



Monthly Labour Market Report

Welcome

The Monthly Labour Market Report from the Learning and Skills Observatory Wales (LSO) aims to provide the main headlines on the Welsh labour market and is based on the latest data available.

This month's issue focuses on Regional Skills Partnerships in Wales.

This report was produced by the Centre for Economic and Social Inclusion (known as *Inclusion*), commissioned by Welsh Government to blend Wales's available labour market information (LMI) (from the various sources) and produce a monthly analysis. Whilst the report is owned by Welsh Government it is not validated in terms of its specific content or interpretation.

Inclusion has an unrivalled understanding of the labour market based on over 28 years of experience of working with the range of stakeholders involved in delivering employment and skills services. We collect and analyse both national and local labour market data through our well developed Local Labour Market Information System, conduct research on employment and skills issues at the local level, run events that bring together policymakers and providers in the skills and employment sector, and produce weekly e-briefings that summarise what is new in employment and skills for our subscribers.

We currently supply monthly employment and skills data to the Greater London Authority, as well as providing labour market tools and analysis for Greater Manchester.

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Latest labour market trends

Employment

Employment data from the Labour Force Survey (LFS) – estimates published by the Office for National Statistics (ONS) obtained from a large sample quarterly rolling survey of households – show that Wales performed less well than some but not all the other UK nations and English regions in the rolling quarter August to October 2014. The recent relatively poor employment performance of Wales is similarly shown on the ONS's alternative (and largely employer survey based) Workforce Jobs measure.

The (seasonally adjusted) Labour Force Survey estimate of the number of people aged 16 and over in employment in Wales fell very slightly by 200 (statistically 0.0%) compared to the previous quarter (May to July 2014) to a total of 1.365 million. A quarterly net increase in the number of men in employment was more than offset by a net fall in the number of women in employment. Male employment increased by 6,900 (+1.0%) to 721,900 while female employment fell by 7,100 (-1.1%) to 643,500.

The small fall in total employment in Wales contrasts with a corresponding quarterly increase in total UK employment of 115,000 (+0.4%). In contrast to Wales, employment increased by 107,000 (+0.4%) in England and by 11,000 (+1.4%) in Northern Ireland but fell by 3,000 (-0.1%) in Scotland. The net increase in England comprised an increase in employment in the North East (20,000, +1.8%), the North West (35,000, +1.1%), Yorkshire and Humberside (20,000, +0.8%), the East Midlands (20,000, +0.9%), the East of England (26,000, +0.9%), and the South West (18,000, +0.7%) and a decrease in the West Midlands (-2,000, -0.1%), London (-7,000, -0.2%) and the South East (-22,000, -0.5%).

The working age employment rate for Wales (i.e. the proportion of the population aged 16-64 in employment) fell by 0.3 percentage points in the quarter to 68.5%. This compares with an increase of 0.3 percentage points in England, an increase of 0.3 percentage points in Scotland and an increase of 0.4 percentage points in Northern Ireland. The employment rate in Wales is 4.5 percentage points lower than the UK average (73.0%) and lower than the employment rate in both England (73.3%) and Scotland (74.0%) but higher than the rate in Northern Ireland (68.3%).

In keeping with recent quarterly data releases the ONS commented as follows on the latest quarterly fall in employment in Wales:

“For most regions the general picture has been for employment rates to be increasing or close to flat, with all but one region having higher employment rates than a year ago. The exception is Wales, which has been falling from record highs since late 2013, with the latest estimate 2.2 percentage points lower than a year ago.”

Each calendar quarter the ONS also publishes an estimate of jobs in the economy which complements the LFS estimate of the number of people in employment. The (seasonally adjusted) Workforce Jobs estimate is obtained from a combination of employer surveys and administrative data in addition to the LFS. The number of jobs in the economy will not necessarily equal the number of people in employment given that some people will hold more than one job. The LFS and Workforce Jobs estimates can also differ because of differences in the method of obtaining the respective estimates.

The latest Workforce Jobs estimate shows that there were 1.418 million jobs in Wales as of September 2014, 4,000 (-0.3%) less than in June 2014 but 40,000 (+2.9%) higher than in September 2013. This compares with a quarterly increase of 104,000 (+0.4%) jobs in England, an increase of 20,000 (+0.7%) in

Scotland and an increase of 9,000 (+1.1%) in Northern Ireland. Looked at in the broader context of change in the year to September 2014, the percentage increase jobs in Wales (2.9%) is lower than the UK average percentage increase (3.8%).

A breakdown of the latest quarterly percentage change in Workforce Jobs for both Wales and the UK is shown in table 1. Note that the absolute number of jobs in sectors such as agriculture, mining, electricity and water are small, so percentage changes in these sectors have relatively less effect on change in the absolute number of jobs in Wales and the UK as a whole.

Table 1 Percentage changes in Workforce Jobs by main industrial sector, Wales and UK average, quarter to September 2014 (seasonally adjusted)

	Wales – quarterly% change	UK – quarterly % change
Agriculture, forestry and fishing	+8.4%	+3.4%
Mining and quarrying	-1.9%	+1.5%
Manufacturing	+0.6%	+0.5%
Electricity, gas, steam conditioning and air supply	+7.6%	-5.8%
Water supply, sewerage, wastes and remediation activities	+2.2%	-0.7%
Construction	-7.5%	+0.3%
Total services	+0.1%	+0.3%
All jobs	-0.3%	+0.4%

Source: ONS

Unemployment and economic inactivity

The number of people in Wales who are unemployed on the International Labour Organisation (ILO) Labour Force Survey measure increased by 8,000 to 105,000 between the quarters May to July 2014 and August to October 2014. Total unemployment fell by 58,000 in England, by 11,000 in Scotland and by 2,000 in Northern Ireland. The number of unemployed men in Wales increased by 1,600 (+2.6%) to 61,791 and the number of unemployed women increased by 6,400 (+17.4%) to 43,245.

The ILO unemployment rate in Wales increased in the quarter by 0.5 percentage points to 7.1%. The UK average rate of ILO unemployment fell by 0.2 percentage points to 6.0%. The unemployment rate in Wales was higher than in England (5.9%), Scotland (5.6%) and Northern Ireland (6.3%). Within England, only the North East (9.1%) had a higher unemployment rate than Wales (at 7.1% the unemployment rate in Yorkshire & Humberside was equal to that in Wales). South East England (4.6%), South West England (4.8%), and the East of England (5.0%) had the lowest unemployment rates.

The administrative count of people unemployed and claiming Jobseeker's Allowance (JSA) is somewhat lower (50,700 in Wales in November 2014, a JSA claimant count rate of 3.6%) than ILO unemployment because non-JSA claimant jobseekers are excluded. The JSA claimant count rate in Wales is 0.9 percentage points higher than the UK average rate (2.7%). The number of JSA claimants in Wales decreased by 1,200 between October and November 2014. However care should be taken in interpreting change in the claimant

count since this can be influenced by changes to the benefit system as well as underlying change in the labour market.

The number of economically inactive people of working age in Wales fell by 2,000 to 497,000 between the quarters May to July 2014 and August to October 2014. As the LMI scorecard shows the working age rate of economic inactivity in Wales (26.0%) is 3.7 percentage points higher than the UK average (22.3%).

Within the UK nations and regions only Northern Ireland (27.1%) had a higher inactivity rate than Wales in the quarter August to October 2014. The lowest inactivity rates are in the East of England (19.3%), the South West (19.6%) and the South East (19.7%).

LMI scorecard

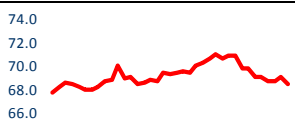
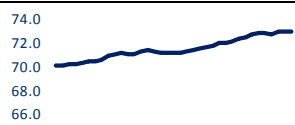
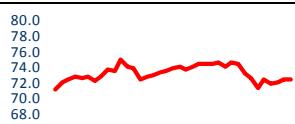
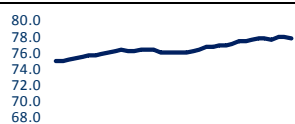
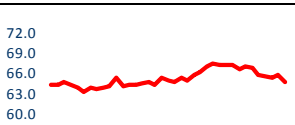
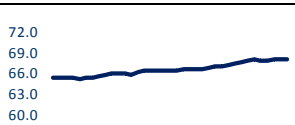
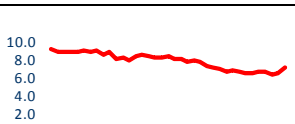
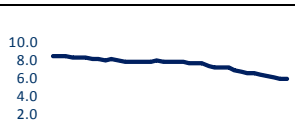
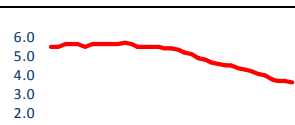
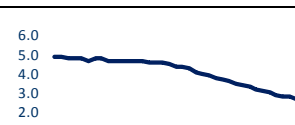
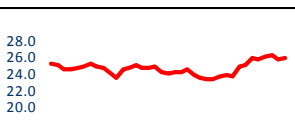

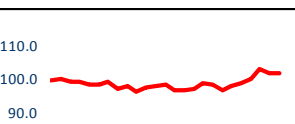
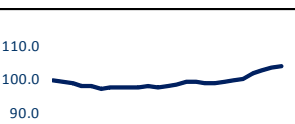
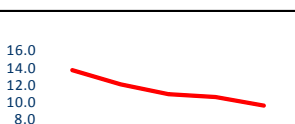
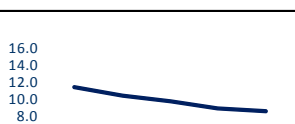
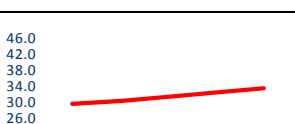
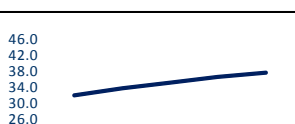
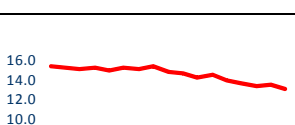
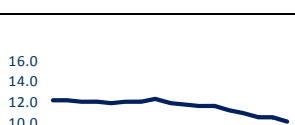
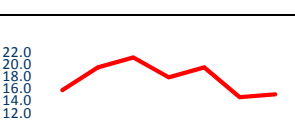
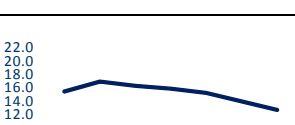
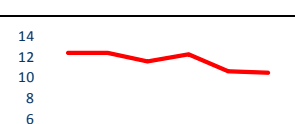
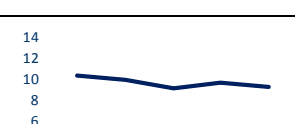
The scorecard presents recent trends and figures for a number of core labour market indicators, using a variety of different sources:

	Source
Working age employment rate	1
Working age male employment rate	1
Working age female employment rate	1
ILO unemployment rate 16+	1
Claimant count as a proportion of the working age population	2
Working age economic inactivity	1
Index of workforce jobs	3
Proportion of the working age population with no qualifications	4
Proportion of the working age population qualified to NQF4+	4
Proportion of the working age population who claim out of work benefits	5
Children living in workless households	6
Proportion of 16–18 year olds who are not in employment, education or training	7

- 1 LFS, ONS: subject to sampling variability and should be used with caution
- 2 Claimant count seasonally adjusted, NOMIS: trends can be affected by changes to benefit rules
- 3 Employer surveys, household surveys and administrative sources, ONS
- 4 Annual Population Survey/Annual Local LFS, ONS. Data is subject to sampling variability and should be used with caution.
- 5 Department for Work and Pensions, NOMIS
- 6 Household LFS, ONS: subject to sampling variability and should be used with caution
- 7 Source: ONS, Higher Education Statistics Agency, Welsh Government Lifelong Learning Wales Record, Pupil Level Annual School Census, Annual Population Survey.

LMI Scorecard

December 2014

		Wales		Difference between Wales and National (latest figures): Better Worse	NATIONAL (UK or GB depending on indicator)	
		Trend (Three to four years)	Latest result & trend		Latest result & trend	Trend (Three to four years)
Supply of Labour	Working age employment rate (%)		68.5% ↓	-4.4 Charts cover: Aug - Oct 11 to Aug - Oct 14	73.0% →	
	Working age male employment rate (%)		72.4% →	-5.5 Charts cover: Aug - Oct 11 to Aug - Oct 14	77.9% →	
	Working age female employment rate (%)		64.7% ↓	-3.4 Charts cover: Aug - Oct 11 to Aug - Oct 14	68.1% →	
	ILO Unemployment rate 16+ (%)		7.1% →	1.2 Charts cover: Aug - Oct 11 to Aug - Oct 14	6.0% ↓	
	Claimant Count as a proportion of the workforce, seasonally adjusted (%)		3.6% ↓	0.9 Charts cover: Oct 11 to Oct 14	2.7% ↓	
	Working age economic inactivity (%)		26.0% →	3.7 Charts cover: Aug - Oct 11 to Aug - Oct 14	22.3% →	
Demand	Index of workforce jobs. 2008 Q1=100		101.8% →	-2.4 Charts cover: 2008 Q2 to 2014 Q2	104.2% ↑	
Skill gaps	Proportion of the working age population with no qualifications (%)		9.7% ↓	1.0 Charts cover: Year to Dec 09 to year to Dec 13	8.7% ↓	
	Proportion of the working age population qualified to NQF4+ (%)		33.6% ↑	-4.0 Charts cover: Year to Dec 09 to year to Dec 13	37.6% ↑	
Worklessness & NEETS	Proportion of the working age population who claim out of work benefits		13.0% ↓	2.8 Charts cover: May 10 to May 14	10.2% ↓	
	Children living in workless households (%)		15.1% ↓	2.4 Charts cover: Apr-Jun 2008 to Apr-Jun 2014	12.7% ↓	
	Proportion of 16-18 year olds who are NEET (%)		10% ↓	2.0 Charts cover: 2008 to 2013	8% England ↓	

Regional Skills Partnerships

Introduction

In October 2014, the Welsh Government announced the launch of three Regional Skills Partnerships (RSPs) to support local opportunities and needs¹. They have been tasked with addressing the challenges within the Welsh Government's Skills Implementation Plan², and each partnership will develop and publish an annual regional employment and skills plan which identifies investment priorities as well as local demands and opportunities.

The partnerships have four roles:

- To analyse local labour markets and recognise the workforce's skill needs;
- To advise the Welsh Government on funding for training needs;
- To engage with local employers and work strategically to recognise skill needs; and
- To maximise the effectiveness of future available funding for vocational training.

The partnerships are as follows:

- **The North Wales Economic Ambition Board** (covering the local authority areas of Anglesey, Conwy, Denbighshire, Flintshire, Gwynedd and Wrexham);
- **South East Wales Learning, Skills & Innovation Partnership** (covering Blaenau Gwent, Bridgend, Caerphilly, Cardiff, Merthyr Tydfil, Monmouthshire, Newport, Rhondda, Cynon, Taff, Torfaen and the Vale of Glamorgan); and
- **South West & Central Wales Regional Learning Partnership** (covering Carmarthenshire, Ceredigion, Neath Port Talbot, Pembrokeshire, Powys and Swansea).

This month's report focuses on economic and labour market differences between the three partnership areas, and highlighting some of the skills issues that each will face.

Economic indicators

Gross Value Added (GVA)

In 2013, the Welsh economy generated £52.1 billion of GVA (Table 1). The South East RSP area accounted for £27.1 billion (52% of the total), while the South West and Central area generated £13.2 billion (25%) and North Wales £11.7 billion (23%). North Wales has shown the fastest rate of growth in GVA³ in recent years, increasing by almost 16% between 2008 and 2013. GVA in the South East area grew by 11.4% over the same period (just below the average for Wales as a whole), while the South West and Central area lagged slightly behind, with growth of 9.6%.

In terms of GVA per head, the South East area has the highest average, at £18,153 per head of population. Although this is well above the other two RSP areas, this was still only 76.4% of the UK average. North Wales

¹ <http://wales.gov.uk/newsroom/educationandskills/2014/141011regionalskillspartnershipsskills/?lang=en>

² <http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/skills-implementation-plan/?lang=en>

³ These GVA figures are in current prices. Hence growth over time will reflect inflation as well as 'real' economic growth. Regional and local level GVA data in real terms is not available from official sources.

has experienced the most growth, with GVA per head rising by 14% between 2008 and 2013, a significantly faster rate of growth compared to the other RSP areas.

Table 1: GVA (£ million) and GVA per head by Regional Skills Partnership area^{4 5}, 2008-2013

GVA (£ million)	2008	2013	% change 2008-13	Index (UK=100) 2013
North Wales	10,134	11,731	15.8%	-
South West and Central	12,064	13,225	9.6%	-
South East	24,336	27,114	11.4%	-
Wales	46,534	52,070	11.9%	-
GVA per head (£)	2008	2013	% change 2008-13	Index (UK=100) 2013
North Wales	14,845	16,953	14.2%	71.4
South West and Central	13,631	14,746	8.2%	62.1
South East	16,689	18,153	8.8%	76.4
Wales	15,378	16,893	9.9%	72.2

Source: Derived from Statswales <https://statswales.wales.gov.uk/Catalogue/Business-Economy-and-Labour-Market/Regional-Accounts/Gross-Value-Added-GDP/GVA-by-WelshNUTS3Areas-Year>

Jobs Growth and Density

In terms of jobs, Table 2 shows that almost half of all jobs in Wales are in the South East RSP area, and that in the last five years, this is the only RSP area that has seen an increase in the number of workforce jobs. Between 2008 and 2013, an additional 19,000 jobs were created in the South East RSP area (growth of 2.9%), while North Wales saw a loss of 8,900 jobs (2.9%) and South West and Central lost 10,800 jobs (2.7% of its total).

Table 2: Workforce Jobs by RSP area, 2008-2013

Area	No. of Jobs 2013	Change 2008-2013	% change 2008-2013
North Wales	297,200	-8,900	-2.9
South West and Central	388,800	-10,800	-2.7
South East	665,000	19,000	2.9
Wales	1,351,000	-900	-0.1

Source: StatsWales <https://statswales.wales.gov.uk/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Employment/Jobs/Whole-Workforce/WorkplaceEmployment-by-WelshLocalAreas-Year>

⁴ Note: Local GVA data is published for NUTS3 areas, which do not allow a direct correlation to all RSP boundaries. Therefore, GVA for the Bridgend & Neath Port Talbot NUTS3 area has been allocated to the South East and South West and Central RSPs based on the total number of workforce jobs in the Bridgend and Neath Port Talbot local authority areas.

⁵ The Welsh Government does not currently produce statistics for RSP areas and so the figures quoted for RSP areas are not official Welsh Government statistics.

Numbers of jobs have started to recover across these two areas in the last two years, with an increase of 6,900 in North Wales and 6,800 in the South West and Central area since 2011.

Jobs density is a measure that provides an indication of the extent to which an area's economy provides jobs for the working age people that live there. Table 3 shows that there was little difference between the three RSP areas in 2013, but that North Wales and South West and Central remain below their 2008 levels.

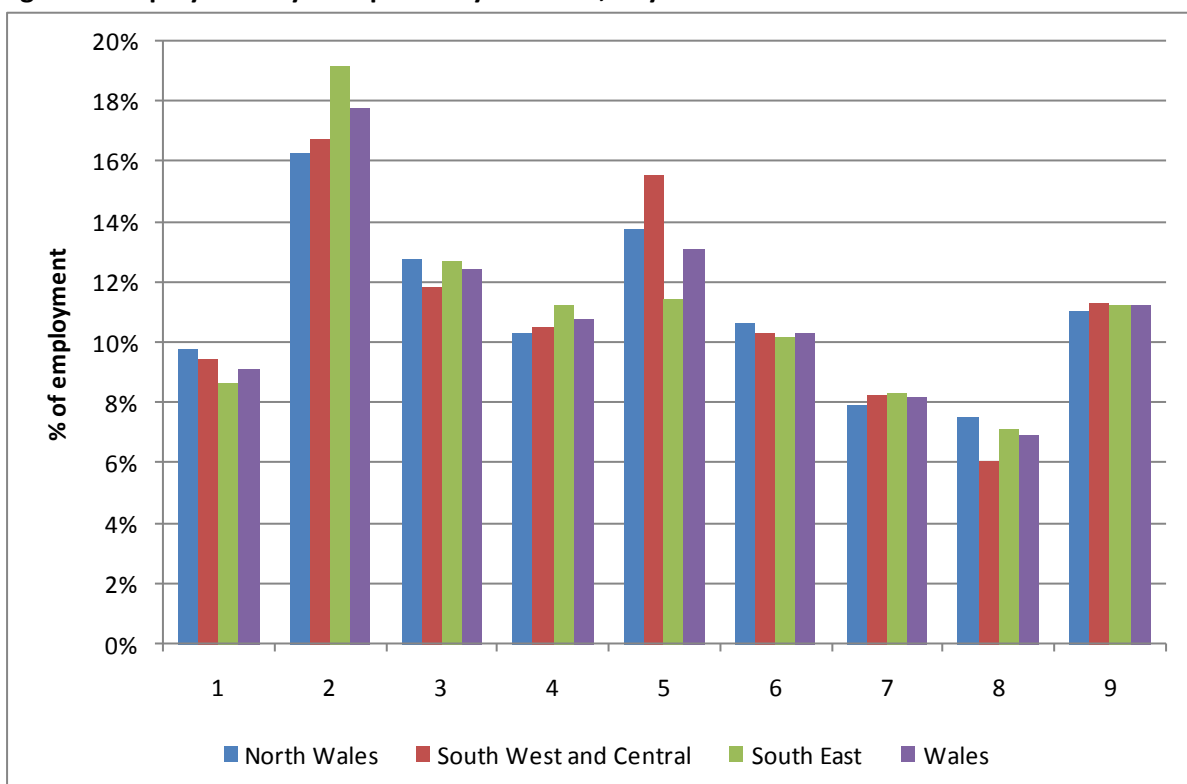
Table 3: Jobs Density by RSP area, 2008 - 2013

RSP Area	2008	2009	2010	2011	2012	2013
North Wales	0.72	0.70	0.70	0.68	0.70	0.71
South West and Central	0.72	0.67	0.67	0.69	0.69	0.70
South East	0.68	0.67	0.66	0.68	0.67	0.70
Wales	0.70	0.68	0.67	0.68	0.68	0.70

Source: Derived from StatsWales <https://statswales.wales.gov.uk/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Employment/Jobs/Whole-Workforce/WorkplaceEmployment-by-WelshLocalAreas-Year>. Note: Jobs Density is calculated as the total number of workforce jobs in an area divided by the number of people aged 16-64 living in that area.

In terms of employment by occupation, Figure 1 shows that while all three RSP areas have a broadly similar occupational structure, the South East area has the highest concentration of employment in professional level occupations, accounting for 19% of all employment in 2014. Higher level occupations (managerial, professional and technical, generally associated with higher value added sectors and higher average earnings) account for 41% of all employment in the South East, compared to 39% in North Wales and 38% in South West and Central Wales.

Figure 1: Employment by Occupation by RSP area, July 2013 - June 2014



Key

- 1 Managers and senior officials
- 2 Professional occupations
- 3 Associate professional and technical occupations
- 4 Administrative and secretarial
- 5 Skilled trades occupations
- 6 Personal service occupations
- 7 Sales and customer service occupations
- 8 Process, plant and machine operatives
- 9 Elementary occupations

Source: StatsWales <https://statswales.wales.gov.uk/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Employment/Persons-Employed/PeopleInEmployment-by-Area-Occupation>

The creation of new jobs across Wales has been driven by these higher level occupations. The number of workers in these occupations has risen by almost 10% in the last five years, equating to around 48,200 additional jobs. This growth has been fastest in the South East of Wales, which saw growth of around 27,700 jobs, or 12% between 2009 and 2014.

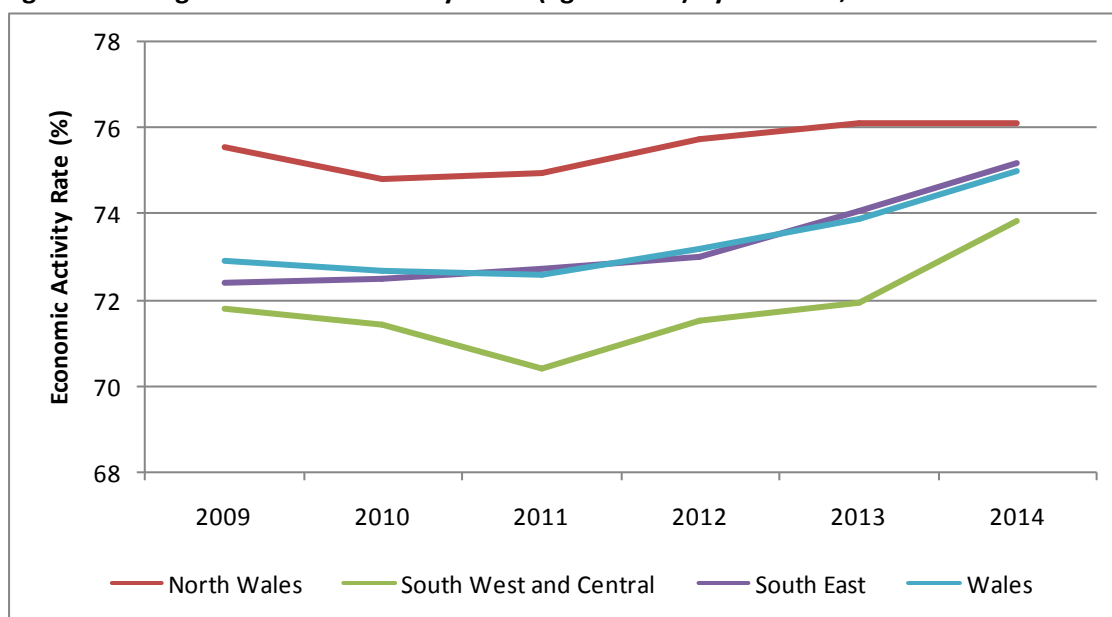
Labour Market Indicators

The latest local area data for economic indicators suggests that there have been reasonable growth in levels of overall GVA and GVA per head relative to the UK as a whole, but that numbers of jobs have yet to recover to their 2008 levels in two of the three RSP areas. The following sections looks at how these economic changes have impacted on the labour market across the three RSP areas (more up to date data is available for the measures covered here).

Economic Activity Rates

Figure 2 shows a largely positive recent trend in economic activity rates which, for Wales as a whole have risen faster than the UK average as the national economic situation has improved.

Figure 2: Change in Economic Activity Rates (aged 16-64) by RSP area, 2008 - 2014



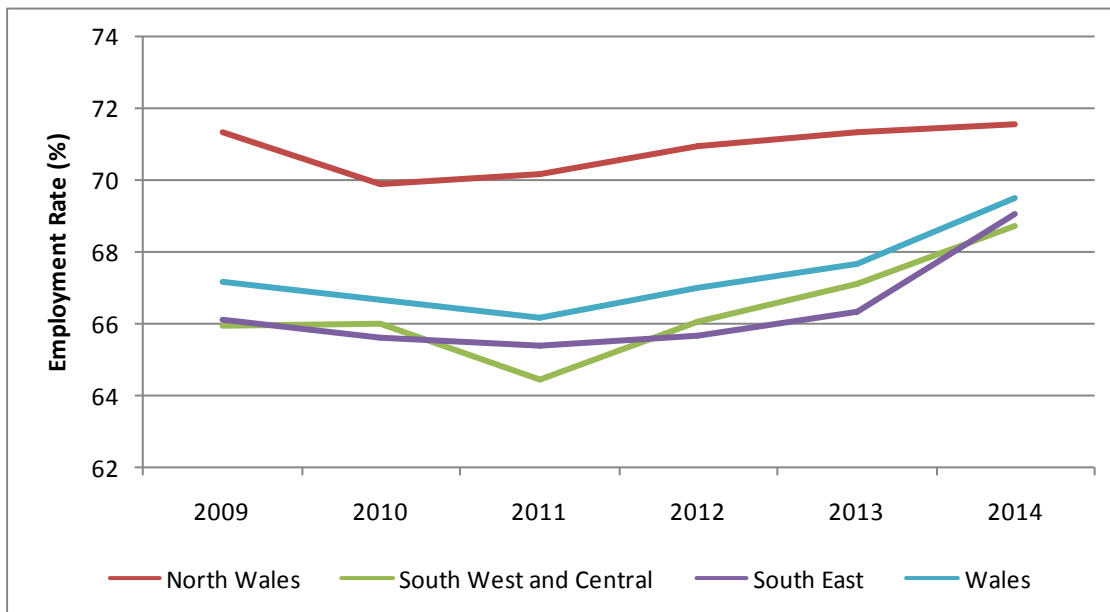
Source: Annual Population Survey (via [statswales](http://statswales.wales.gov.uk) Annual Labour Market Summary 16-64 series). Data relates to year ending 30 June each year.

While all three RSP areas have seen an increase in economic activity since 2011, the South West and Central area remains slightly below the average for Wales as a whole.

Employment Rates

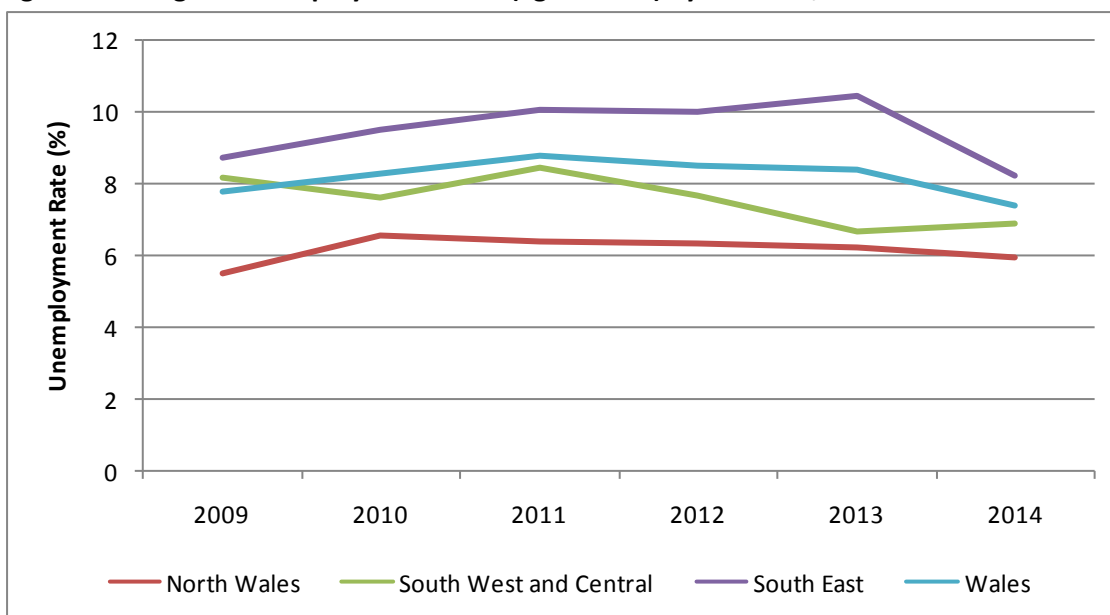
A similar picture is evident when considering recent change in employment rates, in that all three RSP areas have seen an increase in their employment rate since 2011. North Wales has the highest employment rate at 71.6%, while the other two RSP areas are just below the average for Wales.

Figure 3: Change in Employment Rates (aged 16-64) by RSP area, 2008 - 2014



Source: Annual Population Survey (via [statswales](http://statswales.gov.uk) Annual Labour Market Summary 16-64 series). Data relates to year ending 30 June each year.

Figure 4: Change in Unemployment Rates (aged 16-64) by RSP area, 2008 - 2014



Source: Annual Population Survey (via [statswales](http://statswales.gov.uk) ILO Unemployment Rates series). Data relates to year ending 30 June each year.

Unemployment Rates

A slightly more varied picture emerges when looking at recent trends in unemployment. North Wales has the lowest unemployment rate of the three RSP areas at 6.0% in the year to June 2014, a rate that has barely changed since 2010. South West and Central Wales has a lower than average rate at 6.9%, but has seen a slight increase in unemployment in the last year, while South East Wales has the highest rate at 8.2%, but has seen quite a sharp fall in the last year.

Skills Issues

Finally, this brief report will look at some indicators relating to skills issues affecting the three RSP areas.

Workforce Qualifications

Table 4 shows the qualifications profile of the working age population of the three RSP areas. It shows that there is little difference between them in terms of the proportion qualified to level 4 and above (degree level), but in terms of low skilled workers, there is a slightly higher than average proportion in the South East, where a quarter of the workforce do not have a level 2 qualification.

Table 4: Qualifications of the Working Age Population by RSP area, 2013

RSP area	Percentage of adults of working age qualified at each NQF level						
	No quals	Below L2	L2	L2+	L3	L4-6	L4+
North Wales	8	14	22	78	22	27	34
South West and Central	10	13	20	77	24	26	33
South East	10	15	19	75	22	26	34
Wales	10	14	20	76	22	26	34

Source: Annual Population Survey (via Welsh Government). Note: Adult working age is defined as 18-64 for males and 18-59 for females.

Over recent years there has been a consistent increase in the proportion of the working age population who have at least a level 4 qualification, and a consistent fall in the proportion who are not qualified to at least level 2. This trend has been broadly similar across all three RSP areas.

Employer perspectives

Based on results from the 2013 Employer Skills survey 'economic growth and recovery may be constrained by skill shortages as the labour market responds to employer requirements'. The survey showed that 28% of vacancies in Wales were reported to be hard to fill, and shortages in suitably skilled, qualified and/or experienced workers were the main reason for this. Overall, such skill-shortage vacancies (SSVs) represented 20% of all vacancies, up from 18% in 2011. By region, results varied little, other than a significantly lower proportion of vacancies in North Wales being hard to fill at least in part due to skill shortages (14%). It is worth noting when considering the density of skill-shortage vacancies, that they affect only a small proportion (4%) of employers in Wales.

Table 5: Density of Skill Shortage Vacancies by region⁶, Wales, 2011 - 2013

Region	% of vacancies that are SSVs	
	2011	2013
North Wales	17	14
Mid Wales	32	21
South West Wales	16	20
South East Wales	16	23
Wales	18	20
UK	16	22

Source: *Employer Skills Survey 2013: Wales Report*

As well as skills-related recruitment difficulties, the survey also investigated internal skills challenges faced by employers. While the majority of employers reported that they have a proficient workforce with no skills gaps, 16% had at least one member of staff who was not fully proficient, and these skills gaps account for 6% of the overall workforce in Wales. Whilst the proportion of establishments affected by skills gaps has remained constant since 2011, the proportion of staff identified as having gaps has risen slightly (from 5%).

The prevalence of skills gaps varies across Wales, and were most common in North Wales, where 17% of employers and 8% of the workforce had skills gaps. Establishments in Mid Wales were least likely to report having staff who were not fully proficient, with 12% of employers and 5% of the workforce affected (Table 5).

Table 6: Incidence, number and density of skills gaps by region, Wales, 2011 - 2013

Region	% of establishments with any skills gap		Number of staff not fully proficient (skills gaps)		Skills gaps as a percentage of employment	
	2011	2013	2011	2013	2011	2013
North Wales	15	17	12,900	20,100	5.0	7.6
Mid Wales	13	12	4,800	4,100	6.1	5.1
South West Wales	14	15	10,500	12,600	4.2	5.0
South East Wales	18	17	25,700	30,500	4.5	5.3
Wales	16	16	53,900	67,400	4.6	5.8
UK	17	15	1,485,500	1,409,900	5.5	5.2

Source: *Employer Skills Survey 2013: Wales Report*

The survey also asked a range of questions about workforce development and investment in training. Table 7 shows that most employers in Wales fund or arrange training for their staff, with 62% having done so over the previous 12 months. This was similar to the 2011 figure (63%), but across both surveys a lower proportion of employers in Wales trained their staff than in any other country of the UK. Training was more common in south east Wales (67% of employers), while employers in mid Wales were the least likely to train (51%).

⁶ The North Wales and South East Wales regions correspond to the boundaries of the RSPs of the same name, while the Mid Wales and South West Wales regions combined make up the South West and Central RSP area.

Table 7: Training and workforce development in the last 12 months, by region, Wales, 2013

Region	% of employers providing			
	Any training	Any off-the-job training	Any on-the-job training	Both off- and on-the-job
North Wales	61	47	48	33
Mid Wales	51	40	37	26
South West Wales	61	48	46	33
South East Wales	67	49	53	35
Wales	62	47	48	33
UK	66	49	52	35

Source: Employer Skills Survey 2013: Wales Report

The proportion of staff receiving training in Mid Wales was also well below average, with just 44% of staff trained in the previous 12 months, a figure that fell compared to the 2011 figures of 51% (Table 8). North Wales had the highest proportion of staff trained in 2013 (69%).

Table 8: Number and percentage of staff trained over the last 12 months, by region, Wales, 2011 - 2013

Region	2011		2013	
	Number trained	% of staff trained	Number trained	% of staff trained
North Wales	155,000	59	182,000	69
Mid Wales	40,000	51	36,000	44
South West Wales	111,000	45	156,000	62
South East Wales	349,000	60	349,000	61
Wales	0.7m	56	0.7m	62
UK	14.7m	55	16.8m	62

Source: Employer Skills Survey 2013: Wales Report

However, Mid Wales appears to spend more than other areas per person trained. In 2013, employers in Mid Wales spent an average of £3,050 for every person trained, almost 50% more than the average for Wales (Table 9). This may be due to the nature of the training being funded by employers in this area - the survey data suggests that 62% of training expenditure in Mid Wales was for off-the-job training (compared to 52% for Wales as a whole), which may involve longer and more expensive training courses.

Table 9: Training expenditure per employee and per person trained by region, Wales, 2011 - 2013

Region	2011			2013		
	Total	Spend per person trained	Spend per employee	Total	Spend per person trained	Spend per employee
North Wales	£368m	£2,370	£1,410	£402m	£2,200	£1,520
Mid Wales	£165m	£4,110	£2,100	£110m	£3,050	£1,350
South West Wales	£291m	£2,620	£1,170	£329m	£2,110	£1,310
South East Wales	£768m	£2,200	£1,330	£739m	£2,120	£1,290
Wales	£1.5bn	£2,280	£1,280	£1.6bn	£2,180	£1,350
UK	£45.3bn	£3,080	£1,680	£42.9bn	£2,550	£1,590

Source: Employer Skills Survey 2013: Wales Report

Summary

This month's spotlight has been focused on highlighting some of the labour market differences between the three new Regional Skills Partnership areas in Wales, ahead of the more detailed analyses and action plans that will be undertaken by the RSPs themselves.

On the measure of Gross Value Added, North Wales has seen the biggest increases in total GVA and GVA per head in recent years, but South East Wales still has the highest level of GVA per head in Wales.

In terms of employment, South East Wales has performed the best over period from 2008 to 2013, being the only area to experience net growth in total workforce jobs in that time. Numbers of jobs have increased in North Wales and South West and Central Wales in the last two years, but have yet to reach their pre-recession levels. The South East also has higher levels of employment in higher level occupations, which are generally associated with higher value added activities and higher earnings.

Economic activity and employment rates have shown a consistent trend across the three RSP areas, with both rising steadily as the wider economy has started to recover. The RSP areas show some variation in terms of recent trends in unemployment, with a sharp fall in the South East in the last year.

In terms of skills issues, the RSP areas show few differences in terms of the stock of qualifications among the workforce (a useful proxy measure for skills). While skill shortage vacancies only affect a minority of employers, internal skills gaps are more common in North Wales, while employer-arranged training was most common in the South East. Employers in Mid Wales were the least likely to provide training, but spend far more in terms of pounds per person trained and were most likely to provide off-the-job training.

References

Welsh Government (2014) **Employer Skills Survey 2013: Wales Report**, Social Research Number: 55/2014
<http://wales.gov.uk/statistics-and-research/uk-commission-employment-skills-employer-skills-survey/?lang=en>

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