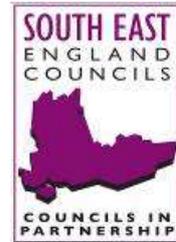


SOUTH EAST ENGLAND COUNCILS ANNUAL GENERAL MEETING & ALL-MEMBER MEETING



Date: 28 June 2018

Subject: **Skills needed for the South East's future economic success**

Report of: Nick Woolfenden, SEEC Head of Policy Co-ordination

Recommendations:

- i) Welcome keynote speaker Alan Mak MP to discuss future South East skills needs, and Phil Swann from Shared Intelligence to introduce new SEEC-commissioned skills gaps research
- ii) Discuss key issues and practical actions that SEEC or partners should take to address skills needs.

1. Introduction

- 1.1 SEEC is pleased to welcome keynote speaker Alan Mak, MP for Havant, PPS at Department of Business, Energy & Industrial Strategy and Chairman of the Fourth Industrial Revolution APPG. He will cover South East future skills needs and the role local authorities can play in ensuring we have the right skills for economic success and to support the Government's Industrial Strategy.
- 1.2 We also welcome Phil Swann, Executive Chairman of Shared Intelligence (SI), to give an overview of a new SEEC-commissioned evidence base on South East skills opportunities and challenges, including how gaps could impact on the South East's established and growing sectors. A hard copy of the Executive Summary will be provided at the AGM and the full report will be available to members on the SEEC website after the meeting.

2. Key issues for discussion and action

- 2.1 Whilst the South East's headline economic performance is strong, this cannot be taken for granted. The South East made the highest net financial contribution to Treasury 2000-16, generating £154bn more in taxes than it received in public spending (London made a lower net contribution of £126bn). However, after matching or outperforming London's net financial contribution for many years, the South East has recently fallen behind the capital.
- 2.2 Having the right skills (alongside critical transport and other infrastructure investment) is a vital part of ensuring the South East economy can realise its full potential. Skills are an important part of the mix to meet employers' needs, make the South East resilient to any potential workforce changes arising from Brexit and ensure the care sector has the right staff to support our growing older population. Giving residents the right skills to match job openings will also improve their economic opportunities. The Fourth Industrial Revolution (ie. technological changes that will fundamentally alter the way we live and work) will also be a driver for the South East's future skills needs. We are already above the national average with 10.4% of South East workers in 'high-tech' (compared to England's 7.5%), and the sector is expected to continue to grow.
- 2.3 Following presentations from our speakers, there is an opportunity for members to explore issues and discuss practical actions that could help address South East skills needs – including any key aspects SEEC should raise with Government. The following are issues that SEEC members have previously raised and may want to consider further today:
 - **How to ensure provision of relevant high-skill training opportunities?**
What could be the role for councils in steering skills funding locally, given their understanding of local needs and gaps? Also, SI's study shows the South East has a relatively high number of low-skill apprenticeships, but few at high level (only around 4,000 of 47,000 are NVQ level 4+).
 - **How to encourage take up of training to meet demand for high skills?**
What could be councils' role in improving careers information? SI's research for SEEC shows increasing demand during 2014-24 for higher level skills and fewer opportunities for those with only A-levels or lower qualifications. However, the South East has static or declining numbers entering Higher Education and Further Education.

- **How to ensure sufficient workers for essential public services, especially care?**

The South East has a growing population, which increases demand for public services. In particular, over-75s are expected to increase 89% to 1.5m by 2039. This is already putting pressure on care services and the sector will have increasing staff needs.

- **How to ensure a skilled construction workforce to build homes & infrastructure?**

The South East had England's biggest housing growth over the last 3 years. More homes are planned and approved and better infrastructure is needed to support economic & housing growth. Neighbouring areas are also growing, which will lead to increasing demand – and increasing competition – for skilled construction workers.

- **How to tackle basic skills needs that underpin ability to work effectively?**

SI's study shows 87,000 South East young people (16-24) not in education, employment, or training (NEET). SEEC's new data dashboard (see item 7b) also shows an 18% increase in unemployment claimants in the South East between April 2017-April 2018.

- **How to address any skills gaps following Brexit?**

A number of South East economic sectors currently have high numbers of EU workers who would create gaps if they leave the UK after Brexit. SI's report indicates a higher than average proportion of EU workers in South East agriculture and significant numbers in public services.