

Berkshire Labour Market Update

Q2 2019



About this report

This is the last quarterly **Berkshire Labour Market Update**. The updates were designed to provide a comprehensive evidence base for the [Elevate Berkshire](#) programme.

[Elevate Berkshire](#) aimed to address unemployment and underemployment amongst 16-24 year-olds to enable some of the 'hardest to reach' young people find jobs, stay in work and develop rewarding careers.

The first part of the reports focus on young people in the labour market, whilst the second part provides contextual information about the Berkshire labour market as a whole.

The back catalogue of reports will remain on the Thames Valley Berkshire LEP website for reference. Thames Valley Berkshire LEP will continue to produce an annual review of the labour market as part of the Berkshire Skills Priority Statement.

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- Labour market overview by local area
- Employment, unemployment and inactivity trends
- Jobseekers
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- Skills in demand

Key messages for Elevate Berkshire partners

- This report is intended to be used as a reference document to help develop local intervention strategies and monitor progress.
- The reports include data on:
 - The size of the Elevate Cohort
 - 16/17 year olds Not in Education, Training or Employment
 - Most frequently advertised entry level jobs
- Please note, some datasets include full-time students and others do not. Please take this into account when interpreting findings.

Overview

The Berkshire Labour Market – Spring 2019

There are signs that Berkshire's labour market is cooling slightly, albeit from a very strong position. Employment rates are no longer increasing (diverging from the national trend) and unemployment has increased for two consecutive quarters (again, not in line with the national trend). At a local authority level, unemployment rates in Reading are above the national average for the first time since 2005. Whilst it is too early to say whether these trends will continue, given wider economic uncertainties (nationally and internationally), it is likely that, in the short-term, Berkshire's labour market will not be quite as buoyant as it has been in recent years.

National analysis suggests that labour market conditions may be slightly worsening for 16-24 year olds. Whilst nationally employment rates continue to rise, most of the increase has been amongst those in older age groups.

Locally, the overall size of the Elevate Berkshire cohort (unemployed or economically inactive 16-24 year olds who are not full-time students) stands at approximately 10,300*.

The number of young people categorised as claiming unemployment related benefits in Berkshire has increase substantially since May 2018, but it is difficult to ascertain the extent to which this trend is purely a reflection of system changes (the introduction of Universal Service Full Service).

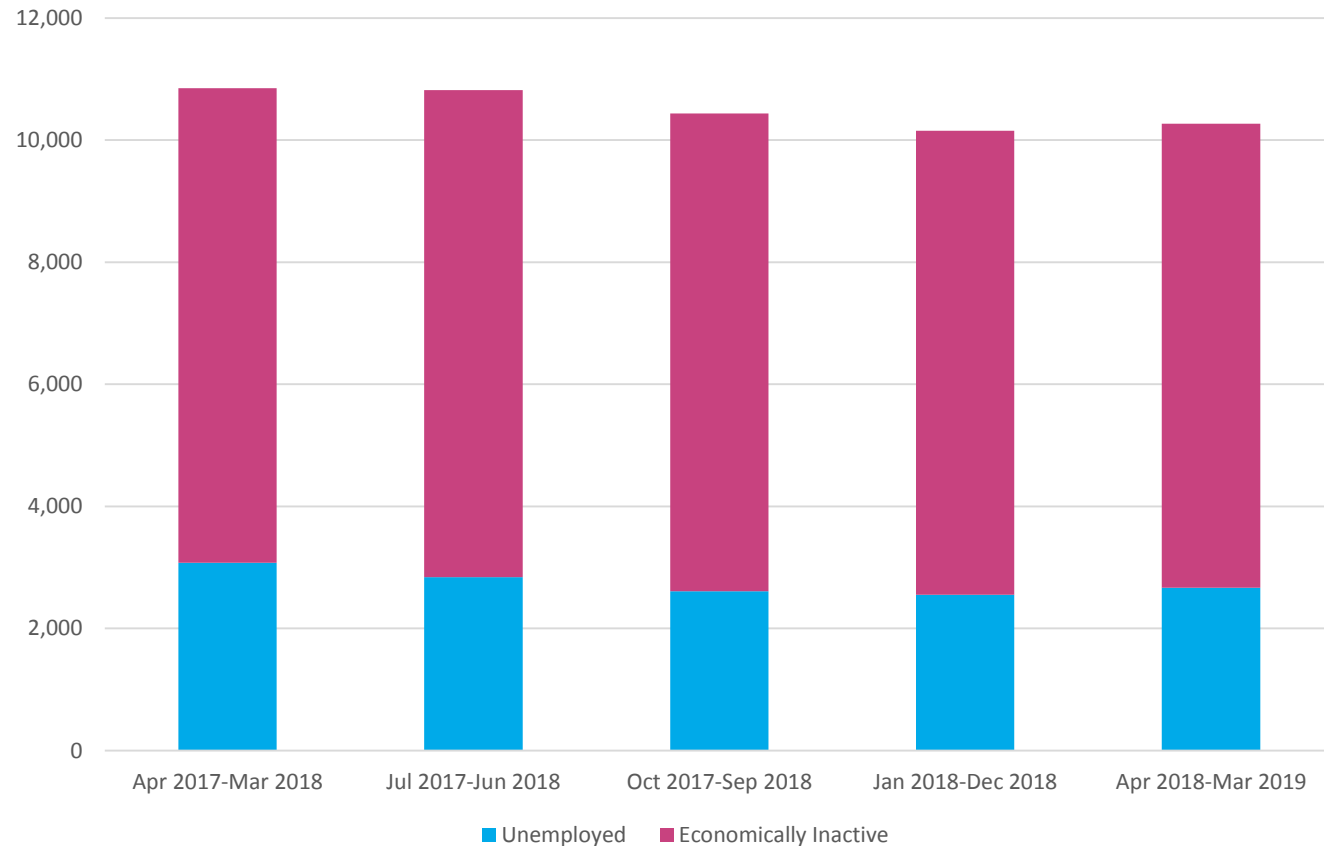
** This is based on survey data and is therefore subject to a degree of sampling variability.*

Berkshire's youth labour market

Key points

- This graph shows the number of 16-24 year-olds in Berkshire who are either unemployed or economically inactive and are not full-time students. This is the target cohort for the Elevate Berkshire programme
- Between April 2018 and Mar 2019 there were in the region of 10,300 young people aged 16-24 that were either unemployed or were economically inactive (but weren't students) at any one point in time.
- Some of those within the cohort will be unavailable for work. For example, those with caring responsibilities or work limiting health conditions
- The majority of economically inactive young people are female and aged 16-19.

The Elevate Berkshire cohort: Number of unemployed or economically inactive 16-24 year olds living in Berkshire



Source: Annual Population Survey, ONS (*students excluded*)

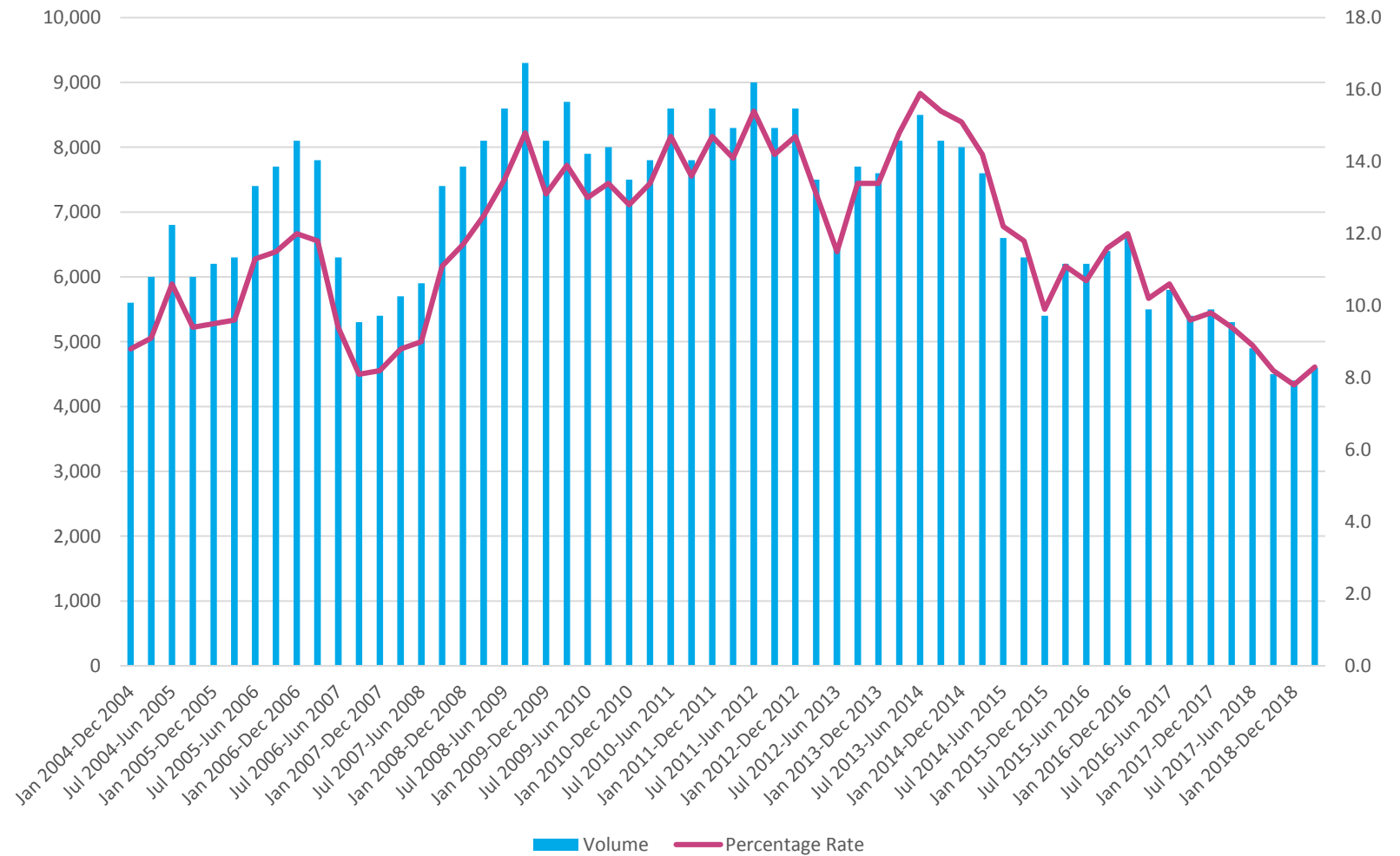
Key points

- The number of young people in Berkshire who are unemployed* has steadily decreased over the last two years
- There was a slight increase in youth unemployment in the last quarter, but it is too early to comment as to whether this is a start of a trend.

**16-24 year olds who are not currently working, but would like to, and have actively sought employment within the last 4 weeks*

*** Please note, this measure of unemployment includes students*

Unemployment amongst 16-24 year olds living in Berkshire (volume and rate)

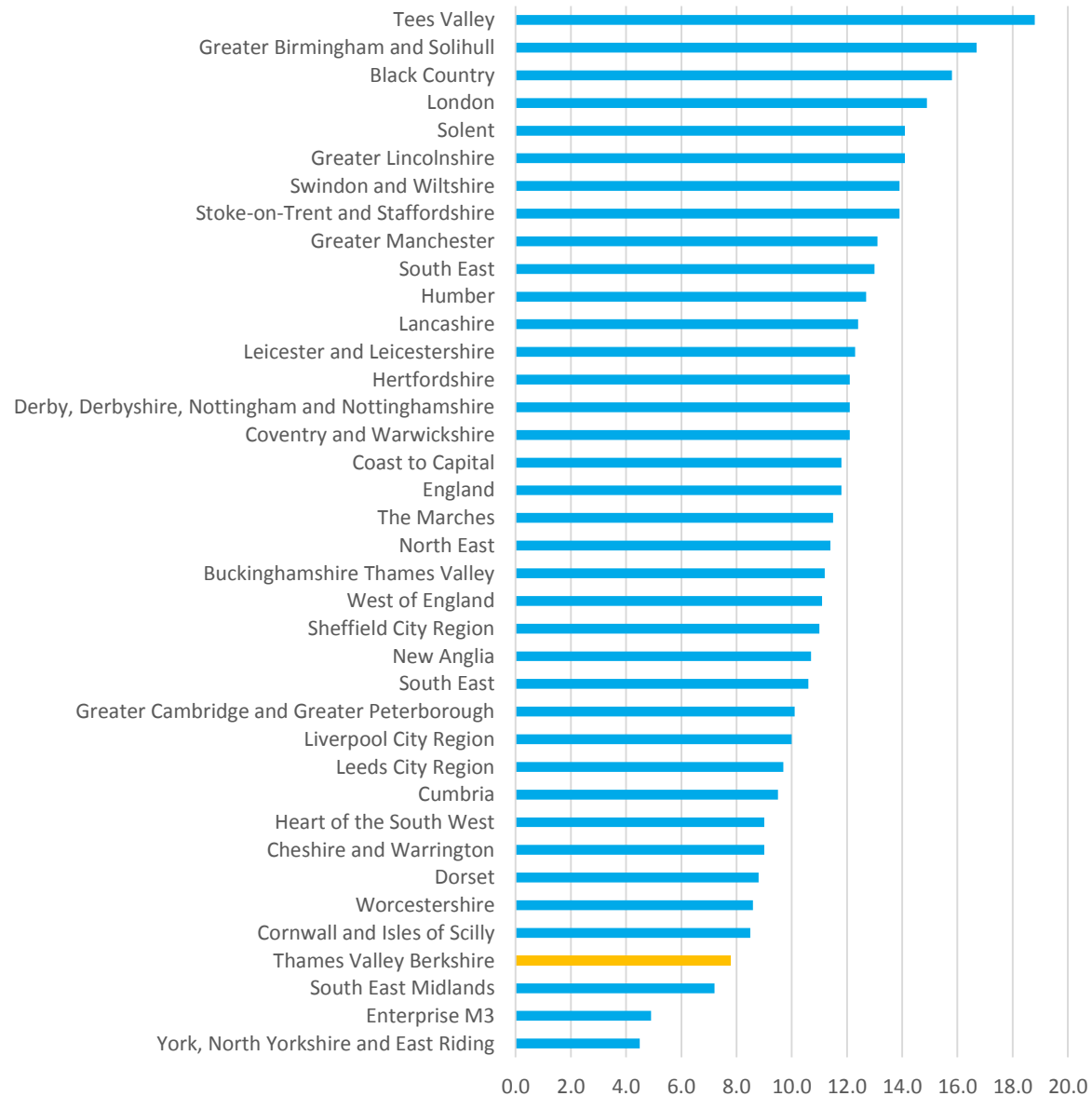


Source: Annual Population Survey**, ONS.
N.B. some fluctuation is due to sampling variation

Key points

- Youth unemployment in Berkshire is lower than the national average and is broadly in line with South East regional average
- Three Local Enterprise Partnership (LEP) areas have lower youth unemployment than Berkshire in 2018, compared to in 2017 there were six LEPs with lower unemployment.
- Data is not available for Oxfordshire and Gloucestershire LEPs due to small sample sizes

Youth unemployment by Local Enterprise Partnership area - 2018



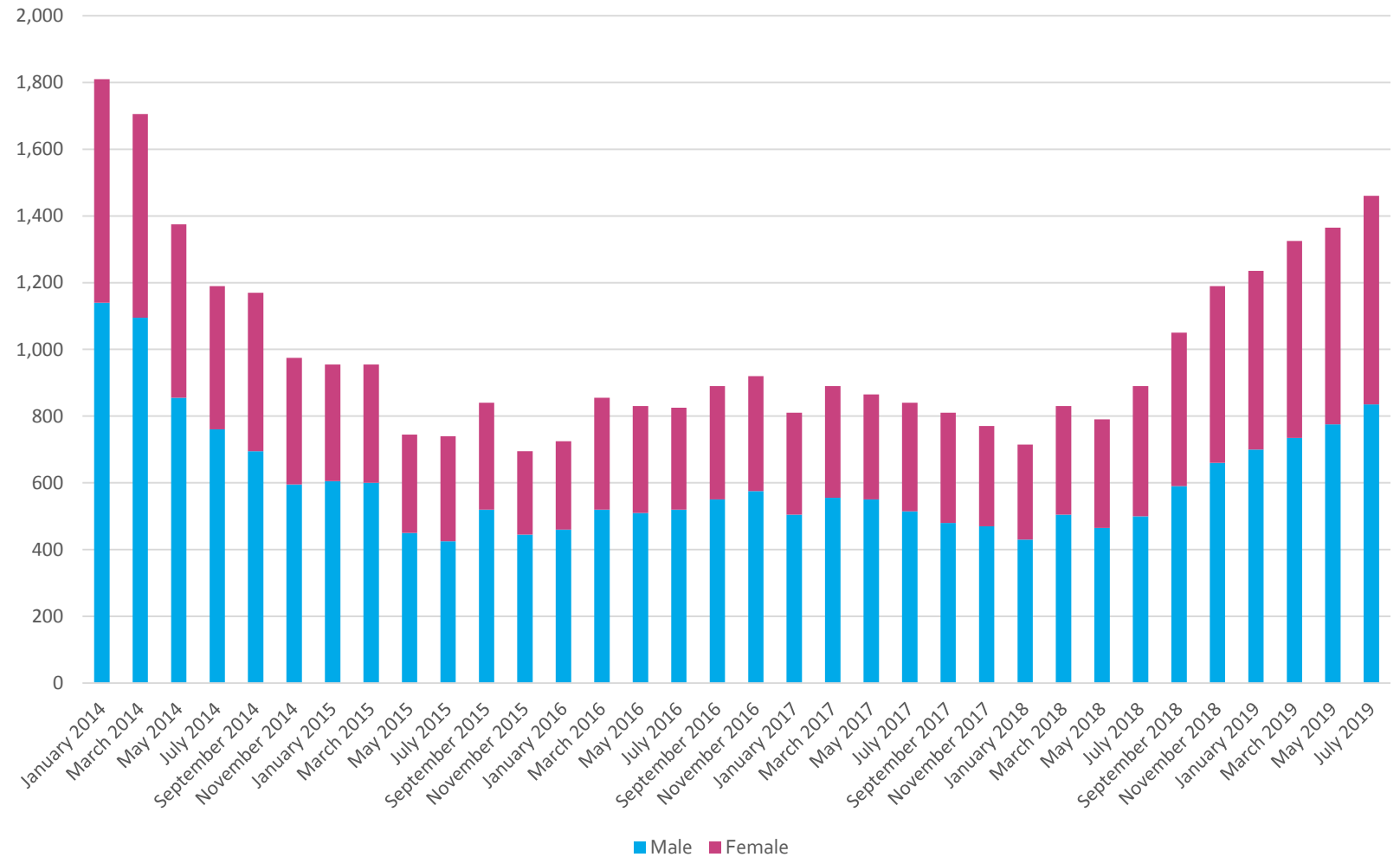
Source: Annual Population Survey, ONS
Data for the period January 2018 to December 2018

Key points

- It is estimated that only 20% of Berkshire's young people who are unemployed (and are not full-time students) are claiming unemployment benefit (Jobseekers Allowance or Universal Credit)
- The number of claimants has seen a continued steady increase since May 2018.

Since May 2018, all Berkshire JobCentres have been providing Universal Credit Full Service. The design of Universal Credit means that additional people will be counted in Claimant Count data and therefore these figures are likely to rise (irrespective of the performance of the local economy). The changes mean the Claimant Count has become a less reliable indicator of changes in labour market performance at both the local and national level. The Office for National Statistics (ONS) are currently running a consultation on the design of a potential new measure.

Young people aged 16-24 claiming unemployment benefit in Berkshire



Key points

- In addition to data on unemployment, inactivity and benefit claimants, local authorities collect data on 16-17 year-olds who are Not in Education, Employment or Training (NEET)
- In terms of definitions, a young person could be unemployed but not NEET (because they are undertaking training) or be NEET but not unemployed (because they are not seeking employment)
- Excluding Bracknell Forest and Windsor and Maidenhead (where a large amount of activity is not known), Reading has the highest NEET / Activity Not Known figures for 16-17 year-olds within Berkshire, and West Berkshire the lowest

16-17 year olds Not in Education, Employment or Training - 2019

Local Authority	Number of 16/17 year olds known to LA	Total number NEET (including not known)	Proportion NEET (including not known)	of which known to be NEET	of which activity not known
Bracknell Forest	2,180	210	9.5%	2.5%	7.0%
Reading	2,960	220	7.5%	4.2%	3.3%
Slough	3,720	150	4.0%	3.1%	0.8%
West Berkshire	3,240	50	1.7%	1.1%	0.6%
Windsor and Maidenhead	2,900	170	6.0%	1.1%	4.8%
Wokingham	3,400	150	4.5%	1.1%	3.4%

Source: DfE, NEET and participation: local authority figures. Data relates to December 2018, January 2019 and February 2019

Key points

- We can analyse job adverts posted online to get an idea of roles that are in high demand within the local economy and the type of skills they demand
- The next few slides provide details on the most commonly advertised **entry level** jobs at different educational levels
- An entry level job is defined as a job that requires 0-2 years experience, and is therefore potentially suitable for young people
- This slide provides a list of the most frequently advertised entry level jobs that require applicants to have level 1 or 2 qualifications (e.g. GCSEs, NVQs at levels 1 or 2, Intermediate Apprenticeships)
- In 2018, Personal Care Assistant topped the list, followed by Teaching Assistant and Beauty Therapist.

Most frequently advertised Level 1 / 2 entry level jobs in Berkshire - 2018

- | | |
|----------------------------|---|
| 1. Personal Care Assistant | 11. Business Support Officer |
| 2. Teaching Assistant | 12. Junior Pensions Administrator |
| 3. Beauty Therapist | 13. Administrative Assistant |
| 4. Support Worker | 14. Audio Visual Technician |
| 5. Chef | 15. Receptionist |
| 6. Nursery Practitioner | 16. Tyre Technician |
| 7. Hair Stylist | 17. First Line IT Service Desk Engineer |
| 8. SEN Teacher Assistant | 18. Activities Coordinator |
| 9. Administrative clerk | 19. Administrator Technical Support |
| 10. Auxiliary Nurse | 20. Carer |

Key points

- This slide provides a list of the most frequently advertised entry level jobs that require applicants to have level 3, 4 or 5 qualifications (e.g. A-levels, NVOs at levels 3, 4 or 5, Advanced Apprenticeships, Higher Apprenticeships, HNCs, HNDs and Foundation Degrees).
- Chef tops the list, followed by Beauty Therapist and Spa Therapist.

Most frequently advertised Level 3, 4 and 5 entry level jobs in Berkshire - 2018

- | | |
|-------------------------------|---|
| 1. Chef | 10. Traffic Engineer |
| 2. Beauty Therapist | 11. Nursery Nurse |
| 3. Spa Therapist | 12. Laboratory Technician |
| 4. Nursery Manager | 13. Auxiliary Nurse |
| 5. Pharmacy Technician | 14. Senior Nursery Room Leader |
| 6. Mechanical Design Engineer | 15. Qualified Toddle Room Leader |
| 7. Nursery Room Leader | 16. Maintenance Engineer |
| 8. Medical Receptionist | 17. Light Commercial Vehicle Technician |
| 9. Deputy Nursery Manager | 18. Gas Service & Breakdown Engineer |

Key points

- This slide provides a list of the most frequently advertised entry level jobs that require applicants to have level 6 or above qualifications (i.e. degree level or higher)
- Social Worker tops the list, followed by Sales Representative and Account Manager

Most frequently advertised Level 6 and above entry level jobs in Berkshire - 2018

- | | |
|-------------------------------------|-----------------------------------|
| 1. Social Worker | 11. Sales Executive |
| 2. Sales Representative | 12. Sales Engineer |
| 3. Account Manager | 13. Finance Analyst |
| 4. Marketing Executive | 14. Radiographer |
| 5. Quantity Surveyor | 15. Marketing Assistant |
| 6. Physiotherapist | 16. Graphic Designer |
| 7. Assistant Manager | 17. Software Development Engineer |
| 8. Sales Development Representative | 18. Operations Analyst |
| 9. Intensive Care Unit Nurse | 19. .Net Developer |
| 10. Software Developer | 20. Licenced Surveyor |

Berkshire's labour market trends (all ages)

Comparative picture of Berkshire's labour market – 2018/19

Key points

- Berkshire has a higher employment rate, and lower unemployment and economic inactivity rates than both the national and regional averages
- Within Berkshire, Bracknell Forest has the highest employment rate (84.0%) and Slough the lowest (73.5%)
- Unemployment rates range from 2.4% in Wokingham to 4.2% in Reading.
- Slough and Reading are the only Berkshire local authority areas with unemployment rates higher than the regional average
- The unemployment rate in Reading is currently higher than the national average.
- Economic inactivity rates vary quite a bit across Berkshire, from 13.9% in Bracknell Forest to 22.8% in Slough. People can be economically inactive for a wide range of reasons. The high figure in Reading is likely due to the higher concentration of students.
- In four of Berkshire's six local authority areas, workplace earnings are higher than resident earnings. The exceptions being Windsor and Maidenhead and Wokingham.

		April 2018 to March 2019								2017		2018	
	Population	Labour supply								Labour demand			
		Employment		Unemployment		Economic inactivity		Claimant Count		Jobs		Earnings ¹	
		16-64 (000s)	Total 16+ (000s)	16-64 Rate (%)	Total 16+ (000s)	Rate (%)	Total 16-64 (000s)	16-64 Rate (%)	Level	Proportion (%)	Total (000s)	Jobs Density 16-64 (ratio)	Resident (£)
ENGLAND	35,049	27,323	75.6	1,165	4.1	7,336	21.1	781,456	2.2	30,323	0.87	575	575
SOUTH EAST	5,617	4,559	78.4	154	3.3	1,050	18.9	81,348	1.4	4,886	0.87	615	589
THAMES VALLEY													
BERKSHIRE	576	470	79.5	16	3.3	102	17.8	7,281	1.3	580	1.01	652	681
Bracknell Forest	79	67	84.3	2	2.5	11	13.9	729	0.9	71	0.91	609	683
Reading	109	86	76.8	4	4.2	21	19.2	2,276	2.1	120	1.10	613	657
Slough	95	73	73.5	3	3.9	22	22.8	1,651	1.7	92	0.97	605	679
West Berkshire	97	82	81.2	2	2.9	16	16.2	1,042	1.1	108	1.11	632	684
Windsor and Maidenhead	92	77	80.4	2	2.8	16	17.2	818	0.9	93	1.01	720	663
Wokingham	103	85	81.9	2	2.4	17	16.5	764	0.7	95	0.94	737	719
Bordering Local Authorities													
Basingstoke and Deane	110	100	87.1	3	2.4	15	12.9	1,248	1.1	91	0.83	683	624
Hart	58	49	87.2	1	2.5	4	7.5	260	0.4	48	0.83	670	623
Hillingdon	198	150	73.9	7	4.2	46	23.1	2,715	1.4	215	1.09	607	614
Runnymede	58	48	76.8	1	2.4	13	21.6	390	0.7	63	1.11	647	683
South Bucks	42	31	74.4	1	2.9	10	24.3	307	0.7	45	1.08	735	607
South Oxfordshire	84	74	82.1	2	2.5	13	16.1	776	0.9	76	0.90	699	573
Spelthorne	61	57	87.6	2	2.7	4	7.0	570	0.9	44	0.71	628	608
Surrey Heath	55	45	83.3	1	2.5	8	14.4	321	0.6	65	1.20	742	582
Test Valley	75	61	81.3	2	2.9	12	16.8	638	0.9	66	0.89	662	574
Vale of White Horse	81	59	73.4	2	3.2	19	24.2	851	1.0	74	0.93	679	645
Wiltshire	298	245	78.9	7	2.8	55	18.8	4,372	1.5	259	0.87	562	534
Wycombe	106	91	80.3	3	3.3	16	15.4	1,362	1.3	99	0.93	647	622

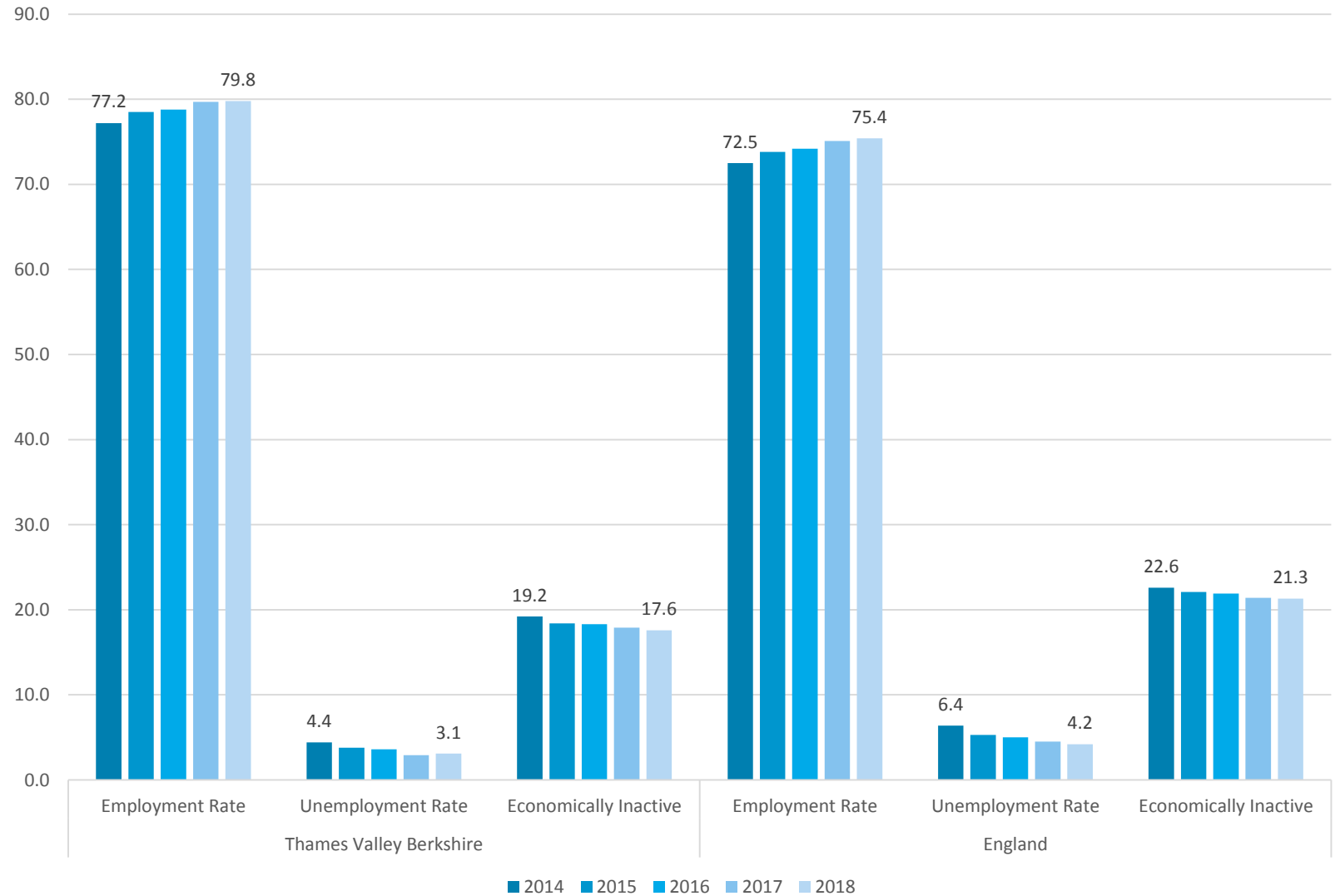
¹Annual Survey of Hours and Earnings - median weekly earnings of full-time workers

Source: Annual Population Survey Tables, LI01 for Local Authorities and LI05 for LEP data, ONS

Key points

- Employment rates have risen steadily in Berkshire over the last four year and now stand at 79.8%
- Unemployment and economic inactivity rates have declined steadily
- These trends mirror the national trend
- The next three slides show the longer term trends in employment and unemployment

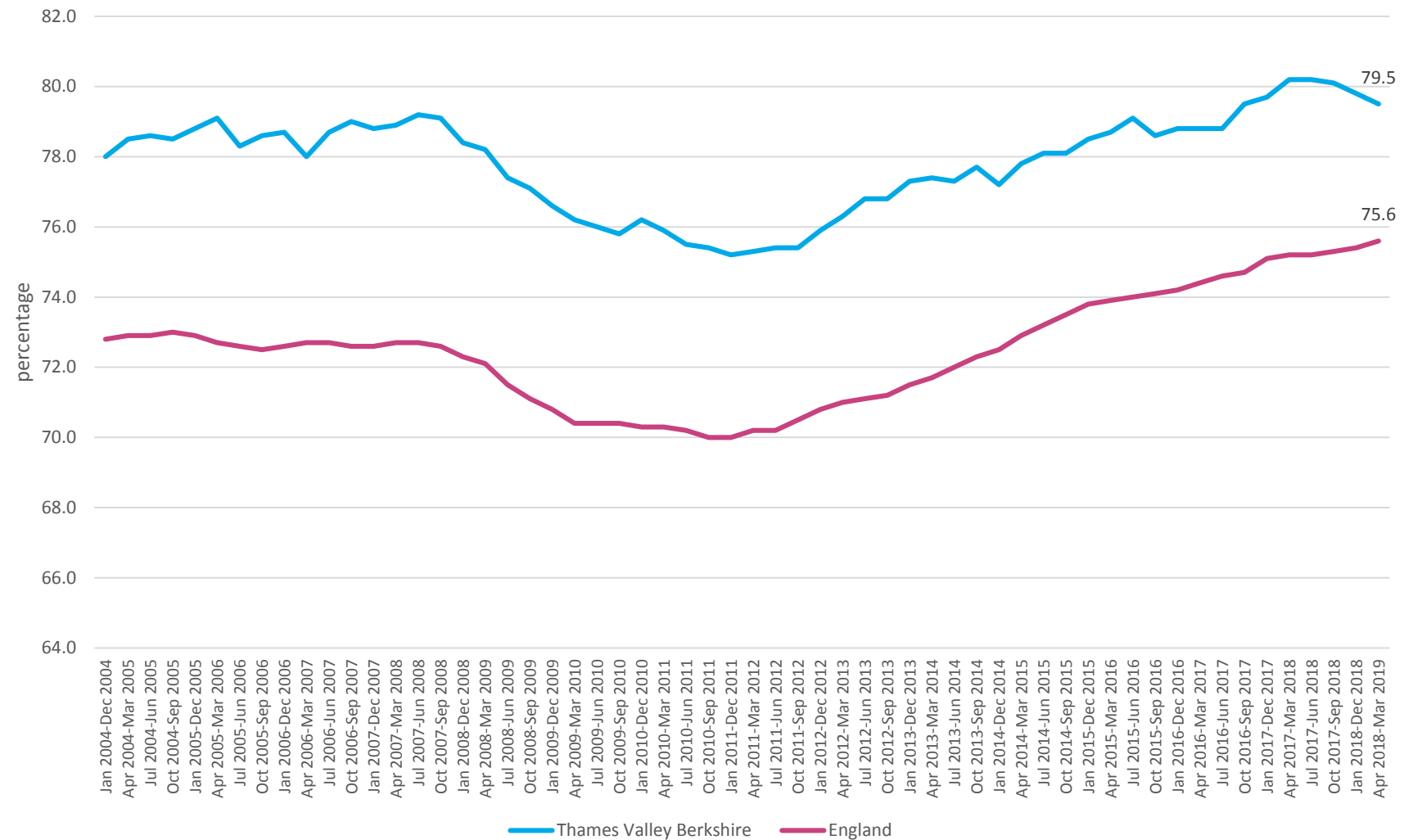
Trends in employment, unemployment and economic inactivity



Key points

- Berkshire's employment rate for 16-64 year olds is higher than the national average by approximately four percentage points.
- In line with the national average, Berkshire's employment rate rose from 2011 to early 2018, and is now above its pre-recession peak
- The data suggests that Berkshire's has dropped slightly over the last 12 months, diverging from the national continuing upward trend.

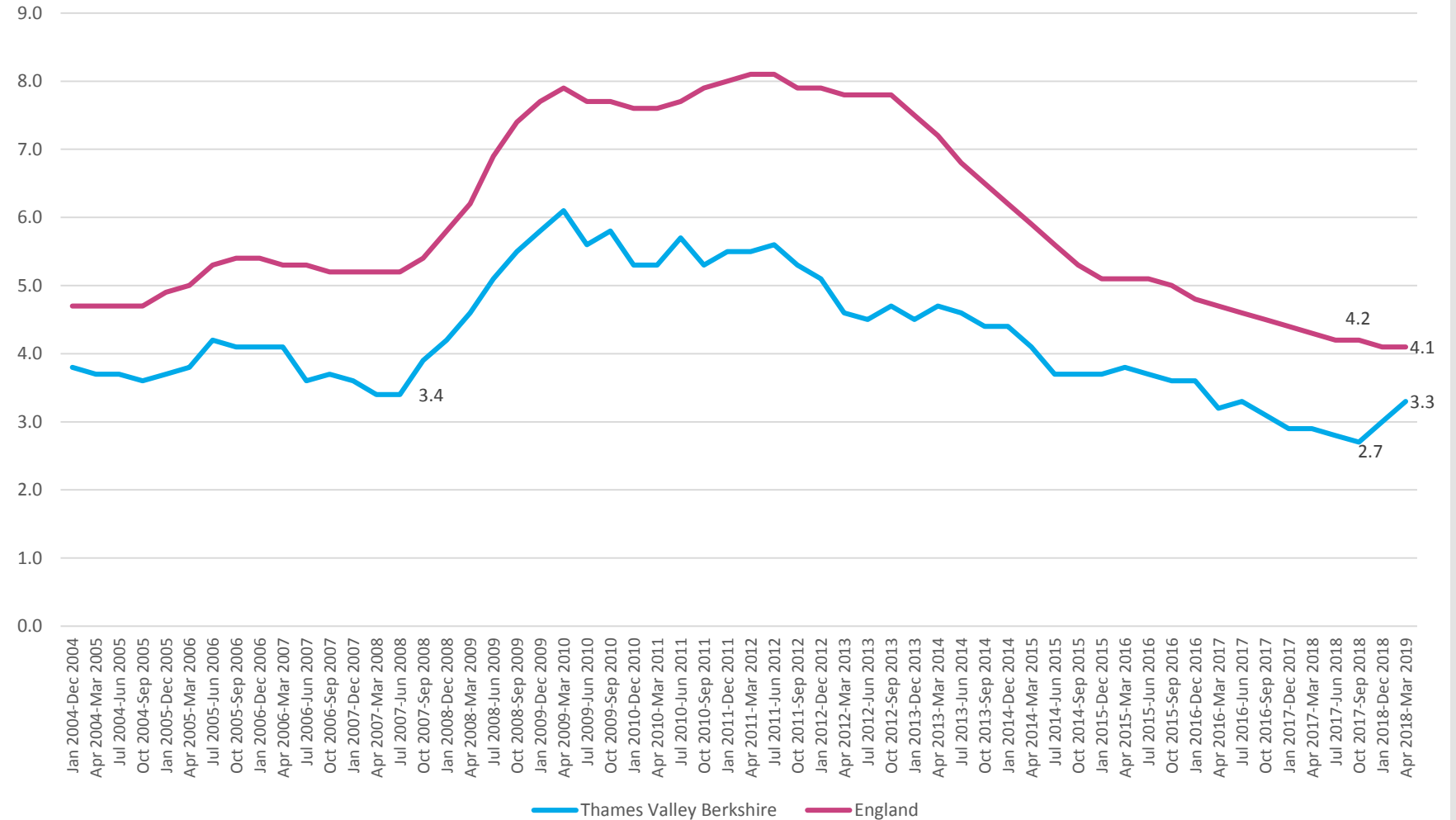
Employment rate trends from 2004 to 2019



Key points

- Unemployment rates in Berkshire have, broadly speaking, been falling since mid 2009
- It took longer for England's unemployment rate to start falling post recession, doing so in mid 2013
- Whilst Berkshire's unemployment rate remains low, it has increased from 2.7% to 3.3% over the last two quarters. The first time unemployment has increased over two quarters since the 2008 recession.

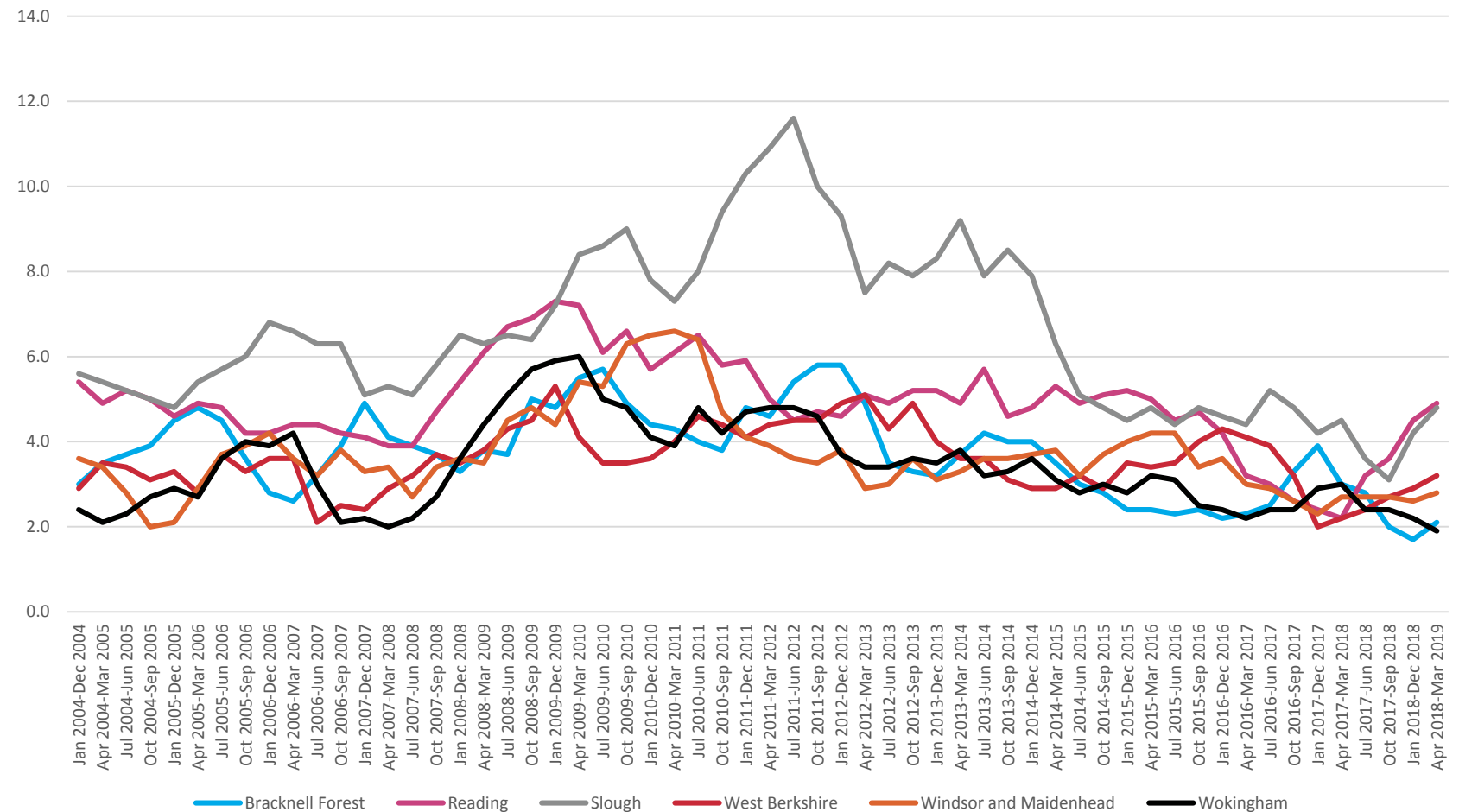
Unemployment rate trends from 2004 to 2019



Unemployment rate trends from 2004 to 2019 by local authority

Key points

- Within Berkshire, unemployment is highest in Reading and Slough.
- Unemployment in Slough has risen over the last three consecutive quarters, and in Reading has risen over the last five consecutive quarters.
- Unemployment in Reading is higher than the national average for the first time since 2005.
- Slough's unemployment rates have traditionally tracked the national rate more closely than Reading's. Although peaked at a higher rate than the national average during post-recession (reaching nearly 12.0% in 2012)



Source: Annual Population Survey, model-based estimates, ONS

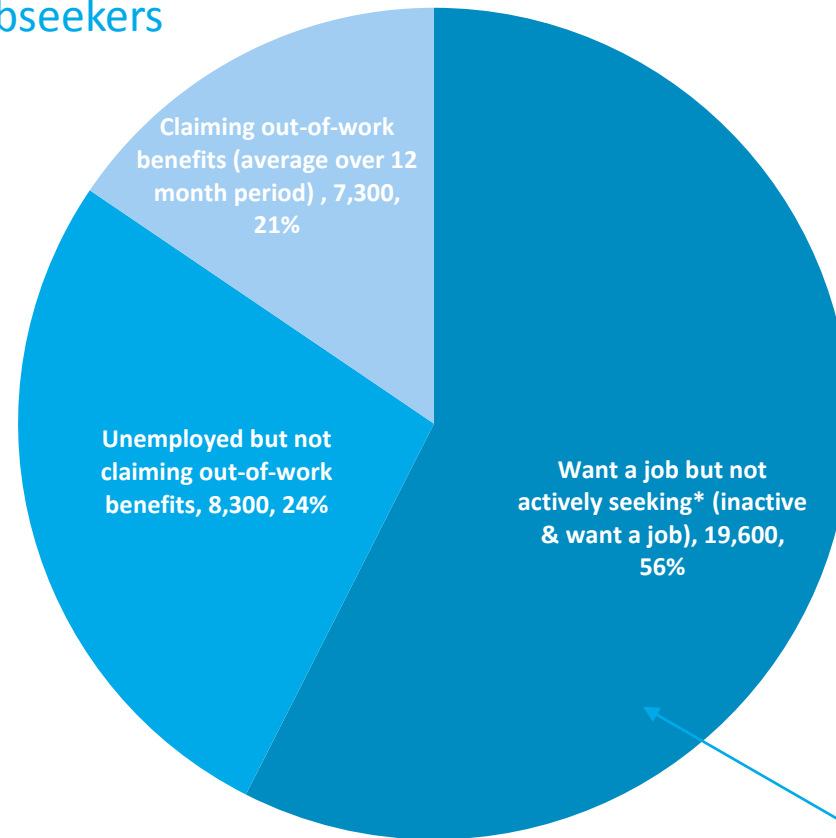
N.B. some fluctuation is due to sampling variation

Key points

- Approximately 35,200 people in Berkshire are not working but would like to
- Of these, 45% are actively seeking work and are therefore classified as being unemployed
- The main reason for people being economically inactive in Berkshire is that they are looking after family or home, followed by being a student
- A much lower proportion are inactive due to long-term sickness in Berkshire than the national average

*Those who ideally want a job but haven't sought work in the last few weeks. This includes people with caring responsibilities who may struggle to find work to fit around those responsibilities.

Jobseekers



Understanding who is seeking work and why people are economically inactive in Berkshire

Reason for being economically inactive

	Thames Valley Berkshire	South East	England
Who want a job	19.2	22.0	20.5
Who do not want a job	80.8	78.0	79.5
Student	26.9	26.8	27.0
Looking after family/home	27.1	24.1	24.4
Long-term sick	15.0	18.9	22.1
Retired	14.4	15.6	12.8

Key points

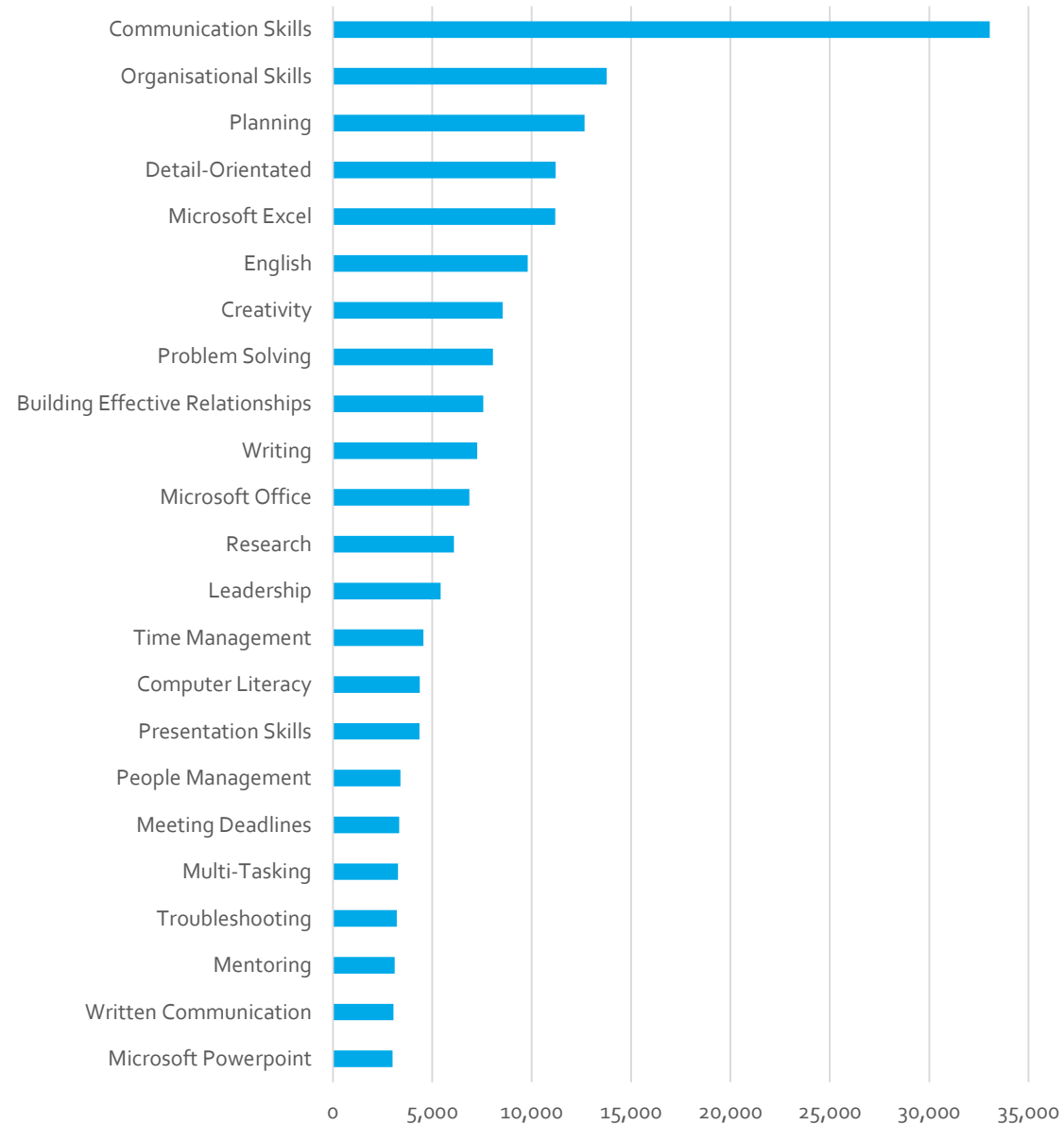
- In Q1 of 2019, Software Developer/Engineers were in the highest demand across Berkshire, followed by Office/Administrative Assistant and Customer Service Representative.
- The only two occupations in the top 10 moving up the rankings from the previous quarter were Software Developer/Engineer and Customer Service Representative.
- Notably positions 5-10 stayed the same from the previous quarter.

Most frequently advertised job vacancies in Berkshire, Q1 2019

Position	Occupation	Changes in ranking from Q4 2018
1	Software Developer / Engineer	Up 2 places
2	Office / Administrative Assistant	Down 1 place
3	Customer Service Representative	Up 1 place
4	Account Manager / Representative	Down 2 places
5	Project Manager	No change
6	Registered General Nurse (RGN)	No change
7	Sales Manager	No change
8	Chef	No change
9	Computer Support Specialist	No change
10	Recruiter	No Change

Key points

- Communications skills are by far the highest 'general skill' demanded by Berkshire employers
- Organisational skills and Planning are ranked second and third, followed by Detailed-Orientated .



General skills in highest demand in Berkshire, 2018

Key points

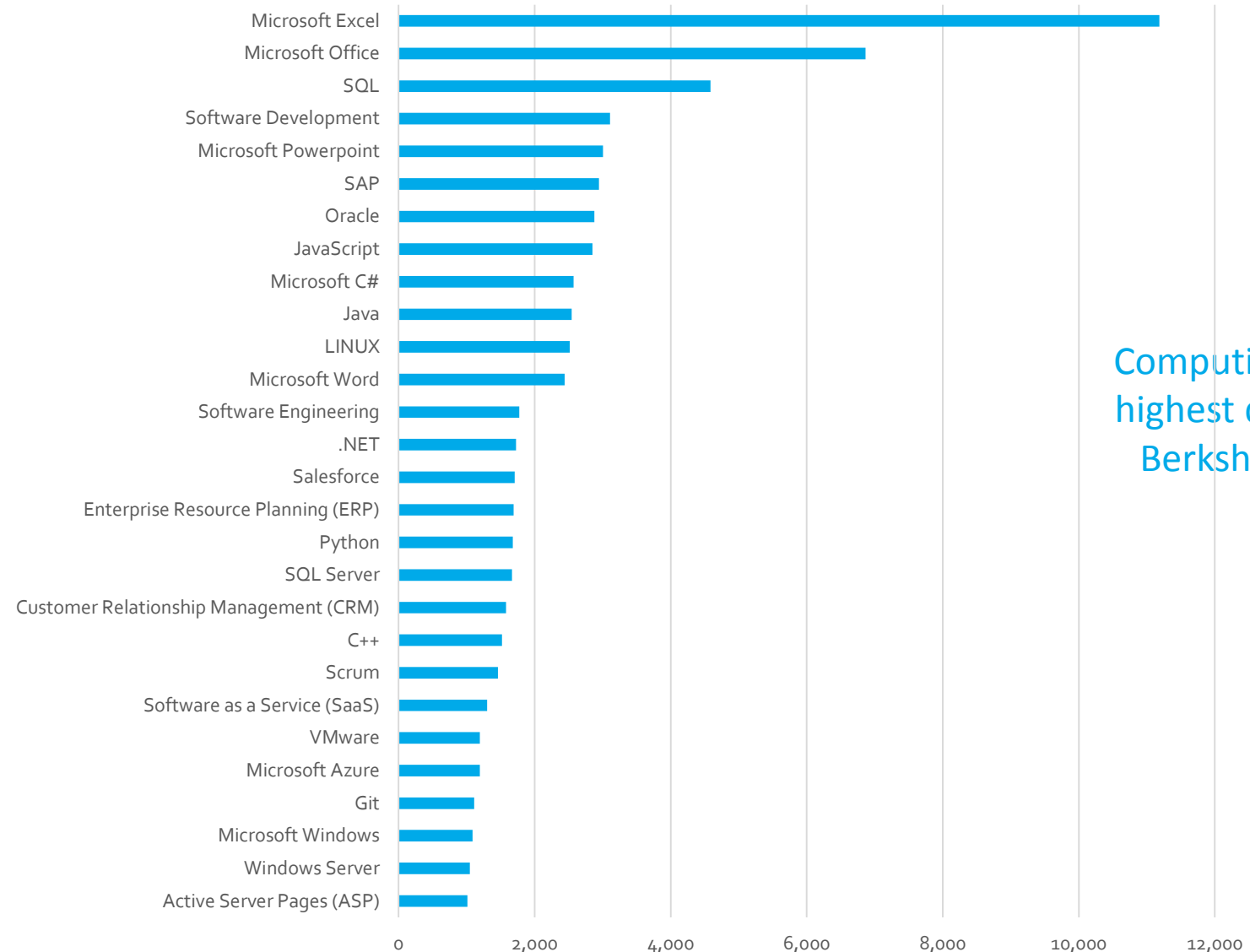
- Customer service skills topped the specialist skills ranking in 2018 for the fourth year in a row, followed by Teamwork / Collaboration Sales
- Customer Service and Teamwork / Collaboration Sales were the 'highest climbers' between 2017 and 2018
- A smaller proportion of job postings required people with 'Building Effective Relationships' skills in 2018 than in 2017

Skill	2017	2018	% Change
Customer Service	15.9%	17.3%	↑ 1.4
Teamwork / Collaboration	15.4%	16.8%	↑ 1.4
Sales	16.7%	14.9%	↓ -1.8
Budgeting	10.4%	10.0%	↓ -0.4
Project Management	9.9%	9.3%	↓ -0.6
Teaching	8.3%	7.5%	↓ -0.8
Accounting	6.0%	6.4%	↑ 0.4
Business Development	7.0%	6.2%	↓ -0.8
Customer Contact	5.5%	5.6%	↑ 0.1
Key Performance Indicators (KPIs)	5.6%	5.2%	↓ -0.4
SQL	6.4%	4.9%	↓ -1.5
Stakeholder Management	4.4%	4.3%	↑ -0.1
Scheduling	3.7%	3.9%	↑ 0.2
Administrative Support	3.5%	3.7%	↑ 0.2
Cooking	2.9%	3.6%	↑ 0.7
Retail Industry Knowledge	3.9%	3.6%	↓ -0.3
Staff Management	3.9%	3.5%	↓ -0.4
Technical Support	3.8%	3.5%	↓ -0.3
Cleaning	3.9%	3.4%	↓ -0.5
Software Development	4.2%	3.3%	↓ -0.9
Quality Assurance and Control	3.2%	3.3%	↑ 0.1
Procurement	2.5%	3.2%	↑ 0.7
SAP	3.1%	3.2%	↑ 0.1
Oracle	3.2%	3.1%	↑ -0.1
JavaScript	4.3%	3.1%	↓ -1.2

Specialist skills in highest demand in Berkshire, 2017 and 2018

Key points

- Microsoft Excel skills remain the most commonly sought computing skill of Berkshire employers
- Programming languages in highest demand in 2018 were SQL, Javascript, LINUX and Java.



Computing skills in
highest demand in
Berkshire, 2018

Source: Labour Insight, Burning Glass Technologies, 2019

Other research publications

The following labour market and business research publications can be found on the Thames Valley Berkshire LEP website, here:

<http://thamesvalleyberkshire.co.uk/Data-Research>

- Apprenticeships in Berkshire
- Business in Berkshire
- Berkshire Economic Update
- LMI for Schools
- Thames Valley Berkshire Skills Priority Statement
- Impact of the Apprenticeship Levy