

**Question 1 – Post Brexit skills gaps and how policy changes could help address any gaps**

Sectoral gaps:

- Big businesses are often most vocal about skills gaps/needs, but SMEs have gaps too.
- Chambers of commerce and LEPs could help councils identify gaps. Some LEPs tend to be focused on higher skills but someone also needs to make the case for lower skills needed in sectors such as care or agriculture. These sectors have historically been migrant-dependant.
- Maintaining a nursing workforce is a challenge due to low staff retention rates.
- In the building industry, controls over migration will limit the capacity to deliver homes and infrastructure projects.
- Teacher recruitment and retention levels are low; some schools are having to recruit from outside the UK.
- Maintaining staff levels in leisure centres/services is also an issue for councils. These facilities have high minimum staffing levels and cannot open without them. Low pay and high turnover are key issues.
- Having said all this, specific skills gaps post-Brexit are still very uncertain, as they will depend on final exit 'deal'. The South East also needs better information on EU nationals 'departing' from the UK, to know what impact this has on the local skills-base.

Change needed - Control of skills funding:

- There is a mismatch between education and the skills needed in the economy – this is across higher-skills, lower-skills, technical and vocational. When councils identify skills gaps in their area they have no funding to target training/education to meet the demand. Even if they wanted to fund training, council funding for statutory services is so stretched they have no ability to reallocate funding to fill local skills gaps.
- Giving councils control over Further Education funding could help direct it better to business skills gaps, and move towards a more integrated skills system with strong links to business.
- LEPs may also be able to help identify skills needs and steer skills/education programmes.
- Sector-based 'Skills Academies' (as in Rushmoor) were highlighted as an effective approach – with an holistic approach and effective training provision/routes in place. But concerns were raised re availability of funding to do this.
- To increase high-tech skills, University Technical Colleges (UTC) could be a way forward. But one example given focused on Guildford, where despite widespread local support from businesses and residents, plans for a UTC were shelved due to withdrawal of Government funding/ support.
- There is a need to look at improving 'older' adult education. Demographic changes mean the age profile of society is ageing so older workers are more important to the economy. Also, the nature of modern employment means many people change careers several times in their working life. Careers advice should be available at all ages and stages of life, enabling re-training/ development of new skills sets and working for longer. Sweden was cited as an example of this.

Change needed - Careers advice:

- More effective/better careers advice is needed to encourage people of all ages into careers where the South East has skills gaps – for example in the care sector. School careers advice is not working well and the delivery model needs to change – is there scope for a new dedicated service?
- Hampshire CC has a 'careers workforce' for schools, but funding is a challenge. A suggestion was made that moving DWP funding to local level could help improve targeting.
- To encourage people to work in care, there's a need to challenge the negative image/ preconceptions about the sector care as a possible long-term career option. Can councils help create a career path in social care?

- There is a need to improve links between businesses and schools to improve careers advice and encourage young workers to inspire the next generation.

#### Change needed – Other actions re health & care:

- Government must ensure people who want to work in the health and care sectors can continue to come to the UK to fill key vacancies in vital services.
- The UK should also consider 'licenses' or other approaches to allow people with specific skills into the country to fill known gaps. Councils could be enabled to act as 'sponsoring employers' for people working in health and care. This would involve guaranteeing their employment and taking responsibility for ensuring they return to their country of origin at the end of employment.
- Changes to the minimum wage could make careers in sectors such as care more appealing.

#### Change needed – Schools' role in making pupils work-ready

- More local authority oversight of schools is needed, to influence the output and skills.
- Modern languages are not compulsory in schools anymore and this is having an effect on our ability to conduct international trade.
- The school leaving age should be reviewed to check it is fit-for-purpose, in particular for those who do not want an academic career path and wish to pursue vocational routes.
- Schools should help overcome digital deprivation. At present those with low educational attainment levels struggle to access digital tools for life/employment skills.

### **Question 2 – Other actions for economic success post-Brexit beyond skills**

#### Infrastructure

- A lack of infrastructure investment is holding back the South East - infrastructure/transport improvements are needed for future economic success. For example better transport links will help reduce congestion and, in turn, improve productivity.
- All new development should include high speed/fibre broadband connections as a standard requirement.

#### Homes

- Affordable and market housing is needed to ensure workers can live near their places of employment. This will help reduce commuting and attract people with the right skills. Councils have identified land for more housing but cannot fund the infrastructure to unlock the sites for development.
- There is some interest in promoting 'deals' between Government and councils to deliver agreed levels of homes, if this is a way to secured funding for infrastructure etc.

#### Financial sector

- If the City of London remains a strong financial centre then the South East economy will continue to thrive, so it will be important to ensure this continues post-Brexit.
- If there is a downturn in GVA and growth, and/or financial businesses leave, this could impact the South East economy and demographics for the next 20 years. For example if the younger population move away to follow employment opportunities elsewhere, the South East population will have an even greater proportion of older/ageing residents – putting more strain on services and funding.

#### Devolution

- This could impact positively or negatively on local economies – but it is still unclear what devolution would look like (for example, the size/type of new structures or organisations).
- Linked to devolution more widely, questions remain about which 'repatriated' EU regulations/legislation might be locally controlled by councils post-Brexit. What benefits are there from devolving certain legislation?