



**The Marches Sector Skills Deep Dive -
Business and Professional Services
Final Report July 2020**



Contents

1. Sector Context.....	3
2. Supply Side Analysis	9
2.1. Current Workforce Size.....	9
2.2. Existing Training	12
2.2.1. Apprenticeship Provision	13
2.2.2. Further and Higher Education Provision	14
3. Demand Side Analysis	16
3.1. Occupational Forecasts.....	18
3.2. Job Forecasts by Industry.....	21
3.3. Sector Skills Shortages	24
4. Supply vs Demand.....	28
4.1. Provision Review	28
4.2. Future Drivers of Skills	30
4.3. Impact of Brexit.....	30
4.4. Impact of Covid-19	30
5. Conclusions	31
5.1. Summary	31
5.2. Recommendations	31
5.3. Action Planning	31

1. Sector Context

The business and professional services sector accounts for 29.1% of the total GVA which equates to a value of £4.4bn in the Marches. With 18.8% of total jobs arising from the business and professional services, this equates to 54,320 jobs. While 25.4% of all establishments in the Marches are in the business and professional services sector which is a total of 9,080 establishments.

As identified in the Marches Strategic Economic Plan the business and professional services is a core economic sector that plays a critical role in supporting the scaleup and growth of businesses in the Marches, including in providing the advisory skills and networking (both formal and informal) that is critical to increasing levels of innovation and technology adoption in SMEs.

Business and professional services firms are central to the success of the Marches wider business base and are also a strong provider of highly skilled, well paid jobs with good progression and professional development opportunities.

The wider, global, trend towards 'servitization' also creates big opportunities for the Marches. Across a wide range of sectors demand for business and professional service skills and approaches is growing. Innovative use of business, finance and professional service skills is increasingly core to the future of a wide range of firms. And technology is changing the way that even micro professional service firms operate, providing new market opportunities and new approaches to delivering value.

The Marches Strategic Economic Plan also highlights the focus on connectivity, high quality of life and excellent housing and skills offer, which provides a fantastic location for professionals seeking to take their skills into different sectors, establish new practices and for existing and new business and professional services firms to grow.

The following table displays a summary of GVA, jobs and establishments by the 12 sectors in the Marches.

	GVA (£m)			Jobs			Establishments (Snapshot)		
	2018	%	UK %	2018	%	Eng. %	2019	%	UK %
Advanced Manufacturing	£2,416m	16.1%	9.7%	32,945	11.4%	8.5%	2,715	7.6%	7.5%
Agri-Tech	£694m	4.6%	1.6%	10,730	3.7%	0.7%	6,270	17.5%	4.9%
Business and Professional Services	£4,367m	29.1%	40.0%	54,320	18.8%	24.7%	9,080	25.4%	35.2%
Construction	£887m	5.9%	6.1%	15,000	5.2%	4.6%	3,595	10.0%	11.1%
Cyber Security and Resilience	£667m	4.4%	5.0%	11,800	4.1%	4.7%	535	1.5%	1.1%
Environmental Technologies	£295m	2.0%	2.7%	3,215	1.1%	1.1%	215	0.6%	0.6%
Food & Drink	£576m	3.8%	1.6%	9,250	3.2%	1.3%	205	0.6%	0.4%
Health and Social Care	£1,241m	8.3%	7.8%	40,900	14.1%	12.9%	1,725	4.8%	5.3%
Public Sector Inc. Education	£1,044m	7.0%	6.3%	30,000	10.4%	11.3%	1,670	4.7%	4.4%
Retail	£1,860m	12.4%	10.6%	49,000	16.9%	15.3%	5,705	15.9%	16.3%
Transport and Logistics	£411m	2.7%	4.1%	9,370	3.2%	4.9%	1,100	3.1%	4.0%
Visitor Economy	£553m	3.7%	4.4%	23,100	8.0%	9.9%	2,980	8.3%	9.2%
Total	£15bn			289,630			35,795		

Source: ONS: Regional gross value added, Business Register Employment Survey and UK Business counts, 2019

The latest data for total GVA in the business and professional services sector was nearly £4.4bn in 2018. This sector accounts for 29.1% of the total GVA which is the highest sector in the Marches, however this is below the UK average of 40.0% of the total¹.

Compared to 2017, the business and professional services sector increased by 4.7% (+£198m) in the Marches, this is above the UK average increase of 3.1%.

The following table displays the total value of GVA in the Marches.

	The Marches 2017	The Marches 2018	The Marches Change (2017-2018)	The Marches 2018 % of Total	UK 2018 % of Total
Advanced Manufacturing	£2,478m	£2,416m	-£62m	16.1%	9.7%
Agri-Tech	£706m	£694m	-£12m	4.6%	1.6%
Business and Professional Services	£4,169m	£4,367m	£198m	29.1%	40.0%
Construction	£838m	£887m	£49m	5.9%	6.1%
Cyber Security and Resilience	£686m	£667m	-£19m	4.4%	5.0%
Environmental Technologies	£250m	£295m	£45m	2.0%	2.7%
Food & Drink	£573m	£576m	£3m	3.8%	1.6%
Health and Social Care	£1,118m	£1,241m	£123m	8.3%	7.8%
Public Sector Inc. Education	£1,037m	£1,044m	£7m	7.0%	6.3%
Retail	£1,804m	£1,860m	£56m	12.4%	10.6%
Transport and Logistics	£402m	£411m	£9m	2.7%	4.1%
Visitor Economy	£526m	£553m	£27m	3.7%	4.4%
Total	£14.6bn	£15bn	£424m		

Source: ONS: Regional gross value added, 2019

In 2019, there were approximately 9,080 establishments in the business and professional services sector². This accounts for 25.4% of the total establishments which is the highest sector in the Marches, however this is below the UK average of 35.2%.

The following table displays the number of establishments in the Marches.

	The Marches 2019	The Marches 2019 % of Total	UK 2019 % of Total
Advanced Manufacturing	2,715	7.6%	7.5%
Agri-Tech	6,270	17.5%	4.9%
Business and Professional Services	9,080	25.4%	35.2%
Construction	3,595	10.0%	11.1%
Cyber Security and Resilience	535	1.5%	1.1%
Environmental Technologies	215	0.6%	0.6%
Food & Drink	205	0.6%	0.4%
Health and Social Care	1,725	4.8%	5.3%
Public Sector Inc. Education	1,670	4.7%	4.4%
Retail	5,705	15.9%	16.3%
Transport and Logistics	1,100	3.1%	4.0%
Visitor Economy	2,980	8.3%	9.2%
Total	35,795		

Source: ONS: UK Business Counts, 2019

¹ ONS, Regional gross value added (balanced) by industry, 2019

² ONS: UK Business Counts 2019. Please note, currently the ONS Business Demography dataset does not provide a breakdown by industry for all registered establishments, the breakdown can be obtained from the ONS UK Business Counts which is a snapshot (March 2019) of the Business Demography dataset.

Within the business and professional services sector, the average wages per job vary between industries from £9,546 to £54,703.

Based on 2015 EMSI GVA modelled data which allows for greater sectoral breakdown, business and professional services was estimated at £2.2bn. Within the business and professional services sector GVA varies from £279,796 for the administration of financial markets to £390m in the renting and operating of own or leased real estate industry.

Location Quotients (LQs) are a way of quantifying how concentrated a particular industry, cluster, occupation, or demographic group is in a region as compared to the nation. It can reveal what makes a particular region “unique” in comparison to the national average. Higher LQs correspond to higher levels of specialisation, with an LQ above 1 indicating that the area is more specialised in that sector than Great Britain as a whole. Out of the 80 industries within the business and professional services sector, 23 are above 1³.

The following table shows the breakdown of all the industries where available within the business and professional services sector for establishments, average wages, GVA and the Location Quotient⁴.

Industry	Avg. Wages Per Job	2019 Establishments	GVA (2015 Model)	2018 Location Quotient
Book publishing	£21,685	35	£2,770,331	0.35
Publishing of newspapers	£26,678	10	£11,591,026	0.90
Publishing of journals and periodicals	£22,136	30	£2,020,302	0.22
Other publishing activities	£26,435	30	£3,942,840	0.57
Other software publishing	£27,840	15	£655,788	0.13
Motion picture, video and television programme production activities	£22,179	65	£3,380,535	0.21
Motion picture, video and television programme post-production activities	£18,517	15	£1,038,211	0.18
Motion picture projection activities	£11,793	10	£2,402,640	0.96
Sound recording and music publishing activities	£18,348	15	£727,192	0.29
Radio broadcasting	£29,190	5	£404,124	0.31
Wireless telecommunications activities	£33,567	25	£5,112,016	0.13
Other telecommunications activities	£31,360	70	£102,149,114	0.76
Computer programming activities	£43,546	205	£30,060,208	0.28
Computer consultancy activities	£42,270	770	£175,702,711	0.69
Other information technology and computer service activities	£47,929	190	£50,830,968	0.48
Data processing, hosting and related activities	£32,361	30	£3,804,020	0.35
Other information service activities n.e.c.	£20,111	30	£1,837,236	0.43
Other monetary intermediation	£39,837	105	£113,622,136	0.27
Other credit granting	£38,410	5	£2,150,709	0.07
Other financial service activities, except insurance and pension funding, n.e.c.	£42,582	20	£11,080,750	0.33
Life insurance	£54,703	0	£1,732,454	3.56
Administration of financial markets	£21,698	0	£279,796	1.64
Security and commodity contracts brokerage	£23,531	15	£933,391	0.07
Other activities auxiliary to financial services, except insurance and pension funding	£33,227	185	£40,839,173	0.70
Risk and damage evaluation	£26,751	0	£1,271,748	0.12
Activities of insurance agents and brokers	£25,983	60	£29,175,939	0.30
Other activities auxiliary to insurance and pension funding	£26,158	25	£11,680,735	0.07
Buying and selling of own real estate	£12,255	35	£3,752,343	0.43
Renting and operating of own or leased real estate	£25,091	775	£389,981,382	0.74
Real estate agencies	£27,961	220	£69,473,208	0.81
Management of real estate on a fee or contract basis	£22,076	130	£16,539,990	0.75
Legal activities	£31,842	205	£75,163,098	0.72
Accounting, bookkeeping and auditing activities; tax consultancy	£32,086	390	£63,179,284	0.51
Activities of head offices	£38,010	90	£80,035,532	1.03
Public relations and communication activities	£21,874	40	£5,153,450	0.60

³ EMSI Analytics tool, 2020

⁴ Please note, there are 108 industries within the business and professional services sector, however any industries that contained insufficient data have been removed which leads to a new total of 80 industries. The source of this table is EMSI Analytics tool, 2020 leading to job figures slightly varying to the total business and professional services figure.

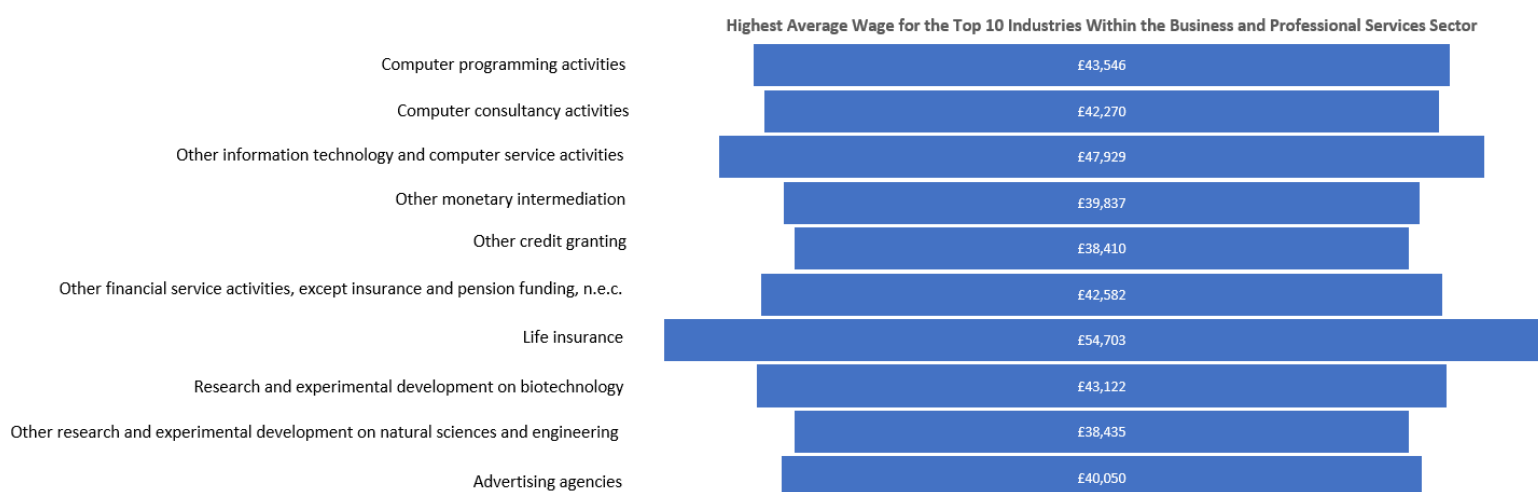
Industry	Avg. Wages Per Job	2019 Establishments	GVA (2015 Model)	2018 Location Quotient
Business and other management consultancy activities	£26,612	1,345	£136,344,860	0.96
Research and experimental development on biotechnology	£43,122	5	£1,360,031	0.73
Other research and experimental development on natural sciences and engineering	£38,435	40	£24,431,549	0.42
Advertising agencies	£40,050	105	£7,971,425	0.30
Media representation	£34,060	25	£2,316,376	0.44
Market research and public opinion polling	£31,308	15	£671,055	0.07
Specialised design activities	£29,513	155	£10,031,804	0.33
Photographic activities	£22,431	65	£1,941,815	0.34
Translation and interpretation activities	£18,771	10	£663,928	0.36
Other professional, scientific and technical activities n.e.c.	£27,948	515	£29,140,006	0.73
Renting and leasing of cars and light motor vehicles	£29,380	45	£6,900,160	1.17
Renting and leasing of trucks	£32,774	15	£9,591,219	2.92
Renting and leasing of recreational and sports goods	£22,420	20	£1,401,449	1.36
Renting and leasing of other personal and household goods	£22,102	15	£914,962	0.46
Renting and leasing of agricultural machinery and equipment	£28,676	20	£4,510,056	10.74
Renting and leasing of construction and civil engineering machinery and equipment	£30,616	85	£22,434,466	1.63
Renting and leasing of office machinery and equipment (including computers)	£23,290	5	£1,494,395	1.51
Renting and leasing of other machinery, equipment and tangible goods n.e.c.	£28,588	75	£21,204,077	1.18
Activities of employment placement agencies	£21,899	75	£32,117,596	0.59
Temporary employment agency activities	£21,736	120	£155,128,973	1.07
Other human resources provision	£16,558	15	£2,422,753	1.48
Travel agency activities	£27,075	60	£14,630,405	0.33
Tour operator activities	£26,868	30	£17,189,973	0.97
Combined office administrative service activities	£20,259	30	£18,217,740	0.93
Photocopying, document preparation and other specialised office support activities	£18,529	10	£1,592,111	0.20
Activities of call centres	£21,536	10	£20,801,968	0.30
Organisation of conventions and trade shows	£22,106	30	£5,117,448	0.24
Activities of collection agencies and credit bureaus	£24,887	5	£3,245,479	0.12
Packaging activities	£25,419	30	£34,151,740	2.42
Other business support service activities n.e.c.	£24,042	890	£64,820,541	0.27
Activities of business and employer's membership organisations	£36,224	15	£3,928,749	0.71
Activities of professional membership organisations	£34,152	20	£1,824,024	0.09
Activities of religious organisations	£18,922	85	£16,985,533	1.07
Activities of political organisations	£23,046	5	£834,899	0.48
Activities of other membership organisations n.e.c.	£23,562	90	£30,411,155	0.91
Repair of computers and peripheral equipment	£34,786	35	£26,346,756	2.20
Repair of consumer electronics	£16,832	5	£774,248	1.29
Repair of household appliances and home and garden equipment	£20,349	15	£697,002	1.61
Repair of furniture and home furnishings	£21,846	10	£1,525,383	3.00
Repair of other personal and household goods	£16,026	5	£359,679	1.91
Washing and (dry-)cleaning of textile and fur products	£17,901	40	£32,383,874	1.78
Hairdressing and other beauty treatment	£12,204	455	£51,903,346	1.04
Funeral and related activities	£19,654	50	£18,735,163	1.16
Physical well-being activities	£9,546	20	£1,635,399	0.59
Other personal service activities n.e.c.	£23,344	330	£81,202,173	1.08
Total	£28,796	9,080	£2,248,228,796	0.7

Source: EMSI Analytics Tool, 2020 and ONS: UK Business Counts, 2019

Top Ten analysis within the business and professional services sector

The highest average wages in the top ten industry selection shows life insurance the highest at £54,703. This is followed by other information technology and computer service activities at £47,929 and then computer programming activities at £43,546⁵.

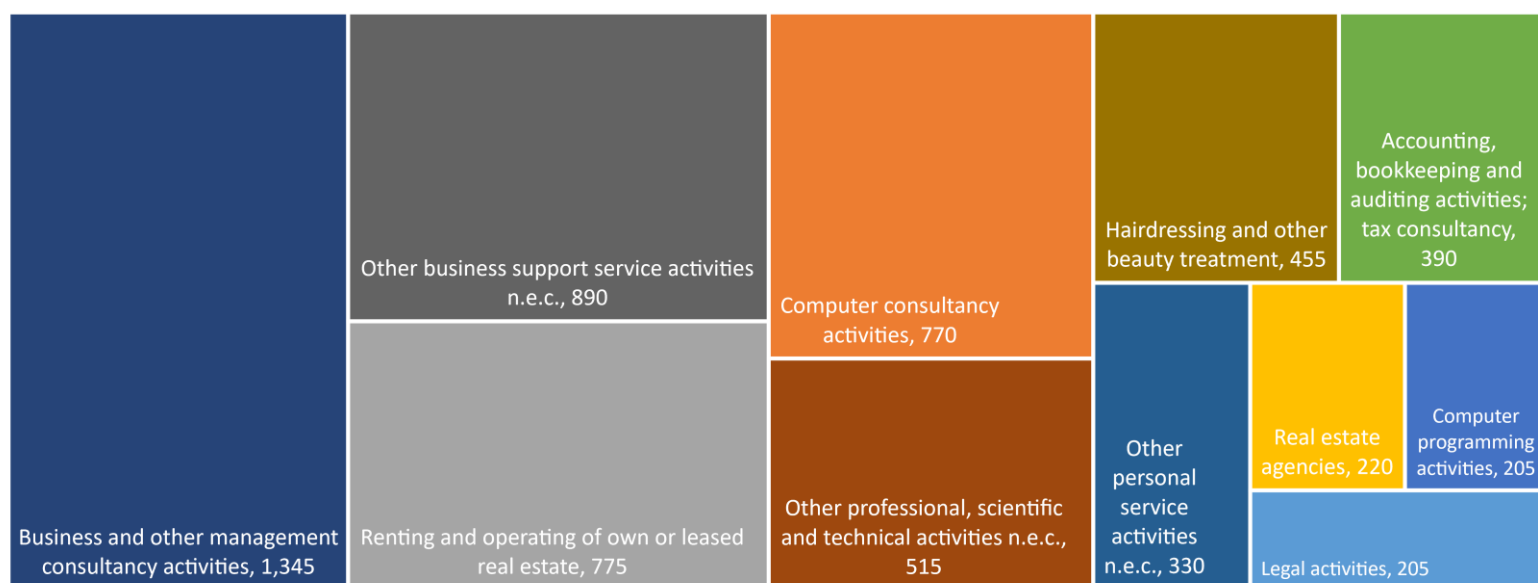
⁵ EMSI Analytics tool, 2020



Source: EMSI Analytics Tool, 2020

Within the business and professional services sector, the industry with the highest number of establishments is business and other management consultancy activities at 1,345 this is followed by other business support service activities with 890 establishments and renting and operating of own or leased real estate at 775⁶.

Top 10 Industries for the Number of Establishments Within the Business and Professional Services Sector

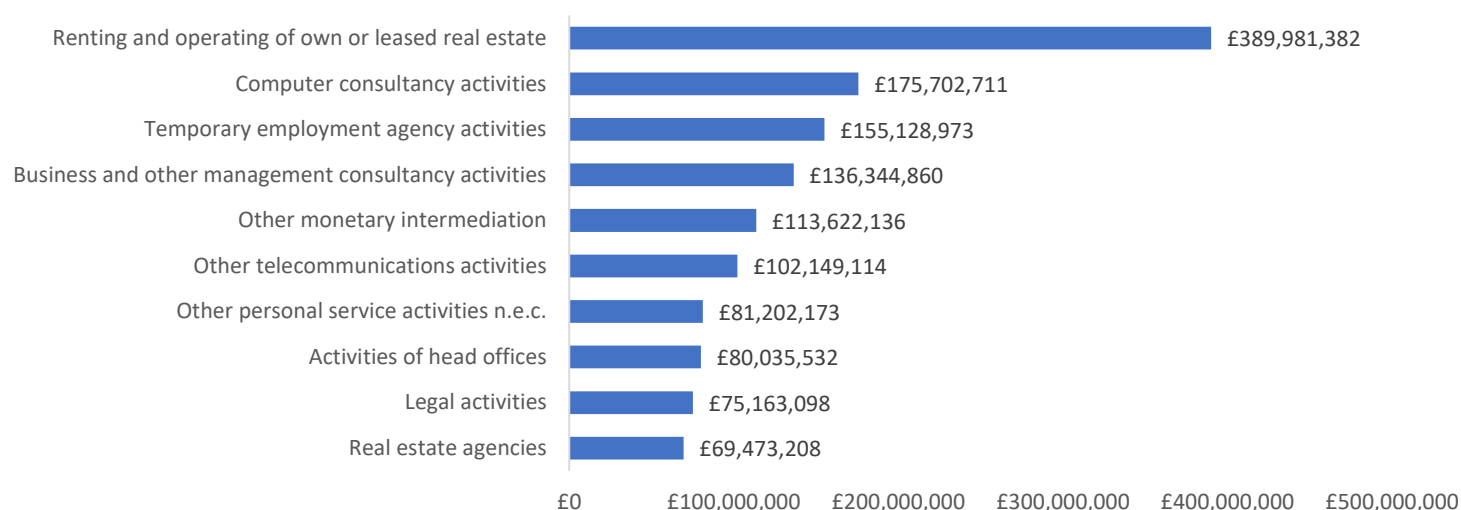


Source: ONS, UK Business Counts

⁶ ONS, UK Business Counts, 2019

The following figure shows the top ten industries for the highest GVA produced⁷, as mentioned previously the renting and operating of own or leased real estate is the highest at £390m. This is followed by computer consultancy activities at nearly £176m and temporary employment agency activities at £136m while the lowest in this selection is real estate agencies at £69m.

Top 10 Industries for Total GVA in the Business and Professional Services Sector



Source: EMSI Analytics Tool, 2020

The following table shows the top ten industries that has an LQ of above 1. Notably, renting and leasing of agricultural machinery and equipment has an LQ of 10.74. This is followed by life insurance at 3.56 and repair of furniture and home furnishings at 3.00. In this selection at the other end of the scale, renting and leasing of construction and civil engineering machinery and equipment is at 1.63 and administration of financial markets is 1.64.

Industry	2018 Location Quotient
Renting and leasing of agricultural machinery and equipment	10.74
Life insurance	3.56
Repair of furniture and home furnishings	3.00
Renting and leasing of trucks	2.92
Packaging activities	2.42
Repair of computers and peripheral equipment	2.20
Repair of other personal and household goods	1.91
Washing and (dry-)cleaning of textile and fur products	1.78
Administration of financial markets	1.64
Renting and leasing of construction and civil engineering machinery and equipment	1.63

Source: EMSI Analytics Tool, 2020

⁷ EMSI Analytics tool, 2020. GVA analysis is based on 2015 model data

2. Supply Side Analysis

2.1. Current Workforce Size⁸

There was an estimated number of 54,320 jobs in the business and professional services sector in 2018. This sector accounts for 18.8% of the total jobs which is below the England total of 24.7%⁹.

However, compared to 2017 the business and professional services sector has increased by 9.1% (+4,520) in the Marches while overall England decreased by 0.3%.

The following table displays the number of jobs in the Marches in 2018.

	The Marches 2018	The Marches 2018 % of Total	England 2018 % of Total
Advanced Manufacturing	32,945	11.4%	8.5%
Agri-Tech	10,730	3.7%	0.7%
Business and Professional Services	54,320	18.8%	24.7%
Construction	15,000	5.2%	4.6%
Cyber Security and Resilience	11,800	4.1%	4.7%
Environmental Technologies	3,215	1.1%	1.1%
Food & Drink	9,250	3.2%	1.3%
Health and Social Care	40,900	14.1%	12.9%
Public Sector Inc. Education	30,000	10.4%	11.3%
Retail	49,000	16.9%	15.3%
Transport and Logistics	9,370	3.2%	4.9%
Visitor Economy	23,100	8.0%	9.9%
Total	289,630		

Source: ONS: Business Register and Employment Survey, 2019

Sector Analysis

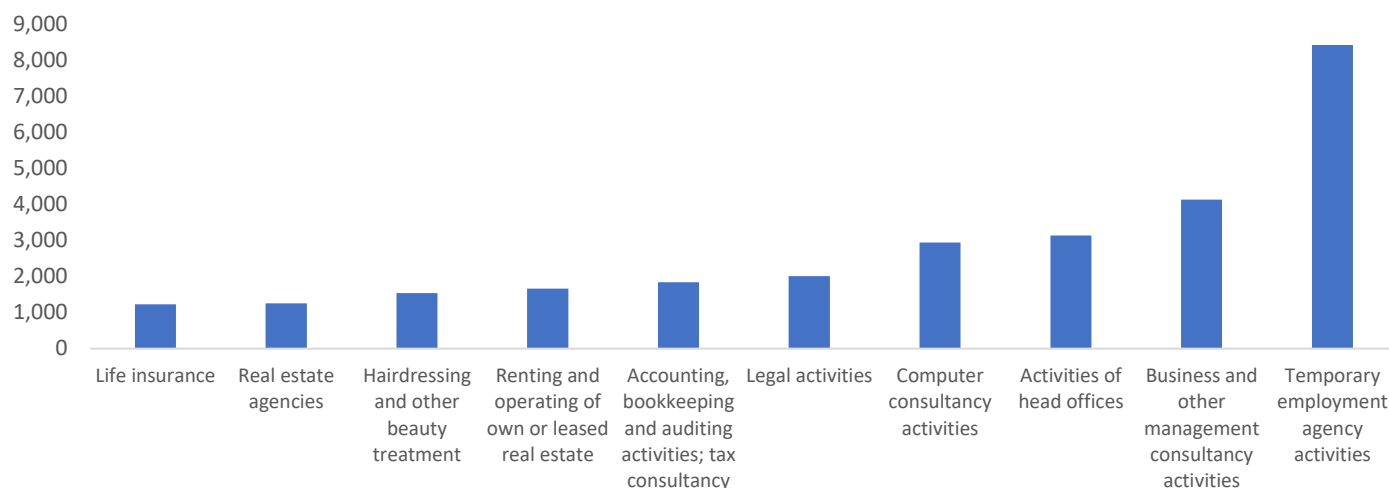
EMSI provide a more detailed breakdown of jobs by industry and based on their total of 47,910 jobs in 2018. The top ten industries within the business and professional services sector accounts for over 28,100 jobs which equate to nearly 59% of the total jobs.

⁸ Please note depending on the source – BRES, EMSI – SIC or SOC codes there is some variation in the total jobs figures.

⁹ ONS, Business Register and Employment Survey, 2019

As seen in the following graph, the top ten industries with the highest number of jobs within the business and professional services sector varies from 1,224 in life insurance and 1,254 in real estate agencies to 8,410 jobs in the temporary employment agency activities industry in 2018.

Top 10 Industries with the Highest Number of Jobs within the Business and Professional Services Sector, 2018



Source: EMSI Analytics Tool, 2020

Occupation Analysis¹⁰

The Business and Professional Services sector is dominated by highly skilled and qualified people who have typically been educated to first degree level or above. There is also strong demand for other occupational groups, in particular clerical and administrative, and sales and customer service workers. Whilst much skill demand is for people who have attained, at a minimum, a first degree, there are many people employed in the sector who will be more typically qualified to Level 3.

Occupation	2018 Jobs
Other administrative occupations n.e.c.	6,776
Sales accounts and business development managers	4,548
Bookkeepers, payroll managers and wages clerks	4,485
Receptionists	3,205
Customer service occupations n.e.c.	2,497
Sales supervisors	2,216
Personal assistants and other secretaries	2,172
Financial managers and directors	2,145
Business sales executives	1,857
Human resources and industrial relations officers	1,688
Office managers	1,652
Human resource managers and directors	1,484
Business and financial project management professionals	1,483
Chartered and certified accountants	1,381
Marketing associate professionals	1,362
Marketing and sales directors	1,328
Financial administrative occupations n.e.c.	1,311
Stock control clerks and assistants	1,299

¹⁰ Occupation and industry classifications categorise occupations and industries into clearly defined groups. As such they provide a common basis for collecting, presenting, and comparing of labour statistics. **Occupational** classifications (SOC) group people based on job and tasks performed whereas **Industry** (SIC) classifications group people based on the sector of economic activity in which they are employed. For the purpose of this work we have attributed occupations to their most natural industrial sector, so for example a 'Financial Accounts Managers' whose skills are transferrable across all sectors will be contained solely within Business and Professional Services. Any identified skills gap for this occupation would apply to all sectors.

Occupation	2018 Jobs
Records clerks and assistants	1,272
Customer service managers and supervisors	1,175
Business and related associate professionals n.e.c.	1,174
Management consultants and business analysts	1,096
Sales administrators	1,047
Financial accounts managers	1,015
Human resources administrative occupations	966
Functional managers and directors n.e.c.	892
Buyers and procurement officers	887
Finance and investment analysts and advisers	842
Quality assurance and regulatory professionals	709
Call and contact centre occupations	690
Solicitors	613
Company secretaries	578
Bank and post office clerks	562
Sales related occupations n.e.c.	540
Purchasing managers and directors	536
Telephone salespersons	510
Conference and exhibition managers and organisers	503
Credit controllers	492
Estate agents and auctioneers	484
Chartered surveyors	465
Estimators, valuers and assessors	451
Legal associate professionals	451
Typists and related keyboard occupations	435
Pensions and insurance clerks and assistants	426
Quantity surveyors	421
Information technology and telecommunications directors	421
Office supervisors	380
Financial institution managers and directors	373
Legal secretaries	353
Quality control and planning engineers	339
Finance officers	292
Merchandisers and window dressers	291
Legal professionals n.e.c.	281
Actuaries, economists and statisticians	276
Public relations professionals	273
Communication operators	245
Architects	240
Taxation experts	231
Business, research and administrative professionals n.e.c.	224
Financial and accounting technicians	214
Journalists, newspaper and periodical editors	202
Business and related research professionals	199
Town planning officers	175
Debt, rent and other cash collectors	171
Insurance underwriters	163
Telephonists	151
Brokers	141
Advertising accounts managers and creative directors	130
Advertising and public relations directors	122
Collector salespersons and credit agents	90
Market research interviewers	60
Barristers and judges	53
Importers and exporters	35
Market and street traders and assistants	27
Chartered architectural technologists	11
Total	68,284

Source: EMSI Analytics Tool, 2020

2.2. Existing Training

Apprenticeship Starts

The total number of apprenticeships in the Marches (across all sectors) increased to 6,360 from 6,020 in 2018/19 - up 5.5% compared to 4.7% nationally.

The table below identifies the unique apprenticeship starts by area across the Marches LEP for all Business and Professional Service-related subjects.

Local Authority	2016/17	2017/18	2018/19	Change 17/18 - 18/19	% Change 17/18 - 18/19
Herefordshire, County of	377	308	374	66	21.4%
Shropshire	755	556	668	112	20.1%
Telford and Wrekin	696	498	557	59	11.8%
Total	1,828	1,362	1,599	237	17.4%

Source: ESFA Datacube, 2018/19

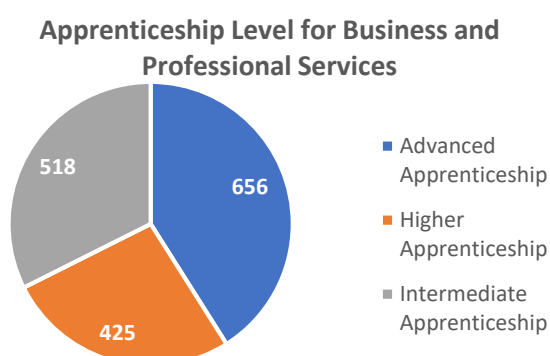
The number of business and professional apprenticeships increased by 17.4% across the Marches in 2018/19 to 1,599. Analysis by local authority area records positive growth in each of the three local authority areas. Herefordshire increased the most in terms of percentage change (+21.4%), whereas Shropshire reported the largest change in absolute numbers (+112). Telford and Wrekin also reported growth of 11.8%.

The table below identifies the number of starts by each of the Tier 2 sector subject areas that combine to form the overarching 'Business and Professional Services'.

Sector Subject Area	2016/17	2017/18	2018/19	Change 17/18 - 18/19	% Change 17/18 - 18/19
Arts, Media and Publishing					
Media and Communication	17	2	4	2	100.0%
Business, Administration and Law					
Accounting and Finance	137	140	251	111	79.3%
Administration	960	724	721	-3	-0.4%
Business Management	685	472	594	122	25.8%
Law and Legal Services	4	9	10	1	11.1%
Marketing and Sales	25	15	19	4	26.7%
Total	1,828	1,362	1,599	237	17.4%

Source: ESFA Datacube, 2018/19

When considering apprenticeship starts by sector subject area, the only decrease was recorded in 'Administration'. Despite this nominal decline of -0.4% or 3 apprenticeship starts, 'Administration' remains the most common course. The largest increase (percentage-wise) was in 'Accounting and Finance' (+79.3%) while 'Business Management' reported the largest increase in absolute numbers (+112).



Following trends nationally, apprenticeships starts in Business and Professional Services were more likely to be at either Advanced or Higher level in 2018/19 than in 2017/18. Higher apprenticeships increased by 68% and Advanced level ones by 25.7%. Those studying intermediate level fell by -11.8%.

Source: ESFA Datacube, 2018/19

In terms of starts by provider, 196 different organisations delivered apprenticeships across the Marches in Business and Professional Services in 2018/19. The majority of training was provided by the 10 providers listed below, which accounted for 57.2%.

Provider	2016/17	2017/18	2018/19
Telford College	230	190	250
Riverside Training Limited	140	120	150
Herefordshire, Ludlow, and North Shropshire College	110	120	140
SBC Training Limited	80	50	90
Herefordshire Group Training Association Limited	60	60	70
Kaplan Financial Limited	<10	20	70
Staff Select LTD	40	70	60
Lifetime Training Group Limited	70	40	30
Shrewsbury Colleges Group	60	60	30
Heart of Worcestershire College	70	20	30

Source: ESFA Datacube, 2018/19

Telford College remains the largest provider in the Marches for Business and Professional Service apprenticeships. Indeed, each of the further education providers feature prominently in the Top 10. Riverside Training Limited are the biggest private provider.

2.2.1. Apprenticeship Provision

A mapping and gapping exercise of all apprenticeship provision in the Marches has highlighted that there are 209 apprenticeship providers offering apprenticeships in the business and professional services sector within 55 miles of the Marches. This was calculated by using the most central postcode SY8 2AF.

The table in the supporting appendix shows the current apprenticeship training provision for each of the standards associated with the business and professional services sector across the West Midlands: 76 out of the 102 apprenticeship standards associated with the sector are being offered within 55 miles of the Marches. Most provision is held at the training provider, with some courses offering training at the employer. A colour coding system was used to map and gap the provision, with a preference for learning at providers taking priority in the colour coding, as some providers offer both onsite and offsite learning, which would be coloured green in the matrix.

In 9 cases there were courses with only one provider offering the course across England, e.g. Actuarial technician, Actuary, Assistant buyer / Assistant merchandiser (degree), Conveyancing technician, Internal audit professional, Licensed conveyancer, Marketing manager and Motor finance specialist. Including 1 case where this provision was in the West Midlands: Internal audit professional.

9 courses were not being catered for at the time of analysis anywhere across England, e.g. Public sector compliance Investigator / officer and Senior professional economist. Also, in 17 cases no provision was available in the West Midlands.

2.2.2. Further and Higher Education Provision

Further and Higher Education providers are significant players in the training marketplace. Their role alongside private training providers is to provide opportunities for both the future and the existing workforce to access relevant training in the health and social care sector.

Specifically, there are the following major further and higher education establishments within the area:

- Herefordshire, Ludlow and North Shropshire College
- Telford College
- Shrewsbury Colleges Group
- Harper Adams University
- University Centre Shrewsbury (University of Chester)
- University of Wolverhampton
- NMITE

Higher Education (HESA)

Harper Adams University specialises in the agricultural and rural sector, whilst the University of Chester has a centre in Shrewsbury specialising in subjects aligned to medicine and healthcare, business, and education. The University of Wolverhampton has a well-established campus in the Marches, located at Priorslee in Telford, which currently specialises in engineering and University Centre Telford in Southwater which delivers education, marketing and business management. NMITE is a new higher education institution in Hereford which will focus on engineering subjects.

The table below sets out the number of students studying in these institutions in the academic year 2018/19. The data relates to all campuses not just those based across the Marches.

Sector	Harper Adams	University of Chester	University of Wolverhampton
Advanced Manufacturing	275	345	1,445
Agri-Tech	4,755	1,020	2,300
Business and Professional Services	135	3,020	4,060
Environmental Technologies	20	370	0
Food and Drink	160	0	0
Health and Social Care	25	4,645	4,300
Public Sector inc Education	5	2,925	4,655
Construction	0	0	0
Cyber	0	200	0
Transport and Logistics	0	10	0
Visitor Economy	0	1,785	2,295
Retail	0	245	0
Grand Total	5,375	14,565	19,045

Source: HE student enrolments by HE provider and subject of study 2018/19

In 2018/19 there were 135 students on courses aligned to business and professional services at Harper Adams, up 25 (+22.7%) since the previous year. These students accounted for 2.5% of the student body.

At the University of Chester there were 3,020 students studying courses in the business and professional services sector, this is up by 455 (+17.7%) since the previous year. These students made up 20.7% of the student body.

The University of Wolverhampton had 4,060 students studying business and professional services related courses, this made up 21.3% of all students at the university, the highest percentage across the three institutions.

Qualifications and skills are on a spectrum, with many academic qualifications now having considerable employer input, and many vocational and professional qualifications being delivered by universities. There is an identified need for both detailed subject knowledge and transferable skills to be part of vocational qualifications: 'many formerly purely technical occupations are expected to show a new demand for creative and interpersonal skills' (World Economic Forum, 2016). Health and engineering are examples where such a binary divide becomes unhelpful. Employers will need all of the skills and qualifications along this spectrum, at different times and in different combinations, and learners and employees will need to be able to move along this spectrum and should be supported in doing so.

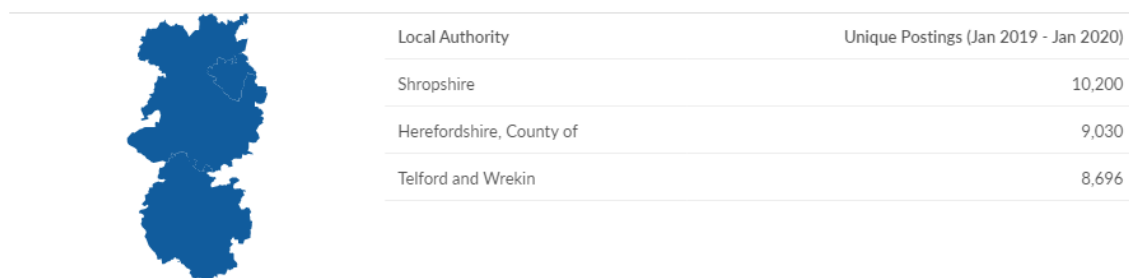
3. Demand Side Analysis

Business and professional service skills are becoming more important as the world moves towards a greater reliance on these sorts of services.

Demand in the Marches area mirrors the shortages at national level. Analysis of business and professional services job vacancies in the last year (January 2019 to January 2020) reveal 133,819 total job adverts, of which 27,926 were unique vacancies.

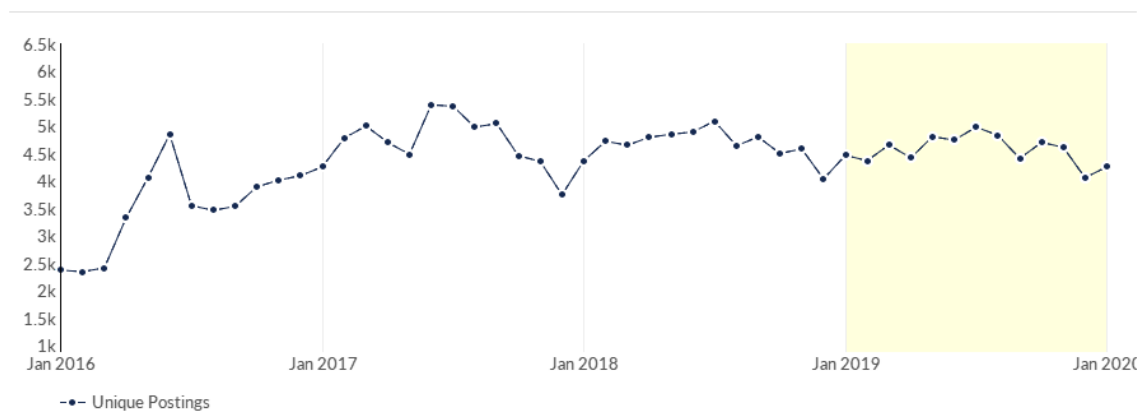
The highest demand was in Shropshire, which accounted for 36.5% of all unique vacancies, followed by Herefordshire (32.3%) and Telford and Wrekin (31.1%).

Job Postings Regional Breakdown



The graph below shows the long-term monthly trend for total job adverts for openings in the business and professional services sector. The number of adverts increased from 2,367 in January 2016 to 4,255 in January 2020. This is an increase of 79.8%.

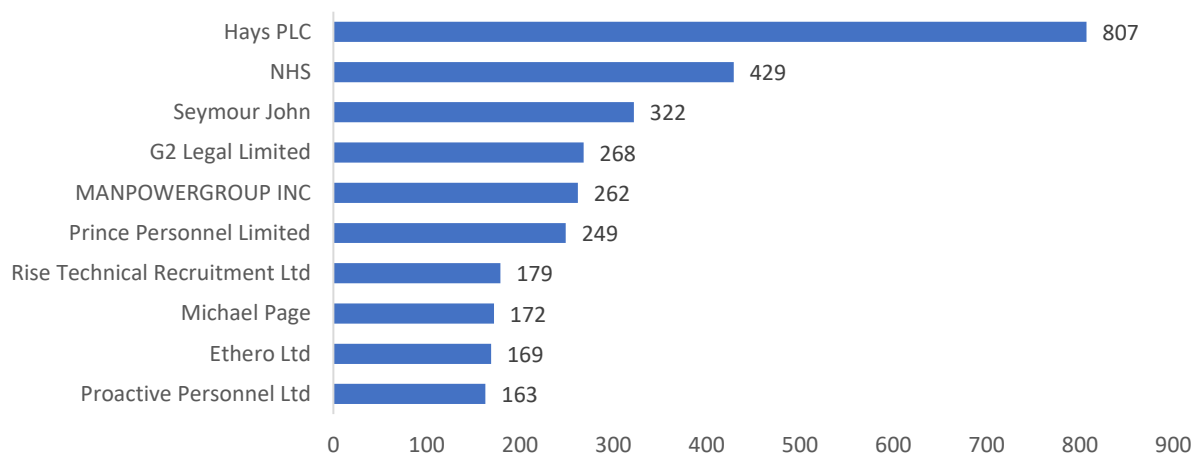
Monthly Unique Postings



Source: EMSI Analytics Tool, 2020

The top 10 companies looking to recruit to the business and professional services sector accounts for 10.8% of all unique vacancies posted in the Marches area.

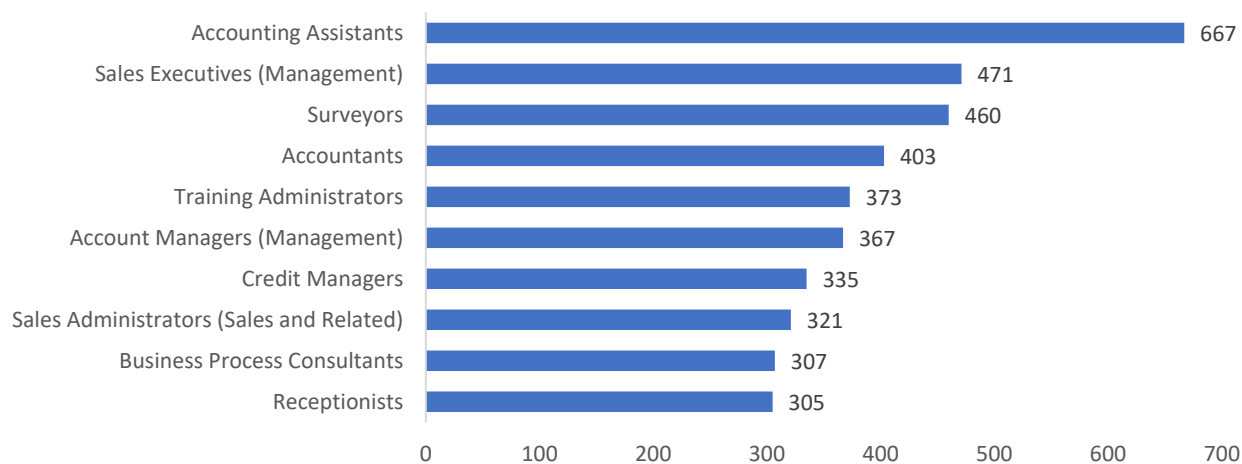
Top 10 Companies Looking to Recruit



Source: EMSI Analytics Tool, 2020

Two of the top 10 job titles were management level, and these accounted for 3.7% of the total unique job postings. Overall, the top 10 job titles that employers were looking to hire accounted for 14.4% of all unique job postings.

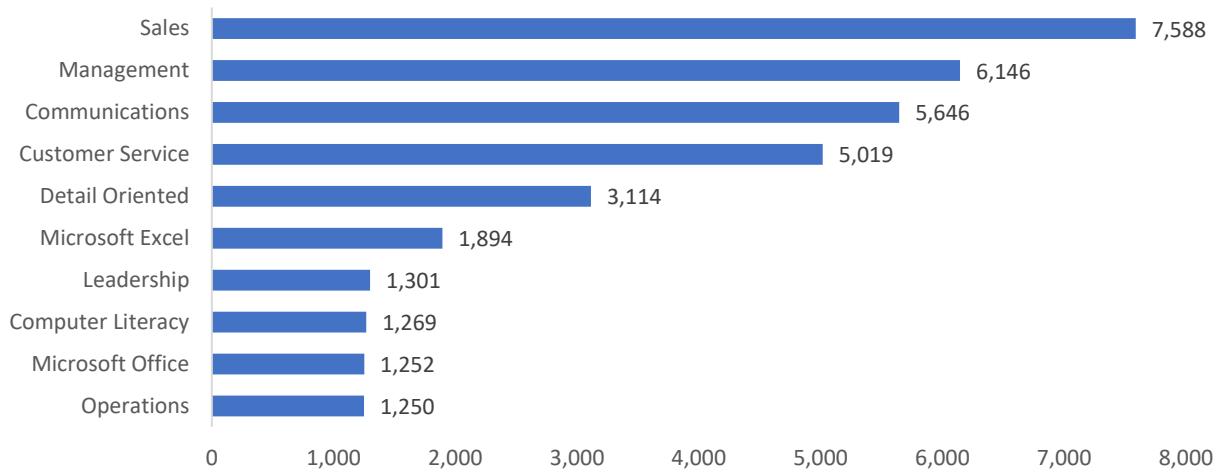
Top 10 Job Titles Employers are Looking to Hire



Source: EMSI Analytics Tool, 2020

Unsurprisingly given the prevalence of roles above for sales, the top requested skill was sales. Notably 'management' and 'leadership' also feature in the most requested skills. Combined these two skills appeared in 7,447 unique postings (26.7%).

Top 10 Skills Employers are Requesting



Source: EMSI Analytics Tool, 2020

3.1. Occupational Forecasts

In this section of the report we use UKSOC 4-digit 2010 classifications to understand at a granular level the types of occupations and activities required for roles within the Business and Professional Services sector.

Occupation	2018 Jobs	2022 Jobs	2018 - 2022 % Change	2018 - 2022 Openings	Education Level	Automation Index
Other administrative occupations n.e.c.	6,776	6,909	2%	1,259	Level 2 NVQ; GCSE at grades A*-C	50.2%
Sales accounts and business development managers	4,548	4,636	2%	786	Honours, Bachelor's degree	4.4%
Bookkeepers, payroll managers and wages clerks	4,485	4,618	3%	874	Level 2 NVQ; GCSE at grades A*-C	43.3%
Receptionists	3,205	3,324	4%	705	Level 2 NVQ; GCSE at grades A*-C	21.2%
Customer service occupations n.e.c.	2,497	2,564	3%	406	Level 2 NVQ; GCSE at grades A*-C	25.5%
Sales supervisors	2,216	2,208	0%	337	Level 2 NVQ; GCSE at grades A*-C	25.9%
Personal assistants and other secretaries	2,172	2,222	2%	422	Level 2 NVQ; GCSE at grades A*-C	19.4%
Financial managers and directors	2,145	2,240	4%	413	Honours, Bachelor's degree	0.7%
Business sales executives	1,857	1,863	1%	298	Level 3 NVQ; A Levels	21.6%
Human resources and industrial relations officers	1,688	1,734	3%	321	Honours, Bachelor's degree	3.8%
Office managers	1,652	1,689	2%	313	Level 3 NVQ; A Levels	N/A
Human resource managers and directors	1,484	1,548	4%	288	Honours, Bachelor's degree	4.0%
Business and financial project management professionals	1,483	1,542	4%	323	Honours, Bachelor's degree	N/A
Chartered and certified accountants	1,381	1,442	4%	303	Honours, Bachelor's degree	31.2%
Marketing associate professionals	1,362	1,369	1%	223	Honours, Bachelor's degree	7.7%
Marketing and sales directors	1,328	1,370	3%	245	Honours, Bachelor's degree	7.1%
Financial administrative occupations n.e.c.	1,311	1,345	3%	250	Level 2 NVQ; GCSE at grades A*-C	27.3%
Stock control clerks and assistants	1,299	1,289	-1%	224	Level 2 NVQ; GCSE at grades A*-C	49.6%

Records clerks and assistants	1,272	1,283	1%	225	Level 2 NVQ; GCSE at grades A*-C	18.8%
Customer service managers and supervisors	1,175	1,206	3%	191	Level 3 NVQ; A Levels	27.1%
Business and related associate professionals n.e.c.	1,174	1,196	2%	200	Level 3 NVQ; A Levels	1.9%
Management consultants and business analysts	1,096	1,179	8%	272	Honours, Bachelor's degree	0.4%
Sales administrators	1,047	1,068	2%	196	Level 2 NVQ; GCSE at grades A*-C	30.7%
Financial accounts managers	1,015	1,051	4%	193	Honours, Bachelor's degree	1.9%
Human resources administrative occupations	966	1,010	5%	212	Level 2 NVQ; GCSE at grades A*-C	24.5%
Functional managers and directors n.e.c.	892	931	4%	173	Honours, Bachelor's degree	21.1%
Buyers and procurement officers	887	912	3%	164	Level 3 NVQ; A Levels	8.0%
Finance and investment analysts and advisers	842	900	7%	180	Honours, Bachelor's degree	5.3%
Quality assurance and regulatory professionals	709	742	5%	152	Honours, Bachelor's degree	1.8%
Call and contact centre occupations	690	710	3%	116	Level 3 NVQ; A Levels	25.5%
Solicitors	613	638	4%	138	Honours, Bachelor's degree	N/A
Company secretaries	578	606	5%	129	Level 2 NVQ; GCSE at grades A*-C	16.9%
Bank and post office clerks	562	537	-4%	93	Level 2 NVQ; GCSE at grades A*-C	35.5%
Sales related occupations n.e.c.	540	542	0%	82	Level 2 NVQ; GCSE at grades A*-C	35.3%
Purchasing managers and directors	536	562	5%	110	Honours, Bachelor's degree	1.3%
Telephone salespersons	510	506	-1%	75	Level 2 NVQ; GCSE at grades A*-C	60.7%
Conference and exhibition managers and organisers	503	521	4%	95	Honours, Bachelor's degree	22.0%
Credit controllers	492	495	1%	86	Level 2 NVQ; GCSE at grades A*-C	34.3%
Estate agents and auctioneers	484	504	4%	101	Level 3 NVQ; A Levels	33.8%
Chartered surveyors	465	489	5%	101	Honours, Bachelor's degree	36.8%
Estimators, valuers and assessors	451	468	4%	85	Level 3 NVQ; A Levels	3.6%
Legal associate professionals	451	466	3%	86	Honours, Bachelor's degree	0.6%
Typists and related keyboard occupations	435	425	-2%	75	Level 2 NVQ; GCSE at grades A*-C	39.2%
Pensions and insurance clerks and assistants	426	454	7%	103	Level 2 NVQ; GCSE at grades A*-C	50.6%
Quantity surveyors	421	441	5%	98	Honours, Bachelor's degree	N/A
Information technology and telecommunications directors	421	412	-2%	71	Honours, Bachelor's degree	N/A
Office supervisors	380	382	1%	66	Level 3 NVQ; A Levels	30.0%
Financial institution managers and directors	373	376	1%	61	Honours, Bachelor's degree	0.7%
Legal secretaries	353	369	5%	79	Level 3 NVQ; A Levels	36.7%
Quality control and planning engineers	339	340	0%	62	Honours, Bachelor's degree	4.8%
Finance officers	292	295	1%	52	Certificate	53.7%
Merchandisers and window dressers	291	300	3%	53	Level 2 NVQ; GCSE at grades A*-C	44.6%
Legal professionals n.e.c.	281	292	4%	60	Honours, Bachelor's degree	N/A
Actuaries, economists and statisticians	276	290	5%	60	Honours, Bachelor's degree	1.6%
Public relations professionals	273	276	1%	52	Honours, Bachelor's degree	4.5%
Communication operators	245	244	0%	34	Level 2 NVQ; GCSE at grades A*-C	16.8%
Architects	240	244	2%	54	Level 5 NVQ; Masters	1.5%
Taxation experts	231	240	4%	47	Honours, Bachelor's degree	72.0%
Occupation	2018 Jobs	2022 Jobs	2018 - 2022 % Change	2018 - 2022 Openings	Education Level	Automation Index
Business, research and administrative professionals n.e.c.	224	220	-2%	39	Honours, Bachelor's degree	30.0%

Financial and accounting technicians	214	222	4%	41	Level 3 NVQ; A Levels	42.8%
Journalists, newspaper and periodical editors	202	186	-8%	37	Honours, Bachelor's degree	27.1%
Business and related research professionals	199	201	1%	36	Honours, Bachelor's degree	14.5%
Town planning officers	175	175	0%	34	Honours, Bachelor's degree	65.7%
Debt, rent and other cash collectors	171	162	-5%	24	Level 2 NVQ; GCSE at grades A*-C	31.0%
Insurance underwriters	163	185	13%	52	Level 3 NVQ; A Levels	10.3%
Telephonists	151	152	1%	23	Level 2 NVQ; GCSE at grades A*-C	35.3%
Brokers	141	144	2%	24	Honours, Bachelor's degree	22.7%
Advertising accounts managers and creative directors	130	132	2%	26	Honours, Bachelor's degree	1.3%
Advertising and public relations directors	122	124	2%	23	Honours, Bachelor's degree	4.9%
Collector salespersons and credit agents	90	88	-2%	13	Level 2 NVQ; GCSE at grades A*-C	47.9%
Market research interviewers	60	61	2%	<10	Level 2 NVQ; GCSE at grades A*-C	20.6%
Barristers and judges	53	55	4%	13	Honours, Bachelor's degree	0.1%
Importers and exporters	35	35	0%	<10	Level 3 NVQ; A Levels	5.2%
Market and street traders and assistants	27	28	4%	<10	Level 2 NVQ; GCSE at grades A*-C	54.0%
Chartered architectural technologists	11	12	9%	<10	Level 4 NVQ; Intermediate, DipHE, DipFE	2.5%
Total	68,284	69,996	2.5%	12,897		

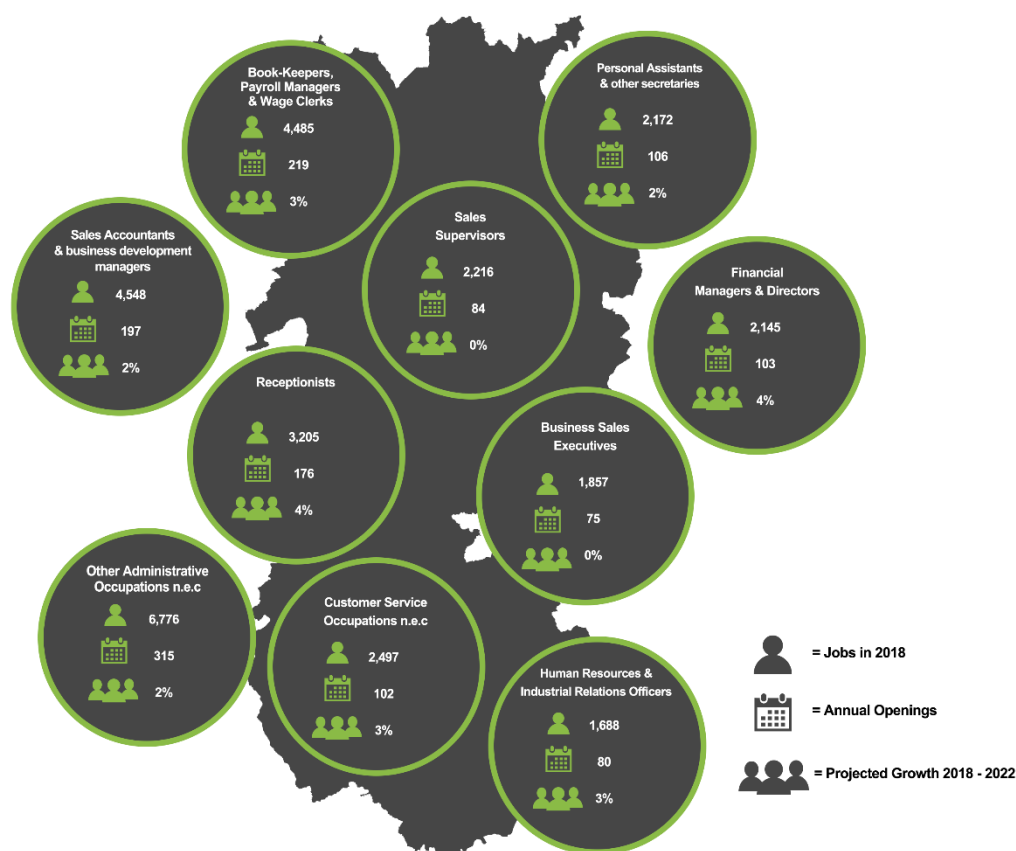
In total there are 75 occupations associated with the Business and Professional sector. The most jobs in the Marches are contained within 'Other administrative occupations n.e.c.' and 'Sales accounts and business development managers'. Both roles are forecast to grow further by 2022, indeed only one occupation in the top 30 is forecast to contract by 2022 ('Stock control clerks and assistants').

Of the 75 occupations listed above, 60 are expected to grow, six are predicted to undergo nominal change (+/- in absolute numbers) and nine are likely to contract – demonstrating the strength and potential of the sector in the Marches area. A challenge however maybe the significant future skill demand in particular occupations. Of the nine occupations forecast to shrink, six employ fewer than 500 people.

In addition to 'Other administrative occupations n.e.c.' the occupations predicted to grow the most (in absolute numbers) include: 'Book-keepers, payroll managers and wages clerks', 'Receptionists' and 'Financial managers and directors' - emphasising the inconsistency between requested education levels and gaps across the sector. It is worth noting that these three occupations, like many that have been classified for the purpose of this report as 'Business and Professional Services', will be evident in **all** sectors.

Most occupations in the Business and Professional sector score relatively low on the automation index (the automation index captures an occupation's risk of being affected by automation), with only seven occupations rated above 50%.

The Marches Top 10 Business and Professional Services Occupations



3.2. Job Forecasts by Industry

Overall, where available, total industries analysis for the business and professional services sector, shows that total jobs are projected to increase by an estimated 2,520 jobs to 50,430 by 2022¹¹.

Out of the 80 industries, 40 are projected to decrease in the number of jobs by 2022, with computer consultancy activities the highest decrease by 346 jobs down to 2,594. There is 1 industry predicted to remain at the same amount of jobs and 39 industries that are predicted to increase in the number of jobs by 2022.

The following table shows the change in number of jobs by 2022 where available for the industries within the business and professional services.

Industry	2018 Jobs	2022 Jobs	2018 - 2022 Change
Computer consultancy activities	2,940	2,594	-346
Other monetary intermediation	960	849	-111
Other information technology and computer service activities	681	581	-100
Activities of employment placement agencies	989	897	-92

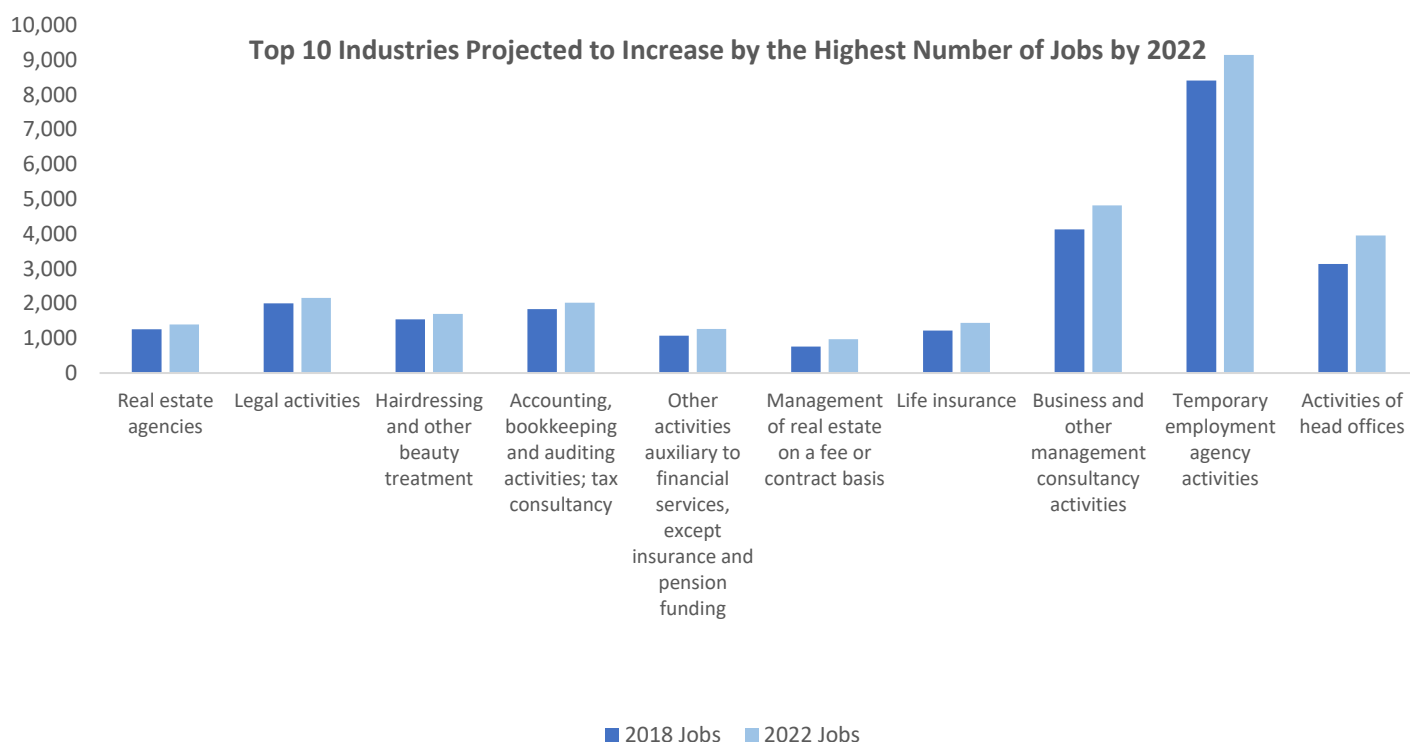
¹¹ Figures vary due to selected insufficient data for selected industries and source used is EMSI, Analytics Tool, 2020 opposed to Business Register Employment Survey, 2019.

Activities of insurance agents and brokers	367	278	-89
Other business support service activities n.e.c.	842	762	-80
Repair of computers and peripheral equipment	534	460	-74
Publishing of newspapers	215	146	-69
Renting and operating of own or leased real estate	1,660	1,599	-61
Other professional, scientific and technical activities n.e.c.	813	760	-53
Other telecommunications activities	1,154	1,105	-49
Tour operator activities	277	234	-43
Renting and leasing of recreational and sports goods	85	54	-31
Activities of other membership organisations n.e.c.	964	937	-27
Data processing, hosting and related activities	141	117	-24
Specialised design activities	173	149	-24
Travel agency activities	179	155	-24
Book publishing	86	66	-20
Publishing of journals and periodicals	82	66	-16
Other activities auxiliary to insurance and pension funding	44	28	-16
Other personal service activities n.e.c.	1,002	988	-14
Other financial service activities, except insurance and pension funding, n.e.c.	145	132	-13
Repair of furniture and home furnishings	91	78	-13
Activities of business and employer's membership organisations	78	66	-12
Repair of household appliances and home and garden equipment	43	32	-11
Advertising agencies	318	310	-8
Market research and public opinion polling	26	18	-8
Physical well-being activities	52	44	-8
Renting and leasing of other personal and household goods	50	43	-7
Repair of other personal and household goods	41	35	-6
Other publishing activities	118	113	-5
Other software publishing	15	10	-5
Other credit granting	29	24	-5
Security and commodity contracts brokerage	26	21	-5
Risk and damage evaluation	17	12	-5
Activities of professional membership organisations	24	19	-5
Other information service activities n.e.c.	53	49	-4
Radio broadcasting	43	41	-2
Sound recording and music publishing activities	31	30	-1
Activities of political organisations	18	17	-1
Motion picture, video and television programme post-production activities	24	24	0
Motion picture projection activities	210	211	1
Photographic activities	60	61	1
Translation and interpretation activities	18	19	1
Photocopying, document preparation and other specialised office support activities	23	24	1
Repair of consumer electronics	28	30	2
Industry	2018 Jobs	2022 Jobs	2018 - 2022 Change
Renting and leasing of agricultural machinery and equipment	122	125	3
Renting and leasing of office machinery and equipment (including computers)	43	46	3
Organisation of conventions and trade shows	59	62	3
Buying and selling of own real estate	40	44	4
Renting and leasing of other machinery, equipment and tangible goods n.e.c.	409	413	4
Activities of collection agencies and credit bureaus	21	25	4
Research and experimental development on biotechnology	64	69	5

Media representation	79	84	5
Wireless telecommunications activities	42	48	6
Renting and leasing of construction and civil engineering machinery and equipment	606	613	7
Motion picture, video and television programme production activities	133	141	8
Renting and leasing of trucks	248	256	8
Activities of call centres	233	248	15
Computer programming activities	531	547	16
Renting and leasing of cars and light motor vehicles	398	414	16
Activities of religious organisations	658	677	19
Public relations and communication activities	132	156	24
Administration of financial markets	98	132	34
Washing and (dry-)cleaning of textile and fur products	555	595	40
Combined office administrative service activities	318	360	42
Funeral and related activities	320	367	47
Other human resources provision	305	367	62
Other research and experimental development on natural sciences and engineering	478	545	67
Packaging activities	579	652	73
Real estate agencies	1,254	1,396	142
Legal activities	2,005	2,159	154
Hairdressing and other beauty treatment	1,542	1,698	156
Accounting, bookkeeping and auditing activities; tax consultancy	1,839	2,021	182
Other activities auxiliary to financial services, except insurance and pension funding	1,075	1,263	188
Management of real estate on a fee or contract basis	765	968	203
Life insurance	1,224	1,438	214
Business and other management consultancy activities	4,129	4,825	696
Temporary employment agency activities	8,410	9,144	734
Activities of head offices	3,136	3,958	822
Total	47,910	50,430	2,520

Source: EMSI Analytics Tool, 2020

Within the business and professional services sector, activities of head offices are projected to increase the highest by an additional 821 jobs by 2022 to reach 3,958 jobs. This is followed by the temporary employment agency activities by an additional 735 jobs to 9144 in 2022.

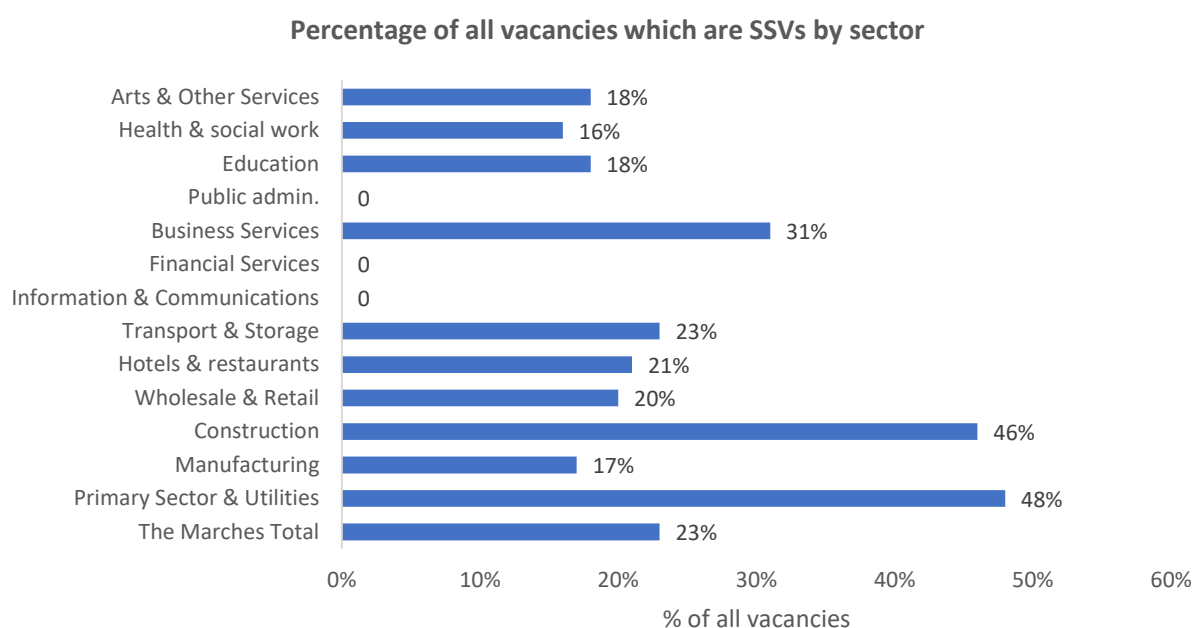


Source: EMSI Analytics Tool, 2020

3.3. Sector Skills Shortages

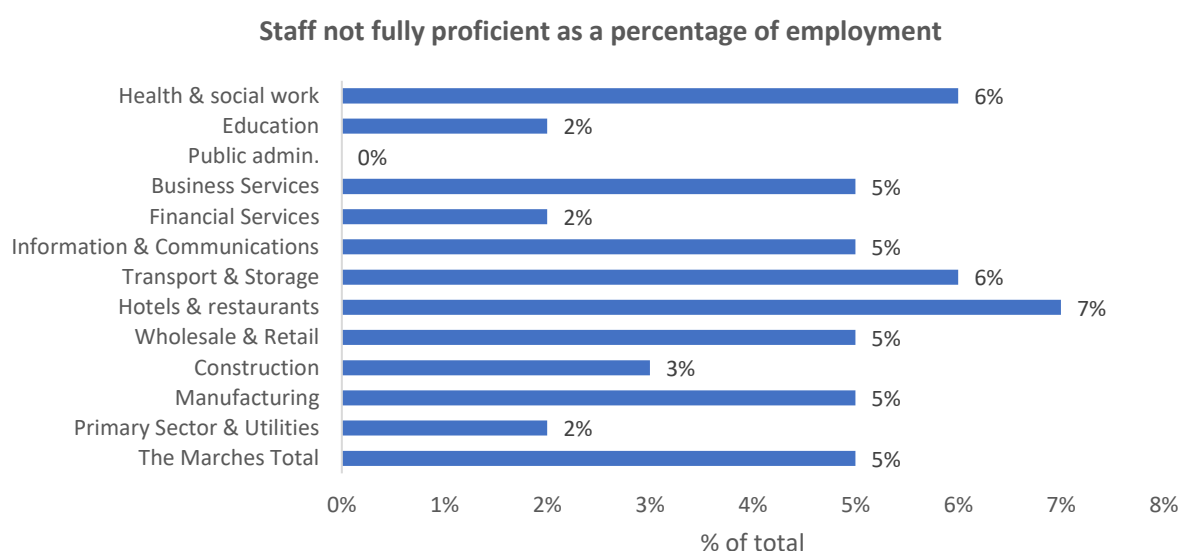
23% of all vacancies are skills shortage vacancies, compared to 22% nationally. The graph below highlights the acute problem of skills shortage vacancies in certain sectors.

Business & professional services, defined in the graph as business services and financial services, has a skills gap of 31% for business services and no data reported for financial services. This is a higher level than other sectors in the Marches, so employers have a significant problem of hiring to fill skills gaps.



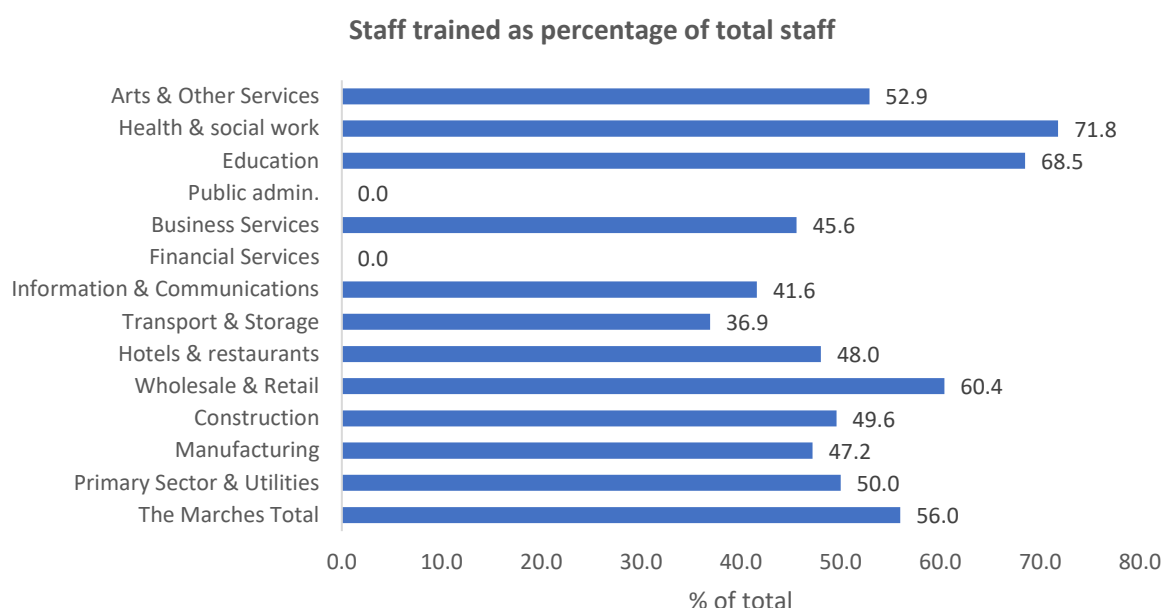
Source: Employer Skills Survey 2017, LEP Summary Tables

5% of staff are not fully proficient in the Marches, compared to 4% nationally. In the business & professional services sector, 5% & 2% of staff are not fully proficient respectively.



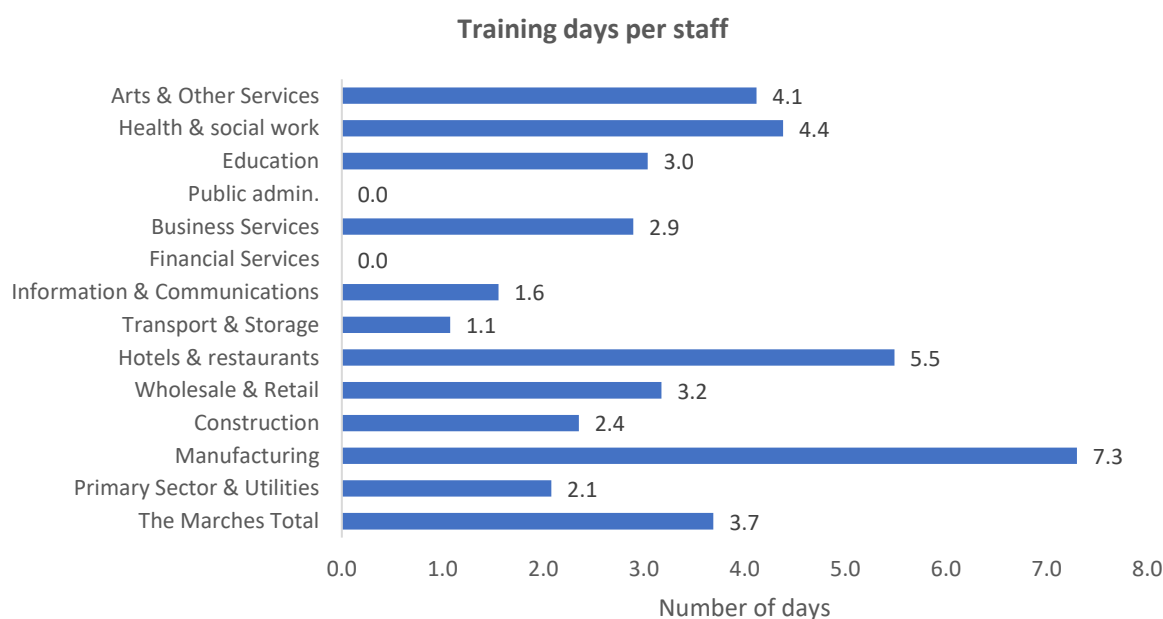
Source: Employer Skills Survey 2017, LEP Summary Tables

In the Marches, 56.0% of staff are trained as a percentage of all staff, compared to 62.2% of staff in England. 45.6% are trained in the business & professional services sector. This sector has a low training rate and also has low levels of staff not fully proficient, so skills gaps are not a huge issue in this sector.



Source: Employer Skills Survey 2017, LEP Summary Tables

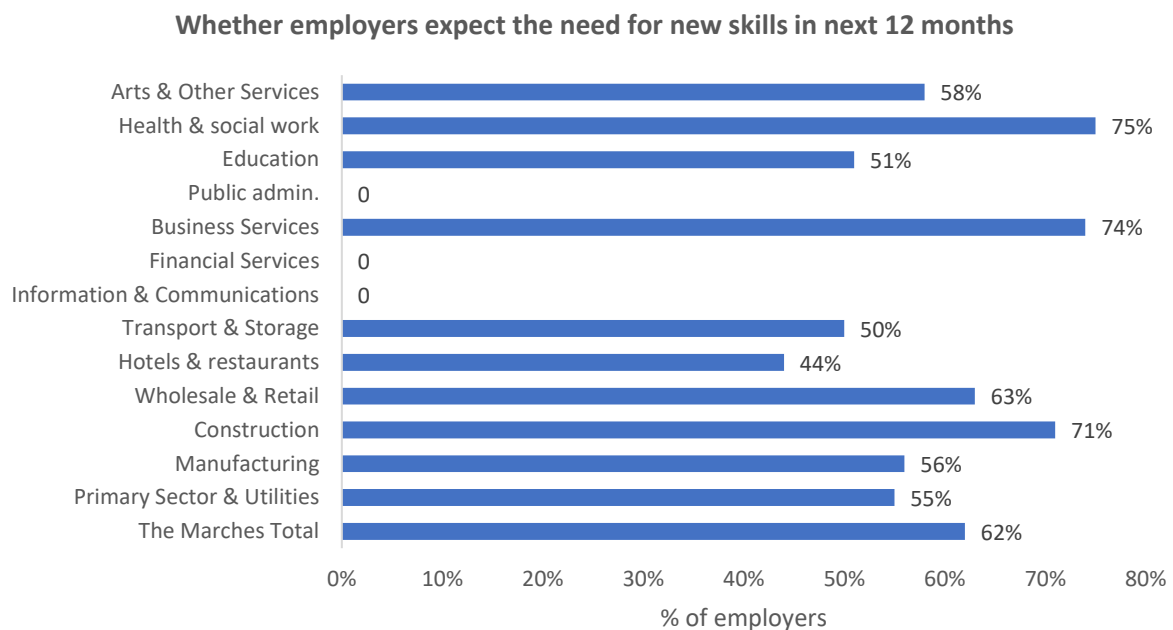
On average, employees in the Marches have 3.7 training days. In the business & professional services sector this is 2.9 days. Low levels of training days and high levels of skills gaps signifies that employers aren't addressing skill shortages within the sector. Employers should invest more in training to equip current staff with the skills they are looking for from new recruits to address this skills issue.



Source: Employer Skills Survey 2017, LEP Summary Tables

62% of employers in the Marches expect the need for new skills in the next 12 months, this is the same as national levels. In the business & professional services sector, 74% of employers expect new skills from employees. This is a high percentage and signifies that there may be a significant skills shortage in the future within the sector. Upskilling may be the preferred solution to this problem – that is, training current employees with new skills to ensure they can keep up with a changing work

environment e.g. enhancements in digital technology. Upskilling may be cheaper for employers and more attractive, given the high number of skills shortage vacancies and the possibility of adding to these if employers can't 'grow their own'.



Source: Employer Skills Survey 2017, LEP Summary Tables

4. Supply vs Demand

4.1. Provision Review

In this section of 'Supply vs Demand' we will concentrate on the most significant areas of misalignment and gaps across the sector. Identifying which courses are currently over-supplying the labour market, which areas of labour market demand is currently being met and where there might be areas of opportunity for the development of new skill provision.

Discipline	Completers 2019	Annual Openings	Gap Between Demand and Provision	% Jobs Growth (2019-2022)
Marketing and Sales	78	2,039	1,961	1%
Management	1,839	2,157	318	2%
Property and Facility Services	22	246	224	2%
Accounting and Finance	502	695	193	2%
Services	40	231	191	2%
Publishing and Information Services	2	181	179	-2%
Administration	1,477	1,597	120	2%
Preparation for Work	2,242	0	-2,242	0%
Media and Communication	568	146	-422	-1%
Law and Legal Studies	171	103	-68	2%
Economics	43	16	-27	4%

Green: Areas where the provider base already offers courses, but the data indicates that there may be room to grow these to meet employment demand.

Blue: Courses the provider base does not currently offer, indicating that there is potential for creating new courses to meet these skills needs.

Yellow: Areas where the data suggests that the provider base is currently oversupplying the labour market to a significant level.

Skills provision that is aligned to local jobs and industry demand not only helps providers with their Ofsted inspection but also helps to ensure learners are best placed to get employment using the skills they have learned, supply employers with the skills they need and support growth in the local and wider economy.

This provision review identifies areas of misalignment in the Marches for the business and professional services sector:

Strengths (course areas that are well met compared to industry demand)

Course areas which have a gap between supply and demand, where that there is less provision than supply is possibly where there is still potential to increase provision locally. These include the disciplines highlighted green in the table, e.g. marketing and sales, management, property and facility services, accounting and finance, services, publishing and information services and administration.

Disciplines in the green section of the table that also have a net positive change in jobs in the next few years are seen as extra strengths to the area, e.g. marketing and sales, management, property and facility services, accounting and finance, services, and administration.

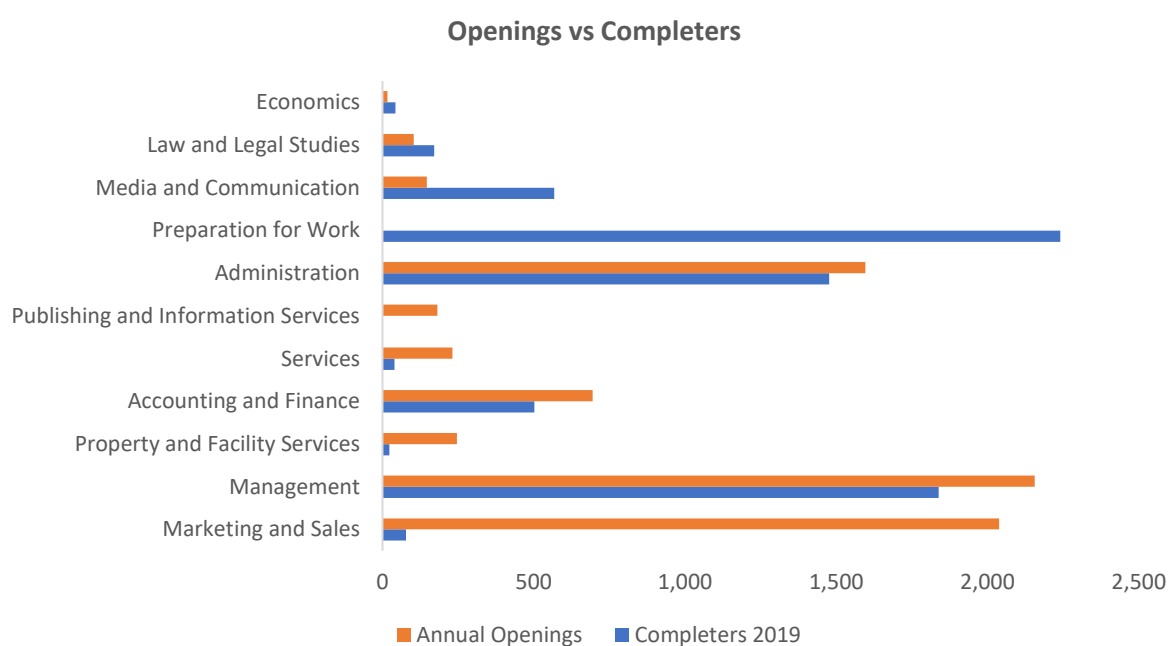
Opportunities (course areas that are currently under supplied compared to demand)

Other opportunity areas include those highlighted in blue with a gap between provision and demand, as these are the disciplines which are sought after but have no provision locally. There is room for courses to be developed in these disciplines to meet local employer needs, however there are none of these in this analysis.

Threats (course areas that are well met or oversupplied compared to industry demand)

Disciplines with too much provision and not enough employer demand will lead to an oversaturated supply of labour in certain disciplines. Graduates from these courses will find it difficult to find employment locally and may have to move out of the area to find work in their field. People skilled in this discipline might have to upskill or retrain in other disciplines to find work elsewhere. Courses in this group include those highlighted in yellow e.g. preparation for work, media and communication, law and legal studies, and economics.

The best way to implement change is to prioritise interventions based on biggest misalignments and gaps. Disciplines with a low uptake e.g. those in blue, need extra resources to highlight the opportunities in these occupations. **These strengths, opportunities and threats can be clearly identified in the graph below.**



Source: EMSI Analytics Tool, 2020

4.2. Future Drivers of Skills

The traditional professional services industry will likely be radically different in ten years. Changing clients demands, employee expectations, rapid technology developments and other external factors will change the nature of jobs and skills required in the future.

These changes are likely to exacerbate the current increasing skill shortage in the sector and it will be more difficult to find the right person for the job. It is also expected that medium sized firms are likely to face the biggest challenges, especially in compliance related services. Technology will replace much of the hard work of discovery, analysis, and comparison of information which is mainly done at the low end. Furthermore, low end services could possibly be replaced by self-service platforms or will become commoditised services, especially when technology enables direct tapping into the flows of client data as needed for instance for accounting and audits.

4.3. Impact of Brexit

The Business and Professional Services sector is significantly exposed to the impact of Brexit because services are not only exported directly to EU countries, they are also sold intensively within domestic supply chains to UK companies exporting to the EU.

The findings of the recent Marches Growth Hub: Brexit Preparation Report, which surveyed 51 businesses from the business and professional services sector suggests that more businesses have prepared for Brexit than have not. Only 15.7% (8) of the businesses surveyed said that they trade with EU countries. Despite this, 68.6% (35) say they have prepared for Brexit by considering its potential impact on them, and also 56.9% (29) have considered how a change in the UK / EU trade relationship will impact on their suppliers and customers.

4.4. Impact of Covid-19

Covid-19 is having and will continue to have an impact on all business sectors. Digital technology has helped businesses continue to operate by enabling virtual working and addressing skills issues through online tools and training opportunities where appropriate. Predicting how that might impact on businesses in the future is difficult but methods of doing business will change and in some cases that might alter the requirements on digital technology and change skills and training requirements.

5. Conclusions

5.1. Summary

Professional and business services (which includes financial services, insurance, accountancy, legal services, employment activities and leasing services) is an important sector to the Marches economy with respect to both the volume of employment and gross value added it contributes.

At this moment there is significant disruption taking place across most industries. These changes are driven by trends that have far-reaching, interrelated consequences for business. Digital technology developments are the leading disrupter, fed by a growing demand for “anytime-anywhere” access to information. The Business and Professional Services sector has so far not been highly impacted by these technology developments, but all signs are there that real change is coming, and that the industry is about to embark on a digital transformation process. The biggest impact might not just come from new ways of organising and delivering professional services, but also the very nature of the “practical expertise” that is required.

This will put an increased onus on companies themselves to be prepared to invest in local decision making to ensure strategies take account of their key needs. This is a sector that traditionally takes care of itself, but the rapid change in technology, changes in business models and services and the need to attract a different type of employees means the sector needs to start looking beyond its usual pool of talent.

5.2. Recommendations

- Develop a differentiated understanding of the sector locally and promote its strengths and opportunities, building on key assets such as flagship companies, quality of opportunity and quality of life.
- Increase collaboration and engagement with local sector representation, with proactive support from companies to engage with local strategic bodies; to design appropriate interventions to support local growth and increased support of local sector representative bodies to co-create and deliver actions.
- Make better use of apprenticeships at all levels, co-designed with the sector to meet local needs to ensure local people can engage with and benefit from growth in the sector.
- Engage with local institutions leading on place infrastructure to factor in needs of the sector, such as appropriate commercial property, broadband, a diverse housing offer - especially high-quality family housing, cultural and sporting assets, business tourism and transport infrastructure.

5.3. Action Planning

It will be the responsibility of the Marches Local Enterprise Partnership (LEP) and its key stakeholders to review the recommendations, develop a strategy and agree an action plan to address the challenges and opportunities identified within this report.