EXECUTIVE

Date: Tuesday 10 March 2020
Time: 5.30 pm
Venue: Rennes Room, Civic Centre, Paris Street, Exeter

Members are invited to attend the above meeting to consider the items of business.

If you have an enquiry regarding any items on this agenda, please contact John Street, Corporate Manager Democratic & Civic Support on 01392 265106.

Entry to the Civic Centre can be gained through the Customer Service Centre, Paris Street.

Membership -
Councillors Bialyk (Chair), Sutton (Deputy Chair), Foale, Ghusain, Harvey, Morse, Pearson, Williams, Wright and Wood

Agenda

Part I: Items suggested for discussion with the press and public present

1 **Apologies**

To receive apologies for absence from Committee members.

2 **Minutes**

To approve and sign the minutes of the meeting held on 11 February 2020. (Pages 5 - 12)

3 **Declarations of Interest**

Councillors are reminded of the need to declare any disclosable pecuniary interests that relate to business on the agenda and which have not already been included in the register of interests, before any discussion takes place on the item. Unless the interest is sensitive, you must also disclose the nature of the interest. In accordance with the Council's Code of Conduct, you must then leave the room and must not participate in any further discussion of the item. Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

4 **Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

It is considered that the Committee would be unlikely to exclude the press and public during consideration of any of the items on the agenda, but if it should wish to do so, the following resolution should be passed:-

RECOMMENDED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of the particular item(s) on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs of Part 1, Schedule 12A of the Act

5 **Questions from Members of the Public**

To receive questions relating to items on the Agenda from members of the public and responses thereto.

Details of questions should be notified to the Corporate Manager Democratic and Civic Support at least three working days prior to the meeting. Further information about speaking at a committee can be found here: Speaking at a Committee

6 **Skills Strategy for Exeter**

To consider the report of the Director (DB). (Pages 13 - 150)

7 **Port Marine Safety Code - Pathway to Compliance**

To consider the report of the Director (DB). (Pages 151 - 160)

8 **Parking Tariffs 2020**

To consider the report of the Director (DB). (Pages 161 - 174)

9 **Lord Mayoralty**

To nominate the Lord Mayor Elect and the Deputy Lord Mayor Elect for the 2020/21 Municipal Year.

Date of Next Meeting

The next scheduled meeting of the Executive will be held on **Tuesday 7 April 2020** at 5.30 pm in the Civic Centre.

A statement of the executive decisions taken at this meeting will be produced and published on the Council website as soon as reasonably practicable.

Find out more about Exeter City Council services by looking at our web site *http://www.exeter.gov.uk.* This will give you the dates of all future Committee meetings and tell you how you can ask a question at a Scrutiny Committee meeting. Alternatively, contact the Democratic Services Officer (Committees) on (01392) 265115 for further information.

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EXECUTIVE

Tuesday 11 February 2020

Present:

Councillor Bialyk (Chair)
Councillors Sutton, Foale, Ghusain, Harvey, Morse, Pearson, Williams, Wright and Wood

Councillors in attendance under Standing Order 44:

Councillor D. Moore speaking on items 6 and 7 (minutes 20 and 21 below):

Also present:

Chief Executive & Growth Director, Director (BA), Director (DB), City Solicitor, Chief Finance Officer, Director (J-PH), Service Lead - Environmental Health & Community Safety and Democratic Services Officer (MD)

In attendance:
Peter Burgess - Devon Wildlife Trust

17 MINUTES

The minutes of the meeting held on 14 January 2020, were taken as read, approved and signed by the Chairs as a correct record.

18 DECLARATIONS OF INTEREST

No declarations of disclosable pecuniary interests were made.

19 QUESTIONS FROM MEMBERS OF THE PUBLIC

There were no questions received from members of the public.

20 PUBLIC SPACES PROTECTION ORDER RENEWAL

The Executive received the report on the current Public Spaces Protection Order (PSPO), which was due to expire on 20 June 2020. The report highlighted the impact and achievement that the PSPO had on the city since it was introduced in 2017. The PSPO had addressed rising anti-social behaviour issues in the city which had a detrimental impact on resident's quality of life.

The Portfolio Holder for Supporting People moved an amended recommendation:-

(1) that the decision on whether the PSPO be extended be delegated to the relevant Director, in consultation with the Portfolio Holder, save that (1) if any such order is made to extend, that such extension be limited to a period of 12 months, and, (2) that the Director is satisfied that the necessary consultation required by the Anti-Social Behaviour, Crime and Policing Act 2014 has been carried out; and, (3) that the Director is satisfied that there is sufficient evidence that the conditions for the making of the order are established.

It was explained that the reason for the revision was based on the City Council's plans to organise a leadership summit to address issues of anti-social behaviour in the city centre and the wider city. By extending the Public Spaces Protection Order for 12 months, the Council would be able to engage with relevant bodies and put in processes to change the PSPO. It was noted, that although good progress had been made with the PSPO, more could be done with it to, to cover a wider range of anti-social behaviour issues.

Councillor D. Moore, having given notice under Standing Order 44, spoke on this item. She asked how the income had been spent for community benefits to reduce anti-social behaviour in the PSPO area. She further enquired about the dispersal incidents and whether they involved the same people requiring dispersal on multiple occasions. She further commented on whether the PSPO breaches and dispersals referred to in the report, involved people with no fixed homes. Councillor D. Moore, commented on the anti-social behaviour in the city and its impact on residents. She enquired about the Community Safety Partnership and what work was being undertaken with communities. Responses to questions contained within the statement would be emailed to Councillor D. Moore and were attached to the minutes.

Particular reference was made to the difficulty in managing anti-social behaviour across the city, with the Public Spaces Protection Order, being just one tool to address the problem. Communication in support for the PSPO had been received from the Exeter Police Commander, The Devon and Cornwall Police Crime Commissioner and the Chief Executive of Devon County Council. Correspondence had also been received from 'Liberty' who do not support the use of Public Spaces Protection Orders as a matter of principle.

During the discussion, the following points were raised:-

- There was a need to revaluate the PSPO and to work with various groups across the city to address anti-social behaviour and set out a common purpose. Having a 12 month period to undertake the work, would be beneficial;
- The proposed leadership summit would support the Council with its priority to help and support residents;
- The report showed that there was high number of anti-social logs compared to the number of notices given.
- The aim of the PSPO was to address anti-social behaviour, rather than homeless residents;
- The leadership summit would need to ensure that issues of anti-social behaviour covered the city wards, not just for the city centre.

Following the discussion, Councillor Morse moved and was seconded by Councillor Bialyk to amend the first recommendation in the report which was voted for unanimously and supported.

RECOMMENDED that Council approve:-

(1) that the decision on whether extend the PSPO, be delegated to the relevant Director, in consultation with the Portfolio Holder, save that:-

(a) if any such order is made to extend, that such extension be limited to a period of 12 months;
(b) that the Director be satisfied that the necessary consultation required by the Anti-Social Behaviour, Crime and Policing Act 2014 has been carried out; and

(c) that the Director be satisfied that there is sufficient evidence that the conditions for the making of the order are established.

(2) the Exeter Community Safety Partnership continue to administer the ring fenced funding received by the Council from PSPO fixed penalty notices, for anti-social behaviour initiatives in the city.

21 **GENERAL FUND / HRA ESTIMATES AND CAPITAL PROGRAMME 2020/21**

The Executive received the report which proposed the General Fund revenue estimates for 2020/21 and to recommend the Band D level of Council Tax for 2020/21. The report also included the proposed Capital Programme for 2020/21 and future years and the proposals in respect of the Housing Revenue Account (HRA).

Councillor D. Moore, having given notice under Standing Order 44, spoke on this item. She enquired about the borrowing that would be on a full commercial rate and whether a best value benefit analysis had been undertaken for running contracts internally, rather than externally. She further commented on the extent of the identified structural problems at the Riverside Centre which required a further capital budget. Responses to questions contained within the statement would be emailed to Councillor D. Moore and were attached to the minutes.

Members were provided with a background on the budget, noting that the Government had been unable to complete the Fair Funding Review and provided a roll over settlement increase of 1.6%, which was in line with all other local authorities.

Particular reference was made to the £2.49 million New Homes Bonus payable in 2020/21, but would be a one year settlement only, and would be reduced to zero over the next three years. For the proposed Capital Programme, there would be £27 million allocated for the General Fund Capital Programme and £28 million to the Housing Revenue Account (HRA), of which £14 million would be used to make improvements to existing council stock and £14 million would be used for new Council houses.

The Council tax proposal was for a £160.05 for Band D properties in 2020/21, which equated to a £5 per year increase for residents.

It was highlighted that, although a balanced budget could be delivered this year, the Medium Term Financial Plan would require £3.7 million savings and that reductions would need to be made for the following years.

RECOMMENDED to Council that:-

(1) the overall spending proposals in respect of both its revenue and capital budgets be approved;
(2) the council tax for each Band be approved as set out in section 8.20.3 subject to Devon County Council, Police and Crime Commissioner Devon and Cornwall (OPCC Devon and Cornwall) and the Devon and Somerset Fire Authority confirming their Band D levels respectively;
(3) when the actual council tax amounts for Devon County Council, Devon and Cornwall Police and Crime Commissioner and the Devon and Somerset Fire Authority are set then the revised council tax levels be submitted to Council on 25 February 2020 for approval; and
(4) the Statement given by the Chief Finance Officer as required under Section 25 of the Local Government Act 2003 be approved.

22 **CAPITAL STRATEGY 2020-21**

The Executive received the report on the Capital Strategy 2020-21, informing Members that the report was a statutory requirement, indicating the long-term policy objectives and the subsequent capital strategy requirements, governance procedures and risks that were associated with it.

Members were referred to the report and particular reference was made to there being no significant changes from the previous year's Capital Strategy, which was in its second year of operation.

RECOMMENDED that Council approve the Capital Strategy as set out in Appendix 1 of the report presented to the meeting.

23 **THE PRUDENTIAL CODE FOR CAPITAL FINANCE IN LOCAL AUTHORITIES (INCORPORATING THE ANNUAL STATEMENT OF MINIMUM REVENUE PROVISION)**

The Executive received the report on the proposed 2020/21 Prudential Indicators for capital finance for adoption by the Council and to set the annual statement of Minimum Revenue Provision (MRP), which was a statutory requirement of the Council. Members were informed that the Prudential Indicators would ensure the Capital Programme was affordable for the Council and that the Annual Statement of Minimum Revenue Provision set the policy on how the Council paid back debt for assets.

No changes had been made to the policy for the MRP and the proposed charge for 2020/21 would be £1.2 million, which was higher than previous years, following the introduction of new lease vehicles.

Particular reference was made to the voluntary repayment of debt totalling £5.02 million and to the three prudential indicator calculations listed in the report, with Members noting that the authorised limit indicator showed the total amount that the Section 151 Officer could borrow on behalf of the Council.

RECOMMENDED that Council adopt the:-

(1) Prudential Indicators set out in Appendix A-C of the report presented to the meeting; and
(2) Annual Statement of Minimum Revenue Provision for the Council.

24 **TREASURY MANAGEMENT STRATEGY REPORT 2020/21**

The Executive received the report on the adoption of the Treasury Management Strategy, which incorporated the Annual Investment Strategy 2020/21, as required under section 15(1) (a) of the Local Government Act 2003, which was a statutory requirement for the Council before the start of each financial year.

Members noted that the identification, monitoring and control of financial risks were essential to the Authority's Treasury Management Strategy, given the amount of money that had been borrowed and invested by the Council. Particular reference was made to the two new accounts for the Barclays Green 95 day notice account, which was linked to low carbon projects and the Standard Chartered Sustainable

deposit which guaranteed that investment was referenced against sustainable assets aligned to the United Nations; Sustainable Development Goals (SDGs).

RECOMMENDED that Council adopt the new Treasury Management Strategy and delegations contained therein.

25 **ANNUAL PAY POLICY STATEMENT 2020/21**

The Executive received the report of the Annual Pay Policy Statement for 2020/21, which required full Council approval each financial year in line with legislation.

Members were referred to the appendix which indicated the remuneration levels of officer posts form April 2020, and indicated the highest level of pay for the Chief Officers, whilst comparing the salary with the lowest paid staff and the relationship between them.

RECOMMENDED to Council that:-

(1) the Policy, Report and Appendices, as presented to the meeting, be adopted and published in accordance with the legislation; and
(2) delegated authority be given to the City Solicitor to make necessary amendments to the pay policy statement following any changes in legislation or subsequent increases in pay.

26 **GENDER PAY GAP REPORT**

The Executive received the Gender Pay Gap Report, which was a statutory requirement of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, for local authorities who employed more than 250 or more employees. The report was an annual snap shot taken from 31 March 2019, and presented a detailed list of hourly pay rates between male and female staff.

Particular reference was made to the legislation that had been introduced by central government to ensure that the gap between men and women was publically available. Members were referred to the gender pay figures listed in the report, which showed that on average, female pay of £14.02 per hour was more than that of male pay of £13.32 per hour.

Member's attention was drawn to the quartile range listed in the report which showed the comparisons of male and female pay from lower level to upper level and the percentage comparisons between the two.

During the discussion, Members commented that the report indicated a significant achievement for Exeter City Council, who were one of the leading Councils for female pay.

RECOMMENDED to Council that:-

(1) the report be reviewed annually to track the relationship between both female and male earnings; and
(2) the Gender Pay Gap Report be published on the Exeter City Council website and on the centrally held database on gov.uk.

27 **FUTURE OF NORTHBROOK APPROACH**

The Executive received the report on the Northbrook Approach golf course, which recommended a partnership between Exeter City Council and the Devon Wildlife Trust, following the Council's commitment to not dispose of the land. The proposed partnership would enable consultation with local residents and community groups to develop the area into a vibrant park land with newly planted trees and wildflowers to enhance biodiversity.

Peter Burgess, the Conservation Director from Devon Wildlife Trust, was in attendance to provide a presentation on the benefits of the partnership working between Devon Wildlife Trust and Exeter City Council. Key points raised from the presentation included:-

- The Valley Parks were internationally recognised areas of public green space and that Northbrook Approach was a critical link connecting Riverside Valley Park and Ludwell Valley Park;
- The Valley Parks received a large number of visitors and was a habitat for a variety of wildlife species;
- Planting, landscaping and other work would be undertaken to enhance biodiversity and improve water quality;
- The proposal would make the land more accessible and welcoming, whilst providing local ownership to residents, and creating active and healthy communities;
- Community Consultation events and activities would open for all residents to attend.

Particular reference was made to the Northbrook Approach providing a significant means of movement of wildlife and the site would also improve traffic free access to the Quayside and Marsh Barton areas.

During the discussion, the following points were raised:-

- Members were pleased with the proposals and would be a welcome addition for residents;
- Devon Wildlife Trust would bring a great level of knowledge and experience for the green site, which would be advantageous for the City Council; and
- The committee reports now included a section on the carbon footprint, which would further support the Council's commitment in achieving its carbon target.

RESOLVED that the proposal for a joint partnership between Exeter City Council and the Devon Wildlife Trust be approved to allow for consultation on the future of the Northbrook Approach.

28 **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - EXCLUSION OF PRESS AND PUBLIC**

RESOLVED that under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item on the grounds that it involved the likely disclosure of exempt information as defined in paragraphs 1,2, 3 and 4 of Part 1, Schedule 12A of the Act.

29 **BUSINESS CASE FOR THE REVIEW OF STAFF STRUCTURE IN HOUSING TENANCY SERVICES**

The Executive received the report which set out the Business Case for the re-structuring of the Housing Tenancy Services which would allow for a change to the

service and providing future team resilience to deliver new and existing services to the Council's tenants. Members were referred to the report which showed the proposed changes.

Particular reference was made to how the new structure would support the Council's Social House building and Retrofit work and the new Open Housing IT system, which would streamline processes, support the service's work and enable digitalisation.

RECOMMENDED that Council:-

(1) approve the Business Case with the restructuring proposals for the Housing Tenancy Services Team;
(2) note the conclusion of a period of meaningful engagement with the Housing Tenancy Services Team, the Trade Union and the feedback provided to staff as part of the process; and
(3) approve the additional proposed revised establishment budget as presented in the report, and include on-costs.

(The meeting commenced at 5.30 pm and closed at 6.30 pm)

Chair

The decisions indicated will normally come into force 5 working days after publication of the Statement of Decisions unless called in by a Scrutiny Committee. Where the matter in question is urgent, the decision will come into force immediately. Decisions regarding the policy framework or corporate objectives or otherwise outside the remit of the Executive will be considered by Council on 25 February 2020.

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REPORT TO EXECUTIVE

Date of Meeting: 10 March 2020

REPORT TO COUNCIL

Date of Meeting: 21 April 2020

Report of: Director (DB)

Title: Skills Strategy for Exeter

Is this a Key Decision?

No

Is this an Executive or Council Function?

It is a council function to agree the strategy. The Executive is then responsible for implementing that strategy.

1. What is the report about?

This report is about the Skills Strategy for Exeter.

2. Recommendations:

2.1 To approve the Skills Strategy for Exeter.

2.2 To approve the associated action plan to enable the Skills & Business Manager to proceed with the outlined work programme.

3. Reasons for the recommendation:

3.1 In November 2018, Executive approved the development of the Skills Strategy for Exeter and supported the outlined priorities.

3.2 The Skills Strategy for Exeter has now been developed, and supports the delivery of key objectives in the Corporate Plan and Vision for Exeter.

3.3 Skills are a key pillar of productivity, through the adoption and delivery of the Skills Strategy, Exeter City Council will be supporting businesses, the workforce and residents to contribute to the economic success of the city.

4. What are the resource implications including non financial resources.

4.1 The financial resource requirements for the delivery of the strategy have been highlighted through the accompanying action plan. These are currently modest in line with the allocated budget available, c. £25k per annum.

4.2 A key strand of the strategy is to identify suitable funding streams that will support the delivery of the priorities where required.

4.3 The non-financial resources are primarily provided through the Skills & Business Manager post, who will be responsible for overseeing the delivery of the strategy, and all the associated work streams.

4.4 There will occasionally be a requirement for support from other officers, such as the Growth and Commercialisation Manager, Data Analytics Apprentice and Communications Team. As well as time from other services across the council as appropriate and in line with the priorities, such as; Customer Services, Housing and Communities.

4.5 The existing Building Greater Exeter Project, and project manager post are already budgeted for, and are identified within the strategy.

5. Section 151 Officer comments:

There are no additional financial implications for the Council to consider.

6. What are the legal aspects?

6.1 There are no legal aspects to this report or the Skills Strategy

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report details:

Background

8.1 Following Executive approval in November 2018, the Skills Strategy for Exeter has been produced. This has been through a process of gathering the evidence base using national and local data sources to assess the performance of the city in relation to employment and skills. The full evidence base is available as an annexe to the strategy.

8.2 A business survey was also conducted in 2019, using a sector representative sample of Exeter businesses. This provided feedback on the key issues that businesses are facing in relation to the skills of their workforce, and employment issues – recruitment and retention. The full results of the business survey are available as an annexe to the strategy.

8.3 In addition a more detailed piece of work focussing on 4 key growth potential sectors for the city has been undertaken, covering the sectors; Digital, Knowledge Industries, Health and Care and Professional Services. This report is available as an annexe to the strategy.

8.4 Through the development of the evidence base, areas for further research have been identified to enable a more in depth understanding of some of the skills issues and priorities impacting on the city.

8.5 The key indicators for the city in relation to employment and skills are contained within the strategy, these include; economic activity, out of work benefit, self-employment, salaries, qualification levels, GCSE attainment, apprenticeships starts and achievements and graduate retention. These will form the basis of an annual

briefing on the skills and employment performance of the city, to be shared within Exeter City Council and externally with partners and stakeholders.

Priorities

8.6 Through reviewing the evidence base, the following priority areas have been identified for action in the strategy;

- Growth in more highly qualified jobs

Much of the forecast employment growth in the city will be in the more highly qualified occupations of professional, scientific and technical, human health and social work and business admin and support service roles. Approaches to support these sectors to recruit, retain and continue to develop the skills of the required workforce.

- Matching local young people's skills with job growth forecasts

Continuous support to raise aspirations and awareness in the city's young people. To improve understanding of the opportunities available to them through; schools, parents, teachers and influencers. Ensuring skills and qualifications match to opportunities and link to lifelong learning.

- Apprenticeships

Address the business survey findings that only 20% of businesses employ an apprentice, and the associated issues that have been identified. Work with the business community and training providers to develop a coherent and joined up approach to support businesses to better understand and access apprenticeships.

- Vacancy and recruitment issues

Understand the granular issues in relation to hard to fill vacancies and recruitment challenges. Address support for businesses to access all areas of the labour market, promote the ABC model of *"A job – a Better job – a Career",* to support entry level roles and progression.

- Inclusion

Support the harder to reach population to move closer to the labour market, promote tools to support this, such as the Disability Confident scheme, and maximise the opportunities with programmes such as Building Greater Exeter. Agree and support an approach to promoting 'Fair Wages'. Develop the links to the Sport England programme and links between physical health and mental wellbeing. Links also to the role of digital inclusion in supporting this area of work.

- Sectors

Develop and agree dedicated plans for sectors that have been identified through the evidence base. These currently include; Digital, Health and Care, Knowledge Creation and Transfer, Professional Services and Construction.

- Self-Employment

Undertake further research to enable a better understanding of the significant increase in self-employment in the city and the impact of this on the labour market as a whole.

- Zero Net Carbon

The development of skills has a role to play in the commitment to becoming Zero Net Carbon. We will work with the University of Exeter and Exeter City Futures on this emerging area of work.

8.7 In addition to the priorities, there are a number of underpinning areas of work that need to be undertaken to support the overall delivery of the Skills Strategy, these are;

- Strategic Intelligence – maintaining and developing the evidence base, undertaking further research where required;
- Partnerships - working collaboratively with a number of organisations across the city to support the delivery of the priorities;
- Communications / Celebrating Success – communicating the success of the activity and projects delivered, promote initiatives and partner news from across the city. Research and consider any appropriate 'status' for the city to support and promote commitment to skills;
- Funding – undertake an ongoing process of identifying appropriate funding streams to support the delivery of the strategy, either for Exeter City Council or partners to apply for;
- Reporting and Monitoring – develop a programme to monitor and report on the delivery of the strategy;
- Governance – develop an appropriate structure to support the delivery of the strategy and undertake ongoing review of priorities – includes links to LEP and Greater Exeter structures.

8.8 The Action Plan to deliver the Skills Strategy will cover an initial 2 year period, with a full review at the end of 2021 to establish impact and success. The priorities will also be reviewed and a new action plan will be developed to continue to deliver the identified priorities.

Next Steps

8.9 Publish the Skills Strategy and associated documents as appropriate.

8.10 Engage relevant partners to form the Exeter Skills Advisory Group that will support the delivery of the strategy. Convene the first meeting for early 2020.

8.11 Undertake initial prioritisation activity for the action plan, particularly in relation to areas that have been identified as requiring more research or a more detailed action plan.

9. How does the decision contribute to the Council's Corporate Plan?

The table below sets out how the Skills Strategy contributes to the priorities in the Corporate Plan

CORPORATE PLAN 2019 – 2021	
PRIORITY	Contribution of Skills Strategy
Tackling Congestion and Accessibility	Linked to the priority of attracting and retaining the right workforce. Supporting businesses to address these challenges with flexible and agile working.
Building Great Communities	Supporting inclusion – economically and socially. Access to the labour market, utilising programmes such as Building Greater Exeter. Supporting skills development and lifelong learning.
Promoting Healthy and Active Lifestyles	Supporting the link between physical health, mental wellbeing and being economically active, enabling inclusion.
Providing Value for Money Services	Maximising partnership working opportunities, funding streams, supporting collaboration to address the priorities within the strategy.
Leading a Well-Run council	Taking a role of leadership and influence to address the priorities in the strategy.

10. What risks are there and how can they be reduced?

The identified risks are highlighted in the table below.

Risk	**Likelihood**	**Mitigation**
Identified priorities need significant budget (more than available) to deliver	Medium	The City Council needs to be aware of this, and be prepared to support bids and applications to external funding streams in order to meet the needs of the strategy. Engagement and support to partners may also secure funding and delivery of priorities.
Lack of partner support / engagement	Low	A range of organisations / partners / stakeholders have already been

		engaged in the process, and thus far have been very supportive.
Unable to deliver against the priorities identified	Low	Currently, it is considered that the priorities that have been identified and the resulting actions are achievable in terms of delivery, This will be monitored on an ongoing basis by the Skills Advisory Group.
New priorities and opportunities are identified not currently in the Strategy – potential to detract from existing work plan	Medium	The Skills Advisory Group will take responsibility for supporting and guiding on changes to the agreed strategy and action plan, taking account of the impact on existing work programmes.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention.

12. Carbon Footprint (Environmental) Implications:

12.1 No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

13.1 The alternative options were explored as part of approval by Executive in November 2018, with the chosen approach to develop the Skills Strategy for Exeter.

David Bartram, Director

Author: Rosie Bates

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-
None

Contact for enquires:
Democratic Services (Committees)
Room 4.36
01392 265275

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Skills Strategy for Exeter

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Contents

A Skills Strategy for Exeter

"By the time they are an adult, a child born in Exeter today will live in a city that is inclusive, healthy and sustainable – a city where the opportunities and benefits of prosperity are shared and all citizens are able to participate fully in the city's economic, social, cultural and civic life."

"Employers will be able to recruit, nurture and retain a skilled local workforce as well as attracting the best global talent. "

Exeter Vision 2040

Executive Summary

The Skills Strategy for Exeter is intended to highlight the significant role that the skills of our workforce and residents play in the success of our economy, enabling the productivity of the city to grow and for everyone to be actively engaged. The identified, evidence-based priorities will provide focus for the strategy and for all the partners engaged. There are many different organisations, initiatives and key partners that are integral to the direction and delivery of the skills agenda for Exeter. The City Council is one of those partners, and this strategy will highlight our central role.

The strategy acknowledges the wide range of strategic and operational initiatives that are underway across the city, including; the development of the 'Skills Escalator' approach in Data Analytics, and the scope to extend to other sectors, such as; health, construction and aviation, the successful bid for the South West Institute of Technology and many others. The City Council will play a role in supporting our key strategic partners; Exeter College and the University of Exeter, as well as the Training Provider community, businesses and others in the development and delivery of a wide range of initiatives to address the identified priorities. This is particularly highlighted under the work streams to support our identified growth and future potential sectors, and the requirement for higher level skills within our businesses.

We also acknowledge the role that the city plays in the wider functional economic geography and the relationship between residents and businesses of the city and surrounding areas, in relation to employment and the demand and supply for skilled labour. We will work with our neighbouring local authority colleagues, and other key strategic partners as appropriate in the delivery of the strategy.

Developing and maintaining partnerships has been acknowledged as a key part of the delivery of this work, and the City Council will seek to add value to the work of others, or to lead whenever it is appropriate.

Exeter Skills Strategy

1. Setting the Context

This Strategy highlights the significant role that skills play in the success of our economy as an enabler of productivity and sustainable growth and as a tool for equality and inclusion, ensuring everyone has a stake in our cities' success.

Exeter is a growing city. The most recent data we have suggests its population has grown by 1% or more for each of the last two years, considerably more than most cities, giving it an estimated current population of over 130,000 people.[1][2] City economies are predominantly driven by their businesses and Exeter is no exception. The overall number of businesses in a city, as well as the number of new business start-ups and closures, are all good indicators of the strength of a city's economy. Between 2016 and 2017, the number of business closures nationally increased by 24%. Exeter was the only major city in England between 2017 and 2018 where the number of closures fell (-2.0%) hinting at an unusual Exeter business dynamism.

Though focussed primarily on Exeter it is important to recognise that increasingly Exeter's economy is linked to its wider region. Town's such as Okehampton and Newton Abbot used to have their own 'Travel to Work' geographies – but are increasingly found to now lie within Exeter's Travel to Work area. This gives Exeter a large 'functional geography'[3] which is increasingly dependent on the City for its jobs, retail and leisure.

There are a relatively low number of large enterprises within the area, but these employ a significant number of highly-skilled employees and are therefore extremely important when looking at the associated training and skills delivery – the Flybe Engineering Apprenticeship being a fine example.

It can be a challenge to see where a small regions real competitive edge in a globalised economy will lie. In Exeter it is almost certainly in the intersection between data analytics and environmental intelligence. The existing Exeter and the Heart of Devon Shared Strategy has incorporated the aim of the Innovation Exeter programme - committing to establishing the Greater Exeter Region as "*one of the UK`s leading knowledge economies, foremost in the areas of high performance computing, data analytics and environmental futures.*" Further, it states that, "*Analytical skills are at the heart of any successful city development programme of the future. The skills element of Exeter's approach is comprised of 4 proposals: "Exeter Digital and Data Education Hub (EDDE-Hub)", "Sparx Roll-out", "Skills Escalators" and leadership of the "South West Institute of Technology"".*

This complements two of the three Heart of the South West LEP's priorities: 'Clean Energy' and 'Digital Futures' and its identification and communication is helping to attract additional funding, such as the recent Environmental Intelligence Accelerator bid (£32m) and the Industrial Digital Technology Hub (£65m).

Chris Skidmore, the new Universities, Science, Research and Innovation Minister stated recently: "*We believe the future of the UK's prosperity - lies in making our nation a global science superpower. Meeting the global challenges that are facing us will be found in investing in R&D, new technologies and our world leading scientific expertise. Cutting-edge ideas, advanced technologies and rewarding new jobs will power our economy and transform our society*." This recognises that without considerable investment in infrastructure, technology and skills there will be little potential for the

[1] ONS 2018, Population estimates, 2016 and 2017 data
[2] ONS, 2019, Population estimates, 2017 and 2018 data.
[3] Functional regions are made up of a central place and surrounding areas affected by it.

rest of the UK to catch up and that the kinds of solutions and investment being targeted at the Northern Powerhouse and Midlands Engine are also needed in the 'Great South West'. R&D and universities have been earmarked for potentially large investments – but these must have a societal/economic impact. This is on top of relatively new initiatives such as the Industrial Strategy Challenge Fund and the Strength in Places Fund.

The existing UK Industrial Strategy sets out a series of Grand Challenges to put the UK at the forefront of the industries of the future, ensuring that the UK takes advantage of major global changes, improving people's lives and the country's productivity. The first 4 Grand Challenges are focused on the global trends which will transform our nation's future: artificial Intelligence and data; ageing society; clean growth and; future of mobility. The Greater Exeter region is already active in researching and investing in a number of these. The South West Institute for Technology (SWIoT) and Environmental Futures and Big Data Impact Lab are both recent innovations seeking to drive up employer demand and capability and the subsequent supply of suitably skilled workers. New qualifications, including degree apprenticeships are also now available in the city and the Greater Exeter Data Analytics Skills Escalator is a response to the AI and Data and Clean Growth priorities.

Whist Exeter City Council has relatively few levers when it comes to skills, it does have a role in bringing together the key players in the City and setting the direction of travel. This necessitates working in partnership with many players - Central Government, Colleges, employers, Devon County Council and our Local Enterprise Partnership. This Strategy therefore brings together many strands of activity setting out a bold direction of travel for the next few years. It complements the Exeter Vision 2040, seeking to build on Exeter's growth and success and recognising the three main drivers of activity: Tackling congestion and accessibility; promoting active and healthy lifestyles, and; building great neighbourhoods. It also complements Exeter City Council's Corporate Plan (2018 – 2021) and the UK Industrial Strategy with Exeter as an engine for regional growth. The recommendations and actions generated within our Strategy target employment, education, social inclusion and poverty reduction. The role of the Skills Strategy in supporting the delivery of the Exeter Vision 2040 and Exeter City Council's Corporate Plan is set out in Appendix 1.

Why Skills?

The Gross Value Added (GVA - a measure of productivity) for Exeter is £54,300 per worker, below the GB average of £57,600 but on a par with a number of smaller UK Cities including Derby, Cambridge and Oxford. Driving up skills is a key component in ensuing the UK improves its productivity. The regions have long lagged behind London and much of the South East when it comes to productivity levels. The recent (2019) General Election and the gains achieved by the Conservative Party in the Midlands and Northern England have in part focused political minds on a need for a levelling up of economic performance and productivity. Skills will be an important part of any strategy to improve productivity, therefore ensuring we have clear ambitions, such as those set out in this strategy, and a means to deliver them are extremely timely.

The international consultants McKinsey (2018)[4] identified four phenomena to explain much of the recent decline in labour-productivity growth, to which the UK in particular, has suffered — financial sector boom and bust, employment growth, investment decline, and uneven digitization. To overcome this they recommend 'skill building' for the existing and future workforce and managers; accelerating adoption of digital technologies through better information, access to finance, collaborations, and a favourable policy environment; and promoting additional investment and

4 Solving the United Kingdom's productivity puzzle in a digital age

exports. In terms of solving this problem with productivity, McKinsey, prioritised improving education and skills: *"It is well understood that enhancing employees' skills is critical for driving productivity growth and maintaining high levels of employment in an era of rapid technological change."*[5]

Exeter achieves consistently high employment levels[6] registering the seventh highest for any major GB city (ONS 2018[7]) at an impressive 79.1%. The corresponding claimant count rate was less than 1% (0.9%), the third lowest in the Centre for Cities Outlook studies for both 2019 and 2020.

The composition of employment in Exeter is also important. Whilst private sector jobs outnumber public sector ones by a factor of 1.8:1 (61,000 – 33,500)[8], by contrast cities like London and Reading have ratios of 3.6:1 and 3.7:1. This impacts both on priorities – a recognised desire to grow an innovating and high skilled but rather small private sector, but also a need to ensure the public sector workers, much of which in the City is high skilled high wage (health and education in particular) also have access to the skills they will need to progress.

Exeter's recent renaissance has been recognised[9]. A 2019 research summary by Ron Martin of Cambridge University and co-authors identified a group of 27 cities which have "pulled ahead" of the national average in Industrial Strategy Council: UK Regional Productivity Differences in terms of productivity growth over the past three decades. This group includes cities such as Cambridge, Reading, Derby, *Exeter,* and Leamington Spa.[10]

Further information relating to the Future of Work is contained in Appendix 2.

Skills and Inclusion

Government priorities around ensuring all have access to skills include the new National Retraining Scheme which will support adults whose jobs are at risk due to automation and who wish to retrain and find better jobs to work in new growth sectors; an adult apprenticeship programme funded through an employer levy; a Flexible Learning Fund which has been launched to stimulate new delivery methods that make learning more attractive and easier to access for adults; and continued support for the Union Learning Fund which has successfully targeted low skilled workers for a number of years.

The Conservative manifesto for the 2019 General Election continued the pledge to create a 'United Kingdom Shared Prosperity Fund' to replace Structural Funds (ESIF - ESF & ERDF) with a UK funding system. This Fund would be intended to reduce inequality between communities across the four nations and to deliver sustainable, inclusive growth: "*We want to ensure that we are not just*

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[5] https://www.mckinsey.com/featured-insights/regions-in-focus/solving-the-united-kingdoms-productivity-puzzle-in-a-digital-age

[6] ONS Annual Population Surveys

[7] Resident's analysis, Jul 2016 – June 2017 and July 2017 – June 2018. Confidence intervals for this data though are high (7%) and this 'leap' should be treated with caution.

[8] ONS 2019, Business Register and Employment Survey, 2018 data.

[9] Zymek, R and Jones, B (2020). UK Regional Productivity Differences: An Evidence Review. Industrial Strategy Council Research Paper. https://industrialstrategycouncil.org/sites/default/files/attachments/UK%20Regional%20Productivity%20Differences%20-%20An%20Evidence%20Review_0.pdf

[10] Martin, R., Bailey, D., Evenhuis, E., Gardiner, B., Pike, A., Sunley, P., and P. Tyler (2019). The Economic Performance of Britain's Cities: Patterns, Processes and Policy Implications. City revolutions. Retrieved from: https://www.cityevolutions.org.uk/wp-content/uploads/The-Evolving-Economic-Performance-of-Britain%E2%80%99s-Cities-Patterns-Processes-and-Policy-Implications.pdf

tackling inequality between communities through investments in infrastructure and business but that we are also empowering individuals to give them the skills they need to succeed. That is why we will use the opportunity of Brexit to replace the ineffective and bureaucratic European Social Funds (ESF) with a tailored, individual-centred skills programme through the UK Shared Prosperity Fund."

The recent national UNISON study by the University of Exeter found that even in the public sector members with no or low level qualifications were considerably less likely than their more highly qualified peers to have undertaken any learning. Ensuring a local offer that targets those most in need and the hardest to reach and least likely to train is essential. But this is by definition a challenge. Adult Learning Budgets are far smaller than in previous decades and routes within workplaces (such as the Union Learning Fund) remain quite small resources. Exeter has particular wards where progression from State Schools in Higher Education[11] is very low, and even where participation is higher, percentages still lag behind the national average.

There is also a strong gender dimension to expected employment changes that must inform inclusion programmes. Gender gaps appear to be more pronounced within both high growth and declining job families. For example, women make up low numbers in the fast-growing STEM job families and female employment is also concentrated in low-growth or declining job families such as Sales, Business and Financial Operations and Office and Administrative. This may lead to a possible reversal of some of the gains made in workplace gender parity over the past decade.

With the digitalisation of services and support ensuring citizens can be active online is important for social inclusion – as is seeking to ensure that ESOL remains available for those who need it. People need digital competence to be able to participate and benefit from digital opportunities - but also to mitigate possible risks. In 2018 over 4 million UK citizens were estimated by the Office for National statics to have no digital skills. Almost a third (29.3%) of the UK population aged between 16 and 74 has insufficient digital skills, as demonstrated by the Digital Economy and Society Index (DESI) indicator on digital skills[12]. Digital competence – or the confident and critical use of ICT tools in these areas - is vital for participation in today's society and economy.

In Exeter there is scope to work with employers to help those farthest from the labour market to access sustainable employment including those with disabilities, and other barriers to employment who nonetheless can offer much to the right employer.

A highly qualified workforce

In Exeter over 40% of the working population has a degree level qualification - ranking it 17th out of 63 cities in the GB geography of the Cities Outlook 2020 report[13]. This is relatively high but there is scope for improvement and given Exeter is 2nd in the same study for having the lowest proportion of adults with no formal qualifications (4.3%) it indicates a workforce with considerable intermediate qualifications with the potential to progress to higher levels, if the opportunity is there.

Exeter is one of the least affordable cities for housing in the UK[14] with house prices high and incomes relatively low. Consequently with lower prices for those commuting often considerable distances, it is not surprising to see those with the least potential to earn high salaries moving away from the

[11] Source: Office for Students (2020)
[12] https://ec.europa.eu/information_society/newsroom/image/document/2018-20/uk-desi_2018-country-profile_eng_B4415D06-056C-DDB7-6B695AFEDFB5F952_52236.pdf
[13] Centre for Cities Outlook, 2020.
[14] https://www.business-live.co.uk/economic-development/exeter-least-affordable-place-uk-16925001

City. 'Gentrification' of this kind is not uncommon but in terms of skills it places one particular pressure on policymakers – to ensure that where good new jobs are being created, local workers have access to the skills and training needed to access them. This necessitates placed-based interventions of which the Greater Exeter Data Analytic Skills Escalator is a fine example.

Apprenticeships remain paramount in Government thinking around skills and this has been further emphasised by the recent arrival of T-Levels. A challenge for the Strategy will be ensuring that local employers embrace vocational training opportunities that now include BTECs, HND/HNC, NVQs, T-Levels (A-Level equivalent) all the way to Postgraduate Apprenticeships. In terms of smaller employers accessing apprenticeships there is positive news that government seems to be moving towards an opening up of funding and opportunities to non-levy paying companies.

Place-based solutions

This Strategy acknowledges the wide range of strategic and operational initiatives that are underway across the city, including the development of the Greater Exeter Data Analytic Skills Escalator and we propose exploring the potential of extending this model into the health, construction and aviation sectors.

In the recent Centre for Cities Outlook 2020 a medium-sized university city (Cambridge) had the largest gap between the wealthiest and poorest communities. The Greater Exeter Data Analytics Skills Escalator is an approach that seeks to try and help prevent this happening in Exeter by firstly identifying the key skills that will be pivotal to the city's success - Data Analytics with a particular focus on environmental intelligence at the higher end of the qualifications spectrum – and then seeking to put in place a series of developments and opportunities to ensure that those in the region can build their skills and competences in this field. The aim being to ensure local workers and citizens have access to these careers.

Efforts aimed at closing skills gaps and tackling skills shortages will increasingly need to be grounded in a solid understanding of a region or industry's skills base and of the changing future skills requirements. The University of Exeter is part of the Skills Advisory Panel (SAP) providing labour market information to the LEP region and can be a resource for evidence-based policy on skills.

Our research accompanying this strategy has identified many issues and priorities that help illustrate why action is needed now. Within the study we found that 48% of vacancies in Exeter were 'hard to fill' compared to only 33% in England. 1/3 of businesses identified skills gaps in their workforce, 73% said staff would need new skills or knowledge in the next 12 months but only 20% are employing an apprentice - demonstrating the potential to develop and support this offer in the city. Solutions to these problems will include sectoral interventions such as Building Greater Exeter and steps aimed at retaining talent through linking with the university and others to create an offer for recent graduates to help ensure they stay in the region and recognise its attractiveness as a place to live and work.

Employment growth for the city is forecast to be of the order of 9,000 full-time equivalent jobs by 2029, primarily in the higher skilled and qualified occupations. Given part-time working this number equates to around 12,000 people. However, the population projections only indicate an increase of around 6,000 people of working age in the city – and a corresponding labour shortfall of another 6,000 working age people. The jobs will be there, the challenge is to ensure our citizens have the skills to embrace them.

Our research underpinning this Strategy also identified a "gap" in the occupational profile of the city's residents (typically skilled trades and caring, leisure and service occupations) which indicates the inter-dependence of the city and its economy with its neighbouring areas, as these roles are primarily filled by residents of the surrounding geographies. Consideration need to be given to the longer-term impact of this on social cohesion, travel patterns and training, particularly as the employment and population projections (and factors such as house prices) suggest this trend will continue.

Partnerships

This work has been undertaken with a back drop of local government cuts which since 2010 have impacted considerably. Fields critical to skills development such as economic development and inward investment lack statutory protection and have suffered accordingly. The capacity of Local Government to deliver major investment in skills and other fields has been dented. Despite these challenges, the council is committed to delivering on this strategy and supporting the development of skills across the city.

Given this lack of resource, partnerships will be pivotal to delivering recommendations and actions in this document so it is heartening that Exeter's success has come down at least in part, to an ongoing commitment from the major employers and partners in the City. Exeter College, the University of Exeter and key employers like the Met Office have demonstrated a willingness to work in partnership to address priorities where the City Region can be seen to have a genuinely global completive edge. Examples of successful partnership working include the growing work programme around Building Greater Exeter and the new Exeter Place Board facilitating city-wide partnership working.

In summary

Exeter has a long and proud history as a successful City in the Heart of the South West with a high quality of life and role as a market-place and business-hub for the region. Logically, Exeter City Council seeks to ensure every resident has the skills needed for their own personal development, for social inclusion, for community engagement and high quality, rewarding employment. This requires a mix of 'employability' skills (literacy, numeracy, and basic-digital) 'hard' sector specific and job-specific skills (programming, legal, technical, etc.) and 'transferable' skills (team work, entrepreneurship, problem solving etc.).

This Skills Strategy seeks to ensure the City and the City Region it serves has the skills needed to ensure it strengthens its role as a centre for innovation and sustainable quality employment by establishing a place-based, dynamic, skills offer which places the citizens at the heart of the strategy: whether leaving full time education and entering employment, seeking to progress in work, or looking to gain the 21st Century Skills needed for employment, community and social inclusion.

Standing still is not an option. Exeter's future cannot be left to simple gentrification and a hope of attracting lifestyle business relocations from London and the South East. This Strategy forms part of an emerging narrative that seeks to ensure our employers have access to a highly educated, adaptable, resilient workforce equipped with the skills they need to thrive. Further, it recognises that real progress is dependent upon having a shared vision for our City and working in partnership with our University, College, Employers, schools, social partners, Devon County Council, our neighbouring District Councils and most importantly, our citizens.

2. Evidence Base

Exeter City Council commissioned Transform Research in 2019 to bring together the evidence base for this skills strategy. There were two parts to the research;

1. Evidence Base – An analysis of the key demand and supply data for employment and skills in Exeter. Also including the corresponding information for the 3 surrounding local authorities of East Devon, Mid Devon and Teignbridge to enable comparison, and to establish dependencies and relationships between the city and surrounding areas in relation to the labour market and skills supply and demand.
2. Business Survey – A survey of 200 businesses representative of the sectoral composition across the city. Providing a better understanding of the key challenges and opportunities faced by the business community and how these relate to the information gathered through the evidence base.

The full research reports and findings are available at Annexe 1 and 2.

In addition, research commissioned in conjunction with the 3 other Greater Exeter local authorities of East Devon, Mid Devon and Teignbridge has specifically identified the industry clusters that present strengths and opportunities locally. A further report has also been produced to provide more granular detail on sectors that present key strengths and growth potential for Exeter. This has been produced by EMSI.

Key Indicators

From the compilation of the evidence base, a set of key indicators can be used to support the ongoing understanding of the employment and skills landscape in Exeter. These will form the basis of an annual briefing.

The key indicators for Exeter from the most recent data sets are;

Indicator	Exeter	National
Employment		
Economic Activity (October 2018 – Sept 2019)	80.5% (74,400)	78.9%
Out of Work Benefit (December 2019)	1.6% (1,395)	2.9%
Unemployment Rate (October 2018 – Sept 2019)	3% (2,200)	3.9%
Self-Employment (April 2018 – March 2019)	13% (12,700)	10.8%
Job Density (2018)	1.23	0.86
Resident Weekly Salary (2019)	£570.60 (approx. £29.6k annual salary)	£587 (approx. £30.5k annual salary)
Workplace Weekly Salary (2019)	£579.60 (approx. £30.1k annual salary)	£586.50 (approx. £30.5k annual salary)

Skills		
Level 2 or above (2018)	80.9%	74.9%
Level 3 or above (2018)	68.2%	57.8%
Level 4 or above (2018)	40.6%	39.3%
Education		
GCSE Attainment (English and Maths, 2018)	42.1%	43%
Apprenticeship Starts (2017 / 18)	860	
Apprenticeship Achievements (2017 /18)	630	
Graduate Retention 2016/17 (University of Exeter graduates)	12.2%	

Sources: NOMIS / ONS / University of Exeter / DFE

The indicators enable us to understand the key factors relating to the labour market in Exeter and the skills profile of our residents. Each of these areas is explored in more detail within the evidence base document in Annexe 1.

Business Survey Findings

The business survey was undertaken in February 2019, with 202 businesses taking part. The businesses were selected in line with the sectoral composition of Exeter. The key areas that businesses were asked about were;

- Recruitment – Vacancies, Challenges and Requirements;
- Skills Sets – Existing and Future Requirements;
- Apprenticeships and Training; and
- Engagement with Education.

The key findings were;

- 2/3 of businesses recruited in 2018 (England 50%);
- 48% of vacancies were 'hard to fill' (England 33%);
- 1/3 of businesses identified skills gaps in their workforce;
- 73% said staff would need new skills or knowledge in the next 12 months;
- 3/4 of staff have had some training in past 12 months;
- Only 20% are employing an apprentice;
- 2/3 had not engaged with a School, College or University in the past 12 months.

The full findings from the survey can be found in Annexe 2.

EMSI Strength Finder analysis

Across the Greater Exeter area (Exeter, East Devon, Teignbridge and Mid Devon), EMSI were commissioned to explore the opportunities for the economy, by reviewing the position of sector clusters. Through access to the online tool, we are also able to review the sector clusters in which we currently have strengths and opportunities. By analysing the available information, we are able to identify the sectors we may wish to focus on, and also understand the skills and employment requirements of businesses within those sectors. These sectors were; Digital, Knowledge Industries, Health and Care and Professional Services.

The Exeter Sectors report can be found at Annexe 3.

3. Priorities, Challenges and Opportunities

From the sources of evidence that have been compiled, and the consideration of the broad strategic context for the city, the following priorities have been identified.

Growth in more highly qualified jobs

Much of the forecast employment growth in the city will be in the more highly qualified occupations of professional, scientific and technical, human health and social work, and business admin and support service roles.

The specific skills needs of these roles and the sectors they will be in needs to be better understood, and approaches developed to grow, attract and retain a workforce with the skills required.

There is a clear role for education and training provision in supporting the current workforce and residents to gain the skills and qualifications required to access these opportunities.

Graduate retention and partnerships between the university and business community can support this priority area.

Matching local young people's skills with job growth forecasts

As noted above, most employment growth is forecast to be in more highly qualified jobs, therefore, work is needed to continuously raise the aspirations of the city's young people in line with this growth, with a particular focus on STEM subjects and jobs.

The role of Careers Education, Information, Advice and Guidance in supporting our young people to reach their full potential is pivotal. Providing labour market intelligence and opportunities for key members of school staff to broaden and enhance their knowledge of the business community and opportunities is crucial to supporting this.

Apprenticeships

In terms of improving the broad supply of young people with skills, the drop off in the number of Apprenticeship starts that the research found needs to be addressed. The opportunities offered to both the apprentices and their employers are very significant and should be further developed, promoted and encouraged. The business survey findings that only 20% of Exeter businesses are taking on an apprentice, demonstrate the potential to develop and support this offer in the city.

Vacancy and recruitment issues

The total number of vacancies in Devon nearly doubled between 2013 and 2017, while the number that were hard-to-fill had more than tripled in the same period. Furthermore, the number of those who did not have the skills required to perform their current job increased by over 4,000.

To meet the demand for employment locally, there is a role for supporting those in employment to continue to develop and progress, freeing up entry level jobs in the labour market. This follows the

ABC model of moving people from 'A job' to 'a Better job' and in to 'a Career', demonstrating progression.
To address this priority there is scope to work with employers to support them to access those in the labour market that they aren't currently, for example, those with disabilities, and also to promote the adoption of working practices to support the workforce.

Inclusion
To address the high to low skills dynamic of the city, there is more that can be done to move our 'harder to reach' residents towards the labour market, through working with training providers and others to support learning and skills development. Working in partnership with Job Centre Plus will be key to this, to ensure that local and nationally commissioned provision will meet the needs of our residents who are furthest from the labour market, this includes pro-active work with sectors that can support those entering / returning to the labour market – e.g. construction, and supporting the acquisition of key skills for employment – such as digital.
Addressing inclusion will include developing partnership working with other key programmes and projects, for example the Wellbeing Exeter programme, and working with our communities.

Supporting Exeter's Growth and Opportunity Sectors
In relation to the priorities outlined above, the role of sectors must also be considered, and the role that different businesses can and will play in addressing some of the challenges. There will also be a case for regularly assessing data and information in relation to the performance of sectors and their role in the employment market, as well as acknowledging and supporting sectors that aren't of critical mass within the city, but on the periphery and significantly important to our economy. Sectors that have been identified currently include; Digital, Health and Care, Knowledge Industries, Professional Services and Construction.

Self-Employment
Further research is needed to explore and understand the market for self-employment in the city, now accounting for c.12% of employment. The available data does not provide sufficient detail on the employment characteristics, qualifications or aspirations of this group of workers to fully assess their requirements. This will be addressed under the cross cutting activity of 'Strategic Intelligence', to determine what and if further work is required.

4. Strategic Priorities

The following priority areas have been identified through the compilation of the evidence base. They are however, not skills and employment issues in isolation, and a much broader strategic approach to addressing these is required.

Forecast shortfall in the size of the working age population
The total employment growth for the city is forecast to be of the order of 9,000 FTEs by 2029, primarily in the higher skilled and qualified occupations. This number of FTEs equates to c.12,000 people, allowing for part-time working. However, the population projections only indicate an increase of c.6,000 people of working age in the city by this date. On this basis there will be an overall shortfall of c.6,000 working age people.

Lack of residents working in skilled trades and caring, leisure and service occupations
The "gap" in the occupational profile of the city's residents indicates the inter-dependence of the city and its economy with its neighbouring areas, as these roles are primarily filled by residents of the surrounding areas. Consideration should be given to the longer-term impact of this on social cohesion, travel patterns and training, particularly as the employment and population projections indicate that the trend will continue to increase.

Role of the City Council
Exeter City Council has a significant role to play in demonstrating how businesses can support the priorities within the strategy, this includes; work experience (including T Levels), mentoring, apprenticeships, engagement with school facing programmes, such as the careers hub and STEM Ambassador programmes. There should be a cross-authority approach to identifying opportunities to work collaboratively to support the delivery of the priorities.

Achieving and sustaining #NetZeroCarbon
Exeter has declared a climate emergency and #NetZeroExeter calls for skills that not only enable the city to meet its 2030 goals, but also to *sustain carbon neutrality into the future*. The ambition to achieve carbon neutrality is driving both the need to apply existing skills and knowledge in new ways, and the need to acquire new skills, new business models, and new technology. It is an exciting time of cross-sector challenge and opportunity that runs through all of the above priorities and growth sectors, particularly highlighting a need to focus on the advance of entrepreneurial, analytical and problem-solving skills in our workforce and a need to support innovation within existing skills used in finance and procurement.

It is also a time of great transition for the city that will require significant Research and Development (in education, business and technology), innovation in education and training (including academic, professional and vocational), and opportunity to practically implement the new skills. Exeter, in continuing to develop a dynamic eco-system of collaboration and innovation, is well-positioned to nurture and deliver on this.

However, Exeter must also look at how to better retain the talent and capability developed in order to continue to capitalise on the commercially innovative and high-skills economy that emerges.

5. Cross-cutting / Underpinning Themes and Activities

The following areas cut across the priorities and will underpin the delivery of the strategy.

Strategic Intelligence
There will be a need to ensure that the evidence base, indicators and intelligence relating to skills and employment in Exeter is maintained, reported and shared. This includes the commissioning of additional research to support some of the priorities and to make decisions about further programmes of work.

Partnerships
As identified previously, partnerships and collaborative working will be key to the successful delivery of the identified priorities. There will be an ongoing process of identifying where appropriate partnerships need to be developed. Our identified list of partners is included at Appendix 3.

Communications / Celebrating Success

Exeter has much to celebrate and communicate about its people and businesses. Linking with the Exeter Live Better initiative to do this is essential.

Consideration should be given to any appropriate 'status' that would support the city to do more and achieve recognition in relation to education, learning and skills.

Funding

An ongoing process to identify appropriate sources of funding to support the delivery of the action plan. This includes support for organisations to access funding, not just the City Council.

Also, ensuring that businesses and residents are aware of the opportunities that are available to them through funding programmes and projects.

Reporting & Monitoring

An annual update report will be produced to provide an update on the key indicators, with commentary relating to the key trends, and any resulting required changes to the identified priorities. Ongoing monitoring of any regularly released data will be undertaken and trends analysed to support decision-making.

Governance

The Skills Strategy for Exeter will be subject to the council's own governance and scrutiny process, in addition a group of key strategic stakeholders will form the 'Exeter Skills Advisory Group' to support the ongoing identification of priorities and to ensure delivery of the action plan. This structure is explained in Appendix 4.

6. Action Plan

The action plan setting out the activities that are required to address the priorities is attached. This document will be key to driving the work programme over the next 2 years, and will be updated on a quarterly basis.

Appendix 1 – Strategic Context

The section below outlines where the skills strategy sits against the priorities outlined in; the Exeter Vision 2040, the Exeter City Council Corporate Plan 2018 – 2021 and the Local Industrial Strategy.

Exeter Vision 2040

The Skills Strategy for Exeter aims to support the Emerging Exeter Vision 2040. In order for all citizens to participate fully in the city's economic, social, cultural and civic life, we must address the abilities of those citizens in relation to employment and skills, alongside the needs of the business community.

The role of addressing the relevant employment and skills opportunities and challenges in delivering the Exeter vision can be summarised under each of the headline areas as follows;

Vision	Role of Skills Strategy
Innovative and Analytical City	Use of data; through up-skilling and re-skilling, creating an expert community that is able to maximise the use of data and provide world leading solutions and services. Young people-friendly city; our young people are the future of the city, ensuring they are fully prepared to maximise the opportunities that will exist for them to have rewarding careers in the city.
Healthy and Inclusive	Supporting all of our residents to be part of the economic prosperity of the city. Ensuring opportunities for those with no and low skills to gain skills and qualifications and for employment to follow. Acknowledging and harnessing the role that physical activity can have in relation to mental well-being, and subsequent benefits in relation to supporting engagement in the labour market.
The Most Active City in the UK	This is a key factor in supporting employers to attract and retain the talent they require in order to make their businesses grow and develop – not only from the perspective of commuting, but in living their daily lives in the city.
Accessible World-Class Education	Education and Lifelong learning for the city that supports appropriate skills and professional development for individuals and businesses. Supporting our young people to continue to learn. High Quality Employment and Fair Wages – raising the levels of our average salaries. Attracting, Recruiting, Nurturing and Retaining a skilled local workforce and attracting the best global talent, through the provision of outstanding careers advice to our young people, and the positioning of the city as a place to live and work.
Liveable and Connected	A crucial factor in attracting, recruiting, nurturing and retaining a skilled workforce

	Growth that has a People focus - Live, Work, Socialise. Communities identifying their needs.
A Leading Sustainable City	Factor in attracting, recruiting, nurturing and retaining a skilled workforce Flexible approached to employment and working practices to support this ambition

Exeter City Council Corporate Plan 2018 - 2021

The role of the Skills Strategy in relation to the priorities identified within the Corporate Plan is summarised as follows;

Tackling Congestion and Accessibility

The impact of congestion and accessibility on our businesses and their ability to recruit, attract and retain talent should not be underestimated. Our business community and the workforce need to be engaged in developing and sharing solutions, such as agile and flexible working practices, balancing this alongside supporting a vibrant and flourishing city centre – in tandem with the City Centre Strategy.

Building Great Communities

Ensuring that our approach is inclusive all of our residents have the opportunity to be economically active and play a full part in their community. Local Services that are geared towards supporting people in to contributing - whether through employment, volunteering or other means. Addressing the high to low skills dynamic of the city.

Promoting Healthy and Active Lifestyles

Recognising the importance of physical and mental wellbeing in enabling our residents to be economically active. Supporting our businesses to address flexible and adapted ways of working to support people in to employment and to remain there.

The role of our businesses and the workforce in adopting healthy and active lifestyles, flexible and agile working, access to opportunities, supported by the right infrastructure.

Providing Value for Money Services

Working in partnership with others to deliver the priorities and ambitions identified in this strategy. In particular to address the needs of our residents who need the most help and support, specifically those furthest from the labour market.

Leading a Well-Run council

Identifying the opportunities to provide leadership through our Skills Strategy; developing appropriate and meaningful partnerships to enable successful influence and delivery to take place.

UK Industrial Strategy – Exeter – the engine for regional growth

The Skills Strategy will play an active role in the delivery of the ambition in our Industrial Strategy under theme 3: Data and Skills, which states;

"These proposals address how we will use data more effectively to enhance the city's planning, education, businesses and communities and develop the skills that will be needed for the future employment opportunities within our city."

The Skills Strategy will support the 4 proposals identified, and this will be reflected in the action plan;

- Exeter Digital and Data Education Hub
- Sparx Rollout
- Skills Escalators
- South West Institute of Technology

Appendix 2 – The Future of Work

According to a recent report from IBM[15], only 41% of CEOs say they have the necessary skills within their workforce to "*execute their business strategies*". This report also showed a significant shift in the types of skills required "*in 2016, executives ranked technical core capabilities for STEM and basic computer and software/application skills as the top two most critical skills for employees. In 2018, the top two skills sought were behavioural skills – willingness to be flexible, agile, adaptable to change, time management skills and the ability to prioritize*."

Skills responses therefore need to address both the pressing need for the kind of 'hard' skills that will enable employers to take advantage of the opportunities posed through digitalisation and automation (data analysis, programming, robotics) but also those 'soft' skills that will become essential as many roles lose some of their more mundane and easily automated functions (collaboration, communication, entrepreneurship etc.).

The Future of Work is gaining increasing attention with policymakers, businesses and educators. Major changes to the way that sectors operate and to the skills and aptitudes that individuals must possess are placing increased stress on traditional education systems. Educational institutions at all levels need to develop their teaching, learning and student support offer in order to help ensure that students are equipped with the skills that will help them to flourish. They will need to collaborate more closely with employers who must play a role in sense-checking and even co-designing materials ensuring they are relevant for the rapidly evolving world of work.

Nesta (2018)[16] highlight the skills that are likely to be in greater demand in the future, which include interpersonal skills, higher-order cognitive skills, and systems skills. The future workforce will need broad-based knowledge in addition to the more specialised skills that will are needed for specific occupations. Nesta's analysis detected the skills needed for different jobs, and showed how those have changed over time. They also provided estimates of the market value they command. Skill groups with relatively high salaries and high growth were revealed to be: data engineering, IT security operations, marketing research, App development and web development. By contrast skill groups with relatively low salaries and low growth include: shipping and warehouse operations, medical administration and coding, general sales, archiving and libraries, journalism and writing. The digital skills most likely to be needed in growing job sectors are ones that are used in non-routine tasks, problem-solving and the creation of digital outputs.

Skill shortages are costly and can hamper growth, with the Open University (in Nesta 2018) estimating that they cost the UK £2bn a year in higher salaries, recruitment costs and temporary staffing bills. Authors increasingly report a shift in the expectation of the impact of the Future of Work away from the emergence of more technological and data/AI driven roles towards a need for different, enhanced, soft skills in jobs and roles that will change:

- Empathy and Communication[17]
- Critical Thinking and Creative Problem Solving[18]

[15] IBM/IBV (2019). The Enterprise Guide to Closing the Skills Gap
[16] Nesta The Future of Skills: Employment in 2030 Project (2018)
[17] According to The Wall Street Journal, 20% of employers now offer empathy and communication training, up substantially from 10 years prior (Lublin, J.S 2016)
[18] Humans will always need to be present to make critical decisions and brainstorm new and innovative solutions" (Law Society Article, December 2018)

- Creativity (World Economic Forum (2018) predicts that)[19]
- Imagination, Innovation, and Vision[20]

As a result of the UK's predominantly knowledge-based economy, social and emotional skills—directing, supervising, managing, and coordinating—will overtake physical and manual skills as the largest skill group, rising from 21 percent of working hours in 2016 to 26 percent by 2030.[21]

It is also increasingly recognised that circular economy skills are very much skills for the future and an area that the City has a particular strength given the increasing focus on environmental intelligence and the presence of the University with its circular economy expertise.

During previous industrial revolutions, it has often taken decades to build the training systems and labour market institutions needed to develop major new skill sets on a large scale. Given the upcoming pace and scale of disruption brought about by this the 'Fourth Industrial Revolution', this may simply not be an option.

Gig Economy

One in ten Britons takes a job via a digital platform at least once a week and the services they provide are increasingly taken for granted by consumers. The data-driven innovation that matches customers' wishes to workers' capabilities has opened new opportunities for those who already had them. For those with existing skills and financial means, gig work offers flexibility and freedom. The rapid emergence of the Gig Economy[22] is a barrier to conventional skills and training delivery: "*Everyone has dreams for their future. But for workers who are stuck in a trap of precarious gigs, it's hard to make these a reality. When tasks are reduced to their simplest form, there's no incentive for workers to grow and develop. Long hours and financial insecurity make it hard to make plans. The career progression that's available to people in employment becomes unattainable*."[23]

In a recent study despite many interviews with gig economy workers, Doteveryone[24] recognised *"none had a clear roadmap for achieving their goals" and one responded "I do not have the time to improve my skills, because my number one priority is to be earning enough to survive, be comfortable."*

If gig workers lives are to be fragmented their opportunities for skills and education will need to be likewise broken into small chunks, capable of being learned at short notice and through a variety of online media. Missing shifts can be penalised and peak (lucrative) shifts subsequently restricted. For these workers, learning must be available when it is needed and capable of swift digestion. Given the rapid movement between jobs – a focus on transferable skills seems the best route for the next step up their career ladder or to progress. Gig economy workers are already bearing the brunt of technological disruption and quite reasonably require support.

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[19] Creativity will go from being the tenth most important job skill in 2015 to the third most important job skill by 2020World Economic Forum: The Future of Jobs Report (2018)
[20] Developing the 21st Century Skills of tomorrow in workplaces today will provide employees with the opportunity to use the very skills that make them human to work with their future AI co-workers, not against them (Madsen, T.B eLearning Industry article, 2019)
[21] Skill shift: Automation and the future of the workforce, McKinsey Global Institute, May 2018.
[22] https://www.tuc.org.uk/news/uk%E2%80%99s-gig-economy-workforce-has-doubled-2016-tuc-and-feps-backed-research-shows
[23] https://www.doteveryone.org.uk/report/betterwork/
[24] Better work in the gig economy (2019)

Lifelong Learning and CEIAG

A recent research study estimated that over 30% of workers in developed economies will need to switch occupational categories in order to remain employed by 2030.[25] The lion's share (roughly 76 percent) of the United Kingdom's 2030 workforce has already entered the workforce.[26] Both of these findings point to the central importance of retraining and skill-building programmes for existing workers.

As the UK Industrial Strategy (2019) puts it; *"We still face challenges in meeting our business needs for talent, skills and labour. […] We do not have enough people skilled in science, technology, engineering and maths. We need to narrow disparities between communities in skills and education and remove barriers faced by workers from underrepresented groups in realising their potential."*

If young people too are to realise their full potential upon leaving full-time education they need both a 'foundation' of knowledge along with the attributes needed to support long and productive working lives with lifelong learning.

Enhanced and coordinated Careers Education Information Advice and Guidance (CEIAG) has long been an ask from the skills sector and progress in Exeter will be dependent upon linking education providers (at all levels) into up-to-date labour market intelligence and the various support bodies that exists such as the National Careers Service, local specialist and the HOTSW Careers Hub and seeking to grow work experience and placement activities – including linking employers into schools. The Gatsby Benchmarks now have considerable traction as a benchmark for schools to deliver quality careers support for their students.

Business Leadership and Management

The UK government has already recognized the importance of management practices by launching the Business Productivity Review and by backing *Be the Business*, a national movement to improve performance and highlight best practice advice and experiences.[27] For example, poor management practices make it less likely that a firm will invest in and adopt ICT and digital technology effectively.[28] The evidence on "what works" to boost managerial practices is limited, especially in the case of the nearly 80 percent of UK small and medium-size enterprises (SMEs) that believe their business is as productive as or more productive than their peers.[29] Experiences in other countries shows that active advice and coaching of business leaders can be effective in boosting sales, employment, and productivity.[30] However, the most proven methods for enhancing managerial skills and practices tend to involve relatively intense, often face-to-face and on-the-job support, such as a "field and forum" approach that combines classroom-based instruction with experiential

[25] Jobs lost, jobs gained: Workforce transitions in a time of automation, McKinsey Global Institute, November 2017.
[26] Calculated as the share of the current working age population (16- to 64-year-olds) who will still be in the working population in 2030 based on 2015-based population projections from Eurostat.
[27] Industrial strategy: Building a Britain fit for the future, HM Government, November 2017; Business productivity review: Government call for evidence, Department for Business, Energy and Industrial Strategy, May 2018.
[28] From ostrich to magpie: Increasing business take-up of proven ideas and technologies, Confederation of British Industry, November 2017.
[29] Overconfidence on productivity is hampering British performance, Be the Business, May 2018.
[30] Business productivity review: Government call for evidence, Department for Business, Energy and Industrial Strategy, May 2018.

learning.[31] There are expert business coaches and business leadership programmes in the region and more could be made of these elements within an enhanced Executive Education offer from College and University.

[31] Elena Dumitrescu, Erhard Feige, Cinzia Lacopeta, and Amy Radermacher. To make a transformation succeed, invest in capability building, McKinsey & Company, October 2017; David McKenzie and Chris Woodruff, "Business practices in small firms in developing countries", Management Science, 2017, Volume 63, Issue 9, pp. 2967–81.

Appendix 3

Partnerships

To enable the successful delivery of the Skills Strategy for Exeter and to demonstrate impact, partnership working with a number of partners will be essential. It is also expected that further partnerships and opportunities for collaboration will develop as the delivery of the strategy evolves.

Businesses
The business community is central to the direction setting and success of the strategy. Their views and input will shape the priorities and enable change to take place. Without their contributions and feedback, it will not be possible to ensure that the relationships are developed with education and training provision and that they can access the workforce they need now, and in the future. Our key routes to engagement will be with representative organisations, such as; the FSB, Exeter Chamber of Commerce, Tech Exeter, EXIST. We will ensure that we have sectoral representation – particularly in those sectors identified as having growth potential, and as being central to our economy.

Education

The priorities have highlighted the need for the work delivered under this strategy to be closely aligned to the education and training provision across the city, this will include;

- Primary and Secondary Education
- Further Education – Exeter College (and other FE provision in close proximity to the city)
- Higher Education – University of Exeter
- Adult and Community Learning
- Private Training Provision

Greater Exeter Local Authorities
There is a long standing relationship between Exeter and the 3 surrounding local authorities of East Devon, Mid Devon and Teignbridge. We continue to work together as a group of officers with a broad remit to support the local economy, with a strategy that focuses on areas that we can work collectively to deliver. Employment and Skills has been identified as one of those areas, and the priorities for that plan are being developed, alongside conversations with the employer based group for the area.

Through the compilation of the evidence base, the relationship between the areas has become ever more apparent, particularly in relation to commuter flows and residency patterns for those employed in particular occupational sectors.

Devon County Council
Working together to ensure a joined up approach for the city where there are joint working opportunities. Engaging with the Adult and Community learning service; Learn Devon to ensure that their provision within the city is aligned to the needs of our communities.

HOTSW LEP

Skills Advisory Panel
Through the Heart of the South West Local Enterprise Partnership, a local 'Skills Advisory Panel' (SAP) is being established (Autumn 2019), working with key partners and stakeholders from across the LEP geography. A key role of this group is to produce a comprehensive evidence base to inform

decision-making, the Exeter evidence base has been put together in line with the guidance issued to LEPs.

Careers Hub
We have a close working relationship with the HOTSW LEP Careers Hub, through financial and officer support for the activity that is undertaken with the schools in Exeter.

Digital Skills Partnership
Member of the group, maximise the links and connections that the group can bring to support businesses and residents of Exeter.

Employment

Job Centre Plus / Department for Work and Pensions
We need to have a close working relationship with Job Centre Plus / DWP in order to understand the labour market beyond the data and to identify we can work together. This is key not just in supporting our businesses, but also in supporting the customers that the city council interacts with on a daily basis.

Employment Support Organisations
There are a range of services, organisations in existence that are supporting people in to employment. These may be commissioned by DWP – such as the Work and Health Programme contractor, or smaller, nice providers – for example those who form part of the Co-Lab offering. Working in partnership to ensure that support in place and providing results in central to supporting all of our residents to engage fully in the labour market and civic life. A number of the partnerships in this area will be with third sector organisations.

Internal Partnerships
Skills is a theme that cuts across a number of Exeter City Council services, and we are in a position to support a range of our customers directly. Closer working relationships will ensure appropriate working / support can be embedded, in particular;

- Customer Service
- Wellbeing Exeter
- Human Resources
- Communities
- Housing
- Revenue and Benefits

Appendix 4

Governance

It is proposed that in addition to the internal Exeter City Council process for oversight relating to this strategy, that a small group with key external partners and stakeholders is established to drive forward the priority areas for action. This will be the Exeter Skills Advisory Group. A full governance paper will be developed.

The purpose of the group is to;

- Monitor the delivery of priorities within the strategy;
- Ensure an annual review process is followed;
- Identify opportunities to work in partnership with other programmes etc. to support the delivery of the strategy;
- Be alert to trends within the economy that will have an impact on the priorities and delivery of the Skills Strategy;
- Identify requirements for labour market intelligence and economic intelligence to support the strategy, overseeing commissions where appropriate;
- Provide links to and work with other relevant groups;
- Provide support and challenge to the education and provider community;
- Be representative of businesses across the city – in size and sector;

Membership

- To ensure that a range of partners and stakeholders are represented, including; employers, training and education providers, public sector partners and the VCSE;
- Members will be expected to be able to demonstrate clear knowledge of the skills needs of the local economy and speak authoritatively to the topic. Members collectively will also be able to understand financial and resources matters linked to skills provision;
- Members should be able to demonstrate a wide reach through their networks – either in their own business sector or representative groups to ensure maximum reach and input to and from the business and provider / representative community;
- To participate in task and finish groups when appropriate;
- Number of members shall not exceed 12. See below for proposed list of members;
- A Chair and vice-chair will be dominated from the members;
- Advisors and other key individuals may also be invited to attend to discuss specific agenda items.
- The group will be supported by the Skills and Business Manger

Sector	**Representative / s**
Business	1 x Chamber 1 x FSB Up to 4 x key sector representatives (growth potential sectors)
Education / Training Provision	1 x Schools Representative 1 x College 1 x University 1 x Devon and Cornwall Training Provider Network
Employment Services	1 x JCP 1 x VCSE

Appendix 4 Skills Strategy Action Plan

ACTION	PARTNERSHIPS	INTENDED IMPACT	TIMESCALE	COST	LEAD	OTHER	STRATEGIC LINKS
PRIORITY: Growth in more highly qualified jobs							
Undertake further research with businesses to determine **Higher Level Skills Requirements** (*link to Strategic Intelligence work programme*)	*See Strategic Intelligence work programme*						
Work with the Careers and Employability Team at University of Exeter on the development of programmes to encourage Exeter businesses to support **Graduate Retention** in the local labour market.	University / Business Community / Chamber of Commerce / FSB	Increase in graduate retention in Exeter businesses. Increase % of Exeter residents qualified at Level 4 and above.	action plan agreed by end March 2020	Staff time £ for programme support / development tbc.	RB	VH	Vision, Corporate Plan, LEP SAP
Work in partnership with local businesses to support the trial of **Graduate Recruitment schemes** to attract talent to Exeter - new and returning, work with local Alumni programmes.	University / Business Community / Chamber of Commerce / FSB / school & college alumni programmes	Trial of Graduate Recruitment Scheme. Business Feedback on graduate employment	trial in place end of 2020	staff time	RB	VH	Vision, Corporate Plan, LEP LIS
Support approaches such as the **Skills Escalators** to enable access into career pathways at all levels through access to learning and qualifications. With a focus on growth potential sectors. (*links to Sectors work programme)*	University / Exeter College / Training Providers / Businesses / Sector Representative Groups	Escalator models produced for growth potential sectors, employer feedback	ongoing	staff time	RB	VH	Vision, Exeter LIS, LEP SAP
Promote the role of Higher Level **Apprenticeships** in supporting access to developing higher level skills to enable people to access these job opportunities.	University / Business Community / Chamber of Commerce / FSB / Exeter	Increase in number of higher level apprenticeship vacancies and starts,	baseline by end of April 2020	staff time	RB	VH / SP	Vision, corporate plan, Exeter LIS, LEP SAP

(*Links to Apprenticeships work programme*)	College / Training Providers	broken down by sector.					
PRIORITY: Matching Young People's Skills and Aspirations to Job Growth							
Use of **Job Forecast and Vacancy information** to inform this programme of activity (*Link to Strategic Intelligence Work Programme)*	*See Strategic Intelligence work programme*						
A Programme of activity to support our schools (in particular) with the delivery of well-informed, **locally contextualised CEIAG to our Young People**. With a particular focus on high growth potential sectors.	HOTSW Careers Hub / Schools / Exeter College / Businesses / Growth Sectors	Programme of activities and resources developed. Engagement from all Exeter schools / Feedback. Consider study of 'distance travelled' in relation to understanding amongst Careers Leaders.	In place by end April 2020	tbc - cost of resources / events where required to be identified	RB	DC	Vision, Exeter LIS, Evidence Base, LEP SAP
Work with the **HOTSW Careers Hub and Enterprise Adviser Network** to ensure the delivery of the National Careers Strategy within our schools	HOTSW Careers Hub / Schools / Exeter College	Achievement of Gatsby Benchmarks across our schools	Ongoing with review in September 2020	£10k to support 2 academic years activity 18/19 and 19/20	RB	DC	Vision, Corporate Plan, LEP

Work Experience - work with schools and businesses to enable young people to access high quality work experience placements that provide access and exposure to opportunities linked to identified job growth (*links to Sectors work programme)*	Schools / Exeter College / Businesses / Sector Representative Groups / potentially CSW Group (WEX Support provider)	Increase in work experience placements offered by businesses in identified sectors (Trial with one sector)	baseline September 2020, year on year	staff time	RB		Vision, Corporate Plan, LEP LIS
Address **Progression to HE** (all routes) of Exeter's young people - in relation to growth of highly skilled jobs. In particular working with funded programmes, such as Next Steps SW	NSSW / Schools / Exeter College	Increase in young people from Exeter accessing higher education	establish baseline by March 2020	staff time	RB	SP	Vision, Corporate Plan, Evidence Base
Support, where needed, the roll out of **Sparx** to support the development of Maths skills and attainment across the city.	SPARX / Schools	Increase in GCSE Maths attainment	establish role Spring 2020	staff time	RB		Exeter LIS
Support **In2Science** to extend and grow their programme in Exeter to engage our disadvantaged young people to access placements and increase aspirations in relation to Higher Education	In2Science / University / Exeter College / Businesses / EXIST	Increase uptake of In2Science placements	annually from summer 2020	staff time and grant contribution of £500	RB		Vision, Evidence Base
Engage with other **projects and programmes** (funded locally and nationally) that can support our young people and residents to maximise the opportunities available to them in our growing sectors.	As Required	to fit with priorities	ongoing	staff time	RB		Vision, Evidence base
PRIORITY: Apprenticeships							

Undertake a comprehensive analysis of Apprenticeships data and information (*Links to Strategic Intelligence Work Programme*)	*See Strategic Intelligence work programme*						
Develop a comprehensive **Action Plan** in conjunction with a range of partners to support uptake of Apprenticeships	Training Providers / Exeter College / University / Businesses / Chamber of Commerce / FSB / ESFA / AAN	Increase in business engagement in Apprenticeships Increase in Apprenticeship Starts and Achievements	Action Plan by end May 2020	to be identified	RB		Evidence Base, Vision, Exeter LIS, LEP SAP
PRIORITY: Vacancy and Recruitment Issues							
Work with businesses and recruitment agencies to understand the challenges in relation to **'hard to fill' vacancies** and what can be done to address them. Includes feedback to Education and Training Providers.	Recruitment Agencies / Businesses / FSB / Chamber of Commerce Training Providers / Education	Reduction in hard to fill vacancies Employer feedback on skills of prospective employees	ongoing	staff time	RB		Evidence Base, Vision,
Explore the potential to develop the **Job Fairs** concept to focus on careers, higher level jobs and those roles that are particularly difficult to recruit to.	Recruitment Agencies / Exeter College / University / Businesses / JCP	Recruitment to Higher Level Roles	scoping by summer 2020	staff time - initially	RB	VH	Evidence Base, Vision, Exeter LIS
Support for skills development - particularly in the workplace and **progression** to free up jobs in the labour market - **ABC model**. (*Links to Skills Escalators piece of work)*	Businesses / Training Providers / Exeter College / University	demonstrate impact of investment in skills development to promote progression routes	ongoing	staff time	RB		Evidence Base, Vision, Exeter LIS
PRIORITY: Inclusion							

Develop **partnership working with Job Centre Plus** to address needs of those furthest from the labour market. Ensure that nationally funded provision delivered locally is meeting the needs of our residents and communities.	JCP / Providers / Co-Lab	Reduction in job seekers in hard to reach groups	ongoing, baseline data by June 2020	staff time	RB	SP	Evidence Base, Vision, Corporate Plan
Continue to jointly deliver **Jobs Fairs** with JCP to enable job seekers to easily access a range of employers and opportunities	JCP / Businesses / Providers	Numbers attending fairs Business feedback Reduction in number of job seekers / number gaining employment	1 fair per annum	staff time, £2k for venue hire and associated costs	RB	Comms Team	Evidence Base, Vision, Corporate Plan
"Fair Wages" - scope to increase the average salary levels of residents, including consideration of the role of the Living Wage and Real Living Wage.	Businesses / JCP / Recruitment Agencies	Numbers of employers paying LW and RLW Increase in average salary levels	ongoing	staff time	RB		Evidence Base, Vision, Corporate Plan
Work with **Wellbeing Exeter** team to establish an action plan for joint working relating to our communities, particularly focussed on inclusion in the labour market	Wellbeing Exeter (and associated partners)	Action Plan that adds value to both areas of work and maximises use of resources	establish plan by June 2020	staff time	RB	JB	Evidence Base, Vision, Corporate Plan
Ensure there is sufficient and appropriate provision for those who have **no / low skills** (with particular reference to **Digital Skills)** and need to develop these in order to access the labour market. Audit provision and influence where required.	Training Providers / JCP / Co-Lab / DSP	Access to provision for those who require it - feedback that all requirements can be fulfilled.	Audit by September 2020	staff time	RB		Evidence Base, Vision, Corporate Plan

Work with JCP and Businesses to encourage more businesses to understand the benefits and possibilities of employing those with a disability, supporting engagement in to the labour market. **Disability Confident** scheme.	JCP / Businesses / Chamber of Commerce / FSB	increase number of businesses accredited with disability confident	ongoing	staff time	RB		Evidence Base, Vision, Corporate Plan
PRIORITY: Supporting Growth Potential / Priority Sectors							
Delivery of the **Building Greater Exeter** programme to support the skilled labour gap within our local **Construction** sector. Aligned to our local growth and housing delivery requirements.	Teignbridge & East Devon local authorities / Construction Sector businesses / Training Providers / FE Colleges / University / Sector Groups	Reduce vacancies, increase pipeline of skilled labour, increase uptake of apprenticeships / courses (see project action plan)	to March 2021 (beyond funding dependent)	ExCC £15k per annum	DC	RB / VH	Liveable Exeter, Evidence Base, Vision, Corporate Plan, LEP SAP
Digital - Skills for the sector and digital skills in the broadest sense (particularly in relation to accessing the labour market). Development of an Action Plan to identify and address priorities.	Tech Exeter / Digital Exeter / HOTSW LEP / DSP / SW IoT / Businesses / Chamber of Commerce / FSB / Training Providers	To be determined by priority setting	develop plan by September 2020	staff time	RB	VH	Corporate Plan / Vision / Exeter LIS / LEP LIS & SAP
Address challenges around recruitment, retention and skills development within the **Health & Social Care sectors**. Explore the development of a Skills Escalator approach.	RD&E / Care Providers / Recruitment Agencies / Exeter College / University / Training Providers / Proud to Care	To be determined with sector partners.	scoping with key partners by September 2020	staff time	RB		Corporate Plan / Vision / Exeter LIS / LEP LIS & SAP
To continue to monitor the sectoral composition of businesses in Exeter. Identify Growth potential and	*See Strategic Intelligence Work Programme*						

opportunity clusters. *(link to Strategic Intelligence work programme)*							
PRIORITY: #ZERONETCARBON & SKILLS							
Work collaboratively with University of Exeter and Exeter City Futures to develop strategic approach to skills development in relation to **#zeronetcarbon**	University / ECF / Training Providers	Informed approach to skills development to support carbon neutral ambitions.	In line with carbon neutral blueprint activity	Staff time	RB	VH	Vision, Corporate Plan, Carbon Neutral Blueprint
CROSS CUTTING & UNDERPINNING ACTIVITIES							
STRATEGIC INTELLIGENCE							
Maintain and update the core **Evidence Base** on an annual basis. Trend analysis of the key indicators. Communication to partners and stakeholders	All relevant partners and stakeholders	Ensure City position and performance is communicated, use as a basis to review priorities.	annually in line with data releases	staff time	RB	SP / VH	Vision, Corporate Plan, Exeter LIS, LEP SAP
Research with businesses to understand in more detail **Higher Level Skills** requirements and employment opportunities.	Businesses / Chamber of Commerce / FSB	Inform activity with all partners and stakeholders in relation to LMI, CEIAG, training provision and availability.	Commission mid-2020	£3k for research Staff time	RB	SP	Vision, Exeter LIS, LEP SAP
Use of **EMSI** data to establish more detail in relation to our sectors and businesses, their jobs and future growth. To use this to support decision-making in to future investment and activities. Use job posting / vacancy information to support LMI.	Businesses / Greater Exeter local authorities / DCC / HOTSW LEP	Establish priorities for intervention, watching brief on sector performance	First review by end of Jan 2020, quarterly review thereafter	ongoing cost to be established Staff time	RB	SP	Vision, Corporate Plan, Exeter LIS

Apprenticeships - undertake a comprehensive analysis of apprenticeships data and information to inform the development of a dedicated action plan.	Training Providers / ESFA / Businesses / Exeter College / University	Inform development of action plan	Review by May 2020	staff time	RB	SP	Vision, Corporate Plan
Self-Employment - further research to understand the growth in self-employment within Exeter and the wider impact on the labour market	DCC / HOTSW LEP / Greater Exeter Local Authorities	Understand drivers for and impact of self-employment. Establish if there are any knock on impacts for the wider labour market.	Commission mid-2020	£3k for research Staff time	RB	SP	Vision, Corporate Plan, Exeter LIS, LEP SAP, Evidence Base
PARTNERSHIPS							
To provide support, guidance and evidence when needed and required in relation to **Local Opportunities, Developments and Investments** relevant to employment and skills.	Education / Training Providers / local authorities / VCSE / communities	Attract investment, secure relevant funding, raise the profile of Exeter	As and when required	staff time	RB	VH / others	Vision, Corporate Plan
To work collaboratively with a wide range of partners and organisations across the city to support all elements of skills and employment.	As required and relevant	To ensure that all aspects of the Skills landscape are supported.	ongoing	staff time	RB		Vision, Corporate Plan
COMMUNICATIONS / CELEBRATING SUCCESS							
Work with the Exeter Live Better team to ensure that **successes and key messages** relating to skills and employment are communicated.	Exeter Live Better / Range of partners as appropriate and relevant	Continually raise the profile of successes in relation to skills	ongoing	staff time	RB	Comms Team	Vision, Corporate Plan

Explore any **appropriate 'status'** for Exeter in relation to skills, e.g. UNESCO City of Learning	as required	Raise the profile of Exeter in relation to skills	ongoing	staff time	RB	Comms Team	Vision
FUNDING							
Identify suitable and appropriate funding sources on an ongoing basis in relation to the priorities. Includes identification of suitable lead organisations and ExCC role.	as required	To source and attract funding to deliver activity supporting the identified priorities.	ongoing	staff time	RB		Vision, Corporate Plan, Skills Strategy
REPORTING / MONITORING							
Provide an annual bulletin of **key indicators** demonstrating Exeter's performance - such as employment, qualification levels etc.		Informed members, officers, partners, stakeholders	From April 2020 on an annual basis	staff time	RB	VH	Evidence Base, Skills Strategy, LEP SAP
GOVERNANCE							
Establish an Exeter **Skills Advisory Group** to support and monitor the delivery of the Skills Strategy.	Businesses / Education / JCP / VCSE / Training Providers	Ensure delivery of action plan	Established by April 2020	staff time	RB	VH	Skills Strategy
Ensure Exeter representation on the **LEP Skills Advisory Panel**. Provide officer support to enable suitable business representative to fulfil role.	HOTSW LEP / Business Community / Greater Exeter Partners	Influence in relation to the skills priorities for Exeter. Support to develop interventions for the GEX Area.	In line with LEP SAP meeting schedule	staff time	RB	VH / GEX leads	Vision, Corporate Plan, Exeter LIS
ROLE OF EXETER CITY COUNCIL							

To ensure Exeter City Council demonstrates the opportunities for businesses to support a variety of initiatives through leading by example, including; work experience, mentoring, STEM Ambassadors etc.	Internal collaboration	lead by example, influence others	ongoing	staff time	RB / HR	whole organisation	Vision, Corporate Plan, Skills Strategy

KEY				**Staff**	
FSB	Federation of Small Businesses	DCC	Devon County Council	RB	Rosie Bates
LEP SAP	Skills Advisory Panel	SWIoT	South West Institute of Technology	VH	Victoria Hatfield
LIS	Local Industrial Strategy	DSP	Digital Skills Partnership	SP	Sam Prangley
ESFA	Education and Skills Funding Agency			DC	Dawn Chamberlain
AAN	Apprenticeship Ambassador Network			JB	James Bogue
JCP	Job Centre Plus			Comms Team	
HOTSW LEP	Heart of the South West Local Enterprise Partnership				

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Emsi

Sector profiles

EXETER CITY COUNCIL

Duncan Brown and Natasha Charlton

30 January 2020

Summary and Data

This report provides a snapshot of intelligence on four major sectors within the Exeter economy. They have been selected based on their competitiveness, productivity, and regional significance. In particular:

- **Health and care** (p.3) is a large and labour-intensive sector within the local economy, with a comparatively higher number of jobs and workplaces than the rest of the country — notable jobs growth was recorded between 2007 and 2016.
- **Professional services** (p.8) is a strong driver of regional productivity with certain activities emerging as highly specific to the Exeter area (e.g. legal activities and trust fund activities); given Exeter's place as a regional urban centre with a significant knowledge-intensive sector, professional services is important.
- **Knowledge industries** (p.13) provide a high number of jobs in the region, and the sector has also experienced very strong jobs growth over the last decade, far outperforming the national average — as well as hosting a Russell Group university, the presence of the Met Office, a major knowledge-intensive employer, makes Exeter an important centre for these industries.
- **Digital** (p.18) is a fast-growing sector, with jobs doubling since 2012. The region has consistently been outperforming the rest of Great Britain in terms of jobs growth, and this trend is expected to continue, offering promising opportunities to improve productivity and regional competitiveness.

Each report provides an overview, which looks at the sector's economic impact and productivity, analyses job trends, shows where the job hotspots are, illustrates which industries are key growth drivers, and examines recruitment patterns and skills demand. These are detailed in terms of a standard set of visuals and tables, as explained below.

DATA SOURCES

All data here are sourced from Emsi, the leading provider of labour market intelligence, with sources including:

- **Core labour market intelligence** modelled from official ONS sources with substantial additional analysis to identify consistent estimates across industries and occupations, down to local authority level.
- **Input-output economic model** modelled from industry activity patterns and sales and purchases between industries, allowing for analysis of productivity and supply chains down to local level.
- **Job posting analytics** gathered from online job postings, with around 800,000 unique job postings across Great Britain added each month and classified in terms of job role, location, skills and posting duration.

DATA EXPLANATION

After the Overview, providing a narrative summary across the data exhibits, each sector is profiled in a sequence of pages:

Jobs and output

On the left hand side is a map of Exeter made up of the ONS Middle Layer Super Output Area (MSOA) geographic areas; each MSOA is drawn to have a residential population of around 5,000 people at the time of the 2011 Census. The colour of the Middle Layer Super Output Areas is defined by the 'Location Quotient' for the sector.

A Location Quotient (LQ) is a measure of local specialisation, taking the ratio of the local share of an industry or occupation in an economic statistic and its national share; where that ratio is over 1, that industry or occupation is concentrated locally.

On the right hand side at the top is a chart of job trend, back to 2003 and then projected forward from 2019 to 2027 on the basis of past trends. Exeter's sector job numbers are shown, and also a Great Britain 'equivalent' number, which is scaled for a labour market the size of Exeter's, to show how Exeter's job numbers have evolved against national trends.

On the right hand side at the bottom is a chart of productivity comparisons, drawn from Emsi's Input-Output Economic Model. The gross value added per filled job for the sector in Exeter is shown at the top; the level for the sector in Great Britain in the middle; and the level for the whole Exeter economy at the bottom, with indications of how the sector in Exeter compares labelled.

Industry structure

On the left hand side is a chart showing the leading industries within the sector by Location Quotient, a measure of concentration in the Exeter economy (see above). Labels then show the number of jobs in that industry; both measures are in 2019.

On the right hand side at the top is a 'Sales and Demand Analysis', which has estimates of the value of sales the sector's businesses in Exeter in 2015 (left-hand) and the value of goods and services customers from within Exeter purchased in 2015; the balancing items between are how much businesses 'exported' outside Exeter; how much they sold to customers in Exeter; and how much customers 'imported' from outside.

On the right hand side at the bottom is a chart of four workplace size bands for the sector, to see where the sector concentrates. This again uses a Location Quotient measure to identify local concentrations, as well as estimates of the numbers of workplaces.

Recruitment outlook

On the left hand side is a table of the top 15 occupations for the sector workforce, by their job numbers in 2019 and (projected) 2024, the percentage growth between those years, and the job openings projected over that time. Openings reflect not only the net growth in jobs, but the need to replace workers leaving the labour market.

On the right hand side at the top is a time series chart of unique job postings and companies making postings for the largest 5 of those occupations, showing the pattern since January 2016. On the right hand side at the bottom are the top 10 skills sought and mentioned in those job postings.

Industry data

The final table sets out the significant industry's within the sector in Exeter, including jobs in 2014 and 2019, the change and percentage growth in between, the Location Quotient and estimated 2015 gross value added.

Overview: Health and care

This report provides a comprehensive overview of Exeter's health and care sector. It looks at the sector's economic impact and productivity, analyses job trends, shows where the job hotspots are, illustrates which industries are key growth drivers, and examines recruitment patterns and skills demand.

Exeter has a large health and care sector compared with the rest of Great Britain, currently accounting for more than 13,000 jobs, although strong jobs growth has levelled off more recently. Productivity levels are also slightly lower than for the rest of Great Britain.

One of the sector's biggest challenges will be to recruit enough nurses going forward. This issue is not unique to the region: there is a national shortage. However, the region's sector output will still be impacted if recruitment demands remain unmet.

Despite its lower than average gross value added, there is potential in Exeter's health and care sector, primarily due to strong sector sales. However, a continuous decline in jobs across the sector's key industries poses a risk to regional productivity and output.

JOBS & OUTPUT

Exeter has a comparatively large health and care sector, with a higher number of jobs than Great Britain on average. The region experienced a particularly notable increase between 2007 and 2016 — going from just over 9,000 to nearly 15,000 jobs, with a fall back and then stability since.

Health and care jobs are concentrated in three main areas of Exeter. The largest concentration is in the Wonford & St Loyes area, home to the Royal Devon and Exeter Hospital — the sector's biggest employer supporting more than 7,000 jobs. St Thomas Medical Group and Franklyn Hospital creates a further hotspot supporting around 500 jobs. Also worth noting is the Mincinglake & Beacon Heath area, where there is a surgery and a community hospital. The majority of jobs in the latter two areas are related to residential care.

Exeter's health and care sector is slightly less productive than that of Great Britain. It also generates 7.3 per cent less gross value added (GVA) than the rest of the Exeter economy on average. Health and care includes labour-intensive activities such as care characterised by large numbers of relatively lower paid workers, making this typical.

INDUSTRY STRUCTURE

The sector's industry profile is naturally dominated by hospital activities. They support close to 9,000 jobs and are the biggest contributor to Exeter's regional competitiveness. Other human health activities are also a big player — with twice as much activity as the rest of the country. That said, all health and care industries in Exeter (excluding residential nursing care activities) have been experiencing a decline in jobs in recent years, returning somewhat back toward national trends after surging ahead during the period after 2010.

Sector sales amounted to £714m in 2015, with the vast majority of goods and services being sold as 'exports' (meaning outside the region i.e. to the rest of the UK and internationally). Purchases were low by contrast, totalling £188m, with around half imported from outside the Exeter area. This paints a promising picture of the region's health and care sector, suggesting the sector is both profitable and relatively self-dependent.

The region also has a comparatively higher number of workplaces than the rest of the country. In total, there are around 300 health and care workplaces in the region, of which around 75 per cent are micro workplaces (0-19 employees). Large workplaces (250+ employees) are four times as common in Exeter than elsewhere in Great Britain.

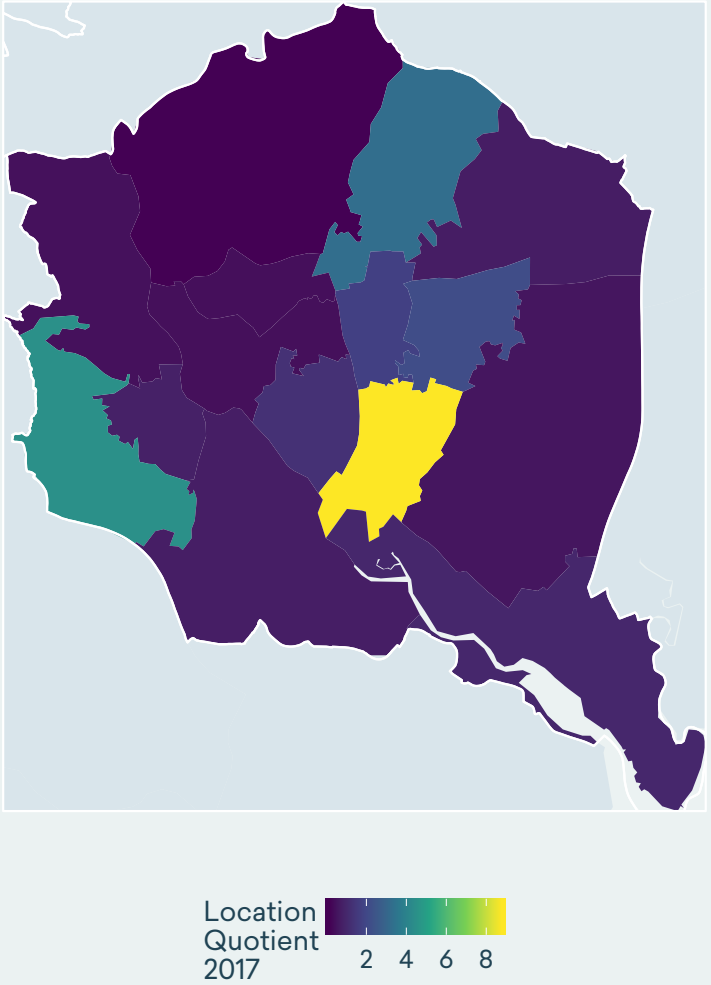
RECRUITMENT OUTLOOK

An analysis of the top 15 sector occupations based on projected job openings between 2019 and 2024 highlights which roles will be most in demand. The biggest demand, by far, will be for nurses, with a projected 810 new job openings between now and 2024. This is much in line with broader national trends, given the current shortage of nursing staff.

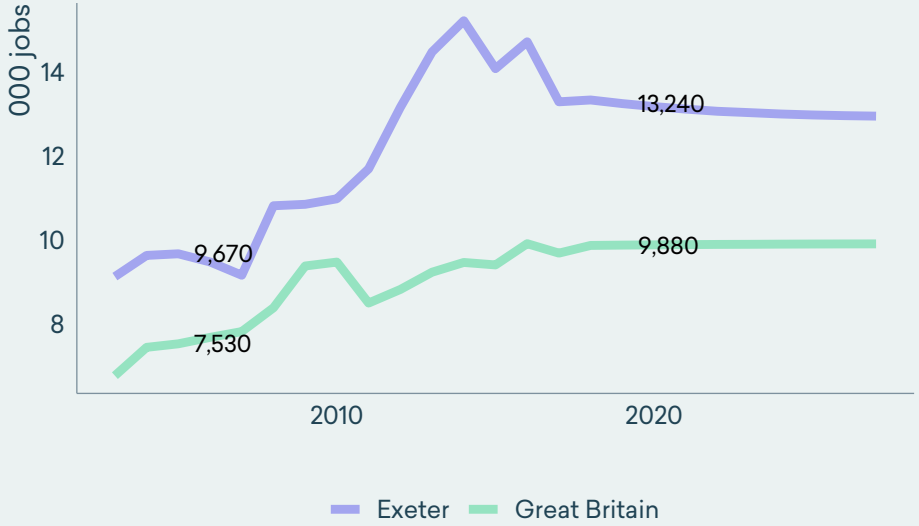
Job posting analytics for the top 5 occupations show that demand, although subject to fluctuation, has been rising steadily over the last four years. In total there were more than 12,000 job postings from around 1,500 individual companies between 2016 and 2019.

Jobs and output

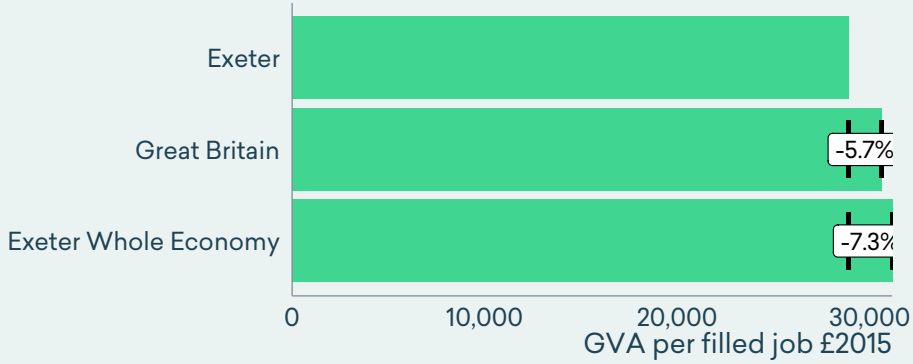
Job concentrations in Exeter



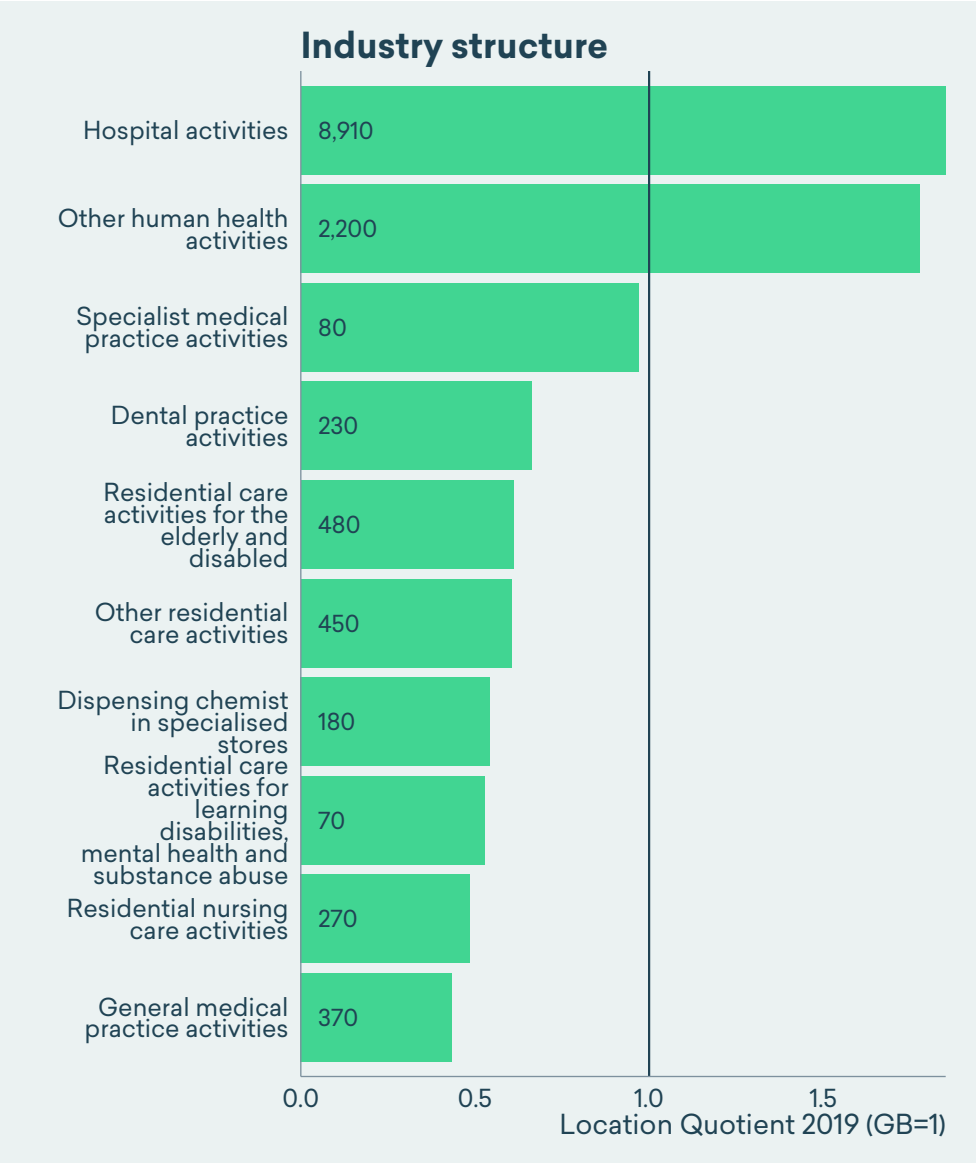
Jobs 2003-2027: Exeter vs Great Britain

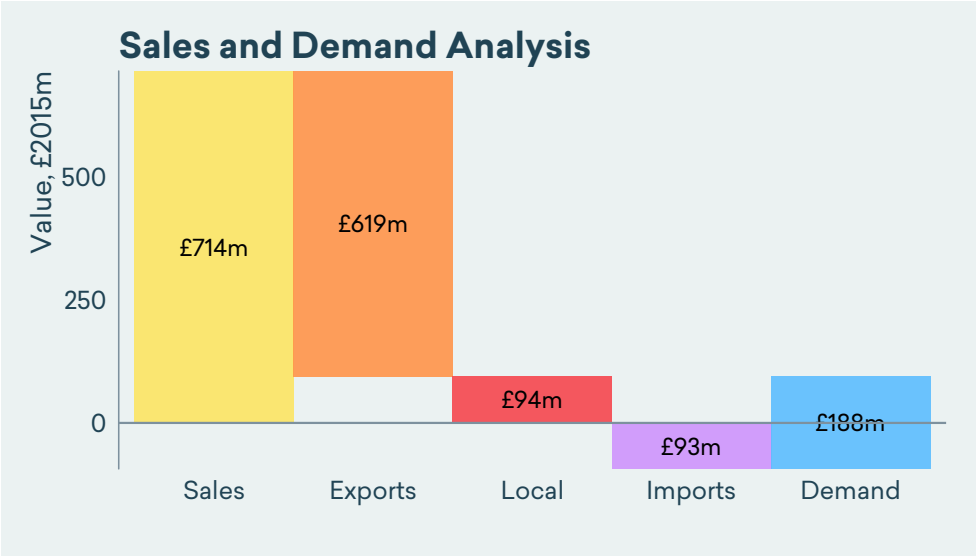


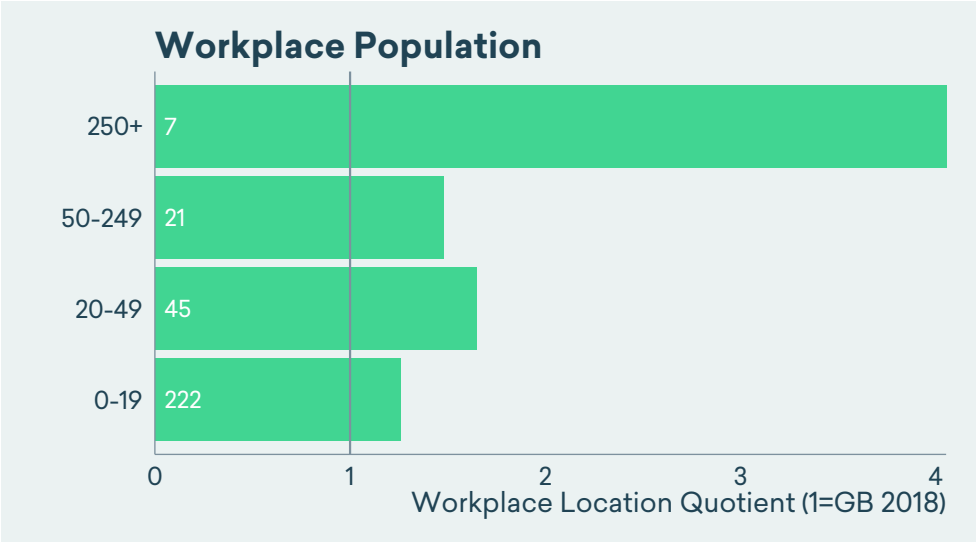
Productivity comparison



Industry structure



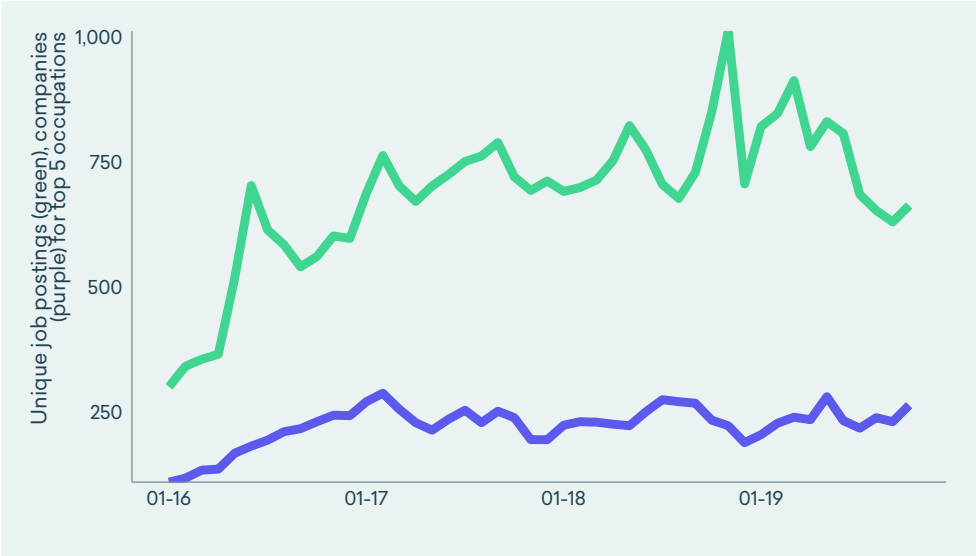


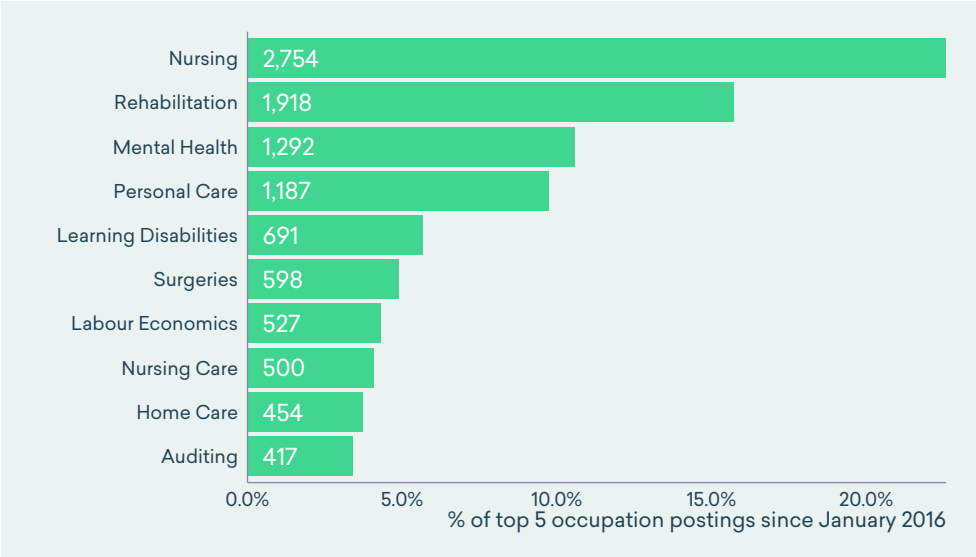


Recruitment outlook

Occupation	Jobs 2019	Jobs 2024	% 19-24	openings 19-24
Nurses	3,360	3,340	-0.6	810
Nursing auxiliaries and assistants	1,480	1,460	-0.8	380
Medical practitioners	1,090	1,090	-0.6	260
Care workers and home carers	1,060	1,040	-1.5	260
Medical secretaries	370	370	-0.7	90
Physiotherapists	250	250	-0.5	60
Dental nurses	190	190	-1.1	50
Midwives	210	200	-0.9	50
Cleaners and domestics	270	250	-6.4	50
Records clerks and assistants	200	200	-2.7	50
Other administrative occupations n.e.c.	220	210	-5.0	50
Receptionists	280	250	-9.8	40
Medical radiographers	170	160	-0.8	40
Medical and dental technicians	160	160	0.6	40
Health professionals n.e.c.	150	150	-0.9	40

N.B.: job openings can still be positive in the context of declining overall job numbers, as the volume of jobs needing to be replaced as workers leave is typically a larger part of labour demand than growth and decline.





Industry data

SIC	Industry	Jobs 2014	Jobs 2019	change 2014-19	% growth 2014-19	LQ 2019	GVA £m 2015
8610	Hospital activities	9,750	8,910	-850	-8.7	1.85	318
8690	Other human health activities	2,540	2,200	-340	-13.3	1.78	48
8622	Specialist medical practice activities	170	80	-80	-50.3	0.97	1
8623	Dental practice activities	450	230	-220	-48.3	0.66	4
8790	Other residential care activities	670	450	-220	-32.4	0.61	12
8730	Residential care activities for the elderly and disabled	550	480	-70	-12.2	0.61	6
4773	Dispensing chemist in specialised stores	120	180	60	54.3	0.54	3
8720	Residential care activities for learning disabilities, mental health and substance abuse	90	70	-20	-23.3	0.53	1
8710	Residential nursing care activities	190	270	80	40.2	0.49	4
8621	General medical practice activities	690	370	-320	-46.9	0.43	8

Overview: Professional services

This report provides a comprehensive overview of Exeter's professional services sector. It looks at the sector's economic impact and productivity, analyses job trends, shows where the job hotspots are, illustrates which industries are key growth drivers, and examines recruitment patterns and skills demand.

Exeter has a less concentrated professional services sector compared with the rest of Great Britain, with national job trends surpassing figures for the region except briefly during the 2008-2009 recession. Productivity, as measured by gross value added (GVA) per filled job, is also substantially lower for Exeter's sector than for the national professional services sector.

According to Emsi's job postings analytics, book-keepers, payroll managers and wage clerks are projected to be the most in-demand occupations over the next five years and the most sought-after skills are accountancy-based.

JOBS & OUTPUT

Job trends in Exeter's professional services sector have experienced strong fluctuation over the years. There was an increase of nearly 70 per cent between 2006 and 2010, followed almost immediately by a sharp drop. There was considerable consolidation in the sector during this period ending in the recession, resulting in a decrease in the number of professional services establishments. Since then, jobs have gradually been increasing again, although projections suggest growth will flatline between now and 2027.

Compared with the rest of the country, Exeter has a less pronounced professional services sector. National job trends have been surpassing Exeter's figures since 2011 and this is projected to continue. The GVA per filled job is almost twice as high for the national professional services sector than for Exeter's sector (£40,000). That said, Exeter's professional services sector is around 27 per cent more productive than the rest of its local economy, remaining an important contributor to overall performance.

INDUSTRY STRUCTURE

There are four industries driving the sector's regional strength. Trusts, funds and similar financial entities are the most significant. The industry supports over 300 jobs and is highly specific to the Exeter area. Legal activities are also a key industry (supporting around 1,800 jobs) with more than twice as much job activity in Exeter than the rest of Great Britain. Administration of financial markets and life insurance are also relatively concentrated; all three of these represent relatively few jobs compared e.g. to the numbers in legal activities (1,790 jobs), accounting (910 jobs) or business and management consultancy (920 jobs).

In 2015, the sector generated sales totalling £470m, with a relatively even split between 'exports' (sales made outside the region, both UK and international) and local sales. Purchases, however, were almost double that, reflecting a high local demand not currently met by local businesses.

There are an estimated 663 professional services workplaces in Exeter, most of which – in line with national trends – are micro workplaces (0-19 employees). Compared with the rest of Great Britain, Exeter has three times as many small workplaces (20-49 employees) and more than twice as many mid-sized workplaces (50-249 employees).

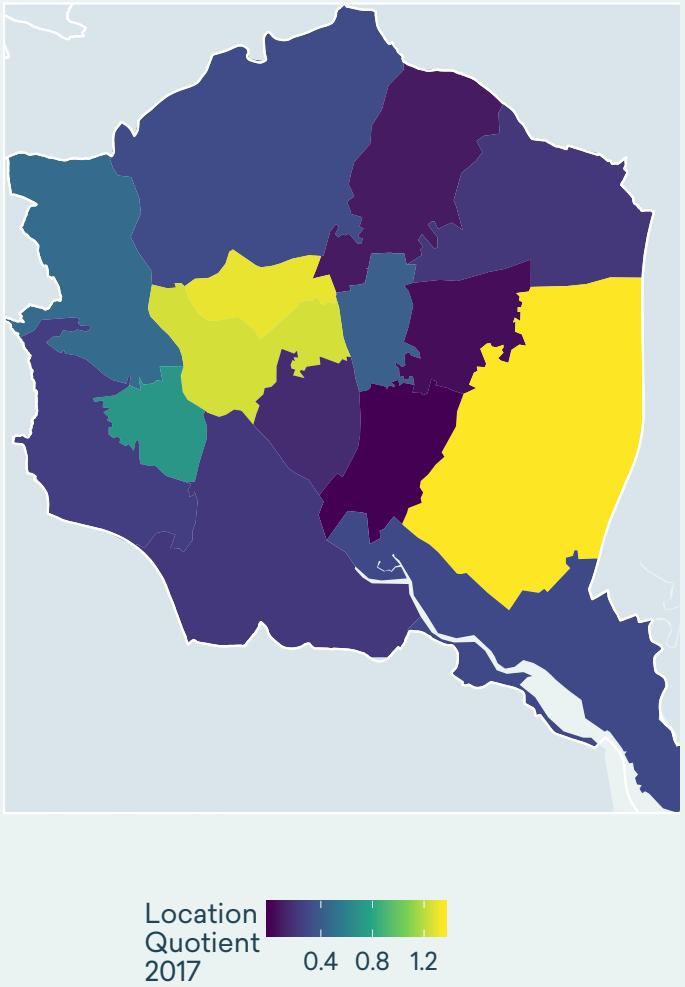
RECRUITMENT OUTLOOK

An analysis of the top 15 sector occupations based on projected job openings between 2019 and 2024 highlights which roles will be most in demand. The largest demand over the next five years will be for book-keepers, payroll managers and wage clerks, with a projected 120 new job openings between now and 2024. However, this occupation is projected to experience some marginal jobs decline over the next five years; as such, all new openings will be due to a need to replace workers.

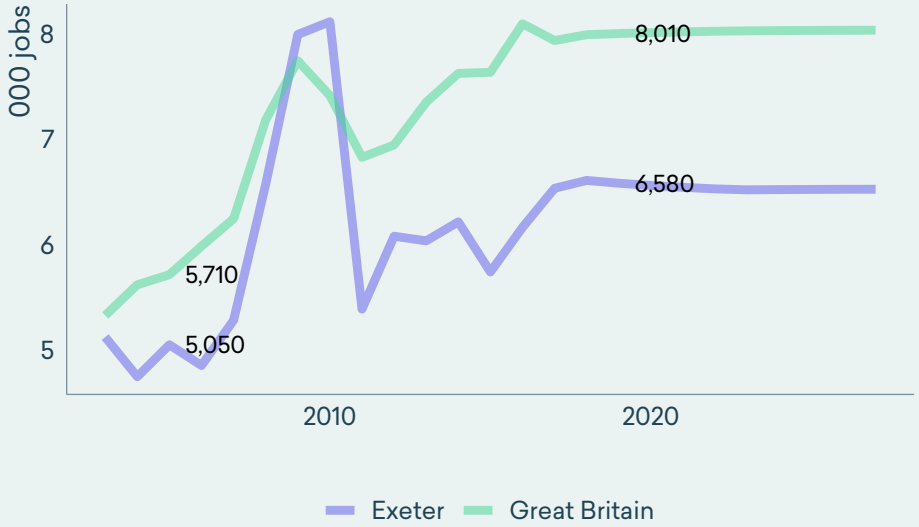
Job posting analytics show that demand for the top five occupations has been increasing, albeit with strong fluctuations. The biggest drop in job postings activity was towards the end of 2017, but this was followed immediately by a renewed surge in demand. In total, there were more than 10,000 job postings for leading professional services roles between 2016 and 2019. The most sought-after skills are in the fields of accountancy and business development.

Jobs and output

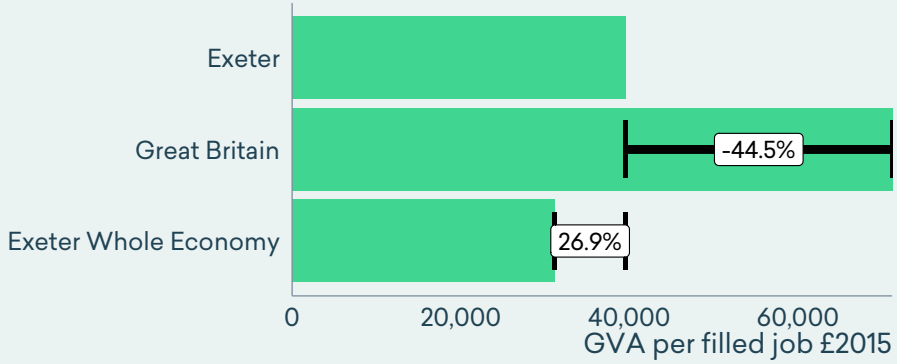
Job concentrations in Exeter



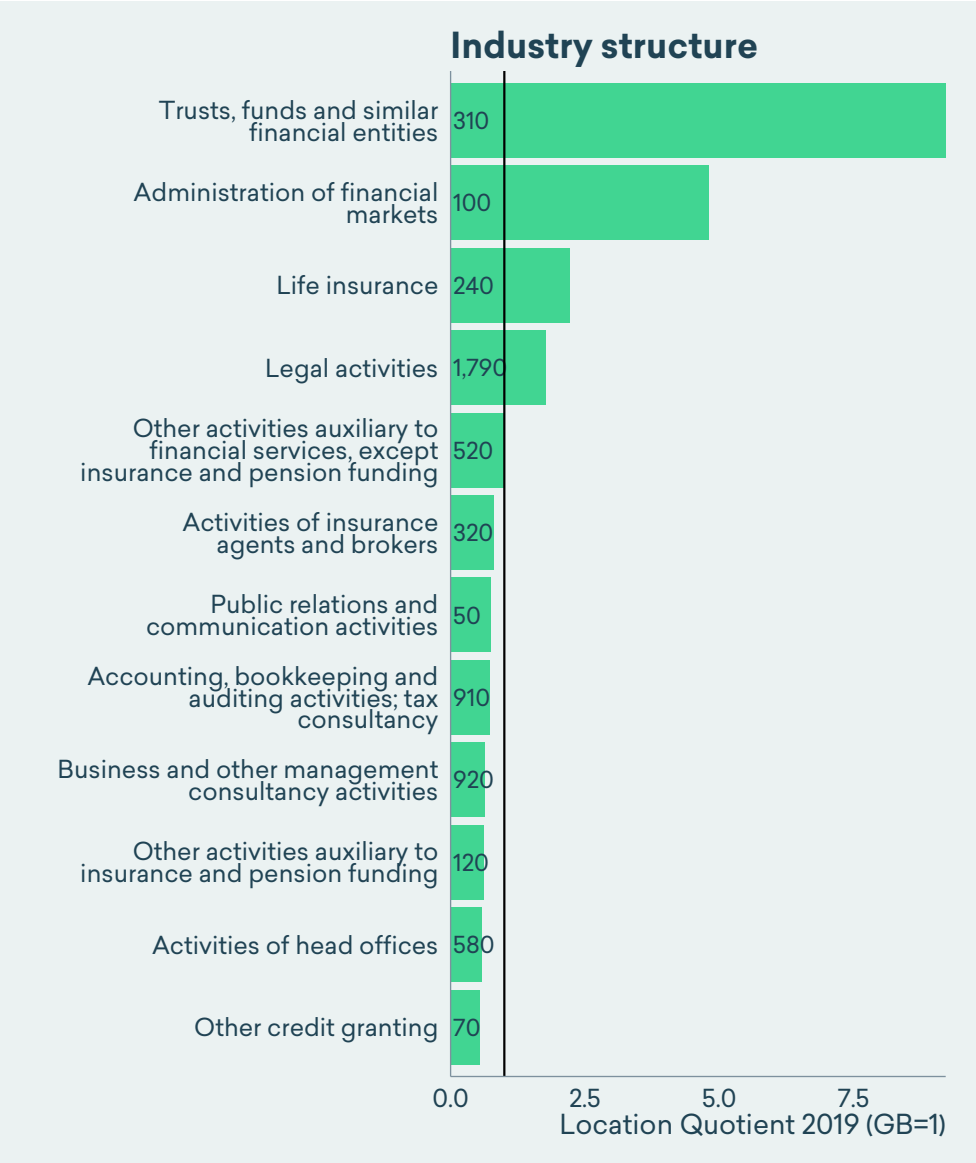
Jobs 2003-2027: Exeter vs Great Britain

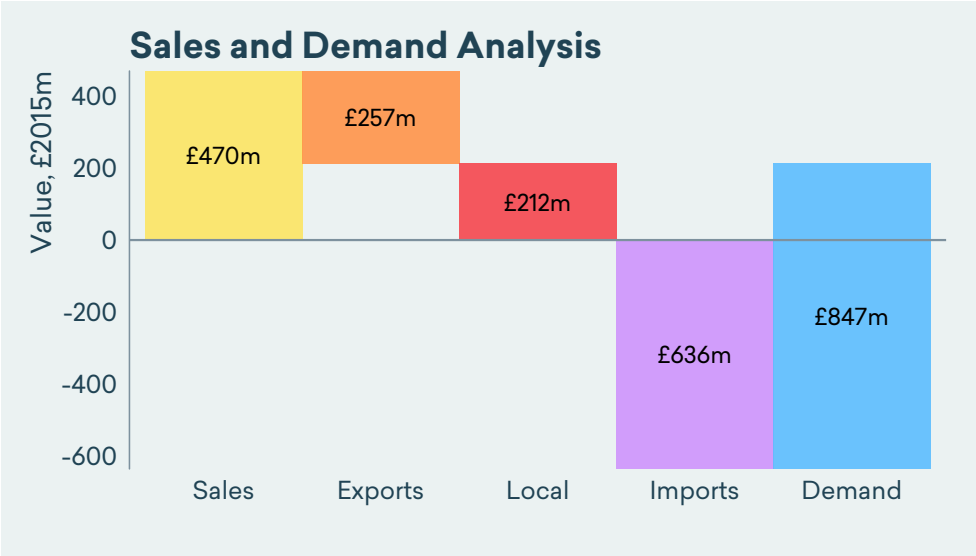


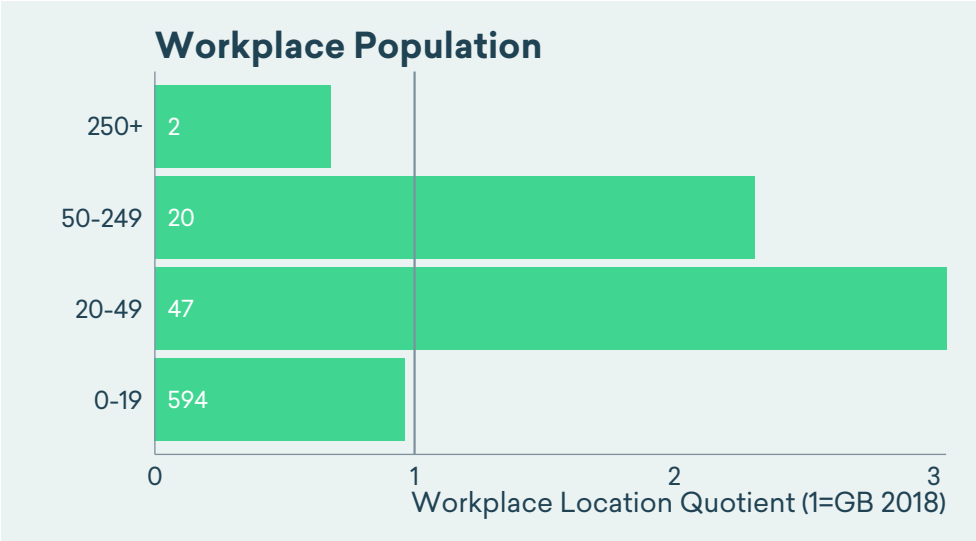
Productivity comparison



Industry structure

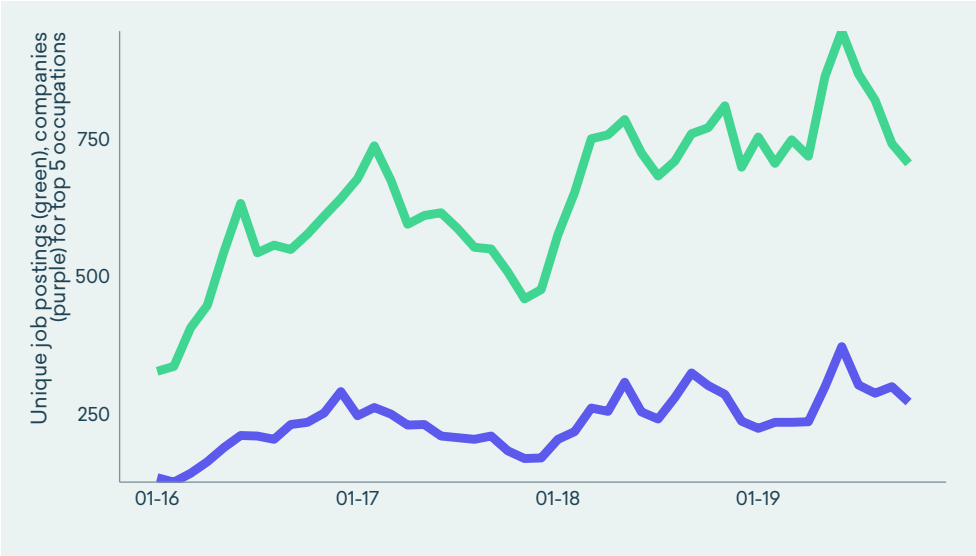


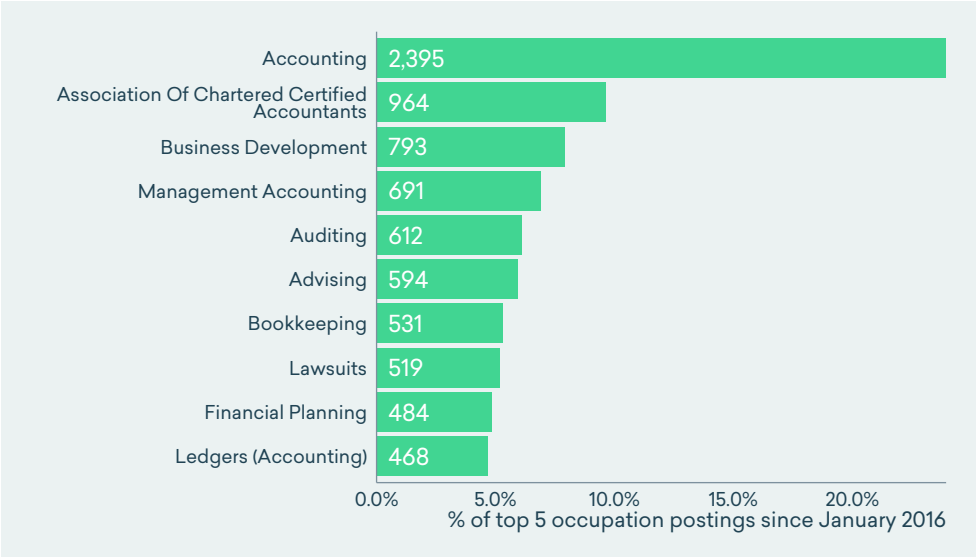




Recruitment outlook

Occupation	Jobs 2019	Jobs 2024	% 19-24	openings 19-24
Book-keepers, payroll managers and wages clerks	500	490	-2.1	110
Solicitors	510	480	-6.6	90
Finance and investment analysts and advisers	340	350	3.0	90
Chartered and certified accountants	280	270	-2.2	70
Legal secretaries	330	310	-6.0	60
Management consultants and business analysts	220	220	1.6	60
Other administrative occupations n.e.c.	210	210	0.0	50
Legal associate professionals	290	280	-4.9	50
Financial managers and directors	190	200	3.6	50
Sales accounts and business development managers	170	170	3.9	40
Personal assistants and other secretaries	160	160	0.8	40
Financial accounts managers	180	170	-0.4	40
Financial administrative occupations n.e.c.	160	160	-1.4	40
Business and financial project management professionals	140	140	-0.3	40
Marketing and sales directors	90	90	1.6	20





Industry data

SIC	Industry	Jobs 2014	Jobs 2019	change 2014-19	% growth 2014-19	LQ 2019	GVA £m 2015
6430	Trusts, funds and similar financial entities	270	310	50	17.0	9.21	2
6511	Life insurance	320	240	-80	-24.9	2.23	24
6910	Legal activities	1,930	1,790	-140	-7.4	1.77	68
6619	Other activities auxiliary to financial services, except insurance and pension funding	470	520	60	11.8	1.02	21
6622	Activities of insurance agents and brokers	110	320	210	193.1	0.80	4
7021	Public relations and communication activities	30	50	20	61.3	0.76	1
6920	Accounting, bookkeeping and auditing activities; tax consultancy	730	910	180	24.5	0.74	18
7022	Business and other management consultancy activities	660	920	250	38.4	0.64	40
6629	Other activities auxiliary to insurance and pension funding	120	120	0	-1.6	0.61	5
7010	Activities of head offices	310	580	270	86.0	0.59	3
6492	Other credit granting	20	70	50	226.8	0.55	0
6512	Non-life insurance	180	80	-100	-54.6	0.49	8
6612	Security and commodity contracts brokerage	50	50	0	8.5	0.45	1
6419	Other monetary intermediation	920	380	-540	-58.5	0.34	29

Overview: Knowledge industries

This report provides a comprehensive overview of Exeter's knowledge industries sector. It looks at the sector's economic impact and productivity, analyses job trends, shows where the job hotspots are, illustrates which industries are key growth drivers, and examines recruitment patterns and skills demand.

The knowledge industries sector has a particularly high concentration of jobs in the region, particularly in the north of the city, where the University of Exeter is located. The Exeter Innovation Centre, which was completed in 2008, has additionally driven recruitment to the area, and job numbers are far in excess of the national average for an area of this size. However, knowledge industry activities previously conducted at the Innovation Centre have since moved to Exeter Science Park, and this is likely to impact future figures..

Despite this high concentration of jobs, the sector in Exeter has lower productivity levels than Great Britain in relative terms, in other words the sector generates nearly 19 per cent less gross value added (GVA) per filled job in Exeter than in the rest of the country on average.

JOBS & OUTPUT

Jobs in Exeter's knowledge industries sector more than tripled between 2003 and 2019. The most notable growth spike was in 2007, when jobs went from around 1,800 to nearly 3,500 in the space of one year. This was in part due to a recruitment drive by the University of Exeter in 2007, as well the opening of the Exeter Innovation Centre in 2008, which saw a 37,000 sq ft building constructed. Jobs are particularly concentrated in the north of the city, which is where both the university and the innovation centre are located, with nearly 30 times the number of jobs as is nationally typical. A further concentration is in the Middlemoor & Sowton area, where the Met Office's presence brings 1,800 jobs in professional, scientific and technical industries.

Despite being home to a high number of jobs, the sector generates nearly 19 per cent less gross value added (GVA) than it does in Great Britain on average. The sector is, however, 27 per cent more productive than the rest of Exeter's local economy.

INDUSTRY STRUCTURE

The sector has two core industries. The largest in terms of job numbers is the tertiary education industry, driven by the university. Other professional scientific and technical activities is six times as large in Exeter than elsewhere in the country, led by the Met Office. All of the sector's key industries have experienced jobs growth in recent years, suggesting potential opportunities for increasing economic impact and productivity.

Sector sales amounted to £398m in 2015, with the vast majority of goods and services being sold as 'exports' (meaning outside the region i.e. to the rest of the UK and internationally), reflecting the presence especially of the university and the Met Office. Small workplaces (20-49 employees) are not as common in Exeter as they are in the rest of the country, whilst micro workplaces (0-19 employees) are slightly more prevalent. Large workplaces include the Met Office, the University of Exeter and Exeter College.

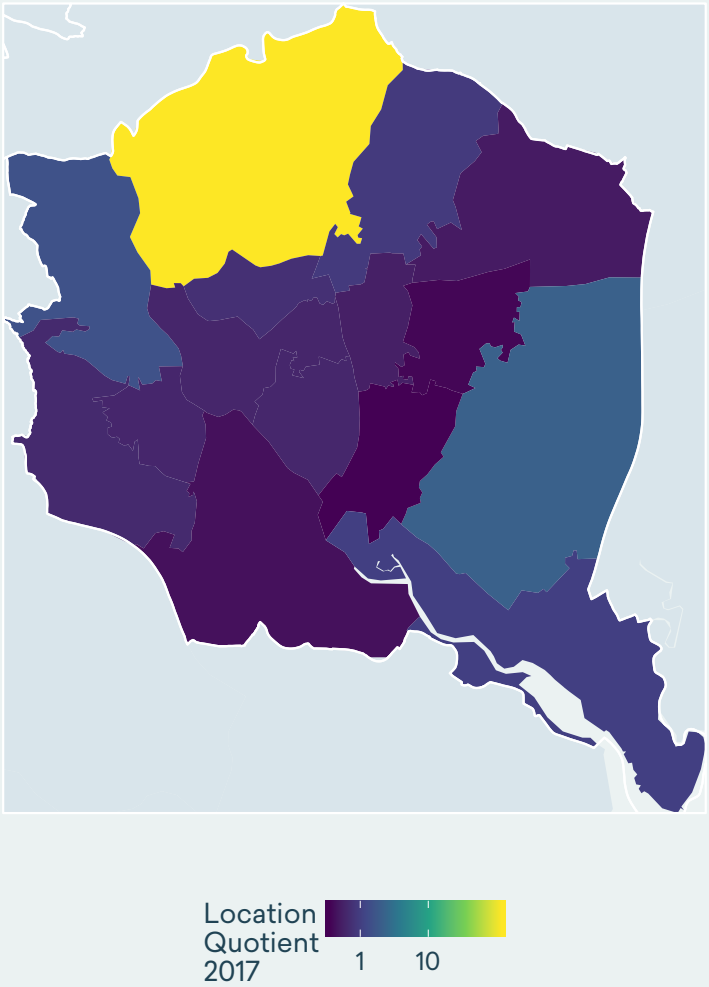
RECRUITMENT OUTLOOK

An analysis of the top 15 sector occupations based on projected job openings between 2019 and 2024 highlights which roles will be most in demand. The largest demand over the next five years will be for higher education teaching professionals, with a projected 310 new job openings between now and 2024; various scientific roles also feature.

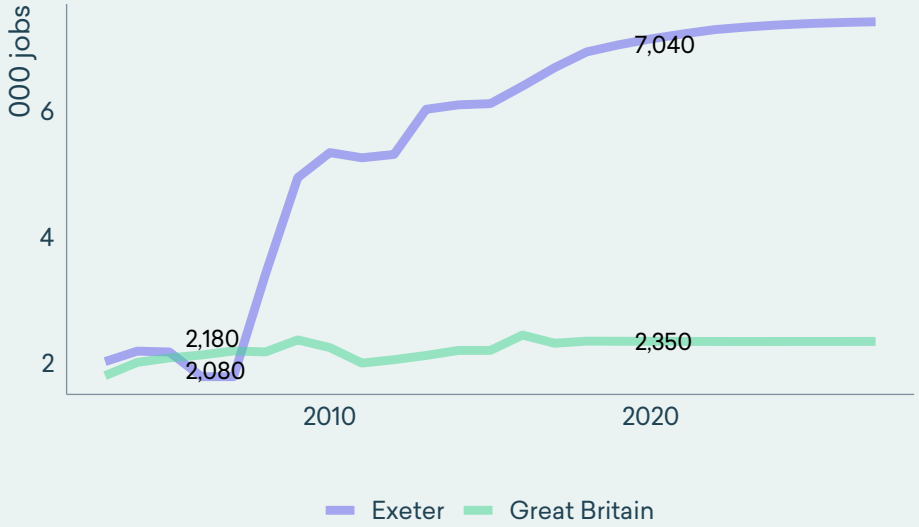
Job posting analytics for the top 5 occupations show that demand rose sharply in 2016, with around 200 job postings at the start of the year and nearly 600 postings in early 2017. Demand then dropped again throughout 2017 and has since levelled out. In total, there were nearly 6,000 job postings from over 1,500 individual companies between 2016 and 2019. Even though teaching professionals were most sought after, the most in-demand skills were in actual fact those relating to quantity surveyor job roles (included here because of their presence in other professional and scientific services).

Jobs and output

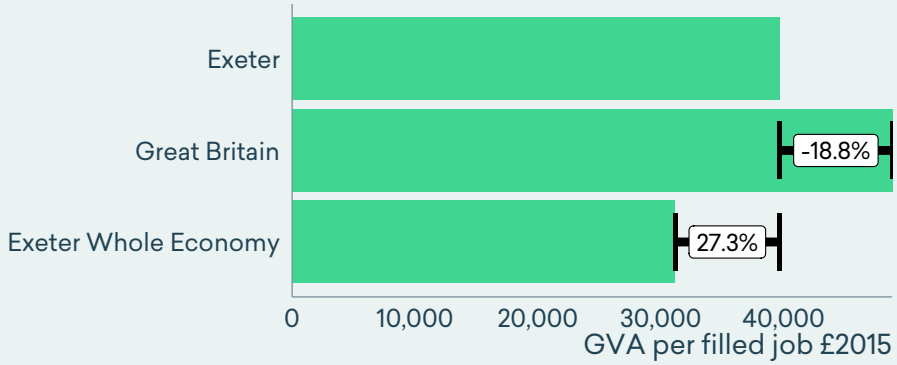
Job concentrations in Exeter



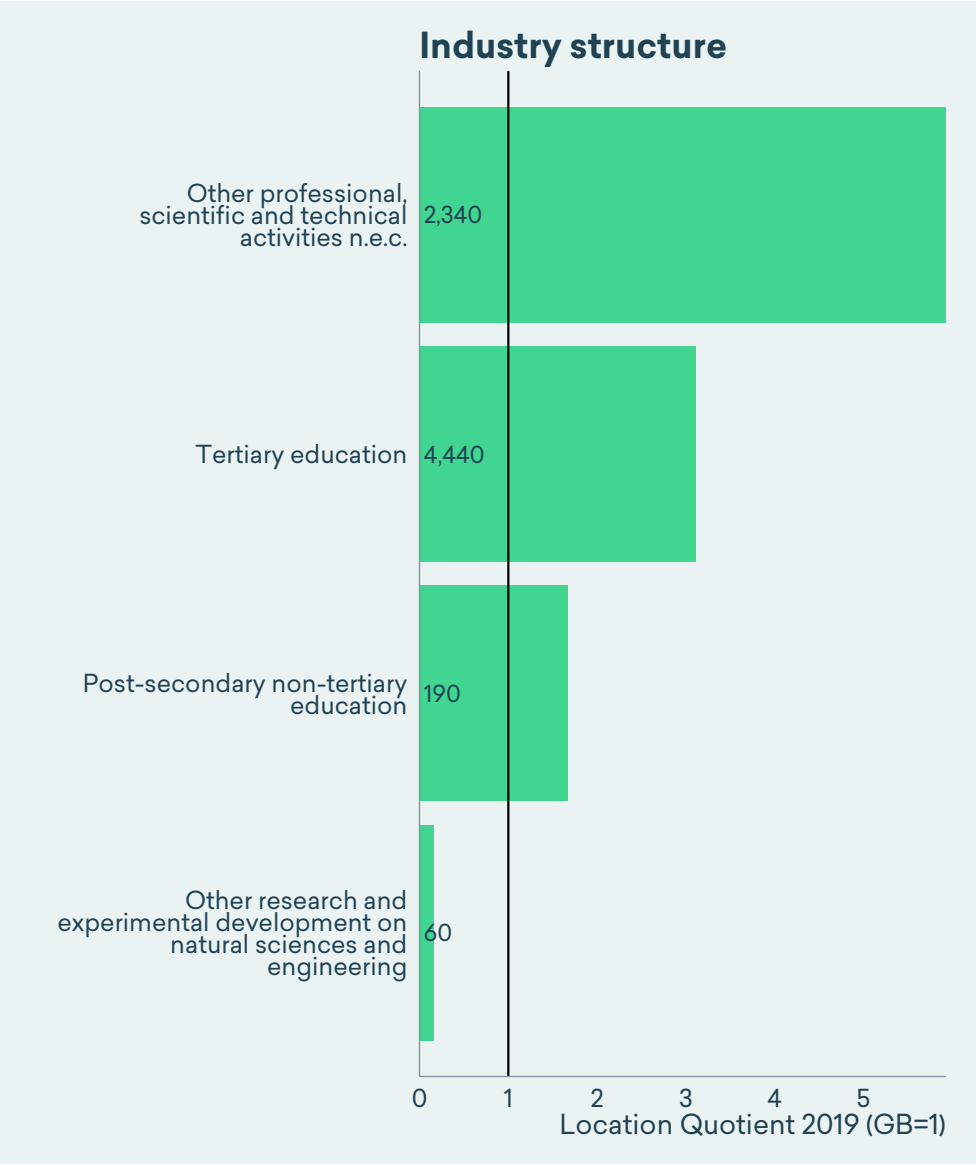
Jobs 2003-2027: Exeter vs Great Britain

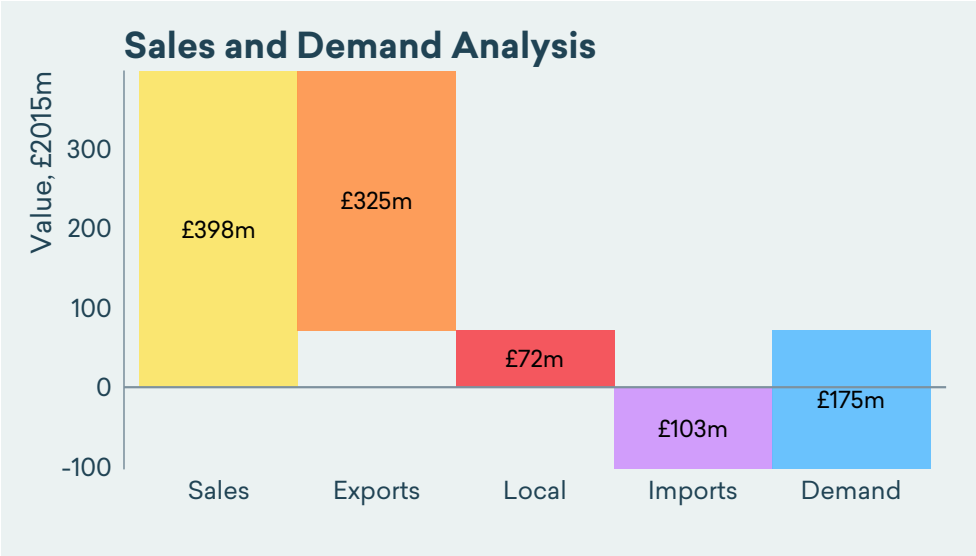


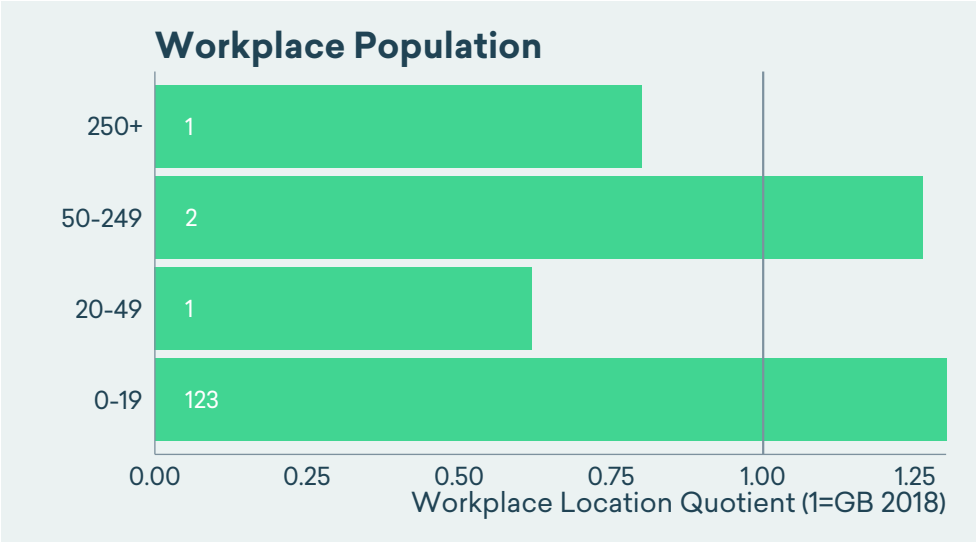
Productivity comparison



Industry structure



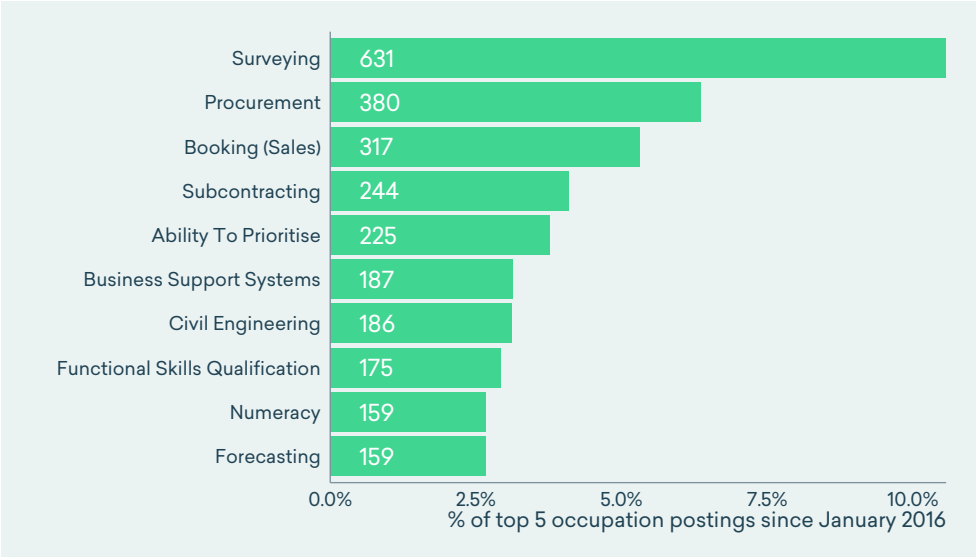




Recruitment outlook

Occupation	Jobs 2019	Jobs 2024	% 19-24	openings 19-24
Higher education teaching professionals	1,090	1,130	3.5	330
Further education teaching professionals	430	460	6.0	140
Other administrative occupations n.e.c.	260	280	5.1	80
Senior professionals of educational establishments	260	260	3.1	80
Quantity surveyors	210	220	5.1	70
Natural and social science professionals n.e.c.	260	270	4.3	60
Environment professionals	190	200	2.8	40
Biological scientists and biochemists	140	160	7.1	40
Personal assistants and other secretaries	110	110	4.1	30
Book-keepers, payroll managers and wages clerks	100	110	5.1	30
Cleaners and domestics	100	110	5.1	30
Managers and proprietors in other services n.e.c.	90	90	3.9	30
Business and related associate professionals n.e.c.	100	110	3.8	30
Sales accounts and business development managers	110	110	2.4	30
Physical scientists	110	120	4.7	30

N.B.: Quantity surveyors feature here because of their place in the SIC industry class 'Other professional, scientific and technical activities n.e.c.' (n.e.c. is 'not elsewhere classified'), which also includes e.g. the Met Office.



Industry data

SIC	Industry	Jobs 2014	Jobs 2019	change 2014-19	% growth 2014-19	LQ 2019	GVA £m 2015
7490	Other professional, scientific and technical activities n.e.c.	1,840	2,340	500	27.3	5.93	97
8542	Tertiary education	4,140	4,440	300	7.3	3.12	143
8541	Post-secondary non-tertiary education	80	190	120	145.3	1.67	2
7219	Other research and experimental development on natural sciences and engineering	30	60	20	75.2	0.16	0

Overview: Digital

This report provides a comprehensive overview of Exeter's digital sector. It looks at the sector's economic impact and productivity, analyses job trends, shows where the job hotspots are, illustrates which industries are key growth drivers, and examines recruitment patterns and skills demand.

The digital sector in Exeter is growing fast, with the number of jobs doubling since 2012. The region has consistently been outperforming the rest of Great Britain in terms of jobs growth, and this trend is expected to continue. However, productivity is around 42 per cent lower, with an average GVA per job of £40,000.

Exeter's digital sector strengths primarily stem from telecommunications activities, web portals, and data processing, hosting and related activities. Telecommunications is a strong driver of jobs as well as regional competitiveness, with a sector that is five times the size of the GB average. Opportunities lie in maintaining and enhancing existing industry strengths, as well as turning potential growth industries, e.g. computer consultancy activities, into regional strengths that could improve productivity.

Recruitment demand will revolve around managerial and business development roles as well as more conventional requirements for programmers and software development professionals. Programming languages and agile software development skills will be key to meet regional job demands.

In summary, Exeter's digital sector offers a wealth of opportunities to improve productivity and regional competitiveness; the challenge will be to harness them effectively by enhancing potential growth industries, nurturing existing strength areas, ensuring the region attracts the right talent, and considering suitable consolidations to improve regional self-dependence.

JOBS & OUTPUT

Exeter has experienced much stronger digital jobs growth than Great Britain, and this trend is expected to continue. On the other hand, digital productivity in Exeter is lower than Great Britain, when measured by lower GVA per filled job.

Digital job hotspots are predominantly in Central Exeter and in Middlemoor & Sowton, where the Sowton Industrial Estate is located. Both areas are strong in the telecommunications industry, whilst Central Exeter also has a large data processing workforce.

INDUSTRY STRUCTURE

Exeter's digital sector is dominated by telecommunications and computer consultancy activities. Regional strengths are in telecommunications, web portals, and data processing, hosting and related activities. Exeter has around five times as many jobs in the telecommunications industry than the rest of the country on average – central to the local sector, as well as being the largest industry by jobs.

Digital sector sales totalled £270m in 2015, with £159m in 'exports' (sales made outside the Exeter region or internationally). Around half of digital sector purchases were satisfied within the region. Exeter's digital workplace profile is typical for a city of its size. It has a higher number of large workplaces (250+ employees) compared with the rest of the country, but comparatively fewer micro workplaces (0-19 employees).

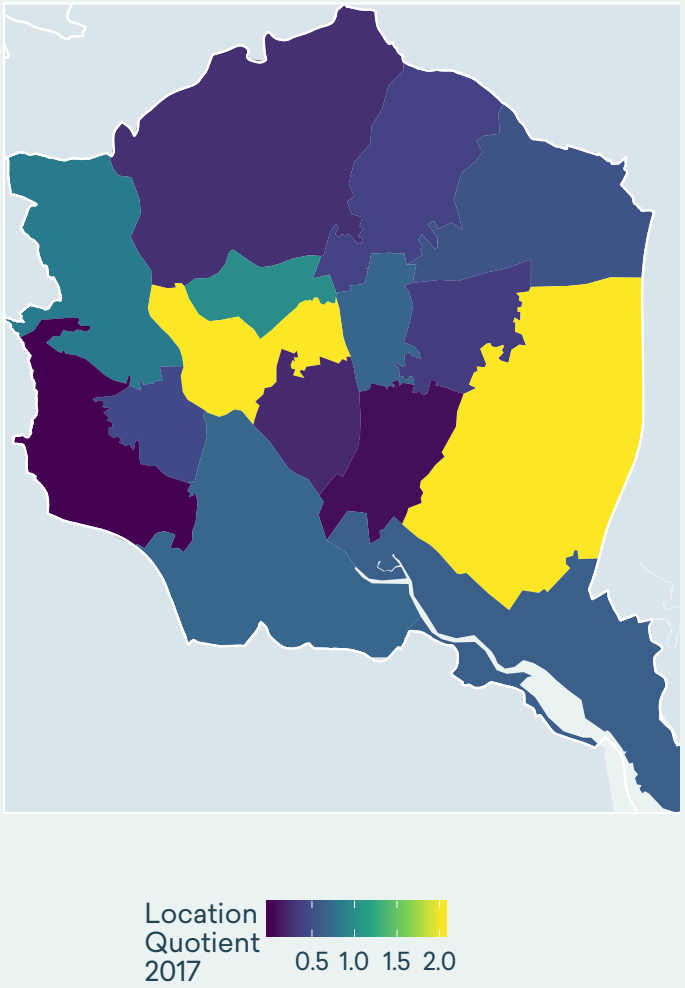
RECRUITMENT OUTLOOK

An analysis of the top 15 sector occupations based on projected job openings between 2019 and 2024 highlights which roles will be most in demand. The largest demand will be for programmers and software development professionals as well as managerial roles in IT and business development.

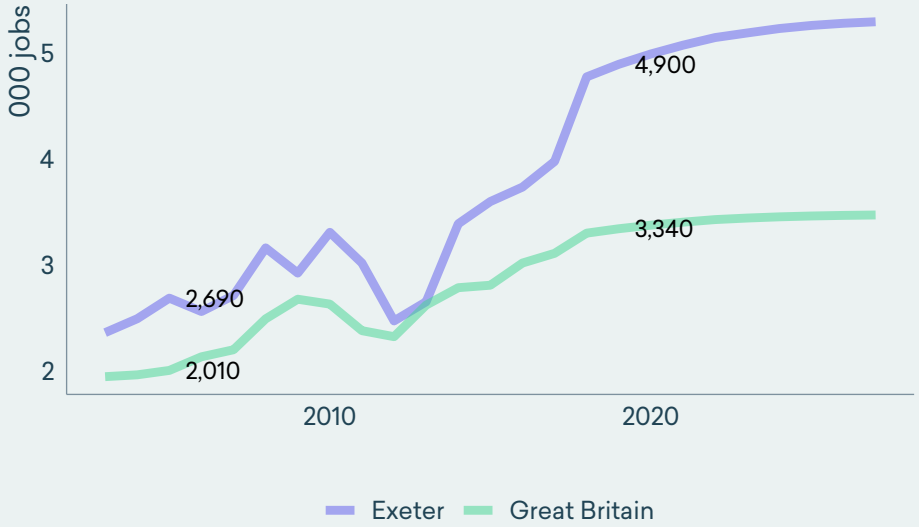
Job posting analytics for the top 5 occupations reveal demand spikes in the first half of 2016 and early 2017, followed by a gradual increase until the middle of 2019. In total there were 11,225 job postings from 3,258 individual companies between 2016 and 2019. The main skills requirements were for various different programming languages, the most in-demand being SQL, as well as agile software development.

Jobs and output

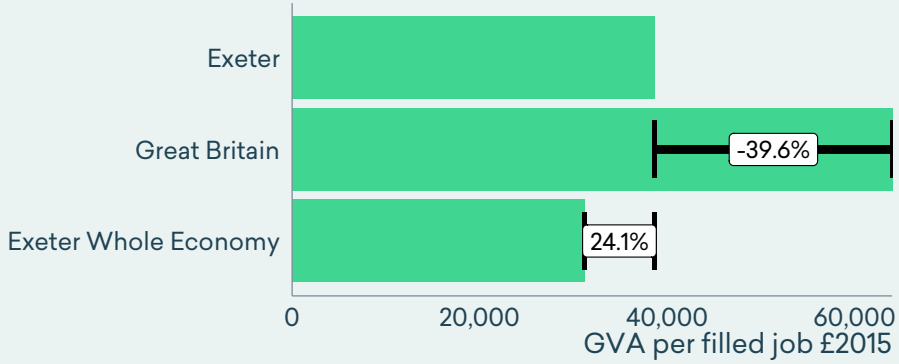
Job concentrations in Exeter



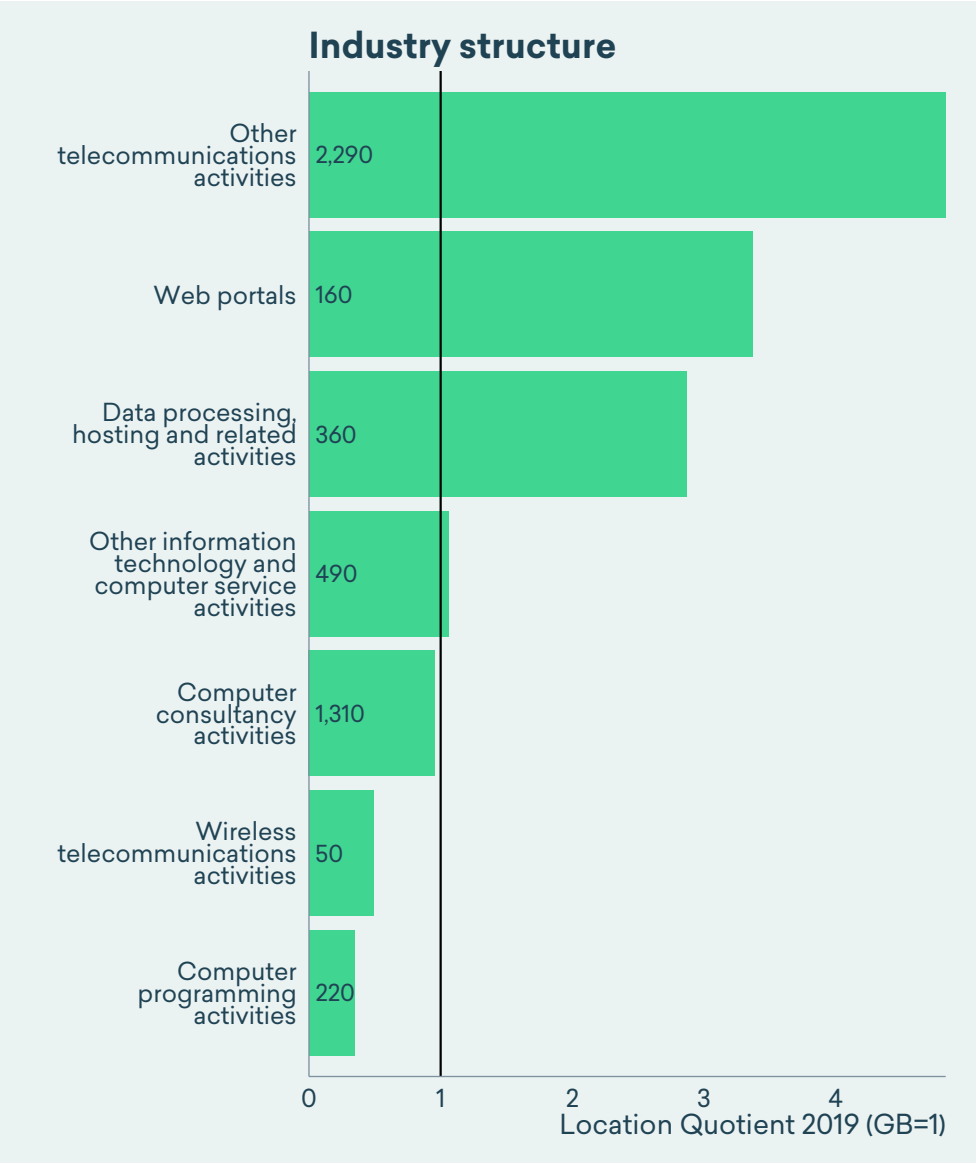
Jobs 2003-2027: Exeter vs Great Britain

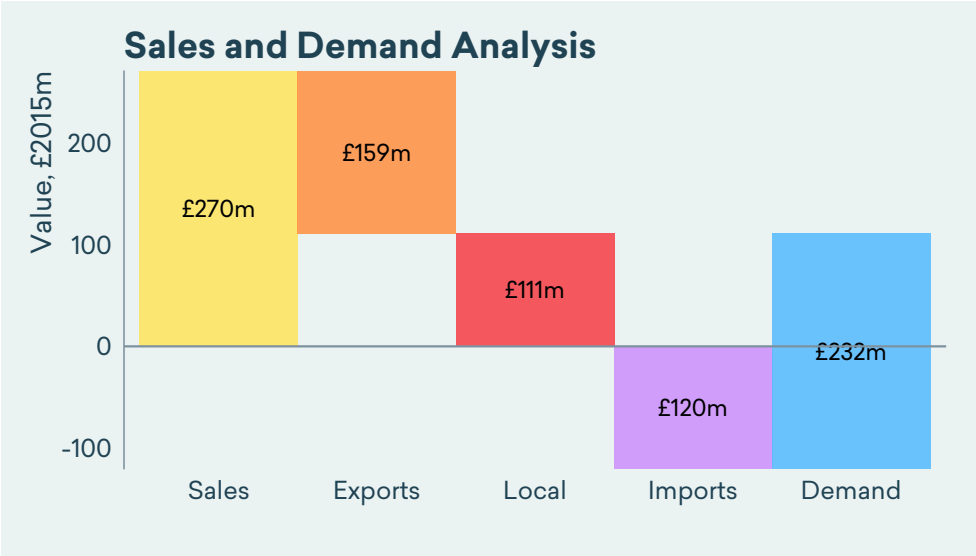


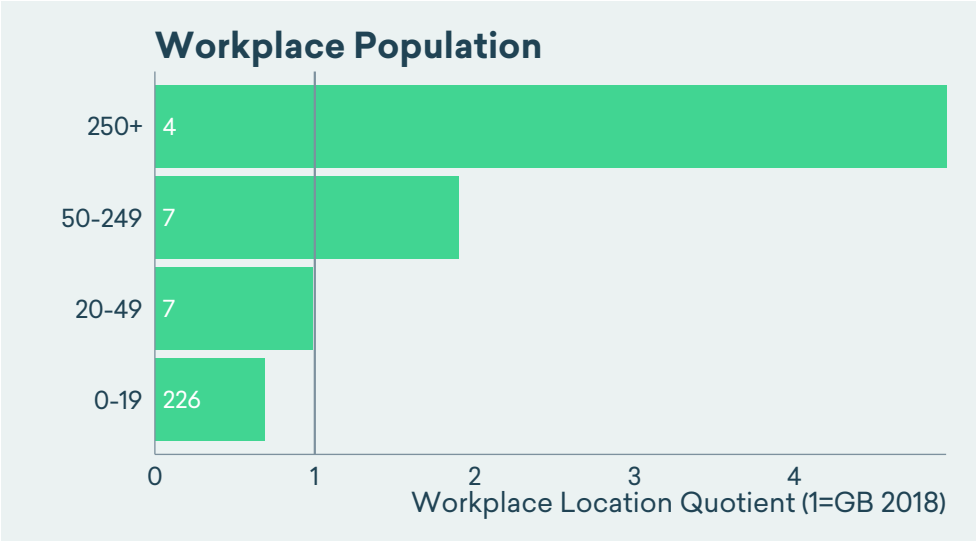
Productivity comparison



Industry structure

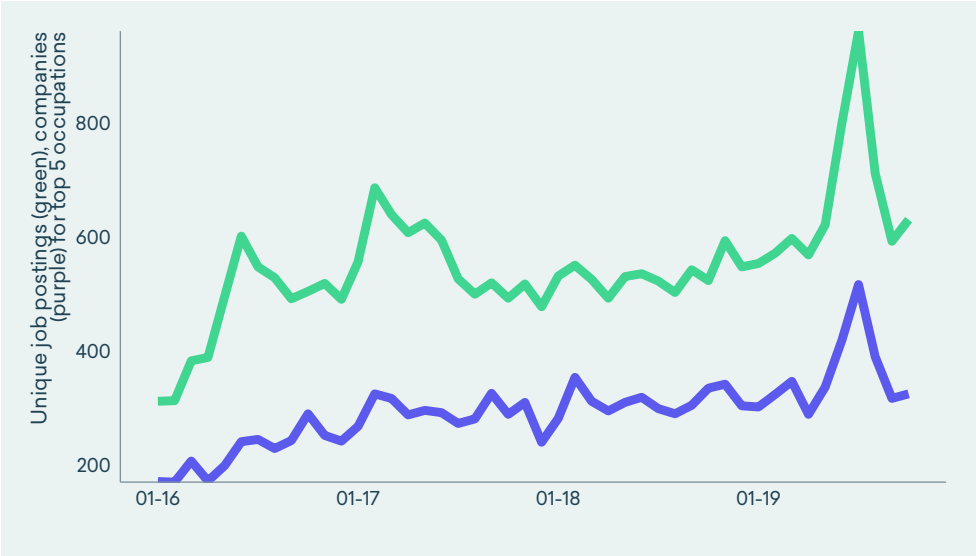


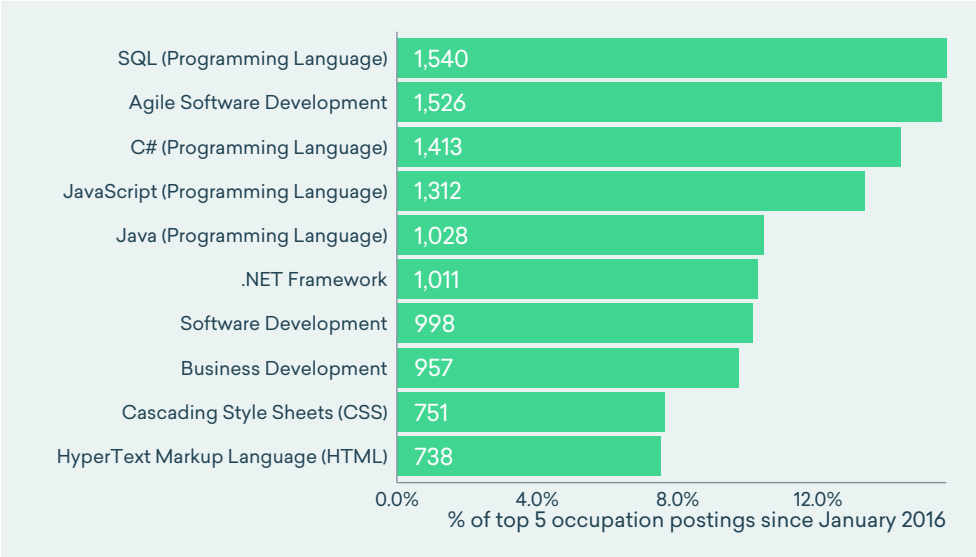




Recruitment outlook

Occupation	Jobs 2019	Jobs 2024	% 19-24	openings 19-24
Sales accounts and business development managers	330	350	8.3	100
Programmers and software development professionals	370	400	7.6	100
Information technology and telecommunications professionals n.e.c.	370	390	5.7	90
IT specialist managers	370	390	5.4	90
Marketing and sales directors	150	160	10.6	50
Customer service occupations n.e.c.	160	170	4.4	40
Other administrative occupations n.e.c.	120	130	8.0	40
IT project and programme managers	160	170	5.4	40
IT operations technicians	130	140	11.5	40
Customer service managers and supervisors	130	140	5.7	30
IT user support technicians	140	140	6.4	30
Call and contact centre occupations	120	130	6.0	30
IT business analysts, architects and systems designers	130	140	6.6	30
Telecommunications engineers	160	160	1.8	30
Information technology and telecommunications directors	110	110	5.7	30





Industry data

SIC	Industry	Jobs 2014	Jobs 2019	change 2014-19	% growth 2014-19	LQ 2019	GVA £m 2015
6190	Other telecommunications activities	2,110	2,290	180	8.8	4.84	82
6311	Data processing, hosting and related activities	140	360	220	151.1	2.87	5
6209	Other information technology and computer service activities	230	490	250	107.7	1.06	14
6202	Computer consultancy activities	750	1,310	570	76.2	0.96	30
6201	Computer programming activities	130	220	90	69.7	0.34	6

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TRANSFORM
Transform Research Consultancy Ltd

Exeter Skills Strategy: Business Survey

Final report prepared for:

Exeter City Council

Prepared by:

Transform Research

25th March 2019

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52 Longbook Street, Exeter, EX4 6AH
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CONTENTS

1. Introduction

In January 2019 Exeter City Council commissioned Transform Research to provide support with the development of the Exeter Skills Strategy. Transform were commissioned to complete two pieces of work for informing the Strategy;

- The compilation of a comprehensive evidence base; and
- A survey of Exeter businesses.

The intention was that from both of these documents a set of recommendations would be produced in consultation and conjunction with officers to form the basis of the Exeter Skills Strategy. This document provides the findings of the business survey, while a separate accompanying report contains the details of the evidence base.

1.1 Business Engagement: The Survey

In order to provide some quality business feedback about employment and skills issues within the city and to complement the data collated through the evidence base, a survey of 202 Exeter businesses was conducted between 29th January and 18th February 2019. The data for the survey was collected from the senior manager/owner at each enterprise. The results of the survey are representative of the business sector composition of Exeter.

The findings from the survey presented in this report cover key topics of interest to the development of the Skills Strategy including;

- Recruitment – Vacancies, Challenges and Requirements;
- Skills Sets – Existing and Future Requirements;
- Apprenticeships and Training; and
- Engagement with Education.

The findings for each of these areas are described in the following sections 2 to 5 of the report. The appendices contain details of the survey methodology, as well as the profile characteristics of the Exeter businesses who participated in the research and a copy of the questionnaire used in the survey.

1.2 The Evidence Base

The evidence base was compiled through secondary research and analysis of data and information relating to skills and employment. It covers two principal areas; Exeter and additionally Exeter with East Devon, Mid Devon and Teignbridge (Greater Exeter). This was done to enable comparisons to be drawn and the impact of Exeter to clearly be seen. The data in the evidence base includes:

- Skills; covering qualifications, Apprenticeship starts and attainment;
- Employment; claimant counts, job density, sectors/occupations, vacancy rates, unemployment, earnings and associated forecasts;
- Young People; destinations (post 16 and post 18), graduate retention (and other relevant available information), STEM subject take-up, attainment at key stage 4 and 5

As well as the comparisons between the Greater Exeter Local Authorities, the evidence base also benchmarks Exeter's performance against corresponding National and South West regional data – where available and appropriate. The analysis of the data and trends were undertaken to support recommendations for priority areas for investment and where action is required.

2. Recruitment and Vacancies

This section contains the survey findings regarding:

- Recruitment in the last 12 months;
- Vacancies in the last 12 months;
- Whether any of the vacancies were hard-to-fill; and
- Views on the causes and effects of having hard-to-fill vacancies.

2.1 Recruitment in the last 12 months

The accompanying Evidence Base report noted that the national Employer Skills Survey[1] (ESS) was the best source of data on recruitment and vacancies. While the findings from the most up-to-date ESS survey (2017) have recently been produced, they only cover the LEA of Devon and England. The EES main report summarises changes in the national picture over the last few years:

> *"Levels of recruitment activity provide an indication of growth and change in the labour market and wider economy. Recruitment activity has continued to grow since 2015, with one in five UK employers (20%) having any vacancies at the time of fieldwork (1% increase from 2015), with these employers reporting a total of just over one million vacancies (1,007,000), a 9% increase on the figure in 2015…*
> *When employers have vacancies, potential employees are either able and willing to meet employer requirements, or they are not. In line with previous years, a third of vacancies in the UK (33%) were considered hard to fill. When employers struggle to fill vacancies, this is often due to a lack of the required skills, qualifications or experience among applicants. Collectively these are known as 'skill-shortage-vacancies'.*
> *Although relatively few employers experienced them at the time of the survey… these employers reported a range of impacts resulting from them, including increased workloads for other staff; loss of business or orders to competitors; delays developing new products or services; and difficulties introducing new working practices.*
> *There has been an 8% increase in the number of skill-shortage vacancies compared with 2015: from 209,000 to 226,000. This increase in the number of skill-shortage vacancies was similar to the proportional increase in vacancies, meaning the density of skill-shortage vacancies (i.e. the proportion of vacancies that were hard to fill because of reported skill shortages) has remained stable since 2013."*

The main findings from the 2017 ESS data for Devon indicate that while the proportions of businesses who had recruited in the last year (47%) or had a vacancy at the time of the survey (19%) were almost the same as in England (51% and 20% respectively), in some respects the county had a slightly higher prevalence of recruitment and skills issues than that found across the country. For both hard-to-fill vacancies and skills-shortage-vacancies, Devon had a higher prevalence rate than England as whole.

The results from the Exeter Business Survey now allow us to make comparisons with these findings, albeit noting that the national and county survey findings are relatively historic and there have been numerous changes in economic conditions since they were conducted. Nonetheless, the results for Exeter from the more recently conducted business survey, indicate that the recruitment and vacancy situation in the city is somewhat different from that reported both nationally and county-wide.

[1] https://www.gov.uk/government/publications/employer-skills-survey-2017-england-and-local-toolkit It is important to note that while the EES is the largest (87,000 employers participated in 2017) and the most authoritative source of data on vacancies and skills needs, the survey only covers businesses with 2 or more employees. Given the high prevalence of one person businesses in Devon, this should be borne in mind when considering the results.

The survey found that nearly two thirds of Exeter businesses said they had recruited in the last 12 months (63%) compared with around half in England (51%) and Devon (47%). This difference directly reflects Exeter's sectoral structure of businesses, as the national study found that levels of recruitment were higher than average in the following sectors:

- Public administration (67% of businesses in this sector had recruited in the last 12 months);
- Education (74%);
- Health & social work (69%); and
- Hotels & restaurants (64%).

These are all, of course, sectors which form a disproportionately large amount of the business base in Exeter relative to Devon and the country as a whole. As such we would expect the recruitment rate in the city to be closer to these figures than either the national or county averages.

2.2 Vacancies in the last 12 months

The Exeter businesses who had recruited at least one member of staff over the past 12 months, reported having a total of 710 vacancies over this period, with a median of 2 vacancies per recruiting company. Nearly two thirds of these vacant positions were either in administrative and secretarial occupations (21%), sales and customer services occupations (19%) or skilled trade occupations (18%). Table 2.1 below contains the details and also shows that there were substantial numbers of vacancies in caring, leisure and other services occupations (13%) as well as among managers, directors and other senior officials (11%).

Table 2.1: Occupation of Vacancies in last 12 months (% of all vacancies)

Occupations	(%)
Administrative and secretarial occupations	21%
Sales and customer service occupations	19%
Skilled trades occupations	18%
Caring, Leisure and Other Service Occupations	13%
Managers, Directors and senior officials	11%
Professional occupations	7%
Associate professional and technical occupations	5%
Elementary occupations	3%
Process, plant and machine operatives	2%

Source: Exeter Business Survey 2019/Base: 710 Vacancies reported in last 12 months

It is worth noting that, in comparison to the employment profile of occupations in the city (that is, the number of existing employees in each occupational role), these figures indicate that the recruitment rates found for administrative and secretarial occupations, sales and customer services occupations and skilled trade occupations were *higher* than would have been anticipated, given the number of employees in these occupations.

The rates do, however, broadly reflect the rates found in these occupations nationally, and are likely to be the result of the retention and turnover issues associated both with the roles themselves and with the sectors in which they are primarily clustered. Furthermore, it is also noticeable that the four most common occupational vacancies in the city – accounting for over 70% of vacancies – were all for "middle skilled" or service intensive roles.

2.3 Hard-to-fill vacancies

The Exeter businesses who had vacancies over the past 12 months reported that:

- Nearly half of the reported vacancies (48%) were hard-to-fill (for 52% no problems were reported filling the vacancies). This figure was higher than that reported by the Employers Skills Survey nationally in 2017 of one third of vacancies being hard-to-fill (33%).
- The most difficult to recruit positions were in skilled trade occupations, with 26% of hard-to-fill vacancies being in this occupation, followed by administrative and secretarial occupations and caring, leisure and other service occupations (15% each).
- This finding closely mirrored the national picture with the Employers Skills Survey reporting in 2017: "*By occupation, employers were most likely to have experienced skills-related difficulties when recruiting for Skilled Trades positions (such as chefs, electricians, and vehicle technicians)…This occupation has had the highest density of skill-shortage vacancies in all previous iterations of the ESS series.*"

Table 2.2 contains the full details for each occupation and shows that employers seeking to recruit staff in sales and customer service occupations, managers, directors and senior officials as well as professional occupations also found them hard-to-fill:

Table 2.2: Occupation of Hard-to-Fill Vacancies in last 12 months (% of h-t-f vacancies)

Occupations	(%)
Skilled trades occupations	26%
Caring, Leisure and Other Service Occupations	15%
Administrative and secretarial occupations	15%
Sales and customer service occupations	12%
Managers, Directors and senior officials	11%
Professional occupations	11%
Associate professional and technical occupations	5%
Process, plant and machine operatives	3%
Elementary occupations	2%

Source: Exeter Business Survey 2019/Base: 341 Hard-to-Fill Vacancies reported in last 12 months

2.4 Causes and effects of hard-to-fill vacancies

The 61 Exeter businesses who reported having experienced hard-to-fill vacancies in the last 12 months said that the main reasons for difficulties in recruiting for these particular positions were:

- The low number of applicants with the required skills (41%);
- The poor terms and conditions (e.g. pay) offered for the post (29%); and
- The lack of interest in doing 'this type' of job (22%);

Table 2.3 overleaf provides the details and comparisons with England and Devon. The comparisons show that in a number of respects the reasons for hard-to-fill vacancies in Exeter were different to those reported nationally – they were much more likely to be caused by the poor terms and conditions (e.g. pay) offered for the post and less likely to be caused by either a lack of work experience/qualifications the company demands or the low number of applicants generally. These factors can all be seen to reflect the robust jobs market in the city, where wages are generally higher than average, so those positions not offering competitive rates are likely to be perceived as being "poor" and the number of vacancies and applicants is also generally higher than surrounding areas.

Table 2.3: Main reasons for hard-to-fill vacancies in Exeter, Devon and England (% of businesses)

	England (%)	Devon (%)	Exeter (%)
Low number of applicants with right skills	38%	28%	41%
Poor terms and conditions (e.g. pay) offered for this post	15%	15%	29%
Not enough people interested in doing this type of job	24%	36%	22%
Lack of work experience/qualifications the company demands	18%	9%	10%
Low number of applicants with the required attitude, motivation or personality	16%	25%	10%
Low number of applicants generally	26%	28%	8%
Poor career progression/lack of prospects	3%	3%	4%
Job entails shift work/unsociable hours	10%	17%	2%
Too much competition from other employers	10%	10%	2%

Source: National Employer Skills Survey 2017/ *Exeter Business Survey 2019/Base: 61 business with Hard-to-Fill Vacancies in last 12 months*

In terms of the effects of having these hard-to-fill vacancies on their businesses, nearly two thirds of Exeter businesses surveyed (61%) reported that they had seen an increased workload for other staff as a result of vacancies being hard to fill. A further two fifths had difficulties meeting customer service objectives (42%) and one fifth had lost business or orders to competitors (20%).

Table 2.4 contains the details and also a comparison with the ESS findings for England. It is very important to note that the comparison with England is not straightforward as during the 2017 England ESS survey the businesses were ***prompted*** with answers. During the Exeter business survey, they were ***not*** prompted. This explains the higher levels of reporting for each impact. What is interesting is that the relative importance of each impact remains almost unchanged.

Table 2.4: Impacts of having hard-to-fill vacancies in Exeter and England (% of businesses)

	England - **prompted** (%)	Exeter - **unprompted** (%)
Increased workload for other staff	84%	66%
Difficulties meeting customer services objectives	48%	34%
Lost business or order to competitors	43%	32%
Increased operating costs	43%	12%
Delay developing new products or services	40%	10%
Difficulties meeting quality standards	34%	12%
Outsourced work	31%	14%
Withdrew from offering certain products or services altogether	25%	10%
No impact	6%	6%

Source: National Employer Skills Survey 2017/ *Exeter Business Survey 2019/Base: 61 business with Hard-to-Fill Vacancies in last 12 months*

The businesses who had encountered hard to fill vacancies were asked if they had taken any actions to address the problem. Over a quarter (29%) said they had increased advertising or recruitment spend and a further fifth (22%) had used new, different recruitment methods or channels. Smaller proportions had increased salaries on offer (8%), redefined existing jobs (6%) or increased trainee programmes (4%). However, nearly a third (31%) had not put any measures in place to overcome the difficulties or did not know what to do.

3. Existing Workforce – Skills Needs and Training

This section contains the survey findings regarding:

- Existing Skills Gaps in the Workforce;
- Need for New Skills or Knowledge in the Future; and
- Provision of staff training in the last 12 months.

3.1 Existing Skills Gaps in the Workforce

When asked about their current workforce:

- Nearly a third of Exeter businesses (30%) identified skills gaps amongst their employees. This was markedly higher than the comparable figure reported nationally (13%), though the difference was partially accounted for by the sector profile of businesses in the city. The national figures for the sectors which make up a disproportionate number of Exeter businesses were closer to the Exeter average figure (Public administration (20%); Education (18%); and Hotels & restaurants (19%)).

When asked to identify the main occupation/role in which skills gaps were present, a quarter (25%) of the businesses identified skilled trade occupations. This was followed by 15% who identified gaps amongst managers, directors and senior officials, while 13% reported skill shortcomings amongst their administrative and secretarial occupations and/or their sales and customer service occupations. 10% reported gaps in their caring, leisure and other service occupations.

The list of skills needs that were described by the businesses for each of these occupations is as varied as the companies' industry sectors. Often, the lack of skills centres on soft skills and/or a general aptitude to do the work/job at hand. Their descriptions are briefly summarised below for each of the main occupations with identified skills gaps:

Skilled trade occupations
Kitchen staff with experience and the right NVQ's. Being able to take instructions properly.
Installing different forms of insulation.
We have to have multi-skilled the staff i.e. our electrical engineers have had to be trained as commercial gas engineers as well.
Customer service skills could be better.
Using more creative techniques and revisiting historical techniques.
Digital marketing needs.
Skills for masking up for straight lines etc.
Husbandry and skills with animals are needed along with customer care.

Managers, directors and senior officials
Emotional intelligence and people skills
Dedication and organisation
Team leadership, Learn manufacturing techniques
Sense of humour all managers need

Administrative and secretarial occupations
Data analysis skills and interpretation/reporting of information
Administration in general and communication
Reconciliation of our yearly accounts.
Better computer skills more up to date and some health and safety

Sales and customer service occupations
Specific industry knowledge and experience
Customer service, communication skills
To be polite to customers and it often appears that they have no people skills
New business development. Managing candidates /headhunting. Closing a sale.

Caring, leisure and other service occupations
Care workers struggle to get the NVQ's and I have one worker who can't read or write. The care certificate is very difficult and they need a lot of support for that.
The enabling team has a person-centred attitude and an ethos and set of values that match our ethos of being positive and dynamic. These things are not necessarily teachable.
Sometimes speech language training there is sometimes a barrier.
Counselling skills.

3.2 Need for New Skills or Knowledge in the Next 12 Months

When the Exeter businesses were asked whether their current workforce would need to acquire new skills or knowledge in the next 12 months, a quarter (27%) said that they did NOT think that would need to aquire any new skills or knowledge in that time. The remaining three quarters (73%) felt that their staff would need new skills or knowledge in at least one area:

- Nearly half (47%) said that they expected that their staff will need to acquire new skills or knowledge as a result of new legislation or regulatory requirements.
- Two fifths (42%) think that the introduction of new technologies or equipment will be a reason for staff to learn new skills or widen their knowledge.
- While about a third said the needs could be the introduction of new working practices (36%), developing new products/services (31%) or increased competitive pressure (30%).
- Just one fifth (20%) thought that new skills or knowledge would be needed because of Brexit.

Table 3.1 below contains the details and it is worth noting that on average the businesses who said that their staff would need new skills or knowledge identified almost three areas each.

Table 3.1: Anticipated skills or knowledge requirements in next 12 months (% of businesses)

	(%)
New legislative or regulatory requirements	47%
The introduction of new technologies or equipment	42%
The introduction of new working practices	36%
The development of new products and services	31%
Increased competitive pressure	30%
The UK's decision to leave the EU	20%
Other	1%

Source: Exeter Business Survey 2019/Base: 202 businesses

The 73% of businesses that said they need new skills or knowledge in at least one area were then asked which skills would be needed to improve as a result of these (new) demands on the business. A third identified mainly specialist skills or knowledge to perform individual job roles (34%). Further skill requirements centred on computer and IT skills, with a quarter of these businesses saying either that their staff will need at least a basic skill in that area (15%) or that they were looking for advanced computer and IT skills (11%).

The instruction, teaching or training of others is a skill in need of improving for 11% of respondents and 10% each will require skills improvement around customer handling and reading and understanding instructions, guidelines, manuals or reports. Table 3.2 below contains the details and also shows that 16% of businesses did not know what the skills needs would be.

Table 3.2: Skills needs to meet anticipated knowledge requirements in next 12 months (% of businesses)

	(%)
Specialist skills or knowledge needed to perform the role	34%
Computer literacy / basic IT skills	15%
Advanced or specialist IT skills	11%
Instructing, teaching or training people	11%
Reading and understanding instructions, guidelines, manuals or reports	10%
Customer handling skills	10%
Knowledge of products and services offered by your organisation and organisations like yours	9%
Sales skills	8%
Adapting to new equipment or materials	7%
Writing instructions, guidelines, manuals or reports	4%
Knowledge of how your organisation works	4%
Team working	3%
Managing or motivating other staff	3%
Persuading or influencing others	3%
Managing their own feelings, or handling the feelings of others	2%
Solving complex problems requiring a solution specific to the situation	1%
Basic numerical skills and understanding	1%
More complex numerical or statistical skills and understanding	1%
Ability to manage own time and prioritise own tasks	1%
Other	3%
Don't know	16%

Source: Exeter Business Survey 2019/Base: 148 businesses identifying anticipated requirements

3.3 Training Provision for Staff

When the Exeter businesses were asked whether their staff had received any form of training:

- Nearly three quarters (72%) of the Exeter businesses surveyed said that their staff had undergone some form of training over the past 12 months. This was very similar to the 66% national figure reported in the Employers Skills Survey and when the profile of Exeter's business sectors is taken into account is almost identical.
- Over two thirds (67%) of this training was delivered by external companies. (This was also very similar to the reported national figure of 62%). A full list of the external training providers that were named by the Exeter businesses is provided in the Appendices of this report.

4. Apprenticeships

This section of the report provides information from the survey on the Exeter businesses' views on apprenticeships, including the benefits of having, and the reasons for not having, an apprentice.

4.1 Apprenticeships

Nearly one fifth (18%) of the Exeter businesses surveyed said that they were training an apprentice. This figure was very similar to that reported nationally (20%)[2].

At first sight the Exeter figure appears to be quite low, given the sectoral profile of Exeter's businesses. National figures indicate that apprenticeships tend to be clustered in sectors which predominate in Exeter's economy: two thirds of all apprenticeship starters being in either Business Administration and Law (30% of all starts), Health, Public Services and Care (24%) and Retail and Commercial Enterprise (14%).[3] However the overall national average of 20% predates the introduction of the Apprenticeship Levy which has seen a fall in the number of businesses taking in apprentices.

Three fifths of the Exeter businesses with apprentices have just one apprentice (59%), while a third are training two (30%) and the remainder have three or more (11%).

When they were asked about the "biggest benefits" of having an apprentice, the replies of the Exeter businesses can be summarised as saying that it was a chance to mould employees for the positions within the company and to share their expertise in order to bring a well-trained workforce through the ranks. Some examples of their replies are presented below:

"A keenness to do the job and a higher level of interest makes them dedicated.
As well as the learning of new skills, the main benefit is keeping staff.
Basically, it's the future development and teaching of a traditional trade.
Can mould them to the way the business is.
Develop their skills from the beginning.
Empowerment. They are a technician.
Gives me more free time as I am able to pass on less complicated duties, just useful to have another pair of hands at a reduced cost.
Hope they stay on after training and work with us.
It gives us our social responsibility, to help bring these people into a working environment, we get to mould their skills and help them develop themselves.
Knowing they've had formal, consistent training, adapted to company's needs, they arrive as a blank canvas.
Low cost of employment.
Really good for us, both young people have been very keen to learn and they have been able to be moulded to what is required of this business, and at an industry standard.
Saves money and he is learning new skills.
Slightly new skill set and an extra pair of hands. Fresh pair of eyes.
The right apprentice can be used as a part of the team and to be trained well for the future.
To teach someone your ways and how we do things and it gives them a sense of well-being and loyalty.
Upskilling to meet the needs of your business.
We can train her the way we want her to work.
We hope that they stay with us to take and replace staff as other staff move.
We show them the way we need them to work.
You get to nurture talent and could not pay the standard wage and have enhanced salaries to ensure the correct people are employed.
You get to train them in your own specify way and we train to our standard hoping they will stay with us."

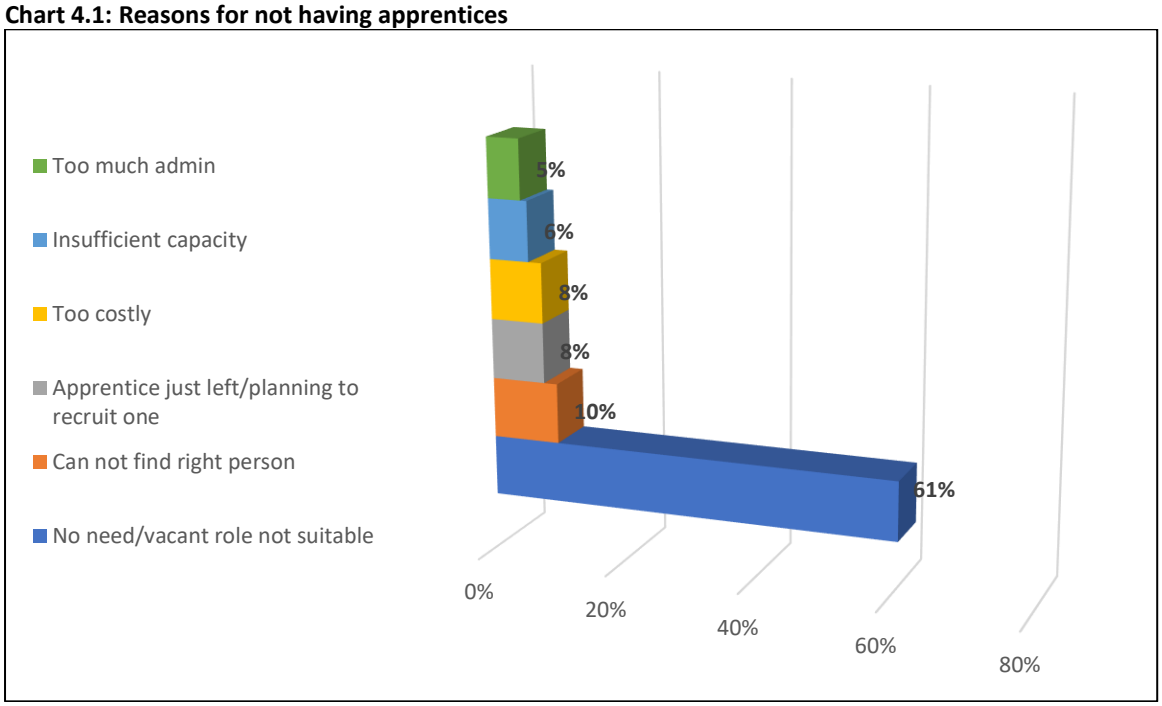
[2] https://www.cipd.co.uk/Images/assessing-the-early-impact-of-the-apprenticeship-levy_2017-employers-perspective_tcm18-36580.pdf
[3] http://researchbriefings.files.parliament.uk/documents/SN06113/SN06113.pdf

4.2 Reasons for not having an Apprentice

Among the 82% of Exeter businesses surveyed who did not currently employ an apprentice, the main reason given for not having one was that there was no need and/or the vacant job role was not suitable for an apprentice (61%).

Much smaller proportions gave various other reasons: One in ten (10%) could not find the right person and one in twelve (8%) in said that either their apprentice had just finished/left and/or they planned to recruit one in the future. 8% said that they were too costly, 6% that they did not have the capacity and 5% that they were too much of an administrative burden. The remaining 3% gave diverse reasons such as "*life cycle of the business"* and "*lack of space*." Chart 4.1 below summarises these findings.

Chart 4.1: Reasons for not having apprentices



Source: Exeter Business Survey 2019/Base: 165 businesses without an apprentice

5. Engagement with Education

This final section of the survey report explores the level and type of Exeter businesses' engagement with the local education system. This includes details on whether they have visited local schools, colleges or universities, work experience and the employment of school leavers and graduates.

5.1 Engaging with local schools, colleges and university

Two thirds of the Exeter businesses surveyed (68%) had not visited any local schools, colleges or universities in the last 12 months.

Among the one third (32%) of Exeter businesses who had interacted with schools, colleges or universities, the most common engagement was by visiting a school (63%), followed by a university (20%) and then a college (18%). When they were asked about the reasons for the interaction, the businesses responses can be summarised in the categories below, with the first category – raising awareness and knowledge of the work of the businesses – being the most commonly mentioned:

Raising awareness/knowledge of business/sector/work
Awareness of our work and what we are doing.
Close encounter sessions, animals/reptiles go to the talk and children can interact with the animals and welfare issues, making children aware there is nothing to fear.
Presentation about the (work of the) charity.
Prosthetic limbs the awareness is very much unknown.
Engage with schools and colleges about re-hab.
Medical students come and observe the clinic as part of their training.
Sector talks.
To observe teaching practice.
Usually to give information about us.
Usually to talk to schools who have raised money for us
Talk about and do workshops for the children with regard to refugees and asylum seekers.
Talk on dementia training and working home care.

Attending careers fairs/open days
Careers advice to come in to our line of work.
Careers Fairs and Apprenticeship Fairs.
Do open days.
Networking and talk with children.
School outreach incentives screening.
The university invite us (to open days) as an accommodation provider.

Training courses for staff members
For a college course [training for company].
Looking for screen printing.
Business application of Academic Life in Business.
Engineering (course).
Meeting with staff professional development with schools and teacher training.
Social media and digital marketing.
XERO, AAT [company training].

Arranging for graduate placements/work experience opportunities/apprentices
About employing graduate students or students.
I was contacted by a student asking about placements and she started with us today.
Regarding the apprentice placement.
Work experience.

5.2 Work experience and employing school leavers/graduates

Nearly two fifths of the Exeter businesses surveyed (38%) offer work experience placements and a quarter (26%) had employed a school or college leaver straight from school in the last 12 months. One fifth of the Exeter businesses surveyed (21%) have employed a graduate over the last 12 months. Half of these graduates were from the University of Exeter (48%), followed by graduates who moved to Exeter after graduating from other universities (24%) and then by Exeter residents returning 'home' from university in other parts of the country (16%). The remainder did not know where their graduates came from (12%). Table 5.1 contains the details.

Table 5.1: Businesses offering work experience and/or employing school leavers/graduates (%)

	Number	(%)
Businesses offering work experience	77	38%
Businesses not offering work experience	125	62%
Businesses employing school or college leaver in last 12 months	53	26%
Businesses not employed school or college leaver in last 12 months	149	74%
Businesses employing a graduate in last 12 months	42	21%
- Graduate of University of Exeter	- 20	- 10%
- Graduate from other University moving to Exeter	- 10	- 5%
- Graduate from other University returning to Exeter	- 7	- 4%
- University not known	- 5	- 3%

Source: *Exeter Business Survey 2019/Base: 202 businesses*

When asked about their views on school/college leavers' and/or graduates' readiness for work, the Exeter businesses surveyed described, just as before with the missing skills amongst their workforce, a lack of soft skills (e.g. lack of communication skills, "life skills", etc.), work readiness and a general lack of aptitude to do the work/job at hand (e.g. being dressed appropriately, time keeping, etc.). A summary of the comments made on these issues is provided below:

Lack of life/communication skills

Academically no issue, academically they are able, but in the real world not enough life experience.
I feel pupils need more life experience.
A longer work experience would be better and would like to see more explaining done in school and info given and maybe more than just the week work experience and a re-cap on this.
Generally, I find their communication skills appalling - both spoken and writing etc.
Not enough prep for what's expected from them. Skill wise we train them.
Not prepared for discipline of an office environment.

Lack of aptitude/wrong attitude

Are not work ready, come out with wrong attitude, fills them with hope and dreams that are quickly dashed.
Depends on the attitude and some people can be nurtured or maybe not.
School leavers expect to go straight in to a higher level of employment and find it hard to start at the bottom.
Have no life experience and they believe they are owed certain privileges.
Horrific, turn up not dressed suitable for the job, lack of enthusiasm, often mental health (anxiety) is used as an excuse not to interact and being customer based this is essential. So in turn this means we have no one coming up through the ranks.
We have struggles with younger workers they often leave before the year they are offered with us. Pay is also low. Attendance and time keeping can be a problem.
Would rate them 1 out of 10 - the modern day school leavers expect everything for nothing and expect everything to be given to them without having to actually earn anything.

Lack of work readiness

Teachers who have just graduated are in no way prepared for classroom teaching due to lack of support.
Not prepared for discipline of an office environment.
The narrowing of the curriculum means they are not ready for work and limited knowledge of the world. Even basic stuff like CVs.
Not work ready from what line managers tell us.
No, it's a different era to before – they've gone through school and expect to be able to be at the top.
(They're) A way off from being savvy to employment.
School leavers are not ready for the work place – It is a shock to them to be in the real world.
Showing them realities of life, how hard it actually is and then giving them skills to take away and build their own career.

However, other businesses were less critical and accepted that school leavers in particular were very young and needed time to grow, mature and understand their roles:

> *It depends on the individual and it depends on the role.*
> *Mixed. We have some fantastic 16 years olds who are work ready and older people who aren't.*
> *Most are pretty good and mostly yes are ok but they do not like working the longer shifts.*
> *Most of them have academic skills but little practical. I have had to teach them how to use a cash register and handle money. How to approach people and keep an eye on people trying to steal.*
> *(They) Need life and customer skills, but that comes with the training and life.*
> *Not too bad. They are a bit "green" in terms of the professional working environments /systems such as booking time off -the professional niceties. Putting such stuff in writing.*
> *I've experienced a group of young adults who are well placed for the working environment from college/university. My fear is that school leavers - pre A level are ill equipped for the working environment. All young people seem to have trouble talking directly.*
> *It depends - if they've grown up here with us and they know the level we expect its fine, but people who have not grown up knowing the manual labour it takes to work with horses or around stables/a yard don't realise the amount of physical hard work needed and they can't cope with it.*

And a minority of businesses were very positive about employing young people:

> *Really happy to employ school leavers etc., but they normally like go forward to their careers. Find it difficult to bring some youngsters in to the job, we but like to try to employ younger people as it is good for the bar trade.*
> *The apprentices we had were absolutely spot-on, both were halfway through college courses and decided they were ready to learn in a workplace.*
> *The ones we have employed have been good and do take the time to learn customer services.*
> *The ones we have used have been really good.*
> *They are keen to learn and are very hardworking and want to prove themselves.*
> *They were excellent and well prepared (Newly qualified teachers).*

A small group of businesses noted that young people were not being trained in the right areas:

> *They are not being taught things that are relevant to this business (technology development).*
> *We need specialised English skills which we haven't been able to find so this may need improvement.*

To end the interview, the businesses were asked whether there were any (additional) skills that they would like school/college leavers and/or graduates to have that would make them more work ready. Two thirds of the businesses said that they had nothing else to add to their previous answer. Among those who did respond, the most commonly given replies in many ways replicated what had been said before, as they concerned the need for better skills:

- Basic communication/life/social skills;
- Presenting yourself professionally/dressing appropriately;
- Motivation/willingness to work hard/strong work ethic/time keeping;
- Work experience/understanding of the work place;
- Respect/humility/good manners; and
- Specific skills mentioned: IT/technology, driving licences, handling phone calls, craft skills.

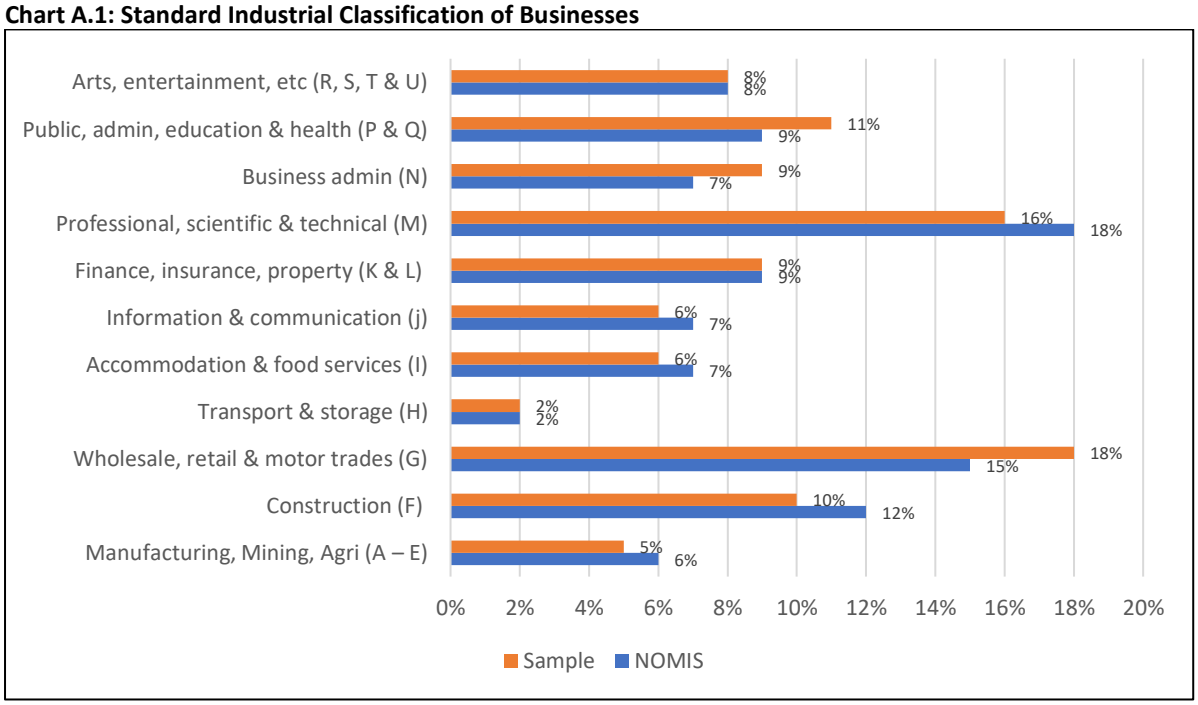
Appendix I – Business survey methodology and sample profile

The survey of 202 Exeter businesses was conducted between 29th January and 18th February 2019. The database used to contact the businesses was provided by Exeter City Council.

The bulk of the data for the survey was collected by means of telephone interviews with the senior manager/owner at each enterprise. Some of the businesses contacted requested that they complete the questionnaire online and a link was provided for this purpose. The results of the survey are representative of the business sector composition of Exeter.

Chart A.1 shows the industry sector of the 202 Exeter businesses who participated in the research compared with the profile of all the city's 4,110 businesses as provided by NOMIS. This illustrates that the profile of the sample was representative of the sectoral composition of the city's business base. In SIC terms, the disparities were a very small over representation of businesses from the wholesale, retail & motor trades (+3%), public admin, health and education (+2%) and the business admin (+2%) sectors. This was compensated by the slight under representation of those from the professional, scientific and technical sector and the construction sector (both -2%).

Chart A.1: Standard Industrial Classification of Businesses



Source: Exeter Business Survey 2019/Base: 202 businesses / NOMIS

In terms of the numbers of employees, the sample was also very broadly representative in its profile, with only a slight over representation of small-medium employers.

Business size	Sample	NOMIS
Micro (0-9 employees)	72%	83%
Small (10-49)	22%	13%
Medium (50 to 249)	6%	3%
Large (250+)	*	*

Appendix II – Survey questionnaire

Introduction
Good morning/afternoon. We are conducting this survey on behalf of Exeter City Council to help inform the development of the Exeter Skills Strategy. The council would like to gain a better understanding of the local business base and its skills needs in terms of:

- Recruitment – vacancies, challenges, requirements;
- Existing and future requirements for skills;
- Apprenticeships and staff training; and
- Engagement with education.

All responses will be treated in confidence and will be presented in aggregate to ensure individual businesses cannot be identified. [Permission to proceed]

Business size and sector classification

A. Can I start by checking which sector does your business operate in please? CODE ONE ONLY
   - Manufacturing, mining, agriculture (SIC Codes A - E)
   - Construction (Code F)
   - Wholesale, retail & motor trades (Code G)
   - Transportation and storage (Code H)
   - Accommodation and food services (Code I)
   - Information and communication (Code J)
   - Financial, insurance, property (Codes K & L)
   - Professional, scientific and technical (Code M)
   - Business administrative and support (Code N)
   - Public admin, education & health (Codes P & Q)
   - Arts, entertainment, recreation, etc (Codes R, S, T, U)

B. How many employees are there at this site/address of the business? WRITE IN NUMBER:

1. Recruitment – vacancies, challenges, requirements

ASK ALL
Q1.1 Have you recruited anyone at this site in the last 12 months?
(IF NECESSARY: whether or not they are still working for you). Yes/No/DK

ASK ALL
Q1.2 How many vacancies, if any, have you had at this site in the last 12 months?
PROBE FOR BEST ESTIMATE. WRITE IN NUMBER __ (0 - 9999) _____

ASK ALL WITH ANY VACANCIES AT 1.2
Q1.2A And for which of the following occupation(s) did you have vacancies?
Managers, Directors and senior officials
Administrative and secretarial occupations
Elementary occupations
Process, plant and machine operatives
Sales and customer service occupations
Caring, Leisure and Other Service Occupations
Skilled trades occupations
Associate professional and technical occupations
Professional occupations

ASK ALL WITH ANY VACANCIES AT 1.2
Q1.3 (Were any of your vacancies/was this vacancy) hard to fill?
- Yes ASK Q1.4
- No GO TO SECTION 2
- Don't know GO TO SECTION 2

ASK IF YES AT 1.3 (OTHERS GO TO SECTION 2)
Q1.4 How many of your vacancies were hard to fill, in each occupation?
- Managers, Directors and senior officials
- Administrative and secretarial occupations
- Elementary occupations
- Process, plant and machine operatives
- Sales and customer service occupations
- Caring, Leisure and Other Service Occupations
- Skilled trades occupations
- Associate professional and technical occupations
- Professional occupations

ASK IF YES AT 1.3
Q1.5 What are the main causes of having hard to fill vacancies? DO NOT PROMPT. CODE ALL THAT APPLY
- Too much competition from other employers
- Not enough people interested in doing this type of job
- Poor terms and conditions (e.g. pay) offered for post
- Low number of applicants with the required skills
- Low number of applicants with the required attitude, motivation or personality
- Low number of applicants generally
- Lack of work experience the company demands
- Lack of qualifications the company demands
- Poor career progression / lack of prospects
- Job entails shift work/unsociable hours
- Seasonal work
- Remote location/poor public transport
- Other reason (WRITE IN_____)
- No particular reason
- Don't know

ASK IF YES AT 1.3
Q1.6 What has been the effect of having hard-to-fill vacancies? DO NOT PROMPT CODE ALL THAT APPLY
- Lost business or orders to competitors
- Delay developing new products or services
- Have difficulties meeting quality standards
- Experience increased operating costs
- Have difficulties introducing new working practices
- Increase workload for other staff
- Outsource work
- Withdraw from offering certain products or services altogether
- Have difficulties meeting customer services objectives
- Have difficulties introducing technological change
- Other (WRITE IN)

ASK IF YES AT 1.3
Q1.7 What, if anything, has the business done to overcome the difficulties in finding candidates to fill these hard-to-fill vacancies? CODE ALL THAT APPLY.
- Increasing salaries
- Increasing the training given to your existing workforce
- Redefining existing jobs
- Increasing advertising / recruitment spend
- Increasing / expanding trainee programmes

Using NEW recruitment methods or channels
Recruiting workers who are non-UK nationals
Bringing in contractors to do the work, or contracting it out
Being prepared to offer training to less well qualified recruits
Other (WRITE IN)
Nothing

2. Skills sets, existing and future requirements

ASK ALL
Q2.1 I'd now like to turn to the skills and composition of your existing workforce.
Thinking now about your current staff at this business (site), have you identified any skills gaps for the jobs they are employed to do? Yes/No/DK
ASK IF YES AT Q2.1
Q2.2 What are/is the main occupation in which (other) skills are needed? CODE ONE ONLY
Managers, Directors and senior officials
Administrative and secretarial occupations
Elementary occupations
Process, plant and machine operatives
Sales and customer service occupations
Caring, Leisure and Other Service Occupations
Skilled trades occupations
Associate professional and technical occupations
Professional occupations

ASK FOR OCCUPATION CODED AT Q2.2
Q2.3 What are the main (other) skills that (OCCUPATION FROM 2.2) need? WRITE IN _____

ASK ALL
Q2.4 Over the next 12 months do you expect that *any* of your staff will need to acquire new skills or knowledge as a result of the following..?
READ OUT; CODE ALL THAT APPLY ROTATE LIST
…The development of new products and services?
…The introduction of new working practices?
…The introduction of new technologies or equipment?
…New legislative or regulatory requirements?
…Increased competitive pressure?
…The UK's decision to leave the EU?
…Any other reasons (please specify)?
DO NOT READ OUT: None of the above or Don't know

ASK IF YES TO ANY Q2.4
Q2.5 I'm now going to ask you about the skills you feel will need improving among your staff as a result of [all the CHANGES CODED AT 2.4]. Can you describe which skills do you feel will need improving over the next 12 months? DO NOT PROMPT CODE ALL THAT APPLY
Computer literacy / basic IT skills
Advanced or specialist IT skills
Solving complex problems requiring a solution specific to the situation
Reading and understanding instructions, guidelines, manuals or reports
Writing instructions, guidelines, manuals or reports
Basic numerical skills and understanding
More complex numerical or statistical skills and understanding
Manual dexterity – for example, to mend, repair, assemble, construct or adjust things
Adapting to new equipment or materials
Knowledge of products and services offered by your organisation and organisations like yours
Knowledge of how your organisation works

Specialist skills or knowledge needed to perform the role
Instructing, teaching or training people
Sales skills
Customer handling skills
Persuading or influencing others
Team working
Managing or motivating other staff
Ability to manage own time and prioritise own tasks
Setting objectives for others and planning human, financial and other resources
Managing their own feelings, or handling the feelings of others
Making speeches or presentations
Other (WRITE IN)

3. Apprenticeships and training

ASK ALL
Q3.1 How many apprentices do you employ? WRITE IN NUMBER:

ASK IF 0 AT 3.1
Q3.2 Can I check, why do you not employ any apprentices? MULTI CODE
Not needed/apprentices not suitable for vacant job roles
Not considered it
Can't find the right person
Bad experience with apprenticeships
Don't know how
Other (WRITE IN)

ASK IF 1+ AT 3.1
Q3.3 What is the biggest benefit to the business of employing apprentices? WRITE IN

ASK ALL
Q3.4 Have any of your staff undergone any form of training during the last 12 months?
Yes/no

ASK IF YES AT 3.4
Q3.5 Which of the following types of training have you arranged for staff in the past 12 months?
CODE ALL THAT APPLY
Job specific
Health and safety/first aid
Basic induction training
Training in a new technology
Management
Supervisory
Advanced induction training
Other (please specify_____)

ASK IF YES AT 3.4
Q3.6 And can I just check, have any of your staff been on training delivered by external companies, agencies or organisations in the last 12 months?
Yes - Who was that? (WRITE IN PROVIDER NAME)
No
DK

4. Engagement with education and graduates

Lastly, we'd like to ask about any engagement your business may have with local schools, colleges or universities.

ASK ALL
Q4.1 Has anyone from your business visited any local schools, colleges or universities in the last 12 months?
Yes - schools/Yes - colleges/Yes – universities /No/DK

IF YES AT Q4.1
Q4.2 What was this about? WRITE IN: _____

ASK ALL
Q4.3 Do you offer work experience placements? Yes/No/DK

ASK ALL
Q4.4 Has this business employed anyone straight from school or college in the last 12 months? Yes/No/DK

ASK ALL
Q4.5 Has this business employed any graduates in the last 12 months? Yes/No/DK

ASK IF YES AT Q4.5
Q4.6 Were these graduates of…CODE FIRST TO APPLY…
...Exeter University,
…Other universities (e.g. Exeter resident returning home) or
…Other universities (e.g. non-resident moving to Exeter for job)?

ASK IF YES AT EITHER Q4.3, Q4.4 OR Q4.5
Q4.7 What are your views on the work readiness of [school/college leavers/graduates] for employment in your business?
WRITE IN: _____

ASK IF YES AT EITHER Q4.3, Q4.4 OR Q4.5
Q4.8 Are there any (additional) skills that you would like [school/college leavers/graduates] to have that would make them more work ready?
Yes - WRITE IN: _____/No/DK

ASK ALL
Q4.9 Thank you for your time today. Would you be happy to be re-contacted by or on behalf of Exeter City Council in the future for similar research? Yes/No/DK

ASK ALL
Q4.10 Lastly, ECC will be setting up an advisory group on the delivery the Skills Strategy. Would you be interested in finding out more about this? Yes/No/DK

Many thanks for your time and help. Goodbye

Appendix III – Main external training providers mentioned by businesses

(Number in brackets indicates if more than one mention of provider)

ACAS
All various watch companies i.e. Rolex
Aqua
Argos Fire Protection
Arla
Babcock LDP curriculum specific and management (3)
Bullhorn. LinkedIn. Social Talent.
Bumble and Bumble
Cadline
Cambridge
CAVE - Seminars done by CAVE Accountancy learning
Central Law training
Crisp (3)
Dartmoor Academy Trust and the DELL Learning, Computeam for IT and Exeter Consortium
Devon Antenatal First Aid, VOYCE
Education training with ETS
English UK
Exeter BID was the provider
Exeter City Council for Driving CPC
Exeter College (5)
Fencer certificate trained by Assure
Fire and moving and handling: PD training services and Devon Training Solutions .
First Aid by Pat Marshall. Prevent by the Training Foundation.
First Aid training.
Google are doing the Marketing. Some care specific ones.
GP Strategies
Health Care Professional Council
Highfield First Aid
Kevin Murphy. Fab Wholesale.
Kia UK. Company solicitors company training re bullying.
Lifetime Fitness as an instructor
London company – Hidmarsh
Maidstone
MBL, DASLS, Cyclex, Socrates
Midsummer Norton for welding
North Devon Trust and 3CP Training
OneLife Training UK Limited, Not a Bridge Training Centre
Phoenix - creative business network
Purple Clarity
Quilter
Radiation Protection Services
Red Cross, One Life training and Devon County Council
Reed employment. High Speed training for safeguarding.
Sekoya for diversity/equality training.
South West Ambulance Trust.
St John's Ambulance, SAAW
Super Tech, Firebird
SW Growth Services
SWAT, Mercer,
T2 (Diplomas,) Redcrier, Essential training
Tigi Academy, Balmain Hair Extensions
The London School of Reflexology
Training for Professionals
University of Exeter

TRANSFORM
Transform Research Consultancy Ltd

Exeter Skills Strategy: Evidence Base

Final report prepared for:

Exeter City Council

Prepared by:

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1. Introduction

In January 2019 Exeter City Council commissioned Transform Research to provide support with the development of the Exeter Skills Strategy. Transform were commissioned to complete two pieces of work for informing the Strategy;

- The compilation of a comprehensive evidence base; and
- A survey of Exeter businesses.

The intention was that from both of these documents a set of recommendations would be produced in consultation and conjunction with officers to form the basis of the Exeter Skills Strategy. This document provides the detail of the evidence base, while a separate accompanying report contains the details of the findings of the business survey.

1.1 The Evidence Base

The evidence base presented in this report is based on secondary research and analysis of the relevant data and information relating to skills and employment indicators. The data covers two principal areas; Exeter and additionally Exeter with East Devon, Mid Devon and Teignbridge (Greater Exeter). This has been done to enable comparisons to be drawn and the impact of Exeter to clearly be seen. The data sets and indicators in the evidence base include the following:

- Skills; covering qualifications, Apprenticeship starts and attainment;
- Employment; claimant counts, job density, sectors/occupations, vacancy rates, unemployment, earnings and associated forecasts;
- Young People; destinations (post 16 and post 18), graduate retention (and other relevant available information), STEM subject take-up, attainment at key stage 4 and 5

As well as the comparisons between the Greater Exeter Local Authorities, the evidence base also benchmarks Exeter's performance against corresponding National and South West regional data – where available and appropriate. The analysis of the data and trends has been undertaken to support recommendations for priority areas for investment and where action is required. The data has been gathered and presented in this report in the following stages:

- The Local Economic Landscape and Analysis of Skills Demand;
- Analysis of Skills Supply;
- Mapping Demand and Supply; and
- Conclusions: Skills Gaps and Mismatches.

1.2 Business Engagement

To complement the data collated through the evidence base, a survey of 200 Exeter businesses has been completed to provide quality business feedback about employment and skills issues within the city. The survey results are statistically significant and represent the sectoral composition of Exeter. The findings presented in the separate survey report cover key topics of interest to the development of the Skills Strategy including;

- Recruitment – Vacancies, Challenges and Requirements;
- Skills Sets – Existing and Future Requirements;
- Apprenticeships and Training; and
- Engagement with Education.

2. The Local Economic Landscape and Demand for Skills

This section presents an analysis of the available data on Exeter's economic landscape and the demand for skills in the area, together with comparisons with regional and national figures. This analysis identifies the current and potential future skills needs of the local workforce in the context of forecast workforce and business sector changes over the next ten years. The information presented:

- Defines the existing employment and skills stocks in the locality;
- Details the overall business base, while also examining sectors and occupations; and
- Assesses the forecast changes that could impact on businesses future skills needs.

Section 4 of this document then combines this assessment with that on the supply of skills from section 3, to produce a mapping of likely available skills against those required in the area; together with an assessment of the types and causes of any identified skills gaps.

2.1 Economic Activity and Employment

2.1.1 Economic activity

Tables 2.1 and 2.2 below present data on overall economic activity – the number of residents who are either in employment or unemployed – over the ten-year period since 2009. Table 2.1 compares Exeter with the Greater Exeter area as well as the South West and the national picture. The figures show that while the proportion of the resident working age population who are economically active has remained consistent at around 80%, because of the increase in the overall population size the numbers of people who are economically active has increased.

Table 2.1 Number of Residents Economically Active (% of working age population)

	Exeter	Greater Exeter	South West	United Kingdom
Jan 09 – Dec 09	63,800 (82.2%)	230,000 (81.2%)	2,680,000 (79.4%)	31,560,000 (76.8%)
Jan 14 – Dec 14	69,500 (82.9%)	237,500 (81.9%)	2,752,000 (80.1%)	32,773,000 (77.7%)
Oct 17 – Sept 18	70,600 (79.8%)	239,800 (80.7%)	2,877,000 (81.1%)	33.906,000 (79.0%)
Change (2009-2017/18)	*6,800 (+10.7%)*	*9,800 (+4.2%)*	*197,000 (+7.4%)*	*2,346,000 (+7.4%)*

Source: NOMIS

This increase is particularly evident in Exeter, where the number of residents who are economically active has increased by 6,800 (+10.7%) – reflecting the population growth of the city over this time (see section 3). The Greater Exeter area has also seen a growth in numbers of economically active residents, albeit at a slower rate than in Exeter, regionally and nationally. Table 2.2 provides a breakdown for the four Local Authority areas within Greater Exeter – it shows that East Devon, Mid Devon and Teignbridge have had much lower rates of growth than Exeter, the South West and the UK.

Table 2.2 Greater Exeter: Local Authority Number of Residents Economically Active (2009 – 2018)

	Exeter	East Devon	Mid Devon	Teignbridge
Jan 09 – Dec 09	63,800 (82.2%)	61,800 (79.6%)	42,300 (82.3%)	62,100 (81.2%)
Jan 14 – Dec 14	69,500 (82.9%)	62,900 (81.2%)	41,500 (81.3%)	63,600 (83.2%)
Oct 17 – Sept 18	70,600 (79.8%)	63,500 (79.1%)	42,600 (84.6%)	63,100 (81.0%)
Change (2009-2017/18)	*6,800 (+10.7%)*	*1,700 (+2.8%)*	*300 (+0.7%)*	*1,000 (+1.6%)*

Source: NOMIS

2.1.2 Numbers in employment

Tables 2.3 and 2.4 below present data on the number of residents in employment (including employees, self-employed, those on government-supported training and employment programmes; and those doing unpaid family work) during the decade since 2009. Table 2.3 shows that there has been an increase of 7,500 (+12.6%) residents of Exeter in employment over the period. (This figure is greater than the 6,800 increase in the number of economically active residents reported in the previous section because of the reduction in the rate of unemployment over the time period).

Table 2.3 Numbers in Employment (% of working age population)

	Exeter	Greater Exeter	South West	United Kingdom
Jan 09 – Dec 09	59,500 (76.6%)	216,500 (76.4%)	2,506,000 (74.1%)	29,076,000 (70.7%)
Jan 14 – Dec 14	67,100 (80.0%)	228,700 (78.9%)	2,611,000 (76.1%)	30,789,000 (73.0%)
Oct 17 – Sept 18	67,000 (77.5%)	233,800 (78.7%)	2,787,000 (79.1%)	32,535,000 (75.8%)
Change (between 2009 – 2017/18)	*7,500 (+12.6%)*	*17,300 (+8.0%)*	*281,000 (+11.2%)*	*3,459,000 (11.9%)*

Source: NOMIS

The increase in the numbers of residents in employment is again most evident in Exeter, where the growth in absolute numbers (7,500) and proportionate increase (+12.6%) are both markedly larger than any of the neighbouring local authorities. Proportionately, the Exeter increase is also slightly larger than the regional and national increases over the same time. Table 2.4 provides a breakdown for the four Local Authority areas within Greater Exeter – again showing that East Devon, Mid Devon and Teignbridge have had much lower rates of growth than Exeter, the South West or the UK.

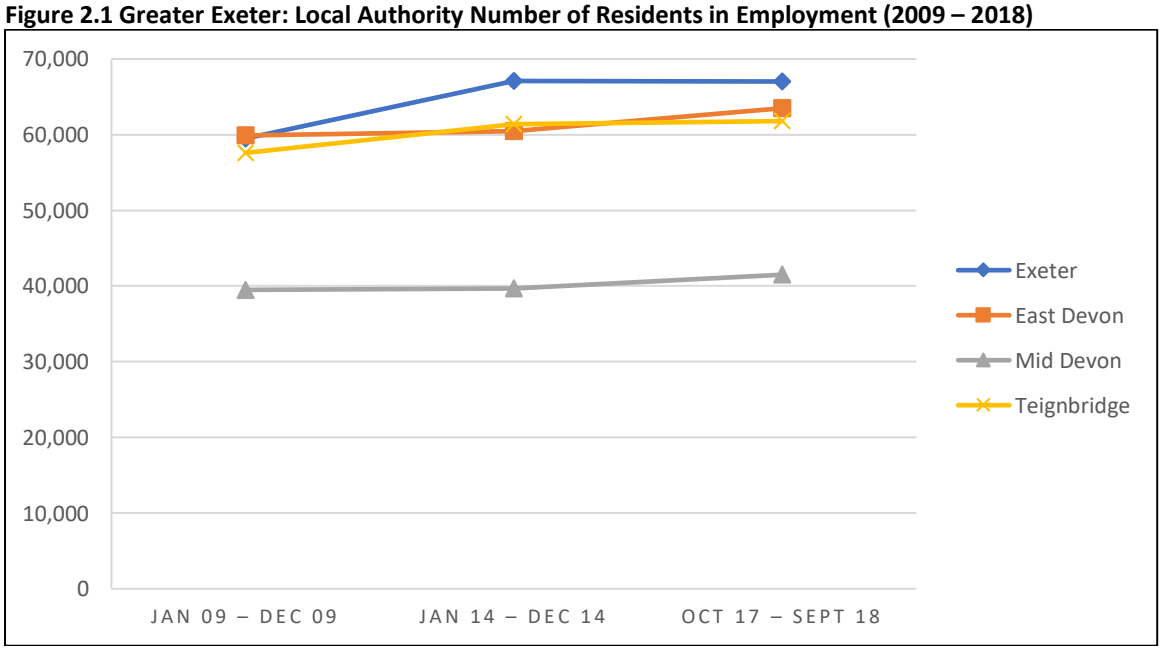
Table 2.4 Greater Exeter: Local Authority Numbers in Employment (2009 – 2018)

	Exeter	East Devon	Mid Devon	Teignbridge
Jan 09 – Dec 09	59,500	59,900	39,500	57,600
Jan 14 – Dec 14	67,100	60,500	39,700	61,400
Oct 17 – Sept 18	67,000	63,500	41,500	61,800
Change (between 2009 – 2017/18)	*7,500 (+12.6%)*	*3,600 (+6.0%)*	*2,000 (+5.0%)*	*4,200 (+7.3%)*

Source: NOMIS

Figure 2.1 illustrates the difference in growth for the four Local Authority areas within Greater Exeter.

Figure 2.1 Greater Exeter: Local Authority Number of Residents in Employment (2009 – 2018)



While the overall growth in the number of Exeter residents who are economically active and, hence, the numbers who are in employment are closely linked to the growth in population in the city, it is worth examining some significant underlying trends that do not follow exactly the same pattern. These trends are useful for informing the development of the skills strategy, as they highlight how some particular groups of Exeter residents have been affected by the overall growth in employment. There are three underlying trends that stand out as being noteworthy in this respect:

- The continuing reduction in the numbers of people who are unemployed;
- The slight decrease in the number of people who are employees; and
- The very marked increase in the number of people who are self-employed.

- ***The reduction in the numbers of residents who are unemployed***
  Table 2.5 illustrates the decline in the number of unemployed residents in all Local Authorities in greater Exeter between 2009 and 2018, with the biggest absolute decrease being 2,100 in Exeter.

Table 2.5 Greater Exeter: Local Authority Numbers of Residents Unemployed (2009 – 2018)

	Exeter	East Devon	Mid Devon	Teignbridge	Total
Jan 09 – Dec 09	4,100	2,400	2,100	3,000	11,600
Jan 14 – Dec 14	3,600	2,200	1,400	2,500	9,700
Oct 17 – Sept 18	2,000	1,300	900	1,400	5,600
Change (2009-18)	*-2,100 (-51.2%)*	*-1,100 (-45.8%)*	*-1,200 (-57.1%)*	*-1,600 (-53.3%)*	*-6,000 (-51.7%)*

Source: NOMIS

- ***The decrease in the number of residents who are employees***
  Table 2.6 shows that within Exeter there has also been a **decrease** in the number of residents who are employees – by 1,900 (–3.4%) between 2009 and 2018. This is in direct contrast to the three other Local Authorities in greater Exeter, all of whom increased by at least 3%.

Table 2.6 Greater Exeter: Local Authority Numbers of Residents who are Employees (2009 – 2018)

	Exeter	East Devon	Mid Devon	Teignbridge	Total
Jan 09 – Dec 09	55,400	47,500	32,000	47,800	182,700
Jan 14 – Dec 14	58,000	46,200	27,000	53,400	184,600
Oct 17 – Sept 18	52,600	49,500	33,000	50,900	186,000
Change (2009-18)	*-1,900 (-3.4%)*	*2,000 (+4.2%)*	*1,000 (+3.1%)*	*3,100 (+6.4%)*	*3,300 (+1.8%)*

Source: NOMIS

- ***The increase in the number of residents who are self-employed***
  There has been a very significant growth in the number of residents who are self-employed in both Exeter and East Devon between 2009 and 2018. In Exeter there has been an increase of c.8,000 to c.14,000 from just 5,900 in 2009, while in East Devon the number has grown by 2,300. The 13,900 self-employed people in Exeter represent 15.7% of the working age population (aged 16 – 64 years) of 88,800 and 10.8% of the total population in the city of 128,900.

Table 2.7 Greater Exeter: Local Authority Numbers of Residents in Self-Employment (2009 – 2018)

	Exeter	East Devon	Mid Devon	Teignbridge	Total
Jan 09 – Dec 09	5,900	11,100	7,600	9,800	34,400
Jan 14 – Dec 14	8,700	14,300	11,900	8,000	42,900
Oct 17 – Sept 18	13,900	13,400	8,000	10,100	45,400
Change (2009-18)	*8,000 (+136%)*	*2,300 (+20.7%)*	*400 (+5.2%)*	*300 (+3.1%)*	*11,00 (+31.2%)*

Source: NOMIS

These figures demonstrate some interesting factors at play in Exeter's economy – while the overall number of residents in employment has risen over the last decade, the number who are employees has actually *decreased*. At the same time, the number who are unemployed has also decreased markedly. However, the very marked *increase* in the number of self-employed Exeter residents has more than compensated for these two changes. Indeed, the self-employed now account for 14.4% of those aged 16-64 - a higher percentage than across the South West (12.2%) and the UK (10.6%).

2.1.3 Employment by occupation

Table 2.8 below presents data on the occupations of residents in employment (including employees, self-employed, those on government-supported training and employment programmes; and those doing unpaid family work).

The table clearly shows the greater proportion of higher-level occupations (managerial, professional and associate professional/technical jobs) among residents of the city – accounting for over half of their occupations (53.7%) compared with Greater Exeter (47.2%), the South West (44.7%) and the UK (45.6%). The table also show two further marked differences between Exeter and the regional and national occupational profiles:

- The slightly greater proportion of elementary level occupations among Exeter residents. These job roles accounting for 14.6% of occupations compared with residents of the South West (10.6%) and the UK (10.5%); and
- The markedly lower proportion of skilled trades and caring, leisure and service occupations among Exeter residents. These job roles accounting for just 9.0% of occupations among city residents compared with those of the South West (20.8%) and the UK (19.3%).

Table 2.8 Employment by occupation (% of those in employment)

	Exeter	Greater Exeter	South West	United Kingdom
Managers, Directors and Senior	6,200 (9.2%)	(12.3%)	(11.2%)	(10.7%)
Professional Occupations	15,800 (23.5%)	(20.3%)	(19.1%)	(20.4%)
Associate Professional & technical	14,100 (21.0%)	(16.6%)	(14.4%)	(14.5%)
Admin & secretarial	5,300 (7.9%)	(8.7%)	(9.7%)	(10.2%)
Skilled trades	2,800 (4.1%)	(8.9%)	(11.4%)	(10.2%)
Caring, leisure and services	3,300 (4.9%)	(9.7%)	(9.4%)	(9.1%)
Sales & customer service	6,100 (9.2%)	(5.9%)	(7.5%)	(7.6%)
Process plant & machine ops	3,700 (5.6%)	(5.7%)	(6.3%)	(6.4%)
Elementary occupations	9,800 (14.6%)	(12.0%)	(10.9%)	(10.5%)
Total	**67,100 (100%)**	**(100%)**	**(100%)**	**(100%)**

Source: ONS Annual Population Survey: Oct 207 – Sept 2018

Table 2.9 contains the occupational data for each of the four Local Authorities within Greater Exeter. It highlights some further differences between Exeter and the other three LAs:

- The lower proportion of elementary level occupations among Mid Devon (8.0%) and Teignbridge (10.7%) residents; and
- The markedly higher proportions of skilled trades and caring, leisure and service occupations among residents of East Devon (23.7%) and Teignbridge (23.5%).

Table 2.9 Greater Exeter: Local Authority Employment by occupation (% of those in employment)

	Exeter	East Devon	Mid Devon	Teignbridge
Managers, Directors and Senior	6,200 (9.2%)	8,900 (14.0%)	4,900 (11.7%)	8,900 (14.3%)
Professional Occupations	15,800 (23.5%)	12,300 (19.4%)	8,200 (19.7%)	11,200 (18.1%)
Associate Professional & technical	14,100 (21.0%)	7,200 (11.3%)	7,200 (17.4%)	10,300 (16.3%)
Admin & secretarial	5,300 (7.9%)	5,300 (8.3%)	5,700 (13.7%)	4,100 (6.7%)
Skilled trades	2,800 (4.1%)	7,200 (11.4%)	3,900 (9.4%)	7,000 (11.3%)
Caring, leisure and services	3,300 (4.9%)	7,800 (12.3%)	4,000 (9.6%)	7,500 (12.2%)
Sales & customer service	6,100 (9.2%)	3,100 (4.8%)	2,200 (5.3%)	2,300 (3.7%)
Process plant & machine ops	3,700 (5.6%)	3,400 (5.3%)	2,100 (5.1%)	4,100 (6.6%)
Elementary occupations	9,800 (14.6%)	8,300 (13.1%)	3,300 (8.0%)	6,600 (10.7%)
Total	**67,100 (100%)**	**63,500 (100%)**	**41,500 (100%)**	**61,800 (100%)**

Source: ONS Annual Population Survey: Oct 207 – Sept 2018

As noted, Exeter has a greater proportion of its residents (53.7%) in higher-level occupations than Greater Exeter (47.2%), the South West (44.7%) and the UK (45.6%). Table 2.10 and figure 2.2 show how this growth has continued in the city over a sustained period of time.

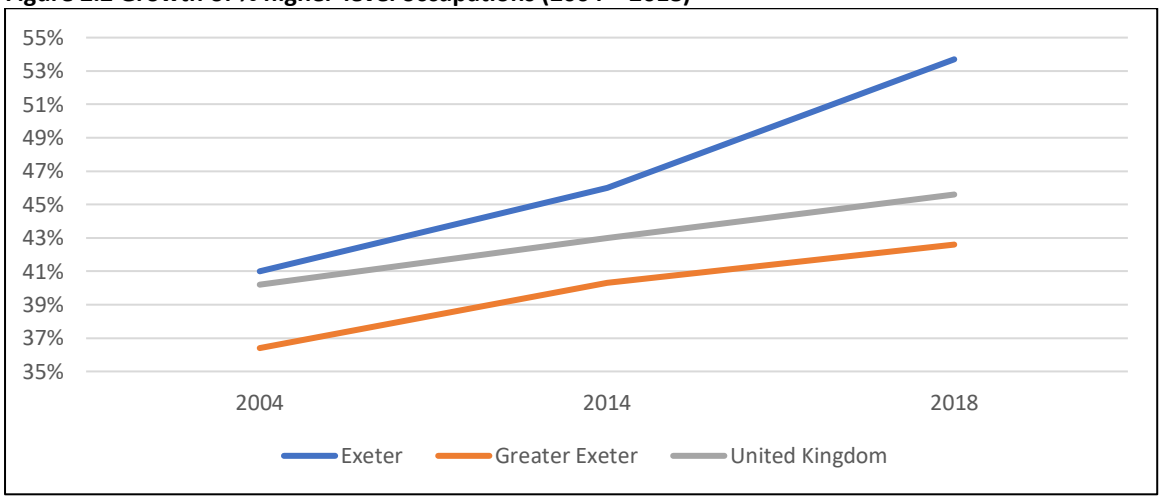
Figure 2.2 Comparison (%) of higher-level occupations among residents (2004 – 2018)

	Exeter	Greater Exeter	United Kingdom
2018	53.7%	42.6%	45.6%
2014	46.0%	40.3%	43.0%
2004	41.0%	36.4%	40.2%

Source: ONS Annual Population Survey

It is also worth remembering that SLIM emphasised this point in their EHOD Evidence base for 2014[1]: *"the employment growth in Exeter been accompanied by a growing concentration of employment in these higher-level occupations. Although all parts of the UK have seen an increase in (these) jobs, the increase in Exeter over the last ten years (5%) has been faster than that seen across HotSW (4%) or the UK (3%)."* Figure 2.3 below illustrates that this growth has continued at an accelerated rate since 2014.

Figure 2.2 Growth of % higher-level occupations (2004 – 2018)



Source: ONS Annual Population Survey

It was also highlighted above there has been growth in the number of Exeter residents employed in elementary occupations. This trend towards growth at the top and bottom end of the occupational classifications further corresponds with a reference made by SLIM in their report: that an 'hourglass' shaped labour market is emerging. SLIM cite the words of Ewart Keep, Director of SKOPE[2]:

> *"There is little evidence that we are currently moving to a world where all jobs demand a high level of formal skills, or which are interesting or well rewarded. In fact, our labour market is following US trends, and is polarising, with growth at the top and the bottom…. the 21st century still demands quite a lot of people who can flip burgers, collect refuse, clean your house, mind your kids, wait table, care for the sick and elderly, clean your office, guard your buildings/cars/airports, serve behind the counter or at checkout in stores, or pull your pint"*[3].

While SLIM noted that the implications for social mobility and institutions working to help people to move through the narrowing "hour glass" shaped labour market were considerable, there are also considerations associated with the skills needs of the occupations that have grown so markedly and the need to continue to suitably qualified recruits for these roles.

[1] SLIM, Marchmont Observatory, University of Exeter: Exeter and Heart of Devon (EHOD) Skills Plan Evidence Base, 2015

[2] The Centre of Skills Knowledge & Organisational Performance at the University of Oxford

[3] Keep, E. *The future of work may not be highly skilled*, The Edge, Issue 5, ESRC 2000.

2.1.4 Employees by industry

This section presents data about the industrial sector in which employees in Exeter work. It is important to note that the section discusses **all employees** working in Exeter, that is, it includes the employees who are Exeter residents and those who commute in from elsewhere, rather than just the employees who are residents of Exeter as in the previous sections 2.1.1 – 2.1.3. Table 2.11 below shows that, compared to the national average, Exeter has higher concentrations of employment in:

- Information and Communication;
- Professional, scientific and technical activities;
- Business admin & support; and
- Public administration, education, health and social work.

Table 2.11 Employees by industrial sector – Standard Industrial Classification (% of all employees)

	Exeter	Greater Exeter	South West	United Kingdom
Manufacture, mining, quarrying, utilities, etc (B-E)	4,760 (5.7%)	(8.1%)	(10.0%)	(9.6%)
Construction (F)	4,000 (4.4%)	(6.3%)	(5.3%)	(4.8%)
Wholesale, retail, motor trade (G)	13,000 (14.3%)	(17.6%)	(16.0%)	(15.2%)
Transport & storage (H)	2,500 (2.7%)	(3.7%)	(3.6%)	(4.7%)
Accommodation & food services (I)	6,000 (6.6%)	(9.8%)	(9.8%)	(7.5%)
Information & communication (J)	4,500 (4.9%)	(3.6%)	(3.6%)	(4.4%)
Finance & real estate (K-L)	4,000 (4.4%)	(3.4%)	(5.0%)	(5.2%)
Professional, scientific, etc (M)	8,000 (8.8%)	(7.0%)	(7.3%)	(8.4%)
Business admin & support (N)	9,000 (9.9%)	(7.3%)	(7.4%)	(9.1%)
Public admin, education, health (O, P & Q)	22,000 (35.2%)	(23.5%)	(27.3%)	(26.4%)
Arts, entertainment & other (R & S)	2,750 (3.5%)	(4.6%)	(4.4%)	(4.6%)
Total employment	91,000 (100%)	(100%)	(100%)	(100%)

Source: ONS Business Register and Employment Survey 2017

Table 2.12 contains the same data for the greater Exeter local authorities and shows that, in comparison to Exeter and the national average the surrounding districts (East Devon, Mid Devon and Teignbridge) have higher concentrations of employment in:

- Construction;
- Wholesale & retail;
- Accommodation and food services; and
- Transport & storage.

Table 2.12 Greater Exeter: Local Authority: Employees by industrial sector (% of all employees)

	Exeter	East Devon	Mid Devon	Teignbridge
Manufact, mine, quarry, utile, etc (B-E)	4,760 (5.7%)	2,910 (6.6%)	4,270 (17.8%)	4,655 (10.4%)
Construction (F)	4,000 (4.4%)	3,500 (8.0%)	1,750 (7.3%)	3,500 (7.8%)
Wholesale, retail, motor trade (G)	13,00 (14.3%)	9,000 (20.5%)	5,000 (20.8%)	9,000 (20.0%)
Transport & storage (H)	2,500 (2.7%)	2,500 (5.7%)	1,250 (5.2%)	1,250 (2.8%)
Accommodation & food services (I)	6,000 (6.6%)	6,000 (13.6%)	2,000 (8.3%)	6,000 (13.3%)
Information & communication (J)	4,500 (4.9%)	1,250 (2.8%)	400 (1.7%)	1,250 (2.8%)
Finance & real estate (K-L)	4,000 (4.4%)	1,200 (2.7%)	450 (1.8%)	1,300 (2.9%)
Professional, scientific, etc (M)	8,000 (8.8%)	2,500 (5.7%)	1,250 (5.2%)	2,500 (5.6%)
Business admin & support (N)	9,000 (9.9%)	2,000 (4.5%)	900 (3.8%)	3,000 (6.7%)
Public admin, education, health (O, P, Q)	22,00 (35.2%)	10,500 (23.9%)	5,350 (22.2%)	10,000 (22.2%)
Arts, entertainment & other (R & S)	2,750 (3.5%)	2,750 (6.2%)	1,400 (5.9%)	2,500 (5.6%)
Total employment	**91,000 (100%)**	**44,000 (100%)**	**24,000 (100%)**	**45,000 (100%)**

Source: ONS Business Register and Employment Survey 2017

2.1.5 Jobs density

As has often been noted, Exeter is overall an "employment magnet" drawing in many commuters from the surrounding areas. Census data from 2011 indicate that there is a net inflow of c.26,000 commuters, made up of c.37,000 commuters (or c.45% of the workforce) coming into the city and c.11,000 going out. The majority of the 37,000 live in the three surrounding greater Exeter local authority areas.

The need for this large inflow of commuters is shown by the job density figures which represent the ratio of total jobs to population aged 16-64 resident in any given area. The South West average is 0.89 and the national figure is 0.86. Table 2.13 shows how Exeter has a higher ratio than either the regional or national figure – and is far higher than the other Greater Exeter local authorities. Indeed, its job density ratio is actually higher than Greater London (1.02), Bristol (1.01) or Manchester (1.14). This illustrates the vital significance of the city in providing jobs for the whole locality.

Table 2.13 Greater Exeter: Jobs density by local authority

	Exeter	East Devon	Mid Devon	Teignbridge
Total jobs	105,000	61,000	37,000	59,000
Jobs density	1.19	0.79	0.78	0.78

Source: ONS Jobs Density 2017 (The density figures represent the ratio of total jobs to population aged 16-64.)

2.1.6 Private and public sector employment

The profile of employment in Exeter is also distinct in one further aspect – the high number of public sector employees based in the city, compared with elsewhere. The latest NOMIS figures for 2017 indicate that of the c.91,000 employees in the city, nearly a quarter (23.9%) are public sector employees and three quarters (76.1%) private sector. Table 2.14 shows that this proportion of public sector employees is much higher than that found elsewhere in greater Exeter, regionally or nationally. Indeed, the Centre for Cities reports that Exeter has the ninth highest proportion of public sector jobs.

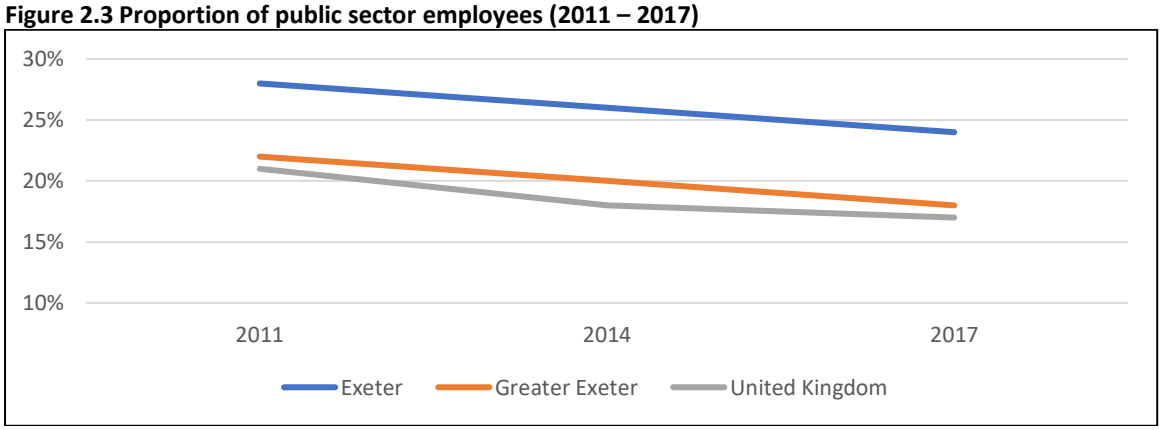
Table 2.14 Greater Exeter: Private and public sector employees

	Exeter	East Devon	Mid Devon	Teignbridge	South West	UK
Private sector	69,399 (76.1%)	39,154 (87.2%)	22,018 (87.5%)	39,072 (85.9%)	2,024,848 (83.4%)	24,453,972 (82.8%)
Public sector	21,839 (23.9%)	5,731 (12.8%)	3,158 (12.5%)	6,399 (14.1%)	403,500 (16.6%)	5,095,918 (17.2%)
Totals	91,238	44,885	25,176	45,471	2,428,348	29,549,891

Source: ONS Business Register and Employment Survey 2017

As would be expected, figure 2.3 shows how the proportion of public sector employees in Exeter has decreased in recent years, broadly in line with national and local trends.

Figure 2.3 Proportion of public sector employees (2011 – 2017)



Source: ONS Business Register and Employment Survey

2.2 Pay

Tables 2.15 and 2.16 below contain data on the median gross weekly wage for full-time workers – based on their place of residence and workplace respectively. The two tables demonstrate again the impact of the number of high-level occupations found in Exeter and their associated higher wages – both on the median earnings in the city and also on the surrounding areas. Overall, Exeter has markedly higher wages than either of the three other Local Authorities in the greater Exeter area. However, they are still slightly below the South West median and noticeably below the UK median, albeit that is influenced by the disproportionate impact of the City of London.

Table 2.15 Median earnings by residence (2018)

	Exeter	East Devon	Mid Devon	Teignbridge	South West	UK
Gross weekly wage (FT workers)	£529.20	£486.30	£505.90	£476.30	£537.60	£569.00

Source: ONS Annual Survey of Hours and Earnings – median earnings from resident analysis (2018)

Table 2.16 illustrates the impact of commuting into Exeter on the median wages of surrounding areas and, of course, why people choose to do it. This is evident from the fact that median earnings by residence are higher in East Devon, Mid Devon and Teignbridge than the median earnings in the workplaces of these areas. Conversely, it is also apparent that median earnings by residence (£529.20) in Exeter are actually *lower* than median earnings by workplace (£564.10) in the city.

Table 2.16 Median earnings by workplace (2018)

	Exeter	East Devon	Mid Devon	Teignbridge	South West	UK
Gross weekly wage (FT workers)	£564.10	£476.10	£478.90	£459.90	£531.20	£569.00

Source: ONS Annual Survey of Hours and Earnings - median earnings from workplace analysis (2018)

2.3 Unemployment and disadvantage

Tables 2.17 and 2.18 show how the growth in employment in Exeter has impacted positively on the level of unemployment in the city and in the surrounding greater Exeter local authority areas. The Centre for Cities reported that Exeter had the third lowest claimant count in the UK in Nov 2018. There have been successive reductions in the number of residents claiming benefits and the proportionate figures are below the regional and national averages. Table 2.17 shows that most of the working age claimants were Employment Support Allowance or Incapacity benefit claims in 2016, although the proportion of these claimants was below the regional and national levels across greater Exeter.

Table 2.17 Working age clients – main out-of-work benefits (2016)

	Exeter	East Devon	Mid Devon	Teignbridge	South West	UK
Total (% of 16-64 residents)	7,710 (8.8%)	6,230 (8.2%)	4,150 (8.9%)	7,360 (9.8%)	62,394 (9.7%)	1,016,289 (11.0%)
Job Seekers	0.7%	0.6%	0.7%	0.6%	0.8%	1.1%
ESA/Incapacity	5.2%	4.6%	4.8%	5.4%	5.5%	6.1%
Lone parents	0.7%	0.6%	0.7%	0.7%	0.8%	1.0%
Carers	1.2%	1.3%	1.6%	1.7%	1.4%	1.7%
Others	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%
Disabled	0.8%	0.8%	0.8%	1.0%	0.9%	0.8%
Bereaved	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%

Source: DWP Claimant records

Table 2.18 demonstrates how the decline in the number of claimants has followed the same broad pattern across the four local authorities in greater Exeter since 2010, albeit being noticeably more marked in Exeter given a higher starting point.

Table 2.18 Percentage of resident working age population claiming benefits (2010 – 2018)

	Exeter	East Devon	Mid Devon	Teignbridge	South West	UK
Nov 2010	11.9%	9.6%	10.0%	11.5%	12.0%	14.3%
Nov 2012	11.6%	9.6%	10.4%	11.5%	12.1%	14.2%
Nov 2014	9.9%	8.8%	9.5%	10.4%	10.8%	12.7%
Nov 2016	8.8%	8.2%	8.9%	9.8%	9.7%	11.0%
Difference (10-16)	*-3.1%*	*-1.4%*	*-1.1%*	*-1.7%*	*-2.3%*	*-3.3%*

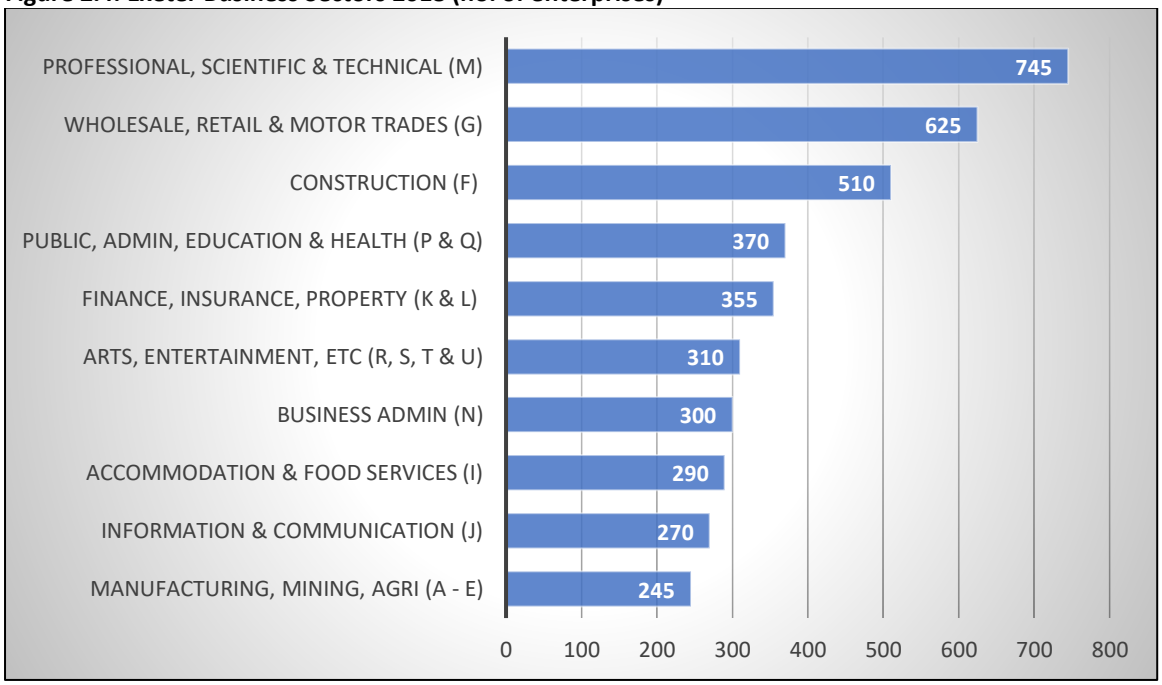
Source: DWP Claimant records

Despite this overall improvement in Exeter of a reduction in 3.1% of the working age population claiming benefits, it should be highlighted that there are still some pockets of deprivation within the city. In particular the wards of St David's and Priory, where around 10% of the working age population are still claiming these benefits.

2.4 Business base (number of business enterprises)

The latest Business Register and Employment Survey (BRES) data indicates that Exeter has 4,105 business enterprises, an increase of 600 (17.1%) from 2010. Figure 2.4 shows the distribution of these enterprises between the different main SIC classifications. The largest number of enterprises are found in the professional, scientific and technical sector, accounting for nearly one fifth of all enterprises across the city (18.2%). These are followed in number by enterprises in the wholesale, retail & motor trades (15.2%) and construction (12.4%) sectors.

Figure 2.4: Exeter Business Sectors 2018 (no. of enterprises)



Source: ONS Business Register and Employment Survey

It is noticeable that in many ways the distribution of enterprises shown in the figure is markedly different from the distribution of employees reported in section 2.1. This is because of the varied size of the average number of employees at enterprises in each sector – with, for instance, there being comparatively more enterprises in the wholesale, retail and motor trades (where 13,000 employees work at 625 enterprises = c.20 employees on average) and construction (4,000 employees at 510 enterprises = c.8 employees on average) sectors and fewer enterprises in the public admin, education, health and social work sector (22,000 employees at 370 enterprises = c.60 employees on average).

The number of business enterprises in Exeter has increased by 600 (17.1%) from 3,505 to 4,105 since 2010. Table 2.19 below shows that this growth has been particularly strong in the professional, scientific and technical sector, where there are 235 (+46.1%) new enterprises as well as in the public admin, education, health and social work sector where there are 110 new enterprises (42.3%). The other sectors that have seen substantial increases are information & communication (70 new enterprises), business admin (55 new enterprises) and construction (50). Between them, these five sectors account for 520 (87%) out of the 600 total new enterprises in the city.

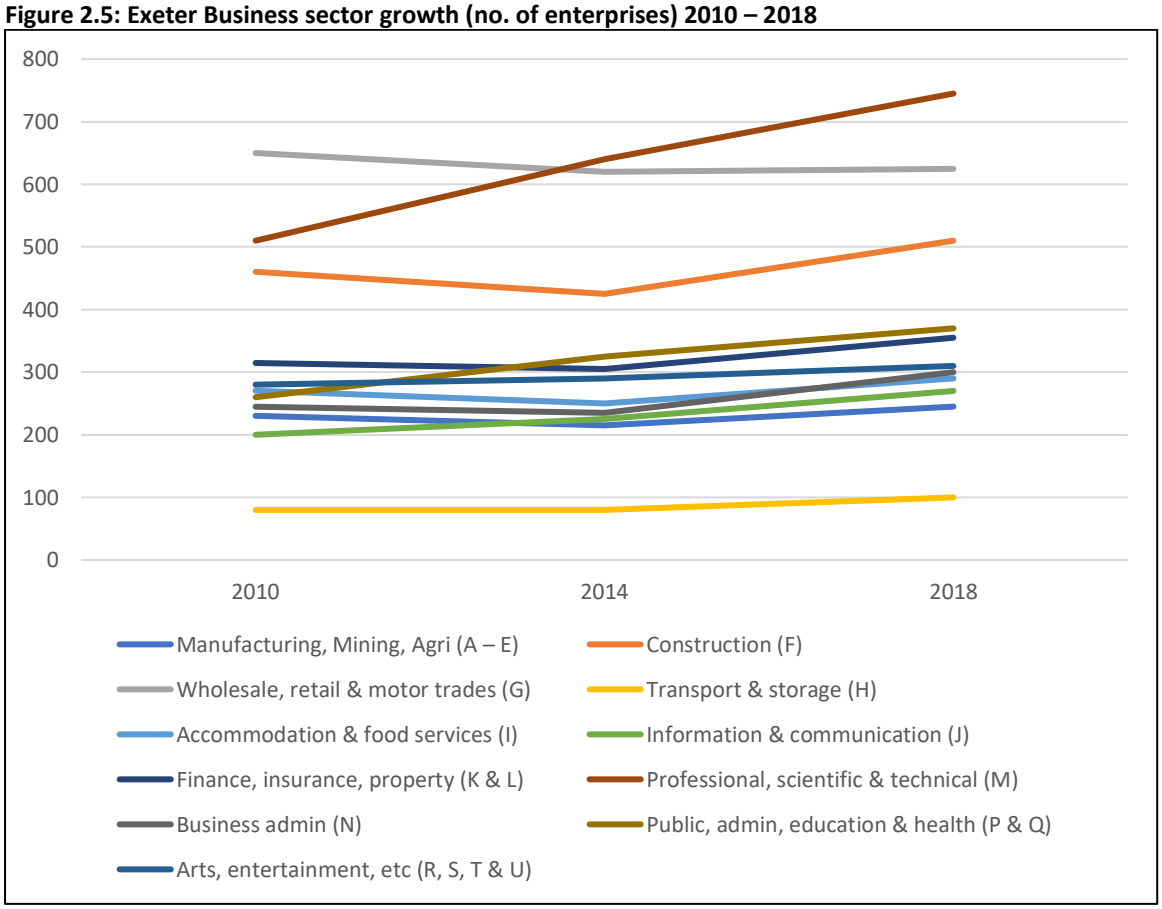
Table 2.19: Exeter Business sector growth (no. of enterprises) 2010 – 2018

	2010	2014	2018	Growth 2010-2018 (%)
Manufacturing, Mining, Agri (A – E)	230	215	245	+15 (6.5%)
Construction (F)	460	425	510	+50 (10.9%)
Wholesale, retail & motor trades (G)	650	620	625	-25 (-3.8%)
Transport & storage (H)	80	80	100	+20 (25%)
Accommodation & food services (I)	270	250	290	+20 (7.4%)
Information & communication (J)	200	225	270	+70 (35%)
Finance, insurance, property (K & L)	315	305	355	+40 (12.7%)
Professional, scientific & technical (M)	510	640	745	+235 (46.1%)
Business admin (N)	245	235	300	+55 (22.4%)
Public, admin, education & health (P & Q)	260	325	370	+110 (42.3%)
Arts, entertainment, etc (R, S, T & U)	280	290	310	+30 (10.7%)
Total business count	**3,505**	**3,600**	**4,105**	**+600 (17.1%)**

Source: https://www.nomisweb.co.uk/query/construct/submit.asp?forward=yes&menuopt=201&subcomp=

Figure 2.5 below illustrates this different sectoral growth pattern.

Figure 2.5: Exeter Business sector growth (no. of enterprises) 2010 – 2018



It is also worth noting that the 17.1% increase in numbers of enterprises in the city since 2010 is exactly the same proportion as that found across the South West over this time period (17.1%). This proportionate increase is higher than that which has occurred in the surrounding greater Exeter areas, though in Teignbridge and East Devon the actual number of new enterprises created has been higher than in Exeter (705 in both respectively compared with 600). Furthermore, the growth in enterprises in the greater Exeter area and across the South West lags markedly behind the national growth pattern, recorded as +27.7%. Table 2.20 below contains the details.

Table 2.20: Growth in total number of Business Enterprises 2010 – 2018

	2010	2014	2018	Change 2010-2018 (%)
Teignbridge	5,050	5,120	5,755	+705 (14.0%)
Mid Devon	4,135	4,210	4,520	+385 (9.3%)
East Devon	5,680	5,780	6,385	+705 (12.4%)
Exeter	3,505	3,600	4,105	+600 (17.1%)
South West	197,935	207,470	231,745	+33,810 (17.1%)
Great Britain	2,031,845	2,197,000	2,596,320	+564,475 (27.7%)

2.5 Recruitment and vacancies

It is very important to note that this section should be read in conjunction with the findings from the survey of Exeter businesses that is being conducted simultaneously with the collation of this evidence base. This is because the best source of data on this subject is the national Employer Skills Survey[4] (ESS), which has been conducted every two years since 2011. While the findings from the most up-to-date ESS survey (2017) have recently been produced, they only cover the LEA of Devon and England.

Therefore, this section presents the key findings from the 2017 ESS alongside some supplementary findings from a small-scale survey of Exeter businesses conducted by ECC in 2018 and the *2017 Devon Workforce Skills Survey* produced by Devon County Council. To provide some context to the detail for Devon that follows, it is worth first quoting from the EES main report summary about the changes in the national picture over the last few years:

> *"Levels of recruitment activity provide an indication of growth and change in the labour market and wider economy. Recruitment activity has continued to grow since 2015, with one in five UK employers (20%) having any vacancies at the time of fieldwork (1% increase from 2015), with these employers reporting a total of just over one million vacancies (1,007,000), a 9% increase on the figure in 2015. Growth in recruitment activity was evident across most of the UK…*
>
> *When employers have vacancies, potential employees are either able and willing to meet employer requirements, or they are not. In line with previous years, a third of vacancies in the UK (33%) were considered hard to fill. When employers struggle to fill vacancies, this is often due to a lack of the required skills, qualifications or experience among applicants. Collectively these are known as 'skill-shortage-vacancies'.*
>
> *Although relatively few employers experienced them at the time of the survey… these employers reported a range of impacts resulting from them, including increased workloads for other staff; loss of business or orders to competitors; delays developing new products or services; and difficulties introducing new working practices.*

[4] https://www.gov.uk/government/publications/employer-skills-survey-2017-england-and-local-toolkit It is important to note that while the EES is the largest (87,000 employers participated in 2017) and the most authoritative source of data on vacancies and skills needs, the survey only covers businesses with 2 or more employees. Given the high prevalence of one person businesses in Devon, this should be borne in mind when considering the results.

There has been an 8% increase in the number of skill-shortage vacancies compared with 2015: from 209,000 to 226,000. This increase in the number of skill-shortage vacancies was similar to the proportional increase in vacancies, meaning the density of skill-shortage vacancies (i.e. the proportion of vacancies that were hard to fill because of reported skill shortages) has remained stable since 2013."

The main findings from the 2017 ESS data for Devon indicate that while the proportions of businesses who had recruited in the last year (47%) or had a vacancy at the time of the survey (19%) were almost the same as in England (51% and 20% respectively), in some respects the county has a slightly higher prevalence of recruitment and skills issues than that found across the country. Table 2.21 contains the details which shows that for both hard-to-fill vacancies and skills-shortage-vacancies[5], Devon had a higher prevalence rate than England as whole. For vacancies and skills gaps[6] it had the same level.

Table 2.21: Vacancies in Devon and England (% of employment) 2017

	England (%)	Devon (%)	Devon (No.)
Number of vacancies	4%	4%	12,009
Number of hard-to-fill vacancies	1%	2%	5,901
Number of skills-shortage-vacancies	1%	1%	3,539
Number of staff members with skills gaps	4%	5%	16,770

Source: National Employer Skills Survey 2017

What is perhaps equally concerning for the county is that the previous ESS in 2013 reported that Devon had the same or lower levels of prevalence than England. Indeed, not only has the total number of vacancies in Devon nearly doubled from 6,771 in 2013 to 12,009 in 2017, but the number that are hard-to-fill has more than tripled from 1,628 to 5,901. Furthermore, the survey shows that:

- In 2013 there were nearly 1,200 vacancies in Devon that employers could not fill because they could not find applicants with the required skills and that by 2017 this number was 3,539;
- Similarly, in 2013 there were over 13,500 employees in the county who did not have the skills required to perform their current job – by 2017 this had increased to 16,770.

When they were asked about the wider recruitment reasons *why* they had hard to fill vacancies, the Devon employers gave some answers that were markedly different from those given by employers across England. It is important to note the wider reasons given because they demonstrate a range of issues that were often specific to the profile of Devon's businesses and the associated types of jobs on offer, in relation to the required attitudes and motivation of the applicants.

Table 2.22 overleaf shows that for many of the most common reasons there were marked differences between those reported by Devon businesses and those elsewhere. The table shows that Devon employers were more likely to report the wider reasons for having hard-to-fill vacancies as being:

- Not enough people interested in doing this type of job;
- Low number of applicants with the required attitude, motivation or personality;
- Remote location/poor public transport; or
- Job entails shift work/unsociable hours.

Conversely, Devon employers were less likely to report that the reasons were:

- Low number of applicants with right skills; or
- Lack of work experience the company demands.

[5] Skills-shortage-vacancies (SSVs) are vacancies that were hard to fill because of a lack of applicants with the required skills.

[6] Skills gaps exist where employers have employees who lack skills required to perform their current job.

Table 2.22: Main reasons for hard-to-fill vacancies in Devon and England (% of vacancies) 2017

	England (%)	Devon (%)	*Difference (+/- %)*
Low number of applicants with right skills	38%	28%	*-10%*
Not enough people interested in doing this type of job	24%	36%	*+12%*
Lack of work experience the company demands	18%	9%	*-9%*
Low number of applicants with the required attitude, motivation or personality	16%	25%	*+9%*
Remote location/poor public transport	11%	23%	*+12%*
Job entails shift work/unsociable hours	10%	17%	*+7%*

Source: National Employer Skills Survey 2017

Returning to the national picture, to consider skills-shortage-vacancies, the ESS report states that these types of vacancies were particularly prevalent in certain sectors and occupations:

> *"They were most numerous in the Business Services sector, though as a proportion of all vacancies in the sector, the density of such vacancies was highest in Construction where over a third of vacancies (36%) were considered skill-shortage vacancies… By occupation, employers were most likely to have experienced skills-related difficulties when recruiting for Skilled Trades positions (such as chefs, electricians, and vehicle technicians). Around two in every five Skilled Trades vacancies were proving hard to fill for skills related reasons (42%). This occupation has had the highest density of skill-shortage vacancies in all previous iterations of the ESS series."*

The skills that were most often needed were:

> *"The skills that employers found to be lacking among applicants ranged across both technical and practical skills, and people and personal skills. On the technical side, employers reported a lack of digital skills, skills related to operational aspects of the role, and a lack of complex analytical skills. The main people and personal skills lacking predominantly related to self-management skills, management and leadership, and sales and customer handling skills."*

The Devon Workforce Skills survey 2017[7] (DWSS conducted in both 2016 and 2017) provided overarching findings that broadly supported these national trends and themes, though it also produced some specific points of interest:

- There was an increase in the number of vacancies being reported by Devon micro businesses, particularly in the Transport and Storage and Education sectors;
- The results in both 2016 and 2017 show that a lack of applicants generally was a very particular concern for Devon. In 2017, the proportion reporting this was more than twice the national average.
- 10% of businesses within the sample have particular jobs in which they are experiencing difficulties retaining staff, which is a 53% increase on 2016.
- Recruitment has increased over the last year in Devon and is significantly higher than the UK 2015 average, with more than two-thirds reporting they recruited in the past year.
- Across the two surveys, basic numerical skills and understanding was the most cited skill priority; and
- Businesses surveyed appear to be increasing their capabilities in digital and technological skills as the amount of respondent businesses stating that it was very important that all or most of their employees had at least some basic knowledge of how to use everyday technology, had significantly declined in the 2017 DWSS.

[7] 2017 Devon Workforce Skills Survey Final report, Wavehill February 2018

2.6 Forecasts for productivity and employment

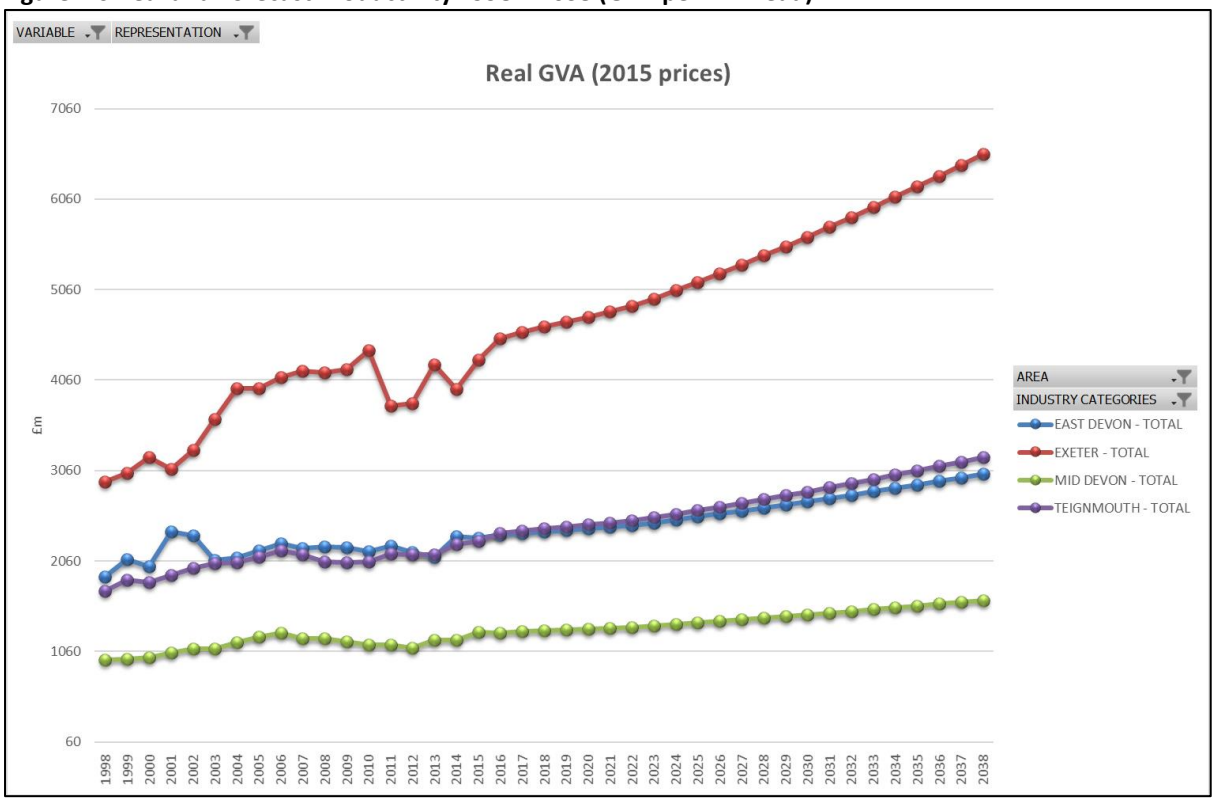
This section presents forecasts for future changes in productivity and employment numbers made using the HotSW Amore Economic model. The following points should be noted about the data:

- The **productivity** data shown in the figures and tables covers a forty-year period from 1998 to 2038, which consists of both "real" data from 1998 up to 2016 and also modelled, forecast data from 2017 onwards to 2038;
- The **employment** data shown in the charts and tables covers the modelled, forecast data up to 2029, with real data from 2016 being used as the base point, because the real data has been provided and discussed in the previous sections of this report;
- Both the productivity and employment forecasts have been provided for Exeter, East Devon, Mid Devon, Teignbridge and Great Britain; and
- The employment numbers shown are based on full-time equivalents (FTEs) – that is, they represent the combined hours worked in part-time jobs to produce an "equivalent" full-time number, based on 30 hours a week. (The data in the previous sector separates full- and part-time jobs into different categories);

2.6.1 Productivity growth and forecasts

Figure 2.6 below shows the pattern of productivity growth in Exeter for the period from 1998 to 2016, during which time it increased by more than 40% from less than £30,000 to over £40,000. While this period of growth was fairly sustained up to 2010, the impacts of the recession thereafter caused some marked dips. However, in the last two years for which real data is available, 2015 and 2016, the average GVA per FTE head has recovered to its 2010 level of over £40,000. The forecast is for steady growth in productivity reaching over £50,000 in 2029 and continuing to over £60,000 in 2038.

Figure 2.6 Real and Forecast Productivity 1998 – 2038 (GVA per FTE head)



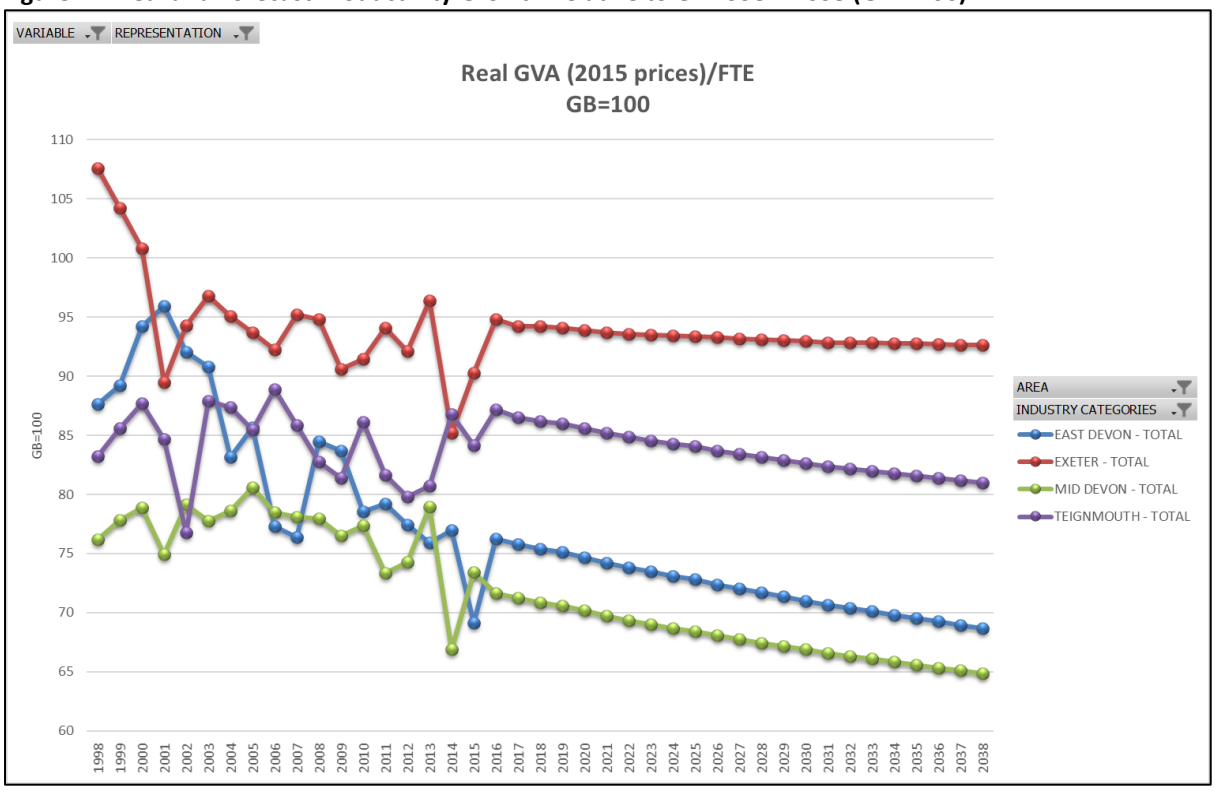
Source: DCC/HotSW Amore Economic model

Figure 2.6 also shows the very marked difference in productivity between Exeter and the surrounding greater Exeter areas – both in terms of its absolute value and the amount that it has increased. Reflecting its occupational and sectoral profile, Exeter's average GVA per FTE head started higher and has increased more. The GVA per FTE head of the three surrounding areas has grown, and is forecast to continue to do so, albeit at a much more modest level.

While these forecasts present a positive picture for the future, in term of growth in productivity, both in Exeter and the greater Exeter area, it is important to contextualise them in relation to the forecast growth across the country. Figure 2.7 presents the historic and forecast productivity figures for Exeter and greater Exeter relative to the GB figure being a "benchmarked" average of 100.

Looking back to 1998, this shows a very different pattern with quite wide fluctuations in comparative growth for each of the four greater Exeter areas. The most noticeable aspect of the figure is that apart from a few occasions in the late 1990s, the ranking for each of the four greater Exeter areas remains consistently below 100, i.e. productivity is increasing, but more slowly than it has elsewhere in GB. Since 2000, Exeter has remained at around 90 – 95% of the national GB figure.

Figure 2.7 Real and Forecast Productivity Growth Relative to GB 1998 – 2038 (GB = 100)



Source: DCC/HotSW Amore Economic model

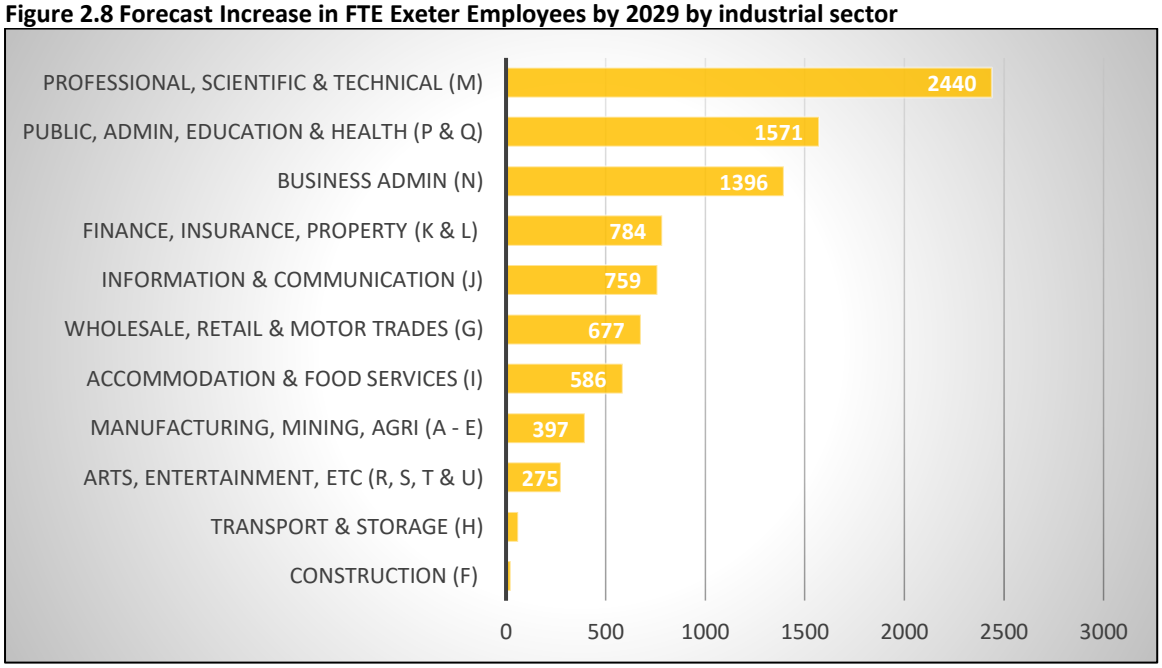
The forecast shows that this pattern will continue to 2038 with the Exeter figure staying between 93% and 95% of the national figure. The forecast figures to 2038 for Teignbridge (c.80% - 85%), East Devon (c.70% - 75%) and Mid Devon (c.65% - 70%) are even further below the national average of 100.

2.6.2 Employment forecasts

Section 2.1.4 presented data about the current employment situation, in terms of the numbers of employees in each major industrial sector. This section presents the forecast data, which indicates that by 2029 there will be 8,972 more FTE employees in Exeter, equivalent to an 11% overall increase. However, most of these jobs are forecast to be in three sectors: professional, scientific and technical (+2,440), human health and social work (+1,483) and business admin and support services (+1,496). Together these sectors account for 60% of the forecast increase in FTEs.

Figure 2.8 below shows the size of the forecast increase in the number of FTE employees in 2029 in the city for each of the major industrial sectors. As well as the extensive growth in the three sectors described above, the figure also shows that growth in the number of FTEs is forecast in finance, insurance and property, information & communication, wholesale, retail & motor trades and accommodation & food services.

Figure 2.8 Forecast Increase in FTE Exeter Employees by 2029 by industrial sector



Source: DCC/HotSW Amore Economic model

Alongside the forecast increase of 8,972 more FTE employees in Exeter (11%), the model also forecasts increases in FTEs in each of the three surrounding areas: Mid Devon = +2,555 (8%), East Devon = +4,569 (9%) and Teignbridge = +4,643 (10%). In each of these three areas, the bulk of the growth is also forecast to be in professional, scientific and technical, human health and social work and business admin and support services FTEs. The other sectors in which significant growth was forecast were:

- East Devon: Accommodation & food service plus Information & communication
- Mid Devon: Wholesale, retail & motor repair; and
- Teignbridge: Accommodation & food service plus wholesale, retail & motor repair.

In total then, the Amore model forecasts that across the greater Exeter area as a whole there will be an increase of over 20,000 FTEs by 2029.

Lastly, it should be highlighted that the different levels of growth in FTEs described above for the Exeter and greater Exeter area should be considered in the overall context of the forecast growth for the nation. The model predicts an increase of +3,235,311 FTEs, which is the equivalent of 11%. While the forecast growth in FTEs in Exeter matches this rate, it should be remembered from the previous section that productivity is not forecast to grow at the same rate as nationally over the period.

3. The Supply of Skills

This section presents an analysis of the available data on the supply of skills in the Exeter and greater Exeter area, together with comparisons with regional and national figures. This analysis has been undertaken to identify the current skills characteristics of the stock of workers in the local workforce in the context of forecast population/workforce changes over the next ten years. This information is central to the process of distinguishing:

- Potential challenges that might restrict the local area from equipping the workforce; and
- Defining changes to the workforce that could affect the availability of the skills needed.

This assessment is then used in section 4 to inform a mapping of likely available skills against those required in the area; and an assessment of the types and causes of any identified skills gaps.

3.1 Population and labour supply

3.1.1 Current population and labour supply

Table 3.1 summarises the current position of the population and labour market in Exeter and its neighbouring local authorities, referred to in this section as Greater Exeter. In 2017, the population of the city was 128,900 while that of Greater Exeter stood at 483,000. The working age population was 288,000 (59.7%), which was below the national average (63%) and ranging from as low as 58% in Mid Devon and Teignbridge, to 60% in East Devon and 62% in Exeter City. Conversely, economic activity is higher than average at 81% of the 16 to 64 population (78% UK). Mid Devon has highest economic activity rates in the area at 85%.

Table 3.1 Population and economic activity (2017)

	Exeter	East Devon	Mid Devon	Teignbridge	SW	UK
Total	128,900	142,300	80,600	131,400	5,559,300	66,040,200
Aged 16-64	88,800 (68.9%)	80,300 (56.4%)	50,400 (62.5%)	77,900 (59.3%)	3,370,800 (60.6%)	41,545,600 (62.9%)
Economic activity - Employees - Self-employed - Unemployed - Other	70,600 - 52,600 - 13,900 - 2,000 - 2,100	63,500 - 49,000 - 13,000 - 1,300 - 200	42,600 - 33,000 - 8,000 - 900 - 700	63,100 - 50,900 - 10,100 - 1,400 - 700	2,877,000 2,787,000 (in. s/em) 91,000 (in. ot'er)	33,906,000 32,535,000 (in. s/em) 1,372,000 (in. ot'er)
Economically inactive - Students - Other (sick, Carers, etc)	18,200 - 7,800 - 10,400	16,800 - n/a - +12,000	7,800 - n/a - n/a	14,800 - n/a - n/a	493,800 - 127,900 - 365,900	7,639,600 - 2,062,700 - 5,576,900

Source: ONS Annual Population Survey: Oct 207 – Sept 2018 / Labour Force Survey 2018

As noted in the previous section, the urban centre of Exeter serves as a focus for employment in the Greater Exeter wider area. According to the Business Register and Employment Survey, Exeter had an employment level of 95,000 compared to 48,000 in East Devon and Teignbridge, and 29,000 in Mid Devon. It also provides a different profile of jobs, in terms of their industrial sector.

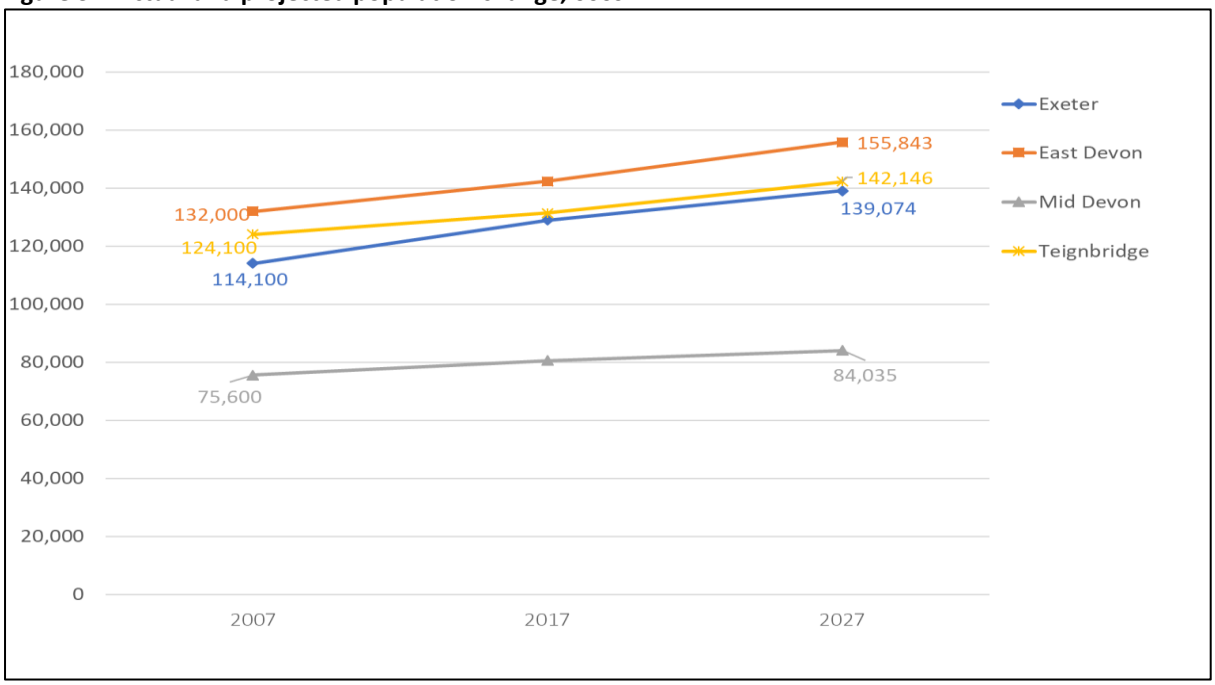
Nine out of ten of Exeter jobs are based in the Services Sector (90%), with relatively large proportions across Health (17%) and Education (11%), and about a quarter across Professional, Admin and Financial Services, reflecting the city's role in hosting major services for the wider area.

In contrast, more than a third of jobs in Mid Devon are in agriculture/production – Agriculture, Manufacturing, Construction and Utilities – 35% compared to 18% regionally and 15% in England. 12% of jobs are in agriculture and 14% in manufacturing, bringing specific and different skills needs compared to the wider area. East Devon and Teignbridge have similar distributions, both more reliant on agriculture (6% vs 1% national average) and upon the retail and accommodation sectors (31% combined), reflecting the importance of tourism and leisure to these areas.

3.1.2 Population forecasts and labour supply

The population of Exeter is forecast to increase to 139,074 by 2027, while across the whole Greater Exeter area it is projected to have grown from 446,000 in 2007 to 521,000 in 2027, growth of 17% (0.8% per annum). See Figure 3.1 for the details.

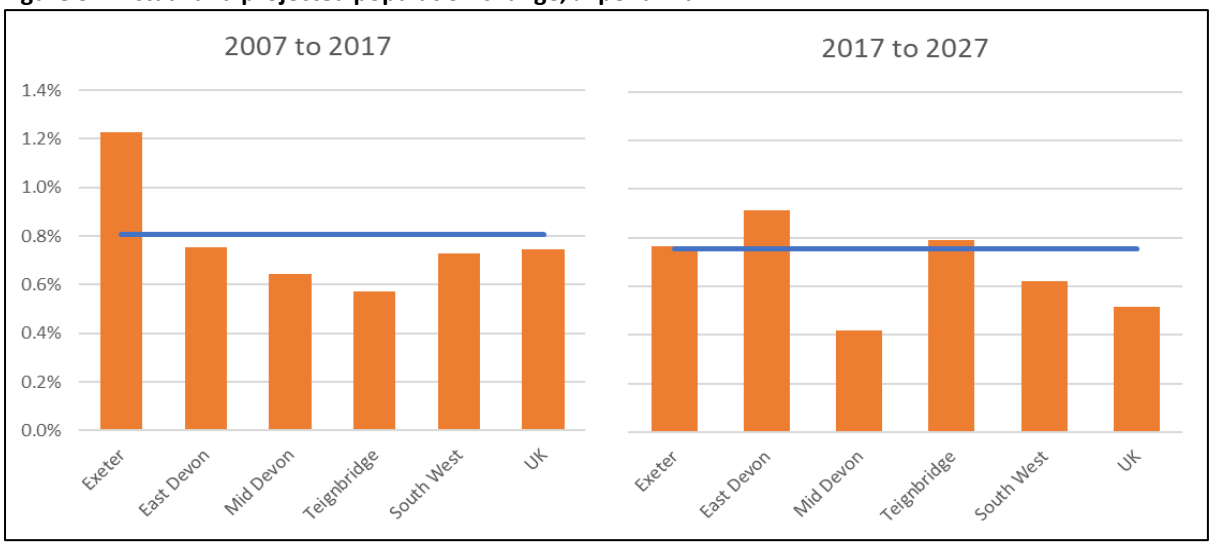
Figure 3.1 Actual and projected population change, 000s



Source: Mid-year population estimates, ONS; Population projects, ONS

Much of the growth across the Greater Exeter area has been driven by the expansion of the city of Exeter over the decade up to 2017, with Mid Devon and Teignbridge growing at a lower rate than the national average, and East Devon broadly matching the regional and national averages of 0.7% (see Figure 3.2). Whilst growth of East Devon and Teignbridge is projected to increase in the next decade, Exeter and Mid Devon grow at a slower rate than before, with Exeter still out-stripping the region and England, but Mid Devon slower.

Figure 3.2 Actual and projected population change, % per annum



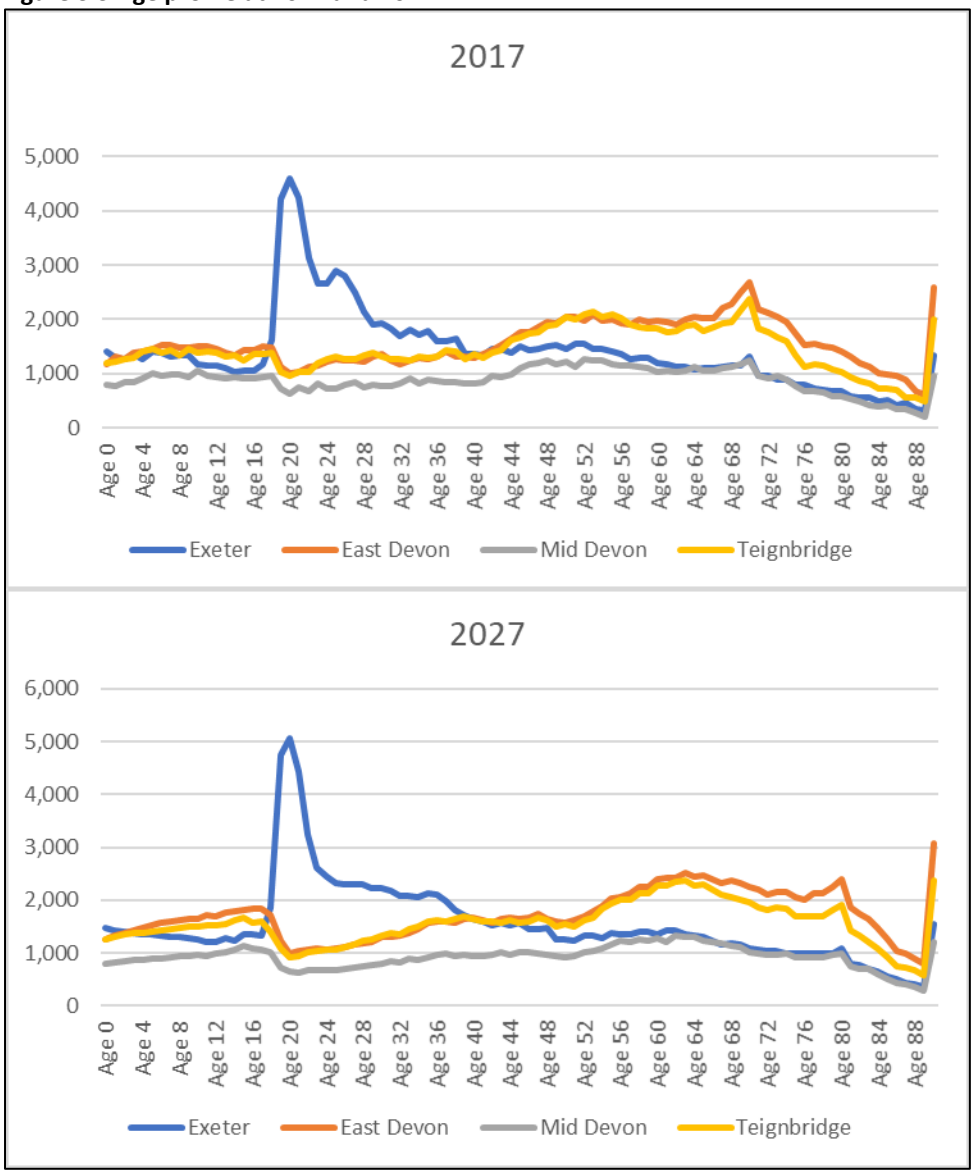
Source: Mid-year population estimates, ONS; Population projects, ONS

Figure 3.3 shows the age profile of each LA area within Greater Exeter at 2017 and 2027. This shows the substantial boost to the city's population for 19- to 21-year olds at both time points due to the draw of the University and other education and training providers. There is a corresponding, though smaller, drop in this age group across the other areas as young people leave home to seek education and employment. This drop is compounded in 2027 by other demographic factors.

The 50- to 60-year old population in 2017 in the three LA areas outside of the city is relatively large compared to younger generations reflecting the influx of work-related migration in preceding years – these shift to the right in 2027. As people will be working longer, this may not substantially impact upon the workforce until the following decade.

The peak of "baby boomers" at age 70 in the top chart can also be seen to move to the right – although this generation is now outside of the working age group, this peak has consequences for skills needs and service implications and opportunities over the next decade and beyond.

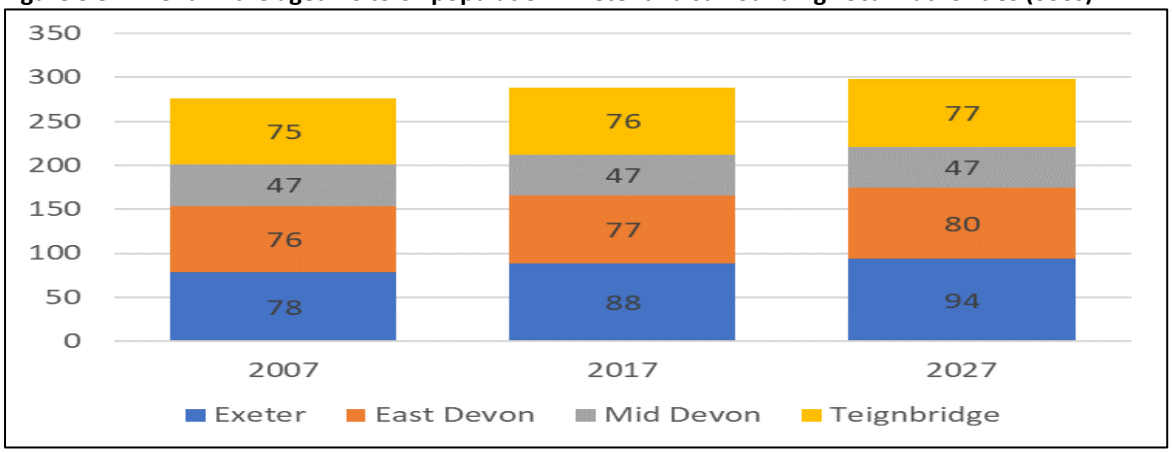
Figure 3.3 Age profile at 2017 and 2027



Source: Population projections, ONS

In terms of the available labour force, the Greater Exeter population grew from 276,000 in 2007 to 288,000 by 2017 (0.4% per annum), with projected growth to 299,000 expected over the next decade up to 2027 (0.3% per annum) – see Figure 3.4. This is dwarfed by growth in the aged 65+ population which grew at 2.1% per annum from 2007 to 2017 and is projected to continue rapidly expanding at 1.4% per annum to 2027.

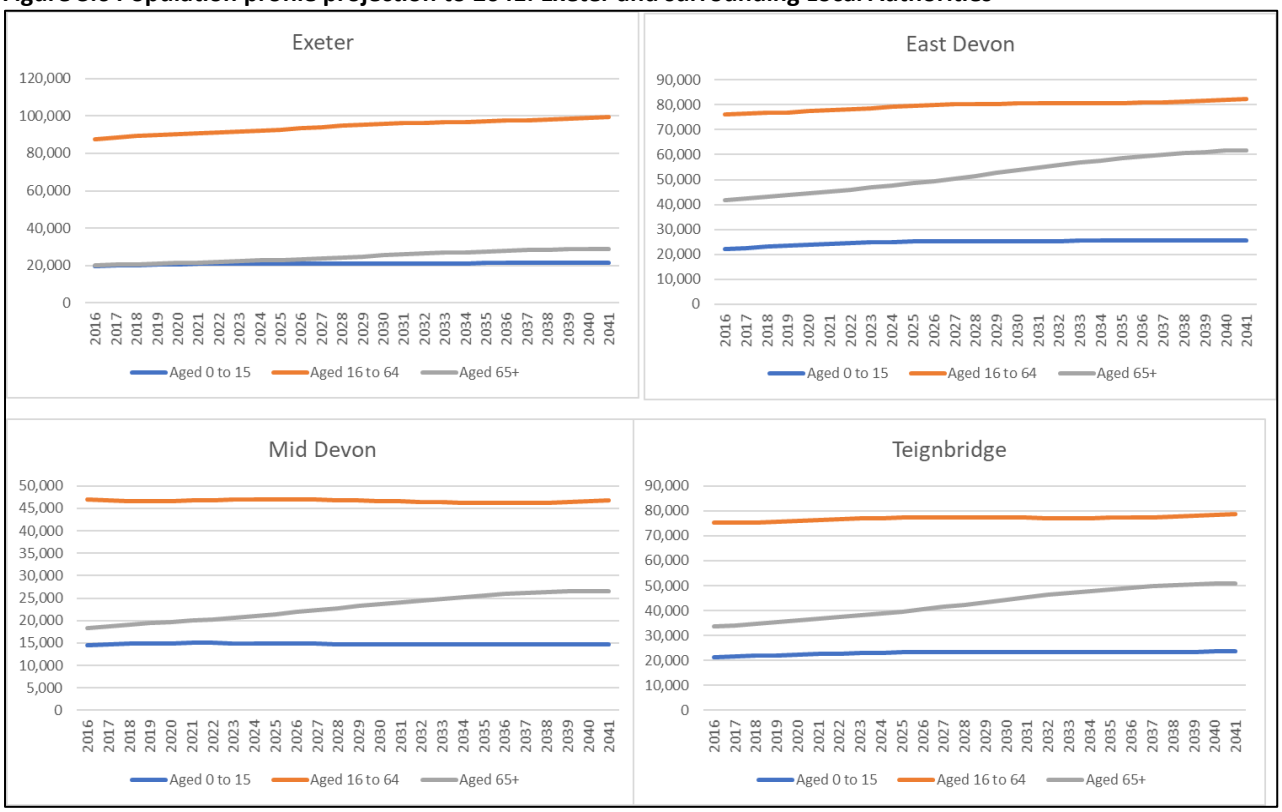
Figure 3.5 – Trend in the aged 16 to 64 population: Exeter and surrounding Local Authorities (000s)



Source: Mid-year population estimates, ONS; Population projections, ONS

A comparison of this demographic shift for each of the four local authority areas to 2041 is shown in Figure 3.6. The working age population is projected to grow in Exeter and in East Devon to a lesser extent, whilst remaining relatively stable in the other two areas. Supply of new workers from the young population is relatively stable. There is a substantial increase across all areas in the age 65+ population – 22,000 by 2027, 54,000 by 2041.

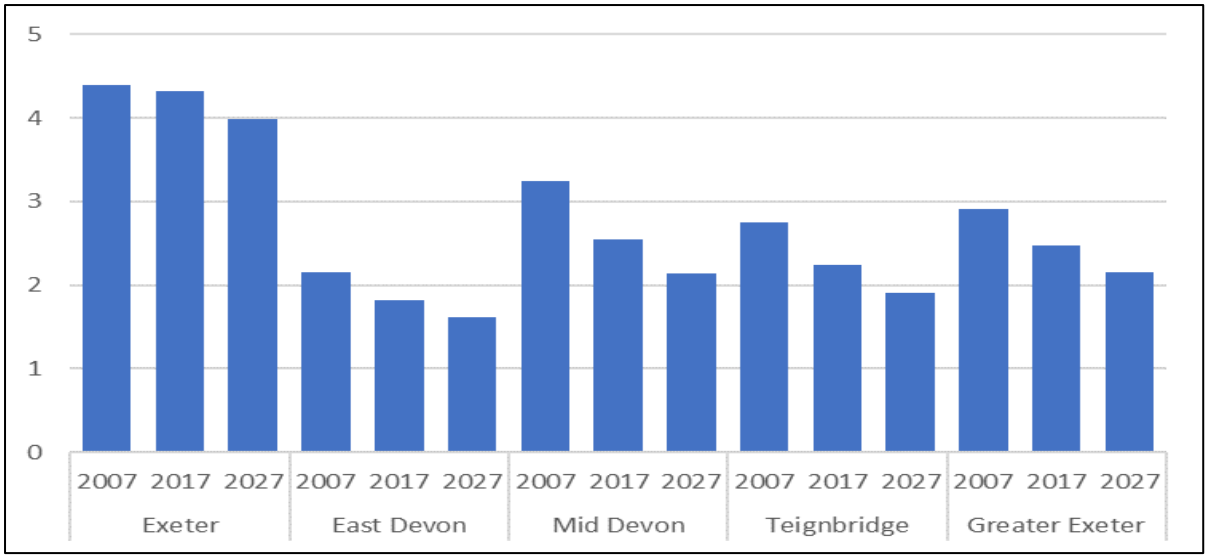
Figure 3.6 Population profile projection to 2041: Exeter and surrounding Local Authorities



Source: Mid-year population estimates, ONS; Population projections, ONS

This shift in demographics is summarised in Figure 3.7 below which shows the ratio of working age population to retired population. The number of people of working age for every retired person has decreased over the period 2007 to 2017 in all areas but with substantial variation. In 2017 there were above 4 working age people per retiree, compared to fewer than 2 in East Devon. The projections indicate that these ratios are set to decrease further – to 3 in Exeter and less than 2 in East Devon. This demographic shift has key implications for skills requirements across several sectors, and skill shortages may be exacerbated by fall out from Brexit.

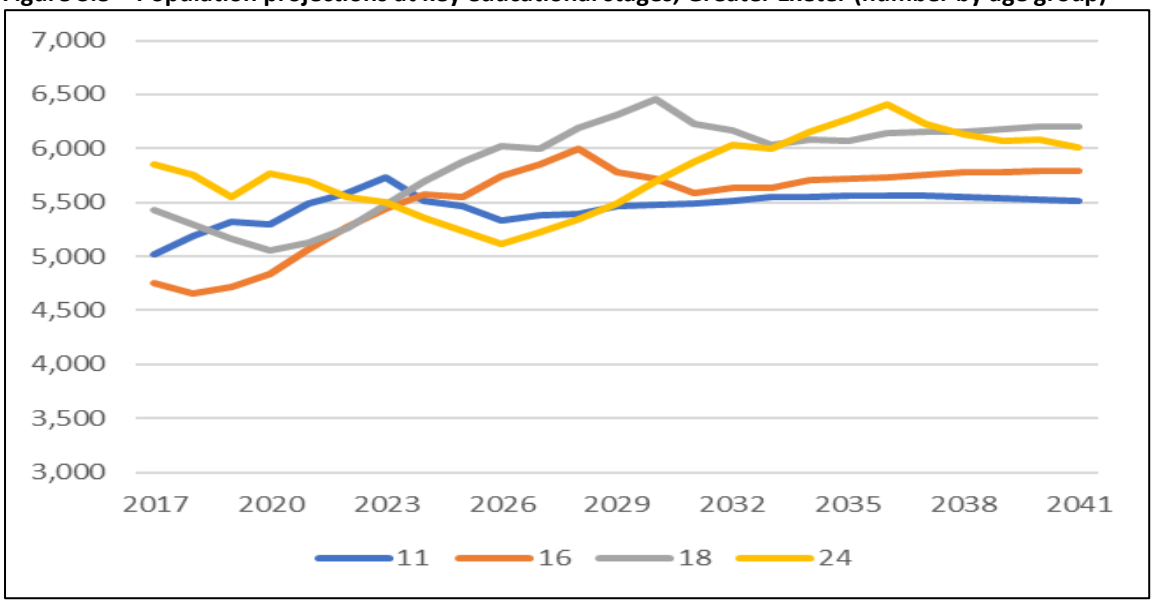
Figure 3.7 – Ratio of working age population (16 to 64) to the retired (aged 65+) population



Source: Mid-year population estimates, ONS; Population projects, ONS

Figure 3.8 shows projections for the population at each key stage of education and so examines the potential to train and replace the workforce over the next 25 years. The fall in 18-year olds is currently playing out in the Higher Education sector with consequent problems in student recruitment (and HE finance) – this may also signal potential issues with refreshing the workforce over the next five years. This will be alleviated in the medium term as 11 and 16 year olds are projected to increase in number to 2023 but the modelling suggests potential issues again with supply beyond 2030.

Figure 3.8 – Population projections at key educational stages, Greater Exeter (number by age group)



Source: Population projects, ONS

3.2 Educational attainment

Table 3.2 shows the educational attainment levels of the current working age population in Exeter and the surrounding area. Exeter has a very highly qualified working age population, with over half of 16 – 64 years old residents (51.4%) being qualified to NVQ 4 level or above. This figure compares with around two fifths of the population nationally (38.4%) and regionally (39.0%), reflecting the attractiveness of the city's businesses and employers, including the University to those with professional skills and qualifications. Indeed, The Centre for Cities reports that Exeter's working age population are the fifth most highly qualified (51.4%) in the UK after Oxford (63.0%), Cambridge (58.1%), Edinburgh (57.8%) and Aberdeen (51.7%).

It is interesting to note though that the difference between Exeter and the surrounding areas continues through each of the qualification levels and very much reflects the resident's occupational profile. The city also has a lower proportion of working age residents with no qualifications (c.3.1% compared with 7.7% nationally).

In terms of the other Greater Exeter LAs, East Devon and Teignbridge are relatively well skilled compared to the regional and national averages. Mid Devon lags behind on skills, with the lowest proportion at all levels above A-level (NVQ2). This will impact on the ability of this population to adapt to economic shifts or to benefit from arising opportunities.

Table 3.2 Qualifications of resident population aged 16-64 (%)

	Exeter	East Devon	Mid Devon	Teignbridge	SW	UK
NVQ 4 and above	51.4	41.8	31.4	43.0	39.0	38.4
NVQ 3 and above	68.1	64.2	53.6	63.9	60.3	57.0
NVQ 2 and above	84.9	79.1	78.6	82.7	79.0	75.4
NVQ 1 and above	94.3	89.3	92.2	91.7	90.1	85.2
Other qualifications	c.3.0	4.7	c.3.6	c.4.0	4.9	7.1
No qualifications	c.2.7	6.0	c.4.2	c.4.3	5.0	7.7

Source: ONS Annual Population Survey: Jan 2017 – Dec 2017

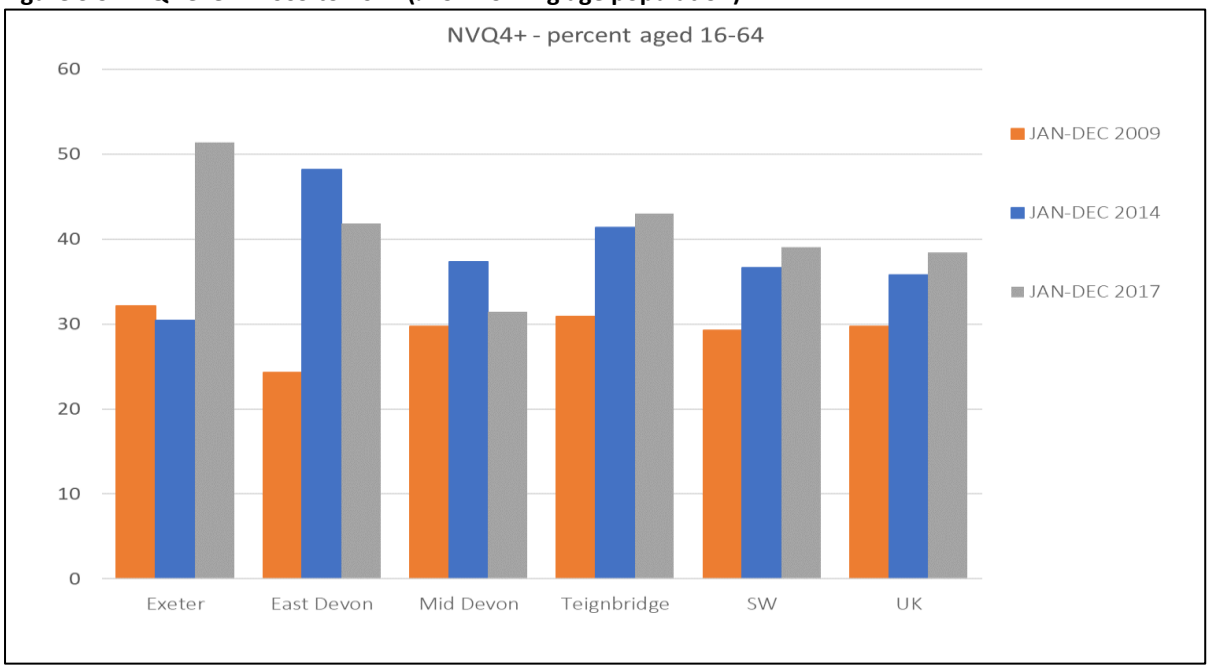
Table 3.3 shows the trend in qualifications over time. There has been a general up-skilling across the area, reflecting a national and regional trend. The table and figure 3.9 overleaf demonstrate how the proportion of Exeter residents with NVQ 4 or above qualifications has increased dramatically since 2009 (by 19.3% - more than double the national increase in the same period). East Devon has also seen a similar increase over this period (+17.5%) and Teignbridge a slightly lesser one (12.1%), though Mid Devon has remained virtually static (+1.7%).

Table 3.3 NVQ level 4 and above over time (2009 – 2017)

	Exeter	East Devon	Mid Devon	Teignbridge	SW	UK
Jan 09 – Dec 09	32.1	24.3	29.7	30.9	29.3	29.9
Jan 14 – Dec 14	30.4	48.2	37.3	41.4	36.6	36.0
Jan 17 – Dec 17	51.4	41.8	31.4	43.0	39.0	38.4
Change (between 2009 – 2017)	*+19.3*	*+17.5*	*+1.7*	*+12.1*	*+9.7*	*+8.5*

Source: ONS Annual Population Survey 2009 – 2017

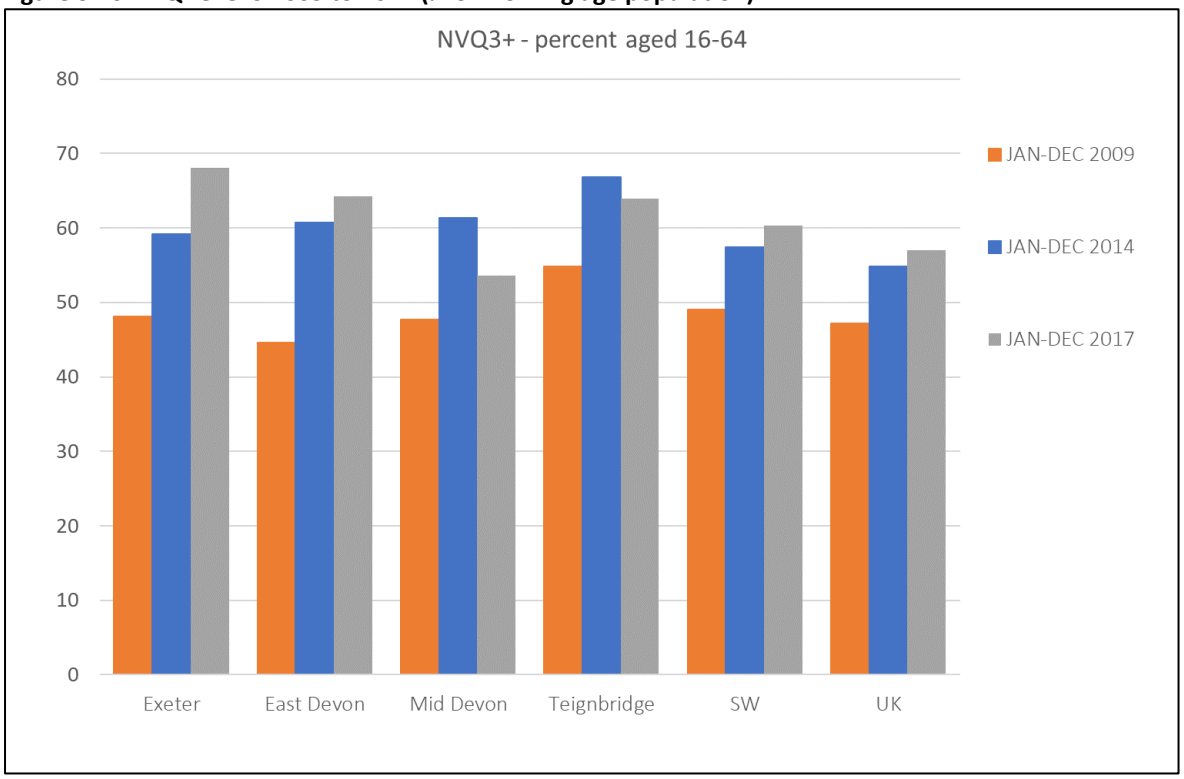
Figure 3.9 NVQ Level 4 2009 to 2017 (% of working age population)



Source: ONS Annual Population Survey: Jan 2017 – Dec 2017

Figure 3.10 below show the comparable data for NVQ 3 qualifications and above and demonstrates that Exeter has also had greater growth at this level than the national or regional averages, as have East Devon and Teignbridge.

Figure 3.10 NVQ Level 3 2009 to 2017 (% of working age population)



Source: ONS Annual Population Survey: Jan 2017 – Dec 2017

3.2.1 Key stage 4

Key Stage 4 (KS4) refers to the two years of school education which incorporate GCSEs, and other examinations, in maintained schools in England normally known as Year 10 and Year 11, when pupils are aged between 14 and 16. The English Baccalaureate (EBacc) is a school performance indicator linked to GCSEs. It measures the percentage of students in a school who achieve 5+ 5-9 (formerly, A*-C) grades in traditional academic GCSE subjects (to include English, maths, a science, one of history or geography, an ancient or modern foreign language, and one additional GCSE-level qualification).

Table 3.4 below shows the performance of students in the Exeter area at GCSE level, including Ebacc metrics and destination following this period of education. 4,239 pupils in the Greater Exeter completed KS4 in 2017/18, the majority (95%) going onto education or employment. Overall, 41% of pupils achieved Grade 5 or above in English and maths GCSEs, slightly below the regional and national averages (43%) – although it is important to note that Exeter, Central Devon and Newton Abbot are well below the national average at 36% to 38%.

The same pattern is observed in the Attainment 8 score. However, the Ebacc average is well above the national and regional averages, as are A-level results (see below), suggesting two levels of skills within the KS4 population. Those that are able to continue to A-level – as indicated by the Ebacc - perform relatively strongly compared to average, but those less likely to proceed to A-level may enter Further Education or employment relatively less skilled. This has consequences for the local labour market. Exeter performs least well with only 78% of pupils remaining in education after KS4.

Table 3.4 – Key Stage 4 attainment, 2017/18

	Number of pupils at end of key stage 4	Entering Ebacc	Staying in education or entering employment (2016 leavers)	Grade 5 or above in English & maths GCSEs	Attainment 8 score	EBacc average point score
Exeter	883	32%	91%	36%	41.6	4.44
Central Devon	414	51%	96%	38%	44.3	3.99
East Devon	1,124	28%	96%	45%	46.1	4.30
Newton Abbot	846	33%	95%	36%	43.7	3.99
Tiverton & Honiton	972	29%	95%	47%	50.8	5.24
Greater Exeter	**4,239**	**32%**	**95%**	**41%**	**45.6**	**4.41**
South West	**49,425**	**36%**	**95%**	**43%**	**46.7**	**4.06**
England - state-funded schools / colleges	**523,626**	**38%**	**94%**	**43%**	**46.5**	**4.04**
England - all schools / colleges	**583,617**	**35%**		**40%**	**44.5**	**3.85**

Source: Secondary school performance tables, gov.uk.

Because of the low overall attainment 8 score for Exeter, it is worth looking at the performance figures for individual secondary schools in the city. The figures below show the attainment 8 performance at the end of key stage 4 for each school, relative to the national average between 2016 and 2018. This shows that while West Exe school has improved its performance each year, and St James has remained reasonably consistently above average, Isca, St Peter's and St Luke's have all declined.

Secondary school	2016	2017	2018	Difference (+/-)
West Exe School	-0.2	-0.06	+0.19	+0.39
St James School	+0.26	+0.16	+0.19	-0.05
St Peter's CoE School	+0.37	+0.29	+0.12	-0.25
Clyst Vale Community College[8]	-0.15	-0.15	-0.03	+0.12
Isca	+0.27	+0.48	-0.23	-0.5
St Luke's Science and Sport College	-0.21	-0.14	-0.61	-0.4

[8] Clyst Vale is located in East Devon District Council area, but a significant number of the students are Exeter residents.

Table 3.5 shows the destinations of students at the end of Key Stage 4. 95% are in sustained education or employment the following year, with 86% in Greater Exeter remaining in education. This ranges from 78% in Exeter to 88% in East Devon, with destination not sustained 8% in Exeter to 3% in Central Devon. Students in Exeter are more likely to be in employment or apprenticeship than the other areas (13% vs 9% Greater Exeter and South West).

Table 3.5 – Destination of KS4 pupils, 2017/18

Parliamentary constituency	Number of students	Percentage of students with activity recorded in 2016/17 as:				
		Any sustained education or employment	Any sustained education destination	Sustained apprenticeship	Sustained employment destination	Destination not sustained
Central Devon	705	96	87	7	2	3
East Devon	1,155	96	88	6	2	4
Exeter	690	91	78	7	6	8
Newton Abbot	865	95	87	5	3	4
Tiverton and Honiton	890	95	86	5	3	4
Greater Exeter	**4,305**	**95**	**86**	**6**	**3**	**4**
South West	**51,475**	**95**	**86**	**6**	**3**	**4**
England	**530,545**	**94**	**86**	**5**	**3**	**5**

Source: Key stage 4 and multi-academy trust performance 2018, gov.uk

3.2.2 Key stage 5 (16-18)

Table 3.6 summarises A level performance across the Greater Exeter area. Data are only readily available at Parliamentary Constituency and County level. This covers students at the end of advanced level study who were entered for at least one A/AS level, applied single A/AS level, applied double A/AS level or combined A/AS level during 16-18 study.

2,433 students sat A level examinations (A/AS levels) in 2016/17 in the Greater Exeter area. On average they achieved a point score of 33.5, equivalent to grade C+. 17.9% (of 1,865) of students sitting at least 1 A-level achieved AAB or better – this is higher than the regional and national average. This figure varies widely across the Exeter area from 7% and 9% in Newton Abbot and East Devon, respectively to 41% in Tiverton and Honiton constituency, skewed by Blundell's and Colyton Grammar accounting for more than 80% of A-level students.

Table 3.6 – Key Stage 5 attainment, 2017/18

	Number of students	Average results		Number of students entered for 1 or more A-	Points for student's best 3 A levels		Achieving AAB or higher in at least 2 facilitating subjects*
		Point score	Grade		Point score	Grade	
Exeter	1,156	34.9	C+	880	36.0	B-	19.7%
Central Devon	333	32.5	C+	266	32.6	C+	12.8%
East Devon	363	29.9	C	304	28.6	C	8.6%
Newton Abbot	330	28.5	C	204	27.0	C-	6.9%
Tiverton & Honiton	251	40.8	B	211	41.9	B	41.2%
Greater Exeter	**2,433**	**33.5**	**C+**	**1,865**	**34.0**	**C+**	**17.9%**
South West	**25,525**	**32.1**	**C+**	**19,040**	**32.5**	**C+**	**14.0%**
England - state-funded schools / colleges	**263,436**	**32.1**	**C+**	**199,962**	**32.5**	**C+**	**13.7%**
England - all schools / colleges	**299,420**	**33.3**	**C+**	**230,124**	**33.6**	**C+**	**16.2%**

*of students sitting more than one A-level

Source: Secondary school performance tables, gov.uk.

3.2.3 A Level Stem subjects

Table 3.7 shows the share of A-level attainments in Devon versus national and regional averages that were within STEM subjects in 2015/16. Devon had a slightly lower share of A-levels in STEM subjects, particularly in mathematics and chemistry. Physics ahead.

Table 3.7 – A-level attainments in STEM disciplines, 2015/16

	England	South West	Devon
All STEM	32.7%	32.2%	31.7%
Biological Sciences	7.3%	7.2%	7.5%
Chemistry	5.9%	5.1%	5.0%
Physics	3.9%	4.4%	4.5%
Other Science	0.5%	0.9%	1.1%
Mathematics	10.3%	9.7%	8.9%
Further Mathematics	1.6%	1.8%	2.1%
Design and Technology	1.4%	1.8%	1.4%
Computing	0.8%	0.9%	0.8%
ICT	0.9%	0.5%	0.5%

Source: Number of A level examination entries, A*-A grades and A*-E grades by state-funded students, gov.uk

3.3 Destinations following key stage 5

Table 3.8 summarises the destinations of students at the end of key stage 5 in the 2015/16 academic year in the Greater Exeter area, regionally and nationally. 2,980 students were counted as part of the key stage 5 cohort at the end of 2015/16 in the Greater Exeter Parliamentary Constituencies (state-funded schools and Colleges). Of these 88% on average were in a sustained destination (sustained for at least two terms) when assessed in 2016/17 split as 50% in education, 8% in an apprenticeship and 31% in employment. 38% had gone onto Higher Education.

There is variation across the local area – 92% in Honiton and 64% still in education, 58% at University. This cohort faired least well in Exeter – 87% in sustained education or employment, 36% in Higher Education. 11% had not sustained education or employment, somewhat higher than the regional and national average of 8%, suggesting some mismatch of skills and employment opportunities.

Table 3.8: Parliamentary constituencies: Student destinations after key stage 5 (state-funded mainstream schools and colleges) - 2016/17 destinations for the 2015/16 cohort

Parliamentary constituency	Number of students	Percentage of students with activity recorded in 2016/17 as:									
		Any sustained education or employment destination	Any sustained education destination	Education destinations				Sustained apprenticeship	Sustained employment destination	Destination not sustained	Activity not captured in the data
				Further education (level 3 and below)	Higher education (level 4 and above)	Of which: all other HEIs, HE alternative	Other education destinations				
Central Devon	265	88	52	7	38	23	7	7	29	8	4
East Devon	415	87	48	5	36	22	7	8	32	11	2
Exeter	1,815	88	48	11	36	25	1	8	32	9	3
Newton Abbot	275	91	54	3	41	29	10	6	30	8	1
Tiverton and Honiton	210	92	64	3	58	18	4	6	23	5	3
Greater Exeter	**2,980**	**88**	**50**	**9**	**38**	**24**	**3**	**8**	**31**	**9**	**3**
South West	**35,720**	**89**	**53**	**9**	**41**	**27**	**3**	**7**	**29**	**8**	**3**
England	**372,255**	**89**	**61**	**7**	**50**	**34**	**3**	**6**	**22**	**8**	**4**

Source: Destinations of KS4 and KS5 pupils 2017: Key stage 5 local authority and parliamentary constituency tables, Gov.UK

3.4 Young People not in education, training or employment (NEET)

Table 3.9 shows the number and proportion of young people not in education, employment or training (NEETs) in the Exeter city area. In 2018, 177 young people were classed as NEET in Exeter, 5.4% of the 16 to 24 population. This represents a substantial fall in volume (47% decrease) from 2014 and percentage but still represents more than 5% of the 16 to 24 age group.

Table 3.9 – NEET population across Exeter, 2014 to 2018 (number and %)

	Jan-18		Jan-17		Jan-16		Jan-15		Jan-14	
	Cohort	NEET (%)	Cohort	NEET (%)	Cohort	NEET (%)	Cohort	NEET (%)	Cohort	NEET (%)
EX1	583	27 (4.6%)	575	28 (4.9%)	605	29 (4.8%)	604	28 (4.6%)	598	28 (4.7%)
EX2	1232	62 (5.0%)	1272	67 (5.3%)	1307	73 (5.6%)	1291	78 (6.0%)	1276	106 (8.3%)
EX3	86	2 (2.3%)	78	0 (0.0%)	72	1 (1.4%)	79	3 (3.8%)	81	3 (3.7%)
EX4	1347	86 (6.4%)	1435	113 (7.9%)	1480	103 (7.0%)	1422	115 (8.1%)	1408	123 (8.7%)
Total	3248	177 (5.4%)	3360	208 (6.2%)	3464	206 (5.9%)	3396	224 (6.6%)	3363	260 (7.7%)
Devon	23752	958 (4.0%)	24163	962 (4.0%)	24808	996 (4.0%)	24838	1015 (4.1%)	24776	1308 (5.3%)

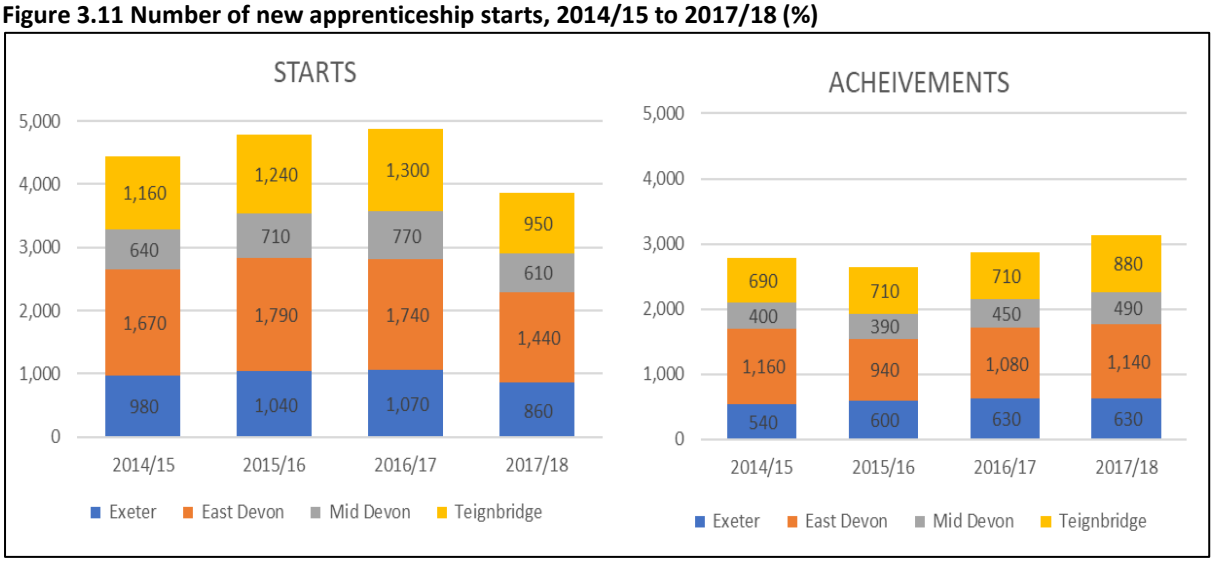
Source: CSW, via Exeter City Council

3.5 Apprenticeships

As shown in figure 3.11 below, the number of new apprenticeships fell sharply in 2017/18 following the introduction by Government of an apprenticeship levy. The local fall reflects the regional and national picture. This represents a 20% fall in the Greater Exeter in one year and 1,020 fewer apprenticeships. Although this average of 20% is lower than the national average (24%), the change ranges from 17% in East Devon to 27% in Teignbridge.

The fall in starts is not yet reflected in the number of achievements and it is probable that numbers will follow the pattern shown in the columns headed "achievements" part of figure xx, increasing again in 2018/19 before slumping in 2019/20.

Figure 3.11 Number of new apprenticeship starts, 2014/15 to 2017/18 (%)



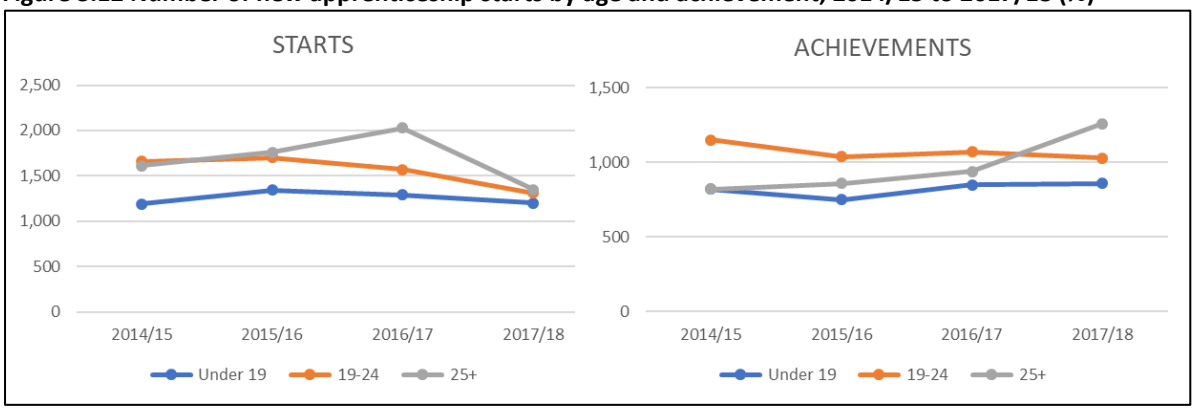
Source: Apprenticeships geography and sector subject area PivotTable tool, gov.uk

Apprenticeships across the Greater Exeter area were more likely to be completed compared to regionally and nationally – achievements in 2016/17 and 2017/18 were 64% and 66% of the number of starts two years earlier in Greater Exeter, compared to 56% in the South West and 54%-55% in the United Kingdom.

Age

The age distribution of apprenticeship starts and achievements is consistent across geographies. Figure 3.12 shows the Greater Exeter numbers, with a shift to older apprentices in 2016/17, dropping off in 2017/18. The number of achievements in the 25+ group had started to increase in 2017/18.

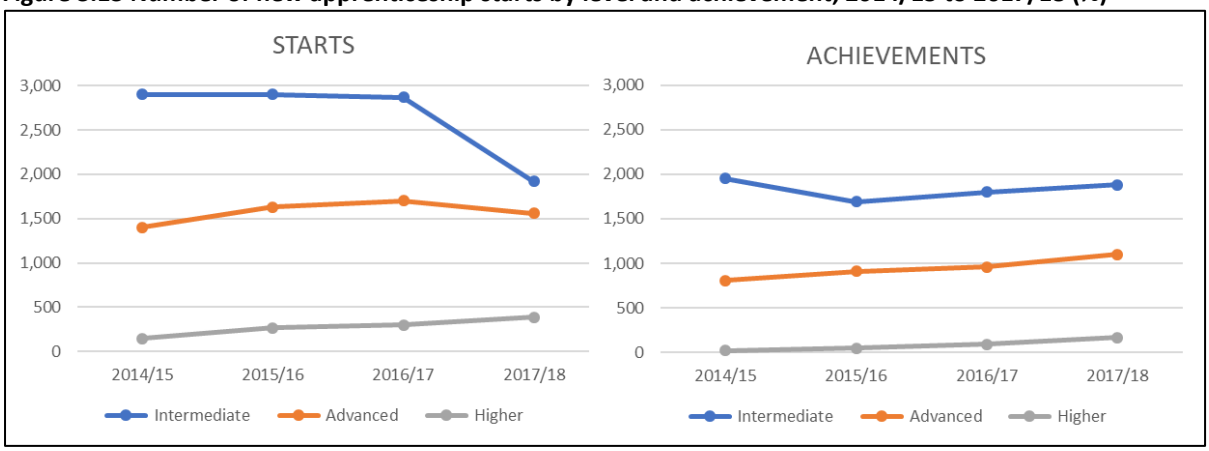
Figure 3.12 Number of new apprenticeship starts by age and achievement, 2014/15 to 2017/18 (%)



Source: Apprenticeships geography and sector subject area PivotTable tool, gov.uk

The drop off in apprenticeship starts mainly affects those in intermediate apprenticeships, the first level of apprenticeship (equivalent to 5 good GCSEs). As such, those leaving school with low attainment levels may have been disproportionately impacted by recent changes. Meanwhile the share of higher apprenticeships has increased across all areas. Whilst intermediate apprenticeships have fallen from 70% to 60% of apprenticeships in the Greater Exeter area, Advanced apprenticeships have increased from 36% to 41%, and Higher Apprenticeships from 1% to 5%.

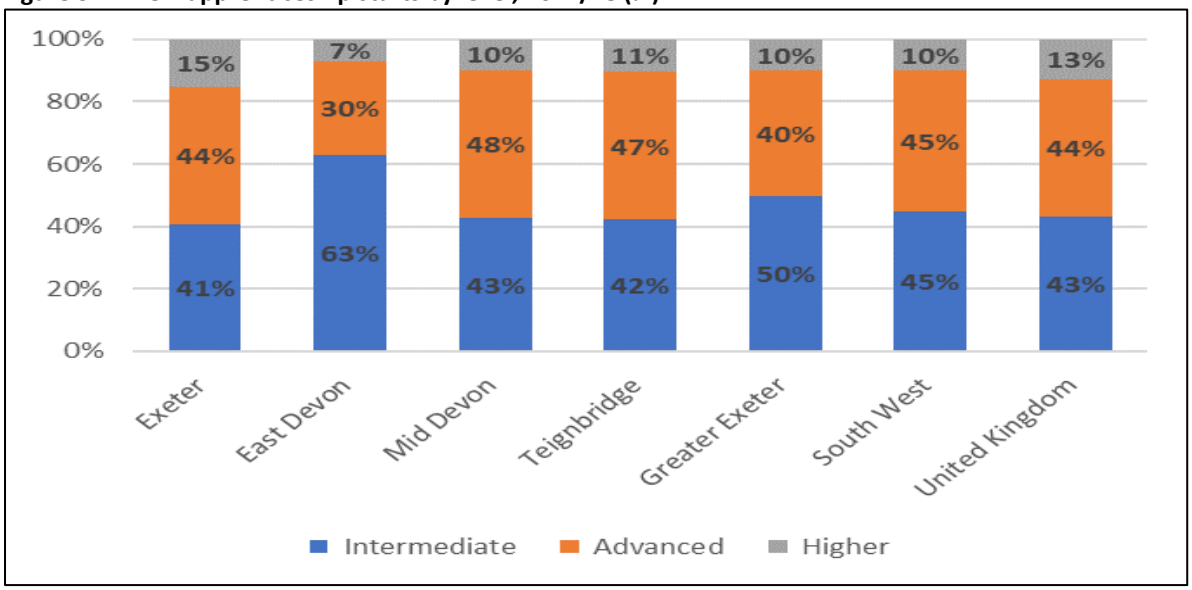
Figure 3.13 Number of new apprenticeship starts by level and achievement, 2014/15 to 2017/18 (%)



Source: Apprenticeships geography and sector subject area PivotTable tool, gov.uk

East Devon has a different distribution of apprenticeship levels from neighbouring authorities within Greater Exeter, regionally and nationally, with a greater reliance on Intermediate Apprenticeships, s shown by figure 3.14 overleaf.

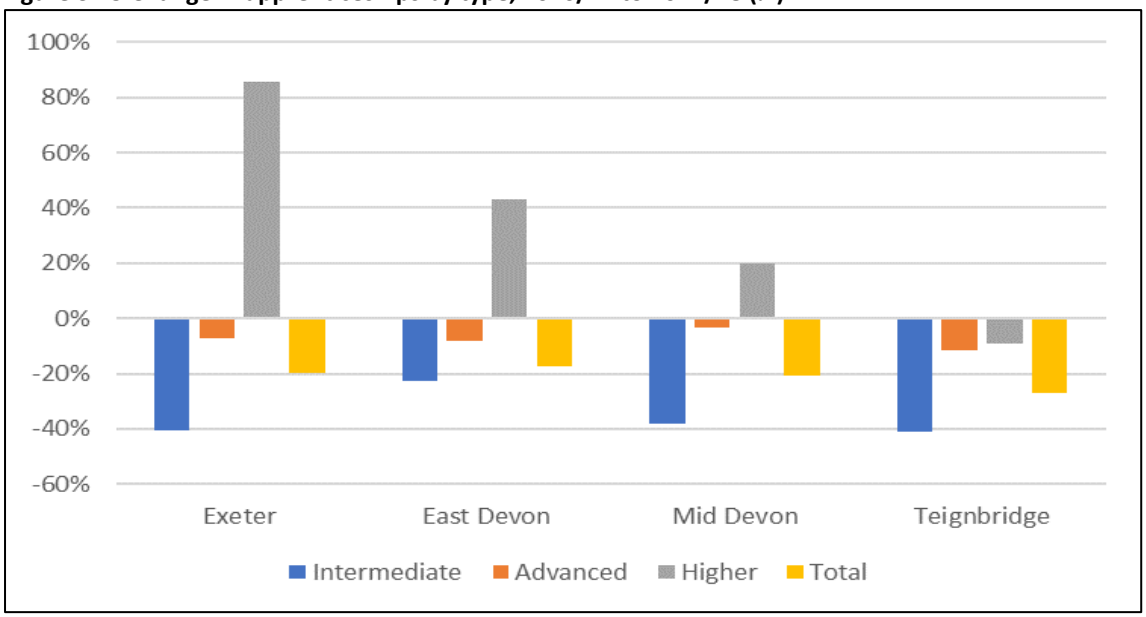
Figure 3.14 New apprenticeship starts by level, 2017/18 (%)



Source: Apprenticeships geography and sector subject area PivotTable tool, gov.uk

The apprenticeship levy has had a different impact in each area – as shown in figure 3.15, Exeter has maintained strong growth in Higher Apprenticeships, while Teignbridge has had a decrease across all types. Although Intermediate Apprenticeships were hit hardest, East Devon was less affected than other areas.

Figure 3.15 Change in apprenticeships by type, 2016/17 to 2017/18 (%)



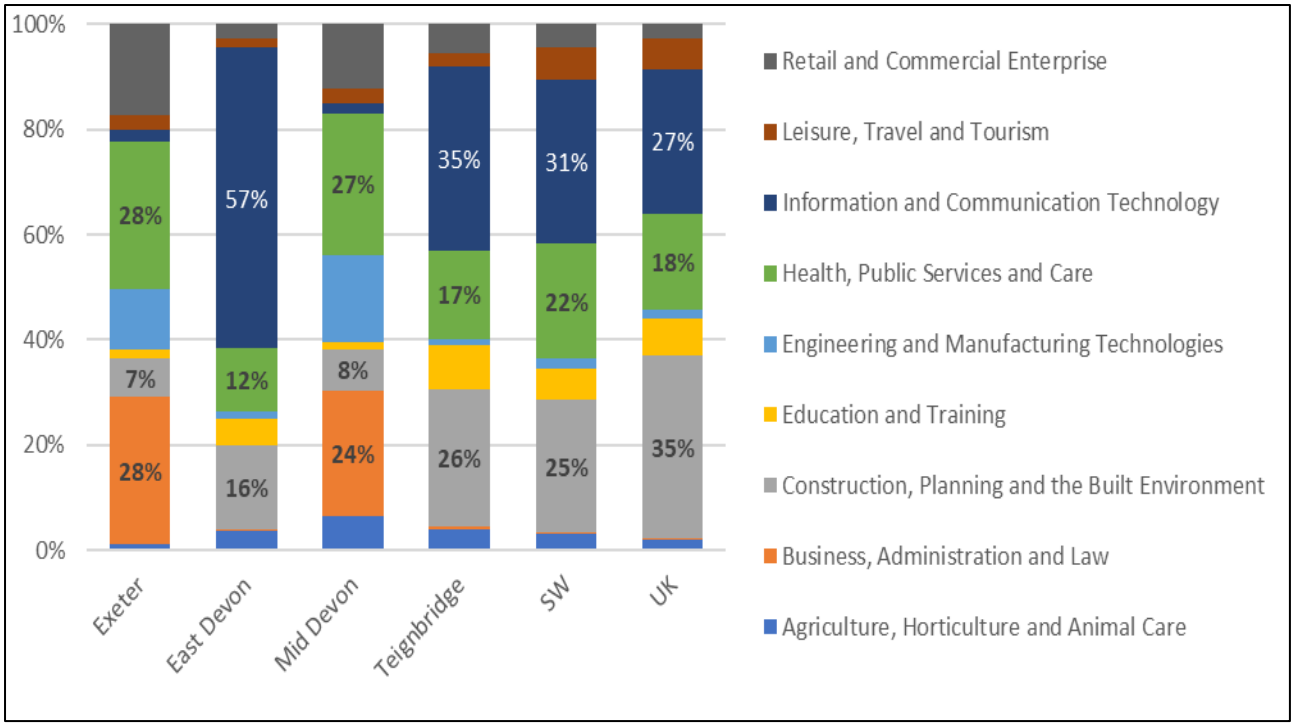
Source: Apprenticeships geography and sector subject area PivotTable tool, gov.uk

Sector distribution

Figure 3.16 shows the sector distribution of apprenticeship starts for 2017/18. These are broadly stable over time, with achievements following the same pattern. However, there are substantial differences in the sector distribution across the Greater Exeter area. Most notably is the predominance of ICT apprenticeships in East Devon, health/care, retail/commercial and business/admin in Exeter and Mid Devon – there is also a high proportion of engineering/manufacturing apprenticeships in an otherwise Services dominated distribution.

Teignbridge follows the regional and national pattern, with slightly more agriculture and slightly less leisure and tourism.

Figure 3.16 Apprenticeship start by sector, 2017/18 (%)



Source: Apprenticeships geography and sector subject area PivotTable tool, gov.uk

3.6 Training Provider base

The Greater Exeter area is fortunate in having a strong skills provider base with 10 providers in Exeter (8), East Devon (1) and Teignbridge (1), which collectively supported over 17,000 learners in 2016/17, including 7,000 people taking part in Education and Training; 4,400 apprenticeships; 4,100 people taking part in Community Learning. The impact of funding cuts in recent years is perhaps reflected in a fall from over 20,000 learners in 2013/14.

3.7 Higher Education

Young people from Exeter and the surrounding area attend universities across the country. However, Exeter city hosts a top-ranking, Russell Group research intensive university, which has enormous potential to support skills acquisition in the area.

The University of Exeter is the sole Higher Education provider in the Greater Exeter area and comprises campuses in Exeter City, as well as at Penryn in Cornwall. The figures shown below include students based in Cornwall who comprise 10% to 11% of the student population.

Table 3.10 shows the number of students enrolled at UoE by academic year[9]. UoE has grown steadily for well over a decade, with a 21% increase in the last five years. This growth is likely to continue, noting that student recruitment in the sector is lower in 2018/19 (expected to continue into 2019/20) due to a fall nationally in 18-19 year olds and the impact of Brexit for the sector could be substantial. The sector also faces uncertainty with the prospect of decreasing student fees.

[9] The University reporting year runs from 1st August to 31st July.

International (non-EU) students account for around 19% of the student population and have grown by 24% over the period to around 4,500 students. A further 2,000 students come from EU countries outside of the UK. There remains substantial concern over the impact of Brexit for this sector in attracting and retaining students and staff, and in maintaining international competitiveness. The sector also faces uncertainty with the prospect of decreasing student fees.

Table 3.10 – Student enrolment at the University of Exeter by level and year – numbers and % change

Level	2014/15	2015/16	2016/17	2017/18	2018/19	5 Yr % Change
Undergraduate	15,899	17,131	17,971	18,152	18,932	19%
Postgraduate Taught	2,291	2,353	2,600	2,895	3,078	34%
Postgraduate Research	1,395	1,461	1,515	1,493	1,603	15%
Total	19,586	20,945	22,085	22,540	23,613	21%

Source: University of Exeter

The presence of the University of Exeter has the potential to provide a supply of high-level STEM skills as well as attracting academic researchers with reputations for research excellence into the area. The University supports 9,265 in STEM and medicine, with about more than 50% of postgraduate research students working in these disciplines.

In 2017-2018 the University placed GBP 97 graduates on internships with local businesses and at the University (though the majority of these were actually locate within the university itself).

3.8 Graduate retention and destination

The destinations of graduates is measured 6 months after graduation through the Destinations of Leavers from Higher Education Survey. Table 3.11 shows that in 2016/17, 11.5% of graduates remained working for an employer based in Exeter, adding 337 to the graduate workforce. A further 142 graduates remained working for an employer elsewhere in Devon.

Table 3.11 – Destinations of graduates from the University of Exeter (2016/17)

Location of Employer	Campus				Total	
	Cornwall		Exeter			
Exeter	12	4.4%	325	12.2%	337	11.5%
Devon	23	8.4%	456	17.1%	479	16.3%
Cornwall	49	17.8%	44	1.6%	93	3.2%
Somerset	11	4.0%	83	3.1%	94	3.2%
Dorset	1	0.4%	73	2.7%	74	2.5%
Gloucestershire	9	3.3%	112	4.2%	121	4.1%
Bristol	4	1.5%	71	2.7%	75	2.5%
Wiltshire	2	0.7%	43	1.6%	45	1.5%
South West	97	35.3%	846	31.7%	943	32.0%
Total	**275**	**100%**	**2668**	**100%**	**2943**	**100%**

Source: University of Exeter

Table 3.12 overleaf shows the distribution of graduates who remained in the South West by occupational classification. It is likely that the distribution in the Exeter area will somewhat match the regional distribution with most popular occupation choices being teaching and education; science, research, engineering and technology; health; and business and public service sectors.

Table 3.12 – Occupations in the South West of graduates from the University of Exeter (2016/17)

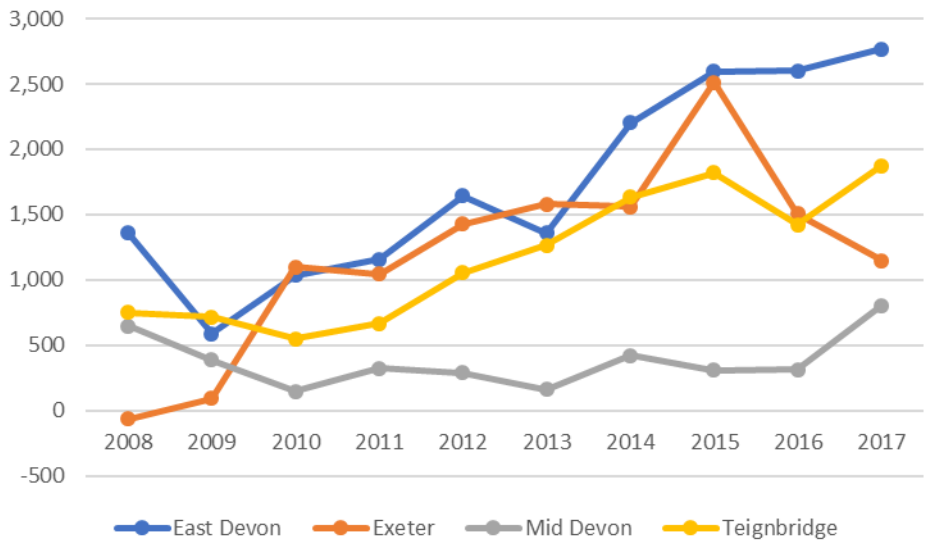
SOC - Sub Major Grouping / Unit Description	Cornwall	Exeter	Grand Total
Business and Public Service Associate Professionals	15	118	133
Business, Media and Public Service Professionals	5	68	73
Corporate Managers and Directors	4	22	26
Culture, Media and Sports Occupations	7	34	41
Health and Social Care Associate Professionals	9	24	33
Health Professionals	1	132	133
Other Managers and Proprietors	3	13	16
Science, Engineering and Technology Associate Professionals	4	12	16
Science, Research, Engineering and Technology Professionals	47	112	159
Teaching and Educational Professionals	2	311	313
Grand Total	**97**	**846**	**943**

Source: University of Exeter

3.9 Migration

The Greater Exeter area has seen expansion over an extended period due to net inwards migration. Figure 3.17 shows the number of net migrants in each of the four areas over time. East Devon has seen net migration growing steadily, while Exeter's growth from migration has fallen in recent years.

Figure 3.17 Greater Exeter net inward internal migration (number)



The majority of migration flows and net inward migration in the Exeter area is from movement within the United Kingdom – internal migration - rather than international migration. Whilst net internal migrants vastly outnumber international migrants in East Devon (18 times as many), Mid Devon (10x) and Teignbridge (13x), net international and internal migration are at similar levels in Exeter city. The University will drive much of this activity.

In 2017, the "post-university" working age population (25 to 64 years) in the Greater Exeter area expanded by about 3,600 people. However, the Exeter labour force contracted across all age groups, resulting in a net outward flow of working age migrants between 25 and 64 years old of ~500. As such, the growth in this population of 4,000 migrants more than offset Exeter's loss.

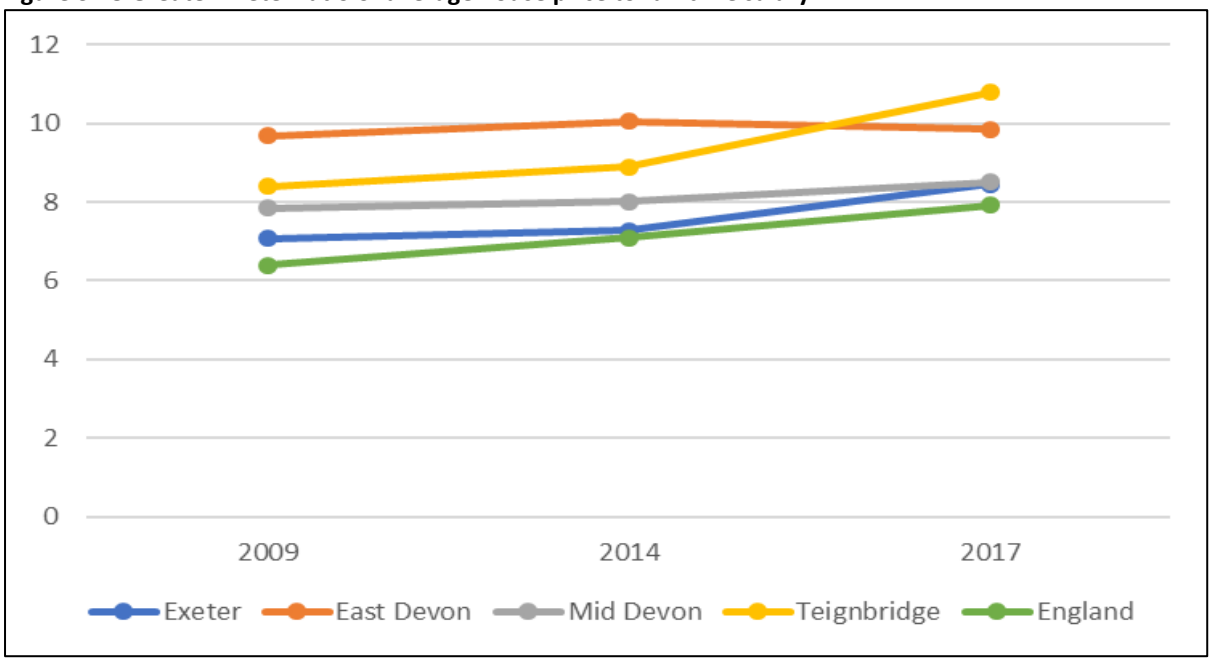
3.10 House prices

House prices relative to income and salaries remain an issue across the United Kingdom as a whole. Figure 3.18 below shows the ratio of the average price for a semi-detached home relative to the average full-time wage of workers in the Greater Exeter area and nationally (England) over the period from 2009 to 2017.

England has higher average wages than all the Greater Exeter areas, whilst also having lower average house prices and thereby a lower house price to salary ratio. This ratio has increased from just over 6 in 2009 to 8 in 2017. These figures are "better" (in terms of affordability) than any of the comparable ratios in the Greater Exeter area over the same period.

The figure shows that the ratio increased in all areas between 2009 and 2017, except in East Devon, which at a ratio of 10 was recently overtaken by Teignbridge (which was nearly 11 in 2017) where wage growth has not kept up with house price growth. The high ratios across the Greater Exeter area clearly have consequences for attracting and retaining unskilled and skilled labour as ratios are lower on average elsewhere.

Figure 3.18 Greater Exeter ratio of average house price to full-time salary



Source: Ratio of house price to workplace-based earnings, ONS

In assessing the Greater Exeter area ratios that are shown in the figure below it is, of course, important to bear in mind that Exeter has substantially higher average wages than any of the surrounding LAs. This reduces the ratio in the city but means that the actual average house prices (c.£282,000 for a semi-detached house at the end of 2018) are also markedly higher than in most of the surrounding areas (c.£247,000 in Teignbridge and c.£224,000 in Mid Devon).

The Centre for Cities reported that Exeter had the ninth largest increase in house prices in cities across the UK in 2017-18 and was also the sixth most expensive city in terms of affordability in the UK with a ratio of 11.7 between average house price and average wage. The GB average ratio was 9.8.

4. Mapping Demand and Supply

This final section of the evidence base maps the findings in the previous two sections together, in order to explore the extent that learner provision meets business development demands, as well as assessing the likelihood of meeting future demand through supply. In more detail it examines these issues under the following three headings:

- **Skills and Labour Supply Skill Shortages**
  This sub-section assesses skill gaps, mismatch and underutilisation, labour force participation rates, secondary school and further education outcomes, demographics and migration.
- **Labour Demand and Economy**
  This sub-section examines the evidence on forecast changes to industries and sectors, as well as concentrations of employment in occupational roles and productivity in Exeter.
- **Cross-cutting themes**
  This third sub-section discusses themes that impact on the supply and demand side: travel to work, house prices, the inter-relationships within the Greater Exeter economy and EU exit.

The report concludes with a summary of the key issues for consideration that have emerged from the evidence base to help inform the development of the Exeter Skills Strategy. These have been identified on the basis of factors that could impact on the supply of labour in terms of the forecast business demand and any barriers or issues within the current skills system adjusting to meet this forecast business demand. However, in order to obtain a full picture of skills needs in the city, the identified issues and this evidence base should be read together with the accompanying report on the survey of Exeter businesses' skills needs.

4.1 Skills and Labour Supply Skill Shortages

Quantifying the extent to which Exeter's working age population have the necessary skills, experience and aptitude to meet employers' *current* needs is not straightforward. There are many factors that play into the equation of discovering whether there are sufficient numbers of the "right people for the job", yet the data that is available for analysis is limited, mainly relating to qualification levels and training on the individuals' side and to employers' own judgements on the other side.

Any assessment about whether employers' *future* skills needs can be met requires making a set of assumptions about what employers *might* need in the future, based on the sectoral types of employers who *might* be seeking employees. Consequently, it is important to note that the process of examining potential skills gaps and labour shortages involves a series of estimations of the most likely scenarios and consideration of what they might mean, based on our current knowledge.

Similarly, assessments of the other key factors that will impact on the process – such as economic activity rates, demographics, migration and skills mismatch – are all also subject to the usual provisos concerning projections and forecasts. Crucially, the forecasts are based on policy neutral scenarios.

Skills gaps

The main findings from the 2017 Employers Skills Survey (ESS) data for Devon indicate that while the proportions of businesses who had recruited in the last year (47%) or had a vacancy at the time of the survey (19%) were almost the same as in England (51% and 20% respectively), in some respects the county has a slightly higher prevalence of recruitment and skills issues than that found across the country. For both hard-to-fill vacancies and skills-shortage-vacancies[10], Devon had a higher prevalence rate than England as whole. For vacancies and skills gaps it had the same level.

[10] Skills-shortage-vacancies (SSVs) are vacancies that were hard to fill because of a lack of applicants with the required skills.

However, the previous ESS in 2013 reported that Devon had the same or lower levels of prevalence than England. Indeed, not only had the total number of vacancies in Devon nearly doubled from 6,771 in 2013 to 12,009 in 2017, but the number that were hard-to-fill had more than tripled from 1,628 to 5,901. Furthermore, the survey shows that:

- In 2013 there were nearly 1,200 vacancies in Devon that employers could not fill because they could not find applicants with the required skills and that by 2017 this number had increased to 3,539;
- Similarly, in 2013 there were over 13,500 employees in the county who did not have the skills required to perform their current job – by 2017 this had increased to 16,770.

When they were asked *why* they had hard to fill vacancies, the answers given in Devon were markedly different from those given across England. Devon employers were more likely to report the wider reasons for having hard-to-fill vacancies as being:

- Not enough people interested in doing this type of job;
- Low number of applicants with the required attitude, motivation or personality;
- Remote location/poor public transport; or
- Job entails shift work/unsociable hours.

Conversely, Devon employers were less likely to report that the reasons were:

- Low number of applicants with the right skills; or
- Lack of work experience that the company demands.

Please see the findings from the business survey of Exeter employers for the local perspective on this.

Mismatch and underutilisation

This section discusses the qualifications and skills of Exeter residents relative to their occupations. The data shows that currently Exeter residents have a markedly greater proportion of higher-level occupations – managerial, professional and associate professional/technical jobs (53.7%) – than residents of Greater Exeter (47.2%), the South West (44.7%) and the UK (45.6%). Exeter residents also differ from the regional and national occupational profiles in two further key ways:

- The slightly greater proportion with elementary level occupations (14.6% of occupations compared with 10.6% of the South West and 10.5% of the UK); and
- The markedly lower proportion with skilled trades and caring, leisure and service occupations (9.0% compared with the South West (20.8%) and the UK (19.3%)).

Correspondingly, the data on educational attainment indicates that the working age population of Exeter is very highly qualified, with over half of 16 – 64 years old residents (51.4%) being qualified to NVQ 4 level or above. This figure compares with around two fifths of the working age population nationally (38.4%) and regionally (39.0%). As such there is little indication on the surface of any overarching mismatch or underutilisation between higher level qualifications and higher-level occupations among city residents. Indeed, as noted above, Devon employers were less likely than other employers nationally to report the reasons for having a hard to fill vacancy as being because of a low number of applicants having the right skills.

Labour force participation rates and unemployment

Both Exeter and the Greater Exeter area have had a growth in the numbers of economically active residents over the last decade, although the Greater Exeter area (+4.2%) has been at a slower rate than that seen in Exeter (+10.7%), regionally (+7.4%) or nationally +7.4%). However, the proportion of the resident working age population who are economically active has remained consistent at around 80% - it is the increase in the overall population size that has led to the increase in the numbers of people who are economically active. The Centre for Cities reports that in the year up June 2018, Exeter has the seventh highest employment rate among cities in the UK.

Similarly, over the decade there has been an increase in the numbers of residents in employment in Exeter, where the growth in absolute numbers (7,500) and proportionate increase (+12.6%) are both markedly larger than any of the neighbouring local authorities. Proportionately, the Exeter increase is also slightly larger than the regional and national increases over the same time.

The overall growth in the number of Exeter residents who are economically active and in employment are closely linked to the growth in population in the city, as the underlying participation rates have remained consistent. Nonetheless, while the overarching figures have remained steady, there are three underlying trends that stand out as being significant in terms of the Skills Strategy:

- The continuing reduction in the numbers of people who are unemployed;
- The slight decrease in the number of people who are employees; and
- The very marked increase in the number of people who are self-employed.

The growth in employment in Exeter has impacted positively on the level of unemployment both in the city and in the surrounding greater Exeter local authority areas. There have been successive reductions in the number of residents claiming benefits and the proportionate figures for the city (8.8%) are below both the regional (9.7%) and national averages (11.0%), as are those in East Devon (8.2%) and Mid Devon (8.9%).

The slight decrease in the number of Exeter residents who are employees – by 1,900 (–3.4%) between 2009 and 2018 is of interest to the Skills Strategy when considered in relation to the increase of c. 6,000 (+136%) in the number of residents who are self-employed. Given that historically most on-the-job training and up-skilling is delivered through employers for their employees, there is a potentially very significant issue here in terms of how any skills gaps among these self-employed people might best be addressed in the future.

Secondary School and Further Education outcomes

At key stage 4, the performance of students across the Greater Exeter area at GCSE level, including Ebacc metrics was broadly on a par with national figures – with 41% of pupils achieving Grade 5 or above in English and maths GCSEs, only slightly below the regional and national averages of 43%. However, in Exeter itself, the figure was markedly lower at 36%, as it was in Central Devon.

The situation in Exeter with the performance of state-funded secondary schools is greatly complicated by the interrelationship with schools in the surrounding areas and the large number of private schools within Exeter itself. This results in many young people either travelling into Exeter to attend the private schools, or out of Exeter to attend grammar schools such as Colyton, Torbay Girls, etc. Invariably these young people are those with the higher aspirations and/or abilities.

In term of achieving an HE destination, the Exeter figures were also markedly different from those for England: Just over a third (36%) of students in Exeter went onto Higher Education compared with half (50%) across England. These key stage 4 and 5 figures are both sources of concern for the city, as they indicate that a lower proportion than average of resident young people are likely to achieve the qualifications required for the jobs that are likely to be on offer in the city.

Apprenticeships

Nationally, the number of new apprenticeships fell sharply in 2017/18 following the introduction of an apprenticeship levy. In Greater Exeter there was a 20% fall in one year resulting in 1,020 fewer apprenticeships. (This fall in starts is not yet reflected in the number of achievements). Apprenticeships across the Greater Exeter area were more likely to be completed compared to regionally and nationally – achievements in 2017/18 were 66% of the number of starts, compared to 56% in the South West and 54%-55% in the United Kingdom.

Higher Education and Graduate Retention

The University of Exeter is the sole Higher Education provider in the Greater Exeter area. It currently has over 23,500 students, most of whom are based in or close to the city (c.10% are in Cornwall at the campus in Penryn). This total represents a 21% increase in the last five years – growth which is likely to continue although the impact of Brexit is unclear. International students account for around a fifth of the student population.

The presence of the university has the potential to provide a supply of high-level STEM skills as well as attracting academic researchers with reputations for research excellence into the area. The University supports 9,265 students in STEM and medicine, with more than 50% of postgraduate research students working in these disciplines.

The latest data shows that 11.5% of graduates remained working for an employer based in Exeter, adding 337 to the graduate workforce. A further 142 graduates remained working for an employer elsewhere in Devon.

Demographics and migration

The Centre for Cities reported that Exeter was the sixth fast growing city in the UK in 2016-17. However, the forecast demographic figures put this growth into perspective, showing that in Exeter the ratio of the working age population (16-64 years) to the retired population (65+ years) has shifted in the last 10 years and is projected to move further – although many people now work beyond 65, the working age population of the city is forecast to decrease comparative to the number of retirees.

In terms of the available labour force, the Greater Exeter population grew from 276,000 in 2007 to 288,000 by 2017 (0.4% per annum), with projected growth to 299,000 expected over the next decade up to 2027 (0.3% per annum). For Exeter itself, the population projections indicate that although the size of the working age population of Exeter will increase by c.5,600 people from 88,800 in 2017 to c.94,400 in 2027 (+6.3%), in proportionate terms this will actually represent a decrease from 68.9% in 2017 to 67.5% in 2027 (-1.4%).

The Greater Exeter area has seen expansion over an extended period due to net inwards migration. Exeter's growth from migration was most marked in the period between 2009 and 2015, though it has fallen in recent years. The majority of this migration flows and net inward migration is from movement within the United Kingdom – internal migration - rather than international migration.

Between 2016 and 2017, the "post-university" working age population (25 to 64 years) in the Greater Exeter area expanded by about 3,600 people. However, the Exeter labour force contracted across all age groups, resulting in a net outward flow of working age migrants between 25 and 64 years old of ~500. As such, the growth in this population of 4,000 migrants more than offset Exeter's loss.

4.2 Labour Demand and Economy

This sub-section examines forecast changes to industries and sectors, in terms of concentrations of employment in occupational roles and productivity in the city.

Employment

Looking first at the current situations of residents in employment, and as reported above, Exeter has a markedly higher proportion of high-level occupations (53.7%) than Greater Exeter (47.2%), the South West (44.7%) and the UK (45.6%). The city also differs in the slightly greater proportion of elementary level occupations (14.6% compared with 10.6% South West and 10.5% UK); and lower proportion of residents in skilled trades and caring, leisure and service occupations (9.0% compared with 20.8% South West and 19.3% UK).

Turning to industrial sector, the data shows that in Exeter currently the highest concentrations of employment are found in four specific sectors, which in combination account for two thirds of all of the c.91,000 employees in the city:

- Public administration, education, health and social work (35.2% of all employees).
- Wholesale, retail & motor trade (14.3%);
- Business admin & support (9.9%); and
- Professional, scientific and technical activities (8.8%).

Looking forward, the forecast data indicates that by 2029 there will be 8,972 more FTE employees in Exeter, equivalent to an 11% overall increase. Most of these extra jobs are forecast to be in just three sectors, which together account for 60% of the total forecast increase:

- Professional, scientific and technical (+2,440 FTEs);
- Human health and social work (+1,483); and
- Business admin and support services (+1,496).

The forecasts also predict increases in FTEs in each of the three surrounding areas, with the growth also being predominantly in professional, scientific and technical, human health and social work and business admin and support services FTEs:

- Mid Devon = +2,555 FTEs (8%);
- East Devon = +4,569 (9%); and
- Teignbridge = +4,643 (10%).

In total the forecasts indicate that across the Greater Exeter area as a whole there will be an increase of over 20,000 FTEs by 2029. The national growth rate for the same period is 11%, which matches the predicted rate in Exeter, though is slightly higher than in the three surrounding three areas.

Productivity

In terms of productivity, the forecast is for steady growth in productivity in Exeter – reaching over £50,000 GVA/FTE in 2029 and continuing to over £60,000 in 2038. Due to the sector and occupational differences in their profiles, there is a marked difference in productivity between Exeter and the surrounding areas – both in terms of its absolute value and the forecast change. The GVA per FTE head of these areas is predicted to continue to grow, albeit at a more modest level than in Exeter.

On the surface the historic increases and the forecasts present a positive picture for the future growth of productivity in Exeter and the surrounding area. However, when benchmarked against the national average they portray a somewhat different picture. Since 2000, Exeter has remained at around 90% – 95% of the national figure. Furthermore, the forecasts are for this pattern to continue to 2038 with the Exeter figure staying between 93% and 95% of the national figure. Teignbridge (c.80% - 85%), East Devon (c.70% - 75%) and Mid Devon (c.65% - 70%) are even further below the national average.

4.3 Cross-cutting themes

This sub-section discusses travel to work, house prices, the economic inter-dependency of the Greater Exeter area and EU exit.

Travel to work

Exeter is an “employment magnet” drawing in many commuters from the surrounding areas. Census data from 2011 indicate that there is a net inflow of c.26,000 commuters, made up of c.37,000 commuters (or c.45% of the workforce) coming into the city and c.11,000 going out. The majority of the 37,000 live in the three surrounding greater Exeter local authority areas.

House prices

Of course, the average house price in Exeter being c.£282,000 for a semi-detached house at the end of 2018 is very likely to be a key factor in the markedly lower proportion of the city's working age residents in skilled trades and caring, leisure and service occupations. Prices have been driven up by the numbers of residents in higher skilled and higher paid jobs, resulting in the city being the sixth most expensive in terms of house affordability in the UK with a ratio of 11.7 between average house price and average wage.

With house prices nationally forecast to continue rising, albeit more slowly, and more high qualified jobs forecast for Exeter it is unlikely that the ratio will decrease in the foreseeable future.

Economic, Employment and Educational Inter-dependency of the Greater Exeter area

What is very clear from the points above concerning the low proportion of Exeter's residents working in skilled trades and caring, leisure and service occupations, the travel to work issues, house prices and travel to and from secondary schools is the very close economic, employment and educational interdependency of Exeter and the three nearest Local Authorities in the Greater Exeter area.

In terms of meeting future employment growth and the related skills needs and gaps, consideration should be given to the ways in which the area functions as an economic "entity" and how this might best be capitalised on for the benefit of all.

Brexit

With the outcome of the Brexit negotiations still unknown, it is not possible to clearly assess what the impacts on skills needs and demands in Exeter will be. While it is apparent that in many ways there could be very marked impacts, whatever the outcome of the negotiations, discerning what these impacts might be is not evident. As well as the issues associated with the movement of labour across the EU, historically it is known that times of economic uncertanty can lead to employers reducing the amount of resources they are prepared to devote to training.

Therefore, some of the issues on which it might impact that are of the most immediate relevance to the skills needs and gaps assessment are:

- Employment levels in those specific sectors known to have high levels of EU workers, such as health and care or construction;
- The need for employers to invest in new, different skills to access new markets or to develop different products/services for different markets (particularly import/export knowledge);
- A possible reduction in training being provided because of employers concerns about economic uncertainty and/or that staff may leave as a result of Brexit; and
- The profile of international students at the University of Exeter of whom, xx% are currently from EU countries.

As the Skills Strategy is developed, the emerging resolution of Brexit will need to be considered closely in relation to these issues and others.

4.4 Issues for consideration in the Skills Strategy

This evidence base has been compiled to help inform the development of the Exeter Skills Strategy and, in order to obtain a full picture, should be read together with the accompanying report on the survey of Exeter businesses' skills needs. The main purpose of the two documents is to highlight skills needs and issues that the Strategy could be used to address.

The overarching issues identified by the evidence base for consideration are summarised below and it is worth highlighting that the business survey provides more details on some of these matters:

- **Marked growth in the numbers of self-employed residents**
  Further research is needed to explore and understand the skills needs of the self-employed in the city, now accounting for c.15% of employment. The available data does not provide sufficient detail on the employment characteristics, qualifications or aspirations of this group of workers to fully assess their requirements. A good starting point for this would be to request full breakdowns of BRES and APS survey data from NOMIS.

- **Lack of residents working in skilled trades and caring, leisure and service occupations**
  The "gap" in the occupational profile of the city's residents indicates the inter-dependence of the city and its economy with its neighbouring areas, as these roles are primarily filled by residents of the surrounding areas. Consideration should be given to the longer-term impact of this on social cohesion, travel patterns and training, particularly as the employment and population projections indicate that the trend will continue to increase.

- **Forecast shortfall in the size of the working age population**
  The total employment growth for the city is forecast to be of the order of 9,000 FTEs by 2029, primarily in the higher skilled and qualified occupations. This number of FTEs equates to c.12,000 people, allowing for part-time working. However, the population projections only indicate an increase of c.6,000 people of working age in the city by this date. On this basis there will be an overall shortfall of c.6,000 working age people.

- **Continued growth in more highly qualified jobs**
  Much of the forecast employment growth in the city will be in the more highly qualified occupations of professional, scientific and technical, human health and social work and business admin and support service roles. Further research is required to understand how the specific skills needs of these sectors might be best met, such as developing specialisations in particular areas for the city to lead on (previously proposed by SLIM as a 'data analytics skills escalator' for the HotSW area). Related to this, further improvement in graduate retention – through placements, internships, joint projects, enterprise programmes and activities that raise employers' awareness of the value of graduates' skills – would help address the issue.

- **Matching local young people's skills with job growth forecasts**
  As noted, most employment growth is forecast to be in more highly qualified jobs, yet too few of Exeter's young people are likely to be going into HE to obtain the relevant necessary qualifications. Work is needed to improve the outcomes in the city's secondary schools and raise the aspirations of young people. A range of activities such as campus visits, master-classes, summer schools and work experience and building 'escalators' that allow progression from school, to college and university in areas of skills shortage and strategic priority could be further developed across the city's secondary schools.

- **Vacancy and recruitment issues**
  The total number of vacancies in Devon nearly doubled between 2013 and 2017, while the number that were hard-to-fill had more than tripled in the same period. Furthermore, the number of who did not have the skills required to perform their current job increased by over 4,000. If the business survey of Exeter employers reports similar findings, then these areas will require further investigation.

- **Apprenticeships**
  In terms of improving the broad supply of young people with skills, the drop off in the number of Apprenticeships that the research found needs to be addressed. The opportunities offered to both the apprentices and their employers through the schemes are very significant and should be further developed, promoted and encouraged.

Appendix I – Main data sources and references

Labour Market data
https://www.nomisweb.co.uk/

Business Register and Employment survey
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/businessregisterandemploymentsurveybresprovisionalresults/provisionalresults2017revisedresults2016

Productivity and employment forecasts
HotSW Amore Economic model

Population data
https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland

Population projections
https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections

Recruitment and vacancies data
https://data.gov.uk/dataset/744da5f0-ee71-4e74-b787-81819b267250/uk-employer-skills-survey

Apprenticeship data
https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships

Schools data
https://www.compare-school-performance.service.gov.uk/schools-by-type?step=default&table=schools&region=all-england&for=secondary

House prices
https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housepricestatisticsforsmallareas/yearendingjune2018

Skills Advisory Panels (SAPs): Analytical Toolkit
https://www.gov.uk/government/publications/skills-advisory-panels-analytical-toolkit

Exeter & Heart of Devon Skills Plan Evidence Base
SLIM/Marchmont Observatory 2015

Employers Skills Survey 2018
IFF/DfE

Devon Workforce Skills Survey 2017
Wavehill

Local Government Association Brexit report: Moving the Conversation On
https://www.local.gov.uk/sites/default/files/documents/5.39%20Brexit_v06WEB.pdf

Cities Outlook 2019
Centre for Cities

Exeter City Council

Equality Impact Assessment: *Skills Strategy for Exeter*

The Equality Act 2010 includes a general duty which requires public authorities, in the exercise of their functions, to have due regard to the need to:

- **Eliminate discrimination**, harassment and victimisation and any other conduct that is prohibited by or under the Act.
- **Advance equality of opportunity** between people who share a relevant protected characteristic and people who do not share it.
- **Foster good relations** between people who share a relevant protected characteristic and those who do not

In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

Authorities which fail to carry out equality impact assessments risk making poor and unfair decisions which may discriminate against particular groups and worsen inequality.

Committee name and date:	**Report Title**	**Decisions being recommended:**	**People with protected characteristics potentially impacted by the decisions to be made:**
Executive 10 March 2020	Skills Strategy for Exeter	2.1 To approve the Skills Strategy for Exeter. 2.2 To approve the associated action plan to enable the Skills Manager to proceed with the outlined work programme.	Disability Sex / Gender Age Pregnancy and Maternity

Factors to consider in the assessment: For each of the groups below, an assessment has been made on whether the proposed decision will have a **positive, negative or neutral impact.** This is must be noted in the table below alongside brief details of why this conclusion has been reached and notes of any mitigation proposed. Where the impact is negative, a **high, medium or low assessment** is given. The assessment rates the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

High impact – a significant potential impact, risk of exposure, history of complaints, no mitigating measures in place etc.
Medium impact –some potential impact exists, some mitigating measures are in place, poor evidence
Low impact – almost no relevancy to the process, e.g. an area that is very much legislation led and where the Council has very little discretion

Protected characteristic/ area of interest	**Positive or Negative Impact**	**High, Medium or Low Impact**	**Reason**
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).	**Neutral**		The evidence base that supports the Skills Strategy does not indicate that any area of work needs to impact on these groups specifically. The data does not currently indicate that we would have any need to focus on any particular ethnic group /s in any of the delivery of the Skills Strategy. This will be reviewed as projects develop and any new work streams are identified.
Disability: as defined by the Equality Act – a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse impact on their ability to carry out normal day-to-day activities.	**Positive**		Through consultation and engagement with JCP, it has been highlighted that there is potential to engage more and varied businesses across the city in supporting those with disabilities in to work. In particular encouraging the use of the 'Disability Confident' scheme to support businesses. The Skills Strategy seeks to promote inclusion – in terms of economic activity.
Sex/Gender	**Positive**		Whilst not currently specifically identified, there may be priority activities within the strategy that will present opportunities for women in particular to be supported. An example of this is through the Building Greater Exeter project, where a funding stream from the CITB has identified that supporting women in to jobs and careers in construction is a priority and forms part of a project that we are delivering.

			It is envisaged that any activity derived from the strategy that has a focus on either gender will be positive, and not necessarily have a negative impact on the other.
Gender reassignment	**Neutral**		The Skills strategy will not seek to specifically focus on or exclude this group – only through the activity as indicated above for gender.
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	**Neutral**		The evidence base that supports the Skills Strategy does not indicate that any area of work needs to impact on these groups specifically.
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	**Neutral**		The evidence base that supports the Skills Strategy does not indicate that any area of work needs to impact on these groups specifically.
Age (children and young people aged 0-24; adults aged 25-50; younger older people aged 51-75/80; older people 81+; frail older people; people living with age related conditions. The age categories are for illustration only as overriding consideration should be given to needs).	**Positive**		The skills strategy has identified that there are particular age groups that priority activity will be focussed on. Children – in order to support understanding of jobs, skills that employers are going to need, and an understanding of the labour market to support decision-making in relation to further and higher education and provide inspiration. Working age population – particularly in relation to those who are not currently active in the labour market
Pregnancy and maternity including new and breast feeding mothers	**Positive**		The evidence base has indicated that there are issues to address in terms of attracting and retaining the workforce. There is the potential for this group to be impacted by work that is taken forward under this strand of activity.
Marriage and civil partnership status	**Neutral**		The evidence base that supports the Skills Strategy does not indicate that any area of work needs to impact on these groups specifically.

Actions identified that will mitigate any negative impacts and/or promote inclusion

- All areas of work identified as part of the priorities for the Skills Strategy will consider the impact on all of the above groups as detailed work plans are developed.
- If funding opportunities arise to support Protected characteristic, this will be investigated for its suitability, impact and deliverability in the city.

- Any events, meetings or activities that are planned as part of the Skills Strategy delivery programme will fully take account of the identified groups when considering venues and content.

Officer: Skills & Business Manager
Date: 12 February 2020

REPORT TO EXECUTIVE

Date of Meeting: 10 March 2020

REPORT TO COUNCIL

Date of Meeting: 21 April 2020

Report of: Director (DB)

Title: Port Marine Safety Code – Pathway to Compliance

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To highlight major changes required to enable Exeter City Council to meet Port Marine Safety Code Compliance

2. Recommendations:

Executive recommends to Council the following changes to its constitution;

2.1 To set up a politically balanced Harbour Board (Council Committee) comprising of six elected Members and six externally appointed members

2.2 To agree the Terms of Reference for the Board as follows:

(a) To maintain strategic oversight and direction of all aspects of the Harbour operation, including marine safety;

(b) To be responsible for the development of policies, plans, systems and procedure for safe navigation;

(c) To ensure that all assessments and reviews are undertaken as required to maintain and improve marine safety;

(d) to ensure that the harbour authority sees and adopts appropriate powers for the effective enforcement of their regulations, and for the setting dues at a level which adequately funds the discharge of all their duties;

(e) To appoint a Designated Person to provide independent assurance directly to the Duty Holder that the Marine Safety management system is working effectively;

(f) To investigate the potential for applying for a Harbour Revision Order to empower the Council to take enforcement action on issues such as dangerous use of jet skis through Special Directions and to oversee a review of the Bye-Laws covering the Estuary.

2.3 To agree expenditure of £25,000 on a Harbour Patrol vessel following contributions from East Devon District Council (£15,000) and Exmouth Town Council (£10,000)

3. Reason for the recommendation:

3.1 To put in place vital elements of the Exeter Port Authority governance and legal framework that are necessary to successfully obtain Port Marine Safety Code compliance;

3.2 To act on the advice of the Council's internal Legal Team, alongside external legal advice from a specialist in marine law.

3.3 To follow recommendations made by the Maritime & Coastguard Agency following a Port Marine Safety Code Health Check visit in November 2019 and subsequent report.

3.4 To follow good port governance guidance issued by the Department for Transport in 2018.

3.5 To put on record the Council's thanks to both East Devon District and Exmouth Town Council for their financial contribution and to seek Member approval to put the additional £25,000 to the existing £50,000 capital sum to purchase a Harbour Patrol boat for the sum of £75,000.

4. What are the resource implications including non financial resources.

4.1 External positions on the Harbour Board are expected to be non-salaried although a small annual sum of £1,800 should be made available to cover the expenses of these six members from existing Waterways budgets.

4.2 The formation of a Harbour Board will create extra work for Democratic Services in managing between 4 and 6 meetings per year.

4.3 Exploring a Harbour Revision Order will have high impact on the workload of the Council's internal Legal Team and officers within Waterways and therefore additional resources which have not been costed are likely to be needed.

4.4 Authorising an additional £25,000 on the Harbour Patrol vessel will have no direct financial impact as this money has been contributed by other Authorities.

5. Section 151 Officer comments:

5.1 The request for additional expenditure to be added to the capital programme is noted along with the external funding that has been awarded. It is a requirement that Council approve all expenditure regardless of how it is funded.

5.2 As a result of the external funding there will be no overall impact on the Council's financial position.

6. What are the legal aspects?

Given the Health 7 Safety implications, there is a pressing need to ensure that the City Council complies with the Port Safety Marine Code.

7. Monitoring Officer's comments:

Pursuing a Harbour Revision Order is expensive and time consuming and may result in a Public Inquiry. The Harbour Board will have to consider this aspect as part of its due diligence when testing the feasibility of applying for a Harbour Revision Order.

8. Report details:

8.1 The Council is the Port Authority for the Exe Estuary from Blackaller Weir (outside Mill on the Exe) to the 'Safe Water Mark', one mile out to sea off Exmouth beach.

8.2 As such, the responsibilities include:-

a) Providing and maintaining lights and buoys to ensure safe navigation;

b) Exercising functions with regard to nature conservation and other environmental considerations;

c) Conserving the harbour so that it is reasonably fit for use as a port and in such condition for a vessel to utilise it safely;

d) Complying with the Port Marine Safety Code;

e) Complying with Environmental Protection legislation; and

f) Keeping the canal open, maintained and navigable for commercial vessels

8.3 We are currently pursuing Port Marine Safety Code (PMSC) compliance. Although the PMSC is not mandatory all Harbour Authorities are expected to comply and failure to do so can lead to prosecution under other relevant legislation, such as the Health and Safety at Work Act (maximum penalty 2 years imprisonment and/or unlimited fine), in the event of serious incident or accident.

8.4 During 2018 Members backed the recommendation to appoint a Harbour Master and Harbour Patrollers (x 2 FTE) as the first stage in the Council moving towards Port Marine Safety Code compliance.

8.5 These officers have made good progress in many of the areas (marine safety management systems, risk assessments, competence), however some fundamental obstacles remain on the route to full compliance.

8.6 The first of these is around Port governance and accountability. This is usually achieved by forming and appointing a:-

a) Harbour Board, to act as a Duty Holder and who are individually and collectively accountable for compliance with the Code; and

b) Designated Person, to provide independent assurance about the operation of the marine safety management system

8.7 Department for Transport and Maritime & Coastguard Agency guidance is that:-

a) the formation and membership of a Harbour Board is critical;

b) it should be strategic and aware of the commercial and legal framework within which ports operate;

c) it should ideally be made up of between 8 and 12 people;

d) half should be elected Members and the other half external appointees who are stakeholder representatives or individuals with valuable skills and experience;

e) a Chair should be appointed on merit, skills and suitability;

f) external appointees should be appointed by public advertisement using guidance applicable to public appointments;

g) the Harbour Master should have access to the Harbour Board in an advisory capacity only, and like any other Council officer they cannot serve on the Board or have voting rights; and

h) the Designated Person must have direct access to the Harbour Board.

8.8 In order to progress with compliance a Harbour Board should be formed and Designated Person appointed in conjunction with the above criteria.

8.9 The second obstacle is that of legislation, with the Council not possessing the appropriate powers to enable adequate management of the Port by Special Directions.

8.10 This is an historical anomaly resulting from the failure of the Council to incorporate the Harbours, Docks and Piers Act in 1847. As such the Council cannot exercise the powers of Special Direction which is a major concern in relation to ensuring navigational safety and compliance with the Code.

8.11 These Directions would allow the Council to take action against personal watercraft such as jet skis and in emergency situations. In order to now obtain the appropriate powers the Council would need to pursue a Harbour Revision Order to incorporate the 1847 Act mentioned above.

8.12 This would be a lengthy and expensive process (18 months and £150,000 potentially) but without doing so it will be impossible to meet, both in principle and practice, the requirements of the Port Marine Safety Code.

8.13 The proposed Harbour Board would be well positioned to investigate the viability of a Harbour Revision Order and approach both Teignbridge and East Devon District Council's for a contribution towards the anticipated £150,000 costs.

9. How does the decision contribute to the Council's Corporate Plan?

This recommendation will allow the Council to manage the Port in an effective and compliant manner, demonstrating a well-run Council. It also seeks to ensure the many users of the Port can partake in healthy and active pursuits in a safer environment.

10. What risks are there and how can they be reduced?

10.1 There are no foreseeable risks in accepting these recommendations, the risk is in failing to maintain progress towards PMSC compliance as stated in 8.3 above.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because:-

11.4.1 The aim of improving safety within the Port of Exeter is of benefit to all users.

12. Carbon Footprint (Environmental) Implications:

12.1 There are no anticipated negative carbon issues.

13. Are there any other options?

13.1 To manage the Port without achieving PMSC compliance but to put the Authority at risk if a fatality or other major incident occurs.

Director: David Bartram

Author: Steve Carnell

14. Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-
Department for Transport – Ports Good Governance Guidance 2018

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Exeter City Council

Equality Impact Assessment: *Port Marine Safety Code – Pathway to Compliance*

The Equality Act 2010 includes a general duty which requires public authorities, in the exercise of their functions, to have due regard to the need to:

- **Eliminate discrimination**, harassment and victimisation and any other conduct that is prohibited by or under the Act.
- **Advance equality of opportunity** between people who share a relevant protected characteristic and people who do not share it.
- **Foster good relations** between people who share a relevant protected characteristic and those who do not

In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

Authorities which fail to carry out equality impact assessments risk making poor and unfair decisions which may discriminate against particular groups and worsen inequality.

Committee name and date:	**Report Title**	**Decisions being recommended:**	**People with protected characteristics potentially impacted by the decisions to be made:**
Executive 10 March 2020	Port Marine Safety Code – Pathway to Compliance	Formation of Harbour Board Pursue Harbour Revision Order to increase powers to manage safely	All

Factors to consider in the assessment: For each of the groups below, an assessment has been made on whether the proposed decision will have a **positive, negative or neutral impact.** This is must be noted in the table below alongside brief details of why this conclusion has been reached and notes of any mitigation proposed. Where the impact is negative, a **high, medium or low assessment** is given. The assessment rates the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

High impact – a significant potential impact, risk of exposure, history of complaints, no mitigating measures in place etc.
Medium impact –some potential impact exists, some mitigating measures are in place, poor evidence
Low impact – almost no relevancy to the process, e.g. an area that is very much legislation led and where the Council has very little discretion

Protected characteristic/ area of interest	**Positive or Negative Impact**	**High, Medium or Low Impact**	**Reason**
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).	**P**	**L**	**Recommendation should lead to a safer Port environment for all**
Disability: as defined by the Equality Act – a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse impact on their ability to carry out normal day-to-day activities.	**P**	**L**	**Recommendation should lead to a safer Port environment for all**
Sex/Gender	**P**	**L**	**Recommendation should lead to a safer Port environment for all**
Gender reassignment	**P**	**L**	**Recommendation should lead to a safer Port environment for all**
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	**P**	**L**	**Recommendation should lead to a safer Port environment for all**
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	**P**	**L**	**Recommendation should lead to a safer Port environment for all**
Age (children and young people aged 0-24; adults aged 25-50; younger older people aged 51-75/80; older	**P**	**L**	**Recommendation should lead to a safer Port environment for all**

people 81+; frail older people; people living with age related conditions. The age categories are for illustration only as overriding consideration should be given to needs).			
Pregnancy and maternity including new and breast feeding mothers	**P**	**L**	**Recommendation should lead to a safer Port environment for all**
Marriage and civil partnership status	**P**	**L**	**Recommendation should lead to a safer Port environment for all**

<u>Actions identified that will mitigate any negative impacts and/or promote inclusion</u>

- **n/a**

Officer: Steve Carnell
Date: 12 Feb 2020

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REPORT TO EXECUTIVE

Date of Meeting: 10 March 2020

Report of: Director

Title: Parking Tariffs 2020

Is this a Key Decision?

Yes

Is this an Executive or Council Function?

Executive

1. What is the report about?

Increasing car park tariffs from May 2020 and making minor amendments under the Parking Places Order to improve the regulation of Council car parks and to support the Council's aims of reducing traffic congestion, improving air quality, and addressing the goal of a carbon neutral Exeter by 2030.

2. Recommendations:

2.1 To amend the Car Parking Places Order 2014 as follows:-

a) To make car park residential permits free for electric vehicles
b) To raise the minimum tariff in all car parks from 1 hour to 2 hours
c) To increase tariffs for stays between 2 hours and 7 hours in Premium, Zone 1 and Zone 2 car parks by 10p
d) To increase tariffs for all-day stays in Premium car parks by £3.00
e) To increase tariffs in Zone 3 car parks by 50p (for 2 hour stays), £1.00 (for 3 hour stays), £1.50 (for 4 hour and all day stays) and by £5.00 for coaches (all day)

Premium Car Parks (Guildhall, Mary Arches, John Lewis)		
Stay	Current Tariff	Proposed Tariff
1 hour	£3.30	n/a
2 hours	£4.40	£4.50
3 hours	£5.50	£5.60
4 hours	£6.60	£6.70
5 hours	£7.70	£7.80
6 hours	£8.80	£8.90
7 hours	£9.90	£10.00
All day	£15.00	£18.00

Zone 1 Car Parks (Bampfylde Street, Bartholomew Terrace, Harlequins, King William Street, Magdalen Road, Magdalen Street, Matthews Hall, Princesshay 2, Princesshay 3, Smythen Street)		
Stay	Current Tariff	Proposed Tariff
1 hour	£2.20	n/a

2 hours	£3.30	£3.40
3 hours	£4.40	£4.50
4 hours	£5.50	£5.60
5 hours	£6.60	£6.70
6 hours	£7.70	£7.80
7 hours	£8.80	£8.90
All day	£13.00	£13.00
Zone 2 Car Parks (Belmont Road, Bystock Terrace, Cathedral & Quay, Haven Road 1, Howell Road, Richmond Road, Parr Street, Topsham Quay, Triangle)		
Stay	Current Tariff	Proposed Tariff
1 hour	£2.20	n/a
2 hours	£3.30	£3.40
3 hours	£4.40	£4.50
4 hours	£5.50	£5.60
5 hours	£6.60	£6.70
All day	£11.00	£11.00
Zone 3 Car Parks (Flowerpot, Haven Road 2 & 3, Holman Way, Okehampton Street, Tappers Close, Turf Approach)		
Stay	Current Tariff	Proposed Tariff
1 hour	£1.00	n/a
2 hours	£1.50	£2.00
3 hours	£2.00	£3.00
4 hours	£2.50	£4.00
All day	£3.50	£5.00
Zone 3 Car Parks with Maximum Stay (Bromhams Farm, Clifton Hill, Gordons Place, Station Road (Exwick))		
1 hour	£1.00	n/a
2 hours	£1.50	£2.00
3 hours maximum stay	£2.00	£3.00
Other charges		
Coach Parking at Haven Road 3 (per day)	£5.00	£10.00
Season Ticket (per annum)	£1,500.00	£1,500.00
Residents Annual Car Park Permit (within catchment zone)	£150.00	£150.00
Residents Annual Car Park Permit (if electric vehicle and within catchment zone)	£150.00	Free
Business Annual Car Park Permit (within catchment zone)	£250.00	£250.00

Cathedral & Quay Dedicated Business Bay (within catchment zone and subject to availability)	£750.00	£750.00

2.2 To include the requirement for all vehicles parking within Exeter City Council car parks to hold a valid vehicle tax and MOT

2.3 To include the access road into Haven Road 2 and 3 car parks within the Parking Places Order

3. Reasons for the recommendation:

3.1 To continue the existing approach of implementing reasonable and regular tariff increases to support the Council's aims of reducing traffic congestion, improving air quality in the city, and addressing the goal of a carbon neutral Exeter by 2030.

3.2 To help encourage a move towards electric vehicle ownership by offering free residents annual car park permits for such vehicles within existing catchment zones

3.3 To deter drivers from using free Council car parks as informal 'off road storage sites' for vehicles without sufficient tax or MOT cover to be on the Highway

3.4 To ensure appropriate regulation of Haven Road 2 and 3 access road to enable enforcement options to be used in the event of cars parking on existing double yellow lines

4. What are the resource implications including non financial resources.

4.1 Based on ticket data for 2019, and allowing for a modal shift (or resistance factor) or 5% the projected net annual income would be £8.8M

5. Section 151 Officer comments:

The projected income is marginally below the budget proposed for 2020-21. However, as this can only ever be an estimate, Finance will continue to monitor actual receipts on a monthly basis to ensure that the budget remains on track or to highlight any issues to members.

6. What are the legal aspects?

In order to bring these changes into effect, the Council is obliged to comply with the procedural requirements set out in the Road Traffic Regulations Act 1984.

7. Monitoring Officer's comments:

Provided that the procedural requirements referred to in paragraph 6 above are met, this report raises no issues for the Monitoring officer.

8. Report details:

8.1 The City Council and Devon County Council have declared a climate emergency and are committed to achieving a carbon neutral city and county by 2030. The Exeter Place Board has also signed off the Exeter Vision 2040 with a stated aim to be carbon neutral

by 2030. The County and City are working closely on the Exeter Transport Strategy with the aim of making a significant shift in how people get around the city, with an aim to limit the number of journeys by car that originate or terminate in the city to no more than 50%. This assumes within the city more journeys will be made by foot, bicycle and public transport. Clearly there are lots of things that will need to be done to support this ambition, including hard infrastructure, and improvements in alternatives. These matters are being progressed by the transport authority and a range of mobility initiatives will be involved. This is a five to ten year programme that will need to rapidly step up. It is clear that with a stated aim of reducing congestion in the City, the City Council cannot help support this objective without reasonable and regular increases in tariffs, but we are in a transition and this report does not constitute a fundamental review of the approach to the parking tariffs.

8.2 Any increases must be balanced alongside the accompanying strategic aims of:-

a) Ensuring car parks contribute to economic growth
b) Maximising the capacity of existing Council assets
c) Improving the city centre environment
d) Promoting sustainable travel
e) Reducing congestion
f) Maintaining an income stream to help fund essential services

8.3 Parking data for the past 12 months indicates a 7.5% fall in the number of vehicles using Council car parks alongside a 7.4% increase in income.

8.4 Coach parking in the designated area at Haven Road has increased by 255%

8.5 The proposed rise of £3.00 for all day parking in Premium car parks reflects the longer charging period in these sites (8am – midnight) compared to all other sites (8am – 6pm)

8.6 In these circumstances the proposed tariff changes should help deliver objectives b, c, d, e and f in the above list.

8.7 However, it is recognised that the management of car parks and setting of tariff structures is only part of a wider range of transport based issues that need to be explored in a holistic manner to help address the environmental challenge in the city.

8.8 This transitional work will commence during 2020 and involve partner agencies and commercial operators across the transport sector.

8.8 The access road into Haven Road 2 and 3 car parks is not currently within the Parking Places Order so no enforcement action can be taken against vehicles parked blocking this route. By including this additional area the site can be better managed in the event of such situations.

8.9 A relatively small number of central properties currently qualify for a car park residential permit, these are mainly around Bartholomew Terrace and Richmond Road car parks and cost the permit cost is £150.00 per annum. In proposing to make these free for electric vehicles it is hoped to provide an additional incentive to those residents considering changing from a traditional car to a greener alternative.

8.10 In response to previous complaints about non-taxed/MOT vehicles being stored for long durations within Newtown area resident's car parks, an amendment should be made to the Parking Places Order to ensure the same level of vehicle tax/MOT compliance as required for parking on the highway.

8.11 The city centre is a major source of employment to the city and a major contributor to the growth of the city. Not only does the centre provide great things for people to see and do, it creates a sense of place and city pride, hosting a range of cultural and entertainment facilities. The City centre also has to support employers and those who make a living from businesses in the city centre. Increasingly, Exeter has grown as a major leisure and retail destination. The city supports a wide catchment population, whilst rail patronage has grown remarkably so in recent years, many rural communities are dependent on road based solutions. Whilst park and ride facilities are available and usage is increasing, there is still a great demand for city centre car parking; and we are especially aware of the need to balance the desire from retailers for cheap and plentiful parking with the need to create an attractive environment for those that live in the city and who expect to have good air quality and attractive public spaces.

8.12 The Liveable Exeter programme and the City Council's Vision for a Green Capital set out a desire to improve the environment of the city centre, providing more public spaces free from cars and through traffic. This inevitably requires choices to be made. We want the city centre to remain successful and for visitors to continue to come to the centre. Achieving these outcomes whilst balancing strategic objectives is not easy but we are on this path, and we will need to make rapid progress in the short to medium term if we are to deliver on the Carbon Neutral Exeter agenda.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 This recommendation directly contributes to the Council's carbon neutral challenge by continuing to increase tariffs in an attempt to reduce car journeys into central Exeter and by offering residents within car park permit catchment zones the incentive of free permits if they change to electric powered cars.

10. What risks are there and how can they be reduced?

10.1 It has to be recognised that the Council currently relies heavily on car park income in order to fund many other services across the city. As the number of vehicles using Council car parks reduces consideration needs to be given as to how to replace that income, potentially by utilising redundant car park sites to generate other revenue streams.

10.2 A reduction in compliance is a risk at some sites with some drivers electing to risk receiving a Penalty Charge Notice rather than paying the required tariff. A greater focus on parking enforcement in these areas would reduce that risk.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;

- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because:-

11.4.1 There is no recommendation to review the existing policy of providing unlimited free parking in pay & display car parks for valid Blue Badge holders

12. Carbon Footprint (Environmental) Implications:

12.1 Only positive carbon/environmental impacts arising from the recommendations are expected. The 170,175 (7.5%) fewer vehicles using Council car parks between 2018 and 2019 equates to an approximate carbon reduction of 285 tonnes of CO2. The anticipated further 5% reduction in vehicles during 2020/21 would equate to an additional reduction of 190 tonnes. Calculations based on average car emitting 280 grams per mile (carbonindependent.org website) and an average journey being 6 miles (3 miles into Exeter and 3 miles return).

12.2 The Road Map to a carbon neutral Exeter recognises that we have to reduce the dominance of cars. The document states "To achieve a modal shift away from high-carbon forms of transport it is vital to implement options that are cheaper, quicker and more convenient that private car ownership. It recognises that a Net Zero Exeter will have cleaner, more efficient public transport and reduced dominance of cars in the city centre, making more attractive public spaces." It further recognises the city centre will need to be free from non-essential motorised vehicles, providing vibrant public spaces and freeing up land currently used for driving and parking. The parking tariff structure and the availability of car parking will therefore be an important leaver in moving to a carbon neutral city. But we have a lot of work to do on addressing: our sustainable travel initiatives, city wide mobility schemes, integrated multimodal ticketing etc. Therefore, it would be right to consider our approach to the traffic structure as a work in progress and not necessarily what would fully be compatible with a carbon neutral city. It reflects the need to balance availability of car parking to support city centre businesses and supporting strategic aims of carbon reduction and tackling congestion.

13. Are there any other options?

13.1 Maintain existing tariffs and make additional income or savings in other areas.

Director: David Bartram
Author: Steve Carnell

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-
Tariff Income Projection (Appendix 1)

Contact for enquires:
Democratic Services (Committees)
Room 4.36

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DURATION	EXISTING	PROPOSED	2019		
Premier	Existing Tariff	Proposed Tariff	Tickets Sold	Projected Income	
1 hr	£ 3.30	£ 4.50	433,731	£ 1,951,790	
2 hr	£ 4.40	£ 4.50	206,486	£ 929,187	
3 hr	£ 5.50	£ 5.60	109,050	£ 610,680	
4 hr	£ 6.60	£ 6.70	49,107	£ 329,017	
5 hr	£ 7.70	£ 7.80	20,460	£ 159,588	
6 hr	£ 8.80	£ 8.90	9,863	£ 87,781	
7 hr	£ 9.90	£ 10.00	5,311	£ 53,110	
All day	£ 15.00	£ 18.00	10,754	£ 193,572	
Short					
1 hr	£ 2.20	£ 3.40	204,964	£ 696,878	
2 hr	£ 3.30	£ 3.40	236,263	£ 803,294	
3 hr	£ 4.40	£ 4.50	130,206	£ 585,927	
4 hr	£ 5.50	£ 5.60	59,639	£ 333,978	
5 hr	£ 6.60	£ 6.70	25,904	£ 173,557	
6 hr	£ 7.70	£ 7.80	11,014	£ 85,909	
7 hr	£ 8.80	£ 8.90	19,940	£ 177,466	
All day	£ 13.00	£ 13.00	32,140	£ 417,820	
Long					
1 hr	£ 2.20	£ 3.40	136,675	£ 464,695	
2 hr	£ 3.30	£ 3.40	156,550	£ 532,270	
3 hr	£ 4.40	£ 4.50	105,283	£ 473,774	
4 hr	£ 5.50	£ 5.60	54,693	£ 306,281	
5hr	£ 6.60	£ 6.70	39,014	£ 261,394	
All day	£ 11.00	£ 11.00	48,501	£ 533,511	
Local					
1 hr	£ 1.00	£ 2.00	28,091	£ 56,182	
2 hr	£ 1.50	£ 2.00	31,932	£ 63,864	
3 hr	£ 2.00	£ 3.00	30,330	£ 90,990	
4 hr	£ 2.50	£ 4.00	17,707	£ 70,828	
All day	£ 3.50	£ 5.00	53,410	£ 267,050	
Coaches	£ 5.00	£ 10.00	1,578	£ 15,780	
Season Tickets	£ 1,500.00	£ 1,500.00	221	£ 331,500	
Residential Permits	£ 150.00	£ 150.00	150	£ 22,500	
C&Q Business	£ 750.00	£ 750.00	36	£ 27,000	
				£ 11,107,171	
				net income	£ 9,255,976
				less 5% modal change	£ 8,793,177
				target income 2020/21	£ 8,800,000

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Exeter City Council

Equality Impact Assessment: *Parking Tariffs 2020*

The Equality Act 2010 includes a general duty which requires public authorities, in the exercise of their functions, to have due regard to the need to:

- **Eliminate discrimination**, harassment and victimisation and any other conduct that is prohibited by or under the Act.
- **Advance equality of opportunity** between people who share a relevant protected characteristic and people who do not share it.
- **Foster good relations** between people who share a relevant protected characteristic and those who do not

In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

Authorities which fail to carry out equality impact assessments risk making poor and unfair decisions which may discriminate against particular groups and worsen inequality.

Committee name and date:	**Report Title**	**Decisions being recommended:**	**People with protected characteristics potentially impacted by the decisions to be made:**
Executive 10 March 2020	Parking Tariffs 2020	Withdrawing 1 hour parking tariff Increasing most other tariffs by 10p	All

Factors to consider in the assessment: For each of the groups below, an assessment has been made on whether the proposed decision will have a **positive, negative or neutral impact.** This is must be noted in the table below alongside brief details of why this conclusion has been reached and notes of any mitigation proposed. Where the impact is negative, a **high, medium or low assessment** is given. The assessment rates the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

High impact – a significant potential impact, risk of exposure, history of complaints, no mitigating measures in place etc.
Medium impact –some potential impact exists, some mitigating measures are in place, poor evidence
Low impact – almost no relevancy to the process, e.g. an area that is very much legislation led and where the Council has very little discretion

Protected characteristic/ area of interest	**Positive or Negative Impact**	**High, Medium or Low Impact**	**Reason**
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).	**N**	**L**	**Slight increase in parking charges of low negative financial impact**
Disability: as defined by the Equality Act – a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse impact on their ability to carry out normal day-to-day activities.	**N**	**L**	**Slight increase in parking charges of low negative financial impact**
Sex/Gender	**N**	**L**	**Slight increase in parking charges of low negative financial impact**
Gender reassignment	**N**	**L**	**Slight increase in parking charges of low negative financial impact**
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	**N**	**L**	**Slight increase in parking charges of low negative financial impact**
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	**N**	**L**	**Slight increase in parking charges of low negative financial impact**
Age (children and young people aged 0-24; adults aged 25-50; younger older people aged 51-75/80; older	**N**	**L**	**Slight increase in parking charges of low negative financial impact**

people 81+; frail older people; people living with age related conditions. The age categories are for illustration only as overriding consideration should be given to needs).			
Pregnancy and maternity including new and breast feeding mothers	**N**	**L**	**Slight increase in parking charges of low negative financial impact**
Marriage and civil partnership status	**N**	**L**	**Slight increase in parking charges of low negative financial impact**

<u>Actions identified that will mitigate any negative impacts and/or promote inclusion</u>

- **There is no recommendation to review the current policy of offering free unlimited parking in pay & display car parks for valid blue badge holders**

Officer: Steve Carnell
Date: 12 Feb 2020

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