



Hampshire  
Chamber of  
Commerce

# Solent Local Skills Improvement Plan (Solent LSIP)

HAMPSHIRE CHAMBER OF COMMERCE

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UK Government

This Local Skills Improvement Plan has been approved by the Secretary of State in line with the approval criteria set out in the [Skills and Post-16 Education Act 2022](#), and in accordance with the [LSIP statutory guidance](#).

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# Foreword & Introduction





This document is the Local Skills Improvement Plan ('LSIP') for the Solent region. It has been prepared by the Hampshire Chamber of Commerce ('CoC') which was designated as the employer representative body ('ERB') for the Solent region (incorporating the Isle of Wight) by the Department for Education ('DfE') in August 2022.

This LSIP has been produced in collaboration with a range of stakeholders and employers from across the Solent. It sets out the key priorities and changes needed to make post-16 technical education and training more responsive to employers' needs, and provides a representative and coherent view of the skills required to support local economic growth, boost productivity, improve employability and enable progressions for learners. This LSIP makes recommendations for improvements to the skills ecosystem in the Solent, and presents a series of actions framed under six priorities to help us get there.

This LSIP is an ambitious call for action, and seeks to address persistent skills challenges across the Solent, whilst supporting the wider ecosystem to undergo the behavioural and cultural changes needed for a strong skills foundation, that will be a key driver of growth of the Solent economy over the coming decades.

Following DfE Guidance, the LSIP is structured as follows:

- ~ **Part 1** sets out the focus and key objectives of the LSIP, and presents **six priorities for this LSIP**.
- ~ **Part 2** provides our understanding of the key outcomes local employers want, and articulates the changes required in order to **take forward the LSIP priorities** (i.e. by working in collaboration with the various organisations and stakeholders across the Solent).
- ~ **Part 3** sets out a series of recommendations aimed at **delivering the LSIP priorities** and how we will manage its effective delivery and realise the LSIP's expected benefits.

The LSIP is supported by a number of annexes as follows:

- ~ **Annex A** presents a summary of the local strategic context relevant to the Solent geography.
- ~ **Annex B** outlines the approach to producing this LSIP.
- ~ **Annex C** contains the low carbon deep dive evidence report.
- ~ **Annex D** contains the maritime sector deep dive evidence report.
- ~ **Annex E** contains the creative sector deep dive evidence report.
- ~ **Annex F** contains the Solent Freeport target sectors deep dive evidence report.





PART 1:

# LSIP Priorities

# Part 1: LSIP Priorities

Part 1 sets out the objectives and strategic context for the Solent LSIP. It draws on the existing local, sub-regional and national strategic contexts, to identify a series of priorities for the LSIP to take forward.

## Strategic Context

### National Context for Skills

Over the past two decades, the UK-wide skills system has become increasingly focused on the role employers can play in shaping and delivering the skills agenda, most notably through the delivery of the Apprenticeship Levy. This employer-centred focus, which underpins the skills system, has now been extended to encompass all post-16, technical education.

A recent report by the British Chamber of Commerce<sup>1</sup>, which was based on an 18-month in-depth study, concluded:

*“Now, more than ever before, businesses need an agile skills system that helps them to continuously train and develop their workforce in response to the evolving business environment. A skills-led recovery will support business to innovate, and be more produce and competitive, but everyone in the workplace must be included in the transformation journey.”*

This conclusion was taken forward in the Skills for Jobs White Paper<sup>2</sup>, which announced a range of new and expanded policies within the skills system (including the piloting

of LSIPs), primarily aimed towards building a workforce with the technical skills for the future, but which is also geared towards boosting productivity and safeguarding jobs. Key initiatives set out in the Skills for Jobs White Paper include:

- ~ Improving and expanding existing technical education (including apprenticeships and traineeships) through the introduction of T-Levels which offer a mixture of work experience (20% of study time) and training (80%), and which deliver a credible alternative to an academic route towards skills development.
- ~ Increased support for English, mathematics and digital skills, to help improve adults' basic skills.
- ~ A National Skills Fund providing £2.5 billion to reskill and upskill adults.
- ~ A flexible lifetime skills guarantee with access to a lifelong loan for four years of post-18 education.
- ~ Support for capital investment in college estates and facilities, to support the delivery of high-quality training provision.
- ~ New funding, under the Strategic Development Fund ('SDF') to help implement local programmes in response to LSIP's needs.

Ultimately, the shift in focus – driven by employers' needs – will provide the UK with a skills system which is able to meet labour market needs, in a simplified and less complex way.

<sup>1</sup> British Chamber of Commerce (May 2021), *Report of the Workplace Training and Development Commission*.

<sup>2</sup> Department for Education (January 2021), *Skills for jobs: lifelong learning for opportunity and growth*.



## The Solent Context for Skills

The development of the Solent LSIP has been informed by existing sub-regional plans and strategies, and builds on the ongoing commitment of the Solent's Skills Advisory Panel ('SAP') which was established as a means of enabling the Solent to support employers, education providers and local government in the identification of current and future local skills needs. A number of Skills Action Plans have been produced for the Solent<sup>3</sup>, based upon robust local evidence to identify both strengths and weaknesses (i.e. gaps) within the local skills system, and develop recommendations on how these can be addressed locally.

Similar to the LSIP, the Skills Action Plans aim to improve the connections between employers and skills providers in the Solent, ultimately improving productivity and growing the local economy. The most recent Local Skills Report (2022) identifies a range of skills needs for the Solent, and highlights important issues surrounding acute skills shortage and recruitment challenges experienced across many of the Solent's key employment sectors. In addition, the report highlights some of the main challenges for the Solent in terms of schools' under-performance, persistent pockets of skills deprivation and inequality, in addition to the effects of de-industrialisation, changes in tourism and globalisation more widely.

The Solent LSIP supports the vision set out within the LEP's Solent 2050 strategy<sup>4</sup>, which acknowledges the need to develop a more dynamic and agile skills ecosystem that addresses skills gaps through closer collaboration between education, academia and industry. Similar to other coastal economies, the Solent trails the rest of the South East in productivity terms, and suffers from a technical skills deficit, as well as geographical and socio-economic challenges that hinder skills development within and outside the workplace.

The Solent 2050 strategy sets out seven key priorities for future activity which include:

- ~ **A world-leading marine and maritime economy**, building on our existing assets and global competitive advantages to strengthen the UK's international trading relationships.
- ~ **Pioneering approaches to climate change adaptation and decarbonisation**, linked to our coastal setting and establishing real expertise which other regions, nationally and globally, can learn from.
- ~ **The UK's capital of coastal renaissance**, harnessing new technologies and approaches to revitalise and level up economic opportunity across all of our coastal communities.

<sup>3</sup> Solent LEP (January 2022), Solent Skills Action Plan & Local Skills Report.

<sup>4</sup> Solent LEP (April 2022), Solent 2050 – An Economic Strategy for the Solent.

- ~ **A thriving visitor, creative and cultural economy**, capitalising on the Solent's superb natural beauty and rich maritime history.
- ~ **Developing a world-class talent base**, helping people at all stages of their career build the skills needed to respond to new technology and drive an innovative knowledge-based economy.
- ~ **An outstanding business environment** that encourages innovation, fosters collaboration and which enables businesses of all sizes and sectors to thrive.
- ~ **Health and well-being at the heart of economic success**, through a focus on building strong, healthy and resilient communities that can prosper in a fast-changing world.

Through partnership working, the Solent LSIP will co-ordinate a business-responsive framework of accessible learning and development solutions to business skills needs. This is built on the four pillars of: enhanced SME commitment to and participation in workplace skills development; support to the cluster of marine, engineering and digital; effective peer business engagement around demand-led training; and a joined-up skills ecosystem across key stakeholders bringing greater collaborative value and solutions.

## LSIP Objectives

The co-ordinating of the Solent LSIP has been led by the Hampshire CoC working in collaboration with local and sub-regional stakeholders including Skills Providers, Maritime UK Solent (and the Solent Freeport Consortium Ltd), the Solent Local Enterprise Partnership ('LEP') and SAP, town chambers, regional ERBs and networks, regional skills projects and agencies, sector employer forums, Business Strategy Groups, the Solent Apprenticeship Hub, business improvement districts ('BID'), as well as local authorities, in addition to further education ('FE') and higher education ('HE') providers, independent training providers ('ITP'), and employers from across the Solent region.

This LSIP builds on the aspirations set out by Government in the Skills for Jobs White Paper, and DfE's intention for LSIPs to:

*“provide a representative and coherent employer view of the skills most needed to support local economic growth and boost productivity, and improve employability and progression for learners”.*

Building on the above, the objectives of the Solent LSIP are to:

- a. Establish a robust and dynamic assessment of skills needs and priorities for employers in the Solent region;
- b. Set out a clear, forward-thinking narrative on the skills agenda which takes account of the wider economy and locally significant employment sectors, and which addresses both cross-cutting and sector-based nuances;
- c. Co-ordinate a suite of relevant, purposeful, and high-quality skills provision that addresses both current and future employer needs; and
- d. Drive employer and learner demand for skills with the aim of optimising performance and increasing productivity, and the capabilities of our talent pool to readily contribute to economic growth.

In working to these objectives, we have adopted the following principles to guide our work. Further detail on our approach to producing the LSIP is provided in Annex B of this report.

- a. A strong and collaborative approach working with stakeholders, education and training providers, as well as employers from across the Solent.
- b. Placing the employer at the heart of the LSIP programme, to ensure that this LSIP is demand-led, and learner-centric.
- c. Support existing clusters of recognised strength including marine and maritime, engineering and digital, and creative and cultural.
- d. Identify and build foundations towards future collaborations around other key clusters and sectors (including hospitality, health and social care, and logistics).
- e. Understand and articulate the essence of any market failure to engage employers within the current skills ecosystem, and identifying ambitious solutions.
- f. Recognition of the wider partnership of providers and pathways which have both direct and indirect impact on vocational and technical skills (including careers advice, schools, HE providers, and employability experiences).



## Health, retail & education

are the three largest employment sectors in the Solent

Figure 1.1:  
Area covered by  
the Solent LSIP

### The LSIP Geography

With over 340 miles of coastline, the Solent region covers the stretch of strategic coastline extending from the New Forest in the west, all the way to Havant to the east, and which includes the Isle of Wight. The local authorities included within the scope of this LSIP are presented in Figure 1.1 above.

### A Snapshot of the Solent Labour Market

The latest data from the Office for National Statistics ('ONS') puts total employment in the Solent at around 522,500 jobs (2021) and lists health (14.7%), retail (11.1%) and education (9.4%) as the three largest employment sectors locally. Other important employment sectors in the Solent include tourism and hospitality (8.0%), recreation (4.2%) and construction (5.7%).

**54,000**  
*economically  
inactive people  
want to re-join  
the labour market*

**3.4%**  
*of residents aged  
16-64 claim benefits*

In general, this aligns with wider economic trends across Hampshire, where the economy is dominated by retail and health.

Overall, the labour market engagement (i.e. economic activity) rate in the Solent stands at 78.0%, which is lower than the averages across Hampshire (79.8%) the wider South East region (80.4%). In addition, data shows that within the Solent there are over 54,000 economically inactive people who want to re-join the labour market.

At 3.2%, unemployment in the Solent is low, and is in line with the average for Hampshire and the wider South East region. However, the number of Solent residents claiming benefits has been on an upwards trend, even before the start of the Covid-19 pandemic, increasing from 9,300 claimants in 2015 to just over 18,200 by the end of 2019. The number of claimants peaked at 29,500 in 2021, but has since fallen to around 25,600 claimants (or the equivalent of 3.4% of residents aged 16 to 64). Nevertheless, the overall number of claimants in the Solent is now over three times that seen in 2015, and remains higher than the averages for Hampshire (2.3%) and the South East region (2.9%).

The Solent's labour force is relatively highly skilled, but occupies fewer high-skilled jobs than the national average.

The Solent accommodates a range of job roles that attract commuters in from surrounding areas, with productivity in the Solent (measured in terms of nominal GVA per hour worked) being slightly higher than the UK average.

## Demand for Skills

As a key ERB representing employers across the Solent, we regularly collate intelligence on the current and future skills needs of employers and businesses in the region. As part of the LSIP process we have undertaken extensive employer engagement and in-depth analysis of evidence to gain a detailed understanding of employers' skills needs to inform the priorities for this LSIP.

This LSIP has been informed by a quantitative review of skills demand data, in the form of job postings across the Solent (i.e. both Solent-wide and at the local authority level) from 2017 onwards. Overall, the demand for skills in the Solent has been on a downward trajectory since 2017, with the number of monthly job postings declining from around 34,100 in January 2017, to around 19,400 in December 2019 (or the equivalent of a 43.2% drop). Following a sharp decline at the start of the Covid-19 pandemic, job postings in the Solent peaked (i.e. at just over 52,100 in December 2021) as the economy reopened, however these are now heading back to pre-pandemic levels.

Whilst the number of monthly job postings is declining, it has been reported that part of the increase throughout 2021 has been associated with roles being re-advertised due to the loss of workers from the European Union ('EU') following the end of the transition period in December 2020.

A review of the data shows that there has been a marked variation between the requirements of different employment sectors across the Solent, with increased demand generated by specialist sectors (such as information and communication technology ('ICT') and engineering), and an overall reduced demand in some service sectors (e.g. sales and trading). In general, the data suggests that a wide range of roles are being advertised, across a range of skills levels.

Within the Solent, Southampton represents a little over a third (i.e. 37%) of all job postings, followed by Portsmouth (18%) and Fareham (10%). Areas with a lower density of economic activity, such as Havant (7%), the Isle of Wight (6%) and Gosport (3%) see substantially fewer job postings. However, when the number of job postings is considered on a per full-time equivalent ('FTE') basis, the data shows that (with 1.8 job postings per FTE worker) Southampton experiences the highest density of job postings (i.e. per FTE worker) across the whole Solent region.

## Sector Specific Skills Needs

Through our research and engagement with stakeholders, we have identified a number of key sectors within the Solent based on the scale of employment they support, contribution to gross value added ('GVA') and future growth potential, for which individual 'deep dive' evidence reports have been prepared.

These include:

- ~ Low carbon and green skills;
- ~ Maritime sector;
- ~ Creative sector; and
- ~ Solent Freeport target sectors.

Going forward, similar deep dives are planned in other important sectors in the Solent, including (but not exclusively) hospitality, logistics, construction as well as health and social care.

**37%**  
*of all job postings within the Solent are represented by Southampton, followed by Portsmouth (18%) and Fareham (10%)*

## Low carbon and green skills

The shift to a low carbon economy is now a major focus for the Solent, which has a target to be carbon neutral by 2050. Fundamental to this ambition is having a workforce that is large enough, and skilled enough to drive the transition to net zero. A recent study looking into current delivery trends, and the work required to achieve net zero identified the following conclusions:

- ~ The current rate of deployment of retrofit solutions (i.e. insulation and heat pumps) in the Solent is found to be deficient, resulting in the likelihood of the Solent missing its net zero target.
- ~ As such, the Solent requires substantial growth in retrofit jobs and low carbon heating installers to meet its target.
- ~ In addition, the Solent also needs significant electrical skills required to deliver the infrastructure needed for low/zero emission transport. Main skills requirements include electric vehicle ('EV') charger installation and grid connection.
- ~ The Solent requires specialist engineering skills to facilitate hydrogen production and storage deployment.

- ~ The Solent's maritime workforce needs to be upskilled to handle alternative, low carbon fuels as part of the region's transition to green maritime.

The shift to a low carbon economy is considered from a variety of perspectives, which include retrofitting of the building stock within the Solent, transport and logistics, production and storage of hydrogen, green maritime, and marine carbon capture. The study concludes by suggesting that there are significant opportunities for the Solent to capitalise on as part of the decarbonisation process. It argues that given the nascent nature of some of the sectors investigated, continued assessment will be required to ensure that skills in the region are adequate and can secure a carbon neutral economy by 2050.

The low carbon deep dive evidence report is included at Annex C.

## Maritime sector

The maritime sector covers a broad range of sub-sectors and activities, including the shipping industry (i.e. both passengers and freight), ports-related industry, the leisure marine industry, marine engineering, and maritime business services industry. It is estimated that the sector supports in the region of 20,000 FTE jobs, across 2,700 enterprises.

Analysis of the demand for skills at the Solent-level indicates that need is primarily driven by the requirements outlined below. However, it should be noted that future demand is also likely to be driven by advancements in technology, in particular artificial intelligence ('AI') and increased automation.

- ~ Freight drivers including large goods vehicles ('LGV') and heavy goods vehicles ('HGV') drivers and freight water transport;
- ~ Stevedores and individuals with experience in cargo handling;
- ~ Data analysts;
- ~ Battery, mechanical and electrical engineers, and system engineers;
- ~ Business administration and engineering experts;
- ~ Gas engineers experienced working with hydrogen-based fuels;
- ~ Industrial machinery mechanics;
- ~ Pilots of large, ocean-going vessels.

Engagement with employers in the maritime sector found that a high proportion (83%) encounter challenges when recruiting individuals with specialist and/or technical skills. Likewise, a high proportion of employers also suggested challenges finding employees with the right levels of employability and personal skills (including teamwork, communication and resilience).

The maritime sector deep dive finds that demand for skills in the sector is anticipated to remain strong as significant investments (including the Solent Freeport), and indigenous growth are delivered over the coming decades. Using a bottom-up analysis of the level of opportunity in the Solent, it estimates future growth in the maritime sector to be in the order of 10,000 jobs. Future demand is likely to be varied, and will include both low-level / manual skills, in addition to higher-level skills.

The maritime sector deep dive evidence report is included at Annex D.

**20,000  
FTE jobs**

*across 2,700  
enterprises in the  
Solent are supported  
by the marine sector*



# 6,200

**jobs across  
the Solent are  
supported by the  
creative sector**

## Creative sector

The creative sector comprises a wide range of sub-sectors which include advertising and marketing, architecture, crafts, design, publishing, museum, galleries and libraries, music and the performing arts. Based on the sector's definition by the Department for Digital, Culture, Media and Sport ('DCMS') it is estimated that the sector supports in the region of 6,200 FTE jobs in the Solent region, although it should be noted that employment in related sectors is likely to be much higher.

Evidence on the demand for skills in the Solent (based on the number of monthly job postings) from January 2017 onwards, indicates that in line with the general economy, the number of job postings has been declining steadily, with demand for jobs in the creative sector trailing behind the wider economy's average (i.e. based on a January 2017 starting point).

Data on average annual job postings between 2017 and 2022 shows a significant decline in need in Eastleigh (-590 job postings per annum), and Southampton (-480 job postings per annum). In contrast, there was strong demand in the New Forest (+220 job postings per annum) and the Isle of Wight (+120 job postings per annum).

Discussions with employers have indicated that going forward a wide range of skills are likely to be needed, both technical (such as production, set design/construction, lighting, sound and coding), and more generic (such as project management, leadership, fundraising and business development). More broadly, employers suggested that new entrants to the industry are not work-ready.

Additionally, engagement with employers has also identified the following, broader challenges for employers and/or careers in the creative industry:

- ~ Lack of awareness of career pathways in the creative sector.
- ~ The need for a brokerage service to support learners in the creative sector access placements and/or freelance opportunities whilst still learning.
- ~ Greater need for diversity and inclusion in the sector, particularly for individuals from deprived backgrounds, minority groups and/or people with disabilities.
- ~ Bite-size, modular and flexible CDP for the creative sector.

The creative sector deep dive report is included at Annex E.

### Freeport target sectors

Designated in 2022, the Solent Freeport is one of eight English Freeports, and represents a major opportunity for the UK as it seeks to strengthen its position globally and develop new trading relationships. The Solent Freeport comprises three tax sites (at Southampton Water, Navigator Quarter and Dunsbury Park), and two customs sites (at Solent Gateway, and Portsmouth International Port).

The Solent Freeport is set to unlock billions of pounds' worth of investment and create in the region of 15,000 jobs directly (in addition to a further 15,000 jobs more widely across its UK supply chain). Delivery of the Solent Freeport is anticipated to focus on a number of target sectors, which include:

- ~ Port activities and logistics;
- ~ Marine manufacturing and technology;
- ~ Advanced manufacturing; and
- ~ Clean growth and decarbonisation.

Given the broad nature of the Freeport target sectors, skills requirements are likely to be broad and will incorporate both low and high-level skills, and provide opportunities for individuals with a wide range of experience.

At the sub-regional level, demand in Freeport target sectors is driven by the need for software developers and programmers, freight drivers (including LGV and HGV drivers), electrical and mechanical engineers / designers / technicians, business administration and engineering experts, and industrial machinery mechanics.

Discussions with key stakeholders and employers operating in Freeport target sectors have identified a number of areas for consideration:

- ~ There is a wide array of skills gaps in the Solent region, ranging from manual / low-level skills to highly-skilled and technical occupation such as electrical and systems engineers, and business administrators.
- ~ Potential future gaps as a result of new and emerging technologies, such as electric / hydrogen propulsion, and data analytics.
- ~ When recruiting research and development ('R&D') roles, employers have highlighted the need for flexibility, and a paradigm shift which focuses increasingly on transferrable skills and determining an appropriate pathway to skills development bespoke to the positions being filled.

The Freeport target sectors deep dive report is included at Annex F.

**15,000  
FTE jobs**

*across a wide range of employment sectors have the potential to be supported by the Solent Freeport*

*Table 1.1, adjacent: Overview of sector specific skills needs based on key sectors in the Solent*

Sector	Skills requirements & opportunity	Specialised skills required
Low Carbon	<p>The Solent aspires for the region to be carbon neutral by 2050. The shift to a low carbon economy is considered from a variety of perspectives which include retrofit, transport and logistics, the production and storage of hydrogen, green maritime, and marine carbon capture.</p>	<ul style="list-style-type: none"> <li>~ Air / ground-source heat pump engineers</li> <li>~ Heat network engineers</li> <li>~ Cavity wall insulations</li> <li>~ Retrofit coordinator and assessor</li> <li>~ Gas engineers experienced in hydrogen/ammonia-fuelled internal combustion engines ('ICE')</li> <li>~ Engineering</li> </ul>
Creative	<p>The creative sector incorporates a number of sub-sectors and requires a wide range of skills, both technical and more generic.</p>	<ul style="list-style-type: none"> <li>~ Production</li> <li>~ Set design and construction</li> <li>~ Light and sound technicians</li> <li>~ Coding</li> <li>~ Virtual reality &amp; artificial intelligence</li> </ul>
Maritime	<p>The maritime sector is estimated to support in the region of 20,000 FTE jobs across 2,700 enterprises. The sector is anticipated to experience significant growth in the Solent (driven in part by the Solent Freeport), with growth anticipated to be in the order of 10,000 jobs.</p>	<ul style="list-style-type: none"> <li>~ Implementation of marine regulatory frameworks</li> <li>~ Skills in green tech</li> <li>~ Stevedores and cargo handling</li> <li>~ LGV / HGV drivers</li> <li>~ Data analysts</li> <li>~ Pilots of large, ocean-going vessels</li> <li>~ Battery, mechanical &amp; electrical engineers</li> <li>~ Systems engineers</li> <li>~ Hydrogen specialists</li> </ul>
Freeport Target Sectors	<p>The Solent Freeport is set to unlock billions of pounds' worth of investment and create in the region of 15,000 directly. Opportunity areas include port activities and logistics, marine manufacturing and technology, advanced manufacturing, as well as clean growth and decarbonisation.</p>	<ul style="list-style-type: none"> <li>~ A wide array of skills gaps ranging from manual and low-level skills to highly-skilled and technical positions (e.g. electrical and systems engineers, and business administration)</li> <li>~ LGV / HGV drivers</li> <li>~ Cargo-handling, and import-export clerks</li> <li>~ Pilots of large, ocean-going vessels</li> <li>~ Electrical / mechanical engineers</li> </ul>



## Priorities for the LSIP

Drawing on the analysis of demand for skills and employer insight (explored in more detail below), we have identified the following six priorities for the Solent LSIP to take forward.

These priorities are designed to be cross-cutting and applicable to the full range of employment sectors in the Solent, and accordingly the priorities do not specifically identify particular issues in respect of any individual sector.

However, clearly there is an opportunity to consider where future resources and activities may need to be focused in order to support growth sectors within the Solent and/or where the LSIP can complement initiatives already in place or being brought forward.

### Priority 1: Awareness and aspiration

Ensure the skills ecosystem can improve the life chances of all communities across the Solent.

### Priority 2: Navigating the skills ecosystem

Reduce complexity and improve complementarity within the skills ecosystem in the Solent.

### Priority 3: Proactive employer engagement

Encourage employers to play a greater role shaping local provision and promote the benefits of engagement.

### Priority 4: A more agile ecosystem

Improve responsiveness by building on increased digitisation and the requirement for flexibility.

### Priority 5: Pathway to skills

Acknowledge that career pathways are not linear and facilitate greater brokerage within the skills ecosystem.

### Priority 6: Managing the skills transition

As technology advances towards Industry 4.0, future proofing the skills ecosystem is key to securing success.

Figure 1.2:  
Solent LSIP priorities

## Priority 1: Awareness and aspiration

Employers across the Solent economy have highlighted the need to raise awareness of opportunity amongst children and younger learners. Changes to how young people interact with the world around them and one another (including a shift towards virtual engagement) suggest that unless they have direct links to particular sectors and/or occupations, the likelihood of them being aware of the opportunities ahead can be limited. For example, particular sectors (such as maritime) used to rely on generational employment and local role models, however this is no longer necessarily the case.

In addition to raising awareness, this priority seeks to increase local levels of aspirations for employment in the Solent (including sectors with low levels of awareness). This includes raising awareness about sector strengths and challenging long-held (generally negative) perceptions where these exist. In doing so, the LSIP will inspire the next generation of employees and local leaders to override constraints and achieve their full potential.

### Why is this a priority?

#### ■ *Unleashing economic growth*

~ Low levels of aspiration are constraining the growth potential of the Solent region.

#### ■ *Tackling deprivation and promoting diversity*

~ Persistent pockets of long-term deprivation and inequality remain within the Solent.

~ Too many young people are falling out of the skills system before they reach maturity and are ready to join the labour market.

~ The lack of diversity remains entrenched and is constraining the Solent's growth potential.

#### ■ *Lack of role models and sector in accessible formats*

~ We need to inspire our young people about the opportunities on offer within the Solent, and use engagement as an opportunity to nurture the future talent pool. This should include a more diverse range of engagement approaches to reach younger groups, people from ethnic minority backgrounds, and people of all abilities.

## Priority 2: Navigating the skills ecosystem

Employers have identified the skills ecosystem as being too difficult to understand, navigate and engage with. In particular, micro businesses and small and medium-sized enterprises ('SME') have defined engagement with the skills system as "arduous" and "time-consuming" owing to the various points of entry, number of stakeholders and qualification levels available.

Whilst employers understand and appreciate the value of engagement with the skills ecosystem and continued professional development ('CPD'), operational pressures (such as a higher cost of living, reduced financial security and a slowing economy) generally tend to push engagement down their list of priorities. In particular, this was identified as being a barrier for many of the smaller creative businesses operating in the Solent.

To improve take-up and engagement, employers require a skills ecosystem that is easy to access, navigate, and work with; one which more directly speaks to their needs and provides clear options for access to skills development.

### Why is this a priority?

#### ■ **Complexity of the skills ecosystem**

- ~ The skills ecosystem is complex and difficult for employers to navigate (particularly SMEs which make up 99% of Solent businesses).
- ~ As such, micro businesses and SMEs generally have the lowest levels of engagement.
- ~ Range of programmes and projects available, including funding eligibility and criteria (e.g. the Apprenticeship Levy) makes the system burdensome for employers.

#### ■ **Lack of coordination**

- ~ There is a need to simplify links, increase collaboration and enhance visibility of the local skills offer across the full range of providers.

#### ■ **Reduce exclusion**

- ~ Given the challenges (usually tied to operational pressures) a complex skills ecosystem has potential to disproportionately impact hard-to-reach groups and SMEs, impacting on diversity.

## Priority 3: Proactive employer engagement

Effective conversations between employers and providers (including FE, HE and ITPs) are essential to ensuring that skills provision aligns with business demands. This LSIP puts employers at the heart of the discussion (via ERBs), but places added responsibility on employers to help define future needs.

However, discussions with employers suggest that many are forced to focus on short-term priorities (due to operational pressures), rather than developing relationships and investing in skills planning as part of long-term business planning. As a result, some employers can struggle to build and maintain meaningful relationships with skills providers, which can in turn lead to a perceived lack of proactive engagement with the skills ecosystem.

### Why is this a priority?

#### ■ *Employer driven*

- ~ The LSIP process is driven by, and needs to reflect, employers' needs.
- ~ Better articulation of local employers' needs, will lead to better alignment with the offer provided by the skills ecosystem.

#### ■ *Improve efficiency of the offer*

- ~ Employers do not generally have much time to commit. This places an imperative on developing meaningful relationships, and ensuring that employers feel "listened to" by the skills providers.
- ~ In addition, this will ensure that skills providers are aware of the latest developments within individual sectors (e.g. developments in technology, and specific roles within particular industries).



## Priority 4: A more agile skills ecosystem

Linked to the above, this priority seeks to build an agile and more responsive skills ecosystem by acknowledging that both employers and providers have a key role to play.

In addition to being difficult to navigate, the skills ecosystem is often described as not being agile enough to respond to business needs. Whilst larger employers have potential to drive demand for bespoke training, discussions with providers and employers highlight that demands by SMEs often lack the volume required to ensure viability, in the process creating significant (financial) risks for training providers. There is however the need for curricula to meet the requirements of smaller employers, even if this means meeting fewer criteria (per business) across a wider quantum of SMEs.

However, this might be difficult to achieve. Discussions with employers suggest that whilst some degree of alignment exists, significant differences remain. Furthermore, the lack of a co-ordinated approach means that the level and quality of provision varies across different parts of the Solent.

### Why is this a priority?

#### ■ *A key role for education and skills providers*

- ~ Whilst accepting that business and providers both have a key role to play in delivering an agile skills ecosystem, the LSIP acknowledges that each has a specific role to play within the skills discussion.
- ~ While FEIs, HEIs and ITPs need to listen to employer needs, they can leverage their significant experience working with, and educating younger and adult learners to influence and shape young people into future workers.

#### ■ *Changing needs*

- ~ The skills ecosystem also needs to be agile enough to respond to changing economic needs, whilst maximising the benefits associated with the evolution of strategic opportunities locally (such as Solent Freeport, growth in the green economy and the creative economy).

## Priority 5: Pathways to skills

As we look to grow a world-class economy, the Solent LSIP seeks to deliver improved alignment between skills demand and supply through increase collaboration between providers and wider industry more broadly. The LSIP aims to achieve this by tackling the ongoing mismatch between supply and demand, in the process encouraging greater local retention of newly-skilled workers, and improved pathways to better skills development.

Discussions with employers in the Solent suggest that they lack access to simplified brokerage support, whilst job seekers depend on improved sign-posting to job opportunities by all parts of the skills ecosystem.

As such, in addition to establishing links, brokers also have a key role to play in fostering new relationships, and identifying opportunities for cross-sector connections. However, this approach also requires employers to be open to recruiting individuals who may not have the full range of experience required, but who can be trained.

### Why is this a priority?

#### ■ *Building on transferable skills*

~ Analysis of job postings data suggests that there are a number of shortages in specialised skills, across multiple sectors (e.g. health and social care, hospitality and logistics), representing a unique opportunity for learners to build on their core competencies and deploy transferable skills.

#### ■ *Delivery of an agile ecosystem*

~ As new technology develops and the rate of change places increased demand for agility, improved brokerage between individuals and employers has potential to reduce the length of time vacancies remain unfilled.

#### ■ *Increase local retention*

~ Improved pathways, sign-posting and brokering new relationships has potential to increase local retention, and reduce economic inactivity.

#### ■ *Build on local success*

~ Opportunity to extend existing hubs.

## Priority 6: Managing the skills transition

Recent events (including the Covid-19 pandemic, Brexit, cost of living crisis, and overall economic uncertainty) are likely to have far-reaching implications on the Solent's skills landscape. This, in addition with the ongoing digital transformation has put a spotlight on the need for agility and deployment of new solutions at very short notice, highlighting the need for skills to remain abreast of technology advancements.

As such, this places increased focus on Industry 4.0, and therefore the need to prepare for a paradigm shift within the skills landscape, which is anticipated to create demand for a more dynamic workforce in the future. In addition, the future skills agenda also needs to tie into increased environmental awareness and enable the transition to net zero.

However, it is important for us to manage this transition, as the process will require both future-facing (including unknown skills) as well as current (i.e. legacy) skills. This is especially relevant for key sectors in the Solent (e.g. maritime) where advancements in technology will lead to considerable overlap over prolonged periods of time.

### Why is this a priority?

#### ■ *Net zero is a fundamental priority*

~ The requirement for net zero is woven into law, and represents the largest paradigm shift for the national economy going forward.

#### ■ *Industry 4.0*

~ In addition, advancements in technology mean that future investment decisions will be increasingly influenced by the ability of locations to quickly respond to, and provide expertise in new areas (e.g. AI, and automation).

#### ■ *Future proofing the Solent's skills ecosystem*

~ As such, this LSIP seeks to put the Solent on a path that would allow its ecosystem to presage future demand and be in a position where the skills ecosystem is no longer playing catch-up with demand.

~ Use this as an opportunity to help with achieving key national objectives such as Levelling Up.





PART 2:

# Taking the LSIP Priorities Forward

# Part 2: Taking the LSIP Priorities Forward

**Part 2 of the Solent LSIP sets out the reasoning behind the need for change and identifies the skills components and competencies employers need in the workplace.**

## Supply Side Review

A review of ONS data indicates that in the 12-months to December 2021, 39.9% of working age residents in the Solent held NVQ4+ level qualifications, whilst 5.8% held no formal qualifications. In general, this is in line with the proportion of residents with equivalent qualifications across Hampshire (i.e. 40.2%), but is lower than the equivalent average of residents with higher-level qualifications across the wider South East region (45.2%).

The Solent is home to a number of HE and FE providers, including three universities and several post-16 providers (including several which provide T-Level qualifications). These are outlined in more detail in Annex A.

A review of FE providers in the Solent has identified over 60 T-Level courses across ten Colleges in the Solent. These cover a wide variety of subject areas, and range from accounting, health and social care, education and childcare to digital production, media and broadcasting, engineering and legal services. A full list of T-Level courses available in the Solent is provided in Annex A.

A review of enrolment data for FE provision in the Solent identifies courses related to preparation for life and work (46.2%) as the highest subject area, followed by courses in health services (21.0%) and ICT (7.9%). It should be noted that a similar trend is evident when completions/achievements data for FE qualifications in the Solent is considered. Subject areas related to preparation for life and work include a number of foundational programmes such as English for speakers of other languages ('ESOL'), independent living and leisure skills, community learning, foundation mathematics and employability training.

The data also shows a marked difference in FE enrolments by subject area based on the level of qualification considered. Whilst subjects related to preparation for life and work make up the majority, these are heavily concentrated towards the lower-skilled end of the qualification spectrum. As the level of qualification becomes higher, the proportion of enrolment in technical, health, and business practices increases. The Solent has a higher enrolment rate in higher-level engineering qualifications (of 19%) compared with the national average (of 9%).

However, data from 2016/17 indicates that both enrolment and FE achievements within the Solent and neighbouring LEAs has been steadily declining.



Data on apprenticeships indicates that throughout the 2021/22 academic year the Solent saw a total of just over 3,500 apprenticeship completions, representing a 24% decline compared with the previous academic year (i.e. 2020/21). Whilst this data is likely to have been skewed by the Covid-19 pandemic, this is likely to reflect a longer-term trend and the evidence for FE enrolments presented above.

However, the data also shows in 2021/22, over 50% of learners were enrolled in advanced-level apprenticeships, compared with 38% during the 2016/17 academic year. Apprenticeship data also shows that learners aged 25-years and over make up the largest groups of apprentices in the Solent. More detail (and sources) about apprenticeships and FE outcomes are presented in Annex A at the end of this report.

## Specification of Employers' Skills Needs

The following section provides an overview of the key points arising from our engagement with employers across the Solent. A more detailed analysis of the evidence base, and insight gathered as part of the engagement process is presented in Annex A.

### Employer Insight

In total, the LSIP has engaged with over 300 employers across the Solent, through various methods including workshops and roundtable discussions, a stakeholder summit as well as an online survey.

The online survey of employers was completed by 129 businesses from across the Solent, the majority of which (68%) identified themselves as either micro (under five employees)

or small enterprises (with under 50 employees), with the rest (i.e. 32%) identifying themselves as either medium (up to 250 employees) or large (250+ employees) businesses.

Key findings arising from the survey of employers include the following reflections:

- a. The key challenge for employers includes finding employees with the right employability or personable skills (such as team work, communication and resilience). Other challenges include finding employees with the required specialist or technical skills (e.g. software, engineering and practical experience).
- b. There is an overall declining commitment to supporting workplace skills development, with around a quarter of employers stating that they did not have a budget allocation for skills training or professional development.
- c. Businesses in the Solent typically allocate around £650 per staff member for skills training and professional development, although this ranges from under £500 to well over £1,000 per staff member for some employers.
- d. Around a third of employers do not identify any barriers to skills training and ongoing professional development.
- e. However, for the majority (i.e. 70%) time constraints and their business's capacity to enable training and day-to-day activities to proceed concurrently is the main barrier. This was followed by the cost of training, and challenges associated with routes to training and navigating the skills ecosystem.
- f. Around three-in-four employers have identified the need for sector-specific technical skills (e.g. data science and supply chain procurement, carpentry, fitters and machinists) as the key requirement over the medium to long-term (i.e. up to ten years). This was followed by generic information technology ('IT') and digital skills. A high proportion of employers have also identified the need for interpersonal and softer skills (such as team work, communications and resilience).
- g. It is anticipated that the need for green technologies and decarbonisation will increase, although few can specify what this means for their business.
- h. Employers also highlighted the importance of automation and robotic operations, in addition to skills in science, technology, engineering and mathematics ('STEM'), as well as creative thinking.



This evidence reflects the insight gathered through the more focused engagement with employers from across the Solent. The following economy-wide needs are identified, and have been taken forward to inform the priorities of this LSIP.

- a. Whilst technical skills are important, employers contend that finding the right candidate with the correct work ethic and employability skills (including foundation literacies, key competencies and character qualities, as defined by the World Economic Forum ('WEF')) needs urgent attention. Linked to this, employers also highlight the need for transferrable skills at all levels, and across all sectors of the economy.
- b. The need for flexibility in training, in addition to a shift in focus towards upskilling the existing workforce will become an increasing imperative. This has become more pertinent following recent events (i.e. both Brexit and the Covid-19 pandemic), which have impacted upon the breadth of the labour market. Employers acknowledge that learners will become more "non-traditional" in age, lifestyle, previous experience, geography and how they wish to access training.
- c. Employers require business-friendly communication about the pathways available to skills training and ongoing development. In particular, this includes a clearer understanding of how training programmes align with the world of work, and a more flexible approach to training (both in terms of time as well as location).
- d. Engagement has identified the need for a sub-regional Skills Hub / brokerage service / online platform which co-ordinates training across the Solent. This would reduce duplication of work between competing FE providers.

In conclusion, the engagement process established that if employers have better clarity of the supply of skills emerging from FE, HE and wider training, and see better alignment with their business needs and emerging trends, they are therefore more likely to be involved and invest in skills training and ongoing development.

## What Needs to Change

This section builds on the analysis presented above, and articulates the changes required for taking forward the priorities identified in Part 1.



## Priority 1: Awareness and aspiration

Many of the employers we engaged with have suggested that the single-biggest challenge currently facing the Solent's labour market is the size of the labour market itself, and the overall pool of learners on which they can draw. This is not exclusive to the Solent and is evident elsewhere, but in the Solent it has been recently exacerbated by the cessation in the freedom of movement (i.e. following the end of the transition period), in addition to the impact of the Covid-19 pandemic on the local labour market.

However, the size of the challenge varies on a sector-by-sector basis, and is greatly influenced by people's perceptions (e.g. low-skilled, dirty, limited opportunity for good pay and/or career progression, etc.). Sectors experiencing low levels of awareness and negative perception include health and social care, logistics, and marine-related industries. Research on this is extensive and highlights that lack of awareness and low exposure is normally the primary cause for low levels of awareness.

As such, a key change for this LSIP is to raise awareness and challenge perceptions where these are known to have an adverse impact on recruitment and skills retention. This includes raising aspirations by stimulating interest in local activity and providing a clearer description of the level of opportunity available. In particular, it is important for employers to embrace diversity and ensure that the message reflects the Solent community. This will require creative thinking and may lead to changes in business operations (i.e. wherever possible) to make sectors more appealing, whilst ensuring that young people have role models to look up to.

Ultimately, this comes down to how well businesses (and wider employment sectors) can promote their message and engage with their target audience. Employers suggested that this is likely to be challenging, especially for micro and smaller businesses who often have to balance various competing tasks with limited capacity.

### Priority 2: Navigating the skills ecosystem

As outlined previously, employers often find navigating the skills ecosystem complex and overwhelming. Discussions have indicated that a more accessible skills ecosystem, with a singular Skills Channel would help mitigate some of the initial barriers to entry.

In addition, as outlined in Priority 1, a lack of diversity and availability of role models is constraining the economic growth potential of the Solent. Through this priority, the LSIP seeks to add clarity by increasing awareness and aspirations for employment and skills development across a wide range of sectors (including traditional ones which may have fallen out of favour due to negative perceptions). However, in order to achieve this the LSIP seeks to enhance learners' understanding of the various links, opportunities and potential pathways to specific employment routes through the use of the bespoke Skills Channel.

However, the LSIP also seeks to increase transparency by improving complementarity and enhancing co-ordination between FE and HE providers, as well as ITPs. The process of engagement with FE providers has highlighted a high degree of ongoing collaboration in the Solent, and across the wider South East region. This reduces the duplication of work and enables FE providers to build complementarity with one another. The proposed Skills Channel will continue to promote this, but will also seek to increase clarity from the learners' and employers' perspective. This will ensure that both learners and employers (particularly smaller ones where skills development may be lower on their agenda) benefit from having clearly-defined points of entry and/or nodes into/out of the skills ecosystem.

### Priority 3: Proactive employer engagement

A common point raised by both large and small employers was the importance of ongoing engagement with the skills ecosystem, both in terms of raising awareness and/or challenging perceptions, but also in ensuring that employers remain on top of their skills needs. However, despite acknowledging this many employers have admitted that ongoing operational pressures (including, but not limited to the current cost of living crisis, and economic uncertainty) has led to them becoming reactive to their skills needs and the wider skills agenda, particularly in a more competitive labour market and increasingly ageing society.

A key aspiration for the LSIP is to shift this and highlight to all stakeholders (in particular employers becoming reactive to their skills needs) the importance of skills planning as a fundamental part of good business planning (in line with maintaining good cash flow, etc.). As such, this LSIP seeks to renew employers' focus on the need for regular and proactive engagement with education and skills providers.

Regular engagement will also ensure that both employers and skills providers remain abreast of technological advancements and sector-based innovation. Ultimately, this will benefit the Solent economy and promote an outstanding business environment which enables businesses of all sizes and sectors to thrive. This LSIP recognises the key role FE and HE providers have in fostering and nurturing these partnerships by ensuring greater alignment and extending these networks' reach. Engagement with FE providers in the Solent has identified several examples of strong engagement such as the collaborative SDF projects with FE providers in the region. However, the challenge for the LSIP is to build on this and other projects to ensure even coverage across the Solent and participation by both employers and providers of all sizes and sectors of the economy.

### Priority 4: A more agile skills ecosystem

In addition to encouraging a less complex skills ecosystem, this LSIP also seeks to create a more agile skills ecosystem that works better for all employers in the Solent. Whilst acknowledging that there are constraints, the LSIP also seeks to encourage greater flexibility and responsiveness towards employers' needs.

Discussions with employers have indicated that many learners, particularly younger ones, lack some of the core competencies (such as critical thinking and problem solving, and creativity) as well as wider employability skills (e.g. time management, curiosity, ability to communicate) needed in the workplace. As such, in addition to promoting growth in key technical and specialist skills, this LSIP also seeks to refocus attention on the development of core competencies and building resilience amongst the workforce.

However, in relation to the above, the LSIP also recognises the need for employers to appreciate their role in promoting skills development within their workforce and building upon core competencies to deliver CPD programmes in order to meet their in-house training needs.

The key challenge for employers remains their ability to make use of the limited capacity and resources available for training, especially at a time when day-to-day operations (i.e. business survival) take priority. Discussions with employers have highlighted challenges associated with cost and/or time requirements for ongoing skills development, with employers highlighting the need for delivery to be modular and bite-size in nature in order to provide for a mix and match approach to skills development (including both technical as well as foundational and core competencies).

### Priority 5: Pathways to skills

Discussions on skills development often focus on building a workforce for the future by preparing younger learners for the world of work. However, the LSIP also needs to consider employees' whole work-life and promote ongoing skills development and growth to match local skills requirements. Whilst it is true that the majority of learners in FE and HE institutions within the Solent (and more widely) are typically young adults under the age of 24, current challenges in the labour market (particularly low levels of economic activity, and the higher levels of retirees under 65-years of age) present a unique opportunity to support skills development by promoting knowledge transfer and cross-sectoral skills development.

This highlights the need for clearer pathways to skills development and progression for individuals at different stages of their working life. However, this also requires a greater appreciation of the different pathways individuals can take, and where knowledge and experience may be transferred to support skills development in other sectors (including unrelated ones).

Whilst generalist brokers have a role to play, especially in facilitating relationships and promoting engagement, the development of cross-sectoral skills requires a higher level of specialist experience provided by sector-specialist and champions. As such, the ability to plot new pathways to employment generates the need for sector specialists to facilitate new links and act as mediators between learners, job seekers and employers looking to fill position.

However, recruiting individuals who may not have the full range of experience and/or knowledge desired, may represent a risk to local employers. In contrast, this may also present a unique opportunity to add fresh ideas and perspective to businesses, by allowing them to tap into the wider labour market. Ultimately, this may lead to increased diversity and promote innovation. It also means that employers will have to play a greater role in supporting technical skills development and highlights the increased need for ongoing engagement between employers and the skills ecosystem.

### Priority 6: Managing the skills transition

Discussions with employers suggest that few businesses plan future investments in recruitment and skills more than 24-months in advance. Additionally, the employer survey found that the level of investment varies considerably (i.e. from no investment, to over £1,000 per employee, per annum), with an average of £650 per employee, per annum. This highlights the need for employers to be more proactive (and more agile) and ensure that employees have the right skills needed to avail themselves of future development opportunities, and to treat skills development as an integral part of business planning.

In addition, discussions with employers have identified that the need for technical skills will continue to evolve and change in line with technology advancements, which suggests that the future economy may increasingly depend on jobs and skills which do not yet currently exist. However, as working lifetimes become longer, and therefore the skills needed will change throughout an individual's working life, the need for both employers and individuals to maintain core competencies remains high. In fact, discussions with employers have indicated that core competencies will be essential in managing the skills transition towards Industry 4.0, which highlights the need for retention of legacy skills (i.e. through intergenerational training) before these are lost. This is especially pertinent for industries where new technology and a shift towards green skills will play a bigger role in the future.









PART 3:

# Delivering the LSIP Priorities

# Part 3: Delivering the LSIP Priorities

Drawing on the analysis of demand and supply of skills, in addition to engagement with key stakeholders and employers in the Solent, Part 3 of this LSIP sets out a number of recommendations, in addition to our proposed roadmap for delivering against each of the priorities identified.

## Recommendations for Change

The following recommendations support delivery against the LSIP priorities, and are targeted towards improving the skills ecosystem, increasing employer engagement in the delivery of skills needs, whilst also creating the best environment for learners to make the most of their employment within the Solent.

It is noted that the LSIP, its recommendations and all stakeholders identified exist within the wider regional and national contexts, and as such delivery of the recommendations will require additional funding which is likely to be influenced by stakeholders and/or events beyond the Solent or indeed the scope of this LSIP.

It should be noted that the following recommendations are primarily aimed for delivery over the short to medium-term, although Priority 6 takes a long-term perspective. Furthermore, whilst the recommendations are presented as specific actions for individual stakeholders to take forward, their nature means that there is great complementarity both in terms of the actions themselves, but also across the priorities identified.



## Priority 1: Awareness and aspiration

***Recommendation 1: Promote employer engagement to raise awareness and aspirations of employment in sectors facing skills gaps and/or are influenced by negative perceptions.***

Discussions with employers suggested that businesses often lack the capacity to meaningfully engage with learners and training providers. In addition, discussions with SMEs have highlighted that they often find it difficult to identify opportunities for engagement (i.e. in terms of contacts with education establishments, and the appropriate level of engagement) as a way of raising awareness about employment sectors, and the opportunities these offer (such as personal growth, career progression, etc.).

The LSIP understands the role ERBs and other stakeholders (including sector-wide/national stakeholders) have to play in enabling and facilitating engagement with the skills ecosystem in the Solent, and will continue to promote this, and build upon it as part of the proposed Skills Channel.

***Key Action: We will deliver a programme of engagement comprising events, briefings, roundtables and marketing campaigns to help raise awareness and aspirations.***

***Recommendation 2: Promote diversity and empower communities to access opportunities irrespective of their background.***

Research indicates that there is considerable untapped potential in communities across the Solent (such as amongst deprived communities, young people not in education, employment or training ('NEET'), and individuals with special educational needs and disabilities ('SEND')), and that there is strength in diversity. Increased diversity within the labour market has potential to result in greater wellbeing, greater productivity benefits, and subsequently economic growth.

As such, it is imperative for the LSIP to continue working with employers (in addition to sector-based organisations nationally) to promote diversity (i.e. in terms of gender, ethnicity, ability, religion and age) and empower communities to access opportunities irrespective of their backgrounds.

***Key Action: We will work with sector representatives to identify sector champions and role models who can drive interest and help spread the message. Where funding for additional support (e.g. discounted/free training, travel costs and other assistance) is needed we will work with partners to identify and (if possible) help procure this (i.e. by supporting funding applications, providing additional resources, etc).***

### Priority 1: Awareness and aspiration

***Recommendation 3: Help raise aspirations for employment by supporting employers to better articulate their offer to a wider audience.***

Articulating their offer effectively is crucial for employers to attract a wider audience and help raise aspirations for employment, both with their businesses and more broadly (i.e. sector-wide). This will involve working with employers to articulate opportunities for growth and development, highlight progression paths (including potential for additional skills training and mentoring) and other initiatives that support professional growth. This will help learners see the long-term value and opportunities of pursuing a career in the Solent.

***Key Action: We will set up a number of employer and/or sector fora that will provide the mechanism through which to promote discussions and help businesses better articulate their offer to a wider audience.***

### Priority 2: Navigating the skills ecosystem

***Recommendation 4: Support employers navigating the skills ecosystem by establishing a dedicated Skills Channel accessible to all businesses.***

Discussions with employers in the Solent have indicated that they often find navigating the skills ecosystem complex, and find it difficult to identify training opportunities that meet their needs. Operational pressures and time constraints mean that more often than not employers are unable to explore in detail current provision to find the skills training offer that best aligns with their requirements.

***Key Action: We will establish a dedicated Skills Channel that creates a single 'point of call' connecting businesses with the wider skills provision in the Solent. We will also investigate a number of online platforms to help deliver this.***

### Priority 2: Navigating the skills ecosystem

***Recommendation 5: Use the newly formed Skills Channel to help employers articulate their needs and identify opportunities for brokerage between employers and training providers in the Solent.***

Building on the above, discussions indicate that demand for skills training by employers tends to be narrow in scope and limited in numbers when considered on a business-by-business basis. Whilst there may be several similar requirements across various businesses in the Solent, the small numbers involved means that it is often not viable for education providers to design new training provision which fulfils this demand.

Building on the previous recommendation, the Skills Channel will also act as a focal point for employers to collectively identify and articulate their needs, with the Skills Channel functioning as a procurement and brokerage service for businesses looking to expand their skills set, and in the process linking them up with skills and training providers in the Solent.

***Key Action: We will investigate skills brokerage models which can be put forward and implemented.***

***Recommendation 6: Provide learners with a clearer view of the different training pathways to employment and skills development.***

Linked to the above and the perception around learners' lack of awareness and aspirations (i.e. particularly for sectors struggling with recruitment due to negative perceptions, which include logistics, and marine industries), this LSIP has a clear role to play in enhancing learners' understanding of the links and opportunities, as well as potential pathways to employment. As such, there is a clear role for the Skills Channel, working in collaboration with training providers across the Solent to help develop and disseminate this. When building its recommendations, the Skills Channel would build on the occupational mapping done by the Institute for Apprenticeships and Technical Education ('IfATE'), which provides clear points of entry and egress across various occupations.

It is envisaged that the Skills Channel will provide access and exposure to role models and sector specialists who can help learners identify pathways available to them, based on their experience.

***Key Action: We will map occupations for identified skills gaps following the framework provided by the IfATE.***

### Priority 3: Proactive employer engagement

***Recommendation 7: Promote a shift in thinking and advocate for future skills planning as a fundamental part of good business planning.***

Employers of all sizes have indicated that they want to be more proactive in terms of their engagement with the skills ecosystem and use this as an opportunity to invest further in their workforce. However, it was suggested that the current economic climate has tended to push engagement as well as planning for future skills needs down the priority list of many businesses. However, it was suggested that stakeholders (in particular local authorities) have a role to play in helping to reduce the burden on businesses (through lower rates, etc.) and by helping to facilitate engagement.

A key aspiration of the LSIP is to promote a shift in thinking and to highlight the importance of skills planning as a fundamental part of good business planning. In addition, and in line with the Government's aspirations for LSIPs to be employer-focused, we will work with businesses and other stakeholders from across the Solent to place a renewed focus on regular and proactive engagement.

***Key Action: We will establish a dedicated programme focused on SME-led skills growth to enable a greater focus on skills and scalability strategies within SME business strategy planning.***

***Recommendation 8: Identify best practice and replicate it to cover the whole Solent, and all sectors of the economy.***

Whilst the focus of this priority is to encourage greater and more proactive employer engagement, we believe that training providers (in particular FE and HE partners as well as ITPs) have a key role to play in developing and nurturing partnerships with the wider industry. In addition to being anchoring institutions to their local communities FE and HE institutions can play a key leadership role in facilitating and extending best practice to all parts of the Solent. This requires further work in the form of additional deep dives for other important sectors in the Solent.

There is potential for the LSIP (by working in collaboration with all training providers, as well as other key stakeholders) to identify best practice (such as the engagement run by the Solent SDF, as well as the work done by FE colleges across the Solent), and to broaden this to cover the whole of the Solent and all sectors of the economy.

***Key Action: We will develop a consistent brief and commission deep dives into a number of key employment sectors in the Solent, including construction, health and social care, hospitality and logistics.***



#### Priority 4: A more agile skills ecosystem

***Recommendation 9: Work with providers and other stakeholders to ensure that skills training can be delivered in a way that not only fulfils requirements, but which also work better for industry needs.***

Employers suggested that it is sometimes hard for them to translate their skills needs into a comprehensive language for skills providers. In addition, employers suggested that in some cases the requirements of the skills system (such as directions from HM Government on what is/is not allowed under the apprenticeship levy) are too prescriptive, and do not work across all sectors of the economy (e.g. anecdotal evidence suggests that apprenticeships in the maritime sector are longer than required, resulting in fewer completions). However, there is an opportunity to ensure that these can be delivered to better meet the needs of industry in the Solent.

***Key Action: We will work with providers, employers, sector bodies and other key stakeholders in the Solent to ensure that skills training is delivered in a way that not only fulfils national requirements, but which also work better for industry needs.***

***Recommendation 10: Place greater emphasis on an employer-focused offer that would promote flexibility in skills development.***

Discussions with employers highlight capacity constraints as one of the key reasons why businesses, in particular micro and smaller-sized enterprises, struggle with committing resources to skills training and professional development. Employers suggested that a bespoke, modular and flexible approach to skills training would align better with their day-to-day operations, and would enable them to build their employees' skills profile in a way that best-aligns with their ongoing and future needs.

It is recommended that when developing new and/or upgrading training provision, that providers in the Solent place a greater emphasis on an employer-focused offer with shorter, bite-sized learning which is easily accessible online.

***Key Action: We will work with employers (including SMEs) to develop modular and flexible approaches to skills training that can work in operational settings.***

### Priority 5: Pathways to skills

***Recommendation 11: Explore the potential for, and facilitate the co-location of industry and training facilities as a way of improving pathways and easily linking employers with training providers and learners.***

FE and HE providers regularly invest in upgrading and/or adding new facilities to give learners access to the best-possible resources, enhance their learning experience, encourage innovation and prepare them for the world of work. However, both businesses as well as providers have identified a missing link in learners' (particularly young learners) progression into the world of work. This LSIP recognises that work experience (i.e. whether informal and/or more formalised – such as apprenticeships) is very important, and encourages best practice to be replicated elsewhere.

Discussions with employers suggested that opportunities for high-quality work experience are limited, and as a result impact upon the Solent's ability to compete for graduate retention. In a similar vein, stakeholders have outlined the benefits of co-location, as a way of improving this link, and promoting greater collaboration between employers and skills providers. In addition, this has potential to increase graduate retention, whilst also providing learners with first-hand experience of the different pathways to skills development and potential growth. More broadly, the co-location of industry and education uses has potential to increase learners' awareness of local sector-strengths.

***Key Action: We will work with FE and HE providers to identify opportunities for co-location, and identify appropriate ways to fund and deliver this.***

### Priority 5: Pathways to skills

***Recommendation 12: Support a skills pathway brokerage service, delivered by sector specialists acting as mediators between learners and employers.***

Advancements in technology, driven in part by the transition to net zero in addition to an increased focus on modern technology and green skills, mean that traditional pathways to skills development and career progression are changing. For example, in the past it was common for people in the maritime sector based offshore to progress onto onshore roles later in their careers. However, recently the link between the two has weakened, resulting in fewer candidates applying and/or moving into onshore roles, and leading to an increasing gap between demand and supply.

Discussions with employers indicated that this presents a unique opportunity for learners and employees to 'jump across sectors', especially in cases there is great complementarity between their skills and past experience, with gaps identified in local demand. Whilst this presents a possible way forward for addressing skills' gaps, it also depends on candidates having insight of potential pathways to progression available to them. As such, whilst a generalist Skills Channel may help facilitate these links, a more focused approach led by sector specialists who may act as mediators between learners, job seekers and employers is required. This will identify commonalities (i.e. between candidates' skills set and businesses' requirements) and opportunities for knowledge transfer to help address skills gaps.

Related to the above, this approach may also help reverse recent labour market trends (e.g. higher levels of economic inactivity by people under retirement age), a number of which have been exacerbated by the Covid-19 pandemic. Employers have suggested that a wider, more co-ordinated approach to knowledge transfer has potential to drive-up recruitment, and encourage people to remain economically active (i.e. contributing to the national economy) for longer.

***Key Action: We will work with employers, sector representatives, ERBs and wider stakeholders to identify and establish a panel of sector specialists across the Solent.***

### Priority 5: Pathways to skills

***Recommendation 13: Support employers to play a greater role in growing internal capacity or resources to deliver skills training and professional development.***

Building on the above, it is recognised that employers may not always be able to recruit individuals with the full range of skills and experience required. Whilst acknowledging that this may expose employers to risk, the LSIP also recognises that this may represent a unique opportunity for businesses and employers to add fresh ideas and perspectives, by tapping into and benefitting from a much wider labour market.

However, this approach places a greater requirement on employers to train individuals and ensure that they have the correct skills needed. As such, it is imperative for employers to not only treat skills planning as an important element of business planning, but to also be supported through this process. This includes greater focus on preparing learners to be as work ready as possible, and providing them with the foundation literacies (e.g. cultural, scientific, technological literacy and numeracy), core competencies (e.g. critical thinking, creativity, and communication), and character qualities (e.g. curiosity, leadership and adaptability) required for lifelong learning and development.

***Key Action: We will deploy the Skills Channel to help employers establish their skills needs, and (if required) provide capacity to help them plan for, and deliver this.***

### Priority 6: Managing the skills transition

***Recommendation 14: Promote horizon scanning for future skills needs, whilst also preserving legacy skills.***

Discussions with employers, in addition to a quantitative and qualitative review skills demands have also identified a number of current and future skills requirements for businesses in the Solent. These include both sector-specific technical skills in addition to wider, more generic skills. These are likely to be influenced by local strengths (particularly in maritime and Freeport target sectors), in addition to local priority sectors (such as the creative industry), as well as national strategic directions (including the ongoing demand for nurses and health and social care professionals, in addition to increased drive for green skills).

## Priority 6: Managing the skills transition

Nevertheless, employers acknowledged that whilst anticipating future jobs and skills requirements to be different, in many instances we do not yet know what these jobs are, and therefore their skills requirements. Research suggests that future jobs are likely to be greatly influenced by the national, sub-regional and local strategic contexts, and will increasingly depend on digital skills and increased focus on green technology.

As such, ongoing horizon scanning will enable employers to identify emerging trends and develop a clearer understanding of future skills needs, whilst also establish gaps in local skills provision which can be narrowed through their ongoing engagement with training providers across the Solent. This will be informed by the commissioning of further deep dives and evidence on sector needs in the Solent.

However, discussions with employers have also indicated that whilst it is crucial to focus on future skills needs, it is equally important to preserve legacy skills and expertise (e.g. technicians experienced working on diesel-based forms of marine propulsion). This is especially the case as current technology will still be operational (albeit with an ever-declining lifespan) in the future. Furthermore, it is important for industry in the Solent to continuously build on its knowledge and skills built over generations. Preserving these skills ensures the continuity of traditional trades and specialised knowledge, and encourages the transfer of knowledge from experienced professionals to younger generations. More broadly, striking a balance between preserving legacy skills and embracing new skills is vital for maintaining a diverse and resilient workforce. Discussions with employers highlighted the role of legacy skills as a foundation for innovation, and a way of inspiring new ways of thinking.

This is especially pertinent as the Solent seeks to embark on its skills transition, and make the most of future opportunities (e.g. the Solent Freeport, and growth in green/blue hydrogen), which are likely to increasingly draw upon a shift towards new technologies.

**Key Action:** *We will support this by providing additional insight into future skills needs through the Skills Channel, future deep dive commissions and ongoing engagement with employers and other stakeholders in the Solent.*

### The Roadmap for Delivering Change

The roadmap overleaf details our proposed approach to delivering actionable priorities and key activities in support of the recommendations identified above over the next three to five years. Our proposed approach to delivering change draws upon existing partnerships in the Solent, and will require ongoing effective collaboration with all stakeholders (including ERBs, education providers, local authorities, schools and other stakeholders, in addition to employers across the Solent), to integrate and build on the work of the SAP, Solent Apprenticeship and Skills Hub, and other pioneering initiatives such as Southampton City Council's Future of Work programme.

#### Effective Management of LSIP Delivery

Our approach to achieving this is to establish an effective top-level LSIP Leadership Group which oversees delivery of the Solent LSIP. Building on our longstanding collaborations, effective skills partnership and fora, the board will comprise businesses, ERBs, sector representative, education and skills providers (i.e. FEIs, HEIs and ITPs), as well as other relevant stakeholders.

The role of the LSIP Leadership Group will be to provide leadership, challenge and support to ensure successful implementation of the LSIP, by identifying opportunities for further collaboration and representing wider stakeholders across the skills system, whilst also offering advice, guidance and inputs.

Whilst overall accountability for the delivery of the Solent LSIP will continue to reside with the Hampshire CoC (i.e. the ERB appointed by DfE), the delivery team will ensure that DfE guidance is adhered to, outcomes are achieved and progress is reported to the LSIP Leadership Group. It is acknowledged that the LSIP is building on a number of initiatives already underway within the Solent, in particular work by the SAP, which will continue to:

***“Provide a strong leadership role on skills in the local area, engaging with employers and providers and providing skills advice [...] on where skills and labour market resource should be directed to support employers and residents.”***

It is anticipated that membership of the LSIP Leadership Group comprises of the following organisations and/or their representatives:

- ~ Designated Employer Representative Body (i.e. Hampshire Chamber of Commerce);
- ~ The Solent Skills Advisory Panel;
- ~ Further Education Colleges;
- ~ Independent Training Providers;
- ~ Local Authority Councils;
- ~ Other Employer Representative Bodies (e.g. Isle of Wight CoC); and
- ~ Representatives from the Department for Work and Pensions ('DWP').

The LSIP Leadership Group will meet on a monthly basis.



### Actionable Priorities

### Key Activities

#### Priority 1: Awareness and aspiration

1. Promote employer engagement to raise awareness and aspirations of employment in sectors facing skills gaps and/or are influenced by negative perceptions.	Deliver a programme of engagement comprising events, briefings, roundtables and marketing campaigns to help raise awareness and aspirations.
2. Promote diversity and empower communities to access opportunities irrespective of their background.	Work with sector representatives to identify sector champions and role models who can drive interest and help spread the message.
3. Help raise aspirations for employment by supporting employers to better articulate their offer to a wider audience.	Set up a number of employer and/or sector fora that will provide the mechanism through which to promote discussions and help businesses better articulate their offer to a wider audience.

#### Priority 2: Navigating the skills ecosystem

4. Support employers navigating the skills ecosystem by establishing a dedicated Skills Channel accessible to all businesses.	Establish a dedicated Skills Channel that creates a single 'point of call' connecting businesses with the wider skills provision, and investigate a number of online platforms to help deliver this.
5. Use the newly formed Skills Channel to help employers articulate their needs and identify opportunities for brokerage between employers and training providers in the Solent.	Investigate skills brokerage models which can be put forward and implemented.
6. Provide learners with a clearer view of the different training pathways to employment and skills development.	Map occupations for identified skills gaps following the framework provided by the IfATE.

#### Priority 3: Proactive employer engagement

7. Promote a shift in thinking and advocate for future skills planning as a fundamental part of good business planning.	Establish a dedicated programme focused on SME-led skills growth to enable a greater focus on skills and scalability strategies within SME strategy planning.
8. Identify best practice and replicate it to cover the whole Solent, and all sectors of the economy.	Develop a consistent brief and commission deep dives into a number of key employment sectors in the Solent, including construction, health and social care, hospitality and logistics.

#### Priority 4: A more agile ecosystem

9. Work with providers and stakeholders to ensure that skills training can be delivered in a way that not only fulfils requirements, but which also work better for industry needs.	Work with partners across the Solent to ensure that skills training is delivered in a way that not only fulfils national requirements, but which also work better for industry needs.
10. Place greater emphasis on employer-focused offer that would promote flexibility in skills development.	Work with employers (including SMEs) to develop modular and flexible approaches to skills training that can work in operational settings.

#### Priority 5: Pathway to skills

11. Explore the potential for, and facilitate the co-location of industry and training facilities as a way of improving pathways and easily linking employers with training providers and learners.	Work with FE and HE providers to identify opportunities for co-location, and identify appropriate ways to fund and deliver this.
12. Support a skills pathway brokerage service, delivered by sector specialists acting as mediators between learners and employers.	Work with employers, sector representatives, ERBs and wider stakeholders to identify and establish a panel of sector specialists across the Solent.
13. Support employers to play a greater role in growing internal capacity or resources to deliver skills training and professional development.	Deploy the Skills Channel to help employers establish their skills needs, and (if required) provide capacity to help them plan for, and deliver this.

#### Priority 6: Managing the skills transition

14. Promote horizon scanning for future skills needs, whilst also preserving legacy skills.	Provide additional insight into future skills needs through the Skills Channel, future deep dive commissions and ongoing engagement with employers and other stakeholders in the Solent.
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Lead Stakeholders	Indicative timeline:		
	Short-term (3 years)	Medium-term (5 years)	Long-term (5+ years)
ERB (Hampshire CoC) Employers Local Authorities & Schools			
ERB (Hampshire CoC) Providers (FEIs, HEIs & ITPs) Others (e.g. Skills Advisory Panel, Solent Freeport, etc)			
ERB (Hampshire CoC) Providers (FEIs, HEIs & ITPs) Others (e.g. Skills Advisory Panel, Solent Freeport, etc) Employers			
Providers (FEIs, HEIs & ITPs) Others (e.g. Skills Advisory Panel, Solent Freeport, etc) Employers			
Others (e.g. Skills Advisory Panel, Solent Freeport, etc) Providers (FEIs, HEIs & ITPs) Employers			
ERB (Hampshire CoC) Employers Providers (FEIs, HEIs & ITPs) Local Authorities & Schools Others (e.g. Skills Advisory Panel, Solent Freeport, etc)			



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