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Research Report into the Training and Skills Needs in the West of England LEP Area

November 2021

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European Union
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Date of document: November 2021
Version: Final

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Executive summary

In order to support skills and training provision this report provides evidence from a skills needs survey conducted with businesses across the West of England Local Enterprise Partnership (LEP). Serco's Employment, Skills and Enterprise delivers the Skills Support for the Workforce (SSW) programme to upskill employees of small and medium sized businesses. Delivered across the West of England, as well as other LEP areas, the programme provides accredited qualifications and bespoke training courses to enhance employees' skills. The research conducted here will help shape future delivery of the programme and other skills offers in the LEP.

To gather this evidence Wavehill fielded a collaboratively designed survey in the Spring of 2020 both online and through telephone. The survey initially ran from January to March, targeting businesses with more than 3 employees and across all sectors. The onset of the Covid-19 pandemic created an economic environment where it was not appropriate to survey businesses, and so the research was paused with 201 responses collected. There was an attempt to recommence the survey fieldwork in the summer of 2020, but this proved to be challenging and was suspended. A final survey period was then undertaken in the summer of 2021 with a revised survey to pick up on the changes since the pandemic. This has provided some useful data comparing the needs of businesses prior to and following the pandemic which is discussed within this report.

The effects of Covid-19 have been substantial with variations between locations and sectors in the UK. The economic shock initially led to a reduction in vacancies and an increase in the rate of unemployment (that was suppressed by actions from Government such as the furlough scheme). However, as the economy has recovered the labour market has tightened, beyond even the conditions prior to the pandemic, with Brexit another contributory factor. This has led to increased skills shortages and vacancies against a West of England economic context of high earnings and qualifications.

This research shows that in the 12 months before responding to the survey 88% of the businesses surveyed prior to the pandemic had a vacancy. In the smaller group surveyed after the pandemic, this had risen to 92%. The density of vacancies relative to employment increased from 11% prior to the pandemic to 24% afterwards. Of those businesses surveyed prior to the pandemic, 58% reported that their vacancies were hard to fill which was above the average for England reported in the Employer Skills Survey. The proportion of businesses reporting hard to fill vacancies increased to 81% after the pandemic (though sample sizes are small).

A lack of skills among applicants was the reason most given for not being able to recruit to vacancies and this appeared to rise following Covid-19. The density of skills shortage vacancies rose from 20% of all employment pre pandemic to 64% afterwards, though the limited data collected may affect the robustness of both these results finding. These results would suggest that not only is there a shortage of labour in the West of England, but that

skills are to a large extent responsible for shortages. That the problem has persisted since Covid suggests that the challenge is systemic and has been exacerbated by the pandemic.

Further, there are job roles that were harder to fill than others, including professional and associate professional roles which typically being more highly productive is likely to restrict the productivity of the West of England. Such results are higher than those found in the Employer Skills Survey and cross tabulation of the results suggests that skills shortages are a key driver in these vacancies.

Skills that were reported lacking among pre Covid businesses were varied though technical skills (41%) and generally employability (33%) were the most frequently cited. Two thirds of the technical skills that were lacking were specific to the role covering the range of sectors of the respondent businesses. Twenty-eight per cent of the lacking technical skills were basic IT skills, corresponding to a theme of digital skills needs among businesses.

Nearly half of businesses reported pre Covid that the impact of their recruitment challenges was to increase the workload of other staff while there were also other impacts on productivity and standards. In response, approximately one third of businesses prior to Covid said they looked to provide training to less qualified recruits (37%) and existing staff (34%). Others altered their recruitment by increasing spending (28%) or adjusted their recruitment channels (23%). Post Covid businesses tended to raise salaries as a solution (50%).

There was consistency pre and post Covid with the proportion of businesses reporting that staff had undergone training prior to the pandemic 81% and 84% respectively. For the businesses responding after the pandemic, there was mixed sentiment as to whether it had offered opportunities for increased training time (27%) compared to reducing training time (23%), while 50% said it had no impact.

Pre Covid-19 a large majority (75%) of respondents provided training for their staff internally, with 35% accessing external in person training and 26% externally provided training online. Some of the qualitative commentary included that businesses struggled to know what training was available, particularly that from publicly funded programmes, though over 120 training providers were cited by businesses. The level of satisfaction with the training provision was mostly very high, with an average of 4.19 out of 5 across the pre pandemic group.

For many businesses however, there were challenges with accessing training, 26% stating it was hard to find the time for staff to participate in training and 19% saying it was hard to find the time to organise training. Post Covid, difficulties sparing the time for staff to access training increased, being reported by 44% of the respondents.

Despite one third of the businesses surveyed prior to Covid reporting links with academic institutions, and 39% links with schools and colleges, only 11% of respondents reported that they recruited direct from universities or colleges. Recruitment was generally through job sites, the companies own website and word of mouth.

Business growth and introduction of new technology drives future skill needs among respondents both pre and post Covid. For 40% of businesses the technical skills required were digital technology with 57% of businesses reporting that it was very important that employees had basic IT and computer literacy skills. Two thirds of businesses felt these skills would need to be improved among staff in the next three years while 39% of businesses were looking for digital marketing and 34% software and programming skills. While most businesses were comfortable with the skills shifts brought about by digitalisation of their sector over the next few years, 6% reported that they did not have any of the skills necessary to prepare for such a change. Post Covid, one third of businesses suggested they did not need accredited qualifications and instead 56% were looking for unaccredited job specific skills.

Three quarters of the businesses post Covid reported that they had to change or pivot their approach in response to the pandemic, and of these 78% expected the changes to remain in place. For one third of these the changes would require new skills and training, though this was based on a small sample.

The evidence presented suggests that training still remains important to overcoming productivity challenges in the West of England and that there are notable differences in the region compared to the South West or the UK. Since the pandemic the labour market has become tighter while some of the longstanding challenges of vacancies and skills shortages remain. With increasing digitalisation of sectors there is a challenge and opportunity to provide training to help improve productivity and respond to business needs. It is important however that businesses are made aware of the opportunities to access training and fully utilise the training provider networks and other skills provision available.

1 Introduction

This report combines the analysis and findings of a series of research surveys conducted by Wavehill on behalf of Serco and their partners the West of England LEP. Through the Skills Support for the Workforce, Serco deliver training to upskill employees within small and medium-sized employers. The programme provides recognised accredited qualifications and bespoke training courses to enhance employees' skills, increase competitiveness and boost the local economy. Skills Support for the Workforce is co-financed by the Education and Skills Funding Agency (ESFA) and European Social Fund (ESF) and delivered in the West of England LEP among others.

To support skills and training needs planning, including that of the SSW, the ESFA commissioned Serco to conduct research which would provide supporting evidence for activities within the West of England LEP. This activity was undertaken by Wavehill prior to and following the outbreak of the Covid-19 pandemic in the UK. The pandemic has had a profound impact on the global, national and regional economy, shifting economic needs in both the short term and the long term. This is in addition to, or amplification of, existing local skills and training needs which reflect sectoral dominance and opportunities.

There are four themes in the West of England, as set out in the the Local Industrial Strategy[1] and the more recent Combined Authority Business Plan 2021-22,[2] which underpin the focus for intervention. These are cross sectoral innovation, the productivity challenge, inclusive growth and innovation in infrastructure. The climate emergency (with its own action plan[3]) and recovery from the pandemic (with a recovery plan[4]) provide cross cutting themes throughout the ambitions for infrastructure development, successful businesses and world class skills. Within the skills agenda set out in the Employment and Skills Plan[5] there are five priorities, with the research presented in this report helping to understand and explore some of these aeras. Aligning skills with employer needs, addressing barriers to employment, empowering people to progress in employment and ensuring employers can recruit and retain the skills they need are all subjects of the research presented in this report.

1.1 Methodology

The research utilised a survey to capture the required information from businesses located within the West of England LEP area. This survey was initially developed in late 2019 in collaboration with Serco and the LEP. Questions were created as well as some being drawn from national surveys (such as the UK Employer Skills Survey) to allow comparison of results and aid recognition among respondents. The topics covered included:

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[1] West of England Local Industrial Strategy, HM Government, 2019
[2] Business Plan 2021-22, West of England Combined Authority, 2021
[3] Climate Emergency Action Plan, West of England Combined Authority, September 2020
[4] Recovery Plan, West of England Combined Authority, September 2020
[5] West of England Employment and Skills Plan, West of England Combined Authority, 2020

- Vacancies
- Hard to fill vacancies and skills shortages
- Training requirements
- Relationships with existing training providers
- Apprenticeships
- Digitalisation needs
- Environmental considerations

The survey was intended for distribution to businesses across all sectors in the West of England. To ensure respondents would be businesses relevant to the support available through SSW, the survey was focused on SMEs with between 3 and 250 employees.

Using these parameters a sample of businesses and their contacts were purchased from Experian to provide a list of suitable businesses to whom surveys could be fielded. These contacts provided telephone numbers for primary data gathering as part of the telephone survey. This telephone research was conducted by the research team at Wavehill using Qualtrics software to collect the data and route questions and answers.

In addition to the telephone approach the survey was disseminated online through social media, local authority and LEP websites and through a network of associates and partners by Serco. Promotion material was developed to articulate the survey which was revised at several points to ensure it was targeted and reactive to the challenges that emerged.

1.1.1 Survey Challenges

Initially the survey fieldwork ran from January to March 2020, when the Covid-19 pandemic generated a climate in which businesses faced existential challenges such that it was considered inappropriate to survey them. Over this survey period 201 responses had been collected.

In the summer of 2020, the survey recommenced with some modification to the questions in light of the changes to the context brought about by the pandemic. While the survey remained open and the research team undertook a considerable number of calls, the response rate during this period was unprecedently poor, due to both the pandemic, conflicting fieldwork for a range of Covid-19 related research and timing over the summer period. An additional 19 responses were reached before the survey was again suspended in the autumn.

The survey was substantially revised in June 2021 shortening the length and adjusting some of the survey questions further to allow for the changes since the pandemic and as the economy moved into recovery. This version of the survey was again fielded using telephone and online approaches but similar to earlier survey periods getting a suitable response rate was tremendously difficult. A further thirty seven responses were reached, with the final 5 focused on the hospitality and tourism sector given an opportunity to link this research with other activity being undertaken by stakeholders in the LEP.

Given these distinct data collection periods the Covid-19 pandemic provides a substantial context to the fieldwork which needs to be considered when analysing and presenting the results. The report below therefore distinguishes between the results that were gathered before the pandemic and afterwards highlighting where issues remained consistent and where there may be some impact of the economic shock from Covid-19. Given the limitations in the responses collected after the pandemic, where possible this evidence has been compared to results available in the wider literature and national surveys.

1.2 Context

As already highlighted, the Covid-19 pandemic and the economic impact this generated, has had a profound impact on the economy. The effects have been well reported, so a small precis serves to be covered here. Unemployment rose from a low of 4% in February 2020 to 5.2% by October 2020, with estimates that the impact would have been far more severe had the UK Government not initiated the furlough scheme.[6] The GDP impact was an estimated -9.8% in 2020, the largest fall since consistent records began.[7] By July 2021, GDP remained 2% below pre pandemic levels with the recovery being impacted by several lockdown periods after the initial shock. The affect has not been equal across sectors, with health and social care, hospitality and leisure, arts and culture, alongside many others, were severely impacted by the imposition of lockdowns and social distancing. The transition to recovery has contributed to a range of different business needs, and the labour market is tighter than ever in many sectors.[8]

Brexit has also impacted on the attitudes and approaches of businesses within the UK with implications for investment in capital and labour and shifting labour markets in response to fluctuations in migration. There have been consequences on supply chains and movement of goods, as well as continued uncertainty regarding future changes which are already having a demonstrable impact on trade. This has implications too for labour markets and skills provision in the UK across a variety of sectors which in many cases have been worsened

Sustainability and the environment have been growing as an agenda for many years, and through policy requirements, habit and social obligation businesses are considering how their activities can fit within this agenda. The West of England has its own Climate Emergency Action Plan looking to address these issues and reduce the environmental impact of any growth. Capturing the demand from businesses in these areas is important to understand how recruitment and training can be used to support clean growth and develop the economy.

Increasing digitalisation of society and the economy has also led to substantial changes in the way businesses operate and the skills they require. IT literacy has become a cross cutting theme for all businesses with use of specialist software and changes to business practices (including communication through the pandemic) affecting all sectors.

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[6] UK Unemployment Rate, ONS, November 2021
[7] Coronavirus: Economic Impact, Research Briefing, House of Commons Library, September 2021
[8] Labour Market Outlook, Autumn 2021, CIPD, November 2021

One of the longstanding issues commonly referenced at both a local and national level, is the productivity differential in the UK and the lack of efficiency compared to other leading economic nations. The productivity puzzle contributes to a range of other issues including stagnating earnings (particularly for the lower wage quintiles) while skills and training are considered part of the solution, alongside investment in infrastructure and capital.[9]

These macro factors should be considered when reviewing the results to the fieldwork presented in the following chapters of the report.

1.2.1 Economic Context

The West of England area is one of the most economically active in the UK with 81.2% working age population economically active compared to 78.4% in the UK. There is a growing population and a good availability of jobs.[10] A greater proportion of employment in high output sectors such as IT, Finance and Professional than the national and South West Regional rate, help to deliver GVA per hour of £34.60 in the LEP area.[11] Average weekly earnings in the West of England LEP are near to the UK average (including London) at £610.80 vs £613.10 for the UK. Unemployment is low at 3.6% compared to 5% in the UK.[12] Qualification levels (which provide a proxy for skills) are also high with 48.2% of the working age population qualified to Level 4 and above compared to 43.1% in the UK.

Table 1.1: Qualification levels as proportion of working age population

	West of England	UK
% with NVQ4+ - aged 16-64	48.2%	43.1%
% with NVQ3+ - aged 16-64	67.4%	61.3%
% with NVQ2+ - aged 16-64	83.0%	78.1%
% with NVQ1+ - aged 16-64	92.4%	87.7%
% with other qualifications (NVQ) - aged 16-64	3.9%	5.9%
% with no qualifications (NVQ) - aged 16-64	3.7%	6.4%

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[9] Average Household Income, ONS, January 2021
[10] Annual Population Survey, ONS, 2021 & Job Density, ONS, 2020
[11]Subregional Productivity July 2021, ONS, 2021
[12] LFS Unemployment, Annual Population Survey, ONS, Q2 2021

2 Findings

There were 257 respondent businesses to the surveys in the West of England which provides a good basis for evidence. However, as noted above the split between survey periods and alterations to the survey creates challenges for validity. The results have therefore been split between periods of pre and post Covid-19 to enable comparison and to ensure the data collected remains robust. While comparisons have been made, it should be reflected that there is a far smaller sample of post Covid-19 responses (37).

2.1 Firmographics

Across all the respondents 50% were from Bristol, 19% in South Gloucestershire, 17% in Bath and North East Somerset, and 14% in North Somerset. The size of the businesses surveyed included 22% micro (<10 employees), 56% small (10-49 employees), and 2% medium (50-250 employees). The average was 43.9 Full Time Equivalent (FTE) employees per firm.

There was a range of sectors represented with the larger proportions including construction, retail and manufacturing likely reflecting the additional incentive that such sectors had to any training opportunities informed by the evidence if they responded. The data is therefore not truly representative of the wider business population in the West of England LEP area.[13]

Figure 2.1: Sector of respondents businesses pre Covid-19
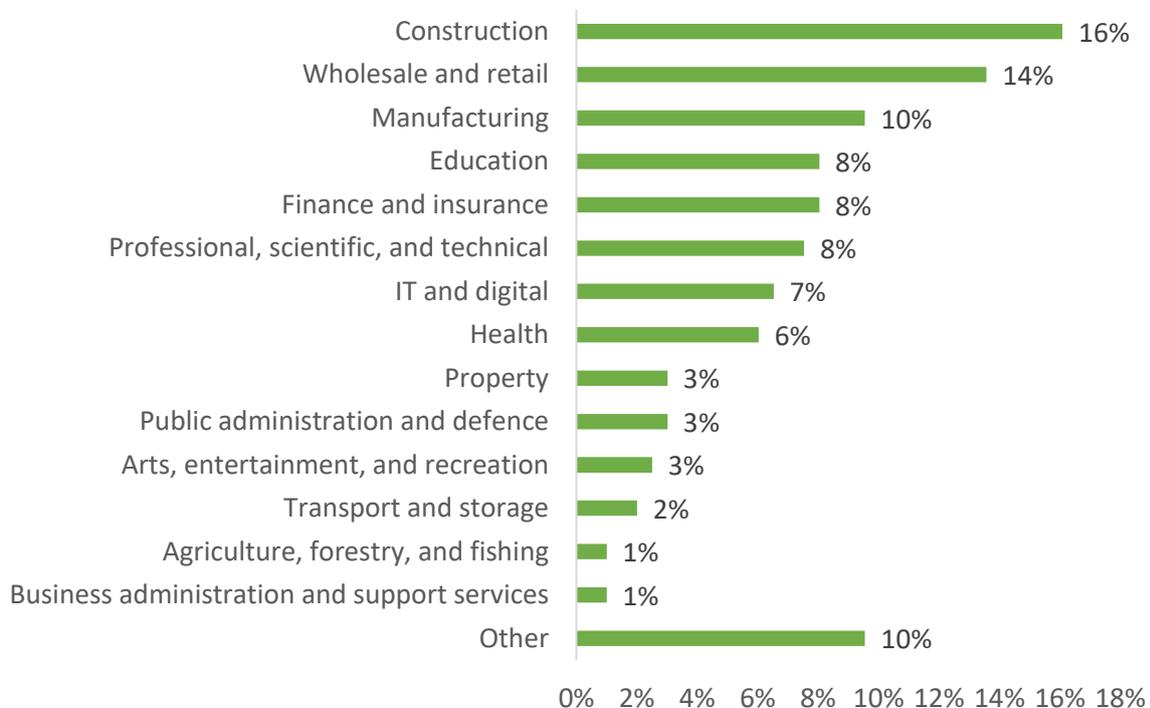
N=199

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[13] UK Business Counts from Inter-Departmental Business Register, ONS, 2021

2.2 Vacancies

In the 12 months before responding to the survey 88% of the businesses reported a vacancy. On average there were 6 vacancies per business prior to the pandemic. In the smaller sample responding after the pandemic, the average number of vacancies was higher at 11, with 92% of firms reporting one vacancy in the last 12 months. Similarly, the density of vacancies (the rate of vacancy as a proportion of total employees) rose from 11% prior to the pandemic to 24% afterwards. This is demonstrative of a tight labour market.

The figure below compares the two pre and post pandemic groups on the number of vacancies in the last 12 months showing the shift from between 2 to 5 vacancies to higher vacancy volumes. This is in line with the ONS data showing that the vacancy rate first declined from 811,000 prior to the pandemic and then increased sharply to 1,172,000 in the latest reporting period between August and October 2021 as the economy recovered.[14] The rate of unemployment per vacancy has consequently fallen to a record low of 1.3.

Figure 2.2: Number of vacancies in the last 12 months pre and post Covid-19
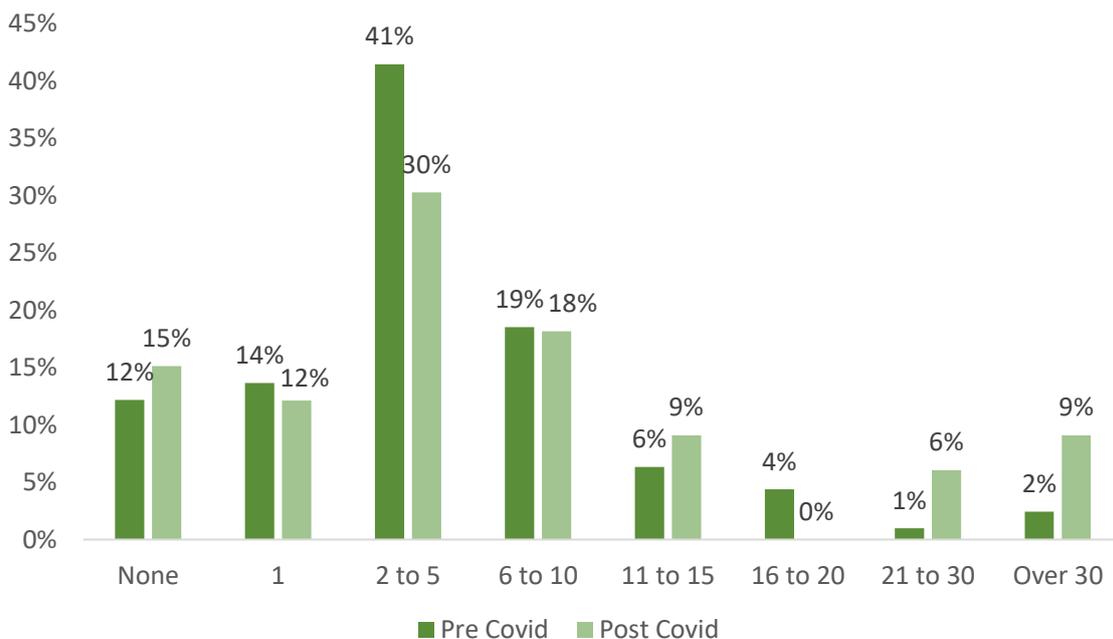
N=242

2.2.1 Reasons for vacancies

The respondent businesses pre Covid-19 reported staff turnover as responsible for 58% of their vacancies with business growth a factor for almost half (48%). New skills requirements were cited as important by 24% of respondents and internal promotion by 20%. Where

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[14] Vacancies and jobs in the UK: November 2021, ONS, November 2021

businesses reported other reasons for vacancies these were often to do with paternity and changes in working patters.

Figure 2.3: Reasons for vacancies among firms
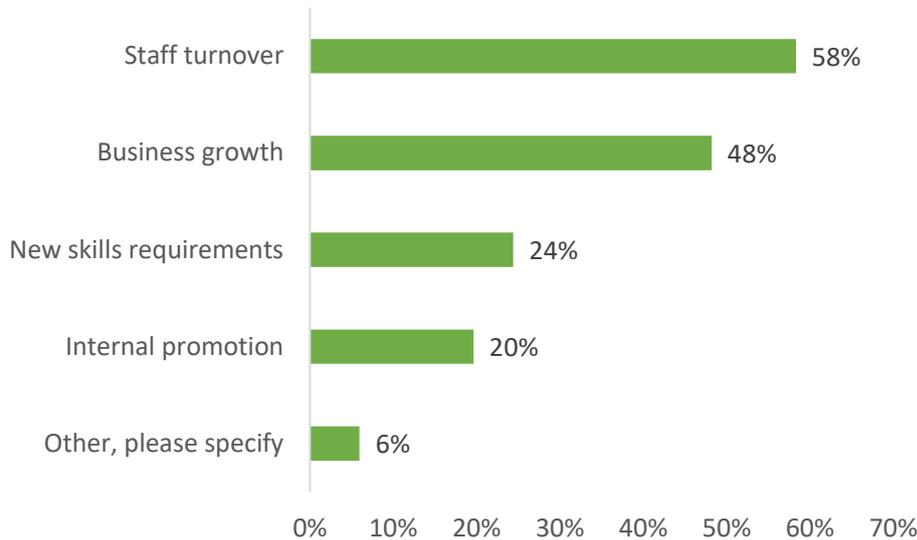
N=168

2.2.2 Hard to fill vacancies

Of the respondent businesses who reported vacancies, 58% of the pre Covid group reported that the vacancies were hard to fill. This is higher than the 36% reported in England in 2019 (the latest data for which such data is available) suggesting there are potentially greater challenges in recruitment in the West of England.[15] The proportion of vacancies which were hard to fill (density) rose to 81% among the post Covid-19 cohort. While sample size may be impacting these results this is a substantial increase.

A low number of applicants with the required skills was the most frequently cited reason for hard to fill vacancies among both the pre Covid and post Covid respondents. Other evidence does suggest there has been a rise in hard to fill vacancies due to inability to access skilled applicants.[16] but the lower number of post Covid respondents may be having an impact on the data. As shown in figure XX, other factors contributing to hard to fill vacancies included reported a low number of applicants generally (29%), low number of applicants with the required attitude, motivation or personality (26%), lack of qualifications the company demands (26%), not enough people interested in doing this type of job (25%). Poor pay (25%), no applicants (25%) and lack of work experience (31%) were other reasons given post Covid for the hard to fill vacancies. The number of skill shortage vacancies as a proportion of employment (density) was 20% prior to the pandemic and rose to 64% in the post Covid group (though there is a small sample for the post Covid group).

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[15] Employer Skills Survey: England, ONS, 2019
[16] The Open University Business Barometer, October 2021

Figure 2.4: Reasons for hard to fill vacancies pre Covid (multiple responses)
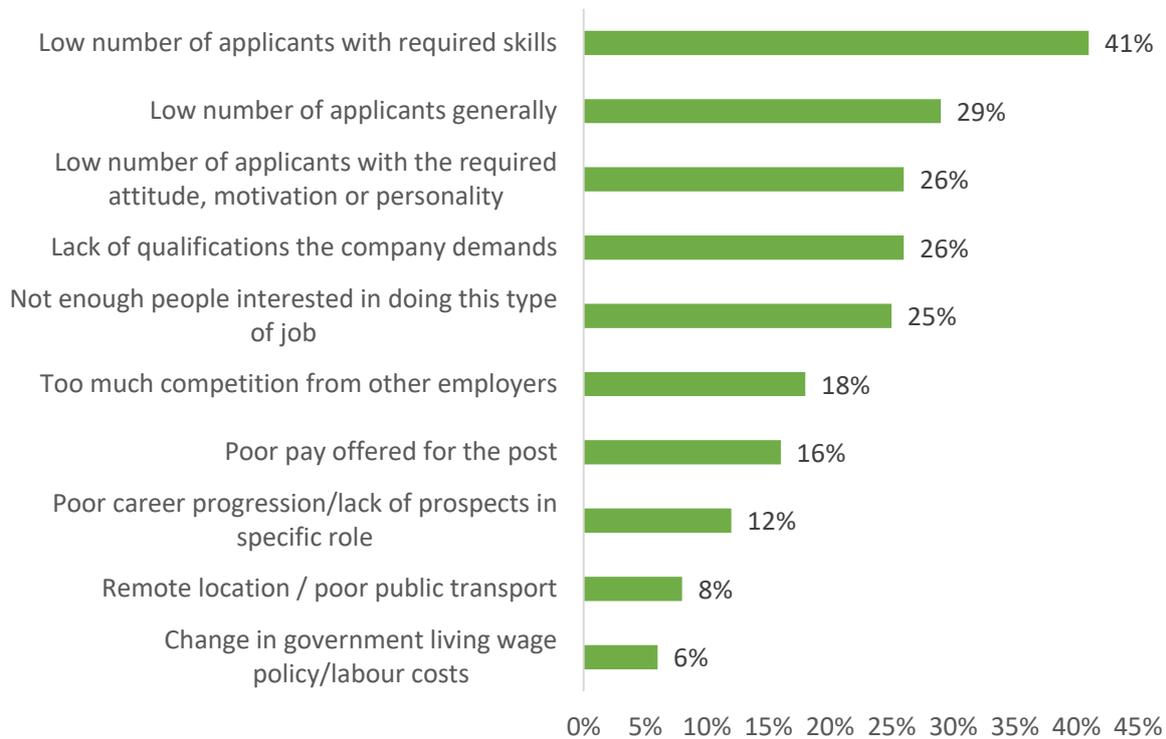
N=100

Some job roles were reportedly harder to fill than others. Sales and customer service roles were considered the hardest to fill as a proportion of vacancies (35%). This was followed by professional occupations (28%) and technical and associate professional occupations (27%). These results are higher than those found in the Employer Skills Survey for the South West where 15% professional occupation vacancies were hard to fill, as well as 10% of associate professionals.[17]

Cross tabulating the job roles shows that low number of applicants with required skills remained the key reason for difficulty in filling vacancies across all occupations. It was also more prevalent among the more highly skilled occupations with 19% of technical and associate professional vacancies reporting a low number of applicants with the required skills. Sixteen per cent of administrative and secretarial roles were hard to fill due to applicants lacking the required skills, alongside 15% of professional and 13% of chief executive level vacancies. Similarly, 17% of sales and customer service and 14% of care and leisure vacancies reported a low number of applicants with the required skills.

There was also a lack of applicants generally across all occupations though this was especially prevalent among elementary level (14%), process (13%) and care and leisure (17%)

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[17] Employer Skills Survey: England, ONS, 2019

occupations. Higher skilled occupations also reported a lack of qualifications the company demands, with this being the top reason for hard to fill vacancies for skilled trades (14%).

The occupations of the vacancies were varied, although over a third of businesses said hard to fill vacancies were in sales and customer service roles. Over a quarter of businesses also reported professional as well as technical and associate professional occupations being hard to fill.

2.2.3 Skills lacking among hard to fill vacancies

The proportion of surveyed businesses reporting vacancies due to availability of skills, or skills shortage vacancies, in the West of England is 22%, lower than the 29% in the South West in 2019.[18] When asked what skills were lacking among the applicants, the most frequently reported by respondent businesses to the survey were technical skills specific to the sector or role at 41% (see figure XX). General employability and work readiness were reported as lacking by a third of businesses, and just under a third (28%) reported a lack of both general business skills and knowledge, and digital skills. These results were fairly consistent with the findings from those surveyed post Covid as shown the figure below, though responses are small and less robust.

[18] Employer Skills Survey: England, ONS, 2019

Figure 2.5: Skills lacking among applicants (multiple response)
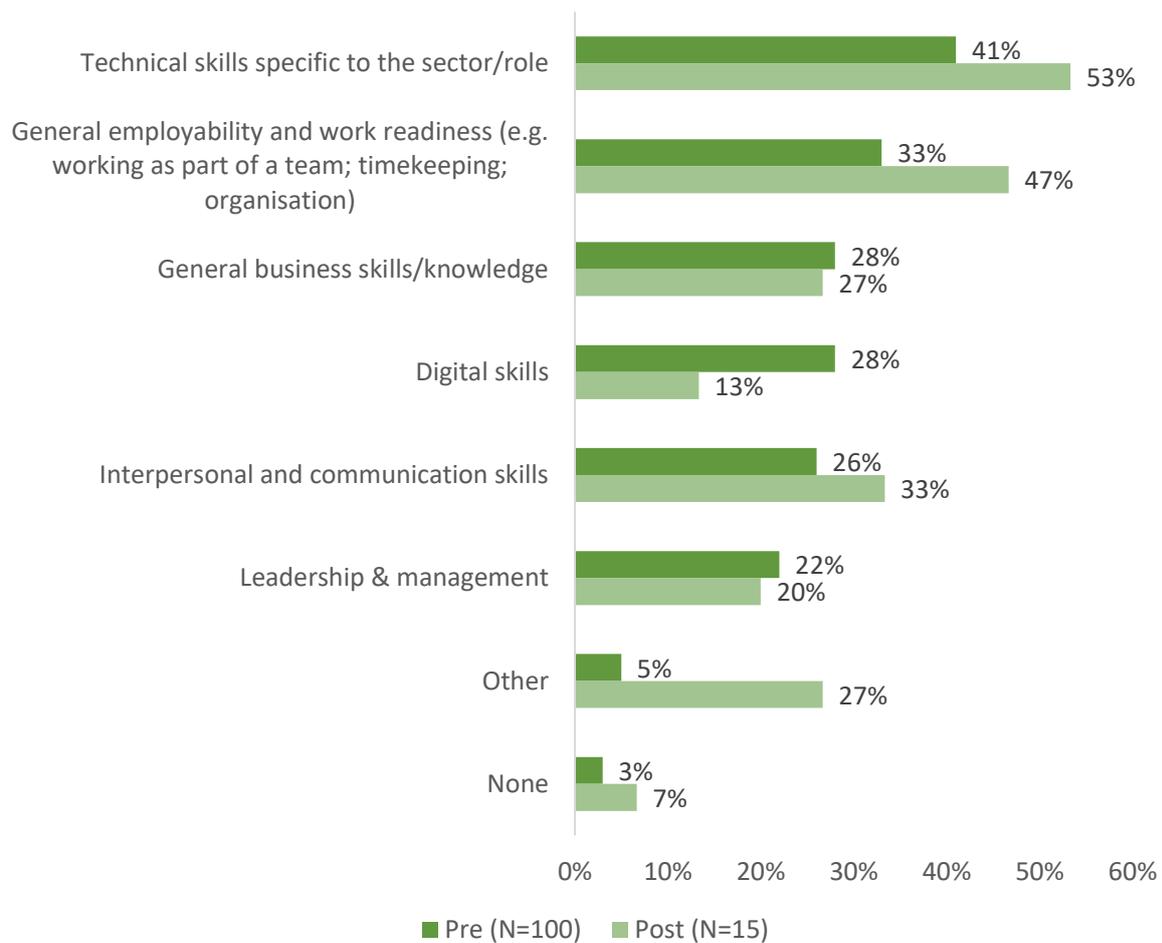
When asked to describe the technical skills that were lacking, coded responses from the respondents suggest that 66% were job-specific. This is higher than the 37% reported in the UK.[19] The technical skills found to be lacking covered a range of skill areas, sectors and disciplines, including:

- Computer programming
- Childcare
- Engineering and machinery
- Baristas
- Education and teaching
- Dentistry
- Accounting and finance
- Skilled construction

Twenty-eight per cent of lacking technical skills were IT related ranging from basic IT skills and knowledge to advanced, job-specific digital skills. Thirteen per cent of respondents reported

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[19] The Open University Business Barometer, October 2021

that a lack of qualifications meant that applicants did not have the required skills. Examples of these were childcare and dental technician training. A lack of basic literacy, numeracy, and interpersonal skills was also reported by 13% of respondents.

2.2.4 Impacts of hard to fill vacancies

The impacts of hard to fill vacancies were reportedly varied, though for the majority of businesses (49%) the main impact is an increased workload for other staff. This is consistent with the Open University Business Barometer's finding that 56% of businesses have overextended their workforce due to vacancies.[20] Others reported having difficulties meeting standards in terms of quality standards (24%), and difficulties meeting customer service standards (21%). Challenges to innovation also emerges as a key impact, with a fifth of businesses reporting difficulties in in introducing technological change (20%) and a delay in developing new products or services (19%). Some 20% of businesses report that the failure to recruit is leading to difficulties in introducing technological change and difficulties introducing new work practices, likely inhibiting innovation and productivity. This was similar to the results in the ESS in 2019 of 21%. For 15% of businesses in the West of England, a loss of business is the impact of the failure to recruit. This question was not asked of the post Covid cohort.

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[20] Open University Business Barometer, October 2021

Figure 2.6: Impacts of hard to fill vacancies on businesses (multiple response)

Impact	Percentage
Increase workload for other staff	49%
Have difficulties meeting quality standards	24%
Have difficulties meeting customer services objectives	21%
Have difficulties introducing technological change	20%
Delay in developing new products or services	19%
Have to outsource work	19%
Have difficulties introducing new work practices	16%
Loss of business	15%
Increased operating costs	14%
Withdrawn from offering certain products or services altogether	13%
Don't know	5%
None	1%

N=100

2.2.5 Overcoming difficulties in recruitment and skills

In response to challenges posed by hard to fill vacancies, respondents outlined a number of measures they are taking. Providing training to both less qualified recruits (37%) and to the existing workforce (34%) were the most common approaches pre Covid. There was also reported adjustment to recruitment methods such as increasing advertising or recruitment spend (28%) and using new recruitment methods or channels (23%). A quarter of respondents offered flexible working patterns. Post Covid, the responses included more raising of salaries (50%), reflecting the wider economy,[21] though this is based on few responses and so less robust. Nevertheless, this is consistent with the findings of the CIPD's Labour Market Outlook for Autumn 2021, which reports that 47% of employers have raised wages to help tackle hard-to-fill vacancies.[22]

In comparison, the ESS shows that offering training to less qualified recruits was undertaken by a lower proportion of businesses than in the South West in 2019, 8%. Using new recruitment methods was reported by 36% of businesses in the West of England in the ESS,

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[21] Annual Survey of Hours and Earnings, ONS 2021
[22] Labour Market Outlook: Autumn 2021, CIPD

similar, to the findings of this research. Additionally, a greater proportion of businesses in response to this survey stated they were increasing training to their existing workforce compared to the South West ESS (7%).

<u>Figure 2.7: How businesses are overcoming the recruitment difficulties (multiple response)</u>

Being prepared to offer training to less qualified recruits — Pre 37%, Post 44%
Increasing training to the existing workforce — Pre 34%, Post 44%
Increasing advertising/recruitment spend — Pre 28%, Post 38%
Offering flexible working patterns — Pre 25%, Post 38%
Using new recruitment methods or channels — Pre 23%, Post 31%
Redefining existing jobs — Pre 23%, Post 25%
Bringing in contractors to do the work, or contracting it out — Pre 21%, Post 19%
Increasing salaries — Pre 16%, Post 50%
Nothing — Pre 5%, Post 0%
Don't know — Pre 3%, Post 6%

■ Pre (N=100) ■ Post (N=16)

2.3 Training

Pre Covid, two thirds (66%) of respondents had a training budget. Crosstabulation of results show that the proportion of businesses with a training budget increases with the size of the business; 46% of micro businesses have a training budget compared to 72% of SMEs. Eighty-one per cent of pre Covid respondents reported their staff had undergone some form of training in the last 12 months. This was consistent with the post Covid cohort at 84% and higher than the 63% reported in the ESS for the South West in 2019. As with training budget, the proportion of businesses whose staff have undergone training in the last 12 months increases with the size of the business, a finding consistent with the national data.

The post Covid group were asked if the pandemic had provided more opportunities for training staff. For half it had no impact, but for 27% of businesses it had increased time to

spend on training and 23% reported it reduced time to spend on training. This is consistent with other evidence that 29% of organisations have had to cut training due to Covid.[23]

For most respondent businesses pre Covid the training provided was job specific (69%). Slightly under two thirds of businesses had also provided health and safety or first aid training (60%) and basic induction training (59%). Other training providing was listed as fundraising, CPD, mental health awareness, HR, and postgraduate courses for clinical staff. Post Covid the results were generally consistent as shown in figure XX below.

Figure 2.8: Types of training provided for staff in the past 12 months (multiple response)

	Pre (N=162)	Post (N=27)
Job specific training	69%	68%
Health & Safety or First Aid training	60%	57%
Basic induction training	59%	65%
Management and leadership training	35%	24%
Digital or technology training	35%	22%
Supervisory training	25%	27%
Advanced induction training	20%	24%
Other, please specify	6%	11%
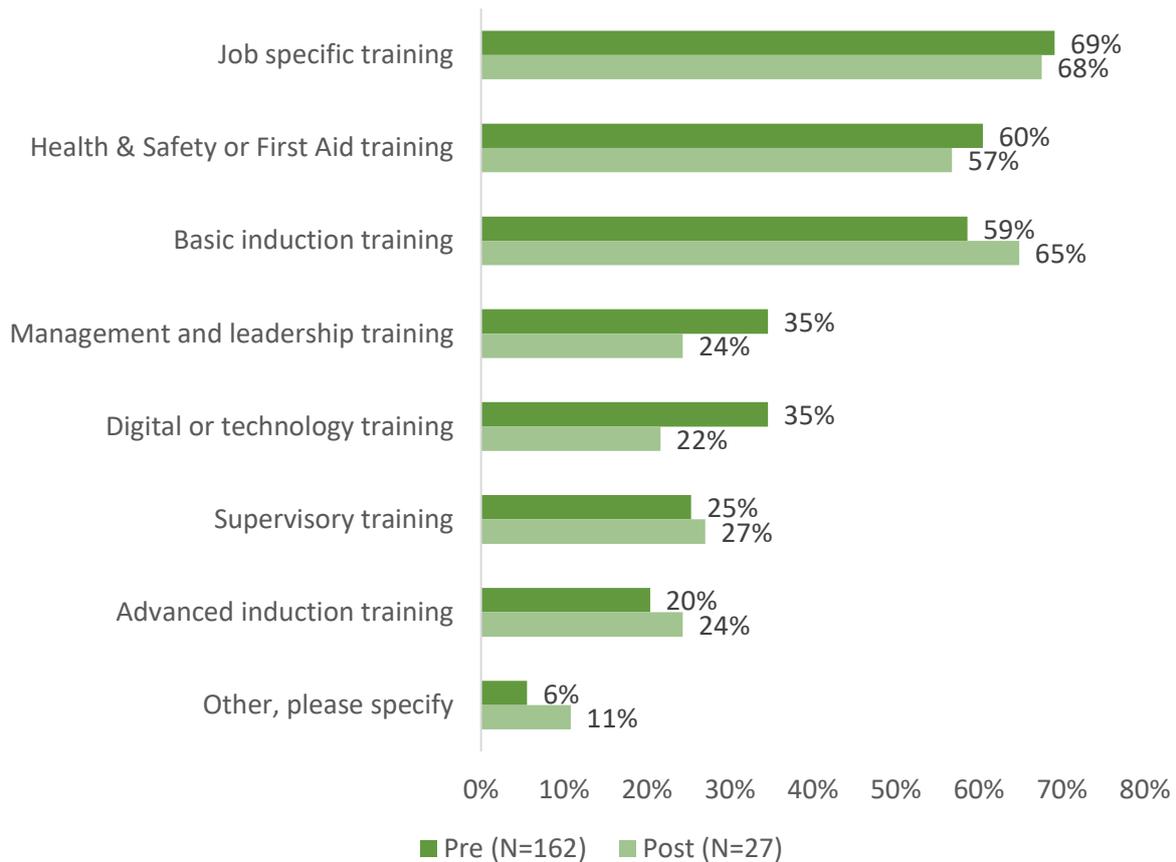
Three quarters (75%) of pre Covid respondent businesses provided training internally. Over a third used in-person external training and a quarter provided external, online training. Academic bodies were used by only a fraction of the respondents, with college (6%) being more common than university (1%).

[23] The Open University Business Barometer, October 2021

Figure 2.9: Who provides the training? Pre Covid (multiple response)
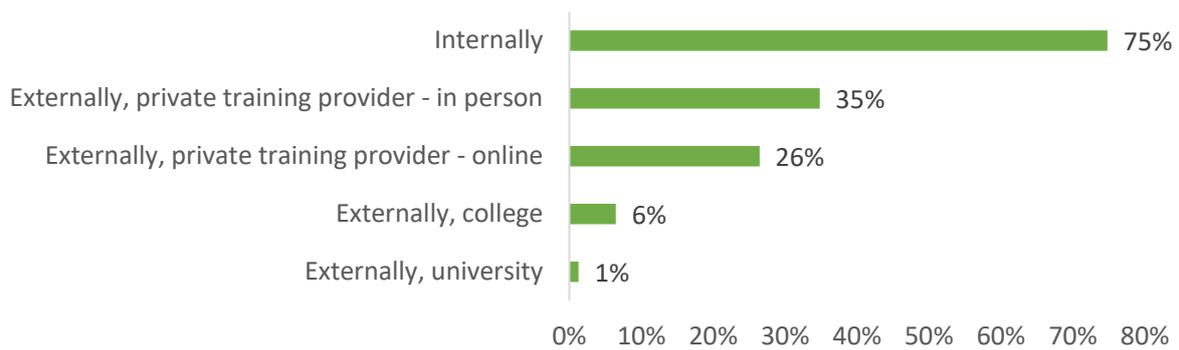
N=155

Over 120 training providers were listed as used by the respondents. Many were unique to the respondent businesses, but nine emerged as common to respondents. These providers are:

- Udemy
- Skillsoft
- Lynda.com
- St John's Ambulance
- iHasco

- Weston College
- Bema
- Red Cross
- Educare

Average levels of satisfaction with training provision accessed pre Covid was recorded as 4.19 out of 5. Across the respondents 76% rated their training provision as 4 or 5 out of 5 with only 3% rating their training provider as a 1 or a 2 out of 5. Some 83% of businesses allow staff paid time off for training pre Covid, a figure that was consistent with the post Covid group (85%).

When asked about the challenges that businesses face in terms of providing training to current staff, difficulties around finding the time emerged as the most common challenge pre Covid. Businesses cited not being able to spare staff time while they are away on training (26%) and the difficulty of finding the time to organise training (19%) most frequently. Cost of training was an important barrier for almost a fifth of respondents (19%).

Post Covid the challenges around sparing staff time for training appeared more acute with 44% reporting this challenge. Similarly, other issues such as finding the time to organise training and lack of funds for training had reportedly increased. These are likely reflective of the pressured situation companies have found themselves in during the pandemic both in terms of time and finances.

Figure 2.10: Challenges faced by businesses in providing training to staff (multiple response)

Can't spare more staff time (having them away on training) — Pre: 28%, Post: 44%
Hard to find the time to organise training — Pre: 26%, Post: 32%
Lack of funds for training / Training too expensive — Pre: 19%, Post: 32%
A lack of appropriate training/qualifications in the subject areas we need — Pre: 14%, Post: 0%
A lack of good local training providers — Pre: 13%, Post: 9%
Staff are now fully proficient / don't need it — Pre: 10%, Post: 0%
Staff are not keen — Pre: 11%, Post: 12%
Difficulty finding training providers who can deliver training where or when we want it — Pre: 11%, Post: 21%
Lack of knowledge about training opportunities and/or suitable dates — Pre: 9%, Post: 41%
Lack of provision (e.g. courses are full up) — Pre: 7%, Post: 9%
None of the above — Pre: 8%, Post: 6%

Pre (N=203) Post (N=34)

2.4 Research, training and education institutions

Pre Covid respondents were asked a series of questions on their relationships with schools, colleges and academic institutions. These questions were not asked in the post Covid survey.

2.4.1 Academia

Just over a third (37%) of businesses surveyed had some link to academic institutions or organisations. Of these, 46% offered internships or placements and 39% had graduate programmes in place with academic institutions. Working links were also prevalent, reported by 42% of businesses as shown in figure XX. Other responses included mentor schemes, and apprenticeships.

Figure 2.11: Links with academic institutions among businesses (multiple response)

Category	Percentage
Internships, or placements	46%
Working links or contracts	42%
Graduate programmes	39%
Research & Development	21%
Other, please specify	7%
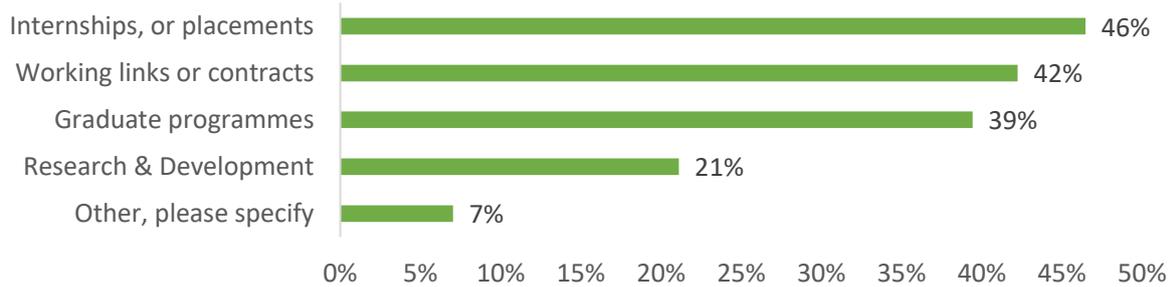
N=71

2.4.2 Schools and colleges

Thirty-nine per cent of respondent businesses had links with schools or colleges to support the development of employability in young people. For most businesses t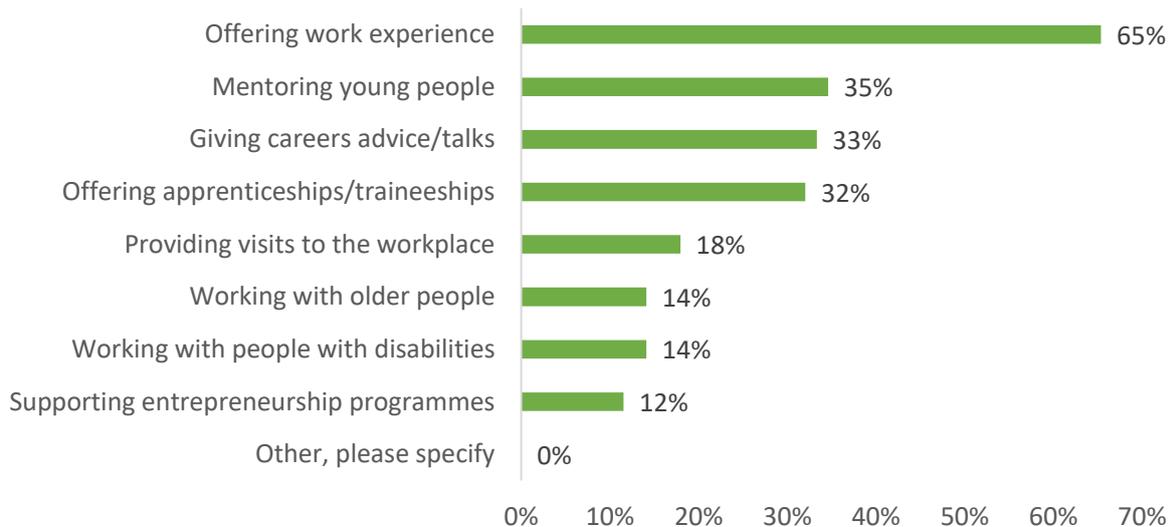his was to offer work experience, and almost a third also offered apprenticeship training. A third of respondents were involved in both mentoring young people and giving careers advice and talks.

Figure 2.12: Links with schools and colleges among businesses (multiple response)

Category	Percentage
Offering work experience	65%
Mentoring young people	35%
Giving careers advice/talks	33%
Offering apprenticeships/traineeships	32%
Providing visits to the workplace	18%
Working with older people	14%
Working with people with disabilities	14%
Supporting entrepreneurship programmes	12%
Other, please specify	0%

N=78

2.4.3 Independent training providers

Half of respondent businesses had relationships with independent training providers making them the most popular of the training settings identified by pre Covid participants. For most of the respondents (59%) this was to use them for training and upskilling staff. A large proportion (41%) also used them to provide staff with certified accreditations.

serco

Education & Skills
Funding Agency

European Union
European
Social Fund

Figure 2.13: Links with independent training providers among businesses (multiple response)

|	
Use them for training and upskilling staff	59%
Use them to provide staff certified accreditations	41%
Offering apprenticeships/traineeships	37%
Giving careers advice/talks	28%
Provide work placements for them	20%
Support or attend their events	10%
Other, please specify	0%

N=71

2.4.4 Why do some businesses not engage with skills providers?

Asked why they did not engage with skills providers and training settings many of the businesses report that there was no need or it was not suitable for their business (29%). This is similar to WorldSkills UK's finding that training provision does not currently meet the needs of employers.[24] However, sixteen per cent reported that they have sufficient skills in-house to cover training needs, or simply prefer internal training. The remaining answers covered a range of reasons as shown in figure XX below.

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[24] Disconnected? Exploring the digital skills gap, WorldSkills UK, 2021

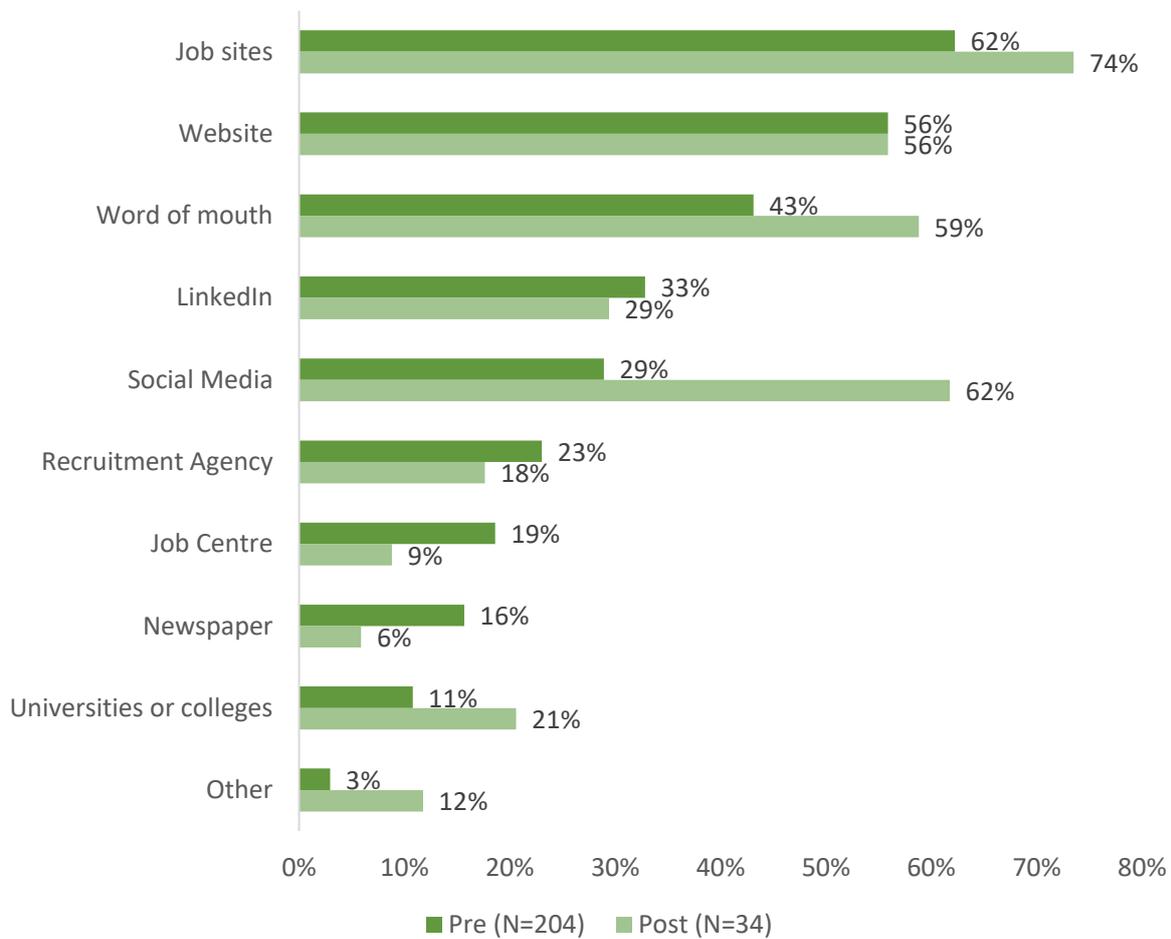Figure 2.14: Why businesses do not engage with skills providers?
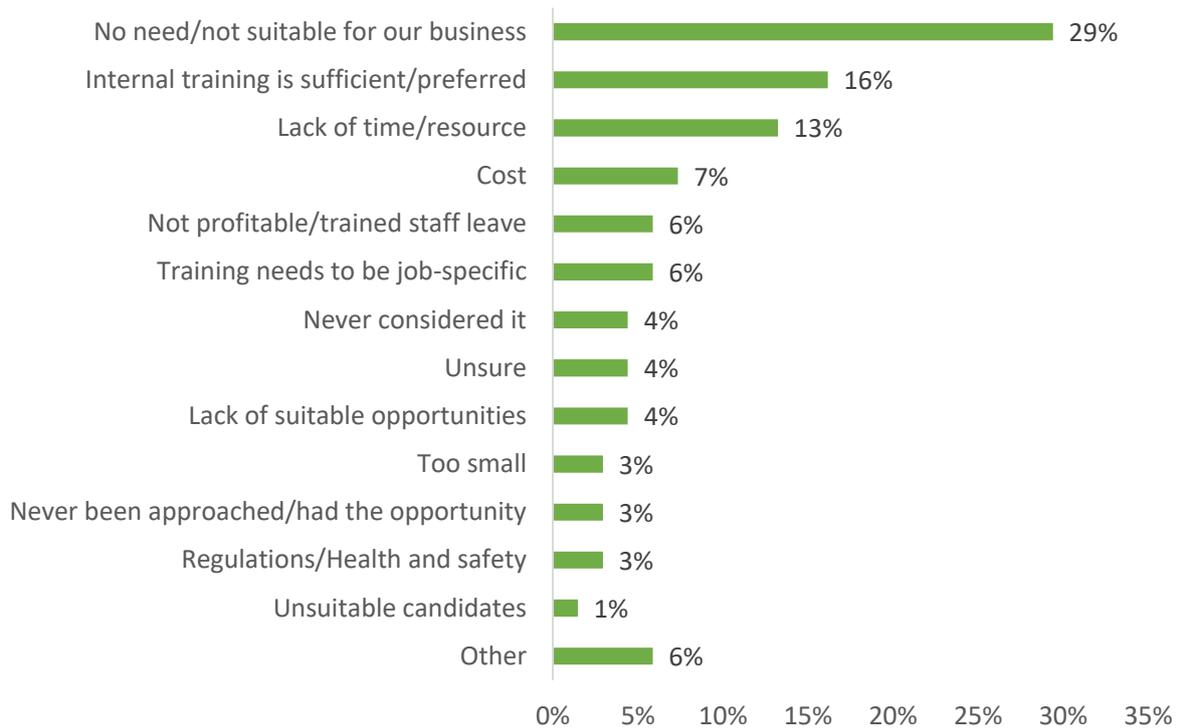
N=64

2.5 Recruitment

The majority of pre Covid respondent businesses in the West of England recruit using job sites (62%) and their own website (56%). A large portion also use word of mouth and LinkedIn (43% and 33% respectively). Only a tenth recruit from universities and colleges while nearly a quarter use recruitment agencies. Other responses included use of the organisation's own newsletter, open days, and industry-specific platforms.

These responses were broadly similar to those of the post Covid cohort, however, there were some marked differences. Post Covid respondents were more likely to use job sites (74%), word of mouth (59%) and significantly social media (62%) as shown in figure XX below. Other responses included signs at the business premises to advertise roles.
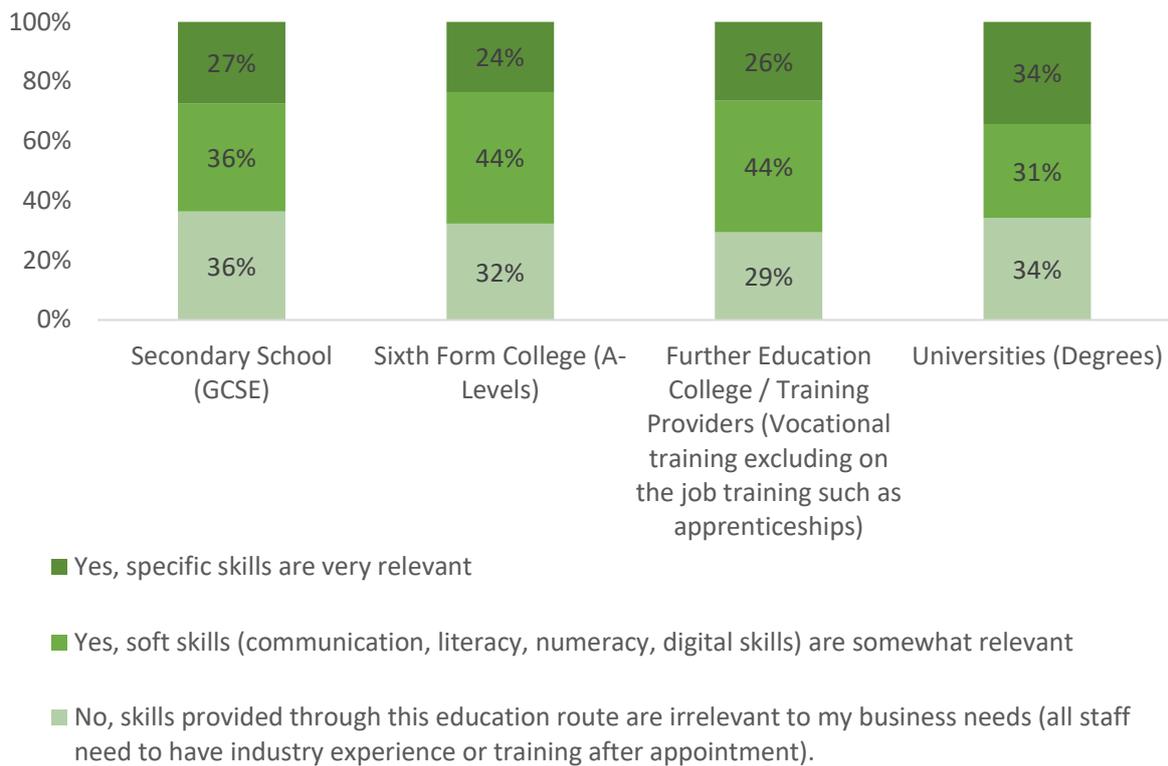
Figure 2.15: How does your organisation recruit? (multiple response)

Category	Pre (N=204)	Post (N=34)
Job sites	62%	74%
Website	56%	56%
Word of mouth	43%	59%
LinkedIn	33%	29%
Social Media	29%	62%
Recruitment Agency	23%	18%
Job Centre	19%	9%
Newspaper	16%	6%
Universities or colleges	11%	21%
Other	3%	12%

■ Pre (N=204)   ■ Post (N=34)

To understand why businesses did not recruit from universities or colleges, the survey asked those who did not recruit in this way if they had considered such recruitment. Pre Covid 47% of respondent businesses said they had considered using universities and colleges to recruit which was consistent with the post Covid group (44%). Only 15% of the pre Covid respondent businesses thought that university graduates would be able to provide them with the skills they needed to a great extent, although 63% felt they could to some extent. This suggests that businesses in the West of England have many specific skills needs that are not always developed through degree programmes.

Post Covid, the question asked whether the skills developed in different education settings were relevant to the business. Soft skills at sixth form and FE colleges were reported to be somewhat relevant by 44% of respondents, but only around a quarter to a third of respondents felt that any setting provided specific skills that were directly aligned to the business needs.

Figure 2.16: Relevance of skills and experience at different education settings to businesses


■ Yes, specific skills are very relevant

■ Yes, soft skills (communication, literacy, numeracy, digital skills) are somewhat relevant

■ No, skills provided through this education route are irrelevant to my business needs (all staff need to have industry experience or training after appointment).

N=34

2.6 Apprenticeships

Two-fifths (40%) of the surveyed businesses pre Covid are involved in apprenticeship levy in some way. The majority of these businesses receive levy funds to support apprentices (58%), while 35% are levy payers. Of those involved in apprenticeships, 41% offered apprenticeship training, slightly below the pre Covid group of which 50% reported to be supporting apprentices.

Most businesses prior to the pandemic (65%) take on apprentices to recruit new staff and to support young people (53%) as shown in Figure XX. After Covid fewer businesses reported using apprentices as means of recruitment, though the sample is lower (24).

Figure 2.17: Why do businesses take on apprentices? (multiple response)
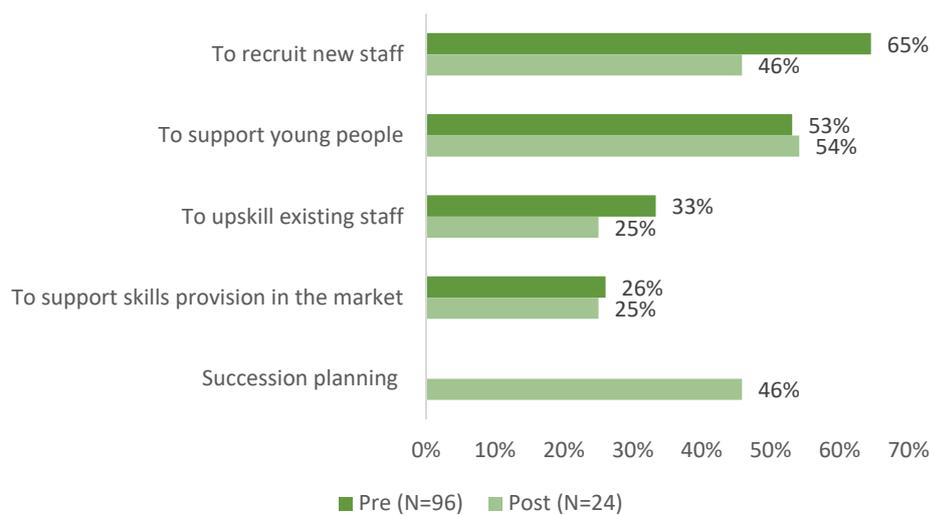
For those pre Covid respondents who did not take on apprentices, the main reason was that they did not consider apprenticeships suitable for their business model (28%). A small proportion reported that they did not know enough about apprenticeships (13%), suggesting that there is an opportunity to meet skills gaps if businesses could be provided with more information on apprenticeships. Numbers of respondents for the post Covid group were small (16) but 25% reported that apprenticeships were not suitable to the business model while another 25% did not know enough about apprenticeships.

Other reasons were given both pre and post Covid including a lack of time and capacity to take on an apprentice, concerns around cost, the job being too demanding or technical for an apprentice and previous poor experiences. Of the pre Covid respondent businesses who did not take on apprentices, 31% said they would consider taking them on in the future if there was additional support available. A further 40% said they would, depending on the requirements. These results were consistent with the post Covid group where 31% said they would consider taking on an apprentice with additional support and 38% said it would depend on the support available.

2.7 Technical & Digital Skills

The businesses surveyed pre Covid were asked which occupational categories they felt were most likely to be affected by the need to acquire new skills or knowledge. The spread was relatively even across various occupation areas, but technical and associate professionals, sales and customer service occupations, professional occupations, and skilled trades were highest (see figure XX). This aligns with the earlier finding that technical skills are most lacking from applicants to vacancies (Section XX).

Post Covid the results shift in many occupations, though this may be a feature of the respondents rather than actual change and should therefore be treated with caution. Among

the post Covid cohort, chief executives and senior officials are the most likely to be affected by the need to acquire new skills or knowledge, with much less need among process and elementary occupations.

Figure 2.18: Occupations most likely to be affected by the need to acquire new skills (multiple response)
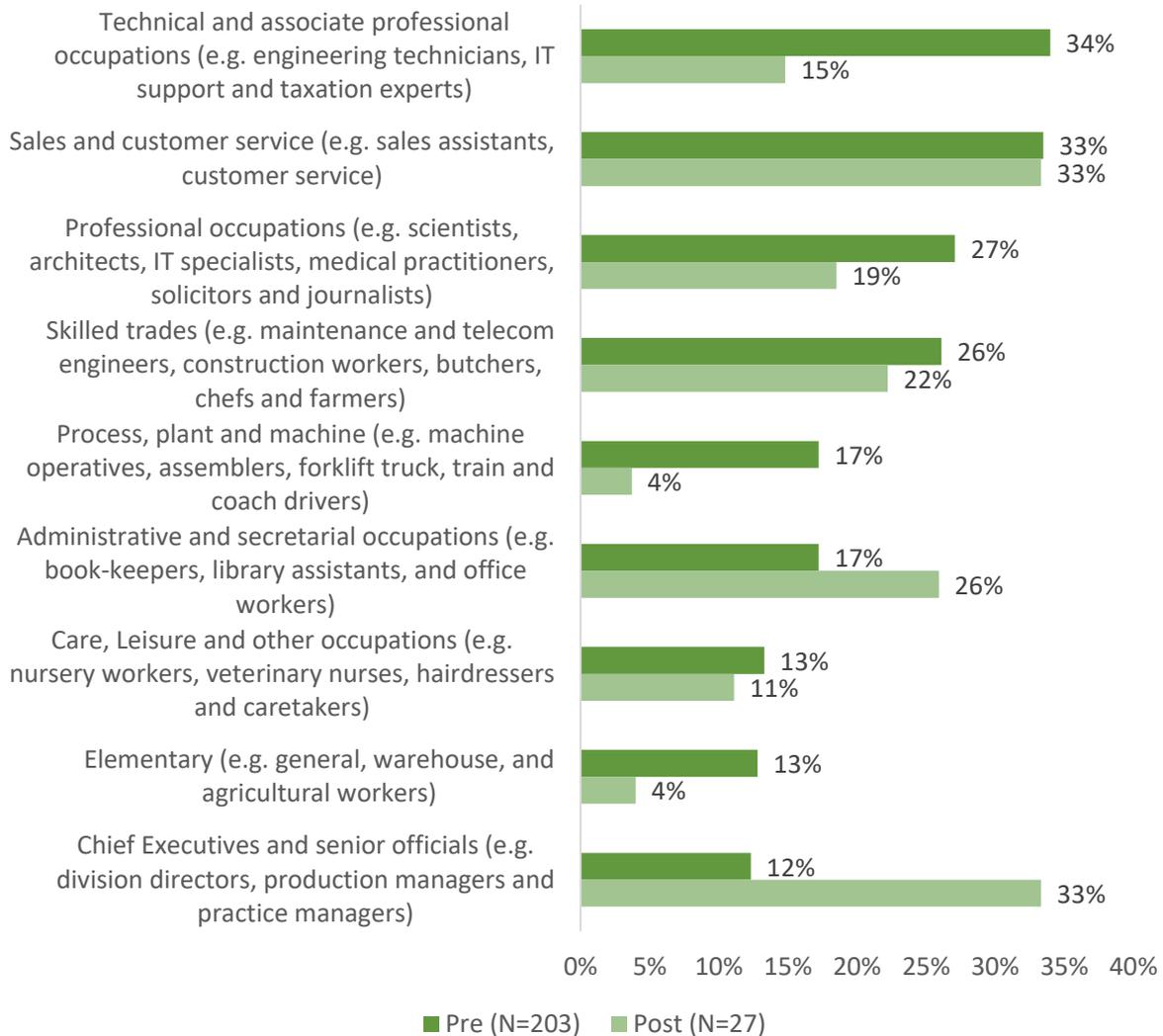
The reasons these occupations were going to be affected were varied, though the most commonly cited was business growth (36%). The recent introduction of new technologies or equipment was another important driver for 31% of respondents. These two responses were consistent across both pre and post Covid groups (the latter 42% for business growth and 36% for new technologies or equipment).

Figure 2.19: Main reason occupations will be affected by need to acquire new skills pre Covid (multiple response)
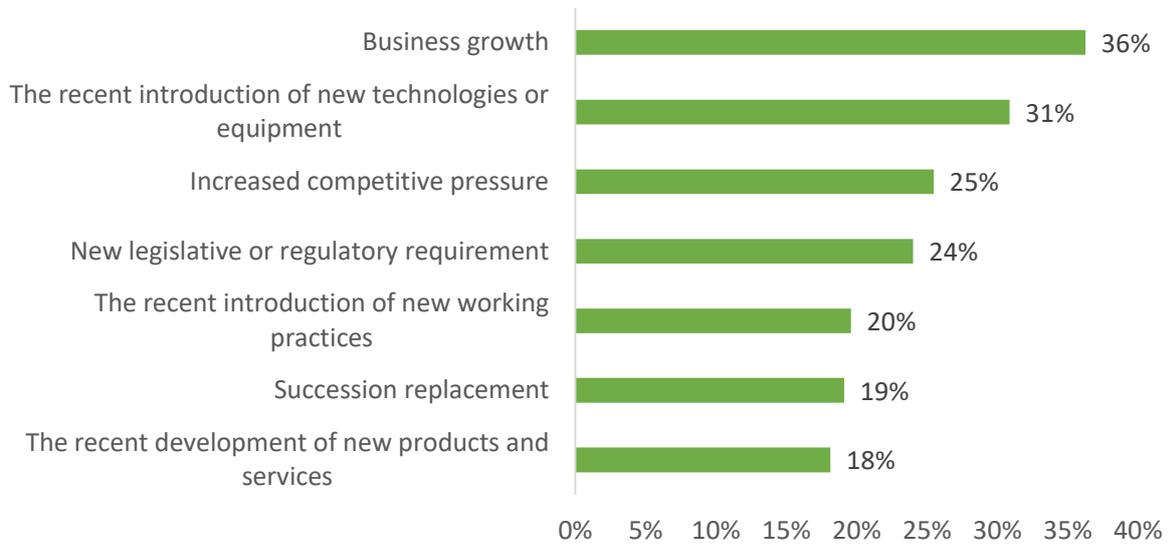
N=204

Given the contextual changes post Covid, some of the the answers reflected new circumstances as shown in figure XX.

Figure 2.20: Main reason occupations will be affected by need to acquire new skills post Covid (multiple response)
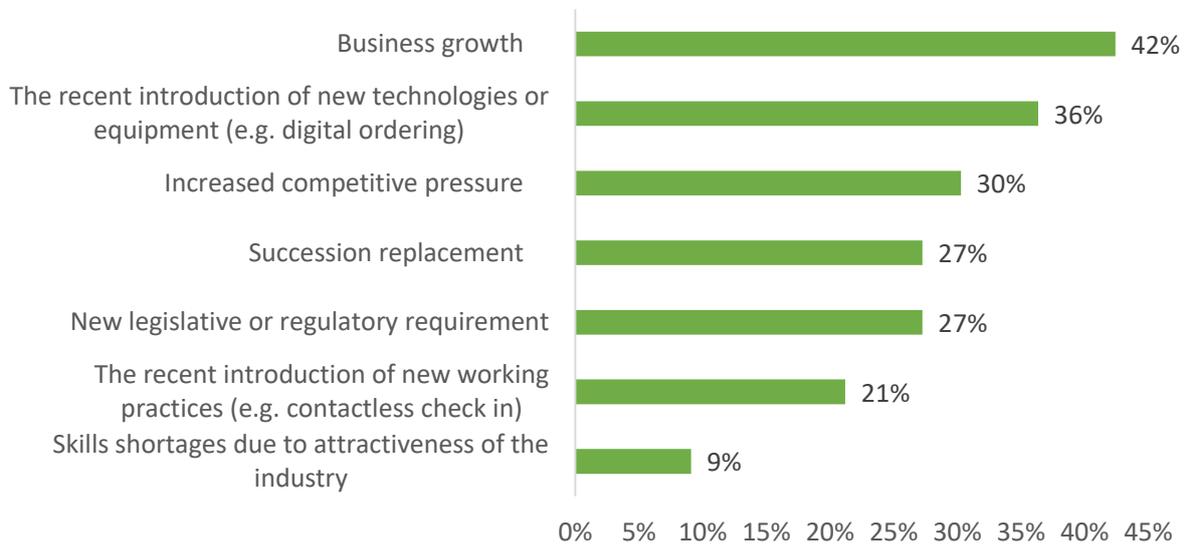

N=33

2.7.1 Required skills

The coded responses given by the surveyed businesses pre Covid show that general digital technology skills were needed most in the next three years. Research on a national level

similarly shows that 23% and 37% of employers say the workforce lacks the basic and advanced digital skills they need, respectively.[25] Some respondents reported that they will also need higher level digital skills such as artificial intelligence, programming, and coding. Communication and interpersonal skills were mentioned by 10% of the respondent businesses, and 8% were unsure of their future skills needs. This is broadly in line with the DCMS' report on Quantifying the UK Data Skills Gap, which finds that the data skills businesses find are most lacking are machine learning (28%) and programming (24%).[26]

Figure 2.21: Technical skills required over the next three years pre Covid (coded answers)
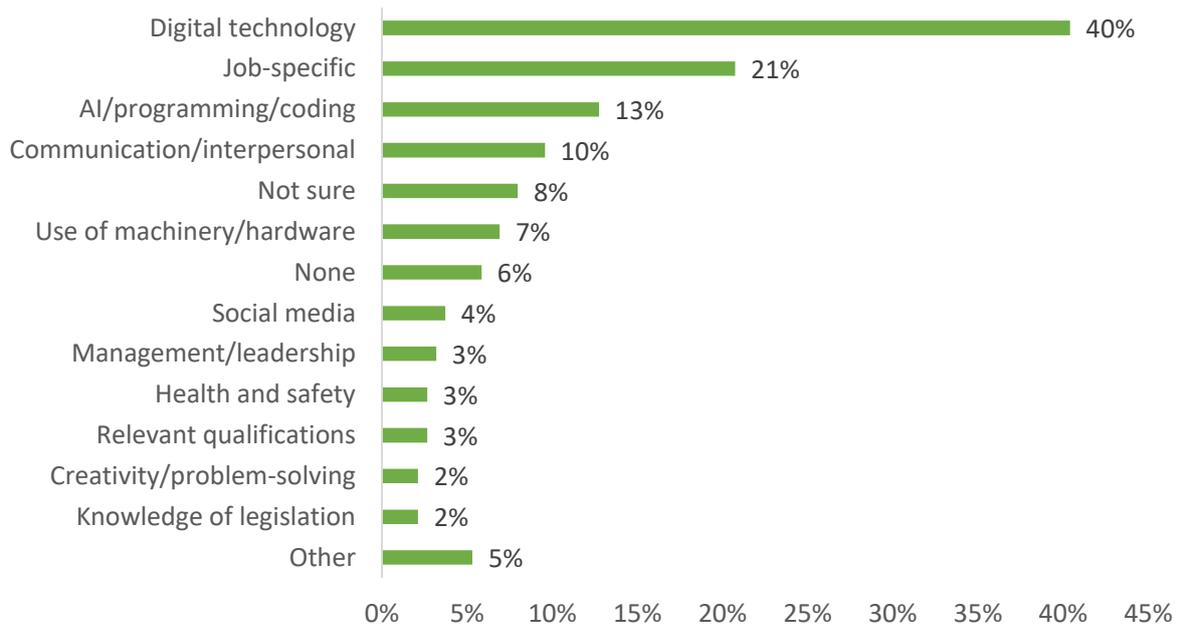
N=188

Pre Covid respondents were asked how important it is to them that employees have at least some basic knowledge of how to use digital technology. For the majority of respondent businesses in the West of England (57%), it is very important that employees have these skills with another 34% reporting it was somewhat important. Only 9% felt that knowledge of digital technology is either somewhat or very unimportant. This is reflective of other research on the national level, according to which 92% of employers say having a basic level of digital skills is important for employees.[27]

Businesses to the pre Covid survey were also asked which digital skills they feel will need improving over the next 3 years. Two thirds of businesses (66%) reported that computer literacy and basic IT and digital skills would need to be improved. Other digital skills were varied amongst respondents, but the need for most proved substantial as shown in Figure XX.

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[25] Disconnected? Exploring the digital skills gap, WorldSkills UK, 2021
[26] Quantifying the UK Data Skills Gap, DCMS, 2021
[27] Disconnected? Exploring the digital skills gap, WorldSkills UK, 2021

Figure 2.22: Which digital skills need improving over the next three years? (multiple response)

Computer literacy/basic IT and digital skills (e.g. use of Work and Excel) — 66%
Digital marketing (e.g. social media platforms and analytic tools such as Google Analytics) — 39%
Software and programming skills (e.g. Java, SQL and Python) — 34%
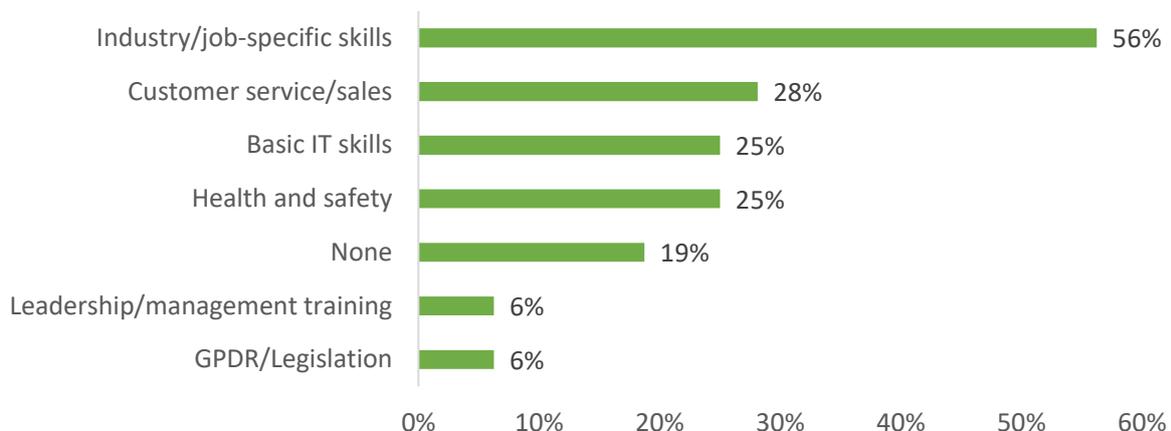Digital design (e.g. digital production, grphic design, online advertising skills) — 30%
Computer and Networking support skills (e.g. set up, support and manage computer…) — 29%
Data analysis (e.g. R or Stata, Big Data, Data Science) — 22%
CRM (e.g. CRM software such as Saleforce or Microsoft Dynamics) — 20%
Machining & manufacturing technology (e.g. CNC machining and computer-aided design) — 10%
Other digital skills — 4%

N=173

Post Covid, respondents were asked what formal qualifications might be needed in the next two years. Over one third (36%) reported that they would need no formal qualifications, and only low proportions (7-11%) reported needing level 2, level 3 and level 6. When asked what unaccredited training they would need, over half (56%) reported job specific skills, with around a quarter seeking customer service/sales, basic IT and health and safety training.

Figure 2.23: What unaccredited skills does your business need in the next 2 years? (multiple response)

Industry/job-specific skills — 56%
Customer service/sales — 28%
Basic IT skills — 25%
Health and safety — 25%
None — 19%
Leadership/management training — 6%
GPDR/Legislation — 6%

N=32

2.7.2 Response to digital skills need

Given the digital skills need identified in the previous section, businesses pre Covid were surveyed about how their organisation is responding to this. Most businesses (51%) are increasing their training provision, and many are hiring skilled recruits, including graduates and apprentices. However, nearly a quarter of businesses reported that this was not an important area of focus for them. This is consistent with WorldSkills UK's research, where digital skills training and recruitment top the chart for organisations' responses to the digital skills gap.[28]

Figure 2.24: How is your organisation responding to the digital skills needs of your staff? (multiple response)

N=200

Asked in what ways digitalisation is important to their organisation, over a fifth reported because it improves efficiency and productivity prior to Covid. These coded responses show that for 17% of the businesses surveyed, their business processes require such skills. Respondents also felt that digitalisation was important for keeping up with the times (12%) and for competitiveness and business growth (10%). Almost a fifth of businesses reported that digitalisation was not important to their organisation.

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[28] Disconnected? Exploring the digital skills gap, WorldSkills UK, 2021

Figure 2.25: Coded descriptions of the way's digitalisation is important to surveyed businesses

Category	Percentage
Increased productivity/efficiency	22%
It's not	18%
Business processes require these skills	17%
Future of the business/keeping up with the…	12%
Competitiveness/business growth and…	10%
Advertising/promotion/sales	9%
Don't know	4%
Security and data protection	3%
Customer service/quality	3%
Other	8%

N=156

Two thirds of the surveyed businesses pre Covid felt that they have sufficient digital skills to be prepared for greater digitalisation in their industry over the next three years to some extent. Nearly a quarter (23%) were more confident, feeling prepared to a great extent. Only 6% thought their organisation did not have the digital skills to any extent at all to face this challenge. Among the post Covid group, a similar proportion felt they were well prepared for further digitalisation (18%) and 44% felt they were prepared to some extent. However, a large proportion (35%) did not feel that digitalisation was an area of focus for the business.

## 2.7.3 Investment in digital technology

To assess the extent to which the changing digital landscape is likely to shape skills needs, the pre Covid respondents were asked if they had plans to invest in digital technology over the next two years. Over half reported they were making such investments. One third (34%) did not plan to invest in these technologies, with 15% unsure about whether they would be or not. Among the post Covid-19 cohort there was a more event split with one third (33%) reporting they would be making digital investments, 36% not making such investments and 30% who did not know.

Exploring the scale of this investment, the businesses with plans to invest in digital technology in the next two years were asked what proportion of turnover this would represent. For almost all respondents (92%), this was expected to be less than 30% of turnover, with the most commonly cited category (39%) being 11-20%.

The digital technology most respondents reported they would be investing was IT hardware and software. Cross tabulating results show that those investing a lower proportion of turnover are mostly putting this into software or IT hardware, while those investing a higher

proportion are investing more in data gathering technology, artificial intelligence, and robotics and automation.

Figure 2.26: Digital technologies being invested in by businesses (multiple response)
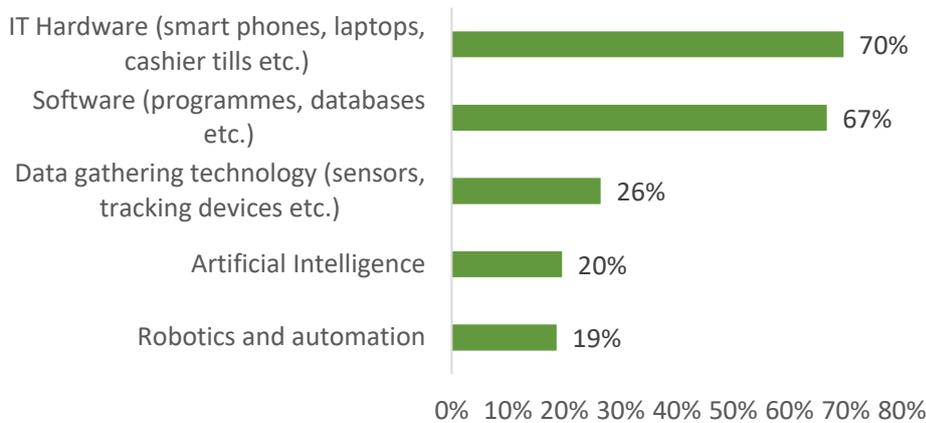
N=102

To train staff to the new technology investments, the majority (63%) of businesses planned to do so internally prior to Covid. Just under a third of respondents thought they would use external private training providers online, whilst a quarter plan to use them face-to/-face. Only 1% of respondents reported that their existing capacity to train staff to respond to the new technology investment is sufficient.

Figure 2.27: Planned training to be undertaken in response to the technology investment
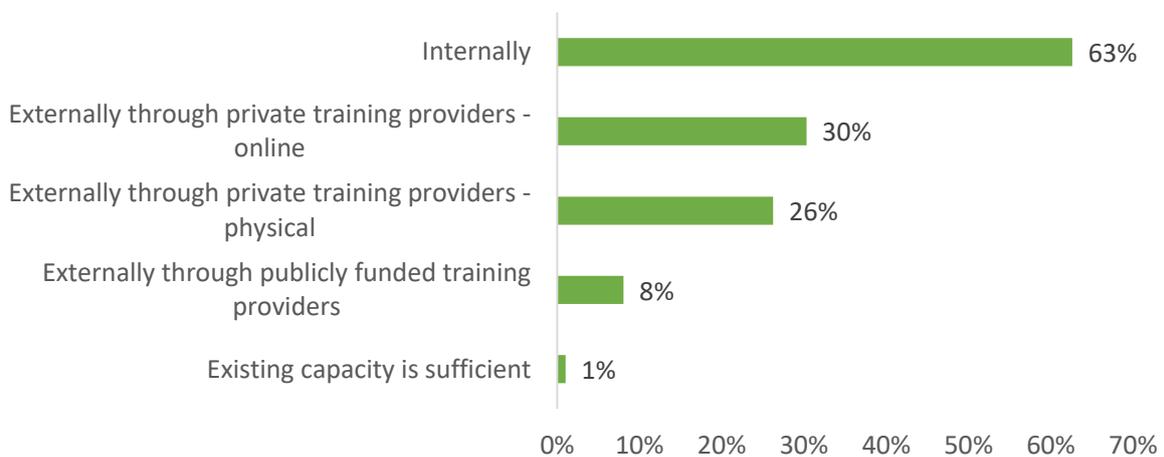

N=99

Confidence in the capacity of pre Covid surveyed businesses to fill these future technology-driven skills needs was fairly high. Nearly three-fifths (59%) of respondents reported they were somewhat confident, and nearly a third were very confident (31%). Only 6% of businesses felt they were not confident at all about filling their future technology-driven skills needs.

Post Covid businesses were asked what skills they would need to improve to respond to the digitalisation of their industry. Computer literacy/basic IT and digital skills was the most frequently cited (59%), followed by digital marketing (50%) and data analysis (32%). Other results included software and programming skills, CRM, network support and machining technology, though these were reported by less than 5 respondents and therefore have been excluded from analysis.

Figure 2.28: Skills required by businesses to respond to digitalisation of industry (multiple response)
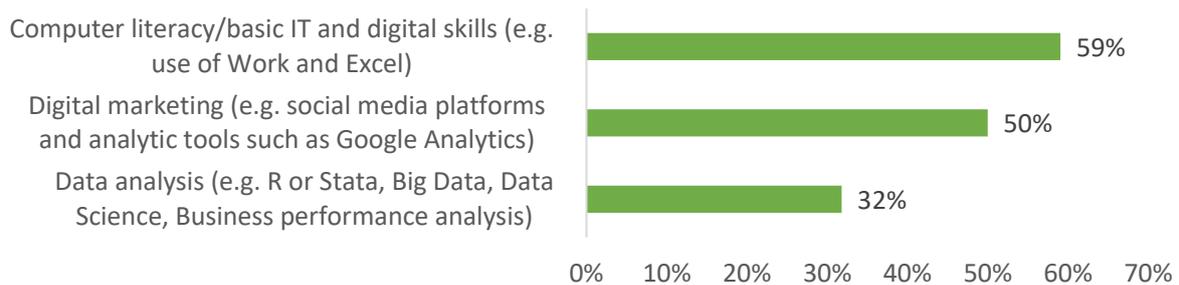
N=22

A large proportion of post Covid businesses (53%) were responding to digitalisation needs through additional training (53%). Nearly a third (32%) were hiring skilled recruits and other responses included hiring younger people such as graduates and subcontracting to other organisations, though there were less than 5 respondents for these answers and they have therefore been excluded from the analysis.

2.8 Environment

The pre Covid survey asked a few questions on environment and sustainability to assess how important training needs in this area are. Managers across the businesses surveyed promoted and delivered clean growth and sustainability through a variety of measures, of which the most common was recycling. This was followed by training and mentoring as well as reducing travel and promoting sustainable transport. However, 9% of organisations reported that their managers do not promote or deliver clean growth and sustainability.

Asked if they provide training on environmental sustainability and clean growth, 54% of businesses surveyed reported that they do. Most (59%) of respondents pre Covid reported that a lack of available skills did limit their ability to operate in an environmentally sustainable way to some extent, with 11% reporting it was a factor to a great extent. A quarter of respondents felt that lack of skills had no impact on the ability to operate in an environmentally sustainable way.

2.9 Covid-19

Nearly three quarters (74%) of the respondent businesses to the post Covid-19 survey reported having to pivot or adapt their approach in some way to respond to the pandemic. Of these, 78% expected the changes they had made to remain in place. For just over one third (35%) the changes would require new skills or retraining for staff, while 59% reported it would not, however, this was based on 17 responses reducing the robustness of the finding. Other evidence suggests that training needs as a result of Covid are higher than this across the UK. Skills for Health reports that 72.2% of respondent UK businesses say training needs increased due to the pandemic,[29] while research by CIMA finds that 69% of SMEs say the pandemic impacted their decisions around investment in employee training and upskilling. Those who did not invest in training for employees cited financial pressure on the business (35%), too much uncertainty in the economy (34%) and being too busy to find the time (26%) as reasons.[30]

Asked what type of training they anticipated being required in response to the pandemic, the six respondent businesses outlined more digital training to support transition to remote working, changes in working practices with hybrid working, and health and safety training to meet new requirements for legislation. This is consistent with other reports: both Skills for Health and CIMA found the most common training needs to be around health and safety (such as PPE usage) and digital skills. Whilst the demand for digital skills pre-dated the pandemic,[31] the digital skills gap became more acute as a result of the digital transformation necessitated by Covid-19.[32] Indeed, the survey by CIMA finds that 67% of SMEs have accelerated their digital transformation due to the pandemic. Of these, 78% say their current employees have the skills needed to support that transformation. Those respondents who did not think their employees had the right skills are responding by setting up skills development programmes, hiring new employees with the necessary skillset, and switching to external providers to deliver the services they lack the skills in.

Recruitment in the wake of the pandemic has increased in difficulty. Research by the Open University suggests that recruiting the right people has become harder due to Covid for 63% of businesses. Data for the South West shows 52% of organisations reporting that they have found it more difficult to recruit in the last 6 months compared to the same period last year.[33]

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[29] Covid-19 Insights: Impact on workforce skills, Skills for Health, 2020
[30] Mind the Skills Gap Survey, CIMA, 2020
[31] No Longer Optional: Employer Demand for Digital Skills, Burning Glass Technologies for DCMS, 2019 & UK Skills Mismatch in 2030, Industrial Strategy Council, 2019
[32] Developing essential digital skills, Postnote 643, UK Parliament Post, 2021
[33] The Open University Business Barometer, October 2021

2.10 Hospitality & Tourism

The hospitality and tourism sector has been severely impacted by the Covid-19 pandemic and as such the later iteration of the survey looked to target businesses in this sector. Ultimately very few responded, potentially reflecting the lack of capacity they had to engage with such research. However, this section includes reference to some of the skills needs and labour shortages identified for the sector drawing on existing published material following the pandemic.

Vacancies in the accommodation and food service sector have increased by 66,500 (79%) from January-March 2020 to August-October 2021, the most of any sector.[34] A survey conducted by UK Hospitality in May 2021 found that only 5% of hospitality and tourism businesses had no vacancies.[35] The same survey found that 96% of businesses in the sector anticipate staff shortages before the end of 2021, citing both Brexit and the pandemic as causes. Similar findings were reported more recently by the CGA Business Confidence Survey; 96% of respondent hospitality businesses expect staff shortages in either front of house or back of house roles at the end of 2021, and 73% expect shortages in both.[36]

In addition to high rates of vacancies, the hospitality and tourism sector is reporting difficulties in recruiting. Nearly a third (30%) of hospitality vacancies are reported by businesses to be hard-to-fill, compared to an average of 13% across all industries.[37] Furthermore, CGA's Business Confidence Survey found that only 18% of businesses are confident in recruiting, training and retaining their staff over the next year. This is a dramatic drop from 67% in Q2. In response to these challenges, the survey found that businesses are trying to improve retention of staff in a variety of ways, of which the most common are better pay (76%), high levels of communication (75%), cultivating the right work culture (67%) and staff wellbeing and mental health (66%). Only 1% of businesses reported that they have no issues with staff retention.[38] Raising salaries to retain staff is consistent with ONS data, which shows that from July to September 2021, average total weekly earnings grew by 6% in the wholesaling, retailing, hotels and restaurants sector.[39]

There is a lack of data on the skills shortages the hospitality sector has been experiencing in the most recent stages of the pandemic. However, a survey by People 1st International conducted early in the pandemic found that almost a third (29.5%) of respondents had seen employee skills deteriorate or disappear completely (due to loss of staff).[40] It also identified a need for new skills in the hospitality and tourism sector, mainly around health and safety, communication, adaptability and initiative. For business leaders and managers, being able to manage uncertainty was crucial, requiring critical thinking, decision-making and problem-

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[34] Vacancy Survey, ONS, 2021

[35] Future Shock: Issue Nine – Hospitality: COVID and beyond, UK Hospitality, 2021

[36] CGA Business Confidence Survey Q3 2021, CGA in partnership with Fourth

[37] Business Insights and Conditions Survey, ONS, 2021

[38] CGA Business Confidence Survey Q3 2021, CGA in partnership with Fourth

[39] Monthly Wages and Salaries Survey, ONS, 2021

[40] COVID-19: The impact on skills in hospitality, retail, travel and aviation, People 1st International, 2020

solving skills. Research conducted pre-Covid demonstrates that interpersonal and employability skills such as organisational and customer handling skills were already in short supply.[41] The pandemic thus seems to mainly have introduced the need for resilience and adaptability in employees. Fundamentally however, a general labour shortage rather than specific skills shortage is a key concern for the hospitality and tourism sector.

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[41] Skills and workforce profile: Hospitality and tourism, People 1st International, 2016

3 Conclusions

The survey results presented in this report demonstrate some of the longstanding challenges faced by businesses in the West of England regarding their skills and training needs. In some instances these challenges are specific to the West of England while others are consistent with the national and regional averages from evidence in the Employer Skills Survey. Some of the results from before the pandemic are closely aligned to the smaller post Covid survey, suggesting some constancy, other results have seemingly been exacerbated by the pandemic.

Consistent with national data following the pandemic and recovery, the rate of vacancies has increased in the West of England. The labour market is also tight across the UK in sectors where there has been a lack of returning workers both due to the pandemic and Brexit, such as hospitality and tourism. This has increased existing recruitment challenges; prior to the pandemic 88% of businesses in the West of England reported a vacancy, which rose to 92% in the post Covid-19 group. While influenced by the small sample sizes, skills shortages also played a factor in the increasing number of hard to fill vacancies since the pandemic alongside consistent challenges of poor attitude, lack of qualifications and little interest in the role.

The West of England also faces challenges in recruitment to certain roles, including sales and customer service, professional occupations and technical and associate professional occupations, when compared to the wider results for the South West. These latter two occupations particularly are highly productive and restrictions in the labour market are likely to be inhibiting productivity for businesses. This is adding to the productivity challenges that the inability to recruit has on businesses where staff face and increased workload, standards fall and there are delays and difficulties introducing new technology and products or services.

To respond to this businesses are resorting to more training for staff and less qualified recruits, as well as increasing recruitment spending and utilising new channels, all of which were reported to have increased among businesses post pandemic. Types of training offered by businesses remained consistent post pandemic to the respondents pre Covid. While 27% of firms reported that the pandemic had increased the time they could spend on training, for 23% it had reduced the amount of time they had. Pre pandemic much of this training was provided internally (75%), with a third utilising external in person training and a quarter external online training. Over 120 providers were cited suggesting a range of training needs and potentially the strong availability of training provision within the area, though 13% of respondents suggested there was a lack of good local training providers. However, three quarters of businesses were satisfied with their training provision. Sparing staff time for training, time to organise training and lack of funds for training were all factors inhibiting providing training though, and these all increased among the post Covid-19 respondents.

More technical skills training specific to the role is needed to support organisations and the labour market, but there is a also a strong emphasis from employers on employability and soft skills. The proportion of businesses reporting these challenges post pandemic has also increased and was suggested as a key barrier in qualitative comments. Such remarks speak to

more employability and careers education support, as well as specific training and course provision.

One third of the businesses surveyed prior to Covid had links with academic institutions and 39% had links with schools and colleges, mostly offering internships, graduate programmes or work experience. Half had relationships with training providers where majority used them for training provision. Where there was no engagement this was because they did not need the training on offer or that such relationships were not suitable for their business. Two fifths of the pre Covid group offered apprenticeship training, with most of these seeing apprentices as a means of recruiting new staff and supporting young people. Where businesses did not take on apprentices this was due to a mix of reasons such as it not being appropriate for their business model, challenges meeting the eligibility criteria and not knowing enough about it. More could be done to encourage collaborations between employers and education settings and training providers, especially linking into careers education and employability.

In their final remarks several businesses reported that they had not heard of the Local Enterprise Partnership or Skills Support for the Workforce:

> *'I was not aware of the Skills Support for the Workforce programme or the West of England LEP. This interview is the most I have ever spoken to anyone about training needs.'*

This echoed other points from respondents who were just not aware of training provision available, or how to get involved in apprenticeships. A lack of up to date information and consistency of training programmes means it often takes time for businesses to learn of opportunities, especially in peripheral areas. Providing a gateway or signpost for training provision available to businesses could be helpful in getting businesses and their employees the training available.

Recruitment for the surveyed businesses mostly online, either through job sites, companies own website or LinkedIn and this had grown since the pandemic, along with social media. A large proportion use word of mouth, but only a tenth recruited from universities and colleges. Nearly half of those who did not recruit directly from colleges and universities had considered it, but only 15% felt that graduates would have all the skills to perform the role. That such few businesses recruit directly from universities and colleges raises questions on the effectiveness of the courses in creating work ready individuals.

Digital skills training was one area where employers reported staff needed training to meet future needs. Introduction of new technology was cited by approximately one third of businesses as the reason for needing to acquire new skills both pre and post Covid. One fifth needed job specific skills, and 13% needed advanced digital skills such as AI and programming. Over one third of businesses reported that they would need no accredited qualification training post Covid, with answers mixed regarding qualification levels. This speaks to the soft skill requirements and unaccredited industry specific training, which over half were looking for in the next two years. Over half of businesses were increasing their training of staff to

respond to their digital skills needs, though prior to Covid two thirds felt that to some extent they had sufficient skills to be prepared for digitalisation of their industry in the next three years and 23% were very confident in the future skills needs. Nearly two thirds of the respondent businesses were going to provide any training they needed internally but 8% would look to use publicly funded training provision.

Offering publicly funded training provision to businesses in the West of England and publicising existing offers is key to helping reduce some of the skills gaps that adversely affect the area. Following economy recovery from Covid there has been a substantial tightening of the labour market, beyond the prior conditions for which training new skills may help to ease. Technical skills were most consistently required by businesses and within this it was basic digital skills that were predominantly lacking, though the range of job specific skills was also required. There is an opportunity to support businesses across the West of England area with basic digital skills and also helping them to be aware of existing training provision.

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