Shropshire Skills Evidence Base

Produced by the Information, Intelligence and Insight Team, Shropshire Council

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Table of Contents

List of Figures

Key Features

- **Shropshire is one of the most rural and sparsely populated local authorities in the country**, with less than one person per hectare compared with more than four persons per hectare in England. This makes the provision of physical and digital infrastructure to support skills development more challenging and can make it more difficult for residents to access services and facilities.

- Generally, **Shropshire is an affluent location, with low levels of deprivation and minimal unemployment**. However, like other places, there are pockets of deprivation, where unemployment is higher, where incomes are low and where the population tends to be less highly skilled. Overall, 11,370 people, or 6.1% of those aged 16-64, were claiming out-of-work benefits in November 2016 compared with 8.4% nationally (DWP Benefits data).

- **Shropshire has more resident workers than it does jobs, and consequently net out-commuting is significant** (-5,313 people in 2011). However, in-commuting rose more rapidly than out-commuting in the decade to 2011. A tendency to out-commute is more prevalent amongst higher earners, and this factor contributes to the considerable differential between workplace and residents' earnings. 10.8% of all workers travel more than 30km to their main place of work – this proportion rises to 16.4% amongst those qualified to NVQ level 4 and above. (Census, 2011)

- **Like many rural areas, the population is ageing**, with approaching one in four (23.3%) people aged 65 or over in 2015 (ONS Mid-year estimates). Since 2011, the Shropshire population of traditional working age (16-64) has been in decline, and it now represents just 60% of the total population (186,940 people). **By 2037, this percentage will have declined to 52%.** The ageing population, combined with high out-migration amongst the 16-19 age band, is exerting pressure on the labour market. These factors are also causing an upward shift in the age profile of the workforce which is impacting on the skills pool within the County.

- **Shropshire has a high economic activity rate amongst the 16-64 population** (82.4% compared with 77.8% nationally in 2016, Annual Population Survey), and given comparatively low levels of unemployment as well, employment levels are high for this age group. However, given the high proportion of the population that is attributable to those past retirement age, the economic activity rate of the 16+ population is comparable to the national rate (63.2%).

- There are significant numbers of economically inactive people who would like to be in employment (10,400 in 2016, Annual Population Survey), suggesting that there is an untapped labour resource within the County. 31% of Shropshire employers report employing staff who have qualifications or skills that are not used in their current role (UKCES Employer Skills Survey, 2015) and levels of part-time employment are exceptionally high (34.8% of all Shropshire jobs in 2015 against 30.9% nationally, BRES). **All of these factors are indicative of a level of underemployment within the County.**

- **Shropshire supports a primarily small business economy**, with more than nine out of 10 enterprises employing less than 10 and with comparatively few large employers. There are only 35 organisations in Shropshire which employ 250 or more (IDBR, 2016). This contributes to low levels of investment in training, with fewer Shropshire employers accessing training for their staff than is the case nationally (62% compared with 66%, UKCES Employer Skills Survey, 2015).

- Shropshire's business base is relatively stable and experiences less churn than many other localities. This means that survival rates are good (with 68% of businesses surviving past three years compared with 60% nationally, ONS Business Demography), but also reflects relatively low levels of start-ups and can be an indicator of low levels of innovation.

- **Key employment sectors include health, education, retail and manufacturing** and Shropshire is also over-represented in motor trades and construction. Shropshire is under-represented in private sector services such as professional, scientific and technical and finance and insurance.

- **The mix of sectors in Shropshire contributes to comparatively low workplace wages and to low levels of productivity** (GVA generation). Shropshire workers earn a median gross weekly wage of £475.60 (ASHE, year ending April 2016) – 12% less than their national counterparts (£540.20). Meanwhile, per capita GVA generated in Shropshire in 2015 was 25% lower than it was nationally (£19,299 compared with £25,601).

- **The Shropshire labour force is comparatively well qualified**, at least compared to the West Midlands, but supports fewer SOC 1-3 professions (37.5% compared with 45.3% nationally, Annual Population Survey, 2016) and more working in elementary occupations or as process, plant and machine operatives. Shropshire also supports an above average number of people working in skilled trades occupations. According to Working Futures, demand for SOC 1-3 occupations and caring, leisure and other service occupations will outstrip other occupations in the decade to 2020. Considering the occupational breakdown of the people working in Shropshire against workers living in the County as provided by the 2011 Census, there is a clear over-supply of SOC1-3 occupations and an undersupply of those employed in caring, leisure or elementary occupations.

- Despite high and rising qualification levels**, skills are not always aligned to the needs of businesses** as reflected in skills shortage data, which suggests **15% of Shropshire businesses have either skills gaps within their existing workforce, skills shortage vacancies or both** (UKCES Employer Skills Survey, 2015). 4.2% of employees, or an estimated 5,000 workers, were not considered fully proficient by their employers in 2015 (UKCES Employer Skills Survey).

- **The main reason that Shropshire employers struggle to fill vacancies is because they cannot find people who want the jobs** (53% of businesses with hard-to-fill vacancies against 20% in England, UKCES Employer Skills Survey).

- **Despite Shropshire's age demographic, Shropshire employers are less likely to have recruited anybody over the age of 50 within the last year than their national counterparts** (10% of employers compared with 15%, Employer Perspectives Survey, 2016[1]). However, they are just as likely to have recruited someone under the age of 25 (32%) and almost as likely to have recruited someone directly from education over the last two or three years (29% compared with 31%).

- The latest UK ESP (2016) shows that Shropshire employers have a similar propensity to have or to offer formal apprenticeships as their national counterparts (20% compared with 19%). Slightly fewer offer work experience opportunities (35% compared with 38% nationally, Employer Perspectives Survey, 2016[1])

- **There were 4,370 apprenticeship starts in Shropshire in 2015/16**, of which 46.2% were advanced level and 4.3% were higher level. Overall, the number of apprenticeship starts has risen by 15% since 2012/13 (Shropshire Residency Apprenticeship data)

- **Shropshire has excellent schools** (89% rated outstanding or good by Ofsted as of August 2016), a strong FE offering and the scope of HE provision is also strengthening. Levels of educational attainment are good, with 56.4% of students achieving grades A*- C (including English and maths) in 2015 compared with 53.8% in the West Midlands (DfE).

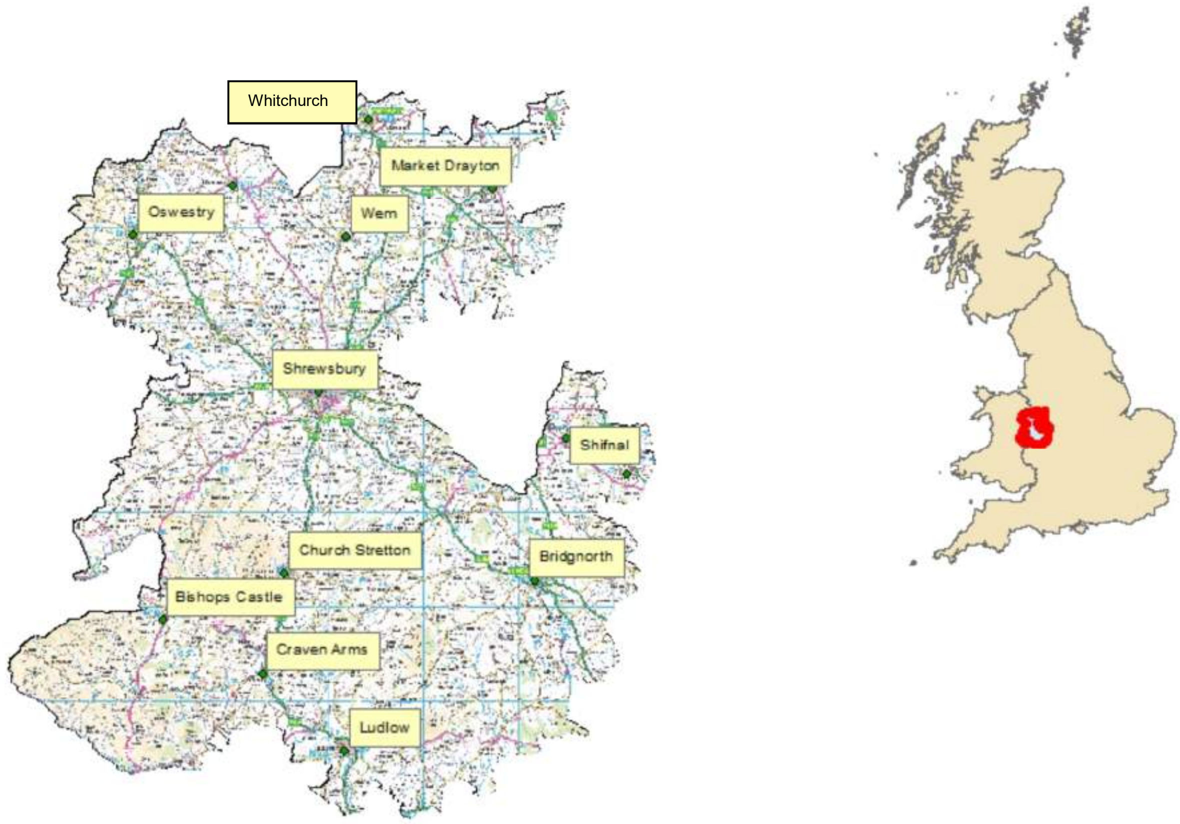
[1] Survey data reported at LEP level only, so statistic assumes that Shropshire employers responded in the same way as Marches LEP employers

1 Context

1.1 Location

Shropshire is located in the centre of the country and is the second largest inland county behind Wiltshire. It has a population of 311,400 (2015 mid-year estimates) and is sparsely populated, with just under one person per hectare (0.97) compared with 4.1 in England. Around 35%[2] of the population live in villages, hamlets or dwellings dispersed throughout the countryside. The remainder live in either the county town of Shrewsbury or one of the other 17 market towns/key service centres.

Figure 1: Location of Shropshire



1.2 Market Towns

The population of the key towns is illustrated in the table below.

Figure 2: Population of Shropshire's key towns, 2015

Shrewsbury	72,700	Pontesbury/Minsterley	5,500
Oswestry	17,400	Albrighton	5,100
Bridgnorth	12,200	Church Stretton	4,800
Market Drayton	12,100	Ellesmere	4,700
Ludlow	11,000	Highley	3,600
Whitchurch	10,100	Cleobury Mortimer	3,400
Shifnal	7,900	Much Wenlock	3,300
Wem	6,100	Craven Arms	2,900
Broseley	5,600	Bishop's Castle	1,500

Source: ONS MYE, 2015

[2] ONS Rural/Urban Classification

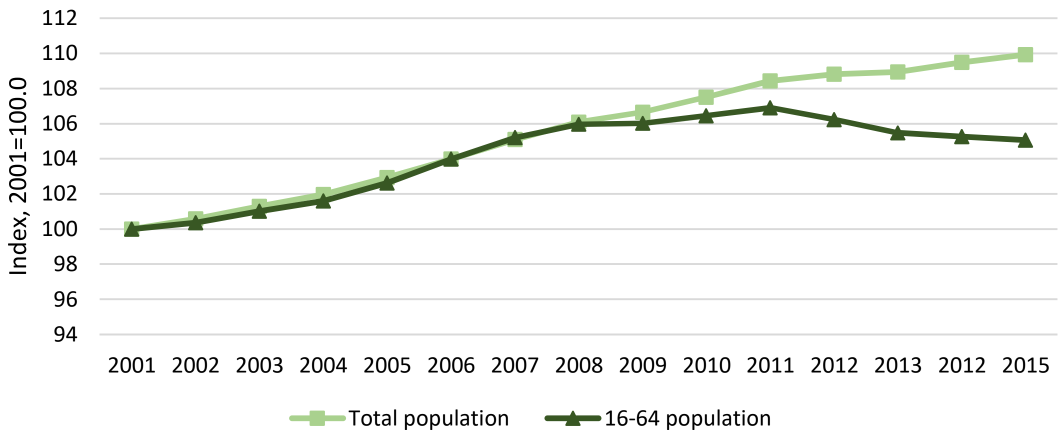
2 Demographics

2.1 Population Growth

Shropshire's population expanded by 9.9% between 2001 and 2015 to 311,400, which equates with an additional 28,100 people. This represents marginally slower population growth than was recorded nationally (+10.2%).

Over the same period, the population of traditional working age (16-64) registered significantly lower growth of 5.1% in Shropshire, with growth starting to fade away considerably from 2008 onwards. This means that the demographic profile in Shropshire is becoming increasingly skewed towards the post-retirement age band, and it is this age group which is primarily responsible for propelling overall population growth.

Figure 3: Population and working age population growth, 2001-2015



Source: ONS, 2015 Mid-Year Population Estimates © Crown Copyright, 2017

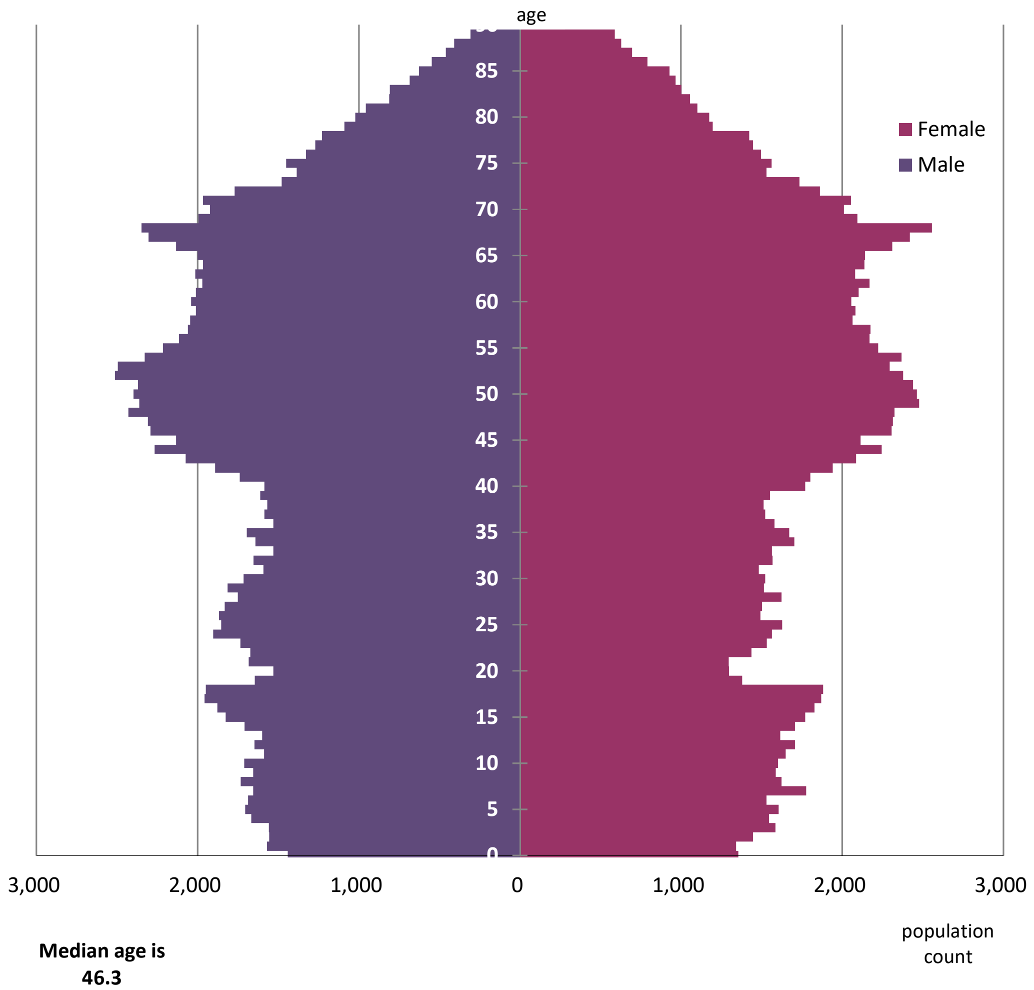
2.2 Age Breakdown

The following population pyramid shows the age distribution of the Shropshire population.

The population is ageing across the country, but this has been particularly acute in Shropshire. Growth in the number of people aged 65 and over in Shropshire has risen more than four times as rapidly as the population as a whole (+41.6%) since 2001. This is the equivalent of an additional 21,400 people in this age bracket. As a consequence, by 2015 23.3% of the Shropshire population was aged 65 and above, compared with 18.1% in 2001. Nationally, the 65+ age band has grown by 23.7% since 2001 and now accounts for 17.9% of the population.

The median age is 46.3 years (in 2015), which compares with the national average of 40 years.

Figure 4: Population pyramid for Shropshire: 2015

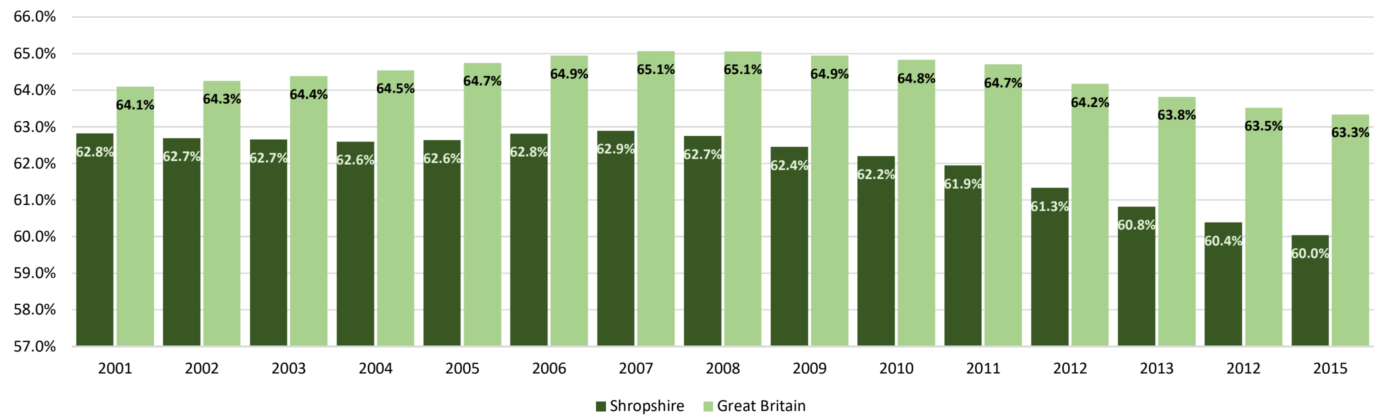


Source: ONS, 2015 Mid-Year Population Estimates © Crown Copyright, 2017

2.3 Working Age Population

Since 2007, the percentage of the population attributable to those aged 16-64 has fallen from 62.9% to 60%, meaning that for every six people of traditional working age, there are now four who are either younger or older than the population segment that represents the core pool of labour for the county. This decline has also been in evidence nationally, although the decrease has been more gradual and the working age population still accounts for a notably higher proportion of the total population than it does in Shropshire (63.3% in 2015).

Figure 5: Working age population as percentage of total population, 2001-2015

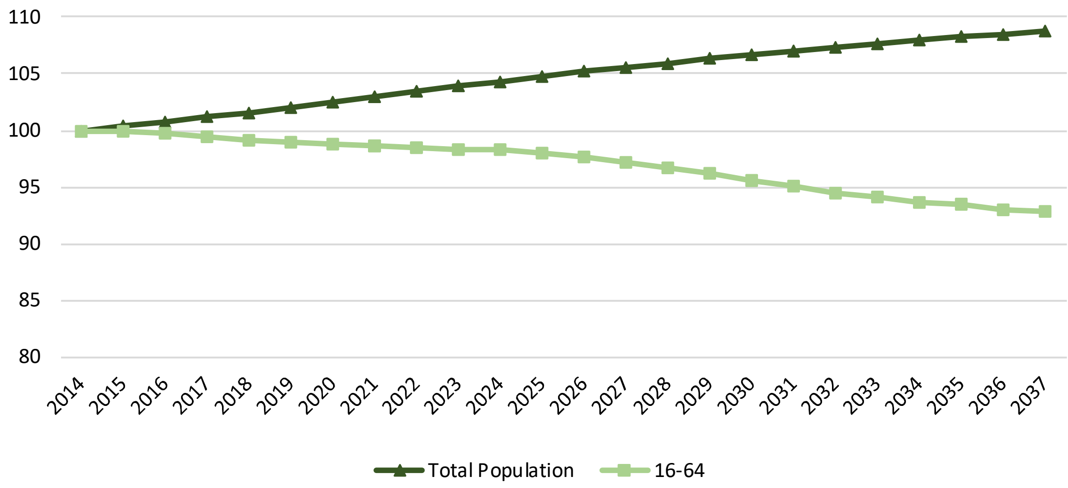


Source: ONS, 2015 Mid-Year Population Estimates © Crown Copyright, 2017

2.4 Population Projections

While the total population in Shropshire is projected to rise by 8.8% between 2014 and 2016 (according to the ONS 2014 sub-national population projections), the population aged between 16 and 64 is projected to decline by 7.1%. This represents a loss of approximately 13,300 people (and potential workers). The 16-64 population will account for just 51.6% of total population by this time.

Figure 6: Shropshire population projections, 2014-2037



Source: ONS, 2014 Sub-National Population Projections © Crown Copyright, 2017

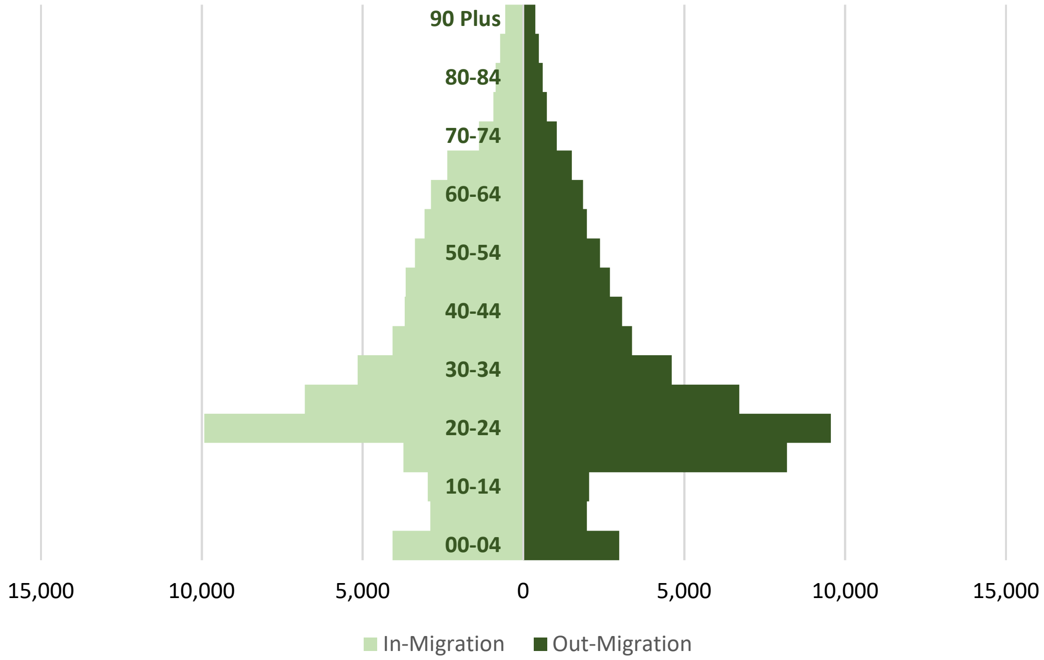
2.5 Migration

Between 2011 and 2015, an annual average of 12,600 people moved in to Shropshire while an average of 11,200 moved out, resulting in a net average annual gain of 1,400.

The chart below shows the age structure of in and out migrants. There is only one age group - 15-19 year olds - where out-migration exceeds in-migration. This is largely due to school leavers moving to attend university or to pursue opportunities elsewhere. Over the 5 year period, an annual average of approximately 900 young people were lost. For the subsequent age band - those aged 20-24 - in-migration marginally exceeds out-migration at an annual average of fewer than 100 people. This suggests that many young people return to the county once they have finished studying.

Those over the age of 65 account for 10.8% of all those moving into Shropshire compared with 8.4% of those moving out. Migration patterns therefore contribute to Shropshire's ageing population, with a net average of 400 persons per annum (30% of the total) above traditional retirement age.

Figure 7: Age structure of in and out migrants, 2011-2015



Source: ONS Components of Change Figures Used in the preparation of the mid-year population estimates 20011 to 2015. Crown copyright reserved. Please note this chart refers to the sum of a five year period.

2.6 International Migration

Latest statistics show the non-UK born population per 1,000 residents in Shropshire has risen since 2011 from 46.8 per 1,000 residents (approx. 14,500 people) to 55.9 or (17,400 people). There was a particularly large rise between 2014 and 2015 in Shropshire, compared to regional and national comparisons. In the West Midlands and England the non-UK population has also increased and in both cases is notably higher than it is in Shropshire.

Figure 8: Estimates of non-UK born residents per 1,000 residents

	2011	2012	2013	2014	2015
Shropshire	46.8	46.7	36.4	46.1	55.9
West Midlands	110.2	112.8	112.4	115.8	120.8
England	134.6	135.7	137.0	141.8	145.6

Source: Migration Indicators Tool Mid 2015, Office of National Statistics, August 2016, estimates derived from the Annual Population Survey (APS) January-December 2015

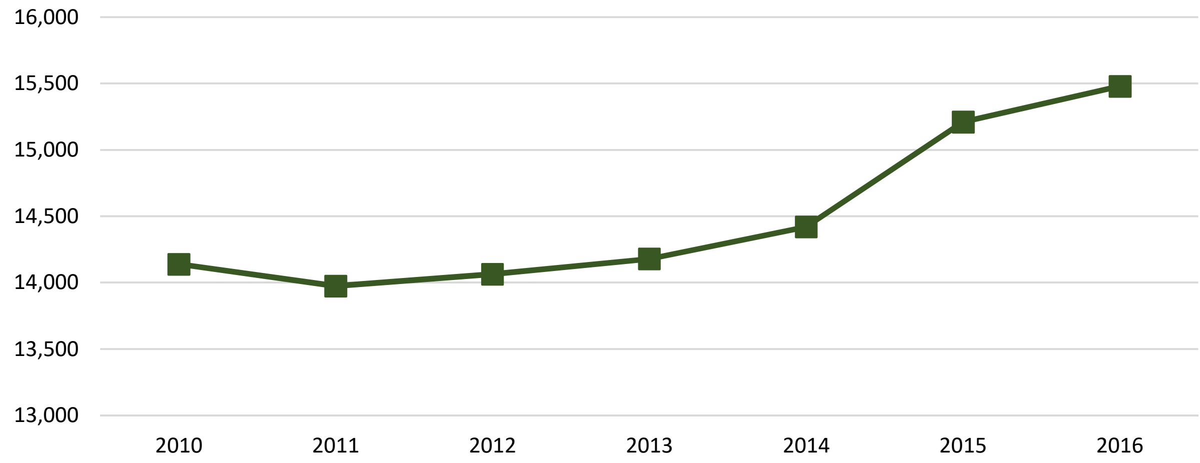
The large majority of Shropshire residents (95.3%) were born in the United Kingdom. In total 6,007 people (2.0%) of Shropshire residents were born in countries that are part of the European Union (EU) as of March 2011. Of those born in the European Union, 53.1% or (3,189) people were born in countries that joined the European Union between April 2001 and March 2011 (Lithuania, Poland, Romania, Czech Republic, Cyprus, Estonia, Latvia, Hungary, Malta, Slovenia, Slovakia and Bulgaria).

3 Shropshire Business Base

3.1 Businesses and Employment

There were 15,480 enterprises in Shropshire in March 2016, which were represented by 17,615 local VAT or PAYE registered units. Since 2011, when the number of enterprises dipped by 165 (-1.2%), growth has been sustained in each year, with 1,340 additional enterprises operating in 2016 than there were in 2010. This represents growth of almost 10% over the six year period. Notwithstanding this, growth in the number of enterprises has been slower in Shropshire than in either the West Midlands or Great Britain, which experienced growth of 17% and 22% respectively between 2010 and 2016.

Figure 9: Growth in the number of enterprises in Shropshire, 2010-2016



Source: ONS, IDBR 2016, © Crown Copyright, 2017

There were 114,800 employee jobs in Shropshire in 2015, which represents an increase of 1,500 compared with 2009 (+1.3%). The number of employee jobs in both the West Midlands and Great Britain has risen faster than in Shropshire over the 6 year period to 2015 (+6.3% and +7.1% respectively).

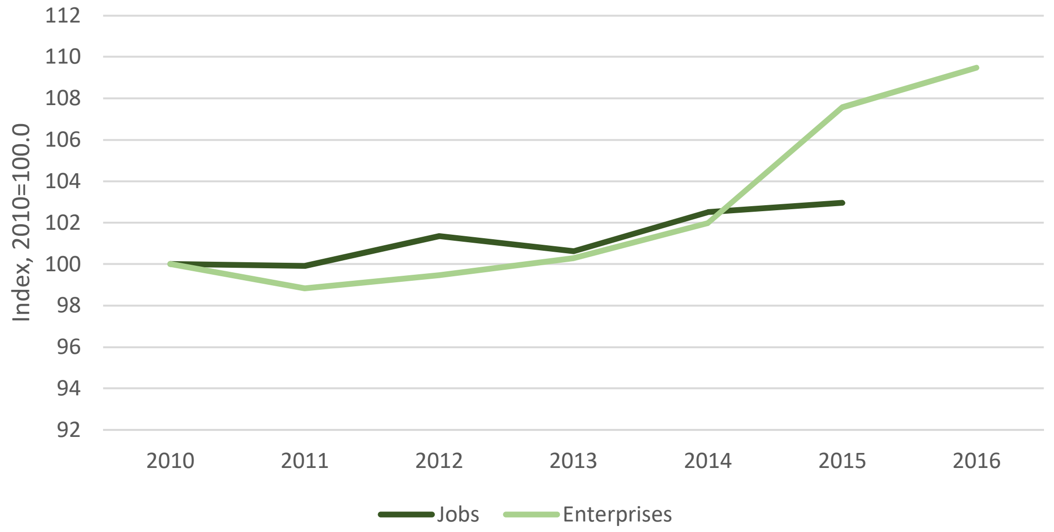
Figure 10: Number of employee jobs, 2009-2015

	Shropshire		Marches LEP		West Midlands		Great Britain	
	Employee Jobs	% annual change	Employee Jobs	% annual change	Employee Jobs	% annual change	Employee Jobs	% annual change
2009	113,300		258,500		2,302,300		26,642,600	
2010	111,500	-1.5%	259,000	+0.2%	2,311,700	+0.4%	26,581,300	-0.2%
2011	111,400	-0.1%	255,200	-1.5%	2,301,500	-0.4%	26,593,500	+0.0%
2012	113,000	+1.5%	260,900	+2.3%	2,322,900	+0.9%	26,752,900	+0.6%
2013	112,200	-0.7%	260,200	-0.3%	2,339,900	+0.7%	27,096,300	+1.3%
2014	114,300	+1.8%	267,300	+2.7%	2,404,000	+2.7%	27,931,600	+3.1%
2015	114,800	+0.4%	267,300	+0.0%	2,446,800	+1.8%	28,531,100	+2.1%

Source: ONS, BRES 2015, © Crown Copyright, 2017
Note: Numbers rounded to nearest 100
Excludes farm-based agriculture

The following chart illustrates the extent to which job growth has been flat in recent years with growth in the number of enterprises far surpassing the number of jobs which these enterprises have created.

Figure 11: Growth in the number of enterprises and employee jobs, 2010-2016

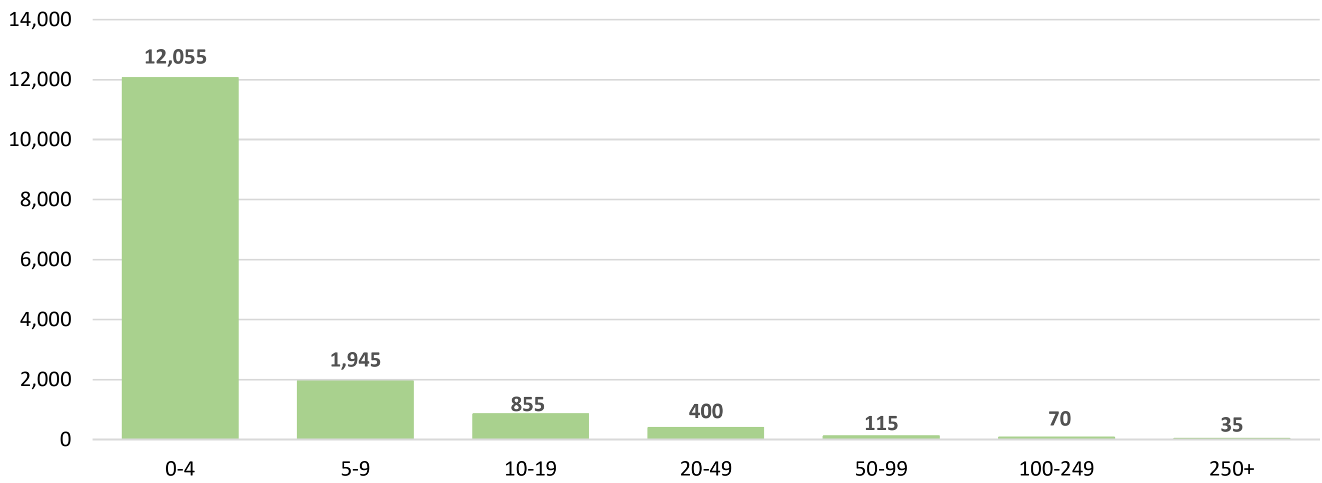


Source: ONS, IDBR 2016, ONS, BRES 2015, © Crown Copyright, 2017

3.2 Businesses by Size

Shropshire is principally a small business economy, with more than nine out of ten of the 15,480 enterprises registered for either VAT or PAYE employing fewer than 10 in 2016. More than three-quarters of businesses have four or fewer employees. Only 35 employers in the County have a workforce of 250 or more, and as such are not classified as small and medium sized enterprises (SMEs). This includes both private and public sector organisations. The penetration of small businesses is particularly in evidence in the south and north east of the county, and while they still dominate elsewhere, there is a greater presence of larger employers within Shrewsbury and Oswestry.

Figure 12: Number of business enterprises by size, 2016



Source: ONS, IDBR 2016, © Crown Copyright, 2017

Nationally and regionally, small businesses dominate, but those with fewer than 10 employees account for less than 90% of the total within both Great Britain and the West Midlands.

Figure 13: Breakdown of enterprises by size, Shropshire, West Midlands and Great Britain, 2016

	Shropshire	Marches LEP	West Midlands	Great Britain
0-4	77.9%	77.5%	76.9%	77.7%
5-9	12.6%	12.2%	11.8%	11.4%
10-19	5.5%	5.7%	6.1%	5.8%
20-49	2.6%	2.9%	3.2%	3.1%
50-99	0.7%	0.9%	1.0%	1.0%
100-249	0.5%	0.5%	0.6%	0.6%
250+	0.2%	0.3%	0.4%	0.4%

Source: ONS, IDBR 2016, © Crown Copyright, 2017

Although the number of large employers in Shropshire is limited, these account for a disproportionately large share of employment. Some market towns are particularly dependent on one or two large employers and hence are vulnerable should these businesses close, downsize or relocate.

3.3 Business Start-Ups and Closures

Compared with the national and regional averages, Shropshire supports a low business start-up rate. This is, however, influenced by the already high level of self-employment that prevails across the County and compounded by the fact that home-based and micro-businesses which are not registered for either VAT or PAYE are excluded from the official data. In addition, the low start-up rate is counterbalanced by a lower than average closure rate. Shropshire therefore has a lower business churn rate than is typical across the country as a whole.

1,350 new businesses were established in Shropshire in 2015. With fewer businesses closing this year (1,070), the active business base has increased to 13,240. As a percentage of the total number of active businesses, the start-up rate in Shropshire is comparatively low, at 10.2%, compared with 14.4% nationally and 14.1% in the West Midlands. However, business closures rates are also lower than national and regional averages, at 8.1% in 2015, compared with 9.1% and 9.5% regionally and nationally respectively. In Shropshire, 17 fewer businesses were set up per 10,000 of the population compared with the national average in 2015, while the number of closures per 10,000 people was five lower. Shropshire does support a high number of businesses per 10,000 of the population which reflects the high number of micro businesses in the county.

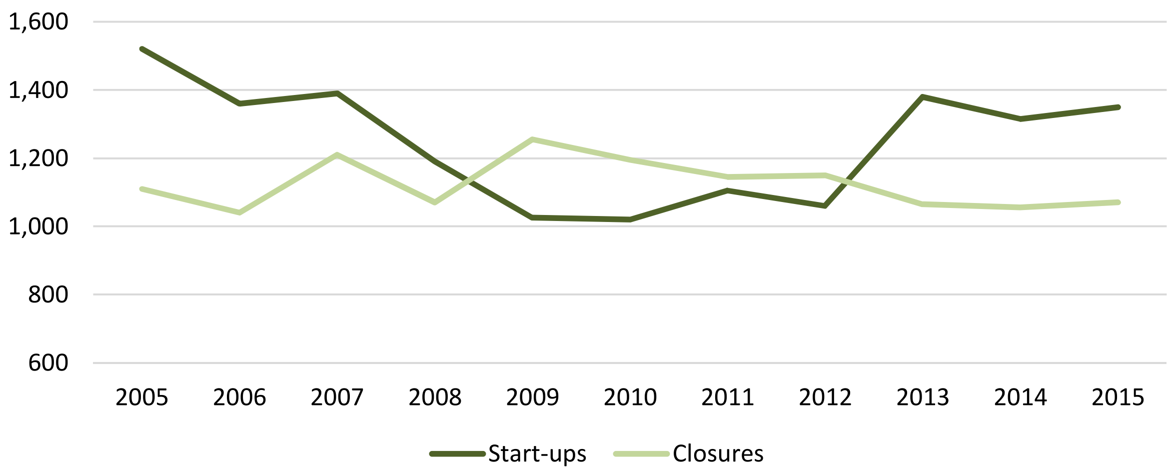
Figure 14: Business start-up and closures, 2015

	Shropshire	Marches LEP	West Midlands	Great Britain
Start-Ups	1,350	2,765	29,350	377,635
Closures	1,070	2,205	18,975	248,055
Businesses	13,240	26,595	207,980	2,615,965
Start-Ups as % active businesses	10.2%	10.4%	14.1%	14.4%
Closures as % active businesses	8.1%	8.3%	9.1%	9.5%
Start-ups per 10,000 population	43	41	51	60
Closures per 10,000 population	34	33	33	39
Active businesses per 10,000 population	425	397	362	414

Source: ONS, Business Demography, 2015, © Crown Copyright, 2017
Note: Includes businesses registered for either VAT or PAYE only

Figure 15 below shows trends in business start-ups and closures in Shropshire in the decade leading up to 2015. Until the onset of recession, more businesses were set up on an annual basis than closed, although in the immediate run-up to the economic downturn, the gap was narrowing. By 2009, the number of closures had exceeded the number of start-ups for the first time, and this trend continued until 2013, when the number of start-ups surpassed the number of closures once more.

Figure 15: Business start-ups and closures in Shropshire, 2005-2015

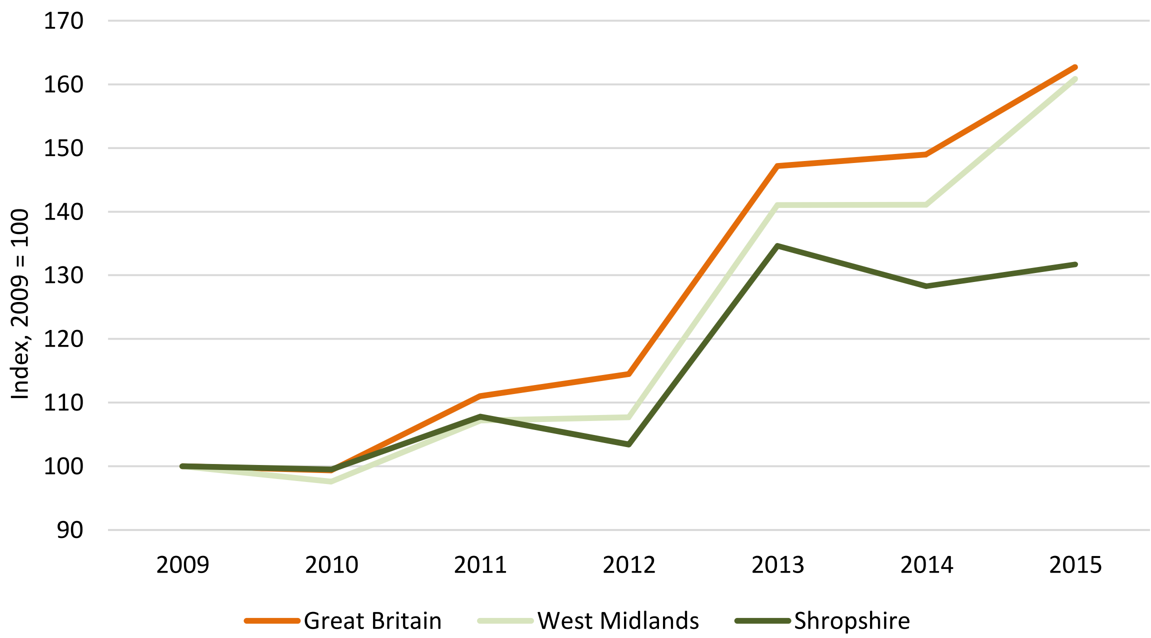


Source: ONS, Business Demography, 2015, © Crown Copyright, 2017
Note: Includes businesses registered for either VAT or PAYE only

3.4 Start-Ups

As shown in the chart below, there has been a strong increase in the number of businesses starting up nationally and regionally since 2009, with 63% more start-ups in Great Britain in 2015 than there were in 2009 and 61% more in the West Midlands. In Shropshire just under a third more businesses were started up in 2015 than in 2009. Growth in business start-ups almost kept pace with the region and with Great Britain until 2013 but has been flat over the last couple of year, with 30 fewer businesses starting up in 2015 than in 2013.

Figure 16: Change in the number of businesses starting, 2009-2015

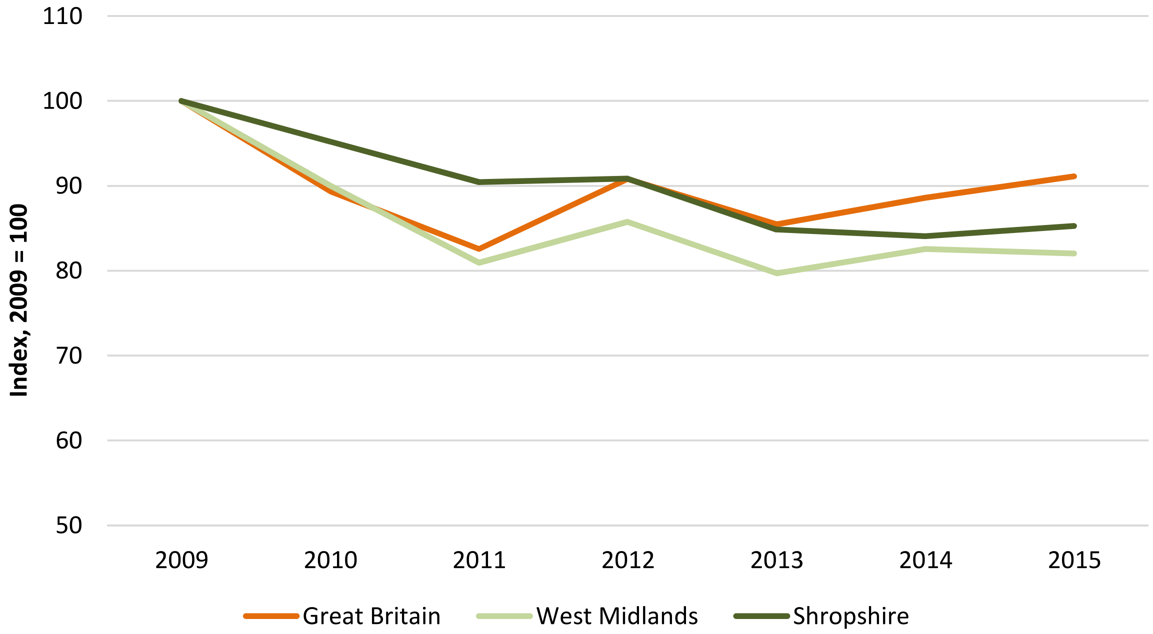


Source: ONS, Business Demography, 2015, © Crown Copyright, 2017
Note: Includes businesses registered for either VAT or PAYE only

3.5 Business Closures

185 fewer businesses closed in Shropshire in 2015 than they did in 2009, which is the equivalent of a 15% decline. The decrease in closures has been slightly slower in Shropshire than in the West Midlands, but slightly faster than is the case nationally. As is the case with start-ups, the number of closures has flattened out over the last couple of years, which may be indicative of more stable economic circumstances.

Figure 17: Change in the number of businesses closing, 2009-2015



Source: ONS, Business Demography, 2015, © Crown Copyright, 2017
Note: Includes businesses registered for either VAT or PAYE only

3.6 Business Survival Rates

Of all businesses which were established in Shropshire in 2010, the majority were still operating a year later (89.7%). By the end of year three, less than two-thirds were still trading, and after five years more than half had ceased operations. Overall, Shropshire businesses which were established in 2010 showed stronger rates of survival at the one, two, three, four and five year marks than their national or regional counterparts. Survival rates are generally at a similar level to the Marches LEP.

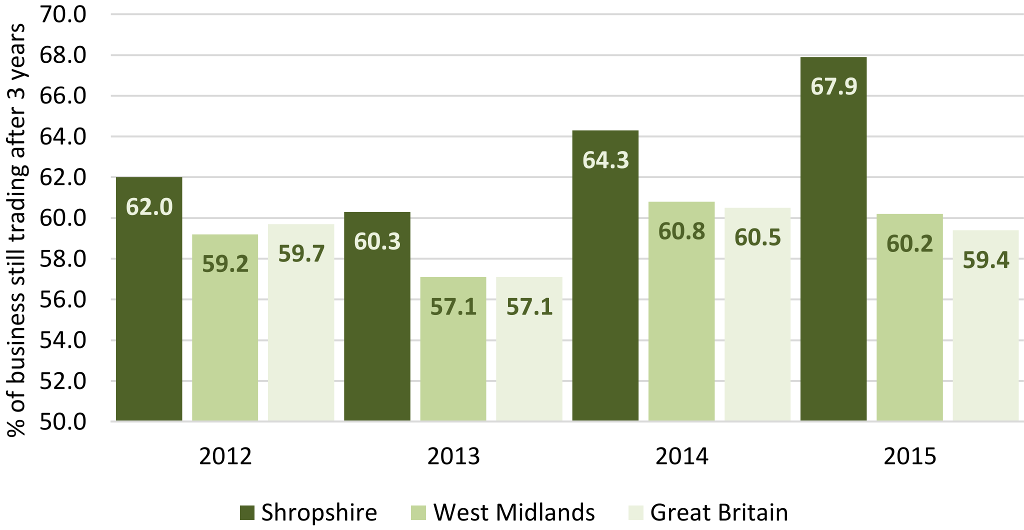
Figure 18: Survival rates of businesses founded in 2010

	% of businesses surviving after 1 year	% of businesses surviving after 2 years	% of businesses surviving after 3 years	% of businesses surviving after 4 years	% of businesses surviving after 5 years
Shropshire	89.7%	75.5%	60.3%	52.0%	43.6%
Marches LEP	89.6%	75.1%	60.3%	51.3%	43.6%
West Midlands	87.1%	72.3%	57.1%	48.2%	41.3%
Great Britain	86.7%	72.5%	57.1%	48.1%	41.4%

Source: ONS, Business Demography, 2015, © Crown Copyright, 2017
Note: Includes businesses registered for either VAT or PAYE only

Looking at three year survival rates for the last four years (that is for businesses started in 2009, 2010, 2011 and 2012), it is clear that Shropshire businesses consistently outperform their regional and national counterparts. It is also evident that three year survival rates have improved considerably since 2013, especially in Shropshire. This will have been influenced by prevailing economic conditions whereby businesses set up in 2009 and 2010 were more likely to have been impacted in the wake of the recession.

Figure 19: Three year survival rates, 2012-2015



Source: ONS, Business Demography, 2015, © Crown Copyright, 2017
Note: Includes businesses registered for either VAT or PAYE only

Figure 20 shows the number of new businesses closing in Shropshire each year. The data suggests that businesses are most vulnerable during their second and third years in operation. It also shows an exceptionally high failure rate in year two for businesses founded in 2013, a year when the number of business start-ups were higher than they had been in any year since 2007.

Figure 20: Number of Shropshire businesses closing per year

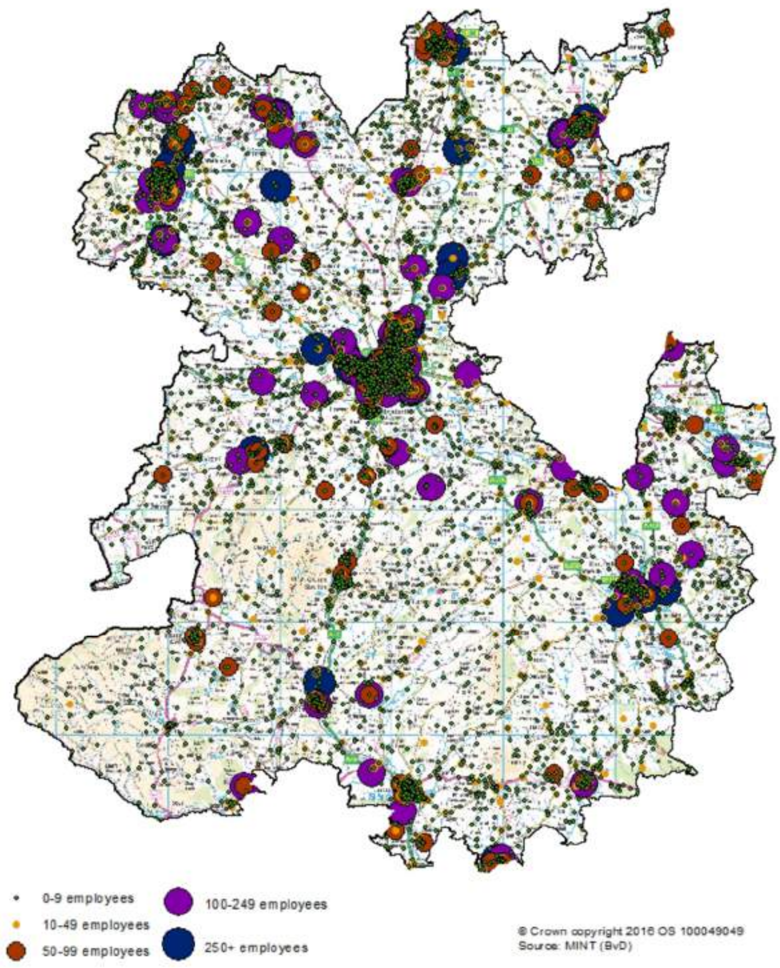
	Number Set Up	Number closing in year 1	Number closing in year 2	Number closing in year 3	Number closing in year 4	Number closing in year 5
Businesses set up in 2010	1,020	105	145	155	85	95
Businesses set up in 2011	1,105	65	160	170	100	-
Businesses set up in 2012	1,060	65	145	130	-	-
Businesses set up in 2013	1,380	65	210	-	-	-
Businesses set up in 2014	1,315	80	-	-	-	-

Source: ONS, Business Demography, 2015, © Crown Copyright, 2017

3.7 Location of Businesses

The following map shows the location of businesses by size. It is clear that the majority of the largest employers are located either in the county town of Shrewsbury or in one of the principal market towns (Oswestry, Market Drayton, Bridgnorth, Ludlow and Whitchurch).

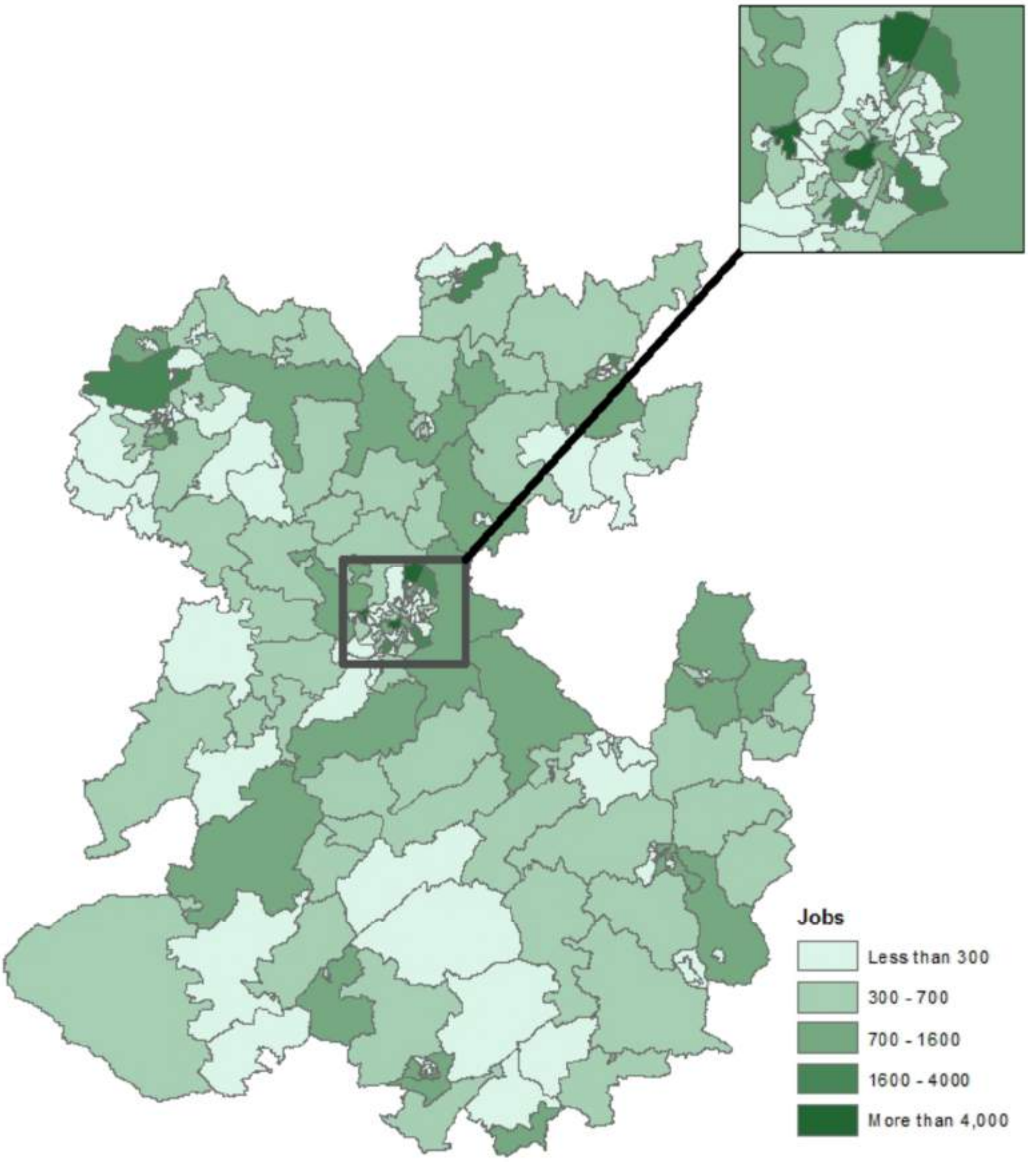
Figure 21: Location of businesses, 2016



3.8 Employment Density

The following map shows employment density in Shropshire and reflects the higher number of jobs in locations where there are either clusters of businesses or one or more large employer (or both).

Figure 22: Employment density in Shropshire, 2015



Source: ONS, BRES 2015, © Crown Copyright, 2016

3.9 Types of Employment

Shropshire supports a higher penetration of part-time jobs than is the case regionally or nationally, as shown in Figure 23 below. Prevalence of part-time work can be an indicator of under-employment, although it should be noted that as people approach retirement, or pass traditional retirement age but wish/need to carry on working, the tendency to work part-time increases.

Figure 23: Breakdown of employee jobs by full/part-time, 2015

Source: ONS, BRES 2015, © Crown Copyright, 2017

3.10 Business Sectors

The rural nature of Shropshire's economy is reflected in the breakdown of enterprises by sector, which shows that more than a fifth of all enterprises registered for either PAYE or VAT are classified as agricultural. This compares with just 5.2% of enterprises nationally. Shropshire is also over-represented by businesses in wholesale, motor trades, accommodation and food services and public administration and defence, but only slightly. In contrast, Shropshire has comparatively fewer information and communication and professional, scientific and technical businesses.

This data can be usefully considered alongside employment data, which can be found in Figure 27.

Figure 24: Breakdown of business enterprises by sector, 2016

	Shropshire	Marches LEP	West Midlands	Great Britain
Agriculture, forestry & fishing	21.5%	19.5%	6.2%	5.2%
Mining, quarrying & utilities	0.4%	0.5%	0.5%	0.5%
Manufacturing	5.2%	6.1%	7.3%	5.2%
Construction	10.5%	10.6%	11.3%	11.8%
Motor trades	3.3%	3.3%	3.6%	2.9%
Wholesale	4.2%	4.3%	4.9%	4.1%
Retail	6.3%	6.7%	8.2%	7.5%
Transport & storage (inc postal)	2.9%	3.0%	5.3%	3.7%
Accommodation & food services	6.1%	5.7%	5.5%	5.8%
Information & communication	4.0%	4.7%	6.0%	8.3%
Financial & insurance	1.2%	1.1%	1.6%	2.1%
Property	3.2%	3.2%	3.5%	3.6%
Professional, scientific & technical	12.9%	12.6%	15.5%	18.2%
Business administration & support services	6.7%	7.2%	7.8%	8.3%
Public administration & defence	0.7%	0.7%	0.3%	0.3%
Education	1.4%	1.6%	1.7%	1.7%
Health	3.6%	3.5%	4.9%	4.5%
Arts, entertainment, recreation & other services	5.7%	5.7%	6.0%	6.6%
Total	100.0%	100.0%	100.0%	100.0%

Source: ONS, IDBR 2016, © Crown Copyright, 2017

The top four employment sectors in Shropshire are health, retail, manufacturing and education. These all account for around one in ten jobs (even higher in the case of health) and together they represent approaching half of all jobs.

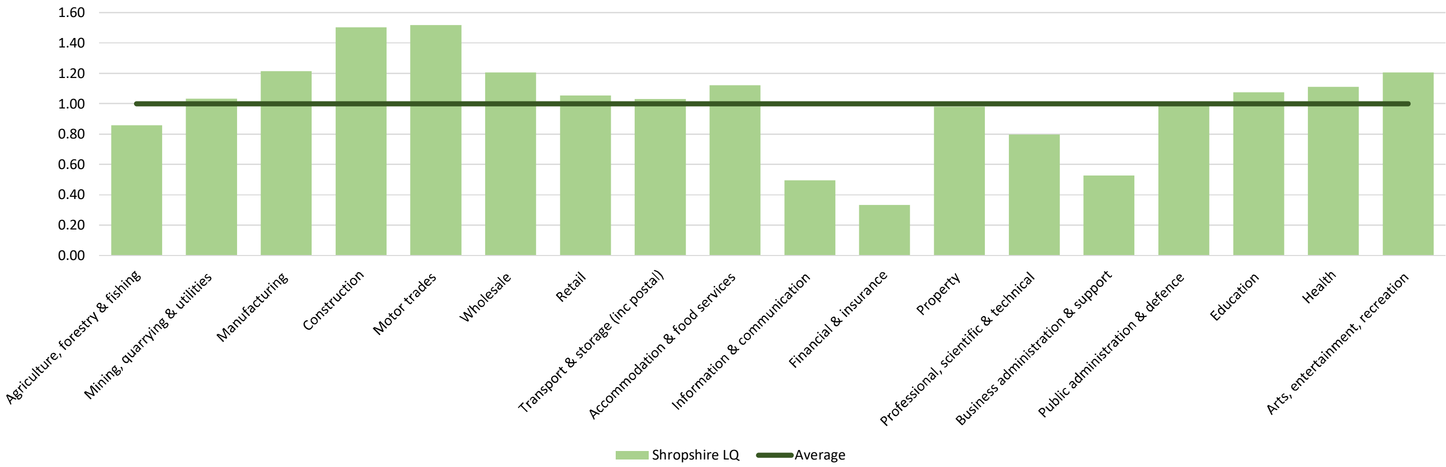
Figure 25: Breakdown of employee jobs by sector, 2015

	Shropshire: Number of Jobs	% of Jobs			
		Shropshire	Marches LEP	West Midlands	Great Britain
Agriculture, forestry & fishing*	700	0.6%	0.5%	0.9%	0.7%
Mining, quarrying & utilities	1500	1.3%	1.2%	1.3%	1.3%
Manufacturing	11500	10.0%	13.6%	12.0%	8.2%
Construction	7800	6.8%	5.5%	5.2%	4.5%
Motor trades	3100	2.7%	2.4%	2.2%	1.8%
Wholesale	5500	4.8%	5.5%	5.3%	4.0%
Retail	11900	10.4%	10.3%	9.2%	9.9%
Transport & storage (inc postal)	5500	4.8%	4.3%	5.9%	4.6%
Accommodation & food services	9200	8.0%	7.0%	6.2%	7.1%
Information & communication	2400	2.1%	2.7%	2.6%	4.2%
Financial & insurance	1400	1.2%	1.2%	2.6%	3.5%
Property	1900	1.6%	1.6%	1.5%	1.7%
Professional, scientific & technical	7600	6.7%	5.3%	6.6%	8.3%
Business administration & support services	5300	4.7%	7.0%	8.3%	8.8%
Public administration & defence	5100	4.4%	4.5%	3.9%	4.4%
Education	11300	9.8%	9.3%	9.4%	9.2%
Health	16900	14.7%	13.2%	12.5%	13.2%
Arts, entertainment, recreation & other services	6100	5.3%	4.7%	4.4%	4.4%
Total	114800	100.0%	100.0%	100.0%	100.0%

Source: ONS, BRES 2015, © Crown Copyright, 2017
Note: Numbers rounded to nearest 100
**Excludes farm-based agriculture*

Figure 26 below shows the relative importance of each sector according to a location quotient (LQ). An LQ of 1 shows that the sector has the same comparative importance in Shropshire as it does nationally. Any sector which shows an LQ over 1 is over-represented in Shropshire in terms of employment, while conversely, any sector with an LQ of less than 1 is under-represented. It is clear that Shropshire has a much higher than average dependence on motor trades and construction and a much lower representation in financial and insurance, information and communication, professional, scientific and technical as well as business administration and support services.

Figure 26: Sector significance by location quotient, 2015



Source: ONS, BRES 2015, © Crown Copyright, 2017
Excludes farm-based agriculture

Figure 27 compares the relative importance of each sector in relation to both the number of businesses supported and the number of employees they accommodate. It is evident that some of the largest employment sectors include some of the County's largest employers. Health, for example, accounts for just 3.6% of enterprises but 14.7% of employment, with education accounting for 1.4% of enterprises and 9.8% of employment. These two sectors, along with public administration and defence, have the highest average number of employees per enterprise. At the other end of the scale, the professional, scientific and technical sector accounts for 12.9% of enterprises but just 6.7% of employment, while construction is represented by 10.5% of enterprises but just 6.8% of employees.

The average number of employees per enterprise is 7.4 – with manufacturing; retail; wholesale; transport and storage; accommodation and food services; as well as public administration and defence; education; and health on average larger than this. Given the more rapid rise in the number of enterprises in recent years compared to employment growth, the average number of employees per enterprise is falling.

Figure 27: Comparison of business counts and employment, 2015/16

	% of enterprises	% of employee jobs	Average no jobs per enterprise
Agriculture, forestry & fishing,	21.5%	0.6%	n.a
Mining, quarrying & utilities	0.4%	1.3%	23.1
Manufacturing	5.2%	10.0%	14.2
Construction	10.5%	6.8%	4.8
Motor trades	3.3%	2.7%	6.0
Wholesale	4.2%	4.8%	8.4
Retail	6.3%	10.4%	12.1
Transport & storage (inc postal)	2.9%	4.8%	12.2
Accommodation & food services	6.1%	8.0%	9.7
Information & communication	4.0%	2.1%	3.8
Financial & insurance	1.2%	1.2%	7.6
Property	3.2%	1.6%	3.8
Professional, scientific & technical	12.9%	6.7%	3.8
Business administration & support	6.7%	4.7%	5.1
Public administration & defence	0.7%	4.4%	48.6
Education	1.4%	9.8%	53.8
Health	3.6%	14.7%	30.7
Arts, entertainment, recreation	5.7%	5.3%	6.9
Total	100.0%	100.0%	7.4

Source: ONS, BRES 2015, IDBR 2016 © Crown Copyright, 2017
Excludes farm-based agriculture

Sectors experiencing the highest level of job growth since 2009 are:

- Profession, technical and scientific: +2,800 jobs
- Construction: +1,500 jobs
- Business administration and support services: +1,200 jobs
- Transport and storage: +1,000 jobs
- Accommodation and food services: +700 jobs

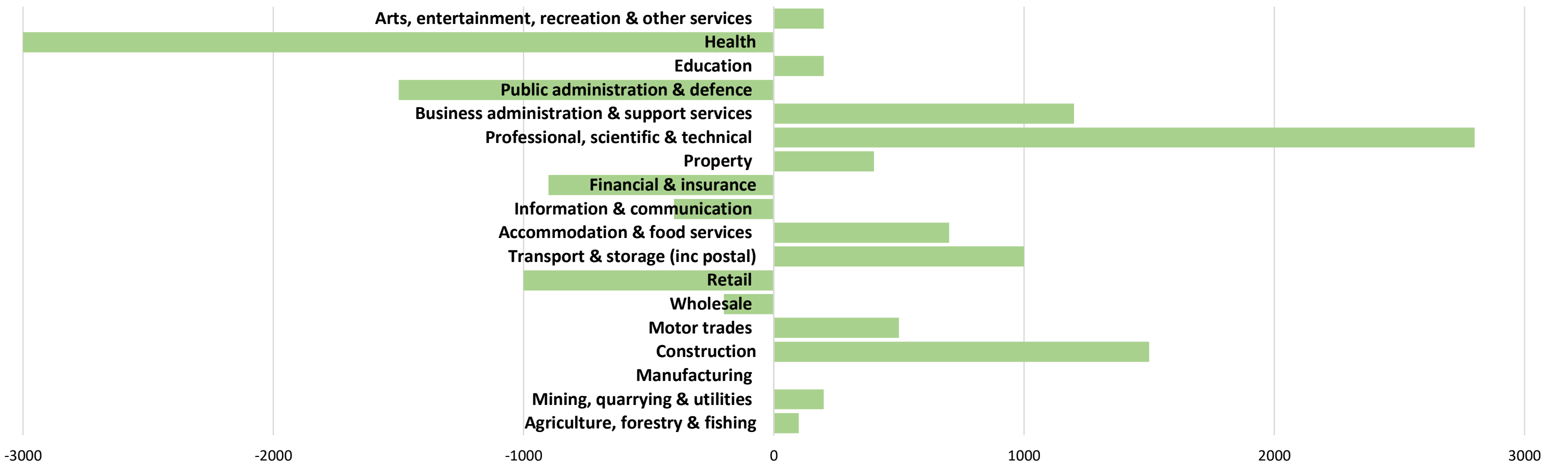
The professional, technical and scientific and construction sectors both expanded substantially in 2015 in terms of the number that they employ at +36% and +28% respectively.

In contrast, sectors which have declined the most in terms of employment since 2009 are

- Health: -3,400 jobs
- Public administration and defence: -1,500 jobs
- Retail: - 1,000 jobs
- Finance and insurance: -900

Until 2013, the health sector was expanding strongly in Shropshire, but after a static year in 2014, employment in the sector fell back by a substantial 17% in 2015.

Figure 28: Change in employment by sector between 2009 and 2015



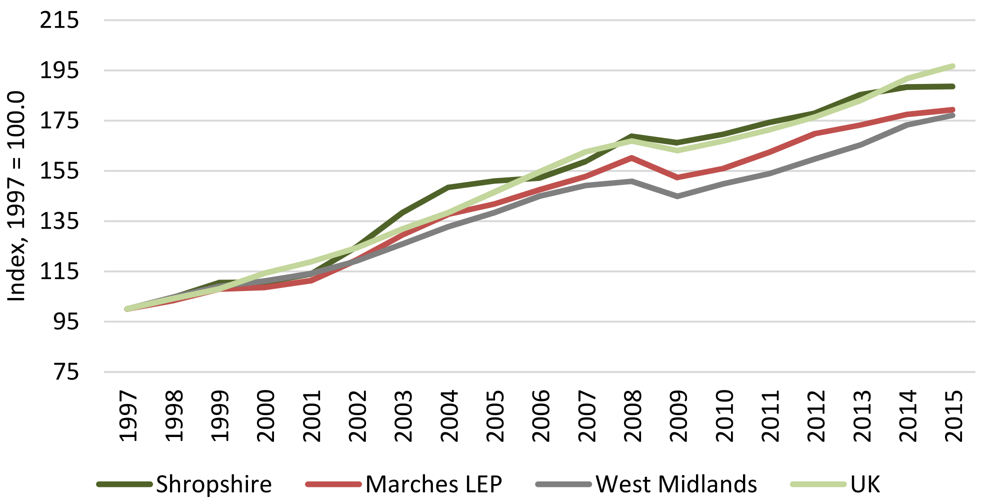
Source: ONS, BRES 2015, © Crown Copyright, 2017

4 Gross Value Added[3]

GVA in Shropshire has long since lagged behind its more urban West Midlands' counterparts. There are a number of reasons for this, including Shropshire's traditional reliance on agriculture and related industries, where GVA generation is low compared with other sectors. The lack of corporate headquarters also has an adverse effect, as GVA generation is often attributed entirely to the HQ base rather than being split pro rata to branches. High levels of out-commuting, especially amongst top earners, also suppresses the value of Shropshire GVA (and particularly GVA per capita).

Nationally, the run-up to recession in 2009 and its immediate aftermath had a significant impact on GVA generation, but subsequently productivity has recovered. The following chart shows the long term trend in GVA growth for Shropshire, the Marches LEP, the West Midlands and the UK. It shows that growth in Shropshire between 1997 and 2015 has surpassed regional growth, but has been slower than growth nationally. By and large though, Shropshire has followed national and regional trends, although it is evident that growth has begun to slow in more recent years.

Figure 29: Growth in GVA, 1997-2015



Source: ONS, Office for National Statistics, 2015, Crown Copyright, 2017©

Although growth in GVA in Shropshire has almost matched growth nationally between 1997 and 2015, growth over the last decade has been less positive. Between 2005 and 2015, growth of 25% was achieved, taking GVA to £6,009 million. Growth in 2015 was flat (+0.2%). In comparison, productivity in the UK expanded by 2.6% in 2015 and by 34.2% between 2005 and 2015.

GVA per head of population in Shropshire stood at £19,299 in 2015. This represents a minor decline compared with 2014 and is the equivalent of 17% growth since 2005. Per capita GVA is £6,302 lower in Shropshire than it is nationally, which is 25% less.

Figure 30: Gross Value Added, 2015*

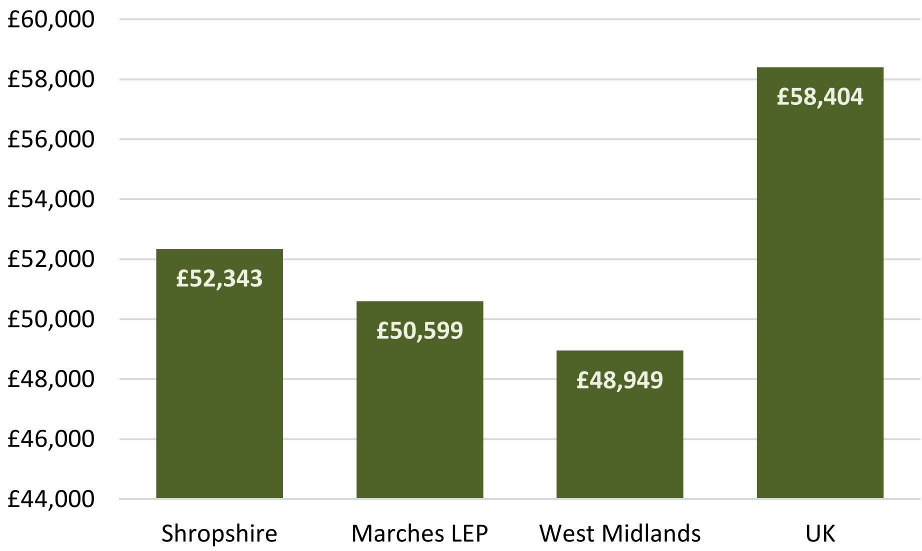
	Headline GVA £ Million	% Growth 2014-2015	% Growth 2005-2015	Per capita GVA £	% Growth 2014-2015	% Growth 2005-2015
Shropshire	6,009	0.2%	25.0%	19,299	-0.2%	17.0%
Marches LEP	13,525	1.1%	26.4%	20,169	0.5%	18.6%
West Midlands	119,769	2.2%	28.0%	20,826	1.6%	17.0%
United Kingdom	1,666,342	2.6%	34.2%	25,601	1.8%	24.5%

Source: ONS, Office for National Statistics, 2015, Crown Copyright, 2017©
**At current basic prices*

[3] Gross value added (GVA) is a means of measuring the contribution to the economy made by producers or sectors. It is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used in production.

Stripping out the detrimental impact on GVA caused by out-commuting and looking at GVA per employee instead, Shropshire outperforms the West Midlands but is still some distance behind the UK. The differential is much less acute than it is per capita (around 10%) though.

Figure 31: GVA per employee job, 2015



Source: ONS, Office for National Statistics, 2015, BRES, 2015, Crown Copyright, 2017©

4.1 GVA by Sector

Relatively low GVA in Shropshire is influenced by the types of industries which make up the Shropshire economy. To some extent, low GVA is symptomatic of a rural economy which by its nature is heavily reliant on agriculture and other land-based sectors. Some of the main employment sectors in Shropshire, including the public sector and distribution, transportation, accommodation and food are actually comparatively low generators of GVA. Notwithstanding this, these two sectors account for more than 40% of all GVA generated in the County.

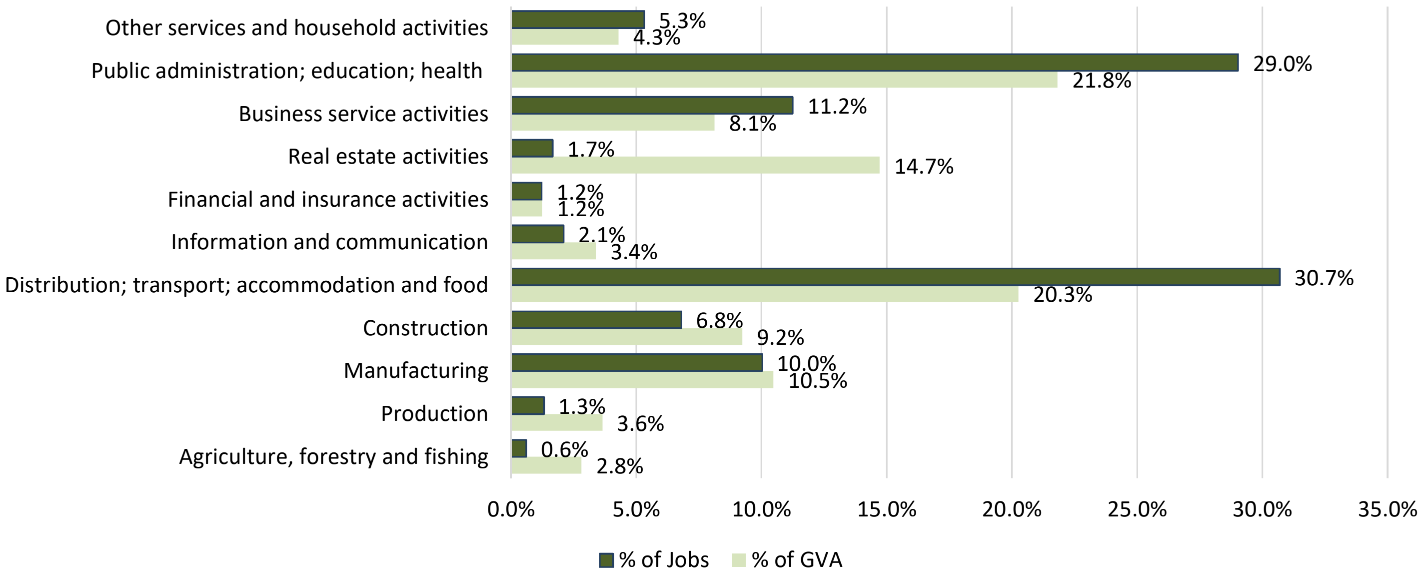
Figure 32: Shropshire GVA by sector, 2015

	GVA Million	% of GVA
Agriculture, forestry and fishing	169	2.8%
Production	219	3.6%
Manufacturing	629	10.5%
Construction	555	9.2%
Distribution; transport; accommodation and food	1,217	20.3%
Information and communication	203	3.4%
Financial and insurance activities	75	1.2%
Real estate activities	884	14.7%
Business service activities	488	8.1%
Public administration; education; health	1,311	21.8%
Other services and household activities	258	4.3%
Total	6,009	100.0%

Source: ONS, Office for National Statistics, 2015, Crown Copyright, 2017©
**At current basic prices*

Comparing the level of GVA generated with the number of employee jobs provided by each sector shows that while the public sector and distribution, transportation, accommodation and food account for 42.1% of GVA, they also accommodate approaching 60% of jobs. Production, construction, information and communication and real estate activities all account for a higher share of GVA generation than they do of employment.

Figure 33: Breakdown of GVA and employee jobs by sector, 2015



Source: ONS, Office for National Statistics, 2015, BRES 2015, Crown Copyright, 2017©

The fastest growing sectors in terms of GVA generation in the 10 years to 2015 were:

- Business service activities (+70.6%)
- Other services and household activities (+47.4%)
- Construction (+40.9%)
- Information and Communication (+35.3%)

In contrast, the following sector has declined:

- Finance and Insurance (-40.9%)

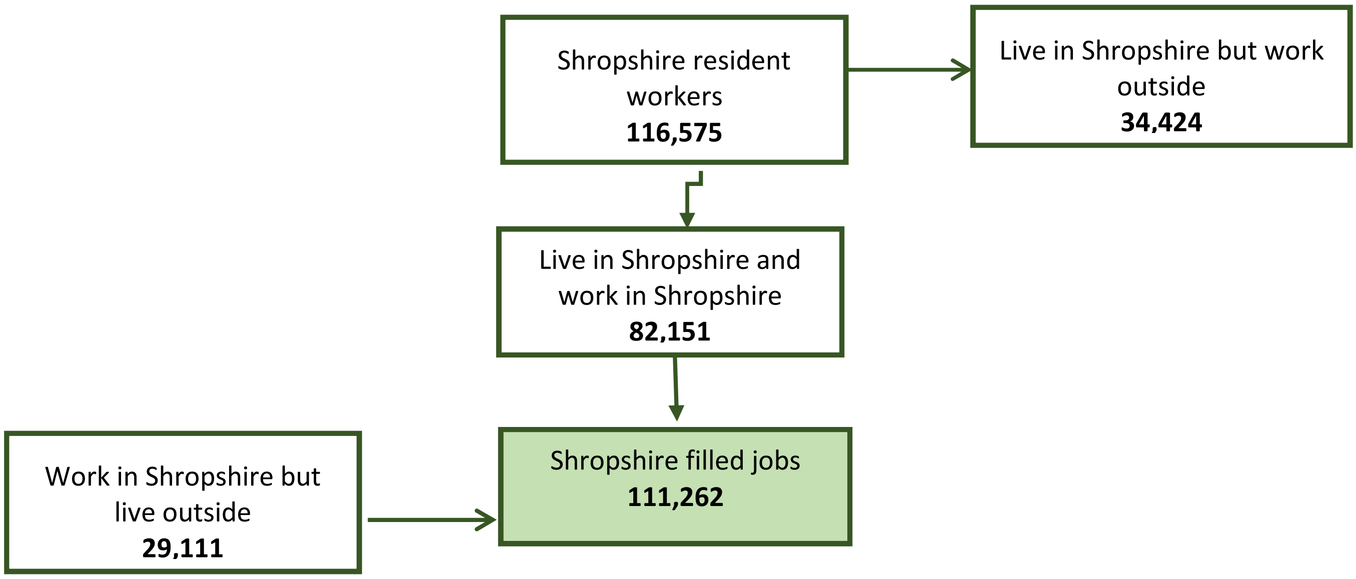
The agriculture, forestry and fishing sector has been flat (+0.6% GVA growth).

5 Commuting Patterns

At the time of the 2011 Census, 111,262 people aged 16 and over had jobs in Shropshire; while 116,575 people aged 16 and over living in Shropshire were in employment. This means that the County has more workers than it has filled jobs, with net out-commuting standing at 5,313 in 2011.

Figure 34 provides a summary of the origin and destination of people living and working in Shropshire:

Figure 34: Commuter flows in Shropshire



Source: ONS (2011), Census, Crown Copyright 2017

Levels of commuting have risen over the last two decades, with the number travelling into Shropshire to work rising by 16,181 people (+125%) between 1991 and 2011 to reach 29,111. The number commuting out of Shropshire has also risen, albeit less dramatically, from 23,710 people in 1991 to 34,424 people in 2011. This is the equivalent of an additional 10,714 in-commuters and constitutes growth of 45%. While out-commuting continues to surpass in-commuting, the gap has narrowed, with net commuting standing at -5,313 in 2011 compared with -10,780 in 1991.

Figure 35: Commuting in and out of Shropshire, 1991-2011

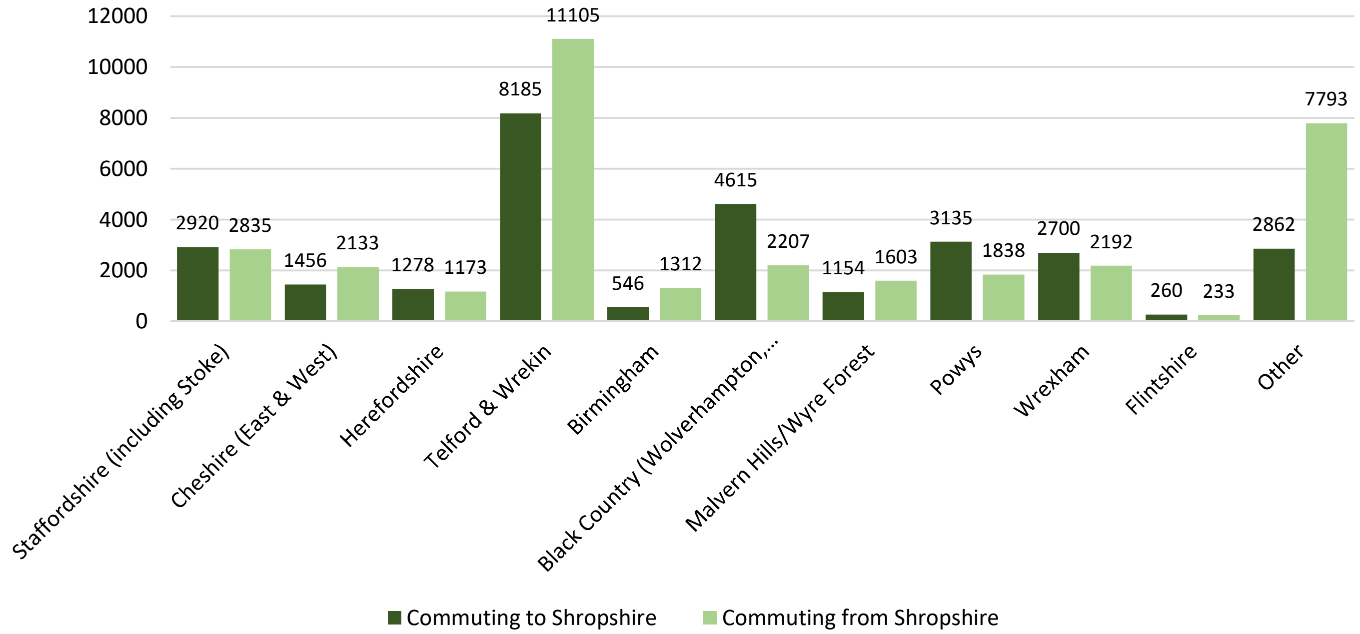
	1991	2001	2011	Change 1991-2011	% Change 1991-2011
In-Commuters	12,930	20,786	29,111	+16,181	+125.1%
Out-Commuters	23,710	33,011	34,424	+10,714	+45.2%
Net Commuting	*-10,780*	*-12,225*	*-5,313*	*-5,467*	*-50.7%*

Source: ONS (2011), Census, Crown Copyright 2017

Figure 36 shows the main origins and destinations of cross-boundary commuting to and from Shropshire. The largest flows, both into and out of Shropshire, are with Telford and Wrekin, with 19,290 people commuting between the two Local Authorities at the time of the 2011 Census.

The top five District or Unitary Authority destinations for Shropshire residents commuting out of the County are Telford; Wolverhampton; Wrexham; Powys; and Birmingham. The top five District or Unitary Authority origins of workers commuting into Shropshire are Telford; Powys; Wrexham; Herefordshire; and Wolverhampton.

Figure 36: Cross-boundary commuting to and from Shropshire, 2011



Source: ONS (2011), Census, Crown Copyright – 2017

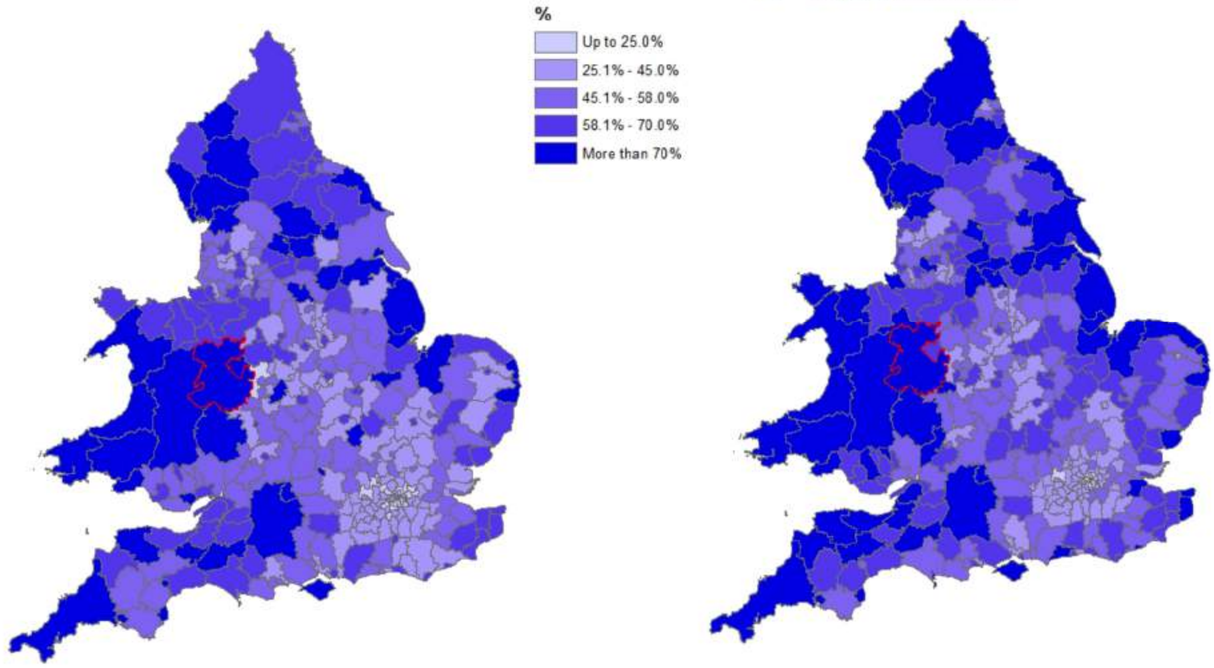
5.1 Self-Containment

A significant proportion of people both live and are employed in Shropshire (82,151 people), which means that 70.5% of Shropshire residents work within the county (origin containment). There is also a high level of job containment in Shropshire, with 73.8% of employee jobs in Shropshire (destination containment) filled by people who also live there.

As illustrated in Figure 37, compared with much of England and Wales, this level of self-containment is high. Overall, Shropshire ranked 40th and 42nd out of 346 Unitary and District Authorities in terms of its level of destination and origin containment respectively in 2011.

Figure 37: Levels of self-containment across England and Wales

a) Destination containment **b) Origin containment**



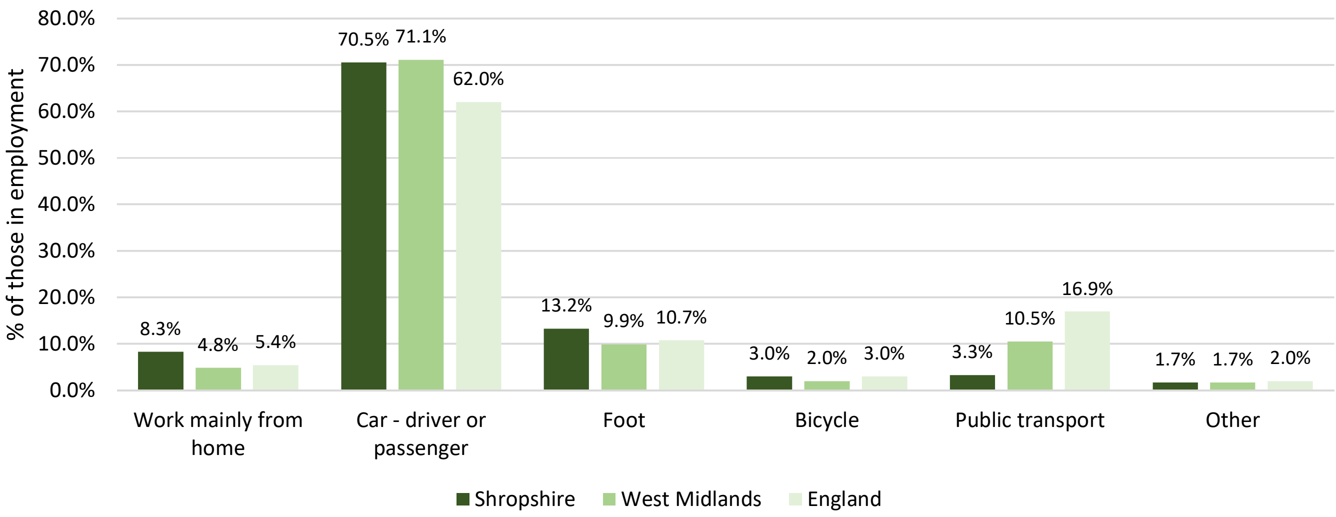
Source: ONS (2011), Census, Crown Copyright – 2017

5.2 Travelling to Work

Shropshire's rurality means that car dependency is high. Just 15.8% of households in Shropshire do not have a car compared with just over a quarter of households (25.8%) nationally and just under a quarter (24.7%) in the West Midlands (2011 Census).

There is also a high reliance on cars as the principal means of travelling to work. In 2011, 70.5% of those working used a car (either as a driver or passenger) as their principal means of travelling to work compared with 62% nationally. Far fewer workers in Shropshire use public transport – just 3.3% in 2011 compared with 16.9% nationally.

Figure 38: Main means of travelling to work, 2011

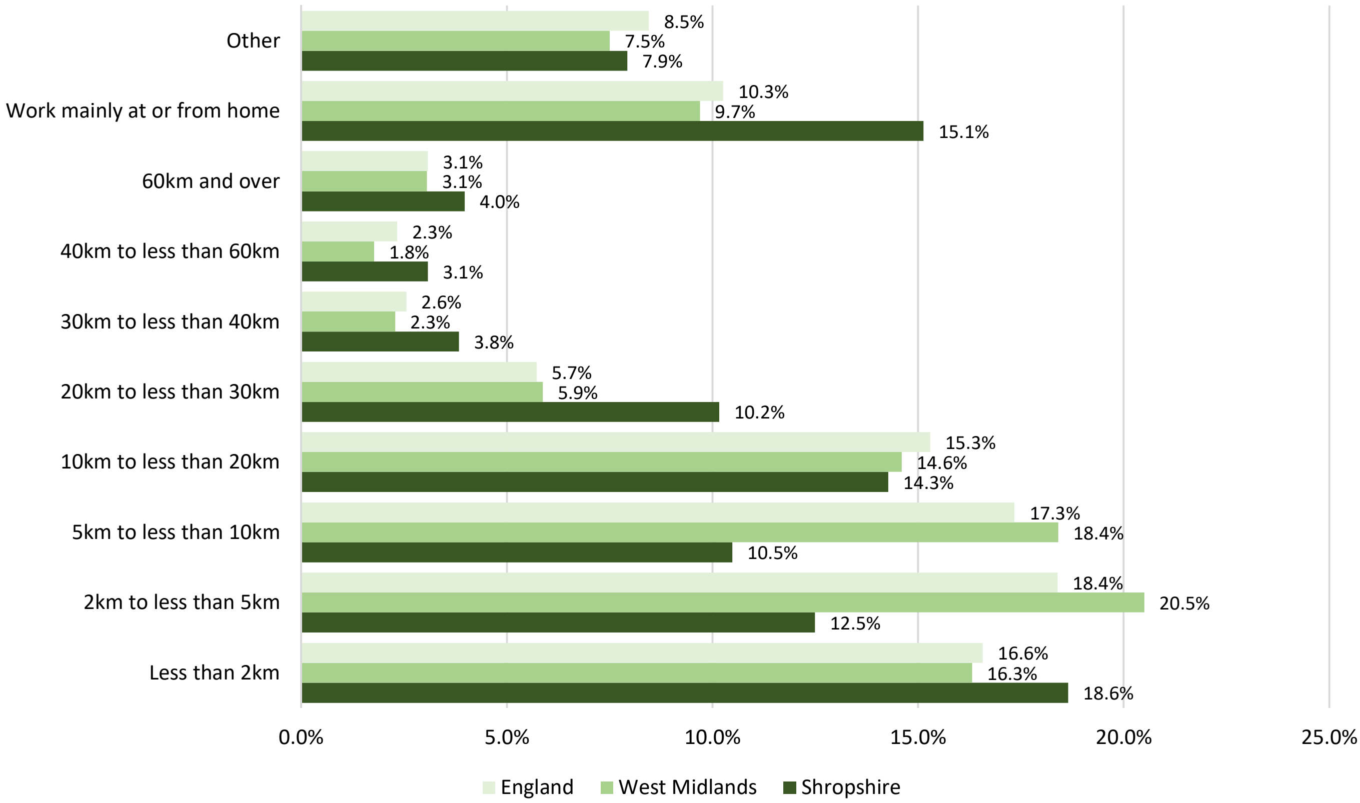


Source: ONS (2011), Census, Crown Copyright – 2017

The rural nature of the County also impacts on how far residents travel to work. High numbers work mainly from home, but proportionally higher numbers also travel considerable distances to get to their workplace. 21% of Shropshire workers travel 20km or more to get to work compared to 13% and 13.7% in the West Midlands and England respectively. The average commute for Shropshire residents was 18.7km in 2011 against an average of 14.1km in the West Midlands and 14.9km in England.

Note: The number of people working mainly from home is calculated differently for different Census tables. For figure, Census respondents were specifically asked how they travel to work, with working mainly from home one of the given options. The distance travelled to work did not constitute a specific Census question; instead ONS statisticians calculated the distance based on home postcode and workplace postcode. This means that the number and proportion of the population who are reported to work primarily from home do not always correlate.

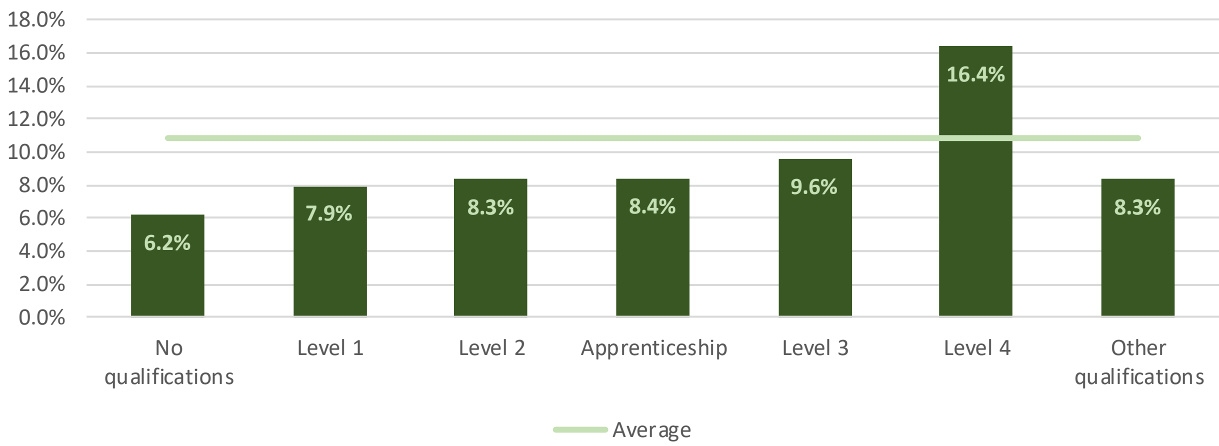
Figure 39: Average distances travelled to work, 2011



Source: ONS (2011), Census, Crown Copyright – 2017

The higher qualified workers are, the more likely they are to travel longer distances to work. As displayed in the chart below, 16.4% of Shropshire working residents with at least NVQ level 4 qualifications travel 30km or further to work compared with an average of 10.8% for all workers.

Figure 40: Distance travelled to work by qualification level, 2011



Source: ONS (2011), Census, Crown Copyright – 2017

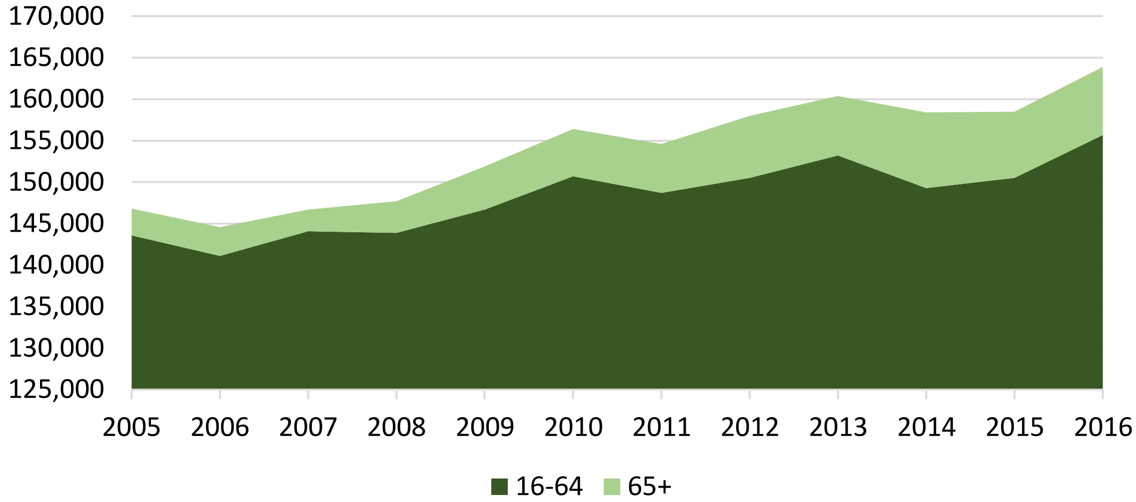
6 Labour Force, Employment and Unemployment

6.1 Economic Activity

According to the Annual Population Survey, there were 159,900 economically active people[4] in Shropshire in 2016, which is the equivalent of 63.2% of the population aged 16 and over. The number of economically active people has risen steadily over the last decade, and there are now 12,900 more residents who participate in the labour market than there were in 2005. This equates with growth of 8.8%.

The following chart illustrates the development of Shropshire's labour supply since 2005. It is evident that an increasing proportion of the labour force are aged 65 and above. In 2005, there were 3,400 people in this age bracket who were economically active – by 2016, this figure had risen to 8,300 and as a consequence, the share of the labour force held by those aged 65 or older has risen from 2.3% of the total to 5.2%.

Figure 41: Development of the Shropshire labour force, 2005-2016

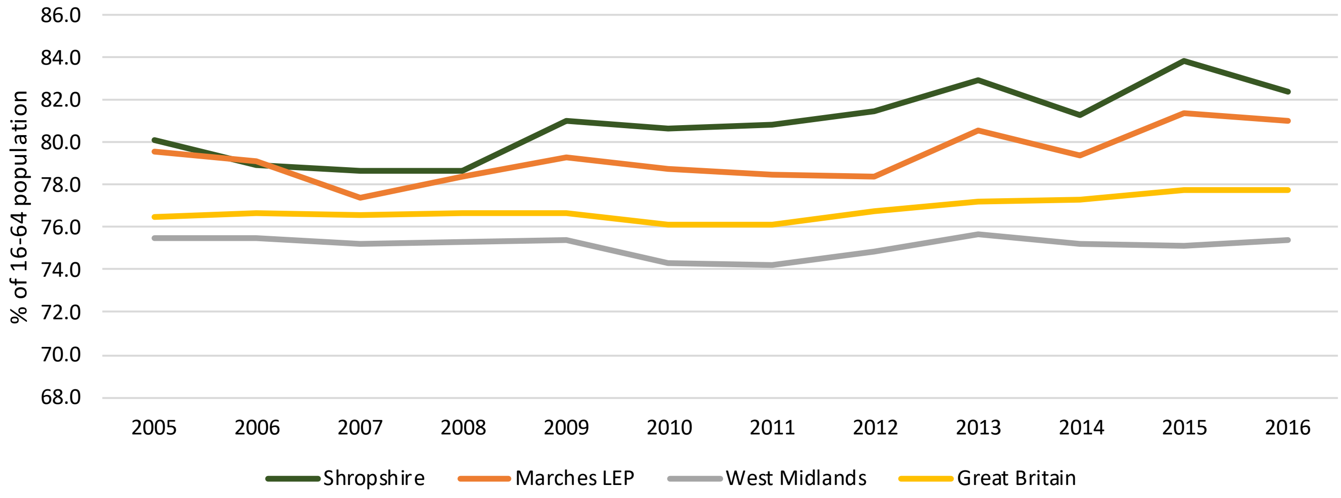


Source: ONS, Annual Population Survey 2016, © Crown Copyright, 2017
Note: Year ending December

The rate of labour market participation is high in Shropshire, especially amongst those of traditional working age (16-64), and since 2007 has exceeded the national and regional rates in each year. By 2016, 82.4% of those aged 16-64 in Shropshire were economically active – significantly higher than the national and regional figures of 77.8% and 75.4% respectively.

[4] The labour force/those who are considered to be economically active comprises those that are in employment and those who are unemployed, but who are seeking work and who are available to start work

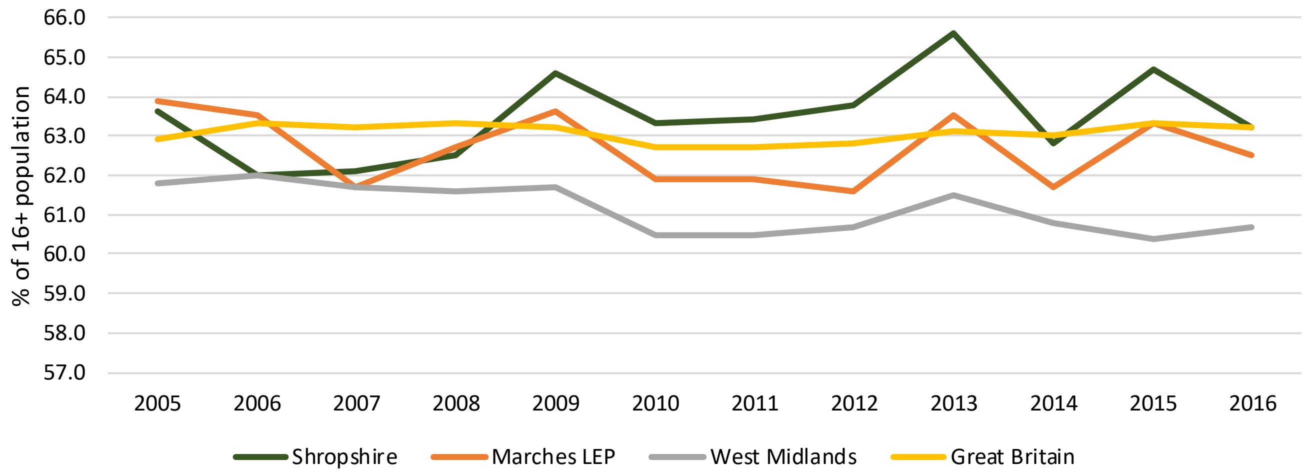
Figure 42: Economic activity rates in Shropshire, population aged 16-64, 2005-2016



Source: ONS, Annual Population Survey 2016, © Crown Copyright, 2017
Note: Year ending December

When the total labour force is taken into consideration (that is everybody that is aged 16 and above and economically active), activity rates in Shropshire compared with Great Britain are comparable (63.2%) but this is still significantly higher than it is in the West Midlands (60.7%). Shropshire's older and ageing population to some extent, therefore, counter-balances higher activity rates in the 16-64 age band.

Figure 43: Economic activity rates in Shropshire, population aged 16+, 2005-2016

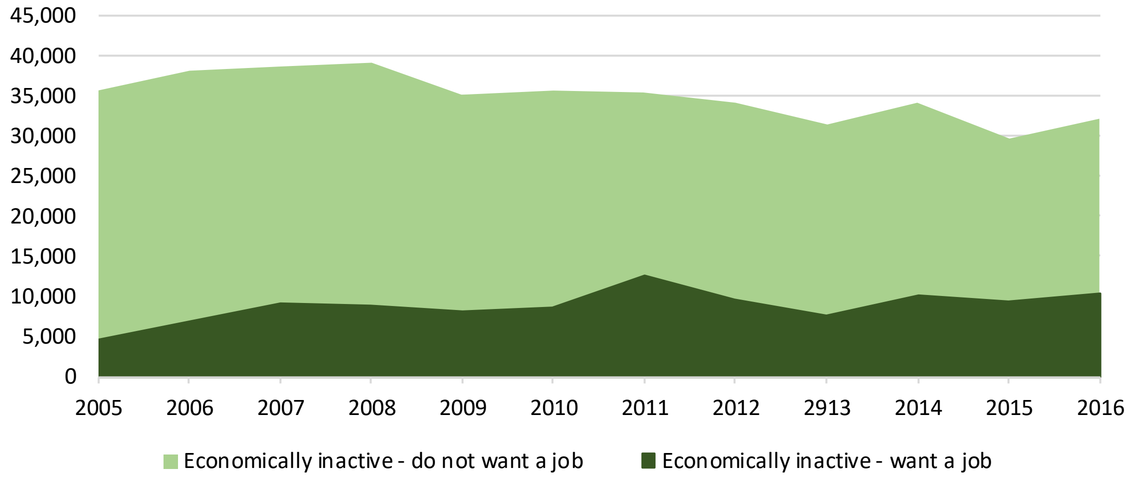


Source: ONS, Annual Population Survey 2016, © Crown Copyright, 2017
Note: Year ending December

6.2 Economic Inactivity

There were 32,300 Shropshire residents aged 16-64 who were not part of the labour force in 2016 according to the Annual Population Survey. The main reasons for being economically inactive are retirement, studying or raising a family/looking after a home. An increased tendency for women to continue working while raising a family and the trend towards later retirement mean that the number of 16-64 year olds who are not economically active is in gradual decline. Of those people that are not represented in the labour force, a significant number would like to work, at 10,400 people, or 32.2% of the economically inactive in 2016. This number was highest at the height of the economic crisis and has since fallen back slightly.

Figure 44: Trends in economic inactivity, 2005-2016



Source: ONS, Annual Population Survey 2016, © Crown Copyright, 2017
Note: Year ending December

6.3 Employment

79.6% of Shropshire residents aged 16-64 were in employment in 2016, which compares favourably with both the West Midlands and Great Britain due to both higher economic activity rates and lower levels of unemployment. The majority of people in employment are employees, but a significant proportion are self-employed.

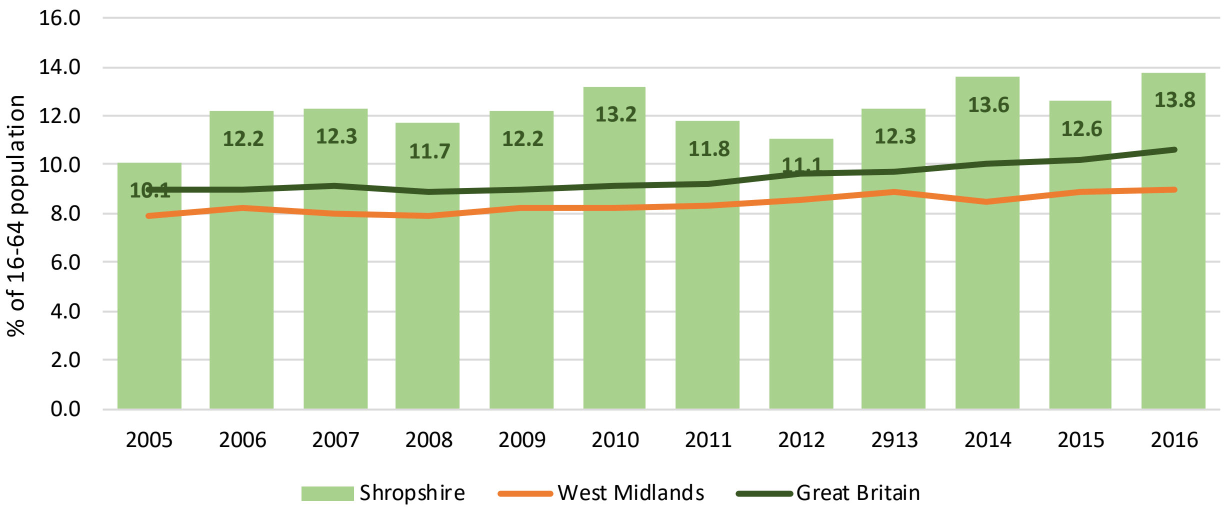
Figure 45: Employment rates, 2016

	Shropshire	Marches LEP	West Midlands	Great Britain
Employment rate - aged 16-64	79.6%	77.6%	71.1%	74.0%
% aged 16-64 who are employees	65.6%	65.0%	61.9%	63.1%
% aged 16-64 who are self employed	13.8%	12.2%	9.0%	10.6%

Source: ONS, Annual Population Survey 2016, © Crown Copyright, 2017
Note: Year ending December

In the year ending December 2016, 13.8% of Shropshire residents aged 16-64 were self-employed. This equates with 25,400 people. While the proportion attributable to self-employment has fluctuated somewhat over the last decade, self-employment consistently accounts for a higher proportion of those in employment than in either the West Midlands or Great Britain.

Figure 46: Trends in self-employment, 2005-2016



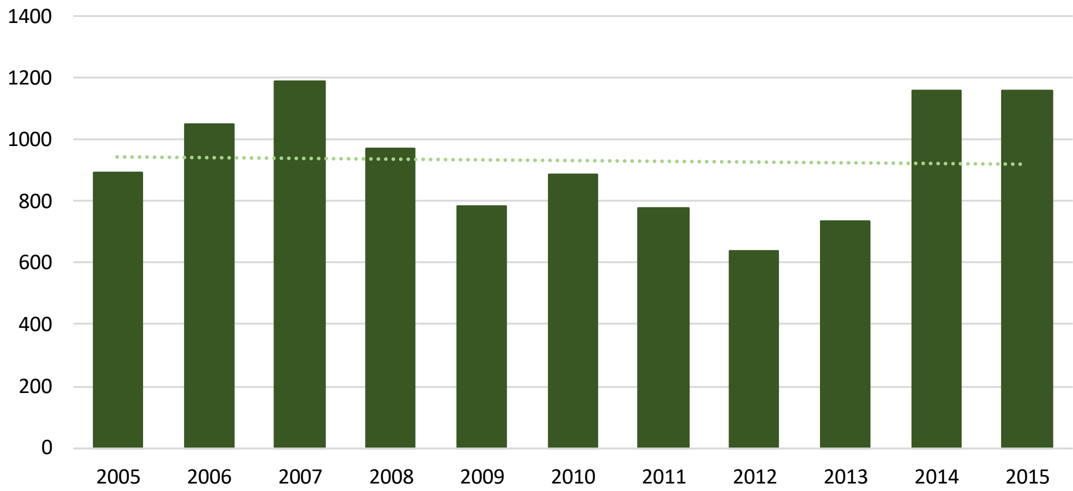
Source: ONS, Annual Population Survey 2016, © Crown Copyright, 2017
Note: Year ending December

Home-working in Shropshire is also more common than it is in many places. More than one in six Shropshire residents who were in employment at the time of the last Census said that their home was their primary work base (20,252 people). This is significantly higher than is the case regionally or nationally (around a tenth of total employment in both the West Midlands and England is accounted for by homeworking).

6.4 Migrant Workers

Adult overseas nationals entering the UK are allocated a National Insurance Number (NINo). In 2015 there were 1,157 NINo's issued in Shropshire. This represents a rise from 890 in 2005 (+30%). The average annual number of NINo's issued in Shropshire since 2005 has been 931, although in each year between 2008 and 2014, the number was lower than this. The significant rise in NINo's in 2014 arose largely as a result of political legislation. Although Romania and Bulgaria were admitted to the European Union in January 2007, there was a transitional period of seven years in which other member states could impose restrictions on workers from the two countries. In the UK, employers had to apply for work permits while the workers required "accession worker cards". The restrictions were lifted in January 2014, after which the number of registrations by Romanian and Bulgarian nationals increased rapidly.

Figure 47: NINo allocations in Shropshire, 2005-2015



Source: DWP Nino's to Overseas Nationals Stat-Xplore

In 2015 NINo allocations in Shropshire represented 6.2 per 1,000 resident population, significantly less than in the West Midlands and in England.

It is important to note that these figures do not necessarily reflect the volume of migrants working in Shropshire. There is no available data to indicate how many migrant workers leave the County – either to move back home or to somewhere else in the UK. The data also doesn't take into account the number of migrant workers who might be registered outside the County but who work in Shropshire.

Figure 48: NINo registrations per 1000 population, 2011 – 2015

	2011	2012	2013	2014	2015
Shropshire	4.1	3.4	3.9	6.2	6.2
West Midlands	12.7	9.7	11.5	15.1	18.2
England	17.7	13.5	16.1	20.2	21.7

Source: Migration Indicators Tool Mid 2015, Office of National Statistics, August 2016.

In recent years, NINo allocations in Shropshire have mainly been from states which have joined the EU since 2004, including the EU8 - Estonia, Latvia, Lithuania, Czech Republic, Hungary, Poland, Slovakia, Slovenia – as well as Bulgaria and Romania. The latter two countries accounted for 498 NINo's in 2015 (43% of the total).

6.5 Unemployment

The Annual Population Survey suggests that 3.4% of the Shropshire population aged 16-64 was unemployed[5] in 2016 (year ending December). This equates with approximately 5,100 people. The unemployment rate for the 16+ population was 3.3% over the same period. Shropshire has a lower unemployment rate than Great Britain (4.9%) or the West Midlands (5.7%).

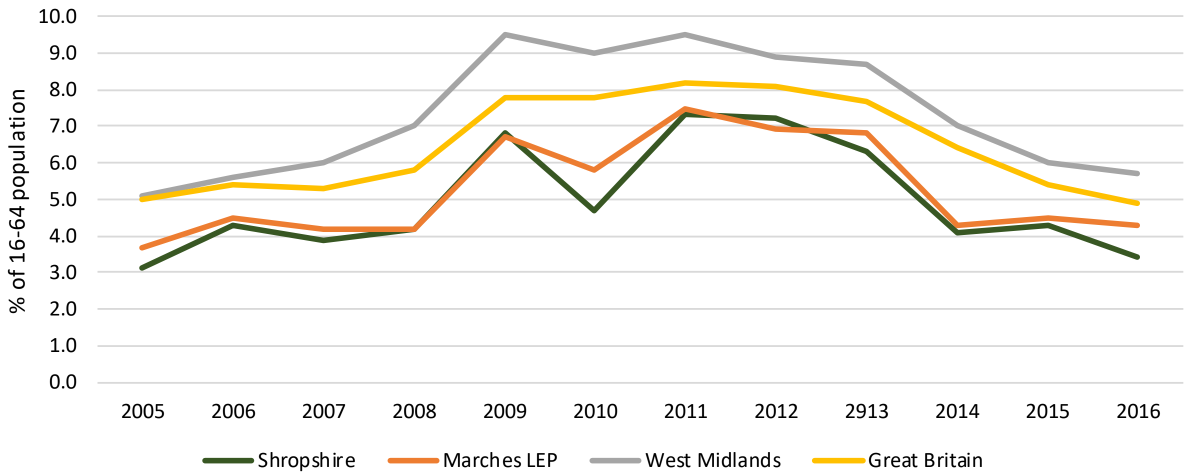
Figure 49: Unemployment rates, 2016

	Shropshire	Marches LEP	West Midlands	Great Britain
Unemployment rate - aged 16-64	3.4%	4.3%	5.7%	4.9%
Unemployment rate - aged 16+	3.3%	4.2%	5.5%	4.8%

Source: ONS, Annual Population Survey 2016, © Crown Copyright, 2017
Note: Year ending December

The rate of unemployment has fluctuated by a notable extent over the last decade, starting off at just 3.1% in 2005. The rate spiked in 2009 at 6.2% when the country was in recession, and then peaked at 7.3% in 2011 in the wake of the economic downturn. Subsequently, the proportion of the population of traditional working age (16-64) which is unemployed has fallen and has dipped below 4% once more.

Figure 50: Trends in unemployment, 2005-2016



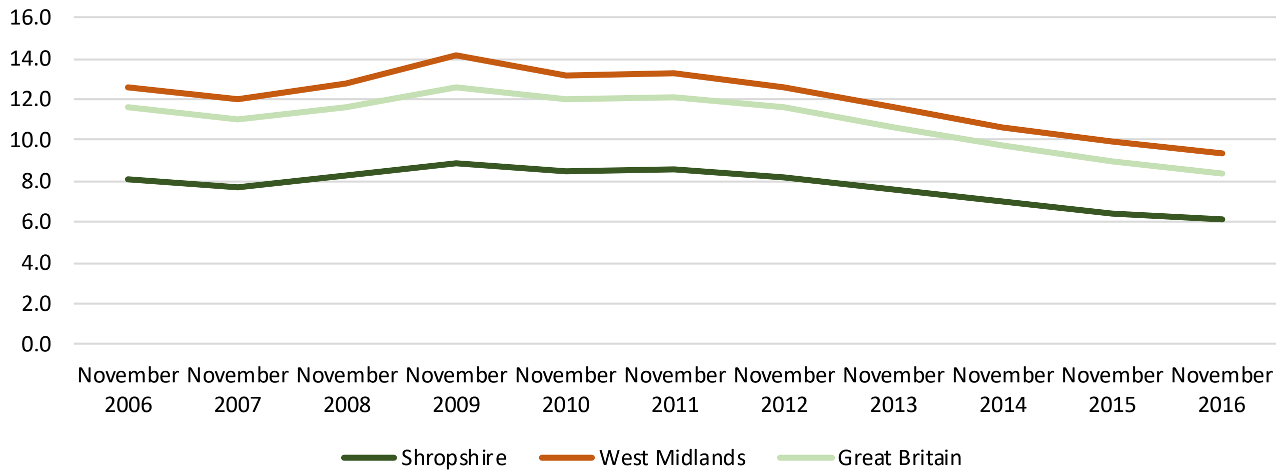
Source: ONS, Annual Population Survey 2016, © Crown Copyright, 2017
Note: Year ending December

6.6 Benefit Claimants

6.1% of the Shropshire 16-64 population, or 11,370 people, claimed out-of-work benefits in November 2016[6]. This compares favourably with 8.4% in Great Britain and 9.4% in the West Midlands. The claimant rate peaked in Shropshire (and regionally and nationally as well) at 9% in 2009. It has fallen in each subsequent year. The following chart shows that while the Shropshire out-of-work benefit claimant rate has been consistently lower than in the West Midlands or Great Britain over the last decade, it has broadly followed national and regional trends.

[5] The ILO defines the unemployment rate as the percentage of the population who are not in employment but who are seeking work and are available to work. They do not necessarily claim benefits.
[6] Out-of-work benefit claimants are not necessarily available for work, and as such are not necessarily classified as unemployed according to the ILO definition

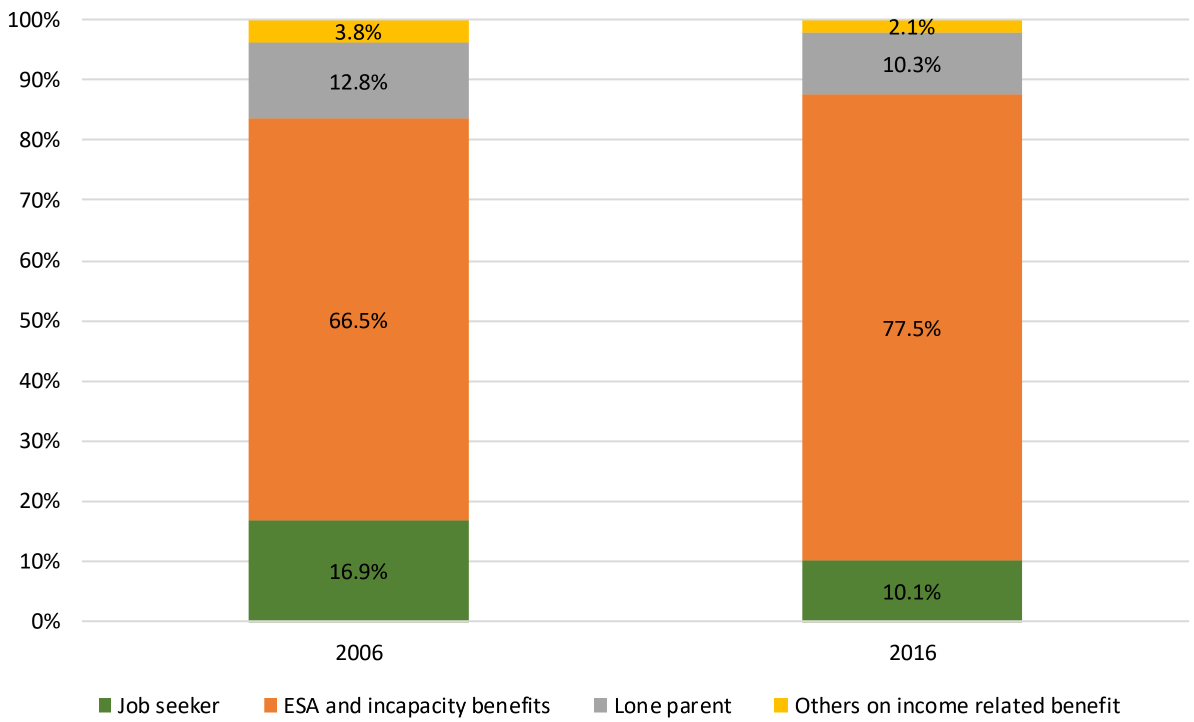
Figure 51: Out-of-work benefit claimants, 2006-2016



Source: ONS, DWP, 2017, © Crown Copyright, 2017

The following chart shows how the composition of out-of-work benefits has changed over the last decade. The number claiming all main out-of-work benefits has fallen, but this has been less acute for Employment and Support Allowance (ESA) and incapacity benefit than it has for Jobseeker's Allowance (JSA) claimants or lone parents (-11.2% between November 2006 and November 2016 compared with -38.7% for lone parents and -54.5% for JSA) and as a result, ESA/incapacity benefit claimants now accounts for more than three-quarters of all claims.

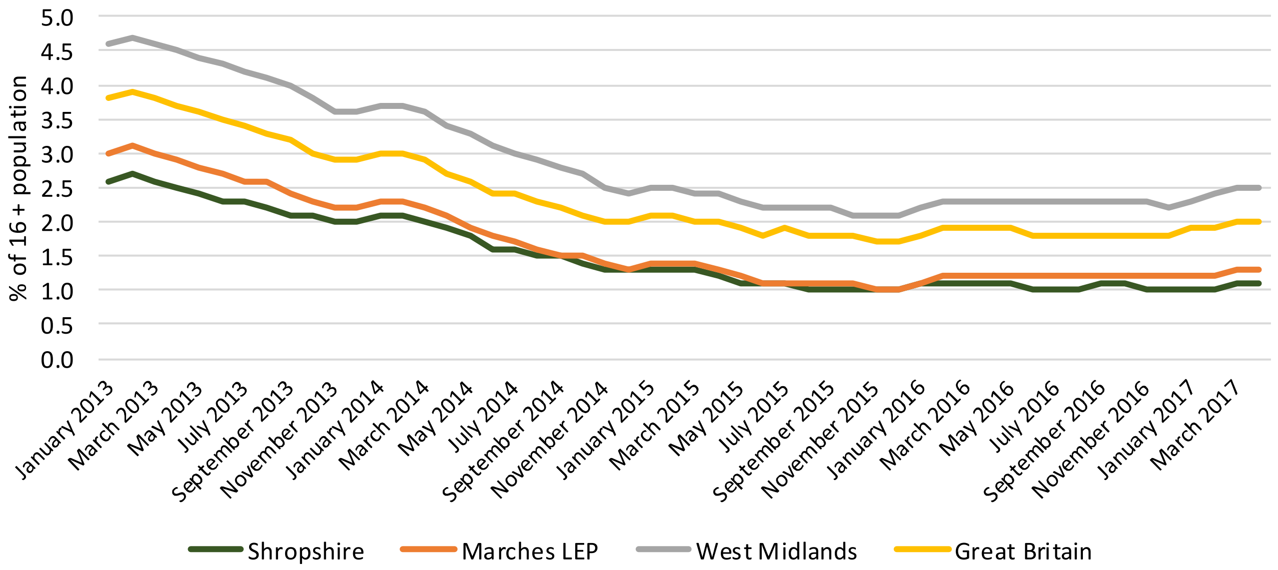
Figure 52: Breakdown of out-of-work benefit claimants by benefit type, 2006 and 2016



Source: ONS, DWP, 2017, © Crown Copyright, 2017

The following chart shows the percentage of the population aged 16 and over claiming Jobseeker's Allowance plus those who claim Universal Credit and are required to seek work and be available for work. This dataset has replaced the number of people claiming Jobseeker's Allowance as the headline ONS indicator of the number of people claiming benefits principally for the reason of being unemployed. The number of claimants was in steady decline between 2013 and mid-2015, but has since stabilised at around 2,000 people (2,015 in April 2017), or 1.1% of the population. This proportion is notably lower than in the West Midlands (2.5%) or Great Britain (1.0%).

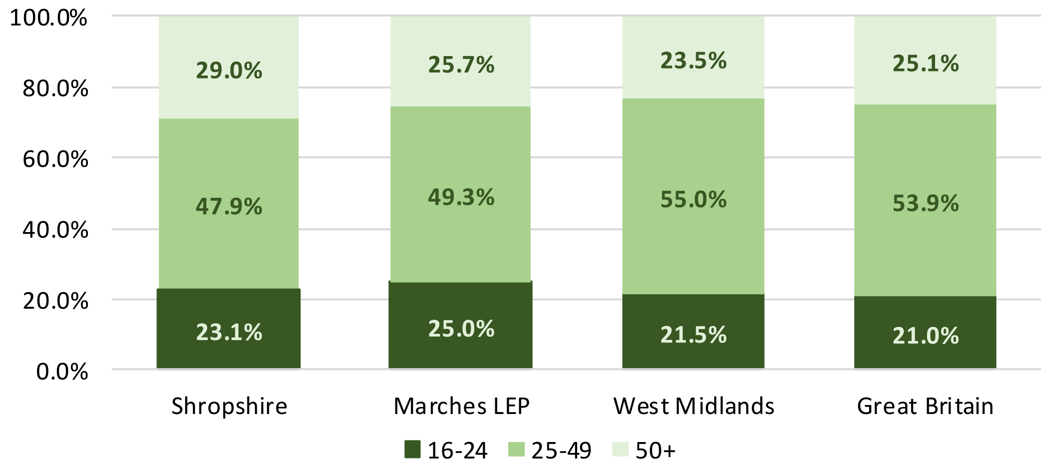
Figure 53: Proportion of the population claiming JSA/universal credit, 2013-2017



Source: ONS, DWP, 2017, © Crown Copyright, 2017

A relatively high proportion of claimants in Shropshire are attributable to younger and older age bands. In April 2017, 23.1% of the total were aged below 25 (21% nationally) while 29.0% were 50 and above (25.1% nationally).

Figure 54: Breakdown of claimants* by age, April 2017

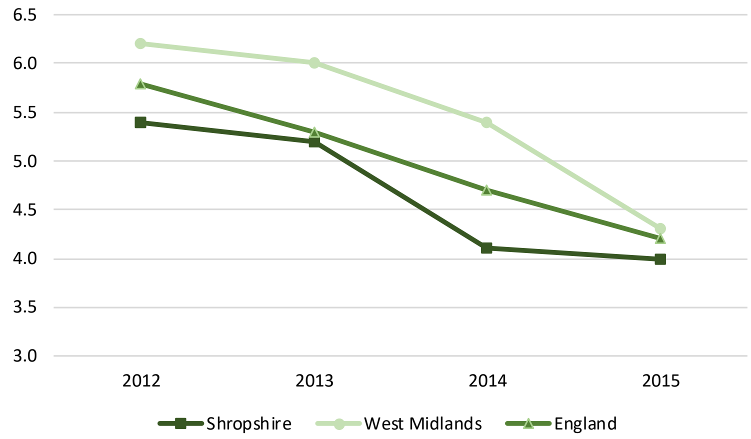


Source: ONS, DWP, 2017, © Crown Copyright, 2017
**Note: JSA/Universal Credit*

6.7 NEETS (Not in Education, Employment or Training)

The proportion of NEET 16-18 year olds in Shropshire has declined steadily in Shropshire over the last year, falling from 5.4% of cohort in 2012 to 4.0% in 2015. This equates with 370 16-18 year olds, and constitutes a drop of 130 (-26%) compared with 2012. The proportion of Shropshire 16-18 year olds who are NEET has consistently been lower than the West Midlands and England over the last three years.

Figure 55: Percentage of 16-18 Year Olds who are NEET, 2012-2015



Source: Department for Education

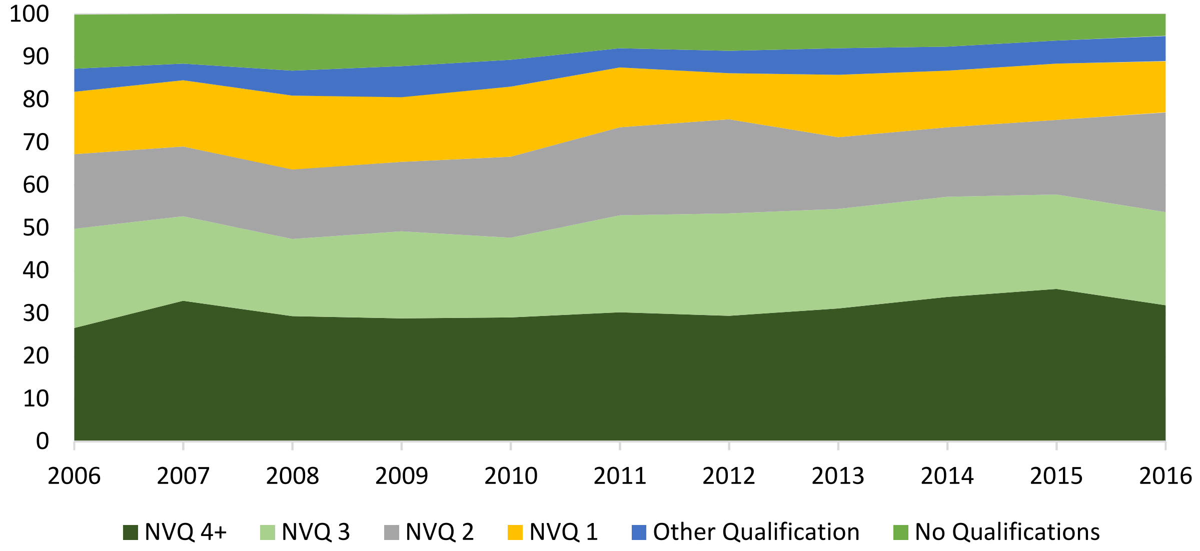
7 Skills and Occupations

7.1 Skills

The Shropshire resident population of working age (16-64) is becoming more highly qualified, with 31.9% having qualifications equivalent to at least NVQ level 4 in 2016 compared to 26.6% in 2006. In contrast, the proportion with no qualifications has been in steady decline over the last decade, falling to 5.1% from 12.7% over the period. Despite the overall increase in qualification levels over the last decade, the proportion of the 16-64 population with NVQ level 4 fell back slightly in 2016.

The following chart shows the breakdown of the resident population by the highest level of qualification that they hold.

Figure 56: Breakdown of the resident population (aged 16-64) by qualification, 2006-2016



Source: ONS, Annual Population Survey 2017, © Crown Copyright, 2017
Note: year ending December

In comparison with the West Midlands, the Shropshire resident population is comparatively well qualified, with a higher proportion holding at least an NVQ level 3 qualification (53.7% compared with 49.7% in 2016) and half as many holding no qualifications at all (5.1% compared with 11.8%). While proportionally fewer Shropshire residents have no qualifications than is the case nationally, a lower proportion have a level 4 qualification.

Figure 57: Highest level of qualification held, 2016

	Shropshire	Marches LEP	West Midlands	Great Britain
NVQ Level 4	31.9%	31.5%	31.5%	38.2%
NVQ Level 3	21.8%	21.4%	18.2%	18.7%
NVQ Level 2	23.3%	21.9%	18.6%	17.4%
NVQ Level 1	12.0%	11.3%	11.7%	11.0%
Other Qualification	5.9%	7.1%	8.2%	6.6%
No Qualification	5.1%	6.9%	11.8%	8.0%

Source: ONS, Annual Population Survey 2017, © Crown Copyright, 2017
Note: year ending December

7.2 Occupations

Fewer Shropshire residents are employed in SOC 1-3 occupations compared with the regional and national averages, with a particular shortfall in professional occupations. In contrast, proportionally more Shropshire residents are employed in skilled trades occupations and there are also a higher percentage of process, plant and machine operatives and people working in elementary occupations than there are nationally (but not regionally).

Figure 58: Breakdown of resident workforce by occupational classification, 2016

	Shropshire	Marches LEP	West Midlands	Great Britain
Managers, directors and senior officials	11.0%	10.6%	9.7%	10.6%
Professional occupations	15.5%	14.9%	17.6%	20.3%
Associate prof & tech occupations	11.0%	12.6%	13.0%	14.4%
SOC 1-3	**37.5%**	**38.1%**	**40.3%**	**45.3%**
Administrative and secretarial occupations	9.6%	10.1%	10.6%	10.2%
Skilled trades occupations	16.4%	14.4%	11.1%	10.3%
Caring, leisure and other service occupations	8.9%	8.8%	9.0%	9.1%
Sales and customer service occupations	7.9%	7.4%	7.5%	7.5%
SOC 4-7	**42.8%**	**40.7%**	**38.2%**	**37.1%**
Process, plant and machine operatives	7.1%	8.0%	8.1%	6.4%
Elementary occupations	12.7%	13.0%	13.1%	10.7%
SOC 8-9	**19.8%**	**21.0%**	**21.2%**	**17.1%**
Total	100.0%	100.0%	100.0%	100.0%

Source: ONS, Annual Population Survey 2016, © Crown Copyright, 2017
Note: year ending December

Over the last 11 years the number of Shropshire residents employed in SOC 1-3 professions has risen by 4,300. This compares to a rise of 8,300 employed in SOC 4-7 occupations. Over this period, the number employed in SOC 8-9 occupations has remained stable.

Figure 59: Change in resident workforce by occupation, 2005-2016

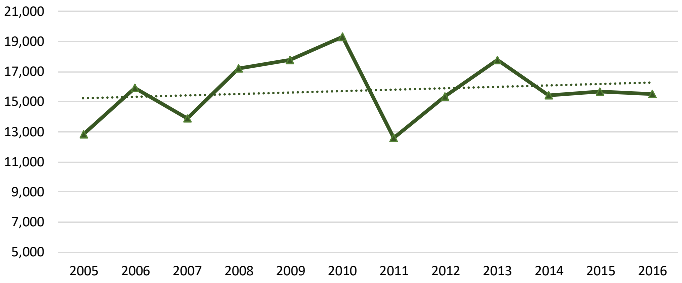
	Change, 2005-2016
Managers, Directors and Senior Officials	+2,400
Professional Occupations	-100
Associate Professional & Technical Occupations	+2,000
SOC 1-3	**+4,300**
Administrative and Secretarial	-800
Skilled Trades	+6,600
Caring, Leisure and Other Services	+1,700
Sales and Customer Services	+800
SOC 4-7	**+8,300**
Process, Plant and Machine Operatives	-400
Elementary Occupations	+400
SOC 8-9	**-**
Total	**+12,600**

Source: ONS, Annual Population Survey 2016, © Crown Copyright, 2017
Note: year ending December

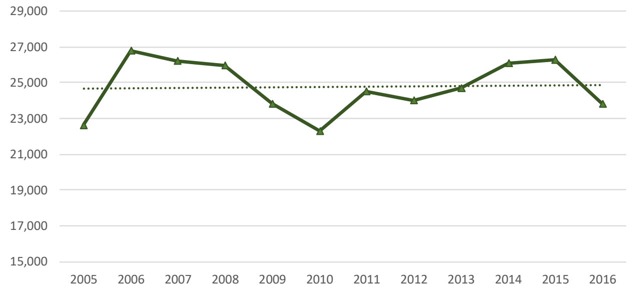
Overall growth since 2005 does, however, disguise considerable annual fluctuation in the numbers employed in each profession. The following charts show yearly trends for each occupations with a smoothed trend line – this shows that the strongest upward trends are in skilled trades, caring, leisure and other services, sales and customer services and elementary occupations. The number employed as managers, directors and senior officials and associate professional and technical also show a slight upwards trend. In contrast, trend lines for professional and administrative and secretarial occupations are flat. Numbers working as process, plant and machine operatives, once smoothed over the 2005 to 2016 period, is declining.

Figure 60: Growth in the number of working residents by occupation, 2005-2016

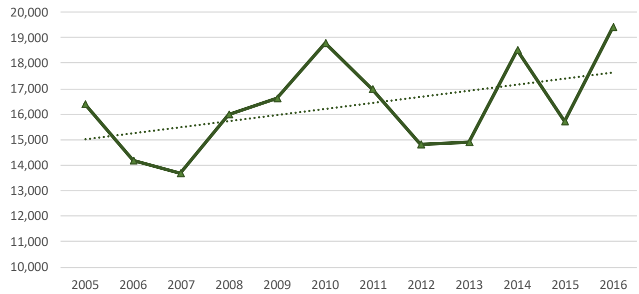
Managers, directors and senior officials



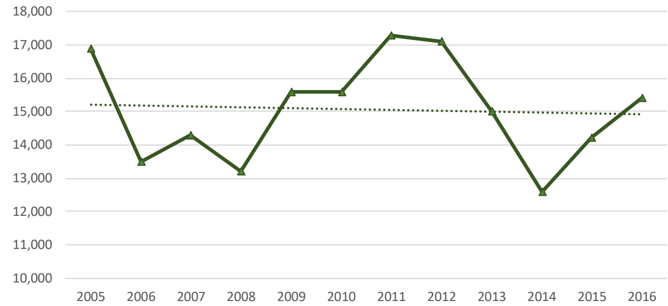
Professional occupations



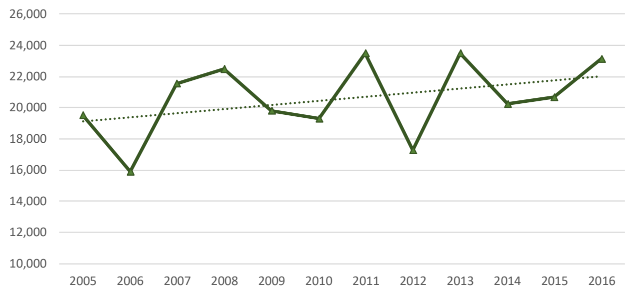
Associate professional and technical



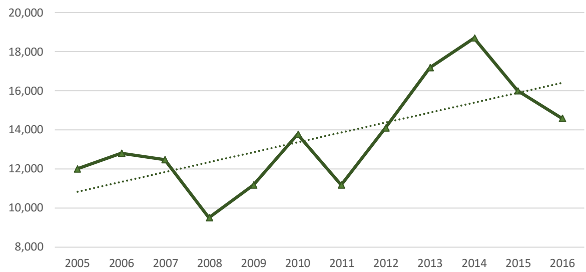
Administrative and secretarial



Skilled trades occupations

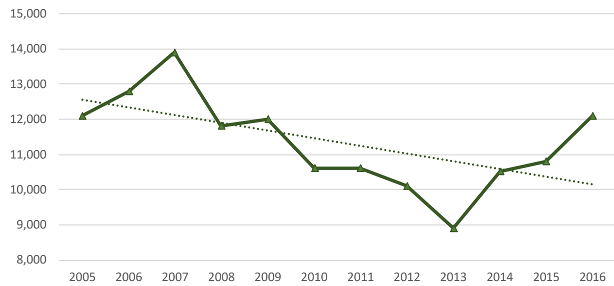


Caring, leisure and other services



Sales and customer services occupations

Process, plant and machine operatives

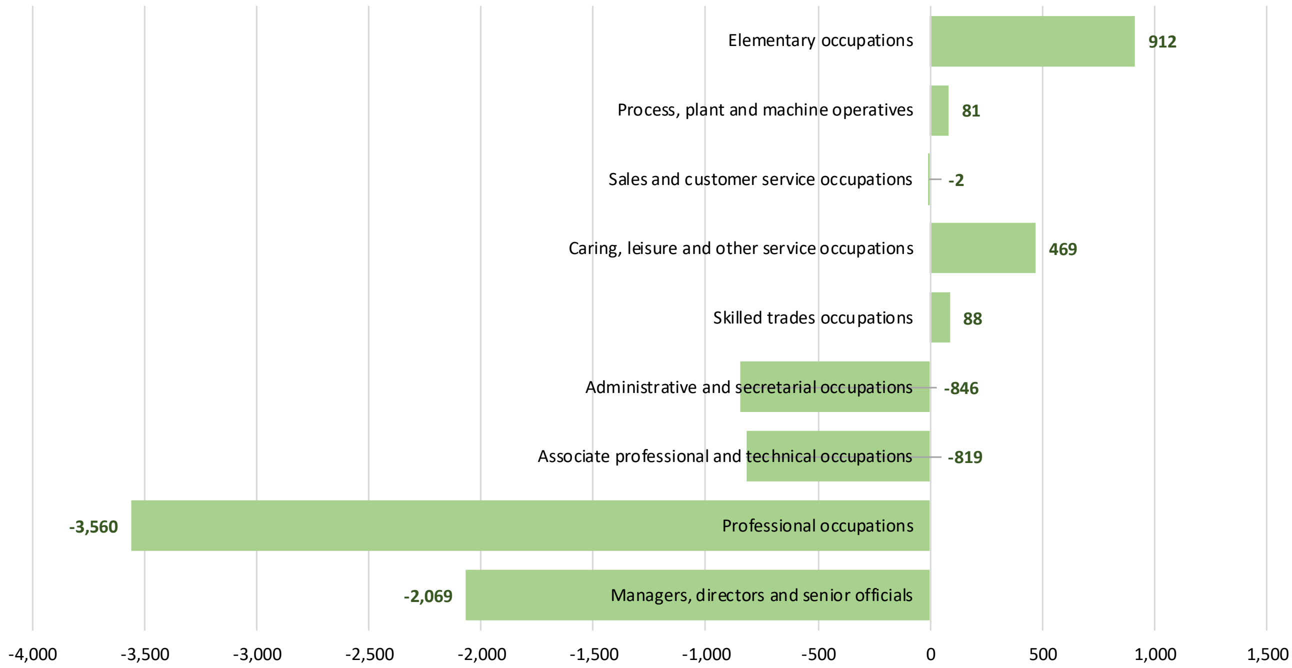


Elementary occupations

Source: ONS, Annual Population Survey 2016, © Crown Copyright, 2017
Year ending December

The Census 2011 shows that the difference between resident workers and those employed within the County is more than 5,000. Figure 61 below shows the difference between the number of resident workers and the number of workplace workers by each occupational classification. It is evident that there is a significant over-supply of SOC 1-3 occupations within the resident population. In contrast, Shropshire relies particularly on in-commuters to fulfil demand for caring, leisure and elementary occupations.

Figure 61: Difference between the resident and workplace population by occupation, 2011



Source: ONS (2011), Census, Crown Copyright 2017

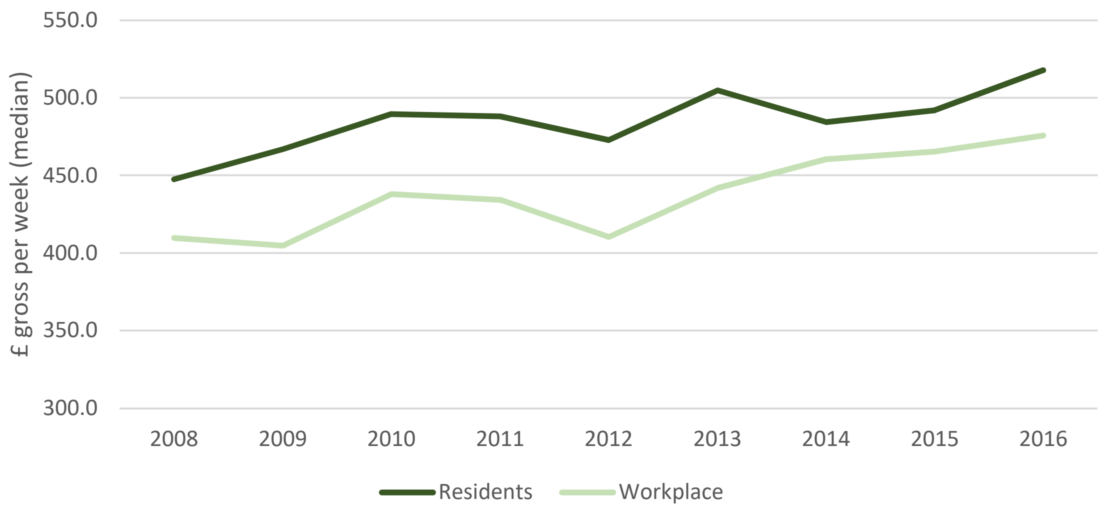
8 Earnings

Shropshire supports a relatively low wage economy, with workplace earnings significantly lower than national or regional averages. This arises from Shropshire's traditional reliance on jobs in comparatively unproductive and low paid sectors, including agriculture, tourism and food and drink.

Although workplace earnings are below the average for Great Britain, resident earnings are more closely aligned to the national average. The differential between workplace and resident earnings is influenced by the high level of out-commuting amongst the top earners.

The following chart shows the change in workplace and resident earnings between 2008 and 2016.

Figure 62: Comparison between workplace and residents earnings, 2008-2016



Source: Annual Survey of Hours and Earnings, 2016, © Crown Copyright, 2017

Gross median weekly earnings for full-time employees stood at £475.60 in April 2016. This represents an increase of 16.1% since 2008. Within the exception of 2010, wages struggled to rise until 2013, since when annual growth has been sustained. Over the 2008 to 2016 period, workplace wage growth in Shropshire has surpassed regional and national growth by a small margin. Despite this, Shropshire wages remain lower than in the West Midlands and Great Britain, at £34.60 and £64.60 per week respectively.

Figure 63: Workplace earnings, 2008-2016

	Shropshire		West Midlands		Great Britain	
	£ gross per week	Index, 2008 = 100	£ gross per week	Index, 2008 = 100	£ gross per week	Index, 2008 = 100
2008	409.6	100.0	448.9	100.0	479.1	100.0
2009	404.7	98.8	456.2	101.6	489.9	102.3
2010	437.9	106.9	467.4	104.1	500.3	104.4
2011	434.1	106.0	464.4	103.5	500.0	104.4
2012	410.2	100.1	469.2	104.5	507.9	106.0
2013	441.9	107.9	484.5	107.9	517.6	108.0
2014	460.3	112.4	479.2	106.7	520.4	108.6
2015	465.4	113.6	492.1	109.6	528.5	110.3
2016	475.6	116.1	510.2	113.7	540.2	112.8

Source: Annual Survey of Hours and Earnings, 2016, © Crown Copyright, 2017
Note: Local authority survey sample sizes relatively small and data is therefore more susceptible to annual fluctuations

Resident earnings exceeded workplace earning by £42.10 (8.9%) per week in 2016, and while they lag behind national rates by £23.30, Shropshire resident workers earn an average of £9.90 more per week than their West Midland counterparts. Like workplace wages, residents' earnings have risen at a slightly faster rate than either regionally or nationally over the last eight years.

Figure 64: Residents earnings, 2008-2016

	Shropshire		West Midlands		Great Britain	
	£ gross per week	Index, 2008 = 100	£ gross per week	Index, 2008 = 100	£ gross per week	Index, 2008 = 100
2008	447.4	100.0	449.8	100.0	480.0	100.0
2009	466.7	104.3	456.8	101.6	490.5	102.2
2010	489.4	109.4	469.2	104.3	501.7	104.5
2011	488.0	109.1	465.2	103.4	500.2	104.2
2012	472.8	105.7	469.3	104.3	508.3	105.9
2013	504.7	112.8	483.0	107.4	517.9	107.9
2014	484.3	108.2	481.2	107.0	521.1	108.6
2015	491.9	109.9	492.1	109.4	529.0	110.2
2016	517.7	115.7	507.8	112.9	541.0	112.7

Source: Annual Survey of Hours and Earnings, 2016, © Crown Copyright, 2017

Note: Local authority survey sample sizes relatively small and data is therefore more susceptible to annual fluctuations

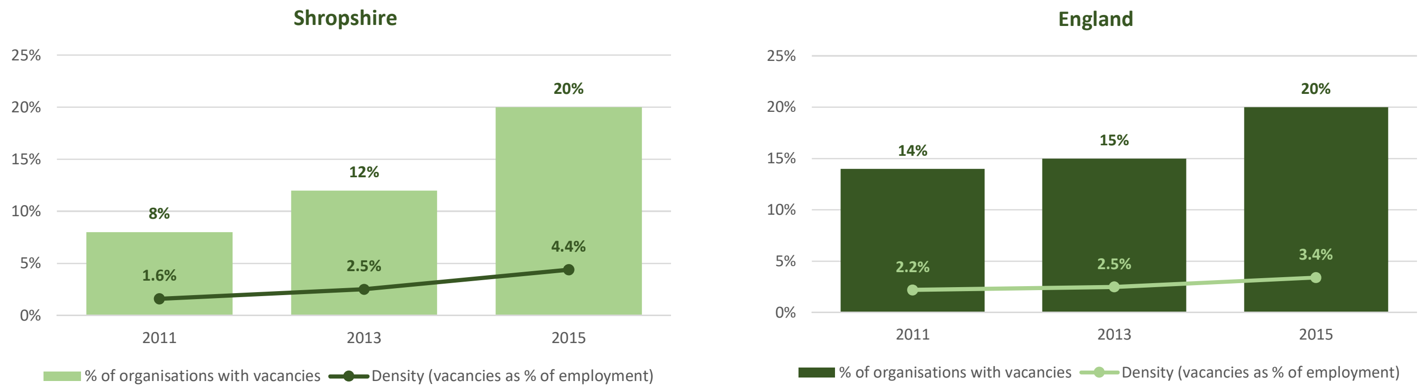
9 Recruitment and Job Vacancies

9.1 Volume of Job Vacancies

The proportion of employers reporting at least one current job vacancy rose significantly between 2013 and 2015 (UKCES Employer Skills Survey or ESS) – from 12% to 20% in Shropshire and from 15% to 20% nationally. The increase was even more acute in Shropshire compared with 2011, when 8% of employers reported a vacancy. The data suggests that there were in the region of 5,300 job vacancies in Shropshire when the 2015 survey field work was undertaken compared with around 2,000 in 2011.

Higher levels of job vacancies indicate a more buoyant labour market and increased levels of recruitment, and as such can be considered a positive indicator of economic health, provided that suitable personnel are available to fill the vacancies. The density of job vacancies (vacancies as a percentage of employment) rose from 1.6% in Shropshire to 4.4% between 2011 and 2015, which means that by 2015, the job vacancy density was higher in Shropshire than it was in England (3.4%).

Figure 65: Incidence and density of job vacancies, 2011-2015

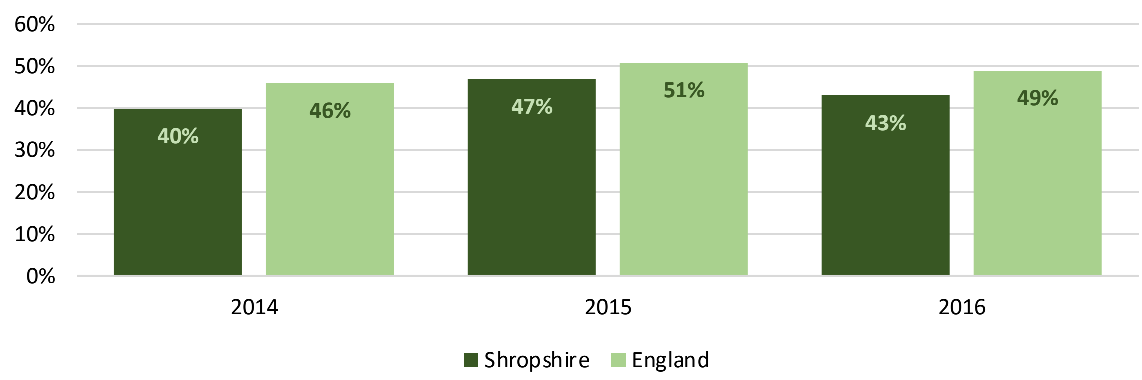


Source: UKCES Employer Skills Survey, 2011, 2013 and 2015

9.2 Recruitment Trends

The latest UKCES Employer Skills Survey (2015) suggested that 47% of Shropshire employers had recruited to at least one post within the last year compared with 51% of employers nationally. The Employer Perspectives Survey (ESP) from the following year (which only reports at a LEP level due to a smaller sample size than the ESS) indicates that there may have been a slight reduction in recruitment in Shropshire (making the assumption that Shropshire follows a similar trend to the Marches LEP area). The UK Employers Perspectives Survey suggested that 43% of employers in the Marches LEP had recruited at least one person within the previous 12 months compared with 49% in England. The assumed dip in recruitment in Shropshire is, therefore, replicated nationally.

Figure 66: Percentage of employers having recruited over the last year, 2014-2016



Source: UKCES Employer Skills Survey 2015, Employer Perspectives Survey 2015 & 2016
Note: ESP Data reported at Local Enterprise Partnership level only. An assumption has been made that Shropshire follows the same trend as the Marches LEP as a whole

The Employer Perspectives Survey reports recruitment patterns by age. The data suggests that Shropshire businesses are now as likely to recruit young people as their national counterparts. While just 7% reported having recruited someone aged 16-18 in 2014, this had risen to 14% by 2016. Meanwhile, the number recruiting 19-24 year olds rose from 19% to 26%. 29% of employers in Shropshire had recruited at least one person directly from education over the last two or three years.

Despite the demographic profile of the Shropshire workforce, employers in the county display a lower (and declining) propensity to recruit from older age bands than their national counterparts, with 10% having recruited at least one person over the age of 50 (down from 14% in 2014) within the last year compared with 15% of employers nationally.

Figure 67: Recruitment trends, 2014 & 2016

	Shropshire		England	
	2014	2016	2014	2016
Recruited anyone in the last year	40%	43%	46%	49%
Recruited anyone aged 16-18	7%	14%	11%	12%
Recruited anyone aged 19-24	19%	26%	27%	28%
Recruited any young person	20%	32%	31%	32%
Recruited any education leavers within last 2-3 years	21%	29%	31%	31%
Recruited anyone aged 50+	14%	10%	13%	15%

Source: Employer Perspectives Survey

Note: Data reported at Local Enterprise Partnership level only. An assumption has been made that Shropshire follows the same trend as the Marches LEP as a whole.

9.3 Vacancies by Occupation

Vacancy data according to occupation is available from the UKCES Employer Skills Survey. This shows that within Shropshire, the most common vacancies were for skilled trades occupations (19% of establishments with a vacancy) and elementary staff (21%). For both these occupations, the proportion of businesses reporting a vacancy was higher than the national average.

In contrast, considerably fewer Shropshire employers reporting a vacancy had vacancies for associate professionals, at just 6% compared with 18% nationally. Proportionally, there were also fewer vacancies in Shropshire for professionals and administrative/clerical staff.

21% of all vacancies were classified as high skill in Shropshire, which compares with 34% in England. The proportion of vacancies requiring middle skills was more aligned with the England proportion (27% compared with 29%), but notwithstanding this, vacancies in Shropshire were much more likely to require low skills levels than across England as a whole.

This is also reflected in the fact that 31% of vacancies in Shropshire were classified as service intensive (29% nationally) and 30% were categorised as labour intensive (23% nationally).

Figure 68: Percentage of employers with vacancies by occupation, 2015

	Shropshire	England
Managers	5%	5%
Professionals	10%	14%
Associate professionals	6%	18%
Administrative/clerical staff	9%	13%
Skilled trades occupations	19%	16%
Caring, leisure and other services staff	16%	15%
Sales and customer services staff	15%	14%
Machine operatives	9%	6%
Elementary staff	21%	18%
Unclassified staff	2%	1%
High Skill	21%	34%
Middle Skill	27%	29%
Service-Intensive	31%	29%
Labour Intensive	30%	23%

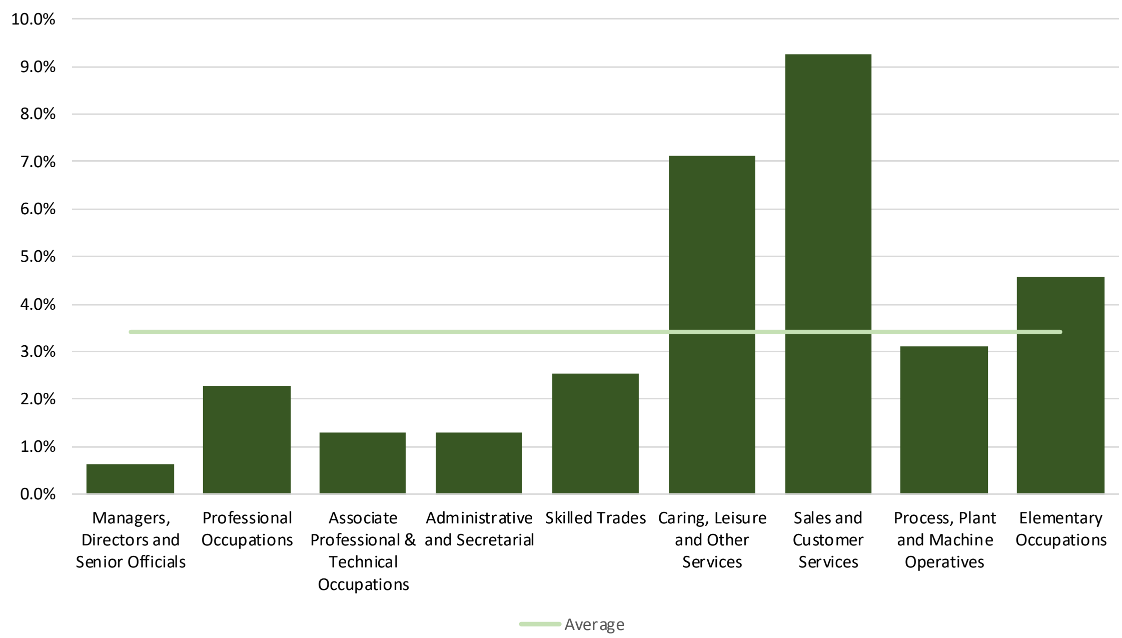
Source: UKCES Employer Skills Survey, 2015

Note: Numbers do no not add up to 100% as some establishments have more than one type of vacancy

Looking at vacancy data in relation to the occupational breakdown of Shropshire resident workers, it is evident that vacancy density in SOC 1-3 professions (managers, professionals and associate professionals) is much lower than in most other professions, perhaps reflecting less churn and fewer local opportunities for these occupational types.

The highest proportion of vacancies in relation to the number of Shropshire people employed is in caring and leisure and in sales and customer service.

Figure 69: Vacancy density by occupation, 2015



Source: UKCES Employer Skills Survey, 2015, Annual Population Survey 2016

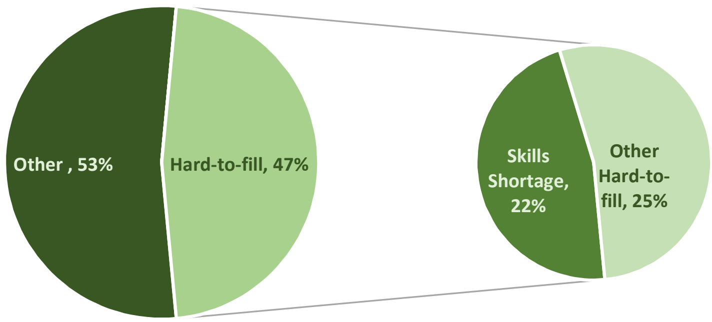
Note: Vacancy data based on vacancies within the county, occupational employment data based on workers living in the county

9.4 Hard-to-Fill Vacancies

Of all vacancies in Shropshire, 47% were recorded as hard-to-fill in 2015. This compares with 33% nationally. 22% of jobs were hard-to-fill for reasons relating to skills (skills shortage vacancies, or SSVs). A similar proportion of job vacancies in England were also classified as skills shortage vacancies (23%), meaning that in Shropshire, a significantly higher proportion of vacancies are hard-to-fill for reasons other than skills shortages than is the case nationally (25% compared with 10%).

The percentage of Shropshire vacancies that are hard-to-fill for reasons other than skills shortages has seen a significant rise in comparison with the 2011 survey, when 12% of vacancies were hard-to-fill, but not for skills reasons.

Figure 70: Types of vacancy, Shropshire, 2015



Source: UKCES Employer Skills Survey, 2015

The reasons that Shropshire employers claim to have job vacancies that they struggle to fill differ discernibly from England as a whole. The most common reason in Shropshire is a lack of people interested in the type of work on offer (53% of all hard-to-fill vacancies compared with 20% nationally).

In contrast, Shropshire employers are less likely to consider applicants to lack the necessary skills, work experience or work ethic. Employers were also significantly less likely to struggle to fill vacancies because of the terms and conditions that they offer (2% in Shropshire compared with 13% nationally) or to cite competition from other employers.

Remote locations/lack of public transport is a more common cause of hard-to-fill vacancies in Shropshire than it is nationally, albeit only marginally (11% compared with 10%).

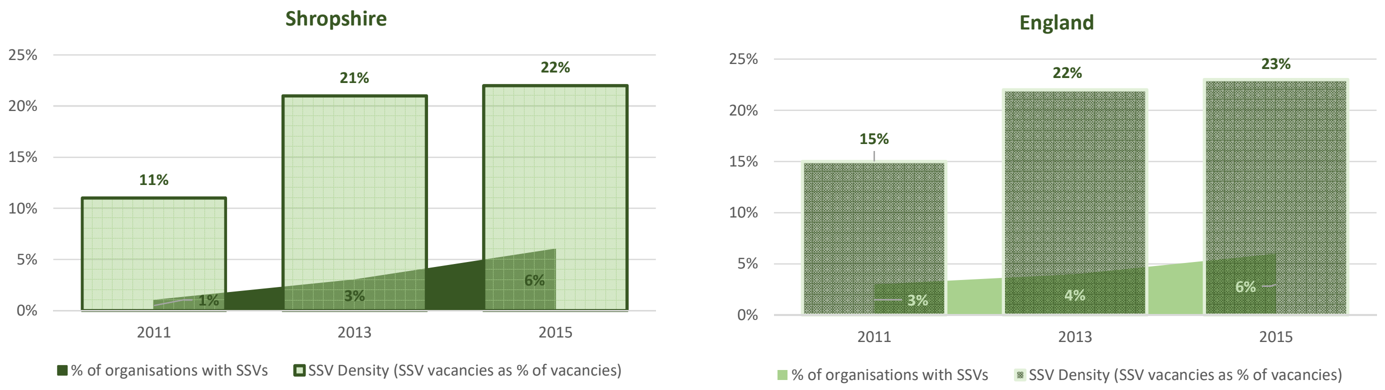
Figure 71: Reasons for hard-to-fill job vacancies, 2015

	Shropshire	England
Low number of applicants with the required skills	25%	37%
Lack of work experience the company demands	9%	16%
Not enough people interested in doing this type of job	53%	20%
Low number of applicants with the required attitude, motivation or personality	9%	13%
Lack of qualifications the company demands	7%	12%
Low number of applicants generally	25%	19%
Poor terms and conditions (e.g. pay) offered for post	2%	13%
Job entails shift work/unsociable hours	11%	9%
Remote location/poor public transport	11%	10%
Too much competition from other employers	4%	10%
Other	5%	17%

Source: UKCES Employer Skills Survey, 2015

The number of employers claiming a skills shortage vacancy has risen from 1% to 6% between 2011 and 2015 and this proportion is now the same as it is nationally. As a proportion of all vacancies, the number which are considered to be skills shortage vacancies rose significantly between 2011 and 2013 but stabilised at just over a fifth between 2013 and 2015. This suggests that in 2015 there were approximately 1,200 skills shortage vacancies in Shropshire compared with around 220 in 2011.

Figure 72: Incidence and density of skills shortage vacancies, 2011, 2013 & 2015



Source: UKCES Employer Skills Survey, 2011, 2013 and 2015

Only 7% of Shropshire employers (and 7% nationally as well) did not consider the hard to fill vacancies that they had to impact on their businesses, and a further 15% felt that the only consequence of not being able to fill vacancies was the ensuing increased workload on their staff. Overall, nine out of ten businesses with hard-to-fill vacancies (including SSVs) did say that being unable to fill vacancies did impact on the rest of their staff.

Significant quantities of businesses said the existence of hard-to-fill vacancies had other impacts on their businesses, with commonly given reasons listed in the table below. It is evident that the impact of skills shortage vacancies is even more acute for most employers than other types of hard-to-fill vacancies.

Figure 73: Implications of hard-to-fill and skills shortage vacancies, 2015

	Shropshire		England	
	All HtF	SSVs	All HtF	SSVs
Lose business or orders to competitors	33%	39%	40%	42%
Delay developing new products or services	40%	45%	37%	40%
Have difficulties meeting quality standards	33%	43%	32%	35%
Experience increased operating costs	47%	58%	39%	42%
Have difficulties introducing new working practices	47%	55%	32%	34%
Increase workload for other staff	90%	90%	83%	84%
Outsource work	29%	34%	28%	30%
Withdraw from offering certain products or services altogether	33%	42%	23%	24%
Have difficulties meeting customer services objectives	38%	38%	46%	49%
Have difficulties introducing technological change	14%	12%	21%	23%
None	7%	6%	6%	5%
Don't know	0%	0%	1%	*%
Any Impact	93%	94%	93%	94%
Increased workload only	15%	14%	12%	10%

Source: UKCES Employer Skills Survey, 2015

Of those employers in Shropshire which claimed to have a skills shortage vacancy, more than a third have vacancies for skilled trades positions (35% compared with 25% nationally). Shropshire employers are also more likely to have skills shortage vacancies for administrative /clerical staff, machine operatives and elementary staff than their national counterparts. In contrast, Shropshire employers are less likely to have SSVs for SOC 1 occupations (managers, professionals and associate professionals) as well as caring and leisure staff and sales and customer service staff.

48% of employers in Shropshire with SSVs consider the vacancies to require middle skills, with 19% of employers considering the vacancies to have high skills requirements. This is notably different to employers nationally, who consider a higher proportion on SSVs to be high skilled as opposed to medium skilled.

Similarly, Shropshire employers are more likely to have SSVs in labour intensive positions than service intensive, whereas the reverse is true across England as a whole.

Figure 74: Incidence of skills shortage vacancies by occupation, 2015

	Shropshire	England
Managers	1%	4%
Professionals	8%	17%
Associate professionals	11%	17%
Administrative/clerical staff	12%	7%
Skilled trades occupations	35%	25%
Caring, leisure and other services staff	6%	13%
Sales and customer services staff	5%	9%
Machine operatives	10%	7%
Elementary staff	11%	10%
Unclassified staff	3%	*%
High Skill	19%	36%
Middle Skill	48%	32%
Service Intensive	11%	21%
Labour Intensive	21%	17%

Source: UKCES Employer Skills Survey, 2015

The majority of employers undertook at least one action to overcome the difficulty in recruiting to fill HtF vacancies. The most common actions were increasing spend on advertising and recruitment and using new recruitment methods or channels.

Shropshire employers were twice as likely as their national counterparts to bring in contractors to undertake the work, and they were also more likely to recruit non-UK nationals (at 6% of employers compared with 3% nationally).

Figure 75: Actions taken to fill hard-to-fill vacancies, 2015

	Shropshire	England
Increasing salaries	6%	4%
Increasing the training given to your existing workforce	5%	8%
Redefining existing jobs	12%	12%
Increasing advertising / recruitment spend	37%	40%
Increasing / expanding trainee programmes	10%	9%
Using NEW recruitment methods or channels	25%	32%
Recruiting workers who are non-UK nationals	6%	3%
Bringing in contractors to do the work, or contracting it out	17%	8%
Being prepared to offer training to less well qualified recruits	5%	6%
Making the job more attractive e.g. recruitment incentives enhanced T&Cs working hours	0%	2%
Other	5%	3%
Nothing	12%	13%
Don't know	2%	2%
ANY ACTION	86%	85%

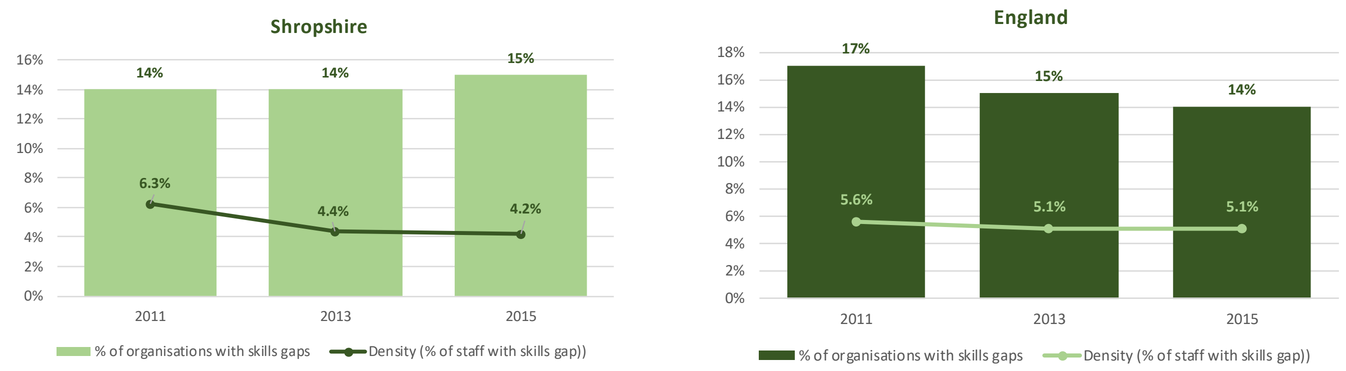
Source: UKCES Employer Skills Survey, 2015

9.5 Volume of Skills Gaps

The proportion of employers reporting at least one member of staff who is not fully proficient in the role they are employed to undertake remained broadly similar in Shropshire between 2011 and 2015 at 14-15% of the total. This means that 85-86% of employers have a fully proficient workforce. Nationally, the number of employers reporting skills gaps amongst their existing workforce fell from 17% to 14% between the 2011 and 2015 UKCES Employer Skills surveys.

The proportion of the overall workforce that is considered to have a skills gap fell in Shropshire and in England between 2011 and 2015, from 6.3% to 4.2% in Shropshire and from 5.6% to 5.1% in England. This means that the volume of workers perceived to have a skills gap has fallen from around 7,700 in 2011 to 5,000 in 2015, which constitutes a decline of -35%.

Figure 76: Incidence and density of skills gaps, 2011-2015



Source: UKCES Employer Skills Survey, 2011, 2013 and 2015

Establishments reporting a skills gap were asked in which occupations these occurred. Shropshire employers faced similar skills gaps according to occupation as their national counterparts. They were slightly less likely to have skills gaps in managerial positions, but more likely to have skills gaps in service intensive occupations, including, caring, leisure and other services.

Figure 77: Percentage of employers with skills gaps by occupation, 2015

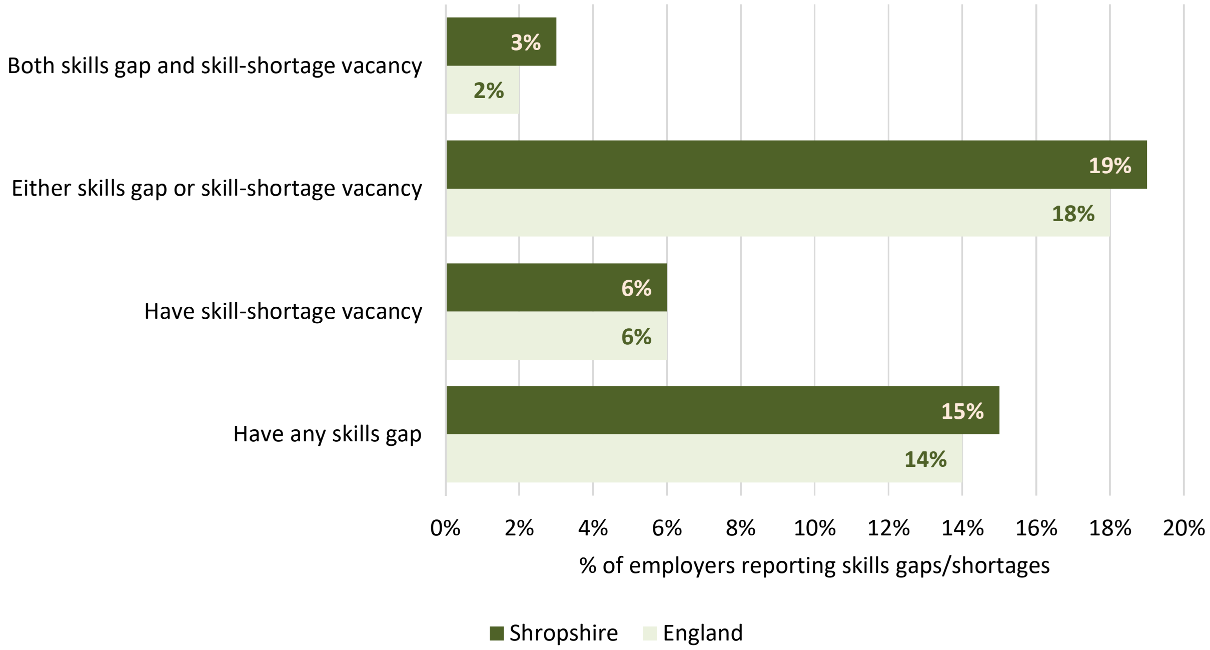
	Shropshire	England
Managers	2%	3%
Professionals	1%	1%
Associate professionals	1%	1%
Administrative/clerical staff	3%	3%
Skilled trades occupations	2%	2%
Caring, leisure and other services staff	2%	1%
Sales and customer services staff	3%	3%
Machine operatives	1%	1%
Elementary staff	3%	3%
High Skill	3%	4%
Middle Skill	5%	5%
Service-Intensive	6%	5%
Labour Intensive	4%	4%

Source: UKCES Employer Skills Survey, 2015

9.6 Skills Shortage Vacancy/Skills Gaps Summary

Despite rising levels of qualifications, there remain a significant proportion of businesses who report skills gaps and skills shortages, which suggests that the qualifications being acquired are not necessarily aligned to the needs of businesses. The biennial UKCES Employer Skills Survey reported that in 2015 15% of Shropshire employers had some sort of skills issue – a slightly higher proportion than the English average (14%). 6% reported a skills shortage vacancy, while 3% had both skills gaps and a skills shortage vacancy.

Figure 78: Incidence of skills gaps and skills shortage vacancies, 2015



Source: UKCES Employer Skills Survey, 2015

Despite skills gaps within the workforce, the UKCES Employer Skills Survey suggests that the majority of staff are fully proficient at what they do – at 95.9% of the workforce, this is even higher in Shropshire than it is nationally. Notwithstanding this, the 4.2% of staff in Shropshire who are not considered to be fully proficient by their employers represents approaching 5,000 workers.

Figure 79: Proficiency of workforce, 2015

	Shropshire	England
% of workforce not fully proficient	4.15%	5.05%
% of workforce which is fully proficient	95.85%	94.95%
Total number of staff under-utilised	9.04%	7.03%

Source: UKCES Employer Skills Survey, 2015

9.7 Under-employment

The lack of alignment between skills need and skills attainment is reflected in the UKCES employer skills survey, which shows that 31% of Shropshire businesses believe that some of their staff are under-utilised – that is, with qualifications, experience or skills that they do not use in their current role.

Significantly for Shropshire, a notable 9% of employees (the equivalent of around 11,000 workers) are thought to be under-utilised – that is workers with qualifications, experience and skills that are not needed in their current job.

Figure 80: Proportion of staff which are under-utilised, 2015

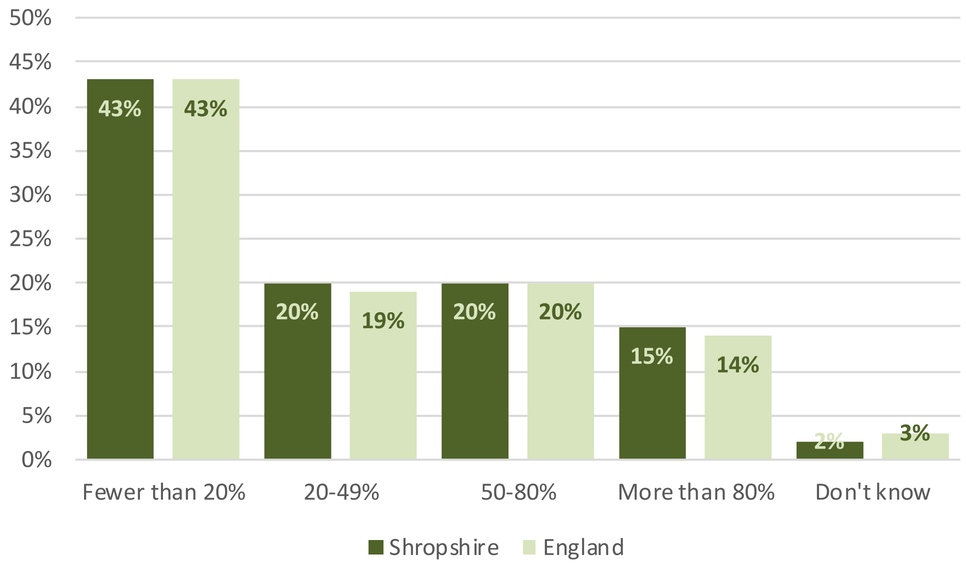
	% of employers	
	Shropshire	England
None	61%	62%
0.1 to 19.9%	8%	7%
20-29.9%	5%	5%
30-49.9%	3%	5%
50-99.9%	9%	8%
100%	7%	5%
Don't know	7%	8%
Any under-utilised staff	31%	30%

Source: UKCES Employer Skills Survey, 2015

Shropshire employers are also very likely to employ staff with higher qualifications than they need for the role they are undertaking. For a substantial 24% of Shropshire employers, at least 30% of their employees had more advanced qualifications than required for their current role and for 18% this proportion rises to more than 50%.

As part of the UKCES Employer Skills Survey, employers were asked how many of their staff were educated to degree level or above. The following chart shows that the breakdown between the proportion of staff with this level of qualification was broadly similar in Shropshire to the national average, and, given the lower penetration of SOC 1-3 jobs, is another indication that there are levels of under-employment in Shropshire.

Figure 81: Proportion of staff with a level 4 qualification



Source: UKCES Employer Skills Survey, 2015

The main reason why Shropshire employers believe that staff are in a role where their skills and qualifications are not fully utilised is that the staff are not interested in a role with more responsibility (31% of all employers, compared with 26% nationally). Other reasons which appear to be more common in Shropshire compared with England include a lack of higher level jobs, the suitability of the working hours and that they own the business.

Figure 82: Reasons why staff are in a role where they are being under-utilised, 2015

	Shropshire	England
To gain experience /current role is lower level in same industry as desired role	8%	10%
Competition for higher level roles / they are struggling to get a higher level job	3%	4%
Lack of jobs in the desired higher level role	11%	10%
Current role is temporary job / stop gap before starting desired career	4%	7%
The working hours suit them better	17%	15%
They are not interested in taking on a higher level role with more responsibility	31%	26%
We actively seek staff with qualifications and/or skills beyond those needed	1%	4%
Attractive conditions of employment (e.g. pay and benefits location of firm)	5%	7%
Qualifications / Skills not relevant to job role	2%	3%
Family run business	6%	4%
They own the business / are a partner in the business	14%	9%
They have more than one job	*	1%
Other	2%	5%
No particular reason/it just happened	13%	10%
Don't know	3%	5%

Source: UKCES Employer Skills Survey, 2015

Note: Numbers do no not add up to 100% as some establishments offered more than one reason

91% of Shropshire employers who employed under-utilised staff felt it was an advantage to the businesses, a proportion that was similarly high nationally (89%).

10 Training

The propensity of employers to provide training for their staff is included within the UKCES Employer Skills Survey. The 2015 results reveal that 31% of Shropshire businesses do not have a business plan, training plan or budget for training. This compares with 28% of businesses nationally. Businesses – both in Shropshire and in England - are more likely to have a business plan than a more specific training plan, and are more likely to have a training plan than a training budget. Just 16% of Shropshire businesses had all three compared with 20% of businesses nationally.

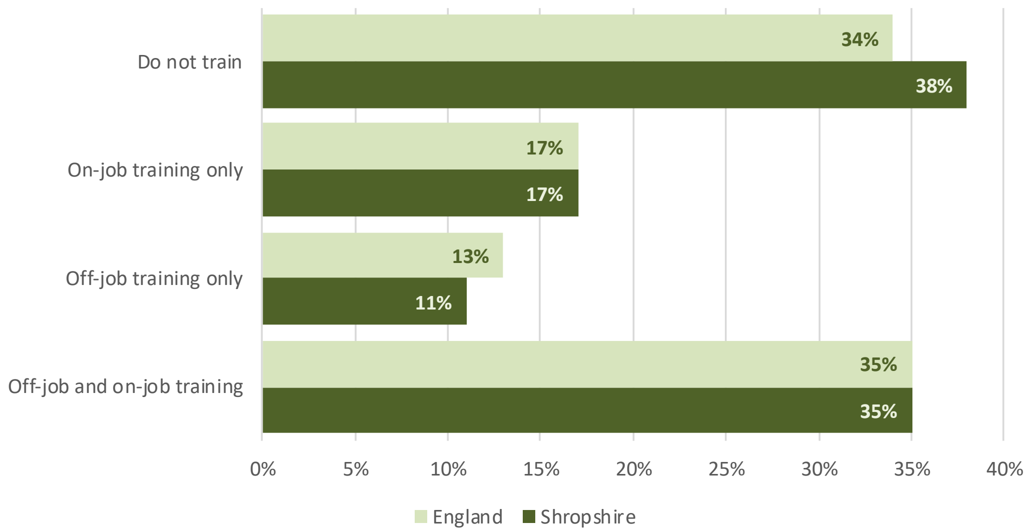
Figure 83: Whether employers have business plan, training plan or training budget, 2015

	Shropshire	England
Business plan specifying objectives for the coming year	58%	62%
A training plan	36%	42%
Budget for training expenditure	29%	31%
Any of the above	69%	72%
All of the above	16%	20%
None of the above	31%	28%
Training plan or budget	45%	51%

Source: UKCES Employer Skills Survey, 2015

Businesses are more likely to offer on-job training than off-job, although 35% of employers in Shropshire do offer both.

Figure 84: Types of training offered, 2015

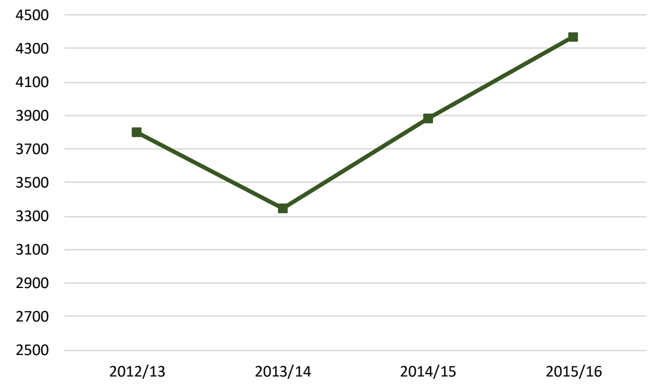


Source: UKCES Employer Skills Survey, 2015

10.1 Apprenticeships

The number of apprenticeship starts has risen by just over 1,000, or by 30.4%, since 2013/14 to stand at 4,370 in 2015/16.

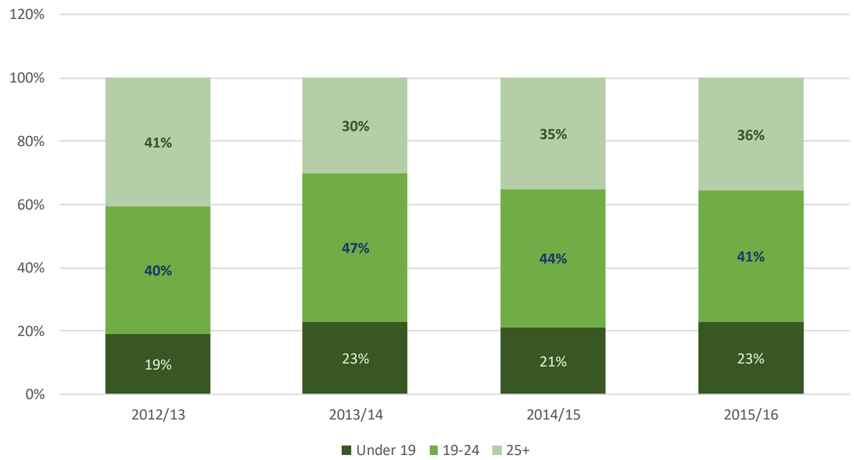
Figure 85: Total apprenticeship starts in Shropshire, 2012/13 – 2015/16



Source: FE & Skills Data Tool February 2017

In 2015/16, 23% of apprenticeship starts were by under 19 year olds, 41% by 19-24 year olds and the remaining 36% by those aged 25 and older. The breakdown of apprenticeship starts by age has fluctuated slightly over the last four years, although the youngest age band has account for lowest proportion of starts in each year since 2012/13 while the 19-24 age band has accounted for the most.

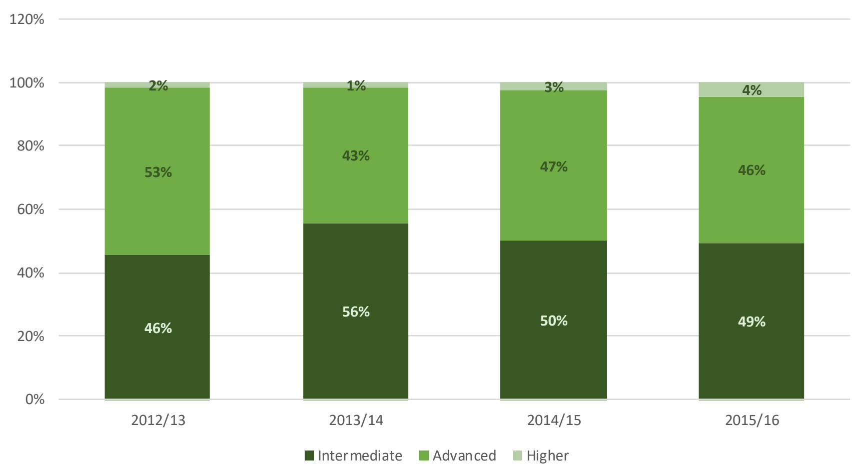
Figure 86: Breakdown of apprenticeship starts by age, 2012/13-2015/16



Source: FE & Skills Data Tool February 2017

Only a very small minority of apprenticeship starts are higher level, although the number has risen substantially – from 50 to 190 between 2013/14 and 2015/16. Slightly fewer than half of all apprenticeship starts in 2015/16 were either intermediate or advanced level.

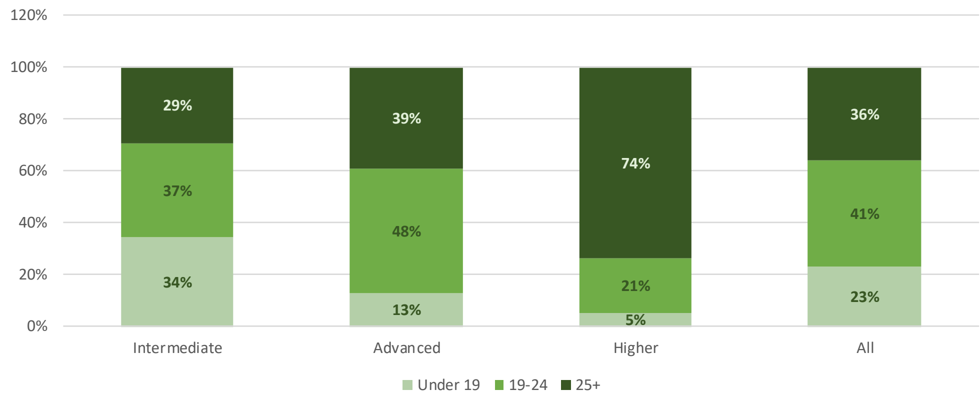
Figure 87: Breakdown of apprenticeship starts by level, 2012/13-2015/16



Source: FE & Skills Data Tool February 2017

As shown in figure 88 below, higher apprenticeships are significantly more likely to be started by those aged 25 and above than those who are younger. At the other end of the scale, comparatively few advanced and higher apprenticeship starts are filled by those under the age of 19. Intermediate apprenticeship starts are more evenly split between the three different age bands.

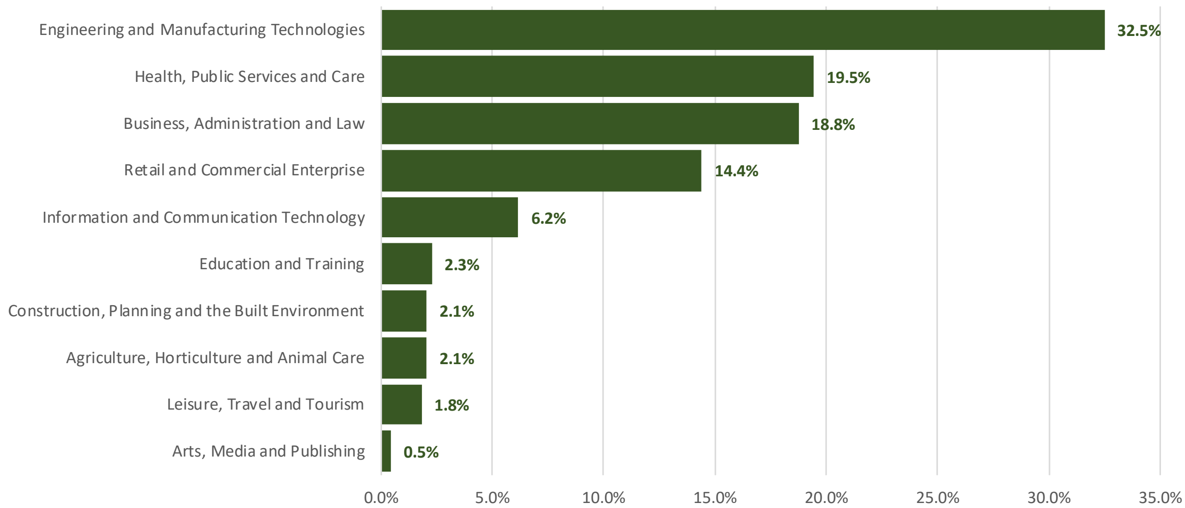
Figure 88: Breakdown of apprenticeship starts by level and age, 2015/16



Source: FE & Skills Data Tool February 2017

Almost a third of all apprenticeship starts in 2015/16 were in the engineering and manufacturing sector. Health, public services and care; and business, administration and law also accounted for a large share of starts.

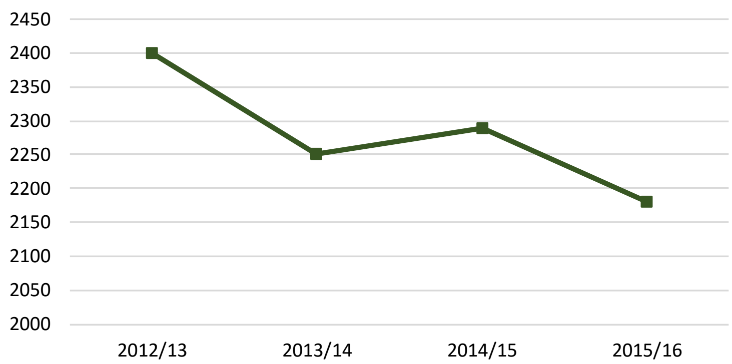
Figure 89: Breakdown of apprenticeship starts by sector, 2015/16



Source: FE & Skills Data Tool February 2017

Although the number of apprenticeship starts is rising, the same is not the case for achievements, with numbers falling by 70 (or by 3.1%) between 2012/13 and 2015/16 to 2,180. This suggests a substantial drop-out rate.

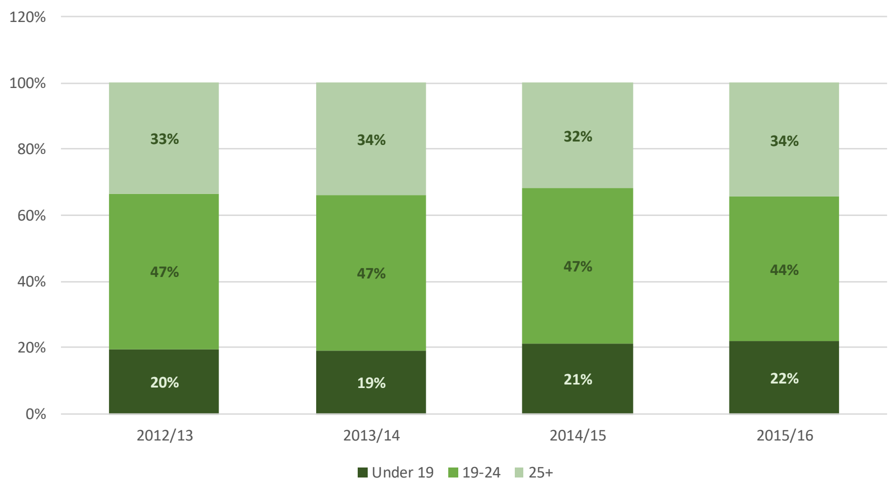
Figure 90: Total Apprenticeship Achievements in Shropshire, 2012/13 – 2015/16



Source: FE & Skills Data Tool February 2017

In 2015/16, 22% of apprenticeship achievements were by under 19 year olds, 44% by 19-24 year olds and the remaining 34% by those aged 25 and older. The breakdown of apprenticeship achievements by age has remained broadly similar over the last four years and is broadly similar to the age breakdown of those starting apprenticeships.

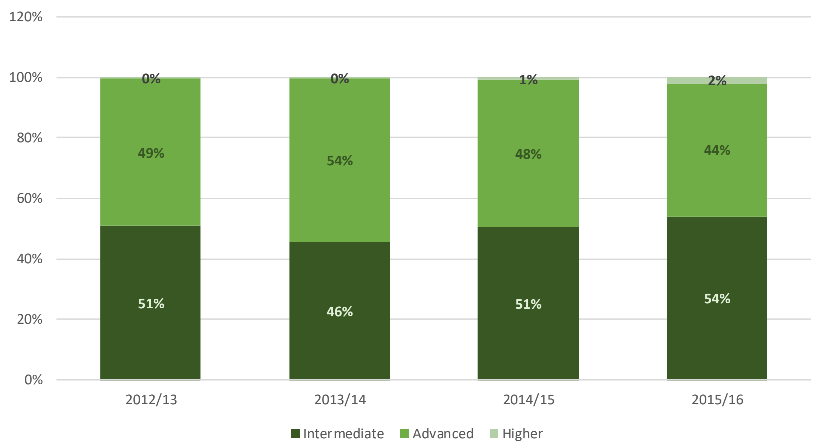
Figure 91: Breakdown of apprenticeship achievements by age, 2012/13-2015/16



Source: FE & Skills Data Tool February 2017

Only a very small minority of apprenticeship achievements are higher level, although the number has risen substantially – from 10 to 40 between 2012/13 and 2015/16. More than half of all apprenticeship achievements in 2015/16 were intermediate level.

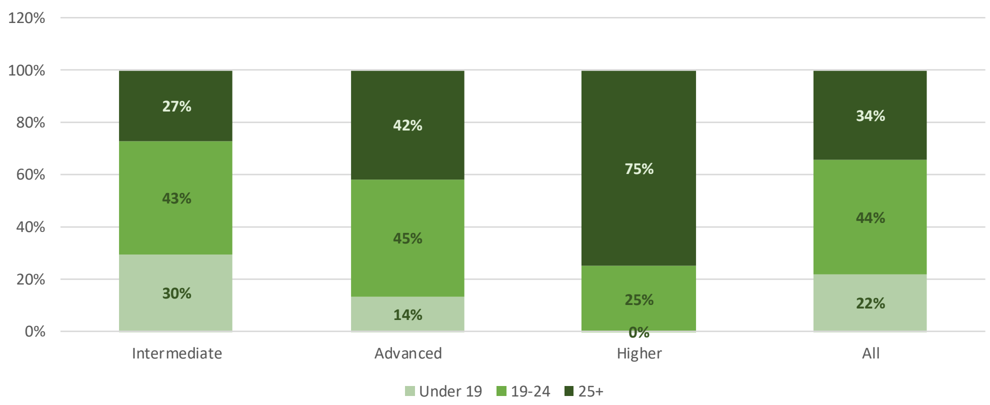
Figure 92: Breakdown of apprenticeship achievements by level, 2012/13-2015/16



Source: FE & Skills Data Tool February 2017

As shown in figure 93 below, those achieving higher apprenticeships are significantly more likely to be aged 25 and above than those who are younger. At the other end of the scale, those aged under 19 are (not surprisingly) much less likely to complete an apprenticeship, at just 14% of those achieving an advanced apprenticeship and 30% of those achieving an intermediate apprenticeship.

Figure 93: Breakdown of apprenticeship achievements by level and age, 2015/16



Source: FE & Skills Data Tool February 2017

The latest UK ESP (2016) shows that Shropshire employers have a similar propensity to have or to offer formal apprenticeships as their national counterparts (20% compared with 19%). However, while 12% of employers in England have apprentices currently, this dips to just 11% for Shropshire. In contrast, 9% of Shropshire employers have apprenticeships available on site against 7% nationally. This suggests that Shropshire employers have more difficulties filling apprenticeship vacancies. The figures suggest that there are currently in excess of 1,500 employers employing at least one apprentice at any one time, and that there are a further 1,400 employers with apprenticeships available (but not filled).

Figure 94: Proportion of employers offering apprenticeships, 2016

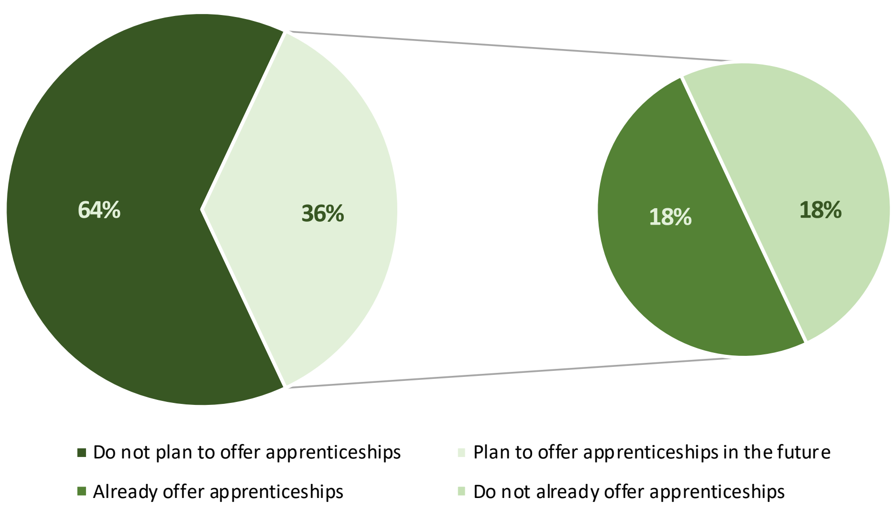
	Shropshire	England
Percentage with apprentices currently	11%	12%
Percentage with apprenticeships available on site	9%	7%
Percentage employing or offering	20%	19%

Source: Employer Perspectives Survey

Note: Data reported at Local Enterprise Partnership level only. An assumption has been made that Shropshire follows the same trend as the Marches LEP as a whole.

A significantly higher number of employers say that they are planning to offer apprenticeships in the future than do so currently, at 36% of those questioned. Of these, around half currently offer apprenticeships while the other half do not.

Figure 95: Proportion of employers planning to offer apprenticeships, 2016



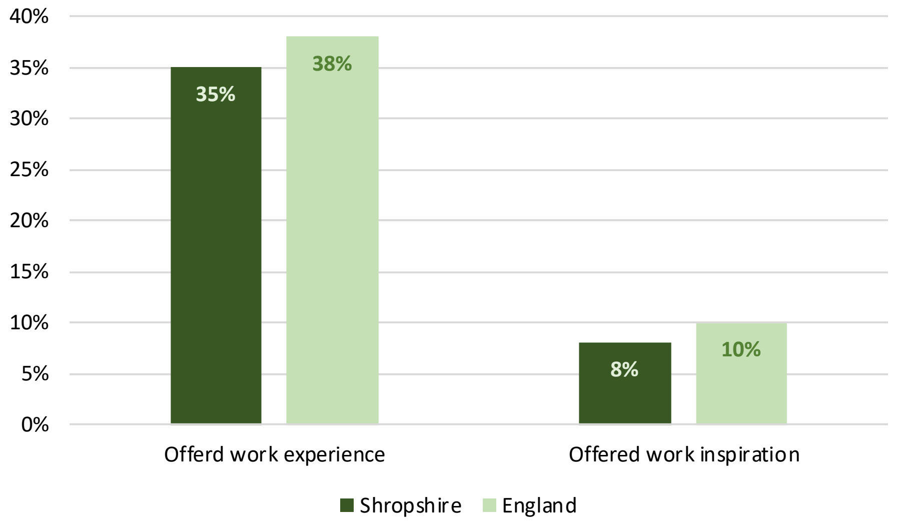
Source: Employer Perspectives Survey

Note: Data reported at Local Enterprise Partnership level only. An assumption has been made that Shropshire follows the same trend as the Marches LEP as a whole.

10.2 Work Experience and Work Readiness

According to the 2016 Employer Perspectives Survey, marginally fewer Shropshire business offer work experience opportunities than is standard nationally (35% compared with 38%). The predominance of small and micro businesses in Shropshire will be an influence here, but the data suggests that a much higher proportion of business do offer work experience compared with two years previously (the 2014 survey found that 28% of Shropshire/Marches LEP businesses offered work experience). 8% of Shropshire employers offered work inspiration in 2016 compared with 10% of employers in England.

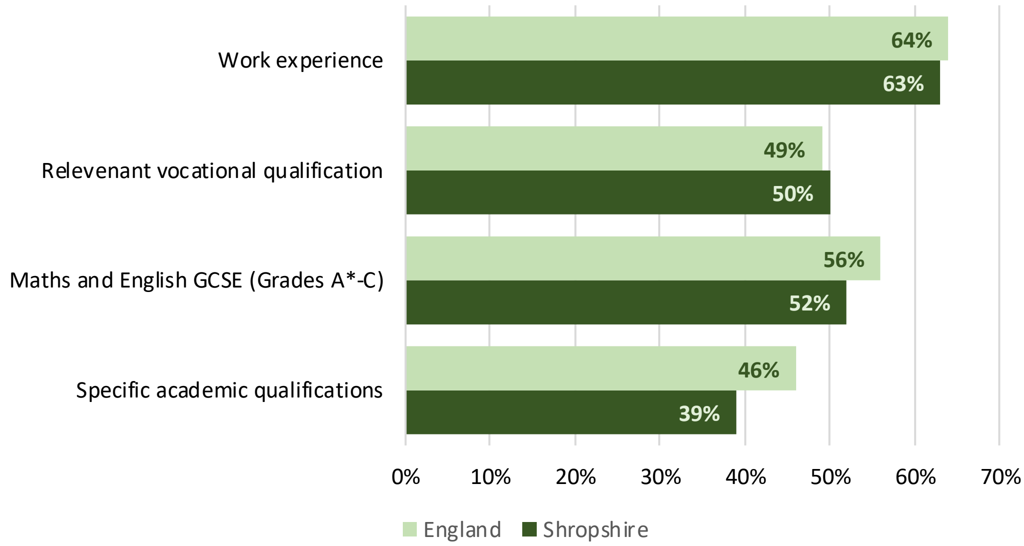
Figure 96: Percentage of businesses offering work experience or work inspiration, 2016



Source: Employer Perspectives Survey
Note: Data reported at Local Enterprise Partnership level only. An assumption has been made that Shropshire follows the same trend as the Marches LEP as a whole.

The EPS also asks employers what they consider to be critical factors in their recruitment process. Shropshire employers showed very little variance with their national counterparts according to the results of the 2016 survey, although they were slightly less likely to consider specific academic qualifications such as 'A' levels or a degree to be critical.

Figure 97: Critical factors when recruiting, 2016



Source: Employer Perspectives Survey
Note: Data reported at Local Enterprise Partnership level only. An assumption has been made that Shropshire follows the same trend as the Marches LEP as a whole.

11 Schools and Educational Achievements

11.1 School Provision

Shropshire has 152 state funded schools, of which there are:

· 100 primary schools
· 4 infant schools
· 4 junior schools
· 6 secondary schools
· 2 special schools
· 36 academy and free schools

The 36 academy and free schools (as of April 2017) consist of:

· 20 primary
· 13 secondary
· 1 special school
· 1 all through school
· 1 free school

These schools together are educating 36,678 pupils. 9.2% of pupils who attend Primary, Secondary and Special schools (including academies and 6th form) are entitled to free school meals

In August 2016, 89% of Shropshire's schools were rated as either good or outstanding by Ofsted. This is a higher percentage to the national average, and represents a significant improvement since 2013.

Figure 98: Percentage of schools rated as good or outstanding

	Shropshire	England
Aug 16	89%	86%
Aug 15	83%	84%
Aug 14	78%	81%
Aug 13	70%	78%

Source: Ofsted

Also in Shropshire there are 27 independent schools (DFE School Census, spring 2016) with a combined pupil count of 5,322.

11.2 Educational Attainment

56.9% of students achieved 5 GCSEs at A*-C including English and maths in 2016, which compares favourably with the West Midlands. The dip in attainment in 2014 is attributable to methodology changes in the way the results are calculated.

Figure 99: Percentage achieving 5 GCSEs at A*-C including English and Maths, 2012-1016

	2012	2013	2014	2015	2016
Shropshire	58.60%	60.40%	56.10%	56.50%	56.90%
West Midlands	58.80%	59.90%	55.00%	55.10%	54.80%

Source: Department for Education

11.3 Destination Data

The percentage of school leavers meeting the duty to participate (in full-time education, training, apprenticeship and full-time employment with study) is high at 95.2%. This compares favourably with national and regional participation figures (England 93.1% and West Midlands 92.8% in June 2014). The percentage of school leavers working towards participation is very small at 0.2%.

The percentage of school leavers who are not participating is 4.4%. This group includes those in employment without training, not settled (active in the labour market), not settled (not active in the labour market) and those whose activity is not known. The percentage of school leavers who become unemployed is 1.2%.

Figure 100: Destination of year 11 school leavers, 2015

	Number	%
Full-time education	2,777	88.1%
Full-time training	45	1.4%
Apprenticeship	152	4.8%
Employment with study	29	0.9%
Working towards participation	7	0.2%
Temporary break from learning	5	0.2%
Employment without training	25	0.8%
Not settled – active in the labour market	50	1.6%
Not settled – not active in the labour market	2	0.1%
Unknown	59	1.9%
Total	3,151	100.0%

Source: Shropshire Council

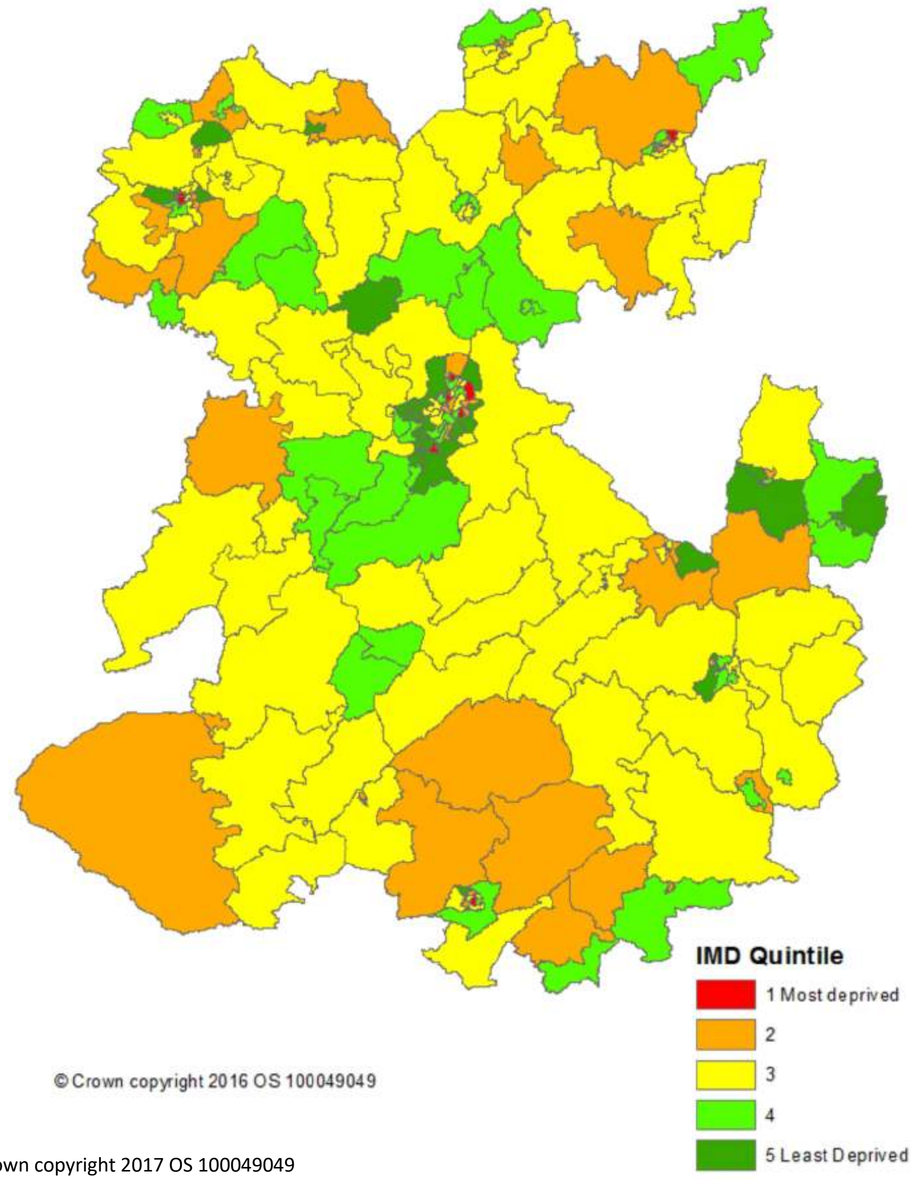
12 Deprivation

Shropshire is a comparatively affluent county, with low levels of unemployment, poverty and crime. However, there are pockets of deprivation, where people are more likely to lack qualifications, be unemployed and/or to claim benefits. According to the Indices of Multiple Deprivation[7] just under 5% of the Shropshire population live in the 20% most deprived areas of England. Five of the 10 most deprived LSOAs in Shropshire are in Shrewsbury, the remainder in Oswestry, Ludlow, Whitchurch and Market Drayton.

Just over half of the population (54%) live in the least deprived 50% of areas in the country.

It is important to note that the IMD measures concentrations of deprivation, and that not all people living in a deprived area will be deprived. Conversely, some deprived people will live in areas that are not considered to be deprived.

Figure 101: Levels of deprivation in Shropshire (national quintiles), 2015



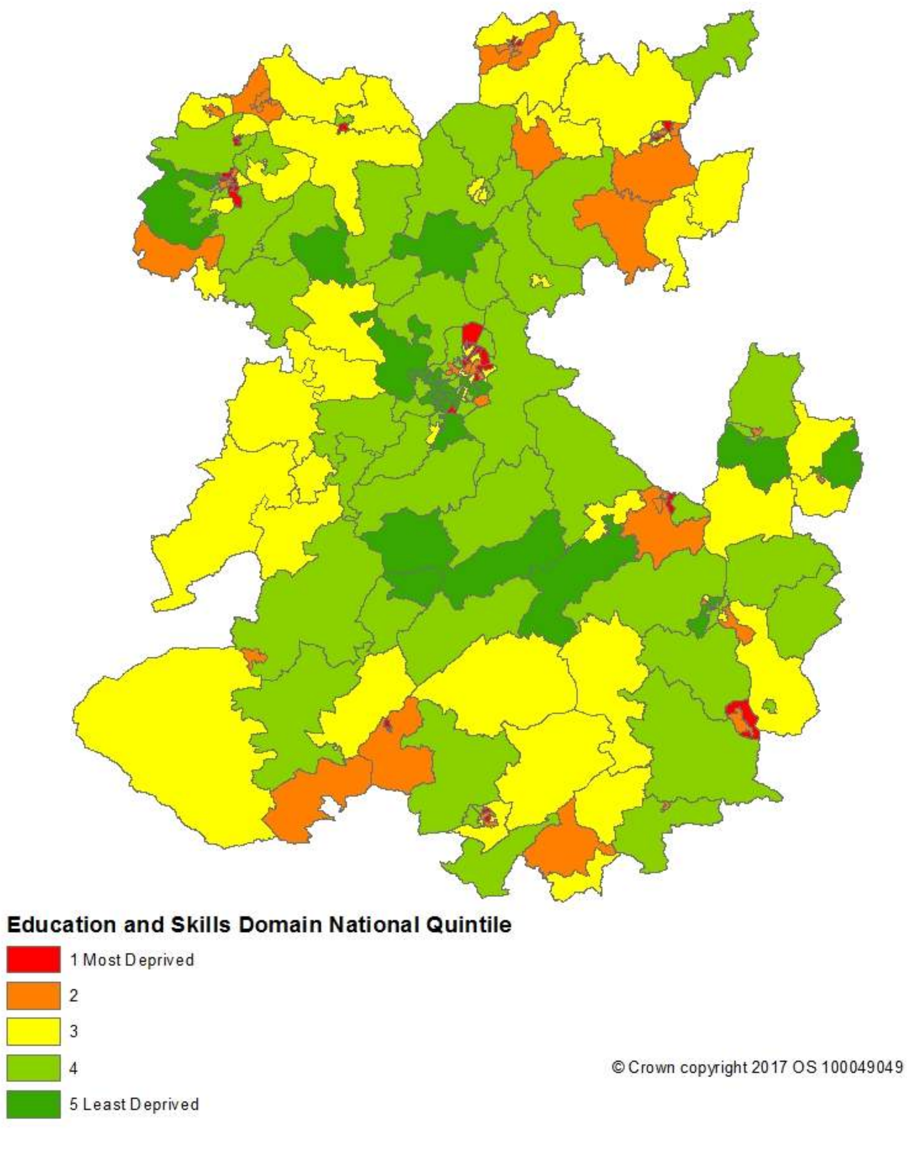
Source: IMD 2015, Department for Communities and Local Government, © Crown Copyright 2017

[7] The English Indices of Deprivation 2015 [IMD 2015] data is provided by the Department for Communities and Local Government (© Crown Copyright 2016). It provides an indication of deprivation at Lower Super Output Area [LSOA] level, a small area statistical geography.

Although less deprived than many other parts of the country, the rural nature of the County means that access to goods and services is challenging, especially outside the main towns. One of the sub-domains that make up the IMD - Geographical Barriers - which focuses on the travelling distances by road from selected facilities and services, shows that 65 (out of 193) LSOAs in Shropshire are ranked within the top 10% most deprived nationally. Around a third of the Shropshire population live in these LSOAs and consequently do not have easy access to facilities, services or employment.

Another domain within the IMD focuses on Education, Skills and Training. It contains two sub-domains, one reflecting Children and Young People and the other Adult Skills. The former, which measures educational attainment and progression, has greater influence over Shropshire's position in the LSOA rankings than the latter. The Adult Skills sub-domain focuses on working age qualifications and language proficiency. The following map shows the levels of deprivation in Shropshire according to the overall education and skills domain. The most deprived LSOAs are located in Shrewsbury, Oswestry and Market Drayton.

Figure 102: Levels of deprivation in Shropshire (national quintiles), Education and skills domain, 2015



Source: IMD 2015, Department for Communities and Local Government, © Crown Copyright 2017.

12.1 Digital Exclusion

According to Ofcom's Connected Nations report (2016), 85% of premises in Shropshire had access to Next Generation (NGA) broadband, with 72% able to receive superfast broadband (SFBB – download speeds of 30Mbps or above). Although NGA and SFBB coverage has improved, Shropshire still lags behind the country as a whole – almost nine out of 10 premises nationally are now able to access SFBB.

Figure 103: Availability of NGA and SFBB fixed line broadband services, 2016

	Shropshire	UK	Shropshire Rank*
% of premises with SFBB	74%	89%	37th
% of premises with <10Mbps	14%	5%	33rd
Average download speed	21.9 Mbps	37 Mbps	66th

Source: Ofcom

Note: Ranked from worst to best out of 391 local authorities (i.e. 1= worst, 391= best)