Stoke-on-Trent and Staffordshire Skills Advisory Panel: Skills for Growth Survey

Findings Report

September 2022

Metro —— Dynamics

Contents

Executive summary

Purpose and method of the survey

Stoke-on-Trent and Staffordshire LEP's Skills Advisory Panel (SAP) has commissioned this piece of business research to provide an up-to-date evidence base on the key skills needs of businesses in the area. The purpose of this work has been to provide an up-to-date evidence base on the key skills needs of businesses and the implications for skills supply locally – with a particular focus on priority growth sectors.

This report intends to inform Stoke-on-Trent and Staffordshire LEP and the members of the Skills Advisory Panel on businesses' views on their recruitment and training challenges and priorities.

From February to July 2022, Metro Dynamics and IBP Strategy and Research worked together to conduct a survey of the local business base and analyse the results.

The survey has been conducted across the broad local business base, though has targeted specific priority growth sectors and skills areas identified by the SAP:

- Digital skills
- Green economy / net zero transition jobs
- Skills for new technology adoption including automation, AI, and machine learning in the following fields:
    - Engineering and advanced manufacturing
    - Construction and modern methods in housing and infrastructure
    - Advanced logistics
    - Health and social care

Survey questions were designed to understand business demographics and characteristics, experience recruiting and skills shortages, existing workforce skills gaps, future skills needs especially in digital and green skills, training practices and apprenticeships, and support businesses would find helpful from the SAP and partners.

Policy and sector context

The survey has been conducted at a time of major economic change due to the impact of Covid-19 and Britain's exit from the European Union. Both of these factors have had a major impact on the labour market, with firms across the country struggling to hire staff. The challenges of inflation across the economy – particularly driven by food and energy costs – are also impacting the labour market in the form of salary expectations and demands for rising wages. Firms are also dealing with a range of challenges including rising costs, supply chain challenges, and long-term impacts on patterns of demand caused by the pandemic.

The skills system in the UK is undergoing a period of significant change due to changes in Government policy aimed primarily at promoting greater uptake of further education (FE) options which support business needs. A recent National Audit Office report notes that current skills landscape is perceived to be complex and sometimes disjointed, with a wide range of skills programmes which often see duplication of services, making it difficult for employers and training providers to navigate a large number of different programmes and initiatives.[1]

We have analysed survey findings and developed recommendations in the context of national skills policy introducing a skills and training mission in the Levelling Up White Paper, implementation of the Skills and Post-16 Education Act, continued embedding of T Levels, introduction of Local Skills Improvement Plans (LSIPs) for 2023, UK Shared Prosperity Funding replacing European Social Funds from 2022, and DfE developing an evidence base around new ways of collating and analysing local skills needs and supply.

We shaped our survey around Stoke-on-Trent and Staffordshire's priority growth sectors and skills areas, drawing on the local evidence base:

- Digital skills
- Green economy / net zero transition jobs
- Skills for new technology adoption including automation, AI, and machine learning in the following fields:
  - Engineering and advanced manufacturing
  - Construction and modern methods in housing and infrastructure
  - Advanced logistics
  - Health and social care

We have developed recommendations within the context of local, regional and national trends for these sectors and labour markets, and local provider assets and projects in the Stoke-on-Trent and Staffordshire, as well as linking to neighbouring LEP area Local Skills Reports' (LSRs) priorities and interventions.

[1] NAO, Developing workforce skills for a strong economy, July 2022

Survey findings

This survey engaged 780 businesses across the Stoke-on-Trent and Staffordshire business base, with good geographic spread across local authority areas. Through sample boosting, the survey also particularly targeted local priority sectors: construction, digital, engineering and manufacturing, health and social care, and logistics. The majority of respondents were small and medium businesses, but with underrepresentation in micro businesses, and overrepresentation in larger employers compared with the business base, reflecting current time and capacity to respond to surveys. In response to growth ambitions and priorities, almost half of respondents said they plan to stay at their current size at 49%, but with 34% planning for moderate growth, and 9% planning for significant growth. Of the respondents planning for growth, 60% have recruited in the last 12 months, and 46% have training budgets/plans in place – these figures are both higher than for all respondents.

Recruitment and skills shortages

Almost half of respondents have been recruiting and well above average in several key sectors such as health and social care and logistics (both at around two-thirds) reflecting where we see growth locally. Nearly a third of businesses are facing difficulties recruiting, with the issue higher in priority growth sectors of health and social care and logistics – with the main reasons being lack of skills and experience. A lack of candidate interest was a common reason, particularly in entry level and training roles.

Nearly a quarter of businesses have hard to fill vacancies, and more prevalent in priority growth sectors. A lack of skills and experience and candidate interest in roles are issues that need addressing. Most hard to fill vacancies were due to a lack of applicants with the required skills (63% of respondents). The most commonly cited occupation for hard to fill vacancies was skilled operational staff.

Workforce skills gaps

Businesses across sectors are recognising skills gaps in their existing staff, with some specific reasons identified. This seems to be reported more frequently by digital and engineering and manufacturing businesses. A third of respondents who reported skills gaps in their workforce cited lack of staff experience in their industry as a reason for skills gaps. Employers reported that ageing workforces have specific skills that businesses are concerned about losing.

Digital skills

Businesses identified digital skills and roles as being important for their future growth, ranging from basic and administrative digital skills to more specific web design and programming skills to support growing businesses' offers. Digital skills gaps were most pronounced in digital and engineering and manufacturing sectors. From deep dive conversations, we also heard that businesses experience persistent issues around basic digital skills, with concerns that lack of basic skills would hold back business technology adoption. Among digital businesses, recruiting for roles is challenging at the moment.

Responses stated some awareness of specific digital skills but also expressed uncertainty about need and level of demand.

Businesses' expectations of future digital needs (next 5-10 years) were greater than those at present, with 5% of respondents reporting that they currently struggle to recruit the digital skills they need, 12% identifying digital skills gaps in their existing workforce, and 26% identifying that they will need digital skills in the future.

Green skills

A small number of businesses who responded to our survey (just 1%) reported that they are struggling to recruit staff with skills related to net zero and energy transition, or green practices. Just 5% of businesses surveyed reported having green skills gaps in their current workforces, with construction and engineering and manufacturing firms reporting at about the same rate. In a similar trend to responses on digital skills, more businesses identified green skills as necessary in future at 10%, however, this came after a range of other types of anticipated future skills needs.

Where green skills gaps were identified in skills/roles, sustainability manager was the most frequently cited by businesses. This indicates that businesses expect sustainability to impact more than one area of how they do business, and that they will require staff who can manage various requirements.

Findings indicate that while there is an awareness that green skills and changing practices for transition to net zero will be important, there is an expectation that Government and national sector leading firms will implement new requirements that may be significant enough to render smaller individual firm level action on green skills potentially ineffective or not worth significant change at this moment.

Future skills needs

For 35% of businesses, technical skills relevant to their own respective sector are a major anticipated future need. Notable here is the percentage citing digital and green skills, which is high compared to current levels recruitment and workforce skills gaps.

Survey respondents frequently cited anticipating more digital, technical, and operational skills, for example, 'to get the business online', 'grow the business', and 'manage the business administration so I can focus on other things'.

Among survey respondents, there is an awareness that skills needs will shift in the future, but uncertainty around what the required skills will be, with many businesses saying that they think skills needs in the future may depend on changes to national regulations and specific local business contracts. Businesses also expressed a reliance on younger employees to keep up with changing needs, for example, 'I will recruit skilled people to understand future technical needs'.

Training needs and business support

There is a reliance on at-work job specific training among respondents, and many businesses don't currently have training plans and budgets.

The inability to spare staff time and the cost of training were reported as major barriers to providing training in every sector. This was especially true in digital businesses, where 38% of businesses cited time and 31% cited cost, and in health and social care, where 39% of employers said they couldn't spare the time for their staff to train. Employers and providers identified skills needs in the training offer for priority sectors. It has been difficult to ensure the area has the right trainers and teachers with up-to-date skills.

Overall, 28% of respondents reported currently offering apprenticeships in their business, with 25% reporting that they will offer apprenticeships in future. The current use of apprentices varied by sector, with a higher proportion in engineering and manufacturing and health and social care.

Most of this group offering apprenticeships (67%) want to work with providers in the future. Businesses reported strong retention of staff after apprenticeships have finished, with 76% of respondents reporting that at least half of apprentices stay with their business.

Respondents expressed interest in a number of potential areas of support from providers and partners, with overall the most popular options being support for apprenticeships/work placements (identified by 31% of respondents), and ongoing specialist training programmes with local providers.

Recommendations summary

Supporting a pipeline of talent for businesses

- The LEP including the SAP should target and promote **support for small businesses in transition and succession planning**, and support for employers to access targeted upskilling and apprenticeship matching support.
- **Skills and training providers should ensure that young people, parents and adults understand the specific local opportunities** – especially in digital, manufacturing and green technology – by actively engaging with employers.

Business representation and responding to sector specific needs

- The Chamber should work with the LEP to establish representative sector groups including cornerstone employers and convene **working sessions that both inform the development of the LSIP and serve to problem solve** and explore new ways of achieving outcomes for skills shortages and gaps.
- Partners should collaborate with engaged businesses to **create a coalition of the willing. This group would collaborate and co-develop with providers** new ways of supporting sectors and supply chains with skills and training.
- **A focus group of learners and providers** should be established to support the LSIP development and encourage collaboration between providers and employers.
- A health and social care group of employers and providers should ensure that **careers in health and care are promoted to local people**, and new technologies and skills to support these are introduced in care.
- **Opening up the diverse range of jobs in engineering and manufacturing to young people and students** can support a pipeline of skilled people into the sector, through immersive training and apprenticeships, learning from experienced staff, and being encouraged to explore the potential of introducing new technologies for the business.
- **Further research as part of the LSIP development should** include understanding how providers can support businesses in more flexible ways to meet both recruitment and skills challenges, help them to understand skills needs, and support businesses to share skills best practice with others in their sectors and supply chains.

Supporting businesses with digital and green skills

- The LEP including the SAP, Chamber and partners should work with employers to **understand in more detail what digital and green skills mean for their businesses**, and how skills providers and partners can help with training and support offer.

- The LEP including the SAP should **offer a green growth roadmap for businesses**, connecting them to national programmes and research, to help them understand digital and net zero transition and how they impact different businesses' activities.
- Building on current skills projects, the SAP should engage in **understanding providers' capacity and support for training trainers and lecturers needs.**

Attracting young people into local careers

- The SAP with universities, FE colleges, and skills providers should work closely with schools and local CEAIG service to **provide local sector and occupation information that is regularly updated and presented in an accessible way for parents and pupils.**
- CEAIG services should engage businesses in priority sectors to enable **school pupils to access experience with employers – including flexible ways for pupils to experience businesses and life at work.**

Developing a Local Skills Improvement Plan

We recommend that Stoke-on-Trent and Staffordshire's LSIP should:

- Create a coalition of the willing made up of engaged businesses and providers to support implementation and delivery of LSIP priorities.
- Utilise business sector groups convened by the Chamber of Commerce and LEP to co-develop LSIP priorities, and a providers and learners focus group, tasked with leading specific actions and projects.
- Engage businesses to ensure evidence is representative of local sectors, and types and sizes of businesses – following up on this survey with engaged businesses.
- Identify areas where genuine scale can be achieved – with enough demand in the area, that would make a difference in the local economy, and where there are currently gaps.
- Prioritise coordinating support and provision for digital and green skills that can be developed and implemented with employers across the economy.
- In identifying skills and occupational needs, also identify recruitment and training needs for trainers, teachers and providers – this is a particular challenge in areas with new and changing technologies.
- Agree an approach to enabling ongoing research with businesses to understand the support needed as economic circumstances and skills requirements evolve.

1 Introduction

Background

Stoke-on-Trent and Staffordshire LEP's Skills Advisory Panel (SAP) has commissioned this piece of business research to provide an up-to-date evidence base on the key skills needs of businesses in the area. From February to July 2022, Metro Dynamics and IBP Strategy and Research worked together to conduct a survey of the local business base and analyse the results.

The purpose of this work has been to provide an up-to-date evidence base on the key skills needs of businesses – with a particular focus on priority growth sectors. This report intends to inform Stoke-on-Trent and Staffordshire LEP and the members of the Skills Advisory Panel – universities, colleges and skills providers, business representatives, and local authorities – on businesses' views on their recruitment and training challenges and priorities.

The detailed survey results will support the development of skills strategy and interventions, including collaboration projects between providers and employers, and the Local Skills Improvement Plan that will be submitted to the Department for Education (DfE) in 2023.

About the research

This research has been carried out through a survey of 780 businesses operating in the area between February and July – conducted by telephone and online – as well as additional deep dive conversations with businesses and sector groups – engaging 25 businesses.

The survey has been conducted across the broad local business base, though has targeted specific priority growth areas identified by the SAP:

- Digital skills
- Green economy / net zero transition jobs
- Skills for new technology adoption including automation, AI, and machine learning in the following fields:
  - Engineering and advanced manufacturing
  - Construction and modern methods in housing and infrastructure
  - Advanced logistics
  - Health and social care

About this report

This report is structured as follows:

- In section 2 we describe the methodology used for the survey and consultation.
- Section 3 focuses on the policy and economic context in which this survey was conducted – including national skills policy, local economic priorities, national and local context for priority sectors, and local skills provision.
- Section 4 sets out key messages and conclusions from the survey results and deep dive conversations
- Section 5 concludes with recommendations for future strategy.
- A supporting annex provides a presentation of the full survey results.

2 Survey methodology

At the start of the project, Metro Dynamics and IBP co-designed the survey for businesses with the LEP team and SAP members. We developed a survey with a single set of questions that was then formulated to create a user-friendly online version that businesses could complete in their own time, and a telephone survey to be conducted by IBP. The survey included a mix of open and closed questions, and was shared widely to businesses through SAP partners, running from February to July 2022.

From a contact database of 25,000 local businesses covering the breadth of the business base, we agreed a sample frame that would ensure a geographical spread of businesses would be targeted and surveyed, and that in priority sectors, attention would be paid to boost the numbers of businesses surveyed. This was intended to capture the views of the overall business base, as well as specific needs in local priority growth areas.

We co-developed a mix of open and closed questions that were designed with pathways to cover:

- **Business information**: company size, job title, industry / what the company does, whether the company is headquartered in Stoke-on-Trent and Staffordshire
- **Recruitment and skills shortages**: skills needs for vacancies, issues recruiting for the right skills
- **Skills gaps and current workforce**: skills gaps in existing workforce and training needs for staff
- **Recruitment and training plans**: plans for recruitment and training current staff in the next year, including apprenticeship opportunities
- **Future skills needs**: areas where further skills will be needed in the future workforce
- **Sector-specific questions**: specific skills needs in areas such as digital, automation, modern methods of construction, and net zero transition
- **Business support**: ideas about the kind of support that would help with skills needs

We used connections into Chamber of Commerce sector groups to conduct further deep dive conversations, with group conversations focused on each of the priority sectors, as well as one-to-one interviews with a smaller number of business owners and managers. These conversations have given us deeper insight into particular issues and their wider context, supplementing the survey results. Alongside interviews, we conducted a review of existing literature and data in the local evidence base to contextualise the survey results in this report.

We have developed this report following an Interim Report with interim survey findings presented to the SAP Board at the end of June 2022. This report includes analysis of the full survey results by researchers with extensive experience in qualitative and quantitative research and analysis methods.

The survey results data was prepared as a single integrated dataset bringing together the online and telephone responses. We have analysed the data using cross-tabulation by location and sector, as well as emphasis on certain issues (e.g., looking at the reasons respondents gave for answering that they had difficulty recruiting for digital skills).

This has resulted in the key findings and conclusions that are set out in section 4 of this report, with full results visualised in a separate annex.

3 Policy and sector context

This section of the report sets out the national context for skills policy. It also examines existing analysis of the demand for skills in Stoke-on-Trent and Staffordshire's priority sectors.

The survey has been conducted at a time of major economic change due to the impact of Covid-19 and Britain's exit from the European Union. Both of these factors have had a major impact on the labour market, with firms across the country struggling to hire staff. The challenges of inflation across the economy – particularly driven by food and energy costs – are also impacting the labour market in the form of salary expectations and demands for rising wages. Firms are also dealing with a range of challenges including rising costs, supply chain challenges, and long-term impacts on patterns of demand caused by the pandemic.

National skills policy priorities

The skills system in the UK is undergoing a period of significant change due to changes in Government policy aimed primarily at promoting greater uptake of further education (FE) options which support business needs. A recent National Audit Office report notes that the current skills landscape is perceived to be complex and sometimes disjointed, with a wide range of skills programmes which often see duplication of services, making it difficult for employers, training providers and learners to navigate a large number of different programmes and initiatives.[2]

A recent National Audit Office report for the Department for Education also highlighted the need for a stronger skills system to improve higher-quality learning and increase the number of higher-qualification learners.[3] This sits in the context of lower spending on workforce training by employers in recent years.[4]

The recent **Levelling Up White Paper**[5] highlights the importance of education and skills to Levelling Up, and identifies not only that more needs to be done to ensure opportunities are accessible to all but focuses on wellbeing and social capital. The White Paper sets a mission for 200,000 more people by 2030 completing high skill qualifications, and its six capitals model emphasises the links between human, social, intangible, institutional, financial and physical capitals in developing people's skills and prosperity through economic growth in places.

The Government passed the **Skills and Post-16 Education Act**[6] in April 2022 following the Skills for Jobs White Paper in 2021. This established an approach to planning skills

[2] NAO, Developing workforce skills for a strong economy, July 2022
[3] NAO, Developing workforce skills for a strong economy, July 2022
[4] Ibid.
[5] HM Government, Levelling Up the United Kingdom, February 2022
[6] HM Government, Skills and Post-16 Education Act, April 2022.

provision in a place with close employer engagement and based on employer needs. Along with the introduction of employer representative body (ERB) led Local Skills and Improvement Plans, the Act also places a focus on improving technical skills and access through schools, and enacts the Lifetime Skills Guarantee which has been designed to support adults develop job prospects by gaining in-demand skills.[7]

The legislation introduced **Local Skills Improvement Plans (LSIPs)**[8] to be developed by employer representative bodies (ERB) for local areas following Mayoral Combined Authority or LEP geographies with Strategic Development Funding to support implementation. There have been a number of trailblazers, and LSIPs are being rolled out across England with ERBs being designated in summer 2022 and LSIPs to be submitted to the Department for Education (DfE) in summer 2023. LSIPs will:

- analyse broader economic context around local skills priorities.
- set out employer needs for skills, and the mismatch between supply and demand of particular skills in their area, from engagement with employers. Government policy recognises that businesses' needs will change and that engagement between ERBs and local businesses should be ongoing.
- need to identify causes behind skills mismatches through engagement with employers and providers, and explore areas where provision should change in content and/or how education and training is delivered. The Act includes a duty on Further Education colleges and Institutes of Technology to have regard for LSIPs' findings, and set out how they plan to address LSIP priorities in their corporate plans.
- address learner demand including through connecting employers more directly to providers, incorporating employer need into local careers information, education, advice and guidance (CIEAG), linking into Jobcentre support, working with employers to offer more placements and apprenticeships.
- draw together the above analysis with an action plan for changes to be made in local provision.

The numbers of learners undertaking **apprenticeships** have dropped since the introduction of the Apprenticeship Levy in 2017 and have been impacted further by Covid-19, although there has been a positive shift towards more higher level apprenticeships. Spending on apprenticeships in 2021-22 grew by almost 41%, and the Government has committed to undertaking a review of apprenticeships and a further £3.8bn investment in skills in 2024/25.

The new **UK Shared Prosperity Fund (UKSPF)** that is being introduced by Government will replace European Structural and Investment Funds, and specifically for skills, the European Social Fund. Mayoral Combined Authorities and lower tier Local Authorities

[7] Skills for Care, Lifetime Skills Guarantee, May 2021
[8] HM Government, Local Skills Improvement Plans guidance, May 2022.

submitted UKSPF Investment Plans to Government in August 2022 for a three year funding period to 2025, setting out how they will invest annual allocations across three priority areas: communities and place, supporting local business, and people and skills. Government guidance set out potential areas for intervention, and people and skills interventions focus on supporting people furthest from the labour market into education and employment, and supporting businesses with local skills needs. Upper tier Local Authorities also submitted plans to Government for Multiply programme across the same period, which focuses on supporting adult numeracy skills. UKSPF will be a key driver of local skills funding in addition to mainstream provision in the coming years.

T Levels are continuing to be embedded across England, since the initial pilot rollout from 2020. With a focus on one single Level 3 qualification equivalent to three A Levels, the focus of T Levels is occupational – with the first wave in digital, construction, and health and care – teaching specialist skills with vocational placements with employers. The intention is for school leavers with T Level qualifications to either progress into work with strong occupational skills or on to higher education and higher technical qualifications (HTQs) at levels 4+. However, programme spending on T Levels fell in 2020-21 and 2021-22, with its highest in 2019-20, which was largely due to a reduction in spending on industry places including during the Covid-19 pandemic.[9]

The **Government's Skills and Productivity Board** that was established in late 2020 to consider the economy's skill needs, is being wound up and has published a series of research papers. The Board was tasked with researching current skills mismatches in the economy, skills needs 5-10 years into the future, and the role of skills in productivity growth in parts of the country with poorer economic outcomes. A new Unit for Future Skills has been established at DfE, and is taking forward recommendations from the Board's work. Findings from the Board's research include:

- the new Unit for Future Skills should work with research partners on improving Labour Market Information (LMI) sources, utilising skills taxonomy[10] and a 'common language' on skills needs across economic, employer and providers.[11]
- there are identified core transferable skills[12] across the economy today that include communication, digital and data, application of knowledge, people, and mental processing skills. There is little incentive for firms to invest in these skills so there is a need for more direct intervention in provision.
- identified skills that are likely to increase in importance in future include people, mental processing, application of knowledge, and teaching and learning skills.

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[9] NAO, Developing workforce skills for a strong economy, July 2022

[10] Frontier Economics, Department for Education (DfE), Skills and Productivity Board, Review of skills taxonomies, May 2022.

[11] Department for Education (DfE), Skills and Productivity Board, Opportunities and challenges for improving labour market information on skills, February 2022.

[12] Department for Education (DfE), Skills and Productivity Board, Understanding current and future skills needs, May 2022.

- identified specialist skills that may be in shortage now include STEM knowledge, certain technical skills, care skills for health, and management skills – motivating and directing staff, and developing strategies and objectives.
- evaluation of different skills provision approaches would support development of important transferable and specialist skills among adults and young people.
- there are challenges in understanding the mismatch between skills demand and supply and how to solve them and more research is needed on underlying causes of skills shortages – some limits to this could be improved through better linking existing administrative and survey data, and understanding the skills – not just knowledge – that providers teach. But there will always be limits on understanding and measuring all of the skills that people possess and how they change.
- skills improvements do have an impact on economic outcomes and people's life chances, but they alone don't shift productivity growth,[13] and regional and local disparities in earnings aren't due to individuals' skills and qualifications.
- recommendations for the skills system's role in raising productivity include high-quality local leadership, democratic representation governing local skills systems, coordinating local and national systems, and giving new arrangements time to embed.

Stoke-on-Trent and Staffordshire priority growth areas and skills provision

Stoke-on-Trent and Staffordshire LEP's Local Industrial Strategy identifies major opportunities through establishing the area as a centre of advanced materials, manufacturing, logistics and energy innovation, as well as capitalising on its growing digital sector. The recent Local Skills Report reiterates this and recognises Stoke-on-Trent and Staffordshire's strengths in engineering and advanced manufacturing, energy, logistics, and construction.[14]

The SAP has therefore identified the following priority areas for this piece of work:

- Digital skills
- Green economy / net zero transition jobs
- Skills for new technology adoption including automation, AI, and machine learning in the following fields:

[13] Department for Education (DfE), Skills and Productivity Board, What is the role of skills and the skills system in promoting productivity growth in areas of the country that are poorer performing economically?, May 2022
[14] Stoke-on-Trent and Staffordshire LEP, Skills Advisory Report: Local Skills Report, January 2022

- Engineering and advanced manufacturing
- Construction and modern methods in housing and infrastructure
- Advanced logistics
- Health and social care

Local Industrial Strategy growth sectors vision

> *The LEP must now put a strong focus on its priority sectors to ensure the region achieves its ambition to be a hotspot of enterprise, ambition and business growth where digital, transport and energy networks drive productivity and inclusion through innovation and inward investment with a high quality of life.*[15]

Stoke-on-Trent and Staffordshire has a large business base and many education and training providers operating in the area, such as Staffordshire Partnership for Employment & Skills (SPES), a partnership of 3 Universities, 5 colleges, over 30 Independent training Providers (ITP's) and Staffordshire Chambers of Commerce, the Stoke-on Trent & Staffordshire Institute of Technology and further specialist centres including South Staffordshire College's Digital Skills Centre and Newcastle and Stafford College Group's Science & Technology Centre.

However, **the area faces significant challenges in employment opportunities**. Despite good jobs growth in Stoke-on-Trent and Staffordshire (61,000 jobs since 2011), the local economy has not seen the same rate of growth as regionally or nationally,[16] which is mainly due to many of the jobs created since the recession (prior to the pandemic) being in low value, low skilled roles with productivity per job nearly a fifth less productive than the national average.[17]

The Local Skills Report also highlights the **challenge of a declining workforce at a more rapid rate** than regionally and nationally, and there is an increasing reliance on the working age population from an ageing population.[18] Adult skill levels also lag behind the national average for higher skills, and performance at key stage 4 and 5 is still low, particularly in Stoke-on-Trent where there is one of the youngest populations in the country.[19]

Similarly, a deep dive conducted by the University of Wolverhampton,[20] identified the **challenges of engagement between employers and education, training and skills providers**, as the complicated environment of schemes and information means businesses struggle to navigate it. Enterprise Advisors (EAs) have been identified as crucial to

[15] Stoke-on-Trent and Staffordshire LEP, Local Industrial Strategy, 2020.
[16] Stoke-on-Trent and Staffordshire LEP, Skills Advisory Report: Local Skills Report, January 2022
[17] Ibid.
[18] Stoke-on-Trent and Staffordshire LEP, Skills Advisory Report: Local Skills Report, January 2022
[19] Ibid.
[20] University of Wolverhampton, Deep dive on Career Education, Information, Advice and Guidance (CEIAG) and employer education/provider relationships in Stoke-on-Trent and Staffordshire, 2022

businesses in getting information to schools and facilitating effective working relationships and having a positive impact on bridging the gap between employers and education, training and skills providers. EAs come from any industry sector or professional background, and work with senior leadership teams in individual schools and colleges to develop effective employer engagement programmes. Stoke-on-Trent and Staffordshire now has 74 EAs, coming from a range of growth sectors, large enterprises, SMEs and self-employed people.[21]

Work experience and work placements are also difficult to offer, particularly for SMEs due to a lack of absorptive capacity. The pandemic has highlighted the potential to move to a more creative, hybrid model for future work experience, including virtual placements, taster days, and workshop activities. However, there is also a perceived lack of value in work experience by young people and adults, narrowing the pool of potential work placements.

However, there are a number of opportunities for Stoke-on-Trent and Staffordshire to build on its existing strengths and ensure residents have the necessary skills to access new opportunities.

Digital skills

The digital sector is a fast-growing sector in the UK, but research shows that around a fifth of the UK population do not have essential digital skills.

In 2020, 1.66 million people were employed in the digital sector, accounting for 4.9% of all employment.[22] The digital sector contributed £151bn GVA to the UK economy in 2019, or 7.6% of the UK total which was larger than the construction sector (£130bn) and financial services sector (£126bn).[23] The digital sector has been rapidly growing since 2010, (+26.5% in GVA), and the primary driver of which, particularly in the last five years, has been Computer Programming, Consultancy and Related Activities, which is also the largest sub-sector in digital.[24]

Technology is becoming increasingly integrated within every sector and industry, and it is increasingly clear that digital skills are vital to economic growth and productivity. However, it is important to note that digital skills encompass a wide range of skills and services which are both low-level skills, including those identified in the Essential Digital Skills Framework, such as digital communication, handling information and content, and transacting,[25] and high-level skills including proficiency in programming languages such as Python and JavaScript, and Artificial Intelligence (AI).

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21 Ibid.
22 Steer, Department for Digital, Culture, Media and Sport (DCMS), Assessing the UK's Regional Digital Ecosystems, September 2021.
23 Ibid.
24 Ibid.
25 Department for Education (DfE), Essential digital skills framework, April 2019.

The Covid-19 pandemic has also made it even more clear how important it is to equip the population with essential digital skills. The UK lockdowns highlighted our reliance on the networks of digital technologies and platforms already in place, but also the issue of digital exclusion. Prior to the pandemic, 22% of the UK's population already lacked basic digital skills,[26] which was exacerbated by the move to remote working.

Digital skills are becoming increasingly important requirements for employment, with over 75% of job openings requesting basic digital skills.

While research suggests the number of people with basic digital skills has increased in recent years,[27] around 11.9 million adults in the UK (22%)[28] lack the skills needed for everyday life and 4.3 million (8%) have none at all.[29]

An analysis of 9.4 million UK job advertisements found that 77% of openings requested basic digital skills, including Microsoft Office and other productivity software tools.[30] Similarly, a survey of UK businesses in 2020 found that 69% believed their company had a digital skills gap and 44% were worried this would have a negative impact on their success in the next 12 months.[31]

According to Microsoft research, the UK top 10 emerging jobs in digital:

1. AI Specialist (Automation)
2. Data Protection Officer (Big Data/GDPR)
3. Robotics Engineer (Automation)
4. Site reliability engineer
5. Customer success specialist
6. User researcher
7. Data scientist
8. Sales development representative
9. Cloud engineer
10. Cyber security specialist

Vacancies data for Stoke-on-Trent and Staffordshire shows that in the Digital sector, Web Design and Development Professionals are one of the top 20 job vacancies in decline, with a decrease of -16% in unique job postings in the period March 2021 – March 2022. In contrast, in the same period, IT User Support Technicians are in the top 20 job vacancies in the Stoke-on-Trent and Staffordshire area, with an increase of +69%. Programmers and

[26] University of Cambridge, "Pay the wi-fi or feed the children": Coronavirus has intensified the UK's digital divide, May 2020
[27] UK Parliament POST (2021). *Developing essential digital skills*. Available at: https://researchbriefings.files.parliament.uk/documents/POST-PN-0643/POST-PN-0643.pdf (Accessed: 24 May 2022).
[28] Lloyds Bank, UK Consumer Digital Index, 2019
[29] Stoke-on-Trent and Staffordshire LEP Skills Advisory Panel (SAP), Cross-Cutting Themes Evidence: Digital Insights, 2019.
[30] Burning Glass, Department for Culture, Digital, Media and Sport (DCMS), No Longer Optional: Employer Demand for Digital Skills, June 2019.
[31] Microsoft UK, Unlocking the UK's Potential with Digital Skills, 2020.

Software Development Professionals are also in the top 20 job vacancies, with an +11% increase in unique postings over the past year.[32]

Almost every industry is seeing transformation in systems of production, management, and governance, which is leading to significant changes in job roles and skills demand. However, technology is fast-moving which means skills needs are changing on a regular basis, and businesses that are reporting skills supply issues need to make the most of rapid technological advancement to drive growth and productivity while working collaboratively with education and skills provision to ensure that people are equipped with the right skills to avoid business growth disruption and increasing inequalities.[33]

Employers expect learners to be work ready and prepared for rapidly emerging high growth opportunities. However, 44% of businesses feel that most young people leaving school, college, or university are not 'work ready', and 1 in 4 young people feel inadequately prepared by their education for the world of work.[34] There will be a collective challenge to ensure individuals are employment ready and have the digital skills they need to go into work.

As the digital sector is fast-growing, digital skills needs will change over time and policy will need to anticipate this dynamism.

Education and skills providers and advice services need to be closely aligned to businesses, with a focus on building open and sustainable relationships that align learning to the changing world of work and skills demand.

Government, businesses and skills providers across the UK are working to improve careers advice in schools so that young people are aware of the high-quality options available for both technical and academic routes into digital careers, and that they have access to information about the variety of careers that digital technology pathways have to offer.[35] Continued active collaboration must occur to ensure young people are always ahead of the curve for digital skills and those already in workforce are not left behind. Initiatives to build on locally range from Adult Community Learning, to Network Staffordshire working with skills providers and employers on a range of digital skills, to Staffordshire University's Catalyst facility delivering high skilled digital apprenticeships and education working with business.

Developing Stoke-on-Trent and Staffordshire's new Institute of Technology (IoT) will support learning for the digitisation of a range of sectors, and enhance digital knowledge and skills relevant to local businesses in the area. There is an opportunity to also work with and share learnings from other IoTs in neighbouring areas.

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[32] EMSI Job Vacancies bespoke data request, May 2022.
[33] Stoke-on-Trent and Staffordshire LEP Skills Advisory Panel (SAP), Cross-Cutting Themes Evidence: Digital Insights, 2019.
[34] Stoke-on-Trent and Staffordshire LEP Skills Advisory Panel (SAP), Cross-Cutting Themes Evidence: Digital Insights, 2019.
[35] TechUK, What would it mean to truly level up people's skills across the UK?, February 2022.

Green jobs and skills

The UK has identified green priorities and net-zero goals, but implementation needs to be accelerated to ensure that goals are met with guidance for public and private sector organisations.

In November 2020, the Government launched a Green Jobs Taskforce,[36] with the ambition of supporting 2 million green jobs by 2030. Following this, the Government published its Ten Point Plan,[37] with the aim of achieving a green industrial revolution and supporting the UK's target of having net-zero emissions by 2050.[38] The headline announcement from the plan was that £12bn of Government investment was to be mobilised to create skilled green jobs and encourage over three times as much investment from the private sector by 2030. Government's 2050 net zero targets, agreements at COP26, and the UN's Race to Zero all highlight the role of businesses across sectors to decarbonise the economy and unlock sustainable growth.

The UK already faces skills shortages, particularly post-pandemic, but there is a lack of public awareness of the green economy and routes to green careers.

The UK's low carbon and environmental goods and services sector is estimated[39] to be worth more than £200bn, which is almost four times the size of the country's manufacturing sector, with growth expected to accelerate in the coming years. 75,700 businesses in the sector employ more than 1.2 million people, and have the potential to tackle the climate crisis through sustainable jobs and initiatives to achieve cleaner transport, reduced air pollution and better-insulated homes.

To ensure the future workforce of the green economy has the right skills to support growth, a focus needs to be made on increasing access and opportunities to green skills. Recent research demonstrates that green skills, both hard and soft, are increasingly being requested in job posts across the country, including Management, Sustainability, Environment Health and Safety, and Auditing.[40]

A CBI submission to the Green Jobs Taskforce identified three challenges that apply to all sectors of the green economy following consultation with businesses, trade bodies and education providers:[41]

- Lack of awareness of the green economy – there is not enough public awareness around the path to net-zero to support the growing consumer market and stimulate demand, so

[36] Department for Business, Energy and Industrial Strategy (BEIS), Green Jobs Taskforce Report, July 2021
[37] Department for Business, Energy and Industrial Strategy (BEIS), The Ten Point Plan for a Green Industrial Revolution, November 2020.

[39] kMatrix Data Services, Low Carbon Environmental Goods and Services: "Where we were, where we are, and where we're going", May 2021.
[40] The Skills Network, What are Green Skills?, October 2021.
[41] CBI, Skills and training for the green economy: CBI submission to the Green Jobs Taskforce, April 2021.

individuals are less likely to consider training and career opportunities in green sectors and occupations.

- Stability and direction through government policy – the Government's Ten Point Plan and Levelling Up White Paper stop short of offering a full net-zero strategy, with no new major funding or sustainable built environment initiatives announced, nor any immediate focus on green skills, though the Levelling Up White Paper does highlight several initiatives to close the overall skills gap.

- Transitioning into changing industries and new jobs – industry will have a major role in preparing their workforces for change, meaning significant upskilling.

The UK is already facing acute skills shortages across the sectors it most urgently needs to decarbonise. A Green Alliance policy insight report on closing the green skills gap highlighted that sectors with the most pressing emissions reductions by 2030 also face the most immediate skills shortages, including housing and transport.[42]

Stoke-on-Trent and Staffordshire is a centre of energy innovation and low carbon adoption. There is an opportunity here to drive awareness of renewable energy and environmental sustainability, particularly with the Stoke-on-Trent District Heat Network and Keele University's Smart Energy Network Demonstrator being national assets.[43] Government's research on green jobs emphasises the role of employers and education providers in boosting green apprenticeship opportunities and supporting young people and adults to gain the skills they need to progress into green jobs.[44]

Local provision has focused on the energy transition, and projects to promote among learners and build on include Stoke-on-Trent College's District Heat Skills Academy, Keele University's Smart Energy Network Demonstrator and Sustainability Hub including MSc qualifications and opportunities to work in businesses, and Staffordshire Business and Environment Network's free Carbon Literacy Training for Staffordshire organisations' employees. Developing Stoke-on-Trent and Staffordshire's new Institute of Technology (IoT) will also be important for developing new green skills and jobs with employers.

Advanced manufacturing and engineering

The advanced manufacturing and engineering sector is thriving and growing, but to keep up with fast advancing technology and sustainability businesses need to invest in training for the existing workforce.

The UK manufacturing and engineering sector is thriving and one of the UK's most dynamic sectors. 5.5 million people work in engineering in the UK, accounting for 18% of all employment. The UK advanced manufacturing industry comprised 29,000 enterprises

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[42] Green Alliance, Closing the UK's green skills gaps, January 2022.
[43] Stoke-on-Trent and Staffordshire LEP, Skills Advisory Report: Local Skills Report, January 2022
[44] Department for Business, Energy and Industrial Strategy (BEIS), Expert report: every UK job has the potential to be green, July 2021.

(23% of all manufacturing enterprises), which employed approximately 1.3 million people and generated over £72bn in GVA in 2019.[45]

In the latest available full place data from 2019, there was a total of 2,805 manufacturing businesses in Stoke-on-Trent and Staffordshire, with a 4% increase in businesses and a 9% increase in jobs since 2011. Staffordshire has the highest number of manufacturing jobs (47,000) out of all West Midlands authorities. GVA in the area increased by 31% (£850m) between 2011 and 2019, and was worth £3.58bn, the highest valued sector in the Stoke-on-Trent and Staffordshire economy.[46] This baseline demonstrates the importance of the sector to Stoke-on-Trent and Staffordshire, but as the impacts of leaving the EU on the labour market and trade, and supply chain constraints since the pandemic impact the sector, we are interested in this survey work to understand current recruitment and workforce challenges.

The UK's manufacturing sector has seen sustained growth, attributed to a better quality, more skilled workforce; a shift in production from low to high productivity goods; improvements in automation and technology; increased investment in R&D, and a more integrated global economy. Current sector drivers include:

- Industrial digitalisation – digital technologies bring huge potential but investment is being held back by Brexit uncertainty but also a lack of coherent digital strategies within businesses, limited understanding of their practical application, and gaps in the skills required to take advantage of these new technologies.
- Government policy – a heavy majority of manufacturers say their strategic planning is being put at risk by weak Government policy and many believe manufacturing will be negatively impacted by Brexit and the lack of migrant workers.
- Sustainable development – the path to low carbon is driving innovation in more sustainable products and equipment, but employers consequently need to invest in ensuring their workforce are aware and able to position themselves to take advantage of new sustainable developments.
- Skills & training – the sector has a shortage of engineers, with older members of the workforce retiring and an insufficient number of properly trained young people emerging from the education system. This skills gap is impacting on business performance and to address the issue a number of larger companies are now establishing their own training schemes and academies such as at JCB.
- Research & development – significant investment in R&D is needed to develop new products and processes, and growing collaboration between industry and universities is needed to co-invest in new technologies and increasing demand for high quality science and engineering graduates to enter the sector.

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[45] Stoke-on-Trent and Staffordshire LEP Skills Advisory Panel (SAP) Priority Sector Evidence: Advanced Manufacturing, 2019.
[46] Ibid.

- Growth & exports – current and future technological advances mean that it is increasingly cost-effective for businesses and their supply chains to be based in the UK, and digitisation of the sector creates opportunities for businesses to realise further growth, particularly through exports post-Brexit.
- Business investment – there is increasing importance for business manager roles in order to ensure employers can make the business case for new investment.

The sector has also seen challenges with the workforce, as the manufacturing vacancy rate between March 2020 and March 2022 has grown by 91%, compared to 65% across the UK, which highlights the severe shortage manufacturing businesses face for what is typically on-site labour. Similarly, a recent survey of 225 manufacturers identified that only 54% were utilising the Government's apprenticeship scheme.[47]

In Stoke-on-Trent and Staffordshire, the sector has seen a rise in job vacancies for Engineering Technicians (+73%), Science, Engineering and Production Technicians (+60%), and Production Managers and Directors in Manufacturing (+70%) with the first two being in the top 20 job vacancies in Stoke-on-Trent and Staffordshire. Similarly, Maintenance Engineers are in the top 20 jobs in demand in the area, seeing an increase in unique postings of +81%. There was a decline in vacancies for Moulders, Core Makers and Die Casters by -63% (-5 jobs); and Electronics Engineers by -29% (-10 jobs) between March 2021 and March 2022.[48]

The manufacturing workforce is also ageing with young people often seeing the sector as a lower-quality choice with fewer career aspects, and 81% of businesses find it difficult to hire employees with the right qualifications and experience.[49]

There is a requirement for more highly skilled workers to help drive growth in the sector, and apprenticeships will be key to enabling future growth in advanced manufacturing by bridging the skills gap, with the need for more focus on vocational training beyond academic routes. Between 2013/14 and 2017/18, there has been a 16% decline in engineering and manufacturing technologies apprenticeship starts in Stoke-on-Trent and Staffordshire, with only 1,610 starts in 2017/18 which was double the 8% decline seen nationally.[50]

Therefore, it is essential for businesses in the manufacturing sector to work collaboratively with education and training providers, including building on the Advanced Manufacturing and Engineering Hub that draws together Colleges and their specialisms across the area including in automotive, agritech, and hydraulics. This will ensure that young people are aware of the growing career opportunities in the sector and their benefits while investing in

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[47] Make UK, Manufacturing Outlook 2022 Quarter 1, March 2022
[48] EMSI Job Vacancies bespoke data request, May 2022.
[49] Stoke-on-Trent and Staffordshire LEP Skills Advisory Panel (SAP) Priority Sector Evidence: Advanced Manufacturing, 2019.
[50] Stoke-on-Trent and Staffordshire LEP Skills Advisory Panel (SAP) Priority Sector Evidence: Advanced Manufacturing, 2019.

the existing workforce to reskill and upskill and ensure employment opportunities are not lost to automation and digitisation of the sector.

Stoke-on-Trent and Staffordshire can build on its strength in advanced manufacturing, which is responsible for half of net national jobs growth in manufacturing since 2010.[51] There are many major companies in the area and key FE and HE skills assets, a new Advanced Materials and Incubation and Accelerator Centre and Innovation Demonstrator programmes which will make a significant contribution to the future of manufacturing in the UK.[52]

Construction and modern methods in housing and infrastructure

Construction employers will need to strike a balance between recruiting and equipping workers with the right digital and technological skills needed, while retaining enough people with traditional skills to replace those leaving the sector.

Construction is one of the biggest industrial sectors in the UK and encompasses the construction of new buildings and repairs or alterations to existing properties, heavy and civil engineering construction, and specialty trade contractors. The sector has a turnover of £334bn (March 2021),[53] contributing to £113bn in GVA to the UK economy.[54]

The sector continues to face skills shortages, with 10,700 skill-shortage vacancies in 2019.[55] CITB forecasts that an extra 53,200 workers per year will be required to meet UK construction output, which is up from 43,000 in 2021.[56] The sector heavily relies on a foreign migrant labour force, impacting the future growth of the sector following the UK's departure from the EU, reducing firms' capacity to deliver new housing stock, and green transition.[57] There is also a high likelihood of moves to automation in construction, with the ONS estimating that the proportion of jobs in the construction industry at risk of automation is just under half at 47%[58].

A skills and training report undertaken by CITB in 2021 further reiterates the severity of the current skills shortage in the UK. In 2021, over a third (34%) of construction employers surveyed suggested they have skills gaps – compared with 20% in 2016 and 14% in 2018 – with 37% of businesses reporting a minor impact and 17% reporting a major impact on the business.[59] Just over half of employers surveyed (56%) increased training activity or spend, or are increasing or expanding their trainee programmes, however, this has declined

[51] Stoke-on-Trent and Staffordshire LEP, Skills Advisory Report: Local Skills Report, January 2022
[52] Ibid.
[53] ONS, Average turnover by industry, 2021
[54] ONS, Regional gross value added (balanced) by industry, 2020
[55] Department for Education (DfE), Labour market and skills demand horizon scanning and future scenarios, 2022.
[56] CITB, Construction Skills Network – UK 2022-2026, June 2022
[57] Ibid.
[58] ONS, Probability of Automation in England, 2019.
[59] CITB, Skills and Training in the Construction Industry 2021, February 2022

significantly compared to 2018 (73%).[60] On-the-job training has also declined since 2018 from 47% to 36% in 2021, and the proportion of businesses that have funded NVQs fell drastically in 2021, with only 19% providing NVQs compared with 44% in 2018.[61]

In the Stoke-on-Trent and Staffordshire area, there was a total of 5,790 construction businesses in 2021, the second-largest sector business base of LEPs in the West Midlands,[62] with a 19% increase in businesses and 15% decrease in construction jobs since 2011.[63] Staffordshire has the highest number of construction jobs (20,000) out of all West Midlands authorities.[64] Productivity is high in the construction industry, and GVA has increased by 26% since 2011, making it worth £1.81bn in the Stoke-on-Trent and Staffordshire economy.[65] However, it is also important to note that construction GVA in Stoke-on-Trent and Staffordshire fell by -6% between 2016 and 2019.[66]

There is predicted future growth from increasing demand for infrastructure and housing development, and increased opportunities from new technology and ways of working through modern methods of construction (MMC). However, it is expected that there will be more workers needed in the sector as the Construction Skills Network (CSN) forecasts that construction output will grow by 2.8% per year and 235,800 construction jobs will be created by 2026.[67] They also forecast that output in public housing will see strong growth over the next five years with an annual average growth rate of 3.3%, driven by increased investment due to the removal of the local authority borrowing cap,[68] and infrastructure growth will be driven by transport and energy projects, such as HS2, the West Midlands Freight Interchange,[69] and Engie's redevelopment of the Rugeley Power Station into mixed-use low-carbon homes.[70]

The sector faces the twin challenge of equipping workers with the skills needed to adopt digital and manufacturing technologies effectively, while recruiting and retaining enough people with traditional skills to replace those leaving. The adoption of MMC is also critical to homes being built quicker and more cheaply, but businesses again face the challenge of ensuring workers and those coming into work have the right skills, knowledge and experience needed for MMC but also traditional building techniques.[71]

Construction jobs in most demand in Stoke-on-Trent and Staffordshire include:

60 CITB, Skills and Training in the Construction Industry 2021, February 2022
61 Ibid.
62 NOMIS, UK business counts, 2021
63 NOMIS, Business Register and Employment Survey, 2021
64 Stoke-on-Trent and Staffordshire LEP Skills Advisory Panel (SAP), Priority Sector Evidence: Construction., 2019.
65 ONS, Regional gross value added (balanced) by industry, 2020
66 Ibid.
67 CITB, Construction Skills Network – UK 2022-2026, June 2022
68 Ibid.
69 Stoke-on-Trent and Staffordshire LEP, Skills Advisory Report: Local Skills Report, January 2022
70 Equans, Regenerating Rugeley Power Station, September 2021
71 Stoke-on-Trent and Staffordshire LEP Skills Advisory Panel (SAP), Priority Sector Evidence: Construction., 2019.

- Plumbers, carpenters, bricklayers, and electricians.
- Managers and sales, and customer services.
- Quantity surveyors, mechanical engineers, and architects.

However, businesses in the Stoke-on-Trent and Staffordshire area face recruitment difficulties, as demand for construction recruits is high and increasing in many occupations, and average salaries are decreasing locally and below national averages, which makes recruitment difficult as candidates request higher wages.

Alongside a wide range of education and training providers available in Stoke-on-Trent and Staffordshire, such as the Stoke-on-Trent College Technology Hub, and Stafford College Science & Technology Centre, plans are underway for a new £120m campus dedicated to the building sector at the University of Wolverhampton, which will become a national hub for MMC. These assets will support Stoke-on-Trent and Staffordshire in ensuring that young people going into the workforce have the opportunity to access the right education and training needed for the construction sector.

Advanced logistics

Since the beginning of the pandemic, logistics businesses in the UK have been experiencing high levels of skills and occupational shortages.

The UK logistics sector is a key part of the economy, contributing over £127bn GVA and employing 1.7 million people (around 5% of the workforce).[72] The sector is experiencing transformational change, with drivers including decarbonisation, e-commerce growth, Industry 4.0, and the need for more resilient supply chains.

Overall, the UK sector is highly productive with GVA per job currently at £58,000, which is predicted to increase by 29% between 2025 to 2039, compared to 18% across the UK economy as a whole.[73] However, while the sector is productive, according to an FTA report in 2019, the greatest proportion of logistics jobs are low to middle-skilled at 42.7% compared with 10.4% across all sectors, followed by low skilled at 26.5%, compared with 32.6% across all sectors.[74]

The logistics sector is also suffering from a labour shortage as access to qualified workers is becoming more difficult, coupled with an ageing workforce and record low unemployment.[75] Competition for skilled staff and shifting migrating patterns also mean there are continuing challenges in the recruitment and retention of labour for key logistics

[72] Prospects, Why choose a career in logistics and supply chain management?, October 2021
[73] BPF, Levelling Up – The Logic of Logistics, 2022
[74] FTA, Logistics Skills Report, 2019
[75] Logistics UK, The Workforce Logistics Needs, 2020

roles.[76] 96% of UK logistics businesses in 2021 were experiencing skills and occupation shortages, particularly in recruiting HGV drivers. There is increasing demand for logistics vocations and the sector has seen an increase in pay for some occupations. Despite a chronic and persistent driver shortage, HGV driver pay has increased by nearly 12% in the 6 months to April 2022, while advertised salaries increased by 25% in Q1 2022.[77] The UK has seen an increase in companies who have raised pay in order to retain existing staff and attract new drivers. The number of transport, logistics, and warehouse online job adverts has also doubled in September 2021 compared to the same period in 2020,[78] but with the growing suitable candidate and skills shortage, many businesses are unable to capitalise on their increased post-COVID demand.

A report by KMPG and REC identified that the UK transport and logistics sector was facing the quickest downfall in staff availability in recorded history, though this is not exclusive to the sector.[79] Both COVID-19 and Brexit have had a profound impact on the logistics sector, as the pandemic saw many foreign workers returning to their homeland, and Brexit making it more difficult for non-UK citizens to work in the country. COVID-19 also resulted in a proportion of the workforce out of the job market, therefore making it more challenging for the transport and logistics industry to replace its workers.

The sector will see new digital technologies reshaping the way people live, work, and learn, meaning that the skills demand will change, and some roles will be lost to automation – in England, 7.4% of jobs are at high risk of automation, 64.9% at medium risk including van drivers, forklift drivers, and HGV drivers, and 27.7% at low risk including purchasing managers and directors.[80]

At National Apprenticeship Week 2022, Logistics UK identified apprenticeships as essential to overcoming the skills shortage faced in the logistics industry and urged members to maximise opportunities afforded by apprenticeship schemes. The Government has already shown a commitment to growing the opportunities for apprenticeships in the industry; increasing the available funding for HGV Driver apprenticeships and creating a new Urban Driver apprenticeship.[81]

The logistics sector in Stoke-on-Trent and Staffordshire is growing with opportunities for higher value growth. Since 2011, there has been a 71% increase in transportation and storage businesses, the second-highest increase in businesses of all Stoke-on-Trent and Staffordshire's sectors.[82] The number of logistics jobs (24,000) demonstrating the importance of the sector locally and of Stoke-on-Trent and Staffordshire as a strategic location in the logistics sector. With increasing demand from online retail for warehousing

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[76] Stoke-on-Trent and Staffordshire LEP Skills Advisory Panel (SAP), Priority Sector Evidence: Logistics, 2019
[77] Logistics UK, Skills and Employment Update, May 2022
[78] Logistics UK, Survey shows skills shortages or growing across the logistics industry, 2021.
[79] KPMG. KPMG and REC, UK report on jobs [Press release], 2021
[80] FTA, Logistics Skills Report, 2019
[81] Logistics UK, Apprenticeships essential in tackling industry skills shortage, says Logistics UK [Press release], 2022
[82] Ibid.

and wider supply chain logistics, it is predicted that Stoke-on-Trent and Staffordshire's logistics sector will see future growth opportunities, particularly from new technology and ways of working. As the development of land and premises continues, advanced high-value logistics will be boosted leading to overall increased sectoral productivity and associated increased wages and prosperity for local people.

The sector in Stoke-on-Trent and Staffordshire has seen a large increase in occupations in demand and job vacancies, including Van Drivers (+20%), Large Goods Vehicle Drivers (+20%), Elementary Storage Occupations (+53%), Warehouse Operatives (+58%), and Forklift Drivers (+27%).[83] However, it has experienced a slight decline in jobs in demand with HGV Class 1 Drivers seeing a -17% decline, and Counterbalance Forklift Drivers seeing a -10% decline since 2011. Two of the top 20 skills in demand in Stoke-on-Trent and Staffordshire are also in this sector, in Warehousing (+67%) and Operations (+69%).[84]

It will be important for Stoke-on-Trent and Staffordshire businesses in the logistics sector to invest in technology and reskilling and upskilling the existing workforce, while taking advantage of available apprenticeships to begin to address the skills shortage. Particularly as major logistics employers continue to be situated in the area, such as Wincanton, DHL, Amazon, Royal Mail, New Look, Fedex, and Yodel, providing significant opportunities for local people to return to the sector.

Health and social care

The UK's health and social care system is already under pressure, which has been exacerbated by the pandemic, and is seeing a shortage of skilled workers.

The COVID-19 pandemic has been an unprecedented challenge for the UK, having a profound impact on the NHS, which highlights the chronic problems in the UK's health and social care system. The immense efforts of those on the front line to respond to the pandemic and roll out the vaccine programme inevitably reduced the capacity to respond to non-COVID-19 related care and wait times have worsened. Before the pandemic, 90% of patients were waiting 25 weeks or less in England for treatment, but now 90% are waiting up to 44 weeks for tests, surgery and routine treatment.[85]

Adult social care is in a similar position. Adult social care covers social work, personal care and practical support for younger and older adults over 18 with a physical disability, learning disability, physical, or mental illness. It also includes safeguarding for those at risk of harm and abuse, drug, or alcohol dependency, as well as support for unpaid carers.

Around 950,000 adults in England receive some form of long-term social care support, which is focused on enabling a sustained and independent quality of life.[86] Covid-19 has

[83] EMSI Job Vacancies bespoke data request, May 2022
[84] Ibid.
[85] HM Government, Build Back Better: Our Plan for Health and Social Care, March 2022
[86] Ibid.

placed significant pressure on the sector, which was already under strain before the pandemic. People in England were required to pay for all of their care needs in full, up to £23,250, at which point the Government would start to provide some support. At an already difficult time in their lives, before the pandemic people suffering medical conditions such as dementia faced losing their life savings.[87]

The ONS estimate that UK Government spending on health increased by around 25% in 2020, in response to the Covid pandemic, and the Government has committed to investing at least £500m in new measures over three years to:

- Provide support in professionalising and developing the workforce, including hundreds of thousands of training places and certifications for care workers and professional development for the regulated workforce.
- Fund mental health wellbeing resources and provide access to occupational health funding to help staff recover from their role in supporting the country through the pandemic, including through offering services such as counselling, peer-to-peer coaching, and workplace improvements.
- Introduce further reforms to improve recruitment and support for the social care workforce, with further detail set out in the White Paper.

According to The Health Foundation, by 2030/31 up to an extra 488,000 health care staff will be needed to meet demand pressures and recover from the pandemic – the equivalent of a 40% increase in the workforce.[88] A prolonged funding squeeze between 2008 and 2018 combined with years of poor workforce planning, weak policy and fragmented responsibilities mean that staff shortages have become endemic to the NHS.

While the Government has re-introduced nursing student bursaries to help with living costs and increased the number of medical school training places, there are still concerns about the retention of newly qualified staff and these measures alone will not solve the issue. Levels of nursing and allied health professional vacancies remain high, recruiting and retaining GPs continues to be difficult and there are significant shortages in some specialties, such as radiology.[89]

Stoke-on-Trent and Staffordshire's population is ageing and has varied levels of deprivation, which will put further strain on the NHS unless the skills shortage is addressed, and healthcare is improved.

Stoke-on-Trent and Staffordshire's population is rising, particularly the older population. 20% of people are aged 65 or over, which is above the national average of 18%. A growing

[87] Ibid.
[88] The Health Foundation, Over a million more health and care staff needed in the next decade to meet growing demand for care [Press release], 2021
[89] The King's Fund, NHS workforce: our position, 2022

older population will ultimately put more pressure on health and care services, which are already overwhelmed.

There are also varied levels of poverty, deprivation, and health inequalities, with Stoke-on-Trent the 14th most health deprived area in England. More people in the area have diabetes or heart disease than the national average, and obesity and excess weight are also significantly worse than the national average in six out of nine areas in the county.

The number of people with long-term conditions is increasing, and in general more people in Staffordshire and Stoke-on-Trent have strokes, high blood pressure, heart disease, and diabetes than the national average. More than half of over-65s have two or more long-term conditions, meaning they are at greater risk of being admitted to hospital and their quality of life is reduced. People in Stoke-on-Trent have a lower life expectancy and a lower healthy life expectancy than the national average.[90]

The sector in Stoke-on-Trent and Staffordshire has seen a large increase in occupations in demand and job vacancies, including Care Assistants (+70%), Staff Nurses (+68%), Healthcare Assistants (+39%), Nursing Auxiliaries and Assistants (+85%), Nurses (+22%), and Care Workers and Home Carers (+37%). Nursing is also one of the top 20 skills in demand in Stoke-on-Trent and Staffordshire, with a +17% increase since March 2021. Only Registered Nurses have seen a decline in demand (-2%).[91]

Workforce shortages are having a direct impact on the quality of people's care[92] and with growing health inequalities, particularly in Stoke-on-Trent and Staffordshire, the need for better health and social care is vital. This can be achieved by better integration between the NHS and education and skills providers to ensure the UK's health and social care system has enough staff with the right skills in order to better care for its patients.

Regional context: neighbouring skills priorities

Stoke-on-Trent and Staffordshire LEP is bordered by a number of LEP areas which share similar priorities around skills and employment. The below contextualises Stoke-on-Trent and Staffordshire's sector and skills priorities with neighbouring areas' to help understand how the activity of neighbouring LEPs can support local priorities and goals.

Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2)

The Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) LEP developed a Local Skills Report (LSR) in 2021 which identifies digital skills as a priority. The broad objective for Digital skills is to improve the uptake and supply of digital skills for people and businesses, splitting the priority into more detailed priorities and actions under four

[90] Centre for Health and Development, Health Inequalities, 2019
[91] EMSI Job Vacancies bespoke data request, May 2022
[92] Care Quality Commission, State of Care, 2022

themes: universal digital upskilling, digital careers, digital infrastructure, and digital inclusion.[93]

D2N2's priorities align with Stoke-on-Trent and Staffordshire's digital skills priority through the actions set out in the LSR which aim to reduce the skills gaps, including running an annual Digital Industries Week / Expo for employers and skills providers to ensure sufficient labour and growth in digital and tech industries.[94] The LSR also focuses on increasing the digital and green skills of young people in the D2N2 region, with a particular focus on supporting young people who are not in education, employment or training (NEET) and ensuring they are equipped with the skills needed for the future, including developing a careers strategy and expanding Careers Hub coverage across the LEP area.[95]

The development of the East Midlands Institute of Technology (IoT) will also bring new opportunities to address manufacturing, engineering, and digital skills challenges that employers in the wider region face. The IoT will specialise in programmes such as Engineering and Manufacturing Technologies, Information and Communication Technology, and Construction, Planning and the Built Environment, while working closely with powerhouse employers such as Rolls-Royce, Toyota, Fujitsu and Uniper to ensure programmes provide the right training needed to upskill the workforce.[96]

Manufacturing is one of Stoke-on-Trent and Staffordshire's priority sectors and is the highest value sector in the local economy, however, the sector has seen a rise in vacancies and decline in higher-skilled candidates. D2N2's new Manufacturing Advisory Panel aims to support and accelerate the growth, productivity, and competitiveness of the manufacturing economy in Derby, Derbyshire, Nottingham and Nottinghamshire,[97] but this could support growth in Stoke-on-Trent and Staffordshire's manufacturing economy through spillover effects from new innovation and collaboration between manufacturing businesses and higher education institutions.

Similarly, D2N2's new Low Carbon Growth Fund[98] can support Stoke-on-Trent and Staffordshire's green skills and jobs priority, as projects submitted to the fund could create environmental benefits and opportunities for the surrounding area beyond D2N2. The fund will invest £6.5m in low carbon capital projects which encourage projects to support local supply chains and create new jobs. Wider skills and employment opportunities in Stoke-on-Trent and Staffordshire could arise from the increased activity across the LEP border.

Cheshire and Warrington

Cheshire and Warrington LEP recently published its Local Skills Report (LSR) which identifies three priorities: young people, employees, and economically inactive and

[93] D2N2 LEP, Local Skills Report, 2021
[94] Ibid.
[95] D2N2 LEP, Local Skills Report, 2021
[96] D2N2 LEP, £13m East Midlands Institute of Technology (IoT) given go-ahead by Government, 2021
[97] D2N2 LEP, New Manufacturing Advisory Panel to support the manufacturing sector in D2N2, 2021
[98] D2N2 LEP, D2N2 LEP launches new Low Carbon Growth Fund, 2021

unemployed. Its vision is to be a healthy, sustainable, inclusive, and growing region.[99] The LEP's priorities are underpinned by six key issues that were identified through labour market research and drive the actions set out in the LSR.[100]

Digital skills sits at the forefront of the LSR, as Cheshire and Warrington face challenges with unemployment and hard to fill vacancies, particularly in digital occupations.[101] Actions to increase digital skills include a new Institute of Technology (IoT) led by Cheshire College. The IoT will deliver higher technical skills in computing, engineering, health and life sciences, agri-tech, construction and the built environment, science, and maths.[102] The IoT will bring investment across Cheshire and Warrington, including £6m for Cheshire College's Crewe Campus which is approximately 12 miles away from Stoke-on-Trent. The creation of a new IoT in Cheshire and Warrington could bring wider skills and training opportunities for local people in Stoke-on-Trent and Staffordshire which will see its own IoT facility built in Newcastle-under-Lyme with programmes at a number of key locations across the region.[103]

Local Growth Fund investment will also drive digital and technical skills training in Cheshire and Warrington, with a goal of 11,000 people and 540 businesses benefitting from training by December 2022. The Adult Education Budget will similarly deliver skills bootcamps to support those being faced with redundancy.[104]

The Marches

The Marches LEP shares a number of similar priorities with Stoke-on-Trent and Staffordshire: advanced manufacturing, enviro-tech, cyber, construction, and haulage and logistics, as set out in The Marches LEP Local Skills Report (LSR).[105]

The LSR identifies cross-cutting themes and challenges, which resonate with the current skills landscape in Stoke-on-Trent and Staffordshire. There is an ongoing need for skills providers to assess and react to skills needs of local businesses, particularly in driving digital skills and ensuring young people are aware of career opportunities and are supported to make informed decisions about career pathways.[106]

Supporting digital skills in industry, the Marches LEP is working with the West Midlands Growth Hub Cluster to develop the Made Smarter project which aims to develop the digital skills of industry leaders, bringing businesses and research developments together to develop new technology and helping SMEs in advanced manufacturing and engineering to improve digital skills.[107] Similarly, the Marches Centre of Manufacturing and Technology

[99] Cheshire and Warrington LEP, Skills Report, 2021
[100] Ibid.
[101] Ibid.
[102] Cheshire College South & West, Cheshire and Warrington are winners in the £120m Institute of Technology Competition, 2021
[103] Keele University, Government Investment for New Institute of Technology is Welcomed, 2021
[104] Cheshire and Warrington LEP, Skills Report, 2021
[105] The Marches LEP, Local Skills Report, 2022
[106] Ibid.
[107] Made Smarter, Made Smarter adoption programme launches in the West Midlands, 2021

(MCMT) is delivering the MCMT Skills for Growth Programme which will support SMEs to upskill their workforce and support business recovery.[108]

The Herefordshire Skills for the Future programme is also being rolled out to help bridge the gap between small businesses and the construction sector and develop enterprise skills amongst young people,[109] while a Cyber Security Education training centre has been established in Hereford, offering high-quality research facilities through the University of Wolverhampton's Cyber Security Research Institute.[110]

A SAP focus group will also be established by the LEP to monitor intelligence on labour supply and demand to enable targeted investment in provision and promotion of learning opportunities.[111]

West Midlands

The West Midlands Combined Authority (WMCA) spans across three LEPs: Coventry & Warwickshire, Greater Birmingham and Solihull, and Black Country, however, overlaps with part of Stoke-on-Trent and Staffordshire LEP and shares a number of priority sectors: advanced manufacturing, construction, digital, engineering, and health care and health sciences.[112]

Key actions set out in the Local Skills Report (LSR) include preparing young people for future life and work, with digital skills being crucial for the region's economic development, creating regional networks of specialist, technical education and training to drive up skills and productivity, and accelerate the take-up of good quality apprenticeships across the region.[113]

WMCA have proposed to expand the West Midlands Digital Retraining Scheme to scale-up its bootcamp provision, upskill employees and unemployed in higher level digital skills, and expand retraining schemes to key regional sectors such as advanced manufacturing and low carbon.[114] This will support Stoke-on-Trent and Staffordshire as part of the LEP region is within the WMCA boundary – Cannock Chase, East Staffordshire, Lichfield, and Tamworth – so skills training and employment opportunities will directly benefit these areas and the wider localities surrounding them.

A West Midlands Career Learning Hub has been proposed to support and prepare young people for future life and work, as well as employer-led taskforces for each of the priority sectors to drive curriculum and skills provision that meets employers' needs.[115] The concept of a skills ecosystem will be important to recognise the interdependence of schools, further education (FE), higher education (HE), adult and community learning, and private

[108] Marches Centre for Manufacturing and Technology, MCMT Skills for Growth Programme, 2022
[109] NMITE, Herefordshire Skills for the Future, 2021
[110] The Marches LEP, Local Skills Report, 2022
[111] The Marches LEP, Local Skills Report, 2022
[112] West Midlands Combined Authority, Local Skills Report, 2021
[113] West Midlands Combined Authority, Local Skills Report, 2021
[114] Ibid.
[115] Ibid.

and voluntary training providers and facilities. Stronger collaboration with employers will help to address regional skills needs.[116]

Leicester and Leicestershire

Leicester and Leicestershire Enterprise Partnership (LLEP), located to the east of Stoke-on-Trent and Staffordshire, focuses on four priority sectors: engineering and construction, logistics, STEM, and core health and social care, with skills priorities around digital, carbon reduction, higher technical skills, and raising skill levels across the area.[117]

LLEP identifies a number of projects to support its skills priorities, including creating a Leicester and Leicestershire Digital Skills partnership made up of key stakeholders, businesses, and partners to address digital skills deficiencies in the workplace and wider society, and developing an apprenticeship strategy which will enable employers and individuals to benefit from the opportunities offered by apprenticeships.[118]

Supporting the growth of sectors in LLEP is another priority, particularly in logistics and health, and science and technology by developing pathways to enable the development of professional digital skills through bootcamps or similar.[119]

Leicester and Leicestershire will also be served by the University of Derby Institute of Technology which will specialise in digital, engineering, infrastructure, and manufacturing.[120]

Worcestershire

Bordering the south of Stoke-on-Trent and Staffordshire, Worcestershire LEP identifies five priorities in its Local Skills Report (LSR) with a focus on employers and education providers to prioritise local needs, informed by stakeholder engagement and research into the challenges faced within the local geography.[121] The region faces a number of challenges, including a high number of claimants, ageing population, low awareness of high-value career opportunities, and barriers to attracting younger highly skilled individuals.[122]

Worcestershire LEP are working to support the identified drive to meet the recruitment needs of key growth and cornerstone sectors such as engineering, manufacturing, digital, care, and construction. This includes developing an action plan to support recruitment aligning with Government initiatives such as digital bootcamps and career pathway programmes, and the Skills4Worcestershire careers site to market growth and cornerstone sectors.[123]

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[116] Ibid.
[117] Leicester and Leicestershire LEP, Local Skills Report, 2021
[118] Ibid.
[119] Ibid.
[120] Department for Education, Institutes of Technology, 2021
[121] Worcestershire LEP, Local Skills Report, 2022
[122] Ibid.
[123] Ibid.

Another priority of the LEP is to increase the number of graduates and skilled young people who spend a significant part of their economic life in Worcestershire. Actions to support this include working with the University of Worcester to build a Public Sector Centre of Excellence, offering increased opportunities to access higher education and maximise its potential to attract and employ university graduates.[124] Alongside this, the LEP has launched the Midlife MOT programme to support employers with workforce planning and help to recognise the growing challenges within the county around the ageing workforce, most recently seen in the logistics industry.[125]

[124] Ibid.
[125] Ibid.

4 Research findings

This section summarises key findings from the survey undertaken of businesses across Stoke-on-Trent and Staffordshire. Our analysis is based on **780 survey responses from telephone interviews and online forms**. We analyse here businesses' experiences of recruitment and skills shortages, training and skills gaps, and their views on future skills needs and potential support from local partners.

There is a separate Annex to this report that sets out and visualises the full findings of the survey by question.

This section also includes findings from deep dive conversations we carried out with sector groups and individual businesses in priority sectors. These provide a more qualitative perspective on the issues raised by the survey.

The survey and deep dives sought views from businesses across sectors and local authority area, with boosted targets for businesses in the following priority growth sectors:

- Engineering and advanced manufacturing
- Construction and modern methods in housing and infrastructure
- Advanced logistics
- Health and social care

Questions also specifically targeted views on digital skills and jobs, and skills needed for the green economy and net zero transition.

In the course of this research **we carried out deep dive conversations engaging 25 businesses**:

- Staffordshire Chamber of Commerce leader and business groups:
    - Digital Forum
    - Manufacturing Group
    - Energy Group
    - HR and Skills Group
- Individuals leading and managing businesses in:
    - Manufacturing
    - Construction
    - Health and social care

As shown in the below table, the survey received a strong response across sectors, with a particularly strong response from the engineering and manufacturing, construction, and health and social care sectors. The table highlights priority growth sectors, and groups other sectors across the business base together.

While the survey response geography broadly matches business distribution, there was an overrepresentation of businesses in Stoke-on-Trent, and relatively fewer business responses in Newcastle-under-Lyme, South Staffordshire, and Staffordshire Moorlands local authority areas. This may in part reflect the fact that nearly 10% of firms surveyed did not respond to the location question.

Table 1. Location and sector of survey respondents

	Construction	Digital	Engineering / manufacturing	Health and social care	Logistics	Other	Total	% of total business count	% of survey sample
Cannock Chase	12	3	26	8	5	19	73	9%	9%
East Staffordshire	13	4	27	5	6	31	86	12%	11%
Lichfield	3	2	9	7	0	30	51	12%	7%
Newcastle-under-Lyme	3	2	14	3	2	23	47	9%	6%
South Staffordshire	3	3	4	3	1	15	29	11%	4%
Stafford	13	5	26	10	7	49	110	14%	14%
Staffordshire Moorlands	6	2	8	5	0	23	44	11%	6%
Stoke-on-Trent	32	11	55	22	14	80	214	16%	27%
Tamworth	5	0	11	3	7	24	50	6%	6%
Not answered	14	7	14	5	4	32	76	-	9%
Total	104	39	194	71	46	326	**780**		100%

The majority of survey responses were from small and medium businesses, but with underrepresentation among micro businesses. This may be partly due to the sector focus leaning towards larger employers, and partly due to owners and managers of micro businesses having less availability to respond to the survey. Around 69% of respondents were micro businesses (0-9 employees) compared with making up 88.9% of the local business base. Whereas small, medium, and large businesses were overrepresented in survey responses, with small businesses (10 – 49 employees) making up around 22% of respondents compared with 9.1% of the local business base, medium businesses making up around 4% of survey respondents compared with 1.5% of the business base, and large businesses making up around 1% of survey respondents compared with 0.4% of the local business base (but this was only 7 firms). Although the benefit to this over-representation of small, medium and large businesses is that the survey provides greater coverage of jobs in the local economy.

Businesses responding to the survey were mature, with just 6% of respondents having been trading for less than 5 years. This compares with 66% of the local business base made up of firms trading for less than 5 years, and a slightly lower national proportion of 59%.

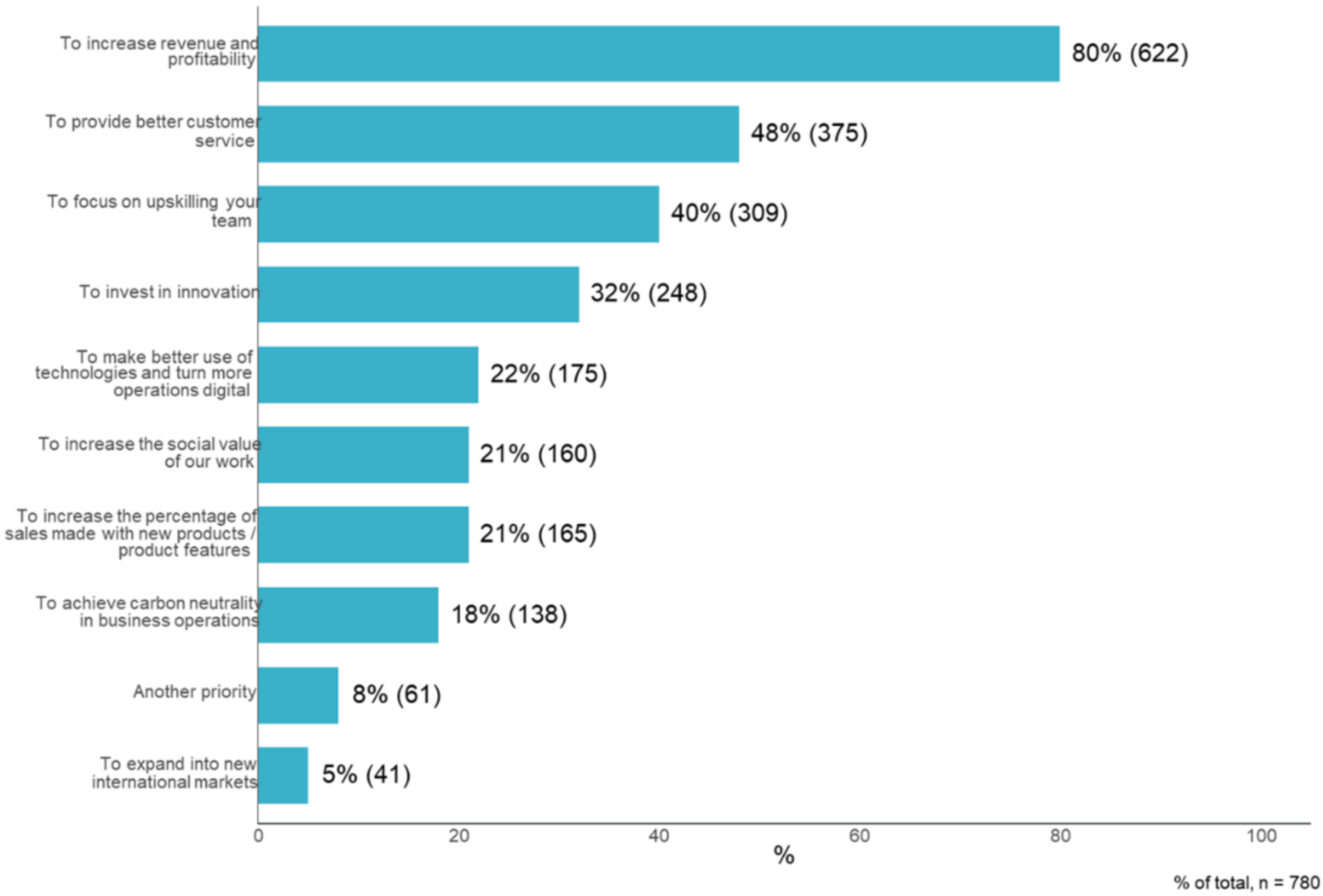
It would be difficult to perform meaningful analysis on businesses' responses by turnover, as 68% of respondents declined to answer the survey question about their annual turnover. Among businesses who did respond to this question, there was a spread across turnover increments, with the most common answer being £50,000-£250,000 in the most recent financial year at 11% of respondents, and 12% reporting turnover of more than £1m.

Businesses recruiting have struggled to find skilled candidates, impacting their business

In response to questions on businesses' growth ambitions and priorities, **almost half of respondents said they plan to stay at their current size at 49%, but with 34% planning for moderate growth, and 9% planning for significant growth**. Only 5% of respondents expected their businesses to decrease in size. Of the respondents planning for growth, 60% have recruited in the last 12 months, and 46% have training budgets/plans in place – these figures are both higher than for all respondents (with 45% having recruited in the last 12 months and 42% having training budgets/plans overall).

The top reported growth priority for all businesses was increasing revenue and profitability, a priority for 80% of respondents, followed by providing better customer service (48%), upskilling teams (40%), and investing in innovation (32%). Whilst upskilling is seen as a priority by 40% of businesses, the response to this question demonstrates that for the majority (60%) of businesses upskilling is not a key business priority at present, potentially due to other challenges facing their business taking precedence.

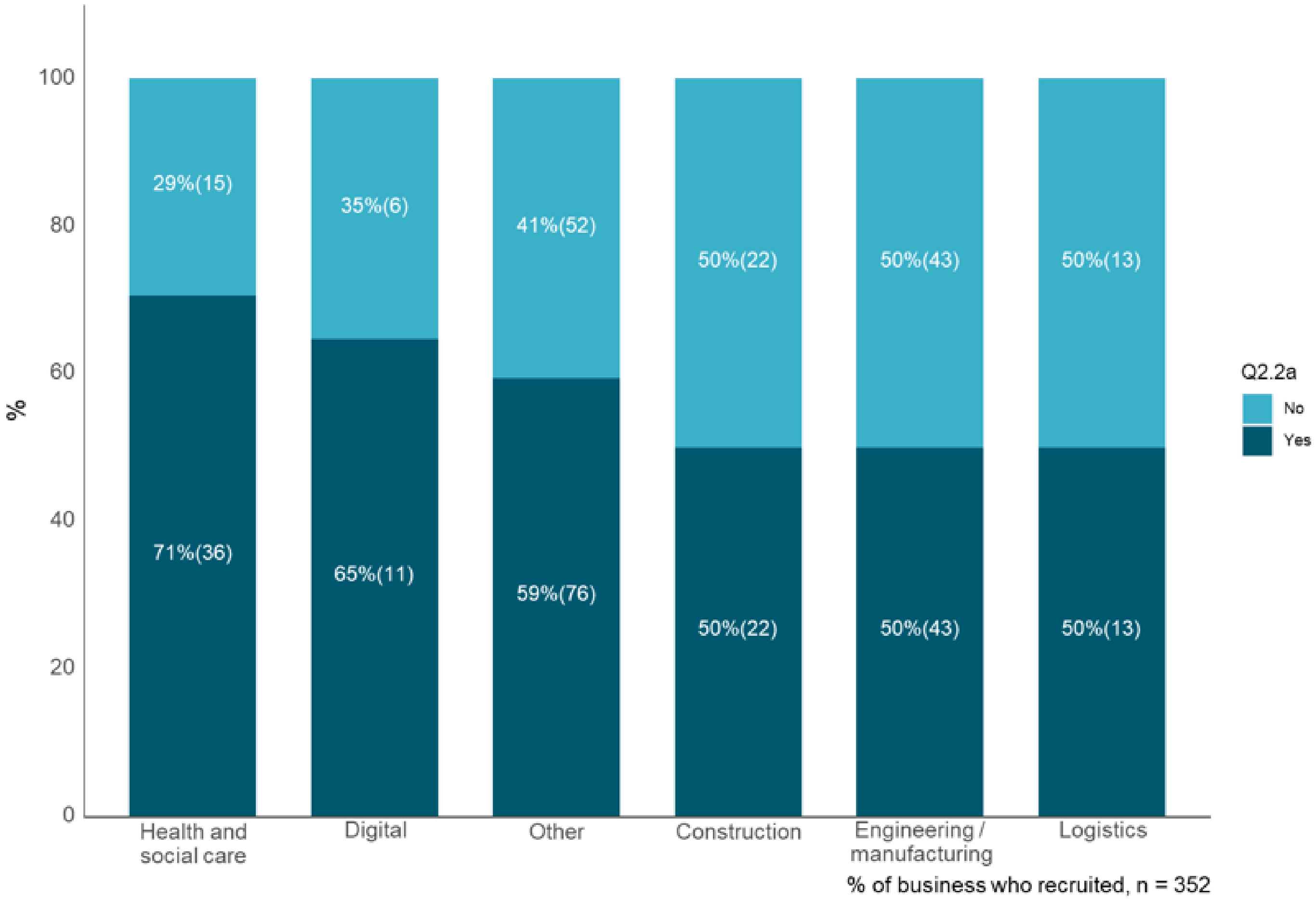
Figure 1. **Q1.4 Which of the following are priorities for your business?**



The survey asked businesses about their recent experience and plans for recruitment. Across sectors, **45% of respondents have recruited in the last 12 months, and 57% of businesses who have recruited say that they have found it difficult to do so in the last 12 months.** Health and social care was the sector with the highest percentage of businesses recruiting (73%), with the logistics sector (57%) also more likely to report recent recruitment.

Of the businesses who recruited, health and social care and digital businesses found it most difficult to recruit, but overall, 57% of respondents across sectors had reported finding recruitment difficult in the past 12 months.

Figure 2. Q2.2a If you have recruited in the last 12 months, did you find it difficult?



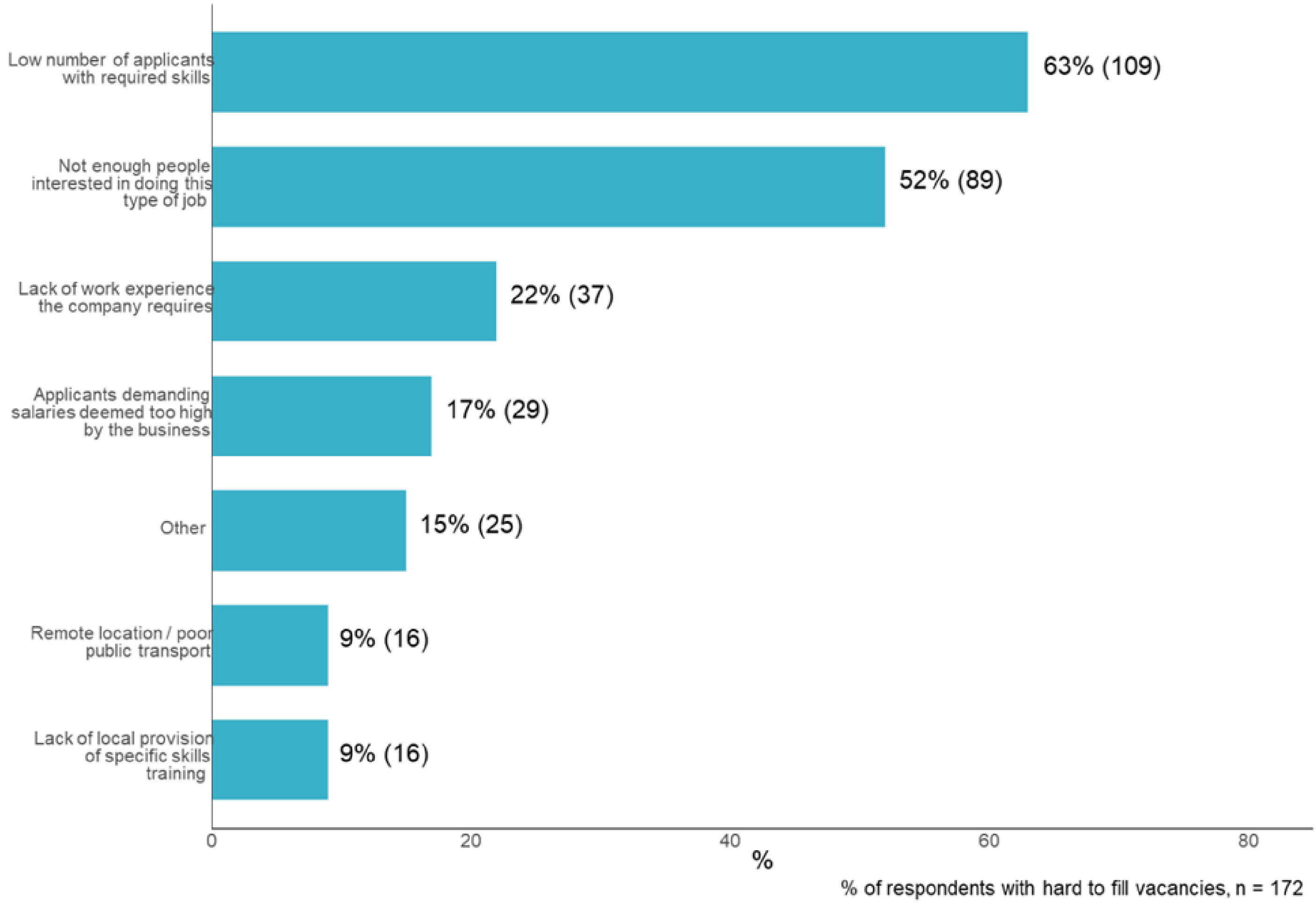
The most common reason given for recruitment difficulties was a lack of suitable candidates, with over 70% of businesses who found it difficult to recruit citing this as a reason. This was more pronounced in construction (82% of firms identified this as a reason), digital (82%), and engineering and manufacturing (77%).

The second most cited reason overall – lack of interested candidates at 52% – was more important in health and social care with 81% of employers citing this reason. In our **deep dives** with priority sectors, a digital business commented that they had recently seen a '70% reduction in applications' highlighting a challenging recruitment environment emerging from the pandemic.

We asked businesses whether they had vacancies that they would identify as being hard to fill, with 22% of survey respondents reporting that they did. Health and social care had the highest proportion of businesses with hard-to-fill vacancies at 37%, with engineering and manufacturing also just above average at 23%.

Most hard to fill vacancies were due to a lack of applicants with the required skills (63% of respondents). Lack of interest (52%) and lack of work experience (22%) were also frequently cited reasons.

Figure 3. Q2.7 Which of the following reasons do you associate with your hard to fill vacancies?



The most commonly cited occupation for hard to fill vacancies was skilled operational staff[126], with 49% of respondents with hard to fill vacancies reporting this, followed by other operational staff reported by 23% of respondents. Requirement for skilled operational staff was more pronounced in construction (with 60% of employers citing this role as hard to fill), logistics at 60%, and engineering and manufacturing at 55%. This contrasts to low proportions for more senior and management roles. For sector specific roles, health and social care employers reported top hard to fill vacancies as care assistants (with 21% of employers reporting) and care workers and home carers at 14%.

Deep dive conversations we carried out with employers in priority sectors suggested a number of reasons in an economic climate emerging from the pandemic for struggling to recruit. **A lack of candidate interest was a common reason, particularly in entry level and training roles.** Many employers spoke about the challenge of attracting workers to entry level roles, including increasing wage competition for these positions as well as greater demand for remote working where viable. One NHS respondent cited the example

[126] Note: clearly this category of staff will vary in specialism / skills across different industries.

of losing out on pharmacists who were choosing to work in high street pharmacy businesses instead.

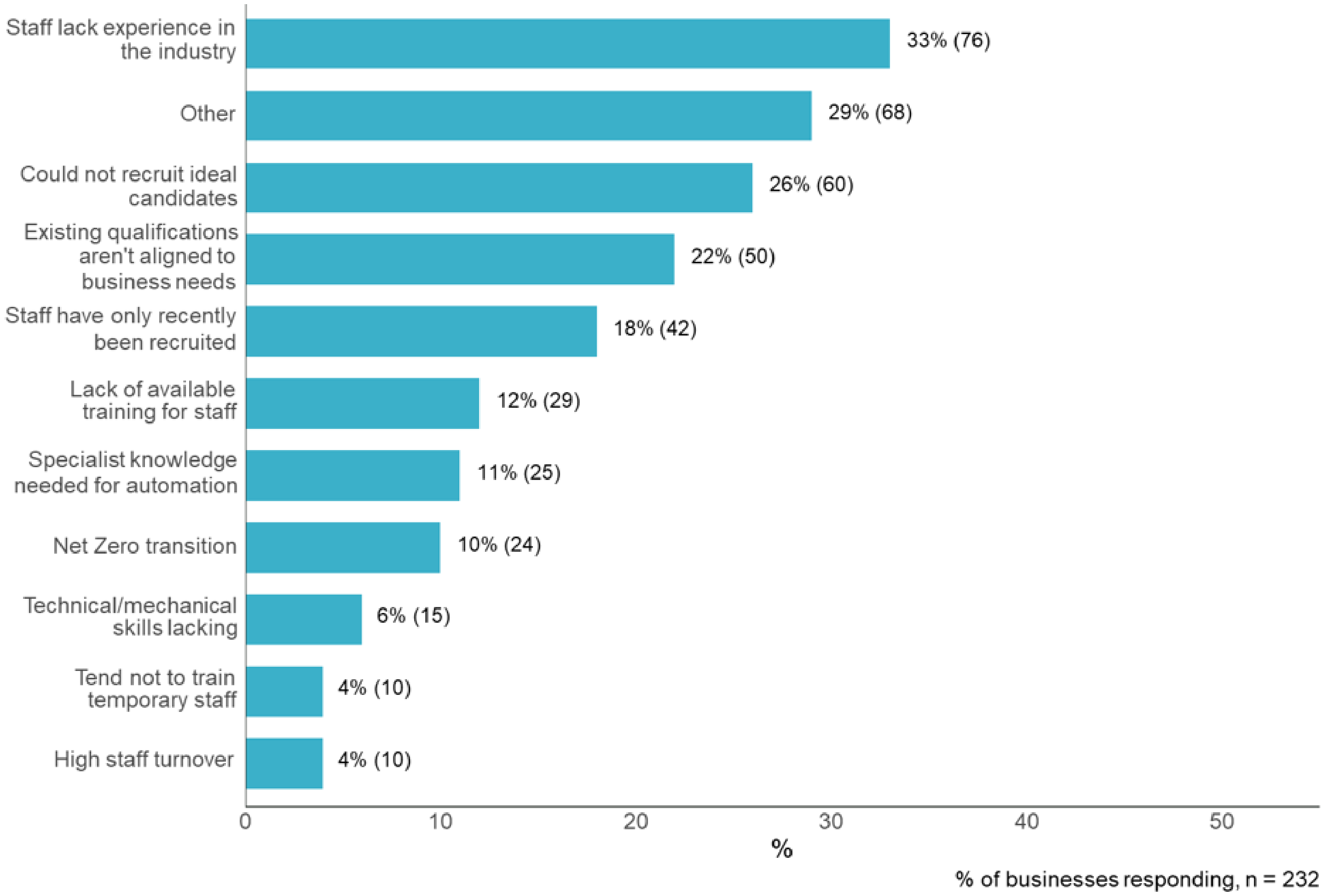
There was perceived to be a particular challenge in attracting and enthusing young people to train in specialist skills (particularly in engineering, manufacturing, and construction) that are leaving the labour force due to earlier retirement. In addition to experienced staff retiring earlier post-pandemic than they had planned, Covid was cited as having disrupted usual recruitment rhythms, reflecting the disruption to education and apprenticeship opportunities in 2020 and 2021.

Employers talked about a general perception that **employees are looking for different working conditions than before Covid** along with rising wage expectations, reflecting cost of living issues. This was acutely felt in some areas with little room for pay flexibility, for example, across health and care occupations. Employers also cited some specific challenges around competing in a market where other firms are offering remote work, particularly in specialised engineering firms, for example servicing railways, and longstanding recruitment challenges in specific occupations, for example nursing, that existed before the pandemic but have been further exacerbated. Place specific challenges were identified around more rural or remote business locations suffering from poor public transport connections, particularly deterring younger potential employees.

Businesses are concerned about the impact of recruitment difficulties on their growth aspirations and priorities. In the survey, we asked what the impact was on businesses of vacancies they have found challenging to fill, with 57% of businesses responding that they are finding it difficult to recruit saying that these recruitment challenges are reducing the amount of business they can deliver.

Survey respondents gave similar reasons for skills gaps in their existing workforces as given for hard to fill vacancies. **A third of respondents who reported skills gaps in their workforce cited lack of staff experience in their industry as a reason for skills gaps**, with 26% reporting they couldn't recruit ideal candidates, and 22% reporting staff's existing qualifications don't align with business needs.

Figure 4. **Q3.4 Which of the following reasons do you associate with your existing workforce skills gaps?**



In **deep dive conversations**, we also heard mirroring of some of the issues around recruitment. **Employers reported that ageing workforces have specific skills that businesses are concerned about losing**, but also that they can be less flexible and more challenging to upskill, for example, to maximise the use of new and emerging digital technologies especially in engineering and manufacturing, and health and care. Barriers to training existing employees discussed included a lack of time and resource to spend on training, and a lack of clarity and understanding of the range, form and location of training providers' offers.

Some recruitment challenges are longstanding, particularly in the NHS. One NHS Trust spoken to noted that vacancies were running at 10% - in line with national averages – but had been as high as 14% over the past few years. This reflects the long-term nature of training for these positions: 3 years for a registered health nurse, but up to 15 years for specialist clinicians. NHS Trusts are working with local institutions to develop a stronger pipeline, but clearly this is challenging. Drop-out rates in the NHS generally are high and have been exacerbated by Covid and the high levels of workload and burnout for NHS staff. This has resulted in more overseas recruitment to plug the gaps.

Broad need for basic digital skills and specific technical skills are barriers to growth

In survey responses on recruitment and workforce skills, **businesses identified digital skills and roles as being important for their future growth. These ranged from basic and administrative digital skills to more specific web design and programming** skills to support business growth. Awareness around introducing new technology to firms and upskilling existing staff align with businesses' reported growth ambitions and priorities to increase profitability, provide better services, and innovate.

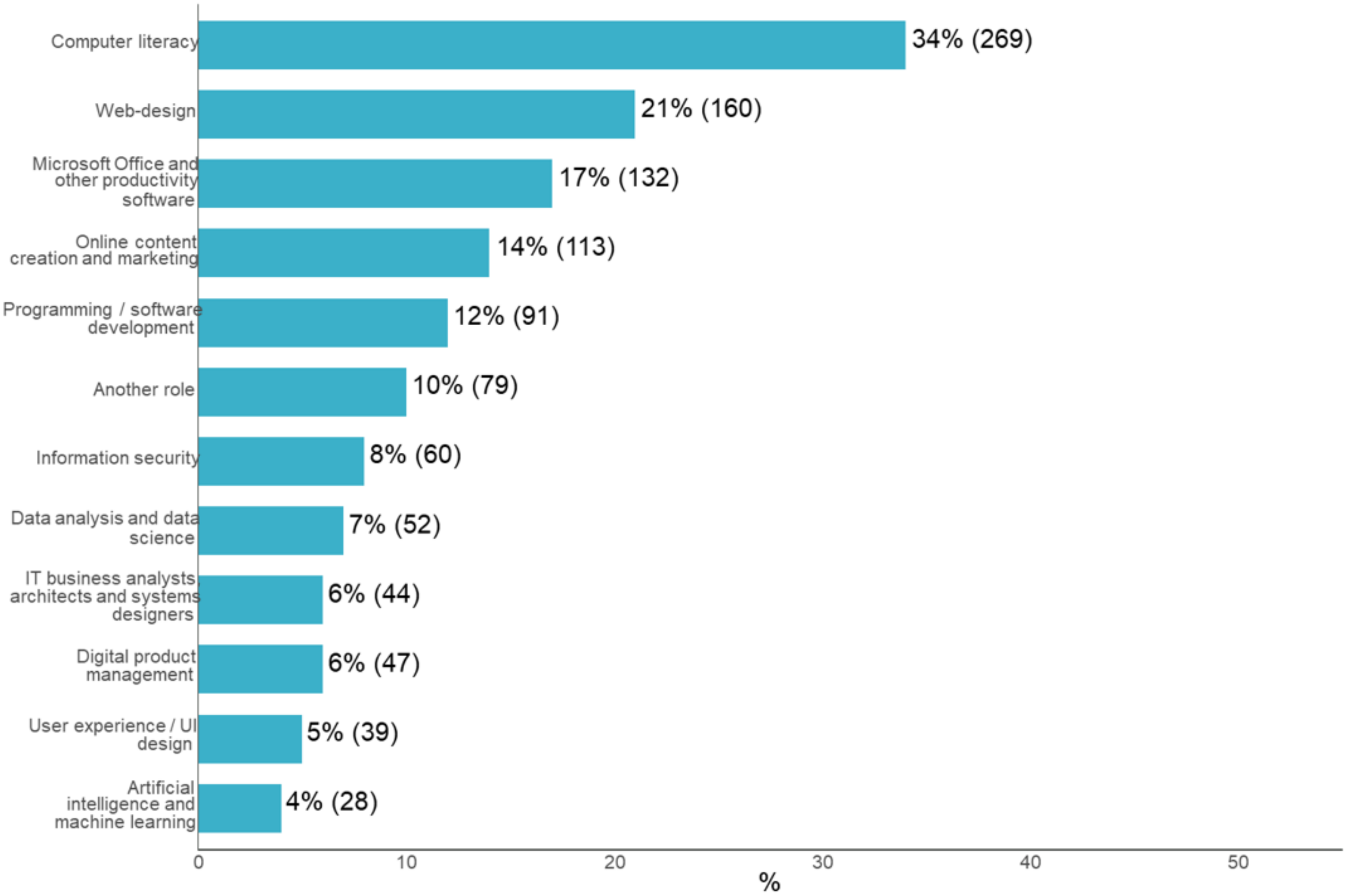
Employers specifically link their digital skills requirements to new business imperatives or strategic direction-of-travel. For example, NHS Trusts we spoke to discussed using digital technologies to automate basic administrative procedures (e.g. automated appointments, reporting, and payroll), and also using data analysis to streamline processes. More broadly, Covid has resulted in regular use of a range of digital tools for online collaboration and meeting that were not as prevalent before the pandemic.

In the survey, we asked businesses if they had digital skills gaps in their workforces and if they were struggling to recruit for the digital skills they need. 12% of all respondents reported digital skills gaps in their existing workforce. **Digital skills gaps were most pronounced in digital, and engineering and manufacturing sectors**. While overall just 5% of respondents reported that they were struggling to recruit for digital skills, this rose to 15% for self-reported digital businesses.

Businesses' expectations of future digital needs (next 5-10 years) were greater than those at present, with 5% of respondents reporting that they currently struggle to recruit the digital skills they need, 12% identifying digital skills gaps in their existing workforce, and 26% identifying that they will need digital skills in future.

This indicates that while businesses have an awareness of the importance of digital skills and anticipate their needs to grow in future, they may not have a clear view on their current needs and the impact on their businesses today. The below chart shows that the most anticipated future digital skills among all businesses are computer literacy (for 34% of respondents), web design (21%), Microsoft Office and productivity programmes (17%), and online marketing (14%). Businesses are overall more likely to identify broad skills and use of tools as being important for their businesses' future.

Figure 5. **Q4.3 Which digital roles or skills needs do you expect your business to need in the future?**



% of total, n = 780

From deep dive conversations, we also heard that businesses experience persistent issues around basic digital skills, with concerns that lack of basic skills would hold back business technology adoption. Among digital businesses, recruiting for roles is challenging at the moment and increasingly competitive. With increased ability to hire staff remotely who can work in these roles from anywhere in the country, employers are finding they are competing more fiercely with other businesses, with experiences such as, 'within a week, someone can be on the market, then off the market', and 'we've had examples of people having three job offers within a week'.

Respondents to the survey also offered their own responses on their views of future digital skills needs. **Responses stated some awareness of specific digital skills but also expressed uncertainty about need and level of demand.** Businesses often cited requirements for basic and administrative digital skills to manage and grow their business, for example, Microsoft SharePoint, and CRMs. Web design, digital marketing and social media skills were frequently cited, for example, video production and editing. And there was some evidence of need for more specialised programming and design skills, including CAD and software development.

In our deep dives, among more digital facing companies, business leaders discussed requirements for coding and specialised skills and knowledge around Blockchain, web3, AR / VR usage, graphic design and animation, 3D design software such as Blender, Houdini and Unreal Engine, and CAD Solidworks. In discussion with engineering and manufacturing firms, we heard that technological skills around robotics, electronics, engineering and design skills related to machining and additive manufacturing were important.

Employers recognise the challenge of identifying and quantifying the need for skills using specific tools, as technology is always evolving, with one employer acknowledging 'we can't produce new people fast enough'. Employers also expressed that use of new technologies in part relied on enthusiastic and knowledgeable staff identifying and introducing them into businesses.

At the same time, there is also a recognition that working life is becoming increasingly 'digitised' and therefore increasingly employees need to take on and learn new digital skills and tools, which can create challenges. For example, in transport engineering, one firm told us that it was difficult to roll out newer digital tools among the more experienced staff looking towards retirement, but that younger talent with these skills and willingness to learn were drawn by big projects and contracts such as HS2. NHS respondents talked about the challenges of ensuring digital skills adoption and usage amongst older staff members – with slow adoption having the potential to impede the effectiveness of new systems.

Employers and providers identified skills needs in the training offer for priority sectors. It has been difficult to ensure the area has the right trainers and teachers with up-to-date skills, partly because the skills needs are changing so fast, and partly because skilled practitioners can often earn more working in industry rather than in teaching. They identified shortages in college educators for Levels 3 and 4+ in engineering, technical construction, health sciences, digital skills, and other technical areas.

There were concerns raised that schools aren't communicating opportunities to young people in growth sectors. Schools may have more of a focus on university progression rather than helping young people understand future opportunities. This may also reflect a lack of understanding within schools.

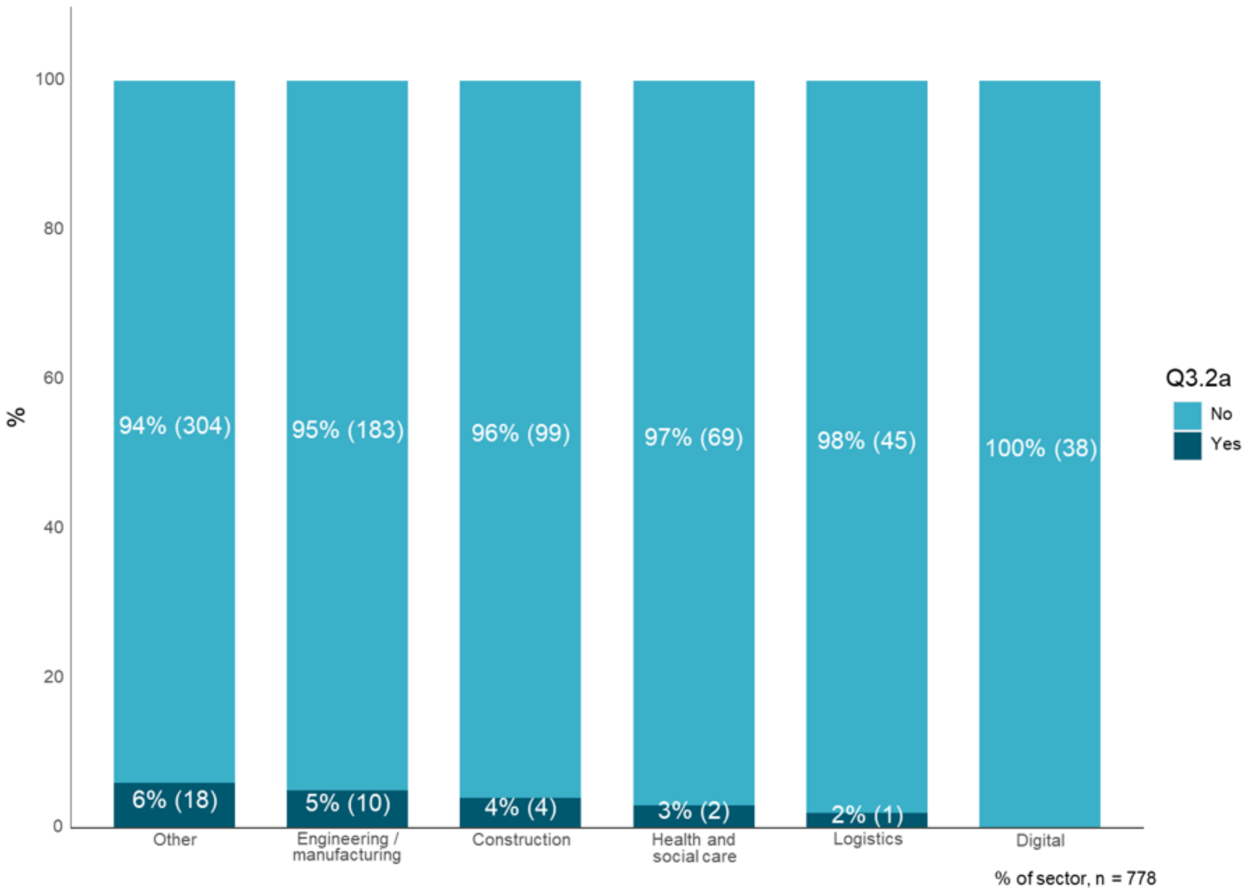
Businesses want more guidance on green skills

Similarly to the digitisation of jobs and services that we will continue to see in the economy, the need for green skills and jobs will grow as the UK progresses to meet 2050 net zero targets.

Just 1% of businesses who responded to our survey reported that they are struggling to recruit staff with skills related to net zero and energy transition, or green practices. Considering the targeted sample of businesses in priority sectors that have significant decarbonisation needs – construction, logistics, engineering and manufacturing – this proportion appears very low. Just 5% of businesses surveyed reported having green skills gaps in their current workforces, with construction and engineering and manufacturing firms reporting at about the same rate. Where gaps were identified in skills/roles, sustainability manager was the most frequently cited by businesses. This indicates that businesses expect sustainability to impact more than one area of how they do business, and that they will require staff who can manage various requirements.

In a similar manner to responses on digital skills, more businesses identified green skills as necessary in future at 10% of respondents, however, this came after a range of other types of anticipated future skills needs including, sector-specific technical skills, transferable skills, digital skills, people and project management.

Figure 6. **Q3.2a Are there green skills gaps in your existing workforce?**



This response may reflect the size of businesses surveyed, with the responses not weighted for business size. **It may be that smaller firms have not yet planned and identified these specific skills needs.** There may be a perception among these businesses that large firms will lead the way in establishing new practices and tools, which will be passed down supply chains to smaller contractors in future. This is reflected in responses we received from businesses in the survey with a couple of specific skills mentioned, for example, carbon calculation and electric vehicle repairs, but with many expressing that they didn't know what their green skills needs would be, and that they would rely on external consultancy for future needs around net zero and green practices. Similar to responses on digital skills needs, businesses associated green practices with technological change that happens quickly, and that new tools drive new skills, with technology suppliers expected to provide specific training support.

We also heard in deep dive conversations that 'green jobs' can cover a broad range of roles in diverse low carbon sectors and new sector-wide jobs that don't yet exist. Businesses think that many green skills needs - and future business demand for these skills - remain unknown for now, in part because business demand will be driven by Government policy and future regulatory requirements. This indicates that while there is an awareness that green skills and changing practices for transition to net zero will be important**, there is an expectation that Government and national sector leading firms will implement new requirements** that may be significant enough to render smaller individual firm level action on green skills potentially ineffective or not worth significant change at this moment. From deep dive conversations, there appears to be greatest certainty in the construction sector, where increasing demand for e.g. housing retrofit, installation of heat pumps, installation of renewable energy generation is expected to drive large-scale training needs, given the lack of such skills at present.

Businesses expressed in deep dives that they wanted to see a focus on local major projects – with providers and partners promoting the benefits and specific skills to businesses and learners. With some specific local projects focused on skills associated with decarbonisation, such as the District Heat Networks project at Stoke-on-Trent, there have been some challenges with apprenticeship take-up, possibly due to a lack of awareness or understanding of the project and subsequent career opportunities.

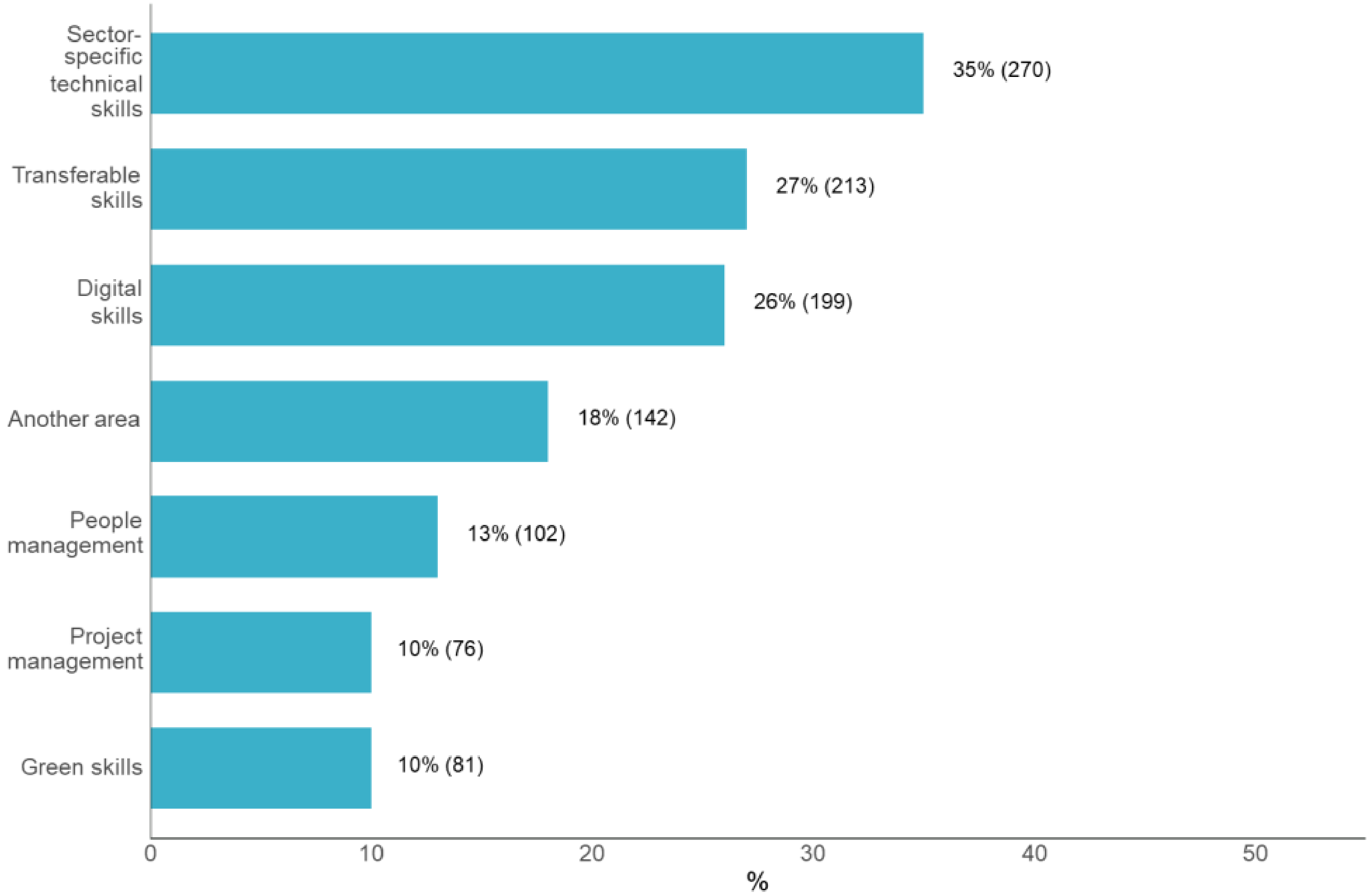
Businesses recognise future training needs, but may struggle to specify and quantify requirements

In the survey, we asked businesses about their views on their future skills needs, looking ahead to the next 5-10 years, and on their training needs in the future.

For 35% of businesses, technical skills relevant to their own respective sector are a major anticipated future need. Notable here is the percentage citing digital and green skills, which is high compared with current recruitment levels and workforce skills gaps. (Low percentages are seen here as overall 117 businesses selected no option, and 428 only selected one option). This suggests that businesses may be unclear about their future skills needs. Sector-specific technical skills were more pronounced in construction, digital, and engineering and manufacturing. Transferable skills were more important than average in health and social care, logistics, and all other sectors (not priority sectors). People management was more important in digital and health and social care.

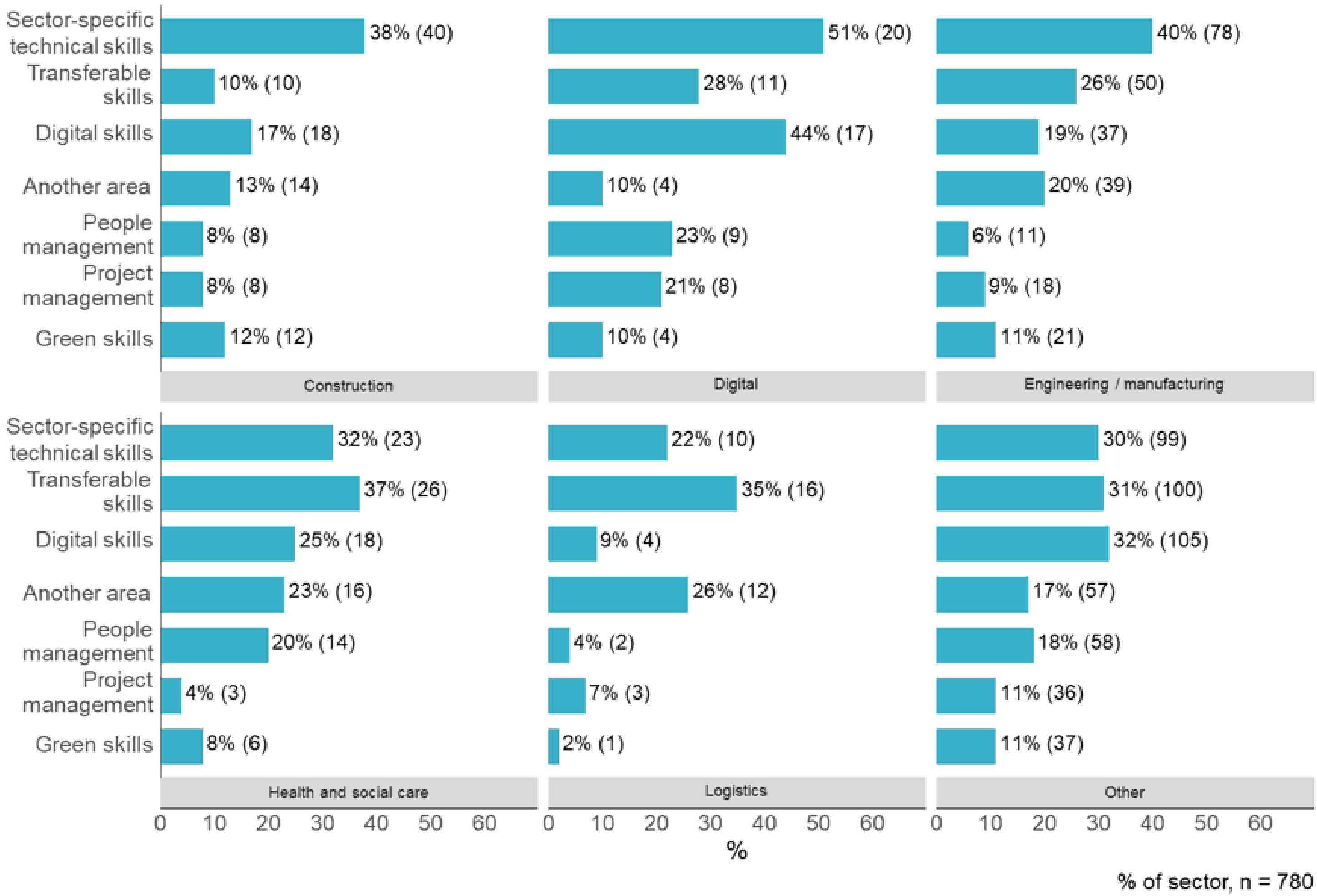
Deep-dive interviews provided a greater perspective on the challenges facing employers in sectors where technological change is significant. One respondent noted that many large, technologically advanced firms found that the skills that the workforce has at any given time are obsolete within three years, given the current pace of change. This makes it very difficult to ensure that the workforce has the new skills required by the business. It also increases the risk that what providers are teaching young people becomes outdated by the time they graduate. For cutting-edge skills, there was a recognition that it might be hard for providers to effectively recruit trainers with these skills, with a knock-on effect for developing a pipeline with the right skillset.

Figure 7. **Q4.1 What are the key future skills needs for your business in the long term?**



% of total, n = 780

Figure 8. Q4.1 What are the key future skills needs for your business in the long term?



Survey respondents frequently cited anticipating more digital, technical, and operational skills, for example, 'to get the business online', 'grow the business', and 'manage the business administration so I can focus on other things'. A number of businesses said they would require job and regulatory specific accreditations, anticipating future regulatory changes, but that are not necessarily knowable today. For example, some business responses simply stated that 'we will recruit for these as and when depending on roles we need to fill'. Reflecting national research from DfE's Skills and Productivity Board[127] on skills needs for the economy, businesses also frequently cited future needs for transferable skills, for example, 'customer service', 'enthusiastic attitude', and 'communication skills'.

There is an employment growth opportunity in health and social care, with ongoing recruitment demand across NHS and Council-commissioned care roles and demand that is expected to grow in future with an ageing population. **We heard from deep dive**

[127] Department for Education (DfE), Skills and Productivity Board, Understanding current and future skills needs, May 2022.

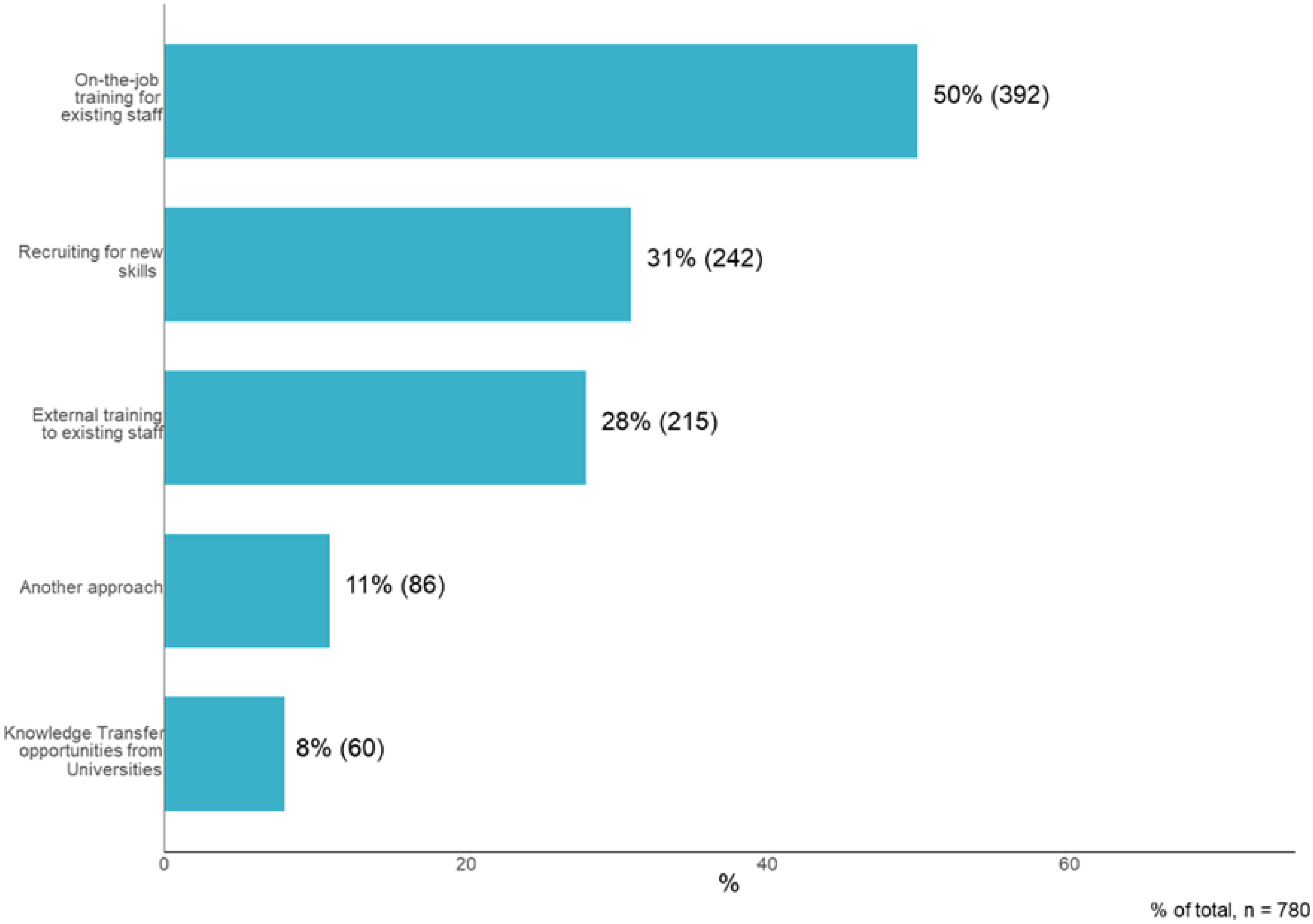
conversations that locally there are challenges in terms of both awareness of recruitment issues particularly across care providers, and local skills availability.

Among survey respondents, **there is an awareness that skills needs will shift in future, but uncertainty around what the required skills will be**, with many businesses saying that they think skills needs in future may depend on changes to national regulations and specific local business contracts. Businesses also expressed a reliance on younger employees to keep up with changing needs, for example, 'I will recruit skilled people to understand future technical needs'. Business owners and leaders stated that they would take responsibility to 'figure it out' and improve their own skills when it is necessary for the business. A subset of businesses commented that they are planning to retire and close their business. Deep dive conversations with priority sectors mostly focused on short term priorities, with few firms thinking 3-5 years into the future. This perspective was reinforced by recruitment companies engaged through the deep dives, who felt that very few of their clients were planning for the future. Unsurprisingly, these challenges were considered to be more pressing for SMEs rather than larger firms.

Employers' perspective on future skills needs is complicated by current economic uncertainty – in terms of geopolitical events, supply chain challenges, the ongoing impact of Britain's exit from the EU, and price inflation (particularly in terms of energy costs). All of these issues are making it harder for firms to plan long-term, as they are having to respond to current challenges.

In the survey, we asked firms how they thought they would address future skills needs in their businesses, with options including on-the-job training for existing staff, external training for existing staff, recruiting for new skills, and knowledge transfer opportunities. **On-the-job training was seen by respondents as the most common route for achieving future skills needs for the business**, selected by 50% of respondents. Recruitment (31% of firms) and external training (28%) are also cited as key routes to skills acquisition. Respondents could select more than one answer to this question, overall 193 businesses selected no option, and 319 only selected one option.

Figure 9. Q4.5 How do you anticipate your workforce will obtain necessary skills?



Health and social care employers were more likely to identify on the job training at 82% and external training at 46%, with digital and engineering and manufacturing also more likely to rely on on-the-job training at 54% and 52% respectively, and digital, health and social care, and engineering and manufacturing more likely to recruit for skills needs at 36%, 35%, and 34% respectively.

Only 42% of surveyed businesses reported having training plans or budgets in place. Health and social care is the only priority sector where over half of survey respondents have training plans or budgets in place. The high percentages of businesses without this in place is a concern given recruitment challenges and the high proportion of businesses who intend to meet future skills needs without recruiting new staff. A majority of respondents reported offering job specific training to employees, with more than a third offering specific induction training for new staff. Engineering and manufacturing and health and social care employers were more likely than average to offer job specific training. Other forms of training were less common, but with distinctions between sectors. For example, 26% of digital businesses had arranged or funded digital training in the last 12 months, and 15% of health and social care employers had arranged/funded management and leadership training.

We asked respondents about the barriers to providing training to staff. **The inability to spare staff time and the cost of training were reported as major barriers to providing training in every sector**. This was especially true in digital businesses, where 38% of businesses cited time and 31% cited cost, and in health and social care, where 39% of employers said they couldn't spare the time for their staff. A quarter of businesses reported having no training needs. The response was highest for businesses in engineering and manufacturing, where 32% of respondents reported having no need for training.

Figure 10. Q5.7 Which of the following are barriers to you providing training to your staff?

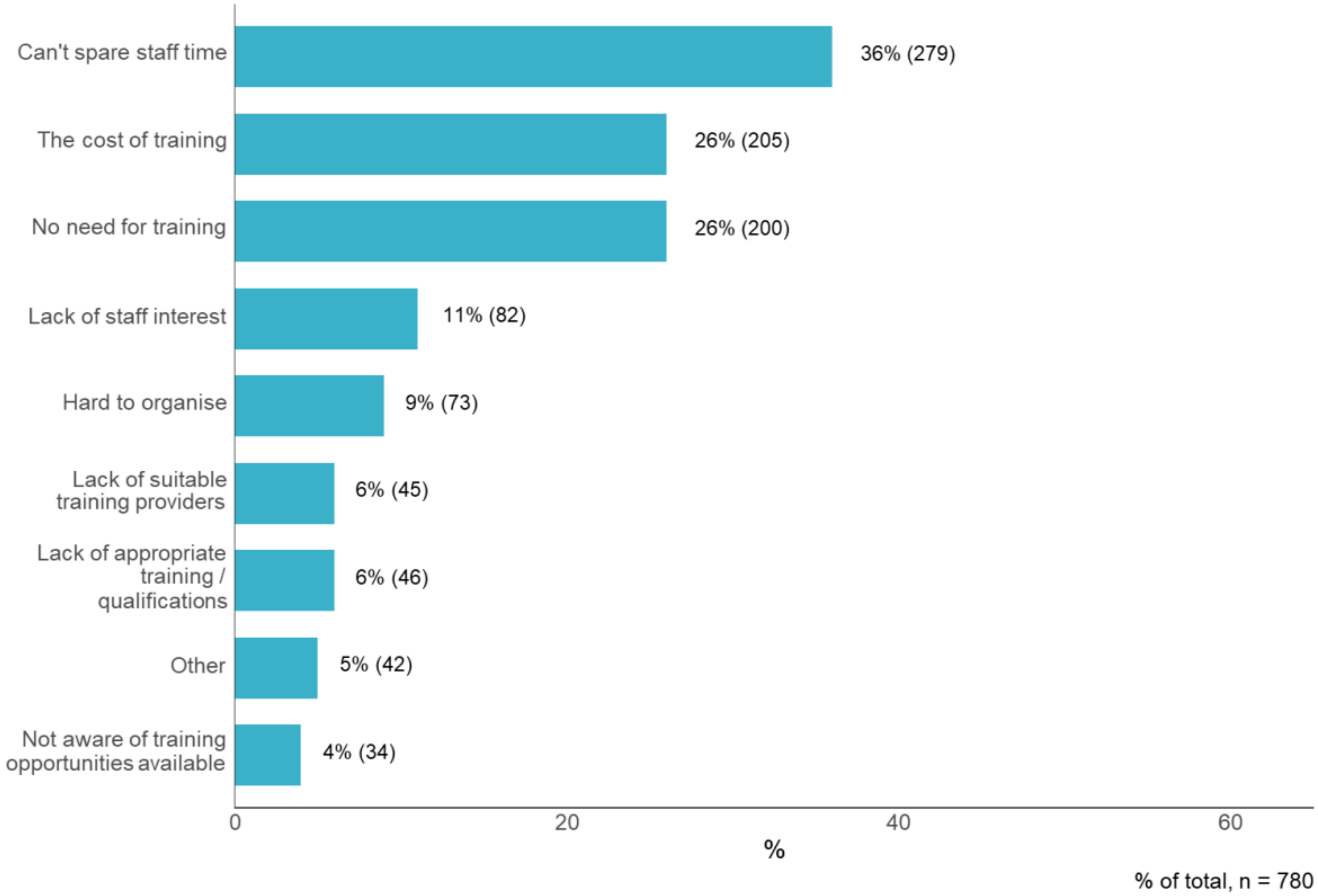
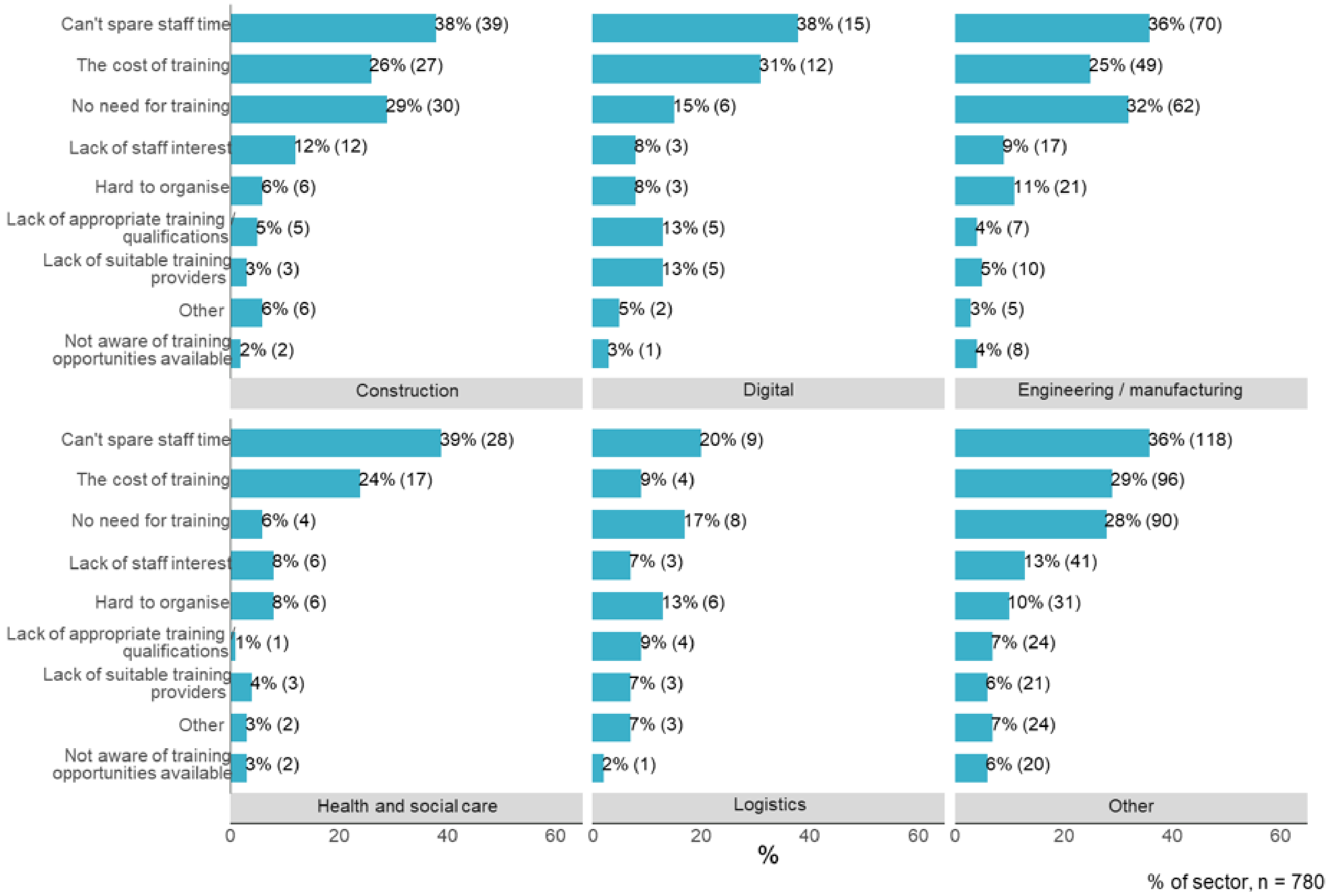


Figure 11. Q5.7 Which of the following are barriers to you providing training to your staff?



As part of employers' formal training offer, we asked respondents about their experience with apprenticeships. Overall, 28% of respondents reported currently offering apprenticeships in their business, with 25% reporting that they will offer apprenticeships in future. **The current use of apprentices varied by sector, with a higher proportion in engineering and manufacturing and health and social care** at 37% each, and the lowest in logistics and digital at 20% and 21% respectively. Reporting on planned future use of apprentices, there was planned growth in construction and digital, with planned reduction in engineering and manufacturing and health and social care. A smaller number of respondents answered this question (542 compared with 777 answering the current apprenticeship question), so this may disguise that a number of businesses don't yet know their future plans for apprenticeships.

Figure 12. Q6.1 Do you offer apprenticeships within your business?

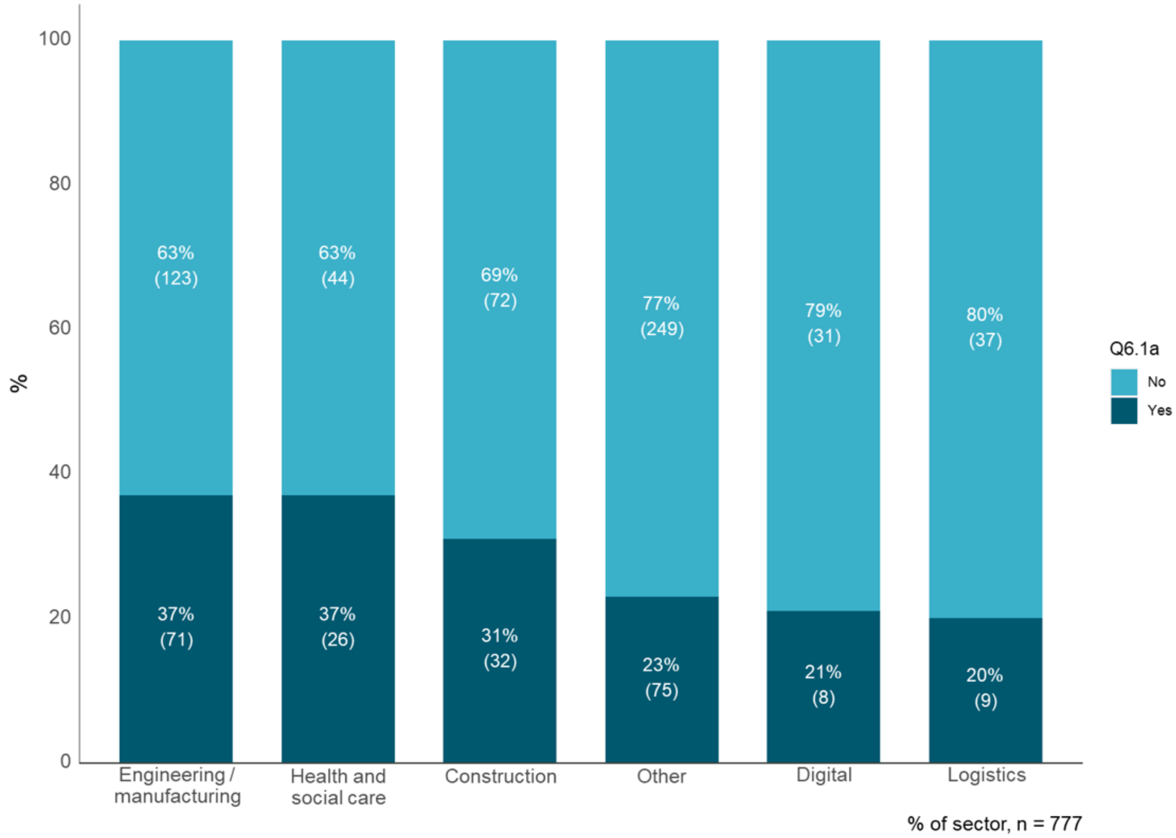
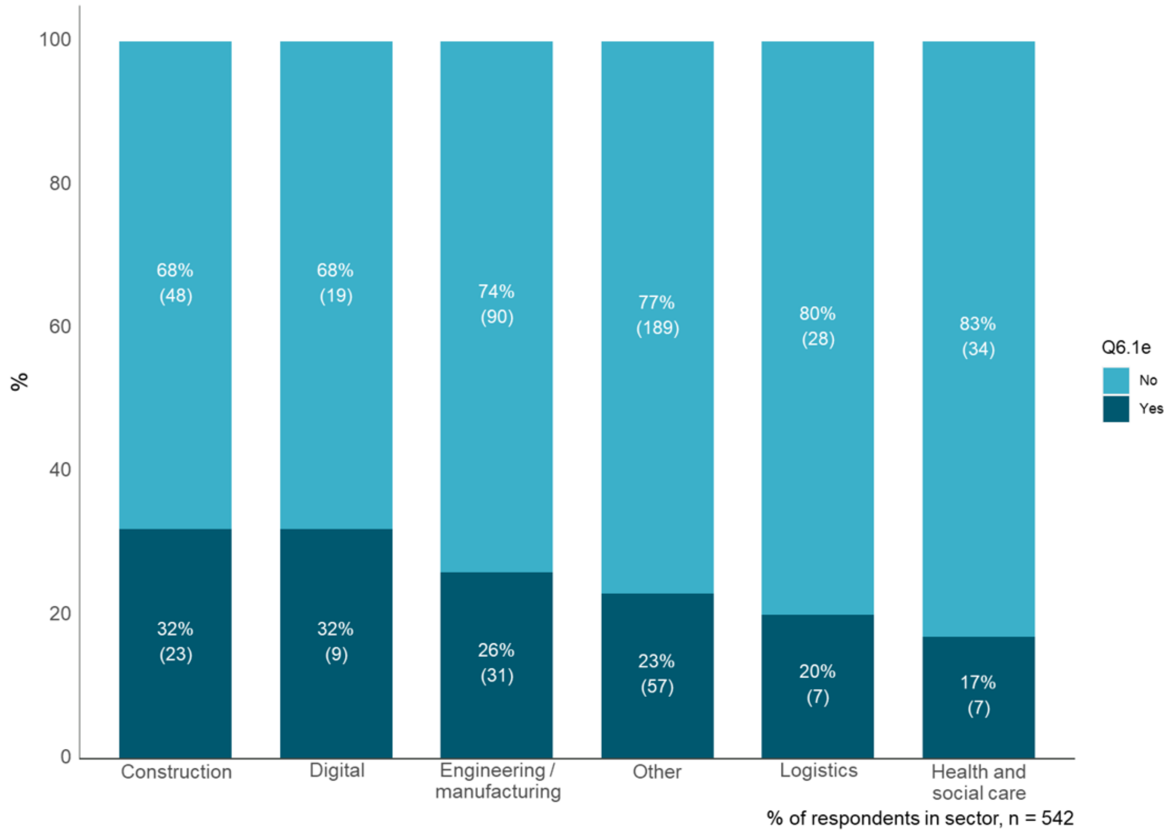


Figure 13. Q6.1e Do you intend to offer apprenticeships in future?



Most respondents offering apprenticeships currently have collaborated with providers at 78%, ranging from 100% of digital businesses to 67% in logistics. Of businesses who reported not collaborating with providers, a majority (64%) reported having no need as apprentices had been easy to attract. Most of this group (67%) want to work with providers in future. Businesses reported strong retention of staff after apprenticeships have finished, with 76% of respondents reporting that at least half of apprentices stay with their business.

Respondents expressed **interest in a number of potential areas of support from providers and partners**, with overall the most popular options being support for apprenticeships/work placements (identified by 31% of respondents), and ongoing specialist training programmes with local providers (30% of respondents). Responses varied by sector, with higher-than-average demand for apprenticeship support among construction, engineering and manufacturing, and health and social care businesses, higher demand for ongoing specialist training with providers in health and social care and digital, and higher demand for commissioning bespoke support from local providers in digital.

Figure 14. **Q7.1 What support would benefit your business for future recruitment, retainment, and training issues? Select all that apply.**

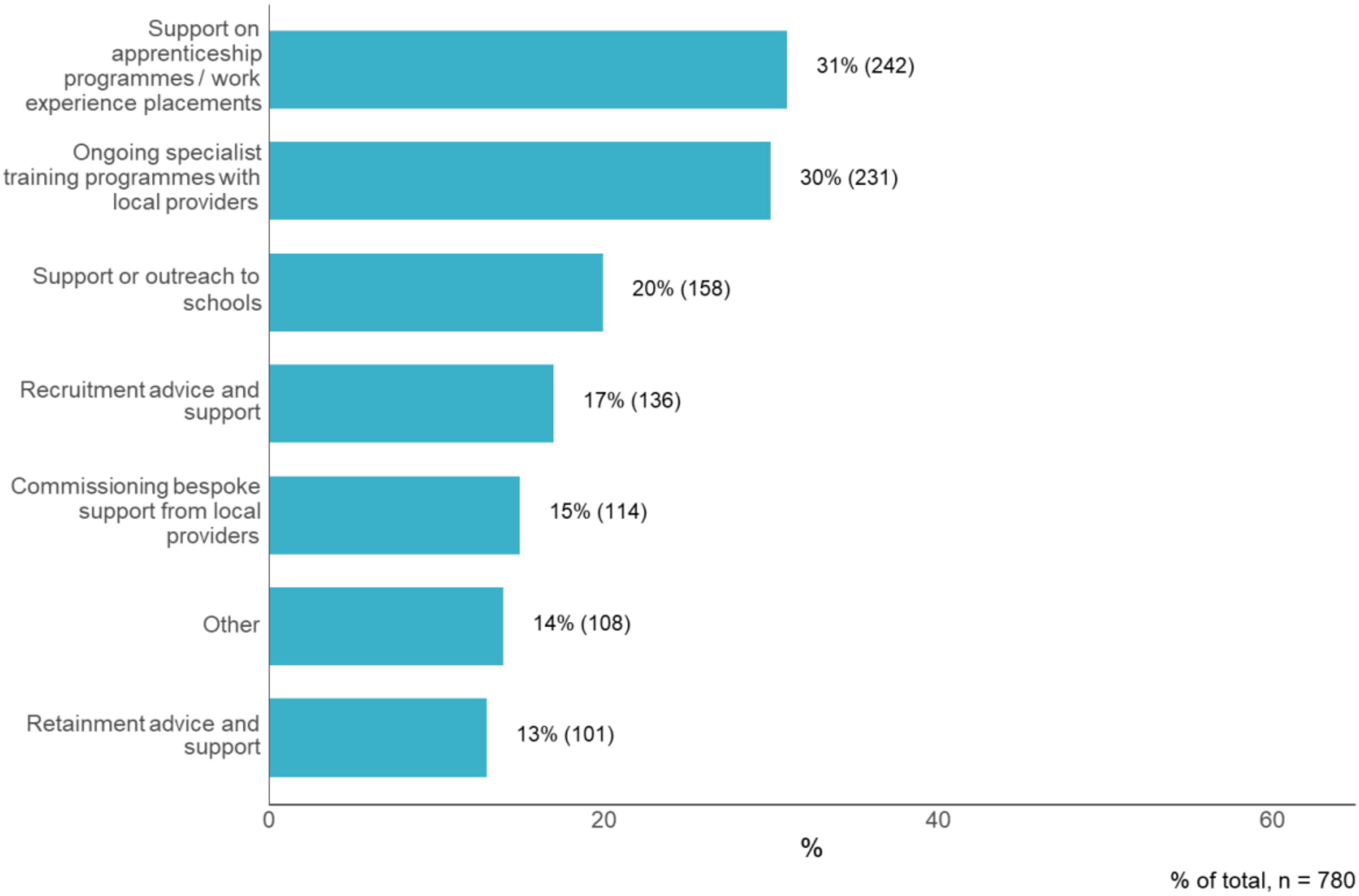
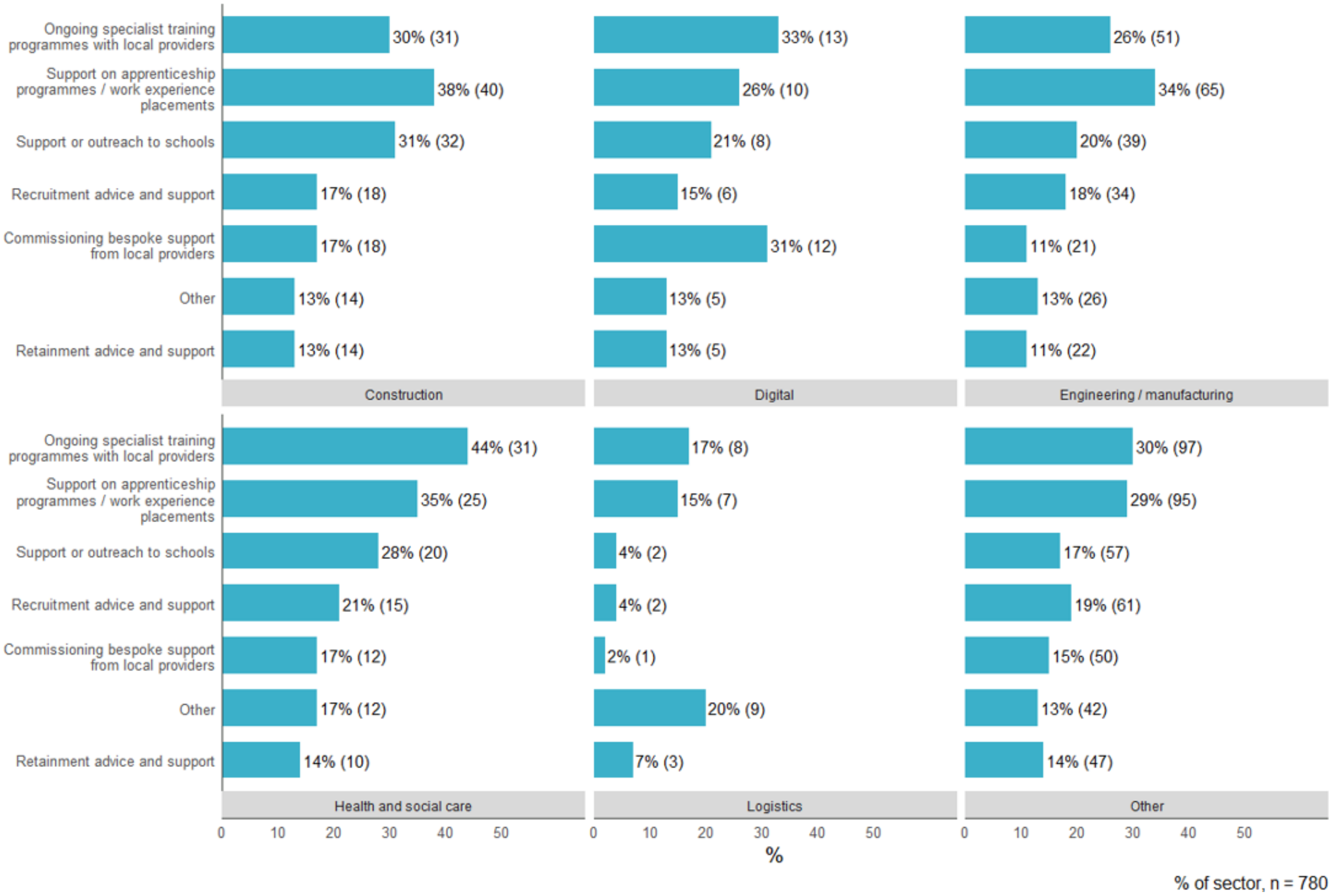
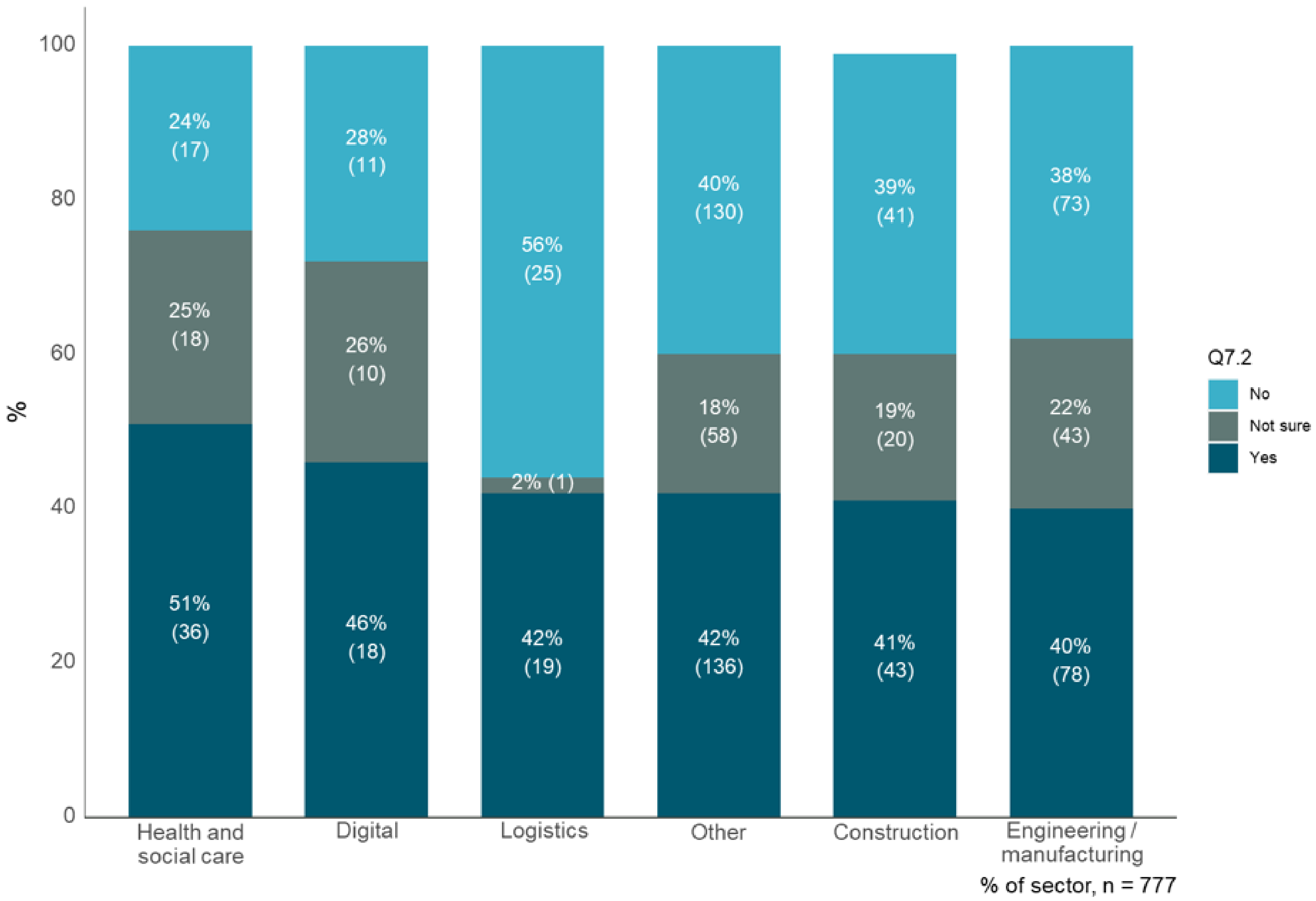


Figure 15. Q7.1 What support would benefit your business for future recruitment, retainment, and training issues? Select all that apply.



Responses to questions on working with the LEP and other organisations varied among sectors, and suggest that employers could use more information from the proportions of those who answered ‘no’ or ‘not sure’.

Figure 16. Q7.2 Would you be interested in future support interventions from Stoke-on-Trent and Staffordshire LEP or other organisations?



5 Recommendations

Based on the findings from the survey and deep dives, this section proposes a set of recommendations for Stoke-on-Trent & Staffordshire. Given the wide-ranging nature of these, there will be an important role for the LEP and SAP as a co-ordinating group, the Chamber of Commerce as the author of the LSIP, and universities, FE colleges, and skills providers working in partnership with local businesses.

In making these recommendations, it is important to recognise that there are already a large array of existing assets and initiatives which provide a wide range of skills training. Therefore, the key challenge is how do we help maximise the effectiveness of these assets.

We have seen from survey results that there is a substantial proportion of businesses that are not actively considering skills issues. For example, they don't have a training plan, they aren't currently sure about digital or green skills, and they may not be actively recruiting or planning to recruit.

Conversely, there seems to be a substantial minority of businesses that are focussed on skills issues – for example, they are planning to grow their businesses, they have skills and training plans in place, and they are more likely to recognise the importance of digital skills for growth.

Most importantly, therefore we suggest that the SAP and partners - and the forthcoming LSIP - need to focus on those businesses where there is likely to be most demand for skills and training support and which are most likely to be receptive to support.

At the same time, it is critical to recognise that even among the businesses that do see skills issues as important, many of these firms appear to be struggling to plan effectively for the future. This is reflected in the lack of clear future skills priorities reported through the survey, but also reflects conversations with businesses and organisations engaged through this research. This suggests an important role for the SAP and the LSIP to focus on a few key skills areas which will make a difference to the regional economy and ensure there is a detailed strategy for the areas where current challenges are greatest, and / or where there is the biggest mismatch between future opportunity and business preparedness.

What is true for businesses is also true for young people and their parents, and the schools they attend. Whilst this research has not focussed on this area – complementary research and feedback from businesses suggests a lack of awareness amongst young people about the opportunities in the area’s growth sectors.

Another issue that is apparent from the research is the challenges of an ageing workforce – including business owners. Early retirement resulting from the pandemic is having a tightening effect on the labour market, and many business owners are looking at winding down their businesses when they retire. The SAP should consider how it can help companies like this in priority sectors to develop better transition planning, so that key skills and specialisms can remain in the area.

In preparing these recommendations, the fundamental questions therefore appear to be:

- How can the LEP including the SAP and partners improve links, through account management and networks, with businesses that want to grow?
- How can the SAP and partners help these businesses understand and plan for big growth challenges from a skills perspective?
- Given that there are some big potential economic growth opportunities and challenges (e.g. green energy / retrofit, nursing, digitalisation, etc.), how can the SAP and partners create a more detailed strategic skills approach that addresses these large-scale skills issues?
- How is the SAP linking with other partners – including schools and young people and their parents – into the conversations to ensure that they are aware of the opportunities?

The following sections suggest ways in which these questions can be addressed.

Supporting a pipeline of talent for businesses

The survey and deep dive conversations revealed that, in line with national trends emerging from the pandemic, skilled staff and business owners and leaders themselves are planning to retire earlier than they may have expected previously, and that business owners are concerned about losing skills that they are finding difficult to recruit or train for in their younger workforce.

Building on current engagement including through Stoke-on-Trent and Staffordshire's Skills Hub, **LEP including the SAP should target and promote support for small businesses** in transition and succession planning, and support for employers to access targeted upskilling and apprenticeship matching support. **Skills and training providers should ensure that young people, parents and adults understand the specific local opportunities** – especially in digital, manufacturing and green technology – by actively engaging with employers.

Businesses at risk of losing skills through retirement could benefit from engaging in experience days and placements for school pupils and college and university students, ranging from apprenticeships and training days to knowledge transfer opportunities, depending on the specific skills and knowledge needs of the business. To support smaller businesses to access talent and exposure of their work, providers could work with groups of businesses in the same sector or delivering similar services to share apprentices, to build rich portfolios for apprentices and provide the businesses with support when they need it.

Business representation and responding to sector specific needs

We heard through the survey and deep dive conversations sector and occupation specific challenges in recruitment and training. The number of responses from this survey provide views from smaller businesses with differing experiences and ambitions for growth. In local partner engagement, it may be that larger businesses have their needs represented, but more engagement will be needed to understand specifics for all sizes of business and those with specific niches. Survey results showed that some sectors/subsectors are more amenable to provider-led approaches to training, and some solutions will be more scalable than others.

The Chamber of Commerce currently facilitates local sector groups, and in its role as an employer representative body in leading the Local Skills Improvement Plan (LSIP) in 2022/23, the Chamber should work with the LEP to bolster these in order to support a skills system informed by employers' needs. **The Chamber should establish a focus group of learners and providers as well as sector groups that are representative of the local business base, and include business leaders and providers to agree skills priorities and take action** where there are sector specific needs such as those identified in this survey. Working sessions should both inform the development of the LSIP and serve to problem solve and explore new ways of achieving outcomes for skills shortages and gaps.

Following up with respondents to the survey, the Chamber and LEP should work together to engage businesses who are interested in skills development – **to create a coalition of the willing. This group would collaborate and co-develop with providers** new ways of supporting sectors and supply chains with skills and training, and sharing skills resources – for example, specific technical skills training from a national organisation or technology producer with local providers to train the future workforce.

We know that in health and social care, for example, there are challenges in nursing and social care resourcing. **A health and social care group of employers and providers should ensure that careers in health and care – with good career progression – are promoted to local people**, and that they are supported to access courses and the pre-requisites for formal qualifications. Alongside skills provision access, partners should support social care providers to access technology, and the skills needed to support new technologies, to improve efficiency in the system and the quality of jobs.

During this research, many of the concerns we heard about skills being lost to retirement and challenges with attracting apprenticeships that businesses need were in engineering and manufacturing, where skills are acquired through a combination of formal or external training, and job specific learning, with developing knowledge of new technologies. Businesses commented that while valuable skills were leaving the workforce, knowledge of newer and digital tools were concentrated among younger staff. **Opening up the diverse range of jobs in engineering and manufacturing to young people and students can support a pipeline of skilled people into the sector, through immersive training and**

apprenticeships, learning from experienced staff, and being encouraged to explore the potential of introducing new technologies for the business.

Given the limitations of understanding businesses' different approaches to recruiting and upskilling their workforce in this survey, and findings that many businesses aren't actively engaging in skills development, it would be useful to carry out more active research with engaged businesses, and follow up with those contacted as part of this survey, as part of LSIP development. **Further research as part of the LSIP development should include understanding how providers can support businesses in more flexible ways to meet both recruitment and skills challenges**, help them to understand skills needs, and support businesses to share skills best practice with others in their sectors and supply chains.

Supporting businesses with digital and green skills

The survey findings demonstrate that businesses have some awareness that they will have increased skills needs in digital and green roles, but that there is less awareness of needs currently, and little understanding of the exact nature of the skills needed. Many businesses consider technology to be a key consideration with some of these issues, and can rely on new or younger staff to determine the tools and their specific skills needed to support and grow the business. This is particularly true in green skills, where most businesses didn't identify specific needs, but of those who did, 'sustainability manager' was considered most in demand, suggesting that they would be looking for a role to manage all green and net zero transition requirements of the business. We found that businesses see Government regulation and specific contract requirements as a driver for changes needed, as well as technology.

The LEP including the SAP, Chamber and partners should work with employers, building on the findings of this survey, to **understand in more detail what digital and green skills mean for their businesses, how they play a role in future growth, what that means for staff's skills and capabilities, and how skills providers and partners can help with training and support offer**. The **LEP including the SAP should offer a green growth roadmap for businesses**, connecting them to national programmes and research, to help them understand digital and net zero transition and how they impact different businesses' activities. This could take the form of a peer support programme that would help companies tackle these issues together.

The SAP should also engage in understanding what universities, FE colleges and skills providers need to be able to offer training including capacity and support for training trainers and lecturers. Projects currently underway to support net zero transition, such as the Stoke-on-Trent District Heat Network apprenticeship scheme, should continue to aim to deliver green skills and adapt how they are reaching out to employers and young people and promoting business and learning outcomes and ensure that projects deliver skills outcome in the ways employers need.

Attracting young people into local careers

Findings from the survey and deep dive conversations show that businesses have struggled to find suitable candidates for entry level roles.

Building on local support, including through Stoke-on-Trent and Staffordshire's Careers Hub and service, schools need to be able to promote up-to-date information to pupils and parents on opportunities for different careers locally – with clarity on companies, occupations and career progression paths available. **The SAP with universities, FE colleges, and skills providers should work closely with schools and local careers education, advice, information and guidance (CEAIG) service to provide local sector and occupation information** that is regularly updated and presented in an accessible way for parents and pupils.

CEAIG services should engage businesses in priority sectors to enable school pupils to access experience with employers – including **flexible ways for pupils to experience businesses and life at work**. In addition to individual work experience placements, this could include group access and visits to employers for dedicated learning days, or engagement through short projects designed to tackle business and real world problems showcasing a firm's role in the wider economy and society.

Up-to-date information and engaged experience with employers would support pupils to understand the range of occupational and sectoral opportunities available locally and understand how roles have an impact on wider issues that young people are interested in.

Recommendations summary

Supporting a pipeline of talent for businesses

- The LEP including the SAP should target and promote **support for small businesses in transition and succession planning**, and support for employers to access targeted upskilling and apprenticeship matching support.
- **Skills and training providers should ensure that young people, parents and adults understand the specific local opportunities** – especially in digital, manufacturing and green technology – by actively engaging with employers.

Business representation and responding to sector specific needs

- The Chamber should work with the LEP to establish representative sector groups including cornerstone employers and convene **working sessions that both inform the development of the LSIP and serve to problem solve** and explore new ways of achieving outcomes for skills shortages and gaps.
- Partners should collaborate with engaged businesses to **create a coalition of the willing. This group would collaborate and co-develop with providers** new ways of supporting sectors and supply chains with skills and training.
- **A focus group of learners and providers** should be established to support the LSIP development and encourage collaboration between providers and employers.
- A health and social care group of employers and providers should ensure that **careers in health and care are promoted to local people**, and new technologies and skills to support these are introduced in care.
- **Opening up the diverse range of jobs in engineering and manufacturing to young people and students** can support a pipeline of skilled people into the sector, through immersive training and apprenticeships, learning from experienced staff, and being encouraged to explore the potential of introducing new technologies for the business.
- **Further research as part of the LSIP development should** include understanding how providers can support businesses in more flexible ways to meet both recruitment and skills challenges, help them to understand skills needs, and support businesses to share skills best practice with others in their sectors and supply chains.

Supporting businesses with digital and green skills

- The LEP including the SAP, Chamber and partners should work with employers to **understand in more detail what digital and green skills mean for their businesses**, and how skills providers and partners can help with training and support offer.

- The LEP including the SAP should **offer a green growth roadmap for businesses**, connecting them to national programmes and research, to help them understand digital and net zero transition and how they impact different businesses' activities.

- Building on current skills projects, the SAP should engage in **understanding providers' capacity and support for training trainers and lecturers needs.**

Attracting young people into local careers

- The SAP with universities, FE colleges, and skills providers should work closely with schools and local CEAIG service to **provide local sector and occupation information that is regularly updated and presented in an accessible way for parents and pupils.**

- CEAIG services should engage businesses in priority sectors to enable **school pupils to access experience with employers – including flexible ways for pupils to experience businesses and life at work.**

Developing a Local Skills Improvement Plan

We recommend that Stoke-on-Trent and Staffordshire's LSIP should:

- Create a coalition of the willing made up of engaged businesses and providers to support implementation and delivery of LSIP priorities.

- Utilise business sector groups convened by the Chamber of Commerce and LEP to co-develop LSIP priorities, and a providers and learners focus group, tasked with leading specific actions and projects.

- Engage businesses to ensure evidence is representative of local sectors, and types and sizes of businesses – following up on this survey with engaged businesses.

- Identify areas where genuine scale can be achieved – with enough demand in the area, that would make a difference in the local economy, and where there are currently gaps.

- Prioritise coordinating support and provision for digital and green skills that can be developed and implemented with employers across the economy.

- In identifying skills and occupational needs, also identify recruitment and training needs for trainers, teachers and providers – this is a particular challenge in areas with new and changing technologies.

- Agree an approach to enabling ongoing research with businesses to understand the support needed as economic circumstances and skills requirements evolve.

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