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Research Report into the Training and Skills Needs of Businesses in the Heart of the South West LEP

Developed Area (Somerset)

November 2020

serco

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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 Heart of the South West Local Enterprise Partnership (LEP), as well as other LEP areas, the programme provides accredited qualifications and bespoke training courses to enhance employees' skills. The impacts are to increase the productivity of businesses and boost the local economy.

To ensure the services offered through the SSW programme remain relevant, and to support strategic aims of the Heart of the South West LEP, research into the skills needs of local businesses was commissioned. This report details the findings of Wavehill's research study surveying over 340 businesses in the Heart of the South West LEP area. The fieldwork for this piece of research was conducted as an online and telephone survey from January to March 2020, when the outbreak of Covid-19 in the UK restricted the capability to gather further data. Results from the respondents were analysed to provide insight into the skills and training needs of businesses across all industries, including a specific focus on the Energy and Engineering sectors.

The rapid pace of digitalisation of many aspects of the economy and the skills challenges this brings are a key context to the research, alongside policy on energy and sustainability born of the climate change crisis. The economic context, prior to the Covid-19 pandemic and subsequent recession, for which data is available, showed productivity challenges in the UK, but broad strengths in the Heart of the South West with high levels of economic activity (82.4 per cent) and low unemployment leading to skills shortages and hard to fill vacancies. Within the Developed area of the Heart of the South West, there are skills gaps with six per cent of the workforce not proficient in their role and 37 per cent of firms reporting staff were underutilised. This may be related to the proportion of the working age population with higher level qualifications in the Developed area being below the national average (34.4 per cent vs 39.5 per cent).

While national data is not yet available for these indicators, other metrics suggest that the socio-economic impacts of the post Covid-19 pandemic recession are going to be rises in unemployment, and some sectors having to adapt as the economy undergoes structural shifts. In this quickly changing context the need for reskilling parts of the labour market is going to be highly important.

The research shows that 90 per cent of businesses in the Developed area had a vacancy in the last 12 months, above 68 per cent for comparators in 2017 and 2018. On average businesses in the Developed area reported 9.2 vacancies in the past 12 months on average, higher than in the rest of the Heart of the South West (6.4). Fifty-seven percent of businesses reporting vacancies stated they were hard to fill, equal to an incidence rate of approximately 51 per cent of all vacancies in the Developed area. The density of hard to fill vacancies in the Developed area was 53 per cent, in line with the rest of the Heart of the South West at 54 per cent.

Low numbers of applicants with required skills was the most frequently cited challenge in filling these hard to fill vacancies. This was more common among higher skilled and higher value occupations. Skilled trades and professional roles made up a quarter of occupations that were hard to fill, which along with other occupation categories disproportionately reflected more high value roles.

Among job applicants, the lack of technical skills specific to the sector or role were cited by 48 per cent of respondents. A lack of digital skills among applicants were reported by 10 per cent of business respondents.

Impacts of hard to fill vacancies on businesses in the Developed area was to increase workload for other staff (reported by 74 per cent of businesses), difficulties meeting customer service objectives (37 per cent) and difficulty meeting quality standards (24 per cent). Thirteen per cent of businesses claimed that the inability to recruit to hard to fill posts was leading to difficulties introducing new technology which may inhibit innovation and productivity. One-quarter of businesses reported that the failure to recruit was resulting in a loss of revenue.

In response to these challenges, 30 per cent of businesses were prepared to offer training to less qualified recruits, up on seven per cent for 2017. Increased training to existing staff was also reportedly greater under this study than comparable figures from 2017, at 22 per cent for the Developed area and 31 per cent for the Heart of the South West compared to six per cent.

Ninety per cent of businesses reported that their staff had undergone some form of training in the last 12 months and just over half of businesses had training budgets in the Developed area. The proportion of businesses training their staff in the previous year was 20 per cent greater than in 2017. Almost 75 per cent of businesses reported training was provided internally, with just over half using in person external provision. Of a list of over 200 training providers cited by respondents across the Heart of the South West and 67 in the Developed area, much of the provision was therefore specific to the businesses. On average, the training provision these businesses received was highly scored at 4.29 out of 5 in the Developed area.

Challenges in the cost of training was cited by 36 per cent of businesses as an obstacle and inability to spare staff time for training was similarly cited by almost a third of businesses. A difficulty finding training providers who could deliver services where or when required was another challenge faced by nearly a quarter of businesses.

One-third of the respondents in the Developed area had some link to academic institutions with 43 per cent of these through offering internships or placements. Twenty per cent of businesses ran graduate programmes and another 47 per cent dealt with academic institutions through work and contracts. Figures for the whole Heart of the South West were similar and 22 per cent of this group reported research and development collaboration; a positive sign for innovation with over one fifth of these from manufacturing sectors. Only 12 per cent of businesses recruited through universities or colleges however, though 35 per cent had considered and two thirds felt that they would have the skills to support their organisation.

Just under half of businesses had links with schools or colleges in the Developed area with much of this to offer work experience (77 per cent). Fifty-two per cent of businesses offered apprenticeships and traineeships in conjunction with schools and colleges, and a third of businesses were involved in the apprenticeship levy as either contributors or recipients. For most of the respondents who took on apprentices, they did it to support young people (61 per cent) and recruit (57 per cent). Where businesses did not take on apprentices this was mainly due to them not being suitable for their business model, though 32 per cent in the Developed area also stated they did not know enough about apprenticeships providing a potential opportunity.

Skilled trades were reportedly the most likely to be affected by the need to acquire new digital skills with new technology introduction and important factor among 38 per cent of businesses in the Developed area, and business growth, a driver for nearly half of firms. General digital technology skills were the most in need in the next three years with examples including advanced Excel and online customer service. Higher level digital skills requirements AI, programming and software management. A basic level of knowledge in using digital technology was very important to 63 per cent of business respondents in the Developed area. Over one-quarter of businesses simply required these skills in their business processes and eight per cent each reported it was important for productivity and future business.

Within the Developed area 32 per cent of businesses surveyed concluded they had sufficient skills within the organisation to prepare for changing patterns of digitalisation in their industry in the next three years, though 11 per cent reported that to no extent did they have the digital skills capacity to prepare for such change. Approximately one half of respondent businesses in the Developed area were going to seek external training support for new technology investments.

While 90 per cent of the respondents reported they promoted or delivered clean growth and sustainability, the remaining 10 per cent did not. Of those who did, most examples were standard practice of recycling, using energy efficient appliances and eco friendly materials and products. Nearly half of businesses reported that they offered some training on sustainability and clean growth and there was little link between a lack of skills and sustainability.

Despite the challenges brought about by the Covid-19 pandemic, the research shows that training is highly important to overcome challenges such as low productivity and improving revenue and service offering. It is important that businesses are supported to help overcome the challenges they face in accessing training for their staff and that any such training is specific enough to be useful to the business. Digital skills training is an opportunity for wide sectoral impact and with the increasing pace of digitalisation there remain a high proportion of businesses in the Developed area of the Heart of the South West LEP which may struggle to fulfil these skills needs internally. Finally, encouraging closer integration between businesses and the range of training providers available, including universities and colleges is important, and likely to grow with economic restructuring during the recovery from the pandemic induced economic shock.

1 Introduction

The Skills Support for the Workforce (SSW) is a programme developed 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).

Serco's Employment, Skills and Enterprise business (Serco Ltd) is the Prime Contractor of the SSW programme in the Heart of the South West (HotSW) Local Enterprise Partnership geographical region. The Education and Skills Funding Agency commissioned Serco to conduct research to understand employers' skills needs in the Heart of the South West as part of the Local Enterprise Partnership's (LEP) skills planning, which in turn forms part of their wider strategic agenda. Serco commissioned Wavehill to deliver this piece of research.

To inform the strategic direction of the SSW programme and ensure that the training provision is responding to the needs of the businesses within the local economy, up to date evidence of such skills requirements is necessary. Against a context of an increasingly changing economy, from Brexit to digitalisation and environmental considerations, as well as large projects in the region such as Hinkley Point C, the skills need of businesses are constantly changing. As part of the evidence base gathered during the development of the Local Industrial Strategy (LIS) for the Heart of the South West LEP, it was identified that a stronger understanding of the longer term skills needs in the Energy, Engineering and Digital sectors would be beneficial.

Furthermore, a key theme of the UK Industrial Strategy has been the challenges posed by productivity in the economy, and how skills can contribute to resolving this issue. Training provision is recognised to be delivery led while businesses often consider their skills requirements in the short term only, and this approach fails to provide strategic intervention that can decidedly influence local economic performance. Therefore, to improve longer term understanding and develop evidence to support the demand led training delivery, research into such skills needs was commissioned. The research requirement reflected both the importance of ensuring the SSW programme was demand led to be more effective, and the focus on Energy, Engineering and Digital (recognising Digital as a cross sectoral skills need) in the Heart of the South West LEP.

The project was initiated in late 2019, and a survey designed to capture the evidence on the skills and training requirements across a range of themes for businesses in both the Energy and Engineering sectors, and also a wider sample of all sectors to reflect the local economy. The Heart of the South West LEP area was divided into two areas reflecting the European funding priority areas within the geography; Somerset constituting a "Developed" area. While Devon, Plymouth and Torbay are "Transitional". The project targeted 675 business responses to the survey in each area and the survey was scheduled to complete in March 2020.

Challenges with gathering respondent businesses and then the outbreak of Covid-19 and subsequent lockdown of the UK restricted the number of survey result captured. Three-hundred and forty businesses took part in the survey across the Heart of the South West with 91 from the Developed part of the LEP area (Somerset). Given the changing context and continued difficulties with conducting fieldwork with businesses, it was decided to process and analyse the results based on these numbers. The results from the Developed area will be presented in this report alongside the results from across the whole Heart of the South West LEP area to provide additional robustness to the smaller sample size. This report presents the survey responses captured to date.

1.1 Methodology

A survey was developed in conjunction with Serco and the Heart of the South West LEP to ensure it captured all the aspects that were required by the stakeholders. These questions reflected those asked in national surveys (such as the UK Employer Skills Survey), to allow comparison of results and aid recognition among respondents, and others designed specifically for this project. The nature of the topics included:

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

Though the survey was designed to be relevant to all businesses in the Heart of the South West to ensure its uptake, a sample frame was developed to reflect the emphasis on the Energy and Engineering sectors in the Heart of the South West. To generate responses from those with broader training needs the sample frame was focussed on those with Small (>10 employees) and Medium (>50 employees) firms. To reflect that the Digital agenda is one that cuts across industries the sample frame also included businesses across all sectors and was designed to imitate the sectoral structure of the business population in the Heart of the South West. This led to a broad sample of businesses for which commercial contacts were purchased from Experian, based on this sample stratified by sector and size with quotas for each. All businesses had to also have at least two employees to participate in the survey. These contacts provided telephone numbers for primary data gathering as part of the telephone survey.

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 Methodological limitations

The initial survey period was due to last for six weeks though it proved difficult to gather respondents at a sufficient rate to return the targeted number of businesses in that timeframe. The low response rate was due to a number of factors including relevance of the survey to businesses and breadth of sectors being asked to participate, length of the survey and that other business surveys that had taken place in the past six months leading to fatigue among respondents.

An extension was therefore necessary and though this provided additional time to complete the fieldwork, the data gathering then ran into the outbreak of COVID-19 in the UK and subsequent lockdown in March 2020. With SMEs facing existential challenges posed by the pandemic and many of the contact numbers commercially purchased giving office landlines that were no longer open, it was agreed that data gathering should stop. Given the data gathered may provide some important evidence for the needs of businesses in the short-term and could support the LEP and Local Authorities in their response to the COVID-19 outbreak, the results captured to date were analysed and are presented in this report.

After the survey fieldwork was closed due to the outbreak of COVID-19, the responses were analysed by Wavehill. Qualitative answers were coded, and cross tabulations based on firmographics used to provide breakdowns of the evidence gathered. The number of respondents reached, however, limits the degree to which specific sub-groupings of the data can be analysed and still provide a robust assessment of the business population. These analysed results are presented in this report.

1.2 Context

The increasing pace of digitalisation and its impact on the economy and business is influencing the skills needs of businesses across the UK. The decision to leave the European union in 2016 has also impacted on the attitudes and approaches of businesses within the UK with implications for investment in capital and labour as well, shifting labour markets in response to fluctuations in migration. Following the actual departure of the UK from the European Union there may be further consequences on labour markets and skills provision in the UK across a variety of sectors.

As outlined, the Heart of the South West LEP are in the process of finalising their Local Industrial Strategy with the Department for Business, Energy and Industrial Strategy (BEIS) and as part of the development of this have identified key areas for the future of the LEP area. These include Marine, Microelectronics and Photonics, Nuclear, Aerospace and Science and Innovation. Common to areas are the Energy and Engineering sectors with Digital cross cutting theme which affects these sectors and much of the future economy. In response this research provides some analysis based on these sectoral areas.

Furthermore, environmental impact and sustainability 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 Heart of the South West has a focus on sustainability and reducing 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.

These, alongside a myriad of other factors, serve to change the skills needs of businesses requiring new curriculum and training programmes to reflect the demand.

1.2.1 Economic context

Economic indicators for the Heart of the South West economy are mostly in line with or slightly above the national average. In terms of output performance, the economy contributed £35.2bn to GVA in 2017 and between 2012 and 2016 had grown by 17 per cent. Over this period recruitment has increased across the UK with the number of vacancies up nine per cent in 2017 on 2015.[1] Correspondingly rates of economic activity are high, up to 81.5 per cent in the Heart of the South West compared to a UK average of 79.4 per cent, and the availability of jobs, demonstrated through the job density ratio[2] (0.87), is slightly above the UK rate of 0.86. However, these statistics are drawn from ONS data that does not include the effects of the Covid-19 pandemic on the economy and the likely rises in job losses and unemployment that are widely predicted.

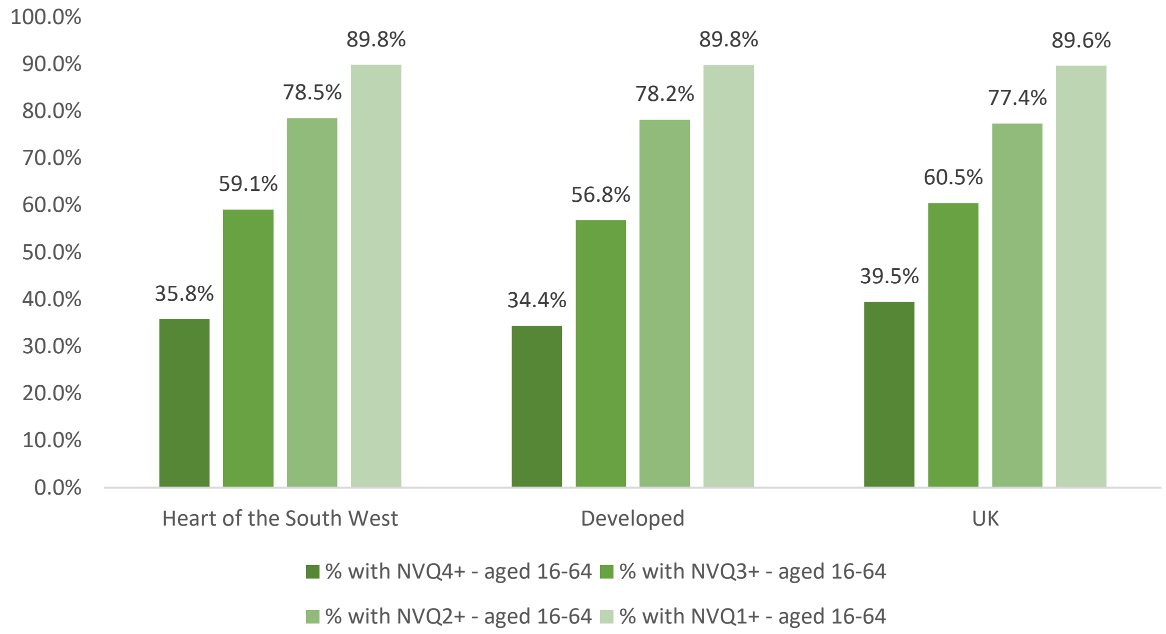
The Employer Skills Survey (ESS) provides insight into the skills and vacancy position of businesses in the UK and is published every other year. Though the data for 2019 has been collected the latest published results are from 2017 and as a result this report draws on the 2017 data as a benchmark for the findings of this research.

Eight per cent of businesses in the UK had vacancies that were 'hard to fill' in 2017 with skills-shortage vacancies responsible for 22 per cent of shortages. In the Heart of the South West skill shortage vacancies represented 26 per cent of all vacancies, the same as in Somerset (reflecting the Developed area). Skills shortages have implications for staff workload, loss of business, and delays to developing new products or services.

Higher qualification levels in the Heart of the South West are low compared to the UK average (see figure 1.1). Of the working age population in the Heart of the South West, 35.8 per cent are qualified to at least NVQ level 4 or equivalent compared to 39.5 per cent in the UK. The proportion is lower in the Developed area (34.4 per cent). Qualifications have an impact on skills, productivity and on earnings which are also lower than national averages (£531.80 pw compared to £587 pw in the UK).[3]

[1] Employer Skills Survey 2017, Department for Education, August 2018
[2] An indicator of the availability of jobs in an area. A job density of 1 would equal 1 job for every 1 person of working age. Job Density, ONS, 2019
[3] Annual Survey of Hours and Earnings & Annual Population Survey, ONS, 2019

Figure 1.1: Qualification levels among the working age population in HotSW, the Developed area and the UK (Three-year average, 2017-2019)



In Somerset, which forms the Developed area of the Heart of the South West LEP, unemployment is lower than the UK at 2.4 per cent and economic activity is similar to the LEP average (82.3 per cent). Qualifications are lower however, with those educated to NVQ4 or equivalent and above representing 34.4 per cent of the working age population in Somerset compared to 39.5 per cent in the UK.

Skills gaps also exist within organisations and 13 per cent of businesses reported their workforce was not fully proficient in the UK in 2017, equivalent to some four per cent of the workforce. In comparison, the Heart of the South West ESS data shows that the proportion of staff not fully proficient was at six per cent, the same figure reported in Somerset. Thirty-four per cent of businesses reported an underutilisation of staff in the UK, and this was higher in the Heart of the South West at 36 per cent rising again to 37 per cent of firms in Somerset.

Staff not receiving appropriate training was a factor in 25 per cent of these skills gaps in the UK, rising to 30 per cent in the Heart of the South West and 36 per cent in Somerset. The introduction of new technology was responsible for 18 per cent of skills gaps in the UK and in the Heart of the South West, though this rose to 24 per cent in Somerset. It is these such businesses that may be able to benefit from the SSW programme and support made available by the LEP.

The ESS also shows that 63 per cent of employers in the UK anticipated their skills requirements would change in the next 12 months. For 38 per cent of these businesses this change in skills needs of their staff was due to new technology though 13 per cent also cited Brexit as a reason. In the Heart of the South West 42 per cent reported that technology was driving the change in skills needs and similarly 13 per cent thought Brexit implications were a reason. In Somerset the proportion reporting technology drivers was 40 per cent while less businesses thought Brexit was a reason for the change in skills needs.

2 Survey results

There were 91 respondents to the survey for the Developed area of the Heart of the South West LEP and 342 results for the area in total. Given the lower number of responses in the Developed area of the Heart of the South West, this report will present both sets of figures, identifying where the results appear consistent with the broader region, or where there appears to be a divergence in trends. The whole Heart of the South West will be used to refer to the entire LEP region, where “Developed” will refer to the subcategory of the Heart of the South West covering Somerset.

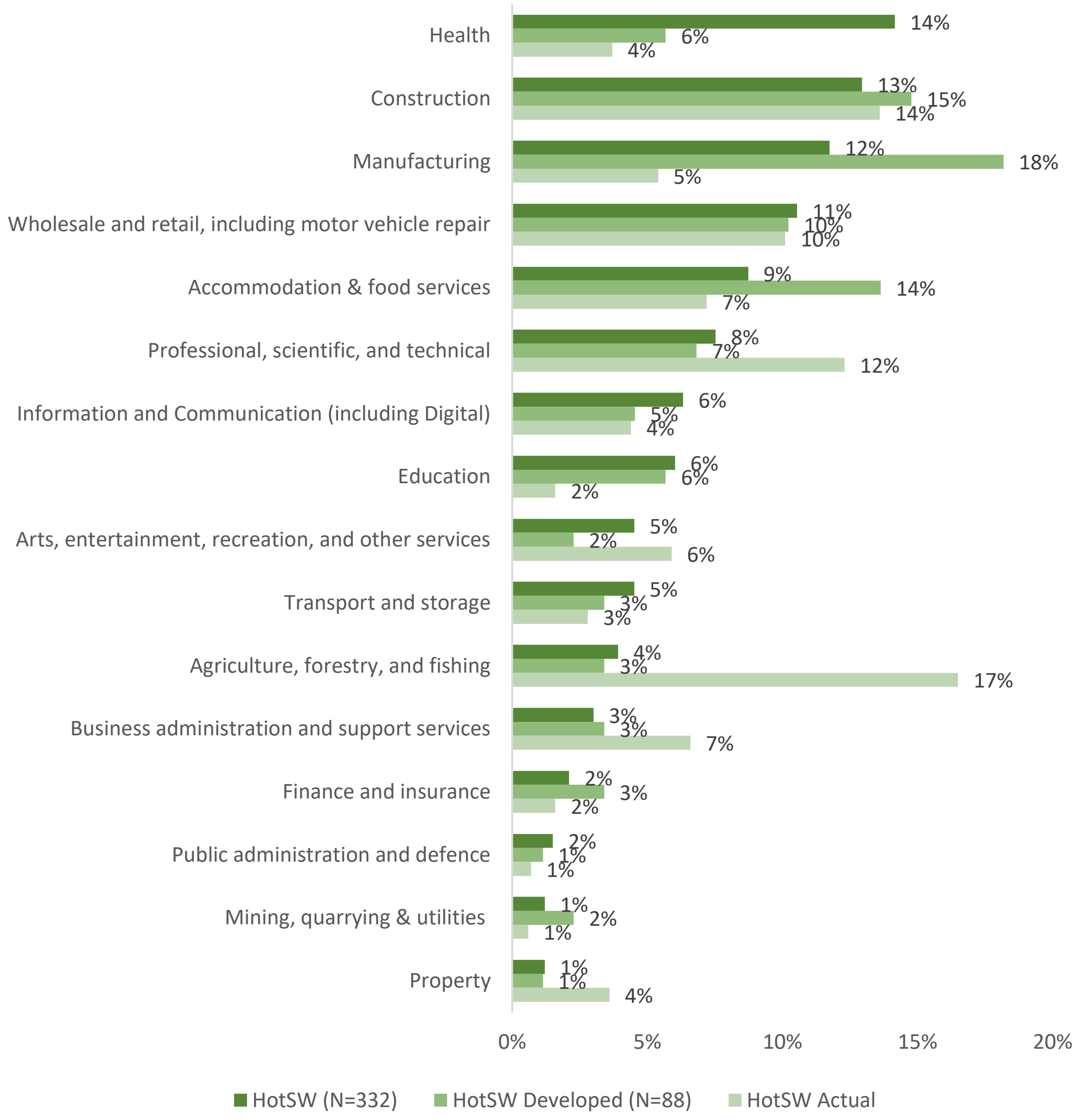
2.1 Firmographics

The business respondents ranged in size, from micro firms with the minimum two employees, to medium sized firms with 250 employees. The average number of Full Time Equivalent employees was 45.1 across the Developed area and 40.1 overall in the Heart of the South West. Thirty-two per cent of the respondents were micro and the remaining 68 per cent small or medium, across both the Developed area and the Heart of the South West. Proportionately, micro firms represent 89 per cent of businesses in the Heart of the South West LEP, however, the survey was targeted at the slightly larger organisations who were more likely to have training needs.

The businesses surveyed were representative across most sectors, though there were some industries that in varied in proportional representation compared to industry data. In the Heart of the South West, more businesses from the Health, Manufacturing and Education sectors responded to the survey, compared to the official numbers.[4] Proportionately fewer businesses from the Agriculture, Business Administration, and Professional Services sectors responded to the survey than are present in the economy. In the Developed region a disproportionately large number of Manufacturing and Accommodation and Food businesses responded to the survey. An underrepresentation of Agriculture and Professional Services sectors is also shown (see figure 2.1) the former, likely due to employment size with a high proportion of self-employment.

[4] UK Business Counts from Inter-Departmental Business Register, ONS, 2019

Figure 2.1: Proportion of business respondents by sector for HotSW and Developed area compared to published data for the HotSW[5]



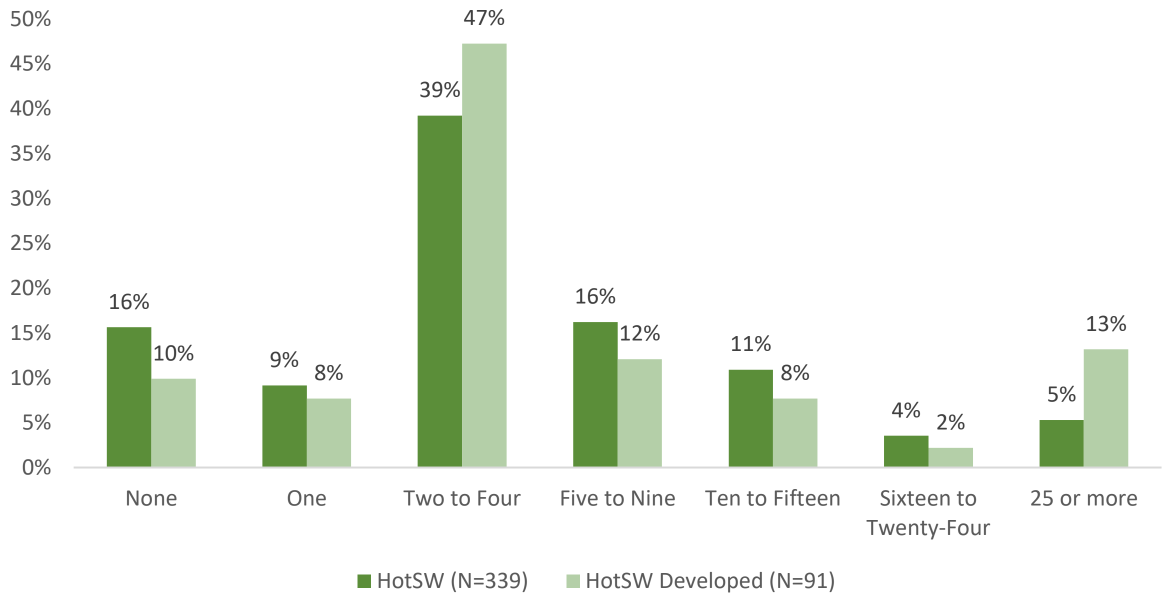
The survey looked to capture information on the Energy and Engineering sectors, reflecting their priority within the Heart of the South West LEP. Of the surveyed businesses, 19 per cent reported they were associated with the Energy sector and 31 per cent with the Engineering sector in the Heart of the South West. In the Developed area, the figures were the same for Energy and 35 per cent for Engineering.

[5] UK Business Counts, Interdepartmental Business Register, ONS, 2019

2.2 Vacancies

In the past 12 months, respondent businesses to the survey in the Developed region reported on average 9.2 vacancies, higher than the 6.4 across the Heart of the South West. The largest proportion of businesses reported between two and four vacancies, at 47 per cent in the Developed area and 39 per cent in the Heart of the South West (figure 2.2). Fewer businesses in the Developed area also reported no vacancies and a greater proportion reported over 25 vacancies, though this may be influenced by the size distribution of the businesses. These figures indicate there is a higher rate of vacancies in the Developed area than in the Heart of the South West, though the sample size is low.

Figure 2.2: Businesses with vacancies in the last 12 months, by number of vacancies



In the Developed area, 90 per cent of businesses surveyed reported a vacancy in the last 12 months. In the Heart of the South West, 84 per cent reported a vacancy. Though comparable figures are not available for the Developed area geography, benchmarks from the 2017 Workforce Skills Survey (WSS) for Devon County Council[6] and similar survey for Gloucestershire[7] in 2018 can be used. In Devon in 2017 and Gloucestershire in 2018, this figure was 68 per cent, suggesting the number of vacancies shown in the Developed area by this research has increased.

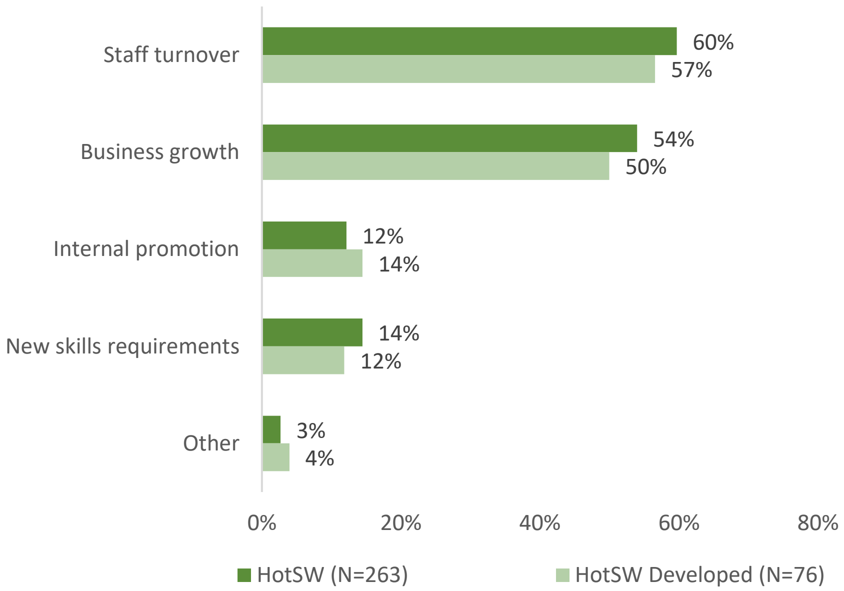
[6] Devon Workforce Skills Survey 2017, Wavehill on behalf of Devon County Council
[7] Gloucestershire Countywide Business Survey, Wavehill on behalf of Gloucestershire County Council, 2018

2.2.1 Reasons for vacancies

The reasons for the vacancies reported by the participating businesses were comparable in both the Developed area and the wider Heart of the South West results. For most of the businesses, the vacancies were driven by staff turnover and business growth (as shown in figure 2.3). In 14 per cent of the Developed area businesses, the requirement for new skills drove the recruitment.

These results are broadly in line with those of the 2018 Gloucestershire survey and the 2017 Devon survey, though staff turnover was reportedly higher in these surveys (70-76 per cent), and business growth lower (46-47 per cent).

Figure 2.3: Reason for vacancies in the business (multiple response)



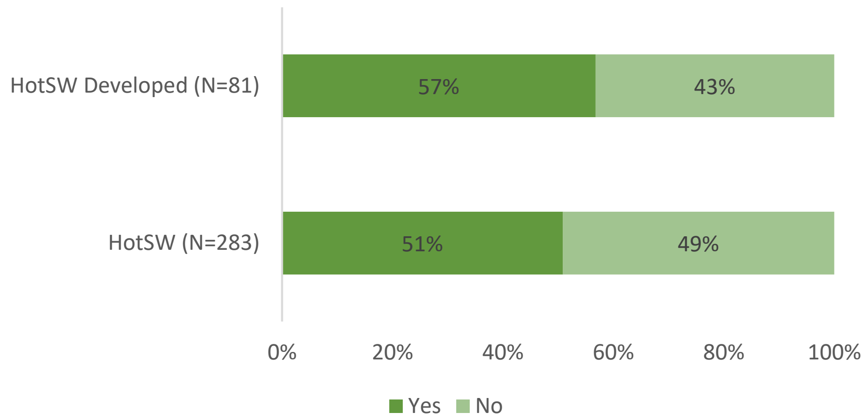
2.2.2 Hard to fill vacancies

Of the respondent businesses who reported vacancies, 57 per cent in the Developed area reported that the vacancies were hard to fill. In the Heart of the South West 51 per cent of respondent businesses reported their vacancies hard to fill (see figure 2.4). This equates to an incidence rate of hard to fill vacancies of 51 per cent of all businesses in the Developed area, and 42 per cent in the Heart of the South West. This is higher than the 34 per cent reported in the 2017 Devon WSS, the though similar to the 47 per cent reported in the 2018 Gloucestershire Business Survey. In the West of England Skills Survey the incidence rate was 24 per cent in 2016.[8]

[8] West of England Skills Survey, Wavehill on behalf of the West of England LEP, 2016

Assuming all the vacancies reported by businesses stating they had hard to fill vacancies, were hard to fill, the density of hard to fill vacancies is 53 per cent of all vacancies in the Developed area. In the Heart of the South West it is similar at 54 per cent.

Figure 2.4: Proportion of businesses who reported hard to fill vacancies



Within the Heart of the South West the proportions of businesses of hard to fill vacancies were similar across those firms associated with the Energy or Engineering sectors. Results from the Developed area are too small to allow robust analysis.

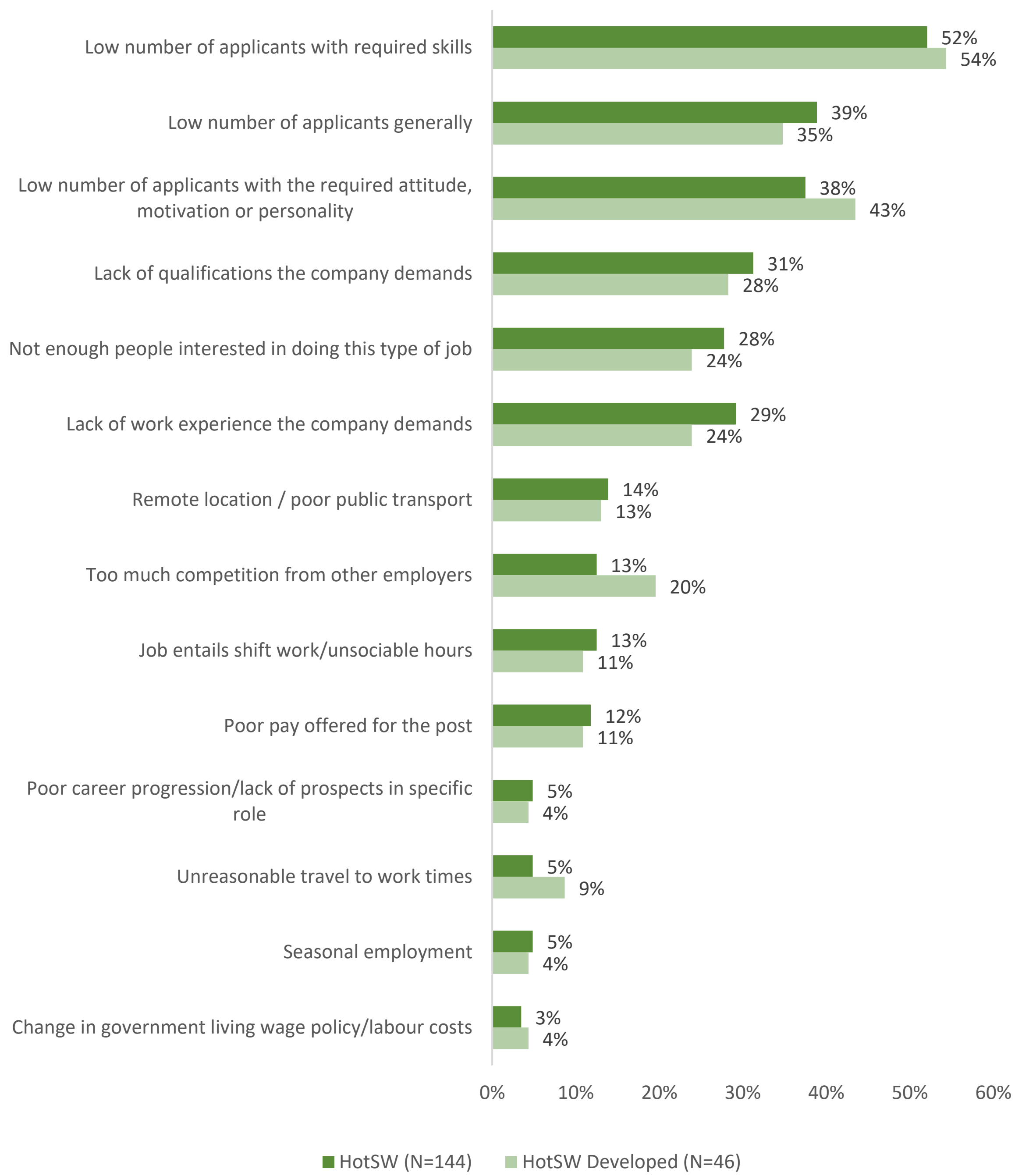
For most respondent businesses, the reason the vacancies were hard to fill was due to the low number of applicants with the required skills. This was consistent in both the Developed area and the Heart of the South West where it was reported by 52 and 54 per cent of respondent businesses, respectively (see figure 2.5). A low number of applicants generally was also reported by a large proportion of respondents (39 per cent in the Heart of the South West and 35 per cent in the Developed area).

These findings would suggest that a shortage of available labour exists in the Heart of the South West and the Developed area, and this is leading to hard to fill vacancies which are being compounded by skills shortages.

Cross tabulating these survey results by occupation reveals that a low number of applicants with required skills was the most common reason among vacancies for higher skilled occupations. Twenty-three per cent of chief executive level vacancies reported a low number of applicants with the required skills as did 21 per cent of professional occupations in the Heart of the South West. By contrast, 12 per cent of sales and customer service vacancies reported a lack of applicants with the required skills and instead 16 per cent reported low numbers of applicants with the right attitude. This was similar with process occupations where reasons for hard to fill vacancies was spread among not enough people interested in doing this type of job (11 per cent), low number of applicants with the right attitude (11 per cent) and lack of work experience the company demands (10 per cent). There were insufficient responses from the Developed area to carry out this cross tabulation.

Other issues such as the lack of work experience and qualifications was also reported by between a quarter and third of respondent businesses in the Heart of the South West and Developed area. These findings have a similar base in the level of training, and exposure individuals in the labour market have had to develop the necessary skills. These reasons are relatively solvable with good training and methods to provide experience being within the gift of public sector provision, compared to elements such as job location, hours and pay which are other reasons for hard to fill vacancies.

Figure 2.5: Reasons for hard to fill vacancies (multiple response)



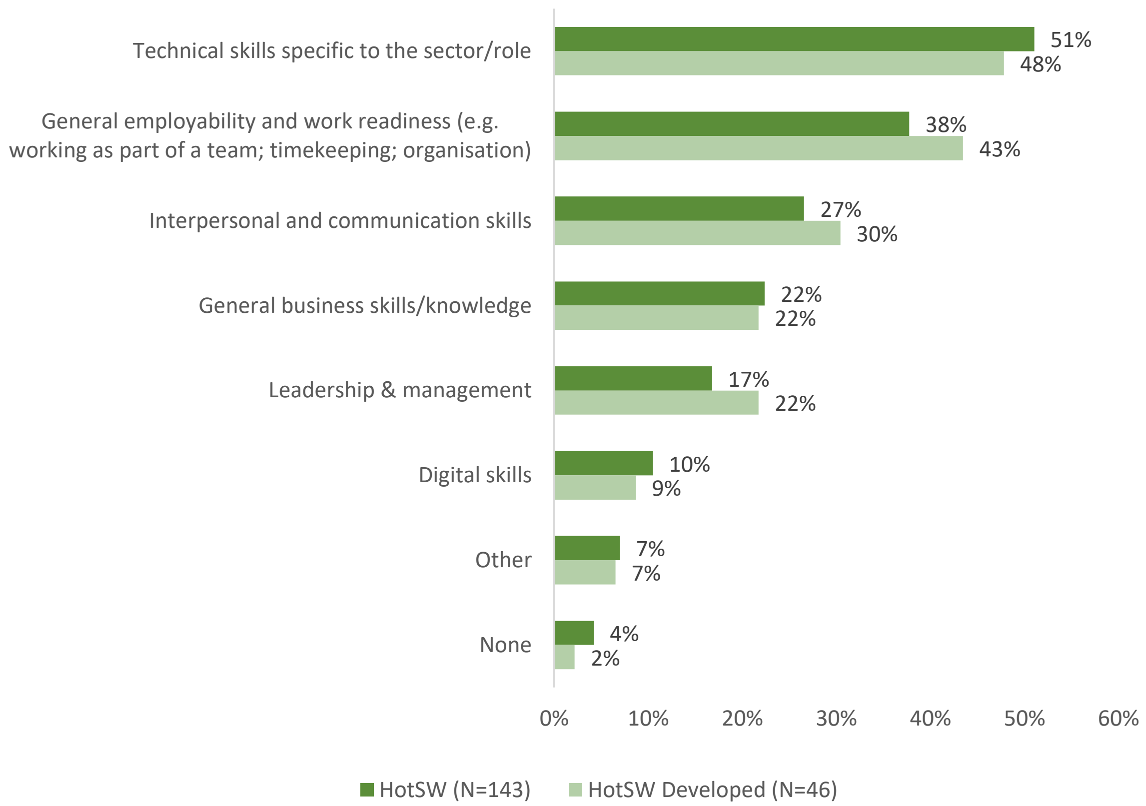
The respondents reported that the occupations of the vacancies were varied, though over a quarter of businesses said hard to fill vacancies were in skilled trades and professional occupations. A fifth of businesses reported sales and customer service roles, as well as technical and associate professional occupations were hard to fill. These occupations are typically higher skilled and highly qualified which, taken alongside the results presented in figure 2.5, suggests that higher skills are a barrier.

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 Developed area is 27 per cent, higher than the 22 per cent of businesses in the Heart of the South West. Density of skill shortage vacancies as a proportion of all businesses reporting vacancies in the Developed area is 30 per cent (the same as the Heart of the South West).

When asked what skills were lacking among the applicants, the most frequently reported by respondent businesses to the survey, in both the Developed area and the Heart of the South West, were technical skills specific to the sector or role (see figure 2.6). Digital skills were reported as lacking by approximately 10 per cent of businesses, both in the Heart of the South West and the Developed area.

Figure 2.6: Skills lacking among applicants (multiple response)



When asked to describe the technical skills that were lacking, the coded responses from the surveyed businesses suggests that 48 per cent were job specific in the Heart of the South West. These covered a range of skill areas, sectors and disciplines:

- Chefs and caterers
- Hairdressing
- Engineering and machine calibration
- Basic construction or landscaping
- Skilled construction such as electricians, carpenters, and plasterers
- Textile and pattern cutting
- Lighting and audio-visual technicians
- Aircraft engineers
- Plant operatives
- Creative industry skills including 3D printing and Fablab
- Vehicle bodywork technicians

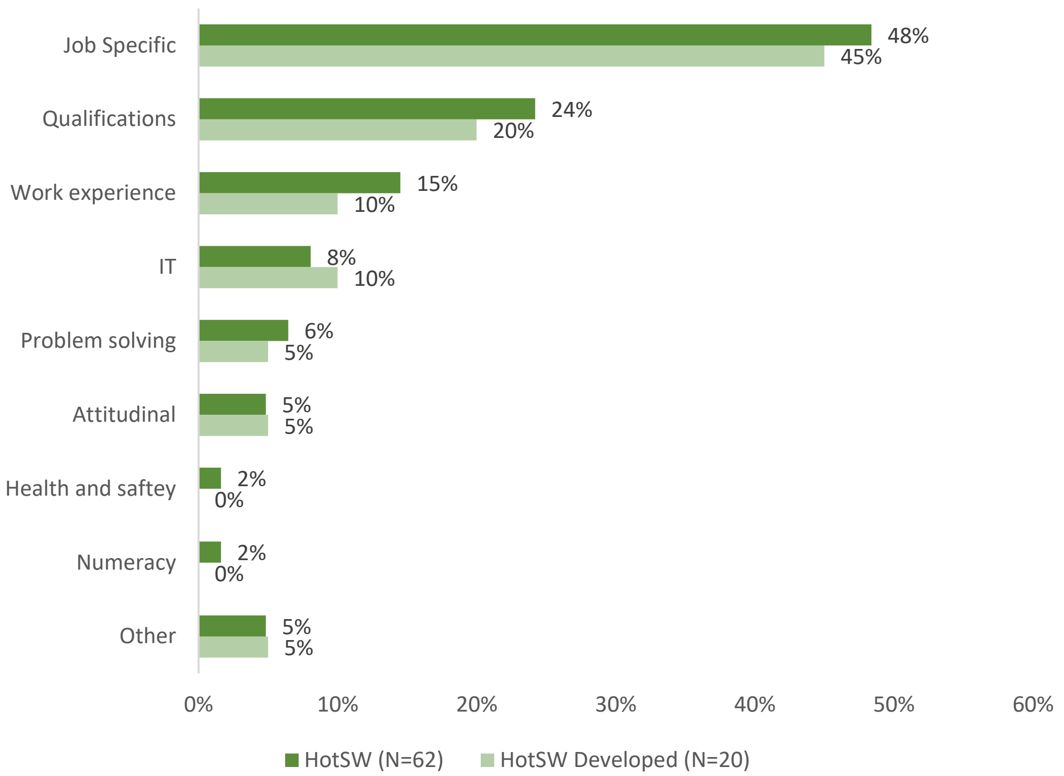
A quarter of surveyed businesses in the Heart of the South West reported that it was a lack of technical qualifications that meant applicants did not have the technical skills. Frequent examples of these were:

- NVQ 3 in Pharmacy
- NVQ 2 Carers
- NVQ 3 in Healthcare
- Professional CIOB qualifications
- Construction apprenticeships

As suggested by the above the job specific technical skills and qualifications for technical skills lacking among applicants are mainly in the construction, health, food and drink, automotive and art sectors in the Heart of the South West.

Eight per cent of respondents suggested that it was IT skills that was leading to a lack of technical skills. It should be noted that the sample for these calculations is small and within the Developed area were considered insufficient for analysis.

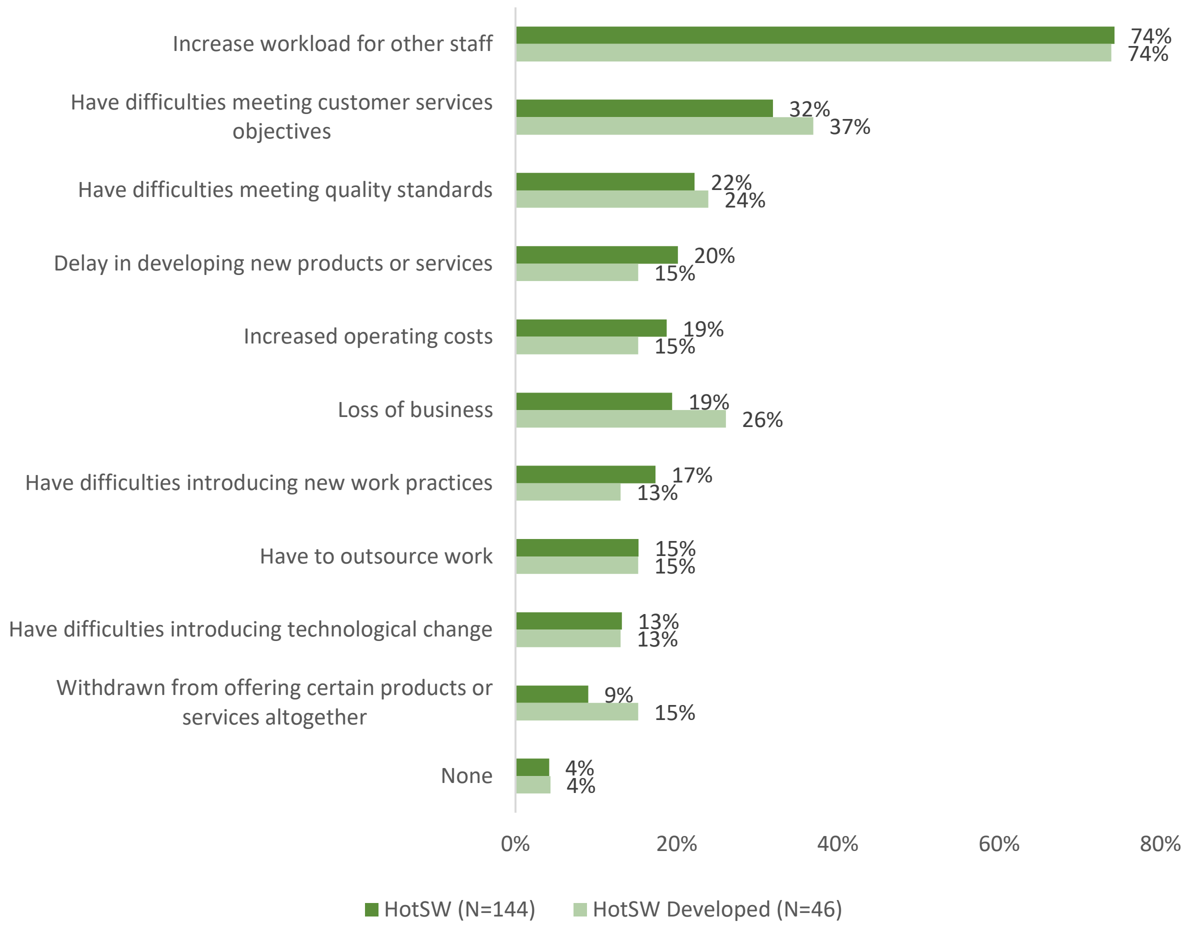
Figure 2.7: Coded descriptions of technical skills lacking among applicants



2.2.4 Impacts of hard to fill vacancies

The impacts of hard to fill vacancies on respondents in the Developed area are broadly consistent with those in the Heart of the South West. For the majority of surveyed businesses, the impact has been to increase the workload of other staff in the organisation (see figure 2.8). The figures here though are higher than those in the ESS in which 87 per cent of businesses reported increased workload for staff in the Heart of the South West in 2017 (95 per cent in the Developed area). Some 13 per cent 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. For one-quarter of businesses in the Developed area, a loss of business is the impact of the failure to recruit, above the 19 per cent reported in the Heart of the South West. The ESS shows this was 53 per cent in the Developed area in 2017 and 38 per cent in the Heart of the South West.

Figure 2.8: Impacts of hard to fill vacancies on businesses (multiple response)



2.2.5 Overcoming difficulties in recruitment and skills

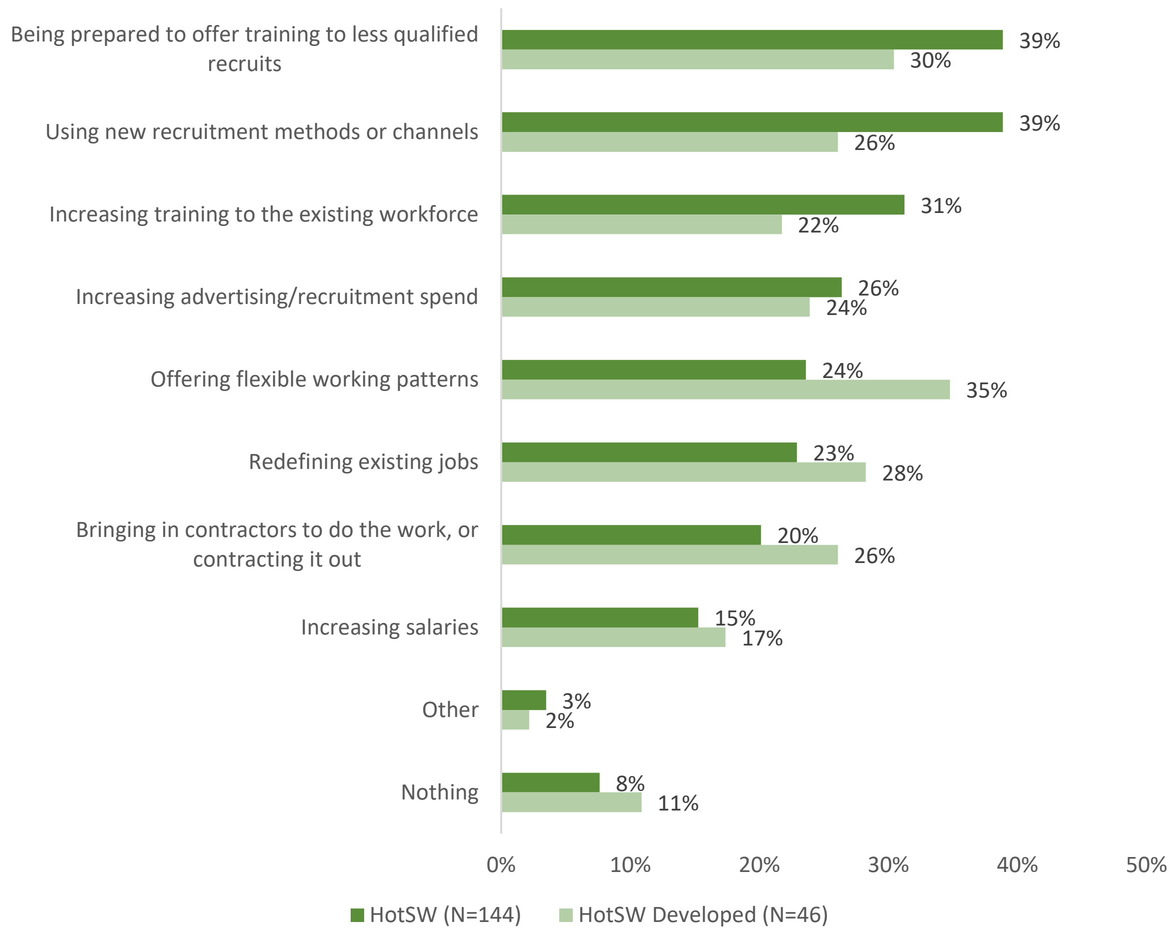
In response to the challenges posed by hard to fill vacancies, the respondents provided a number of measures they were taking (figure 2.9). In the Developed area, many businesses said they were offering flexible working patterns (35 per cent) and being prepared to offer training to less qualified recruits (30 per cent). These results though are different to those in the whole Heart of the South West where using new recruitment methods or channels was adopted by 39 per cent of businesses, as was offering training to less qualified recruits.

In comparison, the ESS shows that offering training to less qualified recruits was undertaken by a lower proportion of businesses in 2017; seven per cent in the Developed area and eight per cent in the Heart of the South West. Using new recruitment methods was reported by 33 per cent of businesses in the Heart of the South West in the ESS in response to overcome recruitment difficulties for hard to fill vacancies, similar, but below the findings of this research. In the Developed area it was 29 per cent, above the results from this research.

The size of the respondent population to this survey in the Developed area, however, reduces the robustness of this information, though training provision is still important to many businesses, as shown in figure 2.9.

Additionally, a greater proportion of businesses in response to this survey stated they were increasing training to their existing workforce compared to the ESS; 31 per cent in the Heart of the South West and 22 per cent in the Developed area compared to six per cent in the ESS for both the Developed area and the Heart of the South West. This preparedness to offer training is a continued theme explored in the next section.

Figure 2.9: How businesses are overcoming the recruitment difficulties (multiple response)



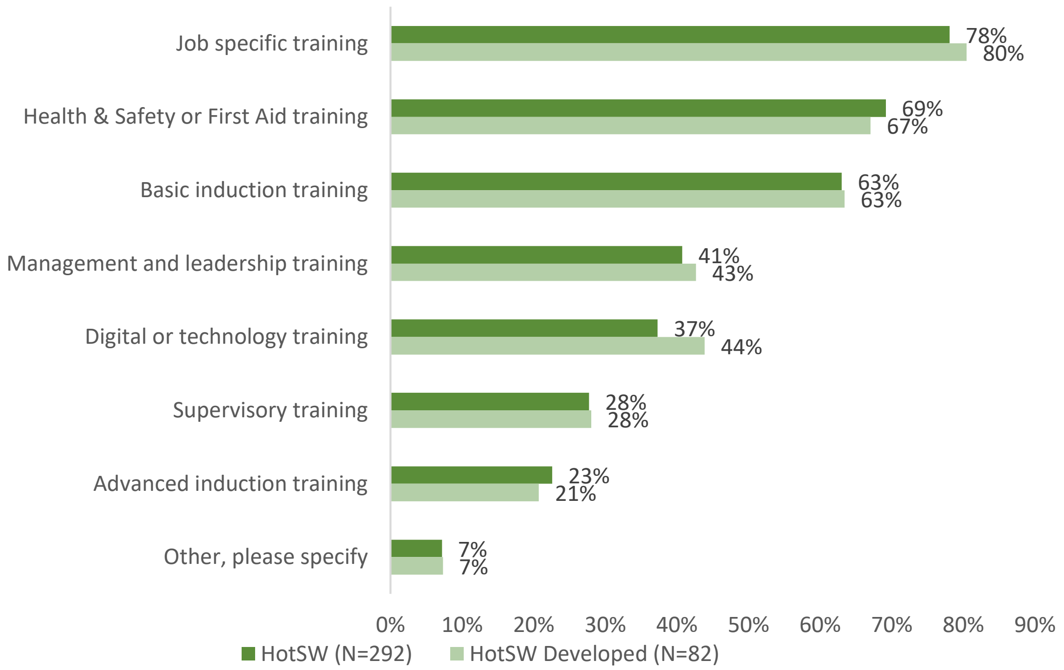
2.3 Training

A little over half of respondents to this survey had a training budget in the Developed and Heart of the South West area (51 and 52 per cent respectively). This is higher than the ESS responses in 2017 which suggest 36 per cent of businesses have a budget for training across England. The proportion of businesses with a training budget increases with the size of the business in the ESS and the same occurs in this analysis. Cross tabulating the results shows that 45 per cent of medium businesses in both Heart of the South West and the Developed area have a training budget compared to 17 per cent of micro businesses in the Developed area and 20 per cent of businesses in the Heart of the South West.

Within the Developed area, 90 per cent of respondents reported that their staff had undergone some form of training in the last 12 months, similar to the 86 per cent in the Heart of the South West. This is greater than the figures in the 2017 ESS where 70 per cent of businesses had offered training in the last 12 months in both the Heart of the South West and Developed area.

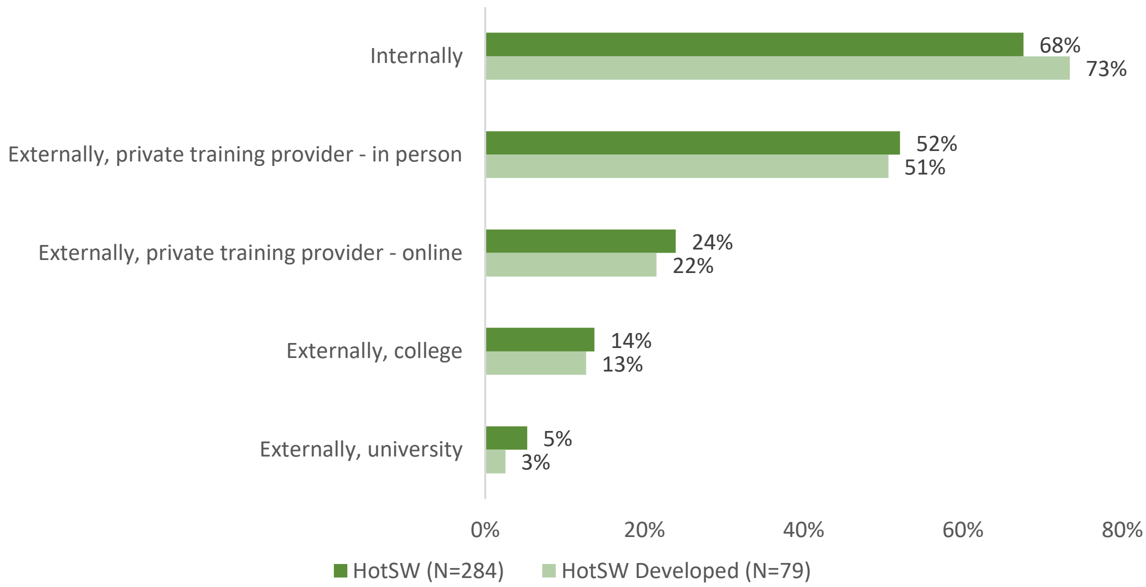
For most respondent businesses (80 per cent in the Developed area) the training provided was job specific (figure 2.10). Some two-thirds of respondent businesses in the Developed area had also undertaken health and safety or first aid training, similar to the 69 per cent in the Heart of the South West. A higher proportion of businesses in the Developed area had put their staff through digital to technical training (44 per cent) compared to the Heart of the South West (37 per cent). Other training providing was listed as welfare, CPD, process and food hygiene and production.

Figure 2.10: Types of training provided for staff in the past 12 months (multiple response)



Nearly three-quarters of respondent businesses in the Developed area provided training internally, slightly above the 67 per cent in the Heart of the South West (see figure 2.11). Over half used face-to-face external training and 22 per cent external online resources. Smaller proportions of businesses used academic bodies to provide their training.

Figure 2.11: Who provides the training? (multiple response)



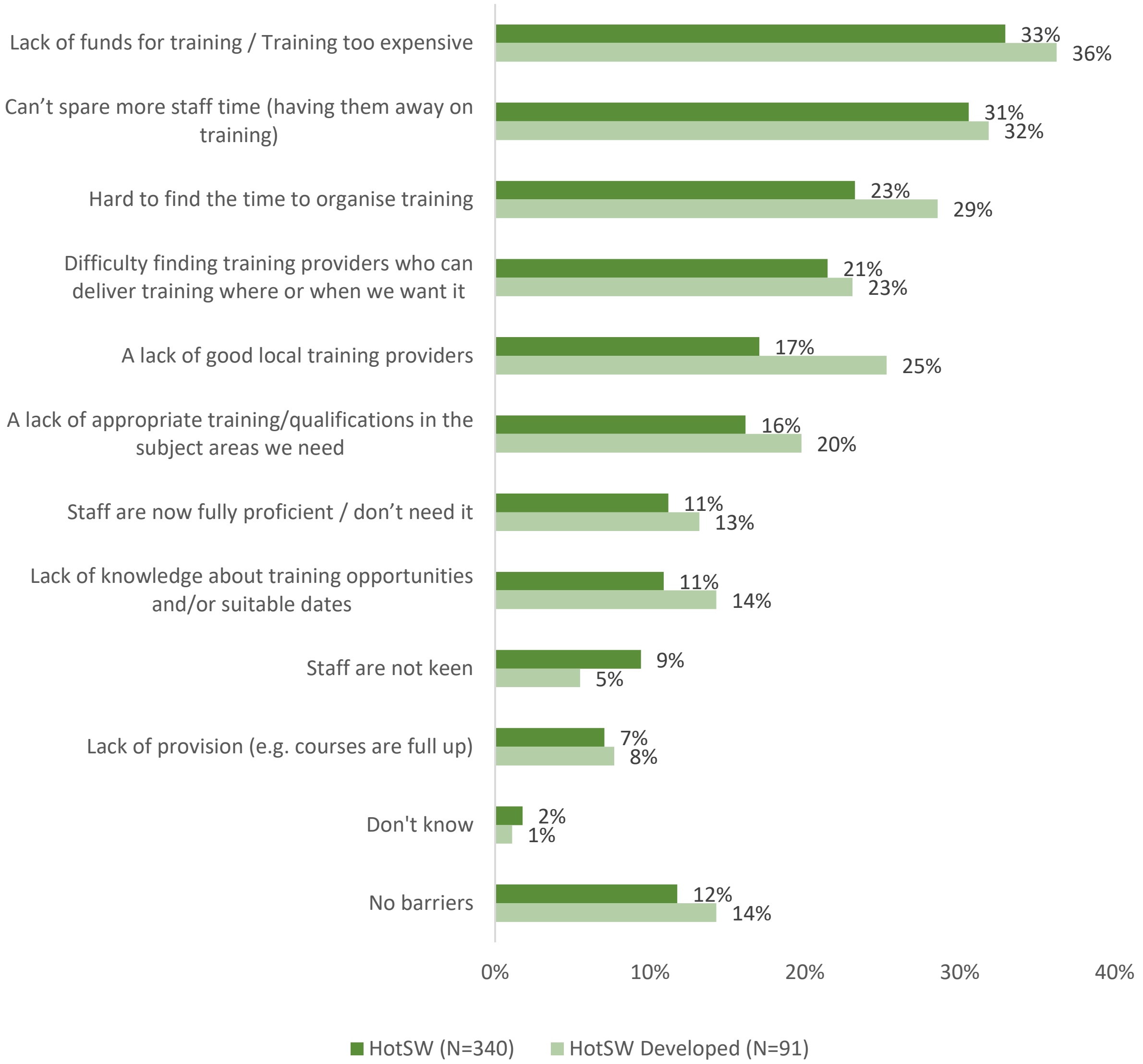
There were over 200 training providers listed as used by the respondents across the Heart of the South West and 67 in the Developed area. Many of the training providers were therefore unique to the respondent businesses and only Bridgwater College was referenced as a common training provider by three companies in the Developed area. Consequently, training provision appears to be specific to the organisation and their sector or setting (a full list can be found in the Appendix). When considering the whole Heart of the South West, there was some increase in frequency of providers that were mentioned with Plymouth University, the University of Exeter, Petroc and SSG mentioned by over eight businesses each.

The survey recorded the average levels of satisfaction for the training providers was 4.29 out of 5 in the Developed area and 4.47 out of 5 in the Heart of the South West. Fifty-six per cent of respondents in the Developed area said their training provision was 5 out of 5, while 62 per cent of businesses in the Heart of the South West provided this score. Only 14 per cent of businesses in the Developed area scored their training provider as 1, 2 or 3 out of 5. In the Heart of the South West this was 10 per cent.

Some 81 per cent of businesses in the Developed area allowed staff paid time off for training, similar to the 85 per cent in the Heart of the South West.

The challenges respondent businesses face in providing training to current staff were similar in the Developed area to the Heart of the South West. Cost of training was the most frequently cited challenge by approximately one-third businesses (see figure 2.12). Length of time that training took from staff performing their role was also an important barrier for almost one-third of businesses. These results are slightly above those in the 2017 Devon WSS where training being too expensive was a reported barrier among 24 per cent of respondents and not being able to spare staff time reported by 26 per cent of respondents. The figures are broadly in line with the Gloucestershire Business Survey, where 42 per cent of businesses reported training was too expensive and 35 per cent reported they could not spare staff time. A small proportion in this latest research reported that a lack of provision was a challenge (eight per cent), though more prevalent was the lack of appropriate training or qualifications (20 per cent) and lack of knowledge about training opportunities (14 per cent).

<u>Figure 2.12: Challenges faced by businesses in providing training to staff (multiple response)</u>



2.4 Research, training and education institutions

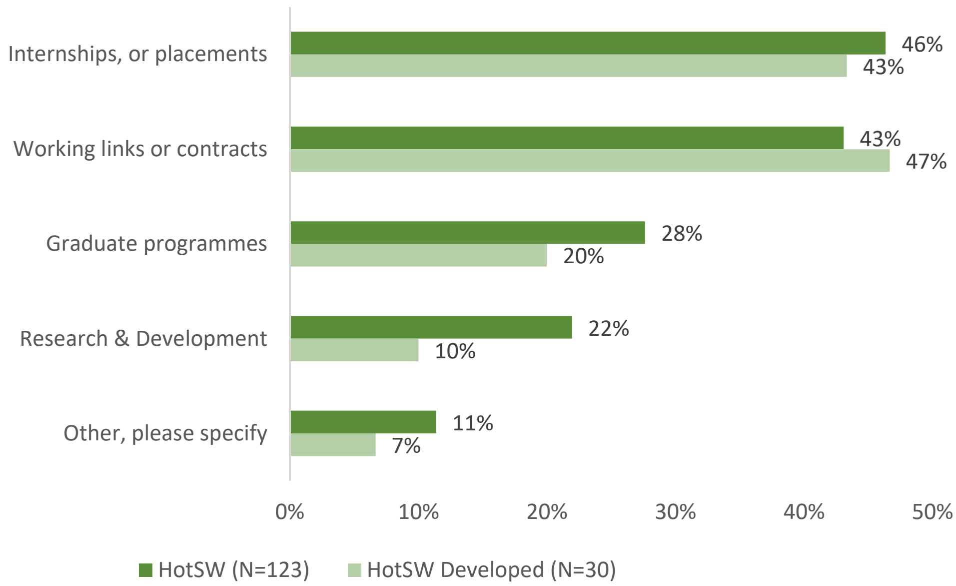
To investigate the extent businesses in the Heart of the South West engaged and collaborated with education and training institutions, the survey asked if the businesses had any relationships with academic organisations, including universities, schools and colleges, or independent training providers. The results show that 82 per cent of businesses had some form of engagement of any kind with training providers. The subheadings below explore what those relationships involved.

2.4.1 Academia

One-third of businesses surveyed in the Developed area had some link to academic institutions, below the 39 per cent in the Heart of the South West. Of these, 43 per cent in the Developed area offered internships or placements and 20 per cent had graduate programmes with such institutions (figure 2.13). The figures for the Developed area for businesses engaged with academic institutions through graduate programmes or research and development are below that of the Heart of the South West. Though the number of respondents within the Developed area is small, the lower proportions reported may suggest that the lack of proximity to a university is having an impact.

Of those who gave other responses, the most frequent response was for training.

<u>Figure 2.13: Links with academic institutions among businesses (multiple response)</u>

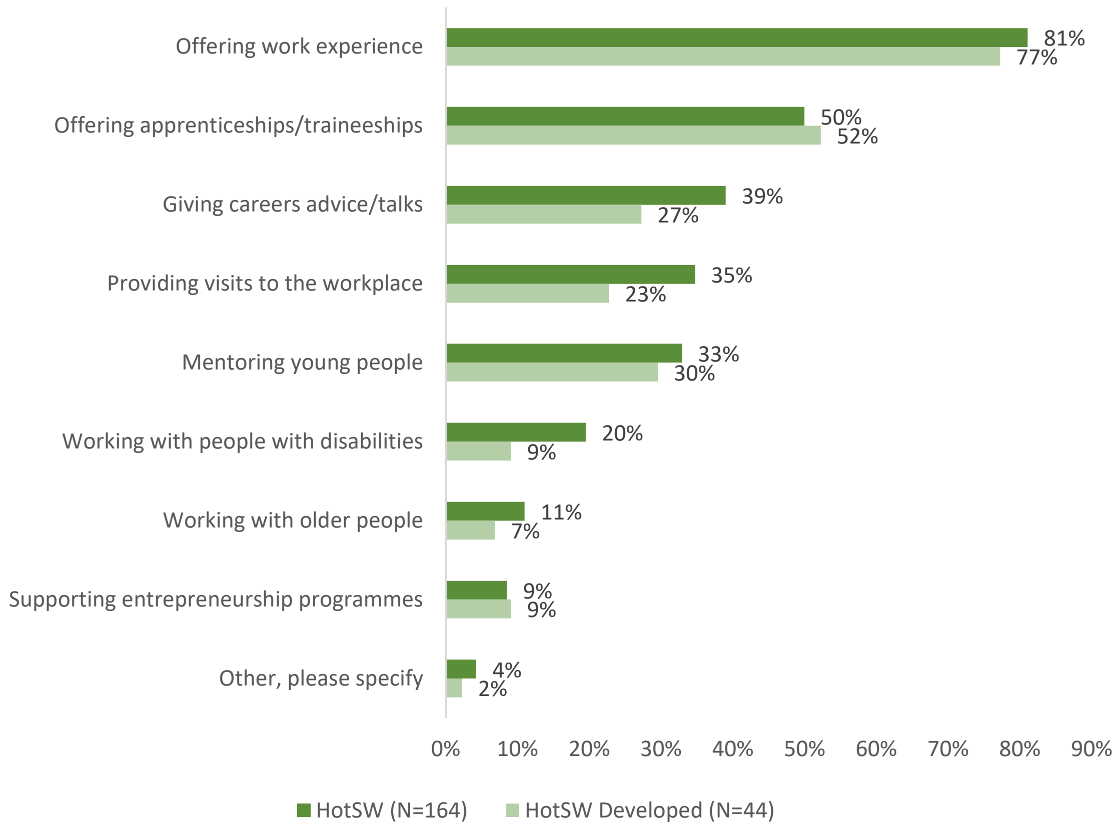


A higher proportion of respondents in the Heart of the South West who reported research and development engagement with academic institutions came from manufacturing (21 per cent) and the arts and entertainment (20 per cent) sectors. The responses for the Developed area are too few to conduct this analysis.

2.4.2 Schools and colleges

Nearly half of respondent businesses had links with schools or colleges in both the Developed area and Heart of the South West (figure 2.14). For the majority of businesses this was to offer work experience, and half also offered apprenticeship training in conjunction with such colleges. There also appears to be a lower proportion of businesses in the Developed area giving careers talks or workplace visits compared to the Heart of the South West.

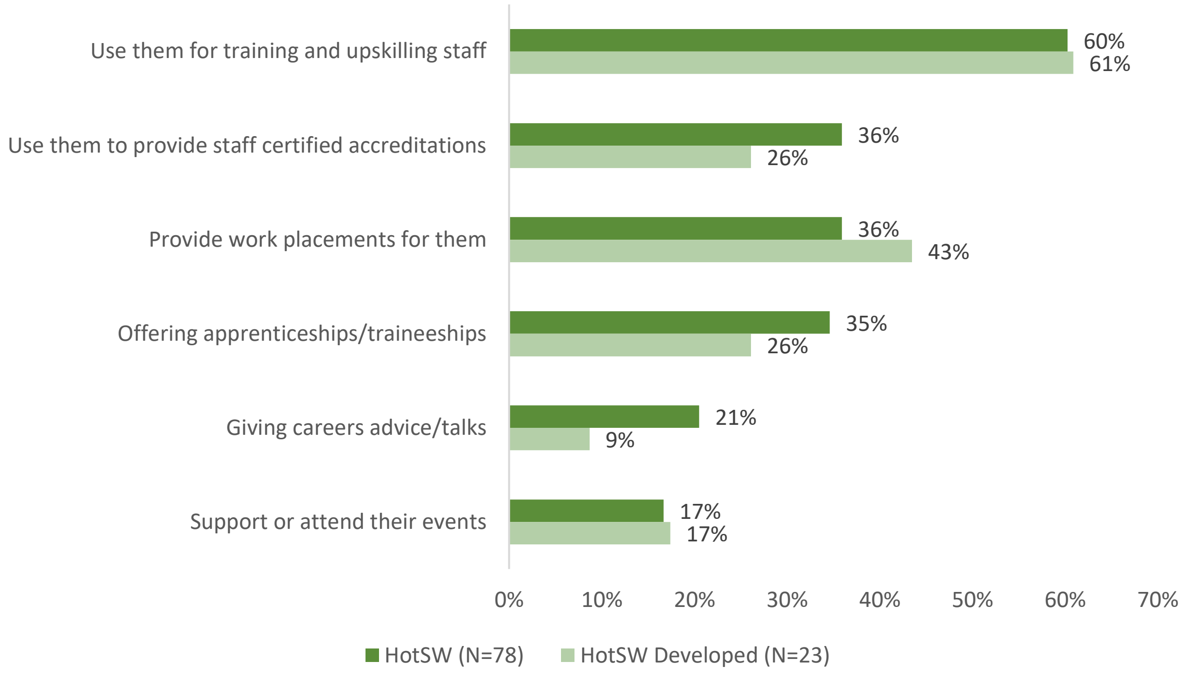
Figure 2.14: Links with schools and colleges among businesses (multiple response)



2.4.3 Independent training providers

Some 45 per cent of respondent businesses had relationships with independent training providers in the Developed area, similar to the Heart of the South West (43 per cent). For most of the respondents (61 per cent) this was to use them for training and upskilling staff (see figure 2.15). In the Heart of the South West 35 per cent used independent training providers to provide staff with certified accreditations, though this was higher than the proportion in the Developed area of 26 per cent. More businesses in the Developed area seemed to provide work placements for independent training providers than in the Heart of the South West (43 per cent vs 35 per cent) though the response rate is low, potentially explaining the greater variance.

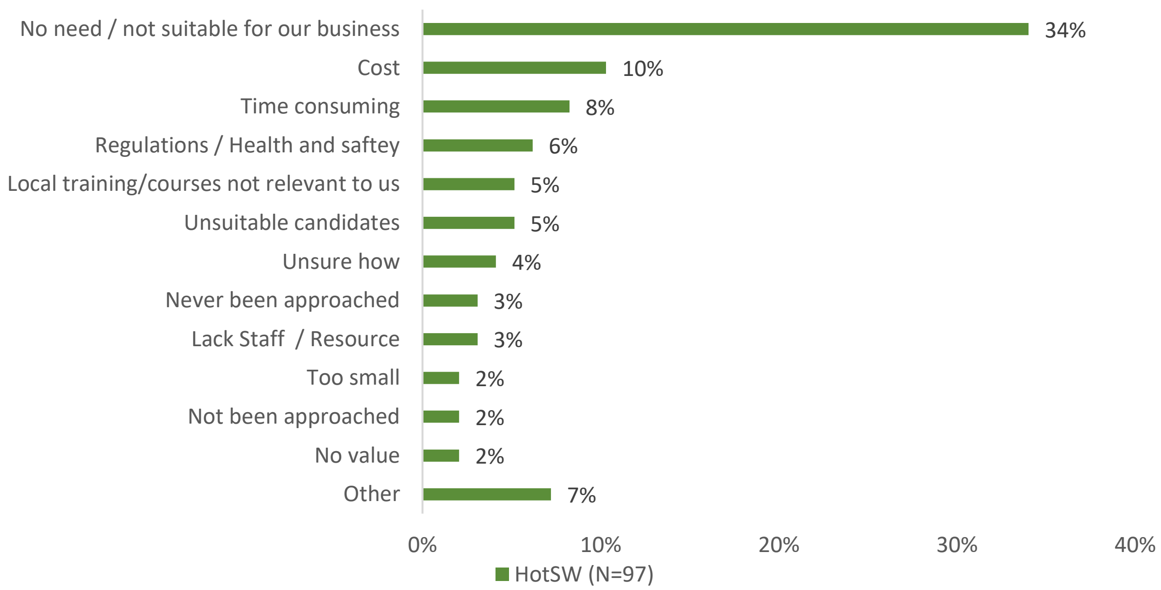
Figure 2.16: Links with independent training providers among businesses (multiple response)



2.4.4 Why do some businesses not engage with skills providers?

For the 18 per cent of surveyed businesses who do not engage with skills providers, the main reason (34 per cent of responses in the Heart of the South West) was that there was no need or it was not suitable for their business (see figure 2.17). Developed figures are not shown due to the limited sample size.

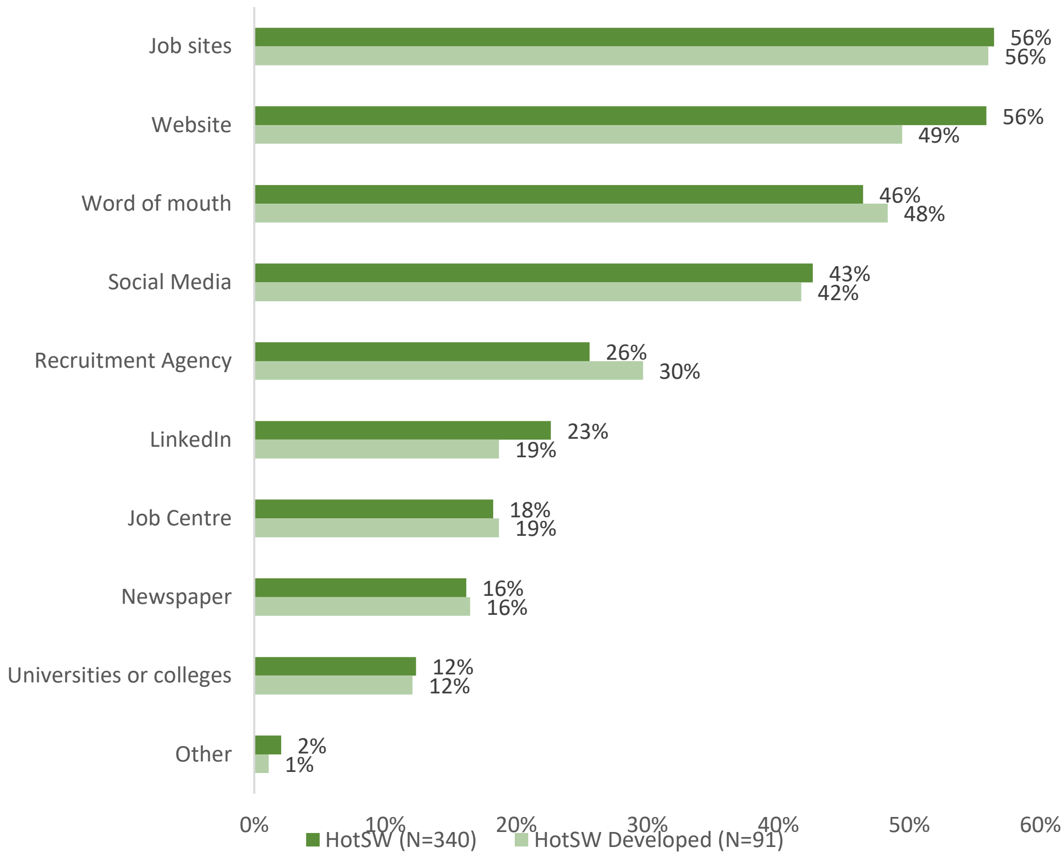
Figure 2.17: Why businesses do not engage with skills providers?



2.5 Recruitment

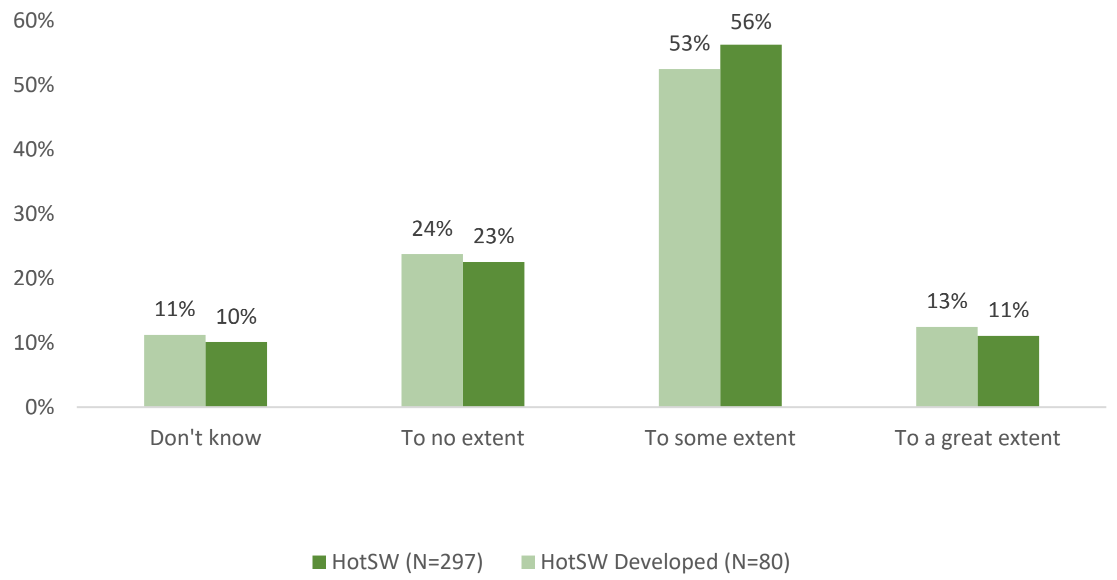
Most respondent businesses in the Heart of the South West and Developed area, recruit using online job sites and their own website, though a large portion use word of mouth and social media (figure 2.18). A tenth recruit from university graduates and over a quarter use recruitment agencies.

Figure 2.18: How does your organisation recruit? (multiple response)



To understand why local businesses did not recruit more from universities or colleges, the survey asked those who did not recruit in this way if they had considered such recruitment. Thirty-five per cent of respondent businesses in the Developed area had considered using universities and colleges as a means to recruit, slightly lower than the Heart of the South West at 41 per cent. A smaller proportion of these businesses thought that university graduates would be able to provide the skills necessary to their organisation to a great extent, with most suggesting they would to some extent provide some of the skills required (figure 2.19). This likely reflects that organisation have many sectoral and job specific skills that need to be trained and developed on the job, and do not necessarily come from degree programmes.

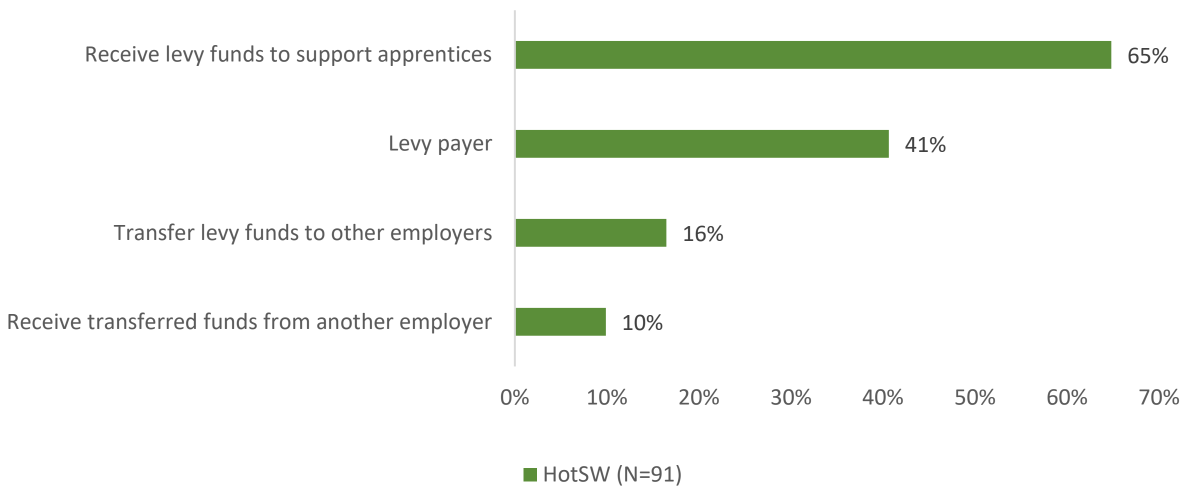
Figure 2.19: The extent to which businesses feel that university graduates are able to provide the skills necessary to their organisation



2.6 Apprenticeships

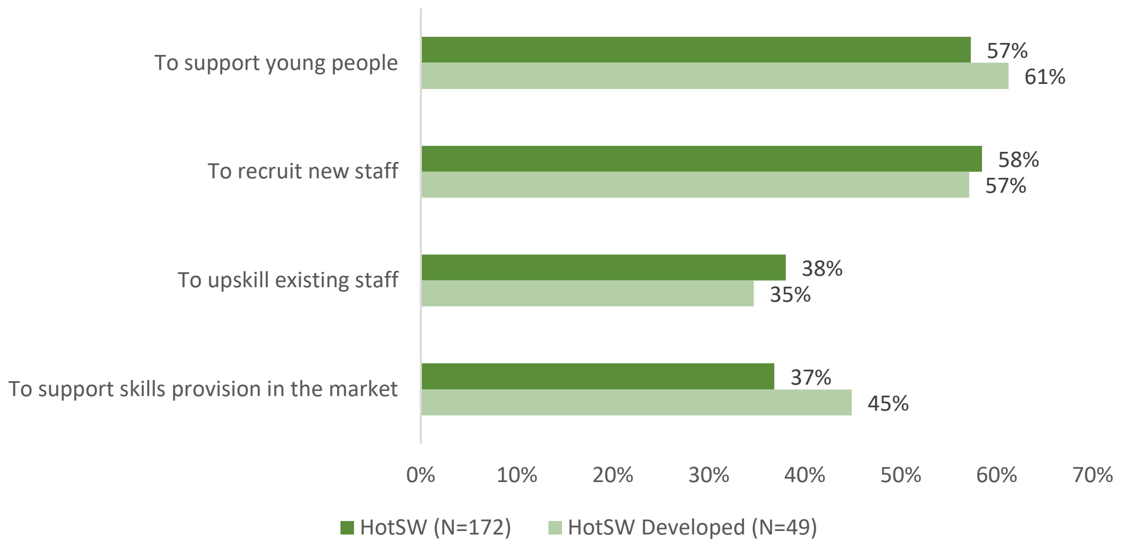
One-third of surveyed businesses in the Developed area are involved in the apprenticeship levy in some way, either as recipients or contributors. This is slightly below the 37 per cent who reported being involved in the apprenticeship levy in the Heart of the South West. For most of these businesses they receive levy funds to support apprentices (64 per cent in the Heart of the South West), see figure 2.20. Too few respondents were in the Developed area to analyse.

Figure 2.20: How organisations are involved with the apprenticeship levy (multiple response)



Some 40 per cent of respondent businesses in the Developed area take on apprentices, in line with the 37 per cent in the Heart of the South West. For many of these businesses they take on apprentices to support young people (61 per cent) and to recruit (57 per cent), as shown in figure 2.21.

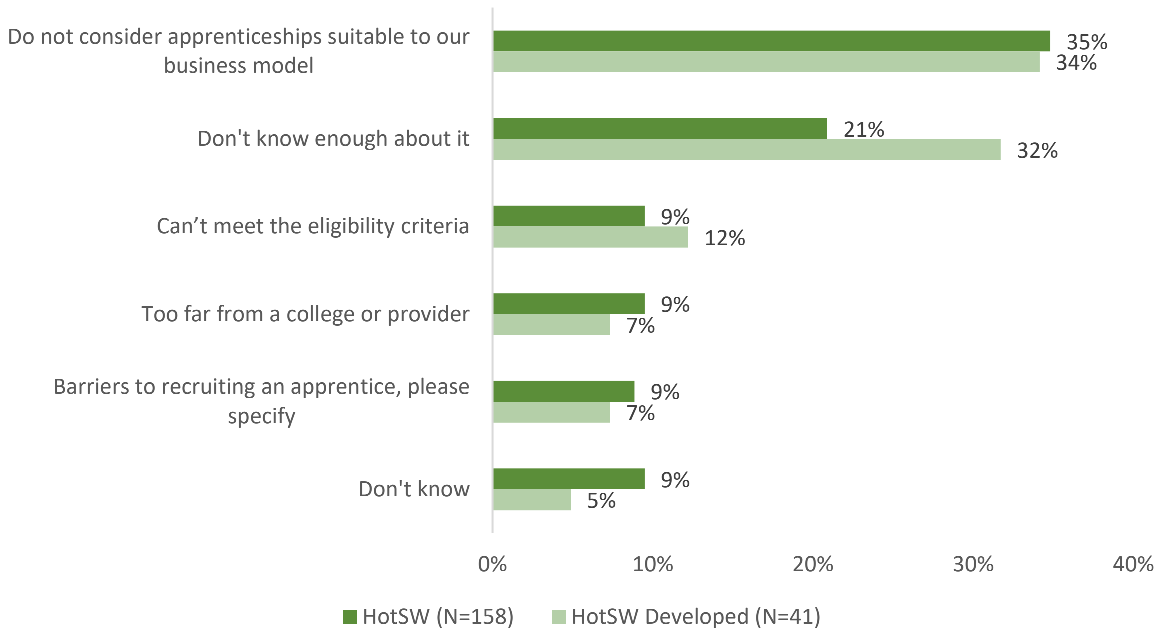
Figure 2.21: Why do businesses take on apprentices? (multiple response)



Those who gave other reasons were few (two per cent in the Heart of the South West) and the responses were mixed, but training to organisations approach were most cited.

For surveyed businesses who did not take on apprentices, the main reason was they did not consider apprentices suitable for their business model. A large proportion (32 per cent in the Developed area and 21 per cent in the Heart of the South West) however, reported that they did not know enough about apprenticeships potentially identifying an opportunity to meet skills gaps if information could be provided (figure 2.22).

Figure 2.22: Why do you not take on apprentices? (multiple response)



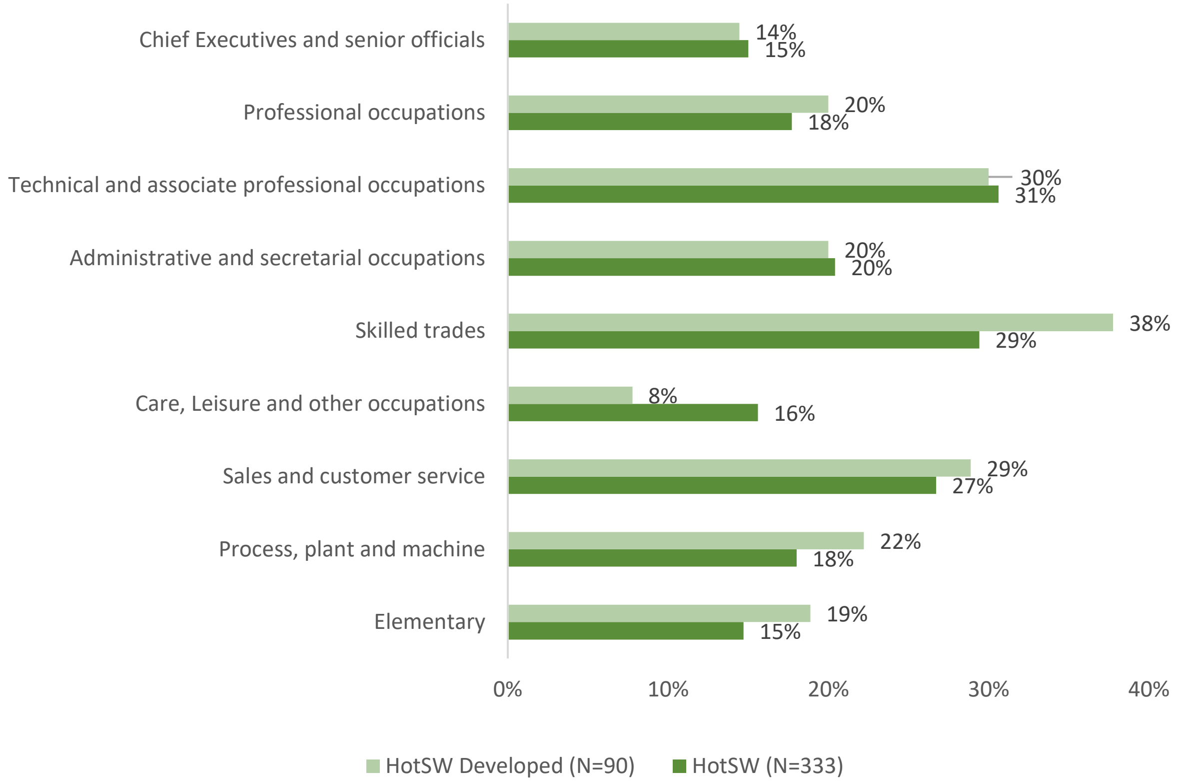
Of these respondent businesses who did not take on apprentices, 33 per cent of respondents in the Heart of the South West said they would consider taking on apprentices in the future if there was additional support available, and a further 45 per cent said they would, depending on the requirements.

2.7 Technical and digital skills

The survey asked which occupational categories businesses felt were most likely to be affected by the need to acquire new skills. This was spread across various occupation areas though skilled trades, technical and associate professionals, and sales and customer service occupations were the highest in the Developed area (figure 2.23). This aligns with the earlier finding that technical skills were those most lacking from applicants to vacancies (section 2.2). The findings were similar in the Developed area to the Heart of the South West, though a higher proportion in the Developed area reported skilled trades were likely to be affected by need to acquire new skills than in the Heart of the South West (38 per cent vs 29 per cent).

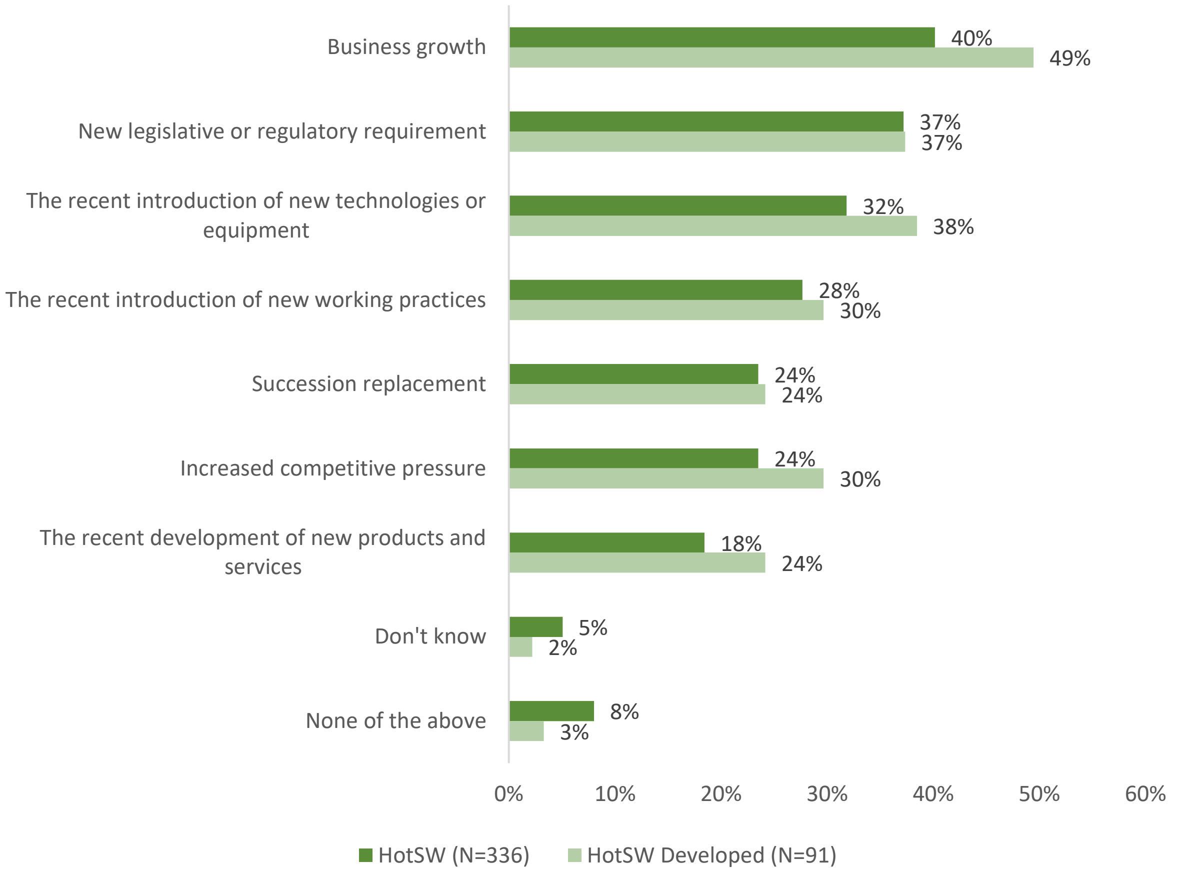
The higher proportion of businesses reporting skilled trade occupations are the most likely to be affected by the need to acquire new skills in the Developed area may identify an area of focus for technical skill development.

Figure 2.23: Occupations most likely to be affected by the need to acquire new skills (multiple response)



The reasons these occupations were going to be affected was fairly diverse across the respondents, though business growth was the most frequently cited in the Developed area (49 per cent) and the Heart of the South West (40 per cent). Introduction of new technology or equipment was an important driver among 38 per cent of Developed businesses suggesting an opportunity for training as a response to such technological development (see figure 2.24).

Figure 2.24: Main reason occupations will be affected by need to acquire new skills (multiple response)

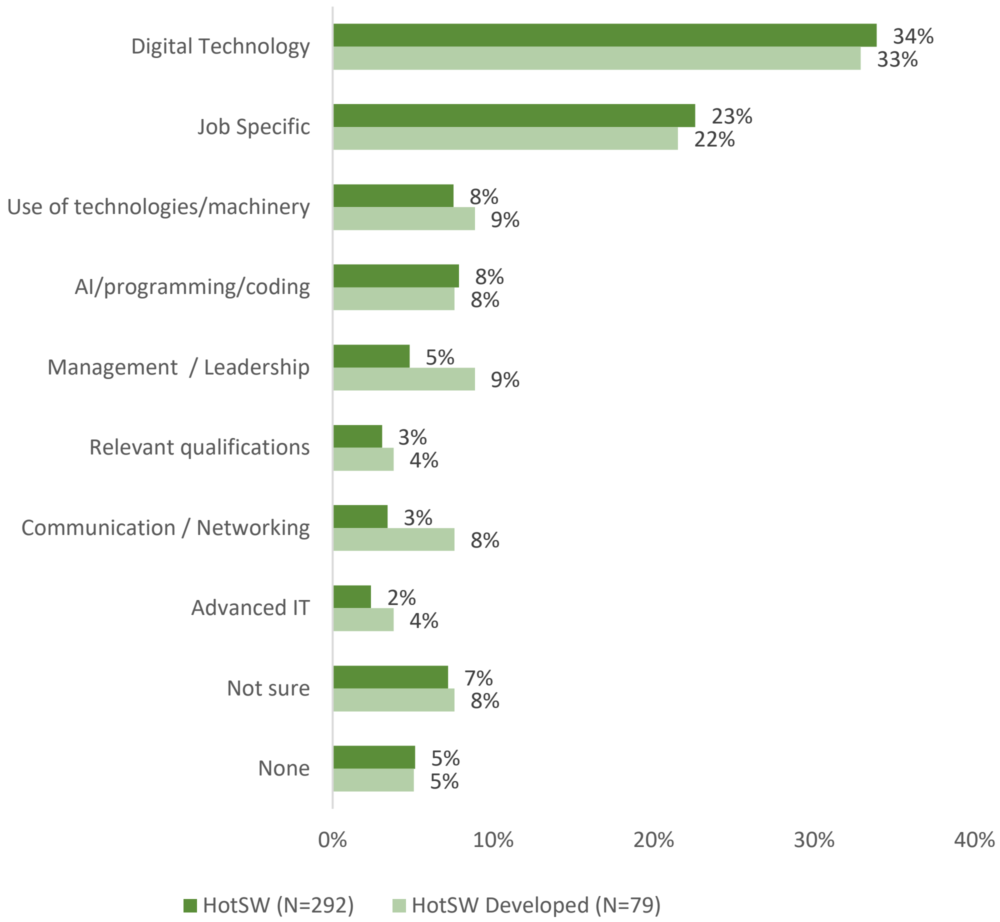


2.7.1 Required skills

The coded responses given by the surveyed businesses show that general digital technology skills were of most need in the next three years. Approximately one-third of businesses reported a need for general digital skills, and results in the Developed area were similar to the survey-wide data for the entire Heart of the South West (figure 2.25). For many this related to the technology driven changes that are affecting most sectors and industries.

> *"More staff to have advanced Excel skills to be able to produce spreadsheets and provide business analysis."*
>
> *Staff need "the ability to train over the internet, knowledge of existing and new online portals [and] the ability to explain technical issues to customers, perhaps using technology to help."*

Figure 2.25: Technical skills needed by businesses in the next three years (figures <3 per cent suppressed)



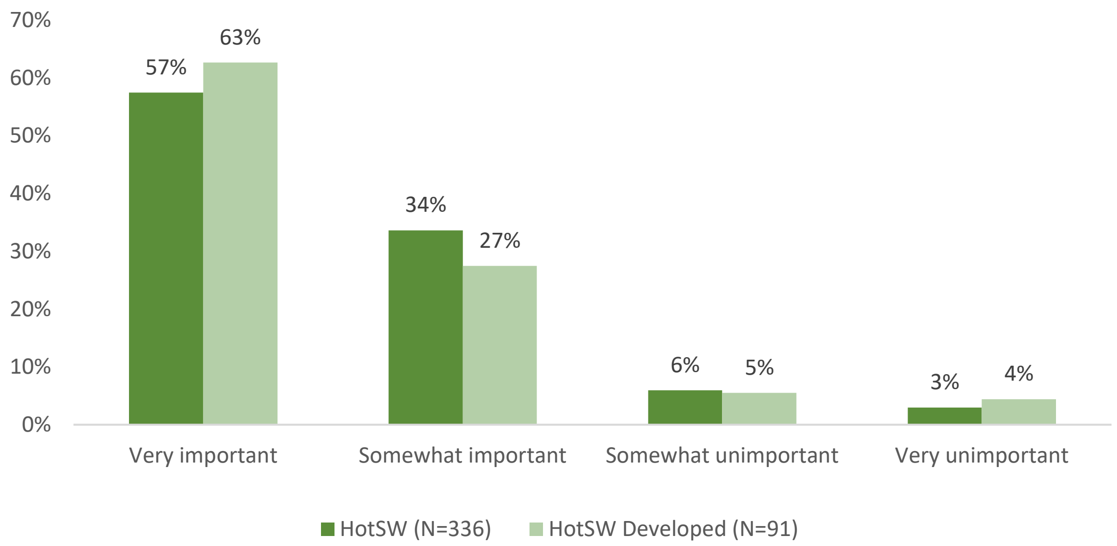
Some surveyed businesses also thought they would need higher level digital skills in the next three years such as artificial intelligence, programming, and software management such as CRMs. Management and leadership skills were also mentioned by five per cent of businesses in the Heart of the South West and nine per cent of businesses in the Developed area. A wealth of research has shown such skills are important to raising productivity in the economy.[9]

[9] The impact of training on productivity and wages: firm level evidence, Konings and Vanormelingen, Review of Economics and Statistics, 97 (2), May 2015

Breaking these results down by those organisations associated with either the Engineering or the Energy sector reveals that there were similar requirements for digital skills. In the Heart of the South West 37 per cent (23/62) of Energy associated businesses required digital skills, as did 36 per cent (36/100) of those associated with Engineering. Within the Heart of the South West as a whole, 13 per cent (8/62) of businesses operating within the Energy sector required job specific technical skills. Twenty-two per cent (22/100) of Heart of the South West firms associated with the Engineering sector needed job specific technical skills. Figures for the Developed area were too small to analyse.

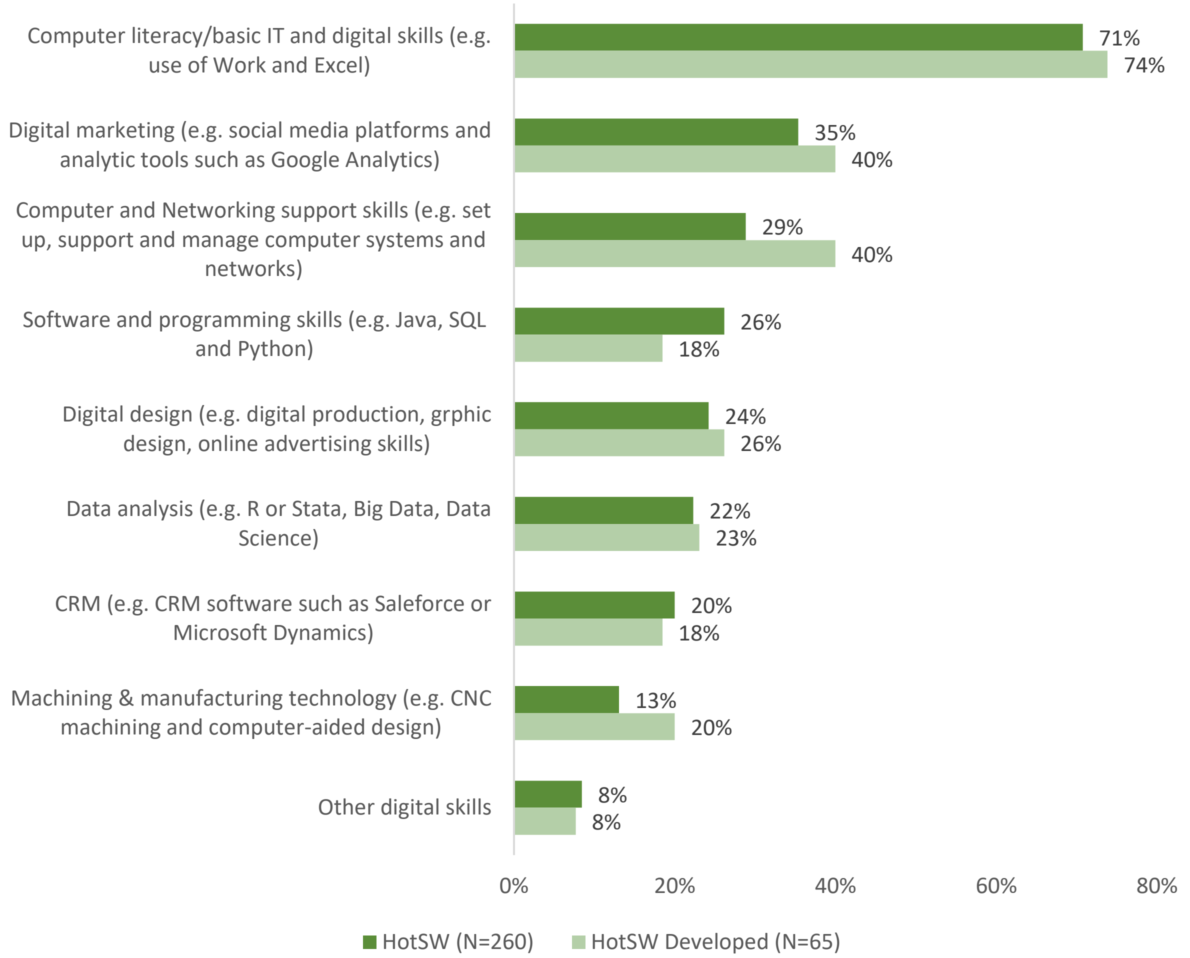
For the majority of respondent businesses in both the Developed area (63 per cent) and Heart of the South West (58 per cent) it was very important that employees had some basic knowledge of how to use digital technology (figure 2.26). Only a marginal three or four per cent of businesses in these areas felt it was very unimportant for their staff to have some knowledge of digital technology. This reflects how pervasive the digitalisation of the economy has become.

Figure 2.26: Level of importance that employees have at least some basic knowledge of using digital technology



Confirming the qualitative results provided above, when asked what digital skills needed improving within their organisation in the next three years, respondents mostly reported basic IT and computer skills. This was reported by 74 per cent of businesses in the Developed area, similar to the 71 per cent in the Heart of the South West. Other digital skills were more varied among respondents but as shown in figure 2.27 the responses to most categories were not insubstantial.

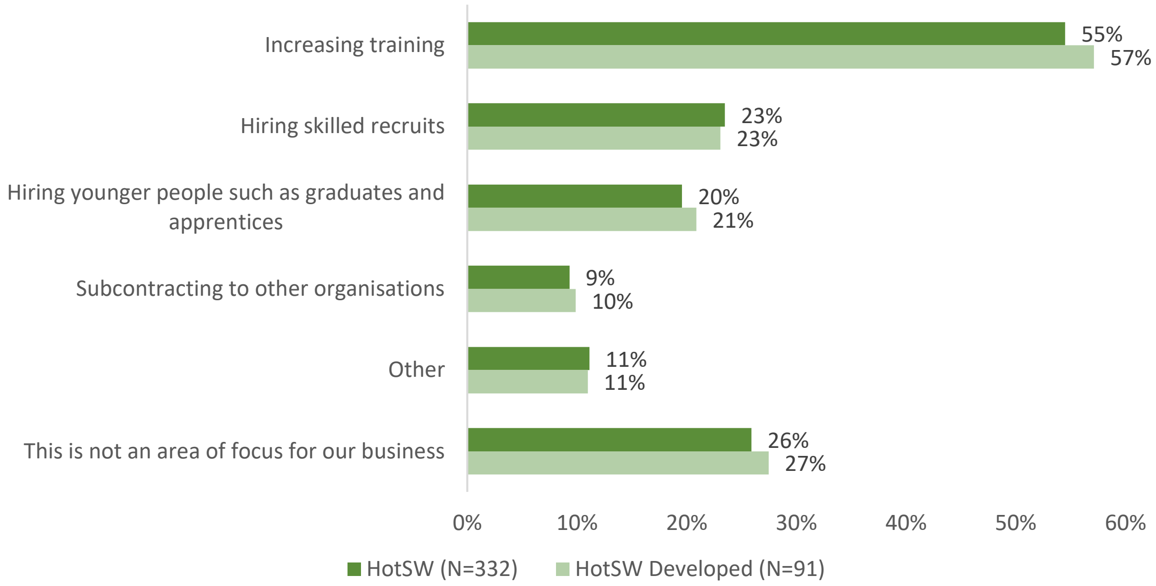
Figure 2.27: Which digital skills need improving over the next three years? (multiple response)



2.7.2 Response to digital skills needs

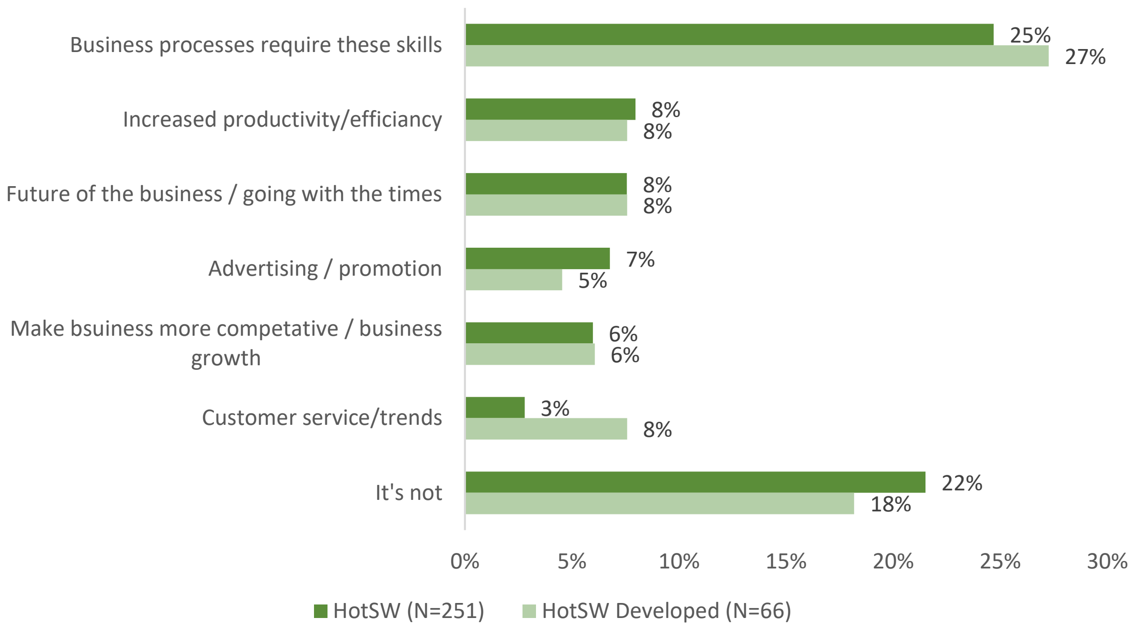
Most surveyed businesses in the Developed area (57 per cent) and Heart of the South West (54 per cent) are increasing their training provision to respond to the digital needs of their staff (figure 2.28). Others are looking to hire skilled recruits, including younger people who may be more technologically skilled and aware. Some quarter of businesses, however, reported that it was not an important focus of their business.

Figure 2.28: How is your organisation responding to the digital skills needs of your staff? (multiple response)



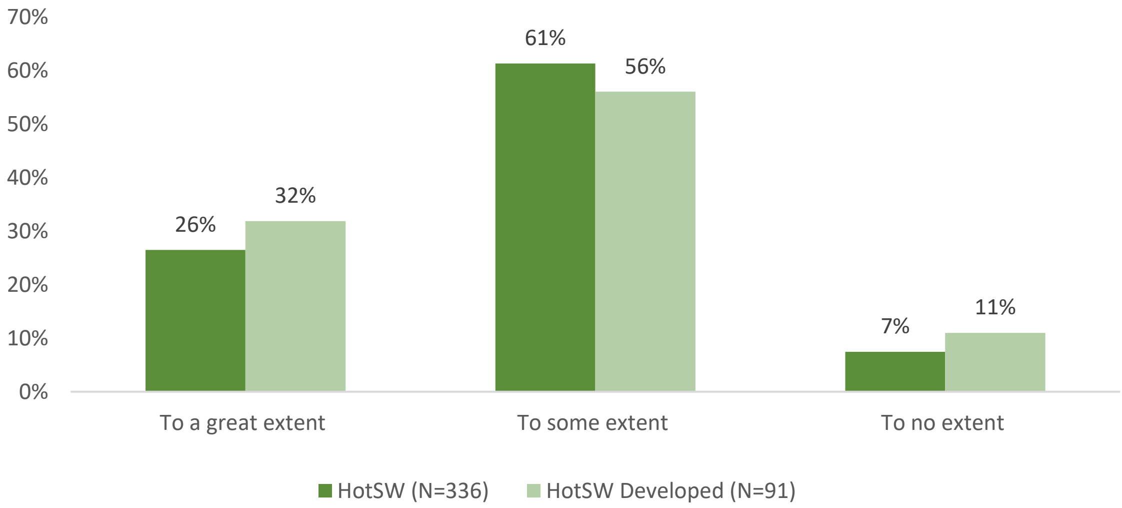
For approximately a quarter of respondent businesses in both the Developed area and Heart of the South West, digital skills were important to their organisation because their business processes required such skills (figure 2.29). These coded responses show that for eight per cent of businesses in each the Developed area and wider Heart of the South West digitalisation was important to drive efficiency and 8 per cent in each area also reported it was the future of the business. Some eight per cent of respondents in the Developed area also felt digitalisation was important to their customer service trends, though this was reported by only three per cent of businesses in the Heart of the South West. One-fifth of businesses reported that digitalisation was not important to their organisation.

Figure 2.29: Coded descriptions of the way's digitalisation is important to surveyed businesses



In the Developed area 32 per cent of surveyed businesses felt that, to a great extent, their organisation had sufficient skills to be prepared for increasing digitalisation in their industry over the next three years; the figure was 26 per cent in the Heart of the South West (shown in figure 2.30). Most businesses felt to some extent they had sufficient skills and 11 per cent of Developed area businesses thought that to no extent they had the digital skills capacity to be prepared for this change.

Figure 2.30: Extent businesses feel they have sufficient digital skills to be prepared for further digitalisation of their industry in the next three years



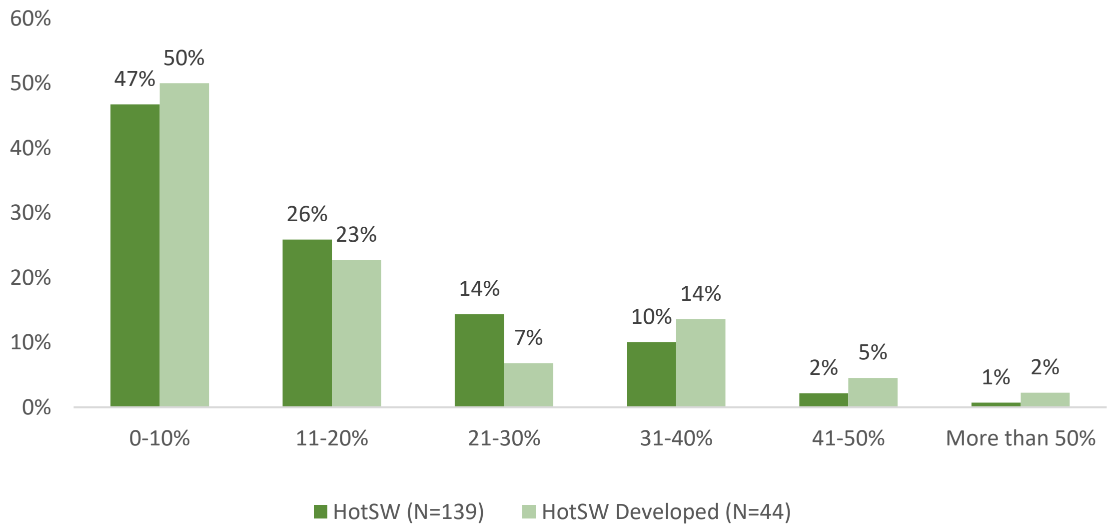
2.7.3 Investment in digital technology

To assess the extent to which the changing digital landscape is likely to shape skills needs, the survey asked businesses if they were making any investments in digital technology in the next two years. Almost half in the Developed area reported they were going to make such investments, slightly above the 44 per cent in the Heart of the South West. Some 34 per cent thought they would not be investing, leaving 16 per cent who did not know whether they would be or not.

Of those businesses who did have plans to invest in digital technology in the next two years, 33 per cent surveyed in the Developed area felt that to a great extent they had sufficient digital skills to be prepared for the future digitalisation of their industry. These results were similar for the wider Heart of the South West (31 per cent) and are similar to the findings presented in section 2.7 above. The similarity was consistent among those businesses who were investing in digital technology in the next two years but felt they only had sufficient digital skills to be prepared for such digitalisation to some extent (58 per cent compared to 56 per cent) or to no extent (nine per cent compared to 11 per cent). This would suggest that even those businesses that are investing in digital technology face the same challenges in digital skills.

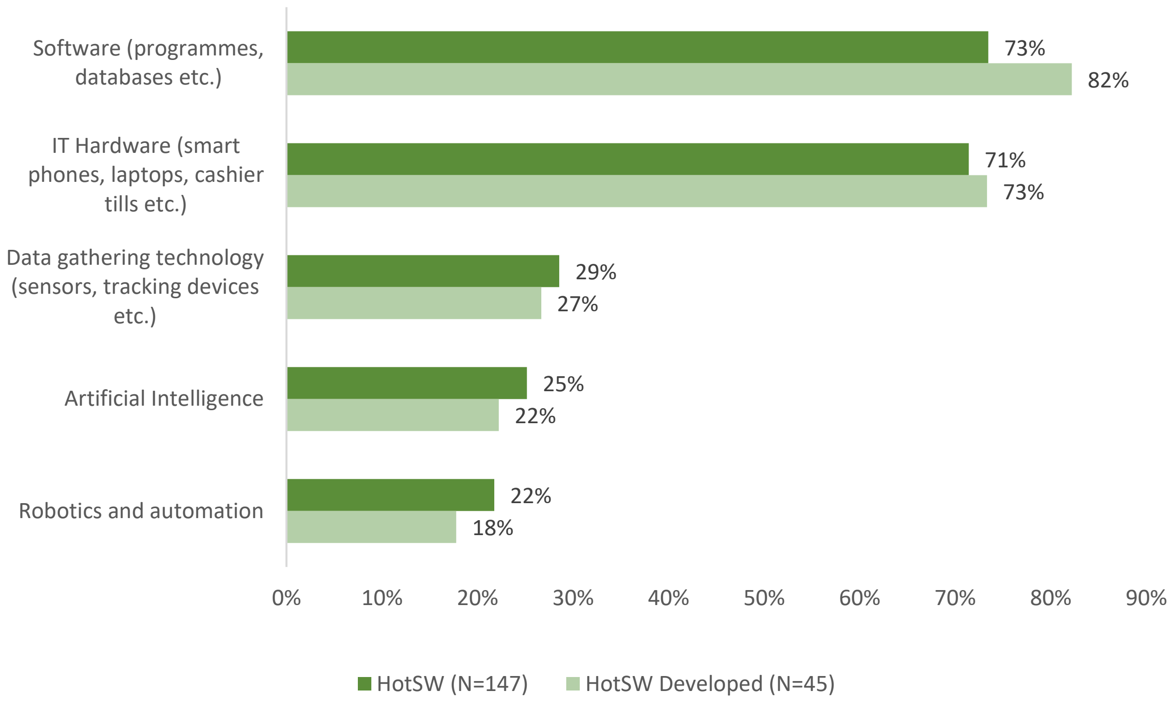
To understand the scale of this investment the businesses were making in digital technology the survey asked as a proportion of turnover what this would represent. For half of businesses in the Developed area this was thought to be less than 10 per cent of turnover, though 14 per cent did report that the investment was going to be between 30 and 40 per cent (figure 2.31). This was marginally higher than the 10 per cent of businesses in the Heart of the South West who reported the same level of investment.

Figure 2.31: Proportion of turnover to be invested in digital technology by businesses in the next two years



Asked what digital technology the organisations would be investing in, for most survey respondents it was software programmes and IT hardware (see figure 2.32), reflecting those who were investing a lower proportion of turnover. A smaller proportion of businesses, reflecting those who were looking to invest greater proportions of turnover, were looking to purchase data gathering technologies, artificial intelligence, and robotics and automation.

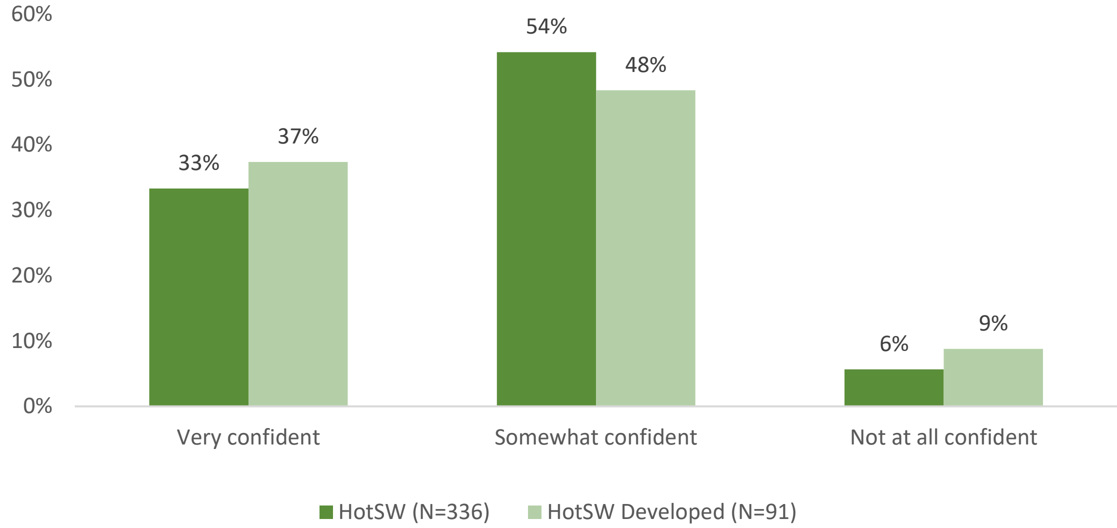
Figure 2.32: Digital technologies being invested in by businesses (multiple response)



To train their staff to the new technology investments, approximately 70 per cent of respondent businesses in both the Developed area and the Heart of the South West were going to conduct this internally (see figure 2.33). Around half of respondents also thought they would use external private training providers face-to-face, and 20 per cent thought they might be able to use online resources (responses were multiple choice). In the Developed area nine per cent were going to use publicly funded training providers, though this was 19 per cent in the Heart of the South West.

Confidence in the capacity of the surveyed businesses to be able to fill these future technology driven skills needs were fairly high, with over one-third of businesses in the Developed area reporting that they were very confident and nearly half were somewhat confident (figure 2.33). Nine per cent of businesses in the Developed area felt they were not at all confident about filling their future technology driven skills needs.

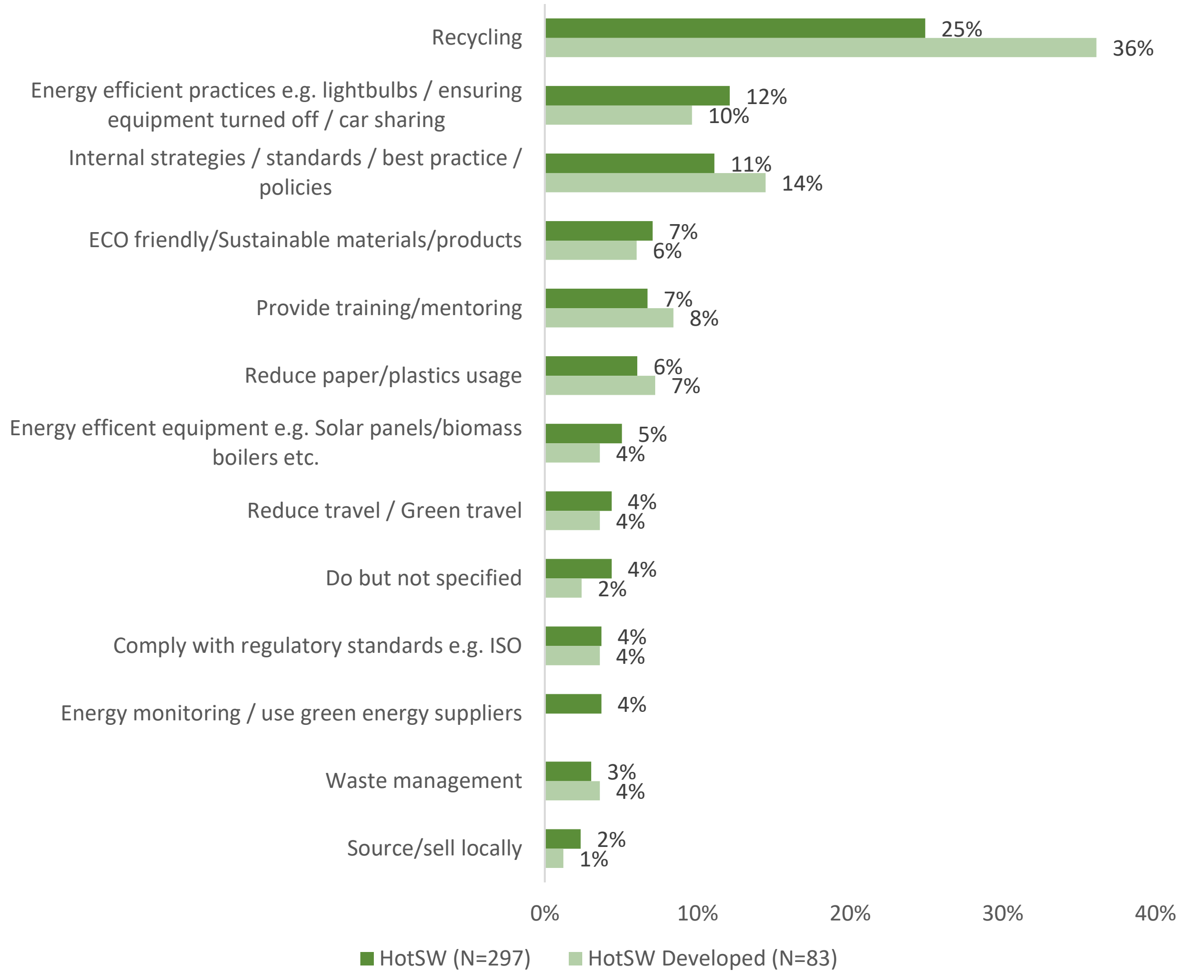
Figure 2.33: How confident are you that you will be able to fill future skills needs?



2.8 Environment

The survey asked a couple questions on environment and sustainability to assess how important training in this area may be. Managers across the organisations surveyed responded to, and promoted, clean growth and sustainability through a number of measures, though most common was recycling, followed by energy efficient practices such as car sharing, and internal strategies. Six per cent of respondents in the Developed area used eco-friendly materials and seven per cent look to reduce their plastic usage. All coded responses are shown in figure 2.34. Nearly 10 per cent in the Heart of the South West and the Developed area reported managers did not promote or deliver clean growth and sustainability.

Figure 2.34: How do managers promote and deliver clean growth and sustainability?



Nearly half of surveyed businesses in both the Developed area and the Heart of the South West reported that training on sustainability and clean growth was provided within the organisation. For many businesses (45 per cent in the Developed area and 40 per cent in the Heart of the South West) there was only some association between a lack of skills and the ability of the organisation to operate in an environmentally sustainable way. A further 40 per cent in both the Developed area and the Heart of the South West reported that to no extent the lack of available skills affected the ability of the business to operate in a sustainable way.

3 Conclusions

Vacancy challenges appear demonstrably higher in the Developed area (consistent with the wider data for the Heart of the South West) than comparable figures drawn from the Workforce Skills Survey for Devon County Council in 2017 and Gloucestershire Countywide Business Survey 2017. There is evidence of an acute skills shortage within the Developed area, and incidence rates of hard to fill vacancies stand at 51 per cent, driven in part by a shortage of technical skills, as well as those specific to the job role.

Skills gaps are mostly leading to increased workloads for existing staff, an issue reflected in the 2017 Employer Skills Survey. Other impacts have been a loss of business among a quarter of businesses in the Developed area and increased operating costs (15 per cent), though this is slightly above the Heart of the South West figures. Such affects are detrimental to business development and growth.

The skills gaps are shown to be more prevalent in higher skilled occupations and may be inhibiting productivity. The businesses in the Developed area reported they required technical skills specific to the sector or role more than anything else, consistent with the Heart of the South West figures. General digital skills, such as Excel, use of online tools and databases, were frequently cited by businesses in the Developed area when asked for unprompted technical skills needs in the next three years. Some businesses also reported higher level digital skills such as programming and AI, as well as seeking skills to support the use of machinery. For the majority of businesses in the Developed area it was very important that members of staff had basic knowledge of digital technology, slightly above the results in the Heart of the South West.

Though businesses were responding to the increasing demands of digitalisation on their sector by increasing training and recruitment, a majority only to some extent felt they had sufficient digital skills to be prepared for the further digitalisation of their industry. Some 11 per cent of businesses in the Developed area reported that to no extent did they have sufficient digital skills to be prepared for digitalisation in the next three years, and 56 per cent reported they were only prepared to some extent. This presents an opportunity for intervention to support businesses, especially as the evidence shows, many of these organisations are investing, or willing to invest, in digital technology.

In recruitment, organisations were looking to bring on skilled individuals as well as younger people such as graduates and apprentices to support their growing digital needs. As has been shown, however, there are observed difficulties and shortages with this approach that only training can overcome. A higher proportion of businesses in the Developed area, as well as the Heart of the South West, have training budgets than recorded in the 2017 Employer Skills Survey. A large amount (90 per cent in the Developed area) of businesses had put their staff through training of some kind in the last 12 months, and though a large proportion of this was job specific, fewer reported digital or technology training.

Much of this training had been provided internally (73 per cent) though external providers have also been utilised, 67 per cent of which were cited by businesses in the Developed area. This diversity of training provision reflects the individual needs of the businesses within the area, but also the appetite in the Developed area for private training provision, with little reference to further education providers made by the respondents. The satisfaction with the provision was high with an average score for the providers listed of 4.29 out of 5 across the Developed area (slightly below the 4.47 in the Heart of the South West). Despite this, the challenges businesses faced in seeking training for their staff included a lack of good local providers, as well as cost, and inability to spare staff time to go away on training. There was also a lack of knowledge about training opportunities among 14 per cent of respondents in the Developed area.

The businesses had some engagement with academic institutions, schools and colleges or independent training providers and either supported or utilised them across a range of activities from work experience placements to recruitment on graduate schemes and offering apprenticeships. However, the geographical proximity of higher education institutions to the Developed area likely restricts this engagement, noted from the few cited responses as training providers compared to the wider Heart of the South West (see Appendix 1) and the divergence in the proportion collaborating with such institutions for research and development. For the small proportion (18 per cent) who did not engage with such providers, many felt it was not suitable for their business.

Though 12 per cent of businesses recruited directly from universities or colleges, most utilised online approaches such as job sites, their own website and social media. Many also used word of mouth. Over half of businesses who did not recruit from universities or colleges felt that such recruits only offered suitable skills to some extent; 23 per cent reported that such recruits to no extent offered suitable skills. As many businesses took on apprentices to support young people as to recruit, suggesting apprentices too do not meet the skills needs of the surveyed organisations in the Developed area. Many of those who did not take on apprentices did so because they did not consider apprenticeships suitable to their business model, while 32 per cent reported that they did not know enough about apprenticeships. One-third of those who did not take on apprentices said they would consider doing so if more support was available.

By providing publicly funded training, especially in digital skills, the hard to fill vacancy rates in the Developed area and the Heart of the South West, may be reduced. Recognised cost barriers need to be overcome to reduce the number of organisations reporting skills gaps which impair their business growth and productivity. Though other skill development is necessary, including communication, and leadership and management, there is a recognised long-term need for basic digital skills, and potential to develop this into more advanced tech training. Much of this training provision is currently available, however, so an important activity could be raising awareness of the availability of this training among businesses, and helping them to identify what exact digital skills are necessary for their organisation and where they can go to access such provision.

Appendix 1

List of given training providers

	HotSW	HotSW Developed
Plymouth University	12	1
SSG Training and Consultancy Ltd	10	0
Petroc	9	0
University of Exeter	8	0
CITB	6	2
Greenlight Safety and Training	6	0
Exeter College	5	0
Health and Social Care TV (Online)	4	0
LTC Training	4	0
Bridgewater College	3	3
Sandler Training	3	0
Skillsoft	3	0
NHS	3	0
Devon County Council	3	0
Crisp Professional Development	3	0
City College Plymouth	3	0
High Speed Training	3	1
HIT Training	3	0
T2 Group	2	0
Industrial Safety Training	2	0
Cornwall College	2	0
Devon Construction Training	2	0
Babcock	2	0
Essential 6	2	0
ETS	2	0
LTC	2	1
Noodle Now (E-learning)	2	1
Plymouth City College	2	0
Plymouth City Council	2	0
St John's Ambulance	2	2
Socrates	2	2
Solid Solutions	2	1
Somerset Construction Training	2	2
South Devon College	2	0
South West Training	2	0
3 EDUCATION	1	1
3CP Training	1	0

	HotSW	HotSW Developed
Acas	1	0
Acasacia	1	0
ACCA	1	1
Access Skills	1	0
Accountancy Learning	1	1
AGIL8	1	0
Alpha	1	0
Altura	1	0
AM Safety	1	1
Ampilo Training	1	0
Andy Britnell - Liberating Leadership Practitioner	1	1
At Johns	1	1
Aurelia Training	1	0
Autodesk	1	0
BACS First Aid	1	1
Bolt E-Learning	1	0
Bournemouth university	1	1
Brands	1	1
BRC	1	1
Briggs and Stratton	1	1
Brightspot Training	1	0
British Institute of Inn Keepers	1	1
British Red Cross	1	1
BSI	1	0
C2 SAFETY	1	1
Care Skills Academy	1	0
Cilex	1	0
CIPD	1	0
CIPR	1	1
CIPS	1	0
City and Guilds	1	0
Clore Duffield Foundation	1	0
Code course	1	0
Connect to Care	1	0
Construction Skills People	1	1
Construction Skills Southwest	1	1
Corner-I	1	1
CORNERSTONE	1	1
Cornwall	1	0
Cosmic	1	0
CPL Training	1	1

	HotSW	HotSW Developed
Cranfield University	1	0
CSM Training t.a. UCAN	1	1
CSS Ltd	1	1
Dawn Mullen	1	0
Derek Wilson	1	1
Devon and Cornwall Fire Service (Red 1)	1	0
Devon County IT services	1	0
Digital Peninsula Network	1	1
Dimensions	1	1
DK	1	1
Early Years Plymouth	1	0
Easybook Training	1	0
Eden Hotel	1	0
Education & Training Skills	1	0
Education and Training Foundation	1	0
e-learning	1	0
Enterprise Inns	1	1
Envesca	1	0
External specialists	1	1
EYFS resources-online	1	0
Fire Safety at Work	1	0
First Aid Ambulance	1	0
First Intuition	1	1
Flow Hospitality	1	0
Focus Training Group	1	0
Fred Pryor Training Solutions	1	0
Futurelearn	1	0
GHQ Training Ltd	1	0
Go2Fire	1	0
Graitec	1	0
Hiding to Health	1	0
Highfield	1	0
HR Advisor	1	1
HSC	1	1
Hurll Technical Services Ltd	1	1
IET	1	0
iLearn	1	0
iMechE	1	0
In house	1	0
Insight Care Training	1	0
INSTRUTUS	1	1
International Trade Matters	1	0

	HotSW	HotSW Developed
Jason Lejeune Associates	1	0
LA Safeguarding	1	0
Lamplight (database)	1	0
Lantra	1	0
Lavazza	1	0
Law Society	1	0
Learn Direct	1	1
Legal and General	1	0
Livewell	1	0
Local college	1	1
LTC Scaffolding	1	0
Lush	1	1
Lynda	1	0
Manufacturer	1	0
Marley Etinet	1	0
Maximum Performance	1	0
Mbl	1	0
Mentor Training	1	1
MHFA England	1	0
Micro drainage course (not sure of the name)	1	0
Microsoft	1	0
MIND	1	0
NCRQ	1	0
Norbord	1	0
NPA - National Pharmacy Association	1	1
Ocean Nurse Agency	1	0
ofsted Outstanding	1	0
One Planet Living	1	0
Open College	1	0
Open University	1	1
Oral History Society	1	0
O'Reilly	1	0
Oxford Brookes University	1	0
Paragon	1	0
Pass	1	1
Pearson	1	0
Prescription Training	1	0
NFU	1	1
Plural sight	1	0
Plymouth training and Consultancy	1	0
Practical Consulting	1	0
PRCA	1	1

	HotSW	HotSW Developed
Prescription Training	1	0
Private Contactor	1	0
Property Care Association	1	0
R&M Utility Training	1	0
Reading University	1	0
Real Ideas Organisation	1	0
Recruitment Consultant	1	0
Red Cross	1	0
Redcryer	1	0
RHS	1	0
Ricoh UK Ltd	1	1
RICS	1	0
RMI	1	0
Rockwall	1	0
Safe CIC	1	0
Safeguard	1	0
Sally	1	0
Sampson Hall	1	0
SCS	1	1
Serco / ETS (Skills Support for the Workforce)	1	0
SFJ Training	1	1
Sharing in Growth	1	0
Shaw	1	1
Skill Network	1	0
Skills Group	1	0
Software Suppliers	1	0
Somerset College of Arts and Technology	1	1
SOS	1	1
South West Peninsula Training	1	1
Southalls	1	1
Speech and Language Service	1	0
Speedy online	1	1
St Luke's Hospice	1	0
Stephenson College	1	0
SWMAS	1	1
The Preston Associates	1	1
TMS Insight	1	0
Trading Standards South West	1	0
Train the Trainer	1	0
Trainers Reading	1	0
Training2Care	1	0
Triangle Training - First Aid	1	0

	HotSW	HotSW Developed
Tribal	1	0
UDEMY	3	0
UK Government	1	0
University West of England	2	2
Virtual College	1	0
Water Jetting Association	1	0
West Country Training Solutions	1	0
Weston College	1	1
Wiltshire First Aid	1	1
Wykamol	1	0
Xact	1	1
	215	67

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