

**A Skills Plan for Surrey
October 2022**

Skills: Policy context

Local Skills Improvement Plan (LSIP)

Key part of Skills for Jobs White Paper to create employer led skills system
Designated geography – All of Surrey plus North/mid Hampshire
Govt requirement to be led by Employer Representative Body (ERB) – Surrey Chambers of Commerce designated.
Delivery plan deadline in October, full development by May 2023

Strategic Development Fund (SDF)

Funding for Further Education colleges to deliver on key regional priorities
On same geography as LSIP
Successful submission in June led by Sparsholt College, Hants. Surrey element led by North East Surrey College of Technology (NESCOLT)
£2.7 million funding for one year – project now underway

Surrey Skills Plan

A chapter within the LSIP
Being prepared by Surrey Skills Leadership Forum with all key partners. Three key phases of research:
1. Employer demands, both current and projected, in key sectors
2. Provision mapping to assess whether our provision will be able to meet the identified need
3. No One Left Behind employment and skills research - establishing the provision targeted at priority communities of need
Final version will include key recommendations and a series of specific actions/asks to be progressed by Growth Board and Skills Forum

Possible Skills elements of County Deal

Surrey Growth and Enterprise Hub
Careers Enterprise Hub
Shared Prosperity Funding
Adult Education Budget

Surrey County Council led provision

Adult Learning Service
Multiply Funding (adult numeracy)
Infrastructure and Health & Social Care Academies
'Transfer to Transform' Apprenticeship levy
Partner on EM3 Apprenticeship and Skills Hub

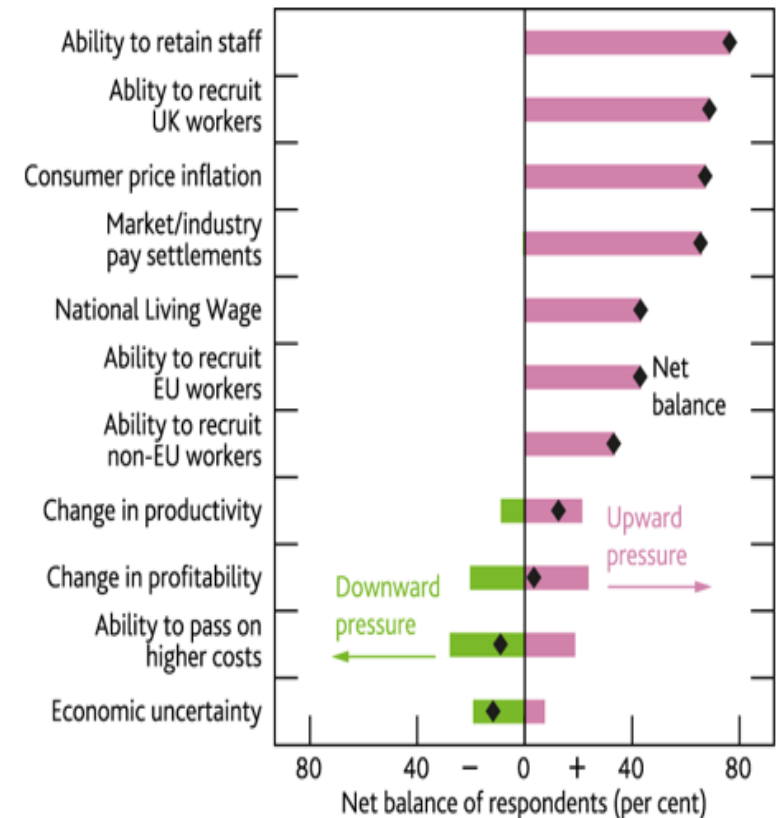


Recruitment & Skills context

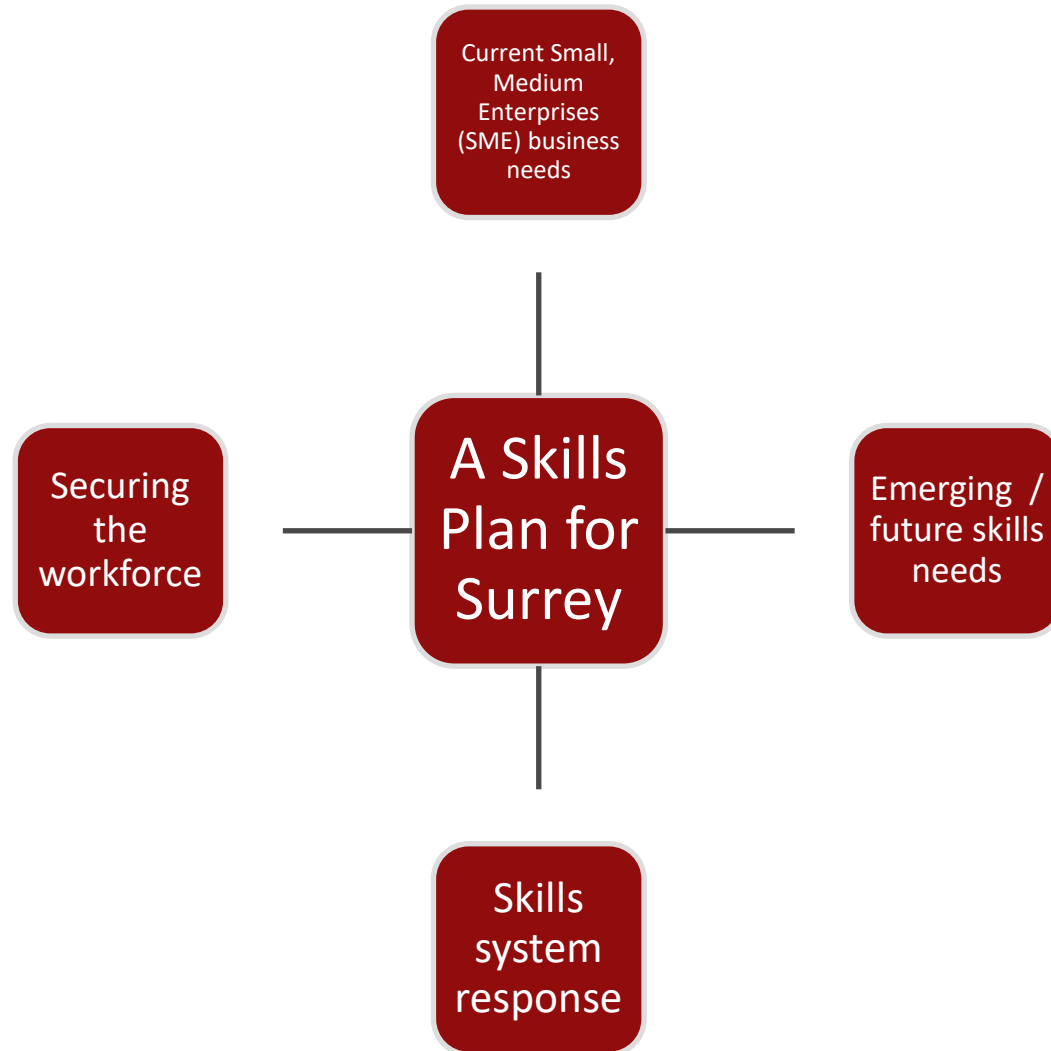
Employment

- The current employment picture generally looks positive but near-term economic headwinds may start to quickly affect this.
- Whilst still below national average, the percentage of economically inactive residents in Surrey has increased to 17.8 per cent, a rise of c.7,000 since the beginning of the pandemic.
- In July 2022, the Universal Credit **claimant count** in Surrey was 2.1 per cent of the resident population compared to 3.7 per cent nationally. The greatest proportion of claimants were in the 25 – 49 year age bracket. On current performance, the target for the claimant count to return to 1.1 per cent within three years of the end of the pandemic looks achievable but recession could impact this.
- A tight labour market is leading to **wage growth** with **labour shortages** in many sectors and a **skills mis-match** between labour demand and supply will continue to cause problems for Surrey businesses and the growth of the economy
- Micro-clusters of deprivation exist across Surrey, where education and skills deprivation is in the top 20 per cent nationally and unemployment in the black and minority ethnic (BME) community has increased by 9 per cent since 2019.
- Continue to have highly qualified population (54 per cent qualified to degree level compared to 43 per cent nationally)
- Desirable place to live and work but **large differential between workplace and resident earnings** - residents who live in Surrey but work elsewhere, predominantly in London, earn around 9 per cent more than those who work in Surrey (South-East average difference is 4 per cent)

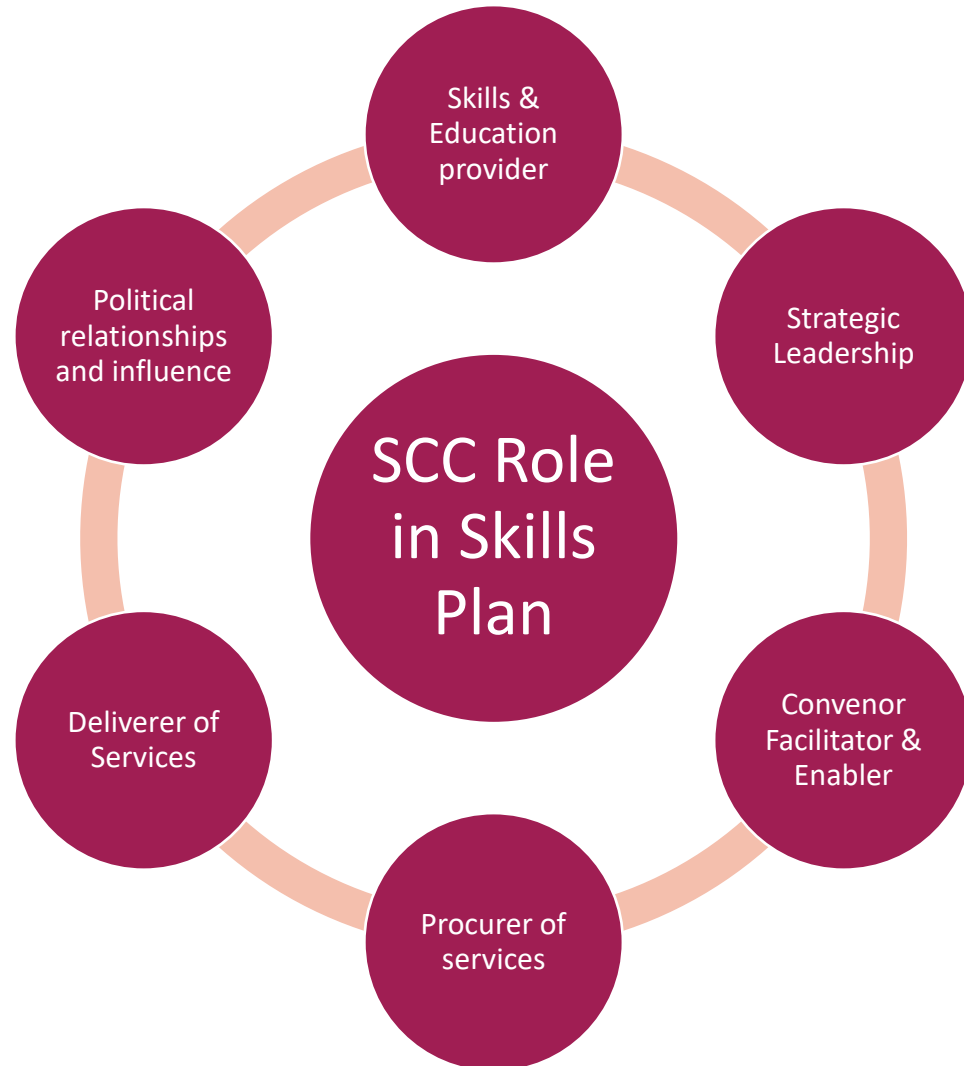
Factors affecting pay decisions in 2022



Structure of the Skills Plan for Surrey



'Growing a Sustainable Economy...' & No One Left Behind



Skills related Cabinet priorities:

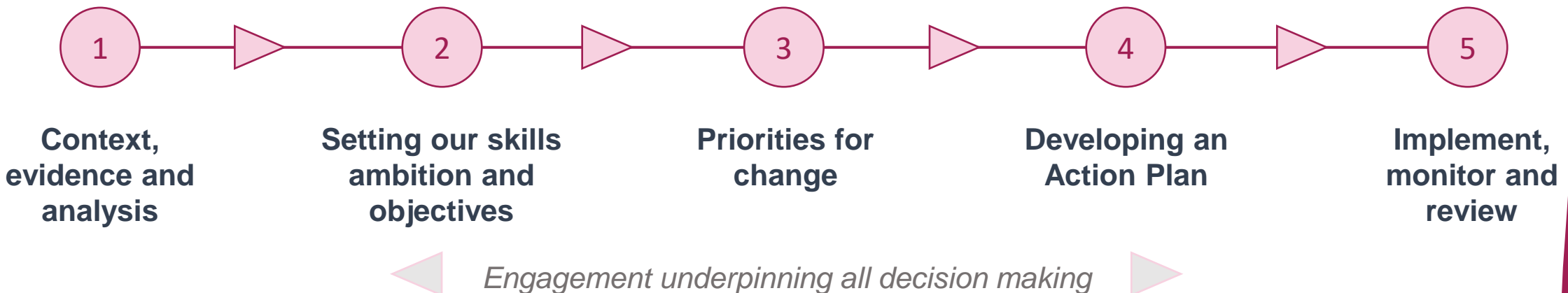
1. Focus on prevention and early intervention to tackle health inequalities
2. Skills and Further Education from early education onwards including Not in Education, Employment and Training (NEET) into career pathways



Purpose of the Surrey Skills Plan

- The Surrey Skills Plan (SSP) forms the **strategic basis for delivering future skills priorities in the County**. It places employers as the leaders and co-designers of provision and supporting local providers to respond to changing market needs.
- The Plan is the culmination of several related strands of work gathering insight into labour market challenges and skills needs and incorporates the views of a broad range of Surrey stakeholders. It will be an integral input into the Surrey and Central / North Hampshire **Local Skills Improvement Plan**, but is an output in its own right. Its aim is to **drive the development of an agile skills system** that is responsive to changing market conditions whilst focused on achieving sustainable and inclusive growth.
- The Skills Plan is **built from Surrey's context**, the features – both positive and negative – that shape our economy and local workforce and what this means for skills.

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Surrey Skills Plan - Objectives

Our ambition is for *'A dynamic, demand-led skills system which hones Surrey's leading edge, recognises the needs of all businesses and maximises inclusion, in this way powering the wider economic success of the whole of the UK.'*

1. Accelerate business growth and help growing businesses scale up, by making our skills system more responsive to employer needs - both immediate needs and those opportunities presented in the medium-longer term.
2. Enhance collaboration between our businesses, schools, anchor institutions and skills providers working together on skills needs, alignment of provision, work placements and innovation.
3. Support more people to access sustainable jobs, through a lifetime of learning which includes improved careers education and information, clear progression pathways and promotion of apprenticeships at all levels.
4. As one example of a sectoral focus, strengthen the pipeline of green skills to meet employer demand, recognising the needs of both SMEs and larger businesses

Through the Strategy we will also spread the benefits of Surrey's high-performing skills system to the rest of the UK by piloting local innovative solutions to national skills challenges.



Identifying Surrey's priority sectors

We are targeting our work on Surrey's key sectors:

Transport¹

Professional,
Scientific and
Technical

Financial and
Insurance

Human health and
social work

Information and
communication

This is based on prioritisation against the following criteria:

- Total numbers employed
- UK Government Industrial Strategy priorities
- Surrey County Council Strategic priorities
- Fast growing sectors
- Funding levels (especially for innovation)

¹ Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles AND Transport and storage

Update on the Skills Demand Framework

A skills demand framework helps decision makers to make evidence-based decisions about the priority actions to take to support the local skills system



Recapping the work

- The purpose of the Skills Demand Framework is to help make Surrey's skills system more responsive to employers by anticipating future skills demand ahead of time.
- In-depth interviews completed with businesses across the sub-sectors, supplemented with broader cross-sector workshops / focus groups.
- Findings feed into the Surrey Skills Plan and LSIP.
- Work to be completed in October 2022.

Sectors in scope:

	Sub-sector
Green:	Low carbon
Digital:	Cyber security
Health & Life Sciences:	Animal & plant health

Findings

- As well as sector-specific findings about skills needs and gaps, this work is uncovering findings which apply across sectors and to Surrey's wider skills system.
- We have grouped those cross-sector findings under four themes, which inform actions:
 1. Anticipating and meeting employers' skills needs
 2. Preparing learners for the workplace
 3. Skills partners working together
 4. Shaping Surrey's future as a place to live, learn and work

Example: skills demand framework for cyber

Strategic context

- Sector Gross Value Added (GVA) £5.3b, 1838 active firms and ~50k Full Time Equivalent (FTE)
- Surrey has highest number of information and communications businesses outside London
- Surrey has two of the five Government Communications Headquarters (GCHQ) -certified Centres of Excellence in Cyber Security in the UK at Royal Holloway and University of Surrey
- Major Surrey employers include BAE Systems Applied Intelligence, Thales, CGI, F5 and Akamai

Trends affecting demand

- AI and machine learning increasingly important in cyber security.
- Additional threats from ransomware to health connected devices due to increasing use of biotech and smart devices
- Increased usage of Internet of Things (IoT), such as voice assistants, with more than 64 billion IoT devices forecast to be installed by 2026
- Accelerated digitalisation and increased homeworking increases risks to businesses and individuals

Implications for skills

- Ongoing shortage of cyber security skills, exacerbated by Brexit and Covid
- Core technical skills in coding and programming & a baseline understanding of information security are core requirements, also soft skills e.g. Ability to communicate in non-technical terms, problem solving and adaptability
- Providers should focus on core skills and adaptability, and aim to instil passion and drive to learn about new tech, to meet needs of rapid pace of change in the sector
- Need to encourage greater female participation and diversity of cultures including neurodiversity

Propositions and actions

- Encourage more pathways other than the degree route, including vocational options
- More work placements to help people get relevant experience
- Encourage people to engage early in computing-related activities more generally, and information security in particular
- Greater collaboration between businesses and education/training providers including summer development sessions for learners and teachers, taster days and work experience placements
- Improve understanding of neuro-diverse workers' needs from businesses and in education

Our ambition is for *a dynamic, demand-led skills system which hones Surrey's leading edge and maximises inclusion, whilst powering the wider economic success of the whole of the UK.*

Where we are now

Growing businesses, constrained by skills gaps and a restricted pipeline of workers (talent)

Successful large businesses, Headquarters and Research and Development assets and anchor institutions

A major contributor to the UK; a role as the national nerve-centre

Inclusive growth challenges locked in by our high cost of living

Ideally-placed to lead the UK's green transition, requiring more workers with the right skills

Where we want to be

Growing Surrey's leading edge and supporting our whole economy through an employer-led skills system

Key economic actors working together across disciplines to support skills objectives

Positioning Surrey's businesses and skills providers as national leaders

Utilising skills development to help Surrey residents to progress and contribute within a balanced economy

Capturing the inclusive economic growth potential of a greener economy

Priorities within each objective

Business growth	Enhance collaboration	Spread benefits	Accessing good work	Green skills
<ul style="list-style-type: none"> • Address the skills gaps which inhibit growth • Support employers to shape the skills system as key partners • Support the efficient delivery of high quality training across Surrey at all levels 	<ul style="list-style-type: none"> • Strengthen collaboration mechanisms between providers and employers, helping to bring our businesses closer to the centre of our skills system. • Ensure there is consistent, transparent and influential communication channels available to facilitate partners working together 	<ul style="list-style-type: none"> • Raise the profile of Surrey as a national leader and a region of thriving businesses • Work with our large businesses and HQs to spread scale-up initiatives piloted in Surrey to other UK places • Promote cross-border skills collaboration • Share lessons learned with others 	<ul style="list-style-type: none"> • Ensure all people and places benefit • Prevent inequality in skills and employment from deepening • Improve workforce diversity • Help lower-skilled residents into emerging sectors and markets • Tackle micro clusters of education deprivation 	<ul style="list-style-type: none"> • Identify emerging green skills needs across industry clusters • Improve labour market information specific to green skills and future demand • Provide pathways across all levels for workers into green jobs • Ensure a better comprehension of the available offer for those in-work to develop green skills

Change mechanisms

We have a range of mechanisms to deliver actions:

1. Local Skills Improvement Plan (skills system functions)
2. Business support
3. People-focused interventions (including in schools)
4. System leadership (SCC)
5. UK Shared Prosperity Fund (UKSPF) / Multiply funding

Not all mechanisms will be relevant to each objective. It depends on who the main target group is (e.g. businesses, learners) for each objective.

Actions are also prioritised into time periods:

1. Now / within one year
2. One – three years

All actions will follow a common process of design, implementation, monitoring and evaluation over time, returning to the question of how our actions help us achieve our Skills Plan objectives..

1. Accelerate business growth and help growing businesses scale up by making our skills system more responsive to employer needs

Priorities	Mechanism	Potential actions Red text = already in progress	
		Now (within 1 year)	1 – 3 years
<p>• Address the skills gaps which inhibit growth</p> <p>• Support employers to shape the skills system as key partners</p> <p>Support the efficient delivery of high quality training across Surrey at all levels</p>	<p>Local Skills Improvement Plan</p>	<ul style="list-style-type: none"> Integrate businesses (large + SMEs) into skills provision planning, for general and technical skills 	<ul style="list-style-type: none"> Develop and promote courses to keep pace with industry demand and support reskilling Establish mechanisms to gather intelligence and anticipate skills demand (via regular, robust industry foresight)
	<p>Business support</p>	<ul style="list-style-type: none"> Connect SMEs to existing business support services to support scale up Campaign targeted at business owners and leaders to raise perceived value of people/talent development and support to identify/articulate needs 	<ul style="list-style-type: none"> Review and consolidate the business support programmes on offer which focus on workforce development Support more businesses to invest in training and skills development
	<p>People support</p>		
	<p>System leaders (SCC / SSLF)</p>	<ul style="list-style-type: none"> Implement the Skills Demand Framework and apply it to other sectors 	<ul style="list-style-type: none"> Develop sector-specific Skills Plans for our Leading Edge sectors Surrey Highways Innovation Academy
	<p>UKSPF / Multiply</p> <p>Other</p>		

2. Enhance collaboration between our businesses, anchor institutions and skills providers on skills needs, provision, work placements and innovation

Priorities	Mechanism	Potential actions	
		Red text = already in progress	
		Now (within 1 year)	1 – 3 years
<ul style="list-style-type: none"> Promote system-wide collaboration between all partners Ensure there is consistent, transparent and influential communication channels available to facilitate partnership working 	Local Skills Improvement Plan	<ul style="list-style-type: none"> Develop a clearer picture of provision (and gaps) across Surrey through a skills provision mapping exercise 	<ul style="list-style-type: none"> Expand sector clusters and promote cross-sector working through the SSLF
		<ul style="list-style-type: none"> Pilot easily accessible labour market information for providers to inform future provision 	<ul style="list-style-type: none"> Develop systems for sharing labour market intelligence via a single portal that all employers and providers access
	Business support	<ul style="list-style-type: none"> Explore options for an employer-focused ‘navigation tool’ for the skills system 	<ul style="list-style-type: none"> Implement ‘navigation tool’
		<ul style="list-style-type: none"> Initiate employer sponsorship of skills pilot 	<ul style="list-style-type: none"> Complete employer sponsorship of skills pilot
	People support		
	System leaders (SCC / SSLF)	<ul style="list-style-type: none"> Surrey Skills Summit to bring together partners and create a shared platform for change that partners can commit to 	<ul style="list-style-type: none"> Establish a formal partnership of providers to coordinate activity and bid for funding
UKSPF / Multiply			
Other			

3. Spread the benefits of Surrey’s high-performing skills system to the rest of the UK by piloting local innovative solutions to national skills challenges

Priorities	Mechanism	Potential actions Red text = already in progress	
		Now (within 1 year)	1 – 3 years
<p>Page 42</p> <ul style="list-style-type: none"> Raise the profile of Surrey as a national leader and a region of thriving businesses Work with our large businesses and HQs to spread scale-up initiatives piloted in Surrey elsewhere Promote cross-border skills collaboration Share lessons learned with others 	Local Skills Improvement Plan	<ul style="list-style-type: none"> Embed the Surrey Skills Plan in the Surrey and Hampshire Local Skills Improvement Plan 	
	Business support		<ul style="list-style-type: none"> Support our largest businesses to use their Corporate Social Responsibility and Learning and Development (CSR / L&D) functions to support local workers and businesses
	People support		
	System leaders (SCC / SSLF)		<ul style="list-style-type: none"> Share lessons learned from Frimley Anchor Institutions Pilot Share skills navigation tool and lessons learned Share employer sponsorship of skills initiative and lessons learned
	UKSPF / Multiply		
Other			

4. Support more people to access better quality jobs, through improved careers education and information, clear progression pathways and promotion of apprenticeships at all levels.

Priorities	Mechanism	Potential actions Red text = already in progress	
		Now (within 1 year)	1 – 3 years
<ul style="list-style-type: none"> • Help people move into and between jobs • Help employers recruit, retain and develop staff 	Local Skills Improvement Plan	<ul style="list-style-type: none"> • Promote work placements and establish local forum for offering and finding work placement opportunities 	<ul style="list-style-type: none"> • Put in place career pathways to professional level for all occupational routes • Promote T-Levels and apprenticeships (at all levels) across all sectors as alternative pathways into employment
Page 43 Ensure that benefits are accessible to all people and places <ul style="list-style-type: none"> • Prevent inequality in skills and employment from deepening 	Business support		<ul style="list-style-type: none"> • Develop Surrey Anchor Model, and complete business case for scaling • Create mechanism to pool apprenticeship levy funds and help large businesses support training for smaller businesses in their supply chains
<ul style="list-style-type: none"> • Improve workforce diversity • Help lower-skilled residents into emerging sectors and markets 	People support	<ul style="list-style-type: none"> • Pilot a collaborative approach to careers advice completed in green skills, working with a range of partners and employers, with focus on maximising inclusion and diversity 	<ul style="list-style-type: none"> • Rollout of EBP-style, employer led, sustainable model of careers advice and guidance, fit for the future of work, and encompassing non-university routes
<ul style="list-style-type: none"> • Tackle micro clusters of education deprivation 	System leaders (SCC / SSLF)	<ul style="list-style-type: none"> • Pilot Frimley Care Commissioning Group (CCG) Anchor Institution, take learning and scale to develop a Surrey Anchor Model • Surrey County Council Internal Skills Academy 	<ul style="list-style-type: none"> • Develop sustainable model of best practice for integrating businesses with schools • Social Care Academy • Surrey County Council Internal Skills Academy
	UKSPF / Multiply		
	Other		

5. Strengthen the pipeline of green skills to meet employer demand, provide high-value jobs at all levels, and position Surrey at the forefront of the UK's green transition

Priorities	Mechanism	Potential actions	
			Red text = already in progress
		Now (within 1 year)	1 – 3 years
<ul style="list-style-type: none"> Identify emerging green skills needs across industry clusters Improve labour market information specific to green skills and future demand Provide pathways across all levels for workers into green jobs Ensure a better comprehension of the available offer for those in-work to develop green skills 	Local Skills Improvement Plan	<ul style="list-style-type: none"> Prepare a Surrey Green Skills plan to support a pipeline of green-skills provision across sectors 	<ul style="list-style-type: none"> Develop new courses to support upskilling and reskilling across sectors
	Business support		
	People support	<ul style="list-style-type: none"> Promote awareness of the opportunities for workers in the green transition 	
	System leaders (SCC / SSLF)	<ul style="list-style-type: none"> Skills Development Fund projects completed in low carbon and green, and lessons embedded into future skills planning Complete and evaluate pilot heat pump training programme 	<ul style="list-style-type: none"> Develop a Green Skills Academy to bridge the skills gap and foster collaboration
	UKSPF / Multiply		
	Other		

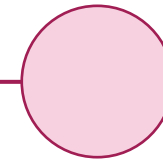
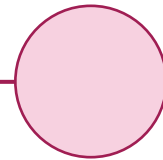
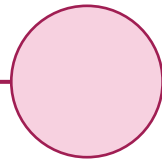
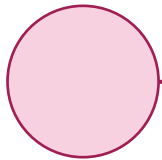
Next steps

September

October

November

December +



Confirming objectives and actions / completing the draft

Validate the Surrey Skills Plan through engagement. Finalise the draft.

Launch the Surrey Skills Plan at the 10 November Surrey Skills Summit

Skills Plan implementation / ongoing work on the Local Skills Improvement Plan

Internal – CEH Committee 6 October

Cabinet – 25 October.

Work with skills providers to map skills provision in Surrey

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