

LOCAL SKILLS REPORT AND SKILLS ACTION PLAN 2022

EXECUTIVE SUMMARY



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PURPOSE OF REPORT

The 2022 Local Skills Report highlights the work of the EM3 Skills Advisory Panel (SAP) in 2021 and refreshes the findings of the previous Report and Skills Action Plan. It sets out the key characteristics of the skills landscape and the labour market in the EM3 area and highlights the impact of the pandemic, together with some examples of how the area has responded. It considers the skills opportunities and foreseeable demands as we move to a decarbonised economy and sets out the SAP's work in these areas.

MAIN FINDINGS ON THE SKILLS LANDSCAPE

As international, national and local economies emerge from lockdowns, in EM3 the impact of the pandemic is both better and worse than predicted. Employment levels have recovered well and at January 2022 the rate of employment in EM3 is running at around 80%. Our area remained very resilient compared with neighbours throughout the South East.

Our economy is not facing the shortage of jobs some predicted, but instead a shortage of people. Very many sectors are advertising to fill a large number of vacancies and reporting a shortage of applicants. Employers are looking for both specialist and lower skills in areas including hospitality, health & social care, sales & business development, construction, transportation, information & communications and space & satellite.

Employers report that recruitment is tough and cite Brexit and a smaller pool of candidates as one factor. Evidence shows other reasons impeding recruitment are likely to include rising numbers of people choosing to stay on in education or take early retirement as we emerge from the pandemic.

Progression into higher education among EM3's 18–24-year-olds remains very high, and where students are pursuing courses which match employers' demand for graduate level skills there is good potential to reduce persistent shortages and avoid new ones.

The attraction of a university degree for EM3's young people arguably have an impact on the demand for other training and education options. Take up of apprenticeships has been on a downward trend across England since 2017. Between 2019 and 2020, the number of apprenticeships starts in the South East fell by 15%.

There is no doubt, however, that the demand for technicians and technical skills by employers is high. This is especially highlighted in the SAP's work to accelerate the skills which will be needed for a decarbonised economy.

AT A GLANCE – EM3 AREA SKILLS STRENGTHS AND SKILLS NEEDS

STRENGTHS

A high proportion of jobs in the EM3 area attract high skills. The majority of the EM3 resident workforce are highly educated and qualified and unemployment is very low.

SKILLS STRENGTHS:

- Almost one in five jobs in EM3 are high-skilled
- Most of resident workforce are in professional and technical jobs and higher than the England average
- Most working age residents are highly qualified and 4 in 10 have degrees or above.
- Employment rate is high - in since the start of the pandemic to March 2021, employment reduced by just 2% and remained strong at 79%.

NEEDS

Employers in sectors across the EM3 economy are struggling to fill high numbers of job vacancies. Take up of apprenticeships has been in long term decline and provision of alternative vocational education and training is limited.

The area faces significant equality and diversity issues. Participation in higher education for youngsters from Basingstoke, Aldershot and Spelthorne lags behind the rest of the EM3 area. Women are over represented in caring and clerical occupations and underrepresented in corporate manager and director roles. The working age population of the EM3 area is 'more white' than the region and nationally; and white employees are slightly over-represented in the work force compared to the working age population. People with disabilities are less likely to be in work in the EM3 area compared with the region or nationally.

SKILLS NEEDS

SHORTAGES

- High job vacancies - Online job postings up by 50% February - September 2021
- Persistent vacancies in Health, Social Care and Sales

APPRENTICESHIPS

- Apprenticeship starts dropped by more than a quarter 2018-21
- Fewer than 3% young people taking up an apprenticeship after GCSEs (3.7% in England)

DIVERSITY & EQUALITY

- Basingstoke, Aldershot and Spelthorne: lowest EM3 areas for youngsters going to university

- More than a third of the EM3 female resident workforce are in caring and clerical occupations compared to 8% of men.
- Men outnumber women in senior leadership roles - 16% of the EM3 male resident workforce are in corporate manager and director roles, compared to 8% of women.
- The working age population of the EM3 area is 'more white' than the region and nationally; and white employees are slightly over-represented in the work force compared to the working age population.
- EM3 residents in work are less likely to have a disability than the regional and national average.

RESPONSES TO THE SKILLS STRENGTHS AND NEEDS OF THE EM3 AREA

Through the Skills Advisory Panel and work with employers and other partners, EM3 is helping to deliver many projects and activities that are maximising the area's skills strengths and addressing skills challenges.

Businesses in Hampshire and Surrey are being helped in the Race to Net Zero with the Enterprise M3 Local Enterprise Partnership and Growth Hub **Net Zero Business Support Service** to develop leadership skills.



Every business which engages with the EM3 Growth Hub is offered a free 30-minute one-to-one advice session with EM3's Net Zero Sector Specialist, where they will receive information on sustainability and decarbonisation along with signposting to the Apprenticeship and Skills Hub for support with addressing skills needs.

The **Female Business Leaders Development Programme** from the EM3 Growth Hub is a free, comprehensive development programme consisting of 18 hours of action learning and masterclasses. Professional facilitators support female business leaders in a non-competitive, peer-learning environment to overcome business challenges such as strategy, marketing, finance, operations and HR.



Funded by EM3 in collaboration with regional colleges and universities, the **Innovation South Virtual Campus** hosts a range of 15 bite-sized online programmes in digital skills, designed to upskill and re-skill employees in regional businesses.



2021 saw over 1,000 enrolments on the platform with courses such as digital marketing, cyber security and software programming languages particularly popular.

Investment in the South's first **E-sports (electronic sports) training facility** at Queen Mary's College (QMC), Basingstoke (pictured), together with the dedicated Gaming space at Havant and South Downs College, Alton campus are a direct response to industry intelligence of growing demand for the specialised digital skills needed in the digital games and entertainment industry – booming in lockdown.



An entrepreneurial E-sports student at QMC has already used the skills and knowledge from his studies to secure part-time employment with Guild Esports, co-owned by David Beckham.

Students and healthcare professionals are benefiting from using the latest high-tech immersive technology to learn how to handle real-life health emergencies, thanks to the **Care Skills Training Centre** opened in 2021, with investment from EM3¹. The facility was designed in partnership with Royal Surrey County Hospital NHS Foundation Trust, Health Education England and Skills for Care. The Centre has attracted interest from local care providers such as Home Counties Carers who are now offering work experience and job opportunities to current health and social care students.



¹ EM3 supported Care Skills Centre opens with Immersive Tech helping students train in health and social care: <http://enterprisem3.org.uk/news/em3-supported-care-skills-centre-opens-immersive-tech-helping-students-train-health-and-social>

SKILLS ACTION PLAN FOR 2022

The skills priorities included in the 2020/21 Skills Action Plan remain important and are set out below. These include the three big ambitions in specialised digital skills, skills for a greener construction industry and technical training in low carbon sectors. There are new additional skills priorities for action and development which reflect a strategic focus on the transition to a low carbon economy.

THREE BIG AMBITIONS

From the evidence presented in last year's report, together with insights gathered during the past year, three ambitious projects remain for the EM3 area, prioritising accelerating and expanding education and training in:

- High level digital skills for workers in specialist roles
- Supporting retrofitting activity to decarbonise homes and buildings
- Technical jobs in emerging low carbon sectors.

Other key areas for intervention as set out in a summary of the EM3 Revive & Renew Action Plan for the area's economic response to the pandemic are as follows:

JOB CREATION AND SKILLS FOR EMPLOYMENT

- Communicate, promote and encourage uptake of government schemes to support employers, job seekers and those wishing to improve skills.
- Support for expanding opportunities for upskilling of people with middle skills from level 3 to levels 4, 5 and beyond. This to include exploring diverse ways of delivering training and education.
- The LEP and partners should work closely with our five partner universities and network of FE Colleges to help promote their education & employability offer, areas of research & innovation excellence and help enhance business engagement.
- The LEP, through the Skills Advisory Panel and partners should support an increase to the supply of skills for digital & green sectors, and all areas where employers report chronic shortages.

In addition, EM3 will:

- Continue to give a voice to employers on their skills and workforce needs
- Support the reskilling and upskilling of the mature working population in EM3 as we transition to low carbon
- Encourage more work-based and employer-engaged technical training at sub degree levels 4 & 5 remain, currently underprovided in EM3 and the UK
- Undertake a deeper analysis of demand and need for specific digital skills in various sectors
- Accelerate our understanding and local provision of green skills for a low carbon economy

GOING FORWARD

In 2022, as we move towards a net zero economy, the LEP – including the Skills Advisory Panel – will continue to support our businesses by giving practical, sensible and appropriate guidance to help them transition, cut costs, increase efficiency, and become more competitive.

The EM3 Skills Advisory Panel will maintain its role as a go-to place for education and training providers to engage with industry and public sector employers, to gain expert insight into employer and labour market trends, and to take actions putting skills at the heart of economic growth.