

# LOCAL SKILLS REPORT AND SKILLS ACTION PLAN 2022

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# ENTERPRISE M3 SKILLS STRENGTHS AND NEEDS AT A GLANCE

## SKILLS STRENGTHS:



**Almost one in five jobs in EM3 (19%) are high-skilled (England, 14%)**

(Source: Business Register and Employment Survey: open access, 2021)



**Most of resident workforce (58%) in professional and technical jobs (England, 50%)**

(Source: Annual Population Survey, 2021)



**High employment rate - In pandemic year to March 2021, employment reduced by just 2% and remained strong at 79%.**

(Source: EM3 Economy, Labour Market and Skills Dashboard, September 2021)



**Working age residents are highly qualified over half (53%) beyond A Level and 4 in 10 (44%) have degrees or above.**

(Source: Annual Population Survey, 2021)

## SKILLS NEEDS:

### SHORTAGES



**High job vacancies - Online job postings up by 50% February - September 2021**

(Source: EM3 Economy, Labour Market and Skills Dashboard, September 2021)



**Persistent vacancies in Health, Social Care and Sales**

(Source: Emsi Burning Glass, 2021)

### APPRENTICESHIPS



**Apprenticeship starts dropped by more than a quarter (26%) 2018-21**

(Source: DfE Apprenticeships and traineeships data, 2021)



**Fewer than 3% young people taking up an apprenticeship after GCSEs (3.7% in England)**

(Source: KS4 Destination Measures, DfE, 2019-20)

### DIVERSITY & EQUALITY



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

(Source: Office for Students, 2021)



**More than a third of the EM3 female resident workforce (36%) are in caring and clerical occupations compared to 8% of men.**

## DIVERSITY & EQUALITY



**EM3 residents in work are less likely to have a disability than the regional and national average.**



**15% of EM3 residents aged 16-64 in employment reported a disability – less than regionally (17%) and nationally (16%)**

(Source: Annual Population Survey, 2021)



**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.**

(Source: Annual Population Survey, 2021)



**The working age population of the EM3 area is “more white” (90%) than regionally (89 %) and nationally (83%) White employees are slightly over-represented in the workforce (92%).**

(Source: Annual Population Survey, 2021)

## THE ENTERPRISE M3 AREA

A GLOBALLY COMPETITIVE REGION, UNIQUE FOR ITS KNOWLEDGE,  
DIGITAL & DESIGN-BASED ECONOMY



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# CONTENTS

## EXECUTIVE SUMMARY

### CHAPTER 1

FOREWORD & INTRODUCTION 05

### CHAPTER 2

SKILLS ADVISORY PANEL 07

### CHAPTER 3

ASSESSMENT OF PROGRESS AND  
DELIVERY SUCCESSES 10

### CHAPTER 4

SKILLS, STRENGTHS AND NEEDS 17

### CHAPTER 5

SKILLS STRATEGY AND ACTION PLAN 29

### CHAPTER 6

LOOKING FORWARD 32

## ACCOMPANYING DATA

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## CHAPTER 1

### FOREWORD AND INTRODUCTION



**Barney Ely, Chair,  
EM3 Skills Advisory Panel**

At the heart of every successful venture, wherever or whenever it takes place, is the coming together of the right people. That's what Enterprise M3 Local Enterprise Partnership (EM3 LEP) does – it is a powerful convener of strong and dynamic partnerships that make things happen. The EM3 Skills Advisory Panel (EM3 SAP) is an outstanding example of that.

The EM3 SAP has become one of the area's most important "go to" places for colleges, universities, apprenticeship providers and careers professionals to engage with industry and public sector employers, and to gain expert insight into employer and labour market trends.

It is a forum where employers set out their skills and recruitment needs, challenges and opportunities and share them with education and training providers who can respond.

This Local Skills Report highlights the work of the EM3 SAP in 2021 and refreshes the findings of the previous Report and Skills Action Plan<sup>1</sup>.

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.

Importantly this report will consider the skills opportunities and foreseeable demands as we move to a decarbonised economy and set out the SAP's work in these areas.

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 the rate of employment in EM3 is running at around 80%. Our area remained very resilient compared with neighbours throughout the South East.

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<sup>1</sup> Skills Action Plan & Local Skills Report 2020/21: <https://enterprisem3.org.uk/sites/default/files/2021-03/EM3%20Skills%20Action%20Plan%20and%20Local%20Skills%20Report%20Final.pdf>



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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, construction, transportation, information & communications and space & satellite.

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.

Details of this work is set out in this report in the section on our Skills Action Plan, Chapter 5.

In the first three years of the EM3 Skills Advisory Panel, I have seen its work, focus and impact go from strength to strength.

That is wholly down to the commitment of the employers, the business support organisations, the education and training providers, the local authorities, and the DWP representatives who give up their time and contribute their expertise to the Skills Advisory Panel and help make the EM3 areas of Surrey and Hampshire the strong place for skills and talent it is. My sincere thanks to them all.

**Barney Ely**

**Director, Enterprise M3 LEP Board & Managing Director South East, Hays**

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## CHAPTER 2

### SKILLS ADVISORY PANEL

#### THE NATIONAL CONTEXT

Since 2018, Skills Advisory Panels (SAPs) have been bringing together employers, skills providers and key local stakeholders to better understand and resolve skills mismatches at a local level. SAPs are part of Mayoral Combined Authorities and Local Enterprise Partnerships and there are 36 in total across England. The Department for Education (DfE) has supported SAPs with grant funding primarily to produce high-quality analysis of local labour markets and publish Local Skills Reports, which set out the local skills strengths and needs and how the SAP proposes its area addresses its key priorities.

This second iteration of SAPs' Local Skills Reports comes at a time when DfE is Trailblazing new Local Skills Improvement Plans (LSIPs), in eight areas of the country. Developed by Employer Representative Bodies, LSIPs are part of a suite of reforms launched in DfE's "Skills for Jobs" White Paper that aim to put employers more firmly at the heart of the skills system. An evaluation of the eight Trailblazers will inform the national roll out of the programme. In the meantime, and before LSIPs are rolled out across the country, it is DfE's intention that Skills Advisory Panels and this Local Skills Report should continue to influence the behaviour of local partners and feed intelligence to central government, including to sectoral focussed skills teams and the national-level Skills and Productivity Board (SPB).

#### THE ENTERPRISE M3 SKILLS ADVISORY PANEL

The EM3 LEP prioritises collaboration, and the Enterprise M3 Skills Advisory Panel (SAP) is an exemplar of this approach. Skills Advisory Panels are convened by LEPs with funding from the Department for Education (DfE).

The SAP meets every two months and brings together senior representatives from employers, training providers, not-for-profit organisations, local authorities, colleges, and universities in the area. They work together to pool knowledge on skills and labour market needs, and to understand and address key local skills challenges.

These discussions are informed by the latest updates on the state of the EM3 economy and labour market at each meeting. The SAP has a critical role in overseeing the successful development and implementation of the Skills Action Plan.

During the year 2020/21, the EM3 SAP has significantly increased its representation of businesses and employers, and Panel members have heard from several employers working hard to encourage young people to pursue courses that will equip them for the world of work.

SAP members have heard how encouraging diversity among applicants, is one of the ways companies are tackling shortages, for example, targeting women in the science and technology industries. Another is a focus on capturing the interest of future applicants while they are school



age with some sector representatives engaging regularly with local schools, through, for example, the work of the EM3 Careers and Enterprise team.

To maximise the inclusivity and diversity of contributions the EM3 SAP operates a “carousel” of members, so that not every member attends every meeting; but every member is kept informed. The full list of current members is as follows:

Allie	Galvin	Invotra
Anna	Marshall	Department for Work and Pensions
Barney	Ely	Hays Recruitment ( <b>Chair of SAP</b> )
Catherine	Scott	Department for Work and Pensions
Cheri	Ashby	Activate Learning
Jamie	Mackay	Enterprise M3 LEP
Jeannie	Satchell	Enterprise M3 LEP
Jude	Robinson	Hampshire County Council
Louise	McKenzie	Ashford and St Peter's Hospital NHS Foundation Trust
Louise	Punter	Surrey Chambers of Commerce
Martin	Broad	University of Winchester
Nicky	Kildunne	FSB
Osama	Khan	University of Surrey
Paula	Neal	Surrey County Council
Ross	McNally	Hampshire Chamber of Commerce
Sarah Jane	Chimbwandira	Surrey Wildlife Trust
Sue	Littlemore	Enterprise M3 LEP
Sue	Taylor	ALPS
Tracey	Tatam	Enterprise M3 LEP
Virginia	Barrett	Farnborough College of Technology

We have also welcomed participation from the following employers:

Ajay	Sharman	STEM Learning Ltd
Annette	Allmark	BCS
Catherine	Hope-MacLellan	Hampshire Hospitals NHS Foundation Trust
Duncan	Brown	Emsi Burning Glass
Fintan	Galvin	Invotra
Giles	Edwards	3-Space
Heidi	Thiemann	Space Skills Alliance
Jane	Thomas	BT
Janet	Preston	Coldfuzion
Jeremy	Greaves	Airbus
John	Tunstall	Institute of Sales Professionals
John	Whelan	Natta
Joseph	Dudley	Space Skills Alliance

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Kathie	Bowden	UK Space Agency
Kim	Lund	Ocado
Laura	Price	BT
Mark	Edwards	SERT
Matt	Kalupka	Home Counties Carers
Matthew	Proctor	Fibercore
Melanie	Clift	In-Space Missions
Paul	Jennings	Morgan Sindall
Poorvi	Patel	Heathrow Airport
Richard	Maybury	Attitude Solutions
Sarah	Lavan	Ernst & Young LLP
Tamsin	O'Luanaig	nDreams
Tom	Smerdon	Ashford and St Peter's Hospital NHS Foundation Trust
Tony	Holt	In-Space Missions
Will	Cookson	Emsi Burning Glass
Xav	Anderson	Clockwork City Ltd

## CHAPTER 3

### ASSESSMENT OF PROGRESS AND DELIVERY SUCCESSES

The EM3 Skills Advisory Panel is now well established and has made excellent progress implementing the recommended actions from the previous Report. Collaboration with partners over the past year has helped the area respond to the impact of Covid-19 and our exit from the EU.

#### LOCAL LEADERSHIP ON SKILLS

With a focus on sectors and industries with skills gaps or shortages, every SAP meeting gives employers an opportunity to share their skills and recruitment challenges – with providers on hand to listen and respond.

The SAP has welcomed insights from a diverse range of sectors key to the EM3 economy. The SAP has heard from **Airbus**, **BCS**, **BT**, **Fibercore**, **Hampshire Hospitals NHS Foundation Trust**, **Hays Recruitment**, **Heathrow Airport**, **Home Counties Carers**, **In-Space Missions**, **Invostra**, **Morgan Sindall**, **Ocado**, **SERT**, **Space Skills Alliance** and **UK Space Agency**. These insights stimulate constructive discussions to identify actions to help address the challenges raised.

“We have worked closely with EM3 to look at how we can help contribute to a wider recovery, and indeed how we can build a more sustainable recovery. Aerospace is a more productive sector than average, but we know we are going to have to do things differently in the future. EM3 have brought more than expertise and knowledge, they have built trust and credibility across a wide and diverse set of organisations. It is all about connections and networks, and EM3 are first class at what they do.”



**JEREMY GREAVES, AIRBUS**

Since the launch of the **Apprenticeship and Skills Hub** in February 2021, there have been over 1,600 interactions with EM3 businesses resulting in over 245 organisational needs analyses to help understand and identify skills' needs and connect these businesses with local providers<sup>2</sup>.

The Hub has also helped large businesses pledge over £300,000 of unspent levy funds. These can then be used by SMEs to cover the costs of training apprentices – 35 are already benefitting<sup>3</sup>.



<sup>2</sup> The Apprenticeship & Skills Hub LinkedIn post, December 2021: [https://www.linkedin.com/posts/the-apprenticeship-skills-hub\\_apprenticeship-skills-partnership-2021-activity-6882636386512457729-OqGW](https://www.linkedin.com/posts/the-apprenticeship-skills-hub_apprenticeship-skills-partnership-2021-activity-6882636386512457729-OqGW)

<sup>3</sup> Transfer to Transform – North Hampshire & Surrey: <https://www.theapprenticeshiphub.com/transfer-to-transform-north-hampshire-surrey/>

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Alongside the work of the SAP and with support from the EM3 Growth Hub, the Apprenticeship and Skills Hub offers free and impartial advice to employers on apprenticeships and skills training.

Both colleges and universities are represented by senior leaders on the SAP. Outside of the SAP, the LEP enhances this collaboration with two senior leadership groups:

Facilitated by the LEP, the FE Principals' group meets three times' a year and brings together senior leaders from the six further education colleges in EM3 – **Activate Learning (Guildford College)**, **Basingstoke College of Technology (BCoT)**, **Brooklands College, Farnborough College of Technology (FCoT)**, **Havant and South Downs College (HSDC, Alton College)** and **Sparsholt College**. These meetings have resulted in sharing of labour market intelligence and discussions on new skills provision to address employers' needs.

Convened by EM3 Board member, Professor Mark E. Smith, President and Vice-Chancellor of the University of Southampton, Vice-Chancellors from the five universities in EM3 meet to identify and explore common strategic projects linked to research and innovation, skills and the local economy. The universities include **Royal Holloway, University of London**, **University for the Creative Arts (UCA)**, the **University of Southampton**, the **University of Surrey**, and the **University of Winchester**.

## IMPACT ON LOCAL SKILLS PROVISION

The presentation of our Skills Action Plan and labour market data to further education and higher education leaders and governing bodies is informing their strategic plans and shaping curriculum development in line with the LEP's evidence-based agenda which emphasises skills to support job creation and economic growth.

One example is the Care Skills Centre at Activate Learning, Guildford College campus:

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 EM3<sup>4</sup>. 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.



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<sup>4</sup> 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>

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## ENHANCING INSIGHTS INTO THE LOCAL LABOUR MARKET

Regular analysis of the labour market and job vacancy postings provides the SAP with good insights into current skills needs in high growth priority sectors, such as satellite and cyber security and into important parts of the service economy including social care.

The SAP takes this evidence and provides a platform to employers in these sectors to set out their skills challenges to training providers and other strategic partners to respond and develop practical actions. An example is an action to develop and enhance the profile of the social care sector, following a discussion of the high level of shortages and the barriers to recruitment<sup>5</sup>.

The SAP has begun to develop its understanding of the local skills needed to transform to a net zero and low carbon economy with an emphasis on retrofitting activity. The range of skills needed to decarbonise our economy and society is extensive. This is an area which requires much more understanding and development of provision and resources to progress.

More widely, the LEP has contributed to two separate initiatives on the futures of Heathrow and Gatwick airports – both of which involve the EM3 resident workforce and supply chains:

- The LEP is a part of the Heathrow Economic Development & Recovery Group which has set out a shared position across the London boundary on more decentralisation, devolution and flexibility for local skills and employment activity.
- The LEP submitted a response to the Gatwick Airport Northern Runway Consultation with a strong focus on skills for clean growth and net zero.

## COVID-19 RECOVERY AND RENEWAL PLANS

Revive & Renew – the Recovery and Renewal Action Plan for the Enterprise M3 area<sup>6</sup> – included a focus on skills to get people into good jobs and long-term employment.

During the past year, the SAP has helped deliver key actions and interventions including:

- Communicated, promoted, and encouraged uptake of Government schemes to support employers, job seekers and those wishing to improve skills.
- Maintained ongoing insight into labour market changes and opportunities and led on dissemination of this information to all relevant stakeholders.
- The LEP and partners worked closely with our 5 partner universities and network of FE Colleges to help promote their education & employability offer, areas of research & innovation excellence and help enhance their business engagement.

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<sup>5</sup> Action from EM3 Skills Advisory Panel, November 2021

<sup>6</sup> Revive & Renew: <http://enterprisem3.org.uk/revive-and-renew>

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## SKILLS ACTION PLAN

In the first Report, we set out three big ambitions as a main focus of the work of the EM3 Skills Advisory Panel. These ambitions prioritised accelerating and expanding education and training in:

- High level and specialist digital skills for workers in an increasingly digital economy
- The sustainable buildings construction industry
- Technical jobs in emerging low carbon sectors

### The EM3 Digital Higher Skills Partnership

BT reported<sup>7</sup> to the SAP they are undertaking significant upskilling activity for existing staff into new roles in Cyber Security as conventional skillsets become less relevant. BCS also reported that higher level digital skills in areas such as artificial intelligence and cyber security are in significant demand<sup>8</sup>.

With support from partners, the SAP continues to work to develop an employers' forum to build a delivery-focused, higher digital skills partnership that will explore a focus on artificial intelligence and cyber security.

Engaged partners include **Basingstoke ITEC, BCS, BT, CityFibre, Code Institute, Invotra, nDreams, Ramsac, Royal Holloway, University of London, Samsung, STEM Learning UK, University of Surrey and University of Winchester.**

Engagement with the high performing cluster of video games companies based in our area is part of our work to support skills for fast growing digital sectors. An audience of more than 2 million people tuned into the Guildford Games Festival in December 2021. Designed and delivered by Enterprise M3 LEP with support from the University of Surrey, the annual online event gives unique

insights into games industry career paths through detailed interviews with the best and brightest from leading gaming businesses – many based in the EM3 area. Demand for related digital skills is expected to accelerate as more international game developers invest in the region through the LEP's work with The Department for International Trade. To help meet this demand, Enterprise M3 have invested £1.5M in games curricula locally at HSDC Alton and Queen Mary's College, Basingstoke.



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<sup>7</sup> Referenced at the EM3 Skills Advisory Panel, September 2021

<sup>8</sup> Referenced at the EM3 Skills Advisory Panel, July 2021



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## National Centre for Sustainable Construction

Work from the SAP with employers and local authorities has confirmed widespread recognition that we need to embark on a major retrofitting of homes and buildings to be more energy efficient, reduce carbon emissions and help us work towards a low carbon economy.

However, currently there is no significant market stimulus to prompt the scale of investment in training and upskilling needed to reach this important goal. The demand from homeowners remains low<sup>9</sup>.

The introduction of grants for heat pumps from April 2022<sup>10</sup> is a positive step forward. Whether this stimulates a significant change in the market will depend on the scale of those grants and take-up will depend on their criteria and the availability of a trusted, skilled workforce.

Employers, colleges and training providers are also refraining from offering courses: colleges that have received specific funding (e.g., Green Homes Grant Skills Training competition) have seen very limited up-take from employers & students and can struggle to attract / retain suitably trained staff<sup>11</sup>. Projects such as the six pilot '*Home Decarbonisation Academy*' programmes – including one in Coast to Capital LEP area<sup>12</sup> – from the Energy Systems Catapult could help colleges train staff who can train the workforce.

Alongside our colleges and universities, partners who have engaged with our ambition to accelerate skills for a low carbon construction industry include **Basingstoke & Deane Borough Council, Berkeley Group, BRE, CITB, Energy Systems Catapult, ep group, Hampshire & Isle of Wight Wildlife Trust, Hampshire Construction Training Association, Hampshire County Council, Hart District Council, Low Carbon Construction, Midas Construction Ltd, Modular Residential, Morgan Sindall, Natta, New Forest National Park Authority, Offsite Alliance, SERT, Southern Policy Centre, Spencer West, Stride Treglown, Surrey County Council, The Property Partnership, The Retrofit Academy CIC, Urban & Civic and Willmott Dixon.**

## The Apprenticeship and Skills Hub as a specialist in technical skills for emerging low carbon industries

Data shared with the SAP suggests EM3 has a growing low carbon economy with around 250 low carbon businesses<sup>13</sup> and intensifying demand for green jobs<sup>14</sup>.

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<sup>9</sup> Net Zero and Construction: Perspectives and pathways, CITB: <https://www.citb.co.uk/media/eegfgwgg/net-zero-and-construction-perspectives-and-pathways-november-2021.pdf>

<sup>10</sup> Future support for low carbon heat, BEIS: <https://www.gov.uk/government/consultations/future-support-for-low-carbon-heat>  
<sup>11</sup> Comments from FE Colleges at EM3 FE Principals' meeting, November 2021.

<sup>12</sup> Coast to Capital: Clean Growth and Energy: <https://www.coast2capital.org.uk/cleangrowth-and-energy>

<sup>13</sup> Enterprise M3 Economy, Labour Market and Skills Dashboard, September 2021: <https://www.enterprisem3.org.uk/em3-economy-and-labour-market-reports>

<sup>14</sup> Enterprise M3 Economy, Labour Market and Skills Dashboard, November 2021: <https://www.enterprisem3.org.uk/em3-economy-and-labour-market-reports>

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Since February 2021, the **Apprenticeship and Skills Hub** has been offering an impartial brokerage service to connect low carbon businesses to providers and explore different funding opportunities for training such as Apprenticeship Levy and Levy Transfer Schemes.

The **EM3 Careers and Enterprise Team** have also been undertaking activities with schools and colleges to help communicate labour market information about the green economy and support engagement with relevant businesses.

### EM3 skills and employment priorities

During the past year, the LEP, SAP and partners have completed many of the published actions from the previous Report. Highlights include:

1. The LEP has published and disseminated bi-monthly dashboards that help the LEP, SAP and wider partners understand the state of the economy and the labour market. These dashboards have helped enable an effective dialogue between employers and providers.
2. The SAP has supported the work of the EM3 Careers and Enterprise team in delivering careers education to over 80 schools and colleges, informed by business via the Enterprise Adviser Network.
3. The LEP has played a central role in communicating and promoting Government schemes to create employment opportunities (e.g., Kickstart Scheme) and address skills gaps (e.g., Help to Grow: Management).
4. The SAP has identified, and circulated funding opportunities linked to skills (e.g., Further Education Capital Transformation Fund, Higher education short course trial: Challenge Competition, Institutes of Technology Wave 2, Skills Accelerators).

As the local economy continues to adapt, SME business leaders from across EM3 are benefitting from programmes offering leadership training such as the Government's Help to Grow: Management Course<sup>15</sup>, delivered by the University of Winchester and the **Peer Networks programme**<sup>16</sup> from the EM3 Growth Hub. The Peer Networks programme supports business leaders to develop their skills by learning from their peers, other business people, in professionally facilitated structured sessions.



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<sup>15</sup> Help to Grow: Management: <https://smallbusinesscharter.org/help-to-grow-management/>

<sup>16</sup> EM3 Growth Hub Peer Networks: <https://www.enterprisem3.org.uk/em3-peer-networks>

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Through local representation from the Department for Work and Pensions (DWP), the SAP has been able to support the promotion of funded initiatives from **A Plan for Jobs 2020**<sup>24</sup>:

- The **Kickstart Scheme** fuelled action from both Hampshire and Surrey Chambers of Commerce, together with Hampshire County Council to support local businesses in creating hundreds of job placements for young people
- Borough and district councils (e.g., Elmbridge & Runnymede, North Hampshire, Spelthorne, Surrey Heath, Test Valley & Winchester and Woking) have created community-based **Youth Hubs** to provide vital employment support services for young people
- Several **sector-based work academies** have taken place across EM3, training and connecting young people to job opportunities in (e.g.) health and social care and customer service
- Regional **Skills Bootcamps** in Digital and Construction have offered those aged 19+ short, sharp courses to accelerate skills competencies in specific areas and fast track into new jobs

### Outstanding Actions

Remaining actions from the Skills Action Plan concentrate on the development of EM3's technical workforce – specifically at levels 4 and 5.

Although EM3 colleges and universities increasingly express interest in creating provision, bids to secure related funding (e.g., Higher education short course trial: Challenge Competition, Institutes of Technology Wave 2, Skills Accelerators) have so far been unsuccessful.

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## CHAPTER 4

### SKILLS STRENGTHS & NEEDS

#### SKILLS & RECRUITMENT STRENGTHS

##### A higher concentration of high skilled jobs compared to national levels

**The EM3 area has a high concentration of high-skilled jobs.**

Figures for 2020 show:

- 11% employment was in **Professional, Scientific & Technical activities** (9% South East & in England)
- 8% of employment was in **Information & Communications** (5% nationally 6% in South East)<sup>17</sup>.

##### More highly skilled workers compared to national levels

**Most of EM3's resident workforce is in professional and technical roles.**

- Between 2020-21, **58%** of EM3 residents were employed in **managerial, professional and technical** occupations. (50% England)
- EM3 workforce is in top 3 high skilled regions in England, behind London (62%) and Thames Valley Berkshire (59%)<sup>18</sup>.

**EM3 residents are highly qualified.** Between 2010-2020, the number of working age people educated to degree level or higher rose from 29% to 44%; the number with no qualifications dropped from 7% to 4%.

Fifty-three per cent of working age people in EM3 have achieved some form of higher education, including at sub-degree levels. On this measure EM3 ranks second after London in the South East<sup>19</sup>.

##### High progression rates of young people into higher education

The pipeline for high skills is strong in EM3 with **most young people across EM3 choosing to go on to higher education**<sup>20</sup>. Participation rates are highest in the parliamentary constituencies of **Woking, North East Hampshire and Winchester**. Here, most postcodes have high numbers of 18 – 19-year-olds who started a higher education course between 2009/10 – 2013/14.

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<sup>17</sup> Business Register and Employment Survey: <https://www.nomisweb.co.uk/datasets/newbres6pub>

<sup>18</sup> Annual Population Survey: <https://www.nomisweb.co.uk/datasets/apsnew>

<sup>19</sup> Annual Population Survey: <https://www.nomisweb.co.uk/datasets/apsnew>

<sup>20</sup> Young participation by area: <https://www.officeforstudents.org.uk/data-and-analysis/young-participation-by-area/maps-of-participation-in-higher-education/>

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## Resilience to economic shock of Covid19

**Relative to other LEP areas, EM3 has not been hit as hard by the economic impact of Covid19<sup>21</sup>.** In the year to March 2021, employment in EM3 reduced by just 2%, (driven entirely by falling self-employment) but remained strong at around 79%.

These figures were comparable with other Catalyst South LEPs<sup>22</sup> with only Hertfordshire LEP showing modest growth and a slightly higher employment rate.

**Unemployment has remained low in EM3.** The unemployment rate (Claimant counts) in EM3 peaked in August 2020 at 4% and stood at 3% in August 2021. This compares to peak unemployment rates of around 5% to 8.5% for regional LEPs. Within EM3, the unemployment rate in September 2021 stood below the South East average in all but two local authority districts, Rushmoor and Spelthorne.

**Young people in EM3 are finding employment opportunities.** Unemployment among young people aged 18-24 increased by about 4.4 percentage points to 6.2% in February 2021<sup>23</sup>, remained there in March 2021 (well below the South East [7.8%] and UK averages [9%]<sup>24</sup>) before dropping to 5.4% in May 2021<sup>25</sup> – as restrictions eased and recruitment activity increased in labour intensive services such as hospitality.

The **EM3 Growth Hub New Business Leaders Development programme<sup>26</sup>** offers business leaders of new businesses support to scale up their companies into 'Profit engines' in 2022. Entrepreneurs with companies less than two years old can benefit from free guidance through EM3's expert advisers.



## Sector strengths in EM3

There are several sectors in the EM3 economy that have seen strong performance during the past 12 months.

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<sup>21</sup> Enterprise M3 Economy, Labour Market and Skills Dashboard, September 2021 <https://www.enterprisem3.org.uk/em3-economy-and-labour-market-reports>

<sup>22</sup> Catalyst South is a strategic alliance of six Local Enterprise Partnerships: Coast to Capital, Enterprise M3, Hertfordshire, South East, Solent and Thames Valley Berkshire.

<sup>23</sup> Enterprise M3 Economy, Labour Market and Skills Dashboard, March 2021: <https://www.enterprisem3.org.uk/em3-economy-and-labour-market-reports>

<sup>24</sup> Enterprise M3 Economy, Labour Market and Skills Dashboard, May 2021: <https://www.enterprisem3.org.uk/em3-economy-and-labour-market-reports>

<sup>25</sup> Enterprise M3 Economy, Labour Market and Skills Dashboard, July 2021: <https://www.enterprisem3.org.uk/em3-economy-and-labour-market-reports>

<sup>26</sup> New Business Leaders Development Programme: <http://inbound.enterprisem3growthhub.co.uk/young-entrepreneurs>

**Digital** – As a cluster of industries, **digital** makes a significant contribution to EM3’s productivity advantage through large numbers of high value jobs in (e.g.) computer consultancy and programming, and a rapid growth in computer games publishing, wired telecommunications and computer facilities management<sup>27</sup>. In 2020, EM3 hosted 45,973 jobs in the Digital sector with 1.7% growth compared to 1.3% nationwide<sup>28</sup>.

The **gaming and immersive technologies** sector accounted for over 1,000 jobs in 2020 – mainly in the production and publishing of gaming software which have seen high growth and concentration of jobs in/around Guildford<sup>29</sup>. The skills in these sectors are also likely to see increasing demand due to the recent growth of other **creative industries** in the EM3 area. For example, **film and TV production** with the announcement of Netflix expanding their production facilities at the EM3 Enterprise Zone site at Longcross in Surrey<sup>30</sup>.

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.

Pre-pandemic the **low carbon and environmental goods and services** sectors (LCEGS) in EM3 supported over 126,800 employees with core specialties in technologies including electrical and electronic engineering and the associated design, computing and software<sup>31</sup>. With around 250 Low Carbon businesses in EM3<sup>32</sup> and 180% growth in demand for ‘Green Jobs’ between November 2020 and November 2021<sup>33</sup>, the LEP continues to focus on skills needed to help support the Low Carbon economy – particularly the decarbonisation of transportation, buildings & homes.

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<sup>27</sup> Skills and Labour Market Analysis, p.14: <https://www.enterprisem3.org.uk/hub/skills-businesses>

<sup>28</sup> Emsi Q2 2021 Data Set: [www.economicmodeling.com](http://www.economicmodeling.com)

<sup>29</sup> Emsi Q2 2021 Data Set: [www.economicmodeling.com](http://www.economicmodeling.com)

<sup>30</sup> Aviva Investors agrees long-term partnership with Netflix at Longcross Studios: <https://www.avivainvestors.com/en-gb/about/company-news/2021/09/aviva-investors-long-term-partnership-netflix-longcross-studios/>

<sup>31</sup> EM3 emerging Local Industrial Strategy: <https://www.enterprisem3.org.uk/local-industrial-strategy>

<sup>32</sup> Enterprise M3 Economy, Labour Market and Skills Dashboard, September 2021: <https://www.enterprisem3.org.uk/em3-economy-and-labour-market-reports>

<sup>33</sup> Enterprise M3 Economy, Labour Market and Skills Dashboard, November 2021: <https://www.enterprisem3.org.uk/em3-economy-and-labour-market-reports>



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## SUMMARY: Skills strengths

- A higher concentration of high skilled jobs compared to national levels
- More highly skilled workers compared to national levels
- High progression rates of young people into higher education
- Resilience to economic shock of Covid19

## SKILLS NEEDS

**Recruitment activity in EM3 has recovered strongly since the pandemic but employers in many sectors are finding it hard to fill those vacancies.** Online job posting activity increased by 32% between September 2020 and September 2021 and 50% between February and September 2021<sup>34</sup>.

### Persistent vacancies in healthcare, social care, sales and IT

Among online job postings between January and December 2021, **Nurses** consistently appeared as the top occupation in demand, followed by either **Sales accounts and business development managers** or **Programmers and software development professionals**. **Social care workers** were also among the list of occupations in high demand.

Feedback from EM3 employers provides further insights into sector-specific skills gaps:

**Construction / Low carbon:** Retrofitting buildings to meet government energy efficiency targets requires an additional 350,000 skilled construction workers in Britain by 2028<sup>35</sup>. Construction companies in EM3 have reported a need to reskill and upskill the existing workforce to make existing and new buildings more energy efficient and low carbon. Skills required include retrofitting project coordination and heat pump and solar panel installation<sup>36</sup>. With a population of over 1.5m residents<sup>37</sup> and 80,000 businesses<sup>38</sup>, there is a need but until there is increased consumer demand for retrofitting, employers are reluctant to invest in training<sup>39</sup>. The introduction of the Government's Clean Heat Grant from April 2022<sup>40</sup> should help further stimulate this demand, however, in

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<sup>34</sup> Enterprise M3 Economy, Labour Market and Skills Dashboard, September 2021: <https://www.enterprisem3.org.uk/em3-economy-and-labour-market-reports>

<sup>35</sup> Building Skills for Net Zero, CITB: <https://www.citb.co.uk/about-citb/construction-industry-research-reports/search-our-construction-industry-research-reports/building-skills-for-net-zero/>

<sup>36</sup> Comments from employers at EM3 Skills Advisory Panel, January 2021 and Retrofitting Roundtable, September 2021.

<sup>37</sup> Annual Population Survey: <https://www.nomisweb.co.uk/datasets/apsnew>

<sup>38</sup> UK Business Counts: <https://www.nomisweb.co.uk/sources/ukbc>

<sup>39</sup> Comments from employers at EM3 Skills Advisory Panel, January 2021; Net zero and construction – perspective and pathways, CITB: <https://www.citb.co.uk/about-citb/construction-industry-research-reports/search-our-construction-industry-research-reports/net-zero-and-construction-perspective-and-pathways/>

<sup>40</sup> Heat and buildings strategy, BEIS: <https://www.gov.uk/government/publications/heat-and-buildings-strategy>

emerging areas such as these where we will need to accelerate the supply of skills, colleges report a lack of suitably trained trainers to do the training<sup>41</sup>.

The ESF-funded Technical Construction Skills for the Unemployed project<sup>42</sup> led by Hampshire County Council offers training and support for young people across the EM3 area who are looking to move into the Construction industry. Part of this training includes skills for sustainable construction; crucial for an industry trying to adapt to become low carbon.

During the latter half of 2021, over 150 individuals participated in the project including 3 care leavers, 4 carers, 5 homeless people and over 30 ex-offenders. At least 20 participants have also secured employment.



**Gaming and immersive technologies:** As sectors that rely on a lot of short-term contracts, they struggle to find freelancers with the right skills<sup>43</sup>. Examples include Visual effects (VFX) and 3D artist skills – both in high demand and expected to increase as film & tv studios further utilise game development technology for their own productions. Significant additional pressure on the local skills pipeline is expected to arrive in 2022 as a result of inward investment in the region from large international studios such as Amazon, Disney and Netflix.

**Haulage and Logistics:** Demand for haulage in April 2021 was 120% stronger than in April 2019<sup>44</sup> – partly caused by the pandemic-fuelled rise in internet shopping. The industry has also seen demand for drivers outstripping supply even before the pandemic. In EM3, recent recruitment activity reflects this with increased demand for Van, rather than lorry, drivers<sup>45</sup>.

**Healthcare:** Alongside the need for Nurses (above), the NHS is committed to digitise the entire service by 2024<sup>46</sup>. However, there is recognition that many Trusts are far from this goal, and they can struggle to offer competitive salaries for key roles compared to the private sector<sup>47</sup>.

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<sup>41</sup> Comments from FE Colleges at EM3 FE Principals' meeting, May 2021.

<sup>42</sup> Technical Construction Skills for the Unemployed project:

<https://www.hants.gov.uk/educationandlearning/hampshirefutures/employmenthub/construction-training>

<sup>43</sup> Comment from a gaming sector executive, June 2021.

<sup>44</sup> The 2021 Post-Brexit Hauliers Survey, Haulage Exchange: <https://haulageexchange.co.uk/blog/the-2021-post-brexit-hauliers-survey/>

<sup>45</sup> Enterprise M3 Economy, Labour Market and Skills Dashboard, September 2021: <https://www.enterprisem3.org.uk/em3-economy-and-labour-market-reports>

<sup>46</sup> Our strategy to digitise, connect and transform, NHSx: <https://www.nhs.uk/digitise-connect-transform/our-strategy-to-digitise-connect-and-transform/>

<sup>47</sup> Comment from NHS skills expert at EM3 Skills Advisory Panel, July 2021.

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**Hospitality:** In June 2021<sup>48</sup> roles such as **Chefs, Kitchen and catering assistants** entered the top 10 occupations for the first time this year. Demand for these roles increased in October 2021<sup>49</sup>, suggesting difficulties in finding suitable candidates.

**Manufacturing:** The Government's Industrial Decarbonisation Strategy<sup>50</sup> highlights Manufacturing as a key industry in working towards net zero. This activity will require skills and innovation – both of which the EM3 area can support. In 2020, 6% of employment in EM3 was in the Manufacturing sector, with higher concentrations of jobs in Test Valley, East Hampshire and Woking<sup>51</sup>.

**Social care:** Carers make up the majority of the adult social care workforce and demand for these roles is high in EM3, reflected in recent recruitment activity<sup>52</sup> where they have featured in the top five occupations between January and December 2021. Education providers report an increase in enquiries and applications for Health and Social Care courses<sup>53</sup>. The sector would welcome these individuals but highlights competition from healthcare training pathways (e.g., nursing). Employers also cite noticeable declines in candidates from Eastern Europe post Brexit; struggling to attract older and experienced candidates such as parents wanting to return to the paid workforce; the requirement to drive a car (for domiciliary care roles) and competition with other care providers in the sector<sup>54</sup>.

### **Low take-up of vocational provision – including apprenticeships – which could offer routes to employment and address skills needs**

The EM3 area has strengths in the academic route to employment and high university-level participation which arguably accounts for the low demand, supply and uptake of vocational routes; including apprenticeships.

**Demand for Apprenticeships continues to wane both nationally and in EM3.** Nationally, apprenticeship starts in 2019/20 fell to their lowest level in ten years<sup>55</sup>. The table below compares apprenticeship starts between 2018/19 and 2019/20 by regions across England:

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<sup>48</sup> Enterprise M3 Economy, Labour Market and Skills Dashboard, July 2021: <https://www.enterprisem3.org.uk/em3-economy-and-labour-market-reports>

<sup>49</sup> Enterprise M3 Economy, Labour Market and Skills Dashboard, November 2021: <https://www.enterprisem3.org.uk/em3-economy-and-labour-market-reports>

<sup>50</sup> Industrial Decarbonisation Strategy, March 2021: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/970229/Industrial\\_Decarbonisation\\_Strategy\\_March\\_2021.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/970229/Industrial_Decarbonisation_Strategy_March_2021.pdf)

<sup>51</sup> Business Register and Employment Survey, 2019: <https://www.nomisweb.co.uk/query/select/getdatasetbytheme.asp?theme=27>

<sup>52</sup> Enterprise M3 Economy, Labour Market and Skills Dashboard, September 2021: <https://www.enterprisem3.org.uk/em3-economy-and-labour-market-reports>

<sup>53</sup> Comment from education provider at EM3 Skills Advisory Panel, November 2021.

<sup>54</sup> Comment from Social care employer and training providers at EM3 Skills Advisory Panel, November 2021.

<sup>55</sup> House of Commons Briefing Paper: Apprenticeship Statistics, March 2021: <https://researchbriefings.files.parliament.uk/documents/SN06113/SN06113.pdf>

	2018/19	2019/20	Change 18/19 – 19/20	
			Level	%
South East	56.3	47.8	-8.5	-15%
South West	43.9	37.1	-6.8	-15%
East of England	38.3	32.3	-6.0	-16%
London	40.7	33.9	-6.8	-17%
West Midlands	45.7	36.9	-8.8%	-19%
North West	58.3	47.0	-11.3	-19%
Yorkshire & The Humber	47.3	37.7	-9.6	-20%
East Midlands	35.9	28.6	-7.3	-20%
North East	23.3	18.0	-5.3	-23%
Other	3.8	3.2	-0.6	-16%
<b>TOTAL</b>	<b>393.4</b>	<b>322.5</b>	<b>-70.9</b>	<b>-18%</b>

**Table 1:** Apprenticeship starts by region in England 2018/19 and 2019/20, thousands. **Source:** <https://explore-education-statistics.service.gov.uk/find-statistics/apprenticeships-and-traineeships/2019-20>

The introduction of the Apprenticeship Levy in May 2017 saw participation drop at all levels except for Higher which has increased steadily since 2014/15<sup>56</sup>. Education commentators have suggested this increase was down to a rise in employers using the Apprenticeship Levy to train senior staff in Executive MBAs in business schools – although this practice has now been banned<sup>57</sup>.

Employers in the EM3 Space/Satellite industry are looking to apprenticeships and other vocational routes to help diversify their workforces<sup>58</sup>. The South East is home to 460 organisations from the space and satellite sector, employing 10,475<sup>59</sup> staff. The **EM3 Surrey Hampshire Space Hub**<sup>60</sup> represents a network of 200 of these organisations across the EM3 and Solent LEP areas. These employers face stiff competition from other industries (e.g., FinTech) for similar skills and cite a desire to widen progression routes into the sector. Traditionally, the sector has attracted highly skilled individuals with 3 in every 4 employees having a higher education qualification<sup>61</sup>.



In EM3, apprenticeship starts dropped by over 1/3 (35%) between 2016/17 and 2020/21.

<sup>56</sup> DfE Apprenticeships and Traineeships: <https://explore-education-statistics.service.gov.uk/find-statistics/apprenticeships-and-traineeships/2020-21>

<sup>57</sup> What cutting contentious funding means for the executive MBA, FT: <https://www.ft.com/content/04d3110f-40fe-4548-b13b-253b56695a46>

<sup>58</sup> Comments from employers at EM3 Skills Advisory Panel, March 2021.

<sup>59</sup> UK space industry: size and health report 2020: <https://www.gov.uk/government/publications/uk-space-industry-size-and-health-report-2020>

<sup>60</sup> EM3 Surrey Hampshire Space Hub: <https://www.enterprisem3.org.uk/hub/em3-space-hub>

<sup>61</sup> The Case for Space, London Economics, 2015: <https://londoneconomics.co.uk/blog/publication/the-case-for-space-2015/>

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An indicator of the impact of the pandemic on apprentices is statistics on redundancies<sup>62</sup>.

Anecdotally, several EM3 employers reported apprentice redundancies between August 2020 and March 2021<sup>63</sup>.

Colleges have reported the Government's financial incentives for hiring apprentices<sup>64</sup> have stimulated some recruitment activity, including at level 4 (e.g., Automation & Controls Engineer Apprenticeship at Farnborough College of Technology<sup>65</sup>).

### **A need to increase progression into higher education or training in parts of the EM3 area**

**There are pockets of EM3 where progression to higher education is relatively low.** Although most young people across EM3 choose to go on to higher education<sup>66</sup>, there are three parliamentary constituencies where this is not the case. Basingstoke (42%), Aldershot (36%) and Spelthorne (33%) all have a higher percentage of postcodes with low numbers of young people participating in higher education, compared to national (34%) and regional (29%) figures.

### **Need for training at higher technical skill levels to address urgent skills needs**

Education and training provision in EM3 has a plentiful supply of courses at level 3 (A Level and equivalent) and level 6 (Bachelor's degrees). There is much less provision at levels 4 and 5<sup>67</sup>.

The LEP continues to work with local Further Education, Higher Education, and independent training providers to develop and deliver more higher technical provision, supported by level 3 entry pathways such as T Levels. This will include the roll out of Higher Technical Qualifications from September 2022.

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.



### **Gaps in inclusion and diversity in parts of the EM3 workforce**

Some analysts say there are persuasive **business reasons for employers to become more inclusive and diverse**, for example, "...diversity and inclusion are powerful enablers of business

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<sup>62</sup> House of Commons Briefing Paper: Apprenticeship Statistics, March 2021:

<https://researchbriefings.files.parliament.uk/documents/SN06113/SN06113.pdf>

<sup>63</sup> Employer insights at EM3 Skills Advisory Panel, November 2020.

<sup>64</sup> UK Gov Incentive payments for hiring a new apprentice: <https://www.gov.uk/guidance/incentive-payments-for-hiring-a-new-apprentice>

<sup>65</sup> Insight from Farnborough College of Technology at EM3 Skills Advisory Panel, November 2021.

<sup>66</sup> Young participation by area: <https://www.officeforstudents.org.uk/data-and-analysis/young-participation-by-area/maps-of-participation-in-higher-education/>

<sup>67</sup> EM3 Skills and Labour Market Analysis: <https://www.enterprisem3.org.uk/hub/skills-businesses>

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*performance. Companies whose leaders' welcome diverse talents and include multiple perspectives are likely to emerge from the crisis stronger."* (McKinsey, 2020<sup>68</sup>).

**Attracting more diverse talent to solve recruitment challenges.** IBM champion individuals with diverse abilities and recognise the potential they bring to the workplace<sup>69</sup>. BT have reported that Brexit has shrunk their recruitment pool and as the demand for cyber security skills continues to grow, they have had to broaden their recruitment strategy. Part of this includes efforts to attract more women into the industry<sup>70</sup>.

There are significant **gaps in the inclusivity and diversity of the EM3 labour market.**

**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.**

Between 2020-21, the EM3 resident population, aged 16-64, was 90% white compared to 89% regionally & 83% nationally.

Of the 10% non-white working age residents in EM3, 2% are Black, 2% are Indian, 1% are Pakistani / Bangladeshi 1.6% are mixed race and the remaining 3% are from other minority ethnic groups.

Between 2020-21, the EM3 resident workforce (aged 16-64 in employment) was predominantly white (92%) compared to national (85%) and regional (90%)<sup>71</sup>.

Of the 8% non-white residents in EM3 aged 16-64 and in employment, 2% are Black, 2% are Indian, 1% are mixed race and the remainder are from other minority ethnic groups.

**EM3 residents in work are less likely to have a disability than the regional and national average.** 15% of EM3 residents aged 16-64 in employment reported a disability – less than regionally (17%) and nationally (16%)<sup>72</sup>.

Since the introduction of the Equality Act 2010, employers have been encouraged to take positive action to help address under-representation or other forms of disadvantage within the workforce – including under representation of people with physical and/or mental disabilities. By taking such positive action, employers may find it brings benefits to their organisation, including widening the

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<sup>68</sup> Diversity wins: How inclusion matters, McKinsey, 2020: <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>

<sup>69</sup> DiversAbility, IBM: <https://www.ibm.com/impact/be-equal/communities/diversability/>

<sup>70</sup> Comment from BT at EM3 Skills Advisory Panel, September 2021.

<sup>71</sup> Annual Population Survey: <https://www.nomisweb.co.uk/datasets/apsnew>

<sup>72</sup> Annual Population Survey: <https://www.nomisweb.co.uk/datasets/apsnew>



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pool of talented, skilled and experienced people from which to recruit and a better understanding of the needs of a more diverse range of customers<sup>73</sup>.

**Gender gaps remain within different industries and occupations in EM3.** Employers attending EM3 Skills Advisory Panel meetings have reported under representation of female staff in their workforces including in Construction<sup>74</sup>, IT<sup>75</sup> and Space & satellite<sup>76</sup>. More widely, the occupations where women tend to work are also likely to be the lowest paid, with women still dominant in the so-called ‘five Cs’ of caring, cashiering, catering, cleaning and clerical work<sup>77</sup> – evident in EM3 where there are higher percentages of females compared to males in (e.g.) Health professional (7.2% vs. 1.1%), Administrative (13.3% vs. 5%), Secretarial and related (3.7% vs. <1%), Caring personal service (12.2% vs. 1.2%), and Customer service (2.8% vs. 1%) occupations<sup>78</sup>.

In contrast, there are higher proportions of males in corporate managers and directors’ roles (15.7%) compared to females (7.7%) in EM3<sup>79</sup>.

Of the 1.5m residents in EM3, 51% are female<sup>80</sup>. 58% of students studying in the universities in EM3 (2019-20) are female<sup>81</sup> – which contribute to the national gap in higher education participation level between young women (56.6%) and young men (44.1%)<sup>82</sup>.

The following case studies are examples of where EM3 LEP, EM3 Growth Hub and delivery partners are trying to improve diversity and inclusion in the labour market.

The LEP supported the work of the **Inequalities Panel**<sup>83</sup>, launched by Pearson in May 2021, bringing together experts from across education, employment and politics, to look at the impact of the COVID-19 pandemic on widening the inequalities gap. The Panel focused on different areas, highlighting the impact of COVID-19 and published recommendations on how the adverse impacts can be mitigated<sup>84</sup>.

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<sup>73</sup> Employers: what is positive action in the workplace? EHRC, 2019: <https://www.equalityhumanrights.com/en/advice-and-guidance/employers-what-positive-action-workplace>

<sup>74</sup> Feedback from employers at EM3 Skills Advisory Panel, January 2021 and Retrofitting Roundtable, September 2021.

<sup>75</sup> Comments from employers at EM3 Skills Advisory Panel, September 2021.

<sup>76</sup> Comments from employers at EM3 Skills Advisory Panel, March 2021.

<sup>77</sup> Women, Employment and Earnings A pre-budget briefing from the UK Women's Budget Group, March 2020: <https://wbq.org.uk/wp-content/uploads/2020/02/final-employment-2020.pdf>

<sup>78</sup> Annual Population Survey: <https://www.nomisweb.co.uk/datasets/apsnew>

<sup>79</sup> Annual Population Survey: <https://www.nomisweb.co.uk/datasets/apsnew>

<sup>80</sup> ONS Population estimates: <https://www.nomisweb.co.uk/query/construct/summary.asp?mode=construct&version=0&dataset=31>

<sup>81</sup> Who's studying in HE?, HESA: <https://www.hesa.ac.uk/data-and-analysis/students/whos-in-he#characteristics>

<sup>82</sup> Mind the gap: gender differences in higher education, HEPI, 2020: <https://www.hepi.ac.uk/2020/03/07/mind-the-gap-gender-differences-in-higher-education/>

<sup>83</sup> Tackling widening inequalities gap caused by COVID-19: Pearson launches expert Forum to investigate role of education, learning and skills: <https://enterprisem3.org.uk/news/tackling-widening-inequalities-gap-caused-covid-19-pearson-launches-expert-forum-investigate>

<sup>84</sup> The widening inequality gap post-COVID and what it means for access to learning and the labour market: <https://www.pearson.com/uk/campaigns/post-covid-inequality-gap.html>

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.



Part of Hampshire County Council's priority to help support an inclusive labour market, is to create **Special Educational Needs and Disabilities (SEND) Employability Hubs** to support progression of 180+ young people aged 16+ into employment<sup>85</sup> within three years of entering post 16 education. Some of these Hubs are already supporting SEND learners across EM3, located in HSDC (Alton College), Andover College, Farnborough College of Technology and Queen Mary's College in Basingstoke.



During 2021, Surrey County Council launched an **apprenticeship scheme** for young people with additional Special Educational Needs and Disabilities (SEND)<sup>86</sup>. Seven fully-supported positions were available, commencing in September and running for 18-24 months.



<sup>85</sup> Hampshire County Council SEND Employability and Independence Hubs:  
<https://www.hants.gov.uk/educationandlearning/hampshirefutures/send-employability-hub>

<sup>86</sup> Surrey County Council Apprenticeship scheme for those with additional needs:  
<https://www.surreylocaloffer.org.uk/kb5/surrey/localoffer/site.page?id=5-LDoDkO8ck>

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## **SUMMARY: Skills needs**

- Employers struggling to fill job roles with persistent vacancies in healthcare, social care, sales and IT
- Low take-up of vocational provision – including apprenticeships – which could offer routes to employment and address skills needs
- A need to widen participation in higher education in parts of the EM3 area
- Need for training at higher technical skill levels to address urgent skills needs

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## CHAPTER 5

### SKILLS STRATEGY AND ACTION PLAN

The skills priorities included in the 2020/21 Skills Action Plan still stand 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. This chapter also includes new 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 the previous 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.

#### Establish a local digital skills partnership

The EM3's business innovators and knowledge and design-based economy create high demand for a strong supply of people with high level digital skills including for specialist roles in the digital economy.



Led by employers, an EM3 Digital Skills Partnership would bring together public, private and charity sector organisations to focus on innovative delivery of high-level digital skills in artificial intelligence and cyber security.

#### Establish a network of training provision for retrofitting

Local insights have confirmed widespread recognition that we need to embark on a major retrofitting of homes and buildings to be more energy efficient, reduce carbon emissions and help us work towards a low carbon economy.



Led by the LEP, and working with a wide range of partners such as local authorities, private developers, colleges, universities and our enterprise zones, the EM3 area has the potential to establish a network of training provision for retrofitting homes and buildings.

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### **Support the Apprenticeship and Skills Hub as a specialist in technical skills for emerging low carbon sectors**

EM3 has strategic priorities to drive clean growth, to decarbonise transport and buildings, to pursue a green energy strategy and protect our natural capital.



With around 250 low carbon businesses and significant growth in green jobs demand in EM3, the Apprenticeship and Skills Hub is ideally placed to establish strong working relationships between key employers and local training providers and help address gaps in skills for technical roles in the low carbon economy.

## **SKILLS ACTIONS FROM THE 20/21 SKILLS ACTION PLAN**

Skills activities taken forward by EM3 LEP, Growth Hub and Skills Advisory Panel flow from an evidence-based strategy, the EM3 Revive & Renew Action Plan<sup>87</sup>. It includes support for employers, employees, and job seekers. Key areas for intervention as set out in a summary of Revive & Renew<sup>88</sup> 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.

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<sup>87</sup> Revive & Renew Action Plan: [https://enterprisem3.org.uk/sites/default/files/2020-10/Revive\\_and\\_Renew\\_EM3\\_06.pdf](https://enterprisem3.org.uk/sites/default/files/2020-10/Revive_and_Renew_EM3_06.pdf)

<sup>88</sup> Revive & Renew Action Plan Summary: <https://enterprisem3.org.uk/sites/default/files/2020-11/EM3%20Revive%20and%20Renew%20slidedeck%20Oct%202020.pdf>

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The EM3 Skills Action Plan 20/21<sup>89</sup> also highlights four priorities which the Skills Advisory Panel help to advance:

**Priority 1:** Use economic data to build business resilience, address skills gaps and match skills supply to employer demand

**Priority 2:** Enable EM3 residents to identify their skills strengths and needs

**Priority 3:** Work with employer and education partners to identify skills needs in key high growth EM3 industries and emerging sectors

**Priority 4:** To stimulate education and training providers to meet skills needs now and as they evolve

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.

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<sup>89</sup> Skills Action Plan and Local Skills Report 2020/21: <https://enterprisem3.org.uk/sites/default/files/2021-03/EM3%20Skills%20Action%20Plan%20and%20Local%20Skills%20Report%20Final.pdf>



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## CHAPTER 6

### LOOKING FORWARD

2021 demonstrated that our businesses are resilient, flexible, innovative and creative. Through their participation in the EM3 SAP, they have also been vocal in the skills challenges they face; welcoming the opportunity to present to and be listened by education and training providers.

We have seen some real success stories during the past year with businesses, providers and other organisations such as our two Chambers of Commerce working together on different initiatives to address some of these challenges.

As we move towards a net zero economy, the LEP – including the SAP – 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. Skills will be central to this.

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.



In 2022, 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, and to gain expert insight into employer and labour market trends.