

EM3 + rest of Surrey Local Skills Improvement Plan (LSIP)

Key findings and draft priorities webinar

*The slide deck will be shared with all registered attendees following the webinar.
Please feel free to forward to other colleagues and contacts.*

Purpose of today

Employer Representative Bodies (ERBs) have been asked to hold engagement sessions with local colleges and designated institutions in their LSIP area.

This is to share an update on key findings emerging from the project and give an indication of draft priorities that will feature in the final LSIP report.

The report is still being drafted and what is discussed today is still subject to change. The content of the slides should help provide a good indication of the direction of travel for this LSIP.

Today's session will cover:

- ▶ Details about what the LSIP project has delivered so far.
- ▶ Provide an overview of the labour market, sectoral, and skills context in the EM3 + rest of Surrey area.
- ▶ Outline recurring themes and emerging priorities from the research and engagement with businesses and key stakeholders.
- ▶ Provide an opportunity for colleges and training providers to share feedback and input into the findings of the LSIP report.



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What are LSIPs

“EM3 + rest of Surrey”



▶ A new part of the local skills infrastructure that will give **employers** a clear and strengthened role in shaping local skills provision

▶ Led by an Employer Representative Body (ERBs), such as Surrey Chamber of Commerce, to create plans outlining **the needs of local businesses**

▶ Set out a **clear articulation** of employers' skills needs and the priority changes to embed a more responsive and dynamic relationship between employers and providers (e.g. colleges, universities, training providers)

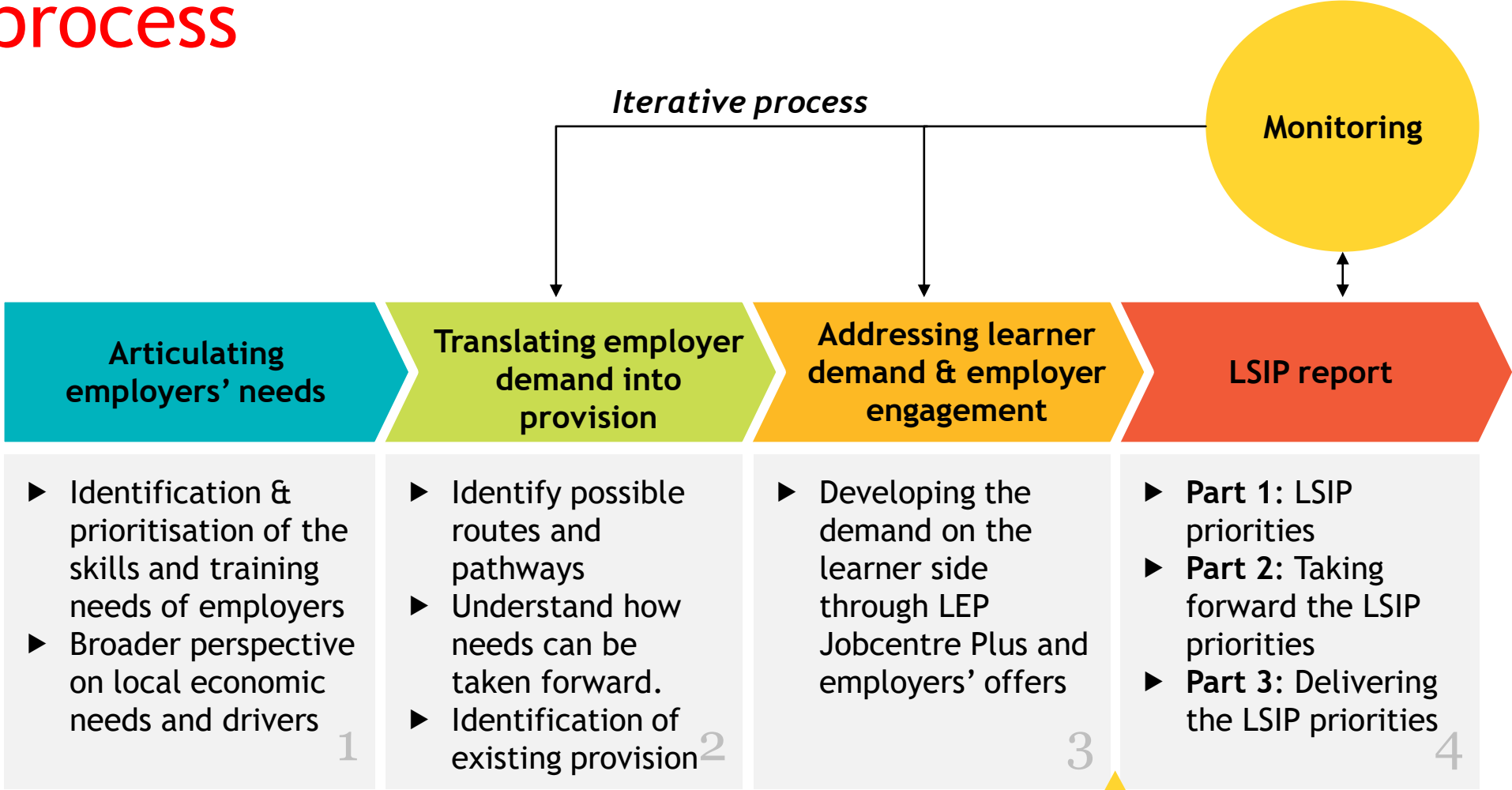
▶ Make technical education and skills provision more **responsive**



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LSIP process



We are here

Wider partnership approach



Delivering prosperity through innovation



Coast to Capital



Hampshire District and Boroughs



Why LSIPs matter to colleges?

Part of new DfE accountability regime focused on ensuring a greater focus on meeting local skills needs.

For example:

- ▶ Ofsted Inspection Framework
- ▶ Annual Accountability Statements
- ▶ Impact Evaluation- Governing Bodies conduct evaluations on how well their establishment meets local and national skills needs.
- ▶ Strategic Development Fund (SDF)/Local Skills Improvement Fund (LSIF)
- ▶ Devolution of Adult Education Budget

Annual Accountability Statements:

Published Statements will set out how **providers have engaged with employers and responded to LSIPs**. They will set out the provider's key aims and priorities for the year ahead and how these contribute to meeting skills needs, **including those set out in the relevant LSIP**.

N.B.

- DfE accept timings are challenging (degree of flexibility with Year 1 agreements), iterative process and expect Year 2 to be easier to plan for.
- LSIPs are one important source colleges should use. But there are other sources of information to help inform Statements.
- Colleges should be proportionate when considering the LSIP in relation to their agreements. Cover only what is relevant and relates back to the specialisms/priorities of the college.



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College involvement in the process

- Within Accountability Statements (especially in this first year), there is a good opportunity for colleges to highlight the engagement and support they have given to the process to create the LSIP.
- Overall, the project has benefited greatly from the support of colleges across the LSIP area. For example:
 - 1:1 meetings with principals
 - Attendance at LSIP events
 - Specialist curriculum-lead support at sectoral roundtables
 - Joint SDF/LSIP event with business development staff
 - Joint sessions with Principals, Governors, and Curriculum leads
 - Proactive engagement with the LSIP team to hear updates
 - General promotion of the LSIP process to their business contacts
 - **And attendance at this session!**



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What has the project focused on so far

This phase of the LSIP project has been all about engagement.

- So far, we've had over 200 survey completions and 300 face to face interactions.
- We have run deep dive sessions in: Construction, Engineering, Electricians, Professional Services, IT, Creative, and Hospitality and Tourism.
- Reviewed research, reports and analysis about general economy and labour market, including data on job postings and skills requirements
- Future of Green skills “deep dive” research
- Deep dive sessions still to come – Land based, Aerospace and space, Green skills, Health and Social Care, Cyber security and Teaching in Colleges.



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ECONOMY & ENTERPRISE



£80bn economy and major contributor to the Exchequer



An above average concentration of businesses – especially Micro and Small enterprises



Good resilience to impact of pandemic and relatively strong business growth

THE LABOUR FORCE



High economic activity rates with near full employment levels

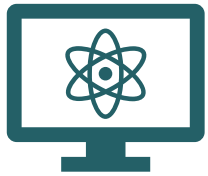


Employment growth faster than growth in activity



An ageing population - challenges on labour supply and activity

WORKPLACE EMPLOYMENT



Strong concentrations of knowledge-intensive, traded services



Sluggish employment growth over medium-term



Pandemic has wiped out employment growth

DEMOGRAPHICS



Concentration of older (50+) and younger (16-19s) workers



Sharp decrease in employment of younger workers between 2019-2021



Large and persistent employment gap between White and Ethnic minority groups

SKILLS STRENGTHS

STRENGTHS



Above average concentration of high-skilled occupations



4 in 10 resident workers have a degree or above



Employment rate is high at around 80%

SKILLS NEEDS

SHORTAGES & APPRENTICESHIPS



Large numbers of vacancies and a shortage of applicants



Persistent vacancies in many sectors including Digital, Health, and Social Care

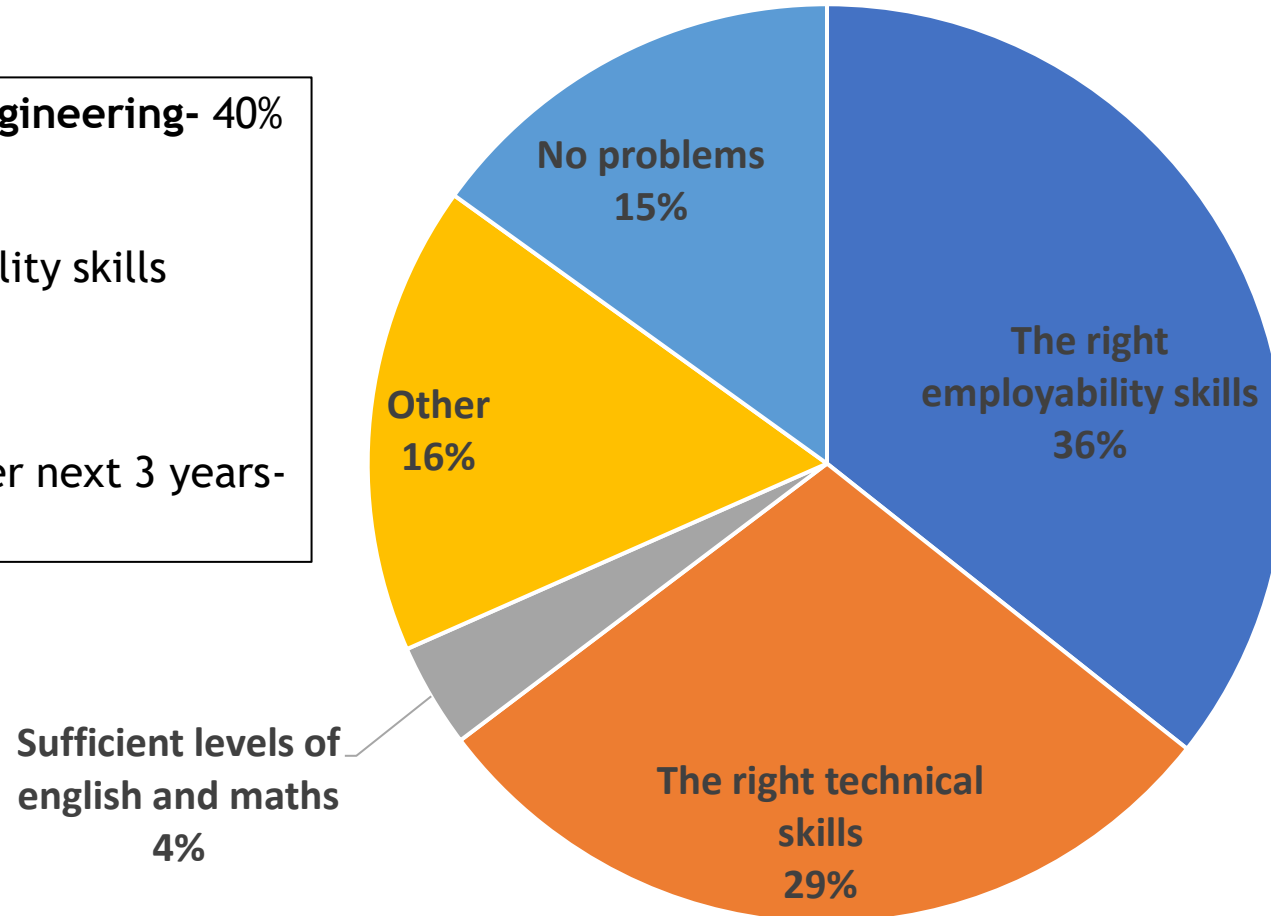


Young people continue to overlook apprenticeships from GCSE onwards

Survey insights

What problems do you experience while recruiting?

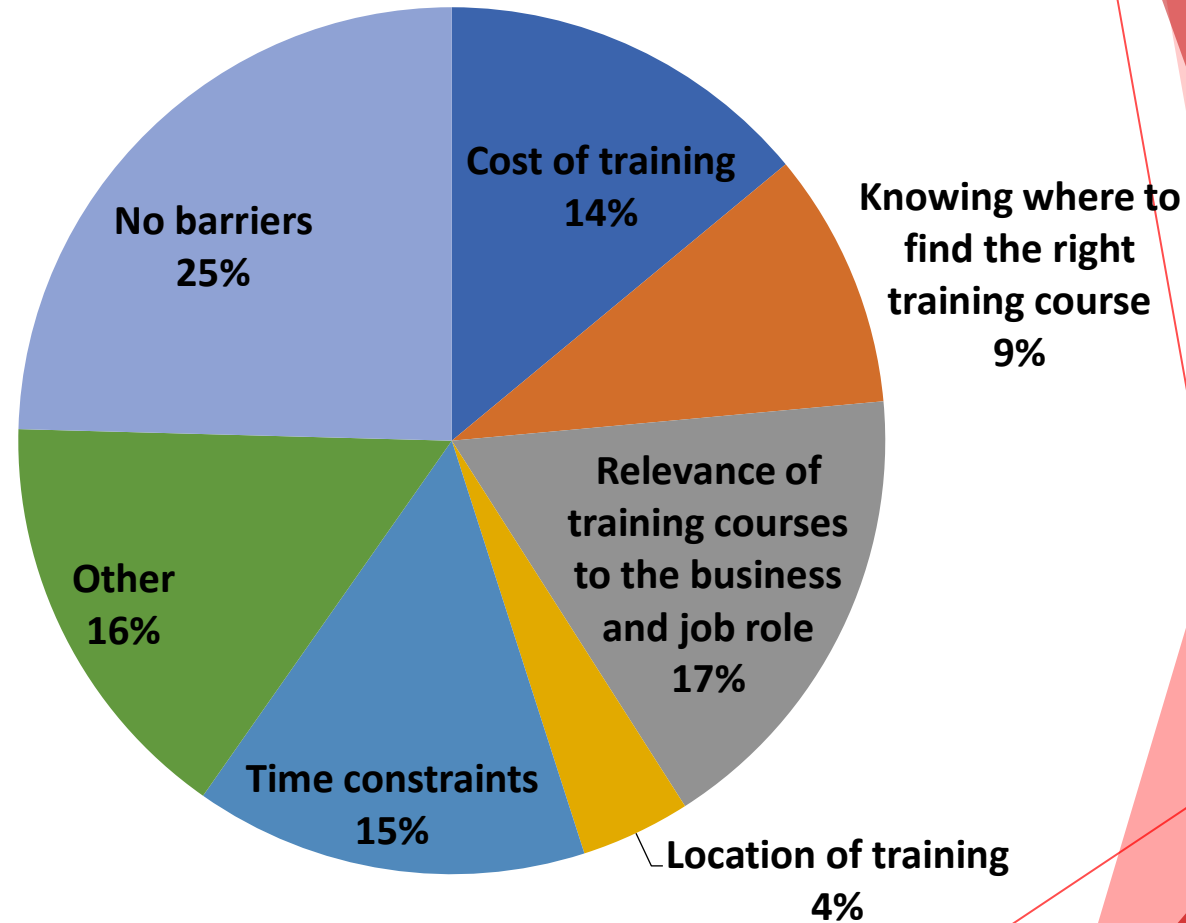
- **Advanced manufacturing/engineering-** 40% technical skills
- **Construction-** 41% employability skills
- **IT-** 21% no problems
- **Skills and knowledge gaps over next 3 years-** 46% said employability skills



Barriers to engage in training

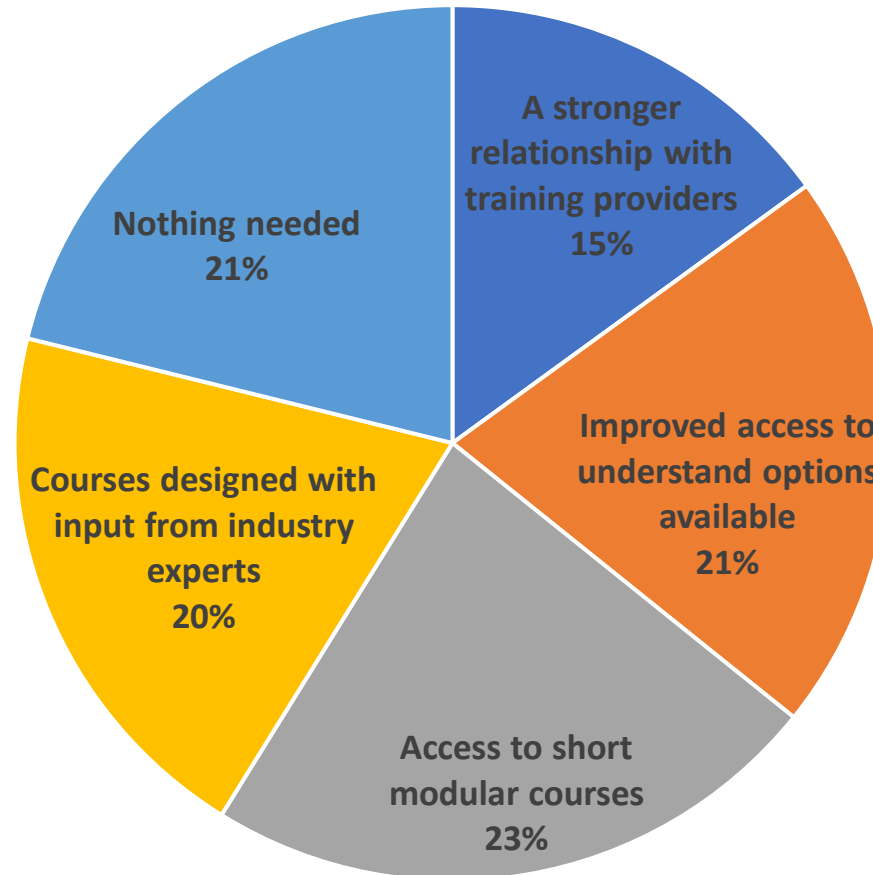
Sectoral differences:

- **Construction-** greater focus on relevance of courses and location.
- **IT-** only 3% for knowing where to find right course. Higher prevalence of in-house training.
- **Professional services-** time constraints more notable



Approaches to improve the skills system

- No single solution to improve how the skills system supports businesses.
- Short modular courses has been highlighted during roundtables/events (Skills Bootcamp model a possible solution?)
- **82% of respondents either already take on apprentices or plan to utilise them in the future.**



Recurring themes

- ▶ **Awareness of key sectors and occupations that are driving demand for skills** – working with schools, FE/HE providers and businesses. Focus on career/skills pathways available to showcase jobs and improve recruitment into certain sectors.
- ▶ **Support for businesses in understanding the education landscape** - clear and easy to use place for businesses to access the information they need about local training and skills opportunities (inc. specialisms of different colleges and providers)
- ▶ **Improved brokerage to match supply of skills with demand** – better engagement with businesses, as well as FE/HE providers.
- ▶ **Capacity within education and skills system to recruit teachers and trainers** – cost-of-living crisis making this more challenging.
- ▶ **Improve diversity and inclusion in certain sectors/skills and support to identify “hidden pools” of talent** – for example females in construction and engineering, more males in social care, and neurodiverse people in IT.

Theme: Cross-cutting skills

Through our research and engagement with businesses, a range of cross-cutting skills needs have been highlighted across the key sectors in the LSIP area; in particular with SMEs who require staff to be more versatile and wear multiple “hats”.

These have been categorised based on three headings (see examples below):

Employability (soft) skills

- Communication
- Customer service
- Numeracy
- Teamwork
- Punctuality
- Motivation/attitude
- Self-management
- Leadership
- Emotional intelligence

Digital skills

- Basic Microsoft
- Basic Excel
- Data analysis
- Online communication
- Hybrid/virtual working
- Cyber safety and security
- Online transactions

Professional skills

- Sales/business development
- Marketing
- Procurement
- Project management
- Product development
- Leadership and management
- Public speaking

Key sectors

Advanced manufacturing & engineering

Aerospace, space & satellite

Animal health & life sciences

Construction

Creative

IT

Health & social care

Hospitality & tourism

Land based

Professional services

Example sector profile: Construction

Rationale

Construction is a national and local priority sector that continues to grow and has one of the highest numbers of businesses in the LSIP area. It has the highest proportion of SME businesses in the area, which can make it more challenging to engage with. It is a key growth sector within the green economy. It is often overlooked as a suitable career route for young people, despite high vacancies and technical skills needs.

Labour market

- 57,727 jobs (34% above national average) and grown 10.9%
- 13,834 businesses (99.96% SMEs)
- Key businesses include:
 - Balfour Beatty
 - Taylor Wimpey
 - Wates
 - Ringway

Sectoral challenges

- Careers guidance is often lacking on construction sector- impact on diversity in the sector.
- Challenge to motivate young people on college courses/apprenticeships- many have gone into sector to get away from education and classrooms and start working.
- Capacity in the sector to rapidly deliver on net zero and retrofit.
- SMEs lack capacity and time to understand training opportunities available and support apprentices (inc T-Levels).
- Lack of capacity in FE sector due to teacher vacancies.

Employability, Digital, Professional skills needs

- Motivation/attitude
- English and Maths (made relevant to job roles)
- Management
- Commercial/sales
- Digital soft skills

Technical skills needs

- Roofing (lack of local courses)
- Dry-lining
- Quantity surveyors
- Scaffolding
- Plumbers
- Electricians
- Fitters
- Civil ground workers

Priorities

- Improved interactions between education sector and construction businesses to help promote the exciting career opportunities in the sector.
- Partnerships with larger “anchor” companies to help access sub-contractor market to raise awareness of training and funding opportunities.
- Consider ways to partner with local sector-based networks (e.g. ECA).
- Targeted training to upskill industry experts as college trainers (without additional pastoral care requirement) to help improve capacity at colleges.

Example sector profile: IT

Rationale

IT is priority sector for strategic partners, including both LEPs and County Councils. It is one of the largest sectors in the area in terms of numbers of businesses and jobs. The sector has significant growth potential from emerging technologies related to AI/machine learning, cloud computing, big data analytics, etc. It is a highly skilled sector which contributes significantly to GVA. There are established sub-sector specialisms in the area, which includes Cyber Security.

Labour market

- 78,113 jobs (78% above national average) and grown 7.3%%
- 12,774 businesses (99.7% SMEs)
- Key businesses include:
 - VMware
 - Project Five
 - Siemens
 - Servicenow

Sectoral challenges

- Tech sales can be challenging for new recruits and requires specific skills around virtual sales.
- Challenge with retaining apprentices who are easily headhunted once qualified for much higher salaries.
- Majority of businesses do hybrid-working and new starter apprentices require additional support.
- Lack of awareness about T-Levels and how businesses could utilise them.
- Diversity within sector a challenge, particularly getting more women into IT.

Employability, Digital, Professional skills needs

- Customer service
- Presentation
- Cyber awareness
- Leadership and management
- Sales
- Marketing
- Product development

Technical skills needs

- Software engineers and software designers
- Skills in data, machine learning and AI
- Deep knowledge of Microsoft 365
- Cloud IT
- Cybersecurity

Priorities

- Tailor additional support for learners to prepare them for hybrid-working.
- Promote sector to learners on non-IT courses with applicable sales/business development skills (businesses can upskill on IT where required)
- Work closely with local sector-based networks (e.g. Surrey Cyber Security Cluster).

Green skills demand

- ▶ Research commissioned currently being undertaken by a partnership including WPI Economics, Lightcast, and Data City
- ▶ Purpose is to get understanding of the scope and size of green economy/green jobs, both now and projecting forward to 2030 and 2050
- ▶ Sharing some emerging findings today- full report in late April.

**Green jobs currently 6.5% of all jobs.
Green jobs projected to grow 6% per year under a 'central scenario'.**

- ▶ Some of the projected fastest growing roles might surprise you, including:
 - ▶ Biological and physical scientists
 - ▶ Engineering professionals
 - ▶ Business/Financial project management professionals
 - ▶ Managers/director in storage/warehousing
 - ▶ Production managers/directors in manufacturing.
- ▶ Green jobs projected to become:
 - ▶ More advanced and highly skilled
 - ▶ More specialised

Overview: Draft priorities for change

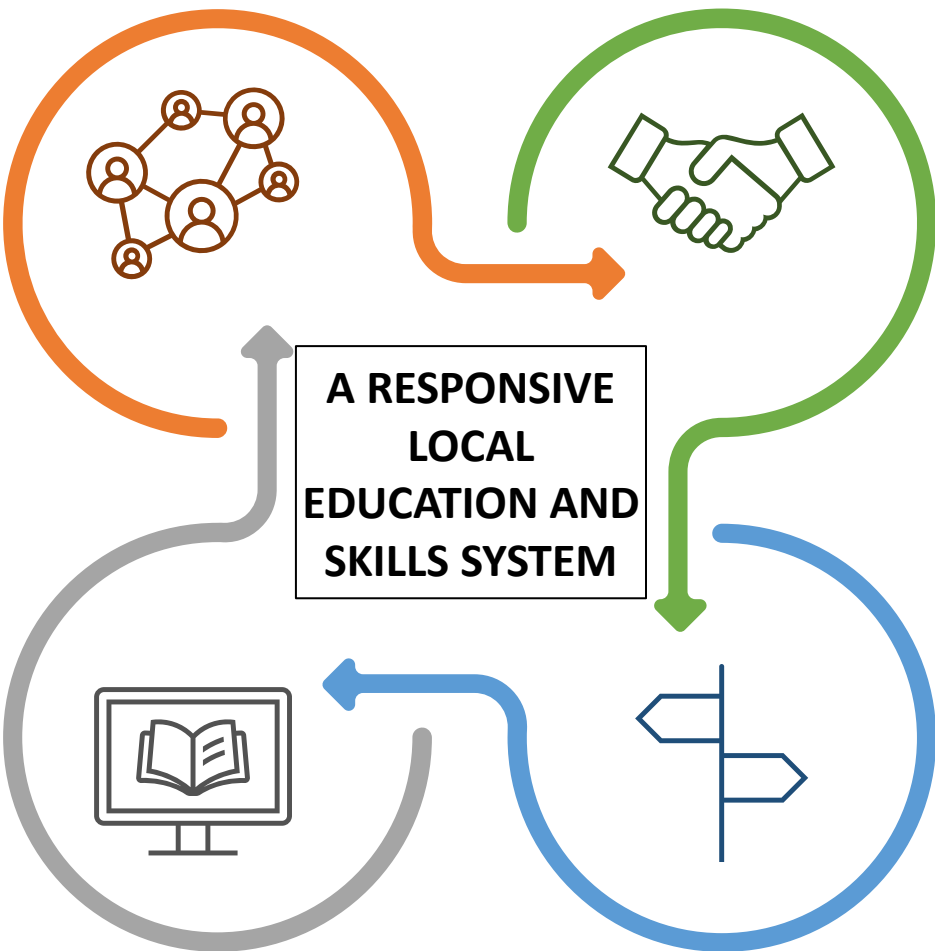
What is needed to make technical education and skills provision more responsive to the changing needs of employers and the local economy in the EM3 + rest of Surrey area?:

NETWORKS AND COLLABORATION

- Enhanced network approach and collaboration between FE providers at multiple levels across LSIP area
- Utilise existing employer networks and clusters, support them, and encourage the development of more

RESPONSIVE CURRICULUM

- Understand and consider the specific challenges and skills needs of key local sectors
- Develop clear and consistent approaches for the ways businesses can support and input on course delivery
- Embed cross-cutting skills development and interdisciplinary working into curriculums



DYNAMIC RELATIONSHIPS BETWEEN BUSINESSES AND PROVIDERS

- Identify opportunities to enhance the “connective tissue” between businesses and the FE sector
- Proactive engagement with larger “anchor” businesses to identify innovative solutions

INFORMATION, ADVICE AND GUIDANCE

- Accessibility of information and support available to businesses
- Improved brokerage solutions to match the supply of skills with employer demand
- Support businesses to access “hidden” local talent

Next steps...

- ▶ Continued engagement with businesses and providers (i.e. sectoral roundtables and survey)
- ▶ SDF-LSIP collaboration - capitalising existing partnerships and relationships
- ▶ Further consideration and funnelling of LSIP priorities
- ▶ Opportunity for further engagement and updates (e.g. Green skills research and event)
- ▶ Final submission deadline 31st May 2023

Feedback and Q&A



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Draft priorities for change (continued)

NETWORKS AND COLLABORATION

- **Enhanced network approach and collaboration between FE providers at multiple levels across LSIP area** – Building on SDF experience to embed more of a “collective mentality” across providers (e.g. BD/EE team collaboration opportunities).
- **Utilise existing employer networks and clusters, support them, and encourage the development of more** – These networks/clusters can provide effective “short-cuts” to understanding the needs of specific sectors/industries (e.g. Space South Central; Surrey Cyber Security Cluster).

DYNAMIC RELATIONSHIPS BETWEEN BUSINESSES AND PROVIDERS

- **Identify opportunities to enhance the “connective tissue” between businesses and the FE sector** – Important to develop meaningful interactions with businesses. For example, through sharing state-of-the-art college facilities with micro/SME businesses (e.g. SpaceCraft project) or college “business hubs” (Farnborough College of Technology and ARIC).
- **Proactive engagement with larger “anchor” businesses to identify innovative solutions** – Significant appetite and interest from larger local businesses that have capacity to be more involved to drive change in the local sector through their relationships with SMEs/supply chains.

INFORMATION, ADVICE AND GUIDANCE

- **Accessibility of information and support available to businesses** – Empower employers with clear information and advice, including navigation, sign-posting (e.g. Innovation South Virtual Campus resources), and clarity on the specialisms of each FE provider.
- **Improved brokerage solutions to match the supply of skills with employer demand** – There can be a mismatch between businesses struggling to find and recruit skilled staff and for learners knowing where to look for these opportunities. A solution such as a single skills portal could help tackle this.
- **Support businesses to access “hidden” local talent** – Some sectors have highlighted a particular need to improve diversity within particular roles, but often struggle to recruit people from more diverse backgrounds. FE providers are key organisations that have access to a diverse talent pool that can play a role in supporting employers.

RESPONSIVE CURRICULUM

- **Understand and consider the specific skills needs of key local sectors** – The LSIP sectoral profiles will support and provide greater clarity on these challenges and can be used to supplement existing knowledge and understanding. (e.g. utilise and expand Skills Bootcamps to offer shorter/modular options to businesses)
- **Develop clear and consistent approaches for the ways businesses can support and input on course delivery** – This could involve capacity building in FE colleges (e.g. through BD/EE teams).
- **Embed cross-cutting skills development and interdisciplinary working into curriculums** – A focus on cross-cutting skills and interdisciplinary interactions between learners on different courses would help to replicate realities of the workplace.