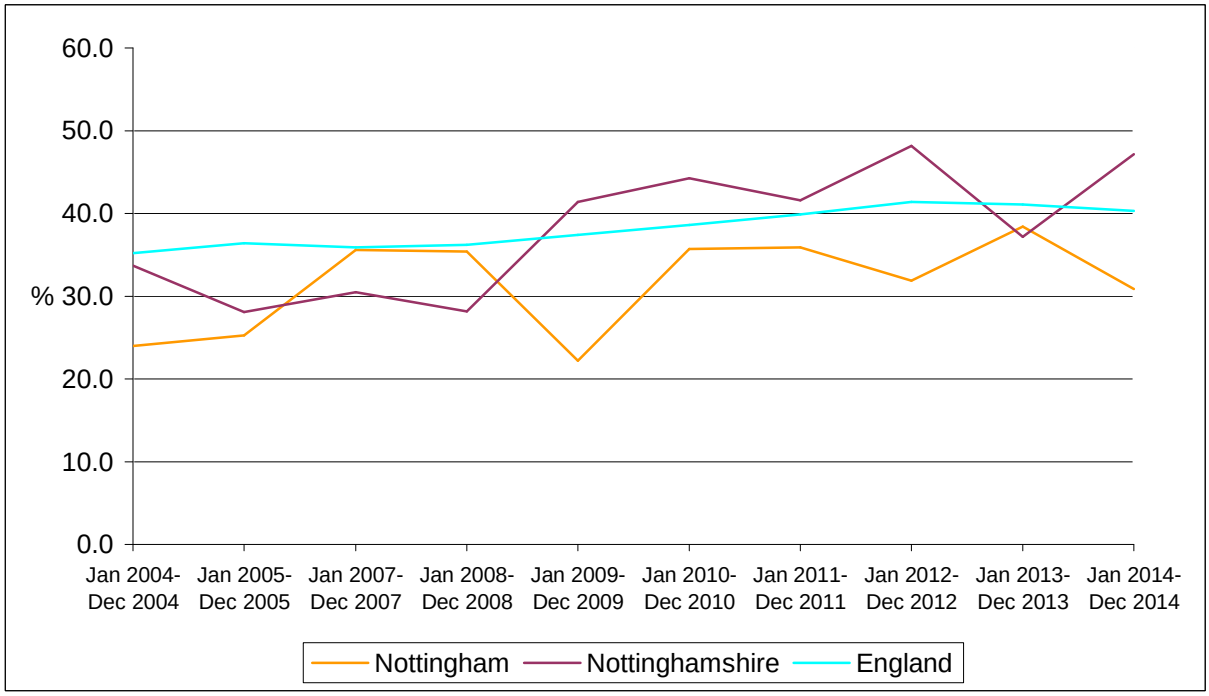
Fig. 37: NVQ Attainment Amongst 16-19 Year Olds, Nottingham, Nottinghamshire and England, 2004 - 2014

NVQ Level 3



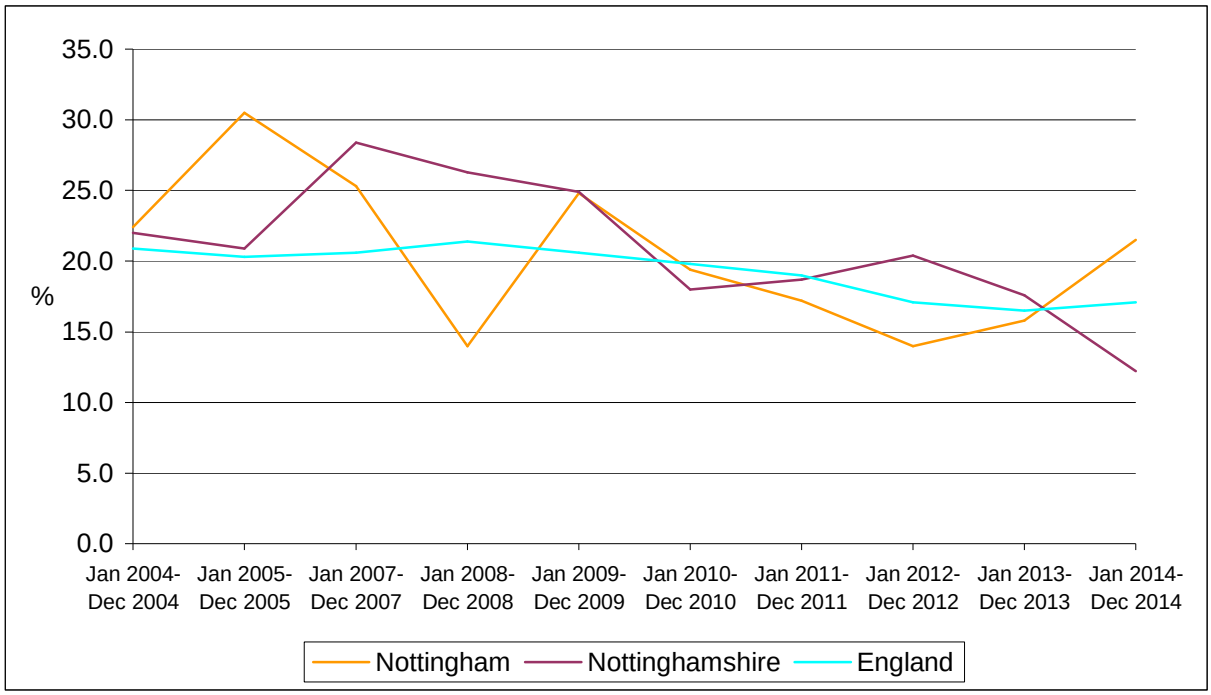
Source: Annual Population Survey

NVQ Level 2



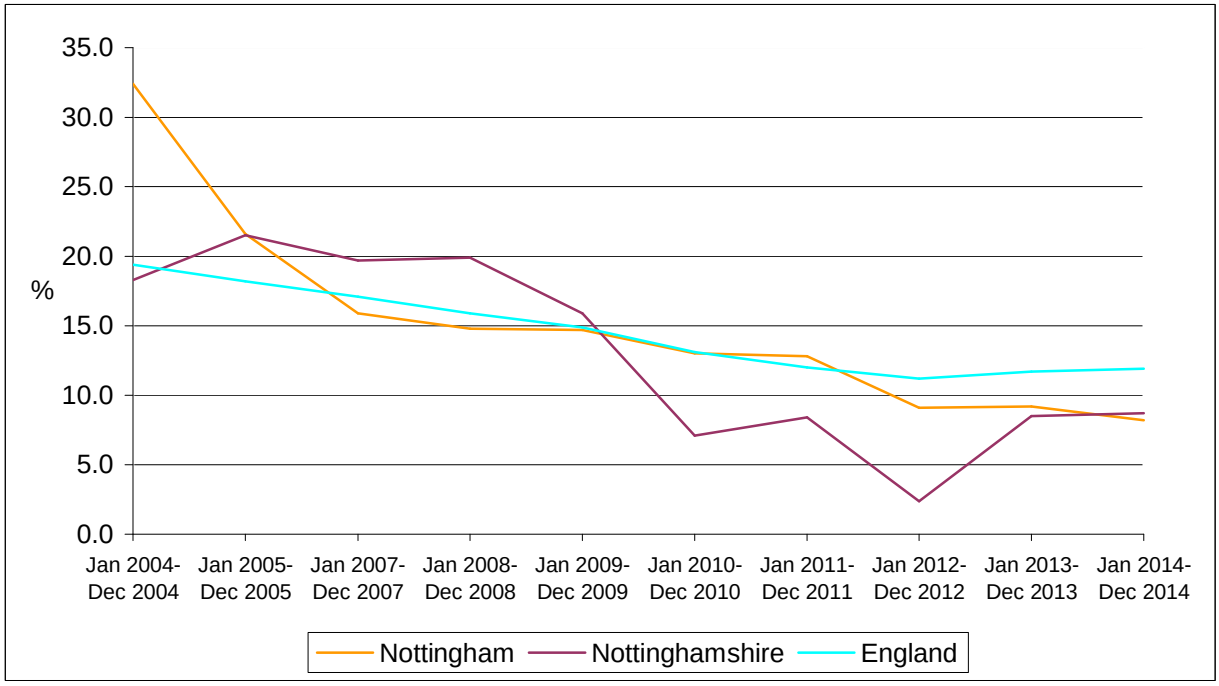
Source: Annual Population Survey

NVQ Level 1



Source: Annual Population Survey

No Qualifications



Source: Annual Population Survey

Transitions into Learning and Work

The ability of young people to make an effective transition from full-time education into higher level education, training or work is a key issue. The availability, range and quality of options available and the ability of these young people to make effective choices between them is key to the retention of talent, to boosting productivity and to increasing economic growth and quality of life.

There is a clear need for young people and job seekers to have a good understanding of industry growth sectors, workplace environments and the specific job roles and employability skills required by employers. Young people therefore need the opportunities to develop an understanding of the world of work whilst at school and be encouraged to develop essential career management skills to plan their pathway through appropriate learning and employment over their lifetime.

The growing importance of employability skills, which itself is partially a function of the growth of the service sector as well as rising living standards and consumer expectations, is hard to understate. Employability skills are a combination of functional skills (including the application of number, language and ICT skills) alongside behavioural characteristics and social skills essential to operating in the workplace. These include effective communication, reliability, taking personal responsibility, having the right attitude, team building, and problem solving which all contribute to business success. Moreover, they are essential capabilities that make specific knowledge and technical skills fully productive.

As Figure 38 shows, the proportion of Key Stage 4 (Year 11) leavers going into any education, employment or training destination in Nottingham is below that for Nottinghamshire and England. In the City, a relatively high proportion of these students progress into Further Education colleges whereas in the County a relatively high proportion make a transition into a School Sixth Form College.

Statistics relating to overall levels of participation in education, training and employment amongst 16-17 year olds is presented in Figure 39. These show that:

- The County has a relatively high level of participation (93%) compared with the City and England (both around 90%).

- Levels of engagement in Apprenticeships (5.2%) and Work-based learning (2.4%) are relatively high within the City.

Fig. 38: KS 4 Education and Employment Destinations, Nottingham, Nottinghamshire and England, 2012-13

		% going to a sustained education destination						
	No. of Students	Overall Education or Employment/ Training Destination	Any Education Destination	FE College	School Sixth Form	Sixth Form College	Apprenticeships	Work-based Learning
England	551,580	91	88	34	38	12	5	1
Nottingham	2,490	82	80	43	22	10	5	1
Nottinghamshire	8,610	89	87	37	41	4	6	1

Source: Dept for Education

Fig. 39: Participation of 16-17 year olds in Education and Training, Nottingham, Nottinghamshire and England, 2012

		% of 16 and 17 year olds participating in:							
	16-17 year olds	FT education & training	Apprenticeship	Work-based Learning	PT Education	Employment with PT Education	Other Training	Total	Change in year
England	1,172,260	82.3	4.2	1.5	0.3	0.8	0.3	90.3	1.4
Nottingham	6,600	80.2	5.2	2.4	0.2	1.6	0.9	90.5	2.4
Nottinghamshire	18,100	84.2	5.1	0.6	0.0	2.5	0.3	92.7	3.0

Source: Dept for Education

The most recent data from the Department for Business, Innovation and Skills shows that just 25% of students at City schools who were 15 in 2007/8 had entered higher education by the age of 18 or 19. This percentage has increased in each of the last five years but is still lower than the County and England averages of 31% and 36% respectively. However, a higher than average proportion of Nottingham City residents who take A-levels go on to University (58% compared to 54% in England, DFES 2011/12) which the problem lies in the low proportion of students progressing from GCSEs to A-levels.

NEET

Statistics relating to 16 to 18 year olds classified as NEET (Not in Education, Training or Employment) are shown in section 10 (People Not in Work or Learning).

Participation in Learning

Sixth Form Provision

As Figure 40 shows, A Level performance within City-based schools and colleges is above that for England, especially at the highest level of attainment (3 A Levels at A*-E).

Fig. 40: A Levels Attainment, 16-19 Year Olds, Nottingham, Nottinghamshire and England, 2012-13 (Schools and Colleges, Key Stage 5)

	% of students achieving at least		
	3 A Levels at A*-E	2 A Levels at A*-E	1 A Level at A*-E
England - all schools & colleges	79.5	92.4	99.6
England - state-funded schools & colleges	77.9	91.8	99.6
Nottingham	84.7	94.7	99.7
Nottinghamshire	73.8	90.7	99.3

Source: Dept for Education

FE and Skills Participation

Colleges and training providers have flexibilities within their funding allocations to plan provision in order to best meet local needs whether these are classroom-based or delivered in the workplace. They can deliver training from foundation level through to foundation degree level either on a part-time or full-time basis as well as Apprenticeships from Level 2 (Intermediate) right through to Level 4 (Higher) and also the new Level 6/7 opportunities being developed.

Figure 41 provides an overview of all FE and Skills participation for N2 and England. Overall, there were 80,650 learners in 2012-13 resident in N2 who were enrolled across four different types of provision:

- Education and Training
- Workplace Learning
- Apprenticeships
- Community-based Learning

Within the overall FE and Skills sector Nottinghamshire has a relatively high proportion of learner engagement (provision) at Level 2 and above whereas Nottingham has a higher percentage learning at below Level 2 (36%) when compared with the County and England.

Fig 41: All FE and Skills Participation, Nottingham, Nottinghamshire and England, 2012-2013

% total learners	Total Learners	Below Level 2	Skills for Life	Level 2	Full Level 2	Level 3	Full Level 3	Level 4 and above
England	4,320,300	26	34	41	30	26	22	1
Nottinghamshire	51,800	27	38	51	39	31	26	2
Nottingham	28,850	36	39	44	31	20	17	1
N2	80,650	30	38.5	48	36	27	23	1.5

Source: SFA, BIS

* This table include Apprenticeships, Workplace Learning, Community Learning and Education and Training provision taken at General Further Education Colleges (including Tertiary), Sixth Form Colleges, Special Colleges (Agricultural and Horticultural Colleges and Art and Design Colleges), Specialist Colleges and External Institutions.

Classroom-based Provision (Education and Training)

Compared with England, overall education and training provision in N2 is higher at Level 2, lower at Level 3 and about the same at Level 4 (Figure 42). Below Level 2 and Skills for Life provision is relatively high in the City but significantly lower at Levels 2 and 3.

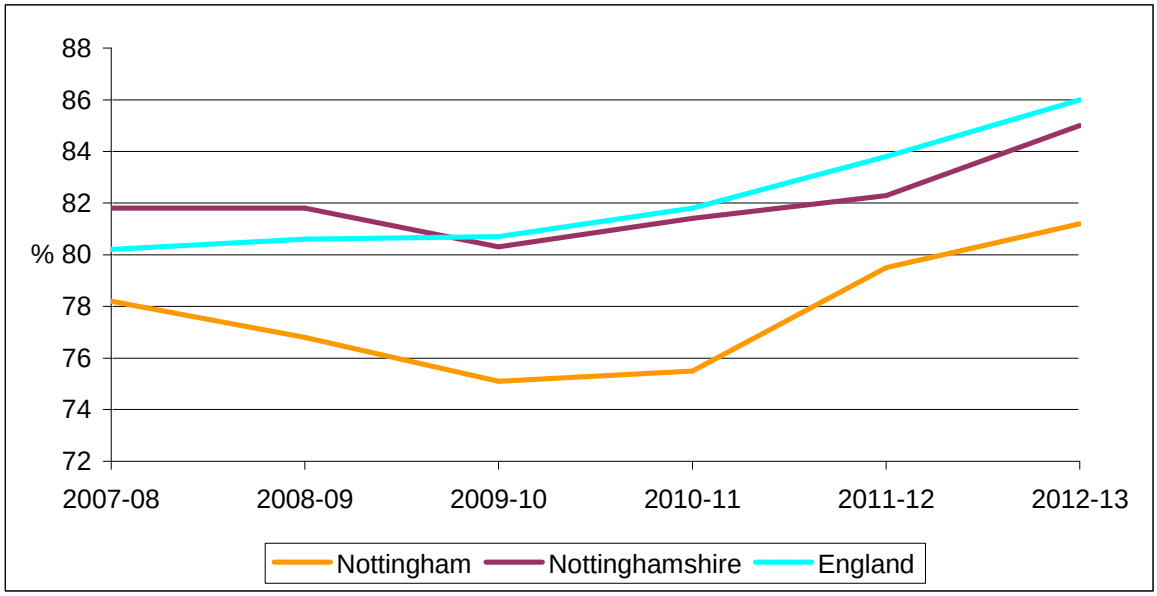
Fig 42: Education and Training Learners, Nottingham, Nottinghamshire and England, 2012-2013

% total learners	Total Learners	Below Level 2	Skills for Life	Level 2	Full Level 2	Level 3	Full Level 3	Level 4 and above
England	2,650,900	42	29	41	24	27	21	1
Nottinghamshire	32,240	43	28	46	27	28	22	2
Nottingham	19,750	50	35	40	23	19	15	1
N2	52,000	46	30	44	26	24	19	1.5

Source: SFA, BIS

Figure 43 shows that overall (all age) Education and Training success rates have steadily improved across N2 since 2009-10. The England average is above that for N2 however.

Fig. 43: Education and Training Success Rates by LEA, 2007/08 - 2011/12



Source: SFA, BIS

Workplace (Work-based) Learning

The number of N2 learners engaged in work-based training outside of Apprenticeship frameworks was 7,550 in 2012-13 and has been on a downward trend since the Government prioritising Apprenticeships from 2010-11. In 2012-13, Full Level 2 provision within N2 is on a par with England, at around 71%; while Full Level 3 provision was higher in the County (16%) compared with Nottingham (14%) and England (11%).

Skills for Life

In 2011-12 there were 18,620 learners engaged in the Skills for Life programme in N2, 38% resident within Nottingham. Numbers of achievements have declined steadily since 2008-09 when 19,150 people in N2 participated in Skills for Life.

In 2011-12, Skills for Life achievements at an N2 level are higher than average for English and Maths, both at 67% compared to 63% for England. But this is due to particularly high levels of achievement at a County level. Within Nottingham above average achievements were evident in English (64%) and ESOL (16%).

Community Learning

Providers of Community Learning are directly funded by the SFA including local authorities, Colleges and community-based providers. In 2012-13 N2 had 4,530 people engaged in Community Learning, the majority (85%) of which was Personal and Community Development Learning, significantly higher than the England average (75%). Similarly, N2 engagement in Neighbourhood Learning in Deprived Communities, which only involved 620 learners, was higher in N2 (23%) compared to England (10%) while the City average was 15%.

Apprenticeships

All Apprenticeships should now have a miminum duration of one year and are available from Level 2 up to Level 5. In 2012-13, N2 had 20,420 Apprentices with a slightly higher proportion at Intermediate Level, a slightly below average at the Advanced Level and about the same at the Higher Level (Figure 44). Within N2, we can see that the City's Apprenticeships profile is significantly skewed towards the Intermediate Level when compared with N2 as a whole, or with England.

Fig. 44: Apprenticeship Learners by Level, Nottingham, Nottinghamshire and England, 2012 - 2013

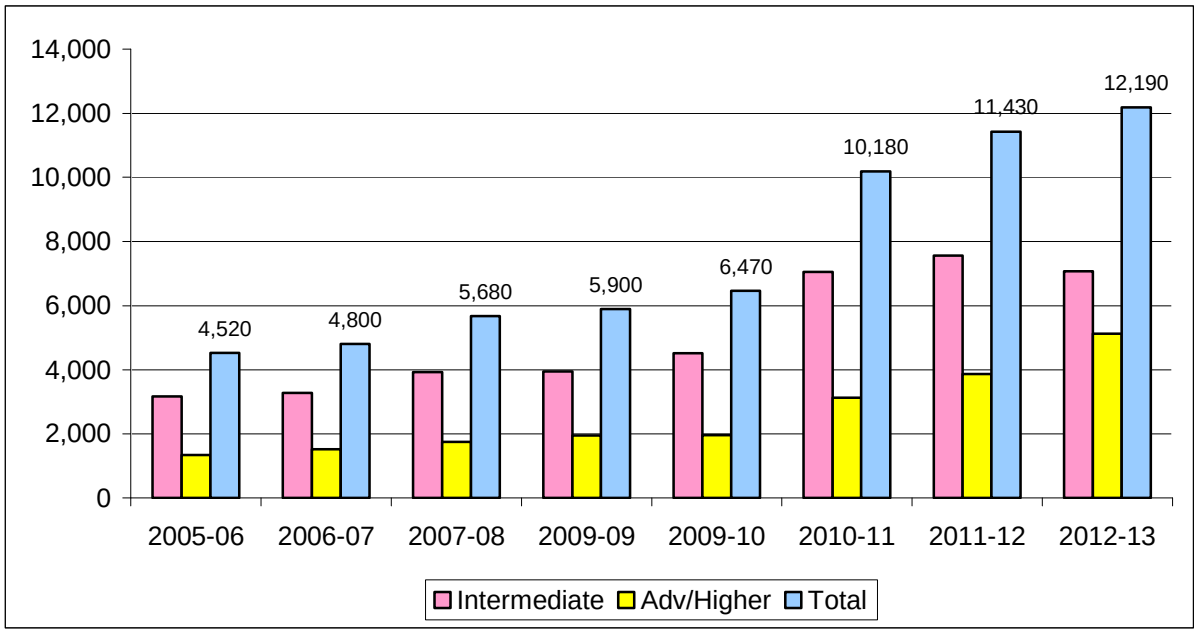
% total Apprenticeship learners	Total Learners	Intermediate	Advanced	Higher
England	891,700	56	42	2
Nottinghamshire	15,230	57	42	2
Nottingham	5,190	63	36	1
N2	20,420	58	40	2

Source: SFA, BIS

As Figure 45 shows, in 2012-13, there were 12,200 Apprenticeship starts in N2 with 58% at Intermediate Level and 42% at either Advanced/Higher Levels - this compares with 43% at Advanced/Higher Levels for England. It is encouraging to note that there has been a year on year increase in the numbers of Advanced/Higher Apprenticeships since 2009-10.

The count of total starts is a 7% increase from 2011-12 and the rate of uptake has increased year on year since 2005-06.

Fig. 45: Apprenticeship Starts by Level, N2, 2005/06 - 2012/13



Source: SFA, BIS

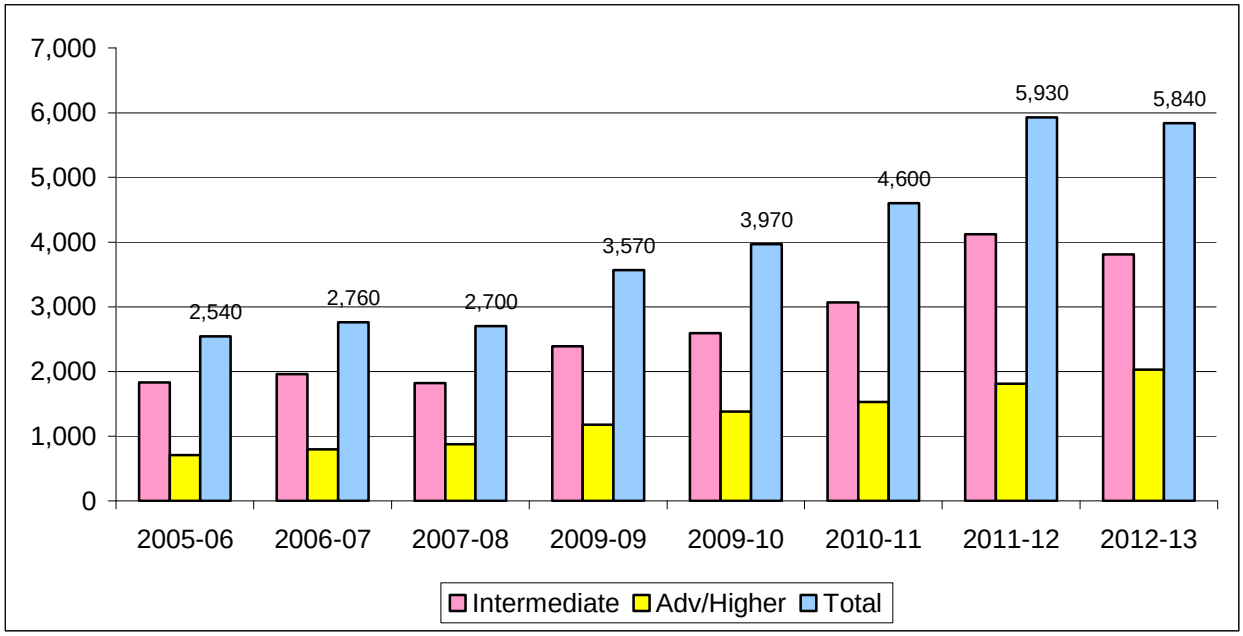
Looking at the picture within the N2 sub-region, the data tells us that:

- In 2012-13, there were 3,220 Apprenticeship starts in Nottingham of which 62% were at Intermediate Level and 38% at either Advanced/Higher Levels. This count of total starts is a 10% increase from 2011-12 and the rate of uptake has increased year on year since 2009-10.

- In 2012-13, there were 8,970 Apprenticeship starts in Nottinghamshire of which 43% were at Intermediate Level and 57% at either Advanced/Higher Levels. This count of total starts is a 5% increase from 2011-12 and the rate of uptake has increased year on year since 2005-06.

Figure 46 shows that the number of N2 Apprenticeship achievements has increased steadily (though not always year on year) since 2005-06 with more than 5,800 achievements in 2012-13. In that year, 35% of achievements were at either an Advanced/Higher Level which compares with 38% at Advanced/Higher Levels for England.

Fig. 46: Apprenticeship Framework Achievements by Level, N2, 2005/06 - 2012/13



Source: SFA, BIS

Looking at the picture within the N2 sub-region, the data tells us that:

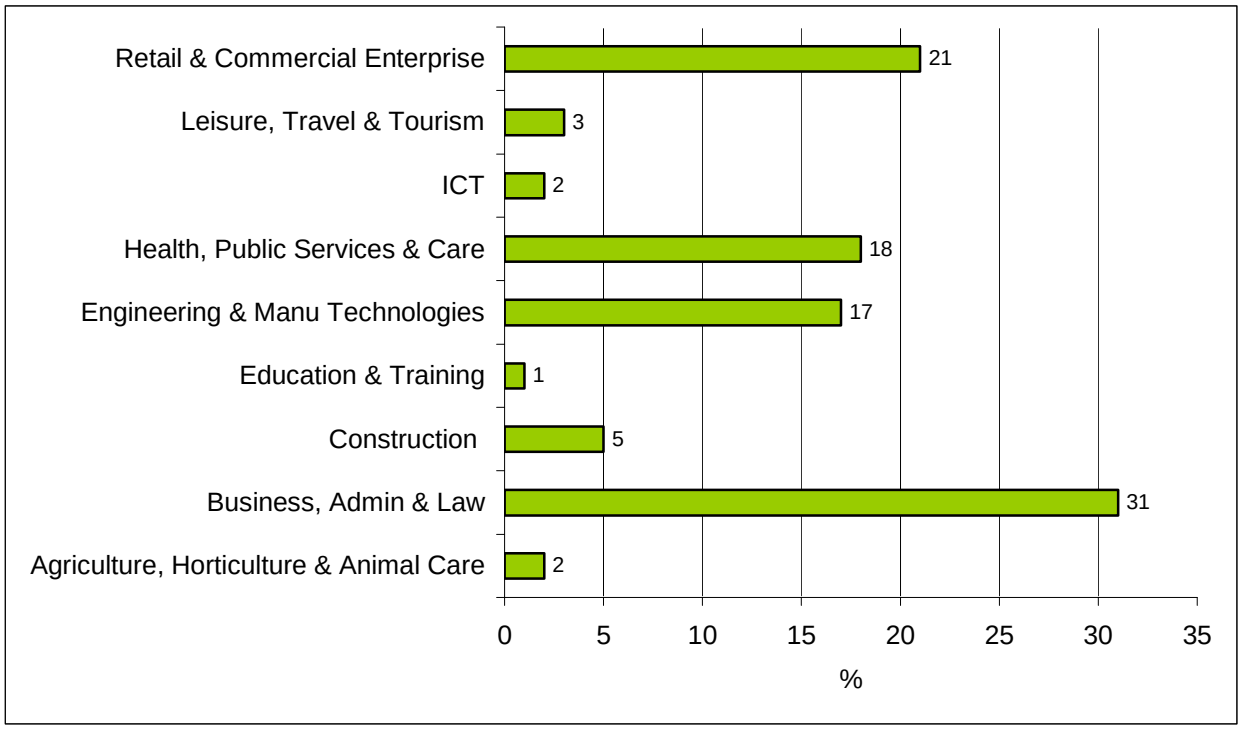
- In 2012-13, there were 1,370 Apprenticeship achievements in Nottingham of which 69% were at Intermediate Level and 31% at either Advanced/Higher Levels. This count of total achievements is 9% below that in 2011-12.

- In 2012-13, there were 4,470 Apprenticeship achievements in Nottinghamshire of which 36% were at Intermediate Level and 64% at either Advanced/Higher Levels. This count of total achievements is a 5% increase from 2011-12.

In order to provide some insight into learner demand (and gain a proxy indicator of future employment intentions/preferences), it is useful to consider the most popular sectors for recent Apprenticeships achievements.

Figure 47 shows that the five areas which attract the largest proportion of N2 Apprenticeship achievements are: Business, Administration and Law; Retail; Health, Public Services and Care; and Engineering and Manufacturing Technologies. Together, these sectors account for almost 9 in 10 Apprenticeship learner choices.

Fig. 47: Apprenticeship Achievements by Subject, N2, 2012 - 2013



Source: SFA, BIS

Figure 48 compares Apprenticeships overall success rates (OSR) in 2013-14 and shows that overall Nottingham's OSR was below that for England but that is exceeded the national average at the Higher 4+ level. Nottingham's overall performance amongst 16 to 18 year olds was above the England average.

Fig. 48: Apprenticeship Overall Success Rates by Level, Nottingham and England, 2013 - 2014

Age Group		Level	England	Nottingham	% Difference
16-18	2	Intermediate	69.5	69.7	0.2
16-18	3	Advanced	75.0	76.6	1.6
16-18	4+	Higher	66.9	0	-
16-18	All	All Levels	71.1	71.5	0.4
19-23	2	Intermediate	68.7	59.2	-9.5
19-23	3	Advanced	72.7	65.7	-7.0
19-23	4+	Higher	76.4	0.0	-
19-23	All	All Levels	70.3	61.4	-8.9
24+	2	Intermediate	68.3	64.8	-3.5
24+	3	Advanced	65.1	64.4	-0.7
24+	4+	Higher	68.8	61.5	-7.3
24+	All	All Levels	66.8	64.6	-2.2
All Age	2	Intermediate	68.8	64.3	-4.5
All Age	3	Advanced	69.1	66.9	-2.2
All Age	4+	Higher	71.3	72.2	0.9
All Age	All	All Levels	68.9	65.3	-3.6

Source: SFA, BIS

Figure 49 reports on Key Stage 5 student destinations and we can see that N2 and England have almost identical rates going into an overall education, employment or training destination. A much higher proportion of City-based students progress onto an education destination and, in particular, to University compared with the rest of the County and the average for England. Although the proportion of N2 Key Stage 5 students progressing onto Apprenticeships is below average, this is expected to increase in future years as employers become more accustomed to using Higher Level Apprenticeships and learners consider alternatives to full-time Higher Education.

Fig. 49: KS 5 Education and Employment Destinations, Nottingham, Nottinghamshire and England, 2011 - 2012

	No. of Students	Overall Education or Employment/ Training Destination	Any Education Destination	FE College	University/ HEI	Apprenticeships	Work-based Learning
England	370,940	74	67	8	54	6	1
Nottingham	2,280	73	71	10	58	1	-
Nottinghamshire	3,860	73	68	11	51	4	1

Source: Dept for Education

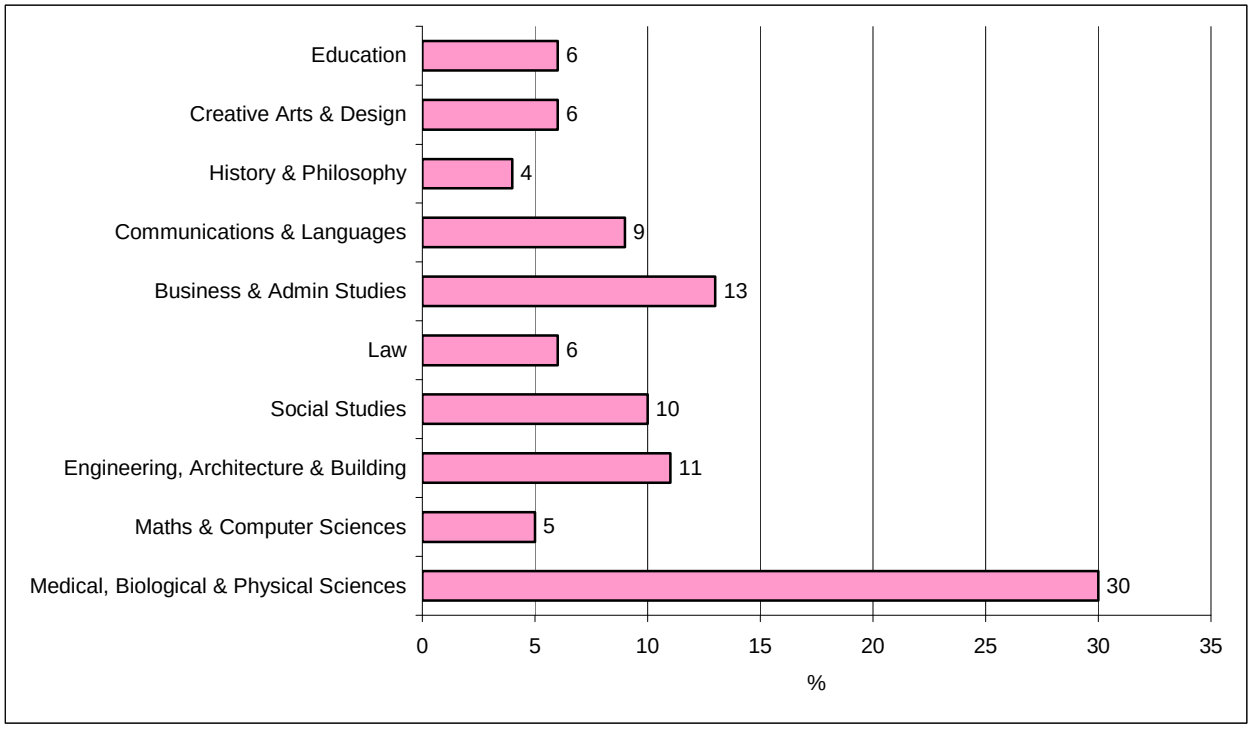
Higher Education

Retaining the skills of graduates and post-graduates is a key challenge for the N2 sub-region in order to improve the quality of the labour market offer and help boost productivity levels and business growth. In 2012-13 the two universities (The University of Nottingham and Nottingham Trent University) had a total of 62,400 students; of whom 75% were under-graduates; 86% were on full-time courses; and 80% were UK citizens.

Graduate retention in the N2 labour market makes an important contribution to the overall availability of highly skilled labour to employers. There were 42,000 economically inactive university students with a term-time address living in N2 in 2014.

Figure 50 shows that the most popular under-graduate study choices were: Medical, Biological and Physical Sciences; Business and Administration; Engineering, Architecture and Building; Social Studies; and Communications and Languages; collectively these account for almost three-quarters of all subjects being studied.

Fig. 50: HE Students by Subject of Study, University of Nottingham and Nottingham Trent University Combined, 2012 - 2013



Source: HESA

HESA's annual Destination of Leavers from Higher Education (DLHE) survey is sent to all graduates from UK institutions six months after they graduate to determine what they are doing at this point. 11,850 respondents to the 2012/13 DLHE survey graduated from the University of Nottingham or Nottingham Trent University.

The survey shows that 61% of respondents were in full time work and 10% were in part time work, while 13% were undertaking further study on either a full or part-time basis. A further 5% of respondents were combining work with further study and 11% of respondents were not engaged in any activity.

Overall, 10,500 respondents were either: working, studying or combined the two. For this group, Figure 51 gives a graduate retention rate for Nottingham's universities of 28%, although the proportion of working graduates who stay in Nottingham or Nottinghamshire is lower at 23%. More than half of graduates from the two universities who continue their studies remain in Nottingham to do so. 13% of graduates move to other parts of the East Midlands meaning more than 40% of graduates stay within the region. Nearly a quarter of graduates move to London and the South East after graduation and this rises to 26.9% of those who start work. 29% of graduates move to other parts of the UK and 5% move overseas.

Fig. 51: Location of Employment or Further Study of Graduates from Nottingham Universities, 2012/13

	Total working	%	Total studying	%	Total working or studying	%
Nottingham or Nottinghamshire	2,085	23.3	820	52.6	2,900	27.7
Other East Midlands	1,295	14.5	45	2.8	1,340	12.8
London and South East	2,405	26.9	185	12.0	2,590	24.7
Other UK	2,645	29.6	410	26.3	3,055	29.1
Non UK	490	5.5	60	4.0	555	5.3
Unknown	25	0.3	35	2.2	60	0.6
Total	8,940	100.0	1,555	100.0	10,495	100.0

Source: HESA Destination of Leavers Survey

Retention rates are higher for people qualifying from post-graduate degrees with 32% of working graduates staying in Nottingham or Nottinghamshire and a further 16% moving to other parts of the East Midlands. For people graduating from their first degree, the proportion staying in Nottingham or Nottinghamshire falls to 19%. 32% of working people graduating from their first degree move to London or the South East.

Of the 4,745 new graduates were working in Nottinghamshire six months after graduating, 74% were in 'graduate level' Managerial or Professional jobs, rising to 80% of those graduates in full time employment.

10. People Not in Work or Learning

This final section of the LMA focuses attention on people who are economically inactive and those who are unemployed and seeking work.

Key Findings

The overall N2 economic inactivity rate in September 2014 was 26% which compares with 22.5% for England.

Unemployment in the N2 sub-region fell by 7,200 over the year to August 2014 when it stood at just over 20,000; this is equivalent to a rate of 2.5% which compares with 2.2% for England. Over the year to August 2014, unemployment fell at a faster rate nationally when compared with N2.

The N2 unemployment rate amongst 16-24 year olds is higher than that for older age groups and is higher when compared to the average for England (2.4).

Around 7,500 N2 residents had been claiming JSA for over six months at February 2015 representing 42% of all JSA claimants; 53% of these long term claimants lived in the City. The City's rate of long term unemployment (2.4%) is considerably higher than that for the County or England (both at 1%).

The City has a far higher proportion of people of working age on OWBs compared with the County and England average. OWBs account for 83% of all benefits claimed by City residents of working age compared with 75% for Nottinghamshire. ESA/IB accounts for half of all OWB claimants in the City and almost two-thirds in the County.

Overall, the percentage of people claiming OWBs has been falling steadily since 2011 (having peaked in 2009); over the past year the rate of decrease has been more rapid at the County level compared to the City.

In N2 there were 897 people aged 16 - 18 who were NEET in January 2015 compared to 1,148 a year earlier, representing a fall of 22%. Figure 63 shows the NEET rates at City and County levels. The City's rate has remained consistently above that for the County and has steadily increased since October 2013.

Economic Inactivity

The economically inactive population refers to people of working age (16 to 64 years) who are not in employment or registered as unemployed. There were 176,000 such people resident in N2 in December 2014, 36% of whom lived in Nottingham (Figure 52).

People who are economically inactive include those looking after the home or family, retirees, those unable to work because of a disability or long-term sickness and students. Economic inactivity reflects the complex interplay of a number of supply-side, demand-side and institutional barriers. In terms of supply-side barriers, a lack of skills stands out as a crucial constraint. On the demand-side, job quality (especially pay, hours and prospects) rather than job quantity has hitherto been the most commonly identified barrier to work. These factors are in turn underpinned by institutional barriers of which the 'benefits trap' is the most pressing.

Fig. 52: Economic Inactivity of People Aged 16-64, Nottingham, Nottinghamshire and England, Dec 2014

	Nottingham		Nottinghamshire		England	
	No.	%	No.	%	No.	%
People aged 16-64	216,000		491,000		34,114,000	
All People Economically Inactive aged 16-64	**63,000**	**29.1**	**113,000**	**23.0**	**7,697,900**	**22.6**
Student	28,700	45.6	20,100	17.8	2,070,400	26.9
Looking after family/home	13,100	20.8	26,600	23.5	1,998,900	26.0
Temporarily sick	600	1.0	-	-	164,900	2.1
Long-term sick	12,700	20.2	33,600	29.8	1,594,400	20.7
Discouraged	-	-	-	-	39,200	0.5
Retired	3,800	6.0	19,900	17.6	1,098,600	14.3
Other	3,900	6.2	12,200	10.8	731,600	9.5
Wants a job	15,900	25.2	27,200	24.0	1,921,200	25.0
Does not want a job	47,100	74.8	85,800	76.0	5,776,700	75.0

Source: Annual Population Survey

The overall N2 economic inactivity rate in December 2014 was 25% but there is a marked difference within the sub-region with the City's rate (29%) well above the average for England (23%). The City's relatively high rate reflects above average rates of disability and long-term sickness and the relatively large student population.

Unemployment

Unemployment in the N2 sub-region fell by 7,200 over the year to March 2015 when it stood at just over 20,000; this is equivalent to a rate of 2.5% which compares with 2.2% for England. Over the year, unemployment fell at a faster rate nationally when compared with N2 (Figure 53).

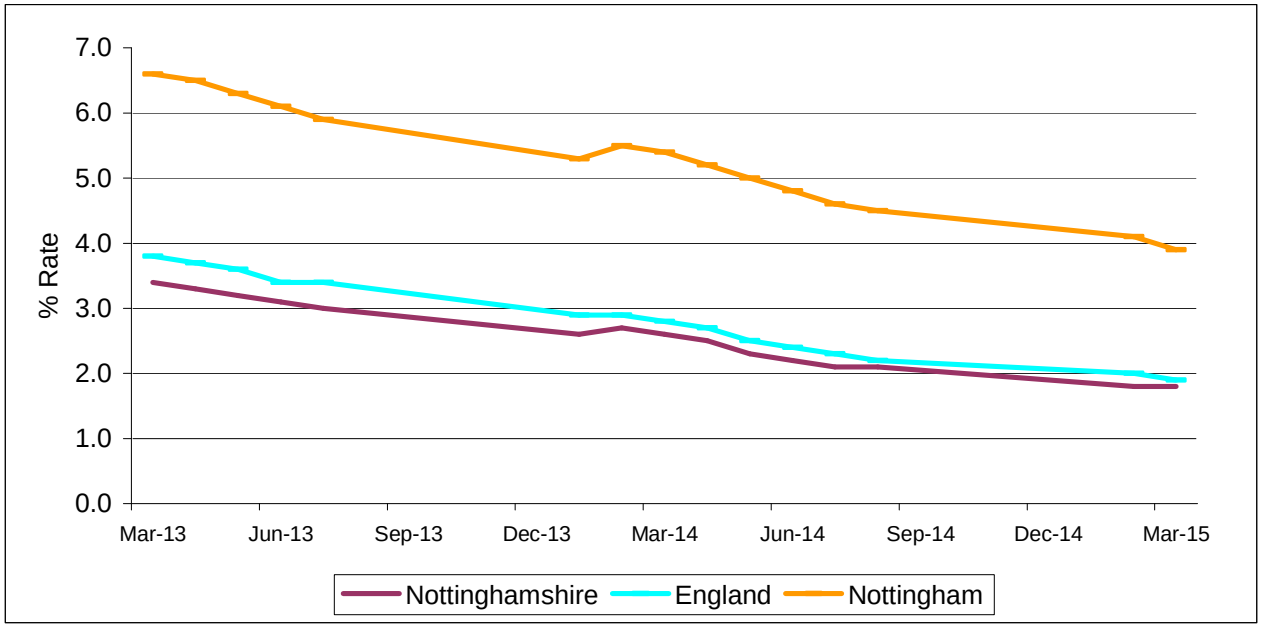
Fig. 53: Unemployment (JSA Claimants), March 2015

	March 2015		Change in last month		Change in last year	
	No.	% rate	No.	% change	No.	% change
Nottingham City	8,566	3.9%	-270	-3.1%	-3,139	-26.8%
Greater Nottingham	12,048	2.7%	-394	-3.2%	-4,726	-28.2%
Nottinghamshire (excl. City)	8,909	1.8%	-282	-3.1%	-4,087	-31.4%
N2	17,475	2.4%	-552	-3.1%	-7,865	-31.0%
East Midlands	54,228	1.9%	-2,580	-4.5%	-25,710	-32.2%
England	679,630	2.0	-21,000	-3.0%	-286,479	-29.7%

Source: Claimant Count

Figure 54 shows how the City, County and national unemployment rates have changed over the last two years. Nottingham's rate remains consistently about the national average (unlike elsewhere in the County) but the gap between the City and national unemployment rates has narrowed slightly from 2.7 percentage points in July 2012 to 2 percentage points in March 2015.

Fig. 54: Unemployment Rates Compared, Nottingham, Nottinghamshire and England, March 2013 - 2015



Source: Claimant Count

As Figure 55 confirms there is some geographic variation in levels and rates of unemployment across the N2 at various spatial levels with Mansfield and Ashfield having the highest rates after Nottingham.

Fig. 55: Unemployment Rates Compared, March 2015

	No.	% Rate
Nottinghamshire	**8,889**	**1.8**
Ashfield	1,810	2.4
Bassetlaw	1,299	1.8
Broxtowe	1,064	1.5
Gedling	1,219	1.7
Mansfield	1,708	2.5
Newark and Sherwood	1,123	1.6
Rushcliffe	666	1.0
Nottingham	**8,566**	**3.9**
England	648,280	1.9

Source: Claimant Count

There is also some geographical variation in unemployment levels and rates within local authority areas, especially at ward level; Figure 56 shows the City and County-wide wards with the highest rates in March 2015 with, for example, Ransom Wood, Portland and Oak Tree (in Mansfield) having rates well above the England average. The links between unemployment and economic disadvantage and low qualifications levels is well evidenced.

Fig. 56: JSA Claimants by Place of Residence (Ward), Nottingham and Nottinghamshire, March 2015

Ranking by % Rate

Wards - Top 5	No.	% Rate
Nottingham	**8,566**	**3.9**
Aspley	755	7.1
Bulwell	612	6.1
Bestwood	624	5.8
Arboretum	607	5.1
St Ann's	693	5.1
Nottinghamshire	**8,889**	**1.8**
Ransom Wood (Mansfield)	108	6.0
Portland (Mansfield)	102	5.8
Oak Tree (Mansfield)	96	5.1
Newgate (Mansfield)	93	4.6
Ladybrook (Mansfield)	102	4.5

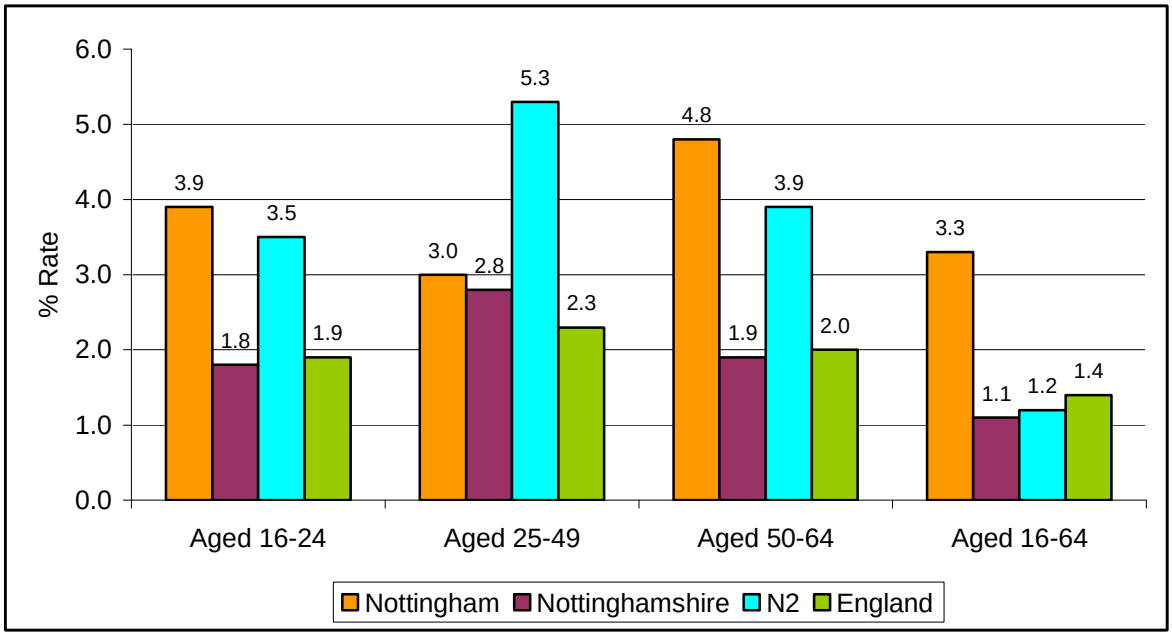
Source: Claimant Count

Unemployment and Age

Young people particularly continue to face a challenging labour market where transitions into work are hampered by a number of barriers. As Figure 57 shows the March 2015 N2 unemployment rate amongst 16-24 year olds (3.5%) is above the England average and on a par with the City's rate (Figure 57). The N2 rate is highest amongst 25 to 49 year olds.

There has been a significant fall in the employment rate amongst young people over several years. For the N2 sub-region this fell from 55% in 2009 to 45% in March 2014. The fall in Nottingham's youth employment rate was even more acute, decreasing from 45% to 33% over the same period. This fall has coincided with the raising of the participation age - a proportion of the fall in employment will therefore be due to more young people engaged in full-time learning and Apprenticeships.

Fig. 57: Unemployment Rate by Age Group, Nottingham, Nottinghamshire and England, March 2015



Source: Claimant Count

Unemployment Duration

For N2 as a whole:

- 7,525 people had been claiming JSA for more than six months at March 2015 representing 43% of all JSA claimants; 53% of these long term claimants live in the City.

- The number of long term claimants has fallen by 35% since March 2010 compared to 46% for England.

- 5,125 people had been claiming JSA for over twelve months at March 2015 representing 29% of all JSA claimants; 54% of these very long term claimants live in the City.

- The number of very long term claimants has fallen by 6% since March 2010 compared to a much larger fall of 16% for England.

In Nottingham, the numbers of long term unemployed people (claiming for more than 6 months) have fallen significantly in the last year and generally at a faster rate than for short term claimants. Despite these falls the proportion of JSA claimants who are long term claimants is still very high compared to pre-recession levels and likely to stay so as a result of welfare reforms. 46.4% of claimants have claimed JSA for more than 6 months which includes 32% claiming for more than a year and 19.6% claiming for over two years. The impact of welfare reforms on lone parents can also be seen in the proportion of the long term unemployed who are women. The transfer of people for whom childcare represents a significant barrier to work on to JSA has meant that 35% of N2 long term JSA claimants were female in March 2015 compared to just 20% before the reforms to Income Support were introduced.

Out of Work Benefit Claimants

Job Seekers are one of several groups of people claiming Out of Work Benefits (OWB). There were 100,500 benefit claimants resident in N2 in August 2014 of whom 84,100 (79%) were claiming OWB with the Employment Support Allowance accounting for the largest share at 56%. Figures 58 and 59 provide details of OWB claimants for the City and County respectively. Overall, the percentage of people claiming OWBs has been falling steadily since 2011 (having peaked in 2009); over the past year the rate of decrease has been more rapid at the County level (at -9.1% this is on a par with the England average) compared to the City (-8.3%). The sharpest decrease has been amongst JSA claimants.

Fig. 58: Benefit Claimants, Nottingham, August 2013 - 2014

			Change over Year: Aug 2013-14	
Statistical Group	**No.**	**% rate**	**No.**	**% change**
Any Benefits	37,640	17.3	-2,540	-6.3
Job Seekers	9,200	4.2	-2,890	-23.9
ESA & Incapacity Benefits	16,740	7.7	300	1.8
Lone Parents	4,340	2.0	-160	-3.6
Carers	3,630	1.7	250	7.4
Other Income-related Benefits	850	0.4	-70	-7.6
Disabled	2,640	1.2	60	2.3
Bereaved	250	0.1	-10	-3.8
Out of Work Benefits only	31,130	14.3	-2,830	-8.3
England - OWB	4.2m	12.3	-305,400	-9.1

Source: DWP

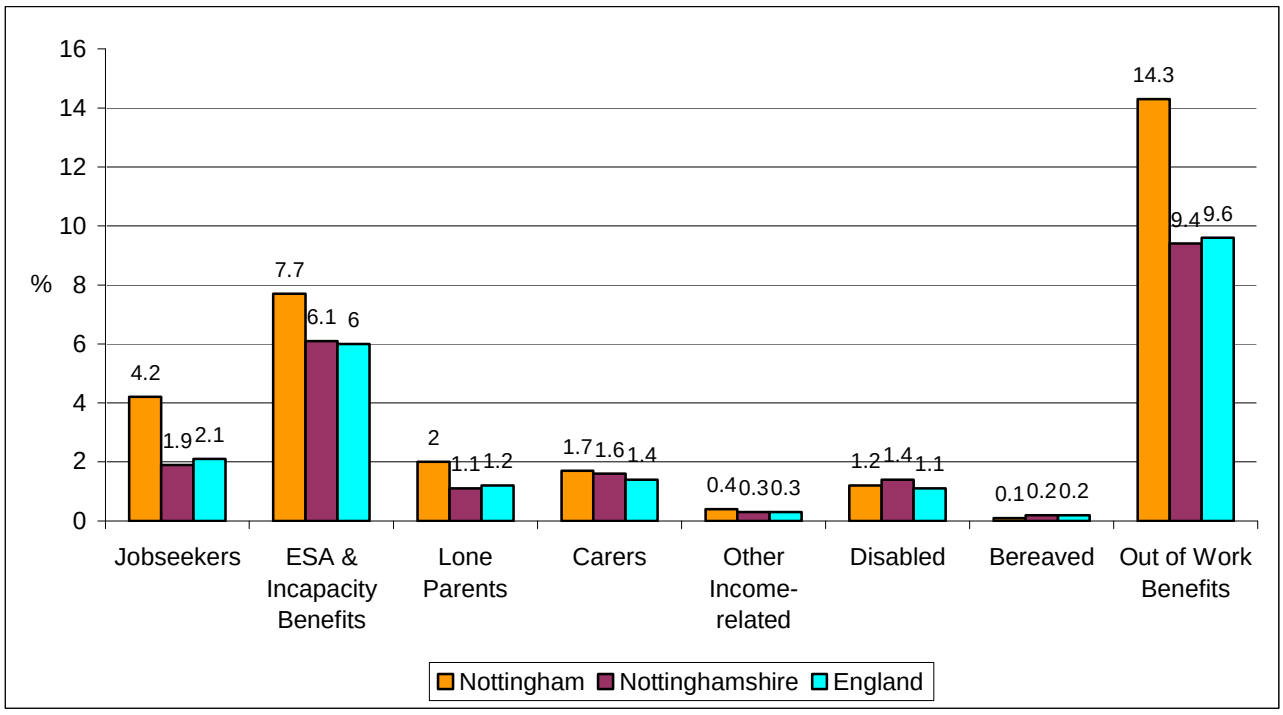
Fig. 59: Benefit Claimants, Nottinghamshire, August 2013 - 2014

			Change over Year: Aug 2013-14	
Statistical Group	**No.**	**% rate**	**No.**	**% change**
Any Benefits	62,900	12.6	-4,200	-6.3
Job Seekers	9,680	1.9	-4,140	-30.0
ESA & Incapacity Benefits	30,550	6.1	-160	-0.5
Lone Parents	5,410	1.1	-290	-5.1
Carers	7,980	1.6	560	7.5
Other Income-related Benefits	1,400	0.3	-190	-11.9
Disabled	6,840	1.4	60	0.9
Bereaved	940	0.2	-40	-4.1
Out of Work Benefits only	47,040	9.4	-4,780	-9.2
England - OWB	4.2m	12.3	-305,400	-9.1

Source: DWP

As Figure 60 shows, the City has much higher percentage of 16-64 year olds claiming Out of Work Benefits compared to the rest of the County and England. Changes in Income Support for Lone Parents have caused a fall in the number of claimants of this benefit. Between November 2010-13 the total number of OWB claimants with children hardly changed. But welfare reforms have led to a marked increase in the numbers of people with children who are claiming Job Seekers and ESA/IB.

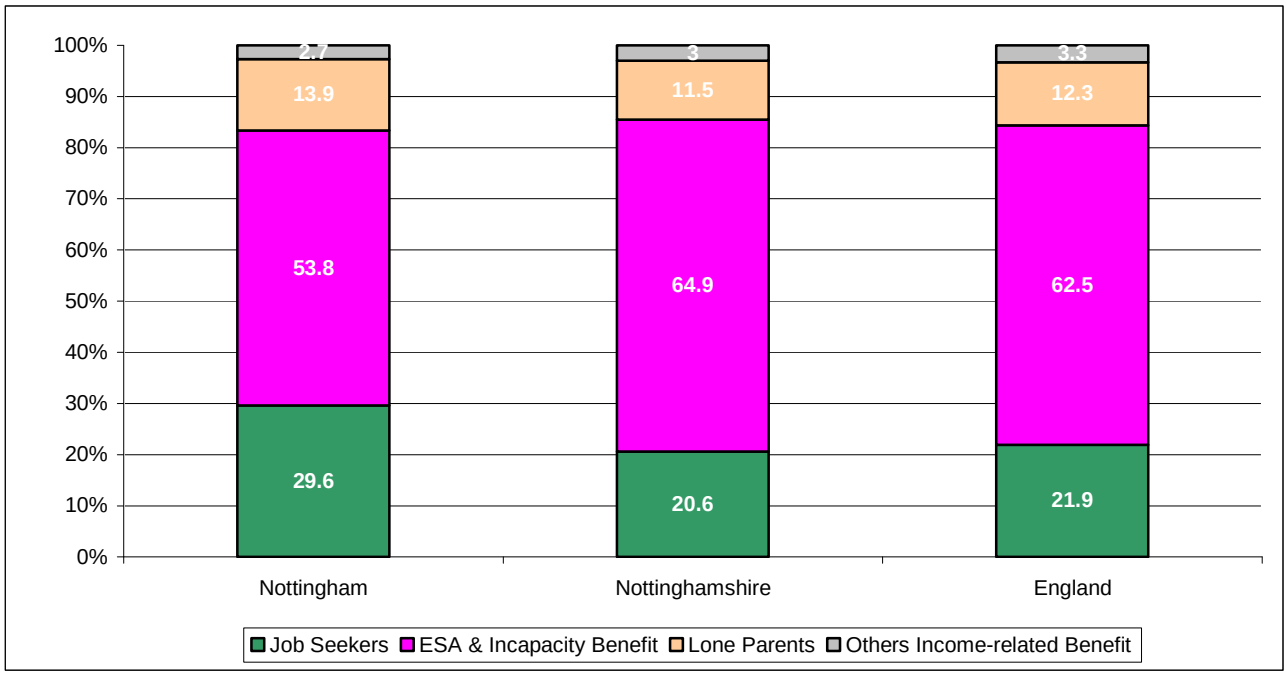
Fig. 60: Percentage of 16-64 Year Olds Claiming DWP Benefits, Nottingham, Nottinghamshire and England, February 2014



Source: DWP

If we consider OWB claimants as a percentage of all 16-64 year olds (Figure 61), the City's has a larger share of Jobseekers relative to the County and England whereas the County's share of ESA claimants is higher than the City and England average.

Fig. 61: Benefit Claimants as Percentage of 16-64 Year Olds, Nottingham, Nottinghamshire and England, August 2014



Source: DWP

Figure 62 highlights the fact that some small areas have significantly above average rates of Out of Work Benefit claimants both within and outside the City. Particularly high rates are evident in Ravensdale, Aspley and Bulwell.

Fig. 62: Total Out of Work Claimants by Place of Residence (Ward), August 2014

Ranking by % Rate

Ward - Top 5	% rate	No.
Nottingham	**14.3**	**31,130**
Aspley	23.3	2,640
Bulwell	21.8	2,375
Bilborough	21.3	2,225
St Ann's	19.6	2,695
Bestwood	19.5	2,215
Nottinghamshire	**9.4**	**47,040**
Ravensdale (Mansfield)	27.8	785
Devon (Newark and Sherwood)	21.2	625
Worksop South East (Bassetlaw)	20.9	1,050
Lindhurst (Mansfield)	20.4	520
Portland (Mansfield)	18.1	565

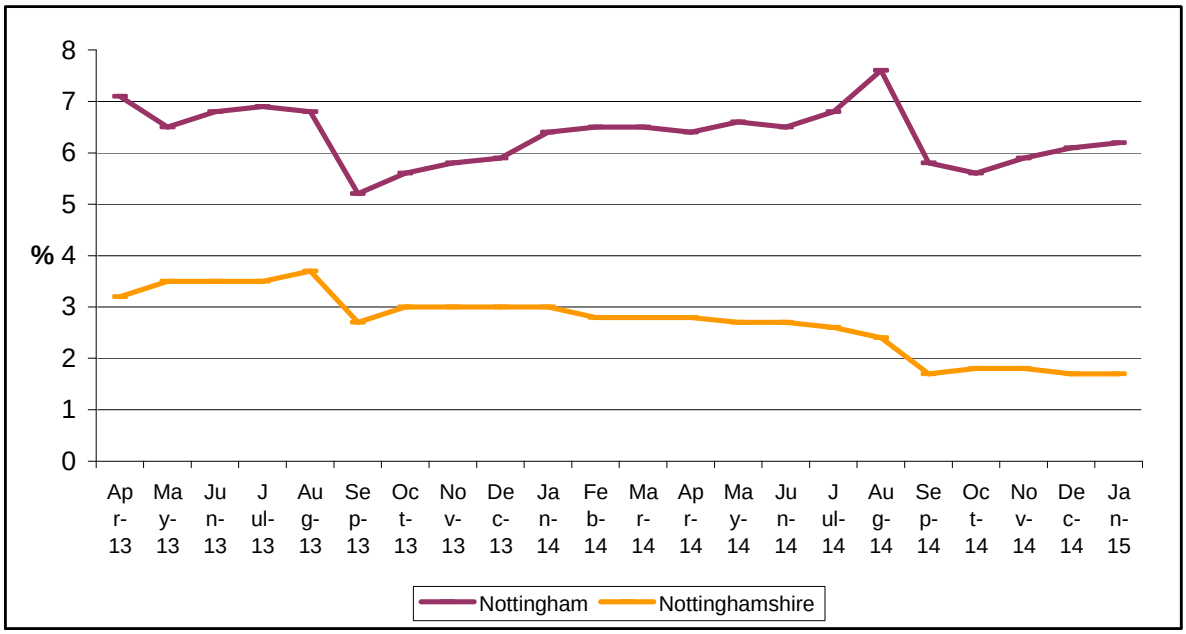
Source: DWP

NEET

Being NEET between the ages of 16 and 18 years is known to be associated with later negative outcomes, such as unemployment, lower pay, having a criminal record, poor health, teenage parenthood and mental health problems. The problems which individuals face cannot be addressed by learning alone so a combination of different types of support services are usually required to achieve success.

In N2 there were 897 people aged 16 - 18 who were NEET in January 2015 compared to 1,148 a year earlier, representing a fall of 22%. Figure 63 shows the NEET rates at City and County levels. The City's rate has remained consistently above that for the County and has steadily increased since October 2013.

Fig. 63: NEET Rates, Nottingham and Nottinghamshire, April 2003 - August 2014



Source: Futures Advice

We hope you find this report informative and useful. If you would like to provide any feedback or comments, or have any queries, please email clive.lacourt@nottinghamcity.gov.uk.

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May 2015