

The Leeds City Region Labour Market: Performance, and Challenges

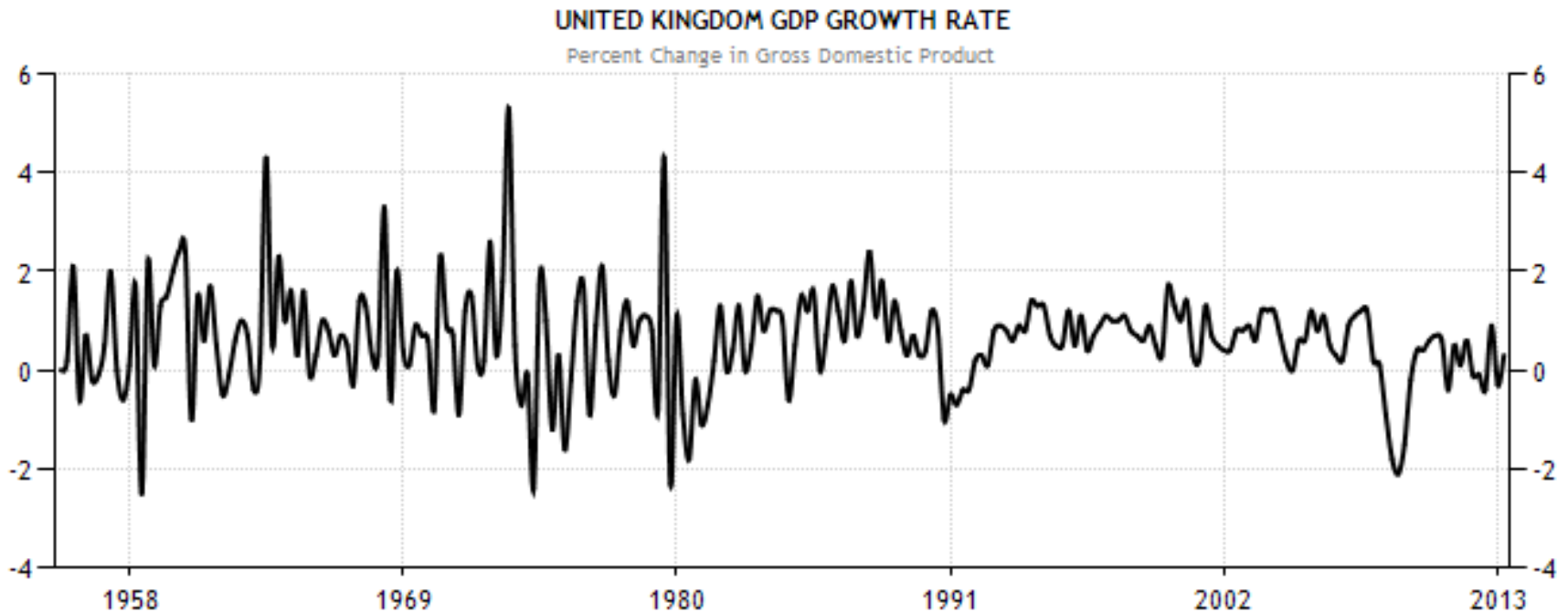
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UK National Economic performance



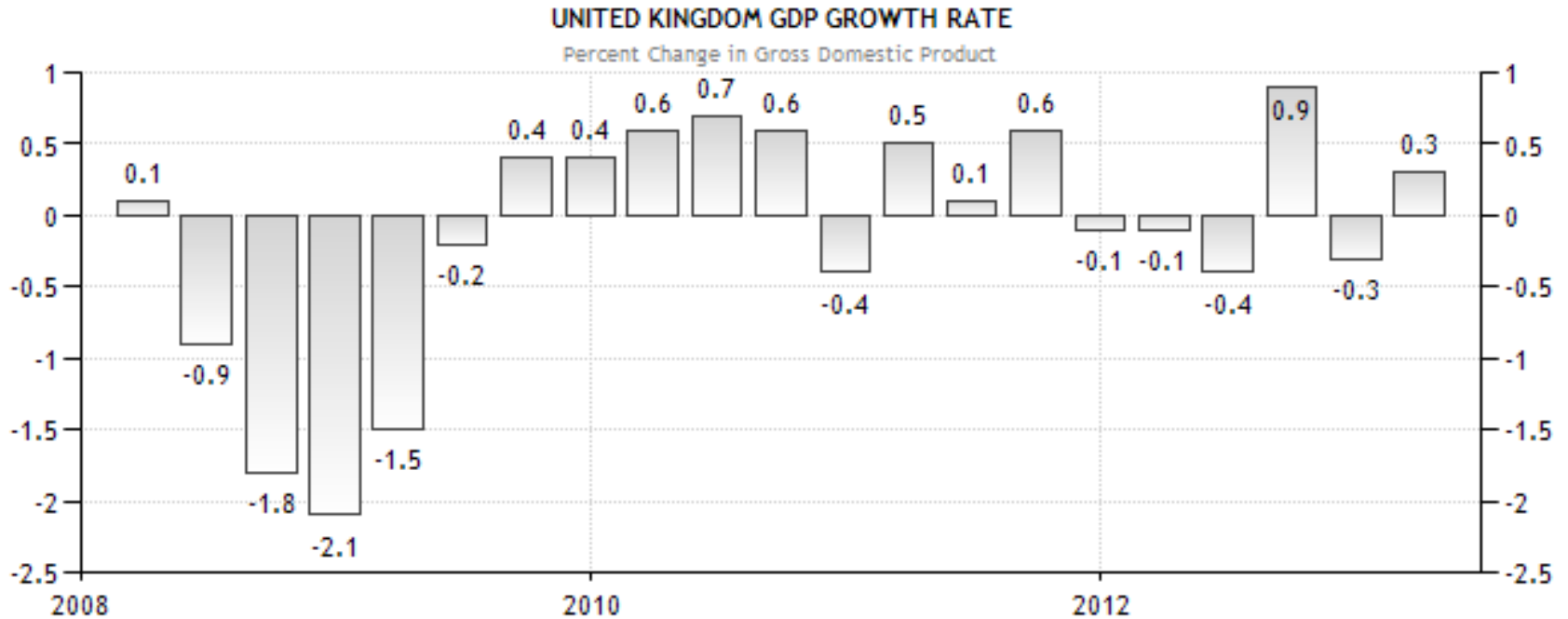
UK GDP Trends, 1958 - 2013



SOURCE: WWW.TRADINGECONOMICS.COM | UK OFFICE FOR NATIONAL STATISTICS

•UK GDP, growth has generally been much less spikey since 1991 compared to the preceding decades

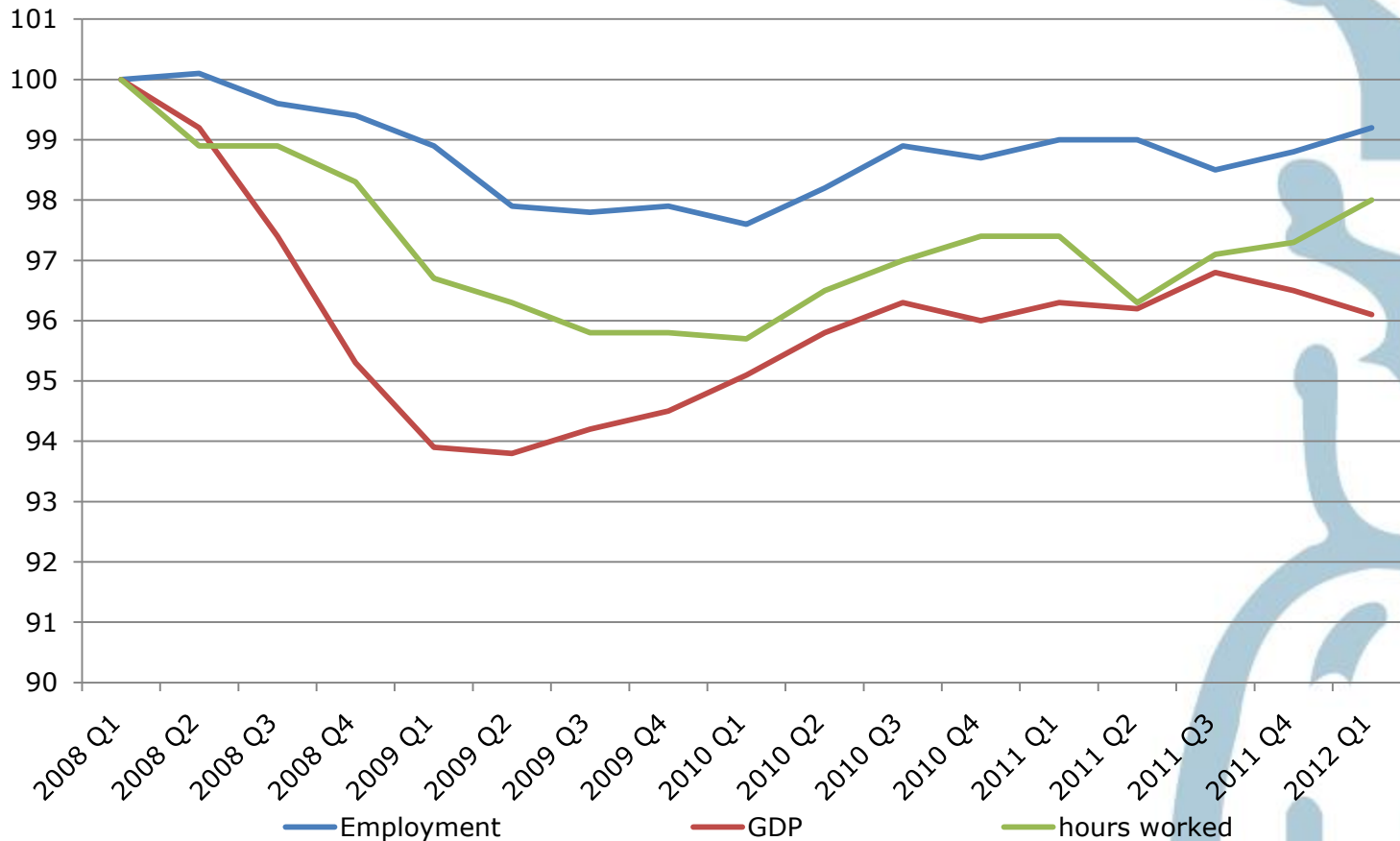
UK GDP Trends 2008-2013



SOURCE: WWW.TRADINGECONOMICS.COM | UK OFFICE FOR NATIONAL STATISTICS

•GDP growth has been weak since 2010

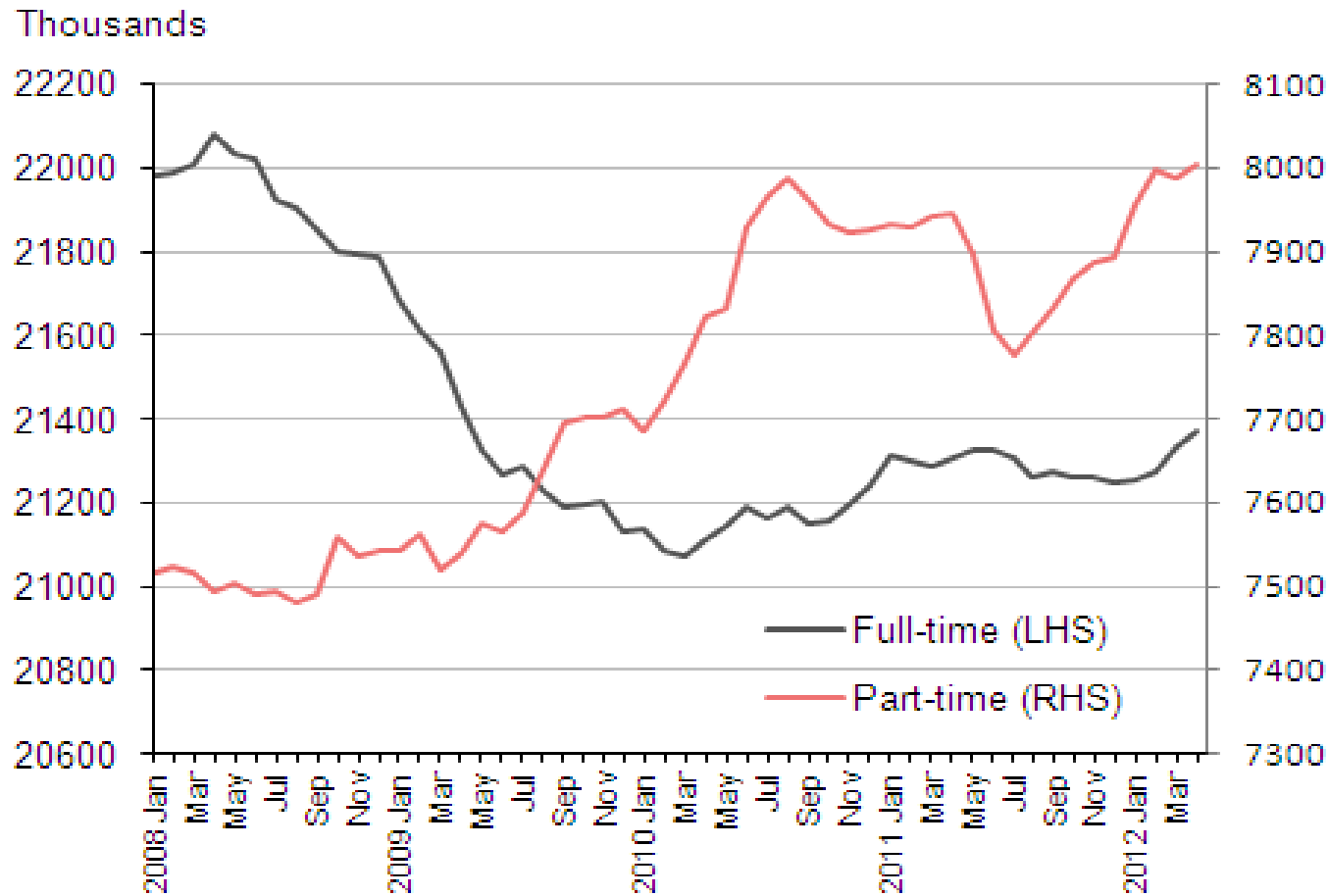
Employment, Hours and GDP in the UK, 2008-2012



Source: NOMIS

•GDP has suffered a more severe fall than employment and hours worked

Part-time and Full-Time Employment



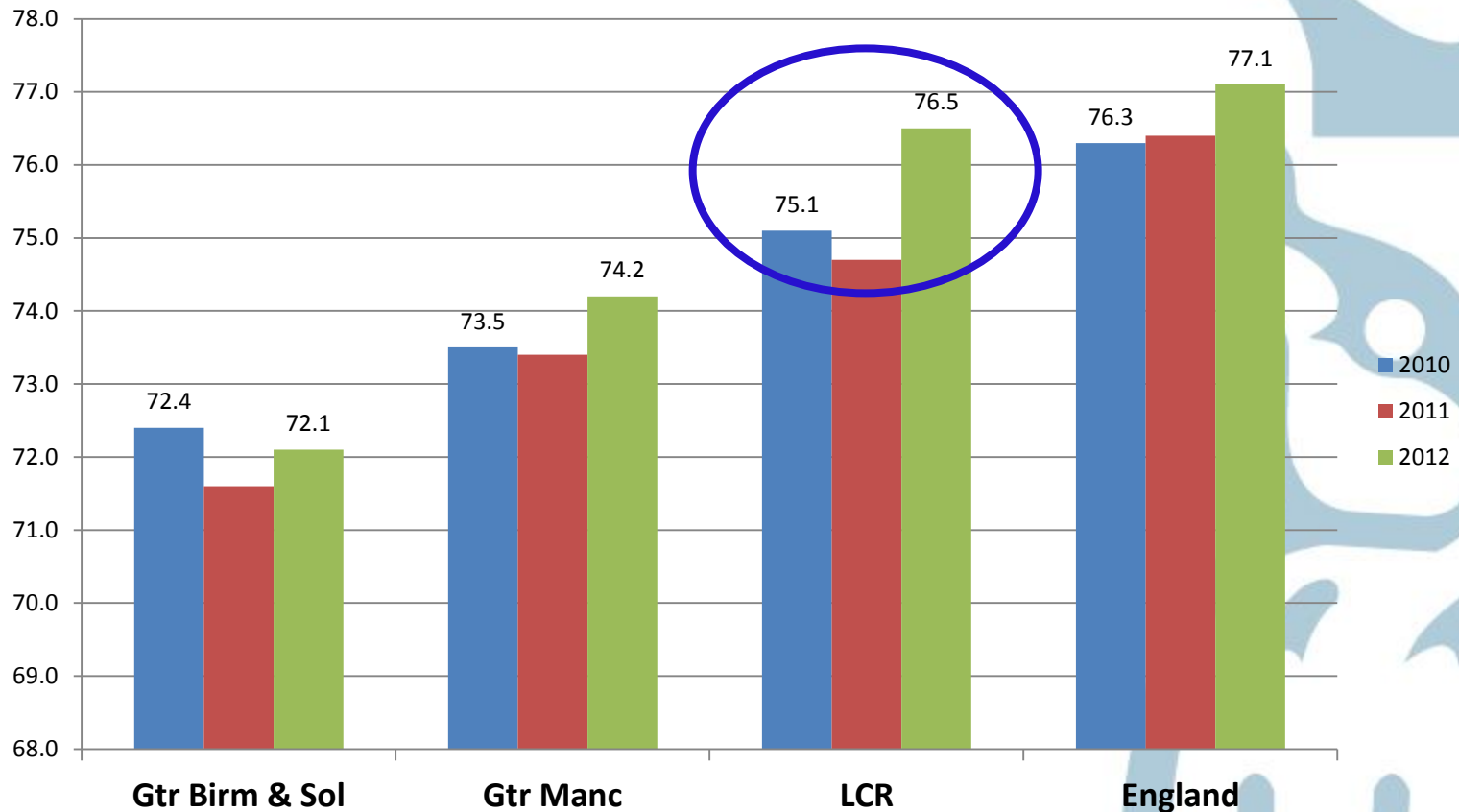
Source: ONS, 2012

• Full-time Employment has generally fallen while part-time employment has risen strongly since 2008

Recent LCR labour market performance

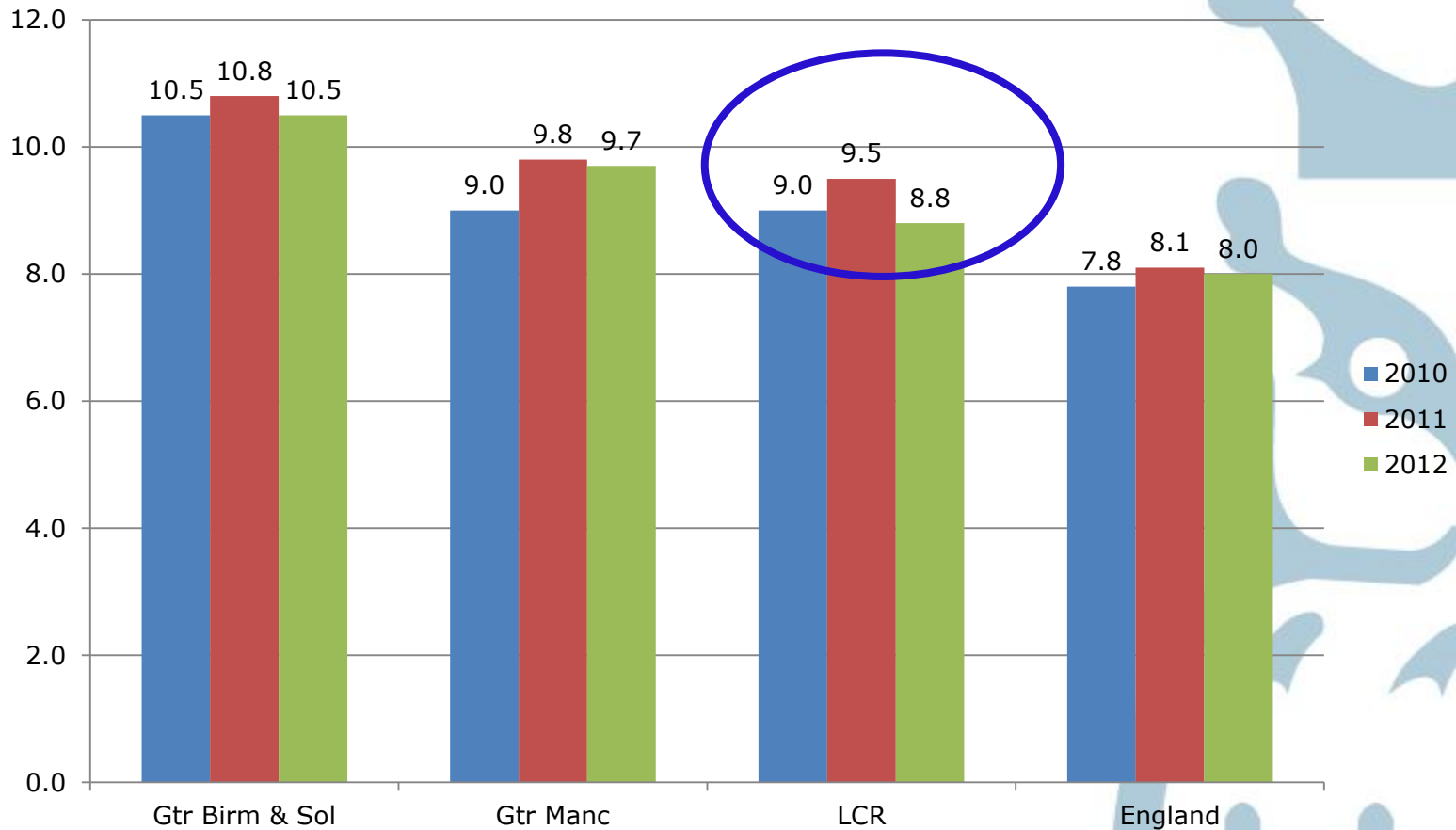


Comparison of economic activity rates, %, (16 to 64 year olds)



- Economic activity rate higher in Leeds City Region compared to other key LEP's but still lower than England average

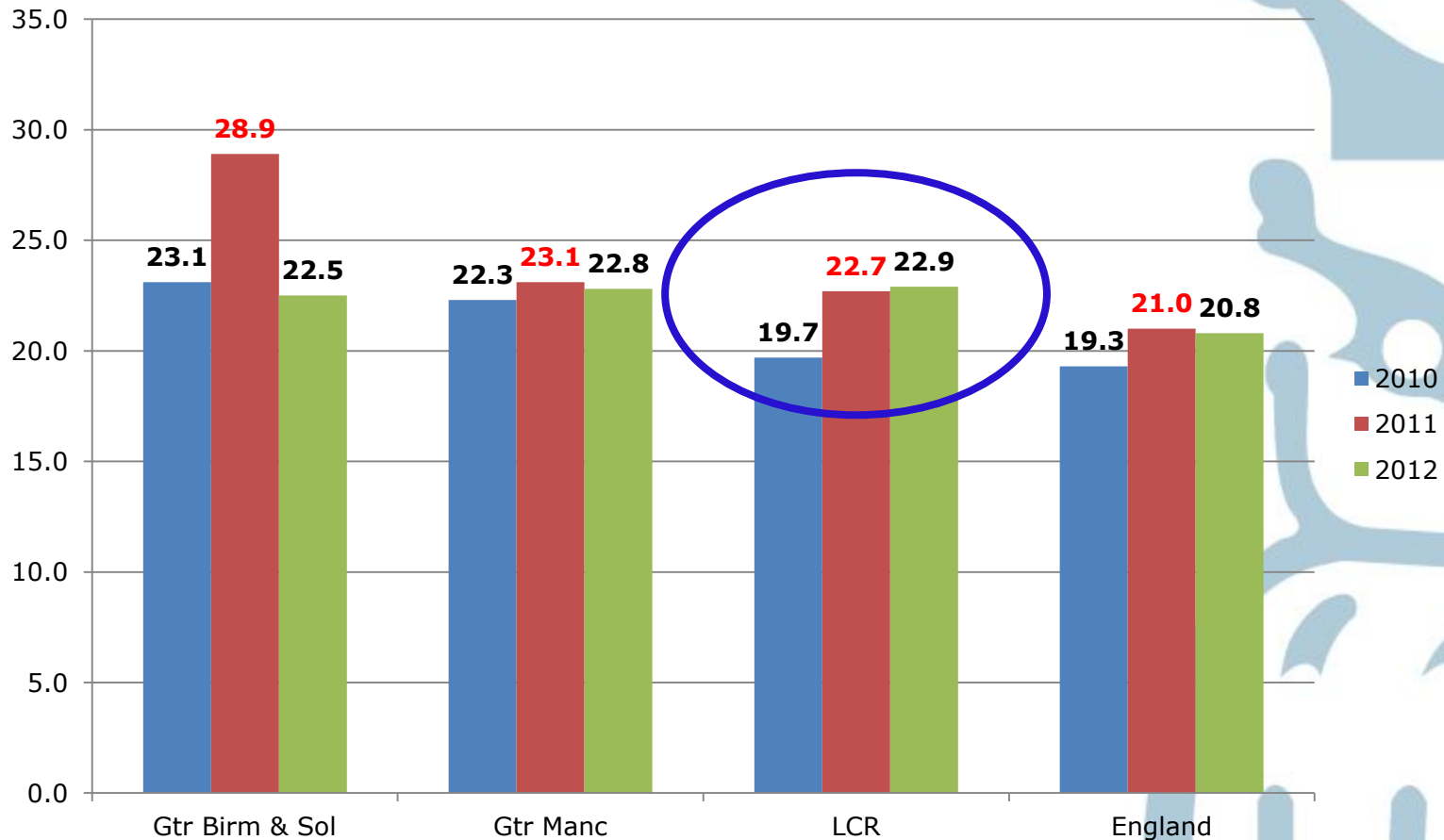
Unemployment Rate in LCR, 16-64 Year Olds (%)



Source: NOMIS

- **16 to 64 and 16+ rate is lower in the Leeds City Region than other key comparator LEP areas**

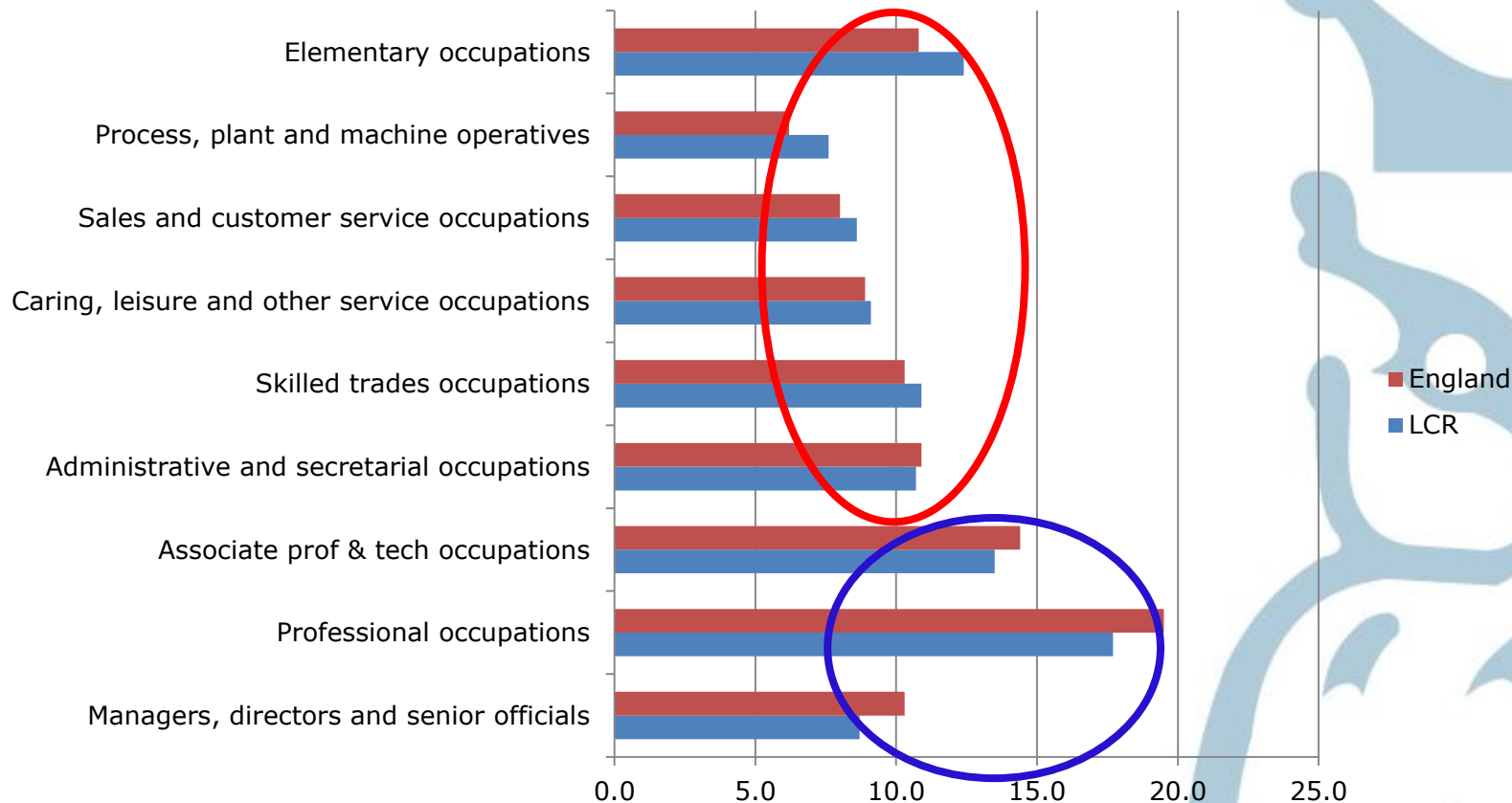
Youth Unemployment Rate in LCR (%), 18 – 24 Year Olds



Source: NOMIS

•Youth unemployment has shot up over the last 12 months

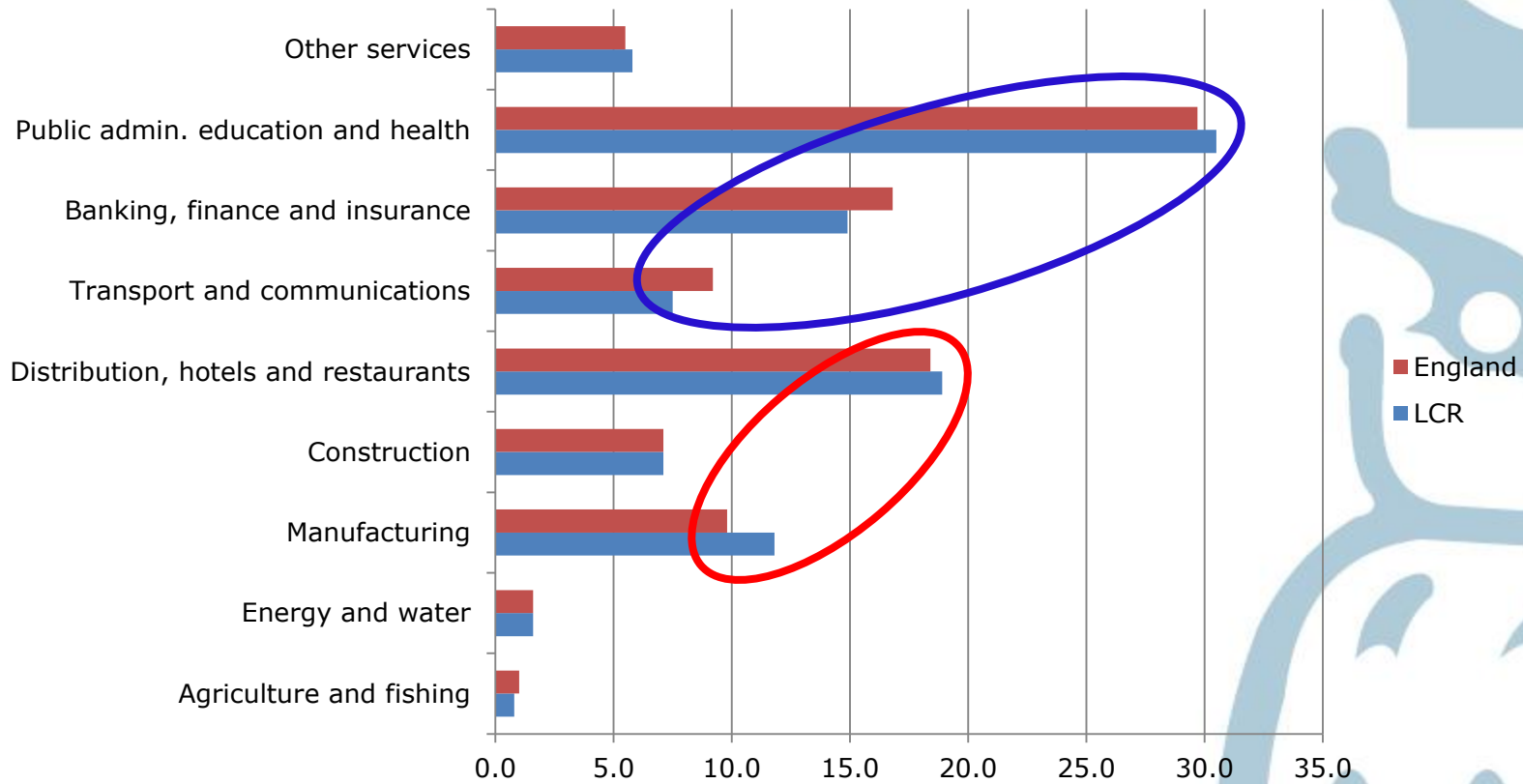
LCR Broad Occupational Profile, Compared to England, 2012



Source: NOMIS

•Even though the LCR profile is largely similar to England, the city region seems under represented in terms of highly skilled occupations and over represented in terms of lower skilled occupations.

LCR Broad Industrial Profile, Compared to England, 2012



Source: NOMIS

Specialisation in LCR by Broad Sectors, 2008-2011

Sectors	Employment in 2011	Specialisation scores (GB average = 100)	
		2008	2011
Manufacturing	137,700	121	124
Transport & storage	72,400	98	123
Financial & insurance	60,300	125	122
Wholesale	62,900	117	120
Motor trades	26,500	104	112
Education	126,600	115	107
Mining, quarrying & utilities	16,300	83	100
Construction	62,600	103	100
Health	164,200	96	98
Public admin & defence	63,600	97	98
Business admin/support	101,500	93	98
Retail	128,900	99	96
Prof, scientific & technical	89,400	89	92
Arts, rec, other services	52,600	87	88
Accomm/food services	78,200	99	88
Property	17,800	112	83
Info & communications	40,200	81	81

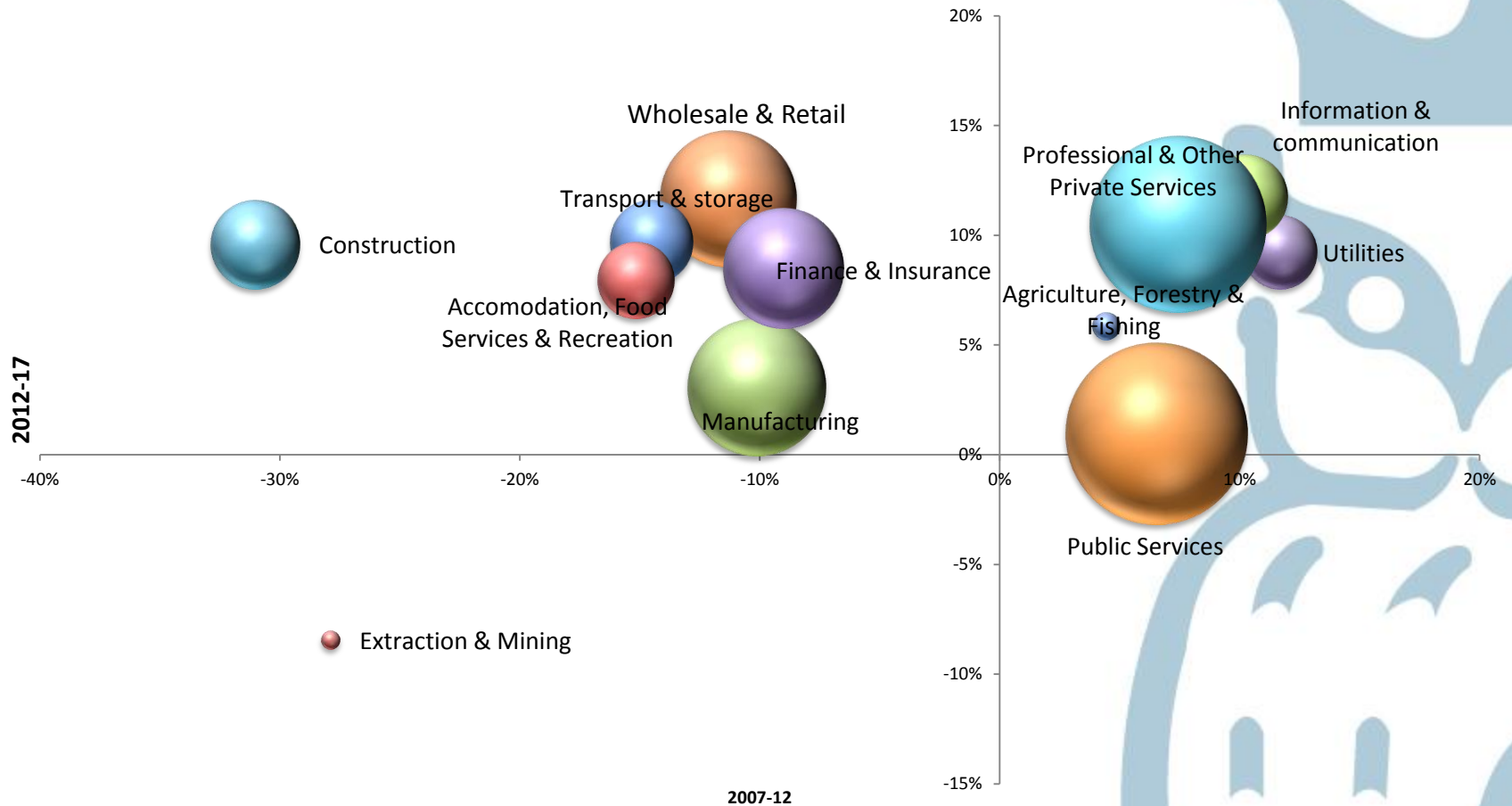
Summary of key points

- Over the last decade, the LCR economy performed strongly but still lagged the UK average across many key indicators like GVA and employment.
- However, over the last 12 months, economic activity rates have picked up in LCR and outperformed the national average.
- According to BRES, produced by ONS, health, manufacturing and retail remain the largest employers in the city region. Transport and storage and health created the most new jobs in the period between 2008 and 2011. Construction and accommodation and food services, lost the most jobs in that same period.
- The LCR economy has strong specialisms in key sectors like manufacturing, finance, transport and storage and wholesale.
- LCR's manufacturing employment in 2011 (138,000) was higher than any other LEP area in England.
- The City Region remains a key national centre for *textiles* and *clothing* – employment levels are 4.5 times and 2.3 times the national average respectively in these sectors

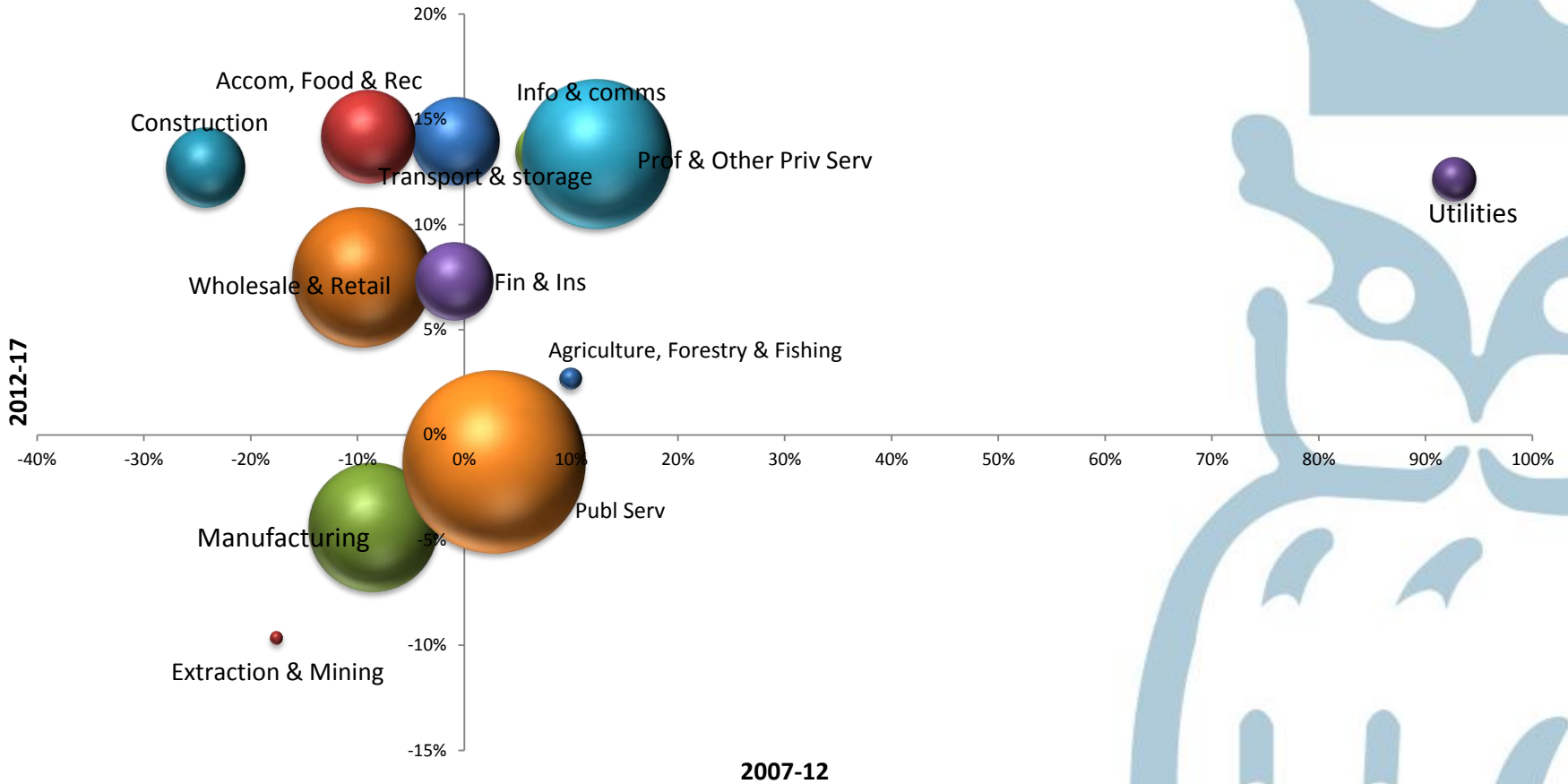
Demand side update.....



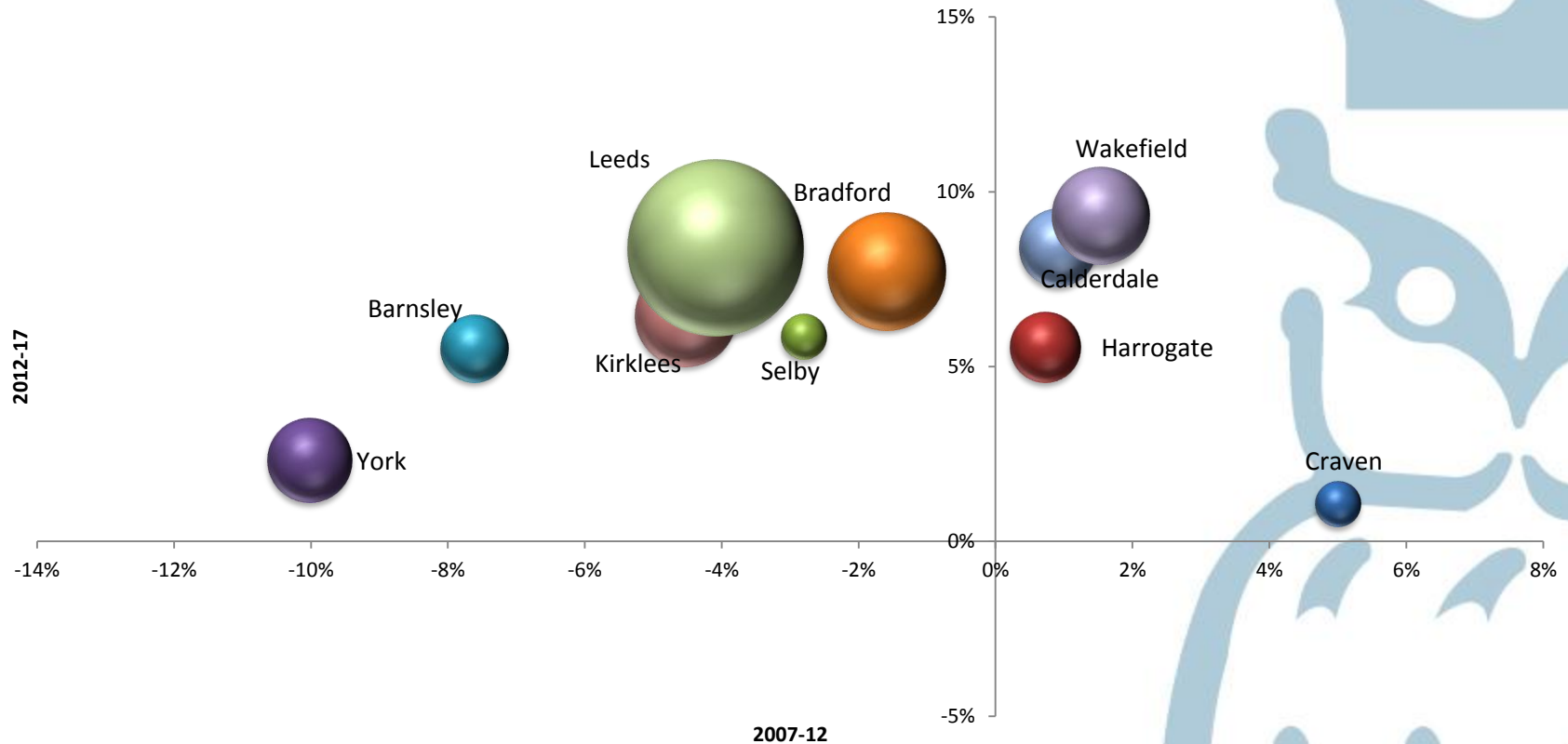
Change in GVA in LCR, by Broad Sectors, 2007-2017



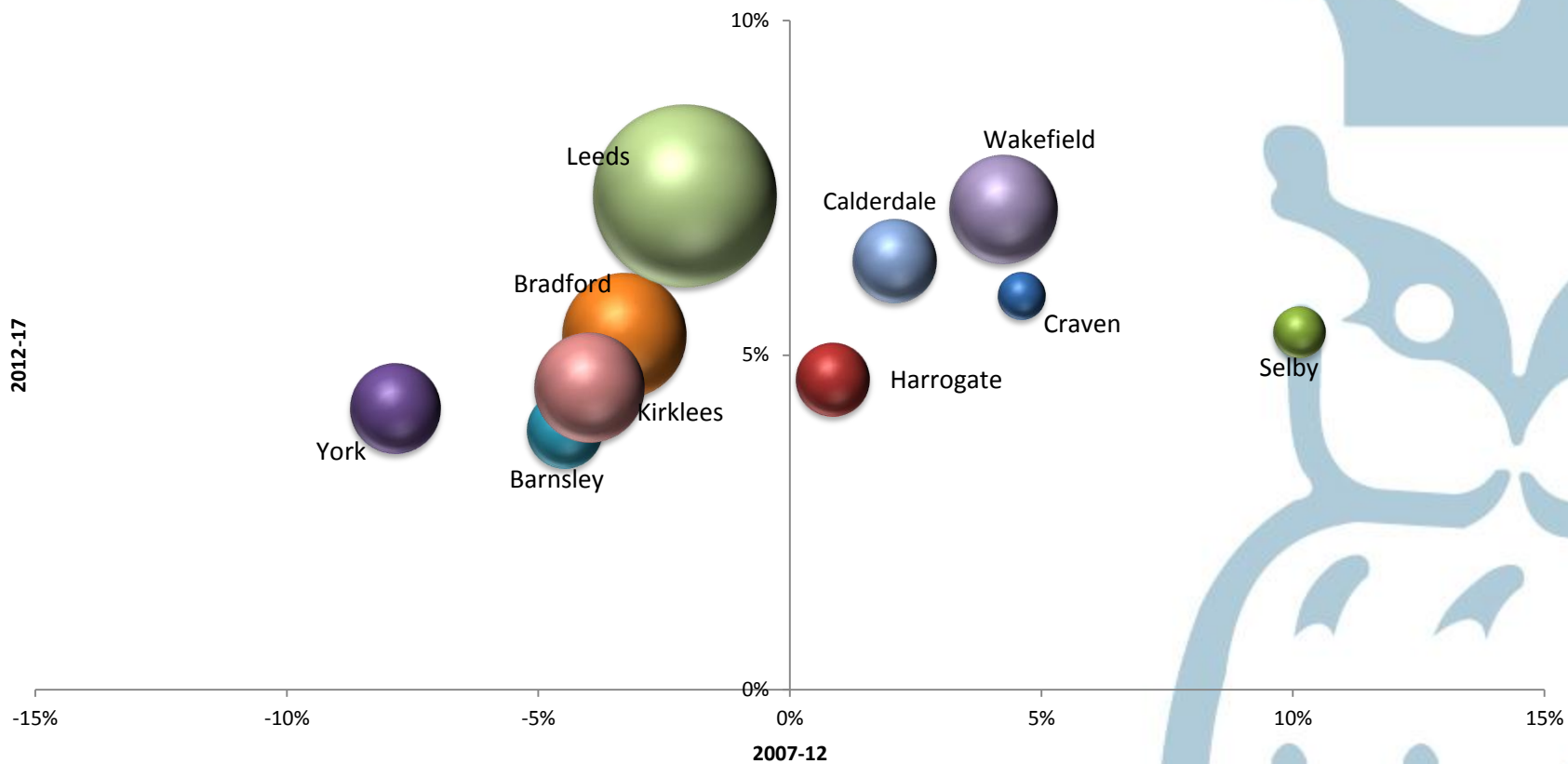
Change in FTE in LCR, by Broad Sectors, 2007-2017



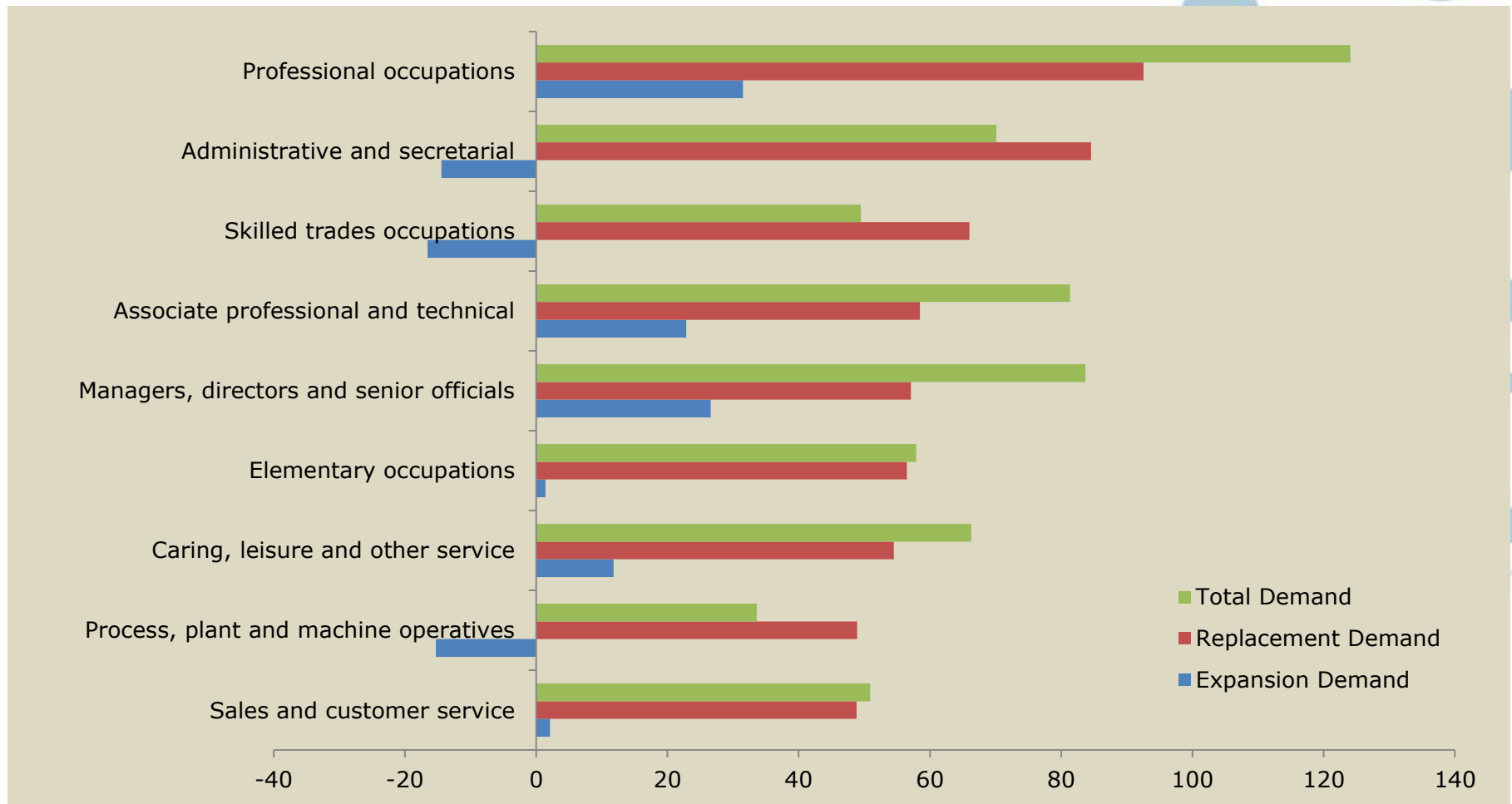
Change in GVA in LCR, by District, 2007-2017



Change in FTE in LCR, by District, 2007-2017

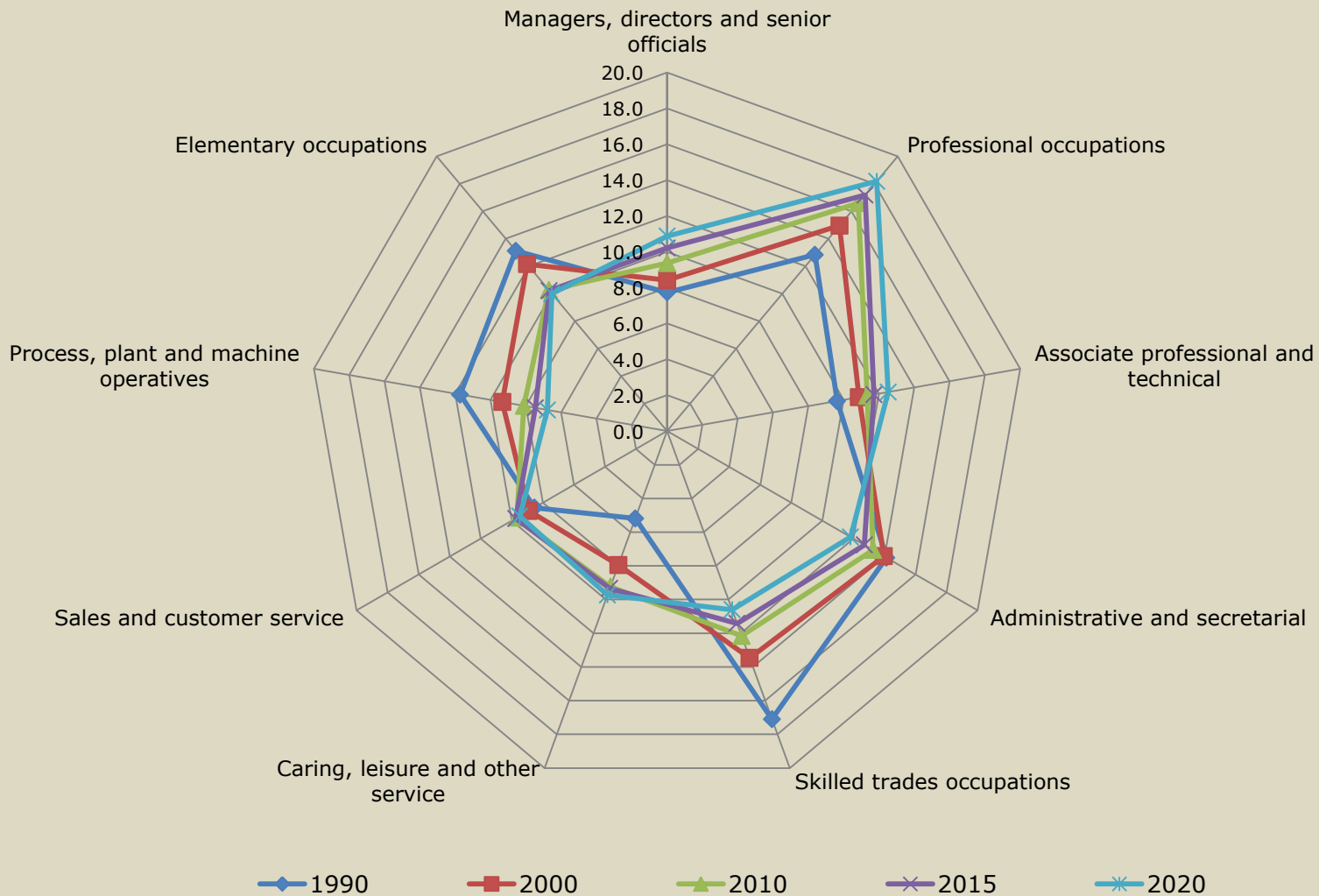


Expansion Demand and Replacement Demand, 2010-2020



Most net **job creation** (2010-2020) expected in high level occupations but job openings expected in all occupations due to replacement demand

Forecast Occupational Change



Summary of key points

- The LCR economy is forecasted to create about 44,000 net new jobs in medium term.
- The sectors expected to create most new jobs are administrative and supportive services, Land, Transport, Storage and Post, Professional Services and Retail, Public Administration and Defence is forecast to shrink by 21% in employment terms in the same period.
- In GVA terms, Real Estate, Finance and Education are the biggest sectors in LCR according to the REM.
- All occupations are forecast to require significant replacement of labour over the next decade due to retirements. In the period from 2010 to 2022, a total of 567,000 job opportunities are expected to occur in LCR due to replacement demand. When compared to the 50,000 replacement demand opportunities, the scale becomes apparent (UKCES, Working Futures, 2012)
- The occupational profile in LCR is forecast to undergo significant change over the next decade. This will be characterised largely by continued growth in high human contact occupations like Sales and Customer Service and Caring as well as strong growth in high skilled occupations like Managers and Directors, Professional Occupations and Associate professional. Lower skilled occupations like Elementary and Process Plant operatives are forecast to shrink as a share of the labour force.

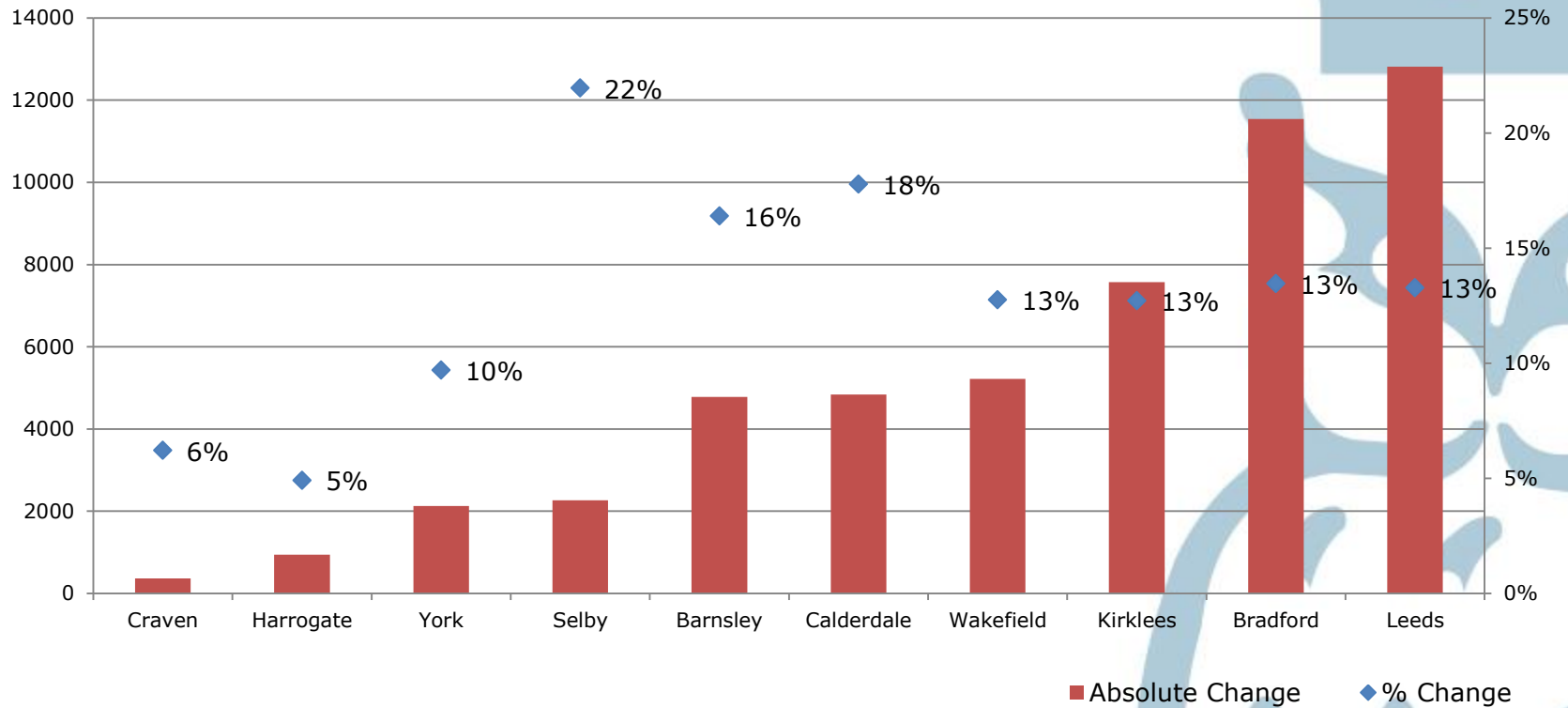
Supply side



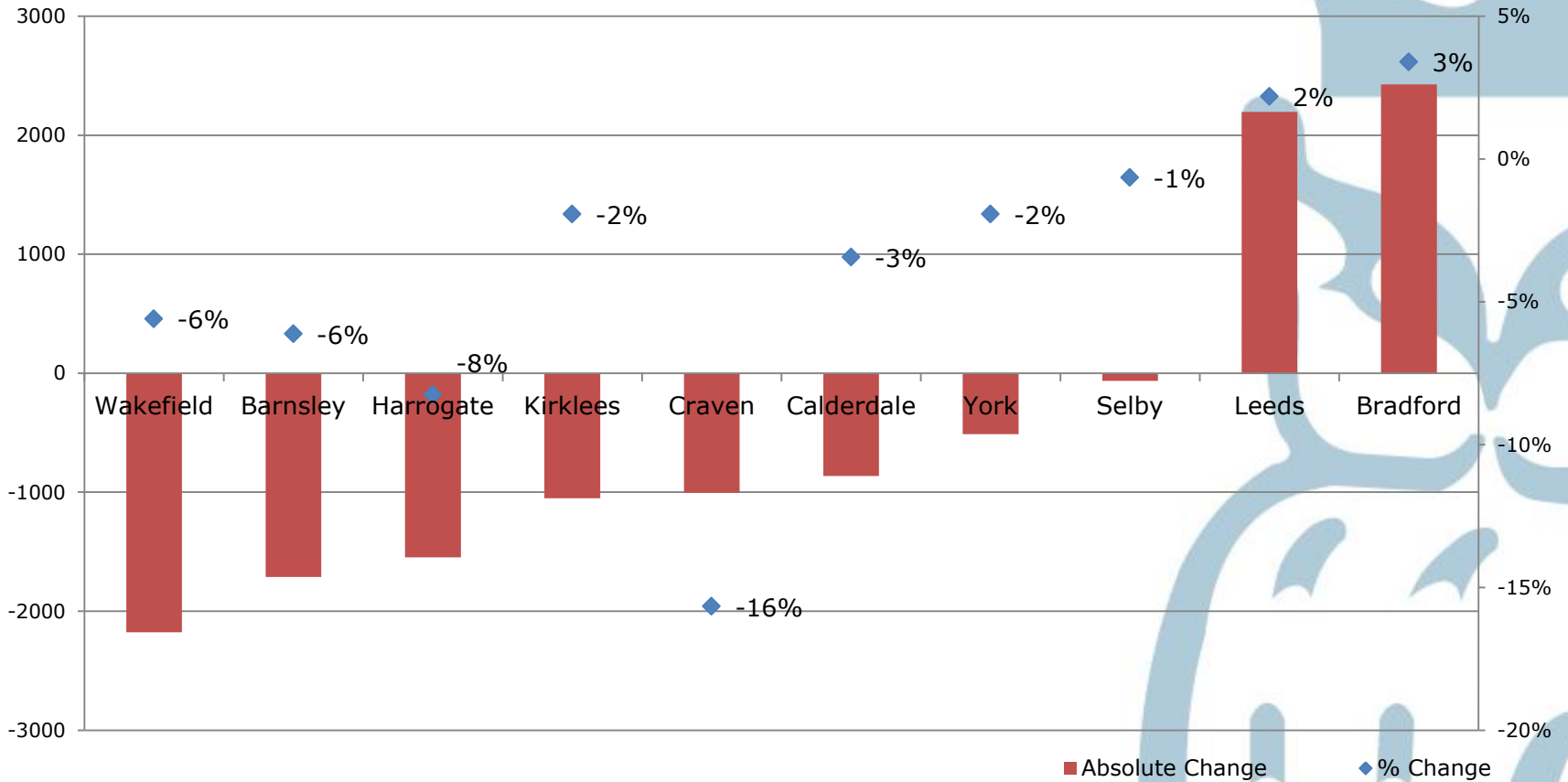
5+ A*-C Grades Including English & Mathematics GCSEs

	2005/06	2011/12
Barnsley	30.7	45.3
Bradford	34.0	52.4
Calderdale	43.8	61.1
Kirklees	40.8	62.0
Leeds	40.4	55.0
North Yorkshire	53.5	65.6
Wakefield	42.9	59.3
York	48.8	62.7
LCR Average	41.9	57.9
Yorkshire and Humber	40.3	57.3
England	45.6	59.4

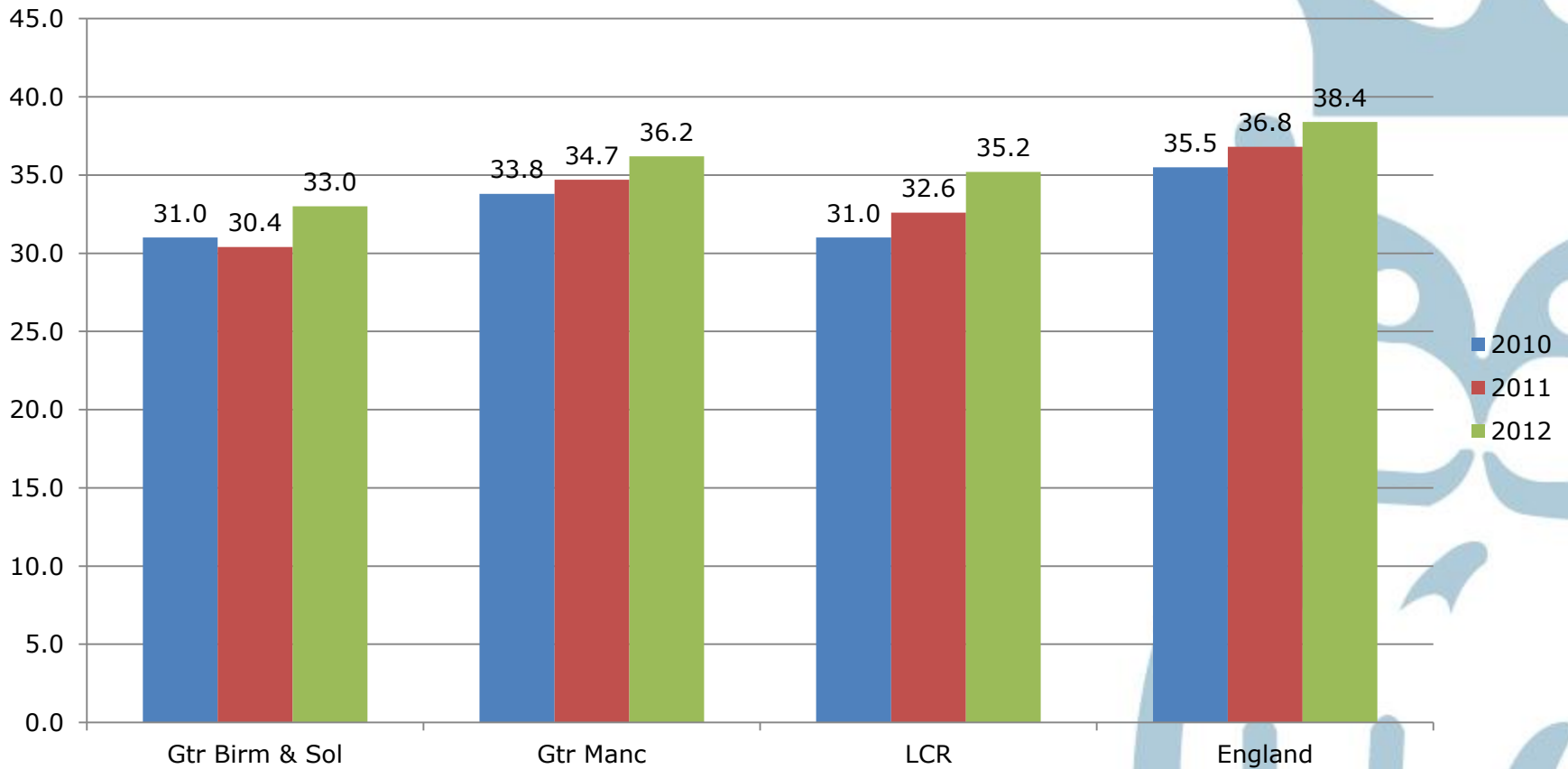
Forecast change in 0-10 year group in LCR, 2011 - 2021



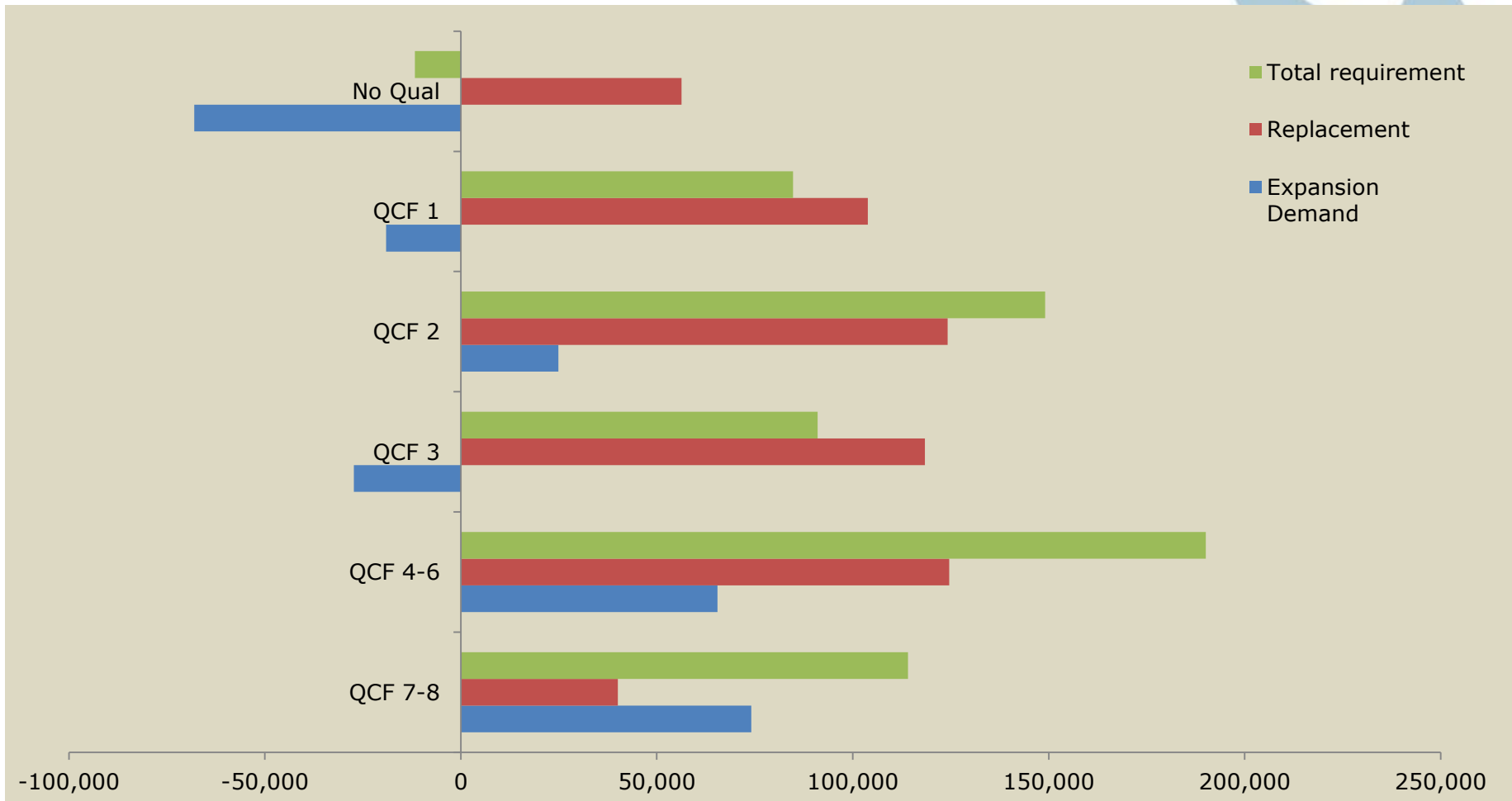
Forecast change in 11-20 year group in LCR, 2011–2021



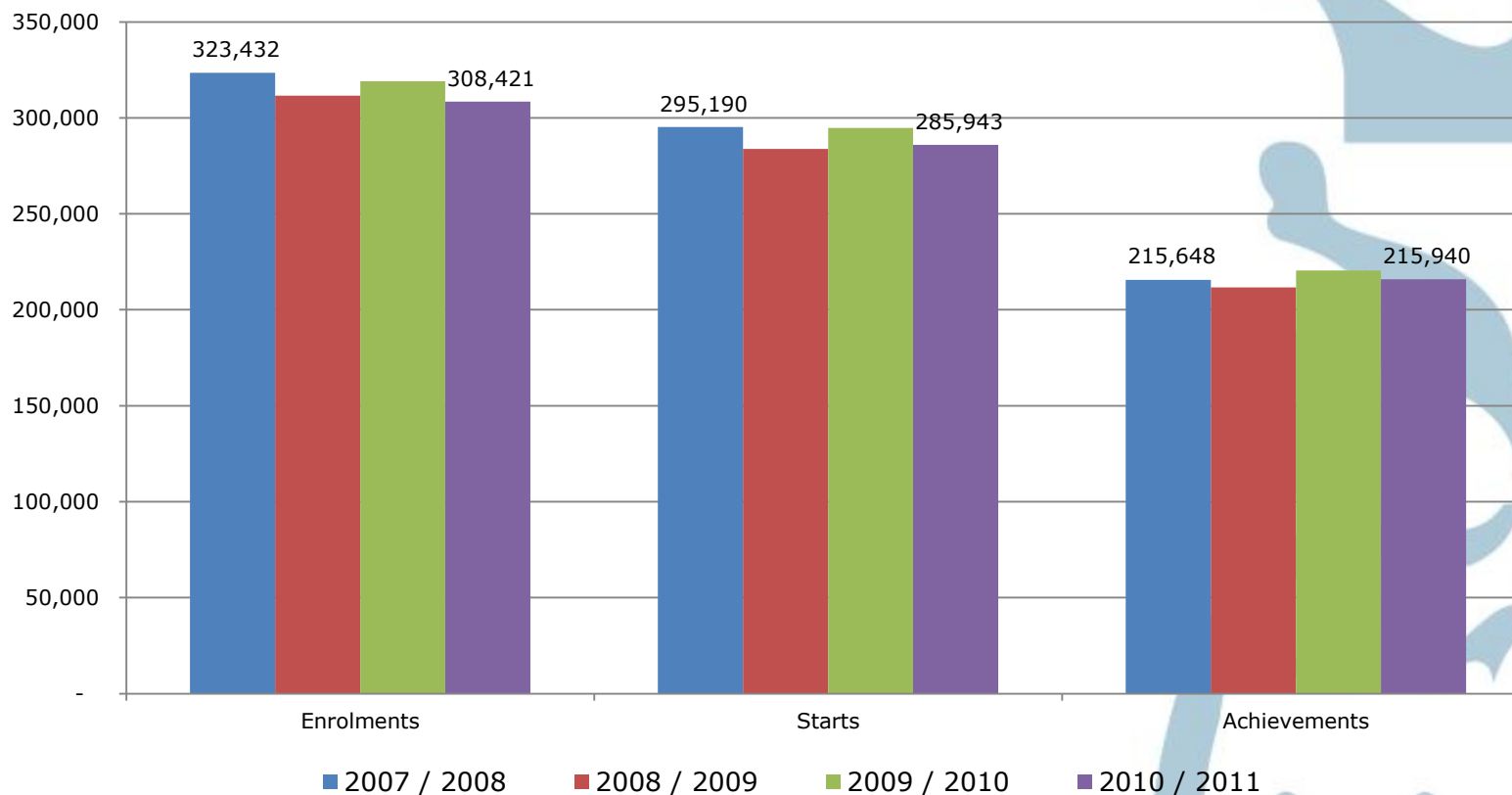
Proportion of 16-64 residents with NVQ4+ Qualification



Forecast Change in Qualifications in LCR, 2010 - 2020



Enrolments, Starts and Achievements by Delivery Postcode 2007/08 - 2010/11



- **2011/12 data suggests that start have risen compared to 2010/11.**

Learning Aims Delivered in LCR in 2011/12, by Learner Postcode

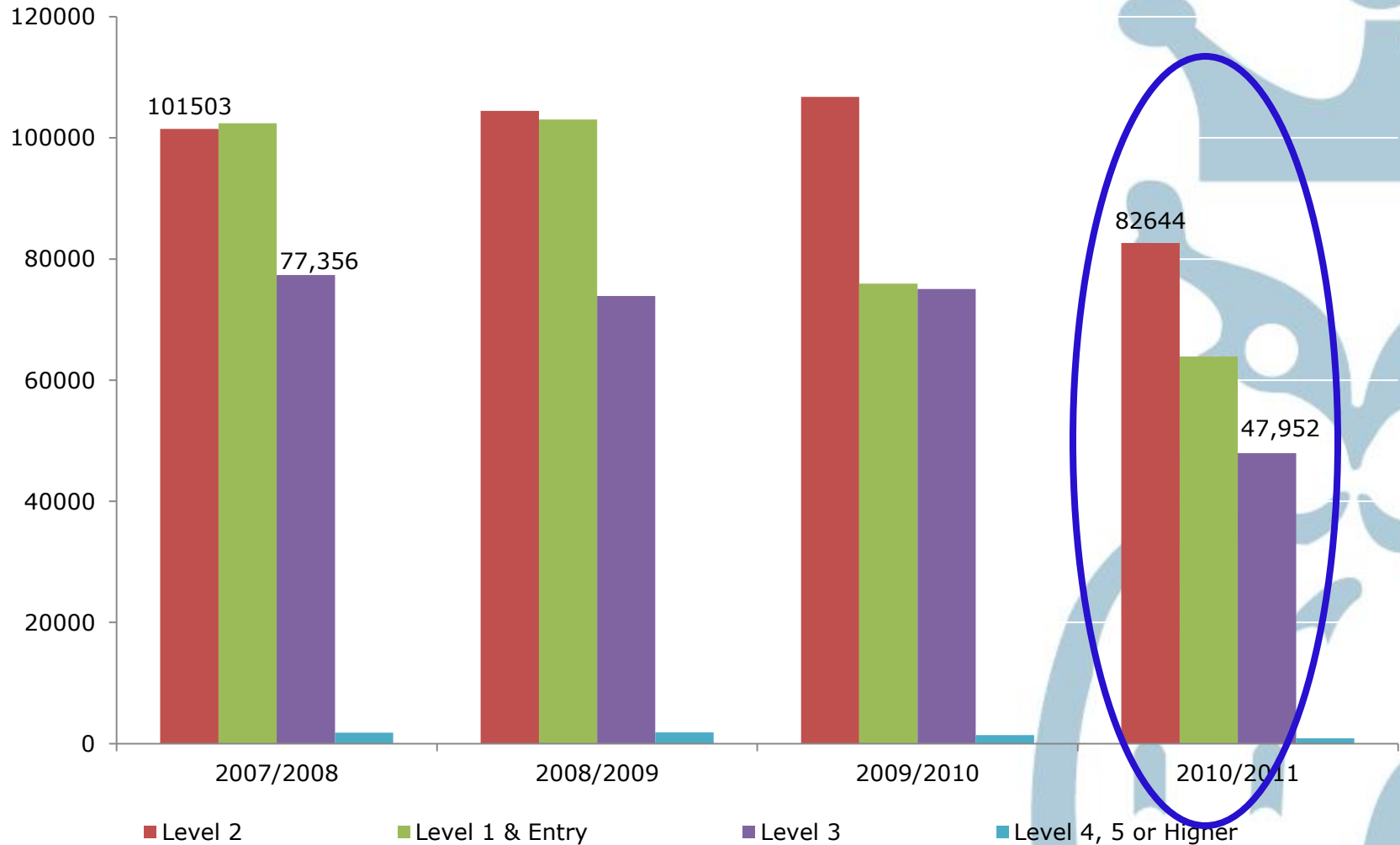
Total aims 2011/12 FE and Skills	Total no. of Aims	Share of Total Aims	Top 20 Providers' share
Education and Training	148,759	57%	85%
Apprenticeship	39,546	15%	54%
Community Learning	47,954	18%	99%
Workplace Learning	25,888	10%	45%
Total	262,147	100%	70%

•The top 20 providers deliver 70% of the learning aims in the City Region.

Quality of Provision in LCR

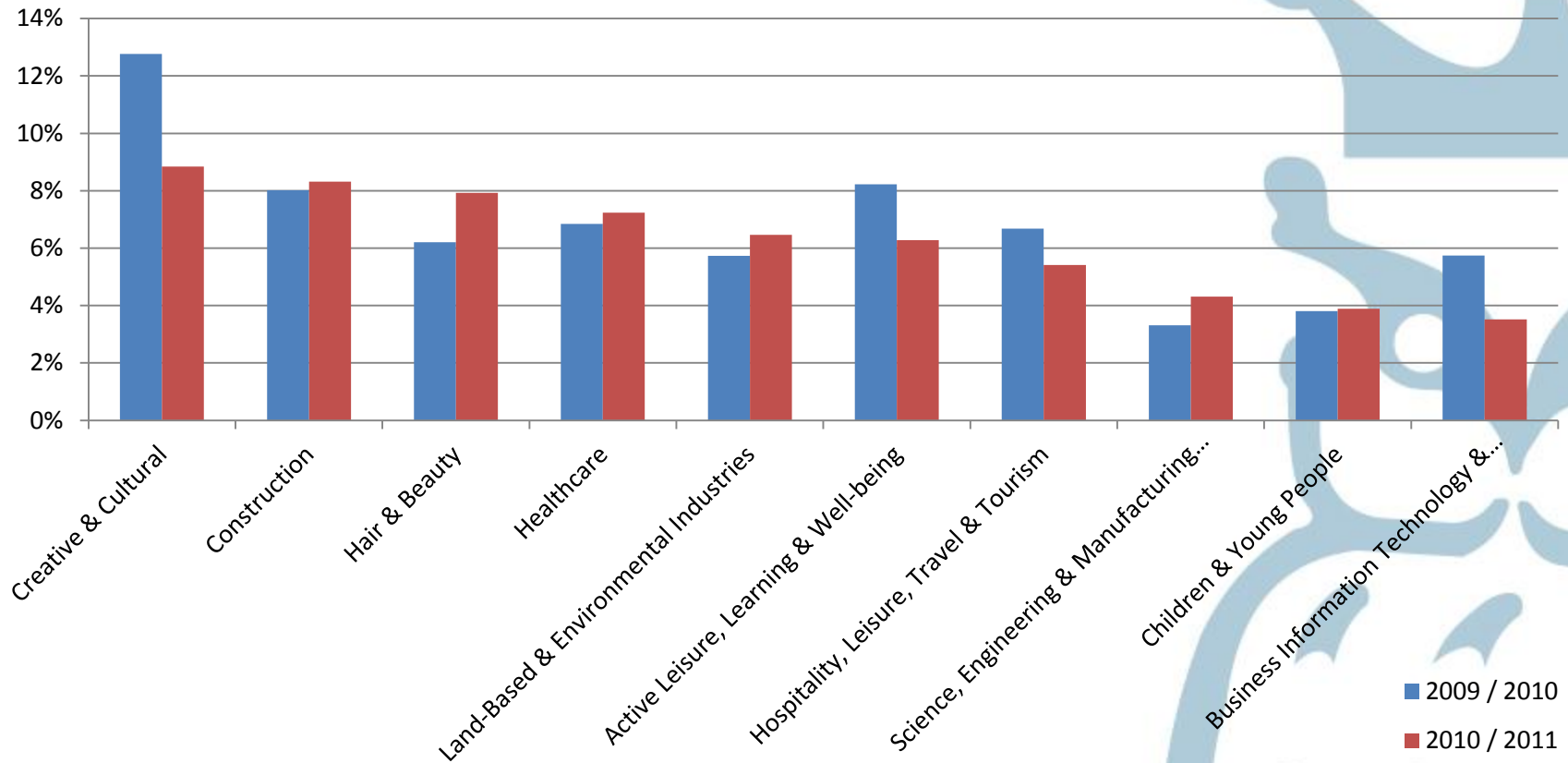
OFSTED Grade	
Grade 1	11%
Grade 2	54%
Grade 3	30%
Grade 4	3%
Not Inspected	2%

Trends in LCR start by level....

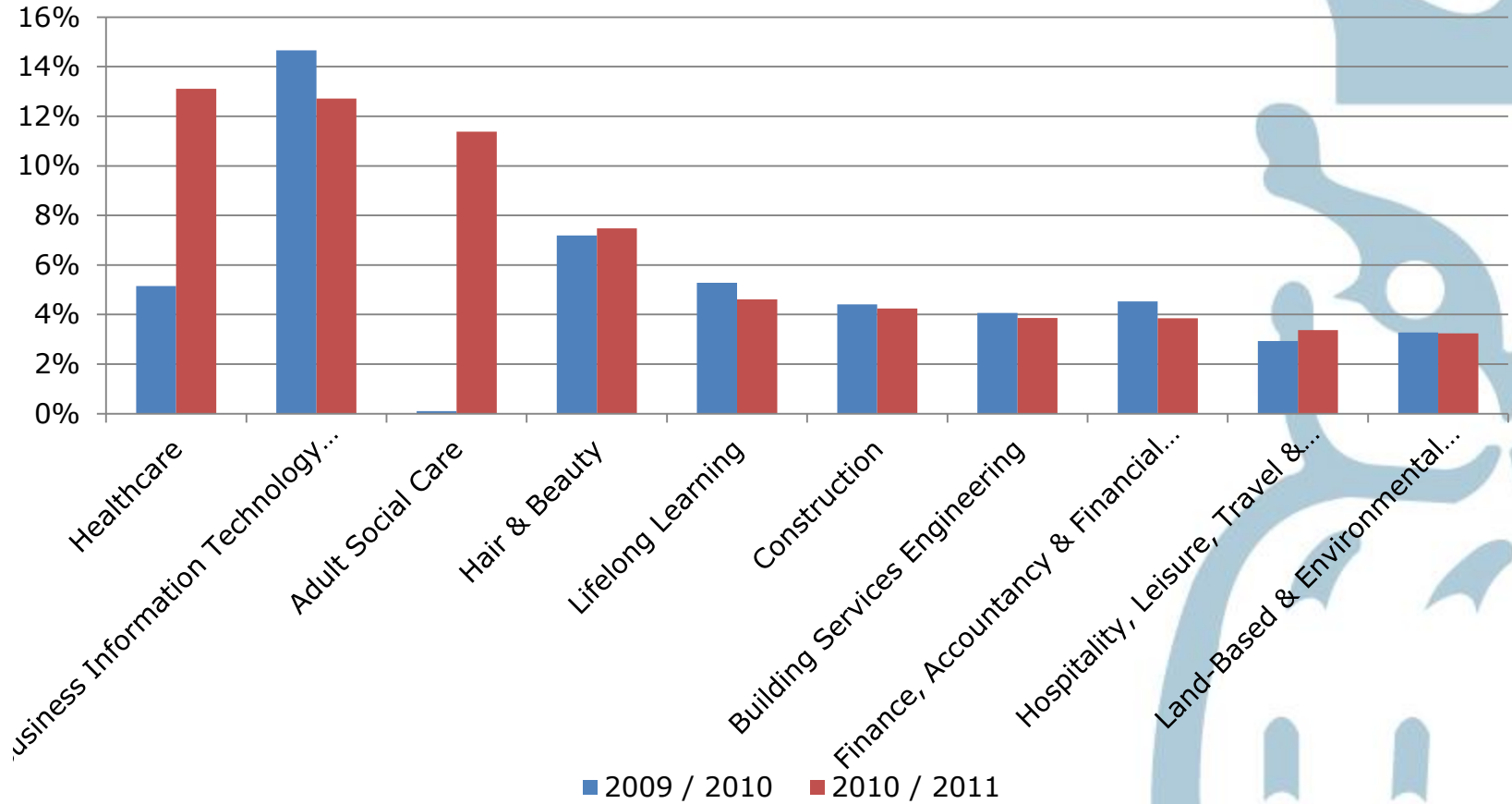


•The fall in starts in 2010/11 is apparent across all levels, but emerging 2011/12 data suggests that this decline has been arrested.

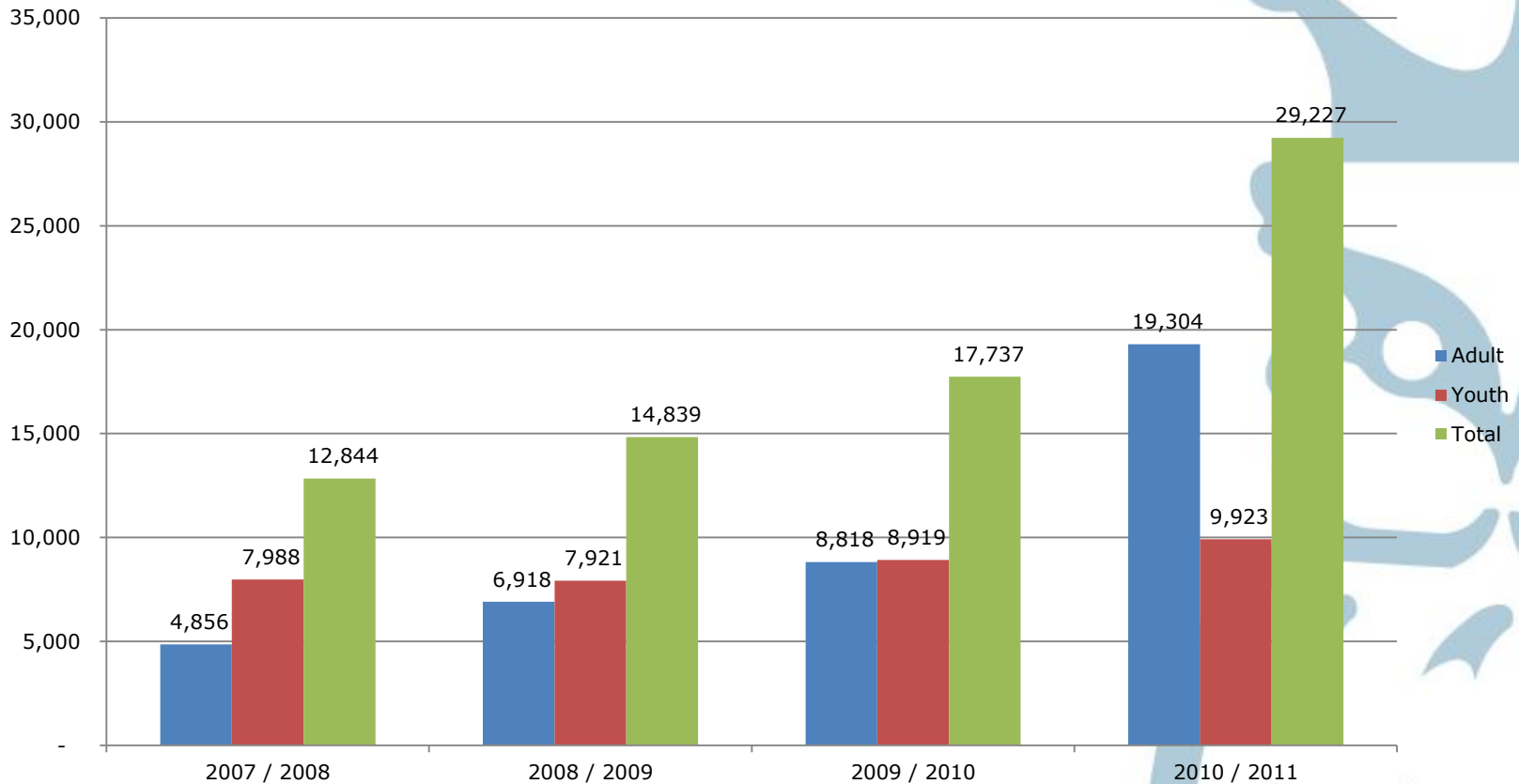
Change in Under 19 Starts in FE, 2009/2010 – 2010/2011



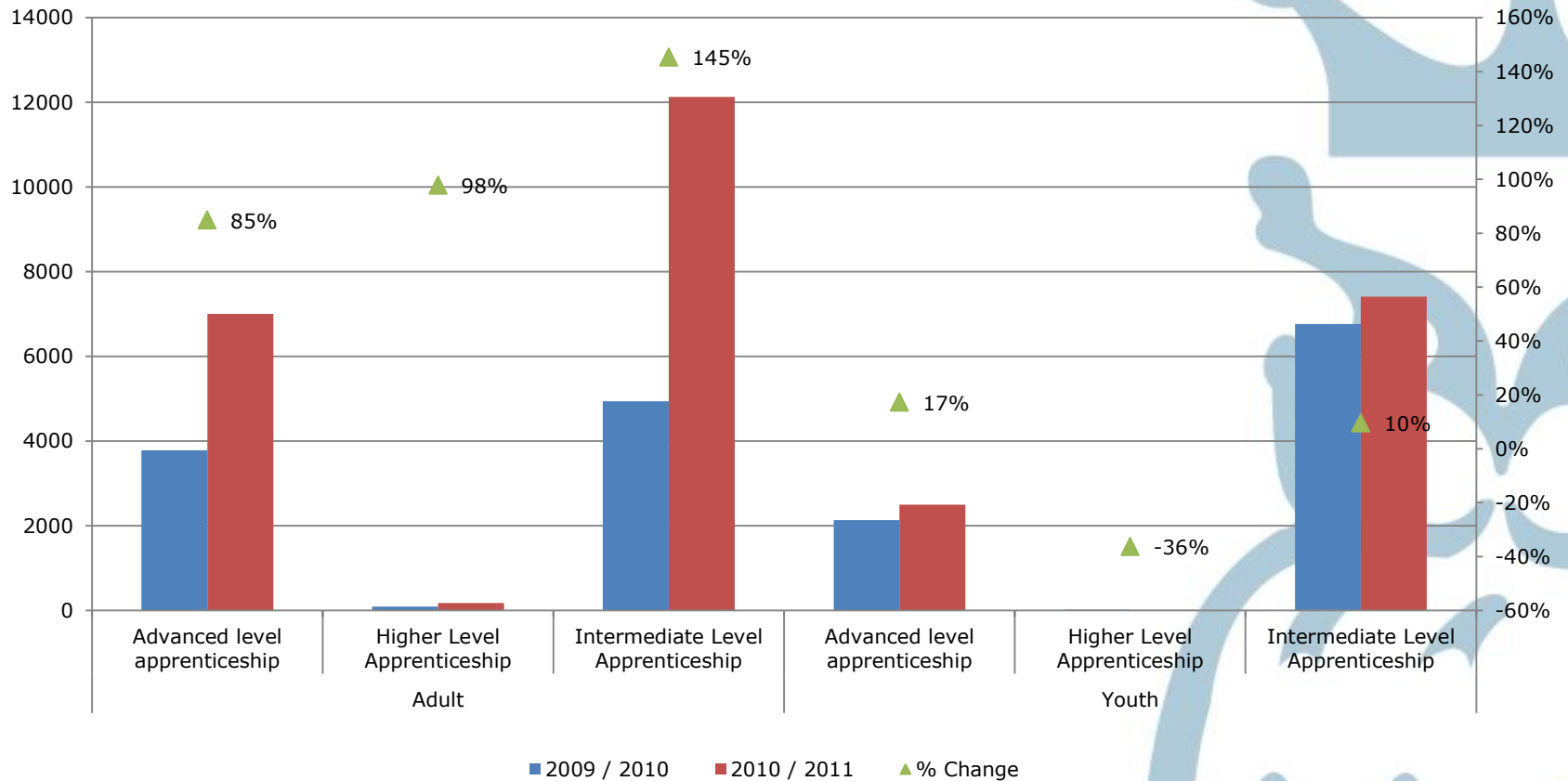
Change in 19+ Starts, 2009/2010 – 2010/2011



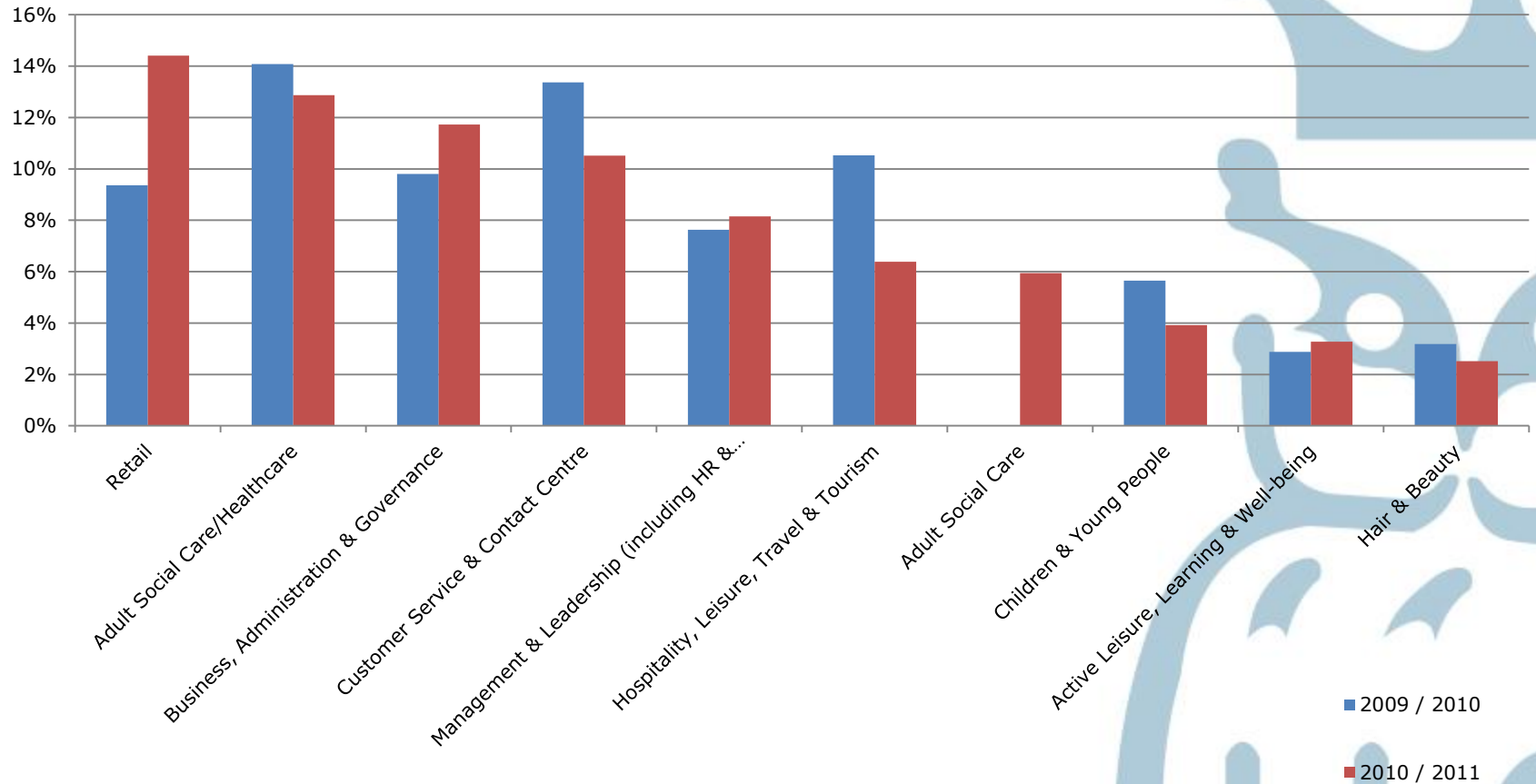
Change in Starts by Sector 2007/08 - 2010/11 (LCR)



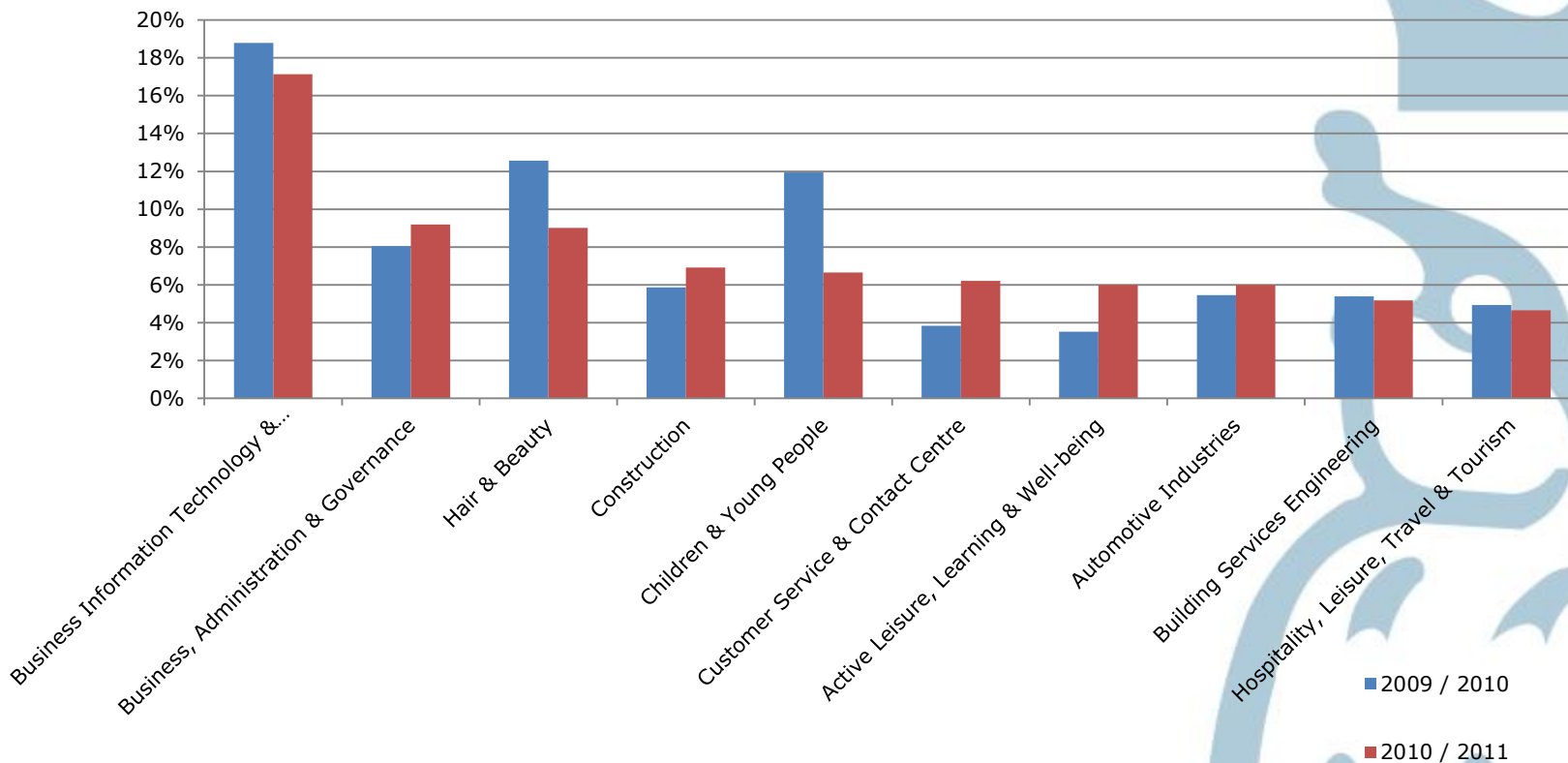
Change in Starts by Sector 2009/10 - 2010/11 (LCR)



Top 10 Adult Apprenticeship starts by sector in 2010/2011 compared to 2009/2010

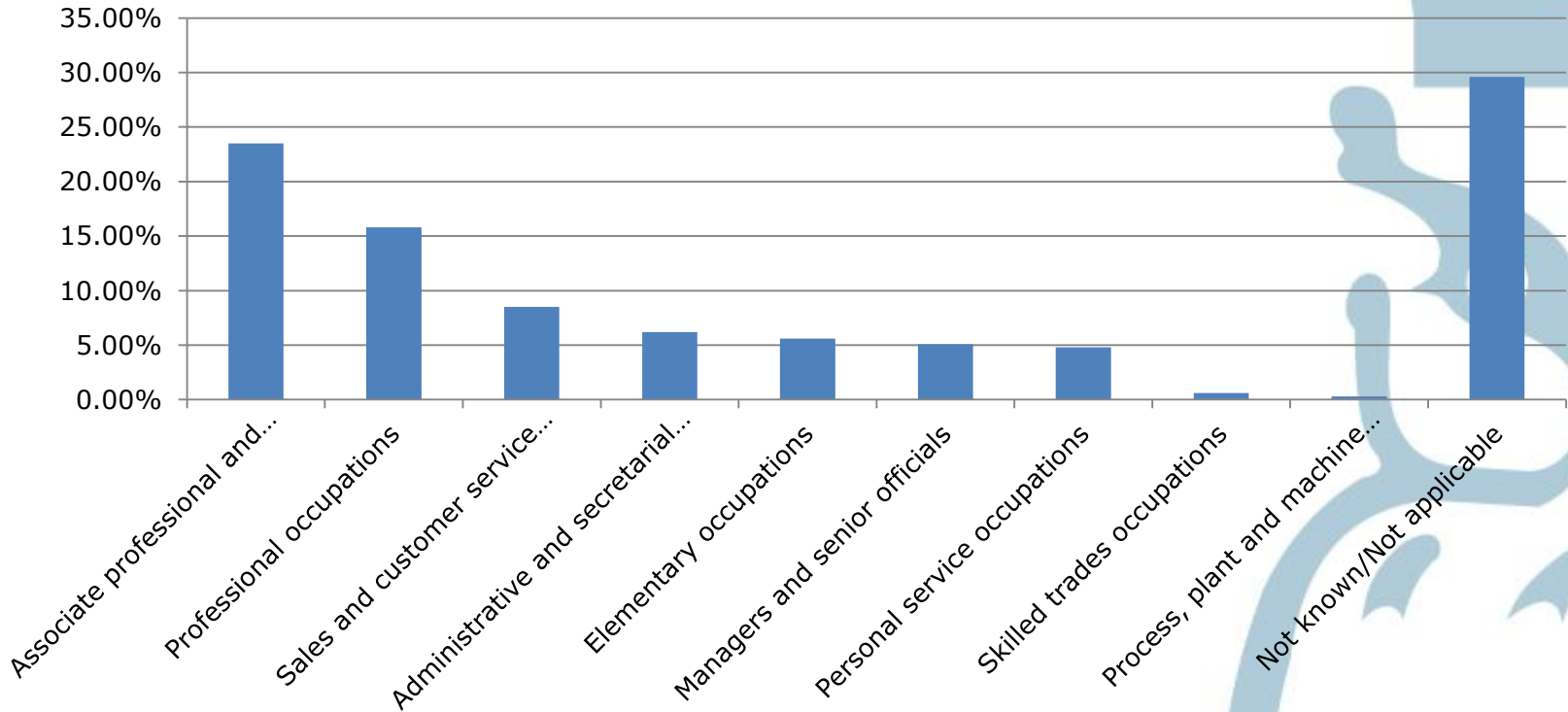


Top 10 Youth Apprenticeship starts by sector in 2010/2011 compared to 2009/2010



Graduate Occupations, from DLHE Survey 2011/12

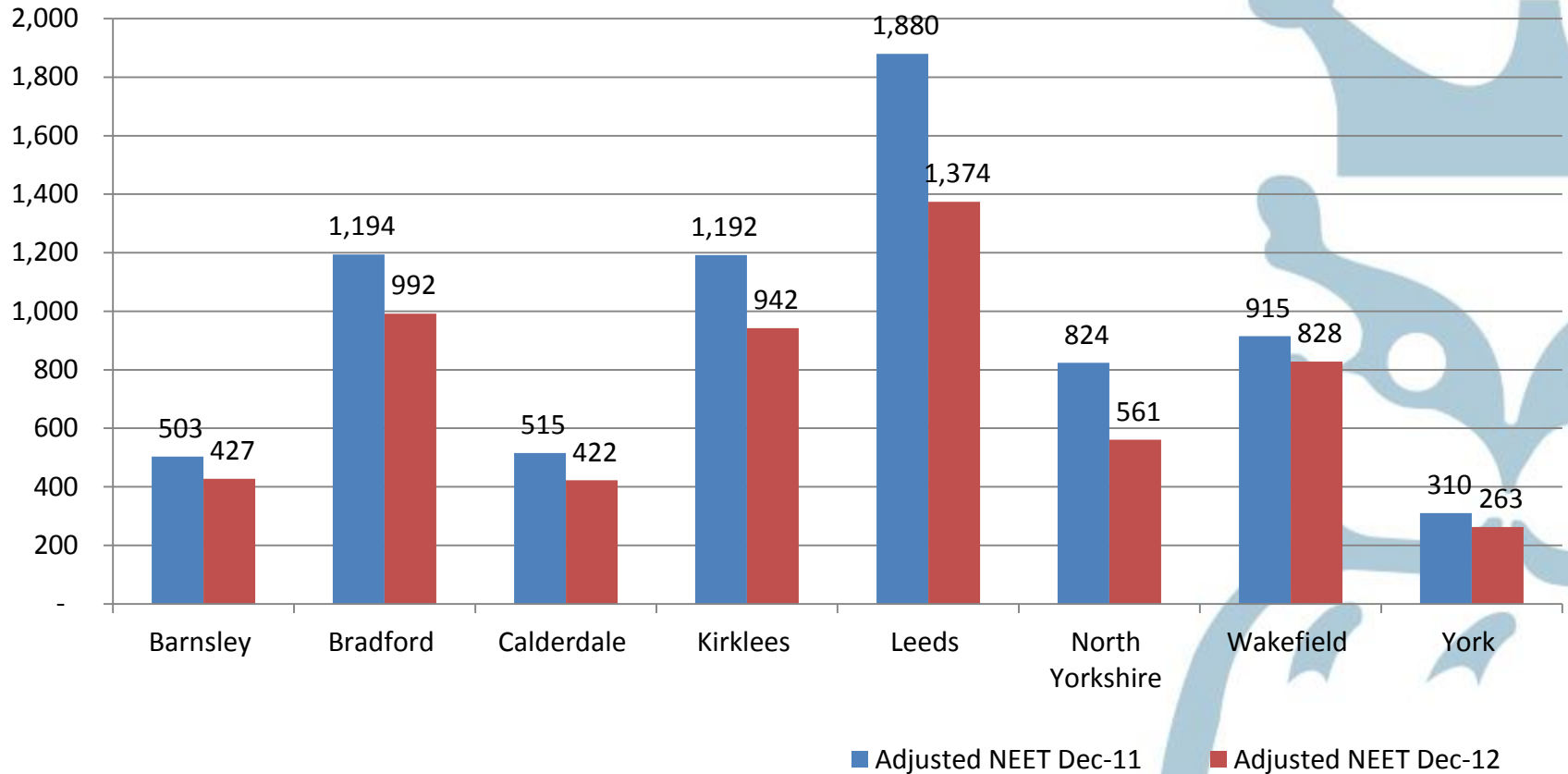
% Share



Graduate Employment in LCR, by sector, from 2011/12 DLHE

	LCR	% of LCR
	Universities Total	Universities
Wholesale and retail trade; repair of motor vehicles and motorcycles	1,708	12.6%
Human health and social work activities	1,391	10.2%
Education	1,190	8.8%
Professional, scientific and technical activities	1,065	7.8%
Accommodation and food service activities	769	5.7%
Financial and insurance activities	575	4.2%
Information and communication	561	4.1%
Arts, entertainment and recreation	515	3.8%
Administrative and support service activities	497	3.7%
Manufacturing	388	2.9%
Public administration and defence; compulsory social security	375	2.8%
Other service activities	138	1.0%
Construction	105	0.8%
Transport and storage	89	0.7%
Real estate activities	60	0.4%
Activities of extraterritorial organisations and bodies	44	0.3%
Electricity, gas, steam and air conditioning supply	35	0.3%
Water supply, sewerage, waste management and remediation activities	29	0.2%
Mining and quarrying	27	0.2%
Agriculture, forestry and fishing	11	0.1%
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	10	0.1%
Not known/Not applicable	3,991	29.4%

NEET Levels in LCR



Summary of key points and next steps.....

- Adult apprenticeships have increased but overall participation fell in 2010/2011
- 62% of graduates secured graduate level employment.
- Creative and Cultural studies, Construction and Hair and Beauty are the most popular sector subject choices among under 19's in FE but among the 19+ this was Healthcare, Adult Social Care and Business IT and Telecoms.
- GCSE attainment in 4 of the 8 LEA areas in LCR remained below the England average. This includes Leeds and Bradford which have 45% of the youth population in LCR
- JSA claimant rate in LCR (4.8%) is similar to the UK (4.9%) average. Youth claimant rates have remained unchanged compared to the same period last year. Longer term claimant rates have risen more sharply in LCR than in the UK as a whole.
- The skills profile in LCR is forecast to change over the next decade with an increase in the proportion with higher qualifications and a decrease in the proportion of the population with low or no qualifications.
- The number of NEETs in LCR has fallen over the last 12 months and is marginally below the England average.