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The Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) Local Skills Report sets out the essential evidence base underpinning our understanding of the skills demand and supply in the D2N2 region. It enables the D2N2 People and Skills Advisory Board, as the region’s Skills Advisory Panel (SAP), in our leadership role to address local skills challenges and contribute to delivery of the D2N2 Local Enterprise Partnership’s (LEP) strategic ambitions for a productive, inclusive, connected and low carbon economy.

Overall, the skills profile of D2N2 is a microcosm of the UK. Skills excellence and high employment outcomes are mixed with low productivity and areas of deprivation. Skills demand trends and technological changes were already having unsettling consequences for our local economy, but the arrival of Covid-19 and Brexit have shifted the context of our landscape and forced our strategies to focus on mitigating actions. Our pre-existing focus of skills interventions on high productivity, sustainable and inclusive growth remains important. We also need to target support for young people, those at risk of redundancy, and businesses at risk due to these more recent challenges.

As SAP Chair, it is vital to ensure that our growing knowledge of trends and challenges affecting jobs and skills in D2N2 reaches the widest possible audience to effect change both locally and nationally, and that the SAP provides the leadership and focus for impactful strategic responses. This report showcases the work of D2N2 in People and Skills, by providing an overview of our strategy, and an assessment of progress to date. It will also drive wider influence and national leverage by feeding into the DfE’s Skills and Productivity Board, and into our regular reporting into the Cities and Local Growth Unit on the wider economy.

Pulling all this together, this report’s aim is simple: to help improve the chances of our residents in securing the jobs and careers to which they aspire, a crucial element in driving up their quality of life. I would like to thank our colleagues at the University of Derby, who partnered with the D2N2 LEP on development of this report, as well as all the partners in the D2N2 area who have contributed to it.

“As SAP Chair, it is vital to ensure that our growing knowledge of trends and challenges affecting jobs and skills in D2N2 reaches the widest possible audience to effect change both locally and nationally, and that the SAP provides the leadership and focus for impactful strategic responses.”

---

Professor Shearer West CBE
Chair of the D2N2 People and Skills Board

CHAPTER 1

Foreword.
CHAPTER 2
Skills Advisory Panels.

2.1 INTRODUCTION

Skills Advisory Panels: the national context

Skills Advisory Panels (SAPs) bring together employers, skills providers and key local stakeholders to better understand and resolve skills mismatches at a local level. There are 36 SAPs across England providing vital expertise to Local Enterprise Partnerships.

The Department for Education (DfE) supports SAPs with grant funding, primarily to produce high quality analysis of local labour markets and Local Skills Reports. Local Skills Reports set out the local strengths and skills needs and how the SAP proposes its area addresses its key priorities. The Reports aim to influence local partners and feed intelligence to central government, including the national-level Skills and Productivity Board (SPB).

In January 2021, DfE published its White Paper Skills for Jobs: Lifelong Learning for Opportunity and Growth, which sets out a number of reforms aimed at putting employers more firmly at the heart of the skills system. The White Paper outlined plans to test in 2021-22, in a small number of areas, "Local Skills Improvement Plans" created by business representative organisations. The White Paper committed to build on the work of SAPs to date. SAPs and their Local Skills Reports will continue as the DfE trailblazes “Local Skill Improvement Plans”. In D2N2, we have a long history of close working with the East Midlands Chamber of Commerce, and we are jointly developing a local response to the White Paper, including a potential bid to become a trailblazer for a Local Skills Improvement Plan.

2.2 D2N2 SKILLS ADVISORY PANEL - GOVERNANCE

The D2N2 People and Skills Advisory Board (PSAB) fulfils the role Skills Advisory Panel for the D2N2 Local Enterprise Partnership (LEP). It aims to support D2N2 in its leadership role in the local economy, strengthen the LEP’s governance, fostering greater collaboration and engagement with key local stakeholders.

Within D2N2, the PSAB is tasked with implementing strategy guided by the principles of Low Carbon Growth, Productivity, and Connectivity and Inclusion, formerly stated in the D2N2 Vision 2030 and Local Industrial Strategy, and now incorporated in the newly-adopted D2N2 Recovery and Growth Strategy (RGS). The D2N2 PSAB is responsible for assessing the local skills and labour market landscape, identifying challenges and ensuring a coordinated, effective and rapid local response to these.

2.2.1 MEMBERSHIP OF THE D2N2 PEOPLE & SKILLS ADVISORY BOARD

In line with the requirements for SAPs, the membership of the D2N2 PSAB is explicitly diverse and inclusive. We proactively involve a wide range of local stakeholders, from local and central government, to strategic partners and the business community, to skills providers (HE, FE, schools) and the voluntary sector.

The current membership is as follows:

- Prof. Shearer West CBE (Chair), Vice-Chancellor of the University of Nottingham
- David Wright, Department for Business, Energy and Industrial Strategy
- Diane Beresford, East Midlands Chamber of Commerce
- Ian Bond, Inspire (Inclusion Rep)
- James Brand, United Cast Bar
- Joe Batty, Derbyshire County Council
- Julia Brooks, Education and Skills Funding Agency
- Julie Beresford, Bassetlaw District Council
- Julie Richards, Chesterfield College
- Katrina Starkie, Purpose Media
- Michele Farmer, The Princes Trust
- Mike Firth, Education and Skills Funding Agency
- Mike Roylance, South Derbyshire District Council
- Nathan Clements, Boots
- Nick Booth, Uniper
- Nicola Caley, Murray Park School
- Nicola McCoy-Brown, Nottinghamshire County Council
- Owen Harvey, Nottingham City Council
- Pauline Anderson, Derby City Council
- Sally Gladwin, Department for Education
- Sandra Cowley, The Futures Group
- Sharon Huttley, Nottingham Trent University
- Sue Fielding, Department for Work and Pensions
- Trudi Waldram, Food and Drink Forum
- Veronica Dennant, Newark and Sherwood District Council
CHAPTER 2

2.2.2 PEOPLE & SKILLS ADVISORY BOARD SUBGROUPS

The D2N2 PSAB has three subgroups, as in Figure 1 below:

**PEOPLE & SKILLS ADVISORY BOARD**

- People & Skills Strategy oversight
- Skills Advisory Panel functions
- Evidencing impact
- Environmental & Policy analysis/responses
- Skills Capital

**Lead Officer:** Head of People & Skills

**CAREERS & YOUNG PEOPLE**

- Subgroup: EAN delivery & impact
- LMI strategy
- NEET prevention & support
- STEM Graduate Careers

**Lead Officer:** Senior Enterprise Coordinator

**Membership:**
- DWP, National Careers Service, DANCOP (UniConnect), ICEGS, Employers x 4, STEM ambassadors.

**EMPLOYMENT**

- Subgroup: Coordination of ESF & mainstream employment services
- Data tracking & targeting
- Adult retraining/re-skilling

**Lead Officer:** ESIF Coordinator

**Membership:**
- National Careers Service, DWP.

**SKILLS FOR GROWTH**

- Subgroup: Sector & place skills needs and planning
- Institute of Technology Skills pathways/Higher skills plan
- Digital Skills Partnership

**Lead Officer:** Head of People & Skills

**Membership:**
- Skills Hub, Higher Skills/Grads ESIF project, FE, HE, Employers x 4.

Figure 1: The PSAB subgroup structure

2.3 THE D2N2 REGION

**Figure 2: Map of the D2N2 region**

The D2N2 region comprises a mix of two unitary Local Authorities (Derby City Council and Nottingham City Council) and two County Councils (Derbyshire County Council and Nottinghamshire County Council). Within the two Counties there are 15 District Councils: Amber Valley, Bolsover, Chesterfield, Derbyshire Dales, Erewash, High Peak, North East Derbyshire, South Derbyshire, Ashfield, Bassetlaw, Broxtowe, Gedling, Mansfield, Newark and Sherwood, and Rushcliffe. Wherever possible the analysis below is undertaken at these lower tier Local Authority areas (Unitary and District Councils) to reflect the range and diversity of local conditions. It is particularly important to reflect on the real differences in skills demand, supply and accessibility in urban and rural areas of our region.

2.2.3 PEOPLE & SKILLS ADVISORY BOARD MEETING SCHEDULE

The PSAB first met in June 2019. It has been meeting six times per year, although it has now moved to a quarterly schedule. The remaining dates for 2021 are as follows:

- Thursday 10th June 2021
- Wednesday 8th September 2021
- Thursday 2nd December 2021

As part of our commitment to transparency, past papers are available on our website.

2.4 CONTACT INFORMATION

If you would like to know more about the work of the D2N2 People & Skills Advisory Board, get in touch regarding the content of this report, or would like to engage in the local skills agenda, please contact the D2N2 Head of Strategy and Policy, **Will Morridge**.

**Will Morridge**

Head of Strategy and Policy
Will.Morridge@d2n2lep.org

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CHAPTER 3
Skills Strengths and Needs.

3.1 THE D2N2 SKILLS LANDSCAPE

With an estimated regional gross value added (GVA) of more than £48bn in 2018 and a population of 2.2m people, D2N2 is a large and nationally important regional economy in the centre of England. The birthplace of the first industrial revolution, D2N2 is now home to an innovative advanced manufacturing base which includes the largest cluster of transport manufacturing and research & development in the UK and the third largest life sciences cluster in the UK. Contributing an estimated £7.8bn GVA in 2018, manufacturing continues to underpin the region’s economy, but D2N2 also hosts significant growth in the wholesale and retail trade, health, and education sectors.

Alongside strengths, D2N2 also faces important challenges. In particular, there is a persistent productivity gap and skills lag in the region compared with the UK as a whole. Regional strengths co-exist with significant sub-regional variation in employment, productivity, workforce skills and the provision of education and training. External factors (such as Covid-19) and internal efficiency-seeking processes (such as automation) add further challenges in the region.

3.1.1 THE STRUCTURE OF THE D2N2 ECONOMY

Four sectors underpin the majority of employment in the D2N2 region: manufacturing, wholesale and retail trade, health and education (Annex A1.1). The continued prominence of manufacturing (13% of employment, compared to 8% in England) makes the D2N2 economy distinctive. With the exception of Nottingham and Rushcliffe, most D2N2 districts have proportions of employment in manufacturing that are 2-3 times the English average. Aside from manufacturing, the region’s economy is broadly similar to the English average, but this masks significant diversity at a more local level: construction and wholesale have a larger share of employment in large parts of the region outside of the two cities.

Outside advanced manufacturing, employment remains subdued in the higher-value sectors such as finance and insurance (1.3%), information and communication services (2.7%) and professional, scientific and technical services (7.5%). The under-representation of such sectors negatively impacts on D2N2’s productivity. Most D2N2 districts display a worrying trend of worsening productivity gaps compared with the UK average (Annex A1.6).

3.1.2 SKILLS AND PRODUCTIVITY

The high level of employment in manufacturing is reflected in the occupational profile of D2N2 (Annex A1.2), with skilled trades occupations (major group 4) and process, plant and machine operatives occupations (major group 8) featuring more prominently than others. The skills profile of the region reflects this with lower prevalence of Level 4 qualifications and above and a higher prevalence of Level 3 qualifications (Annex A2.1). Current trends suggest this profile is being reproduced with slightly more young people than the national average going into apprenticeships and employment rather than sustained education. However, the evidence suggests that young people who take up apprenticeships in our region have positive ongoing employment and training outcomes (Annex 2.8). D2N2 is successful in retaining a substantial proportion of D2N2 graduates, 35-39% of whom choose to reside in the East Midlands after graduation (Annex A2.10), even though the overall share with qualifications at or above Level 4 is below the national average. That said, the D2N2 workforce is more concentrated in lower skilled occupations than the national average and this means that earnings are below the national average (Annex A1.7). While the region performs well on employer-provided training (Annex A2.11), there are important local variations in this and employers report both skills gaps and mismatches in their workforce (Annex A4.2). All this underpins D2N2’s 14% productivity gap and 8% earnings gap compared to England as a whole. Skills, pay, and productivity gaps are also more pronounced in some parts of the region, and there are important urban-rural differences.

Targeting skills investments at improving productivity is therefore a significant priority for the region. It is important that our investments support reskilling and upskilling for those already in employment, as well as maintaining our strength in retaining and attracting highly skilled graduates. It also needs to be carefully targeted spatially, and to take advantage of new technologies to offset variations in accessibility across the region.

3.1.3 SKILLS AND EMPLOYMENT

Employment rates remain widely different across D2N2 with some districts having higher rates than the national level and improving, while others feature rates persistently below the national level and worsening (Annex A1.5). A contributing factor to the divergence is the variation in age profile of the districts. The demographic ageing process in the last 10 years seems to be more pronounced in D2N2 than in England as a whole (Annex A1.8): this will bring up important regional challenges in the future. While the unemployment rate in D2N2 matches the national unemployment rate, there is wide divergence between urban places like Nottingham, Chesterfield, Mansfield, and Derby (with high unemployment rates) and rural districts such as Derbyshire Dales and Rushcliffe (with very low unemployment rates). Job density also varies greatly across D2N2. While the overall ratio of total jobs to working age population is below the England average, rural districts have lower ratios than the cities of Derby and Nottingham.

Our skills provision needs to target pockets of unemployment and inactivity to boost

3.1.4 SKILLS PROVISION

D2N2 benefits from world-class skills provision available to meet the needs of local employers. Across the D2N2 region, the majority of schools and colleges are rated as outstanding or good by Ofsted. Our region is also home to three modern, TEF Gold-rated, award-winning universities with proven research excellence and expertise in delivering for students and employers, as well as a long history of collaboration, partnership and collegiate competition. There is good geographical spread and breadth of Further Education provision, which is highly inclusive and well-grounded in local communities. The colleges are very effective in providing a second chance for significant proportions of school leavers with poor GCSE grades and low aspirations, while providing a wide range of professional and technical courses. Despite the wide coverage, though, some adults living in rural areas find it hard to access appropriate courses in particular priority specialisms.

It is vital that our skills providers continue to work collaboratively, map their provision to changing learner and employer demands, and embrace outreach and new technologies to facilitate inclusive access to education and training.

---

1 D2N2 has the highest proportion of employment in manufacturing across all the LEPIs in England (BRES, 2020).
2 In comparison, the proportion of graduates retained in their respective regions are: 32-35% in Leicester and Leicestershire, 37-41% in Sheffield City Region, 40-44% in Greater Lincolnshire, and 51-55% in Stoke-on-Trent and Staffordshire (Department for Education, Graduate outcomes (LEO): Provider level data, 2020).
3 Based on Census 2011 data, D2N2 features a very cohesive local labour market with a very high self-containment rate (i.e. 91% of D2N2 workers live in D2N2 and 87% of D2N2 residents work here).
CHAPTER 3

3.1.5 SKILLS AND DEPRIVATION

The latest figures show that economic inactivity in D2N2 is broadly in line with the national average, although Nottingham stands out well above it. In terms of 16-17 year-olds known to be NEET (not in education, employment or training), Derby and Nottingham both have significantly higher proportions than the England average.

Supporting young people to access training and employment is an important priority for the region.

Deprivation increased in most D2N2 districts between 2015 and 2019 (Annex A1.10). Deprivation is particularly pronounced in income in Nottingham and Derby, and in Employment in Nottingham, Ashfield, Chesterfield and Mansfield. Deprivation in Education and Skills and Training is more significant across the region and particularly focussed in Nottingham, Mansfield and Derby. Underpinning this is the above-mentioned fact that D2N2 has lower proportions of the workforce qualified at Level 4 and above, and higher proportions qualified at Levels 1 and 3, than England as a whole with significant variation at district level (Annex A2.1). Underlining the diversity of the region, severe local deprivation is much less present in places like Broxtowe, Gedling, Rushcliffe and South Derbyshire.

Targeted work to improve workforce skills to reduce poverty, exclusion and deprivation is a key challenge for the region.

3.1.6 FUTURE TRENDS

The forecasts of skills demand have negative implications for the D2N2 sectoral distribution and labour market (Annex 3.2-3). Sectors with a large presence in D2N2 such as manufacturing, engineering, and agriculture, are projected to have the lowest forecast growth, whereas sectors that have relatively smaller footprint in the D2N2 economy, such as arts, entertainment, and professional services, have high forecast growth. Similarly, the occupations with relatively large proportions of D2N2 employment, such as skilled trades, process, plant and machine operatives, have low forecast growth. While these forecasts have attempted to take into account the possible sectoral impact of Brexit (DfE, 2020), they did not account for the Covid-19 pandemic, which is having a big impact on our region.

It is essential our skills provision adapts to support these transitions within a dynamic skills ecosystem. We must ensure that economic restructuring leads to high productivity growth, and avoids downside risks of spatially focussed and sustained unemployment into the future.

Digital skills are important in our adjustment to current and future trends in our employers’ skills needs. Currently 1 in 5 adults lack some important digital skills and this is likely to be more pronounced in our pockets of unemployment, inactivity and deprivation (ESS, 2019). This is doubly important for D2N2 because digital skills are essential to remote working and access to upskilling in our rural communities. Reducing commuting is also important in improving productivity, our post-Covid recovery and reducing carbon emissions.

Digital skills are therefore central to our leading aspiration for low carbon and inclusive growth.

3.1.7 IMPACT OF COVID-19

Like other parts of the UK, the impact of Covid-19 on D2N2 is likely to be significant, with projected output and employment losses more pronounced than for the UK overall. The pandemic lockdowns and the sectoral shutdowns have placed at least 20% of D2N2 jobs in the high risk category and have severely affected around 20% of D2N2 businesses, causing large increases in the number and proportions of furloughs as well as claimant counts (Annex A1.9). Districts such as Derbyshire Dales, Mansfield and Bolsover have been impacted by higher levels of furlough. Derbyshire Dales, High Peak, South Derbyshire and Rushcliffe had above average increases in claimant number rises but, overall, their share of claimant count in total population remains below the England average level. It is likely that the Covid-19 pandemic will further negatively affect employment rates and productivity, widening the existing gaps and increasing deprivation.

Our recovery strategy will be essential to offsetting these challenges and ‘building back better’, to support those who have been made redundant or are at risk of unemployment, and to support young people and businesses who have been disproportionately affected.

3.1.8 ADDRESSING THE NEED FOR GRANULAR, REAL-TIME DATA

Given the level of complexity in our labour market and skills system, having the added challenges of dealing with Covid-19 and Brexit has really brought forward the need for timely district-level data for effective evidence-based decision-making and strategy-building. To help us bridge the lag in official data, we have contracted new Labour Market Intelligence data sources and developed new data tracking and visualisation tools. For instance, our D2N2 Labour Market Dashboard helps us track the main skills and labour market indicators at district level and across D2N2. We have developed our D2N2 Occupations Dashboard to help us stay abreast of the local-level skills demand needs and microdata on the local labour market. Annex B1 lists a range of additional sources, analyses and tools we have developed over the recent months. We work closely with our colleagues in the Chamber of Commerce, FSB, CBI, IOD and Make UK to ensure we maintain a regular flow of intelligence from business to inform all our programmes, including the development of this report.

Granular, real-time intelligence and data analysis capacity are fundamental for a dynamic well-functioning local skills ecosystem and critical for developing targeted strategies, changing learner and employer demands, and embrace outreach and new technologies to facilitate inclusive access to education and training.

---

4. UoD and D2N2 - Analysis of Impact on Local Occupations and Skills for D2N2 C-19 Economic Recovery Analytical Group
5. NTU and UoN - Covid-19 Employment and Output Risks analysis for D2N2 C-19 Economic Recovery Analytical Group
CHAPTER 3

3.2 D2N2 SUMMARY OF KEY SKILLS STRENGTHS AND NEEDS

Table 1 shows the summary of our analysis of key skills strengths and needs for D2N2, which underpins Chapter 4 and Chapter 5.

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<th>KEY SKILLS</th>
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<td>STRENGTHS</td>
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<td>• Strong focus on innovation-led sectors that feature high levels of expertise and specialisation, are high gross-value-added and vital for the future.</td>
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<td>• Skill provision capabilities and proven track-record in delivering the suitable level of achievement.</td>
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<td>• Particular strengths in delivery and outcomes from apprenticeship provision, aligned to local economic need.</td>
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<td>• A significant level of investment already secured targeted at new skills provision and continuous development.</td>
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<td>• Strengths in employment in manufacturing, local employment rates, employer participation in training, and lower proportions of skills shortage vacancies.</td>
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<th>SKILLS INFRASTRUCTURE</th>
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<td>STRENGTHS</td>
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<td>• Domestic information and communication technology development and innovation as well as world-class providers of digital skills and technological capabilities.</td>
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<td>• D2N2’s proven track record in initiating, coordinating and channeling investment into our local economy (e.g. investing £257.5 million, awarded by the Government, in capital projects from 2015 to 2021, of which a substantial amount went into new skills infrastructure8.</td>
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<td>• Excellent skills academies in key businesses including Toyota, Rolls Royce and Unipart.</td>
</tr>
<tr>
<td>• Three leading Universities with complementary strengths and international reach, underpinned by eight colleges and a wide range of specialist education providers.</td>
</tr>
</tbody>
</table>

6. Examples include Mansfield Automation and Robotics Training Centre, Chesterfield Centre for Higher Level Skills, the University of Nottingham’s Advanced Manufacturing Centre and Energy Research Institute; the Nuclear Advanced Manufacturing Research Centre and the University of Derby’s D2N2 DE-Carbonise project. For more information visit the D2N2 LDF page.

8. D2N2 Growth Hub - our successful team of specialist advisers who coordinate our dynamic partnership initiatives have worked with more than 10,000 companies to help them improve and grow.

Table 1: D2N2 Key Skills Strengths and Needs
CHAPTER 4
Skills Strategy.

4.1 CONCEPTUAL FRAMEWORK

The D2N2 skills strategy provides direct linkage between our ambition for productive, clean and inclusive growth as laid out in the recently published Recovery and Growth Strategy (RGS), and the contribution of our employment and skills system in achieving this. The pandemic will, undoubtedly, have long-lasting effects on our economy, but it will also act as the catalyst for change and innovation. The RGS focuses on economic recovery from the pandemic and aims to harness the momentum of our shared response to make positive and sustainable changes to our regional economy. Figure 3 presents the three guiding principles of the RGS to which the D2N2 PSAB skills themes and priorities are aligned.

Figure 3. The Recovery and Growth Strategy guiding principles

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LOW CARBON GROWTH</strong></td>
<td><strong>PRODUCTIVITY</strong></td>
<td><strong>CONNECTIVITY AND INCLUSION</strong></td>
</tr>
<tr>
<td><strong>PROPOSITION</strong></td>
<td><strong>PROPOSITION</strong></td>
<td><strong>PROPOSITION</strong></td>
</tr>
<tr>
<td>To lead the most ambitious carbon turn-around in the country.</td>
<td>Lead a bold new way of bringing together the education and skills, innovation and business support systems to support our people and businesses to thrive.</td>
<td>Deliver connectivity-led growth to and for all parts of the D2N2 region.</td>
</tr>
<tr>
<td><strong>PRIORITY</strong></td>
<td><strong>PRIORITY</strong></td>
<td><strong>PRIORITY</strong></td>
</tr>
<tr>
<td>1. Low carbon leadership.</td>
<td>4. Employment and skills.</td>
<td>7. Inclusion.</td>
</tr>
</tbody>
</table>

Figure 4 depicts our broad conceptual framework. It highlights our role as leader, influencer, (information and finance) broker, facilitator, and coordinator in bringing together the core elements of our skills system (skills demand, skills supply, skills developers/providers, and the key stakeholders) in responding to national and local contexts and strategies to improve labour market outcomes. The PSAB is specifically responsible for the priorities of Employment and Skills, and of Inclusion.

In order to deliver on our RGS priorities we reviewed our understanding of the local economy and the issues we face (see Table 1). We will monitor economic trends and broker information and finance to respond to changing conditions and challenge our partners to respond to need. The role of skills providers is to support our strategy through skills development, reskilling, upskilling, and responding to changing priorities. Employers have a multifaceted role in the ecosystem. A key function is to provide timely information to support the development of curriculum and skills provision to meet their needs. But they also play a more direct role in training staff and engaging with skills development to enhance their internal capabilities. Local Authorities also support us in providing information and supporting the delivery of training and skills.
The D2N2 skills strategy is centred on the following three themes:

- Digital: Improve the uptake and supply of digital skills for people and business.
- Covid-19 Recovery: Support young people and those at risk of redundancy and give confidence to business to make skills core to recovery.
- Future Skills: Meet the long-term skills needs of D2N2’s most impactful sectors.

The priorities associated with the three themes of the skills strategy address current skills gaps as well as trying to future-proof skills and matching between demand and supply. There is clear oversight and governance of each priority (see Chapter 5). Considering the evidence analysed and presented in this report, our strategy seeks to respond to the skills priorities identified in the table below.

Table 2: The D2N2 Skills Priorities

<table>
<thead>
<tr>
<th>SKILLS PRIORITIES</th>
<th>EVIDENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-cutting skills priorities (far-reaching, cross-sector)</td>
<td>Improve the flexibility &amp; responsiveness of the skills ecosystem: A4.1 • Strengthen dialogue with &amp; between skills providers / businesses A4.2 • Increase access to, &amp; quality, of adult learning/retraining A3.4 • Embed low carbon principles &amp; digital skills in all learning • Secure an Institute of Technology in D2N2 A2 Prepare for future skills needs: A3 • Strengthen interaction between business &amp; the education system • Strengthen provision of locally relevant career guidance powered by access to high quality dynamic labour market intelligence. • Enhance skills retention – higher skills &amp; graduates • Digital upskilling</td>
</tr>
<tr>
<td>Sector priorities (or occupational priorities)</td>
<td>Reduce place-based &amp; population skills disparities: A1.10 • Skills embedded in all Towns Fund area plans • Localised labour market analytics to inform better decision making • Inclusion-based approach</td>
</tr>
</tbody>
</table>
CHAPTER 5
Skills Action Plan.

5.1 DIGITAL SKILLS

Our broad objective for Digital Skills is to improve the uptake and supply of digital skills for people and business. Detailed priorities and actions are broken into four themes, as below. Recognising the importance of this priority and the size of the skills and infrastructure gaps in the D2N2 area, we will focus on universal upskilling, developing the skills base to support infrastructure development and specific actions to address digital career development and inclusion. The baseline position is that 1 in 5 adults lack one or more basic digital skills in the D2N2 area. Around a third of UK employers with skills-shortage vacancies (SSVs) have reported the skills-shortage was due to lack of digital skills (ESS, 2019). Within D2N2, a similar proportion of around a third of employers anticipating a need to develop skills have also identified digital skills. The priorities and actions described in Tables 3 to 13 will aim to reduce these gaps. In collaboration with employers and skills providers we will set targets for the operational indicators associated with this priority area.

5.1.1 UNIVERSAL DIGITAL UPSKILLING

Table 3: Universal Digital Upskilling - Priorities and Actions

<table>
<thead>
<tr>
<th>SKILLS PRIORITIES</th>
<th>ACTIONS</th>
<th>D2N2 AREA OF GOVERNANCE</th>
<th>DELIVERY PARTNERS</th>
<th>OPERATIONAL INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase the number of adult s</td>
<td>Rollout and promote the Adult Digital Skills Entitlement in D2N2</td>
<td>Skills for Growth Subgroup</td>
<td>LEAD: Adult Community Learning Services; All AEB providers, D2N2, partner Comms</td>
<td>Proportion of adults lacking basic digital skills</td>
</tr>
<tr>
<td>Build digital awareness and resilience across the D2N2 labour market</td>
<td>Create coherent pathways to access digital upskilling for the unemployed and for those at risk of redundancy</td>
<td>Employment Subgroup</td>
<td>LEAD: D2N2 Employment Subgroup, DWP, SSWR, Adult Learning Services</td>
<td>Digital skills curricula coverage by provider</td>
</tr>
<tr>
<td>Build digital awareness and resilience across the D2N2 labour market</td>
<td>Embed the future of technology and 5G into universal digital upskilling offer</td>
<td>Skills for Growth Subgroup</td>
<td>LEAD: D2N2, All AEB providers, D2N2, partner Comms</td>
<td>Proportion of learners accessing/aware of material</td>
</tr>
<tr>
<td>Embed digital skills in all employment-related learning activity - ensuring all are reflected in curriculum</td>
<td>All training providers in D2N2 challenged to ensure digital dimensions to vocational pathways in curriculum</td>
<td>Skills for Growth Subgroup</td>
<td>LEAD: General FE Colleges, HEIs, independent and community learning providers</td>
<td></td>
</tr>
<tr>
<td>Embed digital skills in all employment-related learning activity - ensuring all vocational training pathways reflect the impact of digital applications and technology</td>
<td>All training providers in D2N2 challenged to ensure digital dimensions to vocational pathways are reflected in curriculum</td>
<td>Skills for Growth Subgroup</td>
<td>LEAD: General FE Colleges, HEIs, independent and community learning providers</td>
<td></td>
</tr>
<tr>
<td>Ensure all young people understand the 6 core digital skills and can demonstrate them by end of year 11 (Mainstream) and year 14 (SEND)</td>
<td>Create Labour market intelligence and careers support material that demonstrates use of digital skills in the workplace - for young people and adults</td>
<td>Careers and Young People Subgroup</td>
<td>LEAD: D2N2 Enterprise Coordinators, LEA, DfE</td>
<td>Information to be provided</td>
</tr>
<tr>
<td>Ensure all young people understand the 6 core digital skills and can demonstrate them by end of year 11 (Mainstream) and year 14 (SEND)</td>
<td>Provide bespoke training for Careers Leaders and Senior Leaders in secondary schools on a range of methods and resources to embed digital skills for life and work in the curriculum</td>
<td>Careers and Young People Subgroup</td>
<td>LEAD: D2N2 Careers and Young People Subgroup, D2N2 Enterprise Coordinators, The Careers &amp; Enterprise Company</td>
<td>Proportion of D2N2 young aware of digital skills in careers advice</td>
</tr>
<tr>
<td>Ensure all young people understand the 6 core digital skills and can demonstrate them by end of year 11 (Mainstream) and year 14 (SEND)</td>
<td>Embed core digital skills into existing planned careers experiences with partner organisations</td>
<td>Careers and Young People Subgroup</td>
<td>LEAD: D2N2 Enterprise Coordinators, DfE: E4E</td>
<td></td>
</tr>
<tr>
<td>Ensure all young people understand the 6 core digital skills and can demonstrate them by end of year 11 (Mainstream) and year 14 (SEND)</td>
<td>Make resources available for parents/carers to support and reinforce learning - accessible and SEND appropriate</td>
<td>Careers and Young People Subgroup</td>
<td>LEAD: Secondary Schools and D2N2, Careers and Young People Subgroup, D2N2 Enterprise Coordinators</td>
<td></td>
</tr>
<tr>
<td>Increase the number of adults reskilling into digital careers</td>
<td>Lever additional resources (e.g. National skills fund) to create digital learning offer to L3+</td>
<td>Skills for Growth Subgroup</td>
<td>LEAD: D2N2, DfE, E4E, EM Chamber</td>
<td>Number and proportion of employment in digital and creative sector</td>
</tr>
</tbody>
</table>
### 5.1.2 DIGITAL CAREERS

**Table 4: Digital Careers - Priorities and Actions**

<table>
<thead>
<tr>
<th>SKILLS PRIORITIES</th>
<th>ACTIONS</th>
<th>D2N2 AREA OF GOVERNANCE</th>
<th>DELIVERY PARTNERS</th>
<th>OPERATIONAL INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide sufficient labour in D2N2 to support growth in Digital and Tech careers and industries</td>
<td>• Create labour market intelligence and careers support material that demonstrates digital career opportunities in D2N2 - for young people and adults</td>
<td>Careers and Young People Subgroup</td>
<td>LEAD: D2N2 Careers and Young People Subgroup. Enterprise Coordinators</td>
<td>Digital intensity in D2N2 occupations Digital skill-shortage vacancies (SSVs)</td>
</tr>
<tr>
<td></td>
<td>• Run an annual Digital Industries Week / Expo for employers and skills providers and including skills and careers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Embed Digital careers into existing Skills events for young people</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Develop a strategy to retain D2N2 Graduates with digital skills</td>
<td>Skills for Growth Subgroup</td>
<td>LEAD: D2N2 Skills for Growth Subgroup. HEIs</td>
<td></td>
</tr>
</tbody>
</table>

### 5.1.3 DIGITAL INFRASTRUCTURE

**Table 5: Digital Infrastructure - Priorities and Actions**

<table>
<thead>
<tr>
<th>SKILLS PRIORITIES</th>
<th>ACTIONS</th>
<th>D2N2 AREA OF GOVERNANCE</th>
<th>DELIVERY PARTNERS</th>
<th>OPERATIONAL INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure D2N2 has the skills and labour to deliver and maintain full fibre and 5G rollout across the region</td>
<td>• Quantify the number, skills and geographical spread of labour market to meet infrastructure development needs over the next 5 years</td>
<td>Skills for Growth Subgroup</td>
<td>LEAD: Local Authorities. Digital infrastructure providers</td>
<td>In development</td>
</tr>
<tr>
<td></td>
<td>• Utilise apprenticeship levy transfer mechanisms to support the delivery of training</td>
<td>Employment Subgroup</td>
<td>LEAD: Public sector employers. FE/HE providers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Create labour market intelligence and careers support material that demonstrates digital infrastructure career opportunities in D2N2 - for young people and adults</td>
<td>Employment Subgroup</td>
<td>LEAD: The Careers and Enterprise Company / National Careers Service. LAs, Enterprise Coordinators</td>
<td></td>
</tr>
</tbody>
</table>
CHAPTER 5

5.1.4 DIGITAL INCLUSION

Table 6: Digital Inclusion - Priorities and Actions

<table>
<thead>
<tr>
<th>SKILLS PRIORITIES</th>
<th>ACTIONS</th>
<th>D2N2 AREA OF GOVERNANCE</th>
<th>DELIVERY PARTNERS</th>
<th>OPERATIONAL INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure no adult or young person in D2N2 is digitally excluded as a result of lack of access to equipment or connectivity</td>
<td>• Ensure all Towns Fund areas include digital access and digital skills within their plans in D2N2</td>
<td>Skills for Growth Subgroup</td>
<td>LEAD: D2N2, LAs, FEIs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Equip schools, libraries and community learning facilities to offer family learning opportunities and supported local access to equipment and connectivity</td>
<td></td>
<td>LEAD: Local Authorities. Schools / LEAs, Adult Community Learning Services</td>
<td>Facilities/services usage metrics</td>
</tr>
<tr>
<td></td>
<td>• Ensure all public buildings offer free Wi-Fi</td>
<td></td>
<td>LEAD: Local Authorities. NHS, DWP, DfE</td>
<td>Proportion of D2N2 population accessing the internet</td>
</tr>
<tr>
<td></td>
<td>• Improve access to digital learning opportunities in venues with free connectivity</td>
<td></td>
<td>LEAD: Adult Community Learning Services. FEIs, VCS providers</td>
<td></td>
</tr>
<tr>
<td>Provide direct skills pathways for individuals facing barriers to employment including digital roles</td>
<td>• Reduce resources to continue the work of the Digital Skills Innovation Fund in D2N2</td>
<td>Skills for Growth Subgroup</td>
<td>LEAD: D2N2 Skills for Growth Subgroup.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Target inclusive recruitment training to digital employers in D2N2 - building on experience supporting - Women - SEND learners</td>
<td></td>
<td>LEAD: Serco - SSWR Pilot. Growth Hub, Business support organisations</td>
<td>Diversity and inclusion metrics for D2N2 employers</td>
</tr>
<tr>
<td></td>
<td>• Encourage employers to use assistive technology in recruitment and to identify job opportunities that can be accessed through technology by those marginalised in the labour market</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Work in tandem with Digital infrastructure projects to ensure access to broadband and reduce digital divide</td>
<td></td>
<td>LEAD: LAs / D2N2 LEP. Digital infrastructure providers</td>
<td>Proportion of D2N2 population accessing the internet</td>
</tr>
</tbody>
</table>

5.2 COVID-19 RECOVERY

Our stated broad objectives for the Covid-19 recovery are to support young people and those at risk of redundancy, and to give employers the confidence to make skills core to recovery. Detailed priorities and actions are broken into four themes, as below. The impact of Covid-19 is likely to be most significant in relation to service, hospitality, retail sector employment where restrictions have been most severe and is likely also to hasten pre-existing trends in low skill or low productivity businesses. In relation to skills demand it is also likely to add to challenges arising from Brexit interruptions to trade. From a skills supply perspective it is likely to impact upon workers needing to shift between sectors and occupations where they are affected by redundancy and to new entrants to the labour market where their skills development has been impaired. Our actions under this priority are focussed on rapid response to redundancy to support the former group and targeted actions to support young people to support the latter. We will also support businesses to build back better with productivity-enhancing skills support and to assist skills providers to offer additional support and to respond to changing skills demands which have been accelerated by the pandemic.
5.2.1 RAPID EMPLOYMENT RESPONSE

Our target for this thematic area is to ensure that unemployment in the D2N2 area remains below the national average and that referrals to redeployment support are sufficient to sustain this.

Table 7: Rapid Employment Response – Priorities and Actions

<table>
<thead>
<tr>
<th>SKILLS PRIORITIES</th>
<th>ACTIONS</th>
<th>D2N2 AREA OF GOVERNANCE</th>
<th>DELIVERY PARTNERS</th>
<th>OPERATIONAL INDICATORS</th>
</tr>
</thead>
</table>
| A well-coordinated employment support landscape providing timely and targeted support to meet individual needs. | • Implementation of strong governance to oversee relationships and coordinate provision  
• Unemployment and redundancy data tracking and timely responses  
• Make LMI and careers resources that reflect local economic trends and shortages available to all employment services  
• Increase understanding of employment and redundancy support available with business support services  
• Use of ESF reserve fund to procure additional employment and skills support to meet rising demand | Employment Subgroup | LEAD: Employment Subgroup. Employment Subgroup. Skills for Growth Subgroup, Growth Hub, EM Chamber, Business Growth and Innovation Advisory Board | LMI indicators |
| A brokerage service to support workers facing redundancy or in vulnerable sectors into new sectors or training | • Promote the D2N2 Redundancy and redeployment triage service with business networks and support services  
• Support the creation of district-level coordination and referral routes into the service | Employment Subgroup | LEAD: Employment Subgroup Futures / NCS. Skills for Growth Subgroup, Growth Hub, EM Chamber, Business Growth and Innovation Advisory Board | |

5.2.2 SUPPORTING YOUNG PEOPLE

The target here is to sustain NEET levels below the national average.

Table 8: Supporting Young People - Priorities and Actions

<table>
<thead>
<tr>
<th>SKILLS PRIORITIES</th>
<th>ACTIONS</th>
<th>D2N2 AREA OF GOVERNANCE</th>
<th>DELIVERY PARTNERS</th>
<th>OPERATIONAL INDICATORS</th>
</tr>
</thead>
</table>
| Strengthened interaction between business and the education system; shaping the quality and content of provision and curricula to inspire locally relevant career guidance. | • Promote and facilitate uptake of government incentives to support transitions  
• Use of ESF reserve fund to address rising risk of youth unemployment and NEET  
• Support a shift to virtual careers learning and delivery  
• Create LMI and resources to assist choices that reflect the post-Covid economy; including rollout of virtual careers fairs across D2N2 | Careers and Young People Subgroup  
Employment Subgroup | LEAD: Careers and Young People Subgroup.  
Employment Subgroup. Employment Subgroup, DWIP, Enterprise Centres/EAN, all partners  
LEAD: Employment Subgroup. ESIF committee | Youth-focused LMI indicators. Gatsby Benchmarks |
CHAPTER 5

5.2.3  ENABLING BUSINESS RECOVERY THROUGH SKILLS

The target for this priority theme is to support business resilience and prevent a collapse in the Business Survival Rates.

Table 9: Enabling Business Recovery Through Skills - Priorities and Actions

<table>
<thead>
<tr>
<th>SKILLS PRIORITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGS PRIORITY OUTCOMES</td>
</tr>
<tr>
<td>----------------------</td>
</tr>
<tr>
<td>Skill brokerage and guidance for businesses is aligned to and coordinated with business support mechanisms in D2N2.</td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Apprenticeship funding and levy is used effectively across D2N2 to achieve skills for growth and meet the needs of growing or skills shortage sectors - clean energy, modular construction and retrofitting, health and MedTech and Digital.</td>
</tr>
<tr>
<td></td>
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</tbody>
</table>

5.2.4  SUPPORT SKILLS PROVIDERS TO RESPOND

The target here is to ensure an increase in the uptake of adult learning to enable the reskilling and upskilling of the workforce in the wake of Covid-19 and Brexit. In delivery, this section of strategy should support stability of the skills provider base and provide the information they need to support flexibility in skills provision in order to meet the changing demand over time.

Table 10: Support Skills Providers to Respond - Priorities and Actions

<table>
<thead>
<tr>
<th>SKILLS PRIORITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGS PRIORITY OUTCOMES</td>
</tr>
<tr>
<td>----------------------</td>
</tr>
<tr>
<td>Closer working between Govt, the skills sector and businesses to enable stability and capacity of our training system to be maintained.</td>
</tr>
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<td></td>
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<td></td>
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</tbody>
</table>
CHAPTER 5

5.3 FUTURE SKILLS

Our main objective for this theme is to meet the long-term skills needs of D2N2’s most impactful sectors. The D2N2 skills action plan focuses on optimising skill-matching between supply and demand for the new and existing workforce, while enabling skill retention and upskilling. Activity will be prioritised based on the wider ability of sectors to contribute towards the RGS principles of green growth, productivity, and inclusion and connectivity. In delivery, the focus of this theme is to drive development of a skills ecosystem that can flex and respond quickly to changing skills demand - through early careers interventions and strengthened provider infrastructure - and maximise the use of skills and talent from all sources within D2N2.

5.3.1 FUTURE WORKFORCE

Table 11: Future Workforce – Priorities and Actions

<table>
<thead>
<tr>
<th>SKILLS PRIORITIES</th>
<th>ACTIONS</th>
<th>D2N2 AREA OF GOVERNANCE</th>
<th>DELIVERY PARTNERS</th>
<th>OPERATIONAL INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGS PRIORITY OUTCOMES</td>
<td>ACTIONS</td>
<td>D2N2 AREA OF GOVERNANCE</td>
<td>DELIVERY PARTNERS</td>
<td>OPERATIONAL INDICATORS</td>
</tr>
<tr>
<td>Strengthened interaction between business and the education system; shaping the quality and content of provision and curricula to inspire locally relevant career guidance.</td>
<td>• Develop and deliver a careers strategy in D2N2 expanding Careers Hub coverage across whole LEP area</td>
<td>Careers and Young People Subgroup</td>
<td>LEAD: Careers and Young People Subgroup. CEC, Futures</td>
<td>Service usage data</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>LMI indicators</td>
</tr>
<tr>
<td></td>
<td>• Align the Enterprise Adviser Network with ESF-funded and other funded provision to maximise use of resources</td>
<td>Careers and Young People Subgroup</td>
<td>LEAD: Careers and Young People Subgroup. CEC Futures, UniConnect, DWP</td>
<td>Gatsby Benchmarks</td>
</tr>
<tr>
<td>Young people and adult re-trainers have access to high quality and dynamic labour market intelligence which demonstrate roles available, skills needed to secure them and the education, training and support pathways available to help them get there.</td>
<td>• Create an online single gateway to support all careers activity</td>
<td>Careers and Young People Subgroup</td>
<td>LEAD: Careers and Young People Subgroup. EAN, Futures</td>
<td></td>
</tr>
<tr>
<td>More of our graduates remain or return here, bringing benefits to both the individual and the businesses to which they bring higher level skills and a propensity towards innovation</td>
<td>• Extend ESF programmes focussed on accelerating graduate and higher skills into SMEs</td>
<td>LEAD: ESF Committee. PSAB, Innovation Subgroup</td>
<td>LMI indicators focused on graduate employment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Develop a strategy to reduce graduate underemployment in D2N2</td>
<td>LEAD: Careers and Young People Subgroup. HEIs, DWP, NCS, Innovation Subgroup</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.3.2 SKILLS FOR PRODUCTIVITY

Table 12: Skills for Productivity – Priorities and Actions

<table>
<thead>
<tr>
<th>SKILLS PRIORITIES</th>
<th>ACTIONS</th>
<th>D2N2 AREA OF GOVERNANCE</th>
<th>DELIVERY PARTNERS</th>
<th>OPERATIONAL INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGS PRIORITY OUTCOMES</td>
<td>ACTIONS</td>
<td>D2N2 AREA OF GOVERNANCE</td>
<td>DELIVERY PARTNERS</td>
<td>OPERATIONAL INDICATORS</td>
</tr>
<tr>
<td>Our skills and education providers have the information and data they need and feel supported enough to flex their offer to adjust to the changed economy.</td>
<td>• Develop a future skills plan in conjunction with all key sectors across D2N2</td>
<td>Skills for Growth Subgroup</td>
<td>LEAD: Skills for Growth Subgroup. Business Growth and Innovation Advisory Board, Investment Board</td>
<td>LMI indicators focused on skills demand and supply mismatches, and productivity and growth</td>
</tr>
<tr>
<td>Additional pro-rata funding secured for FE in D2N2 which can be spent more flexibly on local priorities.</td>
<td>• Compile and prioritise a skills capital pipeline underpinned by a higher skills plan</td>
<td>Skills for Growth Subgroup</td>
<td>LEAD: Skills for Growth Subgroup. HEIs, FEIs</td>
<td></td>
</tr>
<tr>
<td>D2N2 attracts a world class Institute of Technology to deliver technical and STEM skills aligned to local economic need.</td>
<td>• Secure an Institute for Technology for D2N2</td>
<td>People &amp; Skills Advisory Board (PSAB)</td>
<td>LEAD: HEIs / FEIs. PSAB, Skills for Growth Subgroup</td>
<td></td>
</tr>
</tbody>
</table>
## 5.3.3 FAIR AND INCLUSIVE ECONOMY

Table 13: Fair and Inclusive Economy – Priorities and Actions

<table>
<thead>
<tr>
<th>RGS PRIORITY OUTCOMES</th>
<th>ACTIONS</th>
<th>D2N2 AREA OF GOVERNANCE</th>
<th>DELIVERY PARTNERS</th>
<th>OPERATIONAL INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members of our community who would like to work but cannot for reasons of health, disability or location will be supported into the labour market</td>
<td>• Support rollout of the Mental Health and Productivity Pilot across D2N2</td>
<td>Employment Subgroup</td>
<td>LEAD: Employment Subgroup. UoD, PHE, DWP, D2N2 Inclusion Reps</td>
<td>LMI indicators focused on Diversity and inclusion</td>
</tr>
<tr>
<td>Our strongly performing sectors continue to prosper, but are more open to supporting traditionally excluded populations</td>
<td>• Launch a single gateway for support and information to enable inclusive recruitment and employment practice</td>
<td></td>
<td>LEAD: Employment Subgroup. Growth Hub, DWP, D2N2 Inclusion Reps</td>
<td></td>
</tr>
<tr>
<td>Employers will understand how to access and support untapped talent.</td>
<td>• Pilot a programme of inclusive recruitment via the D2N2 Skills Support for the Workforce programme</td>
<td></td>
<td>LEAD: Employment Subgroup. Serco, BBO Stakeholder Managers, D2N2 Inclusion Reps</td>
<td></td>
</tr>
</tbody>
</table>
CHAPTER 6
Assessment of Progress.

Given the recent adoption of our strategy and skills action plan, a full evaluation and assessment of progress is not feasible at this early stage. This section therefore reviews the role of the PSAB in the round – including our function as:

- a leadership forum to stimulate and drive change
- an enabler for collaboration and partnerships
- a vehicle for the provision of meaningful information on which stakeholders can develop their own plans and strategies
- the creator of strategies for the region to focus and prioritise local action.

6.1 TAKING A LOCAL LEADERSHIP ROLE

That education and skills enhancement generate a positive return to the individual (through higher wages and better career development) is well-established. For businesses, having more talented workers increases their productivity and makes them more competitive and innovative. But there are wider social and economic returns that can be achieved by a co-ordinated public approach to more general skills development which increase the general skills and capabilities of the pool of current and future labour available within a region (or country). We have designed our skills action plan to maximise the potential talent available in the region both now and in the future by increasing our visibility as the local strategic leader of skills development work but also as the central co-ordinator between employers, education and skills providers, and people.

We will further strengthen engagement with employers, skills providers, government and local authorities, and labour market participants through our leadership and co-ordination efforts. We evidence this in the tables outlining the skills actions under each of the three themes – while the principal vehicles for driving progress are our PSAB subgroups, we rely on the knowledge, expertise and resources of our partners and networks to generate the stated outputs. The actions taken by the PSAB to create the digital bootcamps programme, part of the Digital Skills strategy theme, are a case in point (see case study in Chapter 7). D2N2 LEP again successfully acted as initiator and creator of a targeted strategic action, partnership-builder across providers and employers and finance broker.

Our analysis indicates the need to articulate more clearly the way in which Local Authorities and their Skills and Employment Boards can engage and support the PSAB priorities in a fluent and cohesive manner. Given the need for responses in particular localities, we need to consider devising single-focus/area task forces or subgroups that engage the more affected districts directly.

6.2 ENHANCING LOCAL KNOWLEDGE

Chapter 3 set out a summary analysis of the current local skills landscape and the expected future skills needs of the D2N2 economy. More detailed commentary is available in the Annexes. However, further, more detailed analysis is needed in relation to some of the headline themes identified. These include:

1. Specific understanding of the sectoral productivity gaps. Some low productivity sectors – such as agriculture - may have sustained or even increasing strategic importance to the UK and D2N2 economy. Others will identify where aspects of sectors need refocussing or greater support (e.g. tourism, creative industries) as a result of recent changes.

2. Further analysis of strategic risks to identify precisely where changes like ageing, low skills and future downside effects may impact, in order to support greater targeting of actions.

3. Detailed assessment of the needs associated with pockets of unemployment, inactivity, low skills and deprivation so that skills interventions can be appropriately targeted.

4. Ongoing analysis of the impacts of Covid-19 and Brexit as they unfold, to ensure that rapid response and reskilling is organised around workforce needs, new opportunities and sustainable, low carbon and inclusive growth.

Additionally, as the tables in Chapter 5 have detailed, a large number of indicators with data at granular level will be needed to monitor and evaluate the progress of our initiatives. The process of building a systematic approach to capture the relevant data on key labour market indicators, from both the employer and employee side of the D2N2 labour market, is well advanced and the evidence to date has informed both the economic recovery plan and the Skills Action Plan itself.

In terms of knowledge-enhancing actions, we intend to hold additional focus groups and develop bespoke surveys of local and regional skills demand, skills supply, and skills deployment. We will build a more detailed and nuanced understanding of what is needed to address short-term, Covid-related skills and employment issues as well as longer-term visionary thinking around regional skills development and what skills demand, education and skills training might look like in the long-term.

We are proud of the diverse composition of our People and Skills Advisory Board, with good representation of central and local government alongside education and skills providers from across the wide spectrum of provision, as well as individual large employers and employer representative groups. Nevertheless, we are keen to strengthen our employer representation and become more inclusive and representative of smaller (particularly micro) companies, who make up over 97% of our businesses, and new employers reflecting the restructuring of the regional economy. Their presence on the PSAB will add value as representatives of increasingly important groups of workers such as professional freelancers and the self-employed, as well as their large representative groups such as the Association of Independent Professionals and the Self-Employed (IPSE). Reflecting new classes of employer and job types could add great value in terms of developing our understanding of what our D2N2 labour market might look like in the long-term. In the same vein, there may be potential to engage with other partners such as trade unions and employees’ associations, agencies and advocacy organisations working with particular groups facing diversity and inclusion challenges (e.g. Work and Health Programme providers), and additional agencies and groups working with young people.

Whilst the Covid-19 crisis has forced many businesses to focus on their internal resources and business models, there is emerging evidence of a greater willingness to engage with public agencies who are increasingly being seen as a part of the solution to post-Covid economic and social regeneration. This has been reflected to a degree in wider participation in evidence collection during the Covid crisis (for example Covid business surveys), but also in terms of engagement with the concept of the ‘levelling-up’ agenda. As a SAP, we are well-placed to both make the case for what levelling-up might look like and how the process of levelling-up should be actioned at the D2N2 and district levels.
6.3 IMPACT ON LOCAL SKILLS PROVISION

As our emerging set of indicators in Chapter 5 attested, assessing the impact of the PSAB on skills providers requires more data from a variety of sources including skills providers, careers advisers, and learners. Furthermore, evaluating the effectiveness of the skills provision requires further data on skills utilisation. Section 6.5 below identifies relevant additional steps in this direction by more tightly linking the skills action plan to skills needs.

Nevertheless, there is already strong evidence that the skills priorities identified by the PSAB have been integrated into stakeholder strategies and are being acted upon. Some case studies are included in Chapter 7. Local authorities, skills providers, career guidance advisors and employers have all come together on projects such as the Automation and Robotics Training Centre, NTU Allied Healthcare provision, Chesterfield Centre for Higher Level Skills, Unlocking Potential and others.

In these cases, D2N2 was there as a funder through its Local Growth Fund, but in many other examples, the projects on skills provision became viable because of our PSAB’s ability to access external funding sources such as the European Social Fund, Education and Skills Funding Agency, National Lottery Community Fund etc. or through our membership of larger national-level networks or programmes.

6.4 COVID-19 RECOVERY AND RENEWAL PLANS

Covid-19 comes on top of the impact of Brexit on the local economy and compounds and diverts significant pre-existing trends. It suggests a need for reconsideration in some areas and a redoubling of our efforts in others, such as in relation to ensuring inclusive, sustainable, and low carbon growth. The strategies developed in response have now been incorporated in the Recovery and Growth Strategy, as illustrated in Chapter 4. Analysis of the impact of Covid-19 suggests some specific areas for strategic response:

- Reconsideration and further investment in specific sectors. Some important sectors have been disproportionately impacted by Covid-19 including creative industries, transport, and the tourism/visitor economy.
- Tourism – strategic support for change in the sector, including greater focus on digitalisation and infrastructure development for green tourism.
- Development of digital infrastructure and skills to support remote working.
- Responding to the unequal effects of the Pandemic – it is widely understood that women, some ethnic minorities, children from disadvantaged backgrounds (and at risk and in the care sector) have all been disproportionately negatively affected in ways that will reinforce existing inequalities. This suggests a need for reinforcement of existing efforts to ‘level up’ and target support – especially in relation to skills gaps and educational inequality. Some aspects of strategic response will be outside of skills support but essential to skills utilisation. For example, young people suffering mental health effects of the pandemic will face barriers to effectively utilising their skills in the labour market.

Good examples of impactful actions are Priority Skills for SMEs and Skills Support for Redundancy. In our view, the existing Covid-19 recovery theme of our strategy will have a positive mitigating effect and will take us in the right direction. However, the negative impacts of the pandemic are likely to leave a lasting and evolving legacy. As such, the strategy will need monitoring, updating, and refocusing on an ongoing basis.

6.5 SKILLS ACTION PLAN

The analysis in Chapter 3 sets out a range of skills needs for the region. These are outlined in Table 14, where they are also mapped to different components of the Skills Action Plan. At a headline level, there is strong coverage of identified skills needs. However, further development of the Skills Action Plan is necessary across most areas. Particular priorities in this development include:

1. Development of baseline assessments. It is widely understood that the D2N2 region is particularly challenged by risks from future economic trends such as offshoring, trade interruptions and automation, especially in relation to manufacturing which has hitherto been a regional economic strength. The skills action plan could be significantly developed through the inclusion of baseline data on threats and opportunities to our sectors, occupations, and spatial areas.

2. Identification and adoption of a robust performance management framework. We now need to develop a performance management framework to map inputs, activities, outcomes, and impacts in a logical way. This will involve a systematic effort to capture administrative project level data, as well as primary and secondary statistical data to monitor the delivery of the Skills Action Plan and its effects on the D2N2 Skills Ecosystem. Such an exercise would also identify gaps and avoid perverse incentives sometimes built into funding streams to only track outputs.

3. Strategic Alignment. The current Skills Action Plan takes up priorities which have evolved over the course of the last few years and, in particular, the last twelve months. As chapters 4 and 5 showed, the skills strategy and the action plan are clearly aligned to the Recovery and Growth Strategy. Nevertheless, the national policy and strategy landscape will understandably evolve as the pandemic evolves, Brexit realises settle and the economic recovery shifts into a new stage. We will need to continuously evaluate our Skills Strategy and map it dynamically against the new and emerging key regional strategies to ensure that, if gaps are identified, they are filled, and that the actions in our Skills Action Plan are connected to headline strategic outcomes and indicators. We will also work with partners such as the Midlands Engine, Midlands Energy Hub, East Midlands Development Corporation and neighbouring LEPs to ensure that issues that are wider than local are dealt with in partnership. For example, as Midlands Energy Hub board members, we are helping to steer the allocation of the BEIS’s Green Homes Grant Skills Fund to the places where it will have the biggest impact.

4. Targeting. The D2N2 area has challenges associated with unemployment, labour market inactivity, and low skills among specific groups and concentrated in particular localities. The current context (Covid-19 pandemic and Brexit) is also likely to impact on specific social groups and accentuate existing risks associated with automation. There is evidence already of where specific weaknesses exist and where these risks are most likely to fall. For example, our young people in both our cities and our rural tourism hotspots are particularly exposed to the shutdown in retail and hospitality, and require targeted up-skilling and re-skilling support. In addition, economic forecasts and local strategies identify priority sectors for growth, such as low carbon goods and services in which we are second in the Midlands only to Birmingham in terms of jobs, GVA and investment. As such, a combination of risk assessment and forecasting is needed to help target which specific populations/localities might benefit from redeployment support, digital or general skills upgrading, and which skills levels and sectors apprenticeship support should be focussed on. This is particularly the case in relation to the combination of existing structural inequalities and trends (such as labour market precarity), the impact of Brexit and Covid-19. In this context, ‘levelling-up’ will both be even more significant and require even greater targeting of resources.
### Table 14: Skills Needs mapping to Skills Action Plan

<table>
<thead>
<tr>
<th>SKILLS NEEDS IDENTIFIED IN CHAPTER 3</th>
<th>CORRESPONDING THEME IN SKILLS ACTION PLAN</th>
<th>COMMENTARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional and technical, business leadership and management, and creative skills</td>
<td>Digital Skills Future Skills</td>
<td>Need to update our understanding of where support is provided for these skills and who is to be targeted.</td>
</tr>
<tr>
<td>Build on the local skills ecosystem to enhance its adaptability and resilience</td>
<td>Digital Skills Future Skills Covid-19 Recovery Inclusion</td>
<td>Need to develop clear outputs and outcomes to hold the ecosystem to account for providing the skills needed by our employers and learners.</td>
</tr>
<tr>
<td>Develop local workforce resilience</td>
<td>Digital Skills Future Skills Covid-19 Recovery</td>
<td>While there is a short-to-medium-run need for general skills updating for workers at risk from automation and for those redundant or at risk of redundancy in the pandemic/Brexit fallout, there is also a need build-in continuous development with a view for the future.</td>
</tr>
<tr>
<td>Support employers to increase the utilisation of higher skills</td>
<td>Future Skills</td>
<td>Need more specific indicators on higher skills deployment and employer incentives to invest and ‘buy-in’ and for retention of graduates with skills for key sectors / roles.</td>
</tr>
<tr>
<td>Diversity and range of skills provision</td>
<td>Digital Skills Future Skills Covid-19 Recovery</td>
<td>Need setting of clearer targets vis-à-vis broader range of skills qualifications – e.g. Technical and STEM short courses, the IoT qualifications etc.</td>
</tr>
<tr>
<td>Skill-matching through both individual career’s advice and business support</td>
<td>Digital Skills Future Skills Covid-19 Recovery</td>
<td>Need usage and outcome metrics for clarity over targeting actions.</td>
</tr>
<tr>
<td>Career / Social mobility skills</td>
<td>Digital Skills Future Skills Covid-19 Recovery</td>
<td>Need a clear set of indicators linked to target population, achievement, career outcomes and deprivation.</td>
</tr>
<tr>
<td>Digital skills and invest in digital infrastructure</td>
<td>Digital Skills</td>
<td>Stronger baseline analysis regarding local skills gaps is needed to develop outcomes and target actions.</td>
</tr>
<tr>
<td>Place-based strategies to help levelling up and reducing disparities at local level</td>
<td>Digital Skills Future Skills Covid-19 Recovery</td>
<td>Need a clear set of indicators underpinning local action, including ensuring that, where possible, we can break down our performance by place, sector, cohort and rural/urban.</td>
</tr>
<tr>
<td>Skills for Covid-19 / Brexit Recovery</td>
<td>Covid-19 Recovery</td>
<td>Clear outcomes for this work are required. Not currently clear that support is targeted at upskilling, for furloughed workers or in at-risk sectors. Sectoral skill profiles are required to match training provision in support of forecast growth sectors/roles. Skills effectiveness may be mitigated by poor health/mental health of young people – this needs support to ensure effectiveness of new entrants to the labour market.</td>
</tr>
</tbody>
</table>
CHAPTER 7
Case Studies.

7.1 DIGITAL BOOTCAMPS

12-week digital "bootcamps" are being piloted to address the local digital skills shortage.

D2N2 needs to improve its supply of digital skills. It has a shortage of IT engineers and technicians, and low productivity in the Information and Communication sector, but a thriving Creative and Digital sector.

With targeted intervention needed, the D2N2 LEP built a partnership of 10 public and private training providers, each with strong industrial links and understanding of employer needs, and secured National Skills Funding to pilot skills bootcamps.

Digital bootcamps are intensive training programmes up to 12 weeks long. They equip adults with Level 3-5 digital skills, targeted at skills gaps identified by employers in a range of sectors. Courses include software development, IT networking, cybersecurity, and data analytics.

A concerted effort was made to attract women to the programme, who are underrepresented in the digital workforce. Of 350 people enrolled, 53% are female.

Over half the participants are employed, with clear career progression identified by their employers. The others are unemployed, but being trained to meet identified vacancies, with a guaranteed job interview at the programme’s end. It is hoped at least 75% of them will progress into work through engaging with the employers during the training.

Phil Davenport, Managing Director of Heanor-based Affirm IT, said: "I am delighted the bootcamps will help us access skills in cybersecurity, a key focus for us over the next couple of years.”

Continuation funding has been agreed for 2021-22. The bootcamps will be refined using learnings from the first programme. The delivery model will also be evaluated, to examine the potential for using short, intensive interventions for other technical skills.

7.2 SEVERN TRENT WORK EXPERIENCE WEEK

The social impacts of Covid-19 halted in-person work experience. In response, Severn Trent developed a virtual model, in collaboration with a teacher from Merrill School, Derby. In June 2020, they piloted a week with a cohort of vulnerable and key worker young people.

Each day, the learners had live dialogue with a different member of Severn Trent staff, an exercise on the values and behaviours needed at the company, and a work-related project to present back the next day. In addition, training and advice was provided on personal branding, CV writing and interview techniques. Each student had a virtual mock job interview – despite their nerves, the constructive support provided meant they voted the interviews the most useful part of the week.

Grace Hosking, teacher at Merrill Academy, said “Feedback from both students and staff has been overwhelmingly positive. Overall the comprehensive programme opened their eyes to some careers they had not previously considered.”

One student said “I knew I wanted to be an engineer but now I understand what a civil engineer is, this is my top choice.”

The pilot was a huge success, and the programme could clearly help schools fulfil two of the Gatsby benchmarks of Good Career Guidance: “Encounters with employers and employees” and “Experiences of workplaces”. Severn Trent worked with the D2N2 LEP to identify 20 other schools underperforming on these measures. They plan to run the programme for their most vulnerable students in summer 2021.

Severn Trent has presented the delivery model to other Cornerstone Employers in the area, also committed to work experience for local students. These companies can now adapt and implement the model in their own businesses.
CHAPTER 7

7.3 NOTTINGHAMSHIRE CLUBS FOR YOUNG PEOPLE

Nottinghamshire Clubs for Young People (Notts CYP) gained an ESF Community Grant to deliver employability skills to young people through their Being Ready programme. The course included CV writing, time management, money management, confidence building and form filling. Participants also completed food hygiene and first aid training.

Kirsty has a visual impairment, ADHD and autism. She particularly struggled with the first national lockdown, suffering severe anxiety, anger issues, stress and attachment issues. Initially she resented spending so much time at home, but over time she became increasingly attached and dependent on her mum.

As a small, local organisation, Notts CYP were able to understand and adapt to Kirsty's particular challenges. Daily zooms and weekly individual catch ups ensured she had daily interaction and challenges to complete. Kirsty interacted well throughout, attended all sessions, and completed the work. She particularly enjoyed the teamwork and the interactive games that the course included. Notts CYP staff read and scribed for her when needed, reassured her about social distancing at face-to-face sessions, and supported her when she was anxious and worried.

Kirsty gained confidence in explaining when she needed help, not just trying to cope on her own. She feels more able and comfortable to apply for jobs, as she is equipped with interview skills and an updated CV. She has also learnt how to manage her money and how to give change.

Kirsty appreciated the teamwork and face-to-face sessions, as this is her preferred way of learning. The group work was very important to this cohort of young people, as interacting with each other helped them to engage and learn.

7.4 THE TREAT KITCHEN

Retaining highly skilled graduates in the area is vital for business growth. Graduate placements are a critical tool in this, helping smaller businesses in particular to benefit from their skills.

The Treat Kitchen is a local confectionery wholesaler, that keeps design in-house to enable innovation and speedy production. However, they were experiencing a skills gap in packaging design. Having a long-standing relationship with Nottingham Trent University, they agreed upon a graduate placement.

Santa Brice had studied for an art college degree, before taking a career break. Later, she completed an Access to Higher Education course in Business, and a degree at NTU in Fashion Marketing and Branding.

During her six-week placement at The Treat Kitchen, Santa completed a range of duties, but realised she wanted to be more involved in design.

Santa said: "I was able to get involved in everything, from poster and brochure design, to product photography and packaging development. I was able to use the skills I'd learned throughout my education, and they were looking for someone to create a new vision for the brand, so it was a really good fit."

Jess Barnett, sales director and co-founder of The Treat Kitchen, said: "When we took on Santa, we put her through training on food and labelling legislation, but she was already very skilled in the design side, so she really hit the ground running and made a big difference."

Since completing the placement, Santa went from strength to strength. She was promoted to Creative Lead, working alongside the head of product development, and line managing a full-time studio artworker. She also supported work experience opportunities for seven creative interns.
7.5 CHESTERFIELD CENTRE FOR HIGHER LEVEL SKILLS

For many years, there was concern about North Derbyshire lacking a primary University Campus or site. The area suffered from poor participation in Higher Education and limited access to progression opportunities; it also endured a 'brain drain' of those who did access Higher Education elsewhere.

The University of Derby purchased the former St Helena Grammar School in Chesterfield in 2014. £3.48m from the Local Growth Fund subsequently enabled its renovation, bringing a University Campus to North Derbyshire for the first time. It has been designed to encourage greater local uptake of Further Education, and to provide a more accessible entry point to Higher Education.

A focus of the new Chesterfield Campus is the training of students from the area, particularly adults, in higher-level vocational skills. Facilities include a clinical skills suite, an immersive interactive simulation suite, and mock hospital ward. These are used to simulate some of the situations healthcare students may encounter when working in the sector.

There is also an Innovation Centre, which welcomed its first tenant business in May 2018. The hub of six high-specification units supports manufacturing and medical engineering SMEs to develop new business ideas.

Since opening in October 2016, the Campus has supported over 1,000 learners, and over 3,000 CPD modules or short courses have been completed. It is hoped the Centre will continue to raise aspiration and ambition amongst young learners and the local workforce.

Cllr Amanda Serjeant, Deputy Leader of Chesterfield Borough Council, said: "Our residents are benefitting from the higher education and skills provided by the campus. It is making a real difference to the opportunities available to our community."
CHAPTER 8
Looking Forward.

Given that the East Midlands/D2N2 does not have a mechanism for devolution of skills budgets, D2N2 LEP is vital for coordinating the region’s strategies and supporting access to government funding. Our PSAB will continue to play a crucial role within D2N2’s efforts to design and implement effective ‘place-based’ and evidence-informed strategies with explicit focus on employment, skills, and inclusion.

The strategies presented and their associated action plans are all designed to contribute to the wider ambitions for the region; responding to local needs and development priorities (as evidenced by the local labour market landscape) and to clearly align with government strategies aimed at growth and levelling up.

The PSAB’s task is to consider the wider skills requirements in the region. For businesses to be more productive, they need access to a highly skilled workforce whatever their sector. In the current context, our added challenges are to deliver skills at a time when the demand for skills is both uncertain and changing at a faster pace than experienced previously, and to ensure that all people have the same opportunity for employment and growth. This requires a holistic strategy that covers skills, upskilling and reskilling approaches with a strong cross-cutting emphasis on inclusion. In support of this, we welcome the ambitions of the Skills for Jobs White Paper (2021) to address historic

In our strategy, we must also consider bridging the geographical variations in skills needs demand and skills supply, facilitating the mobility of the population in relation to work and learning, and developing a skills infrastructure that can respond with flexibility and resilience to the changes in skills needs and growth opportunities. Therefore, we must have a sound Skills Strategy that enables our local skills ecosystem to achieve our wider ambitions and to take advantage of advances in digitalisation, mobility and low carbon technologies. In doing so this strategy plays its role in driving the productivity, innovation and competitiveness of the entire D2N2 economy.

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The actions we have taken over the past year or so have been addressing issues in the local skills landscape. However, this focus on skills gaps and problem areas, we risk losing sight of existing local strengths, such as the take-up of apprenticeships. In the coming year, we will consider how we could expand and further exploit existing strengths.

Until then, we will work on the implications of our reflections on the assessment of our progress so far (Chapter 6). We will further analyse the risks to our region and tailor more specific strategic responses, providing a framework for local (district) level interventions where possible. We will develop a more consistent performance management framework for the strategies developed and the actions designed as responses. We will review the strategic response to the pandemic and reinforce/refocus the actions to ensure we are addressing current skills gaps, inclusion, as well as the lasting impact of the pandemic.

8.1 NEXT STEPS AND ASKS OF STAKEHOLDERS

With the launch of this report, we will now undertake the promotion of our strategy and evidence base with such steps as:

• regular webinars and/or roadshow visits to employers and skills providers highlighting the ‘asks’ and analysis
• the publication of regular bulletins monitoring the evolving labour market landscape, the ongoing effects of Pandemic / Brexit on skills needs and disseminating the business and training support available
• the development of an Annual Review of skills progress in D2N2, drawing on input from employers and providers in our region to identify changing skills demand and provision

To this end, we call on our SAP partners, wider stakeholders and Government to support delivery and impact in D2N2 by responding to our key ‘asks’:

KEY ‘ASKS’

Government
- Support the implementation of our strategy with funding continuity - given the reliance on the European Social Fund for delivery of many local priorities, we need certainty of a fair share of successor funds including the Community Renewal Fund and the UK Shared Prosperity Fund.
- Increase access to reskilling priorities for our economy - in particular, increase Level 2 and Level 3 free access to digital and technical skills pathways for those whose roles are at risk in D2N2.
- Create an employment support climate that maximises use of higher skills, supporting higher skilled individuals and graduates to avoid unemployment and underemployment.
- Strengthen the role of schools as the gateway to a successful economy - strengthen use of the Baker Clause and include careers and economic alignment as part of the school’s inspection framework.

Post 16 Skills Providers
- Coordinate with our priorities and work with employers towards better alignment of skills demand and supply, including development of new skills pathways whose financial viability is so far untested.
- Build collaborative skills pathways that extend down into schools and through into the 60 T model as a framework.
- Embed digital and low carbon skills in all learning pathways, building long-term workforce resilience to technology and other changes in the economy.

Schools
- Provide senior support and sponsorship of Careers activity - embed the benefits in supporting aspiration and attainment.
- Promote uptake of new higher technical skills pathways such as T-Levels and apprenticeships for all.
- Embed careers and core digital skills in the curriculum using resources developed locally.

Local Authorities
- Support our strategy in your respective areas, setting local strategic priorities and enabling collaboration linked closely to local economic and social need. Facilitate relationships between local employers and schools.

Employers and Business Representative Organisations
- Make skills core to your recovery and growth planning.
- Engage with us to better understand and prepare for skills demand.
- Support the development of the future workforce by engaging actively with careers activity across D2N2.
- Work with our local skills system towards a more diverse and inclusive workforce.
- Support your workers in retraining, reskilling, and upskilling.
A1 Local landscape - Summary

- Manufacturing, wholesale and retail trade, health and education continue to underpin economic activity in the D2N2. Employment in manufacturing sector remains significantly higher than the national average (the highest among all other LEPs), and associates with high productivity in the areas where this is concentrated.
- Outside manufacturing, employment remains subdued in the higher value sectors such as finance and insurance, professional, scientific and technical services and information and communication services. The under-representation of such sectors negatively impacts on D2N2’s productivity.
- The occupational profile of D2N2 features skilled trades and process, plant and machine occupations more prominently than others (e.g. professional and associated professional occupations), largely reflecting the high level of manufacturing employment in D2N2.
- Excepting very few districts, most D2N2 districts display a worrying trend of worsening productivity gaps compared with the UK average. For the D2N2, the 14% productivity gap, on average, links with the 8% earnings gap compared to England.
- Populations in rural districts in D2N2 have grown slower or shrunk compared with the cities of Derby and Nottingham. The two cities accounted for 69% of the population growth in D2N2 in the last 15 years. While the age profiles of Derby and Nottingham have been relatively stable, there is significant variation in the rest of D2N2 with rapidly ageing districts such as Amber Valley, Derbyshire Dales and Mansfield contrasting with districts with growing proportions of young people such as Chesterfield, South Derbyshire and Ashfield.
- The measures of deprivation have worsened for most D2N2 districts since 2015. The deprivation in education, skills and training is more pronounced than in employment and income.
- Covid-19 pandemic has affected the D2N2 in roughly the same way it has England as a whole. The number of claimants has significantly increased in 2020 but for most D2N2 districts the increase has been in line or below England levels. It is likely the C19 will negatively affect employment rates and productivity, widening the existing gaps.

A1.1 Employment by sector

Employment by sector:
The sectoral make-up of the D2N2 region largely follows the national distribution. The most notable difference is in manufacturing, which constitutes 13.2% of D2N2 employment, compared to 7.8% in England. Most D2N2 districts have proportions of employment in manufacturing that are 2.3 times the English average. Most D2N2 districts are above the national average for construction, and the same applies to wholesale and retail trade. In contrast, financial and insurance makes up only 1.3% of D2N2 employment, compared with 3.5% in England. The cities of Derby and Nottingham account for between 25% and 50% of the employment in each sector.

A1.2 Employment by occupation

Employment by occupation:
The distribution by occupation of D2N2 is close to the national pattern. The noticeable differences are that D2N2 has 2.6% less employment in professional occupations, but a 2.0% higher share of residents in skilled trades and 2.4% more in process, plant and machine occupations. There are significant differences at district level, although Rushcliffe stands out with 71% of its residents in the top three major occupations.

A1.3 Enterprises by size

Enterprises by size:
As a whole, D2N2 has slightly fewer micro businesses (-1.2%), slightly more small businesses (+1%) and marginally more medium and large businesses (+0.2% and +0.1%) than England.

A1.4 Births and deaths of enterprises over time

Enterprises births and deaths:
With few exceptions, D2N2 enterprise birth and death rates have been below the national average rates by an average of 1 percentage point. As a result, over the period 2014-2019, the growth in total active enterprises in the D2N2 has been lower than for England as a whole. In D2N2, at the end of 2019, there were 12% more active enterprises than in 2014. This compares with 18% for England.
ANNEX A – CORE INDICATORS

A1.5 Employment level and rate over time

Source: Annual Population Survey, 2020
SAP boundaries

Employment:
In recent years, the D2N2 employment rate has hovered around 1% less than the English employment rate. This is due to lower levels of self-employment, rates of which have been typically 2% lower than in England. In contrast, employee levels have been around 1% higher.

A1.6 Nominal (smoothed) GVA over time

Source: ONS Subregional Productivity, 2004 - 2018 (published 2020); 2018 LEP/MCA boundaries

GVA:
Productivity in D2N2 has improved over time but has remained below the UK trend and the gap has slowly widened. As of 2018, D2N2 productivity was 14% below the UK average, compared to 11% below in 2004. This correlates with the persistent pay gap between D2N2 workers and the England average.

A1.7 Median wages over time (residents and workplace)

Source: Annual Survey of Hours and Earnings, 2014 - 2019, 2019 LEP boundaries

Median wages:
D2N2 earnings for residents and workers have consistently trailed the England averages by around 7% and 8%, respectively. In North East Derbyshire, Broxtowe, and Mansfield, the workplace median wage is more than 20% below the England average. In contrast, the workplace median wage in Derby is 32% higher than England.

A1.8 Population by age

Source: ONS Mid-Year Population Estimates, 2019, 2020 SAP boundaries

Population by age group:
On the whole, D2N2 population age profile is close to England’s. The region has slightly higher proportions of over-50s and slightly lower proportions of individuals in the 25-49 and under-16 brackets. Nevertheless, the demographic ageing process in the last 15 years seems to be more pronounced in D2N2; there has been a larger reduction in the proportion of 35-49 year-olds over time than in England overall. With the proportion of under-25s constant, it is arguable that the demographic ageing will continue with negative implications for the labour force, productivity and earnings. The two cities accounted for 69% of the population growth in D2N2 in the last 15 years.

A1.9 Claimant count and alternative claimant count over time


Claimant count:
The number of people claiming unemployment related benefits within D2N2 has followed the national trend very closely, a downward trend interrupted by the spike in claims owing to the C-19 pandemic. The main difference is that the D2N2 percentage rate has risen a little higher and fallen a little lower than the England rate. Similar proportions in population are claiming unemployment-related benefits in D2N2 and England. However, this average hides the fact that in Derby and Nottingham the count is higher than in England.

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ANNEX A – CORE INDICATORS

A1.10 Proportion of LSOAs in most deprived 10% nationally (income, employment, education)

A2 Skills Supply

Skills Supply - Summary

- In comparison to the English average, D2N2 has lower proportions of the workforce qualified at Level 4 and above, and higher proportions qualified at Level 3.
- For both adult FE education, and training and apprenticeships, D2N2 has proportions of achievement at or slightly below the levels for England in most subjects. HE achievements are largely in line with the national averages.
- Larger proportions of D2N2 learners go into sustained employment and apprenticeship than the national averages, and smaller proportions in sustained education. A larger proportion of D2N2 graduates with known outcomes go into full time employment than in England as a whole.
- While the majority of students studying in D2N2 leave the region after graduation (including international students), a substantial proportion stay on in the East Midlands.
- A larger proportion of employers provide training in the D2N2 compared with England. Comparatively, more employers provide training in Derby and Nottingham than in Derbyshire and Nottinghamshire.

A2.1 Highest qualification level of people aged 16-64

Qualification levels:
In comparison to the England averages, D2N2 has lower proportions of the workforce qualified at Level 4 and above, and higher proportions qualified at Level 3. The cities of Nottingham and Derby have a relatively high proportion of residents qualified at L4+, but also has some of the highest proportions of residents with no qualifications.
ANNEX A – CORE INDICATORS

A2.2 Adult FE Education & Training achievements by sector subject area

Source: Further Education & Skills data, DfE, (published 2020), 2020 SAP boundaries

Adult FE education & training achievements:
D2N2 has proportions of achievement at or slightly below the England proportions in most subjects. The exceptions are Business, Administration and Law (where D2N2 is 3% above England) and Engineering (2% above). At district level, significantly higher proportions than for England can be found in additional subjects such as Health, Public Services and Care and Retail and Commercial Enterprise.

A2.3 Apprenticeship achievements by sector subject area

Source: Apprenticeships data, DfE, (published 2020), 2020 SAP boundaries

Apprenticeship achievements:
D2N2 has proportions of achievement at or slightly below the England proportions in most subjects. The exceptions are Business, Administration and Law (where D2N2 is 1% above England) and Engineering and Manufacturing Technologies (2% above). At district level, significantly higher proportions than for England can be found in additional subjects such as Health, Public Services and Care and Retail and Commercial Enterprise.

A2.4 HE qualifiers by sector subject area


HE qualifiers:
D2N2 HE achievements are largely in line with the England averages. D2N2 has a higher proportion of HE qualifiers in law, and a lower proportion in business and administration studies. The HE provision of the three D2N2 universities largely complements each other.

A2.5 KS4 destinations

Source: KS4 destination measures, DfE, 2016/19 (published 2020), 2020 SAP boundaries

KS4 destinations:
Overall, a larger proportion of D2N2 KS4 leavers are going into sustained apprenticeship and employment than the national level. At district level, all D2N2 districts have higher proportions than England going into sustained employment. With the exception of Rushcliffe, all other D2N2 districts have smaller proportions than the national average going into sustained education. With the exception of Chesterfield, High Peak and Rushcliffe, all other D2N2 districts have same or higher proportions than England going into sustained apprenticeships.
ANNEX A – CORE INDICATORS

A2.6 16-18 destinations

16-18 destinations:
Larger proportions of D2N2 16-18 leavers enter sustained apprenticeships at all levels than the England averages. The proportions going into sustained education or sustained employment are same for level 3. At level 2, though, there is a significant difference: a much smaller proportion of D2N2 16-18 year-olds go into sustained education than the England average, while larger proportions go into sustained apprenticeships and employment. This may be due to increased opportunities at Level 2 compared with England as a whole, or it may indicate a lack of clear progression path and guidance.

A2.7 Adult FE & Skills destinations

Adult FE & Skills destinations:
Overall, D2N2 has lower proportions of adult FE and skills learners going into the three destinations than England as a whole. D2N2 has a higher proportion going into sustained employment at levels 3 (full and other), full level 2 and level 1 English and Maths.

Note: Data on level 5 and 6 is not available for D2N2 so the null percentages in the chart are not true zeros.

A2.8 Apprenticeship destinations

Apprenticeship destinations:
Overall, D2N2 has slightly higher proportions of apprenticeship learners than England across all levels of apprenticeship destinations. At each level, higher proportions of D2N2 apprentices went into sustained employment than for England as a whole. At levels 2, 3 and 4, similar proportions of D2N2 apprentices went into sustained learning and any learning compared to England while at level 5 the proportions of D2N2 apprentices going into sustained learning and any learning were higher than in England.

A2.9 HE destinations

HE destinations:
A larger proportion of D2N2 graduates with known outcomes go into full time employment than in England as a whole. A slightly lower proportion go into part-time employment.
A2.10 Region of residence of HE graduates 1, 3 and 5 years after graduation

Source: Graduate Outcomes in 2017/18, DfE (published 2020), 2020 SAP boundaries

HE graduates residence:
A substantial proportion of D2N2 graduates choose to reside in the East Midlands after graduation, although it is lower than most neighbouring areas. In comparison, the proportion of graduates retained in their respective regions are 32-35% in Leicester and Leicestershire, 37-41% in Sheffield City Region, 37-44% in Greater Lincolnshire, 40-44% in Stoke-on-Trent and Staffordshire, 40-44% in Greater Lincolnshire, 50-57% of the University of Derby graduates chose to stay in the East Midlands, a much larger proportion than compared with Nottingham Trent University (36-41%) or the University of Nottingham (24-27%).

A2.11 Employer provided training over past 12 months

Source: Employer Skills Survey, 2019 (published 2020), 2019 LEP boundaries

Employers training:
A larger proportion of employers provide training in D2N2 compared with England. Comparatively, more employers provide training in Derby and Nottingham than in Derbyshire and Nottinghamshire.

A3 Skills Demand

Skills Demand - Summary
- The forecasts of skills demand have negative implications for the D2N2 sectoral distribution and labour market.
- Based on the Working Futures forecasts for 2017-2027, sectors with a large presence in D2N2 such as manufacturing, engineering, and agriculture, are projected to have the lowest forecast growth, while smaller D2N2 sectors such as arts and entertainment, and professional services, are projected to have high forecast growth. The occupations associated with these sectors will subsequently be similarly affected, with low growth in skilled trades and operative occupations, but high growth in professional occupations.
- Despite the low growth forecast, given their size in the D2N2 economy, this means that manufacturing and engineering will continue to be dominant. Arguably, the C-19 pandemic will give even further impetus to sectors such as health and social work, and support services. Following Brexit and C-19, the reconfiguration of supply chains and increased focus on domestic manufacturing will have mixed effects that are difficult to predict at this stage. For instance, food and drink manufacturing is very EU-import dependent, while hospitality and the visitor economy rely on large numbers of foreign workers. Demand in these sectors will increase, but there will be shortages in supply.
- Any changes in skills demand due to future economic shifts will come in addition to the skills gaps already identified by employers. The proportions of D2N2 employers identifying each of the main skills that need developing in the workforce are in close alignment with national averages. However, within D2N2 there is a rural-urban split; skills deficits are higher in the cities of Derby and Nottingham than in Derbyshire and Nottinghamshire, and above the English average.

A3.1 Online vacancies

Source: EMSI Analyst, 2021

Total job vacancies in D2N2

The number of job vacancies in D2N2 dropped significantly from March 2020, and in June were a third lower than for June 2019. Numbers have recovered, though, and for the last three months of the year were slightly higher than in 2019. However, the number of vacancies remains lower than the claimant count, which doubled in D2N2 between March and May 2020. Previously, there had been significantly more vacancies than claimants.
ANNEX A – CORE INDICATORS

A3.1 Online vacancies

Number of vacancies by sector:
Nursing has consistently been the occupation with the most job vacancies in D2N2, with both high demand and a short supply. The pandemic has significantly increased demand for nurses, as well as for carers, elementary storage occupations, cleaners, and nursing assistants.

Despite the effects of the pandemic, 10 of the top 12 occupations with the most job vacancies in 2019 were also in the top 12 in 2020. They were joined by cleaners and nursing assistants, which saw significant increases in vacancies in 2020. There were also significant increases for nurses, carers, and elementary storage occupations. In contrast, bookkeeping vacancies almost halved in 2020, while vacancies for programmers and for other admin occupations were down by almost 30%.

A3.2 5 highest and lowest sectors by forecast growth

<table>
<thead>
<tr>
<th>SECTORS WITH HIGHEST FORECAST GROWTH (2017-2027)</th>
<th>SECTORS WITH LOWEST FORECAST GROWTH (2017-2027)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Arts and entertainment</td>
<td>1. Agriculture</td>
</tr>
<tr>
<td>2. Health and social work</td>
<td>2. Engineering</td>
</tr>
<tr>
<td>3. Support services</td>
<td>3. Real estate</td>
</tr>
<tr>
<td>4. Water and sewage</td>
<td>4. Finance and insurance</td>
</tr>
<tr>
<td>5. Professional services</td>
<td>5. Rest of manufacturing</td>
</tr>
</tbody>
</table>

Source: Working Futures 2017-2027, LEP workbooks

5 highest and lowest sectors by forecast growth:

The pre-pandemic Working Futures forecasts indicated low expected growth in sectors with large employment footprints in D2N2, and high expected growth in relatively minor D2N2 sectors. Forecasts made included assumptions on Brexit outcomes but did not account for the pandemic. Growth in sectors such as health and social work, administration, support services is thus likely to be even stronger. The likely impact on food and drink, automotive manufacturing, and the visitor economy is less clear.

A3.3 5 highest and lowest occupations by forecast growth

<table>
<thead>
<tr>
<th>OCCUPATIONS WITH HIGHEST FORECAST GROWTH (2017-2027)</th>
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<tr>
<td>1. Caring personal service occupations</td>
<td>1. Secretarial and related occupations</td>
</tr>
<tr>
<td>3. Health and social care associate professionals</td>
<td>3. Textiles, printing and other skilled trades</td>
</tr>
<tr>
<td>4. Corporate managers and directors</td>
<td>4. Skilled metal, electrical and electronic trades</td>
</tr>
<tr>
<td>5. Business, media and public service professionals</td>
<td>5. Administrative occupations</td>
</tr>
</tbody>
</table>

Source: Working Futures 2017-2027, LEP workbooks

5 highest and lowest occupations by forecast growth:

The occupations with relatively large proportions of D2N2 employment, such as skilled trades, and process, plant and machine operatives, are projected to have the lowest forecast growth, in contrast with professional occupations. The trends indicated will sustain growth in higher skill, white-collar occupations skills. Demand in these sectors will increase but there will be shortages in supply.

A3.4 Employer reported skills that will need developing

Skills that need developing:
The skills development needs identified by D2N2 employers are in close alignment to the national averages. For most skills, though, the proportions identifying shortages are lower in D2N2 than for England. A larger proportion of D2N2 employers reported needs in working with instructions manuals, guidelines and reports, as well as in computer literacy. The proportions of employers reporting skills deficits were higher in the cities of Derby and Nottingham than in Derbyshire and Nottinghamshire, and above the English average.
ANNEX A – CORE INDICATORS

A4 Mapping Supply and Demand

Mapping Supply and Demand – Summary

- Mapping employers’ skills needs with the employee skills supply is important to be done not only in aggregate, but mapped within local geographies. There are clear urban and rural differences in the proficiency of staff, staff skill surplus and skills shortage vacancies.
- The D2N2 share of employers reporting staff proficiency shortages is low but higher than in England. Similarly, a slightly higher proportion of employers reported skills surpluses than in England. The shares of employers with skills mismatches in the two cities are lower than in the D2N2 shires.
- There are larger proportions of employers reporting vacancies in each category in Nottinghamshire and Derbyshire than in the cities.

A4.1 Proficiency of workforce

The following chart shows the proportion of staff not fully proficient and the proportion of establishments with any under-utilised staff.

![Proficiency of workforce chart]

Summary of proficiency:
Employers in D2N2 reported marginally higher proportions of staff not fully proficient (i.e. skills gaps) than in England. At the same time, a larger proportion of employers in D2N2 had under-utilised staff (i.e. skills surplus).

Source: Employer Skills Survey; 2019 (published 2020), 2019 LEP boundaries

A4.2 Summary of vacancies (skills shortage and hard to fill)

The following chart shows the proportion of all vacancies that are hard-to-fill due to skills shortages or other reasons in 2019.

![Vacancies chart]

Summary of vacancies:
Smaller proportions of D2N2 vacancies were harder to fill due to skill shortages or other reasons than in England as a whole. Derby and Nottingham have lower proportions in each category than Derbyshire and Nottinghamshire.

Source: Employer Skills Survey; 2019 (published 2020), 2019 LEP boundaries

ANNEX B – ADDITIONAL ANALYSIS AND REFERENCES

B1 Open and timely labour market intelligence

The SAP budget has also enabled us to keep important labour market statistics current and granular enough to be useful for our partners. A wide range of analysis and tools, from skills supply and demand to the impact of Covid-19 on unemployment benefits, furlough, and occupations, is now easily accessible by a range of stakeholders. These tools allow us to assess opportunities and threats in the labour market and tailor quick response solutions. A list of useful resources used for strategic and operational purposes is below:

- **Labour Market Dashboard** is updated as soon as the new data are released and includes several medium-term headline indicators broken down to district level.
- **Economy Dashboard** presents a set of short-term, medium-term, and forward-looking indicators to give the D2N2 Board, Advisory Boards and local partners an overview of economic trends, as well as the impact and recovery trajectory from the COVID-19 pandemic.
- **Occupational analysis** of jobs, annual demand, and vacancies helps us identify top occupations using a range of indicators, as well as investigate the entire occupational landscape at district level.
- **Claimant count tracker** allows us to gain a close to real time understanding of unemployment and other work-related claims.
- **Furlough tracker** gives us an up-to-date picture of the national coronavirus related employment support schemes (CJRS, SEISS) in D2N2 and its constituent districts along with sectoral and demographic profile.
- **D2N2 Growth Hub COVID-19 Business Survey** offers us further regular insight into the perspective of our local businesses on the impact of Covid-19, their expectations for the future, plans for growth and human resources needs.
- **The analysis of Covid-19 impact on occupations** offered early insight into the effects on the labour market from an occupational perspective highlighting important geographical, educational and occupational differences.
- **Visualisation of schools data** (from Edulink) and Gatsby Benchmarks performance tracker help our Enterprise Coordinators to assess their outreach and measure performance.
- **EMIS platform** gives us a granular, real time view of the labour demand and other useful labour market and sectoral indicators.
- **Vector platform** aggregates and makes accessible FE and HE provision data which give us and our partners a comprehensive view of the labour supply in the area.
B2 References


ANNEX B – ADDITIONAL ANALYSIS AND REFERENCES

B2 References
