

UK Employer Skills Survey 2017

A summary of key findings for the energy and utilities sector

About the Report

The Department for Education (DfE) published the 2017 UK Employer Skills Survey (ESS) in August 2018, the fourth in the series of biennial reports. As one of the largest business surveys in the world, it is based on responses from Senior HR representatives from over 87,000 employers. A number of EU-related questions were introduced to ESS 2017.

UK Context

According to the latest results, the number of establishments in the UK with vacancies has been rising, growing 6% since 2011 to 20% in 2017. In addition, the number of firms with hard-to-fill vacancies has doubled since 2011, at 8%, as has the number of skills-shortage vacancies at 6%. In total, the number of skills-shortage vacancies in 2017 stands at 22%. Regarding training and development, approximately two-thirds of UK employers have trained staff in the previous 12 months, a consistent trend since 2011, training approximately 62% of their workforce in 2017. This amounts to 114m training days, averaging 4 training days per employee, costing £1,500 per person and £44.2bn UK wide.

Key Findings for Primary Sector & Utilitiesⁱ

About Primary Sector & Utilities

The Primary Sector & Utilities continues to be a relatively small sector both in terms of numbers of establishments and employment, counting for 6% of all establishments and 3% of all employment. 16% of establishments in the Primary Sector & Utilities are selling to or serving the EU and 4% of establishments see the EU as their primary market. Thus the majority, 80%, of primary and utilities employers were most likely to serve a UK-only market. In the Primary Sector & Utilities only 9% of establishments employed at least one EU national.

Vacancies & skill-shortage vacancies (SSVs)	2017
% of establishments with any vacancies	8%
% of establishments with any hard-to-fill vacancies	2%
% of establishments with SSVs	3%

% of all vacancies that are SSVs	33%
Number of vacancies	18,000
Number of skill-shortage vacancies	6,000

Skills gaps	2017
% of establishments with any staff not fully proficient	9%
Number of skills gaps	36,325
Number of staff not fully proficient as a % of employment	4.7%

Training	2017
% of establishments training staff over the last 12 months	53%
% of establishments providing off-the-job training in the last 12 months	42%
% of workforce trained	52%
Total days training	1.8m
Training days per employee	2.4
Total training expenditure[†]	1.1bn
Training expenditure per employee[†]	£1,380

Recruitment & Skills-Shortage Vacancies

One in five UK employers (20%) had at least one vacancy in summer 2017, totalling one million vacancies reported, a 9% increase since 2015. 22% of these were skills-shortages vacancies (SSVs), vacancies that employers find hard-to-fill due to applicants lacking relevant skills, qualifications or experience. **The density of SSVs for the Primary Sector & Utilities has increased from 26% in 2015 to 33% in 2017.**

Skilled trade roles continue to have the highest density of SSVs, with skills shortages accounting for every two in five vacancies. **SSVs have been persistently high for Machine Operatives, heavily impacting our sector (47%) over Construction (34%) and Transport & Storage (38%).** There is also consistent demand in the sector for professional occupations, sitting at 36% for the Primary Sector & Utilities.

Skills Lacking in the Available Market

The skills lacking among applicants covered both technical and practical skills, as well as people and personal skills. On the technical side, UK employers reported a lack of digital skills, skills related to operational aspects of the role, and a lack of complex analytical skills.

The main people and personal skills found lacking predominantly related to self-management skills, management and leadership, and sales and customer handling skills.

The top 5 technical and practical skills lacking among applicants in the Primary Sector & Utilities are:

- **Specialist skills / knowledge (77%)**
- **Ability to manage own time and prioritise own tasks (47%)**
- **Reading / understanding instructions / reports etc (43%)**
- **Instructing, training / teaching people (41%)**
- **Basic numerical skills (38%)**

Addressing Recruitment Challenges

In the UK, 87% of establishments that had difficulty filling vacancies took action to help overcome challenges, such as increasing recruitment spend or using new methods. **53% of the Primary Sector & Utilities took similar action, with 28% of employers trying to fill these roles by recruiting EU Nationals. However, according to this research only 9% of firms currently employ EU nationals.**

Internal Skills Challenges

While the majority of UK firms (87%) reported that all of their staff were fully proficient at their jobs, one in seven employers (13%) had at least one member of staff who was not and referred to as having a skills gap. Nationally, the skills gap density has continued to fall from 5.5% in 2015 to 4.7% in 2017, with the majority of gaps being caused by transient factors (76%).

However, in the Primary Sector & Utilities, the skills gap density increased significantly from 3.8% to 4.7% in 2017. Approximately one in six skills gaps (17%) were caused entirely by transient factors. English not being the first language of staff contributed to 8% of skills gaps in the sector, compared to 1% across all sectors.

Top 3 technical and practical skills lacking among staff with skills gaps in the sector:

- Specialist skills / knowledge (48%)
- Reading or understanding instructions, reports etc. (32%)
- Adapting to new equipment / materials (31%)

Top 3 people and personal skills lacking among staff with skills gaps in the sector:

- Ability to manage own time & prioritise own tasks (54%)
- Team working (49%)
- Managing / motivating other staff (33%)

The sector is also lagging behind with the percentage of employers who are High Performance Working (HPW). HPW is an approach by employers that aims to stimulate more employee involvement and commitment, to grow high levels of performance. Overall, 9% of UK employers are seen as HPW. **Only 3% of Primary Sector & Utilities firms are HPW.**

The majority of UK establishments with skills gaps had taken action (85%) and a further 5% had plans to do so in the future, most likely by increasing training activity or spending. **The Primary Sector & Utilities was among the most likely to cite major impacts of skills gaps, but the least likely of sectors to respond in any way (74%), despite 39% of the sector reporting skills gaps had driven up operating costs.**

Upskilling

Across the UK, 63% of employers expect that at least some of their staff will need to acquire new skills or knowledge over the next twelve months, 11% lower than it was in 2013 and **9% lower in the Primary Sector & Utilities, standing at 58% in 2017.**

39% of UK employers reported this was due to new legislative or regulatory requirements. The same number also attributed it to the development of new technologies and equipment and a quarter said it was due to increased competitive pressure. One in eight firms said the UK's decision to leave the EU was a reason for the need for upskilling and was reported by **16% of the Primary Sector & Utilities.**

Training & Workforce Development

Two-thirds (66%) of UK employers had provided training for their staff over the past 12 months, with either off-the-job training or on-the-job training provided by around half of all employers in each case (48% and 53%). **Employers in the Primary Sector and Utilities were the least likely to provide any training (53%) and training expenditure substantially decreased by 20% since 2015.**

The top 5 types of training provided by the Primary Sector & Utilities:

- **Job-specific training (81%)**
- **Health & Safety training (72%)**
- **Basic induction (43%)**
- **New technology training (41%)**
- **Extensive induction (21%)**

51% of employers have been using online training and e-learning, an increasingly popular process, yet this was **least common among those in the Primary Sector & Utilities, with only 23% using digital methods of training.** In addition, in the UK there has been a slight decrease in the proportion of all staff being trained to a nationally recognised qualification in 2017, sitting at 11% and **equating to 13% of staff within the Primary Sector & Utilities.**

Training to Qualifications

There has been a decrease in the UK of the proportion of all staff being trained to nationally recognised qualifications in 2017 to 11%, down from 12% in 2015. **In the Primary Sector & Utilities 13% of all staff were being trained to nationally recognised qualifications.** The decrease in training to qualifications occurred at levels 1, 2 and 3, while the proportion of training employers using Level 4 qualifications was unchanged.

The use of online training and e-learning has increased across all countries and sectors, and in 2017 was being used by half of all employers that train (51%, up from 45% in 2015). However, **it was least common among those in the Primary Sector and Utilities (23%).**

ⁱ Primary sector and utilities includes the following industries:

- A - Agriculture, forestry and fishing (01-03) - Including farming, hunting and other related service activities, forestry and logging, fishing and aquaculture
- B - Mining and quarrying (05-09) - Including mining of coal, metals, sand / stone / clay, and extraction of crude petroleum and natural gas
- D - Electricity, gas, steam and air conditioning supply (35)
- E - Water supply, sewerage, waste management and remediation activities (36-39) - Including electric power generation, transmission and distribution, manufacture of gas and distribution of gaseous fuels, steam and air conditioning supply, water collection, treatment and supply, sewerage and waste collection