



Hampshire
& the Solent
LSIP

Local Skills Improvement Plan
Delivered by Hampshire Chamber of Commerce

LSIP Sector Skills Needs Report

Isle of Wight Local Skills Improvement Plan

March 2026



IWChamber

The Island's Business Network

iwchamber.co.uk

Commissioned by the Employer Representative Body (ERB) to inform
the Hampshire and the Solent Local Skills Improvement Plan 2026–2029



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Isle of Wight Local Skills Improvement Plan (LSIP) Report – 2026

1. Executive Summary

This LSIP report synthesises evidence from labour market statistics, employer and sector surveys, youth engagement data, education outcomes, and strategic skills plans. It delivers a comprehensive view of workforce and skills priorities for the Isle of Wight, informing future investment and policy.

Methods:

- Desk research: ONS, Nomis, Census (2021, 2024), LSIP business survey, education reviews.
- Sector feedback: 6 major employers and representation from over 250 workforce participants.
- Stakeholder engagement: Skills Summit focus group 35+ business attendees, interviews (sector leaders, training providers).
- Youth and community analysis: Youth Hub (275 young people), EDB working group, education and training attainment review.

Key Findings:

- Average monthly pay for Isle of Wight employees is **£2,611**, compared to **£3,648** in the South East (Oct 2025 PAYE RTI).
- Full-time weekly pay stands at **£530**, below UK average (**£682**) and South East (**£745**) (ASHE).
- **Employment rate: 74.3%**, trailing South East (**78.7%**) and UK (**75.6%**).
- **Jobs density: 0.82** per working-age resident, below South East (**0.85**) and UK (**0.86**).
- Working-age population (16-64) is **55.4%** of residents; UK average is **62.8%**.
- Isle of Wight ranked **80th** for deprivation, with pockets among the most deprived 30% nationally.
- NEET rate among 18–21-year-olds is **7.8%**, highest in the region.
- Surveyed employers report critical shortages in engineering, production, digital, health and care, and sustainability skills.
- **45%** of local employment is in management/professional/associate roles, below South East (**56.3%**).
- Digital, AI, and sustainability skills are increasingly in demand.

- Health and social care is the largest employment sector (20.8% of employee jobs).
- **212** young people cited low confidence/self-belief; **183** cited mental & physical health challenges as barriers.
- **123** Youth Hub participants secured work placements (exceeding a 6-month target); **156** entered training/education.
- Satisfaction survey: **97%** of Youth Hub participants rated support as 'excellent'; **94%** report increased confidence.
- GCSE and A-Level attainment is persistently below national averages, with falling school rolls and increased educational disengagement.

Recommendations:

1. Invest in careers navigation and employer engagement in order to showcase local careers that are available.
2. Use the above to demonstrate pathways so we can prioritise retention and attraction of young talent and skilled workers to address forecasted demographic decline and ensure sustainable growth.
3. Leverage local digital infrastructure as a tool to support 'upskilling' across all sectors to drive efficiency and future proofing the workforce.
4. Targeted support for youth, SEND, and those facing barriers to enter training or placement opportunities as a starting point to their careers by matching 'people to place' and establishing a unified 'flexible passport' system as an enabler.
5. Develop a world-class skills ecosystem with strong links between schools, FE, university centre, and most importantly local employers – start talks about a Hub & Spoke model for local universities matching our local cluster strengths (Marine, Healthcare, Green Energy & Aerospace Innovation and Tourism)

2. Methodology

Approach

We have used a variety of mixed-methods analysis combining quantitative data and qualitative insights:

1. **Desk Research:** ONS, Nomis, Census, LSIP survey, education/training reports.
2. **Surveys:** Employer sample (engineering, health, digital, voluntary sectors); Youth Hub and community.
3. **Focus Groups:** Skills Summit with local MP's Office (9th Oct 2025, held at IOW College), Anchor Meeting (12.03.26) working groups (manufacturing, digital, public sector).
4. **Interviews:** Sector leaders (including Rachael Randall and Ros Parker), key HE/FE training providers.
5. **Triangulation:** Cross-referencing quantitative and qualitative evidence from IW Council data sets via the Skills & Employment Board.
6. **Limitations:** Small samples for some subgroups via survey.
7. **Ethics:** Data protection of those feeding back either via online or in group/1-1 interviews. Recognition of inclusivity for SEND, NEET, and vulnerable young people.

3. Sector Overview

The Isle of Wight economy features a blend of traditional and emerging industries, with foundational strengths in advanced manufacturing, marine, creative, and the visitor economy, alongside growth in health, education, and digital technology.

Population & Workforce Context:

- **Population (2024):** 141,660; working-age (16–64): **55.4%** (UK: **62.8%**).
- Ageing population: -16.3% projected decline in working-age residents; +30.7% rise in 65+ cohort by 2050.

Key Economic Sectors:

- **Health & Social Care:** 20.8% of jobs (11,000 roles). High demand for nurses, care workers, mental health support.
- **Manufacturing & Engineering:** 6.6% of jobs (3,500), including composites, marine, aerospace. Shortages in engineers, fitters, and technical trades.
- **Visitor Economy, Leisure & Hospitality:** 13.2% of jobs (7,000). Seasonal volatility, recruitment strain.
- **Education & Training:** FE and university centre enable lifelong learning and progression.
- **Digital, Tech & Green Economy:** Growing demand for coding, AI, sustainability, data analysis.
- **Creative Industries & Cultural Sector:** Events, digital content, festivals. Expanding skill requirements.
- **Retail, Construction, Foundational Economy:** Retail (15.1%), construction (4.2%), logistics, customer service.

Employment Profile:

- Managers/professionals/associates: **45.3%** (South East: **56.3%**)
- Skilled trades: **13.4%**
- Elementary/service: **29.7%**

Business Structure:

- Micro businesses (<10 employees): **88.1%**; job density: **0.82**; part-time jobs: **37.7%**.
- RQF4+ (degree): **37.4%**; no qualifications: **6.2%**.

4. Findings: Skills Needs Analysis

Recruitment & Skills Gaps:

- **56%** of employers report hard-to-fill vacancies (engineering, health, digital, skilled trades).
- Technical, digital, leadership, health qualifications in top demand.
- Basic numeracy, literacy, communication, reliability highlighted as gaps.

Sector Quotes:

“We struggle to recruit engineers and fitters locally. Digitalisation and automation are becoming core, but there is a shortage of people who can work with robotics.”

“Qualified contact supervisors are essential for our service. We need staff with Level 3+ health and care qualifications, but local training options are very limited.”

“Digital skills—especially data literacy and change management for AI—are becoming vital. We need apprenticeships and short courses that keep pace.”

“Modern production environments require staff skilled in digital media, technical operations, and sustainable set-building, in addition to creativity and project leadership.”

Survey Data (% Employers reporting skills gap):

- Digital & IT skills: **88%**
- Engineering/manufacturing: **72%**
- Health & care: **79%**
- Sustainability/net-zero: **44%**
- Communication/reliability: **69%**
- Project management: **33%**

Barriers:

- Cost (60%), lack of local provision (48%), difficulty releasing staff, insufficient business-friendly formats.

Work Readiness & Foundational Skills:

- Employers cite poor communication, lack of punctuality and adaptability among young people.

5. Key Skills Gaps & Priorities

Critical Shortages

- Engineering (technical trades, digital manufacturing, troubleshooting)
- Health & care (nursing, mental health, SEND, contact supervisors)
- Digital & IT (coding, cybersecurity, advanced analytics)
- Sustainability/net-zero skills

Skills in Demand Now

- Technical, professional behaviour, reliability, communication, teamwork, customer service, health & care qualifications, project management.

Anticipated Needs

- AI, automation, green skills, mental health support, adaptability.

Cross-Cutting Themes

- Digital skills for all sectors
- Leadership/management in SMEs
- Sustainability and green practice
- Inclusive pathways for SEND, NEET, disadvantaged groups

Action Priorities

- Invest in digital, engineering, health, green upskilling
- Co-design apprenticeships/curricula with employers
- Enhance professional behaviour and foundational skills in training

6. Recommendations

Short-Term

- Expand apprenticeships offer across more businesses to those who don't know they exist or what they can offer.
- Employer-led curriculum – works from *'job skills back'* to ensure day 1 employee productivity.
- Hands-on experience – more placements via recognised organisations, matching skills and personality to roles.
- Increase digital/AV/production training; supply chain and service sector upskilling.

Medium-Term

- Embed IT infrastructure, cybersecurity, and green practices in training.
- Improve careers navigation, professional behaviour and 'essential skills' (emotional intelligence) in to programmes.

Long-Term

- Sustain talent pipeline from education to technical/creative/supporting roles.
- Track outcomes, refresh provision as sector needs evolve.

Recommendations Summary

Priority Area	Short Term 3-6 months	Medium Term 6-12months	Long Term 12-48 months
Employer– Education Interaction	Apprenticeships, curriculum co-design and meaningful placements.	Forums, sector engagement, Skills 'Passport Pool' Pathway design.	Mentoring, pathways, employer involvement.
Digital/Technical Upskilling as thread across all sectors	Digital, AV, production, hands-on training.	IT infrastructure, cybersecurity.	Talent pipeline, industry partnerships
Service Sector & Skilled Trades	Skilled Trades & hospitality, event management – Pathway	Green practices towards net zero in transport sector.	Workforce development, sector adaptation

Priority Area	Short Term 3-6 months	Medium Term 6-12months	Long Term 12-48 months
	explanation or marketing campaigns to inspire.	Support modular learning programmes in/out work.	to new technologies.
Sustainability/ Ecological Skills	Eco-friendly /sustainable modules given higher priority / recognition. Basic awareness modules to all.	Advanced practices, procurement, waste minimisation and circular economy education.	Impact tracking, skills refresh as new technology evolves
Careers Navigation	Enhanced cross referencing of Island opportunity to talent or skills students to secure pipeline. Work readiness to include professional behaviours.	Placement support, regular feedback	Continuous improvement and flexibility of skillsets across differing sectors.

7. Conclusion

The Isle of Wight stands at a pivotal moment, with opportunities to modernise and expand its workforce, adapt to new technologies and future emerging industries. This will ensure the benefits of growth are widely shared across the community.

There are key challenges on the island with understanding pathways or simply having knowledge or understanding of career pathways available, therefore, investment in collaboration and inspirational marketing of these careers should be undertaken.

Flexibility and the mapping of transferable skills in young people via a placement passport (or similar) alongside the education of professional / essential skills to be effective in the modern workplace, have to be addressed early in the process. This is clearly apparent with the Covid generation who require extra social and interactive skills support.

This LSIP, rooted in local evidence and engagement, highlights persistent and emerging skills gaps, especially in engineering, skilled trades, healthcare, digital, and creative production.

If we do not address this immediate need the Island may be heading towards a negative net-migration and degradation in its GVA year on year. Combined with a lack of appetite for business owners to remain or expand here, let alone attract new industries to the Island economic system.

Success depends upon:

- Collaboration between employers, providers, local government and employer-placement intermediaries.
- Investment in digital, technical, creative, and green upskilling to future proof the emerging and current workforce.
- Flexible pathways and careers story-telling and navigation using the most appropriate platforms for young people to act as inspiration.
- Support for supply chain, hospitality, construction, logistics, and customer service sectors on the island by large spenders (i.e. council and large contractors) vs bringing in skills from off-island.

Key Next Steps

1. Dissemination & Consultation: Share report, invite stakeholder feedback.
2. Implementation & Monitoring: Begin delivery, set targets, assign responsibilities.
 - a) Engagement with priority sectors as outlined above
 - b) Future back thinking for skills development & pipeline with education establishments
 - c) Continued supported by current HE/FE IWC Skills programme
 - d) Create an on and offline careers centre to showcase available careers, pathways and skillsets to ultimately match with the available candidates
 - e) Collaborate with local universities on hub & spoke model degree and skills programmes to drive innovation and investment from larger organisations (Industry and/or Education)
3. Ongoing Evaluation: Continue to monitor key KPIs within the NIOMIS report on a quarterly and annual basis, focusing on U25 skills uptake and employment rates.
4. Collaboration & Partnership: Maintain working groups established via Council Skills Forum, MP's Anchor Group and establish a key employer engagement network and programme.
5. Annual Update: Refresh LSIP with new data and feedback.

Summary table

Theme	Key Actions & Outcomes
Stakeholder Engagement – <i>Make the network strong and easy to navigate</i>	Employers: Create sector specific career and potential employee engagement events. Education – mapped future skill sets led by industry to accelerate new employee adaption to work/pathway. Youth, community and service partners: use as conduits to success for both business and industry to communicate effectively with education establishments.
Success Factors – <i>Future proofed and reverse engineered</i>	Collaboration to agree to a single plan – IWC led and funded

Theme	Key Actions & Outcomes
	Upskilling pathways to ensure we have the correct options and skill sets for our most in demand sectors/jobs Flexible pathways – multiple ways to the same end point via recognition of the core vs specific skillsets applicable across multisector jobs. Sustainability from funding and long term agreements to placements, pathways and programmes.
Next Steps	Dissemination, implementation, collaboration and agreement of the above key priorities with the outlined stakeholders. Move to monitoring and quarterly/annual update.

Stakeholder Acknowledgements

This report was made possible by contributions from:

- Isle of Wight Chamber of Commerce
- Local employers and business leaders
- Isle of Wight College and FE providers
- Youth Trust and community partners
- Local authority representatives, working groups
- Young people, NEET/SEND cohorts, and all participants
- Parliamentary Office of Labour MP – Isle of Wight

Appendices

8.1 Survey Questionnaire

- Employer Skills Survey 2026: See additional docs.
 - Sector, workforce size, recruitment challenges
 - Skills in demand, barriers, training format preferences
- Work Force Alignment Audit

8.2 Focus Group Guide

- Skills Summit October 2025:
 - Sector prompts -
 - Apprenticeships, placements, curriculum alignment

8.3 Data Tables & reports

Table 1: Workforce Profile

Metric	Isle of Wight	South East	UK
Population	141,660	9,642,942	67,353,582
Working-age (16–64) (%)	55.4%	61.7%	62.8%
Employment rate (%)	74.3%	78.7%	75.6%
Job density	0.82	0.85	0.86
Median weekly pay (£)	£662.1	£815.2	£766.6
Median hourly pay (£)	£16.42	£21.04	£19.74

Table 2: Employment by Sector

Sector	Employee Jobs	% of Total
Health & Social Care	11,000	20.8%
Wholesale & Retail Trade	8,000	15.1%
Manufacturing	3,500	6.6%
Construction	2,250	4.2%

Sector	Employee Jobs	% of Total
Education	4,500	8.5%
Accommodation & Food Service	7,000	13.2%
Creative, Arts & Recreation	1,500	2.8%
Administrative & Support	3,500	6.6%

Table 3: Skills Gaps Reported by Employers

Skill Area	% Employers Reporting Gap
Digital & IT skills	88%
Engineering/Manufacturing	72%
Health & Care	79%
Sustainability/Net-zero	44%
Communication/Reliability	69%
Project Management	33%

Table 4: NEET and Claimant Data

Metric	Isle of Wight	South East	UK
NEET Rate (18–21)	7.8%	4.7%	4.3%
Claimant count (16–64, Jan 2026)	3,255	-	-
% Households Workless	22.8%	10.5%	13.9%

Table 5: Qualification Profile

Level	Isle of Wight	South East	GB
RQF4+ (Degree+)	37.4%	48.2%	47.2%
RQF3+	56.8%	69.9%	67.6%

Level	Isle of Wight	South East	GB
RQF2+	80.3%	88.2%	86.5%
No qualifications	6.2%	5.5%	6.8%

8.4 References

- See full reference and supporting documents list

8.5 Supporting Documents and Links

- <https://www.nomisweb.co.uk/reports/lmp/lad/1778384940/report.aspx>
- <https://medinastudios.co.uk/>
- <https://www.iwchamber.co.uk/>
- Additional sector data, DfE releases, dashboards

Metric	Data Source
Vacancy rate Vacancy-to-unemployed ratio	Vacancies data only published for the UK and not available at LA level. Sources of data for online job adverts, BRES and unemployment are in the notes cell. A link to ONS PAYE data has also been provided which provides more recent data on employees at LA level
Hard-to-fill vacancy rate Skills-shortage vacancy rate Employer-reported skills gaps	Employer skills survey 2022: England results (the Employer skills survey 2022: UTLA summary data tables spreadsheet has an individual sheet for each upper tier LA)
Youth unemployment rate	Not available at LA level. Youth claimant count available in Nomis local authority profiles
FE achievements L2/3	DfE Education and training dashboard
Apprenticeship starts	DfE Create your own tables on apprenticeships
Apprenticeship achievement rate	Not available at LA level
Essential Digital Skills achievements	DfE Essential Skills Geography – region, LAD, PCON and EDA
Transition pressure index	
Median earnings (resident)	Nomis local authority profiles

Earnings growth YoY	Nomis local authority profiles
Sustained employment (12m)	Published data not available at LA level
NEET rate	DfE Neets data for upper tier LAs
Participation by IMD quintile	Deprivation data: MHCLG, English Indices of Deprivation, File 11
LLDD participation & achievement	DfE Education and training dashboard
Provision coverage	
Capacity fill rate	No data on provider capacity is published
Ofsted grades	• Data on state schools available at https://www.gov.uk/government/statistics/state-funded-schools-inspections-and-outcomes-as-at-31-august-2025 • Data on non-association independent schools (the majority of independent schools, and the ones regulated by Ofsted) available at https://www.gov.uk/government/statistics/non-association-independent-schools-inspections-and-outcomes-in-england-august-2025 • Data on other areas regulated by Ofsted can be found through https://www.gov.uk/government/organisations/ofsted/about/statistics
Number of registered businesses	UK Business Counts via Nomis
Turnover	• Non-financial business economy, UK (Annual Business Survey (ABS)): 2023 results: https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/nonfinancialbusinesseconomyukannualbusinesssurvey/2023results • UK businesses broken down by legal status, industry, region, employment and turnover size bands: https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/bulletins/ukbusinessactivitysizeandlocation/2025 • Analysis of enterprises in the UK by local authority district 2022 (Special data request to

	the ONS): https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/adhocs/15241analysisofenterprisesintheukbylocalauthoritydistrict2022
GVA	ONS, dataset on GDP for local authorities

End of LSIP Report