

Exeter
City Council

Exeter Skills Strategy

May 2022

DRAFT

Developed by

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Date of document: May 2022
Version: Draft v2

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Executive summary

Developing the skills and employability of the labour market is essential to driving prosperity.

To continue to thrive, Exeter needs to constantly enhance the training provision available in the city and make sure the labour force has the skills mix to meet the local economic need. Ensuring that all individuals have the opportunity to improve their skills and find good employment facilitates their success and wellbeing. This strategy sets out the employment and skills priorities for Exeter until 2025, based on the national and local evidence, and the action undertaken in response by stakeholders across the city.

Exeter has a strong foundation for skills provision with an Ofsted Outstanding college (since 2014), a leading Russell Group University (frequently ranked in the top 20 in the UK), an innovative Mathematics School, and a new Institute of Technology, as well as a host of independent training providers. Many of the schools in the city are Good or Outstanding Ofsted ranked and GCSE attainment 8 scores are above the England average. A higher proportion of the working age population are qualified to Level 4 and above than in England and average earnings for city residents are some of the highest in Devon. While provision is strong support needs to be accessible and available to all to ensure the widest benefits, and this requires overcoming barriers and reaching isolated individuals and groups.

The growth of sectors in Exeter, notably Health and Social Care, Professional services, Creative Arts and Culture, Education and Construction will drive training needs locally, as well as replacement demand for existing roles moving out of employment. In some areas of the economy, sectors are declining, or the impact of automation will shift the skills required for roles, leading to many needing to retrain. Data from vacancies in Exeter (which have been high given a tight labour market) suggests that many of the skills needs are around digital skills, business skills, and core life skills.

Some of the key challenges for Exeter are around retention of young people (a longstanding trend) and staff locally (particularly driven by cost of living in Exeter, housing and competition for employees). Further, the pandemic has led to some people leaving the labour market with a decrease in the numbers of economically active individuals in Exeter, particularly over 50s. This is partly driven by the Great Resignation with individuals re-evaluating their careers and how they want to work. Changing working patterns with increased flexibility are likely to continue to influence employment and skills over the coming few years. Other macroeconomic trends including the net zero commitments and potential for stagflation and recession will further affect the skills needs and employment in Exeter, to which the city must respond.

The priorities for Exeter are:

- **Talent retention and attraction** to ensure there is a diverse and skilled labour market available to support the local economy, considering the offer of Exeter and how this can be capitalised.

- **Alignment of training provision and future skills needs** to safeguard the skills base against changes, including digitalisation and green skills, while ensuring there is adequate provision to meet latest demands and market shifts.
- **Clear map of skills provision available** within Exeter so that businesses and individuals know what the right skills are for their organisation or career and who can provide the training they need.
- **Support those furthest from the labour market** into work and ensure there is a sufficient supply of labour to fulfil the roles in the local economy, supporting inclusion and opportunity for Exeter's residents.
- **Raising aspirations** for all people in Exeter to realise their potential and seek exciting careers or pursue self-employment, improving wellbeing.
- **Apprenticeships** will continue to be encouraged at all levels to provide the ability for learners to work and learn offering opportunities for those seeking different career pathways.

In addition to an action plan for the next three years, responding to these core priorities, Exeter will also continue to support skill development in the following key sectors:

- Digital technology
- Construction
- Health and social care
- Creative arts, culture and digital media
- Voluntary sector

Building on the success of Exeter Works, utilising stronger careers education, information, advice and guidance, and encouraging people into the right jobs, aligned to robust labour market intelligence will help respond to these challenges. Better utilising internships, traineeships and apprenticeships to broaden workplace skills while continuing to offer specialist higher level qualifications, supported by digital training, will help meet the needs of the market. Encouraging community initiatives to overcome barriers and access those most in need while working to integrate employers more closely with support will help to join up this space.

By working in partnership, the Exeter Skills Advisory Group and Exeter City Council will engage with a wide range of relevant stakeholders to respond to the priorities. The actions taken will improve education and training, strengthen the labour market and increase resilience, support growth, and improve prosperity and wellbeing, ensuring Exeter remains a vibrant and thriving city.

1 Context

Exeter is a vibrant and dynamic city embracing the future whilst celebrating a past that is rich in heritage. At the centre of the South West peninsula, the city has been an engine for growth and development of Devon. Through its major institutions, desirable location and expanding sectors Exeter has gone from strength to strength. The local labour market is a key part of this and further improvements to skills and employment will enable Exeter to build on its successes and ensure a shared prosperity for all.

This strategy sets out the employment and skills priorities for Exeter aligned to the opportunities and overcoming challenges, thereby supporting the city to continue to thrive. A skills strategy for Exeter provides an opportunity to assess the latest changes in the labour market following the Covid-19 pandemic, explore the priority areas for the city and outline an appropriate response.

This strategy is also an opportunity to align the local agenda with the latest regional and national priorities. The Heart of the South West LEP recently published their [Local Skills Report](#), while nationally the [Skills and Post-16 Education Bill](#) (based on the Skills for Jobs whitepaper) will revise the skills provision landscape. Further, the Government's Levelling Up agenda and replacement of European Funding through the Shared Prosperity Fund, will provide opportunities for employment and skill interventions at a local level.

1.1 Strategic Context

A skills strategy for Exeter is important to help inform policy in the local area and respond to wider trends, however, it is only a small part of a much broader strategic context.

While this strategy focuses on local challenges, opportunities and priorities in Exeter, the impacts of regional, national and global policy and macroeconomic trends has a far more significant impact on employment and skills. Furthermore, at a global level, climate change is likely to bring real changes in areas such as migration, energy and food sufficiency, and economic transition; the ambition for net zero is already creating policy shifts in response. The ageing population in the UK and particularly in Devon will bring implications for pensions and spending, social care and the ratios of the working age population to retirees, placing considerable burden on the welfare state. Changing patterns in globalisation from offshoring to reshoring (brought into relief by supply chains during the Covid-19 pandemic and energy dependency in the Ukrainian War) will affect how economies are structured and goods and services distributed. Technology is one of the biggest drivers of human progress, but digitalisation creates challenges as well as solutions from communities to politics.

Nationally, the UK's departure from the European Union means the current European funding round (2014-2020) will be the last for the UK (though it will run until the end of 2023). The use of European funding for infrastructure, innovation, business support and skills and training has been a mainstay of local interventions for decades. Its removal and replacement by Shared Prosperity Funding will bring changes in the way projects and interventions are structured and funding allocated. In April 2022 the funding allocations under the Shared

Prosperity Fund for England were announced based on Combined (Mayoral), Unitary and Local Authorities with Exeter receiving £1.4m.¹ In addition, a centrally run adult numeracy programme, Multiply, will be delivered by upper tier authorities with Devon County Council receiving £3.1m to deliver this programme.

Under the Levelling Up Agenda, parts of England have been granted further devolution through the County Deals.² Devon, Plymouth and Torbay have been awarded a County Deal which will bring additional powers and resource to improve economic and social conditions in the local area. Skills will be part of the devolved powers and likely draw on the Local Skills Improvement Plans, creating a policy response at a local level. This will likely influence the provision of training in Exeter.

The Skills and Post-16 Education Bill will legislate for Local Skill Improvement Plans to be developed in partnership between employers and education and training providers, setting the skills needs and provision locally. This will bring employers and the needs of the local economy more closely into the development of courses and training provision. A lifelong learning entitlement will be created providing opportunities for more flexibility in how adults and young people study and get funding. There will also be shifts in how technical education and higher education provision is overseen and approved.

The Gatsby Benchmarks were introduced in England in 2017 and provide a common standard against which schools in England could set their employability and careers support.³ There is now a statutory obligation for schools to improve their performance on careers guidance, and initial evaluations on the use of the Gatsby Benchmarks were positive.⁴ However, schools continue to face funding pressures in delivering careers education and guidance, and work experience has been severely curtailed by the pandemic across the country. Despite this, employers were innovative in their use of digital support and have been instrumental in supporting careers education through the Careers Hubs.⁵ Awareness of options does also seem to be improving nationally, especially by Key Stage 4 and there is a good awareness of Apprenticeships though signposting to careers support for younger students needs improvement.⁶ Policy and Department for Education investment into careers support will continue to shape much of the careers education and guidance for those of school age.

Regionally, the Heart of the South West LEP published their Local Skills Plan in January 2022, setting out the objectives for skills in the area under the vision that:⁷

Every individual in the Heart of the South West should be able to access the skills they need to thrive in a productive job they value, supporting businesses, inclusion and growth

¹ UKSPF Allocations, Department for Levelling Up, Housing and Communities, April 2022

² Levelling Up the United Kingdom White Paper, Department for Levelling Up, Homes and Communities, February 2022

³ Good Career Guidance, Gatsby, 2014 & Careers Strategy: making the most of everyone's skills and talents, Department for Education, HM Government, December 2017

⁴ Careers guidance and access for education and training providers, Department for Education, HM Government, July 2021

⁵ Employers Engagement in Careers Education: Insights 2020/21, The Careers and Enterprise Company, 2021

⁶ Insight Briefing: Mid-year update on student career readiness, The Careers and Enterprise Company, 2022

⁷ Local Skills Plan, Heart of the South West Local Enterprise Partnership, January 2022

The core objectives of the Heart of the South West over the next 5 years are to:

- Ensure that our skills and training environment is responsive and forward facing, meeting business and individual need
- Ensure that every individual can access the skills and training they need to achieve their own potential
- Ensure that all skills and training investment and activity contributes to both improve our shared prosperity and collective productivity

The Exeter Skills Strategy aligns to these objectives supporting the Heart of the South West vision at the city level.

Drawing on the strengths of Devon and Exeter's geographic position is important to maximise the benefits from the endowments the county has. Devon County Council are refreshing their Inward Investment Strategy which will inform how the county is positioned to attract organisations and individuals. A recent study of the labour market in Devon provides insight into the shifts that have taken place since the onset of the Covid-19 pandemic in the local area, with falling rates of employment for the over 50s and increasing demands for flexible working appearing as key challenges for Exeter.⁸

1.2 Latest Context

Exeter has been at the heart of growth in Devon and the South West peninsula over the last decade. With a large travel to work area and wide range of job opportunities it is responsible for 18% of employment in Devon and is home to 16% of the adult population. The need for a strong and diverse labour market is reflected in the variety of the industries in the city. Employment and skills are also a fundamental determinant of productivity, a route out of deprivation and a vehicle for sustainable development.

In March 2020, Exeter published a skills plan setting out the priorities, opportunities and challenges for skills in the city based on primary research and secondary evidence.⁹ Soon after, the Covid-19 pandemic caused widespread disruption to the global economy and fundamentally altered some of the labour market characteristics and employment opportunities in the UK and its cities and regions. In some areas the pandemic has altered the way the economy functions, in others it has compounded existing trends.

In Q2 2020, economic output in the UK fell 19.2% following a widespread lockdown measure to prevent viral contagion.¹⁰ Unemployment was expected to rise to 8-11% nationally,¹¹ though through major government interventions such as the furlough scheme, was kept to 5.2% at peak.¹² Since then, the economy has recovered in many areas and the labour market has tightened considerably, with unemployment returning to pre-pandemic levels. However,

⁸ Labour Market Study for Devon, Wavehill on behalf of Devon County Council, April 2022

⁹ Skills Strategy for Exeter, Exeter City Council, February 2020

¹⁰ UK Gross Domestic Product, ONS, 2022

¹¹ Monetary Policy Report March-June 2020, Bank of England. March 2020

¹² Labour Force Survey, ONS, 2022

widespread implications of the crisis remain, not only with future risks of lockdowns, but the relationship the labour market has with work and the skills needs of the future.

Further, the UK officially left the European Union on January 31st 2020 and the implications of this are beginning to emerge. Though leaving the EU has been synchronous with the Covid-19 pandemic, making assessment of impact complicated, the disruption of leaving the single market from increased regulatory checks are well documented. The full economic impact of leaving the EU may not be felt for some time (estimates vary between 1.8% and 6.4% loss in economic output for the UK over the next decade),¹³ however, initial figures suggest that imports from the EU fell 20% during the first 9 months of 2021 and 24% of companies were exporting less by April 2021.¹⁴ The current trading arrangements are expected to lead to a one-third decline in UK-EU trade and a 13% fall in total UK trade with trade in 2021 down £20bn compared to 2018 (last comparable year).¹⁵

These considerable external influences have led to the production of this new skills strategy, building on some of the priorities identified previously and considering the new environs in which the labour market and jobs operates.

1.3 Exeter Baseline

The performance of Exeter over the past decade has been strong, regularly featuring in the top growth cities in the UK.¹⁶ Its population has expanded at some of the fastest rates of all UK cities (13.8% since 2011 compared to 6.5% in England) and a large proportion of the resident population are of a working age (68.6% compared to 62.3% in England and 58% in Devon).¹⁷ There is a high availability of jobs per head of working age population (job density of 1.22) in Exeter and the city serves as a major employment hub for Devon, with a large travel to work area (TTWA) and good transport links to Plymouth, Bristol and London.¹⁸

Productivity in Exeter is high compared to the rest of Devon (GVA per hour of £35.80 against £30.10 in Devon) driven in part by the sectoral composition of the city. Proportions of employment in Exeter in the Professional services (9.4%), IT (4.7%) and Administration (8.3%) sectors are similar to the UK while they are lower in the rest of Devon. There are also higher concentrations of employment in the Health (19.8%) and Education (11.5%) sectors, influenced by large employers such as the RD&E hospital, the University of Exeter and Exeter College. Over a quarter of occupations (27.3%) are professional roles, above the Devon average of 21.4% and England average of 23.4%.

¹³ Expecting Brexit, Dhingra and Sampson, UK in a Changing Europe, working paper 01/2022. Accessed at: <https://ukandeu.ac.uk/wp-content/uploads/2022/01/Expecting-Brexit-1.pdf>

¹⁴ Unravelling deep integration: Brexit and UK-EU trade, Freeman et al., 2022

¹⁵ The economic impact of Boris Johnson's Brexit Proposals, Bevington et al., CEP Brexit Analysis, 2019 & UK Trade, ONS, 2022

¹⁶ Cities Outlook, Centre for Cities, various years

¹⁷ UK Population Estimates, ONS, 2022

¹⁸ Job Density, ONS, 2021

Average earnings among Exeter residents are £459.30 per week, similar to the £467.10 per week for those who work in the city (compared to £509.70 for England). This gap is reflective of the inward commuting to higher paid jobs in Exeter from the travel to work area. Qualifications rates among the economically active of the city's residents are high, as shown in Table XX; 48.2% are qualified at Level 4 and above and 19.6% at Level 3 compared to 45.1% and 17% in England respectively.¹⁹

Table XX: Qualification levels among the economically active working age population

Qualification	Exeter	England
Level 4+	48.2%	45.1%
Level 3	19.6%	17.0%
Level 2	15.5%	14.6%
Level 1	4.6%	9.3%
No qualifications	2.9%	4.4%

The latest unemployment rates in Exeter are 3.3% after rising to 4.6% during the pandemic. This level of unemployment constitutes a very tight labour market and is contributing to high rates of vacancy in 2021 and the first half of 2022. However, economic activity rates have declined by 6.1 percentage points since before the pandemic to 73.4% bringing implications for the supply of labour to the market. The total labour market is now comprised of 68,200 individuals in Exeter. A key part of this reduction in economic activity has come from the over 50s demographic with a 13.1 percentage point reduction in participation, equivalent to 1,900 fewer individuals in the labour market in Exeter. These figures represent a higher proportional reduction than found elsewhere in England but remain reflective of a national pattern, with 6 in 10 reporting they would not return to work.²⁰

Vacancies in Exeter are high across many sectors and occupations as shown in Table XX.²¹ Some sectors, such as Transportation, have experienced a doubling in the rate of vacancies, while others have remained near to their pre-pandemic baseline. More moderate increases in the vacancy rates also mask some of the scale. For instance, a 55% increase in the vacancies for Health care including nursing equates to 2,168 additional vacancies.

Table XX: Vacancies by sector in Exeter TTWA 2019/20 to 2021/22

Sectors	Vacancies May 2019 - April 2020	Vacancies May 2021 - April 2022	Percentage Change
Health Care including Nursing	3,921	6,089	55%
Hospitality, Food, and Tourism	3,069	5,325	74%
Business Management and Operations	3,061	4,894	60%
Sales	2,745	4,102	49%
Information Technology	2,621	3,066	17%

¹⁹ Three year average 2019-21, Annual Population Survey, ONS, 2022

²⁰ Reasons for workers aged over 50 years leaving employment since the start of the coronavirus pandemic, ONS, March 2022

²¹ Vacancy Labour Insight, Exeter TTWA, Burning Glass, Accessed May 2022

Clerical and Administrative	2,449	4,020	64%
Education and Training	2,287	3,260	43%
Finance	1,975	2,534	28%
Engineering	1,913	2,095	10%
Community and Social Services	1,365	2,422	77%
Law, Compliance, and Public Safety	1,313	1,952	49%
Maintenance, Repair, and Installation	1,186	1,645	39%
Construction, Extraction, and Architecture	1,174	1,592	36%
Manufacturing and Production	1,168	1,614	38%
Transportation	1,156	2,464	113%
Customer and Client Support	1,150	1,874	63%
Human Resources	788	1,158	47%
Planning and Analysis	780	956	23%
Marketing and Public Relations	471	669	42%
Science and Research	457	525	15%
Design, Media, and Writing	340	467	37%
Personal Services	182	220	21%
Agriculture, Horticulture, & the Outdoors	151	283	87%
Performing Arts	21	31	48%

Despite growth in the housing stock in Exeter, housing is becoming increasingly unaffordable with annual house price growth increasing from 2.8% in 2019 to 13% in 2021 and a house price to earnings ratio of 9.7 in 2021.²² Further, between 2019 and 2021 the volume of rental properties in Exeter appears to have decreased by 41% (3,330 to 1,960).²³ This restricts the ability of lower earners who cannot afford to save and buy property and face limited available rental options.

More detailed information on the baseline socio-economic and labour market conditions in Exeter are available in Annexe A.

²² UK House Price Index, HM Land Registry, January 2022

²³ Private Rental Market Statistics, Table 2.7, 2019 and 2021, ONS. The robustness of this ONS data at lower geographic levels and across time periods should be noted as cautionary, though the direction of travel is clear.

2 Opportunities & Challenges

2.1 Growth Sectors

The sectors below are identified in national literature as those likely to experience increased employment growth over the next 5-8 years. These sectors are expected to drive skill demand to fulfil roles within the sectors in addition to the steady replacement demand needed as individuals leave roles and need to be replaced by skilled recruits.

2.1.1 Health and social care

Following Covid-19, health aids, technicians and care roles are expected to increase by 27% by 2030 in the UK.²⁴ Health professionals are expected to increase by 20%. In Exeter this would represent an increase of ~3,500 health and care staff given the prevalence of employment in the sector in the city.²⁵ As these figures are derived from national evidence they may be underestimates given the acute ageing population in Devon where Exeter provides a major health and care centre for the surrounding local authorities who all have rapidly ageing populations.

Social Care

Skills needs for the social care sector include qualifications at GCSE level in Maths and English as well as higher level leadership and management skills to replace managerial staff who left during the pandemic. Soft skills are also vital for roles in the sector, and it is important that those coming into the role are confident and willing to engage with training as those joining the sector may not have had a positive experience in prior education. Additionally, care is also becoming more complex, with both care needs and solutions changing, raising new skill requirements for both existing staff and those looking to join the sector. The sector could greatly benefit from expanded employer engagement across training providers and colleges to ensure that the training meets the needs of social care providers. With BTEC and OCR qualifications being phased out, it is essential that the T-Level reflects the needs of social care as well as health care.

There are also barriers to employment and skill development in social care that need to be overcome. The sector struggles to compete with health care for career progression and pay, with structural challenges that mean those with higher skills achievements and experience are not necessarily recognised with higher pay. There is often a social stigma associated with roles and a lack of understanding of the opportunities among influencers which needs to be overcome through campaigns like Proud to Care showcasing available careers. Due to resource constraints, it can be hard for care providers to release staff for training and those who are able to develop their qualifications and skills often leave the sector to work for the NHS with better pay, progression structure and long term benefits. Meanwhile, hours of work can be challenging and with rising pay in sectors such as hospitality and distribution, there are opportunities for more regular hours elsewhere.

²⁴ The future of work after Covid-19, Lund et al. McKinsey, 2021

²⁵ Based on Business Register and Employment Survey, ONS figures and job roles from Exeter Sectors Overview 2020, Emsi scaled from the UK anticipated increases.

Health care

Stakeholders report that the key challenges in the health care sector are around barriers to employment rather than skills, where there are shortages in many roles, but these change frequently and as an employer the NHS provides the experience and functional skills for all staff. There are then generally good structures in place for external training through the likes of Petroc for in work courses and a pipeline of nurses and medics from universities in Bolton, Birmingham, Plymouth and Exeter. One difficulty that the local NHS Trusts in Exeter and Devon face is being able to offer sufficient salaries to trainees that would attract individuals who are changing careers. Therefore, school and college leavers and graduates are targeted, but the challenges of housing affordability, transport and attractiveness of Exeter as a destination are then key considerations. Once employed in the NHS there are challenges of retention, with the pressures of the job, differing expectations between generations, and difficulties instilling resilience when there is alternative employment available.

2.1.2 Professional services

Science, Technology, Engineering and Mathematics (STEM) professionals, managers, and business and legal professionals are all anticipated to see a net employment increase by 2030. STEM roles are expected to increase by 16%, managers by 10% and business and legal professionals by 6%.²⁶ This would account for a further ~700 managers in Exeter, an additional ~750 business and legal professionals and ~450 additional STEM professionals.²⁷ In Exeter, the strengths of sectors such as environmental science, advanced engineering and digital technology will require a highly skilled labour supply to service and expand activities in these industries.

Given the breadth of the sector, ongoing vacancy challenges and continued shifts in ways of working, the skill needs of the professional services sector are many and varied. However, digital skills were widely cited as key skill priorities now, and in the future. There are also needs for higher level specialist skills, particularly in areas such engineering and technology, as well as soft skills. Barriers to employment in the sector reflect some of the broader issues of high employment and general shortage of people, attracting people to Exeter, and sufficient pay for the high cost of living. Retention issues are also commonly cited with competition for staff, professionals re-evaluating their careers and many over 50s retiring (see section XX below).

2.1.3 Wholesale and distribution

The pandemic has accelerated the growth of the wholesale and distribution sector while consumer spending patterns are increasingly online in accordance with longer term trends. As the high street continues to decline, the growth in distribution and wholesale has increased. Nationally, transportation roles are expected to increase by 5% by 2030, representing a significant shift of +113,000 between pre and post Covid-19 estimates. In Exeter this would account for another ~200 roles, though siting of major distribution centres (as with Amazon and Lidl) will have a big impact on whether there are further additional roles

²⁶ The future of work after Covid-19, Lund et al. McKinsey, 2021

²⁷ Estimated as above.

locally in the sector. Skills needs for the sector are mostly soft skills, as well as short course qualifications in health and safety.

2.1.4 Creative arts and culture

The number of roles in the creative sector are expected to increase, particularly alongside digitalisation and shifting consumer patterns for content production. Creatives and arts management occupations are anticipated to increase by 17% by 2030.²⁸ This would bring an estimated 150-200 more roles to Exeter, though could be bolstered by any relocation or the scaling of start-ups of creative companies in the city. That said, given the nature of the sector is often one of self-employed freelancers, with fewer permanent roles with organisations, much of the employment required will be through creating an environment for creative and cultural activity to flourish.

Skills needs of the creative and cultural sector are varied but improving digital and leadership skills were cited by stakeholders as key to the sector's development. The challenges for employment are often around salary, with pay being traditionally low while cost of living in Exeter and the South West is comparatively high. Freelance portfolio work can also be precarious making soft skills and entrepreneurial and business skills important to those in the sector, but something that can be lacking from those who pursue academic courses. It can also be difficult supporting individuals into the sector, particularly where there are fewer permanent lower level roles in organisations where an individual can gain experience. It can also be difficult to find or fund start-up spaces for creative and cultural businesses, limiting the opportunities for such organisations.

2.1.5 Education

Education is anticipated to increase its employment base as a sector across the UK by 5%. This equates to a further 128,000 jobs in England, where the sector employs 8.7% of the workforce. In Exeter this would account for an additional 550 jobs where the sector represents 11.5% of employment. Many skills required for education are at degree level for teachers and education professionals. Academic routes into teaching, such as PGCEs at Exeter University, will need to be complemented with other routes of School-centred initial teacher training (SCITT) or programmes such as Now Teach for career changers. It is also important that there is a response to the shortages of vocational trainers, particularly for workplace courses and qualifications. Stakeholders report that there needs to be more opportunities for individuals to work in colleges and at independent training providers as assessors and course leads for vocational qualifications. Without trainers, not only will the sector struggle, but the economy will be disadvantaged as demand for skill provision will not be met. The ability of the colleges and training providers to compete with employers for skilled staff to lead training courses was cited as a key challenge by stakeholders in Exeter.

²⁸ The future of work after Covid-19, Lund et al. McKinsey, 2021

2.1.6 Construction

There are mixed forecasts on the future of employment in construction. One estimate is that construction jobs will decline by 4% in the UK by 2030, along with a 4% decline in property maintenance.²⁹ Other estimates suggest that there will be a modest growth of 0.2% in the sector, though this will be less than the working population increase, reflecting a real terms decline. However, the employment needs of the construction sector are likely to be different across different regions and local areas of the UK, where construction activity will be driven by investment and demand for property. Devon traditionally has a high demand for renovation and refurbishment given the inward migration of older demographics purchasing homes and the rate of second home ownership. There are also continued investments in housing developments to accommodate the growing population across Devon. Insight from the local sector is that they expect the continued levels of demand over the medium term, though the sector is susceptible to external shocks and economic downturn making predictions challenging.

One of the key challenges the sector currently faces is simply a lack of people, with shortages in many roles and skill areas. Ignoring the potential growth of the sector, replacement demand alone is estimated to require 30,000 new workers in the sector in the South West by 2025, exacerbated by an ageing workforce, but without the supply coming through skill shortages may increase. Colleges, training providers and universities need to be supported to encourage individuals to get qualifications and skills in the construction sector. The training offered also needs to continually be developed and improved with building practices and policy. 'Green skills', for instance, will require new courses and retraining for the existing employment base of the construction sector, as well as introducing the new skills for the replacement employment coming into the sector in response to the move to net zero. While construction standards such as Passivhaus or skills to install air source heat pumps are increasingly in demand, there is also demand for training in existing practices which will need to be balanced in any provision.

2.2 Declining Sectors

Several industries in the UK are expected to decline within the decade, both due to long term trends and the changes brought by the pandemic. This includes those in the food service sector, business administration, customer service and sales and leisure. 8.1% of those in the labour market may need to change roles by 2030, up from 7.1% before the pandemic showing the catalytic affect the crisis has had. The pandemic has also caused upheaval for businesses in sectors such as real estate, with the implications of the shift in working practices yet to be resolved. Other sectors that have been facing long term transition, such as manufacturing and retail, still face uncertainty with likely continued shifts between subsectors (for instance between high street retail and online retail). Those who are currently working in these sectors facing declining or shifting employment over the next decade will need retraining as they move careers. Further, the risk of global recession is increasing, with potential repercussions for labour markets in the UK, pivoting away from the current full employment. Ensuring there is an availability of training to move people positively into growth sectors which avoids lateral

²⁹ The future of work after Covid-19, Lund et al. McKinsey, 2021

movement into other sectors also at risk is important to ensure that individuals avoid long term employment challenges.

2.3 Automation

Large numbers of jobs in England are at risk of having some of their tasks automated by the end of the decade. The risk of automation varies by sector with lower potential in health care and higher potential in sectors with elementary roles, including construction, mechanics and leisure. An estimated 39% of roles in Exeter are at risk of automation and women are more likely to be in roles at risk, bringing in an equality dynamic.³⁰ Given the roles more at risk of automation, the effects will disproportionately affect those with lower qualifications and education creating challenges for inclusion.³¹ This will generate further shifts in the labour market and skills needed for employment, driving the digitalisation agenda and need for IT literacy among many roles and pursuit of stable careers in sectors that may be less effected.

2.4 General Skills Needs

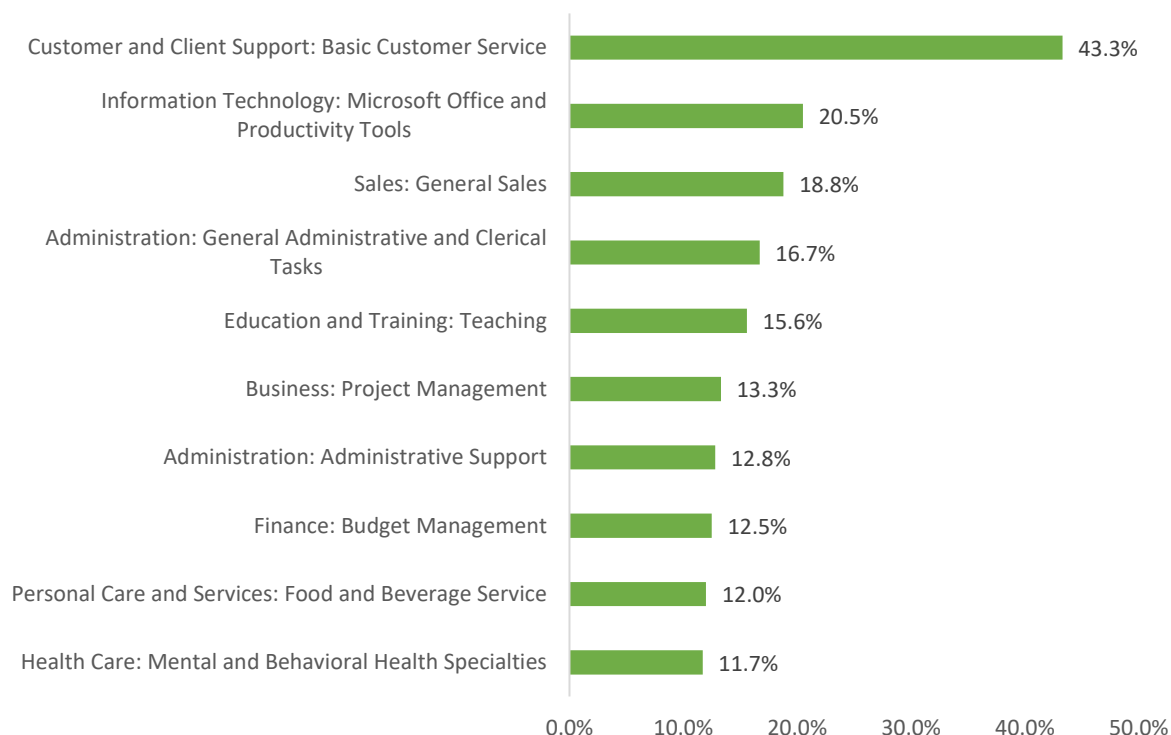
In addition to sectoral skills needs, there are some acute skills shortages in Exeter which are generally consistent with the South West and UK. These include both short term skills gaps and the longer-term skills needs born of trends affecting job roles and tasks. It is important to recognise however, that many of the current vacancies and skills shortages are due to a very tight labour market, with insufficient numbers of people seeking work for the number of roles available. This will need to be resolved alongside any skills support initiatives.

The following table presents the skill clusters most requested by vacant positions in the Exeter TTWA between May 2021 and April 2022. Microsoft Office and other IT productivity skills are highly demanded alongside the customer service (driven in part by transition volumes in the leisure, retail and food and drink sectors), teaching and health. Much of the other skill areas in demand are for business skills such as sales and budget management.

Figure XX: Skills clusters in demand among job listings in the Exeter TTWA

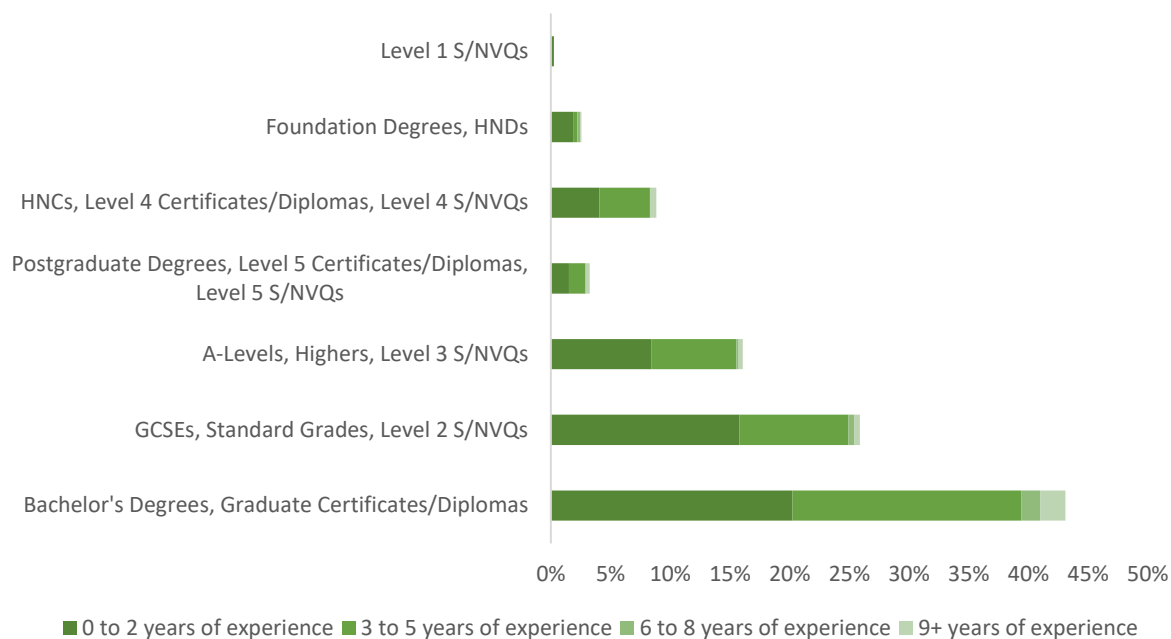
³⁰ Which occupations are at higher risk of being automated?, ONS, March 2019

³¹ Will robots really steal out jobs?, PWC, 2018



A high proportion of qualification levels required by those recruiting have generally been bachelors degrees. However, there are also high demands for those with some experience as well as qualifications, even at the lower levels as shown in figure XX. Among consultees, foundational skills were frequently cited as areas where those trying to access lower-level qualifications and jobs face challenges. Young people leaving education without English and Maths GCSE require entry level 3 courses to provide them with the basic skills and qualifications they need to access other training programmes for level 1 and 2 courses. This creates barriers which are often coupled with others including soft skills (covering time management to teamwork and communication) as well as general lack of work readiness among many applicants.

Figure XX: Qualification and experience requirements for job vacancies in Exeter TTWA



Further, while younger people have digital awareness, it was often noted by consultees they may not have the digital skills needed for the workplace. For many companies, social media skills are much less relevant than Excel, payment systems, databases and word processing. However, the announcement in April 2022 that ICT user and functional skills funding would be removed from the ESFA at the end of the academic year may make offering these skills more challenging.³²

2.5 Skills Provision

As the principle urban area within Devon, Exeter is responsible for large amounts of the training and qualification provision. The average attainment 8 score per pupil in Exeter for GCSE was 49.4 in 2017.³³ More recent data (2020/21) is only available by school in Exeter, and this ranges from 40.7 to 50.9, suggesting similar results to the England average of 46.7.³⁴ Secondary schools in Exeter had ~8,600 pupils in 2020/21, from <100 at the smallest schools to almost 1,300 at the largest, therefore making averaging between schools difficult. At A-Level the proportion of pupils getting AAB or higher ranges between 10.4% at Exeter College (1,035 leavers), to 71.7% for Exeter Mathematics School (62 leavers).³⁵ The average for England is 14.1% and Devon 13.6%.

For apprenticeships, 150 individuals achieved an apprenticeship outcome in Exeter in 2021/22 with a further 570 starts.³⁶ This was a decrease on the two previous years (2019/20

³² <https://www.gov.uk/government/publications/level-2-ict-qualifications-removed-funding-from-1-august-2022>

³³ Secondary Attainment Data 2015/16, Department for Education, 2017

³⁴ KS4 attainment 8 distribution by local authority district data 2020/21, Department for Education, 2021

³⁵ A Level and other 16-18 results 2020/21, Attainment and other performance measures, Department for Education, 2021

³⁶ Apprenticeships and traineeships, 2019 - 2022 Academic Years, Department for Education, 2022

and 2020/21) when 800 and 840 individuals began an apprenticeship and there were 390 and 450 achievements respectively. Although the proportions of those seeking apprenticeships in Exeter and Devon are higher than in England, reflecting the roles and sectors locally (4.6% compared to 2.7%), there are opportunities for improvements in participation.

Across Devon, 58.5% of pupils from mainstream schools progressed on to university degrees in 2017/18 compared to 69.6% in England.³⁷ In Exeter 32.6% of 16-18 year olds go into a sustained education destination with 12.2% going into a sustained apprenticeship and 36% going into sustained employment.³⁸ In the UK, far more 16-18 year olds go into sustained education (47.4%) and fewer go into apprenticeships (8.4%) and employment (24.9%). While the balance of employment and education is useful for Exeter, the city could benefit from an increase in the proportion remaining in education to gain higher qualifications.

Student figures from the University of Exeter for 2018/19 graduates show that the majority (74.7%) are domiciled outside of the South West and therefore tend to return to these areas after graduation.³⁹ 15 months after graduating 15.7% of University of Exeter graduates are still in Devon (8.9% were domiciled there before) and 19.7% are in the wider South West.⁴⁰ 5 years after graduating, 23.8% of University of Exeter graduates are in the South West with 58.4% now in London and the South East.⁴¹ Retention of graduates is therefore a key challenge for Exeter, especially given the wider out-migration of young people from Devon.

2.6 Knowledge Gap

The gap in the knowledge of what training businesses need, the awareness of what training is available and the understanding of individuals of what training is appropriate is a constant challenge. Some training provision is well taken up, and sufficient demand does encourage the development of new courses. However, there can be challenges with demand for new courses that are responding to future need (such as retrofit construction skills) and updating existing courses to meet the latest business needs. Exeter College and the training providers work closely with business groups to ensure their skills provision is appropriate for the need, though there is a sometimes a time constraint with skills becoming outdated faster than courses can be developed (particularly in digital skills).

Exeter offers a good range of training provision and providers do work together to ensure gaps are minimised, the nature of funding, networks and demand means there are difficulties around coordination. Duplication or overlap of provision is common and without clarity for prospective learners and businesses on which routes are most suitable or provide the appropriate skills, there is some competition for learners. However, it was reported by stakeholders that this was improving as the landscape tried to meet the need of the widest range of people with their own target market and specialisms.

³⁷ Progression to higher education or training: 2019/20, KS4, Department for Education, 2020

³⁸ KS4 & KS5 destinations of 2019/20 leavers, 16-18 destination measures, Department for Education, October 2021

³⁹ Where do HE students come from?, Higher Education Statistical Agency, February 2022

⁴⁰ HESA Graduate Outcomes Survey Results Record 2018/19, HESA, 2022

⁴¹ Graduate Outcomes (LEO): provider level data, 2018/19, Department for Education, 2020

Prospective learners also struggle to understand what courses are suitable for the careers they wish to pursue, lacking the insight on progression pathways. Work experience and practical knowledge of the workplace has been slowly stripped from the curriculum and it was widely commented that one week work of experience throughout the whole of the education programme is insufficient for young people to make life choices. The impact of the pandemic has meant no formal work experience as part of education and very little substitute for the past 2 years. Too many young people have little knowledge of practically what work is like and therefore cannot be expected to have the right skills or to know whether the career they choose is right for them. This leads to inappropriate training and qualifications being pursued and individuals having to reskill despite only having completed education recently.

2.7 Accessibility

While there is good availability of training and learning in Exeter, it has to be accessible to all, and there are many and various barriers that individuals face in gaining the skills and experience they need to secure employment. The pandemic has created further challenges with isolation for hard to reach groups, and there are constant challenges with inclusion and equality of opportunity including financial, time and educational barriers. There are individuals in Exeter who face mental health and wellbeing challenges, those who want to develop new skills but are unable to commit unpaid time or cannot afford the transportation costs. The pandemic has, however, brought some opportunities through digital innovations enabling online delivery of training courses helping improve accessibility for some. For others the move to online provision instead creates a further barrier for those in data poverty or digitally excluded.

Exeter College is increasing its offer of evening courses and shorter boot camps to encourage participation among those who may struggle to engage for longer duration courses during the day. However, it remains hard to get adults back into education, particularly where they may not have had a good experience in the past and struggle with labels of 'college'. Restrictions of funding can also lead to a disconnect between community budgets and the Adult Education Budget causing gaps in the learning journey from those trying to gain and improve lower-level skills. There are also challenges with recruitment and retention among training providers themselves, who struggle to offer sufficient salary, particularly where they need staff to deliver courses in the evenings and at weekends.

2.8 Employment Leavers

The pandemic has provided the context needed for many individuals to reconsider their careers and ways of working. This has in part led to the 'Great Resignation' in 2021 with large numbers of workers considering changing employers and many over 50s leaving the labour market. 8.5% of the over 50s who left the labour market would consider working again if they could do so flexibly and 1 in 10 would be encouraged back if they could work from home with most wanting to work part time.⁴² However, the current systems are not structured to help

⁴² Reasons for workers aged over 50 years leaving employment since the start of the coronavirus pandemic, ONS, March 2022

such individuals back into work and many are unaware of the employability support available.⁴³ In November 2021, 69% of workers surveyed were confident of moving to a new role in the next few months, while 24% were planning a change role in 3 to 6 months.⁴⁴ Retention of staff has therefore become a key challenge for businesses in the UK and Exeter as staff consider better packages elsewhere (including flexible working) and take stock of whether their current career is what they really want to pursue.

With many individuals in senior roles leaving, and difficulties with recruitment, those in more junior roles have been promoted within their organisations. This has left gaps at lower levels as well as middle and senior roles where vacancies have not been filled. Here there may be an opportunity to secure employment for those furthest from the labour market who can fill elementary or junior level roles. The local labour market could also be boosted by filling the higher-level roles with individuals from outside of the travel to work area if they can be enticed to relocate to Exeter.

2.9 Net Zero

The climate crisis has led to the declaration of reaching net zero carbon emissions by individuals, organisations and governments. The UK has committed to reaching net zero by 2050 and Exeter is looking to be net zero by 2030. The shift to net zero will require fundamental redirection of how the economy at a national and local level operates, with shortening supply chains, innovation and different working practices. Figures in a forthcoming report by the Centre for Energy and the Environment at the University of Exeter highlight the extensive shifts required to enable Exeter to meet its net zero pledge by the end of the decade.⁴⁵ The skills needed by individuals and organisation operating in this net zero economy will be different for many, with the level of change determined by the role and sector. Estimates suggest that in the South West, 20% of all jobs will be affected by the transition to net-zero with 10% going to need some form of retraining as sectors decline and 10% support to take advantage of emerging opportunities, such as retro-fit.⁴⁶ For manufacturing, an estimated 17% of employees will need to reskill, in transport and storage 26% are going to need to reskill while an estimated 30% of those in Construction will need to reskill. Green skills for construction will be particularly important if Exeter is to reach its target with thousands of premises requiring reinsulating, having photovoltaic panels installed and heat pumps fitted every year until 2030.

2.10 Underemployment

Many of those employed in Exeter have skills and qualifications beyond the requirements of the role they are performing and are therefore considered underemployed. In Devon (Exeter statistics are not available) 42% of individuals are in a role for which they are over-qualified

⁴³ Working Together: The case for universal employment support, Demos, May 2022

⁴⁴ The great resignation: 69% of UK workers ready to move job, Ranstad UK, November 2021

⁴⁵ Exeter's 2019 greenhouse gas inventory and sector emissions monitoring, Centre for Energy and the Environment, University of Exeter, February 2022

⁴⁶ Investing in a Just Transition in the UK, How investors can integrate social impact and place-based financing into climate strategies, Grantham Research Institute on Climate Change and the Environment, London School of Economics, February 2019

and 33% are underutilised. In some cases, this may be that individuals have different employment motivations, however, there are opportunities to draw on other underemployed individuals to fulfil roles more appropriate to their skills and improve productivity. This will provide employment prospects for those who may be further from the labour market or don't have the skills to obtain higher roles.

2.11 Commuting and Living Patterns

One of the key challenges facing Exeter relates to its economic success. Given the prominence of the city as a centre of employment, education and culture in predominantly rural surroundings, Exeter has a large travel to work area in Devon which faces high house prices. Public transport from rural locations is limited and where it is available is expensive, forcing many individuals working in the city but living outside to commute via car. This can be unaffordable for many which, alongside the cost of housing, prevents those on lower earnings from either remaining in, or locating to, the area. The standard of living for those without the skills or qualifications to access higher paid jobs who do remain can therefore be low, limiting the wellbeing of residents.

2.12 Localised Deprivation

Despite the relative prosperity of Exeter as a whole, there are parts of Exeter that face various deprivation challenges. Education and skills, employment and income, as well as health, are all contributing factors to the deprivation in these communities.⁴⁷ The challenges facing individuals living in these areas of Exeter are often many and complex, contributing to some of these groups being furthest from the labour market. As well as insufficient skills and qualifications, there are those with physical and mental health care needs or disabilities. Ex-offenders who struggle to re-join the labour market due to their criminal record, and those with drug or alcohol problems or victims of domestic abuse facing confidence challenges. Responding to the challenges in these areas will require nuanced employability support alongside other interventions that may differ from the skills and employment support necessary for other parts of the city.

2.13 Future of Work

In the UK it is estimated that 26% of employees can work 3 or more days a week remotely and a further 22% can work 1-2 days per week remotely.⁴⁸ As a key driver of the Great Resignation, the flexibility to work from home, keep the hours that suit you and work in a rewarding role is important to the future of work for many sectors. 85% of those who had worked from home during the pandemic now want some form of hybrid working and 18.3% of businesses intend to use greater home working.⁴⁹ Some sectors will not be able to offer such flexibility, while the impacts on other sectors are still being fully understood. However, employment in Exeter is likely to be driven by changing dynamics in remote working affecting where individuals are based and who they work for. Implications include the potential for

⁴⁷ Indices of Deprivation, Ministry of Housing, Communities and Local Government, 2019

⁴⁸ The future of work after Covid-19, Lund et al. McKinsey, 2021

⁴⁹ Business and individual attitudes towards the future of homeworking, UK: April to May 2021, ONS, June 2021

individuals to live in Exeter while earning high salaries working for firms based elsewhere, potentially bringing in additional income but also taking potential staff away from local firms unless they can compete on price. This scenario may eventually lead to a two tier economy dynamic in desirable places to live such as Exeter, where residents either work remotely in high skilled, high value roles, or work locally in lower skilled service sectors supporting these individuals, with risks for rising inequalities.

Hybrid working models also make it more difficult for organisations to train and develop staff. For young people coming into work for the first time, the new working environment has been recognised as a barrier to development, without the personal connections and learning opportunities that come with working alongside those with more experience in a shared workspace. For SMEs there is a risk that recruiting young people becomes too challenging without the capacity to support them day to day while working in a hybrid way. This may leave young people with fewer employment options except with larger companies where programmes and schemes can be efficiently employed. Given there are few of these in locations such as Exeter, this could have implications for the local labour market.

2.14 Stagflation and Recession

Despite the strong employment figures of late 2021 and early 2022, the UK is facing increasing economic pressures with rising inflation and global slowdown. Forecasts from the Bank of England are predicting looming recession, or very low growth, and likelihood of stagflation causing an increase in the rate of unemployment in Q4 2022 and throughout 2023.⁵⁰ The implications of such a scenario could be to catalyse the decline of sectors that have been struggling, creating a rising demand for employability support. Coupled with a rising cost of living, the challenges facing policy makers and Government are likely to stretch support services (some of which have not recovered since the pandemic) and shift a focus of individuals towards secure employment. A labour market with high unemployment is a very different context against which activity and interventions are to be delivered.

⁵⁰ Monetary Policy Report, Bank of England, May 2022

3 Priorities

In response to the available evidence this section outlines the employment and skills priorities for Exeter to address over the next three years.

3.1 Overarching Priorities

3.1.1 Inclusivity

It is essential that Exeter looks to address the skills gaps to ensure that everyone in the city is able to benefit from the local economic opportunities. Skills and employment are an enabler for many other social and economic factors from mobility to wellbeing, employability to progression. There are many disadvantaged groups in Exeter; some who are connected with support providers and others who are harder to reach. Equality of access is paramount to providing prospects for all and social justice, and this stretches from digital inclusion through to the core skills required to undertake training. *Social Mobility in the South West* outlines four recommendations of a school-centred cradle to career model, a university led tutoring service, sharper focus on disadvantage and post-16 skills reform.⁵¹ Exeter City Council will endorse these recommendations and look to support a local response. This requires coordinating local assets to address multiple life challenges across ages, raising attainment in schools, bridging the gap between education and work and consideration of how training is provided, overcoming the different barriers in accessing courses and work.

3.1.2 Productivity

It is widely acknowledged that skills are fundamental to the productivity of an economy, from efficiency in an individual's role, the output they generate and the contribution of the organisation they work for to a supply chain. Raising the productivity of the UK is at the core of national and regional economic strategies (Building Back Better, Local Industrial Strategy) and funding programmes (European Structural and Investment Funds, Community Renewal Fund and forthcoming Shared Prosperity Fund). By developing the skills base of the labour market in Exeter, productivity of the local economy can be improved. This covers all skill and qualification levels but is particularly important for those with low or no skills and sectors that are either more labour intensive or suffer from low productivity. Getting the right skills for the right people to get into the right jobs is important if productivity is going to be improved and lead to benefits in earnings and standard of living.

3.1.3 Digital skills

Consistent across a large number of the stakeholders engaged and reflected in wider literature is the need for greater digital skills, both in the short term and the future. Exeter has opportunities for higher levels skills in this space in large organisations, such as the Met Office, and in Exeter's strong SME base. The changing labour market will also mean most roles are likely to require some form of digital skills, from basic use of generic software and databases (including MS Office) through to specialist products including CAD and accounting

⁵¹ Social Mobility in the South West, Centre for Social Mobility, University of Exeter, April 2022

tools. Working in partnership with employers and training providers, Exeter City Council will identify what the full range of digital skills needs that are required both now and in the future are, and whether suitable courses are available to meet that need, and how any gaps will be filled. Digital innovation will be important to the success of local economies and ensuring there are the high level skills to fulfil this is fundamental to realising the ambition of Exeter.

Training providers such as Tech South West, Eat that Frog and Learn Devon (among others), are offering accessible digital training to overcome the barriers that many face and promote inclusion. Exeter City Council will support this work to ensure all digital skills offers are available to all. It is important that all training provision includes some digital skill development or modules to offer those at all levels the appropriate skills for the workplace in an increasingly digital world. Encouraging employers to recognise the value in upskilling staff with digital techniques and approaches will further drive economic development and ensure the economy is resilient. The Council supports the work of the University of Exeter in supporting local SMEs with placements for digital students to address organisational challenges.

3.1.4 Life skills

There is widespread evidence both locally and nationally that poor life skills are creating challenges with recruitment, and Exeter needs a labour market who have the right behaviours and attitudes to work. Life skills refers to the non-qualified elements that contribute to an individual's ability to be employed including confidence, time keeping, communication, resilience, leadership, teamwork and critical thinking. Though it is difficult to develop training in response to life skills needs, partners in Exeter such as the National Careers Service and Careers Hub are providing valuable advice and support to individuals to help them with core skills needed to get a job. This activity will be continued and enhanced by closer engagement of a business forum which can offer experiential insight for individuals into the workplace. This is important for all people, and especially young people when life skills, such as attitudes, are forming.

Where learners are engaged with training, life skill development should be consciously included within modules to help improve these facets of an individual's offer. Many of the training providers already build in modules on business acumen to support those undertaking vocational qualifications and Exeter City Council encourages more deployment of practical business skills into a range of qualifications and courses to support individuals transition into work and potentially self-employment.

3.2 Specific Priorities

3.2.1 Talent retention and attraction

As well as supporting skills at all levels, it is important that Exeter and the TTWA are able to attract and retain talent, particularly those of a younger age who will contribute to the economy over a longer period of time. This requires both the jobs and training opportunities, but also appropriate housing, amenities, and transport. While the latter are not the subject of this strategy, it is important that plans for housing and transport locally are meeting the

needs of all workers and pay levels. The Liveable Exeter programme and its objectives to facilitate vibrant communities and enhanced neighbourhoods through an improved built environment and sustainable transport, will help to fulfil this element of the attraction priority. Further, the continued success of the city will encourage investment in amenities and services that attract a diverse population and build on Exeter's strengths of location and existing offer.

From a skills and employment perspective, talent attraction and retention depends on the training environment and jobs available. Exeter City Council will work alongside partners at the university and training providers, as well as the business community, to ensure that all those leaving education are aware of the employment opportunities in the city. An employer forum will be convened, drawing on existing networks, to support with careers information, advice and guidance for young people. An employer forum can also work with partners to support routes into employment through internships, traineeships and graduate recruitment programmes, building on the successes of the University of Exeter programme to place students with SMEs across the city and South West.

Other alternative initiatives, such as the university's scheme to help graduates to start their own businesses locally, will continue to be supported. Enhancement of the business skills and training offer in areas such as financial management, leadership, marketing and resource management, particularly in traditional trade roles or sectors with high rates of self-employment will encourage start-ups.

Further, employers in the city are encouraged to consider their offer to prospective staff, how this competes with other parts of the country and where flexibility, wellbeing and company ethos can offer additional incentives beyond remuneration to attract individuals to the area. Utilising the strong skills and training offer available locally to support career development will play an important part in raising the attractiveness of the area, if employers are providing such training to their staff.

3.2.2 Alignment of training provision and future skills needs

Supported by the forthcoming changes in the Skills and Post-16 Education Bill, skills and training providers in Exeter will build on their existing business relationships to work closely together when designing provision to match this with the local economic need, supported by Exeter City council. By gathering and feeding in labour market intelligence, linking in with the Local Skills Improvement Plans at a LEP level, appropriate training for the future skills needs can be developed. Bringing together a city-wide employer forum and encouraging collaboration between providers will enhance this piece of work. Collaboration between Exeter College, the University of Exeter and the independent training providers will also encourage sharing of best practice and minimisation of duplication in provision to ensure resources are best utilised.

Of particular importance over the next few years is the net zero agenda and the green skill requirements to respond to the economic changes that this will bring. Key changes in skills across many sectors from manufacturing to transport will need to be met, with green skills in

construction a particular area of need given the requirements of the city to meet its net zero targets by 2030.

Training provision has to consider the alignment of both current skills shortages and future needs; if training for the future is not encouraged within businesses now, the delay and gaps that this will create could lead to additional challenges in some sectors. However, provision has to recognise the existing needs of the market and respond accordingly. Training providers particularly need support to help facilitate transitions to future skills provision where demand may be currently insufficient to warrant investment in developing a new course. Therefore, employers need to be encouraged to provide the necessary training for staff both now and in the future while training providers need to continue with a flexible offer.

Continuing to support digital skills across all training provision will be important for many future job roles as well as ensuring individuals are able to progress in their sector and career, or transition into another. This includes basic digital skills through to more specialist and technical skills that will be increasingly needed across many sectors as the pace of digitalisation continues.

Exeter boasts some cutting-edge businesses and organisations operating in innovative sectors including agritech and environmental science, advanced engineering and technology. To facilitate the continued development of these sectors, Exeter needs to maintain its provision of specialist skills that will drive innovation. Exeter City Council will work with the university, college and other training providers in the city to ensure that high level skills provision is aligned to the needs of key sectors in the city. This will support the LEP growth sector priorities and could dovetail with any pilot activity for the skills escalators in Digital Futures, Engineering Futures and Energy Futures.

Balancing strategic skills provision with reactive training support is also necessary to build some resilience into the system and Exeter City Council will work with organisations who provide services in accordance with immediate requirements. The rising prospects of recession in the UK, as well as the sectors cited above that are forecast to decline, may create challenges for the future labour market in Exeter. Facilitating the ability to respond to any external shocks through provision of employability and skills support will be important to safeguard livelihoods and wellbeing. Working with partners, Exeter City Council will also look to encourage skills and training that can facilitate transitions between careers and continue to develop Exeter Works as a means to provide employability support to those who may lose their jobs or look for a career change.

3.2.3 Clear map of skills provision available

Exeter needs to ensure that there is an awareness of courses available among not just the employers but individuals looking to upskill. Understanding whether a course is appropriate for the skill needs of an organisation or individual (aligned to their career, prospects and interest) is vital to ensuring that provision is suited to the market and currently the landscape can be confusing to navigate. This links directly with the provision of strong careers information, advice and guidance for all ages, from young people leaving education, to those seeking a career change or returning to the labour market. Exeter City Council will therefore

work with partners to develop a road map of career pathways with skills needs and the availability of existing courses and providers in Exeter, particularly for priority sectors. This will also enable those providing careers information, advice and guidance to have the latest insight and identify where skills can be transferred. This will be particularly useful for Exeter Works, as well as partners such as the National Careers Service, to ensure suitable referrals can be made to training provision among those receiving support.

While Exeter has a good range of academic and vocational pathways it is important individuals fully understand all the options available to them. A lack of understanding by influencers, including parents, and individuals causes misperceptions of industries and roles. This can create challenges to fill vacancies in some sectors and Exeter will continue to support campaigns aimed at reducing these stigmas that can act as a barrier to employment. By mapping the provision available in Exeter, the City Council will work with the education and training providers to identify where it is possible to move between pathways to facilitate movement between careers. This will support all individuals who wish to move into new careers and will be of particular importance for responding to shifting sectors and potentially those in the over 50 cohort who have been leaving the labour market. Exeter City Council will further work with the business community to encourage them to see the value in employing older, more experienced individuals and providing them with training to overcome any hard skill gaps they may have.

3.2.4 Support those furthest from the labour market

A good job⁵² is a key part of an individual's wellbeing and a major factor in the standard of living for Exeter residents. A good job needs to be available to all, which requires supporting those facing other challenges into the workplace who are likely to be further from the labour market. This need is heightened during periods of labour market shortages where more people are required to fill vacant roles, as currently experienced. Further, as the working age population continues to decline, it will become increasingly important that those who are able to work, can. This necessitates continued and enhanced support to those from disadvantaged and hard to reach groups to gain basic qualifications and soft skills, as well as overcoming wider barriers to employment. Individuals with multiple barriers to employment are more likely to face social challenges such as housing and debt, which means employability assistance must be integrated into the wider social support agenda (as exemplified by the Exeter and Cranbrook Sport England pilot which includes an employability element).

Initiatives and organisations such as Co-Lab, Exeter College, Eat That Frog and Learn Devon will continue to be supported to offer community and bespoke support to help those furthest from the labour market find work. Exeter City Council will look to broker relationships between these organisations and the city's skills providers to ensure that referrals can be made to deliver employment enabling training.

Developing courses that are inclusive and can meet the needs of these individuals (including those who are neurodivergent) will also be important for training partners in the city, as well

⁵² A good job is one that provides basic needs through pay, career pathway and employment security as well as meeting higher needs of meaningfulness, personal growth, belonging, achievement and recognition. Source: Good Jobs Institute, <https://goodjobsinstitute.org/what-is-a-good-job/>

as encouraging employers to consider recruitment of individuals who may not have all the skills but can receive appropriate training. Skill providers in Exeter are already delivering courses in new ways such as bootcamps and shorter modules to cut down on the time required to obtain a specific skill and make access easier. Partners in the city will explore how they can better facilitate training in the community and online to reduce access barriers, as well as putting on courses in the evenings and weekends to reduce the indirect financial burden on learners. Where courses are developed and delivered as much digital and life skill provision will be embedded to help overcome these barriers to employment.

The effect of the pandemic has been to disadvantage some young people in their education as well as create long term unemployment challenges for others. Delivering training and support to individuals who have been adversely affected by the pandemic will be important to ensure that the risk of further gaps in the labour market can be limited. Exeter City Council will work in partnership with Jobcentre Plus, the National Careers Service and other organisations to develop solutions to get the long term unemployed back into work.

To support removing barriers to training, Exeter City Council will explore the development of an Urban Learning Academy in collaborative partnership with Exeter College and Co-Lab to offer a safe space for learning without the barriers or stigma of returning to an education setting. This will be important to help those who were unable to find work during the pandemic, particularly younger individuals and education leavers, as many will have gained no work experience or training for several years.

It is not enough to provide training and support to those furthest from the labour market into work; individuals need help to remain in work and employers need to be encouraged to facilitate employment, particularly for individuals with disabilities or other needs. Businesses struggle with providing enablement to those who are disadvantaged often because they lack the understanding, resources or time. Through the employer forum, Exeter City Council and partners will work to improve understanding among employers of how they can facilitate the needs of those who are disadvantaged in the workspace while offering insight into the benefits that diverse employment can have for a business. Working with partners, including Devon County Council, Exeter City Council will encourage values based recruitment and supported employment schemes so disadvantaged individuals can receive support while working, helping them to achieve their potential and maximise the benefits for their employer.

3.2.5 Raising aspirations

Many young people in Exeter have high aspirations for their careers, however a lack of ambition and awareness that some career options exist stymies opportunities for some. Exeter needs to celebrate the innovative organisations and exciting opportunities across the city and how young people can be a part of the continued success. More engagement with employers is needed to inspire young people to seek more ambitious futures. This will be harnessed through the employer forum, and Exeter City Council will work with the Careers Hub to raise aspirations in secondary schools and further education settings. Providing experiences to young people is important for raising aspiration and developing life skills so

encouraging the business community to offer meaningful work experience opportunities will be key to achieving this priority.

Given high rates of self-employment in Exeter and more widely in Devon, individuals need to be encouraged to view entrepreneurship as an aspiration. Business leadership skills and training need to consider how they can support individuals to consider starting businesses and link in with start-up support and incubator hubs. Aspiration also needs to be fostered among those who pursue vocational or creative routes to careers, alongside the skills to enable them to become self-employed.

3.2.6 Apprenticeships

Despite having a strong apprenticeship base and a wide range of apprenticeship provision, the decline in the number of apprentices over recent years needs to be reversed. Alongside other work-based learning provision, apprenticeships should be promoted as part of the career pathway options for all ages. Exeter City Council will work with local businesses to overcome their knowledge barriers with taking on apprentices and lobby to reduce the administrative burdens for employers. Apprenticeships also need to be recognised as a viable means to changing career and there needs to be support available for adults to facilitate this where currently it can be challenging due to pay levels. Exeter City Council will explore securing funding to develop a programme to facilitate workplace-based training among adults, as well as continuing to support traineeships by local businesses. Further, the Council will continue to support the development and expansion of degree apprenticeships at the University of Exeter and higher level apprenticeships with the further education providers to support career progression.

3.3 Priority Sectors

3.3.1 Digital Technology

Much of the future economic growth will come through digitalisation and the digital technology sector requires constant training to ensure that the solutions being developed for other industries are facilitated. Exeter's strong presence of technology companies will continue to drive specialist skills needs and corresponding training and development. Some of the key challenges for the sector are around attraction and retention, and so beyond training, Exeter needs to ensure that it remains a destination where individuals want to work. Tech South West are already progressing a significant programme of work in this area, and Exeter City Council will work with them to realise the benefits of this for the city..

3.3.2 Construction

The need for replacement demand, new skills for sustainability and potential for new investment in local projects will drive further training requirements for construction in Exeter over the next few years. The Building Greater Exeter initiative is highly regarded by the training providers and local businesses, and Exeter City Council will continue to lead the initiative and the partnerships it is creating. Building Greater Exeter will develop its support for people looking to work in the industry through the Construction Job Shop, the training directory and careers education, information, advice and guidance. Helping to overcome

misconceptions of the industry, Building Greater Exeter will campaign to improve perceptions of construction.

Through its partnerships with local skills providers, and the Devon Retrofit Academy, Building Greater Exeter will also help to identify and develop training for the future skills needs. Ensuring that there is a the provision of training available to deliver the green skills necessary to meet the net zero targets is important while recognising that training providers have to respond to the market demand. Building Greater Exeter will work with the sector to encourage businesses to recognise the needs for these skills now, and push their employees to participate in appropriate green skill training programmes.

3.3.3 Health and social care

The need for greater numbers of people to work in the health and social care sector is clearly paramount and training to meet the required skill needs now, and in the future, will require support from many organisations and institutions. Working with partners at Devon County Council, Proud to Care and the NHS Trusts, Exeter City Council will support training provision in health and social care to meet the need. This includes offering core skills, such as English and Maths, as well as soft skills including communication, to enable individuals to get onto the appropriate courses and programmes to pursue careers in health and social care. Promoting career progression and pathways through training opportunities and encouraging participation in the Health and Social Care Skills Accelerator Programme (HSSAP) will be important to responding to shortages in social care. Exeter City Council will also work with relevant stakeholders to facilitate the flow of overseas skilled labour into the sector who are increasingly going to be needed to plug gaps in the market, especially as the UK population ages.

3.3.4 Creative arts, culture and digital media

The ways in which Exeter City Council can support employment in the creative arts and culture sector are mainly outside of the skills landscape, focusing on how the industry can be encouraged within the city. As well as creating an environment to encourage the sector to grow locally on the skills agenda Exeter City Council will look to support individuals in the sector into leadership and management training, where there is evidence of need. It is also important that clear pathways are identified in the sector, with the appropriate training provision available to enable individuals seeking a career in the industry locally to participate. With much of the future growth in the sector coming through digital creativity and integration of these skills with other industries, supporting skill development is aligned to the Digital Futures priority for the LEP.

The creative arts and culture skill base will also benefit from the promotion and parity between pathways and clarity over the skills mapping. Involving organisations from the creative and cultural sector in an employer forum will also help to bring in different perspectives on skills needs and develop awareness among young people looking at their career options.

3.3.5 Voluntary Sector

Social enterprises, charities, community interest companies and voluntary organisations are all becoming increasingly woven into the fabric of the local economy in Exeter as elsewhere in the country. Employment in the sector continues to grow and has provided an important safety net for many who lost their jobs during the pandemic (particularly those over 50), both through the activities of organisations in the sector and direct employment in these organisations.⁵³ The sector needs to overcome challenges of misperception around pay and generally raise awareness of the careers available and through the careers information, advice and guidance, as well as careers education, Exeter Works and the City Council will support this endeavour. Local businesses will be encouraged to engage and collaborate with the voluntary sector to bring mutual benefit and potentially facilitate transitions of employment more easily between different sectors, helping to create a more dynamic labour market.

⁵³ UK Civil Society Almanac 2021, NCVO, 2021

4 Facilitation

To meet the above priorities interventions are necessary from a range of stakeholders working in partnerships with close communication and strong governance underpinned by robust evidence and sufficient resources.

4.1 Funding

The Shared Prosperity Fund, replacing European Structural Funding, will become a key source of funding for local skills and employability initiatives. The Shared Prosperity Fund is split between three investment priorities; Community and Place, Supporting Local Business and People and Skills. The latter priority, People and Skills, will be enabled from 2024-25 after remaining European Social Fund investments have ended in 2023. Exeter will look to support the objectives to boost core skills and in work progression, reduce economic inactivity, support those furthest from the labour market and fund gaps in local provision. The Shared Prosperity Fund objectives align to the Levelling Up Fund missions to improve pay, employment and productivity, improve wellbeing, increasing high quality skills outcomes, and reducing the gap in Healthy Life Expectancy by 2030.

The Shared Prosperity Fund encourages collaboration between local areas to maximise the value and avoid duplication with existing activity and funding such as the Adult Education Budget, national initiatives, including Multiply, and the interventions of the National Careers Service and Jobcentre Plus. With the County Deal for Devon, Plymouth and Torbay granting increased control of skills budgets, likely through an Adult Education Budget, Exeter will work closely with the new devolved arrangement to ensure all gaps in provision are filled. Exeter City Council will be producing an investment plan to outline how they intend to allocate the budget available through the Shared Prosperity Fund (initially for Community and Place and Support Local Business priorities).

The Department for Education have also announced the National Skills Fund to help adults gain skills through expansion to the Skills Bootcamps and increasing eligibility for free level 3 qualifications. Operated through the Education and Skills Funding Agency (until the County Deal is ratified) this will support those unemployed and looking for work, those earning less than the National Living Wage or individuals between 19 and 23. The courses available are in a range of sectors including digital, engineering, construction, health and social care, hospitality and catering, and public services and can cover technical training (such as HGV driving) and green skills (such as solar PV installation). Exeter will ensure that any city level interventions enhance the support offer from the National Skills Fund, alongside other Education and Skills Funding Agency allocations.

Core funding for skills and training to colleges and training providers will continue to support the majority of the provision locally for those 16-19. This includes funding for T-Levels, A-Levels, traineeships, supported internships while apprenticeships continue to be funded by the apprenticeship levy. Working with and building on the funding landscape for employability and skills is essential to the successful outcomes of any interventions devised.

4.2 Labour Market Intelligence

There are strong sources of LMI that can help inform advisors and policy makers in this space on the appropriate interventions and recommendations to respond to current and future needs. However, this information needs to be commonly accessed, shared and disseminated, and would likely benefit from being available at a LEP or Devon County level to allow some economies of scale. The National Careers Service and DWP hold information, as does the Local Authority, which helps to facilitate better decision making. Improvements to the speed at which LMI can be updated and shared, as well as enhancements from both businesses and skills providers would take the current strengths of the intelligence further. It would allow for a quicker response by frontline employability services to redundancies and vacancies and allow for greater clarity on potential career opportunities.

More robust information can also inform better judgements of demand and development for skills and training courses, ensuring they are appropriate to need. Therefore, strong LMI in Exeter needs to continue to enable successful employment and skills interventions and be enhanced where possible to generate improvements in accuracy.

4.3 Partnerships and Communication

Strong partnerships between stakeholders and delivery organisations in Exeter need to be maintained and developed. Initiatives like Exeter Works should be encouraged for the role they play in bringing together key organisations and overcoming the knowledge and information barriers for individuals and businesses to access the skills they need. Cross referrals facilitate improved outcomes for individuals and ensure that there are no wrong doors for those seeking employability or training support.

Further, a joined-up landscape that communicates effectively to work in partnership will avoid duplication of resource, fill gaps in provision and share learning to generate better outcomes. Within Exeter there are lots of strengths offered by the stakeholders, from community activity through to higher level skills provision. In recent years these organisations have been increasingly working together and there are increasing opportunities for closer collaboration, particularly in response to the changing funding landscape, to discuss solutions. This is beneficial to the employability and skills support ecosystem.

4.4 Governance

The University of Exeter, Exeter College, the independent training providers, Jobcentre Plus, National Careers Service and community and third sector organisations in this space will continue to deliver skills and employability support in Exeter. Exeter City Council will maintain its relationship with all these organisations and continue to convene the Exeter Skills Advisory Group. The Group will oversee activity in this space and ensure delivery in accordance with the Action Plan (see section XX) as well as identifying further priorities in response to the evidence collated and shared. Exeter City Council will provide a central brokerage role for communication and a governance and oversight role to link the policy agenda with the delivery agents.

5 Action Plan

Priority	Action	Lead	Stakeholders	2022 Actions	2022/23 Budget or funding required
Talent Retention and Attraction	Embed and Develop Exeter Works as the city-wide 'Go-to' for all support in relation to careers, skills and training. Develop support offer for employers as well as individuals.	ECC	Chamber / JCP / NCS / DCC / TPs / College / University / Business Community	2022 - consolidate offer / drive customers to Hub / develop Employer offer 2023 - develop future plan depending on future use of hub space / online offer	22 / 23 £20k from Core Budget and £45k from DCC for hub 2023 onwards explore future funding options
	Develop a stronger partnership with University of Exeter - particularly the Student Employability Team, to ensure maximum impact of programmes to provide graduate employment and opportunities locally. Includes annual reporting on graduate retention numbers and local businesses engaged in programmes.	ECC / University of Exeter	Business Community	2022 - Develop partnership and programme of activity / set baseline 2023 - Embed activity / review progress 2024 - further development / review	ECC = £0 / University investment in programmes
	Develop the Exeter 'offer' to current and prospective workforce. Strongly linked to local attractiveness, housing, transport and education	ECC - including Liveable and ELB	Business Community / Education / DCC - transport and Inward Investment	2022 - develop the offer and plan	TBC
	Support the ongoing development of business skills / key self-employment skills . BIPC have a well established and highly regarded programme. Explore demand / needs and fit with SPF.	BIPC	ECC	2022 - explore fit of current programmes for SPF and demand / needs	SPF
Alignment of training provision and future skills need	ECC to play an active role and support the development of the Local Skills Improvement Plans , ensuring local needs and met and supported with current LMI.	Devon Chamber	DCC / College / TPs / ECC	2022 - develop of LSIP and submission to government	N/A
	Develop an Exeter Training Provider Group to ensure collaboration / maximise funding available / reduce duplication and ensure clarity of offer to businesses and individuals. Add clarity to the offer through Exeter Works.	ECC / DCTPN	TPS / College / DCC / Youth Hub Devon	2022 - short up by Autumn and agree ToR / ways of working	£900 (DCTPN membership fee)
	Employer Engagement - scope an employer forum / assessment of current structures - to support the collaboration between business and providers and define the skills needs / training required now and in the future.	ECC	Chamber / FSB / Other business groups and forums / College / TPs	2022 - scope the need and potential structure of a forum by Autumn	£0
	Digital Skills in the workplace - work with Digital Skills Partnership and other stakeholders to fully understand the digital skills requirements within businesses and ensure the provision is in place.	ECC / DSP	businesses / TPs / College / University	2022 - scope the requirement for this piece of work /review existing research and intelligence	£TBC may need to commission
Clear map of the skills provision available	Comprehensive mapping of current providers and provision in Exeter and TTWA . This will support the offer through Exeter Works, guidance to individuals and support the businesses. Explore mechanism to 'present' and make accessible. Use to ensure the gaps are identified and included within UKSPF Investment Plan.	ECC	TPs / College / University / Current ESF providers	2022 - undertake mapping exercise / link to TP forum (see above) / identify gaps / develop plans for UKSPF	£TBC for support for mapping / UKSPF

Priority	Action	Lead	Stakeholders	2022 Actions	2022/23 Budget or funding required
	Develop career pathways / skills needs / qualifications for priority sectors, working with partners e.g. Proud to Care for Health and Social Care. Use these to support Careers Hubs / NCS and other partners and providers working with individuals, including career changers and those returning to the labour market.	ECC / Sector partners	NCS / Careers Hub / TPs / College / University / Advice Organisations	2022 - work with ESAG to determine priority order for sectors to develop.	from £20k Exeter Works budget if needed
Support those furthest from the labour market	Work in partnership with JCP , Seetec and other organisations supporting people not currently engaged in the labour market. Develop plan / initiatives based on evidence to focus on groups and locations of most need for support. Linked to UKSPF Investment Plan	ECC / JCP	Seetec / NCS / Co Lab / TPs / Community based organisations	2022 - Convene discussions / develop plan / identify priorities for UKSPF investment plan	UKSPF
	Continue to support priority groups through Exeter Works and Youth Hub Devon.	ECC / DCC	Chamber / JCP / NCS / DCC / TPs / College / University / Business Community	2022 - consolidate offer / drive customers to Hub / develop Employer offer 2023 - develop future plan depending on future use of hub space / online offer	Exeter Works budget
	Explore the concept of an Urban Learning Academy for those furthest from engaging in any kind of learning to provide community access.	ECC / Co-Lab / Exeter College	community groups / TPs / support organisations	work with partners to develop the concept and explore feasibility	TBC / UKSPF
	Work with community learning providers to determine best use of funding available and avoid duplication, improving impact achieved and accessibility while addressing digital and life skills needs.	ECC	Exeter College / Learn Devon / Eat that Frog / AEB holders	as part of mapping exercise above	£0
	Support employers to address barriers to recruitment and retention , with support, advice and guidance in relation to approaches such as; values based recruitment, understanding trauma, addressing wellbeing, support for mental health in the workplace. Offer as package of support through Exeter Works.	ECC / DCC	Business Community / specialist support providers	undertake research with employers to understand needs and support requirements / undertake scoping of support available	£2k Core Budget
	Kickstart Scheme - conclude involvement in 2022. Evaluation of impact and engagement in role as Gateway Organisation.	ECC	DWP / Businesses Engaged	finalise role / make all payments / evaluate with employers and young people / produce overview report	Kickstart budget
	Continue to organise Jobs Fairs in partnership with JCP twice a year. Ongoing review and development to ensure both those out of work and seeking a job / career changers are targeted.	ECC / DWP	Businesses	agree dates for fairs / review business engagement / develop marketing plan	£2k from core budget (JCP also contribute)
Raising aspirations	Continue to work with the Careers Hub to support our secondary schools and college to embed and develop their careers programmes for young people. Raising Aspirations and developing understanding about future opportunities. Ensuring employer engagement.	ECC / Careers Hub	Schools / College / businesses	scope support for Careers Hub and agree joint working	TBC
	Manage and deliver the Empowering Girls Programme , offering mentoring and workshops to year 9 girls in Exeter and TTWA secondary schools building on previous pilot activity.	ECC	Schools / business community / Howmet / Careers Hub	deliver 121 mentoring and workshops as outlined in Howmet application	externally funded - Howmet foundation

Priority	Action	Lead	Stakeholders	2022 Actions	2022/23 Budget or funding required
	Use Exeter Works as the key programme and driver to support people who want to continue to develop their skills and careers. Develop offer through the hub to 31 March 2023. Scope offer from April 2023 onwards.	ECC	DCC / JCP / chamber / NCS / TPs	2022 - consolidate offer / drive customers to Hub / develop Employer offer 2023 - develop future plan depending on future use of hub space / online offer	Exeter Works budget
Apprenticeships	Develop Employer Engagement. Work with employers and develop a communications plan to support understanding of apprenticeships by removing barriers and creating opportunities, as well as explore funding to support adults to use apprenticeships as a route to change careers.	ECC	DCTPN / Businesses	scope understanding / needs / barriers and develop plan to respond. Programme of activity for National Apprenticeship Week 2023	TBC
	Use our Apprenticeship Levy underspend when available to support employers who need to access funding.	ECC	Businesses	promote availability and assess on ongoing basis	levy underspend when available
	Work with providers / schools / careers hub to ensure the profile of apprenticeships is high amongst our young people and potential learners of all ages. Use Exeter Works as a key delivery vehicle for support.	ECC	Careers Hub / Schools / College / TPs / DCTPN	develop approach with Careers Hub and through Exeter Works	TBC
Priority Sectors					
Digital Technology	Work with Tech SW to maximise the impact of their work in the city. Develop a partnership / action plan.	Tech SW	ECC	By end 2022 - scope partnership and joint working with Tech SW	£0
Construction	Continue to support and develop Building Greater Exeter, act as accountable body.	ECC / BGEX	East Devon and Teignbridge and all construction industry and training provider / education partners	oversee delivery of 2022/23 project plan / ensure financial sustainability from 2023 / 24 onwards	£10k ECC contribution / partner contributions
Health and social care	Work with Proud to Care to support actions for the sector in Exeter.	Proud to Care	ECC	By end 2022 - scope partnership and joint working with Proud to Care	£0
Creative arts, culture and digital media	Scope support requirements for the sector - skills and business development / entrepreneurial skills.	Exeter Culture	ECC (inc; Arts and Events) / City of Literature / Sector representatives	By March 2023 - scope support requirements / skills needed / ESAG role	£0
Voluntary	Work with the sector and key representatives to scope the support needed to promote jobs / careers and pathways within this sector to all.	ECC / VCSE Sector	Sector representatives	By March 2023 - scope support requirements	£0
Facilitation					
Funding	Develop the Skills and Training plan for the UKSPF Investment Plan.	ECC	ESAG	by UKSPF deadline 1 August	UKSPF
	Provide input and ensure Exeter priorities for Skills and Employment are represented in the Devolution Deal for Devon, Plymouth and Torbay.	DCC	ECC / ESAG	actively contribute as required	£0

Priority	Action	Lead	Stakeholders	2022 Actions	2022/23 Budget or funding required
	Support where needed and appropriate with funding bids and ensure funding such as AEB / Community learning is directed towards priorities identified in this strategy.	ECC	As appropriate and when needed	when required	£0
Labour Market Intelligence	Work with DCC to ensure that high quality, accurate and timely LMI can be provided to those who need to supporting individuals and businesses to make decision about training and skills development.	DCC	NCS / Careers Hub / Exeter Works	establish LMI available and needs / regular updates	£0
Partnerships and Comms	Ensure strong and effective partnership working across the city to continue to drive success and prosperity.	ECC	ESAG	see individual actions above	£0
	Communicate the skills successes of the city! Ensure calendar of relevant dates / weeks is up to date and cross-city activity planned.	ECC	ESAG / ECC communications team / partner communications team	calendar of key events and activity	£1k
	Annual Skills Event for Exeter to support the ongoing monitoring of this action plan and seek feedback (based on feedback from April 22 event).	ECC	ESAG	plan date for annual review event / ensure significant business engagement	£2k Core Budget
Governance	Review Exeter Skills Advisory Group Governance and representatives. Ensure review processes and cycles for this action plan. Arrange briefing session for all ESAG members.	ECC	ESAG	By end July - review governance / set meeting cycles / arrange briefing session	£500

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Annex A: Evidence Base

This annex presents the evidence base for the Exeter Skills Strategy. It draws on various available data sources from the public sources, such as the ONS and Department for Education, and commercial sources such as Burning Glass. It is supported in the strategy by additional findings from stakeholder consultations conducted with 25 individuals and organisations across Exeter, as well as qualitative data from attendees at an Exeter skills event held in April 2022.

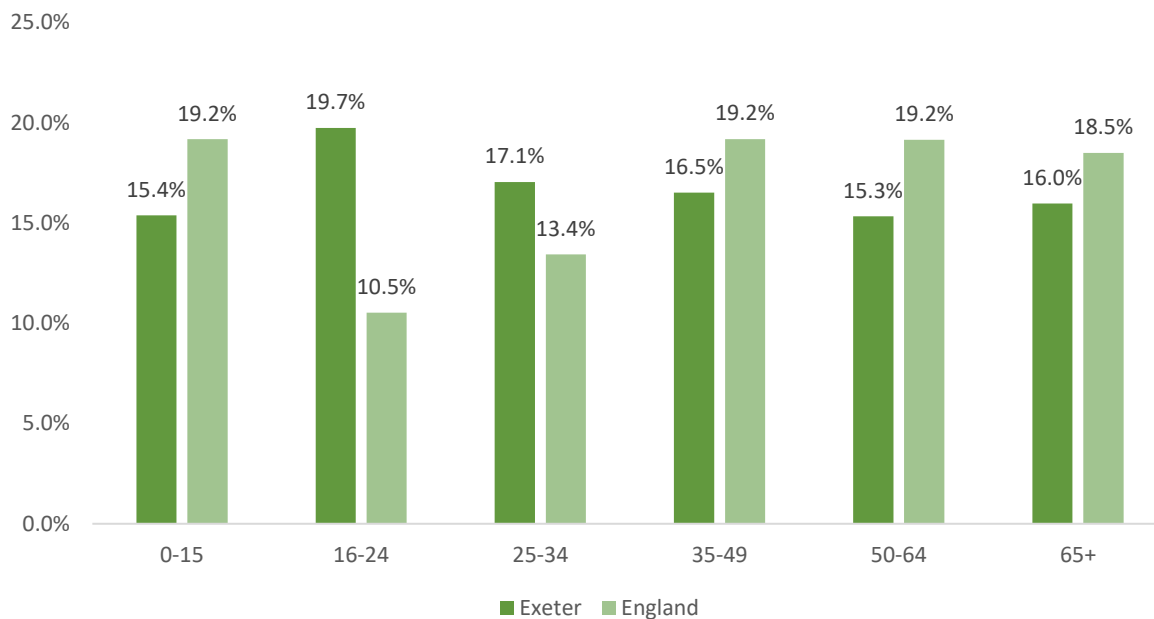
1.1 Demographics

Exeter is one of the largest cities in the South West, with a population of 133,300.¹ This compares to 262,000 in Plymouth, 136,000 in Torbay and 60,400 in Taunton, Exeter's nearest neighbours. Exeter's population grew by 13.8% in the last decade, the highest growth rate of any local authority district in Devon. Exeter's gender split has marginally more males (50.2%), the highest proportion of males of all of Devon's local authority areas. It is also higher than the English average of 49.5%.

Reflecting the city's large student population, Exeter's age profile is relatively young. The city has a high proportion of 16 to 24-year-olds: 19.7% of the city's population belongs to this age group, which is 9.2% higher than the English average. The proportion of 16 to 24-year-olds in Exeter has grown by 1.1% since 2011. Although this may seem like a modest increase, Exeter is the only local authority area in Devon to have experienced any increase in this age banding. Devon saw a decrease in the proportion of 16 to 24-year-olds, and England saw a drop of 1.3% in the same period. Compared to England's age profile, Exeter also has a higher proportion of 25 to 34-year-olds but is below national average for all of the older age groups.

¹ Population estimates, ONS, 2020

Figure 1: Age profile of Exeter compared with England

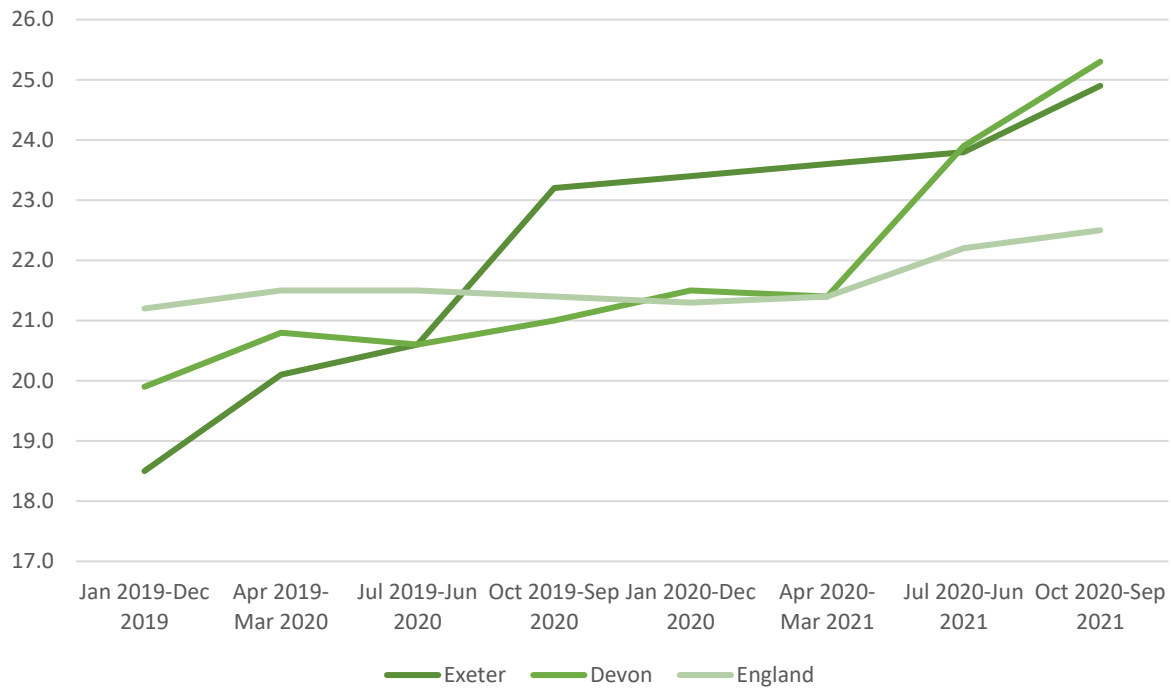


Exeter has a large working age population of 91,500 people, representing 68.64% of the city's population. This is considerably higher than the average for both England (62.31%) and Devon (58.09%). While many areas of Devon have seen a decrease in their working age populations since 2011, Exeter has experienced a considerable growth rate of 14.4%. The city attracts working age people at a higher rate than Devon (3.5%) and England (2.6%). Though there is less of an ageing population challenge in Exeter, the surrounding local authorities in Devon all face significant ageing challenges which will likely affect Exeter.

The proportion of people living with a work-limiting disability (considered to be 'EA core or work-limiting disabled') before the Covid-19 pandemic was a lower percentage in Exeter than the average for both Devon and England.² This includes people who have a long-term disability which substantially limits their day-to-day activities, or which affects the kind or amount of work they might do. However, there has been a sharp increase in this percentage from 18.5% in December 2019 to 24.9% in September 2021. This 6.4 percentage point increase is higher than the figure for Devon (5.4 percentage points) and significantly higher than that for England (1.3 percentage points). Exeter now has a considerably higher proportion of people of working age with a work-limiting disability than the average for England (22.5%) and has almost closed the gap with Devon (25.3%).

² Annual Population Survey, ONS, 2021. Results at lower geographies including Exeter are less robust and should be treated with caution.

Figure 2: Percentage of working age population who are EA core or work-limiting disabled



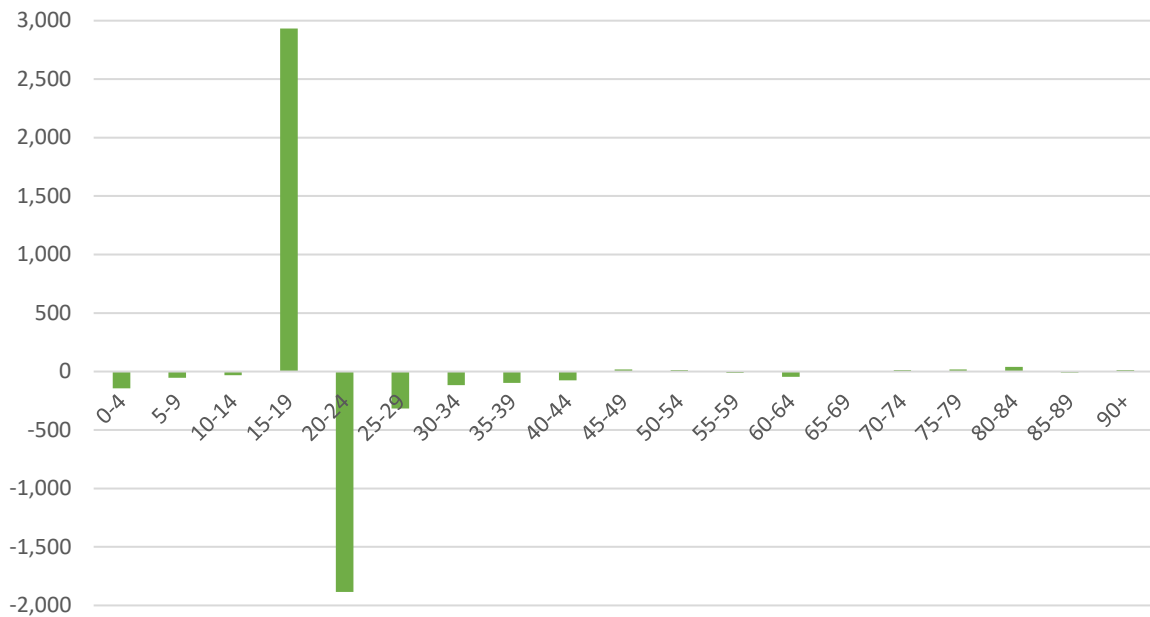
In terms of ethnicity, 91.7% of those aged 16+ in Exeter are white.³ Although this is lower than the Devon average (96.3%), Exeter still has considerably less ethnic diversity than the English average (where 86.2% are white). Since 2011, the proportion of white people in Exeter has decreased by 3.1 percentage points – a faster rate than the 2.4 percentage point decrease in Devon and 1.4 percentage point decrease in England over the same period.

Exeter experiences relatively high inflows of migration, the majority of which has been international. The city has the highest rate of international migration of all the districts in Devon due extensively to the University of Exeter attracting high numbers of international students. In 2020, Exeter had a net international migration rate of 1.26%, compared to only 0.29% in Devon and 0.41% in England.⁴ Since 2011, the rate of international migration has been positive every year and remained relatively stable, with figures ranging between a low of 0.41% in 2019 and a high of 1.26% in 2020. Internal migration has a much lower net impact on Exeter's population, with a rate of only 0.19% in 2020 compared to 1.05% in Devon and -0.4% in England. Again, these flows have remained stable, ranging between 0.16% and 0.8% since 2011.

³ Annual Population Survey, ONS, 2021

⁴ Local area migration indicators, ONS, 2020

Figure 3: Net migration across Exeter in 2020 by age group

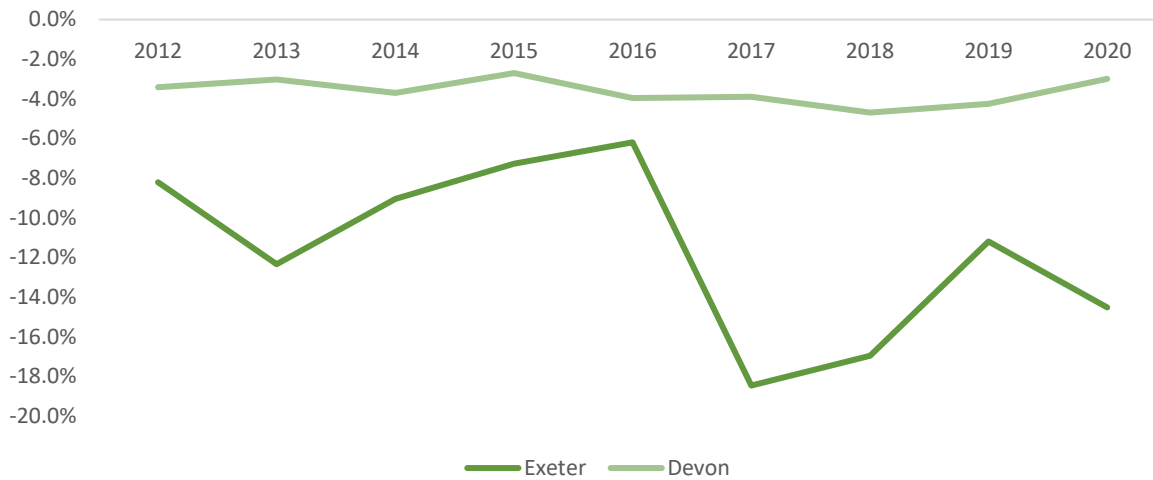


The above figure shows the net migration across ages in Exeter, with very high inflows of 15 to 19 year-olds, mirrored by comparative outflows for ages 20-24. This reflects the influx and departure of university student populations in the city. There is a net loss of all the other younger age groups (up to 44), decreasing as the age groups get older. From 45 to 49 years-old onwards, the rate of net migration becomes a net inflow. From this point onwards, almost all of the older age groups experience a net gain in migration.

Figure 1.4 indicates the net migration of 20 to 24 year-olds as percentage of the population over time, which demonstrates the 'brain drain' effect. Since 2016 the net loss of 20 to 24 year-olds has increased; in 2016 the 20 to 24 year-old population in Exeter was declining by 6.2% , where as in 2020 this was as high as 14.5%.

In 2020 in Devon the net decrease in 20 to 24 year-olds was at its lowest in 5 years, which contradicts the pattern seen in Exeter. This is likely to be caused by the disruption of the pandemic affecting student destinations including Exeter.

Figure 4: Net migration of 20 to 24 year-olds as a percentage of the sample population

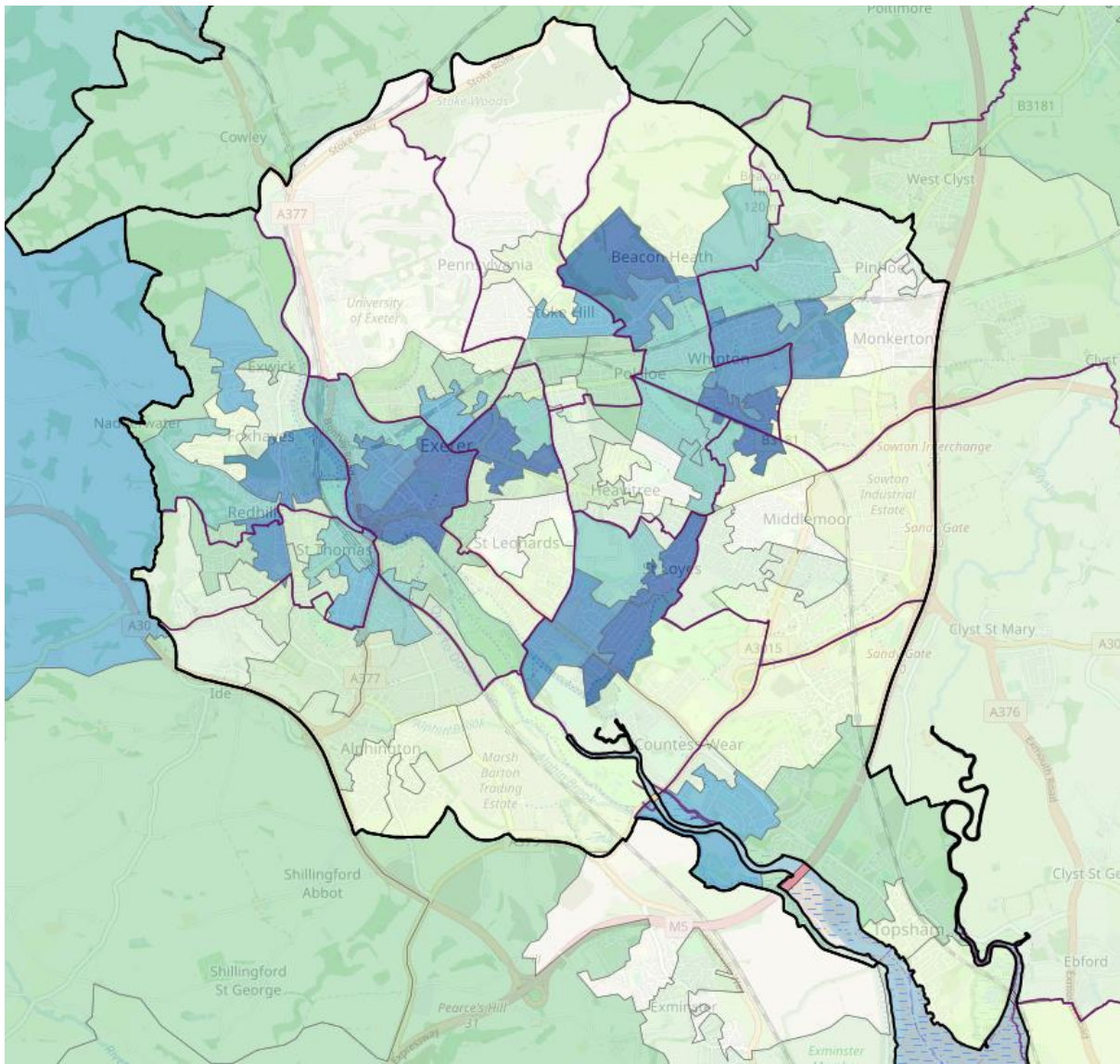


1.2 Deprivation

The Index of Multiple Deprivation (2019) provides insight into the relative deprivation by neighbourhoods (Lower Super Output Area). While there are no neighbourhoods in Exeter in the lowest 10% of deprived LSOAs in the country, there are several in the lowest 20%.⁵ These include parts of Priory Ward and St Loyes Ward (particularly the area around Burnthouse Lane), Mincinglake & Whipton Ward (around Leypark Road and North to St Lukes and around Beacon Heath), the Newtown part of Newtown & St Leonards Ward, and St David's Ward (around Southernhay and South Street).

12% of LSOAs in Exeter are in the 'most deprived' 10% category for living environment, 5% for education, skills and training and 4% for health and disability. Exeter's deprivation performance is poorer than Devon average for health and disability, crime, and education, skills and training.

⁵ Indices of Deprivation, Department for Communities and Local Government, 2019

Figure 5: Map of the Index of Multiple Deprivation 2019 for Exeter⁶

1.3 Sector structure

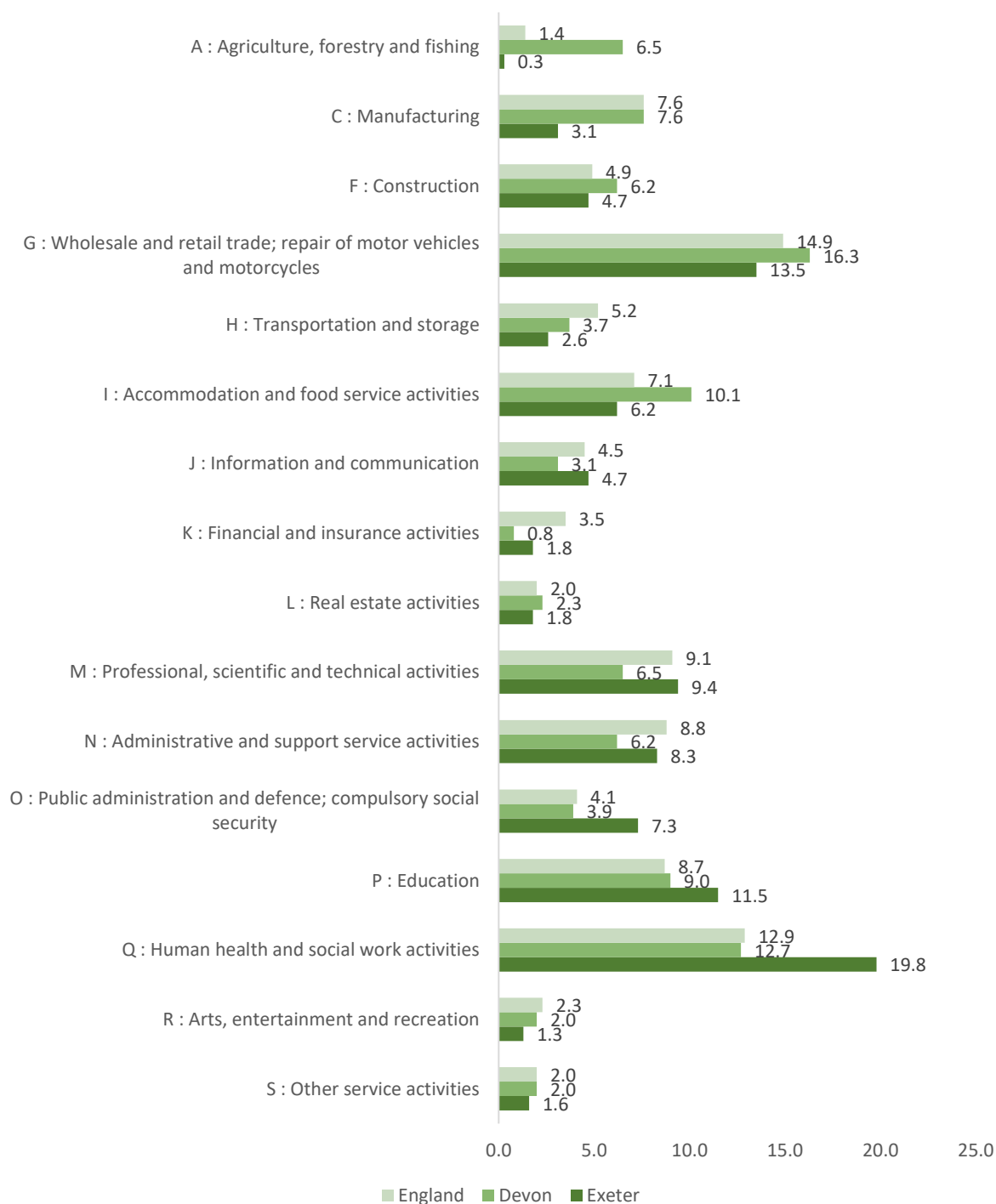
The composition of Exeter's industry is somewhat dominated by Health and social work, with nearly a fifth of employment in this industry alone. As shown in figure 1.5, there is higher employment in Professional, scientific and technical activities than the Devon average, which demonstrates Exeter's role as a hub for higher-skilled professional employment.⁷ Exeter also has a significant proportion of employment in education (11.5%) which is higher than the UK average (8.7%).

44.8% of employment in Exeter is within its three largest industries, compared to 36.9% in England, suggesting a greater reliance on the sectors of health, retail and education.

⁶ http://dclgapps.communities.gov.uk/imd/iod_index.html#

⁷ Business Register and Employment Survey, ONS, 2020

Figure 6: Exeter’s industrial sectors by employment



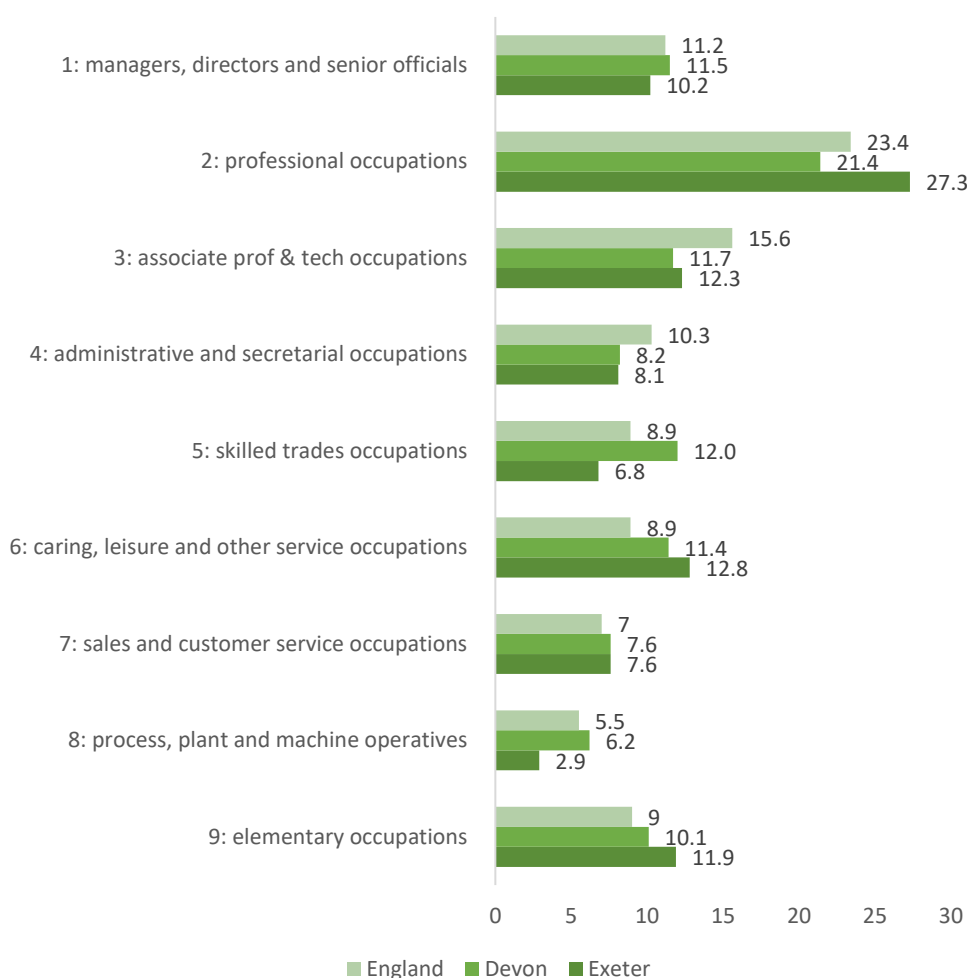
Measuring sectoral structure by business count reveals a higher business count for the Professional scientific and technical sector (16.4%), and for Information and communication (6.9%) than Devon average, which reinforces Exeter as a hub of this activity in Devon. Although the volume of businesses in these industries are proportionately higher than the South West average, they still remain lower than English average. The distribution of business counts by sector is spread over a greater number of industries than the England average, with a marginally larger share of construction businesses than nationally.

1.4 Occupation categories

The 2020 figures on occupation categories indicate that the highest occupation category is professional occupations (27.3%), which is higher than both Devon and England. Caring, leisure and other service occupations is the second largest occupation category (12.8%), which reflects Exeter's reliance on healthcare and is again higher than Devon and England.

The proportion of people who are in elementary occupations (11.9%) are also higher than Devon and England, suggesting an 'hourglass' labour market, with a weighting towards the higher-skilled and lower skills occupations, with less representation of middle skilled occupations in Exeter. By comparison, Devon has a larger proportion of skilled trade and process, plant and machine operatives, and administrative and secretarial occupations than Exeter, which occupy this middle skilled area.

Figure 7: Occupation categories in Exeter (ONS, 2020)

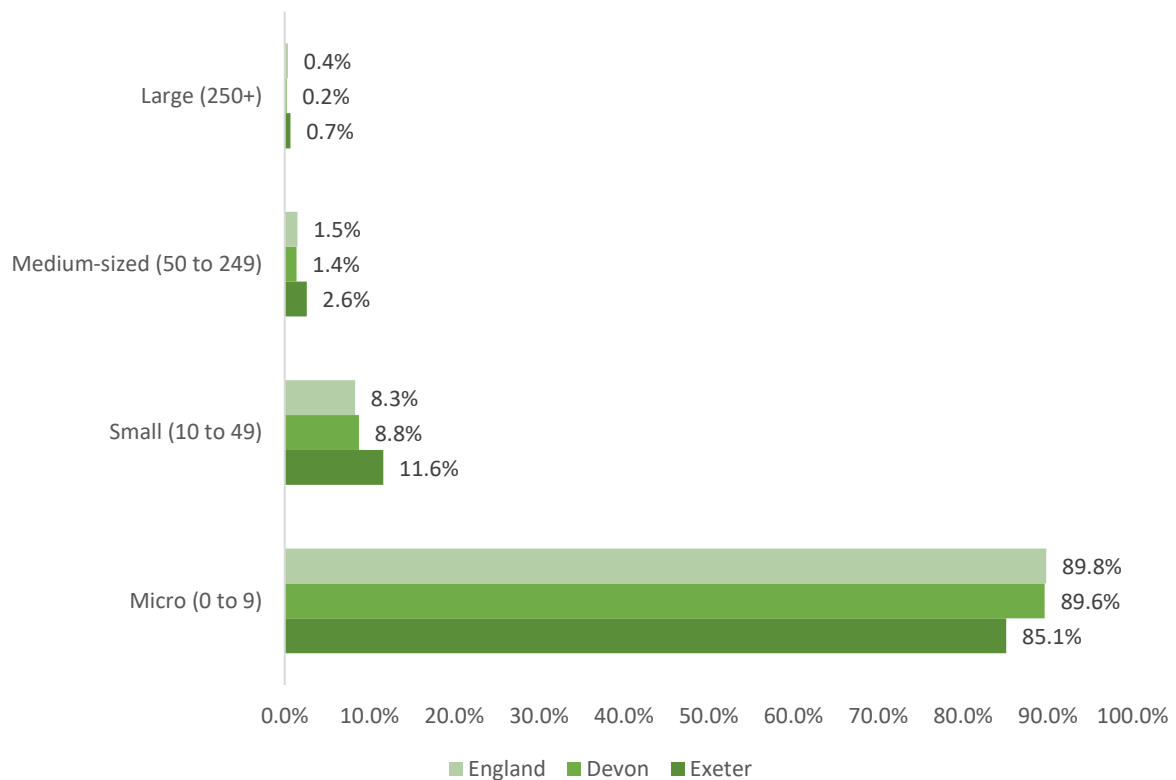


1.5 Business size and demography

In total, Exeter has 4,430 businesses, which represents a 28% increase from 2011.⁸ The distribution of business sizes in Exeter is mostly micro (1-9 employees) accounting for 85.1% of businesses though at a lower proportion than in Devon and England (88.6% and 89.8% respectively). 11.6% of businesses in Exeter are small (10-49 employees) compared to the lower England average of 8.3%. The percentage of medium and larger businesses are also higher than both England and Devon averages.

Since 2011, the number of large businesses in Exeter has grown by 50%. This growth was faster than both Devon (33%) and England (24%).

Figure 8: Business size as proportion of business stock (2020)

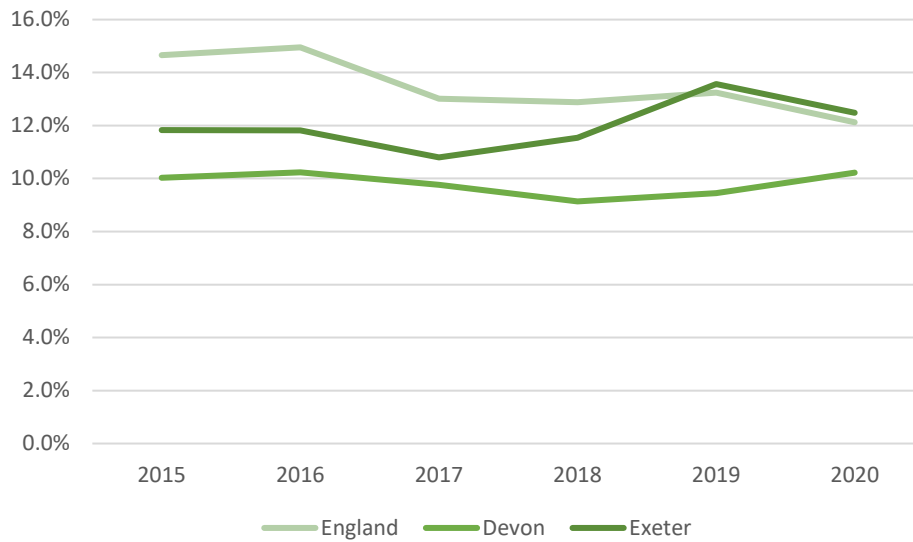


Exeter has overtaken the English average of business births to 12.5% of active enterprises in 2020 compared to 12.1% in England.⁹ The rate of new business births in England has been consistently decreasing since 2016, whilst Exeter has been broadly increasing over the same period. Exeter also accounts for a significant proportion of business births in Devon, accounting for between 15.6% and 21% of new births in the county in 2015 and 2020.

⁸ UK Business Count, Interdepartmental Business Register, ONS, 2021

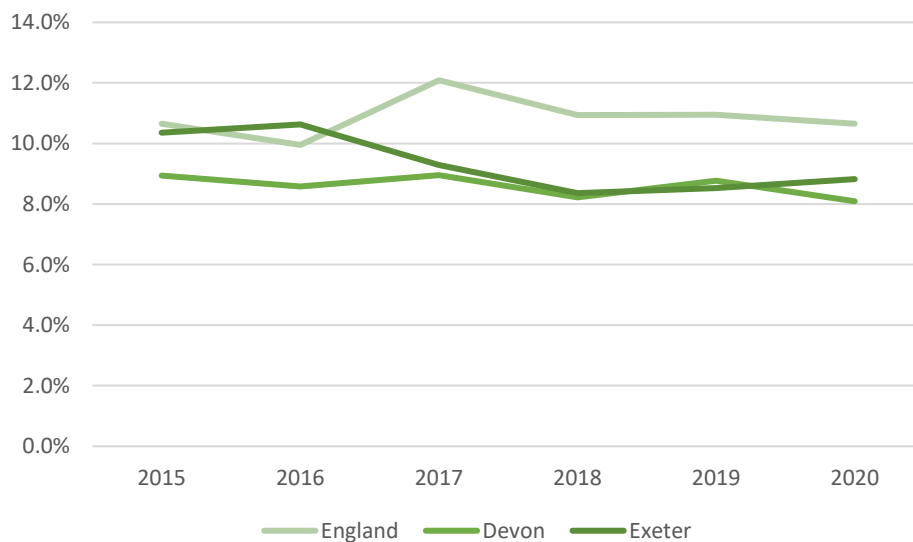
⁹ Business Births and Deaths, ONS, 2021

Figure 9: Business Births (2020)



Business deaths in Exeter have also been decreasing since 2015, from 10.4% to 8.8% in 2020, which is lower than the England average (10.7%). Exeter has accounted for between 14.2% and 17.6% of business deaths in Devon during that period.

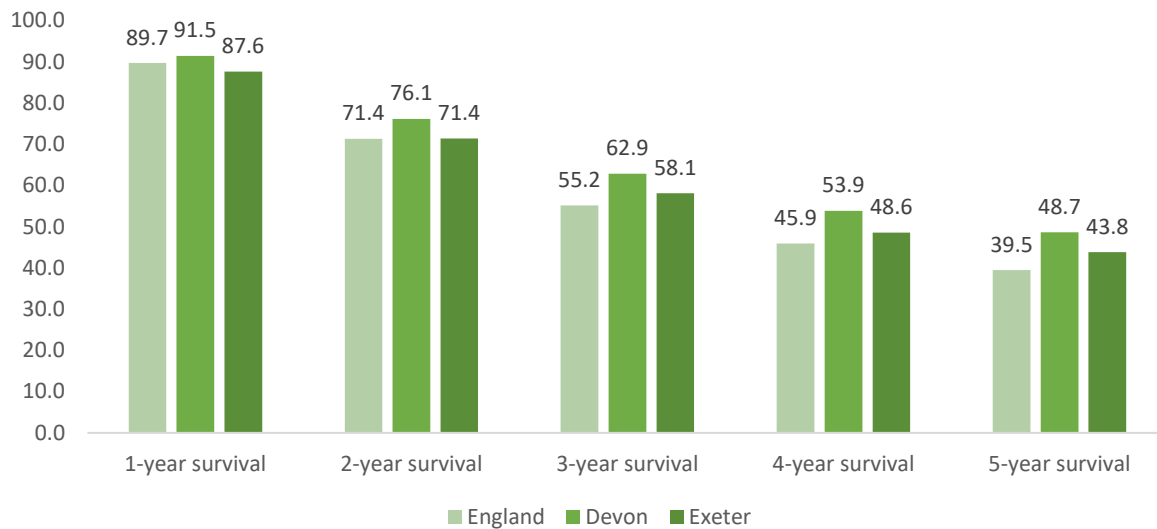
Figure 10: Business deaths (2020)



However, the business survival rate in Exeter is marginally lower than Devon, and broadly consistent with the England averages for 1 and 2 year survival.¹⁰ For businesses between 3-5 years old, the business survival in Exeter is consistently higher than the England average, as shown in figure 1.10.

¹⁰ Business Survival Rate, Interdepartmental Business Register, ONS, 2021

Figure 11: Business survival rate (2020)



1.6 Employment and economic activity

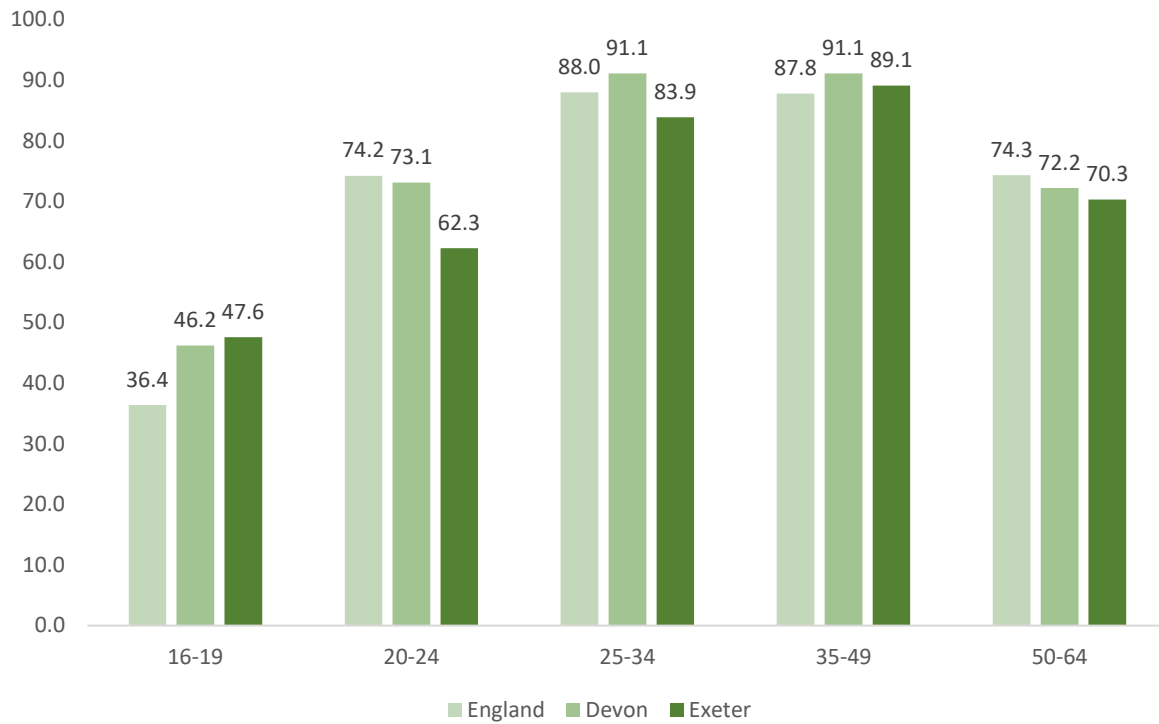
The rate of economic activity in Exeter (the number of people participating in the labour market including those in work and unemployed but seeking a job) has experienced a large fall since the Covid-19 pandemic. In March 2020 the economic activity rate in Exeter was 81.3%. The latest figures are 73.4%, or a fall of 7.9 percentage points over the two year period. Devon experienced a 5.5 percentage point fall in economic activity though from a higher starting point 83.3%. This brings Devon into line with the England average of 77.8%, whilst Exeter's is below the England average.

Though the data at lower geographies needs to be treated with caution due to scaling to this level, there is sufficient evidence that there has been an extensive shift in the number of working age individuals engaging with the labour market. The changes in economic activity rate in 2020 and 2021 may be a result of the 'Great Resignation' as individuals re-evaluate their working life and leave the labour market or move into other roles. One pattern seen across the post-pandemic economy in Exeter and Devon, is that many of the 50 to 64 year-old cohort has left the labour market. In Exeter, the proportion of 50 to 64 year olds economically active has fallen by 13.1 percentage points compared to 6.2 percentage points in Devon. A study by the ONS indicates that 6 in 10 would not be prepared to return to the labour market, and while 1 in 10 would, part time and flexible working patterns would be required to encourage them back.¹¹

There are also far fewer economically active people in 20 to 24 age group in Exeter compared to Devon and England. This is likely a result of fewer students in the city and therefore looking for work.

¹¹ Reasons for workers aged over 50 years leaving employment since the start of the coronavirus pandemic, ONS, March 2022

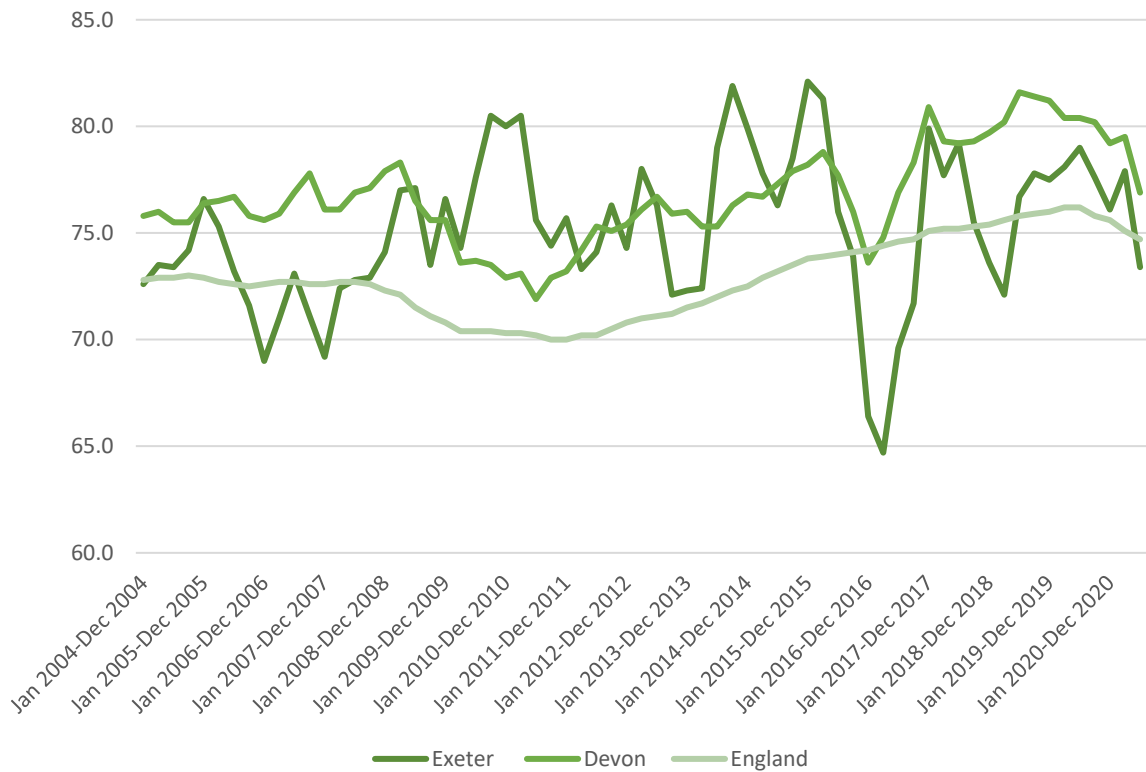
Figure 12: Economic activity across age groups 16+ (ONS, 2021)



The employment rate in 2021 in Exeter was at 73.4%, which is marginally lower than both Devon (76.9%) and England (74.4%).¹² The employment rate has decreased considerably since the beginning of the Covid-19, where previously the employment rate for Exeter was 78.1%, higher than the England average (76.2%).

¹² Annual Population Survey, ONS, 2022

Figure 13: Employment rate 2004-2020



The unemployment rate for Exeter reflects these changes, and closely mirrors the national trends, albeit lower. In December 2019, unemployment was 2.6% in Exeter, 3% in Devon and 4% in England. By December 2020 this has increased to 4.6% in Exeter, 4.2% in Devon and 4.9% in England. In 2021, unemployment had fallen in Exeter and Devon and latest data shows unemployment is heading below 3% in these areas while in England it is still at 5%. While unemployment remains low, and there have been record levels of vacancies in the labour market (see below), the potential for unemployment to rise as the UK economy faces recession and inflation is increasing.¹³ Latest indicators from those claiming universal credit for unemployment (where data is available up to March 2022) suggests unemployment remains low (2.3% by this measure which does not include those who are unemployed but not claiming out of work benefits).¹⁴

¹³ Monetary Policy Committee Report, Bank of England, May 2022

¹⁴ Claimant Count Unemployment, ONS, 2022

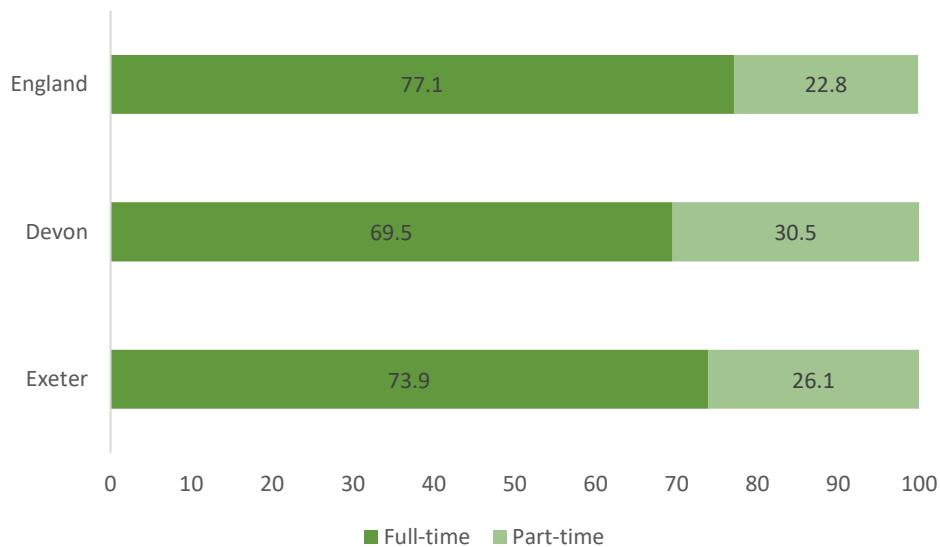
Figure 14: Unemployment rate 2004-2020 (ONS, 2021)



1.7 Employment patterns

The rate of full-time employment for those of working age in September 2021 in Exeter was 72.9%. Though there have been fluctuations in full time employment rates in Exeter over the last 5 years, the trajectory has generally been towards more full time employment compared to part time. The figures for Exeter are higher than the rate for Devon, but lower than the England average, as shown in figure 1.14.

Figure 15: Employment patterns (ONS, 2021)



Rates of self-employment in Exeter were 6.6% in 2021, lower than the Devon figure (14%) and below England (9.7%). While robustness of the data limits reliability at the lower Exeter geography, rates of self-employment had been trending upwards since 2012, alongside Devon and England. Though self-employment in Devon and England was decreasing prior to the pandemic, and for Exeter it appears to have been decreasing since 2018, the effect of Covid-19 has been to move more people away from self-employment and into more secure roles.

The Business Insights and Conditions survey provides some insight into the changing patterns of home working since the pandemic across the UK.¹⁵ In June 2020, 27.8% of employees from currently trading companies were working remotely instead of their normal place of work with 41.2% working from their usual place of work as a consequence of the pandemic and lockdown measures.¹⁶ By May 2021 this had fallen to 21.4% working remotely and 65.5% working in their usual place of work (with many having returned from furlough). The latest data suggests that 10.8% are working from home whilst 19.2% are using a hybrid model of working.

There is variation between sector with manual roles having lower proportions of individuals working from home than white-collar roles. 4.6% of construction employees are currently working from home, compared to 12.5% when monitoring started in June 2020 and 21.5% at the high point in January 2021. By contrast, 23.8% of people employed in the professional services are working from home in the most recent data compared to 24.5% in June 2020 and 46.1% in October 2020.

Among those who had worked from home during the pandemic, 85% want to use a hybrid approach to working going forwards.¹⁷ In the sectors of prevalence in Exeter expected home

¹⁵ It should be noted that survey questions change so data may not be consistent.

¹⁶ Business Insights and Conditions Survey data, Wave 51, ONS, March 2022

¹⁷ Business and individual attitudes towards the future of homeworking, UK: April to May 2021, ONS, June 2021

working is 19.1% in Arts, entertainment and recreation, 30.8% in Education, and 35% among Professional services with Construction (6%), Health (8.3%) and Accommodation and food services (2.8%) all far lower given the nature of work in these sectors.¹⁸ This home working shift has had some implications for office space, with evidence suggesting that there is a shift from larger to smaller cities, which may increase as leases and working patterns stabilise.¹⁹ It can also affect house prices with relocation to more desirable areas of the country and may be one factor in the increasing house prices in Exeter (see section 1.9 below). Working patterns are an important factor in employability and the future of work will have implications for the skills needs and labour market in Exeter.

Figure 16: Rates of home working in the UK 2020-2022



1.8 Furlough claimants

Many of the impacts of the Covid-19 on Exeter, and the UK labour market more broadly may have been deferred due to the Coronavirus Job Retention Scheme (colloquially known as the furlough scheme) introduced in April 2020. The cumulative number of employments on furlough in Exeter was 21,000. By sector on 30 September 2021 (ie. at the end of CJRR scheme), accommodation and food service still had a relatively high amount of furlough claimants (16.6%), higher than Devon and England. Wholesale and retail also still had high amount of claimants (17.2%), which was the same as Devon but higher than England. Equally, Exeter had a lower average for arts, entertainment and recreation (2.8%) and transportation and storage (4.1%) than both Devon and UK averages. Otherwise furlough claimant numbers were broadly speaking on par with Devon and English averages

¹⁸ Business Insights and Conditions Survey data, Wave 51, ONS, March 2022

¹⁹ The future of work after Covid-19, Lund et al. McKinsey, 2021

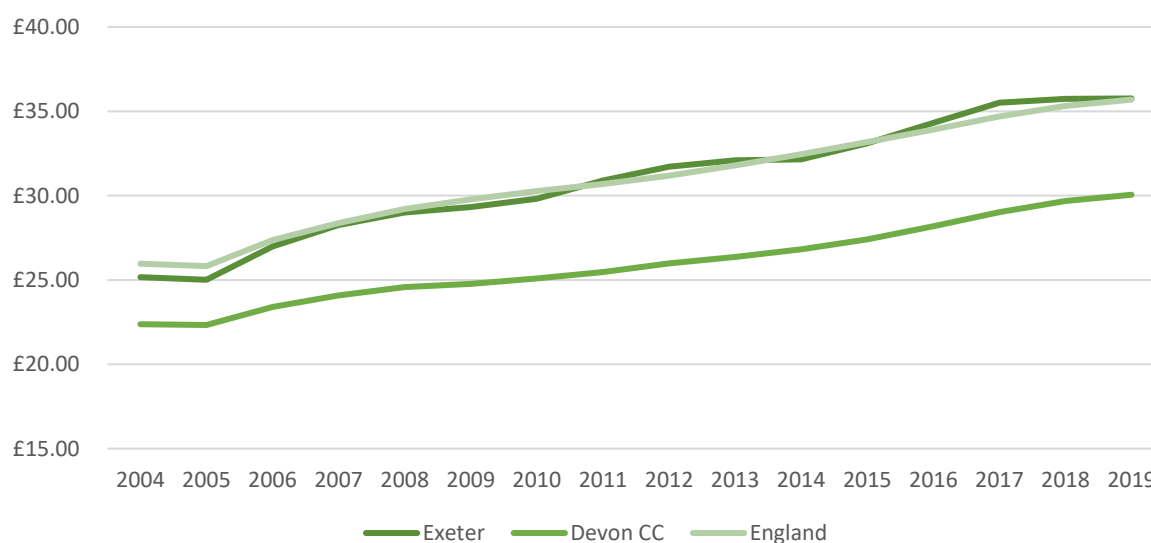
1.9 Job density

Job density is the number of jobs per head of the working age population. Areas with job density above 1 have more jobs than residents and therefore have roles being filled by individuals commuting into work from other areas. This is the case in Exeter as a hub for the wider region, with a job density of 1.22, higher than both Devon and the England average but also London and Manchester. The effect on skills and the labour market is that training has to be provided beyond the city and to residents within the wider travel to work area to ensure that there is the skills base to serve the number of roles in the local economy.

1.10 Output

Total Gross Value Added to the economy in Exeter was £5709m in 2019, which is a 38.9% increase since 2009.²⁰ Per hour (an indicator of productivity) GVA is £35.80 in 2019, an increase of 22% since 2009.²¹ This figure is comparable with the average for England, but higher than the Devon average of £30.10.

Figure 17: Gross Value Added 2004-2019



1.11 Hours and earnings

Mean hours worked reflect the balance of part time to full time workers, with mean hours worked in a week 33.1h for residents of Exeter in 2021, and 32h for those whose workplace is in Exeter. These figures are comparable with the England averages, with Devon lower at 31.8h.

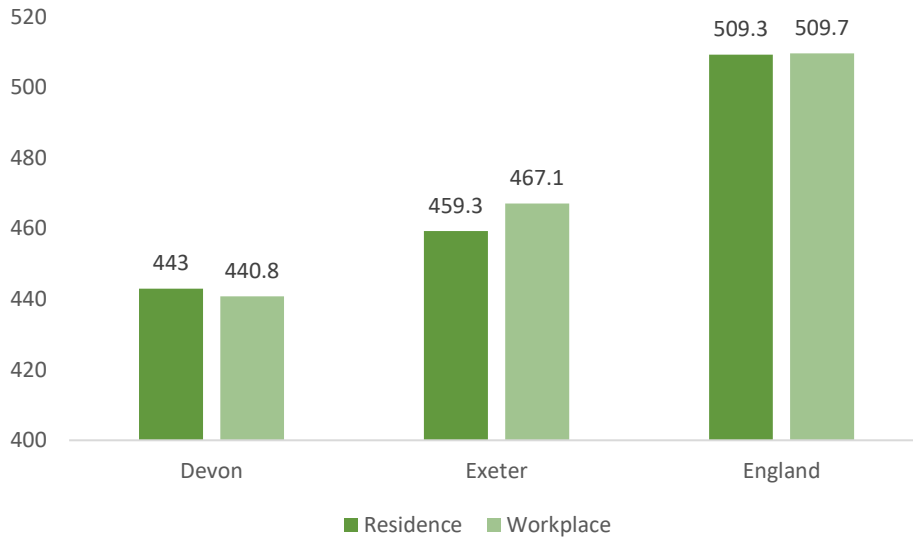
Average earnings per week demonstrate the commuting patterns in Exeter from other areas for higher paid roles. The average gross weekly pay by residence is £459.30, whilst this figure

²⁰ Regional Gross Value Added (balanced), ONS, 2020

²¹ Subregional productivity: Labour productivity indices by local authority district, ONS, 2020

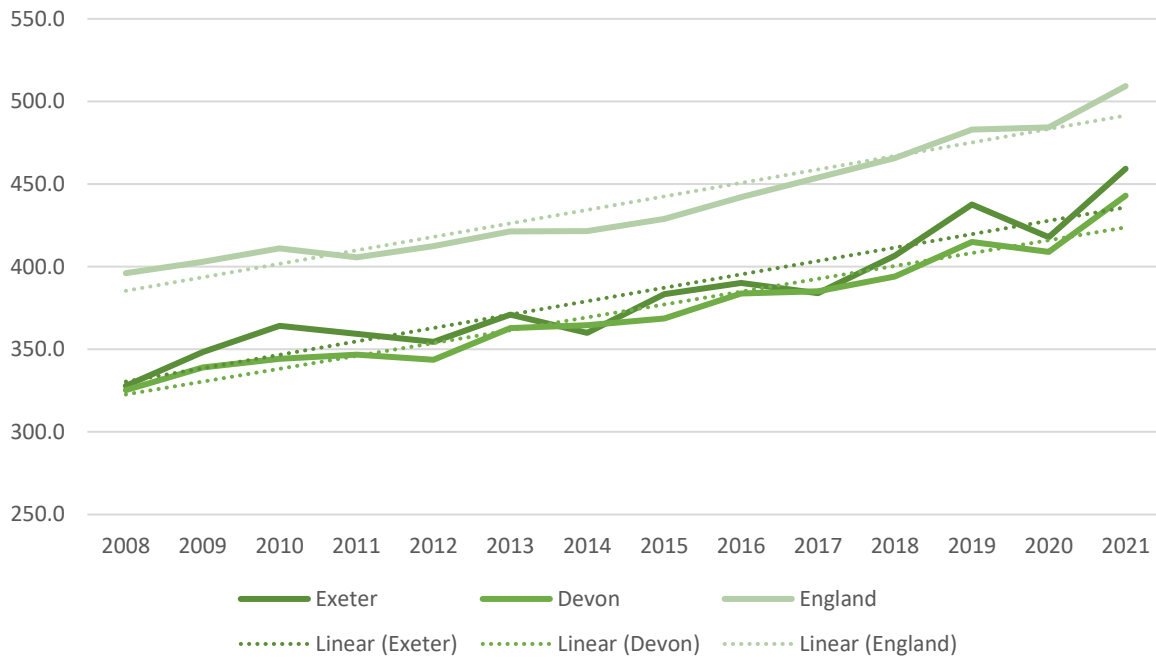
is higher at £467.10 by workplace. Comparatively, the earnings by workplace are lower than the earnings by residence in Devon.

Figure 18: Median weekly earnings by workplace and residence in 2021 (ONS, 2021)



Both these averages are lower than the average for England; resident earnings in Exeter are 10% lower than the England average. Over time, weekly earnings have increased at a similar rate to England but the gap has remained constant, as shown by the trendlines in figure 1.18.

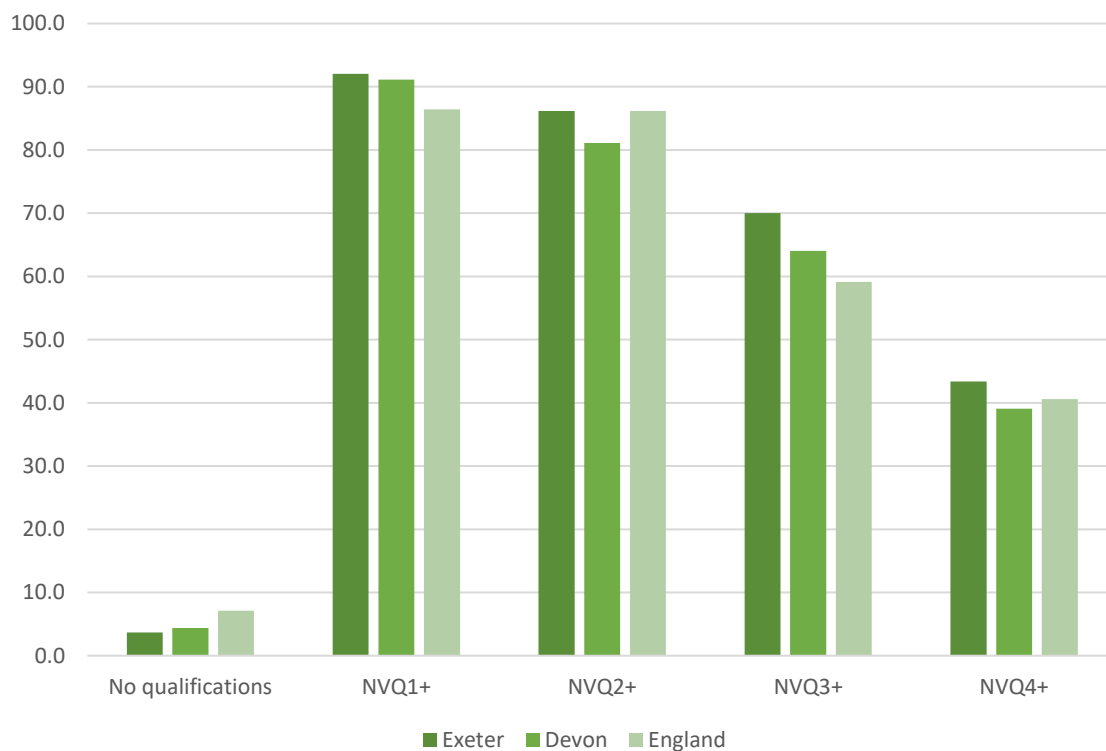
Figure 19: Median weekly earnings by residence 2008-2021 (ONS, 2021)



1.12 Qualifications

Qualifications data for Exeter indicates that a large proportion of the resident population holds Level 4 and above qualifications at 43.4% compared to 39.1% in Devon and 40.6% across England (three-year average). Only 3.7% of Exeter residents have no qualifications, which is almost half the proportion of England at 7.1%. The qualification level and skills of the local labour market are one of the key factors in the productivity and earnings in the city. However, while qualifications are high, there remain skills shortages and challenges with recruitment, as explored in section 1.16 below.

Figure 20: Three-year average qualification rates in the working age population (2018-2020)



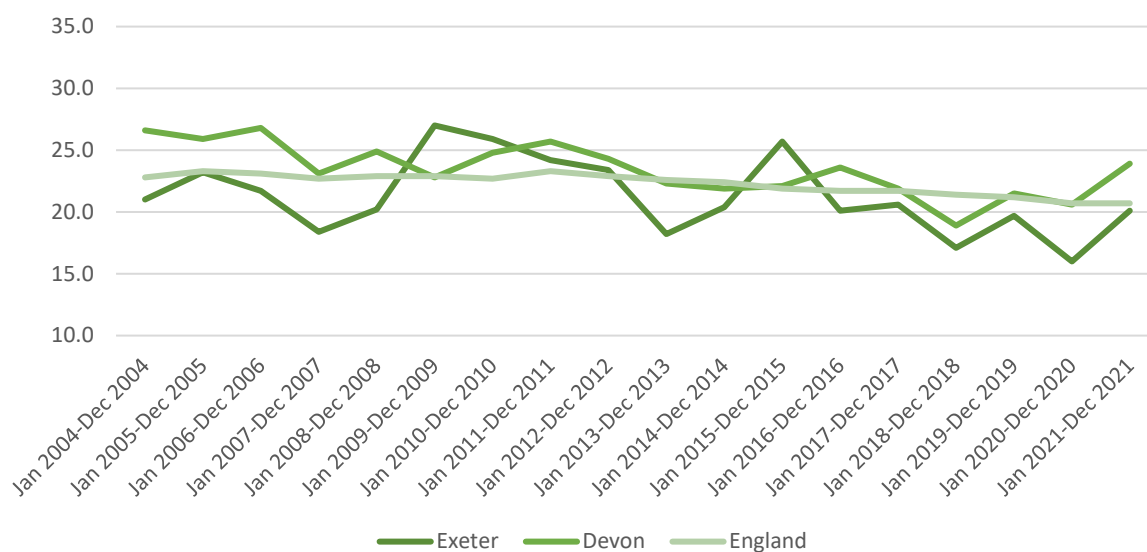
1.12.1 GCSE and A Levels

In Exeter 20.1% of the working age population hold GCSE grades A-C or equivalent.²² This is similar to the England average (20.7%), but below the average for Devon (23.9%). Average attainment 8 scores in Exeter are only available by school in the recent data and vary between 40.7 to 50.9 where nationally the average is 46.7.²³ City wide data from 2017 had average attainment 8 figures for Exeter as 49.4.

²² KS4 Outcomes, Department for Education, 2022

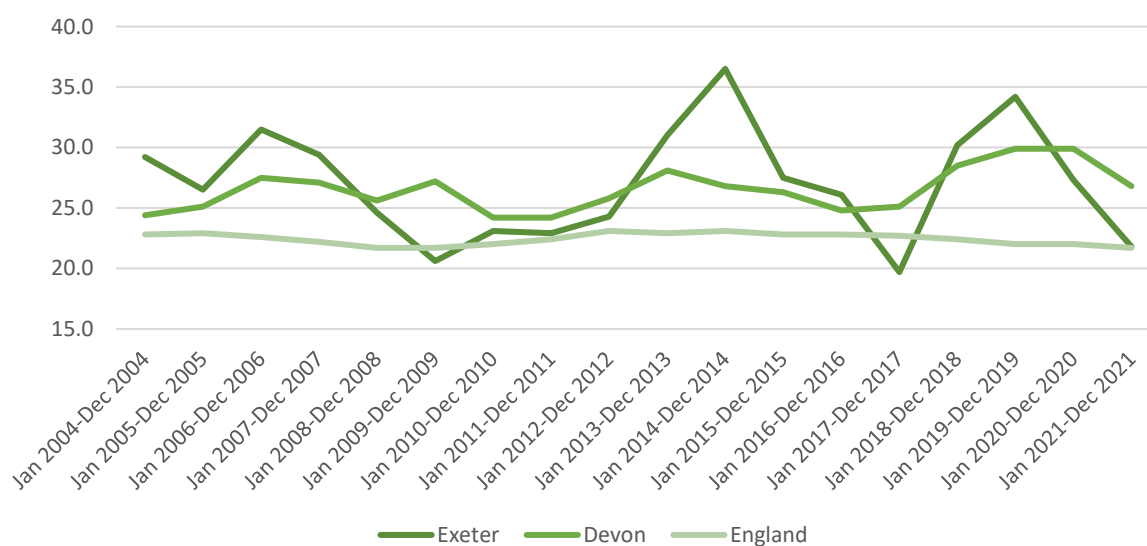
²³ KS4 attainment 8 distribution by local authority district data 2020/21, Department for Education, 2021

Figure 21: GCSE Attainment Levels 2004-2021



A level attainment in Exeter (21.8%) is slightly higher than the England average (21.7%).²⁴ The proportion of pupils getting AAB grades or higher ranged from 10.4% at Exeter College to 71.7% for Exeter Mathematics school.²⁵ However, it should be pointed out that Exeter College accounted for over 1,000 individuals compared to 62 at the Mathematics school. In England the average number of students getting AAB or higher was 14.1% in 2020/21 and 13.6% in Devon.

Figure 22: A Level Attainment Levels 2004-2021



²⁴ KS5 Outcomes, Department for Education, 2022

²⁵ A Level and other 16-18 results 2020/21, Attainment and other performance measures, Department for Education, 2021

1.12.2 Apprenticeship achievement

Apprenticeships and traineeships data (2021/22) show that more young people in Exeter and Devon undertake an apprenticeship than nationally (4.6% compared to 2.7%) though the types of apprenticeship pursued are relatively similar to the national picture.²⁶ Exeter has a larger proportion of apprentices completing construction and education apprenticeships, with fewer in engineering and business apprentices than the national average. There has been a decrease in the number of participants in apprenticeships, as there has been nationally with 570 starts in 2021/22 compared to 800 in 2019/20 and 840 in 2020/21.

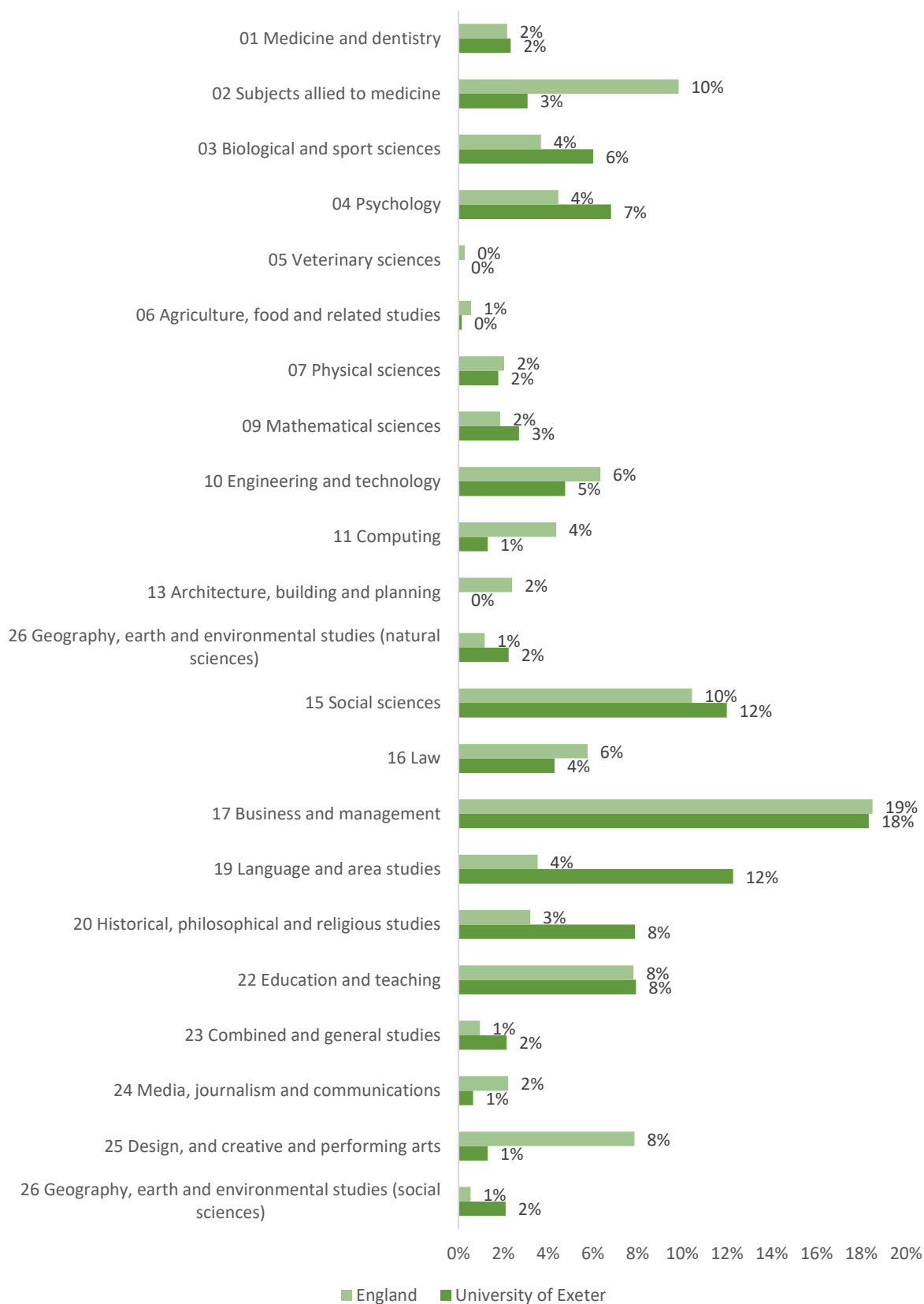
1.12.3 Higher education qualifiers

Data from the Higher Education Statistics Agency show that the University of Exeter has a large proportion of graduates in psychology, biology and sport sciences, social sciences, languages, history and philosophy compared to the national averages.²⁷ It produces comparatively fewer graduates in law, computing, and engineering.

²⁶ Apprenticeships and traineeships, 2019 - 2022 Academic Years, Department for Education, 2022

²⁷ Graduate Outcome Data, Higher Education Statistics Agency, 2018/19

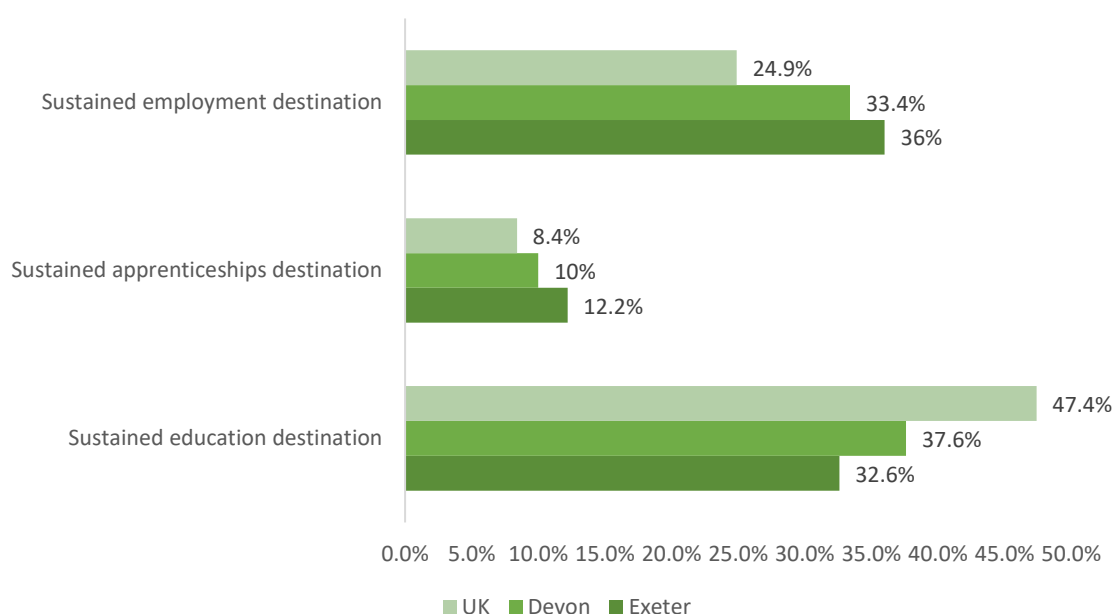
Figure 23: Higher Education graduates by course 2018/19



1.13 16-18 destinations

Destination data for 16-18 year old school leavers for the academic year 2019/20 shows that Devon and Exeter have significantly lower rates of young people going into education than the UK average.²⁸ Instead, 36% of 16-18 year olds in Exeter go into employment compared to 25% in the UK and 12.2% pursue an apprenticeship. Across Devon, 58.5% of pupils from mainstream schools (6th Form) progressed on to university degrees in 2017/18 compared to 69.6% in England.²⁹

Figure 24: Destinations of 16-18 year olds 2020



Total progression to higher education and training demonstrates that the proportion of level 3 students that progressed onto level 4 or higher destination has been increasing year-on-year in Exeter, from 49.6% in 2016/16 to 57.5% in 2017/18.³⁰ Exeter remains below both Devon and England but the gap is closing; there has been a 7.9% increase since 2015/16 compared to 4.1% in Devon and England. Exeter has also experienced an increase in the proportion of L3 students progressing onto apprenticeships, from 0.7% in 2015/16 to 1.9% in 2017/18. The rate in Exeter is higher than in Devon and is also now above the England average.

Exeter has seen a further increase in the proportion of L3 students progressing into degrees, from 41.4% in 2015/16 to 50.1% in 2017/18, however this is still behind Devon and England averages, reflecting the different destination choices for 16-18 year-olds above. However, the pattern is shifting with change over time increasing in Exeter is 8.7%, compared to 5.3% in

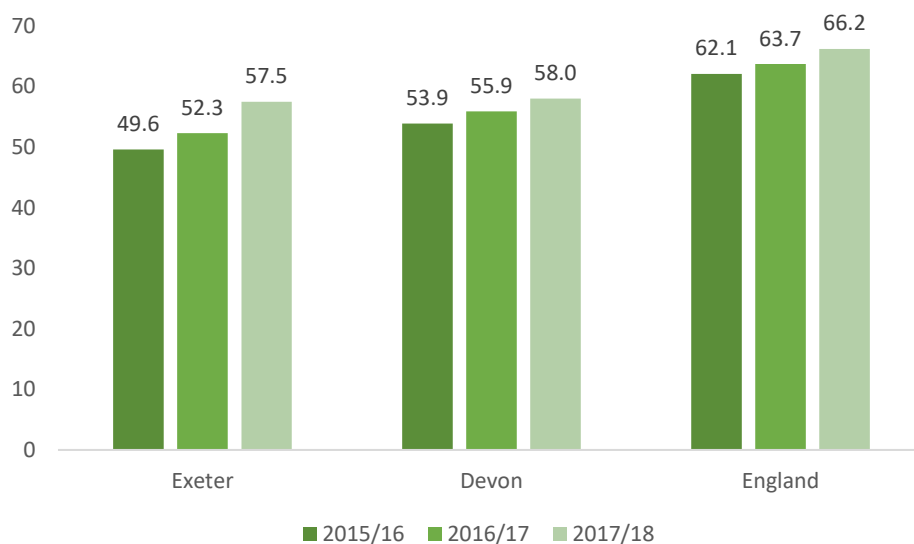
²⁸ KS4 & KS5 destinations of 2019/20 leavers, 16-18 destination measures, Department for Education, October 2021

²⁹ Progression to higher education or training: 2019/20, KS4, Department for Education, 2020

³⁰ Further education: outcome-based success measures 2018/19, Destinations by local education authority, Department for Education, October 2021

Devon and 4.1% in England. Finally, Exeter has seen a decrease in the proportion of L3 students progressing onto L4 or L5 destination, from 7.5% in 2015/16 to 5.4% in 2017/18, though this is still higher than Devon and England averages. This could be due to the substitution effect towards more university degrees.

Figure 25: Progression to higher education or training over time from L3



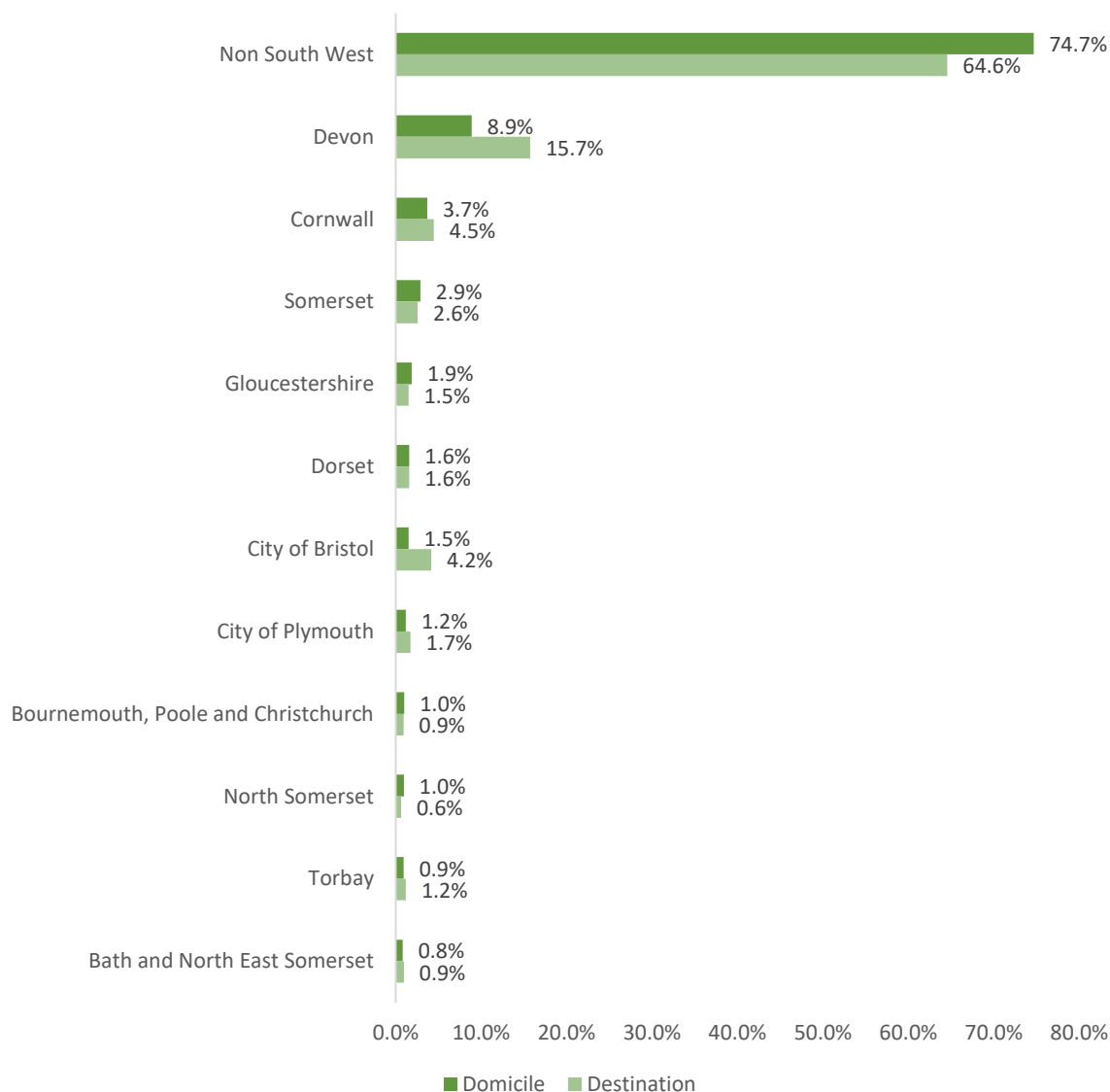
1.14 Graduate attraction and retention

Graduate retention is a key challenge facing Exeter. Figures show that students at the University of Exeter mostly come from outside of the South West, particularly from London and the South East and upon graduating many return to their home domicile.³¹ In the 15 months after graduating 15.7% of University of Exeter graduates are still in Devon with 8.9% domiciled there before, attracting a net gain of 5.8%. 19.7% are in the wider South West where 16.4% were located previously (with much of the addition going to Bristol).³²

³¹ Where do HE students come from?, Higher Education Statistical Agency, February 2022

³² HESA Graduate Outcomes Survey Results Record 2018/19, HESA, 2022

Figure 26: University of Exeter graduate domicile location 2018/19



5 years after graduating, there is a larger shift towards the South East and London where 58.4% now reside, though 23.8% are in the South West, though this is the same proportion who were in the South West to begin with so there has been no net gain.³³

³³ Graduate Outcomes (LEO): provider level data, 2018/19, Department for Education, 2020

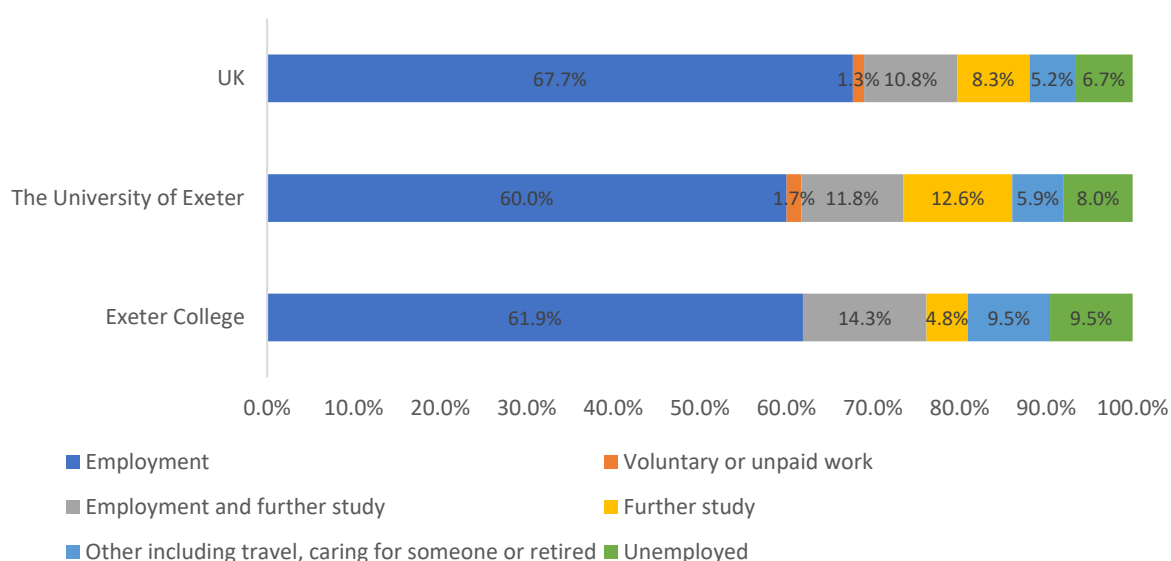
Table 1: Graduate destination by graduate home region 2018/19

		Current region											Total		
		North East	North West	Yorkshire & the Humber	East Midlands	West Midlands	East of England	London	South East	South West	Scotland	Wales		Northern Ireland	
Home region	North East	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	North West	0.0%	1.1%	0.0%	0.0%	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%
	Yorkshire & the Humber	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%
	East Midlands	0.0%	0.0%	0.0%	1.7%	0.0%	0.0%	1.1%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	3.4%
	West Midlands	0.0%	0.0%	0.0%	0.0%	3.6%	0.0%	2.1%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	6.5%
	East of England	0.0%	0.0%	0.0%	0.0%	0.0%	6.3%	3.8%	0.8%	1.1%	0.0%	0.0%	0.0%	0.0%	12.0%
	London	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	12.2%	0.8%	1.0%	0.0%	0.0%	0.0%	0.0%	14.4%
	South East	0.0%	0.0%	0.0%	0.0%	0.4%	0.6%	10.5%	18.8%	2.7%	0.0%	0.0%	0.0%	0.0%	32.9%
	South West	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	4.8%	1.5%	16.9%	0.0%	0.0%	0.0%	0.0%	23.8%
	Scotland	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%
	Wales	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.8%	0.0%	2.3%	0.0%	0.0%	3.8%
	Northern Ireland	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Total	0.0%	1.1%	0.8%	1.7%	4.0%	8.0%	36.5%	21.9%	23.8%	0.0%	2.3%	0.0%	0.0%	100.0%

1.15 Graduate outcomes

Graduate activities for the academic years 2017/18 to 2018/19 show that University of Exeter and Exeter College both have lower rates of graduates attaining employment than UK average, however both have higher than UK average rates for employment and further study. University of Exeter graduates are more likely to engage in voluntary or unpaid work than UK average or Exeter College graduates, and the same pattern can be seen for those engaging in further study. Both University of Exeter and Exeter College have higher than UK average rates for unemployment and other outcomes including travel and caring, which is particularly high for Exeter College.

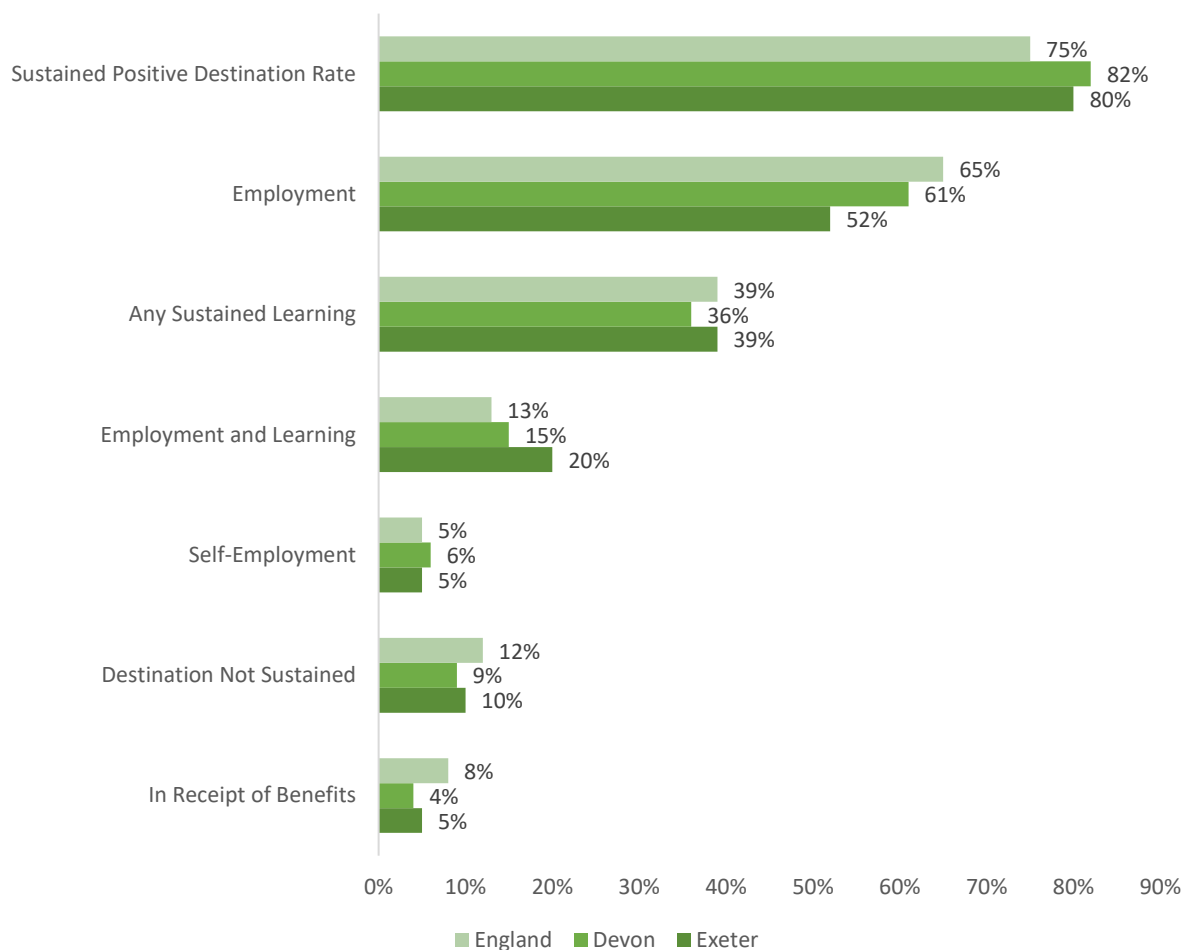
Figure 27: Graduate outcomes 2017/2018 and 2018/2019 (HESA, 2021)



Considering further education outcome-based success measures, Devon and Exeter have higher sustained positive destination rate than England average, but this figure is marginally lower for Exeter than Devon.³⁴ Employment in Exeter and Devon is lower than England average (in line with Graduate Outcome findings above). Further Learning is higher in Exeter than Devon, but on par with England which is roughly in line with findings above. Combining employment and learning is higher in Exeter than in Devon, and both are higher than England, again in line with findings above. Combining further study and employment together appears popular in Exeter, which may be a reflection of the high cost of living and cost of further study. Finally, Exeter and Devon perform better than the English average for destinations not sustained or being in receipt of benefits.

³⁴ Further education: outcome-based success measures 2018/19, Destinations by local education authority, Department for Education, October 2021

Figure 28: Graduate outcomes breakdown 2017/2018 and 2018/2019



Data on UK domiciled graduates who obtained first-degree qualification and entered full-time paid employment in the UK by provider and salary band indicates that Exeter has a broader distribution of salaries than UK averages. More Exeter graduates earn higher salaries from £27-£29k salary band onwards.³⁵ Average earnings across all University of Exeter graduates are higher at 1, 3 and 5 years after graduating than the UK average.

³⁵ Graduate outcome data, Higher Education Statistics Agency, 2021

Figure 29: UK domiciled graduates who obtained first-degree qualification and entered full-time paid employment in the UK for University of Exeter and UK by salary band 2018/19

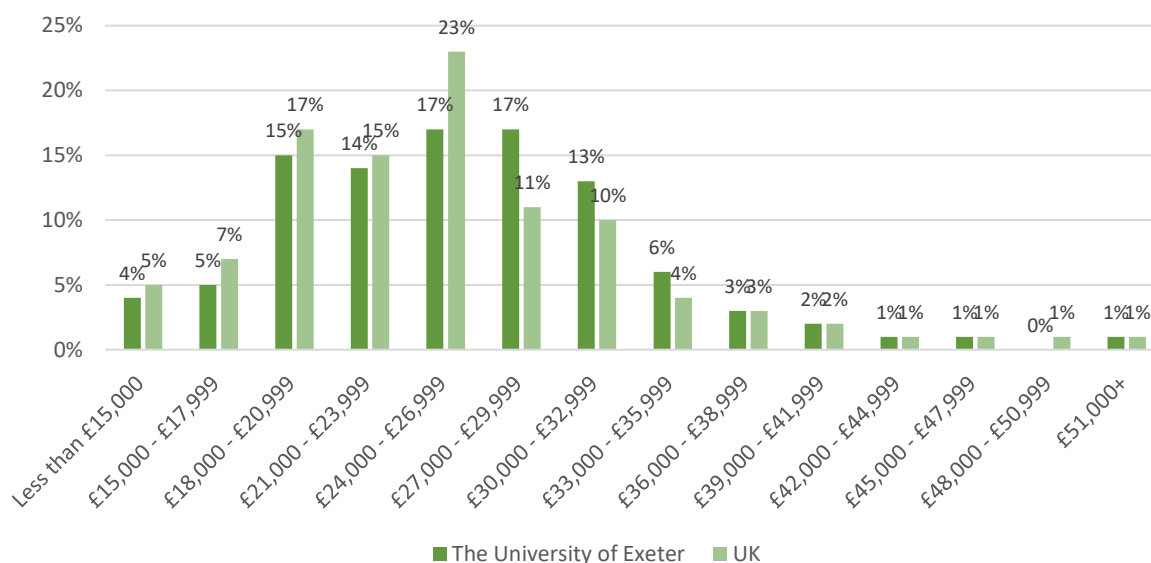


Table 2: Average earnings for University of Exeter graduates 2018/19

HEI	1 year after graduation	3 years after graduation	5 years after graduation
University of Exeter	£23,000	£28,100	£32,500
UK	£21,100	£25,000	£27,700

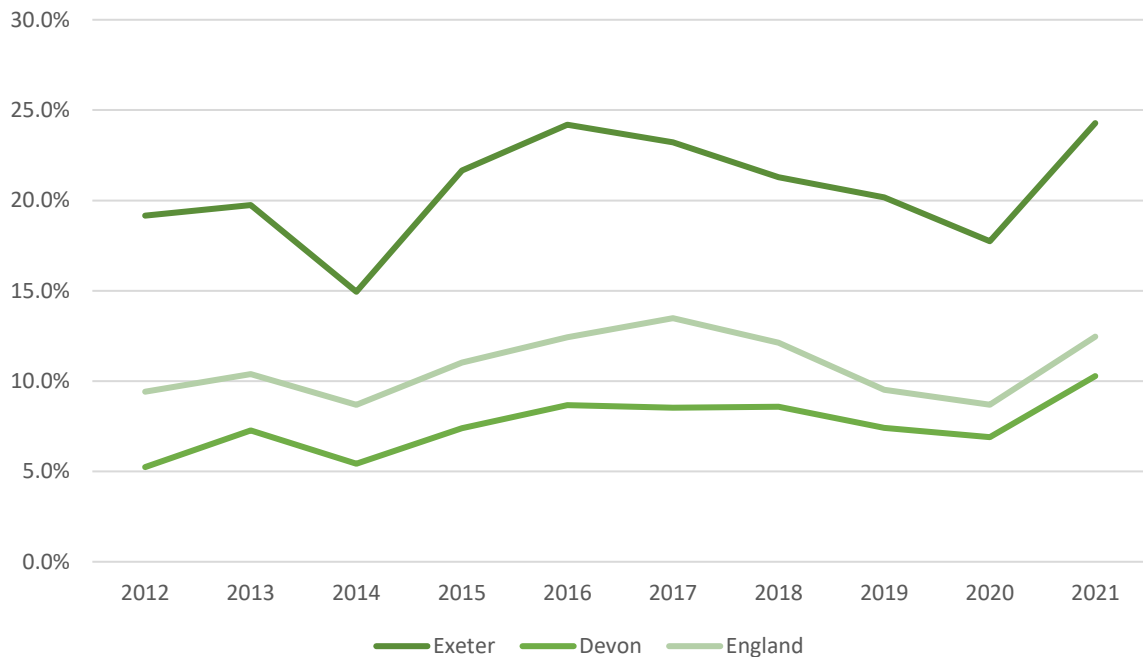
1.16 Skill gaps and job vacancies

Burning Glass data for total job postings shows that the annual change in the number of job postings since 2013 in Exeter has closely mirrored national and Devon trends.³⁶ Despite a gradual decrease in job vacancies leading up to 2019, Exeter witnessed a sharp increase in vacancies from 2020 onwards to 2021. This is characteristic of a tighter labour market, with too many job roles and too few suitable candidates.

Job postings as proportion of total population since 2012 has been higher than in England and Devon. Exeter has consistently stayed between 15% and 25% of total population, while Devon and English average has stayed between 5% and 15% of total population. In January 2021, Exeter had 32,364 job postings, which was 17.7% as proportion of total population. For Devon this figure was 6.9%, and for England 8.7%. This indicates there was a high rate of vacancies in Exeter compared to Devon and English averages. However, this also reflects that many of the jobs in Exeter will be attracting individuals from the travel to work area to fill the posts.

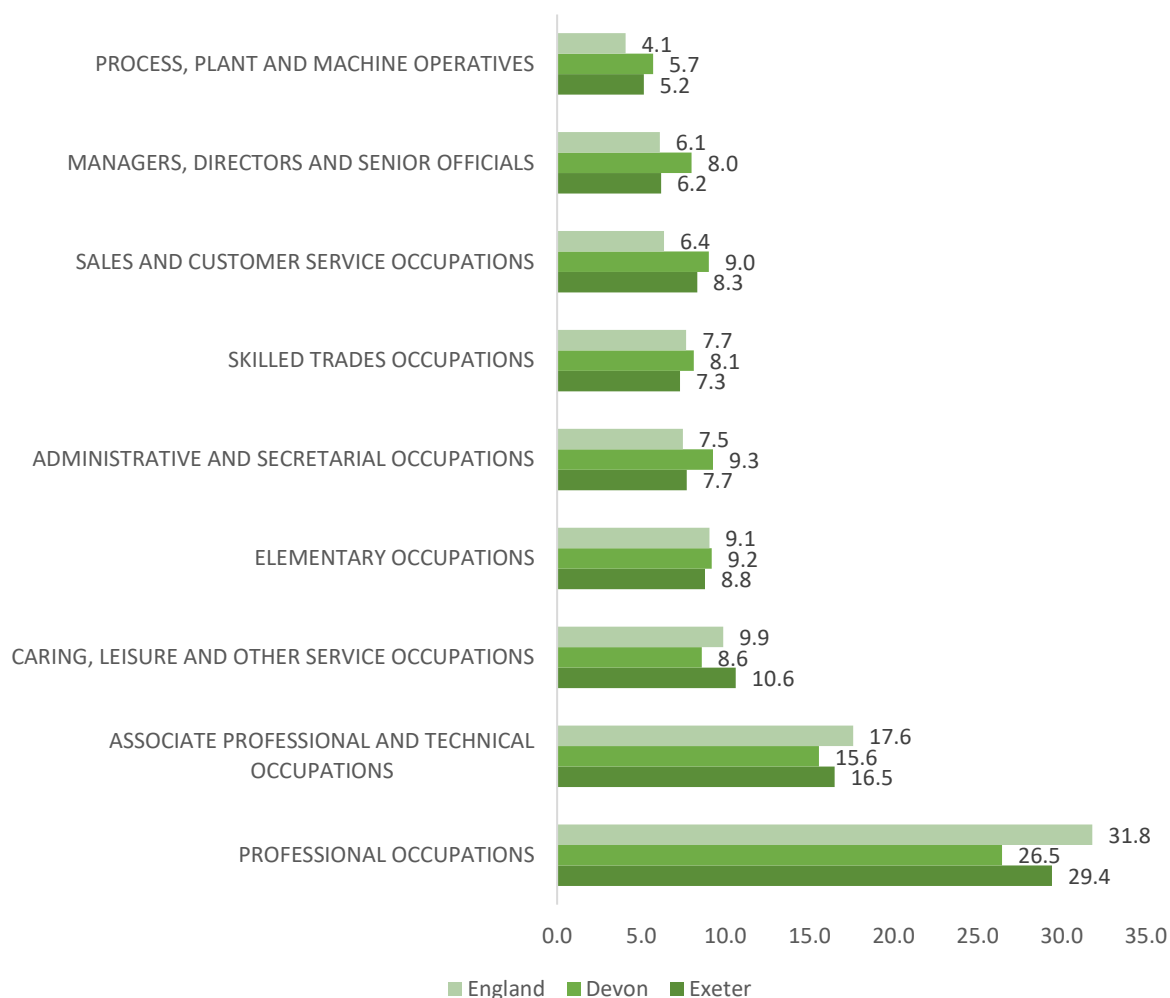
³⁶ Job posting data, Burning Glass, Accessed April 2022

Figure 30: Job postings as a proportion of total population



Broadly, vacancies by occupation in Exeter track trends in England and Devon, with the highest amount of vacancies for professional occupations, followed by associate professional and technical occupations. This reflects earlier findings that Exeter is a hub for the professional services in Devon. Professional occupations represent 29.4% vacancies in Exeter compared to 26.5% in Devon. Exeter also has more vacancies for higher-skilled roles than the rest of Devon where lower-skilled vacancies are also in demand. There is also relatively high demand for caring, leisure and other service occupations, reflecting Exeter's hospitality industry and health & social care sector. It should be noted that Exeter's figures are more closely aligned with English average than with Devon average.

Figure 31: Vacancies by occupation 2021

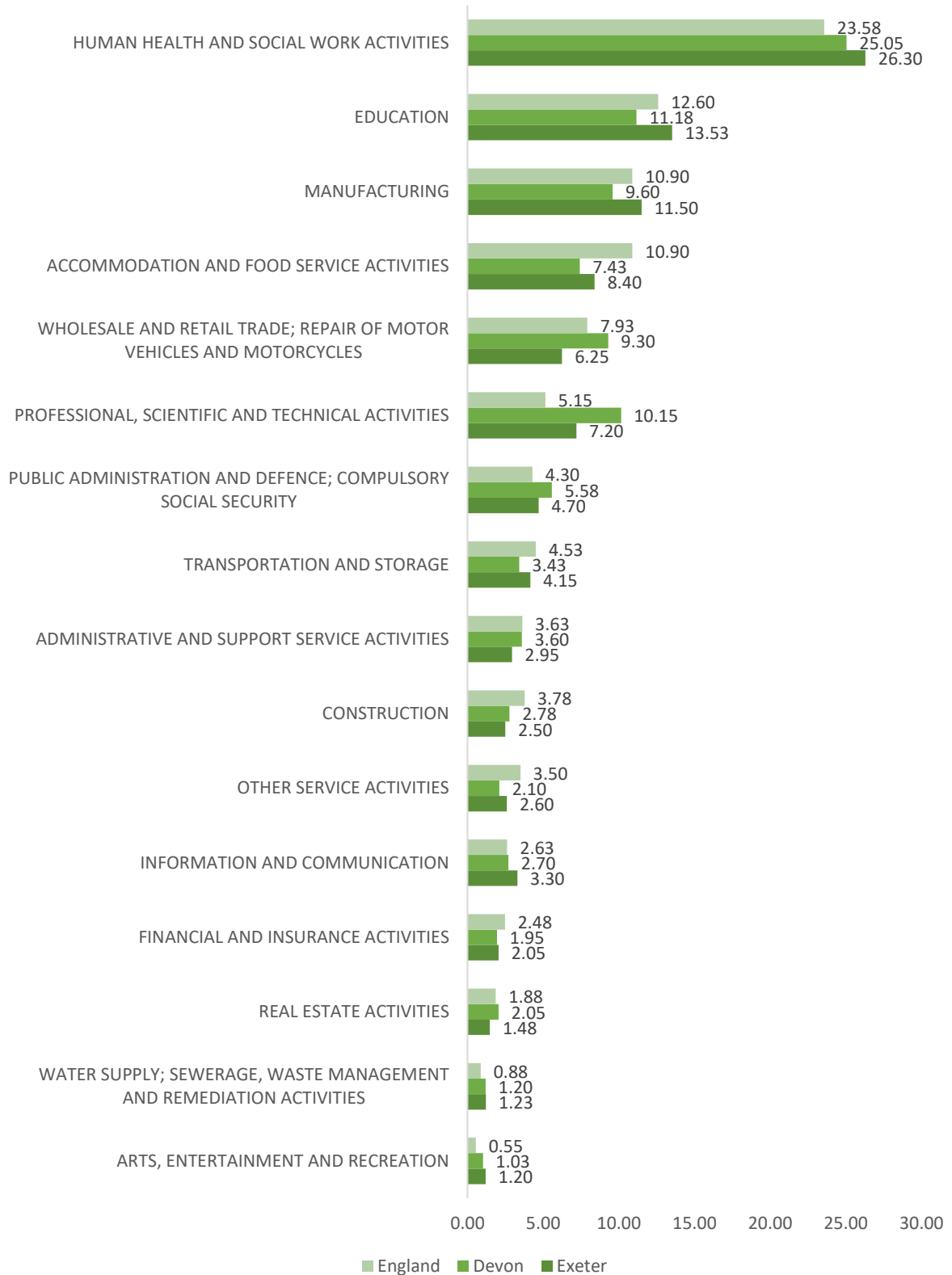


By sector, vacancies in Exeter generally also track national and Devon averages, with the highest demand for human health and social work activities, though Exeter has the highest proportion of vacancies at 26.3% compared to 25.1% in Devon, and 23.6% in England. Education, manufacturing, accommodation and food service activities are also in high demand.

Although Exeter is a hub for professional, scientific and technical activities, it has a lower proportion of vacancies in this industry than in Devon (7.2% in Exeter, 10.2% in Devon), which may suggest that Exeter has a better labour supply for this industry than the rest of Devon. Both have higher demand than England average, indicating that there are still some labour gaps.

Although there are proportionately much fewer information and communication vacancies in Exeter, Devon and England than many of the other industries, it is notable that Exeter has a higher proportion of these; 3.3% compared to 2.7% in Devon, 2.6% in England.

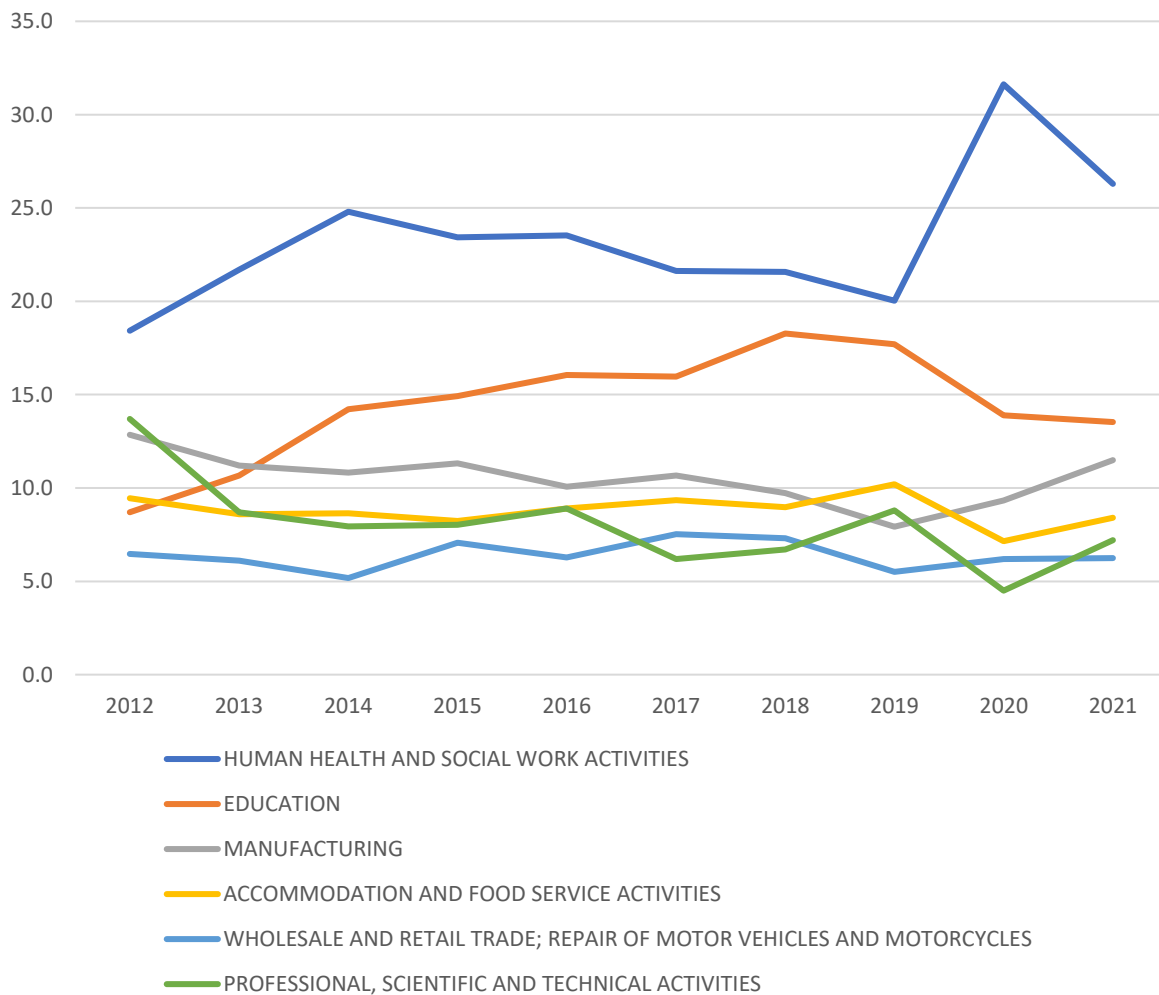
Figure 32: Vacancies by sector in 2021



Reviewing vacancies by industry over time, since 2012, human health and social work activities has consistently had the highest number of vacancies in Exeter. There was a sharp increase from 2019 to 2020 due to the Covid-19 pandemic, from 20% of vacancies to 31.6%.

This has since started declining, but still remains at 26.3% of all vacancies. Education has the second-highest amount of vacancies since 2013, with increasing gaps until 2018, after which it has steadily decreased but still remains high. Manufacturing and accommodation and food service activities have both seen an increase in vacancies since 2020.

Figure 33: Vacancies by industry in Exeter 2012-2021 for 6 biggest sectors by number of vacancies

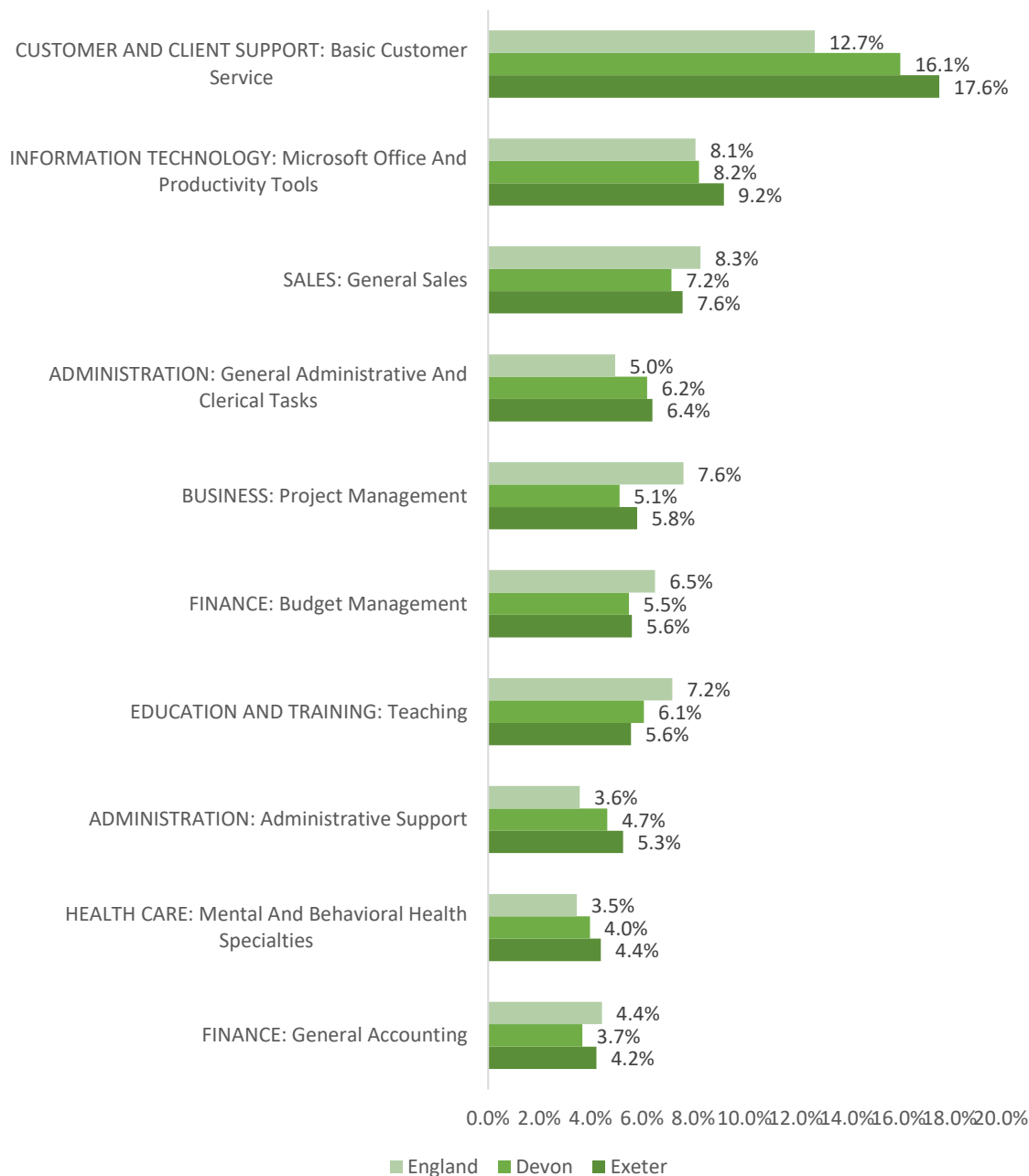


The skills most cited in vacancy postings (suggesting high demand) in Exeter were customer and client support (basic customer service) at 17.5% compared to 16.1% in Devon and 12.7% in England. The Top 5 skills in demand in Exeter are:

- Customer and client support 17.6%
- Information technology 9.2%
- Sales: 7.6%
- Administration: 6.4%
- Business: project management: 5.8%

Exeter also has higher demand than Devon and England for Microsoft Office and productivity tools, general administrative and clerical tasks and mental and behavioural health specialities. The overall themes are that sales, general IT, admin, business and finance skills are needed in Exeter, reflecting the sectors locally.

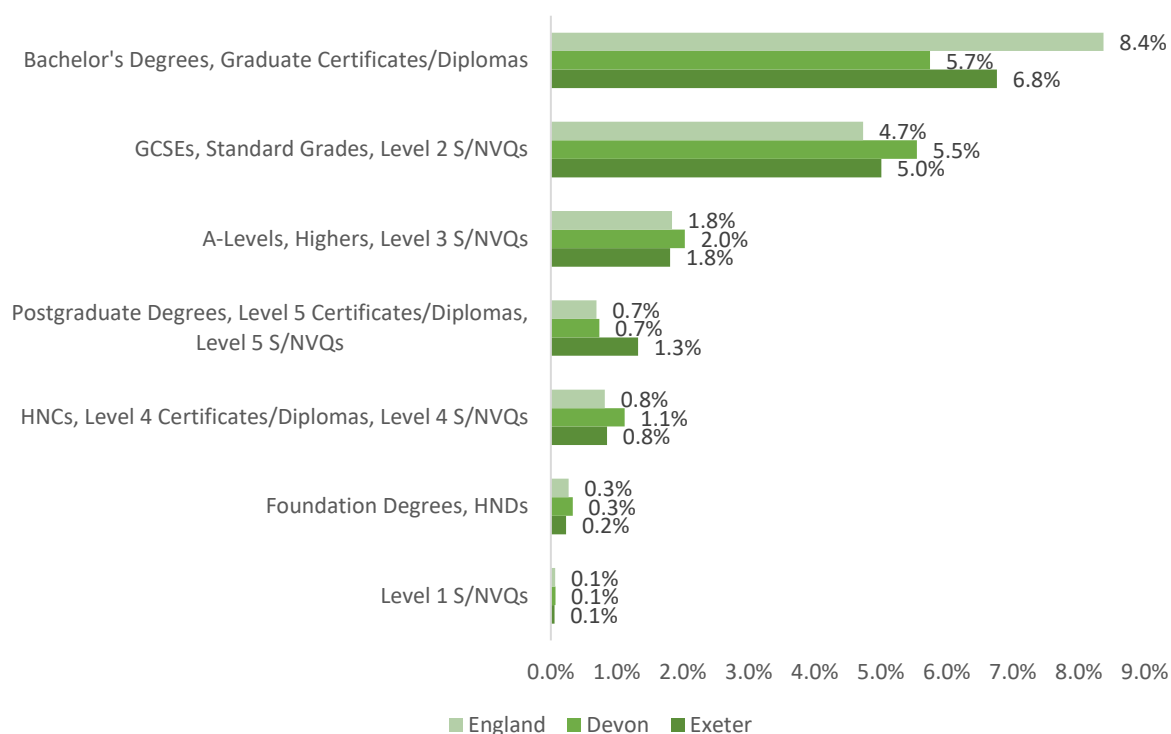
Figure 34: Skills in demand in Exeter 2021



Qualifications stipulated in vacancy postings suggest that there is a high demand for bachelors’ degrees, graduate certificates/diplomas, with 6.8% of job adverts requesting this. This was also most in demand in England and Devon but to varying degrees, at 5.7% in Devon and 8.4% in England. GCSEs and Level 2 were in greater demand than A Levels or NVQ3,

reflecting the national trend, with limited demand for postgrad degrees and foundation degrees, though more than in Devon and England, driven in part by the university.

Figure 35: Qualifications in demand, 2021 (Burning door, 2021)



1.17 Housing

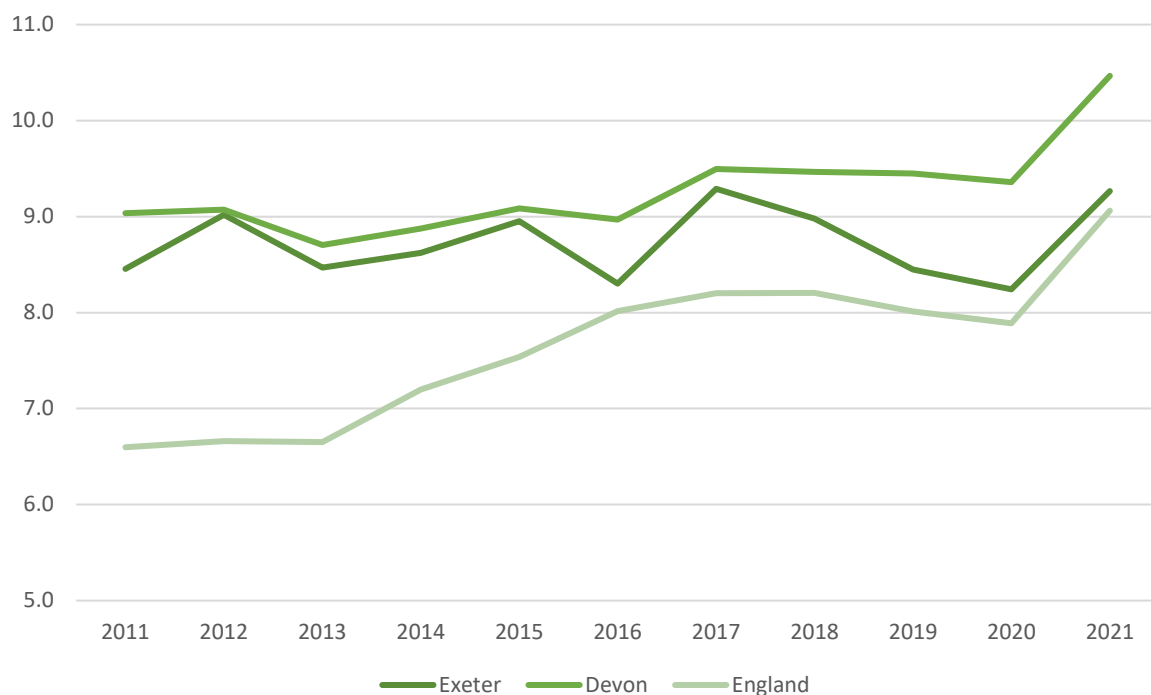
Average house prices in Exeter are higher than the England averages, but lower than the wider Devon averages. There has been a significant increase in house prices in the decade up to January 2022, up 58.6% in Exeter and 57.7% in Devon more widely.³⁷ This increase is lower than the rise across the rest of England which was 67.4%. However, the increase in house prices since the pandemic (January 2020 to January 2022) was significantly higher in Exeter than other geographies (17.8% compared to 6.9% in Devon and 7.5% in England).

The ratio between average house prices and annual median earnings is marginally higher for Exeter than the English average. In Exeter, with full-time average earnings £30,444 and average house price £282,076, the ratio is 1:9.3.³⁸ In Devon this ratio is 1:10.5 and in England 1:9.1. There has been a sharp fall in house price affordability in all geographies since 2020. In Exeter the house price ratio has been high but relatively stable over time, consistently having a lower ratio than Devon but higher than England.

³⁷ Average House Prices, Land Registry, March 2022

³⁸ House Price to Earnings Ratio, ONS, 2021

Figure 36: Earnings to house price ratio 2021



Rental prices in Exeter in 2020-2021 are much higher than both Devon and England, with the mean rent of £1,085 per month in Exeter compared to £813 in Devon and £893 in England.³⁹ The median rent in Exeter is £850, compared to £720 in Devon and £755 in England.

The availability of rental property has sharply decreased in Exeter by 41% since the pandemic, from 3,330 rents in 2019 to 1,960 in 2021. There has been a similar reduction across Devon from 12,740 to 7,920 (-38%). This reduction of the rental housing stock has implications for employment and attracting and retaining people in Exeter.

Table 3: Change in rental property stock 2019-2021

Authority Area	2019	2021	Difference
Exeter	3,330	1,960	-41%
Devon	12,740	7,920	-38%

³⁹ Private Rental Market Statistics, ONS and Valuation Office Agency, 2021. Note that comparisons between years should be treated with caution, however the decreasing trend in available rental accommodation is borne out nationally suggesting a challenge.