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# **Sheffield Employment and Skills Strategy**

DRAFT Evidence Base Report



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# Introduction

# The Employment and Skills Strategy and Evidence Base report

## Sheffield Employment and Skills Strategy

The Sheffield Employment and Skills Advisory Board (SESAB) is developing an ambitious Employment and Skills Strategy for Sheffield. This co-created, city-level strategy will set out a long-term vision for a highly performing employment and skills system. This will foster growth, optimise talent and tackle inequality, to create the conditions for prosperity for citizens and the local economy. It will identify opportunities to strengthen employment and skills in Sheffield and respond to and overcome current and future challenges.

The Strategy will provide a framework for partners to collaboratively and individually deliver impactful skills and employment activities, ensuring complementarity of purpose and focussing action on shared priorities.

Alongside the Strategy, a detailed five-year roadmap will be produced. This will set out missions and priorities, outline the actions that each stakeholder will undertake and set SMART targets against which progress can be measured.

## Evidence base report

As part of the strategy development process, Kada Research and ekosgen have undertaken a quantitative analysis of skills and labour market data, as well as considering the drivers affecting the labour market globally, nationally and locally. This provides an understanding of the current employment and skills system in Sheffield and the wider issues facing the City; in particular the deep-rooted inequalities which can limit the lives of residents.

This report highlights key points from the evidence base. These have informed the development of the strategic framework (set out at the end of the report) which provides the starting point for the Employment and Skills Strategy.

The full dataset can be accessed through an interactive Power BI dashboard tool. This enables partners and stakeholders to explore specific datasets in more depth, looking at change over time and providing comparisons with other areas. The tool can be found here: [Microsoft Power BI](#).

# Overview of the Sheffield Economy and Labour Market

	Sheffield	Sheffield Trend	Core Cities Average	England
Employment Growth (2020-22)	3.9%	↑	6.3%	5.3%
High-skilled occupations	51%	↓	56%	54%
Output per job	£47,202	↑	£51,162	£55,001
Businesses per 10,000 people	299	↑	337	422
Employment rate	75%	↔	72%	76%
Ethnic minority employment rate	60%	↓	61%	69%
Inactivity rate	23%	↑	25%	21%
Ethnic minority inactivity rate	37%	↑	33%	25%
Unemployment rate	4%	↓	5%	3%
Workforce qualified to L4+	46%	↓	50%	47%
Workforce qualified to L3+	71%	↑	69%	68%
16-17 year olds NEET	4.0%	↑	4.1%	2.9%
Jobs with high risk of automation	7%	↔	8%	7%
Proportion of green job postings	0.5%	↑	0.6%	0.4%

Shading indicates Sheffield's relative performance compared to the Core City average  
Arrows show direction of change and whether this is positive (green) or negative (orange)

Sources: Business Register and Employment Survey, 2018-2022; Annual Population Survey, 2023; Subregional productivity, 2023; UK Business Count, 2023; Probability of automation in England, 2019, all ONS; Participation in education, training and NEET, Department for Education, 2023; Lightcast, 2024



# Trends and Drivers

Labour markets globally, nationally and locally are being affected by trends and drivers which will impact on residents and businesses in Sheffield. The Employment and Skills Strategy will need to respond to drivers including:



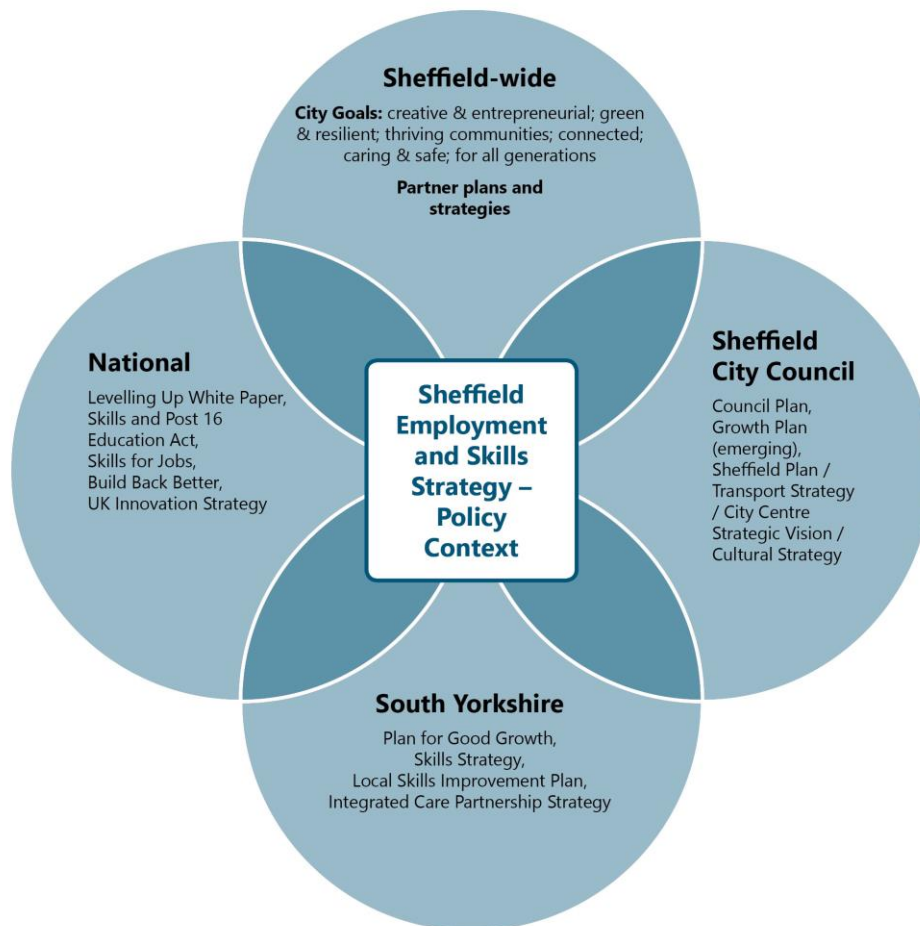
# Strategic and Policy Context

The Employment and Skills Strategy will respond to the national, regional and local strategic and policy context. Sheffield's City Goals reflect the shared hopes and ambitions for the city and are the overarching goals to which the Strategy will contribute.

Sheffield City Council's Plan and strategies will create a city economy leading the change to net zero, in which everyone can participate and where prosperity is generated through innovation, creativity and entrepreneurialism.

South Yorkshire is prioritising higher income, investment and secure, high-paid jobs. Transformed economic and social infrastructure will connect and strengthen communities, moving people closer to work and increasing core attainment and higher-level skills.

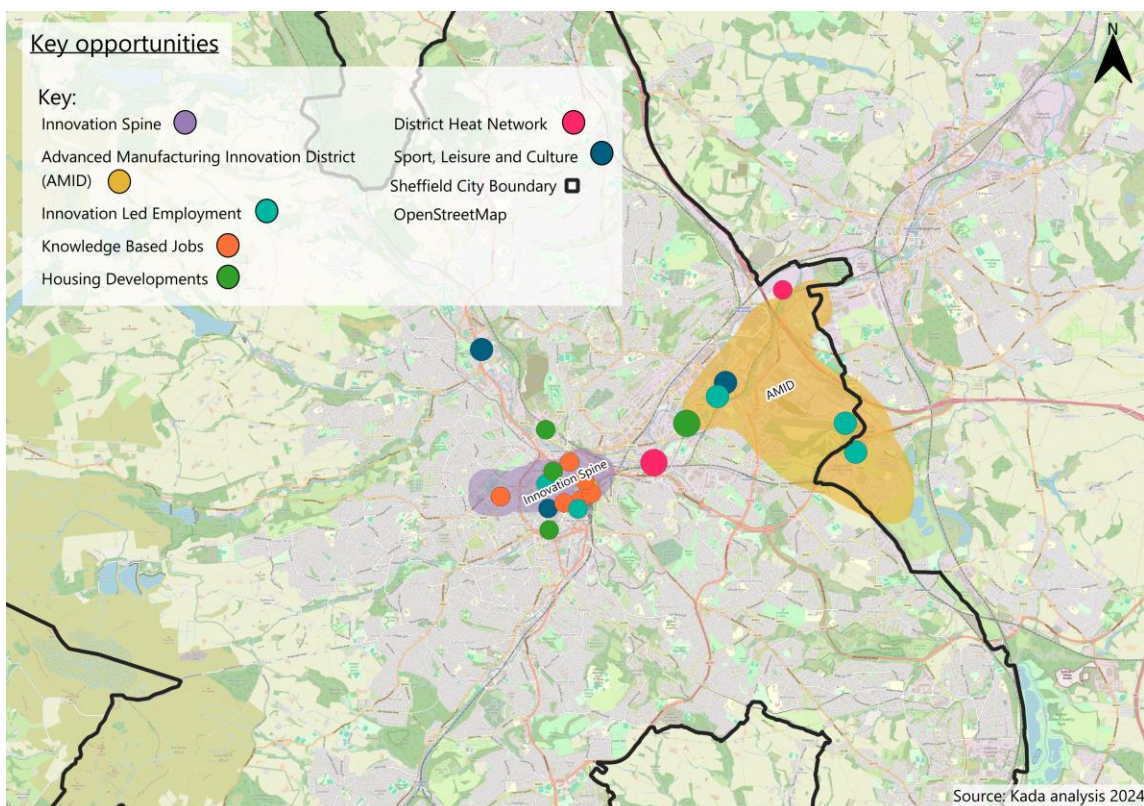
National employment and skills priorities may change post-election, but currently include levelling up, increasing lifelong learning and technical education, and strengthening employer influence within the skills system.



# Opportunities and Investments in Sheffield

A number of investments and initiatives will drive growth in Sheffield over the next five to ten years, creating employment opportunities and generating new skills needs:

- **A major programme of housing growth** – in the city centre at Moorfoot, Furnace Hill and St Vincents, at Neepsend and in Attercliffe – will create demand for skills in modern and green methods of construction, as well as job opportunities in the foundation economy services required to create successful neighbourhoods and communities: education, health and care, and retail and leisure.
- **Investment to de-carbonise the city's housing, transport and businesses** will create demand for skills in retrofit, low carbon energy and new ways of working in the advanced manufacturing sector.
- **Major investment in the Innovation Spine and city centre** including at Castlegate and (in the longer-term) in the Station Quarter will grow innovative, knowledge-led, creative and professional services businesses. This will create high-value employment opportunities in Sheffield's sector specialisms and a thriving economy of world-class businesses, as well as a new Civil Service hub.
- **Accelerated delivery of the Advanced Manufacturing Innovation District** as part of the South Yorkshire Investment Zone will create a collaborative ecosystem driving innovation, generating high-skilled jobs in advanced manufacturing, health and wellbeing at Olympic Legacy Park, digital and green energy and propulsion.
- **Investment in sport, leisure and culture venues** across the city will support key foundational sectors, and the revitalisation of the city centre will create new opportunities in retail and hospitality.





# Economy

# Employment Trends

There were 267,000 employees in Sheffield in 2022 – an increase from 257,000 before the coronavirus pandemic (3.9% increase since 2020). The number of employees in England overall and in its Core Cities grew more quickly, up 5.3% and 6.3% respectively, over the same period.

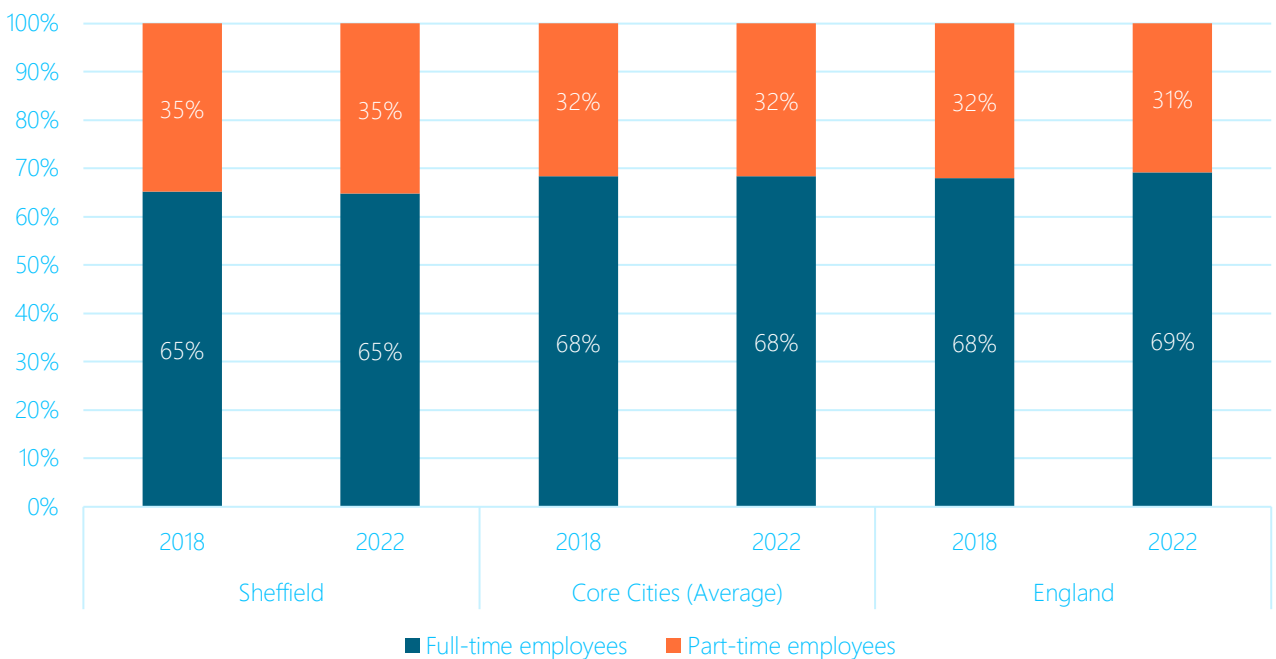
Number of Employees

Area	2018	2019	2020	2021	2022
Sheffield	261,000	265,000	257,000	263,000	267,000
Core Cities (Total)	2.52M	2.57M	2.54M	2.63M	2.70M
England	25.95M	26.30M	25.80M	26.53M	27.15M

The split between full-time and part-time employees in Sheffield has remained relatively consistent over recent years with around 65% of employees working full-time. Sheffield has a higher proportion of part-time employees (35%) than England (31%) and its Core Cities (32%, on average).

Sheffield also has a higher proportion of employees in the public sector than England (21% in Sheffield compared to 16% in England).

Full-time/Part-time Employees

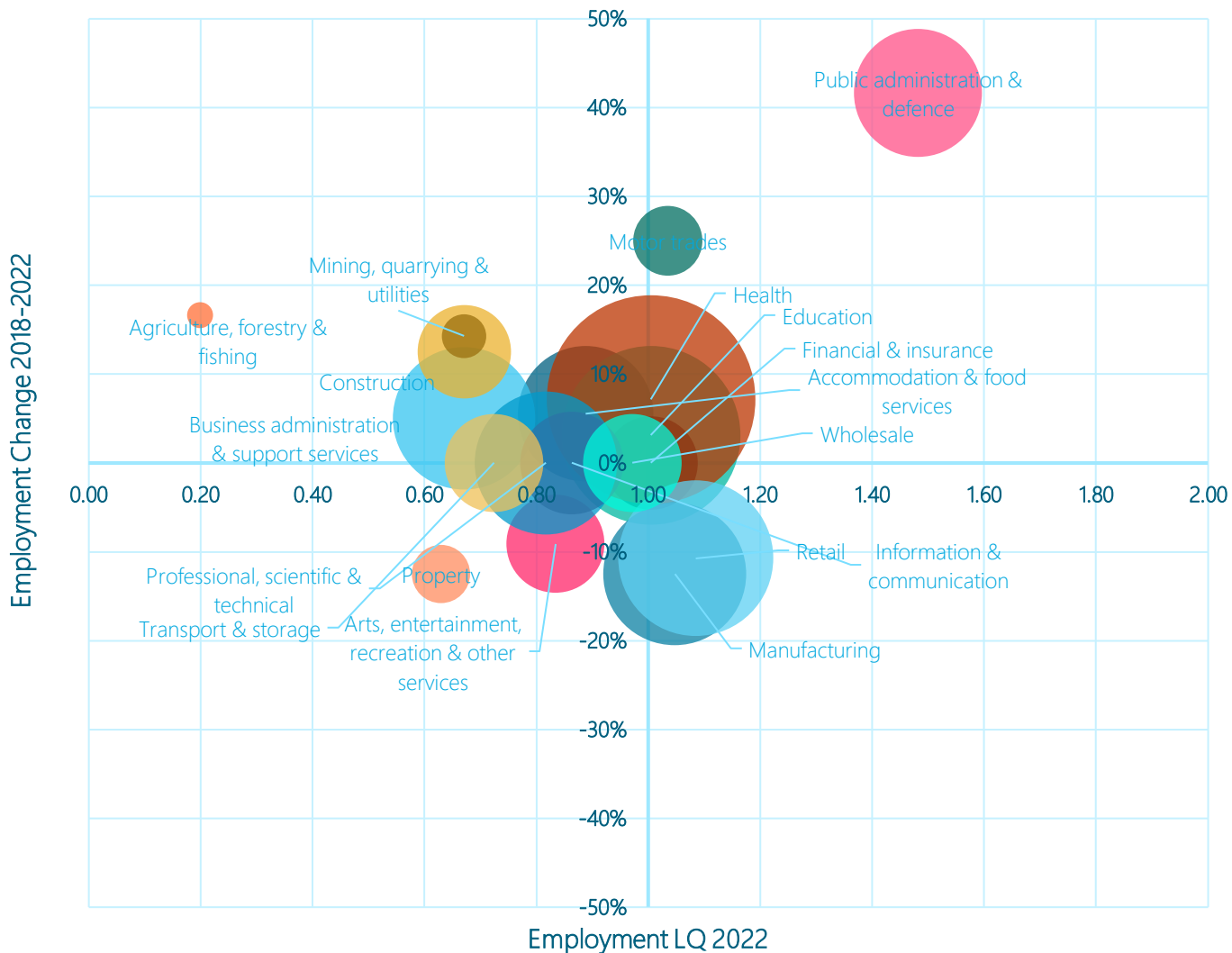


Source: Business Register and Employment Survey, ONS, 2018-2022

# Employment by Sector

The largest sector in Sheffield in employment terms (as of 2022) is Health with 45,000 employees. This is followed by Education (33,000), Retail (25,000), Business administration and support services (21,000), Manufacturing (21,000) and Professional, scientific and technical activities (21,000). This shows the importance of both Sheffield’s specialist sectors which drive productivity and generate GVA growth, as well as its foundational economy which supports large-scale employment and underpins quality of life in the city.

The chart below shows employment specialisation in 2022 and growth between 2018 and 2022 in Sheffield. The location quotient (LQ) compares how much a particular industry is concentrated in a local area compared to England overall. The chart shows that the Public administration and defence sector has experienced high levels of employment growth and is highly represented in Sheffield. Other growing sectors which are highly represented include Education and Health. Manufacturing continues to be highly represented despite ongoing employment decline (across the sector as a whole). While Business administration and Professional services have seen some growth in the Core Cities, these sectors continue to be underrepresented in Sheffield and have experienced minimal growth (Professional, scientific and technical) or decline (Property). There has been however some growth within Business administration and support services.



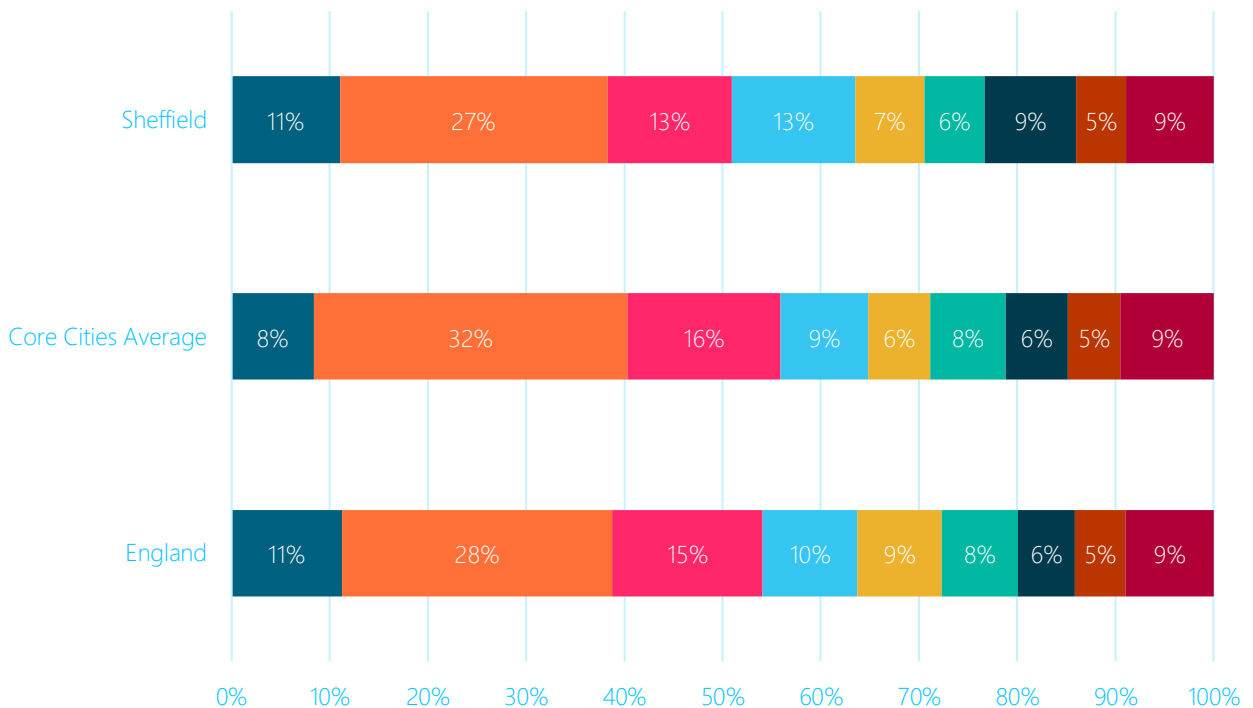
Source: Business Register and Employment Survey, ONS, 2018-2022

# Employment by Occupation

Sheffield’s occupational profile is broadly similar to the national and Core Cities average. There is, however, a higher proportion of people in administrative and secretarial occupations, and sales and customer service occupations. When looking at changes in occupational composition over time, the proportion of people working in administrative roles has been rapidly increasing since the end of 2022 (3.3 percentage point increase from Q4 2022 to Q4 2023).

There is a lower proportion of residents in Sheffield working in higher level occupations than the national and Core Cities average. Around half of residents aged 16+ (51%) work in professional, associate professional and managerial occupations compared to 54% in England and 56% in the Core Cities. This is driven by a shortfall in professional and associate professional occupations, with the proportion of managers, directors and senior officials in line with the national average (and above the Core Cities average).

Occupational Profile (% aged 16+ employed)



- Managers, directors and senior officials
- Professional occupations
- Associate professional occupations
- Administrative and secretarial occupations
- Skilled trades occupations
- Caring, leisure and other service occupations
- Sales and customer service occupations
- Process, plant and machine operatives
- Elementary occupations

Source: Annual Population Survey, ONS, 2023

Note: from December 2021, the Standard Occupational Classification (SOC) 2010 changed to the SOC 2020.

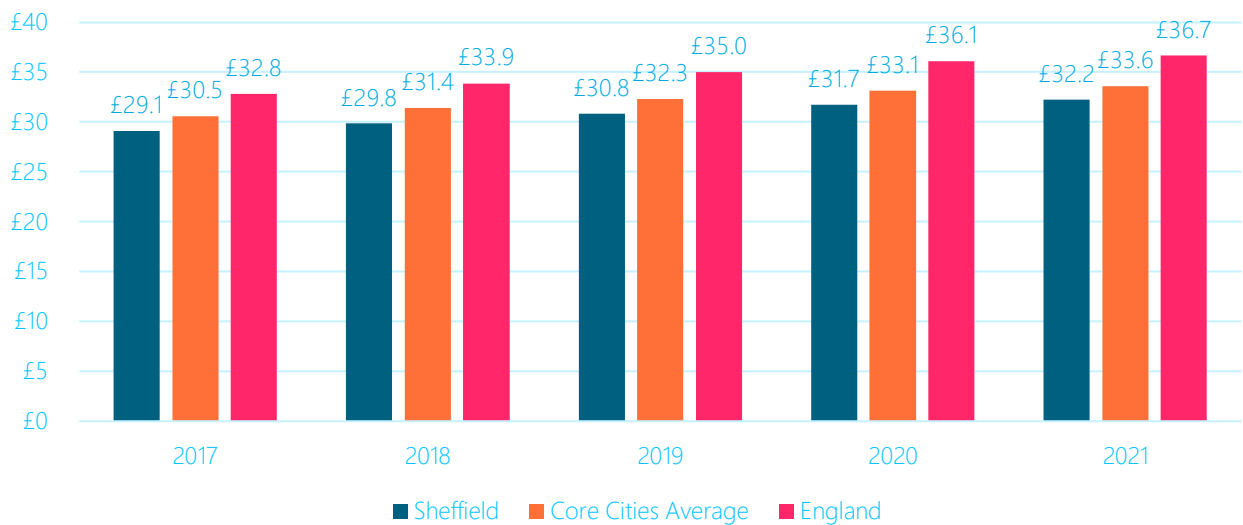


# Productivity

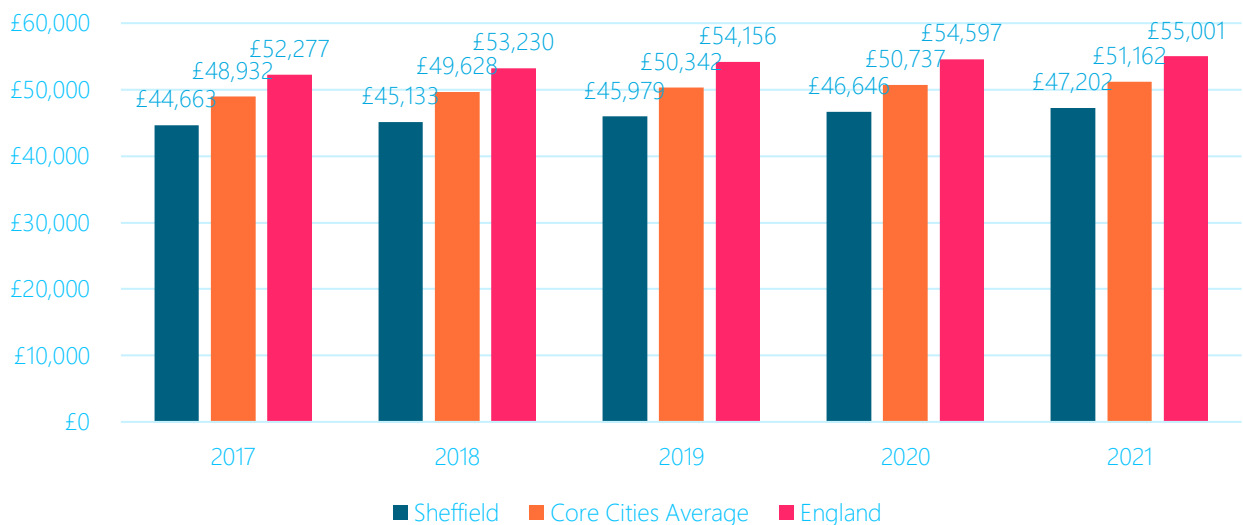
Output per hour worked in Sheffield is £4 lower than the national average at £32.24 (compared to £36.66 nationally). Although this is higher than South Yorkshire where output per hour worked is £29.33, it is below the average of the English Core Cities (£33.57).

Sheffield's output per job filled is around £8,000 lower than the national average (£47,202 in Sheffield compared to £55,001 in England), meaning productivity levels are just 85% of the national average. Whilst this is higher than the South Yorkshire average (£45,000), Sheffield has the lowest productivity of all eight English Core Cities (£51,000, on average).

### Output per Hour Worked



### Output per Job Filled



Source: Subregional productivity: labour productivity indices by local authority district, ONS, 2023

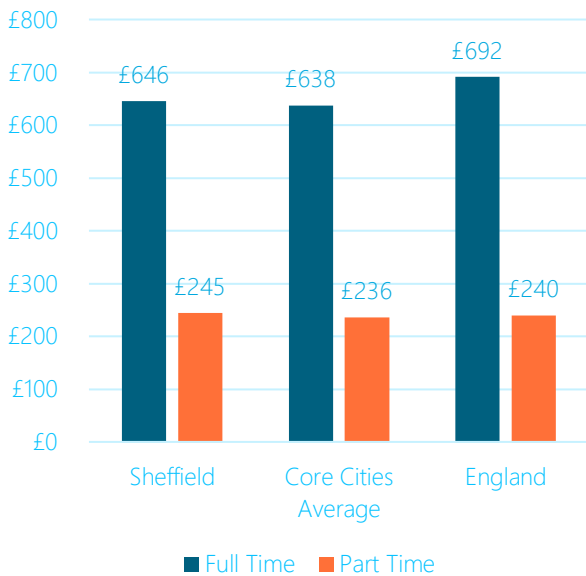
# Resident Earnings

Reflecting these lower productivity levels, the median weekly pay for full time workers in Sheffield is £46 lower than the national average. However, part time workers in Sheffield earn slightly more than the national and the Core Cities averages (+£5 and +£8 per week, respectively).

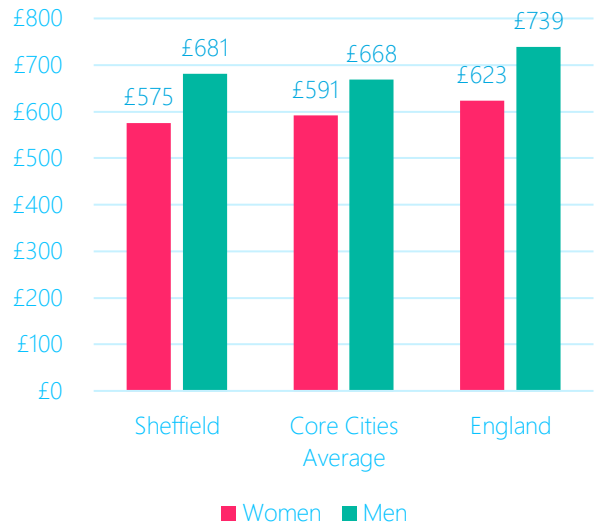
The gender pay gap for full-time workers is smaller in Sheffield (£106) than the national average (£116). However, women still earn considerably less than men and the gender pay gap is significantly larger than in the English Core Cities (£77, on average).

As of 2023, 12% of jobs in Sheffield pay less than the living wage, as defined by the Living Wage Foundation. While this is a smaller proportion than nationally (15%), it is higher than most of the other English Core Cities.

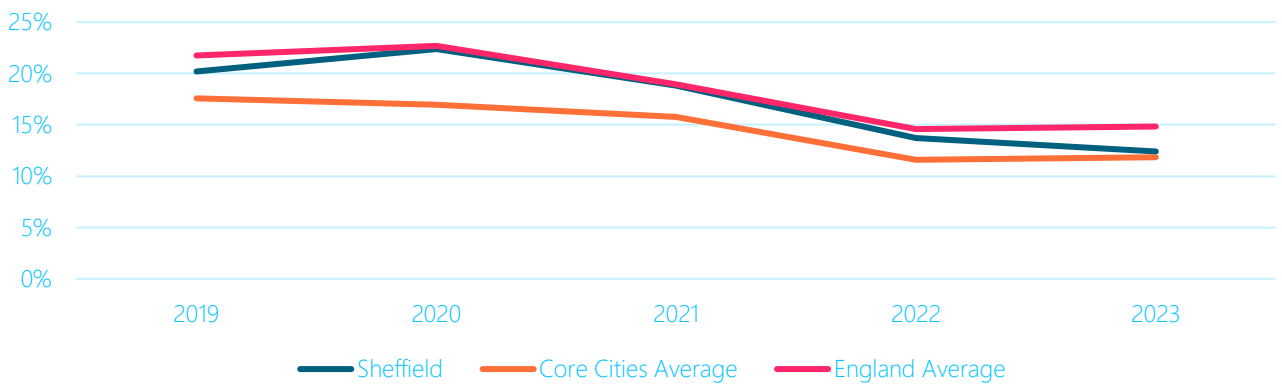
Median Weekly Pay, 2023



Median Weekly Pay of Full Time Workers by Gender, 2023



Jobs Paid Below Living Wage (%)



Source: ONS Annual Survey of Hours and Earnings, 2023; Number and proportion of employee jobs with hourly pay below the living wage, ONS, 2024.

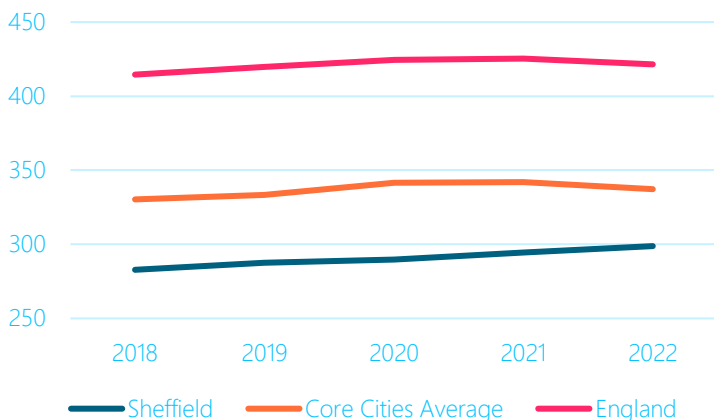
# Business Base

Sheffield has 17,040 businesses, with the largest number of businesses in sectors including Professional scientific and technical activities; Construction; and Retail. Business density is below the national and Core Cities average. Sheffield has just under 300 businesses per 10,000 population – much lower than England where the figure is 421 per 10,000 population and the English Core Cities’ average where this figure is 337 per 10,000 population.

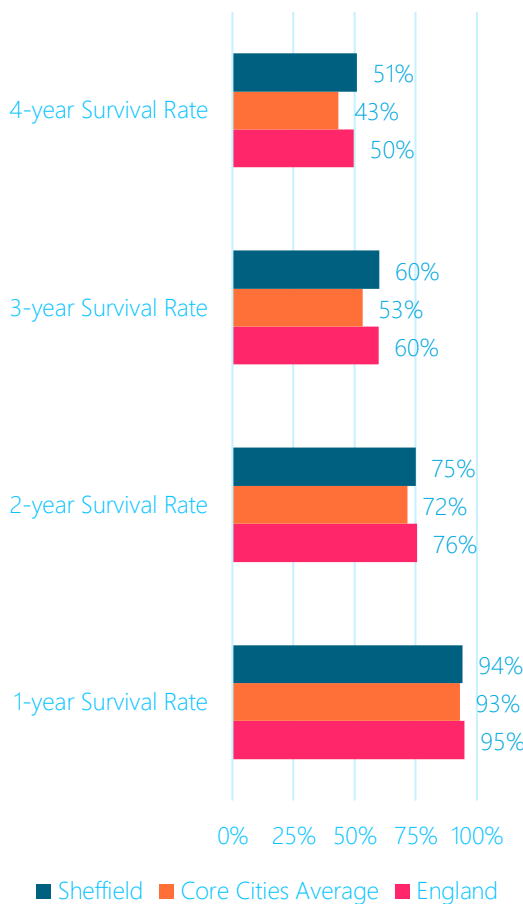
Business survival rates in Sheffield are broadly in line with the national average, though slightly below average for 1–2-year survival. A slightly higher proportion of businesses in Sheffield than the national average survive for 3 and 4 years. Sheffield’s business survival rates are notably higher than the rest of South Yorkshire and the English Core Cities.

Business births as a percentage of active businesses have been falling in both England and the English Core Cities but increasing in Sheffield – although with a significant drop during the last year. Business deaths have also been increasing in these geographies. In 2022, net births in England sat below 0%, while this was 2% in Sheffield.

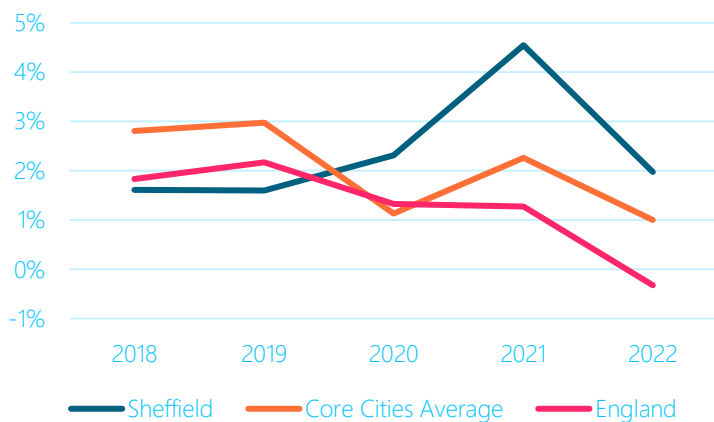
Business Base per 10,000 Population



Business Survival Rate (% businesses born in 2018)



Net Births (% active businesses)



Source: UK Business Count, ONS, 2023; Business demography, UK, ONS, 2022

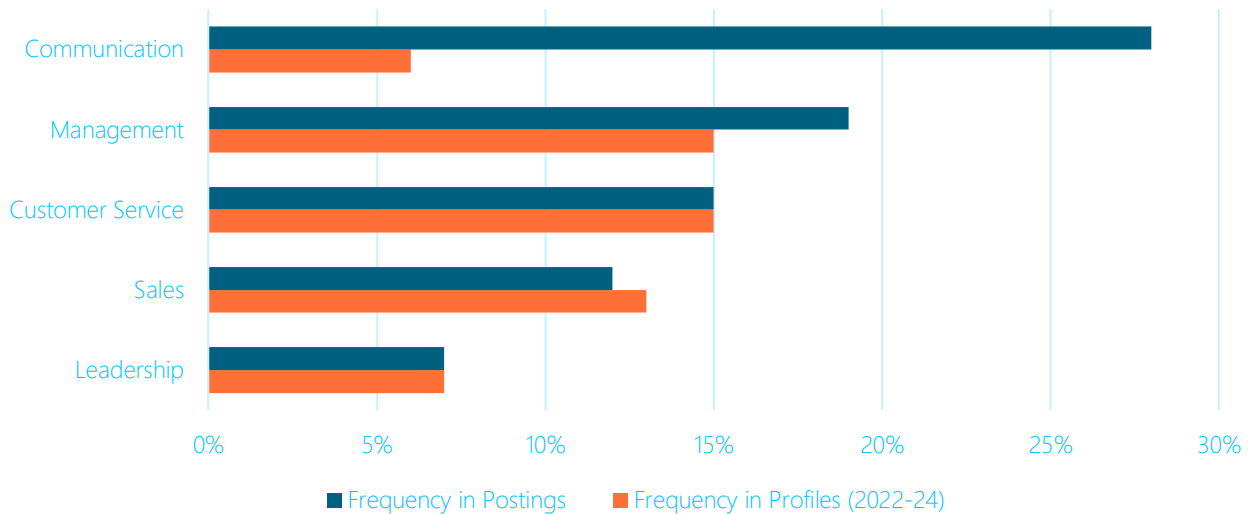
# Employer Skills Needs

The top five common skills most demanded by employers in Sheffield include communication; management; customer service; sales; and leadership. These demands are broadly in line with those seen in other core cities such as Birmingham and Leeds. When looking at specialised skills needs, these include finance; auditing; project management; marketing; and business development.

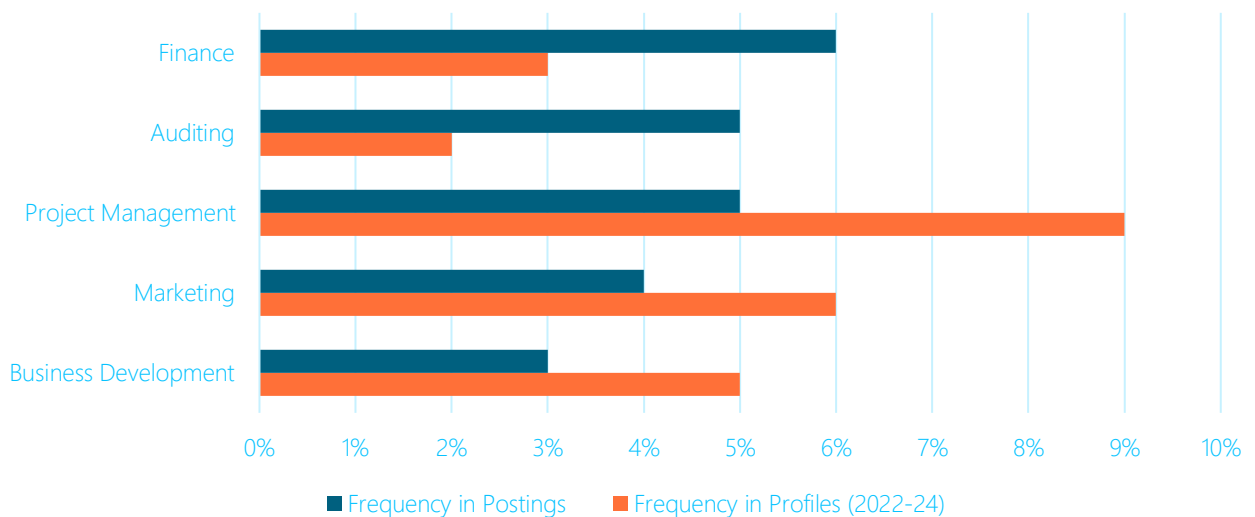
The skill with the largest gap in supply is communication, with only 6% of Sheffield’s workforce reporting this skill on their profile, but 28% of job postings demanding this skill.

The top job titles in Sheffield by unique postings include project managers, teachers, administrators, business development managers and teaching assistants.

Common Skills - Top 5 Skills Demanded, Mar 2023-Feb 2024



Specialised Skills - Top 5 Skills Demanded, Mar 2023-Feb 2024



Source: Lightcast, 2024



# People and Society

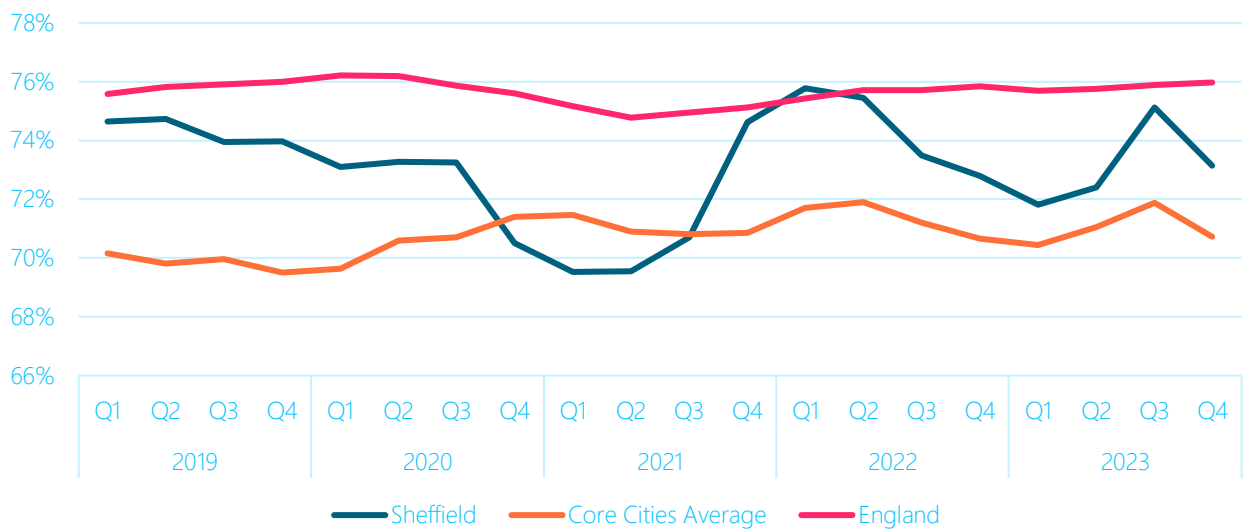
# Employment Rate - Gender and Disability

Sheffield's employment rate is the fourth highest of the eight English Core Cities at 73%, but still considerably lower than the national average of 76%. In recent years, the employment rate has fluctuated to a greater extent in Sheffield than nationally and the Core Cities, with a significant drop during the pandemic.

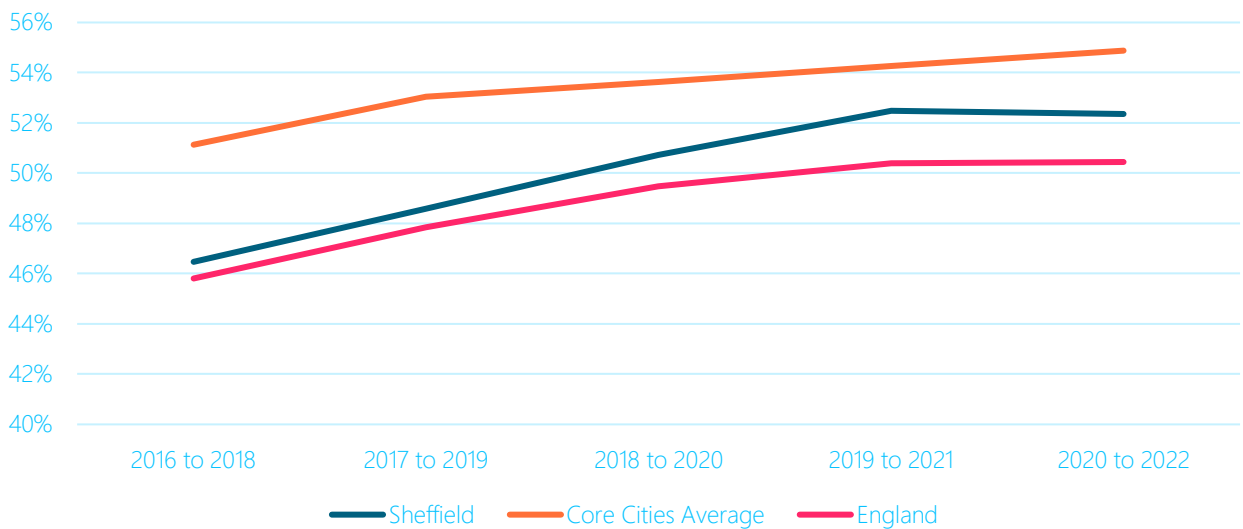
While the female working-age employment rate has been rising since quarter 4 of 2022 and is currently above the national and Core Cities averages at 73%, the rate among males has been falling and is currently at 73% - 7 percentage points lower than the national average.

The disability employment rate is lower than the national average at 52.3% but is the third highest out of all the English Core Cities, behind Bristol and Leeds.

Employment Rate (% aged 16-64)



Disability Employment Rate



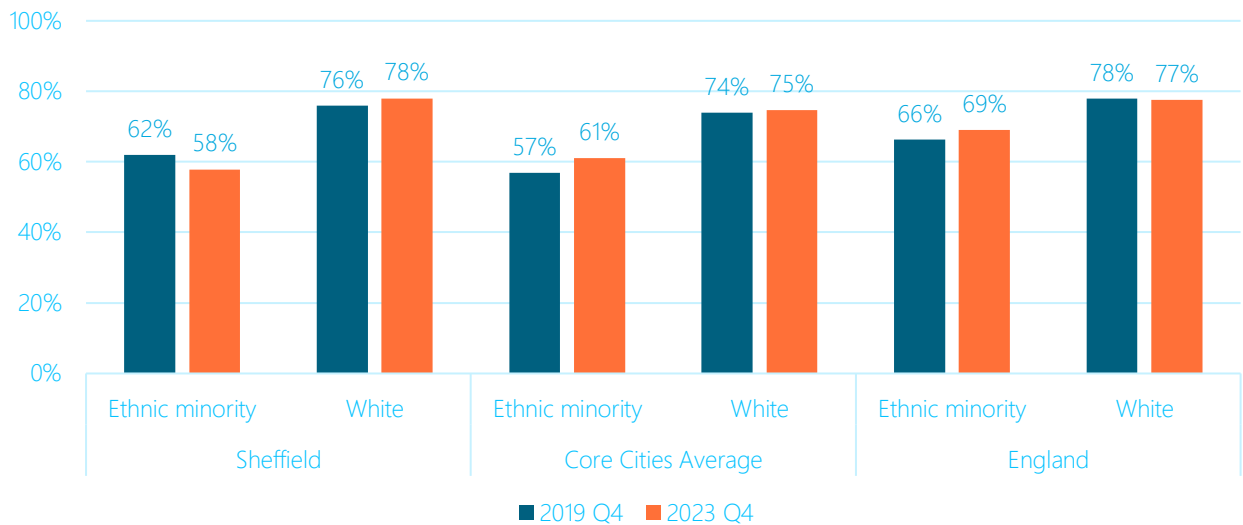
Source: Annual Population Survey, ONS, 2018-2023; The Employment of Disabled People, Department for Work and Pensions, 2023

# Employment Rate - Ethnicity

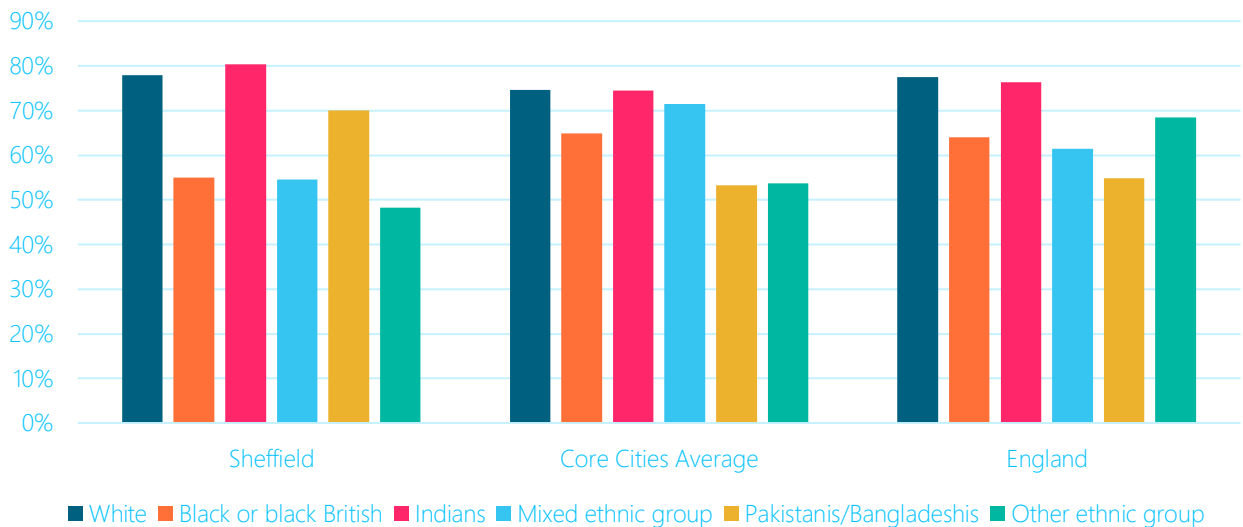
Sheffield has the lowest ethnic minority employment rate amongst the eight English Core Cities and the greatest divergence compared to the White population, with a 20-percentage point gap. In contrast to the national and Core Cities trends, the employment rate amongst Sheffield's ethnic minority population has fallen in the last five years.

The ethnic groups with the highest employment rates in Sheffield are Indian, White, and Pakistani/Bangladeshi people, with over 70% of the working age population in each group being in employment. These groups have a higher employment rate in Sheffield than the national and Core Cities averages. However, employment rates amongst Black, mixed and other ethnic groups are much lower than nationally and the lowest amongst the Core Cities.

Employment Rate by Ethnicity (% aged 16-64)



Employment Rate by Ethnic Group (% aged 16-64), 2023 Q4



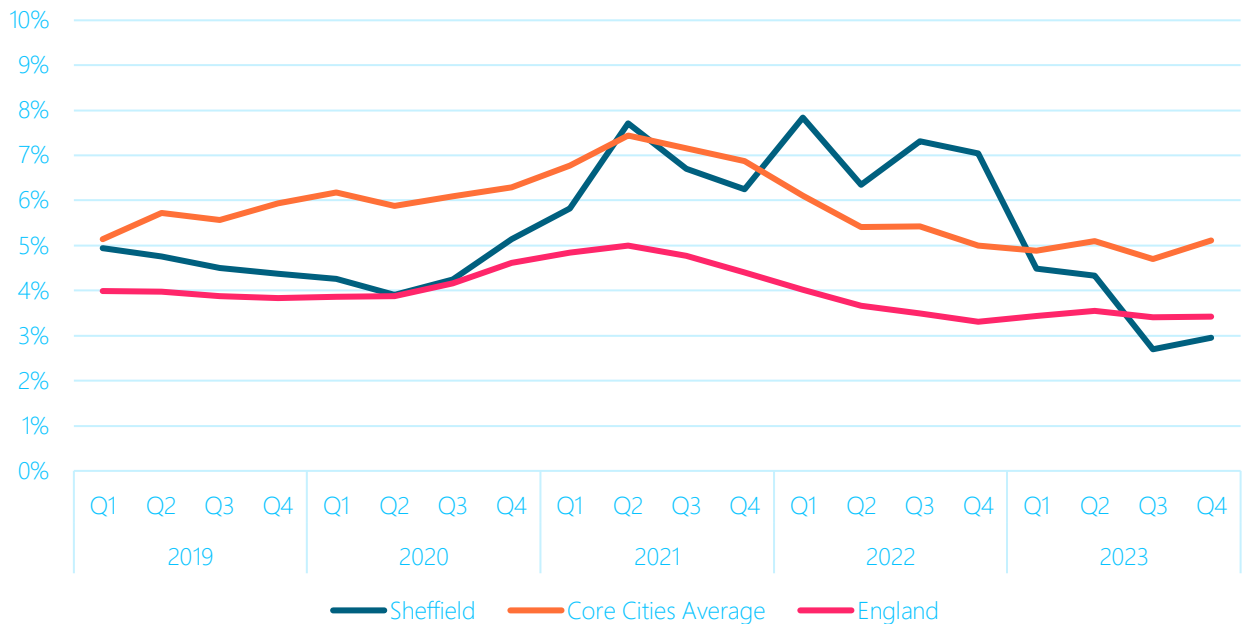
Source: Annual Population Survey, ONS, 2018-2023

# Unemployment

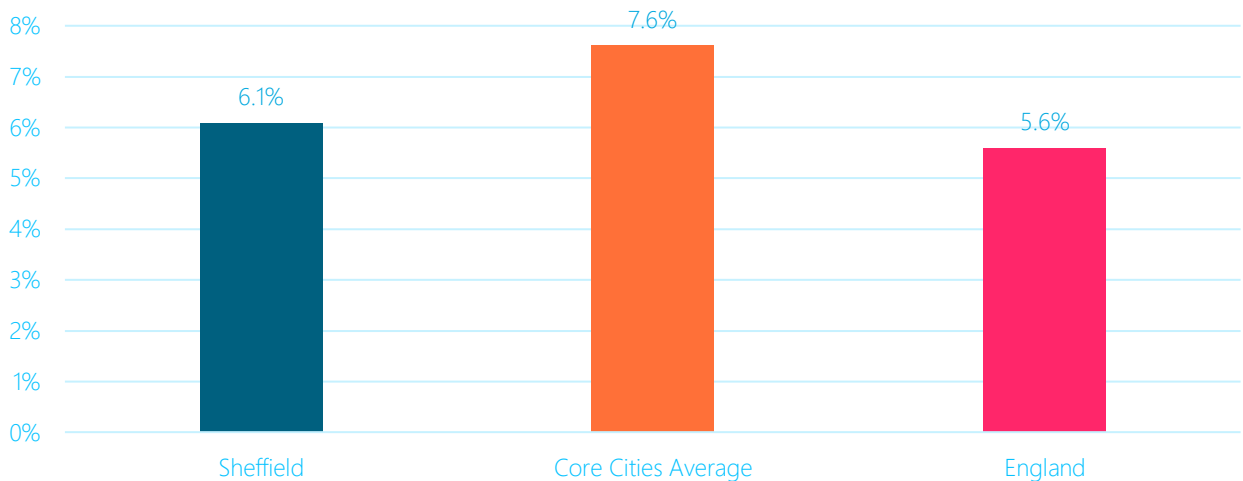
Unemployment has fallen faster in Sheffield since the pandemic-related peaks in 2021 and 2022. Sheffield currently has the third lowest unemployment rate of all the English Core Cities and fell below the England average in 2023 for the first time in five years. Data on claimant unemployment shows concentrations in the north and east of the city with the highest numbers of claimants in Burngreave, Darnall and Firth Park.

When looking at the 'Real Level of Unemployment', Sheffield's unemployment rate is higher than the national average but below the Core Cities average. This dataset includes both unemployment benefit claimants and the unemployed amongst incapacity-related claimants.

Unemployment Rate (% aged 16-64)



Real Level of Unemployment, 2022 (% aged 16-64)



Source: Annual Population Survey, ONS, 2018-2023; The Real Level of Unemployment 2022, Centre for Regional and Social Research, Sheffield Hallam University, May 2022

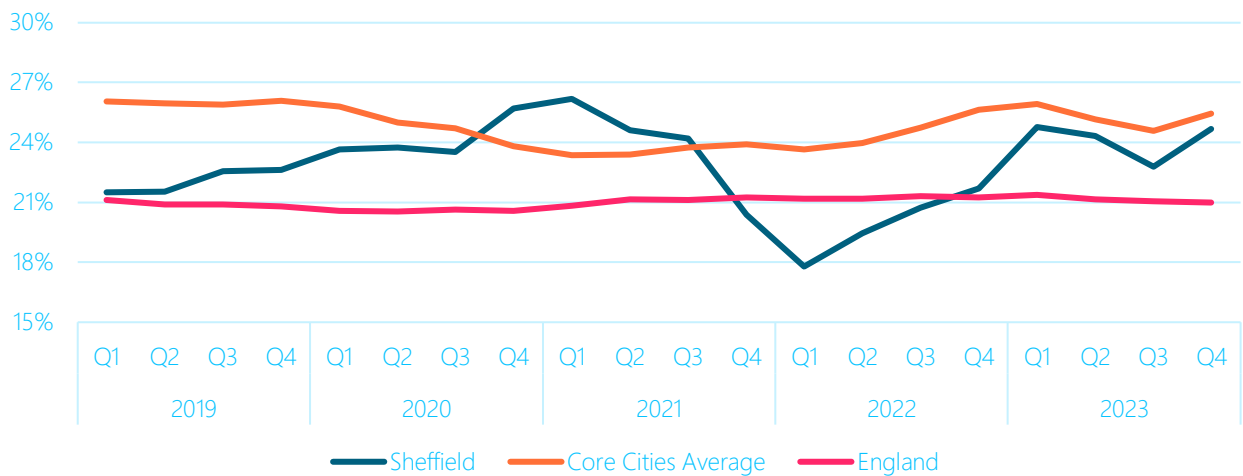
# Economic Inactivity – Gender and Ethnicity

As of December 2023, the economic inactivity rate for working age people in Sheffield (25%) was higher than national average (21%) but lower than the Core Cities average (26%). Economic inactivity has fluctuated more significantly than the national and Core Cities average since 2019.

Unlike the national picture where inactivity is higher amongst women, inactivity levels are similar for men and women in Sheffield. Compared to the other Core Cities, Sheffield has the highest inactivity rate amongst men.

Economic inactivity levels in Sheffield are also much higher in Ethnic Minority populations compared to the national average and are the highest amongst the Core Cities. The difference in inactivity rates between Ethnic Minority and White people is very significant (18 percentage points), well above the national average (4 percentage points).

Economic Inactivity (% aged 16-64)



## Male Inactivity Rate

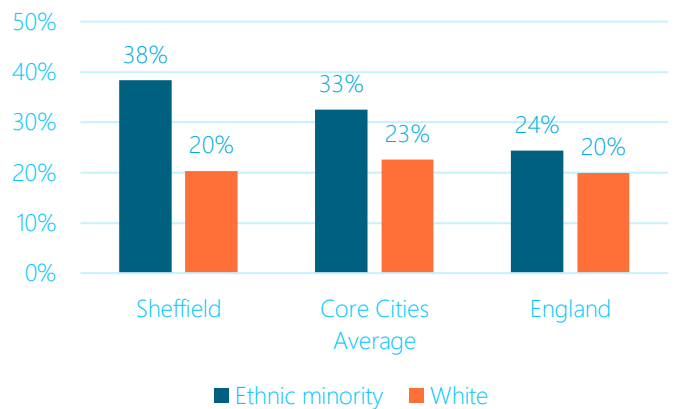
Sheffield: 25%  
Core Cities Average: 21%  
England: 17%



## Female Inactivity Rate

Sheffield: 24%  
Core Cities Average: 30%  
England: 25%

Economic Inactivity by Ethnicity (% aged 16-64)



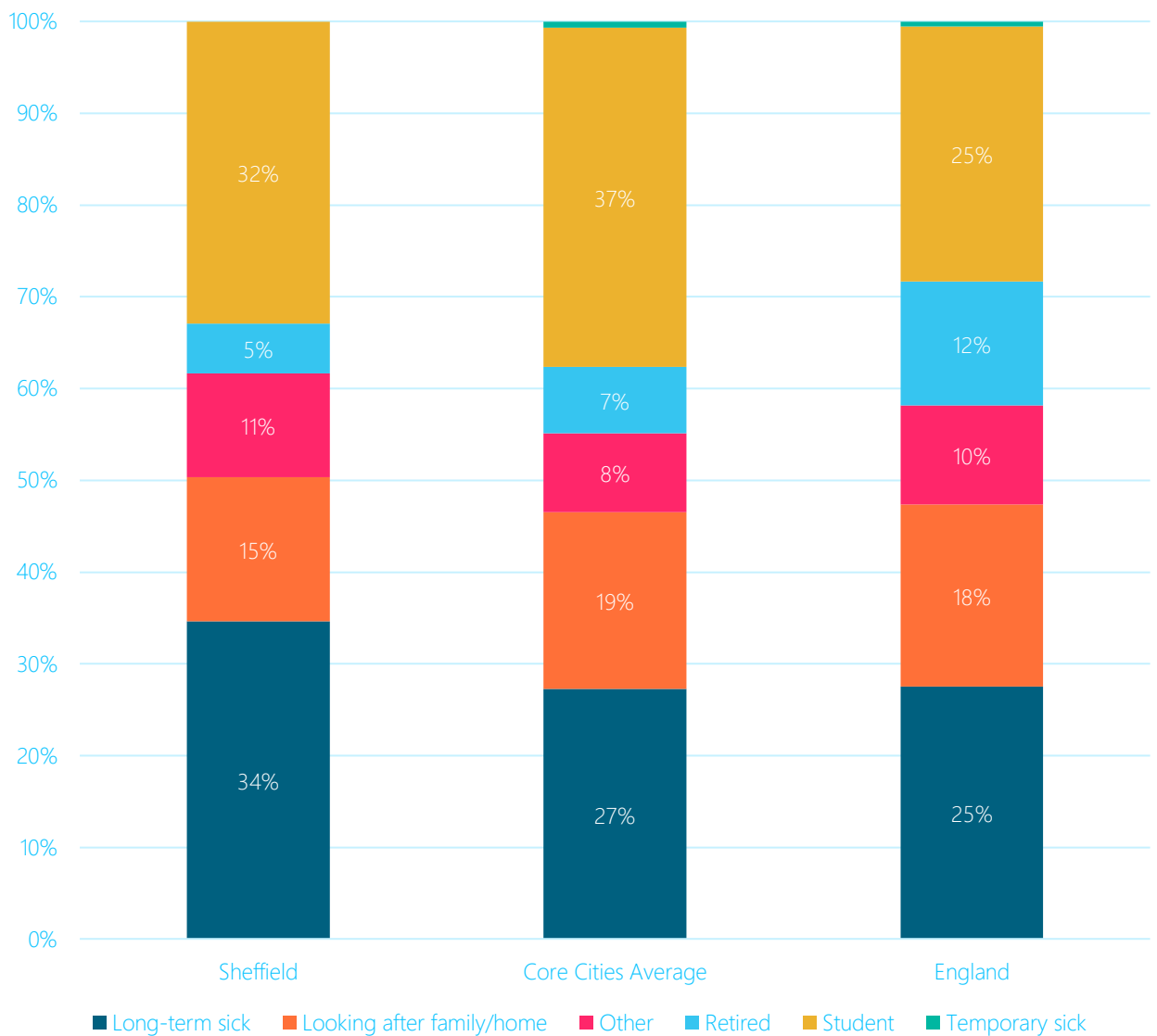
Source: Annual Population Survey, ONS, 2018-2023

# Reasons for Economic Inactivity

Long term sickness is the predominant reason for inactivity in Sheffield: compared to the other Core Cities, Sheffield has the highest rate of economic inactivity where the reason for the inactivity is long-term sickness.

Based on the 2021 Census, economic inactivity rates amongst those aged 16+ range from 34.1% in Hillsborough to 51.5% in Burngreave – this includes students and those who are retired. The highest levels of inactivity due to long term sickness or disability are in Firth Park, Burngreave, Manor Castle, Southey, Park and Arbourthorne, Shiregreen, Gleadless, Beauchief, Woodhouse and Darnall.

Economic Inactivity by Reason, 2023



Source: Annual Population Survey, ONS, 2018-2023

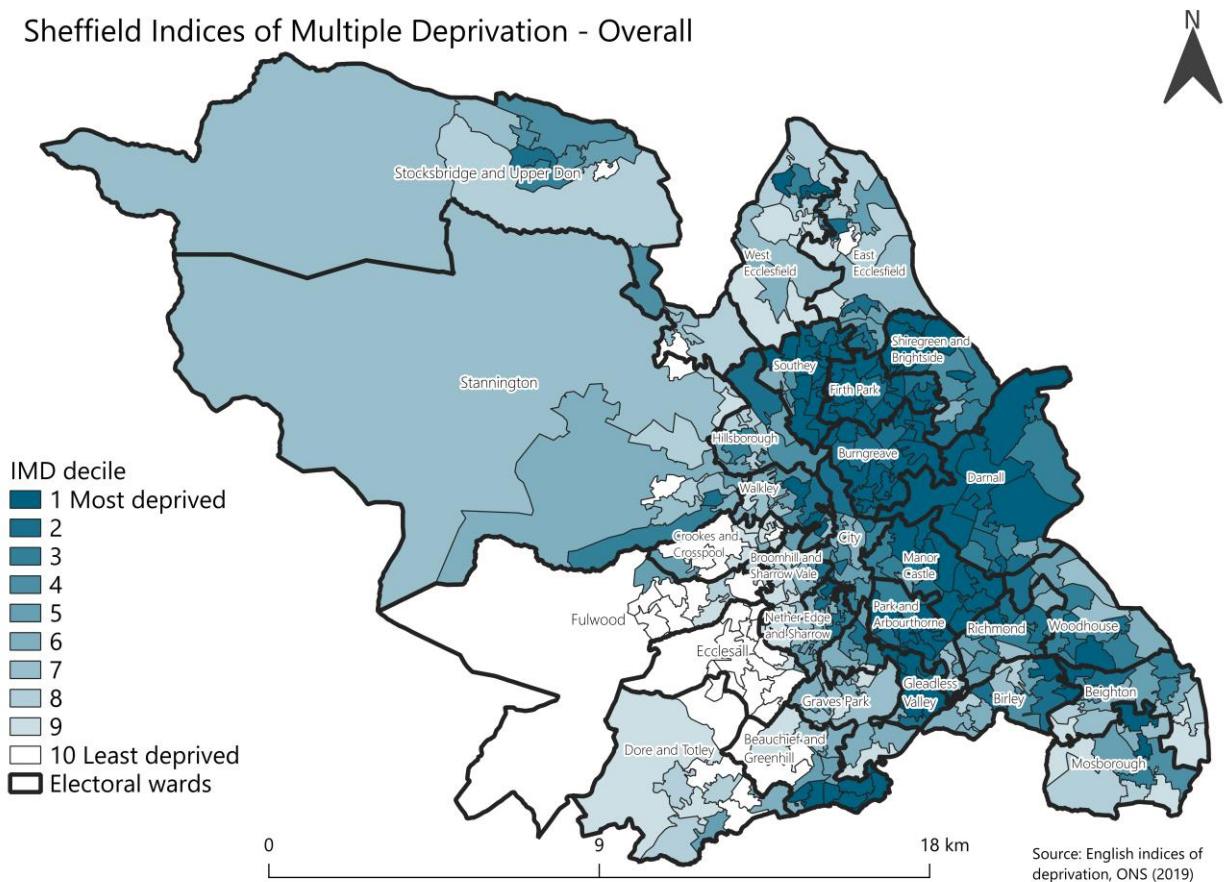
# Deprivation

Deprivation limits lives and creates inequalities with long lasting impacts. Rising levels of poverty in Sheffield, accelerated by the cost-of-living crisis, create additional costs across all spheres of society. The 2019 Indices of Multiple Deprivation (IMD) show that 23.8% of Sheffield's neighbourhoods (LSOAs\*) are in the 10% most deprived nationally (shown in the darkest shading on the map below). Sheffield is ranked 93<sup>rd</sup> most deprived out of all 217 local authority areas and 30<sup>th</sup> for the proportion of neighbourhoods in the 10% most deprived areas nationally.

The following maps show overall deprivation, and then look at areas experiencing employment deprivation (where a larger proportion of the population are involuntarily excluded from the labour market) and education, skills and training deprivation (looking at the attainment and destinations of children and young people, and the proportion of adults with no / low qualifications).

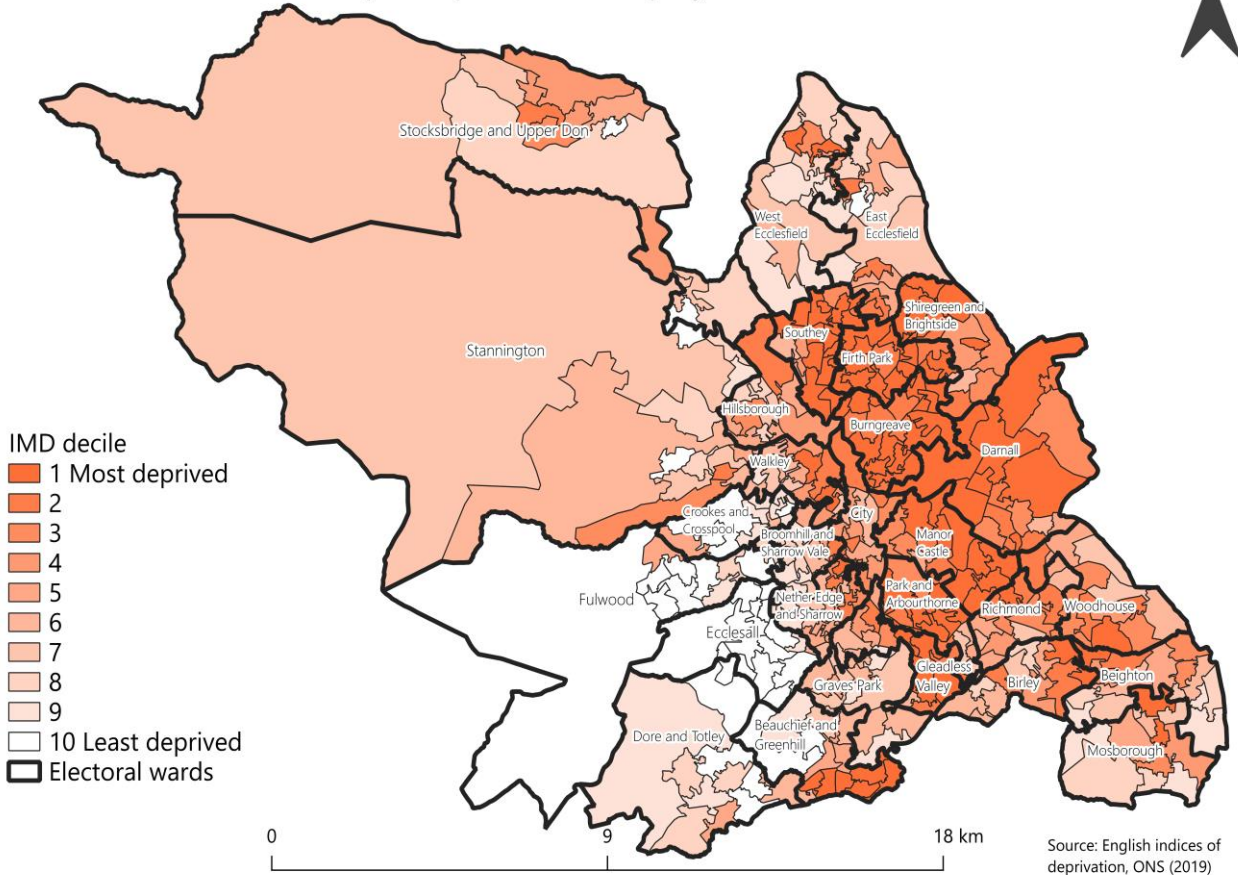
All three show a similar pattern, with concentrations of deprivation to the north and east of the city centre. There is a stark contrast with parts of south and west Sheffield which are amongst the least deprived in England.

Sheffield Indices of Multiple Deprivation - Overall

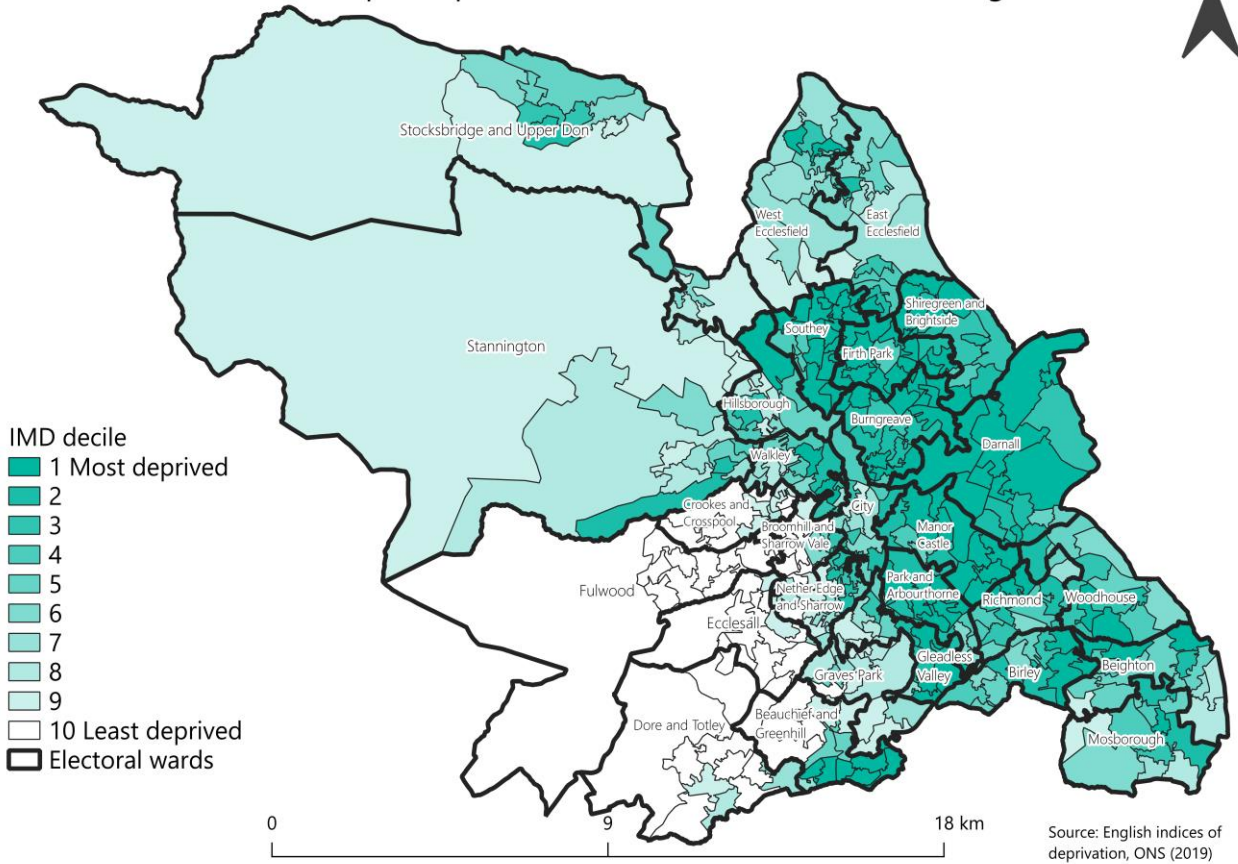


\*LSOAs = Lower layer Super Output Areas. These have an average population of 1500 people or 650 households and are usually the smallest geography at which data is available.

### Sheffield Indices of Multiple Deprivation - Employment



### Sheffield Indices of Multiple Deprivation - Education, Skills and Training



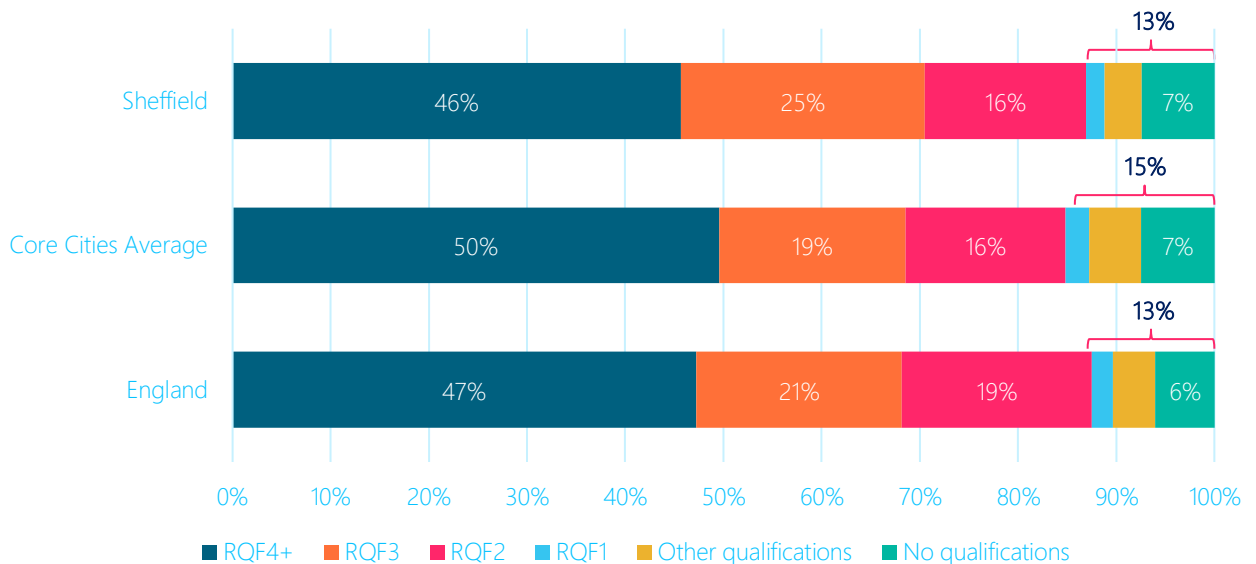
# Qualification Levels

In Sheffield, 267,300 working age people had qualifications Level 3 and above in 2023, amounting to 71% of the population. This number has been increasing since 2021 and is higher than the national and Core Cities averages (68% and 69%, respectively).

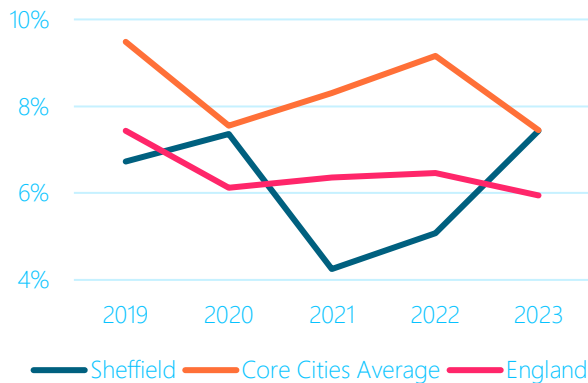
This is driven by a high proportion of residents with RQF 3 qualifications, with the share of residents with Level 4 or higher-level qualifications being slightly lower than the national and Core Cities averages (46% compared to 47% and 50%, respectively).

Around 28,200 people in Sheffield have no qualifications, which is slightly higher than the national average (7% compared to 6% nationally). Although this is in line with the Core Cities average, Sheffield has seen an increase over the last two years.

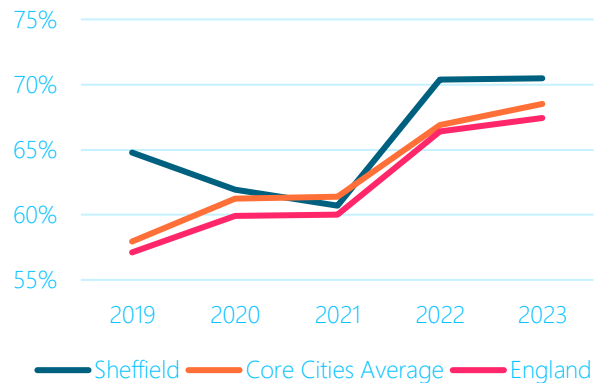
Qualifications Profile (% aged 16-64)



People with No Qualifications (% aged 16-64)



People Qualified to Level 3 and Above (% aged 16-64)



Source: Annual Population Survey, ONS, 2018-2023

Note: from 2022, the National Vocational Qualifications (NVQs) were replaced by the Regulated Qualifications Framework (RQF).

# Key Stage 4 Attainment and Destinations

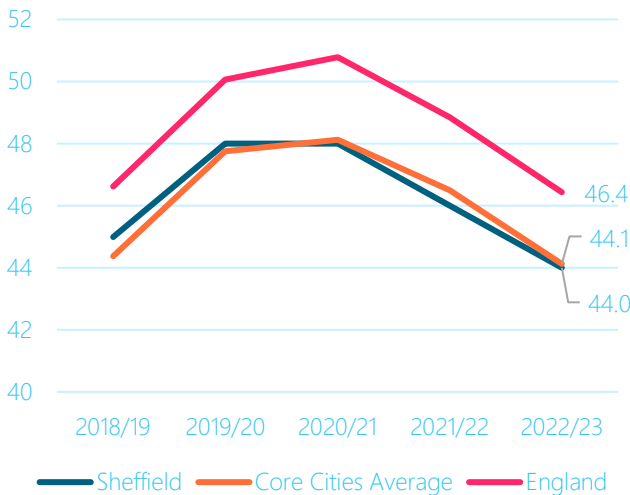
Attainment at Key Stage 4 (GCSE / age 16) provides young people with the foundations from which they can progress into further academic, technical or vocational education which will equip them for success in the labour market.

The average 'attainment 8' score\* for GCSE students in Sheffield is 44. This is in line with the core city average (Sheffield ranks fifth out of the eight Core Cities) but below the national average of 46.

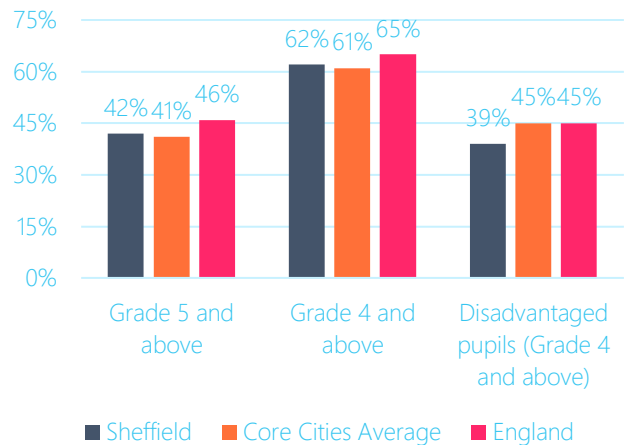
Looking specifically at attainment in English and maths, which are required to progress onto many Level 3 courses, in 2022/23:

- 42% of Sheffield pupils achieved a strong pass (Grade 5 and above) in both subjects, slightly above the Core City average (41%) but below the England average (46%)
- 62% of pupils achieved a pass (Grade 4 or above) in both subjects, again slightly above the Core City average (61%) but below the England average (65%)
- Sheffield pupils on Free School Meals (FSM) (38%), with Special Educational Needs (26%), with Disadvantaged status\*\* (39%) and from Asian (68%), mixed (55%) and other (52%) ethnic groups were less likely than their Core City and England counterparts to achieve Grade 4 in English and maths

Average Attainment 8 Score



Maths and English GCSE Attainment

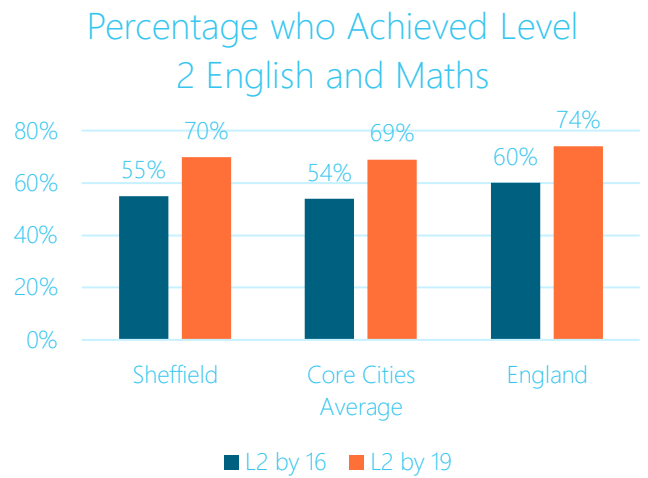
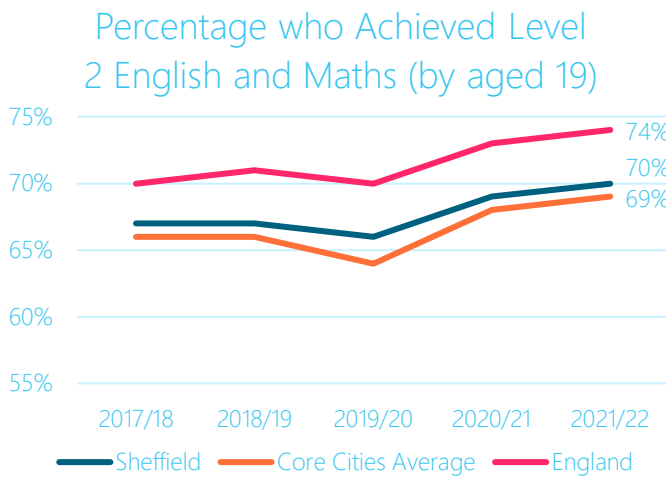


In 2021/22, over 9 in 10 KS4 pupils in Sheffield had sustained positive destinations (92%), in line with the Core City average but lower than the national average (94%). 84% of KS4 pupils remained in education, 4% moved into an apprenticeship and 4% went into employment.

Source: Key Stage 4 Performance, Department for Education, 2024. \*Attainment 8 is the average measure of an individual student's progress across their 8 best performing subjects taken at GCSE level  
 \*\*Disadvantaged status definition includes pupils eligible for FSM at any point between Y6 and Y11; recorded as having been 'looked after'; or recorded as being adopted from care

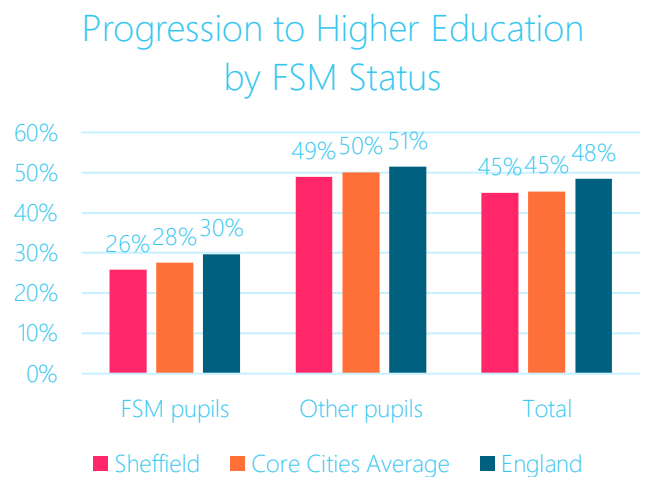
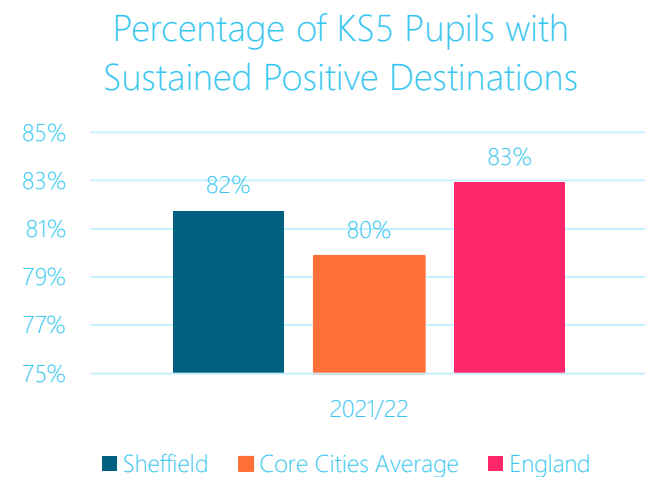
# Attainment and Destinations by Age 19

In 2021/22, 70% of young people in Sheffield had achieved Level 2 in English and maths by the age of 19, compared to 74% in England. Sheffield has seen an improvement in attainment since 2019/20, in line with the national trend, but remains 4 percentage points behind England. Only 44% of young people who were eligible for FSM achieved Level 2 in maths and English by the age of 19 in Sheffield, compared to 54% in England.



In 2021/22, 82% of Key Stage 5 pupils in Sheffield moved into sustained positive destinations, compared to the Core Cities average of 80%, and 83% nationally.

45% of Sheffield's Key Stage 5 students progressed into higher education, which is below the national average of 48%. Sheffield had a lower rate of students eligible for FSM progressing into higher education (26%, compared to 30% nationally).



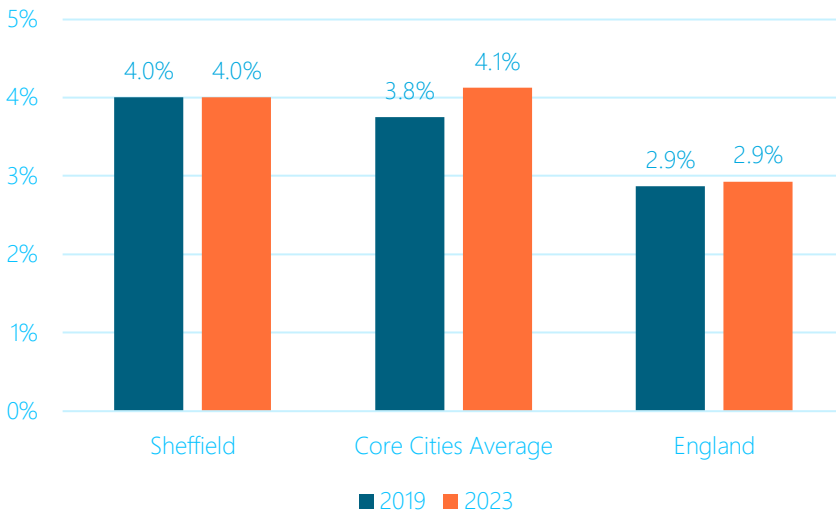
Source: DfE Level 2 and 3 attainment aged 16-25, Department for Education, 2023

# Young People Not in Employment, Education or Training (NEET)

Sheffield has a higher proportion of 16–17-year-olds NEET than the national average (4.0%, compared to 2.9%). Whilst the percentage has stayed the same since 2019, the number has increased significantly, from 397 to 553 young people.

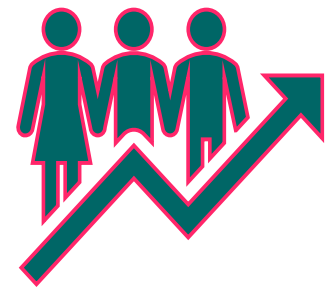
Young people receiving SEND support in Sheffield are more than twice as likely to become NEET than those receiving SEND support in England as a whole. The group with the highest proportion of young people NEET or with a not known activity is the vulnerable group\* (31%), although this group only represents 2% of the 16-17 years old cohort.

Proportion of NEETs (% aged 16-17)

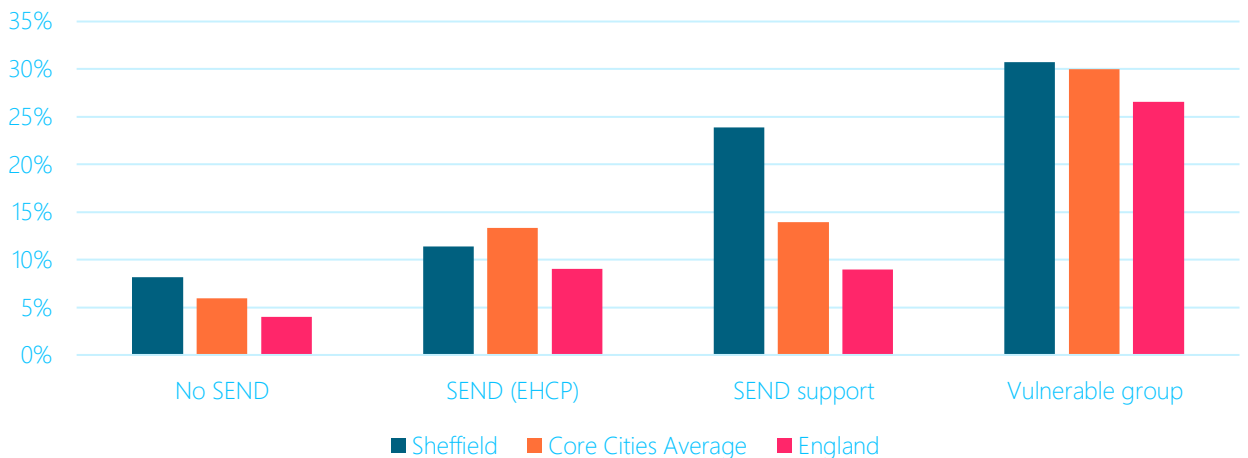


Number of NEETs

2019: 397  
 2023: 553  
 Net increase: +156  
 % increase: 40%



Proportion of NEETs or Activity Not Known, 2022 (% aged 16-17)



\*A young person is in a vulnerable group if they have any of the following characteristics: Looked after/In care; Refugee/Asylum seeker; Carer-not own child; Disclosed substance misuse; Care leaver; Supervised by Youth Offending Team; Parent-not caring for own child; Alternative provision; Mental health flag.

Source: Participation in education, training and NEET age 16 to 17 by local authority, Department for Education, July 2023; NEET and participation LA scorecard, Department for Education, 2023

# Graduates from Sheffield's Higher Education institutions

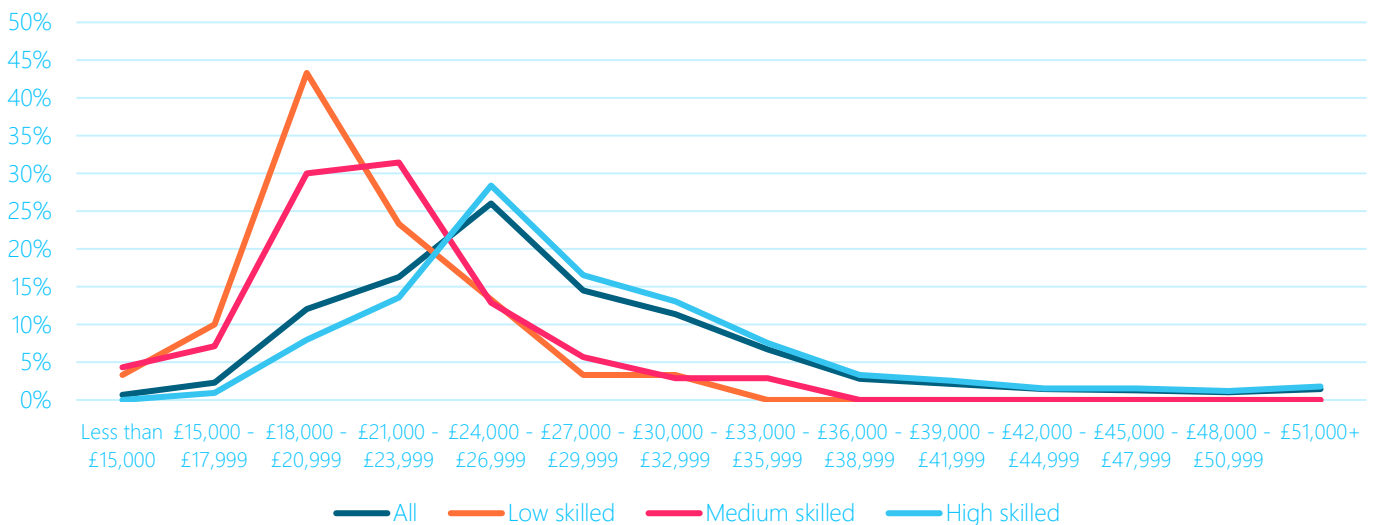
Sheffield's Higher Education Institutions generate a large number of skilled entrants to the labour market each year. In 2021/22, there were 11,420 undergraduate qualifiers and 11,450 post graduate qualifiers across Sheffield Hallam University and the University of Sheffield.

Looking at the destinations of those who graduated in the city 2020/21 (including graduates from both universities and The Sheffield College) 75% went into employment, 8% went into employment/further study, 7% into further study, 5% other and 4% were unemployed after leaving. Graduates were most likely to be employed in the Human health and social work activities sector (1,420) followed by Education (1,220) and Professional, scientific and technical activities (775). 83% of Sheffield graduates entered high skilled jobs, with around half of these earning £27,000+.

Graduates Destination by Sector, 2020/21



Graduate Destination by Salary Band, 2020/21



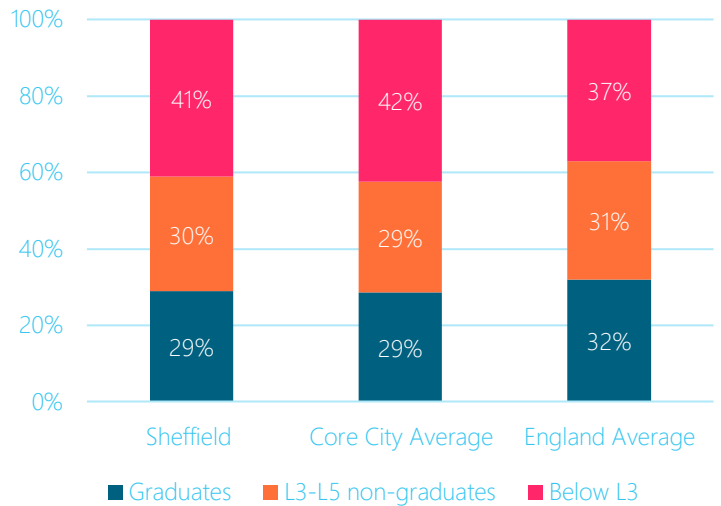
Source: HESA, Graduate Outcomes tables by HE provider, 2020/21

# Retaining and Attracting Skilled Young People

Retaining and attracting the skilled workers of the future is vital to Sheffield's economic success. Data from ONS shows people are most likely to move between the ages of 19 and 22, for education and to begin their career.

ONS data shows that in Sheffield, 29% of GCSE pupils (2008-2011) went on to become graduates by 2018/19, and 30% attained qualifications at L3-L5. This places Sheffield fourth out of the eight Core Cities and slightly lower than England on both measures.

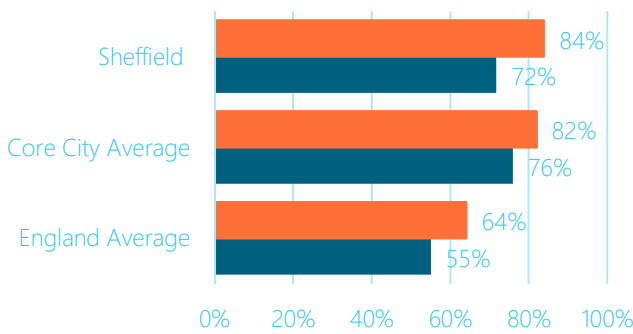
Attainment of 2008-2011 GCSE Cohorts, by 2018/19



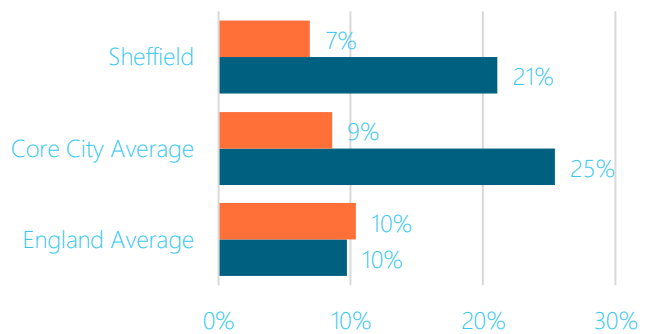
Large cities tend to retain a high proportion of their young people who become graduates. In Sheffield, 72% of the locally-educated cohort who went on to graduate continued to live in the city after graduating, lower than the average across the Core Cities (76%). Non-graduates are more likely to remain in their home areas. Sheffield retained 84% of non-graduates who attained qualifications at L3-L5, 2 percentage points higher than the Core Cities average.

Large cities also tend to attract skilled young people from elsewhere, retaining some of those who come to the area to study and attracting others through the employment opportunities available. Sheffield had a graduate inward migration rate of 21.2%, lower than the Core City average (25%). It also attracted proportionately fewer skilled non-graduates (7%, compared to 9% across the Core Cities).

Retention of Locally-educated Graduates and Skilled Young People



Attraction of Non-local Graduates and Skilled Young People (as a % of local cohort)



Local L3-L5 holders retained Local graduates retained Non-local L3-L5 attracted Non-local graduates attracted

Source: Which towns attract people with advanced education? ONS, 2024



## **Future Needs**

# Skills for a Green Economy

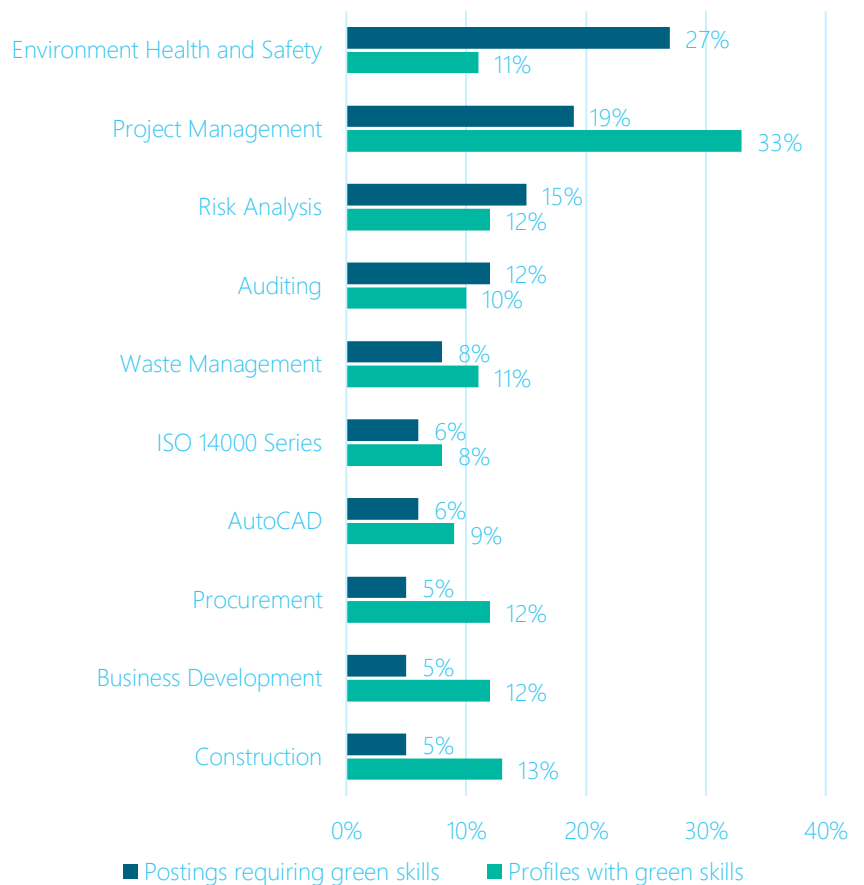
The drive for net zero is impacting on the labour market as businesses adopt new ways of working and demand for green products and processes increases. Roughly one in seven jobs in Sheffield (14.9%) are classed as being in occupations that are likely to be affected by the transition to a low-carbon circular ('greener') economy\*, the fourth highest amongst the Core Cities (with Leeds, Birmingham and Bristol).

Lightcast forecasts a 2% increase in the number of green occupations in Sheffield by 2033, although the share of green jobs as a proportion of all jobs is expected to remain stable, in line with the other Core Cities.

However, Sheffield has the potential to accelerate this growth by capturing green opportunities linked to its existing strengths and assets – such as expansion of its district heat networks, green manufacturing techniques (e.g. lightweighting) and its green energy expertise.

Analysis of job adverts indicates that the proportion of job postings in Sheffield requiring 'green skills' has increased from 3% in 2019/20 to 4% in 2023/24 – the fourth highest of the eight Core Cities. The chart shows the specific green skills which are in demand from Sheffield employers (based on job postings), and how this compares with the skills profiles of the Sheffield workforce, indicating that there is a mismatch between the skills in demand and those held by the Sheffield workforce.

Top 10 Specialised Green Skills Required in Sheffield Job Postings, 2023/24



Source: Lightcast, 2024

\*Based on a definition developed by GLA Economics which includes new and emerging job roles, existing jobs where there will be significant changes in tasks and skills, and existing jobs where demand will increase.



## Digital Skills Needs

Digital skills are increasingly important for both work and life, with basic digital skills needed in a wide variety of job roles, and highly specialised skills needed in some occupations. The Local Skills Improvement Plan (LSIP) investigated employers' digital skill needs in South Yorkshire. The Sheffield data in the table below highlights:

- The on-going need for general office software skills – the most important digital skill for businesses today, and in the top 3 in 2-3 years
- Growing demand for social media and digital marketing skills
- Challenges relating to data skills – identified by employers as the biggest skills gap in the current workforce; the digital skill which is hardest to recruit for; hardest to find training for; and where the largest number of Sheffield employers expect to need training in the next two years
- The difficulties of retaining workers with digital skills relating to security, privacy and GDPR

Digital skill area	Important to business now	More important in 2 -3 years	Skills gap	Hard to recruit	Hard to retain	Hard to find training	Businesses likely to benefit from training in next 2 years
Data skills	87.4%	77.4%	28.3%	52.2%	36.5%*	40.9%	69.1%
General office software skills	95.5%	77.2%	10.2%	23.1%	21.0%	28.5%	62.5%
Other software tool skills	79.7%	74.5%	15.7%	37.3%	30.7%	32.7%	64.4%
Social media/digital marketing	79.3%	78.8%	24.5%*	37.1%	30.7%	37.1%	67.6%*
Web content management	78.1%	70.9%	25.2%	36.4%	29.2%	40.4%	62.2%
Security, privacy, GDPR skills	88.7%	78.0%	14.0%	42.0%	37.3%	34.7%	68.4%
Programming /software dev't	44.0%	50.3%	24.0%	35.3%	28.7%	30.2%	41.9%
Business process automation	53.1%	50.3%	19.3%	27.6%	26.2%	27.1%	54.4%
Project management skills	76.4%	68.0%	15.3%	39.6%	33.6%	33.3%	62.8%

Digital skills are unevenly distributed across the city. Six of the ten most 'digitally poor' areas in South Yorkshire are in Sheffield (in Mosborough, Darnall, Burngreave and Firth Park) along with eight of the ten least 'digitally poor' (in Broomhill and Sharrow Vale, Fulwood, Mosborough, Crookes and Crosspool). A lack of digital skills is a key driver of digital poverty, with a need to provide local training and encourage engagement by promoting the benefits of going digital.

Source: South Yorkshire LSIP, 2023; and *Understanding Digital Poverty in South Yorkshire' Project*, University of Sheffield, Zamani, E., Vannini, S., Ives, G., Tornquist Perez, F. 2022.

# Workers at Risk of Automation

Government research indicates that the adoption of Artificial Intelligence (AI) and related technologies will have a positive impact on overall productivity and real income levels, boosting UK GDP by up to 10% by 2030.

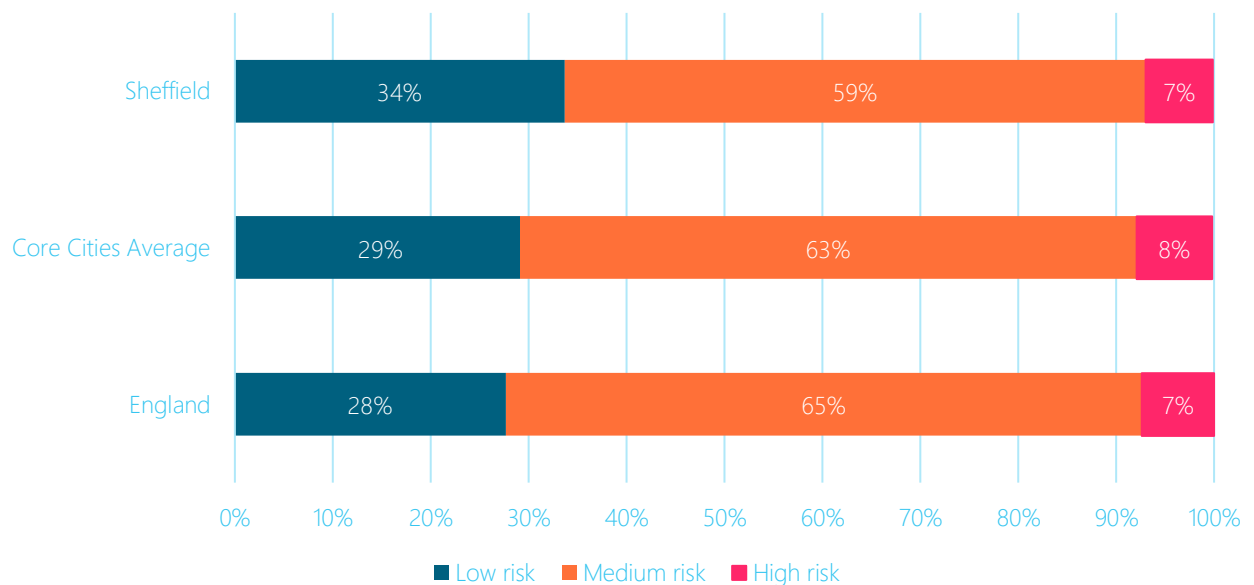
However, the impacts are likely to be uneven, with workers in some roles at greater risk of losing their jobs as a result of automation than others. Nationally:

- Workers between 20 – 24 years old are at the greatest risk
- 70% of jobs with the highest risk of automation are held by women
- Those in higher skilled jobs are at less risk from automation
- Waiters and waitresses, shelf fillers, and elementary sales occupations are at the greatest risk of automation

In Sheffield, 6.9% of jobs are at a high risk from automation which is lower than the England (7.4%) and Core Cities averages (7.7%). This indicates around 14,000 people in the city are employed in jobs which are at risk due to automation and will need to adapt their skills to the changing labour market.

Research indicates that the pattern of employment by sector and occupation will change as AI is increasingly adopted. The largest net employment gains are expected to be in the Health and social care sector, followed by the Information and communications sector. AI is expected to contribute to falling employment nationally in Wholesale and retail, Finance and Public administration over the next decade, with longer-term falls in Transport employment.

Proportion of Jobs at Risk of Automation



Source: BEIS Research Report Number: 2021/042; ONS, Probability of automation in England, 2019

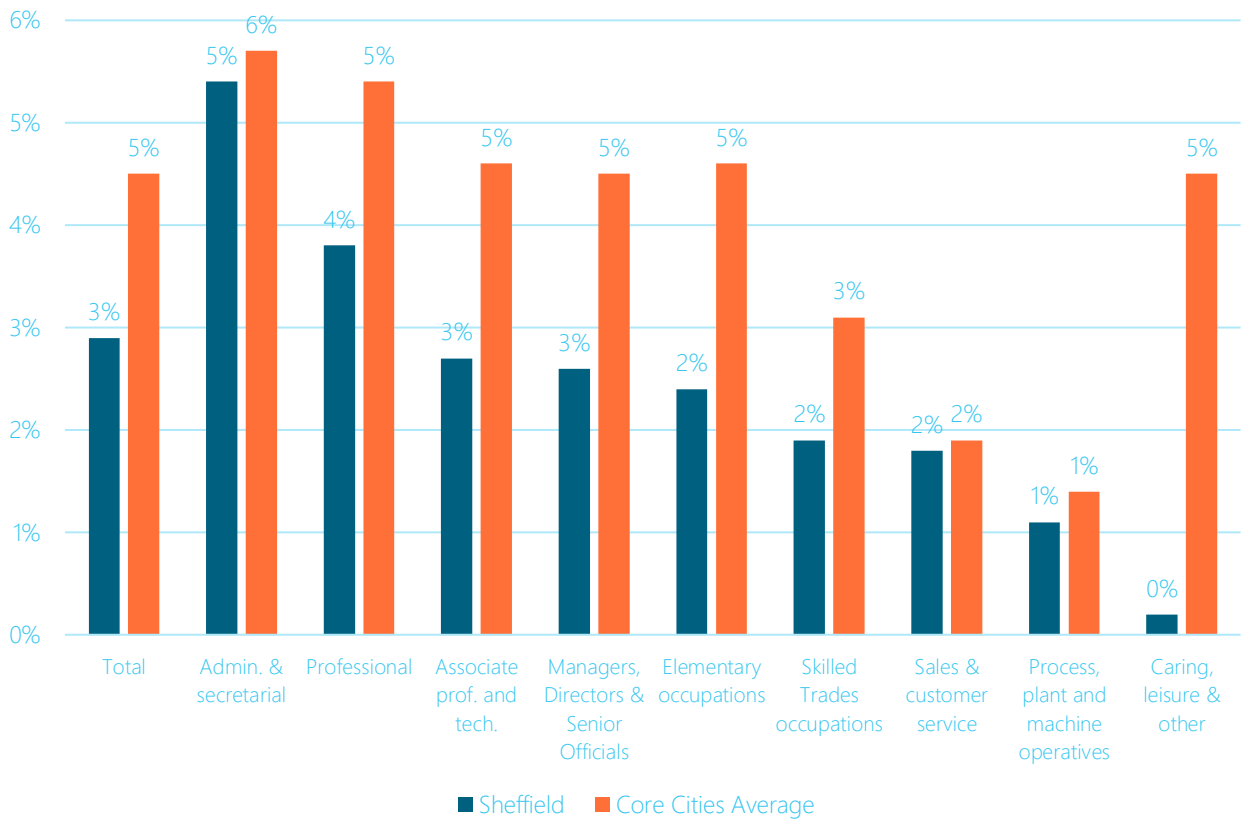
# Employment Projections

Employment is projected to grow by 3% in Sheffield over the next ten years according to data from Lightcast. This is slower than in any of the other Core Cities and two percentage points lower than the Core Cities average rate of growth (5%).

The projections indicate a widening of the gap with the other Core Cities, with the number of professional and associate professional roles in Sheffield (which are already under-represented compared to other areas) forecast to grow more slowly than in other cities. This highlights the importance of raising levels of innovation and enterprise to create an economy in Sheffield which generates more higher-skilled and highly productive employment opportunities.

The data suggests that the fastest growing occupational group will be administrative and secretarial roles, whilst caring, leisure and other service occupations will grow most slowly - the opposite to what might be expected given the increasing role of AI and automation.

Projected Employment Growth, 2023-2033



Source: DfE, Local skills dashboard



# Key Messages and Next Steps

# Strengths, Weaknesses, Opportunities and Threats

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Number of employee jobs in the city has increased since the pandemic</li> <li>• Growing employment in the Public administration and defence sector as the city strengthens its role as a Civil Service policy hub</li> <li>• Strong business survival rates compared to other Core Cities</li> <li>• Relatively high employment rates amongst females, people with disabilities and Indian and Pakistani / Bangladeshi communities</li> <li>• Unemployment rate has fallen below pre-pandemic levels</li> <li>• Above-average proportion of the workforce hold qualifications at L3+ (although below average at L4+)</li> </ul>	<ul style="list-style-type: none"> <li>• Employment growth not keeping pace with national / Core City average rates</li> <li>• Below average employment in higher-skilled, higher-value occupations</li> <li>• Below-average productivity, below-average earnings and lower household incomes</li> <li>• Below-average business density means less dynamism in the Sheffield economy</li> <li>• Significant disparities in labour market outcomes: lower employment, higher inactivity and unemployment concentrated in specific communities, ethnic groups and those with poor health</li> <li>• Significant increase in the number of 16-17 year olds NEET.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Under-utilised capacity within the labour market means growth in higher-level jobs can be accommodated</li> <li>• Growing the number of higher value jobs in specialist sectors can support employment in the foundational economy</li> <li>• Potential to exploit Sheffield's existing strengths in low carbon technologies and clean energy to create sustainable jobs</li> <li>• Significant investment planned in the city will create opportunities for training and skills development</li> <li>• VCSE strengths can be harnessed to engage and support disadvantaged groups including people with health conditions and ethnic minority groups and target support on specific neighbourhoods</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of long-term economic, health and wellbeing impacts if young people (especially those who do not achieve English and maths at KS4) are not supported to progress and succeed in the labour market</li> <li>• Impact of technology on skills needs and job roles means those who find it hard to adapt are at risk of falling out of good quality employment</li> <li>• Fewer higher-level job opportunities limit talent retention and attraction, impacting on the city's growth potential</li> </ul>

# Proposed Strategic Framework and Strategy Development Process

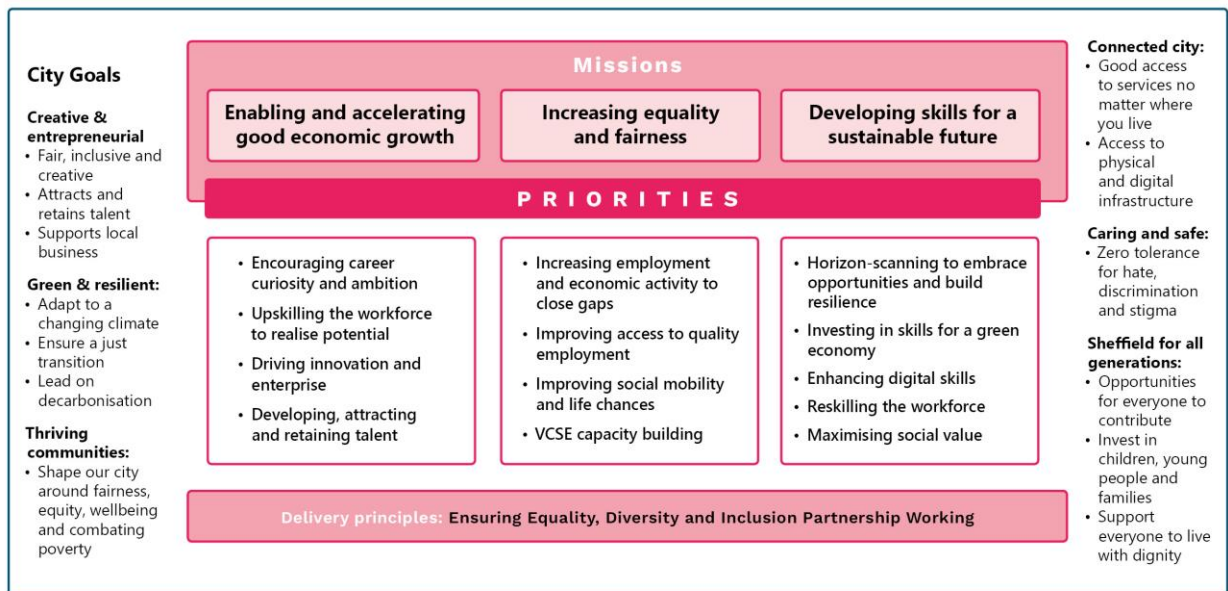
Taking into account the SWOT identified from the data, evidence, strategic drivers and local opportunities, the diagram below proposes a framework for the Sheffield Employment and Skills Strategy.

Three high-level missions bring together thirteen priorities, through which a series of actions will be taken forward. There are two cross-cutting principles which will ensure that the Strategy and associated Roadmap embed equality, diversity and inclusion in all activity, and are delivered through a partnership approach.

The missions and priorities will be refined through consultation and stakeholder engagement, with outcome and impact metrics identified.

Priority actions to achieve each mission will be set out in the Roadmap which will be produced alongside the Strategy.

## Proposed Strategic Framework



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