



Exeter Skills Strategy: Business Survey

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Exeter City Council

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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 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 Survey¹ (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 acquire 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

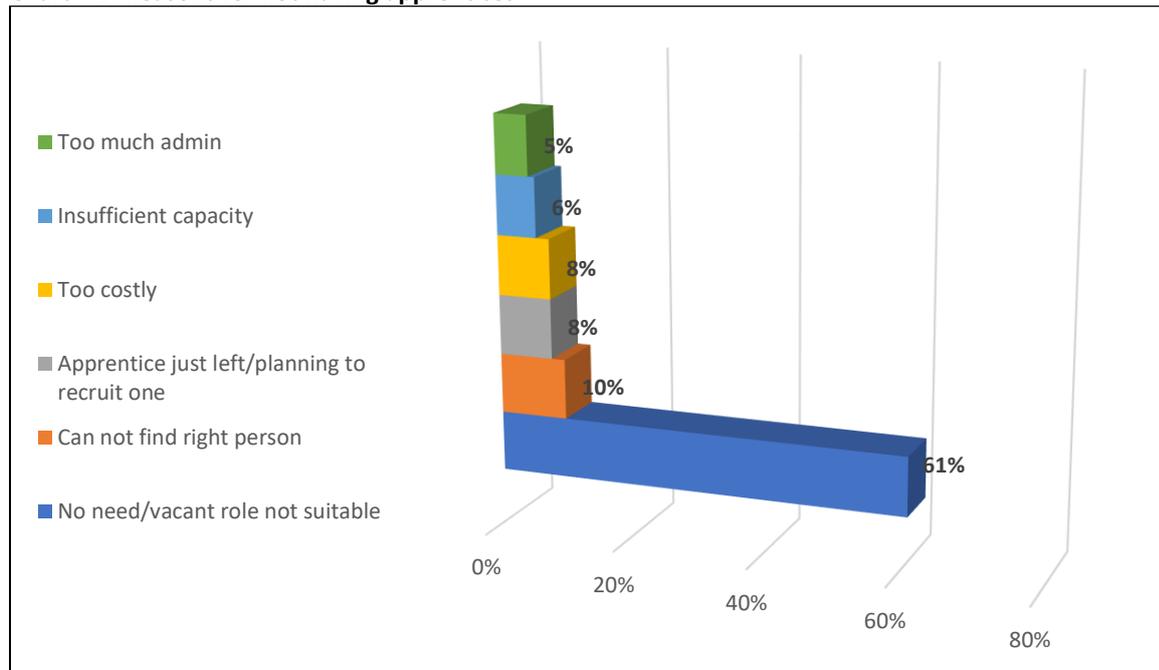
³ <http://researchbriefings.files.parliament.uk/documents/SN06113/SN06113.pdf>

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.

Horrible, 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.

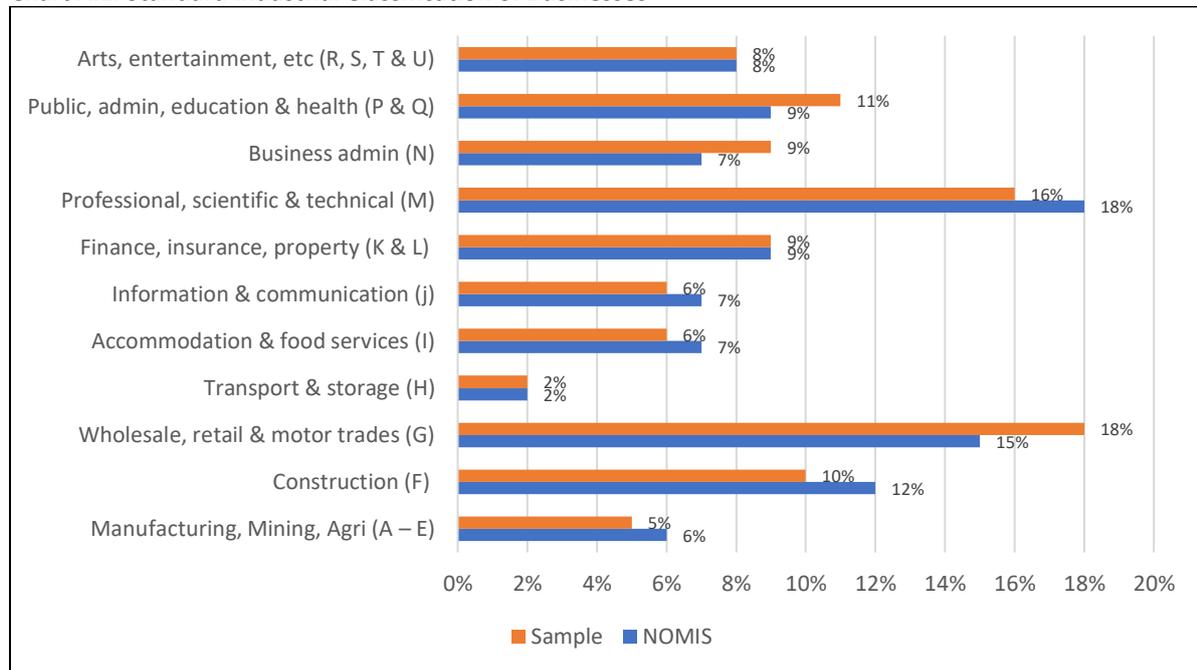
Appendix I – Business survey methodology and sample profile

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, Cyclax, Socrates
Midsummer Norton for welding
North Devon Trust and 3CP Training
OnLife 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