

DEVON'S LABOUR MARKET CONTEXT

1. Demographics

The workforce in Devon is projected to increase by about 19,000 between 2001 and 2011, although the increases are not evenly spread either across age groups or over the period. These projections do not assume any changes in statutory retirement age.

Table 1: Workforce projections in Devon (including Plymouth & Torbay)

	Workforce			Change 2001- 2006	Change 2006- 2011
	2001	2006	2011		
16-34	176,400	171,600	175,900	-4,800	4,400
35-49	181,600	191,000	181,800	9,400	-9,200
50-64	131,800	141,400	149,100	9,600	7,700
65-74	9,900	10,500	12,100	600	1,600
All ages	499,700	514,400	518,900	14,700	4,500

Source: Devon Structure Plan 2001 - 2016

Key likely trends are:

- Significant increase between 2001 and 2006 in the total workforce (14,700) with a much lower increase between 2006 and 2011 (4,500)
- Reduction of almost 5,000 in the young end of the workforce (aged 16-34) by 2006
- Projected fall of just over 9,000 in the middle aged workforce (aged 35-49) during the second half of the decade

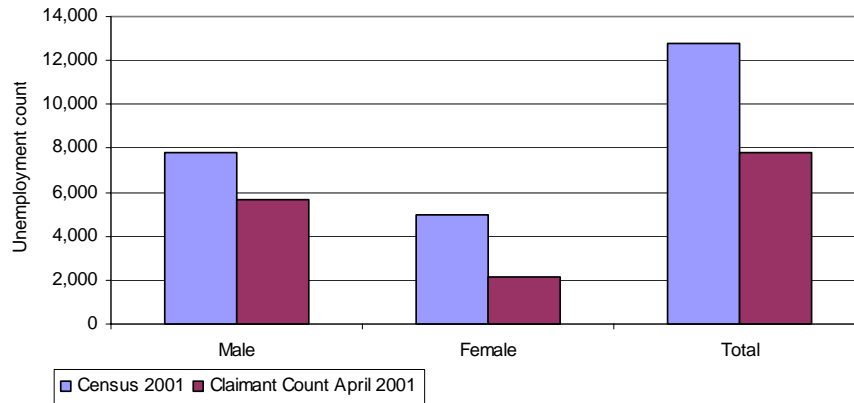
Even where projections may indicate employment decline, there will still be a need to replace those employees who leave because of retirement, career moves, mortality or other reasons. This 'replacement' demand is often more significant than 'expansion' demand resulting from growth in the local economy. Nationally 'replacement' demand is 5 times that of 'expansion' demand. Estimates published by Devon and Cornwall LSC indicate a need over the next 10 years in Devon of 198,000 employees as a result of replacement demand and 36,000 arising from growth.

2. Labour Market Activity

Devon has a high employment rate of 81% of all the working population - 83% of males and 79% of women of working age are in employment. Correspondingly, unemployment in Devon is relatively low and declining. In February 2003, the unemployment rate in Devon (based on those claiming Jobseekers Allowance) was 1.8%, compared to an average of 2.8% nationally. Moreover, Devon has a low rate of long-term unemployment, with only 0.2% of the population have been claiming benefit for over a year.

However, research has shown that there is a reasonably significant level of 'hidden' unemployment in Devon. Figure 1 compares the number of people citing themselves as unemployed in the 2001 census with the number of people registered as unemployed through the official claimant count in April 2001. It shows that there is a trend for people, particularly women in rural Devon, not to claim for benefits such as Jobseekers Allowance and, as a result, this unemployment is 'hidden' from official statistics.

Figure 1: Hidden unemployment

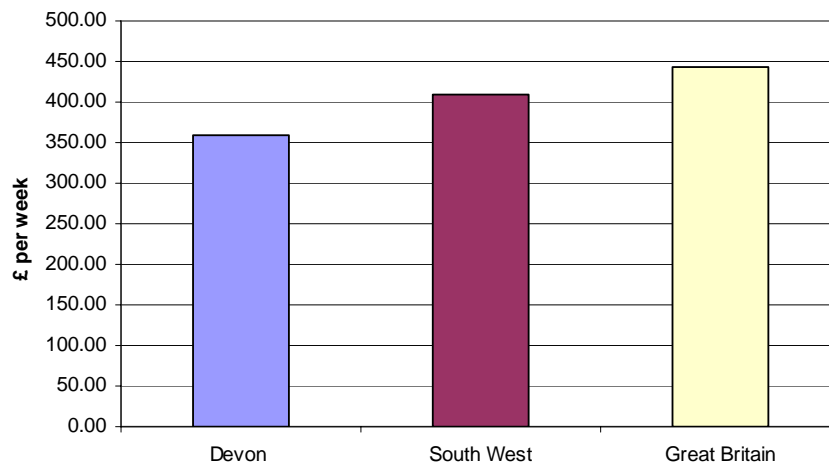


Therefore, whilst a low overall unemployment claimant count may signify a healthy economy, there are other significant factors at play in Devon which suggest otherwise. In particular, Devon has greater instances of self-employment and part-time employment, especially in rural areas. 28% of all in Devon who are in employment work part-time – compared with that of only 25% for the rest of the country. As a result, underemployment is arguably a greater problem in Devon, with people unable to access well paid jobs which utilise their skills.

3. Earnings

Average earnings in Devon continue to be relatively low. The average pay of workers in Devon is 19% lower than the average in the rest of the country. The average gross weekly earnings for Devon were £360.20 in 2001, compared with £408.50 regionally and £444.30 nationally. Indeed, Devon has the second lowest average earnings in the South West. This is linked to the fact that Devon has significantly higher proportions of women employees, part-time employees and self-employed people - each of these is likely to hold depress income levels. The lower cost of labour in Devon is often stated a factor in the location decisions of many companies when making an investment choice.

Figure 2: Average gross weekly earnings



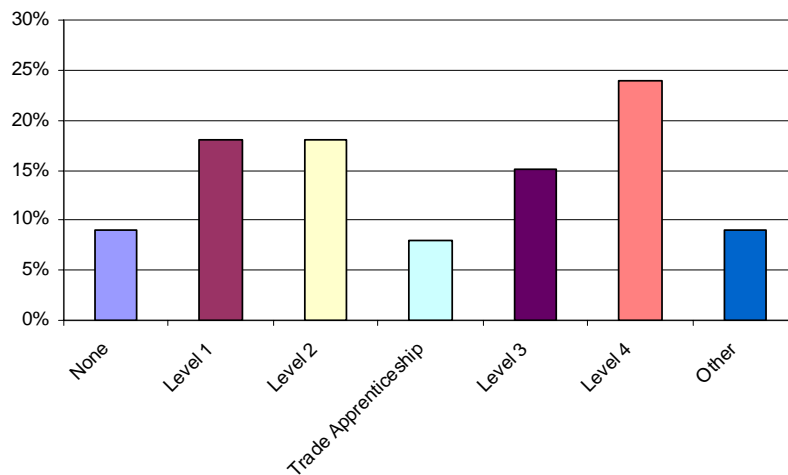
Source: New Earnings Survey 2003

4. Skills

Analysis by South West Economy Centre reveals that whilst the South West has a relatively highly-skilled population (through measures such as the percentage of the working age population with Level 4/5 qualifications), individuals are less likely to be employed and

utilising their skills. Furthermore, within the region, average skill levels tend to decrease from east to west, whilst the underemployment of skilled workers increased. This leads to a lower level of productivity, particularly in the far south west areas of Devon and Cornwall.

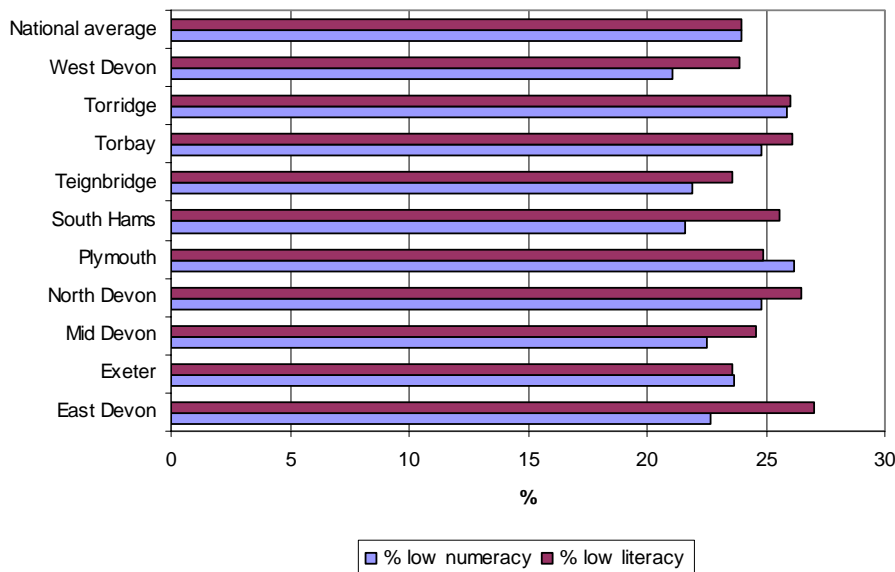
Figure 3: Devon & Cornwall workforce by qualification level



Source: Need Analysis in Devon and Cornwall 2003, Learning & Skills Council

Parts of Devon appear to have a skills ‘problem’ at both ends of the spectrum. Some rural areas experiencing particularly low levels of literacy and numeracy compared to national averages.

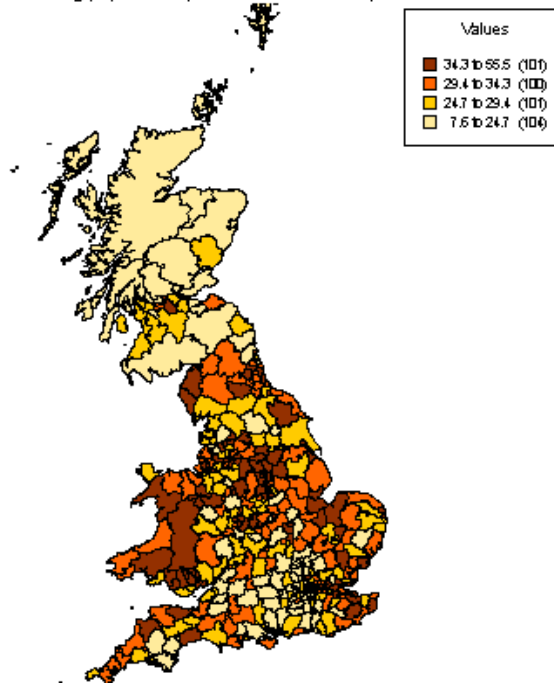
Figure 4: Basic skills – low numeracy & literacy for working age adults



Source: Need Analysis in Devon and Cornwall 2003, Learning & Skills Council

Officially, the lack of basic skills is measured by the proportion of the working population qualified below NVQ Level 2. In Devon, Torridge (36%) and East Devon (35%) stand as having particular problems with basic skills among adults, especially when compared to the national average of 30%.

Proportion of working population qualified below NVQ 2, 2001/2002

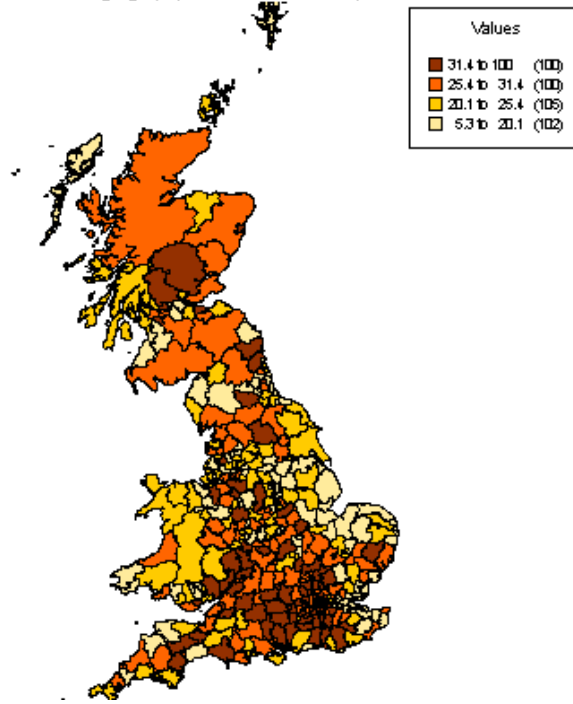


Source: Local Futures Group, derived from ONS data

There is also a tendency for highly qualified young people to leave the area on completion of their education for better opportunities elsewhere. In 2001 only 7% of employers in Devon and Cornwall recruited graduates. Research commissioned by Herda-SW explored the issues of graduates in the South West further, with the concluded that the region is a net exporter of both students and graduates. The perception from South West students is that the South West is a nice place to study and live, but not a good place to work. 'Lost' South West graduates – those who come from and studied within the South West but work elsewhere – have better quality jobs than those students who stay in the region. Job opportunities for graduates diminish in Devon and Cornwall, compared with the north west of the region.

The number of graduates is often seen as an important measure of the knowledge-intensity of a local economy. As the chart below shows, the areas with the greatest proportion of the working age population with qualifications at NVQ Level 4/5 are Mid Devon (33%) and Teignbridge (32%). Torridge has the least proportion of graduates in its workforce (16%).

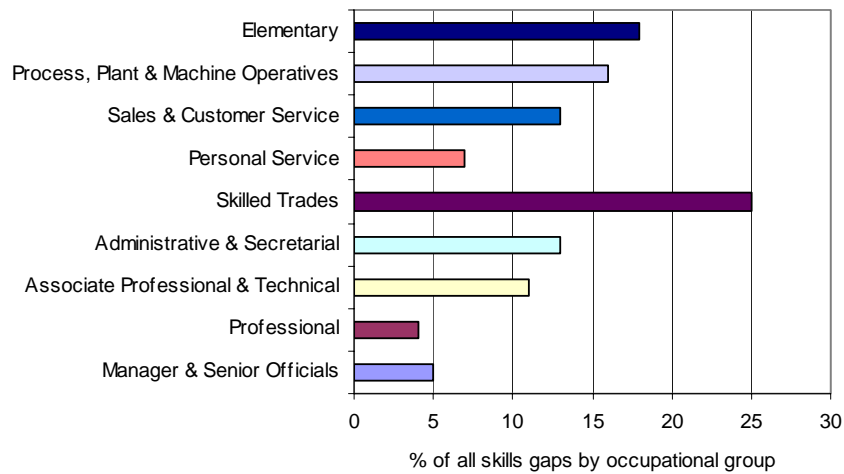
Proportion of working age population with NVQ4+, 2001/2002



Source: Local Futures Group, derived from ONS data

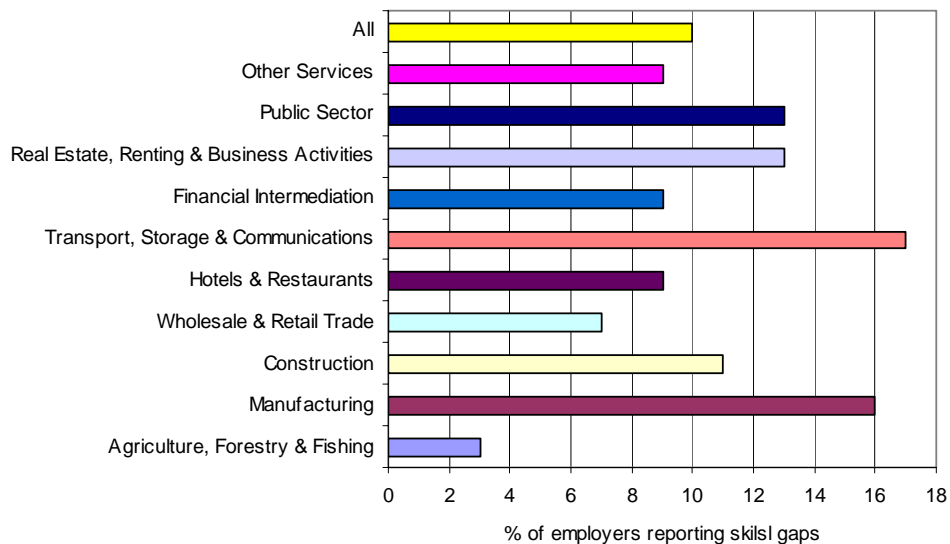
As a result of these variations in skill levels, there are a number of occupational and sector skills gaps which can be identified in the Devon economy. Figure 5 shows that there are particular skills gaps in skilled trade occupations. In terms of sectors facing serious skills shortages, the transport & communications and manufacturing sectors appear to have the greatest problems, with the public sector also suffering (Figure 6).

Figure 5:



Source: Needs Analysis in Devon & Cornwall 2003, Learning & Skills Council

Figure 6:



Source: Needs Analysis in Devon & Cornwall 2003, Learning & Skills Council

5. Further Information

Devon Strategic Partnership

- Focus on Devon: An Analysis of Need to Inform the Devon Community Strategy

Devon County Council, Plymouth City Council, Torbay Council & Dartmoor National Park Authority

- Devon Structure Plan: Devon to 2016 (Deposit Draft – July 2002)

Herda-SW

- Choices and Transitions: A Study of the Graduate Labour Market in the South West

Learning & Skills Council Devon & Cornwall

- Priorities for Workforce Development: Economic and Labour Market Prospects for Devon & Cornwall 2001-2011 (January 2003)
- A Report of Key Findings from Surveys of Employers and Residents (September 2003)
- Needs Analysis in Devon & Cornwall 2003

Local Futures Group

- State of the Nation: A Geographical Perspective on Britain (October 2003)
- A Regional Perspective on the Knowledge Economy in Great Britain

South West Economy Centre

- Productivity in the South West of England (February 2003)

Fair for All Programme - Focus on Devon

Devon is characterised by diverse, scattered communities built around market and coastal towns with its capital city, Exeter, developing as a regional centre of excellence.

Overall quality of life in Devon is high although there are significant pockets of disadvantage in the County. This means that well-being and life chances of many people and communities are reduced, compared to the rest of the population.

The following paragraphs describe some major issues of disadvantage affecting various groups of Devonians who are the focus of this report. There are some inter-relationships between groups and some people may experience compounding layers of isolation¹. Information is sourced from the Census 2001 unless otherwise stated. All figures relate to Devon.

Women

24% of females in the County work in full-time employment, compared to 44.7% of males.

Women's gross weekly earnings are 23% less than men's.

3 out of 4 victims of domestic violence are women.

Include statistics/findings from CCD/DCC/University of Exeter research with women living in rural areas.

Men

Unemployment is greater for males across all age ranges.

17.9% of males are self-employed compared to only 7.4% of females.

People of Different Racial Groups

Devon's Black and Minority Ethnic population has doubled over the last ten years (to 7903 at the 2001 Census) and is likely to triple in the next ten years. People from a Black and Minority Ethnic backgrounds are integral to what it means to live in Devon today. There are no wards in the County of Devon that do not have a Black and Minority Ethnic population. 72% of Black and Minority Ethnic people live in rural areas.

- Black and Minority Ethnic people are concerned about prejudice and discrimination occurring in public services, education and employment settings, tourism and leisure environments, and local neighbourhoods.²

¹ Multi-Ethnic Devon – A Rural Handbook, Devon Racial Equality Council

² Multi-Ethnic Devon – A Rural Handbook, Devon Racial Equality Council
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- Whilst the countryside is a draw for many people, difficulties over travel and being made to feel unwelcome can cause some people to experience vulnerability and isolation.³
- Growing conflict between the settled community and nomadic people seeking a place to stay requires creative solutions that embrace diversity.

22.5% of the Asian or Asian British population occupy higher or lower managerial positions, compared to 17.1% for the White population. 17.2% of the Asian or Asian British population are managers or senior officers with a professional occupation, compared to 10.7% for the White population.

33.4% of the White population aged 16-24 are economically inactive, compared with 64.6% of Black and Minority Ethnic people. Unemployment for the 25-74 age group shows there is a higher rate for the Black and Minority Ethnic population compared with the White population. 4.2% compared with 2.2%.

People of Different Religions or Beliefs including Those Who Do Not Have a Religion or Belief

Nearly 75% Devon's population are Christian, with Buddhists and Muslims forming the second and third largest faith groups. There are also small numbers of Baha'i, Hindu, Jewish and Sikh people. Around 16% of Devon residents regard themselves as having no religion.

- Religious identity is heightened at critical points in a person's life, such as birth, old age, in moments of illness, death and burial.⁴
- Fear of religious intolerance can have a negative impact on community relations and expressions of identity.⁵
- Rural isolation makes worship hard for members of minority faith groups.⁶

People with Disabilities

Many of the barriers that exclude disabled people from full participation in society are the result of the way the social and built environments are constructed, and society's attitudes towards disabled people.

People with disabilities experience social exclusion in a number of ways including:

- lack of networked and accessible transport
- lack of accessible educational and employment opportunities
- difficulty in accessing leisure activities
- difficulty in accessing buildings and services
- being denied their rights and a say in decision making
- lack of access to advocacy services
- lack of support for independent living

³ Multi-Ethnic Devon – A Rural Handbook, Devon Racial Equality Council

⁴ Multi-Ethnic Devon – A Rural Handbook, Devon Racial Equality Council

⁵ Multi-Ethnic Devon – A Rural Handbook, Devon Racial Equality Council

⁶ Multi-Ethnic Devon – A Rural Handbook, Devon Racial Equality Council

Overall the Black and Minority Ethnic population is healthier than the White population. There is a greater rate of limiting long-term illness for the White population (18.8% compared with 8.7%).

People of Different Sexual Orientations⁷

Lesbian, Gay and Bisexual people comprise around 6% of Devon's population. Devon can be an isolating place if you are Lesbian, Gay or Bisexual (LGB) even though social attitudes are changing. While some people are confident and open about their sexuality, many are aware of the significant risks, including violence and harassment, that openness can bring.

- There are limited social opportunities for LGB people in Devon generally but particularly in rural areas and for young people. Many older people choose to be less involved in LGB community activities which can increase feelings of exclusion and isolation.
- Small Devon communities are as attractive to LGB people as their heterosexual counterparts, however, coming out in a close knit community can be especially difficult.
- There is a prevalence of heterosexism in Devon (the fact that you are assumed 'straight until proven otherwise').

People of Different Ages

Older People

Devon has proportionally more older people than England and Wales as a whole, and the trend is for further increases, with the greatest increase expected in those aged 80 years and over.

- This produces a higher than average level of disabilities: physical, sensory, mental health and dementia.
- Many older people live in rural areas, increasing the risks of isolation and loneliness.
- Lifetime incomes for Devon people have been historically low, poverty and deprivation are major issues for many older people.

Younger People and Children

X percent of the population.

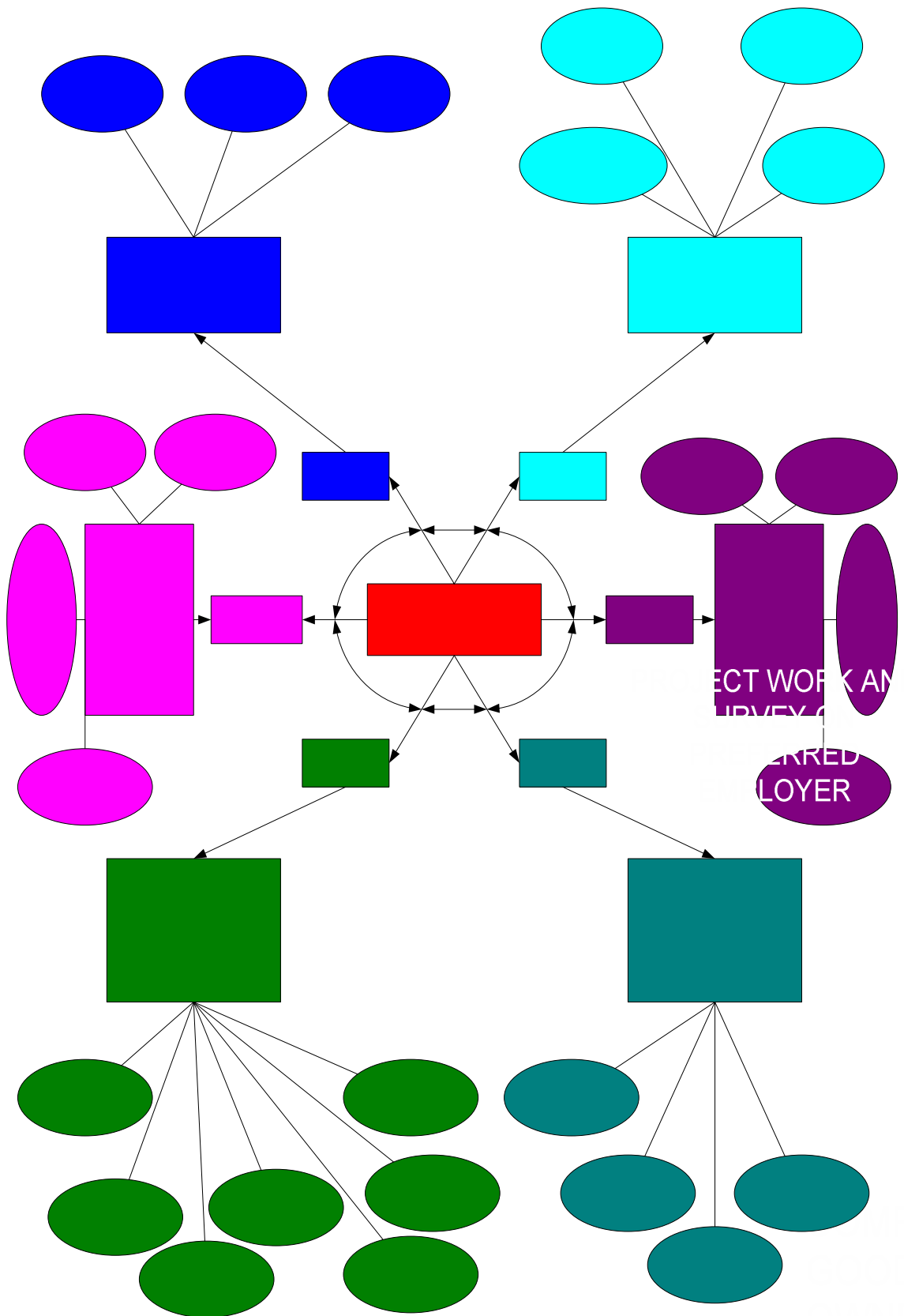
- Educational attainment
- Crime
- Employment
- The falling birth rate means fewer children in Devon's primary schools and more of the County's young people leaving Devon at 18 to live, work and study elsewhere.

Research by MORI in 2002 revealed the following Devon viewpoints:

⁷ Devon County Council LGBT Employee Project (David Watson)
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- Only 68% of young people aged 16-24 were satisfied with Devon as a place to live, as opposed to 87% across all adult age groups.
- Only 9% thought Devon was a good place for young people to live.
- After affordable housing, the second highest priority for improving quality of life in Devon was creating more facilities for young people.
- 92% would like to see more job opportunities for young people to help them stay in the County.

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New Ways Of Working – Creating Placement And Project Opportunities

Introduction

This paper is designed to support Devon County Council's workforce plan by exploring more flexible ways of working. Its aim is to develop time-limited opportunities for potential and existing employees to experience different aspects of the council's work. Current culture and practice does not easily lend itself to this approach. Managers normally identify and describe specific full or part time jobs within Directorate organisational structures and then appoint to them either permanently or temporarily using an open recruitment process.

The demand for project work/placements

When there are extra pieces of work to be done or new projects which do not fit into existing jobs it is often difficult to find the funding or time to resource them.

The supply of people

On the other hand when external people seek work experience placements it is often equally difficult for managers to think of work for them to do at that particular moment and/or to offer them sufficient support to make a placement meaningful.

There are other potential sources of time and expertise that would value these kinds of opportunities:

- People who are identified at appraisal as being candidates for promotion should have a development plan identifying the additional experience and skills they need to assist them. Some of these could be obtained via a short placement
- Where longer serving employees have reached a level of either boredom or stress in their existing job an opportunity to use their expertise in another area would provide a much needed break
- Graduates or trainees who are looking for a career and want to sample various aspects of local government before making a choice

Matching Demand and Supply

Is it possible to match the demand and supply in a way that would benefit the organisation and give interesting and useful experiences for individuals?

What is needed to change the culture of the organisation so that it can embrace greater movement of individuals within and between Directorates and with other employers?

The current position may be represented as follows:

- GLADIS will provide information from Appraisals about promotion potential
- It might also record people needing a 'change of scene'
- Recruitment Services provide a central clearing house for external requests for placements
- Employee Relations staff keep records of people requiring permanent redeployment
- There is a secondment policy, but it is not very flexible

- At present there is no record of project/time-limited work needed by Directorates
- Funding limitations prevent Directorates from building money into budgets to support unspecified projects

Trainee Schemes

- The Council has joined the National Graduate Development Scheme for Local Government and currently has 3 graduate trainees. The Scheme is designed to offer a range of experience over 2 years accompanied by training linked to a management qualification with Warwick University.
- Many graduates are already employed by the Council in a variety of posts. Some of these could also join an in house training scheme to obtain career development by working in other Directorates. This would support succession planning by providing people with wider experience.
- The Government are encouraging employers to develop modern apprenticeships for 16 to 23 year olds as part of its programme of vocational training and qualifications. This is generally aimed at people working for NVQ levels 2 to 4.
- Within specific professional groups trainee schemes exist or are planned. These aim to recruit and develop people before and during their qualifications with an expectation that they will remain working for an agreed period after qualifying.

The issues raised in the workforce plan suggest that they may offer some solutions to recruitment problems and the age profile. Action is therefore needed to clear some of the barriers in particular in relation to the provision of short placements.

Potential ways forward

- barter or exchange people and placements
- expand the clearing house to take on all the supply and demand elements
- work with Directorates to use the funding for some designated posts more flexibly so that they can provide these opportunities
- address the implications for employment policies and procedures, including equal opportunities

- A cross-Directorate group has begun to explore these proposals in more detail.
 - It is recommended that a placement opportunity is provided to someone to co-ordinate this work
 - The project should examine software options for a clearing house and look into employment policy changes that might be needed