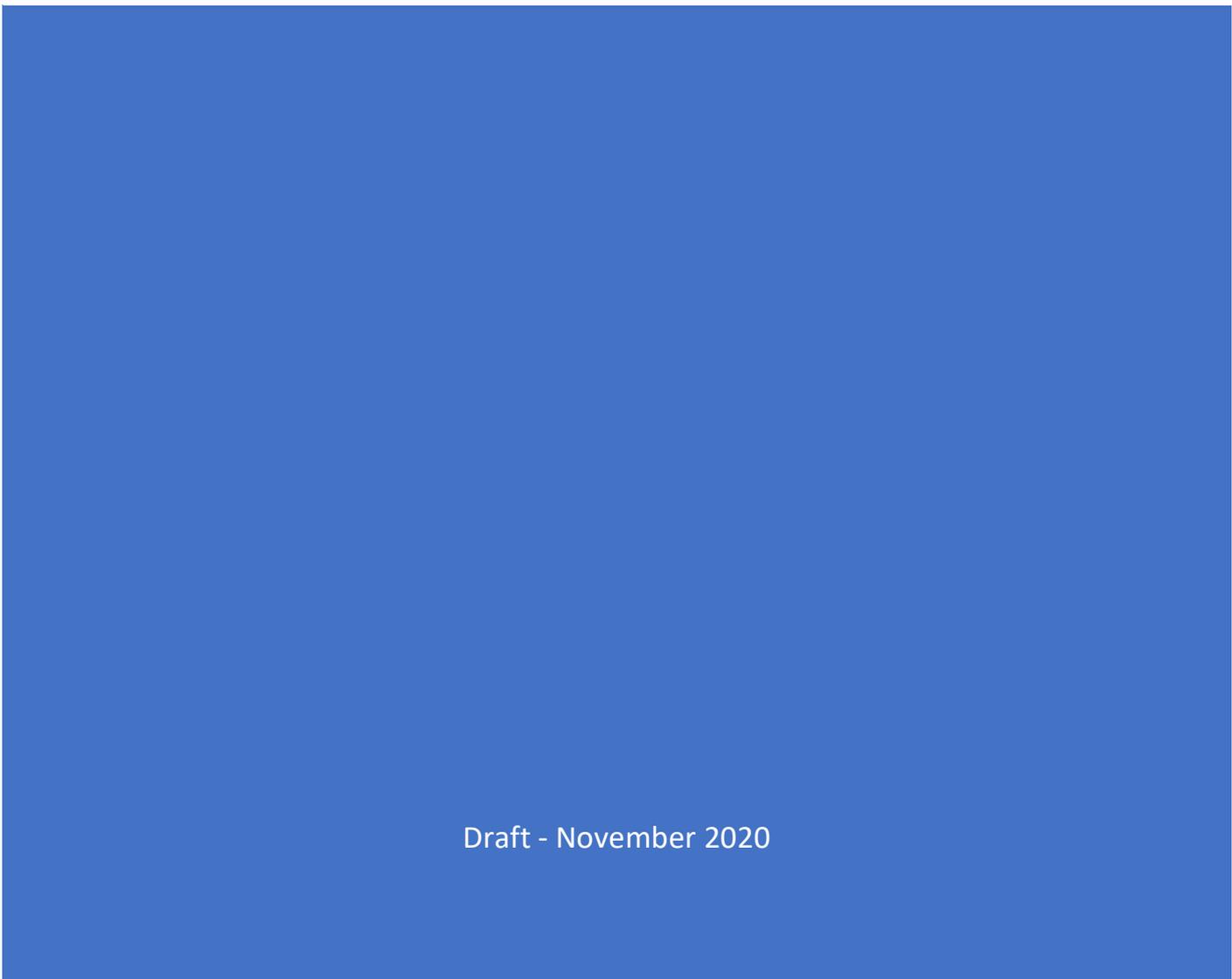


Local Skills Report – Core Strategy Consultation Document



Draft - November 2020

1) Introduction

i) Heart of the South West SAP

1.1 The Heart of the South West Skills Advisory Panel is the strategic partnership for skills and employment matters within the Heart of the South West area (covering Somerset, Devon, Plymouth and Torbay). Its members include the HotSW LEP, Local Employment and Skills Board, Colleges and University Partners, and wider public and private sector representatives and organisations

1.2 Skills Advisory Panels ('SAPs') were created by Government in 2018 to bring together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges. These include both immediate needs and challenges and looking at what is required to help local areas to adapt to future labour market changes and to grasp future opportunities. This will help colleges, universities and other training providers deliver the skills required by employers now and in the future

1.3 The SAP partnership is the latest iteration of skills leadership within the HotSW, which has taken forward a period of steady development and progression across our shared labour market and skilled workforce. Since 2010, the HotSW has seen a period of accelerated growth across the skills landscape, with an increase in those in work holding a technical qualification, those leaving education with 5 or more good GCSEs, and those achieving a degree or equivalent. Over the past five years in particular, the number of adults locally holding an NVQ Level 3 or above increased by around 11%, 2-3% faster than the UK average. This however still trailed national performance, demonstrating the ongoing challenges within our shared economy.

1.4 Partners across the Heart of the South West LEP have worked together closely during this time to align and accelerate delivery. The period has seen a mixture of public, private and institutional investment and success that has enhanced local progression and reinforced the area's underlying labour market expertise and specialisation. Key developments have included:

- **Institutes of Technology** – Successfully secured in 2019, the HotSW's two IoT's (SW IoT and WoE IoT) bring together further and higher education partners with regionally and national significant private sector partners to advance technical skills delivery and development across the economy. With a focus upon advanced engineering and digital competencies, the two IoTs now offer local partners and businesses a unique opportunity to fast track the development and growth of core technical competencies in our opportunity sectors.
- **Sector Skills Investment** – Over the past five years, further and higher education partners across the HotSW has invested over £250m into specialist capacity and facilities to advance learning and expertise within our core sectors. These include new engineering, digital and technology centers in Exeter, Bridgwater, Torbay and Plymouth, National Centres of excellence around Nuclear, Marine and other advanced manufacturing and engineering approaches, space for additional innovation and enterprise, and renewed capacity and capability across wider learning estates.
- **HotSW Careers Hub** – Emerging from the work of the Careers Enterprise Company and Gatsby Foundation, the HotSW Career Hub as of September had grown to cover every

mainstream secondary school in the area, providing support for high quality careers, advice and guidance and business/education engagement to every year 10 and 11 student. The largest hub in the UK, the HotSW had developed nationally competitive expertise in supporting work experience and engagement with business.

- **Digital Skills Partnership** – One of two original pilots agreed with DCMS in 2018, the HotSW Digital Skills Partnership brings together partners from across the public and private sector with a focus on digital skills development and capacity. Securing over £3.5m of funding in its lifetime towards local delivery to date, and facilitating wider success across careers advice, business support and infrastructure opportunities, the DSP has taken a strong leadership role in promoting digital pathways and the uptake of digital skills from basic to higher level.
- **Delivery of the European Social Fund** – The HotSW has been successful over the past 4 years in committing over £44m of ESF funding across a range of high value / high need projects. These include joint working with key national partners such as the ESFA and Big Lottery, universities and colleges, and wider community and voluntary organisations. As of 2020, the HotSW programme had supported over 20,000 individuals to access an apprenticeship, develop their in work skills, return to work and training and progress more generally.
- **National Retraining Scheme / Skills Fund Pilot Activity** – Working closely with DfE since 2017 on the emerging development of the National Retraining Fund and subsequent policy, HotSW partners have contributed towards the delivery of 1,500 adult training places in the past three years as part of wider testing and roll out of the Government's update skills approach. This includes testing of forerunner approaches to the new universal training offer at Level 3, and most recently bootcamp approaches for core sectors.

1.5 This document now seeks to reinforce this shared endeavor, setting out a first iteration of a shared skills strategy / plan for the Heart of the South West, seeking to align and drive skills and employment action into the medium term. It also seeks to take full advantage of new opportunities arising, across clean growth, within our advanced engineering and manufacturing sector, around digital competencies and within the health sector, seeking to maximise the capacity of our workforce to build for the future.

ii) **Developing a Local Skills Plan**

1.6 In Spring 2020, Government placed a formal requirement on each of England's 37 Skills Advisory Panel to produce a Local Skills Report for their respective area by 31 March 2021. The plan is to provide a five-year blueprint for shared priorities across the skills landscape, seeking to align forward investment and activity over the next period and provide a foundation for future growth and inclusion.

1.7 In bringing forward the plan, Government has also provided SAP partners with formal guidance on the drafting of the document, with clear direction on both the format and length of document to be submitted. This includes detailed specification on the information and content of each chapter, to ensure consistency across the county.

1.8 This consultation document therefore sets out initial content for the central elements of the Heart of the South West Local Skills Plan, built up from evidence and initial partner views

provided over the past two months. It is also seeking to acknowledge growing concerns and challenges posed by the impact of COVID-19 on the area, likely shifting demand and focus of skills and employment activity for the foreseeable future. Whilst not a key focus of DFE's initial guidance, it is clearly an issue which must be reflected in our forward thinking

- 1.9 This document therefore includes 4 draft chapters for consideration:
- i) **Local Skills Context** – Setting out a summary of the economic and skills context of the area;
 - ii) **Skills Strategy** – Outlining the HotSW's preferred strategic approach to skills development and prioritisation over the next 5 years;
 - iii) **Skills Action Plan** – Providing a brief, action orientated plan for shared skills and employment activity; and
 - iv) **Forward Look** – Providing a brief summary of wider factors which will impact on skills provision and delivery over the next decade.
- 1.10 The Skills Advisory Panel is now seeking comments and views from partner organisations and SAP representatives on the above chapters before the 17th December, including through the SAP meeting with representatives on 1 December. Comments can be sent to either the SAP Secretariat Team directly, or sent to skillslaunchpad@devon.gov.uk
- 1.11 Subject to comments received, a second iteration of this plan, including wider content and tweaks will be produced for the SAP's next formal meeting in February, with the partnership seeking to approve a final product before the beginning of March 2021.

2) Local Skills Context

i) Economic and Spatial Overview

- 2.1 The Heart of the South West is England's largest single Local Enterprise Partnership area, encompassing the four local authority areas of Devon, Somerset, Plymouth and Torbay. Covering around 4,200 sq miles, the area is home to 1.8m residents and 83,000 businesses, supporting an economy worth around £35bn per year in 2019.
- 2.2 Geographically, the Heart of the South West is one of the most diverse LEP areas. Encompassing a coastline of over 200 miles, around 630 sq miles of National Park and over 2,500 miles of wider rural space, and two major cities (Exeter and Plymouth), the area brings together deep rural, coastal, urban fringe and high-density city centre locations in a single geography.
- 2.3 The area's sectoral make up strongly reflects this diversity of place, with a service sector led economy, with notable concentrations of activity within the tourism, leisure, and wider public sectors.
- 2.4 The area however has a number of unique structural and sectoral features that differentiate it from its peers. These include a lower percentage of employment and output generated by finance and professional services; higher levels of outputs from bedrock sectors such as construction, agriculture, fisheries and food and drink production, and health and social care; and above average strengths in a range of manufacturing and digital activity, including unique strengths in marine technologies (Plymouth and North Devon), energy/ nuclear (Somerset), aerospace (Somerset), photonics / electronics (Torbay and South Devon), data analytics and cybersecurity (Exeter and Plymouth), and defence manufacturing.
- 2.5 This diversity is further reflected in the business make up and performance of the area. As a predominantly rural area, 98.2% of the Heart of the South West' Businesses were either small or micro organisation in 2020, slightly higher than UK average, with only 1 in 5 having a turnover above £50,000 per annum. This included significant numbers within the agriculture, fisheries and forestry sector (around 17%), manufacturing (15%), and within the business and financial services sector (20%), though in the latter case this was significantly below the national average (33%). This concentration upon small business was also reflected in the area's extremely low level of foreign owned enterprise in 2020 (0.3%), high levels of family owned enterprise (roughly 90%), and relatively low levels of innovation or knowledge led business (estimated by MIET as the lowest in the UK).
- 2.6 The area's population make up is similarly diverse and differentiated from national peers. In 2019, around one third of the Heart of the South West's population was over the age of 65, and only 6% were between the age 16-19. This was roughly 6% higher than the national average for those aged 65 and above, and 3.4% lower for those within the traditional further education age bracket. Overall, the area was ageing around a third faster than the rest of the UK in 2020, with the number of those over 65 having increased from a quarter to a third of the population in just over 20 years. This was most notable in Torridge and West Somerset, where the number of individuals over 65 was nearer 40%. Wider diversity was similar low, with just 2.6% of the population identified as non-white British in 2019.

- 2.7 Moving onto the economy of the Heart of the South West, the area is more economically dynamic than comparable national peers. In 2018, GVA per head was approximately 18% lower than the national average, whilst average earnings were approximately £40 per week lower than the national equivalent, and £20 lower than the South West average. This does however disguise substantial differences within the area, with wages and productivity per head in Exeter roughly the same as the national average in 2019, whilst wages in Torridge was approximately 20% lower than those in Exeter, and output per head roughly half the national average. Deprivation levels were similarly diverse, with 90-100 wards within the bottom 20% nationally (with concentrations in Plymouth, Torbay, Northern Devon, Exeter and Western Somerset), but often sitting adjacent to areas within the upper quintile.
- 2.8 This diversity also stretches across into the demography and relatively socio-economic attainment of the HotSW. On average, those over the age of 50 within the area were more likely to be long term unemployed than those below 30, have less skills (with a higher percentage have below a Level 1 qualification, but also have a higher propensity to have a degree or Level 4 plus qualification. Similarly, those in the bottom 20% of wards were 3 times as likely to be receiving free schools' meals than those outside, which in return saw their likely progression into Higher education halved when compared with peers. Levels of in-work poverty and underutilisation of skills were also 50% more prevalent in those districts with a productivity average of below 80% than in those above.

ii) Employment and Skills – Needs and Opportunities

- 2.9 Historically, the Heart of the South West has benefited from above average levels of economic activity and employment, with the area's average activity level only falling below 77% once in past 25 years before the onset of COVID. This includes above average female and 16-19 employment levels, though traditionally those with a disability and those over the age of 65 in the area have been less likely to be in work. Hours worked have also traditionally been far stronger in the HotSW than equivalent areas, with more than a fifth working more than 45 hours a week. In part, this can also be related back to a higher percentage of local people being self employed than in other areas, roughly 5% higher overall. The Heart of the South West also had a higher percentage of individuals working part time than the national average in 2019, roughly 0.5% above comparator areas.
- 2.10 Over the past twelve months however, COVID 19 has severely disrupted this pattern, with employment and activity levels currently at their lowest for several decades, and a risk that the pandemic will permanently damage some of the area's more historically stable sectors. This includes 30-40% reductions in employment in sectors such as hospitality, tourism and leisure, shifts in activity levels across manufacturing and significant issues around self-employment and sole traders.
- 2.11 Despite these historic strengths in economic activity levels however, the Heart of the South West tends to be less productive than its national peers. On average, individual roles across the HotSW area in 2020 were 10% less well paid than their national equivalents, tended to be less skilled than the equivalent job role elsewhere, and required lower level qualifications for entry. Though this was extremely changeable across the area, with significant high value activity for example in sectors such as marine, advanced engineering and parts of digital and health, average data suggests that the area trailed national wage and expected skill make up in almost every major sector. In part, this could be explained by heavy concentrations of employment within historically lower value, lower skilled sectors, such as local public

administration and social care (170,000 individuals), tourism and leisure (140,000), distribution and logistics (90,000) and non-trade construction (30,000).

- 2.12 The relative distribution of skills levels and competencies within the Heart of the South West further reinforces this gap. In 2019, approximately 5% fewer adults of working adults had a NVQ level 4 or above qualification than the national average, and approximately 3.5% more than the national average having an equivalency of Level 2 or below. In real terms, this equated to 50,000 less graduates and technical staff across the HotSW economy than would be expected based upon the national average. Sectoral data for core employment sectors in the HotSW suggests similar imbalances across leading employment areas, with 10% fewer high skilled staff within leisure and administration employment, 6% in construction and 5% in logistics than in comparator areas.
- 2.13 The relative distribution of occupation levels in the HotSW further illustrates the skills and employment gap in the local economy, with approximately 5% less individuals employed in senior or professional occupations than the national average, but 4% more employed within skilled trade or administrative positions, and 3% more in elementary occupation groups. This is supported by wider vacancy data which demonstrates lower levels of demand for managerial and professional staff than would be expected for an area such as the HotSW, and higher levels of demand for basic care, skilled trade and elementary roles.
- 2.14 Despite lower levels of demand for managerial staff however, demand for technical and higher skilled staff remained above the national average in many sectors in 2020. This included higher locations quotations around occupations in health and social care, information technology, engineering and advanced production and professional services. In 2019, roughly half of all roles advertised were considered hard to fill.
- 2.15 This gap in the availability of skilled staff is not however due to a gap in educational or vocational attainment. In 2019, the area had GCSE and A Level achievement levels were roughly equivalent to the national average (though with significant local difference), and the area actually benefitted from a Level 3 achievement level for non-A level qualifications roughly twice that of the national average. Level 4 and above achievement was also roughly equivalent to national averages (albeit with less individual taking such skills than elsewhere). Notably, the Heart of the South West also had some of the Country's highest levels of apprenticeship activity and achievement (notably around Plymouth).
- 2.16 Instead evidence suggests that this gap was due to other supply side issues, including:
- **Specific local issues around progression between qualification levels** - Progression data beyond Level 3 for the Heart of the South West suggesting ongoing challenges around encouraging young people and adults to train for higher skilled roles. In 2018, only 38% of those completing a Level 3 qualification went on to Level 4 or above job or training opportunity, as opposed to 49% nationally. This was a particular challenge amongst young people and adults from the bottom 60% of wards across the area, where progression was roughly half that of those within the top 40%.
 - **Challenges with retention** – Despite a strong mixture of higher value roles, notably around Greater Exeter, Plymouth and the Somerset M3/A303 corridor, and a strong community of universities and colleges, graduate and skill retention remains a key challenge locally. In 2018, only 47% of all graduates who trained remained in the South

West after 3 years, and only 65% of all technical staff remained after taking a Level 4 or above qualification.

- **Ongoing issues around the progression and achievement of those that did not achieve level 2 the first time around.** In 2019, roughly half of all young people in the HotSW left school without level 2 equivalency through their GCSEs, with around 20% then failing to go on to retake relevant qualifications before they were 19. Amongst adults, roughly 50% of the workforce had no Level 3 qualification in 2019, and roughly half of those had undertaken no formal education at all since leaving schools.
- **A significant mismatch between supply and demand in the type and sector of qualifications being achieved** - In 2019, 25% of those completing a Level 3 qualification locally were in professional services, finance and business disciplines, whilst a further 19% were in service enterprise activity (hairdressing etc) or sports and leisure qualifications. This is despite these sectors making up just 13% and 1% of the economy respectively. Alternatively, only 1% of qualifications were within logistics and retail qualifications (16% of employment), and 13% in health and social care (approximately 20% of employment and current vacancies).
- **A limited focus on higher and technical level STEM provision** - Whilst STEM learning did make up around 22% of all qualifications being taken in 2019, 80% of the qualification involved were being taken at Level 2 or below, with higher level STEM activity making up just 5% of all qualifications in the year (despite the identification of advanced engineering, energy and green jobs as a key local opportunities). Achievement in STEM also fell overall between 2014-19 by 23%.
- **A decline in the number of adults undertaking training** – Whilst a national crisis, numbers of adults undertaking training overall reached a 23 year low in 2019. This was despite the majority of HotSW employers offering some in work training, with performance above the national average.

2.17 Despite the structural challenges noted however, the HotSW does benefit overall from a dynamic and growing economy and skills base, with significant opportunities for ongoing growth and refinement of local expertise and workforce capacity. These are also having a tangible impact on progress, the overall gap in skills performance for example having closed between the HotSW and the rest of the UK in the past five years, with significant acceleration in those holding a Level 3 and above qualification. Other key assets and advantages include:

- **A dynamic and growing economy**, with specific opportunities around digital industries, clean growth, advanced engineering and manufacturing, and health;
- **A workforce that is willing to train and employers that are keen to support progression across multiple sectors and professions**, though with a stark divide between the engaged and non-engaged;
- **Nationally significant Higher Education capacity**, including world class research expertise and strong linkages between local industry and innovation capacity;

- **A highly competitive further education and training provider offer**, with state of the art facilities and capacity, areas of outstanding performance; and strong business / technical linkages;
- **Two Institutes of Technology**, focused on developing additional technical capacity across advanced engineering, manufacturing and digital sectors, and providing unique opportunities for business and education engagement and technical curriculum development;
- **Strong levels of vocational training uptake**, with apprenticeships levels and numbers that are amongst the highest in the country as a proportion of learners;
- **Positive engagement between secondary education and the business community**, with educational attainments levels that have been slowly improving and some evidence of improved progression into further learning in individual districts.
- **Strong private sector engagement and investment in skills and training**, with above average levels of training across a range of sub-sectors and occupations.

2.18 Overall, the Heart of the South West is therefore a diverse and complex region in terms of both its economic performance and skills progression. Whilst it benefits from a mixed economy with clear areas of strength, and educational capacity and achievement which can compete with the best of the Country, it faces a significant number of local skills issues and challenges which undermine its wider economic progress. Key messages include:

- Strong overall economic position, with clear areas of growth and opportunity
- Extreme differences however in the economic and skills makeup and capacity of the Heart of the South West, often making it difficult to take a single focused approach to training and skills activity
- Historic and structural challenges around the value of work and types of work on offer across individual areas of the Heart of the South West, with ongoing challenges around professional and managerial careers within rural, coastal and more deprived communities.
- Average levels of educational achievement and some signs of improvement, but a lack of progress between and through skill levels more widely, and particular challenges around progression amongst those who fail to achieve the first time around / aspiration within individual communities and places.
- An ongoing mismatch between training provision / achievement and the types of jobs on offer, with a focus on service and leisure type roles that do not exist locally.
- Issues around the medium-term retention of higher-level skilled individuals, despite jobs and significant opportunities being available in the local area.
- Ongoing challenges emerging from COVID 19, with the impact of the pandemic yet to be fully felt across employment and skills performance.

3) Core Skills Strategy

i) Overview

3.1 Our ambition for the Heart of the South West is that every individual, regardless of background or circumstances, should have the ability to access an education or training offer that allows them to achieve a productive job which they value.

3.2 This core strategy seeks to provide a shared blueprint for the Heart of the South West that will move people towards this goal, contributing to the creation of an integrated skills environment, which promotes both the needs of the individual and employer, and that will **drive forward social mobility**, contribute to **wider growth and productivity of the area**, and support wider ambitions around **clean growth and sustainable development**.

3.3 To achieve this ambition however, we believe we need an employment and skills system that:

- Ensures **every** individual benefits from an effective education or training offer, that promotes aspiration and ambition, and leads to a successful career;
- Ensures that every adult has the opportunity and support needed to progress into an economically valuable job, through access to high quality learning and guidance, regardless of age, previous attainment or other barriers to work;
- Promotes and drives forward economic success and growth opportunities, notably within core sectors such as around clean growth, digital, engineering and health, recognising their crucial role in driving our future economy;
- Works for employers to enable broader growth, promoting confidence to upskill their business and providing a foundation to develop, retain and attract new talent;
- Seeks to ensure that we have a high quality vocational offer that complements wider academic pathways, recognising the importance of technical skills to our economy.
- Is underpinned by a network of outstanding colleges and wider adult education provision, that are structurally fit for purpose and demand led, ready to meet the needs of our existing and future economy, and supported by modern facilities and knowledgeable staff
- Maximises the impact of our world class higher education provision, meeting the needs of our economy and driving forward innovation and knowledge Whilst also contributing to local objectives around social inclusion, productivity and clean growth, and seamlessly integrating with other educational provision, whilst
- Attracts wider investment and engagement, which can both sustain the area's unique economic strengths and supports future production, enterprise and innovation.

3.4 To help us achieve this, and to make sure that our activity is adding value and maximising the impact of investment and initiatives within the Heart of the South West, we will focus upon 10 shared priorities over the next 5 years:

- **Improving Career education, information, advice and guidance (CEIAG) to support young people and adults to progress**, improving both life chances and their economic contribution
- **Supporting businesses and schools to work together to improve attainment from compulsory education across all individuals**, supporting both growth and individual achievement
- **Ensuring the economic relevance of our skills and training provision**, better matching supply and demand, and maximising the impact of our growth sectors
- **Supporting businesses to grow their staff and extend the capacity of their workforce**, through the development of seamless escalator approaches and clear ‘no wrong’ gateways into training and workforce development
- **Growing the quality and quantity of apprenticeships and traineeships for all**, supporting technical and professional progression across growth and foundation sectors.
- **Developing and retaining higher level skills in the HotSW**, including leadership and management across our business community, driving high value growth
- **Maximising the economic and social impact of the universal training offer available for all adults**, supporting growth in core sectors
- **Continuing to develop specialist support for hard to reach or other groups**, supporting them to access productive and high-quality work
- **Improving the quality and availability of labour market information**, informing better, growth and inclusion led decision making
- **Continuing to develop and integrate the Heart of the South’s skills and training infrastructure to meet the needs of the future economy**

3.5 In taking forward the above, partners will ensure that the skills landscape will both champion economic and social inclusion across the area, as well as support our wider ambitions around sector growth, economic development and productivity improvement.

ii) **Productivity and Sectors**

3.6 The Heart of the South West Local Industrial Strategy (‘LIS’) sets out our shared ambition to transform the local economy through clean and inclusive growth. The strategy seeks to develop a new approach to growth across the area, seeking to decouple economic growth from emission growth, and more widely share the proceeds across people and communities.

3.7 As part of this ambition, the LIS identifies 3 areas of significant growth opportunity that it wishes to prioritise over the next two decades, **Engineering Futures; Digital Futures; and Energy Futures**. Partners believe that these priority sectors have a key role to play in both contributing to Government’s long-term ambitions for national growth, but also drive forward

social inclusion and levelling up across the HotSW's mixed economy, as well as support wider clean growth.

3.8 This Strategy recognises the importance of these three core sectors in driving forward clean growth and inclusion in the HotSW. This will be achieved in the first instance through a focus upon promoting and prioritising their development⁵ through all of our skills investment, creating clear pathways / escalators of progression into and through these three core opportunities areas, providing a 'no wrong door' approach to related careers. This will ensure that, regardless of background or prior achievement, a route to a high-quality job in a clean growth sector will be available.

3.9 More widely, this strategy seeks to support skills actions and activity that will contribute to both clean growth and inclusion. Every priority and action seeks to ensure that individuals are supported to progress and move into and through the economy, ensuring they are able to access a productive role, and better engage and benefit from the benefits accrued. Whether through promoting opportunity sectors through better careers advice; through seeking to prioritise funding for technical and digital skills; or promoting the benefits of work and training more widely, this Strategy seeks to promote the economic and greening ambitions of the LIS.

3.10 This emphasis on opportunities and clean recovery is also critical in light of the impact of the recent pandemic. With significant disruption across the labour market and economy, as highlighted elsewhere, ensuring that opportunities for renewal are maximised will be key to the HotSW approach towards building back better. As identified through both local and LEP level recovery plans, opportunities sector providing one key route for achieving this ambition.

3.11 Whilst employability support and activity to promote generic skills in literacy, numeracy and digital competencies are also critical in ensuring every adult has a foundation for progression, they will need to be aligned with tailored support and clear skills investment and capacity building to maximise the impact of our opportunity sectors. Neither focusing on inclusion or high growth potential alone will close the HotSW's productivity and inclusion gap. For each opportunity, we will therefore seek to:

- **Engineering Futures** – Building upon the expertise of our universities, colleges and specialist education and training providers to create and support pathways into evolving engineering disciplines, with tailoring around marine, aerospace, photonics, nuclear, civil construction and defence careers. These in turn will serve wider clean growth ambitions, as well as wider productivity goals.

This will include increased support for specialisation within our training landscape; improved linkages between business and training providers to improve the relevance of qualification design and delivery; enhanced opportunities for innovation and higher level skills development; and a focus on the development and increased delivery of individuals with technical level skills for related sectors. Critical to these outcomes will also be a consistent approach to related careers advice and guidance for young people and adults; maximising the impact of our Institutes of Technology; and better aligning the flow of individuals between secondary education, further education and higher education opportunities.

- **Digital Futures** – Recognising the area's existing strength in training and higher-level skills within data analytics, cyber security and environmental data technologies, seek to create

an area wide approach to digital career progression and development. This will include a focus on ensuring every individual has the basic digital competencies required to achieve in a modern role, but also those specialist skills that will drive the area's relative competitiveness.

Activity will therefore encompass working with schools and other educational settings to promote digital careers and opportunities throughout the HotSW; working with our Colleges and wider training providers to offer a graduated approach to digital training and progression, from basic skills for adults to technical competencies up to Level 5-6; engagement and co-design with employers, universities, colleges and our two Institutes of Technology of relevant qualifications and competences; and development of specialist training and innovation capacity within our Colleges and universities around higher level skills and teaching / management capacity.

In bringing forward this opportunity, the HotSW will seek to draw upon and work intensively with its Digital Skills Partnership, providing a leadership and coordination role amongst partners. Through the integration and enablement of individual digital skills, the area will also drive forward more sustainable work patterns, cleaner outcomes and prepare itself for future changes across the world of work.

- **Energy Futures** – Seeking to build upon the area's unique strength around nuclear technology and engineering, but also specialises in marine energy, photovoltaic, wind, and clean mobility technologies, providing clear progression and entry routes into related career paths. Through growing our potential in this sector, and creating a world class workforce, we will directly contribute to UK carbon reduction and wider sustainability ambitions, as well as drive individual life chances.

This will include accelerating existing careers and information pathways within schools around nuclear and energy / green related careers; reinforcing training and qualification approaches into energy based careers, reinforcing specialist training and curriculum delivery in colleges and through the area's two IoT; supporting local leadership and upskilling to access supply chain and other opportunities within the sector; and promoting and supporting innovation by both the business community and our FE and HE institutions and specialist training providers

3.12 In addition to these growth opportunities, the area also benefits from significant additional opportunities across an array of bedrock and foundation sectors. As both significant drivers of local economic output and major contributors to local and regional economic, these sectors have a key role to play in driving forward the area's wider economy, but also providing valuable high-skilled jobs for the future which benefit individuals, communities and wider clean growth. In light of COVID 19, these sectors have also taken on a new priority, either as core contributors to our shared recovery, or in need of substantial additional support due to the distortive impact of the pandemic. We will therefore:

- **Health and Social Care** – Seek to work with the health and social care sector to provide new opportunities to enter the sector, promoting the sector as a valuable career pathway; supporting individuals to progress into higher level health or specialist occupations; work to create a culture of learning and recognition of training across all levels; and link

together employer, education providers (including further education, higher education and training providers) and community / employment approaches and needs.

- **Construction** – Work with the construction sector to both identify key areas of need for the future, including working together around replacing an aging workforce; develop new pathways into apprenticeship and other routes into the trades; promote upskilling for existing construction operatives; and develop capacity for higher value construction training. This will include creating and supporting training to facilitate new methods of construction and sustainable construction.
- **AgriTech and Food and Drink Production** – Seeking to build on the Heart of the South West’s internationally recognised agricultural / food and drink industries, we will work with the sector to identify formal training pathways and upskilling across the sector, looking to both add value to existing roles, support the sectors modernisation and ongoing diversification, and improve local competitiveness. This may include increased investment in robotics, digital technologies and other align skills sets which support investment and growth, as well as around land management and other science based approaches.
- **Tourism, Hospitality and Leisure** – Recognising challenges posed during the recent COVID crisis, work with the sector to accelerate the upskilling and value of its offer, through upskilling of staff, reinforced leadership and management skills and wider customer service and digital capacity across the sector. This will include support for skills within new higher value tourism sub-sectors, including green and sustainable tourism approaches.

3.13 As part of our sector skills approach, it will be critical to ensure that there is a firm link between research and development / innovation activity and wider skills and labour market development. In many cases, skills development and knowledge transfer underpins individual business innovation activity, and wider sector performance. This is particularly critical within our higher value opportunities, including within aerospace, defence, nuclear, marine, wider advancing engineering, health, clean industries and digital sector development. Our higher education institutions, IoTs, Colleges and other research and training bodies will have a core role to play in this integration. However, it will also be important to ensure that a culture of innovation and enterprise is integrated throughout our approach, including working with schools and young students to promote positive behaviours and aspiration.

ii) **Social Inclusion and Mobility**

3.14 As set out, the Heart of the South West is an area of extreme economic differentials, with deep rural, coastal and deprived urban settings often seeing nationally significant gaps with more affluent neighbours. At the heart of many of these challenges is the relative uptake and availability of higher value skills, work and knowledge intensive careers within our hardest to reach communities, with lingering challenges in many areas around educational attainment, aspiration and progression.

3.15 This strategy recognises that unless these issues are addressed, the region and our residents will never be able to truly harness the growth and economic opportunities currently on offer to them. As such, we will seek to ensure the following core outcomes through the actions

within this Strategy to narrow the gap between areas and individuals, and better extend opportunity through:

- Ensuring that a sound advice, guidance and work experience offer is available to all, regardless of location or characteristic of learner
- That relevant learning opportunities, particularly those providing pathways to future growth opportunities, are also available to all, regardless of location, background, prior attainment, or barrier to learning.
- That age, sectoral focus or level of career progression should pose no barrier to learning, with a focus on supporting those that traditionally have struggled to access provision
- That appropriate wraparound support is in place on key issues like transport, childcare, health and mental health support and other common barrier factors.

3.16 To achieve this ambition, activity and projects / programmes emerging from this strategy will be expected to actively demonstrate its commitment to social inclusion and closing the gap. Partners will be seeking, as this strategy develops, to ensure that activity is not only driving growth, but is also extending working and learning opportunities to locations and individuals that would otherwise not benefit, whether in a deprived urban or rural setting, or with a protected characteristic or from a harder to reach background. Relevant skills and training activity will seek to extend clean growth across the heart of the south west, but ensure that as wide an array of local individuals and communities can benefit from it and the jobs and learning opportunities it creates, as possible.

iii) Geography

3.17 The Heart of the South West does not comprise a single economic geography, but is instead made up of multiple labour markets, with a mixture of sectoral, environmental and social strengths and weaknesses, opportunities and threats. As such, any skills approach to the Heart of the South West must recognise these local differences, with a clear understanding of the differing skills, learning needs and requirements of each of our shared communities

3.18 Building on our headline priorities for the Heart of the South West, we will therefore also seek to achieve the following over the next 5 years in each of the Heart of the South West's 6 Skills and Employment geographies:

- **Plymouth** – Recognising the manufacturing strength and opportunities associated with our Ocean City, we will seek to build upon Plymouth's nationally significant capacity in marine technologies and wider advanced engineering, manufacturing and defence excellence. Aligned to this, we will seek to build upon the city's ambitious plans for growth and to address social inclusion, focusing on maximising the impact of engagement with schools, locally led employment and training activity through City College Plymouth and wider training provider community, joint delivery and innovation through the City's universities, and supporting wider opportunities in areas such as cyber/digital development, health and social care and construction.
- **Exeter and its travel to work area** – As the heart of the area's knowledge economy, and quickest growing locality, we will seek to maximise the productivity and levelling

up potential of Exeter and its wider travel to work area covering East Devon, Mid Devon and Teignbridge. A focus will be placed on the potential of the city as a hub for digital technologies, green growth, advanced manufacturing, and professional / financial services. In addition, partners will seek to maximise the impact of the City's outstanding College and broader FE institutions, research university and wider training provider community; ongoing efforts around aligning education and work opportunities; employability and upskilling activity around construction and health; and seek to build digital capacity from basic skills to advanced technical competencies.

- **Northern and Western Devon** – Recognising the diversity of the economy and employment within Northern and Western Devon, we will focus on extending opportunities to every rural, coastal and market town location. Building on existing opportunities within advanced manufacturing and engineering (notably within marine technologies), pharmaceuticals, agritech, and tourism and health, we will seek to enhance the capacity of PETROC and wider educational and training providers partners to support local upskilling and attainment; engage and accelerate local efforts around educational aspiration and economic inclusion; improve local employability and earning potential; and seek to work with the area's majority small business community to harness local growth opportunities.
- **Western Somerset and Mendip** – Bringing together the key market towns of Bridgwater and Taunton, the nationally significant development at Hinkley Point, and the wider rural and coastal geography of Western Somerset and Mendip, we will seek to harness the mixed economy of the Western Somerset and Mendip area through its skills development. Building upon existing strengths in nuclear, advanced manufacturing, digital capacity, health and social care, agritech, construction and tourism, we will seek to accelerate upskilling and earnings through focused employment and upskilling activity. This will include building upon the expertise of Bridgwater and Taunton College and Strode College; supporting wider education and training provider capacity to drive local social mobility and attainment, including through HE provision; leveraging high value opportunities around clean growth and energy / engineering competencies emerging from Hinkley Point and elsewhere; and supporting programmes that further support aspiration and employment amongst young people.
- **South Somerset** – As a centre for UK rotorcraft and helicopter manufacture, and hub for wider aerospace and aviation technologies, we will focus on maximising the impact of the aerospace and high value engineering / manufacturing cluster within South Somerset. This will include building the capacity of Yeovil College to support the sector, as well as working across wider education partners, training providers and other capacity to build upon South Somerset's wider economy, with strengths and opportunities around tourism, agritech and health and social care. A specific focus will be placed upon inclusion and attainment, with support for employability, upskilling and clear pathways to work and progression.
- **Torbay and South Devon** – Drawing on the mixed economy of the English Riviera and the strength of both South Devon College and local education partners, we will focus on maximising the development of existing and new opportunities within the

bay. This will include new employment and upskilling within HotSW wide growth sectors such as electronics and photonics, marine engineering, tourism and wider coastal industries. Recognising long standing challenges within the area around inclusion and employment, a specific focus will be placed upon aspiration and talent retention, seeking to support young people and adults to grow and development within the bay, as well as support companies to upskill, renew and refocus as the economy evolves.

v) COVID 19

3.19 Whilst this Strategy has been designed to identify the medium to long term skills requirements of the Heart of the South West, and provide a shared prioritisation, it cannot ignore the recent impact of COVID 19 on the skills and education environment. With a 10% reduction in local GDP as a result of the pandemic, a trebling of local unemployment (including increasing levels amongst those under 24 by 500%), and a loss of 6 months of education to young and people and adults alike, it is critical that the area has a joined up and focused response to the recent downturn.

3.20 This Strategy therefore seeks to facilitate a return to growth and stability as quickly as possible through its approach to forward skills development, as well as to support wider ambitions to build back better. As many of the impacts arising from COVID have simply exacerbated existing trends and approaches, the above strategy is already considered compatible and consistent with the challenges and opportunities faced across the area. However, to ensure that the Heart of the South West's recovery and renewal is fully supported, additional focus will be required around:

- Supporting individuals to retrain and reskill to overcome recent economic change, and to take full advantage of any new opportunities emerging
- Working with providers and wider partners around the development of their digital offer and pathways to training and learning, providing a new flexible foundation for future progression.
- Working with providers and employers to ensure that apprenticeship and vocational training levels are sustained / renewed through and following the pandemic
- Seeking to support young people in education and training to overcome lost learning time and achieve as much as they can over the next 3-5 years, with a particular focus on supporting those at risk of NEET
- Working within traditionally harder to reach individuals, communities and places across the Heart of the South West to ensure that historic gaps in employment, training and educational attainment do not worsen or leave additional economic scarring
- Engaging with employers to support them to retain their existing workforce, fill new and existing gaps, and upskill / retrain staff in the face of a changed economy.

- Working with our Colleges, Universities and wider training providers to adapt to the new environment, and supporting them as they work through any financial or operational challenges and requirements which may emerge as a result of the pandemic.

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4) Skills Action Plan

- 4.1 The Heart of the South West's Skills Strategy sets out the area's preferred approach to skills development over the next five years, including our preferred sector focus, geographic approach, and prioritisation of social mobility and inclusion matters.
- 4.2 Strategy alone however will not deliver the progress sought around skills and employment over the next decade, with a clear need for partners to come together across the HotSW area to ensure that relevant delivery activity is commissioned, funding secured, and skilled individuals . To achieve this effectively, an unapologetic focus on delivering upon the area's agreed priorities will also be needed, seeking to fulfil the opportunities and address the challenges outlined elsewhere in this document, and ultimately ensure better outcomes for our economy and community well-being.
- 4.3 This chapter therefore sets out a complementary action plan for the delivery of skills and related employment priorities over the next five years. Drawing upon the Skills Advisory Panels' detailed evidence base, the skills action plan identifies specific activity areas and programmes against each of the ten priority areas already identified through our Core strategy, seeking to provide a single blueprint for skills development across the Heart of the South West area. It also seeks to deliver on our core ambitions around clean growth, improved productivity, and social inclusion through skills and employment activity.
- 4.4 In bringing forward the action plan, partners within the Heart of the South West want to also ensure that relevant actions are subject to clear ownership, have a firm timescale attached, the geography of impact is clear, and there is direct line of sight between those actions being pursued and our area's evidence base and shared priorities. This action plan therefore incorporates these key criteria into its make-up, seeking to provide clarity on how individual elements link back to the area's identified needs, who owns / leads on relevant opportunities and challenges, and providing a clear picture of what an individual action will entail.

i) Improving Career education, information, advice and guidance (CEIAG) to support young people and adults to progress, improving both life chances and their economic contribution

Action	Description	Desired Outcome	Lead Partner/s	Timescale	Geography
Secure long-term funding for the HotSW Careers Hub covering all mainstream secondary schools	Recognising ongoing challenges across the HotSW around progression and aspiration amongst young people, particularly progression into higher value and STEM related careers and learning opportunities amongst 16-18 year olds, ensure the ongoing provision of the HotSW Career Hub programme to promote CIAG across all secondary schools.	Delivery of improved careers outcomes for young people, with a focus on increasing higher value employment uptake within HotSW growth sectors, as well as supporting wider employment, skills and inclusion / aspiration ambitions.	Careers Hub, HotSW LEP / SAP	By March 2021	SAP Wide
Working with the National Careers Service, ensure the provision of a reinforced advice service for adults across the HotSW	With a significant proportion of HotSW's workforce still employed in roles below Level 3, seek to work with and support the National Careers Service to promote upskilling and career jumping amongst adults, with a focus on our opportunity sectors. Place a specific focus on career management and planning.	Increased uptake / labour supply into opportunity and high needs sectors. Specific focus on clean growth opportunities, advanced engineering, digital and health and social care careers.	National Careers Service, Local Authorities	Ongoing	SAP Wide
Extend Careers Education, Information, Advice and Guidance approaches to cover young students, notably primary aged provision.	Building upon evidence of ongoing challenges within the HotSW around educational cliff edges at age 10-11 and 14, seek to expand existing advice and guidance services to work with young students and provide earlier intervention. Seeking to build on strong programmes, such as STEM education in Plymouth and Inspire in Somerset.	Improved academic and careers outcomes, with more throughput amongst young people into higher value and opportunity sectors. Focus on clean growth opportunities, advanced engineering, digital and health and social care careers. Targets focus on improving inclusion through early intervention.	Careers Hub, Local Authority Partners, Schools	By September 2022	SAP Wide
Secure additional support for young people and adults around development of career management skills, reinforcing individual progression in work	Recognising that only a small percentage of adults and young people actively engage with careers, advice and guidance, with a downstream impact on progression, seek to provide additional wraparound support to assist individuals to understand and make informed careers choices.	Improved in work careers outcomes, with more individuals actively seeking to train and advance through work. Specific focus on advancement and progression through opportunity and growth sector, seeking to reinforce the HotSW Escalator approach.	National Careers Service, Local Authorities, College and Training Provider Partners	By January 2022	SAP Wide

ii) Supporting businesses and schools to work together to improve attainment from compulsory education across all individuals, supporting both growth and individual achievement

Action	Description	Desired Outcome	Lead Partner/s	Timescale	Geography
Promote business education linkages amongst schools, supporting both enhanced educational opportunities and wider aspiration	Addressing ongoing gap in progression beyond Level 3 and into opportunity sectors, support business education linkages beyond careers advice, seeking to promote cross curriculum working and other opportunities to engage young people with business specialisations. Build on strong exemplars such as those in Plymouth, Somerset's Education Business Partnership and the Careers Hubs Cornerstone Approach.	Improved career and learning progression amongst young people, with a focus on high need and opportunity sectors. Improved educational achievement and local economic and social inclusion outcomes.	Schools, Careers Hub, Local Authorities, ESBs	Ongoing	SAP Wide
Work with education partners / academy groups to identify additional opportunities for joint activity around improving inclusion and supporting aspiration amongst the hardest to reach, best practice in teaching and wider pedagogical projects	Noting national and regional evaluation around the importance of sharing of pedagogical best practice, further support schools and wider institutions to come together to pool knowledge and reinforce individual student outcomes.	Improved achievement and progression amongst the hardest to reach into further learning and higher value careers. Specific focus on promotion of opportunity and higher value sectors. Focus on outreach and intervention to improve community and individual inclusion.	Schools, Local Authorities, Colleges, Universities	By September 2021	SAP Wide

iii) Ensuring the economic relevance of our skills and training provision, better matching supply and demand, and maximising the impact of our growth sectors

Action	Description	Desired Outcome	Lead Partner/s	Timescale	Geography
Seek to further support the development of business ready curriculum that meets the need of the future economy	Recognising the mismatch between current supply and demand for skills within the HotSW, work together through the SAP and other mechanisms to better fit provision and local approaches to meet business need.	Improved and increased throughput of trained staff at all levels into opportunity and higher value sector/ career opportunities. Improved workforce productivity across economy.	Colleges, Training Providers, Universities, ESBs, ESFA / DfE	Ongoing	SAP Wide
Agree a new framework to ensure that skills funding is directed towards relevant capital capacity and course provision across providers through the use of accurate LMI	Recognising the current mismatch between current supply and demand for skills within the HotSW, and drawing on the SAPs role in coordinating local LMI, direct both revenue and capital skills funding towards the development and delivery of economically relevant capacity, reinforcing positive trends and areas of economic opportunity.	Improved and increased throughput of trained staff at all levels into opportunity and higher value sector/ career opportunities. Improved workforce productivity across economy.	Colleges, Universities, Training Providers HotSW LEP / SAP, ESBs, ESFA / DfE	By September 2021	SAP Wide
Secure additional resources to support area specific priorities for training and skills development, notably within nuclear, marine, digital, aerospace, clean growth and photonics.	Noting the mismatch between provision and demand in many areas, work with local providers to prioritise and develop their offer around areas of unique strength / opportunity. Focus on those facilities and courses / curriculum offers which reinforce economic growth and specialisation and promote wider HotSW opportunities.	Improved resourcing and focus on supporting careers within high value and opportunity, with downstream labour market benefits for both local productivity and around improving individual and community prosperity.	Colleges, Training Providers, Universities, HotSW LEP, ESBs, Local Authorities, ESFA / DfE	By September 2022	Nuclear – Western Somerset; Marine – Plymouth and coastal areas; Aerospace / Aviation - South Somerset and Exeter / East Devon; Digital – Exeter; Photonics – Torbay and South Devon
Develop an enhanced offer around high demand career opportunities that cut across the HotSW, notably within Health and Social Care, Construction, Logistics, Agritech, and Clean Growth occupations.	Recognising currently unmet demand in the health, construction, logistics, agritech and green sectors, work with providers and business to develop new capacity and secure new investment into related skills and training.	Improved throughput and progression into opportunity and high value / need career, with a focus on retaining more local talent.	Colleges, Training Providers, Universities, Careers Hub, National Careers Service, ESBs	By September 2021	SAP Wide
Working with partner organisations, develop supported pathways into higher value careers for those with more complex backgrounds.	Noting ongoing gaps around earning levels and employment amongst those with a protected characteristic, seek to provide enhanced support for individuals with a more complex pathway to opportunity roles. These include those with a disability or other health related barrier to work, within an occupation where gender or other demographic gaps are relevant, from a deprived community or other complex background.	Improved learning outcomes within those with a protected characteristic or need, or from within communities considered the most in need of support. Increased throughput of local talent into high value and opportunity sectors.	Colleges, Training Providers, Universities, Local authorities, ESBs, ESFA / DfE, DWP, DoH	By September 2020	SAP Wide

iv) Supporting businesses to grow their staff and extend the capacity of their workforce, through the development of seamless escalator approaches and clear ‘no wrong’ gateways into training and workforce development

Action	Description	Desired Outcome	Lead Partner/s	Timescale	Geography
Pilot skills escalator programmes to cover three opportunity sectors; Digital Futures; Engineering Futures and Energy Futures.	Building upon the economic opportunities identified through the HotSW LIS, seek to pilot specific escalators and bootcamp activity to maximise skills and employment opportunities for local people within the area’s prioritised growth sectors.	Improved local throughput into high value and opportunity sectors, with a focus on progression across multiple educational levels. Focus on reaching those further from the market.	HotSW LEP / SAP, Colleges, Training Providers, Universities, ESBs, Major Employers	By September 2022	All, with a focus upon Exeter, Plymouth and Taunton (Digital Futures); Western Somerset, East and Northern Devon (Energy Futures); and Western and South Somerset, Greater Exeter and North Devon, Torbay, and Plymouth (Engineering Futures)
Working with DWP, use a mixture of Sector Based Work Academies and other approaches to provide fast-track opportunities into opportunity sectors	Reflecting skills gaps within foundation sectors and occupations (notably health, construction, and digital roles), seeking to work with DWP and other partners to create fast track routes into relevant careers.	Increased throughput into opportunity and wider bedrock sectors, improving labour market fit between those re-entering the market and demand. Focus on reaching those further from the labour market and with a barrier to employment / learning.	DWP, Local Authorities, Colleges, Training Providers, ESBs, Major Employers	By June 2021	SAP Wide
Develop a single gateway approach to business training, skills and employment advice and support, working with the Growth Hub and wider partners to provide a seamless support service	Recognising ongoing challenges around fragmentation of advice and the complexity of the support involved, seek to reinforce the business pathway to workforce advice and support. Ideally taken forward through a single portal or approach.	Improved take up of business training and learning opportunities across multiple areas (apprenticeships, traineeships, in work training, innovation links etc). Improved progression and outcomes working with both opportunity sector and bedrock.	Growth Hub, Local Authorities, Colleges, Universities, ESBs	By March 2022	SAP Wide

v) Growing the quality and quantity of apprenticeships and traineeships for all, supporting technical and professional progression across growth and foundation sectors.

Action	Description	Desired Outcome	Lead Partner/s	Timescale	Geography
Work with providers and business to develop a shared offer to young people around vocational progression, including into apprenticeship, traineeship and T Levels	Building on the HotSW’s relative strength in apprenticeship and vocational training, seek to further promote vocational pathways into work and learning, with an emphasis on promotion to businesses, young people, education providers and parents	Further acceleration of vocational training uptake across opportunity and bedrock sectors. Improved uptake by employers across the economy. Improved throughput from learners within protected or higher need groups, and from communities with higher levels of income deprivation.	Colleges, Training Providers, Universities, SWAAN, NAS, Local Authorities, Employment and Skills Boards, ESFA / DfE	By September 2021	SAP Wide
Extend and enhance the provision of apprenticeships service locally, aligning wider provision around a single identifiable brand and approach.	Recognising the fragmentation of the local offer around apprenticeships and wider vocational training, seek to integrate and embed the National Apprenticeship offer across the area, building on best practice from Plymouth and Somerset.	Improve alignment of advice and engagement on apprenticeship provision with employers, bringing together multiple offers. Enhance both business uptake and individual progression into vocational routes.	Colleges, Training Providers, Universities, NAS, SWANN, ESFA / DfE	By September 2021	SAP Wide

Develop an enhancement offer and approach to adults who may undertake an apprenticeship, with a focus on growth and opportunity sectors.	With a significant drop off over recent years in adult uptake of apprenticeship and other vocational routes, work with providers to reinforce and promote the approach to employers and learners. Potentially pilot activity within opportunity and growth sectors, including health and social care, marine and advanced engineering, construction, and digital careers.	Improved throughput of adult apprenticeship across the business environment, with a focus on opportunity sectors. Improved technical and other staff outcomes for business, with a productivity impact, as well as focused improvements in throughout from harder to reach groups and communities.	Colleges, Training Providers, Universities, DWP, ESBs, Major Employers	By March 2022	SAP Wide
Maximise the value of higher-level apprenticeship provision across the business environment.	Recognising the opportunity posed for the local area by higher level apprenticeship, particularly amongst opportunity sectors, seek to extend the take up of related provision to more businesses, including SMEs. Explore the potential for new pathways amongst bedrock and other sectors, where added value could be beneficial.	Improve skills and progression outcomes amongst the workforce, with a focus on higher level staff being secure within opportunity and bedrock sectors. Improved workforce capacity, dynamism and output, with the additional potential to extend opportunity to those who may not be able to otherwise access higher level learning.	Colleges, Training Providers, Universities, ESBs, Major Employers	By March 2022	SAP Wide

vi) Developing and retaining higher level skills in the HotSW, including leadership and management across our business community, driving high value growth

Action	Description	Desired Outcome	Lead Partner/s	Timescale	Geography
Support higher level specialisation and skills development to support innovation and enterprise activity within opportunity sectors / occupations	Building upon the opportunity sectors identified through the HotSW LIS, and working with Colleges, Universities, and Institute of Technology partners, seek to bring forward additional project and programmes promoting innovation led skills development. Seek to also promote enterprise skills and activity through higher level programmes. This will place a specific emphasis on engineering, health, digital and leadership skills.	Improved innovation and productivity outcomes from related sectors, and heightened levels of enterprise / business start-up activity. Increased investment and Research and development expenditure related to upskilling / additional capacity.	Colleges, Training Providers, Universities, IoT, HotSW LEP	Ongoing	SAP Wide
Further develop linkages and joint working approaches between FE and HE institutions, building on positive examples like the Institute of Technology	Recognising the HotSW's progression gap from Level 3 to Level 4 and beyond, seek to support reinforced linkages between HE and FE, supporting organisation like our Institutes of Technology to provide reinforced opportunities to enhanced skills progression in and outside of work. This will include close working with the private sector around maximising the impact of relevant opportunities.	Improved outcomes across technical and higher-level skills levels, with a specific focus on growth within opportunity sectors. Contribution to wider sustainable development and clean growth.	Colleges, Training Providers, Universities, IoT, HotSW LEP, ESBs, Major Employers	By September 2021	SAP Wide
Develop a more structured approach to leadership and management skills delivery and uptake	As identified through ongoing business survey data, work with providers and the private sector to promote and development enhanced opportunities for in work leadership and management development.	Improve focus on skills and workforce development, as well as wider business productivity benefits. Downstream benefits in terms of competitiveness and wider economy, inclusion and sustainability outcomes.	Colleges, Training Providers, Universities, IoT, ESBs	By September 2021	SAP Wide

vii) Maximising the economic and social impact of the universal training offer available for all adults, supporting growth in core sectors

Action	Description	Desired Outcome	Lead Partner/s	Timescale	Geography
Develop clear pathways to opportunity sectors through the new universal offer, with a focus upon energy, digital, engineering, construction and health occupations	Recognising the gap in the HotSW around Level 2 and Level 3 progression, work together across the public, provider and private sector to support adults to upskill to Level 3 within hard to reach and high demand occupations. As highlighted by the HotSW evidence base, a specific focus on skills demand in health, engineering digital and construction occupations is required.	Further improved Level 3 outcomes across the economy, with a focus on opportunity sectors. Increased progression into higher level roles and opportunities across the area, with a focus on addressing deprivation through individual progression.	Colleges, Training Providers, ESBs, Local Authorities, DWP, DoH	By June 2021	SAP Wide

viii) Continuing to develop specialist support for hard to reach or other groups, supporting them to access productive and high-quality work

Action	Description	Desired Outcome	Lead Partner/s	Timescale	Geography
Support additional training and skills activity for those who are long term unemployed, with a focus on pathways to opportunity / growth sectors (notably health and clean growth)	Drawing upon significant new intelligence around employment and unemployment emerging from COVID 19, seek to work with DWP and other partners to better direct and structure support for the long term unemployed, including shaping emerging dedicated national provision.	Decreased claimant count and wider economic inactivity rates, with a focus on reduction amongst those who have been long term unemployed. Downstream labour market benefits around additional workforce capacity and improved productivity. Social inclusion and individual progression benefits.	DWP, Local Authorities, ESBs	By September 2021	SAP Wide, though focused on Plymouth, Torbay, Mendip and Sedgemoor and Northern Devon.
Develop renewed support programmes for those seeking to retrain or learn with a disability or other health / mental health related barrier to work, recognising the end of European Funding Support for similar programmes.	Noting the ongoing gap in the HotSW between those in employment with and without a disability, seek to secure additional support for employers and those seeking work around upskilling, training and adaption / reskilling.	Improved economic activity and progression rates amongst those with a disability or other health related barrier to work. Improve community and inclusion outcomes.	Local Authorities, ESBs, DWP, DoH	By June 2021	SAP Wide
Develop new and extended support for older people seeking to retrain, with a focus on supporting opportunity and growth sectors.	Building upon recent data around underperformance on skills and training amongst those over the age of 50, develop a programme / programmes of support to work with those in the second half of their career to upskill / reskill. This may include support to train as trainers and other options.	Improved economic outcomes across all sectors, with a focus on supporting older people to retrain / career jump to new opportunities. Improved inclusion and community impact.	Colleges, Universities, Training Providers, Local Authorities, DWP	By March 2021	SAP Wide
Maximise the impact of ongoing initiatives to support youth unemployment, including through the Kickstart programme. Ensure a firm progression route through such programmes.	Recognising the significant increase in youth unemployment since March 2020, seeking to utilise the various policy tools provided by Government to maximise youth employment and training / progression.	Increased employment and training uptake amongst 16-24-year olds, with a focus on ensuring improved apprenticeship and traineeship progression. Downstream and long-term productivity benefits, seeking to avoid economic and employment scarring.	Gateway Organisations, Local Authorities, DWP, Colleges, Universities, Training Providers,	Ongoing	SAP Wide

ix) Improving the quality and availability of labour market information, informing better, growth and inclusion led decision making

Action	Description	Desired Outcome	Lead Partner/s	Timescale	Geography
Secure ongoing support for the development of the HotSW's shared evidence and labour market intelligence approach, working through the Skills Advisory Panel and with our universities	In line with Government's requirement for alignment and refinement of the local intelligence base, seek to secure longer term support for LMI activity and wider intelligence sharing and gathering	Improved intelligence supporting targeting of investment and activity, with a focus on opportunity sectors.	HotSW LEP /SAP, Universities	Ongoing	SAP Wide
Agree a renewed approach to working with the business community around capturing sectoral and other labour market intelligence	Seeking to further improve the business relevance and applicability of the HotSW's evidence base, work with ESBs and other business organisations, as well as individual businesses to support the gathering and analysis of skills and demand data.	Improved intelligence supporting targeting of investment and activity, with a focus on opportunity sectors.	HotSW LEP / SAP, Universities, ESBs, Major Employers	By June 2021	SAP Wide, though focused upon the area's 5 ESB partnership areas.

Support Employment and Skills Boards and other relevant representatives to act as champions for capturing local labour market intelligence.	Recognising the leadership role of our Employment Skills Boards and related organisations, work with relevant organisations to secure ongoing support towards their local coordination and alignment role.	Improved reflection between intelligence and business need, leading to improved targeting of resources and activity to better meet local demand. Improved productivity and inclusion outcomes, with a focus on local tailoring.	HotSW LEP / SEP, Local Authorities, ESBs	Ongoing	SAP Wide
Maximise the impact of information and signposting service, like the LEPs Launchpad approach piloted in Devon and Plymouth.	Recognizing the value and potential of shared signposting and best practice from other locations, seek to build upon the LEP's Launchpad approach, using a single local partnership / web service to reach employers, learners and other stakeholders.	Improved signposting and alignment of labour market and wider advice. Increased throughput into opportunity sectors and wider areas of high demand.	HotSW LEP / SAP, Local Authorities, ESBs	By June 2021	SAP Wide

x) Continuing to develop and integrate the Heart of the South's skills and training infrastructure to meet the needs of the future economy

Action	Description		Lead Partner/s	Timescale	Geography
Secure significant new investment in our FE Estate	Building upon the outcomes of recent estate condition survey outcome, and emerging business plans for wider college development, seek to support relevant and prioritised investment into new capacity and facilities.	Support for learning and sector / technical capacity across the estate, reinforcing delivery activity to opportunity and wider growth sectors. Improved workforce and productivity outcomes.	Colleges, HotSW LEP / SAP, ESFA / DfE, AoC	Ongoing	SAP Wide, though focused on our FE Estate
Grow the technical skills capacity of our Institutes of Technology and other specialist centres through new facilities	Recognising the potential and need for technical level skills capacity and facilities within the HotSW, work with the area's two Institutes of Technology and wider specialist provision to secure additional funding and opportunities to extend the physical assets linked to technical skills.	Targeted support for the IoTs to increase the provision of trained, technical staff within our primary opportunity sectors, including digital, advanced engineering and health related activity. Positive impacts around productivity, clean growth and wider inclusion and community upskilling.	HotSW LEP / SAP, IoTs, Colleges, Universities / HE Institutions, Private Sectors, DfE	Ongoing	SAP Wide
Continue to invest in our Higher University assets, including within University capacity in Somerset and Northern Devon	Seeking to build upon the area's significant university capacity and expertise, support the case for further HE investment. This include seeking specific investment in HE capacity where it may not already exist in the area, notably within Somerset, Torbay and Northern Devon.	Support for learning and sector / technical capacity across the estate, reinforcing delivery activity to opportunity and wider growth sectors. New provision in areas which have traditionally been underserved, providing new routes into higher value training and learning. Wider impact on workforce resilience, productivity and upskilling, as well as positive extension of higher-level provision into currently harder to reach communities.	HotSW LEP / SAP, Universities, HE Institutions, Private Sector, DfE	By September 2022	Exeter, Plymouth, Somerset, Torbay, Northern Devon
Secure additional support for ongoing investment in digital transformation across the education, FE, HE and training provider sectors	Noting the link between digital skills gaps and infrastructure investment in training and education, seek to secure additional support for digital facilities and capacity across the HotSW's education and learning environment, including provision in schools, colleges, training providers and our universities and other institutions.	Promotion of improved digital competitiveness and access across the teaching environment, with benefits for learners and businesses. Downstream improvements in digital competency across the workforce, with positive outcomes around competitiveness, productivity and clean / remote work practices.	HotSW LEP / SAP, Schools, Local Authorities, College, Training Providers, Universities, HE Institutions	Ongoing	SAP Wide

5) Forward Look

- 5.1 This document sets out a clear, priority-based approach to skills development within the Heart of the South West. Drawing upon the area's substantive evidence base, the plan sets out a shared agenda for skills delivery and prioritisation over the next period, looking to address those opportunities which may best deliver for both our economy and our residents, and better focus action around our greatest areas of skills need or challenge.
- 5.2 In bringing forward this plan however, skills and employment partners within the Heart of the South West are acutely aware of both the ongoing economic turbulence emerging from COVID-19 (and reciprocal recovery needs), potential additional pressures emerging from our final transition out of the European Union, and wider opportunities / challenges emerging around our changing climate, aging demography and wider shifts in life and work linked to accelerating digital technologies and shifting social trends.
- 5.3 Looking ahead on a 10-year time horizon however, partners believe that 5 core issues in particular will need explicit additional focus:
- **COVID Recovery** – COVID 19 has had a dramatic and disproportionate impact on the Heart of the South West skills ecosystem over the past 9 months, severely affecting the local economy given its reliance on tourism, leisure and accommodation, retail and manufacturing activity, as well as disrupting core provision within our universities, schools, colleges and wider training providers.

Whilst partners are already undertaking action to address the immediate impacts of the pandemic for local people, it remains too early to say what the long-term impact of this disruption will ultimately be. Likely medium-term issues to address however may include:

- **A trebling of unemployment in the area**, with significant additional demand for retraining and redeployment capacity now likely to be needed through to at least 2024-25 in many areas, and longer-term support services for those who find themselves unable to work even after the onset of a recovery.
- **disruption to 2 years of educational provision across adults and young people alike**, potentially slowing and even reversing recent trends around adult skills and progression to Level 3 and beyond. Recent data on progression at 18 for the HotSW suggests a reduction for the first time in a decade in the number of individuals moving on to a further qualification.
- **new financial strain placed on educational institutions**, with the costs and challenges around new delivery models, reduced student numbers in some locations, and reduced business demand placing individual providers under additional strain.
- **significant disruption to the business community and their investment capacity**, a medium to long term on parts of the businesses community's capacity to support training, apprenticeships and wider skill activity, with some sectors now not expected to recover until the second half of the decade.

- **Demographic Change** – The Heart of the South West is currently undergoing an ongoing period of demographic change, with a population that is aging roughly 30% faster than the national average. In 2019, the population aged over 65 was 6.1 higher than across the rest of the UK, and 3.3 lower below the age of 33, with the ratio of those in work to retired shifting from 1 in 4 to roughly 1 in 3 since 2004.

For the Heart of the South West, this may pose considerable labour market and skills challenges, with an overall labour market pool that is likely to remain roughly the same size over the next 10-20 years, but with a significant increase in demand for new care and age related support service. More widely, there is some evidence that this rapid increase in over 65's will also be linked to a loss of substantive numbers of skill staff / specialist capacity as individual retire or fall out of the labour market. However, positive trends are also coming forward around this shift, with people working longer, some evidence of a shift towards intergenerational knowledge sharing and apprenticeship uptake (up until 2020), and upskilling and career jumping at a later age.

- **Digital Transformation** – Digital transformation continues at pace across the HotSW, with data suggesting that recent COVID related events may further accelerate. Shifts in retail, work structure and job types can already be clearly seen across the economy, with a steady five-year pattern of growth in digital industries and careers against a change in existing industrial structures in many sectors. This pattern is only likely to accelerate as further automation and integration of digital processes and approaches is felt across the wider economy, with both new opportunities around roles and types of work, but significant issues around a growing digital divide and skills challenges amongst young and old alike. With current predictions suggesting at least 33% of the economy may be vulnerable to automation over the net 25 years, the HotSW will have to adapt to keep pace with the wider UK.
- **Climate Change and Greening of the Economy** – The 23 warmest years on record have occurred in the past 25 years within the South West, with the region experiencing 10% more rainfall per annum than it did in 1960, and 30 days additional frost free days. Relative sea levels have also risen 250mm in the same period. Predictions currently suggest that by 2050, sea levels will have risen around 30cm summer temperatures risen by a mean of around 3-5 degrees and annual rainfall increased by a further 50%. without any behaviour change.

The case for transformation and action is therefore now continually building, with efforts and activity around greening of our economy accelerating daily. In 2019, Government committed itself to reducing UK emissions to zero by 2050, with an end to the sale of all new petrol and diesel vehicles by 2035. The economic implications of this shift in policy pose both significant new opportunities and risk around local employment, skills and labour market capacity. With investment and change needed across the energy sector, within agricultural, transport, business process and residential and construction services, with the potential creation of 60,000 to 100,000 new or transformed roles by 2040. Each of these will require new training capacity, teaching abilities, curriculum development and other skills pipeline activity, as well as business modification and leadership to take forward.

- **Nature of Work** – The South West has, for a number of year, been undergoing a steady shift in the type and nature of work on offer, with a polarisation between lower value service sector and traditional manufacturing work, and higher value, often digitally based production and engineering and knowledge service activity. The recent events of COVID 19 have likely further accelerated this shift across multiple sectors, with individuals forced to work from home, with traditional sector disrupted and supply chains undermined. Whilst the impact is yet to be fully felt, it is unlikely that the nature and type of work that emerges post COVID will be exactly that that was found before the events of 2020, with strengthened focus on digital skills, knowledge work and higher value outputs.

These pose both opportunities and challenges for the local area over the next decade, as lower value service activity is reduced as a share of the population, and individual require upskilling or reskilling to take advantage of the new roles created. Wider support service will also likely be needed to work with those left behind by this change in work, as previous certainties are lost.

- 5.4 The above highlights the breadth and potential risks / opportunities faced across the HOTSW and its economy over the next decade and beyond. From a skills perspective, the challenge is now to ensure that our approach and prioritisation can keep pace with the above.
- 5.5 Through this plan, the Skills Advisory Panel has a key role to play moving forward in supporting the area's adaptation and response to the above, working with partners to ensure that our interventions and investments are cognisant of the factors outlined, and are providing both a preparatory and active response to the changes and issues outlined as they accelerate and impact on our shared labour market.
- 5.6 To achieve this, the SAP will continue to take leadership around future skills deep dives and research as it moves forward, working closely with core groups like the HotSW Social Mobility Panel, local Climate Change Leadership groups, and wider business and social partner organisations to ensure that the areas response and capacity is shaped to meet the future skills needs of shared region and economy.