

Plymouth ESB

**Statement of Work and Skills
Priorities**

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1. INTRODUCTION

This Statement of Work and Skills Priorities has been developed by SLIM on behalf of the Plymouth Employment and Skills Board (Plymouth ESB). It is one of four Statements setting out the priorities of the four Employment and Skills Boards (ESBs)¹ with a functional economic area located primarily within Devon.

This Statement is based on:

- an analysis of employment and skills conditions and trends within the Plymouth ESB area²;
- consultations with the Plymouth ESB and the Plymouth Priority Sectors Group;
- written responses from Jobcentre Plus, the Skills Funding Agency, Plymouth ESB; and the University of Plymouth.

It should be noted that this document does not identify everything that could, or perhaps should, be done to improve employment and skills opportunities for employers and individuals in the Plymouth ESB area. Instead, it focuses on the main issues that partners drew from the evidence and the concerns they expressed during the consultation process.

It is also essentially a pragmatic document in the sense that:

- The process of agreeing specific steps that need to be taken to address the priorities identified in this paper has yet to take place. This needs to follow, once the priorities are agreed.
- National policy and funding constraints will be such that, in some cases, the ESB's focus will be not so much on taking action but on making the case for the resources or flexibilities required to address the problem - a lobbying role that was recognised as important during the consultations.

This Statement of Priorities is written at a time when policy remains fluid and a re-alignment around the geography of Local Enterprise Partnerships (LEPs) is imminent. However, the rationale for forging a common understanding of local employment and skills needs to be addressed by the ESB and the new policy and institutional frameworks as these emerge, remains sound. This Statement of Priorities is, therefore, designed both to be a stand-alone document, to influence local partners' thinking and actions, and to feed into a further analysis of where the four Devon LESBs' priorities coincide and differ. This further report will be written by SLIM once the Priorities Statements for the four ESBs are complete. It is anticipated that it will help to inform the focus of the LEP covering Devon as this emerges.

¹ The four ESBs are: Exeter and Heart of Devon, Northern Devon, Plymouth, Torbay & South Devon.

² Available from: <http://www.devoneconomy.co.uk/research-steering-group>

2. WORK AND SKILLS PRIORITIES

2.1 Improve young people's understanding of, and aspirations for, work

ESB members are concerned to improve young people's understanding of the jobs and career opportunities in their local labour markets, particularly those in emerging and growing sectors.

Decisions about careers and jobs are heavily influenced by parents, peers and cultural factors. They are frequently made while people are very young, often on the basis of little knowledge or experience. Given the significance and long-term impact that decisions about careers have on people's lives, ESB members feel it is essential to ensure that as many of these decisions are as well-founded as possible.

There is concern about: the depth and impartiality of some careers guidance; the failure to ring-fence guidance funding received by schools; and about the anticipated cuts to Connexions services. The importance of work experience and tasters; of releasing teachers to spend time in industry; and of promoting school projects that are co-designed with businesses to reflect the content of work in different occupations and industries have all been stressed. The following priorities are, therefore, suggested:

- Expand the range of high-quality work-experience placements available to young people, particularly in priority and growth sectors and STEM-related occupations.
- Support the release of teachers to spend time in industry, enabling them to forge links with companies and to keep their understanding of work and their teaching practice up-to-date.
- Enhance the provision of labour market information (LMI) and improve Information, Advice and Guidance (IAG) practitioners' understanding of career opportunities and skills requirements in priority sectors.
- Support the exchange and extension of good practice across schools in the provision of careers IAG.
- Make the case for resourcing for careers IAG in schools and colleges, and for those returning to work after being out of the labour market.
- Expand the provision of Enterprise Days, designed in partnership with business, particularly those with a focus on priority sectors and Science, Technology, Engineering and Mathematics (STEM).

2.2 Provide Information, Advice and Guidance Services for Adults

The Leitch Report argued that '*compelling and urgent*' action was required on skills. Yet 70% of the 2020 Plymouth ESB workforce is already aged 20 or over. Research also suggests that two-thirds of people change their job in a five year period. Although the frequency with which people change job declines with age, one-in-three people in their 60s still reported a job change in the last five years³. Large numbers of public sector workers, who historically have changed jobs less frequently than people in the private sector, are likely to need support in finding new careers. A focus on providing IAG services for young people alone will not be enough.

The coalition government is developing 'Next Step' as part of its strategy to '*put learners at the heart of a flexible and responsive skills system*⁴'. Next Step will offer: information about the labour market and occupations; help and advice about careers; information about courses; and access to tools for skills assessment, building CVs, recording qualifications and planning learning and career development. These resources will be available on the internet and by telephone, with some additional guidance from professional careers advisers for people in priority groups. It is likely that these priority groups will be people without Level 2 qualifications (possibly Level 3), people who are unemployed and those at risk of redundancy. The existing nextstep service also works closely with local area action teams in response to redundancies.

The ESB is agreed that a priority is:

- The development of an effective all-age guidance service, which provides adequate support to all adults, including public sector workers at risk of redundancy.

2.3 Promote talent retention and the re-deployment of former public sector workers

Recent modelling by Experian⁵ has examined the capacity of local economies to withstand and respond to shocks in the external environment. Plymouth lies 309th out of 324 local authorities in terms of overall economic resilience. With 36.9% of its employment in the public sector, compared with 26.4% at the national level, the city of Plymouth is highly vulnerable to public sector job cuts.

Regionally, the public sector provides almost half (47%) of all higher-skilled employment. The Plymouth ESB area has a particular concentration of defence-related public sector employment which may be particularly vulnerable in the medium term⁶ and includes significant numbers of highly-skilled STEM technicians and professionals. Many of the skills held by public sector workers may be of considerable value to the private sector.

In 2009, the South West Regional Development Agency funded a 'Talent Retention' programme to ensure expertise was not lost during the recession. This sector-based

³ National Omnibus Survey, NIACE / CROW, 2003

⁴ Careers guidance service helping adults take next step, BIS / COI, October 2010

⁵ See <http://publicsector.experian.co.uk/Products/Economic%20Resilience.aspx>

⁶ Long lead times in major defence contracts may delay the short-term impact of cuts

redeployment service helped people at risk of redundancy to match their skills and experience to alternative work or training opportunities in the aerospace, advanced engineering and creative/digital industries. Support was directed at the pre-redundancy stages. Traditional redundancy support is only provided once redundancy is imminent, or has taken place.

The ESB is conscious that supporting the transition of highly-skilled public sector workers into private sector employment will be central to the 'rebalancing' of the local economy.

A priority for the ESB is to therefore to:

- Promote the development of a talent retention/redeployment service for highly-skilled public sector workers at risk of redundancy.

2.4 Support the development of generic employability skills

Employability skills are those skills that everyone needs in order to do almost any job. They are fundamental to employers and have been broken down as comprising:

- self-management – punctuality, time management, fitting dress and behaviour to context, overcoming challenges, asking for help when necessary;
- thinking and solving problems – reflecting on and learning from actions, prioritising, analysing situations, and developing solutions;
- working together and communicating – co-operating, being assertive, persuading, being responsible to others, speaking clearly and listening for a response;
- understanding the business – understanding how a job fits into the organisation; recognising the needs of customers and service users; judging risks etc.

Employers recognise that they are responsible for communicating clear messages about expected behaviours at work and for helping staff to develop employability skills appropriate to their job and workplace. However, many employability skills or behaviours (listening, co-operating, time-keeping, speaking to groups, reflecting on learning etc) are acquired from an early age in a range of contexts, including within schools, during training and at home. New recruits, including graduates, may be highly qualified and skilled and yet lack the soft skills required to operate effectively at work.

The emphasis on embedding employability skills into curricula and learning programmes is not new. ESB members nonetheless consider that there is a need to improve young people's understanding and acquisition of generic employability skills.

Suggested **priorities** are therefore to:

- Emphasise the importance of integrating employability skills into programmes of learning.

- Support people to recognise their generic skills, the transferability of these skills across different work contexts and their applicability in a wide range of employment, and to represent these skills effectively to employers.
- Promote mutual understanding between employers and young people and the opportunity to acquire employability skills via activities such as Enterprise Days, work experience, work trials, student business projects and graduate internships.

2.5 Promote graduate retention

The University of Plymouth attracts large numbers of well-educated and skilled young people into the ESB area. In 2008, there were 75% more 21 year olds (7,600) living in the Plymouth ESB area than there were 31 year olds (4,350). This suggests loss of a well-educated and skilled cohort of young people who leave the city to pursue careers and find work elsewhere. This exodus of talent was seen as a lost opportunity during the consultations. There was a sense that employers, who might harness graduates' abilities to drive business, service or product improvements, were failing to make the most of the skills available to them locally. While the reasons for this were not clear, ESB members felt that more could be done to raise employer awareness and participation in the wide range of programmes that exist to link graduates to local employers (such as Graduate Business Partnerships, Graduate Internships, the STEP programme, Student Business Projects) or even by simply encouraging more employers to advertise vacancies on websites such as gradsouthwest.com or gradfutures.com.

It is suggested, therefore, that a priority is to:

- Promote graduate retention by raising local employers' awareness of, and engagement in, programmes supporting graduate employment and business development.

2.6 Increase the supply of Apprenticeships

The coalition government has asserted its support for Apprenticeships, announcing in June 2010 that it will commit £150 million to create 50,000 additional Apprenticeships, particularly in Small and Medium-sized Enterprises (SMEs). Apprenticeships have proved a valuable option for those wishing to learn while working, for young people who do not want to pursue academic pathways at the end of Year 11, and for employers meeting their recruitment needs. High-quality, well-paid Apprenticeships are hugely over-subscribed, as was demonstrated in August 2010 by British Telecom's receipt of 24,000 applications for 221 Apprenticeship places⁷.

The Apprenticeships, Skills, Children and Learning Act (2009) requires councils to ensure that an Apprenticeship place is available for all 'suitably qualified' young people by 2013. It also sets out the ambition that one-in-five young people take up an Apprenticeship by 2020.

⁷ Source: <http://www.guardian.co.uk/business/2010/aug/16/bt-apprenticeships-record-applications>

Although the number of Apprenticeships delivered in Plymouth is growing, data suggests that there is a high level of unmet demand for Apprenticeships in a range of sectors including construction, engineering, ICT and the arts, media and publishing. The National Apprenticeship Service (NAS) is developing the apprenticeship offer, introducing new opportunities such as apprenticeships in Youth Work.

Administrative requirements can deter some organisations, particularly SMEs, from offering Apprenticeships. Simplification and the extension of initiatives such as the South West Apprenticeship Company (SWAC)⁸ could help in this regard.

Increasingly, it is expected that the majority of learners will progress from an Apprenticeship to an Advanced Apprenticeship and/or a Higher Apprenticeship. Ensuring the availability of Apprenticeship progression routes, particularly in priority sectors and occupations in which Apprenticeships are comparatively new, was seen as essential.

Priorities for the ESB are, therefore, to:

- Grow the volume of Apprenticeships by:
 - encouraging more employers to offer high-quality Apprenticeship places at all levels, particularly in priority sectors where there is unmet demand from Apprenticeship applicants;
 - supporting the introduction of new Apprenticeship frameworks at all levels, particularly in occupations and sectors where Apprenticeships are comparatively new.
- Support the funding of adult Apprenticeships, particularly for adults entering priority sectors.

2.7 Support the acquisition of technical and STEM skills, particularly in priority sectors

The national skills strategy, *Skills for Growth*⁹, argued that the creation of ‘a modern class of technicians’ was essential to tackle intermediate-level technical skills gaps. These gaps are as prevalent in craft, technician and associate professional jobs in Plymouth¹⁰ as they are in other parts of the country.

Although technical skills are needed in all sectors, higher-level technician and technical support skills are of particular importance in a number of high growth sectors, including the marine, advanced engineering and health and medical sectors, all of which are priorities for

⁸ SWAC acts like an employment agency, employing apprentices directly who are then placed with ‘host companies’, who pay a fee to SWAC that covers the apprentices’ wages and associated SWAC costs.

⁹ Skills for Growth: The national skills strategy. BIS, November 2009.

¹⁰ See section 9 Mismatches between jobs and skills in the Plymouth Work & Skills Analysis, SLIM 2010

Plymouth. Research by SERIO has identified skills gaps and a need to promote skills development across the Plymouth priority sectors, particularly in marine.

During the consultations, Plymouth ESB members identified the low-carbon economy as a key driver of new jobs and skills. STEM skills are critical to the development of this sector, particularly jobs focused on: enhancing energy efficiency in existing production; the design of new energy-efficient industrial processes; and the development of advanced energy technologies. The Marine and Advanced Engineering (priority) sectors are also central to the low-carbon economy.

ESB members and partners have identified a need to take steps to raise young people's awareness of the opportunities, contents and rewards available in careers in STEM-related and technical occupations. There is a need to give young people experience of these occupations, particularly in STEM-related priority sectors; to counter sometimes negative stereotypes that continue to exist about 'working in industry'; and to engage a greater number of employers in offering work experience and opportunities to train in technical occupations.

Suggested priorities for the ESB are, therefore, to:

- Encourage young people to study STEM subjects and acquire STEM skills through activities such as supporting Enterprise Days, school-industry projects and offering work experience.
- Encourage growth in the supply of Apprenticeships, Advanced and Higher Apprenticeships in STEM-related occupations.
- Work with training providers to ensure that the technical skills requirements of key sectors are clearly understood and that progression routes exist, are mapped and articulated to employers.

2.8 Promote enterprise support

Between 2003 and 2008, a period of consistent economic growth, the Plymouth ESB area witnessed a 14% growth in public sector employment and only a 1% growth in private sector employment.

In August 2010, Jobcentre Plus had 1,400 unfilled vacancies on its books, compared with 7,300 Jobseeker's Allowance (JSA) claimants and 13,700 Incapacity Benefit and Employment Support Allowance (ESA) claimants.

It is very clear to the ESB that supporting private sector employment growth will be essential to the success of the Work Programme and preventing a further rise in unemployment as the government seeks to 'rebalance' the economy.

The Plymouth ESB has, therefore, identified the provision of enterprise support, both to new starts and to individuals growing existing businesses, as a key priority.

The importance and breadth of this over-arching priority is such that it is broken down below into a number of sub-priorities.

2.8.1 Expand Enterprise Education for young people

To support the delivery of the 2008 national enterprise strategy, the Department for Children, Schools and Families (DCSF) allocated £55 million per year until 2011 to fund enterprise education in secondary schools, and £30 million to support an 'enterprise journey' starting in primary schools and continuing in colleges, universities and the workforce.¹¹ This funding was to ensure that all Key Stage 4 pupils were provided with the equivalent of five days' activity focused on enterprise capability - innovation, creativity, risk management and risk-taking, supported by financial capability and economic and business understanding.

ESB members have expressed concern about future funding of enterprise education. While some schools have implemented imaginative programmes, often with business support, the level of priority and resource dedicated to enterprise education was felt to vary significantly between institutions. One school has been recognised as a Business and Enterprise College¹². Enterprise Days and programmes such as the Youth Enterprise Scheme (YES) were identified as valuable for promoting entrepreneurship.

The following **priorities** have, therefore, been suggested:

- Promote enterprise education, emphasising the need for sufficient funding and priority to be dedicated to this activity, both by government and by individual schools.
- Expand the provision of Enterprise Days, designed in partnership with business, particularly those with a focus on priority sectors.
- Identify business leaders prepared to act as 'Enterprise Ambassadors'.
- Encourage businesses to get involved in the design and delivery of high-quality enterprise education and entrepreneurship projects and activities.

2.8.2 Maintain and improve access to enterprise support

The range of enterprise support available from Business Link, colleges, training providers, Chambers of Commerce, sector networks, universities, Jobcentre Plus and others is vast. It changes regularly and is potentially confusing, particularly for smaller enterprises. Business Link was designed as a 'one-stop shop' and access point for business. It provides on-line guides and tools and an information team which helps entrepreneurs to review their ideas, needs and goals and to work out what needs to be done with the support of whom. For people considering setting up an enterprise, Business Link provides business start-up awareness sessions and workshops on planning and regulations, sales and marketing and finance and accounts. The future of Business Link is, however, uncertain.

¹¹ *Enterprise – Unlocking the UK's Talent*, p. 6, BERR, 2008,

¹² All Saints Church of England Academy (formerly John Kitto School)

Plymouth ESB members have emphasised the importance of maintaining access to a coherent and easily accessible package of support to people who are starting new enterprises or growing existing ones.

Plymouth has well-defined priority sectors¹³ and an existing network of sector co-ordinators responsible for ensuring that a co-ordinated package of support is available to their sector. The strength of sector-focused enterprise support in the area is recognised by the ESB as central to the aspiration of growing high value-added employment in and around the city. There is a desire to ensure that this offer is maintained and developed in the future and is not eroded by public sector spending cuts.

Suggested **priorities** for the ESB are, therefore, to:

- Maintain and develop employer access to a co-ordinated and accessible offer of enterprise and business support.
- Ensure that specialist sector support is integrated into this offer.
- Ensure that this offer is effectively communicated to employers and businesses, particularly SMEs.

2.8.3 Provide enterprise support to a) former public sector workers and b) people who are unemployed

As previously stated (see 2.3), the Plymouth ESB area has high levels of public sector employment and is identified as vulnerable to external shocks, including public sector spending cuts. To support the rebalancing of the local economy, ESB members wish to support former public sector workers who are considering setting up in self-employment or in new businesses.

On 6 October 2010, Iain Duncan Smith launched a 'new Enterprise Allowance Scheme', telling the Conservative Party Conference: *'If you have been unemployed for six months and want to start your own business, we want to support you. We will provide business mentoring and a financial package worth up to £2,000 to get your business up and running. We want to see 10,000 new small businesses by next year.'*

The demographic profile of the Plymouth ESB area includes large numbers of 'baby boomers' who are approaching retirement age. This group is likely to live longer, healthier lives than any preceding generation. It will also include significant numbers who have experience of starting and managing enterprises. These skills are potentially valuable to new entrepreneurs and managers growing their businesses. This has been recognised in many areas where business mentoring programmes such as Business Buddies (Northern Devon) and the Dorset Mentoring Programme (Dorset) have been set up to harness these talents.

Suggested priorities for the ESB are, therefore, to:

¹³ Plymouth's priority sectors are: Creative Industries, Marine Industries, Tourism and leisure, Health and medical, Advanced engineering, Business Services

- Assess the potential of business mentoring programmes and the scope for rolling out effective approaches in the ESB area.
- Ensure the availability of enterprise and mentoring support to former public sector workers and people who have been unemployed who are considering or starting up in business or self-employment.

2.9 Promote leadership and management development

Recent thinking on skills policy has emphasised the need not only to raise skills levels but also to ensure that employers harness the skills that are already available to them, using these to maximise workplace performance. Around 39% of employees consider themselves over-qualified for their current job, compared with only 13% who consider themselves under-qualified¹⁴. Effective leadership and management are central to effective 'skills utilisation'.

Research suggests that demand for management skills has increased in recent years¹⁵, and that there will be a significant growth in demand for corporate managers in the future¹⁶. A difficulty in addressing 'leadership and management' skills arises from the huge range and variety of roles and functions encompassed within this heading. A recent UKCES review of Sector Skills Assessments found that, while there was a common emphasis on the need to improve management skills, the nature of the skills required was diverse and often related to sector.

The Leadership and Management Advisory Service (LAMAS) has been viewed as an extremely flexible vehicle for engaging SMEs and address skills issues, but funding for LAMAS is now coming to an end.

ESB members have not identified a problem with the availability of leadership and management provision in the Plymouth ESB area. Provision is likely to become more flexible and demand-led in future, as employer contributions to training, including management training development, rise. The concern expressed by ESB members is around: raising leadership and management standards; and driving up aspirations and capacity for business growth during a period in which spending cuts are likely to constrain local market growth and in which enterprises will need to look regionally, nationally and internationally if they are to expand their business.

A priority for the ESBs was, therefore, to:

- Drive demand for leadership and management development by:
 - raising employer awareness of the potential benefits of leadership and management development;
 - making the case for continued public sector support for leadership and management development, e.g. via initiatives such as LAMAS.

¹⁴ Skills at Work, 1986 to 2006, Felstead, Gallie, Green & Zhou, ESRC / SKOPE, 2007

¹⁵ Bloom, N. et al, Management Practice and Productivity: Why They Matter, 2007

¹⁶ *Working Futures III*, UKCES, January 2009

2.10 Promote inward investment

The Plymouth Economic Strategy¹⁷ establishes an aspiration to create 42,500 new jobs in and around the City by 2026. Promoting local entrepreneurship and the growth of indigenous businesses alone will not achieve this considerable ambition. It will also be necessary to attract inward investment and to establish and communicate an attractive offer that persuades organisations to locate new facilities, or to relocate existing enterprises (including public ones), in the area.

Although all inward investment is important, the ESB felt that a continued focus on attracting high-value investment, particularly in priority sectors, should be maintained.

It was recognised that any inward investment offer must be multi-faceted, covering factors such as the image of the area and local infrastructure. However, the task of developing and promoting the skills of the local workforce is a particular responsibility for the ESB. This should include promoting the local skills and business development offer, sector support and business networking, all of which may be attractive to potential inward investors.

A priority for the ESB, therefore, is to:

- Support inward investment through developing and promoting the skills of the local workforce and highlighting the skills and business development opportunities available to organisations investing in the ESB area.

2.11 Tackle unemployment

In August 2010, 2.7% of the working age population of the Plymouth ESB area was claiming JSA, a rate 0.7 percentage points below that for England as a whole. However, this unemployment is concentrated in specific neighbourhoods and communities. In January 2010, claimant unemployment in certain neighbourhoods¹⁸ in central Plymouth was 13.5%, ten times the rate found in affluent parts of the city. 65,100 people in the ESB area were living in neighbourhoods where the unemployment rate was above the national average. Tackling entrenched unemployment and supporting local people to benefit from employment opportunities is a priority for the Plymouth ESB.

The coalition's Work Programme will provide new flexibilities to organisations helping unemployed and formerly inactive people into work. Work Programme providers will focus on raising the confidence and aspirations of their customers, assisting them to acquire functional skills and job-specific skills and to present these effectively. Employers should be encouraged to work in partnership with these providers, by setting out clear recruitment requirements and through measures such as offering work trials and guaranteed interviews to short-listed candidates. The success of the Work Programme will depend on providers

¹⁷ *Plymouth Local Economic Strategy 2006-2021 and Beyond*, Plymouth City Council and partners (October 2006)

¹⁸ The lowest measure available is Lower Super Output Area, a geography that normally includes from 800 to 1,500 people of working age.

being able to demonstrate to employers the benefits, in terms of time saved and improved employee selection, of recruiting with their support.

The suggested **priorities** for the ESB are, therefore, to:

- Raise employers' awareness of the skills in the area and to encourage them to advertise vacancies and recruit locally.
- Demonstrate the added value for employers of developing recruitment strategies in partnership with Jobcentre Plus and Work Programme providers.
- Highlight success stories where employers have benefited from working in partnership to recruit local people.

3. SUMMARY LIST OF PRIORITIES

- Improve young people's understanding of, and aspirations for, work.
- Provide Information, Advice and Guidance Services for Adults.
- Promote talent retention and re-deployment of former public sector workers.
- Support the development of generic employability skills.
- Promote graduate retention.
- Increase the supply of Apprenticeships
- Support the acquisition of technical and STEM skills, particularly in priority sectors.
- Promote enterprise support:
 - Expand Enterprise Education for young people.
 - Maintain and improve access to enterprise support.
 - Support the provision of enterprise support to:
 - a) former public sector workers and
 - b) people who are unemployed.
- Promote leadership and management development.
- Promote inward investment.
- Tackle unemployment.