

## Coast to Capital Local Skills Report – an update from the Chair

26 January 2022

I am honoured to continue in my role as Chair of the Skills 360 Board, the Skills Advisory Panel for the Coast to Capital region. I am supported in my role by Vice Chair, Liane Richardson of Thakeham Group, who has recently replaced Winston Mahaffy of Thales after three years. I am grateful to the talented individuals, past and present, from across private and public sector businesses large and small, the further and higher education sector and the community and voluntary sector, who dedicate their time and share their expertise.

It is now 18 months since we produced our Skills Strategy and Action Plan contained within our Local Skills Report (LSR). Our work was based on extensive research and analysis of the employment and skills landscape and reminded us that we were fortunate to have high levels of employment, a highly skilled and entrepreneurial workforce, and a broad-based sector mix. It also highlighted challenges caused by a significant gap in our 20–40-year-old population, skills gaps in particular occupations, most specifically those related to science, engineering and technology, and persistent pockets of lower skills particularly along the coast and in Crawley.

Then we were hit by a global pandemic which changed everything. Despite our obvious strengths, Covid-19 has had a profound impact on the Coast to Capital economy. It is estimated that the regional economic output in Coast to Capital has dropped 12% since the outbreak of the pandemic compared to a national drop of 9.4%.

The confidence that we had in our broad-based sector mix was rocked by the huge impact of the pandemic on Gatwick Airport and the wider aviation industry caused by global flight restrictions, and on the retail, hospitality, cultural and entertainment industry caused by national lockdowns and ongoing restrictions.

Almost two years on from the first lock down, the Coast to Capital economy is making a faltering recovery. Unemployment levels are lower than anticipated but the full impact of the end of the employment support schemes is perhaps not yet evident. As expected, the impact is worst felt by the youngest and oldest of our working age population.

Demand for labour is not consistent across the sectors. Where there is demand, competition for labour is high as we experience the impact of post-Brexit changes to the UK immigration system and a more general change in attitudes towards to work with people rethinking their priorities and choosing to change professions, opting for more flexible or part-time roles and exploring portfolio careers. This is leading to significant salary inflation in some sectors, notably construction, with many roles remaining unfilled for extended periods.

The strength of the Skills 360 Board lies in the diversity of its membership and in depth understanding of the challenges facing both the businesses and the labour market in the Coast to Capital area. The Board has a significant part to play in providing thought leadership and local intelligence and will continue to operate as the Skills Advisory Panel for the area whilst the Local Skills Improvement Plans<sup>i</sup> (LSIP) are rolled out across the country.

We will continue to collaborate with the Sussex Chamber of Commerce as it finalises its LSIP for Sussex as a part of the national pilot, and with the Surrey Skills Leadership Forum as it takes forward its strategy and priorities.

As we have an LSIP trailblazer in our area, we have agreed with the Department for Education not to provide a full refresh of our LSR this year. We have updated Annex A which sets out the labour market and skills data for the area and hope you find this useful.

A fuller picture of the Coast to Capital economy and the impact of Covid-19 can be found [here](#) and is updated quarterly.

At the end of last year we were pleased to publish a research report into the Coast to Capital construction sector which can be found [here](#) along with summary slides [here](#).

**Fran Rutter**  
**Chair, Skills 360 Board**  
**Further Education representative, Coast to Capital Board**  
**CEO and Principal, NESBOT**

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

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