

# Thames Valley Berkshire Skills Priority Statement 2018

01

Future-proofing  
the Berkshire  
economy

02

Demand for  
skills

03

Skills supply  
and mismatch

04

Skills priorities  
and next steps

05

In numbers

06

Leading  
Berkshire  
employers

# Future-proofing the Berkshire economy

The world of work is changing. As we enter the Fourth Industrial Revolution, developments in fields such as robotics, artificial intelligence, nanotechnology, the Internet of Things and autonomous vehicles, look set to change the way we live and work.

Across all sectors of the economy, different skills will be needed. Some roles will disappear and many more will evolve. Change will be significant in some sectors and around the edges of others. Some organisations will need fewer people, others will need more. Some change will occur at pace, whilst some will take time.

What is clear, is that we know enough about the direction of travel to start preparing the workforce of tomorrow (both new entrants and those already in the labour market) to take advantage of the opportunities the new world will present. What is also clear is that the 'human' skills at the core of many jobs will remain, and in some cases will become increasingly important.

Berkshire has one of the most successful labour markets in the UK. With a knowledge-based economy, high employment levels, low unemployment, a highly qualified workforce and a wide range of opportunities for job market entrants and those looking to move up the career ladder, Berkshire has much to offer employers and individuals alike. Boasting 22 Ofsted-rated 'outstanding' secondary schools, higher than

average exam performance and an anchor higher education institution at the University of Reading, the pipeline of next generation talent is strong.

However, below the surface, we face significant challenges in meeting the economy's need for talent, skills and labour, now, and in the future. Skills shortages are acute, particularly in STEAM roles; there is more that can be done to close the gap between the worlds of education and employment, and there is a growing recognition of the need for individuals to be in 'good work'.

---

As we develop Berkshire's Local Industrial Strategy to 2030, we need to future-proof the supply of skills to mitigate the risks to the economy associated with an ageing population and to capitalise on the opportunities presented by technological change and Brexit.

---

Our **2018 Skills Priority Statement** identifies key areas in which we believe investment should be prioritised in order to grow the economy, raise productivity and improve the wellbeing of residents. It draws on a wide range of published and new evidence, including the views of around **1,300 Berkshire employers**, and is set in the context of a rapidly evolving national skills system.

01

Future-proofing  
the Berkshire  
economy

02

Demand for  
skills

03

Skills supply  
and mismatch

04

Skills priorities  
and next steps

05

In numbers

06

Leading  
Berkshire  
employers

With **Apprenticeship reforms** taking effect, **T-levels** in development and a new national **re-training scheme** on the horizon, it is critical that we maximise the opportunities provided by national policy changes for the benefit of the local economy.

The 2018 Skills Priority Statement **Evidence Base** provides a wealth of intelligence which will inform the strategic and operational decisions of a wide range of stakeholders, to help Berkshire secure long-term economic success and wellbeing for all.



// Talent is at the heart of Berkshire's economic success. People, the skills they have, and how effectively they are developed and used, are a key driver of productivity and wellbeing //

Caroline Perkins, Economic Research Analyst at Thames Valley Berkshire LEP



2018 Skills Priority Statement suite of documents, including the Evidence Base and infographics can be accessed here:



<sup>1</sup>Source: Student Geographical Mobility, HEFCE, 2017

01

Future-proofing  
the Berkshire  
economy

02

Demand for  
skills

03

Skills supply  
and mismatch

04

Skills priorities  
and next steps

05

In numbers

06

Leading  
Berkshire  
employers

# Demand for skills

## Current demand

Berkshire's knowledge-based economy, with its mix of global corporates and SMEs, provides a wealth of job opportunities, particularly at graduate level. The digital technology sector dominates, whilst the professional services sector remains strong and the life sciences sector is growing. Tech jobs are highly prevalent, accounting for 1 in 9 of all jobs in Berkshire, two and a half times the national average. In total, nearly 120,000 people work in Science, Technology, Engineering, Arts and Maths (STEAM) jobs, which as a proportion of total employment, is nearly twice the national average.

Within Berkshire's tight labour market, skills are at a premium. With most people who want a job, in a job, attracting and retaining talent can be difficult for employers. In total, over one in five Berkshire employers report having skills deficiencies (either in their current workforce or when trying to recruit), the second highest figure in the country.

Skills shortages exist in all corners of the labour market, but are particularly concentrated in STEAM roles (primarily digital tech and engineering), along with certain roles in construction, health and social care, hospitality, transport and distribution, and education.

In terms of specific skills employers are finding it particularly difficult to source ICT, engineering, customer service, and analytics are frequently mentioned, along with the more generic skills of communication, leadership and work ethic.

## The future

Looking to the future, jobs categorised as 'high-skill' (managerial, professional and associate professional occupations) are predicted to continue to grow at the greatest rate within Berkshire, particularly software developers and those associated with the ageing population, such as health and care professionals. Whilst international research suggests strong future job opportunities for data analysts, specialised sales representatives, material, bio-chemical, nanotech and robotics engineers, and regulatory and government relations specialists.

On the immediate horizon we have Brexit. Research suggests that the Berkshire economy is at greater risk as a result of the UK exiting the European Union than some other parts of the country. This is in part related to Berkshire's high concentration of foreign-owned companies, along with a reliance on overseas talent and labour to fill both highly specialist and routine roles. 1 in 8 employers who responded to our 2017 Berkshire Skills Survey said that Brexit had already led to recruitment or retention issues within their organisation, with a further 1 in 5 having specific concerns about future impact.

Automation will affect the types of jobs available in the future, with research suggesting that at least 1 in 5 jobs will be affected. Jobs that are predicted to disappear in the future as a result of automation include: data entry keyers, accounts clerks, tax preparers, watch repairers, photographic process workers and telemarketers.

Low-skills workers are likely to shift from being employed in routine roles to being employed in roles requiring more creative and social intelligence, meaning that these skills will become more important to acquire.

Automation is  
predicted to affect  
1 in 5 jobs by 2030<sup>1</sup>

<sup>1</sup>Source: PwC, Economic Outlook, 2017

01

Future-proofing  
the Berkshire  
economy

02

Demand for  
skills

03

Skills supply  
and mismatch

04

Skills priorities  
and next steps

05

In numbers

06

Leading  
Berkshire  
employers



Microsoft-Excel  
Negotiation Creative  
Engineering Self-awareness  
Operating-systems **Communication** Biotech  
Automation Problem solving Skilled-trades  
Leadership Science Machine-learning  
Sales **Resilience** Organisation Big-data  
Cloud-computing English Maths Project-managemant  
Robotics Analytics **Work-ethic** Cyber-security  
Business-knowledge Software-development  
**Management** E-commerce Planning  
Entrepreneurial Customer-service Digital-marketing

01

Future-proofing  
the Berkshire  
economy

02

Demand for  
skills

03

Skills supply  
and mismatch

04

Skills priorities  
and next steps

05

In numbers

06

Leading  
Berkshire  
employers

# Skills supply and mismatch

Skills are supplied into the Berkshire labour market in a number of ways: through employer funded learning and development (at all levels); education (schools, colleges, universities); migrant labour; individual-driven learning, and via support programmes (such as welfare-to-work programmes).

Berkshire employers provide staff with the least amount of training of all Local Enterprise Partnerships areas. This could be linked to the small public sector in Berkshire, which tends to provide a higher volume of training, and the prevalence of contractors in the tech sector. Berkshire employers are also less likely to provide Apprenticeship opportunities than the national average, and achievement rates are low. Reforms to the Apprenticeship system, including the introduction of Degree Apprenticeships could improve uptake, although the jury is still out.

There are 62 secondary schools<sup>1</sup> in Berkshire, 22 of which are rated 'outstanding' by Ofsted.

A higher proportion of schools in Berkshire have Sixth Forms than is the norm across the UK. There are five Further Education or Specialist Education Colleges within Berkshire, plus three more within commuting distance for some residents. The University of Reading is Berkshire's anchor higher

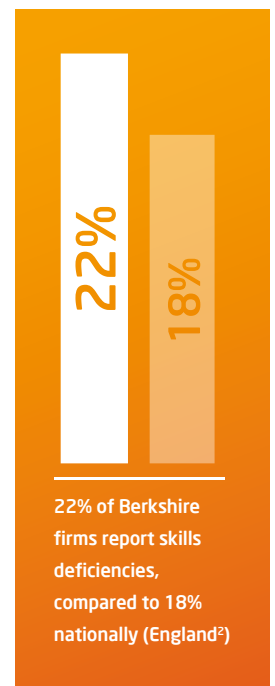
education establishment, with two London Universities also having campuses within the sub-region. In addition, Berkshire has a number of independent training providers who support local apprentices.

To further align local education and training provision with the needs of the economy, our research suggests there is scope to further improve links between education and the world of work, and to increase employer involvement in course design.

## Specific areas in which there appears to be a need to increase local provision and learners include:

- Tech-related subjects at higher levels (Level 4 and above) and within schools
- Technician level provision for engineers, electricians and IT technicians
- Entrepreneurial skills
- Employability skills

Whilst there are some fantastic examples of employers / education collaboration in Berkshire, currently, only 4 out of 10 employers in Berkshire offer work experience opportunities and fewer than 1 in 10 provide other types of work inspiration. With around three-quarters of Berkshire's intake of new labour market entrants each year having attended schools in Berkshire, employers and careers professionals working with local schools have the opportunity to influence the careers choices of a large proportion of Berkshire's future talent pipeline.



<sup>1</sup>Excluding special schools

<sup>2</sup>Source: 2015 National Employer Skills Survey, UK Commission for Employment and Skills

01

Future-proofing  
the Berkshire  
economy

02

Demand for  
skills

03

Skills supply  
and mismatch

04

Skills priorities  
and next steps

05

In numbers

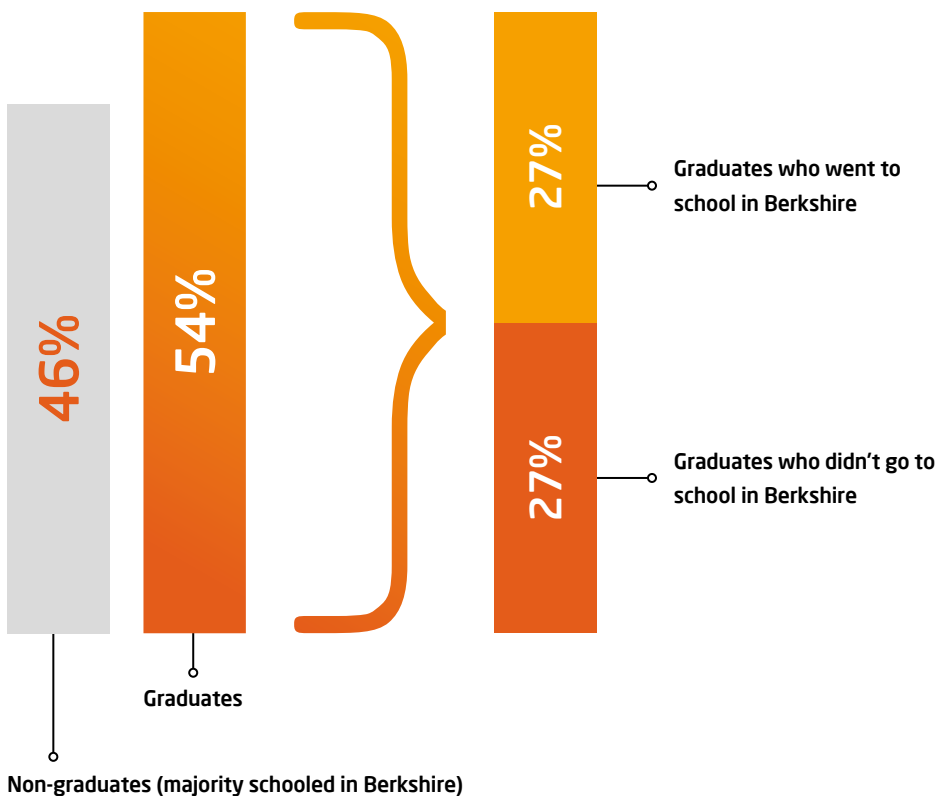
06

Leading  
Berkshire  
employers

As top Berkshire companies begin to publish their gender pay gap figures, statistics such as “84% of those undertaking STEM Apprenticeships in Berkshire are male” are a stark reminder of the need to continue to encourage initiatives and projects aimed at diversifying workforces and widening recruitment nets to help address skills gaps and ensure equal opportunities for all. With unemployment amongst the over 50s not reducing greatly in recent years, this is another key group who could be targeted to fill skills gaps.

Currently, 5.2% of 16-17 year-olds in Berkshire are not in education, employment or training (NEET), in line with the national average. Time spent in NEET can have a detrimental effect on physical and mental health, and increase the likelihood of unemployment, low wages, or low quality of work later on in life.

## Proportion of young job entrants who went to school in Berkshire



Around 1 in 10  
Berkshire employers  
offer Apprenticeships



01

Future-proofing  
the Berkshire  
economy

02

Demand for  
skills

03

Skills supply  
and mismatch

04

Skills priorities  
and next steps

05

In numbers

06

Leading  
Berkshire  
employers

# Skills priorities and next steps

What the evidence tells us	Recommendations for further focus	Key partners
<b>Berkshire has a large STEAM workforce and acute skills shortages, particularly in the fields of digital tech and engineering</b>	<ul style="list-style-type: none"> <li>Implement Berkshire's STEAM Strategy to continue to improve the supply of STEAM skills into the local economy and encourage more firms to diversify recruitment to address skills gaps</li> <li>Support Institutes of Technology that help address local STEAM skills shortages and develop skills needed for the future</li> <li>Promoting local and national initiatives designed to improve the supply of people with tech skills, including the new national Institute of Coding and the Digital Skills Partnership</li> </ul>	<ul style="list-style-type: none"> <li>Thames Valley Berkshire LEP</li> <li>Education providers at all levels</li> <li>Career guidance professionals</li> <li>Business organisations</li> <li>Employers</li> <li>Department for Education</li> </ul>
<b>There is a disconnect between employers, education providers and young people</b>	<ul style="list-style-type: none"> <li>Continue to promote employer / education collaboration at all levels</li> <li>Encourage more firms to offer work experience / work inspiration</li> <li>Investigate the potential of developing a Berkshire-wide work experience / work inspiration scheme</li> <li>Strengthen links between the University of Reading and the local economy, particularly in relation to tech, managerial and entrepreneurial skills</li> <li>Promote activities that align with the recommendations of the Department for Education's 2017 Careers Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Thames Valley Berkshire LEP</li> <li>Employers</li> <li>Education providers at all levels</li> <li>Career guidance professionals</li> <li>Business organisations</li> <li>Careers and Enterprise Company</li> <li>Elevate Berkshire</li> </ul>
<b>There is a need to retain and attract the brightest and best talent</b>	<ul style="list-style-type: none"> <li>Promote the wealth of opportunities available in the Berkshire economy to young people within schools</li> <li>Seek solutions to ensure the availability of affordable housing for key workers (in both the public and private sector)</li> </ul>	<ul style="list-style-type: none"> <li>Career guidance professionals</li> <li>Employers</li> <li>Thames Valley Berkshire LEP</li> <li>Local authorities</li> <li>Housing Associations</li> </ul>
<b>Apprenticeship take up is low and some young people struggle to find employment in their chosen field</b>	<ul style="list-style-type: none"> <li>Help young people make informed decisions, particularly in relation to Apprenticeships (including degree Apprenticeships) and the likelihood of finding employment in their chosen field</li> </ul>	<ul style="list-style-type: none"> <li>Careers guidance professionals</li> <li>Thames Valley Berkshire LEP</li> <li>National Apprenticeship Service</li> <li>Careers and Enterprise Company</li> </ul>
<b>Ongoing skills shortages in 'low profile' sectors could be exacerbated by Brexit</b>	<ul style="list-style-type: none"> <li>Promote opportunities in sectors / occupations such as hospitality, logistics and social care to young people and career changers</li> <li>Promote the Prince's Trust development grant scheme for 16-30 year-olds and explore the potential of developing a similar industry-funded scheme for those over the age of 30; to assist unemployed and part-time workers with support for one-off initial financial outlays required to enter a career in sectors experiencing skills shortages</li> </ul>	<ul style="list-style-type: none"> <li>Education providers at all levels</li> <li>Career guidance professionals</li> <li>Sector bodies</li> </ul>
<b>There is a potential undersupply of publicly funded training for engineers, electricians and IT technicians in Berkshire</b>	<ul style="list-style-type: none"> <li>Understand the potential of T-levels to raise supply and ensure appropriate T-level provision across and on the edges of Berkshire</li> </ul>	<ul style="list-style-type: none"> <li>Thames Valley Berkshire LEP</li> <li>Further Education providers</li> </ul>
<b>Major changes are underway to the skills system</b>	<ul style="list-style-type: none"> <li>Establish how the Adult Education Budget could be most effectively used locally</li> <li>Scope what is required locally from the National Retraining Scheme (including financial barriers to retraining)</li> <li>Understand the potential benefits of devolving the Apprenticeship Levy to local areas</li> <li>Ensure that appropriate T-level provision is developed to benefit the local economy</li> <li>Monitor progress towards improving the availability and accessibility of learning provision for high needs learners</li> </ul>	<ul style="list-style-type: none"> <li>Thames Valley Berkshire LEP</li> <li>Local authorities</li> <li>Learning providers</li> <li>Department for Education/ Education and Skills Funding Agency</li> <li>National Apprenticeship Service</li> </ul>
<b>Entrepreneurialism and managerial skills are critical to the local economy</b>	<ul style="list-style-type: none"> <li>Support and promote projects and schemes that develop entrepreneurial skills</li> <li>Promote the use of the Apprenticeship Levy to develop managerial skills</li> </ul>	<ul style="list-style-type: none"> <li>Thames Valley Berkshire LEP</li> <li>Employers</li> <li>Business organisations</li> <li>National Apprenticeship Service</li> </ul>
<b>Whilst unemployment is low, in-work poverty and insecure work is affecting some Berkshire residents</b>	<ul style="list-style-type: none"> <li>Advocate 'good jobs' and highlight best practice</li> <li>Explore the potential benefit of a 'living wage' or extension of London wage weightings for skills shortage occupations</li> </ul>	<ul style="list-style-type: none"> <li>Thames Valley Berkshire LEP</li> <li>Business organisations</li> </ul>
<b>There remains a group of young people who struggle to find or stay in education, employment or training</b>	<ul style="list-style-type: none"> <li>Seek to provide a system that offers intensive long-term support</li> </ul>	<ul style="list-style-type: none"> <li>Local authorities</li> <li>Voluntary and Community Sector</li> <li>Job Centre Plus</li> <li>Elevate Berkshire</li> </ul>



01

Future-proofing  
the Berkshire  
economy

02

Demand for  
skills

03

Skills supply  
and mismatch

04

Skills priorities  
and next steps

05

In numbers

06

Leading  
Berkshire  
employers

Our research has identified 10 priority 'job families' in which efforts should be concentrated locally to ensure a sufficient supply of skills. They have been split into three tiers in order of priority.

## Priority job families for local employment and skills interventions

Reason why identified as a priority						
Tier	Job family	High number of jobs	Strong job growth predicted	Employers finding it hard to fill vacancies	High value to the economy of Berkshire	Valuable to the wellbeing of Berkshire residents
Tier 1	Digital tech	✓	✓	✓	✓	
	Engineering & science		✓	✓	✓	
Tier 2	Construction			✓	✓	
	Health & social care	✓	✓	✓		✓
	Education			✓		✓
Tier 3	Transport & distribution		✓	✓		
	Hospitality	✓		✓		✓
	Business & finance	✓	✓		✓	
	Sales & customer service	✓	✓		✓	
	Creative				✓	✓

01

Future-proofing  
the Berkshire  
economy

02

Demand for  
skills

03

Skills supply  
and mismatch

04

Skills priorities  
and next steps

05

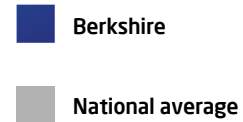
In numbers

06

Leading  
Berkshire  
employers

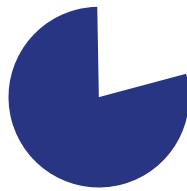
# In numbers:

## Berkshire versus the national average



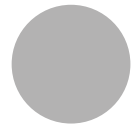
**£40.36 vs £32.38**

GVA per hour worked (Productivity)



**78.9% vs 74.4%**

Employment rate



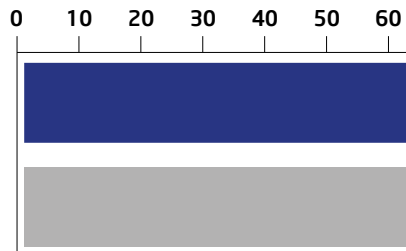
**3.3% vs 4.6%**

Unemployment rate



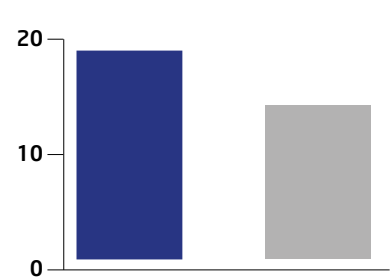
**18.4% vs 22.0%**

Economic inactivity rate



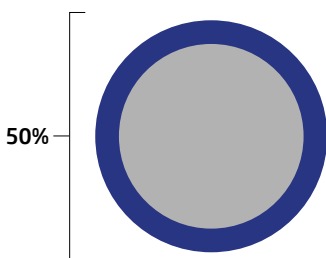
**63.6% vs 63.1%**

Working age population



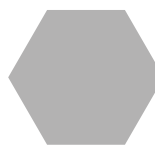
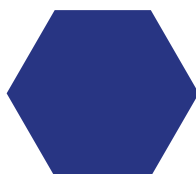
**19% vs 14%**

Overseas workforce



**48.0% vs 38.2%**

Qualified to degree level or higher



**6.3% vs 5.1%**

Workforce not fully proficient



**56% vs 63%**

Employees receiving training

01

Future-proofing  
the Berkshire  
economy

02

Demand for  
skills

03

Skills supply  
and mismatch

04

Skills priorities  
and next steps

05

In numbers

06

Leading  
Berkshire  
employers

# Leading Berkshire employers:

Berkshire's largest employers and  
'best companies to work for'<sup>1</sup>

Johnson &amp; Johnson

suez  
environnement

vodafone

rocsearch  
people. placements. passion.

Microsoft

O<sub>2</sub>

AWE

amec  
foster  
wheeler

Royal Mail

ORACLE

stryker®

COVANCE

gsk

The NAVPeople

AND  
Digital

Mars

LEGOLAND

Waitrose

sse

NHS

BUILD-A-BEAR®  
EST. 1997

premier group

Weight  
Watchers®AUSTIN  
FRASER

datto

University of  
Reading

<sup>1</sup>Source: Sunday Times Best Companies to Work For 2018



© Newbury College Solutions Lab

/// This Skills Statement is an excellent example of the role LEPs can play in identifying the Skills gaps in their areas and work with local partners to address them. The most recent statistics published by the Office for National Statistics show that employment is at a record high, unemployment is at a 40-year low and 3.2 million jobs have been created since 2010. But to maintain high employment levels we need to ensure that we are equipping people with the right skills for the jobs of today and tomorrow and with the help of LEPs and other organisations to address our skills challenge, we can continue to grow our economy and spread opportunity across the country. ///

Alok Sharma MP, Minister for Employment

## Contact

---

Thames Valley Berkshire LEP  
100 Longwater Avenue  
Green Park  
Reading  
RG2 6GP



Call us:

**0118 945 0200**



Find out more:

**[thamesvalleyberkshire.co.uk](http://thamesvalleyberkshire.co.uk)**



Follow on Twitter:

**@TVBLEP**



Join us on LinkedIn:

**Thames Valley Berkshire Local  
Enterprise Partnership**