

# **Annual Report on Skills and Skill Requirements 2010**

**Chris Kelleher  
January 2010**

## Contents

	<b>Executive Summary</b>	3
<b>1</b>	<b>Introduction</b>	7
<b>2</b>	<b>Background</b>	7
<b>3</b>	<b>The Economic Situation</b>	7
<b>4</b>	<b>LSN Research Report Employability Skills Explored</b>	8
<b>5</b>	<b>Learner Numbers</b>	10
	5.1 Degree courses being studied	10
	5.2 Years 12 and 13, and Highlands College Leavers	12
	5.3 Year 11 Destinations	13
	5.4 Highlands College	14
	5.4.1 Full-time courses	14
	5.4.2 Part-time courses	15
	5.4.3 Highlands College Leavers 2009	16
<b>6</b>	<b>Recent or planned legislative changes</b>	17
	6.1 Employment Legislation changes	17
	6.2 Sector Specific Legislation	18
<b>7</b>	<b>View from Recruitment Agencies</b>	18
	7.1 Employer Vacancies	18
	7.2 Employee Candidates	19
	7.3 Difficult to fill vacancies	19
	7.4 A view on 2010	19
<b>8</b>	<b>Jersey Labour Market at June 2010</b>	19
	8.1 Unemployment	23
	8.2 Vacancies	24
<b>9</b>	<b>Jersey Annual Social Survey 2008</b>	24
<b>10</b>	<b>La Moye Prison</b>	27
<b>11</b>	<b>Jersey Business Tendency Survey</b>	29
<b>12</b>	<b>Conclusion</b>	29
<b>13</b>	<b>Summary of recommended actions</b>	31
	<b>Acknowledgements</b>	32

## **Executive Summary**

This is the second annual report on skills and skill requirements. This together with the three business plans from the Departments for Economic Development, Education, Sport and Culture and Social Security and States Strategic Plan will form the basis of the Skills Jersey Board 2010 Business Plan.

In compiling this report it is understood that the intended recipients are the Skills Executive including the Skills Jersey Board, employers, States Departments, training providers, learners and their advisers.

In economic terms, 2009 will be seen as one of the most challenging years ever faced by the businesses that deliver growth and provide employment for local people. In essence, the economic climate has gone from growth to a significant downturn expected to last well into 2010.

The States have been quick to respond to the economic downturn but must be equally energetic in planning for the post-downturn period. Experience indicates that improvements in the economic situation will not lead to a return to a pre-downturn environment. Employment and training requirements will be different and trends suggest that education and training will become an increasingly important requirement for all 16-19 year olds, with a consequent need for increased post-16 education funding by 2012.

In response, a number of initiatives have been developed and supported by the Skills Jersey Board during 2009, concentrating on 16 – 19 year olds (who make up more than 25% of the total actively seeking work) and through the enhancement of Careers Jersey. The Board have also given their approval and backing to the development and launch of a Foundation Degree in Information Technology for Business and the improvement of facilities and training provided at La Moye Prison.

Looking forward, the new States Strategic Plan highlights a key objective as 'enabling people to reach their full potential' whatever area of work they are in. Integral to this is individuals having the right skills for the right job. How these two parameters are brought together is the challenge facing the Island in general and the Skills Jersey Board in particular in 2010.

With guidance from employers the Board will therefore decide where best to direct its resources to meet this objective through the following three broad areas:

- Areas of the economy where there is potential diversification or growth that will require bespoke training;
- The financial and professional service sector, where required; or
- Those sectors that traditionally have longer term skills needs.

As part of the decision making process, the Board will require further information on employers' current needs, including what training is required particularly to eliminate 'hard-to-fill' vacancies. To track those who have left full-time education and are not yet in work, there will need to be a greater sharing of information between various departments.

## **Employers**

Detailed work will be undertaken on the current and future needs of each employment sector. Future employees coming through the education system need to be made aware of the 'softer skills requirements' that employers now require including acceptable levels of literacy and numeracy and also the importance of time-keeping, enthusiasm and commitment. To this end, the Skills Board will initiate dialogue with schools and colleges to determine how best to ensure appropriate emphasis is given to the development of these key skills.

Popular degrees preferred by employers are those in humanities, business, IT, law and sciences. When analysing numbers of students taking these subjects, humanities remain one of the most popular subjects whilst sciences remain at a fair level. Numbers of students taking law have increased by 150% and those taking IT have doubled over the past year. This is positive but the trend needs to continue as overall numbers taking IT remain low, and more work may be required to increase those taking maths and business to better fit with employers preferences.

Of the 1,000 16 year olds who leave secondary education each year, 90% remain in full-time education, with almost a third going to Highlands College. Of those who continue into 6<sup>th</sup> Form at school, the most popular subjects for Year 12 and 13 students are English, Maths and Sciences. This is positive given the importance attached by employers to literacy, numeracy and communication skills. Popular courses studied at Highlands College include business, care and health and IT, the last enrolment increasing significantly for the 2009 intake.

While apprenticeships account for only one per cent of those who leave school at 16 years of age, it is the Skills Board's intention, subject to the right model and funding implications being identified, to widen the scope of apprenticeships. This would make the scheme available to employers in new areas such as business administration and customer care, to reflect the diverse skills requirements of their workforce.

Success has been achieved in assisting those between the ages of 16 – 19 years (the largest group Actively Seeking Work {ASWs}) through the Advance to Work (ATW) scheme and resources will now need to be allocated to those between the ages 20 – 24 years, the second largest group looking for employment. Discussions have already begun with the hospitality industry, who traditionally prefer mature individuals, about running an introductory programme similar to 'Bienv'nue' – historically tailored towards training migrant workers to the industry.

While Government plays a major role in educating the future workforce of the Island, employers must continue to play an increasingly significant role in educating young people in the world of work. A number of programmes are currently in place: Project Trident, enterprise education in secondary schools and the undergraduate internship programme where young talented individuals are offered challenging and meaningful paid placements in businesses during the summer vacation.

### **The States' role as an employer**

The States of Jersey is the largest employer on the Island with circa 6,500 employees and must lead by example by developing appropriate routes to initial employment, perhaps through apprenticeship scheme and graduate intake programmes, embracing staff development, local recruitment and succession planning. While it is intended to undertake a needs analysis with regard to skills in all sectors of the economy, it is imperative that the States considers a review of its own as well as offering opportunities for new entrants, including those with special needs. An important first step has been taken during 2009 with the re-introduction of the States Apprenticeship Scheme using stimulus funding.

### **Training Providers**

It is critical that all educational institutions and training providers are able to demonstrate that they are able to meet employers' requirements particularly in terms of literacy, numeracy and the softer skills – team working, customer focus, communication skills, etc. There must be a continuing dialogue between providers and employers (and vice versa) to ensure providers are aware of changing needs in the marketplace. All secondary school head teachers and the Principal of Highlands College are aware of the findings of the Learning and Skills Network (LSN) report on employability for young people and in 2010 the Skills Board will encourage all schools and colleges to place a greater emphasis on these aspects of vocational education.

The number of students on full-time courses at Highlands College has increased in 2009 by almost 100. Student numbers at the College have risen by 653 between 1990 and 2009, a growth that has not necessarily reflected movements in the economy which poses the question as to whether or not the courses reflect the business community's needs.

With regard to adults, the Skills Board will encourage a greater ease of access to higher education and 'return to study' through the development of part-time and flexible learning opportunities to enable study to take place alongside paid employment. Courses should also be available when learners require them.

At La Moye Prison work is being undertaken to not only upskill prisoners but also to train prison officers to become National Vocational trainers and assessors, thus reducing the need and cost of exterior trainers and assessors. In addition the progress of La Moye individuals leaving will be monitored to better understand which areas of work they go into using the specific skills or qualifications they acquire while in prison.

## **Learners and Advisers**

Before embarking on further/higher education courses, individuals post 16 and 18 years of age should research the employment opportunities that are available by speaking to employers and employer representative bodies. Likewise advisers should spend time liaising with the same employer groups to find out the opportunities that are available.

Employability skills play a key role in securing good employment opportunities. Competition for available jobs is fierce and employers will give preference to applicants with skills or the potential to develop them over a short period of time. Advisers need to take this into account when discussing education and training options with their clients.

For those who are made unemployed and are receiving Income Support, enhanced processing will be introduced that will more closely match vacancies with individual skills or qualifications.

Ongoing support is available for those individuals considering self-employment. Jersey Enterprise, through its Business Support Team, offer free and confidential advice and guidance to any would be entrepreneurs on the process of setting up a business as well as supporting the growth and diversification of existing businesses.

## **1 Introduction**

In January 2009 the first annual report entitled '*Gathering of Demand Capture Information*' was presented to the Skills Jersey Board. This Report drew on current and historic data relating to skills and skills requirements and contained both qualitative and quantitative information. Whilst the Report was informative, it was presented too late to be included in the Board's first Annual Business Plan. This was drawn from the three business plans from the Departments for Economic Development, Education, Sport and Culture and Social Security as well as the States Strategic Plan. This report is therefore being presented earlier and together with the aforementioned documentation will form the basis of the 2010 Business Plan.

## **2 Background**

Part of Jersey's uniqueness is the scale and size distribution of businesses trading here. As at June 2009, there were over 5,900 businesses in Jersey. Of these, around three quarters employed five or fewer people with the greatest proportion of small businesses being in the construction and quarrying sector. The finance sector had the least proportion of small businesses and the greatest proportion of the largest businesses (employing more than 20 people). This workforce distribution highlights the difficulty in sourcing accurate demand capture information as to the skills requirements of businesses in Jersey.

## **3 The Economic Situation**

In economic terms, 2009 will be seen as one of the most challenging years ever faced by Jersey and the businesses that deliver growth and provide employment opportunities for local people. Real GVA<sup>1</sup> increased by 7% in 2007, 2% in 2008 and the States Economic Unit forecast -4% for 2009. In essence, the economic climate has gone from one of growth to a significant downturn expected to last for two years i.e. into 2010, precipitated by the global financial crisis and recession.

Like other developed economies, the government realised the need for state intervention to stabilise the economy. However, supporting stabilisation in isolation does not stimulate the economy and it was with this in mind that the States agreed to release £44 million, from the Stabilisation Fund, for the use with stimulation initiatives.

The Skills Jersey Board were quick to react to this offer of financial assistance and a number of initiatives were proposed and accepted including the Advance to Work (ATW) programme aimed at 16 – 19 year olds, an enhanced Careers Service and a potential graduate internship programme. The ATW programme is now well embedded with a Scheme Manager and mentors in place. Work is

---

<sup>1</sup> Real GVA is a measurement of the output of each sector that includes business profits, wages and salaries plus other employment costs such as social security payments and pensions and then it is adjusted for inflation, to a certain base e.g. 2003 prices.

still underway to develop career training procurement and further research is required to determine the need to role out a graduate internship programme.

On a sector by sector basis, the finance services sector accounts for more than half of Jersey's total GVA. This amounts to around half of the total economic activity in the Island. It has done so for at least the last ten years and is central to the overall performance of the Island's economy. The heavy reliance on a single sector for an economy is not uncommon and support is in place for growth in the financial service sector's new products and services as well as to assist diversifying the economy.

In addition, one of the key areas of the States Strategic Plan 2009 – 2014 relates to 'enabling people to reach their full potential' whatever area of work they are in. Therefore, the juxtaposition for the Skills Jersey Board is where they best direct their resources - is it:

- Those areas of the economy that are diversifying and growing that meets the needs of the States fiscal objectives, but will require bespoke training;
- To the financial services and professional sectors that will require significant resource allocation; or
- Those sectors that traditionally have unmet skills needs and/or intermediate levels.

#### **4 Learning and Skills Network (LSN) Research Report Employability Skills Explored – the States of Jersey**

In early 2008, the LSN undertook a national survey with employers to determine what they felt made young people employable as well as their direct experience of recruitment and their experience of the further education system in England. Subsequently the LSN were requested to undertake desktop research using the findings of what makes young people employable and put it into the Jersey context, weighted to match the profile of Jersey's economy in terms of both their industry and size.

The LSN Research Report 'Employability Skills Explored – the States of Jersey' was produced later in 2008 and officers from the Economic Development and Education, Sport and Culture Departments, as well as representation from the Skills Jersey Board took the report out to representative groups to determine if the findings from the report concurred with their views, which they did. Following stakeholder consultation, Head Teachers from all the secondary schools and colleges have been presented with the findings and been tasked to build these skills requirements into their respective education training.

The report explored the issue of employability skills to answer two broad questions: which employability skills matter? And who is responsible for developing employability skills? The first question in the survey explored the skills employers expect to see in a job candidate who has just left school, college or a training scheme. There were fourteen different employability skills

selected on the basis of a literature review and an expert seminar to identify the most commonly cited ideas on employability. Six stood out as being the most commonly expected to be fully developed:

- timekeeping (86% of respondents)
- literacy skills (79% of respondents)
- numeracy skills (78% of respondents)
- enthusiasm/commitment (78% of respondents)
- personal presentation (59% of respondents)
- communication skills (48% of respondents)

This did not mean that employers were disinterested in other skills – they needed to be present, but they did not expect them to be fully developed. At least 80% of surveyed employers indicated that a young person needed partial development of almost all the listed skills in order to be employable. In this regard, Jersey employers were more demanding than their English counterparts.

There were some clear differences among Jersey's economic sectors over how well developed they expected skills to be:

- the transport, tourism and leisure sector and the construction sector both had stronger expectations that communications skills should be fully developed
- the primary industries / manufacturing sector and the finance / insurance / real estate sectors both place a stronger premium on literacy and numeracy skills than other sectors
- the primary industries/manufacturing sector had stronger expectations around general IT skills
- the transport, tourism and leisure sector has a significantly stronger expectation that customer care skills would be fully developed.

The survey moved on to ask employers which skills they consider the most critical in a young person looking for a job, and rank them according to priority. The results reflect those raised from the previous questions: communication was ranked first, literacy second, numeracy third and timekeeping fourth. Different sectors of the economy held differing views over which skills were the most important, but literacy, numeracy and communications appeared in most of the sectors' top five.

There is inevitably a trade-off in any recruitment process, so the next section of the survey explored the skills that, if not present, would actively prevent a young candidate being considered employable. Fifty-three per cent of employers identified a lack of literacy skills as a 'deal breaker'; 50% said communication skills; 48% numeracy skills and 48% identified enthusiasm and commitment.

Responses to earlier questions show that although employers have very clear ideas on the skills they think young people entering the workforce should possess, they do not expect them to be the 'finished article'.

The next question explored how well developed employers expect a job candidate's skills to be after five years of employment. The results suggest literacy, timekeeping, communication skills and enthusiasm and commitment remain critical. However, employers then also expect these candidates to hold a more sophisticated and often work-specific set of skills. Eighty-four per cent of employers said that personal presentation should be fully developed, suggesting they want to employ people who appear to be professional. Seventy-five per cent of employers now want people to have fully developed team-working skills and 70% want people to have fully developed customer care skills.

The results from the survey suggest that employers don't believe it is their responsibility to fund training to help individuals develop the skills that were identified as essential to employment in the earlier part of the survey:

- only 10% of respondents believed that it was the company's responsibility to pay for the development of an employee's literacy and numeracy skills, with most believing it the responsibility of the individual or the state
- between 76 and 80% of respondents indicated that timekeeping, personal presentation and enthusiasm/commitment were solely an individual's responsibility
- by contrast, for skills that employers had, in the main, not expected to be fully developed in an entry-level job candidate, such as team-working or business awareness, many were happy to take responsibility for funding their development
- for more complex qualifications or skills developed, most employers were open to some form of shared responsibility model.

During 2010, schools and colleges will be requested to update the Skills Jersey Board on progress on how they are integrating these employability skills into their respective school curriculum.

## **5 Learner Numbers**

Statistics have been collated through Careers Jersey from all of the schools and colleges on the Island including details on current degree subjects being studied, destinations for years 11 and 13 (July 2009) and full and part-time courses being studied at Highlands College.

### **5.1 Degree Courses being studied**

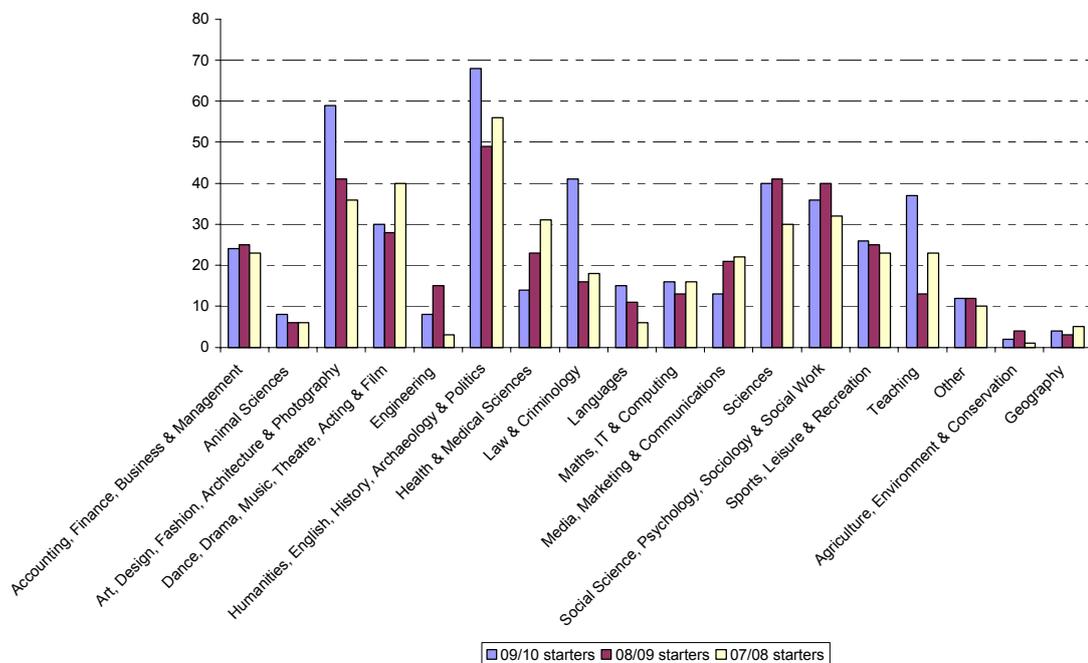
Figure 1 details the degree subject groups for those students studying degrees. Of the 1,328 students studying degree courses, the majority are

on 3 year programmes, save those studying health and medical sciences that number 36 and around 5% of the total undertaking four year programmes. Of the subject areas covered, humanities, English, history, archaeology and politics across all the years remains strong with numbers up by 19 to 68 for the 2009/2010 academic year.

Numbers have also increased significantly (by 18) in the art, design, fashion, architecture and photography category for the current academic year, including those studying on-Island. For 2009/2010 the number of undergraduates studying law and criminology has increased by more than 150% from 16 to 41 and is now the third most popular subject area. The reason for this huge increase may be in part due to the fact that the Department for Education, Sport and Culture no longer fund post graduate law conversion courses or that individuals have done more research into employment opportunities when they graduate. Teaching is another area where numbers have increased by similarly high percentages to law and criminology.

The inclusion of on-Island degree courses has boosted numbers overall by 46. Accounting, finance, business and management have remained consistent encouraged by the local foundation degree in finance, with 7 undergraduates included in the 2009 intake and 6 in 2008. The introduction of the foundation degree in IT has doubled the number of overall undergraduates studying this subject to 16 in 2009.

**Figure 1 – Numbers of students and subject classifications of degree courses being studied in the 2009/2010 academic year**



## 5.2 Years 12 and 13, and Highlands College Leavers 2009

Of the total of 1,206 school leavers in July 2009, 443 have gone on to higher education courses, 34 of which are being studied on-Island. Whilst not significant, there has been a small shift from 1% in 2008 to 3% in 2009 of those who have decided to study their degree courses on-Island.

Just under half (49%) of the 699 full-time Highlands College students who completed the 2008/2009 academic year continued onto further full-time courses for the following academic year. A further 185 (15%) went into employment of which 31% were ex-Hautlieu School students. Figure 2 details destinations for year 13 and Highlands College from July 2009.

**Figure 2 – Destinations of Year 13 and Highlands College Leavers 2009**

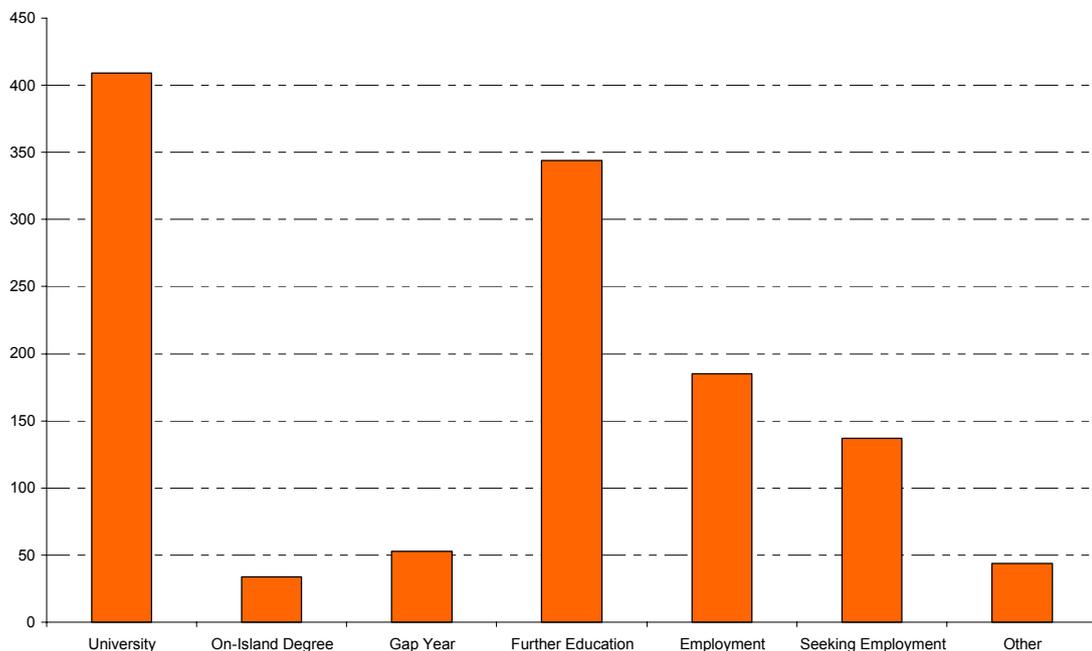
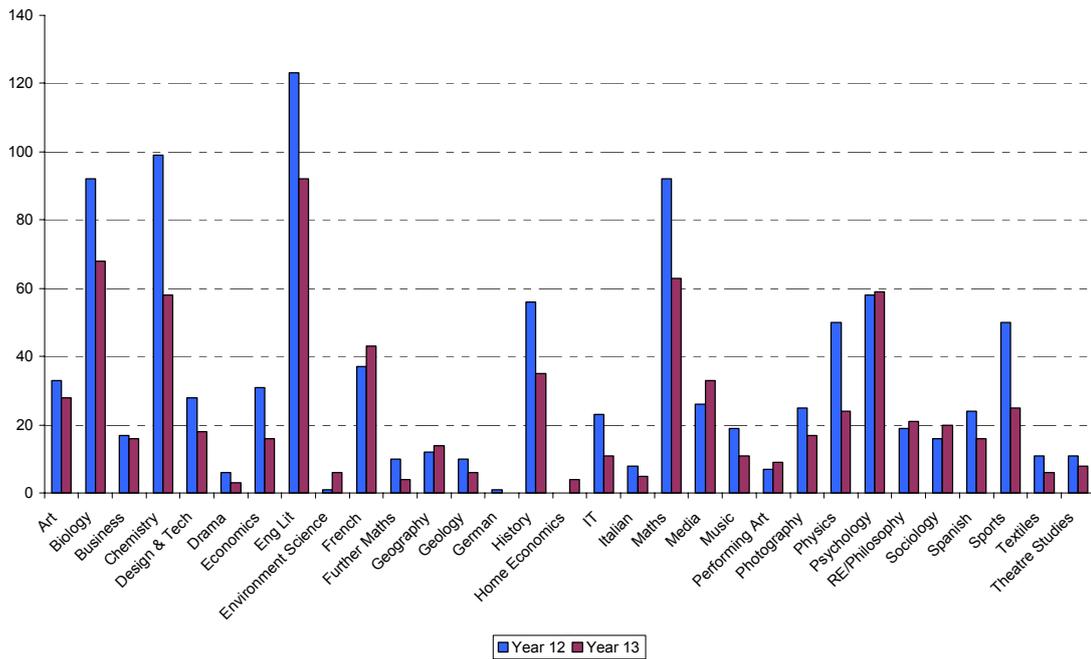


Figure 3 details the subject studied by three of the schools and colleges that offer AS and A2 qualifications. The most popular AS and A2 qualification of 123 and 92 students respectively is English Literature. The next three leading AS subjects are Chemistry, Biology and Maths, however Chemistry students fall by more than 40% to A2 level.

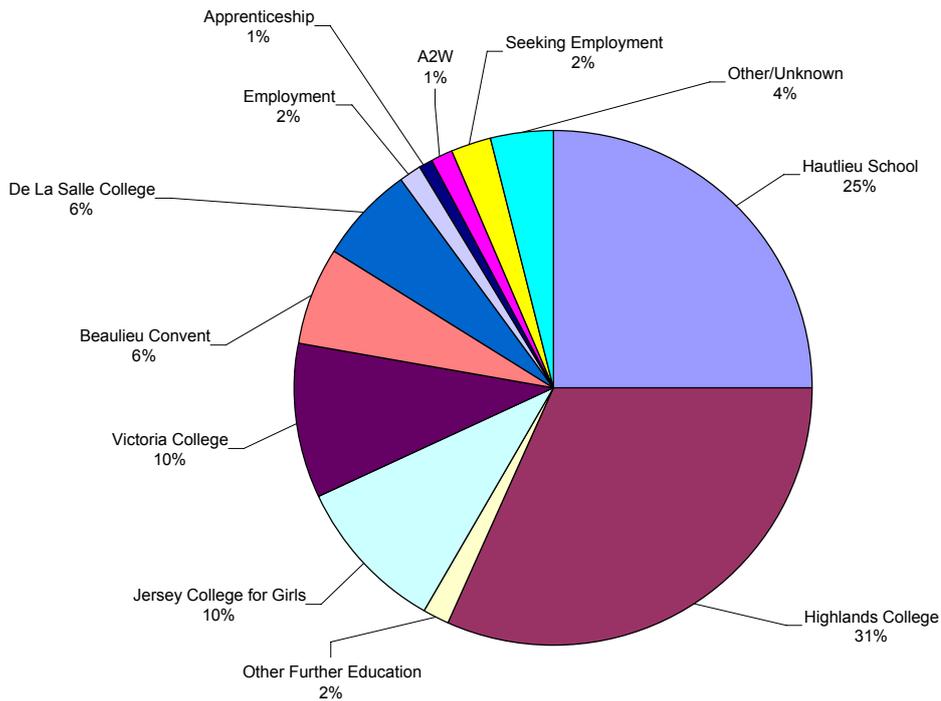
**Figure 3 Subjects studied by Year 12 and Year 13 students**



### 5.3 Year 11 Destinations

Figure 4 shows the destinations of year 11 students. Including apprenticeships, 89% of those students who left year 11 in July 2009 have remained in education, a trend that has been in place over the last 5 years. Whilst the majority of those leaving 11 – 16 schools, who remain in full-time education go to either Hautlieu School or Highlands College, a very small minority have gone into the fee paying schools. Of the 17 who have gone into employment, 16 have come from the 11 – 16 feeder schools.

**Figure 4 – Year 11 Destinations 2009**



## 5.4 Highlands College

This section looks at both full and part time courses studied at Highlands College. It also looks at destinations of individuals once they leave the College.

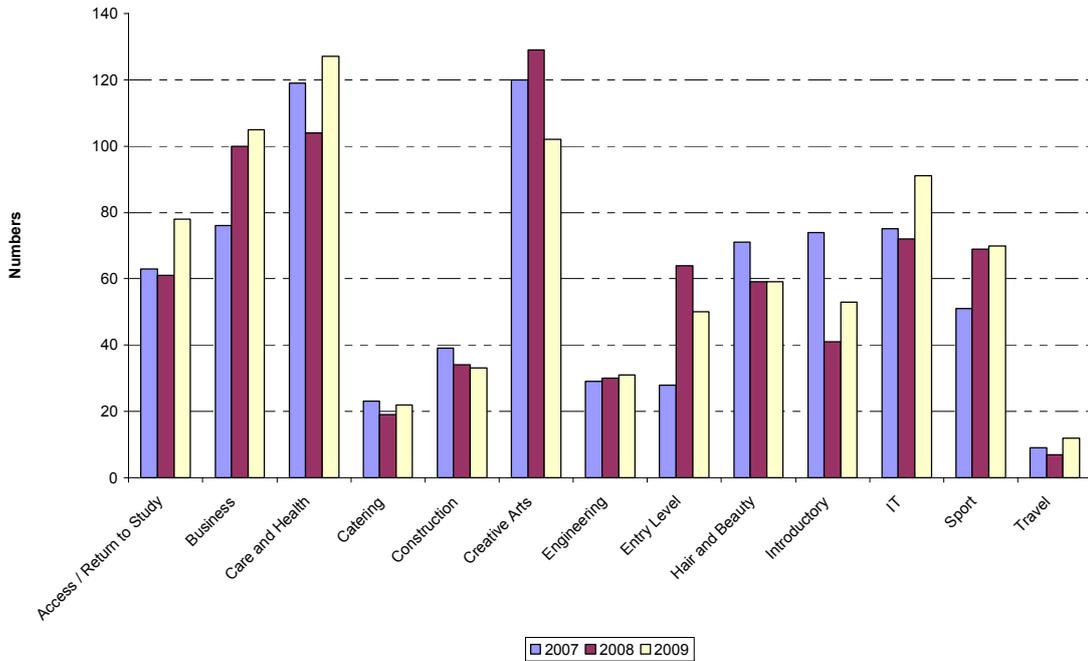
### 5.4.1 Full-time courses

Details supplied by Highlands College show that between 1990 and the 2009 full-time student numbers have increased from 246 (1990) to 890 (2009). During the economic downturn in the early 1990s numbers grew from 367 (1992) to 458 (1993) and whilst the economy recovered and jobs became available, numbers still continued growing. This can again be seen at the turn of the century when the economy took a turn and numbers grew from 582 (2001) to 700 (2003) despite the shorter downturn period. Numbers have again increased with the 2009 intake and it is likely that the numbers will be even higher for the 2010 academic year.

Figure 5 compares the choices of full-time students on the various vocational subject areas offered by Highlands College over the last three academic years. Overall numbers have increased year on year with 890 students enrolling in 2009. Of the various subject areas, 'Access/Return to study' in 2009 has seen an increase of 28% on 2008 figures, possibly due to the tighter labour market and a recognition by

individuals that returning to study improves skills and job opportunities. There has also been a 22% increase in the care and health full-time course, the result of Highlands College and Health and Social Services amalgamating their training provision. After declining between 2007 and 2008, the IT full-time course has increased by (22%) 19 students.

**Figure 5– Annual change in full-time courses at Highlands College**

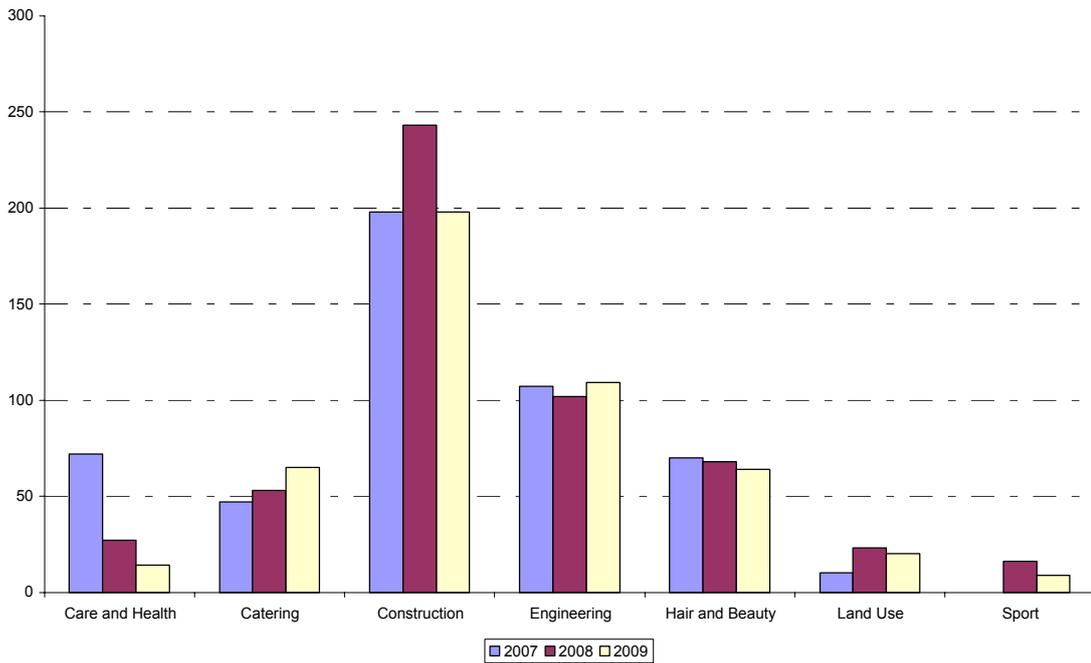


### 5.4.2 Part-time courses

Over the last three academic years part-time student numbers have risen from 504 in 2007 to 532 in 2008 and then fallen back to 479 in 2009. Figure 6 compares the last three academic years by subject/course area. Most noticeable areas that have reduced significantly are in care and health. Numbers on this course have fallen by just under half. This is countered by the greater volume uptake in the full-time equivalent course. Part-time construction courses have seen a fall of 45 students in comparison to 2008 numbers. It is more than likely that these numbers are down due to the downturn in the economy.

Despite falling numbers overall, catering has seen an increase in registrations by 23% from 53 (2008) to 65 (2009) students.

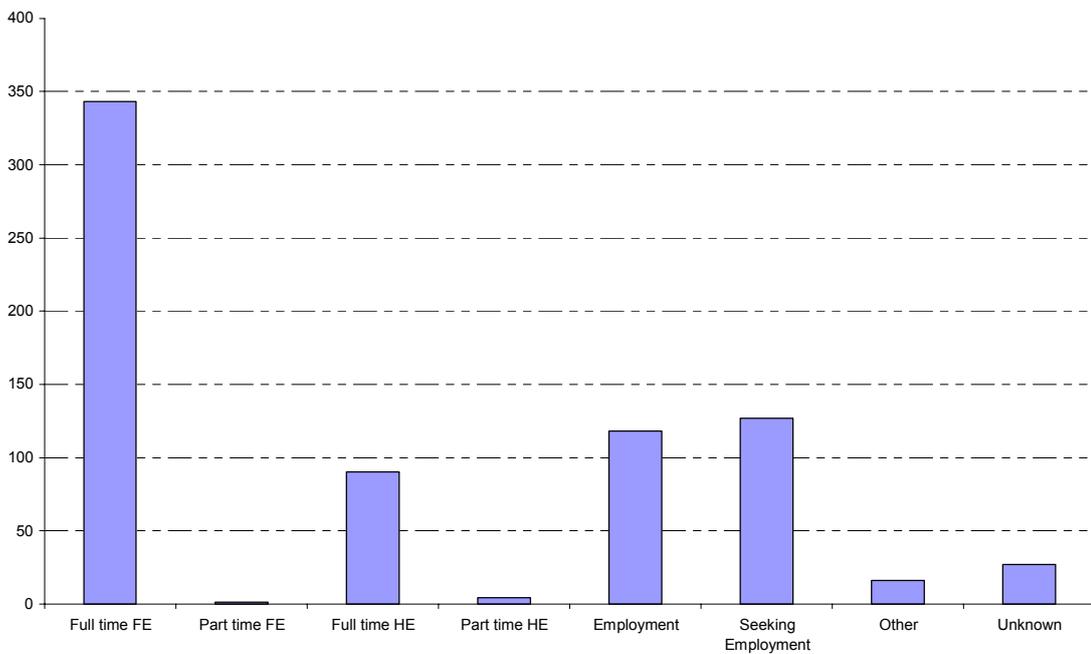
**Figure 6 – Annual change in part-time courses at Highlands College**



### 5.4.3 Highlands College Leavers July 2009

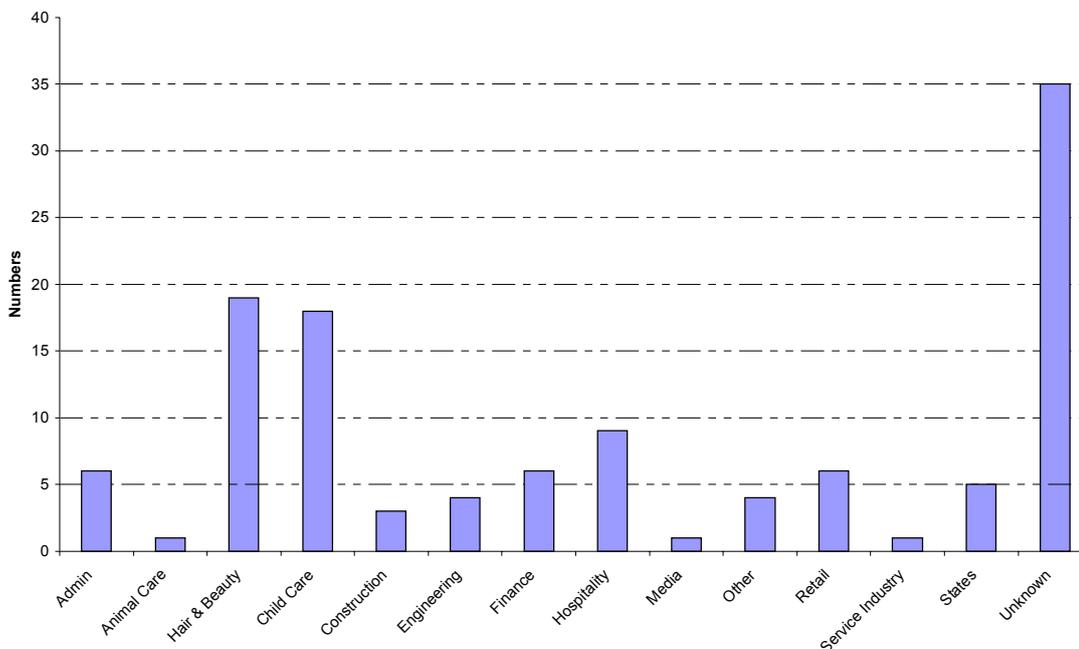
Of the 726 full-time students who finished in July 2009, 60% have remained in either further or higher education (see Figure 7).

**Figure 7 – Destinations of Highlands College full-time student leavers**



Of the 118 who left and are in employment, Highlands College has acquired details of destinations of 70% of them, 35 are unknown (see Figure 8). The two largest areas of employment for leavers are hair and beauty, and child care. Both areas remain popular options for full-time students in the 2009/2010 academic year.

**Figure 8 – Employment destinations for leavers of Highlands College**



## 6 Recent or planned legislative changes

This section looks at recent or planned legislative changes which have, or will change the employment/skills/learning environment. This may be generic, for example, changes in employment law, or more specific relating to a sector which may create employment opportunities or require new skills.

### 6.1 Employment Legislation changes

Two pieces of legislation that will have an impact on businesses and individuals relate to redundancy and business transfers. The former is currently with the Privy Council and likely to come into force by mid 2010. The main aims of the redundancy amendments to the Employment (Jersey) Law 2003 are as follows:

- Set out an employee's entitlement to a redundancy payment and associated conditions.
- Set out the qualifying service necessary to be entitled to a redundancy payment.

- Determine the degree of prior consultation necessary prior to a declaration of redundancy.
- Provide for Protective Awards where consultation has not taken place.
- Provide for paid time off to seek, or arrange training for, future employment.
- Provide for specific rights for employee representatives.
- Provide for a means of enforcement of these provisions.

Business Transfer legislation, if it comes into effect, will protect employees' terms and conditions of employment when they are transferred to a new employer in a business takeover or sale. This piece of legislation is not complete and is unlikely to come into force, if indeed it does, until some time in 2010/2011.

## **6.2 Sector Specific Legislation**

Two other major pieces of legislation are being developed by the Law Draftsman's Office. These pieces of legislation relate to gambling and intellectual property. The Minister for Economic Development will bring a report and proposition to the States Assembly by the end of March 2010 to allow e-gaming in Jersey. If accepted, it is more than likely that it will create extra opportunities for existing on-Island IT providers.

With regard to intellectual property, the legislation process is still in its infancy. If approved by the States, there are likely to be benefits to local intellectual property businesses on-Island.

## **7 View from Recruitment Agencies**

Seven recruitment agencies, primarily around the finance and professional sectors, have forwarded details of the labour market over the last twelve months and their predictions of the future market.

### **7.1 Employer Vacancies**

It has been a tough market for recruitment agencies over the last 12 - 18 months. The number of vacancies in the finance and professional sectors has fallen by as much as 90% on summer 2008 figures for some agencies.

Some employers have recruited new staff however, in an effort to save costs, they have recruited directly. Those who have used the services of recruitment agencies are far less compromising than they used to be with potential employees, only accepting candidates that have all the necessary specialist skill sets and experience.

Overall the market place is still very quiet. Individuals are still being made redundant across all sectors, but in small numbers and therefore they do

not necessarily get noticed. In the early part of 2009, a number of small businesses made redundancies as a direct consequence of the downturn in the economy. However, larger businesses have been monitoring the economic situation across the year and have taken time to consider restructuring. Where new structures are being rolled out, vacancies will/are arising. This concurs with the results of the first Jersey Business Tendency Survey where employment confidence over the last 3 months has been very negative but for the next 3 months it is less so.

## **7.2 Employee Candidates**

The majority of candidates currently signing up with agencies are those who have been made redundant, in the majority of cases these are locally qualified individuals who may have been working in businesses for many years. There have been few individuals wanting to move from one employer to another organisation coming through the agency doors. In most cases individuals are just content to be in employment despite the likelihood of no bonus for 2009 and pay freezes for 2010.

## **7.3 Difficult to fill vacancies**

Observations have been made about the difficulty of recruiting Compliance staff. As mentioned, employers are currently reluctant to recruit unless individuals 'tick all the boxes' in all areas. A number of agencies did concur that Compliance and Trust positions are difficult to fill but that this is not as a consequence of the current economic climate. However, further work needs to be undertaken to determine 'hard-to-fill vacancies'.

## **7.4 A view on 2010**

The consensus is that the first quarter of 2010 will remain similar to the last quarter of 2009. However, there is a feeling that there will be a return to more confident investment/commercial activity during the middle of 2010 which will lead to more vacancies.

# **8 Jersey Labour Market at June 2009**

The latest biannual Jersey Labour Market report as at June 2009 identified that total employment in the Island stood at 56,250 - about 0.6% lower than a year previously. This represents the first annual decrease in total employment for five years.

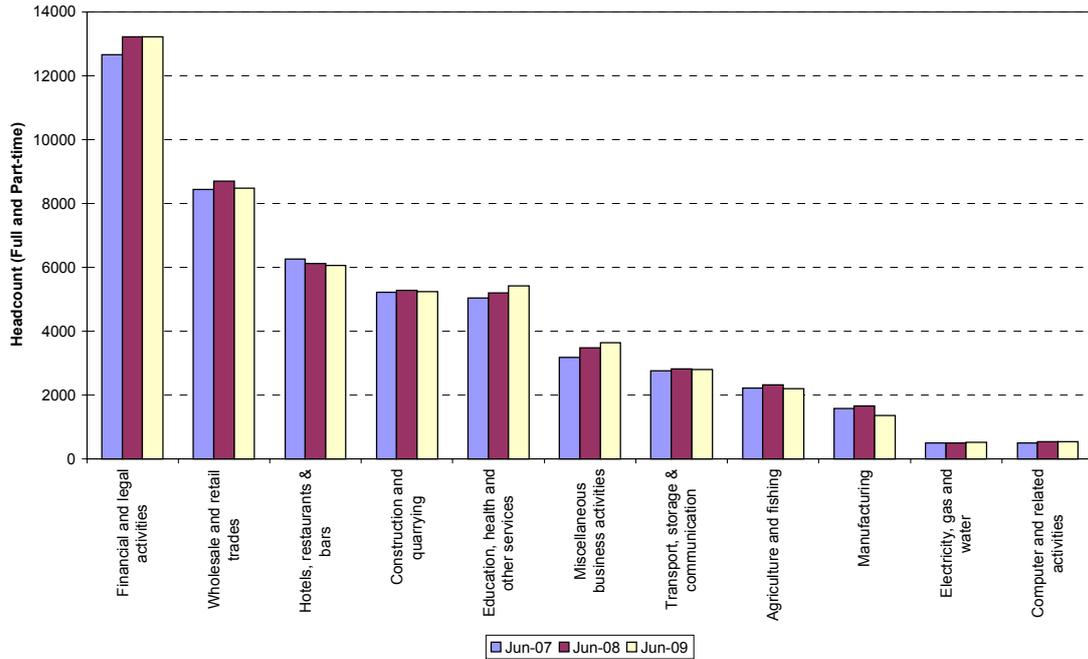
Of the various sectors that make up the economy, there were decreases in retail and hotels, and a marginal decrease in the finance industry. Countering this, in the private sector, there were increases in education, health and other services as well as miscellaneous business activities.

Of those employed at June 2009, almost a quarter 13,210 (23%) were engaged in the finance sector with 8,480 (15%) engaged in the wholesale and retail trades. The number of people employed in Jersey businesses was 49,500,

comprising 40,090 full-time and 9,410 part-time employees. The public sector account for around 12% of the labour force.

On a sector by sector basis a comparison over the last three years shows that there has not been a significant change in numbers across all sectors, with the finance and professional sector by far the largest employer (see Figure 9).

**Figure 9 - Manpower Engaged by Sector**



In total there were 5,940 active undertakings, of which 2,500, more than (40%) were one-person businesses, about 200 more than a year earlier. Around three quarters (77%) employed five or fewer people with the greatest proportion of small businesses being in the construction and quarrying sector, at over 80%. The finance sector had the least proportion of small businesses (58%) and the greatest proportion of the largest businesses (employing more than 20 people) at 24%. Table 1 details the latest scale and size distribution of businesses trading in Jersey.

**Table 1 - Current scale and size distribution of businesses in Jersey**

Sector	Number of businesses by size of workforce				Total Number of Employees
	1-5	6-20	21+	Total	
Agriculture and Fishing	240	60	20	310	2,210
Manufacturing and Utilities	170	40	10	220	1,900
Construction and Quarrying	940	170	40	1,150	5,240
Wholesale and Retail Trades	870	170	60	1,090	8,480
Hotels and Restaurants	280	170	50	500	6,060
Transport, Storage & Communication	230	30	30	280	2,810
Financial and Legal Activities	260	100	90	460	13,210
Education, Health and Other Services	750	140	60	940	5,420
Other Business Activities	860	120	20	990	4,170
<b>Total</b>	<b>4,580</b>	<b>980</b>	<b>380</b>	<b>5,940</b>	<b>49,500</b>

Overall, 82% of people employed in Jersey were locally qualified (as defined by the Regulation of Undertakings and Development Law), more than 3% were j-category and 15% were not locally qualified.

Of the 49,500 people employed in the private sector about four-fifths (81%) were locally qualified. A further 2% (1,120 staff) were qualified as j-category. The remaining 17% (8,510) were not locally qualified. Figure 10 charts the change in numbers of j-category employees in private sector employment since December 2007.

**Figure 10 – Change in private sector employment by j-category qualification (December 2007 – June 2009)**

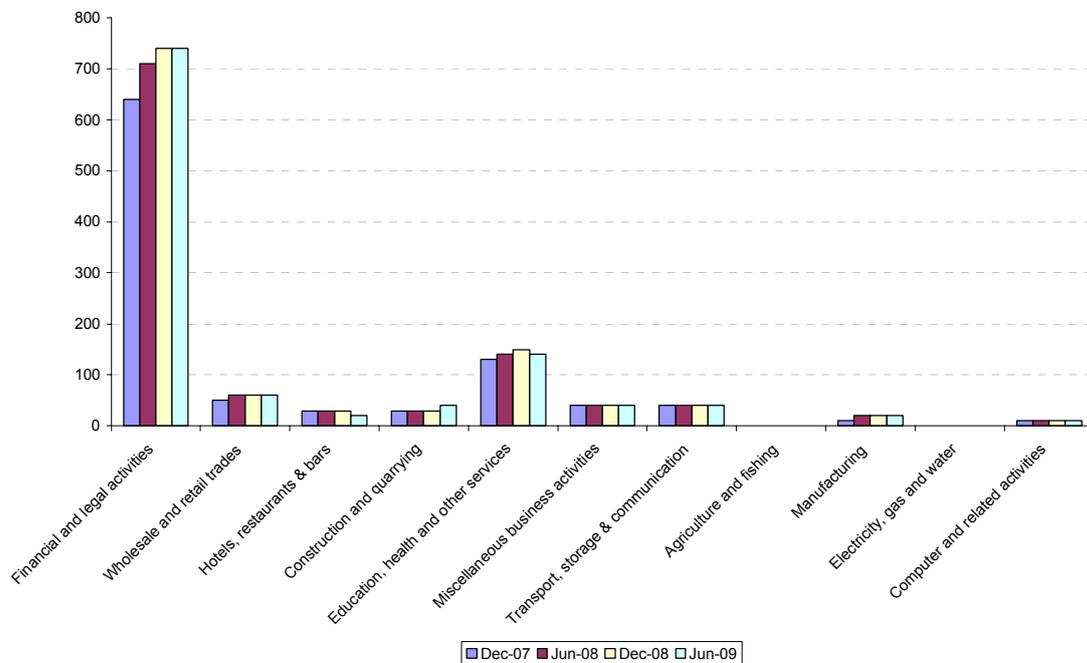


Table 2 charts the annual number of j-category applications since 2005. Approval with time limits, in the main, relate to organisations that take on

personnel on a global rotation basis such as accountancy firms. Since 2008, a number of these approvals with time limits have been subject to lease only approvals with regard to housing.

**Table 2 – Annual change in private sector J-category applications**

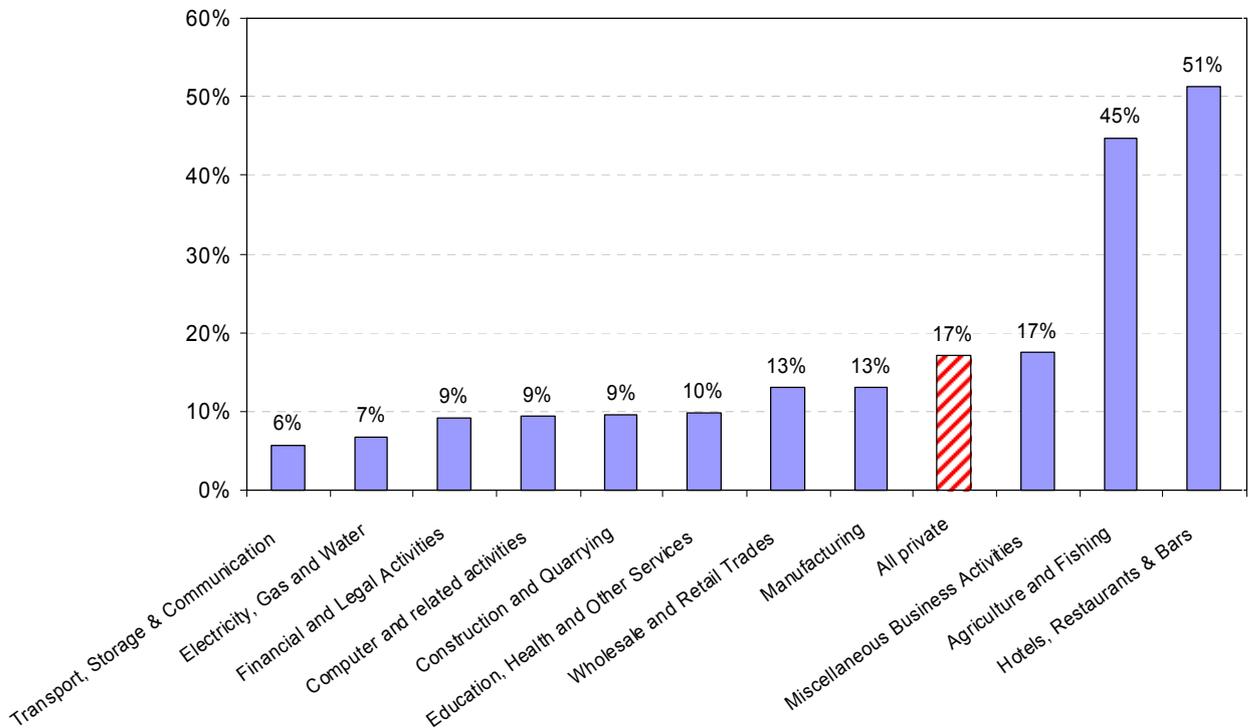
	2005	2006	2007	2008	2009*
Approvals with time limit, terms of 1 – 5 years	316	288	198	192	125
Approvals without time limit	20	197	300	331	142
<b>Total Approvals</b>	<b>336</b>	<b>485</b>	<b>498</b>	<b>523</b>	<b>267</b>
Refusals	9	33	61	58	25
Lease Only Approvals			0	46	60

\* Up until the end of September

As table 2 shows the number of applications up until September 2009 is just over half that number for the whole of 2008 - a sign of the current economic climate.

Within the private sector, the highest proportion of non-qualified employees (excluding j-category) was in hotel, restaurants & bars (51%) and agriculture and fishing (45%). The transport, storage and communication sector had the lowest proportion of non-qualified staff, at 6% (see Figure 11). About 9% of employees in the finance and construction sectors were non-locally qualified.

**Figure 11 – Percentage of non-qualified employees by private sector**



The number of j-category staff in the public sector in June 2009 was 640, accounting for almost one in ten public sector employees. This number is down

by 50 on June 2008, largely due to the reclassification of j-category employees with at least ten years service.

## 8.1 Unemployment

In Jersey, there is no statutory requirement for all unemployed residents of Jersey to register as actively seeking work with the Social Security Department. Therefore, the number of people registered as unemployed should be regarded as an indicator rather than a measure of the actual level of unemployment in the Island.

The most recent figures show that 940 and 910 people were registered as unemployed and actively seeking work in Jersey in July and August 2009, respectively.

Over the last seven months the Social Security Department have been able to extrapolate details of those individuals who are on Income Support and Actively Seeking Work (ASW). As figure 12 shows, since July, those within the 16 – 19 and 20 - 24 year old bracket collectively account for more than two-fifths of those ASW. It must be noted that a number of the 16-19 years old included in the September and October figures are on the ATW programme and may not have applied for Income Support had not this initiative been in place.

**Figure 12 – ASWs in the age range 16 -19 and 20 – 24 years of age as a proportion of the total ASWs**

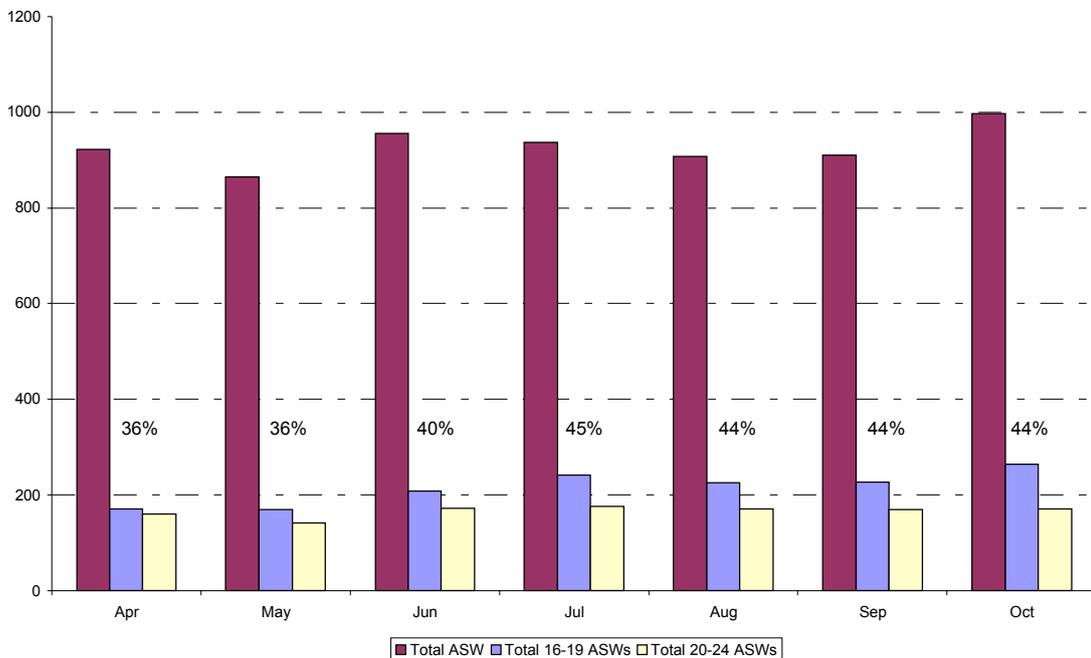
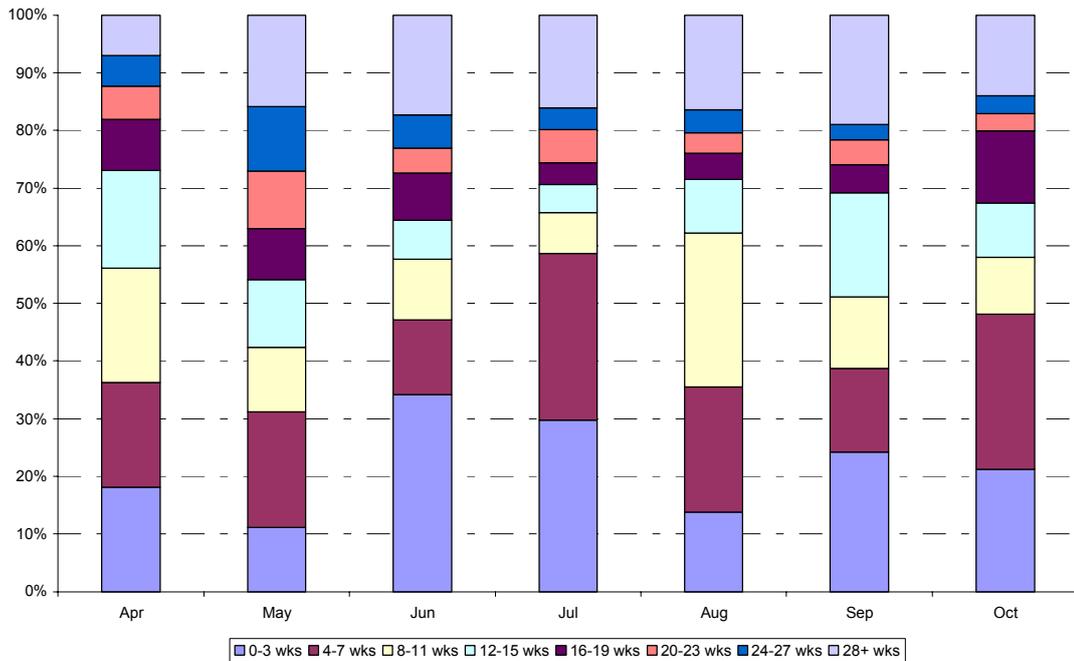


Figure 13 compares monthly total duration of ASWs in the age range 16 – 19 year olds registered with the Social Security Department. More than half of

young people, in the 16 – 19 year age range, who register as ASW remain registered for less that twelve weeks, save those in May when this fell to 42%. At the other end of the scale, from May approximately 16% (around 40) of the total number of 16-19 year olds claiming Income Support have been doing so for 28 weeks or more.

**Figure 13 – Monthly total duration of ASWs (in weeks) for 16 – 19 year olds**



## 8.2 Vacancies

Vacancies identified in the Jersey labour market are the difference between the actual number of people employed on a particular licence and expected growth of an organisation as part of their three year rolling programme. The figures should therefore be regarded as a trend as opposed to actual number of vacancies. The total number of vacancies (full- and part-time) in the private sector in June 2009 (1,950) was the lowest reported for at least a decade and was down by 740 on the previous June.

A reduction in full-time vacancies in the finance sector accounted for almost half of the overall net decrease in private sector vacancies.

## 9 Jersey Annual Social Survey 2008

Details of the 2008 Survey relating to employment were included in the first Demand Capture paper. However, it is worth re-iterating that there has been a significant change in qualifications of individuals of working age since the Census 2001. Table 3 compares this data for the working age population

(males under 65 years, females under 60 years) with that found in the 2007 Labour Force Survey in the UK.

Most noticeable is the percentage change between those in Jersey who had no formal qualification in 2001 compared to 2008, down by more than half to 15% and those with higher education qualifications up by 10 percentage points to 25%.

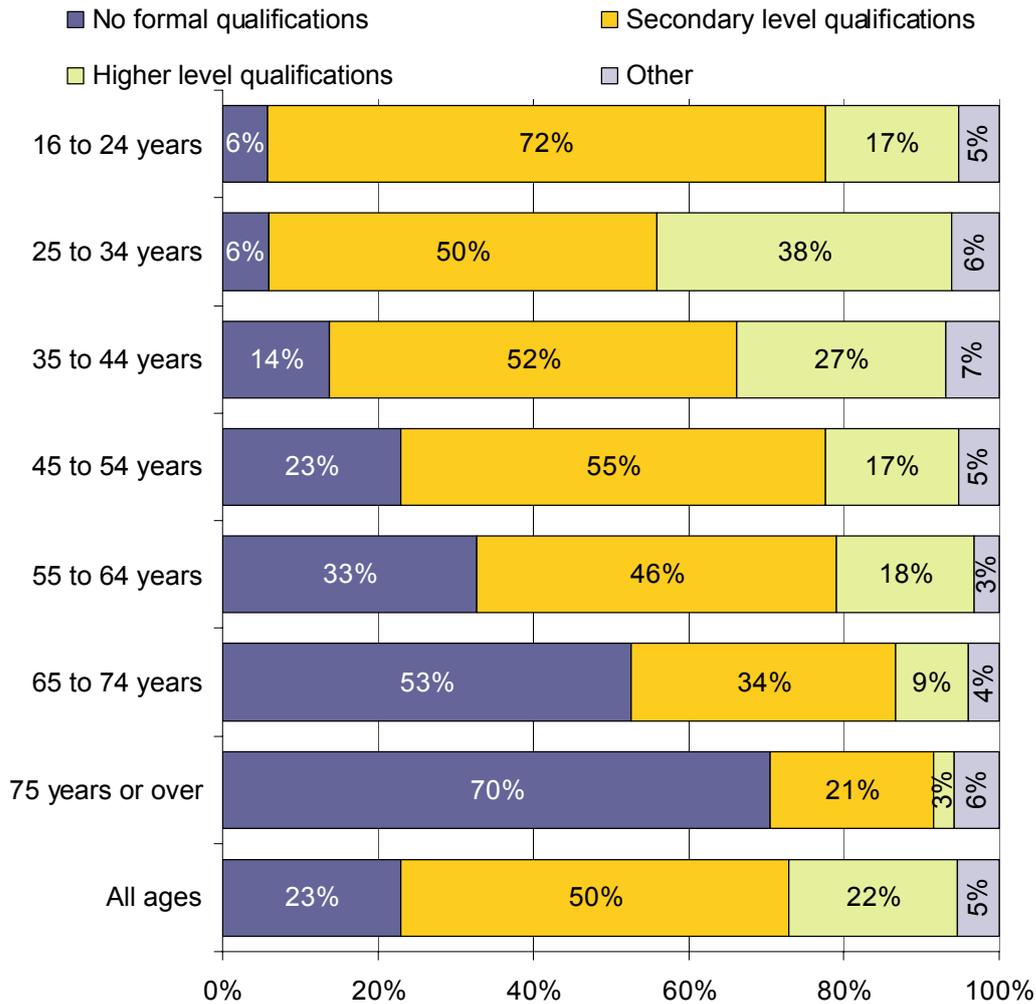
**Table 3 - Highest educational qualification attainment for the working age population, Jersey 2008 and 2001 compared with UK**

	Jersey 2008	Census 2001	UK 2007*
Higher level	25	15	31
Secondary level	55	44	57
No formal qualifications	15	36	12
Other	6	6	~

*\*data from Office of National Statistics, 2007 Labour Force Survey. 'Other' qualifications were distributed amongst other categories*

By further breaking down qualifications by age group, the qualification status of the younger age-groups is higher than the older age groups. Figure 14 breaks down the educational qualifications by age.

**Figure 14 - Educational qualifications by age**



As part of the succession planning process and to assist in determining where the skills requirements will be in the future it will be necessary to analyse age demographics within all sectors in great detail. Table 4 analyses the distribution of age groups with each of the Island's sectors.

The make-up of each industrial sector by employee age shows there are particularly high proportions of younger age-groups working in agriculture and fishing and hotels, restaurants and bars. In contrast, there are high proportions of older age-groups working in electricity, gas and water, whilst finance, the public sector, and transport and communications have a more even spread of age-groups making up their workforce. In order to draw any conclusions from Figure 15 and Table 4 will require further investigation to determine the qualifications by sector and age group.

**Table 4 - Distribution of age-groups within industrial sectors (%ages)**

	16 - 24 years	25 - 34 years	35 - 44 years	45 - 54 years	55 - 64 years	65 - 74 years	75 yrs or over	<b>Total</b>
Agriculture & fishing*	46	7	8	32	5	3	0	<b>100</b>
Construction & tradesmen	1	15	30	30	19	4	0	<b>100</b>
Electricity, gas and water*	0	15	8	49	25	0	4	<b>100</b>
Finance	10	32	32	20	5	1	0	<b>100</b>
Hotels, restaurants and bars*	0	55	16	14	13	2	0	<b>100</b>
Private education and health	12	28	34	12	14	0	0	<b>100</b>
Public sector	8	19	24	31	17	1	0	<b>100</b>
Transport and communications	18	13	22	28	18	1	0	<b>100</b>
Wholesale and retail	20	23	23	20	10	4	1	<b>100</b>
Other	15	24	20	19	17	5	0	<b>100</b>
<b>All sectors</b>	<b>12</b>	<b>25</b>	<b>26</b>	<b>23</b>	<b>12</b>	<b>2</b>	<b>0</b>	<b>100</b>

*\*NB there were small numbers in these categories  
'0' indicates a positive value that is less than 0.5%*

## **10 La Moye Prison**

La Moye Prison has compiled statistics on their current inmate population with regard to qualification levels and occupational background and basic skills assessments. It does not show all assessments and qualifications taken during the year. This will be produced and presented by the Prison early in 2010.

Table 5 indicates the previous levels of academic attainment for prisoners at time of entry to the Prison. Not surprisingly, almost two thirds (64%) of inmates have no formal qualifications.

**Table 5 Snapshot of La Moye Prison at 1 December 2009 of level of academic attainment of inmates at time of entry**

	No Qualifications	Level I <C Grade (NVQ I equivalent)	Level II 5 or more A – C Grades	Level III A Level/HNC/D or equivalent	Level IV e.g. degree	Professional Qualification	Total
Managers & senior officials			1	3	1	2	
Professional occupations							
Associate professional							
Administration /secretarial			8	2	1		
Skills trades	53		19	9			
Personal service/social care							
Sales and customer service		1	1	3			
Process plant and machinery							
Elementary occupations	59	6	3				
<b>All Occupations</b>	<b>112</b>	<b>7</b>	<b>32</b>	<b>17</b>	<b>2</b>	<b>2</b>	<b>172</b>
Retired	2						2
Under 16	1						1

Of the total of 175 inmates, 122 (70%) are UK/Jersey nationals with more than half being Jersey born. Of the other nationals, by far the greatest number are Portuguese nationals accounting for 20% of the total. Within the total number of non-UK nationals, 53, 34 are of these are currently receiving English for speakers of other languages (ESOL) lessons.

During 2009 inmates have completed both literacy and numeracy assessments. These assessments are on a voluntary basis, but if inmates wish to undertake distance learning courses or ESOL lessons they must complete a basic skills assessment first. In addition inmates have been given the opportunity to undertake Level I vocational training in a number of crafts.

A number of inmates have now completed Level I vocational training courses in the following craft areas:

- British Institute of Cleaning Courses
- Painting and decorating
- Trowel trades
- Carpentry

In addition, 39 inmates have completed Level I ICT courses and 30 have completed the Level I module of the European Computer Driving Licence (ECDL).

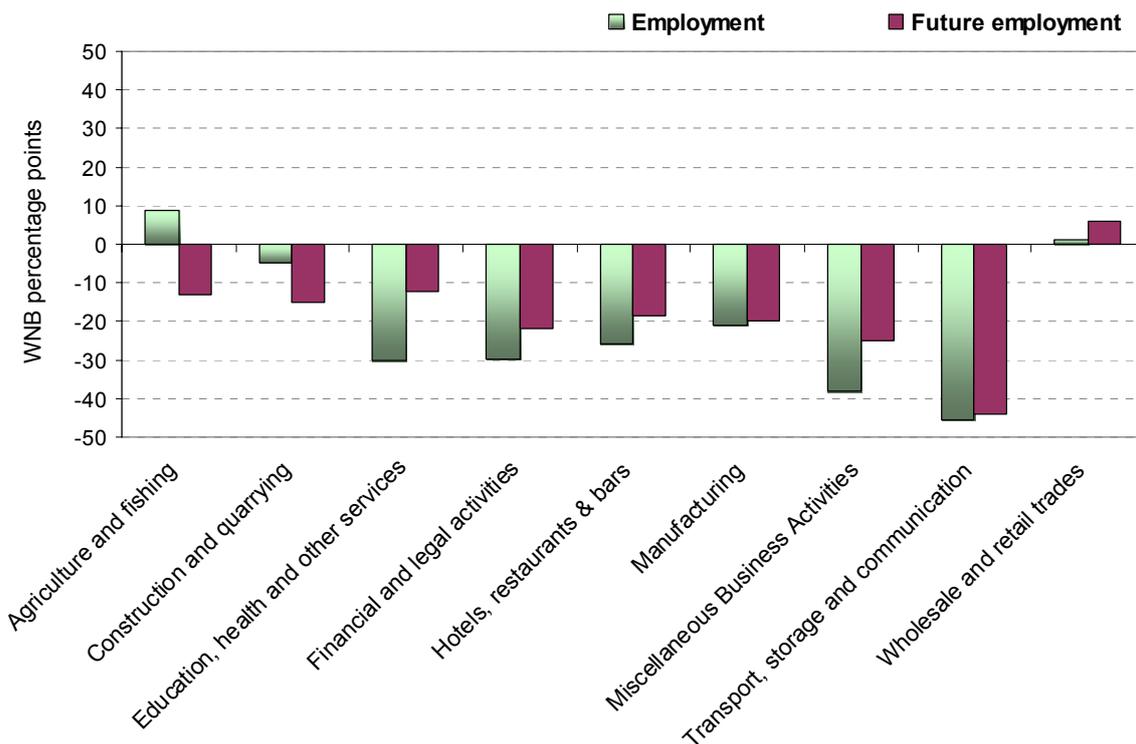
## 11 Jersey Business Tendency Survey

The Jersey Business Tendency Survey was launched in September 2009 to provide qualitative information about the Island's economy on a quarterly basis.

The survey's prime purpose is to measure the economic performance of businesses operating in Jersey through a set of indicators. Sampled businesses are asked their opinions on the current situation of their business compared to three months previously and also for their expectations for the next three months. As part of the survey there are two questions on employment that look at both the current situation and future expectations.

Figure 15 shows the views relating to current and future employment of all sectors. Overall the indicators for both current and future employment were significantly negative for all sectors, save agriculture and fishing for current employment and wholesale and retail trades for future employment. As this is the first survey of this type, reasons for this will be clarified after the first annual cycle.

**Figure 15 - Employment and future employment indicators, all sectors**  
*Sept 2009 compared to the situation three months previously*



## 12 Conclusion

In economic terms, 2009 will be seen as one of the most challenging years ever faced by Jersey's economy and the businesses that deliver growth and provide employment opportunities for local people and it is likely that the downturn will continue into 2010.

The Skills Jersey Board has responded positively to the offer of financial assistance through the Stabilisation Fund in backing the Advance to Work programme and supported the development of the enhanced Careers Jersey Service. Plans are afoot to develop a model that will look at getting the next largest age group, 20 – 24 year olds, actively seeking work, into training and work placements.

Enrolments on full-time courses at Highlands College have again increased significantly for the 2009/2010 academic year. Whilst not compulsory for 16 year olds to remain in full-time education, the majority do. This will have an effect on the budget, longer term, as more individuals remain or return to study full-time at the College.

For those who have left full-time education and not in work, further work is required to track these individuals down to determine training needs through the sharing of cross departmental information which will incur a cost.

Results of the first quarterly Business Tendency Survey of businesses, in terms of employment, show that whilst still negative overall with regard to future confidence, it is far less negative than when first measured three months earlier.

Whilst there is a perception that Year 12 and 13 students choose subjects such as media studies to gain AS and A2 qualifications, results from three of the 6<sup>th</sup> form schools show that English, Maths and sciences are the leading subjects. Popular courses studied at Highlands College include business, care and health and IT, the latter enrolment increasing significantly for the 2009 intake.

The LSN Report on employability was verified by employer representative groups and has been shared with Head Teachers to ensure it forms part of the tool kit of teaching. However, it is recognised that the information has not been discussed with private trainer providers to ensure that they are aware of employers needs. The key findings of the report show that overall employers do not expect new employees to have all the necessary skills and knowledge, as they are prepared to contribute to the training specific to their job. However, they do expect them to be enthusiastic, literate, numerate, and turn up on time.

Whilst there is a significant amount of information in this report, it is understood more work is required in obtaining more up-to-date data on employer needs. It is therefore highly recommended that more detailed research is undertaken on a sector by sector basis, on a regular basis.

## **13 Summary of recommended actions**

The following are a list of recommended actions for the intended recipients of this report:

### **For Employers**

- There are plenty of potential employees out there but few of them will be 100% efficient immediately – you must invest in their training if you want to make best use of them.
- It is the staff who make the difference and give an organisation the ‘edge’ over the competition. In these difficult times when competition is fierce, a well trained customer focused staff are your best asset – training pays.
- Permission to recruit from off-island will become more difficult – succession planning is imperative.

### **For Training Providers**

- The LSN report validated by local employers sends clear messages about employer requirements – all educational institutions and training providers should be able to demonstrate what they do to meet employer demands in terms of literacy, numeracy, and the softer skills – team working, customer focus, etc.
- With regard to access to higher education and return to study – training providers should seek to increase part-time and flexible learning opportunities to enable people to study without needing to leave paid employment.
- Many people cannot wait until September for a start of a course – short modules, delivered flexibly through a variety of media would be preferable for many learners.

### **For Learners**

- Competition is fierce but jobs are available for people who know their strengths and work on their weaknesses.

### **For Government**

- Government must lead by example – as the Island’s largest employer it must embrace staff development, local recruitment and succession planning.
- Government has been quick to respond to the economic downturn but must be equally energetic in planning for the post-downturn period. History suggests that we will not return to pre-downturn conditions after the recession, we will go somewhere different. Trends suggest that full-time education and training will be a requirement for all 16-19 year olds. This will require a 10% increase in post 16 education funding by 2012.

## **Acknowledgements**

The author would like to thank the following in compiling this report.

States of Jersey Statistics Unit

States of Jersey Social Security Department

Careers Jersey

Highlands College

La Moye Prison

Law Draftsman Department

Jersey Advisory and Conciliation Service

Private Recruitment Agencies