

Buckinghamshire Skills Strategy 2017 to 2022

1. Introduction

Skills contribute significantly to the economic prosperity of an area and improving skills is an important way to drive both business growth and higher incomes.

Businesses, education and public services all play a critical role in shaping and developing the skills needed within the county. Buckinghamshire Thames Valley Local Enterprise Partnership (BTVLEP) has set itself a vision '**that the Buckinghamshire economy will be a vibrant, balanced and resilient economy, underpinned by innovative, high-value, globally-orientated firms**'. Skills for growth will be an important element in achieving this vision, particularly in terms of STEM (science, technology, engineering and maths) skills development and higher apprenticeships. Buckinghamshire County Council (BCC) has a Strategic Plan priority to '**Keep Buckinghamshire Thriving and Attractive**' which will rely on getting more local people into local jobs and the development of sector specific skills to ensure an adequate supply of local labour.

The purpose of the skills strategy, therefore, is to provide a framework and focus for the joint commitment to skills development across the county. It will address the county's specific need and align a wide range of stakeholders around a clear plan of action.

Whilst most of the skills key performance indicators in Buckinghamshire compare relatively well against national levels, Buckinghamshire needs to focus on retaining its strategic advantage as it is one of the most productive economies in the UK. Currently, Gross Value Add (GVA) per hour worked 16 per cent above the national level, however, Buckinghamshire's productivity growth in 2015 failed to match that recorded across the country as a whole for a fourth successive year and for the 8th time in the last eleven years.

There are a number of prominent skills issues that need to be addressed in order to help to maintain Buckinghamshire distinct strategic advantage:

- The substantial daily loss of skilled people who commute to higher paid jobs in London, and the 'brain drain' of educated young adults leaving Buckinghamshire. Buckinghamshire has a comparatively small proportion of people aged 24-30, being in the bottom 25% of all Local Authorities for this measure. These issues may pose a challenge to the

unfolding growth agenda in Buckinghamshire, which will be predicated upon the availability of an appropriately skilled workforce.

- Buckinghamshire has a higher proportion of residents holding qualifications at NVQ levels 2 and 3 or higher than the country as a whole. Buckinghamshire has a very well educated population with 35.6% of working age residents holding degree level qualifications, the fourth highest level of any county council area. Whilst this is good news, it is only an advantage if sufficient high quality jobs are created to retain the talent within the county.
- Skills shortages (a lack of suitably skilled applicants to fill vacant posts) are more acute across the Thames Valley than the rest of the country, and within the Thames Valley Buckinghamshire faces the biggest challenge with 30% of vacant posts reported unfilled due to a lack of appropriately skilled applicants (compared to an average of 25%).
- Skills gaps (where employers believe employees are not fully proficient in their role) are also an issue with 6% workforce employees deemed not proficient (compared to an average of 6.25% across the Thames Valley). There is evidence of some mis-match between the supply and demand of skills in Bucks, with particular shortages in the technician, higher level, and STEM (Science, Technology, Engineering and Maths) skills required for local 'plan for growth' sectors (including engineering, digital/ IT, life sciences and medical technology, high performance technologies, creative industries, construction, and built environment). Competition from other employers (particularly London-based) is also noted as a driving factor.
- A key opportunity for addressing these skills shortages, is to grow our Apprenticeship provision; with only 2% of key stage 5 pupils currently progressing into this type of training. The top five categories in our Apprenticeship profile are Business Management, Hospitality & Catering, Child Development & Welfare, Health and Social Care, and Administration. This demonstrates a comparative lack of provision in some of the more important sectors for the future of Buckinghamshire's economy (the 'plan for growth' sectors mentioned above).

As part of the process of developing and delivering the Skills Strategy it is important to continuously explore the following questions with all key stakeholders:

1. What are the jobs most at risk in the next 5-10 years?

2. What are the skills likely to most in demand in the next 5-10 years?
3. Skills shortages and gaps – to what extent is the level of technical skills an issue in the current and upcoming workforce? What will the impact of Brexit and/or automation be on the local labour market?
4. What is the ‘scale-up’ opportunity in Buckinghamshire?
5. What resources are required to deliver our aspirations and where can they be sourced?

It is vital that BTVLEP, Buckinghamshire County Council, the business community (via Buckinghamshire Business First), Job Centre Plus, and the Further Education and Higher Education providers work together to shape a cohesive strategy and then continue to communicate and collaborate throughout delivery and implementation.

2. Key Themes

It is essential to invest in dynamic and informed labour market intelligence to inform a responsive and effective skills strategy. As part of that, **it is important to establish systems to improve the articulation and aggregation of employers skills needs (SEP Priority 01)**, using the existing delivery infrastructure of BTVLEP’s Buckinghamshire Skills Hub and its growth hub, Buckinghamshire Business First.

A number of key themes have been identified based on the current evidence base for Buckinghamshire. These are:

1. Developing our future workforce - improve work preparedness of our young people and ensure they are able to make informed career choices
2. Develop a robust supply of skilled ambitious talent for our priority growth sectors and enterprise zones – **creative industries, digital industries, high performance engineering, life sciences, food and drink manufacture, space industries.**
3. Address widening skills gaps by supporting lifelong learning
4. Actively support skills development and recruitment in the **health and social care, construction, tourism, service and public sector.**

Note: While it is a priority to maintain low levels of NEETs in Bucks and to ensure that through the skills strategy we support the provision of genuine opportunity for all including those from disadvantaged backgrounds, this area of focus is largely supported through Buckinghamshire County Council’s programme of work.

3. Outcomes Expected

In delivering the Skills Strategy for Buckinghamshire by 2020 we would expect to see:

- Increased and enhanced understanding of employers skills needs.
- The development of our future workforce resulting in a significant decrease in the number of employers reporting a lack of basic skills and work preparedness skills amongst young people.
- An increase in the delivering of impartial advice, guidance and careers education for young people.
- An increase in the growth of high value jobs across the county.
- A growth in apprenticeships at all levels.
- An established culture of lifelong learning through a growth in workplace learning and adult learning across the county.
- Reduced skills shortage in health and social care, construction, tourism, services and the public sector.

4. Monitoring the Impact of the Strategy

The action plans developed as part of this Strategy will be monitored through the Skills and Employability Board of BTVLEP. It will also be monitored by the Cabinet Member for Education and Skills and via the relevant Select Committee Dissemination and engagement with the Strategy by relevant stakeholders will be facilitated through an annual Skills Summit for Buckinghamshire.

5. Action Plan

5.1 Improve work preparedness of our young people and ensure they are able to make informed career choices

Our young people are our most valuable asset in developing our future workforce. Our aspiration is that young people aged 16 to 24 will be inspired to develop the skills needed to flourish in the workplace.

Current Situation and Evidence Base:

Buckinghamshire has one of the highest youth employment rates in Great Britain, with 64.1% of residents aged 16-24 in work to rank 2nd among England's 38 Local Enterprise Partnerships (LEPs) and 5th among England's 27 county council areas. Being in full-time education is the most common reason for

young people in Buckinghamshire not being in work. Young women are more likely than men to economically inactive, with the difference being accounted for by caring responsibilities falling on women, while men are more likely to be unemployed.

Despite the exceptional employment rates enjoyed by Buckinghamshire’s young residents, Buckinghamshire’s employers are among country’s most dissatisfied with the work-readiness of staff recruited straight from education. A third of businesses to have recruited directly from schools in the last three years found new staff to be poorly or very poorly prepared for work, with a local of maturity or work or life experience being the most commonly cited reason ahead of a poor attitude or lack motivation. A lack of basic education or required skills were much less commonly reported. The full results are presented in Table 1 below.

Table 1: Employing companies’ assessment of preparedness for work of education leavers

Preparedness for work of	16 year old school leavers	17-18 year olds recruited to first job from school	17-18 year olds recruited to first job from FE college	Higher education leavers recruited to first job from University
% businesses reporting poorly or very poorly prepared	33	34	23	21
Rank among 39 LEPs, where 1st = least prepared	24	3	9	1
Skills lacking reported by % of employing businesses:				
Lack of working world / life experience or maturity	21	31	14	12
Poor attitude / personality or lack of motivation	16	15	11	16
Lack required skills or competencies	8	11	9	3
Literacy/numeracy skills	5	3	3	7
Lack of common sense	3	4	8	6
Poor education	2	3	4	0

Source: Employers Skills Survey, UKCES, 2014

In Bucks 50% of young people go to university, of which 95% do so out of county. More telling is that as a result of a high achieving education system, one in four (26%) of young people in Bucks go to a Russell Group university, the so called ‘elite’ universities; this is the highest proportion of any LEP by some distance – the second highest being Hertfordshire LEP where 16% of their young people go to a Russell Group university. Therefore it can be seen that in Bucks the university destination is deeply ingrained as the pathway of choice, and more especially to the perceived ‘elite class of’ university.

The majority of those that leave at eighteen do not return to Bucks, and those that do tend to return in their late thirties /early forties with young families. In Bucks, there are significantly lower numbers of people in their twenties than elsewhere in the UK which has a hugely negative impact on town centres and employers’ ability to recruit young talent.

On the other hand, those that choose a technical pathway (FE or employment) tend to stay in Bucks – it is important to ensure these young people have the skills local businesses need and for this the new apprenticeships present a significant opportunity.

Buckinghamshire has 496 NEET claimants aged 18-24 years old on Job Seekers Allowance, which is 1.3% of that age group (the 3rd lowest share among LEPs) compared to a national level of 2.9%.

When asked about the work preparedness of young people, the skills cited by business as most commonly missing are:

- Technical, practical or job specific skills (87%)
- Oral Communications (59%)
- Problem solving skills (55%)
- Planning and organisation skills (53%)
- Written communication (51%)

Source: Employers Skills Survey UKCES 2015

Our Delivery Goals:

- Continue to work with the Careers and Enterprise Company and the Enterprise Adviser Network in Bucks, increasing impact and reach.
- Support the development of OppsinBucks.org and its partnerships between educators and employers which work to improve work preparedness; improve motivation and engagement of learners; and to ensure all young people are able to make informed career decisions.
- Support the development and reach of WANNABEbucks.org which connects business opportunities with young people such as work placements, apprenticeships, part and full time work vacancies.
- Deliver the Bucks Skills Show, the BTVLEP's annual career show where the aim is to inspire and inform about careers in order that young people align their ambitions for where they will be needed most
- Develop and **deliver more industry led experiential challenges and inter-school competitions, particularly in STEM and the county's priority sectors (SEP Priority 05)**, to further improve employability skills and offer work-related experiences to young people.
- **Improve the provision of student placements and projects in business (SEP Priority 04)** through generating more work experience, work placement and internship opportunities – enable skills development and gain experience.
- Encourage employers to offer apprenticeships to give young people an early and phased introduction to the brave new world of work.

5.2 Develop a robust supply of skilled ambitious talent for our priority growth sectors and enterprise zones

The growth of our key industry growth sectors and Enterprise Zones are key to the economic prosperity of Buckinghamshire. Our principal aim is to provide targeted support to enable these sectors to grow at a faster rate than that nationally. Whilst the Buckinghamshire economy has been relatively resilient throughout the recession, developing the right skills for growth is vital for continued success. Our priority focus will be on:

- Creative industries
- Digital industries
- High performance engineering
- Space industries
- Life Sciences
- Food and drink manufacture

Current Situation and Evidence Base:

- Buckinghamshire's creative industries employ 17,300 people in 4,430 businesses, with computer consultancy activities making the single largest contribution to the total with 5,200 jobs, ahead of advertising agencies (2,600), motion picture, video and television programme production activities (1,900) and computer programming activities (1,700). Established, world renowned cluster of sector specialist businesses, Pinewood Studios and the National Film & Television School.
- In Bucks, high performance engineering provides 15,000 jobs, representing 6.8% of Buckinghamshire's total, in 2,200 businesses. Engineering activities and related technical consultancy provide the most jobs in the sector (3,600), ahead of the manufacture of computer, electronic and optical products (2,300), civil engineering (1,700), the manufacture of air and space craft (1,400), and the treatment and disposal of non-hazardous waste. Between now and 2020, the UK will need around 156,000 engineering graduates and advanced apprentices per year. We produce on 73,000.
- Despite employment in the sector in Buckinghamshire falling by an average of 2.3% per annum over the last five years the sector is forecast to see an average growth of 0.3% to 2026.
- Cluster of Formula One businesses centred around the Silverstone hub. Other high performance engineering businesses in Bucks: Martin Baker

- Britain's space sector has doubled turnover over the past decade to almost £12bn a year and the industry is targeting an annual turnover of £40bn by 2030.
- The UK Space Agency is investing £4.12m in a National Propulsion Test Facility at Westcott, near Aylesbury in Buckinghamshire, giving the UK a new facility for space technology testing. The facility will allow UK companies and academia to test and develop space propulsion engines. The planned facility will be based at Westcott with its strong history of rocketry research for defence and space development, building on existing facilities.

Our Delivery Goals:

- Work with businesses and training/education providers **to establish enhanced work based qualifications especially at levels 4 and 5 (SEP Priority 02)**, and influence supply and drive the demand for the resulting apprenticeships and T levels.
- **Identify strategic firms interested in establishing new partnerships to provide degree or undergraduate provision in current gaps (SEP Priority 03).**
- **Encourage business incubation in FE and HE (SEP Priority 06)** via Local Growth Fund Skills Capital projects supporting priority sectors include: BEST Digital Innovation Hub at UCAV, Buckinghamshire's Life-Sciences innovation Centre at BNU; Satellite Applications Catapult at Westcott; NFTS 4k facility; University of Buckingham's Vinson Centre, and the Silverstone Innovation Centre in the high performance engineering heartland.
- Develop proposal for Institute of Technology in High Performance Engineering – career pathways from Silverstone UTC and ATG, potentially link to the Institution of Engineering and Technology in Stevenage at Silverstone – to be based at the national home of high performance F1 motorsport – and connecting relevant industry recognised HEIs such as Cranfield university.
- Recruit an Apprenticeship Coordinator to support businesses to navigate their way through the apprenticeship reforms and the new levy in order that training budgets are spent on training employees in Bucks to address the current skills gaps and recruit to address skills shortages.
- Support SMEs to expand and grow by training business owners in leadership and management skills

5.3 Address widening skills gaps by supporting lifelong learning

In an ever changing work environment, employees may face various points in their careers where they have to face career changes or the need to reskill to be able to manage their careers. Our aim is to enable a culture of lifelong learning across the county for the mutual benefit of both employers and residents.

Current Situation and Evidence Base:

Buckinghamshire’s labour market is set to undergo marked change over the next ten years. In 2014, 47.3 per cent of jobs in Buckinghamshire were in managerial, professional and technical occupations, by 2024 this is projected to have reached 50.5 per cent, with all other occupational groups, except caring occupations seeing a fall in share as well as a fall in total jobs for in administrative, sales and plant and process operative occupations as shown in Chart 1 below. At the same time, the county’s industrial structure, with jobs in the service sector forecast to reach more than 85 per cent of all jobs in Buckinghamshire by 2027¹. Expansion is forecast to be particularly strong in the residential care and social work sector (3,400 additional jobs) ahead of the wholesale (2,600), health (2,400), education (2,100), accommodation and food service (1,900) and professional services (1,800) sectors.

Chart 1: Buckinghamshire projected occupational change, 2014-2024



Source: Working Futures, UKCES, 2016

¹ Experian, Local Markers Forecast ©, March 2017

Brexit's impact on the labour market is yet to be fully understood. However, there were 199,101 EU passport holders employed across the South East in 2011, including 9,908 and 6,826 professionals working in the education and health sectors respectively. EU passport holders filled 1 in 15 caring jobs in the residential care sector and 1 in 20 in the health sector. More than a quarter of both plant and process operative and elementary occupations in the South East were filled by EU passport holders in the food manufacturing sector (2,548 workers in 2011), with 6,008 working in skilled trades in the house building sector.

Our Delivery Goals:

- Use the Apprenticeship Coordinator to work with businesses to help them identify training needs and connect them to apprenticeship funding opportunities.
- Using BBF's skills diagnostic tool and Adviza's Skills Brokerage programme to help businesses address some skills needs via short courses and training programmes
- Deliver/support programmes such as those run by the National Careers Service and Adviza which help the unemployed back into work in key sectors by up-skilling people to meet the changing needs of business.
- Work with Adult Learning providers to ensure a curriculum that is relevant to the needs of local businesses

5.4 Actively support skills development and recruitment in the health and social care, construction, tourism, service sectors

Current Situation and Evidence Base:

- Buckinghamshire's health and social care sector provides 26,800 jobs in 1395 businesses. Of these jobs 10,900 are part-time. Hospital activities are the largest sub-sector providing 6,700 jobs, ahead of other human health activities (3,700), general medical practice activities (2,600), residential care activities for the elderly and disabled (2,700), and residential nursing care activities (2,100).
- Employment in the sector has grown an average of 1.3% per year since 2009.
- In Buckinghamshire's construction sector there are 12,400 jobs in 3,340 businesses. House building is the largest component, accounting for 3,000 jobs, ahead of electrical installation, plumbing, heat and air conditioning installation (1,500), construction of other civil engineering projects, including sports stadiums (1,200), development of building

projects (1,000) and the construction of commercial premises (900). Since 2009 the number of jobs in construction in Buckinghamshire has fallen by an average of 1.5% per annum, despite this the sector is forecast to grow by 1.0% per annum to 2026, adding an extra 2,400 jobs.

- Scale of growth in Bucks - 50,000 houses plus nationally significant projects such as Heathrow expansion and HS2.
- Tourism – potential for growth to be defined.

Our Delivery Goals:

- Support programmes such as those run by the National Careers Service and Adviza which help the unemployed back into work in key sectors by up-skilling people to meet the changing needs of business
- Ensure technical education pathways support skills needs in these key sectors, and young people's career aspirations are aligned for where they will be needed most.
- Encourage employers from these sectors to work closely with educator and training providers in terms of work inspiration, work experience and recruitment and delivery of apprenticeships

6. Next Steps:

Consult – consult with relevant stakeholders on the content of the draft Skills Plan and develop a final plan by July 2017.

Research – It is essential that we gain understanding from regular and comprehensive labour market intelligence in order to invest in economic development, business support, apprenticeships and deliver on a commitment to world class skills development – particularly in our identified priority sectors. The last Buckinghamshire skills survey was conducted in 2012 and therefore the first step would be to carry out a new survey comprised of telephone interviews, focus groups and face-to-face interviews. Research to be completed by October 2017.

Deliver - It is important that all stakeholders come together to collectively consider whether the skills themes are the correct ones for Buckinghamshire and how they can contribute to the delivery of the Strategy. It is proposed that an annual Skills Summit is developed through which engagement can be undertaken. The first Summit, 'Skills for Growth', will enable businesses, education, local authorities and other partners to pledge action that will help deliver a more prosperous county and encourage more high value jobs. Skills Summit to be held during November/December 2017.

List of Appendices:

1. Table of strategic economic priorities and related activity
2. The local and national context