



CORNWALL &
ISLES OF SCILLY
LOCAL ENTERPRISE PARTNERSHIP

Perspectives on skills, recruitment and training in 2021

*The views of employers and young
people*

A report by
Red Box Research
November 2021

1. Introduction

This research is a key part of a review to ensure that the Local Skills Strategy and Action Plan published in March 2021 remains relevant and effective in responding to new short-term skills issues whilst maintaining a focus on medium to longer term priorities. Against a background of unprecedented uncertainty, it is critical to provide timely information on the impact of the recent skills crisis on the economy, jobs and labour market if the Employment and Skills Board (ESB) and its partners are to design or adjust policies to support individuals and businesses return to long-term growth.

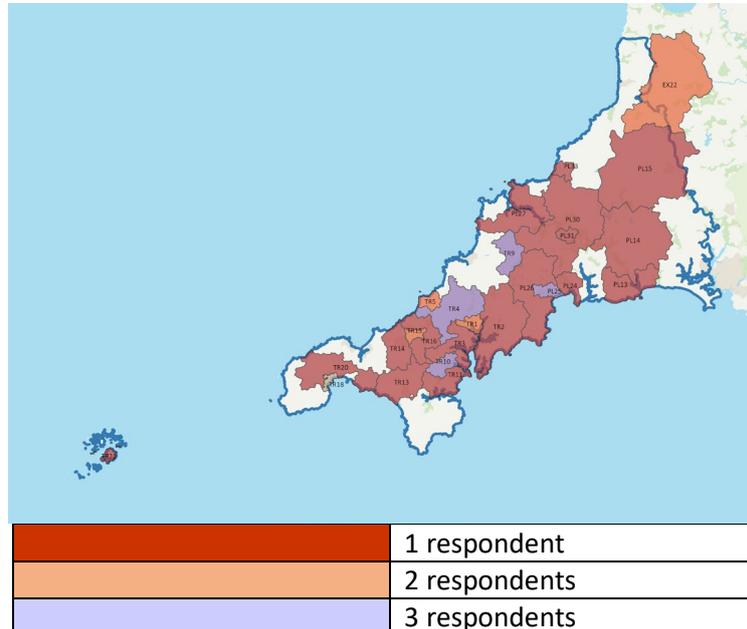
This report sets out the findings from a range of employer and young people engagement activities undertaken during October and November 2021. These comprise of:

- An online employer survey (44 responses)
- In-depth qualitative employer interviews (9 interviews)
- 5 Sector employer focus groups (35 participants)
- 1 focus group with young people (9 participants from apprenticeship programmes, Further Education and Kickstart)
- Participation in the Annual Conversation with Young People

In all, almost 100 employers will have been engaged across Cornwall and the Isles of Scilly, supplemented by a discussion with young people.

Collectively, the research has involved a cross-section of employers from across the county and the Isles of Scilly, representing employers from micro businesses to major companies with significant employment levels. In all, employers representing 5000+ employees responded to the Survey.

Map 1: Location of respondents to the Employer Survey



Source: <http://www.opendoorlogistics.com/data/>

The employer focus groups held during October 2021 were designed to capture the views of employers in the key sectors of:

- Health and Social Care
- Hospitality and tourism

- Construction
- Digital, Creative and Space
- Manufacturing, Engineering, Warehousing, Transport and logistics, Mining and Marine

The qualitative discussions and focus groups with employers were guided but free-flowing thus allowing participants to give a more detailed account of their changing skill needs and their interpretation of how these changing needs can be addressed. Anonymised quotations from employers are included in *blue italics* throughout the report.

The findings from the separate focus group and annual conversation with young people undertaken in November 2021 are included in Sections 4 and 5 with quotations in *orange italics*.

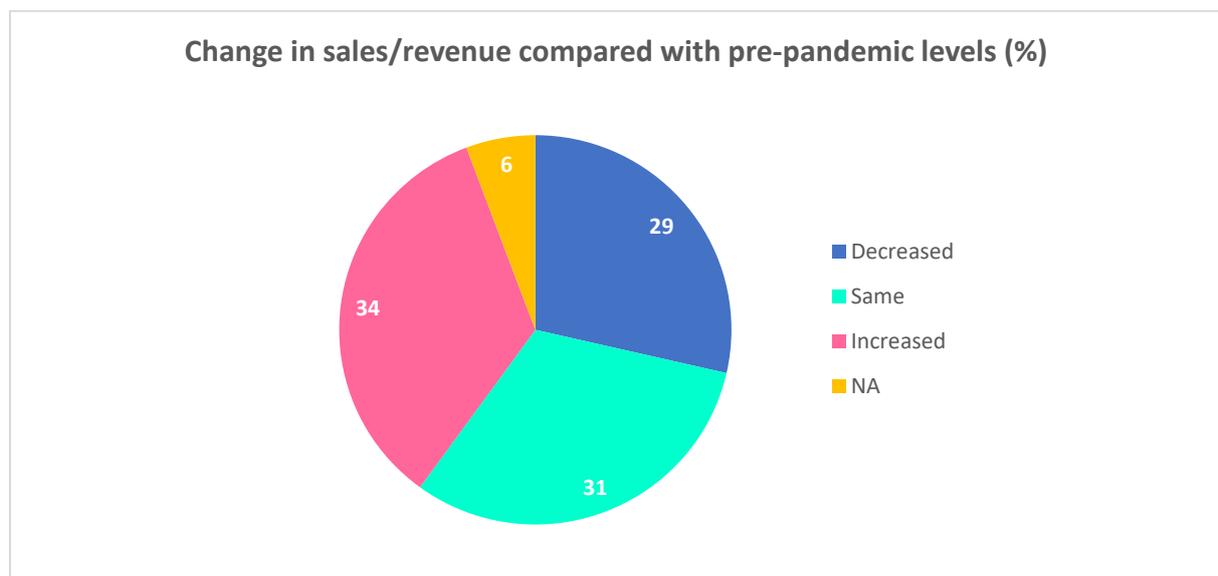
The small number of responses to the online survey mean that its findings must be treated with caution. Specific breakdowns by size or sector are not robust enough for reporting. Despite these limitations, overall, the results of the survey, interviews and focus groups paint a rich and compelling picture of the impact of Covid-19 and Brexit on recruitment and skills needs and the key issues facing local employers as they seek to build back after the past 18 months.

The remainder of the report is divided as follows:

2. The impact of Covid-19 on local businesses
3. Skills and the current workforce
4. Recruitment and skills shortages
5. Careers, Training and Apprenticeships
6. Future skills needs
7. Implications for the Strategy and Action Plan

2. The impact of Covid-19 on local businesses

Our discussions with employers showed that there has been a **seismic and unprecedented change in the labour market**. All firms have been affected but some employers and sectors have been affected more than others. Much has depended on the ability of businesses to work remotely; and it is those which rely on people interacting such as leisure and hospitality which have been most affected. These differences are reflected in the survey findings which show a 3 way split between those who have experienced a decrease/increase in sales and those who have stayed the same:



Base: 35 employers

Chart 1: Change in revenue/sales compared with pre-pandemic levels

Although sales are down for 29% of firms, the impact on staffing levels has been less negative and the anticipated sharp rise in unemployment has not materialised to date. As a result, staffing levels are more likely to be **higher or the same** as pre-pandemic levels rather than down in numbers. However, as more in-depth discussions revealed, there have been **significant shifts** in the labour market which are impacting on employers' ability to recruit and recover. These include:

- A shift to a pay driven market and the need to address low pay. Employers are competing for the same pool of labour and are having to offer pay increases to attract and retain staff. *"It's a perfect storm, the labour market has reduced, and demand has risen."*
- There has been an unprecedented opportunity for employees to work in other sectors. Employers report intense competition for staff in lower paid occupations and examples were given of supermarkets attracting people from construction; hospitality attracting people from care and so on.
- A change in people's attitudes. People are looking for better work/life balance and do not want to work unsocial hours/weekends. They are moving to occupations where shift working fits better with family life.
- There are also the more practical elements to consider with many individuals not having the confidence that these industries can offer them job stability. Despite redundancy rates being back to pre-pandemic levels there is still a lot of uncertainty, which makes it difficult for people to want to leave the security of benefits.
- Some employees have dropped out of the workforce following furlough and are no longer available to the labour market for health reasons.
- Prospective recruits do not see the career potential of particular sectors - they view their work as a job. They know there are shortages and so in hospitality for instance, it was reported that people would leave for a month to go and work at a festival to pick litter for better pay knowing there will still be vacancies when they return. *"The pandemic has been a free ticket to other new jobs; people have wanted to move. That is telling."* In turn, retention has become a significant issue.
- Home working has proved attractive but cannot be made available in all sectors. Where employers do offer flexible or hybrid working they attract more applicants.

The pandemic has in turn had a profound impact on how businesses operate:

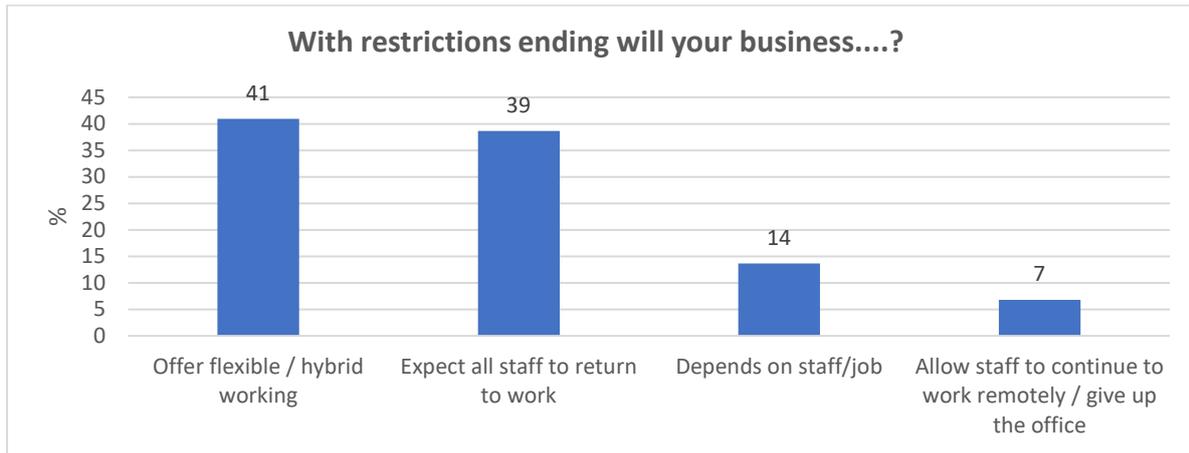
"It's been a wake up call"

"We need to take a really long look at ourselves"

"The challenge for us is that we have to change our approach"

"We're stuck in a different age"

The fierce competition for recruits means that employers are exploring ways of making their jobs more attractive, for instance, by raising pay; changing shift patterns to make them more family friendly; and enabling home-working where they can. As the survey findings show, almost 1 in 2 employers expect to continue to offer flexible working or to allow staff to continue to work remotely; this represents a huge change in a very short space of time.



Base: 44 employers

Chart 2: Employers' expectations of changing work patterns

There was much discussion in the focus groups about pay:

"It has to change. It's wrong."

"We can't afford the national average wages but we are going to have to raise pay if we are to get workers."

Employers accepted that for a **long time pay in Cornwall and the Isles of Scilly has been depressed** on the basis that employees are prepared to sacrifice wages for lifestyle. Also because the costs of doing business in Cornwall and the Isles of Scilly tend to be higher due to transport costs, there is less money to pay competitive wages. But there was also recognition that such competing on cost undervalues the work they do: *"We're depressing our wages to compete nationally but in fact we are a good firm and can beat competition in terms of quality and reputation."*

Whilst many employers spoke of raising pay, employers in the social care sector were limited in their ability to raise wages leaving them increasingly uncompetitive in a tight labour market. It was suggested that Cornwall Council should set an example on pay.

Home-working and remote working means that employers from certain jobs and industries now have a far larger potential pool from which to recruit, although this opportunity excludes huge swathes of the local economy in customer facing roles in tourism and retail. However, because of uncompetitive pay rates employers are finding that it is exacerbating recruitment issues with firms in London and the South East 'poaching' workers. This was raised in relation to coders and IT workers in particular who are being offered better pay while still allowing staff to work from Cornwall.

In the survey, a clear majority of employers expect staffing levels to increase in the next 12 months as businesses continue to recover and supply chain issues ease:

Over the next 12 months do you expect staff numbers to:	Nos.
Increase a great deal	7
Increase a little	20
Stay the same	6
Decrease a little	1
Don't know	1

Base: 35 employers

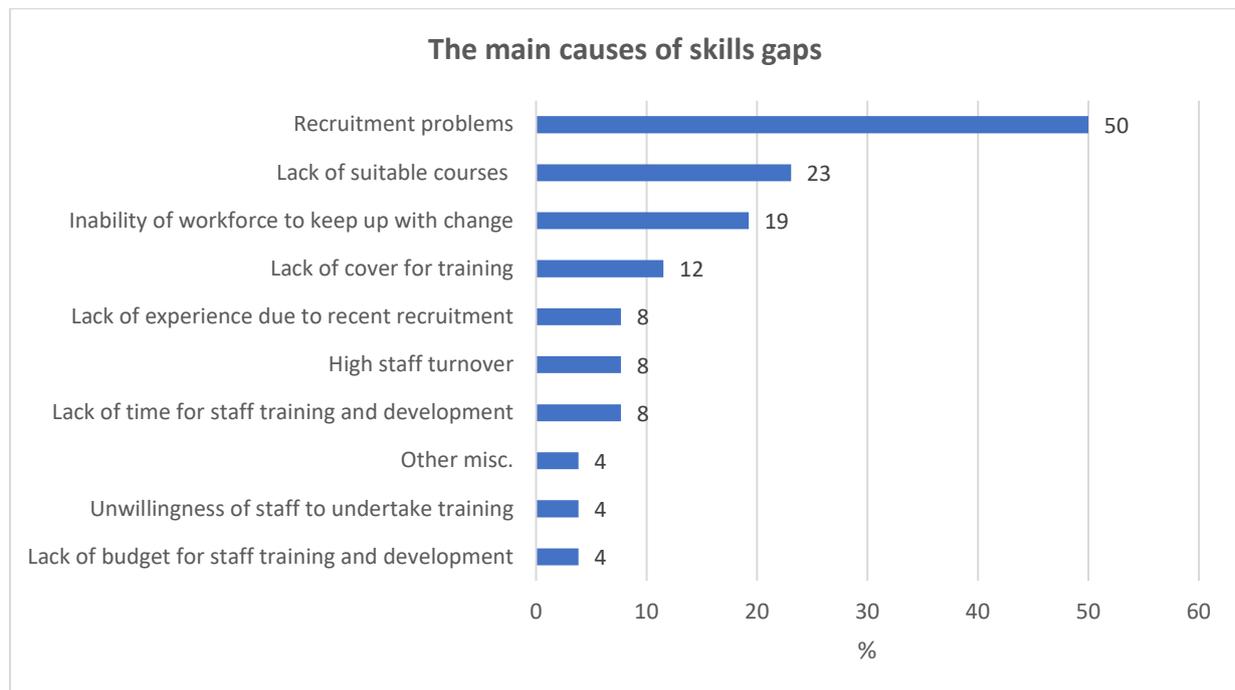
Table 1: Employer expectations of change in staff numbers over the next 12 months

While the current crisis is unprecedented and potentially short-term, recruitment difficulties are expected to persist since employers in all sectors were clear that in the face of an ageing workforce there is a need for action to attract new recruits to their sectors.

3. Skills and the current workforce

The Survey asked employers whether they had the right level and mix of skills within their existing workforce to meet their business objectives. A clear majority – 6 out of 10 employers said they did not have the skills they needed.

The main cause of the skills gap is not being able to recruit the staff they need: *“We have the right skills in the business but they are stretched too thinly and we are struggling to recruit staff fast enough to fill the gaps. We have a skills gap caused by slow recruitment not because existing staff need upskilling.”*



Base: 26 employers with skills gaps

Chart 3: The main causes of skills gaps identified in the Employer Survey

Skills most in demand are the technical and practical skills needed to do the job. Others most frequently identified were:

- IT skills (advanced, intermediate and basic) (46%)
- Management and leadership (35%)
- Sales and marketing (27%)

	Nos.	%
Technical and practical skills for the job	12	46
Management and leadership skills	9	35
Sales and marketing skills	7	27
Digital skills made up of:	12	46
Advanced digital/IT professional skills	(5	19)
Intermediate digital skills eg selling online/using standard software	(3	12)
Basic digital skills – eg being able to use the internet/find information online	(4	15)
Team working skills	5	19
Problem solving skills	5	19
Business Development skills	5	19
Communication skills	4	15
Customer handling skills	4	15
Other personal or social skills	3	12
Carbon footprint auditing skills	3	12
Numeracy skills	2	8
Literacy skills	2	8
Other misc.	2	8

Base: 26 employers with skills gaps

Table 2: Skills lacking in the current workforce

Employers in the survey added further comment to elaborate on the issues they faced:

“Lack of people with relevant skills looking for work.”

“Can't recruit enough people for the work we have available. No replies to our vacancy adverts for landscaping or arborist operatives. High demand for this type of work locally/nationally, lack of foreign workers (used to have European/NZ workers do short term contracts) and there are few untrained people available who want to work outdoors in all weathers. Difficult to recruit apprentices because the training provision requires parents to provide a huge amount of support with transport to various sites for courses.”

“We are seeing significant skills gaps and lack of availability for recruitment in the following areas: Chefs - all levels; Front of House Hospitality Staff; Cleaning roles; Security; some Horticulture roles.”

Asked what their top skills needs were going to be in the coming 12 months, a wide range of specialist skills were identified, but most commonly:

- Sales/customer service and marketing skills
- Leadership and management
- Digital skills including programming and coding

4. Recruitment and skills shortages

Data from the Employer Survey shows that 8 out of 10 employers had recruited in the past 12 months. Of these, **77% had had difficulty recruiting**. These findings align with data from a recent British Chamber of Commerce Survey which showed that in the second quarter of 2021, 70% of businesses across the UK that had tried to recruit reported difficulty in finding staff.

Difficulties were apparent across the board with difficulties universal across Health and Social Care, Construction, Hospitality and Manufacturing. It is fair to say that difficulties are less of an issue in the Digital and Creative sectors. **The recruitment problems reflect not a lack of skills but rather a lack of applicants per se.**

	Nos.	%
Not enough people interested in doing this type of job	18	64
Low number of applicants with the required skills	16	57
Low number of applicants with the required attitude, motivation and personality	16	57
Low number of applicants generally	16	57
Too much competition from other employers	11	39
Housing issues	9	32
Job entails shift work/unsociable hours	7	25
Impact of Covid-19	7	25
No public transport routes	6	21
Lack of work experience required by the business	5	18
Remote location	5	18
Loss of migrant labour	4	14
Lack of qualifications required by the business	3	11
Terms and Conditions we can offer are not competitive	2	7
Poor career progression/lack of prospects	1	4
Seasonal work	1	4
Transport too expensive	1	4
Other (please specify)	2	7

Base: 28 employers with recruitment difficulties

Table 3: Reasons for recruitment difficulties

In most of these sectors the pandemic/Brexit has fast forwarded recruitment difficulties into a crisis. This was sometimes blamed on Brexit, others mentioned that people have been reluctant to leave furlough for what may turn out to be seasonal or temporary employment. In the focus groups, an example was given of being 50 staff down out of a workforce of 210. Pay in that business is above the minimum wage (£10 per hour) but shortages are across the board. Other employers said:

“Production Operators: We struggle to attract due to shortage of available labour and competition with others in industry and other industries . A lot due to smaller pool of workers post Brexit. To fulfil other roles, we have had to make large salary increases to find the right people”

“We have had to significantly change what we are able to offer on site because of shortages. As an example, we have only been able to offer take away food options and not a seated restaurant that we would normally having running year round. We have had to recruit many younger team members with no experience in the sector at all and this has taken time to train them to the required levels. As they are under 18, many are only available for hours at weekends and after school/college. We have noticed a significant number of people not wishing to return to hospitality and visitor based roles post lockdowns. Some because they have found jobs in other sectors that they now find more appealing and some because they have seen an increase in customer aggression post through the Covid period. Another issue we have seen this year is the lack of available housing to buy or rent in price ranges that people can afford. This has meant some employees not being able to start the roles they have been offered as they have been unable to find appropriate accommodation. This has impacted our Apprenticeship Programme for the first time in our history. As a result we are now actively looking at options for staff accommodation on or off site to try and negate this problem.”

There was a plea for the LEP to lobby for a more consistent approach to international migration and for the extension of the Seasonal Workers Pilot.

On the Isles of Scilly, the lack of post-16 education on the island means that there is no ready pool of young people to develop through work experience, *“the islands are drained of young talent”*. Bringing people in from the mainland is expensive and carries with it the need to provide accommodation.

The impact of recruitment difficulties across CloS has been severe with investment and product launches put on hold; a continued reduction in working hours and hence a loss of orders and productivity. Recruitment difficulties have particularly worsened in recent months. Overall, it has meant an increased workload for existing staff, with staff burnout and exhaustion identified as an issue. As noted elsewhere the main response has been to increase salaries and expenditure on recruitment and to broaden recruitment channels. But discussions with representatives of CHAOS and Disability groups suggested that they need more employers on board to take the recruits that they are supporting. Employers in turn said they do not have the capacity at present to provide the necessary support and queried why those prospective recruits were not applying through their normal recruitment channels: *“We simply aren't getting the applications from that cohort.”*

What skills are missing?

“We're struggling to get site labourers – people are not interested, people don't seem interested in work.”

Although the situation overwhelmingly reflects a lack of candidates, what employers find is that potential recruits lack employability or life skills, in the sense of a broader set of attributes than technical skills or qualifications. For many it is how well the attitudes, personal and social skills, and ambitions of applicants align with those which employers require. Employers would like some definition/badge for these core skills. Problems with literacy and numeracy were frequently raised in the discussions: *“I am appalled that we still turn people out of school who cannot read and write properly.”* Another skill mentioned frequently was a lack of leadership and management skills.

With the ready availability of work, the pool of candidates is inevitably reducing to those furthest from the labour market. At the same time, people running ESF employability support projects report few takers despite 12-13,000 people being unemployed. There is a perception of a benefit trap with people wanting to only work a few hours or being nervous of working: *“Covid has crushed people”*. The Humans of the Peninsula programme is an example of the sort of small steps back to work that people may need. That programme would like to secure funding to develop training packages for new recruits.

Employers from the Isles of Scilly explained that their isolation trebles the cost of training with travel costs and accommodation costs to find on top of training costs. The question was raised as to whether training resource could be put in to the Island that would meet cross-sectoral needs and hence generate the numbers needed, training such as customer service or management training. Given the seasonality of much work on the islands the training would have to be planned and delivered post recruitment but before the summer season starts.

On balance, employers had good relationships with Job Centre Plus (JCP) although experiences were mixed. However, employers thought that the problem is that JCP deals with active job seekers whereas there is a need to do more to attract economically inactive. For the disengaged there is a need for intervention to inspire and motivate them and give them some belief in themselves. It was recognised that the transition from benefits to work is difficult.

In terms of young recruits, the main problems perceived by employers are:

- A focus on academic learning at the expense of pupils' development of personal and core skills and a bias against vocational skills and occupations: *“We really need to do something to make construction attractive”*.
- The narrowing of the school curriculum was blamed for the loss of creativity and problem-solving amongst young people.

- Thus, employers believe that the clearest solution to work readiness limitations lies in greater promotion of vocational learning in educational institutions, reinforced, at all levels, including in Further and Higher Education, by the extension of practical elements and by the more general provision of genuine and substantial work experiences. It was felt that young people had lost 2 years of opportunities to meet with employers and to develop hands on practical skills e.g. in the performing arts, health, catering and construction and there is a need for a 'catch up' programme/series of events.
- A number of employers had engaged with 14-16 year olds with some success through the vocational pathways programme and that was seen as an effective route to engage and recruit young people. *"We're facing a massive challenge. We need to target young people and their parents in the face of huge competition."*
- Notwithstanding the current crisis, the economy has an ageing workforce and much more needs to be done to make CloS's key and emerging sectors attractive to young talent. *"We're very bad at saying to people this is what your future could look like."*
- The 'brain drain' was referenced with a loss of young workers at the start of their careers. Employers want action to inspire young people, raise aspirations and promote awareness of the opportunities in CloS both in the foundation sectors and in the emerging sectors such as geo-resources, space and FLOW. The example was given of Navy TV adverts which aim to accentuate the positive.
- For nascent sectors such as geo-resources, the closure of Camborne School of Mines has cut off a real pipeline of talent which historically has led to a number of spin-offs which still operate in the county. Without it there are no engineers being generated in Cornwall. Although local mining-related companies in the sector are going from strength to strength there is already a move to push work out of Cornwall because of skills issues. There was a plea to lobby Exeter University to reinstate its courses.
- **Through the discussions there developed an understanding amongst employers that they need to work together in each sector to develop a collective voice to promote their sectors, to change their image and to develop and promote clear career pathways so that they not only attract people but retain them and develop staff loyalty.** *"What the sector has lost is collaborative working. There needs to be collaboration we're all on the same journey."*

In essence, the pandemic/Brexit has been a wake up call for different industries; employers have been shocked by how little their workforce values the jobs they have with them and by employees' willingness to move for money. As a result, there is recognition that a key task is to boost the image of key sectors – health and social care, hospitality, construction, geo-resources and manufacturing; to raise the profile of each sector and develop ways of enhancing their attractiveness and in turn recruitment and retention rates. But the promotional efforts need to be accompanied by real change in the offer so that work is seen less as a job and more of a career with long term prospects.

For the Digital, Creative and Mining sectors the issue was more about growing the ecosystem so that each of the sectors has more of a showcase and profile in Cornwall and more widely – *"the brand of Cornwall is waiting to be sold."* The Creative Cultivator was seen as positive in this respect for the Creative sector. Employers in these sectors wanted a more outward facing message to develop a clear narrative of the opportunities Cornwall offers in order to grow their sectors and give them a higher national profile and to attract potential recruits.

The attendees at the focus groups strongly felt that they needed to work collectively to address the issues identified:

"There's something about employers getting together and being able to feed that to the LEP".

In the hospitality, construction, mining and food manufacturing sectors employers proposed forming their own employer groups to identify new joint ways of working/training. Such groups need support and to be linked in with policy makers to enable them to feed into decision-making and to help inform the development of programmes under the Shared Prosperity Fund.

Skills are not the only issue, two other barriers were raised:

- **Housing** was raised as a significant issue. Staff cannot relocate. Pay does not reflect housing costs. There are not enough houses to rent – this affects attempts to bring in permanent or project staff. There was a plea for Cornwall to be innovative in its planning policies and either to experiment with housing or allow employers to experiment by building their own worker accommodation. It cost one creative company £10,000 for accommodation for 10 people for a month to enable staff to work in Cornwall. This makes Cornwall uncompetitive. *“The young population are feeling more stressed and poorer because of high living costs despite higher wages. They are feeling antagonised.”* Of the sub-sample of 1 in 3 employers who identified housing as an issue the vast majority considered that housing is too expensive to buy and too expensive to rent and that there is an insufficient supply of both. As one young person noted in the young person’s focus group, *“If we get jobs we can’t afford houses.”*
- Employers on the Isles of Scilly are equally affected by this issue, exacerbated by the seasonality of their jobs.
- **Transport** – workers need to be able to drive because public transport does not meet needs. It means that especially in the coastal towns, employers have a very small pool of labour from which to recruit. It was said that there is ample support to enable people get a licence but it is little used which may suggest a lack of awareness.

The focus group with young people validated several of these employer perspectives. Asked how they would define a ‘good job’ young people did not just focus on pay, although that was a factor, other important aspects were the opportunities to progress, a choice of pathways and the chance to aspire to greater opportunities/an end goal. Young people wanted to enjoy their work and to work for employers who understood their individual needs. It was felt that communication was key, both allowing young people to communicate with the employer and vice versa. They described their experiences of feeling that employers did not try to understand their needs, such as flexible working. Participants also felt that job adverts were dishonest often advertising an hourly rate not applicable to their age group or including tips in the advertised wage.

Young people’s views on the opportunities available locally were that the labour market is very seasonal, which in turn limits prospects. Information on different careers depended on which industries they were interested in, and even in those priority sectors where the LEP wants to grow such as marine and geo-resources, there was a lack of awareness of the opportunities: *“the economics of Cornwall isn’t set up for engineering.”* The positive impact of Covid-19 was that it had opened up the opportunities for remote working which could help them stay and work in Cornwall. It was said that *“labour market information could help to understand job roles and emerging roles.”*

Skills that they were not taught at school that they would have found useful included financial literacy and entrepreneurship, including the practicalities of setting up as self-employed.

5. Careers, Apprenticeships and training

The young people's focus group sought students' experiences of careers advice. Fewer than half had had a careers interview and the general perception was of a poor or limited experience: *"Limited careers advice and finding the right course was difficult"* and *"Careers advice was not good at school – did a quiz as careers advice and that was all."* There were some exceptions where particular individual teachers had been supportive. Few young people had benefited from employer visits, there were not many practical demonstrations of what different roles involved, for instance in catering. It was said that there was very limited information in particular fields such as engineering. College staff were better able to explain the vocational options than school teachers, so those without access to college staff would miss out on having vocational options fully explained. T levels were considered to only be available in a limited range of industries. There was no understanding of the nature of degree level apprenticeships, how to apply or the opportunities this qualification could lead to.

If careers advice is to be more engaging and meaningful then young people would welcome the use of technology such as Instagram, Facebook, YouTube, snapchat or short videos to engage them; supplemented by the opportunity to talk with employers who are specialists in their field and a clear 'map' and advice as to how to achieve their goals. *"It took 8 years to get an apprenticeship I wanted."* Participants highlighted the importance of opportunities to meet employers face to face. They enjoyed Careers Fairs but said that although exhibiting employers could describe the positions, there was a disconnect, since they were not able to identify locally available pathways into the roles they had on offer.

Asked about finding apprenticeships and work, young people told us that although it was easy to find work, it would not necessarily be in the sector they want to end up in. This means that young people are not pursuing careers in areas of local skills shortages such as the health sector or IT, because they cannot find out how to pursue those careers/progress in them or lacked the contacts. Information on progression routes is lacking, but should be available before embarking on a course:

"Midwifery – always wanted to do that but could not get any work experience so went into hairdressing."

"Apprenticeship scheme – it was difficult to find in field of IT."

"Level 3 is not an option after this course in IT."

Overall, the consensus was that it is easy to find a 'job' using personal networks but it that it had **not** been easy to find an apprenticeship, people had had to do their own research and did not necessarily follow a seamless route from school to an apprenticeship:

"After secondary school, I had no plan, I would have liked more support on apprenticeship routes, school vaguely mentioned apprenticeships and I didn't really know what was involved."

"Higher level apprenticeships - Searched myself to learn about opportunities but there are not many down here."

The Employer Survey also asked employers about their experiences of apprenticeships. Numbers are too small to be robust but it appears that a high proportion were willing to take on apprenticeships and only a minority of large employers are able to spend all of their levy:

Are any of your employees on apprenticeship programmes?	
Yes	14
No	29
Are you planning to take on one or more (new) apprentices in the near future (i.e. next 12 months)?	
Yes	13
No	19
Don't Know	11
If you are a large business that pays the Apprenticeship levy do you?	
Spend all your levy	5
Spend some of your levy	4
Spend none of your levy	1
Transfer your levy to other businesses	2

Base: 43 employers and sub-sample of 12 large levy paying employers

Table 4: Involvement with apprenticeships

Discussions with employers indicated that not only are there recruitment difficulties, but they are also experiencing few applicants for their apprenticeship programmes. An example was given by a construction company of trying to recruit 10 to 15 apprentices. They had 19 applicants. 2 of those turned up to the assessment centre and 1 of those subsequently turned down the job. Pre-pandemic they would have expected 75 applicants and would have had a strong pool from which to recruit. Some employers have paused their apprenticeship recruitment programme as they seek to recover from the pandemic, *"We're under-resourced we can't carry anybody at the moment."* It was said that higher wages in the labour market are now making the apprenticeship route less attractive.

There were mixed views on apprentices, some thought the programmes much improved, others felt that formal qualifications were not important and training was too inflexible; issues were raised with the 20% offsite learning and the quality of learning.

Other issues raised were that candidates' poor literacy and numeracy prevented many people from accessing apprenticeship training.

Rather than making a commitment to an apprentice during these uncertain times, some employers expressed a preference for internships and mooted the idea of sharing the load by having short placements at different employers. Falmouth Uni has developed a micro internships programme (30 or 60 hours) which is going well and has attracted employers and candidates alike.

Training

The Employer Survey found that:

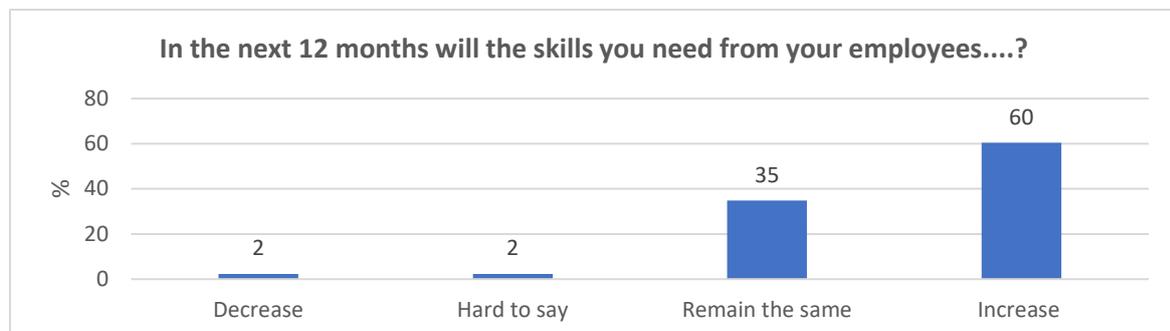
- 7 out of 10 employers had arranged or funded training for their staff in the past 12 months.
- In 1 in 2 cases that training had been funded either directly through ESF support or was available for free.

- Most commonly the training had been delivered by in-house staff or private providers. 1 in 3 had used local colleges. 1 in 4 had used providers outside the county – these were largely specialist providers such as Cranfield or for example, were arranged by Head Office with relevant international courses.
- Asked if there was any training they could not source, responses included:
 - Customer relationship skills
 - Software development
 - Programming (UX practitioners)
 - Risk management
 - Moulding technicians
 - Textile technicians
 - No quantity surveying training is available in the county
 - Management training is available but is not what is needed
 - Nursing and care management and specialist care skills

In the focus groups many of the representatives were from larger employers who usually had the resource or at least preference to train in-house. Nevertheless, there was an appetite for more collaboration to ensure that they do not keep reinventing the wheel. The discussion turned to the development of core modules in say, manufacturing, that they could all deliver so that skills are portable and recognised and the capacity in the workforce is raised regardless of who is employing prospective recruits. There could also be some recognition of employability skills. It was suggested that the LEP should fund more work around the development of training that meets employer needs rather than the delivery of it.

6. Future skills needs

In the Employer Survey, the majority of employers considered that the skills they would need from the workforce would increase:



Base: 43 employers

Chart 4: Skills needs are rising

Table 5 sets out the training that employers expect to deliver in the coming year. As can be seen, much of it is to do with recruitment (shaded blue) e.g. induction training and health and safety which will not raise the qualifications of the workforce. Otherwise, the training reflects the changing skills needs of employers with a strong emphasis on leadership and management, new technology and digital skills (shaded green):

What training do you expect to provide?	Nos.	%
Health and Safety	19	70
Job specific training	19	70
Induction	18	67
Management and leadership	15	56
Training to meet regulatory/legal requirements	15	56
Training in new technology	14	52
Supervisory	11	41
Advanced/professional digital skills	7	26
Intermediate digital skills	6	22
Basic digital skills	3	11

Base: 27 employers who expect to provide training

Table 5: Training expected to be delivered in the next 12 months

“The pace of change is huge.”

A loss of creativity and problem solving in schools was identified as a pressing issue since they are key skills that will be needed in the future. There is a need for extra-curricular activities to support schools deliver these skills and raise aspirations. Written and verbal communication skills were identified as crucial for the future workforce. There was a perception that staff will need a greater range of skills and the ability to work more autonomously: *“We will need more business awareness, staff need to understand why they're doing what they're doing.”*

Digital skills

IT skills are seen as a key skill, much like literacy and numeracy – an essential skill in today’s workforce.

Concern was expressed about the way in which IT is taught in secondary school, it was said that there is a lot of activity in Primary School e.g. coding clubs but then there is little between Year 6 and Year 9. IT is no longer seen as a specialist subject so is taught by non-specialists but there has been little uptake of a bursary programme run by Cornwall College to improve teachers’ digital competences.

Green skills

This was an area that was generally acknowledged but was largely felt to be one that was evolving and that if the foundations were right employers could build the skills of the workforce to adapt. Construction and marine were the two sectors where significant change in skills needs is expected in relation to upskilling the supply chains for net zero, air source heat pumps, passive housing, refurbishment and retrofitting. The main change expected is a more in-depth knowledge of why staff are doing jobs – a need to understand the processes involved.

One of Cornwall’s USPs is its geo-resources, but the closure of Camborne School of Mines has had a negative impact on the pipeline of talent and the LEP is urged to pressure the University of Exeter to re-instate it so that Cornwall can deliver the skills to allow this key sector to grow and thrive.

7. Implications for the Skills Strategy and Action Plan

The purpose of this latest review was to re-assess the Skills Strategy and Action Plan to ensure that the support young people, employers and workers need in this time of unprecedented change is captured by the planned actions and that the long term priorities remain appropriate.

Summary findings:

- Employers are facing recruitment difficulties across most sectors and occupations reflecting an absolute shortage of applicants. There are many reasons for this, including the loss of international labour; the withdrawal from the labour market of people who feel vulnerable; the rise of flexible working which has enabled the recruitment of skilled local staff to better paid jobs in firms in other parts of the country; the 'benefit trap' with people reluctant to leave the security of benefits for potentially insecure employment; and the fact that many sectors and jobs seem unappealing.
- In the LEP's key sector of Agriculture the Seasonal Workers Pilot has proven to be a lifeline, but it is due to expire at the end of 2021. Without foreign labour employers in the sector do not know how they will be able to operate effectively.
- Workers are job-hopping for better pay and conditions. Employees now expect a better work/life balance and the flexibility of home-working where possible.
- Retention is as significant an issue as recruitment.
- The impact of these difficulties means that businesses are unable to grow and invest and the current workforce is becoming over-stretched and burnt out.
- In response, employers recognise that they have to raise pay and offer family-friendly working practices if they are to attract and retain staff.
- Inevitably, with high levels of demand for workers the pool of labour that remains is seen as further from the labour market. Yet representatives of support programmes report difficulty in engaging with those out of work, so more programmes is not necessarily the answer. From an employer perspective the current crisis means they do not have the capacity to support workers that need extra help at present. Several reported that their apprenticeship programmes were on hold.
- Employers seek core employability skills/aptitude from recruits but find these skills lacking, exacerbated by a lack of literacy and numeracy.
- Skills in demand are the practical skills to do the job, as well as sales, digital skills and leadership and management.
- Employers' over-riding priority is to work collectively to change the image of their industry and change perceptions. Educating young people about the wealth of opportunities in different sectors needs to start with young people. Vocational learning needs to be more attractive as a career path with a clear line of sight to opportunities.
- This was echoed by young people, only a minority had had careers interviews and the general consensus was that the careers advice they had had at school was poor. This was particularly the case in relation to vocational options and apprenticeships.
- Use of social media would engage young people more readily in the options available and there is a need to expand on the opportunities for young people to meet employers and engage in work experience. Labour market Information on CloS's priority and foundation sectors needs to be made available in an engaging way; at present the breadth of opportunities is not fully understood.
- It is essential that FE courses and apprenticeships provide a clear line of sight to progression opportunities so that young people understand how they can progress through different routes.
- Young people have lost two years of hands on experience and opportunities to meet employers. There is a need for catch up programmes/initiatives.

- In the smaller growth sectors such as digital, creative and geo resources there is a need to ensure that local people know about their career offer. There needs to be a new narrative for a wider audience about the USPs that CloS has.
- The closure of Camborne School of Mines sends the wrong signals. It impacts on the mining sector's potential for growth and spin offs and has closed down a pipeline of talent. There are now no engineering courses in the LEP area.
- Skills are not the only issue. The cost of housing to rent or buy and the lack of supply impacts on employers' ability to recruit. This is exacerbated by poor transport links.
- Looking ahead employers see digital skills as a key skill and expect employees to have a greater breadth of skills. Problem solving and creativity as well as self-management will be vital but are thought to be lacking in the current curriculum.
- By working together employers would like to develop training for current workers and new recruits that meets their changing needs.

The review has highlighted the interconnectedness of skills and other issues such as housing and transport in supporting employers and the on-going need to ensure we align strategies and interventions through the Prosperous Cornwall approach.

How do these findings impact on the Strategy's priorities?

The depth and severity of the recruitment difficulties is new and more urgent, but the issues raised are not. Sectors such as hospitality, construction and social care have long experienced recruitment difficulties. The workforce is ageing and the need to ensure that young people and those outside the labour market understand the wealth of opportunities that the local labour market offers and to develop the skills employers need is a central thread of the current Strategy. Thus, the Strategy recognises the need to:

- address weaknesses in careers education and advice (Priority 1);
- ensure that training meets employer needs (Priority 2);
- develop leadership and management skills (Priority 3); and to
- support prospective labour market entrants access local opportunities (Priority 4).

The long-term ambitions embodied in the current Local Skills and Labour Market Strategy therefore continue to be relevant and well-aligned to needs.

How do these findings impact on the Action Plan?

As with the strategic priorities it is considered that the actions identified in March 2021 do meet the needs identified but the review indicates the need to give a new impetus and to prioritise action to:

- effectively address the image and perception of our foundation and priority sectors by engaging employers, children, young people and their parents in the development of new careers resources and activities.
- develop a Good Work Accreditation Scheme – many employers are now paying the Real Living Wage and are interested in developing good working practices to attract and retain staff so a Good Work Accreditation Scheme would be welcomed.

Five new areas that have emerged from the review that require consideration (not necessarily from the ESB but also from Cornwall Council). These include:

- Support for the development of employer-led sector groups with funding to feed into the programme of research on future skills needs in our key sectors and to shape relevant training. Employers looking to develop a collective voice to support the LEP included

construction, food manufacturing, geo resources through the Cornwall Mining Alliance and hospitality.

- There is a need to consider the implications of the closure of Camborne School of Mines on the potential growth of the LEP's priority geo-resources sector.
- Consideration of practical and/or financial support to employers to broaden their recruitment to include marginalised groups.
- Engagement with Falmouth University to support the development and promotion of the micro internships programme.
- Secure resources to develop a catch up programme for young people to give them the chance to develop new practical skills, gain confidence and the creativity and problem solving skills they will need for the future. The Vocational Pathways scheme was well regarded in this respect.