

# Revising the Standard Occupational Classification 2010 (SOC2010)

## GLA consultation response

April 2016

This document provides the response of the Greater London Authority (GLA) to the consultation on revising the Standard Occupational Classification 2010 (SOC-2010)<sup>1</sup>.

### Overarching comments

The main area of concern for GLA Economics would be to ensure that any changes do not have a detrimental impact on the availability and consistency of historic series. Any changes to this effect risk limiting our ability to provide robust analysis of long-term trends that underpin our employment projections. These are considered critical to inform London's long term planning.

### Our use of SOC

#### Question 1: Do you or your organisation currently use SOC2010?

Yes, SOC2010 is regularly used as part of the GLA Economics' work to monitor London's economy and labour market. This can be divided into four main areas:

#### *I. Analysis of London's occupational structure and skills needs*

Alongside information on formal qualifications held by workers, GLA Economics regularly presents information on the 1- and 2-digit SOC-2010 occupational structure of employment as an alternative indicator of the skill levels necessary to perform a role. An example of this is GLA Economics work to inform a response to a call for evidence by the Migration Advisory Committee (MAC) on migrant employment in low-skilled work:

[https://www.london.gov.uk/sites/default/files/gla\\_migrate\\_files\\_destination/wp60.pdf](https://www.london.gov.uk/sites/default/files/gla_migrate_files_destination/wp60.pdf)

More recently, GLA Economics have made use of time series data available through the Annual Population Survey to understand recent trends (2004-2014) in the occupational structure of employment in London and the sub-regions designated for the [Government's area-based reviews](#).

#### *II. Detailed history of employment in London by occupation*

Understanding the history and drivers of jobs in London forms a key part of the evidence base required to help inform effective policies for London. It also forms an essential part of the work undertaken to produce long-term projections for London's labour market. For these, in order to produce a consistent time series to 2001, it is necessary to follow ONS transformation matrices and mapping to back-cast SOC-2010 onto SOC-2000. Unfortunately, there are challenges and data limitations associated with

<sup>1</sup>

<https://www.ons.gov.uk/aboutus/whatwedo/statistics/consultationsandsurveys/allconsultationsandsurveys/consultationonrevisingthestandardoccupationalclassification2010soc2010>

taking this back further before 2001 using SOC-90. The GLA would welcome further guidance and transformation matrices between SOC-2000 and SOC-90 to develop a longer time series than is currently available. If updates to SOC were to create further breaks between classifications, or not provide sufficiently reliable mapping between the historic classifications, this could compromise the methodology developed to date, and limit the ability to produce robust and consistent historic estimates which underpin our employment projections.

### *III. Analysis of occupational pay and earnings*

GLA Economics also use SOC-2010 to analyse earnings levels across different job roles using data from the Annual Survey of Hours and Earnings (ASHE). For example, GLA has made use of earnings data to inform their responses to assess the impacts of changes to salary thresholds for skilled worker visas to inform our response to MAC consultations and calls for evidence.

### *IV. Occupation specific or defined low-level geography analysis*

SOC2010 is also used for analysis of defined activities that span across different sectors of the London economy (such as creative jobs, logistics, etc.). For example, 4-digit SOC2010 codes have been used to identify creative roles. This identified 4-digit occupations as 'creative' and informed estimates of jobs associated with creative industries and the wider creative economy. Detail of our work on creative industries in London is available at: <https://www.london.gov.uk/sites/default/files/creative-industries-in-london.pdf>

SOC-2010 data collected for the 2011 Census has enabled GLA Intelligence Unit to carry out spatial analysis of occupational groups across London on a residence basis. Previous examples of GLA Economics research include our analysis of activity within the Central Activities Zone and Northern Isle of Dogs which fed into developing the GLA's Supplementary Planning Guidance for that area (<https://www.london.gov.uk/what-we-do/business-and-economy/business-and-economy-publications/wp-68-work-life-caz-north-part>), and our work on creating an economic baseline for the Old Oak and Park Royal Development Zone (<https://www.london.gov.uk/what-we-do/research-and-analysis/gla-economics-publications/socio-economic-baseline-old-oak-and-park>).

## **Question 2: At what group level do you or your organisation use SOC2010?**

We use SOC2010 at all group levels:

- ☒ major (1 digit level)
- ☒ sub major (2 digit level)
- ☒ minor (3 digit level)
- ☒ unit (4 digit level)

## **Our views on SOC2010**

### **Question 3: In your view does SOC2010 need to be updated?**

Yes.

### **Question 4: What areas of SOC 2010 do you think could be improved?**

While it is considered likely that occupational groupings may require updating / combining to better reflect changes in the economy, it is considered a priority that any updates do not impede the ability to produce consistent historic time series on the occupational structure of the labour market.

Possible areas for consideration include: sub-major groupings for managers (1) and professional (2) occupations. As the UK economy, and London's in particular, are increasingly specialised in service industries, it may be necessary to update groupings to reflect the increased numbers of jobs / workers in

these occupational categories. This could include, for example, providing more separate groupings at 2-digit (sub-major group) level e.g. 'business, media and public service professionals' is an example of a sub-major group that includes a number of different occupations which have been growing in relative importance in recent years. In the case of managers, it may be informative to add 'chief executives and senior officials' as its own sub-major group.

Secretarial roles and elementary administrative occupations may also need updating to reflect a decline in the relative weight of the former and possible rise in the latter. It may be sufficient to distinguish elementary administration from elementary services at sub-major group level to gain a clearer understanding of this perceived change.

**Question 5: Please provide any other comments on SOC2010.**

As expressed elsewhere, the primary concern for GLA Economics would be to ensure that any changes do not have a detrimental impact on the availability and consistency of historic series.

**Our use of National Statistics Socio-economic classification (NS-SEC)**

**Question 6: Do you or your organisation currently use NS-SEC?**

Yes, the NS-SEC is however rarely used by the GLA. There is a tendency to use information from SOC-2010 and/or labour market status directly, from which the simplified NS-SEC is derived.

Exceptions to this include a briefing on NS-SEC for London that the Census Information Scheme provided in 2013: <http://data.london.gov.uk/dataset/ns-sec-report-data/resource/b9081b64-9699-48ce-a95a-8bd918fa1f36>, and reported on housing tenure by socio-economic status: <https://londondatastore-upload.s3.amazonaws.com/qYk%3D2011-census-tenure-by-ns-sec.pdf>

**Question 7: At what level do you or your organisation currently use NS-SEC?**

Operational category

**Our views of National Statistics Socio-economic classification (NS-SEC)**

**Question 8: Please describe below what the impact would be to you or your organisations work if ONS coded NS-SEC using the simplified derivation method.**

Since NS-SEC is based on occupation, the Census analysis team often prefer to use SOC directly. The question on supervisory status in 2011 Census is used only to derive NS-SEC and is not analysed in itself. A change in methodology for deriving NS-SEC is therefore unlikely to be a significant impact on the work of GLA Intelligence Unit.

**Question 9: Please provide any other comments on NS-SEC.**

Not applicable