EHOD Employment and Skills Board

New Growth Point

Employment and Skills Project
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## CONTENTS

1 INTRODUCTION

Study Context .......................................................... 1
The Study Objectives .................................................. 2
Study Process ............................................................ 2
Report Structure ....................................................... 3

2 STRATEGIC CONTEXT FOR EMPLOYMENT & SKILLS

Introduction ............................................................... 4
National Employment & Skills Priorities ....................... 4
Local Employment & Skills Priorities .......................... 7
Summary ................................................................. 8

3 EXETER AND EAST DEVON GROWTH POINT

Introduction ............................................................... 10
Growth Point Planning Targets .................................. 10
Key Growth Point Developments ................................ 11

4 EXETER AND EAST DEVON GROWTH POINT SECTORS

Introduction ............................................................... 14
‘Top down’ Employment Forecasts ............................ 14
‘Bottom up’ Employment Forecasts ............................ 16
Summary ................................................................. 21

5 SECTOR SKILLS’ REQUIREMENTS

Introduction ............................................................... 23
A Quantitative Assessment of Future Occupation and Skill Requirements .......................... 23
Exeter and East Devon Growth Point Sector Skills ........ 26
Exeter and East Devon Growth Point Emerging Sectors .................................................. 38
Summary ................................................................. 41

6 EHOD LABOUR SUPPLY

Introduction ............................................................... 43
Current Labour Market Profile ................................... 43
Supply of Labour ....................................................... 44
Skills and Learning ..................................................... 48
Summary........................................................................................................................... 52

7 CURRENT TRAINING PROVISION ........................................................................... 55
   Introduction.................................................................................................................. 55
   Summary..................................................................................................................... 62

8 INTERVENTION FRAMEWORK ..................................................................................... 63
   Introduction.................................................................................................................. 63
   Strategic Themes ....................................................................................................... 63
   Prioritisation Framework ......................................................................................... 66

9 FUTURE SKILLS INTERVENTIONS: ACTION PLAN .................................................. 67
   Introduction.................................................................................................................. 67
   Actions ......................................................................................................................... 67

10 CONCLUSIONS AND RECOMMENDATIONS .......................................................... 79
   The National Skills Agenda....................................................................................... 88

APPENDICES

Appendix 1 – Strategic Context for Employment and Skills
1 INTRODUCTION

1.1 This study was commissioned by the Exeter and the Heart of Devon Employment and Skills Board (EHOD ESB) to determine the quantity and type of jobs that will be generated by the Growth Point developments in and on the edge of the city, and to identify a programme of training and specific actions that can be delivered to help prepare EHOD residents for the employment opportunities. This research and the recommended actions will be used to inform the development of the EHOD ESB Employment and Skills Plan.

Study Context

Exeter and East Devon Growth Point Status

1.2 In 2006, Exeter and East Devon was awarded Growth Point status along with 20 other areas in Southern England and the Midlands. The Growth Point initiative is a planning partnership between Exeter City Council, East Devon District Council and Devon County Council to deliver a range of long term sustainable growth projects which will enable the area to achieve higher economic potential.

1.3 As part of this programme, a number of Growth Point capital projects have been identified principally in the east of Exeter area. Growth Point developments will deliver a range of employment opportunities as well as new housing communities. In doing so, the competitive advantage of businesses either looking to locate, expand or start-up in the Growth Point areas will be driven by the skills and competencies of their staff; skills gaps will have a detrimental impact on performance and therefore future expansion.

EHOD Employment & Skills Board (ESB)

1.4 The Leitch Review of Skills\(^1\) advocated the establishment of a 'network of employer-led Employment and Skills Boards' (ESBs). Leitch recommended that ESBs should inform how 'training can be more relevant to the needs of the local labour market' and should 'scrutinise the functioning of local careers and employment information to ensure that it better reflects employer needs'. The Review points out that it is important that providers of services and other partners, such as local authorities, also have opportunities to ensure they work in an integrated way and support disadvantaged groups.

1.5 The local ESB for the EHOD area was formed in 2008. The EHOD economic sub-region covers Exeter, East Devon, Teignbridge\(^2\) and Mid Devon districts. The sub-region straddles three overlapping functional economic zones within the South West Region: along the 'M5 Corridor' and 'South Central' part of the region and the 'A303', which includes parts of East Devon, adjacent to Exeter and Mid-Devon.

1.6 The strategic aims of the EHOD ESB are:

i. To develop a demand-led system where:

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\(^1\) HM Treasury (2004) Skills in the Global Economy

\(^2\) Teignbridge is also covered by the Torbay and South Devon ESB
● employers can influence the contents of training and the development of skills
● training providers are responsive to the needs of employers, the economy and the growth of specific labour markets
● local people can develop relevant skills which will make them more productive and more valuable to their (current or prospective) employers

ii. To develop local intelligence to inform local priorities for strategic investment in skills
iii. To support and prepare for growth in key employment sectors and address skills gaps
iv. To raise the skill level, career aspirations and work opportunities of local people
v. To encourage people and businesses to invest in skills development.

The Study Objectives

1.7 To support the work of the EHOD ESB, this study is structured around three aims which formed part of the brief:

i. Determine future employment opportunities resulting from the Growth Point and other planned major investments in and around Exeter

ii. Determine a programme of training support and other activities to improve opportunities for local people resulting from future developments

iii. Identify a priority set of actions to be addressed to maximise business growth and opportunities for local people associated with these future developments.

1.8 The study findings are to be used for underpinning the foundation of an Employment and Skills Plan for the area.

Study Process

1.9 The study was undertaken through the following elements:

● Stage 1 – Demand for skills
  ▫ Employment forecasting – an assessment of numbers and types of jobs that will be supported by Growth Point developments through discussion with planners and developers and analysis of Travel to Work Area employment forecasts.
  ▫ Requirement for skills – identifying occupation and skill requirements by apportioning sector employment growth to sector skill profiles using quantitative analysis. In addition, specific skill requirements of Exeter and East Devon growth sectors have been identified through qualitative analysis of relevant Sector Skills Council (SSC) research and consultation with SSC representatives and key local businesses

● Stage 2 – Labour supply
  ▫ Local labour supply – analysis of the local labour supply to establish where EHOD is now and is likely to be in the future. This assessment has been based on a range of indicators of employment, skills and worklessness, including projections of supply
  ▫ Audit of current training provision – consultation and desk research to establish the range of current and planned Further and Higher Education and private training
available to individuals and employers in the EHOD area in order to identify gaps against projected future employment sectors

- Stage 3 – Recommended actions
  - Identifying a range of actions for the ESB and partners to take forward through consultation with employers, training providers and funding agencies, drawing upon best practice from elsewhere in the UK and an action planning workshop session.

Report Structure

1.10 In response to the study brief, the rest of this report is set out as follows:

- Chapter 2 briefly reviews national and local plans and strategies for employment and skills, including the emerging skills priorities of the new Coalition Government. This is expanded further in Appendix 1.
- Chapter 3 identifies the key developments being planned in the Growth Point
- Chapter 4 provides an assessment of the employment opportunities generated by Growth Point developments
- Chapter 5 provides a quantitative and qualitative assessment of the skills and training requirements of employment sectors that are likely to benefit from, or be attracted to, the Growth Point developments
- Chapter 6 provides analysis of the current and forecast EHOD workforce
- Chapter 7 provides an audit of current and planned training provision against future needs
- Chapter 8 outlines key issues that need to be addressed and priority actions for the ESB and partners
- Chapter 9 identifies a range of actions for the ESB and partners to develop and implement over the short and medium term to maximise the benefits offered by the Growth Point developments
- Chapter 10 summarises the findings of the study and the key recommendations for the ESB to take forward.
2 STRATEGIC CONTEXT FOR EMPLOYMENT & SKILLS

Introduction

2.1 To provide context for the actions proposed in Chapter 9, relevant national, regional and local strategies have been summarised; this includes reference to salient policy direction from the previous and current Government regarding the provision of support and focus on skills development.

2.2 Importantly, the overriding policy direction of the new Government is to transform the supply and demand landscape; remove ‘red tape’; free resources; and empower individuals, businesses and providers to decide what is best for them. However, the precise nature of the change will not become clear until after the completion of this study when the Government publishes the ‘Growth Skills Strategy’.

National Employment & Skills Priorities

Emerging National Employment & Skills Strategies

2.3 The following sections provide an indication of the direction of the Coalition Government’s policies in relation to employment and skills.

Green Paper - ‘Building Skills, Transforming Lives’

2.4 The Conservative party plans were outlined in the 2008 Green Paper. Herein the Government’s emphasis is on increasing apprenticeships and re-shaping the focus of advice and guidance delivered by the Connexions and Adult Careers Service by releasing finance from a proposed scrapping of Train to Gain and the removal of red tape which hinders the freedom of the FE Sector to deliver.

Consultation document (July 2010) - Skills for Sustainable Growth

2.5 The Department for Business, Innovation and Skills (BIS) published its priorities designed to create an internationally competitive skills base across the UK; this involves establishing an effective progression framework to prepare individuals for employment and continue their skills development throughout their working lives.

2.6 In addition, the document proposes a clear shift in policy direction designed to empower individuals and businesses to be free and motivated to choose training that best suits their needs. To this end, the Government proposes to provide clarity on the sources of education and training provision and concise explanations of their value and benefit to the ‘purchaser of learning and skills development’.

The 2010 Comprehensive Spending Review (CSR)

2.7 In the CSR, the Government announced that it would cut current spending on Further Education (FE) by a quarter between 2010-11 and 2014-15. Part of this reduction in spending is to be found by abolishing the Train to Gain programme. Furthermore, funding will be shifted from the taxpayer and towards individuals and businesses, including loans to those individuals who lose their entitlement to free further education. The further
implementation of employer funding mechanisms, like voluntary training levies, will also be explored.

2.8 The Government also announced that it would increase spending on apprenticeships nationally by £0.25 million a year by 2014-15, and will continue to support basic skills provision (numeracy and literacy) to adults.

2.9 The Government also stated that it will replace all working age benefits and tax credits with a single Universal Credit. This simplification of the welfare to work policy undoubtedly represents a very radical reform to welfare benefits, which will be introduced over the next two Parliaments. These reforms to the benefits system will be accompanied by the new Work Programme, which will be delivered by private and third sector organisations to provide personalised support to those with the greatest barriers to employment. Providers will be paid on the basis of the additional benefit savings they secure, thereby incentivising performance.

2.10 Support for the short term unemployed will continue to be provided through Jobcentre Plus.

White Paper –‘Local growth: realising every place’s potential’

2.11 The Government states in this White Paper that it will shortly be publishing a new skills strategy for vocational training. This will enable local delivery of a flexible skills agenda to meet the learners’ and employers’ needs rather than being centrally planned. The delivery of local skills should be through business-led local partnerships’ strategies for growth that utilise and nurture the talent of the workforce.

2.12 Additionally, the government states that the Regional Development Agency skill strategies will cease and future public spending on adult skills will go through the Skills Funding Agency (SFA).

2.13 The Government also refers to setting aside funding through a new Regional Growth Fund in response to the budget cuts. The fund will be open to applications for supporting the shift in public sector workers to the private sector as part of the ‘rebalancing’ of local economies. This will include financial support and loans, and will seek to specifically support growth of innovative enterprises and the development of low carbon technology and energy.

Relevant National Employment & Skills Strategies

2.14 The following strategies pre-date the new Coalition Government, but may still be relevant in the context of EHOD ESB’s support of the Exeter and East Devon Growth Point opportunities. A further elaboration on the strategies pre-dating the new government is given in Appendix 1.

Leitch Review of Skills

2.15 Much of the current focus on skills development has emerged from the Leitch Review of Skills. The overall aim set by the Review is for the UK to become a world leader in skills by 2020. It focuses on meeting the needs of a changing economy and encourages an approach that is employer led and workforce driven.

2.16 The stretching objectives for 2020 include:
95% of adults to achieve the basic skills of functional literacy and numeracy - an increase from levels of 85% literacy and 79% numeracy in 2005

- Exceeding 90% of adults qualified to at least Level 2, an increase from 69% in 2005
- Shifting the balance of intermediate skills from Level 2 to Level 3
- Exceeding 40% of adults qualified to Level 4 and above – up from 29% in 2005

Since the Leitch Review was published in 2006 a number of strategies covering different aspects of skills development have been produced. These are summarised below and elaborated on in Appendix 1.

**Skills for Growth**

The Skills for Growth (2009) strategy sets out how the former Labour Government intended to achieve it’s ambition for three quarters of the population to attend university, or to gain an advanced technical qualification by the age of 30. It promotes a strategy for developing a skills system that is defined by ‘real world outcomes’ and not simply by targets based on achieved qualifications.

The system should provide a higher level of vocational experience and should promote a greater mix of work and study. It should also encourage skills that are transferable from job to job.

**New Industry, New Jobs**

New Industry, New Jobs (2009) identifies skills as one of four priority areas for action and reform to assist UK economic recovery and growth. It outlines the need to reform the training system to ensure that it not only responds to demand but is also able to anticipate future growth in the economy in new opportunity areas, like low carbon or bioscience, or in those driven by broader demographic change, such as the care, hospitality and leisure sectors.

To achieve this, and furthering the skills for growth, a number of proposals were presented. Specific proposals relevant to the EHOD agenda include strengthening Growth Point sector employers’ involvement in employment and skills initiatives to increase their influence on local provision; and taking a more responsive approach to developing new qualifications and apprenticeship frameworks so employers can access accredited learning which meets their needs.

**Jobs of the Future**

Jobs of the Future (2009) outlines where, as a result of expected growth and emerging global trends, new jobs could be created in the future UK economy. It identifies how the UK’s labour market is set to change post recession and the potential employment...

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4 Department for Business Innovation and Growth (2009) Skills for Growth – The National Skills Strategy
opportunities that may result. The aim is to drive sustainable economic growth that will foster investment and business success in the following sectors:

- The Low Carbon economy
- Advanced engineering
- Life sciences
- Digital economy and creative industries
- Business and Professional Services
- The Care sector
- The Retail sector
- Tourism, hospitality and leisure sectors.

**Local Employment & Skills Priorities**

*South West Regional Economic Strategy 2006-2015*

2.23 ‘Skills’ is identified as one of three key economic drivers underpinning the current Regional Economic Strategy. Specific reference is made to skills through priorities and actions, which include:

- Developing workplace skills and training
- Ensuring equality of access to, and development of, high quality and flexible training provision
- Raising individuals’ skills and aspiration for work, training and enterprise.

**Regional Skills Strategy**

2.24 The draft Regional Skills Priorities Statement (2010)\(^7\) is mostly related to the recovery from the recession, replacement demand due to the ageing workforce and expansion demand. Specific priorities and actions include:

- Delivering skills provision to support the development of high growth and emerging sectors, and a move towards a low carbon economy
- Raising individuals’ aspirations and skill levels by up-skilling those without qualifications, or with low skills across all sectors
- Re-skilling those with skills that are no longer relevant to the needs of the economy
- Increasing employers’ participation in skills development.

*Exeter and Heart of Devon Economic Development Strategy 2008-2013*

2.25 The Economic Development Strategy provides a focus of activities for the EHOD Economic Partnership, which consists of the private, public and voluntary sectors. The strategy focuses on creating the right business, employment and workforce environment, to enable the sub-region to realise its vision. This vision is:

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\(^7\) SWRDA (2010) Draft Regional Skills Priorities Statement
'The Exeter and Heart of Devon Economic Partnership will promote sustainable economic growth enabling the sub-region to take its place as the third largest focus of high value employment in the region'

2.26 The strategy and action plan focuses on targeting inward investment and indigenous growth in the EHOD priority sectors of:

- ICT
- Creative industries
- Professional and business services
- Biotechnology, medical and healthcare research and development
- Environmental technologies
- Small scale advanced engineering
- Tourism
- Food and drink.

2.27 Priority actions relating specifically to skills development include:

- Providing the right workforce for business and use the EHOD Employment and Skills Board (ESB) as a driver to ensure local skills match employers’ needs
- Bringing public sector employers into a partnership to source and train labour locally rather than importing skilled workers
- Promote development of skills in knowledge based businesses
- Work towards a smooth path of progressing young people from school to college to work
- Continue to develop targeted programmes and raising the skills levels of those in deprived areas and encourage training delivery agencies to target deprived communities.

2.28 The Strategy includes a section that focuses specifically on the growth and enhanced role of Exeter within the EHOD sub-region. The vision for Exeter includes reference to its aspiration to be a ‘Science City’, which has gained recent momentum with a new ‘Exeter City of Science’ campaign.

Summary

2.29 Strategies at a European, National and local level are clearly focussed on increasing skill levels so that residents can access employment in, and assist the growth of, a more knowledge based economy. In addition, a number of sectors have been identified as sectors that will grow to support population growth and sectors that are being targeted to support economic or other objectives, including low carbon goods and services, and life sciences.

2.30 The Coalition government is emphasising a new approach in moving more towards being a supplier-led system that rewards on moving people into work. To achieve this, training provision will need to be better aligned with the needs of employers, which is emphasised
in the Leitch Review; consequently, Leitch’s recommendations are likely to survive the hand over in government.

2.31 Employment and skills policies are driven by twin policy goals. The first is about advancing to better paid, more productive jobs, by improving skills (economic efficiency). The second is about improving equity, through increasing the economy’s productive capacity by helping workless people back into work. Increasingly, UK policy in this area is stressing a more localised approach able to tailor policy to particular local needs and circumstances.

2.32 The further practical consideration for this study is the increasing emphasis on key, core and generic skills and competencies, as opposed to occupations and formal qualifications. This too is a new direction, which recognises that employers are emphasising the need for more generic basic skills in addition to technical and academic ones.
3 EXETER AND EAST DEVON GROWTH POINT

Introduction

3.1 Between 2010 and 2026 Exeter, and areas surrounding the city to the east and south west, will take significant levels of growth. Exeter City Council, East Devon District Council and Teignbridge District Council are currently planning for this growth through the development of their Local Development Frameworks. This chapter provides a broad overview on where the key developments are and what is underway or being proposed.

Growth Point Planning Targets

3.2 The Growth Point proposals extend beyond the Exeter City Council boundary into East Devon and Teignbridge districts. The three authorities are therefore working together to co-ordinate planned growth through their separate Local Development Frameworks, which identify strategic allocations over the next 20+ years.

3.3 The growth agenda for the Growth Point was set out in the Draft Regional Spatial Strategy (RSS), which has now been abolished. This strategy identified Exeter as one of the Strategically Significant Cities and Towns (SSCT). As such, in addition to accommodating more homes, the city’s role is to be a major regional centre for services; retailing and culture should be enhanced, responding to the opportunity to provide a strong commercial and tourism focus in the central part of the region.

3.4 Before being abolished, the draft RSS (with the Secretary of State’s Proposed Changes) highlighted that the Exeter SSCT should provide approximately 28,500 net additional houses between 2006 and 2026, spread across the following areas of search:

- 12,000 within the existing urban area of Exeter (Exeter)
- 2,500 new homes at Area of Search 4A to the east of Exeter (Exeter)
- 4,000 at Area of Search 4B to the east of Exeter (East Devon)
- 2,500 at Area of Search 4C to the south west of Exeter (500 in Exeter and 2,000 in Teignbridge).
- 7,500 at Cranbrook (East Devon)

3.5 For such levels of growth to be sustainable and to help reach a regional economic output target of 3.2% GVA growth per year to 2026, the local authorities in the Exeter Travel to Work (TTW) area were required to plan for about 28,500 net additional jobs.

3.6 In July 2010 the RSSs were revoked and local planning authorities tasked with setting their own housing and employment land targets. At the time of writing, the three local authorities

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8 On May 27th 2010 Mr Eric Pickles, Secretary of State for Communities and Local Government wrote to all local planning authorities to announce the abolition of regional strategies and a return of decision making powers on housing and planning to local councils. As a result, decisions on housing supply now rest with local planning authorities without the framework of regional numbers and plans
had decided to continue planning to the targets set out in the Draft RSS with the Secretary of State’s Proposed Changes, with the exception of approximately:

- 3,000 less dwellings in the Exeter City Council area
- 1,000 less dwellings in the East Devon District Council area (excluding windfalls).

3.7 The major developments planned within the Exeter and East Devon Growth Point area (shown in Figure 3.1) will help in contributing towards the jobs target.

**Key Growth Point Developments**

3.8 Figure 3.1 illustrates the range of major Growth Point developments being planned in and around Exeter to 2026. They are currently at varying stages of development.

**Figure 3.1 Exeter and East Devon Growth Point – Major Developments**

3.9 The main Growth Point sites likely to support employment are:

- Skypark – A regionally significant employment site will be located to the north west of Exeter International Airport. The site comprises some 40.5 hectares (gross) and 28 hectares net developable land. It has resolution to grant planning for approximately 1.4
million sq ft (130k sq m) of business space comprising 60% offices and 40% B1 / B2 light industrial space with further space for ancillary uses such as a hotel. Skypark is well positioned to cater for 'high end' office users and manufacturers\(^9\). Land at Skypark should be developed relatively quickly due to the attractiveness of the location and the lack of supply of immediately developable land or building options in Exeter, Heathfield, Newton Abbot, Cullompton or Honiton. However, the recent downturn in the national and regional economy may slow its progress.

- **Exeter Science Park** - The science park will provide services for knowledge intensive firms and will enable the development of new businesses. The 24 hectare site will offer extensive new facilities encouraging enterprise, science and research and development related activity. It is envisaged that the Park will also feature a new business hotel, conferencing facilities and a central building providing business support and local services as well as offices for the Science Park Management Company.

- **Intermodal Freight Terminal** - The Intermodal Freight Terminal, known as the ‘Exeter Gateway’, was granted outline planning permission on 21 December 2007. The purpose of the Exeter Gateway is to encourage the bulk transport of containers by rail to road and vice versa. There may also be scope for integrated air and rail road transport.

- **Exeter International Airport** – Passenger traffic at the Airport is forecast to increase from 1.05 million passengers per annum (mppa) in 2007 to 1.9 mppa by 2015 and 3.4 mppa by 2030. The Exeter International Airport Masterplan includes a range of infrastructure improvements, including an expanded terminal building that will be required to accommodate such levels of growth.

- **University of Exeter** – The University is planning for between 52,000 and 68,000 sq m of new buildings on its Streatham Campus to cater for an increase in student numbers from 10,700 to 16,200 by 2026. Much of the construction work has already begun, including development of The Forum, the expansion of the Business School, facilities for biosciences, the INTO International Student’s academic centre and student residences. The establishment of a National Skills Academy for Construction on the campus will help to enable more than 200 new industry recruits to gain on site experience during the construction phases of these buildings.

- **Cranbrook and the urban extensions** – Cranbrook and the urban extension areas of the South West of Exeter, Newcourt, Monkerton will be sustainable communities incorporating employment space, local centres, schools and other social infrastructure. Other potential urban extensions at Pinhoe and Redhayes could also provide additional employment space. Cranbrook, as a designated Eco-town, will act as a new blueprint for future housing development, particularly with regard to the incorporation of renewable and energy efficiency technologies into the design and build of homes and facilities.

- **Exeter City Centre** – Significant retail (including 37,000 sq m of comparison retail space) and office development (30,000 sq m) is being planned for in the city centre.

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\(^9\) King Sturge (2010) Employment Land and Premises Review – Western Section of the A3052 Corridor
Much of this is focussed on the bus station site and adjoining areas. The arrival of John Lewis will help to create a significant number of job opportunities in the short term.

- Other key developments - An extension to Matford Business Park has recently been granted planning permission and ‘Land at Ibstock Brickworks’ is being considered for employment land through the Local Development Framework (LDF) process.
4 EXETER AND EAST DEVON GROWTH POINT SECTORS

Introduction

4.1 This chapter considers the number and type of jobs that may be created within the Exeter and East Devon Growth Point area over the next 20 years. This will serve to identify the types of skills and employment that the EHOD ESB may seek to target and support through later action planning.

4.2 The chapter starts by reviewing the original growth objectives set out in the Regional Spatial Strategy (RSS) to provide a ‘top down’ broad overview on future change. Following this, an assessment of the employment potential through the Growth Point area key developments, as identified in the previous chapter, is assessed to provide a ‘bottom up’ assessment on sectors where future change may occur. This information provides the basis for identifying future skills and employment need in the Growth Point area, which is considered further in chapter 5.

‘Top down’ Employment Forecasts

4.3 The employment forecasts for the South West were produced for the RSS by Cambridge Econometrics (CE). These forecasts followed a different method to CE’s standard regional model in that it started from the key assumption that output growth in the South West region over the plan period would be 3.2% per annum. This was an ‘exogenous’ assumption, not generated by CE’s model, but decided on by the regional partners. As explained in the RSS supporting text, South West Regional Assembly and South West Regional Development Agency initially agreed to assume annual growth rates of 2.8% and 3.2% for the period 2006 to 2026, based on historical data, judgment and policy aspiration.

4.4 The 2.8% is derived from assumptions about the UK economy, when the underlying UK growth was estimated to range between 2.25% to 2.75%, and historical evidence showed the South West economy performing slightly better than the UK economy. Therefore it was assumed that a reasonable future growth rate for the South West economy would be at the top end of this range, 2.8%. The 3.2% was based on recent real growth rates for the regional economy over the period 1994-2004, which showed output increasing by 3.15% pa. This faster growth rate assumed improved performance in the supposedly more dynamic sectors targeted by the South West Regional Economic Strategy (RES) and sectors especially likely to benefit from rapid technology change or rising consumer expenditure, and resulting from faster growth in population, household numbers and incomes.

4.5 In translating the regional growth targets into regional forecasts of employment by sector, CE started from the baseline forecasts generated under the 2.5% GVA scenario. They then increased these numbers pro rata by industry to produce a sector breakdown corresponding to the regional GVA target of 2.8%. The employment forecasts for regional...
GVA growth of 3.2% were formed by adding jobs in selected sectors over and above the 2.8% scenario. These sectors include the eight priority sectors in the Regional Economic Strategy. Furthermore, faster population and housing growth in the region would also lead to increasing demand for service led sectors such as retailing.

4.6 When the RSS employment forecasts were produced, the beginning of the credit crunch was not yet apparent, let alone the impending recession. However, this would not normally be a concern because forecasts over a twenty year period are normally projected on a trend growth rate with two or three business cycles expected, so a recession is not in itself sufficient to negate the projections. But this recession has been particularly long and deep and may have resulted in some overall loss of economic capacity.

**Exeter TTW Area Sectoral Employment Forecasts**

4.7 The top down regional forecasts for the Exeter and East Devon Growth Point area are included within the Exeter Travel to Work (TTW) area forecasts. Figure 4.1 below presents the 3.2% GVA scenario for the Exeter TTW area, which shows employment change increasing by 28,500. This growth is primarily driven by Other Business Services, Distribution (including retail), Education and Health, Construction and Hotels and catering.

4.8 Despite the caveats relating to the RSS regional forecasts being optimistic given the high target set coupled with the recent economic slump, they may still provide a useful target for the Exeter and East Devon Growth Point area. This is because Exeter, as the key city and county town of Devon, is aiming for a relatively high rate of economic led growth, supported by Exeter and East Devon’s Growth Point status. Therefore projecting target growth higher than the regional average should be a strong consideration. The sectoral growth under the higher 3.2% annual Regional GVA growth target may therefore be an appropriate target to plan for. However, this target should be reviewed within five years to assess if it is providing the right direction for EHOD ESB’s planned interventions.
4.9 The types of jobs being planned and supported by national and local policy interventions (i.e. ‘bottom up’ driven employment creation), which may influence future growth in the Growth Point developments, are considered below.

National Agenda – ‘Jobs for the Future’

4.10 At the national level, ‘Jobs for the Future’ identifies a range of sectors that are forecast to grow post recession. These include a newly defined sector called Low Carbon and Environmental Goods & Services (LCEGS). This sector is key to delivering against the UK Carbon emission targets and the range of activities outlined in the Low Carbon Transition Plan. The newly defined sector covers the following sub-sectors:

- Environmental: solutions to air, noise and marine pollution; land and water contamination; environmental analysis and consultancy; waste management and consultancy
- Renewable Energy technologies
- Emerging Low Carbon activities: reduced emissions from transport and construction sectors; nuclear energy; energy management; carbon capture and storage and carbon finance.
4.11 The LCEGS sector is diverse in nature and does not fit easily within existing classification and definitions. It is therefore not possible to assess current business and employment numbers in the sector in the Exeter and East Devon area without undertaking a comprehensive mapping exercise. However, research undertaken for BERR (now the Department of Business Innovation and Skills\(^{11}\)) suggests that the LCEGS sector will grow by between 5% pa 2011/12 to 5.8% pa by 2014/15.

4.12 Exeter Science Park is the most obvious local policy intervention that will help stimulate growth in emerging sectors that may not be reflected in the Exeter TTW area employment forecasts. Research has been carried out to identify key sectors that could be targeted by the Science Park\(^{12}\) by mapping the research specialisms of the University of Exeter, Peninsula College of Medicine and Dentistry and the Met Office onto employment sectors. These include:

- Environment and sustainable futures, with the sub segments of (marine) renewable energies, geo engineering, meteorological services and climate risk management
- Systems biology and health, including research on the interrelationship between the environment and human health has the potential to emerge as a distinct cluster of national / international expertise
- Functional materials, with particular potential in the field of photonics and areas of modelling and simulation, because of a sizeable business cluster in the South West and initial interest has been identified.

**Local Agenda - Growth Point Developments**

4.13 Through analysis of the ‘top down’ TTWA forecasts and an assessment of emerging sectors and those supported by national and local interventions, it is possible to identify the range of sectors that should be supported by the Growth Point developments. These are likely to be:

- Construction and Building Services
- Business and Professional Services
- Food and Drink manufacturing and processing
- Transportation and Logistics
- Retail, Hospitality and Leisure.

4.14 While some of these jobs will be displaced from elsewhere in the local area, it is expected that the Growth Point developments will accommodate most of the net growth of jobs in the Exeter TTWA. There are also likely to be a number of sectors that are currently relatively under represented in business and employment terms, yet have potential to grow. These emerging sectors are:

- Advanced engineering

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\(^{11}\) Innovas (2009) Low Carbon and Environmental Goods and Services (for BERR)

- Bioscience and health
- Low carbon and environmental goods & services.

**Growth Point Developments - Direct Jobs Supported**

4.15 Estimates of jobs supported in each of the above sectors are mapped against each Growth Point development in Table 4.1. The job totals at each development have been either obtained from earlier economic impact assessments supporting planning applications or calculated by Roger Tym & Partners using standard employment density assumptions for different types of building. The only exception to this is the net job increase as a result of the University of Exeter campus expansion which is based on the current staff to student ratio being applied to the forecast increases in student places.

4.16 The total growth jobs supported by the developments are estimated to be in excess of 25,000. This estimate is based on full delivery and completion of each of the sites. This is a gross job figure because it does take into account displacement from existing employers in the Exeter TTWA.

4.17 The largest employment growth sector within the Growth Point developments is likely to be ‘Business and Professional Services’, followed by ‘Transport and Logistics’ and ‘Retail, Hospitality and Leisure’. There will also be many jobs supported in the ‘Construction and Building Services’ sector both in commercial units on the new employment sites and in the delivery of the key infrastructure and buildings serving the Growth Point. The latter is considered next.

**Growth Point Developments - Construction Jobs Supported**

4.18 The scale of developments in the Growth Point represents a major opportunity for the Construction and Building Services sector. As well as the significant numbers of houses and employment premises that will need to be built, there will also be requirements for social, transport and utilities infrastructure. The ‘big ticket items’ include up to ten new primary schools, three new secondary schools and expansions to existing campuses, highway improvements to Junction 29, a new M5 crossing, a major link road between the A30 Airport junction and the A3052/A376 as well as new railway stations and passing loops.

4.19 It is estimated that the cost of delivering all development in the Growth Point to 2026 equates to more than £3.9 billion. The number of construction jobs supported by this spending is estimated by dividing the construction cost and a turnover per employee ratio of £215,000 derived from the ONS Annual Business Inquiry (2008). It is estimated that some 17,400 job years should be supported, which converts to approximately 900 jobs over the 20 year development planned lifetime.

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13 This figure is based on the total costs of delivering social, transport and utilities infrastructure identified in the Exeter and East Devon Growth Point Infrastructure Study, combined with RTP estimates on the cost of constructing the RSS housing and employment space targets and cost estimates set out in planning application supporting documents and press releases.
<table>
<thead>
<tr>
<th>Growth Point Development</th>
<th>Business services</th>
<th>Transport &amp; storage</th>
<th>Retail &amp; hospitality</th>
<th>Food &amp; drink</th>
<th>Advanced engineering</th>
<th>Biosciences &amp; health</th>
<th>LCEGS</th>
<th>Other sectors</th>
<th>Total</th>
<th>Total jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Monkerton</td>
<td>3%</td>
<td>3%</td>
<td>4%</td>
<td>1%</td>
<td></td>
<td></td>
<td></td>
<td>2%</td>
<td>3%</td>
<td>700</td>
</tr>
<tr>
<td>2. Flybe Training Academy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1%</td>
<td>1%</td>
<td>150</td>
</tr>
<tr>
<td>3. Exeter International Airport</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4%</td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td>4. Skypark Business Park</td>
<td>43%</td>
<td>16%</td>
<td>86%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31%</td>
<td>29%</td>
<td>7,800</td>
</tr>
<tr>
<td>5. Exeter Science Park</td>
<td></td>
<td></td>
<td></td>
<td>90%</td>
<td>86%</td>
<td>76%</td>
<td></td>
<td>0%</td>
<td>11%</td>
<td>2,890</td>
</tr>
<tr>
<td>6. Cranbrook</td>
<td>7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6%</td>
<td>5%</td>
<td>1,200</td>
</tr>
<tr>
<td>7. Newcourt</td>
<td>12%</td>
<td>14%</td>
<td>18%</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td>8%</td>
<td>11%</td>
<td>2,910</td>
</tr>
<tr>
<td>8. Intermodal Freight Terminal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2%</td>
<td></td>
<td>500</td>
</tr>
<tr>
<td>9. Redhayes</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
<td>2%</td>
<td></td>
<td></td>
<td></td>
<td>6%</td>
<td>4%</td>
<td>1,100</td>
</tr>
<tr>
<td>10. Pinhoe</td>
<td>1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1%</td>
<td>1%</td>
<td>200</td>
</tr>
<tr>
<td>11. Alphington</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
<td></td>
<td></td>
<td></td>
<td>1%</td>
<td>2%</td>
<td>400</td>
</tr>
<tr>
<td>12. Matford</td>
<td>8%</td>
<td>9%</td>
<td>12%</td>
<td>4%</td>
<td></td>
<td></td>
<td></td>
<td>5%</td>
<td>7%</td>
<td>1,910</td>
</tr>
<tr>
<td>13. West of Ibstock</td>
<td>3%</td>
<td>3%</td>
<td>4%</td>
<td>1%</td>
<td></td>
<td></td>
<td></td>
<td>2%</td>
<td>2%</td>
<td>600</td>
</tr>
<tr>
<td>14. Exeter University</td>
<td></td>
<td></td>
<td>1%</td>
<td>10%</td>
<td>14%</td>
<td>24%</td>
<td></td>
<td>11%</td>
<td>4%</td>
<td>1,000</td>
</tr>
<tr>
<td>15. Exeter City Centre</td>
<td>18%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14%</td>
<td></td>
<td>3,600</td>
</tr>
<tr>
<td>16. Construction Jobs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>26%</td>
<td>3%</td>
<td>900</td>
</tr>
<tr>
<td><strong>Sector total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
<tr>
<td><strong>Sector share</strong></td>
<td><strong>44%</strong></td>
<td><strong>12%</strong></td>
<td><strong>14%</strong></td>
<td><strong>4%</strong></td>
<td><strong>4%</strong></td>
<td><strong>4%</strong></td>
<td></td>
<td><strong>4%</strong></td>
<td><strong>5%</strong></td>
<td><strong>13%</strong></td>
</tr>
<tr>
<td><strong>Job total (#)</strong></td>
<td><strong>11,850</strong></td>
<td><strong>3,130</strong></td>
<td><strong>3,760</strong></td>
<td><strong>1,080</strong></td>
<td><strong>1,030</strong></td>
<td><strong>1,080</strong></td>
<td></td>
<td><strong>1,230</strong></td>
<td><strong>3,500</strong></td>
<td><strong>26,660</strong></td>
</tr>
</tbody>
</table>

1. LDA (2010) Monkerton and Hill Barton Masterplan Study – Consultation Draft / RTP calculations
2. Flybe Training Academy Planning application
5. Devon County Council (2009) Exeter Science Park Planning Application
8. Intermodal Freight Terminal Planning Application / RTP calculations
9. East Devon District Council (2009) LDF Issues and Options Further Consultation on an Option for an Urban Extension to Exeter at Redhayes/Blackhorse
10. Teignbridge District Council Planning Officers / RTP calculations
16. ABI/RTP calculation
Total Growth Point Related Net New Jobs

4.20 Table 4.2 shows the number of jobs by sectors expected in the Growth Point developments and compares them with the overall net new jobs forecast in the Exeter TTW area. Where Growth Point development sector jobs exceed the Exeter TTW area forecasts (shown by the negative figures in Table 4.2), it could be simply assumed that these jobs are displaced from elsewhere in the Exeter TTWA. Based on this simple analysis, it may be assumed that the Growth Point Developments will support a net additional 18,800 jobs.

Table 4.2 Comparison of Projected Net New Jobs and Jobs Supported by the Growth Point Developments

<table>
<thead>
<tr>
<th>Source: Cambridge Econometrics; RTP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Replacement Demand</strong></td>
</tr>
<tr>
<td>4.21 The future demand for skills will also include replacement demand, i.e. demand for new entrants to replace those exiting the workforce, e.g. through retirement, out-migration and occupation progression. The South West Skills and Learning Intelligence Model (SLIM) (May 2010: p175) notes that replacement demand accounts for about a third or more of existing employment over a 10 year period, and therefore will outweigh any projected employment expansion or decline.</td>
</tr>
<tr>
<td>4.22 Given the current employment levels in the EHOD area over the next ten years, replacement demand is therefore expected to exceed the number of new entrants before even considering the additional employment demand growth in the Exeter and East Devon Growth Point sectors. According to SLIM’s (2010) analysis, within Devon &amp; Cornwall (data is not available for EHOD), the higher-level occupations groups, such as managers, professional and associate professional and technical occupations, are expected to generate the greatest replacement demand.</td>
</tr>
<tr>
<td>4.23 Therefore developing more skills to fill the vacant higher skilled positions will be important and should be planned for on top of the net new growth in jobs. But while population growth will help meet replacement demand, it is important that replacement labour supply have the same, or better, skills than those leaving the market to avoid business productivity reductions. This is important because as Figure 4.1 shows, there has been an increasing trend towards those in work having higher level qualifications.</td>
</tr>
</tbody>
</table>
Summary

4.24 The former future employment growth target set within the Regional Spatial Strategy was set high, with Exeter TTW area expected to support the growth of 28,500 jobs between 2006 and 2026. The recent downturn in the national economy has added to the challenge of meeting this target. However, even if fewer than expected jobs are achieved over this period, the projected sectoral growth, and the identified growth sectors, remains a good starting point to consider future requirements for skills and skills development over the long term.

4.25 Over the long term, the planned Growth Point developments are estimated to support some 26,600 of the forecast 28,500 net new jobs forecast for the Exeter TTW area by 2026. The majority of these jobs (25,700) are expected to be accommodated at Skypark, Exeter Science Park, University of Exeter and additional retail units within the City Centre and at Cranbrook and the urban extensions. The delivery of the major developments and associated infrastructure will also help to create some 900 new construction jobs on top of these jobs.

4.26 The expected growth supported by the Growth Point developments is likely to be in the following regional growth sectors:

- Construction and Building Services
- Business and Professional Services
- Transportation and Logistics
- Retail, Hospitality and Leisure
- Food and Drink
- Advanced Engineering
Bioscience and Health  
Low Carbon and Environmental Goods & Services.

4.27 The next chapter considers the types of skills and skill levels likely to be required within these sectors to help EHOD ESB to plan for appropriate skill development and employment growth.
5 SECTOR SKILLS' REQUIREMENTS

Introduction

5.1 This chapter considers the future skills profile for the EHOD area based on the employment forecasts for the Exeter TTWA and a qualitative assessment of each identified growth sector. The purpose is to identify future labour and skill requirements to inform where the EHOD ESB and key partners should focus resources, funding and activities in order to meet its objectives (see paragraph 1.5) for supporting growth and local benefits.

A Quantitative Assessment of Future Occupation and Skill Requirements

5.2 We start by estimating the types and levels of occupation required in each growth sector using the employment sector forecasts for the Exeter TTW area (in the previous chapter) and statistical information on the type of occupations and occupation skills within each sector using data from the Office of National Statistics (ONS).

Future Occupations

5.3 Based on the 'top down' Exeter TTWA employment forecasts in the previous chapter, the occupation types within each of the growing job sectors can be identified to provide an indication of the skill levels that will be required to support this expansion over the next 20 years.

Figure 5.1 Forecast Occupation Levels as a Percentage of Forecast Net New Jobs

![Forecast Occupation Levels as a Percentage of Forecast Net New Jobs](image)

Source: RTP calculations based on the 2009 Annual Population Survey
5.4 Figure 5.1 shows the estimated net increase in employment numbers by sector and individual occupation groups based on 2009 Annual Population Survey results. This shows that around a fifth of net new jobs will be in managerial and senior positions, whilst 24% will be in ‘professional’ and ‘associate professional and technical occupations’.

5.5 The demand for these higher end occupations should be greatest amongst businesses that fall within the ‘other business services’[^14] sector. At the other end of the scale, there will still be demand for ‘sales and customer service occupations’ (13.7%) and ‘elementary’ occupations (13.5%). The highest demand for these occupations is likely to be in ‘distribution’, which includes retail, ‘hotels and catering’ and ‘other business services’.

**Future Skill Levels**

5.6 The Annual Population Survey data also gives a profile of worker skill levels by occupation. The occupation profile is therefore converted for future new jobs in Figure 5.1 into future skill requirements. The results, shown in Figures 5.2 and 5.3 below, show that the greatest future requirement will be for workers with Level 2 (5 GCSEs and equivalent) and Level 4 (degree) and Level 5 (postgraduate) qualifications.

**Figure 5.2 Qualification Levels in Exeter TTW area Sectors Growing by 1,000+ Employees, 2006-2026**

Source: RTP estimates - Cambridge Econometrics Employment Forecasts /APS 2009 Construction Skills

[^14]: Other Business Services includes ‘computer & related activities’, ‘research & development’, ‘other business activities’
5.7 ConstructionSkills, the Sector Skills Council (SSC) for construction, has forecast the future employment requirements for each sub-sector in the South West\textsuperscript{15}. This forecast employment profile is mapped onto the 900 net new construction jobs supported by the planned Growth Point developments to give an indication of the types of skills required. The results, presented in Figure 5.4, show that the main skills in demand will be for ‘wood trades and interior fit out’, ‘non-construction professionals’, ‘construction managers’ and skilled trades like ‘plumbing and Heating Ventilating and Air Conditioning’, ‘painters and decorators’ and ‘electrical trades and installation’.

\textsuperscript{15} ConstructionSkills/Experian (2010) Blueprint for UK Construction Skills 2010-2014 – Labour Market Intelligence
5.8 The previous chapter identified the key growth sectors likely to be supported by Growth Point plans for the Exeter and East Devon area. This section identifies and reviews the skill requirement related to each of these sectors based on research undertaken by the relevant SSCs. This national research has been validated at a more localised level through discussion with key regional SSC representatives in addition to interviews with existing Exeter growth sector businesses (and an online survey of Exeter Chamber of Commerce members).

16 Regional representatives of ConstructionSkills, Go Skills, Skills for Logistics, Skillsmart Retail and Tourism Skills Network South West were consulted during the course of this study.
For the purpose of this report, Construction and Building Services have been grouped as one sector. Construction, as defined by the ConstructionSkills SSC, includes a range of sub-sectors, from planning and design, through to construction and maintenance. The Building Services sector, as defined by SUMMIT Skills SSC, comprises a range of service sub-sectors including electro-technical, heating, ventilating, air conditioning, refrigeration and plumbing industries.

According to the SLIM (May 2010) report, all districts within the EHOD ESB area had a higher than average level of construction employment. Most of these will be self-employed contract workers. There are also a number of large construction companies in Exeter, some of which reported large job losses during the recession, including ROK and Connaught. These companies do not currently have major skills shortages but as soon as major developments come forward, not only in and around Exeter but around the South West, the shortage of skilled labour may again become an issue.

In recent years there has been a good supply of new entrants to the industry via education and training, with overall skills levels increasing. Only 15% of recent entrants have no qualification at point of entry, which is a significant reduction over the past decade. The supply of training has proved less of an issue to employers than the ability to source the finance and the time for their employees to attend training.

The most recent Construction Employer Skills Survey reported that companies were mainly happy with the skills levels of their current workforce of new recruits. A shortage of skills has traditionally posed recruitment problems, particularly with regard to wood trades, bricklayers, plasterers, managers, general operatives/labourers and plumbers. However, in 2009 there were fewer recruitment difficulties than previous years and fewer skills gaps in the existing workforce not having the necessary competency). This could be attributed to some extent to a reduced level of recruitment and increasing availability of labour from the recession at that time. This could also be in part due to improvements in training provision.

Consultation with local construction companies reveals that the developments in Exeter will result in a need for more civil engineers, civil engineer operatives (groundsmen) as well as those skilled in reinforced concrete, steel work, scaffolding, roofing and cladding. It is likely that many of these will have to be recruited from outside Devon unless the current workforce is up-skilled and more new entrants are attracted into the industry. Skills requirements are moving towards the fitting of micro-renewables, ICT and technical knowledge and PR/communication skills. Businesses are also finding that more off-site

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17 SLIM (May 2010), Exeter Heart of Devon – Draft Work and Skills Analysis 2010 for the SW Observatory.
19 Micro-renewable technologies include wind, solar thermal, photovoltaic, heat pumps and biomass technologies. These various micro-renewable technologies can be used individually or in combination to provide renewable energy in all seasons.
assembly is now taking place. For example, bathroom ‘pods’ are brought to site to be slotted into place. The same is true for mechanical and electrical installation.

5.14 Construction sector generic skills requirements are likely to include:

- Increasing demand for Level 4 qualifications
- Continuing need to train staff moving into skilled trades
- New skill requirements within the factory setting\(^{20}\) and new skills in on site assembly of components, with the move to more off site manufacturing
- Increasing ICT skills, particularly in Computer Aided Design (CAD) and Manufacturing (CAM)
- Training associated with Health & Safety legislation and regulation
- Increased levels of management and supervisory training, particularly in relation to understanding & keeping up-to-date with legislation; health & safety; employment and environmental legislation; understanding contracts; ICT; financial understanding; risk management.

5.15 One of the key drivers for change in the construction sector is the move towards the low carbon economy. With 47% of carbon emissions coming from the built environment, the construction sector will have an important role to play in meeting UK carbon reduction targets. The Growth Point developments, particularly at Cranbrook, will require new sets of construction skills if higher levels of the Code of Sustainable Homes and BREEAM are to be achieved. Generic skills requirements for zero carbon construction\(^{21}\) include:

- Designing and building for air tightness
- Designing out and avoiding thermal bridges
- Designing out and minimising construction waste
- Understanding the embodied impacts of construction materials in order to enable sustainable sourcing and procurement
- Retrofitting renewable energy and energy efficiency technologies
- Understanding the Code of Sustainable Homes and BREEAM.

**Building Services**

5.16 Building Services comprises a range of service sub-sectors including electro-technical, heating, ventilating, air conditioning, refrigeration and plumbing industries.

5.17 Owing to a relatively older workforce, workers leaving the Building Services sector (e.g. through retirements), and an expected decline in inward migration, it is predicted that the labour force is likely to continue reducing to 2014. Also, with forced losses of staff due to the recession, staff shortages may become apparent for medium to large Building Services

\(^{20}\) Bathroom and kitchen ‘pods’ are increasingly being constructed in factory premises before being transported to, and fitted into, new dwellings

\(^{21}\) Bioregional (2010) Eco-Products and Materials Guidelines
companies in the future. There is therefore likely to be a strong need for recruitment to prepare companies for post recession growth and to fill the gap left by the use of migrant labour by the sector in the previous building boom.

5.18 The 2009 Skills Audit by Summit Skills indicates a need for:
- Management and leadership training at all levels, but particularly at first line supervisor and middle management level
- Training for those involved with specification and installation of micro level renewables technologies. There is currently no formal qualification available to facilitate demand
- Other skills gaps identified: technical and practical skills; customer handling; problem solving.22

5.19 The Renewable Energy Directive (2009) provides the target of sourcing 15% of UK energy from renewables by 2020. Building Services businesses will need to design, install and maintain renewable and environmental technologies. Specific training needs for all four groups within the Business Service Engineering sector23 have been identified: solar water and heating, photovoltaics, CHP units, micro wind energy, ground source heat pumps, biomass, bio-fuel (liquid), micro hydro generation systems, fuel cell technology, rainwater harvesting. This has a bearing on the Business Services Engineering (BSE) sector. Occupations required to install micro-renewables, will be in areas such as plumbers, heating and ventilation engineers, electricians and air conditioning and refrigeration engineers. Currently, there is a relatively poor understanding of the new technologies and installation.

Construction and Building Services Summary
- There will still be demand for Level 2(+) qualified construction and building services workers. Although there has been improvement in recent years, there is a general shortage of skilled applicants, particularly for wood trades, bricklayers, plasterers, managers, general operatives and plumbers.
- There is also increasing demand for Level 3 and 4 skills, particularly in Civil Engineering, as well as specialist training requirements for the installation and maintenance of renewable technologies. There is a need to keep up with changing construction techniques e.g. retrofitting room ‘pods’ that have been assembled offsite and new eco-construction methods and standards.

Business and Professional Services

5.20 In this report, Business and Professional Services includes Information Technology (particularly Digital Technology and Content) and the Financial Services industry (including banking, insurance, investment management and financial advice).

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22 NESS 2007 Report
23 BSE sector = Electrical Trades and Installation, Plumbing, Heating and Ventilation, Air conditioning and Refrigeration
5.21 As is the case with other sectors, local employers in the finance and ICT sectors have not recruited during the recession. In general terms they seek to recruit graduates and train them up on the job so that they progress in house to become managers. Administrative staff and accountancy technicians are also required with Level 2 and 3 qualifications and knowledge of SAGE and other financial orientated ICT packages.

**Information Technology**

5.22 Digital technology is the single biggest lever for productivity and competitiveness across every sector of the economy. Between 2001 and 2009 employment in Information Technology occupations grew by 5%, compared to 2.6% across all other sectors.

5.23 In the UK, qualifications at Level 4 or higher are held by 61% of those in technology occupations, and 57% of those in Creative Media and in Advertising, Music and Design industries respectively.

5.24 Skills shortages in the sector are currently most often reported by firms recruiting for:
- Programming
- Technical support
- ICT and Telecoms management positions.

5.25 The main development need is at senior levels, focused in particular on programme management, supplier management, and service management and delivery.

5.26 Technology developments will have a profound effect on the skills needs in the whole Technology and Content workforce, in particular the use of information and analytics, the need for content to be provided on multi-platforms, the rise of social computing and the impact of ‘digital natives’ as consumers and as employees.

5.27 In the future, workforce development needs will be distributed more evenly across the range of Technology professional roles, including increased focus on skills at technician/associate level (Levels 3 and 4) because business are needing increasingly complex ranges of skills in technology and business.

**Financial Services**

5.28 The financial services sector national profile can be broken down between managers and senior managers (28%), Professional and associate professional and technical (35%), Secretarial and administrative (28%) and Sales and customer services (7%).

5.29 The qualification level of the financial services workforce is higher compared with the UK’s overall workforce. This is almost entirely due to the higher incidence of higher level entry

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25 Technology professionals create and generate value from the systems, services, software and communications and Content professionals create and generate value from digital content, from television to film to online publishing.
26 A digital native is a person for whom digital technologies already existed when they were born
qualifications, especially around degree level. Approximately 42% of England’s financial services workforce is qualified to Level 4 and above. Employees in accountancy firms and within the finance function also tend to have better access to training opportunities than staff in other sectors. This is the result of a multitude of factors including the long and successful history of professional bodies, self-regulation and a culture of continuous professional development.

5.30 Nationally, employers report that the sector is broadly able to attract a high calibre of applicants. However, the pool of skilled people is not growing fast enough to keep up with demand. The amount of home-grown talent in the UK, in particular, is diminishing as the educational system provides ever fewer highly numerate people. STEM (science, technical sciences, engineering and maths) graduates are a popular source of talent for the financial sectors, but these graduates are increasingly in short supply.

5.31 Specialist training is often sought from private training providers to assist staff development, and many of these are London based. Owing to the value gained, local businesses sending staff to London for training is not considered a problem in achieving overall business performance.

<table>
<thead>
<tr>
<th>Business and Professional Services Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The main demand will continue to be for Level 4 qualified workers, particularly those with a foundation in STEM subjects. There will also be demand for Level 3 qualified technical and administration staff.</td>
</tr>
<tr>
<td>• IT skills are essential for all workers in the Business and Professional Services sector. The IT sector has skills shortages in programming, technical support and management. Practical working knowledge of standard Windows programmes is important, along with more sector specific IT programmes like SAGE, Dreamweaver and bespoke systems</td>
</tr>
</tbody>
</table>

**Transport and Logistics**

5.32 For the purposes of this study Transport and Logistics has been taken to include both passenger transport (focussed predominantly on the growth at the Exeter International Airport Site) and logistics (covering freight distribution and storage).

*Passenger Transport*

5.33 The main employment creation in the passenger transport sector in the Exeter and East Devon Growth Point will be in airlines, air passenger and transport operations on the ground. Nationally, both of these sectors employ a broad mix of occupation groups, although ‘drivers/operatives’ and ‘routine/unskilled’ occupations make up over 50% of the workforce in both sectors (as shown in Table 5.1).
Table 5.1 Percentage of Passenger Transport workforce by occupation type

<table>
<thead>
<tr>
<th>Occupation Type</th>
<th>Senior management</th>
<th>Professional high level</th>
<th>Supervisory</th>
<th>Clerical/secretarial</th>
<th>Engineering/maintenance</th>
<th>Sales/customer</th>
<th>Driving/operatives</th>
<th>Routine/unskilled</th>
<th>None of these</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airlines</td>
<td>4</td>
<td>5</td>
<td>7</td>
<td>7</td>
<td>3</td>
<td>9</td>
<td>29</td>
<td>36</td>
<td>&lt;1</td>
</tr>
<tr>
<td>Air passenger transport on the ground</td>
<td>8</td>
<td>4</td>
<td>10</td>
<td>25</td>
<td>&lt;1</td>
<td>5</td>
<td>27</td>
<td>22</td>
<td>&lt;1</td>
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</table>


5.34 Nationally, the main technical skills gaps reported by the airlines sector include ‘operation of booking, ticketing and information systems’ (7%) and ‘baggage handling, loading and unloading’ (6%). In contrast the main technical skills gaps reported by the ‘air passenger transport on the ground’ sector are ‘vehicle maintenance and engineering’ (12%) and ‘logistics and scheduling of services’ (12%)\(^{28}\).

5.35 The most common generic skills gaps reported by the airlines sector include ‘job related ICT skills’ (12%), ‘safety/accident management’ (11%) and ‘customer service’ (10%). The main generic skills gap reported by the ‘air passenger transport on the ground’ sector is ‘foreign languages’ (28%).

5.36 The technical skills that employers in both sectors think they will require in the future include ‘operation of booking, ticketing and information systems’ and ‘logistics/scheduling of services’. Both ‘vehicle engineering and maintenance’ and ‘driving’ will remain key skills requirements for the ‘air passenger transport on the ground’ sector in the future.

5.37 The forecast generic skill requirements for airline employers include ‘job related ICT skills’ (22%), ‘safety/accident management’ (21%), and ‘management and leadership’ (20%). Whereas ‘Customer service’ (19%) and ‘Job related ICT skills’ (18%) are the main forecast generic skills requirements reported by the ‘air passenger transport on the ground’ sector.

*Freight Logistics Industries*

5.38 Logistics is the management of the flow of goods between the point of origin and the point of consumption in order to meet the requirements of consumers. Logistics also includes other activities that form part of the supply chain, such as cargo handling, warehouse and storage, freight forwarding and the supporting activities provided by port and airport authorities.

5.39 The Annual Population Survey 2008\(^{29}\) reveals that compared to the wider economy, employment in the sector is concentrated in the lower skilled occupation operatives and

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\(^{28}\) ORC International (2009) Go-Skills Employer Skills Survey

\(^{29}\) ONS (2008) Annual Population Survey
elementary occupations which account for 47% of the workforce, compared to 19% across the whole economy. Managers make up a further 19% of the workforce.

5.40 In terms of formal certification the sector workforce is poorly qualified. Approximately 46% of workers do not have a Level 2 qualification compared to 30% in the national workforce. In addition, only 17% are qualified to degree level or above.

5.41 The logistics sector requires a number of skills, which can be reasonably described as transferable i.e. skills which are also relevant in other sectors. These include: generic skills, such as customer handling, oral communications, office administration and general ICT skills. Management skills are also vital to the sector if profits are to be increased. Due to the technical nature of many jobs in the logistics sector, and the potential safety issues for employees and the general public, many occupations are subject to licences and other regulatory qualification requirements.

5.42 The National Employer Skills Survey shows that employers consider 5% of the logistics workforce not to be proficient. The most commonly cited reason for this that recently recruited staff lack skills. There are a number of specific skills lacking amongst employees not fully proficient. The most relevant are described as involving a lack of technical, practical or job specific skills (48% of skills gaps). Generic skills such as customer handling (40%), oral communication (37%), management (30%), office administration (28%), and general ICT skills (30%) are also prevalent. A reported lack of management skills (30%) is also a concern.

5.43 This viewpoint is shared by the Skills for Logistics Sector Skills Council who indicate that very few people train specifically to pursue a career in logistics. Logistics workers generally enter the workforce with Level 2 and 3 qualifications and either remain as drivers or progress to managerial positions. This creates a problem because people without management training generally lack softer people management skills and the ability to look ahead to identify opportunities.

5.44 The SSC considers that the sector needs to move towards recruiting basic workforce trained to Level 2, supervisors trained to Level 3 and management trained to Level 4. Furthermore new legislation means that all supervisors and professional drivers will now require a Certificate of Professional Competence (CPC) by September 2014. Drivers themselves have to pay for the CPC, which covers a range of issues including customer service, working time directive, safe and efficient driving and health and safety.

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30 Skills for Logistics (2010) Sector Skills Assessments for the Freight Logistics and Wholesale Sector
Retail, Hospitality and Leisure

5.45 For the purpose of this report Retail, Hospitality and Leisure have been grouped as one sector as they require broadly similar skills sets.

Retail

5.46 It is estimated that the South West retail sector employs over 254,000 people in over 26,000 establishments. Approximately 58% of the existing workforce works on a part time basis.

5.47 Sales and customer service occupations are the largest group of retail workers (53%); with managers and senior officials the second largest group (17%) and elementary occupations in third place (13%).

5.48 Typical skills requirements include:

- Customer service personnel:
  - strong interpersonal and empathetic abilities
  - ability to work constructively with colleagues and other departments
  - ability to adapt well developed behavioural and communication skills to suit customer needs
  - Good mix of technical skills and people skills
  - Flexible and multi-skilled
  - Dynamic, energetic and empowered
  - Motivated, with a desire to take responsibility to resolve customer problems
  - Able to balance the needs of the customer with the needs of the organisation

- Supervisory and managerial staff:
  - Customer service skills
  - Leadership abilities

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Transport and Logistics Summary

- Logistics is a relatively low skilled sector although there is a drive to increase skills attainment levels of managerial staff to Level 4.
- Drivers will require training for acquiring the CPC by 2014.
- Transport related employment creation will be centred on Exeter International Airport. There is a complete cross section of airport related occupations, requiring varying skill levels.
- Managers and clerical staff in particular require general ICT skills.

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31 Skillsmart Retail (2010) Regional Background Brief – South West
- Ability to take balanced decisions quickly
- Ability to act as coaches and mentors
- Ability to manage in dynamic environments
- Commercially astute, totally customer focused, with excellent people management and communication skills
- Able to take a more strategic view.

5.49 Only 43% of managers and senior officials have NVQ Level 3 or higher. Approximately 34% of sales and customer service and 41% of elementary occupations do not have higher than Level 1 qualifications.

5.50 Hard to fill vacancies are generally reported due to a low number of applicants with the required skills, lack of work experience or a lack of qualifications. The main skills shortages reported by South West retail employers are in customer handling (51%) and technical, practical or job-specific (49%).

5.51 According to the National Employer Skills Survey, approximately 57% of South West retail establishments provide on the job training. Some 44% provided off the job training only, which is predominantly aimed at managers (68%) and sales and customer staff (59%).

**Hospitality and Leisure**

5.52 Analysis of the National Employer Skills Survey shows that approximately 45% of the Hospitality and Leisure sector workforce occupy elementary positions, such as waiting staff, bar staff and catering assistants. The main requirements in the front of house roles are ‘employability skills’ such as clear verbal communication, team work and a good attitude. The skills that employers feel are most lacking amongst those in these roles is the ability to provide excellent customer service.

5.53 People 1st has highlighted that the shortage of the chefs in the sector is a key problem. Skilled trades, which include chefs, comprise approximately 12% of the sector workforce. The types of skills required of chefs and cooks vary to a great extent depending on the level of the chef and the type of establishment they work in. Nearly half of employers require high level skills (preparing and cooking from scratch) and nearly 40% lower skills levels.

5.54 Managerial skills are vital to the productivity and future success of the hospitality, leisure and (tourism) sector. Skill requirements of managers include setting strategic objectives; developing product market strategies; providing leadership; being entrepreneurial; motivational skills; business acumen and basic literacy; and numeracy and ICT skills. It is suggested that the minimum skill level required by managers is Level 3.
Food and Drink

5.55 The Food and Drink sector refers specifically to businesses involved in the processing and packaging of raw materials from farmers and wholesalers. The South West Food and Drink sector employs approximately 37,200 people across 1,200 workplaces. This workforce is spread unevenly across the industry sub-sectors. Devon has a particular concentration of workers in the bakery and meat sub-sectors.

5.56 Improve Limited, the Sector Skills Council for the Food and Drink sector, has, through survey work across the UK, identified key workforce skills needs and gaps in the sector broken down by broad occupational groups. These are summarised below:

- Managers – Managers and senior officials account for an estimated 15% of the UK Food and Drink workforce. It is suggested that Level 3 should be the minimum level of skill required by managers and senior officials, yet only 69% have achieved this. Approximately 24% of employers surveyed reported a lack of skills proficiency at the managerial level. Managing people was identified as the greatest skills gap. Other skills gaps include sales strategy, ICT skills, financial management and human resources.

- Professionals, Associate Professional and Technical roles – Professional, associate and technical occupations make up approximately 11% of the workforce. Only 55% of those working in professional roles are qualified to Level 5 and above (considered to be the required skill level). The main skills deficiencies reported by employers included problem solving, product development, technical, practical or job specific skills as well as customer handling and management related skills.

- Skilled trades – Employers are finding it increasingly difficult to recruit for skilled trade occupations, particularly those that are craft and specialist in nature. Indeed approximately 29% of hard to fill vacancies are for skilled trade roles. Skills gaps among the existing workforce for skilled trades include technical, practical and job specific skills as well as specific craft, team working and customer handling skills. It is suggested that as a minimum workers in skilled trades should have achieved Level 3 qualifications. However, just 37% currently hold qualifications at this level.

Retail, Hospitality and Leisure Summary

- The Retail, Hospitality and Leisure sectors generally require lower skilled workers. There is a need to train those moving into managerial positions and specialist occupations like chefs to Level 3 and above and up-skill managers to Level 3+ to reduce skill gaps.

- Generic skills requirements include basic employability skills (e.g. communication, team work and good aptitude), customer handling skills, basic numeracy and literacy and ICT skills.

33 Improve Ltd. (2009) The Food and Drink Manufacturing and Processing Industry – UK Sector Skills Assessment
Process, Plant and Machine Operatives – A third of the Food and Drink workforce are described as (process, plant and machine) operatives, and a third of all hard to reach vacancies are for operative roles. Of those employers reporting skills gaps in their organisation, 29% identified a lack of proficiency among operatives. Technical, practical or job specific skills are the areas identified as in most need of improvement. Overall it is suggested that workers in these broad occupational groups should have achieved Level 2 qualifications as a minimum, yet only 31% have.

Elementary roles – Approximately 15% of the Food and Drink industry are categorised as falling within the elementary occupational group. Elementary occupations account for approximately 9% of hard to fill vacancies. Some 26% of employers cited a lack of proficiency amongst elementary staff in their workforce, with specific improvement required in technical or practical skills, followed by team working, oral and written communication, basic literacy and language skills. Overall an estimated 52% of those working in elementary roles have achieved Level 1 qualifications, the minimum attainment standard suggested for such roles.

Industry projections suggest that employment in the South West Food and Drink sector will fall by 13% between 2007 and 2013. However, despite the decline in overall employment numbers, and the South West Food and Drink sector will still need to find an additional 10,000 new recruits over the same period to replace workers that are retiring or moving for other reasons.

Job losses are expected to be concentrated within low and mid skill level occupations including skilled trades and operative roles. However, between 2007 and 2013 it is anticipated that there will be expanding numbers of high skill level occupations, including management, senior official and professional occupations.

It is clear that businesses will continue to invest in training focussed around mandatory requirements including food safety, hygiene and health & safety. However, employers are increasingly looking for training that directly impacts on their business performance and improves the efficiency and effectiveness of their workforce. Investment in training in the fields of leadership and management, lean manufacturing and process improvement are areas that can help businesses improve their competitiveness and efficiency.

Over the next 2 to 3 years it is predicted that there will be increased demand for technical, practical or job-specific skills, followed by ICT and management skills. Research undertaken by Improve Ltd. also shows that the most significant training benefits for businesses in the industry are most associated with intermediate level skills, as these bring broader benefits through added job satisfaction and improved business performance.

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34 Improve Ltd. (2009) The Food and Drink Manufacturing Industry in the South West of England
5.61 In addition to the existing larger employment sectors, it is also predicted that some knowledge based industry (KBI) sectors will grow significantly from a currently smaller employment base. The most likely emerging sectors are Advanced Engineering, Bioscience, Life Science and Health and Low Carbon and Environmental Goods & Services. Each of these sectors is forecast to grow significantly over the coming decades. The University of Exeter, with its strong HE undergraduate and research reputation, is particularly well positioned to both support the establishment of new businesses as well as to attract inward investment to the area.

**Advanced Engineering**

5.62 The University of Exeter has developed a world class research reputation in functional materials and STEM related subjects. The city therefore has the potential to attract businesses in some of the advanced engineering sectors, most notably sectors that map onto those being targeted by the Science Park. Functional materials covers a wide range of fundamental and applied research into the nature of new materials from the nano scale to manufacture of major structures. These map most closely onto the composites, industrial biotechnology and nanotechnology sectors.

5.63 The skills needs of each of these sub-sectors are similar. Overall there will be a continuing requirement for a good supply of young people educated in science, technology, engineering and mathematics (STEM) subjects. However, there has been a general decline in interest in subjects, particularly in chemistry and physics, in recent years.

5.64 STEM subjects are often a general requirement for entry to apprenticeship schemes as well as for entry to advanced degrees, particularly in science and engineering. Graduates are currently entering advanced engineering with the following profile of subjects previously studied:

- Postgraduates – business studies, engineering, management studies, general engineering, mechanical engineering, electronic and electrical, production and manufacturing, physics, biology, medicine, computer science and materials technology
First degree – engineering, mechanical, business studies, general engineering, electronic and electrical, biology, medicine, management studies, production and manufacturing engineering, computer science, mathematics and design.

5.65 Skills gaps across the sectors include leadership and team leader skills. Other management skills gaps include lean implementation, project management and supply chain management. In the future there is likely to be a greater requirement for people who are skilled at designing and running manufacturing departments. There will be a particular requirement for individuals with expertise, in particular, in the design and manufacture of products and processes that minimise wastage.

### Advanced Engineering Summary
- Advanced Engineering is very specialised and requires workers predominantly qualified in Level 4 and 5 STEM subjects.
- There will also be a requirement for Level 3 qualified technicians.
- There are skills gaps in leadership and management competencies.

### Bioscience and Health

5.66 Bioscience is a ground breaking scientific approach that seeks to understand how all the individual components of a biological system interact in time and space to determine the functioning of the system. It allows insight into the large amount of data from molecular biology and genomic research, integrated with an understanding of physiology, to model the complex function of cells, organs and whole organisms, bringing with it the potential to improve our knowledge of health and disease.

5.67 The University of Exeter and the Peninsula College of Medicine and Dentistry have capabilities in biosciences, translational medicine,35 personalised healthcare and public health research. There is potential, therefore, for the development of a biosciences cluster at the Science Park from University of Exeter spin off companies as well as inward investment businesses attracted to the area by the graduate base and research capabilities.

5.68 Bioscience is a new area of research and therefore it is difficult to single out any one model of education and training. Nonetheless, a grounding in a parent discipline STEM subject is important. There is also a growing demand for computational scientists for the analysis of increasingly large biological and chemical data sets using a variety of modelling techniques. A typical employee in the sector will have a first degree in engineering or physics, and either a Masters Degree in biology and basic medical science or a PhD in Systems Biology. There will also be a requirement for Level 3 qualified technicians to support and facilitate research work.

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35 Translational medicine integrates research inputs from the basic sciences, social sciences and political sciences to optimise both patient care and also preventive measures which may extend beyond the provision of healthcare services.
5.69 The Low Carbon Energy and Goods Services sector (LCEGS) includes technologies, goods and services that provide solutions to environmental problems. It covers traditional environmental sectors such as waste management, recycling, and water and waste water treatment; renewable energy technologies such as wind energy, tidal, solar and hydro power, and emerging low Carbon technologies such as electric vehicles, building technologies and Carbon capture and storage.

5.70 The sector is currently relatively small in terms of direct jobs but has a great deal of potential for growth. Exeter is in a particularly strong position to capitalise on this with the University of Exeter and the Met Office at the forefront of research into climate change and sustainable futures. Indeed, Exeter has the largest concentration of climate change specialists in the World.

5.71 There are persistent skills shortages across the sector. There are shortages in most engineering disciplines, both for highly qualified engineers and experienced technicians. There is also unmet demand for project managers with qualifications in engineering and more specialised areas such as geology and marine engineering. There are also generic skills needs in the sector including project management, leadership and business development/commercialisation skills.

5.72 The future development of the sector could be hindered by the relative shortage of students with Level 4 and 5 qualifications in STEM related subjects. The LCEGS sector will need to compete for STEM graduates with industry as a whole.

5.73 In addition, a recent survey of Devon Renewable Energy businesses found that the main requirement was for Level 3 skills for technician and professional trade occupations associated with the installation of technologies. For example, the main occupations required to fit and service renewable energy micro-generation technologies will include:

- Qualified electricians
- Plumbers
- Civil engineers for constructing foundations
- Crane drivers for installing large turbines.

Summary

5.74 Analysis of the wider top down employment forecasts for the Exeter TTWA indicates that there should be strong demand for people with Level 4 and 5 qualifications, particularly in the ‘Business and Professional Services’ and the ‘Bioscience and Health’ sectors, which are typically higher value, more knowledge intensive sectors, and sectors likely to see significant employment growth. There will also be requirements for Level 3 skilled workers in the middle management and specialist positions, including existing and new workers in the second largest growth sector, which is ‘Retail, Hospitality and Leisure’.

5.75 The qualitative analysis of sector skills needs to support the Growth Point developments (informed by SSC research, consultation with SSC representatives and local businesses) identified the following themes and priorities for training provision:

- Higher level skills – a majority of the sectors that are likely to be attracted to the Growth Point developments, particularly those being targeted for the Science Park and Sky Park, will seek to recruit individuals with graduate or post graduate level qualifications.
- Intermediate level skills – many jobs, including construction workers, technicians, drivers and administrative staff, will increasingly require Level 3 skills.
- Employability skills – sectors like Retail, Hospitality and Leisure will provide employment for people with lower level skills. Skills required will include employability skills like customer service, team working, basic literacy and numeracy and ICT.
- STEM – a majority of employees in Advanced Engineering, Bioscience and Health, LCEGS, Business and Professional Services and Construction will require a strong grounding in STEM subjects, predominantly at Levels 4 and 5.
- Leadership and Management – improving leadership and management skills is important across all sectors that are likely to be attracted to the Growth Point developments. These skills are considered to be essential for improved business competitiveness.
- ICT – all sectors require staff to be competent in ICT skills. This ranges from a working knowledge of Windows programmes, email and the internet, to more sector specific software like CAD and SAGE.
- Low Carbon economy – the LCEGS sector is forecast to grow considerably over the next decade, driven by Renewable Energy targets and the Zero Carbon construction agenda in particular. The sector will require people with Level 4 and 5 STEM subjects.
for R&D related jobs and Level 3 and 4 qualifications for the fitting/instalment and maintenance of Renewable Energy and Energy Efficiency technologies.

5.76 Table 5.2 outlines the levels of skills and training that each Growth Point sector will be looking for. This shows that many of the identified skills are generic, including leadership and management, ICT and customer handling. The more knowledge intensive sectors like Advanced Engineering and Bioscience and Health, will also be looking for employees with more specific education and training.

Table 5.2 EHOD ESB Growth Point Sector Skill Requirements

<table>
<thead>
<tr>
<th>Sector</th>
<th>Sub Sector</th>
<th>Req’d Skills/Training</th>
<th>Study Level (NVQ 1 to 5 or equivalents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction &amp; Building</td>
<td>Construction</td>
<td>Skilled trades</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td></td>
<td>Building Services</td>
<td>Civil engineering (STEM)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Skilled trades</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Micro-renewables installation (MCS)</td>
<td></td>
</tr>
<tr>
<td>Business &amp; Professional</td>
<td>IT</td>
<td>Managers and technical (STEM)</td>
<td>1 2</td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td>Technical and administration</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financial Services</td>
<td>Managers and technical (STEM)</td>
<td>1 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sales and administration</td>
<td></td>
</tr>
<tr>
<td>Transport &amp; Logistics</td>
<td>Logistics</td>
<td>Drivers (CPC) &amp; warehouse operatives</td>
<td>1 2</td>
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<td></td>
<td></td>
<td>Managerial</td>
<td></td>
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<tr>
<td></td>
<td>Transport</td>
<td>Drivers and baggage handling</td>
<td>1 2</td>
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<td></td>
<td></td>
<td>Engineering</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Administration &amp; customer service</td>
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<td></td>
<td></td>
<td>Management</td>
<td></td>
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<tr>
<td>Retail, Hospitality &amp; Leisure</td>
<td>Retail</td>
<td>Sales and customer service</td>
<td>1 2</td>
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<tr>
<td></td>
<td>Hospitality</td>
<td>Managerial</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Customer service</td>
<td>1 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Managerial and specialist occupations</td>
<td></td>
</tr>
<tr>
<td>Food &amp; Drink</td>
<td>Food &amp; Drink</td>
<td>Process (e.g. legislation compliance)</td>
<td>1 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Skilled trades</td>
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<td></td>
<td></td>
<td>Managerial</td>
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</tr>
<tr>
<td>Advanced Engineering</td>
<td>Advanced Engineering</td>
<td>Research (STEM)</td>
<td>1 2</td>
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<tr>
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<td></td>
<td>Technicians (STEM)</td>
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<tr>
<td>Bioscience &amp; Health</td>
<td>Bioscience &amp; Health</td>
<td>Research (STEM)</td>
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<tr>
<td></td>
<td></td>
<td>Technicians (STEM)</td>
<td></td>
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<tr>
<td>Low Carbon and Environmental</td>
<td>All sectors</td>
<td>Research/technical (STEM)</td>
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<td>Goods &amp; Services</td>
<td></td>
<td>Installation/ maintenance of renewable</td>
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<td></td>
<td></td>
<td>technologies</td>
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</table>

5.77 In supporting Growth Point businesses and helping local people to access employment opportunities offered by these businesses, the focus for EHOD ESB should be on the subject areas of the training listed in Table 5.2. This information should therefore be the start of informing the HE, FE and private training providers on a programme of training for supporting the Growth Point developments planned for Exeter and East Devon.
6 EHOD LABOUR SUPPLY

Introduction

6.1 This chapter reviews the current and emerging workforce (labour supply) in the EHOD ESB area. The purpose is to identify what will be available to new occupiers locating within the Growth Point Developments, and whether residents are or will be ready to benefit from future job opportunities and economic growth.

6.2 The information presented in this chapter is largely drawn from analysis of the EHOD ESB area labour market profile in the South West Skills and Learning Intelligence Model (SLIM May 2010) Exeter Heart of Devon – Draft Work and Skills Analysis 2010, and the subsequent SLIM (June 2010) Discussion Brief, both produced for the South West Authorities.

Current Labour Market Profile

6.3 This section provides a broad overview profile of the population and labour force resident within the EHOD ESB area. A comprehensive list of descriptive data is also set out in the SLIM (May 2010) report and is not repeated here. Rather, the purpose is to understand where there may be requirements for intervention to support current and future workforce development.

Labour Market Catchment Area

6.4 The geographical area capturing a significant proportion of the labour pool and skills serving the Exeter and East Devon Growth Developments is defined by the current (2007) Exeter Travel to Work (TTW) area boundary shown in Figure 6.1. The Exeter TTW boundary (supplying at least three-quarters of the workforce) covers all of Exeter and some of the area in the three surrounding EHOD districts which together make up the Employment Skills Board area.

6.5 For the purpose of profiling the current and future supply of labour and the skills pool/infrastructure serving the Growth Point developments, the resident labour supply in the four EHOD ESB districts of Exeter, East Devon, Mid Devon and Teignbridge are considered. This is in part because most available information about local labour is obtainable only at the district or wider level. Consequently, any recommendations on

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38 SLIM (June 2010) Exeter and the Heart of Devon Work and Skills Analysis 2010, Discussion Brief
39 Being prepared by SLIM for the Productive Skills for Devon Partnership and the four Devon Local Employment and Skills Boards, ‘to support their priority setting through the collation of a common evidence base for each of the Local Employment and Skills Board areas’.
40 There is a separately, but closely link boundary delimited for ‘travel to learn’ areas. This offers an alternative target area for reviewing skills/training provision, but for the purpose of this study, the EHOD four district area fare used.
41 TTW area based on the resident economically active population, at least 75 per cent actually work in the area, and also, that of everyone working in the area, at least 75 per cent actually live in the area.
42 Teignbridge is split in the ESB, with some of the district area falling within the Torbay ESB area.
actions to develop local labour skills, which are considered later in this report, should be targeted at residents within these four districts.

**Figure 6.1 Exeter Travel to Work Area**

Supply of Labour

*Population*

6.6 According to the latest Office for National Statistics (ONS) Mid year Population (2009) estimates, there were 454,000 residents within the EHOD area, with over half (264,000 or 58%) being of working age. Exeter, East Devon and Teignbridge each account for between 26% and 29% of the total population, whilst Mid Devon is smaller with a 16% share. A similar spread applies to the working age population (WAP).

6.7 The EHOD population is growing in size, which is a major driver of the area’s projected economic growth. According to SLIM (2010), both Exeter and Mid Devon are forecast to grow by a fifth from 2008 to 2021, which is double the national rise of 10%.

6.8 However, like the rest of the UK’s population, EHOD’s population is ageing, with a projected growth of 11% in working age population compared with 23% in the non-working age group between 2008 and 2021. The planned increase in the State Pension Age (SPA) in 2020 will help to address this problem, so that the working age population group

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43 The working age population (WAP) for females is 16 to 59 years and for males it is 16 to 64 years.

44 By April 2020, SPA for females will have risen from 60 to 65 years, and under the New Coalition Government, the proposals are to increase the age of retirement for men and women further.
will grow by 17% instead of 11% over the same period (SLIM 2010). More of these older workers will be female.

6.9 To ensure that the additional working age residents are utilised and do benefit from employment growth, it is important that both training providers and businesses respond to this to encourage older and more female workers into work. While many of the current older working age population may not have the qualifications that young people are gaining today, the older working age population potentially have much to contribute in the way of skills and experience, and female workers are generally more willing to take on flexible employment in terms of hours, shifts and seasonal flows.

6.10 The changing structure of residents’ age will have implications for the labour market because older workers may be less willing to train and learn new skills, less suited to more physically demanding jobs like heavy construction, or to travel long distances. The ageing population will create new demands on the design of training provision.

6.11 In contrast to the growth in working age population, there is a projected fall in the numbers of young people. This may impact on the market for new entrants that will bring new skills into the workplace. This is an important element for business growth and innovation. Therefore promoting and encouraging life long learning in the labour market is likely to be very important so that new skills are taken up.

6.12 SLIM (2010) also identified that the reduced number of young people will increase the competition among schools and training providers that normally target this group. So, it may be expected that lifelong learning will develop by matter of course as training providers look to expand their target groups. The EHOD ESB may have a role in advising and/or encouraging providers to plan for this change.

National Migration

6.13 Migration plays an important part of population change and workforce development. A feature of this in EHOD is the sharp decline of population in their twenties, when young people are likely to be entering employment and work opportunities elsewhere in the country. The SLIM (June 2010) Discussion Brief calls this the ‘exodus of talent’ because these leavers are likely to be the better educated and skilled in response to a labour-job mismatch within the EHOD area. Counter to this, EHOD attracts inward-migrations of population in their late thirties and beyond, and many of whom bring high level skills.

6.14 The question then is whether there is a future imbalance with the loss of well educated new entrants and the arrival of high skilled, experienced workers. Most businesses require a balanced proportion of each type of worker. Certainly, no economy will be hurt if there are too many experienced and educated workers from which to draw; however these workers may be disadvantaged because there might not be enough suitable positions to go around. On the other hand, local businesses will be weakened if there is a lack of sufficiently skilled new entrants, willing to take lower wages at the start of their career in order to be trained further and build their career.
International Migration

6.15 According to SLIM (May 2010), international migration is now declining after a period of significant growth, which may have implications for certain sectors which have been reliant on these workers, like hotels and restaurants, health care and manufacturing businesses.

6.16 The impact may be positive for some residents without qualifications or who are returning to the job market, and have difficulty finding work. This is because many of the businesses that employ migrant workers have tended to be (although not always) in the lower value sectors and therefore have lower requirements for entry qualifications. They also tend to be lower paying sectors, but nevertheless these businesses will be able to offer opportunities for those trapped into unemployment and welfare.

6.17 At the other end of the scale, international migration is often used for recruiting very specific and often very highly skilled workers like scientists, lecturers and doctors. Some of these higher end jobs are likely to be supported through the Growth Point developments, and therefore it is important that no recruitment problems result from the decline in migration.

Economic Activity

Overall Employment rates trends

6.18 Employment rates in all four EHOD districts are among the highest in Devon, above the regional and national averages, and have been rising. According to SLIM 2010, between 2006/07 and 2008/09, employment rates grew by about 3% or 8,000 people to a peak of 82.1%, before dipping sharply as the recession began. The rise in employment was not uniformly distributed within the EHOD area, with East Devon and Teignbridge seeing a fall in employment in this time. But EHOD continues to have a healthy employment rate of around 78%, compared to 76.5% regionally and 73% nationally.

Vacancies

6.19 Data on the number of vacancies that employers notify to Jobcentre Plus (‘notified vacancies’) provides us with clues about the buoyancy of local labour markets, the availability of work for job-seekers, the kinds of jobs that are being created and how this may be changing over time. The word ‘clues’ is, however, important, in that the picture is partial. Only around one in three vacancies are notified to Jobcentre Plus, and these tend to be for lower paid / lower skilled jobs. However, changes in Jobcentre Plus vacancies over time can show how the recession has affected vacancy numbers in different ways and in different places.

6.20 Over a two year period to February 2010, vacancies in Exeter fell by 20%, in Teignbridge by 18%, in East Devon by 14% and in Mid Devon by 10% which suggests that work opportunities in the EHOD area will have contracted, and mostly in the central area of Exeter where the number of jobs is greatest. However, the decline in notified vacancies in all parts of the EHOD ESB area was smaller than that seen across the South West or England, where falls of 22% have been recorded over the last two years.

6.21 Nevertheless, EHOD’s economy is continuing to create significant numbers of vacancies in occupations related to sales, health, care, personal and customer services and for certain types of process operatives. Yet, despite rising unemployment, a significant proportion of
these vacancies continue to be difficult-to-fill. This suggests that there remain significant issues around the match between the needs and aspirations of job-seekers to the nature of many of the jobs currently being created.

6.22 EHOD remains exposed to cuts in public sector budgets. The public sector workforce is, generally speaking, highly skilled. Opportunities through Growth Point developments creating employment in more knowledge based sectors may absorb some of this released capacity, and reduce any potential outflow of skilled labour. Similarly, new occupiers within the Growth Point area should benefit from this new pool of available skilled labour. Making the links between displaced public sector workers and the private sector should be important.

**Hidden Labour Resources**

6.23 In terms of local labour capacity to support growth, those claiming benefits, both unemployment and incapacity benefits, should be considered an under-utilised supply that offers scope for increasing the size of the local labour pool and creating choice.

**Unemployment**

6.24 EHOD has comparatively low rates of unemployment, and more importantly low long-term unemployment with a quarter of all JSA claimants claiming for more than six months. However, long-term unemployment is becoming increasingly prevalent amongst young people aged 18 to 24, which account for more than a fifth of all long-term JSA claimants in the EHOD area.

6.25 But there are communities where unemployment is an endemic problem. In January 2010 claimant unemployment in certain neighbourhoods in central Exeter, Newton Abbot and Teignmouth was over 6.0%, significantly above the national average (4.3%) and six times the rate found in parts of East and Mid Devon and affluent parts of the city.

6.26 In September 2010 some 5,000 unemployed residents were claiming Jobseekers allowance in the EHOD area. Table 6.1 shows the claimant unemployed in the EHOD area seeking employment in occupations that they usually work in. Based on the seven out of 26 occupation categories with more than 5% share of the claimant unemployed, it would appear that the lower skill level occupations are in most demand. The most common of these is sales occupations, such as retail, which account for over a fifth of all claimant unemployed. The next most popular is in Elementary occupations. This would imply that low entry level occupations in the EHOD area should be easy to fill.

6.27 Out of the largest seven usual/sought occupation groupings, Corporate managers is probably the only one where higher level (Level 3+) skills are expected. Within the EHOD area, there are 265 Corporate managers claiming benefit and seeking work, and therefore not fully utilised. However, this is a small proportion in relation to the overall number of Corporate managers in the EHOD area to really have an impact on the market for these occupations.
Table 6.1 EHOD Jobseeker Claimants by Usual and Sought Occupations, Sept 2010
(only occupations with more than 5% are shown)

<table>
<thead>
<tr>
<th>Occupations</th>
<th>Usual</th>
<th>Sought</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 : Corporate Managers</td>
<td>5.3%</td>
<td>5.3%</td>
</tr>
<tr>
<td>41 : Administrative Occupations</td>
<td>7.9%</td>
<td>8.3%</td>
</tr>
<tr>
<td>61 : Caring Personal Service Occupations</td>
<td>5.9%</td>
<td>5.6%</td>
</tr>
<tr>
<td>71 : Sales Occupations</td>
<td>21.8%</td>
<td>21.6%</td>
</tr>
<tr>
<td>82 : Transport and Mobile Machine Drivers and Operatives</td>
<td>4.8%</td>
<td>5.2%</td>
</tr>
<tr>
<td>91 : Elementary Trades, Plant and Storage Related Occupations</td>
<td>13.6%</td>
<td>13.5%</td>
</tr>
<tr>
<td>92 : Elementary Administration and Service Occupations</td>
<td>10.5%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Total No. of Claimant Unemployed</td>
<td>5,030</td>
<td></td>
</tr>
</tbody>
</table>

Source: Claimant Count

**Incapacity Benefit**

6.28 In the EHOD area there are roughly 15,000 people on incapacity benefits. This equates to 5.7% of the working age population, a figure slightly lower than the regional (6.3%) and national (6.7%) averages. There are significantly more people claiming incapacity benefits than there are claiming JSA, which points to the very significant contribution that incapacity makes to overall worklessness in the area.

6.29 As already commented, rather than treat all these benefit recipients as non labour resources, there may be scope to bolster the labour supply by tackling the relatively high concentrations of unemployment within the priority communities and amongst young people, and encouraging/supporting people off incapacity benefits. All existing Incapacity Benefit (IB) and Employment and Support Allowance (ESA) claimants will be re-assessed using the new tougher work capability assessment between 2010 and 2014. The EHOD Discussion Paper suggests that up to around half of the IB stock may be found fit for work and transferred to JSA and therefore re-entry into the workforce may require re-skilling or up-skilling these residents.

6.30 The recent recession has had a greater impact on the young people, who are losing out to recently redundant labour with more experience. It is particularly important that younger people not in education, employment or training (NEETs) are supported before they become disaffected. Being NEET between the ages of 16–18 is a major predictor of later unemployment, low income, teenage motherhood, depression and poor physical health.

**Skills and Learning**

**EHOD Resident Occupations**

6.31 EHOD’s working residents are more predominately likely to be found working in managerial or professional occupations, which account for around 43% of EHOD resident’s
occupations. These occupations are likely to require high skill levels. A smaller proportion of residents (23%) are working in the lower skilled, elementary and sales (retail) occupations.

6.32 Figure 6.2 compares the type of occupations held by residents and the type of occupations normally found within EHOD workplaces. Generally there is a close match between the two. The notable mismatches are in skilled trades, with a higher proportion of residents in these occupations compared with the workplace occupations in the EHOD area; and associate professional and technical occupations which account for a higher share of workspace jobs than the occupations held by EHOD’s residents. As noted in earlier chapters, technical skills are in short supply generally, and these are the types of skills/occupations most likely to grow in the Exeter and East Devon Growth Point development area.

**Figure 6.2 EHOD Resident and Workplace Occupations, 2010**

![Bar chart comparing residents in work and EHOD workplaces](chart)

Source: Annual Population Survey

6.33 According to SLIM’s analysis, in 2008 half of the South West jobs were in the knowledge intensive sectors (KIS), which is marginally below the national average. In EHOD, only Exeter (51%) achieves a higher proportion of KIS sector workers than the regional average, but the rest of EHOD falls significantly below these proportions (ranging between 39% to...
44%). Consequently, local jobs and workers are likely to be at a greater disadvantage than the other areas of the country in being ready for more knowledge based jobs.

**Qualifications**

6.34 As shown in Figure 6.2, in terms of skills and qualification achievements, EHOD’s residents are generally doing better than the rest of Devon, better than the regional norm with the exception for higher skill levels, but far too often, it is performing below the national level.

6.35 In 2008, 27.5% of the EHOD working age population was qualified to Level 4 (degree qualification equivalent), which is relatively a well qualified workforce, but is below the South West and national averages (28.3% and 28.7% respectively).

6.36 Half the working age population were qualified to at least Level 3 (A Level equivalent), which is marginally above the South West average (49.5%) and above that for England as a whole (47.4%), and proportionally more are at least qualified to Level 2 (5 GCSEs equivalent) than the regional figure (71.4%) and 3.6 percentage points above the figure for England as a whole (68.6%).

6.37 The proportion of people with just low (entry) level qualifications (below Level 2) was comparable to the proportion found at regional level (29%).

6.38 In looking forward at the requirements for jobs in the Growth Point growth sectors residents in the EHOD area are already performing adequately. However this does not show whether these achievements or skill levels are in the subjects that future employers are looking for. There will also be a large proportion of the population that remain under-qualified even in some of the jobs with lower qualification requirements, and these residents will need extra support to be competitive in the local market.

6.39 Lastly, in looking at the Leitch targets, despite doing relatively well, there remains a significant challenge in reaching them. In improving general skills EHOD needs to move towards the Leitch targets focused on Skill Levels 2 and 4. Although EHOD is relatively well placed to meet the Leitch intermediate targets, on a base year population of 2008 and a 12 year timeline for achieving the targets, the following number of additional working age residents will need up-skilling to a:

- Level 2+ qualification = 40,900 residents, equivalent to 3,400 extra places pa
- Level 4+ qualification = 24,800 residents, equivalent to 2,060 extra places pa.

6.40 Based on these numbers, an additional 8.3% uplift in achievement levels is required to 2020. The challenge therefore remains significant.

**Schools**

6.41 Compared with the national standards, only East Devon is achieving a higher percentage of 15 year olds achieving 5+ A*-C grades at GCSE than average. Exeter is falling significantly below the average, with the worst results in Devon.

6.42 GCSE results in Sciences in Devon have always been above the national average. But unlike the national average they have remained static, and the last results year shows that Devon has fallen below the national average.
6.43 A Level performance has been better, with Devon in line with the national average and above the regional average.

_Further Education_

6.44 The number of 16-17 year olds staying on in education and training in Devon is relatively low. In 2007 the proportion in education and training in Plymouth (86%) was above both the England average (83%) and that for the South West (82%), while in Devon the figure was 81%. The proportion of young people staying on in full time education has risen rapidly in recent years (from 78.5% in 2007 to 85.2% in 2009) whilst the numbers entering work and training declined from 14% to 8.6% in the same period.

6.45 With 4,000+ students aged 16 to 18, more than half of all A’ Level students in the EHOD area study at Exeter College. Performance at the College has also been relatively good against the rest of Devon and regional averages.

_On the Job Training_

6.46 As shown in the snapshot Figure 6.3, EHOD ESB area has a relatively higher proportion of workers receiving work-related training of some kind, with all EHOD districts being above the national average, and Teignbridge, Exeter and Mid Devon are within the top four districts in Devon, plus above the regional average. SLIM (May 2010) also provide data which indicates that this performance has been increasing over the period 2005 to 2009.

6.47 This identifies that local employers are willing to support and train staff, which is something that the government is looking to continue and expand in the future when there will be greater emphasis on employers paying for training.

_Figure 6.3 Proportion of Employees and Self-employed Receiving Job-related Training in last 13 weeks, October 2008 - September 2009 (%)_
Priority Locations for Skills and Training Support

6.48 Based on existing levels of qualification achievements and the available training provision, EHOD residents are well placed to benefit from the anticipated growth in the Growth Point area. However, some residents will require more support to benefit from these opportunities. Figure 6.4 identifies the priority neighbourhoods for employment and training support intervention based on an index of employment and/or training deprivation. The most disadvantaged neighbourhoods (within the worst 20% nationally) are concentrated in small pockets within the urban areas of Exeter, Teignmouth, Newton Abbot, Tiverton, Dawlish and Exmouth.

6.49 Many of the most disadvantaged residents are already picked up through existing initiatives run by the Jobscentre Plus network and local community groups. EHOD ESB should support these initiatives by linking them with the Growth Point employment opportunities and training. Skills actions must recognise this and respond accordingly.

Figure 6.4 Index of Deprivation Map

Summary

6.50 The delivery of Exeter and East Devon Growth Point developments will create higher value, well paid employment opportunities which should be welcomed by local residents. It can be expected that there will be labour to serve the new sectors and jobs, and therefore it will be important to link the availability of jobs with the right labour skills.
6.51 The rebalancing of the economy after the recession, focused on moving public sector workers into the private sector, should be enhanced with the development of high quality employment areas which will support the growth of the knowledge economy. This could also help stem the current outflows of young HE educated residents.

6.52 Analysis of the existing and forecast EHOD workforce reveals that EHOD’s population is ageing, with a projected growth of 11% in the working age population compared with 23% in the non-working age group between 2008 and 2021. To ensure that the additional working age residents are utilised and benefit from employment growth, it is important that both training providers and businesses respond to this to encourage older workers into work or to remain in work.
7 CURRENT TRAINING PROVISION

Introduction

7.1 As noted in the previous section, there is a local labour pool from which the Growth Point developments will be able to draw labour from. This section now provides an overview of how existing training provision in the EHOD and surrounding areas meets the skills and training requirements of the main employment growth and emerging sectors identified in chapter 4.

Construction and Business Services

Further Education and private training provision

7.2 Construction and building services related training provision is very strong in the EHOD area. Exeter College, Petroc and South Devon College (previously awarded Centre of Vocational Excellence (COVE) status for Construction) provide a range of construction courses at NVQ Levels 1, 2 and 3, including specialist sub-sector training like Wood Machining, Carpentry and Joinery, Brickwork and Painting and Decorating courses. The FE providers also cater for those wishing to gain plumbing and electrical qualifications as well as providing employers with a range of short courses. The courses are responsive to changing construction sector needs, reflected particularly by the recent development of training related to the installation and maintenance of micro energy generation devices to buildings at Petroc and Bicton College.

7.3 The quality of training facilities in Exeter should be improved further by the expansion of the existing construction training facility at Sowton to create the Building Technology Academy. Exeter College plan to open this facility in September 2012.

7.4 The Colleges report that the take up of apprenticeships by employers has been low in recent years, particularly since the recession hit. At a time when small businesses in particular are trying to cut costs it is difficult to convince them to take on a 16 to 18 year old apprentice for the first time as they have to pay approximately £500 to increase their Professional Indemnity Insurance cover.

7.5 In addition to the extensive FE level training provision, construction related courses are also provided by private providers like PGL (construction, plumbing and electrical) and DCET (electrical).

Higher Education

7.6 At the higher level, South Devon College offer a HNC in Construction and a HND in Building Services Engineering. The University of Exeter provides a BEng and a MEng in Civil Engineering.

Gaps

7.7 FE and HE training provision for the Construction and Building Services sector is considered to be comprehensive. It is essential, however, that training and education providers regularly review their course provision to ensure that it is aligned with rapidly changing construction methods and requirements. In particular, it is important that the
existing workforce and new entrants are familiar with the changing construction standards being set out in the Code for Sustainable Homes. Achieving ‘Zero Carbon’ status will require new skills, particularly in build techniques and the installation and maintenance of micro-generation technologies. FE and private training providers will therefore need to provide more of the type of courses that are being developed at Bicton College as well as Micro-generation Certification Scheme (MCS) courses.

**Business and Professional Services**

**Further Education and private training provision**

7.8 Further Education provision of business administration, finance and ICT courses is very good in the EHOD area. Exeter College was previously awarded COVE status for Business and Management and its Business School offers a range of Level 1, 2, 3 and 4 courses that are of particular benefit to the Business Services sector. Similarly South Devon College has recently opened a Management Centre at Heathfield which offers a range of Institute of Leadership and Management courses and accounting technician training. The EHOD FE colleges also provide a range of Administration and Secretarial courses at Levels 2 and 3. The FE Colleges also offer a range of ICT and accountancy apprenticeships, although take up by employers is reported to be low.

7.9 The sector is likely to experience the greatest growth in terms of business numbers and employees over the next 20 years. It is therefore important that individuals in the EHOD area are supported to start-up businesses in this and other sectors. The FE colleges are able to provide bespoke courses for individuals and Exeter College operate the YESS (Young Entrepreneurs’ Support Solution) programme, which offers free training for under 19 year olds who are considering self-employment.

**Higher Education**

7.10 The University of Exeter Business School has established itself as one of the top business schools in the UK. It currently provides for in excess of 2,500 taught students and has aspirations to double the number of students following a £25 million extension. The School provides a range of undergraduate degrees in accountancy and finance, economics, leadership and management, marketing and business. It also provides a number of taught Masters courses in accountancy and finance, money and banking, marketing and economics as well as the Exeter Master of Business Administration course. The University of Exeter also provides specialist under - and postgraduate degrees in Computer Science and Mathematics, Computer Science, Financial Mathematics and ICT Management for Business.

**Gaps**

7.11 The range of training and education provision in the EHOD area for the Business and Professional Services sector is considered to be good. Consultation with The University of Exeter, in particular, has highlighted that although a number of leadership and management courses have been provided in the past, take up by local businesses and their employees has traditionally been low.
7.12 Although the FE colleges provide bespoke training to individuals considering starting up a business there is a reported lack of take-up. This is mainly due to the fact that individuals have to pay for the training. Although Business Link provide free half day workshops to individuals and Exeter Business Support provides advice, there is no ongoing support/mentoring for individuals to help them start-up and operate through their first year.

**Transport and Logistics**

*Further Education and private training provision*

7.13 The FE Colleges provide training for Warehouse and Storage staff to NVQ Levels 1, 2 and 3. Units range from operating equipment and safety at work to processing orders and managing the receipt and dispatch of goods. South Devon College provide LGV driving courses and Transplant Mastertrain are contracted by Exeter College to deliver HGV driving instruction. Transplant Mastertrain also provide a range of other transport and logistics related courses including catering for the new CPC requirements.

7.14 Many skills required by the airport related employers are no different to other sectors. Skills required include administration, management, customer service, ICT and finance skills. Training provision for these skills areas is already well established in the EHOD area. More specific training requirements of many of the employers at Exeter Airport are catered for through the Flybe Training Centre. This provision includes pilot, cabin crew and engineering training. The provision of airport related training will be extended further when the new Flybe Training Academy is opened. The training to be provided, in partnership with Exeter College and The University of Exeter, will help more local residents to progress to employment at Flybe and other airport businesses (both onsite and at Skypark). Furthermore, the range of training that will be provided, both at the Academy and at the adjoining hotel, should benefit other sectors including Retail, Hospitality and Leisure and Advanced Engineering.

**Higher Education**

7.15 Flybe has worked closely with Exeter College and the University of Exeter to develop higher level courses. These include the Flybe Diploma in Engineering and the Leadership and Management Aviation Foundation Degree. The Flybe Diploma in Engineering is a four year training programme, the third and fourth years of which are taken simultaneously with a Foundation Degree in Aerospace Engineering. The Leadership and Management Aviation Foundation Degree has been developed for Flybe by the University of Exeter Business School.

**Gaps**

7.16 Provision of training for the Transport and Logistics sector is considered to be good at FE level. Gaps in provision for higher level courses, specifically for airport related activities, are being addressed by Flybe in partnership with Exeter College and the University of Exeter.
Retail, Hospitality and Leisure

Further Education and private training providers

7.17 The Further Education Colleges provide a range of courses and apprenticeships that are of benefit to individuals and employers in the Retail and Hospitality sectors. The Colleges provide NVQ Levels 1, 2 and 3 in Hospitality Services and Supervision and a range of Level 2 and 3 Food Service and Professional Cookery qualifications. South Devon College also offer a Foundation Degree in Hospitality Management, in partnership with the University of Plymouth.

7.18 South Devon College report that they cannot find enough local people to take up the demand for catering apprenticeships from local businesses. This goes completely against the general trend of there not being enough employers taking on apprentices. The shortfall is attributed to the poor working conditions and levels of pay reported by kitchen staff in general.

7.19 The Colleges run a range of short courses in customer service and other retailer requirements. Petroc also runs Level 1, 2 and 3 Retail Diploma courses (including a ‘Retail Skills Shop’) which train staff in all aspects of working in retail from customer service to sales, management and visual merchandising. Take up of this course is very good. Each of the Colleges also run English for Speakers of Other Languages (ESOL) and basic Numeracy and Literacy courses, both of which are often requested.

7.20 In terms of private sector training provision, the Academy for Training and Development in Hospitality and Catering provides a large range of NVQ level courses in different aspects of Hospitality including customer service, front office, house keeping, cleaning and support services, food and drink service and catering. They also offer an Apprenticeship in Hospitality and Catering. Other providers offering Hospitality and/or Retail training programmes include CRS Inc and Focus. Providers of employability skills, including PLUSS and Working Links, can also help individuals to access job opportunities in these sectors.

Higher Education

7.21 Many of the higher level skills requirements of the Retail, Hospitality and Leisure sectors are satisfied by a range of degree programmes provided by Exeter and Plymouth Universities. Tourism specific courses are provided by South Devon College, which offers a Foundation Degree in Hospitality Management in partnership with the University of Plymouth, which the University of Plymouth itself also offers.

Gaps

7.22 Many of the skills required by employers in the Retail, Hospitality and Leisure sectors are at Level 1, 2 and 3. Sector specific training at these levels is already provided by FE and private providers.

7.23 Much of the training is provided either on campus or at individual businesses. There is a shortage of outreach provision for individuals who are disengaged with the education system. Basic employability training in community settings would help these individuals to access employment.
Food and Drink

Further Education and private training providers

7.24 Each of the FE Colleges offer a range of NVQ level courses in food hygiene and health and safety, catering for demand for training from employers in order to comply with legislation. Only Petroc provides specific courses in Food and Drink Manufacturing (Level 1, 2 and 3 covering food and drink hygiene, controlling production processes and maintaining quality). This shortfall in training provision is largely reflective of demand, particularly in Exeter which has an underdeveloped Food and Drink sector.

7.25 No Food and Drink manufacturing specialist private training providers were identified in the EHOD area. However, training providers offering employability and generic workforce development training, like Maximus UK and A4E, are able to meet many basic training requirements for the sector.

Higher Education

7.26 The shortfall in training provision for the sector extends to Higher Education; the Food Technology Centre, and related Level 4 and 5 courses, ceased to operate when the University of Plymouth closed the Seale Hayne campus. The nearest specialist training facilities are now provided at Duchy College in Cornwall. That said, like the majority of the other growth sectors, the FE Colleges are able to cater for specific employer training needs and will provide qualification and bespoke training at individual business premises.

Gaps

7.27 There are currently considerable gaps in training for the Food and Drink sector. There are, however, few large scale processing companies in the EHOD area at the moment, particularly Exeter, to generate enough demand for training. Whilst there is training provision available to cater for Food and Drink sector legislation requirements, there is little support for improved competitiveness e.g. through product development and improved efficiency. If the sector is to grow it will either be through inward investment of larger processing companies or through growth of indigenous businesses. FE and HE providers should consult with both small and large businesses in the sector industry to assess the types of training that could be developed to support increased competitiveness in the sector.

Advanced Engineering

Further Education and private training providers

7.28 Although the Advanced Engineering sector relies heavily on staff with Level 4 and 5 qualifications there will still be a requirement for technicians with Level 3 qualifications. Achieving good GCSE and A Level qualifications in STEM related subjects is beneficial.

Higher Education

7.29 The University of Exeter has a well renowned School of Engineering offering BEng and MEng qualifications in Engineering, Electronic Engineering, Engineering and Management, Materials Engineering and Mechanical Engineering. Other postgraduate courses include Masters degrees in Advanced Materials Engineering and Advanced Mechanical
Engineering and the University boasts research specialisms in biomedical physics, electromagnetic materials, quantum systems and nano-materials. This provision, combined with University specialisms in other STEM subjects, leaves Exeter well placed to not only attract Advanced Engineering businesses but also to successfully establish a cluster of spin out businesses at the Science Park.

**Gaps**

7.30 The key challenge will be to convince STEM graduates of the University to stay in the area and to attract and/or incubate the type of employers that can utilise the resource. The other challenge is also to encourage take up of STEM subjects in secondary and further education so that there is a steady flow of local residents moving through the system and into employment.

7.31 At the moment there is no clear progression route into Advanced Engineering through the FE and vocational training route. The FE colleges, in partnership with the Universities, should discuss the potential for establishing more Advanced Engineering sector specific vocational and/or Foundation Degrees.

**Bioscience and Health**

*Further Education and private training providers*

7.32 Bioscience is not a defined subject at FE level, although the Colleges do provide A Levels in STEM subjects, the subjects required for progression to Bioscience degrees. South Devon College do however offer a Foundation Degree in Bioscience, in partnership with the University of Plymouth.

*Higher Education*

7.33 As stated in chapter 4, Bioscience sector employers predominantly seek to recruit graduates and post graduates in related STEM disciplines. The University of Exeter has a highly regarded Biosciences School, and its growth will be enhanced by a new £25 million investment in laboratories. The School currently offers undergraduate degrees in Biological Sciences, Biochemistry, Biological and Medical Chemistry and Molecular Biology. It also offers Masters degrees, including Biomedical Physics and Applied Biochemistry and Biocatalysis, and has a significant research capability and track record. The Peninsula College of Medicine and Dentistry also offers degree programmes in Medicine and Dental Surgery.

**Gaps**

7.34 Similarly to the Advanced Engineering sector, most people entering the Biosciences and Health sectors have developed specific expertise at graduate and post graduate level. In order to access employment opportunities in the sector it will be necessary for more EHOD residents to have achieved Level 2 and 3 qualifications in STEM related subjects. FE providers should consult with the industry, once it is more established in the area, to assess the potential of developing apprenticeship programmes for technician level positions.
Low Carbon and Environmental Goods & Services

Further Education and private training providers

7.35 Low Carbon and Environmental Goods & Services is a relatively new sector and FE and HE provision nationally has not fully responded to the agenda, although many of the disciplines are cross cutting and are therefore picked up in a range of courses.

7.36 FE Colleges are responding to the market opportunity by setting up courses aimed at providing plumbers and electricians with the knowledge and certification for installing a range of environmental technologies. For example, Bicton College is setting out to develop a centre of regional excellence for renewable energy technology education. Known as the EaRTH Centre, the new facility will provide training units, demonstration areas, interpretation, and teaching around a range of technologies including solar PV, solar thermal, underfloor heating, biomass heating, grey water systems, rainwater harvesting and reed bed filtration systems.

Higher Education

7.37 Despite the shortfall in LCEG specific training nationally, Exeter is extremely well placed to develop a cluster of LCEGS businesses, particularly at the Science Park. The city currently boasts the largest grouping of climate change researchers in the World, both at the Hadley Centre (Met Office) and the University. The University has also established a new Renewable Energy degree programme, operating from the Cornwall Campus, and is actively involved with the University of Plymouth in the testing of a range of technologies through the Peninsula Research Institute for Marine Renewable Energy (PRIMARE).

Gaps

7.38 The LCEGS sector is developing and growing rapidly. It is important that FE and HE training providers respond to the changing needs if the EHOD area is to benefit from the opportunities presented. The University of Exeter has a well established course and research provision in both Climate Change and Renewable Energy. Bicton College is leading the way in responding to the sustainable construction and micro-renewables agenda, and it is important that the other FE providers follow this lead through the development of a mix of core curriculum and vocational courses.

Take-up of Training

7.39 Whilst much of the range and quality of training is considered to be suitable for the current EHOD employment profile, issues around the levels of take up of training have been raised by FE and HE providers. The key issues include:

- Employer take-up of apprenticeships is generally lower than the number of individuals wanting to access them. Take-up has been particularly low during the economic downturn, but is generally worse amongst certain sectors, including ‘white collar’ jobs. The low take-up in some sectors is attributed to the small business profile of the local economy and the cost implications involved. More needs to be done to encourage take-up by highlighting the long term economic benefits of taking on apprentices.

- It is apparent that many of the Growth Point sector businesses will be seeking to attract graduates in STEM related disciplines. It is therefore important that these opportunities
are highlighted to students, particularly at GCSE level, to help encourage take-up of
STEM subjects at A' Level and at University.

- The proportion of Exeter graduates that stay in the EHOD area to work is currently very
  low. The University of Exeter has tried over many years to encourage local businesses
to take on graduates through initiatives like Shell Step and the Graduate Business
Partnership scheme. Both of these projects have had limited success. It is hoped that
the development of Exeter Science Park and Skypark will help to increase levels of
graduate retention.

- The University of Exeter has provided a range of short and bespoke courses over the
  years, particularly through the Business School. Take up of these by local employers
has been poor. The University has a very good reputation for delivering leadership and
management, systems management and service science training but has to deliver this
where there is market demand.

Summary

7.40 The audit of training and education provision suggests that there is currently the right range
of training in place in the EHOD area to cater for the skills and training requirements of
growth and emerging sectors that are likely to be attracted, or benefit from, Key Growth
Point developments. Furthermore, FE Colleges offer bespoke training to meet individual
employer needs.

7.41 Specific shortages or gaps in training provision that have been identified include:

- FE and HE courses related to sustainable construction techniques
- MCS certification courses
- Business start-up support and on-going mentoring
- Employability training outreach – particularly to help individuals access employment in
  lower skilled sectors like Retail and Hospitality
- A shortage of Level 3 and 4 training for the Food and Drink sector, particularly relating
to improved competitiveness and efficiency
- Underdeveloped vocational training offer for the emerging sectors of Advanced
  Engineering, Bioscience and Health and LCEGS. LCEGS sector related training needs
  will need to be provided through existing courses, including construction and
  engineering, as well as new core curriculum and short courses.

7.42 Although there are gaps in provision the main issue requiring attention is increasing levels
of take-up both by individuals and employers. For individuals, there is a need to increase
levels of take-up of STEM subjects at Level 3, 4 and 5. At the same time employers need to
be encouraged to take on apprentices and train existing staff in management and
leadership skills in order to deliver greater business productivity levels overall.
8 INTERVENTION FRAMEWORK

Introduction

8.1 From our analysis of the work set out in this study we have identified a series of factors that should be addressed in order for the EHOD goals to be achieved. These factors have been tested and developed through workshops and consultations with key stakeholders. The output of this study is to produce a series of Actions. Whilst it is beyond the role of this study to develop a strategy, it is helpful to have a framework for intervention and prioritisation of actions. This is done in a three stage process:
- Identify Strategic Themes
- Develop Prioritisation Framework
- Formulate Priority Actions

8.2 In this chapter we first set out the strategic themes and then establish the prioritisation framework. In the following chapter we then describe the recommended priority actions.

Strategic Themes

8.3 There are seven key themes to address in order to ready the EHOD residents for the employment opportunities presented by the Exeter and East Devon Growth Point developments. We set out these seven themes below and discuss under each theme heading some of the potential actions that might help realise the theme objective.

**Raise resident awareness of EHOD target sectors and associated training requirements**

8.4 It is important that EHOD residents are made aware of the types of employment within the Growth Point developments. This will allow them to position themselves for the employment opportunities by attaining the types of qualification most in demand. At the same time it is necessary to highlight to existing employers, and potential inward investors, the range of education and training provision that is already on offer in the EHOD area.

8.5 The idea of establishing a Skills Shop has been discussed by the ESB previously. A Skills Shop, potentially located in Exeter City Centre, would be a drop-in centre for careers advice to all residents (including those already in work but considering a change of career). The Skills Shop would enable EHOD residents to find out about the types of jobs on offer and the skills requirements within the Growth Point. Advisers would be able to signpost people to the types of course that would enable them to progress into new careers.

8.6 It was also suggested that an employers’ guide to the FE, HE and private training offer should be developed. This could be offered to employers in a range of media, including a brochure or a searchable website.

**Help to ensure that EHOD residents are able to access direct job opportunities**

8.7 This study has identified that one of the main sectors to benefit from the Growth Point developments should be Construction and Building Services. It is important that as many
EHOD residents as possible are able to access the jobs that should be created during the construction phases.

8.8 The key mechanisms for achieving this will be through the negotiation of Section 106 agreements as part of the planning process and through the procurement of contracts. Section 106 agreements could be used to either secure financial contributions towards training provision and/or help to guarantee that a certain percentage of EHOD residents benefit from the employment opportunities.

8.9 Both the public and private sectors can, as part of the procurement process of construction and related contracts, include questions on local procurement and employment as part of the appraisal criteria. The public sector also has a role to play in advising and supporting local companies so that they are in a position to tender for contracts.

*Make sure training provision is responsive to changing employer needs*

8.10 It is clear from the analysis of sector skills requirements that the Growth Point sectors are either ‘emerging’ or are experiencing significant change. It is very important that EHOD FE, HE and private training providers are made aware of changing skills needs so that they can develop new, and revise existing, courses. It is also critical that the Information Advice and Guidance (IAG) and training providers communicate their new provision through the all-age careers service (to be introduced by April 2012), so that frontline advisers can take the necessary actions to promote these new opportunities to the wider community.

8.11 Priorities identified include setting up regular meetings between Growth Point employer group representatives and training providers to ensure that each is kept up to date with changes. This is particularly important for the construction sector, which is going through significant change in terms of techniques used and new standards that have to be met, as well as the emerging LCEGS sector.

*Raising take-up of STEM subjects across all educational levels*

8.12 A large majority of jobs generated in the Business and Professional Services, LCEGS, Advanced Engineering, Bioscience and Health sectors will require an educational grounding in STEM subjects, particularly at Levels 4 and 5. In order to improve take-up of STEM subjects at Levels 4 and 5 it should be necessary to improve take-up of science, maths and technology related subjects at GCSE and A Level. Stakeholders consulted during the course of this study indicated that the most effective way of improving STEM subject take-up at GCSE level would be through a range of activities aimed at enthusing Year 7 and 8 students. These activities should involve student engagement with EHOD businesses to find out how STEM subjects are applied in the working environment.

8.13 Other potential actions identified included engaging with teachers, careers advisors, Connexions and other support service providers to ensure that they are fully aware of the importance of STEM subjects and are able to advise students on the most effective progression routes for accessing science and technology related careers.
Improving progression to NVQ Levels 3 and 4

8.14 Analysis of the skills requirements of the Growth Point sectors reveals an increasing emphasis on the need for Level 3 and 4 qualification attainment. This is a particular requirement for those in, or moving into, management and leadership positions.

8.15 Analysis of the existing EHOD education/training provision reveals that there are relatively few vocational progression routes through to Level 4 via Foundation degrees in the EHOD area. The few Foundation Degrees that are available are generally provided in partnership with the University of Plymouth. The University of Exeter, as a top 10 university, is less accessible to EHOD residents, although efforts are being made to address this through a widening participation agenda. It is clear that more can be done to improve progression routes, either by the University of Exeter offering more flexible and accessible provision or by encouraging the University of Plymouth to further extend its outreach links with EHOD FE colleges.

8.16 Despite significant investment in management and leadership training provision at both FE and HE level, take-up of courses by employers in the EHOD area is reported to be low (particularly of Exeter Business School courses). If EHOD businesses are to remain competitive in the global economy it is important that take-up of courses in this key skills requirement is improved.

Improve retention of graduates

8.17 The University of Exeter has operated schemes aimed at improving take-up of graduates by local businesses for many years. Despite the demonstrable benefits that have been reported by businesses participating in these schemes, the outflow of University of Exeter graduates from the sub-region is very high. It can be argued that this is largely because the University specialises in subjects that are not of benefit to the existing businesses in the area. The Growth Point developments are however considered to be important in addressing this, both through encouraging inward investment and the growth of spin-off companies.

Ensure training and employment opportunities are provided to disadvantaged residents

8.18 Many of the jobs that should be generated by the Growth Point developments, particularly in Retail, Hospitality and Leisure, Construction and Building Services, Transport and Logistics and administration, are more accessible to individuals who are long term unemployed or lacking higher level qualifications.

8.19 Longer term unemployed people often need specific support to access both education/training and employment. Jobcentre Plus and other support agencies operate a range of programmes, including Work Trials, to encourage employers to take on unemployed individuals. Devon County Council, through their Skills For Life Programme, and third sector organisations, like Exeter Community Initiatives, run a range of training activities, predominantly aimed at confidence building and employability skills, for the most hard to reach individuals. More work needs to be done in the more deprived areas in particular if the more hard to reach residents are to access employment opportunities and not become more socially excluded.
8.20 In addition to confidence building skills it is essential that more socially excluded individuals are provided with basic ICT skills. Although ICT training provision in the EHOD area is considered to be good, more socially excluded individuals may be intimidated by traditional educational environments, perhaps based on previous experience. More outreach ICT training may therefore be required.

Prioritisation Framework

8.21 The prioritisation framework has clearly established parameters. Firstly these actions should specifically relate to the Growth Point developments rather than more general skills and training requirements. Secondly they should specifically relate to the strategic influencing role of the ESB.

8.22 The strategic themes highlighted above and potential actions were discussed at an action planning workshop attended by key FE, HE and private training provider and business representatives. The workshop had a two-phase process. Firstly it sought to agree the key strategic themes and priority areas for intervention. Secondly it sought to identify a shortlist of priorities and linked actions that could be further developed by the study team.

8.23 The prioritisation process was based around ‘impact’ and ‘influence’. ‘Impact’ refers to the potential impact of the action in achieving ESB outcomes and ‘influence’ was taken to mean:

- What actions can the ESB have an influence upon?
- What actions can the ESB help deliver?

8.24 The detailed actions and rationale are set out in the next chapter. In developing these actions RTP were very conscious to produce actions that are realistic and deliverable given the resources available to, as well as role of, the ESB.
9 FUTURE SKILLS INTERVENTIONS: ACTION PLAN

Introduction

9.1 This chapter sets out a number of actions that the EHOD ESB can develop and implement to help prepare residents for the employment opportunities that should be presented by the Growth Point developments. The priorities and linked actions have been identified to reflect the role of the ESB in both facilitating and influencing the shape of local education and training provision to meet existing priority and emerging sector training needs.

9.2 It should be noted that over the next 5 years the EHOD Employment and Skills Plan will be delivered during a period in which the UK will experience the deepest cuts ever seen in the public sector. The £83 billion of public sector spend to be saved by 2014/15 will impact on all Government departments. With this in mind, the actions identified in this chapter have been identified on the basis that they have the potential to achieve high impact, yet are deliverable within a new climate of constrained spend.

Actions

9.3 The implementation of the following actions will help:

- Training and Information, Advice & Guidance (IAG) providers to understand and become more responsive to the needs of existing and emerging sectors that should benefit from the Growth Point developments
- EHOD residents to access the employment opportunities that should be created or supported by these developments, and the businesses that should be attracted to the area
- Support for start-up and existing Growth Point defined sector businesses to establish and/or grow their operations and improve the efficiency of their staff.

9.4 The actions are set out under the following sub-headings:

- Objective – What is the objective the intervention is intended to achieve
- Action – What is the specific action
- Rationale – What the action will address, for example a skills deficit or requirement
- Description – What the action is and how it should be delivered
- Delivery partners – A list of those partners that will work with the ESB to deliver the action
- Resources – How the action should be delivered in terms of officer time and funding requirements
- Outputs and outcomes – Outputs are the deliverables that should be achieved by the ESB and partners, e.g. an event or the number of businesses engaged, and an outcome relates to the wider impact of implementing the action, e.g. improved skills attainment levels.
Priority A – Provider Responsiveness

Objective

9.5 Ensure that training and IAG providers are responsive to the Growth Point sectors employers’ needs.

Action

ESB to co-ordinate meetings between HE, FE, private training providers, IAG providers and Growth Point sector businesses to discuss skills and training needs.

Rationale

9.6 If demand for skills development is to be stimulated amongst individuals and employers in the EHOD sub-region, then training provision must meet expectations and be better tailored to meet the demands of the changing economy. The sub-region needs training providers that can respond quickly, flexibly and effectively to the needs of employers and individuals.

9.7 Ensuring that the training infrastructure of the sub-region is fit for purpose is crucial, as well as supporting initiatives which engage employers in the development of provision.

Description

9.8 Growth Point sector engagement events should be held at least twice a year to allow training providers to better understand and respond to employer training needs. The ESB should perform a secretariat function in setting up and running these events for each of the Growth Point sectors.

9.9 The engagement process is particularly important for the emerging sectors that are not well represented in the area already and for Construction and Building Services, where there is expected to be rapid and fundamental change in working practices and methods in order to meet changing Code of Sustainable Homes and BREEAM requirements. More directly relevant vocational training will need to be developed to meet the needs of the emerging sectors in particular. The same applies to HE providers, which will increasingly need to address the widening participation agenda by providing more flexible and accessible level 4 and 5 provision in identified priority skills areas.

9.10 The events will allow FE department heads to hear about changes in legislation and working practices and to consult with employers on different training needs that they will need to respond to. At the same time the events will be beneficial for Growth Point businesses in finding out about the range of training that is available and where they can have an influence on new courses, as the Government is emphasising in national policy.

Delivery partners

9.11 The delivery partners for this action should include:

- EHOD ESB
- FE Colleges
- HE
- Private training providers
Information, Advice and Guidance (IAG) providers
Growth Point defined sector businesses
Relevant SSCs.

Resources

9.12 The EHOD ESB Co-ordinator would be required to co-ordinate the Growth Point sector engagement groups and provide secretariat functions.

Outputs and outcomes

9.13 The outputs associated with this action would be the establishment of ongoing engagement events between Growth Point sector businesses and training providers.

9.14 The main outcome would be improved responsiveness of training providers and IAG providers to Growth Point sector needs.

Priority B – STEM Subject Take-up

Objective

9.15 Preparing young people for future high skilled employment opportunities by encouraging take-up of STEM subjects

Action

Encourage Growth Point sector businesses to sign-up to the STEM Ambassadors scheme.

Rationale

9.16 Many of the key employment sectors that are being targeted for the Growth Point developments require employees with a strong grounding in STEM subjects. However, in general too few students are studying, or feel confident of studying, science and mathematics at A Level. Furthermore, only a small minority of those achieving at least Level 6 at Key Stage 3 go on to study GCSE triple science, which is the best preparation for A Level and further STEM study. It is therefore important that more is done to inspire and enthuse young people and to highlight the application of science in the working world.

Description

9.17 In order for EHOD residents to access many of the employment opportunities that should be created in Bioscience and Health, LCEGS, Advanced Engineering, Business and Professional Services, and the other higher skilled sectors being targeted for the Growth Point, they will require a strong grounding in STEM subject(s). There are a number of initiatives aimed at raising young people’s interest and participation in science and maths at school, the most successful of which has been the STEM Ambassadors programme. Rather than reinvent the wheel, the ESB should be proactive in encouraging its members and the EHOD business community as a whole to sign up to the STEM Ambassadors programme. This would help to increase the pool of business volunteers who liaise with Year 7 and 8 pupils to undertake a range of activities to educate and enthuse them about STEM subjects and their application in the working world. As part of this support, Ambassadors would be encouraged to host school visits to their premises, if appropriate,
and to major Growth Point developments. The latter should be encouraged through planning and contract negotiations. New Ambassadors will also have a key role to play in ensuring the successful delivery of the ‘Big Bang’ Science Fair, which will be hosted at The University of Exeter over the next three years.

**Delivery partners**

9.18 The delivery partners for this action would include:

- Devon Education Business Partnership
- Exeter Chamber of Commerce
- Devon and Cornwall Business Council
- FE/HE

**Resources**

9.19 The delivery of this action would require ESB Co-ordinator in kind time input, working alongside the Devon Education Business Partnership.

**Outputs and outcomes**

9.20 The main output for the action would be increased sign up to the STEM Ambassador scheme by EHOD businesses and more engagement events with Year 7 and 8 students.

9.21 Targeted activities for Year 7 and 8 students will help to increase take-up of STEM subjects at GCSE, which in turn will ensure that greater numbers of students move onto FE and HE STEM courses. Improving take-up of STEM subject progression routes will thereby improve the chances of residents to access the higher skilled employment in Bioscience and Health, LCEGS, Business and Professional Services and other priority sectors that should be created at Exeter Science Park and Skypark.

**Priority C – Green Economy**

**Objective**

9.22 Build the capacity of EHOD training providers and residents to respond to the opportunities presented by the Green Economy

**Action**

*ESB to liaise with FE providers to ensure that training and education is developed to enable EHOD residents to access the opportunities presented by the Green agenda.*

**Rationale**

9.23 Across the UK, millions of new jobs and new businesses are predicted to come about as regulation and technology drivers combine to create markets out of activities that: help to protect ecosystems and biodiversity; reduce consumption of energy, materials and water; reduce energy, conserve materials and water consumption through high-efficiency strategies; de-carbonise the economy; and minimise or altogether avoid generation of all forms of waste and pollution. The EHOD sub region is well placed to take advantage of these opportunities, not least because it already has a well established research and development capability in Climate Change and Renewable Energy. On the ground, the key...
developments to the East of Exeter will require higher standards of design and construction, particularly at the recently designated Cranbrook low carbon town. It is important that the FE and HE training and education provision is responsive to the requirements of businesses in the emerging LCEGS sector and to people who would like to access employment opportunities.

9.24 This study has identified that, apart from Bicton College, which has developed and launched the Earth Project, the other FE providers have yet to establish specific Renewable Energy and Energy Efficiency related courses. It is important that other FE providers respond to the opportunity and forecast demand by setting up or trialling a range of courses at NVQ levels 3 and 4 as part of their engineering and construction curriculum. Lessons can be learnt from other UK providers in this respect, including Cornwall College, which has developed a Foundation Degree in Renewable Energy, and Bedford College, which has Foundation Degrees in Building Services and Sustainability and Sustainable Construction.

9.25 Of more immediate importance, if local construction companies and their employees are to access the opportunities presented by the Growth Point developments they must be fully compliant in the fitting and maintenance of various environmental technologies. FE colleges should therefore pilot a range of short courses in Photovoltaic Systems installation, Solar Domestic Hot Water Installation Certificate, Heat Pumps, Rainwater Harvesting Systems and Underfloor Heating.

Description

9.26 The ESB, in collaboration with LCEGS businesses, ConstructionSkills and Regen SW, should work with FE and HE providers to ensure that, through appropriate training responses, EHOD businesses and residents are well positioned to be able to access the opportunities presented by the growing green economy. The ESB also has an important role in highlighting to the Skills Funding Agency and other funding bodies the important role that EHOD and its employers have to play in leading the growth of the green economy in the South West. This will help in supporting FE and HE to access funding streams to establish new courses.

Delivery partners

9.27 The delivery partners for this action should include:

- EHOD ESB
- ConstructionSkills
- FE Colleges
- HE
- Regen South West.

Resources

9.28 The resources required would be ESB Co-ordinator support to both lobby FE and HE providers to respond to the green economy challenge through targeted training provision. ESB Co-ordinator support will also be required to co-ordinate an EHOD position statement and vision with regard to the green economy which FE and HE providers can use to
support any funding bids to the SFA and other funding sources, including the Regional Growth Fund.

**Outputs and outcomes**

9.29 The output of this action should be the development and delivery of targeted training and education provision to support the growth of the green economy. The outcomes will include the recognition of the Exeter and East Devon area as being at the forefront of the development of the green economy and the improved ability of local businesses and residents to access the opportunities presented.

**Priority D – Take-Up of Management Training**

**Objective**

9.30 Develop strong enterprise, management and leadership skills in the workforce

**Action**

Liaise with Growth Point sector businesses to discuss why take-up of enterprise, management and leadership courses is low.

**Rationale**

9.31 Enterprise, leadership and management skills are key to utilising skills currently in the workforce and delivering growth across all the Growth Point defined sectors. This applies to both knowledge intensive sectors as well as for businesses in Food and Drink, Retail, Leisure and Hospitality and Transport and Logistics, all of which will require effective managers to oversee efficiency savings, change and staff development.

9.32 Successful organisations need both managers and leaders. Management activities are critical to any business. Most often, management is providing the “what” that needs to be done in the daily operation. Leadership provides the “how” those management activities get accomplished. Improved leadership and management enables:

- A competitive edge
- The development of a more effective, productive workforce
- Improved skills and efficiency in work practices
- Keeping ahead of the pace of change
- Improved staff morale and retention
- Motivating and empowering your people.

9.33 A greater number of highly qualified managers are more likely to ensure that their teams are adequately trained and can help to embed a culture of learning and development that helps drive performance.

9.34 The EHOD area has a good supply of leadership and management courses, including those provided by Exeter College Business School, South Devon College’s new Management Centre at Heathfield and The University of Exeter’s highly regarded Business School. However, despite this provision, take-up of existing leadership and management training by local businesses is poor, particularly for higher level courses.
Description

9.35 Improvements in management and leadership will only happen if employers, facing day to day realities of running their organisations, see a value and purpose in making such improvements. In order to be effective, the value of investing in leadership and management training needs to be conveyed by businesses to businesses. The EHOD ESB has an important role to play in engaging with the business community to establish why levels of take-up are not greater and to identify potential training responses or incentives that would help to increase take-up, for example through more flexible course provision.

Delivery partners

9.36 The delivery partners for this action should include:

- EHOD ESB
- FE and HE
- Exeter Chamber of Commerce
- Devon and Cornwall Business Council.

Resources

9.37 The EHOD ESB Co-ordinator should, as part of the Growth Point sector engagement workshops (Priority A), discuss with employers why levels of take-up of leadership and management training are low and to establish ways of addressing this.

Outputs and outcomes

9.38 The output associated with this action would be related to numbers of businesses and public sector organisations engaged to identify how take-up levels of leadership and management courses can be improved.

9.39 The outcome of this action would be the identification and implementation of achievable activity to increase take-up of management and leadership courses by local businesses. This will lead to subsequent related improvements in business competitiveness and staff efficiency.

Priority E – S106 Obligations

Objective

9.40 Maximise employment of local residents in the construction of the Growth Point developments.

Action

To work with planning and procurement officers to increase the opportunities for EHOD residents and businesses to take-up employment, training and contracts linked to the construction phases of the Growth Point developments through Section 106 negotiations and support with tendering.

Rationale

9.41 It is widely accepted that getting local residents into work through major development schemes can have significant benefits for individuals, as well as for the local economy.
can help to ensure that development leaves a positive employment legacy by creating long term opportunities. Section 106 and contract agreements are powerful tools for delivering local employment linked to new developments.

9.42 Firstly, the procurement process can be used to secure a commitment from developers to train and employ local residents, and secondly, Section 106 can be used as a source of funding to support this objective. They are therefore the main tools that Exeter City Council, East Devon District Council and Teignbridge District Council can use for negotiating local employment objectives with developers, contractors and future occupiers.

Description

9.43 The ESB should work with the Growth Point planning teams and procurement officers to:

- Explore the potential for Section 106 collection for local resident training benefits - This will need to be assessed on a scheme by scheme basis based upon other S106 pressures and development viability.
- Secure a high percentage of local employment through procurement agreements - Whilst Section 106 cannot be used to legally require a certain level of local employment and recruitment, local authorities are still able to impose these requirements upon contractors tendering to deliver services or construction projects on behalf of the authority. The ESB should work with local authorities and other public sector organisations to ensure that a certain level of local employment is secured through the procurement process, particularly for infrastructure projects associated with unlocking Growth Point developments. Wherever possible the ESB should encourage the private sector to follow this example.
- Work with local construction related companies to build their capacity to respond to Growth Point contracts - This support should include training to comply with procurement procedures as well as advice and signposting to training that is required for legislation compliance.

Delivery partners

9.44 The delivery partners for this action should include:

- EHOD ESB
- Exeter City Council Planning Department
- East Devon District Council Planning Department
- Teignbridge District Council Planning Department
- Public sector procurement teams (for major infrastructure contracts)
- Private sector developers.

Resources

9.45 The delivery of this action will require planning and procurement officer time inputs.

Outputs and outcomes

9.46 The outputs associated with this action relate to numbers of local residents who are able to access training linked to the new developments in the Growth Point. The main outcome
resulting from this should be improved employment prospects for many local people, not only in construction but also retail and other jobs created by occupiers of new buildings.

**Priority F – Business Start-Ups**

*Objective*

9.47 Assist individuals to start-up businesses in the Growth Point defined sectors

*Action*

Encourage as many local business leaders as possible to sign up to the business mentoring network that will be launched by the Government in 2011.

*Rationale*

9.48 It is likely that many businesses taking space in the Growth Point developments in the short to long term will have been started up by EHOD residents. Business start-ups, or wider self-employment is therefore crucial to employment and productive growth in the area. However on average, around two thirds of all start-ups will fail within their first year of business.

9.49 The experience of having the support of someone who has developed and run a successful business themselves is invaluable. Through their own experience of establishing and growing businesses, mentors are best placed to support individuals to develop their ideas and provide advice on a range of issues. Furthermore, the mentees are often able to benefit from the networks of contacts that the mentors have already developed through their business activities.

*Description*

9.50 The ESB should encourage EHOD business leaders to sign up to the business mentoring network to assist individuals to start-up and sustain their businesses. This would involve recruiting experienced business people who will volunteer their time to provide one off and on-going advice to help individuals develop their business ideas and sustain businesses through their first year of operation. This support would also be promoted to students of the University of Exeter and Exeter College who are considering starting-up a business.

9.51 The ESB and partners could help in the process of recruiting mentors to the scheme. Once this has been achieved, Exeter Business Support and other business support agencies could use the database of contacts to match individuals and businesses with appropriate mentors.

*Delivery partners*

9.52 The delivery partners for this action should include:

- EHOD ESB
- Exeter Business Support (EBS)

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- Exeter Innovation Centre
- Exeter Chamber of Commerce
- Devon and Cornwall Business Council
- Federation of Small Businesses

**Resources**

9.53 The delivery of this action will require ESB Co-ordinator time inputs.

**Outputs and outcomes**

9.54 The main output will be related to the number of Growth Point businesses that are supported to start-up and survive. The main outcome will be the indigenous growth of Growth Point sector businesses that will employ and train residents and support local supply chains.

**Priority G – Work Trials**

**Objective**

9.55 Work with Growth Point businesses to improve access to jobs for the long term unemployed through Work Trials.

**Action**

Encourage Growth Point businesses to provide job opportunities for the long term unemployed through Work Trials.

**Rationale**

9.56 Previous research\(^47\) has concluded that employment programmes which target workless people are more successful in delivering sustainable employment outcomes if they have good links with local employers and meet some of the needs of employers as well as those of the jobseekers. Programmes which involve employer-based work or training also tend to have better employment outcomes. Jobcentre Plus is keen to grow the number of businesses in the EHOD area that are willing to provide short term working opportunities for the long term unemployed through the national Work Trials programme.

**Description**

9.57 Work Trials enable employers to recruit unemployed people for up to 30 working days whilst the person remains entitled to benefits. Work Trials aim to encourage employers to ‘try out’ longer term unemployed people for vacant posts before deciding whether to take them on permanently. The benefit for unemployed people is that, even if they do not gain employment at the end of the Work Trial, they do gain important employability skills and improved self confidence.

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\(^47\) Joseph Rowntree Foundation (2008) Local Initiatives to Help Workless People Find and Keep Paid Work
9.58 The EHOD ESB should encourage businesses operating in the Growth Point sectors to test the capability of unemployed people through this programme. This could prove to be particularly effective for employment sectors with lower skill profiles, like retail and hospitality, which are likely to benefit from the Growth Point developments.

Delivery partners

9.59 The delivery partners for this action should include:

- EHOD ESB Co-ordinator
- Jobcentre Plus
- Exeter Chamber of Commerce
- Devon and Cornwall Business Council
- Federation of Small Businesses
- Local authorities and other public sector employers.

Resources

9.60 ESB Co-ordinator time will be required to engage with Growth Point businesses through a variety of established networks and other media.

Outputs and outcomes

9.61 The outputs associated with this action should be an increased number of businesses utilising the Work Trials programme and greater numbers of individuals being supported as a result of it. The outcome should be improved longer term employment prospects for individuals that are in danger of becoming marginalised from society.

Priority H – ICT Outreach

Objective

9.62 Support residents in deprived communities to access training and jobs offered by Growth Point businesses through developing ICT skills

Action

Provide outreach training in basic ICT at a variety of community venues in deprived areas throughout the EHOD area.

Rationale

9.63 A large majority of the jobs that should be generated by the Growth Point developments will require ICT skills as a minimum requirement. People who live in deprived neighbourhoods are less likely to have basic ICT skills for a number of reasons, including not having grown up with computers and/or being reluctant to access training as a result of previous bad school or college experiences. As the economy becomes increasingly reliant on ICT, these ‘digitally excluded’ individuals will quickly become more disengaged from the job market as well as education.
Description

9.64 Productive Skills for Devon, Exeter Community Initiatives and other support projects have set up, or are in the process of developing, training interventions aimed at improving levels of literacy, numeracy and employability skills amongst socially excluded individuals in more deprived areas, including single parents and older working age residents. These have helped to establish appropriate mechanisms for engaging with the hard to reach and models of delivering training.

9.65 These interventions should be linked with improving progression to the use of ICT in deprived areas. It is suggested that a training provider (either FE, private or third sector) is contracted to deliver basic ICT courses at a range of community venues, including children’s centres. This could be easily achieved through the use of laptops, which could be transported from centre to centre. The basic ICT courses could be as little as 5 weeks long (at 2 hours a week) and would not necessarily lead to a qualification but would build the confidence of the individual to move onto further training as well as providing valuable skills in searching for jobs and writing CVs. Sessions should be aimed at familiarising learners with a computer, the internet, emailing, word processing and spreadsheets.

Delivery Partners

9.66 The delivery partners for this action could include:

- ESB/ECC officer time
- Jobcentre Plus
- Devon County Council
- Connexions
- Exeter CVS
- Exeter Community Initiatives.

Resources

9.67 The training provision would be contracted out to an ICT training provider. Officer time would be required to develop the project, identify venues and agree a protocol for recruiting learners with linked projects and support providers. Officer time would also be required to conduct monitoring of project outputs and submit funding bids and claims.

9.68 Funding to cover the cost of the training could be sought from Section 106, private sector sponsorship, charitable trusts and the Skills Funding Agency.

Outputs and outcomes

9.69 The outputs associated with this action should be related to numbers of ‘digitally excluded’ individuals participating in basic ICT training. Participation in the training will act as a valuable stepping stone into further training and/or employment.
10 CONCLUSIONS AND RECOMMENDATIONS

10.1 The Exeter and East Devon Growth Point represents a major opportunity to plan for new employment and to nurture the growth of economically relevant skills within the EHOD area. The purpose of this study has therefore been to inform the EHOD ESB priority setting, which will help partners to plan skills activities to prepare for this growth.

10.2 The following sections summarise the study findings in relation to the requirements set out in the study brief, which were to:

i. Determine future employment opportunities resulting from the Growth Point and other planned major investments in and around Exeter

ii. Determine a programme of training support and other activities to improve opportunities for local people resulting from future developments

iii. Identify a priority set of actions to be addressed to maximise business growth and opportunities for local people associated with these future developments.

Future Employment Opportunities from the Growth Point and Planned Major Investments

10.3 The Growth Point developments are forecast to support approximately 26,600 net new jobs between 2006 and 2026. Of these, approximately 25,700 gross new jobs could be supported through the planned Growth Point developments, including Exeter Science Park, Skypark, Exeter Airport and the Intermodal Freight Terminal. A further 900 construction jobs should be supported in the delivery of Growth Point developments.

10.4 Employment is forecast to be spread across the following sectors, which are all likely to be accommodated or supported by Growth Point developments:

- Construction and Building Services
- Business and Professional Services
- Transport and Logistics
- Retail, Hospitality and Leisure
- Food and Drink
- Advanced Engineering
- Bioscience and Health
- Low Carbon and Environmental Goods & Services (LCEGS).

A Programme of Training Support and Other Activities

10.5 It can be expected that there should be labour to serve the new sectors and jobs. The key will be in trying to draw a connection between the availability of jobs and the right labour skills.

10.6 EHOD’s labour supply is relatively well educated to intermediate (Level 2/3) standards. However, within the EHOD area, only Exeter has a higher proportion of knowledge intensive skilled workers than the rest of the South West region. It is the knowledge-intensive sectors where most growth is forecast, and therefore it is important to raise the
progress levels of residents within the labour catchment area. It is also important to ensure that those residents training for higher skills have the right skill areas sought by future employers in the Growth Point area.

10.7 International migration has often been used for recruiting workers in very specific, and often very high skilled work, such as in research and development, health care and technicians, and university lecturers. In the advent of the recent down turn in the economy nationally, such migration is declining. It is therefore important that EHOD ESB plan for recruitment problems resulting from the decline in migration, and build on opportunities for recruiting from some high skilled, home grown workers, including those affected by public sector cutbacks, and learners.

10.8 Part of the solution will be to utilise older workers, who have much to offer in terms of skills and experience, as well as female returners to work, many of whom are often willing to take on flexible employment in terms of hours, shifts and seasonal flows. The combination of wide ranging adult learning and FE provision adequately covers the skills needs of these population groups. However, more flexible life long learning responses may be required to suit certain groups.

10.9 The EHOD ESB should also seek to encourage poorly skilled workers, and those disengaged from the labour market into the lower skilled entry positions for sectors like Retail, Hospitality and Leisure. This will require supporting individuals to re-skill or up-skill. It will also involve directing residents to employment opportunities, as well as encouraging businesses to offer training in order to improve the labour supply available to them. Those residents that are more disengaged from the learning environment may require more flexible training responses, including outreach. This training should include basic ICT, which is recognised as an essential skill requirement for many of the identified Growth Point sectors, as well as a key entry requirement for many FE courses.

**Growth sector skills requirements**

10.10 Analysis of the skills needs for Growth Point defined sectors reveals a general requirement for higher level skills, particularly at NVQ Levels 3 and 4 equivalent skills. Furthermore, all sectors require improved management and leadership skills to help improve efficiency and productivity. In addition, the higher value sectors, including Biosciences, Advanced Engineering, LCEGS and Business Services, require a solid grounding in intermediate and higher level STEM subjects. However, whilst there is clearly a general need for up-skilling, particularly with regard to ICT, there is also still a need for basic employability and customer facing skills in sectors like Retail, Hospitality and Leisure.

10.11 Table 5.2 in Chapter 5 outlines the levels of skills and training that each Growth Point sector will require. This forms the basis of training subject areas that the EHOD ESB should focus on in supporting the delivery of the Growth Point Developments and in improving opportunities for local people. Many of the identified skills are generic, including leadership and management, ICT and customer handling. The more knowledge intensive sectors like Advanced Engineering and Bioscience and Health, do however require more specific education and training, including, in the case of Bioscience for example, a Masters Degree in Biology and Basic Medical Science or a PhD in Systems Biology. Responding to
the Green Agenda is particularly important, not only in meeting the skills requirements of the LCEGS sector, but also with regard to up-skilling the Construction and Building Services workforce to ensure that it can respond to new building standard requirements.

10.12 The information in Table 5.2 should be shared by EHOD ESB with the HE, FE and private training providers in the EHOD area, so that there is at least a starting base for delivering future training provision to meet Growth Point employer and EHOD resident requirements. FE and HE providers also have a key role in conveying to students and residents the types of employment that will be created in the Growth Point and the likely skills requirements of employers.

**Audit of current provision**

10.13 It is not possible to map existing education and training provision directly onto the skill requirements of the Growth Point sectors because many courses are not designed specifically for individual employment sectors. Nevertheless, current training delivered by FE, HE and private training providers in the EHOD ESB area can be considered appropriate in the broader sense to meet the needs of employers in the more established Growth Point sectors, like Retail, Hospitality and Leisure, and Construction and Building Services. Furthermore, FE providers in particular are capable of providing flexible training responses to meet individual employer and emerging sectoral training needs.

**Opportunities to enhance provision**

10.14 There are some clear areas where provision should be addressed. These particularly relate to training and education progression routes through FE and HE into the emerging sectors of Bioscience and Health, Advanced Engineering and LCEGS. It is therefore important that training providers engage with businesses in the existing and emerging sectors to ensure that they are responsive to rapidly changing skills requirements, most notably in terms of responding to the ‘Green Skills’ agenda.

10.15 It is likely that a proportion of businesses moving into space in the Growth Point developments will be start-up businesses. It is therefore, important that EHOD residents are supported to develop business ideas and implement them through both enterprise training and on-going mentoring.

**Improving take-up of skills**

10.16 Although there are some opportunities to enhance provision, particularly with regard to meeting changing and emerging sectoral skill requirements, the education and training system is broadly meeting the needs of the current EHOD economy. Therefore, residents and businesses must be encouraged to utilise this provision.

10.17 In addressing existing and future deficiencies, it will be important to encourage residents to increase their take-up of STEM subjects at Levels 3, 4 and 5. In addition, employers should be encouraged to take on apprentices and to train existing staff, particularly in the types of intermediate and higher level management and leadership that are most likely to be of benefit to business productivity levels. Local Construction and Building Service businesses must also be encouraged to train their employees in order to respond to new techniques.
and technologies associated with the higher standards required for the construction of the Growth Point developments.

**Priority Set of Actions to Maximise Business Growth and Opportunities for Local People**

10.18 Through consultation with key stakeholders and an assessment of what works well elsewhere, this study has identified a number of priorities and linked actions that the EHOD ESB and partners can implement in order to ready the working population and future workforce for the employment opportunities presented by the Growth Point developments. The eight priorities are:

- Priority A – Provider Responsiveness
- Priority B – STEM Subject Take-up
- Priority C – Green Economy
- Priority D – Take-Up of Management Training
- Priority E – Section 106 Obligations
- Priority F – Business Start-Ups
- Priority G – Work Trials
- Priority H – ICT Outreach

10.19 The actions underlying these priorities are summarised overleaf (and set out in full in Chapter 9). These actions are considered to be deliverable in the short to medium term because they require little resourcing by the ESB but have potential to generate significant benefits for EHOD's residents and businesses. They encompass the whole delivery process from the top (strategy) through the delivery agencies (and their strategic objectives) to the implementation on the ground (delivery).

10.20 It should therefore be important that these actions are used for planning the right education and skills training programmes to indirectly secure business investment, support business growth and generate local employment opportunities, so that benefits are maximised and sufficiently rolled out to all residents.
Table 10.1 Summary of Priority Actions

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<tr>
<th>Priority</th>
<th>Objective</th>
<th>Action</th>
<th>Delivery</th>
<th>Resources</th>
<th>Outputs/outcomes</th>
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<tr>
<td>A</td>
<td>Ensure that training and IAG providers are responsive to the Growth Point sectors’ needs</td>
<td>ESB to co-ordinate meetings between HE, FE, private training providers, IAG providers and Growth Point sector businesses to discuss skills and training needs.</td>
<td>EHOD ESB FE Colleges HE Private training providers IAG providers Growth Point sector businesses Relevant SSCs</td>
<td>The EHOD ESB Co-ordinator would be required to co-ordinate the Growth Point sector engagement groups and provide secretariat functions.</td>
<td>Output: establishment of ongoing engagement events between Growth Point sector businesses and training providers. Outcome: would be improved responsiveness of FE and HE training providers to Growth Point sector needs.</td>
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<td>B</td>
<td>Preparing young people for future high skilled employment opportunities by encouraging take-up of STEM subjects</td>
<td>Encourage businesses to sign-up to the STEM Ambassadors scheme</td>
<td>Devon Education Business Partnership Exeter Chamber of Commerce Devon and Cornwall Business Council</td>
<td>The delivery of this action would require ESB Co-ordinator in kind time input, working alongside the Devon Education Business Partnership.</td>
<td>Output: increased sign up to the STEM Ambassador scheme by businesses and more engagement events with Year 7 and 8 students. Outcome: increased take-up of STEM subjects at GCSE, which in turn will ensure that greater numbers of students move onto FE and HE STEM courses.</td>
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<tr>
<td>Priority</td>
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<td>C</td>
<td>Build the capacity of EHOD training providers and residents to respond to the opportunities presented by the Green Economy</td>
<td>ESB to liaise with FE providers to ensure that training and education is developed to enable EHOD residents to access the opportunities presented by the Green agenda</td>
<td>EHOD ESB&lt;br&gt;ConstructionSkills&lt;br&gt;FE Colleges&lt;br&gt;HE&lt;br&gt;Regen South West</td>
<td>The resources required would be ESB Co-ordinator support to both lobby FE and HE providers to respond to the green economy challenge through targeted training provision.</td>
<td>Output: the development and delivery of targeted training and education provision to support the growth of the green economy. &lt;br&gt;Outcome: recognition of the EHOD area as being at the forefront of the development of the green economy and the improved ability of local businesses and residents to access the opportunities presented.</td>
</tr>
<tr>
<td>D</td>
<td>Develop strong enterprise, management and leadership skills in the workforce</td>
<td>Liaise with Growth Point sector businesses to discuss why take-up of enterprise, management and leadership courses is low. This will enable FE, HE and private training providers to respond to employer needs with, for example, more flexible course provision.</td>
<td>EHOD ESB&lt;br&gt;FE/HE&lt;br&gt;Exeter Chamber of Commerce&lt;br&gt;Devon and Cornwall Business Council</td>
<td>The EHOD ESB Co-ordinator should, as part of the Growth Point sector engagement workshops (Priority A), discuss with employers why levels of take-up of leadership and management training are low and to establish ways of addressing this.</td>
<td>Output: numbers of businesses and public sector organisations engaged to identify how take-up levels of leadership and management courses can be improved. &lt;br&gt;Outcome: the identification and implementation of achievable activity to increase take-up of management and leadership courses by local businesses. This will lead to subsequent related improvements in business competitiveness and staff efficiency.</td>
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<tr>
<td>Priority</td>
<td>Objective</td>
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<td>E</td>
<td>Maximise employment of local people in the construction of the Growth Point developments</td>
<td>To work with planning and procurement officers to increase the opportunities for EHOD residents and businesses to take-up employment, training and contracts linked to the construction phases of the Growth Point developments through S106 negotiations and support with tendering.</td>
<td>EHOD ESB ECC, EDDC, TDC Planning Departments Public sector procurement teams Private sector developers</td>
<td>The delivery of this action will require planning and procurement officer time inputs.</td>
<td>Output: numbers of local residents who are able to access training linked to the new developments in the Growth Point. Outcome: improved employment prospects for many local people, not only in construction but also retail and other jobs created by occupiers of new buildings.</td>
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<td>F</td>
<td>Assist individuals to start-up businesses in the Growth Point defined sectors</td>
<td>Encourage as many local business leaders as possible to sign up to the business mentoring network that will be launched by the Government in 2011.</td>
<td>EHOD ESB Exeter Business Support (EBS) Exeter Innovation Centre Exeter Chamber of Commerce Devon and Cornwall Business Council Federation of Small Businesses</td>
<td>The delivery of this action will require ESB Coordinator time inputs</td>
<td>Output: number of Growth Point sector businesses that are supported to start-up and survive. Outcome: indigenous growth of Growth Point sector businesses that will employ and train residents and support local supply chains.</td>
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## Priority | Objective | Action | Delivery | Resources | Outputs/outcomes |
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<td>G</td>
<td>Work with Growth Point businesses to improve access to jobs for the long term unemployed through work trials</td>
<td>Encourage Growth Point sector businesses to provide employment opportunities for the long term unemployed through Work Trials.</td>
<td>EHOD ESB Co-ordinator Jobcentre Plus Exeter Chamber of Commerce (CoC) Devon and Cornwall CoC Federation of Small Businesses Local authorities and other public sector employers</td>
<td>ESB Co-ordinator time will be required to engage with EHOD businesses through a variety of established networks and other media.</td>
<td>Output: increased number of businesses utilising the Work Trials programme and greater numbers of individuals being supported as a result of it. Outcome: improved longer term employment prospects for individuals that are in danger of becoming marginalised from society.</td>
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<tr>
<td>H</td>
<td>Support residents in deprived communities to access training and jobs offered by Growth Point businesses through developing ICT skills</td>
<td>Provide outreach training in basic ICT at a variety of community venues in deprived areas throughout the EHOD area.</td>
<td>ESB/ECC officer time Jobcentre plus Devon County Council Connexions Exeter CVS Exeter Community Initiatives</td>
<td>Officer time would be required to develop the project, identify venues and agree a protocol for recruiting learners with linked projects and support providers. Funding to cover the cost of the training could be sought from S106, private sector sponsorship, charitable trusts and the Skills Funding Agency.</td>
<td>Output: numbers of ‘digitally excluded’ individuals participating in basic ICT training. Outcome: Participation in the training will act as a valuable stepping stone into further training and/or employment.</td>
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APPENDIX 1

Strategic Context for Employment and Skills
The National Skills Agenda

Leitch Review of Skills

The Leitch Review proposed a new ambition for developing skills in order to maximise economic prosperity, productivity and to improve social justice. The overall aim set by the Review is for the UK to become a world leader in skills by 2020. It focuses on meeting the needs of a changing economy and encourages an approach that is employer led and workforce driven. This approach should focus on promoting the acquisition of skills that are relevant and valuable to individuals, employers and the economy.

The stretching objectives for 2020 include:

- 95% of adults to achieve the basic skills of functional literacy and numeracy - an increase from levels of 85% literacy and 79% numeracy in 2005
- Exceeding 90% of adults qualified to at least Level 2, an increase from 69% in 2005
- Shifting the balance of intermediate skills from Level 2 to Level 3
- Exceeding 40% of adults qualified to Level 4 and above – up from 29% in 2005.

The Leitch Review proposed a wide range of recommendations for achieving these objectives, including:

- Routing all public funding for adult vocational skills, apart from community learning, through Train to Gain (the New Coalition Government intends to abolish this) and Learner Accounts by 2010
- Increase employer engagement and investment in skills – reform, relicense and empower Sector Skills Councils (SSCs) to identify sector skills needs and approve the content of all vocational qualifications
- Launch a new pledge for employers to voluntarily commit to train all eligible employees up to Level 2 in the workplace
- Increase employer investment in Level 3 and 4 qualifications in the workplace
- Increase people’s aspirations and awareness of the value of skills to them and their families.

Since the Leitch Review was published in 2006 a number of strategies covering different aspects of skills development have been produced. These are summarised below.

Skills for Growth

Skills for Growth (2009) is the national skills strategy. The goal of the strategy is for a skills system that is defined not simply by targets based on achieved qualifications, but by ‘real world outcomes’. The system should provide a higher level of vocational experience and should promote a greater mix of work and study. It should also encourage skills that are transferable from job to job.

This national skills strategy sets out a pathway to achieving a bold new ambition for three quarters of the population to go to university or to gain an advanced technical qualification by the age of 30. In supporting this, the (former) Government had planned to:
- Create a modern class of technicians, through a dramatic expansion of advanced apprenticeships, creating 35,000 new places over the next two years
- Give every adult a personal skills account, empowering learners to shop around for training with new information on how well different courses and colleges can meet their needs
- Radically simplify the way in which skills policy is delivered – working with the UK Commission for Employment and Skills to reduce the number of public bodies by more than 30. The reduction included the closure of the nine regional Learning and Skills Councils (which has mostly evolved into the Skills Funding Agency) and a reduction in the number of Sector Skills Councils (SSCs).

**New Industry, New Jobs**

New Industry, New Jobs (2009) identifies skills as one of four priority areas for action and reform to assist UK economic recovery and growth. It outlines the need to reform the training system to ensure that it not only responds to demand but is also able to anticipate future growth in the economy in new opportunity areas, like low carbon or bioscience, or in those driven by broader demographic change, such as the care, hospitality and leisure sectors.

To achieve this and furthering the skills for growth, the previous Government proposed:

- Developing with employers, SSCs and the UK Commission on Employment and Skills, the practical and analytical capability to collect, process and deploy intelligence on skills needs in key sectors and markets quickly and effectively
- Creating the Skills Funding Agency to ensure that the skills system has the capacity and funding available rapidly to support development in areas of strategic importance to the economy
- Developing a rapid and more responsive approach to the development of new qualifications and apprenticeship frameworks so that employers in strategic sectors can access accredited learning which meets their current and future skills needs
- Strengthening the employer voice on employment and skills, including through Local and Multi-Area Agreements and Employment and Skills Boards, giving them leverage over provision in their areas to make it responsive to local needs while taking into account national and regional priorities
- Ensuring that universities have clear incentives to respond quickly to support areas of potential growth.

**Jobs of the Future**

Jobs of the Future (2009) outlines where, as a result of expected growth and emerging global trends, new jobs could be created in the future UK economy. It identifies how the UK’s labour market is set to change post recession and the potential employment opportunities that key sectors of our economy could generate.

The Government aims to drive sustainable economic growth that will, in turn, foster investment and business success in the following sectors:
The Low Carbon economy – the global shift to low carbon will help to stimulate the market for low carbon and environmental goods & services. In order to realise the opportunities it is important to develop the skills base to attract investment and drive innovation.

Advanced engineering – is where the UK manufacturing base can thrive the most in the coming decades. It is where the highly skilled manufacturing jobs will be created.

Life sciences – the UK is already a world leader in pharmaceuticals, medical biotechnology and medical technology, and there is significant potential for further growth, particularly in areas that the UK specialises in, like regenerative and stratified medicine.

Digital economy and creative industries – the three major components of the digital sector – information and communication technologies (ICT), broadcasting and creative industries – already make a significant contribution to UK economic output and employment and are predicted to play a key role in wider economic growth over the next decade.

Business and Professional Services – despite including sectors like finance, ICT services and real estate, that have been particularly badly hit by the economic downturn, the UK is still a leading global hub for this industry and is in an unrivalled position to capture a large share of the new jobs this growth will create in years to come.

The Care sector – the expansion of free childcare provision and the growth in the number of people aged over 80 is expected to create an additional 1.1 million jobs in this sector by 2025.

The Retail sector – more constrained consumer spending means that job growth in this sector is expected to be slower than the last decade. The (former) Government outlined the importance of tackling the skills gaps that exist in the UK Retail industry and impact productivity.

Tourism, hospitality and leisure sectors – rising disposable incomes, both in the UK and overseas, and a diverse and unique tourism offer indicates that tourism will continue to be a strong sector in the UK economy.

**Low Carbon Transition Plan**

In July 2009, the UK Low Carbon Transition Plan (LCTP) was published as the National strategy for climate and energy change. This document details how the five year carbon budgets will be met and also the Government’s aim for climate change and energy policy.

The LCTP asserts that the UK can meet its carbon budgets as well as doubling the size of the economy on 1990 levels by 2020. This will also produce the added benefits of improved energy security and local environmental quality.

The LCTP also has a particularly strong focus on renewable energy, setting out a range of measures including:

- Advancing the offshore wind industry
- Stimulating progress in wave and tidal technologies
- Exploring geothermal energy potential
▪ A new facility to research nuclear technology
▪ Financial incentives for home generation.

The UK’s Renewable Energy Strategy was published in tandem with the Low Carbon Transition Plan (LCTP) and details further the plans on how to increase renewable sources of energy production for electricity, heat and transport by 15% by 2020.

**South West Skills Priorities**

**South West Regional Economic Strategy 2006-2015**

The Regional Economic Strategy (RES) is designed to influence and guide the work of the SWRDA and other regional partners involved in the delivery of key economic development activities. ‘Skills’ is identified as one of three key economic drivers underpinning the RES and is therefore prioritised in the Strategic Objectives and underlying priorities and actions. Specific reference is made to skills under:

▪ Priority 1C ‘Deliver skills for the economy’ – which places emphasis on investments to:
  ▫ Encourage an efficient and adaptable labour market
  ▫ Develop workplace skills and training
  ▫ Inspire people to improve their employment skills
  ▫ Ensure high quality and flexible training provision.
▪ Priority 2A ‘Improve participation in the economy’ – which places emphasis on investment to:
  ▫ Raise individuals’ skills and aspiration for work, training and enterprise
  ▫ Ensure that there is equality of access to work, training and business advice.

**Regional Skills Strategy**

The draft Regional Skills Priorities Statement (2010) highlights a number of current and future priorities that skills policy and funding will be focussed upon. The current skills priorities are related to recovery from the recession, replacement demand due to the ageing workforce, and expansion demand. Specific priorities include:

▪ Priority 1 – Delivering skills provision that will support the development of high/growth and emerging sectors
▪ Priority 2 – Raise individuals’ aspirations and skill levels in the South West
▪ Priority 3 – Increasing employers’ participation in skills development in the South West
▪ The three things that need to be done to deliver on the South West priorities are:
  ▪ Ensuring the skills that will support growth sectors and technologies, and a move towards a low carbon economy, are in place.
  ▪ Addressing skills shortages, gaps, replacement demand, and re-skilling the workforce across all sectors.
  ▪ Raising skill levels overall by up-skilling those without qualifications, or with low skills, and re-skilling those with skills that are no longer relevant to the needs of the economy.
Exeter and Heart of Devon Economic Development Strategy 2008-2013

The Economic Development Strategy provides a focus of activities for the EHOD Economic Partnership, which consists of the private, public and voluntary sectors.

The main aim of the Economic Development Strategy is to guide the actions of the Exeter and Heart of Devon (EHOD) Partnership in accordance with an agreed vision and strategic objectives.

The draft vision for the strategy is that the EHOD Partnership ‘will promote sustainable economic growth allowing the sub-region to take its place as the third largest focus of high value employment in the region’. One of the key priorities for delivering this economic growth is to work together to bring employers, their workforce and local young people into a virtuous cycle of improved skills, training, enterprise and innovation.

Two Strategic Objectives, and their underlying actions, relate specifically to skills development. These are:

- Strategic Objective 1 – Successful and competitive businesses:
  - Provide the right workforce for business and use the EHOD Employment and Skills Board (ESB) as a driver to ensure matching between employers needs, target sectors’ needs and skills training offered
  - Work towards a smooth path of progression for young people from school to college to work, supported by good labour market information and training opportunities
  - Bring public sector employers into a partnership to source and train labour locally – rather than importing skilled workers
  - Promote development of skills in knowledge based businesses e.g. Flybe Training Academy

- Strategic Objective 2 – Strong and inclusive communities:
  - Improve participation in the economy – continue to develop targeted programmes and raising the skills levels of those in deprived areas
  - Encourage training delivery agencies to target deprived communities, raising basic skills and progression to higher skills.

Key to the delivery of many of the actions in the Strategy and action plan is the successful targeting of inward investment and indigenous growth in the EHOD priority sectors of:

- ICT
- Creative industries
- Professional and business services
- Biotechnology, medical and healthcare research and development
- Environmental technologies
- Small scale advanced engineering
- Tourism
- Food and drink.
The Strategy also includes a section that focuses specifically on the growth and enhanced role of Exeter within the EHOD sub-region. The vision for Exeter includes reference to ‘its aspiration to be a ‘Science City’, as well as supporting indigenous business growth. The key objectives for achieving the vision include:

- Continue to focus on growing knowledge based industries by working with the University, Medical School, the Science Park Company and the Met Office as catalysts for growth and new organisations
- Support the University of Exeter in its bid to raise research excellence and investment and to be a centre of knowledge transfer
- Work with the Science Park Company to develop a clear strategy for the occupation of the Science Park
- Aim to attract and retain public sector and other knowledge based employment.