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North Wales

# North Wales COVID-19 Labour Market Insights Summary Report

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North Wales  
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# Content

Contents	Page
Introduction and Purpose	3
Key Messages	4-5
Manufacturing	6-7
Construction	8-9
Energy and Environment	10-11
Food and Farming	12-13
Health and Social Care	14-15
Creative and Digital	16-17
Tourism and Hospitality	18-19
Financial and Professional	20-21

## Introduction

There is no doubt that the COVID-19 pandemic induced the fastest and deepest economic shock in living memory. The last two years have been challenging for everyone as the pandemic played out, adversely affecting and substantially changing the entire employment market. No sector in the region has been left untouched by these changes.

Throughout the COVID-19 pandemic, the North Wales Regional Skills Partnerships (RSP) has delivered a series of five reports outlining the employment and skills impacts of the pandemic based on intelligence received by employers and key data trends. These reports have helped to inform Welsh Ministers and Welsh Government Officials and have also been shared with stakeholders to help inform recovery responses. Copies of all five previous reports can be found on the [RSP website](#).

As we emerge from the pandemic and move into a post-COVID world, with headwinds of Brexit, climate change and economic recovery, the labour market has changed for both employers and employees. Whilst mass redundancies has been averted, we are now in the grip of two different crises – participation gaps and growing labour shortages. We have less people active in the labour market here in the region, and across Wales, with fewer unemployed people chasing each vacancy. As industries have re-opened and new demands and skills have been sought by employers, it's clear that the labour supply cannot keep up with labour demand. This could hold back economic recovery in the region.

These will be key issues that the North Wales RSP will be focusing on in the coming months as we develop our new three-year Skills and Employment Plan for the region. Covid has accelerated changes to our labour market – the way we respond to those changes be they challenges or opportunities, needs to be innovative and responsive.

## Purpose

The main purpose of this report is to provide intelligence that enables Welsh Government and other stakeholders to understand the employment and skills impact of COVID-19 in the region. It summaries the key challenges and issues faced by each of our key and growth sectors in the region.

In lieu of a sixth report based on fresh employer engagement, Welsh Government have requested to conclude this work with a final summary report which gives an overview of skills impact identified in the region over the period of the pandemic. Previous reports have been primarily based on soft intelligence from employers and stakeholder engagement activities, along with robust quantitative labour market intelligence (e.g. job postings data, Universal Credit and Claimant Count, Apprenticeship data), where appropriate.

This report has been based on research conducted for the five previous COVID-19 reports and no additional employment engagement was required.



### General Business Impact

- **Recruitment challenges** have affected almost every sector in some way or another. This has particularly affected sectors who were already struggling with recruitment pre-pandemic such as Social Care and Hospitality Sector.
- The pandemic has caused major disruptions to our familiar **ways of working**, with businesses across multiple sectors having to adapt to working from home in line with lockdown restrictions. Some sectors have managed the shift to remote working better than others due to the nature of their work such as Creative and Digital, and Financial and Professional. Although some sectors initially struggled, most have since adapted well to the changes and have accepted that there will likely be long-term hybrid working in the future. This has accelerated the need for digital skills in the region
- **Supply chains, logistics and exporting goods** were hugely affected by the impact of COVID in a number of sectors which naturally had a knock-on effect on other elements of business operations. Shortage of HGV drivers has impacted sectors such as Food and Drink, Hospitality and Manufacturing.
- **Growing expectation of economic improvements** and new growth opportunities, across all sectors. Evidence suggests that some businesses have emerged from Omicron restrictions largely unscathed. Brexit, inflation and cost of living are still challenges for most businesses.
- **Future workforce and the skills and talent pipeline** is of particular importance to many sectors, in particular to those sectors such as Manufacturing and Construction who have an ageing workforce. Businesses are now actively looking to **upskill** their workforce to plug their labour shortages. Apprenticeships, work-based learning and other upskilling / reskilling programmes has become paramount for many businesses to emphasise the value of their staff. Investing in existing staff through upskilling and training or re-training has allowed team members to feel valued and has led to improved staff retention.



### Staffing Levels and Recruitment

- **Job vacancies data** shows that recruitment challenges and labour shortages have affected all sectors, and is still an issue as we move into a post covid world. In the region, the number of job postings have increased by 140% since pre-pandemic. Most vacancies in the region were in Health, Social Care and Hospitality sector during the last two years, and this trend is reflected in April 2022. With fewer unemployed people chasing each vacancy, employers will have to find different ways to find and keep staff.
- **Loss of skilled staff** has been a particular issue for the Manufacturing sector. Due to the competitive market, employers have been considering alternative ways to attract staff including increased wages and other benefits such as flexible working.
- **Retention of staff and workforce** has been a priority across all sectors, in particular Construction with emphasis on re-skilling and up-skilling their current workforce. In order to compete with other sectors, industries such as Tourism and Hospitality, and Health and Social Care increased their hourly rates and introduced staff incentives to try and overcome recruitment challenges.
- The pandemic has **changed individuals views on employment**, and we've seen **career switching/ sector hopping** as workforce have moved from Hospitality sector who struggled with lockdown restrictions to Health and Social care occupations.
- In light of changes to employee needs, there is a drive across all sectors to ensure a sustainable employment with clear progression routes.
- Recruitment into local positions is suffering particularly, since home working has become the norm. Applicants can now secure London based positions (with associated salaries) from anywhere in the country, and so the trade-off between a higher salary and a better quality of life is no longer an issue.

## Key Messages



### Skills Demand and Mismatch

- **Digital skills** have become more prevalent in everyone's lives over the last two years as a result of COVID. The pandemic exposed the extent of some of the digital skills gaps across all sectors, with many sectors adapting their services where possible to continue working. Basic IT skills, coding, web development and digital marketing are a few areas where skills gaps were identified and require upskilling in order to remain competitive. For many businesses, upskilling their digital skills meant there was a need to invest in their business to be able to maintain their outputs in line with new expectations.
- **Leadership & Management Skills** - The pandemic has put business leaders to the test, particularly smaller businesses in the region. As we transition to a new way of working, there will be a new set of challenges for business leaders and agility, quick thinking, empathy & compassion, data-driven decision making are all key skills required.
- **Emphasis on core transferable skills** has also been a key outcome of the pandemic. The need to have people who are agile, resilient, creative and problem solvers will be a requirement across all sectors in future.
- **Green skills and recovery** - Low carbon transition and green jobs in the region are on the rise. This will require adapting and changing existing sectors and industries. North Wales is well placed to take advantage of low carbon technologies but we need to ensure that we have a workforce with the right skills to grab these opportunities.



### Employer Training

- Employer training budgets were frozen at the beginning of the pandemic as businesses were in survival mode. However, as lockdown measures were eased across all sectors, employers started to consider talent attraction and retention and investing in their workforce.
- Upskilling has been essential for many businesses as they have had to upskill existing staff to be able to work across multiple departments in order to make up for their shortfall of people. It has also been important to address skills gaps that exists due to the recruitment crisis.
- Most sectors shifted the majority of their mandatory training online to minimise exposure to the COVID-19 virus. As the sectors adapted to working with COVID-19, some training has returned to face-to-face.
- In sectors where furlough was utilised, training had to happen to ensure staff competence was maintained upon their return to work.
- Employer training undertaken during the pandemic has been sector specific in most instances and have been details in the sector chapters. However, there are core cross sector training such as change management, succession planning and leadership development, Employers have been taking advantage of programmes such as the Personal Learning Accounts and Flexible Skills Fund to upskill and reskill their staff.



### Apprenticeships / Other WBL

- For many employers, they continued recruiting apprentices, including degree apprentices as normal during the pandemic and those who were unable to during the pandemic are keen to recruit an apprentice as soon as possible. COVID-19 has allowed employers to see the true value of their employees which has encouraged them to invest in their existing staff as well appreciating the ability to 'grow your own' talent through apprenticeships and other WBL pathways. Despite facing a number of challenges as a result of COVID-19, employers saw the importance of future talent in order to harness growth within their sectors, meaning awareness of apprenticeships and other work-based learning opportunities such as Kickstart and Personal Learning Accounts has increased over the last two years.
- Whilst recruitment of apprentices has varies across sectors, last year we saw an increased demand for apprenticeships from employers across all sectors, with high demand in particular for construction, engineering and hospitality apprentices.
- Despite employer demand for apprentices being high, the supply of apprentices seems to be low in certain sectors such as Hospitality and Customer services.

# Manufacturing



GVA, Ebn, 2018  
2.897

# Employment 2019  
44,028

% Regional Employment  
14

% Regional GVA  
20.3

## Sector description

- This sector is defined according to the SIC code definition, Section C: Manufacturing. Sub-sectors of significance in North Wales are: Aerospace, Automotive, Defence, Engineering and Opto-electronics
- There were approximately 44,028 people working in the manufacturing industry in North Wales in 2019, representing 14% of the regional workforce.

## General business impact

- COVID-19 hit the sector hard, but its sub-sectors have all felt a different impact from COVID-19, with some affected more than others. However, the strength of the recovery in the sectors seems strong. Welsh Government's Manufacturing Action Plan which was published in February 2021 has focused on future proofing our manufacturing capability to ensure a resilient, high value manufacturing sector with a highly skilled and flexible workforce able to deliver the products, services and technologies necessary for our future economy.
- The supply chain and smaller firms, particularly in aerospace, were significantly impacted by the knock-on effects from larger businesses in the national and global supply chain but there are brighter futures for the industry as a whole if opportunities around new technology are grabbed such as hydrogen.
- Businesses have been thinking creatively and considering automation, smart technologies and development of the green economy, for instance hydrogen. JCB in Wrexham is an example of this as they have recently developed the first hydrogen motor in the industry.
- There has been a major focus on implementing a competence framework to aid succession planning and talent decisions going forward and developing relationships with FE College to close existing skills gaps and collaborate on future talent development initiatives.
- As the sector has begun recovering, there is a strong shift in focus to work with Schools and Colleges in order to inspire and inform young people about the career opportunities within the sector to attract a new talent pipeline.
- Whilst the immediate aftershocks of the pandemic are subsiding, many employers have turned their attention to the longer-term impact and how their talent and skills strategies will need to change in light of new working practise. There is a strong focus on upskilling and reskilling the existing workforce.
- Future workforce and the skills and talent pipeline is of particular importance to the sector to ensure that there isn't a skills shortage. The importance of apprenticeships and ensuring that apprentices are safeguarded/able to finish their assessments and enter the workforce, is paramount.

# Manufacturing



## Staffing levels and recruitment

- Although the sector faced many challenges as there was a sharp decline in outputs and orders across the sector, manufacturers have since indicated that the demand has returned to unparalleled levels.
- The loss of skilled staff within the sector as a whole is being reported across the region, as well as recruitment challenges for skilled/experienced staff and unskilled individuals with the following roles in particular; production, NDT operators, skilled/semi-skilled trade, skilled welders, welders, experienced sewing machinists, design engineers as well as management roles.
- There has been a steady increase in demand for legal, HR and finance learning and upskilling existing staff to aid business recovery post-COVID.
- The industry continues to look for higher level skills, investing and increased use of smart technologies and building capacity in their younger cohort of workers as part of succession planning and sustainability of skills.
- Some employers have even expressed their desire to upskill their blue-collar workforce to move into some of the white-collar occupations available in the industry.

## Employer Training

- With some areas of operations shifting to remote working or off-site working for production staff, many companies had to adapt their ways of delivering training to be online.
- Some employers used the pandemic as an opportunity to rethink large-scale business strategies and training investments, recognising that their current rate of upskilling members of staff doesn't reflect the demand in the sector.
- The pandemic has highlighted the need for companies to accelerate the rate at which they upskill their workforce and apply whole business strategies and production in line with industry 4.0 and digital skills for corporate staff as the demand for these skills continue to increase.
- Employers are anticipating the need to deliver training on the 'Green Economy' in the years following the pandemic, with new industries arising such as hydrogen.

## Skills demand and mismatch

- The industry continues to look for higher level skills and increased use of smart technologies and building capacity in younger cohorts of workers as part of succession planning and sustainability of skills. COVID has exposed the necessity to increase the pace of change.
- As a result of the new working practices, there has been a greater demand for digital skills in the industry, including data science, digital manufacturing and Artificial Intelligence. Digital skills are no longer seen as a "nice to have" quality, but rather a necessity.
- COVID-19 has led to the growth in awareness of net-zero targets and the actions required in order to make progress in sustainability. Employers have indicated that their teams will have to upskill to access the skills needed for Green Economy work.
- The sector has lost decades of knowledge and experience and are utilising local provision to re-train and upskill the workforce to close skills gaps and ensure business continuity in a post COVID environment.
- Some employers have indicated that they have identified other new skills demands as a result of the pandemic such as, communication skills, oral Welsh language skills, accountancy/book-keeping skills and leadership & management.

## Apprenticeships / Other WBL

- For many employers, they continued recruiting apprentices, including degree apprentices as normal during the pandemic and those who were unable to during the pandemic are keen to recruit an apprentice as soon as possible.
- Some apprenticeship recruitment was at a reduced level or had a delayed start date.
- Despite facing a number of challenges as a result of COVID-19, employers saw the importance of protecting their apprentices and recognised their value as the future talent to harness growth within the sector.
- Although the sector has mostly continued with business-as-usual, there have been a number of apprenticeship industrial placements that have been unable to take place due to COVID restrictions, meaning the industries holds some concerns over how 'work-ready' students may be having not completed practical elements of the course.
- A number of employers also made use of the Kickstart scheme to take on new recruits.

# Construction



GVA, £bn, 2018

937

# Employment 2019

17,571

% Regional Employment

5.6

% Regional GVA

58.8

## Sector description

- This sector is defined according to the SIC code definition, Section F: Construction.
- There were approximately 17,571 people working in the construction industry in North Wales in 2019, representing 5.6% of the regional workforce.
- The construction sector in North Wales offers an abundance of employment opportunities. Its wide range of roles, from design to build, means that it is an exciting energetic sector. The industry is broken down further into sub-sectors including housing, rail, civils, highways, to name a few.

## General business impact

- The COVID-19 pandemic has had a significant impact on the construction sector, which is sensitive to economic cycles. Yet, on the upside, construction has maintained its potential to stimulate recovery, thanks to its potential to create jobs; and in turn, recovery measures can support the sector's transformation towards sustainability and digitalisation.
- At the start of the pandemic, construction was identified as a key sector allowing the continuation of business as usual. A high percentage of employers took around three weeks to utilise the furlough scheme in order to complete COVID compliant systems and implement the new regulations. Distribution of building materials also caused some initial delays for employers.
- Employers in the sector have noted supply chain issues and loss of skilled staff as their biggest challenges during the pandemic.
- Employers have also been considering key trends in the industry that will support their recovery including the increased use of remote tech, the availability of a much more innovative range of materials, more modular Construction, renewable technology and the use of 3D printing of concrete.





## Staffing levels and recruitment

- The Construction Industry has seen the impact of both COVID-19 and Brexit on their staffing levels as it's a sector that has traditionally relied on EU workers.
- As a whole, the biggest concerns within in the sector during the pandemic was to retain their skilled staff and upskill existing staff to ensure they knew they were valued team members.
- Employers are expecting to see sector wide growth. Net-zero targets mean there is an estimated 350,000 people (through re-training and new roles), will need to be trained in energy efficiency measures over the next decade, emphasising the expected growth.
- With such elaborate growth anticipated, many employers have expressed that they are keen to work with individuals who are adaptable to change with a willingness to retrain in a new sector

## Skills demand and mismatch

- Many employers in the sector are reporting a shortage of skilled construction workers, including joiners, quantity surveyors, electrician, roofers, bricklayers, carpenters and labourers. Skilled labour is in decline in the construction sector due to an aging work-force
- Retrofitting qualifications is highlighted as a need across the sector, along with other renewable energy.
- Green skills - following the decision to grant fund the L5 Retrofit Coordinator role, the next area of focus will be on supporting the development of more productive installers of insulation by engaging with the sector to develop training standards to support new workers. CITB has been working with Welsh Government to support the implementation of the Innovative Housing Programme and Optimised Retrofit Programme and is seeking to learn lessons from these programmes to inform future skills planning.
- To work towards closing the skills gap in construction, CITB have created Building IOK - another Wales initiative. Building IOK (Industry Occupational Knowledge) is designed to work with Careers Wales to increase the knowledge of Careers Advisors and Business Engagement Advisors (BEAs). Providing these key influencers with knowledge of industry, including routes in and progression of careers will help draw new talent into the industry. Influencers will be better placed to engage in conversations with pupils who may not have previously considered the sector as a career choice. This will also support the Welsh Governments CWRE New curriculum.

## Employer Training

- CITB have worked closely with Construction Leadership Council (CLC) to ensure that employers have had access to COVID Training Support during the pandemic.
- More than half of required training was delivered online due to COVID restrictions, although the majority of training has since returned to face-to-face delivery.
- A priority for the Construction sector has been to maintain competence of their existing workforce as well as upskilling in areas where necessary to support new contracts, help business growth and for staff retention.
- Some areas of upskilling that was needed among Construction businesses have been leadership and management to improve the skills and productivity within their businesses.
- Training in new technologies and low carbon is also indicated as a priority for employers.

## Apprenticeships / Other WBL

- Work experience placements have been incredibly difficult to complete due to site restrictions which caused uncertainty for the future of apprenticeship employment and there was a visible decline in the number of apprentices recruited during the pandemic. However, as the sector recovers, it is expected that the apprenticeship recruitment will return to normal, particularly with the introduction of the new apprenticeships in Wales which were postponed until 2022.
- Where possible, apprentices were retained and their support continued online through the offering of virtual support on Teams, Zoom or phone calls.
- There is a consistent flow of demand all year round from employers across the construction sector to recruit apprentices in particular, plumbing and heating and electrotechnical. However, the majority of apprenticeships across the construction sector run on an academic year starting in September and funding has now been allocated for this year. This means that employers who have expressed an interest in recruiting an apprentice after September may have been too late and will now need to wait until next September. To aid recovery and to meet employer demand a roll on roll off start process would be beneficial alternatively some flexibility around contract restrictions and EIS eligibility.
- During the pandemic, employers were also keen to utilise the Kickstart programme in the region to encourage individuals who may never have considered Construction as a career path into the sector.

# Energy and Environment



GVA, £bn, 2018

1.4

# Employment 2019

27,922

% Regional Employment

8.9

% Regional GVA

13

## Sector Description

- This sector is based on the Welsh Government priority sector definition of Energy and Environment.
- There were around 27,922 people working in the energy and environment industry in North Wales in 2019, representing 8.9% of the regional workforce.

## General business impact

- **Note: Feedback relates to energy related activity and not the broader 'environment' sector**
- The low carbon energy sector has been identified as one of the more resilient sectors regarding the impact of COVID-19. The strong policy drivers associated with achieving net zero and the announcement of UK Government's 'ten-point plan' and Welsh Government's Net Zero Plan has provided further impetus and optimism for the sector.
- Proposals for low carbon energy and energy efficiency projects/initiatives have played a crucial part in supporting North Wales' economic recovery from the impacts of COVID-19. For example, projects such as Murlais, Trawfynydd SMR / AMR and Awel Y Mor have the potential to create regional high value jobs and supply chain opportunities.
- Short term delays to energy projects have been reported (e.g. delays in the planning and approval process which have the potential to delay employment opportunities. This will also have an impact on the wider supply chain for the sector.
- As the volume of proposed decarbonisation projects and programmes increases, there is a need to ensure that there is a skills and supply chain pipeline to maximise the local benefits of hosting energy projects and decarbonisation activity

# Energy and Environment



## Staffing levels and recruitment

- Like many other sectors, the Energy and Environment sector saw the vast majority of its workforce on furlough at the beginning of pandemic. However, the dependency on furlough decreased after the first lockdown, with a number of businesses even reporting on-going growth. Businesses who experienced growth reported the need for administrative roles, operational staff and project managers.
- As the sector is growing and evolving regularly, the required skills set can be quite specific, and may not be available locally yet, meaning recruitment has to occur on a wider scale.
- The Energy and Environment sector has seen an increase in interest from individuals wanting to work in the sector as they have transferable skills from other sectors where they have experience job losses (e.g. Aviation/aerospace). The sector is attractive as there are a number of high value jobs associated with the industry as a result of the large energy projects.
- The mid to long term prospects for staffing levels / job creation are good. This is driven by the need for all sectors to achieve net zero and the recognition of the economic opportunities associated with low carbon energy generation, energy efficiency and other de-carbonisation measures needed to transition to a clean and green growth economy in North Wales. These opportunities for job and skills creation are likely to be seen in fields such as retrofitting building with insulations and other measures to make them more energy efficient.

## Employer training

- Although training remained more or less uninterrupted, the industry as a whole is anticipating an increased demand in needing to upskill and retrain as the industry evolves and grows.
- The development of clean, low carbon energy projects and the transition to a zero-carbon economy is widely seen as an opportunity to aid North Wales' mid-long-term economic recovery from Covid-19. The increased emphasis on green growth and achieving net zero will present significant employment opportunities as public and private sector invests in new technologies.
- The region will need to ensure that upskilling takes place to support and maximise the opportunities of this transition. Scaled up training in areas such as renewable energy, low carbon domestic heating, energy efficiency in buildings, battery storage, Electric vehicle infrastructure is likely to be necessary to maximise opportunities

## Skills demand and mismatch

- As some skills sets necessary for the Energy and Environment sector aren't readily available in North Wales, employers have reported the importance of ensuring the development of regional skills and supply chain pipeline in order to maximise the local benefits of hosting energy projects and decarbonisation activities.
- Scaled up training and upskilling in renewable energy, low carbon domestic heating, energy efficiency in buildings, battery storage, and electric vehicle infrastructure is all likely to be necessary to maximise opportunities for local people in the region. Introducing this training and upskilling will reduce the risk of skills gaps arising during the transition to a clean growth economy which is recognised by the industry.
- With growth expected to continue within the industry, employers have expressed that they would like to diversify their workforce and encourage women to join the sector.
- Perceptions of the sector are good with young people being drawn to various occupations. The Energy and Environment sector has a diverse range of job opportunities that are evolving, including IT roles in fault finding systems, use of drones, data analytics and advanced health and safety such as working in confined space or at height. However, more needs to be done around inspiring and informing primary age children about the sector and the career opportunities.

## Apprenticeships / Other WBL

- Employers in the Energy and Environment sector generally continued to employ apprentices with employers in Tidal Energy projects and Offshore Wind seeing a rise in apprenticeship opportunities. RWE in particular have recruited more applicants on their apprenticeship programme in the last 12 months of the pandemic. RWE's national apprenticeship hub is based at Grwp Llandrillo Menai.
- Wrexham Glyndwr University have recently started delivering the Low Carbon Energy and Sustainability funded Degree Apprenticeship in North Wales and employers across the region are keen to utilise this provision.
- As the sector is developing, a number of employers have expressed an interest in recruiting an Apprentice for the first time as employers see the benefit of investing in new talent in a growing industry.

# Food and Farming



GVA, £bn, 2018  
**371.5**

# Employment 2019  
**20,899**

% Regional Employment  
**6.6**

% Regional GVA  
**3.4**

## Sector Description

- This sector is based on the Welsh Government priority sector definition of Food and Farming.
- The food and farming sector in the region are compiled from 42 SIC codes from the EMSI Industry Overview. The sector supports 20,899 jobs (2019), 132% higher than the Wales national average, including a higher-than-average number of farmers. The sector employs 70% males and 11.3% young people aged 16-24. Directly linked to agriculture there is a high level of manufacturing, production and processing of meat and poultry, dairy, prepared ready meals and animal feed within the region.

## General business impact

- The Food and Farming sector was hugely impacted by COVID-19, particularly at the beginning of the pandemic when the demand for food manufacturing was limited as a result of lockdown restrictions heavily impacting the Tourism and Hospitality sector.
- The majority of the Food and Farming sector has returned to normal since Hospitality has reopened, showing recovery within the sector. However, there are still a number of factors that are impacting operations within the sector.
- The changes that were implemented from the 31st of January 2021 as a result of Brexit have brought to light new challenges for the Food and Farming sector, including challenges with logistics, supply chains and exporting goods. Furthermore, the current shortage of HGV drivers is also impacting the supply chain for the sector. Brexit has also affected the meat processing sector with shortages in occupation such as butchers.
- Despite the challenges, the sector is making a recovery, but is yet to reach pre-pandemic levels.
- Following the impact of COVID, employers have realised the importance of providing employees with suitable working conditions, pay that reflects their work and an improved work-life balance. There is recognition within the sector that these factors can influence staff retention.

# Food and Farming



## Staffing levels and recruitment

- Although the industry has made significant recoveries since the beginning of the pandemic, Food and Farming was one of the hardest hit in North Wales. Reports show that Food and Farming was the sector with the highest number of furlough recipients in North Wales as of the 31st of August 2021, just a month before the furlough scheme ended.
- The Food and Farming industry, has faced recruitment challenges, particularly in roles that are considered 'low-skilled'. It is expected that this due to staff not returning to work after furlough, an increase in self-employment and a somewhat negative perception of the Food and Farming industry as a career which has been tarnished further by the pandemic.
- As seen in other sectors, Food and Farming employers have increased their hourly rates in an attempt to overcome their recruitment challenges. Some employers have introduced a staff retention bonus as an incentive for existing staff members.
- The COVID-19 pandemic produced significant uncertainty around the recruitment of agricultural seasonal staff for sheep shearing and crop picking/harvesting as there was a lot of uncertainty surrounding the industry as a whole.
- Within the industry, most job postings were seen in food manufacturing and production, followed by food retail. The high number of job postings in these fields emphasise how significant the loss of staff to other sectors has been.

## Apprenticeships / Other WBL

- As the sector recovers, employers have been able to recruit Apprentices in the last 12 months as their practical work has continued, while written assignments have remained online where possible.
- The interest in Apprenticeships within the sector has grown among businesses, with an increased number of employers expressing an interest in them. The pandemic has allowed employers to recognise the importance of investing in their staff to encourage staff retention.
- Although the interest in Apprenticeships has increased, many employers within the industry have expressed that access to the relevant information isn't always easy and can be off-putting to an employer with little experience with recruiting an apprentice.
- A few employers have been able to recruit individuals through the government funded Kickstart scheme.

## Skills demand and mismatch

- The Food and Farming sector saw an increased need in skills that previously weren't necessary, such as basic IT and computer literacy skills as the sector becomes increasingly automated. These skills extended beyond this and included advanced or specialist IT skills, which includes social media, digital marketing, coding and web development. Many food manufacturers have already reported that they will need to increase their reliance on these specialist skills in order to conduct intelligent market research, innovative marketing, risk assessments and supply chain scrutiny.
- Many organisations saw a shift in some areas of their businesses to work remotely. The increase in remote working has required upskilling in digital skills as well as diversification of selling techniques online and website developments.
- Agile working, resilience and transferable skills have been key attributes for managers and staff throughout the pandemic and will continue to be relevant throughout future recruitment and training to ensure efficiency.
- Employers have been anticipating a future labour shortage as opposed to skills gaps.

## Employer training

- As in many other sectors, Food and Farming employers have recognised the importance of offering existing staff training or upskilling opportunities. Some employers have offered apprenticeships/degree apprenticeships to their existing staff to encourage staff retention as well as support business growth.
- The Food and Farming sector saw a number of adaptations to their services such as offering products to the local community as opposed to Hospitality organisations. These adaptations left skills gaps which meant employees had to upskill in e-commerce and financial planning to continue their services such as online ordering.
- There have been a number of employees who expressed an interest during the pandemic in taking advantage of funded training opportunities available for staff such as Personal Learning Accounts and Skills for Industry.
- Personal development, career progression and investment have become a main focus for many businesses during the recovery from the pandemic, with employers encouraging individuals to upskill where possible for personal and business benefits.

# Health and Social Care



GVA, £bn, 2018

1.593

# Employment 2019

50,645

% Regional Employment

16.1

% Regional GVA

11.2

## Sector description

- This sector is defined according to the SIC code definition, Section Q: Human health and social work activities.
- The health and social care sector represents the largest share of the North Wales workforce out of the priority sectors, at 16.1% (50,645 people) in 2019.
- Significant economic sector in North Wales covering those employed in care settings including care homes, supported living, those providing domiciliary care and those employed health and care related community support services. Those employed in health services in across primary, secondary and mental health services
- The sector employs an estimated 15,000 individuals across North Wales [Social Care Wales, Workforce Profile 2018 <https://socialcare.wales/research-and-data/workforce-reports#section-36664-anchor>]
- The Health Board employs circa 17,000 staff
- The importance of the sector has been highlighted throughout the pandemic.

## General business impact

- Significant recruitment and retention challenges were seen in the sector during the COVID-19 pandemic, particularly in the Social Care sector as staff were contracting the virus and having to isolate for extended periods of time or some were leaving the sector due to fatigue and the attractiveness of other sectors e.g. retail, tourism and hospitality who have increased their wages in an attempt to attract staff in their COVID recovery.
- Financial Sustainability is still a key factor if we are to achieve a sustainable and resilient care sector going forward. The pay rates of staff in the health and social care sector is a key concern as providers are struggling to increase their pay rates to remain competitive and the costs to Commissioners from the public purse is increasing.
- The tapering of the COVID Hardship Fund is also causing concern as those costs e.g. PPE and higher recognition for staff are now embedded in the on-going running costs of the sector going forward.
- Increase in demand for care as long term and chronic conditions begin to show in the general population e.g. long COVID amongst younger populations which results in an increased need for community services such as OT and domiciliary care and an increased need for care homes to meet complex care needs.
- Increase expectations on providers and their staff from changes to guidance and regulations.
- Social care employee's welfare and wellbeing has been tested and on-going support is key. Retention of skilled staff is an issue.

# Health and Social Care



## Staffing levels and recruitment

- Throughout the pandemic, the Health and Social Care sector has struggled with recruitment challenges in varying roles, both clinical and non-clinical, with elaborate recruitment drives taking place to try and ease the pressure on staff in a sector that was already fragile with existing recruitment and retention challenges.
- During the first 12 - 18 months of the COVID-19 pandemic, 1798 extra staff and 744 volunteers were recruited by BCUHB alone, with student nurses in their final year of training being deployed into clinical areas, however the staff shortage continued as the demand for Health and Social Care support grew within the region.
- Although recruitment was constant throughout the pandemic, the sector was losing a high volume of skilled and experienced staff for many different reasons. A number of the workforce either left or took extended time off as a result of fatigue, personal care responsibilities or changing career due to low pay rates and long hours.
- Care homes, nursing, dentists, and COVID testing and vaccine centres are all areas within the sector that have faced difficulties when recruiting.
- Employers are expecting long-term recruitment challenges. The nature of the work in the sector, working terms and conditions and pay rates mean that it's not an attractive sector for individuals who are looking for work as they can seek employment within other sectors with less responsibility and better pay rates.

## Employer Training

- As seen in many other sectors, the majority of mandatory training has been taking place online to minimise further risk to individuals who work in the Health and Social Care sector contracting the virus. As the sector has adapted to working with COVID-19, some training has returned to face-to-face, particularly for new recruits. However, where possible, online training is the preferred option.
- The demand for virtual training had an impact on some skills gaps identified in the sector in order to successfully deliver the training. All members of staff within Health and Social Care needed digital literacy skills in order to utilise equipment and engage with online training.
- Due to staff shortages, the industry saw fast-track opportunities for nurse training in partnership with FE and HE providers with additional provision being support through HEIW.

## Skills demand and mismatch

- As recruitment called for fast-tracking members of staff, employers in the sector have recognised that there may be elements of practical work that require upskilling or additional training in the future.
- Likely to be an increased demand for upskilling of rehabilitation/ therapeutic services and skills going forward to deal with those suffering the long-term effects of COVID-19.
- COVID-19 has created a new skills requirement in terms of increase on Infection Prevention and Control (IPC) expectations, medicines management and care workers undertaking some health tasks under supervision. Work in on-going to frame with roles into a Health & Social Care Support Worker role as part of the Community Services Transformation programme in North Wales.

## Apprenticeships / Other WBL

- As the Health and Social Care sector was key to overcoming the COVID-19 virus, adaptations were made wherever possible if it could aid the support available to the region. Some adaptations included online learning for written assessments as well as extended time to complete assessments to better align with an increased workload.
- Kickstart opportunities and apprenticeships were heavily promoted during the pandemic as the sector needed as much support as possible. However, applications were minimal as every sector was competing for the same people due to the overall labour shortages.
- Employers have expressed concerns that the Health and Social Care sector needs to be recognised as a valued career in order to make apprenticeships and other Work-Based Learning opportunities attractive to individuals.

# Creative and Digital



GVA, Ebn, 2018

390

# Employment 2019

14,000

% Regional Employment

3.6

% Regional GVA

2.2

## Sector description

- This sector is based on the Welsh Government priority sector definition of the creative industries
- The Creative Industries (the Creative & Digital Sector) are seen on an International, UK and Wales basis as one of the key clusters of the 21st century global economy. From TV and Film to gaming and software, to music and performing arts, creative jobs are highly skilled, contribute to productivity growth and are relatively resilient to automation. There were an estimated 14,000 people working in the sector in 2019 across North Wales including those employed and self-employed freelancers, making up a total of 1640 businesses. The business base is fairly evenly spread across our region (mainly rural with a small number of towns) given population differences and existing 'anchor' organisations e.g. BBC.
- Around 43% of workers in the sector in North Wales are self-employed freelancers

## General business impact

- The digital-creative industries are a broad and varied sector, and the effect of Covid-19 on each industry has been different, depending to a great extent on the need of each industry to gather people together in order to operate.
- There are some industries, for example the digital, tech and gaming industry which, by its nature, has found it easier to continue operating remotely. In these industries, there has been an upturn in trade as people seek home-based entertainment.
- At the other end of the spectrum, live events (theatre productions, live music, festivals etc) are fully dependent on gathering significant numbers of people together to justify the cost of staging the event. Welsh Government guidance does now allow for this, but not all venues yet have the confidence to open at a profitable capacity, and so the reopening of this sector remains very gradual. In turn, work for freelancers particularly in this sector remains scarce



# Creative and Digital



## Staffing levels and recruitment

- As the sector re-opened, recruitment activities have increased but the sector is particularly concerned about losing skilled staff and being unable to recruit from the current pool of supply in the region.
- Recruitment into local positions is suffering particularly, since home working has become the norm in the digital sector. Applicants can now secure London based positions (with associated salaries) from anywhere in the country, and so the trade-off between a higher salary and a better quality of life is no longer an issue
- Further and Higher Education institutions reported difficulties recruiting tutors in all aspects of media studies, perhaps because the industry itself is so buoyant, although this will naturally compound the lack of skills available both now and in the longer term.
- Venues also faced difficulties in recruiting front of house staff, administrators, box office support etc. Some of these were advertised as Kickstart positions but attracted little interest.
- Increased opportunities in the tv and film sector will apply to the gaming sector for skills such as the use of non-linear editing (NLE) techniques, used widely in the gaming industry, is as an improvement replacing the traditional 'green screen'. The use of such technology will grow and benefit companies' carbon footprint and disrupt the global travel practices widely known in the tv and film industry.

## Employer Training

- The continued message by the industry is that the availability of suitable regional training and supply of skills remains in short supply. The nature of the sector does not lend itself well to the traditional and rigid methods offered by the current apprenticeship offer and route and more flexibility and creative solutions are being explored which is working well in South Wales by Screen Alliance Wales for example.
- For some subsectors of the Creative and Digital industry, all training was suspended early in the pandemic as production and face-to-face working was postponed. Although for some, virtual training was a suitable alternative, many areas of work could not benefit from online learning. This has meant there has been an increased need for 'refresher' training upon the opening of the sector.

## Skills demand and mismatch

- The lack of digital skills investment has made some businesses more vulnerable to be agile and respond to the uncertainty and changes of the past year's economic shocks. These skills range from the use of basic MS Office packages as well as more specialised use from a business owner for bookkeeping, stock control, web sites, apps and marketing.
- Areas of skills demand and shortages that existed in the tech sector pre-COVID will continue according to specialist digital and tech recruitment agencies for jobs and skills. The pandemic accelerated the need for a wide range of digital skills including:
  - Electronic Design Engineers, an area of growth for those with CAD expertise;
  - The growth and development of IoT increases the expertise needed in Python scripting;
  - Web developers are in high demand with skills in Java Script, HTML, react and Vue.js;
  - The growth in e-commerce has increased the demand for PHP programming languages and shopping software;
  - App development with demands for skills in Java and Swift programming languages
  - Unity Software Development is in demand for games development but also for use in 3D architectural design, transport and automotive engineering using VR and AR technologies
- As the TV and Film industry witnessed huge growth in Wales during the pandemic, a number of skills shortages surfaced, including: digital skills, post-production, series producers, executive producers (drama and factual), writers, script editors and production managers.

## Apprenticeships / Other WBL

- Apprenticeships in this industry in the region have generally not been pursued in great numbers, due to the sporadic nature of much of the work, which typically depends on a larger number of relatively short-term contracts or events. However, there have been some recent developments to delivery models that have been successful for the sector in North Wales.
- A shared apprenticeship scheme, mirroring the successful CRIW provision established in South-East Wales is now underway in North Wales, in association with Grŵp Llandrillo Menai, and local television production companies.
- Sgîl Cymru are also providing apprenticeships in the industry which has also been well-received
- COVID-19 hasn't changed the key message from the film and television production industries, that the availability of suitable regional training and supply of skills remains a challenge and mismatch. It is likely that apprenticeships of the future will have more blended learning techniques applied as the new norm for work-based learning.

# Tourism and Hospitality



GVA, £bn, 2018

742.1

# Employment 2019

37,183

% Regional Employment

11.8

% Regional GVA

6.9

## Sector Description

- This sector is based on the EMSI industry group definition, Tourism and Leisure Industries.
- There were approximately 37,183 people working in the tourism and hospitality industry in North Wales in 2019, representing 11.8% of the regional workforce.
- Tourism is more important to the North Wales, and the North-West Wales, economy than any other UK region. It is a leading employer of young people and Women.
- Over 3,000 businesses in North Wales directly operate within the tourism and hospitality sector.
- Tourism brings around £140 million to the economy
- Tourism's benefits go beyond spending; it contributes to the year-round quality of life for the residents in the region.
- Both Conwy and Gwynedd generate over £1Billion each. Tourism spend is £9m a day in North Wales, and accounts for quarter of the economy. 25% of all employment in Conwy is directly in tourism and Anglesey is more dependent on tourism than Blackpool.

## General business impact

- Since June 2020, when we conducted our first COVID-19 LMI Impact report, employers have repeatedly reported that they have had continued difficulties with recruitment despite a number of jobs fairs and recruitment events taking place across the region. There have been a number of factors that have contributed to recruitment challenges, including staff not returning to work after furlough, as well as a loss of the European workforce who have returned to their home nations as a result of Brexit implications.
- The Tourism and Hospitality sector was one of the worst affected by COVID-19, with full closures during lockdown and long-term restrictions in place until recently. While the sector has been able to fully re-open following the latest guidelines, it remains one of the hardest hit sectors as the demand outweighs the available resources. The sector is still facing difficulties with their supply chains as well as recruitment challenges.
- The implications for Tourism and Hospitality are expected to be long-term, with continued difficulties attracting people into the industry to work as industry perceptions have been tainted during the pandemic. In addition to this, the industry has lost a significant number of committed staff to other sectors as individuals changed careers while they were on furlough due to widespread uncertainty.

# Tourism and Hospitality



## Staffing levels and recruitment

- Although furlough provided a necessary lifeline for individuals, it had different consequences for some businesses. Many businesses saw the consequences of furlough with staffing choosing to leave after being asked to return to work when the restrictions were initially eased. With so many individuals leaving the industry, Tourism and Hospitality has been left with on-going recruitment challenges as there are a number of gaps in the workforce that have been difficult to fill.
- The industry faced recruitment challenges across all positions, from positions that were deemed 'low-skilled' such as administrative roles, waiters and house-keeping positions, to 'high-skilled' positions such as chefs, supervisors and general managers. Chef recruitment is an ongoing challenge since before COVID.
- In an attempt to overcome recruitment challenges and attract individuals to the industry, many businesses increased their hourly rate, however the lack of applicants has been persistent, with some businesses still struggling to combat their staff shortfall.
- While the people shortage has affected most sectors, it is expected that there will be long-term damage to the Tourism and Hospitality industry as the image of the sector has been tainted throughout the pandemic; the sector is now deemed unreliable and low-skilled which has had negative impacts on the sector perceptions.

## Employer training

- Transferable skills have been critical to employers within the Tourism and Hospitality sector during the pandemic with a shifted focus on being able to 'grow your own' skilled staff. Due to recruitment challenges, many businesses opted to hire individuals with the ability to learn the relevant skills as they were unable to hire individuals with suitable skills already.
- Upskilling has been essential for many businesses as they have had to upskill existing staff to be able to work across multiple departments in order to make up for their shortfall of people.
- For some businesses, particularly SMEs, training costs and time pressures were continuous obstacles for upskilling staff during the pandemic, especially due to the uncertainty of the sector. However, many employers have expressed that they would like to take advantage of funding opportunities available to their staff to retrain and upskill, including schemes such as the Personal Learning Accounts.

## Skills demand and mismatch

- The pandemic allowed businesses to identify the need for new skills, including basic IT skills, problem solving, communication (in both English and Welsh), as well as leadership and management skills. While these skills have been highly sought after over the last two years, the skills needs and demands of the sector have not been limited to this list.
- Following the digitalisation of the industry and many of its processes, there has been a growing demand for IT skills, with an expectation of advanced or specialist IT skills becoming more prevalent in the next 5 - 10 years. These digital skills also extend to include coding, web development skills and digital marketing.
- In order for businesses to remain competitive, they recognise that investment is needed in digital business tools as the industry has evolved significantly.

## Apprenticeships / Other WBL

- Throughout the pandemic, there was a lot of hesitance among Tourism and Hospitality businesses when recruiting an Apprentice due to the uncertainty in the sector. However, as the sector began to recover, there was a visible shift among employers as the interest in recruiting an apprentice grew.
- A recurring challenge for employers within the sector who have considered recruiting an apprentice is that the current provision doesn't meet their needs. Employers have shared that the process of employing an apprentice is often difficult, and the information is not easily accessible, is too time consuming and can be confusing.
- Over the last 2 years, the sector has recognised the importance of investing in their staff in order to retain them and promote their potential progression, acknowledging that apprenticeships could be an essential part of their personal development.

# Financial and Professional Services



GVA, £bn, 2018

1.7

# Employment 2019

38,360

% Regional Employment

12.2

% Regional GVA

15.7

## Sector description

- This industry is based on the Welsh Government priority sector definition of financial and professional services.
- There were approximately 38,360 people working in the financial and professional services industry in North Wales in 2019, representing 12.2% of the regional workforce.

## General business impact

- The Financial and Professional sector was one of the least affected sectors in terms of staff who were furloughed as many businesses were able to continue every-day corporate services remotely, even when the production elements of the business had to pause operations.
- Most high street banks, building societies and insurance companies remained open during the pandemic with social distancing measures in place.
- Many corporate services are considering long-term hybrid working for roles which are non-customer facing. This will offer employees flexible working opportunities.



## Staffing levels and recruitment

- While recruitment in the Financial and Professional sector has continued throughout the pandemic with many organisations advertising roles in HR, payroll and legal and finance, many employers have reported that they have been faced with a lack of applicants. Although the sector recognises that some positions have always been more difficult to fill such as IT Specialist roles, the pandemic has inflated this challenge.
- There are a number of other reasons recruitment has been difficult, including a number of individuals choosing to seek work in other industries, however remote working has been one of the biggest barriers for employers. Although remote working has allowed businesses to continue providing their services, it has also meant that the sector is more competitive as individuals in North Wales can apply for jobs in large cities such as Liverpool, Manchester and even London, all while staying in the region. Having access to these vacancies has meant that local employers have had to increase their salaries in order to compete with cities for talented and skilled staff. It is thought that this will have long-term impacts on the skills shortage in the sector for the region as a number of businesses have adopted a hybrid or permanent remote working model.
- Employers can now secure individuals outside of North Wales into local positions as remote working has become the norm, giving them access to a new talent pool.

## Employer training

- While the majority of training continued within the Financial and Professional sector, the delivery was adapted to be virtual to comply with social distance measures put in place.
- In order to continue day-to-day operations, many employers conducted internal virtual training to upskill their staff to be able to use new and unfamiliar software packages such as MS Teams, PowerPoint, Zoom, and for some more specifically, digital accounting.
- Upskilling has also been key for many individuals in Team Leader or Managerial roles within the sector as employee needs have shifted as a result of long-term distance learning. Some areas of upskilling and retraining have included short courses in 'Having difficult conversations on-line' and 'Managing through change', as well as more general training in time management, self-motivational skills and mental health and well-being, all of which have become more important during the pandemic.

## Skills demand and mismatch

- With the digitalisation of many workplace processes during the COVID-19 pandemic, there has been an increased demand for digital skills across the sector. Cyber security, marketing, and risk specialists relying on data analytics have all seen a high-demand in recruitment as businesses have been adapting to the new way of working.
- To remain competitive, some businesses have acknowledged that in future they will need to be more proactive in digital developments to ensure that all employees' skills meet their business needs.
- Employers have expressed that the current supply of higher-level skills cannot meet demand by the sector.

## Apprenticeships / Other WBL

- During the pandemic, many employers reported their continued use of Apprenticeships to recruit as well as to upskill their existing workforce.
- The demand for Apprenticeships in this sector has grown as a result of the pandemic, with more employers keen to grow their own talent.
- Employers also made use of other WBL programmes such as the Personal Learning Accounts.