



Skills for Growth:

A Skills Strategy for the
Coast to Capital Local
Enterprise Partnership

Status: Final

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Foreword

Technological advances, rising consumer demand and global competition are all raising the demand for skills. The Coast to Capital region can take advantage of these changes if it invests properly in its physical and human resource assets and inspires all people to reach their potential.

It is in an enviable location, it has well-qualified residents, some of the world's leading businesses, and it is one of the most desirable regions in the country to live and work.

Our Strategic Economic Plan is ambitious in its focus on growth; on creating new, high quality jobs; and on supporting ambition in our businesses. We will only achieve our aims if our workforce has the skills and attitudes that are needed. This requires a sustained and collective effort to inspire achievement. Learning providers at all levels, businesses, public sector organisations, families, communities, voluntary and community sector organisations, learners and employees all have an important role to play.

But we need a coordinated and creative approach that is backed by both public and private sector resources and which recognises and embraces the talents of everyone. We need to target our resources effectively, so that they achieve tangible impacts and we must maintain our clear focus on growth, recognising the potential contribution of businesses in our priority sectors.

It is not enough to be a strong region within the UK; we need to be internationally competitive, recognised around the world for the talent that we have and the effectiveness with which we deploy it. This means developing and retaining people with high skills to enable our businesses to compete with the rest of the world; and it means supporting people on the fringes of the labour market to acquire skills so that they can progress successfully in work.

Coast to Capital cannot do this on its own. It can set the direction, allocate resources, commission services and work with Government agencies and private sector businesses to ensure that resources are allocated to support our growth agenda.

This strategy provides the framework to enable this to happen. It has clear priorities that are closely aligned to those in the European Structural Investment Fund Strategy and which have informed Coast to Capital Strategic Economic Plan. It is underpinned by a robust analysis of where we are and where we need to be. It includes top-line activities that Coast to Capital will focus on, and a set of ambitious, but achievable outcomes against which the success of the strategy can be measured.

We have outstanding businesses and outstanding people and I am confident that we can all rise to the challenge that this strategy sets and deliver the skills that are needed for Coast to Capital to become recognised as an internationally competitive region.

Executive Summary

Skills Vision

Local businesses will be supported to access and empowered to develop individuals with the skills needed to successfully compete internationally and to deliver the exceptional growth and productivity gains set out in the Coast to Capital's Strategic Economic Plan.

'Skills for Growth' is underpinned by two interconnected goals. First, that educational establishments should be aligned with the needs of businesses to compete and grow in a fast moving global economy. Second, that businesses themselves have a central role to play, both collectively and individually, in developing the skills of their workforce, and in inspiring the workforce of the next generation.

This role is one that is recognised and supported by Coast to Capital and its partners, and the engagement of employers of all sizes and from all sectors is a fundamental part of its implementation.

In order for the Coast to Capital economy to grow, our employers need to have a workforce with the knowledge, experience and skills to help them run and expand their operations. Our skills strategy seeks to support this by developing a workforce with the skills to meet these employer needs. Our vision is one where:

- There is an increase in employer leadership, commitment and investment in skills with the involvement of employers who do not have a track record of investing in skills;
- Employers are able to secure the training they need by influencing the quality and content of training and understand where to go to access support and funding;
- Employers are actively engaged to influence the quality and content of training, and to tackle cross-sector or supply chain skills challenges
- All young people leaving school, college or university have not only the technical skills needed for sustainable employment but the ability to be enterprising and innovative, capable of showing initiative and resilience and having high ambitions;
- More young people choose to develop higher skills in science, technology, engineering or mathematics (STEM) and to apply them in high value added technical occupations in the area;
- All employees have the opportunity to improve and extend their skills throughout their working life and to deploy them to help drive productivity and growth;
- Those who are unemployed are supported to retrain and acquire the skills needed for long term, satisfying and productive employment;

The success of this strategy is therefore dependent upon the active engagement of

businesses, of all sizes and from all sectors. As the fundamental provider of workbased learning, our businesses are best place to articulate, design and (in part) deliver appropriate qualifications, thereby contributing to the emergence of a more responsive system. Success will also be determined by the enthusiasm and collective efforts of a wide range of other people and organisations: schools, colleges, universities, private providers and not-for-profit organisations, working to help address the problem of skills mismatch and driving up the social and economic prosperity in our local businesses and communities.

Skills Drivers

The Coast to Capital region has one of the most buoyant economies in England with significant economic and environmental assets. Overall, unemployment is low and qualification levels are high. It has large, internationally recognised businesses across a wide range of sectors and thriving micro-businesses, many of which operate in some of the UK's fastest growing sectors. It has strong urban centers, excellent national and international links and outstanding natural resources. This makes it attractive to visitors and residents and provides it with the opportunity to develop new, environmentally friendly products and services.

Despite its considerable assets, the Coast to Capital region still underperforms if it wants to be competitive on the international stage. In many parts of the area, average earnings are low, school performance is unspectacular and many of its most talented residents are lost to neighbouring labour markets, where salaries and jobs are often better. Employment forecasts suggest that there will be 38,000 more jobs in the economy by 2020, most of which will require people with higher-level skills. There is projected to be only a fairly modest projected increase in the local working age population over the next decade, so more of Coast to Capital's 135,000 involuntarily inactive residents will need to be brought into the labour market, alongside a healthy supply of skilled, work ready young people leaving schools, colleges and universities. On a much wider level, technological changes, rising consumer expectations and international competition are all contributing to the demand for higher-level skills within occupations across the economy.

Coast to Capital recognises these challenges and has set out how it will address them in both its Strategic Economic Plan and its European Structural and Investment Fund Strategy (2014-2020). Over the next ten years, it aims to create 42,000 new jobs, deliver 950,000 sq.m of employment space, and build 22,000 new homes. Improving skills of the workforce and ensuring that they are effectively deployed is an important component of the growth challenge. Higher skills contribute to better productivity and higher earnings, leading to improved well-being for Coast to Capital residents.

Priority Sectors and Internationalisation

Coast to Capital is unequivocal in its commitment to growth and internationalisation. It has identified a number of priority sectors that it expects to make the greatest contribution to delivering this: Advanced Manufacturing and Engineering; Environmental Technologies; Financial & Business Services; Health & Life Sciences; and Creative, Digital & IT (CDIT). These link closely to the four technology sectors that are the main focus for innovation, due to their strong research base and potential to support GVA growth:

- Connected Digital Economy including, creative digital media, software development and Big Data

- Bioscience including Medical Technologies (Life Sciences)
- Electronics potentially further focused on vehicle electronics and sensors
- Environmental/Renewable Technologies¹

This strategy focuses primarily on these priority sectors, but Coast to Capital acknowledges that in local areas within the region, other sectors, such as the Visitor Economy, Food Production, Care and Construction, continue to be a rich source of employment. Coast to Capital recognises that businesses in all sectors have skills and recruitment needs and that SMEs, in particular, require additional, targeted support to contribute fully to its growth ambitions.

The Coast to Capital region is a strong performer within a national context, but it has ambitions to be recognised globally as a vibrant economic location. Increasing the volume and value of international trade and promoting its economic assets are important components of this. It can make better use of its culturally and linguistically diverse population and its strong international educational and business links, and it can promote skills to embed international trade throughout the economy.

Stimulating Demand

Coast to Capital will not achieve its growth ambitions simply by increasing the supply of skills. Demand needs to be stimulated by encouraging ambition within businesses and by ensuring that talent that is already available is deployed effectively. Many businesses do not recognise a need for higher skilled labour and can be reluctant to invest in external training. This can make it difficult for learning providers to develop learning programmes that are financially viable. SMEs, in particular, often operate within tight financial margins and have capacity constraints. This can make it more difficult to overcome bureaucratic hurdles in the skills system and to invest in the skills they need to grow. However it is the employer that is best able to identify the skills needed by their employees, and play a pivotal role in ensuring that their requirements are effectively met by the learning sector, particularly in the innovative and high growth sectors.

There are also sectors of the economy, such as retail and tourism, where investment in training is significant, but largely focused on the lower level induction or seasonal training that is needed to address peak demands and high levels of staff turnover. Here, the focus of training needs to be different. Businesses should be encouraged to retain staff by developing more attractive career pathways and refocusing their training investment on nurturing talent within their workforces, rather than repeatedly inducting new staff.

Improving Supply

Consultation to inform this strategy suggests that employer frustration with the supply of skills remains and there is a strong steer from central Government to develop higher-level technical skills within the economy. This aligns with the Coast to Capital's approach, which will ensure that businesses drive the skills agenda and that there is a tangible shift in the balance of learning provision towards higher skills and technical excellence. Currently, a lot of provision is at lower level, perhaps focused on developing skills and attitudes that would be better developed whilst people are still in full-time education. Coast to Capital recognises that it cannot just focus on developing higher-level skills and that basic skills and a good foundation in English

¹ Developing Networks of Innovation Space to be Created; Cooper D Dr. University of Chichester on behalf of the Coast to Capital Local Enterprise Partnership 2013

and Maths skills are vital to effective labour market participation. It will work closely with businesses, local authorities and schools and colleges to help improve employability and entrepreneurship skills so that young people are 'work ready' when they enter the labour market. It will also work with all its partners, including voluntary and community sector organisations, to improve the basic skills of people who find it difficult to gain a secure foothold in the labour market.

The Coast to Capital region has excellent Further Education Colleges and Higher Education Institutions. However, data suggests that the supply of people with technical subject skills within the Coast to Capital region is fairly modest. Education, health, retail and arts and creative subjects and business administration all have an important contribution to make, but they may not fully reflect the aim of developing a high value, technology-driven economy. Effectively combining technical, creative and business skills will be key to delivering growth. However, there needs to be a shift in emphasis towards developing technical skills at both intermediate and higher levels, through better collaboration and knowledge exchange between the Coast to Capital's Further and Higher Education institutions and its knowledge intensive businesses. It is vital that Coast to Capital and its partners focus on growing local talent, so businesses are confident that they can recruit the people that they need locally.

Ensuring Informed Choices

Career choices are often not the main motivation for choosing learning programmes and even whilst people are studying, career plans are often unclear. In addition, the poor image and low profile of some businesses and sectors can make them unattractive to people with higher-level skills. Skills are not the only reason why businesses find it hard to fill vacancies. Encouraging businesses to be more actively engaged in learning and to open up their workplaces for meaningful work experience placements and internships, could help to improve transitions from learning to work; and new ways of delivering Information, Advice and Guidance, designed in partnership with young people and businesses, could help improve career and learning decision-making.

Coast to Capital Priority Actions for skills have therefore been identified as follows:

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| Strategic Priority 1: | Stimulate the Demand for Skills by Encouraging Business Ambition |
| Strategic Priority 2: | Ensure Skills Provision Meets the Needs of the Coast to Capital region's Businesses, Focusing on its Priority Sectors |
| Strategic Priority 3: | Ensure People Make Informed Decisions About their Learning and Career Choices |

Contents

Foreword	2
Executive Summary	3
1. Introduction	9
2. Vision, Aims and Role	11
2.1 Who the Strategy is for.....	11
2.2 Coast to Capital's Role.....	11
3. Why Skills Matter	12
3.1 The Economic Context.....	12
3.2 The Government's Approach to Skills	13
4. About Coast to Capital	15
4.1 The Coast to Capital Region	15
4.2 Coast to Capital's Strategic Economic Priorities.....	15
4.3 Neighbouring Approaches to Skills	17
5. Skills Demand.....	19
5.1 Dimensions of Demand.....	19
5.2 Factors Driving Demand	19
5.3 The Coast to Capital Labour Market.....	20
5.4 Priority Sectors.....	22
6. Skills Supply.....	28
6.1 The Workforce	28
6.2 Qualification Levels	28
6.3 School and College Leavers.....	29
6.4 Community and Family Learning	29
6.5 Vocational Learners.....	30
6.6 Apprenticeships and Traineeships	31
6.7 Higher Education Leavers.....	31
6.8 Private Sector Training	33
6.9 Online-Learning	33
6.10 Information, Advice and Guidance.....	34
7. Gap Analysis.....	35
7.1 Stimulating Demand to become Internationally Competitive.....	35
7.2 Improving Social Progress.....	35
7.3 Improving Transitions.....	36
8. Priorities and Actions	37

Strategic Priority 1: Stimulate the Demand for Skills by Encouraging Business Ambition	37
Strategic Priority 2: Ensure Skills Provision Meets the Needs of the Coast to Capital’s Businesses, Focusing on its Priority Sectors	39
Strategic Priority 3: Ensure that People Make Informed Decisions About their Learning and Career Choices.....	41
9. How the Strategy will be delivered.....	43
9.1 Management Structure	43
9.2 Resourcing the Strategy	43
ANNEX I Skills Strategy Consultation Form.....	45
ANNEX II How the Strategy has Been Developed.....	48
ANNEX III Feedback from Consultation.....	48

1. Introduction

This is the first Coast to Capital Skills Strategy. It outlines its priorities for improving workforce skills to support the growth ambitions set out in its Strategic Economic Plan; and it aligns with the priorities outlined within the European Structural and Investment Fund Strategy (2014-2020). It is based on an analysis of labour market data; a review of approaches to skills that are being adopted within its five Spatial Area Partnerships; an on-going consultation process with local businesses and key partners; and a review of local and national studies and reports that help to identify the likely demand for skills.

Skills is a complex area, with many dimensions. The right skills support social mobility, improve business performance, and are key components of successful economies. Coast to Capital needs to understand and respond to both the demand for skills today and to anticipate and prepare for the skills needs of tomorrow.

This strategy focuses primarily on skills to support economic growth and improve international competitiveness. However, it recognises that the foundations of growth come from the vital work that schools, Further Education Colleges, universities and community organisations do to prepare young people for a successful adult life and to equip vulnerable adults with the basic skills that they need to thrive. A successful, balanced economy is an inclusive one, in which those on the fringes of the labour market are able to contribute to and benefit from sustainable economic growth.

Much of the skills system already operates effectively. Coast to Capital is interested in focusing on where this is not the case; where there are clear market failures; and where the right interventions can have a tangible positive impact. Businesses must be encouraged to improve the value of the products and services they provide, but they must also be able to recruit and train people with the skills they need to grow. Coast to Capital is particularly interested in supporting businesses in those sectors where there is a clear competitive advantage. These have been identified as:

- Advanced Manufacturing and Engineering;
- Creative Digital and IT (CDIT);
- Environmental Technologies;
- Financial and Business Services; and
- Health and Life Sciences.

Coast to Capital also plans to develop Networks of Innovation within the following sectors: Connected Digital Economy (including creative digital media, software development and Big Data); Bioscience including Medical Technologies (Life Sciences); Electronics (potentially further focused on vehicle electronics and sensors); and Environmental/Renewable Technologies. These will bring together stakeholders from business, research, local authorities and other areas to identify and take forward common areas of interest².

These are not the only local job-creating sectors, however. Tourism, food production and care and construction, for example, are all important to some local areas within

² Coast to Capital: Strategic Economic Plan Developing Networks of Innovation Space to be Creative; Cooper D; University of Chichester on behalf of the Coast to Capital Local Enterprise Partnership 2013

the Coast to Capital region and, between them, they are expected to make a significant contribution to local growth and jobs. Although Coast to Capital will focus primarily on its priority sectors, it will also support initiatives that improve skills across other sectors, particularly where this involves SMEs.

Coast to Capital aims to create a dynamic approach to supporting skills, not one that is based on a rigid adherence to a set of forecasts, or one that is pre-determined by funding criteria and narrow qualification targets. This means establishing and supporting networks and partnerships where an honest dialogue can take place between those that nurture and develop talent and those that utilise it.

There are many well-established local skills partnership with their own local priorities. This strategy draws on these. The priorities within it do not over-ride them. Coast to Capital will continue to support local partnerships, but in doing so, it will prioritise initiatives that clearly contribute to its focused approach to economic growth.

2. Vision, Aims and Role

Local businesses will be supported to access and empowered to develop individuals with the skills needed to successfully compete internationally and to deliver the exceptional growth and productivity gains set out in the Coast to Capital's Strategic Economic Plan.

Our vision is underpinned by three strategic priorities:

- Strategic Priority 1:** Stimulate the Demand for Skills by Encouraging Business Ambition
- Strategic Priority 2:** Ensure Skills Provision Meets the Needs of Coast to Capital Businesses, Focusing on its Priority Sectors
- Strategic Priority 3:** Ensure People Make Informed Decisions about their Learning and Career Choices

These priorities are interlinked and Coast to Capital will ensure that initiatives that are taken to deliver them recognise this. If the skills system works effectively, it will support business and economic growth and help to address many of the social exclusion issues that persist in many parts of the Coast to Capital economy. Businesses will be at the heart of this approach, shaping and contributing to provision, articulating skills needs and opening up their workplaces so that young people, in particular, can gain the real-life work skills that employers increasingly demand.

The realignment of traditional learning provision to better meet the needs of businesses, and awareness and stimulation of demand from employers for higher level skills, is a difficult but necessary outcome to achieve the wider economic objectives of Coast to Capital, and is reflected in national Government strategy.

2.1 Who the Strategy is for

This strategy is for Coast to Capital and its partners, local businesses and learning providers, and Government agencies with an interest in developing and delivering skills provision. It aims to make Coast to Capital's vision clear and the supporting action plan sets out practically the actions that will be taken to achieve it.

The strategy will be used to influence Government departments, funders and learning providers and to encourage employers to take up the skills challenge, so that both the demand and supply of skills support economic growth.

2.2 Coast to Capital's Role

Coast to Capital will set the strategic direction for skills within the area: It will stimulate and broker relationships between businesses and learning providers; convene forums where focused decisive actions can take place; lobby and influence Government departments and agencies and other funders so that their resources clearly support local priorities; drive ambition and the demand for higher level skills within local businesses; and use the financial instruments that it has to design and commission the services that are needed to improve the effectiveness of the local skills system.

3. Why Skills Matter

3.1 The Economic Context

Coast to Capital is unequivocal in its commitment to growth. The target of 42,000 net new jobs will contribute significantly to this, if the workforce has the right skills to fill these jobs. However, this alone will not be enough. Worker productivity needs to be improved by investing more in human and physical capital, by making businesses more competitive, and by improving working practices. Coast to Capital's workforce must have the skills it needs to fill the new jobs, but it must also have the skills to adapt to technological change, respond to global competition and changing customer demand, and to drive innovation.

Prior to the 2008/09 banking crisis, the UK had begun to reduce its productivity gap with France, the United States and Germany. However, in 2012 UK workers produced 12% less per hour than the G7 average, the widest productivity gap since 1994³. The response of the UK labour market to the recession may partly explain this. Unemployment did not fall to the levels that might have been expected, given the size of the output loss. Large numbers of workers were retained, perhaps on less favourable terms and conditions, resulting in overall lower levels of productivity. Earnings growth, which is often used as a proxy for worker productivity, has remained weak, indicating continuing productivity weaknesses in the economy, despite a return to growth.

Whilst overall employment levels in the UK are generally favourable, sustainable economic health will be achieved through better productivity levels and strong real earnings growth. Skill acquisition is a strong contributor to this, alongside capital and R&D investment, competition, a favourable regulatory environment and better ways of working. A recent study suggests that a 1% increase in the share of the workforce with a university degree raises the level of long run productivity by 0.2-0.5%⁴. However, qualification measures may underestimate the role of human capital in improving productivity. They do not always capture skills acquired in the workplace and qualifications may not adequately reflect labour market and business needs. It is generally recognised that higher-level skills enable businesses to better respond to competition, react innovatively, create new jobs, and develop business strategies to reposition themselves higher up the value chain^{5 6}. Recent evidence from the Brighton Fuse shows that it is the fusion of creative and technological skills that is a key driver of growth within the Creative, Digital and IT sector, for example⁷.

However, just increasing the supply of skills alone will not deliver growth. There are areas within the Coast to Capital region where the number of well-qualified residents does not translate well into high productivity. This needs to change. Its businesses need to show more ambition; to innovate; and to improve the value of the goods and services they provide. This will increase the demand for skills, make learning programmes more financially viable and ensure that the talent that already exists is deployed more effectively. The task is to build on and extend the excellent work to improve skills that is already taking place within local businesses, schools, colleges, universities and training providers. Coast to Capital will support learning providers to

³ Statistical Bulletin: International Comparisons of Productivity – First Estimates 2012; Office for National Statistics 2013

⁴ The Relationship Between Graduates and Economic Growth Across Countries, BIS Research Paper 110. Department for Business, Innovation and Skills 2013

⁵ Source: 'BIS Economics paper 4: Supporting analysis for "Skills for Growth: The national skills strategy"' 2010

⁶ Source: 'UKCES: Ambition 2020 report', 2009

⁷ The Brighton Fuse. Arts & Humanities Research Council, National Centre for Universities and Business, University of Brighton, University of Sussex, Wired Sussex 2013

develop the skills that local businesses need; it will promote the benefits of investing in skills to individuals and to businesses; and it will use its influence and resources to address gaps in provision and market failures, where these clearly benefit the economy as a whole.

3.2 The Government's Approach to Skills

The Government's 'Plan for Growth' recognises that "education and skills are the foundation of economic success" and that the UK's poor skills are a major contributor to its productivity gap with its competitors. It identifies a particular gap in intermediate technical skills and a need to "raise the level of employer investment and engagement in skills", particularly in the manufacturing sector.

In 2010 the Government produced its first skills strategy, *Skills for Sustainable Growth*. This set out the broad direction of its skills policy over the course of the Parliament. It proposed removing a "culture of bureaucratic central planning and regulatory control"⁸ and replacing it with a system that empowers learners to select training programmes that are valued by employers.

Individuals and businesses are expected to take a greater responsibility for investing in skills; there should be better links between employers and learning providers; and teaching entrepreneurship skills in schools is now widely encouraged. The strategy sets out how the Government intends to raise the quality and profile of apprenticeships that are designed and valued by employers, and to develop clearer vocational pathways to higher education.

In 2013, it published a new strategy, *Rigour and Responsiveness in Skills*, which takes forward recommendations in the *Richard Review of Apprenticeships* and the *Wolf Report on Vocational Education*. It removes what it considers qualifications of questionable value and low quality training and it draws a distinction between qualifications that merely accredit existing skills and those that equip learners with new ones. From 2017/18 all apprenticeships will be based on new standards, which are designed by employers, easy to understand and which will meet the skills requirements of small businesses⁹. The new arrangements will be promoted to employers through the National Apprenticeship Service, sector based Apprenticeship Ambassadors, business advisers and businesses that already employ apprentices and through more effective business-education partnerships.

In September 2013, the Government launched its Traineeships programme. This is aimed at equipping 16-24 year olds with the employability skills that they need to enter the labour market or start an Apprenticeship. Traineeships last between six weeks and six months and include a substantial work experience component.

The Government has also embarked on a radical reform of higher education¹⁰, largely shifting it to a market driven system, using fees, loans and greater transparency in the labour market value of different learning programmes to inform student choice. Its approach is based on the recommendations from the Browne Review, which suggested that such a customer-led system would encourage higher education institutions to "actively compete for well-informed, discerning students on the basis of

⁸ Skills for Sustainable Growth Strategy Document; Department for Business, Innovation and Skills (2010)

⁹ The Future of Apprenticeships in England: Implementation Plan. HM Government 2013

¹⁰ Putting Students at the Heart of the System, Department for Business, Innovation and Science 2011

price and teaching quality”¹¹.

There is also a much stronger focus on university-business collaboration, in recognition of the role of innovation in driving growth. The Wilson Review of Business-University Collaboration¹² recommended increasing the opportunities for students to acquire relevant work experience and internships during their studies; promoting progression into higher-level apprenticeships; and developing employability, enterprise and entrepreneurial skills amongst students.

A key theme throughout the Government’s approach to skills is improving employer involvement in shaping and owning provision. This is to ensure that labour market entrants are equipped with the skills and attitudes that they need and to enable learning providers to respond appropriately to business’ skills needs. The Employer Ownership of Skills Pilot is an example of this. It enables private sector businesses to bid for funds to invest in skills solutions that they design and which meet industry standards.

¹¹ Securing a Sustainable Future for Higher Education - An Independent Review of Higher Education Funding and Student Finance (2010)

¹² A Review of Business-University Collaboration, Professor Tim Wilson (2012)

4. About Coast to Capital

4.1 The Coast to Capital Region

The Coast to Capital region stretches from the Sussex coast into outer London and forms part of the UK's two strongest regions. It has a population of around 1.9 million residents and it is home to 110,000 businesses. The area includes 12 Districts and Boroughs, two County Councils, one Unitary Authority and one London Borough. Five Spatial Area Partnerships¹³ provide clear structures that enable Coast to Capital's priorities to be applied to specific local circumstances.

By most standards, it is a high performing economy and it contains significant economic and environmental assets. Gatwick Airport, with its international connections, is at its heart and the surrounding Gatwick Diamond commercial area. It contains some of the country's leading financial and professional services and life sciences businesses. It is a rich source of high quality employment. Croydon is London's largest Borough and a major commercial and retail center that is just 15 minutes from both Central London and Gatwick Airport by train. Plans have recently been approved for a £1bn retail and leisure development in central Croydon, which is expected to create more than 5,000 new jobs and planned housing developments in the Borough will also provide significant employment. Brighton & Hove, along with Chichester, is ranked in the top ten cities in the 2013 UK Competitiveness Index¹⁴. It is well-recognised for its creative dynamism, particularly within the Creative, Digital and IT sector. It is also one of the UK's major cultural and visitor destinations and is home to two internationally recognised universities. The Coastal Corridor stretches from Newhaven, where a new University Technical College will open in 2015, to Chichester, another of Coast to Capital's high quality cultural and leisure destinations. Lying between are Shoreham, Worthing, Bognor Regis and Littlehampton, each with their own distinct economic assets and challenges, but all linked by opportunities associated with their coastal location and their natural environment.

The Coast to Capital region has the UK's newest National Park, the South Downs and it contains one of the country's major horticultural clusters, outstanding local food producers, and a diverse mix of innovative small and micro businesses across a range of sectors.

4.2 Coast to Capital's Strategic Economic Priorities

4.2.1 Open for Business – The Strategic Economic Plan 2014-2020

The Strategic Economic Plan sets out a vision for Coast to Capital to "deliver exceptional growth and productivity gains" over the next twenty years. The aim is to remove all barriers to underperformance and ensure that investments result in clear, tangible economic benefits to businesses, residents, visitors, and the workforce.

Over the next ten years, 42,000 net new private sector jobs will be created, 22,000 new homes will be built and 950,000 sq.m of employment space will be developed. This will deliver this under six strategic priorities:

- Enable private investment in successful growth locations
- Support business investment in growth and create the conditions for enterprise to flourish

¹³ The five Spatial Area Partnerships are: Brighton & Hove and Lewes; Coastal West Sussex, Rural West Sussex, Gatwick Diamond, and Croydon.

¹⁴ UK Competitiveness Index 2013; Huggins R & Thompson P 2013

- Back investment and development where we can lead nationally and internationally
- Encourage employers to invest more in skills and make the most of our talent
- Ensure our digital infrastructure is fit to drive growth
- Develop sustainable communities and invest in strategic infrastructure to unlock growth.

Coast to Capital's Economic Assessment shows that educational attainment is generally good, its residents are well-qualified and there is a rich supply of talented people graduating from local universities. However, there are areas of under-performance, where productivity, average earnings and skills levels are low and where the knowledge economy is under-developed. A lack of business ambition also suppresses the demand for higher skills, which contributes to an inability to retain locally developed talent.

There are many strong performing companies at the higher value end of the Coast to Capital economy. They often have global markets and their own internal research capabilities. Links between them, their supply chains and local academic institutions and centers of excellence are being developed. There is a need to create innovation friendly-business environments for SMEs by creating and working with Networks of Innovation that build on the university-business links that are already being established. There is a high priority on developing entrepreneurial skills and schools and colleges will be encouraged to develop and implement strategies to support enterprise education.

4.2.2 The European Structural and Investment Fund (ESIF) Strategy 2014-2020

The European Structural and Investment Funds (ESIF) Strategy sets out how the Coast to Capital will develop its people and businesses to support the Strategic Economic Plan. It has six thematic objectives, which aim to develop the skilled and productive workforce and competitive international businesses that it requires. These are:

- Strengthening Research, Technological Development and Innovation;
- Enhancing the Competitiveness of Small and Medium Enterprises;
- Supporting the Shift to a Low Carbon Economy in All Sectors;
- Promoting Employment and Supporting Social Mobility;
- Promoting Social Inclusion and Combatting Poverty; and
- Investing in Education, Skills and Lifelong Learning.

The ESIF Strategy identifies three main areas of focus in relation to education, skills and lifelong learning:

- Access to high quality provision and progression opportunities, particularly for young people entering the workforce for the first time and other priority groups;
- Skills for productivity: management and leadership, intermediate and higher level skills, technical and specialist skills for our priority sectors, key industries and supply chains where there is evidence of market failure, to ensure sustainable growth. This will involve working with industry bodies and education and skills providers to ensure that employers' needs are met; and

- Creating demand for higher level skills in sectors and areas where there is evidence of low skills equilibrium, particularly through management and leadership, which has been proven to drive up demand for skills across organisations, industries and their supply chains when delivered consistently and effectively.

These are reflected in this skills strategy.

4.2.3 Spatial Area Partnerships' Skills Priorities

The Spatial Area Partnerships within the Coast to Capital region have all identified their own local skills priorities, and each has dedicated skills networks and groups to take these forward.

The Brighton & Hove City Employment and Skills Plan has three broad priorities that focus on job creation, equipping local residents with skills for the labour market, and promoting the city's skills and employment needs internally within Brighton & Hove and to external partners and funders. The Lewes Local Enterprise and Apprenticeship Platform (LEAP) aims to boost the number of local businesses taking on apprentices.

There is an education-led approach to regeneration in Coastal West Sussex, which includes better collaboration between learning providers and businesses, improving skills amongst low skilled working age adults, improving learning progression routes, developing an enterprise culture amongst students and young people, and broadening the Higher Education curriculum.

Croydon has four strategic objectives, which involve developing residents' skills, increasing the supply of local jobs, improving young people's work readiness, and developing a co-ordinated approach to delivering the skills and employment agenda across the Borough. The Gatwick Diamond Inspire Group emphasises the importance of having a local university presence, improving entrepreneurship and innovation, improving progression routes from further to higher education, and better business engagement. Rural West Sussex focuses on targeting areas of low skills and low labour market mobility; improving young people's skills; targeting key sectors; promoting entrepreneurship and enterprise; and building the learning infrastructure¹⁵. The South Downs National Park Authority focuses on developing skills that support the historic and natural environment within the National Park. Surrey aims to improve access to and raise the quality of education and training for 14-19 year olds, improve progression routes and achievements and improve collaborative and partnership working to deliver effective and relevant learning programmes.

4.3 Neighbouring Approaches to Skills

Coast to Capital will capitalise on its close working relationships with other Local Enterprise Partnerships to identify areas where collaborative approaches deliver more effective and cost-efficient impacts. The Enterprise M3 Employment and Skills Strategy¹⁶ has a strong focus on developing STEM skills; improving employer engagement with schools and colleges; improving information, advice and guidance services; and achieving more effective communication between businesses and learning providers; stimulating increased employer take-up of training opportunities.

Building a 21st Century workforce is one of four strategic aims of the South East's

¹⁵ Skills and Enterprise in Rural West Sussex. Simpson Consulting Ltd on behalf of West Sussex County Council 2010

¹⁶ World Class Skills – Developing a Workforce for the Future: Draft Skills and Employment Strategy (Draft); Enterprise M3 LEP. 2013

Growth Deal and Strategic Economic Plan¹⁷. It focuses on increasing the proportion of residents with Level 4 qualifications; increasing labour market and learning participation rates of 18-24 year olds; reducing skills shortage related job vacancies; and supporting opportunities in isolated and rural communities. There is a strong emphasis on developing and supporting employer-led bodies, improving business engagement, securing capital investment, and maximising the impacts of external funding programmes to support the skills agenda.

¹⁷ Innovation Driving Prosperity – Growth Deal and Strategic Economic Plan (Preliminary Submission) South East LEP 2013

5. Skills Demand

5.1 Dimensions of Demand

Assessing the demand for skills is not a straight-forward exercise. There are different dimensions of demand, which are not always in unison. **Learner demand** refers to the learning choices that individuals using the system want to make; **Employer Demand** refers to the skills that businesses and employing organisations require to support their business needs and ambitions; and **Economic Demand** refers to the current or forecast demand for skills across the economy as a whole.

All these dimensions are important, but Coast to Capital's primary concern is to improve skills levels to support growth. This means encouraging individuals to make decisions that will equip them to contribute effectively in the labour market; ensuring that learning provision reflects growth aspirations; and challenging businesses to invest in skills so that they provide better quality goods and services and become more productive.

It is not Coast to Capital's role to tell people what they should learn or to tell businesses what skills they need. However, it should aim to make the system work more effectively and encourage both individuals and businesses to invest in the skills that are needed to support economic growth.

5.2 Factors Driving Demand

Technological change, rising customer expectations, global competition and the national and international policy framework are all driving the demand for skills. A quarter of all jobs now require a degree, compared with a fifth less than a decade ago, and there has been a steady fall in the share of jobs that require no qualifications¹⁸. Low skilled jobs are expected to remain an important feature of the UK economy, but even these jobs now demand people with a good level of interpersonal, literacy and numeracy skills.

Across the European Union, there are targets to achieve a 75% employment rate by 2020 and plans for greater investment in R&D. There is a strong focus on investing in renewable energy and key technologies, strengthening leadership in innovation, and improving the qualification levels of the working population.

Within the UK, the Government has identified eight "great technologies"¹⁹ as potential drivers of growth and is supporting them with £600m of investment. Digital technology, including growth in the use of mobile applications (apps) is also expected to drive the demand for skills, and there is growing demand for "green specific" skills in manufacturing, engineering, electronics and chemistry. These align closely with the focus of Coast to Capital's plans to develop Networks of Innovation for the Connected Digital Economy; Bioscience; Electronics; and Environmental/Renewable Technologies. The UK Government has a strong technology focus and the Technology Strategy Board is creating "catapult centers", aimed at targeting support towards strategically important areas that have large global market potential.²⁰

¹⁸ Source: Skills and Employment Survey 2012. UK Commission on Employment and Skills

¹⁹ The Eight Great Technologies are: Advanced Materials, Agri-Science, Big Data, Energy Storage, Regenerative Medicine, Robotics, Satellites, and Synthetic Biology.

²⁰ Catapult Centres: High Value Manufacturing, Cell Therapy, Offshore Renewable Energy, Satellite Applications, Connected Digital Economy, Future Cities and Transport Systems

McKinsey and Company²¹ has undertaken extensive research and identified twelve “disruptive technologies”²², which it believes will transform life, business and the global economy. The study suggests these technologies will change the nature of work and the demand for skills. Their democratising potential could unleash a new wave of entrepreneurship for people with the right skills. However, many jobs may become entirely automated, placing even greater importance on upgrading skills and addressing rising income inequality.

The Mobile Internet is expected to be one of the most impactful technologies, with an estimated global economic impact of up to \$10.8trn. Intuitive interfaces and wearable devices will enable services to be delivered more efficiently and productively, bringing billions more people into the connected world. Advances in artificial intelligence and machine learning is automating knowledge work and the Internet of things will allow businesses and public-sector organisations to better manage assets, optimise performance, and create new business models.

Internet-based services are growing rapidly through Cloud Technology and Advanced Robotics could mean that robots are increasingly used in a range of manufacturing tasks service jobs. Next-generation genomics could transform how diseases are diagnosed and autonomous cars and trucks could transform ground transportation. Other ‘disruptive technologies’ identified in the report include Energy Storage, 3-D Printing, Advanced Materials, Advanced Oil and Gas Exploration and Recovery, and Renewable Energy.

These drivers have led to a renewed interest in improving the supply of Science, Technology, Engineering and Maths (STEM) skills, creating flexible learning and career pathways, improving leadership and management skills, and giving people the skills to work effectively in inter-disciplinary teams.

Boundaries between disciplines are becoming less clear, the way that people engage with the labour market is becoming more flexible and the impact of emerging technologies makes it difficult to predict future skills needs in simple terms. This is demonstrated well in the Brighton Fuse Report, which shows the clear added value that fusing creative and technology skills has on business performance and growth²³. There needs to be a flexible system that can both anticipate and react to changing skills needs within the economy.

5.3 The Coast to Capital Labour Market

By most measures, the Coast to Capital region labour market is relatively buoyant. In 2013, 900,000 of its residents were in work and it had an employment rate of 75.5%. However, this still leaves a large number of residents who are involuntarily out of work. Of the 226,000 residents who are not employed, around 135,000 people would like a job. Most of these are not currently economically active and employment is not evenly distributed throughout the area. Employment rates are lower in the main urban centers of Brighton & Hove (72.0%) and Croydon (71.7%), but high in most parts of the Coast to Capital region (78.2%).

²¹ Disruptive technologies: Advances that will transform life, business, and the global economy. McKinsey and Company 2013

²² The twelve ‘disruptive technologies’ and their potential global economic impact: Mobile Internet (\$3.7trn-\$10.8trn), Automation of Knowledge Work (\$5.2trn-\$6.7trn), The Internet of Things (\$2.7-\$6.2trn), Cloud Technology (\$1.7trn-6.2trn), Advanced Robotics (\$1.7trn-\$4.5trn), Autonomous and Near Autonomous Vehicles (\$0.2trn-\$1.9trn), Next Generation Genomics (\$0.7trn-\$1.6trn), Energy Storage (\$0.1trn-\$0.6trn), 3-D Printing (\$0.2trn-\$0.6trn), Advanced Materials (\$0.2trn-\$0.5trn), Advanced Oil and Gas Exploration and Recovery (\$0.1trn-\$0.5trn), and Renewable Energy (\$0.2trn-\$0.3trn)

²³ The Brighton Fuse: Arts & Humanities Research Council, National Centre for Universities and Business, University of Brighton, University of Sussex, Wired Sussex 2013

Whilst most people who live here may be doing well, many of those who work here may not be quite so fortunate. House prices in all parts of the Coast to Capital region are high, but earnings can be low. Median earnings for full-time workers are higher than the national median (£27,376) in only five of our fourteen of districts/boroughs²⁴. In Tandridge (£21,602), Arun (£22,404) and Adur (£23,405) they are considerably lower. Only in Croydon and Crawley do workers earn more than residents; and in Tandridge, Horsham and Epsom & Ewell the mismatch between employee and resident earnings is really quite pronounced. These areas, in particular, may not be effective at retaining their most talented people, many of whom commute to London to better paid jobs.

One in four of all the Coast to Capital region's jobs are in human health & social work activities (14%) and retail (11%), neither of which are recognised for their high levels of productivity and output. Other large employment sectors are education (10%), business administration (8%) and professional, scientific and technical services (8%). Compared with England, there are concentrations of employment in finance and insurance; health; arts, entertainment & recreation; and transport & storage.

Coast to Capital has a disproportionate share (48%) of residents working in higher-level occupations²⁵, most of which are likely to require degree level qualifications. However, many of these people may commute out of the area to work. The only Spatial Areas where the proportion of people working in these occupations is lower than the national average (44%) is Coastal West Sussex (42%). In the other spatial areas, it is considerably higher.

Developing the Coast to Capital region into a truly globally competitive location means building on its economic strengths, unlocking the potential of its under-performing areas, and addressing its skills challenges. There are forecast to be around 38,000 more jobs in the economy in 2020 than there were in 2010 and almost all of these are expected to be in occupations that require higher-level skills. By contrast, the number of intermediate level jobs is forecast to decline, with the largest fall being in administrative and secretarial occupations²⁶.

This 'hollowing out' of the labour market creates real challenges in developing career pathways that enable people to progress from lower skilled jobs into higher skilled ones. If this is not done effectively, a 'dual labour market' may persist, in which large numbers of people are 'trapped' in low skilled, low paid jobs without prospects of progression; and in which businesses continue to be frustrated that they cannot find the talent that they need to grow.

It is possible to over-estimate the importance of net job change, however. Skills demand is much more complex than that. Firstly net new jobs only account for around 10% of all job vacancies; the vast majority of people who find work replace existing workers. Indeed, across the Coast to Capital region some 375,000 jobs²⁷ are expected to be filled between 2010 and 2020 and these will be in a wide range of occupations. Secondly, skills within occupations are changing rapidly, with a greater demand for people with good quality interpersonal skills, high-level cognitive skills and strong leadership and management skills.

²⁴ Median annual earnings for full time workers: Mole Valley (£36,062), Croydon £31,383, Reigate & Banstead (£31,347); Crawley (£31,102); and Epsom & Ewell (£28,578)

²⁵ Managers and Senior Officials, Professionals and Associate Professional and Technical Occupations: Annual Population Survey Oct 2012-Sept 2013 ONS via NOMISWEB

²⁶ Working Futures 2013

²⁷ *ibid*

However, whether measured by new jobs or the skills that are needed to do existing jobs effectively, the direction of travel is clear: There is a long-term shift in demand for people with a more complex range of higher skills and a fall in demand for lower skilled workers.

5.4 Priority Sectors

The aim is to support business growth across all sectors and to ensure that the current and future workforce is equipped with the skills that are needed to support growth. However, support will be targeted more closely towards the sectors where the Coast to Capital region has a competitive advantage and where investment will have the most beneficial impact.

Coast to Capital has identified several priority sectors that are expected to be catalysts for growth. These sectors may have good wealth generating potential, but other sectors of the economy may provide a larger number of direct job vacancies. There will continue to be a significant number of jobs in retail, care, hospitality and construction for example.

Technological flattening and agglomeration both put an emphasis on the quality of place in knowledge-based job creation. The 'flattening' concept suggests that work can be done anywhere, so people choose locations that provide them with a high quality of life and work follows them. Agglomeration compels businesses in some knowledge sectors to locate in clusters of similar businesses, where they are close to customers and suppliers, and have access to a good supply of talented people with the right skills²⁸.

The Coast to Capital region shows evidence of both these concepts: Brighton & Hove is a good example of where a cluster (CDIT businesses) has developed in a concentrated urban area, whilst high skilled employment growth has been a notable feature of the more disparate Rural West Sussex economy in recent years. A challenge for Coast to Capital is to build on its cluster strengths and to capitalise on its quality of life assets to attract talented individuals to apply their skills locally.

5.4.1 Health and Life Sciences (including bioscience and medical devices)

Pharmaceuticals, medical technologies, diagnostics and medical biotechnologies are amongst the UK's most important strategic sectors and where there are particular strengths in many parts of the Coast to Capital region. The University of Sussex is investing heavily in a new Bio-Innovation Facility, the Brighton & Sussex Universities Medical Hospital has a range of specialist and tertiary services, including in neurosciences, paediatrics, cardiac, cancer, renal, infectious diseases and HIV medicine and there are a number of world-leading businesses locally, particularly in the Gatwick Diamond and Coastal West Sussex. The Kent, Sussex, and Surrey Academic Science and Health Network can provide an important focus for sector development activity.

Technological changes and a shift in emphasis from cure to prevention is expected to result in a demand for a wider and generally higher skill set drawn from the physical sciences, the life sciences and informatics²⁹. Maintaining a strong supply of higher-level skills from Higher Education, especially those in the physical and life sciences, is of vital importance to the sector's future. At national level scientific and technical

²⁸ Flat of Spikey? The Changing Location of the British Knowledge Economy. Morris K, The Work Foundation 2010

²⁹ Life Sciences and Pharmaceuticals: A Future Skills Review with Recommendations to Sustain Growth in Emerging Technologies. Skills for Health, SEMTA and COGENT (2010)

vacancies are most difficult to fill and where there are the most significant skills gaps.³⁰ There is an increasing demand for people with higher-level interdisciplinary skills, for people to work with the health sector to establish the efficacy of treatment, whilst developing leadership and entrepreneurship skills are also considered areas in need of improvement.

The challenge is not just about raising the number of graduates in shortage disciplines; it is about ensuring that workforce development is afforded a high priority, including developing Higher Apprenticeships, Technical Foundation Degrees and technical workforce Masters provision. According to the sector's Future Skills Review, Level 3 and 4 provision in scientific and technical areas is "extremely weak", apprenticeships are "under utilised" and career pathways are not always clear. Creating demand for and influencing and delivering provision will be more successful if it is pursued through existing clusters and networks.

5.4.2 Advanced Manufacturing and Engineering (including electronics, vehicle electronics and sensors)

Advanced Manufacturing and Engineering refers to activities that apply high-level design and scientific skills to produce technologically complex products. It is closely associated with the application of new technologies, such as the development and use of composite materials that have a range of applications across different sectors. It includes aerospace, automotive, marine, electronic, mechanical, and electrical engineering and is characterised by high-level design and innovation. The UK is the sixth largest manufacturer in the world and accounts for a disproportionate share of its exports (25%).

The Coast to Capital region's Advanced Manufacturing and Engineering sector is diverse and it is a crucial component of its economy. There are engineering businesses in the aeronautical; healthcare; motor vehicle; marine; and the horticultural sectors. Many of its businesses develop market-leading products and globally recognised brands, whilst the location of Gatwick Airport and its coastal location means that there are strengths in both aviation and marine related engineering activities.

Businesses in this sector have to respond to the rapid pace of technological development and SMEs need to develop the strategic management skills to enable them to grow. Supply chains are becoming more like supply networks, with greater flexibility and agility, leading to a demand for more soft skills across the workforce. Increasingly important specific, high-level skills requirements include: digital techniques, computing, numeracy, analytical thinking, man-machine ergonomics and interface development, and risk analysis and understanding methodologies (including design for manufacture, design for assembly and design for automation).

There is a general up skilling in the sector, with a growing demand for professional and managerial staff and a loss of lower skilled operative jobs. This is due to the increasingly complex nature of products and production processes. However, simply increasing the supply of skilled workers is not likely to address the challenges in the sector: The sector also needs to be able to attract and retain people with the skills that it needs. Apprenticeships have not been taken up well until recently and an important constraint is not just in finding suitable candidates, but on finding suitable and sufficient quantities of placements from employers.

³⁰ *ibid.*

5.4.3 Creative, Digital and IT (including creative digital media, software development and Big Data)

The digital technology sector provides the infrastructure and platforms through which creative content is often delivered. There is growing synergy between the digital, creative and IT sectors, with it increasingly being referred to as the CDIT sector. There is an internationally recognised CDIT cluster in Brighton & Hove and a growing number of similar businesses along the Coastal Corridor and north through Gatwick Airport. In Croydon, an emerging community of software developers, venture capitalists, technologists and creatives is developing Croydon into Tech City South, providing an important link between Brighton & Hove's CDIT cluster and Tech City in Shoreditch, London.

Nationally, the digital technology sector is one of the most competitive in the world and it was one of the first to recover from the 2008/09 recession, not least because of its well-qualified and creative workforce. Continuous technological change creates a constant demand for skills, some of which can be quite specific and technology-based. The convergence of IT and communications technologies has also created a demand for security skills.

The success of inter-disciplinary teams, combining creative and technology skills³¹ means that there is a strong demand for leadership and management skills within the sector. Much of the training is informal and historically there has been little take up of higher apprenticeships by employers. Despite this, there are persistent skill shortages, which create uneven workloads, high wages, delays in introducing new products and services and a need to out-source services. Projected skills requirements include IT security, cloud computing, IT convergence, and multi-platform content management³². A key challenge for the sector will be to ensure that its skills supply chain generates both the quantity and the quality of skills to meet growing demands within the sector.³³

5.4.4 Environmental Technologies (including renewable technologies)

The Coast to Capital region has the natural and human resource assets to develop a strong environmental technology sector, which includes alternative fuel and energy sources, carbon finance and building technologies. A new University Technology College, specialising in environmental and marine engineering will open in 2015 in Newhaven, where E-On has chosen to locate the operations and maintenance base for the Rampion off-shore wind farm. Shoreham Port is consolidating commercial activities on the Harbour around renewable energy and Port-related activity; the University of Brighton's Green Growth Platform will support the growth of local green businesses; Ricardo UK is building a new £10m³⁴ Vehicle Emissions Research Centre in Shoreham; Central Sussex College is a lead hub for the National Skills Academy for Environmental Technologies; and the South Downs National Park Authority supports the development and use of renewable energy.

In addition, the Coast to Capital region has some of the most extensive woodland in England. There are opportunities for this to be managed more efficiently and for it to become an economic asset, developing more woodchip fuels, for example. The Sussex Energy Saving Programme (SESP) is a multi-million pound programme with

³¹ The Brighton Fuse, Arts & Humanities Research Council, National Centre for Universities & Business, University of Brighton, University of Sussex, Wired Sussex 2013

³² Sector Skills Insights – Digital and Creative. UK Commission on Employment and Skills (UKCES) 2012

³³ *ibid*

³⁴ £7m invested by Ricardo UK and £3m Regional Growth Funding

targets to install energy saving measures in up to 680,000 households over the next 25 years.

All these developments and the broader transition to a green economy have created a demand for new skills. As well as generic management and leadership skills, there is a need for scientists and engineers with specific training in renewable energy; technicians who can install energy efficiency measures and retrofit houses and business premises; and people who can design and adopt technologies, products and processes to minimise carbon emissions, manage natural assets and build climate resilience.³⁵

Nationally, the demand for skills is not always articulated effectively and companies need greater certainty from government to enable them to invest in the transition to a green economy³⁶. Many industries that are key to the green economy appear to be reliant on an ageing workforce, particularly in area like renewable power generation and water management, where engineering is a core skill. Wind and marine renewable technologies require new combinations of old skills that are in short supply; and the demand for STEM skills in low carbon and environmental industries is expected to increase greatly over the next decade³⁷.

5.4.5 Financial and Business Services

Just under one fifth (18%) of all people working in the Coast to Capital region are employed in the financial and business services sector³⁸. However, the Coast to Capital region has particular concentrations of major businesses in the Gatwick Diamond, Croydon and Brighton & Hove, in particular. Croydon has the largest office market in the south-east and excellent links to the City of London; the Gatwick Diamond is a favoured location for major financial and professional services companies because of its excellent international links; and Brighton & Hove's major private sector employers are mainly in this sector.

Increasing regulation, global competition and technological changes are all factors that are driving the demand for skills in the financial and business services sector. Skill demand is oriented towards highly skilled and well-qualified people, but there is also a high level of replacement demand for intermediate level administrative staff. Training levels tend to be high within most parts of the sector and much of this is delivered by professional institutes. Nationally there is a perception that vocational qualifications do not fit well with the sector's needs and so engagement with external training suppliers is limited, particularly in the financial services sub-sector. However, there has been a recent increase in the take up of business and financial administration apprenticeships.

5.4.6 Visitor Economy

The visitor economy is important to many local areas within the Coast to Capital region economy. Its major cultural and natural assets make it attractive to visitors; its conference venues, international links and access to London make it an excellent business visitor destination; and it is also popular with language students. The designation of the South Downs as a National Park provides a new opportunity to

³⁵ Skills for a Green Economy – A Report on the Evidence; Department for Business, Innovation and Skills Department of Energy and Climate Change Department for Environment, Food and Rural Affairs (2011)

³⁶ Aldersgate Group, Mind the Gap: Skills for the transition to a low carbon economy (2009)

³⁷ Skills for a Green Economy – A Report on the Evidence; Department for Business, Innovation and Skills Department of Energy and Climate Change Department for Environment, Food and Rural Affairs (2011)

³⁸ Annual Population Survey Workplace Analysis October 2012-September 2013 ONS via NOMISWEB

improve and diversify the visitor offer, adding to the rich variety of internationally renowned sporting and leisure activities throughout the Coast to Capital LEP region.

Qualification levels in the sector are relatively low and a high proportion of people are employed in customer facing elementary occupations, which are often part-time and/or temporary³⁹. This makes labour turnover a challenge. In some parts of the Coast to Capital region, students are a rich source of flexible labour. This has many advantages, but it may dilute the need for businesses to invest in the long-term development of permanent staff. There is a need to improve leadership and management, drive up skills levels and develop clearer progression routes in order to retain people within the sector. Nationally, the number of apprentices and the number of people studying tourism related degrees is low given the potential demand, and much of the training that occurs within the sector is induction-related, caused by high staff turnover. There is modest engagement with external training providers, particularly at higher education level, but there has been a significant increase in the take up of apprenticeships in recent years⁴⁰.

Many of sectors skills challenges are linked to the current demographics of the sector workforce, the nature of employment and low levels of skills utilisation. Businesses in the sector need to develop and improve its attractiveness to higher skilled to fill senior level positions in the future.

5.4.7 Food Production

The excellent soil, rural environment and high quality light mean that some local areas within the Coast to Capital region are amongst the most important parts of the country for growing and food production. There are land-based industry colleges at Brinsbury and Plumpton; a major horticultural cluster in Arun and Chichester; a wide range of high quality agricultural businesses; and vineyards that produce some of England's finest wines. In addition, there are two international food research and development centres and a range of specialist food manufacturers.

International competition in food production is fierce and this has led to production units becoming larger to achieve economies of scale. Where there were once a large number of smaller growing businesses, there are now a much smaller number of larger ones. These use increasingly sophisticated technology and operate in international markets. Customers are becoming increasingly aware of both the quality and source of their food, which places a premium on high quality local produce; whilst food security and climate change have also increased the importance of local food production.

Many of the jobs in this sector are highly skilled. This is not necessarily reflected in the qualification profile of its workforce, which often relies on informal methods of learning. There is likely to be more focus on science and technology due to the pressures of climate change, food security and demographics, as precision agriculture and sustainable intensification are implemented. Business management and high-level ICT skills are also identified as needs and the professionalisation of the sector needs to be better promoted⁴¹.

³⁹ 55% of employees in the hospitality, tourism and sport sector work full-time, 10% are employed in temporary positions, and GVA per employee is £23,000, compared with a whole economy average of £46,000. Hospitality, Tourism and Sport Sector Skills Assessment 2012, Evidence Report 68. UK commission for Employment and Skills (2012)

⁴⁰ Sector Skills Insights – Tourism: Evidence Report 55. UK Commission for Employment and Skills (2012)

⁴¹ Agriculture, Forestry and Fishing – Sector Skills Assessment 2012 Lantra (2012)

5.4.8 Other Sectors

Although Coast to Capital has clear priority sectors, other sectors will also be a rich source of employment over the next decade in local areas within the Coast to Capital region.

Care

Demographic changes have resulted in a growing demand for people to work in the Care sector, particularly in Coastal West Sussex. Improving management and leadership skills is key to maintaining high quality care and increasing productivity within the sector. There is also a growing demand for specialist skills needed to work with people who have specific, age-related illnesses. Nationally, poor basic skills and weak employability skills are identified as concerns by employers, but the incidence of skill shortage vacancies is relatively low. A key challenge in this sector is improving its attractiveness to potential recruits, including making terms and conditions of employment more competitive and developing clear career pathways.

Construction

Coast to Capital's plans for commercial and housing developments and energy efficiency improvements in commercial and residential premises mean that the demand for people with construction skills should remain strong over the next decade. Nationally, businesses in the construction, building services and planning sector are more likely than average to have skill shortage vacancies. Many people continue to enter the sector informally, which means that some of the existing workforce is not fully qualified, which limits productivity performance.

Low carbon working is an important driver of skills within the sector, leading to a greater need for inter-disciplinary working. There is a growing demand for people to fill higher-level management and professional roles and for CAD/CAM trained building technicians⁴². Within the Coast to Capital LEP region, the Sussex Energy Saving Programme and the planned £1bn retail and commercial development in Croydon provide good employment opportunities in this sector. The University of Brighton's Centre of Sustainability for the Built Environment and Central Sussex College's status as a National Academy Hub for Environmental Technologies makes the area well placed to deliver the talent that the sector needs.

⁴² Construction, Building Services Engineering and Planning: Sector Skills Assessment UK Commission for Employment and Skills 2012

6. Skills Supply

Skills supply refers to the stock of skills that is available in the labour market and the range of provision that supports skills development. Skills are acquired informally as well as through formal, accredited learning programmes, so the level and range of skills that are available cannot easily be estimated. Furthermore, skills that people have are not always directly applied to the labour market. Skills that are not used can be lost, the transfer of skills between enterprises can be difficult, and technological changes can quickly make skills obsolete. Initial training is no longer sufficient to maintain a secure position in the labour market. People need to continually upgrade and adapt their skills to new environments.

6.1 The Workforce

The Coast to Capital region has a resident population of around 1.9m⁴³, which is projected to increase by more than 130,000 by 2020. Working age people currently account for 63% of the local population and there are projected to be around 47,000 more working age residents by 2020, with this being accounted for almost entirely by the 50-64 years age group. Indeed, people aged 50+ are projected to account for over three-quarters of all the area's population increase by 2020.

Of course, this masks considerable differences in the population profile of different parts of the region. Brighton & Hove and Lewes have a much larger younger working age population; Croydon has a large share of pre-working age residents; but in Rural West Sussex and Coastal West Sussex, it is the number of post-working age residents that is most significant. Indeed, 67% of Brighton & Hove and Lewes residents are working age, but this falls to 58% in Coastal West Sussex and 60% in Rural West Sussex. Furthermore, projections suggest that these differences could become more marked, with just one in five (19%) of the additional residents in Rural West Sussex projected to be working age, compared with 43% in Brighton & Hove and Lewes.

These differences could have a significant impact on both the supply and demand for different types of labour and a continuation of these population trends, where younger people concentrate in the larger urban centers and older people migrate to the rural and coastal settings may present significant labour market challenges in the future.

6.2 Qualification Levels

Residents in the Coast to Capital region are generally well qualified. Nearly four out of ten (39%) working age residents hold a degree or equivalent qualification and 60% hold a qualification at Level 3 or above. Indeed, the only Spatial Area within the Coast to Capital region where the qualifications of working age residents are notably lower is Coastal West Sussex. Here, only around a third (34%) of the working age population holds a degree or equivalent level qualification and around half (53%) have a qualification at Level 3.

There are significant concentrations of lower and unqualified people more localised areas within Spatial Areas and around 70,000 people across the Coast to Capital region have no qualifications at all.

⁴³ Sub National Population Projections – 2011 base. Figures for 2013

6.3 School and College Leavers

The role of schools and colleges is essential to developing the skills that the Coast to Capital region economy needs. This means continuing to develop clear pathways to Higher Apprenticeships and Higher Education and developing students' employability skills, so that they are well-prepared for the labour market. It is not just the responsibility of schools to do this, however. Businesses and wider communities have an equally strong role in preparing people for work.

Coast to Capital has a large number of high performing and excellent schools in both the public and private sectors. Key Stage 4 achievement exceeds the England average in Croydon, Surrey and Brighton & Hove. Since 2010, the proportion of 15 year olds achieving five A*-C grades at GCSE has increased from 49.1% to 62.2% in Brighton & Hove, from 54.4% to 64.4% in Croydon and from 62.0% to 67.5% in Surrey. However, the rate of improvement in West Sussex has been much more modest (55.3% to 59.9%) and ten of the fifteen maintained secondary schools in the Coast to Capital LEP region, where 50% or fewer students attain five A*-C grades at GCSE are in West Sussex.

At Key Stage 5, the geographical pattern of performance is somewhat different. On average, leavers from Brighton & Hove schools and colleges achieve above the national average at A level⁴⁴, whilst those leaving Croydon and West Sussex schools and colleges, on average, achieve below it.

Overall achievement rates mask significant differences between schools and there are still too many schools where fewer than half the 15 year old leavers achieve five GCSEs at A*C grades or equivalent. It is difficult for these young people to compete effectively in a labour market where there is an increasing demand for higher-level skills.

Qualifications are an important skills indicator, but they need to be combined with good employability skills. This includes strong literacy, numeracy and digital skills, resilience and a positive attitude and a good understanding of the world of work. Embedding enterprise education into the curriculum at all levels is also a key priority for Coast to Capital. It is unrealistic to expect schools to do this in isolation. Coast to Capital will work closely with organisations, such as Young Enterprise and business representative organisations to achieve this. Improving these skills requires a long-term commitment from businesses and other employing organisations to open up their workplaces and to help articulate and develop the workplace skills that they need.

6.4 Community and Family Learning

Labour market disadvantage and social exclusion persist across the local economy and developing skills and confidence amongst the Coast to Capital region's most vulnerable residents is central to improving their quality of life.

Coast to Capital recognises that many of its residents have complex needs and that there is a need for additional, targeted skills support that is part of a much wider package of measures. Vulnerable people come from all walks of life, but groups that are identified in the European Structural and Investment Fund (ESIF) include lone

⁴⁴ School Performance Tables Department of Education (note: this is measured as the percentage of leavers who achieve at least 3 A-E passes at A level)

parents, people with disabilities and people for whom English is not their first language.

There are around 60,000 Employment and Support Allowance Claimants in the Coast to Capital region and, according to the 2011 Census, there are 62,000 lone parent families and around 18,000 adult residents who either cannot speak English well or cannot speak it at all.

Colleges, training providers and community and voluntary sector organisations all have important roles in identifying and supporting vulnerable people, often through community and family-based initiatives and providing basic skills, improving Maths and English skills and providing pre-employment programmes that are designed according to particular needs.

6.5 Vocational Learners

There are over a thousand learning providers registered with the Skills Funding Agency, which between them support around 185,000 achievements each year within the Coast to Capital LEP region. However, fewer than twenty providers⁴⁵ account for 75% of all these achievements. Just under half (48%) of all achievements between 2008/9 and 2011/12 were in Foundation Learning and Preparation for Work Programmes (26%) or Art and Design (including Performing Arts) and Leisure programmes 22%. Between them, Science, Mathematics & Statistics and Engineering accounted for just 6% of all achievements. In 2008/09 around a quarter (24%) of all achievements were at Level 3 and a similar proportion were at Entry Level and Level 1. Despite the importance attached by Government to intermediate technical skills, this balance of achievements was almost identical in 2011/12.

At Level 3, nearly two thirds (63%) of achievements between 2008/09 and 2011/12 were in just ten subject areas⁴⁶. Science (13%) accounted for the highest proportion of achievements, followed by Creative, Art and Design (9%), Languages, Literature and Culture of the British Isles (7%); and Health & Social Care (6%). Engineering accounted for just 2% of achievements. Although there were nearly 14,000 fewer achievements in 2011/12 than there had been in 2008/09, there was a marked increase in a number of subjects including ICT for Users (+1,690); Languages, Literature & Culture (+1,630); Building & Construction (+677); Science (+600); and Performing Arts (+524).

The most significant reductions were in Foundation for Learning & Life (-3,773); Preparation for Life & Work (-3,555); Crafts, Creative Arts & Design (-3,278); Sport, Leisure & Recreation (-2,365). There was little change (+41) in the overall number of achievements in Science, Engineering, Maths and Manufacturing subjects combined.

STEM (Science, Technology, Engineering and Maths) skills have been identified by Coast to Capital as a priority for improvement. This reflects the Government's goal on developing technical skills and cuts across a number of local priority sectors. An interest and an aptitude for STEM related subjects needs to be stimulated early, so

⁴⁵ West Sussex County Council; Chichester College; Central Sussex College; Northbrook College; Reigate College; East Surrey College; Sussex Downs College; City College, Brighton & Hove; Croydon College, London Borough of Croydon; Worthing College; Learndirect; The College of Richard Collyer in Horsham; and Varndean College, North East Surrey College of Technology; The Manchester College; and Guildford College of Further and Higher Education

⁴⁶ Science (12%), Creative Arts and Design (9%); Languages, Literature and Culture of the British Isles (7%); Health & Social Care (6%); Media & Communication (6%); Business Management (5%) Performing Arts (5%); Mathematics & Statistics (5%); Sport, Leisure & Recreation (3%); and History (3).

that there is demand for these type of vocational courses at Further and Higher Education level.

6.6 Apprenticeships and Traineeships

Traineeships were introduced in 2013. They are aimed at equipping young people with the workplace skills and experience that employers are looking for. They are flexible work preparation programmes, which last between six weeks and six months and they include high quality work experience placements and they aim to provide a pathway to employment and apprenticeships for young people. The success of the Traineeships will depend on the active participation of employers in providing work placements and the support that providers can give to supporting young people on the programme.

Apprenticeships themselves have become an increasingly prominent learning pathway in recent years. The number of apprenticeship completions has increased significantly both nationally and locally. In 2008/09 there were 3,590 apprenticeship completions, the majority of which (87%) were by people aged 24 and under. By 2011/12, the number had increased to 6,580 (+83%), which is similar to the increase in completions nationally (+80%).

However, this increase was almost entirely accounted for by an increase in achievements amongst people aged 25 and over. Whilst the number of people aged 25+ achieving apprenticeships increased by 1,880 over the period, the number of under 19 achievers increased by a much more modest 250. Again, this reflects the pattern across England.

Business Administration & Law (30%); Retail (23%); and Health, Public Services & Care (20%) accounted for nearly three quarters (73%) of all apprenticeship completions in 2011/12, a much higher proportion than in 2008/09 (59%). Although there was a modest increase in the number of Engineering completions (+120) over the period, its overall share of completions fell markedly.

In 2011/12 Intermediate level apprenticeships accounted for around two-thirds (67%) of all completions, with the remaining third at Advanced Level. This is broadly the same as in 2008/09, although figures for August 2012 to April 2013 suggest that a shift towards Advanced level may be emerging. Success rates have improved significantly, but in 2011/12, they were below national levels in both Croydon and West Sussex.

6.7 Higher Education Leavers

The Coast to Capital region has four universities, Sussex, Brighton, Chichester and the University of the Creative Arts at Epsom. In addition, several Further Education Colleges offer higher education learning programmes. They have a number of research specialisms linked to Coast to Capital's priority sectors, including biomedicine, vehicle efficiency, sensors and artificial intelligence. However, evidence from the Witty Review⁴⁷ suggests that there is scope to improve the innovation output from the Coast to Capital region's higher education institutions (HEIs).

⁴⁷ Encouraging a British Invention Revolution: Sir Andrew Witty's Review of Universities and Growth. Department for Business, Innovation & Skills (2013)

The Coast to Capital region's universities and colleges provided around 41,000 graduates between 2008/09 and 2011/12 and nearly half of these gained degrees in three broad subject areas: creative arts and design (23%), education (15%) and social studies (10%). This is significantly higher than the share of graduates in these subjects nationally (30%).

By contrast, only around a quarter (27%) of people graduated from technical/scientific subjects⁴⁸, compared with around 40% nationally⁴⁹. Furthermore, a modest proportion (8%) of the Coast to Capital region's higher education leavers graduate in business & administrative studies, compared with the national average (12%).

The profile of our higher education leavers may broadly reflect many of Coast to Capital's traditional labour market strengths, particularly linked to its strong public sector and creative industries. However, both Coast to Capital's priority sectors and the Government's own focus is more strongly weighted towards the acquisition of technical and business management skills. Although there are notable exceptions (Biological Sciences, for example), these do not appear to be areas where there are significant local higher education strengths, at least in terms of graduate volume. This may be an issue that needs further exploration. However, it is important not to understate the value that humanities and arts graduates bring to the economy. The findings from the Brighton Fuse project demonstrate this well. It is not just people with technology backgrounds that drive growth; strong performing businesses are often those that most effectively 'fuse' creative, technological and business talent⁵⁰.

Higher Education Statistics Agency (HESA) estimates of graduates in employment, suggest that around 25,700 people who graduated from universities between 2008/09 and 2011/12 were working in the Coast to Capital region, which suggests a significant net loss of graduates to the local labour market over the period. Furthermore, around a third (31%) of graduates who were employed in the Coast to Capital region were working in non-graduate jobs. This is a higher proportion than across the UK as a whole (27%). The reasons for this are not altogether clear, although there is evidence that some recent graduates expect to work in non-graduate jobs in order to gain work experience before continuing their careers.⁵¹

Overseas students account for a high proportion (32%) of the UK's Higher Education students. Around 4,600 students and at the University of Sussex, with a further 1,400 international students at the University of Brighton. Many of these are likely to return to their own countries after graduation. However, along with the universities' international staff, they are a rich source of knowledge and talent that could be used to help drive Coast to Capital's internationalisation agenda.

There appears to be a significant supply of good quality labour within the Coast to Capital LEP region that is poorly utilised and high housing costs may contribute to difficulties in retaining young talent. However, it is equally likely that some graduates lack the skills that employers are looking for, despite their high level qualifications.

⁴⁸ Biological Sciences (10%); Subjects Allied to Medicine (5%); Computer Sciences (3%); Physical Sciences (3%); Architecture (2%); Building and Planning (2%); Engineering & Technology (2%); Medicine & Dentistry (1%); and Mathematical Sciences (1%)

⁴⁹ Higher Education Statistics Agency

⁵⁰ The Brighton Fuse: Arts & Humanities Research Council, National Centre for Universities and Business, University of Brighton, University of Sussex, Wired Sussex 2013

⁵¹ The Brighton Factor Revisited: Does it Work and Is it Important? University of Sussex and the Institute for Employment Studies (2010)

6.8 Private Sector Training

Private sector provision is more focused on improving the functionality of staff and less concerned with improving wider workforce skills and achieving qualifications than public sector providers. Identifying the range of provision is difficult, however, as training is often linked to the provision of other products and services and the sector is fragmented, with large numbers of sole traders who sometimes offer quite specialist training over wide geographical areas.

There are estimated to be around 3,700 private training providers in the south east of England, three quarters of which are micro businesses⁵². The range of organisations that provide private training include IT companies, professional institutes, management consultancies, business publishers, commercial education establishments and sole traders⁵³ and training can cover a broad range of areas. Professional bodies tend to provide training specific to their professions, and there is often a strong focus on areas like organisational development, leadership and management, project and programme management, sales and marketing, quality assurance and issues related to personal development. Evidence from the National Employer Skills Survey (NESS) suggests that employers are most likely to fund or arrange training in job specific skills, whilst other significant areas include health & safety; induction training, training in new technology and management training.

Businesses across the UK spend around £43bn on training in 2013 and around half this (£23.2bn) spent on off-the-job training. However, only a small proportion of this was accounted for by fees to external providers (£3.8bn) and just £400m was spent with Further Education Colleges and Higher Education Institutions⁵⁴. The majority of costs are associated with training management and trainee labour costs. Overall, sectors that invest the most in training are Real Estate & Business Activities, Retail, Education and Health & Social Work sectors, reflecting the large number of people employed in these sectors⁵⁵.

Around 70% of businesses arrange or fund training⁵⁶. However, more than a quarter (27%) of these only provide on-the-job training. Very few businesses that do not train cite a lack of suitable provision, poor quality or high costs as the main reason, although a lack of money for training is an issue for around one in ten of businesses. The overwhelming reason for businesses not training is a belief that there is no need to train because all their staff are proficient in their jobs⁵⁷.

6.9 Online-Learning

There has been a significant increase in the provision of on-line learning in recent years, allowing learners much greater flexibility in how and when they study. This includes virtual classrooms; web conferencing; online tutorials and learning exercises; and videos and podcasts.

In 2010, a study found that more than a third (37%) of Further and Higher Education institutions offered some form of on-line learning at higher education level and that

⁵² Keynote Market Training Report Keynote 2013

⁵³ The Private Training Market in the UK; Simpson Consulting for NIACE 2009

⁵⁴ National Employer Skills Survey 2013 UK Commission for Employment and Skills

⁵⁵ National Employer Skills Survey (NESS) 2011.

⁵⁶ *ibid*

⁵⁷ *ibid*

on-line provision by private sector providers was also common⁵⁸. On-line learning is likely to be more widespread in 2014 than it was in 2013. Many companies are developing their own in-house on-line learning facilities and packages, supported by training providers, but a blended approach to learning, which combines both on-line and face-to-face learning, is often favoured.⁵⁹

6.10 Information, Advice and Guidance

It is not easy to match the supply and demand for skills, given the complex and dynamic nature of the labour market. Traditionally, Information, Advice and Guidance (IAG) services, supported by labour market intelligence (LMI) and intermediary organisations have attempted to do this. However, the current environment is more fragmented than previously and the way that people access information and advice may now be different. Responsibility for IAG has been devolved to individual schools; formal Education Business Partnerships no longer exist in all areas; and responsibility for the provision of LMI is unclear.

The National Careers Service provides support to people aged 19 years and over. It is mainly a web-based service that includes a range of career tools, including a course search facility, a Skills Health Check too, advice on funding, job profiles, a CV builder, job hunting advice and career chatrooms. It is also possible to use the webchat facility and to book a face to face appointment with an adviser.

A literature review of the impact of careers and guidance related interventions in 2009 suggested that its impacts were hard to quantify in precise terms and that the role of formal support was generally overshadowed by more informal sources and influences⁶⁰. However, the report did suggest that good quality IAG was associated with increased self-confidence and better decision-making

Locally, employers and others with an interest in skills strongly suggest that the lack of a coherent IAG service is impacting negatively on young people's career and learning decisions. Local 'Early Leavers' data suggests that some young people continue to choose the wrong learning programmes. However, mechanisms for addressing this need to reflect the ways in which young people, in particular, access information and advice. This is likely to mean designing new ways of providing IAG, which make strong use of technology; which are designed by or in tandem with young people and businesses; and which focus on improving awareness of opportunities within emerging and priority sectors within the Coast to Capital region. There are innovative local initiatives that aim to improve IAG provision and Coast to Capital will work with organisations, such as the Sussex Learning Network, Lovelocaljobs.com and the Sussex Council of Training Providers to develop these further.

⁵⁸ Study of UK Online Learning; University of Oxford (2010)

⁵⁹ Training Market Report Key Note 2013

⁶⁰ Literature Review of Research on the Impact of Careers and Guidance Related Interventions DMH Associates and CfBT 2009

7. Gap Analysis

There is a clear shift in demand towards higher skills, both in terms of forecast new jobs and in terms of the skills that are required to be competent in jobs throughout the labour market. There will continue to be job vacancies in all parts of the economy, but there is a particularly strong demand for higher-level skills in Coast to Capital's priority sectors. Leadership and technical skills are likely to be particularly important to support the Coast to Capital's economic growth ambitions.

7.1 Stimulating Demand to become Internationally Competitive

There is a significant private sector training market that responds to specific business needs quite effectively. However, this does not fully address Coast to Capital's broader ambitions to improve competitiveness and stimulate growth. If Coast to Capital is to achieve its ambitions to be a globally competitive area, it must stimulate the demand for skills, particularly within its priority sectors.

The Coast to Capital region has a large number of well-qualified people, but median earnings, a reasonable proxy for productivity are often low. There is evidence of graduate under-employment; there are around 135,000 working age residents involuntarily out of work; and thousands of the area's most talented residents commute to London, to better-paid and higher-level jobs.

At national level, at least, employers that do not train commonly believe that their staff are already proficient in their roles. In many cases this may be true. However, this may also partly reflect a lack of ambition or a weak appreciation of business opportunities that may arise with higher skilled staff. Stimulating and facilitating a better articulation of demand, will enable a more effective response from the learning sector. Historically provision has driven demand, however effective skills growth will come from turning this around.

Coast to Capital needs to work with its businesses, focusing particularly on its priority sectors, to ensure that talent is being effectively developed within the workplace and that education leavers' skills are not lost when they enter the workplace. There are already excellent examples of where businesses, Further Education Colleges and Universities are working effectively together on Knowledge Transfer Partnership initiatives to improve investment skills training that is relevant to the local labour market.

7.2 Improving Social Progress

Developing skills has an important role in improving people's life chances and addressing social inequalities. This is difficult to achieve without intervention. There are particular challenges for young people, who have suffered disproportionately from the weak economic conditions. Transitions from education to work have become increasingly protracted; it has become increasingly difficult for young people to gain secure employment; and a good level of English and Maths skills has become vital to effective labour market engagement.

Overall school leaver attainment in the Coast to Capital region has improved and the overall qualification levels of the workforce are better than they have ever been. The take up of apprenticeships has increased markedly, but the proportion of 16-18 year

olds who follow this route remains low by national standards. Furthermore, many employers are concerned that young people, in particular, are not equipped with the employability skills and attitudes they need to thrive in the workplace; large numbers of young people still leave full-time education without achieving five A*-C grades at GCSE; and, as a result, much of the vocational learning provision is geared towards improving lower, rather than the intermediate and higher level skills.

Skills Funding Agency (SFA) funded programmes and Apprenticeships tend to be dominated by retail & commercial enterprise, health, public services and care and business administration & law, with Engineering, ICT and Science & Maths making a much more modest contribution to overall achievements. At university level, local education leavers are more likely to graduate from courses that are focused on public services and the arts and creative industries. These are all very important components of the Coast to Capital region economy, but a stronger technical and commercial focus may help to develop a more diverse range of skills with a good level of labour market currency.

It is not just young people who need employment and skills support: There continue to be large numbers of adults who, for a range of reasons, struggle to gain a secure foothold in the labour market. They often have complex needs that have to be addressed alongside acquiring skills, often using community and family based approaches, built on long term trusting relationships.

7.3 Improving Transitions

Improving supply and stimulating demand cannot be done in isolation. Just increasing the supply of skills is not enough. People have to be aware of opportunities; careers need to be sufficiently rewarding to attract the best talent; and young people, in particular, need to better understand and develop the skills and attitudes that they need to be successful. Career paths are not simple and predictable and many people do not enter jobs that relate directly to what they have studied.⁶¹ Young people need to be adaptable and resilient, so that they can respond to change, but career and learning pathways need to be flexible to enable people to apply their skills and interests progress to higher levels.

At the core of this is an open dialogue between businesses and learning providers, so that provision reflects demand and so that all partners are involved in equipping the future workforce with the skills and knowledge that they need.

⁶¹ STEM Graduates in non-STEM jobs BIS Research Paper Number 30 (2011)

8. Priorities and Actions

Coast to Capital has identified three broad priorities, based on the demand and supply analysis that provides the evidence base within this strategy. They are aligned to the priorities set out in the European Structural and Investment Fund and they will inform the skills and labour market priorities in Coast to Capital's Strategic Economic Plan.

Each priority is underpinned by a series of actions and interventions that Coast to Capital will support, with the overall aim of improving the effectiveness of the local skills system so that it supports its economic growth priorities.

Strategic Priority 1: Stimulate the Demand for Skills by Encouraging Business Ambition

Strategic Priority 2: Develop Skills Provision that Meets the Needs of the Coast to Capital region's Businesses, Focusing on its Priority Sectors

Strategic Priority 3: Ensure that People Make Informed Decisions About their Learning and Career Choices

Businesses will be at the heart of this approach, shaping and contributing to provision, articulating skills needs and opening up their workplaces so that young people, in particular, can gain the real-life work skills that employers increasingly demand. Coast to Capital will work with Spatial Area Partnerships, business networks, universities and colleges, training providers, voluntary and community sector organisations and Government departments and agencies to deliver the actions that are needed to develop the skills the economy needs. Crucially, it will work with local authorities and schools on initiatives that involve employers and which aim improve preparation for work, particularly amongst young people.

Strategic Priority 1: Stimulate the Demand for Skills by Encouraging Business Ambition

Rationale

The Coast to Capital region has many high performing businesses, including creative and innovative SMEs that operate in international markets and which have a global profile. However, there are some parts of its economy that do not exhibit the same level of ambition and where the demand for skills is low. Employees' median earnings in most parts of the Coast to Capital region are below those of residents, which indicates that some of its best talent is lost to other labour markets, where jobs may be better and earnings higher.

The Coast to Capital region also loses a high proportion of the graduates it develops and around a third of those who work locally are employed in non-graduate jobs. Furthermore, there are 135,000⁶² out of work working age residents who would like a job. There is evidence of under-employment in the Coast to Capital region and a poor use of existing talent. If the Coast to Capital region is to become a globally competitive location, it needs its businesses to raise their game; to increase the

⁶² Annual Population Survey October 2012-September 2013 (includes all unemployed and economically inactive residents who want a job).

demand for higher-level skills and to deploy them more effectively.

With some exceptions, the Coast to Capital region economy is dominated by SMEs, which tend to invest less in workforce development than larger employers, not least because of capacity constraints and because investment costs can be relatively high. Furthermore, some sectors, including retail and tourism have weak career paths and high staff turnover, which results in a high proportion of training costs being spent on low value induction activities, rather than on staff development that would improve the quality and value of their services.

Priority Actions

- 1.1 Develop a leadership and management programmes for SMEs, focusing on both high growth businesses and improving the sustainability of other SMEs within the economy.
- 1.2 Support the establishment of Apprenticeship Training Agencies to enable the costs and risks to SMEs of hiring trainees and apprentices to be shared.
- 1.3 Work with the Networks of Innovation to develop a package of targeted co-investment initiatives aimed at addressing market failures in providing higher-level skills within priority sectors.
- 1.4 Work with large 'anchor' businesses to open up internal training opportunities to SMEs in their supply chains.
- 1.5 Encourage businesses in priority sectors to engage with the National Apprenticeship Service's trailblazer work in re-writing apprenticeship frameworks.
- 1.6 Develop a clear campaign, with the support of the Skills Funding Agency, to promote Traineeships and Apprenticeships to through SME networks.
- 1.7 Develop a high profile SME Skills Investment Awards programme to highlight the benefits of investing in skills and to identify and promote examples of best practice.
- 1.8 Encourage Local Authorities and major businesses to ensure that their large scale procurement contracts include minimum targets for skills and apprenticeship opportunities for local people.
- 1.9 Use Developer agreements to secure business support for skills and training initiatives linked to new developments.

Expected Outcomes

- 1a: Apprenticeship Training Associations established to support Coast to Capital priority sectors and to contribute to the apprenticeship outcomes (1c and 1d).
- 1b: 500 SME managers supported through leadership and management development programmes each year.

- 1c: Supply chain training agreements agreed with 100 'anchor' businesses to cascade training to SMEs in their supply chains.
- 1d: increase in workforce beneficiaries of higher level skills training particularly in areas of demand by priority sectors.
- 1e: Reduction in the proportion of graduates who are employed in non-graduate jobs from 31% to 20% by 2020, using Higher Apprenticeships as a vehicle for doing this.
- 1f: Increase graduate retention within the Coast to Capital region from 43%⁶³ to 55% by 2020.
- 1g: Every Local Authority in the Coast to Capital region and a minimum of 50 major businesses agree to include skills and apprenticeship opportunities for local people in their major procurement contracts.

Strategic Priority 2: Ensure Skills Provision Meets the Needs of the Coast to Capital's Businesses, Focusing on its Priority Sectors

Rationale

The Coast to Capital region has considerable human resource capital assets and there is a wide range of excellent learning providers that provide both generic and specialist training throughout the area. However, skills needs are changing rapidly, driven by technological change, rising customer demand and international competition. Learning pathways that enable people to progress to higher levels is not always clear and many businesses still find it difficult to recruit people with the skills that they need.

Coast to Capital is particularly interested in supporting businesses in those sectors where we have a clear competitive advantage, which it has identified as: Advanced Engineering; Creative Digital and IT (CDIT); Environmental Technologies and Low Carbon & Environmental Goods and Services; Financial and Business Services; and Healthcare, medical technology and life sciences.

However, it recognises that other sectors, such as Visitor Economy, Food Production, Care and Construction are important sources of employment in local areas within the Coast to Capital region.

These sectors all have different challenges, but in many of them there is a demand for higher-level technical and STEM skills and stronger leadership and management skills. In a number of the emerging sectors, career pathways may be less obvious than in better-established ones and in sectors such as tourism and care recruitment and retention challenges are not just related to skills.

The overall balance of publicly funded provision is still geared quite strongly towards the lower level of the labour market and the volume of people graduating in technical

⁶³ Between 2007 and 2012: Higher Education Statistics Agency

and business related disciplines within the Coast to Capital region is relatively low. It is important to support people to enter the labour market at all levels and to develop clear pathways for people to progress. However, learning provision should clearly align with Coast to Capital business needs and there should be a stronger focus on its growth priorities. Businesses need to play their part in helping schools and colleges to develop work and life preparation; and there needs to be a collaborative approach to improving the skills and confidence of some of Coast to Capital's most vulnerable adults.

Priority Actions

- 2.1 Support and, where necessary, establish innovation networks and skills partnerships to enable an on-going honest dialogue about identifying and responding to skills needs to take place between businesses and learning providers, focusing particularly on the needs of businesses in Coast to Capital's priority sectors.
- 2.2 Promote enterprise education and work preparation in schools, colleges and universities, so that they become a core part of all learning programmes.
- 2.3 Increase the volume of advanced and higher level apprenticeships so that they account for 50% of all apprenticeship achievements by 2020.
- 2.4 Work with local authorities to use their strategic and commissioning influence to encourage businesses to provide Traineeship placements and apprenticeships.
- 2.5 Rebalance Skills Funding Agency learning provision so that there is a stronger focus on clear learning pathways that develop advanced (Level 3) and higher (Level 4) STEM and technical skills linked to Coast to Capital's priority sectors.
- 2.6 Develop a sector-focused internship programme for graduates, based on the successful model developed by Wired Sussex and the University of Brighton.
- 2.7 Support basic skills and community/family learning initiatives that improve the life skills and labour market opportunities of vulnerable adults.

Expected Outcomes

- 2a: Sector innovation and skills networks established and supported for each of the Coast to Capital priority sector areas.
- 2b: All secondary schools, colleges and university departments to have recognised enterprise, entrepreneurship and employability programmes in place.
- 2c: Apprenticeship numbers to increase at a faster rate than the national average, with 50% of all Apprenticeship achievements at Advanced and Higher level by 2020.
- 2d: All local authorities to have agreements with large contractors that contain local employability and skills agreements.

- 2e: The proportion of apprenticeship achievements that are in technical subjects⁶⁴ to increase from 12% in 2011/12 to 20% by 2020.
- 2f: The proportion of Skills Funding Agency supported programme achievements in technical subjects⁶⁵ to increase from 9% in 2011/12 to 15% in 2020.
- 2g: The proportion of Skills Funding Agency programme achievements at Level 3 to increase from 24% in 2010/11 to 35% by 2020.
- 2h: Employment outcomes for vulnerable groups (including Care Leavers, People with Learning Disabilities, Youth Offenders and Troubled Families) are above the national average in all Spatial Areas in the Coast to Capital Region.

Strategic Priority 3: Ensure that People Make Informed Decisions About their Learning and Career Choices

Rationale

Career choices are not always the most significant influences on learner choices and in many cases they are not well-formed whilst they are in full-time education. Many people who study STEM related subjects do so to keep their options open, rather than specifically to pursue a career related to their studies. Entrance to the labour market has become increasingly protracted, whether voluntarily or not, and people can expect to have to change jobs and develop new skills several times throughout their careers. There is evidence that access to good quality advice and greater exposure to different occupations and workplaces through work experience and internships, for example, can influence people's career decisions. Feedback from partners suggests that the withdrawal of information, advice and guidance services is having a negative impact on people's career and learning decision-making, whilst the understanding of opportunities in some businesses and sectors is low, not least because they have a low profile or an unattractive image amongst young people, in particular.

Coast to Capital is particularly interested in supporting businesses those sectors where we have a clear competitive advantage, which it has identified as: Advanced Manufacturing and Engineering; Creative Digital and IT (CDIT); Environmental Technologies; Financial and Business Services; and Health and life sciences.

However, it recognises that other sectors, such as Visitor Economy, Food Production, Care and Construction are important sources of employment in local areas within the Coast to Capital region.

These sectors all have different challenges, but there is a need to better understand and communicate career opportunities within and the skills that employers are looking for when they recruit to new positions.

⁶⁴ Engineering and Manufacturing Technology, Mathematics and Science and Information & Communications Technology

⁶⁵ Science, Information & Communications Technology, Medicine & Dentistry, Architecture, Construction, Planning & the Built Environment, Engineering & Manufacturing, Science & Mathematics, Manufacturing Technologies, Environmental Conservation, Engineering, Agriculture.

Priority Actions

- 3.1 Develop and promote high quality local labour market intelligence products in consultation with primary users and businesses, delivered through a variety of media and focused closely on opportunities and requirements in the Coast to Capital priority sectors.
- 3.2 Organise a programme of sector-focused career campaigns to raise the profile and image of Coast to Capital's priority sectors.
- 3.3 Raise the profile of career opportunities related to STEM subjects within schools, building on initiatives, such as TeenTech.
- 3.4 Develop a programme of high profile, competitive work experience and internships placements for Further and Higher Education students, focusing on Coast to Capital's priority sectors.
- 3.5 Develop models of Information, Advice and Guidance with young people, businesses and the National Career Service; and encourage consortia of schools to pool dedicated budgets to support an integrated IAG service.

Expected Outcomes

- 3a: Local labour market intelligence products are used extensively to support people in schools, colleges, universities and beyond to make effective learning and career decisions.
- 3b: High level of awareness of opportunities and skill requirements within priority sectors amongst young people, parents, carers and labour market entrants.
- 3c: A higher profile of technology based careers, contributing towards a greater take up of technical learning programmes (1d and 1e).
- 3d: All businesses employing more than 50 people offer meaningful work experience placements or internships for school students, Further and Higher Education students and other people looking to enter the workplace.
- 3e: Effective Information, Advice and Guidance provision that helps to raise understanding of opportunities and career paths to improve learning and career choices.

9. How the Strategy will be delivered

Coast to Capital will provide strategic direction and additionally in areas where it can make a difference across the whole region. It will work closely with existing local networks and partnerships to ensure that the actions contained within the strategy are delivered.

9.1 Management Structure

Coast to Capital will establish a Skills Strategy Board, which will oversee the implementation of this strategy. The Board will be business-led and will report directly to the Coast to Capital Board. Full terms of reference and membership of the Board will be developed by Coast to Capital and its partners and it will complement the activities of the Coast to Capital European Social and Investment Fund Strategy Board.

This strategy will be underpinned by a full implementation plan for each Priority, setting out timeframes, lead responsibilities and resource implications for each action.

Implementation of this Strategy will be achieved by influencing and aligning partner strategies; through a mixture of locally tailored interventions via national ESIF opt-in programmes; and through locally procured delivery projects and programmes where funding is available. Such local procurement will be subject to commissioning and open calls for proposals in accordance with 2014-20 ESIF programme requirements.

9.2 Resourcing the Strategy

The activities within this strategy will be funded through a range of sources, but will draw heavily on resources that have been allocated to Thematic Objectives in the Coast to Capital European Structural and Investment Fund and additional funds secured through the Single Growth Fund. These will be used to secure additional 'match' funding from public and private sector partners to support skills activities.

Just under £29m has been allocated to support SME development under the four ERDF Thematic Objectives for the period 2014-2020, the majority of which is aimed at developing growth capacity and strengthening supply chains in the Coast to Capital priority sectors and clusters.

A further £29m has been allocated under ESF to support a range of activities aimed at improving employability skills amongst disadvantaged groups, improving Leadership and Management in priority sectors and developing intermediate and technical skills within Coast to Capital's priority sectors.

In addition, just under £4m has been allocated for 2014-20 to three Thematic Objectives under EAFRD, including £1.3m to develop knowledge and skills in rural areas.

This £62m⁶⁶ will enable the leverage of a further £62m from e.g. national/local partners and the private sector via the requirement for match-funding.

⁶⁶ Approximate, dependent upon £/€ exchange rate.

ANNEX I Skills Strategy Consultation Form

Coast to Capital Skill Strategy Consultation Form

Strategic Priorities	Strategic Priority 1: Stimulate demand for skills by encouraging business ambition	Strategic Priority 2: Ensure Skills Provision meets the needs of the Coast to Capital LEPs businesses, focusing its priority sectors	Strategic Priority 3: Ensure that people make informed decisions about their learning and career choices
For each of our priorities, please indicate yours / your organisation's top 3 actions			
Of your top 3 actions, please note any information that may help inform delivery against that action			
Any other information that may help inform delivery			

Proposed Actions

Strategic Priority 1: Proposed Actions	Strategic Priority 2: Proposed Actions	Strategic Priority 3: Proposed Actions
<p>1.1 Develop a leadership and management programmes for SMEs, focusing on both high growth businesses and improving the sustainability of other SMEs within the economy.</p> <p>1.2 Support the establishment of Apprenticeship Training Associations to enable the costs and risks to SMEs of hiring trainees and apprentices to be shared.</p> <p>1.3 Work with large 'anchor' businesses to open up internal training opportunities to SMEs in their supply chains.</p> <p>1.4 Encourage businesses in priority sectors to engage with the National Apprenticeship Service's trailblazer work in re-writing apprenticeship frameworks.</p> <p>1.5 Develop a clear campaign, with the support of the Skills Funding Agency, to promote Traineeships and Apprenticeships to through SME networks.</p> <p>1.6 Develop a high profile SME Skills Investment Awards programme to highlight the benefits of investing in</p>	<p>2.7 Support and, where necessary, establish innovation networks and skills partnerships to enable an on-going honest dialogue about identifying and responding to skills needs to take place between businesses and learning providers, focusing particularly on the needs of businesses in the Coast to Capital LEP's priority sectors.</p> <p>2.8 Promote enterprise education and work preparation in schools, colleges and universities, so that they become a core part of all learning programmes. Increase the volume of advanced and higher level apprenticeships so that they account for 50% of all apprenticeship achievements by 2020.</p> <p>2.9 Work with local authorities to use their strategic and commissioning influence to encourage businesses to provide Traineeship placements and apprenticeships.</p> <p>2.10 Rebalance Skills Funding Agency learning provision so that there is a stronger focus on clear learning pathways that develop advanced (Level 3) and higher (Level 4) technical skills</p>	<p>3.1 Develop and promote high quality local labour market intelligence products in consultation with primary users and businesses, delivered through a variety of media and focused closely on opportunities and requirements in the Coast to Capital priority sectors.</p> <p>3.2 Organise a programme of sector-focused career campaigns to raise the profile and image of Coast to Capital LEP priority sectors.</p> <p>3.3 Raise the profile of career opportunities related to STEM subjects within schools, building on initiatives, such as TeenTech.</p> <p>3.4 Develop a programme of high profile, competitive work experience and internships placements for Further and Higher Education students, focusing on the Coast to Capital LEP's priority sectors.</p> <p>3.5 Develop models of Information,</p>

<p>skills and to identify and promote examples of best practice.</p> <p>1.7 Develop a package of targeted co-investment initiatives aimed at addressing market failures in providing higher-level skills within priority sectors.</p> <p>1.8 Encourage Local Authorities and major businesses to ensure that their large scale procurement contracts include minimum targets for skills and apprenticeship opportunities for local people.</p> <p>1.9 Use Developer agreements to secure business support for skills and training initiatives linked to new developments.</p>	<p>linked to the Coast to Capital LEP's priority sectors.</p> <p>2.11 Develop a sector-focused internship programme for graduates, based on the successful model developed by Wired Sussex and the University of Brighton.</p> <p>2.12 Support basic skills and community/family learning initiatives that improve the life skills and labour market opportunities of vulnerable adults.</p>	<p>Advice and Guidance that are designed in conjunction with young people, businesses and the National Career Service; and encourage consortia of schools to pool dedicated budgets top support an integrated IAG service</p>
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ANNEX II

How the Strategy has Been Developed

This strategy has been developed by Marshall Nairne Ltd in partnership with Coast to Capital. A Skills Task and Finish group has overseen and advised on the development of the strategy. Members of the Task and Finish Group are listed below.

Member	Organisation / Job Title
Andrew Ayres	MD, Rewards Training, Sussex Council of Training Providers
Caroline Wood	Director, Coastal West Sussex
Clive Behagg (Chair)	Vice-chancellor, University of Chichester
Cheryl Finella	Economic Development Manager, Brighton & Hove City Council
Frances Wadsworth	Principal, Croydon College
Georgina Angele	Senior Partnership Manager, LoveLocalJobs.com
Gordon Smith	Principal, Riddlesdown Collegiate
Jeremy Pardey	Resort Manager, Butlins (Bognor Regis)
Jeremy Taylor	Chief Executive, Gatwick Diamond Business
Kevin Lloyd	Policy & Performance, Surrey County Council
Linda Buckham	Director of CEC, University of Sussex
Ros Parker	CEO, Aspire Sussex
Shelagh Legrave	Principal, Chichester College
Sonya Mallin	Relationships Manager, Skills Funding Agency
Steve Allen	Board Director, Coast to Capital
Sue Taylor	Network Manager, Association of Learning Providers (Surrey)
John Peel	Chairman, Coast to Capital
Ron Crank	Chief Executive, Coast to Capital
Lindsey Simpson	Strategic Adviser, Coast to Capital
Ian Parkes	Strategic Director, Coast to Capital
Heather Binning	Strategic Adviser, Coast to Capital
Malcolm Brabon	Growth Development Manager, Coast to Capital

ANNEX III

Feedback from Consultation

For each of our priorities, please indicate yours / your organisation's top 3 actions										
Strategic Priority 1 Actions									1.8	1.9
	1.1	1.2	1.3	1.4	1.5	1.6	1.7			
Organisation										
Coastal West Sussex										
University of Chichester										
West Sussex County Council										
Croydon Council										
Julie Kapsalis										
Reigate & Banstead Borough Council										
DWP										
Brighton & Hove Food Partnership										
Brighton & Hove City Employment & Skills Group										
Total	5	4	1	0	0	4	3	5	5	

Strategic Priority 2 Actions								
	2.1	2.2	2.3	2.4	2.5	2.6	2.7	
Organisation								
Coastal West Sussex								
University of Chichester								
West Sussex County Council								
Croydon Council								
Julie Kapsalis								
Reigate & Banstead Borough Council								
DWP								
Brighton & Hove Food Partnership								
Brighton & Hove City Employment & Skills Group								
Total	5	5	2	3	3	3	4	

Strategic Priority 3 Actions					
	3.1	3.2	3.3	3.4	3.5
Organisation					
Coastal West Sussex					
University of Chichester					
West Sussex County Council					
Croydon Council					
Julie Kapsalis					
Reigate & Banstead Borough Council					
DWP					
Brighton & Hove Food Partnership					
Brighton & Hove City Employment & Skills Group					
Total	3	4	5	4	7

Strategic Priority 1: Stimulate demand for skills by encouraging business ambition		
Questions	Of your top 3 actions, please note any information that may help inform delivery against that action	Any other information that may help inform delivery
Organisation		
Coastal West Sussex	The ATA model - the only locally operating scheme is through City College and that's underpinned by EU funding. Opportunity to make better use of large businesses - Ricardo's and their links with UoB, URT and their apprenticeship programme and Butlins. Developer Charter and case studies attached but need to be implemented more proactively in the Local Authorities.	
University of Chichester	Note the criticality and challenge of opening a dialogue with SME's - work through existing networks as well as creating new.	
West Sussex County Council	These actions have been prioritised as they are most closely aligned to current WSCC priorities and activities. We have a range of activities around procurement and skills, including through the model adopted by the Sussex Energy Saving Programme and CSkills, and will want to work with partners to address the skills needs in agreed priority sectors. On 1.6 our understanding is that SMEs often do not encourage up skilling and so good examples of how up skilling benefits businesses in the long term would be very good to have, not only to drive our businesses performance up, but to address issues of income inequality.	
Sussex Downs College	The College offers a suite of ILM courses at various levels, alongside management apprenticeships, higher level apprenticeships and a foundation degree. The College offers circa 50 apprenticeship frameworks and develops new frameworks in line with employer feedback. The College hosts an annual apprenticeship awards ceremony, supports local events e.g. 100 in 100 and manages a series of 'sector conversations' with our local employers.	
Croydon Council	Croydon Council has already set up and ATA with K10, a social enterprise to ensure that there are clear routes for SMEs to support apprenticeships primarily in the construction sector - this model can be shared with Coast to Capital. 1.9 The Council has also adopted a social value toolkit to allow procuring managers secure socio-economic benefits from forthcoming contracts - this can be shared with Coast to Capital.	
Aspire Sussex	We have very little interest to date in the traineeship scheme, despite the marketing that has taken place. A centralised way of dealing with this which would match up local business contracts with providers as they could potentially help promote these.	

Julie Kapsalis	<p>1.1 Should look at a holistic programme of support - not limited just to skills/leadership and management issues. There are several high growth coaching programmes which contain best practice in harnessing support around access to training skills, finance, marketing, business developments etc. This kind of activity is resource and cost intensive so needs to be highly targeted or differentiated in levels of intensity to support different customer groups. 1.2 Many micro businesses, SMEs and/or seasonal businesses are cautious about employing an apprentice and ATAs also suit particular sectors including construction, hospitality and marketing / event management. We need to be careful that the 'spirit' of an employer taking on an apprentice is not lost in terms of employer / apprentice mutual commitment and consistency of learning experience / environment.</p> <p>1.6 Awareness (or lack of it!) biggest issues. Business owners / managers need more information on the range of frameworks, supported and practicalities of employing an apprentice. Messages need to be kept simple and need to utilise language showing business benefits. Traineeships are a potentially harder sell and may be more suitable for businesses who are already experienced in supporting apprentices.</p>	
Reigate & Banstead Borough Council	<p>Our current understanding is that any SMEs do not give sufficient attention to developing management and leadership skills. Many employers still seem content to buy skilled staff 'off the shelf', rather than develop their own talent. As a result recruitment and retention can be problematic. This inhibits growth. Mechanisms should be developed to ensure that that local growth leads directly to employment and skills development.</p>	<p>Reigate & Banstead Borough Council is already committing resources to deliver on objectives of 1.1 and 1.9.</p>
DWP		<p>For JCP's top 2 priorities it would be useful and consistent if all LA's applying the same standard, utilising partner / stakeholder engagement with Employment and Skills Plans, having one Coast to Capital strategic approach, under section 106.CIL's, for both procurement and new developments.</p>

Brighton & Hove Food Partnership	(Relating to 1.7) In terms of priority sectors, we note that food production was identified as an 'additional' sector in the skills strategy and we welcome this. We would stress that local production of food is a key economic driver for Brighton & Hove, driving growth in two further primary priority areas i.e. the Tourism market; and the green economic development - local and sustainable food is a key component in differentiating our thriving restaurant sector - and supply is not currently meeting demand. There is further potential for expanding an eco-tourism model which has already been established with initiatives such as the Sussex breakfast and which is being taken forward in other cities such as Bournemouth. There are new opportunities with Brighton and Hove's membership of the Sustainable food cities network, including potential for high profile 'sustainable food cities' awards.	Please see the city-wide Brighton & Hove food strategy, downloadable at www.bhfood.org.uk . The aims in the strategy are also embedded in other city strategies including the one planet living sustainability action plan and community strategy. The evaluation of the four year lottery funded Harvest project is also downloadable at www.hbfood.org.uk .
Brighton & Hove City Employment & Skills Group	1.1 Effective leadership and management is a feature of high growth businesses. The Greater Brighton City Region is developing growth hubs through the City Deal that will provide the premises and the targeted business support that will lead to job growth.	Information on the Brighton & Hove Local Employment Scheme (BHLES) is available on the Council's website.
Strategic Priority 2: Ensure skills provision meets the needs of the Coast to Capital LEPs businesses, focusing its priority sectors		
Questions	Of your top 3 actions, please note any information that may help inform delivery against that action	Any other information that may help inform delivery
Organisation		
Coastal West Sussex	2.2 considerable work already being done and delivered in this areas across CWS - Enterprise Passport. 2.1 the CWS skills partnership is a strong forum that could be better used to enable a more proactive dialogue to influence provision.	
University of Chichester	2.2 is an aspirational target - without the but-in of DfE this looks a difficult one to achieve. 2.6 Hard to over-estimate importance of internships and work experience for graduating students.	
West Sussex County Council	A focus on skills needs of priority sectors is key, although this work should also reflect more local sector priorities (e.g. for WSCC we have market gaps in adult social care skills). Enterprise education and employability skills are a priority for WSCC, and we have the potential to play a key role through our relationships with schools, academies and FE.	

Sussex Downs College	The College currently supports the National Enterprise Week, has secured funding for a pilot social entrepreneurs project, has secured Awards for All funding for a student 'Waste Zero' enterprise and is developing a cross College Enterprise Strategy. The College currently offers Higher Apprenticeships in Management & Accountancy and is seeking to expand this offer subject to demand. We currently offer circa 19 advanced apprenticeships. Community learning across the college includes a range of community based learning opportunities including basic skills. Our 13/14 grant for community learning was £477K. Through the EcoFab4 project the College is working alongside Awarding Bodies to develop new units in green construction skills. These units will enhance 16-19 Diplomas and provide stand-alone units for job seekers and the current workforce.	
Croydon Council	2.5 Croydon Council is working with London Councils to influence the FSA's approach to funding higher apprenticeships and can lobby on behalf of Coast to Capital.	
Aspire Sussex	Up to date demographic information on skills levels and any information on the specific business trends and needs in the locality rather than generic information. Also a list by ward level of schools in deprived areas (as per old IMD). This ensures that courses are tailored to meet those needs, and where necessary financial support can be put in place for individuals or groups that are financially disadvantaged and less likely to enter employment due to their low skills set.	
Julie Kapsalis	2.2 Consider initiatives to support self-employment / business start-up. Including physical and virtual incubation networks (with a focus on support services over office / physical space). Ensure that vocational courses have direct access to the above services through a hub and spoke model of support - notably around business start-up. Business Link previously ran an excellent series of workshops and road shows targeting the pre-start up market. There may be best practice / materials which can be recycled. 2.3. Need to balance the push on Higher Apprenticeships with the relatively low take-up (to date). Also need to recognise that Higher Apprenticeships 'fit' some sectors more easily than others e.g. Accountancy. Higher Apprenticeships are still a relatively poorly understood entity. An initial focus on Advanced Apprenticeships (with progression routes in place) may be better from a marketing perspective. The push on Higher Apprenticeships may be better targeted at large businesses (initially) as an alternative model to 'graduate trainees'. 2.6 This should not just focus on vulnerable adults but on hard to reach communities and disengaged individuals. Programmes should be both outreach and inclusion in the mainstream.	
Reigate & Banstead Borough Council	Links between tiers within the Education sector, and between 'education' and the business community are not well developed. The current system does not meet the needs of the business community.	Reigate & Banstead Borough Council has initiated a number of local projects aimed at developing better links between education and business.

DWP	Very keen to see these being business led - would like to see something around engaging business in these forums as not that the TFG for the skills strategy had only one employer on it? Through grant funding we have worked with some LA's to provide we and apprenticeships both within LA's and with their external partners to varying degrees of success so we would be very interested in working together on this. This action directly relates to existing DWP business, as the strategy leans very heavily towards high level skills achievement and heavily weighted towards activities for young people. The strategy narrative provides a lot of statistical data regarding the involuntarily inactive residents, LP, ESA, ESOL numbers yet the outcome details different priority groups? Needs to be linked with all other activities and priorities to demonstrate the importance of re-engaging with inactive residents to back fill vacs that will be created through the other activities taking place. Reference could be made to benefit savings here? Need to reference additionality?	
Brighton & Hove Food Partnership	Up skilling the workforce around a sustainable food economy is a priority of the Brighton & Hove food strategy. This is seen as important at all levels of the workforce i.e. formal training and apprenticeship opportunities are identified as a priority. Equally community food projects play an important role in providing informal and basic skills learning, hence the Food Partnership's membership of Brighton & Hove adult learning partnership.	
Brighton & Hove City Employment & Skills Group	2.7 Community & Voluntary sector networks often work with the most vulnerable. There is an opportunity to engage these networks in developing strategies that will compliment mainstream provision. 2.1 As part of the City Deal, the CESG and the Coastal West Sussex Partnership have started dialogue regarding shared priorities and challenges. The Greater Brighton City Region is recognised as a strategic entity with the SEP. The two skills partnerships will seek to work collaboratively within this new spatial geography on areas of shared concern. 2.6 The Wired Sussex / University of Brighton Internship model has proved successful however, the funding is time limited. Further funding will be needed post June 2015 to ensure that the momentum is not lost.	The Whitehawk Inn and the Bridge are community groups that work with those furthest away from the labour market and could provide information to inform delivery.
Strategic Priority 3: Ensure that people make informed decisions about their learning and career choices		
Questions	Of your top 3 actions, please note any information that may help inform delivery against that action	Any other information that may help inform delivery
Organisation		
Coastal West Sussex	A CWS IAG microsite is currently under development with the LocalLove foundation. Looking to commission some work to consider current policy implications on young people.	
University of Chichester	Again, the work experience and internship issue is crucial. Coast to Capital's involvement can ensure a competitive element and these could become highly prized (along the US model).	

West Sussex County Council	From WSCC's point of view, these actions are very closely aligned and are difficult to prioritise e.g. careers campaigns should include a focus on STEM based industries. This area needs to be considered as a whole rather than as a set of specific actions. We are already engaged in the apprenticeships agenda, and with skills activities for specific groups (e.g. where we have a statutory role).	
Sussex Downs College	The College employs a dedicated school Liaison Officer and delivers a number of sector focused careers events across the year. The College has a strong STEM offer and works alongside STEM Sussex to promote STEM subjects / careers, and was the SE lead for STEM professional development for two years (2011-13). The College has a robust programme of work experience placements and opportunities and took part in earlier work pairing pilot studies.	
Croydon Council	Croydon Council would support Coast to Capital to deliver these priorities.	
Aspire Sussex	Contacts with the local colleges / university who would deal with summer placements.	
Julie Kapsalis	3.1 This intelligence should be disaggregated by gender and ethnicity as the SEP shows that women have the potential to have a significant impact on the local economy. It would help to share parameters with other LEPs to allow comparisons and benchmarking. 3.2 This action should focus on Coast to Capital's priority sectors but possibly be widened to include other volume employment sectors e.g. retail / leisure. Any campaign should develop a pool of advocates / ambassadors to engage with young people. Case studies will also be key. Many business owners indicate a willingness to give 'talks' at schools / colleges' but don't know how to get involved. A brokerage role is required to match the supply and demand. 3.5 Quality and consistent IAG is critical and sharing of best practice and pooling of resources should be encouraged. IAG needs to be realistic and inspiring and holistically linked to work experience opportunities.	
Reigate & Banstead Borough Council	The world of work is poorly understood by educators and their students. Career opportunities are not well known, leading to poor take up in appropriate subject in post compulsory education.	
DWP		
Brighton & Hove Food Partnership		
Brighton & Hove City Employment & Skills Group	3.5 SLN has conducted research into IAG; this research could help to inform LEP priorities. 3.3 Aligned with improved IAG the roll out of the Brighton Employability Advice & Careers Hub (BEACH) can help to raise the profile of STEM career opportunities. 3.4 Build on the existing internship model.	The link to BEACH can be found via brightonandhovejobs.com .