

Position Statement – Workforce skills

The purpose of this document is to provide an overarching view of the skills position of Devon. It is intended to inform the workforce skills role of the Economy and Enterprise service to support the identification of priorities and actions. The document may also be useful and relevant to others to provide this overarching view, but also to provide a county-level benchmark.

Introduction

Devon's labour market is characterised by relatively high economic activity rates, high levels of employment and low rates of unemployment.

Across Devon as a whole, skills and qualifications levels – which provide a reasonable proxy for the “quality” of the available labour supply – are broadly similar to the national average, at both ends of the labour market. However there are substantial differences at a district level.

Overall Devon has a relatively skilled workforce, yet median gross annual pay in 2013 at £19,081 was 14% lower than the national level of £22,204 and reflective of our sector composition.

Devon's Population

- Devon's population is expected to grow at a faster rate than England overall between 2011 and 2033 (17.6% compared to 15.5%).
- Devon's working age population (16-64) is expected to grow by 3% compared to 5.9% nationally¹ between 2011 and 2033.
- Devon's older people population (65+) is expected to grow by 53.7% compared to 49.3% nationally between 2011 and 2033.
- In the year ending September 2013, 34.3% of Devon's workforce were aged 50 and over, compared to 17.6% who were aged between 25 and 34.

The ageing profile has significant implications for the future resident labour force. It also has major implications for population driven services such as education, healthcare for the elderly and retailing.

Skills and Qualifications

This section provides an overview of skills and qualifications achieved by the working age population (16-64) and a more detailed assessment of recent achievements with respect to young people completing Key Stage 4 (GCSE). It also looks at the percentage of young people who are classified as being NEET – not in employment, education or training.

Qualifications are generally categorised by broad NVQ level and the following tables and figures show the situation as averaged over the period 2010 to 2012.²

NB: Qualifications data for Tables 1 to 3 are only available for January to December periods. The next update from Nomis will be available from 16-4-14.

¹ England.

² NVQ Level 1 is 5 GCSEs Grade A to G; NVQ Level 2 is 5 GCSEs Grade A* to C; NVQ Level 3 is 2 A Levels and NVQ Level 4 is degree level or above.

Table 1: Adult population of working age (16-64) – Qualifications 2010/12 averages

	% with NVQ 4+	% with NVQ3 only	% with NVQ2 only	% with NVQ1 only
Devon	33.4	17.4	18.5	13.5
England	32.7	16.5	16.8	13.0
East Devon	34.0	17.4	20.8	11.9
Exeter	36.3	17.3	17.8	12.7
Mid Devon	34.5	15.8	17.7	10.0
North Devon	27.7	18.5	19.5	15.2
South Hams	45.2	13.6	13.5	11.4
Teignbridge	30.7	20.2	19.3	14.1
Torridge	20.7	16.7	20.0	21.6
West Devon	35.7	17.5	18.7	13.6

Source: ONS Annual Population Survey

Table 2: Adult population of working age (16-64) – Qualifications 2010/12 averages³

	% with other qualifications ⁴	% with trade Apprenticeships ⁵	% with no qualifications
Devon	5.0	5.1	7.1
England	7.2	3.5	10.3
East Devon	5.9	4.9	6.9
Exeter	5.5	4.4	6.0
Mid Devon	6.9	4.2	11.0
North Devon	6.1	7.5	5.5
South Hams	4.1	5.2	7.1
Teignbridge	4.3	5.2	6.2
Torridge	6.1	4.8	10.1
West Devon	3.9	4.5	6.6

Source: ONS Annual Population Survey

The table and figures show that at 33.4%, Devon has a slightly higher proportion of 'working age' population qualified to NVQ4 or more (i.e. first degree level) than England as a whole (32.7%). At 5.1% the share of residents with a trade apprenticeship qualification is 1.6 percentage points higher than the England average (3.5%) and reflects the occupational/ industrial sectors within Devon. The proportion of the working age population in Devon who have no qualifications (7.1%) is considerably lower than the England average (10.3%).

Summary – Highly and poorly qualified

It is useful to compare the profile of residents' qualifications by two dimensions; well qualified (degree level and above) and poorly qualified (NVQ Level 1 and no qualifications).

³ See footnote 3.

⁴ It is not possible to classify 'Other' qualifications as many are not UK-granted and there is no straight forward NVQ Level match.

⁵ Trade Apprenticeships are normally considered to approximate 50% to NVQ Level 1 and 50% to NVQ Level 2.

Table 3: Relatively 'well' and 'poorly' qualified residents of working age (16-64) 2010/12

	% with NVQ4+	% with NVQ1 only / no qualifications
East Devon	34.0	18.7
Exeter	36.3	18.7
Mid Devon	34.5	21.0
North Devon	27.7	20.7
South Hams	45.2	18.5
Teignbridge	30.7	20.3
Torrige	20.7	31.7
West Devon	35.7	20.2
Devon	33.4	20.7
England	32.7	23.4

Source: ONS Annual Population Survey

In both categories Devon compares relatively well to England; it has a larger proportion of well-educated residents at 33.4% (compared to 32.7%), and a lower proportion of poorly qualified residents at 20.7 % (compared to 23.4%). However the position varies significantly across the county, and most notably in Torrige which has the highest proportion of residents who are 'poorly' qualified at 31.7%, and a lower proportion of those who are 'well' qualified at 20.7%.

Pupil and Student Attainment

This section concentrates on two main measures of attainment. The first relates to performance of pupils / students attending schools in Devon at the end of 'Key Stage 4', looking at GCSE results.

Key stage 4 GCSE Attainment:

Table 4: Key Stage 4 performance, 2011/12 and 2012/13

	2011/12		2012/13	
	% with 5+ A*-C grades	% with 5+ A*-C grades inc. English and Maths	% with 5+ A*-C grades	% with 5+ A*-C grades inc. English and Maths
Devon	77.8%	58.5%	78.0%	59.6%
Plymouth	84.8%	57.5%	85.9%	60.8%
Torbay	82.4%	60.5%	81.0%	60.9%
Somerset	80.3%	56.5%	79.1%	58.0%
Cumbria	81.6%	56.1%	80.7%	56.5%
Norfolk	73.9%	55.6%	71.4%	54.4%
England	83.2%	59%	83.1%	60.8%

Source: DfE

In 2011/12, Devon underperformed when compared to the to the England average for both the proportion of pupils achieving 5+ A*-C grades including English and Maths (58.5% in Devon, compared to 59% nationally) and the proportion of pupils achieving 5+ A*-C grades (77.8%, in contrast to 83.2% nationally).

In the 12 months since this point, Devon has shown improvement in the proportion of students with 5+ A*-C grades including English and Maths. However, data for 2012/13 indicates that achievement at this level (59.6%) still sits below the national average (60.8%). Similarly, the proportion of Devon students achieving 5+ A*-C grades also increased slightly since 2011/12 to 78%, although this also lags behind equivalent national achievement of 83.1%.

Not in education, employment or training (NEET)

NB: Participation in education, training and employment by 16- to 18-year-olds in England is published each June.

Table 5: Proportion (%) of 16-18 years olds NEET ⁶2011, 2012 Devon and comparator areas⁷

	16 -18 year olds NEET ⁸ 2011	16-18 year olds NEET 2012
Devon	5.8%	5.3%
Plymouth	8.4%	7.8%
Torbay	5.8%	5.2%
Somerset	3.5%	4.5%
Cumbria	5.2%	5.3%
Norfolk	6.9%	6.3%
South West	5.7%	5.5%

Source: Connexions via DfE website

Devon recorded a NEET rate of 5.8% in 2011, a higher rate than both Somerset (3.5%) and Cumbria (5.2%), and the regional rate of 5.7%, but below that of Norfolk (6.9%). In 2012, Devon's NEET rate fell by 0.5 percentage points to 5.3%, comparing favourably to the regional rate of 5.5%. The improvement also sees Devon's NEET rate align with Cumbria, but remain above Somerset and below Norfolk.

Table 6: Proportion (%) of 16, 17, 18 years olds NEET 2012⁹ Devon and comparator areas¹⁰

	% Age 16 NEET	% Age 17 NEET	% Age 18 NEET
Devon	3.2	5.3	7.3
Plymouth	3.8	7.7	11.9
Torbay	2.6	5.2	7.8
Somerset	2.0	4.2	7.7
Cumbria	2.8	5.3	7.7
Norfolk	4.0	6.1	8.7
South West	3.0	5.3	8.2

Source: DfE

The likelihood of being NEET rises with age, reflecting the likelihood of young people having left full-time education and embarked on this transition.

Young people who are NEET remain a concern as the longer they are unemployed, the higher the risk of them becoming discouraged and de-skilled, making it difficult for them to re-enter the labour market.

Research by the Confederation of British Industry (CBI) suggests that despite improving educational attainment, many young people still lack the basic 'employability' skills to compete effectively for jobs. Many also lack the right information on local learning and employment opportunities to make informed choices about their future.

⁶ Local authority figures cannot be compared with the DfE estimate of the proportion of young people NEET as they relate to the actual age (rather than academic age) of the young person, and use different definitions. CIPFA nearest neighbours Cumbria, Norfolk and Somerset have been used as comparator areas instead.

⁷ Update to 2013 data will be available in June 2014.

⁸ 1) 16-18 year olds known to be undertaking a Gap Year, or in custody, are not recorded by Connexions as NEET.

2) The number and % of 16-18 year olds NEET have been adjusted to assume a proportion of those whose current activity is not known are NEET.

⁹ 2011 data are an average at the end of November 2011, December 2011 and January 2012.

¹⁰ See footnote 9.

Overview of local economy in terms of sectors, occupations and vacancies:

In 2012, there were 293,593 people working in Devon. Of these, the service sector¹¹ accounts for 83.5% of jobs (a decrease of 0.7% from the last update), while manufacturing accounted for just 8.9% of employment. The largest individual sectors are: 'Public administration and defence, education and health' (85,836 or 29.3% of total employee jobs); 'Retail' (39,083 or 13.3% of total employee jobs) and 'Accommodation and food services' (29,532 or 10.1% of total employee jobs) – see 'Table A' in Data Appendix for full breakdown of remaining sectors.

Compared with the rest of the country, Devon has slightly higher employment in: 'Construction'; 'Motor trades'; 'Retail' and 'Accommodation and food Services'. Devon has comparatively less people employed in: 'Information and communications'; 'Finance and insurance'; 'Professional, scientific and technical' and 'Business administration and support services'. Given that these sectors are highly productive, the industrial structure of the county could help explain Devon's productivity gap when compared to the national average – see 'Table A2' in Data Appendix for full list of location quotients by industry.

Of the county's residents who are employed, 39.2% are in high skilled occupations, 25.4% in semi-skilled occupations and 34.9% in lower skilled occupations – see 'Table A3' in Data Appendix for full breakdown of occupation types.

Lower labour productivity remains a key challenge across Devon. The county's industrial and occupational structure means that there are comparatively larger number of employees in lower value sectors and occupations.

Further Information:

This document will be kept live throughout the duration of the Workforce Skills project, and updated to reflect the release of new data. The next update will be in April when the working age qualifications data for Jan to Dec 2013 is released. Should you have any queries related to this document, or the Workforce Skills project more generally, please feel free to contact Jude Pearson from SERIO on 01752 588953 or jude.pearson@plymouth.ac.uk.

¹¹ A definition of the service sector is provide in Table A4.

Data Appendix

Table A1: Employment by Industry 2012

	Number	% of total employment
Agriculture, forestry & fishing	921	0.3
Mining, quarrying & utilities	5,385	1.8
Manufacturing	26,109	8.9
Construction	16,214	5.5
Motor trades	5,910	2.0
Wholesale	11,762	4.0
Retail	39,083	13.3
Transport & storage (inc postal)	11,084	3.8
Accommodation & food services	29,532	10.1
Information & communication	8,100	2.8
Financial & insurance	5,415	1.8
Property	4,825	1.6
Professional, scientific & technical	15,450	5.3
Business administration & support services	14,740	5.0
Public administration & defence, education & health	85,836	29.3
Art's, entertainment, recreation & other services	13,171	4.5

Source: Business Register Employment Survey 2012 - Workplace analysis based on number of employees

Table A2: Employees by industry sector Devon 2012; Location Quotients ¹²(LQ) relative to England SIC 2007.

	LQ relative to England
Agriculture, forestry & fishing	0.5 ¹³
Mining, quarrying & utilities	1.6
Manufacturing	1.0
Construction	1.3
Motor trades	1.2
Wholesale	0.9
Retail	1.3
Transport & storage	0.8
Accommodation & food services	1.5
Information & communication	0.7
Financial & insurance	0.5
Property	1.0
Professional, scientific & technical	0.7
Business administration & support services	0.6
Public administration & defence, education & health	1.1
Art's, entertainment, recreation & other services	1.0

Source: Business Register Employment Survey 2012 – Workplace analysis

Table A3: Employment by Occupation Devon October 2012 – September 2013 – SOC 2010

	Number	%
Managers, directors & senior officials	35,500	10.1
Professional occupations	61,200	17.3
Associate prof & tech occupations	41,600	11.8
Highly skilled occupations total:	138,300	39.2
Administrative and secretarial occupations	39,700	11.2
Skilled trades occupations	50,300	14.2
Semi skilled occupations total:	90,000	25.4
Caring, leisure and other service occupations	30,000	8.5
Sales and customer service occupations	26,600	7.5
Process, plant and machine operatives	19,900	5.6
Elementary occupations	47,000	13.3
Lower skilled occupations total:	123,500	34.9

Source: ONS Annual Population Survey (Resident based)

¹² An LQ of 1.0 indicates that Devon has the same percentage share of all employees recorded in this sector compared to England. An LQ of >1.0 means that Devon share is higher.

¹³ Note though that there are issues linked to BRES's treatment of jobs in this sector - the apparent under-representation of agriculture is a statistical anomaly. The actual proportion is likely to be somewhat higher. Note that The Annual Population Survey provides a better measure of agricultural and fishing activity – including in relation to self-employed workers. From that source, Devon has a location quotient of 4.1 for this sector relative to England.

Table A4: UKSIC Sections included in the service industry

	UK SIC Section
Wholesale and retail trade; repair of motor vehicles and motorcycles	G
Transportation and storage	H
Accommodation and food service activities	I
Information and communication	J
Financial and insurance activities	K
Real estate activities	L
Professional, scientific and technical activities	M
Administrative and support service activities	N
Public administration and defence; compulsory social security	O
Education	P
Human health and social work activities	Q
Arts, entertainment and recreation	R
Other service activities S	S
Activities of households as employers	T

Source: ONS (2013) UK Service Industries: definition, classification and evolution