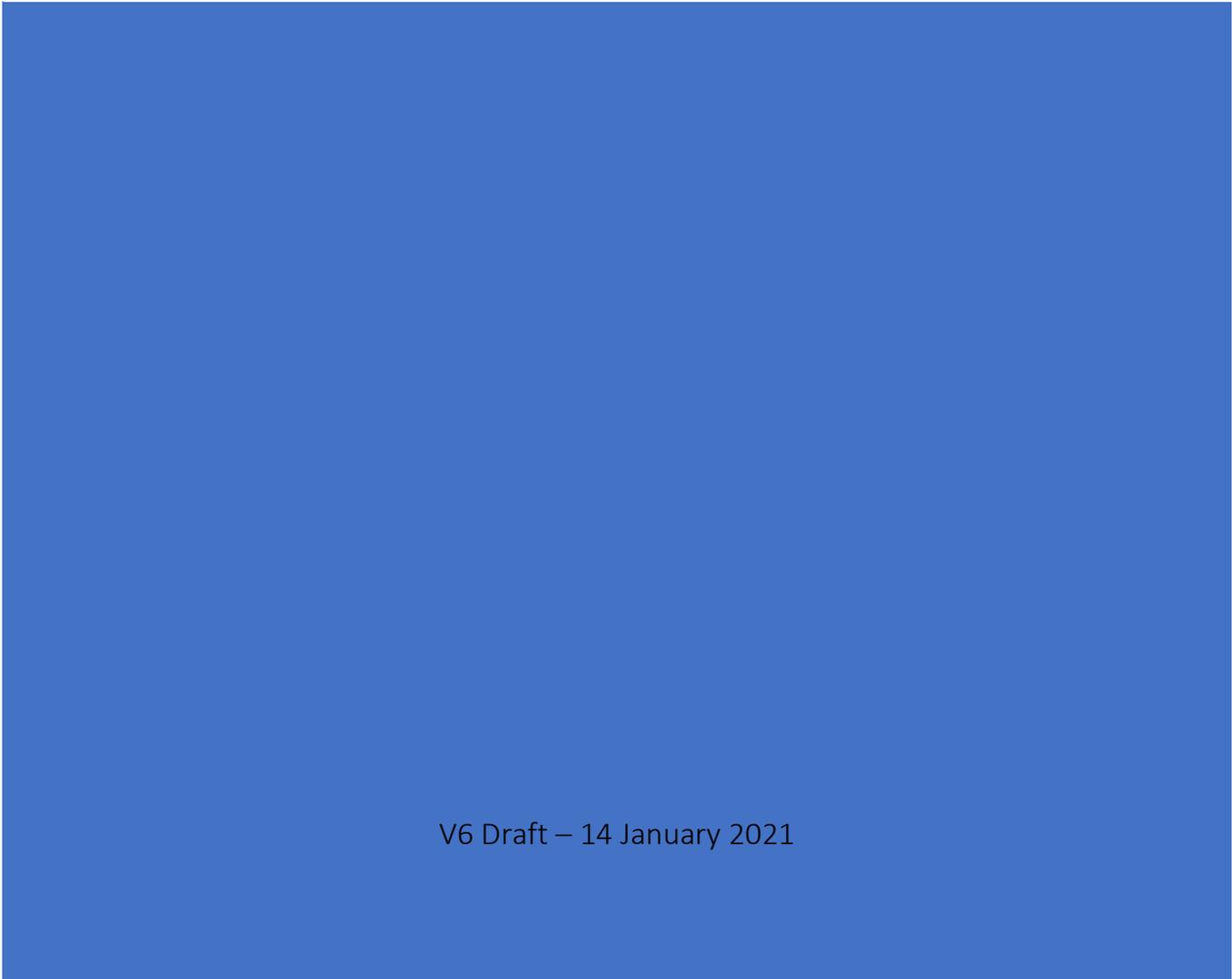




Heart of the South West Local Skills Report



V6 Draft – 14 January 2021

1) Foreword

- 1.1 Education and skills shape a place. They provide the foundation for its economic personality, set the tone for its industrial and social mix, and contribute to its overall prosperity, providing the foundation for both growth and equity. We know that the most successful places and prosperous communities are underpinned by strong educational and skills performance; with those areas with the highest appetite for learning and the ability to harness such talent being those that most thrive.
- 1.2 The Heart of the South West is no different. Its economy is shaped and led by the skills of its residents and businesses. The skills of its workforce underpin its economic potential; whether through providing the essential technical skills which drive high value engineering and manufacturing; the insight and innovation that fuel our knowledge economy and the work of its universities; or providing the day-to-day leadership of small and micro businesses that form the backbone of every community. Supported by its strong schools, colleges and universities, as well as a network of dedicated private training providers and active employers, the area has real depth in its capacity to harness its skills and training capacity, and through doing so improved prosperity
- 1.3 Despite the area's capacity to train, and its residents' appetite to learn, too many individuals still fail to reach their potential in the Heart of the South West. The statistics are clear. The level of those holding a higher-level qualification or working in a professional occupation within the Heart of South West remains below the national average; the number of those undertaking technical qualifications continues to trail the amazing opportunities on offer; and too many young people and adults facing disadvantage across the economy end their educational journey at GCSE level or below.
- 1.4 As an area, we understand that the failure to fully utilise the talent of our workforce has a price for our entire economy or all our communities; fewer individuals achieve a worthwhile job they value; reducing the ability of our businesses to grow and expand; and ultimately limiting the economic prosperity of all. The impact of Covid-19 over 2020 has only increased the challenge, with more young people and adults in need of additional support and opportunity than ever before.
- 1.5 Over the past 18 months, the Heart of the South West Skills Advisory Panel ('SAP') has brought partners together to address these shared challenges; working in unison to understand how we can improve skills outcomes for all, and champion shared approaches, projects and investments that will make a difference. As set out within Chapter 6 of this document, SAP and Local Enterprise Partnership ('LEP') working has already done much to progress skills uptake, promote aspiration and delivery opportunities over the past few years. Building on the strong partnership ethos already in place between business, skills providers and wider stakeholders within the Heart of the South West however, we believe that there is more progress that can now be made on this crucial agenda.
- 1.6 This document therefore sets out the next step on that journey. It provides a shared skills blueprint for the area with a single vision at its heart, **that every individual in the Heart of the South West should be able to access the training or learning they need to thrive in a productive job they value, supporting inclusive growth and prosperity.**

- 1.7 To achieve this ambition, this report commits partners to work together around three headline skills and training objectives within the Heart of the South West:
- **Ensuring that our skills and training environment is responsive and forward facing, meeting individual and business need;**
 - **Ensuring that every individual can access the skills and training they need to achieve their own potential; and**
 - **Ensuring that all skills and training investment and activity contributes to both improving our shared prosperity and collective productivity**
- 1.8 Through achieving these three goals, partners will improve the capacity of our education and learning sector, businesses and individuals can grow and raise prosperity and create an environment in which skills and training opportunities are more accessed, more tailored to individual and business need, and lead to better outcomes for more people.
- 1.9 Words alone will not achieve these objectives. This report therefore includes a discrete action plan – our skills blueprint - to be taken forward over the next five years. This identifies named partners, addresses the various challenges identified through our shared evidence base, and take full advantage of new opportunities arising from our Local Industrial Strategy, the Government’s emerging vision for Levelling Up, and wider support and initiatives to assist with our shared recovery from the recent pandemic.
- 1.10 As we have seen even more acutely over the past year, the Heart of the South West has significant opportunities to pursue, as well as a range of challenges yet to overcome. Through this document however, we can translate some of our shared endeavor around skills and employment into individual and shared success, driving forward our recovery in the short term, and setting a foundation for longer-term inclusive growth and prosperity for the Heart of the South West.

2) Skills Advisory Panels - Introduction

- 2.1 The Heart of the South West Skills Advisory Panel ('SAP') is the strategic partnership for skills and employment within the Heart of the South West area (covering Somerset, Devon, Plymouth and Torbay). Its members include the Heart of the South West Local Enterprise Partnership ('HotSW LEP'), Local Employment and Skills Board, Colleges and University Partners, and wider public and private sector representatives and organisations
- 2.2 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 grasp future opportunities. This will help colleges, universities and other training providers deliver the skills required by employers now and in the future
- 2.3 The SAP partnership is the latest iteration of skills leadership within the HotSW, with partners working closely together at the LEP level over the past five years to align and accelerate delivery. The period has seen a mixture of public, private and institutional investment that has sought to enhance local progression and reinforce the area's underlying labour market expertise and specialisation. Key developments have included:
- **South West Institute of Technology ('IoT')** – Successfully secured in 2019, the South West IoT brings 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 IoT offers 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 have 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, construction and engineering approaches;
 - Investment into higher education facilities in Exeter, Plymouth and Taunton; and
 - New investment in space for additional innovation and enterprise across the wider HotSW.
 - **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 student. The largest hub in the UK, the HotSW Careers Hub has 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** – HotSW partners have 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 Education and Skills Funding Agency ('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 the Department of Education ('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 lifetime guarantee offer at Level 3, and most recently bootcamp approaches for core sectors.

2.4 In October 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. Providing a five-year blueprint for shared priorities across the skills landscape, the plan is required to both align skills investment and activity with its respective area and provide a foundation for future growth and inclusion through maximising the impact of the skills provision.

2.5 Specifically, the plan is required to play the following five roles:

- **Clearly setting out key skills needs** – ensuring local skills needs are visible to local partners who can then engage with them.
- **Feeding intelligence to the national Shared Prosperity Board ('SPB') and central government** – providing a consistent output of intelligence common to all SAPs that the SPB can use to understand the needs and priorities of local areas and build a national picture of the supply and demand for skills
- **Being a 'go-to' document for everything local-skills related** – bringing together existing and new skills information into a consistent format common to all SAPs.
- **Offering valuable insight and evaluation** – detailing the progress made on current local skills initiatives and outlining future skills plans to plug key skills gaps.
- **Acting as an engagement tool** – a vehicle through which SAPs can directly engage, influence and rally employers and providers in their areas to support the local skills agenda.

2.6 This document is the Heart of the South West first Local Skills Report.

3) Skills Strengths and Needs

a) Overview

3.1 Located in the peninsula of the South West of England, the Heart of the South West is one of the country's largest LEP areas. Its economy is broadly-balanced, and while many of its industrial strengths capitalize on its rich endowment of environmental assets, it has high-tech specialisms in aerospace, photonics and ship building with strategies in place to capitalize on the golden opportunities afforded by marine, nuclear, aerospace and advanced engineering, data analytics, health and care and rural productivity. Its economic strategy envisions doubling the size of the economy but with an emphasis on clean and inclusive growth.

3.2 In order to meet this challenge, the HotSW will need to unlock the region's productive potential over the next decade, whilst creating quality employment opportunities for its residents in the broader context of Covid-19 recovery and recalibration of the UK's trading relationship with the European Union. Skills will be integral to realising these ambitions. Covid-19 has had a disproportionate impact on parts of the area, due to the HotSW's heavy reliance on tourism, hospitality and retail activity. Productivity is also traditionally low by national standards due to a combination of factors relating not only to skills but also innovation capacity and capability, the nature of economic activity and ownership of enterprises, business dynamism and propensity to export and 'connectiveness' within other major cities. Recovery and growth will therefore involve maximising the economies of industrial clusters and improving leadership and management skills so that local businesses and organisations are more efficient, fully utilising the capabilities of all staff, and adopting the latest technologies and management practices.

b) Key Economic Features

- **A mixed geography** – The Heart of the South West is one of England's most geographically diverse LEP areas. Encompassing a coastline of over 200 miles, around 630 sq miles of National Park and over 2,500 miles of wider green space, the LEP is predominantly a rural area by nature. However, the LEP's two major cities (Exeter and Plymouth) and market towns along the strategic M5, A38, A361 and A303 corridors contain 90% of its population and economy.
- **Low productivity overall, but significant economic diversity across the HotSW's geography** - In 2018, GVA per head in the HotSW 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 disguises 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 Torrington were approximately 20% lower than those in Exeter, and output per head roughly half the national average.
- **A small business / self-employed economy** - As a predominantly rural area, 98.2% of the Heart of the South West's Businesses were either small or micro organisation in 2020, with only 1 in 5 businesses in the HotSW having a turnover above £50,000 per annum. Similarly, roughly 18% of the population in the HotSW were self-employed in 2020. As a side effect of this, the area also had extremely low level of foreign owned enterprise in 2020 (0.3%) when compared with peers, high levels of family-owned enterprise (roughly 90%), and relatively low levels of innovation or knowledge led business (estimated by the Institute of Engineering and Technology ('IET') as the lowest in the UK). Similarly, only 48% of the workforce employed in the HotSW were employed by a large business in 2020 compared

to 54% nationally, with implications around per head investment, workforce training and salary levels.

- **A shrinking working age population** – The HotSW’s working age population is currently ageing around a third faster than the rest of the UK, with around one third of the Heart of the South West’s overall population already over the age of 65 in 2019, compared to just 6% of the population between the age of 16-19. This was roughly 6% higher than the national average for those aged 65 and above, and 3.4% lower than the national average for young people. This poses challenges for the HotSW workforce across multiple areas, whether around enhanced demand for services, a loss of skills within core sector through retirement, a reduction in the overall size of the labour market available, or through applying additional pressures in terms of requiring more seasonal and migrant labour than peers. The latter issue is of particular interest following our recent departure from the European Union.
- **Significant clusters of localised deprivation though often disguised by proximity to more prosperous communities** – The HotSW had above average numbers of wards within the bottom 20% nationally in 2019, notably concentrated within Plymouth, Torbay, Northern Devon, Exeter and Western Somerset, as well as across wider rural and coastal locations. These were often lost in national comparators due to the relative affluence of more prosperous parts of Devon and Somerset. However, those within these wards were 3 times as likely to be receiving free schools’ meals than those outside, half as likely to progress to higher education, and 50% more likely to be suffering from some level of underutilisation of their skills within work. Given the area’s high levels of economic activity, in work poverty and families living and working in poverty were areas of particular concern, with relative wage levels in several of the HotSW districts amongst the bottom 1% of areas in the UK.
- **High overall levels of economic activity and those of working age in employment, but low levels of average pay, higher proportions of individuals working within lower value sectors, and a lower proportion of the working age population overall undertaking a higher-level role** – Historically, the Heart of the South West has benefited from above average economic activity rates, with the average only falling below 77% once in past 25 years before the onset of Covid-19. However, gross weekly pay for full time workers in 2019 was roughly 11% lower than the English average; around 4% more individuals worked within sectors with an average pay level below the English average, and 5 percentage points less individuals employed in a senior or professional occupations than the national average. Graduate retention, whilst stronger in Exeter and Plymouth, remains a challenge across wider areas.
- **A mixture of skills and education capacity** – The Heart of the South West is home to 4 universities, 11 Colleges, 160 mainstream secondaries, and over 300 independent training providers. It is also home to a range of specialist provision, including its Institutes of Technology, the National College for Nuclear and additional research capacity, and facilities covering specialist skill development within the agricultural, marine, engineering, digital, construction and environmental science sectors. Whilst the area has a breadth of provision however, organisations find ensuring the economic relevance of their offer remains an ongoing challenge, particularly around the modernity of estates and equipment.
- **Difference in physical, financial and virtual access to learning** – Whilst the Heart of the South West benefits from reasonable achievement levels overall, access to learning continues to be influenced across the area by a range of tangible and intangible barriers.

Mixed transport and public transport access to Centres of learning; significant differences in broadband and digital capacity and infrastructure availability; and challenges around the affordability of learning itself for those from a more disadvantaged background continue to be important differentials in relative performance across the HotSW.

c) Skills Supply

- 3.3 The HotSW's education system overall is effective in ensuring that the majority of young people attain a Level 2 qualification by the age of 19. In 2019, GCSE and A Level achievement for those aged 16-19 levels in the HotSW was roughly equivalent to the national average (though with significant local difference), with the area benefitting from a Level 3 achievement level for non-A level qualifications roughly twice that of the national average. Level 4 and above achievement (amongst adults) was also roughly equivalent to national averages. Notably, the Heart of the South West also had some of the Country's highest levels of apprenticeship activity and achievement (notably around Plymouth and Exeter).
- 3.4 However, attainment at Level 2 by 19 has fallen in each of the last four years within the area, with evidence suggesting that disadvantaged pupils and those with a barrier to learning are considerably less likely to achieve educationally than their peers. National studies suggest that many of those that do not achieve by age 19, do achieve Level 2 or 3 by age 25, with qualitative feedback from providers and employers suggesting this is also the case in the local area. These 'second', or even 'third' chance opportunities are crucial within the HotSW for individuals who did not achieve formal qualifications at school or college.
- 3.5 Those that remain in education in the HotSW tend to achieve well and acquire qualifications in subjects valued by employers – as evidenced by better-than-average employment rates. Rudimentary assessment of labour market fit suggests that there is an opportunity, to encourage more learners to access courses at all levels, in particular focusing on subjects allied to information and communication; business administration and law; health, public services and care (including teaching); and engineering and manufacturing technologies. This needs to be underpinned by access to good quality careers information, advice, and guidance.
- 3.6 Progression into higher education in the HotSW though remains low when compared to peer areas, with graduate retention remaining a specific challenge as it is for many areas outside London and the South East. The ongoing development of industrial clusters seeks to support this issue, enticing experienced workers into the area with the possibility of opportunities beyond the 'destination job'. While salaries are lower than the England average, the Heart of the South West performs well on various quality of life metrics including house prices (though these can vary considerably) and environmental quality, which also seeks to reinforce local appeal. However, rates of progress here remain slow.
- 3.7 The above summary of supply is likely to be subject to additional distortion due to the impact of Covid-19. Early indications suggest that this could see a particularly disproportionate impact on the life chances of disadvantaged pupils through learning loss experienced during the first lockdown and subsequent summer holiday; the effects of low income on health and well-being; and the lack of apprenticeship or other employment opportunities for those not entering further of higher education. There is also a risk that young people who chose to remain in education, in response to the lack of employment opportunities, may suffer psychologically, if they are not adequately supported in their studies. Restrictions are also likely to have reduced the availability of work placements which offer vital opportunities for less well-connected students to forge relationships with adults outside their immediate family.

d) Skills Demand

- 3.8 Skills demand over the past five years within the HotSW has been relatively consistent over the past five years. Top sectors have included manufacturing and engineering related occupations, health, construction, logistics, professional and financial services roles, and hospitality, leisure and retail opportunities. In the past three years, health and social care, hospitality and leisure, and engineering / advanced manufacturing have been areas of enhanced pressure, reflecting patterns in demographic change, local sector growth and changing economic patterns and habits.
- 3.9 The past year has seen a significant shift in demand patterns across the HotSW as a result of Covid-19. Whilst it is still too early to fully describe the long term labour market impacts of the pandemic, and the consequences for local labour demand, economic forecasts are currently pessimistic around employment growth nationally this year or next, with consequences for both local demand, and particularly for young people.
- 3.10 In the short-term, skills demand in the HotSW will depend on how lockdowns and any subsequent restrictions affect commercial activities and ultimately business survival. Redundancy rates and take-up of Government job retention support suggests that the pandemic is disproportionately affecting demand for customer-facing sectors such as arts, entertainment and recreation and accommodation and food services but also construction and manufacturing. Demand for occupations related to health and care, and the skills implicit within these, appears strong. It is unclear at present how the area's recent departure from the European Union will impact on local workforce demand, with a proposed reduction in migrant labour availability potentially the first impact to be felt, with significant potential issues for agriculture, hospitality, leisure and other seasonal and high turnover sectors.
- 3.11 It is currently predicted however that employers will identify a deficiency or need to improve general and industry specific digital skills across the workforce as a result of recent events. The pandemic is likely to have further increased the need for digital competencies and enhanced leadership and management skills. Indeed, even before the pandemic employers were most likely to identify managers as those most in need of developing their skills in the future. This would certainly help to address issues of skills utilisation and unlock the potential for productivity improvements therein.
- 3.12 Longer-term, it is anticipated that skills demand will continue to be shaped by mega trends such as technological change, globalisation, climate change and demographic change with the pace of these changes potentially accelerated due to the Covid-19 pandemic: for example, increased remote-working and online shopping. It is perhaps too early to call whether changes in consumer preferences and work design will persist over the longer-term, however, the broad direction of travel is unlikely to change. Employment projections for the Heart of the South West predicts that while there will be a net requirement for workers with qualifications at all levels from Level 2 upwards, expansion demand is concentrated solely among occupations requiring for higher education qualifications and particularly first degrees.
- 3.13 Focusing upon specific sectoral demand, it is currently anticipated that the following core sectors will be areas of specific heightened need / demand into the medium term:
- **Health and social work** are currently predicted to create more 'new' jobs than any other sector locally over the next 10 years particularly among caring personal service occupations but also health professionals. The existence of skills shortages and gaps within the sector

now, suggest that encouraging more adults and young people to follow careers in health and care should be a priority.

- **Professional and support services and information technology** are predicted to be key source of job growth locally over the next 10 years underpinning demand for a range of mainly high-skilled occupations particularly in the former. Within this, Nesta predicts strong demand for skills groups related to data engineering, IT security operations, market research and app / web development.
- **Accommodation and food and arts and entertainment**, along with other services and wholesale and retail trade were also predicted to create new opportunities over the next 10 years. The extent to which these opportunities will be realised will depend on how quickly these sectors recover from the pandemic and the extent to which consumer preferences and business models within these sectors evolve as a consequence.
- **Construction**, a sector that currently has the second highest redundancy rate in nationally predicted to increase employment locally. Most of the increase is anticipated to be at professional and associate professional and managerial level, although demand for construction trades will also increase. The fortunes of the construction sector tend to track those of the wider economy these jobs will depend on the impacts from exiting the EU and the broader recovery.
- **Production, manufacturing and Science, Technology, Engineering and Math (STEM) based employment** is currently expected to be expected to be an area of significant replacement demand, though overall job numbers are expected to fall. For example, the total requirement for science, research, engineering and technology professionals and associate professionals is expected to increase by 19,000 and the requirement for skilled trades by 10,000 over the 10-year period covered by the projections, despite small reduction in overall job numbers.

3.14 In addition, it is anticipated that new roles will be created by a mixture of other trends and opportunities including:

- ongoing technological advances, notably around clean growth and automation. As new technology is deployed to undertaken routine tasks, augment existing roles and create new ones, personal skills such as creativity, critical thinking, people management, emotional intelligence, judgement and decision-making and negotiation will also become increasingly important.
- Existing businesses seeking to integrate nontraditional sector roles (including data engineering, IT Security, market research and app/web development) into their activity, increasing the impact and productivity of these sectors.
- New opportunities created through enterprise and self-employment, with entrepreneurial behaviour traditionally increasing after large scale economic shocks as individuals seek to adjust and find new options. This is particularly likely in the HotSW given a tradition of self-employment and business creation as a career option. Wider opportunities arising from the knowledge economy and innovation will similarly drive additional enterprise activity, with spin outs and graduate enterprise likely areas of growth.

e) Matching supply and demand

3.15 There is some evidence of a mismatch between skills supply and demand within the HotSW. In 2019 for example, 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 (which includes beauty and personal care, customer service and other small business centric qualifications) 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).

3.16 As such, the Chartered institute of Personal Development '(CIPD)' recently described the Heart of the South West as being in "skills surplus": a situation of high supply overall, but against a low demand for skills. Analysis of the area however suggests that the picture is rather more complex than this simplistic summary suggests, with the need for a nuanced understanding of local skills demand and labour markets across the LEP's economy. In general, the area could perhaps be better described as below:

- high supply and high demand for skills in the Exeter Travel to Work area (i.e. "High-skills equilibrium")
- lower supply and lower demand for skills across Somerset, Plymouth, and Torbay (i.e. "Low skills equilibrium"); and
- high supply, but lower demand across parts of Devon (i.e. "Skills surplus")

3.17 Across all areas however, the HotSW continues to have specific hot spot / areas of enhanced demand across multiple sectors and occupational groups. These are:

- **Sectors with an ongoing and cyclical recruitment and skills need** – These include the skilled trades, care sector, leisure sector and across the generic service sector.
- **Sectors with ongoing occupation specific needs, but who generally don't have a wider challenge around recruitment** - These are within elementary occupations (skilled trades), sales and customer services (finance, managerial posts), associate professionals (project management, finance) and hotels and restaurants (chefs, management)
- **Specific occupational gaps** - These include demand within professional occupations, transport and storage, information and communications, construction, manufacture and production, and specialist health and social work roles within the HotSW.

f) Conclusion

3.18 The Heart of the South West is a diverse and complex area in terms of both its economic performance and labour market. Whilst it benefits from a mixed economy with clear areas of strength and a healthy mix of education and skills provision, it faces a significant number of local structural and skills performance issues and challenges. The position can be broadly summarised as below:

- Mixed economy, with strengths amongst a number of technical, service / hospitality and manufacturing sectors. The area has traditionally struggled with lower productivity per

head than its peers. It has also felt a disproportionate economic and employment impact from Covid-19 over the past 12 months due to its reliance on the tourism, hospitality and leisure sector

- There are significant differences across the economic and skills makeup and capacity of the Heart of the South West, with wide variation across districts and local communities. Averages often conceal deprivation and economic performance challenges.
- The HotSW's ageing population and shrinking working age population continues to tighten the local labour market, and drive a growing requirement for replacement labour. Exiting the EU holds potential to further complicate this issue.
- HotSW has a relatively strong educational offer, with average levels of achievement at 19. However, there are ongoing issues amongst those from a disadvantaged background / with a barrier to learning and work, and wider challenges around performance dropping over the past four years, with Covid-19 likely to exacerbate issues. Assets across the education and learning sector also require additional investment to remain current. There is some evidence however, of particular strengths around apprenticeships.
- There are challenges around progression into higher education, with a 11 percentage point difference in the number of individuals with a Level 4 qualification when compared to the national average, and lower levels of retention in many areas. Aspiration and ambition are key issues locally.
- Demand for skills had been significantly disrupted by Covid-19, however, there is strong demand in health and social care, professional services, digital occupations / wider digital competencies, accommodation and leisure, construction and advanced manufacturing occupations.
- There is a mismatch between skills supply and demand, however this is changeable across parts of the HotSW and occupations. There is some evidence of oversupply in some occupations and areas.

4) Skills Strategy

i) Overview

4.1 Skills performance is a crucial element of any areas' economic performance, determining its productivity, shaping local wellbeing, and underpinning its industrial and knowledge economy. As set out in Chapter 3, the Heart of the South West is no different, facing a range of social and economic opportunities and challenges over the next decade which require skills solutions if the area is to both achieve additional growth and address individual disparity.

4.2 This core strategy seeks to provide that shared blueprint for the Heart of the South West. At its core is a shared vision that:

Every individual in the Heart of the South West should be able to access the training or learning they need to thrive in a productive job they value, supporting inclusive growth and prosperity.

4.3 This vision seeks to put the individual and their progression at the heart of our skills activity, ensuring positive life chances are extended to all. Through supporting and shaping individual advancement, we will provide our businesses with the skills they need to drive a more productive and inclusive economy. Through securing more skilled people, we will enable the area to better address the challenges and take up the opportunities it faces, supporting the economy and our communities to recover from the recent shocks associated with Covid-19, and providing a foundation for future prosperity.

4.4 To achieve this, the Heart of the South West needs a skills and education environment that is fit for purpose and focused on supporting recovery, need and growth. It must:

- Ensure **every** individual benefits from an effective education or training offer, that promotes aspiration and ambition, integrates good quality careers advice and guidance, supports confidence to upskill and reskill, and leads to a job they value;
- Break down and overcome barriers created by disadvantage and other challenges to progression, allowing those furthest from learning and economic prosperity to achieve and prosper.
- Promotes and drives forward economic success and growth opportunities, notably within core sectors such as clean growth, digital and creative industries, advanced engineering and production, modern construction, and health and social care, recognising their crucial role in driving our future economy;
- Enables employers to grow, promoting confidence in upskilling their business and providing a foundation to develop, retain and attract new talent. This will also attract wider investment and engagement, which can both sustain the area's unique economic strengths, reinforce wider prosperity through wages, and support future production and innovation.
- Support and enable enterprise, self-employment and broader business growth, alongside wider leadership, management and skills for innovation development across the business community, reinforcing our micro and small business led economy.

- Ensures that we have a high quality technical / professional offer that complements wider academic pathways, recognising the importance of technical skills to our economy.
- Be underpinned by a network of outstanding skills and training providers (whether colleges, independent providers or schools), that are structurally fit for purpose and demand led, able to offer flexible provision and are ready to meet the needs of our business and existing / future economy, and supported by modern facilities and knowledgeable staff
- Maximises the impact of our higher education and specialist skills provision, meeting the needs of our economy and driving forward innovation, creativity and knowledge. These will also contribute to local objectives around social inclusion, productivity and clean growth.

4.5 The Heart of the South West does not start from a blank page. Whilst the area has ongoing challenges and needs, it already benefits from an array of committed partners and a strong network of providers that are working together to achieve many of the core outcomes listed. The region has also been successful over recent years in securing additional investment from National and European sources into skills capacity and delivery, though there remains much to do.

4.6 However, if the area is to both rapidly recover from recent events, and fully enable the potential of our existing and future workforce to drive individual prosperity and enhance productivity, accelerated action will be needed. As set out in Chapter 3, long term challenges around progression into higher education, aspiration and achievement amongst the disadvantaged, and those facing a barrier to learning and work, and meeting demand from core sectors will need to be addressed to support our wider economic performance and productivity. Alternatively, existing advantages like the area's acceptance of apprenticeships and vocational / technical pathways as a route to a good job provide options for accelerating local growth. Issues such as the impact of Covid-19, demographic change and the potential of clean growth, also offer new opportunities and risks for the area.

4.7 The Heart of the South West will focus on three core objectives moving forward, which will drive and accelerate progress around skills delivery and performance. These are:

- **Ensure that our skills and training environment is responsive and forward facing, meeting individual and business need**

Working with our work based learning providers, whether colleges, independent providers and their networks, schools, universities, or other specialist provision (notably our IoTs. national centers of excellence and providers of community and enterprise education) to ensure that our delivery environment and provision is fit for purpose and able to support both existing business needs and future economic opportunities (notably within key sectors such as clean growth, digital and creative industries, advanced engineering and production, modern construction and health). This in turn will seek to address ongoing challenges around individual achievement and business skills uptake, and mismatches between business demand and skills supply.

Activity will include joint working and projects to ensure that provision is shaped to fit with and drive forward local economic demand / opportunities; is responsive and flexible to both individual and business requirements; is able to support those furthest from the market; and provides a seamless and integrated training offer / escalator approach. To achieve this, partners will seek to best utilise and integrate new capital and revenue

support to meet emerging economic opportunities and reinforce existing complimentary capacity, as well as seek to work together to ensure that recovery activity supports those with the greatest barriers to progression.

As part of the development of this approach, engagement with business and economic partners will also be crucial, ensuring that demand for roles is stimulated within key sectors; that workforce provision is business led and co-designed; that essential apprenticeships (at both tertiary and higher level) and other vocational pathways are consistently promoted; and the value of higher and technical skills to business performance demonstrated and championed. This will require joint working to ensure that demand led activity activity is fully funded (including resources for key business / provider partnerships) as part of the Heart of the South West's overall skills approach.

- **Ensure that every individual can access the skills and training they need to achieve their own potential**

Working together to ensure that the Heart of the South West has a skills and training offer that can meet the needs of any individual and support them into or progress through a job which adds value to the wider economy. This will seek to address both the area's challenges around individual productivity and economic performance; support wider efforts around extending opportunity to all and better enabling access regardless of individual barriers; and expand and enhance our shared labour market for higher, technical and high demand skilled.

Actions will include:

- working together to better support those with barrier to learning or work, developing a shared approach to improving social inclusion and mobility. This will include facilitating new community learning capacity and offers in our most deprived communities; enhancing outreach to our most vulnerable and hardest to reach individuals and young people; and seeking to improve wraparound support for those with a barrier to progression.
- providing enhanced careers advice guidance for young people and adults, particularly those with at risk of NEET or economic exclusion;
- improving training availability for those in and outside of work who may be able to upskill, but face another barrier to progression;
- making full use of new training and learning offers like the Lifetime Guarantee;
- securing additional support for those who are long term unemployed; and
- engaging and drawing upon other government led skills and work provision that can enable us to harness individual progression, including support for self-employment and enterprise activity which benefits the individual, and ensuring every individual has the digital skills they require to thrive.

This will require close working with businesses, to promote the opportunities involved in expanding and extending recruitment patterns; capture and fully market their career pathways and new opportunities to those in education and across the existing workforce;

and increase demand for higher level skills, technical roles and staff able to lead and enable innovative growth and services.

- **Ensure that all skills and training investment and activity contributes to both improving our shared prosperity and collective productivity**

Working together, public, private and skills provider / educational partners will seek to ensure that skills activity and funding is designed to best meet the needs of both the economy and drive social inclusion / shared prosperity. This will seek to address challenges around deprivation and economic exclusion, as well as improve overall supply responsiveness and economic fit of provision.

This will include joint working around labour market intelligence, economic monitoring and other data to ensure that there is a shared understanding of needs and opportunities; integration of social inclusion objectives in shared investment approaches, focusing on extending opportunities to all; working together to optimise the skills and employment impact of key public and private sector investments, such as new construction opportunities or national significant infrastructure projects; seeking to eliminate barriers to learning such as around digital exclusion, financial exclusion and challenges around transport access; and seeking to find new solutions and approaches to working in the hardest to reach communities and those facing the most disadvantage.

- 4.8 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**

- 4.9 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.

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

- 4.11 This Strategy recognises the potential 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 development through 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.

- 4.12 More specifically, we will:

- **Engineering Futures** – Seek to build 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, medtech 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 Centers of Excellence / National College; 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 that businesses are able to thrive in a digital environment.

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 and business level 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 / Low Carbon Growth** – Seeking to build upon the area’s unique strength around nuclear technology and engineering, but also specialisms in green energy, marine energy, photovoltaic, wind, nuclear fission and decommissioning expertise, 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 clean growth based careers, reinforcing specialist training and curriculum delivery in colleges and through the area’s IoT and National College capacity; 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

4.13 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 sectors provide one key route for achieving this ambition.

4.14 In addition to these growth opportunities, the area has a range of broader sectors which are crucial to its economy and require a discrete focus. As both 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:

- **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 both a valuable career pathway and hub for innovation and productivity enhancement. Support individuals to progress into higher level health or specialist occupations; work to create a culture of learning and recognition of training across all levels; seeking to reinforce innovation approaches through learning; and link together employer, education providers (including further education, higher education and training providers) and community / employment approaches and needs. In doing so, support Government's wider ambitions around integrated healthcare.
- **Construction** – Work with the construction sector to both identify key areas of need and opportunity 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. This will also include working together to maximise the opportunities arising from wider developments, such as the need to retrofit our housing stock and develop civils and infrastructure engineering capacity linked to highways, utilities and broadband. Activity will seek to build upon lessons learnt through projects like Building Plymouth and Building Greater Exeter, as well as best practice developed through civils programmes around Hinkley Point.
- **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 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 aligned skills sets which support investment and growth, as well as around land management and other science-based approaches. Projects such as the proposed food hub also offer opportunities to align approaches in pilot environments.
- **Tourism, Hospitality, Retail and Leisure** – Recognising challenges posed during the recent Covid-19 crisis, but also the importance of these core sectors to our shared economy, work with relevant businesses and sector organizations to accelerate the upskilling and value of

our tourism, retail and hospitality / leisure 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. In addition, seek to maximise the impact of new initiatives and wider business support approaches, such as the South West Tourism Zone, High Street Funds and other regeneration resources to use skills training and skills capacity to support sector development and renewal.

- 4.15 As part of our sector skills approach, it will also 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.

iii) **Geography**

- 4.16 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

- 4.17 Building on our 3 headline priorities for the Heart of the South West, we will therefore also seek to achieve the following over the next five 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 build upon Plymouth's nationally significant capacity in marine technologies and wider advanced engineering, manufacturing and defence excellence. Aligned to this, we take forward the city's ambitious plans for recovery and growth, and to address social inclusion, focusing on maximising the impact of engagement with schools, locally led employment and training activity through the City College Plymouth and the Devon and Cornwall Training Provider Network ('DCTPN'), higher level learning and innovation activity 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 capacity of DCTPN's membership to drive 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 DCTPN members 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. Improved transport and wider infrastructure linkages may also play an important role in driving upskilling, supporting community prosperity and improving business productivity.
- **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; enhancing the capacity of members of the Dorset and Somerset Training Provider Network (‘DSTPN’) to meet both specialist skills need and wider local provision; supporting the development of University Centre Somerset to provide strengthened higher education provision within Somerset; leveraging high value opportunities around clean growth and energy / engineering competencies emerging from Hinkley Point and development of the Gravity Enterprise Zone; 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, with DSTPN partners and other provider 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 the work of wider DCTPN 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, and tourism and wider coastal industries. This will include a specific focus on maximising the impact of any future Tourism Zone in terms of skills and employment. Recognising long standing challenges within the area around inclusion and employment, a specific focus will also 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**

- 4.18 Whilst this Strategy has been designed to identify the medium to long term skills requirements of the Heart of the South West, it cannot ignore the recent impact of Covid-19 on the skills and education environment. With a 12-14% reduction in local GDP as a result of the pandemic in 2020/21, a trebling of local unemployment (including increasing levels amongst those under 24 by 500%), and significant education disruption for young and people and adults alike, it is critical that the area has a joined up and focused response to the recent downturn.
- 4.19 This strategy therefore seeks to support wider efforts around Covid-19 recovery, building upon the ambitions of local partner recovery plan and the Local Enterprise Partnership's Building Back Better Framework, to return the area to growth and stability as quickly as possible. The core priorities and objectives set out through this strategy already will contribute to recovery, with a focus on new opportunities, sector renewal, reinforcing individual progression and resilience, and supporting individuals to have the flexibility they may need in a transformed economy.
- 4.20 However, the impact of Covid-19 also requires more immediate action, with a distinct focus on supporting people through the ongoing impact (which has yet to end as of January 2021) and then into recovery and renewal. In particular, it will be important to ensure that those individuals and communities most at a disadvantage, and likely hardest hit by Covid 19, are able to access a level playing field of support and opportunity to avoid permanent economic scarring and worsening economic inequalities.
- 4.21 As such, partners intend to prioritise the follow core objectives linked to Covid-19 recovery:
- **Work together to enhance the Heart of the South West's support offer for young people, both those in and those recently leaving education.** Seek to reinforce careers advice and guidance and the transition process into further learning or work / vocational training, with a focus on reaching those most at risk of exclusion. Further promote information about apprenticeships and employment activity to young people. Maximise the impact of initiatives like Kickstart, the Apprenticeship and Traineeship support grants for employers and wider mental health, functional skills and other residual support offers.
 - **Seek to work towards a single retraining / employment support offer for those leaving work** - Seeking to support individuals to upskill and reskill if they wish to do so to find a better job or access new opportunities / sectors. Maximise the impact of initiatives like the Lifetime Skills Guarantee and Skills Bootcamps to fast track individual opportunities. This action includes a focus on supporting those hardest hit by the downturn, notably those currently in furlough, many of which will likely not return to their existing role after April 2021 but may have been outside of work for over 12 months. The offer will also incorporate enterprise / self-employment opportunities as alternative pathways into work.
 - **Work across provision to ensure that digital and remote learning offers, and associated pathways to work and learning, are available to all** – Seek to ensure young people and adults are able to both access and have the skills to access digital training offers and approaches, with a focus on supporting those furthest from the market / most at risk of digital exclusion.

- **Enhance skills and employment support within traditionally harder communities and places across the Heart of the South West** - Ensuring that historic gaps in employment, training and educational attainment are not worsened by the Covid-19 crisis through the roll out of tailored provision and support where able and affordable.
- **Work with business support partners to promote and fast-track self-employment and enterprise activity for the unemployed, those wanting to change career or those that may benefit from an alternative pathway to work** – Support enterprise and self-employment activity focused on maximising new business opportunities emerging beyond Covid-19 and supporting those who wish to follow the HotSW’s tradition of entrepreneurial behaviour. Support to focus on enhancing skills for business, including around business leadership, financial management, customer service, digital competencies and core business skills. Promote enterprise as a career pathway to students and young people, seeking to harness their potential as new business leaders.
- **Work with opportunity sectors to promote a joined-up recovery offer over the next 12-18 months**, with a focus on fast tracking new employment opportunities, promoting relevant training and apprenticeships activity, and engaging with young people and adults alike about the post Covid-19 opportunities and skills. This will include a focus on opportunities in health, engineering and manufacturing, digital industries and around clean growth.
- **Seek to engage with businesses in the hardest hit sectors to support upskilling and wider staff training where appropriate, promote staying in work to more vulnerable individuals, and supporting redundancies where unavoidable** – Recognising that the Covid-19 crisis has had a disproportionate impact on certain sector (notably Tourism, leisure, hospitality and retail) seek to work with companies and individuals in relevant sectors to support either renewal or transition processes. This will include taskforce approaches in the largest cases, but also local initiatives, pilots and programmes which tailor support too individual sectors.
- **Working with our Colleges, Universities and wider training providers to adapt to the new environment** – supporting providers as they work through any financial or operational challenges and requirements which may emerge as a result of the pandemic.

5) Skills Action Plan

- 5.1 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 priorities for COVID recovery.
- 5.2 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 outcomes achieved. To achieve this, and respond to Covid-19 effectively, an unapologetic focus on prioritising delivery of the area's agreed priorities will now be needed, seeking to fulfil the opportunities and address the challenges outlined elsewhere in this document.
- 5.3 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.

i) Ensure that our skills and training environment is responsive and forward facing, meeting individual and business need

| Action | Description | Desired Outcome | Lead Partner/s | Timescale | Geography |
|--|--|--|---|--------------------|--|
| Secure additional resources to support curriculum development for training and skills development within opportunity areas, notably within nuclear, marine, digital, aerospace, clean growth and photonics training. Seek to also secure additional delivery resources to fastrack skills opportunities within growth sectors. | 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. Explore the potential to use boot camp and other funding approaches to fast-track 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. | HotSW LEP, Colleges, IoTs DCTPN / DSTPN, Universities, HotSw DSP, ESBs, ESFA / DfE | Medium Term | 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. Explore the potential for boot camp and other funding approaches to fast-track opportunities. | Improved throughput and progression into opportunity and high value / need career, with a focus on retaining more local talent. | Local Authorities, Colleges, DCTPN / DSTPN, Universities, Careers Hub, National Careers Service, ESBs | Short Term | SAP Wide |
| Support skill renewal and recruitment through recovery within the Tourism, Leisure and Retail sectors. Support redeployment activity where required. | Work with Covid-19 impacted sectors to support staffing training and upskilling, with a focus on transferable skills, leadership and management, and upskilling around core competencies (customer service, financial management, service specific trade skills). Seek to maximise the impact of initiatives like Tourism Zones and national support packages / Lifetime Skills Guarantee. | Improved sustainability and business outcomes for sector business. Improved workforce capacity in sectors, including an emphasis on leadership and management. | Trade Bodies, Local Authorities, DWP | Short Term | SAP Wide |
| Bring forward a joint approach to marketing and promoting 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. | HotSw SAP, Colleges, DCTPN / DSTPN, Universities, ESBs, Major Employers | Medium Term | SAP Wide |
| Agree a new framework approach 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, DCTPN / DSTPN, HotSW LEP / SAP, ESBs, ESFA / DfE | Medium Term | SAP Wide |
| 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 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, DCTPN / DSTPN, Universities, IoT | Medium / Long Term | SAP Wide |
| 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 to support economically relevant training. | 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, ESFA / DfE, AoC | Medium / Long Term | 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 Institutes of Technology and wider specialist provision (including its National College) 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. | IoT, Colleges, Universities / HE Institutions, Private Sectors, DfE | Medium Term | 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. | Universities, HE Institutions, Private Sector, DfE | Medium / Long Term | 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. | Schools, Local Authorities, College, DCTPN / DSTPN, Universities, wider HE Institutions | Medium Term | SAP Wide |

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ii) Ensure that every individual can access the skills and training they need to achieve their own potential

| Action | Description | Desired Outcome | Lead Partner/s | Timescale | Geography |
|--|---|---|---|---------------------|--|
| Develop a dedicated HotSW Social Mobility and Inclusion Programme, promoting capacity building across communities to extend learning opportunities to those furthest from the market, support the most disadvantaged to learn and progress, and extend education and skills offers to all. | Recognising the significant gaps around educational achievement, progression and aspiration within our most deprived communities and amongst hardest to reach individuals, develop a programme of projects and activity to promote new pathways to learning. Working education and community partners, develop new projects which support young people and adults from a more disadvantaged background into learning, support community-based learning and talent development opportunities, enhance outreach activity from FE, HE and employers, and seek to support capacity building within community learning organisations and through other community based education and learning projects. | Promoting embedded and tailored learning and community centric opportunities to reduce disparity and provide pathways into wider skill and employment opportunities. Through improving progression and inclusion, promote enhanced work and prosperity amongst harder to reach groups and communities, with positive impacts for both economic growth and wider productivity. | Local Authorities, Community learning organisations, Colleges, Universities, Voluntary and community sector, DWP | Medium Term | SAP Wide, but focused on bottom 20% most deprived communities and wards. |
| Secure ongoing funding support for the HotSW Careers Hub, providing an integrated careers advice and guidance offer for young people within education across the HotSW, and seeking to support those most at risk of NEET. | Recognising ongoing challenges across the HotSW around achievement by age 19 of those most disadvantaged, issues around the take up of STEM related roles, emerging challenges from Covid 19, and longer-term challenges around aspiration and ambition amongst young people in the HoTSW, enhanced Careers, Information Advice and guidance ('CIAG') provision through the HotSW Career Hub programme. Initially focused on secondary schools and colleges, but seeking to expand provision to cover wider education settings overtime. This will also include an ongoing focus on business / education partnership working and engagement and support for governors, headteachers and teaching staff to understand and champion CIAG activity. | 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, Business Partners | Short / Medium Term | SAP Wide |
| Work with apprenticeship lead organisations, providers and businesses to further develop our shared offer on apprenticeship, traineeship and T Levels for young people, and reaching those most at risk of NEET. | 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 and development of a shared approach. Seek to build on examples of good practice in Plymouth, Exeter and around Hinkley Point, as well as work championed and led by the DSTPN and DCTPN and projects such as Skill Up Somerset and Ask. Seek to secure further funding for such projects where appropriate. | 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. | SWAAN, NAS, YAAN DCTPN / DSTPN, Colleges, Universities, Local Authorities, Employment and Skills Boards, ESFA / DfE | Medium Term | SAP Wide |
| Work across providers to better align careers advice and guidance support for adults, seeking to maximise the impact of existing and emerging CIAG provision, and support those furthest from the market to thrive. | 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 and wider providers to promote aspiration and ambition, upskilling, and career jumping activity with a focus on our opportunity sectors. Place a specific focus on career management and planning as part of the approach, as well as the potential of vocational pathways / higher level apprenticeships for those already in work. | Increased uptake / labour supply into opportunity and high needs sectors. Specific focus on clean growth, digital and creative industries, advanced engineering and production, modern construction and health and social care. | NAS, SWANN, NAS, Local Authorities, Colleges, Universities, DCTPN, / DSTPN, DWP | Medium Term | SAP Wide |
| Working with DWP, use a mixture of Sector Based Work Academies and other approaches to provide fast-track opportunities into growth sectors for all. | Reflecting skills gaps within foundation sectors and occupations (notably health, construction, and digital roles), seek to work with DWP and other partners to create fast track routes into relevant careers. Place a specific emphasis on reaching individuals and communities facing the greatest barriers to entry and / or disadvantage. | 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, DCTPN / DSTPN, ESBs, Major Employers | Short Term | SAP Wide |

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| Support the further development of the HotSW's digital literacy offer, including additional remote delivery of basic and functional skills. Seek to accelerate basic skills uptake working with DWP, adult learning services and wider partners. | Recognising ongoing challenges around basic skills and progression to intermediate skill opportunities amongst adults, as well as specific challenges around supporting those most disadvantaged during the Covid-19 crisis, support additional opportunities to development digital literacy and undertake other basic skills provision. | Increased progression into intermediate skills opportunities and a reduction in digital exclusion across the HotSW. Downstream impacts on employability, with benefits for productivity and social inclusion. | HotSW DSP, DWP, Local Authorities, Colleges, DCTPN / DSTPN, ESBs, Major Employers | Short Term | SAP Wide, but focused upon delivery within the most deprived communities. |
| 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. Seek to reinforce with additional support around core skills, mental health, and other support to enhance access and resilience. Place a strong focus on those most at risk from Covid-19 and or facing a significant disadvantage. | 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, DCTPN / DSTPN | Short Term | SAP Wide |
| 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. Focus upon ensuring such opportunities are directed towards and extended to individuals with a recognised barrier to advancement, seeking to address challenges around disadvantage. | 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, DCTPN / DSTPN, HotSW DSP, Universities, ESBs, Major Employers | Medium Term | 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) |
| Secure additional support for digital skills provision for those within non-digital sectors, supporting individuals to upskill and enhance both their own and their sectors future resilience. | Recognising challenges around digital skills capacity across the economy, and notably amongst more deprived communities and disadvantaged individuals, seeking to provide additional provision which can support those in and outside work to further their digital capabilities. Seek to promote digital careers and pathways in non-digital industries, | Promoting additional digital literacy and expertise across the HotSW economy, in both digital and non-digital roles and sector. Downstream impact on productivity within small and large businesses, individual opportunity and wider prosperity and growth. | HotSW DSP, Local Authorities, Colleges, DCTPN / DSTPN, Universities, ESBs | Medium Term | 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. | Local Authorities, DWP | Medium Term | SAP Wide |
| 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, DWP, DoH | Medium Term | SAP Wide |

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| Develop a more structured approach to leadership and management skills delivery and uptake | 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, DCTPN / DSTPN, Universities, IoT, ESBS | Short Term | SAP Wide |
| Working with business support organisations and DWP, seek to develop a shared approach to self-employment and enterprise support as a route to employment and valued work | Recognising the value of self-employment and enterprise as a route back into employment for both those who may have been affected by Covid-19, but also those who may see new opportunities, development of a joint enterprise / self-employment programme to support individuals to set up on their own. | Improved economic output, through business creation and job creation. Downstream productivity and social inclusion benefits, through additional business activity, additional employment and more sustainable employment options. | HotSW Growth Hub, DSTPN / DCTPN, DWP | Medium Term | SAP Wide |

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iii) Ensure that all skills and training investment and activity contributes to both improving our shared prosperity and collective productivity

| Action | Description | Desired Outcome | Lead Partner/s | Timescale | Geography |
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| 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 | Medium Term | 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, DCTPN / DSTPN, Universities, IoT, HotSW LEP, ESBs, Major Employers | Medium Term | SAP Wide |
| Continue to 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 | Short Term | 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 | Medium Term | 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, DCTPN / DSTPN, Universities, Local authorities, ESBs, ESFA / DfE, DWP, DoH | Medium Term | SAP Wide |
| 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 SAP, Universities | Short / Medium Term | 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 SAP, Universities, ESBs, Major Employers | Medium Term | SAP Wide, though focused upon the area's 5 ESB partnership areas. |

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| 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 SAP, Local Authorities, ESBs | Short Term | 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, Growth Hub, Local Authorities, ESBs | Short / Medium Term | SAP Wide |

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6) Assessment of SAP Progress

i) Introduction

- 6.1 The Heart of the South West has a long history of joint working and collaboration around skills and employment matters, stretching back to the development of sub-regional arrangements in the late 1980s and 1990's. As such, the area benefits from both a long-standing commitment to joint working and collaboration on skills matters between business, providers and public sector partners, with extensive experience in taking forward shared projects and ambitions.
- 6.2 Whilst this document encompasses the first iteration of a shared Skills Strategy and Action Plan for the Heart of the South West area, partners within the Heart of the South West have been working together around its core themes and ambitions for a number of years. At a LEP level, partners first formed the HotSW People Leadership Group in 2014, bringing together public, private and business representative to agree shared skills and employment objectives for the area's Strategic Investment Plan, and direct the emerging European Social Fund and FE Capital Programmes. Partners have been active since this point in developing and implementing a range of programmes and shared projects across the area.
- 6.3 The launch of the Heart of the South West Skills Advisory Panel and the development of this document therefore, marks more of an evolution and acceleration of existing activity in the HotSW, then a revolution. The implementation of the SAP over the past year has provided an opportunity to reaffirm local partners commitment to working together to advance skills delivery and achievement, and to align behind key opportunities and needs. It benefits from having inherited an extensive programme of existing skills and employment activity that has been the work of several years.
- 6.4 The rest of this chapter provides a broad description of the current and recent activity of the SAP and SAP partners within the HotSW, and the progress already being made around the crucial themes of this document.

ii) Taking a Local Leadership Role

- 6.5 Inheriting the role of the LEP's People Leadership Group, the Heart of the South West Skills Advisory has rapidly taken on the mantle of strategic leadership around skills matters and shared priorities across the Heart of the South West area. Bringing together a strengthened body of lead partners and decision makers, the SAP now provides the local area with a central and formal recognised leadership mechanism for skills policy development, intelligence sharing and decision making.
- 6.6 Whilst in many ways, this reflects the previous role of the LEP's People Leadership Group, the renewal and strength of membership provides the SAP with a differing personality and authority to its predecessor. In particular, integration and membership by the area's five formal Employment and Skills Board, nominated membership from the area's 11 colleges, 4 universities, and two training provider networks, and business membership from key local businesses including EDF, Waitrose and Kawasaki, the Chambers and FSB, provide the SAP with significantly greater depth of knowledge and breadth of intelligence than its forebear.
- 6.7 This capacity and reach, as well as renewed commitment to partnership working, has proven invaluable during the recent Covid-19 crisis, providing a shared forum for discussing issues arising, feedback sector by sector intelligence around impact and local challenges, and work

together to develop joint solutions and approaches. SAP members have been involved or led the formation of each of the LEP areas four local recovery plans; SAP team members have jointly come together to formulate and launch new projects around supporting redundancy and reskilling, and SAP structures and inter relationships have provided opportunities to bring together partners around wider initiatives such as the Kickstart programme.

6.8 However, the SAP is still a relatively young organisation, with more to do. The finalisation of this document, and agreement of its shared priorities, will provide further impetus for joint working and delivery over the next few years. This will cover multiple funding streams and initiatives, from support for young people in education, to technical skills, new apprenticeships to supporting the assets needed to undertake world class innovation.

iii) Enhancing local knowledge

6.9 As part of its early work, the HotSW Skill Advisory Panel has taken forward an extensive analysis of local skills demand, skills performance and overall economic as part of its lead role on skills and employment evidence. Developed in partnership between the SAP Core Team and the University of Exeter's Marchmont observatory, the SAP evidence base is one of the most extensive pieces of skills research undertaken by local partners for around a decade. Covering a comprehensive assessment of underlying conditions, supply and demand, future risk and opportunities, the final document has provided the local area with core data and skills information which has both informed our LIS, this document and wider recovery and local economic development activity. Data has also been shared extensively with local business and provider partners / SAP members, informing their work with Government, developing relevant business cases and plans, and supporting local priorities for spend and sector development.

6.10 Of particular importance, evidence resources linked to the SAP have been crucial during the recent Covid-19 crisis in allowing for real time understanding of issues emerging across the Heart of the South West area. Data tools and evidence shared through the SAP on local vacancy rates, apprenticeship data, skills and training performance and wider social economic indicators, have been used across every local area over the past 9 months to inform evidence-based recovery strategies, develop associated business plans and project applications, and shape delivery. Within Devon, such data has been utilised to better target basic skills and hospitality, leisure and retail provision; within Somerset around identifying hotspots of impact and informing skills delivery emerging from Hinkley Point; and within Plymouth to make the case for new, targeted ESF support to enable new skills delivery within key sectors.

6.11 Looking ahead, the SAP has used the period of disruption to recognise that there are still gaps remaining however in its evidence base. During the first lockdown period for example, it became clear that the area would benefit from a range of more granular business and household data around skills, training, recruitment approaches and apprenticeship uptake / levy expenditure. These are areas the SAP will be seeking to reinforce over the next two years, to provide additional granular detail to our understanding of demand across individual areas and sectors, and further reinforce our approach to impactful delivery.

iv) Impact on local skills provision

6.12 As set out, the Heart of the South West SAP benefits from a mature and long-standing set of relationships with local providers, including close working links between the LEP / SAP and its 11 colleges, 4 universities and the areas' two training provider networks (Dorset and Somerset Training Provider network, and Devon and Cornwall Training Provider Network). This includes

joint memberships of Boards, co-sponsorship of projects, and co-design and authorship of reports and policy. This extends to partnership working on the LEPs core business, with the area's SAP evidence base jointly developed with the University of Exeter, and commissioning of the University of Plymouth to support the development of the area's Local Industrial Strategy.

6.13 As such, provider and LEP / SAP prioritisation have been broadly aligned through partnership working in the Heart of the South West for a number of years, with strong growth across technical, STEM and high demand disciplines across the local provider landscape. Notably areas of joint work / delivery since 2014 include:

- **Development of the South West Institute of Technology**, bringing together 4 of the area's Colleges (City College Plymouth, Exeter College, PETROC and Bridgwater and Taunton College) and its two universities to successfully bid for one of the UK original 12 IoTs, the consortia worked closely around the development of the scope and focus of the SW IoT, with its emphasis on engineering and digital skills at Level 4 and beyond.
- **Delivery of skills provision linked to Hinkley Point, working closely with Bridgwater and Taunton College, DSTPN members and wider partners** – Closely working around successive skills programmes emerging from Hinkley Point, including Bridgwater's development of associated engineering and construction capacity, successful bids to secure the Southern Campus of the National College for Nuclear, and wider investment in engineering and construction capacity across the area.
- **Delivery of Digital Skills within Exeter** – Championed and funded by Exeter College and University of Exeter for several years, digital and STEM based provision has been an area of enhanced focus in the city. The LEP, working alongside the HotSW DSP, has sought to support this approach over recent years, seeking to reinforce investment and support for related programmes and projects as far as possible.
- **Support for High Tech Engineering and Innovation in South and Northern Devon** – Working with South Devon College and PETROC, the LEP has supported the development of STEM and engineering capacity at both colleges, seeking to enhance both their business responsiveness within core sector and apprenticeship capacity within LEP growth areas.
- **Co-Development of Growth Fund Business Cases, ESF Projects and other provision** – The SAP core team has also worked closely over the past 2 years with colleges, universities and wider provider partners to develop a range of joint applications and projects which have extended curriculum and delivery across the LEP area. This has included cross sector investment in digital capital development within the area's Colleges; joint business cases to support the development of specialist sector capacity in nuclear, digital and marine with funding from BEIS and DFE; European funding support to enhance technical skills and apprenticeship provision covering engineering, health and other high demand skills areas; and most recently, funding to support digital and technical bootcamps and fast track retraining, working with both college and independent training providers

6.14 Looking ahead, deepening integration between provider and SAP approaches is a key priority, with work already ongoing with multiple College around their future business plans and

delivery approaches. It is anticipated that this joint working will be reinforced through new funding programmes, such as the Lifetime guarantee, due to come online later in 2021.

v) Covid-19 Recovery and Renewal Plans

- 6.15 As set out, the HotSW SAP has been heavily involved in providing evidence and informing thinking around emerging skills and employment issues. This has included supporting Employment and Skills Boards and local areas around development of their respective recovery plans, providing data tools and intelligence into joint council and LEP processes and corraling intelligence from business and provider partners.
- 6.16 It is however anticipated that this role will further accelerate as the area moves towards a firmer sustained recovery, underpinning shared skills and employment initiatives, shaping the HotSW response to new funding opportunities and approaches, such as the Lifetime Guarantee, and working with providers to ensure high need areas are prioritised and joint delivery is taken forward

vi) Skills Action Plan

- 6.17 This document sets out an ambitious and wide-ranging series of shared priorities and areas for action within the Heart of the South West, seeking to build on the gap between demand and supply in some areas, and address ongoing challenges around performance amongst those with a barrier to work or learning or from disadvantaged background.
- 6.18 The SAP benefits from substantive provision already being rolled out around many priorities outlined within this document. This includes around careers advice and guidance, apprenticeship provision, technical skills support and around basic skills and digital provision.
- 6.19 In many of these cases, the challenges faced related less to funding being available for the activity, and instead are issues of alignment and coordination between multiple funding departments and organisations. This is notably the case around support for the unemployed, where duplicative funding for basic skills is often deployed by DfE and DWP, but no flexible funding is in place to support mental health preparedness. Others policy priorities, such as support for Career advice are funded, but subject to one year rolling funding settlements that make surety and planning a significant challenge.
- 6.20 There remain areas where additional work is needed in the HotSW. This includes supporting the most disadvantaged to access training and go beyond Level 2; additional activity to promote progression beyond Level 4 across multiple sectors; and support for those sectors and individuals most impacted by the recent pandemic. Funding also remains a key challenge in several priority areas, including around curriculum design, where flexible funding support to meet business need remains difficult to secure for many providers.
- 6.21 Overall, the HotSW finds itself in a positive place to begin delivery of its Skills Strategy, with a range of activity already ongoing, new initiatives and national provision due to begin shortly, and strong partnership working providing a firm foundation on which to now build.

7) Case Studies

7.1 *This section is still currently being developed and will be finalised for the final published document to be submitted in March. It will contain 8 case studies of key skills projects and programmes that have been taken forward locally by partners over the past 3-4 years,*

7.2 *The current intention is to include the following case studies:*

- *HotSW Careers Hub*
- *South West Institute of Technology*
- *Careers Learning Pilot*
- *HotSW Bootcamps*
- *Skills Launchpad (Plymouth and LEP)*
- *Skill Up Somerset*
- *HotSW Digital Skills Partnership*
- *Building Exeter / Building Plymouth*

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8) Looking Forward

8.1 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.

8.2 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.

8.3 Looking ahead to a 10-year time horizon however, partners believe that 5 core issues in particular will need explicit additional focus:

- **Covid-19 Recovery** – Covid-19 has had a dramatic and disproportionate impact on the Heart of the South West skills ecosystem over the past 10 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 age 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-19 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 next 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 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-19 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.

- 8.4 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.
- 8.5 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.
- 8.6 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.

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