Cambridgeshire and Peterborough Employment and Skills Board: Covid Impacts

October 2020

Introduction

This slide deck is designed to:

- Build on the previous discussion at the August 'Covid' catch up and injection of insight from Metrodynamics report. Specifically:
  - ➢ focus in the local datasets discussed at previous meeting- notably local job opening, claimants and HR1 submissions.
  - ➢ present data on some of the specific questions of the board such as the impact of Covid-19 on skills demand within job postings and our most deprived communities.

- Stimulate conversation amongst the board about what we don't know locally and what we need to know to understand the medium and long term impacts of Covid-19 on employment and skills in the Cambridgeshire and Peterborough area.

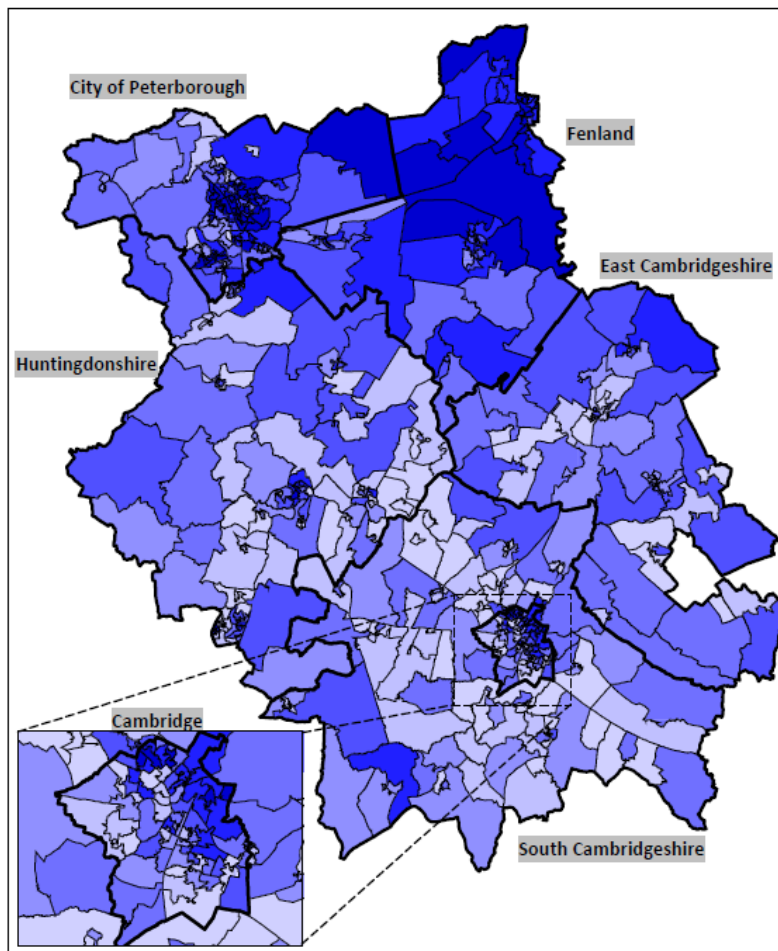CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY | JAMES PALMER CAMBRIDGESHIRE & PETERBOROUGH MAYOR
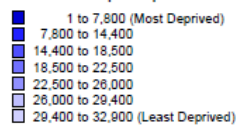
Place

Key Question 1:

Have any areas been adversely affected by Covid-19 and what has been the impact on our most deprived areas?

2019 Index of Muliple Deprivation for LSOA in Cambridgeshire and Peterborough

City of Peterborough

Fenland

East Cambridgeshire

Huntingdonshire

Cambridge

South Cambridgeshire

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Index of Multiple Deprivation Rank for LSOA

- 1 to 7,800 (Most Deprived)
- 7,800 to 14,400
- 14,400 to 18,500
- 18,500 to 22,500
- 22,500 to 26,000
- 26,000 to 29,400
- 29,400 to 32,900 (Least Deprived)

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Impacts on the labour market

- The supplementary data outputs shared with board (Metrodynamics covid report, monthly claimants and job postings overview) **show variance in impact across different parts of Cambridgeshire and Peterborough.**

- South Cambridgeshire has seen the largest percentage increase (+226%) of claimants in between March - August 2020. Despite this, it has one of the lowest proportion of residents aged 16-64 claiming (3.9%).

- Peterborough has seen the largest actual number of claimants between March - August 2020 (+5,055). It also has the highest proportion of residents claiming (8%), which is above the national average of 6%.

- New claimants of UC and JSA across Cambridgeshire and Peterborough have risen in all age groups, although those aged 25-49 have seen an increase in new claims, with **East Cambridgeshire and Fenland having the highest proportion of young JSA claimants** (Metrodynamics).

- Comparing September 2020 to the same point last year, against a -1% decrease across the Cambridgeshire and Peterborough area as a whole and a -1% decrease UK wide:
    - **Cambridge City was the only district to have less job postings** than at the same point in 2019 with an -8% reduction.
    - **East Cambridgeshire had the highest percentage increase in postings at 32%**

Rate of claimants in August 2019 by IMD ranking for Cambridgeshire and Peterborough LSOA's

Rate of claimants in August 2020 by IMD ranking for Cambridgeshire and Peterborough LSOA's
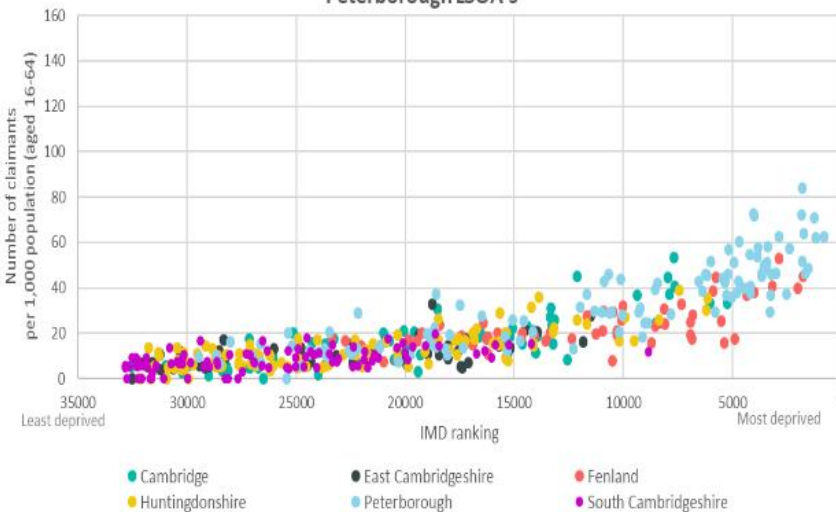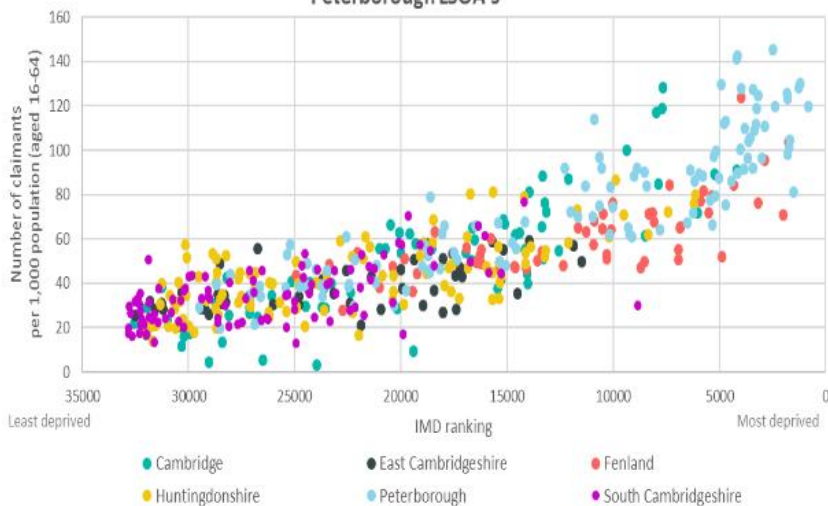
- The English indices of deprivation measure relative deprivation in small areas in England called lower-layer super output areas (LSOA). The index of multiple deprivation (IMD) is the most widely used of these indices.

- Each point on the charts to the left and in the next slide represent an LSOA, or a geographical area with around 1,500 people in it.

- These are positioned based on the claimant rate in that LSOA on the Y axis, and their 2019 IMD ranking, indicating how deprived that area is, on the X axis.

- All areas, even those that are least deprived, have been affected by the impacts of COVID-19 and have seen increases in claims for UC and JSA. **While some of the most deprived areas, notably in Fenland and Peterborough had high claimant rates in August 2019, they are now showing rates over 100 claims per 1,000 people, in other words, 1 in 10.**
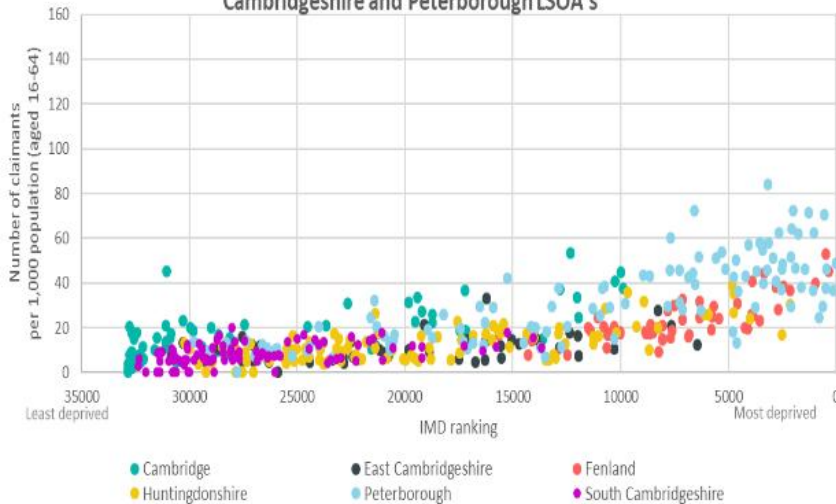
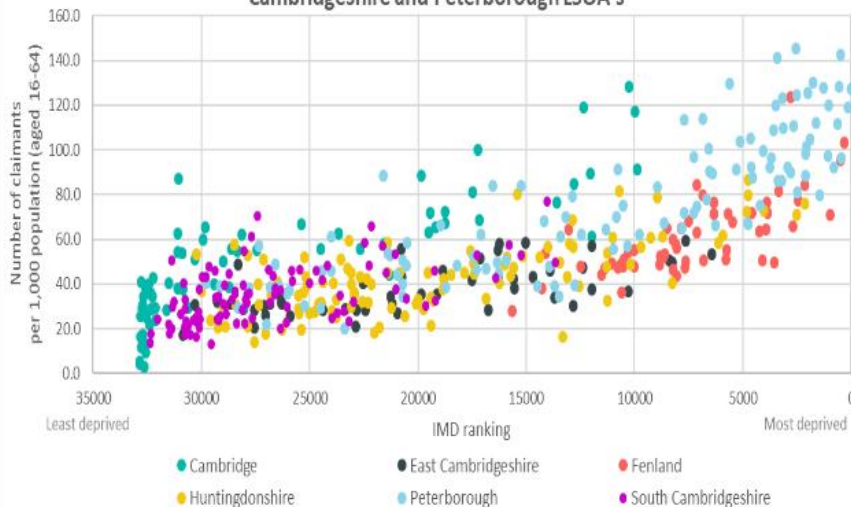Rate of claimants in August 2019 by IMD Adult Skills domain ranking for Cambridgeshire and Peterborough LSOA's

Rate of claimants in August 2020 by IMD Adult Skills domain ranking for Cambridgeshire and Peterborough LSOA's

- Similar to the previous slide, these charts highlight claimant counts against a measure of IMD, for this analysis, Adult Skills Domain.

- Adult Skills Domain measures the lack of qualifications in the resident working-age adult population.

- This data indicates a similar pattern of change from August 2019 to August 2020, with no areas immune to the impacts of COVID-19.

- Some areas within Cambridge have suffered disproportionately, notably areas within Abbey, Arbury and Kings Hedges.

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CAMBRIDGESHIRE & PETERBOROUGH MAYOR

People

Key Question 2:

Are there specific groups that are more likely to be impacted?

Two groups looked at:

1. individuals entering the labour market

2. individuals with lower skills

(1) those entering the Labour Market

Evidence from previous recessions has shown that young people who have just left full-time education are hit harder than other age groups.

Historically, DfE data shows 86% of 16-17 year olds in Cambridgeshire and 85% in Peterborough stay in full time education and training after secondary education. This is in line with the national average of 85%.

Of the 15% leaving the full time school system after secondary education (approximately 2,500 16-17 year olds):

- 3-4% go on to undertake apprenticeships

- Up to 2% go into work based learning

- 1% are in employment combined with some kind of studying

- Up to 1% go into part time education

- 3% are recorded as not in education, employment or training.

- A small proportion (up to 4%) are unknown to the Local Authority/not included in the data.

> It is likely to be those 16-17 year olds (approximately 1,200) in apprenticeships, work based learning or employment combined with studying most impacted by covid 19 measures.

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(1) those entering the Labour Market

The Resolution Foundation: Class of 2020 predicts unemployment rise in 18-24 years and employment rates for graduates entering the labour market at around 13% lower than previously seen.

This is against a historic backdrop of a rise in the proportion of 18-24 year olds in full time employment nationally. This picture has generally been mirrored across Cambridgeshire districts with the except of Huntingdonshire and Peterborough which have seen an overall decline in the proportion of 18-24 year olds in full time employment.

Proportion of 18-24 year olds in full time employment (%)

	2010	2019	Percentage change
Cambridge	57	74	+17
East Cambridgeshire	65	78	+13
Fenland	51	61	+11
Huntingdonshire	65	54	-12
Peterborough	61	53	-8
South Cambridgeshire	63	69	+6
England	57	62	+5

Pre-Covid data suggests that Cambridge and East Cambridgeshire could be most impacted with 74% and 78% of 18-24 year olds in full time employment.

HESA, June 2020 data suggests that 89% of students from UK Universities were in employment or further study 15 months after graduating* with a drop of 13%, up to a quarter of students could face difficulties looking for opportunities after graduating.

*Students who graduated in the 2017/18 academic year and responded to the Graduate Outcomes Survey in June 2020.
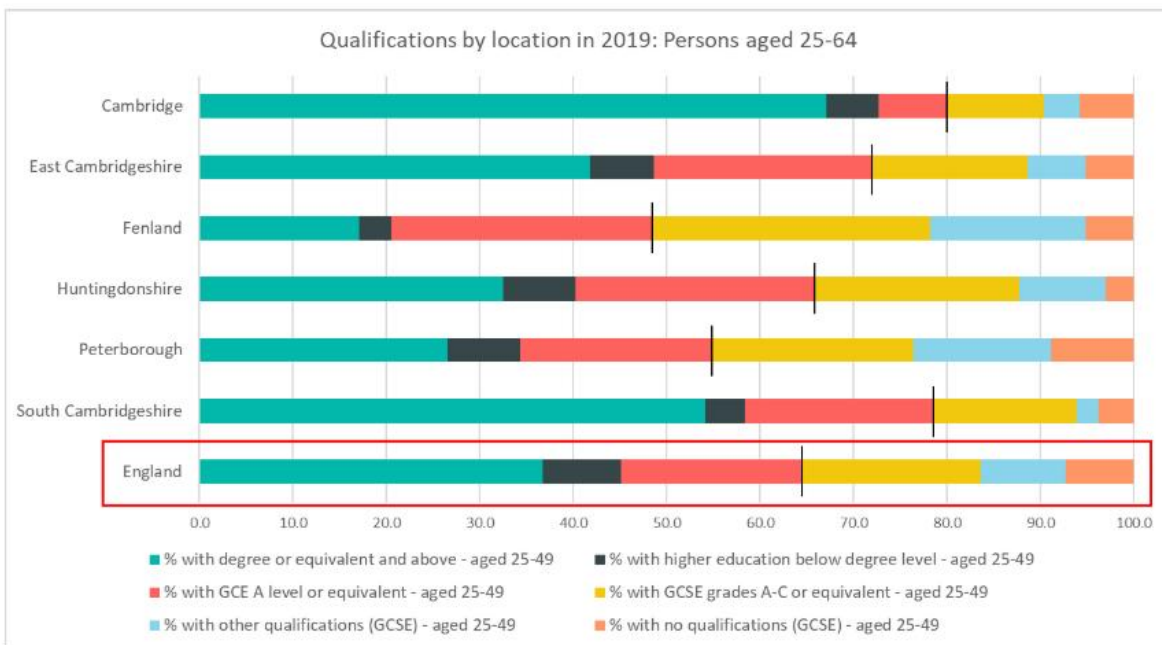
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(2) those with lower skills

The Resolution Foundation report predicts that the employment rate for lower skilled workers' could fall by as much as 37%.

Pre-Covid 2019 data showed that just over a third (34%) of residents in Cambridgeshire and Peterborough aged 25-64 have lower skill levels*. This is lower than the national average of 36% of residents aged 25-64.

Qualifications by location in 2019: Persons aged 25-64

Legend:
- ■ % with degree or equivalent and above - aged 25-49
- ■ % with higher education below degree level - aged 25-49
- ■ % with GCE A level or equivalent - aged 25-49
- ■ % with GCSE grades A-C or equivalent - aged 25-49
- ■ % with other qualifications (GCSE) - aged 25-49
- ■ % with no qualifications (GCSE) - aged 25-49

As the chart highlights, residents in Peterborough and Fenland are more likely to have lower skill levels and therefore could see higher employment rate falls than other districts. Further, both Fenland (71%) and Peterborough (79%) pre-covid (March 2020) have the lowest employment rates in the CPCA area and both are lower than the national of 81%.

*For the purpose of this analysis, we have taken 'lower skills' as those with level 2 (GCSE grade A-C or equivalent) or below.

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Sectors

Key Question 3:

Do we know anything more about specific sector impacts from the last meeting and the local redundancies that will affect the short and medium term labour market?

HR1: Potential redundancies by employment sector in Cambridgeshire & Peterborough June–August 20

Redacted side:

The slide summarises counts of intended redundancies made to the Insolvency Service via the submission of HR1 forms between June and August 2020

 The raw data has been supplied to support local Skills Advisory Panels (Employment and Skills Board) and the source data has been supplied to each SAP executive team to support their analysis and recovery planning as a result of Covid-19 and broader economic change.

 The source data is not to be used in any external publication by the MCA so this slide has been redacted on publication..

HR1- Potential redundancies by employment sector June–August, Cambridgeshire and Peterborough

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Key Question 4:

So if certain sectors are going to be affected, what does that mean for local skills demand and how will we know what that demand is?

Understanding the skills demand within a 'Covid context'

Specialist Skills

- In Cambridgeshire and Peterborough overall, **Teamwork and Collaboration has been the most sought after skill since 2018, which has seen increased demand in the last two years.**

- **Teaching has seen a rise in demand in the latest year. Customer service has seen a reduction in demand.** These changes are likely to be influenced by the COVID-19 lockdown with more remote learning and increased online retail activity.

Top 10 Specialist skills in demand by job postings in Cambridgeshire and Peterborough: 2018-2020

Legend: ■ Apr-Aug 20 % of postings ■ Apr-Aug 19 % of postings ■ Apr-Aug 18 % of postings
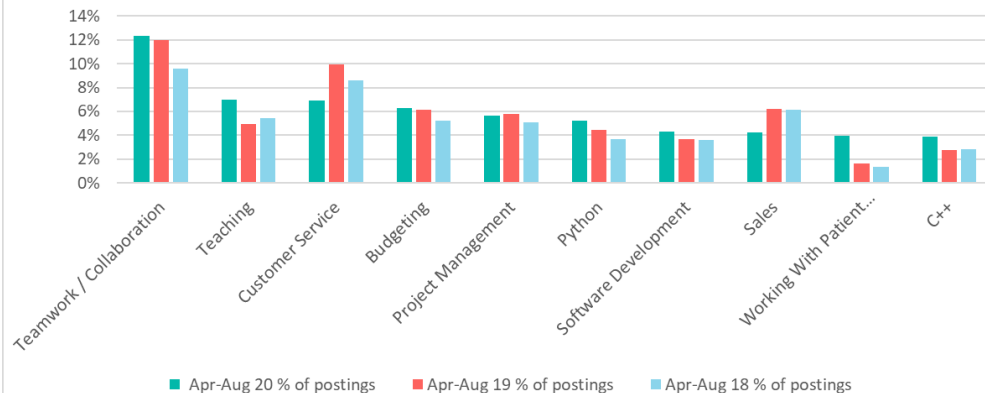
At a district level, Cambridge shows the most variation in skills demand, with **skills in Project Management and Python being driven by demand in Cambridge.**

The other Cambridgeshire districts and Peterborough have seen a heightened demand for 'working with patients' during the pandemic.

Understanding the skills demand within a 'Covid context'

'Soft' Skills

- For 'Soft' skills, **communication is the most in demand skill across Cambridgeshire and Peterborough**. This has decreased in 2020 however, which could be due to the increase in remote working.

Top 10 'Soft' skills in demand by job postings in Cambridgeshire and Peterborough: 2018-2020
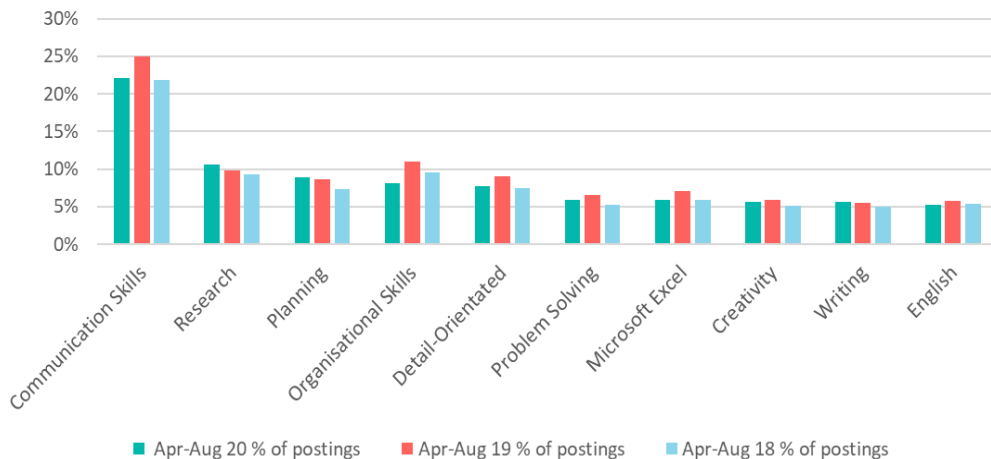
The demand for Research skills is primarily driven by vacancies in Cambridge city, other than this the demand for 'Soft Skills' are **broadly similar across the local authority**, with skills such as planning, organisation and detail-orientated consistently in demand.
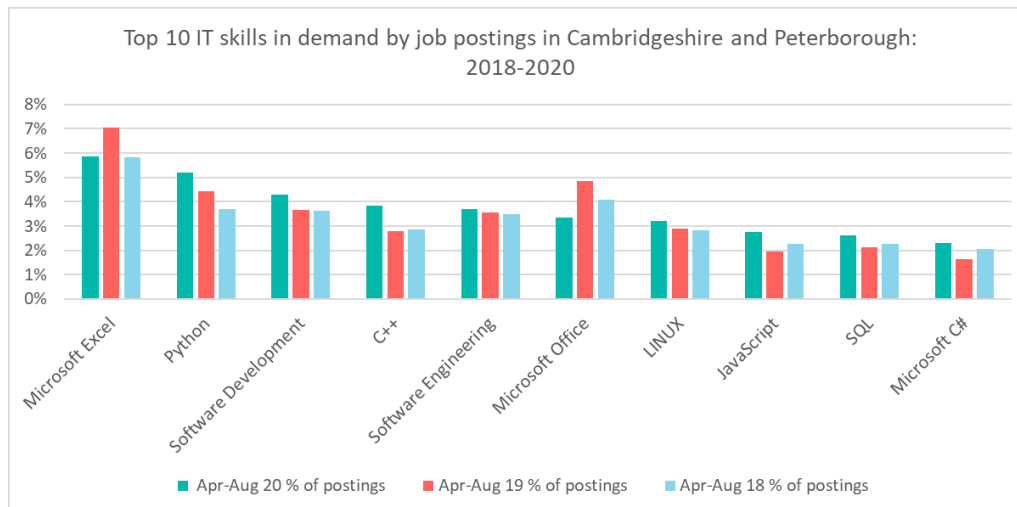
Understanding the skills demand within a 'Covid context'

'IT' Skills

- Where IT skills are concerned, Microsoft Excel has been the most in demand skill across Cambridgeshire and Peterborough consistently since 2018, although has since seen a decline in the latest year.

- The demand for Python (driven by vacancies in the city) has been increasing year on year and has been the most sought after skill in Cambridge since 2018, currently mentioned in 9% of all vacancies.

Top 10 IT skills in demand by job postings in Cambridgeshire and Peterborough: 2018-2020

(Legend: Apr-Aug 20 % of postings, Apr-Aug 19 % of postings, Apr-Aug 18 % of postings)

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Next Steps:

➢ Continued monthly monitoring and quarterly reporting to board of key datasets such as Job postings, HR1 Redundancies, claimant counts, government support and a range of additional labour market datasets as it is made available (e.g. unemployment rates).

➢ Establishment of quarterly board topics for further investigation and understanding.

➢ Delivery of Local Skill Report by March 2021 and to be revised for November 2021.