Cambridgeshire and Peterborough Local Skills Report. March 2021: Annex A & B

Cambridgeshire and Peterborough Skills Advisory Panel

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY | JAMES PALMER CAMBRIDGESHIRE & PETERBOROUGH MAYOR

Contents

Annex A: Skills Advisory Panel Core Indicators

Annex A of this Local Skills Report summarises the core indicators of the Skills Advisory Panel's (SAP) analytical toolkit, provided by the Department for Education's SAP programme team.

The aim of Annex A is to give a headline understanding of the skills landscape across Cambridgeshire and Peterborough by looking across each of these core indicators and adding value by drawing on existing analysis and evidence where relevant. These indicators have helped form our understanding of our local strengths and needs, as outlined in Chapter 3 of this Local Skills Report, on which our strategies and policies are built.

As part of the local need to have a detailed understanding of skills supply and demand across the Combined Authority area and its localised sub-economies, **a separate skills supply and demand analysis has been commissioned and reported to the SAP board.** This deep dive is referenced in **Annex B**. Annex B summarises our wider skills evidence base, outside of the analysis of these core indicators.

The SAP core indicators, analysed within Annex A, can be broken down into four key themes:

- Local Landscape
- Skills Supply
- Skills Demand
- Mapping Skills Supply and Demand

For each of these themes, the relevant section begins with a short summary and is followed by descriptions of each individual indicator.

Local Landscape

Local Landscape – Summary of indicators

People

Cambridgeshire and Peterborough has a growing population. The total population of Cambridgeshire and Peterborough is approximately 866,200, with local estimates suggesting that there has been an approximate 7.6% increase in total population across the Combined Authority area as a whole since 2011.[1]

This growth has been driven by a **10.9% increase in population in Peterborough and a 10.5% increase in Cambridge, with both cities experiencing large scale development since 2011**. Peterborough is the fourth fastest growing city in the UK.[2] This population increase has been driven by several factors, including an **active physical growth agenda, alongside key infrastructure improvements and secured inward investments.**

The population of the Combined Authority area is highly concentrated, particularly in Cambridge and Peterborough. Key towns such as Huntingdon and St Neots, are significant population centres, whilst other towns, such as Wisbech have pockets of high population density. **Largely, however, the Combined Authority area is characterised by its rurality.**

Across Cambridgeshire and Peterborough as a whole, the working age population (WAP) accounts for 62% of the total population[3] and historically, the employment rate has been higher in Cambridgeshire and Peterborough than it is nationally- a strength of the area.

As the local population continues to grow though, the **Combined Authority's workforce is getting older,** and will continue to do so for the foreseeable future. This change in demography has several implications for the local workforce and labour market, such as an increased demand for health and social care. Additionally, this also introduces some key questions around the **demand for suitably skilled workers, who are able to meet the needs of existing skills demands and jobs on offer. This poses a skills challenge for the local area.**

Places

In terms of understanding our local labour markets, previous analysis of skills demand across Cambridgeshire and Peterborough has shown that the area is home to **three overlapping labour markets which inform the demand and flow of labour across the region.**[4] These are:

- **Cambridge and South Cambridgeshire** (including southern parts of Huntingdonshire and East Cambridgeshire).
- **Peterborough and surroundings** (including north Huntingdonshire)
- **The Fens** (including Fenland, some of East Cambridgeshire and part of Huntingdonshire)

These three overlapping labour markets underpin the skills needs of the local area, and they are explored in more detail in Chapter 3 of the main Local Skills Report. Whilst much of the analysis

[1] Cambridgeshire and Peterborough local population estimates and forecast, Cambridgeshire County Council Business Intelligence.

[2] Cambridgeshire and Peterborough Independent Economic Review (CPIER).

[3] Estimates of the population for the UK, England and Wales, Scotland and Northern Ireland. Mid-2019: April 2020.

[4] Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris.

in this report is based on local authority areas, **the findings are best understood and should be viewed in the context of the above labour markets.**

Cambridgeshire and Peterborough has a contrast of high levels of affluence and pockets of deprivation. The Indices of Multiple Deprivation 2019 (Annex A, Indicator 10) **highlights that the northern districts of the Combined Authority area exhibit the highest levels of relative deprivation (across factors such as income, employment, education and health).**

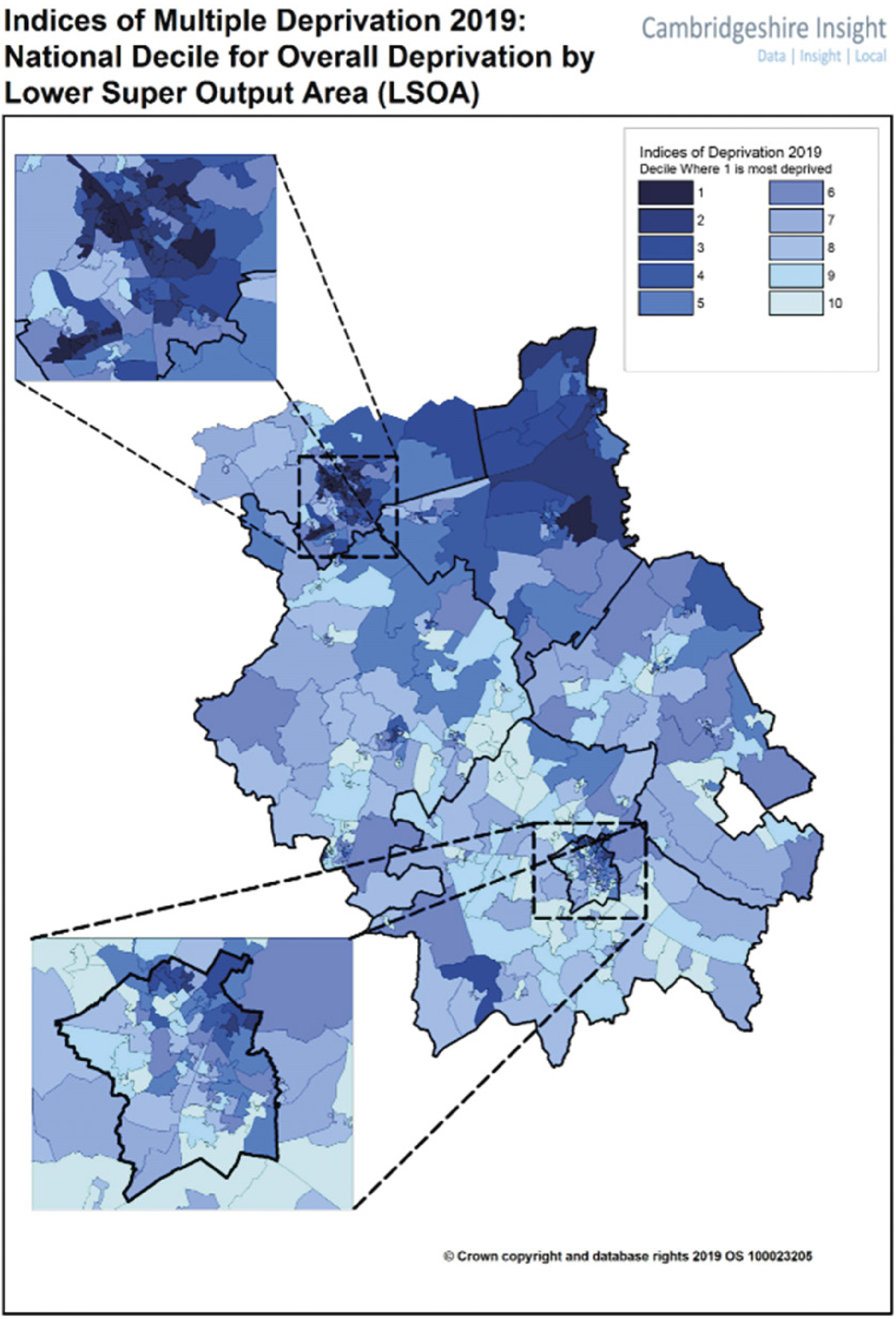
Of the 62 Cambridgeshire and Peterborough LSOAs[5] in the top 20% most deprived nationally, 46 of these were in Peterborough and 11 of the remaining 16 were in Fenland. This is illustrated in Map 1.

The table below outlines how local authority districts in the Combined Authority rank for overall deprivation[6], as well as Education, Skills & Training specifically. This highlights these pockets of heightened need in Education and Skills, notably in Fenland and Peterborough. For both of these areas, they are ranked as being relatively more deprived for education and skills needs than for overall deprivation.

Deprivation Domains[7]	Cambridge	East Cambridgeshire	Fenland	Huntingdonshire	Peterborough	South Cambridgeshire
Overall National Deprivation Rank	205	266	51	247	53	300
Education, Skills & Training Rank	284	195	3	175	31	307

[5] Lower-Layer Super Output Areas (LSOAs) are a standard statistical geography designed to be of a similar population size, with an average of approximately 1,500 residents or 650 households. There are 32,844 LSOAs in England.
[6] The summary measures have been carefully designed to help users understand deprivation patterns for a set of higher-level areas. The measures identify the overall intensity of deprivation, how deprivation is distributed across the larger area, and the overall volume, or 'scale', of deprivation. This ranks local authority districts from 1 to 317, where 1 is the most deprived district and 317 is the least deprived.
[7]

Map 1: Indices of Multiple Deprivation 2019: National Decile for Overall Deprivation by Lower Super Output Area (LSOA)



Overall, these indicators offer headline insight into the Combined Authority area, covering a range of socio-economic factors such as population, deprivation, employment and economy. **These indicators have guided our narrative within Chapter 3 of this report and underpin our understanding of our sub-economies and growth sectors.**

Core indicator analysis at a Combined Authority level demonstrates that the area is a microcosm of the UK as a whole, with figures for the area overall similar to those seen at a national level. However, district level data shows much more variation, which illustrates the three overlapping economies. **The key points to note from the indicators in this section are:**

Employment sectors indicate a lot of variation across the Combined Authority area.
- Agriculture accounts for a higher proportion of employment in Fenland and East Cambridgeshire, compared with nationally.
- Manufacturing accounts for higher proportions of employment in Fenland, Huntingdonshire, East and South Cambridgeshire, compared with nationally.
- The Professional, Scientific and Technical employment sector accounts for much higher proportions of employment in South Cambridgeshire and Cambridge, compared with nationally.

Occupations vary considerably across the Combined Authority area.
- Professional occupations account for much higher proportions in the South, notably in Cambridge and South Cambridgeshire.
- Elementary occupations are more concentrated in northern areas, particularly Fenland and Peterborough.
- In Fenland, there are higher proportions of employment in Skilled trade occupations and Process, Plant and Machine Operative occupations.

There are stark differences in Gross Value Added (GVA)[8] and earnings across the Combined Authority area.
- GVA ranges across the Combined Authority from below the national average at £26.8 in Fenland to above the national average at £36.6 in South Cambridgeshire.
- Residents and workers in South Cambridgeshire earn more weekly compared to the rest of the Combined Authority and national averages.
- Fenland and Peterborough indicate much lower earnings, but equally different patterns between those residing and working in the area.

Historically, the employment rate has been higher in Cambridgeshire and Peterborough than it has been nationally, but there are differences across the region and COVID-19 has had a particular impact on this.
- Peterborough and the surrounding area experience higher unemployment and greater economic inactivity. Fenland has the poorest labour market performance, related to the accessibility of both jobs and training.[9]
- There are still many unknowns around the longer-term impacts of COVID-19, although **we do have a good understanding of the short-term impacts**. Claimant counts provide a good insight into this. While all areas across the Combined Authority have seen large increases in claimant count, some areas, notably within the north of the region have reached historically high levels. **This is a potential challenge that some parts of the Combined Authority area may temporarily face, with structurally higher levels of unemployment due to impacts of COVID-19 or being adversely affected when compared to the region as a whole.**

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[8] Gross value added (GVA) is a measure of the increase in the value of the economy due to the production of goods and services. It is measured at current basic prices, which include the effect of inflation, excluding taxes (less subsidies) on products (for example, Value Added Tax). GVA plus taxes (less subsidies) on products is equivalent to gross domestic product (GDP).

[9] Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris.

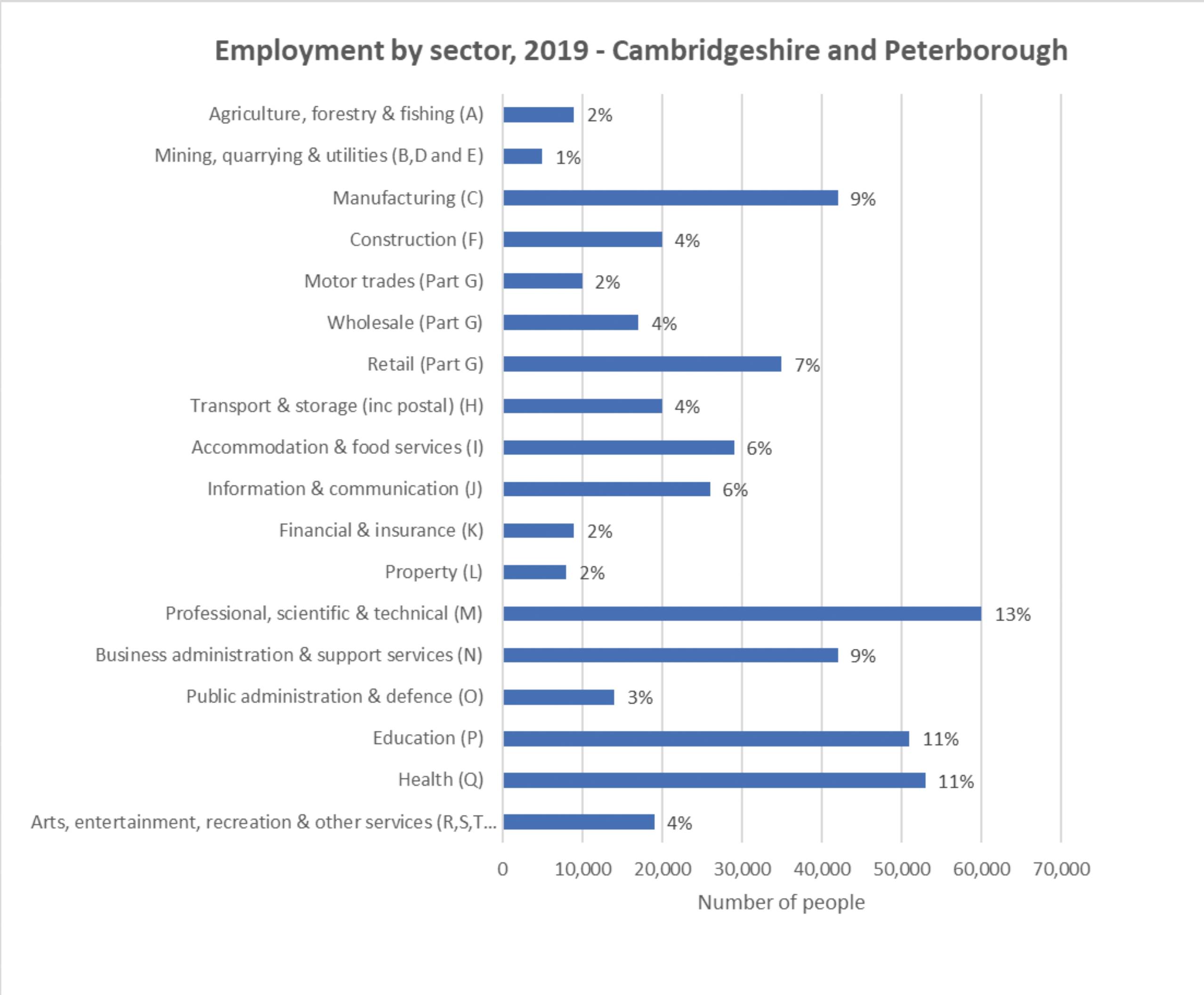
Business births are a useful indicator of enterprise activity and they illustrate the Combined Authority's credentials as a home for entrepreneurship.

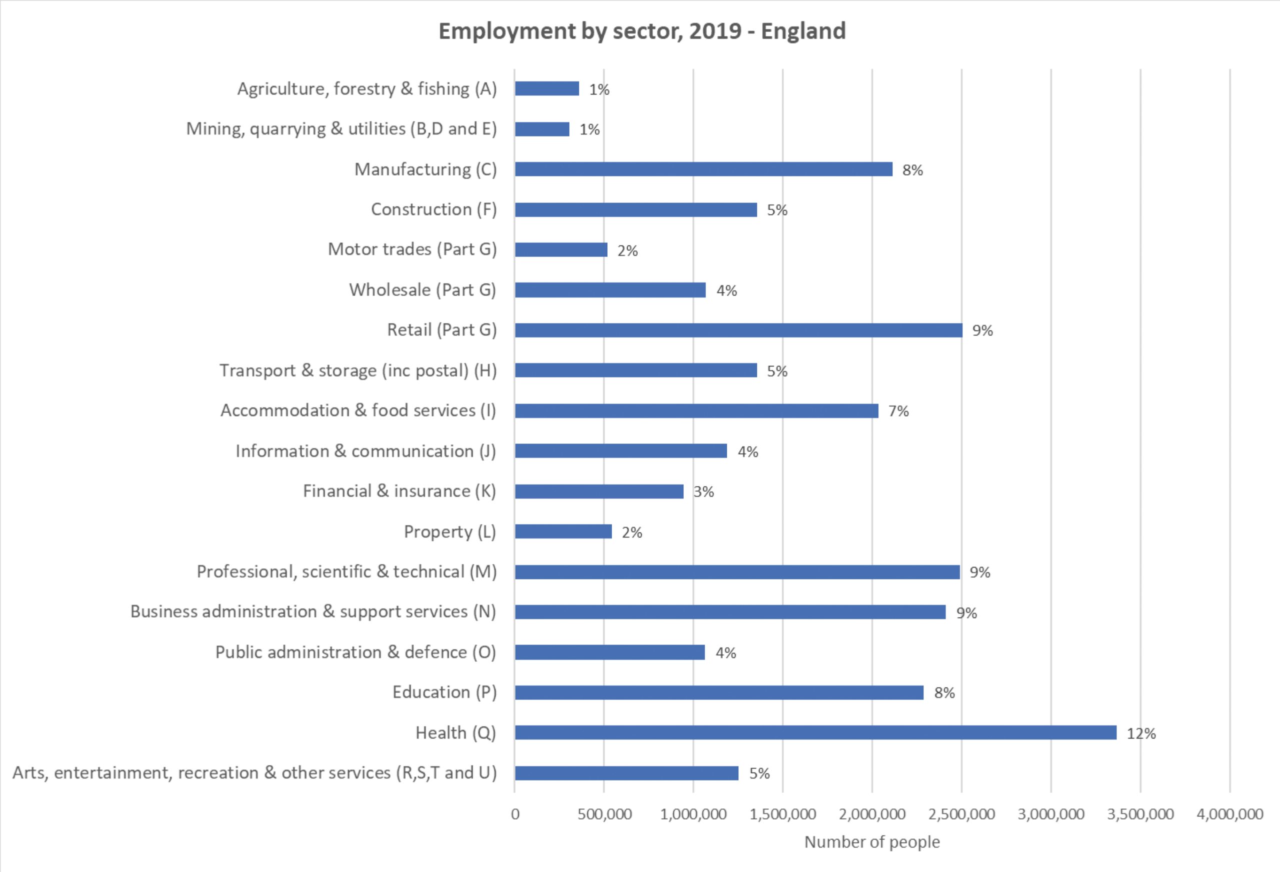
- Historical performance over time suggests that the economic recovery has been strong across all the constituent local authorities, as well as the Combined Authority as whole. **This bodes well for a post COVID-19 recovery.**

Local Landscape – Core Indicators

Core Indicator 1: Employment by sector

The 2019 Business Register and Employment Survey (BRES) outlined that Cambridgeshire and Peterborough's largest employment sectors were **Professional, Scientific and Technical; Health; Education; Manufacturing; and Business administration and support services**. These sectors accounted for over half of all employment in the area in 2019. There were higher proportions of individuals in employment in Professional, Scientific and Technical, Manufacturing, Education and Information and Communication sectors locally than there were nationally at the time of the 2019 survey.





Source: **Business Register and Employment Survey, 2019 (published 2020), 2020 SAP boundaries**

However, as Chapter 3 explores in further detail, it is important to understand the nuances of the overlapping economies and the diverse range of employment sectors found across the Combined Authority area.

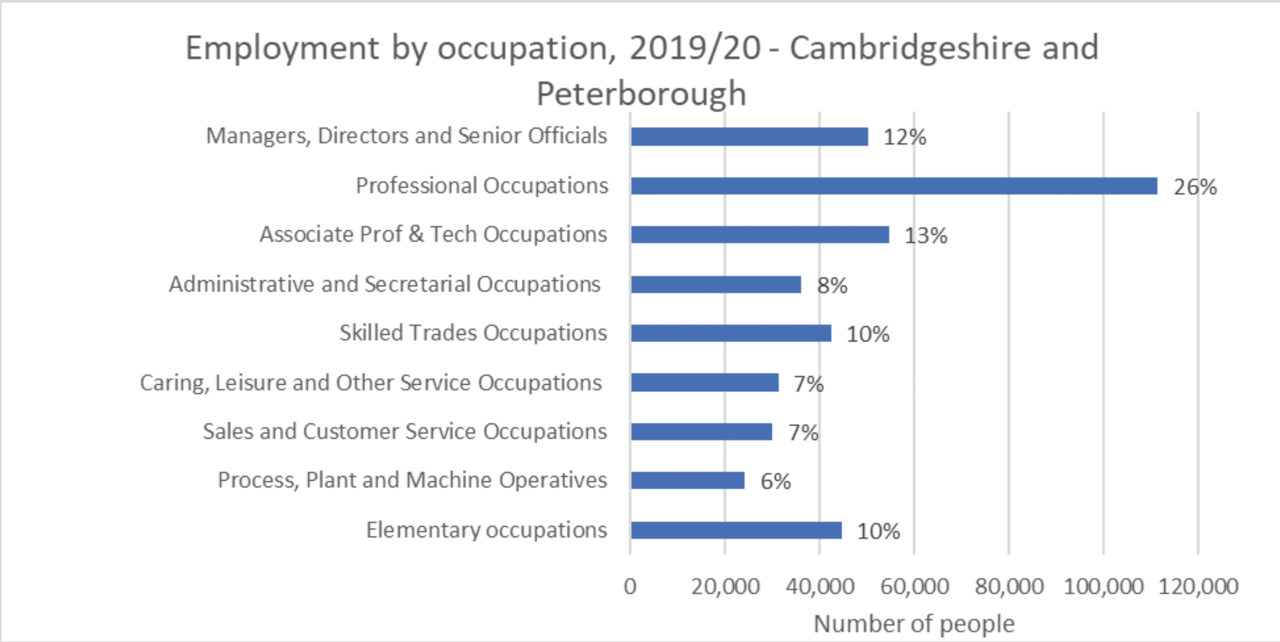
For instance, when considered at a Combined Authority level it does not appear as though there is a higher than national level of employment in the Agricultural sector. However, at a district level **Agriculture accounts for 5% of employment in Fenland and 4% of employment in East Cambridgeshire, compared with just 1% nationally.** Similarly, **Manufacturing accounts for 16% of employment in Fenland, 15% in Huntingdonshire and 12% in both East and South Cambridgeshire, compared with 8% nationally.** This is the case for many employment sectors and highlighting local nuances is vital to understanding the local labour market.

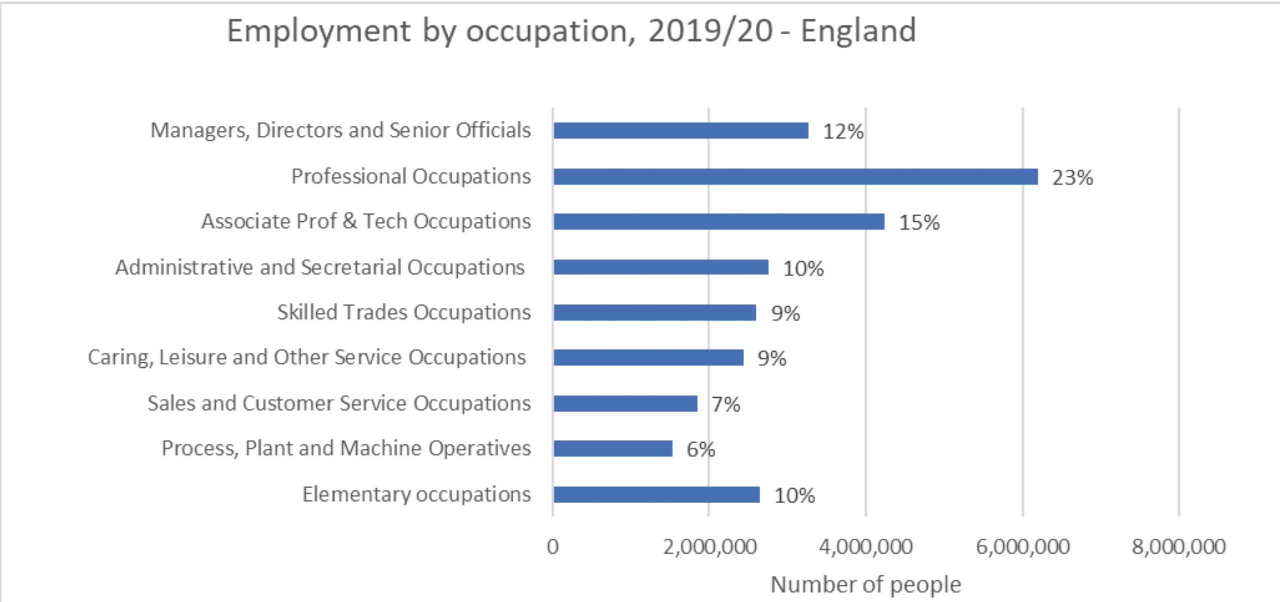
The Professional, Scientific and Technical employment sector makes up 26% of employment in South Cambridgeshire and 16% in Cambridge, whilst nationally it accounts for 9%. Furthermore, in Cambridge, the Education sector accounts for 23% of employment, whereas nationally it accounts for 9%. In Peterborough, Business administration & support services accounts for 13% of employment compared with 9% nationally, while the retail sector accounts for 11% compared with 9% nationally.

While all employment sectors show differences in prevalence across the area, those noted above best portray the differences in the local landscape. They also reinforce the importance of our growth sectors as identified by the CPIER.

Core Indicator 2: Employment by occupation

According to the Annual Population Survey 2019-20, there are **more individuals in professional employment in Cambridgeshire and Peterborough than there are nationally**, with Professional Occupations accounting for 26% of occupations locally compared to 23% in England.





Source: **Annual Population Survey, October 2019 – September 2020, 2020 SAP boundaries**

However, with the nature of the three overlapping economies in the Combined Authority area, occupations vary considerably across each Local Authority district. **For instance, areas in the south have much higher proportions of Professional Occupations, accounting for 41% in Cambridge**, 32% in South Cambridgeshire, 29% in Huntingdonshire and 25% East Cambridgeshire, all of which are above the national average of 23%**. In contrast, in Peterborough Professional Occupations account for 17% and in Fenland they account for just 7%, considerably below the national figure.**

There are also higher proportions of employment in the Managers, Directors and Senior officials' Occupation in Huntingdonshire (15%), Fenland (14%) and South Cambridgeshire (13%).

Nationally, this Occupation accounts for 12%, the same as the Combined Authority proportion overall.

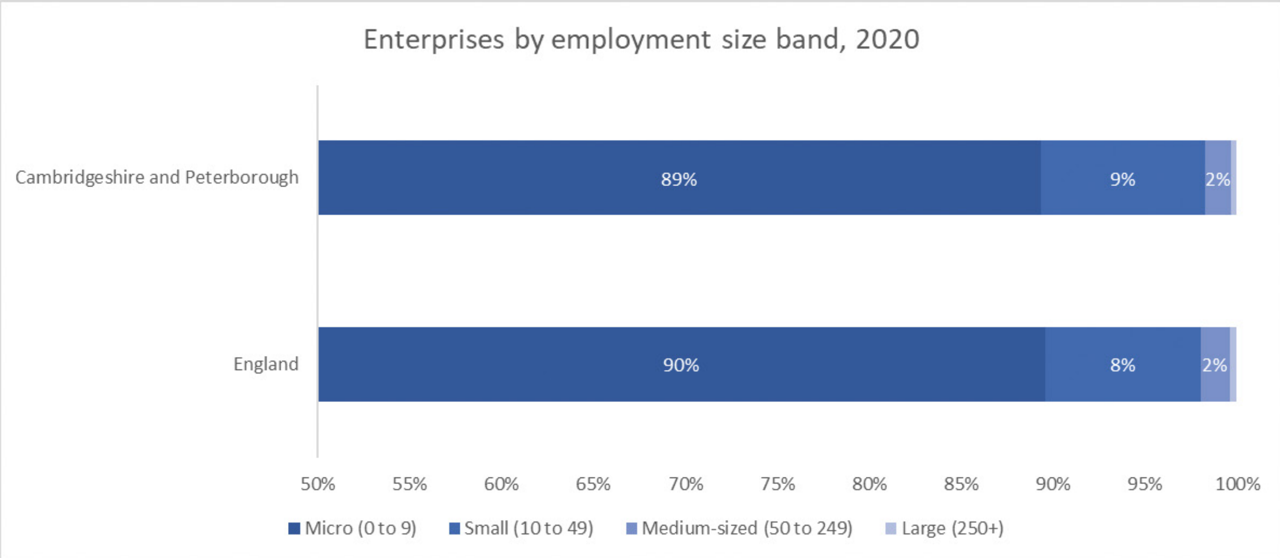
In Fenland, there are higher proportions of employment in Skilled Trades Occupations (14%), Process, Plant and Machine Operative Occupations (12%) and Elementary Occupations (19%), all of which are at considerably higher rates than across the Combined Authority overall and nationally. Skilled Trades occupations account for 10% in the Combined Authority overall and 9% nationally. Process, Plant and Machine Operatives account for 6% both at a Combined Authority and national level. Elementary Occupations account for 10% at a Combined Authority and national level.

Meanwhile, Peterborough has higher proportions of Elementary occupations (16%) and a higher proportion of employment in Sales and Customer Service Occupations (10%), this is the highest across the region.

This variation in occupations across the Combined Authority area continues to **highlight the influence of the three overlapping economies, the growth sectors associated with these, and how this shapes the job market and the occupations within it.**

Core Indicator 3: Enterprises by employment size band

In terms of the proportionate split of enterprises by size, **Cambridgeshire and Peterborough overall has a very similar business landscape to the national picture, with Micro and Small businesses accounting for 98% of all enterprises.**



Source: **UK Business Counts, 2020, 2020 SAP boundaries**

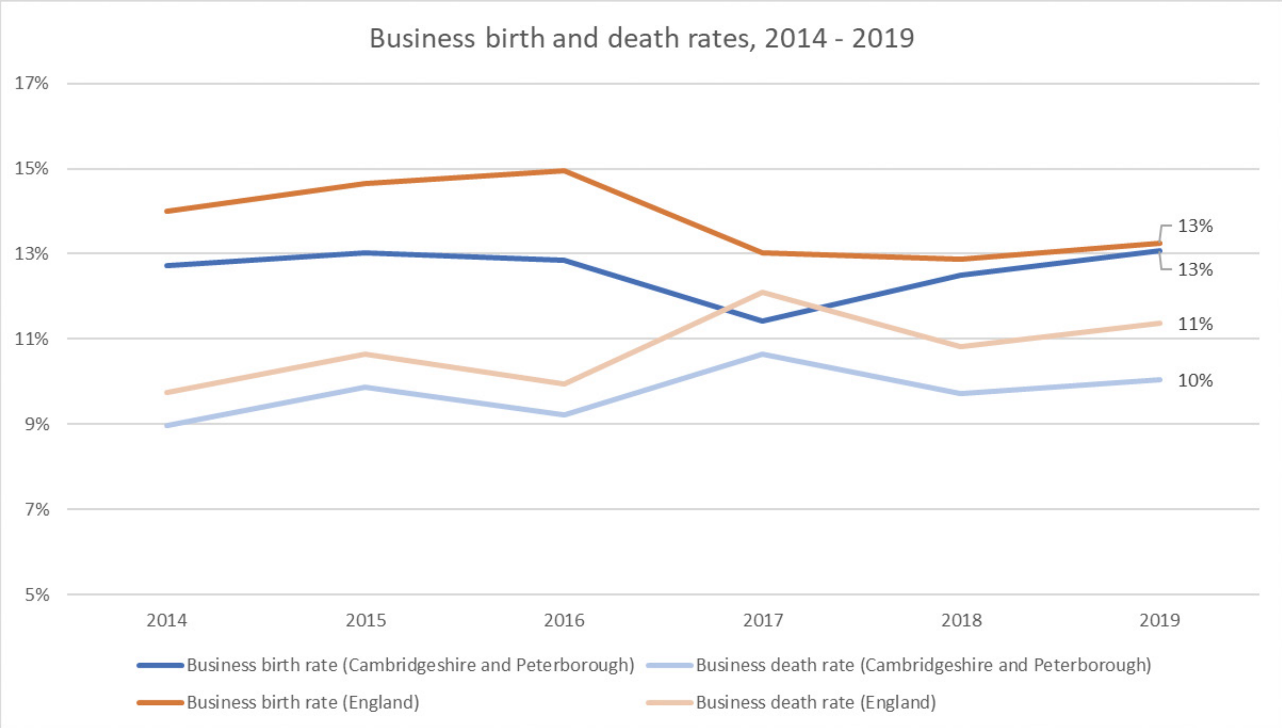
The majority of the largest businesses are clustered around Cambridge, South Cambridgeshire and Peterborough, with micro and smaller businesses prevailing in other areas. However, there are similarities between the six local authorities, with micro to small sized enterprises accounting for the majority of businesses across the whole Combined Authority area.

Impact of COVID-19 on enterprises by size – national data

Data from the government's Coronavirus Job Retention Scheme highlights the impacts of COVID-19 on enterprises and how this has affected their employees. As of 30th November 2020, 37% of all enterprises had furloughed staff nationally. However, there were some differences in the take up rates of the scheme based on enterprise size**. There were lower proportions of employers furloughing staff in micro enterprises, with an average take up rate of 38%.** Small enterprises had an average take up rate of 49%, medium-sized 44% and large enterprises 46%.

Core Indicator 4: Business birth and death rates

The business birth rate in **Cambridgeshire and Peterborough has followed similar trends to England, with decreases in business births from 2016 to 2017.**



Source: **ONS Business Demography, 2014 – 2019 (published 2020), 2020 SAP boundaries**

In Cambridgeshire and Peterborough Business Births increased slightly in 2019, bringing the business birth rate to 13%, in line with the national figure.

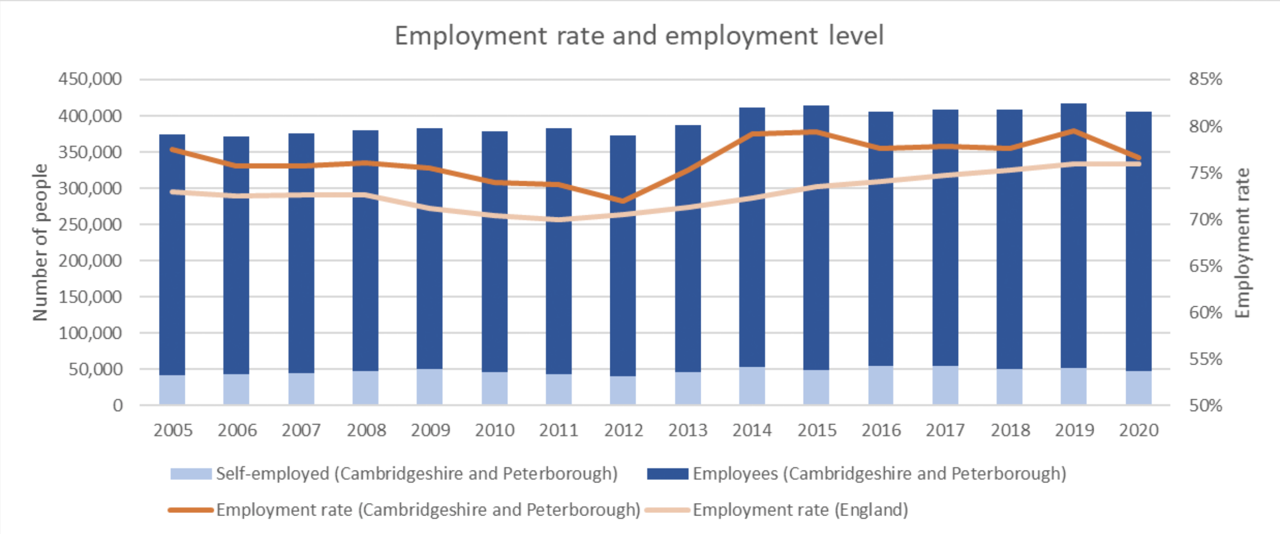
Historically, business death rates have been slightly lower in Cambridgeshire and Peterborough than they have been nationally. In 2019, the business death rate in Cambridgeshire and Peterborough was 10%, 1% lower than the national figure.

Our previous evidence base report[10] for the current local skills strategy highlighted that the number of business births are a useful indicator of enterprise activity and they illustrate the **Combined Authority's credentials as a home for entrepreneurship.** Performance over time suggests that the economic recovery has been strong across all the constituent local authorities, as well as the Combined Authority as a whole. **This bodes well for a post COVID-19 recovery. Peterborough has seen a particularly large uplift in the number of new business creations, with the number of 2015 start-ups nearly 100% greater than the equivalent 2011 figures.**

[10] Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris

Core Indicator 5: Employment rate and level

Historically, the employment rate has been higher in Cambridgeshire and Peterborough than it has nationally. Locally, employment has fluctuated more over the last 15 years, with a larger drop evident in 2012, followed by a larger increase in 2013-2014. Despite this, the employment rate has remained above the national figure throughout this period. In 2020, the Cambridgeshire and Peterborough employment rate dropped to 77% from the 80% level in 2019, remaining slightly above the national rate of employment (76%).

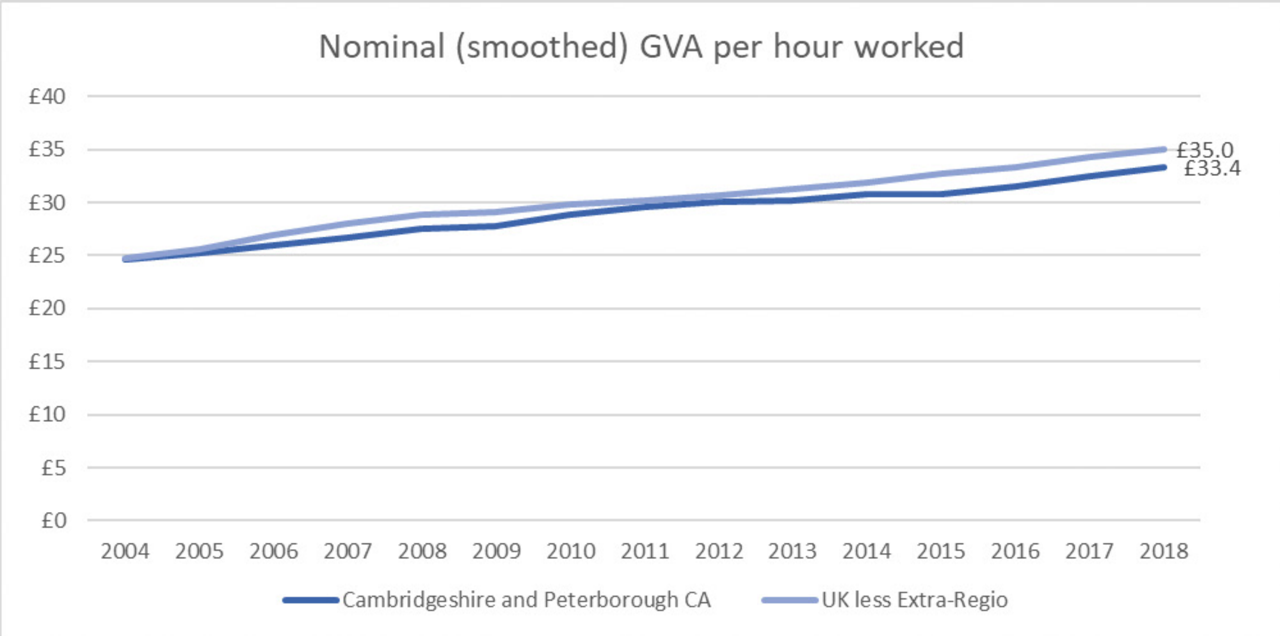


Source: *Annual Population Survey, 2005 – 2020, 2020 SAP boundaries*

Of those in employment, **88% were employees and 12% were self-employed in Cambridgeshire and Peterborough** in 2020. The proportion of people self-employed has ranged between 10-15% since 2005 but has declined in recent years from a peak of 15% in 2015. Nationally, the number of people who are self-employed has been slightly higher with 14% self-employed in 2020.

Core Indicator 6: Gross Value Added (GVA)

Gross Value Added (GVA)[11] has been increasing over time, both locally and nationally. The Combined Authority area overall has a slightly lower GVA per hour worked compared with the rest of the UK, although similar to wages, there are important differences to note on GVA by local authority.



Source: **ONS Subregional Productivity, 2004 – 2018 (published 2020), 2018 LEP/MCA boundaries**

GVA ranges across the Combined Authority from below the national average (£35.00) **at** £26.8 in Fenland to **above the national average at** £36.6 in South Cambridgeshire. These stark differences across the area continue to highlight the presence of overlapping economies, the diverse profile of jobs that come with this and the incomes that are attached to these.

Our Local Industrial Strategy further reinforces this, highlighting that despite business growth having been strong everywhere recently, the benefits have not been felt across the whole region in the same way.[12]

The economy of Greater Cambridge has been performing the most strongly. The positive effects of this have been felt in parts of the Greater Cambridge ecosystem, with market towns such as Ely and St Ives benefiting the most. However, further north the effects are not being felt as strongly.[13]

[11] Gross value added (GVA) is a measure of the increase in the value of the economy due to the production of goods and services. It is measured at current basic prices, which include the effect of inflation, excluding taxes (less subsidies) on products (for example, Value Added Tax). GVA plus taxes (less subsidies) on products is equivalent to gross domestic product (GDP).

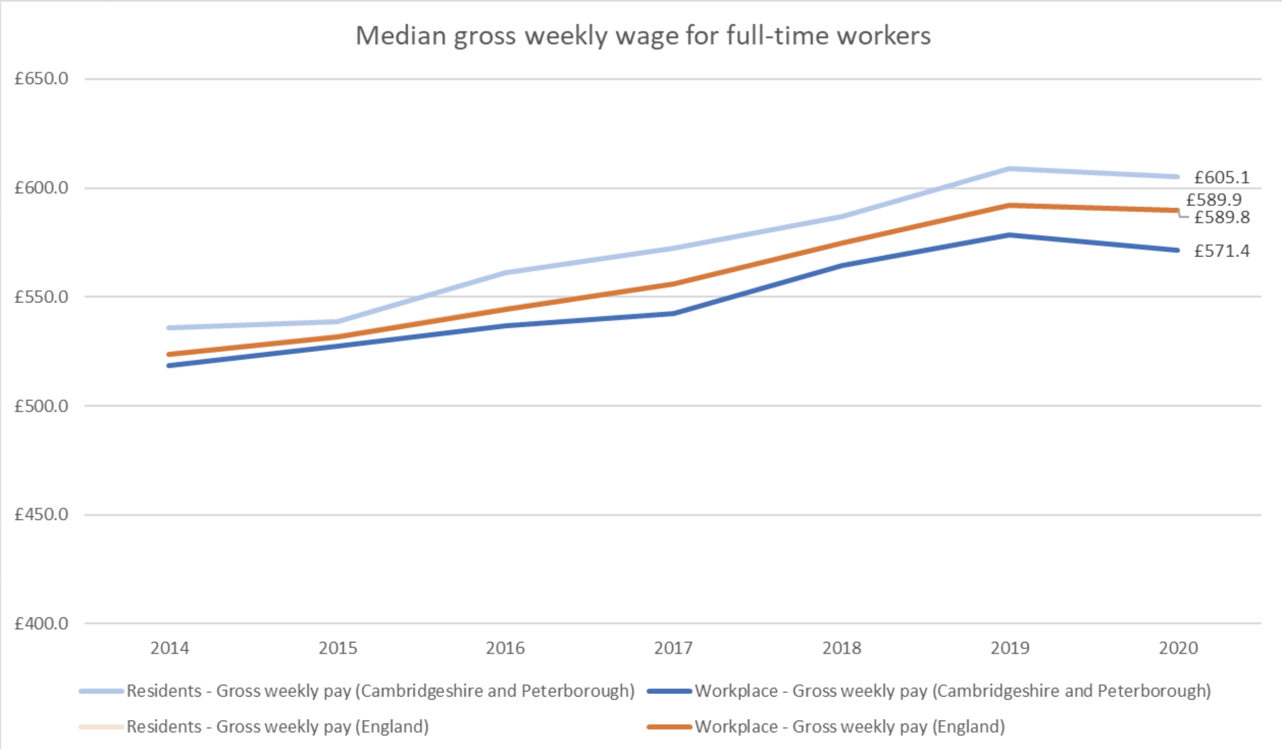
[12] Cambridgeshire and Peterborough Local Industrial Strategy.

[13] IBID

Core Indicator 7: Wages

Median gross **weekly wages have been increasing both locally and nationally**, with the below core indicator chart highlighting these increases from 2014-2019. **However, from 2019 to 2020 there were decreases across Cambridgeshire and Peterborough and in England overall in both workplace and residents' weekly wages.** Across the Combined Authority area, workplace wages saw the largest decrease from £578.4 in 2019 to £571.4 in 2020, nationally this went down from £592.2 in 2019 to £589.9 in 2020. Resident's wages decreased from £609.1 in 2019 to £605.1 in 2020 across Cambridgeshire and Peterborough. Nationally residents' weekly wages were £592.1 in 2019 and £589.8 in 2020.

Wages have been higher for Cambridgeshire and Peterborough residents, compared to England as a whole, with current weekly wages just over £15 per week more for those residing within the Cambridgeshire and Peterborough geography. However, there is a clear gap between the wages of those who work and those who live in the Combined Authority Area, with residents earning higher wages. In contrast, individuals who work in the local area earn below the national average for England, at just over £18 less per week.



Source: **Annual Survey of Hours and Earnings, 2014 – 2020, 2020 LEP boundaries**

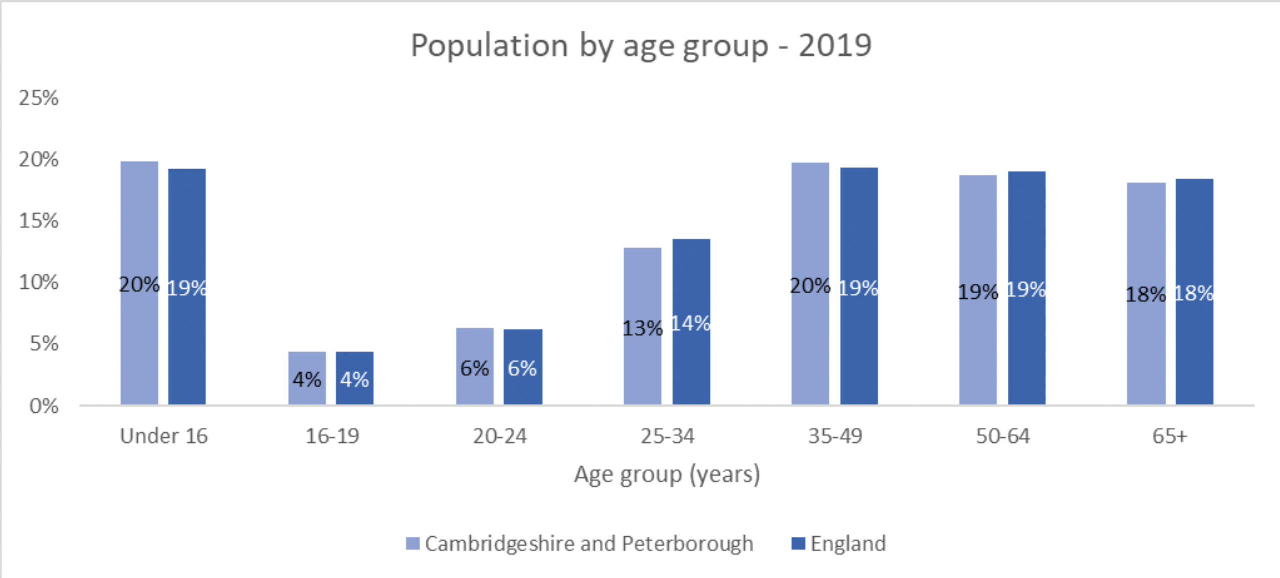
Wages across the Combined Authority area differ substantially between local authorities. **Residents and workers in South Cambridgeshire earn more weekly compared to the rest of the Combined Authority and national averages.** On average, residents of South Cambridgeshire earn £720 per week, while those working in the area earn £671. Cambridge also has above national average wages for both those who reside and work in the area, with residents earning £668 per week and those who work in the area earning £658. **This makes the southern part of the Combined Authority area an attractive place to work, attracting workers from the rest of the area as well as externally.**

On the contrary, **areas in the north of Cambridgeshire and Peterborough such as Fenland and Peterborough have much lower earnings, but equally still different patterns between those residing and working in the area**. In Fenland, residents earn £524 per week while workers in the area earn a lesser £475. Alternatively, in Peterborough, residents earn £544 while workers have a slightly higher weekly wage of £549. The weekly wage of those who work in Fenland is the lowest across Cambridgeshire and Peterborough, this is indicative of the types of employment opportunities that are available in the area and the levels of occupation these are likely to be at.

In Peterborough, those who work in the area earn more than those who reside in the area. This will be linked to the more diverse range of jobs available in the city, attracting more skilled workers from outside the area.

Core Indicator 8: Population by age group

In Cambridgeshire and Peterborough, the breakdown of age groups is very similar to the national average. Locally, there are slightly higher proportions of under 16-year olds, and people aged 25-34 years old. **As the population grows, our workforce is getting older, with the proportion of residents in older age groups increasing.**



Source: **ONS Mid-Year Population Estimates, 2019, 2020 SAP boundaries**

There has been strong population growth across Cambridgeshire and Peterborough with the most recent local population estimates suggesting that the total population across the Combined Authority area is currently 866,200.[14] These local estimates are slightly higher than the national estimates of the core SAP indicator below, which suggests the total population is 855,796.

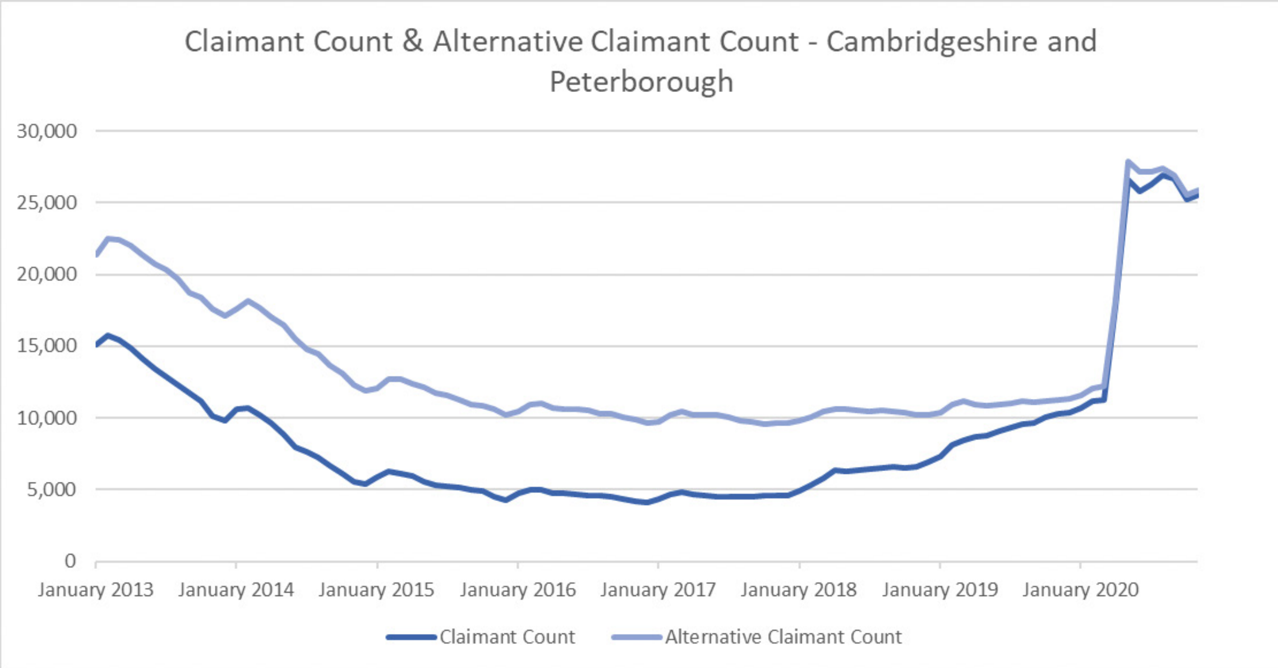
These local estimates suggest that there has been around a 7.6% increase in total population across the Combined Authority area as a whole since 2011.[15] This growth has been particularly driven by a 10.9% increase in population in Peterborough and a 10.5% increase in Cambridge, with both cities experiencing large development. Peterborough is the fourth fastest growing city in the UK.[16]

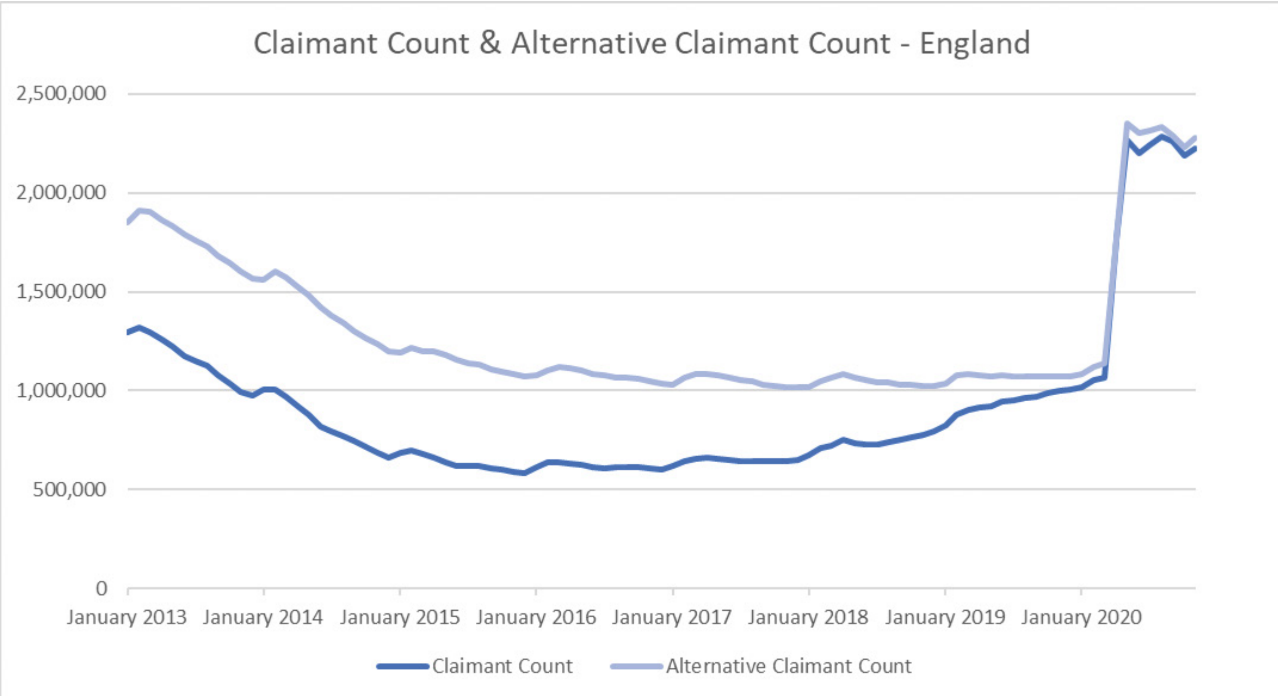
[14] Cambridgeshire and Peterborough local population estimates and forecast, Cambridgeshire County Council Business Intelligence.
[15] IBID
[16] Cambridgeshire and Peterborough Independent Economic Review (CPIER).

Core Indicator 9: Claimant Counts and Alternative Claimant Counts

The number of claimants has been decreasing over time, both locally and nationally, with claimant count trends following a very similar path in Cambridgeshire and Peterborough to England overall.

COVID-19 brought about large increases from March to May 2020, both locally and nationally, and this is yet to see a recovery to pre-pandemic levels.





***Source:* ONS claimant count** & **DWP Stat Xplore**, *January 2013 – November 2020, 2020 SAP boundaries*

Claimant count saw a large increase from March to May 2020 across the Combined Authority area, with Cambridgeshire showing a 161% increase in claimant count, and with Peterborough showing a 102% increase, slightly below the England average of 113%.

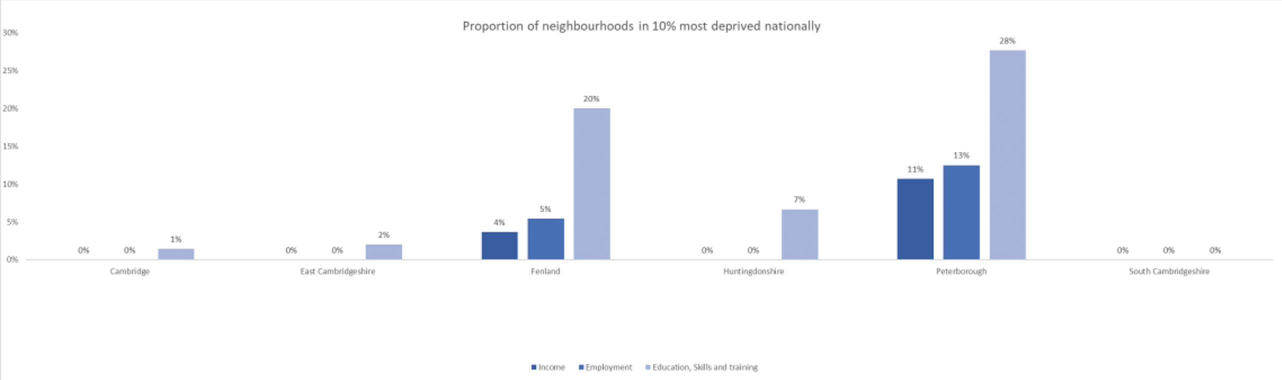
Since May 2020, claimant counts have not shown any significant changes and have remained at a high level. At the time of writing(December 2020), there are 25,635 claimants across the Combined Authority area, accounting for just under 5% of people aged 16+, this is slightly lower than the England proportion of just over 6%.

Additionally, specific location analysis highlights that the highest levels of claimant count can be seen in Peterborough wards, which was also the case prior to the COVID-19 pandemic. This is a potential challenge that some parts of the Combined Authority area may **temporarily face, with structurally higher levels of unemployment due to impacts of COVID-19 or being adversely affected when compared to the region as a whole.**

More detailed claimant analysis looking at changes since COVID-19 is available in Annex B.

Core Indicator 10: Income, Employment and Education Deprivation

Fenland and Peterborough, both in the northern region of the Combined Authority area, indicate the highest levels of relative deprivation and have a higher proportion of neighbourhoods which fall into the 10% most deprived nationally.



Source: **Index of Multiple Deprivation, MHCLG, 2019, 2017 LEP boundaries**

Deprivation in the north of the Combined Authority area is particularly evident across factors such as income, employment, education and health. This is most notable in Peterborough and Wisbech (within Fenland), where deprivation is spread across rural areas with more remote settlements.

However, pockets of deprivation can also be found in other districts, notably Huntingdon (the main town in Huntingdonshire) and LSOA's within the Abbey and Kings Hedges areas of Cambridge. Individuals living in areas with higher levels of deprivation are more likely to have poorer outcomes, have lower educational attainments and lower levels of skill. **This deprivation makes it harder to acquire the relevant skills needed for the jobs in demand in the local area.**

The Index of Multiple Deprivation publishes summary measures for local authority districts, allowing us to determine how each district ranks against all other districts in England, where 1 is the most deprived and 317 is the least deprived. For overall deprivation, ranks across the Combined Authority area range from 300 in South Cambridgeshire to 51 in Fenland, further demonstrating the disparity between local authorities in the area. **When the Education, Skills and Training domain is considered, this division is even more pronounced, with a rank of 307 in South Cambridgeshire and three in Fenland.** Peterborough has the second lowest ranks after Fenland for both overall deprivation at 53, and Education, Skills and Training, at 31.

Skills Supply

Skills Supply- Summary

This set of core indicators help us summarise key aspects of skills supply in the local area. To support a more detailed understanding of skills supply and demand, we have commissioned a deep dive analysis. This analysis helps to understand the timelier impacts of COVID-19 on supply and demand.

The Cambridgeshire and Peterborough Combined Authority benefits from an extensive network of further education (FE) providers, with a focus on the 16-19 (post 16) age group.[17] These institutions seek to maximise the employability of students, through the delivery of vocational qualifications and training. They also deliver more traditional academic qualifications and provide an important bridge for those looking to progress to higher education (HE).

One of the **key strengths of skills supply across the area is local Higher Education provision in the south of the Combined Authority area** which is home to the **University of Cambridge**, one of the world's leading academic centres and **Anglia Ruskin University**, an innovative global university. However, Peterborough is a recognised cold spot for Higher Education. To address this, the Combined Authority and Peterborough City Council (PCC) committed to securing a new University for the City in readiness for the Academic Year 2022/23. The **University will focus on the skills gaps within the Peterborough, Fenland and Huntingdon areas**. This will **provide access to higher level skills and knowledge for local residents.**

The key findings from our indicators on skills supply are as follows:

Educational attainment varies substantially across the Combined Authority geography.

- The highest levels of educational attainment, considerably above national averages, are clear in Cambridge and South Cambridgeshire.
- Below national average levels of educational attainment are evident in Fenland and Peterborough.
- The variation in educational attainment is reflected in both GCSE and A level results which suggests a north-south divide in outcomes.

Educational outcomes align with the main sectors of employment in Cambridgeshire and Peterborough, particularly where the three overlapping labour markets are concerned.

- For Higher Education, there are high proportions of qualifiers in Physical and Mathematical sciences, Engineering and Technology. This links to specialisations in Life sciences and Hi-tech manufacturing in Cambridge and South Cambridgeshire.
- The apprenticeship subjects where we can see the highest concentrations of achievements are in Health, Public Services and Care and Engineering and Manufacturing technology. These align well with our employment sectors, suggesting the relevant skills are being acquired for the area.
- Analysis of apprenticeship starts shows an encouraging increase in the number of apprenticeship starts in 2018/19 (+14% on the previous academic year), although this has been undone in 2020.

[17]Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris.

The destinations of those leaving our education systems influences the local economy and labour market.

- There is a slightly higher percentage of KS4 pupils who go into sustained education across Cambridgeshire and Peterborough, compared to England as a whole.
- At KS5 level and for those who complete apprenticeships, the most common destination is sustained employment in Cambridgeshire and Peterborough, and this is the case for all qualification levels.

Most university graduates from the two Higher Education Institutes (HEIs) in the Combined Authority move to London, and there are stark differences between the profiles of earnings between the two providers.

- 43% of graduates from HEIs in Cambridgeshire and Peterborough move to London[18], this will be influenced by the wider variety and number of employment opportunities available in the capital. This represents a loss of skilled labour and economic capacity.
- Graduates from the University of Cambridge typically earn much more than graduates from Anglia Ruskin University. This highlights the different types of occupations that graduates from each institution are entering.

Employers across the Combined Authority area appear to be more willing to offer training to employees

- Over 70% of employers provide some kind of training, this is more than nationally. This helps with addressing skills shortages and recruitment problems.
- Variance between Cambridgeshire and Peterborough is minimal, with employers in the latter generally more likely to offer some form of training.

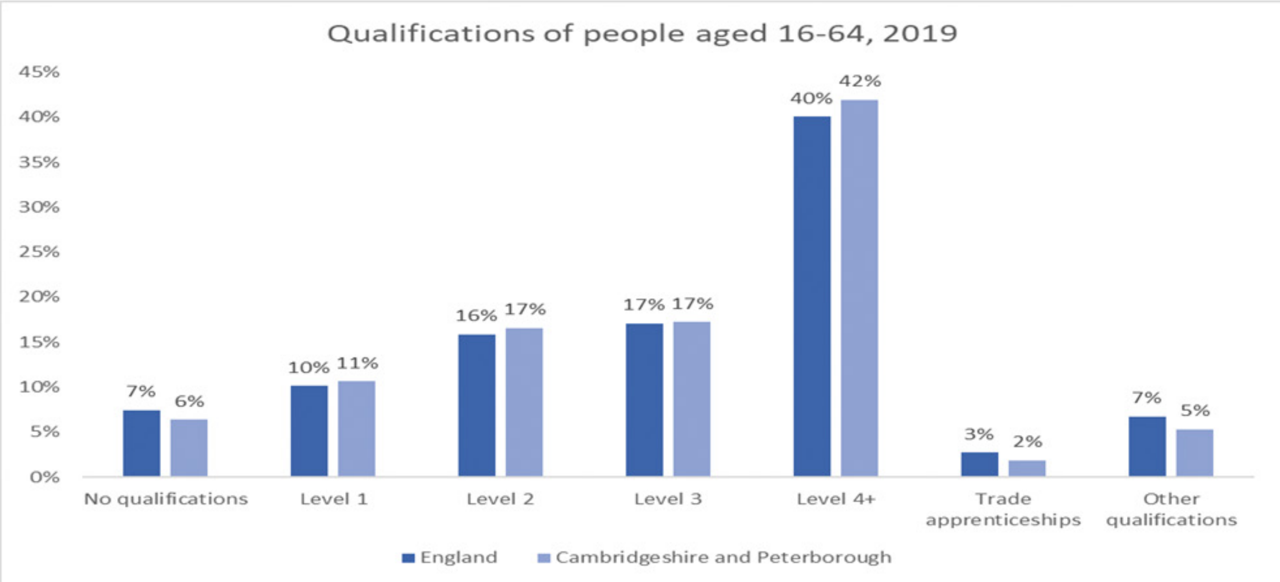
[18] Figures based on graduate residence 5 years after graduation.

Skills Supply- Core Indicators

Core Indicator 11: Qualification levels:

Cambridgeshire and Peterborough has a slightly higher proportion of people with higher level qualifications compared to national averages, with 2% more of the working age population holding level 4 and above qualifications when compared to the national average.

There are also slightly less people with no qualifications locally (6%) compared with nationally (7%). However, **there are vast differences in educational attainment evident across the local authorities within Cambridgeshire and Peterborough**.



Source: **Annual Population Survey, January 2019 – December 2019, 2020 SAP boundaries**

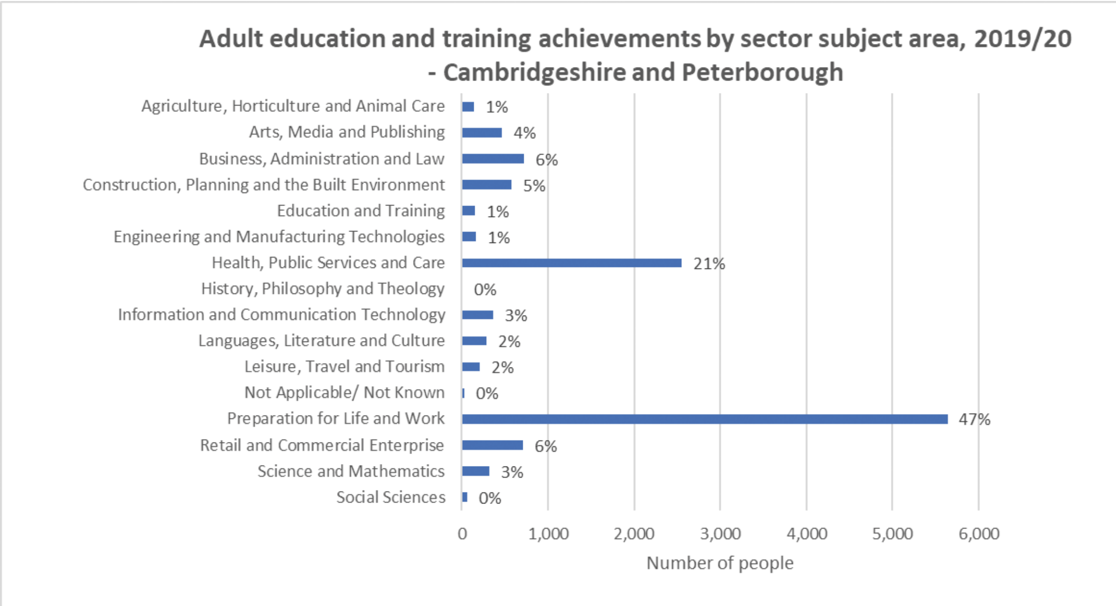
The **highest levels of educational attainment are clear in Cambridge, with 70% having level 4 and above qualifications, and South Cambridgeshire with 54%, both of which are considerably above the England average (40%)**. However, below national average levels of educational attainment can be found in the Combined Authority area, particularly in Fenland, where 20% have Level 4 and above qualifications and in Peterborough, where the rate is 30%.

While Peterborough has the highest proportion of residents with no qualifications (11%) and much lower proportions with high Level 4+ qualifications (30%) compared to the rest of Combined Authority and national averages, this is not reflected in the economic activity of those who reside there. **80% of the working age population in Peterborough are economically active, slightly above the England average of 79.7%.**

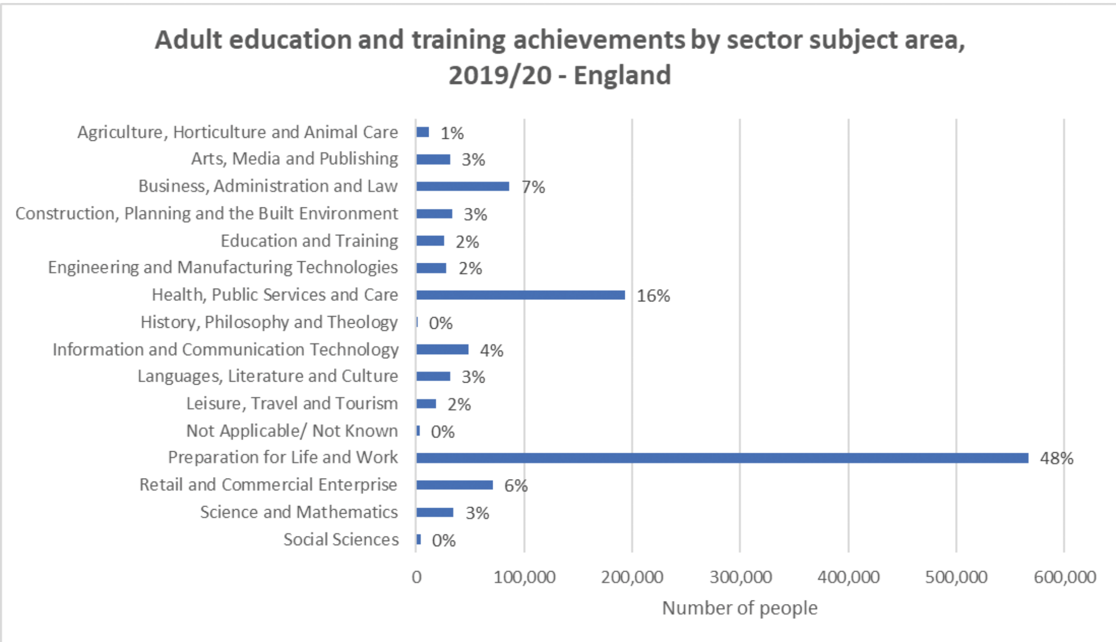
Core Indicator 12: Further Education Achievements:

Further education achievements locally are similar to national achievements, with Health, Public Services and Care; Business Administration and Law; and Retail and Commercial Enterprise being the top three specialised areas of achievement. These broadly align with the top three employment sectors locally and nationally, Public administration, education and health; Banking, finance and insurance and Distribution, hotels and restaurants.

FE Education & Training Achievements 19/20 – Cambridgeshire and Peterborough



FE Education & Training Achievements 19/20 – England



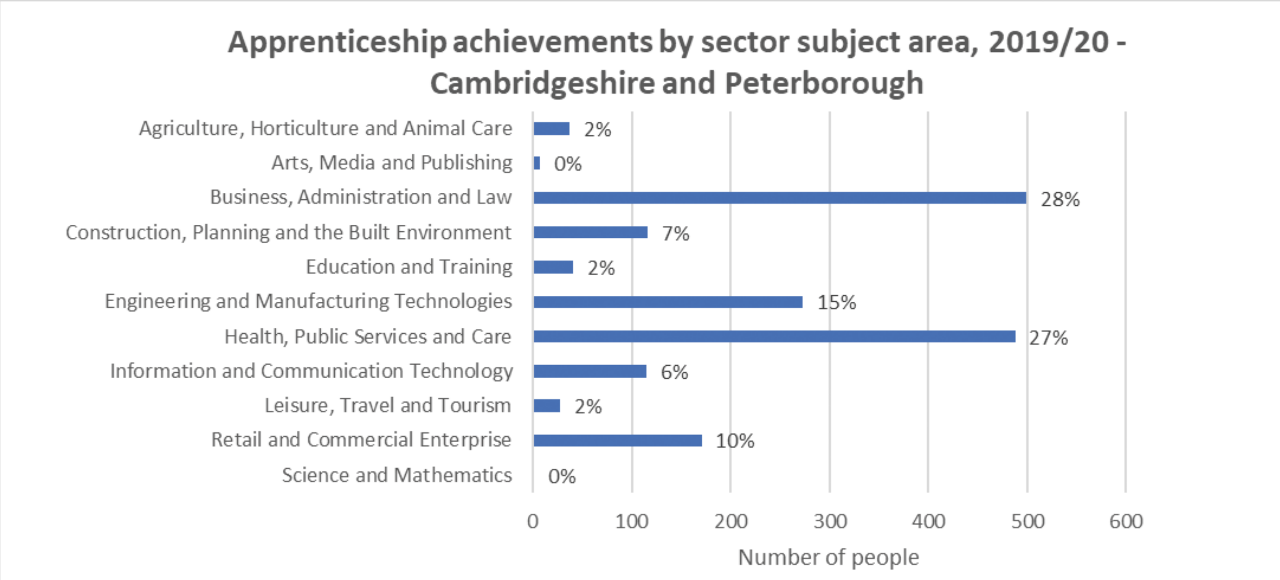
Source: **Further Education & Skills data, DfE, (published 2020), 2020 SAP boundaries**

It should be noted that preparation for Life and Work encompasses a vast range of areas, from weekend courses in arts related subjects to IT skills. Due to the wide coverage of this category, it accounts for the highest number of courses.

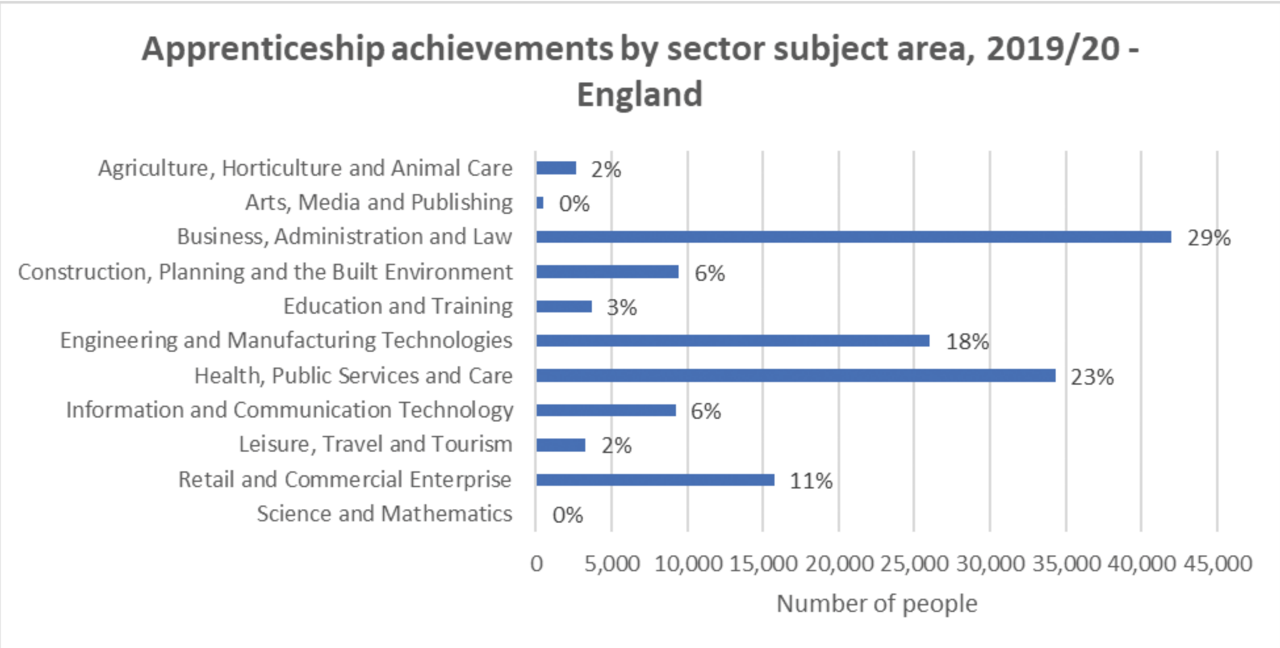
Core Indicator 13: Apprenticeship Achievements:

In Cambridgeshire and Peterborough there are a larger proportion of apprenticeships in Health, Public Services and Care when compared to nationally, where apprenticeships in Business, Administration and Law are most common. However, the subjects where we can see the highest concentrations of achievements are the same as nationally, with Health, Public Services and Care and Engineering and Manufacturing technology coming in at second and third place with the most achievements. **These align well with Cambridgeshire and Peterborough's employment sectors, suggesting that the relevant skills are being acquired for the area.**

Apprenticeship Achievements 19/20 – Cambridgeshire and Peterborough



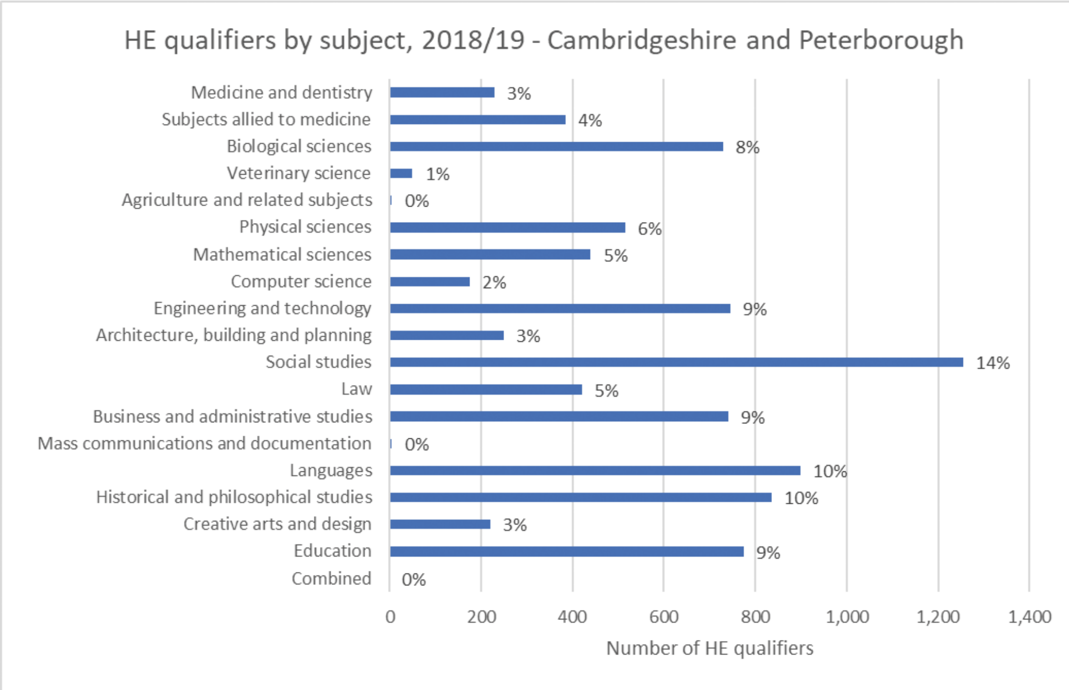
Apprenticeship Achievements 19/20 – England

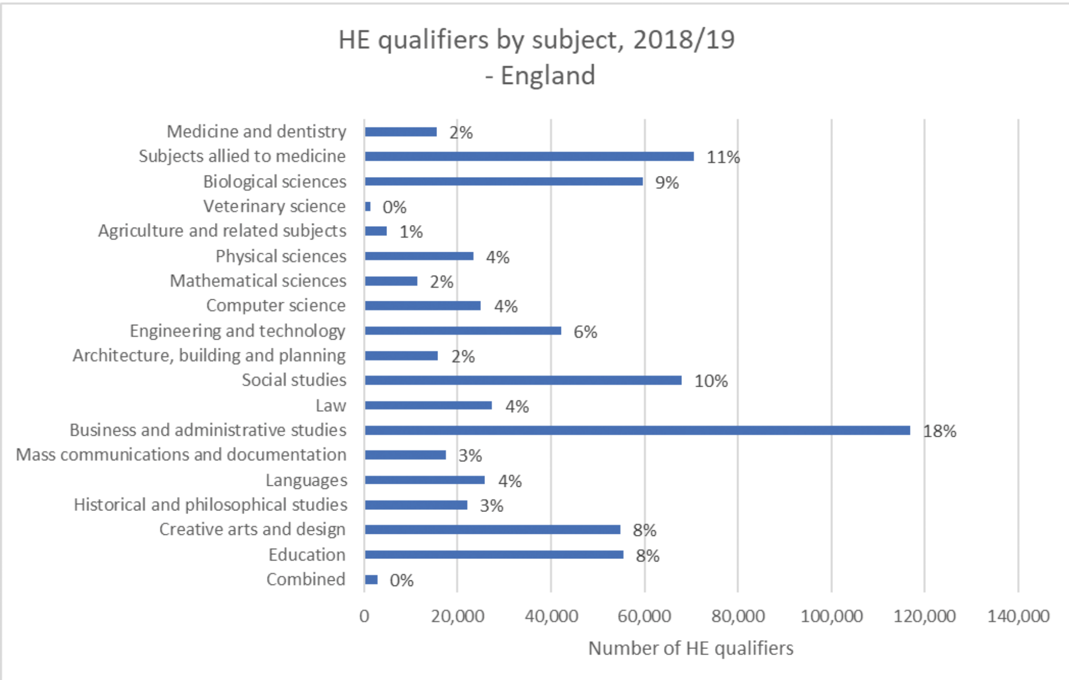


Source: **Apprenticeships data, DfE, (published 2020), 2020 SAP boundaries**

Core Indicator 14: Higher Education Qualifiers

In Cambridgeshire and Peterborough, there are notably higher proportions of qualifiers in Physical and Mathematical Sciences, Engineering and Technology, Social Studies, Languages, and Historical and Philosophical studies compared with the national split. Conversely, there are notably lower proportions in subjects allied to medicine, Business and administrative studies, mass communication and documentation and Creative arts and design.





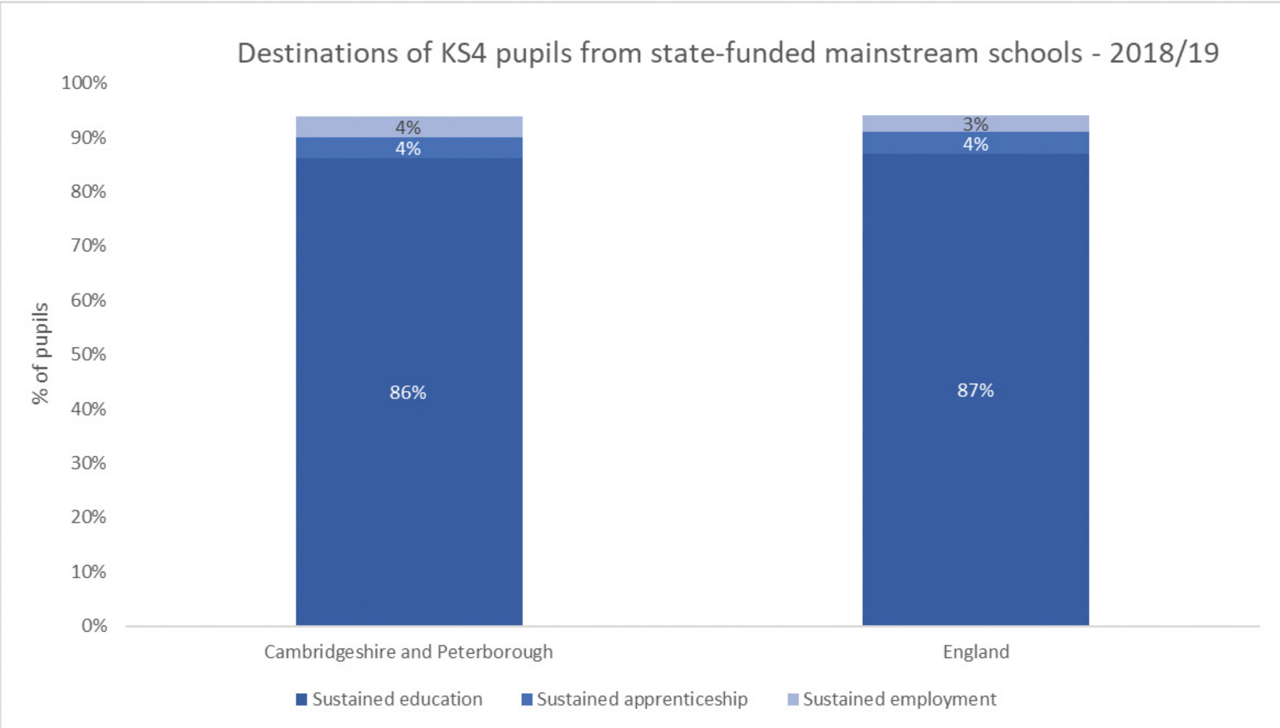
Source: **HESA, 2018/2019 qualifiers (published 2020), 2020 SAP boundaries**

These outcomes align with the main sectors of employment in Cambridgeshire and Peterborough, particularly where the three overlapping labour markets are concerned.

Notably, Physical and Mathematical sciences, Engineering and Technology link to specialisations in Life sciences and Hi-tech manufacturing in Cambridge and South Cambridgeshire.

Core Indicator 15: KS4 destinations:

There is a slightly higher percentage of KS4 pupils who go into sustained employment (+1%), and a slightly lower percentage going into sustained education (-1%) across Cambridgeshire and Peterborough, compared with England as a whole. Overall, the proportional split of outcomes is very similar when comparing local to national, with the vast majority of pupils going into sustained education and smaller proportions going into either sustained apprenticeships or sustained employment.



Source: **KS4 destination measures, DfE, 2018/19 (published 2020), 2020 SAP boundaries**

The latest GCSE and A level statistics show a clear contrast in attainment across the Combined Authority area. Cambridgeshire's GCSE average attainment score is 4 percentage points greater than the national average, whilst it's A level results are even stronger, 6 percentage points higher than England. **GCSE and A level results suggest a north-south divide in attainment outcomes.**[19]

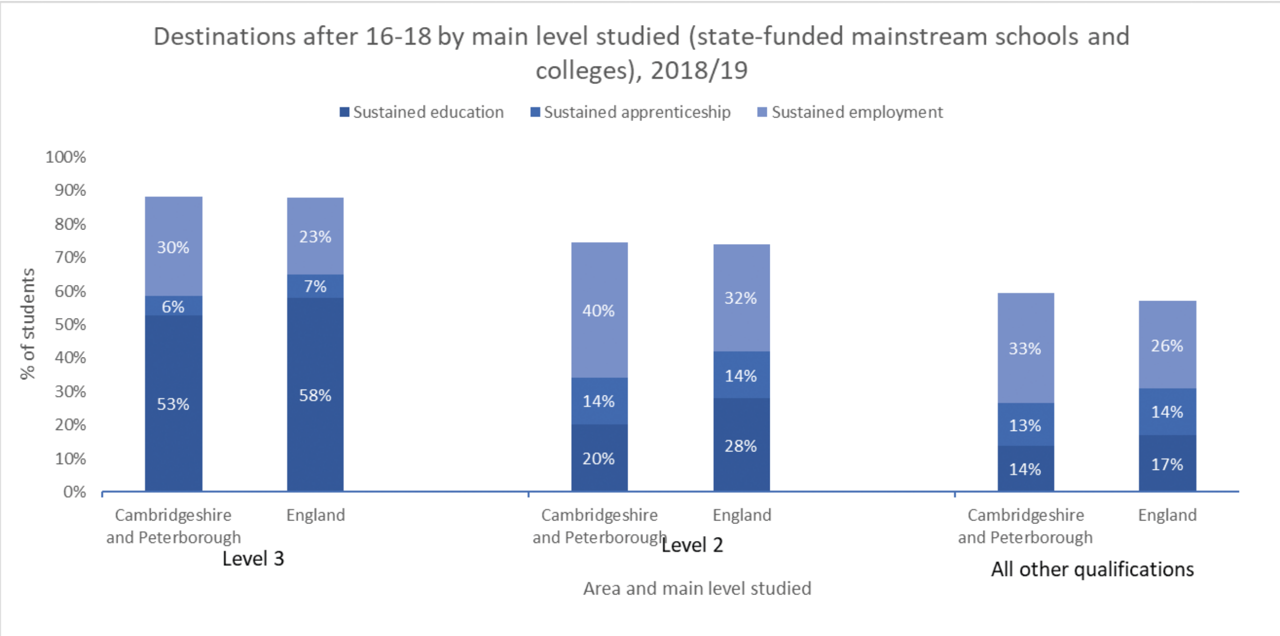
GCSEs and A levels are a key measure of educational attainment. GCSEs act as a key gateway to FE, whilst A levels offer an academic pathway to university and other forms of HE.

So, whilst the Combined Authority area has a higher proportion of young people moving into sustained education, attainment and destination data suggests variation across the SAP area **with Peterborough facing significant challenges, which may be hindering the employability prospects of its young people**.

[19] Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris.

Core Indicator 16: KS5 destinations:

In Cambridgeshire and Peterborough, a higher proportion of people aged 16-18 go into sustained employment after their studies at all qualification levels compared with nationally, however, slightly fewer go in to sustained apprenticeships. There are some differences evident across each qualification level. For Level 3 destinations, sustained education is the most common destination. However, compared with the national levels, 5% less go into sustained education (53%) and 1% less go on to sustained apprenticeships (6%).



Source: **16-18 Destinations Measures, DfE, 2018/19 (published 2020), 2020 SAP boundaries**

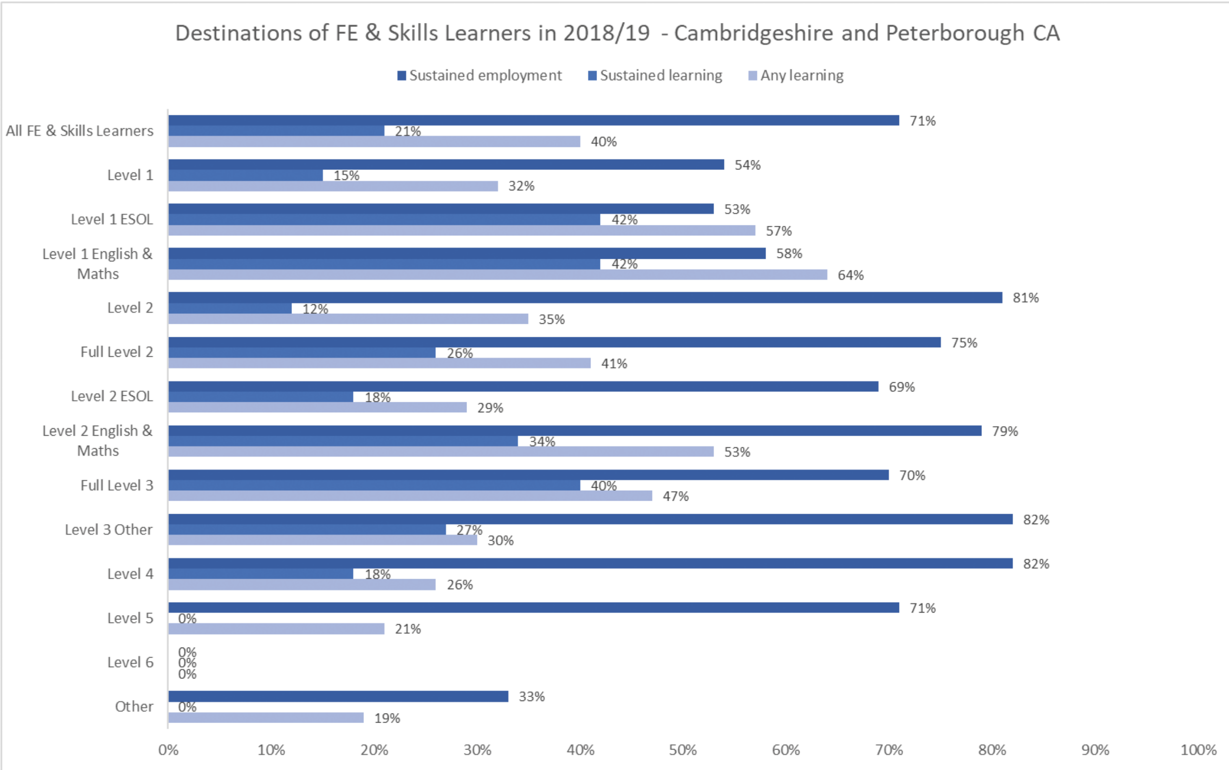
Across Cambridgeshire and Peterborough, proportionately more KS5 leavers go into employment than the national average. On the contrary, Level 2 leavers show different patterns with more variation in their destinations. The key differences can be seen in the lower proportions going into sustained education both locally and nationally, although 8% more carry on with education nationally than in Cambridgeshire and Peterborough overall.

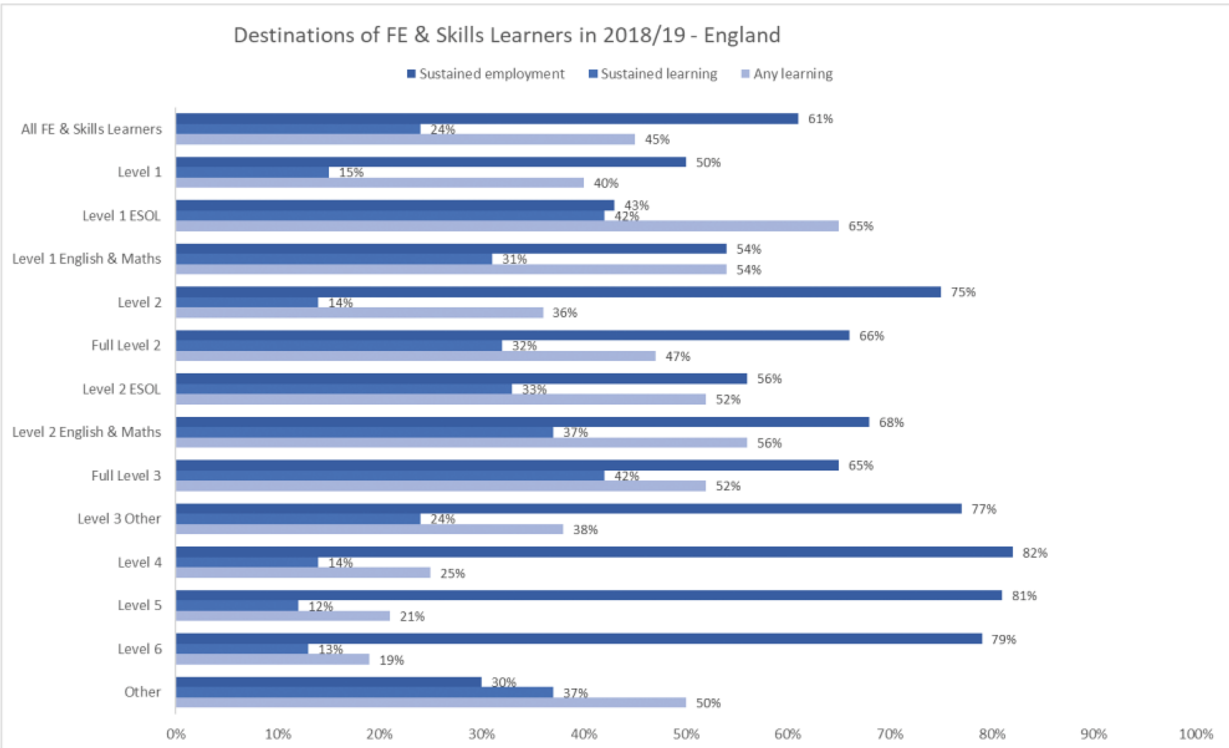
Sustained employment is the most common destination for level 2 leavers. Additionally, a higher proportion of level 2 leavers go on to do apprenticeships compared with level 3 leavers, although this is slightly less pronounced locally. Those with all other qualifications show similar patterns to those with level 2, with sustained employment being the most common destination and less leavers going into sustained education.

Core Indicator 17: Further Education and Skills Destinations

FE and skills destinations:

The most common destination for adult FE and skills learners is sustained employment in Cambridgeshire and Peterborough, and this is the case for all qualification levels. This is generally the case nationally as well, with the exception of some Entry level qualification achievers more commonly going into further learning rather than employment.

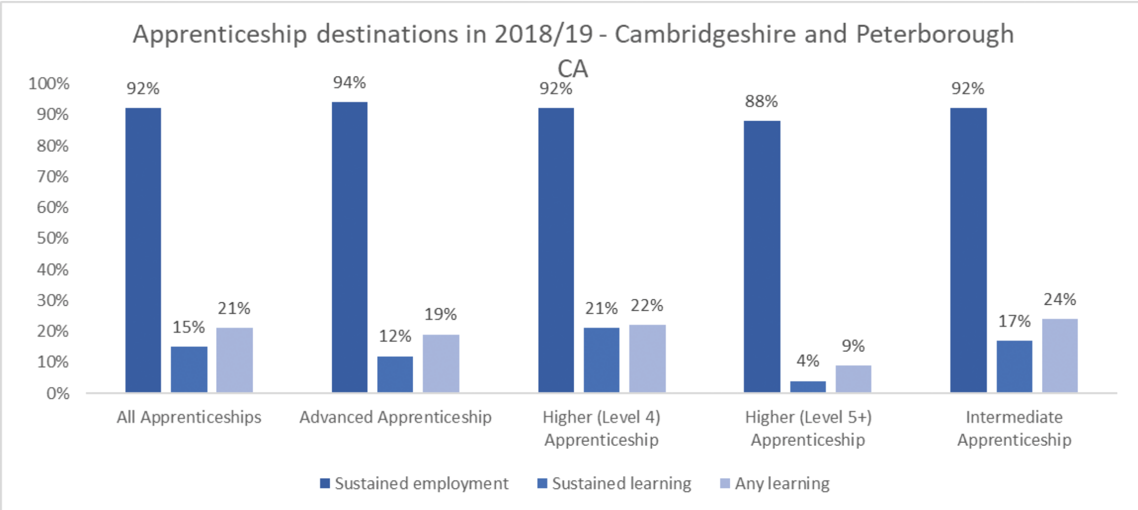


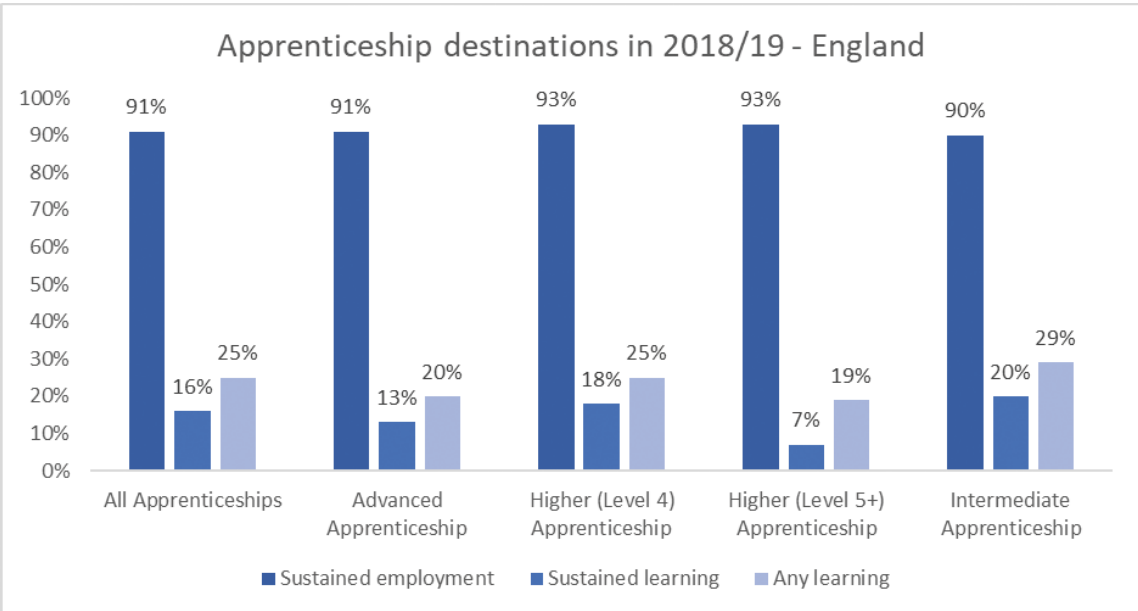


Source: **FE outcome based success measures, 2018/19 achievements, DfE, (published 2020), 2018 LEP/MCA boundaries**

Core Indicator 18: Apprenticeship destinations

The vast majority of those who complete apprenticeships go into sustained employment both locally and nationally, although higher proportions can be seen locally. **A pattern that can be seen both locally and nationally is that those who have completed higher level qualifications are less likely to go on into further learning and more likely to go into sustained employment**, with 94% of those who completed Advanced apprenticeships going into employment in Cambridgeshire and Peterborough. Inversely, those who have completely lower level qualifications are more likely to carry on with further learning, both locally and nationally.





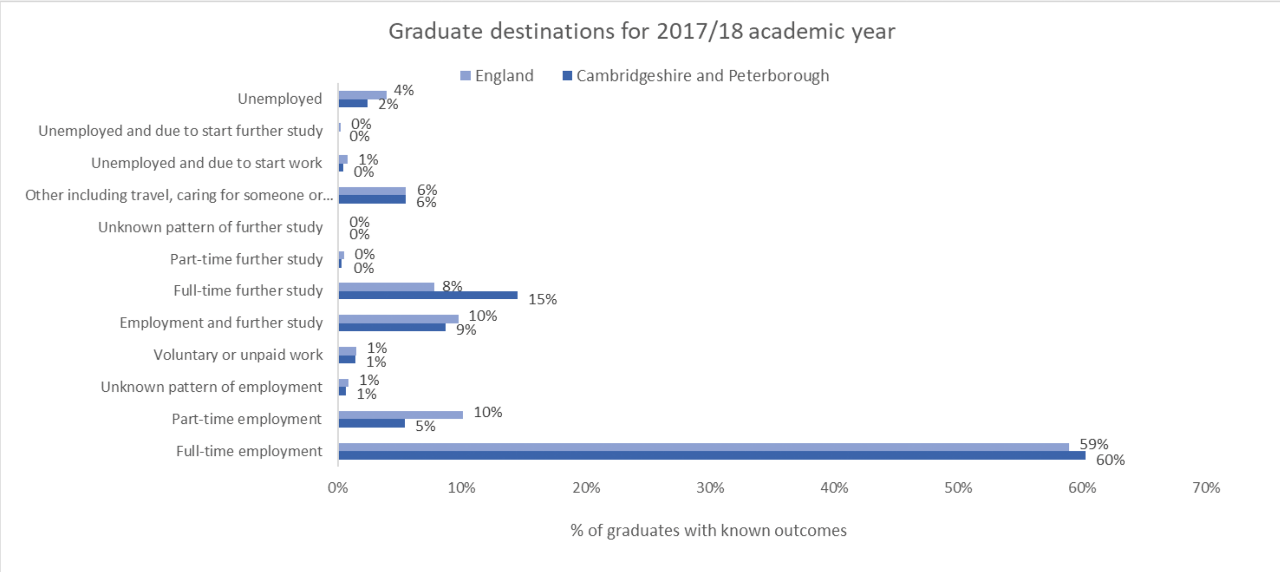
Source: **FE outcome based success measures, 2018/19 achievements, DfE, (published 2020), 2018 LEP/MCA boundaries**

Our previous evidence base report[20] highlights that a large proportion of apprenticeship starts have been in a small number of sectors. Business, Administration & Law apprenticeships have accounted for a large proportion, notably in Peterborough (35%), East Cambridgeshire and South Cambridgeshire (30% respectively). Whereas Fenland saw the greatest proportion of apprenticeship starts in Health Public Services & Care (34%) and Cambridge the largest proportion of Retail and Commercial Enterprise starts (25%).

[20] Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris

Core Indicator 19: Higher Education Graduate destinations

Graduate outcomes in Cambridgeshire and Peterborough portray a positive local picture when compared to national outcomes, with 1% more going into full time employment, 7% more going into full-time further study and 2% less becoming unemployed. Locally, the majority of graduates go into full-time employment, with under 1 in 4 going into further study or a combination of employment and further study, which is broadly similar to the national picture.



Source: **HESA, 2017/18 graduates (published 2020), 2020 SAP boundaries**

Data on salaries for HE providers in the Combined Authority area are available for Anglia Ruskin University and the University of Cambridge.[21] There are stark differences in the profile of Graduate earnings between these two providers. For Anglia Ruskin University, in the 2017/18 academic year, of those in paid employment 15 months after graduation, 10% were earning £17,999 or less per annum, 14% were earning in between £18,000 and £20,999, 45% were earning in between £21,000 and £26,999, 11% were earning between £27,000 and £29,999 and 19% were earning £30,000 or above.

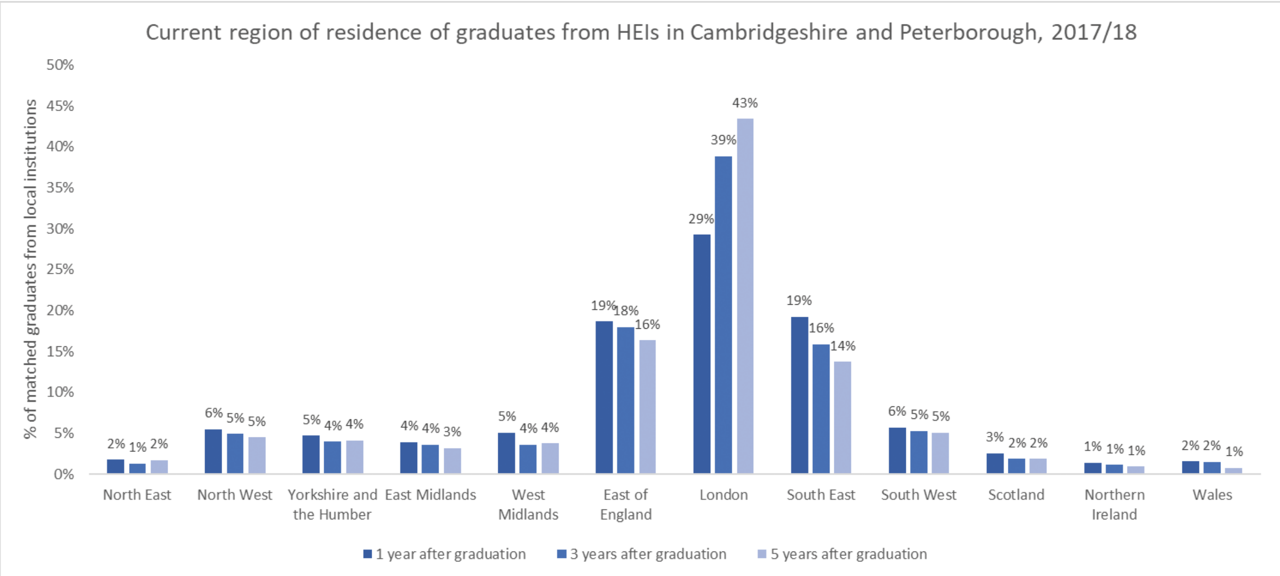
When we look at the same data for the University of Cambridge, a very different picture is portrayed. 4% were earning £17,999 or less, 4% were earning in between £18,000 and £20,999, 22% were earning in between £21,000 and £26,999, 15% were earning between £27,000 and £29,999 and 56% were earning £30,000 or above.

This clearly outlines the differences in the profile of earnings between the two institutions, and the types of occupations that graduates from each institution are entering.

[21] HESA, Graduate Salaries Experimental Statistics.

Core Indicator 20: Graduate retention

Most graduates from HEIs in Cambridgeshire and Peterborough move to London, with 43% living there 5 years after graduation, this will be influenced by the wider variety and number of employment opportunities available in the capital. However, the second highest proportion is East of England, with 16% remaining in the region 5 years after graduation. The South East also has high proportions of graduates from HEIs in Cambridgeshire and Peterborough, accounting for a similar amount. This highlights a clear North/South divide, with 68% residing in the South of the country 5 years after graduation.

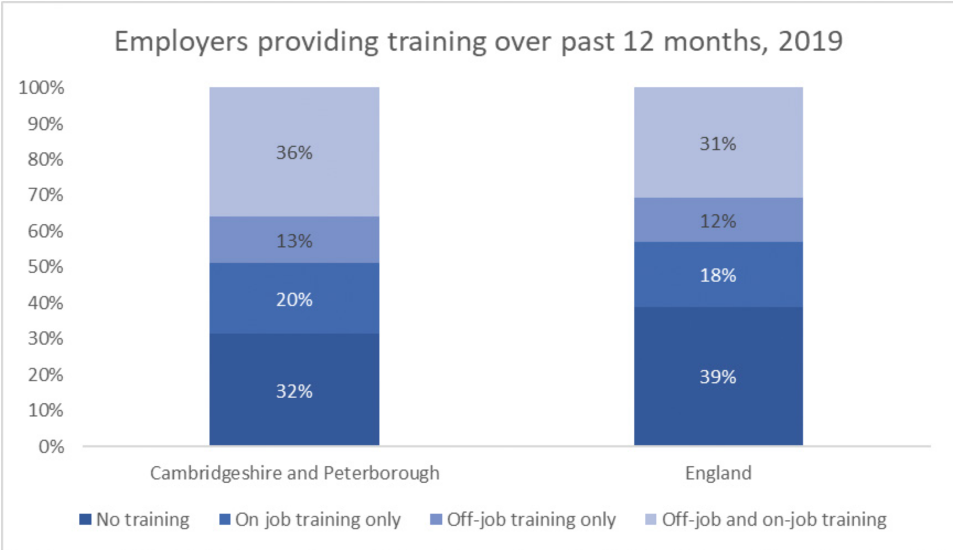


Source: **Graduate Outcomes in 2017/18, DfE, (published 2020), 2020 SAP boundaries**

Overall, this indicates that the majority of graduates from HEIs in Cambridgeshire and Peterborough move away from the area after completing their studies, representing a loss of skilled labour and economic capacity. However, as outlined in Chapter 5, the University of Peterborough aims improve HE participation locally, raising aspirations for young people and ensuring the curriculum meets the needs of the local employers, students and communities. **This will increase economic capacity and bring in more skilled labour into the area.**

Core Indicator 21: Employer provided training

More employers provide training locally than they do nationally, with 69% of employers providing some kind of training in Cambridgeshire and Peterborough compared with 61% of employers nationally. This is mostly accounted for within the both off-job and on-job training category, with 36% of employers providing this in the Combined Authority area.



Source: **Employer Skills Survey, 2019 (published 2020), 2019 LEP boundaries**

Our previous evidence base report[22] suggests that employers are investing in training to upskill staff and mitigate skills shortages. It found that **employers across the Combined Authority area appear to be more willing to offer training to employees, in order to address skills shortages and recruitment problems, than national benchmarks, with over 70% providing some kind of training.** There is also a greater propensity for firms to invest in on-the-job and online training versus England, although offsite training also plays a considerable role. **Variance between Cambridgeshire and Peterborough is minimal, with employers in the latter generally more likely to offer some form of training.**

[22] Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris

Skills Demand

Skills Demand – Summary

The current demand for skills across the Combined Authority area is **determined by its sectoral makeup and the types of businesses that are active within the area.** We can see this by looking at recent trends and how the shape of the Combined Authority's economy has evolved and is continuing to change. Our deep dive report analyses skills supply and demand within the context of our priority sectors.

Overall, there is significant occupational crossover between the Combined Authority's priority sectors. To an extent this is unsurprising given the priority sectors are knowledge-intensive sectors that draw on workers with common STEM skill sets, particularly related to digital technology, data analysis, research and industrial design.[23]

The key factors relating to skills demand across the Combined Authority are as follows:

While we have significant occupational crossover, some sectors require a distinct workforce.

- Across the priority sectors approximately 75% of occupations overlap with at least one other sector, however in Agri-Tech that number falls to 56%.
- Employers in the priority sectors are able to draw from a reasonably large pool of workers with skills and knowledge which are essential to the sector.
- Skills gaps in distinct sectors may be harder to fill through employees transferring from other sectors and applying a common skill set.
- The presence of skills gaps suggests that there may be more fundamental issues with the Combined Authority's education training ecosystem, as they show an imbalance between skills supply and demand.

Short-term demand is influenced by vacancies, and the weight of our growth sectors is evident. We know these have been impacted by COVID-19, and while they are starting to show signs of recovery, longer-term impacts are yet to be seen.

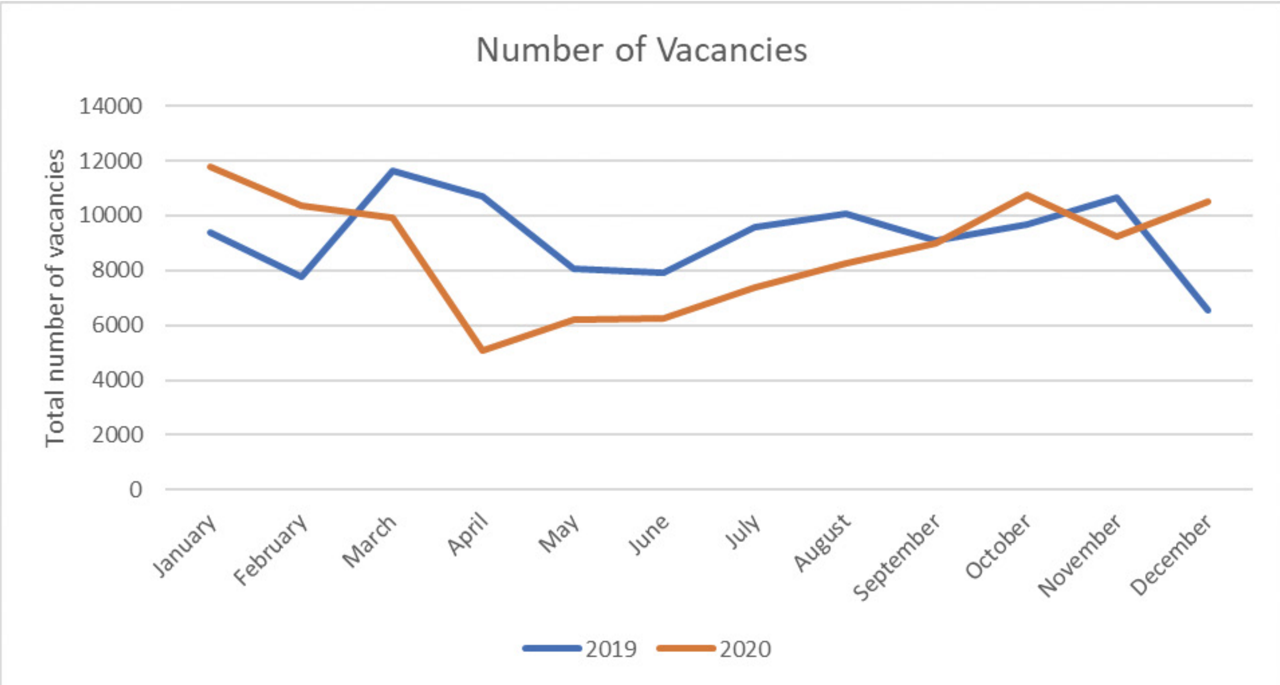
- There has been growth in more advanced IT and computing knowledge. The demand for these skills reflects the growth in our Digital and IT sector.
- Overall demand for occupations across the Combined Authority is projected across the high-low skills continuum.
- While vacancies have shown a short-term recovery, the longer-term impacts of the pandemic and how this has influenced the job market is still yet to be seen.

[23] Cambridgeshire and Peterborough Combined Authority Skills Supply and Demand Deep Dive, Metrodynamics, 2020.

Skills Demand – Core Indicators

Core Indicator 22: Online vacancies

Online vacancies in Cambridgeshire and Peterborough vary throughout the year, with peaks evident in March and April over the past 5 years, and the lowest number of vacancies seen around December. However, in 2020, the usual peak at the start of the financial year saw the lowest number of advertised vacancies in the last five years. **On average, there are around 10,800[24] vacancies each month in Cambridgeshire and Peterborough, but in April 2020 there were less than half this number, with just 5,074 vacancies advertised.** The onset of COVID-19, with the first national lockdown and various sectors furloughed resulted in a decline in the number of jobs advertised across the Combined Authority area.



Source: **Labour Insight (Burning Glass Technologies)** *(Number of Vacancies across Cambridgeshire and Peterborough in 2019-2020)*

However, since April 2020 online job postings across the Combined Authority area have been gradually recovering to the point where in October 2020 the number of vacancies advertised (10,800) returned to the average monthly level of vacancies across the Combined Authority area seen before COVID-19. This saw a slight dip in November 2020, with a recovery to just below average levels by December 2020 (10,500). Considering December has shown to be a low point for vacancies over the past five years, this indicates a strong recovery, with vacancies 60% higher than they were in December 2019. **However, it should be noted that the longer-term impacts of COVID-19 are still unknown, and while vacancies have shown a short-term recovery, the longer-term impacts of the pandemic and how these have influenced the job market are still yet to be seen.**

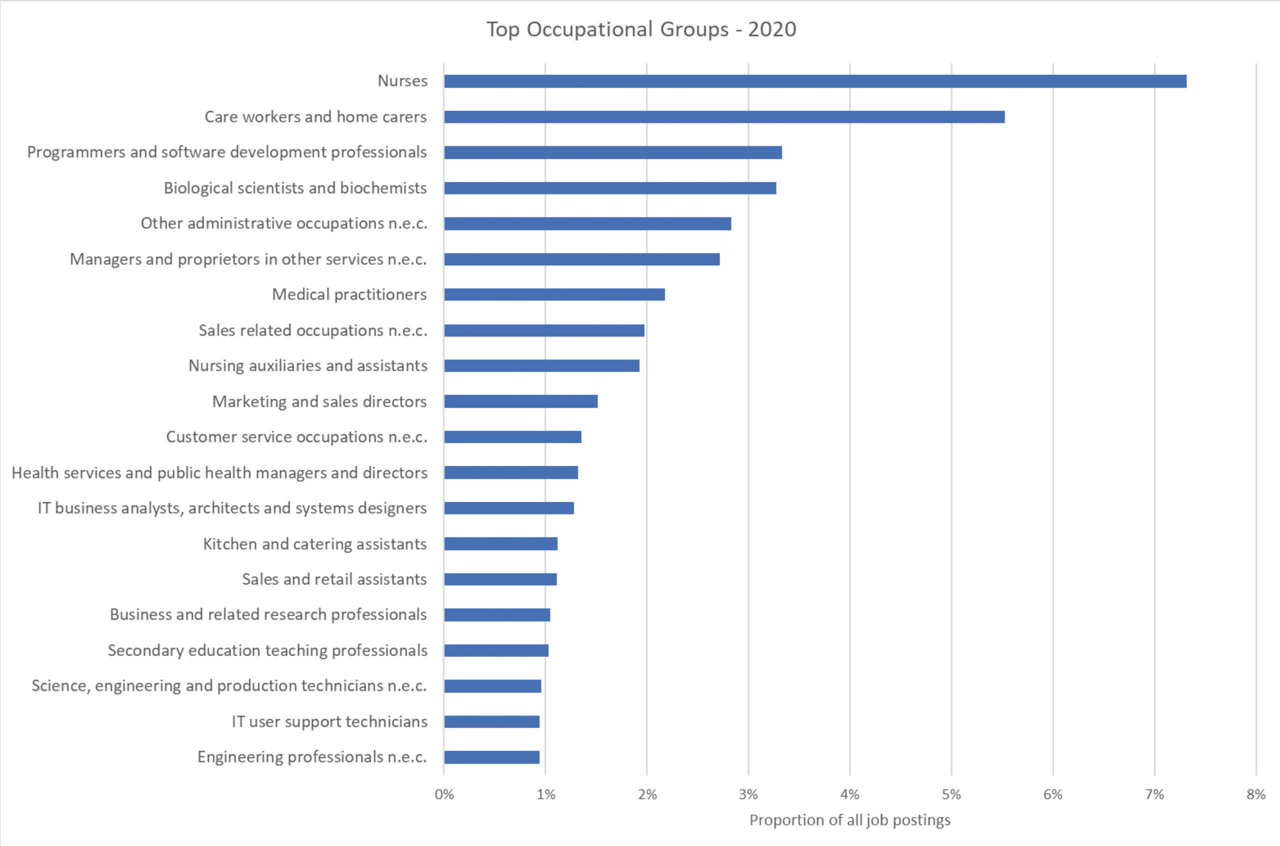
Similar patterns can be seen at a district level, with peaks and troughs evident at particular times of the year. By December 2020, all Cambridgeshire districts had recovered to pre-pandemic levels, with more vacancies than their five-year average. Cambridge and Peterborough only had slightly less vacancies compared to their monthly averages, (5,900 average compared with 6,500 in Cambridge in Dec 2020 and 2,200 average compared with 2,500 in Peterborough in Dec 2020).

The top two occupational groups across Cambridgeshire and Peterborough in 2020 were Nurses

[24] Average based on monthly vacancies from January 2016-December 2020.

and Care workers and home carers. This is likely influenced by the increased demand for health care workers due to the COVID-19 pandemic. However, nurses have been the top occupational group over the past five years, which highlights the constant demand for this occupation. Occupations from our growth sectors, such as programmers and software development professionals and Biological scientists and Biochemists still fall within our top 5 occupational groups despite the pandemic. **This highlights the demand from our IT and Digital and Life Sciences Sectors.**

There has also been a strong demand for Other administrative occupations although this has decreased in 2020 when compared to previous years.



Source: **Labour Insight (Burning Glass Technologies)** *(Top Occupational Groups by 4 Digit SOC Codes, across Cambridgeshire and Peterborough in 2020)*

The Combined Authority's recovery in online vacancies since April is driven by the health care sector and the education sector, which having experienced a dramatic decline in April, is returning to pre-pandemic levels of activity. **There has also been strong recovery in Professional, Scientific and Technical activities from a low of 200 in April to 500 in December, and there are also clear signs of recovery in other sectors including Manufacturing and the Wholesale and Retail Trade. Other sectors such as Construction, Financial and Insurance activities and transport are also indicating recovery with the number of vacancies in December 2020 above the five-year average**. For other sectors, however, online job posting activity remains largely subdued.

However, as previously stated, **we are yet to see the longer-term impacts of COVID-19.**

When considering the top skills in demand based on online vacancies, these **largely reflect the key priority sectors as outlined from the previous evidence base report[25]**, with similar skills

[25] Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris

featuring in the top 10 in greatest demand in the past five years. Teamwork and Collaboration; Communication; Research; Organisation; Customer Service; and knowledge of Microsoft Office packages have shown to be the skills in the greatest demand over the past 5 years. There has been **growth in more advanced IT and computing knowledge**, with the number of postings specifying a demand for Python increasing year on year. **The demand for these skills reflects the growth in our priority sectors**, with the demand for more sophisticated IT skills likely influenced by the growth in our Digital and IT sector.

The top 20 skills from February to October 2020 largely fall into four categories: health care, retail hospitality, or business administration or they are related to one of the Combined Authority's Priority Sectors. The analysis shows that 5 of the top 20 skills in demand across the Combined Authority area are related to Digital IT or to Life Sciences, which is an encouraging sign of those sectors' durability during COVID-19. Demand for retail hospitality skills (basic customer service and general sales) has been increasing as more retail businesses reopened over the summer and autumn though data does not yet account for the resurgence of COVID-19 at the end of 2020 and the implications of this for retail businesses.

Core Indicator 23: Growth Sectors and Occupations

The top five growth sectors identified in the below table from Working Futures 2017-2027 crossover with some of the areas identified in our evidence base report. The limitations with the below data on sectors and occupation growth should be noted as **these are at the previous Greater Cambridge and Greater Peterborough (GCGP) LEP geography. This covers a much larger geographical area than our Cambridgeshire and Peterborough SAP area, therefore the findings are not directly comparable.**

Greater Cambridge and Greater Peterborough	
Sectors with highest forecast growth (2017-2027)	**Sectors with lowest forecast growth (2017-2027)**
1) Health and social work	1) Agriculture
2) Water and sewerage	2) Rest of manufacturing
3) Arts and entertainment	3) Finance and insurance
4) Support services	4) Media
5) Professional services	5) Engineering

Source: **Working Futures, 2017-2027 (published 2020), 2017 LEP boundaries**

Please note these forecasts were produced prior to COVID-19.

As previously noted, the growth sectors identified in the previous Combined Authority evidence base report are:

- Agriculture and Food (Agri-tech)
- Life Sciences
- IT and Digital
- Manufacturing, Advanced Manufacturing and Materials
- Logistics and Distribution
- Education and Professional Services

However, even across broad local geographies, sectors identified within the previous evidence base report[26], such as Professional services, are outlined in the top 5 sectors with the highest growth. This highlights the crossover between the two geographies and the prominence of these sectors across the wider geographical area.

On the other hand, some of the Combined Authority's priority sectors have come up as the top 5 sectors with the lowest forecast growth, such as Agriculture and Manufacturing. Looking across the greater LEP geography portrays a different image to the findings from more localised analysis of the Combined Authority area.

Additional analysis on the impacts of COVID-19 on our top 5 growth sectors highlights important issues that need to be considered with emerging and changing trends in our economy and labour market.

Working Futures also identifies our occupations with the highest and lowest forecast growth, as noted these are at the GCGP LEP geography therefore comparisons to local intelligence available at the Combined Authority SAP geography are not straightforward.

Working Futures suggests the occupations with the highest forecast growth are in Caring personal service occupations; Health and social care professionals and associate professionals; customer service occupations; and corporate managers and directors. On the other hand, the occupations

[26] Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris.

with the lowest forecast growth are in secretarial and related occupations; process, plant and machine operatives; Skilled metal, electrical and electronic trades; Textiles, printing and other skilled trades; and administrative occupations.

Greater Cambridge and Greater Peterborough LEP	
Occupations with highest forecast growth (2017-2027)	**Occupations with lowest forecast growth (2017-2027)**
1) Caring personal service occupations	1) Secretarial and related occupations
2) Health and social care associate professionals	2) Process, plant and machine operatives
3) Health professionals	3) Skilled metal, electrical and electronic trades
4) Customer service occupations	4) Textiles, printing and other skilled trades
5) Corporate managers and directors	5) Administrative occupations

Source: **Working Futures, 2017-2027 (published 2020), 2017 LEP boundaries**

Please note these forecasts were produced prior to COVID-19

Occupations at the Combined Authority geography and how these align with occupational breakdowns nationally is outlined in the local landscape section at the beginning of Annex A. We identified that we have a higher proportion of people in Professional Occupations compared with nationally. We also outlined that this occupation was less affected by the impacts of COVID-19 and has shown the quickest recovery so far.

The previous evidence base report[27] found that **overall demand for occupations across the Combined Authority, is projected across the high-low skills continuum**. The largest demands are expected to come from Professional and Associate Professional and Technical occupations, which reflects a shift toward higher level employment. However, there will also be considerable demand for mid-lower level occupations, particularly in the Caring, Leisure, Other Services, and Elementary occupations.

The balance of future occupational demand is skewed towards the replacement of existing jobs. However, some mid-low skilled occupations are expected to benefit from the creation of new employment, reflected in expansion demand figures for Caring, Leisure and Other Services and Elementary occupations.

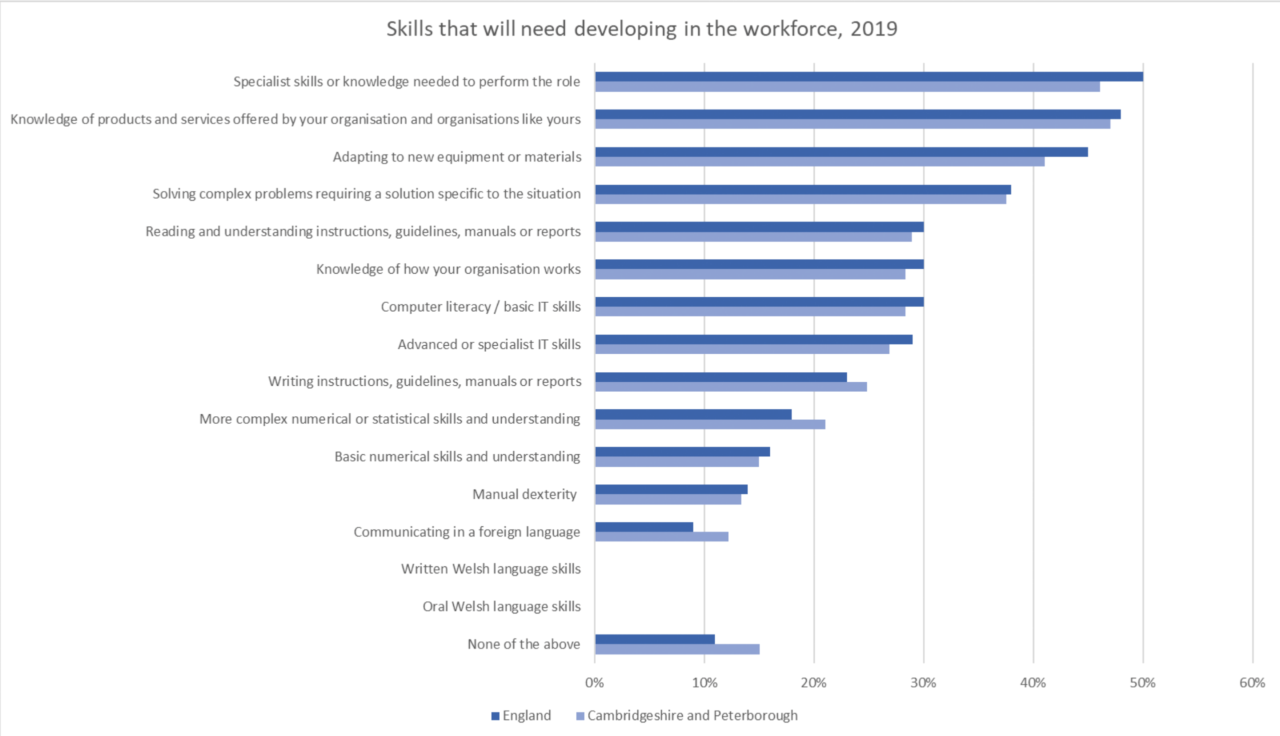
To further support this, the East of England Forecasting Model (EEFM)[28] forecasted occupational change across the Combined Authority area to show significant increases in the Management, Professional and Associate Professional Occupations and falling numbers of those working in Administrative and Skilled Trades Occupations.

[27] Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris
[28] East of England Forecasting Model. Available: **https://cambridgeshireinsight.org.uk/eefm/**

Core Indicator 24: Skills that need developing:

The most common skills that need developing relate to specialist knowledge for the role, organisation or equipment required, this is the case both locally and nationally, although less pronounced in Cambridgeshire and Peterborough.[29]

Some skill areas show a greater proportion locally compared with nationally, these are: Communicating in a foreign language; More complex numerical or statistical skills and understanding; and Writing instructions, guidelines, manuals and reports. All other skill areas have higher proportions that need developing in the workforce nationally.



Source: **Employers Skills Survey, 2019 (published 2020), 2019 LEP boundaries**

The previous evidence base report[30] published in 2018 outlined that **the presence of skills gaps suggests that there may be more fundamental issues with the Combined Authority's education training ecosystem, as they show an imbalance between skills supply and demand**. Reported data reinforces this view, as employers across the Combined Authority cited a number of impacts attributed to skills gaps.

The evidence further suggested that the impacts felt by local firms were broad and were likely to have commercial ramifications for employers. Across the Combined Authority area, the most common impacts were linked to an increase in workloads for staff, whilst skills gaps were also leading to higher operating costs, quality control issues and greater pressure from competitors. Peterborough firms appear to be less commercially affected by skills gaps, versus their Cambridgeshire counterparts, with over 50% of respondents reporting little to no negative impact.

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30 Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris

Mapping Skills Supply and Demand

Summary

Across previous indicators of this annex we have noted a variation in both supply and demand across different parts of the region, this introduces a challenge to match this demand with supply.

However, a cross-cutting strength for the Combined Authority area comes through the **devolved powers and budget responsibilities that come with being an MCA area**. **These powers give additional strength to be able to match local skills supply with demand.** This ability underpins our strategies outlined in chapters 4 and 5 of the main local skills report. The key points to note from the core indicators relating to mapping skills supply and demand are as follows:

These devolved powers help to facilitate targeted commissioning to meet the skills needs of our individual sub-economies and growth sectors. Existing local strategies are built around developing skills supply to meet the needs of local growth sectors.

Skills demands in some sectors may be harder to supply through employees transferring from other sectors and applying a common skill set.

- Agri-Tech which has lower levels of occupational crossover and demands a very specific skill set.
- There are a lower proportion of establishments with under-utilised staff compared with nationally. This will be influenced by the specific demands of our growth sectors, which have a unique demand for skills.
- Hard-to-fill vacancy challenges were most pronounced in Peterborough.

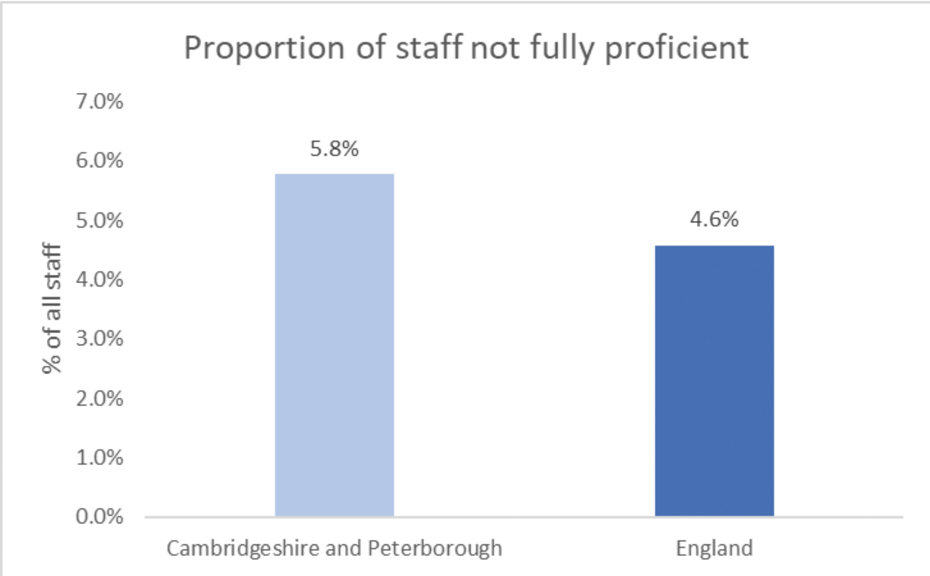
Contextual factors underpinned by our local landscape are key in understanding the challenges associated in matching skills supply to demand.

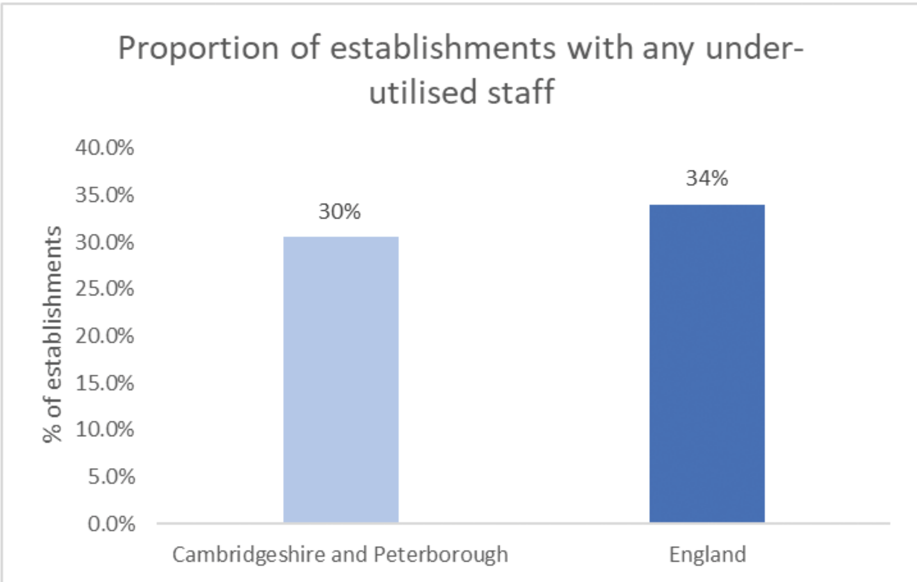
- As the local population continues to grow, the Combined Authority's workforce is getting older, this introduces some key questions around the demand for suitably skilled workers, who are able to meet the needs of existing skills demands and jobs on offer.
- The northern districts of the Combined Authority area exhibit the highest levels of relative deprivation in the Combined Authority area.
- Individuals living in areas with higher levels of deprivation are more likely to have poorer outcomes, have lower educational attainments and lower levels of skill. **This deprivation makes it harder to acquire the relevant skills needed for the jobs in demand, creating challenges with mapping skills supply to demand.**
- The Combined Authority area is defined by its rurality which can bring some local challenges surrounding travel to work in certain parts of the region.

Core Indicator 25: Staff Proficiency

Locally, there is a slightly higher proportion of staff who are considered ‘not fully proficient’ at 5.8% compared to nationally with 4.6%. Having higher proportions of staff who are not fully proficient introduces challenges for the area, **this could be influenced by some of the unique skills required in our growth sectors, such as Agri-Tech which has lower levels of occupational crossover and demands a very specific skill set**.

However, in Cambridgeshire and Peterborough there are a lower proportion of establishments with any under-utilised staff at 30%, compared with nationally where this is 34%. **This will be influenced by the specific demands of our growth sectors, which have a unique demand for skills.**

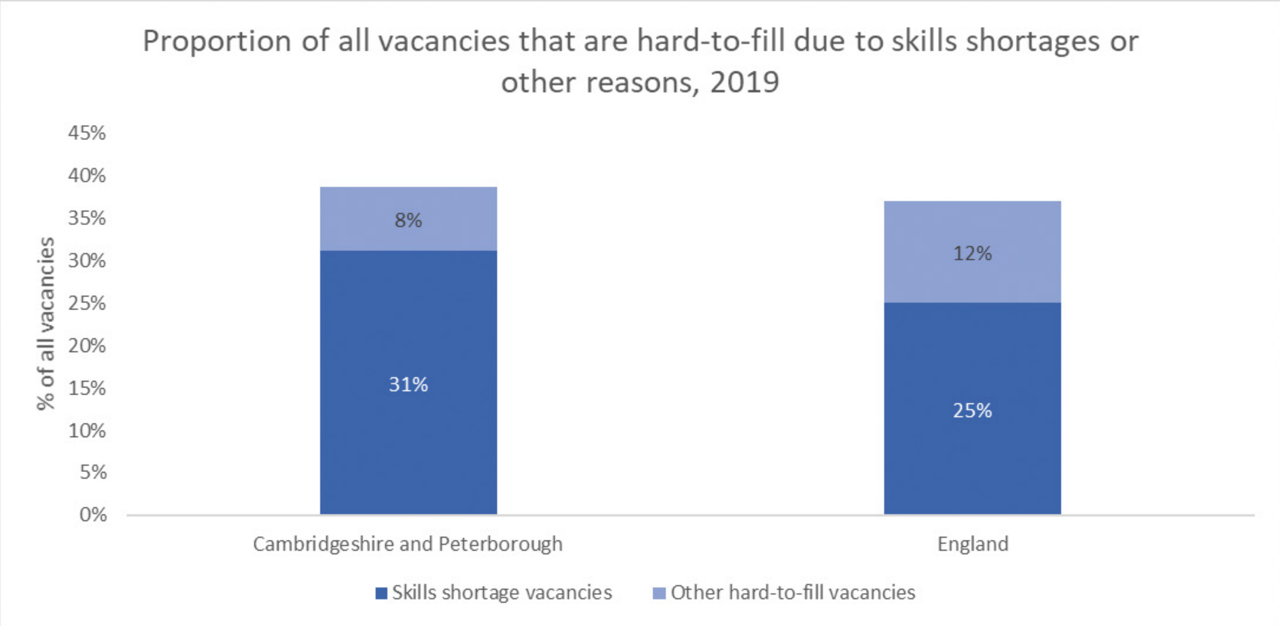




Source: **Employer Skills Survey, 2019 (published 2020), 2019 LEP boundaries**

Core Indicator 26: Hard-to-fill and skills shortage vacancies:

Overall, Cambridgeshire and Peterborough has higher proportions of skills shortage vacancies compared with nationally. Hard-to-fill or longer-term vacancies provide more concrete evidence of the challenges employers in certain sectors face when trying to recruit skilled labour. Therefore, they are a useful indicator of skills shortages and which sectors are most affected.



Source: **Employer Skills Survey, 2019 (published 2020), 2019 LEP boundaries**

Our previous evidence base report[31] identified the importance of looking at hard-to-fill vacancies at an occupational level, with a clear link to occupations evident**. It outlined that the highest proportion of hard-to-fill vacancies were at the elementary level, followed by skilled trades, administrative/clerical roles and associate professionals**. Hard-to-fill vacancy challenges were **most pronounced in Peterborough**, although Cambridgeshire had reported difficulties at both ends of the skills continuum (sales/customer service staff and professionals).

Additionally, the report found a clear link between reported skills shortages and vacancies, with similarities between the sectors that have the reported hard-to-fill job vacancies in Cambridgeshire. This includes the Education, Health & Social Work, Hotel & Restaurants and Construction sectors, where more than 10% of businesses reported a skills shortage issue. That said, there is also some variation in the results, with the Manufacturing and Transport & Storage businesses reporting the most acute skills shortage challenges. There remains an emphasis on lower-level skills shortages.

For Cambridgeshire and Peterborough overall, **the primary driver of hard-to-fill vacancies was low numbers of generally suitable applicants, with those lacking suitable skills also a challenge.** Unattractive employment contract terms and conditions were also cited as being a problem, which hints at issues beyond supply-demand mismatches.

[31] Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris

Annex B: COVID-19 Impact monitoring summary

COVID-19 has had a short-term impact on our local economic landscape and labour market. There has been a direct impact on Skills Supply and Skills Demand. While COVID-19 is not the focus of this Local Skills Report, these impacts cannot be ignored.

The following analysis outlines summary findings from monitoring series of key indicators relating to COVID-19 impacts, as outlined in the **Skills Advisory Panels Data Sources Repository**. These indicators provide an understanding into the immediate impacts of COVID-19 on the local economy and workforce and how these have been impacted throughout the pandemic. **These data sources will be imperative in monitoring the recovery of the local economy and beyond**.

The Cambridgeshire and Peterborough Skills Advisory Panel have used this repository to monitor these impacts monthly. The key sources[32] used are:

- Claimant count data from DWP
- Unemployment figures from the Annual Population Survey
- Government support scheme data: Coronavirus Job Retention Scheme (CJRS) and Self Employment Income Support Scheme (SEISS) from DWP
- Online Vacancy data from Burning Glass Technologies

Summary

Employment

A key impact, both locally and nationally, has been seen in the rise in benefit claimants. Local counts saw dramatic increases from March to May 2020, with **Cambridgeshire claimant count increasing by 161%. In Peterborough this increased by 102% in the same period, a slightly smaller increase compared to England overall (113%). Since then, claimant counts across the Combined Authority area have seen small decreases but remain at the highest level for the area since 1992**. In December 2020, there were 25,635 claimants across Cambridgeshire and Peterborough, representing 5% of residents aged 16-64, compared with 6% nationally.

More detailed claimant analysis indicates a noticeable **widening in claimant counts by age groups. This shows that younger people have been disproportionately impacted with those aged 16-24 having a higher proportion of residents claiming, except for in Cambridge, where the 25-49 age group has the highest proportions**. This suggests that people within these age groups may have been adversely affected by the impacts of COVID-19 locally.

When considering claimant count by gender, **the data highlights that in December 2020, there were higher proportions of males claiming compared to females, across every district within Cambridgeshire and across every age group.** This was more pronounced in certain areas, such as Peterborough, where 12% of males aged 16-24 were claiming, compared with 8% of females.

Unemployment data has also started to illustrate the impacts of the COVID-19 pandemic, despite this dataset not being as up to date as claimant count. **Up to the end of September 2020, Cambridgeshire reached its highest unemployment rate (3.5%), since the year ending December 2016, when it was 3.7%.**

[32] Full details on where these data sources are published is available in the **Reference List**

Unemployment rates in Peterborough remained higher compared to national rates, although saw a slight decline from the end of March 2020, from 6.6% to 5.7% at the end of September 2020. However, this is still above levels seen in previous years. At the same point in 2018, the unemployment rate in Peterborough was 5.3%. Therefore, repercussions of the pandemic are even more pronounced as unemployment rates have been in long-term decline, as shown within the core SAP indicators. **Nationally, the unemployment rate saw an increase in the last quarter, from 4% to 4.3%, after being stable over the last year**.

However, the impact of the **ongoing government support schemes** on Claimant count and Unemployment should be noted as these **will have helped in avoiding mass unemployment, although the long-term economic effects of this support ending remain unknown.**

Government Support

Data from the government support schemes has allowed us to monitor the number of employments furloughed across the Combined Authority and the total claims made to the Self Employment Income Support Scheme (SEISS) across the three waves of the scheme.

The Coronavirus Job Retention Scheme (CJRS) was announced by the Government on 20 March 2020 in order to support employers through the COVID-19 period. Employers were able to claim financial support up to 80% of salary, up to a maximum of £2,500 per month per employee.

In the first wave, 107,300 employments were furloughed across Cambridgeshire and Peterborough, representing 30% of employees, at the end of June 2020. Wave 2 saw reductions in furlough support as restrictions were eased and people returned to work. This wave saw 24,200 employments furloughed, representing 7% of employees, at the end of October 2020.

The latest available data from the third wave indicates that 51,800 employments were furloughed up to 31st January 2021, representing 14% of employees aged 16-64 across Cambridgeshire and Peterborough. This is less than England overall, where 17% were furloughed in the same period.

The Self-Employment Income Support Scheme provides support for self-employed individuals whose business has been adversely affected by COVID-19. From 13th May eligible self-employed individuals could claim a grant worth 80% of their average monthly trading profits, paid out in a single instalment covering three months' worth of profits, and capped at £7,500 in total.

In the first wave, 29,600 claims were made across Cambridgeshire and Peterborough, worth £91.9 million, at the end of July 2020. Wave 2 saw a slight reduction in claims, with 27,000 made up to the end of October 2020, to a value of £71.7million. **Data from the third wave so far indicates that 25,000 claims have been made up to 31st January 2021, to a total value of £67.8 million. The take up rate during the third wave has been slightly lower locally (63%) than it has nationally (65%).**

Demand

Finally, the number of online vacancies has also seen reductions due to COVID-19, with clear decreases in the number of online vacancies in 2020. The usual peak at the start of the financial year saw the lowest number of advertised vacancies in the last five years. On average, **there are around 10,800 vacancies each month in Cambridgeshire and Peterborough[33] but in April 2020 there were less than half this number, with just 5,074 vacancies advertised.** The onset

[33] Average based on monthly vacancies from January 2016-December 2020.

of COVID-19, with the first national lockdown and various sectors furloughed resulted in a decline in the number of jobs advertised across the Combined Authority area.

However, since April 2020 online job postings across the Combined Authority area have been gradually recovering to the point where in October 2020 the number of vacancies advertised (10,800) returned to the average monthly level of vacancies across the Combined Authority. This has fluctuated since then, with another decrease in November 2020, likely influenced by the second national lockdown. December 2020 indicated a recovery to just below average levels with 10,500 jobs advertised. Considering December has shown to be a low point for vacancies over the past five years, this indicates a strong recovery, with vacancies 60% higher than in December 2019. However, January 2021 indicated another decline, with 13% less vacancies compared to January 2020. This will have been influenced by the third national lockdown introduced on the 5th of January.

To understand the impacts of COVID-19 on occupations within the Combined Authority area, we use online job vacancies data to **explore how vacancies within the top occupations, as highlighted in Annex A (Core Indicator 2), have been affected throughout the pandemic.** This analysis highlighted all occupations showed decreases in vacancies from March to April 2020.

Professional occupations were not impacted as much as some other occupations, with only a 40% decrease in vacancies from March to April 2020. **This minimised the decrease in the number of vacancies overall, with Professional Occupations accounting for around a third of all vacancies in the last year.** Additionally, vacancies within Professional Occupations were also quick to recover, with the current number of vacancies (January 2021) only 7% below the same time last year.

However, certain occupations were more adversely affected than others. For instance, Caring, Leisure and Other service occupations saw the smallest decreases. This would be expected with increased demand for staff within this occupation, for instance, with the rise of hospital admissions related to COVID-19. In January 2021, vacancies in this occupation were 14% higher than they were in January 2020. On the contrary, Sales and Customer Service Occupations saw the most significant decreases from March to April 2020 (71% decrease) when compared to a pre- COVID-19 period. These can be attributed to the national lockdown and the closing of non-essential retail which will have reduced the demand for vacancies across the sector.

More detailed vacancies analysis is provided in the **Skills Demand section of Annex A.**

The continued monitoring of the above indicators will provide a better understanding of the position of the local economy and workforce, and how these change as restrictions are eased.

Annex B: Maps referenced within the main Local Skills Report

Maps **1** and **2** illustrate where further education courses are being delivered and where the learners who are undertaking these courses reside. This demonstrates that most FE courses are being delivered within Cambridge and Peterborough, with some higher concentrations evident near the market towns, notably Huntingdon and Ely. This reflects the fact that the Cambridgeshire and Peterborough population is highly concentrated within these areas.

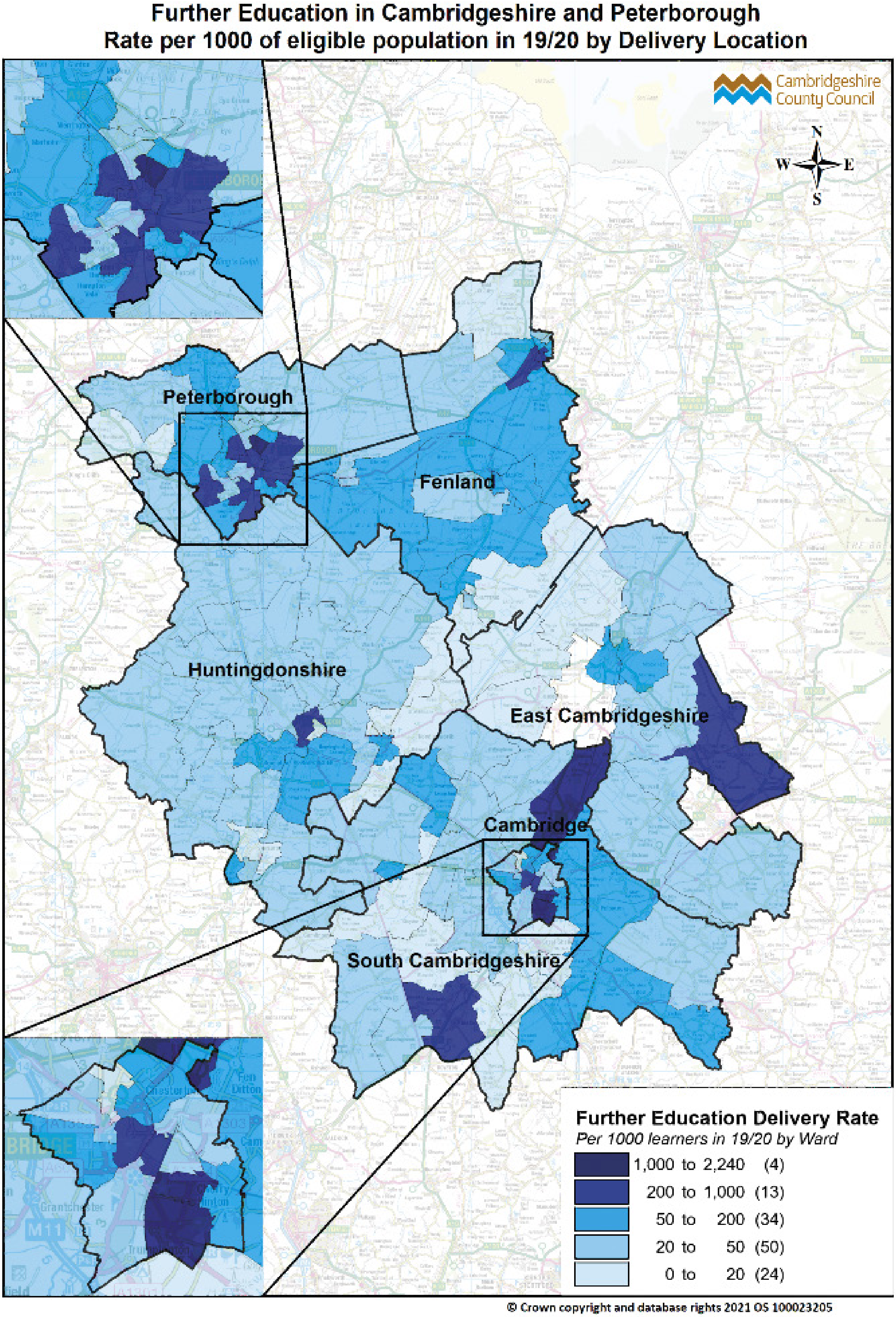
However, looking at learner residence highlights more dispersal within the Combined Authority, although the areas with the highest rates of learners are found within Peterborough and some Cambridge wards, likely influenced by population density. Wards outside of city areas which have high concentrations of learners are found in more rural areas of Fenland and South Cambridgeshire. Overall, this indicates that learners are mostly travelling from more rural areas and market towns to study in our cities.

Maps **3** and **4** display the count of enrolments by delivery location and count of learners by home location at the Middle Super Output Area (MSOA) level.

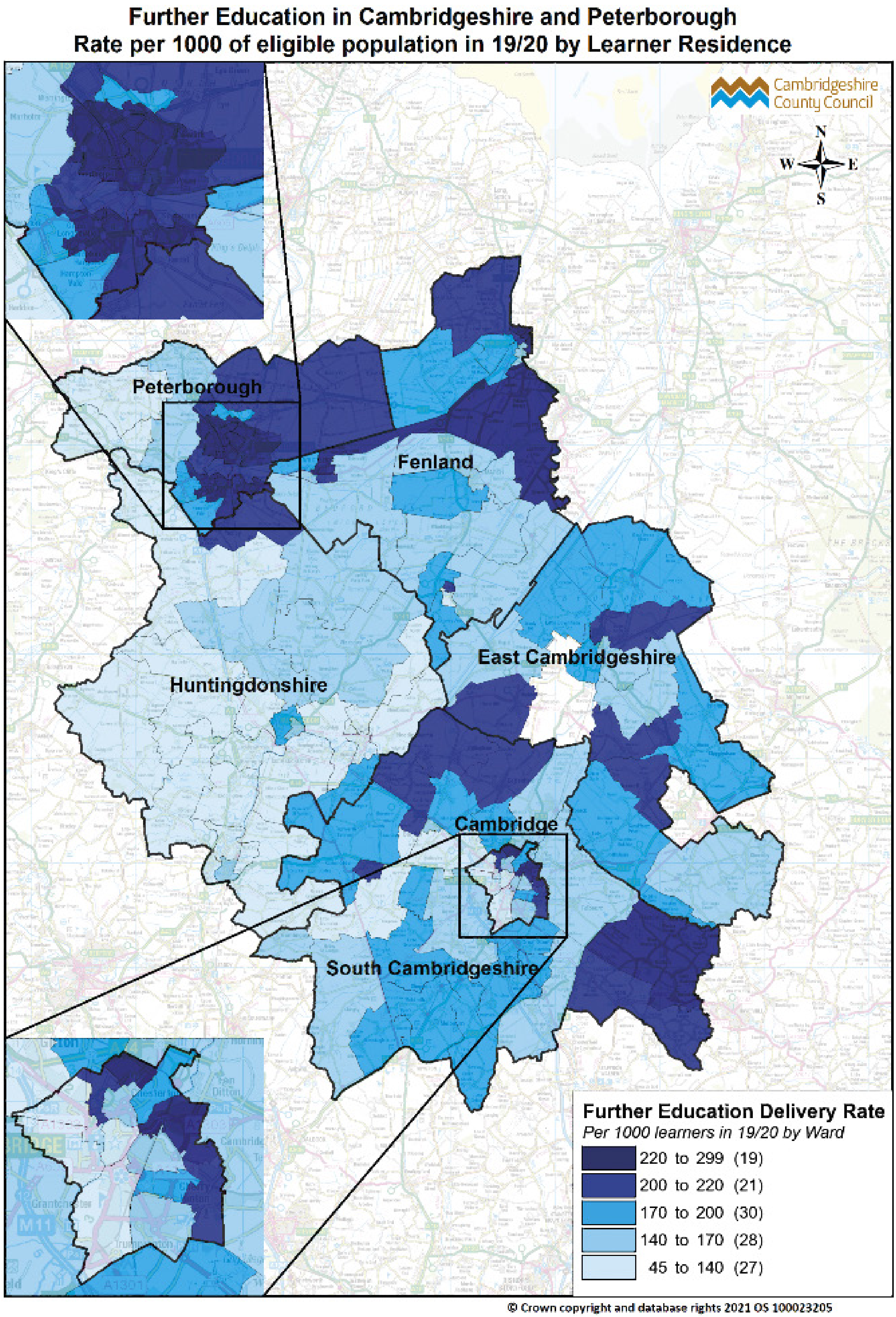
Comparison between these maps illustrates that learners are more evenly distributed across the Combined Authority area compared to delivery, which is more concentrated in a few hotspots around Peterborough, Cambridge, and the East Cambridgeshire and Fenland market towns of Ely, Littleport, Wisbech Chatteris and March. Learners are also concentrated in the Cambridge, Peterborough, Fenland and northern part of East Cambridgeshire with cold spots for learners in the South and West of the region.

Map **5** outlines Adult Education Providers within the Combined Authority and those which provide courses for our residents.

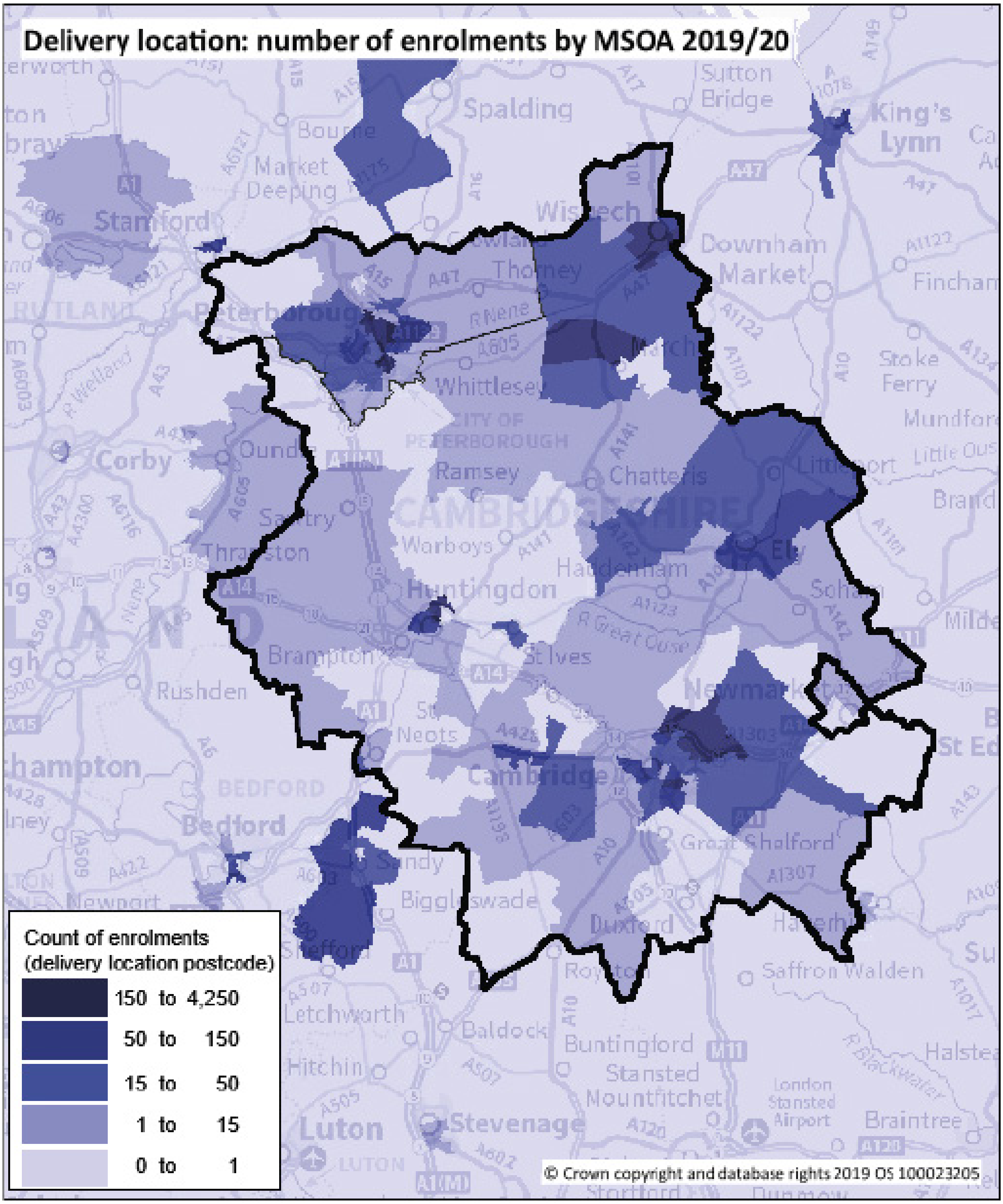
Annex B: Map 1, Further Education in Cambridgeshire and Peterborough: Rate per 1000 of eligible population in the 2019/20 academic year by Delivery Location



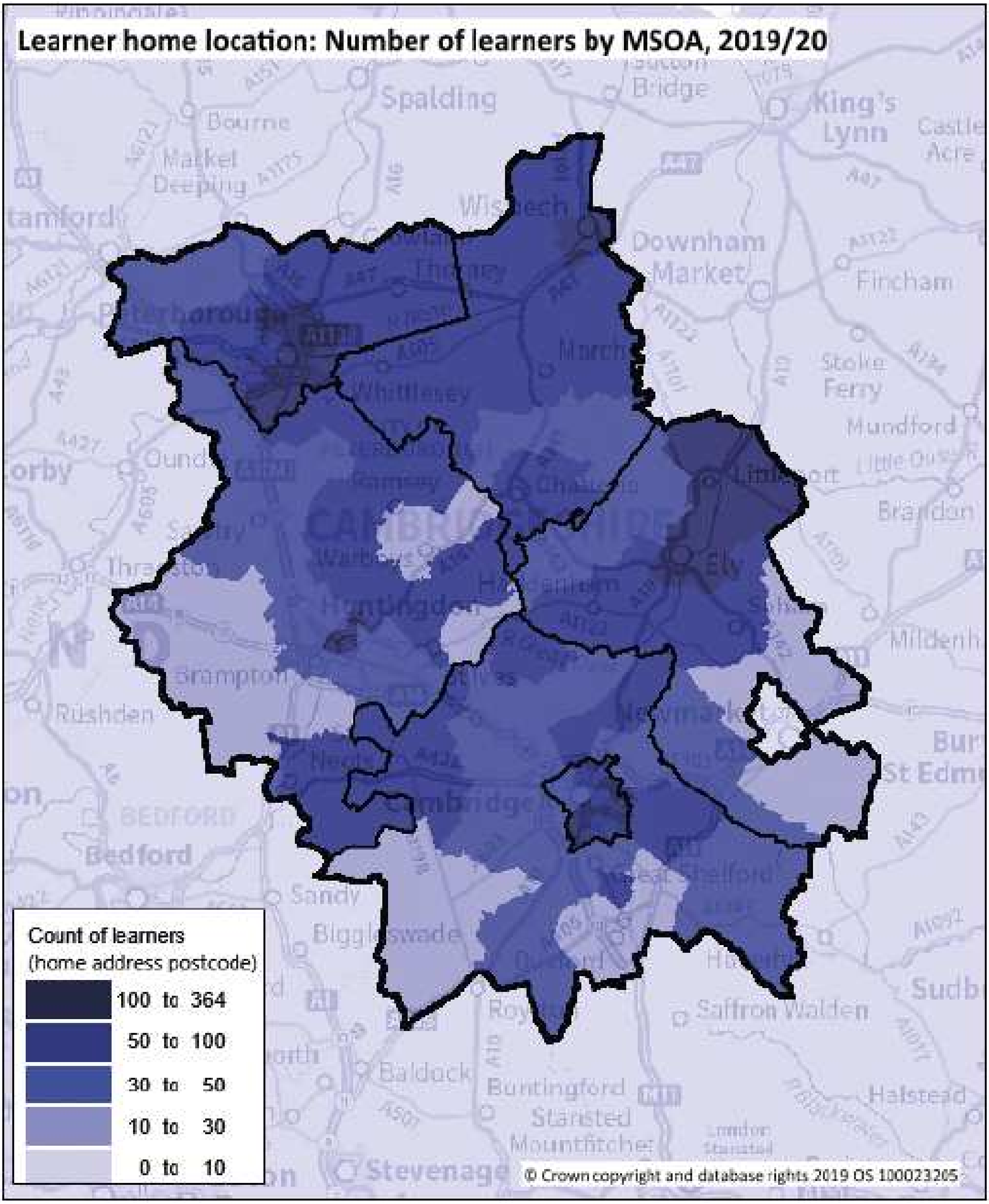
Annex B: Map 2, Further Education in Cambridgeshire and Peterborough: Rate per 1000 of eligible population in the 2019/20 academic year by Learner Residence



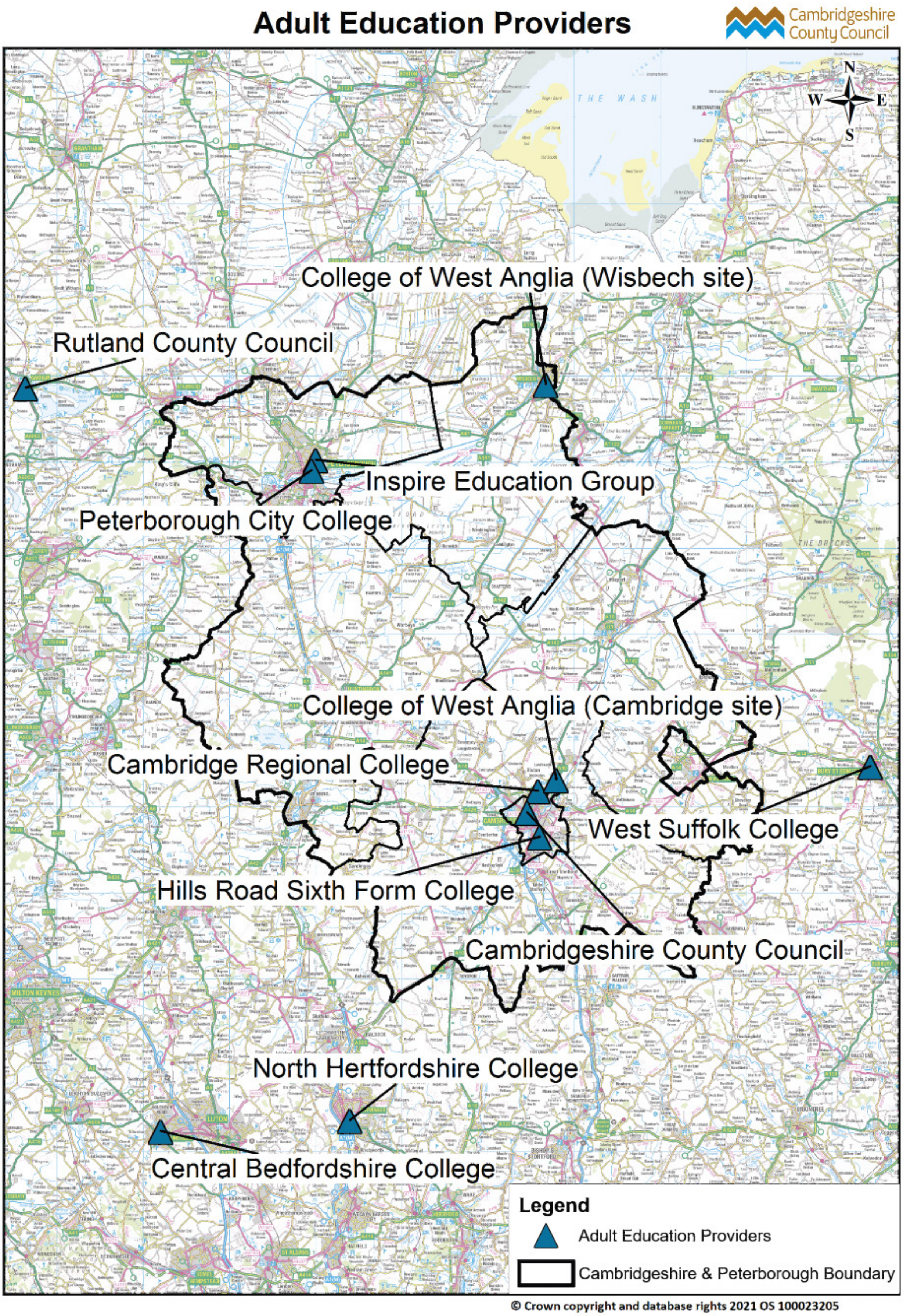
Annex B: Map 3, Adult Education in Cambridgeshire and Peterborough. Delivery Location: number of enrolments by MSOA in 2019/20



Annex B: Map 4, Adult Education in Cambridgeshire and Peterborough. Learner Residence: number of learners by MSOA in 2019/20



Annex B: Map 5, Adult Education Providers in Cambridgeshire and Peterborough



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