Report to Step Into Learning

A desk/secondary research study: Skills Issues for Cornwall – Data Collation and Gaps

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1. Executive Summary

- A skilled workforce drives productivity.
- Connectivity to where the jobs are – to match skills and aspirations – are a particular issue for young people who may be limited by transport issues and associated costs.
- Skills can be driven by the location of other infrastructure: for example, workspace, roads and digital connectivity. It can also compensate for these in terms, especially, of digital connectivity for rural areas.
- Many of Cornwall's economic/related strategies place great emphasis on skills.
- 'Soft' and technical skills are both important – the former for younger workers in particular.
- GVA performance in Cornwall is still skewed toward a reliance on lower value sectors.
- Export market development is likely to be one of those areas that demands skills.
- Specialist knowledge areas need a skills boost (e.g. construction related).
- The complex relationship between sectors in Cornwall requires a transferable skills base.
- Although businesses have 'scaled up' per head of population in Cornwall, the region is still part of a rural and coastal deficit in an England context related to head of population.
- 'Accommodation and Food' has historically grown as a sector – but is this sustainable?
- Sectors like this, Retail and Health employ many young people. Employment volume is enabled because of the distance between places and health issues in Cornwall related to deprivation and an aging population.
- Cornwall appears to have more professional occupations in 2021 than it did in 2005.
- But where there are higher value occupations their economic activity among people aged 18 to 24 tends to be lower. This presents a challenge for a transitioning economy.
- This is despite some evidence of increasing participation of young people in continuing education: possibly because the workforce is transient to elsewhere.
- Overall (regardless of the nature of occupation) there is an increasing trend of young people in employment in Cornwall compared to the England average.
- It is estimated that there could be 2000 NEETS in Cornwall (2021).
- Economic activity among 16- to 19-year-olds has been particularly and consistently low in the Camborne/Redruth Constituency.

- Truro and Falmouth has historically lower economic activity levels for those aged 20 to 24.
- Economic inactivity in this age group tends to be concentrated in areas with 'thicker' labour markets.
- But overall the employment rate for those aged 20 to 24 has increased at a faster rate than those of the 'working age' group 16 to 64 as a whole between 2011 and 2021.
- 'Skilled Trades' remain an important occupation element for Cornwall.
- There are a range of job types – including professional roles – at risk of automation.
- Vacancy numbers in Cornwall appear skewed toward 'lower value' jobs in terms of likely wages and salaries.
- Truro and Bodmin are the top places for overall vacancy numbers – driven by concentration of sectors and functions.
- Cornwall and the Isles of Scilly has a lower FE achievement rate per 100,00 population for 19 to 24 year olds compared to the England average.
- There is a downward trend in L2 qualifications across the working age (16 to 64) age group in Cornwall and the Isles of Scilly which suggests qualification progression.
- Taken with 'inactivity' suggests particular issues for St Austell & Newquay and Camborne & Redruth.
- Progression and the impact of qualification is not well understood.
- The Cornwall jobs market may be becoming more highly specialized in terms of roles and therefore commensurate qualifications.
- There is indication that these roles may be focused on smaller employers.
- However, Cornwall and the Isles of Scilly only appear to have a relatively small number (in an England context) of hard to fill vacancies.

2. Introducing the Skills Content

1. A skilled workforce is the fundamental building block for a functioning and productive economy. The challenge for the 'far South West' has consistently been the demand and context for skills within a dispersed rural economy that has numerous relatively small population centres which have not been (historically) well connected, either physically or digitally, to allow for labour market movement and access to opportunities.
2. While Cornwall and the Isles of Scilly have been able to pioneer digital connectivity to support the location of micros and SMEs - either specializing in (or utilising) digital connectivity - that is not to say that the opportunities afforded by this have necessarily been open to the local workforce to access these through their own skills base. Qualifications and the wider skills they may not be appropriate to enable this.
3. In addition, connectivity within the far South West and from it to other parts of the UK and internationally has been a challenge to both enable the effective deployment of a changing skills base and to access the opportunities that this affords. Cornwall Airport Newquay and the continuing dualling of the A30 may challenge perceptions of peripherality and may have prevented further comparative slides in economic indicators. Workspace investment is focused on the A30, but this belies market failure in those communities which are furthest away from trunk roads and/or where disadvantage is more deeply rooted.
4. Skills, then, are one of several factors that drive a productive economy. 'Infrastructure' provision is critical for transport connectivity and workspace. In particular, the latter drives the environment in which employees can create, deploy or learn new skills: and where their wellbeing will be valued in order to do so. Quality workspace can be important in enabling a worker to feel valued and can facilitate their relationship with managers and leaders as well as enabling processes that can make the business more productive. Investment in business infrastructure (such as technology) is critical in ensuring competitive growth; but so are the skills needed to operate and create from it: ultimately enabling and justifying higher pay.
5. Cornwall's natural environment has shaped its economy for thousands of years, especially around food production and mineral sourcing. These remain important industries where additional value can be extracted through process and marketing of product. Lengthening supply chains and industry diversification are important strategic goals and this includes extracting and maximizing value from the visitor market (extending the season, inputs from the agri-food sector and connected areas such as marketing and culture, for example).
6. Indeed, it can be argued that the inter dependence of the Cornish economy means that sectors are less 'siloed' than they may be in other areas, with a much stronger inter dependence and multiplier effect. This raises the opportunity to develop transferable skills within and between sectors and sub sectors. This is important because one of the key drivers of productivity is 'agglomeration.' That is 'thicker' (bigger and more diverse) labour markets or focus of economic activity enabled by a concentration of infrastructure and working/population. The UK's big cities are the most obvious example of this but it also exists (to an extent) in towns in the far south west including, most obviously, Truro and Plymouth where the majority of job vacancies are to be consistently found. These places become a commuting focus from a wider area: where jobs locally may be more specialized, or lower paid. But the focus places (such as Truro) can be supported by a better quality and range of workspace and supply chains, which drive higher wages and salaries, career structures and opportunities for progression and switching employers.

7. This has been a challenge for rural areas and smaller towns in the vicinity of larger urban areas that perform in such a way. Skilled labour cannot be retained and attracted; although the digital age has allowed people to work from a locality ‘elsewhere’. This has opened opportunities to people without needing to relocate but the skills that they require to access these opportunities may not always be within their reach.
8. Economic growth activity has more recently been focused on transport connectivity projects to enable thicker labour markets within Cornwall to increase the value of businesses and the opportunities for employment. Projects include the ‘levelling up’ announcement of the mid Cornwall metro (connecting Newquay, Truro and Falmouth), the St Austell link road and the dualling of the A30 between Carland and Chiverton Cross. Each are designed to ‘replicate’ agglomeration – to bring labour markets more closely together.
9. This report focuses on the trends in skills and qualifications at various spatial and comparative levels within a strategic context; reviewing said strategies and references to skills and qualifications within them, making an ‘assessment’ of progress within the context of the outline in this introduction. Data availability and issues are analysed and flagged.
10. Cornwall and the Isles of Scilly have a large number of strategies which emanate from Cornwall Council and in/directly cover and include reference to skills and wider employment and economic issues. Some of these strategies appear not to have been replaced and there is the issue of whether the ‘strategic direction’ has been fulfilled. Ultimately though they are a testament to the importance of skills for the Cornish economy and society more generally. **Table 1** (below) summarises the main and relevant points from these strategy and policy documents.

3. Strategy Context

Table 1

Cornwall Plan 2020-50
This is the high-level, long-term overarching Plan for Cornwall that was subject to extensive consultation. Its aim is for a region that is less reliant on tourism and which is growing its 'green economy' to include renewable energy production and attracting innovative and high-tech companies into Cornwall; with investment in young people to equip them for such jobs 'lest they leave'. The strategy notes several relevant elements: • A creative carbon zero economy: targeting full employment by 2050 with an emphasis on creative and digital skills driving the economy. • Equality, Education and Entrepreneurship: skills employment linked to business growth and employer investment in diversity of skills. • Digital inclusion for sustainable living: utilizing data and intelligence gathered from Cornwall's environment to support global solutions to challenges such as environmental impact of climate change, disasters, and food supply. ***Commentary:*** *The skills implications of the Plan have a clear emphasis on the evolution of the knowledge economy, facilitated by digital literacy, which has a more minimal impact on the natural environment of Cornwall. However, 'using' this natural environment for renewable energy, food production and biodiversity growth and management provides a basis for knowledge export throughout the world. 'Sustainable living' is a proxy for both connectivity and enabling people to better manage their own lives – for example in the deployment of green technologies for 'smart' and energy efficient homes or for health monitoring that can more efficiently used health resources and increase the skills competence and work pathways for those within the sector.*
Cornwall Local Plan 2010-30
The second of Cornwall's overarching strategic plans which is approaching three quarters of its life. This is the 'spatial plan' for development in Cornwall across the period and sets out housing allocations for communities which of course will have an impact on jobs and, therefore, skills requirements. The Plan identifies skills and productivity as central issues and the spatial tools (for example Enterprise Zones) to be used to support them. Part of this infrastructure are schools, colleges and the University where research capability and business incubation enables innovation which requires a throughput of skills to support economic growth. The Plan notes that skills and qualifications are vital to increase Gross Value Added (GVA) which in turn increases productivity and economic performance. There is an emphasis on: • Knowledge based industries to exploit super-fast broadband. • Transport infrastructure and electricity grid capability to support labour market movement and business growth. • A focus on 'indigenous'/land use businesses (farming, fishing, mining) in terms of the technological and market changes that they are likely to face. • Low carbon energy production to 'exploit' Cornwall's natural energy resources.

- More workspace and homes to support the workforce.

Commentary: *The Local Plan includes provision for the delivery of at least 38,000 jobs over its period to meet the needs of a growing workforce, in part required by additional net migration over the period. The challenge for both housing and economic growth strategy is ensuring that there is a pipeline of jobs both for people already living in Cornwall and migrants who, in turn, signal a more competitive labour market.*

Cornwall and Isles of Scilly Industrial Strategy

This strategy is designed to be the regional expression of UK industrial strategy and fundamentally recognises the challenge of a rural 'peripheral' region with many dispersed communities. It notes the key challenge faced by the economy in that 'a much higher proportion of our people have no qualifications or are low skilled. There are challenges to skilled recruitment including the outward migration of 16 – 29-year olds'.

'There will be significant opportunities for people who can combine creative, technical and social skills that are resilient to future automation – and for businesses that can adopt these characteristics'.

The right skills are needed to meet the challenge of climate change and create new market opportunities which can diffuse innovation and diversify the economy. Skills are required to support jobs in high performing sectors including: space & digital, energy, mining, advanced/manufacturing, agri-food, creative & cultural and professional and business services.

The strategy notes the national context: that infrastructure is a driver for investment, that Government us supporting an investment talent group to identify skills needed in the energy sector and is including it in the development of T levels, apprenticeships and partnership with universities and colleges.

For Tourism there is the opportunity for tourism zones and a focused approach.

Commentary: *The industrial strategy is now the economic strategy for Cornwall and the Isles of Scilly and (like the Local Plan) alludes to the issue that existing housing provision in communities could be an indication of deprivation but educational attainment and skills rates could be good in the same places; leading to the issue of 'access'. In recent years, because of the volume of job availability and improved FE/HE provision net out migration of young people has been reduced/reversed but not because there is a quality or range of jobs that can support progression. Significant numbers of jobs in Cornwall are threatened by some form of automation and this is already being seen in sectors such as retail and banking which have traditionally had a 'younger' workforce. Research by Cornwall Council indicates that automation could impact around 80,000 jobs in the medium to long term.*

The strategy alludes to flexible and transferable skills but also the need for business to adopt them in terms of their management and leadership. High performing sectors are likely to be less numerous in terms of job numbers so (again) there is this issue of the upstream

and downstream employment multiplier to ensure that there are enough jobs for a growing population. Many of these sectors are critical for national economic strategy and the challenge of evolving a more productive economy.
Cornwall and Isles of Scilly Economic Plan (to 2030) This is superseded by the Industrial Strategy but contains some salient points and indicators. Digital and physical connectivity is (again) seen as instrumental in providing the conditions for skills deployment and growth; but the Plan highlights several measurable aims over the period to 2030: • Increase GVA per job from 69% to 80% of the England average. • Reduce the number of workless households in comparison with England. • Actively exporting Firms to rise from 18 to 30% of the total in Cornwall and the Isles of Scilly • To reduce the proportion of people of working age with no qualifications in C&IoS to less than 3% • Increasing wages from 77% to 90% of the English average. • Reducing the higher-level qualification gap between C&IoS and England in younger age groups. There are themes to the Plan's vison: • Businesses which excel through 'STEAM' led productivity growth supported by leadership skills and Research and Development capacity. • Inclusive growth which supports the unemployed to gain skills. • Supporting skills to enable business collaboration to enable 'great careers' in C&IoS • Improving infrastructure to enable both vibrant communities and a global presence for C&IoS through improved connectivity and inward investment. • Ensuring that skills for productivity starts in schools through raising aspirations. ***Commentary:*** *GVA is driven in part by the sector structure. Businesses which have less engagement with the 'themes' illustrated above will not be able to contribute to the more GVA growth alluded to. Productivity is also limited by participation issues and the inability to be able to plug skills gaps. Connectivity to outside of Cornwall and the Isles of Scilly is critical to reaching and exploiting markets – whether physical connectivity (transport) or knowledge (digital). Infrastructure, markets and participation are themes that drive and justify higher wages and salaries which in turn generates discretionary spend. While Level 4+ qualifications have more generally increased among the Cornwall and Isles of Scilly population and workforce over the last 20 years there remains issues about how these are deployed in the form of under employment or public sector focused employment: that is that higher qualified people are not being effectively deployed in the labour market to support an increase in productivity. This comes back to sector and business structure, available jobs but also other skills that the individual may not have.*
Environmental Growth Strategy 2020-65
Highlights the need for training to take advantage of the 'green' jobs of the future but with a focus on 'people of all ages reach(ing) their potential through lifelong learning and business support.
Climate Change Action Plan

Places leadership skills centrally as a tool to enable a 'carbon neutral' Cornwall through tools: • Basic level training in skills which enable the transformation to this economy for all employees, targeted at particular sectors and, as necessary, intensive for employees. • Supporting relevant curriculum and skills programs • Bringing together curriculum, careers and the Cornwall Business Enterprise Partnership • Using community talent to reach the carbon neutral goal. • Enabling retrofit skills to ensure decent housing. ***Commentary:*** *This Plan supports the Environmental Growth Strategy in terms of actions to reach goals. 'Green' skills and awareness is something which is needed from senior leaders down and needs to be embedded early on in school as well as through partners that deliver education and opportunity. Cornwall has an aging housing stock in some of its most deprived areas and retrofit is not only a way to enable new skills which can be repeated and valued through maintenance; it supports the sustainability of jobs in construction and will have the ability to reduce ongoing energy costs for deprived households. The* **Cornwall Housing Strategy to 2030** *notes the importance of skills to enable independent living for all.*
Cornwall Creative Manifesto 2021-25
A sector specific strategy which highlights the role of creativity across a range of professions including designers, makers, computer game designers, musicians, writers, actors, painters, designers and architects. ***Commentary:*** *The cultural and creative sector in Cornwall continues to be one of the region's success stories which has been growing in terms of numbers of jobs but as struggled in terms of GVA per job. This is likely to be assisted by geographic clusters which are being supported by infrastructure including the Tate in St Ives, new cultural workspace in Penzance, Kresen Kernow in Redruth and a cultural cluster around the Royal Cornwall Museum and the Hall for Cornwall in Truro which have both more recently received investment. Indeed, the challenge will be to ensure a through put of skills, both basic and niche, and to enable growth in supply chains. East Cornwall, however, appears to be at a disadvantage in terms of these sector opportunities.*
Maritime Strategy 2019-30
This is the second refresh of this strategy, whose first iteration noted that Cornwall and the Isles of Scilly was one of the most important regions in the UK for maritime related jobs. It notes (for example) that a national pilot Cornwall Apprenticeship Agency (delivered by the Cornwall Marine Network) has delivered over 1,300 apprenticeships in 5 years. There are skills gaps in fishing and aquaculture where it is difficult to attract and retain young people and the workforce is ageing. Yet again, there are supply chain issues and opportunities particularly around career diversification across the overall maritime sector (which, again, includes wide areas such as 'tourism') and a particular need for skills around new technologies and environmental management which may be more attractive to young people entering the workforce. One significant outcome, which resonates with other strategies, is 'to provide low carbon maritime enterprise and productivity throughout Cornwall as a key component of economic revitalization and international excellence'. ***Commentary:*** *The first Maritime strategy (2012-20) for the region estimated that Cornwall's marine sector accounted for almost one in seven of all marine jobs in the UK and 8% of the national marine industry turnover. It was estimated that Cornwall's marine sector*

generated around £500m of its Gross Domestic Product and supported more than 14,000 jobs. The issue is identifying a gap in the market to deliver the skills needed which can support flexibility and redeployment across the full range of the sector.
Digital Inclusion strategy 2019-23
Notes that 13% of residents in Cornwall (over 70,000) have never used the internet. The ambition over the lifetime of the strategy is to double this figure to those that have. It also notes that more than half of 'todays' jobs require some technology skills and that this will rise to over three quarters by around 2030. That means that there is a greater likelihood for some of digital exclusion, especially as services withdraw from the high street and become 'digital.' The strategy also notes that there is a strong correlation between deprivation and digital exclusion. Digital skills are a requirement (for example) to enable effective marketing for both businesses and increasingly people looking for work: there is a particular issue for women with just 10% of Cornish students studying Computer Science at GCSE. There are, however, clear differences between basic and advanced digital skills and there are several contributing factors to the skill gap: • Accessibility to computers, software and support • A general lack of understanding of career opportunities in the digital sector • A failure of SMEs to consistently grow their own talent. • Digital literacy in the Voluntary and Community sector as it fills the gaps left by a reduced public sector. • The need for business to partner with tech companies more effectively. ***Commentary:*** *These issues come back to the threat to service orientated jobs through digitization and the need for the workforce to move onto other opportunities in terms of higher digital skills; but a lack of access to and grasp of the 'basics' is a threat to many who are already socially excluded or have challenges accessing the labour market. There appear to be challenges for women in the workforce.*
Education strategy for Cornwall 2018-22 Although the time period for this strategy has come to an end and has not been replaced it does note the need to offer skills opportunities to people after they have left school; but also tackling underemployment through addressing higher level skills. Priorities for the Strategy include: • More young people continuing in FE/HE to gain the skills and qualifications that lead to sustainable jobs. • Fewer young people who are not in employment, education or training (NEET) • Partnership working (with Education, skills providers and employers) to link young people into local, national and global opportunities • Improve participation in Science, Technology, Engineering and Maths (STEAM) skills. • Improving the proportion of employers in Cornwall who report school leavers as very or well prepared for the world of work (source: National Employer Skills Survey) • Provision of inter-generational family learning apps to primary children and parents to encourage the development of parental skills.
LEP Employment and Skills Strategy 2022-30

Similarly (and a reoccurring theme throughout all these strategies) productivity indicators have barely changed for Cornwall and the Isles of Scilly and deprivation remains a challenge. Other familiar themes articulated include a lack of aspiration, poor basic skills and a lack of knowledge of opportunity. The strategy highlights several measurable factors:

- Higher Education progression from school is ‘declining’ amongst young people.
- The number of ‘NEETS’ rose because of the pandemic.
- The pandemic also put a premium on digital technology.
- Cornwall is a ‘transitional’ economy.
- Skills gaps are limiting business expansion in Cornwall.
- The large number of micros and SMEs in Cornwall provide challenges for employers to be able to access and utilize the skills base effectively
- Self-employment needs to grow.
- Local sector bodies are best placed to identify the skills that they need.
- There are barriers other than skills that face young people in the labour market.

Commentary: *Geographic variance in school access to FE and HE is an important theme. The lack of social interaction and reliance on ‘screen’ learning during the pandemic is likely to have damaged the communication and inter-personal skills of some young people which in turn will impact on both aspiration and work readiness. Access to technology became an important way for learning and commercial activity to overcome the limitations of social isolation but this only ‘worked’ if the software and use knowledge existed and was affordable. Investment in broadband and other infrastructure may be making Cornwall and the Isles of Scilly into a ‘transitional’ high tech region but the economic indicators are lagging behind that transition because of the skills base challenges. It is more difficult for disparate businesses to be able to afford and apply a training budget without exactly knowing what their business needs or aspires to. In times of economic challenge the threat is that the training budget is the first thing to be cut. Similarly, self-employment has been historically ‘high’ in Cornwall in part because of the lack of perceived or actual opportunity: it’s the market access and aspiration that needs to grow and this can be facilitated through the various sector representative bodies that exist in Maritime, Tourism, Construction, Digital and Cultural where there is a lot of cross cutting activity. One of the many barriers that young people can face in accessing labour market opportunities is access to transport and its affordability. The Local* **Transport Plan ‘Connecting Cornwall 2030’** *notes issues around life skills (e.g. reading a bus timetable), for example.*

1. It is this 'strategic context' which is not necessarily always measured in terms of progress and impact when a strategy is not replaced or new national or Government policies impact on direction of travel. The UK has longstanding productivity issues which were compounded by the pandemic, while Cornwall and the Isles of Scilly continues to make the case for investment and devolution/policy tools so that it can use its strengths to deliver for 'UK Plc'.

2. The Employment and Skills Board (ESB) was established in 2011 and is a formally constituted sub-group of the Cornwall and Isles of Scilly (CIoS) Local Enterprise Partnership (LEP) Board. It is responsible for driving the Employment and Skills Strategy and to provide strategic leadership that synchronises supply and demand for employment and skills, resulting in transformational change for current and future generations (source: Employment & Skills Board Meetings - Cornwall and Isles of Scilly Local Enterprise Partnership (cioslep.com). Progress is measured through supporting evidence base (Cios employment and skills strategy evidence base by Cornwall and Isles of Scilly Local Enterprise Partnership - Issuu) but which has not been updated since 2018. The pandemic would have impacted on indicators and led to Cornwall Council's pandemic recovery Plan (Delivering and Sustaining Economic Growth Post COVID-19 and the end of the EU Transition Period - Ap.pdf (cornwall.gov.uk)) including a 25% drop in the region's GVA primarily caused by lockdowns and the inability of customer facing businesses in Cornwall to operate in sectors such as tourism, retail or large parts of construction. The Plan noted that there was a need to double down on some of the skills issues facing Cornwall because of the pandemic including:
   - Improving leadership skills *to motivate employees and diversify markets.*
   - Support the acquisition of soft and basic skills.
   - Develop technical and job specific skills.
   - Engaging education institutions and employers
   - Skills and apprenticeships focused on new occupiers of new workspace *to make the most of that investment.*

3. The UK Industrial Strategy 'plan for growth' (https://www.gov.uk/government/publications/build-back-better-our-plan-for-growth/build-back-better-our-plan-for-growth-html) has a stated ambition for the UK to become a 'technology superpower'. A major barrier is lagging in terms of technology and basic adult skills. Only 4% of young people achieve a higher technical qualification by age 25, compared to 33% who get a degree or above.

4. Basic labour market demands

1. The challenge of population growth is recognised through several strategies. Between 1991 and 2021 the total population of Cornwall grew by almost 22%. **Figure 1** (below) illustrates the basic challenge for Cornwall in terms of skills and employment – the relative decline of younger people, the slow rise of people in the 'working age' group (16-64) and the more rapidly increasing number of people in the 65+ age group. Indeed, latterly there is indication that the numbers in the 'working age' group were flatlining from the late 2000's even before the pandemic.

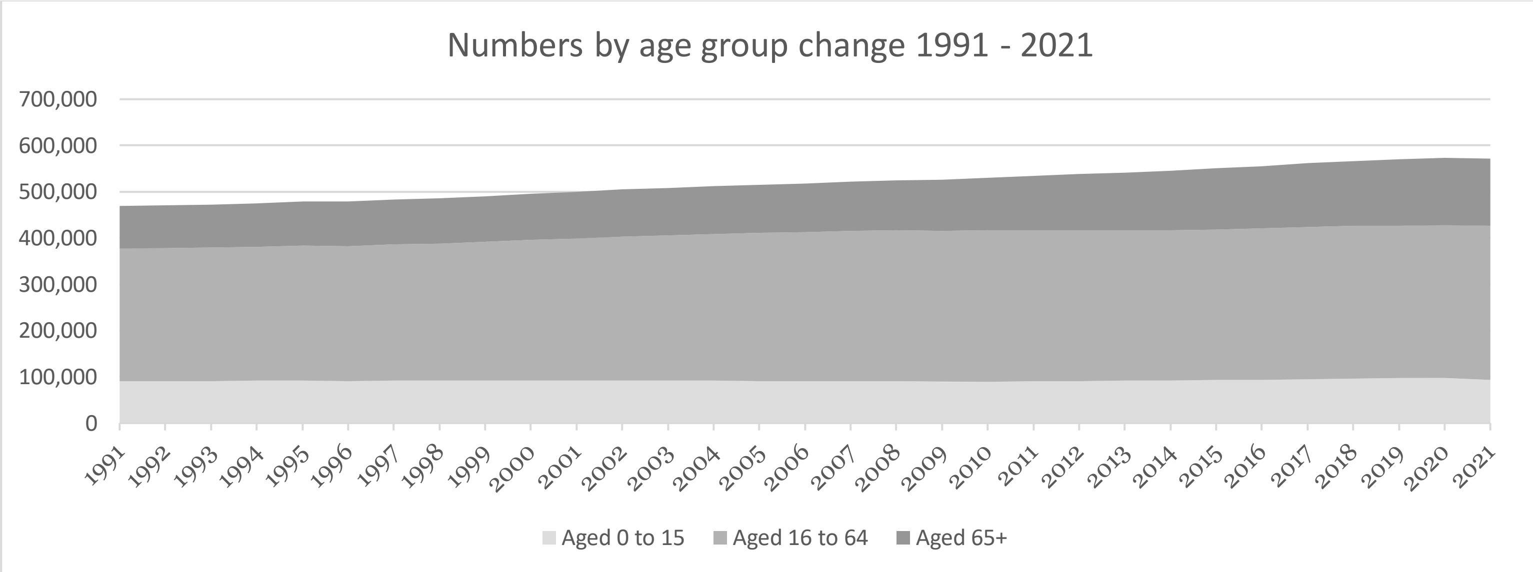

Figure 1 - Source: NOMIS/Census of Population/ONS/Mid-Year Estimates

5. GVA per head and by sector

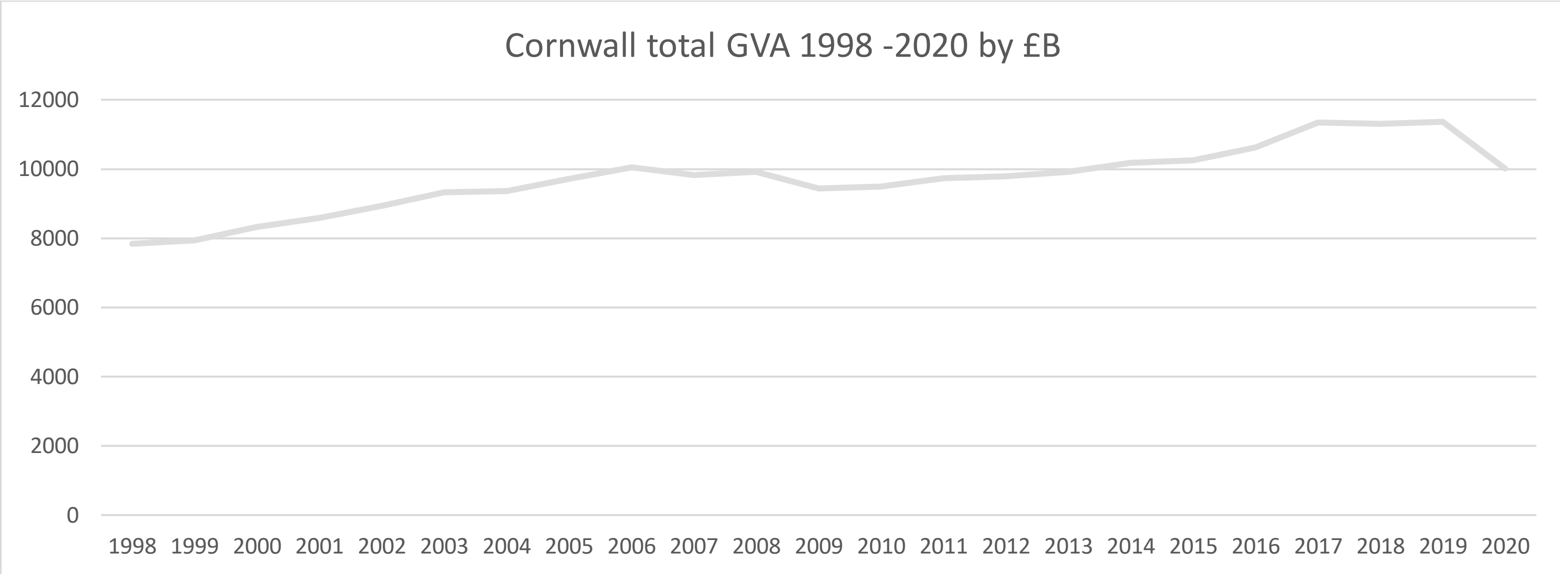

Figure 2 – Source: ONS

1. **Figure 2** (above) illustrates how Cornwall grew from an £8b economy in 1998 to over £10b by 2006 aided by significant activity in Real Estate and Retail. It is likely that a benign UK economy would have helped Cornish performance but after 2006 things faltered including the impact of austerity. Despite a more modest climb from 2011 onward the economy had already plateaued by 2018 before being hit because of the pandemic. Population growth will have a positive impact on GVA because it creates demand, but at the same time means that the economy must perform in a more productive way to support the increase in population and competition/demand for jobs.

2. **Figure 3** (below) is illustrative of this point in that (despite increasing population over the period) GVA per head has largely plateaued or falling since 2007. The increasing population is not resulting in sufficient economic growth. Demand is not being stimulated.

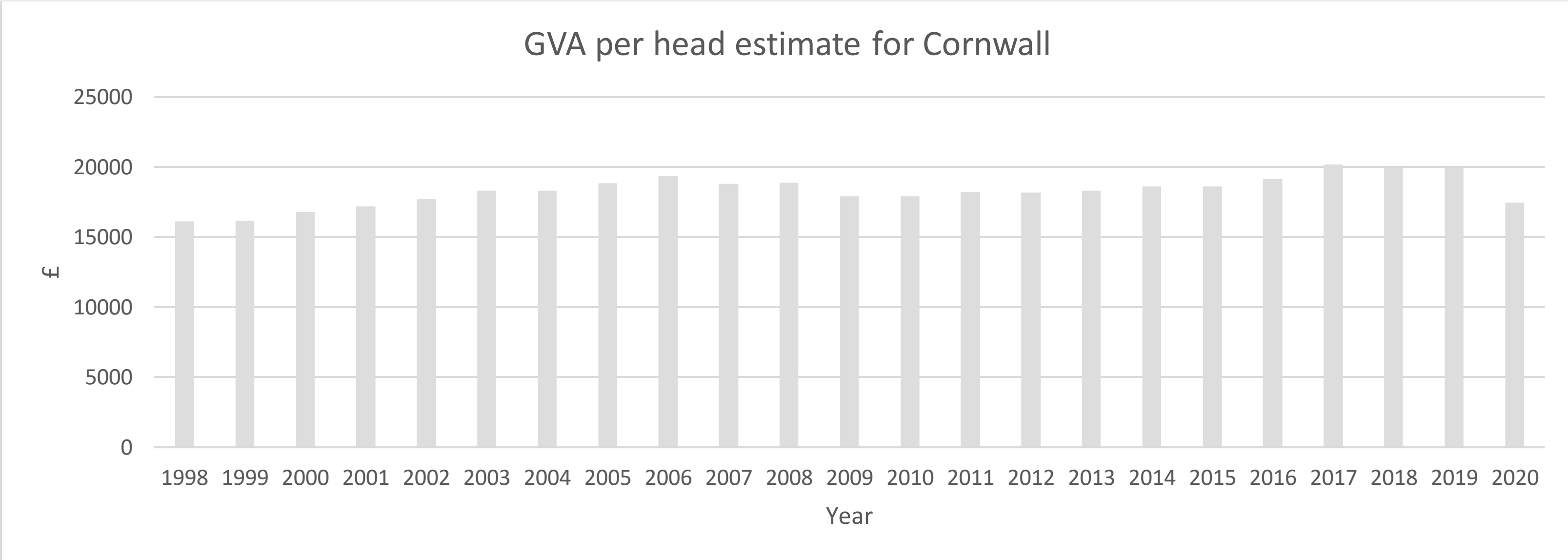
GVA per head estimate for Cornwall
25000
20000
15000
10000
5000
0
£
1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020
Year

Figure 3

6. Sector performance

1. The economic performance of sectors is a good indication of where intervention may be needed to improve the skills base. A more recent focus on data is here to try and more accurately pinpoint contemporary issues and sub sectors (such as some of those alluded to in the strategy section above) are highlighted to examine specific performance. **Figure 4** (below) looks at sector performance across five-year periods since 1998 and shows the decline in the economy in 2020 due to the impact of the pandemic:

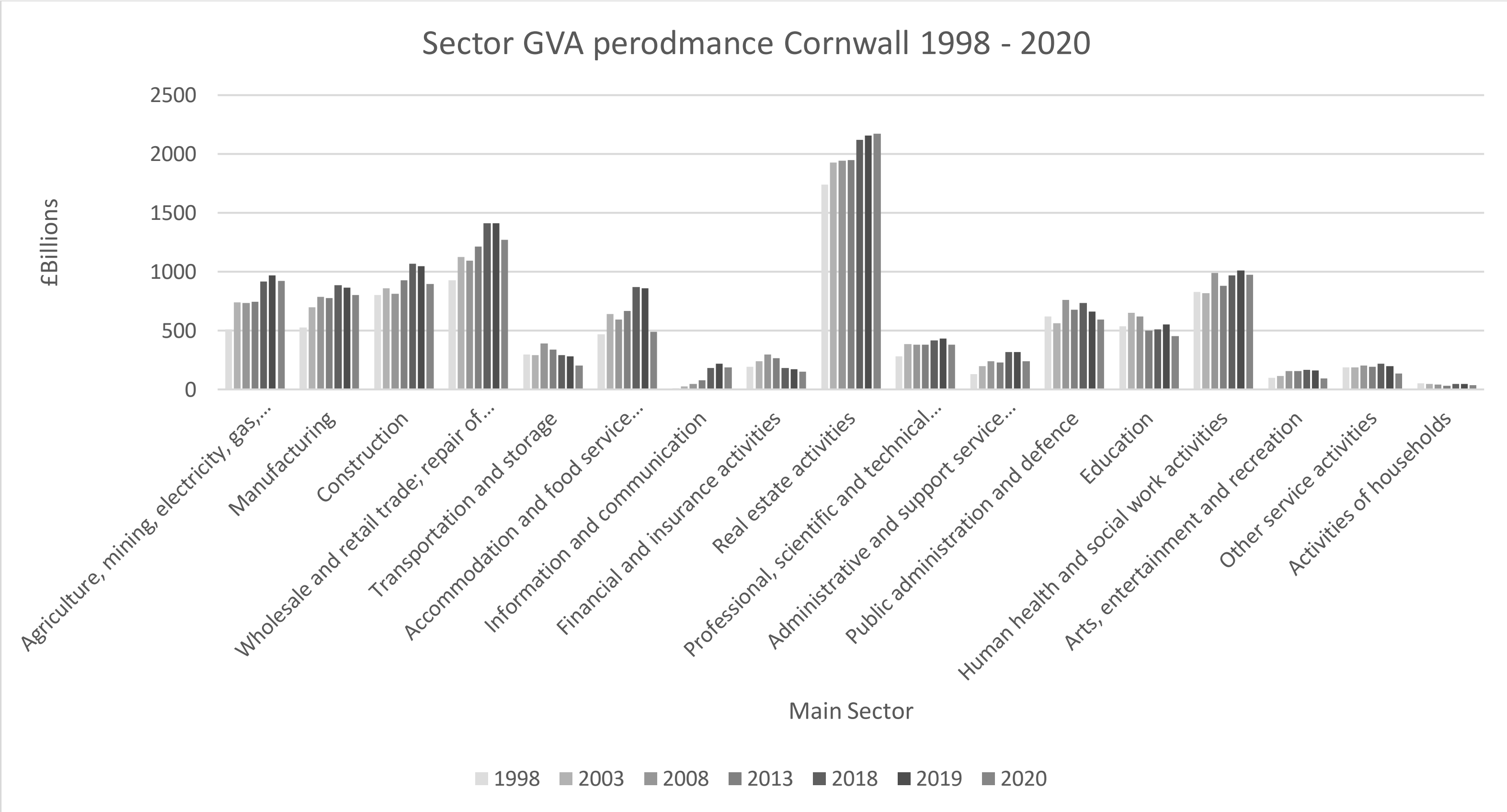

Figure 4 - Source: ONS

2. Although the whole Cornish economy is a fifth bigger in 2020 compared to 1998 not all sectors have contributed to that growth. Six principle sectors have seen decline over the whole period and these are highlighted in **Table 2:**

Table 2 – Source: author calculator

Sector	£M change
Transport and Storage	-96
Finance and Insurance	-38
Public Administration and Defence	-30
Education, Health and Social Work	-82
Arts, Entertainment and Recreation	-4
Other and Household Activities	-67
Cumulative Total	*-£125m*

3. At first sight it appears that broad 'public sector' related sectors (although, of course, not all of health and education are based in the public sector -education certainly not) could have been hit by cumulative austerity. However, most of this performance fall occurred between 2019 and 2020 (the pandemic) with a cumulative fall of £35m focused on Transport/Storage (£17m), Finance & Insurance (also £17m) and Arts/Entertainment/Recreation (£1m): all activities requiring movement, support or audiences which would have been affected by lockdowns. For Arts/Entertainment and Recreation this represented a quarter of the loss of all their output over the twenty-two-year period.

4. But what has been the impact on jobs and skills demand? One must consider the rate of growth of all sectors and the opportunities that allow them to do this; employment growth (or otherwise) and intelligence related to sub sectors (some of which are alluded to in the 'strategy' section above). **Chart 4** illustrates that some sector growth was slowing *before* 2020: including Manufacturing, Construction, Transport & Storage and many sectors related to the broad 'knowledge economy'. There are some sub sectors available in the GVA data which show how their performance has fared over the period since 1998 and these are illustrated in **Chart 5** (below):

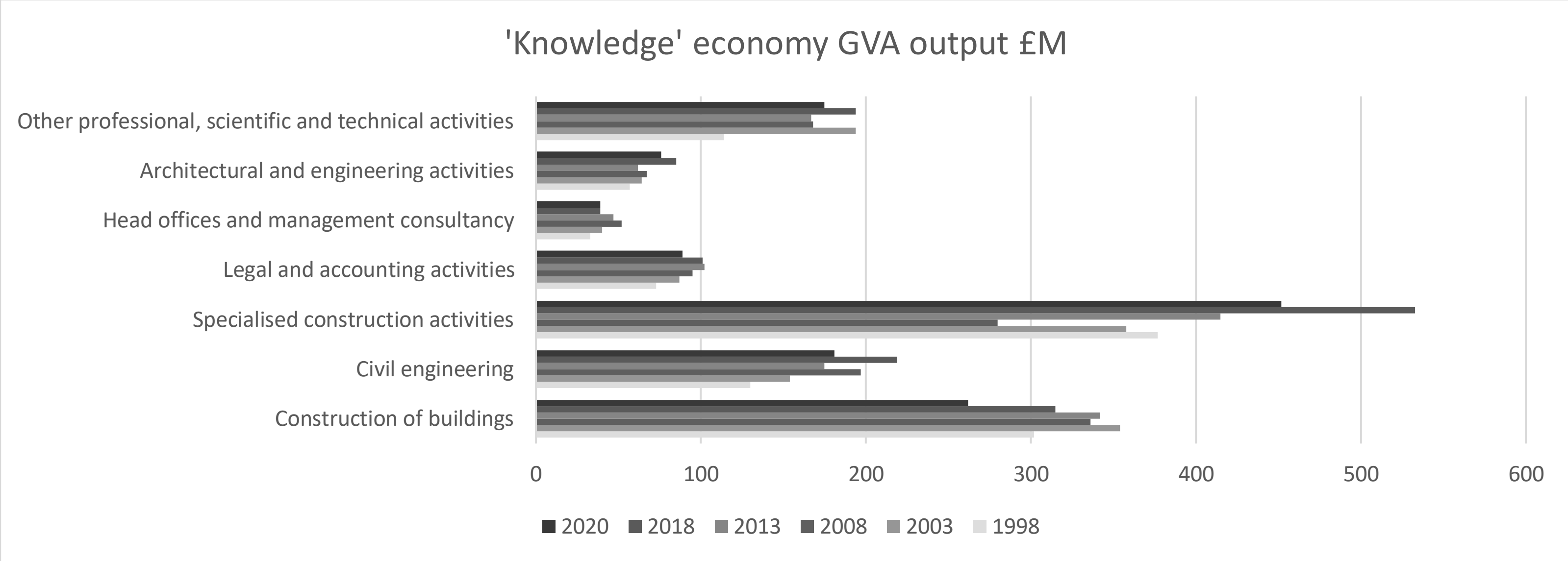

Figure 5 - Source: ONS

5. **Figure 5** (above) illustrates that the output of the 'other professional, scientific & technical' activities did in fact stagnate for much of the period despite accelerating from a much lower start in 1998 (it was worth £194m to the Cornish economy in 2018, the same as it was worth 20 years earlier). Indeed, significant growth was 'only' experienced by 'specialised construction activities' (increasing by around 45% between 1998 and 2018). *It could be that initial infrastructure investment under EU Programmes have not transformed productivity/skills beyond their initial impact or that the markets have not been developed to allow Cornwall to increased trade and therefore its skills base – a catch 22.*

6. Generally, Cornwall is a poor performer for international exports. Market limitations will depress economic performance and growth, despite some notable successes.

7. Despite overall gains in GVA performance for Cornwall and the Isles of Scilly (an economy which is around £2b bigger in 2020 than it was in 1998) there has remained a gap with national economic performance in part because of the size of sectors and their geographic distribution. Despite this growth, Cornwall and the Isles of Scilly are lagging in terms of key elements of economic performance.

8. Cornwall and the Isles of Scilly consistently has one of the lowest productivity performances, but it does have opportunity. Data from 2019 through the Annual Scale Up review (https://www.scaleupinstitute.org.uk/scaleup-review-2019/) has suggested that the average number of scale up businesses in Cornwall and the Isles of Scilly per 100,000 population is outpacing all other forty identified regions in the UK. This

suggests potential and success in growth but an inability to accelerate due to productivity constraints such as access to bespoke and soft skills.

9. **Figure 6** below (taken from the 2022 Scale Up review) neatly illustrates the contradictory challenge for Cornwall and the Isles of Scilly. The region has a low density of scale up businesses but some growth in the average annual change. *This suggests a cumulative impact on the whole of the Cornish economy by the pandemic and decline from 2019 position. There is (for example) a strong multiplier connection between tourism, agri-food, transport and digital/cultural businesses which would have experienced complex impacts. So, markets and the skills to reach those markets are vital.*

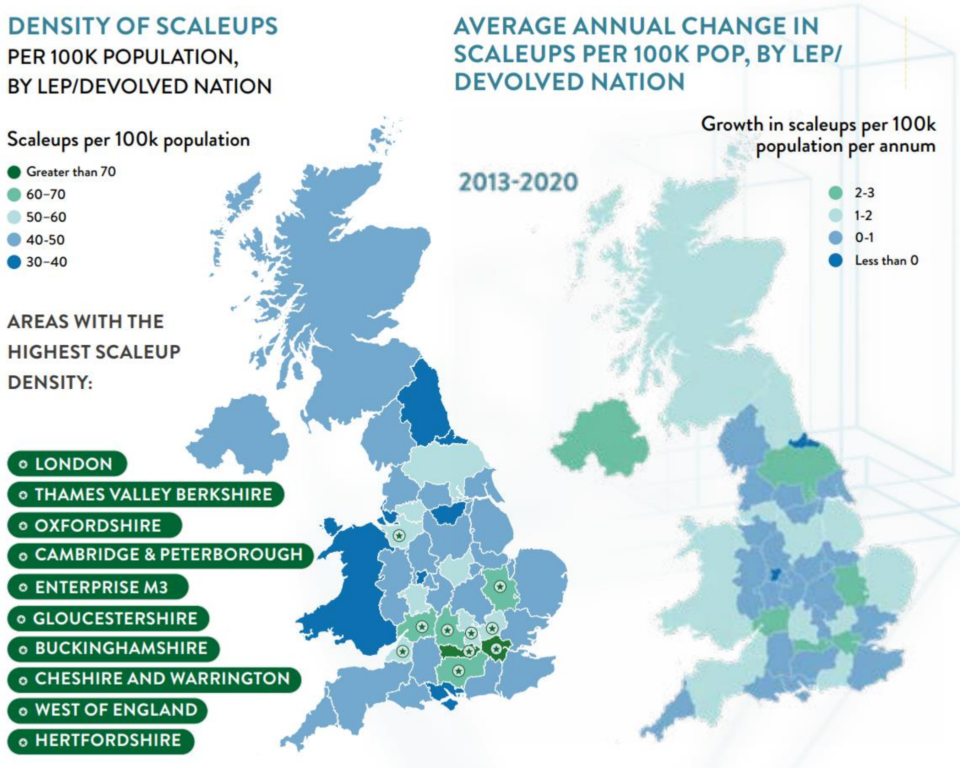

Figure 6 - Source: Scale Up Institute

10. Higher performing areas are closer to big cities, large labour markets and strategic transport links. This agglomeration must be replicated in Cornwall through investment in 'infrastructure' which includes skills.

8. Sector distribution

1. **Figure 7** (below) **illustrates** the current boundaries of Cornwall's six parliamentary constituencies. These are used to illustrate relative employment sector presence and change, although Travel to Work Areas are used to broadly indicate travel patterns to work. However, those cross county borders so in this first instance the analysis is of each of these constituencies to understand sector performance aligned with overall wages and salaries which are officially available at the same constituency geographic level.

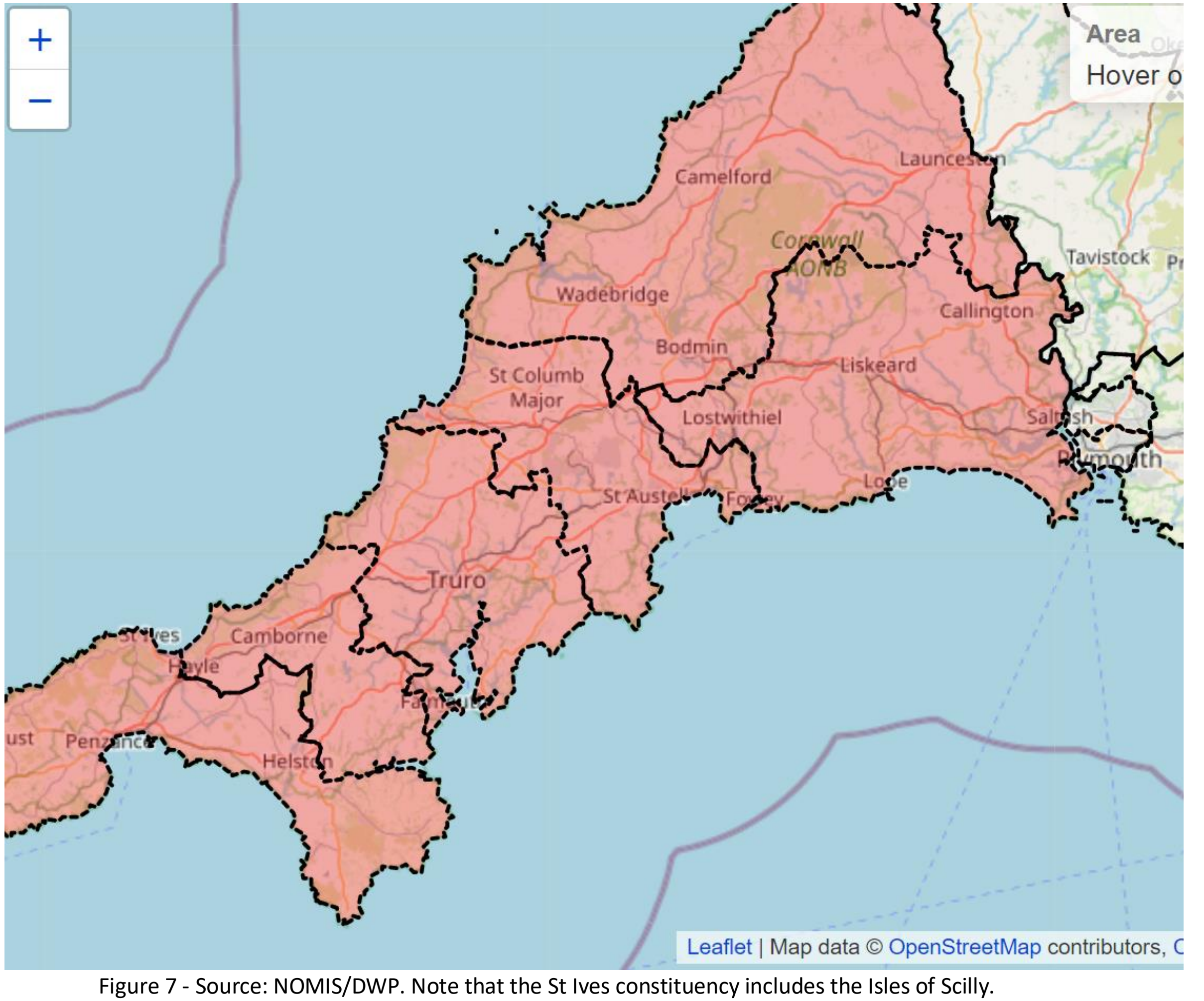

Figure 7 - Source: NOMIS/DWP. Note that the St Ives constituency includes the Isles of Scilly.

2. Cornwall's largest employment sector in 2021 was 'Accommodation and Food Services' which at 38,000 members of the workforce was an increase of 9,000 or almost a quarter on the 2015 figure. This represented over 15% of all jobs in Cornwall in 2021 (2% more than in 2015); with 'Health' just below at 15% exactly and 'Retail' following third on 12%. These three biggest sectors employed 42.5% of the Cornwall workforce (up from 38.9% in 2015).

3. The full sector split for Cornwall in 2021 in illustrated in **Figure 8** (below):

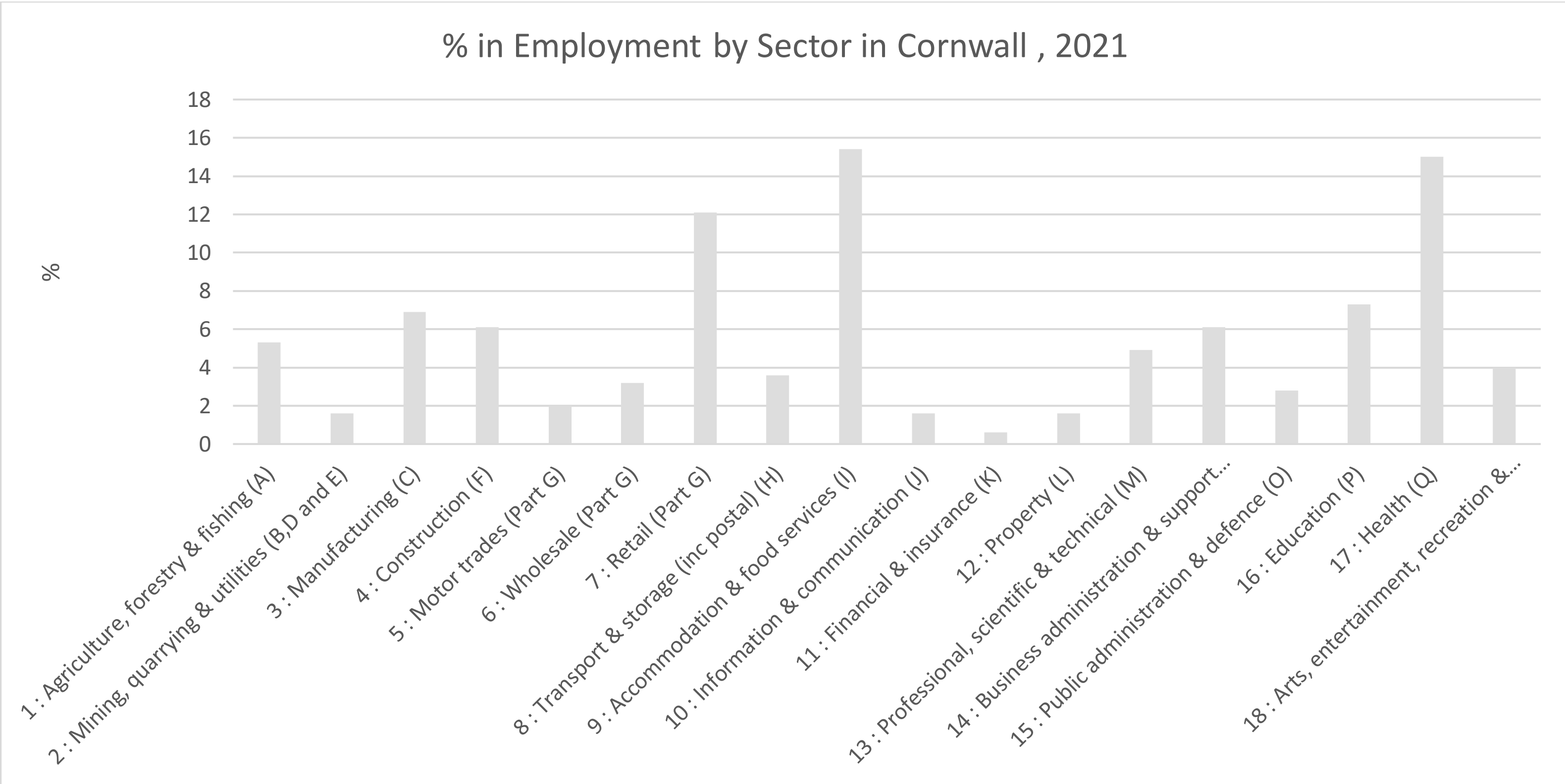

Figure 8 - Source: Business Register and Employment Survey/NOMIS. Note – farm agricultural employment is not included and is available from DEFRA as a separate data set at a Cornwall level only.

4. However, there are other significant sector roles in the Cornwall economy for Manufacturing, Construction, Transport/Storage and (in addition to 'Health') the broad 'knowledge related' economy sectors (sectors 13 to 18 above).

5. Unsurprisingly, 17,000 of the ‘Accommodation and Food Services’ employment (around 45%) in Cornwall is concentrated in the St Ives and Newquay/St Austell Parliamentary Constituencies; and over a quarter of all ‘Health’ jobs in Truro and Falmouth. ‘Retail’ is more evenly spread with slightly higher levels in North Cornwall and St Ives influenced by rurality, the location of shopping centres (Penzance and Bodmin) and the patronage of the tourism market. Counter intuitively, over the 2015-21 period employment in ‘Retail’ increased slightly across Cornwall. The sector, of course, faces a range of challenges not least the internet; although there are opportunities to get more local retail businesses ‘on line’.

6. Each of the Parliamentary Constituencies is compared by sector **Table 3** (below) to indicate which areas are more significant for different sector types (by percent). It should be noted that rounding errors are incorporated into the data and, of course, this will not indicate the volume of people employed in an area. For example, although both Truro and Falmouth (within the parliamentary constituency) have high concentrations of retail employment; St Ives and North Cornwall have a greater percentage of their workforce employed in that sector both because of rurality and the impact of tourism (for example ‘specialist’ retail outlets perhaps focusing on beach ware or souvenirs). ‘Agriculture, Forestry and Fishing’ is likely numerically underestimated in an area such as North Cornwall and across this sector (as already indicated) ‘farmers’ are less likely to be included: this is illustrated (in part) by the discrepancy between constituency figures and the much larger figure (5.3%) for Cornwall as a whole. Overall, the Business Register and Employment Survey is just that, a survey, but does allow for trends to be followed over a more consistent time period than the decennial Census of Population. However, what the table does is allow an examination of where relative sector employment is concentrated by parliamentary constituency compared to the whole of Cornwall. ‘Yellow’ denotes the most numerically significant sector by constituency.

Table 3 – Original source: BRES/NOMIS

Industry	**Camborne/Red**	**North Cornwall**	**South East Cornwall**	**St Austell & Newquay**	**St Ives**	**Truro & Falmouth**
Agriculture, Forestry & Fishing	0.3	0.4	0.3	0.2	0.5	0.3
Mining, Quarrying & Utilities	2.4	2.1	1.4	2.4	0.8	0.8
Manufacturing	7.4	9	10.3	6.1	5.5	5.7
Construction	7.4	9	7.8	6.1	6.2	3.7
Motor Trades	2.6	2.3	3.1	2.4	1.9	2
Wholesale	5.1	3.2	4.3	4.9	2.2	1.5
Retail	10.3	15.4	13.8	12.2	15.6	11.5
Transport & Storage	4.4	3.8	3.4	4.9	3.9	3.3

Accommodation & Food Services	11.8	17.9	13.8	22	25	11.5
Information & Communication	2.4	1.3	1.2	1.5	1.1	1.6
Finance & Insurance	0.4	0.6	0.3	0.4	0.8	0.8
Property	2.6	1.8	1.4	1.5	1.1	1.6
Professional, Scientific & Technical	5.1	5.8	5.2	4.9	5.5	4.9
Public Administration & Support Services	2.9	2.6	1.6	3.7	2.2	4.1
Education	11.8	5.8	6.9	7.3	7	6.6
Health	11.8	11.5	13.8	12.2	10.9	26.6
Arts, Entertainment, Recreation & Other Service	4.4	4.5	4.3	4.3	5.5	2.9

7. In each constituency in **Table 3** the largest proportion of sector employment is illustrated with some explanation below:
   - Agriculture, Forestry & Fishing: Especially the focus of Newlyn in the St Ives constituency which will have 'multiplier' added value around areas such a transport/haulage, marketing and retail.
   - Mining, Quarrying and Utilities: China Clay remains a significant employer in the St Austell area but also South Crofty (Camborne/Redruth) is now involved in research and exploration.
   - Manufacturing: In South East Cornwall there are several large industrial estates and towns which focus on manufacturing – particularly food – and are closer to the Cornish border for distribution purposes.
   - Wholesale: Camborne, Pool, Redruth as a distribution point in a large (for Cornwall) conurbation of population close to the A30.
   - Retail: In the St Ives constituency four towns (St Ives, Penzance, Hayle and St Just) each acting as local service centres and (in the case of Penzance and to some extent Hayle) having a west/Cornwall wide function; as well as the impact of tourism to varying degrees on all of them.
   - Transport and Storage: St Austell and Newquay has the increasing role of the airport and factors such as China clay export.
   - Accommodation and Food: North Cornwall's role as both a tourism area but also food processing linked to manufacturing in Bodmin.
   - Finance and Insurance: there are several larger employers based in the Truro and Falmouth constituency as well as the sector servicing the Fishing and Tourism industries in St Ives.

- Public administration: Focused on Truro/Falmouth with the headquarters of Cornwall Council.
- Education: several larger schools in the Camborne/Redruth area as well as where Cornwall College is located – one of the largest in England.
- Health: Hospital focus in Falmouth and Truro.
- Arts, Entertainment and Recreation: Its marginal, but again – St Ives as a tourism focus with a strong cultural sector across west Cornwall.

9. Occupations

1. More salient, perhaps, is data on occupations. Skill transferability across sectors *may* be more viable but pay is dependent on the sector that an individual works in. This is also affected by issues such as self-employment. Regular survey datasets give an indication of occupations but definitive data is available from the 2021 Census of Population in **Figure 9** (below):

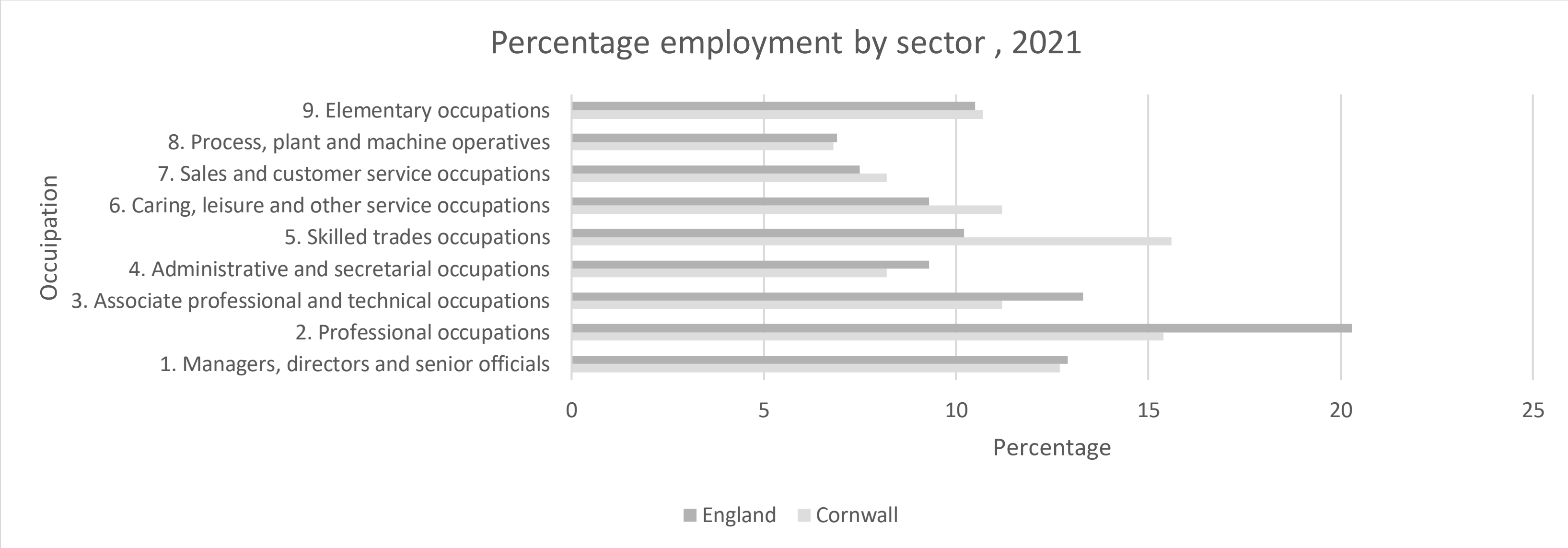

Figure 9 – Source: Census of Population/NOMIS

2. Part of Cornwall's challenge is clearly indicated in **Figure 9:** Elementary occupations are higher than the England average which is an indication of poorer quality employment. Additionally, this indication extends to 'caring, leisure and other service' occupations which are evidenced by the size of the retail and health sectors. Local/career pathways can be less clear in areas such as retail sales or caring. As the occupations progress to those of a higher level (more likely to require skills and be renumerated accordingly) from 'Administrative' to 'Manager' related occupations the English average is clearly above the Cornish. This is especially true for 'professional occupations' where (in Cornwall) these are more likely to be confined to the public sector and professional service occupations (solicitors, financial professionals etc.) For 'Managers, Directors and Senior Officials' the picture is more complex. With fewer head offices in Cornwall there are likely to be fewer 'senior officials' but 'managers' and 'directors' will exist over a range of lower value sectors and self-employment where pay is likely to be lower.

3. The Annual Population Survey (APS) gives an indication over a relatively long period of proportions employed in occupations. **Figure 10 (below)** indicates changes between 2005 (as a base date) and 2021 (the latest available data) at a **Cornwall** level:

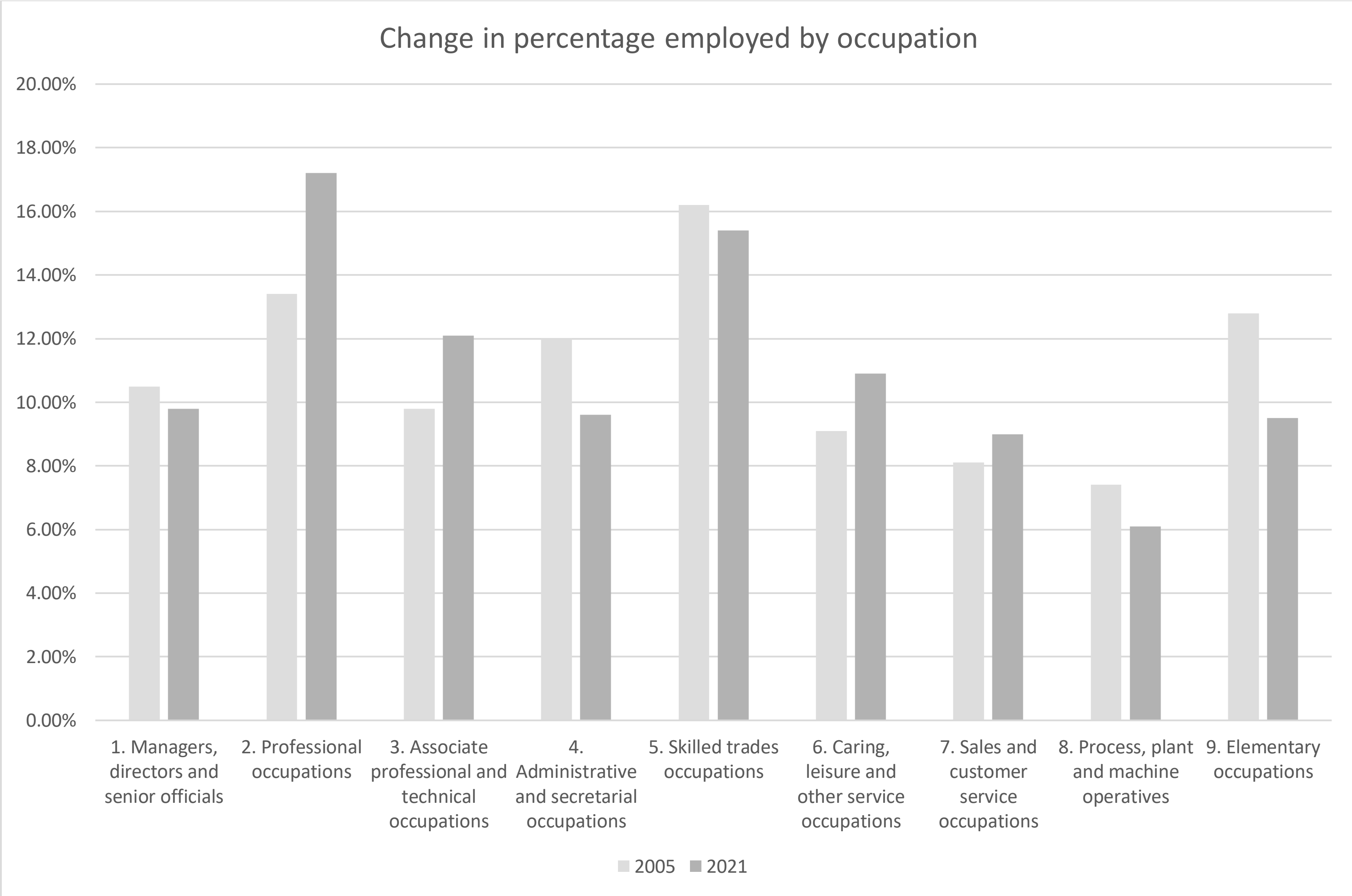

Figure 10 - Source: Annual Population Survey/NOMIS

4. The base date was toward the end of the initial EU funding period for Cornwall and the Isles of Scilly (Objective One, 1999 to 2006). Broadly, the percentage of professional and associate professional occupations has increased between then and 2021; but there has also been an increase in caring/sales/service occupations. The proportion of senior managerial roles and process and elementary roles have both declined. *This is suggestive of several factors which include the impact of some increased automation at the elementary and process level. The change in the*

proportion of managers, directors and senior officials is marginal but there have been (for example) several major restructures and redundancy programmes in local government during the period. The overall shift has been toward professional and skilled occupations which benefit the economy but more senior roles in larger organisations may have been constrained without commensurate head offices in the Cornwall and Isles of Scilly region.

5. There are some important variations at a Parliamentary Constituency level. **The series of charts below** illustrate the change in occupational spread within each of the constituencies between 2005 (the first full year for which data is available) and 2021 (the last full year). *This is an indicator of how the quality of jobs may have changed over the period and their geographic focus. A period of sixteen years is, of course, a substantial period and there have been recessions, different strategies and changes of government/policy over that period: but the length gives a stronger indication of change within the labour market despite the fact that data is likely to have 'ebbed and flowed' by indicator within the period.*

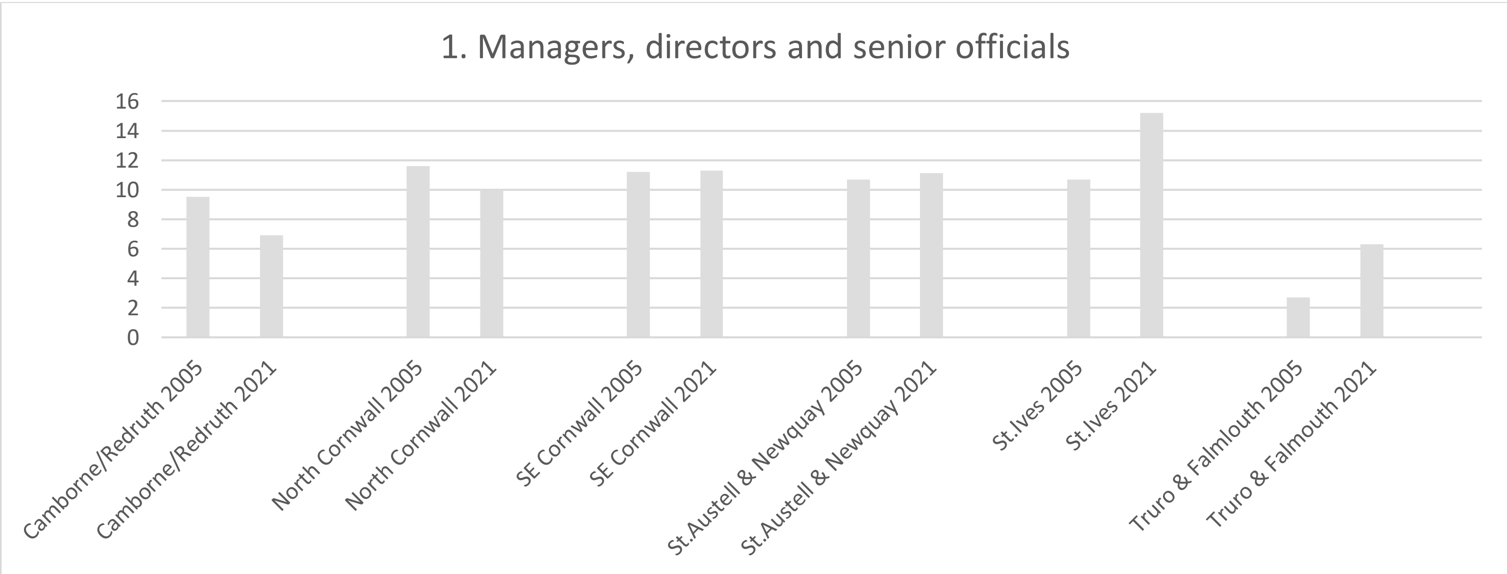

Figure 11 - Source: Annual Population Survey

6. The percentage of the workforce employed as 'Managers, Directors and Senior Officials' fell by around 2.5 points in Camborne/Redruth between 2005 and 2021 and by around 1.5 points in North Cornwall over the same period. In the other four constituencies the indication is one of increase particularly in St Ives (over 5 points) and Truro/Falmouth (over 3.5).

Figure 12 - Annual Population Survey

7. It is at a ‘professional occupational’ level that there is a discernable difference (as evidenced by the overall Cornwall data). Both Camborne/Redruth and North Cornwall show some small growth between 2005 and 2021 (one point and 1.5 points respectively) with both South East Cornwall and Truro and Falmouth showing substantial growth (South East Cornwall almost ‘doubling’) in the period and Truro and Falmouth increasing by two thirds.

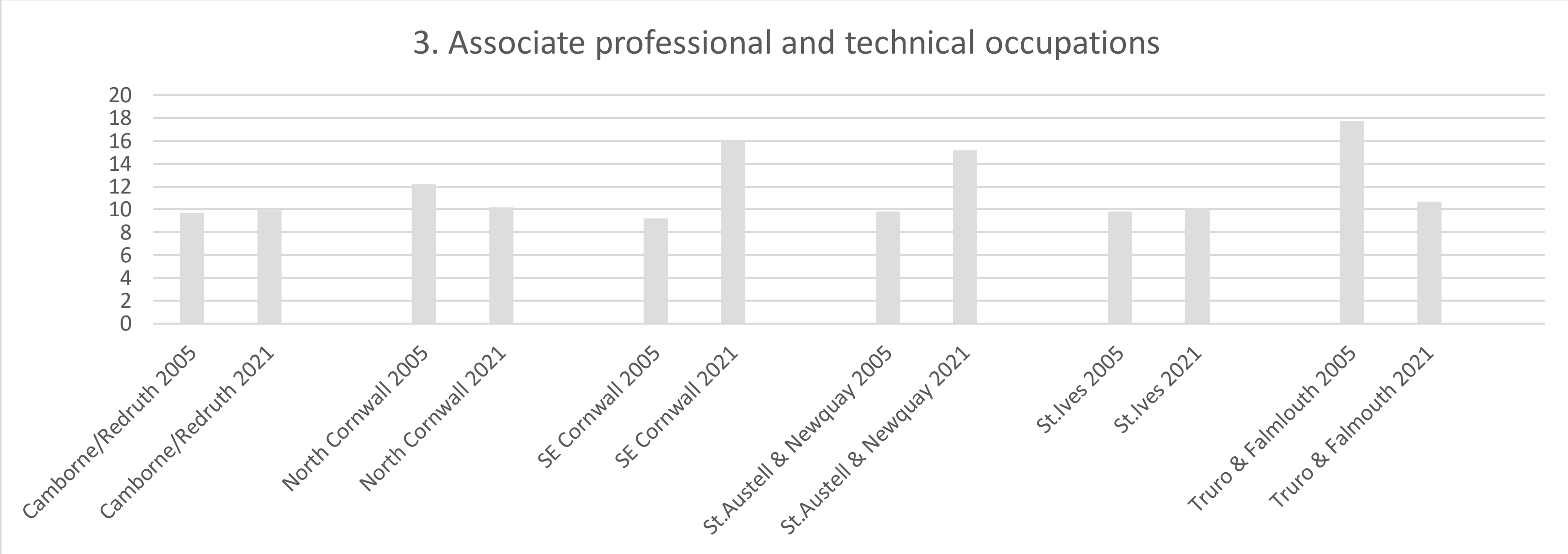

Figure 13 - Source: Annual Population Survey

8. This starts to show a shift away from 'associate professional and technical occupations' for the Truro and Falmouth constituency over the period toward those more senior roles indicated in 11.1 and 11.2. Both Camborne/Redruth and St Ives have stayed more or less static (with very small growth for this occupation heading of 0.2 points and 0.5 points respectively). Both South East Cornwall and St Austell/Newquay have seen significant growth (6.9 and 5.4 respectively) while North Cornwall has fallen back two points. *For these three more senior occupation levels South East Cornwall appears to be doing the best, possibly because of the influence of Plymouth but also because of workspace investment in a number of its towns. Rurality (perhaps) and the need for a focus on towns such as Bodmin and Bude could be impacting on North Cornwall.*

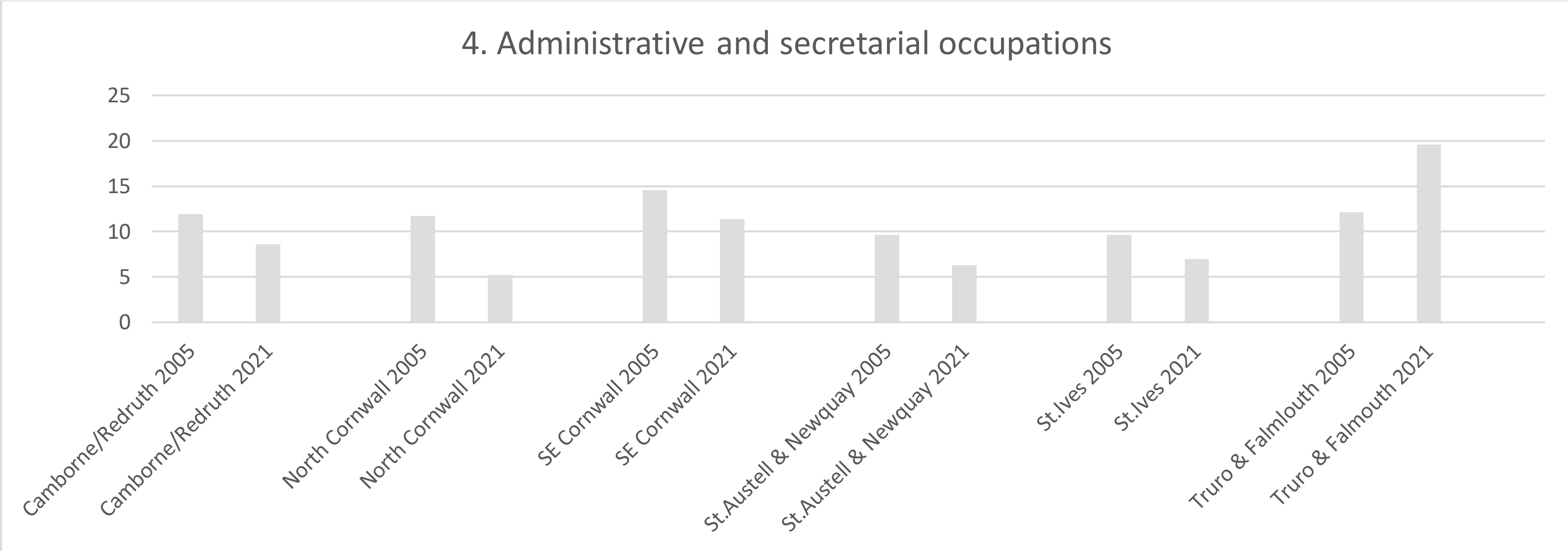

Figure 14 -Source: Annual Population Survey

9. The overall decline in ‘administrative and secretarial occupations’ is across all parliamentary constituencies in Cornwall except for Truro and Falmouth over the period. *It may be that investment in health, culture marine and knowledge related industries and workspace over the period is helping to drive a demand for immediate support level occupations to the top three levels.*

Figure 15 - Source: Annual Population Survey

10. The proportion of people working in 'Skilled Trade' occupations has of course (as illustrated in **Figure 10)** declined over the period; but the sharpest declines were in South East Cornwall (-3.2 points) and to a lesser extent St Ives. *This is interesting because (linked to the increase in North Cornwall) there may be some resonance around the role of tourism in supporting skilled construction trades in the two areas.*

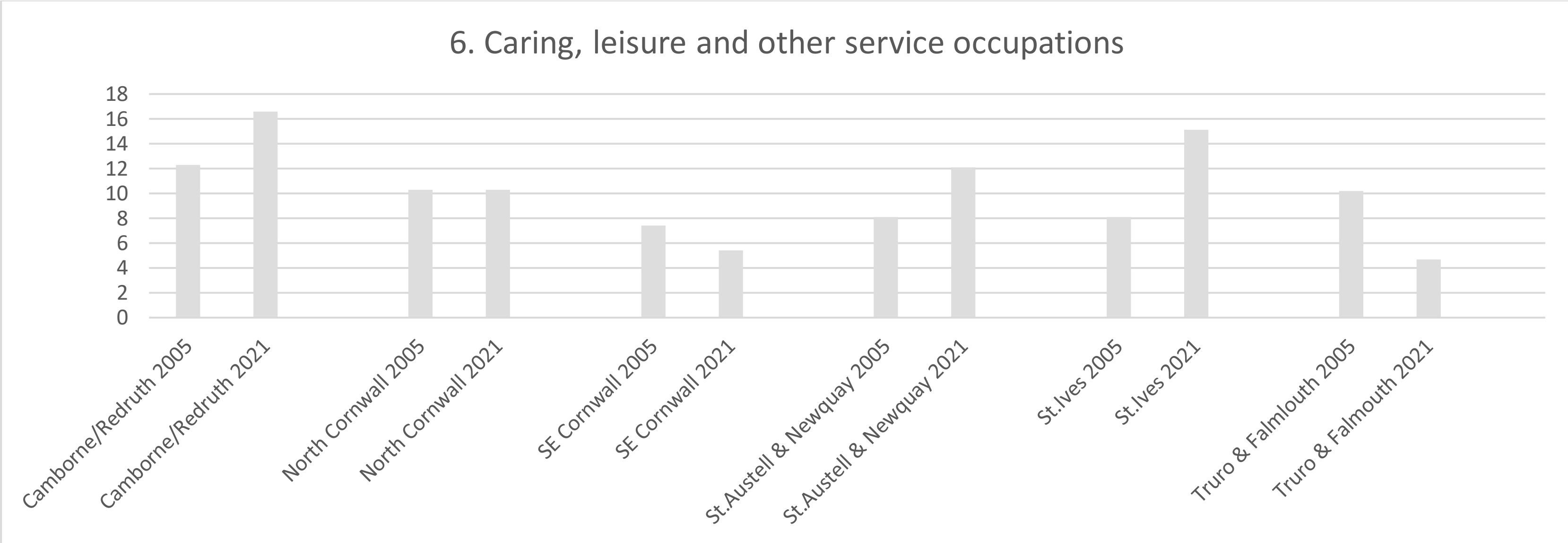

Figure 16 - Source: Annual Population Survey

11. The Cornwall increase over the period has been centred on Camborne and Redruth, St Austell and Newquay and St Austell, and St Ives. *This is likely to reflect growth in tourism related employment in the latter two constituencies (leisure and service) while more likely care orientated in Camborne and Redruth. It is possible to dig below some of these occupational headings to look at where these changes were indicated (where data is not suppressed due to the risk of disclosure). 'Care and Personal Services' did, indeed, make up 12.1% of all occupations in the Camborne/Redruth constituency (compared to 5.5% in St Austell & Newquay and 10.7% in St Ives) while 'leisure and travel' roles were 4.5% of occupations in Camborne & Redruth and 4.2% in St Austell & Newquay in 2021*.

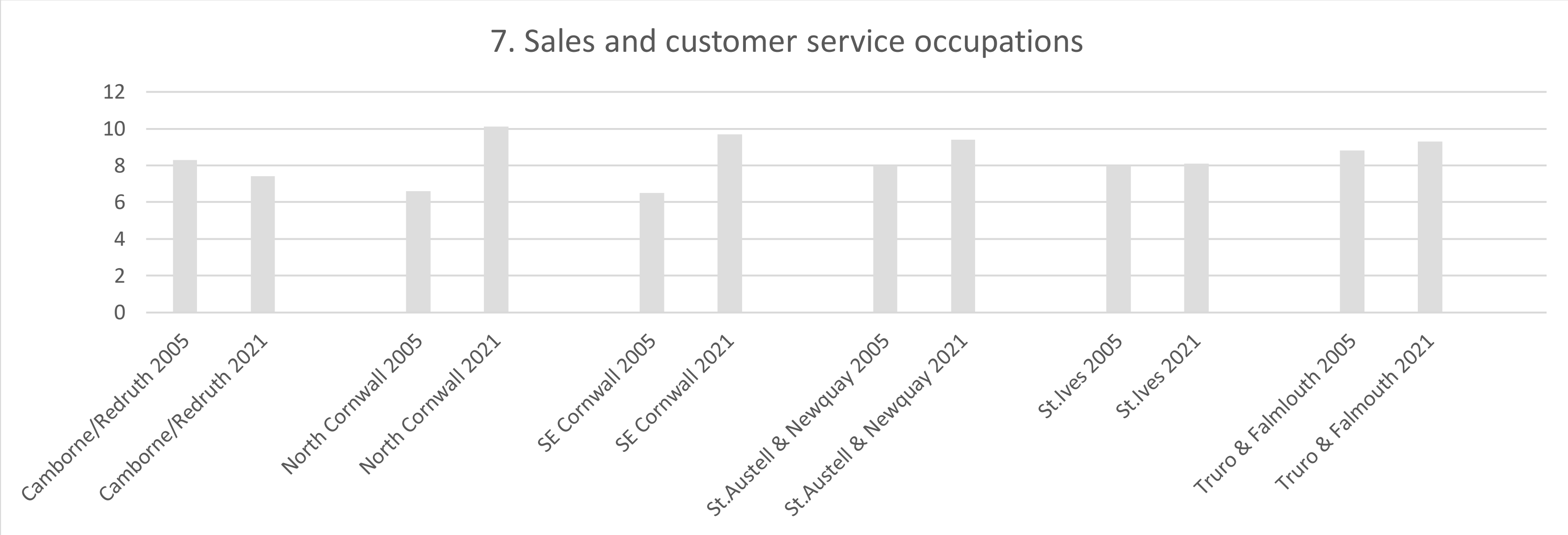

Figure 17 - Source: Annual Population Survey

12. At a Cornwall level although there was an increase it was focused on the three east Cornwall constituencies and to a lesser extent Truro and Falmouth. Camborne/Redruth did experience a decline and the concern overall has to be the long-term sustainability of such occupations.

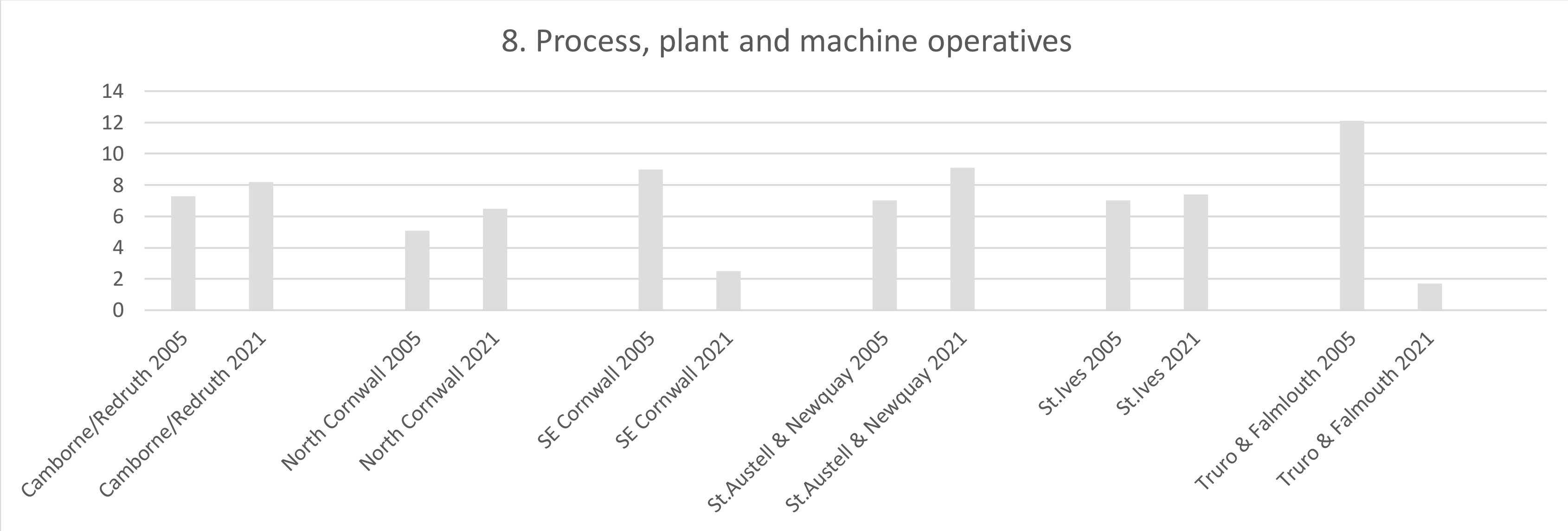

Figure 18 - Source: Annual Population Survey

13. The decline of 'process, plant and machine operative' occupations over the 2005 to 2021 period across Cornwall is focused on South East Cornwall and Truro & Falmouth. *South East Cornwall may have suffered because of a lack of employment land supply and physical access issues linked to the capacity of the Tamar Bridge. Anecdotal evidence suggests relocation of business away from the constituency into the Plymouth area. Could Truro and Falmouth changes be down to investment in processes, particularly in the Falmouth area?*

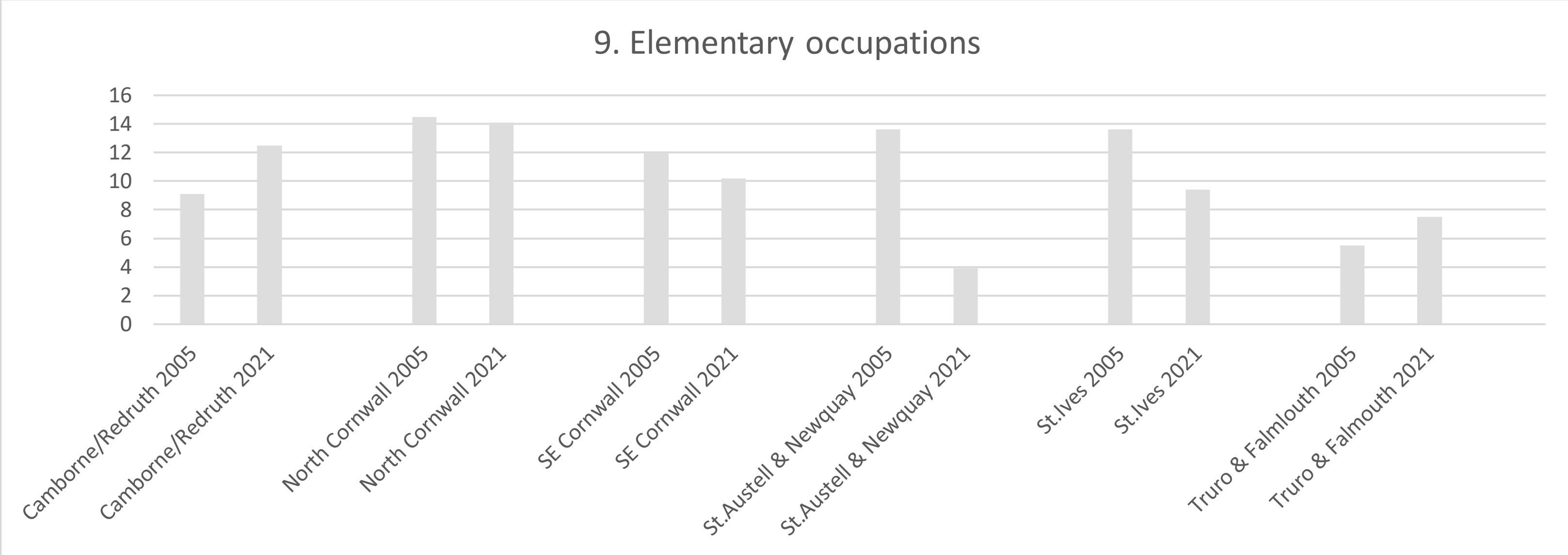

Figure 19 - Source: Annual Population Survey

14. The Cornwall wide decline in 'elementary occupations' is across constituencies with the exception of Camborne & Redruth (another long term concerning indicator for their labour market) and Truro and Falmouth. For the latter, this is even though its labour market has seen a greater share of professional occupations over the period *it may be because 'elementary occupations' are supporting them.*

15. Occupations are not necessarily an indication of higher wages and salaries depending on the sector in which they operate. A self-employed Director is likely to earn less than a comparative role title in a larger organization despite having to deploy many different skills in different roles to maintain and grow the business. APS 'employment by occupation' is only available at a southwest regional level.

10. Young People in the labour market: economic activity and education

1. The APS data above has illustrated occupation and sector proportions by geographies for the twelve months ending 2021. For consistency, the same period is also used below. **Figure 20** shows the level of economic activity for each of Cornwall's parliamentary constituencies and Cornwall for those aged 18 to 24 (data availability):

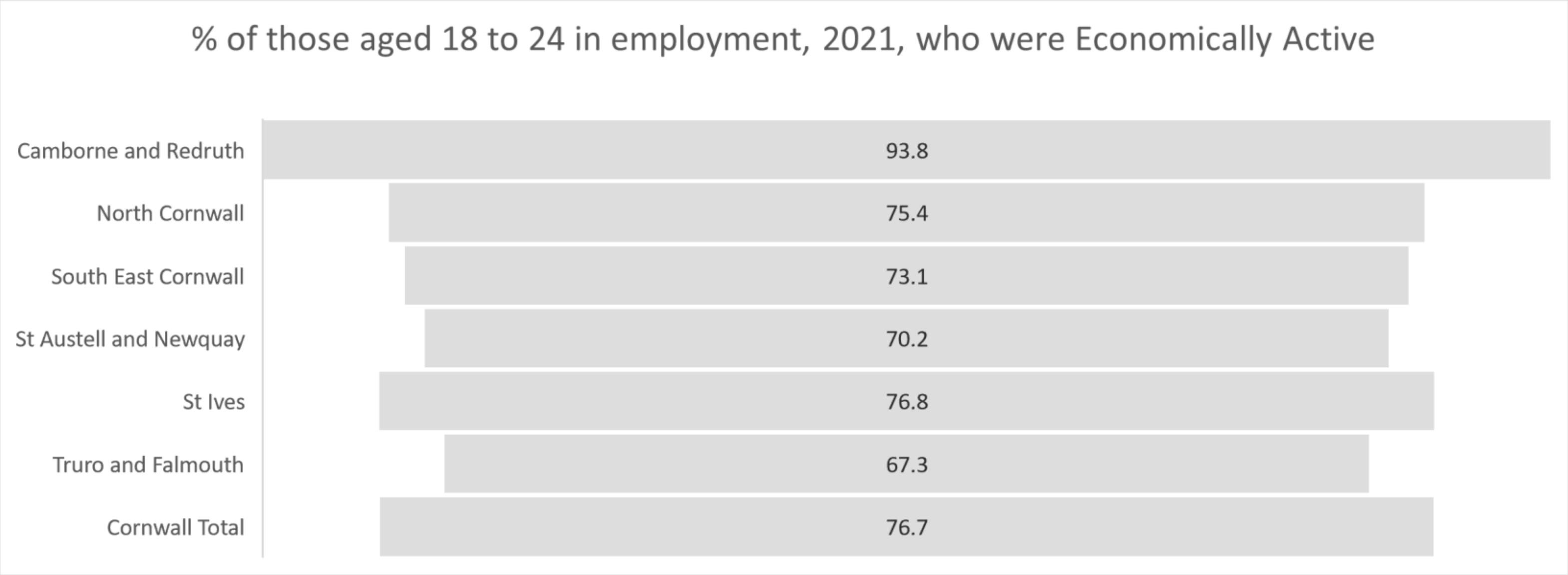

Figure 20 - Source: Annual Population Census

2. Economic activity is highest in Camborne and Redruth in this age group at almost 94%. Activity tends to be highest in the east of Cornwall but is around nine points lower than the Cornwall figure in Truro and Falmouth (where there is a general higher proportion of 'higher value' occupations). *However, caution should always be applied when looking at just one year of data: over the period 2005 to 2021 the median rate for those in employment in Camborne and Redruth was just over 65%. 2021 was an exceptional figure. This is the challenge of a source dataset such as the Annual Population Survey.*

3. Indeed, over the whole period the median Cornwall figure was 67.1 (just two thirds of people aged 18 to 24 economically active) while North Cornwall, South East Cornwall and St Austell & Newquay were closer to these figures and the margin of error. St Ives and Truro and Falmouth were particularly low with median figures over the period of 62% and 57.5% respectively. *These perhaps indicated that in St Ives there was insufficient lower/employment opportunities overall to keep young people working across the year and that in Truro & Falmouth the nature of higher level and (assumed) better qualified professional occupations was not open to them because of their age and inexperience.*

4. This point is supported by the dataset indicating that almost 18% of people aged 18 to 24 in Truro and Falmouth were unemployed. Further, 21% were unemployed in Camborne & Redruth. Taken with the historic median of employment activity (65% 2005 to 2021) in this age group in that constituency it is indicative of a significant allusion to historic inactivity rates. This will to a degree be offset by those in this age group who are in full time education – which in 2021 was 24% across Cornwall. This would have been concentrated on the younger element of the 18 to 24 age group.

5. **Figure 21** gives an example of this:

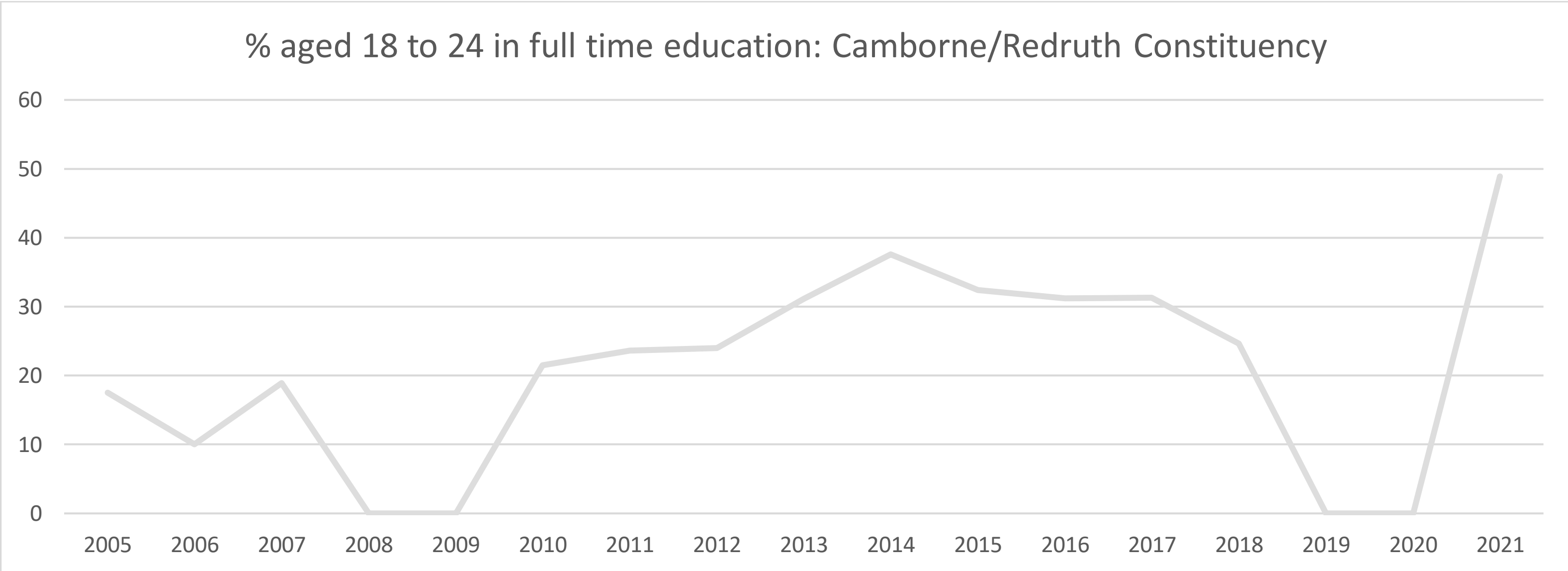

Figure 21 - Source: Annual Population Survey - note that no data was available for 2008/9 or 2019/20

6. The 'flatline' figures between 2008-9 and 2019-20 indicate where no data was available/it was suppressed but there is a general upward tick over the period of the percentage of people in the age group in full time education although, again, the 2021 figure is likely to be an outlier. Broadly, the North Cornwall and St Ives figures also indicate a higher proportion than the historic average. *This suggests a more highly qualified young workforce joining the labour market as FE and HE access has been expanded by successive Governments, but there has not been a step change in the quality of employment available to harness these qualifications moving through the age groups as people age. The Camborne/Redruth constituency of course will not only be impacted by the number of FE/sixth form offerings from schools in the area but also the presence of Cornwall College. It is also counter intuitive (especially in 2021) to the high numbers in the constituency who are surveyed as being in full time employment, which is a reason for caution. <u>Note also that these 18 to 24 year olds are in full time education and 'economically inactive'. There will be others in this age group who are in full time education but nonetheless have a part time job – and likely to be some cross</u>*

over – but (again) the reader is reminded that this is survey data. The full change figures the Cornwall and Isles of Scilly LEP region over the period is given in **Figure 22** (below):

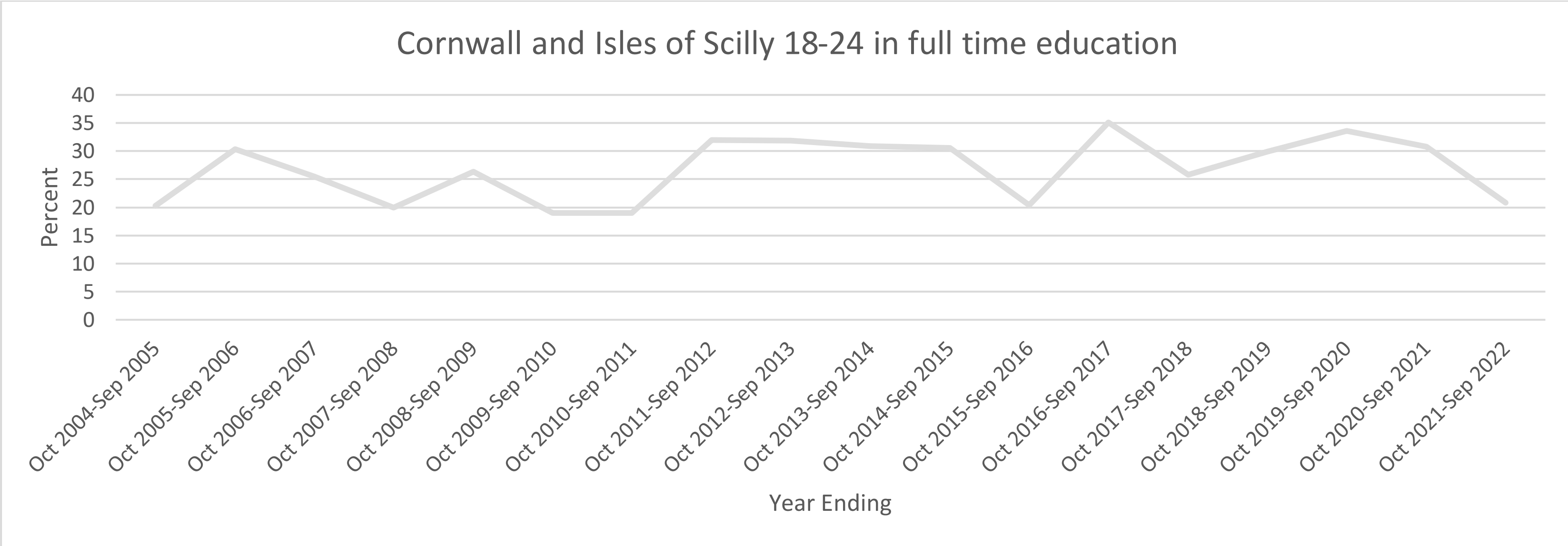

Figure 22 - Source: Annual Population Survey

7. Overall, the Cornwall and Isles of Scilly change is not as pronounced as Camborne and Redruth, perhaps indicating issues around access. Indeed, the trend between 2005 and 2011 was one of a fall in the number of 18–24-year-olds participating in full time education while it is possible that austerity and recession drove up the figures which have flatlined since. It may be too early to say whether post 2020 is a trend: this could – ironically – be an indication of a 'healthier' labour market with more range and choice for young people as particular sectors try and combat skill shortages. Overall, it is also important to note that most FE/HE participation in young people is likely to be in the 18-21 age group but the APS figures do not break it down that far.

8. *With the Camborne and Redruth Parliamentary Constituency as an example, the Cornwall and Isles of Scilly data (above) and other constituencies (below) differ in including data for the year ending September 2022 as an example. This of course is not a full calendar year and the data is likely to change year ending quarter by quarter, but may give a feel of trend. The North Cornwall data for the period is below and '2022' is also included because of the gaps in annual data where numbers are suppressed to support confidentiality: the gaps are also a reason why the chart is presented as a 'bar' instead of 'line' to ensure that all available data is included.*

9. The data for North Cornwall indicates historic lower participation than the Cornwall/Isles of Scilly average but (like Cornwall and the Isles of Scilly) participation falling (albeit with more rapidity) following the 2011/12 recession with an indication of rise post 2020. **Illustrated in Figure 23** (below):

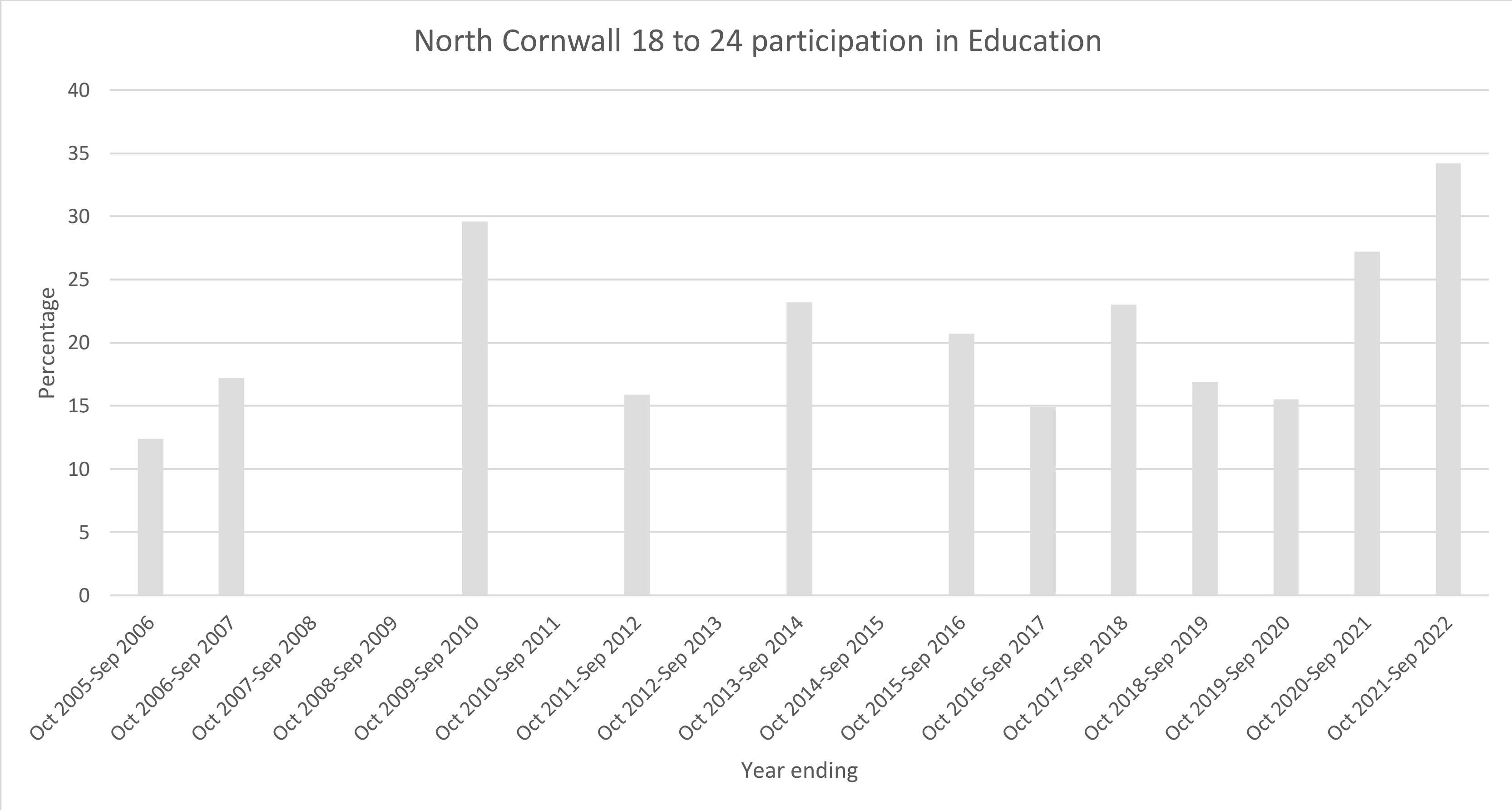

Figure 23 - Source: Annual Population Survey

10. The South East Cornwall constituency figures have data gaps for more recent years. However (with Plymouth on the geographic doorstep) participation levels are higher than North Cornwall in the earlier years and appear to expand considerably (although this may be an outrider) in 2012 before again falling back. Performance by 2019 is comparable with that of Cornwall and Isles of Scilly as a whole **(Figure 24)** below:

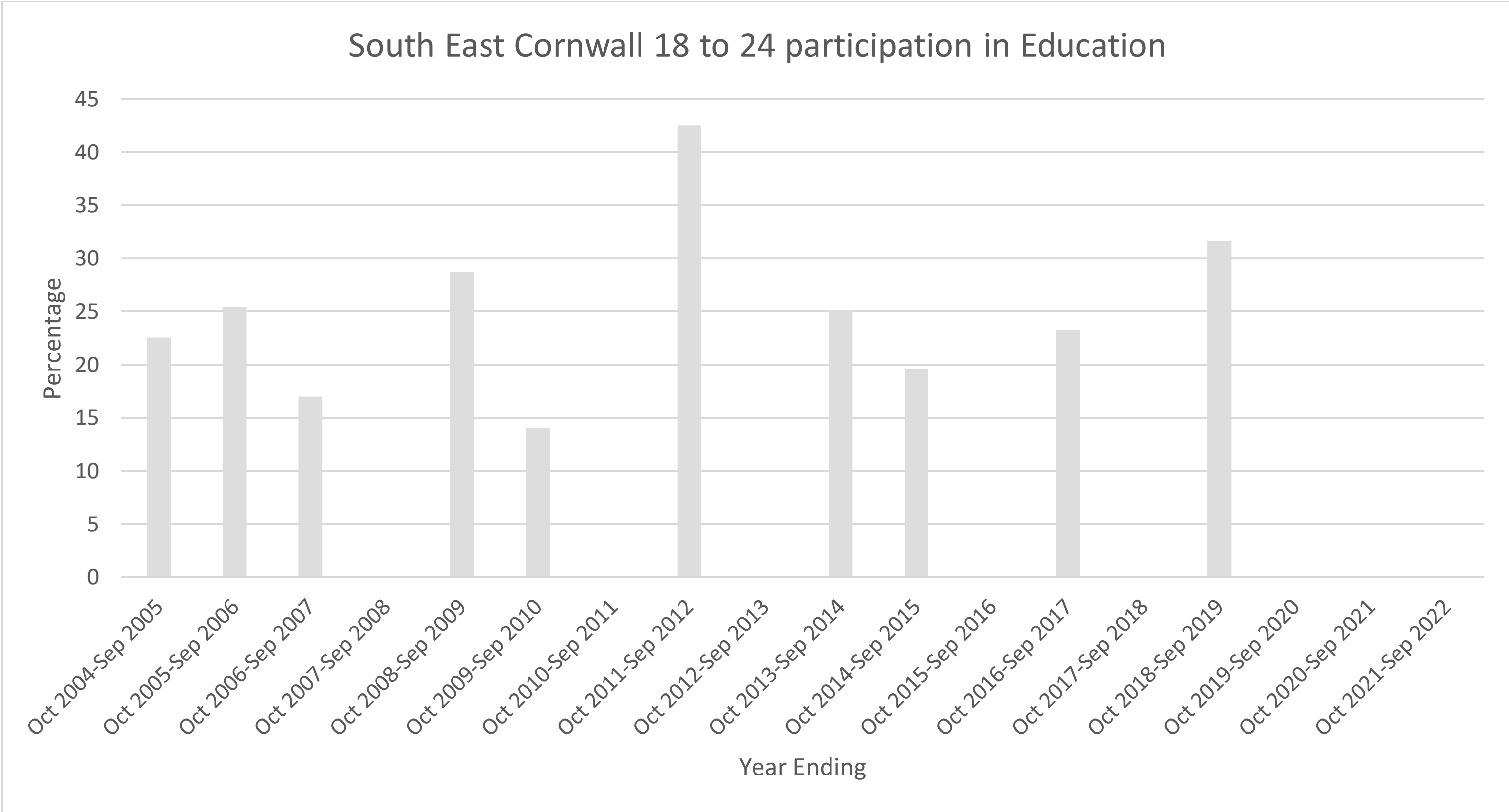

Figure 24 - Source: Annual Population Survey

11. St Austell and Newquay have historically low levels of 18 to 24 participation in education before increasing in the later period of available data but it is too early to understand whether this is a trend. **Figure 25** (below):

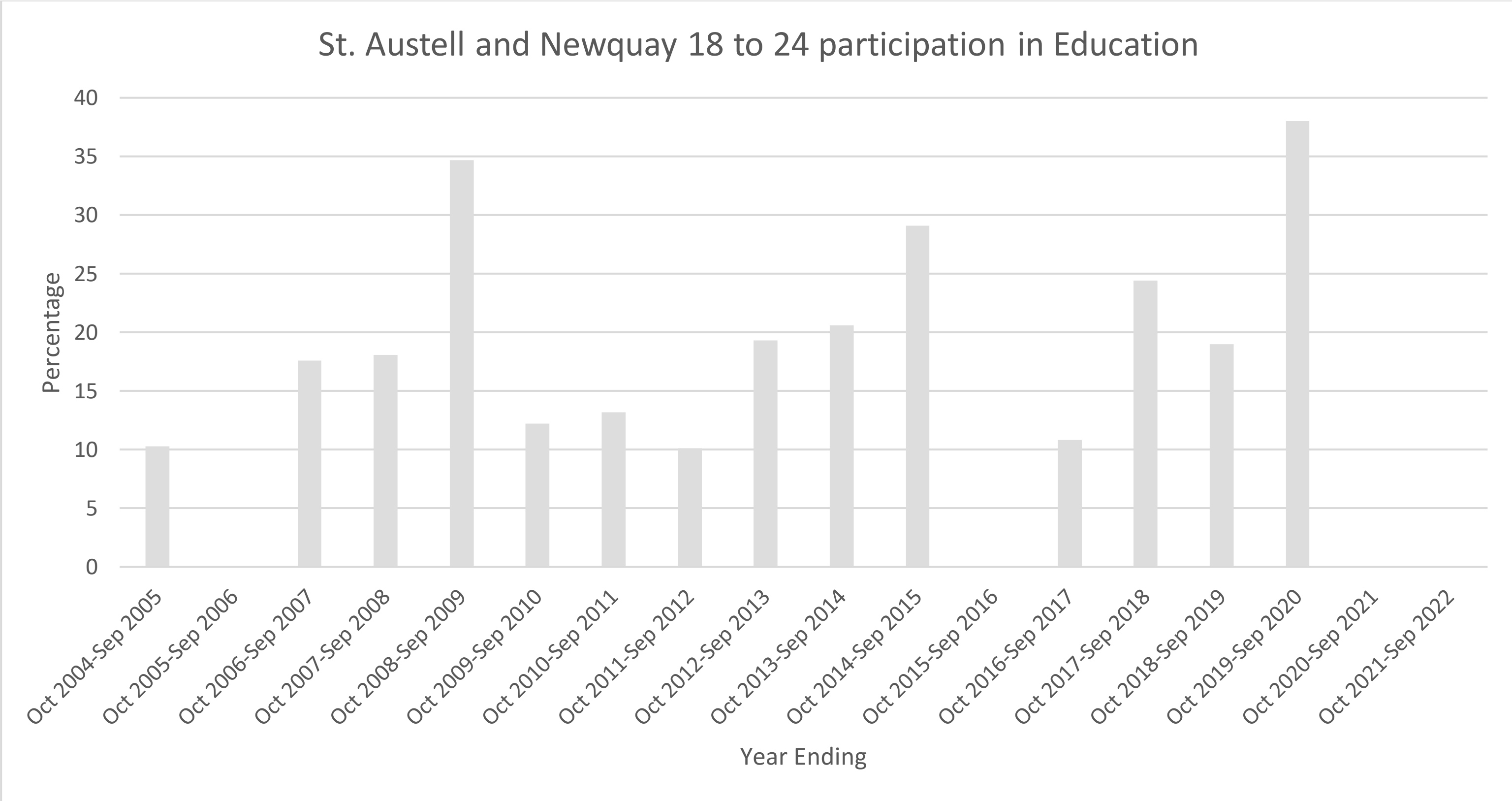

Figure 25 - Source: Annual Population Survey

12. Data for the St Ives Parliamentary Constituency shows historically high levels of 18 to 24 participation in Education (compared to other constituencies), possibly because of the presence of FE/HE facilities in Penzance. Median data for the available period stands at 37% with a likely outlier in 2004/5. **Figure 26** (below):

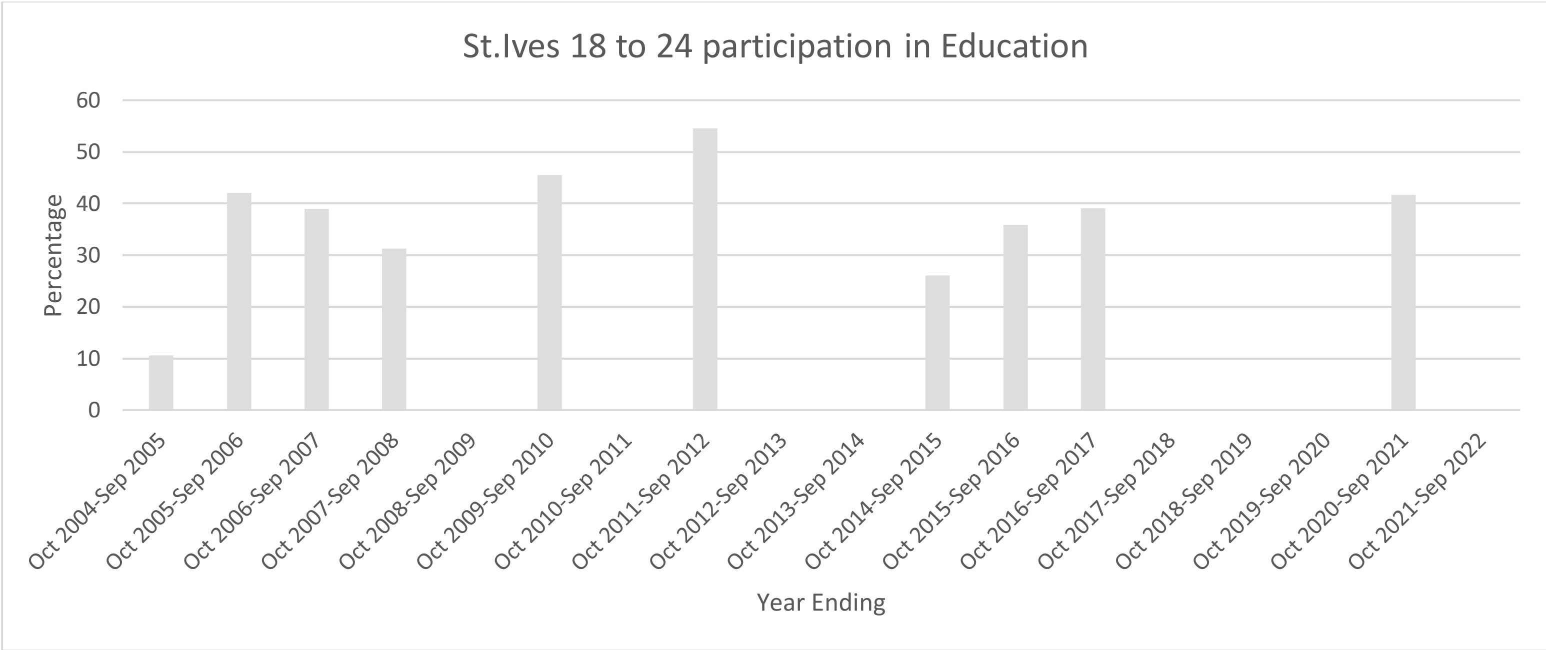

Figure 26 - Source: Annual Population Survey

13. There are also (and more considerably) historically high levels of participation in the Truro and Falmouth constituency which are both home to Truro and Penwith College and the University, illustrated in **Figure 27** (below). Here there is a full run of data available for the whole period which shows generally falling participation levels until 2010 when (as with other areas) there is indication of increase before falling away and rising again. These figures need to be understood in the context of the area being a destination for some young people to come and live to study so participation rates will be perhaps abnormally high.

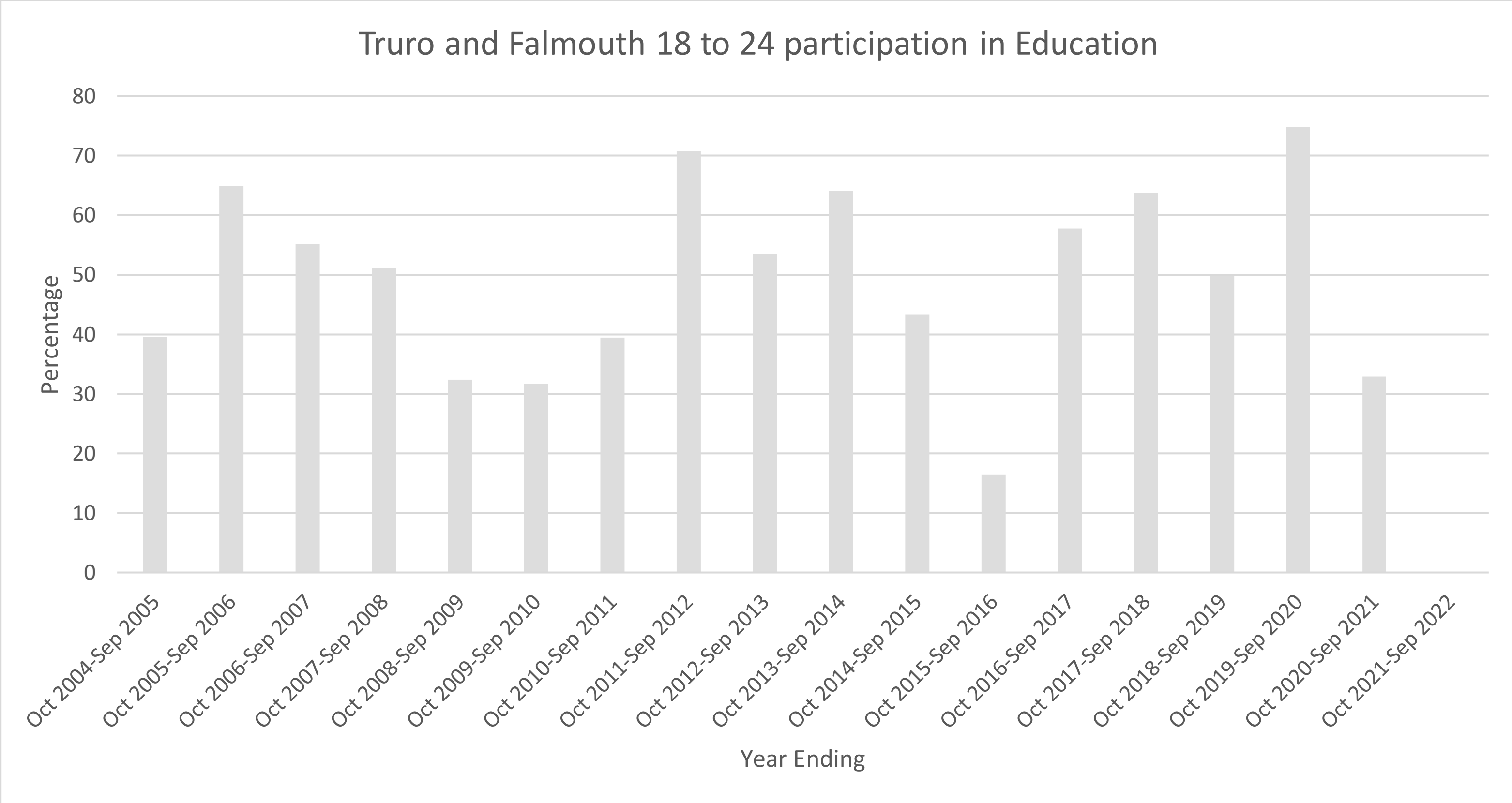

Figure 27 - Source: Annual Population Survey

14. This is broadly indicative of the issue for Cornwall, in particular, being one of participation in education onward from 18 rather than 16 – i.e. Higher Education. FE in Cornwall may be one issue but Department for Education figures consistently put Cornish participation at 18 behind the English average. However, Cornwall is generally in line with the population/jobs density proportions at an England level. This suggests a better record of creating jobs in Cornwall albeit of a lower quality (per head than England) which in turn suggests jobs for those who want them. Around 18,000 additional employed jobs have been added to the Cornish economy between 2004 and 2021 and 8,000 self-employed jobs.

11. Young People in the labour market – in employment

1. **Figure 28** (below) succinctly illustrates this. It shows a flatlining of employment as the England average for the period 2004 to 2021 and, although the picture for Cornwall is more erratic, it nonetheless illustrates that employment rates among the 18 to 24 year olds have been higher for the period, precisely because of the number of employment opportunities if not necessarily the range and choice; and the varying participation of numbers in further and higher education at more local (parliamentary constituency) levels.

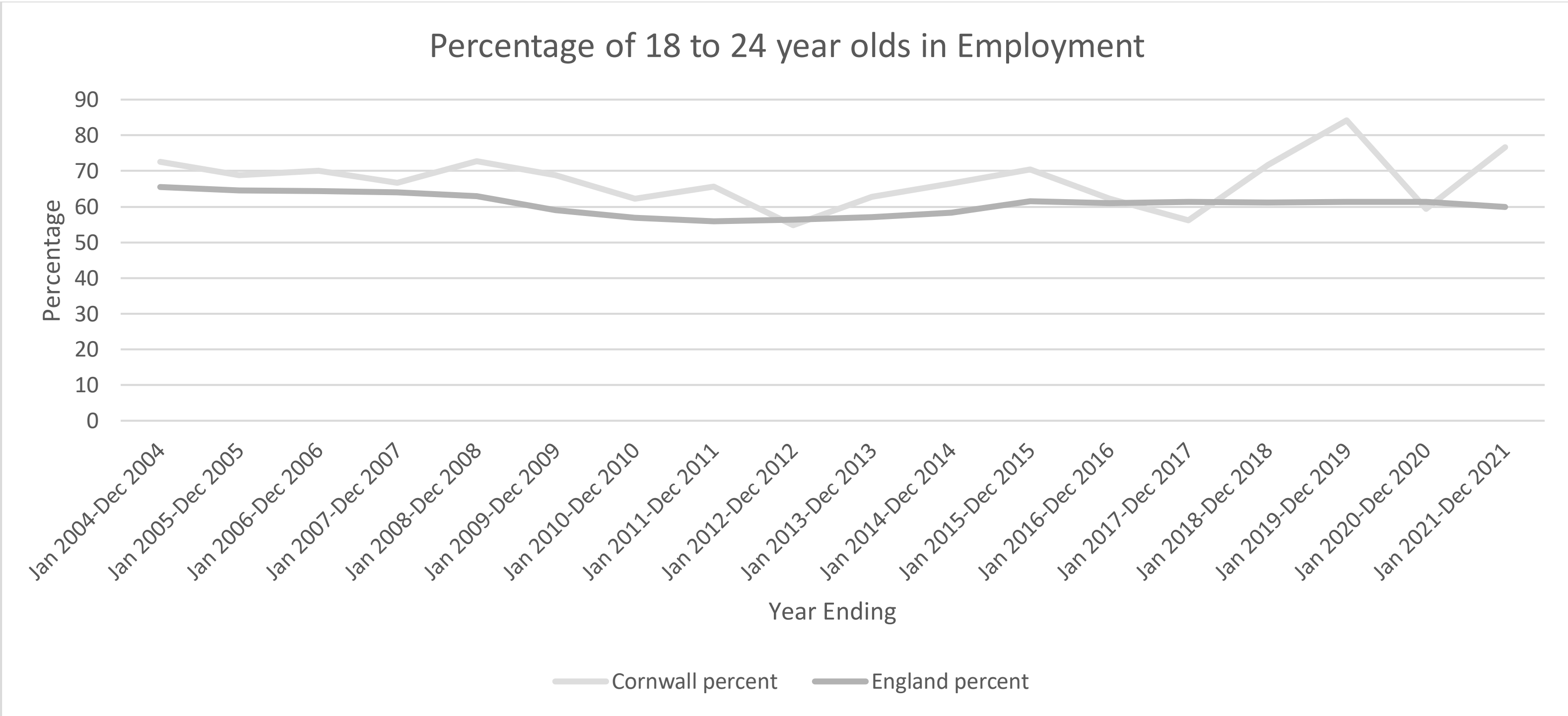

Figure 28 - Source: Annual Population Survey

2. Data for the year ending 2021 (APS) indicates that 38,300 people aged 18 to 24 in Cornwall were either in employment or unemployed (the latter figure being 3,400 which should not be confused with the unemployment or Universal Credit rate, as there will be some who will not be registered). A further 11,100 were in full-time education. *Inclusive of each age in this age group the 2021 Census of Population found that there were 51,991 individuals (9.1% of the Cornwall population). For those aged 18-24 the figure was 40,099 (just over 7% of the Cornwall population). Using the APS figure to calculate the difference this suggests that (leaving education aside) there could be in the region of approaching 2,000 people in this age*

group who are 'Not in Education, Employment or Training'. The fact that with the education number the census figure is exceeded in indication of the survey issue with APS data.

3. Because of the greater likelihood of being in full time or part time education (the latter perhaps without employment) the **economic activity** rate of those aged 16 to 19 in Cornwall is low and averaged at 53.6% where data is available via the APS between 2004 and 2020. **Figure 29** (below) illustrates the detail of this over time for Cornwall and for Parliamentary Constituency. There are some gaps in the data and at times (for example South East Cornwall in 2019-20) when it suggests that there was a 100% economic activity rate for this age group. A long-term view needs to be taken of such data and it is likely to be reflective of educational and economic opportunities: the latter shaped by sector structure. North Cornwall has had two peaks over the period, whereas Camborne and Redruth have struggled. Overall, activity in this age group appears to be generally increasing which may be an indicator of part time employment alongside education or post pandemic service sector recovery.

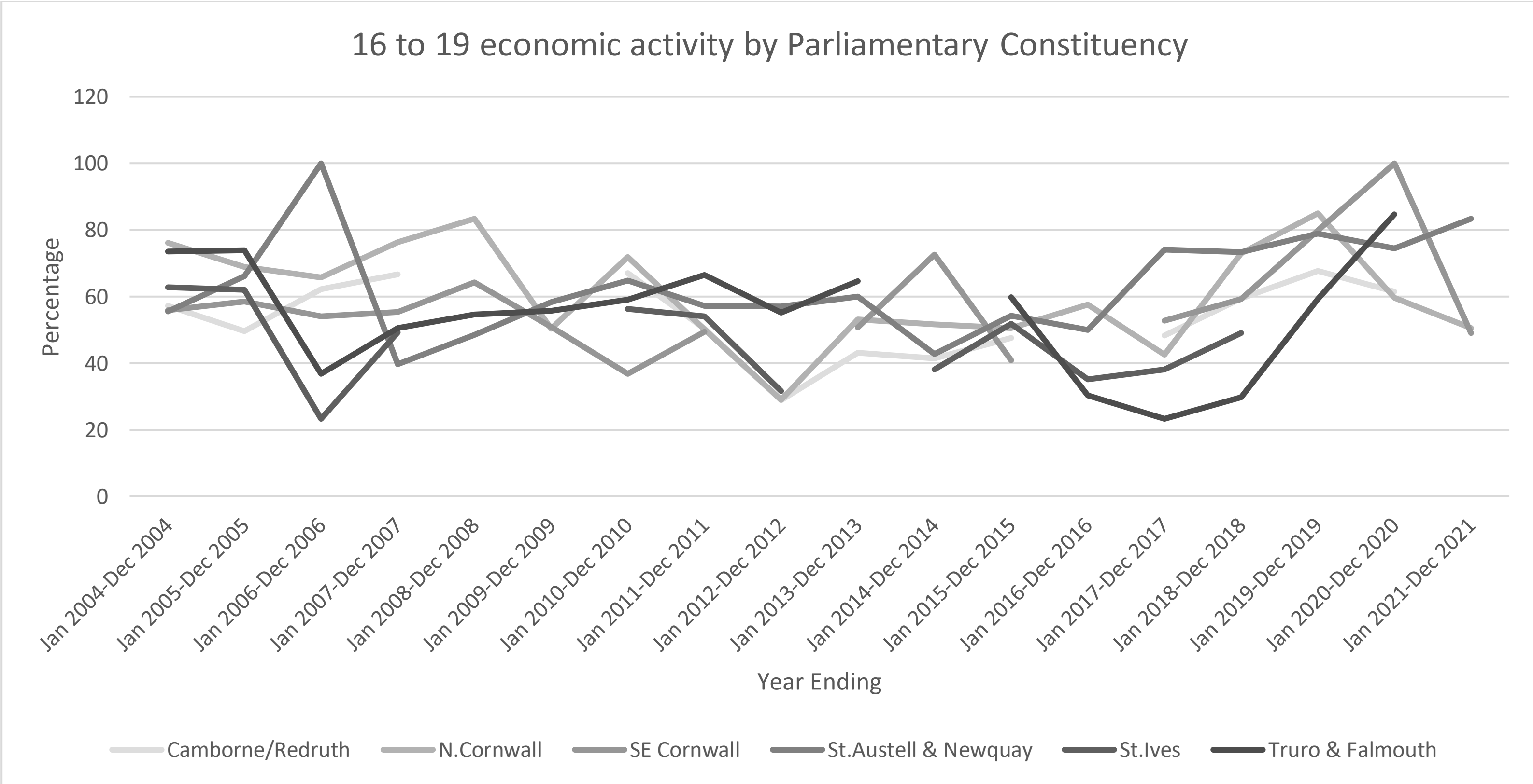

Figure 29 - Source: Annual Employment Survey

4. A more helpful measure is one of economic inactivity in Cornwall and by Parliamentary Constituency over the period illustrated in **Figure 30** (below):

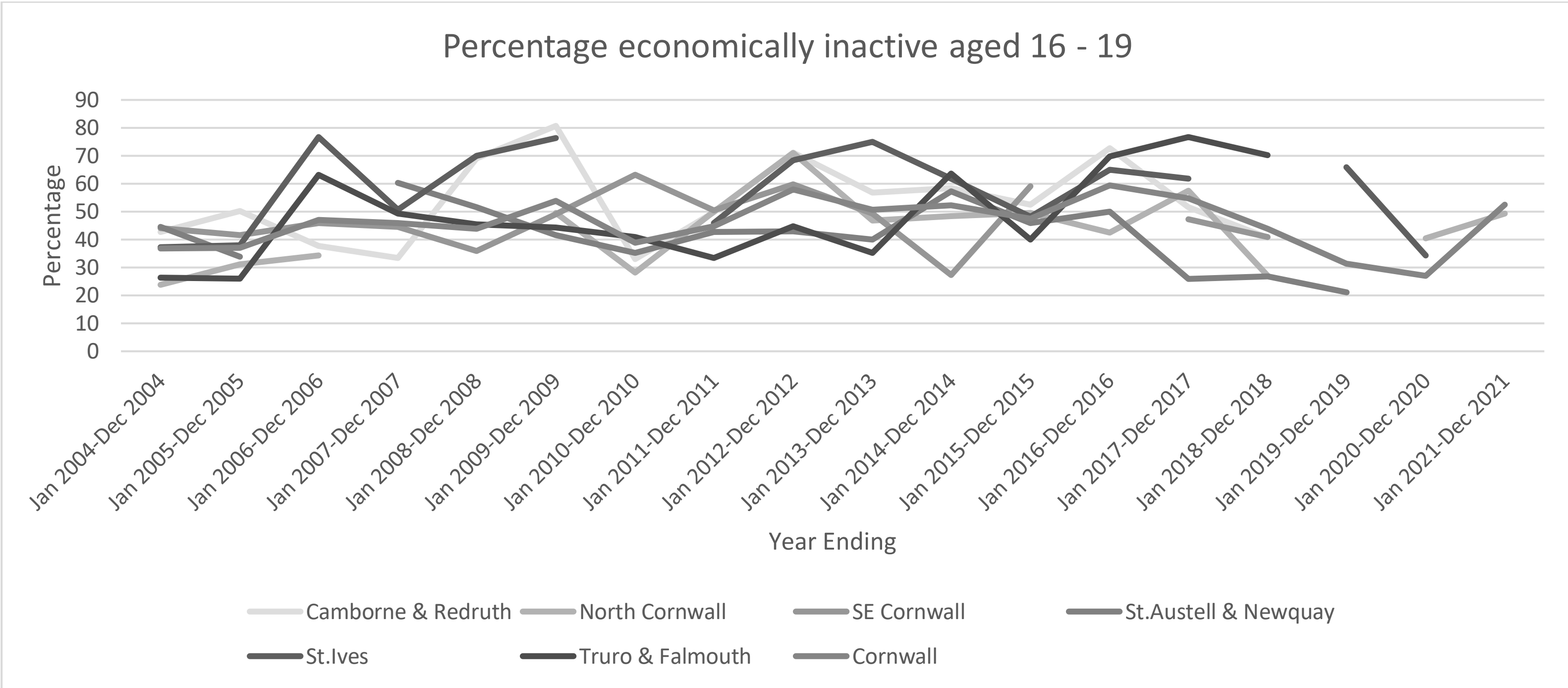

Figure 30 - Source: Annual Population Survey

5. Cornwall's economic inactivity level amongst the 16 to 19 age group hovered between 40 and 50% for much of the period between 2004 and 2010 before picking up in the 2010s and then declining (before the pandemic) to 2020 after which there was a sharp improvement. Again (and now focused on this age group) Camborne and Redruth have had historically high levels of inactivity.

6. Economic activity rates for those aged 20 to 24 are illustrated in **Figure 31** (below). Again, the data should be treated with caution as at times a '100%' activity rate is indicated, and a long-term view should be taken. For Cornwall as a whole over the period 2004-21 average economic activity for this age group was 79% but in the last three years this had increased to 81%. Three times in the period 2017-21 activity rates have nominally hit '100%' in Camborne/Redruth but (in fact) over the whole period performance is like that of Cornwall. South East Cornwall has fluctuated considerably over the period but apart from outliers has had significant economic activity in this age group, which is similarly the case for St Austell and Newquay. St Ives has just edged the Cornwall average over the whole period while (perhaps surprisingly) Truro and Falmouth's fluctuations hide a history of participation at around 68%.

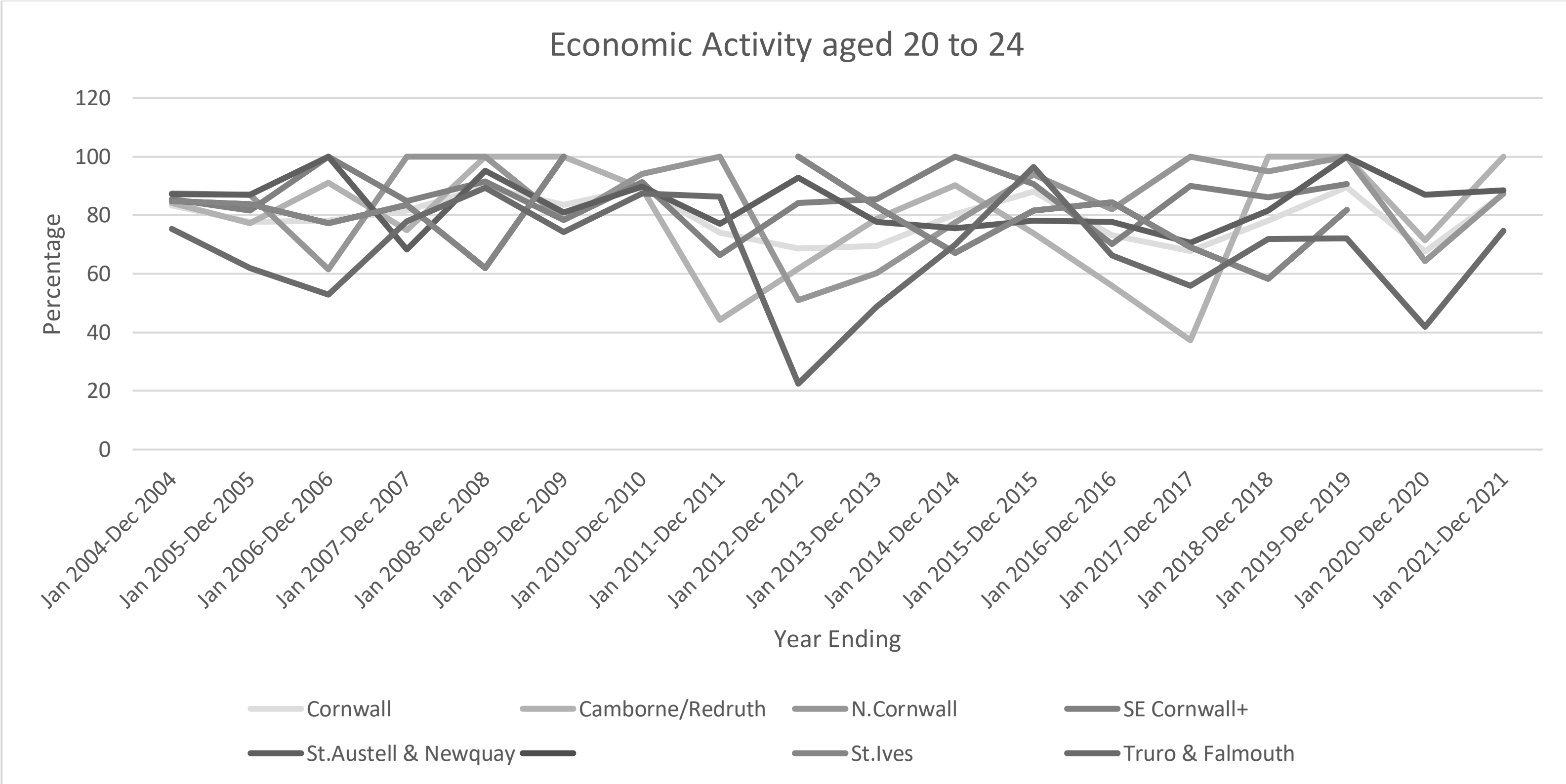

Figure 31 - Source: Annual Population Survey

7. *The reasons for these differences are likely to include greater activity of younger people in 'tourist' related activity in St Austell & Newquay and St Ives; while high participation in Camborne and Redruth is linked to concentration and potentially type of jobs. Similarly, Truro and Falmouth are likely to have higher grade roles which this age group (due to experience) are less likely to be accessing and (of course) economic activity will be compromised by numbers in education. However, some sectors (such as 'Retail') are likely to have more younger people working in them.*

8. Economic inactivity amongst this age group has averaged around 20% in Cornwall across the whole of the 2004-21 period. Sample data is patchier and not a simple case of assuming a deduction from the economic activity figures. Economic inactivity in the 20 to 24 age group (across this whole period) is concentrated in the 'thickest' labour markets: i.e. Camborne & Redruth (39%) and Truro & Falmouth (41%). The figures fluctuate considerably over the period.

9. Economic inactivity is more of a challenge for younger age groups. Over the whole period (for all those of 'working' age: 16 to 64) the average inactivity level in Camborne/Redruth by contrast was 25%, whereas for Truro and Falmouth the figure was 24%. *This suggests some disadvantage*

*for those aged 20 to 24 in these constituency/local labour markets but in the last three years, while the figure for Truro and Falmouth has held more or less firm at 24%, the figure for Camborne/Redruth suggests a fall to an average of 16%. This again suggests something around the quality of jobs available in the respective constituencies and the subsequent access to them by younger age groups. Median economic inactivity over the 2004-21 period in the 16 to 64 age group is summarised in **Figure 32** (below):*

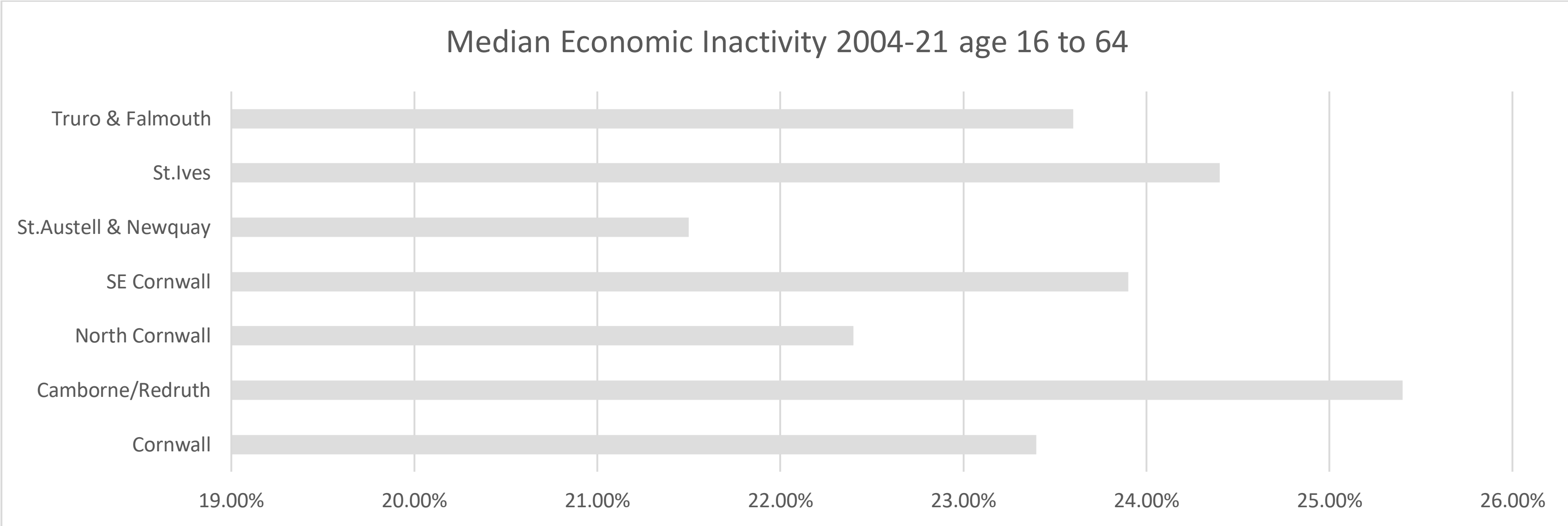

Figure 32 - Source: Annual Population Survey

10. *Overall (albeit over a long period) this is suggesting that for people of 'working age' economic inactivity is highest in Camborne and Redruth (this may be to do with ill health of people linked to former mining and engineering industries) and St Ives where seasonality and a general lack of employment opportunity will have a part to play. There is some correlation or proportionality between economic activity in the 20 to 24 age group in Camborne Redruth in relation to all of 'working age' who are economically inactive.* Data for the last three full available years (2019-21) is illustrated in **Figure 33** (below):

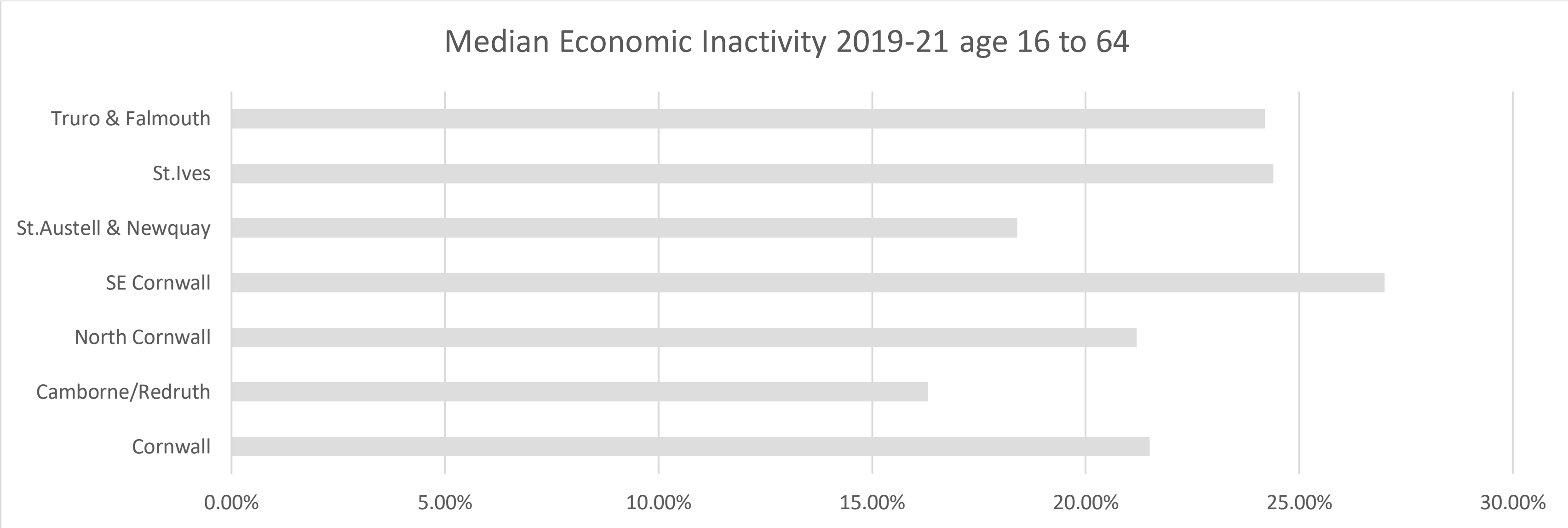

Figure 33 - Source: Annual Population Survey

11. This shows a more even picture across Cornwall than over the longer period with South East Cornwall the focus for economic inactivity amongst those aged 16 to 64. *It must be remembered that this is a dispersed rural area with several small towns with rural/ geographical distance between them and weaker public transport infrastructure compared with further west in Cornwall. Further, South East Cornwall has experienced relocation of business issues across the Tamar for cost and logistical reasons in recent years (e.g. National Blood Service, Land Rover). It appears, then, that this disadvantage of younger workers is becoming more embedded in certain constituencies in comparison with the longer term, historic, data.*

12. While the data availability for reasons to be economically inactive is patchy, there are a couple of conclusions to be drawn from looking at the intelligence from the Annual Population Survey over the last three years:

    - Just under one third of all of those who are economically inactive in the 16-64 age group are because they are ‘students’. The bulk of these are likely to be in younger age groups.
    - A similar number were ‘long term sick’ over the period. Long term sickness across the whole of the ‘working age’ group is consistently focused on the St Ives Constituency (median 29% over the period) and South East Cornwall (32%).

13. Employment by age

1. **Figure 34** shows the change in employment rates by age for the years ending 2011 and 2021:

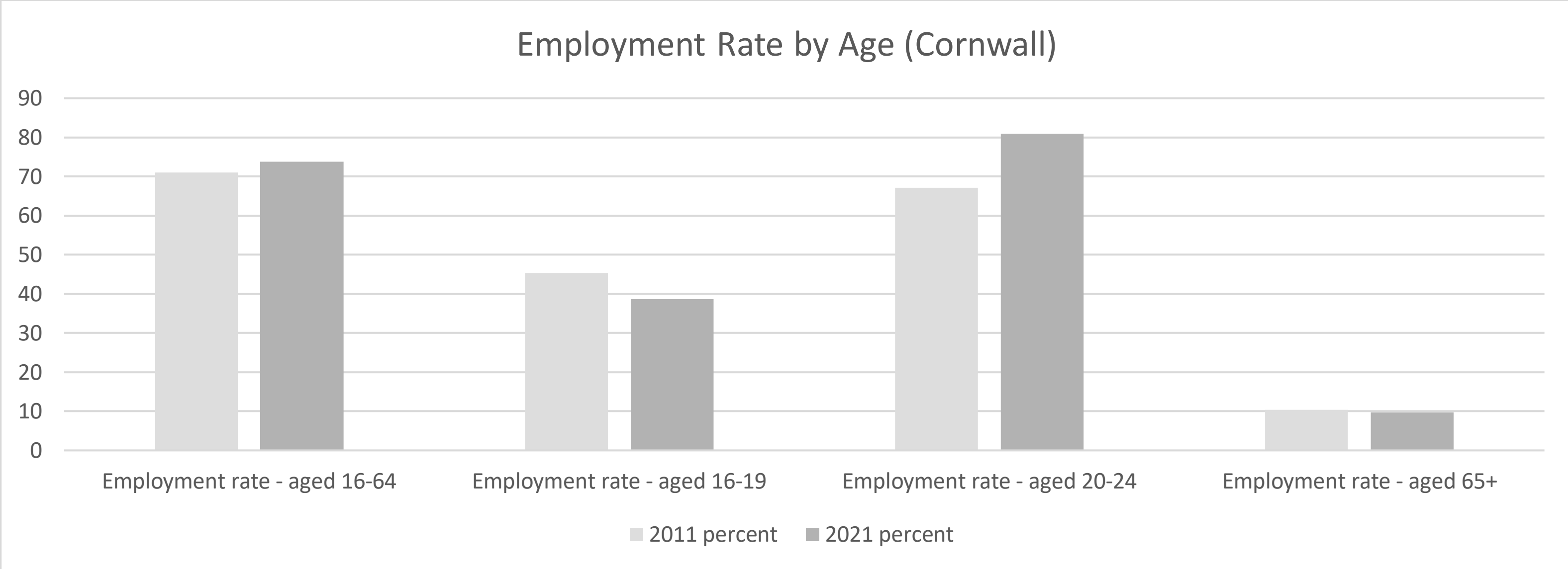

Figure 34 - Source: Annual Population Survey

2. Over the last decade of the survey the employment rate for all those of 'working age' (16 to 64 years) increased slightly by just under 3% while the rate for those aged 16 to 19 fell by almost 7%, in part likely linked to training and FE opportunities being expanded. The employment rate for those aged 20 to 24 significantly expanded by almost 14th while that for people aged over 65 was static which is counter intuitive to the belief that older workers have returned to the labour market as self-employed, or continuing for longer.

3. In 2021 those aged 16 to 24 in the workforce (estimated to be around 37,600 employed in Cornwall) made up 15.6% of the whole workforce. This had increased from 12.7% in 2011 with of course the focus being on those aged 20 to 24.

4. For Parliamentary Constituencies some of the comparative data between 2011 and 2021 is either suppressed (the 16 to 19 employment rate) or unreliable. Some of the data for the 20 to 24 age group fluctuates considerably between the two dates but suggests relatively high levels of employment for this age group of between 76 and 84% in most constituencies except for Truro and Falmouth (66%).

13. Qualifications

1. Driving access to the labour market and types of jobs will be the level of qualifications of the workforce. **Figure 35** (below) illustrates the comparative growth in the percentage of those with degrees between all of those of 'working age' and those aged 20 to 24 between the year ending 2011 and that of 2021:

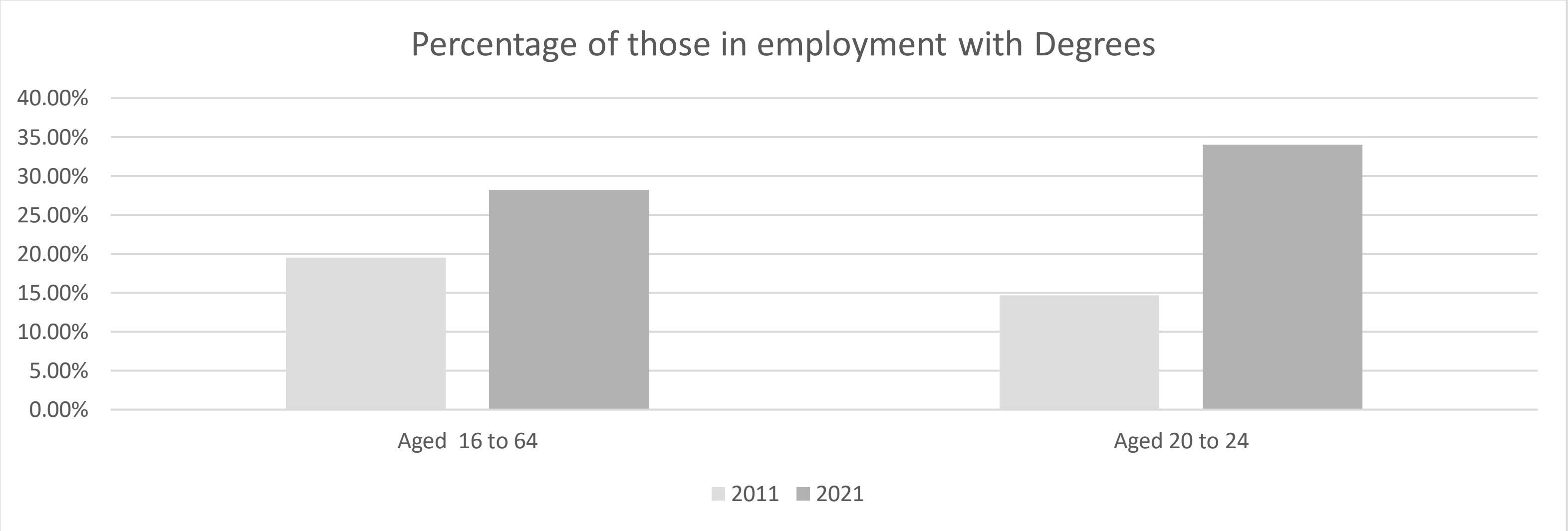

Figure 35 - Source: Annual Population Survey

2. Clearly this growth has been more significant among those aged 20 to 24 where 34% of this age group now have at least a first degree so this will cumulatively impact on the workforce as it ages. The issue is whether there is a corresponding impact on the productivity of sectors (represented in part by the roles and occupations within them) as time progresses. The number of those with at least a first degree (more likely for the 20 to 24 age group) has increased by almost twenty points in the ten-year period but we cannot understand this sector or occupation impact until the relevant 2021 census data is released.

3. Much of the data for those with a higher education below degree level is suppressed for both 2011 and 2021. In 2011 5.8% of those in the 'working age' (16 to 64) age group were qualified to degree level. Across this age group the numbers have slowly increased from 2004 to 2021 (from 7.1 to 8.7%) of those with higher education below degree level with (interestingly) South East Cornwall, Camborne/Redruth and Truro & Falmouth being the three constituencies which in 2021 were below the median level (6.9, 7.4 and 8.1% respectively).

4. Again, these are all areas either with FE/HE capacity or access to larger labour markets. Their situation appears to have generally worsened when compared to the base of 2004 and *is suggestive of higher education across the workforce not being matched against occupational structure: i.e. a broad indicator of underemployment.*

14. 'Under employment'

1. Cornwall Community Foundation in its 2022 'Vital Signs' report placed 'under employment' (the mismatch between qualifications and occupation) in context:
    - A median of 40.5% of workers in the South East and North Cornwall constituencies earnt less than the living wage. *Remember, in 2021 SE Cornwall had the lowest rate of people of working age with higher level qualifications but the greatest expansion and highest level of people with degree qualifications between 2011 and 2021 (up around fifteen points to over 81%). SE Cornwall is further badly hit with its latest median wage being one third lower than the UK average. This suggests that despite degree level qualifications these are not always commensurate with higher level skills.*
    - Cornwall wages are consistently 20%+ less than the UK average. *Lower wages and salaries are going to impact on those either with no or lower qualifications and/or those at the start of their career.*
    - Low pay is associated with in work poverty, replacing unemployment as one of the major drivers of poverty. *This is not necessarily an indicator of under employment.*
    - Around one fifth of the Cornwall working population are self-employed. *The issues here include one of access to markets, consistency of employment and product innovation to secure market share. APS suggests that the average figure for self-employment in the Cornwall workforce between 2004 and 21 was 22% (compared to 14% for England).*

2. Continuing the theme of employment and qualifications, **Figure 36** (below) gives the picture for Cornwall from the APS for the years ending 2011 and 2021 in terms of those with 'A' Levels or equivalent, whether employed or not:

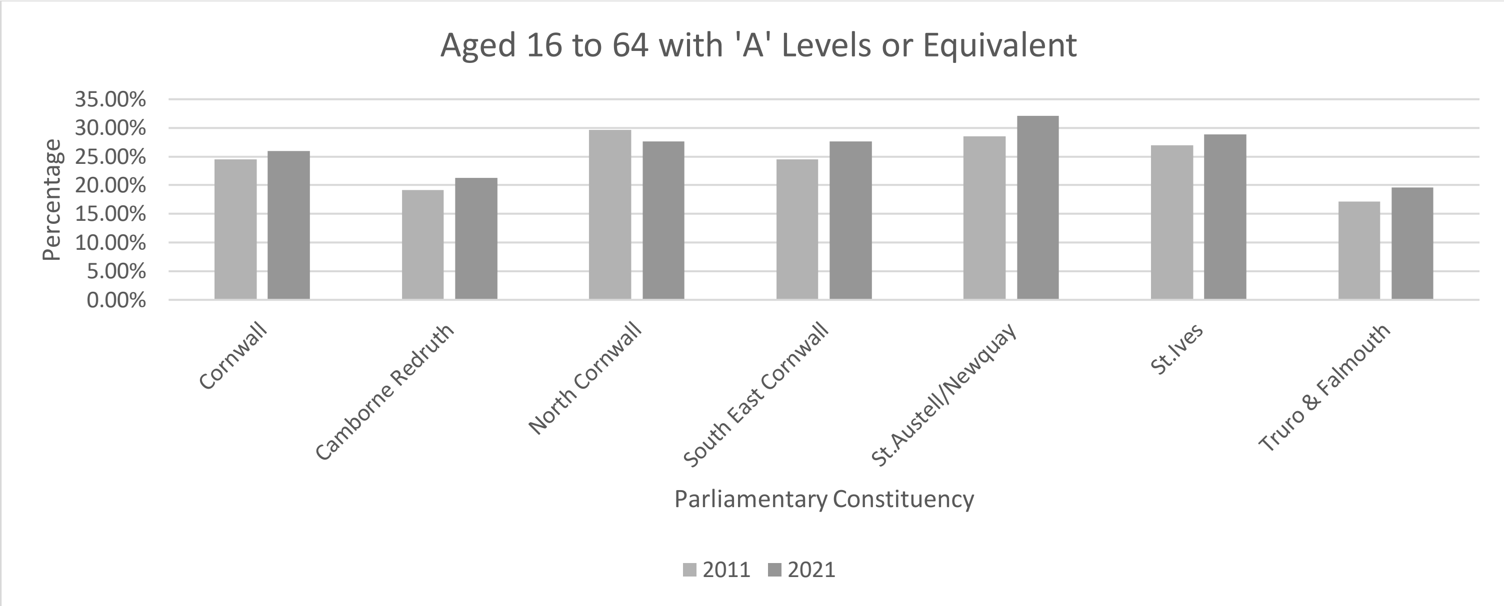

Figure 36 - Source: Annual Population Survey

3. It suggests that for those of ‘working age’ there was a slight rise in the number of people in employment with ‘A’ levels or equivalent in Cornwall between 2011 and 2021 (1.5 points). In constituency terms, only North Cornwall fell (by two points) while at the other end of the scale St Austell and Newquay increased by 3.6 points.

4. Some geographic variance by age group is suppressed. Unsurprisingly only some of the 16 to 19 age group would have ‘A’ levels but nonetheless the available data for 2011 is ‘high’ by comparison (with two constituencies suppressed the median figure for Cornwall was 28.5%). Truro and Falmouth was as high as 35.6% and thus may be an indication of students who are employed either before or after their studies (fill or part time).

5. For 2021, the indicative figure for Cornwall falls to 14.9% and the only comparable constituency available is South East Cornwall where the figure increases from 23.1% to 39.9% between 2011 and 2021. This suggests some considerable indicative falls in other constituencies, most likely (by deduction) North Cornwall.

6. Deduction is based on looking at the available data for those aged 20 to 24, who are also more likely to have ‘A’ levels or equivalence. For Cornwall there was a fall from 47.9% to 43.2% over the period and North Cornwall fell 14 points to 48.7% in 2021. Like the 16 to 19 age group, South East Cornwall indicated a significant rise from 32.1% to 56.8% and St Austell and Newquay also indicated a small rise of 5.5 points to 56.7%.

7. **Figure 37** indicates the change of people who are employed aged 16 to 64 (‘working age’) between the year ending 2011 and 2021 with at least ‘grade C’ at GCSE, again whether employed or not:

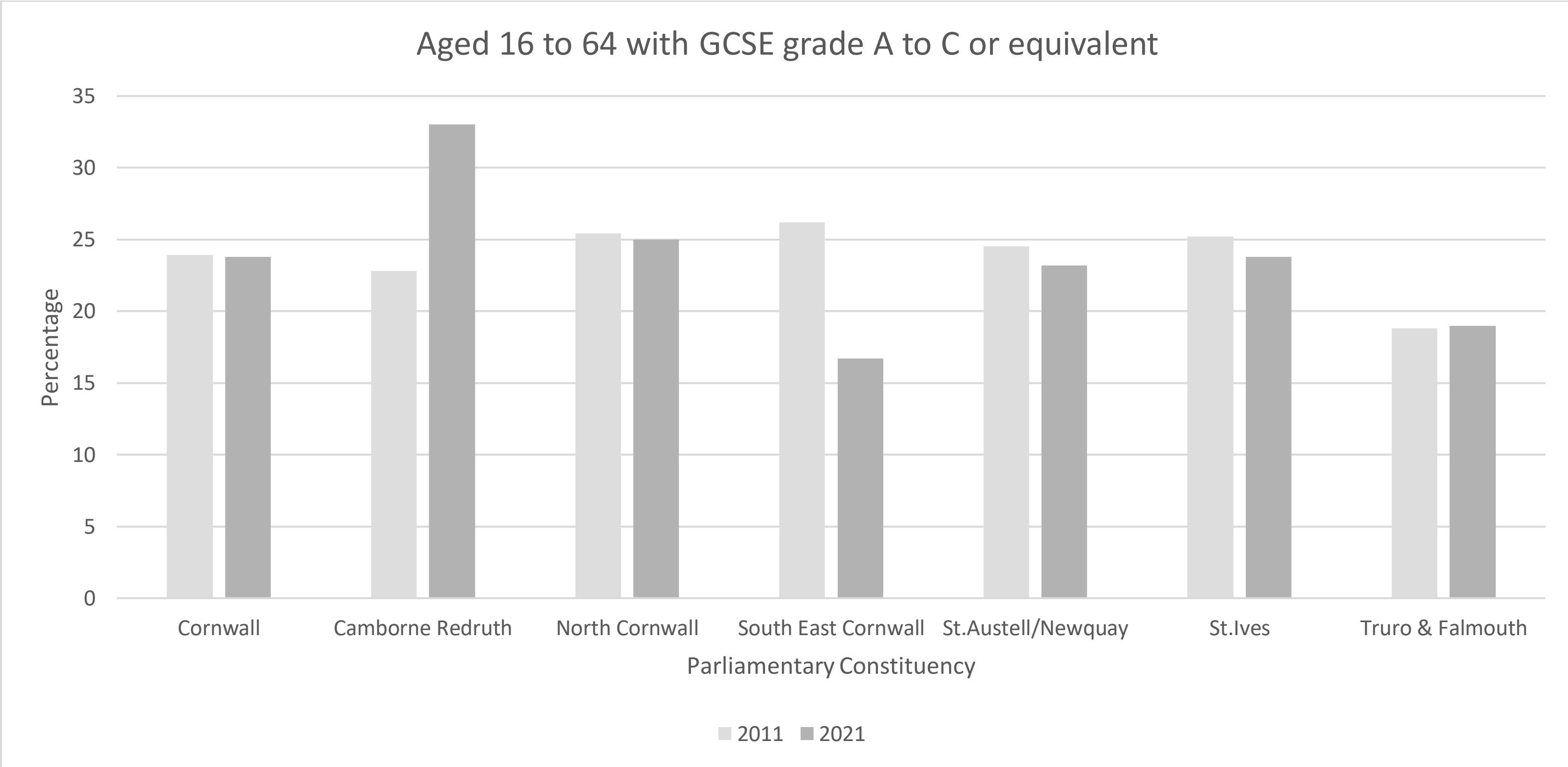

Figure 37 - Source: Annual Population Survey

8. The data indicates very little change for Cornwall over the period (a very slight increase of 0.1 points) which is reflected in the data for the constituencies of North Cornwall (slight fall of 0.4 points), St Austell & Newquay (fall of 1.3 points), St Ives (fall of 1.4 points) and Truro/Falmouth (a slight increase of 0.2 points). Camborne and Redruth saw significant improvement of over ten points in the period, while South East Cornwall saw a similar fall.

9. **There is little or no age specific breakdown for either 2011 or 2021 with the exception for the 20 to 24 age group where the indication is that 10.4% of the sample had GCSEs at this level.**

10. **Figure 38** indicates the change in data for those with 'other qualifications' for the working age group. The data for the St Ives Constituency was suppressed in 2021 so had been deduced/calculated using the other data available. The figure for Cornwall fell by 3.6 points between 2011 and 2021, with falls common across all the Parliamentary Constituencies, with the exception of South East Cornwall where there was an indicative increase in the percentage of people of working age with 'other qualifications' from 8.6% in 2011 to 9.9% in 2021. The most significant falls were in the more rural constituencies of North Cornwall (minus 7.7 points) and the deduced St Ives (almost minus 8 points). Truro and Falmouth were in the middle with a fall of six points. *Overall, this could be indicative of a move toward more formal qualifications.*

11. **Specific age group data is suppressed except for those aged 20 to 24 where there was a fall of three points over the period from 8.9% to 5.9%. All data for the 16 to 64 age group is illustrated in Figure 38 (below):**

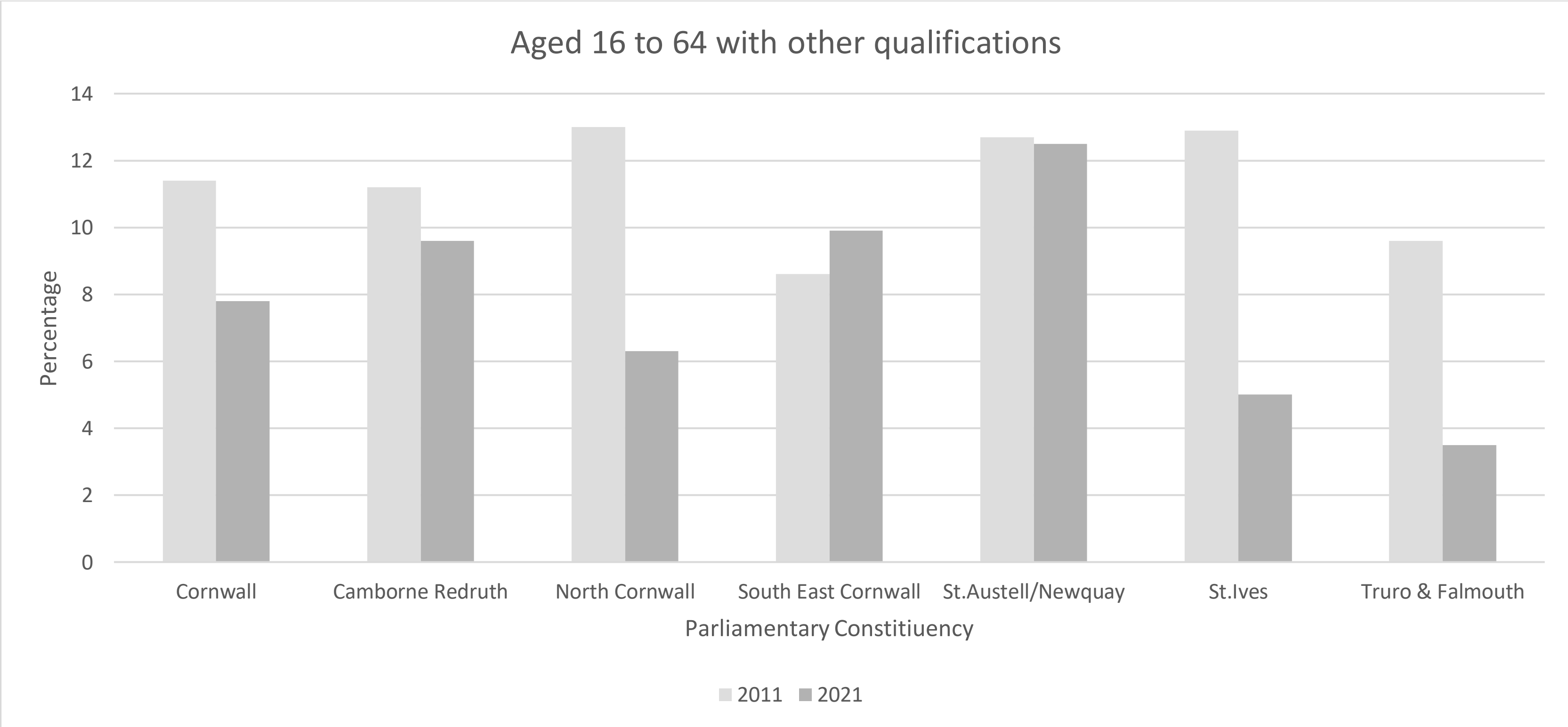

Figure 38 - Source: Annual Population Survey

12. For those with no qualifications in the 'working age' group there were indicative falls in all Parliamentary Constituencies as **Figure 39** illustrates:

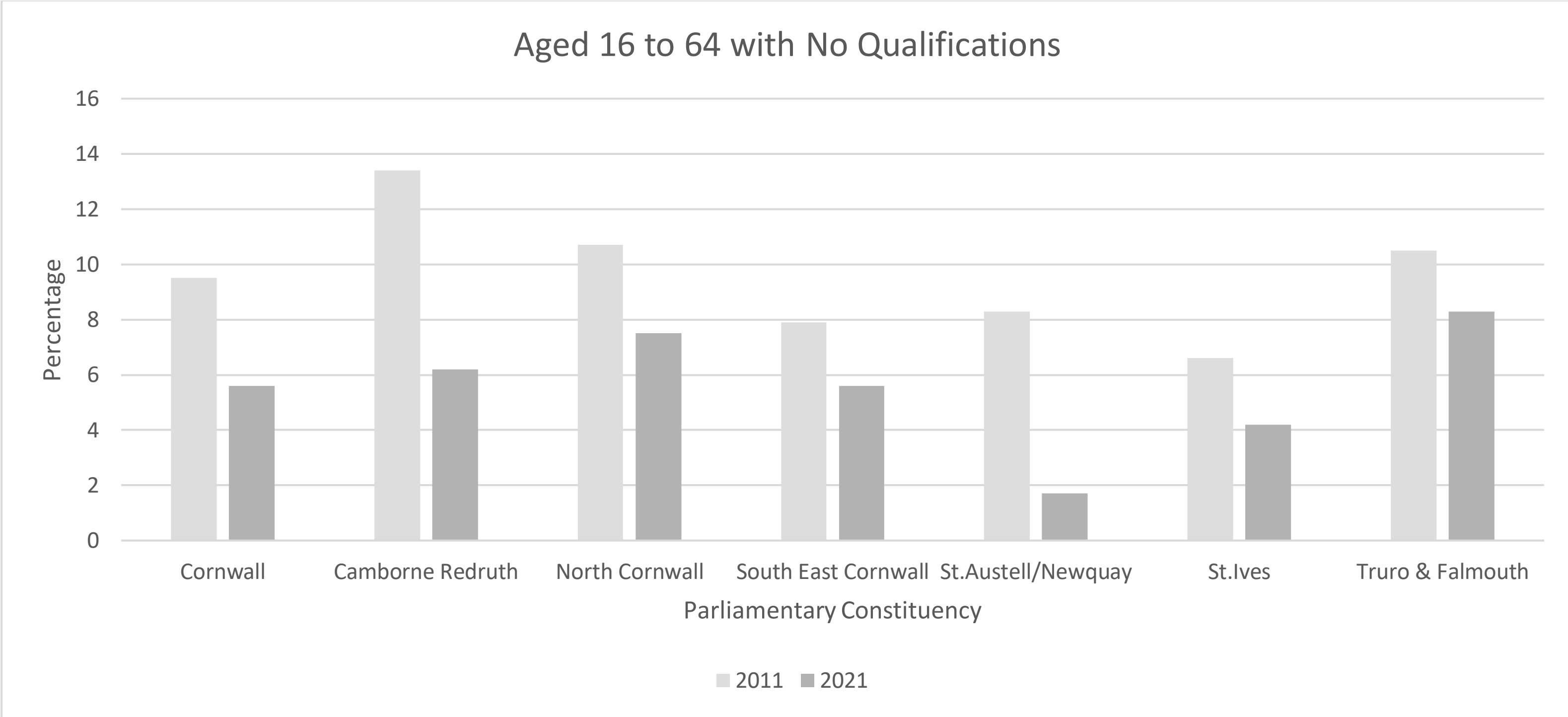

Figure 39 - Source: Annual Population Survey

13. While the overall Cornwall fall of those with no qualifications in the 'working age group' was almost four points there were more significant falls in Camborne/Redruth (over seven points) and St Austell/Newquay (over six points). However, the fall in Truro and Falmouth was only just over two points and the constituency remains one where there is an apparent greater concentration of people without qualifications (third highest in 2011).

14. Again, data suppression is an issue but over the longest period of time where data is available (2004 to 2021) there was an average 12.7% of the 'working age' group who had no qualifications, falling to 11.8% over the period 2011 to 2021. *So there is progressive improvement over time.*

15. For the 16 to 19 age group (where there is some data available amongst the suppressions), where that data is available the average is given across the whole period from 2004 to 2021 in **Figure 40** (below) for each Cornish Parliamentary Constituency:

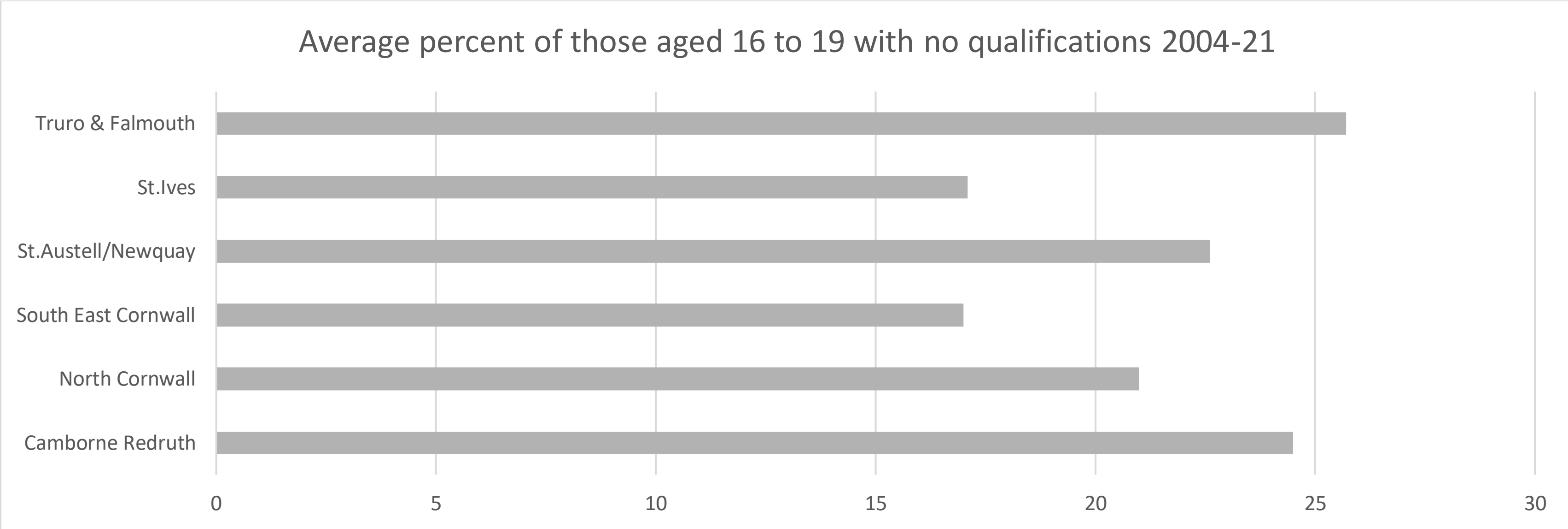

Figure 40 - Source: Annual Population Survey

16. The only (outlier) data for this age group for the year ending 2021 was in the Truro and Falmouth Constituency where the indication was that there was over 53% in this age group with no qualifications. Without this apparent outlier a Cornwall average of almost 26% in the period falls to just over 20% but this would still be higher than St Ives and South East Cornwall, and competitive with North Cornwall.

17. Age related data for those who are in employment at different levels of skill is also available but suppression is likely to be a more significant issue in terms of employed data. Skills are an issue for all those of working age except for those who are long-term sick or have voluntarily retired early. For younger age groups, participation in the labour market is more likely.

16. Occupation by geography

1. Level and distribution of qualifications will impact on access to occupations, as will the ability to be able to reach that opportunity either through transport availability and/or digital connectivity. Correlation is difficult to establish in the sense that people with different levels of qualifications may either be 'under employed' (for example unable to obtain promotion because they do not have certificated skills or competence); or they cannot progress their career because of a lack of commensurate employers who require their skills in Cornwall, or (as is the case with lower qualification levels) unable to obtain sustainable/employment. **Figure 41** (below) summarises occupation data for the whole of Cornwall for the year ending 2021, and uses a dataset that gives a finer occupational breakdown than the data that was available for paragraph 33:

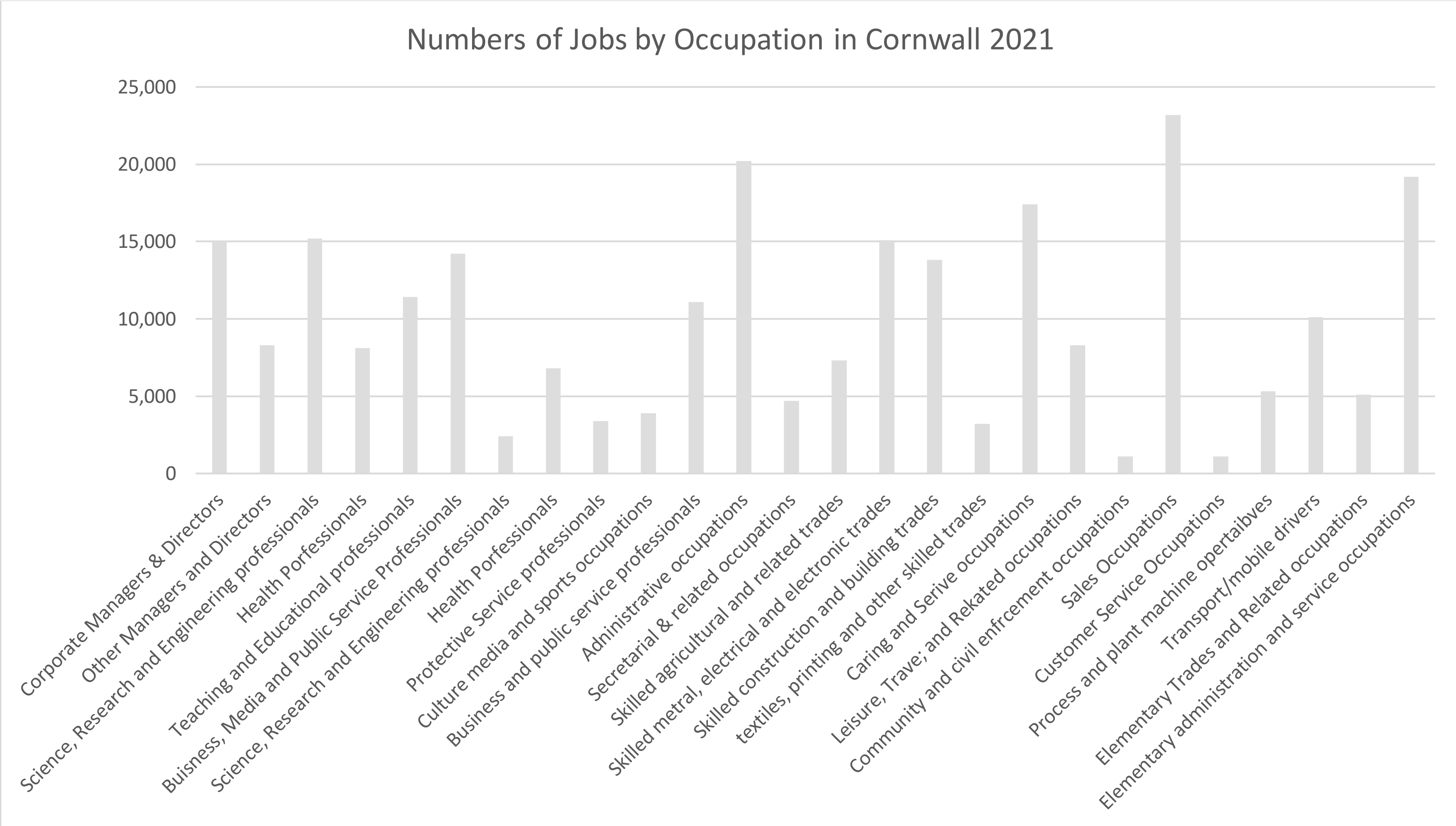

Figure 41 - Source: Annual Population Survey

2. Whole numbers (rather than percentages) illustrate a better distinction between the various occupation levels. There is a clear bias toward associate and lower-level occupations although (generally) it could be argued that one would expect that as these roles will be more numerous. Key observations:
    - 15,000 ‘Corporate Managers and Directors’ will include self employed and micro businesses where – of course – there is no ‘progression’ and roles in Farming.
    - ‘Other Managers and Directors’ (8,300) will include a number of those in the Public Sector where some progression is possible but where these professional roles will have more significance in a region like Cornwall where commensurate roles in the private sector are likely to be less prevalent. Public sector progression within a given area like Cornwall is only likely to apply to a minority.
    - The ‘productivity challenge’ that Cornwall has is illustrated in the relatively small number of ‘Science, Research and Engineering’ professionals (2,400).
    - Administrative and Sales occupations dominate the numbers: over 40,000 or around one fifth of all jobs in Cornwall.
    - Elementary administrative occupations are also significant and add another c20,000 or so jobs to this number.

3. Although some constituency data is suppressed the comparisons with each are below, starting with Camborne and Redruth. This shows a dominance of Caring/Personal Service occupations in a constituency with several hospitals and care homes of around 6,500 jobs (about 38% of the Cornwall total) and just over 5,000 ‘sales’ jobs (concentrated in the towns of Camborne, Redruth and Helston) which is around 22% of the Cornwall total. As a sub-regional centre for the Lizard peninsula, Helston (for example) has done well in retaining its number of retail jobs which many sales occupations will be associated with.

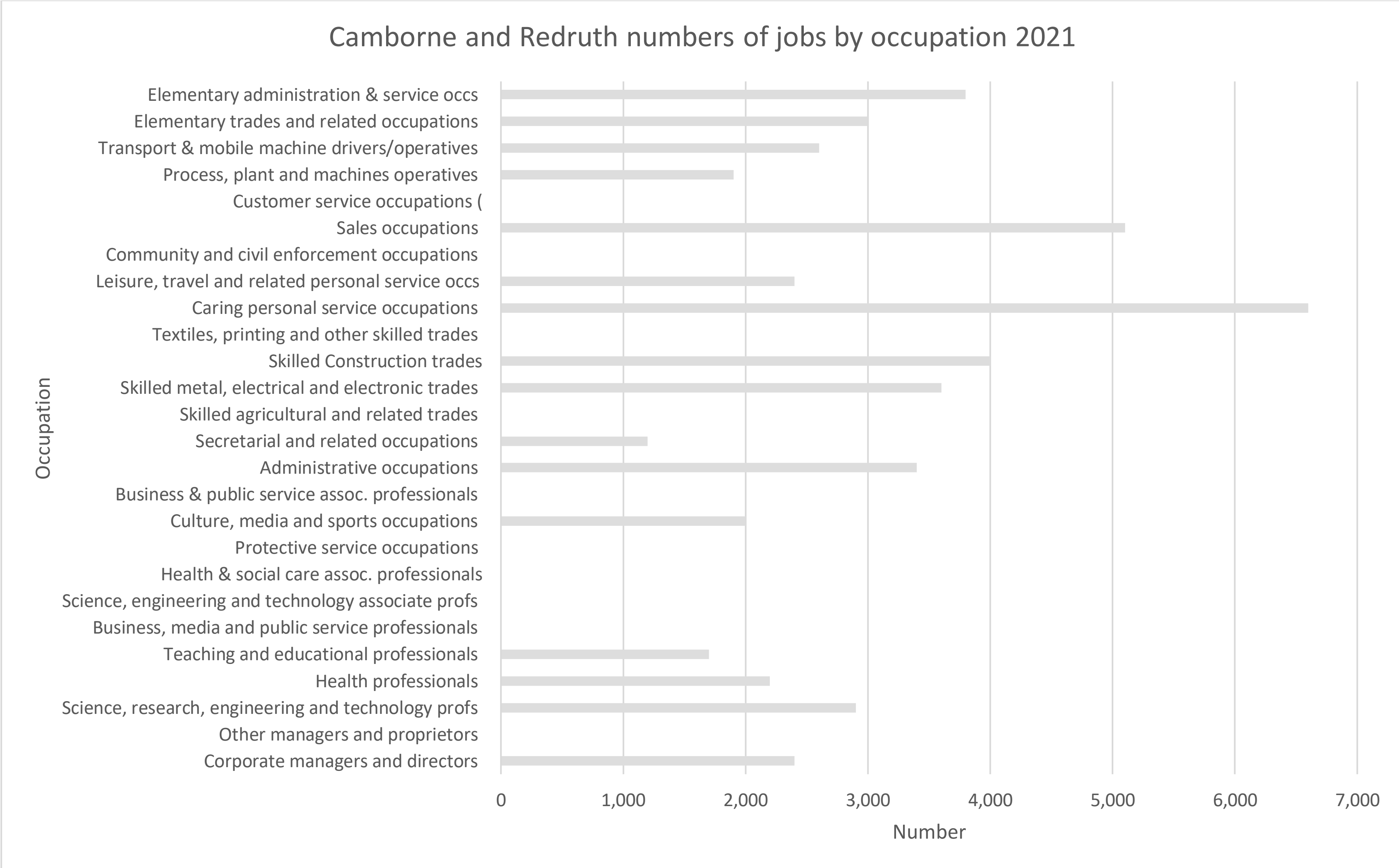

Figure 42 - Source: Annual Population Survey

4. The North Cornwall constituency (**below, Figure 43),** although a smaller proportion of the total number of Cornwall jobs at the time (around 36,000 or 15%), shows a clearer bias toward elementary and service occupations (around 42% of the total number of jobs in the area). Sales jobs may numerically dominate the total because of several larger towns with a retail capacity spread over a longer distance. Directors and managerial roles are likely linked to Agri-Food activity.

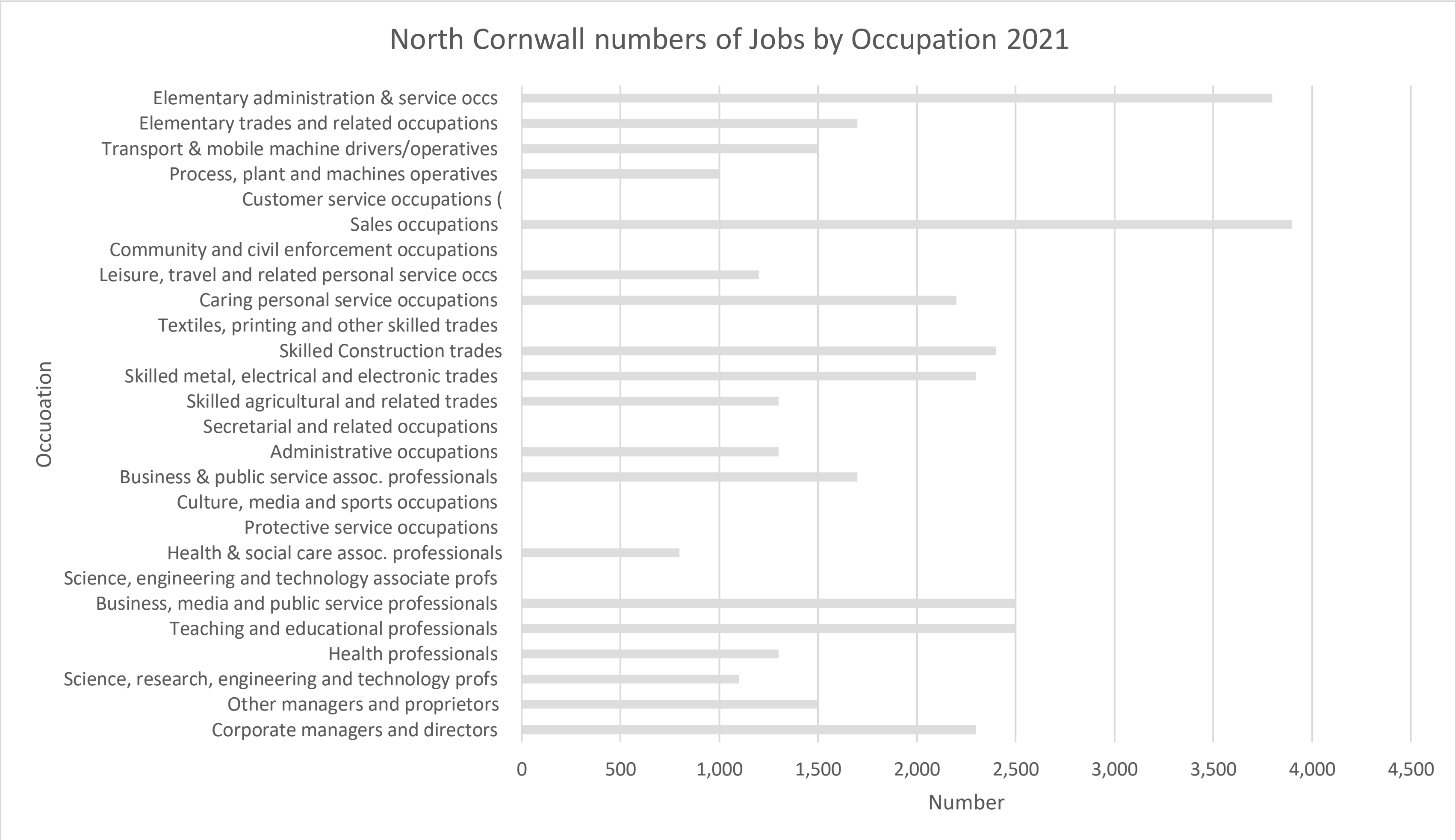

Figure 43 - Source: Annual Population Survey

5. There are more data gaps in the South East Cornwall constituency data illustrated in **Figure 44** (below). A lot of the elementary and service occupation data is suppressed. This may not mean that there is little in terms of those roles: one would expect transport/haulage firms in an area close to the Tamar bridge but (having said that) logistic issues may mean that such businesses have located away from the area. Business/media and Science/Technology professionals are a good indicator of relative occupational performance in the constituency area.

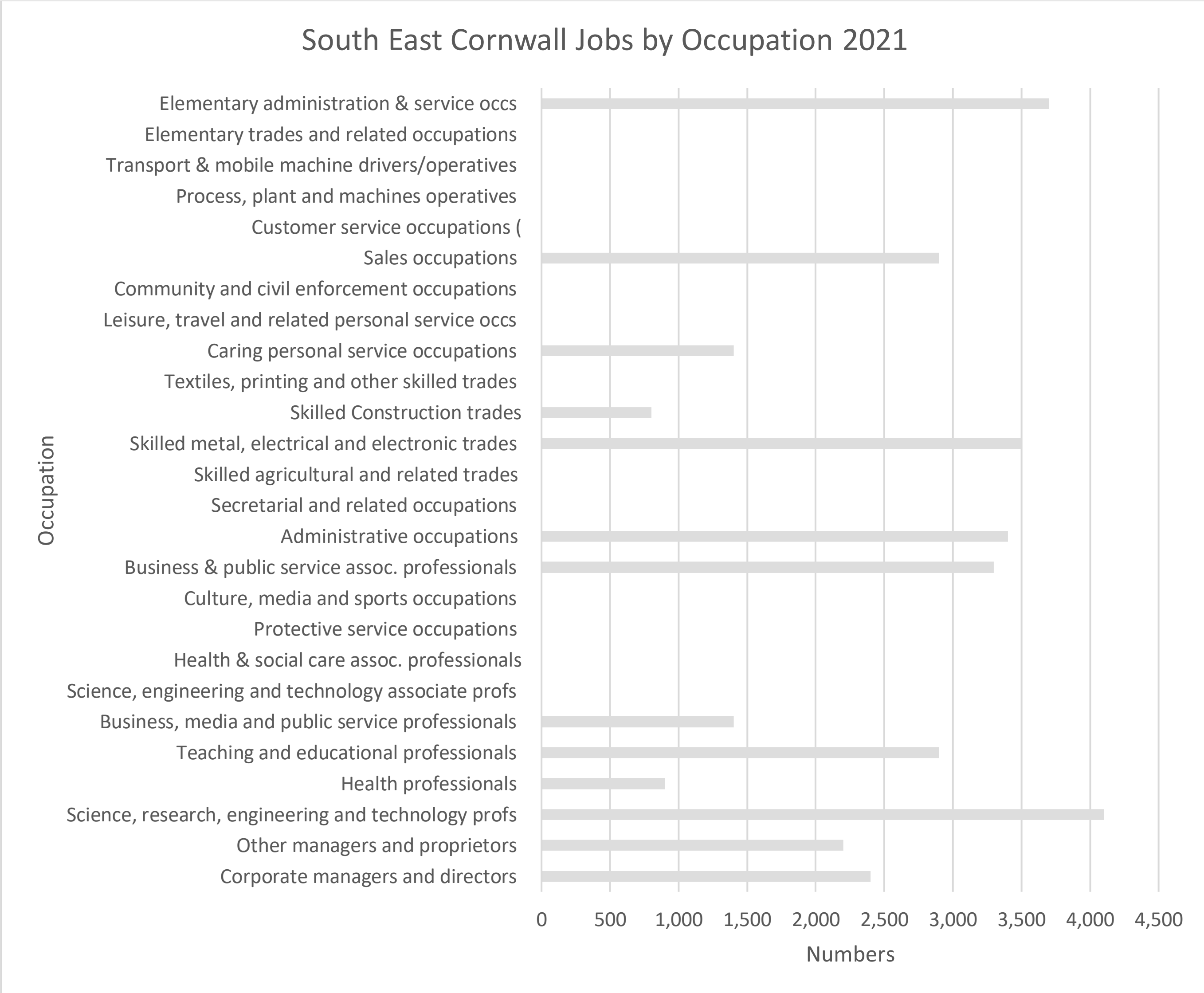

Figure 44 - Source: Annual Population Survey

6. There are also gaps in the St Austell and Newquay Constituency data (see **Figure 45,** below) which appears to suggest a slight bias toward 'mid ranking' occupations such as skilled and administrative roles.

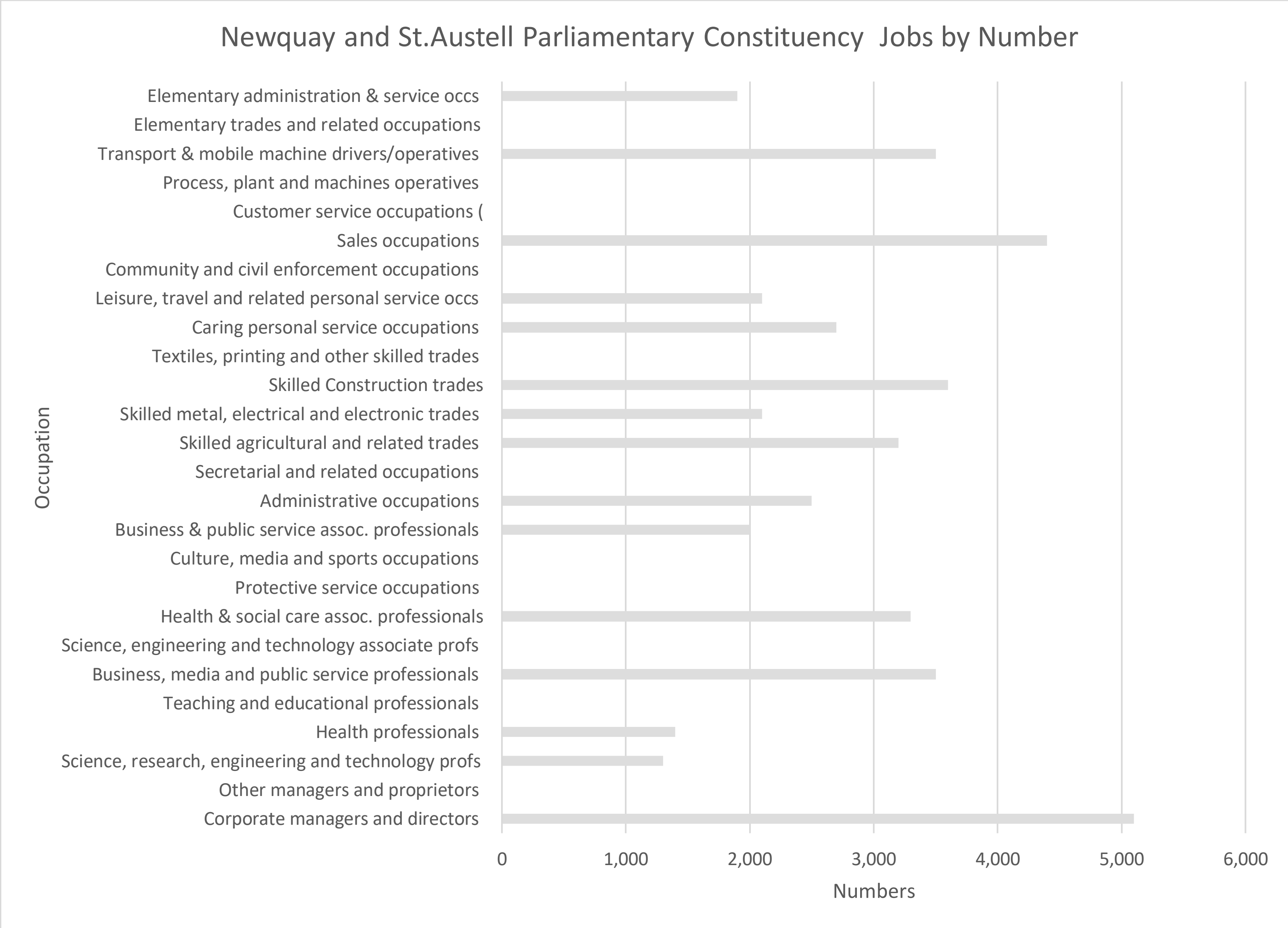

Figure 45 - Source: Annual Population Survey

7. For the St Ives Constituency the data is the most patchy of the six. Where there is data it is focused on Elementary, Service and Caring roles but there is also a business/media cluster and around 3,000 ‘managers/proprietors’, many of who could be related to the tourism industry and/or self-employment. St Ives is illustrated in **Figure 46** (below):

Figure 46 - Source: Annual Population Survey

8. Finally, for the Truro and Falmouth Parliamentary Constituency **(Figure 47 – below)** there is also data suppressions. From what can be accessed, most occupations focus on administrative roles (perhaps not surprising given the role of Truro) and 'sales'. While professional, managerial and director roles appear numerically small by comparison it should be remembered that the chart is dealing with whole numbers, not percentages.

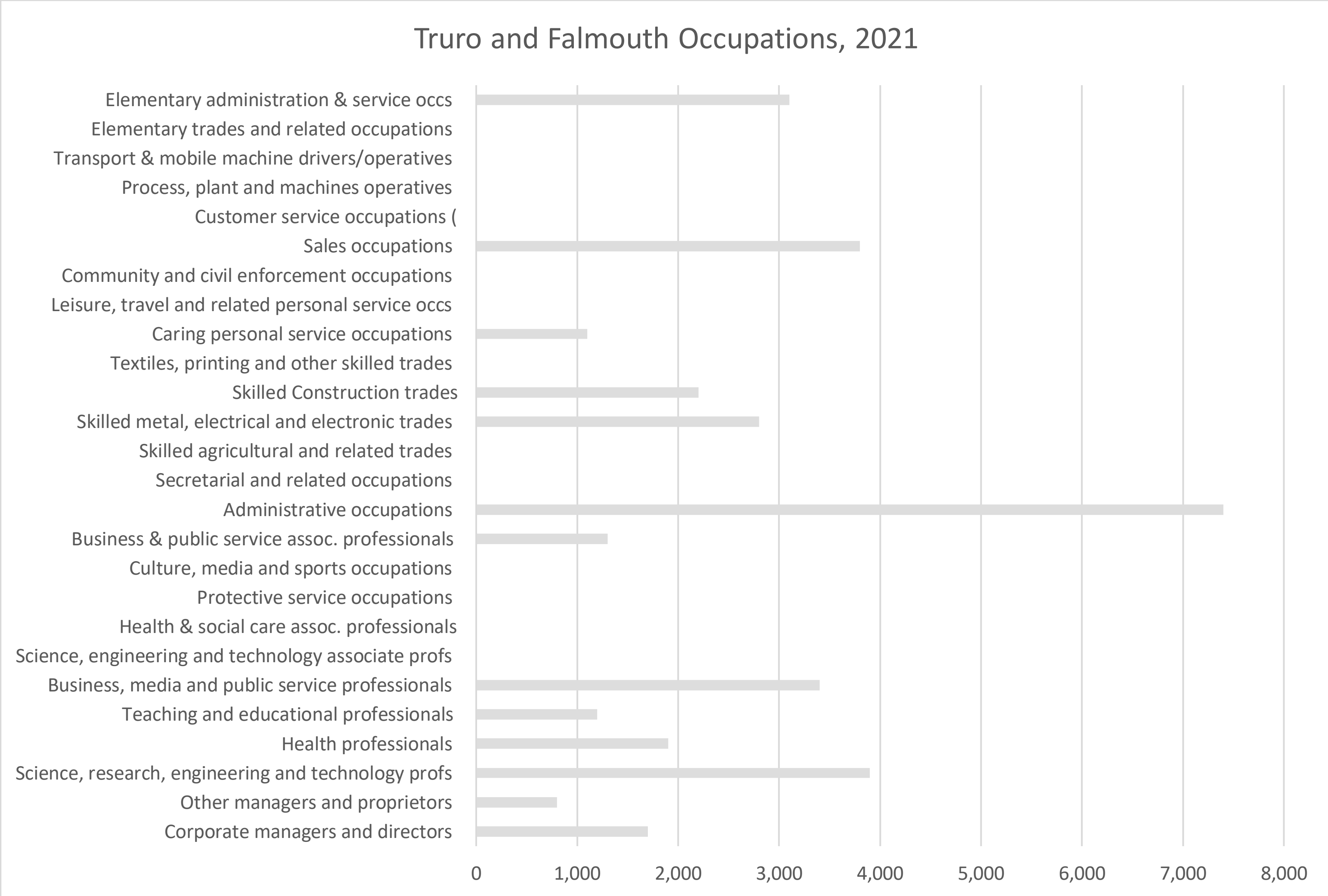

Figure 47 - Source: Annual Population Survey

9. **Figure 48** (below) starts to put all this sample data in context in terms of comparison with the 2021 Census of Population and relates back to chart 9 (percentages) but this time illustrates (as a comparative reminder) the number of jobs per main occupation group by whole number in Cornwall. Data is now available down to a Ward or output area so it is possible to see where there are concentrations of occupation types, although these may be influenced by commuting patterns, type of sector and number of micro businesses in any given area.

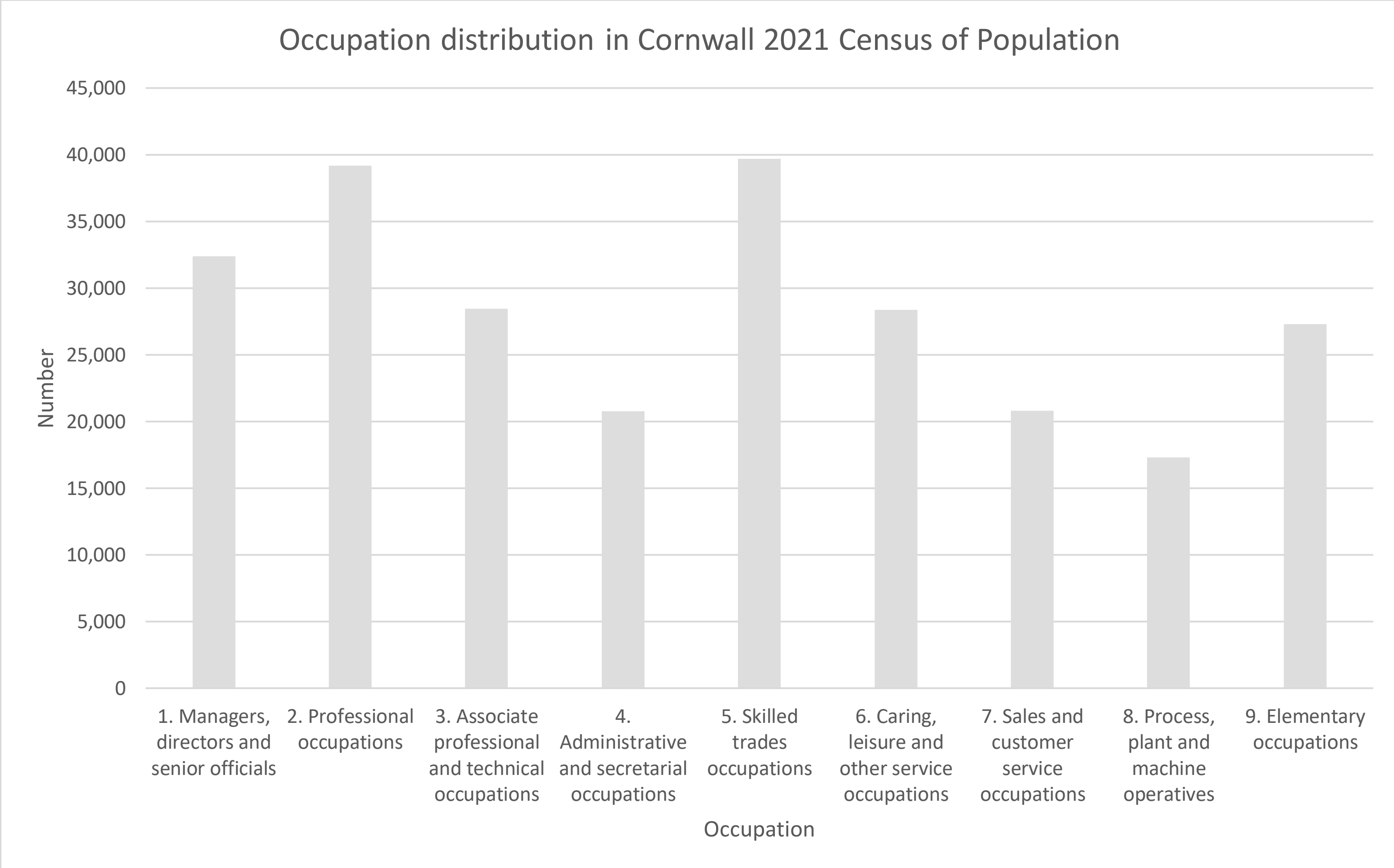

Figure 48 - Source: ONS/Census of Population

17. Job Vacancy Data

1. Another approach to examine the occupational structure of Cornwall is to look at job vacancy data. This gives an indication of the number and type of roles being advertised in a particular area, although there will be some roles that in fact will be operational in both Cornwall and other areas or just other areas but are looking to include recruitment from Cornwall. A second issue is one of 'churn': roles such as nursing or caring (for example) are unlikely to be new roles (some could be) but represent people leaving or moving from job to job. In addition, the increase in remote working could mean that a job is advertised on that basis and the person recruited happens to live somewhere in Cornwall (and rarely if ever leaves to work at a 'head office') and works for an inter/national company.

2. Official data (released by the Department of Work and Pensions) for below Government defined regional levels since before the DWP was formed in 2001. ONS will reference data from Adzuna (which is returned to later in this paper).

3. Research by Cornwall Council in July 2021 (sourcing the 'Burning Glass' database) looked at occupation vacancy rates across Cornwall (where there were more than fifty per 'job' type) which were at risk of automation. This is illustrated in **Figure 49** (below):

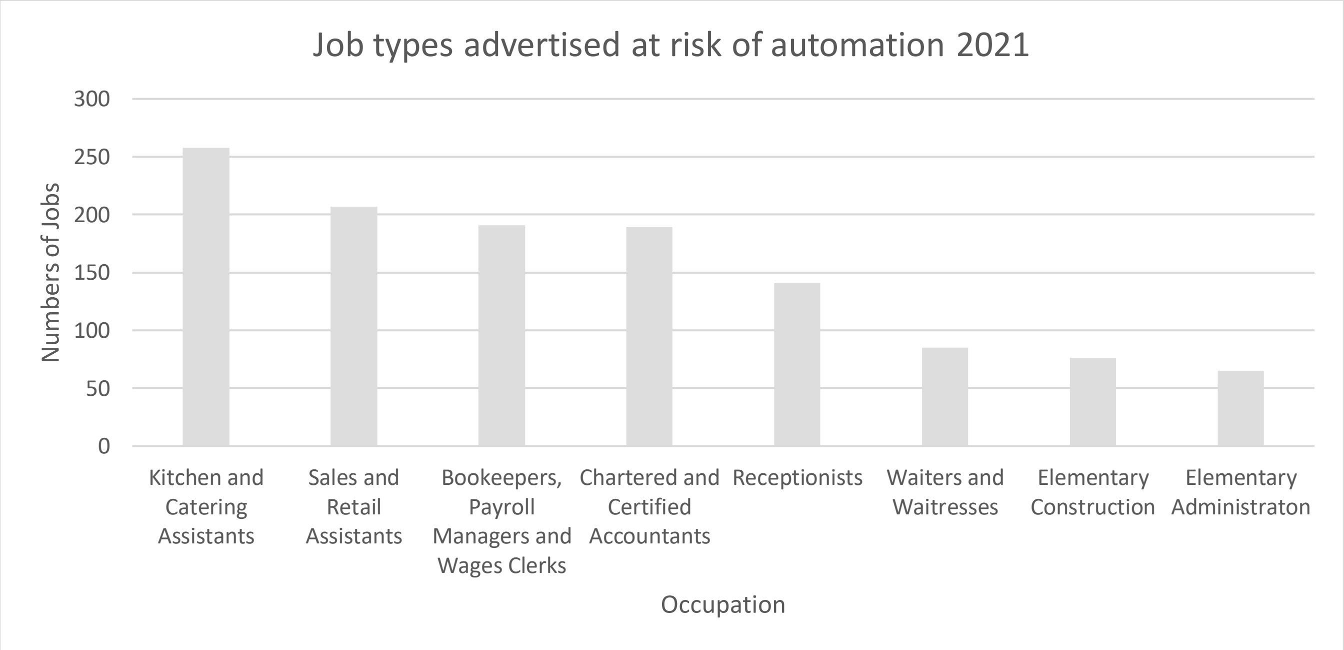

Figure 49 - Source: Burning Glass, as of July 2021

4. What is concerning is that of these 1,212 roles advertised 57% of them were linked to 'tourist' or service-related roles potentially in the holiday industry (kitchen & catering assistants, sales & retail assistants, waiters & waitresses and receptionists). Others were in semi-skilled roles which could be supported into a more sustainable career structure in areas such as construction and accountancy.

5. The implication over time is that in these illustrated areas (which are not comprehensive but represent 'major' impact areas) there would be less roles advertised as automation replaces them; but what is left requires a higher level of technical knowledge to engage with that automation.

6. While many of these occupations are typical for the Cornish economy they cannot be compared on a 'like for like' basis in terms of published occupation data through the Annual Population Survey (APS) a 'best match' approach suggests that in 2021 these vacancies would be part of around 104,000 jobs in Cornwall or 40% of the total which were at 'high risk' of automation. These go over and beyond 'elementary' roles in various sectors.

7. **Figure 50** (below) illustrates the changing number of total job vacancies over the last year (available) in Cornwall (cut and paste from the Adzuna website):

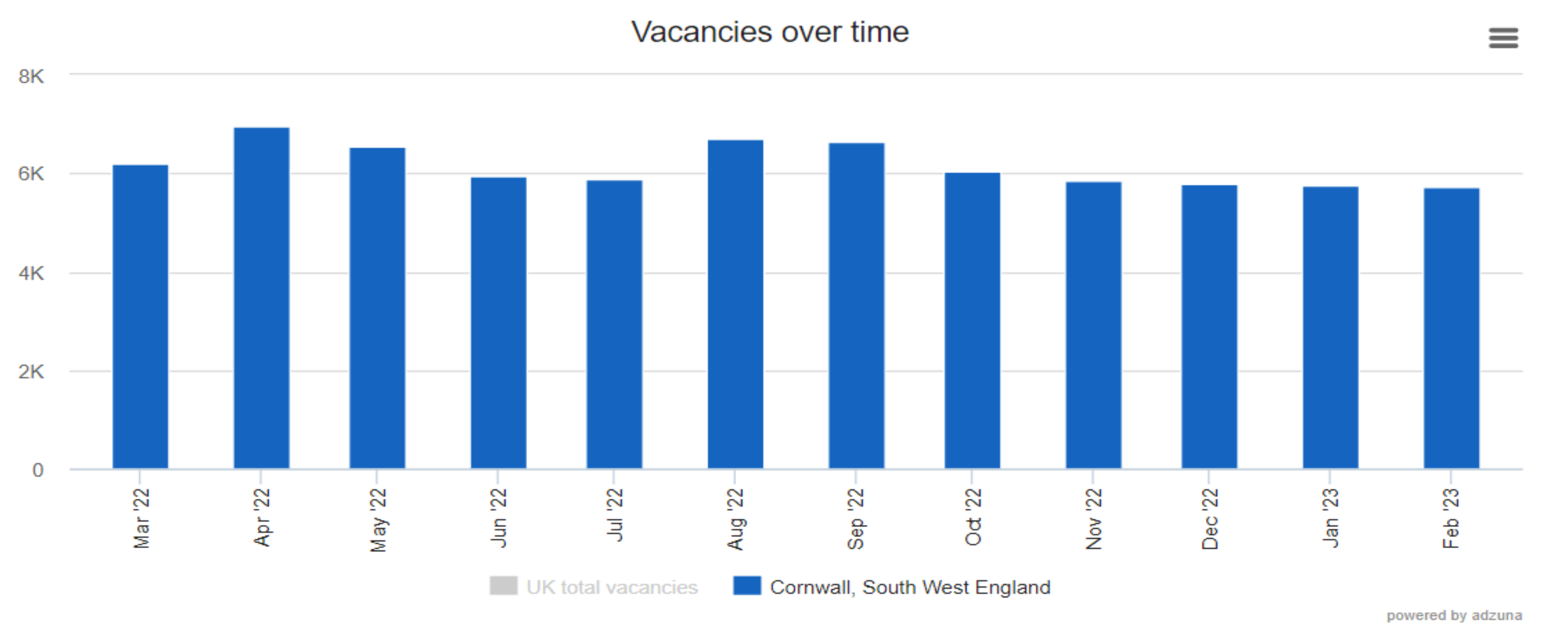

Figure 50 - Source: Adzuna

8. The trend is one of slight decline in the total number of vacancies in Cornwall from a peak of 6,960 during April 2022 (which is likely to include seasonal recruitment) to a low of 5,871 vacancies in July 2022, before rising again to 6,695 vacancies in August 2022 and then continuing to decline to February 2023 when the figure stood at 5,719 vacancies. Over the whole year this represented a decline of vacancy numbers of almost 8%.

9. The number of vacancies is important to enable churn in the labour market (which, of course, detracts from separation of new roles created as a purer economic indicator) and supply numbers to support economic activity growth associated with population growth. Not all of these vacancies will of course be relevant to younger members of the labour market aged 16 to 24 and will be dependent on factors such as entry level, qualifications and experience.

10. Adzuna allows for a crude and specific job role search which will give a median salary for a range of vacancies under the same job heading. For example, in March 2023 a Managing Director role has been advertised for £100,000 a year but that is not typical of the salary for a role which could (for example) include the word ‘Director’, ‘Deputy Director’ or ‘Assistant Director’. It is possible to analyse their data base at the point of a contemporary snapshot but not to backdate it. Consequently, the roles extracted in **Figure 51** (below) are necessarily generic to give an indication of roles and salaries on offer. The gross salary data will be indicated as higher than any official data given by the Annual Survey of Hours and Earnings (ASHE) because that is a sample and will include functioning roles rather than vacancies. The data indicated in **Figure 51** is typical for the search term.

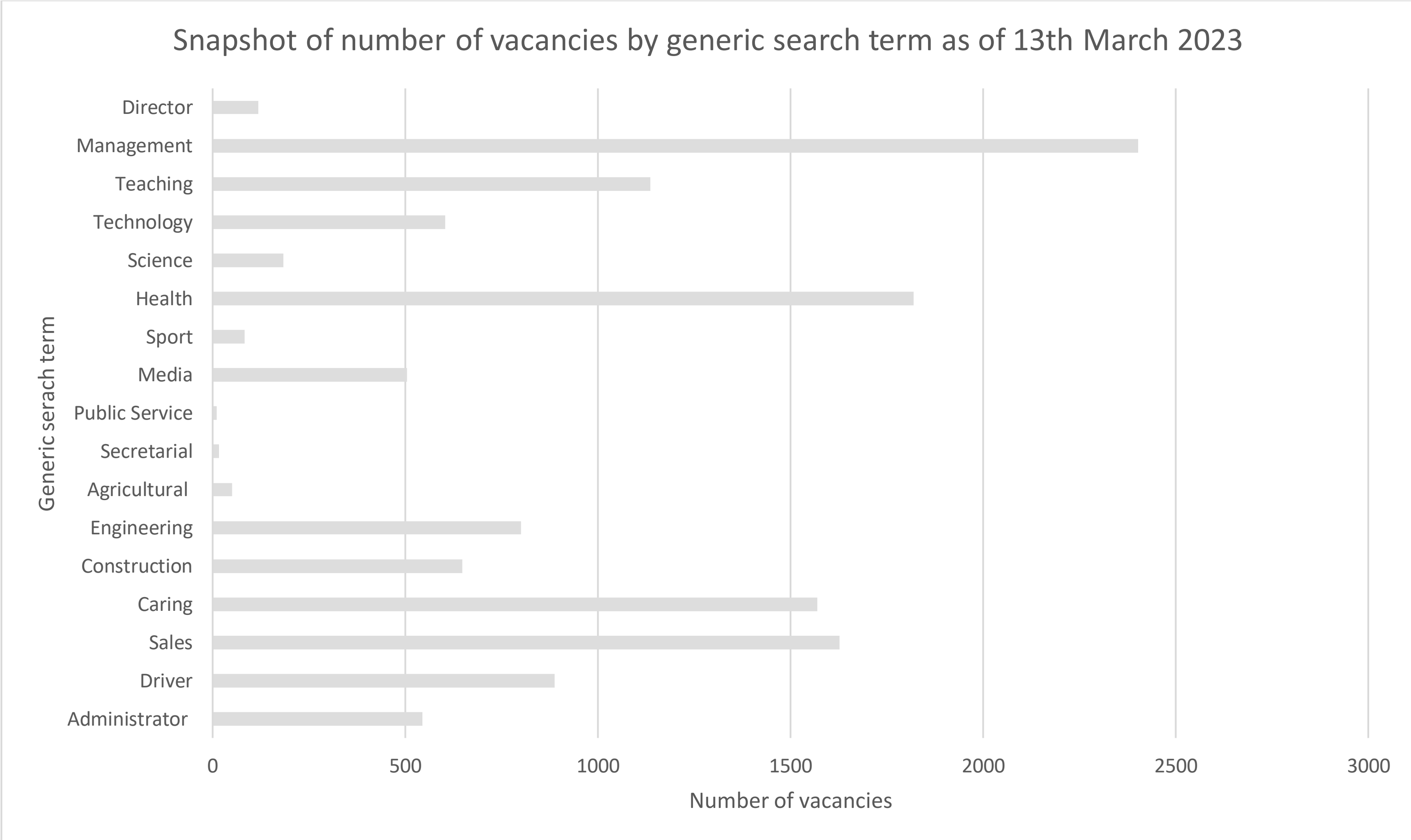

Figure 51 - Original source: Adzuna

11. **Figure 51** nominally analyses over 13,000 vacancies in Cornwall being advertised as a snapshot on March 13th 2023. However, there is likely to be overlap between search terms (for example, 'health' and 'care') where there are also likely to be large salary differentials. Several points:
    - The data appears to suggest many management roles being advertised: over 2,400 or over 18% of the 'total'. However, this includes vacancies across a wide range of sectors including care, retail etc. There is likely to be salary differentials across these and there will also be the issue of applicability of transferable skills.
    - Teaching vacancies include apprenticeships and assistants, online and tutor roles.

- Caring roles are likely to be straightforward (although some are possibly double counted with management). Such double counting is likely as the data indicates an annual median salary of over £32,700. A Care Manager can expect to earn over £36,000 a year but a Care Assistant around half of that.
- Advertised Science and Technology roles are an encouraging indicator for the Cornish economy but these can (in fact) cut across teaching and health (i.e. public sector) occupations.
- Construction (again) can be a very wide sector but where there is demand for a range of skills such as bricklaying and carpentry. A bricklayer salary is 'currently' advertised at over £37,000 but a number of these roles will either be casual and/or short term.
- Some sectors (such as agriculture) may be more likely have vacancies shared by word of mouth or a worker moving from farm to farm although (again) there will be a diversity of roles available within the sector such as 'engineering' (which may be picked up elsewhere in the vacancy data), 'technicians' (similarly) or management roles.

12. It is worth looking at the geographical spread of vacancies by Adzuna in **Figure 52:**

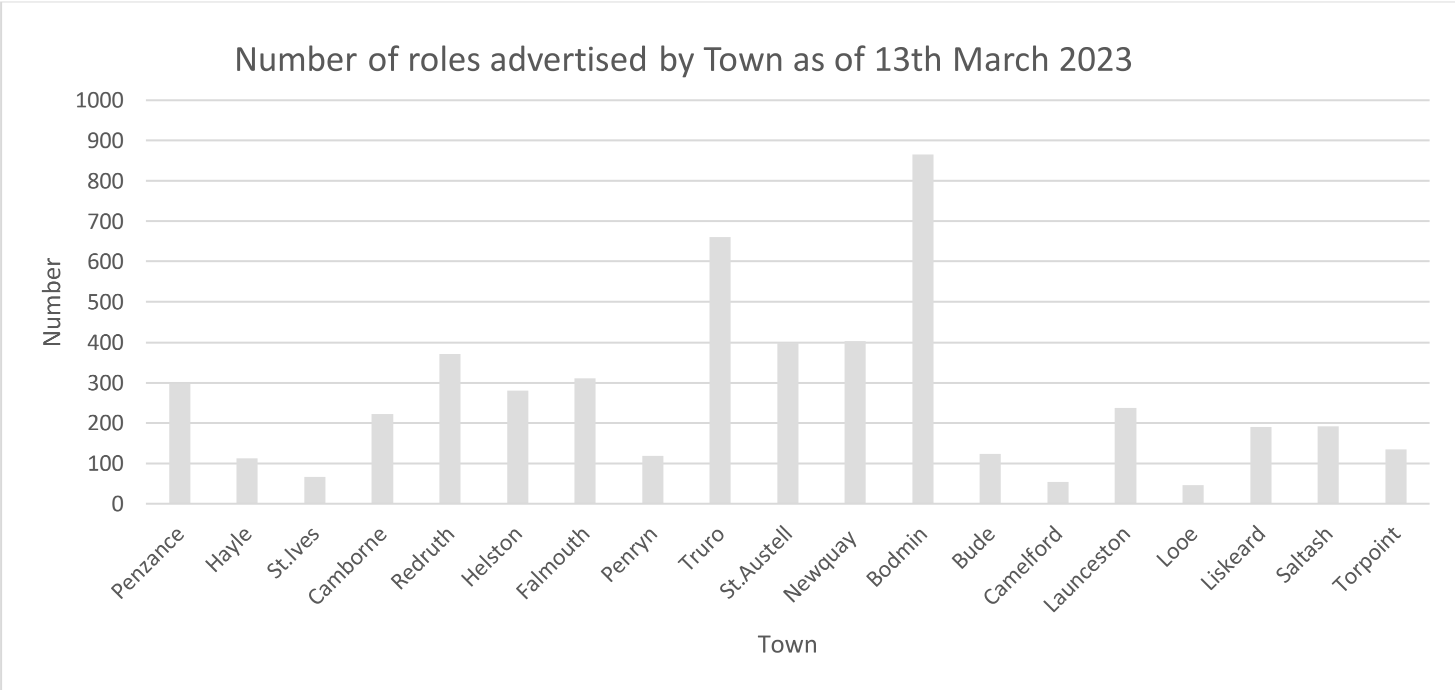

Figure 52 - Source: Adzuna

13. **Figure 52** represents vacancies advertised as a snapshot on a particular day within five miles of each town. Not all towns are represented (St Just had just 20 vacancies); but the total of 5,086 indicated is more likely typical (as shall be seen later in the paper) of the number of vacancies current across Cornwall. Some points:

- Truro, with 13% of all the advertised vacancies (n661) is surprisingly only the second largest compared to Bodmin with 17% (n866), possibly related to food and drink 'churn'
- Vacancy numbers dominate in the west of the county: where there are more towns and population (around 60% of the total)
- It is likely that within a few weeks of this date vacancies in St Ives, Looe and Newquay will increase with recruitment for the holiday season.

14. Examples can be given around the 'quality' of vacancies in each place and (where these roles are named in each place) to give an indication of the relative quality of vacancy on offer and allude to the skills needed to support entry into the role, across a selection of places in Cornwall. These are illustrated in **Figure 53** and give an indication of the broad type of roles advertised across Cornwall, some of which (such as 'Retail') are not available for any of these selected towns (selected to give a reasonable geographic spread across Cornwall and using the town with the largest number of vacancies, Bodmin, as the 'base' for categories to compare with other towns.

15. Approximately 6% of all 'Trade and Construction' vacancies across Cornwall were advertised in these seven towns (for example), and a similar percentage for 'teaching' jobs. The variety of roles within these vacancies and the relative short term contract nature of some roles should be noted.

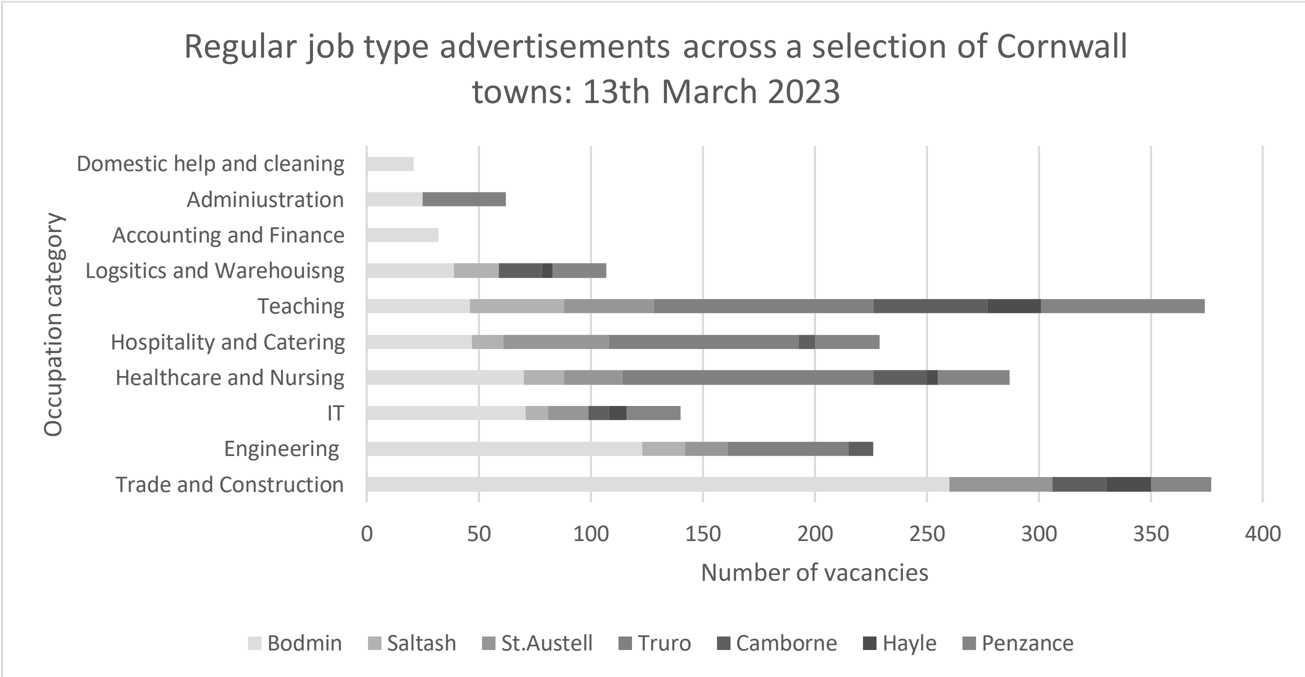

Figure 53 - Source: Adzuna

16. **Figure 54** (below) groups roles across Cornwall by the largest vacancy types:

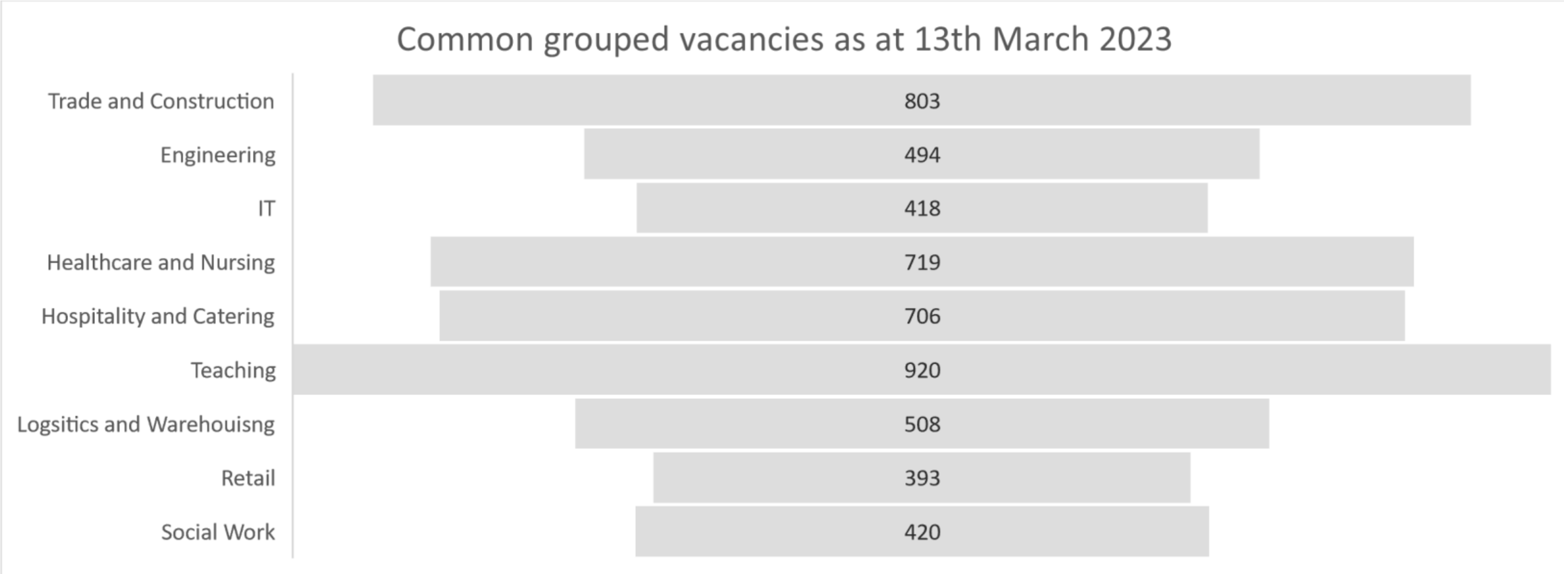

Figure 54 - Source: Adzuna

17. Cornwall Council has tracked vacancy data using the ‘Burning Glass’ database. This is suggestive of erratic numbers of vacancies being advertised and a considerable bounce back in the number of vacancies advertised toward the end of the main period for the pandemic. This data is illustrated in **Figure 55** below:

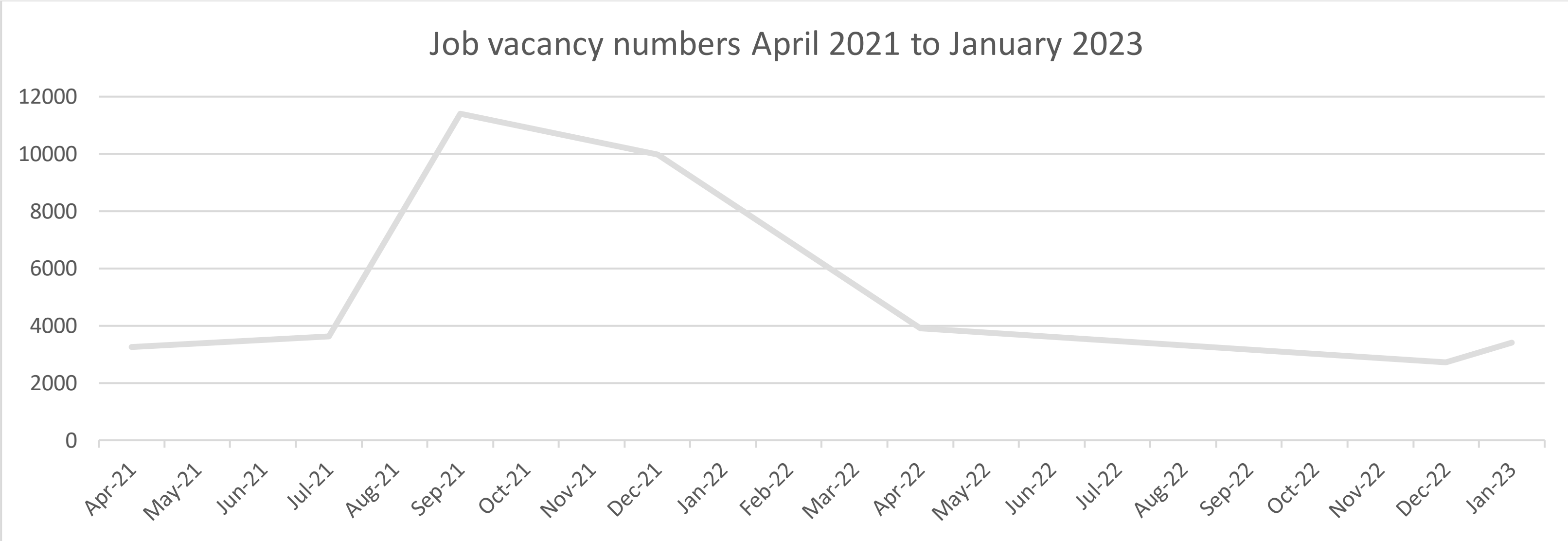

Figure 55 - Source: Burning Glass

18. It is worth noting that while Burning Glass and Adzuna may pick up some of the same vacancies in their data collection exact replication is unlikely. That is why there will be differences in the figures at points in time. Remember, Adzuna identified over 5000 vacancies in Cornwall on March 13th 2023 while the Burning Glass figure for much of the period April 2022 to January 2023 was less than 4,000. On the face of it the trend between the two appears reasonable although it does (generally) appear that Cornwall vacancies have returned to roughly end pandemic levels.

19. Although UK vacancy numbers are historically high, they have fallen compared to the recent past. These historic high levels are not something that Cornwall appears to be following or sustaining, likely because of the fragmentation of roles and lack of major employers.

20. During the whole of 2020 the single highest number of vacancies were recorded in the Truro and Falmouth Parliamentary Constituency (according to Burning Glass) at 36%. By the top ten towns the data is illustrated in **Table 4** (below):

Table 4 - Source: Burning Glass

	Number	Percentage of Cornwall total
Truro	1882	22.9
Bodmin	490	6
Redruth	473	5.8
St Austell	425	5.2
Newquay	406	5

Falmouth	393	4.8
Penzance	338	4.1
Bude	244	3
Launceston	233	2.8
Liskeard	227	2.8
TOTAL FOR THESE TOWNS	5111	62.3

21. The data in **Table 4** has some similarities with the later trends illustrated by Adzuna in terms of the dominance of west and mid Cornwall in terms of vacancy numbers. In addition, there is some resonance in terms of the most reoccurring vacancy types which are illustrated in **Figure 56** (below) for 2020:

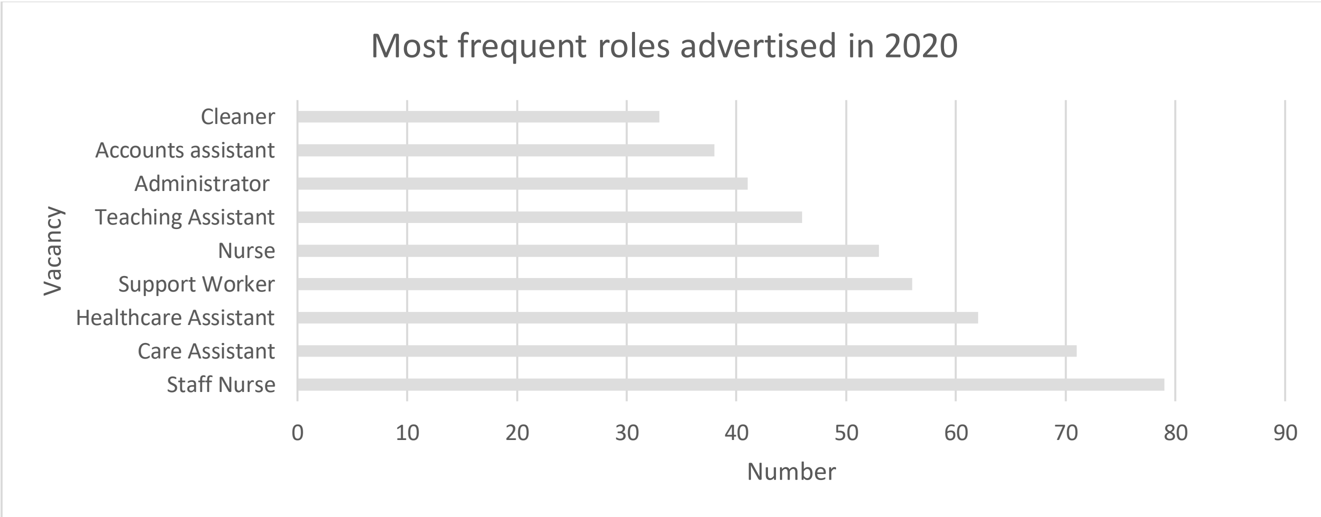

Figure 56 - Source: Burning Glass

22. The vacancy roles illustrated in **Figure 56** (above) are highly likely to be ones subject to churn but represent only 6.4% of the total number of jobs advertised in 2020. This could indicate several roles where the argument *could* be made that 'skills' are less likely to be transferable. Over 300 of the 525 roles illustrated in **Figure 56** are related to healthcare with (unsurprisingly) the NHS being the employer that advertised the most vacancies in Cornwall in 2020 at over 750.

23. The challenge of course in being able to analyse such data is that recruitment or care agencies will also advertise substantial numbers of vacancies which will eventually be placed with other employers.

24. The Department for Education produce some experimental statistics related to online job adverts which are illustrated in **Figure 57** (below) for Cornwall and the Isles of Scilly. Over time, the data indicates a falling trend in online job adverts from 2017 into 2020 (the pandemic notwithstanding) before a sharp climb in 2022 to 7,080 vacancies by the end of the year.

Online job adverts – Cornwall and the Isles of Scilly

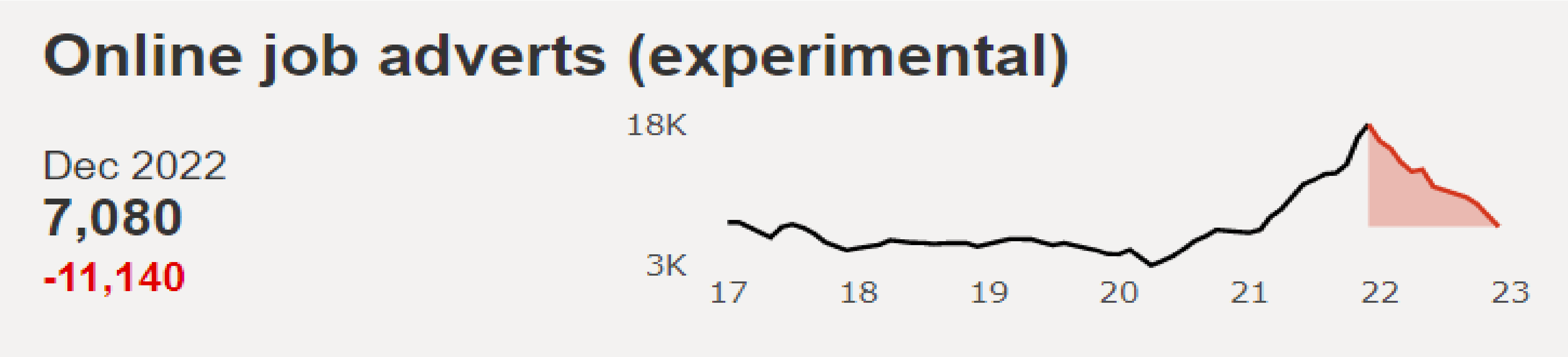

Figure 57 - Source: Department of Education

25. This data can be contextualized against a basket of other Local Enterprise Partnership regions with similar demographic or economic/aspirational profiles to Cornwall and the Isles of Scilly as illustrated in **Figure 58** (below):

Some comparisons between LEP regions (on line job adverts).

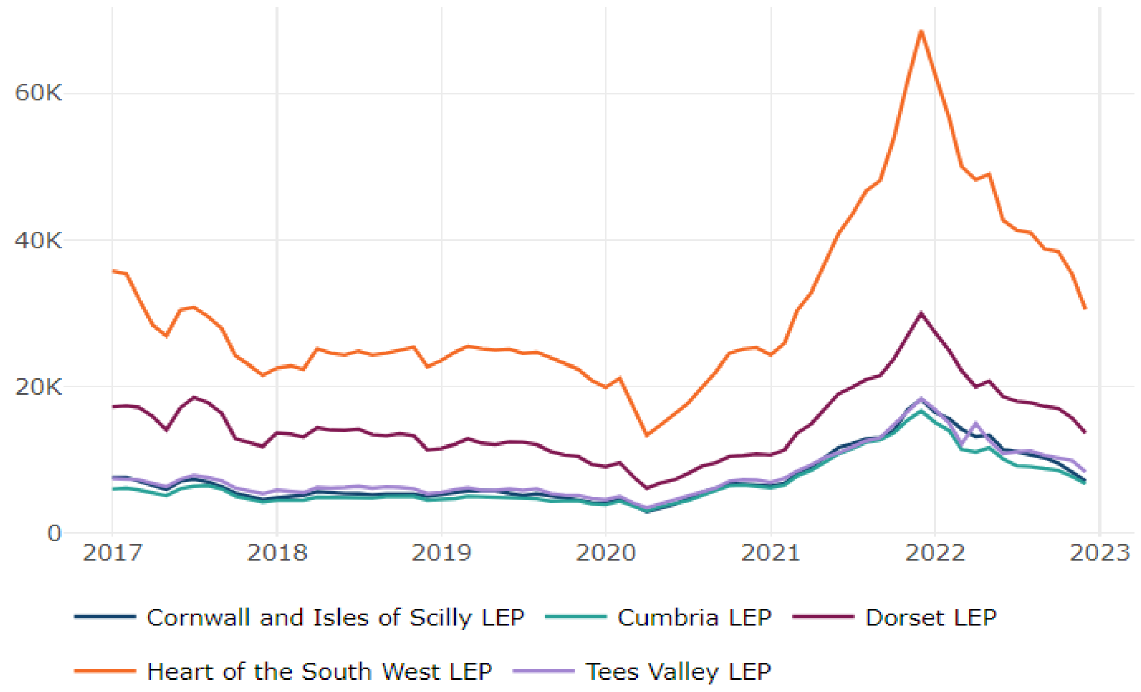

Figure 58 - Source: Department of Education

26. By comparison with peninsula neighbours such as Dorset or the Heart of the South West (Devon and Somerset), Cornwall and the Isles of Scilly does historically badly. However, these are larger economies with urban areas and experience the impact of agglomeration.

18. Skills Performance

1. DfE intelligence also gives some alarming indication of the trends in skills and apprenticeship achievements over the period since 2017, as illustrated in **Figure 59** (below):

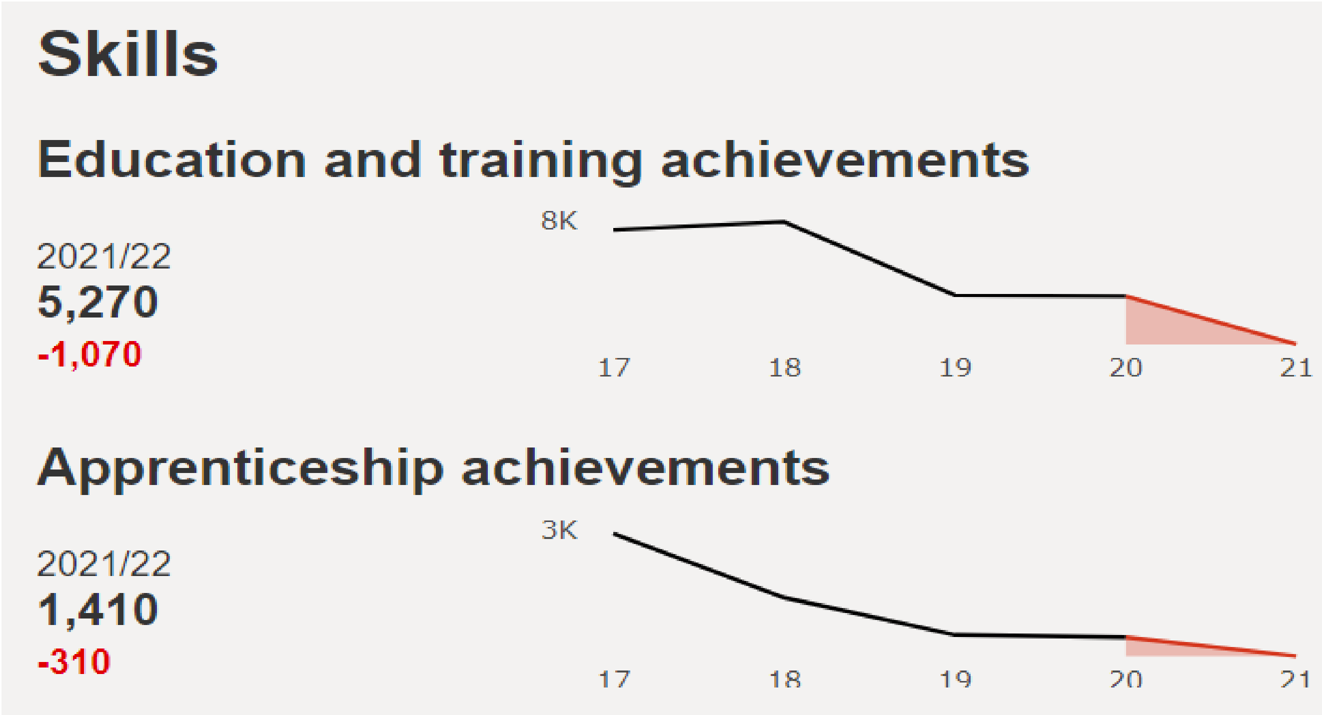

Figure 59 - Source: Department for Education

2. And **Figure 60** (below) illustrates **FE achievement rates per 100,000 population between 2017 and 2022** which shows a sharper decline than the England average. Sutton Trust research (https://www.educationopportunities.co.uk/news/decline-in-young-people-from-low-income-backgrounds-taking-up-apprenticeships/) indicates issues such as deprivation particularly impacting on higher and degree level apprenticeship take ups. However, DfE data broadly hints at an England level recovery in terms of achievements but not starts:

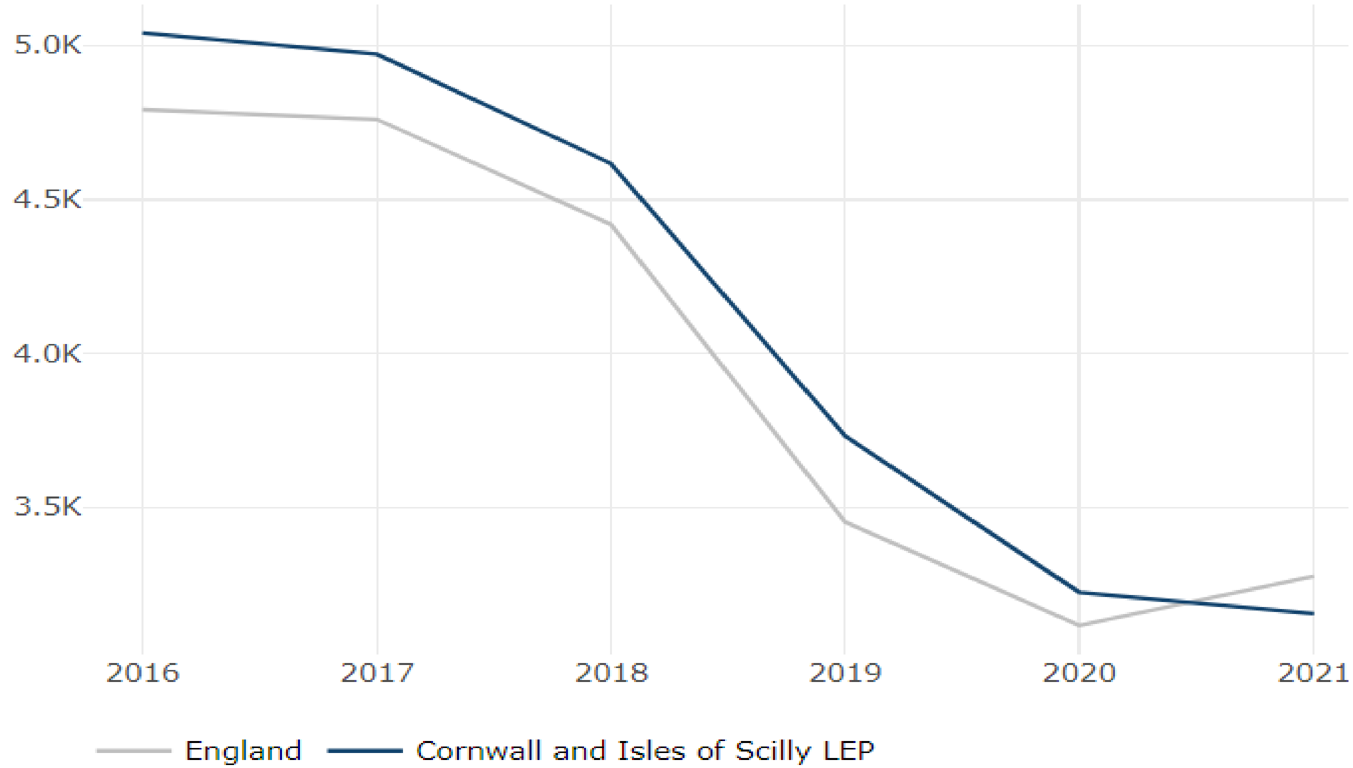

Figure 60 - Source: Department for Education

3. **Figure 61** (below) also suggests a lower achievement rate in FE, specifically, for those aged 19-24 (the only age group available as analysis) than the England average per 100,000 population. FE Commissioner Review of Cornwall's post-16 provision (publishing.service.gov.uk) cites the financial difficulties of providers and enabling more effective partnerships. Deterrence for learners include factors such as public transport provision *suggesting the need for a more localized approach to delivery.* School 'sixth form' performance was generally better but varies from place to place.

Cornwall and Isles of Scilly LEP has a lower FE achievement rate per 100,000 in 19-24 than the national average.

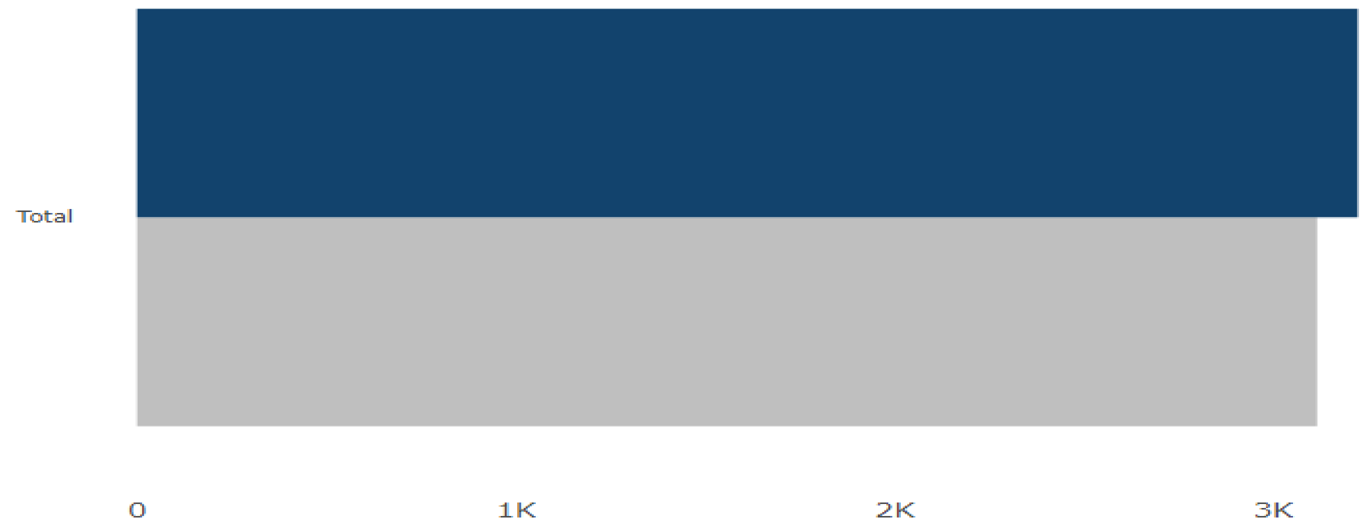

Figure 61 - Source: Department for Education

4. **Figure 62** (below) contextualises this in terms of Level 4+ performance for the economically active:

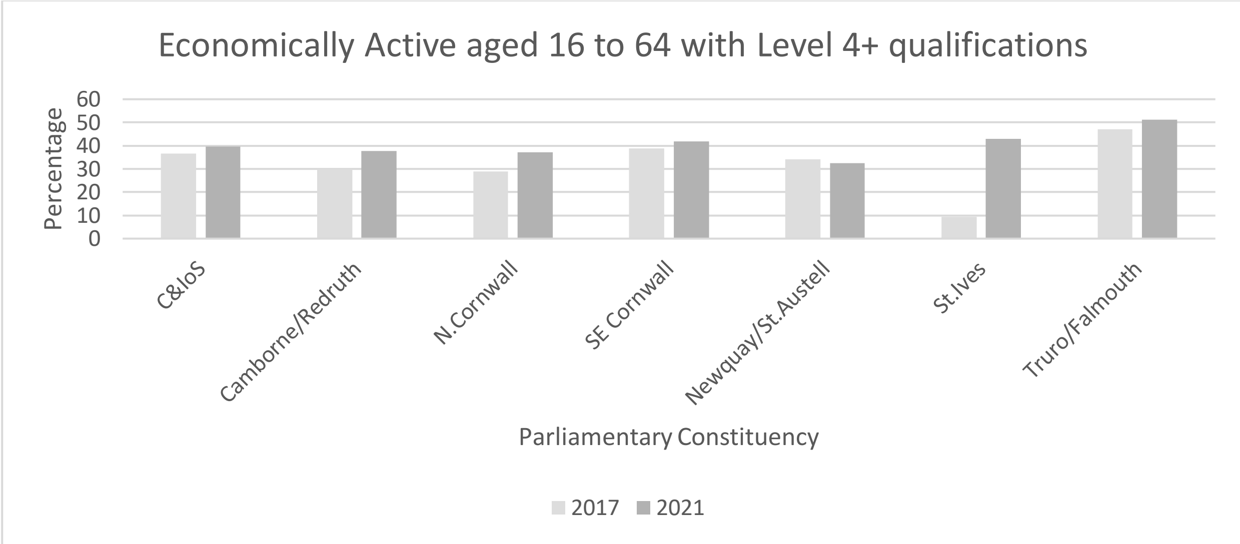

Figure 62 - Source: Annual Population Survey

5. Over the last four full available years the sample indicates that those of ‘working age’ have increased in relation to L4+ skills performance from 34.2% in 2017 to 39.7% in 2021. This is part of a long-term upward trend but is not necessarily reflected in the occupation structure or wages and salaries of such workers.

6. Overall the greatest indicative increase was in the St Ives Constituency from less than 10% to 43% in the period (the second highest of all Cornwall constituencies in 2021). However, this could well be due to sampling errors and a time series of available data would need to be examined for the constituency to draw some conclusions. Certainly, economic activity *includes* those who are employed but will also include those who want to work but are not working.

7. The second greatest rise was in North Cornwall (up by 8.4 points). A second factor will include inward migration to Cornwall.

8. The data for those in the 20 to 24 age group is patchier and more affected by suppression and sample issues. In 2017 only Cornwall and Isles of Scilly data was available for this age group and indicated that 34.2% of those economically active aged 20 to 24 had qualifications at or above L4. By 2021 this had increased to 42.2%. 2021 data is also available for three other parliamentary constituencies and is illustrated in **Figure 63** (below):

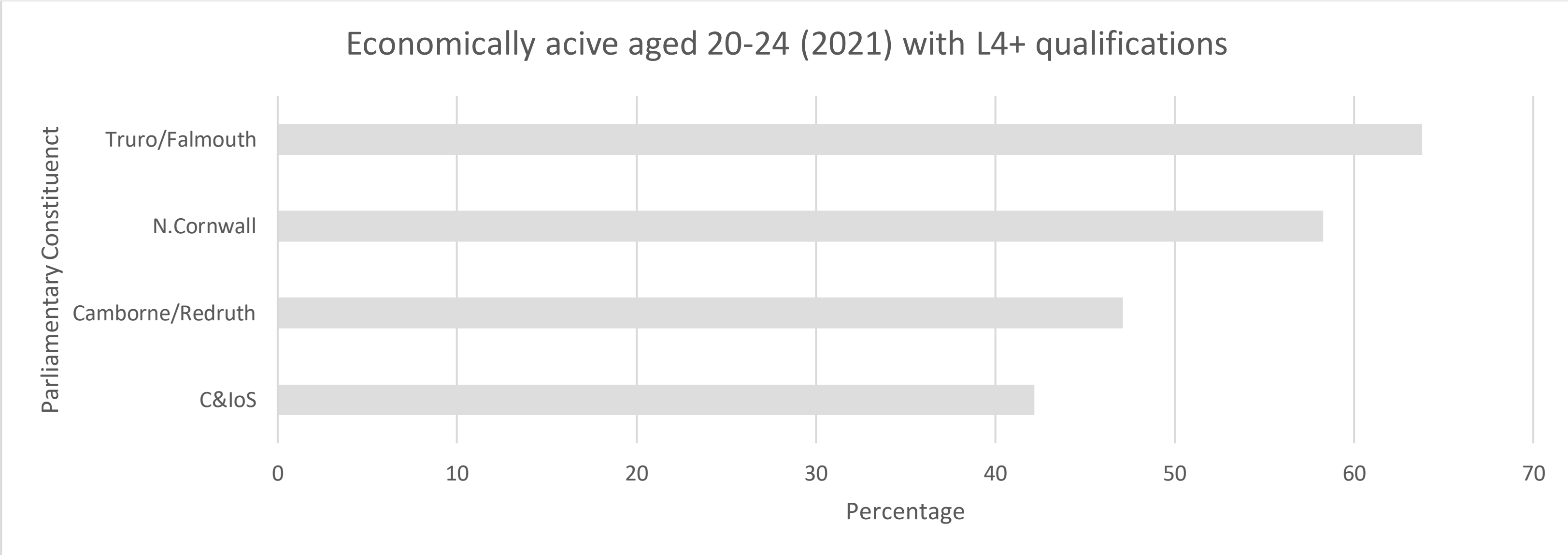

Figure 63 - Source: Annual Population Survey

9. As previous tables and data would indicate, what appears to be happening is that although the L4+ qualifications situation in Cornwall and the Isles of Scilly is improving over a long period of time; so is the situation at an England or UK level so the performance gap is never really being closed. This point is illustrated in **Figure 64** (below) which shows the UK and England trends (over the best part of a 20-year period) very similar with England just having the edge. Although there is an upward trend across all three geographies the gap between England/UK (about the same) and Cornwall and the Isles of Scilly has – if anything – slightly widened toward the end of the period by around two percentage points.

10. The Cornwall and Isles of Scilly regional economy performed well in 2006-7 especially in areas such as retail, financial and property services, all of which were 'hit' in the post financial crisis recession.

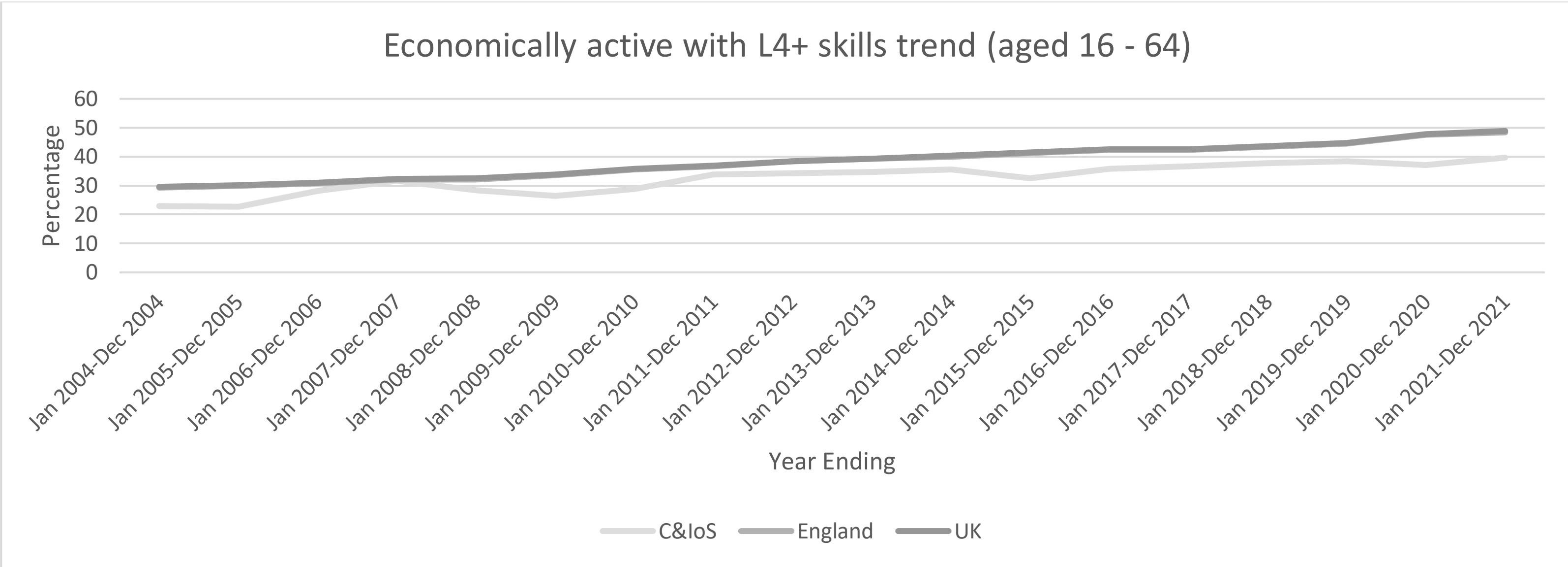

Figure 64 - Source: Annual Population Survey

11. Level 3 qualifications are related to areas such as advanced apprenticeships and 'A' Levels and are more likely to be applicable to those aged 16 to 19. In the first instance (over almost a selected 20-year period) the data for the 'working age group overall in presented in **Figure 65** (below):

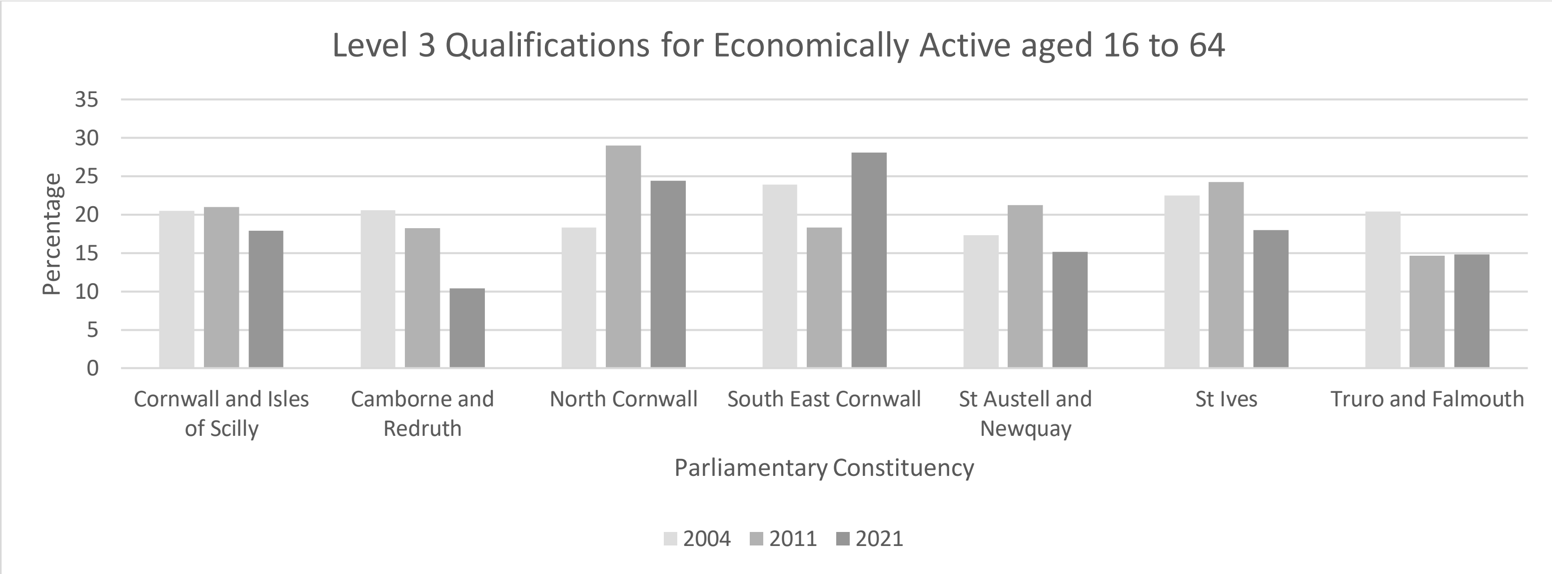

Figure 65 - Source: Annual Population Survey

12. Despite some initial progress at a Cornwall and Isles of Scilly level, the percentage in this age group with L3 qualifications has fallen back over the period by almost three points. The situation for Camborne/Redruth over the illustrated years is one of continual decline; but North Cornwall has exceeded the Cornwall and Isles of Scilly performance by 2021, as had South East Cornwall which had started from a higher base in 2004. St Austell & Newquay, St Ives and Truro & Falmouth trended downward despite the latter two starting in a healthier position than Cornwall and the Isles of Scilly as an average in 2004.

13. **Unfortunately (again) because of potentially disclosive data some constituency data is suppressed in this dataset. In 2004, 29.3% of South East Cornwall economically active 16 to 19 year olds had L3+ qualifications with St Austell and Newquay just behind on 29%. None of this data is available for 2021.**

14. Median data over the whole period (where it is available) does vary considerably and give rise to concerns about its reliability. However, this is illustrated in **Figure 66** (below):

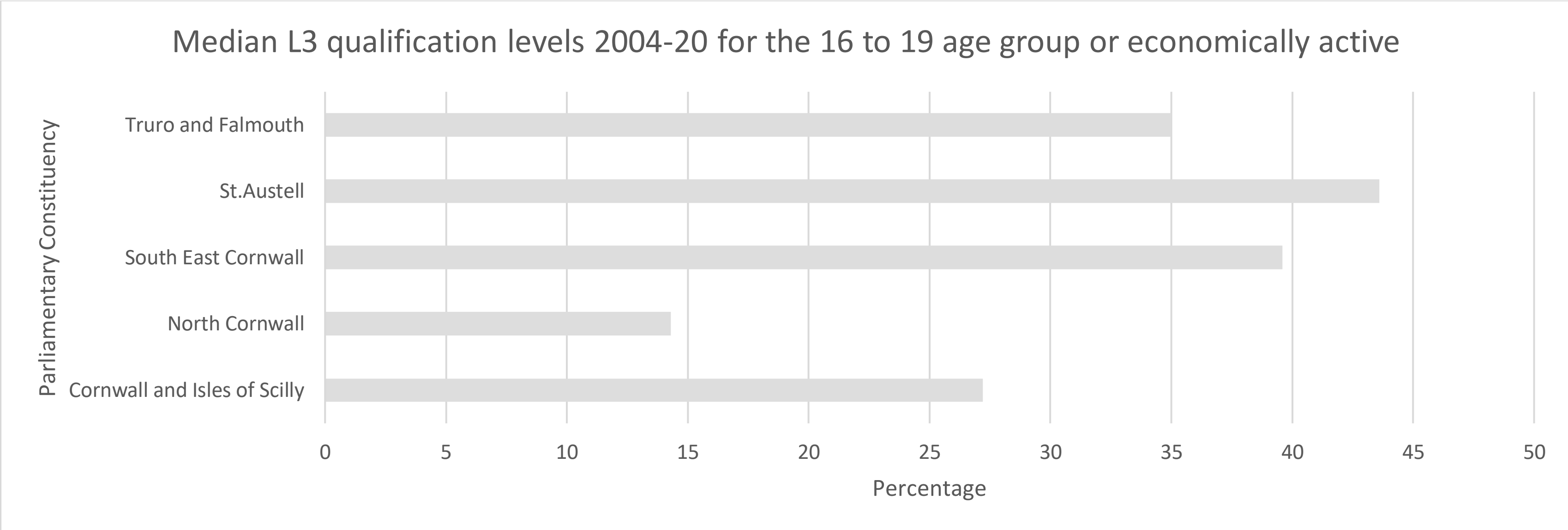

Figure 66 - Source: Annual Population Survey

15. **Figure 66** suggests that there are persistent issues with L3 qualifications for this age group in the North Cornwall constituency. With the median figure for Cornwall and the Isles of Scilly at just over 27% for the period; Truro and Falmouth, St Austell & Newquay and South East Cornwall all 'outperform' Cornwall and the Isles of Scilly which suggests the deficit of L3 skills are focused on St Ives and Camborne/Redruth.

16. Of course, people aged 16 to 19 are less likely to be economically active and more likely to be still engaged in formal education. For those aged 20 to 24 the percentage of those who were economically active over the period with L3 qualifications only is expressed in **Figure 67** below:

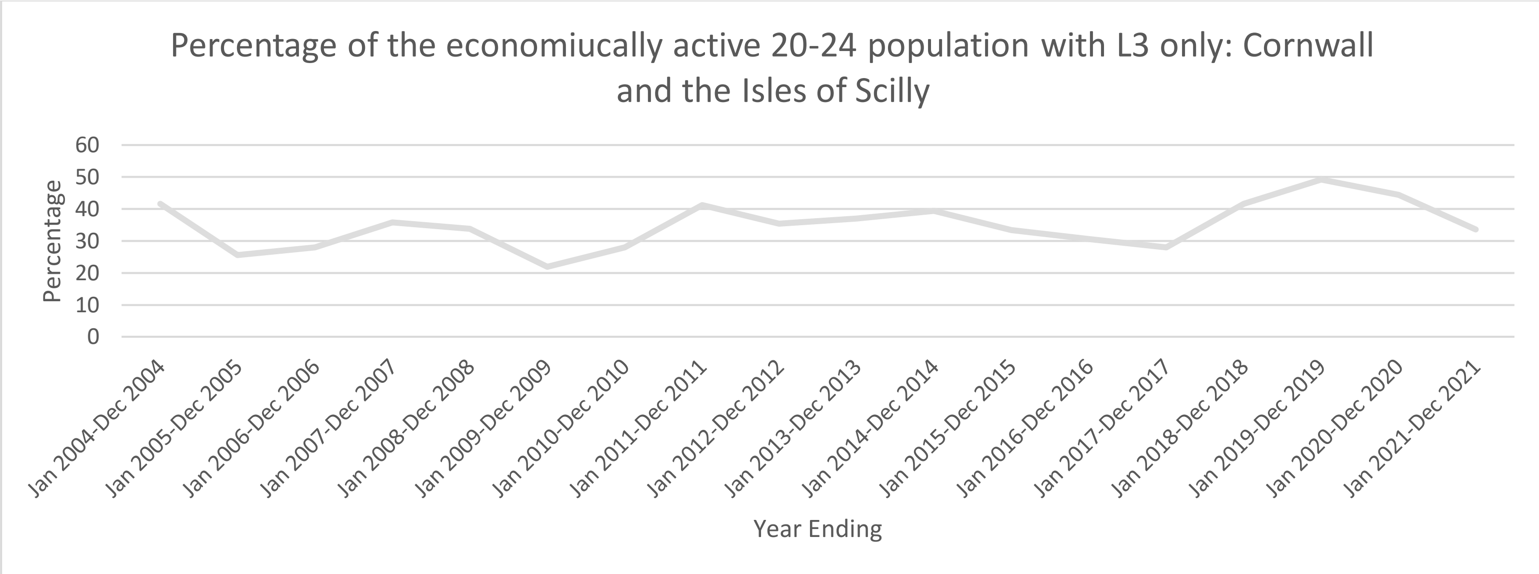

Figure 67 - Source: Annual Population Survey

17. **Figure 67** suggests little movement over a long period, with a falling trend between 2004 and 2009 (from a baseline high point of almost 42%) and then climbing again to almost that level in the next five years before a more gradual fall to 2017. Following recovery is stalled even before the advent of the pandemic to leave the figure around eight points lower in 2021 than in 2004.

18. Once again, data suppression is an issue with substantial gaps in what constituency data is available. Over the whole period, the Cornwall and Isles of Scilly average is approaching 35% and it is likely that the patchy constituency data leads to an over estimation of performance amongst some; especially North Cornwall where the data suggests on occasion 70 or 100% reach. The average constituency data for the period is illustrated below in **Figure 68,** with the Cornwall and Isles of Scilly data illustrated as a comparator:

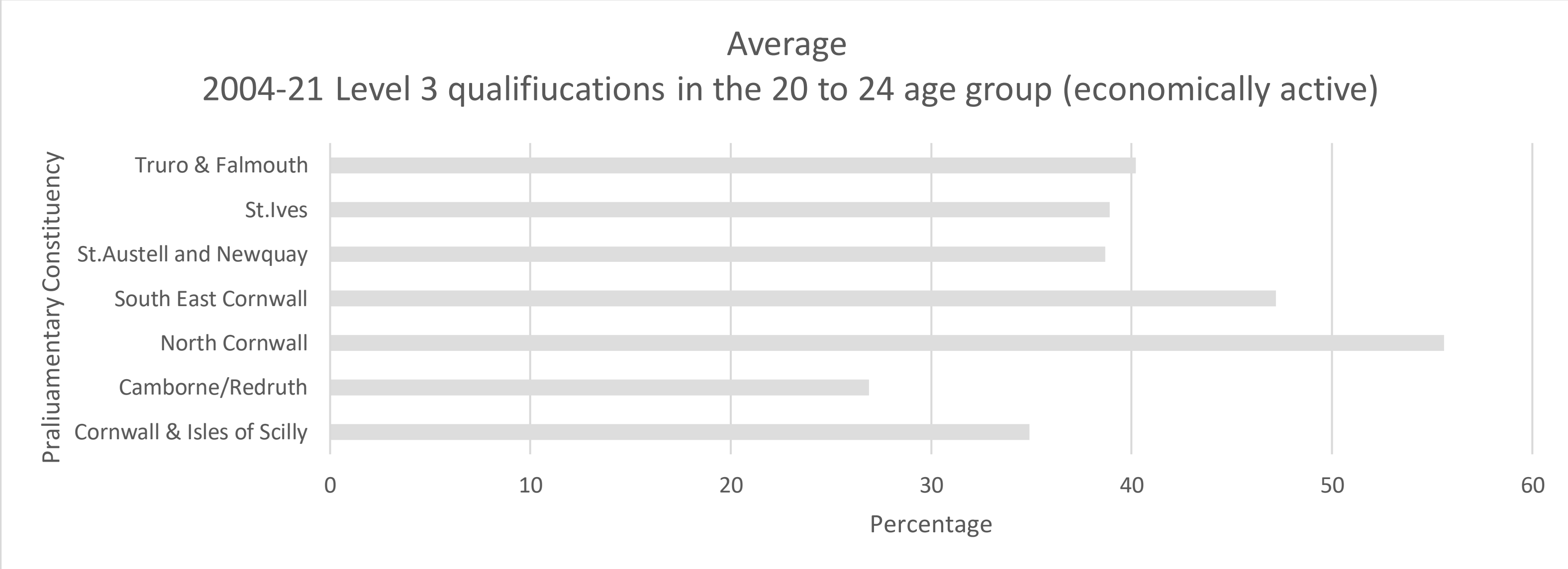

Figure 68 - Source: Annual Population Survey

19. **Figure 69** (below) illustrates the change over time of people aged 16 to 64 in terms having L2 qualifications only:

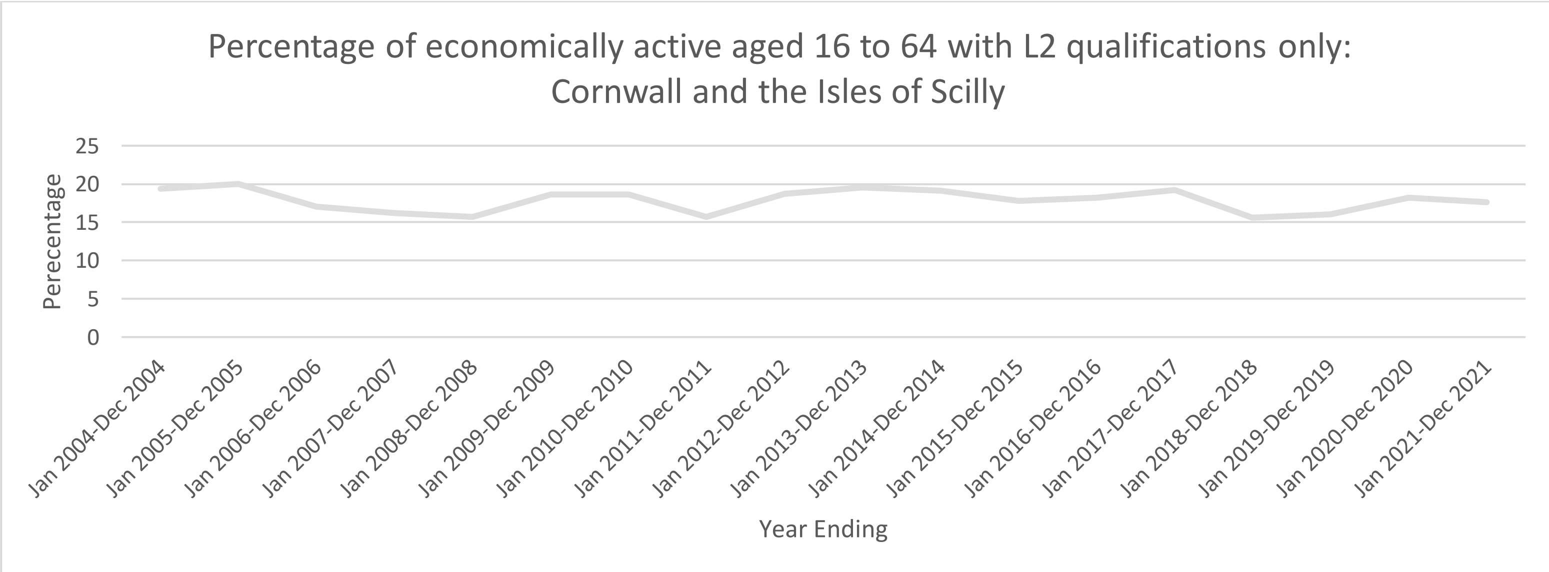

Figure 69 – Source: Annual Population Survey

20. In almost two decades neither the percentage nor, indeed, whole number of those of working age with L2 qualifications only has changed. Indeed, if anything there is a slight downward trend over the period.

21. **Figure 70** illustrates some of the change by Parliamentary Constituency over the period:

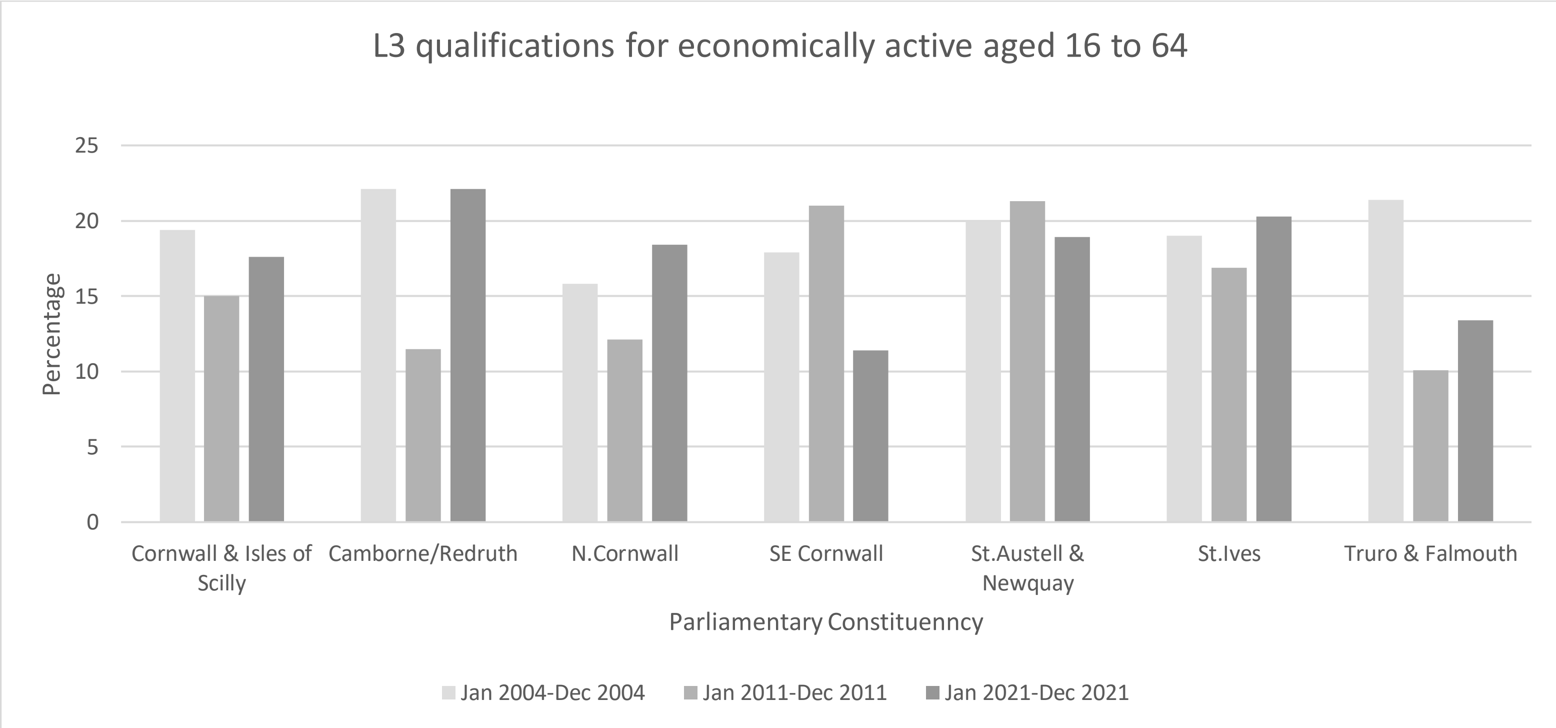

Figure 70 - Source: Annual Population Survey

22. **Figure 70** presents the downward trend for Cornwall and the Isles of Scilly with more clarity and it appears to suggest that the trend was focused on St Austell & Newquay, Truro & Falmouth and especially South East Cornwall. However (overall) this could also be an indicator of progression and people achieving more than just a L2, so a positive thing. This is likely to be the case in Truro and Falmouth for example.

23. Once again, median data over the whole period needs to be examined because of the gaps in constituency data for those aged 16 to 19 in various years. The data suggests that over the whole period a median of almost 39% of economically active people aged 16 to 19 in Cornwall and the Isles of Scilly had a Level 2 qualification only and (once again) there is statistical suggestion that the constituency data may be overestimated as a consequence. The data is illustrated in **Figure 71** (below):

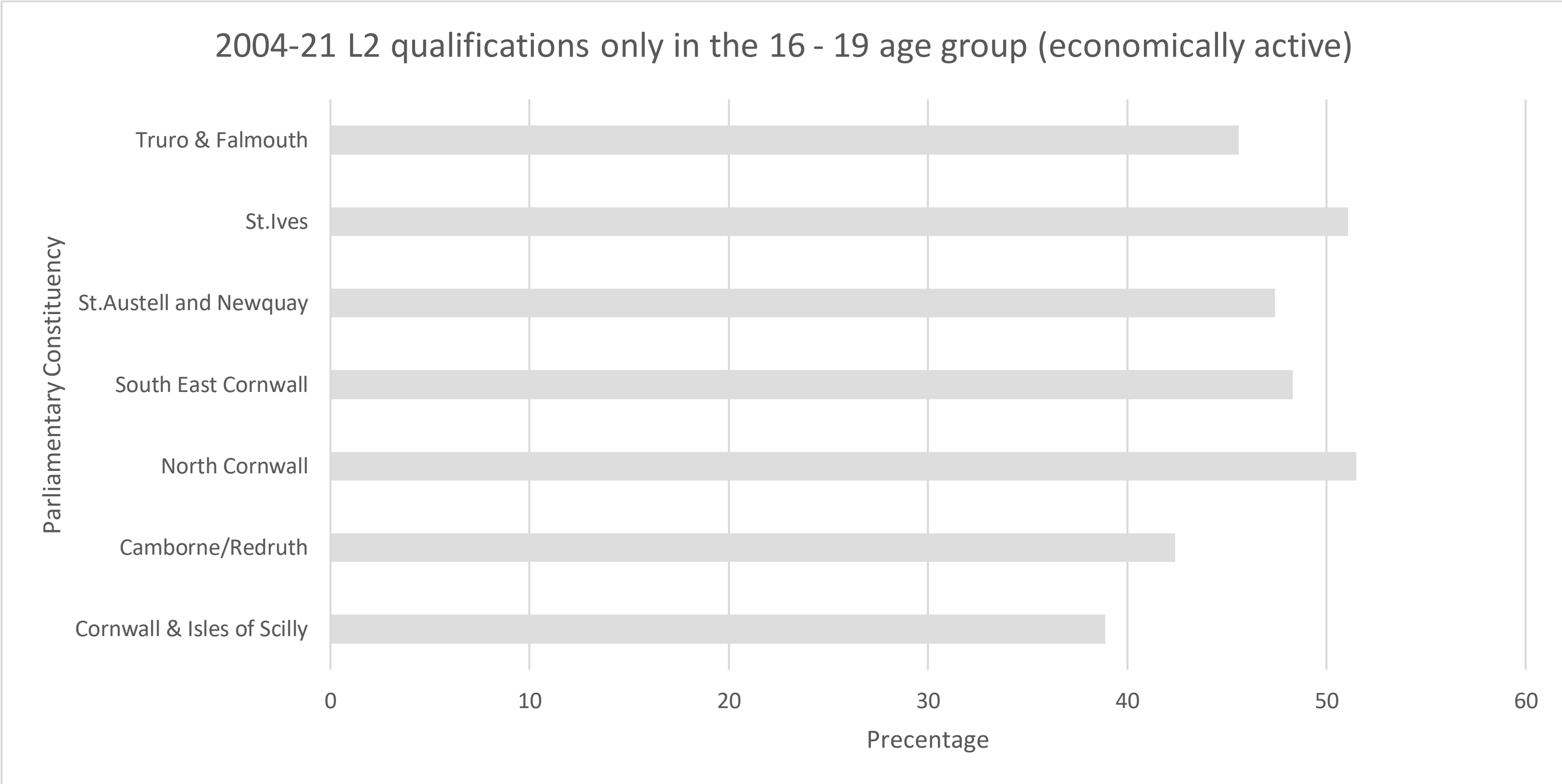

Figure 71 - Source: Annual Population Survey

24. **Figure 72** (below) indicates the situation for those aged 20 to 24 with L2 qualifications only between 2004 and 2021:

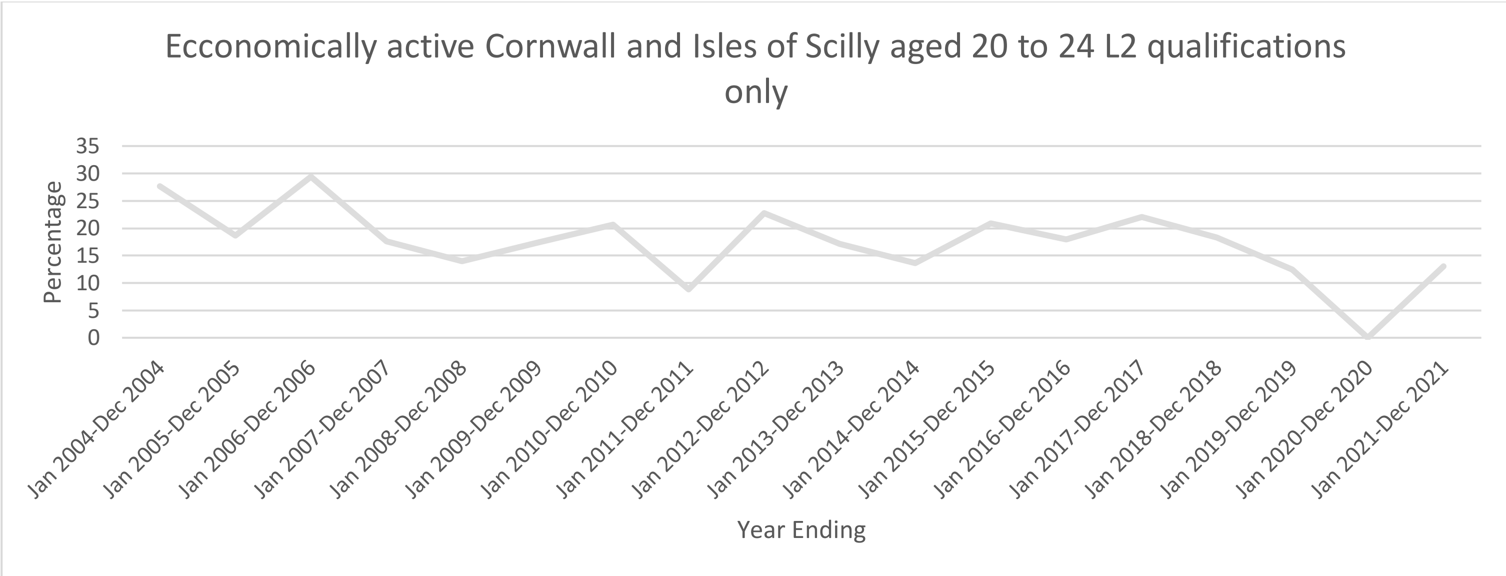

Figure 72 - Source: Annual Population Survey

25. The general decline over the period is indicative of the age group moving on to higher outcomes (note that there is no data for the year ending 2020). It is important to note that someone could have a Level 2 qualification but not a GCSE.

19. Skills in context

1. Formal qualifications are not the only issue when it comes to skills. There are key gaps which prevent the Cornish economy improving its performance such as in the ‘engineering’ sector (for example) where compatible skills can be applied over several sectors. Cornwall Marine Network are actively engaged in training more girls for these opportunities.

2. Maths and English are clear achievement gaps with young people leaving school without a GCSE equivalent in one or both. For the 2020/21 academic year, 51.9% of pupils in England obtained a Grade 5 or above in English and Maths GCSE compared to just 47.1% for Cornwall (source: Gov.UK); although this was a culmination of lock down.

3. However, some of the key ‘skill’ issues reported by employers are issues of basic employability: including getting out of bed, turning up to work and performing a day’s work. Some are more ‘measurable’ and subject to delivery through support: such as mental health and having regard for health and safety.

4. Consequently, apprentices being asked to leave before they have finished their training is an issue but there is a balance with the need for some employers to understand that an apprentice is more than just about ‘making the tea’. Cornwall Marine Network also report that (generally) young people better attend that their older counterparts but that the younger cohort can be split into two: those who face issues because of their home background and those that appear to be exceptionally motivated. The top issues that prevent young people accessing work in Cornwall include:

   - Transport access: private and public sector connectivity and the time it takes to travel to education or employment, especially with niche skills sets being required in places/employers away from where the potential candidate may live.
   - Linked to this is the lack of a driving license. Despite bus fares coming down, employers like the flexibility of a driving license even though associated costs (including that of learning) can be prohibitive for young people.
   - Anxiety and mental health issues, exacerbated by (but not just down to) the pandemic, but which also has hit/hits physical and cognitive development.

5. The European Social Fund ran a pre apprenticeship program that addressed some of these basic issues and (with ESF being phased out, Adult Education is an alternative pot). ESF may have been responsible for c300,000 training contacts over the lifetime of EU funding in Cornwall and the Isles of Scilly (not just for young people) but the nature of the Cornish labour market is that employers may not be able to create opportunities fast enough to hang onto young people (because of their size) who are impatient to move on.

6. There is an issue, then, about managing expectation or for opportunities to be created (such as Unlocking Potential) so that a young person has the space to be able to increase the performance of the business through innovative, project work which focuses on what they learnt during education and training; rather than being ‘thrown into’ all the demands put on an employee.

7. Therefore, employers need support in activities such as mentoring apprentices, creating such opportunities and managing expectations. The dilemma for a relatively/small employer is creating the conditions to develop and maintain a market/product while at the same time being responsible for training young people for the long-term implication.

8. Cornwall Chamber of Commerce have had some facilitation success through their employer led skills project: https://www.cornwallchamber.co.uk/employer-led-skills-project. Examples include:

    - Tourism: Truro and Penwith College working with the Headland Hotel (Newquay) HR capacity to support their staff development through identifying aspiration and developing learning pathways through on the job apprenticeship programmes which included partnership assessment from the hospitality industry. Development pathways also include 'succession': e.g. in a high profile, high skilled and pressured role such as Chef (always in demand) people can work to about the age of 40 before they burn out. Their role can be succeeded but they also need something to succeed to.

    - Construction: here there is an ageing workforce and consequent loss of skills. There is a particular shortfall of young people and a greater anticipation of the skills that the industry needs for the future. There is a Cornwall Construction Group (https://www.buildingcornwall.co.uk/get-into-construction/roles-in-construction/) which highlights the myriad of roles in the industry. A (now defunct) Construction skills strategy (https://issuu.com/cioslep/docs/cios_lep_construction_strategy) was prepared by Cornwall and Isles of Scilly LEP for 2014-20) by Stephen Horscroft. Themes identified continue as challenges:
        1. Supply chain sourcing: construction skills availability ay the right time, material sourcing etc. So wider skills issues around project management.
        2. The range of skill levels needed, from apprenticeship to project management and their links with specialist skills.
        3. Keeping up to date with green technology skill requirements and changes and their impact on the skills base (important also for providers)
        4. Linked point: forecasting needs in the sector
        5. Also, skills diversity needs for particular roles: plumbers who have electrician capable abilities but also linked to (e.g.) fitting solar panels.

    - Agriculture: St Ewe eggs are now automated so marketing and distribution are the key issues for this business: creativity, engineering, technical maintenance. This is an expanding business looking to recruit farmers into a construction consortium with eggs already exported to the EU and looking to capture a far east market. This is a product that needs quick turnaround so also needs agile support/skills.

9. The aspirations of young people are also changing, with many of them more 'politically' aware of the impact and challenges of climate change and wanting to pursue a career that will make a difference in that regard. Skills sets – such as the ability to carbon audit – will be increasingly important.

20. European Social Fund (ESF)

1. During a two-decade period of EU funding for Cornwall and the Isles of Scilly (Objective Once and Convergence) between 1999 and 2020 ESF (as a component of EU funding) has been focused on improving the workforce skills in the region to enable achievement of the highest levels of skills and qualifications to access jobs and progress. The general shift toward higher level qualifications and skills indicated in this paper is illustrative of the approach having some success although at times the benign state of the UK economy (such as the mid 00s) would have influenced employment demand. What is not so clear (or trackable) is the issue of progression within and between organisations, although ESF has also supported business infrastructure which has both enabled the maintenance of competitiveness and competitive edge in areas such as:

   - Superfast Broadband: specialist ICT support and digital skills to improve this competitiveness through enhanced understanding and exploitation of digital technologies.
   - Sector networks: which have been successful at replicating the conditions of agglomeration in Marine, Creative, Agri Food and Digital. These sectors are 'broad church' and have an inter-relationship with one another.
   - Specialist programs: such as Cornwall Works supporting people with learning disabilities; capital projects which provide the basis for skills evolution and clustering such as the Workbox in Truro; and Outset Cornwall which continues to support people's desire to move into self-employment.

2. 'Progression' is a particular issue for those areas that are deprived in Cornwall or where there are pockets or domains (e.g. education and skills) of deprivation in particular places. There is an additional challenge for those communities and individuals to be able to move into knowledge intensive businesses and sectors even though (overall) the numbers with high level qualifications have increased.

3. **Figure 73** (below) illustrates the percentage of residents over the age of 16 (regardless of their economic status and by definition including people who were retired) who had no qualifications at the 2021 Census:

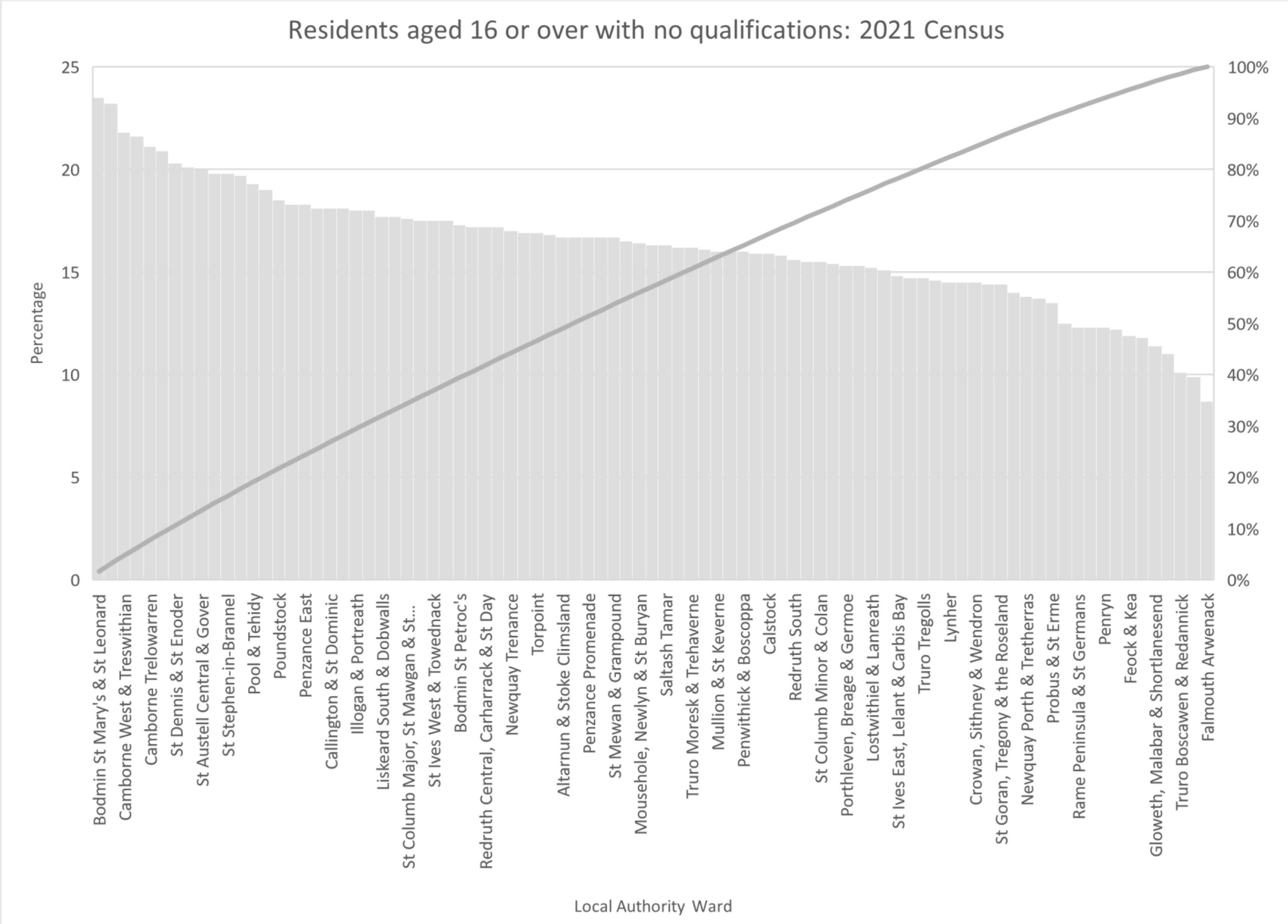

Figure 73 - Source: ONS/Census of Population

4. Over 20% of residents over 16 in one ward of Bodmin had no qualifications in 2021 but when looking at the rate above 15% there are six wards in Camborne, Pool, Redruth and Illogan. The ‘Clay’ and St Austell wards also fare reasonably badly. Both urban conurbations have a history of deindustrialization, albeit new workspace and opportunities, but a continuing issue of deprivation. This suggests that the residual, local workforce are not necessarily accessing any new opportunities there.

5. Ward geographies would have changed since the 2011 Census and these are explained, but first **Figure 74** (below) shows the Ward position then for broad comparison with 2021. Two Redruth wards, one Camborne ward and Carn Brea had significant issues in 2011 with the proportion of residents aged over 16 without qualifications. Parts of St Dennis and St Austell also feature whereas it appears that in the decade the situation for Bodmin has approved; but Hayle, Bude and parts of rural north Cornwall (St Endellion) appear to have worsened.

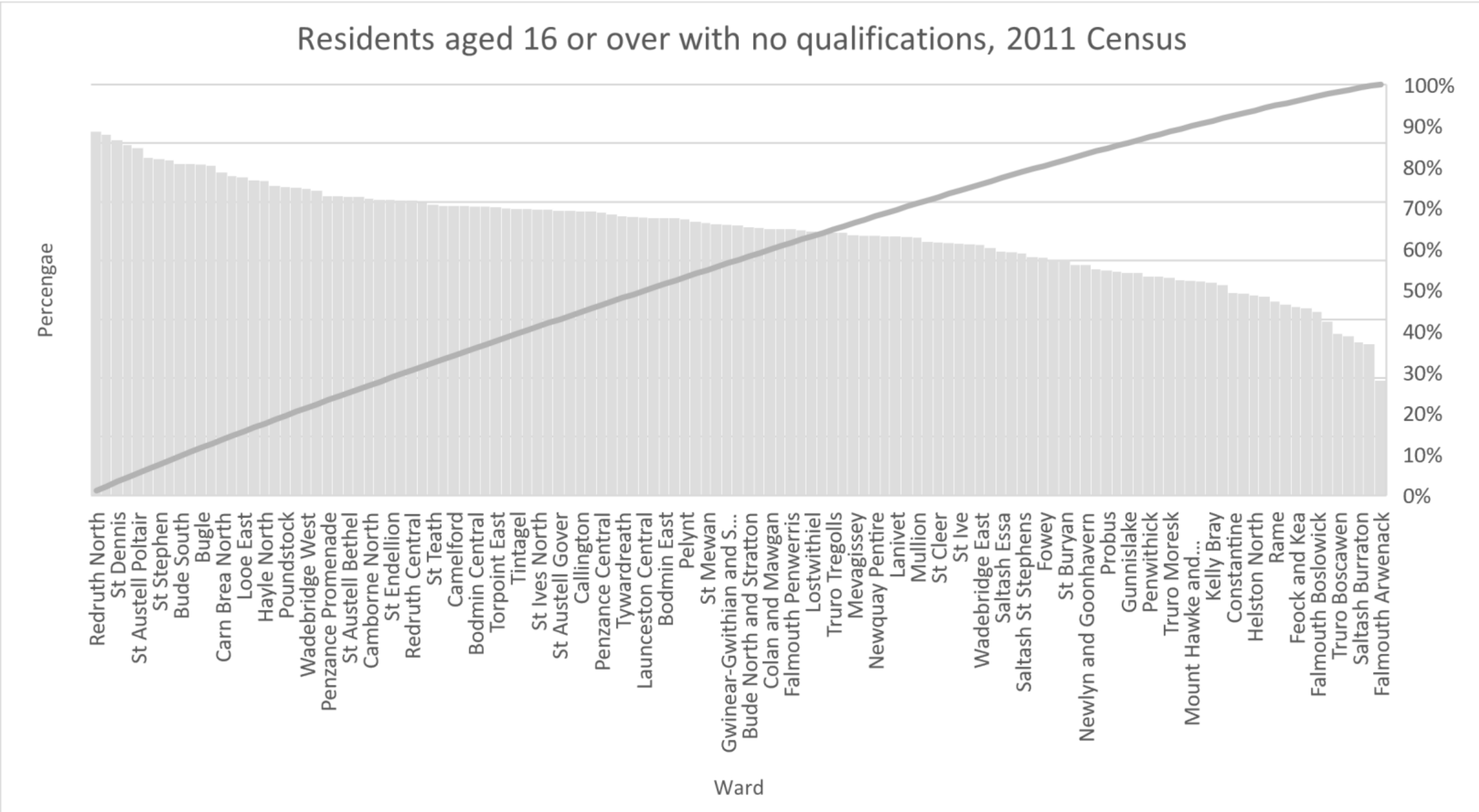

Figure 74 - Source: ONS/Census of Population

6. **Figure 75** illustrates the 2022 Local Authority Ward boundaries and **Figure 76** illustrates the 2011 boundaries:

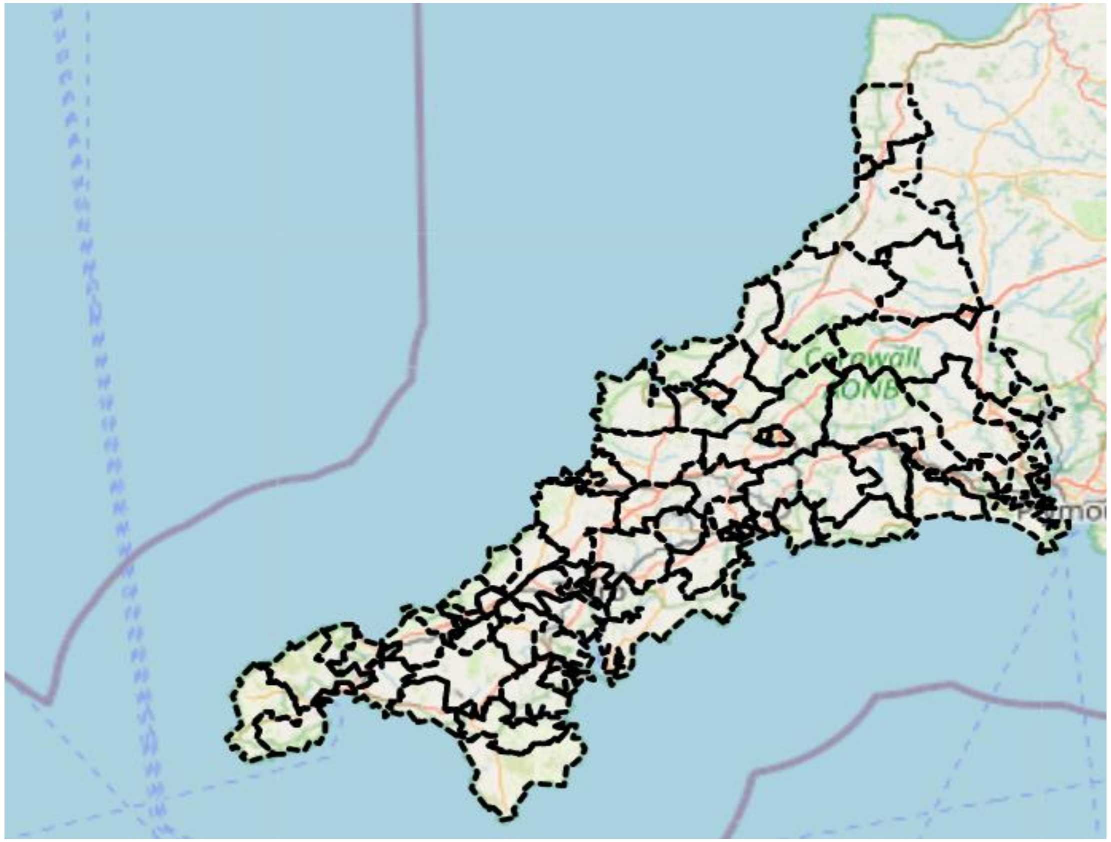

Figure 75 - Source: NOMIS/ONS

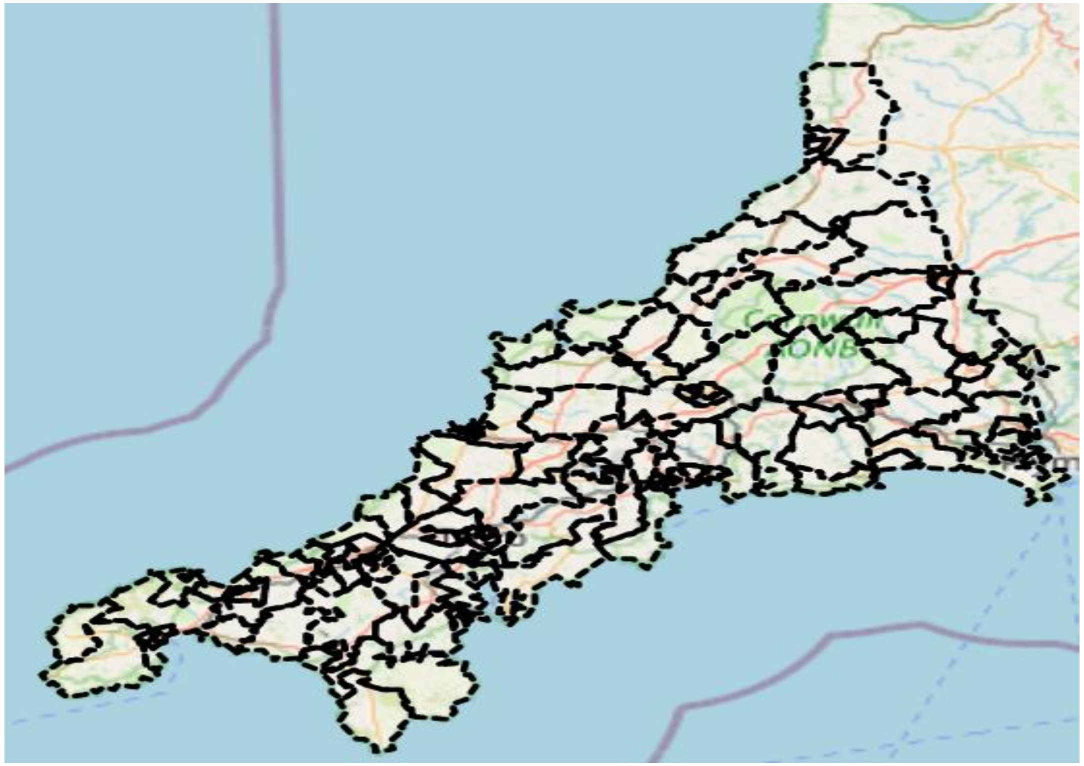

Figure 76 - Source: NOMIS/ONE

7. **Figure 77** (below) makes a similar approach in illustrating those residents over the age of 16 whose highest qualification was Level 2. The highest levels are in the clay villages and part of Newquay, while the far south east of Cornwall and parts of Redruth and Illogan were also highest amongst those with this qualification as their highest.

8. Several 'less deprived' wards fared the 'worst' in terms of Level 2 being their highest qualification, most like (as shall be see) because they have achieved qualifications higher than this.

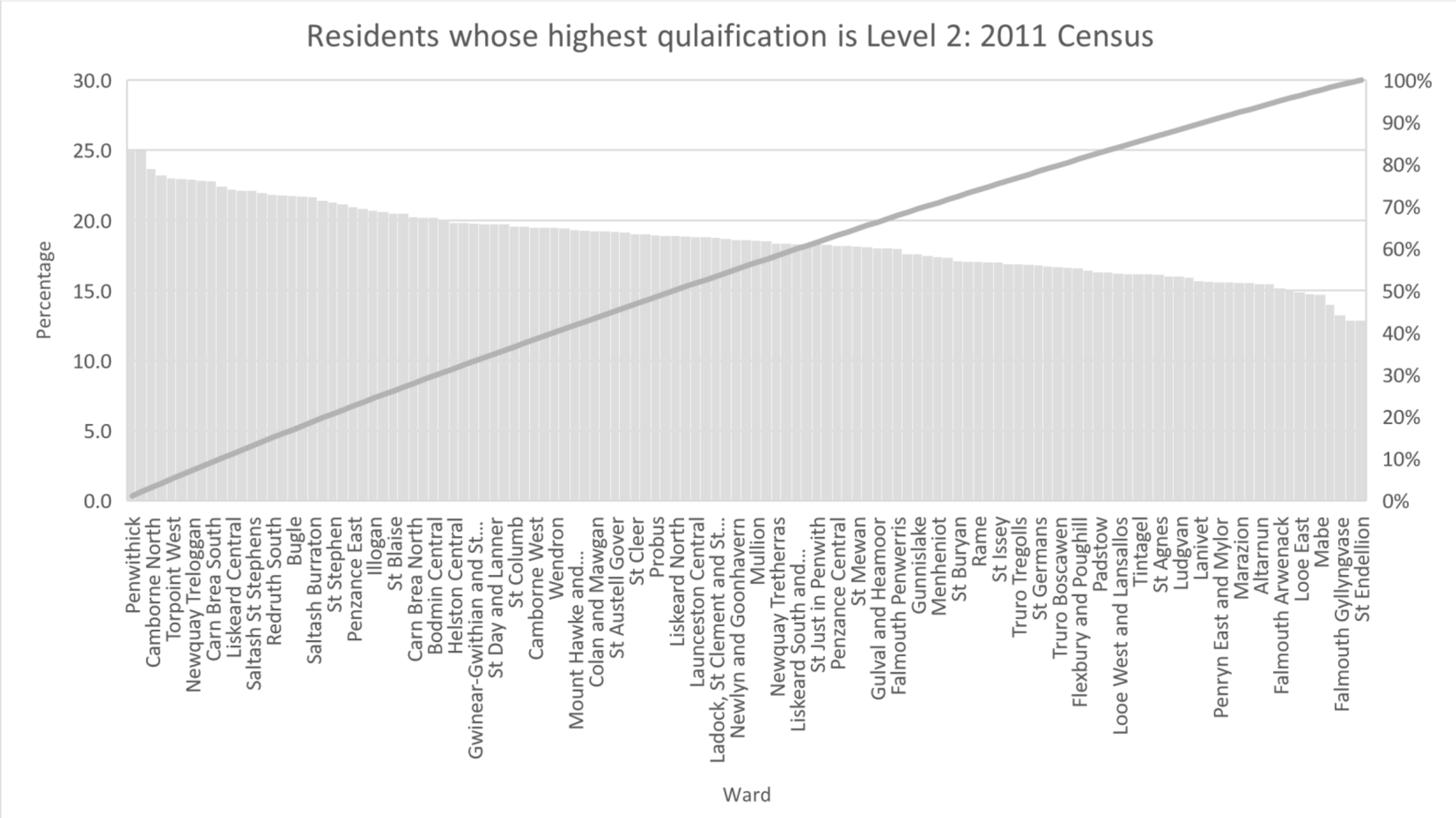

Figure 77 - Source: Census of Population

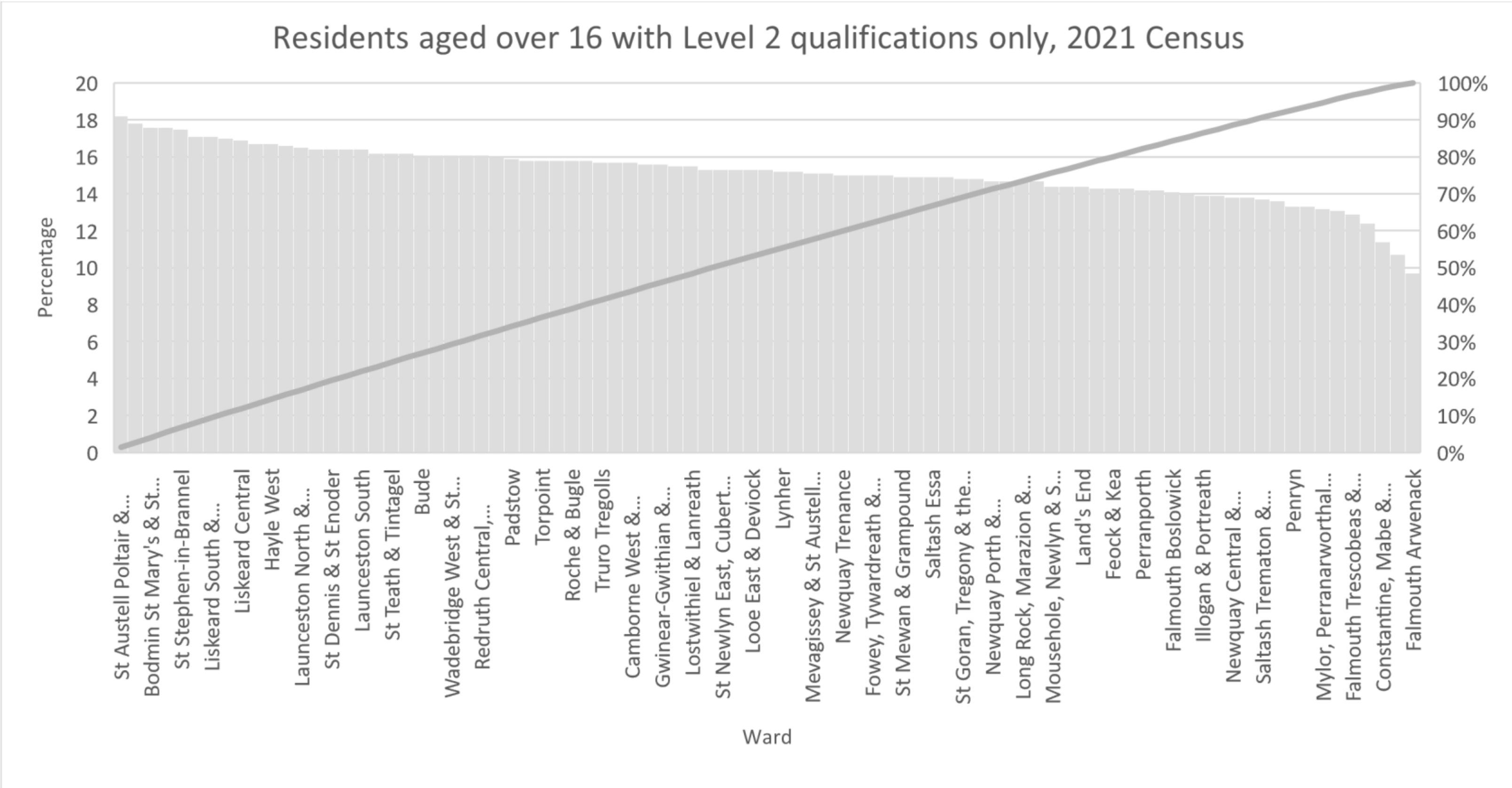

Figure 78 - Source: Census of Population

9. By 2021 (reminder note: different ward boundaries); St Austell, Bodmin and Liskeard were the places where there were wards that had the highest level of residents aged over 16 with only L2 qualifications. St Dennis in the clay area was still relatively high. Fourteen of the sixteen highest wards were in east/mid Cornwall.

10. For Level 3 qualifications in 2021 the position is illustrated in **Figure 79** (below) for 2021. Constantine, Mabe & Mawnan; Falmouth Arewenack; Gloweth, Malabar & Shortlanesend: parts of St Austell and the Clay area and Saltash feature as highest places for people with L3. This is likely because they are close to FE/HE institutions and may have a higher undergraduate population. This data should be considered alongside the data for the whole of Cornwall illustrated in chart 56.

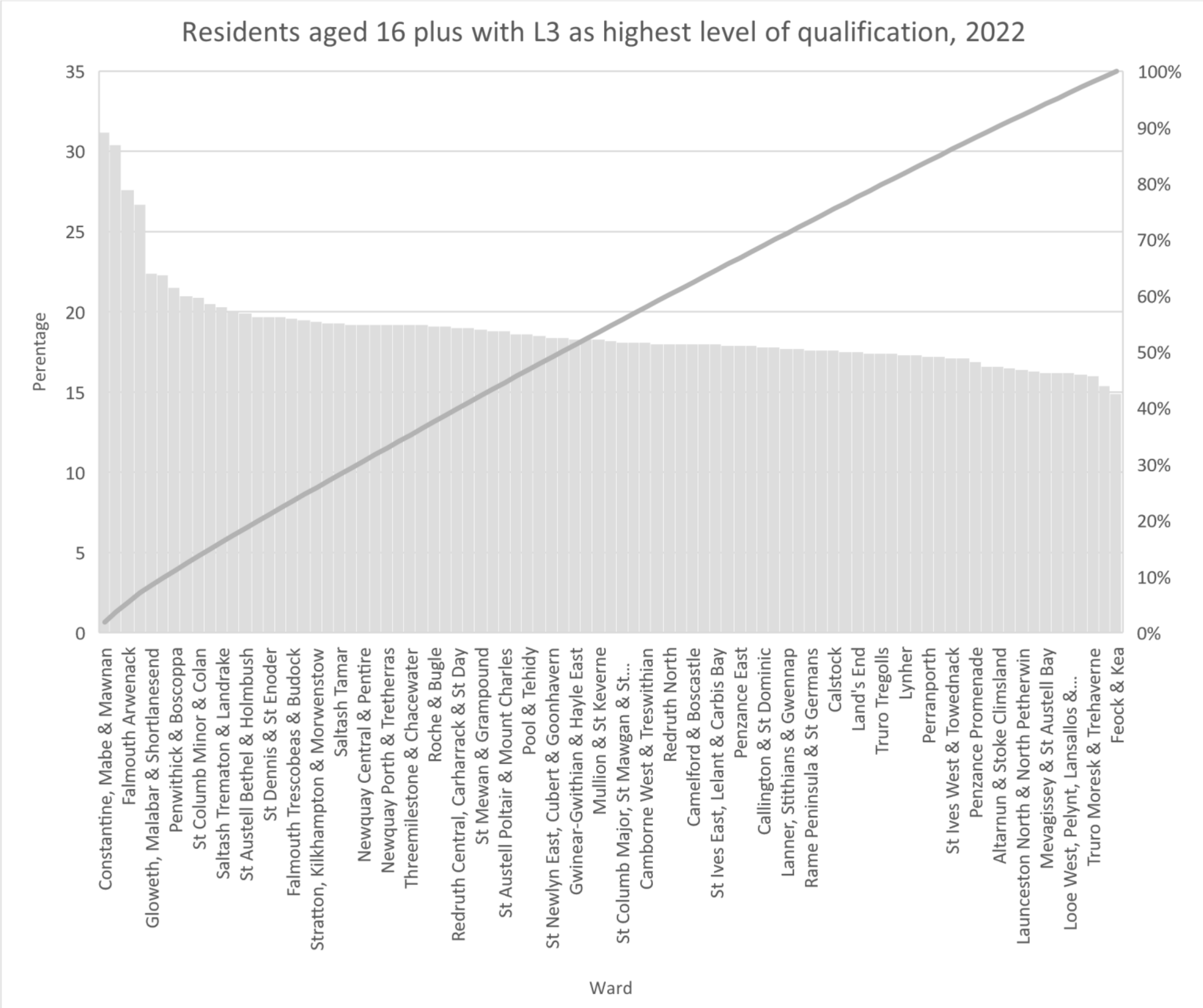

Figure 79 - Source: ONS/Census of Population

11. For L4 qualifications and above for residents aged 16 and over in the 2021 Census these are illustrated in **Figure 80** (below). St Agnes (at almost 45%) is a popular commuting village for Truro workers in areas such as Health and Public administration. For Plymouth, the likelihood is the same for Rame and St Germans and in Falmouth in relation to the commute to University related jobs and other senior roles in the marine and manufacturing sectors.

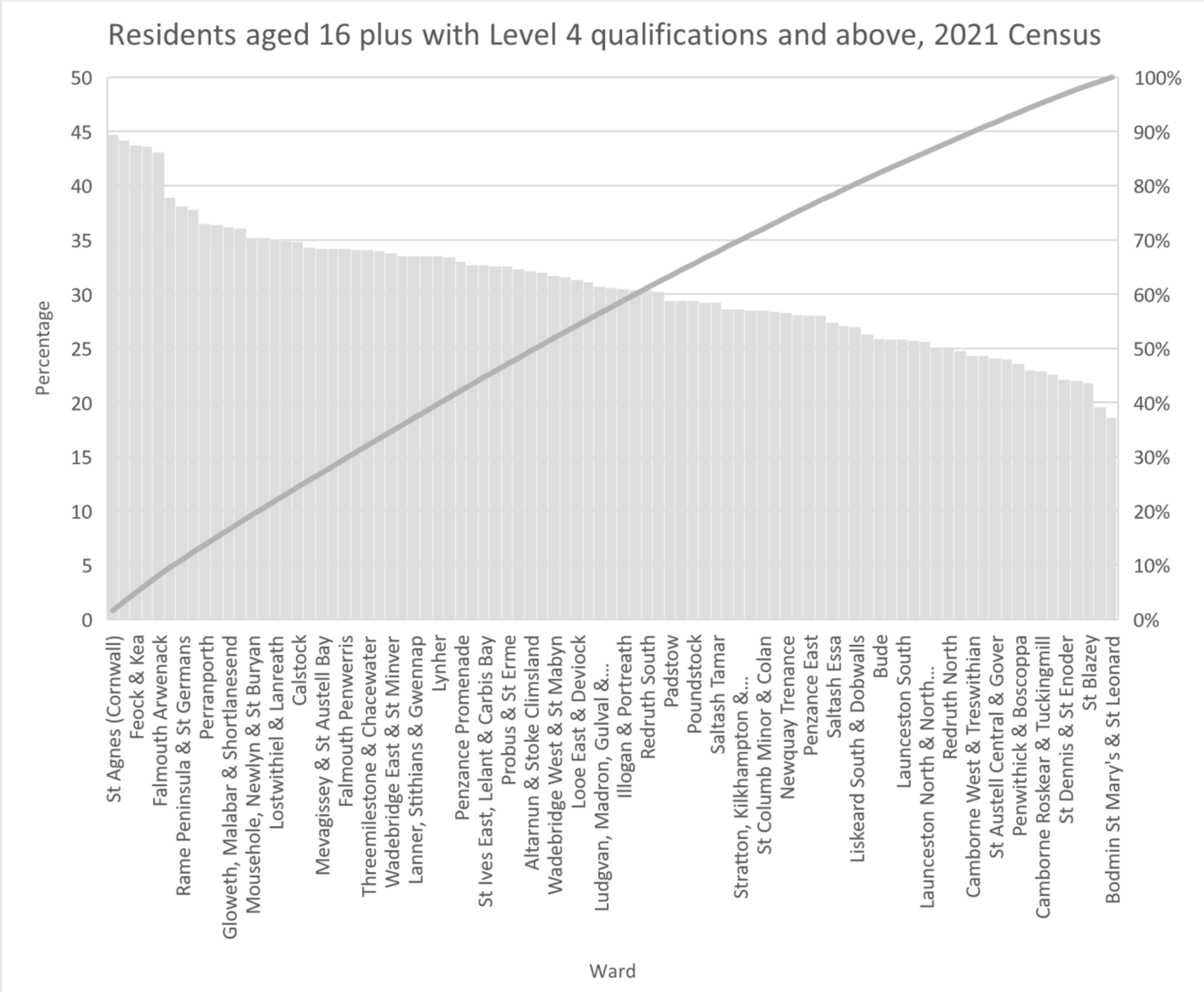

Figure 80 - Source: ONS/Census of Population

12. **Figure 80** (again) illustrates low levels of L4+ qualifications in east and mid Cornwall: Bude/Bodmin and the St Austell/Clay areas, Liskeard, Launceston and Saltash.

13. Those at L3 and L4+ are indicative of an expansion of Higher Education in Cornwall under several rounds of EU funding. Generally, net migration data tends to indicate that the number of people who previously left Cornwall in their twenties has been reversed. However, the issue is whether it is because ‘a job’ is now feasible in Cornwall (unlike much of the 1980s and 1990s) compared to a qualified job with commensurate pay that would be recognised at a UK level. Net migration could be supported by those coming to Cornwall willing to work in a role that requires lower qualifications.

14. HE provision gives business access to both research capacity and higher level skills, if young people choose to stay (whether from Cornwall or not), although higher quality jobs are obviously open to competition from people from outside of Cornwall with other factors (such as access to housing) complicating labour market progress.

15. The intended shift of HE and other infrastructure has been to deliver a **more knowledge based** economy as traditional, unskilled and lower value roles faded. Specific ESF projects have included widening the participation of young people from disadvantaged backgrounds into Higher Education and ‘Unlocking Potential’ which has placed graduates with SMEs enabling bespoke projects resulting in innovative products and higher productivity.

16. **Commuting patterns** would need to be examined in more detail but it is likely that EU funded knowledge infrastructure in particular places would see people (with higher pay) travelling further distances to access employment. Each of the three Innovation Centres (for example) are either close to or in deprived wards/places where people’s qualifications are lower.

17. An evaluation of the ESF Programme (2007-14 period) concluded that it had increased overall employment including among **women and older people,** reduced the number of people without qualifications (as illustrated in this report) and the number of young people Not in Education or Employment (NEET) – although chart 23 illustrates that over a long period this reduction has struggled to be maintained and (although it fell pre pandemic) it increased as a result.

18. Eurostat defines the knowledge economy as illustrated in **Table 5** (below). Using these two-digit Standard Industrial Classification (SIC) codes it is possible to illustrate the role of these jobs for Cornwall, although not all of them are necessarily going to be of ‘higher value’ in wage or economic impact terms; but there will be a higher level of skill attached which will justify a higher reward in terms of pay and possibly (an area for further research) some skill transferability. They are unlikely to be ‘exhaustive’ when defining the knowledge economy. Education, Healthcare and Financial Services all feature as part of an OECD definition, although these tend to be public sector orientated and traditional roles in Cornwall.

19. **Figure 81** (also below) illustrates the change in job numbers over the period from 2015 (the earliest that the dataset is available), in relation to the definition below.

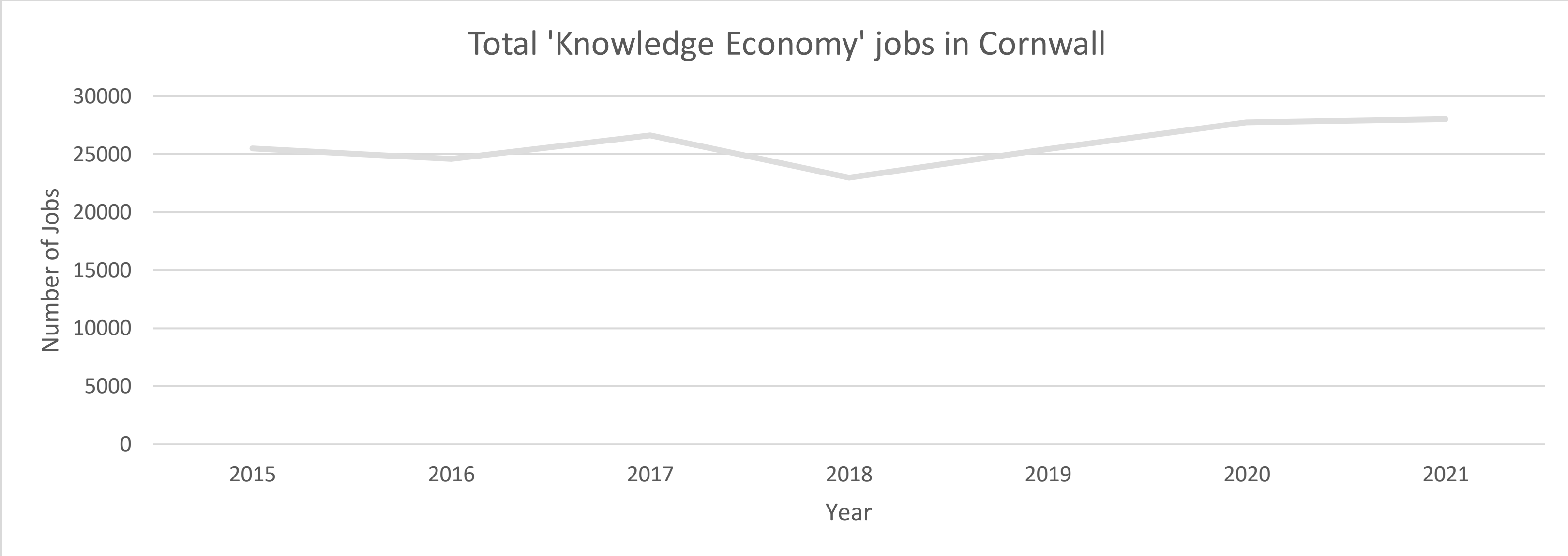

Figure 81 - Source: BRES

Table 5

NACE Rev. 2. codes 2 digit level	Sectors
High-technology manufacturing industries	**21** Manufacture of basic pharmaceutical products and pharmaceutical preparations **26** Manufacture of computer, electronic and optical products
Medium-high-technology manufacturing industries	**20** Manufacture of chemicals and chemical products **27** Manufacture of electrical equipment **28** Manufacture of machinery and equipment n.e.c. **29** Manufacture of motor vehicles, trailers and semi-trailers **30** Manufacture of other transport equipment
Knowledge-intensive services (KIS)	**50** Water transport **51** Air transport **59** Motion picture, video and television programme production, sound recording and music publishing activities **60** Programming and broadcasting activities **61** Telecommunications **62** Computer programming, consultancy and related activities **63** Information service activities **64** Financial service activities, except insurance and pension funding **65** Insurance, reinsurance and pension funding, except compulsory social security **66** Activities auxiliary to financial services and insurance activities **69** Legal and accounting activities **70** Activities of head offices; management consultancy activities **71** Architectural and engineering activities; technical testing and analysis **72** Scientific research and development **73** Advertising and market research **74** Other professional, scientific and technical activities **78** Employment activities **80** Security and investigation activities

Source: own construction based on Eurostat (2009)

20. Over the period the number of jobs in this definition of the 'knowledge economy' has increased from around 25,500 to over 28,000 in Cornwall (10%) in the six year period but as a proportion of all jobs in Cornwall actually fell slightly from 11.5% to 11.2%. The high point was 12% of all jobs in 2020 which suggests (without evidence) that the pandemic may have had an impact in terms of factors such as the 'great resignation' or business rationalization on the road to recovery. It should be noted that this references all of those who were in employment, whether employed or self-employed, full or part time and does not include a full 'definition' of the 'knowledge economy' in Cornwall.

21. ‘Knowledge’ is required to undertake any job, but this selection is more likely to focus on technical or ‘complex’ process work. The public sector is left out of the definition (a major employer in Cornwall) but ‘wealth generation’ is arguably not developed through that knowledge base. Social capital is more likely to be, but ‘wealth’ could be (for example) through medical research so it is arguable that these 10-12% of jobs do not represent the full potential complement of Cornwall’s knowledge economy.

22. In terms of enterprise numbers across these defined sectors, **Figure 82** (below) indicates the situation in Cornwall over a longer period from a different dataset. This shows a steady uptick in the number of Enterprises over the whole period (about 43% over the whole period but a slower pace of 14% between 2015 and 2022. Taken with the employment numbers this suggests a greater focus on smaller businesses operating in these sectors as time has progressed and therefore a particular approach needed to cultivate their skills base.

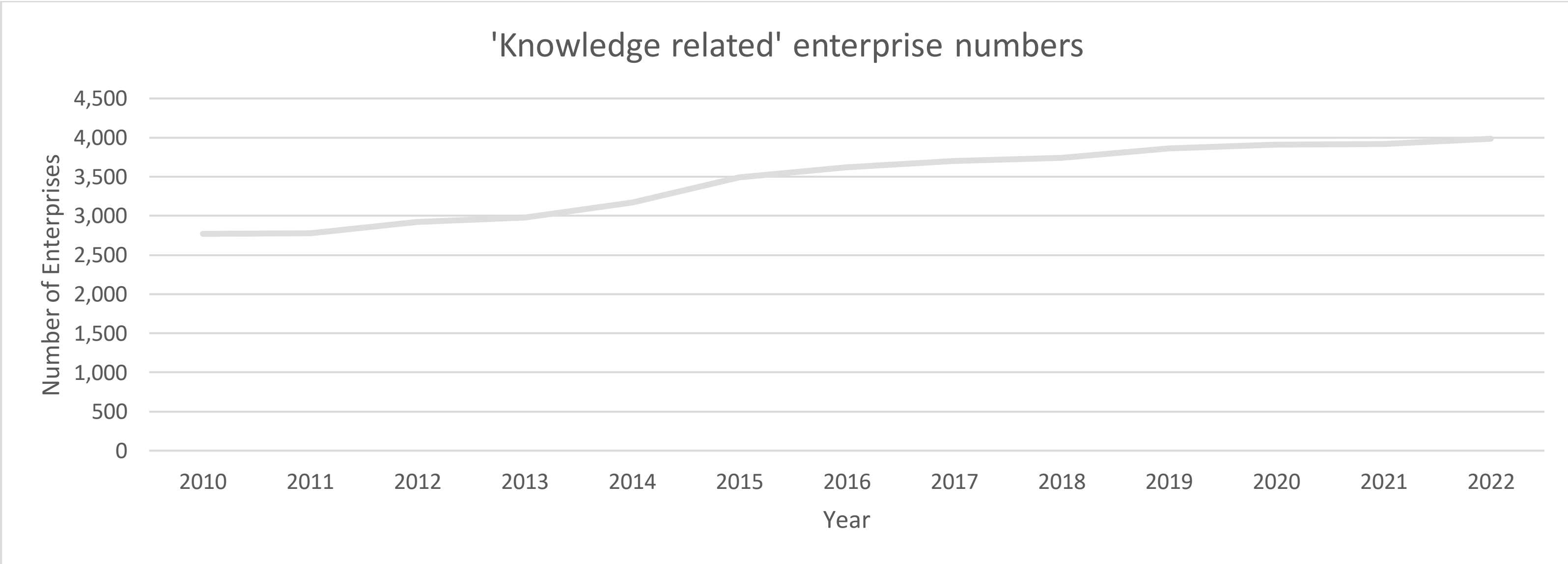

Figure 82 - Source: UK Business Counts

23. At the UK level there is Annual Population Survey data available. This suggests that 39.8% of the workforce in the following sectors were aged between 16 and 20 in 2019: ‘Wholesale/Retail’ sector (8.9%), ‘Accommodation & Food’ (19.5%) or ‘Arts, Recreation and Entertainment’ (10.9%). There is every reason to believe that (because of the significance of these sectors in the Cornwall economy) that the 16-20 workforce in these sectors is proportionally bigger in Cornwall.

24. This raises the issue of whether career structures can be developed to provide incentive for people to age in these sectors. Particularly this is the case for retail/town centres and the need to provide experiences to develop footfall and spend; and also in terms of the arts and its relationship with creativity and digitization; and how such skills can be transferred.

25. For people aged 21 to 24, the workforce in this age group made up 35.3% of those in these three sectors with ‘Wholesale/Retail’ at 10.6%, ‘Accommodation & Food’ (15.4%) and ‘Arts, Entertainment & Recreation’ (9.3%). So, although the proportion of the workforce in these sectors and this age group did decline (compared to those aged 16 to 20), it was only a small decline and in the ‘Wholesale/Retail’ sector increased.

26. This is all tempered of course by the fact that a larger proportion of those in the 16 to 20 age group are likely to be in full time education/economically inactive. The sector change between the two age groups is indicated in **Figure 83** (below). It particularly shows an ‘ageing shift’ between the two groups to a range of other sectors not listed above.

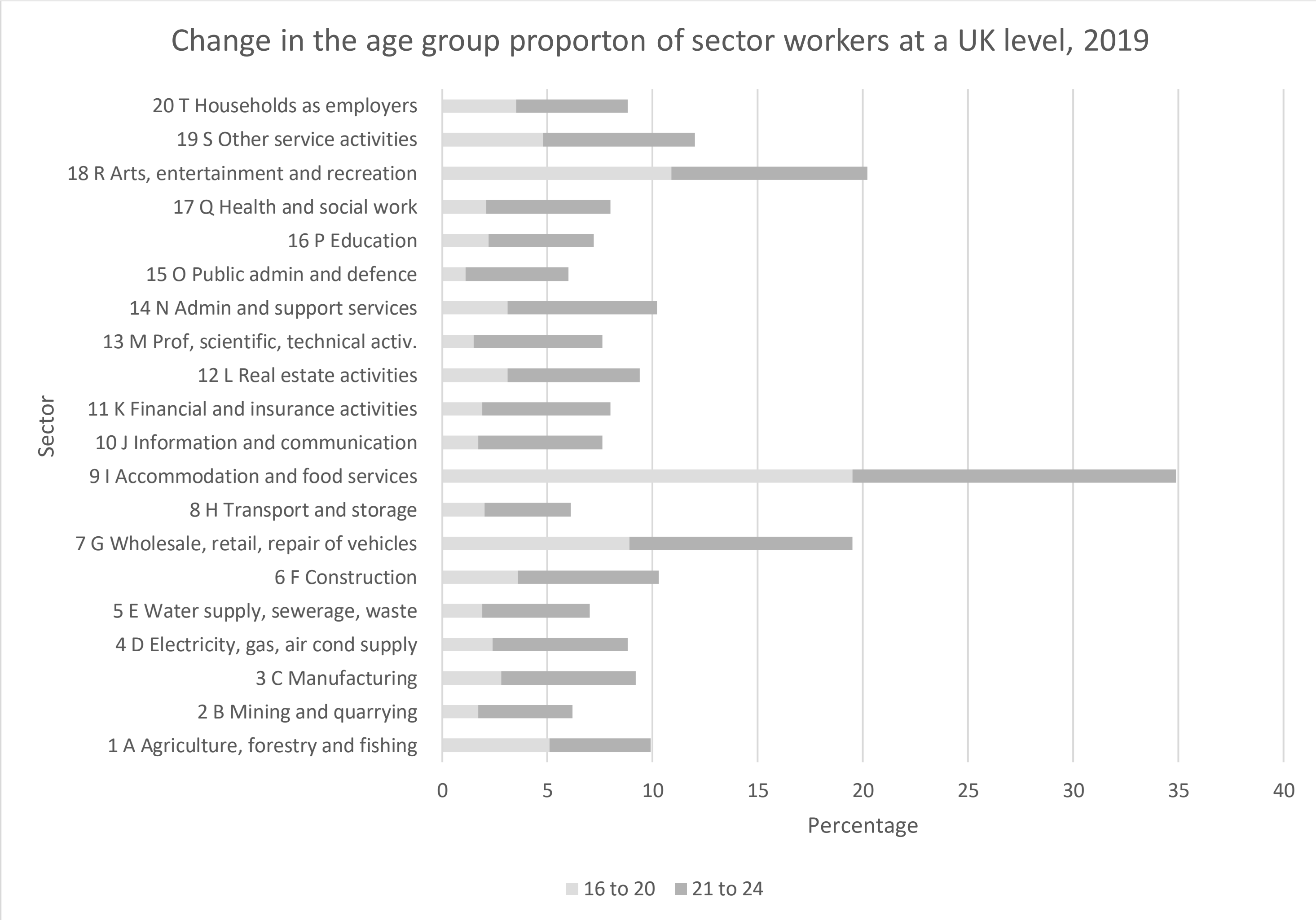

Figure 83 - Source: Annual Population Survey

27. Occupational groups can cut across sectors, but only 1% of the workforce in Director, Managerial or Senior Professional roles were aged 16 – 19 (UK, 2019), rising to 6.4% for those aged 21 to 24. The full data is indicated in **Figure 84** (below). The proportion of those aged 16 to 19 in the occupational groups generally increases as the occupations require lower levels of qualifications: almost 14% of people in this age group make up the workforce of ‘elementary occupations’ compared with less than 0.5% for ‘Managers, Directors and Senior officials’. The exception is ‘Process, Plant and Machine Operatives’.

28. For those aged 21 to 24 this proportional feature generally continues.

29. Occupation sectors 1 to 5 are more highly skilled occupations and (using the Eurostat definition in **Table 5**) almost 60% of all the jobs identified were in 'knowledge intensive businesses' in Cornwall, but accounted for over 94% of all enterprises (note: regardless of the age of the workforce)

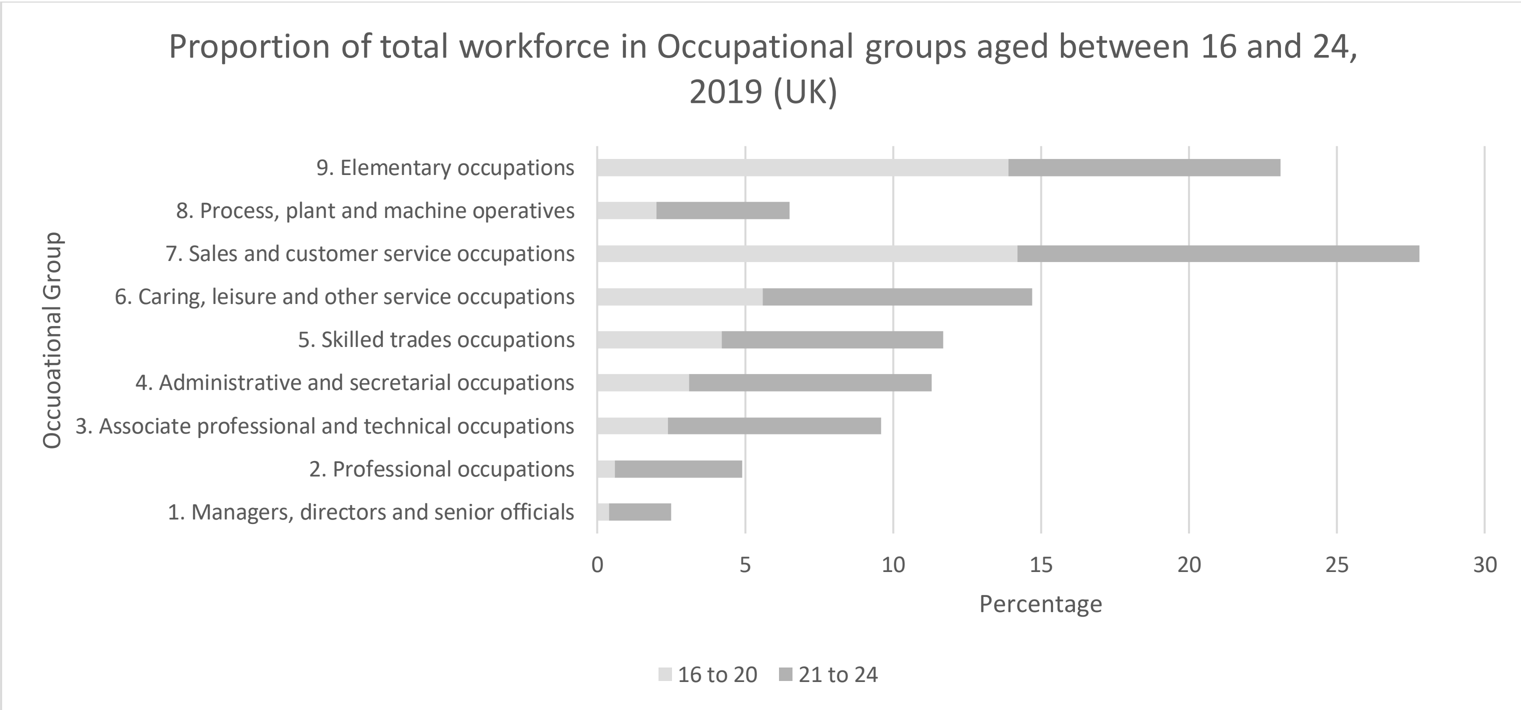

Figure 84 - Source: Annual Population Survey

30. Correspondence with ONS in March 2023 confirmed that APS data occupational/age data was not available for Cornwall and the Isles of Scilly as the southwest sample in the C&IoS region was only 60 people across the 16 to 24 age group. Data would therefore be apportioned to between zero and three people per category for occupational group so useless and unrepresentative. Similarly, in the few industries where estimates can be produced by ONS they are all under ten persons so they are not robust and run the risk of being misleading.

31. Through the author's data request ONS have made available sector and occupational data for the year ending December 2022 (which has not yet been officially released) in the southwest. **Figure 85** (below) shows the whole numbers of people in each of the younger age groups by

sector, where this data is available by sector. Interestingly, it shows a decline of young people in the 'Arts, Entertainment and Recreation' sector as they move between the two age groups but this could be down to the 'entertainment' element and people leaving roles that are linked to tourism. This is certainly seen in terms of the halving of the numbers for 'Accommodation and Food' between the two age groups. However, as with all this data there will be higher numbers of people who are economically active over the age of 21 and the data should be seen in this context.

32. That said, it is encouraging and informative that the 'Construction' and 'Professional, Scientific & Technical' sectors grow as people age between the two groups. This could be down to qualifications.

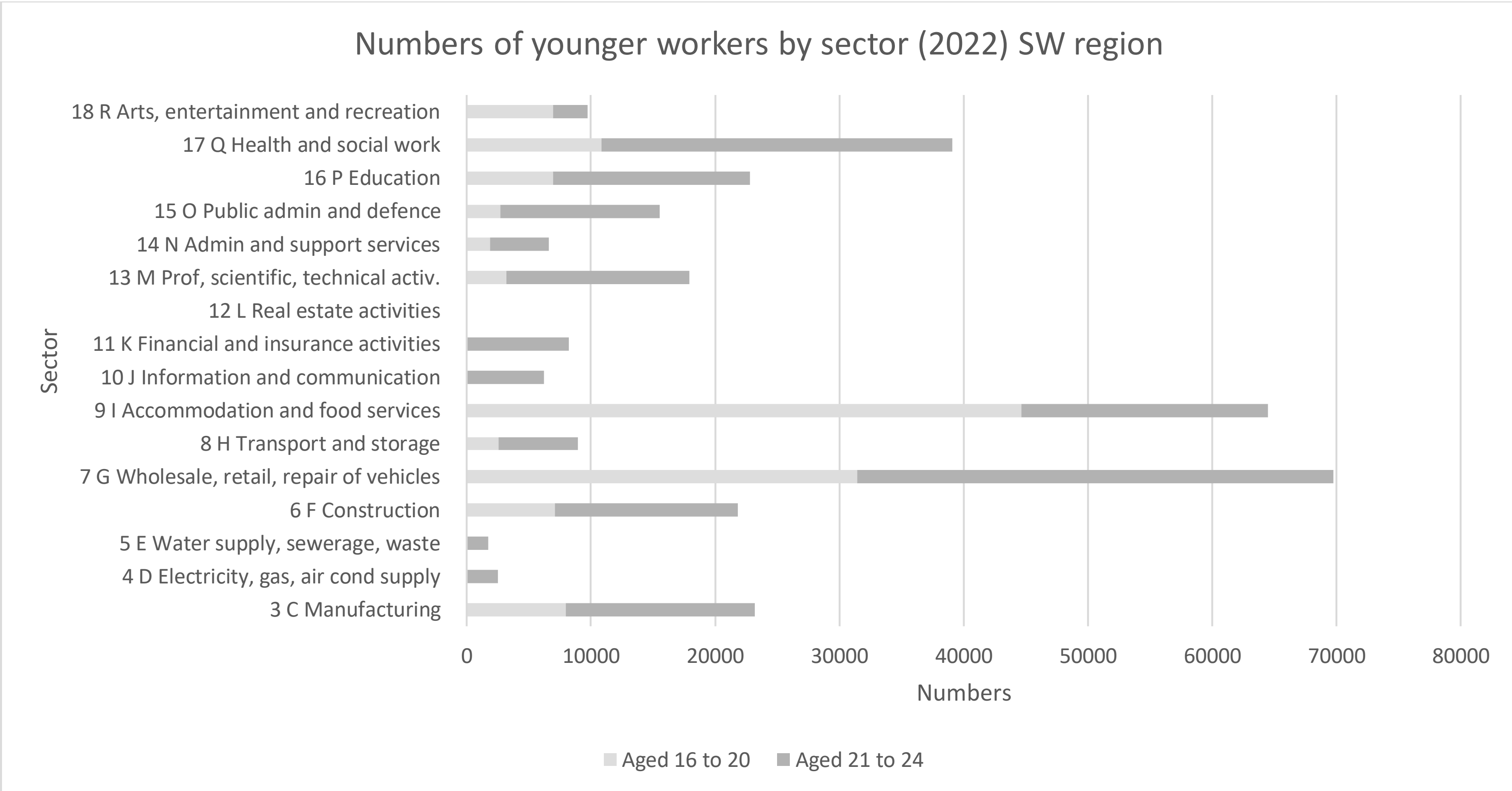

Figure 85 - Source: ONS, Annual Population Survey

33. For occupations at this south west spatial level this data is illustrated in **chart 76** (below). ‘Managers. Directors and Senior Officials’ only appear as a statistically significant group for those aged between 21 and 24 and professional/skilled jobs have a higher proportion of this age group in them for all but ‘Elementary’ occupations. However, this gap does relatively decline in significance as we move down the occupational hierarchy, again probably linked to occupation and economic activity enabled by a formal end to FE/HE.

Figure 86 - Source: ONS, Annual Population Survey

21. Employer Skills Survey

1. The Department of Education in England conduct a skills survey down to a Local Enterprise Partnership (LEP) level every two to three years. 2022 research is currently being conducted but the results of the 2019 survey are available.

2. 18% of employers in Cornwall and the Isles of Scilly reported ‘skills gaps’ which is the same as the England average. 47% had tried to recruit in the ‘previous 12 months’ – again the same as the England average. 7% had at least one hard to fill vacancy (a point lower than the England average), but the slightly lower figure may be because Cornwall is an attractive area to relocate to.

3. Cornwall also had a slightly lower (38% compared to 39% for England) total number of hard to fill vacancies for whatever reason – not just skills related. But in number terms (through the survey) the figure was around 2000 and one of the ‘less challenging’ of the LEP regions as illustrated in **Figure 87** (below). However, there are a range of factors at play here including relative size of the labour market, cost of housing and the desirability of a region as a place to live. Cornwall at the lower end of the scale for this indicator is not saying that ‘hard to fill vacancies’ are not an issue but it is alluding to some of these factors.

4. Due to net migration and increasing specialisms around particular sectors (digital, mining, environmental, aerospace etc.) such vacancies would be likely to be more difficult to fill in a thinner labour market where skills and qualifications are less likely to be geographically close to where specialist or technical skills are available.

5. ‘Skills’ however are only going to be one factor that make vacancies hard to fill and the reasons for difficulty are explored in **Figure 88** (below):

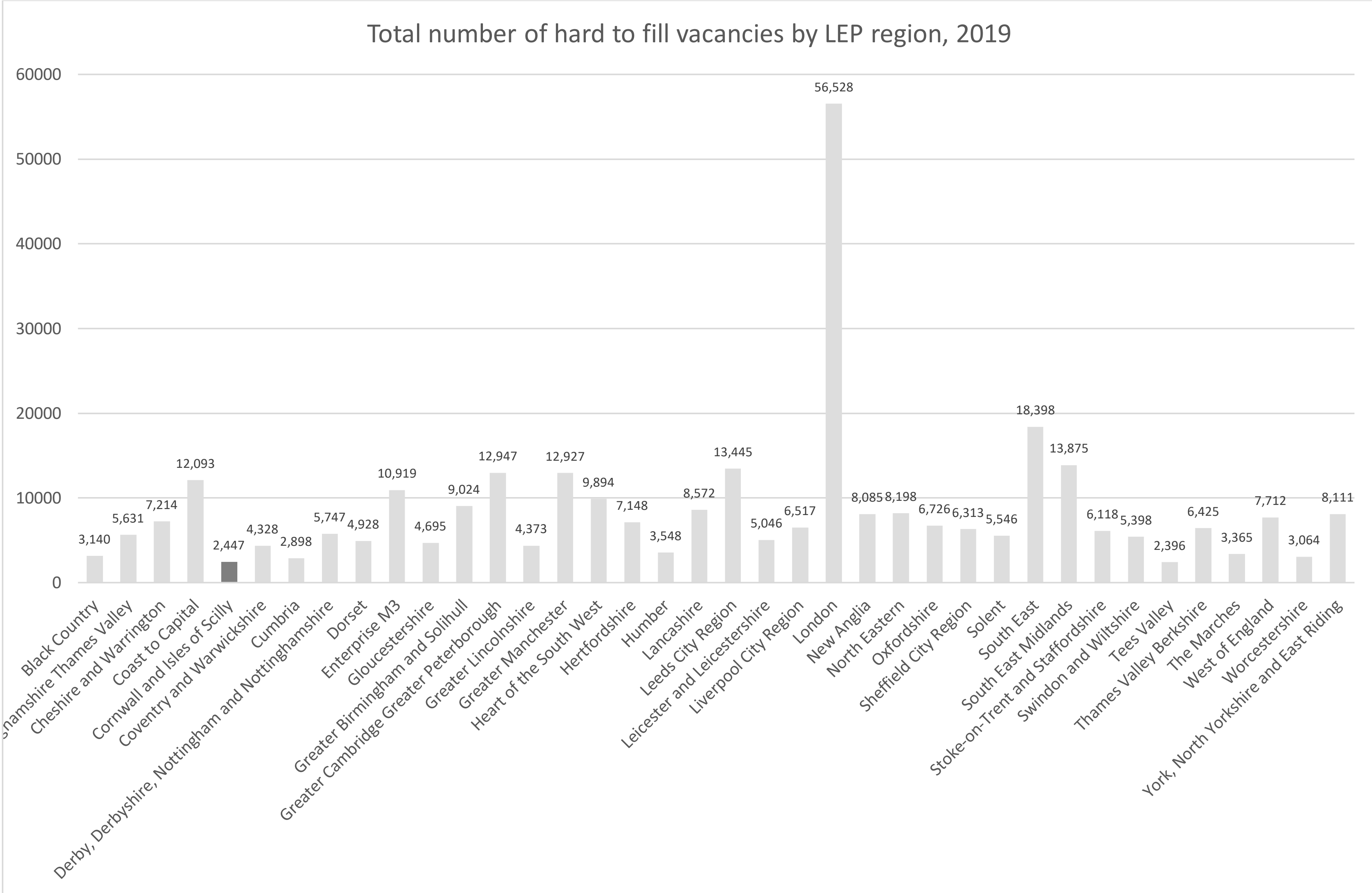

Figure 87 - Source: Employer Skills Survey, Department of Education

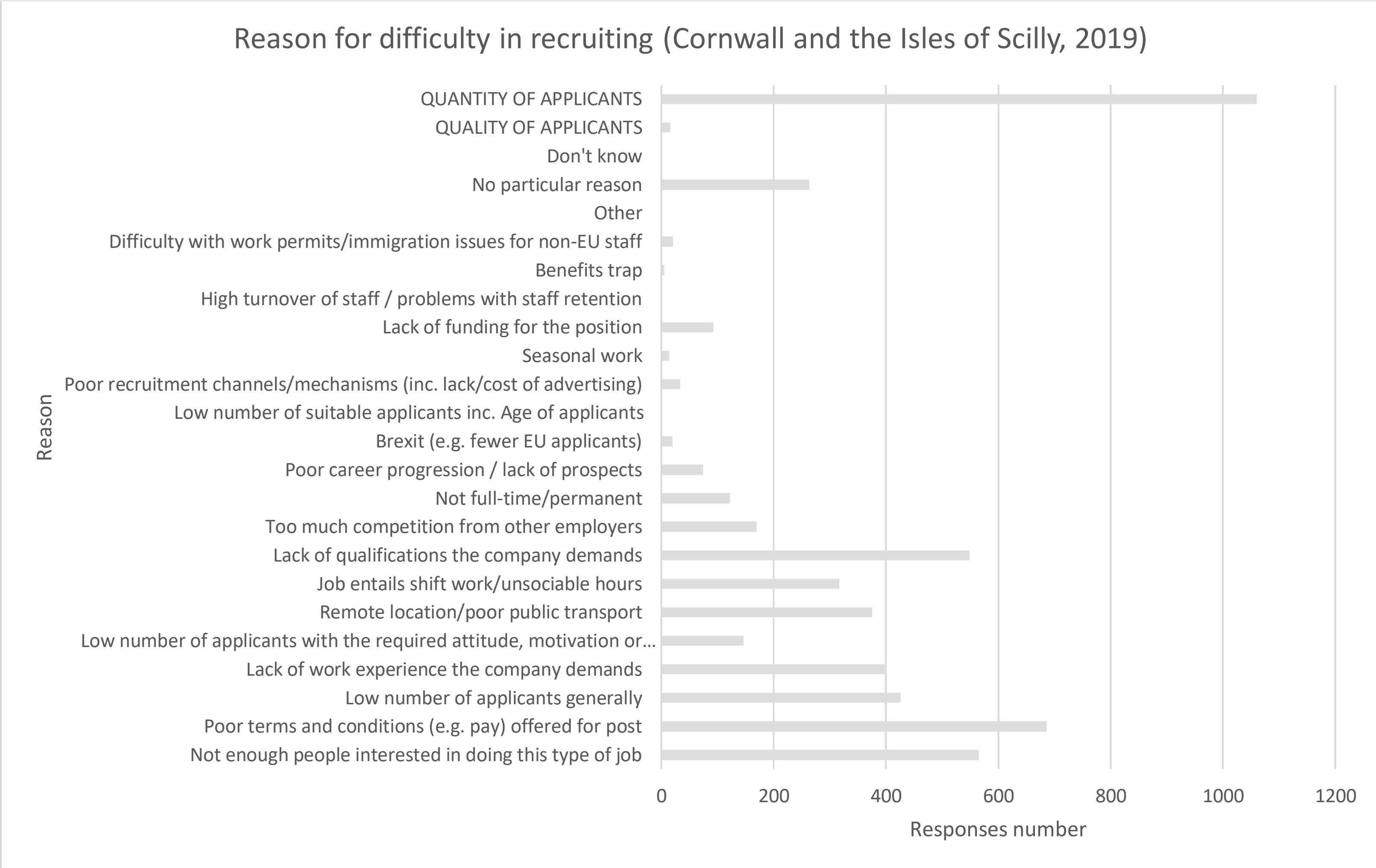

Figure 88 - Source: Employer Skills Survey, Department of Education

6. Remember, this applies to 2000 or so vacancies in Cornwall and the Isles of Scilly so the response from employers can be multiple reasons – hence the larger number of over 5,000 responses. ‘Quantity of applicants’ is a significant catch all response and may relate to factors such as location and competitiveness with what people may be doing at present (opportunity for higher wages or progress for example). This second point is alluded to in some responses as is the equivalence of not enough hours and ‘poor terms and conditions’ including pay.

7. This is a ‘catch 22’ for Cornish employers. Lack of market reach, ability to develop new products or even the sector type (e.g. care) means that offering a competitive package to a candidate for employment is challenging and is summed up in terms of Cornwall and the Isles of Scilly sector structure being tilted toward ‘services’.

8. However, there are ‘skill’ issues within these responses including:

    - Lack of qualifications
    - Attitudinal issues
    - Lack of experience

9. These are all specific issues highlighted earlier in this paper pertaining to younger workers. As seen, qualifications and experience can come with age.

10. **Figure 89** gets under the skin of the particular skill deficiencies:

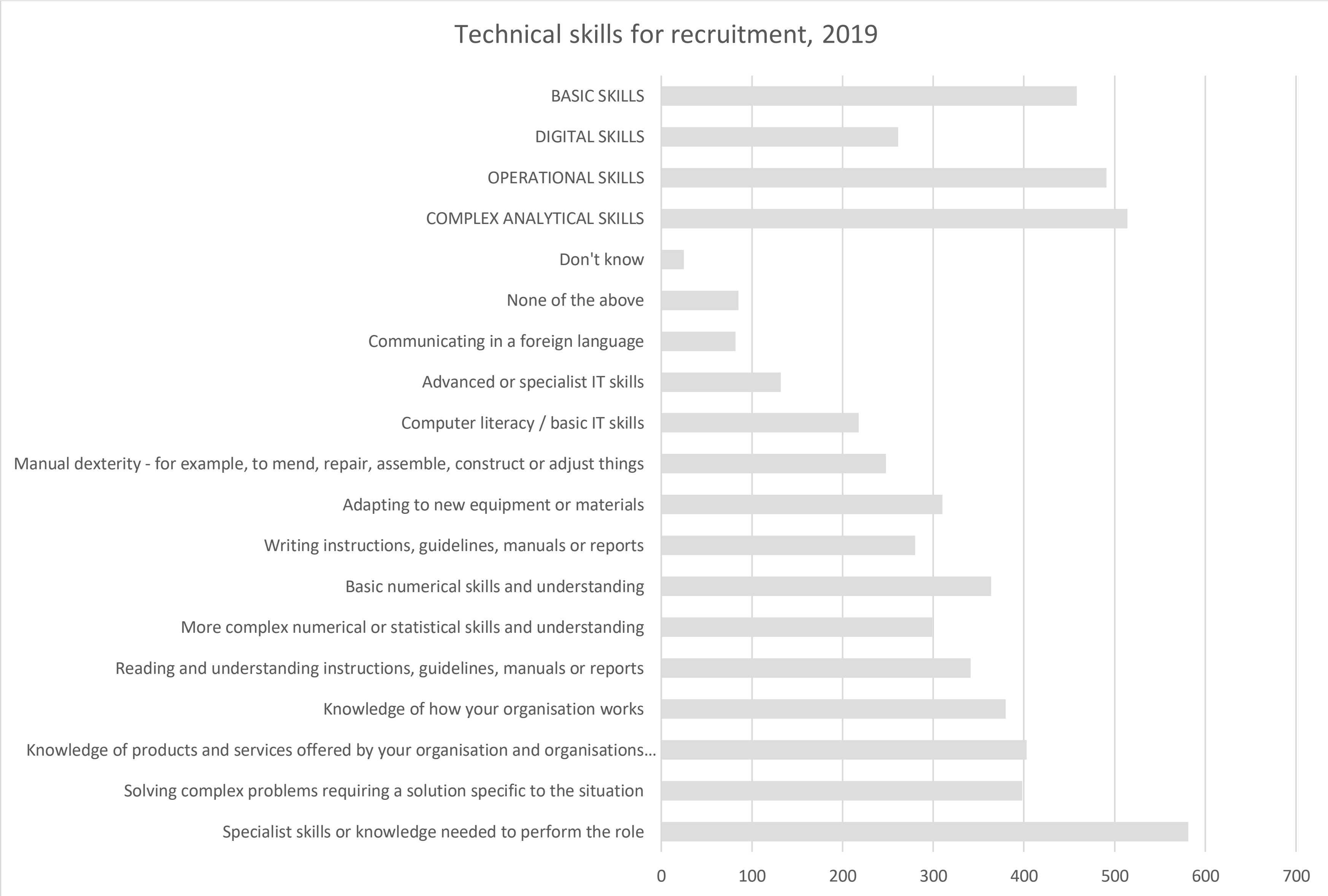

Figure 89 - Source: DfE: Employer Skills Survey

11. These are grouped with 'complex analytical' and 'operational' skills highlighted, but also 'digital' and 'basic' skills. With aspects of the job market in Cornwall and the Isles of Scilly being specialized (whether health related or in terms of -say – digital skills) 'specialised skills' was numerically the most significant deficiency highlighted by employers.

12. **Figure 90** examines recruitment issues by occupational theme in comparative LEP regions and within an England context:

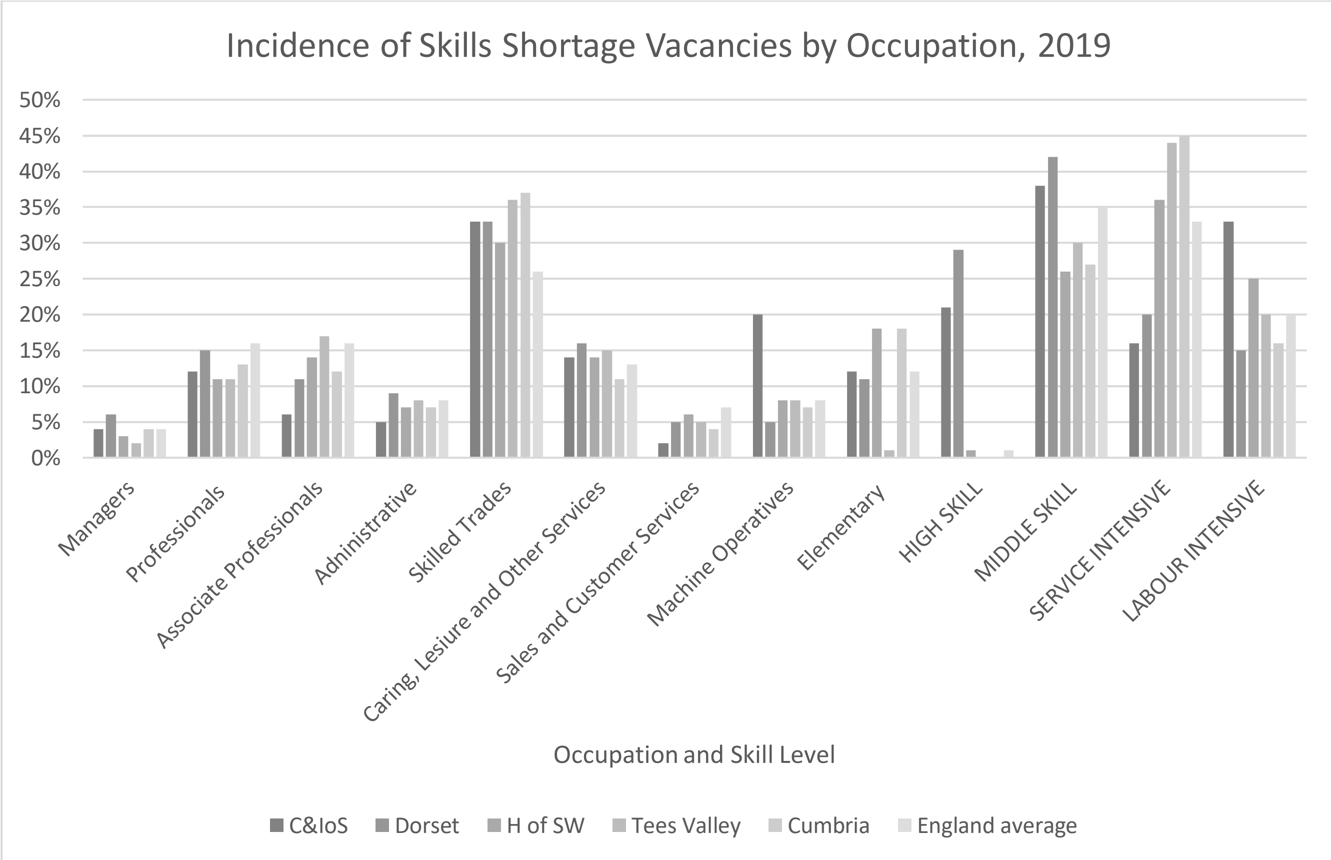

Figure 90 - Source: DfE Employer Skills Survey

13. It should be noted that the Employer Skills Survey is, of course, just that: a survey. It has different control numbers for each LEP region. On this basis, Cornwall and the Isles of Scilly had a comparable occupation recruitment issue with the England average and with Cumbria; but lower when it came to the English comparison with professional and especially associate professional occupations. Tees Valley and Cumbria had a higher skill shortage occupational rate in skilled trades than other named places and the England average but Cornwall and the Isles of Scilly were especially low when it came to the dominant sales and customer services sector (one which is dominated by younger people).

14. Machine operatives were a particular issue but the occupations could be grouped by their skill level and whether they were service or labour intensive. High and middle skill roles were a particular challenge to fill for Cornwall and the Isles of Scilly and those roles which were more labour intensive:
    - Generally, a role which is middle skill is one which requires at least a post secondary school education but less than a first degree (so L3) and moderate to substantial experience or on the job training (for example associate professional roles). Progression may be possible and these will be entry level jobs that perhaps will include the 16 to 19/20 age group.
    - High skill roles include areas such as coding, data analysis, project management, medical roles, marketing and graphic design. They tend to be qualified and certified roles, further enabled by professional experience but where those aged 20/21 to 24 are more likely to enter especially in relation to technology.
    - Service intensive roles include hospitality, retail, healthcare, insurance, finance and professional services. It is a surprise to see Cornwall and the Isles of Scilly so low here.
    - Labour intensive is where there is physical effort needed to produce goods and services (such as nursing, mining, some areas of construction, mechanics).

15. The second highest comparative level of high skill vacancies chimes with the findings of the survey that 67% of employers in Cornwall and the Isles of Scilly found that specialist/knowledge related skills were difficult to obtain (the average for England was 68%). Linked to this was complex problem solving linked to the specific situation that the recruit would find themselves in (C&IoS 46%, England 44%).

16. But it was in middle ranking areas where the differential between Cornwall & the Isles of Scilly and England was most pronounced. *These are areas where there is applicability to younger people:*
    - Team working (C&IoS 49%, England 37%)
    - Emotional intelligence (C&IoS 48%, England 36%)
    - Knowledge of the Organisation (C&IoS 44%, England 34%)
    - Basic numerical skills (C&IoS 42%, England 26%)
    - Adaptation to new equipment & materials (C&IoS 36%, England 24%)

17. It is the nature of the sector structure in Cornwall and the Isles of Scilly that only 13% of businesses surveyed felt that a degree was a critical or significant factor for a successful role candidate (compared to 20% for England). Maths and English GCSE (level 2 or A*-C) was also not seen as so important (52 to 45%) but vocational qualifications and relevant work experience matched the English average.

18. **Figure 91** (below) indicates by LEP region the percentage of employers who had recruited someone aged 16 to 18 in the previous 12 months. Cornwall and the Isles of Scilly came eighth (33%), just behind Heart of the South West (34%). This, again, is suggestive of a sector and occupational structure that can ‘tolerate’ young people with lower qualifications and skills and (of course) less progression into further and higher education, unless facilitated ‘on the job’. The English average (‘total’) was 26%.

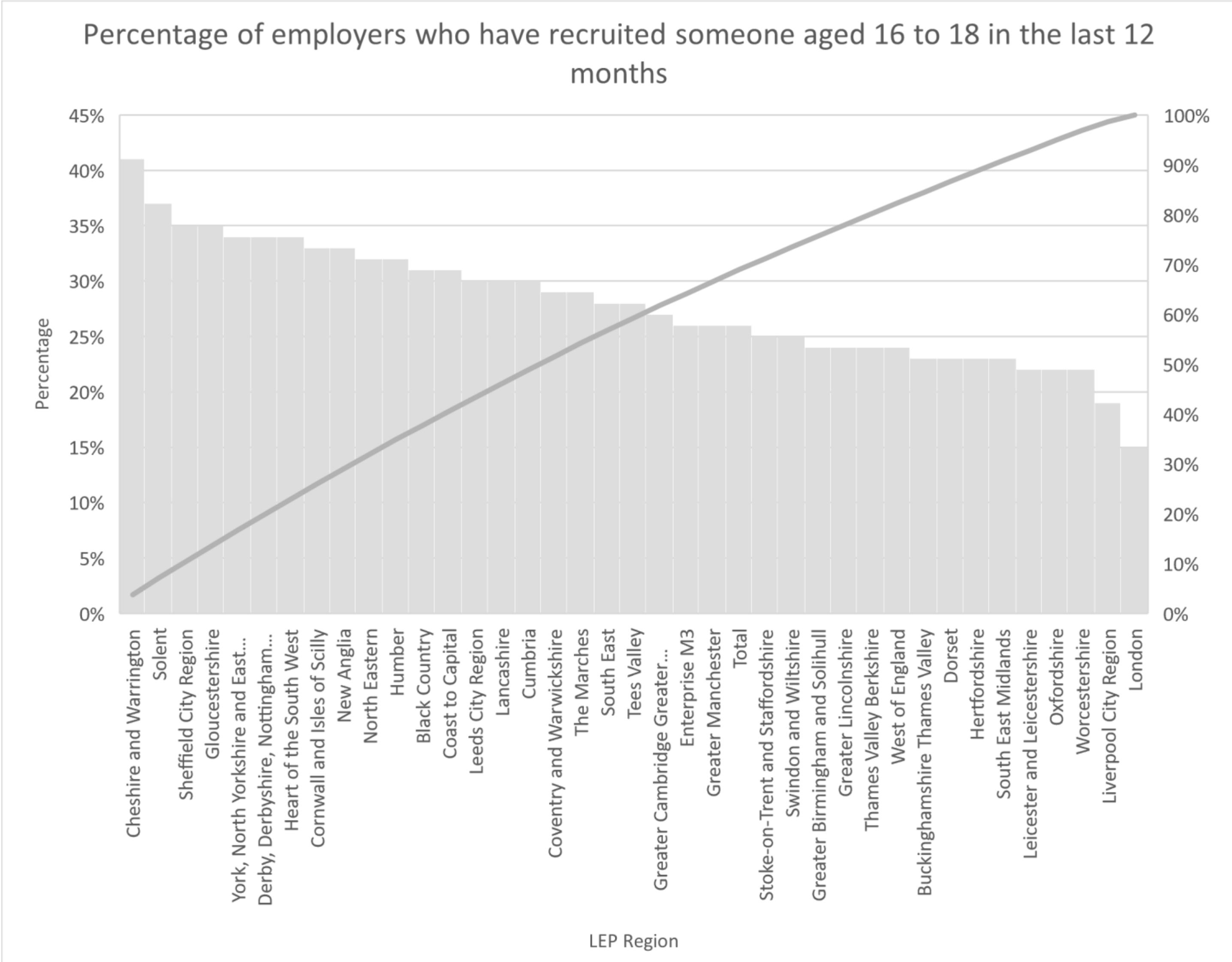

Figure 91 - Source: DfE Employer Skills Survey

19. **Figure 92** (below) indicates the situation for those aged 19 to 24. Cornwall and the Isles of Scilly slips down the twelfth place at 56%. It is interesting to note how many urban areas and consequently 'thicker' labour markets are above Cornwall and the Isles of Scilly, especially as one moves into an age group of first/bachelor degrees. Cornwall and the Isles of Scilly is just above the English average

20. A number of C&IoS 'comparator' regions fall below Cornwall. This *may* be linked to factors such as FE/HE access and progression/achievement but could also be linked to cultural factors (e.g. young people wanting to stay in Cornwall or return after University).

21. Despite all of this; qualifications, skills and experience do count in Cornwall and the Isles of Scilly according to the survey. The region was seventh from bottom (in nonetheless a very tight field) in terms of employers who took a 16 year old on straight from school. The view of 61% of the sample in Cornwall and the Isles of Scilly) was that 17 and 18 year olds were in fact 'very well' or 'well prepared' for work.

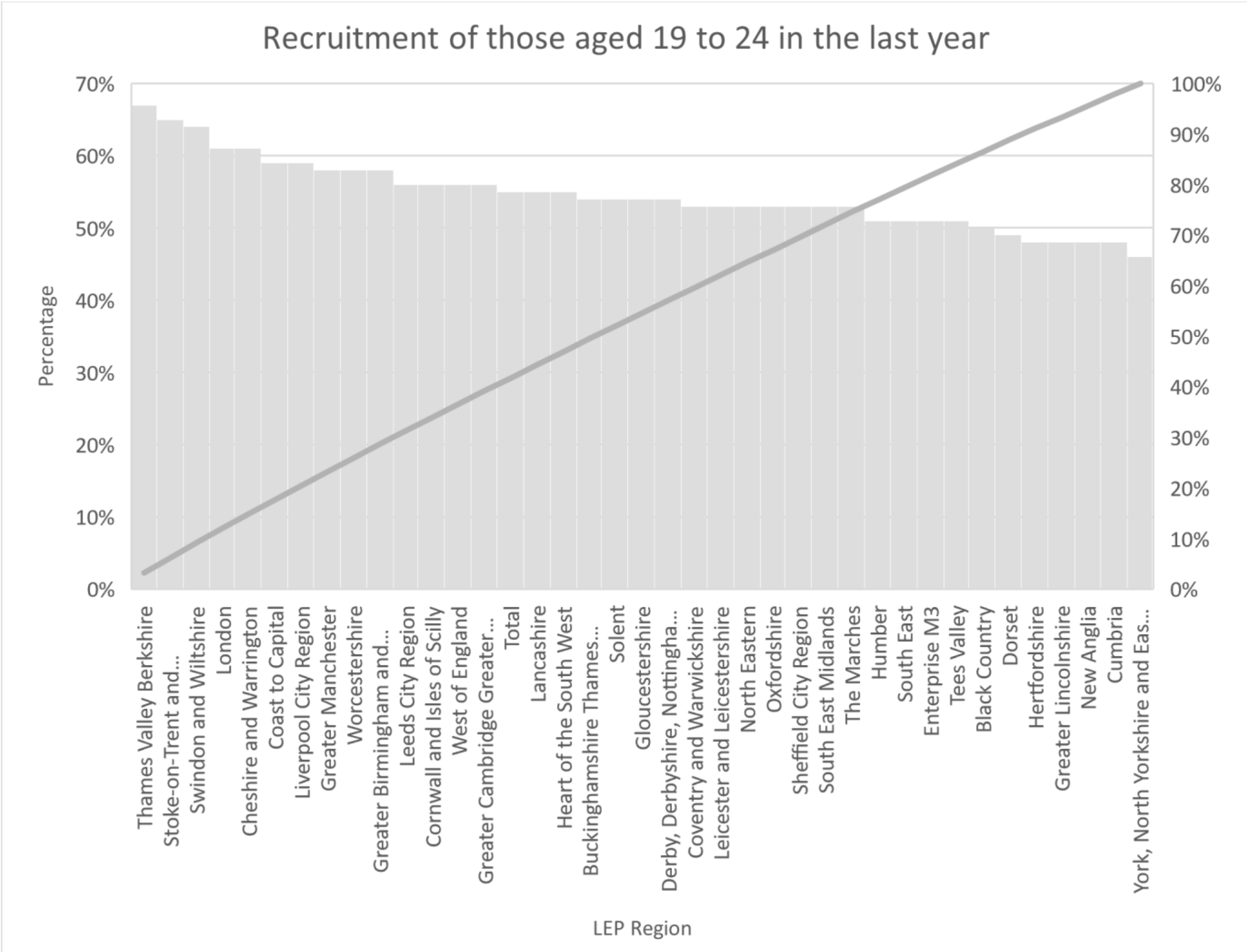

Figure 92 - Source: DfE Employer Skills Survey

22. There are over one hundred data sets in the Employer Skills Survey and the ability to be able to compare and contrast with some previous biennial surveys. But some of the data differentials in the overall survey are negligible and in this section the concentration has been on selection of key pieces of data.

22. Conclusion

1. Data certainly exists in terms of younger people and their role in the Cornish workforce, but there are also a number of 'unknowns' or speculative areas. What is clear is that the sector structure of Cornwall has traditionally lent itself to a younger workforce (e.g. areas such as retail or care) without much room to be able to progress either within a given organization or between employers. EU funding has enabled the ability to get 'a' job in Cornwall whereas in the 1970s and 1980s there was a more visible issue around unemployment and industrial restructuring that helped to embed worklessness. The expansion of Further and Higher Education, together with accreditation for many roles and tasks, have arguably led to a higher skilled workforce but within the context of the roles that they already had.

2. The expansion of opportunities in areas such as renewable energy, creativity, digital and space have some commonality of a technical skills base linked to them but we need to understand more about what this is and the transferability of skills between these sectors. It is possible to have a set of technical skills but not social skills that employers require. Arguably, this may not matter in some sectors where knowledge transfer can drive value, although as a concept it is arguably less likely.

3. On the face of it, 'softer' skills (such as communication) are required across sectors and employers and are 'transferable' in the sense of expectation if a young person is to progress.

4. Wages and salaries within sectors can be diverse (for example the difference between a £16,000 pa Carer's Salary and a senior medical professional earning at least £45,000) but progression routes from one to the other are far from obvious and is an area where young people may need particular support.

5. Sectors such as 'Health' or 'Construction' is where large numbers of workers will continue to be in demand despite (and perhaps supported by) the impact of new technology. Construction will become increasingly 'STEM' reliant and (also) in terms of retrofit and maintenance skills. IT skills are in high demand and here is an example where (in some sub sectors) there may be a cross over with parts of the creative sector (which has a lower GVA impact, is faster growing, has generally lower wages and salaries and where a third employed are part time and almost two thirds freelancers).

6. By implication (and inevitably) this paper suggests several gaps in our understanding and this list is unlikely to be definitive:

   - What are the specialist skills required within particular sectors or sub sectors? How do young people achieve and develop these foundational skills and how transferable are they between growth sectors?
   - Marketing skills are clearly prevalent but how does this translate to securing post Brexit continental and overseas markets? Are there particular language skills needed?
   - What is holding back Cornish based scale ups from expansion?
   - How can/are young people able to progress – either within the same business or between employers?

- What are the upstream and downstream multipliers from tourism? For example, in terms of digital skills. How can young people gain the qualifications and skills to redeploy and how does the tourism sector ensure a supply of fresh employment?
- Does seasonality drive the investment impact of employers in their workforce? Particularly in tourism related sectors.
- Is (in fact) the younger workforce joining the labour market likely to be better qualified?
- Are skills more important than qualifications for younger people?
- If there are relative quality differentials of jobs in different parts of Cornwall (by constituency) should that drive the focus for skills delivery?
- Or should it be where the new opportunities are?
- Or both?
- Are more younger people with degrees of value to Business? What else do they need?
- What are the specific kind of vacancies that young people are accessing? In generality it appears to be areas such as Retail and Care but where is the 'added value' focus?
- It is clear that A levels and GCSEs are qualifications being gained by younger age groups. How are these being used in the labour market and what are the gap implications?
- What services do young people need (rather than the Colleges of Schools) in being supported into higher education or sustainable employment?
- Is and can data be shared between agencies such as the LEP and DWP?
- What are the causes of being 'NEET' (indicators do not appear consistent between schools or drop out rates from FE reported)?
- How can employers be supported to make their offer more attractive to young people, in an age where the promise of a job for life resulting in a paid off mortgage appears long gone and where factors such as ethics and personal anxieties play a part.