Local Skills Improvement Plan

Kent & Medway

March 2022

Contents

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Department for Education

KENT INVICTA CHAMBER OF COMMERCE

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Executive Summary

Introduction

This Trailblazer Local Skills Improvement Plan (LSIP) for Kent and Medway has been produced by Kent Invicta Chamber of Commerce, one of eight employer representative bodies testing an employer-led approach to skills planning. It will help the Department for Education (DfE) shape and inform how LSIPs will be rolled out across the country. DfE intends that the employer voice articulated in this plan should inform the decisions of local skills providers and influence relevant future funding bids. This LSIP will be a starting point for any future Local Skills Improvement Plan produced under a national roll out of the programme.

Our Trailblazer LSIP has been developed with extensive employer engagement, through a series of business focus groups, a county-wide employer survey and direct dialogue with other employer representative bodies and individual businesses.

We have specifically focused within the Plan on the construction; manufacturing and engineering; and food and land-based sectors, all of which are important employers in Kent and Medway. However, there has been considerable participation from a diverse range of sectors across the business Kent and Medway business community, on which we will build on for further iterations of the LSIP.

Our economy

The LSIP has been developed in the context of Kent and Medway's large and sectorally diverse economy, dominated by small and medium enterprises. We have benefited from rapid recent employment growth, and our workforce is expanding.

Our workforce skills profile has also improved over time. However, there is still a significant 'deficit' relative to both the South East and national averages. Raising workforce skill levels, and aligning these with economic need, is a high strategic priority: a range of plans are either in place or are coming forward to address this, which this LSIP complements.

The further education landscape in Kent and Medway has consolidated in recent years. We have three large FE college groups covering the county, and there is strong collaboration between the colleges and between the colleges and employers.

Employer skills needs

Skills gaps and shortages are widespread. While some of these are 'generic', in Kent and Medway, the most commonly reported challenges are in industry-specific skills.

Our dialogue with employers highlighted a number of skills needs. These include modernising the training offer to better reflect the technologies currently used in the workplace, and, in the land-based sector, adapting Apprenticeship models to better align them with industry working practices.

Across all sectors, investment in upskilling and re-skilling is vital for the existing workforce (including more short course provision). It is also important to influence learner *demand* by changing perceptions and awareness of career opportunities.

An ambitious agenda for change

Building on the analysis of employer needs, the LSIP highlights five key areas for action:

- **Modernise the training offer.** It needs to be alert to the needs of business, not simply keep pace with it. It must meet current employer and industry need, including greater emphasis on new technologies and systems, and on the flexibility of Apprenticeships and other work-based learning programmes to meet industry working practices – and boost productivity.
- **Increase the volume of provision to increase supply. We** recognise the quantitative gap (especially in construction) between new entrants to the industry and employer demand, however, the current measures and incentives for FE works against narrowing the gap
- **Invest in soft transferrable skills.** Wider considerations of work readiness, work ethic and 'getting the basics right' are important – especially in the context of a career path achieved through multiple employment.
- **Up-skill and re-skill the existing workforce.** All sectors reported pressures in adapting to the pace of developing markets and technologies within. There is evidence of demand for **more accessible, non-qualification locally-based short courses**, with the express need for the focus to be clearly on the practical application of skills in the workplace.
- **Better communication. A key element of the challenge will require** the business community to be better-informed and aware of the range and variety of opportunities and career paths in modern industry, ensuring learners are securing meaningful employment. This will also tackle long-terms perceptions among employers of the value of training.

Moving forward

To take forward this agenda, the LSIP proposes:

- **Pilot Projects that meet identified needs**
  - By the sharing of industry expertise and the potential to release staff from industry to support a modernised training offer
  - Create a **Solutions Panel** to improve the quality and efficacy of immediate skills provision by bringing together FE and existing providers, such as DWP, to develop solutions**.**
  - Development of dynamic qualification designed to keep pace with industry changes
  - Improved promotion and perception of industry career paths through employer/education engagement (The Careers and Enterprise Company)
- **Amplifying the employer voice,** by formalising the platform and channels of engagement to articulate the specific needs of the employers, both now and in the future.

Developing the formation of sector specific panels, strengthening relationships and partnerships with employers, to facilitate the co-development and co-delivery of impactful solutions whilst building integrity and credibility within the Business community.

- **Establishing a co-ordinated approach with FE** to bring about changes to the funding parameters to allow greater flexibility within local budgets to better support immediate employer needs.
- **Maintaining momentum** Our approach to the LSIP will build influence and action over time, it will need a resource to maintain the employer engagement and leadership by demonstrative action. By providing the correct courses, realigned by the employer's needs, the skills needed for the future economy will be delivered by better informed and better-quality provisions.

1. Introduction

Welcome to the **Local Skills Improvement Plan for Kent and Medway**. This Plan is part of a combined effort to make technical further education more responsive to the changing skills needs of local employers and the county's economy. It presents evidence of employer demand and outlines how further education partners will respond.

The Plan is a 'trailblazer': it is a staging-post on a journey, not the end, and it sets out how we will continue to build evidence and engagement into the future.

Background: The Local Skills Improvement Plan concept

1.1 The UK has experienced technical and vocational skills gaps for many years. This acts as a drag on productivity. In the **Skills for Jobs White Paper** published in January 2021, the Government presented a series of reforms, designed to increase skills in those areas that are most needed by employers, and to raise the profile, esteem, and employer responsiveness of the further education sector[1].

1.2 **Local Skills Improvement Plans (LSIPs)** are part of this package of reform. They are intended to help further education providers deliver the technical skills that the labour market demands, by articulating employers' skills needs and setting out how changes can be made to provision to enable them to be delivered. They are **employer-led**, coordinated by Employer Representative Bodies (such as Chambers of Commerce), working closely with other employer bodies and the further education sector. Alongside this, the Government also launched a £65 million **Strategic Development Fund** to enable further education colleges to invest in new initiatives to support the local economy.

1.3 Work is currently underway to put LSIPs on a statutory footing through the Skills and Post-16 Education Bill currently progressing through Parliament. In the meantime, the Government approved eight **trailblazer LSIPs** in summer 2021 to pilot the approach. These trailblazers are all aiming to test "what works", in relation to[2]:

- **Models of employer representation** to best articulate the skills needs of a wide range of employers in a way that elicits an effective response from providers
- **The process for creating "actionable local plans"** around shared goals that employers, providers and funders can support
- **Ways to join up with other parts of the skills system**, both locally and nationally.

[1] Department for Education (Jan 2021), *Skills for Jobs: Lifelong Learning for Opportunity and Growth*
[2] Department for Education (Nov 2021), *Local Skills Improvement Plan Trailblazers: Guidance for Employer Representative Bodies*

The trailblazer LSIP in Kent and Medway

The Employer Representative Body

1.4 In Kent and Medway, a successful proposal for a trailblazer LSIP was submitted by **Kent Invicta Chamber of Commerce (KICC).** KICC is the county's single accredited chamber of commerce, with a direct membership of 1,500 businesses (over 90% of which are SMEs) and direct engagement with around 30,000 businesses, including through the Chamber's role as the delivery body for the Kent and Medway Growth Hub.

Chambers of Commerce and the Local Skills Improvement Plan

Kent Invicta Chamber of Commerce is part of the British Chambers of Commerce, network of 53 Accredited Chambers of Commerce across the UK and a global network of over 75 British Chambers in markets around the world. Accredited Chambers in the UK represent, support and campaign for business in their local communities. Our roots are local, our influence is national, and our reach is global. Our unique perspective gives us unparalleled insight into British and global business communities – every sector, every size, everywhere. Businesses trust us to be their advocates, and we're passionate about helping them trade and grow. We drive change from the ground up – and our bottom line is helping companies, places and people achieve their potential.

We are place makers, taking a leadership role in developing our regional economies. We focus on creating real change and influencing the agenda to ensure the future success of our regions and nations. Creating the economic conditions to ensure our areas remain great places to live, work, study, invest and do business. Chambers across England have stepped forward to play their part in ensuring more people can train and retrain for new and emerging jobs in their local communities, working in conjunction with local FE institutions and other partners. Accredited Chambers are well-placed to bring these coalitions together and, learning from the work of the trailblazers, we believe LSIPs should be rapidly rolled out across the country.

Chambers:

- Are independent, impartial and part of a quality assured, accredited and not-for-profit national network
- Are business led and business focused. We work with micro, small, medium and large employers from the widest range of industry sectors
- Provide a business-centred view of in-demand and future skills needs to ensure that LSIPs focus on skills that will lead to good and sustainable employment opportunities
- Are rooted in local business communities, with strong local infrastructure. Our business advisers on the ground are already supporting employers with a broad range of business issues. Through these multiple touch points, chambers are well placed to ensure all initiatives include a skills conversation with employers

- Have well-established relationships with economic partners and broader stakeholders - at a strategic and operational level - locally, regionally and nationally
- Have the flexibility to operate across varying geographical levels and locations
- Combine national and local working - affording efficiencies, the sharing of best practice and the identification of national and regional trends alongside local, unique variances in skills demand.

Wider stakeholder engagement

1.5 While KICC has coordinated the development of the LSIP as the lead Employer Representative Body, **the involvement of a wide range of other business representative organisations and other agencies has been central to the development of the Plan.** Alongside engagement with employers, bilateral and group discussions have taken place with a wide range of stakeholders to explain the LSIP process, obtain partner views and drive participation from other organisations' members and customers. These have included:

Other **general employer representative bodies**, including the local branches of the Federation of Small Businesses, the Institute of Directors and the CBI, as well as the county's local (unaccredited) chambers of commerce (Sevenoaks Chamber and East Kent Chamber).

Sector-based employer organisations, including training-focused bodies (such as the Construction Industry Training Board) and others with a wider business support and representation remit. These included some national organisations (such as the National House Builders' Federation) which have engaged in skills dialogue at national level but have not previously been engaged locally.

Provider organisations, including Kent and Medway's three further education colleges (described further in Chapter 2), the Kent Association of Training Organisations and some individual private providers.

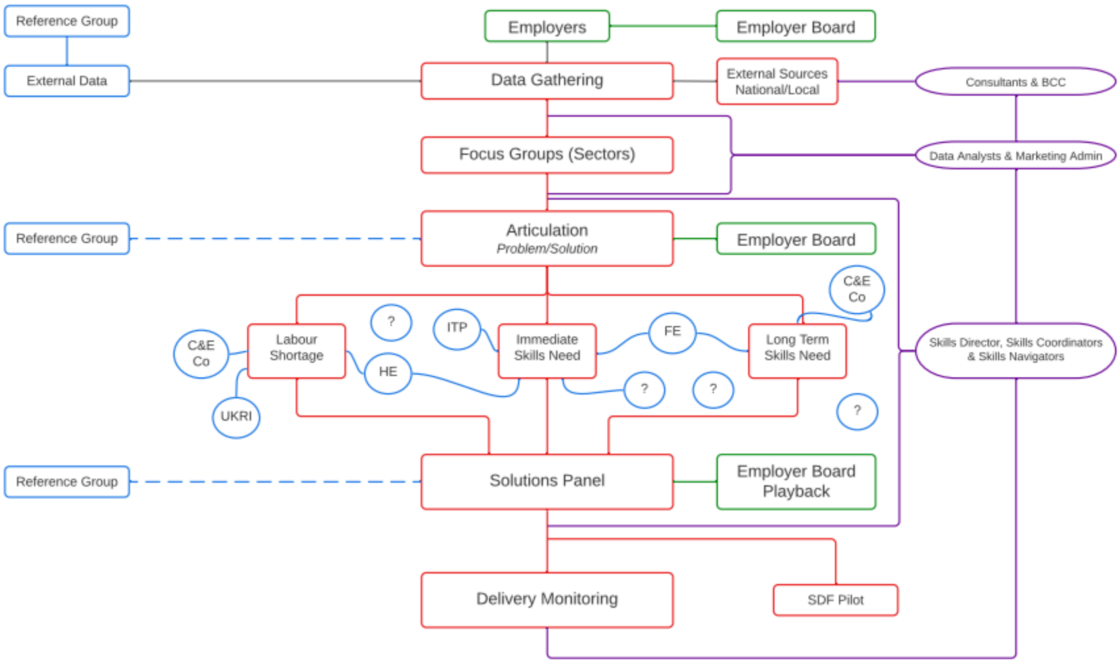
Other strategic organisations, including Jobcentre Plus, the local authorities, the South East LEP, Kent and Medway Economic Partnership (KMEP) and the Kent and Medway Employment Task Force.

1.6 A full list of stakeholders engaged with as part of the LSIP process is set out in Annex A. Not all of these organisations have submitted evidence as part of the process - in some cases because they are wider strategic bodies that recognise the importance of the workforce skills agenda, but which will look to the LSIP to inform this. But it has been important to ensure that there is widespread understanding of the role (and potential role) of the LSIP, and a coordinated approach across employer representative bodies.

Methodology

1.7 The trailblazer LSIP was completed between November 2021 and March 2022. In line with Government guidance published in November, we have taken an **employer-led** approach which has triangulated published evidence of demand and fresh employer perspectives. The approach is illustrated in Figure 1-1:

Figure 1-1: Kent and Medway LSIP methodology



Source: Kent Invicta Chamber of Commerce

1.8 The approach involved:

- An **analysis of the Kent and Medway labour market** and a review of recent **strategy and evidence material** (including the extensive *Kent and Medway Workforce Skills Evidence Base* completed in 2021 (and a subsequent report for Greater North Kent), the *Curriculum 2030* report prepared by EKC Group, an additional submission by the Growing Kent and Medway consortium, and a range of national and regional background documents.

- A **survey of employers**. This involved a telephone survey carried out by an independent market research company, supplemented by an online survey. This sought to reach a wide range of mainly private sector employers, with coverage across all the Standard Industrial Classification main sections and across all parts of Kent and Medway. There were over 900 complete responses to the survey, which sought to explore employers' skills 'needs', their perceptions of the skills landscape overall, and their propensity to invest in training and to develop solutions.

- Six **employer focus groups.** These were sectorally oriented (three focused on construction; with one each focused on land-based industry (principally the fresh food sub-sector), professional services, and the visitor economy) and were independently facilitated. Given the relatively short period of time in which the trailblazer LSIP had to be produced, these were organised as 'one-off' events, although could provide a basis for more ongoing engagement in the future.

- A series of **direct discussions with businesses.** These focused on employer skill needs, opportunities to address these (either within existing arrangements or through the development of new ideas) and willingness to engage in future dialogue. This process was facilitated by three

skills advisors, partially seconded to Kent Invicta Chamber by the county's three further education colleges.

- A synthesis of this primary and secondary evidence was brought together and discussed at an **Employer Panel**, convened by the Chamber.
- This then informed a **discussion of potential solutions and opportunities with the further education sector** (including consideration of the additional work that will need to be done to help bring these forward).

1.9 During the process, we have also engaged with the Department for Education's evaluation contractor to consider lessons that can be learnt from the development of the LSIP.

Key areas of focus

1.10 Kent and Medway has a sectorally-diverse economy, as the analysis in Chapter 2 explains. Consequently, we have sought to engage employers from across sectors, and the employer survey had wide coverage. However, given time constraints, we have focused employer dialogue in a number of areas, reflecting both local scale and significance and the existence of proactive employer groups with which to engage:

- **Construction**: This is a large sector in Kent and Medway, in which the county is relatively 'over-represented' in employment terms. This reflects the scale of current and planned development across the county (including a number of major projects) and demand generated across the Greater South East.
- **Land-based and food production:** Although more modest in absolute employment terms, Kent's land-based sector has distinctive strengths (especially in horticulture and fresh food and links with food manufacturing). There is also an active and dynamic employer-led sector group.
- **Manufacturing and engineering**: In Kent and Medway, the manufacturing sector is strongly SME-dominated. Within the county, it is quite heavily concentrated, and is growing in employment terms.

1.11 In addition, employer dialogue has also covered professional services and the visitor economy (highlighted in relation to the focus groups referred to above) as well as the health and social care sector.

Some caveats and limitations…

1.12 While the LSIP has sought to bring forward a range of new employer views and consolidate existing material, there are some important limitations that should be borne in mind:

- First, our focus is on **"post-16 technical education and training"**, as set out in the Government guidance, and with particular reference to further education.
- Second, the Plan is based on **employer perspectives** (and principally those of employers in the private sector). This is right, given the focus on *employer responsiveness* within the Skills White Paper and the role of Kent Invicta Chamber as an employer representative. However, while employer views and evidence of labour market demand are crucially important, they are not the

only factors that further education providers need to take into account in planning provision: others include the need for general skills and wider social need (numeracy and literacy, for example), individual learner demand, and funding constraints. It follows that **this trailblazer LSIP should be considered alongside a range of other sources of evidence in planning provision**: it is a valuable partial view, not a holistic plan.

- Third, **while the trailblazer timescale has allowed the *process* of developing an LSIP to be piloted, it has not allowed time to pilot solutions**. This will be important as the Plan is taken forward: stated employer demand is not the same as revealed preference, and more work will need to be done to explore this further.

- Finally (and reflecting all of the above), **the trailblazer LSIP is a staging post on a journey, not the end of it**. It builds on work and collaboration that is already in place, and it should be strengthened through further engagement and analysis into the future.

Report structure

1.13 Taking this context into account, the remainder of this Plan is structured in four chapters:

- **Chapter 2** sets out the **economic and strategic context** within which the LSIP is developed, providing an overview of workforce skills demand and supply, the further education landscape and how the LSIP relates to existing plans and strategies.

- **Chapter 3** articulates **employers' skills needs**, based on the survey and direct dialogue evidence referred to above, as well as wider material, with specific (although not exclusive) reference to the key sectors on which we have focused.

- **Chapter 4** then looks at **barriers and constraints** in meeting these skills needs

- Finally, **Chapter 5** sets out a **high-level 'roadmap' for change**, outlining the next stage of work that the LSIP will need to take forward beyond this initial trailblazer report.

1.14 In addition, a series of annexes are attached, containing details of the survey analysis and employer focus groups and further reflections on the process of developing the Plan.

2. Strategic Overview

Kent and Medway has a large and sectorally diverse economy, dominated by small and medium enterprises. Recent employment growth has been rapid, linked with a growing working age population.

The workforce skills profile has improved over time. But there is still a significant 'deficit' relative to the national average. While forecast occupational demand suggests that skills will be required at all levels, there is a trend towards increasing qualification requirements. Recognising this, raising workforce skill levels, and aligning these with economic need, is a high strategic priority and a range of plans are either in place or are coming forward to address this.

The further education landscape in Kent and Medway has consolidated in recent years, with three large FE college groups covering the county, and there is strong collaboration between the colleges.

2.1 This chapter provides an overview of the economic and strategic context within which the LSIP is developed. It is structured in three sections:

2.2 First, it looks at the **latest data on the Kent and Medway labour market**, setting out the county's resident skills and qualifications profile, its sectoral composition, and quantitative evidence of employer skills demand, including analysis of the Working Futures employment projections to 2027.

2.3 Second, it provides a summary of the **further education landscape** in Kent and Medway and its recent consolidation and development.

2.4 Third, it sets out **how the LSIP complements the range of other workforce skills plans and evidence material** and how overall coordination of "skills planning" is managed.

2.5 Finally, based on the above, it **explains the specific focus of the LSIP** and how this strategic context has shaped the approach to further investigation of employer need.

The market for jobs and skills in Kent and Medway

2.6 In 2021, Kent and Medway Economic Partnership published the *Workforce Skills Evidence Base* (WSEB). This provides an extensive analysis of the county's labour market, based on 'standard' data, employer consultations and desk research, and informed the preparation of the original bid for the trailblazer LSIP. Building on the WSEB, this section summarises the state of the market for jobs and skills[3].

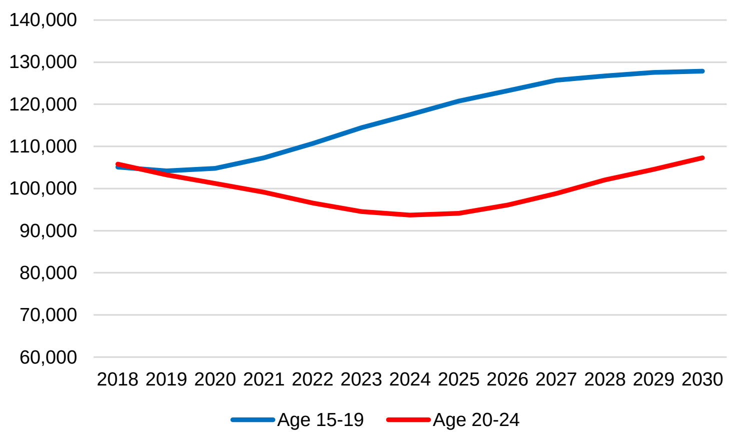
[3] For further information, see the *Workforce Skills Evidence Base* at: http://kmep.org.uk/documents/Workforce_Skills_Evidence_Base.pdf

Workforce supply

2.7 **Kent and Medway's population has grown rapidly in recent years.** In 2020, the county had a population of 1.87 million: between 2000 and 2020, the population grew by around 295,000 (equivalent to a city the size of Medway).

2.8 **Working age (16-64) population growth has been faster than in the rest of the UK**, with 15% growth over the 20 years to 2020, compared with 11% nationally. Looking to the future**, projected population growth over the next decade is significantly higher in Kent and Medway than in the rest of the country.** Although the population is ageing overall (as it is everywhere in the UK), the working age population will increase by around 46,000 between 2020 and 2030 (around 4%). This compares with growth of around 2% in England, and contrasts with many parts of the country which are likely to see a net decrease in the working age population[4].

Figure 2-1: Population projections, Kent & Medway



2.9 Looking more closely at those age groups that will be entering further or higher education or joining the jobs market, the population aged 15-19 is expected to grow by a fifth (c.23,00) over the decade. The population aged between 20 and 24 is likely to fall slightly for the next couple of years, but with a stronger increase towards the end of the decade. **Overall, there is an expanding labour supply in Kent and Medway, including in those groups about to enter the labour market for the first time.**

2.10 Within the working age population, **economic activity rates are relatively high.** In 2021, around 81% of people were 'economically active' (i.e., they were either in employment or actively seeking work), compared with 78% across the UK (although there is some variance across local authority areas). Economic activity rates have also increased steadily over time, reflecting the national picture. **Unemployment** rates track the national average (generally slightly below), and the claimant count has fallen steadily as the economy has recovered from the impact of the Covid-19 pandemic. **This points to a labour market that is relatively 'tight',** which is reinforced by the employer demand signals discussed later.

Workforce skills

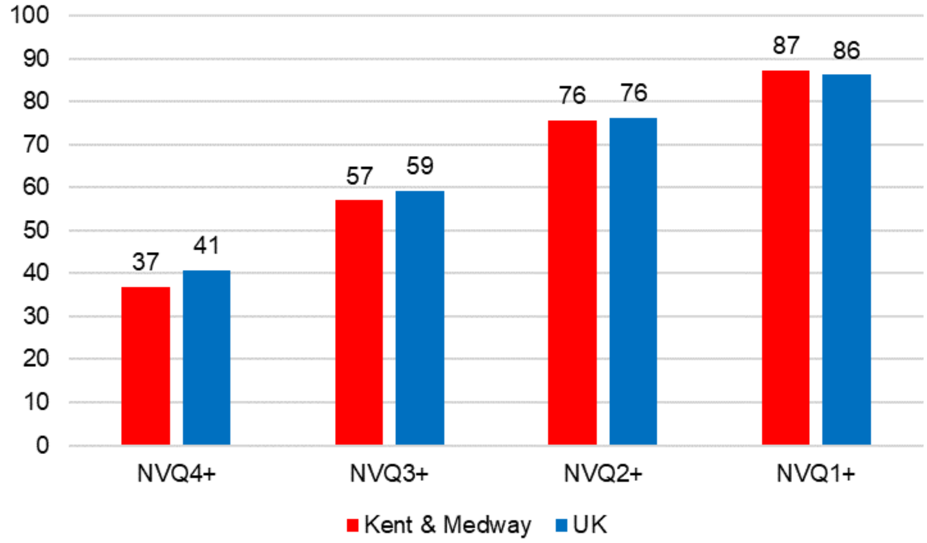
2.11 Formal certification does not capture all the knowledge and skills that people possess. As Chapter 3 sets out, many of the skills gaps that employers are looking to fill will need to be met through non-accredited training, and many highly skilled people may have few formal qualifications, However,

[4] ONS, Population projections. Kent County Council's 'housing-led' forecasts project higher rates of growth (around an additional 97,000 in 2020-30).

workforce qualifications provide a useful measure of local labour supply and help us to compare Kent and Medway with the national picture.

2.12 **Workforce qualifications in Kent and Medway lag behind the rest of the UK at intermediate and higher qualification levels.** At Level 2, attainment levels are comparable, but at Level 3, there is a two percentage point gap, widening to four percentage points at Level 4. These county averages obscure local differences, but the percentage of the workforce qualified to both Levels 3 and 4 is lower than the UK rate in nine of Kent and Medway's 13 local authority areas (with especially low rates in Swale and Thanet)[5].

Figure 2-2: % of working age population qualified to NVQ 1-4 (3-year average, 2018-20)



Source: ONS, Annual Population Survey

2.13 Nevertheless, **there has been steady improvement over time**. In 2004, around 13% of the working age population had no formal qualifications, a figure which had fallen to around 6% by 2020. The share of the working age population qualified to Level 4+ almost doubled over the same period. This partly reflects the gradual transition of the workforce, as less-qualified older workers retire, and better-qualified younger people enter the market.

2.14 Looking at the highest level of qualifications obtained by Kent and Medway residents, in 2020, around 69,000 people of working age had no formal qualifications, and a further 121,000 were only qualified to Level 1. Relative to the rest of the UK, progression from Level 3 to Level 4+ is weak: a higher percentage of the working age population than the national average have Level 3 as their highest qualification, but the percentage achieving beyond this is lower:

[5] Three-year averages have been used to smooth volatility in local data.

2.15

Table 2-1: Highest qualifications obtained, % of working age pop (3-year average, 2018-20)

	Kent & Medway	UK
NVQ4+	36.8	40.8
NVQ3+	20.1	18.3
NVQ2+	18.7	17.1
NVQ1+	11.5	10.0
No qualifications	5.5	6.4
Other qualifications	7.4	7.5

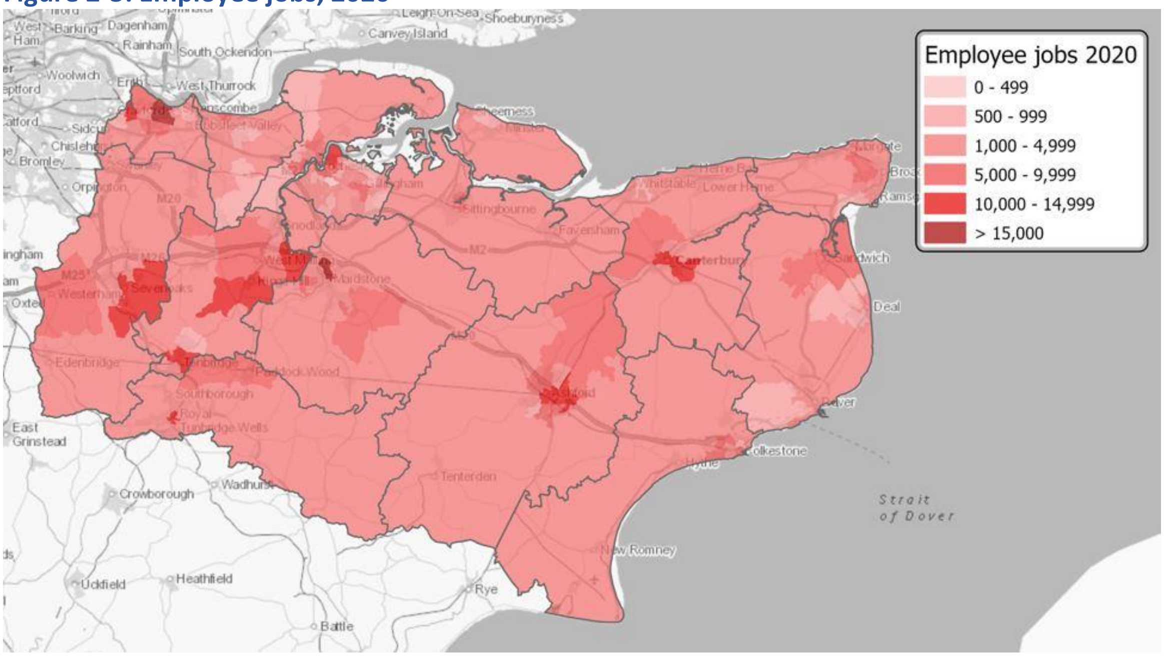
Source: ONS, Annual Population Survey

Employment demand: Jobs

2.16 **In 2019, there were around 880,000 jobs in Kent and Medway.** The rate of job creation has been positive over the past two decades: between 2000 and 2019, the county's stock of jobs increased by 28% (compared with 11% growth in the working age population). This reflects the UK's general success in job creation over time, and partly correlates with the low unemployment and rising economic activity rates referred to earlier. This growth has meant that the **'jobs density'** (the number of jobs for every working age resident) has increased steadily over time, to 0.78 in 2019. This is however lower than the UK average (0.87), partly reflecting out-commuting to London.

2.17 **Concentrations of employment are widely dispersed across Kent and Medway.** This reflects the county's 'polycentric' nature (which includes some important concentrations of activity in industrial and business park locations, especially in West Kent (e.g., Kings Hill and Aylesford/ Medway Gap):

Figure 2-3: Employee jobs, 2020



Source: ONS, Business Register and Employment Survey

Sectoral profile

2.18 **Sectorally, Kent and Medway's employment base is diverse**:

- In terms of **absolute employment numbers**, the largest sectors are health and social care; education; retail; and business administration and support services. Combined, these four sectors account for over 40% of all employee jobs. Accommodation and food service; manufacturing; construction; and professional, scientific, and technical services are also large employers, and combined account for a further 28% of jobs.
- Of the larger sectors, **Kent and Medway is relatively 'over-represented' in construction, motor trades and retail** (and to a slightly lesser extent in transport, distribution and logistics). Employment in agriculture is also much larger than it would be if Kent's sectoral profile matched that of the rest of the country, although agriculture is a small employer in absolute terms. However, this hides some significant local concentrations (such as manufacturing in in Swale; construction in Dartford, Gravesham, Maidstone, Sevenoaks and Tonbridge and Malling; and transport and logistics in Dover, Dartford, Gravesham, Swale and Tonbridge and Malling).
- **Employment growth** in 2015-19 was strongest in construction, motor trades and accommodation and food service. A few sectors also saw a contraction, principally in property and real estate and information and communications

2.19 A summary of the county's sectoral profile is set out in Table 2-2:

Table 2-2: Kent and Medway sectoral employment profile.

Sector	Employee jobs 2019	Share of total employment, 2019	Location quotient, 2019[6]	Employment growth (CAGR, 2015-19)
Agriculture, forestry & fishing	12,000	1.7	2.3	0.0%
Mining, quarrying & utilities	10,000	1.4	1.1	5.7%
Manufacturing	48,000	6.7	0.8	1.1%
Construction	48,000	6.7	1.4	4.7%
Motor trades	17,000	2.4	1.2	3.2%
Wholesale	30,000	4.2	1.1	0.0%
Retail	78,000	10.8	1.2	-0.6%
Transport & storage	39,000	5.4	1.1	1.3%
Accommodation & food svc	55,000	7.6	1.0	2.4%
Information & comms	19,000	2.6	0.6	-1.3%
Financial & insurance	19,000	2.6	0.8	0.0%
Property	10,000	1.4	0.8	-4.5%
Prof, scientific & technical	47,000	6.5	0.7	-0.5%

[6] The 'location quotient' is a measure of relative concentration. A LQ of 1 means that the sector has a larger share of total employment in Kent and Medway than it does in the national economy; a LQ of less than 1 means that it has a smaller share.

Sector	Employee jobs 2019	Share of total employment, 2019	Location quotient, 2019[6]	Employment growth (CAGR, 2015-19)
Business admin & support	62,000	8.6	1.0	-0.4%
Public admin & defence	27,000	3.8	0.9	-0.9%
Education	71,000	9.9	1.1	-0.3%
Health	98,000	13.6	1.0	0.3%
Arts, entertainment etc	30,000	4.2	0.9	0.0%
Total	**720,000**	**100.0**	**1.0**	**0.5%**

Source: ONS, Business Register and Employment Survey

2.20 The sectoral composition of the economy is helpful in indicating where market demand for employment might be generated. However, four broader considerations should be borne in mind:

- Even where sectors appear to be 'declining' in net employment terms, there will still be demand for new workers as older workers retire. This 'replacement demand' is an important part of the annual labour requirement – so we will still need to ensure a (potentially large) skills supply for sectors that are not growing overall.

- The range of occupations is broad and include support activities that are transferrable across sectors (all sectors will employ people in finance and IT, for example).

- Technology convergence is blurring some sectoral boundaries and changing the nature of activities within sectors. For example, the increasing importance of service activities to some manufacturing firms, or the transformational impact of digital technology on the nature of retailing. These changes are not necessarily visible in overall sectoral balance but are important in determining the type of jobs and skills that might be required in the future.

- Current labour supply issues may have an impact on demand for automation and different working practices. For example, the impact of the UK's exit from the European Union has been widely cited as driving significant labour supply constraints, especially in lower-skilled and semi-skilled jobs (about 21% of low-skilled factory and machine operator jobs were held by EU nationals in 2018[7]).

Occupational profile

2.21 Kent and Medway's occupational profile is broadly similar to that of the UK as a whole. Over time, the occupational balance has been more or less stable, although there has been growth in professional and managerial occupations (and caring and personal service occupations) and a contraction in process and plant and sales roles. This reflects the impact of automation highlighted earlier. However, the type of work *within* occupational definitions may change faster than the data suggests: the implications of this for employer skill needs will be explored further in Chapter 3.

[7] Kings College London, UK in a Changing Europe/ Migration Observatory, 2020

Table 2-3: Occupational profile, 2020

	K&M, total jobs	K&M, %	Change (CAGR, 2004-20)
Managers, directors & senior officials	100,300	11.0	0.5%
Professional occupations	195,400	21.4	1.9%
Associate professional & technical occupations	139,400	15.3	1.2%
Administrative & secretarial occupations	104,200	11.4	-1.0%
Skilled trades occupations	90,100	9.9	-1.3%
Caring, leisure & other service occupations	82,700	9.1	0.4%
Sales & customer service occupations	54,500	6.0	-1.9%
Process, plant & machine operatives	45,400	5.0	-2.1%
Elementary occupations	98,600	10.8	-0.3%

Source: ONS, Annual Population Survey

Business stock

2.22 In 2021, there were around **85,500 businesses** in Kent and Medway. As elsewhere in the UK, the business stock is overwhelmingly composed of small businesses[8]. Some 86% of all businesses employ nine people or fewer, a slightly higher percentage than the UK average. However, large organisations account for a high share of employment: about half of all employee jobs are in businesses that employ more than 50 people. There is considerable variance by sector, with employment in construction strongly dominated by small and micro businesses and others (such as financial services) mainly based on large employers[9].

Productivity and pay

2.23 The *Skills for Jobs* White Paper places improved productivity at the heart of the case for the Government's technical education reforms: a better-skilled workforce ought to create more value from every job, translating into higher pay and greater business competitiveness.

2.24 Kent and Medway's gross value added (GVA) per filled job (a conventional measure of productivity) was around £53,600 in 2019. This equated to around 95% of the UK average, with a somewhat wider gap with the rest of the South East. Reflecting this, workplace earnings (i.e., the wages commanded by people *working* in Kent) were 94% of the national average in 2021, at £575 per week for full-time workers[10].

[8] UK Business Count; measured as 'local units', which include local autonomous units of larger groups.
[9] BEIS, Business Population Estimates for the South East region.
[10] Resident earnings are higher (£631 per week), reflecting the higher wages commanded by out-commuters (mainly to London). Data relates to the Kent County Council area, rather than Kent and Medway.

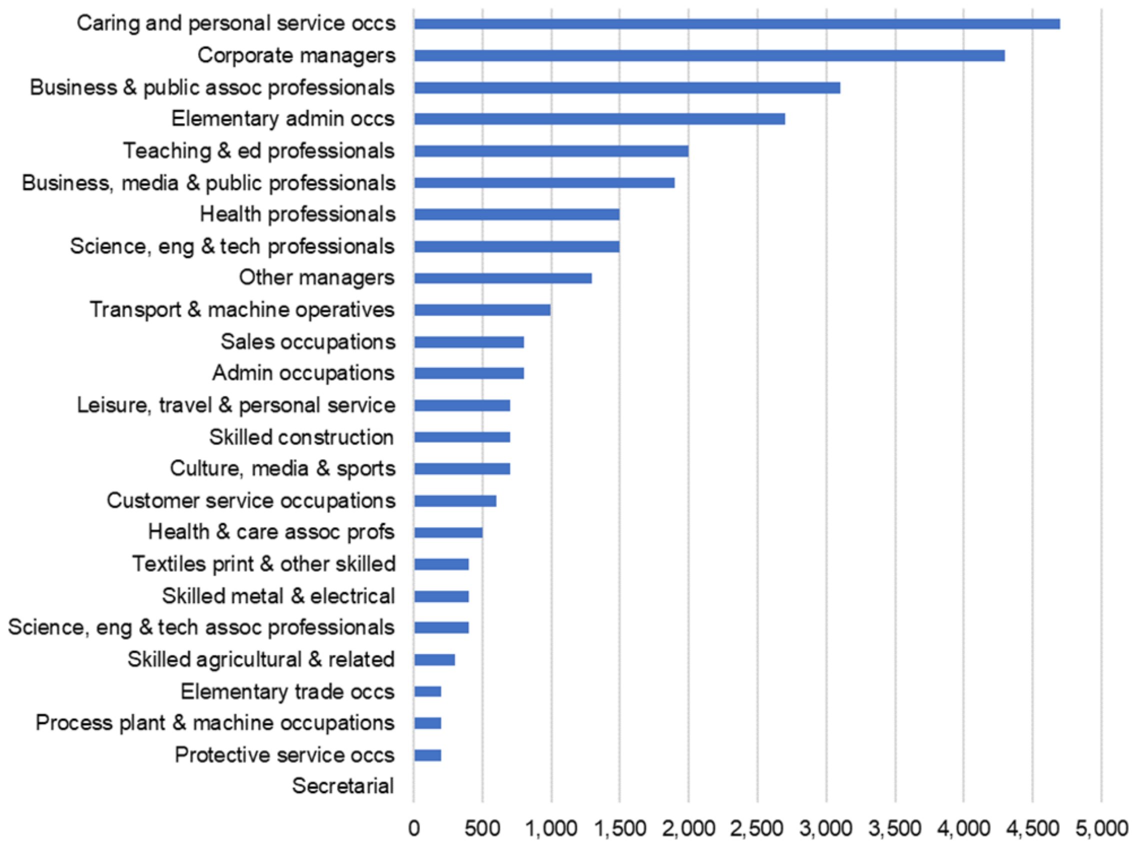
Forecasts for skills and the labour market

2.25 Looking to the future, the Department for Education has recently published a set of employment forecasts via its **Working Futures** forecasting model. This forecasts employment by sector, occupation, and qualification level for all Local Enterprise Partnership areas in England[11]. The *Workforce Skills Evidence Base* drew on these to make local estimates for Kent and Medway.

2.26 Projections from Working Futures anticipate an **additional 16,000 jobs** in Kent and Medway between 2017 and 2027. In terms of **sectors**, the forecasts suggest **significant growth in health, accommodation and food service and education**. It also anticipates a substantial fall in manufacturing employment (with a net loss of 4,800 jobs), although as indicated above, the recent outturn suggests that manufacturing employment has been resilient.

2.27 However, most employment demand relates to the replacement of people who retire or otherwise leave the labour market – so annual demand for new job openings is much greater than the net increase in total jobs. **Overall, the annual demand for new entrants, including both 'replacement' and 'expansion' demand is around 28,000**. As Figure 2-4illustrates below, there will be demand for new entrants across all occupations (other than secretarial roles, which are diminishing rapidly). These will require skills at a range of levels, with high demand for caring and personal service roles as well as in professional and managerial jobs that are likely to require 'higher-level' qualifications:

Figure 2-4: Forecast annual demand in Kent & Medway to 2027 (replacement + expansion)



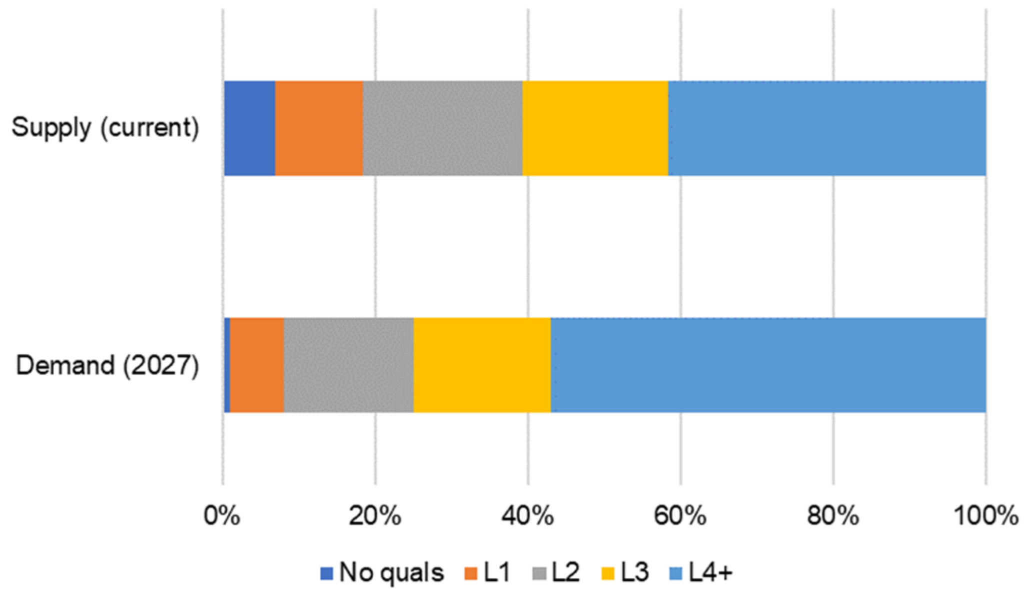
[11] Warwick University Institute for Employment Research/ Cambridge Econometrics for DfE, *Working Futures 2027*

Source: DfE, Working Futures 2017-27

2.28 Working Futures anticipates that **demand for higher qualifications will continue**, with the proportion of total jobs requiring qualifications at foundation degree level or equivalent reaching around 50% by 2027 (from around 30% in 2007). Demand and supply are not entirely independent of each other: a more highly-qualified workforce will help to drive higher qualification requirements as some employers use qualifications as a 'sorting' mechanism.

2.29 However, there is an imbalance between the qualifications profile of today's workforce and projected demand, as Figure 2-5 illustrates. Projecting the trajectory of recent improvements in Kent and Medway's qualifications supply forward, this gap is likely to narrow over time. But maintaining the trend will require a consistent focus, especially given the existing and historic 'deficit' in the county at higher workforce skill levels.

Figure 2-5: Current supply vs. anticipated employer demand in 2027

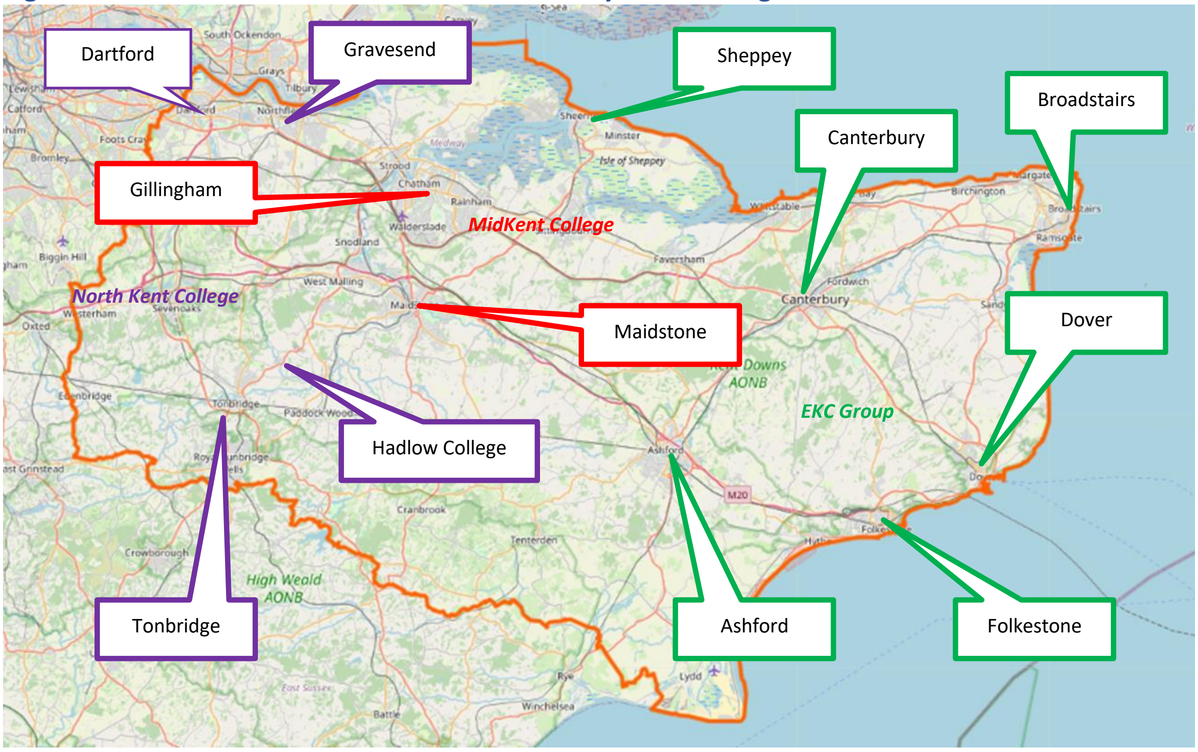


Source: Working Futures

The further education landscape in Kent and Medway

2.30 Kent and Medway's further education provision is delivered through three further education college groups (North Kent College, MidKent College and EKC Group). These operate across 12 main college sites, supported by over 20 other training locations, illustrated below:

Figure 2-6: Further education in Kent and Medway: Main college sites



Source: Kent Further Education; OpenStreetmap

2.31 The three colleges support around 25,000 students, of which some 10,000 are 16-18, over 12,000 adult learners and around 2,500 apprentices. In recent years, the further education landscape has undergone substantial consolidation, as smaller colleges have merged. This has led to an improvement in quality and institutional resilience, with all three colleges currently assessed as Good by Ofsted. Collaboration has also increased, with the three colleges co-operating through Kent Further Education and sharing expertise. As highlighted in Chapter 1, the colleges are actively supporting the development of the LSIP process, with the secondment of skills advisors to Kent Invicta Chamber to support employer liaison.

2.32 Alongside approval of Kent and Medway as an LSIP pilot area (and in a bid supported by Kent Invicta Chamber as the LSIP lead body), EKC Group, MidKent College and North Kent College successfully applied to the SDF for £5.6 million for a series of projects to address skills needs in three sectors:

- **Manufacturing and engineering**, led by EKC Group. This includes the development of a Green Engineering and Design Centre at Ashford and a green engineering and mechanics lab at Canterbury, focused on electric and assisted vehicles
- **Construction,** led by MidKent College. This includes a zero-carbon construction 'skills factory' on MidKent's Maidstone campus, with a home heating centre and a 'train to teach' programme designed to bring industry expertise into the teaching process to address the acute shortage of trained teaching staff.
- **Agriculture and horticulture**, led by North Kent College, through a focus on decarbonisation in agri-tech delivered via NKC's specialist agriculture and horticulture campus at Hadlow College

2.33 Although delivery of these projects is proceeding ahead of the LSIP itself, the focus on decarbonisation builds on the skills needs identified in the Workforce Skills Evidence Base (and the colleges' own analysis). They also respond to some of the issues and challenges that are explained further in Chapter 3.

The wider strategic context

2.34 As Chapter 1 indicated, this Plan builds on, and complements, a range of emerging and existing plans and arrangements. The accelerated joint working that has taken place during the Covid-19 pandemic has given added impetus to these: the following paragraphs describe the overall partnership framework and the developing strategy base.

2.35 At county-wide level, the **Kent and Medway Employment Task Force** was established in October 2020. In the context of the risk of rising unemployment (especially among young people) during the pandemic, the Task Force brought together the local authorities, FE colleges, universities, DWP, Kent Invicta Chamber of Commerce, independent providers and two of the county's MPs to identify ways in which access to employment could be maintained and enhanced.

2.36 Over the past year, the Task Force has also developed a strengthened role as a strategic forum for discussion of skills and employment issues in Kent and Medway. In this context, it has considered a series of evidence reports and strategies which have either been recently produced or which are in development. The LSIP forms part of this 'strategy suite', which also includes:

- The Kent and Medway **Workforce Skills Evidence Base**, cited earlier. As well as data analysis, the WSEB included a series of employer focus groups, on which engagement for the LSIP has built.
- The development of a **Workforce Skills Evidence Base Action Plan.** This will set out how local organisations are responding to the issues, challenges, and opportunities the WSEB identified, and where further action (and funding) may be needed in future. Development of the WSEB Action Plan is underway in parallel with the LSIP, which it will complement.
- Medway's **Skills and Employability Plan,** which is currently being refreshed as part of Medway Council's 'Medway 2037' regeneration strategy. Consultation has taken place, and the revised Skills and Employability Plan will be published in spring 2022.
- The emerging **Kent and Medway Economic Strategy**, which will be published later in 2022. This takes a long-term view to 2030 (consistent with the Government's Levelling Up White Paper) and will draw on the LSIP and its continuing development.

2.37 This Plan also builds on the **South East LEP's Skills Strategy 2018-23.** The Skills Strategy highlights the need to *"increase apprenticeships and industry relevant qualifications for all ages, particularly in priority sectors and at higher and degree level"* and to *"simplify the skills landscape for employers, stakeholders and individuals"*, among other priorities[12]. While the Strategy does not itself contain an analysis of employer-reported skills gaps (or to explicitly seek to address them), it does identify a need for greater employer responsiveness, which the LSIP process should be able to drive forward.

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[12] South East LEP, *Skills Strategy 2018-23*

Bringing it together: The focus of the LSIP

2.38 The overview of Kent and Medway's economic profile and strategic context indicates that the county has a workforce skills deficit, in the context of generally high employer demand; that there is a strong consensus on the need to address this; and that progress has been made in recent years, for example through further education college consolidation.

2.39 In that context, the **added value and focus** of the LSIP is on articulating the employer voice, with the aim of identifying potential solutions to meet need in the short term and establishing a framework for systematically reflecting employer perspectives in the longer term. Given time, we have especially focused discussions with employers on a limited number of sectors. Reflecting the areas covered by the colleges' Strategic Development Fund projects, these are:

- **Construction:** a sector in which Kent and Medway has a relatively high concentration of employment, large numbers of SME employers and a high degree of employer and representative body willingness to engage.
- **Manufacturing and engineering:** relatively high productivity, with some important local concentrations of employment, and with resilient employment levels and demand for new technology
- **Agriculture and land-based:** a small sector in absolute employment terms, but one in which Kent and Medway has some distinct strengths (horticulture and fresh food and important research and development facilities) and high levels of industry engagement.

2.40 Within these sectors and across the wider economy, the next chapter sets out the skills challenges that employers face.

3. Specification of employer skills needs

Local and national evidence highlights that skills gaps and shortages are widespread. While some of these are 'generic', in Kent and Medway, the most commonly reported challenges are in industry-specific skills.

Dialogue with employers highlights a number of skills needs. These include modernising the training offer to better reflect the technologies currently used in the workplace, and, in the land-based sector, adapting Apprenticeship models align with industry working practices. Across all sectors, investment in upskilling and re-skilling was highlighted for the existing workforce (including more short course provision). It is also important to influence learner *demand* by changing perceptions and awareness of career opportunities.

Introduction

3.1 Building on the data set out in Chapter 2, this chapter looks at evidence from employers of identified skills gaps and needs. It starts with a review of survey data, before considering qualitative insights from employers and other material submitted as part of our call for evidence. In line with our sectoral focus, these qualitative insights principally relate to the construction, manufacturing and engineering and land-based sectors, although discussions also took place with businesses outside these sectors. We then highlight the skills implications of the cross-cutting 'transformational' changes associated with decarbonisation, digitalisation, and demographic change, before bringing together some overarching findings at the end.

The scale of the challenge: Employer survey evidence

The national picture

3.2 The **Employer Skills Survey (ESS)** is carried out nationally by the Government every two years, with the most recent survey conducted in 2019 (i.e., before the pandemic). The ESS is statistically robust and involves interviews with around 81,000 employers across the UK[13].

[13] Department for Education (2020), *Employer Skills Survey 2019: Skills Needs*

3.3 The 2019 survey indicated that skills gaps and shortages – as reported by employers - were quite widespread, although unevenly distributed across sectors. Nationally, the survey found that 5% of all employers had 'skill shortage vacancies' (i.e., vacancies that could not be filled due to a lack of skills, qualifications, or experience). However, skill shortage vacancies accounted for some 24% of all vacancies – rising to 36% in manufacturing and construction and 48% for skilled trades occupations. 13% of all employers also reported that they had skills gaps within their existing workforce.

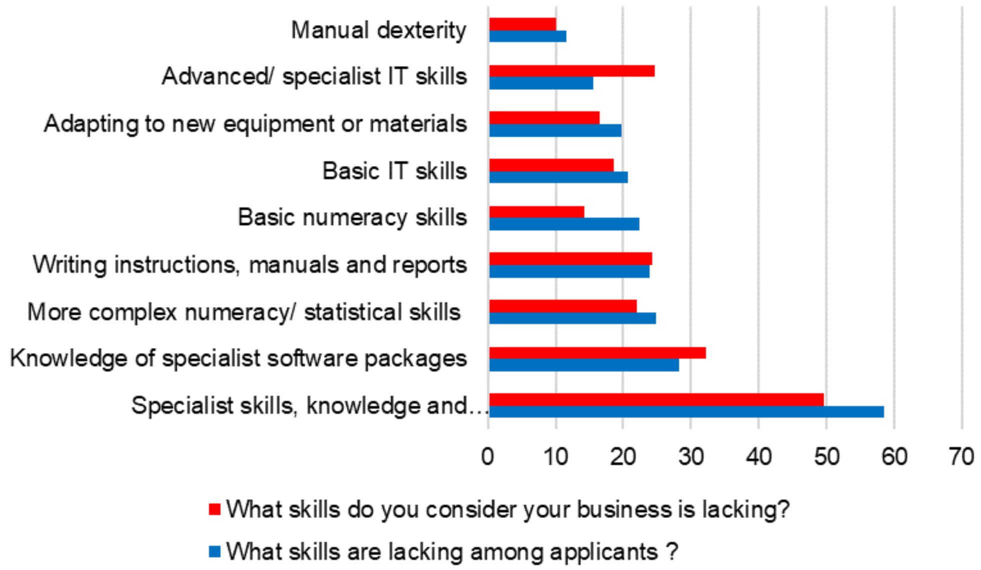
Local evidence

3.4 To supplement the national research (and bearing in mind that the ESS was carried out before the Covid-19 pandemic), we commissioned a **Kent and Medway Employer Skills Survey.** This secured around 900 responses: while smaller in scale and scope than the ESS (and delivered over a much shorter timescale), it provided an insight into local employer perceptions (including those who do not normally engage in strategic skills dialogue).

3.5 The full survey results are set out in Annex B. In relation to **employer skills needs**, the survey found that:

- **Almost half of all businesses said that recruitment was a problem for them**, with 28% of respondents reporting that it was 'sometimes' a problem, and 20% that it was a 'major problem. 35% of businesses also said that they had some gaps within their existing workforce capabilities.
- The hardest types of roles to recruit to were reported to be professional/ highly skilled technical roles, technical and skilled support roles, and skilled trades (reflecting the national picture cited in the ESS).
- While employers identified a range of skills that they had difficulty in recruiting to, or in which they felt there were gaps in their existing workforce, **'specialist skills' were the most commonly cited**. These might include a range of capabilities, from industry-specific technical knowledge through to an understanding of 'ways of working' that might be gained through experience over time. But the importance of specialist skills gaps potentially highlights the need for quite targeted, industry-specific solutions.

Figure 3-1: Skills reported as lacking among existing workforce and new recruits



Source: Kent Invicta Chamber of Commerce, employer survey. What skills do you consider your business is lacking?, N=308; what skills are lacking among applicants?, N=432

- In relation to **the 'work readiness' of new recruits,** 46% of respondents had recruited directly from full-time education in the past 2-3 years. Of these, 31% said new recruits were "well prepared or very well prepared" for work. But only 20% of *all* survey respondents considered that young people leaving education in general were well prepared or very well prepared. The inference is that those with direct experience of new recruits from the education system have more positive perceptions than those without.

Specifying sector priority needs

3.6 Building on this 'big picture' analysis, the trailblazer LSIP gathered data from a range of sources to assess the specific skills issues faced by employers in the **construction, land-based and manufacturing** sectors.

3.7 Given the short time period in which the LSIP needed to be delivered and its trailblazer nature as a time-bound project, sector intelligence was not part of an ongoing process of continuing engagement with businesses through sector advisory panels or local advisory groups. Instead, the approach taken was to build on existing analysis, supplemented by one-off focus groups organised by Kent Invicta Chamber in relation to the three sectors identified as the focus of the trailblazer.

Evidence used

3.8 The table below summarises the evidence drawn on for the sector summaries that follow. Focus groups notes and other relevant evidence is provided in full in Annex C. The local evidence gathered is most reliable for the construction and land-based/ food sectors, given the high level of industry involvement and the types of companies involved and their propensity to engage in dialogue at this stage. More detail is therefore provided for these two sectors, although we highlight in Chapter 5 how sector dialogue could be extended and made more systematic as the LSIP process moves into its next phase.

Table 3-1: Evidence sources by sector

Sector	Sources
Construction	Kent and Medway Workforce Evidence Base (May 2021) Greater North Kent Workforce Evidence Base (January 2022) EKC Group Curriculum 2030 Research (March 2021) LSIP focus group at Constructing Excellence event (Bearsted, 19 January 2022 – 7 attendees) Notes from 7 LSIP table discussions at Constructing Excellence event (Bearsted, 19 January 2022 – 28 participants) LSIP focus group held online (20 January 2022 – 11 attendees Submission from Gravesham Borough Council (8 December 2011) Summary of bilateral business discussions provided by KICC/ MidKent College Skills Advisor (21 February 2022)
Manufacturing & engineering	Kent and Medway Workforce Evidence Base (May 2021) Greater North Kent Workforce Evidence Base (January 2022) EKC Group Curriculum 2030 Research (March 2021) Summary of bilateral business discussions provided by KICC/ MidKent College Skills Advisor (21 February 2022) and supplementary schedule of discussions provided by KICC/ EKC Skills Advisor
Land-based and food	Kent and Medway Workforce Evidence Base (May 2021) Greater North Kent Workforce Evidence Base (January 2022) EKC Group Curriculum 2030 Research (March 2021) Submission by Growing Kent and Medway LSIP focus group held online with the Kent and Medway Fresh Food Group (18 February 2022)
Other sectors	Kent and Medway Workforce Evidence Base (May 2021) Greater North Kent Workforce Evidence Base (January 2022) EKC Group Curriculum 2030 Research (March 2021) LSIP Visitor and Experience Economy focus group held online (25 January 2022 – 5 attendees) LSIP Professional Services focus group held online (18 January 2022) Visit Kent Business Barometer reports (May-August 2022)

Source: SMRC/ SQW/ Kent Invicta Chamber of Commerce

3.9 The sub-sections that follow set out potential areas for service improvement and development identified from the data sources consulted, with particular emphasis, when possible, the most recent evidence gathered as part of the fieldwork conducted for the LSIP itself. The aim is to set out for exploration with further education partners those issues, challenges, and opportunities that employers feel most merit action.

Construction

Industry overview and outlook

3.10 Kent and Medway has a large construction sector, accounting for about 48,000 employee jobs (in addition to high levels of self-employment). Employment growth has been strong in recent years, and the sector is relatively 'over-represented' in terms of its share of total employment in the county. In thinking about future skills needs, key features of the sector include:

- **Sector fragmentation:** the industry is dominated by small and micro businesses, many operating as subcontractors to larger players. This can present challenges in the ability of employers to engage in skills development (given time and cost pressures), although the industry is well 'organised' in Kent and Medway, and there has been strong engagement from the sector with the LSIP process.

- **Cyclical factors:** Industry demand responds to wider economic conditions. This can mean labour shortages in periods of rapid growth, especially if there has been workforce attrition during a previous downturn. However, a major driver of demand in Kent and Medway will be the high levels of house building and infrastructure projects (such as the Lower Thames Crossing) that will come forward in the next few years, and which are likely to be in development for several years.

- **Relatively weak productivity:** Long-term productivity growth in construction lags behind that in services and manufacturing[14] (and construction productivity in Kent is about the same as the UK average, despite the sector's relative concentration in the county[15]). Greater digital adoption is key to productivity growth, although this has been limited in parts of the industry[16].

- **Technology opportunities:** Technology drivers of skills demand include smart construction and digital design (including Building Information Modelling), low carbon and sustainable construction techniques and offsite construction. Increased regulation could also act as a driver of skills and knowledge.

- **Labour supply:** In recent years, EU migration has been an important source of labour for the construction industry (and on the whole, migrant workers were younger than the local workforce). Nationally, the number of migrant workers in the UK construction industry fell by 8.3% in 2020 with 25,000 fewer working in the sector than in 2019, following the ending of free movement and Covid restrictions)[17]. This has placed increasing pressure on the existing supply, especially given the pace of the post-pandemic recovery in the residential market.

- **Workforce diversity**, especially in the context of an ageing workforce, the migration issues highlighted above and the need to widen the talent pool.

Skills needs identified by employers in the construction sector

3.11 Across the board, employers highlighted the need to foster a culture of continual learning and innovation, with more CPD, short course and qualification opportunities. The following paragraphs set out some of the specific elements that this might include:

Perceptions of the industry

3.12 Employers consider that **perceptions and understanding of the construction sector should be improved.** Frequently, young people, parents and careers advisers tend to have an out-dated idea of construction and do not understand the wide range of potential careers on offer, and the increasingly important role technology plays. More needs to be done by the industry, working with education sector partners, to change perceptions and attract more people into the sector.

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[14] Turner and Townsend (2019), UK Market Intelligence
[15] SQW (2022), Kent and Medway Economic Review (forthcoming)
[16] CITB (2021), Construction Skills Network: Industry Outlook 2021-25
[17] CITB (2021), Migration and UK Construction 2021

3.13 Linked with this, employers also felt that **schools should promote the non-university route** more. It is important to note that this is not a *skills specification* per se (i.e., it does not directly lead to a recommendation for an increase in a specific type of course offer). But it is seen by employers as important in raising entry to the sector.

Volume of the offer

3.14 Overall, employers felt that **the volume and availability of college-based construction courses should be increased**, in subjects including trades, construction, civil engineering and construction management. Employers felt that a lot of provision has been lost in recent years and some parts of the county are less well served than others. This is clearly linked with the 'perceptions and understanding' point above, given the need to generate learner demand to fill an increased learner supply.

Modernising the training offer

3.15 Employers considered that within the further education offer, there should be greater emphasis on:

- **Modern Methods of Construction** (MMC): the highest volume requirements could be in Categories 2 and 3, including timber-, steel- and masonry-framed buildings. New trade roles are emerging, such as offsite manufacturers, assemblers, and robotic operators.
- **Digital skills**, including digital operations throughout the lifecycle of a building, for all construction courses and roles. This includes developing an understanding of how data is put into systems and how it is then used for different purposes; and specific digital skills for individual roles (e.g., quantity surveyors need to understand how to access quantifiable information from a dataset and use modern measurement software like CostX).
- Offering more **engineering skills** programmes, including more at Level 3 and Level 4/5, reflecting current industry practice, and emerging areas, taking into account the convergence between construction and production engineering.
- **Future Built Environment**: tapping into people's increasing desire to contribute to a better society and the green agenda by offering more opportunities on 'big picture' sustainability, Net Zero, and the role of the built environment in the sustainability agenda.

3.16 Employers also noted that the one **Architectural Technologist** programme (HNC in construction and architectural technology) on offer needs assessment tasks which better reflect industry practice and more focus on construction, rather than so much structural engineering and quantity surveying).

Transferrable skills and progression

3.17 Employers highlighted more general **'transferrable' skills**, in relation to the skills, attitudes and behaviours which will enable them to progress and change role during their career, and be open to change and embrace new opportunities. More generally, employers highlighted the need to improve the **general employability, work readiness, work ethic, and STEM skills** of new entrants. This is a general, 'cross-sectoral' observation, and reflects the employer survey results.

3.18 **Developing further construction sector learning progression pathways** was highlighted, with demand for foundation elements and shorter units for specialisation, up to Higher and Degree levels, for people looking to be employed in the sector or already employed in the sector.

Upskilling and re-skilling

3.19 Working with the established workforce, employers highlighted the need to **create an inspiring and engaging set of professional development opportunities** to enable career progression and re-skilling for existing staff, including construction industry-related digital skills, QS, leadership and management and sustainability.

> *"We need options to fire up and develop the 'frozen middle' – people with 10-15 years' experience, usually qualified but unwilling to engage with rapid change"*
>
> LSIP Construction focus group

3.20 Linked with this, employers cited **more opportunities for those in work to progress into supervisory and management roles** with accredited programmes that reflect how construction companies manage their operations in practice in areas like contract management, operations management and industry paperwork and Building Management Systems.

Short course provision

3.21 More **short courses** (e.g., 12 weeks) for on-site entry level roles were seen as important. However, these cannot generally be funded through existing mechanisms (so will need some creative funding solutions.

Engagement

3.22 Finally, there is a need to **make it easier for employers to work with colleges and providers** on issues like staff recruitment and apprenticeships. Linked with the perceptions point above and the need to upskill the existing workforce, there is a need to make colleges seem like places which are not just focused on young people but also are a place for professional skills development and adult learning. Raise the profile of FE to engage more employers.

Manufacturing and engineering

Industry overview and outlook

3.23 There are around 48,000 people employed in manufacturing across Kent and Medway. There are especially high concentrations in Swale and (to a lesser extent) Ashford, although manufacturing employment is quite widely distributed across the county. In recent years, employment in the sector has been resilient, growing by about 3% between 2015 and 2020 (although reflecting longer-term trends, Working Futures projections anticipate a fall in employment between 2017 and 2027).

3.24 In Kent and Medway, manufacturing industry is quite diverse: the two largest sub-sectors are in fabricated metal and metal products and computer-related equipment, but there is no single dominant branch of industry. As in other sectors, SMEs dominate the business stock (accounting for about 82% of all businesses), but about half of all staff work in companies with more than 50 employees.

3.25 Key features of the sector that are relevant to future skills demand include:

- **High productivity and capital intensity:** Manufacturing in Kent and Medway generates around £78,000 in GVA per filled job, substantially above the all-industries average. The sector has also experienced productivity gain over time: employment numbers have fallen over the long-term (despite stabilisation recently), even as output has grown. This reflects the increasingly 'high value' nature of manufacturing activity and the higher technical skills that this is likely to require.

- **Industry 4.0 and technology convergence:** The impact of digitalisation is quite profound in parts of the manufacturing sector, as the use of greater volumes of data drive greater opportunities for product individualisation, dispersed production (for example by using 3D printing), and the development of new business models based around servicing equipment by using the data that can be gathered from connected devices. Advanced digital skills are likely to be increasingly important.

- **The ageing of the workforce:** As in the construction sector, the manufacturing workforce is ageing, with skilled staff approaching retirement, and a lack of new entrants, partly due to outdated perceptions of the industry and the extent to which this drives under-representation (for example among women in the manufacturing workforce).

Skills needs identified by employers in manufacturing and engineering

3.26 In the time available to develop this trailblazer LSIP, it was not possible to have dialogue with industry representatives to the same extent as the construction and land-based sectors. However, wider discussions with employers, including as part of the Workforce Skills Evidence Base and subsequent work highlighted a number of areas for action.

Image and perceptions

3.27 In common with the construction sector, employers considered that **career opportunities within the industry are not always well understood** despite the high productivity and technological intensity of the sector. This is borne out in national evidence: the 2020 *Annual Manufacturing Report* commented on the perception of the UK as a 'post-industrial' economy and the (erroneous) view that engineering activity is physically demanding or repetitive[18]. Businesses highlighted the need to support clearer communications of the opportunities in the industry and expressed a willingness to engage in this.

3.28 While this is a national challenge, it is plausible that it may be especially acute in Kent and Medway, given the relative fragmentation of the manufacturing sector in the county: there are few very large manufacturers able to take a 'lead'. However, driving learner demand is likely to be important, given the relatively high cost of course provision.

Intermediate level provision

3.29 The industry is faced with **technology change** pressures (the shift from 'automation' to enhanced digitalisation and the need to manage complex data and systems) and **workforce lifecycle** pressures as existing workers retire. In responding to the former, there is an increasing demand for higher/ graduate level technical skills (as the Working Futures projections set out in Chapter 2 suggest). However, businesses also noted a need for more **intermediate-level engineering skills**, especially to accommodate replacement demand.

Short course provision

3.30 Businesses reported **likely demand for short courses**, especially related to technology adoption and deployment and in subjects like computer-aided design, digital automation and (more generically) digital skills across the board. Currently, employers' access these through private provision, but

[18] The Manufacturer/ PwC, *Annual Manufacturing Report 2020*

commented on the extent to which they involve travel (and associated costs to business) and the fact that courses linked with specific equipment suppliers can be too limited in scope.

Understanding the supply side

3.31 More broadly, businesses engaged with as part of the Greater North Kent Workforce Skills Evidence Base highlighted a need to **understand better the provider specialisms that are available** within the further education offer. This is not a 'skills specification', but it does illustrate the extent to which demand and supply are inter-connected: understanding the supply landscape is key to influencing and informing it. Businesses wanted to understand the direct relevance of the offer to business need, as well as the way in which it might work for them in practical administrative terms. This points to a need for a longer-term programme of engagement with industry as the LSIP process is developed in the future.

Land-based and food

Industry overview and outlook

3.32 Narrowly defined by industrial classifications, the 'agriculture and horticulture' sector is relatively small in employment terms, accounting for around 17,500 employee jobs across Kent and Medway. However, there are specific sub-sectoral specialisms in Kent and Medway in relation to fresh food (especially soft fruit and top fruit) and the wider 'land-based' economy extends to food processing (overlapping with the manufacturing sector) and some important research and development activities (for example at NIAB EMR at East Malling). From the skills supply side, Kent also hosts a large specialist land-based provider at Hadlow College, part of the North Kent College group.

3.33 Staff recruitment has been a major challenge for the industry over the past couple of years, especially in the context of the sectors use of European migrant labour and the impacts of Brexit and the Covid pandemic on this. To establish a collective approach to addressing some of the labour issues affecting the sector, a **Fresh Food Task Force** was established in 2021.

3.34 Key skills and labour issues facing the land-based sector include:

- **'Structural' change in the labour market driving automation and new solutions:** Businesses noted that the relative ease of labour supply which applied historically is unlikely to return. The situation has also deteriorated over the course of 2021 as general demand returned in the economy, and has been exacerbated by labour shortages in related industries, such as transport and logistics. This has prompted a focus on increased use of technology.

- **Widespread shortages of 'skilled operative'** roles such as tractor drivers and farm workers with specific skills such as irrigation. These roles tend to be developed with experience and 'on the job' training' but are proving difficult to fill as the supply of new entrants dries up. This is also having an impact on recruitment to supervisory and management roles, which are typically nurtured through experience.

- **Impact of new technology on the nature of agricultural production**. For example, in Kent, this includes the increase in indoor fruit growing, with increasing technology content.

- **Wider changes in the land-based sector**, linked with post-Brexit reform of agricultural policy and new approaches to food security and land management. The Government's *National Food*

Strategy emphasises the role of the food sector in restoring nature, mitigating climate change and supporting resilience to global food supply shocks: the specific skills implications of this may not yet be entirely clear, but point to an emphasis on technology to reduce resource consumption and the need for wider environmental management skills.

Skills needs identified by employers in the food and land-based sector

3.35 There is substantial work underway in the land-based sector to explore workforce skills issues in greater depth. Building on the work of the Fresh Food Task Force, this includes the **Workforce 2030** project, being driven by 'Growing Kent and Medway', an innovation programme focused on the land-based sector and supported through the Government's Strength in Places Fund. Some of the recommendations emerging from Workforce 2030 are highlighted in the next chapter.

3.36 From dialogue with employers, key skills needs include:

Better understanding of the sector

3.37 As with manufacturing and construction, businesses highlighted **perceptions** as a major challenge. Employers noted that part of the issue is that work in agriculture is often seen as temporary, casual or low-skilled, even though the knowledge and technology component of many jobs has increased, and career prospects are stronger. In part, the perceptions challenge is associated with the 'structural' shift in the industry's approach to labour highlighted earlier, but businesses noted that schools and teachers are often unfamiliar with the sector as a career path.

Apprenticeship design and suitability

3.38 Much work in the land-based sector is seasonal and irregular. Businesses noted that this makes it difficult to make Apprenticeships (for example) work, given that employees may initially only be employed for six to nine months, but could then go on to work full time in a related occupation. Linked with this, employers noted that some horticulture Apprentices are employed in occupations such as green keeping, which is perhaps easier to manage in terms of predictability and conventional working patterns, but which does not meet the needs of the food-growing sector. Overall, businesses considered that there is a 'mismatch' between the needs of the industry and the education and skills offer, partly driven by administrative complexity: consultees as part of skills research in North Kent noted that degrees offering a year in industry had previously been attractive to the sector, but had become less common.

> *"A key take-away action is for FE to look at the sector as it is from the inside – not 9-5, and including a lot of seasonal work – across the whole supply chain, and reflect this reality in what is on offer"*
>
> LSIP Land-based focus group

'Getting the basics right'

3.39 A challenge facing the industry is the need to adapt to technology and structural change, while ensuring that new entrants "know the job from the bottom up", given the premium placed by employers on farm-specific experience and the development of knowledge over time. In this context, businesses felt that **some land-based college**

> *"Emerging skills needs – where the industry is heading – do matter, but the industry hasn't quite caught up yet, and people still need to do the basics, the nuts and bolts"*
>
> LSIP Land-based focus group

courses are too focused on specific areas of activity[19], with perhaps a need for a greater focus on general and transferable skills. The issue for employers is that 'multi-tasking' is often key, especially given the pressures within the sector to diversify into a range of activities.

Additional sector skills needs

3.40 Given time constraints (and to allow for alignment with the Strategic Development Fund projects), the LSIP trailblazer has concentrated on the three 'focus' sectors outlined above. But over the longer-term, the LSIP should take a wider, cross-sectoral view.

3.41 As part of the employer consultation process, we ran additional engagement with two further sectors: the **visitor and experience economy** and **professional services.** Some key headlines relating to skills needs are set out in the following paragraphs.

Visitor and experience economy

3.42 About 55,000 people in Kent and Medway are employed in 'accommodation and food service'. As elsewhere in the UK, the sector has grown rapidly in recent years, and while it was badly affected by the short-term impacts of the Covid-19 pandemic, it has 'bounced back' positively as the economy has returned to growth.

3.43 However, beyond accommodation and food and drink, the 'visitor and experience economy' encompasses a wide range of activities, including parts of the retail sector, niche food production activities, some creative and cultural activities, and some activities related to the management of the natural and built environment, all of which add to Kent and Medway's diverse and distinctive visitor offer. The sector also benefits from a well-established industry body, Visit Kent.

3.44 Dialogue with business identified the following issues, opportunities and challenges that should be addressed:

- **Address specific industry skills shortages**, the most significant of which is for **chefs** specifically and catering roles more generally. Businesses also felt that more tailoring of catering curriculum to the needs of different types of employers would be welcomed, including the needs of event catering. Visitor attractions will have their own specific needs, which extend beyond obvious hospitality roles (for example, stonemasons in relation to historic buildings)
- Help develop the **digital skills** of the existing workforce, especially older workers.
- Address skills and labour shortages by **developing new pathways into the sector through skills programmes for young people and adults from a range of demographics**, including minority ethnic communities and more deprived communities. In this context, the visitor economy is an important provider of 'entry level' jobs, which can support transferable skills and progression either within the sector or beyond.

[19] Plumpton College's orientation towards arable and its emphasis on crop quality control was cited in this context.

- More and better **engagement between colleges and employers** to help make the curriculum more relevant, support work to engage potential new recruits in the sector and to support teaching and careers education.

Professional services

3.45 The 'professional, scientific, and technical services' sector employs about 47,000 people in Kent and Medway, making it roughly the same size as construction or manufacturing. However, 'professional services' is often used as shorthand for a wider group of activities taking into account financial services, insurance, and real estate. Linking these together gives a very substantial sector with some 76,000 employees. From a skills perspective, the sector is likely to be larger still, given the number of 'professional service' workers in various parts of the public sector, and carrying out accounting, corporate service, and other roles across all sectors.

3.46 Limited additional data collection took place for professional services as part of the trailblazer LSIP – so the following identified skills needs should be treated with caution. But businesses consulted highlighted the importance of:

> *"Employers need simpler and clearer information and a more coherent and coordinated interaction with all the different providers and brokers"*
>
> LSIP Professional Services focus group

- **General business digital skills**, such as use of MS Office, MS Teams and SharePoint used by teams and often remotely since the Covid-19 pandemic.
- **Soft skills**, including interpersonal communication, emotional intelligence, team working, collaboration, flexibility, creativity, and openness to change.
- **Meaningful work experience** to prepare young people for the world of work.
- Helping people to appreciate what **transferable skills** they are developing in college and the workplace, as this will help them adapt to change and develop their career.
- A **more coherent and user-friendly engagement with employers** by a range of publicly funded organisations, including Further Education, but also including training providers, universities, schools and the welfare to work industry.

3.47 These identified needs are largely 'generic', perhaps indicating the scope of the sector to embrace a wide range of administrative activities. It would be useful to explore specific needs in greater depth as part of the next phase of work: for example, in relation to accounting and business IT.

Key themes for the future: Decarbonisation, digitalisation and demographic change

3.48 The skills needs identified above are principally focused on employers' short-to-medium term requirements. However, social, technological and policy change will drive demand for new skills across the economy. The *Workforce Skills Evidence Base* highlighted three main transformational changes: **decarbonisation, digitalisation,** and **demographic change.** The following paragraphs summarise what these are likely to mean for future skills demand, especially in relation to the three main sectors on which we are focused.

Decarbonisation

Opportunities

3.49 The UK's commitment to net zero carbon emissions by 2050 is a key driver of investment in low carbon technologies. This will impact the whole economy: ultimately, all businesses will need to become low carbon businesses. Economic opportunities that are likely to be relevant to Kent and Medway include:

- **Construction decarbonisation**, through requirements for higher environmental standards and the use of modern methods of construction.
- **Energy efficiency retrofit** within the existing building stock.
- **Decarbonisation of the energy generation and supply system**, as the UK switches from gas-based heating systems to renewable energy, including that generated from local sources. In Kent and Medway, this includes offshore renewables, the development of district heating networks, opportunities for micro-generation and the proposed new hydrogen developments at Herne Bay and Grain.
- **More resource efficient methods of production:** Kent and Medway's 'carbon intensity' is relatively low, reflecting the absence of large-scale, energy-intensive industry in the county. But as regulatory pressures rise and financial incentives change, there will be an increasing demand to increase the sustainability of production across the economy.
- **Transport decarbonisation**, through provision of infrastructure for electric vehicles and zero carbon/ active travel options.
- Investment in **natural carbon storage**, through the management and protection of grasslands, saltmarshes and so on, which will make an important contribution to the county's decarbonisation targets.

Issues for skills demand and supply

3.50 In the light of these opportunities, research highlights three categories of 'green jobs' which are likely to see growing demand:

- **New and emerging jobs relating directly to the transition to net zero** (e.g., hydrogen cell technicians, carbon monitoring technicians)
- **Jobs affected by the transition to net zero** that will need enhanced competencies and capabilities (e.g., architects, environmental consultants)
- **Existing jobs that will be needed in greater numbers** (e.g., insulation installers, energy assessors, etc.).

3.51 However, these are likely to be at the centre of a much wider range of developing skills associated with the decarbonisation of every element of the economy. Importantly, the decarbonisation imperative is running in parallel with the rapid advances in digital technology and advanced digital capabilities will be central to a successful low carbon transition.

3.52 Translating this into potential skills demand, dialogue with business and the wider literature highlights several issues that providers may wish to consider:

Table 3-2: Decarbonisation and the implications for future skills

Sector	Skills issues
Construction	• Demand for low carbon and sustainable construction is likely to increase, linked with a strong regulatory push • This will increase demand for specialist skills – but over time, the whole industry will become 'low carbon': the challenge is to embed sustainability across the industry and across the construction curriculum • There ought to be opportunities through decarbonisation to change perceptions of the industry, given wider interest in the low carbon agenda and the technologies associated with it.
Manufacturing and engineering	• Specialist opportunities likely to be quite diverse within Kent and Medway, given the nature of the sector. Skills availability may also help drive demand: awareness of opportunities and the ability to adapt could encourage firms to adopt new technologies/ enter new markets.
Land-based and food	• Emergence of more resource-efficient and less environmentally-impactful forms of production. Likely to drive skills related to environmental management and new fuel systems.
Wider economy	• Introduction of new vehicles and machinery in (for example) logistics and transport. • Competitive pressures on firms to reduce environmental footprint, driven by financial considerations and regulation. Early movers may benefit from competitive advantage, including in the ability to attract staff.

Source: SQW, SMRC

Digitalisation

Opportunities

3.53 Digitalisation and automation are leading to[20]:

- **Changes within existing industries**, through the development of new products (e.g., smart devices), the automation of increasingly sophisticated processes and transactions and the advanced use of data in product development
- **The development of entirely new industries**, such as cybersecurity, gaming, robotics, and so on, many of which are not yet captured in sectoral descriptions and data.
- **The blurring of sectoral definitions as technologies converge**. This is not a marginal phenomenon: Amazon, for example, is a software company, a retailer, a logistics operator, a market platform, and a hardware manufacturer, all within an integrated technology-enabled model.

Issues for skills demand and supply

3.54 From a skills perspective, five major issues that need to be addressed in support of the digitalisation agenda:

- **The need to develop the supply of higher-level technical skills**, especially through stronger university-industry links.

[20] Kent and Medway Workforce Skills Evidence Base

- **Reform of the school curriculum**, with digital technology embedded across subjects, (not just within the definition of 'ICT')
- **The need to improve digital skills within the existing workforce**, through opportunities for ongoing retraining and adaptability to rapidly-changing technologies. This relates to employers' articulation of the need for more short courses, highlighted earlier.
- **Inequalities in digitally advanced occupations**. Female under-representation is especially highlighted as placing an artificial cap on the labour market talent pool, as well as limiting individual opportunities.
- **The growing diversity of skills supply**, especially given the volume of software and computing training available commercially and through semi-formal routes.

3.55 More specifically from a sectoral perspective:

Table 3-3: Digitalisation and the implications for future skills

Sector	Skills issues
Construction	• Use of digital design (including virtual and augmented reality) and the adoption of Building Information Modelling • General digital literacy to a standard to engage in computer aided design • Smaller firms might be slower to respond, but demand for digital skills likely to be driven by major contractors
Manufacturing and engineering	• Accelerated use of robotics and data in the manufacturing process. Higher level technical skills likely to be important • Ability to adopt and adapt to new technology – ensuring flexibility to remove workforce barriers to adoption.
Land-based and food	• Key focus on 'digital user skills' • Greater use of technology can help to change perceptions/ encourage entry.
Wider economy	• Extensive implications for employment in areas vulnerable to automation (e.g., finance and insurance). • Ability to respond to adoption and adaption.

Source: SQW, SMRC

Demographic change

3.56 Finally, the Workforce Skills Evidence Base highlighted demographic change as a 'transformational' driver of changing skills demand. While Kent and Medway has faster growth in the 'working age' population than the rest of the UK, the population is still steadily ageing, with three implications for future jobs and skills demand:

- **Rising demand for goods and services to support an ageing population**. This includes rising demand for health and care occupations, but will also mean a focus on the technologies to support personal independence and the capabilities needed to implement these.
- Further **investment in technology to support productivity growth**, especially if labour supply is constrained.
- **Longer working lives**, as increasing numbers work beyond retirement age.

4. What needs to change and why?

Building on the employer skills needs identified in Chapter 3, this chapter sets out an 'agenda for change', highlighting areas in which action needs to be taken to support a more employer-responsive skills system relevant to the specific sectors we have focused on.

This agenda is driven by employer evidence of demand. But responding to it does not just demand action on the supply side: success means an ongoing partnership between employers and providers, recognising that there are potentially some 'quick wins', but that system change is required over time to allow the supply side to be more responsive.

An agenda for change

4.1 The employer dialogue outlined in Chapter 3 has highlighted a series of areas in which action could be taken to better meet immediate and medium-term skills needs. While these are expressed in Chapter 3 in 'sector-specific' terms, several common themes emerge:

The LSIP agenda for change: Five key areas for action

- **Modernising the training offer** to meet the pace of the current employer and industry need. This 'headline' embraces a number of sector-specific needs and includes greater emphasis within the current offer on new technologies and systems used in industry, and on the **flexibility** of Apprenticeships and other work-based learning programmes to meet industry working practices.
- **Increasing the volume of provision to increase supply.** This was most clearly articulated by the construction sector, which highlighted the quantitative gap between new entrants to the industry and employer demand, although the challenges of replacing the ageing workforce were recognised everywhere.
- **Investing in soft transferrable skills.** While much of the focus has been on sector-specific skills needs (and the employer survey highlighted specialist skills gaps as the most common issue faced by employers), wider considerations of work readiness, work ethic and 'getting the basics right' were highlighted across the board. Interestingly, those with direct recent experience of recruitment from education were more positive about the 'work readiness' of new recruits than those relying on more general perceptions.
- **Up-skilling and re-skilling the existing workforce:** All sectors report pressures in adapting to new technologies and markets, in the context of an ageing workforce. This is borne out by national data, and there is evidence of demand for **more**

accessible, non-qualification locally based short courses**, within which the focus is on the practical application of skills in the workplace, rather than the attainment of specific qualifications. Quick wins will enable more people to secure meaningful employment relieving demands in some sectors. (i.e., healthcare)

- **Better communications, driving better-informed perceptions of modern industry.** Lack of awareness of sector opportunities, and a view that perceptions (by learners and the wider community) were cited by all three sectors, and this was also a pervasive issue emerging from the Workforce Skills Evidence Base. Given that providers need to be responsive to learner demand, tackling this would seem to be fundamental. The range and variety of opportunities recognising career paths within specific industries.

4.2 Three issues are worth noting in this 'agenda for change':

- First, **the agenda is not simply an employer 'demand' for further education action**, although the colleges will have a central role in delivering it. Rather, employers will themselves be key to the better communication of industry opportunity and in translating 'expressed demand' for (for example) additional short course provision into 'revealed preference' – which will itself require a process of ongoing dialogue to ensure that any additional offer meets evolving need.
- Second, **understanding the barriers to meeting these needs is obviously important going forward.** These relate to funding and qualification structures and balancing employer demand with the wider range of objectives that further education colleges have to meet.
- Third (and building on this) **change can be incremental and 'marginal', as well as systemic.** Tackling specific, distinct challenges in the short term where they address the needs of a group of engaged employers can help to make the case and build confidence in the delivery of wider measures in the longer term.

Employer willingness to engage

4.3 Dialogue with employers was positive regarding their willingness to engage in reform of the skills system. In terms of the existing workforce, 90% of respondents to the employer skills survey said that they already offer workforce training of some sort (with in-house training the most common form, but with only with 28% currently working with FE colleges). Looking to the future, **most employers expressed interest in a wide variety of potential forms of engagement**, both for new recruits and the existing workforce:

Table 4-1: Employer survey insight: Which of the following applies to you…

	Number	%
We would like to be able to access more short courses	507	55.8
We would consider offering short work experience	464	51.0
We would consider offering longer work experience placements	442	48.6
We would consider offering students industry projects to work on	359	39.5
We would consider hosting student visits at our company	351	38.6
We would consider helping with teaching	355	39.1
We would consider mentoring young people	531	58.4
We would consider advising on the curriculum	379	41.7
Other	19	2.1

Source: Kent Invicta Chamber of Commerce, employer survey, SQW analysis. Question: "KICC and its partners are working to make local education and training more relevant. Which of the following applies to you?". N=909

4.4 This positive response was reinforced in focus group feedback. For example, employers in the construction sector expressed interest in supporting curriculum development and the opportunity to support teaching or offer placements.

4.5 Set against this, the employer survey explored some of the **barriers to employer participation**. In relation to the existing workforce, employers cited cost pressures (both direct costs and the opportunity/ time cost of releasing staff) as reasons for non-engagement: it is likely that this will be especially the case for smaller businesses with more limited management capacity and ability to arrange staff cover. However, information and trust in quality was also a significant barrier: this presents another dimension to the communications issues highlighted in the agenda for action above, although in some sectors, there is a well-established commercial market for industry training.

Table 4-2: Employer survey insight: Which of the following are a barrier in terms of training and development for your current workforce?

	Number	%
We can't afford the financial cost	284	31.2
We can't afford to release staff	297	32.7
Lack of interest from staff	154	16.9
We are unsure about the quality and suitability of what is available	273	30.0
We don't have sufficient management capacity to plan	210	23.1
Other	63	6.9
We don't experience any barriers	323	35.5

Source: Kent Invicta Chamber of Commerce, employer survey, SQW analysis. Question: "Do you think that any of the following present a barrier in terms of accessing training and development for your existing workforce?". N=909

Looking towards potential solutions

4.6 The next stage of work on the LSIP involved discussing with providers how they might best respond to the 'agenda for action'. This will include the delivery of some initiatives that are already underway: the Strategic Development Fund projects are specifically designed to meet industry need. In addition, some potential solutions identified by employers include:

- **Sharing industry expertise with the further education sector.** Both employers and providers have said that a key barrier to expanding provision in areas such as construction and engineering is the difficulty in recruiting tutors with relevant industry experience. This is unsurprising given the workforce pressures that already exist. However, there may be opportunities for employers to release experienced staff on a limited basis to add capacity, bringing current industry knowledge into the FE sector. Kent Further Education is currently developing a pilot project to explore the potential of this.

- In the **construction** sector, employers (via the Greater North Kent Workforce Skills Evidence Base) proposed:

  - Instituting a more **coordinated approach to engaging schools, colleges and young people in responding to the significant development** that the county will see over the coming years. This might include a trusted mechanism for gathering private sector intelligence on the pipeline of employment demand, to inform skills provision planning.
  - Developing a physical **'construction hub'** to provide a centre for skills training linked with local development opportunities. This concept is currently being explored in North Kent, linked with the promoters of the Lower Thames Crossing, Ebbsfleet Garden City and London Resort, and building on existing private sector training provision[21].

- In the **land-based** sector, work is underway through the **Growing Kent and Medway** innovation programme to develop a future skills strategy, known as *Workforce 2030*[22]*.* This is currently at the early scoping stage, but the emerging proposition is that this will lead to **engage with the future workforce** (changing perceptions, highlighting exciting opportunities in the food and land-based sector, and informing school and college curricula); **plan for future workplace skills needs**, from entry level through to management and leadership; and **develop skills for innovation**, for example through short course provision focused on emerging technologies. The emerging *Workforce 2030* proposition also includes the concept of a **'skills hub'** to act as a promoter and 'clearing house' for skills for future skills, working with existing providers and commissioning new programmes where there are gaps.

- Across all of the above, **better coordination of existing budgets was required** (such as the Adult Education Budget), where this might enable the release of funds to support innovation to meet specific employer needs.

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[21] Gravesham Borough Council, submission of evidence to the LSIP process
[22] Growing Kent and Medway, submission of evidence to the LSIP process

Invitation to further dialogue

4.7 We anticipate that the response to the ‘agenda for change’ will involve some specific initiatives as outlined above; some immediate responses and ‘quick wins’ from providers and employers; and working over the longer term to achieve system change (for example to enable additional provision that meets employer demand to be funded in the absence of proven learner demand).

4.8 Discussion with the further education (including training providers and DWP) sector in addressing the issues highlighted, to develop an action plan.

5. Towards a roadmap for delivering change

Having identified the needs of Employers and articulated the "agenda for change", this chapter presents the roadmap for executing this change. It incorporates several SDF projects, newly identified pilot initiatives, and encompasses existing workstreams currently underway within the area.

Acknowledging that we are in a transitional period between trailblazer and national roll out and the resource challenges that presents, we have laid out a four-point plan to take things forward. This approach is critical to maintain momentum, strengthen relationships and provide demonstrable leadership to the Employers engaged in this process.

Delivering change: A four-point plan

As set out in Chapter 1, this trailblazer Local Skills Improvement Plan is a starting point for the ongoing development and evolution of an Employer-Led Skills Plan. Through its development, we have built substantial enthusiasm among employers in Kent and Medway, so there is much goodwill on which to build. This chapter sets out a ‘four-point plan’:

- **Driving forward the ‘agenda for change’**
- **Amplifying the employer voice**
- **Establishing a co-ordinated approach with FE**
- **Moving forward and maintaining momentum**

5.1 These four points are broadly sequential, building out from action in relation to the specific issues we have identified, through to the development of a wider and more established Employer-led LSIP.

Driving forward the ‘agenda for change through Pilot Initiatives’

5.2 We will initiate pilot projects that respond to the findings of this report and compliment the current and ongoing action plans highlighted within the Workforce Skills Evidence Base Action Plan and other Stakeholder initiatives.

Our **Pilot Initiatives** will explore ways in which to respond to the needs of the employers and work towards addressing these challenges through a range of providers and innovative solutions. These initiatives will be taken forward within the SDF stream of activity alongside those projects already identified within the Skills Accelerator programme

i) **Sharing industry expertise with the further education sector.** There may be opportunities for employers to release experienced staff on a limited basis to add capacity, bringing current industry knowledge into the FE sector. Kent Further Education is currently developing a pilot project to explore the potential of this (Train to Teach).

ii) **Creation of a Solutions Panel** – Regular, formalised dialogue and collaboration with partners in further education, the private training sector, and other skills related institutions such as DWP, SEN, Local Authorities, etc. This will improve the quality and efficacy of the locally available provision and develop solutions to meet employer need.

iii) Dynamic Qualification Design – Recognising that the timeline to create a new accredited qualification does not keep pace with the rate of change within industry, we will seek to initiate a project to work with accredited bodies to establish a more responsive provision of qualification related training.

iv) Short-course funding – The current FE funding mechanisms and incentives act as a barrier to FE responding to this area of demand. We will work with providers to seek ways of adapting current funding opportunities to meet this demand and respond to the evidenced need for re-skilling and upskilling current employees, both areas that will deliver improved productivity and innovation.

v) **Improved promotion and perception of industry career paths -** Through better employer/education engagement with partners such as the Careers and Enterprise Company, we will seek to establish more effective methods of designing and highlighting local career paths that appeal to young people and address labour shortages within key sectors e.g., health care, manufacturing, hospitality.

Amplifying the employer voice

5.3 Through the trailblazer process, we have demonstrated strong support from Employer Representative Bodies for a coordinated approach to skills provision, and we have engaged with a wide range of businesses. Looking to the future, we will seek to amplify and continue to articulate the employer voice by acting as an advocate for the business community and working with a range of skills providers to address challenges:

- **Employer Panels** – Formalising and strengthening the Employer platform and channels of engagement to articulate the specific needs of the employers. Moving forward with **sector-based employer subgroups** in industries to further develop a more responsive FE provision in these areas. Initially, we anticipate that these will focus on the construction and land-based/ food sectors, given the partnership arrangements that already exist and the discussions that took place to inform the LSIP.

- **Maintaining the current skills advisor arrangements** in East Kent, Mid Kent and North Kent, to improve employer/ provider communications, act as an interface between the colleges and the employer panel, undertake continuous research and collation of the wider skills provision available locally and help articulate Employer needs.

Establishing a coordinated approach to further education

5.4 Once Royal Assent has been granted, there will be greater clarity for all partners around the extent to which LSIPs will influence mainstream skills provision together with details of any decision making or funding control afforded to the LSIP body. In the interim, we will seek to build on the existing partnership to,

i) better understand the barriers faced by further education in responding to employer needs, and work to find solutions to improve local provision

ii) work with Employers to improve their role in developing talent and future proofing skills need

iii) improve FE/SME Employer engagement from its current low level

Moving forward and maintaining momentum

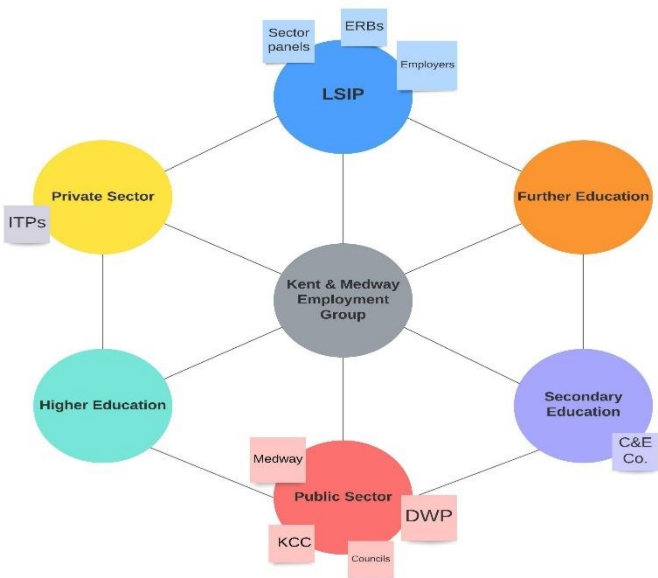
5.5 As has been mentioned earlier, the Trailblazer LSIP has generated significant engagement and "goodwill" from Employers, and it will be vital that this momentum is maintained to ensure credibility and integrity. We will,

i) Continue to roll out and share our findings with the Business Community through a series of briefings and presentations

ii) Formalise both the Employer Panel and Solutions Panel through initial terms of reference and schedule meetings.

iii) Integrate with the Kent and Medway Employment Group (Task Force) as a strategic partner to continue the development of localised governance of the skills landscape.

5.6 This four-point plan will require resources and funding to manage and maintain employer engagement and leadership by demonstrative action. Both these points are crucial: maintaining momentum depends on the ability to achieve tangible results and we look forward to working with the Government to achieve this aim.



Annex A: The process of developing the Plan

The process

The process of developing the LSIP is set out in Chapter 1. In summary, it involved:

- An analysis of the Kent and Medway labour market and a review of recent strategy and evidence material
- A telephone and online survey of employers.
- Six employer focus groups.
- A series of direct discussions with businesses, facilitated by three skills advisors, partially seconded to Kent Invicta Chamber by the county's three further education colleges.
- Discussions at an Employer Panel, convened by the Chamber.
- Discussion of the potential solutions and opportunities with the further education sector (including consideration of the additional work that will need to be done to help bring these forward).

Throughout this 'technical' process, regular and ongoing dialogue was maintained with strategic stakeholders, including the other Employer Representative Bodies (such as the Federation of Small Business), the Kent and Medway Employment Task Force and its member organisations and the county's MPs.

Some reflections on the process

The timescale for developing the LSIP was relatively short, and we have set out in the Plan how we intend to extend its scope in the future. Reflecting on the process, we would make the following observations:

- **The process of engaging businesses, employer representative bodies and other stakeholders has been very important.** This extends beyond the contributions of these organisations in articulating specific skills needs and has included wider support for the *principle* of the LSIP and a commitment to joint working. We have found through extensive dialogue over the past few months that there is strong support and enthusiasm for the LSIP process, and a strong desire to take it forward.
- **We benefited from an existing evidence base**. In particular, the Kent and Medway Workforce Evidence Base (and the employer focus groups delivered as part of this) provided important context and directly informed the Plan.
- **Within a short period, a focus on a limited number of sectors was helpful**. We focused principally on construction, land-based and manufacturing and engineering, recognising the value of starting with those sector groups that were most able to come together and already had a history of joint working.

- **Alignment with wider strategy was beneficial**. The original proposal to submit a bid for a trailblazer LSIP was endorsed by the Kent and Medway Employment Task Force, and the Task Force (which includes the Kent further education sector) received regular updates on progress. While it has been important to ensure that the LSIP was clearly employer-led, and the Plan reflects employer views, the further education sector and wider partners will be key to delivery, and it is important to engage them in the process.
- **Commitment to the future delivery of the LSIP will be important to its success**. We have through this process built up a good deal of enthusiasm among employers. It will be important to maintain momentum through a Government commitment to the LSIP's continued delivery.

Annex B: Employer survey analysis

To inform the LSIP, a survey of employers was carried out in December 2021. This was conducted as a telephone survey by TTMC, a survey company and a member of the Market Research Society. An online survey was also carried out by Kent Invicta Chamber of Commerce using the same survey questionnaire.

Survey data were cleaned to remove any duplicate or substantially incomplete responses. The full survey results are presented below.

Survey participants

There were 909 responses in total. Respondents were from a wide range of sectors, although there were somewhat more from the construction and 'other service' sectors than would be expected if the survey respondents were fully representative.

Respondents came from all parts of Kent and Medway and were mainly SMEs:

Total respondents		
	Number	%
Esurvey	91	10.0
Telephone	818	90.0
Total	**909**	

Sectoral composition		
Base	909	
	Number	%
Accommodation and food service	46	5.1
Administrative and support service activities	39	4.3
Agriculture, forestry and fishing	25	2.8
Arts, entertaiment and recreation	75	8.3
Construction	117	12.9
Electricity, gas steam and air conditioning	12	1.3
Financial and insurance activities	41	4.5
Human health and social work activities	58	6.4
Information and communications	51	5.6
Manufacturing	81	8.9
Mining and quarrying	1	0.1
Other service activities	144	15.8
Professional, scientific and technical activities	51	5.6
Real estate activities	21	2.3
Transportation and storage	39	4.3
Water supply, sewerage, waste management and remediation	9	1.0
Wholesale and retail; repair of cars and motorcycles	99	10.9

Size band composition (by number of employees)		
Base	909	
	Number	%
0-9	577	63.5
10-49	264	29.0
50-249	51	5.6
250+	17	1.9

Geographical composition		
Base	909	
	Number	%
East Kent (Ashford, Canterbury, Dover, Folkestone & Hythe, Thanet)	367	40.4
Greater North Kent (Dartford, Gravesham, Maidstone, Medway, Swale)	370	40.7
West Kent (Sevenoaks, Tonbridge & Malling, Tunbridge Wells)	168	18.5
Not stated	4	0.4

Experiences of recruitment

48% of respondents said that they did experience problems in recruiting the staff they need. Professional, technical, and skilled trades roles were reported to be the hardest to recruit for, with specialist skills the main reported gap.

Q4. Thinking about your most recent experiences, which of the following best describes your experience?		
Base	909	
	Number	%
We have no problems recruiting the staff we need	178	19.6
Recruiting staff in certain roles is sometimes a problem for us	253	27.8
Staff recruitment is a major problem for us	179	19.7
We have not tried to recruit anyone recently	299	32.9
Total	**909**	**100.0**

Of those respondents who said that they have problems in recruiting the staff they need, the survey explored the roles that were hard to fill and the skills that were lacking:[23]

Q5. Which types of roles do you find it hard to recruit at the moment?		
Base	432	
	Number	%
Managers	110	25.5
Professionals/ highly skilled specialists	273	63.2
Technical and skilled support roles	243	56.3
Skilled trades	216	50.0
Sales and customer service roles	112	25.9
Care, leisure and other service staff	70	16.2
Machine operatives	60	13.9
Jobs that don't require any specialist skills	132	30.6

Q6. Which of the following technical and practical skills tend to be lacking among applicants?		
Base	432	
	Number	%
Basic IT skills	89	20.6
Knowledge of using specialist software packages	122	28.2
Advanced/ specialist IT skills	67	15.5
Basic numeracy skills	97	22.5
More complex numeracy and statistical skills and understanding	107	24.8
Writing instructions, manuals and reports	103	23.8
Manual dexterity	50	11.6
Adapting to new equipment or materials	85	19.7
Specialist skills, knowledge and understanding	253	58.6

Experiences of recruiting young people

54% of respondents had not had recent experience of employing staff direct from full-time education. Respondents with direct experience of employing young people from education were more positive about their work readiness than those giving a general view: 31% of those that had

[23] The survey also contained a question on personal attributes (e.g., team working, customer service). However, this was incorrectly asked in the telephone survey, so the results are excluded here.

recently recruited a young person from education said that they were well prepared or very well prepared. But only 19% of all respondents had the same view.

Q8. Over the past 2-3 years, have you recruited anyone directly from full-time education		
Base	604	
	Number	%
Yes	277	45.9
No - but we have had applicants directly from f/t education	73	12.1
No - and we haven't had any applicants	243	40.2
Don't know	11	1.8
Total	**604**	**100.0**

Q9. Thinking about the people you have recruited directly from f/t education, how well prepared were they to work in a business like		
Base *(responding yes to Q8)*	277	
	Number	%
Very well prepared	21	7.6
Well prepared	66	23.8
Neither well prepared nor poorly prepared	89	32.1
Poorly prepared	65	23.5
Very poorly prepared	25	9.0
Don't know/ blank	10	3.6
Total	**276**	**99.6**

Q10. Thinking about young people leaving education in general, how well prepared are they to work in a business like yours?		
Base *(all respondents, excl.blank entries)*	322	
	Number	%
Very well prepared	9	2.8
Well prepared	55	17.1
Neither well prepared nor poorly prepared	98	30.4
Poorly prepared	111	34.5
Very poorly prepared	31	9.6
Don't know	18	5.6
Total	**322**	**100.0**

The existing workforce

35% of businesses considered that they had some skills gaps within their existing workforce. These were most commonly cited as specialist skills, knowledge and understanding.

Q12. Thinking about your existing workforce, which of the following best applies to you?		
Base	880	
	Number	%
Our existing workforce has the skills and capabilities to fully meet the needs of our business	572	65.0
We have some gaps in capabilities	271	30.8
We have significant gaps in capabilities	37	4.2
Total	**880**	**100.0**

Q13. What skills do you consider your business is currently lacking?		
Base *(all those saying that they have some gaps)*	308	
	Number	%
Basic IT skills	57	18.5
Knowledge of using specialist software packages	99	32.1
Advanced/ specialist IT skills	76	24.7
Basic numeracy skills	44	14.3
More complex numeracy and statistical skills and understanding	68	22.1
Writing instructions, manuals and reports	75	24.4
Manual dexterity	31	10.1
Adapting to new equipment or materials	51	16.6
Specialist skills, knowledge and understanding	153	49.7

Q14. Which of the following personal and people skills and attributes tend to be lacking?		
Base *(all those saying they have some gaps)*	308	
	Number	%
Ability to manage own time and prioritise tasks	134	43.5
Team working	55	17.9
Customer handling skills	77	25.0
Managing, motivating and setting objectives for staff	114	37.0
Sales skills	93	30.2
Managing own feelings or handling the feelings of others	95	30.8

90% of businesses surveyed said they offer some form of training and development for their existing staff, with three-quarters offering in-house training, with most also paying for training through private providers and through trade bodies and industry associations. Fewer accessed workforce training direct from further or higher education:

Q15. There are several ways in which a business might develop the skills of its own workforce. Which of these applies to you?		
Base	909	
	Number	%
We offer our own in-house training and development	694	76.3
We pay for staff to attend training provided by private sector providers	518	57.0
We pay for staff to attend training provided by local colleges	254	27.9
We pay for staff to attend training provided by universities	126	13.9
We pay for staff to access training/ development from industry bodies and associations	542	59.6
We don't currently offer or pay for staff training and development	91	10.0

Nearly two-thirds of employers experienced some form of barrier to delivering training for their workforce. This was most commonly cost (both direct financial cost and the cost of releasing staff, and uncertainty about the quality of the provision that might be available:

Q16. Do you think any of the following present a barrier to your business in terms of accessing training and development for your wor		
Base	909	
	Number	%
We can't afford the financial cost	284	31.2
We can't afford to release staff	297	32.7
Lack of interest from staff	154	16.9
We are unsure about the quality and suitability of what is available	273	30.0
We don't have sufficient management capacity to plan for training and development	210	23.1
Other	63	6.9
We don't experience any barriers in enabling our workforce to access training	323	35.5

Willingness to engage with training and skills

Most respondents were willing to take action to support better training and skills development. Offering work experience was the most commonly cited action, but substantial numbers of employers also expressed willingness (in principle) to advise on the curriculum, help with teaching, and so on:

Q17. KICC and partners are working to make local education and training more relevant. Which of the following applies to you?		
Base	909	
	Number	%
We would like to be able to access more short courses	507	55.8
We would consider offering short work experience	464	51.0
We would consider offering longer work experience placements	442	48.6
We would consider offering students industry projects to work on	359	39.5
We would consider hosting student visits at our company	351	38.6
We would consider helping with teaching	355	39.1
We would consider mentoring young people	531	58.4
We would consider advising on the curriculum	379	41.7
Other	19	2.1

Annex C: Employer focus group notes

C-1: Construction and Built Environment (physical workshop)

Construction / Built Environment Sector Focus Group, Constructing Excellence Event, Bearsted, Kent, 19th January 2022

Ellie Carswell, F&G
Steve Hale, Crofton Consulting Engineers
Stuart Bonnage, Clague Architects
Steph Harris, B&M Construction Consultancy
James Major, Hub Engineering Services
Lucy Heathfield, Ash Contracting
Matthew Barker, Baxall Construction

Facilitated by Steve Matthews.

Recruitment Challenges

All areas are a challenge, made more difficult by the pandemic and Brexit, and the associated labour shortages.

A more general challenge is finding people with the right attitude. Specifically, some don't have the right attitude, willing to learn, try hard, willing to learn and develop, not expect everything immediately. Some young people are great; others just don't have the right attitude.

You also need people who are ready to learn new things and adapt to change (see below about onsite workers, for example), lifelong learners who can cope with change. This includes people from a range of backgrounds who could be suited to develop into being a QS, for example.

Many companies recruit on attitude and 'cultural fit', people with a 'can do' attitude, who want to develop. Some recruits are very poor -some haven't even read the job description.

There is a lack of awareness of the different roles in construction. Some companies will recruit people and then rotate them around different roles to see all the options and find what is right for them. Parents and families supporting young people also lack an understanding of the industry and how it has changed – not so 'dirty' anymore, for example.

Specific significant skills shortages for:

- Quantity surveyors: one firm has recruited people with accountancy knowledge and training them up in QS-ing, building on their maths skills. This is far more cost-effective than using recruitment agencies, who will later poach your people for other companies. No one really 'wants' to be a QS – it doesn't really resonate at 16, but you can bring people in from other disciplines and degree subjects.

- Recruiting good Level 3 Apprentices in professional services is a challenge. They come out of school at 16 and are not really ready to engage in the workplace. It's basics like turning up on Monday after a heavy weekend, turning up on time, being willing to engage during the day in the workplace. They often drop out because they didn't have the right attitudes and behaviours. It's much better when people join at 18 and do a Level 6 Apprenticeship (sponsored degree). By 18, people are much better motivated and want the degree through an Apprenticeship route.
- Architectural technologists: you can recruit people and train them up but there is only one course in Kent that is suitable (at MidKent College HNC in construction, architectural technology). The quality of the course could be better too – assessment tasks do not always reflect actual industry practice by focusing too much on structural engineering and quantity surveying, rather than more focus on construction.
- South East Thames College are more appropriate to industry in Building Services Engineering Level 3 and LSBU for Level 6 Civil Engineering than what is on offer in Kent. The Kent offer is too generic because they can't source the tutors they need, e.g. HNC in Construction. A bigger and more diverse tutor base is needed.
- Changes in industry practice around digital need to be reflected more in curriculum. Giving tutors more placements in industry would help with this. Everything is going more digital, and this affects staff at all levels. It cuts across everything.

Employers as partners with FE in delivering training could be part of the solution to people leaving college with not quite the right skills mix: one employer had a conversation with South Thames College about how some construction programme units could be delivered by the employer in the workplace, tapping into the company's expertise and freeing up space in what is taught in college (the qualification curriculum was very cluttered). One area that was identified as one where the employer could teach in the workplace was Health and Safety, but this was never implemented in the end.

What you want is younger company staff to get involved in teaching, not 'old school' staff looking for a second career. Older people might be better at more foundational skills, while young staff could perhaps teach more modern skills. Getting staff involved in teaching is also a development opportunity for them and might help fire up 'the frozen middle' (see below).

Workforce Development Needs

There is a growing need for development of people who work on site. This already tends to happen for office-based professional staff, who will tend to take a keen interest in their CPD (but not in all cases), but onsite developing more of a culture of continual learning is needed, especially in respect of the use of technology. People need to be OK with change and engage with that change. You want to recruit lifelong learners. Specifically:

- Mechanical and electrical installations of heat pumps, which need to be connected to the internet and the network set up in the right way. This is a big learning curve for people who have usually worked with gas boilers for many years, for example.
- In professional services you need options to fire up and develop the 'frozen middle' – people who have 10 – 15 years of experience, usually qualified, but unwilling to engage with rapid change. Middle managers can be nervous around change, especially digitisation. (The pandemic has speeded up the growth of digital in construction.) Applies to many middle

managers, aged 35-45. Good at their job but need to adopt new working practices, and are reluctant to do so. It can feel threatening. They often leave to go to less up to date companies to avoid the change. Can apply to some younger and older staff too. When staff retention is not a problem, companies often need ways of keeping staff excited about their work.

- Retention of project managers and QS's is a challenge, once people are qualified. General feelings about work are changing since COVID – people want more work-life balance, and are less inclined to stay with accompany and 'work your way up'
- People want to make a contribution to society too. Better training programmes within construction companies might help with this, focused on the future Built Environment, tapping into their 'bigger picture' interests, like sustainability. The training should fire them up and feed their passions. Professional training can perhaps be too narrow and miss this 'bigger picture'.
- Leadership and management: once professional staff have qualified, they the need skills which give them business acumen in terms of running the business, dealing with staff, see the bigger picture of where the industry is going and drive the business forward, become the leaders of the future.

FE colleges could potentially help more with these issues but can be perceived as being for the very young only, with shorter, 'top up courses', workshops, online, etc. in subjects like management, digital and sustainability needed. This could include CPD, where more than the professional bodies' offer could be required. They may want something broader than RICS CPD offers, for example. The gap could be more for a substantial offer in areas like sustainability. The offer should 'fire people up' and get them enthused, to help inspire the 'frozen middle'.

There may also be an appetite for colleges to engage with businesses in other ways, such as making business videos or helping with staff recruitment.

FE is perhaps a bit low profile and could be marketed more to businesses. They could also look at engaging alumni in businesses more and there may be scope for staff in businesses to help with teaching.

Final Word: Key Points from the Discussion for Each Participant

- Essential to develop digital skills – they apply to all disciplines.
- Develop people's attitude – you can develop people's skills once they're recruited.
- Instill the right culture in people – people need to want to innovate and learn constantly across all trades.
- Address the needs of the employed 'frozen middle' with bite-sized, inspiring, and flexible opportunities.
- Improve learning opportunities and the quality thereof, generally.
- Develop digital skills, especially in the 'frozen middle'.
- Help to address the bigger picture – help people make the kind of impact they want to make in their working lives.

C-2: Construction and Built Environment (online workshop)

Construction / Built Environment Sector Focus Group, Construction, Zoom, 20 January 2022

Mike O'Reilly, construction skills training provider
Norman Hinckes, Masonry Frame Systems
Steve Gee, OSG Architecture
Shanna B, DCB Kent
Paul Hooker, Eco Electrical Contractors
Danny Frost, Base Quantum
Ross Halliday, O'Keefe Group
Roland Cooper, Considine, KMEP and Construction Guild, Enterprise Adviser
Malcolm Clarke, Baxall Construction
Steph Harris, B&M
Matt (joined later)

Views of Andy Rolfe, Roe Timberframe Limited added after separate conversation on 20/01/2022

Facilitated by Steve Matthews. Cheryl Causebrook sitting in for the Chamber.

Recruitment Challenges

The main challenges that companies face in terms of recruitment are as follows:

- Public perceptions and understanding of the sector: there is a fundamental lack of interest in construction and perceptions are still routed back in the 70s. Parents and carers (especially) do not understand the variety of opportunities available and how it has modernised. It is more diverse now than before too, but the 'message' is not getting out to young people. Many careers resources target 14-16, but there is a lack of resources for primary school students and parents / carers. The sector needs to market itself better (perhaps through company staff (especially young staff) engaging with school students or even a paid 'ambassador' to communicate the opportunities in construction) and there are also existing ways of companies doing this, such as the Enterprise Advisers network and the Careers and Enterprise Company, who are in schools regularly – there is a need for more involvement of construction here. 'Give an hour' is another way that construction companies can support careers information in schools and schools are crying out for this ('meaningful engagement with the world of work'), through the Gatsby Benchmarks. There is a lot of really interesting technology and construction methods used in the sector now and this could be communicated better – make it seem exciting and challenging.
- A general recruitment challenge is the lack of essential STEM skills, plus English. People joining the industry with these essential STEM skills can then be developed into a wide range of roles and careers.
- Employability and work readiness can be a challenge for less entry-level recruits who are trained up into operative roles in activities like timber-frame.
- Labour shortages: especially at site level large numbers of European workers have been lost due to Brexit and the pandemic. This is a significant and acute challenge now, and there is a

large pipeline of construction work in the region. Training provision can play an important role in responding to this. Skills shortages apply across the peace, from professionals (e.g., surveyors, design managers, contract managers, site managers), technical staff and trades.

- Working with FE: companies would like to engage more with colleges to recruit people into a range of roles from low skilled to more highly qualified, but sometimes find that colleges cannot respond. The paperwork and processes associated with Apprenticeships and initiatives like KickStart make it hard for small companies to engage. More college-based provision local to employers would also help (given travel time and cost).
- New technology: skills needs are changing across the piece with more technical staff who can operate robots; assemblers rather than trades for MMC; low carbon construction; renewable energy installations (like photovoltaics). This will all help attract people into the sector too.
- A general shortage of training provision: in the past every college had trades and civil engineering programmes, now these have gone and there is less for young people to go onto after school. The sector needs to ask for more funded construction courses in trades, BTEC in Construction and the Built Environment (ideally part time with people also working in the industry), civil engineering and construction management (especially in East Kent). There needs to be help for companies to take people on as trainees on this basis and employers need to commit to this. There are now fewer HNC Civil Engineering and pre-HNC level courses.
- Curriculum and tutors' expertise: there are concerns that the curriculum taught in FE is not up to date in terms of modern methods of construction (MMR) and tutor expertise is not always recent and based on actual industry practice. There's one course in the whole country for timber erectors, for example. The situation is similar for steel frame and other modular construction. The requirement could be addressed in short courses (e.g., intensive three months or two-year day release) that explain the theory of timber / steel / masonry frame versus traditional build. Colleges would need to work with industry bodies like the Structural Timber Association. Hard to assess numbers, but there should be demand, given the level of house building and the growth of timber frame. Everyone in the industry will have existing skills; the need is essentially for accredited CPD - to update people's skills in MMR, like timber, steel and masonry frame. In taught courses MMR could be built into the existing curriculum. Most demand by volume is at Category 2 and 3[24] and modules could be developed that allow people to progress up different levels.
- Digital skills: new recruits don't really understand what building information modelling (BIM) and information management mean and how they are aligned to actual industry standards. People might have done a short AutoCAD or Revit course, for example, but that doesn't equip them with the BIM skills set that they need. More emphasis is needed on digital operations throughout the life cycle of a building – from early concept design through to actual operation. This applies to all construction related courses, not specific digital roles. It's a data driven future. It's not about BIM packages *per se*, it's more about understanding the types of information that are going into systems and how that can then be used for different purposes. Different roles would need to know different aspects: for example, a QS needs to understand how to access quantifiable information from a data set.
- Qualified engineers are very hard to recruit: qualified engineers will travel to London and it's hard to find them locally. Training from within is hard given that there isn't enough of an offer

[24] MMR exists in different forms, from totally modular, off-site made, at one extreme (Category 1) to all done on site (Category 6). See: https://www.buildoffsite.com/content/uploads/2019/04/MMC-I-Pad-base_GOVUK-FINAL_SECURE-1.pdf

in Level 3 apprenticeship and HNC training. Some of the short courses are no sufficient (not enough site experience) and the curriculum doesn't quite match industry practice and the latest technologies. Businesses themselves need more time and assistance to support staff development and training.

- Newly recruited QS's lack understanding of modern measurement software (e.g., CostX) and need to be trained up – QS courses are not up to speed. Much more time needs to be spent on modern measurement approaches.

Some colleges and universities are more flexible now. CCCU for example is trying to do this and offering new construction courses. This takes time and the industry needs to support this. The industry needs to adopt fully the new technologies and modern method of construction. There's much more overlap now between construction and production engineering, for example.

If government increased funding to colleges in the skills shortage areas, colleges would find it easier to respond and deal with the additional costs of facilities and space that construction courses require – capital and revenue.

Other providers, though, are less flexible and can only offer what is needed when student numbers and funding allow. There is scope for shorter, e.g. 12-week courses to get more people site ready. CITB are not enthusiastic about this either. We need more training for future need, not historical need. The LSIP could try to encourage shorter classroom- and workplace-based courses (e.g., in masonry frame systems).

Some courses seem to be too broad, as so are less useful for the actual world of work. A better approach might be to get the foundational knowledge and skills in place first through a foundation programme and then allow more specialisation aligned to the world of work. This could be an opportunity in terms of new Higher Technical Education developments.

It's important to note that people need to accumulate transferable skills that may be relevant to a range of jobs and careers over their whole working life, and construction needs to be presented as an opportunity to develop such skills and as a place where people's transferable skills can be applied and developed further. People might start off doing what they think they want to do and then go into something else.

Another problem is that many schools over-emphasise university as a destination to their students, when there are good jobs and careers available without going to university in construction. They get forced into a pathway very early on.

Workforce Development Needs

The main workforce development challenges are:

- Updating of staff skills in all of the areas listed under recruitment above – the existing workforce also needs to develop these skills. Once in, people will have opportunities in many other areas to go into and will need training to do so.
- Leadership and management skills: people in the industry may progress into supervisory and management roles, and need the skills to do so, especially in smaller companies. Accredited programmes focused on the construction sector could be very attractive and include a focus

on how construction companies manage their operations in practice (in areas like contract management and operations management), making use of, for example, industry paperwork requirements (reporting) and Building Management Systems (BMS).

- Professional skills: companies often recruit graduates with a degree in a completely different subject who then train up to become QSs, for example (people 'fall into' being a QS). So, an in-work offer for such people is needed, but it also highlights the importance of communicating all the opportunities to attract people into the right professional training earlier.

Final Word: Key Points from the Discussion for Each Participant

- Improve local provision and map it more accurately to what employers and young people want and getting the funding right to stimulate the provision of the right courses.
- College provision is very focused historical needs, and the world is changing very quickly, and this needs to be grasped, and provision modernised.
- More on electronic measurement packages in QS training.
- Re-open the courses that were previously available and update the syllabus.
- Get the word out to young children. Map out new roles and pump prime colleges to offer relevant courses.
- Start early – in schools. Help colleges source the lecturing skills they need to deliver a modern curriculum.
- Engage young people early on and reach out more to schools.
- Open up a conduit between companies and education so they can work together on syllabus and delivery.
- Modernise all courses and syllabuses, especially in areas like data and information management.
- More shorter courses with the foundations are needed, with work-based shorter, more specialised modules 'top up' to follow.
- Early engagement of schools, get the courses right.

Agreed that the group is happy to be contacted again to work with colleges and universities on developing the offer, subject to time constraints.

C-3: Food and Land-based

Food and Landbased Sector, Fresh Food Production/Horticulture Task Force Meeting, MS Teams, 18th February 2022

56 members of the group, including public sector and support agencies. Discussion involved primarily companies involved in fresh food growing, packing, and processing, some agriculture, plus viticulture. Facilitated by Steve Matthews. Cheryl Causebrook attended from Kent Invicta Chamber of Commerce.

Recruitment Challenges

A packhouse company is constantly looking for line packers, LSOs, and line leaders and packhouse operatives. There are also vacancies in accounts and a new procurement director, but the hardest-to-recruit roles are in IT. IT is getting harder and agencies are putting up their rates in response to labour shortages. The IT skills required is analytical in nature and specific to the sector.

A fully integrated fresh produce company is struggling with transport jobs - coach drivers, as well as lower skilled operative roles. Skilled tractor drivers and farm operatives with specific skills like irrigation are also hard to find: 'the well has dried up'. The farm-specific skills tend to be trained up on the job, but returnees (from overseas) are less likely to come back and immigration controls make it harder to bring in people which already have such skills. Bus driving roles tend to be longer than the six months allowed, which is a further complication. The company does contact agricultural colleges to recruit people and through MDS[25] and in-house training schemes and graduate training schemes, but the gap is in 'the middle bit' between high level roles and basic production / operative level, and it's not clear why – it might be salary or conditions, for example. These 'middle' roles do not rely on people having specific qualifications, it's more about people having the relevant experience.

A family-run fruit grower and haulage company agree that 'the well has dried up'. Skills shortages are across the board – on the farm, in the packhouse. You can't find people wanting to do the work, because people don't think it's a career, even though there are excellent opportunities. When the company has been able to recruit local people, it's gone well. Overall, there is a huge shortage of management in the industry at the moment in particular. You have to promote the industry better as a career opportunity. It requires a lot of ongoing work to find people who are interested in working in the sector. Career prospects are now much better, in many directions. This needs to be communicated to schools and colleges and through a fit-for-purpose apprenticeship scheme. The issue is a) lack of understanding and b) people actually wanting to do it – careers teachers don't push the fresh food and farming sector. On management skills, you tend to try to recruit from within and support people to progress, but for senior farm management roles you want someone who has been through a relevant farm management degree programme – you need high-calibre individuals.

The Task Force Chair reinforced the point about apprenticeships and programmes like KickStart: as they currently stand, they don't fit and work within the sector. The need is to re-design them, so they are fit for the sector, as seen from within the sector. For example, how do you make such programmes work for people who may only initially be employed for 6 or 9 months (but then could

[25] https://www.mds-ltd.co.uk/

go on to work full time)? You can't shoe in the 9-5 type of approach that works in other sectors. Many horticulture apprentices work in activities like green keeping (which is fine), but this does not fit the needs of the food industry. 'Horticulture', as in growing food, as a term is not really understood outside the sector.

A berry farmer used to have a business model of getting people in at entry-level roles, then in-house trained and on into supervisory and management roles. Changes to the immigration regime mean this will no longer work – you can no longer offer such progression opportunities to migrant workers: you can't train them up because they can't stay long enough. However, local people with degrees do not want to come in at entry level – and so get experience on the job, come up through the business and acquire specific skills. The new approach is hard and probably involves someone coming in at a lower skilled role and then being developed up into junior and middle managers / supervisors. People need to be willing to do this and happy to work in a non-9-5 way, which brings you back to the need to attract people into the sector.

Hadlow are reviewing their farm management degree programme to make it more relevant to the needs of the sector, working with the Task Force and the wider sector.

There may be relevant learning from construction, where businesses in the sector are taking action to make people aware of the different opportunities that can open up to them once they are recruited. You need to make college and university teachers aware of what the industry is actually like too. A deck of cards called, 'Top Jobs' was created (like top trumps) to show the range of jobs in the construction industry, with salary levels. This might be appropriate to food and landbased.

Workforce Development Needs

Larger companies have quite sophisticated in-house training and career paths for staff, and also make use of external companies. A packhouse company, for example, has internal training programmes for junior, middle, and senior managers, and have recently created a new training programme to train up line packers to become LSO and line leaders. Smaller companies may find it harder to commit the time and money this requires. The training providers who can help with this are already in place. No major gaps.

Smaller growers and landbased businesses will do a number of things to retain staff – not just paying good wages, but also offering training and support to develop in the business. A smaller mixed farm in North Kent with fruit, livestock, arable and property activities, for example, has just recruited from within to a management role and supporting him with training through ADHB and other sources. There's a 22-year-old tractor driver who's moved from arable into fruit and will use precision mobile equipment. There will also be a need to develop staff into autonomous equipment and go much more into data (weather) driven activities. There are limits as to the development opportunities you can offer to younger people. A very promising 17-year-old, for example, is too young to be allowed on high-powered plant. A particular challenge in recruiting people is that landbased college courses are very 'channelled' and singular in their focus. Plumpton, for example, is very arable focused, including quality control and crop quality, plus some controlled-environment agriculture (that not many growers have made a start on this yet). The emerging skills needs – where the industry is heading *do* matter, but the industry as a whole hasn't quite caught up yet, and people still do need to do the basics, the nuts and bolts, before they can progress. You need to know the job from the bottom up, and there needs to be a recognition of that process. There is a huge opportunity in fruit growing, especially in Kent, and this will become increasingly technical and indoors, so this is an opportunity to promote and support in future.

In viticulture, a growing sector in horticulture in Kent and Medway, there is an increasing need for people to multi-task, even though it can be hard to persuade people to do this. We need to cultivate people who can multi-task. Migrant labour tends to be very comfortable with this. There is increasing pressure across the sector to diversify into a range of activities, which requires people with a range of skills and willing to learn new ones.

A key take-away action for the LSIP is for FE to look at the sector as it is from the inside – not 9-to-5 and including a lot of seasonal work – across the whole supply chain, and reflect this reality on what is on offer. This applies to apprenticeships and education and training more generally. Shorter courses linked to picking, for example, could be beneficial. A further priority is to engage young people in the sector and build their understanding of the opportunities on offer.

C-4: Professional Services

Professional Services / Mixed Industries, Zoom, 20 January 2022

Mary Eniolu, Can-Do Academy (training company)
Lee Lamb, Your Start Up Partner (business support)
Sian Wilson, Practice Labs (Ed Tech company, part of ACI Learning)
Gary Wood, Plumwood Transport Consultants

Facilitated by Steve Matthews. Cheryl Causebrook sitting in for the Chamber.

Recruitment Challenges

The main challenges are as follows:

- **Project management skills** are hard to find in technology-related activities, including aspects such as working to deadlines.
- **General business digital skills** such as MS Office, use of MS Teams. People might have basic Word and Excel skills but lack Teams and Sharepoint expertise, which are so commonly used in Government and legal these days. New recruits also lack **citizen developer skills**, which are now very current in industry.
- **Sales skills** in a technical environment.
- **Communication skills and emotional intelligence**, which is becoming more important with remote working. People can lack self-awareness and the skill of reading other people's tone and emotions. The issue applies to in-person as well as online interactions. This can lead to dysfunctionality in work teams.
- **Basic Business Operations**, how businesses work.
- **Creative thinking and holistic thinking** (how activities in one place impact on those elsewhere). The education system seems to discourage freedom of thought and tends to expect only one 'right' answer. People need the write mindset to work effectively in professional services.
- **Professional services work experience** is very important, as those without experience tend not to be valued or taken seriously when applying for job (not just looking after the social media account!) even if they are graduates or post-graduates.

Funding seems to drive a lot of education provider activities, making it difficult to offer the kind of 'short and sharp' interventions that adults in work looking to upskill need.

Sourcing placements for T Levels appears to be a challenge for employers. The many different calls on employer time are complex, and the requirement needs to be more coherent. Employers can be bombarded with requests for KickStart roles, T Level placements, work experience placements, etc. **Employers need more simple and clearer information and a more coherent and coordinated interaction with all the different providers and brokers**. Government is offering free digital skills, but it is not really marketed.

Work experience should be part of a transition into work. It is very important to young people and can give them important experiences that make them work ready. People need to go into it ready to listen and learn. This makes it more attractive to businesses. They also need better engagement with employers in college and school to understand what career options may be open to them. Teachers would benefit from more industry placements.

There is scope for schools to have more input on entrepreneurship and leadership, and build young people's appreciation of their strengths and self-confidence. (The Education People have supported this kind of activity through the Can-Do Academy.)

Workforce Development Needs

The key requirements in terms of developing the current workforce include:

- People in work need to focus more on their **transferable skills** – skills for one role can often readily be applied to another, and this is important for people to adapt and develop once they are in work. People need to know how to use their existing skills in different contexts. More could be made of the transferable nature of skills in FE – many people train for one thing, but then do something different. They should be made more aware of the core skills they have developed that will be relevant elsewhere. (The GCSE mindset is, 'There's only one right answer.')
- **Openness to change**: many businesses struggle with employees who are unable to think and work differently in the face of change. Flexibility is required in the face of change. Managers and leaders need to be open and flexible in working with their staff, and listen to employees in how they adapt to change.
- **Being more collaborative** – working remotely has put pressure on people's communication skills and needing not to take negative feedback personally and deal with change. **Leadership and management skills** need to focus more on coaching skills and getting people to work better together.

Final Word: Key Points from the Discussion for Each Participant

- **Soft skills** are so important, and there's nothing soft about them! Young people need to develop these.
- **Engage more clearly with employers** – be more solution focused and don't bombard employers with lots of competing offers, and have more flexibility on what is offered, e.g. make work experience more like what work is really like.
- Promote the **Baccalaureate** more – it develops very rounded and open-minded individuals. Much better than GCSEs and A Levels.
- Professional services especially need **soft skills**, and these need to be embedded more in Further Education and young people engaging more with business owners to understand better what real work is like. It's not just about passing exams.

C-5: Visitor and Experience Economy

Visitor / Experience Economy Sector Focus Group, Construction, Zoom, 25 January 2022

Paul Babra, Babrani Foods Ltd and trains college students in South Asian cuisine
Debra Breen, Chives Catering and Canterbury City Council Re-opening the High Street Initiative
Sean Dewey, Kent and Sussex Railway Company
Virginia Hodge, Old Dairy Brewery
Mark Hosea, Canterbury Cathedral

Facilitated by Steve Matthews. Cheryl Causebrook sitting in for the Chamber.

Recruitment Challenges

The main recruit challenges are as follows:

- Chefs especially, and catering staff and hospitality staff more generally are in short supply. Many left in the pandemic and the work is relatively low paid, involves unsocial hours and can be quite stressful. The pool of people available has also shrunk, not just in hospitality, but more widely. Some restaurants have gone to take away only because they cannot find the staff they need and with repeated lockdowns. Recruiting and retaining chefs probably requires wages to be higher, and this will mean that the cost of eating out also needs to increase, the sector needs to go more 'up market' and 'up its game'. More young people need to be recruited onto hospitality courses.
- 'People skills' are often lacking in new young recruits – dealing with people is hard for them. Young people tend to have good digital skills, but poor people skills; for older staff it's the other way round. People skills are absolutely essential to a high-quality visitor experience, whether in hospitality, or at a location like the cathedral or the Kent and Sussex Railway.
- Communication skills are very lacking in young people, who can find it hard to engage with other people, even if they have the catering skills. The issue is a lack of willingness to talk or even make eye contact in some cases. The situation has got worse recently.
- Work ethic: some young people don't really commit to their work and can be unreliable, are unwilling to travel for work, for example.

Recruitment challenges have been tempered somewhat by reduced demand for services, given that there have been fewer visitors, lower levels of people eating out and going to pubs, due to COVID.

Canterbury Cathedral has also struggled to find masons to work on the cathedral itself. A new apprenticeship programme is being implemented with learning providers and other cathedrals to address this challenge through specialist provision.

Paul Babra has been working with Canterbury College to development specialist training in South Asian cuisine. Specialist catering skills of this type are also in short supply.

Kent and Sussex Railway has both staff and volunteers. A specific skills need is engineering and practical skills like carpentry and welding. Many volunteers need to be customer facing, but many have been reluctant to this indoors during COVID. The rising National Living Wage is also putting pressure on company budgets.

Old Dairy Brewery has been getting through COVID with more direct sales. Brewery tours are not beginning to take place too.

Workforce Development Needs

The main workforce development needs are:

- Digital skills, especially for older workers. This applies to digital skills generally and specific needs, such as using social media for promotional purposes.
- Catering apprenticeships aren't really fully suitable for the outside catering industry, being focused more on restaurants. Event catering is large in scale and tends to be much more ad hoc and bespoke to the needs of the client, and done more 'in the field' with fewer resources behind you.
- More workbased learning and apprenticeships tailored to the needs of the individual business are needed. Many people are recruited without qualifications and need to learn on the job, matching the actual type of work the employer actually does.

There may be scope for companies to take on a kind of specialist training role, when people are with them for a period of time and able to acquire specialist skills. Paul has found that many of the people who have learned about Indian food by working with him have gone on to start their own businesses or work elsewhere.

Volunteers are playing a more important role in organisations like the Kent and Sussex Railway.

Final Word: Key Points from the Discussion for Each Participant

- People skills and communication skills are absolutely essential to work in the visitor / experience economy.
- Create a package to attract a wider demographic of people into hospitality – to 'earn and learn' – older people, different ethnic backgrounds, locally communities, etc. (Paul Babra would be happy to help with this).
- Increase apprenticeship options for young people – many young people don't want to go to university, and prefer to learn while working. Instill a stronger work ethic in young people.
- Colleges need to develop a better understanding about what local businesses actually do – sometimes what is on offer does not match what businesses actually do in practice. More communication with colleges would be welcomed.
- Better communication between colleges and businesses, and more work to engage people in sector by getting restaurants and caterers themselves involved in open days – this will help to attract more young people into the industry, promote the different skills and business opportunities that are there.

Annex D: Organisations engaged

In addition to the sector-based workshops, a number of organisations were engaged in the process of developing the LSIP. In addition, the seconded Skills Advisors directly engaged with a number of employers.

Employer Representative Bodies and other strategic stakeholders

Organisation type	
General Employer Representative Bodies	Federation of Small Businesses Institute of Directors Confederation of British Industry East Kent Chamber of Commerce Kent Invicta Chamber of Commerce Sevenoaks Chamber of Commerce
Sector-based Employer Representative Bodies	National House Builders Federation National Farmers Union Kent Developers Group Electrical Contractors Association Institute of Civil Engineers Institute of Engineering and Technology Road Haulage Association Royal Institute of Chartered Surveyors Chartered Institute of Building Construction Industry Training Board
Skills and training providers	Canterbury Christ Church University Careers and Enterprise Company EKC Group Kent Association of Training Organisations MidKent College NCFE North Kent College Skills for Care STEM Learning The Education People University of Greenwich University of Kent – Kent Business School
Strategic partners	Department of Work and Pensions Kent and Medway Economic Partnership Kent and Medway Employment Task Force Kent and Medway MPs Kent County Council Kent District Councils Locate in Kent Medway Council South East LEP West Kent Partnership

Additional direct employer engagement

Direct discussions took place with the following employers:

- Aimis Solutions Ltd
- Association of Corporate Treasury
- Continuity Care Services
- DJ Civils
- Ebbsfleet Development Corporation
- Eco Electrical Contractors
- IPS International
- OHOB
- Retrofit Works
- ST Services
- Umbrella Training
- Waterstone Design Ltd
- Westridge Construction
- Wilmott Dixon

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