



Monmouth Labour Market Survey

prepared for

Monmouth and District Chamber of
Commerce

November 2018



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1. Executive Summary

A survey was conducted on behalf of MDCTC to understand the labour market challenges within the town. The key findings of this report are:

- A total of 26 businesses took part in the survey, all based in central Monmouth postcodes. The highest number of responses (69%) came from the retail sector.
- Unemployment in Monmouth (3.4%) is below the average for Wales (4.8%). Monmouth, like the rest of the UK is experiencing a tight labour market, where demand outstrips supply of labour, making it a) challenging to recruit enough staff and b) challenging to recruit staff with the required skills and abilities.
- From the data set, 50% of employees live in Monmouth. The remaining 50% commute from all the surrounding English and Welsh postcode areas. Public transport within the area is limited and therefore it's anticipated that the remaining 50% of employees commute predominately by car, which in turn impacts upon the town's congestion and parking challenges.
- A mix of advertising methods are being used by respondents, but only 23% use social media and 13% use online recruitment websites. These newer advertising channels can be low cost and quick, compared to traditional methods, such as print advertising and could be utilised more effectively to increase the quantity and suitability of candidates.
- The time it takes to recruit for a role is 2 months or less for 73% of respondents. This suggests that the number of unfilled vacancies is low compared to the UK, with 2/3rds of employers reporting 'hard to fill' vacancies according to the CIPD.
- Based on candidate feedback respondents reported that the 2 main obstacles to recruitment are salary expectations and the availability of suitably qualified candidates. This is reflective of a tight labour market and therefore unsurprising. One respondent detailed their experience of 'ghosting' whereby candidates fail to turn up for an arranged interview or their first day of work. Again, this is reflective of a tight labour market.

2. Background and Objectives

This survey has been undertaken by Laura Sihdu of HR Dept on behalf of MDCTC.

There is a significant amount of anecdotal evidence within the Monmouth and district business community about the difficulty in recruiting staff and the impact that has on the growth of local business.

In response, MDCTC has conducted a survey to understand the recruitment challenges and identify any trends within the area. This report details the findings.



3. Employment Market Context

a. UK Perspective

According to the Chartered Institute of Personnel and Development (CIPD) Labour Market Outlook, Summer 2018, there is strong employment growth in the UK. A potential consequence of which is a tightening labour market.

Labour market tightness depends not only on employers' demand for labour but also on developments in labour supply. The CIPD Labour Market Outlook data suggests that the continued strength in labour demand is feeding through to recruitment pressures for more employers, compared with previous reports.

The CIPD report that on average, employers received fewer applications per vacancy in the 2018 survey compared to 2017 for high, medium and low skilled roles:

Median applications	2018	2017
Low Skilled	20	24
Medium Skilled	10	19
High Skilled	6	8

As a result, four in ten (40%) employers report that recruitment pressures have increased at their organisation owing to a combination of fewer applicants and less suitable applicants.

The CIPD's Labour Market Outlook also reports that recruitment intentions among employers are broadly consistent with recent trends. Overall, around seven in ten (69%) organisations state that their organisation is planning to recruit employees in the next three months.

b. Monmouthshire perspective

Official labour market statistics prepared by NOMIS in October 2018 for the Office of National Statistics show that Monmouthshire has above average employment rates compared to the rest of Wales, with unemployment running at 3.4% in Monmouthshire compared to 4.8% across Wales, this indicates that Monmouthshire has a particularly tight labour market.



4. Survey Method

All members of MDCTC were sent a link to an on-line questionnaire to complete in August 2018 (Appendix A). In addition, a number of paper copies were issued in person into businesses on Monnow Street (the main high street area in the town).

The questionnaire was designed to take 10 to 15 minutes to complete. Not all sections were compulsory in order to obtain as many responses as possible.

Due to a low response rate, the deadline for completing questionnaires was extended until the end of September. A total of 26 businesses completed the questionnaire.

5. Survey Limitations

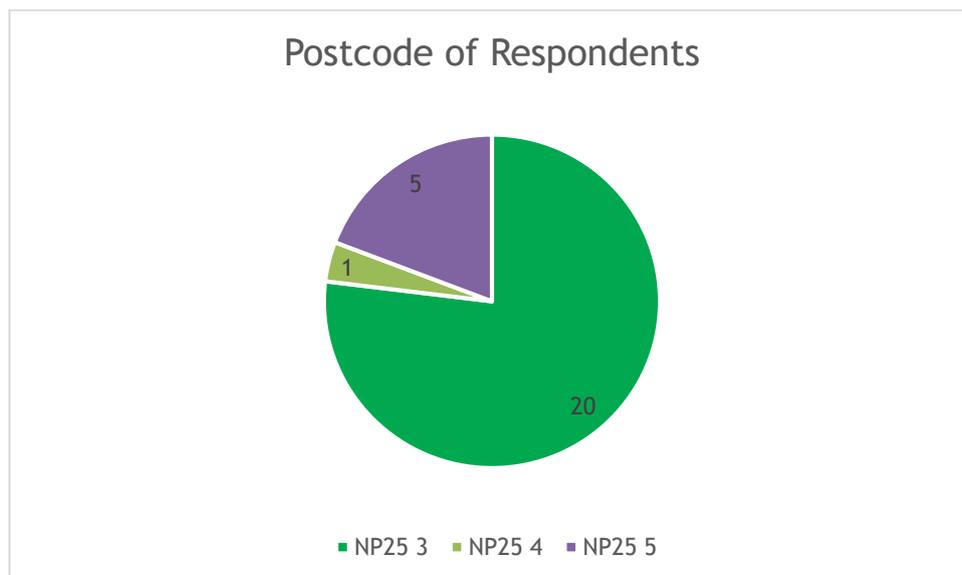
The aim for this survey was to achieve 50 to 100 survey responses. The response rate was lower than hoped and as a result, we need to be careful not to draw too many conclusions on a small sample size.

A number of responses were only partially completed. As a result, there is insufficient data to analyse the gender split in employment from respondents.

6. Survey Results

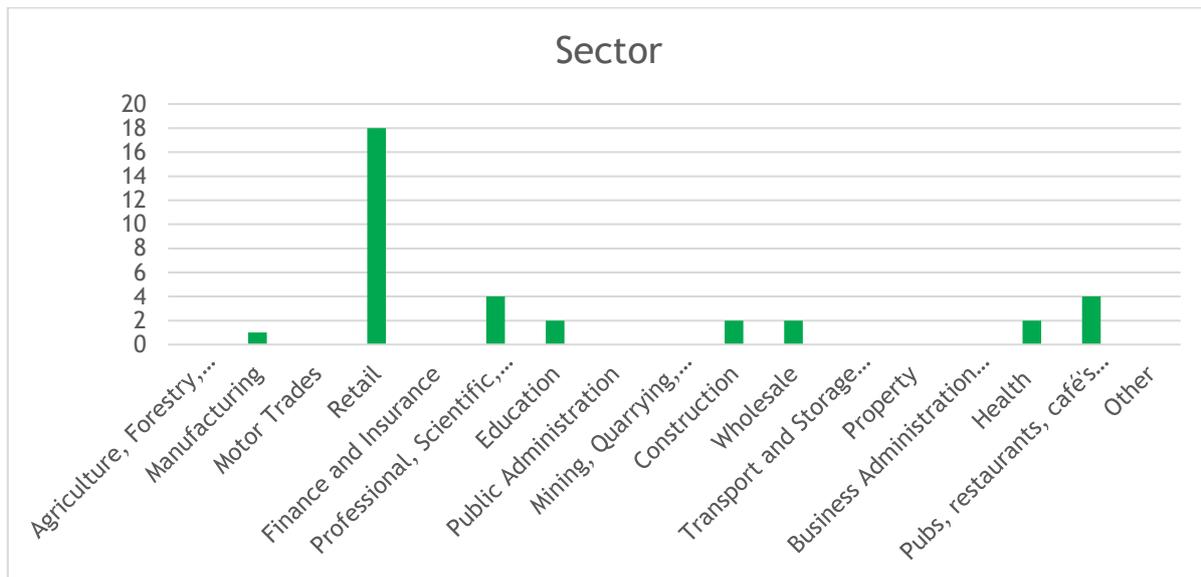
All the respondents are based in the central Monmouth areas, with the Postcodes NP25 3**, NP25 4** and NP25 5**.

Graph 1:



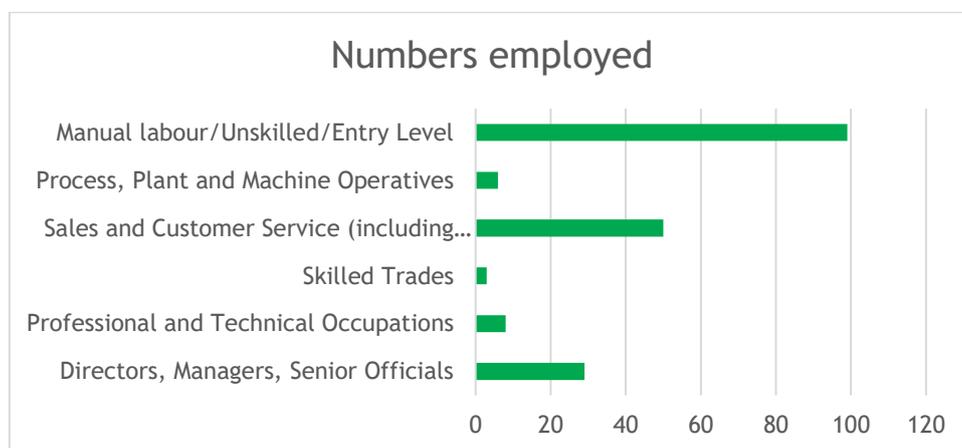
The highest number of responses came from the retail sector (69%). Which is not surprising, given the surveys were handed out in Monnow Street, which has a high retail base.

Graph 2:



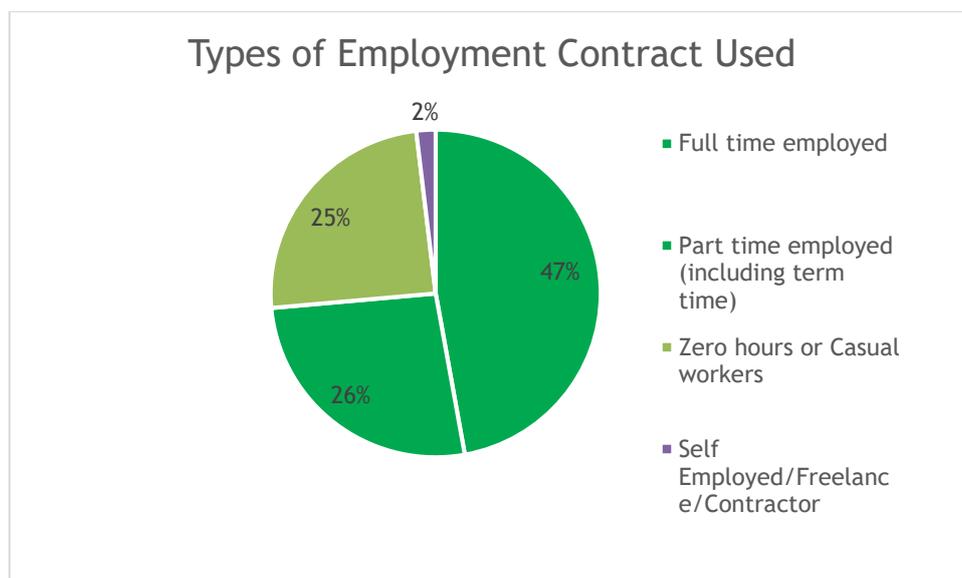
Based on all responses, a total of 99 staff are employed in manual/unskilled entry level roles, with a further 50 employed in Sales and Customer Service and 29 employed in Senior official/managerial or Director roles. The respondents only employ a handful of staff in process operative, skilled trades and technical occupations.

Graph 3:



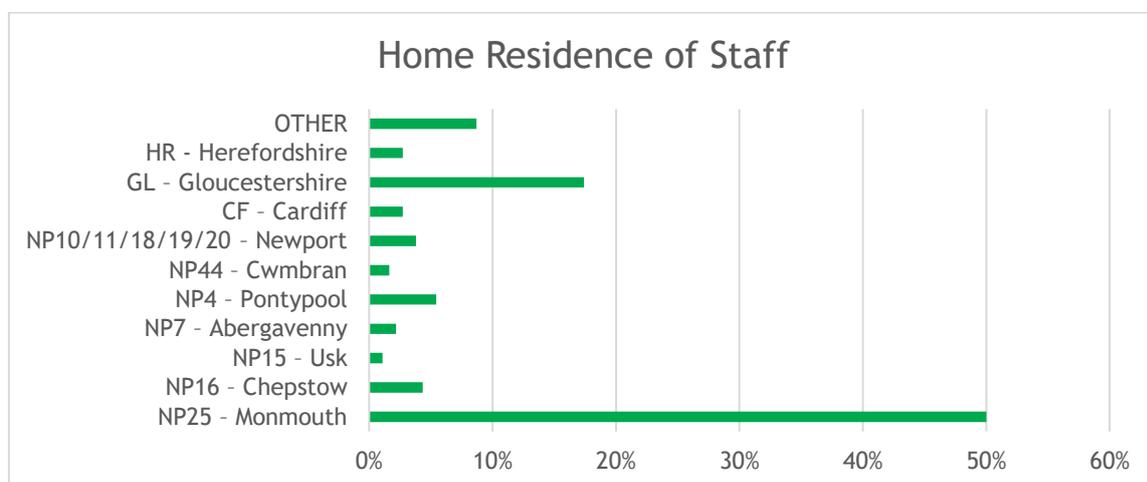
The most popular type of employment arrangement is a full-time contract. However, 42 individuals are employed on a part time basis and 39 individuals are employed on zero hours. This trend reflects in the increase in zero hours contracts across the UK more broadly, particularly in the retail and hospitality sectors.

Graph 4:



Respondents were asked to detail the post code areas of staff home addresses to establish how many commute. The table below shows 50% of staff live and work in Monmouth. However, individuals commute from all the surrounding postcode areas. With limited public transport, a significant majority of commuters will travel by car, which in turn will impact upon the availability of parking within the town.

Graph 5:





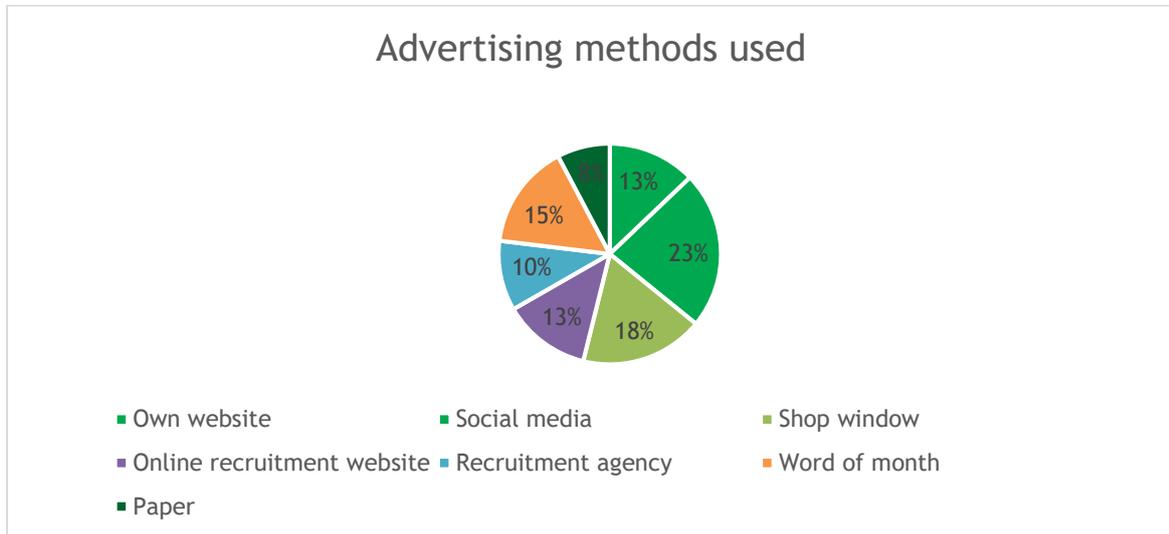
CIPD research found that 2/3rds of employers reported having vacancies that are hard to fill. Looking at the average time to recruit in Monmouth, 73% of vacancies are filled within 2 months, which suggests that the recruitment challenges are not felt within the town as acutely as they are felt elsewhere.

Graph 6:



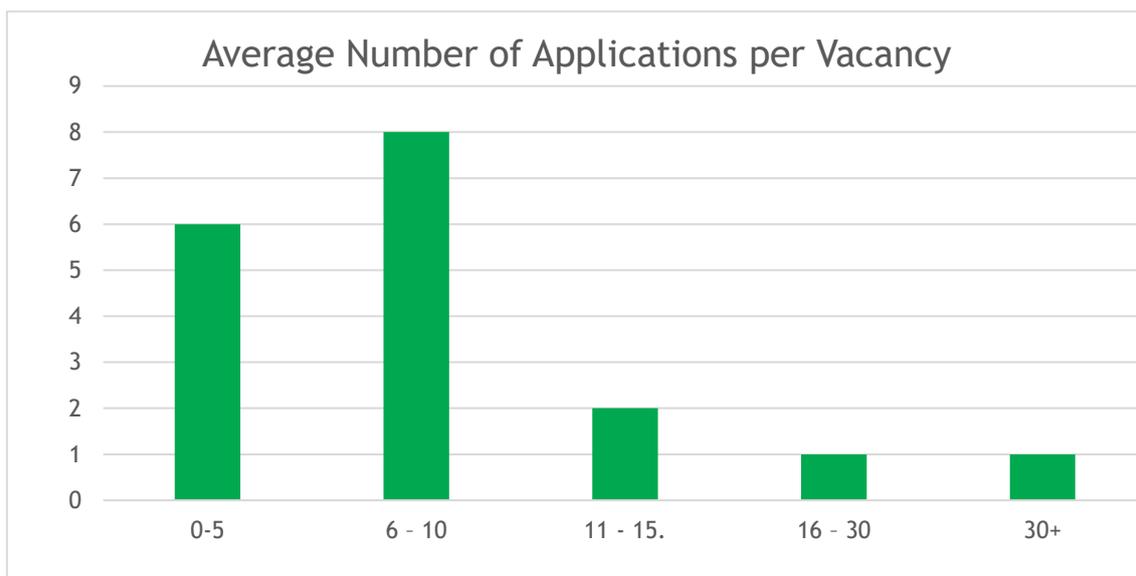
The methods of advertising range widely, with only a handful using traditional forms of advertising, such as newspaper (8%). A significant number of respondents are still using adverts in shop windows (18%) and word of mouth (15%). Given the increase in technology in our lives, it's surprising that online and social media advertising is not used more widely (13% and 23% respectively). These channels can be inexpensive (often free) and are quick. It's likely that an increase in the use of these channels will increase quality and suitability of potential candidates.

Graph 7:



The average number of applications reported per vacancy are lower than the averages outlined in the CIPD report, which reported an average of 20 applications per low skilled role and 10 per medium skilled role.

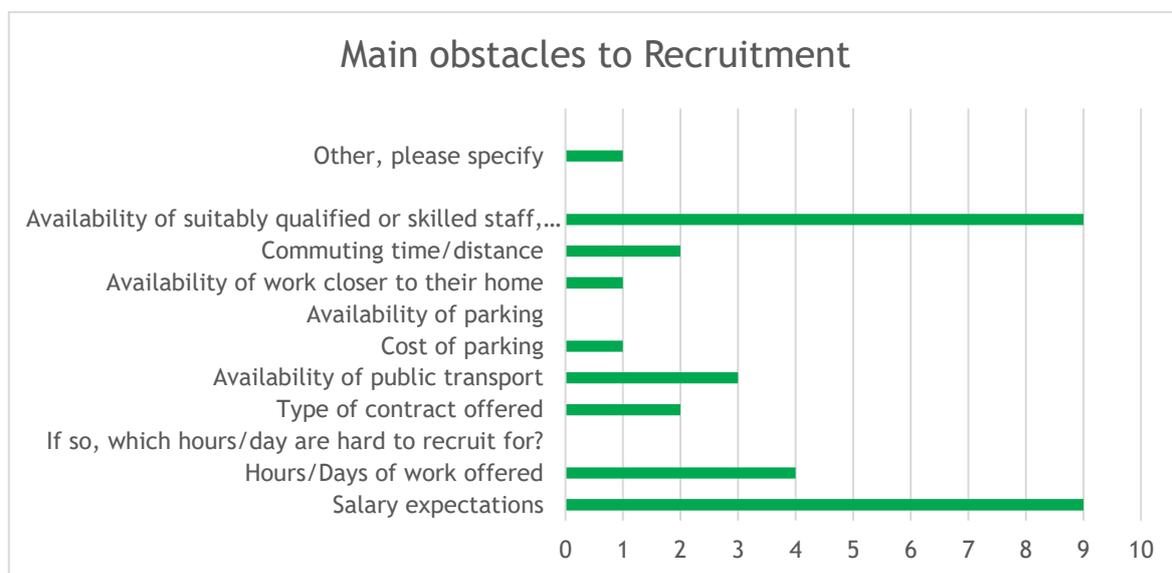
Graph 8:





The two main obstacles to recruitment based on candidate feedback is reported to be the availability of suitably qualified or skilled staff and salary expectations. Given that we are operating in a tight labour market, these two obstacles are not surprising.

The other factor likely to impact is travel and transport, with 7 respondents linking commuting time, parking, work closer to home and public transport being an obstacle to recruitment.



The additional comments made by respondents were:

'The quality of applications received for jobs is poor. Educational standard low and limited work experience offered. 50% of applicants offered an interview decline or do not attend'

'Recent experience of 'workplace ghosting' Candidates are applying for jobs, and for whatever reason are then ignoring an invitation to interview (via telephone and/or email). If interviews are arranged the majority of applicants do not turn-up, and we have had a number of applicants not turn up for PAID trial shifts'

'Cost of housing in Monmouth. Rental is very high for your persons to afford Finding staff doesn't seem to be that difficult in retail, but finding the right staff can be problematic'

These comments also fit the patterns reported above, symptomatic of a tight labour market.



7. Reference Documents

CIPD Labour Market Outlook, Summer 2018

NOMIS, Official Labour Market Statistics, Monmouthshire, July 2017 - June 2018



MONMOUTH AND DISTRICT CHAMBER OF TRADE AND COMMERCE

IN ASSOCIATION WITH HR DEPT (NEWPORT & MONMOUTH)

In response to members of MDCTC reporting significant challenges in labour shortages, we are undertaking a labour market survey across Monmouth based businesses. The results of this survey will be discussed with Monmouthshire County Council, Monmouth Town Council, The Welsh Government, Business Wales and other organisations, as we seek ways to find solutions to any shortages in staff or skills.

In order for the results to reflect the actual situation, we need to get as much participation from the business community as possible and we would therefore be grateful if you would participate by completing this questionnaire.

It should take no more than 10 minutes and is completely anonymous.

If you have any questions in relation to the questionnaire, please contact Laura Sihdu on laura.sihdu@hrdept.co.uk.

The outcomes of this survey will be available upon request and will be discussed at the next Chamber of Commerce meeting on 24th September 2018. If you would like to attend, please contact David Cummings, Chairman of Monmouth and District Chamber of Trade and Commerce at chairman@mdctc.co.uk

Monmouth and District Chamber of Trade and Commerce,
Singleton Court Business Park, Monmouth. NP25 5JA

**PLEASE RETURN THIS QUESTIONNAIRE TO SHIRE HALL OR MON TEAS
BY MONDAY 18th SEPTEMBER**



SECTION 1: ABOUT YOUR BUSINESS

1. Postcode (First 5 digits only) _____

2. Sector Please tick:

- | | |
|-------------------------------------|--|
| Agriculture, Forestry, Fishing | Mining, Quarrying, Utilities |
| Manufacturing | Construction |
| Motor Trades | Wholesale |
| Retail | Transport and Storage inc. postal |
| Accommodation and Food Services | Information and Communication |
| Finance and Insurance | Property |
| Professional, Scientific, Technical | Business Administration and Support Services |
| Education | Health |
| Public Administration | Other |

3. Opening Hours

Please tick if you open during the following times:

	Mon	Tues	Weds	Thurs	Fri	Sat	Sun
AM							
PM							
EVE							

SECTION 2: ABOUT YOUR TEAM

1. Number employed (excluding current vacancies)

Count 1 person as 1 head regardless of the number of hours worked

Occupation	Number
Directors, Managers, Senior Officials	
Professional and Technical Occupations	
Skilled Trades	
Sales and Customer Service (including Hospitality)	
Process, Plant and Machine Operatives	
Manual labour/Unskilled/Entry Level	



2. Types of Contract used:

Contract	Number
Full time employed	
Part time employed (including term time)	
Zero hours or Casual workers	
Self Employed/Freelance/Contractor	

3. Gender Split

Percentage of women _____

Percentage of males _____

4. Home residence of staff

Postcode Area	Number of staff
NP25 - Monmouth	
NP16 - Chepstow	
NP15 - Usk	
NP7 - Abergavenny	
NP4 - Pontypool	
NP44 - Cwmbran	
NP10/11/18/19/20 - Newport	
CF - Cardiff	
GL - Gloucestershire	
OTHER	

SECTION 3: RECRUITMENT EXPERIENCES

1. Number of vacancies in past 12 month (if 0, progress to question 6)

Occupation	Number
Directors, Managers, Senior Officials	
Professional and Technical Occupations	
Skilled Trades	
Sales and Customer Service (including Hospitality)	
Process, Plant and Machine Operatives	
Manual labour/Unskilled/Entry Level	



Based on the past 12 months:

2. Average time to recruit in months: _____
3. Where do you advertise vacancies? _____

Your own website	
Social media	
Shop window	
Online recruitment website	
Recruitment agency	
Word of mouth	
Other, please specify	

4. Average number of applications per vacancy:

0-5
 6 - 10
 11-15
 16 - 30
 30+

5. Based on candidate feedback, what do you believe the main obstacles to recruitment to be (if any)

Reason	Tick if applicable
Salary expectations	
Hours/Days of work offered If so, which hours/day are hard to recruit for?	
Type of contract offered	
Availability of public transport	
Cost of parking	
Availability of parking	
Availability of work closer to their home	
Commuting time/distance	
Availability of suitably qualified or skilled staff, If so, please specify the skills unavailable:	
Other, please specify	

6. Any other comments you would like to add



Thank you for taking the time to complete this questionnaire. If you would like a copy of the results of this questionnaire. Please provide your email address below.

Email address _____

Alternatively, if you would like to attend the MDCTC meeting on Monday 24th September, when the results will be presented, please contact David Cummings on chairman@mdctc.co.uk