

## Information and Discussion Paper for Economic Scrutiny Committee, January 2023

### 1. Topic requested by Economic Scrutiny Committee: *Addressing the labour shortage*

*To consider a report on the challenges of the labour shortage and what could be done to address the issues, including provision of education and training, and encouraging migration to key sectors.*

### 2. Overall approach

The Gloucestershire Skills Strategy 2022-27 addresses and explains many of these issues [gfirstlep-gloucestershire-skills-strategy-2022-27.pdf](https://www.gfirstlep-gloucestershire-skills-strategy-2022-27.pdf) ([gfirstlep.com](https://www.gfirstlep.com)) and is recommended reading for the members of the Economic Scrutiny Committee.

### 3. Challenges of labour shortages

#### 3.1 Data

There is no central method of collecting and collating data on labour shortages and employer recruitment needs so this presents challenges in terms of getting an up-to-date or real time picture and for providers to develop targeted training programmes to support these.

#### 3.2 National Data

Nationally, the Unit for Future Skills has a remit to collect, collate, analyse labour market, employment and skills data.

<https://www.gov.uk/government/groups/unit-for-future-skills#role>

As part of this work, the Unit has developed a series of local dashboards <https://department-for-education.shinyapps.io/local-skills-dashboard/>

#### 3.3 Local Data

Members of the Economic Scrutiny Committee will be familiar with the monthly Economic Dashboards which are prepared by GCC's Data and Analysis Team. The most recent one shared with the GEGJC is available via the link below and the final two pages provide an analysis of the online job postings in the County.

[Microsoft PowerPoint - Economic Dashboard November 2022 \[Read-Only\] \(gloucestershire.gov.uk\)](#)

#### 3.4 Issues for employers

These are explained in sections three and four of the Gloucestershire Skills Strategy. Employers in most sectors are reporting difficulties in recruiting to a wide range of job roles.

### 4. What is being done

This is explained in sections six and seven of the Gloucestershire Skills Strategy and, in summary, these include:

#### 4.1 Employers

- Making their organisation and job roles more competitive and appealing to prospective employees
- Implementing more inclusive employment approaches and policies
- Buying-in services from supply-chain, outsourcing, etc.

## 4.2 GCC and GFirst LEP

- **Local Labour Market Information (LMI) and careers advice and guidance** – online via the skills portal [Gloucestershire Skills Portal | Career Advice and Support \(skillsportalgloucestershire.com\)](https://www.skillsportalgloucestershire.com) and in person via the Employment & Skills Hub job brokers and employer engagement team, in schools and colleges via the Careers Hub, in partnership with the National Careers Service
- **Support for those needing help getting into or staying in work** – via the Employment & Skills Hub
- **Support for employers** wanting help recruiting outside their ‘traditional’ approaches – via the Employment & Skills Hub
- **Encouraging employers to ‘grow their own’ employees**, especially through apprenticeships and Levy transfer from GCC and other large employers
- **Support for key sectors** – cyber and digital via the Careers Hub and Cynam; health and social care via the Employment & Skills Hub.
- **Engaging and supporting economically inactive residents** to join/return to the workforce - via the Employment & Skills Hub Outreach (ESHO) Project
- **Engaging and supporting refugees** to help them learn English, upskill or retrain, find work and integrate into local communities – via the GCC Adult Education and local college ESOL provision and via the Employment & Skills Hub Outreach (ESHO) Project

## 4.3 Education and training providers

The vast majority of providers are working with employers to meet their recruitment and skills needs and the new Ofsted inspection arrangements are assessing how well colleges and independent training providers do this.

## 4.4 What else can be done?

*Suggestions from members of the Economic Scrutiny Committee are welcomed.*

### 5. Encouraging migration to key sectors

#### 5.1 National arrangements

The UK Government manages the **Shortage Occupation List (SOL)**

<https://www.gov.uk/government/publications/skilled-worker-visa-shortage-occupations/skilled-worker-visa-shortage-occupations>

This list details the roles the UK Government considers to be in short supply within the country’s resident labour market, to encourage UK employers to use the sponsor licence system to enable them to recruit overseas workers.

As the UK operates a points-based immigration system, most potential workers for UK employers who are not already resident in the UK are required to apply for a visa, usually via the **Skilled Worker Visa** which succeeded the Tier 2 (General) visa.

Since 1<sup>st</sup> January 2021, employers are required to have a sponsorship licence to hire most workers from outside the UK. Once employers have applied for and obtain a sponsorship licence from the Home Office, the individual the employer wants to employ will be able to submit an application for a visa entitling them to come to the UK for work purposes.

To change the job roles on the shortage occupation list, the **Migration Advisory Committee (MAC)** makes recommendations to Government based on the needs of UK employers, and the Government then decides whether to accept those recommendations. For example, in February 2022 care workers and home carers were added to the list. This meant that for 12 months, such workers would be eligible for the Health and Care visa. However, applicants must still meet all the relevant requirements, including having an eligible sponsor.

On 24<sup>th</sup> August 2022, the MAC was asked to review the SOL for sponsoring skilled workers. It is anticipated that the committee will report back by the end of March 2023, with a view to the implementation of any change in Autumn 2023.

As part of its review, the MAC was asked to consider three issues:

- **Salary requirement.** Currently, if a job is on the SOL, the salary requirement is either the role's going rate (with a 20% discount applied), or £20,480 (subject to a minimum requirement of £10.10 per hour) – whichever is higher. However, the MAC has been asked to consider the potential removal of the 20% discount on the going rate.
- **Existing job roles on the SOL** will be reviewed to check whether they should remain on the list as the thinking is that the SOL is a temporary measure to tackle staff shortages in certain sectors, instead of a permanent arrangement that risks those industries always being reliant on migrant talent.
- **Addition of new job roles to the SOL** will also be considered by the MAC. The thinking is to avoid employers treating the shortage occupation list as their main/only approach in recruiting instead of making the job roles more attractive to UK residents e.g. through higher salaries, better benefits packages, etc.

### **Trends in migrant workforce across the UK**

The Migration Observatory based at Oxford University, provides a wide range of data, data analysis and briefings about this.

<https://migrationobservatory.ox.ac.uk/resources/briefings/migrants-in-the-uk-labour-market-an-overview/>

### **5.2 Local arrangements**

There are no formal reporting mechanisms for recruitment of migrant workers by local employers so there is no way of establishing or tracking any particular local initiatives to understand how well they are working or whether they could be expanded. There may be an opportunity to include this in some of the existing work with Anchor Institutions.

***Suggestions from members of the Economic Scrutiny Committee are welcomed.***

Pete Carr, Head of Employment & Skills

Gloucestershire County Council

December 2022