Northampton Waterside Enterprise Zone
Skills Strategy

Appendix 1b: National and local skills context
Northampton Borough Council
Northampton Waterside Enterprise Zone
Skills Strategy

Report 1: National and local skills context
Northampton Borough Council

A report submitted by ICF GHK
Date: 22nd March 2013
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1. Introduction

ICF GHK was commissioned by Northampton Borough Council in September 2012 to undertake a research study to develop a comprehensive evidence base and analysis of current and future skills needs of target sectors and high growth clusters within the Northampton Waterside Enterprise Zone (NWEZ) and the wider South East Midlands Local Enterprise Partnership (SEMLEP) area. The NWEZ was established to catalyse growth opportunities for Northampton and the wider SEMLEP and NEP areas with ambitions to create a significant level of jobs and businesses that will lever private sector investment.

The aspiration for the NWEZ is to create:

‘a national centre of excellence for advanced technologies, precision engineering, low carbon technology, sustainable construction and high performance engineering, motorsport, aerospace, automotive and sustainable construction’. Source: Northampton Waterside Enterprise Zone Submission to Government

The key findings and recommendations of the study will be used to inform the preparation of a Skills Strategy and Action Plan for the target sectors of the NWEZ. The Strategy and Action Plan will form a key strategic document to help stimulate growth in the local economy through ensuring that the provision of skills meets the current and future needs of the local economic and labour market and provide the framework to enable training and education providers to work with existing and prospective businesses to ensure future educational and skills-based training is appropriate to employers’ needs.

1.1 Study objectives

The main aim of this study was to provide: “...comprehensive evidence base and analysis of the current and future adult skills needs of target sectors and high growth clusters to facilitate the development of a Skills Strategy and Action Plan for the Northampton Waterside Enterprise Zone (NWEZ) and the wider South East Midlands LEP (SEMLEP) and Northamptonshire Enterprise Partnership (NEP) areas”.

As outlined in the ITT and our subsequent proposal the associated objectives and outcomes of the study were to:

Analyse the current position

- Contextualise local and sectoral labour market information to provide an accurate picture of the current and future skills levels, requirements and provision within the Northampton Waterside Enterprise Zone and its catchment area.

Identify key issues, challenges

- Review existing and future skills needs, opportunities and challenges and barriers to skills training of existing and potential occupiers of the Northampton Waterside Enterprise Zone in the target sectors and associated supply chains.

- Identify the actual and perceived barriers to effective skills training from a provider perspective.

Diagnose and identify good practice

- Consider the quality and effectiveness of skills and skills training provision, including best practice and innovative approaches, challenges and gaps within the context of the Enterprise Zone’s target sectors, identifying those areas that need to be addressed.

- Explore through case studies of skills and business support initiatives from elsewhere in the UK of how provision could be developed and replicated in Northampton to promote innovation and business growth connected to the NWEZ

Inform the preparation of the Skills Strategy and Action Plan
Provide recommendations and areas for consideration to inform and help shape the Strategy and Action Plan.

1.2 Purpose of this report

The purpose of this report is to: set out the national sector skills picture identifying existing and future skills needs, gaps and challenges to the six NWEZ priority sectors; and, contextualise the local and sectoral labour market by providing an accurate picture of the current and future skills levels & needs across Northampton and the wider SEMLEP area.

1.3 Summary of data reviewed

The findings and key issues identified in this report have been informed by interviews with members of the NWEZ Steering Group and wider stakeholders, (including, representatives from the FE and HE sectors, local business support organisations), and a detailed review of national and local reports and relevant ‘grey literature’, including:

- **Sector based studies**, specific to the six target sectors of the Enterprise Zone, including national intelligence gathered by SEMTA, Sector Skills Council ‘Sector Skills Assessments’, Skills Funding Agency, and local sector specific intelligence and research, such as the Roger Tym and Partners High Performance Engineering Sector Study for Northamptonshire, etc;

- **Labour market, employment, skills and economic data** e.g. identifying (through the Annual Business Inquiry, data held on the Northamptonshire Observatory, Local Economic Assessments, Working Futures projections and National Employer Skills Survey where employers in priority sectors are located, key economic trends in terms of labour market profiles, skills gaps, business start-up and density rates, hard to fill vacancies, vacancies by industry, etc;

- **Key national, local and SEMLEP strategy, planning and policy documents** pertinent to the Northampton EZ, as well as the geographical area more broadly, for example the NWEZ Application Form and associated evidence base; and

- **Mapping of existing skills and associated business support provision**: which sectors and businesses learning providers deliver to (e.g. from the ILR), target sectors and businesses (e.g. start-ups, high growth) with the intention of identifying geographic and sector coverage and potential gaps in provision. This included an initial presentation of effective practice approaches based on ICF GHK’s existing knowledge base.

1.4 Geographic and sector focus of the study

The analysis contained in this report has the following spatial and sector focus:

- **Spatial focus**: Northampton; the South East Midlands Local Enterprise Partnership (SEMLEP) area, the East Midlands; and, the United Kingdom.

- **Sector focus**: Advanced Technology and High Performing Engineering; Financial and Business Services; Logistics; Sustainable Construction; Creative Industries; and Leisure.

1.5 Report structure

The report is structured as follows:

- **Section 2 National Skills Context for Northampton** sets out the headline skills problems and challenges facing the UK economy as a whole; and the opportunities facing each local priority sector at the national level, including their implications in terms of demands on each sector’s skill requirements;

- **Section 3 Local Labour Market and Skills Context**: sets out the economic and labour market context for the study, providing insights into the current and future skills levels and needs across Northampton and the wider SEMLEP area specific to the six target NWEZ sectors.
2 National sector skills context Northampton

2.1 Introduction

Section 2 provides:

- an overview of the headline skills problems and challenges facing the UK economy as a whole;
- a summary of the key challenges and opportunities facing each NWEZ priority sectors at the national level, including their implications in terms of demands on each sector’s skill requirements;
- the national employment and skills needs of each priority NWEZ sector; and,
- the skills supply and demand issues, identifying the key skills-matches and gaps in skills training requirements and provision.

2.2 National skills overview

The UK’s working age population is less skilled than its main competitors which impacts on productivity and competitiveness. The current economic situation means that relatively few employers have hard-to-fill and skill shortage vacancies, but those who do report them are concentrated in certain sectors and occupations. Reported skills shortages in Northamptonshire are amongst the highest in the UK:

- The UK’s working age population is less skilled than that of France, Germany and the US and this contributes to the UK being at least 15% less productive than those countries

- Almost 1.5 million employees do not have the skills required to perform their job role, with persistent pockets of concentration of these skills gaps, to which training is often a response;

- The labour market is largely able to meet the requirements of most businesses. Only 4% of employers had a vacancy they considered to be ‘hard-to-fill’. A third of all vacancies were hard-to-fill as a result of a lack of skills;

- But there are concentrations of skills shortages in particular industries and occupations. For instance it is amongst Skilled Trades occupations where employers experience the greatest difficulties in meeting their demand for skills from the available labour market;

- Businesses in the Manufacturing and Community, Social and Personal Services sectors are most likely to report that their vacancies are hard-to-fill for skills related reasons (24 and 23%, respectively, of vacancies are skill-shortage vacancies);

- Kirklees, Coventry and Northamptonshire are the Local Education Authorities with the highest density of skill-shortage vacancies;

- Mid-sized establishments (employing between 25 and 199 staff) are the only ones to report an increase in the proportion of vacancies that are due to skill-shortage;

- The UK is currently weak in the vital intermediate technical skills that are increasingly important as jobs become more highly skilled and technological change accelerates;

- Approximately 80% of the people who will be in the workforce in 2020 have already left compulsory education; and,

- There remains a problem with adult literacy in this country with 16% of the working age population (5.2 million people), not having functional levels of literacy in 2003.
Most workplaces provide off or on the job training whilst the main barrier to training is the financial cost

- Most workplaces (59%) provide off-or on-the-job training for some of their staff. In the 12 months prior to 2012 employers had funded or arranged training for approximately 15 million staff (equivalent to 54% of the total UK workforce at the time of the survey) and provided 117m days of training (equivalent to 4.3 days per employee per annum);
- Whilst the numbers of people trained by UK businesses is comparable to its competitors the duration and quality of training is lower;
- The most common reason for not training is that employers consider their staff to be fully proficient and / or that their staff did not need training;
- Failures in training supply was not identified as a reason for not training, though a lack of suitable provision is one of a number of factors preventing employers that train from providing more training; and,
- The main barrier cited amongst employers that train was the financial cost.

1 ½ million jobs will be created between 2010 and 2020

- Total employment in the UK labour market is expected to rise from 28.9 million to 30.6 million, with the UK economy generating around 1 ½ million additional jobs between 2010 and 2020;
- The working age population and workforce are projected to rise significantly but labour market participation rates are expected to fall slightly, reflecting the aging of the population;

Private services will be the main source of employment growth in the UK

- Private services are expected to be the main source of jobs growth, with employment projected to rise by more than 1.5m (+9%) increasing its share of total employment from 55% to 58%. Business and other services will experience significant growth of 12%, equivalent to more than 1 million additional jobs;
- Manufacturing is projected to maintain its share of total output (at around 11%) up to 2020 but to see a small fall in its share of employment, from 8% to 7%.

Table A1.1 in Annex 1 summarises the sector prospects and employment growth projections by broad sector.

There is projected growth in high skilled, white collar occupations and a continued sharp decline in skilled and semi-skilled manual roles

- There is forecast to be a continued trend of employment growth in higher skilled, white collar occupations, including managers, professionals and associate professional roles with an estimated 2 million additional jobs in these occupations by 2020. These three occupations are projected to increase their share of total employment from 42% to 46% over the 10 year period;
- Continuing sharp declines in employment are expected for skilled and semi-skilled manual roles, including in skilled trade occupations and process, plant & machine operatives. 400,000 such manual jobs are forecast to disappear between 2010 and 2020, reducing the combined employment share of these occupations from 18% to 16%;
- Administrative and secretarial occupations are projected to see a loss of almost 400,000 jobs, a fall of around 11%, largely as a result of the continuing impact of technology in the workplace. There is still expected to be around 3 million jobs in this occupational area by 2020.

Lower skilled jobs will remain a significant component of the labour market

- Lower skilled jobs will remain a significant component of the labour market. There is expected to be an increase of more than 300,000 jobs in caring, personal and other
service occupations (+10%) and 100,000 (+3%) in low-skilled elementary jobs between 2010 and 2020, again mostly in service-based areas;

- The demand for skills as measured by formal qualifications is projected to rise as is the supply of people holding higher level qualifications. The number of jobs in occupations typically requiring a degree is expected to continue to grow but perhaps more slowly than previously forecast.

2.3 National sector skills issues

The following summarises the headline supply and demand issues and challenges facing the targets sectors of the NWEZ. Further detail is provided in Annex 1: National Sector Skills Review.

- **Advanced Manufacturing & Engineering**: Expected increase in demand for managers, directors and senior officers, which is driving up skill levels. Moreover, demand for production, works and maintenance managers, metal working production and maintenance fitters, mechanical engineers will also increase. The supply-side often has to adapt quickly in order to keep pace with developments on the demand side. The skills which supply side provides - most notably numeracy skills – are ones which are in high demand in other sectors. Gaps and challenges are concentrated in particular occupations including skilled trades/craft and management occupations, whilst the speed of technological change requires higher levels of flexibility and need for soft skills.

- **Financial and Business Services**: Demand will be oriented towards highly skilled and qualified people and as a result there will be a need to up-skill people from Level 3 to Level 4+. There will also be strong demand for clerical/administrative and sales/customer service workers. The supply side is supported by a substantial training infrastructure, including highly regarded professional institutes. There are few skills gaps, and where gaps do exist employers tend to train their staff. The sector has a higher share of skill shortage vacancies but fewer skills gaps and there is a good level of alignment between qualifications and skills needs.

- **Sustainable Construction**: Demand: current skills needs tend to be centred on more craft operatives, practical skills, IT and legislative training. Supply: A substantial volume of training is taking place and a high level of engagement by employers with the training infrastructure is evident. Apprenticeship starts were previously increasing, but levels have been affected by the economic downturn. Skills shortages are evident in bricklayers; electricians; plasterers; carpenters/joiners; and general labourers. The basic skills of new entrants are seen to be declining, in particular in literacy, numeracy and IT skills.

- **Logistics**: There is current demand for technical, practical or job specific skills, customer handling skills and oral communication skills. In terms of supply there is a low share of employers training staff towards an NVQ compared to provision across all sectors, with training primarily locally provided through short, bite-sized courses. Gaps are evident in junior and middle managers and supply chain management, whilst IT skills are becoming increasingly important as are customer handling skills.

- **Creative Industries**: There is high demand for managerial, professional, business and technical skills. Working in cross-functional creative/technical teams within and across companies is becoming increasingly important. Supply: The quantity of graduates may not be sufficient to meet the growing demand for professional and technical skills. Gaps and challenges: The sector has above average proportions of hard-to-fill vacancies and demand exceeds supply in the digital sub-sector.

- **Leisure**: Demand: Future demand is likely to be for managerial roles – however operational roles will continue to be required due to the transient nature of the labour force in the sector. Supply: the majority of training is undertaken on the job. Gaps and challenges: gaps exist in regards to general management and customer service.
3 Local economic and labour market context

3.1 Introduction

There are a number of strengths and challenges but also a number of significant opportunities in the SEMLEP and NEP areas, in particular the NWEZ. The NWEZ was established as a catalyst for growth opportunities for Northampton and the wider SEMLEP and NEP areas with ambitions to create a significant level of jobs and businesses that will lever private sector investment.

The employment and business creation targets for the NWEZ will place significant demands on the local workforce and therefore it is important to understand the local supply and demand issues facing the labour market. The following section therefore provides an analysis of the local economy and labour market including employment and skills patterns, qualifications, occupational profiles.

The local economic and labour market characteristics considered below provide context to Northampton's position within the wider SEMLEP and NEP areas and in comparison to the region and UK. There are key strengths, weaknesses and challenges facing the local area in terms sector growth and skills development, meeting the needs of the labour market, and ensuring skills provision 'matches' the needs of individuals and employers, both in generic and sector-specific training.

Annex 2: 'Local labour market analysis' provides supporting data to complement the evidence set out in this section, including sectoral employment trends including future growth projections, business and enterprise (including start-up and self-employment) and local skills issues and challenges.

3.2 Headline economic indicators

Northampton contributes approximately £4bn GVA to the SEMLEP economy

The EZ falls within SEMLEP area which is a designated national growth zone. This area has delivered employment and housing growth at a faster rate than the wider national economy over the last decade\textsuperscript{xiv}, with over 62,000 jobs created since 2001.

Northampton itself has a population of over 212,000 with just under 8,000 businesses and an estimated GVA in 2009 of £3.8b. Northampton therefore accounts for 11% of the LEP’s businesses and 13% of its working age population.

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Population (2011)\textsuperscript{xx}</th>
<th>Projected population (2021)\textsuperscript{xv}</th>
<th>Businesses (2011)\textsuperscript{xxi}</th>
<th>GVA (billion) (2009)\textsuperscript{xxii}</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northampton</td>
<td>212,069</td>
<td>245,500</td>
<td>7,895</td>
<td>3.84</td>
</tr>
<tr>
<td>SEMLEP total</td>
<td>1,709,718</td>
<td>1,844,200</td>
<td>72,640</td>
<td>£34.8</td>
</tr>
</tbody>
</table>

Source: Census 2011 estimates, UK Business Activity by Size and Location and NUT3 GVA.

85,000 new jobs are expected in Northamptonshire between 2001 and 2021, particularly in business and financial services\textsuperscript{xxiii}.

In Section 2.2 we saw that an estimated 1.5 million jobs will be created in the UK. Local estimates also forecast significant employment growth between 2001 and 2021. In Northamptonshire, as in the UK, business and financial services will drive much of this growth. In Northamptonshire it is forecast to account for almost half (47%) of all new employment. One in five jobs is expected to be created in wholesale or retail sectors – with a similar share in public administration, education and health. Over this period almost 7,500 jobs are expected to be lost with most of these in the manufacturing sector (5,823 jobs).
Diversity in the economy is a strength and there are opportunities for the EZ to encourage a number of sectors

Northampton and the wider SEMLEP area has a diverse economy with strengths in High Performance Engineering (HPE), precision engineering, business services, logistics, food manufacturing, life sciences, bio-technologies and the creative industries.

As a key component of the UK’s ‘motorsport valley’, Northampton and the wider Northamptonshire LEP economy is home to approximately 1,500 high performance technology companies, generating an annual local turnover of £2bn and employing between 15,000 and 21,000 people. This includes internationally renowned brands, such as Cosworth, who are already based in the Enterprise Zone.

Northamptonshire also has a strong network of innovation and enterprise centres which support its key sectors, including:

- iCon in Daventry which focuses on environmental technologies and sustainable construction and houses the Sustainable Construction iNet;
- Corby Enterprise Centre which focuses on supporting small and growing early stage technology companies; and,
- Portfolio and Avenue Innovation Centres in Northampton which prioritises design and new product development.

### 3.3 Business and enterprise

**78% of SEMLEP businesses employ less than 10 people**

Almost 73,000 businesses were based in the SEMLEP area in 2011, of which just fewer than 8,000 were in Northampton (11%). The majority of these businesses were employing less than 9 people (78%), slightly less than the UK and SEMLEP.

**Between 2000 and 2007 new business registrations have accounted for approximately 11% of Northampton’s business stock each year**

This is slightly above the SEMLEP, East Midlands and UK figures of 10%. The most significant increases in business stock over this period were in the Real Estate, renting and business activities SIC classes.

**Northampton has a strong business survival rate**

Northampton has strong survival rates with over 96.3% of firms surviving beyond their first year, this is above the LEP, regional and national averages. Five year survival rates are higher than the UK, similar to SEMLEP and slightly lower than the East Midlands average.

**Rates of self employment has increased significantly over recent years**

The rate of self-employment increased by 8% between 2008/2009 and 2011/2012 across the SEMLEP area, slightly higher than the UK building on a self-employment rate higher than the national average. In Northampton, 13,900 people (9.7%) were self-employed.

### 3.4 Labour market profile

**Northampton has an above national average rate of economic activity (81%), employment (75.8%) and lower unemployment (7.3%)**

However, when compared with the SEMLEP area it has an above average economic rate, but a slightly higher unemployment rate than SEMLEP (6.6%).
Table 3.2  Employment and activity rates in the April 2011/March 2012 year

<table>
<thead>
<tr>
<th></th>
<th>Northampton</th>
<th>SEMLEP</th>
<th>East Midlands</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic activity rate - aged 16-64</td>
<td>81.8</td>
<td>80.0</td>
<td>77.5</td>
<td>76.4</td>
</tr>
<tr>
<td>Employment rate - aged 16-64</td>
<td>75.8</td>
<td>74.6</td>
<td>71.2</td>
<td>70.1</td>
</tr>
<tr>
<td>Unemployment rate - aged 16-64</td>
<td>7.3</td>
<td>6.6</td>
<td>8.1</td>
<td>8.2</td>
</tr>
</tbody>
</table>

Source: Annual Population Survey

Northampton has a larger working age population (67%) than either SEMLEP (65%) or GB (65%).

In Milton Keynes and Northampton there is a more substantive working age population of 67% of the total population, compared to a sub-average 64% in South Northamptonshire.

Northampton also has a higher population of young people (0-15) and young adults (16-24) than the county, region or England.

Northampton has much higher reliance on elementary occupations than SEMLEP and UK

The largest occupations in the SEMLEP area are professional occupations (17.8%), associate professionals and technicians (14.7%) and elementary occupations (12.2%). In Northampton, the majority of people work in elementary occupations (17.4%) with associate professionals and technicians and professionals accounting for less than 15% of occupations.

Figure 3.1  Comparison in Employment at broad Standard Occupational Classification (SOC) Level (April 2011 – March 2012)

Northampton has a growing and significant knowledge intensive economy

Sectors such as High-Tech Manufacturing and Knowledge-Based Services form the Knowledge Economy. In Milton Keynes 48.5% are employed in the Knowledge Economy as are 38.6% in Northamptonshire. This compares with a regional figure of 36% and a national figure of 42.1%.
Using an OECD definition of knowledge based industries, the SEMLEP area has 136,700 people employed in knowledge based industries (18% of SEMLEP’s jobs) with 33,000 working in Northampton (26%). The national figure is 21%.

**Northamptonshire** has a compact functional geography

Northamptonshire’s most significant travel to work area is to the south to Milton Keynes and Cherwell – the draft Northamptonshire Local Economic Assessment found that the county’s residents are increasingly travelling south to work, primarily to Milton Keynes, Oxford, Hertfordshire and Bedfordshire. However it is anticipated that in-commuting to Northampton is expected to increase due to surrounding sub-national growth.

**Northampton has a tight labour market**

Northampton’s job density is considerably higher than all other geographical areas at 0.97 which means that there are 97 filled jobs for each 100 residents of a working age, compared to 0.79 in the SEMLEP area and 0.77 in the UK. Since 2000, Northampton’s job density decreased by 5%.

**Northampton’s employment offer has been characterised by perennial skills issues**

Extensive research and analysis has been undertaken in recent years to map the key skills and labour market issues and challenges facing Northampton and the wider East Midlands economy which identifies a number of perennial local skills issues:

- **Northampton’s employment offer has been characterised by lower skilled jobs**: this is compounded by lower skill levels in the local population and in-commuting by high skilled workers outside the LEP area;
- **Low percentage of the workforce employed in high level occupations**: just over 2 in 5 employees (41.8%) are in higher level occupations, below the England average and that of surrounding counties / areas;
- **Basic skills amongst school leavers**: achievement of Northampton young people is lower than average in English and Maths;
- **Negative perceptions of certain sectors**: Skill shortages in Northamptonshire have been generated as a result of a lack of willingness amongst the workforce to enter certain professions, particularly those in the Manufacturing and Distribution sector;
- **Low skills and qualifications profile**: in Northamptonshire 15% of the working age population in the county have no qualifications and only 26.1% have qualifications at NVQ4 and above;
- **Skill gaps**: exist in occupations at the following levels; Associate Professional and Technical, Process Plant and Machine Operatives, Professional and Skill Trades. Inadequate training provided by employers and reluctance on the part of the employee to acknowledge and address their problem were identified as the main causes of skill gaps.

3.5 Local supply and demand issues and challenges

3.5.1 Overview

Research into demand for skills in the East Midlands has found levels to be weak. However, forecasts suggest that between 2010-2013 employment in key sectors and specific occupations will increase. These include highly skilled occupations (such as Managers, Senior Officials, Professionals, and Associate Professionals), service and Sales occupations, and low skilled Process, Plant and Elementary jobs. All these are projected to increase more in Northamptonshire than the East Midlands region.

In the long term to 2017, replacement demand will exceed the number of new jobs created by economic growth. Replacement demand is forecast to be significant for high and intermediate skilled occupations in Transport Equipment and Advanced Engineering in
Northamptonshire, and is likely to be significant in terms of education and training requirements, both in terms of content and delivery method.

In terms of skills demands, there is likely to be growing demand for: higher levels of industrial experience, particularly from companies operating in the six target growth sectors, technical and sector specific skills, including engineers, electricians, software engineers, ICT and customer service skills and competences.xxxi.

3.5.2 Sector specific issues

The six priority sectors of the Northampton Waterside Enterprise Zone are:

- Advanced Manufacturing and Engineering;
- Financial and Business Services;
- Sustainable construction and building services engineering;
- Logistics;
- Creative and Digital Industries; and,
- Leisure.

Annex 1 provides detailed analysis to support the summary evidence outlined in Table 3.3. Table 3.3 combines the national skills overview with information concerning the SEMLEP area. It identifies the key skills supply and demand issues and skills gaps, mismatches and their implications for each sector where available. The geographic focus of these priority sectors across the SEMLEP area is shown in Figure 3.2.

Figure 3.2  Priority sectors across the SEMLEP area

Source: SEMLEP Proposition and Outline Business Case, Annex D
### National and local supply and demand issues facing the NWEZ priority sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>Overview</th>
<th>Demand issues</th>
<th>Supply issues</th>
<th>Gaps and mismatches</th>
</tr>
</thead>
</table>
| **National:** Advanced Manufacturing and Engineering | Accounts for over 50% of exports, employs 8% of the national workforce.  
Projected growth of output of 2.5% per annum accompanied by a longer term decline in employment of 3%-4% per annum.  
Faces increasing competitive pressures.  
Subject to cost and regulatory pressures. | Skills needs are significant and focus on strategic and change management skills, levels 3, 4 and 5 in a range of technical fields, supply chain management, R&D and interdisciplinary expertise.  
High-level technical skills represent the most important element of specific skills demand in over the long-term.  
The speed of technological change requires higher levels of flexibility, agility and a broader spread of soft skills across the workforce.  
High replacement demand and a growing demand for multi-skilled and flexible workforce (e.g. problem solving and team work skills). | Supply-side often has to run very fast in order to keep pace with developments on the demand side.  
The skills which supply side delivers to advanced manufacturing – essentially numeracy – are ones which are in high demand in other sectors.  
Need to be seen in the context of the sector’s capacity to attract and retain people who have the skills it requires. | The incidence of skills gaps increases significantly by size of establishment.  
Semta sectors were most likely to report skills gaps for skilled trades/craft, engineers and management occupations.  
Skills shortages are a major issue for high value manufacturing businesses.  
Age profile skewed towards older workers. |

| SEMLEP: Advanced Manuf. and high value engineering | 19,200 employees in the sector (2011), 2.5% of all jobs in the SEMLEP area.  
The SEMLEP area has a Location Quotient of 1.0 for this sector.  
High profile manufacturers. | Skills are a particular concern for high performing engineering businesses.  
Ageing workforce, lack of appropriate skills and undersupply of qualified workforce with low mobility.  
Inspiring and maintaining interest in young people.  
Loss of skilled engineers during the recession.  
Further skills issues relate to low carbon agenda especially legislation compliance. | Helping young people acquire experience in the sector and understand the range of careers available.  
Ensuring FE and HE curricula meet the skill needs of employers.  
General lack of ‘sector-targeted’ business support available for highly technical and innovative businesses operating in HPE.  
Limited career paths with unclear progression routes  
Understanding the range of potential career opportunities is also perceived to be low.  
Large and mature FE and HE sector with active SSC. Proposed UTC. | Skills research of the Cogent sectors for the period 2004-14 identified skills issues in Management and leadership – particularly in change management, business management, and business improvement.  
Technical skills and core behaviours such as communications and customer service lacking.  
Significant shortage of engineers in the workplace, due to the number of skilled engineers retiring and the lower number of graduates. |
<table>
<thead>
<tr>
<th>Sector</th>
<th>Overview</th>
<th>Demand issues</th>
<th>Supply issues</th>
<th>Gaps and mismatches</th>
</tr>
</thead>
<tbody>
<tr>
<td>National: Financial and Business Services</td>
<td>■ Employs 12% of the workforce.</td>
<td>■ Skill demand is oriented towards highly skilled and qualified people.</td>
<td>■ Supported by a substantial training infrastructure, including highly regarded professional institutes.</td>
<td>■ Although the sector has a higher share of skill shortage vacancies it has relatively fewer skills gaps.</td>
</tr>
<tr>
<td></td>
<td>■ Employment growth of 4.4% per year.</td>
<td>■ Remains a strong demand for other occupational groups in particular clerical and administrative, and sales and customer service workers.</td>
<td>■ Employers, especially in the financial sub-sector, have high levels of training.</td>
<td>■ Take-up of vocational qualifications is relatively low compared to the wider economy.</td>
</tr>
<tr>
<td></td>
<td>■ Dominated by managers and professionals educated to at least degree level.</td>
<td>■ Economic downturn affected recruitment.</td>
<td>■ Need to ensure skills supply as part of the recovery and as a replacement for retirees.</td>
<td>■ Sector has a track record of understanding and remedying skills gaps.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>■ Will recruit level 3 and graduates and is also developing an apprenticeship route.</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>■ Although the sector has a higher share of skill shortage vacancies it has relatively fewer skills gaps.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>■ Take-up of vocational qualifications is relatively low compared to the wider economy.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>■ Sector has a track record of understanding and remedying skills gaps.</td>
<td></td>
</tr>
<tr>
<td>SEMLEP: Financial and Business Services</td>
<td>■ 50,700 people employed in Northampton in 2011 (6.6% of total employment).</td>
<td>■ There has been significant growth in this sector. The sector generates significant value in local economies, employing people with above average skills and earnings.</td>
<td>■ Recession has dampened the demand for staff with professional qualifications.</td>
<td>■ Employers also continue to identify a persistent issue in relation to poor generic skills and attitudes of new entrants to the labour market.</td>
</tr>
<tr>
<td></td>
<td>■ Key employers in Northampton include Barclaycard Nationwide Building Society IPSL: business process outsourcing.</td>
<td>■ Excluding the self-employed, in 2007 there were more than 77,000 employees in 12,400 businesses in the South East Midlands – almost 18% of all businesses (an increase of 14% over four years).</td>
<td></td>
<td>■ Potential skills shortages (e.g. degree level or higher) could restrict the growth of the sector.</td>
</tr>
<tr>
<td></td>
<td>■ Growing business base and management development specialisms at the Cranfield, Northampton and Open universities.</td>
<td>■ 26% of business service jobs are located in Milton Keynes and 21% are found in Northampton.</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>■ Opportunities include business relocations and a growing shared services industry</td>
<td>■ Nationally, employment in the sector is projected to increase by around 1.2 million by 2020 (a rate of growth of 1.3% per annum).</td>
<td></td>
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</tr>
<tr>
<td>Sector</td>
<td>Overview</td>
<td>Demand issues</td>
<td>Supply issues</td>
<td>Gaps and mismatches</td>
</tr>
<tr>
<td>-----------------------------------------</td>
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</tr>
</tbody>
</table>
| **National:**                           | **Sustainable Construction**                                                                                                                                                                                                                                                                                                                                                                           | - Absence of current and future skills planning was identified as a key factor for making the sector reactive, rather than proactive to emerging markets such as renewables and addressing ageing workforce issue, resulting in weakened capacity to meet future client demands.  
- Workforce replacement demand is a key issue (a result of the physical nature of the work and the age of the workforce).                                                                                                                                 | - Substantial volume of training taking place & high level of engagement by employers with the training infrastructure.  
- Training and education covers a wide range of qualification types and levels ranging from NVQs through to University degrees and masters qualifications.  
- Evidence of an increasing number of Apprenticeship starts at Level 2 and 3, though this has tailed off recently.  
- Need to support investment in training at apprenticeship and higher skill levels.  
- Cyclical shifts in demand, the small number of large companies followed by a ‘long tail’ of micro employers and self-employed mean that despite the volume of training in place, many fall outside the provision. | - The quality of basic skills of new entrants were seen to be getting worse, in particular literacy, numeracy and IT skills.  
- Applicants lacking aptitude or motivation made vacancies hard to fill.  
- Not enough young people being trained in construction was a key issue.  
- There are mis-matches between supply and demand for a number of disciplines including both the like of electricians, plasterers, labourers and the new/renewable technologies. |
| **SEMLEP:**                             | **Sustainable Construction**                                                                                                                                                                                                                                                                                                                                                                           | - Economic downturn has made forecasting future of sector difficult.  
- Employment in the sector is forecast to rise by 10% in 2011-21, although it is expected to contract in Milton Keynes and Northampton  
- High dependence on public sector investment and an ageing workforce.  
- Expected replacement demand as older workers retire.                                                                                                                                                                                                                           | - Provider capacity in Northamptonshire will need to meet increases in demand for employment in Construction due to population growth and likely increase in house building as the economy recovers.  
- This includes significant planned housing development in the Milton Keynes South Midlands Growth Area.  
- Large and mature FE sector with active SSC.  Proposed UTC.  
- University of Bedfordshire has a Centre for Sustainable Construction, while Cranfield University develops environmental technologies and modelling. | - Concerns that the sub-region will not have sufficient supply of skilled workers able to progress to higher level occupations such as project management, technical engineering, positions emerging in the sustainability field and building logistics. |
### National: Logistics

- Including logistics occupations in other sectors, employs around 8% of the national workforce, accounts for nearly 8% of GDP.
- Predicted that over 700,000 extra workers needed by 2017, including managers, customer service and transport and machine operatives.

#### Demand issues
- Three in ten vacancies were deemed to be hard to fill and of these nearly three quarters skill-shortage vacancies.
- Current demand for technical, practical or job specific skills, customer handling skills and oral communication skills.
- Skills that are hard to find include technical, practical or job specific skills, customer handling skills and oral communication skills.

#### Supply issues
- The sector generally trains a smaller share of its workforce in each occupational group than other sectors.
- Low share of employers in the sector were training a member of staff towards an NVQ qualification compared to provision across all sectors.
- Training is primarily locally provided through short, bite-sized courses.
- IT skills are likely to become increasingly important as the sector becomes more automated.
- Skills gaps in junior and middle managers and the supply chain management.
- Poor literacy and numeracy skills.
- Lack of career pathways.

#### Gaps and mismatches
- Current demand for technical, practical or job specific skills, customer handling skills and oral communication skills.
- IT skills are hard to find include technical, practical or job specific skills, customer handling skills and oral communication skills.
- The sector generally trains a smaller share of its workforce in each occupational group than other sectors.
- Low share of employers in the sector were training a member of staff towards an NVQ qualification compared to provision across all sectors.
- Training is primarily locally provided through short, bite-sized courses.
- IT skills are likely to become increasingly important as the sector becomes more automated.
- Skills gaps in junior and middle managers and the supply chain management.
- Poor literacy and numeracy skills.
- Lack of career pathways.

### SEMLEP: Logistics

- Employed 65,300 people in 2011 (8.5% of employment).
- In 2011 it remains a significant sector for employment with an LQ of 1.4.

#### Demand issues
- Increased congestion and new logistics hubs in other parts of the UK.
- The logistics sector has a smaller proportion of its workforce with high educational qualifications than the overall UK workforce and a higher than average proportion of employees with only basic qualifications. As such the UK’s logistics is considered at being at risk of moving to a ‘low skills equilibrium’.
- Poor perception of the industry is one of the major reasons for the shortage of labour; the sector has an ageing workforce, with a low number of young people coming through.

#### Supply issues
- Few knowledge transfer partnerships and poor perceptions of the industry.
- If employers cannot train people to achieve required qualifications, they will buy them in by using agency staff or ‘poach’ staff from other firms.
- Supported by ‘Skills for Logistics’ Foundation Degree at Milton Keynes, Chartered Institute of Logistics and Transport at Corby, Northampton University and Northampton College.

#### Gaps and mismatches
- A need for a wider and more intensive range of management training, with a particular focus on SMEs.
- Deficiencies in basic skills, notably literacy and numeracy, among the lower levels of the workforce.
- The composition is overwhelmingly male and white, less than 25% of employees in the sector are women.
- Many firms are driven by short-term considerations and are ambivalent about training and skills development.
<table>
<thead>
<tr>
<th>Sector</th>
<th>Overview</th>
<th>Demand issues</th>
<th>Supply issues</th>
<th>Gaps and mismatches</th>
</tr>
</thead>
</table>
| National: Creative Industries | - Employs around 6% of national workforce, accounts for nearly 8% of GDP and has grown faster than the whole economy over the last decade.  
- Ranked 6th in the world and the largest creative sector in Europe.  
- Challenge is to maximise that competitive advantage. | - Security issues are anticipated to have a major impact on skills requirements.  
- Technology specific skills in the creative sub-sector technical skills will be needed to produce content across multiple-platforms.  
- High demands for managerial, professional, business and technical skills.  
- Working in cross-functional creative/technical teams within and across companies is becoming increasingly important. | - The quantity of graduates may not be sufficient to meet the growing demand for professional and technical skills.  
- Apprenticeship numbers have risen rapidly in recent years, from a low base.  
- The majority of training carried out in the sector is done informally, whilst formal training is also below average and falling.  
- Management training is less available than in other sectors. | - The sector has above average proportions of hard-to-fill vacancies.  
- Skills gaps that exist are most common among professional occupations in the digital sub-sector, and sales and customer service areas in the creative sub-sector.  
- Skill demand exceeds supply in the digital sub-sector, particularly for highly qualified and experienced professional and technical staff. |
| SEMLEP: Creative Industries | - In 2011, 46,400 were employed in creative industries, 6.1% of total employment. | - Strong base of small creative firms.                                                            | - Supportive infrastructure. |                                                                                 |
| National: Leisure        | - 75% SMEs accounting for 78% of employment  
- Employment expected to rise to over 8% by 2017. | - Demand in the future is likely to be for managerial roles – however operational roles will continue to be required due to the transient nature of the labour force in the sector. | - The majority of training is undertaken on the job – with staff employed due to personality over experience in operational roles.  
- Qualifications vary from no qualifications to NVQ level 4. | - Key issues related to the perception of the sector and high staff turnover due to the transient nature of the workforce.  
- Skills gaps exist in regards to general management and customer service, as well as those required for chefs. |
| SEMLEP: Leisure          | - Employed almost 62,000 in 2011,  
- Growing population with increased disposable income and a demand for leisure opportunities. | - Slight decline in employment since 2008 of 400 jobs (-1%).  
- Competition from other areas. |                                                                                 |                                                                                                           |
Tables A2.1 (Number of employees by industry) and A2.2 (Employment in key sectors) and A2.3 Location Quotient Analysis in Annex 2 provides further detail on the breakdown of employment by industry, each priority sector and location quotient analysis when compared with national employment across England. Table A2.4 sets out the anticipated employment growth by sectors in Northamptonshire between 2001 and 2021, highlighting that almost 85,000 jobs will be created over this period.

3.5.3 Summary of skills gaps and shortages

Recent research undertaken by Ecorys (2012/13) to facilitate the preparation of the Skills Strategy and Action Plan sought to establish both the extent and nature of the skills gaps and shortages manifesting themselves in workplaces throughout the SEMLEP study area.

Three particular types of skills were identified as being in short supply.

1. **Basic and transferable skills**, including team working, literacy, numeracy and communication skills;

2. Across all sectors, **skilled trades and sector specific skills** were considered to be in short supply; and,

3. **Leadership and management and supervisory skills** need to be increased and improved.

These skills gaps and shortages relate closely to those identified at the various occupational levels. Table 3.4 lists examples of skills gaps and shortages by occupational level.

**Table 3.4  Skills Gaps and Shortages by Occupation**

<table>
<thead>
<tr>
<th>Occupational Level (SOC codes)</th>
<th>Skills Gaps and Shortages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and Senior Officials</td>
<td>Leadership and Management, Man Management, Information Technology and Financial Management</td>
</tr>
<tr>
<td>Professional</td>
<td>Supervisory and management skills, product design and development, engineering, software development</td>
</tr>
<tr>
<td>Associate Professional &amp; Technical</td>
<td>Electrical Engineers, Mechanical Engineering,</td>
</tr>
<tr>
<td>Administrative &amp; Secretarial</td>
<td>Communication, Customer Service, Information Technology</td>
</tr>
<tr>
<td>Skilled Trades</td>
<td>Motor Mechanics, Precision Engineers, Programmers, Chefs, Baristas, Designers, Builders, Plasterers, Financial Advisors</td>
</tr>
<tr>
<td>Personal Services</td>
<td>Care Staff, Customer Service</td>
</tr>
<tr>
<td>Sales and Customer Service</td>
<td>Communication, literacy and numeracy, Transferable Skills, Information Technology</td>
</tr>
<tr>
<td>Process, Plant and Machine Operatives</td>
<td>Usage of new machinery, Technological change, Professionalism, Transferable Skills</td>
</tr>
<tr>
<td>Elementary</td>
<td>Basic Skills and Transferable Skills, Motivation, Time Keeping</td>
</tr>
</tbody>
</table>

*Source: Ecorys Business Survey (2012)*

3.5.4 Profiling the supply of skills

Having considered the current and future issues around the demand for skills, it is also crucial to look at skills supply, within the context of supporting the “matching” process between the two. At its broadest level, we can gain an indication of the supply side context by looking at the highest qualification level held. The analysis below sets out the local area profile of qualifications held by people of working age.
Northampton has a slightly lower skills profile when NVQ qualification attainment is compared to both the SEMLEP and UK profile.

In 2011, 31% of the Northampton working age population had an NVQ level 4 or above, slightly below both the SEMLEP (31.9%) and UK (32.7%) averages. Conversely, while 10.9% of the working age population in the SEMLEP area had no qualifications, this was true for 15.9% in Northampton.

For those in employment, there is an above average share of the population with no qualifications (8.2%) and an above average share with NVQ Level 1 only. There is also a lower share of those in employment with trade apprenticeships, with just 1.5% holding a trade apprenticeship compared with a UK average of 4.1% and a LEP average of 3.8%.

### Table 3.5 Qualification attainment in 2011

<table>
<thead>
<tr>
<th>% of population aged 16-64 with ...</th>
<th>Northampton</th>
<th>SEMLEP</th>
<th>East Midlands</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree or equivalent and above</td>
<td>23.2</td>
<td>23.4</td>
<td>19.7</td>
<td>24.3</td>
</tr>
<tr>
<td>Higher education below degree level</td>
<td>8.4</td>
<td>8.8</td>
<td>9.0</td>
<td>8.7</td>
</tr>
<tr>
<td>GCE A level or equivalent</td>
<td>20.8</td>
<td>23.3</td>
<td>24.6</td>
<td>22.7</td>
</tr>
<tr>
<td>GCSE grades A-C or equivalent</td>
<td>20.7</td>
<td>23.7</td>
<td>24.5</td>
<td>22.9</td>
</tr>
<tr>
<td>No qualifications</td>
<td>16.2</td>
<td>10.3</td>
<td>11.6</td>
<td>11.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% of those aged 16 to 64 in employment with ...</th>
<th>Northampton</th>
<th>SEMLEP</th>
<th>East Midlands</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>NVQ4+</td>
<td>35.4</td>
<td>36.0</td>
<td>33.4</td>
<td>38.4</td>
</tr>
<tr>
<td>NVQ3 only</td>
<td>18.6</td>
<td>17.7</td>
<td>18.8</td>
<td>16.8</td>
</tr>
<tr>
<td>Trade Apprenticeships</td>
<td>1.5</td>
<td>3.8</td>
<td>4.2</td>
<td>4.1</td>
</tr>
<tr>
<td>NVQ2 only</td>
<td>13.1</td>
<td>16.6</td>
<td>17.3</td>
<td>16.3</td>
</tr>
<tr>
<td>NVQ1 only</td>
<td>13.2</td>
<td>12.5</td>
<td>13.1</td>
<td>11.6</td>
</tr>
<tr>
<td>No qualifications</td>
<td>8.2</td>
<td>6.4</td>
<td>6.6</td>
<td>6.3</td>
</tr>
</tbody>
</table>

Source: Annual Population Survey.

Employees in Northampton are more likely to have received training in the last 13 weeks prior to being surveyed than in the broader SEMLEP area and when compared with the UK average.

Over 22% of workers aged 16 to 64 had received training compared to the SEMLEP area the UK (19.0% and 18.4% respectively). Those working in managerial or professional occupations were more likely to have received training, with those qualified to above NVQ Level 4 or higher (44.2%) being more likely to have received training than those with a qualification below NVQ Level 3 (21.9%).

### Apprenticeships

5,040 people started on an apprenticeship programme in Northamptonshire in the 2011/12 year, an increase of 81% since 2005/2006. This was slightly lower than the increase of 127% seen across England in apprenticeship starts. However, when data is compared for the previous year (2010/11) there has been a decrease in apprenticeship starts of 13% in Northamptonshire, a smaller decline than was seen more broadly across England (16%).

### 3.6 Summary

Key findings of the local research review include:
Labour market trends and issues:

- **Above average employment in the knowledge economy** than the wider region; with some areas of the LEP also above the national average (e.g. Milton Keynes), largely due to concentrations of high-tech manufacture and knowledge based services, however, Northampton does have a lower than national average of the workforce employed in high level occupations;

- **High job density**, despite a decline since 2000 it remains above average when compared to SEMLEP, East Midlands and UK;

- **Above average short term enterprise survival rates** (one year) compared with wider geographical areas. Over a 5 year period survival rates are above the UK average and aligned with the LEP area.

- **An improving entrepreneurial culture**: Northampton has moved from below average levels of self-employment to above average in recent years;

  - A relatively low-skilled workforce: Northampton suffers from a relatively low skilled workforce in the centre of the town. There is also a trend that higher skilled workers commute into other areas e.g. southern areas of the SEMLEP and London. Higher share of working age population (in and out of employment) with no qualifications;

  - Northampton’s employment offer has been characterised by lower skilled jobs: just over 2 in 5 employees (41.8%) are in higher level occupations. This is below the England average and that of surrounding counties / areas highlighting that the county has proportionately fewer higher value added jobs.

  - **Skill gaps** exist in occupations at the following levels; Associate Professional and Technical, Process Plant and Machine Operatives, Professional and Skill Trades.

  - **Reliance on elementary qualifications**: Northampton has a higher than average reliance of elementary qualification.

  - **Raising the skills needs of young people**: there is a need for higher levels of basic skills amongst school leavers, especially in mathematics

Supply and demand issues in priority sectors:

- **The demand for skills in the East Midlands more broadly has generally been acknowledged as being weak**: some occupations are expected to grow within Northamptonshire but these are predominantly service and sales, low skilled process, plant and elementary jobs;

- **Skills are a key issue for high performing engineering businesses** in Northamptonshire, most notably the lack of appropriate skills and the undersupply of adequately qualified workforce with higher level skills (Levels 3 and 4) and the general need to re-skill the existing labour force with new skills;

- **Future demand** for managerial occupations, technical engineers and soft skills such as communication, problem solving and team working have been identified;

- **Skills gaps have also been reported in the aerospace, automotive, bioscience, electrical, and electronics sub-sectors** including technical and engineering skills at all levels, as well as communication and management. Skills gaps also exist in customer services, management and leadership in the business services sector.

- **Sustainable construction** is expected to experience growth, and provider capacity in Northamptonshire will need to meet increases in demand for employment in Construction.
4 Summary of key findings

4.1 Introduction
The following section summarises the key findings of the research.

4.2 What national and local evidence says........
The evidence presented in this report highlights that:

- The UK requires higher level skills in order to compete, in particular in engineering, manufacturing, construction, creative industries and knowledge based and professional sectors. For example:
  - Skills are a key issue for high performing engineering businesses in Northamptonshire, most notably the lack of appropriate skills and the undersupply of adequately qualified workforce;
  - Skill gaps existed in occupations at the following levels; Associate Professional and Technical, Process Plant and Machine Operatives, Professional and Skill Trades;
  - Skills gaps have also been reported in the aerospace, automotive, bioscience, electrical, and electronics sub-sectors include technical and engineering skills at all levels, as well as communication and management skills.

- Alongside Kirklees and Coventry, Northamptonshire are the Local Education Authorities with the highest density of skill-shortage vacancies;

- Northampton’s employment offer has been characterised by lower skilled jobs: just over 2 in 5 employees (41.8%) are in higher level occupations;

- There are pockets of deprivation and disadvantaged across specific geographic areas and amongst particular groups in the population;

- There is also a trend that higher skilled workers commute into other areas e.g. London;

- A perennial issue is low basic skills amongst school leavers especially maths. Achievement of Northampton young people is lower than average in English and Maths;

- Some occupations are expected to grow within Northamptonshire but these are predominantly service and sales, low skilled process, plant and elementary jobs;

- Replacement demand is forecast to be significant for high and intermediate skilled occupations in Transport Equipment, Advanced Engineering in Northamptonshire; and,

- Sustainable construction is expected to experience growth, and provider capacity in Northamptonshire will need to meet increases in demand for employment in Construction.

- There is a growing demand for higher levels of industrial experience, particularly from companies operating the six target growth sectors, which can be obtained via vocational training and work experience, particularly Apprenticeships,
5 Footnotes and references

1 The SEMLEP includes the local authorities of Northampton, Aylesbury Vale, Cherwell, Milton Keynes, Bedford, Central Bedfordshire, Luton, Corby, Daventry, Kettering and South Northamptonshire

2 This sub-sector covers a range of Sector Skills Councils (SSCs), namely SEMTA (science, engineering and manufacturing technologies); Summit Skills (building services engineering); Cogent (chemical and pharmaceutical, oil, gas, nuclear, petroleum and polymers); and Energy & Utility Skills (which includes waste management);

3 ONS: International Comparisons of Productivity, October 2010;

4 UK Commission’s Employer Skills Survey 2012

5 UK Commission’s Employer Skills Survey 2012

6 UK Commission’s Employer Skills Survey 2012 (England Report)

7 UK Commission’s Employer Skills Survey 2012 (England Report)

8 UK Commission’s Employer Skills Survey 2012 (England Report)

9 Working Futures, 2010;


11 Bell, D & Blanchflower, D, ‘What Should be Done About Rising Unemployment in the UK?)

12 UK Commission’s Employer Skills Survey 2012


14 SQW, mksm Research Project 2009

15 Census 2011 estimations.

16 SEMLEP Business Case and Proposition: Annex B Population Table


18 Estimations based data from 2009 including ONS mid-year population 2009 and ONS NUT3 GVA data (2009). N.B where data was not available at the same geographical level, the closest geographical unit was used. For instance, for Aylesbury Vale, GVA for Buckinghamshire was used.


22 ONS VAT registrations/ de-registrations by industry

23 5 year Survival rates of newly born enterprises. Enterprises born in 2005. ONS.

24 ONS mid-year population estimates from Labour Market Profile South East Midlands LEP, Nomis.


26 Northamptonshire includes the following SEMLEP areas: Corby, Daventry, Kettering, Northampton and South Northamptonshire

27 SIC code definition of the knowledge based economy can be found in Annex 1.
Data on Northampton’s travel to work area is unavailable.

Northamptonshire Local Economic Assessment, DRAFT (2010/11)

Including: Northamptonshire Local Economic Assessment Evidence Base (2010/11); the East Midlands Skills Priorities Statement (2011-2012); LSC East Midlands Sector Skills (including Cogent sectors, logistics, etc) Research; LSC Skills Forecasting in Northamptonshire (2004); and the SEMLEP Business Plan (2012-15); and the Northamptonshire Observatory that provides extensive information and data to profile the context for local skills and labour market activity

East Midlands Skills Priorities Statement, Academic Year: 2011-2012, emda


This is just over 5,000 jobs lower than was estimated in the SEMLEP business case which stated that in 2007 there were 25,000 employees in the Advanced Technology & Precision Engineering sector accounting for 3.3% of all jobs in 1,530 businesses across the sub-region. Definition of the Advanced Technology & Precision Engineering used for these statistics is unknown.

Location Quotient (LQ) is used to illustrate the importance of a sector to the local economy. It considers a sector’s employment in a locality as a share of total employment in that locality and as a share of the national sectoral employment. An LQ larger than 1 indicates that a particular sector is more important to the local economy than to the locality that it is to the national economy.


East Midlands Sector Skills Research (Cogent): Northamptonshire LSC Report:

Apprenticeship Programme Starts by Region and Local Authority (2005/06 to 2011/12 in-year estimates). Data at LA level, therefore no data at SEMLEP geographical area.