

Cambridgeshire and Peterborough Employment and Skills Board: Covid Impacts on Labour Market Information

January 2021



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JAMES PALMER
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Introduction

This slide deck is designed to:

Provide a further update on the covid-19 impacts discussed at the October 2020 Employment and Skills Board and build on the injection of insight from Metrodynamics' deep dive report into local skills supply and demand.

Summarise progress in the development of the Cambridgeshire and Peterborough Skills Advisory Panel (Employment and Skills Board) [Local Skills Report](#).

Demonstrate to the board how the on-going data monitoring since the beginning of the pandemic and detailed analytical support by Metrodynamics on skills supply and demand has directly supported the development of the Local Skills Report.



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Cambridgeshire and Peterborough Local Skills Report 2021

- **Condition for this years' round of grant funding**

All SAPs to produce a Local Skills Report by March 2021.

- **Conceived as a lever to increase SAPs' influence**

This idea and the positioning of reports alongside other SAP outputs was discussed as part of the research carried out with 11 SAP areas (a mix of LEPs and MCAs) during Spring 2020

- **Aligned with wider FE policy landscape- inc. national Skills and Productivity board (SPB)**

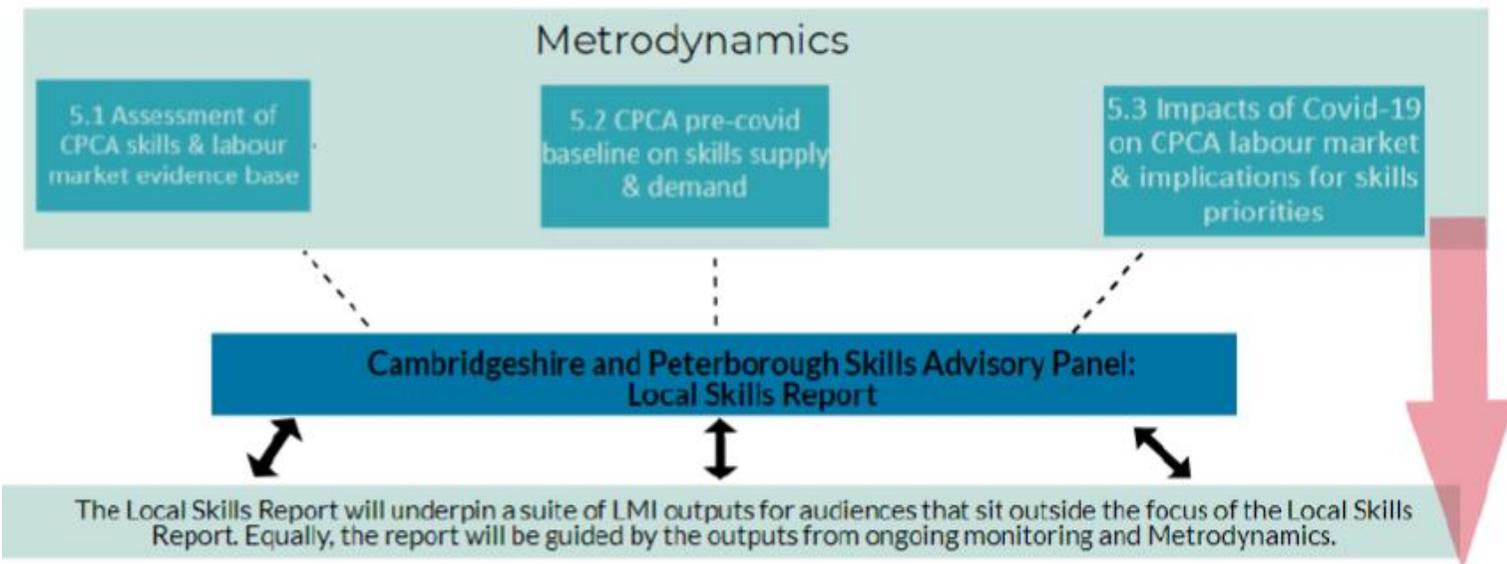
Reports will be a vital source of local intelligence for the national SPB's work.

Overview

The Report-

	Content	Description
1	The role of SAPs	An overview of SAPs' strategic aims, objectives and governance.
2	Foreword (Chair of SAP)	An executive summary by the SAP Chair which offer their personal reflections on the SAP's progress and summarises the main points of the report.
3	Local context	An outline of the area's unique economy features (e.g. coastal, rural). including any particular skills strengths or weaknesses. A summary with an accompanying hyperlink can be used if already published elsewhere.
4	Skills Strategy	An outline of the area's overarching skills strategy including its long-term vision and skills priorities for the local area. A summary with an accompanying hyperlink can be used if already published elsewhere.
5	Skills Action plan	An overview of the skills initiatives and actions the SAP intends to take in the local area. A summary with an accompanying hyperlink can be used if already published elsewhere.
6	Assessment of progress	A critical look at progress made against SAPs' skills strategies and action plans. Includes a reflection on the key achievements of the SAP and any challenges they have faced
7	Case studies / positive impact stories	An opportunity for SAPs to share success stories from their local area that show how skills mismatches are being addressed. For example, providers reframing curriculum to account for predicted labour market changes, or employers that have taken on large numbers of apprentices in target sectors.
8	Forward look	An overview of what SAPs hope to achieve between now and the next Local Skills Report. SAPs should consider their key areas for improvement and how local stakeholders can help them to overcome any potential challenges.
A	Core indicators	Provided by the SAPs Programme Team, there will be a selection of skills data indicators for SAPs to supplement with supporting local analysis and intelligence.
B	Additional indicators	A place for SAPs to hyperlink to additional relevant data that supports the report, or, to add any additional data they feel particularly relevant or referred to in the report.

Data, Evidence and Insight to support the Skills Report



Local Skills Report Core Indicators (Annex A) fall into 4 categories:

Local Context

Skills Supply

Skills Demand

Mapping of Supply v Demand

Making the Local Skills Report work for Cambridgeshire and Peterborough SAP

The Local Skills Report is being developed within the [prescriptive guidance](#) set out by DfE and by analysing the core indicators shared by the national SAP programme team. The final guidance and most datasets were received in November 2020 with final datasets due to be received in late January 2021.

Through working with the guidance and data supplied, it quickly became apparent that:

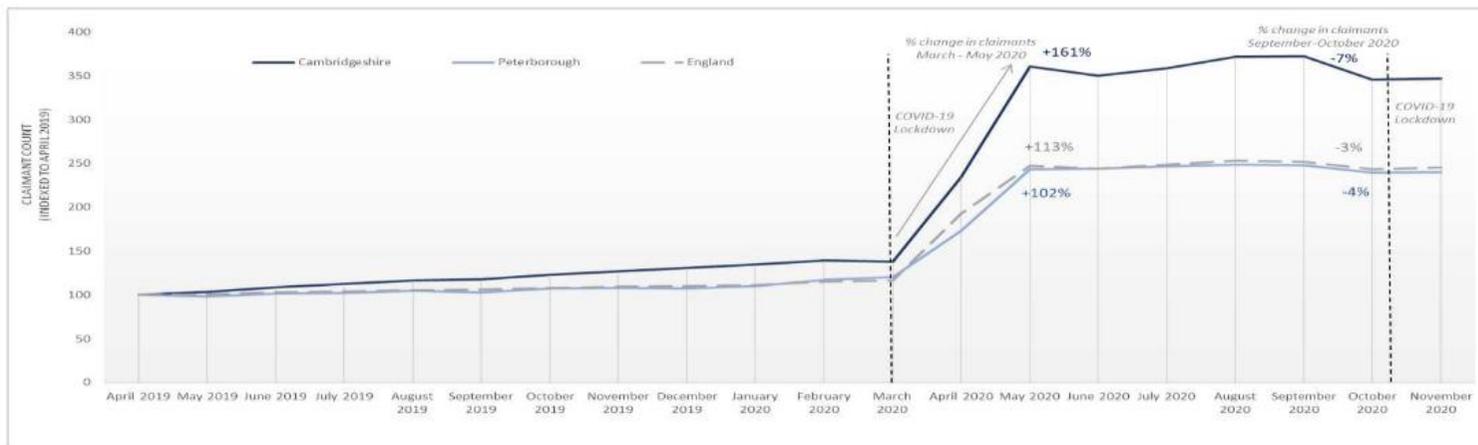
- The CPCA level core indicators would not give the nuanced, localised insight into our labour market to demonstrate skills supply and demand across different parts of Cambridgeshire and Peterborough
- The **annual** indicators supplied would not capture the most recent impacts of the covid 19 pandemic and reflect the boards current understanding of the labour market, based on more timely updates received throughout the pandemic.

The solution to this has been to deliver the 'minimum' expectation of SAPs of following the guidance but then meet local need by **directly linking to the Metrodynamics deep dives and most recent covid-19 labour market impact reports received by board.**

Current headline impacts of the covid-19 pandemic on the local economy and labour market

Claimant Counts, Cambridgeshire and Peterborough (to 30th

November 2020)



- **25,810 claimants*** across the CPCA area; **4.9% of people aged 16+**, compared to 6.4% across England;
- **199% increase in claimants in South Cambridgeshire from March-November 2020.** This was the largest increase across the combined authority but it **still the lowest proportion of residents aged 16-64 claiming (3.2%)** compared to the rest of the area
- **Peterborough has broadly been tracking the England average** in terms of increase in claimants over the past year. It saw a smaller increase (+102% March - May 2020) compared to England as a whole.
- **October 2020 showed the largest decreases in Claimant count since March 2020,** Cambridgeshire saw a decrease of 1,235 claimants (-7%) and Peterborough a decrease of 350 (-3.6%) compared to September 2020. **November 2020 data showed very little change** from the situation in October 2020.

District Claimants

	November 2020	Compared to March 2020 (number/%)	Proportion of residents 16-64 claiming (November 2020)
Cambridge City	3,580	+2,155 (+151%)	4%
Peterborough	9,475	+4,710 (+99%)	8%
Huntingdonshire	4,325	+2,685 (+164%)	4%
East Cambridgeshire	1,825	+1,115 (+157%)	3%
South Cambridgeshire	3,095	+2,060 (+199%)	3%
Fenland	3,510	+1,820 (+108%)	6%

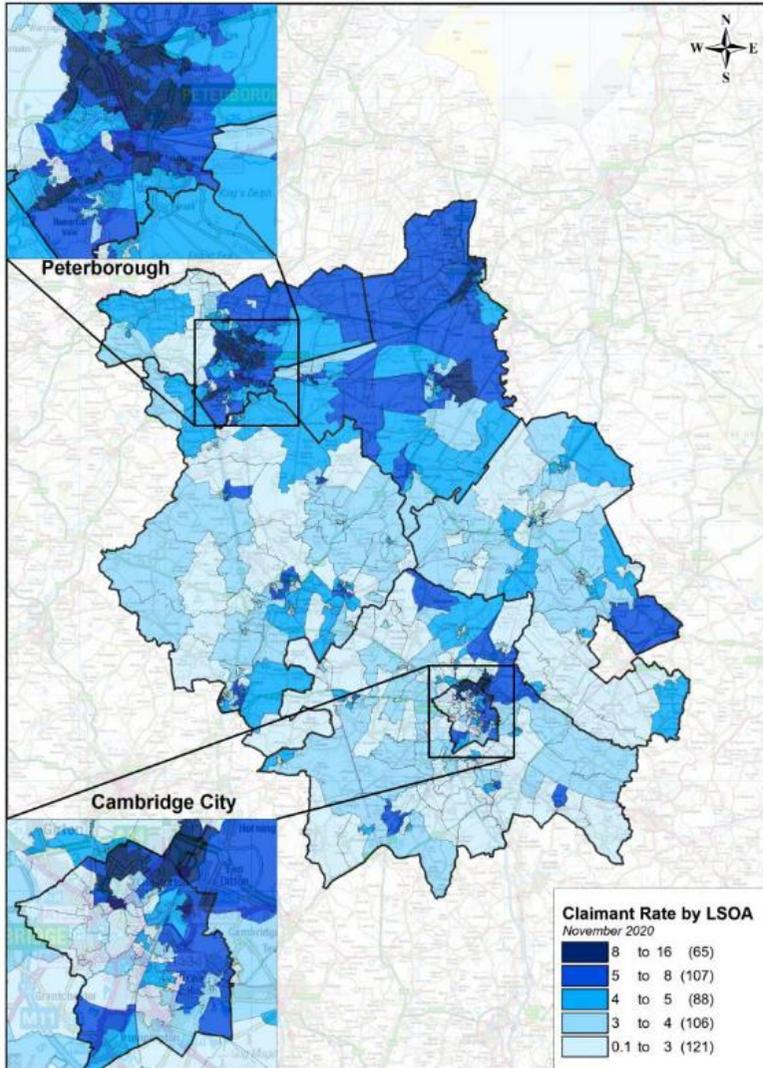


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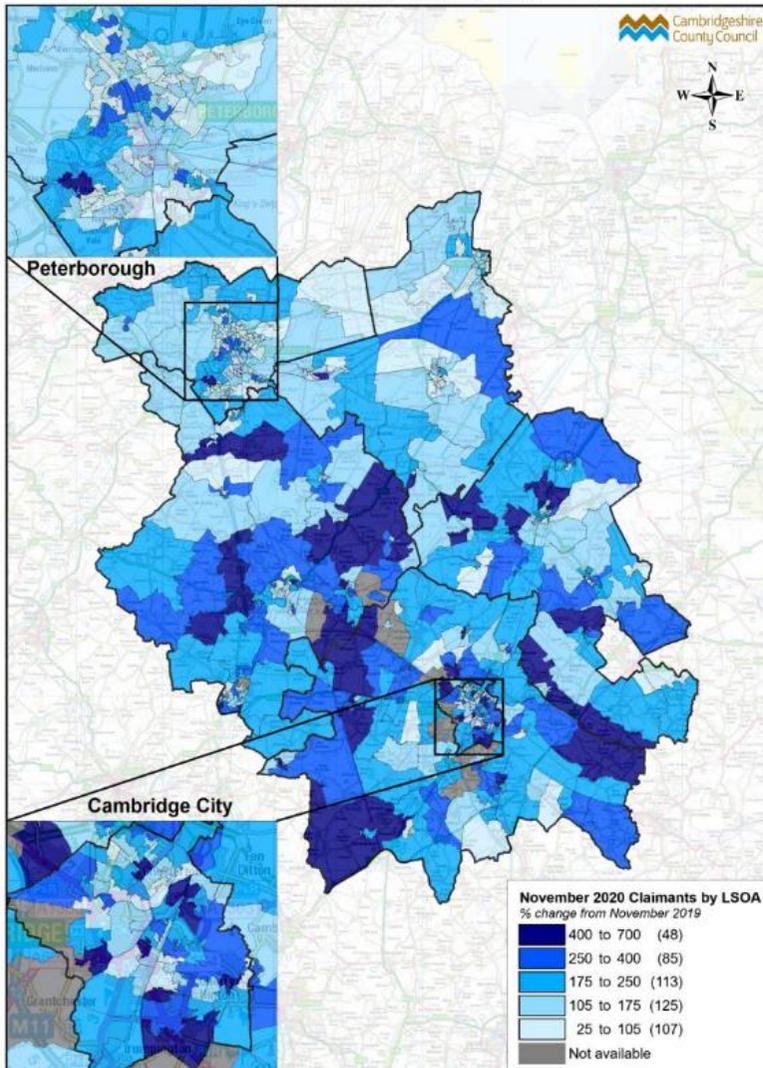
**this figure includes all residents over the age of 16 (not just working age)*

Claimant rate in Cambridgeshire & Peterborough
November 2020



- Cambridgeshire and Peterborough has an overall claimant rate of 4.9%, the areas outlined with two darkest shades of blue highlight LSOA's where the claimant rate is above this.
- Of the 487 LSOA's in Cambridgeshire and Peterborough, **100 have a claimant rate above the national average (6.5% or above).**
- The top 20 LSOA's with the highest claimant rate, all with 11% or above, are predominantly located in Peterborough, with 17 in this area. Two are located in Cambridge, within the Kings Hedges ward, and one is in Fenland, within the Medworth ward.

Claimant count in Cambridgeshire & Peterborough by Lower Super Output Area
November 2020 compared to November 2019



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- The areas with the highest levels of claimants have seen relatively low levels of change (+254% or less) in comparison to other areas across the combined authority - this highlights the higher base for claimants in the areas with the highest claimant rates.
- When considering the top 20 LSOA's which have seen the highest levels of change since November 2019 (all +500%), these show more variation being scattered around Cambridgeshire. However, it should be noted all these areas started off from a very low base, with 19 of the 20 LSOA's having a claimant count of just five people in November 2019.

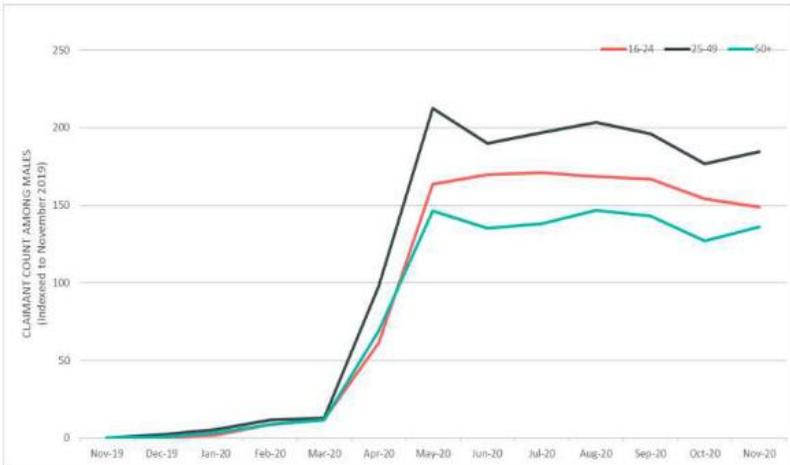


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November Claimant Counts among Males by Age Group (Indexed to 2019)

November Claimant Counts among Females by Age Group (Indexed to 2019)



- Looking at Claimants by Age group and Gender highlights that **younger people have been disproportionately impacted, those aged 16-24 having a higher proportion of residents claiming for both females and males**, except for in Cambridge, where the 25-49 age group has the highest proportions.
- This also shows that **there are higher proportions of males claiming compared to females, across every District and age group.**

November 2020 Claimant rates	Females			Males		
	16-24	25-49	50+	16-24	25-49	50+
Cambridge	2%	4%	2%	3%	6%	3%
East Cambridgeshire	4%	3%	1%	5%	4%	1%
Fenland	7%	5%	2%	9%	7%	2%
Huntingdonshire	5%	4%	1%	5%	5%	2%
Peterborough	8%	7%	3%	11%	9%	3%
South Cambridgeshire	4%	3%	1%	5%	4%	1%
England	6%	6%	2%	9%	8%	3%

- Exploring how claimant count has increased since this time last year shows a **widening of age groups among males, with those aged 25-49 seeing the largest increases in claimant count.**

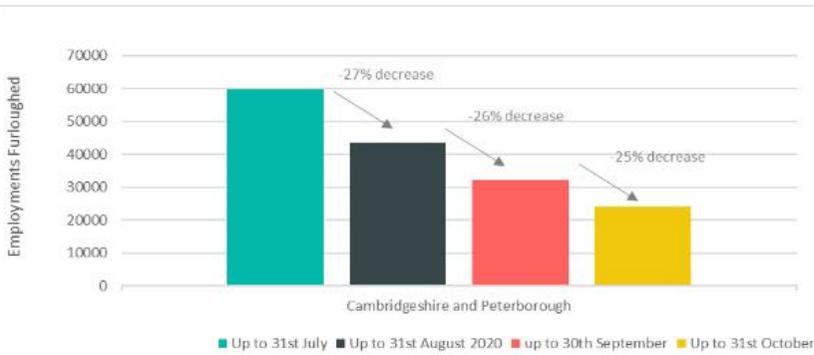
Government Support - Coronavirus Job Retention Scheme

The Coronavirus Job Retention Scheme was announced by the Government on 20 March 2020 in order to support employers through the COVID-19 period. Employers were able to claim support dated back from 1st March 2020, where employees were already furloughed. The scheme provides employers with financial support up to 80% of salary, up to a maximum of £2,500 per month per employee. The scheme closed to new applicants in June 2020.

At the beginning of July 2020, the second wave of the governments coronavirus job retention scheme opened. In the second wave, employers have had the flexibility to bring furloughed employees back to work part time. Additionally, employers have the flexibility to decide the hours and shift patterns of their employees – with the government continuing to pay 80% of salaries for the hours they do not work. This below figures present CJRS statistics as at 31 October, at which point the second wave of the scheme closed. Further changes from the start of August, September and October gradually reduced the total level of support available for each furloughed employee up to the end of October.

- The first wave of the governments coronavirus job retention scheme saw **107,300 employments across Cambridgeshire and Peterborough furloughed to the end of June 2020.**
- In Cambridgeshire and Peterborough, at the end of the second wave, on **31st October 2020, there were 24,200 employments furloughed, representing 6.7% of employees aged 16-64, compared to 84% across England overall.** This has been reducing month on month, with a **25% decrease since the end of September.**
- At Local Authority level, **Peterborough had the highest number of employments furloughed (5,700), Huntingdonshire had the highest percentage of employees aged 16-64 furloughed (7.5%) and Fenland had the lowest number (2,200) and percentage furloughed (5.6%).**

Number of employments furloughed under the Government's Job Retention Scheme (JRS) in Cambridgeshire and Peterborough, second wave up until 31st October

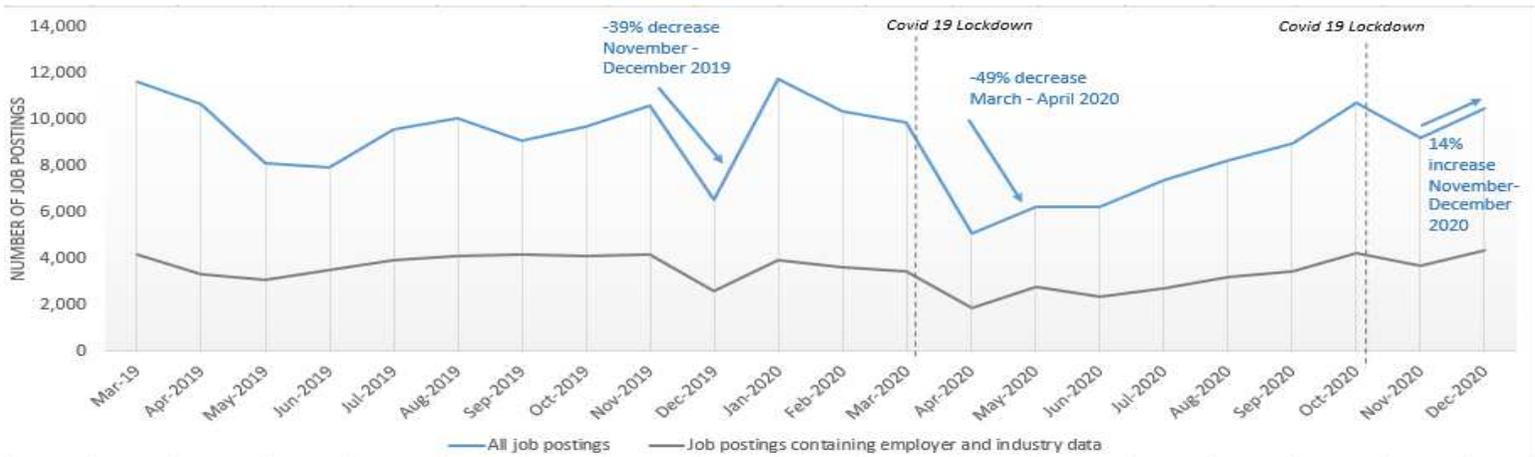


- Nationally and regionally, **90% of employees who left the Coronavirus Job Retention Scheme (CJRS) furlough scheme between April and July were still on their original payroll in August, suggesting they remained working for their original employer¹ at that point.**

¹ Coronavirus Job Retention Scheme statistics: secondary analysis of ended furloughs. Available: <https://www.gov.uk/government/publications/coronavirus-job-retention-scheme-statistics-secondary-analysis/coronavirus-job-retention-scheme-statistics-secondary-analysis-of-ended-furloughs>

Online job postings, Cambridgeshire and Peterborough

(to 31st December 2020)



- **10,489 job postings** across the CPCA area in December 2020; up by 6% when compared to March 2020, compared with a -8% decrease UK wide.
- The number of job postings decreased in November 2020, down -14% compared to October 2020. However, in December 2020, there was an increase of 14% in postings.
- The number of postings in December 2020 was up by 60% compared to December 2019, although there was a -39% decrease in postings from November-December 2019.

District Job Postings

	December 2020	Nov 2020- Dec 2020	Dec 2019- Dec 2020
Cambridge City	5,859	16%	55%
Peterborough	2,222	8%	46%
Huntingdonshire	1,105	2%	69%
East Cambridgeshire	304	-5%	92%
South Cambridgeshire	578	77%	132%
Fenland	421	4%	131%

- All districts except for East Cambridgeshire saw monthly increases, with South Cambridgeshire recording the highest increase, up by 77% when compared to November 2020



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**this figure includes all residents over the age of 16 (not just working age)*

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

Redacted slide:

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



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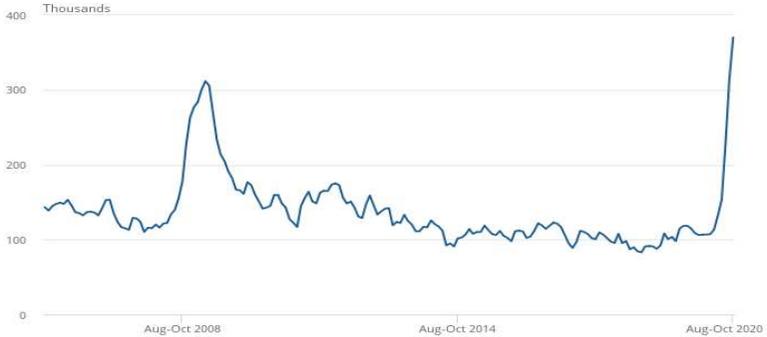
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ONS Labour Market Overview - National findings

HR1 Notifications only offer insight into **potential** redundancies but they do offer a **more timely and localised update**. The **ONS** release national updates on **actual redundancies**.

Figure 3: The number of people reporting redundancy in the three months prior to interview increased by a record 217,000 on the quarter to reach a record high of 370,000

UK redundancies, people aged 16 years and over (not seasonally adjusted), between August to October 2005 and August to October 2020

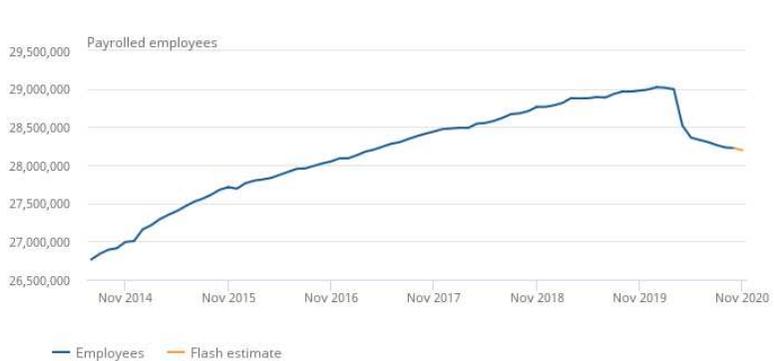


Source: Office for National Statistics – Labour Force Survey

Nationally, the number of people reporting redundancy in the three months prior to interview increased in August to October 2020 by a record 251,000 on the year, and a record 217,000 on the quarter, to a record high of 370,000. Experimental weekly Labour Force Survey estimates show that the number of people reporting redundancy in the three months prior to interview has been increasing since June 2020 and remains high in October but has dropped from the peak in September 2020.

Figure 4: After rising for several years, the number of employees has fallen in recent months

Payrolled employees, seasonally adjusted, UK, July 2014 to November 2020



Source: HM Revenue and Customs – Pay As You Earn Real Time Information

Early estimates for November 2020 indicate that there were 28.2 million payrolled employees, a fall of 2.7% compared with the same period of the previous year and a decline of 781,000 people over the 12-month period. Compared with the previous month, the number of payrolled employees decreased by 0.1% in November 2020 – equivalent to 28,000 people.

COVID impact on skills delivery - Apprenticeships

Decrease of 38% in apprenticeship starts in the pandemic period (March-July 2020), compared to the same period in 2018/19, although lower drop than the national decrease of 46%.*

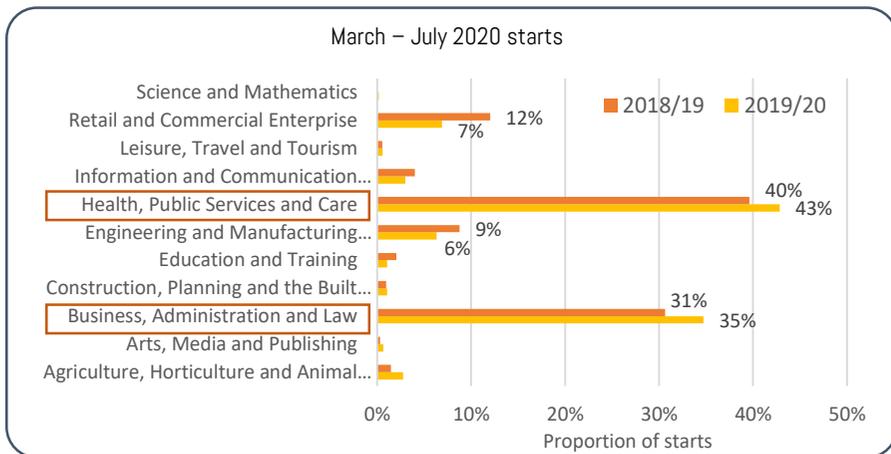
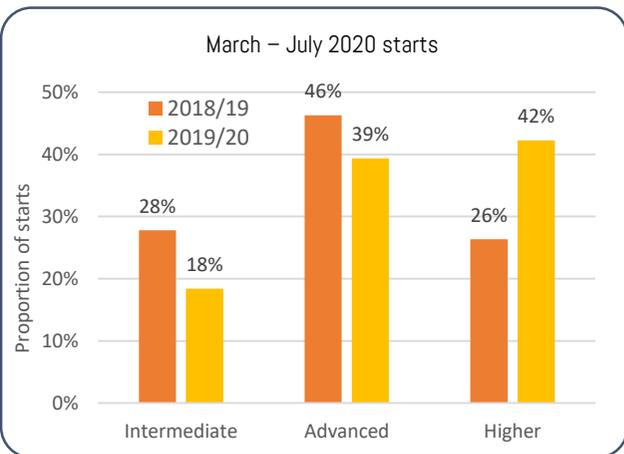
↑ Increase in proportion of learners aged 19-24 in the period March – July 2020, 31% (+5% from previous year).

↑ Increase in proportion of higher apprenticeships in the period March – July 2020, 42% (+16% in previous year).
[note: against a steady increase seen nationally in recent years]

↑ Increase in proportion of learners undertaking apprenticeships in health, public services and care (+3% from previous year) and business, administration and law (+4% from previous year) in the period March – July 2020.

	March – July 2019	March – July 2020	Difference
Total Starts	1,979	1,233	-38%

Proportion of all starts	March – July 2019	March – July 2020
Under 19	10%	7%
19-24	26%	31%
25+	64%	63%

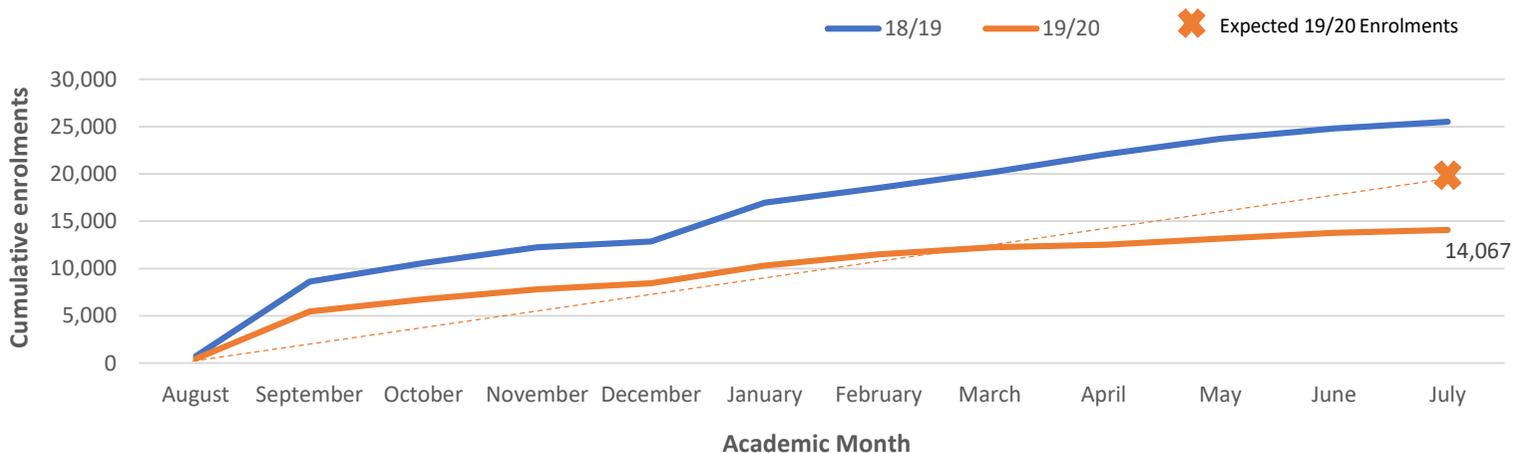


*Note: before Covid, the first two quarters of the year (Aug 19 – Jan 20) were showing total number of starts down by 18% compared to 2018/19, higher than the national drop of 7%. Apprenticeship numbers have been dropping since 2017 due to apprenticeship levy reforms and introduction of standards, replacing frameworks.

COVID impact on skills delivery - Adult Education

2019/20 Delivery

- 14,067 learning aims were delivered in the 2019/20 academic year. 87% of all enrolments started before the pandemic lockdown.
- Overall, 2019/20 delivery was down 30% compared to expected. Up to March 2020, the enrolment numbers were on track to meet expected delivery.



Source - Individualised Learner Records 18/19 (R14) and 19/20 (R14), ESFA

18% of enrolments were taught 100% remotely.

Average length of learning was 29 days shorter than anticipated.

11% of enrolments were withdrawn.

2020/21 Delivery

- At the end of Q1 (August-October 2020) enrolments were provisionally down by 47% compared to the same period in 2019.

Next Steps:

Continue monthly monitoring of key datasets that are released regularly to understand the evolving short term impacts of the pandemic. Board to continue to receive quarterly updates

Use the insight developed throughout the pandemic to help shape key parts of the Local Skills Report and build localised narrative around the core indicators laid out by DfE.

Discussion and workshop on key elements of the local skills report including skills supply/demand and assessment of *SAP* progress to date.