

# Current and Projected Employment and Skills Landscape in West Sussex

## WHERE ARE WE NOW?

Report prepared by always possible for West Sussex County Council, March - October 2020



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# Executive Summary

## There is disruption and damage, but there is opportunity

The COVID-19 coronavirus pandemic has been the hardest and most sudden period of disruption to businesses, local government, schools, colleges, universities and individual families in West Sussex since World War II. The scale of the disruption to confidence and security in the labour market is clear in the data, and the green shoots of recovery seen in the summer are not expected to bring levels of overall sustainability, growth and prosperity back to pre-pandemic levels until late in 2021 or beyond.

This report presents a picture of West Sussex at the start of autumn 2020, and the immediate implications of COVID-19 on employment, skills development and social mobility. Please note that the skills policy and economic landscape is changing at pace, and this paper is intended to set out a position and direction of travel based on available data. It is not pragmatic to suggest fixed long-term strategies in such a turbulent set of circumstances, but we are confident that the underlying challenges and opportunities highlighted here will remain the right things to focus on - even if the details of the operational response needs to remain dynamic. This report should be considered as an evidence base to fall back on, and a set of principles and ideas to return to as the situation develops and energy needs directing.

The Royal Society of Arts, Manufactures and Commerce have adopted a 21st century mantra for the design of public services: *think like a system, act like entrepreneurs*. We have approached the engagement, analysis and subsequent recommendations with that spirit, acknowledging that recovery, reset and renewal in West Sussex will require a systems approach – driven by responsive, agile and new ways of working.

This report has been commissioned by West Sussex County Council, and the findings will be used to inform the role of the authority in responding to the employment and skills challenges the county faces. It should also be useful in helping others formulate responses as well. However, all insights, recommendations and action planning have involved stakeholders in district and borough councils, economic partnerships, Coast to Capital Local Enterprise Partnership (LEP), employer networks and special interest groups. Any future response needs to build on existing expertise and infrastructure, draw on a diverse set of ideas and resources and deliver targeted interventions where there is not already a successful programme of support.

**The findings will shape how targeted support can be directed to different sectors, places or demographics, drawing**

**on an opportunity to redraw the skills and resilience map across the county.**

And the findings will determine the scope of potential expanded, redesigned or new projects that could be taken forward in collaboration and through co-design with key partners, to look ahead at long-term economic prosperity with meaningful work and enterprise at the heart.



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*Automation will continue, but the pandemic has highlighted the inherently human skills that AI cannot mimic, such as resilience, adaptability, empathy, creativity and critical thinking.*

Kevin Ellis, Chairman and Senior Partner, PwC UK

# Executive Summary

## A clear focus in rapidly changing times

There are many challenges and many opportunities that would benefit from close attention, investment and design-thinking. We set out a number of these in this report, but if there are three overwhelming priorities in the county right now they are these:

1. People at the very start of their career and those needing to find new work in the final decade before retirement will need the most significant levels of support. Accessible entry level STEM skills, character and creative thinking skills, and digital fluency; are absolutely critical.
2. The construction, health & care and – to a lesser extent – ecommerce, digital and ICT, and logistics sectors, will be delivering the majority of sustainable careers opportunities in West Sussex for the foreseeable future. The visitor, tourism and experience economies, and the recent jobs growth in these sectors, will shrink rapidly and take some time to recover. The proper reopening of Gatwick airport and a return to pre-COVID activity levels will be the key focus for the aviation industry. Interventions in the next 12-24 months need to be very responsive to these realities.

3. There is not a level playing field in West Sussex. An individual's likelihood of thriving and finding well-paid, secure and meaningful work is intrinsically linked to where in the county they live, their socio-economic status and their protected characteristics. For example, West Sussex has a more mature workforce overall, particularly so in Arun and Chichester<sup>1</sup>.

Certain country-wide trends will have a particular impact on key sectors and groups in the county. Women are more likely to work in sectors that had to shut down during lockdown, such as hospitality; and BAME people are overrepresented in the accommodation and food services sector, with higher levels of redundancies<sup>2</sup>. Recovery does not rely on finding the quickest path back to the status quo, but on a regional levelling-up agenda that mirrors the current national ambition.

### Support for workforce development, training and skills must respond to different needs in different spaces, sectors and communities

In the first section, we set out what has happened to the labour market in West Sussex

since March – combining national and local data with critical insights from a range of organisational leaders in the private, public and voluntary sectors.

We set out insight on the state-of-play and implications of this impact on the key industry sectors in West Sussex, different spatial geographies and economies - and the opportunities for new working age people to upskill and thrive in the new landscape. We are considering both the immediate situation and the future, where that is possible.

### The relationship between education and the labour market will rely on co-design

More than ever, the alignment between the skills needs of industry and the curriculum content and careers education offered at Key Stage 4 and in Further and Higher Education settings, as well as adult & community learning spaces, is paramount.

None of the insights or recommendations in this report will have any meaning unless considered alongside new research and initiatives centred on educational attainment; maths & English skills; careers education,

<sup>1</sup>Source: West Sussex County Council. And see section on Social Mobility on page 26

<sup>2</sup>Source: Again, see section on Social Mobility on page 29 for information and citations

# Executive Summary

information, advice & guidance; the [Gatsby Benchmarks](#) and educational inclusion.

However, because there are many separate studies and action plans relating specifically to this already underway, we are focusing on the working-age population and interventions made for jobseekers, the unemployed, the self-employed, the economically inactive or those in vulnerable employment.

We expect that all subsequent action, informed by these reports will also be informed by local education research, for example the base-line report for the 'Full STEaM Ahead' project commissioned by the Coastal West Sussex Partnership and a number of new reports commissioned by the Sussex Learning Network and the Coast to Capital Skills Strategy and Action Plan<sup>3</sup>.

## Priority Areas for Action

The second half of this report starts to focus on what a co-ordinated response might look like around the gaps that need to be filled. We have identified a number of themes, grouped into two overarching priority areas: Target Audiences and Areas of Intervention.

There is also a noted overarching requirement for skills co-ordination across the county which, whilst sitting outside the key themes, has a

direct influence and bearing on each of them. There are many robust and resourced initiatives – regional, county wide and at town and city level – that can be re-doubled and enhanced through a COVID recovery lens. No action plan should seek to reinvent the wheel, so we are focused on where there are gaps, where capacity is needed and where opportunities are greatest.

Any new investment and focus should also be stress-tested for collaboration opportunities to see where value can be added by specific stakeholders and agents. There are high levels of ambition and commitment by partners and stakeholders and these will need to be matched by the ability of the area to attract and lever funding. They will also need to be viewed in the context of the state of public sector finances.

Traditional geographical, political and sectoral boundaries may need to be challenged, with new partners bringing expertise in technology, funding and delivery at scale invited to join working groups.

The second report will present a more detailed exploration of these theme headings, with some recommendations for action and potential collaborative interventions.

## 1. Target Audiences

- 1.1 Getting into Work (18-24 year olds accessing the workplace)
- 1.2 Getting back to Work (24+ year olds, currently not working)
- 1.3 Staying in Work (support for existing employees)

## 2. Areas of Intervention

- 2.1 Growth sectors
- 2.2 Support for the Unemployed
- 2.3 STEM and Digital Skills
- 2.4 Upskilling and Reskilling for Lifelong Learning
- 2.5 Start-ups and Micro-entrepreneurs

<sup>3</sup>Source: Coast To Capital; Skills 360 Board Skills Strategy and Action Plan 2020 - 2025

# Engagement and research

In late Summer 2020, West Sussex County Council commissioned strategic development consultancy always possible to consider three questions.

1. What has the immediate impact been on skills, training and employment in West Sussex as a result of the coronavirus pandemic - where are we now?
2. What could the local authority do, working with partners, to mitigate challenges and build on opportunities as part of a strategic recovery response - what happens next?
3. What would a pipeline of targeted projects and support activity look like, if limited resources were to have the greatest impact - what shall we do?

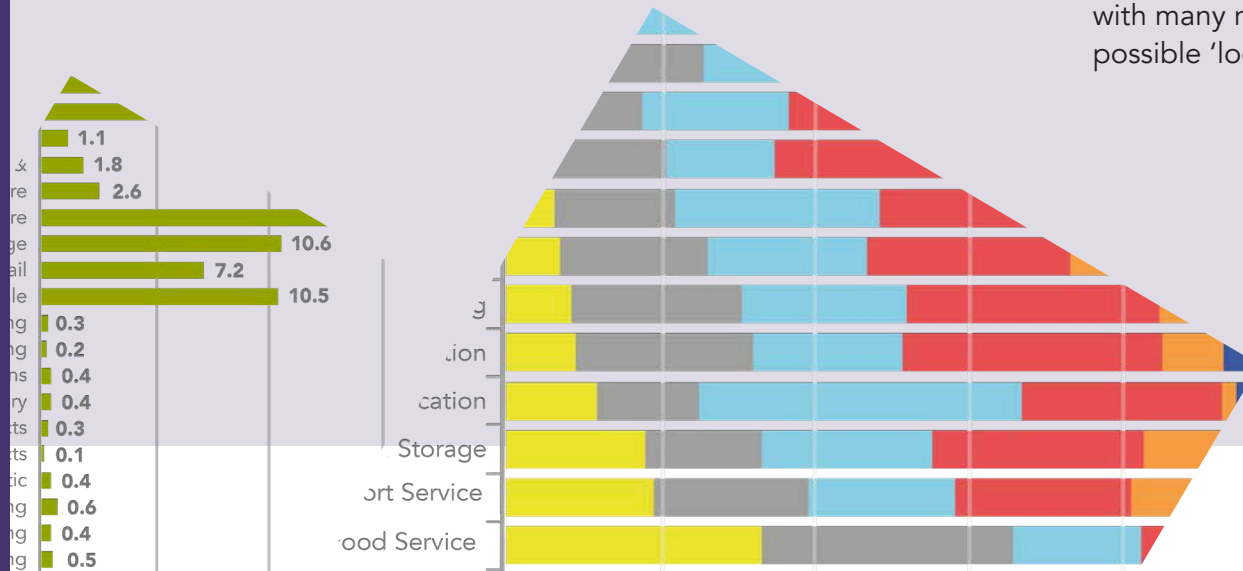
Throughout August and September 2020, always possible conducted:

- Desk-based research on a wide range of national and local statistics relating to skills and employment affecting organisations within West Sussex (and beyond where relevant)
- Small group and 1:1 engagement with:
  - Economic development officials, across every West Sussex local authority
  - Skills, careers and work based-learning experts and network leaders
  - Business leaders, employer networks or business partnership directors, from a range of sectors and West Sussex locations

**This report seeks to answer the first question.** We have not focused in detail on solutions, suggested responses or answers in this report, but will explore those in more depth in a separate report. The evidence presented here is intended to articulate the impact of what has happened between March and September 2020, to whom, where and what this might mean.

At the start of this engagement, the UK had recently emerged from a national lockdown and the associated unprecedented effects on economic activity and ways of working.

By the end of engagement in mid-September, the situation had evolved with many newly re-opened and COVID compliant businesses facing possible 'local lockdown' restrictions across the country.



# Engagement and research

The data landscape is moving quickly, with new insights – sometimes contradictory – from credible sources being published every day. There is an unprecedented amount of focus on one issue, with every major thinktank, research institute and policy foundation measuring and forecasting the impact of the pandemic on every aspect of our personal and professional lives. We have attempted to include as many relevant snapshots as we can, mostly taking analysis from key milestones in early May (at the peak of the national lockdown), the end of June (with the majority of lockdown restrictions now easing) and the end of August (with a new surge of the virus as businesses and education move through the autumn season). With a delay on figures being published we shan't place too much stock on these time periods, but they give us helpful markers in the development of the response. Future snapshots should be created at the end of October.

Many participants engaged with are managing some or all of the workforce now working remotely, with many still working from home, with many only just beginning conversations about a return to the office. However, unprecedented levels of work activity were reported, with many participants having been unable to take time off between March and July 2020 as the unfolding situation required day-to-day decision making.

We are grateful for participants' time and input as well as their commitment to skills and employment support in West Sussex, which will be a critical element of the economic reset in the county.

Participants spoke with candour about their optimism, as well as fears, for the future of their organisations and sectors. We respect their confidentiality by not attributing comments.



# Pre-pandemic context

The underlying truth to a lot of the structural challenges faced at this time, particularly around skills gaps, digital exclusion and social mobility, is that the economic fallout of the pandemic has simply magnified what was there before.

Whilst the business impact has been blunt and disproportionate for some sectors - sometimes because their current business model is not compatible with safe social distancing and/or because COVID restrictions continue to severely curtail levels of activity – these businesses should be able to return to stability and growth at some point soon if there is a skilled workforce and a confident consumer base. This is currently a big if.

This report makes no assumptions about the length of time it will take, or that the infrastructure status quo is desirable. There was not an equity of skills or of access to opportunity in West Sussex before the pandemic, and what is clear from engagement locally and wider, is that **a refreshed skills agenda for West Sussex needs to go further than it ever has before.**

The thematic areas and areas of intervention around which this report focuses are not areas of intervention that are already well-served by a number of stakeholders, but where those with whom we have engaged perceive there to be gaps. We have started with these gaps and considered where West Sussex County Council can add value as convener, collaborator and capacity-builder.

## The national picture

A report in July 2020 from the Institute of Fiscal Studies<sup>4</sup> suggests that:

- the overall mix of jobs in the UK has changed radically over the last four decades
- highly skilled occupations have become much more prevalent in today's service-based economy than previously
- despite rising education levels, young people have defied this trend often opting for low-paid starter occupations

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*These are all trends we see before the COVID-19 pandemic hit. But they help shape the impacts of that pandemic: the increased concentration of young people in hospitality, for example, has made them more vulnerable to the economic effects of social distancing. And, in turn, the pandemic threatens to exacerbate some of the concerning trends. Job progression is likely to be much harder in an uncertain economic environment with reduced hiring.*

*[Robert Joyce, Deputy Director at IFS]*

<sup>4</sup>Source: "What has been happening to career progression?" IFS July 2020



# Pre-pandemic context

## In West Sussex

According to the draft West Sussex County Council Economy Reset Plan (July 2020):

In 2019, there were over 42,000 businesses in West Sussex<sup>5</sup>, though growth over the last five years in the number of businesses was lower in the county than in the South East region overall.

West Sussex is very much a small firm economy with over 70% of businesses employing fewer than five people and 97% being classed as micro or SME<sup>6</sup>. The exception to this is Crawley, which has one of the highest percentages of larger businesses (i.e. employing over 100 staff) in the country.

Two of the highest employing sectors in the county before the COVID-19 pandemic were aviation, dominated by the Gatwick airport area, and tourism/hospitality/leisure, dominated by the coastal towns. Those sectors, however, have been some of the hardest hit and are therefore going to experience varying levels of recovery.

West Sussex is made up of 7 district and borough councils (Adur, Arun, Chichester, Crawley, Horsham, Mid Sussex and Worthing) and 159 town, parish and neighbourhood councils. The economy tends to be shaped by three distinctive spatial geographies; Crawley and around Gatwick, and coastal and rural areas. The county is also the largest complete region within the Coast to Capital LEP area.

A one-size-fits-all approach is not desirable for each of these spaces and communities and not likely to be considered useful by key stakeholders in each area.



The biggest challenge, but also opportunity, will be to co-design a response for each area, which might be based on geography, demographics or specific areas of need. It will be important to acknowledge the significant variations across the county whilst also drawing on the cohesive strength from cross-county resources and investment.

<sup>5</sup> Source: UK Business: Activity, Size and Location (ONS/Nomis) data set – includes VAT and/or PAYE registered businesses. Numbers refer to Local Units.

<sup>6</sup> Source: UK Business: Activity, Size and Location (ONS/Nomis) data set as 5 above.

# Summary of observations

The biggest concern is that some of West Sussex's key growth sectors and priority investment areas for skills training pre COVID-19 will be damaged for a long time. This will need some careful navigation as risks are mitigated as far as they can be, whilst also looking ahead at what a re-shaped economic landscape might offer as a similar – or better – replacement.

All of the individuals and organisations involved in the engagement agree that this is a moment to 'build back better', and to work collaboratively towards an improved skills, employability and economic growth landscape rather than simply seeking to return to the status quo.

Below is a summary of the most significant insights, and the areas of impact that have the biggest implications when considering a reset and recovery plan. These contain risks, opportunities and ideas – that do implicate solutions and actions - but we will be following-up on these in the second report. The remainder of this report is the evidence to support the initial findings outlined here.

## 1. The Overarching Picture in West Sussex

### The national and local picture

The shape of the economic and employment impact of COVID-19 in West Sussex between March and September 2020 broadly mirrors the national picture, in terms of scale and sectors most affected.

### Some particular repercussions for West Sussex

There are some results of the disruption in West Sussex that will have unique repercussions and implications to the county, namely due to the geography and make-up of the local economy as well as factors in demography.

### The economic significance of Gatwick and Manor Royal

Gatwick Airport and Manor Royal in Crawley account for a substantial amount of the county's economic footprint – hosting one of the highest concentrations of large and multinational employers in the country. The impact of the lockdown, travel bans, forced quarantine and recession on such a significant travel hub and its supply chain is a national and international concern, with a 5% increase in unemployment claims since March<sup>7</sup>. Any local strategy will need to look carefully at the ripple effect of the impact on Gatwick Airport as well as the support for displaced staff – but the intervention needed is bigger than for other sectors and cannot be only locally-driven.

### The prevalence of small businesses in West Sussex

West Sussex is a mixed economy, dominated by SMEs and micro-businesses from many different sectors. Outside Gatwick Airport, the county has prosperous clusters of businesses in engineering and advanced manufacturing, medical and life sciences, computer games and multimedia software development, hospitality and food/drink services, agriculture, horticulture, culture and tourism. Whilst its diversity and breadth is a strength, it means that a targeted, high-impact project response is a challenge.

### One size does not fit all

A generic package of support to bolster job retention, recruitment and retraining across every sector, in each district and borough, is unlikely to be effective.

### Collaboration with Coast to Capital LEP

The Coast to Capital LEP 360° Skills Board has published an ambitious skills plan (September 2020<sup>8</sup>) which sets out an objective to target resources to many areas that our engagements have highlighted as critical. This will naturally have a big focus on the Gatwick diamond and Brighton, but not only. There is a timely opportunity for West Sussex County Council to collaborate around the plan, sharing insights and complementing action.

<sup>7</sup> Source: Centre for Cities

<sup>8</sup> Source: Coast to Capital Skills Strategy and Action Plan

# Summary of observations

## 2. Focus on Employers

### Businesses in survival mode

Many employers are, and will remain for some time, concentrated on operational survival and on consolidating costs that can limit awareness of strategic initiatives intended to provide a long-term return on investment.

### Support with training strategies

Businesses, especially SMEs, will need support in adapting training strategies – as ambitions around skills development are often separate from growth/rebuild operational plans. A joined-up and integrated, yet targeted, set of simple messages - delivered by designated facilitators and co-ordinators - may be needed in order to cut through.

### Small business resource constraints

SMEs in West Sussex continue to, largely, be time and cash poor and not often susceptible to support opportunities or in understanding what is available to them. COVID support grants, however, have changed the conversation and many have applied for help for the first time.

### Capitalising on opportunities

There are also other positive bumps in demand that may be short-to-medium term but provide job and training opportunities. The domestic construction sector has seen a big spike, for example, with early evidence suggesting that people have chosen to renovate home offices, garages or conservatories with money that might have otherwise been spent on a foreign holiday.

### Building engagement

There could be opportunities to build on first-time engagement to help businesses access funding via the apprenticeship levy transfer, adult education budget and other sector/geography-based initiatives.

### Keeping engagement

Ongoing engagement from key business representatives is needed in trouble-shooting the skills recovery. Coast to Capital LEP have launched Peer Networks, and existing networks such as Gatwick Business Diamond, chambers, BIDs, FSB, METALL, Wired Sussex and West Sussex Growers' Association already have infrastructure that could be developed.

## 3. Focus on People

### The disproportionate impact on younger and older workers

The impact of both redundancies, and the reduction of available job opportunities, will affect every demographic. However, the most acute, and potentially long-lasting effects, will be on 16-24 year-olds and the over 50s.

### The impact on those already furthest away from the job market

The barrier to entry in job recruitment has been significantly raised. Residents already furthest away from the labour market as well as young people with a lack of work experience and those with low levels of digital literacy, have a significant risk of long-term unemployment.

### The impact on those with protected characteristics

Older workers, women and minority ethnic workers are over-represented in some of the hardest hit West Sussex sectors, with evidence suggesting that many in transport, logistics and hospitality were made redundant early on in the pandemic rather than supported by furlough schemes. This is corroborated by the sharp spike in demographics claiming universal credit; meaning that there might be some highly employable people with protected characteristics who have now been unemployed for six months with little specific training or support.

# Summary of observations

## 4. Focus on Skills

### Building back better

It is more crucial than ever to consider inclusive growth, rather than just a quick-fix bounce-back. There is an opportunity to support more people into enterprise and employment in the long-term and to create targeted programmes that enable protected characteristic groups, and people in specific geographical clusters, to develop technical, character and digital skills for work.

### The digital divide

Lockdown has seen the accelerated digitisation of the labour market, with more options for flexible and remote working coupled with a wider digital divide between those that own – and are skilled users of – technology vs those who do not have private access.

### Changing skills in demand in the employment market

Whilst a combination of technical and soft (or character) skills – at increasingly higher levels – are still needed across West Sussex industry as per the pre-pandemic situation, the scope of this has become slightly narrower. To simplify – the skillsets from people needed include frontline care skills, management and leadership, digital design and development and research/teaching/presentation; these areas of expertise outstrip all other needs.

### Bite-sized learning

The training focus for employers is on micro-credentials and bite-sized learning – for both the transfer of people from one sector to another and for bringing back people who have been furloughed for many months. Long-form training and apprenticeships are not widely seen as the short-form solution but have a role in long-term recovery.

## 5. Delivering the Plan

### Strategic working

Smarter and more strategic join-up than ever before is needed between the public, private and voluntary sectors. There is a real risk of duplication in recovery plans between local authorities, Department for Work & Pensions (DWP), business partnerships, education networks and the LEP, as well as a risk of avoidable gaps in support. Equally, there are opportunities for rapid and high impact when resources are pooled.

### Skills forum

There is a strong appetite for a central skills and employability strategy forum that brings together different stakeholders who can lead on different aspects of a research > plan > deliver > review cycle. There is wariness about a centrally controlled solution with narrow resource in one direction without transparent decision-making or innovation in approach. Local authorities and LEPs are valuable partners and can help scale responses but are not always best-placed to own the entire strategy/delivery/measurement.

## 6. Setting the Priorities

To recap, and as mentioned in the Executive Summary, these findings can be grouped under three main priorities in the county:

- In the Target Audiences: people at the very start of their career and those needing to find new work in the final decade before retirement will need the most significant levels of support.
- In terms of sectors of the economy, we will need a focus on promoting the growth sectors of the economy and supporting the challenged sectors as they recover from the effects of COVID. Interventions in the next 12-24 months will need to be very responsive to the different realities in different sectors.
- The fact that there is not a level playing field in West Sussex. This point is developed in the section on social mobility and protected characteristics below.

# The immediate impact on businesses

In this section, we have drawn on available statistical data on how West Sussex's key industries have been affected between March and August 2020. This has been tested through engagement with business, economic development and employer network representatives to see if the data matches the experience on the ground.

## Key insights

- Not all business sectors have fared equally - with manufacturing, IT and construction seeing stability and even growth
- Service industries, and those linked to experience and tourism economies, have been hit very hard and will take some time to recover
- Job vacancies and apprenticeships have fallen dramatically, with evidence of only a small bounce-back so far
- Businesses in the knowledge economy are rapidly adapting delivery models, workspace and infrastructure – this is having an impact on recruitment and training
- The Plan for Jobs from central Government has kept people in employment, but there is little confidence that this will be long-lasting or will reach all the people who need it most
- Existing initiatives in low-carbon investment, digital transformation and workforce diversity need to be accelerated rather than set-back, ensuring that short term recovery leads to long-standing long-term outcomes
- New narratives are emerging about West Sussex as an ideal place for home-workers, but these create tension with capital investment in commercial office space – many working age adults will need to retrain to be able to work flexibly



# The immediate impact on businesses

## The national picture

- 31.186m people in employment (16 - 64 year-olds, July-September estimates<sup>9</sup>)
- 9.6m employees placed on furlough as at 18th October 2020<sup>10</sup>
- Employees of small and micro-sized employers were more likely to have been furloughed than those working for medium-sized and large employers: 22% employments at employers with 5 to 9 employees had been furloughed against just 6% at employers with 250 or more employees as at 31st August 2020<sup>11</sup>
- 7.5m people were temporarily away from paid work in June 2020, with over 3m of these being away from work for 3 months or more<sup>12</sup>
- Youngest, oldest and those in manual or elementary occupations most likely to have been furloughed<sup>13</sup>
- Claimant count as at October 2020: 7.4% (from 3.4% October 2019)<sup>14</sup>
- Q2 2020 – 20.4% fall in GDP – saw the biggest quarterly fall on record<sup>15</sup>

<sup>9</sup> Source: ONS November 2020

<sup>10</sup> Source: HMRC November 2020

<sup>11</sup> Source: HMRC November 2020

<sup>12</sup> Source ONS: People temporarily away from paid work in the UK: August 2020

In the Office for National Statistics voluntary business survey results for the period 5-18th October<sup>16</sup>:

Sectors stating turnover has decreased:

- **Accommodation and food services – 72%**
- **The arts, entertainment and recreation – 69%**

For comparison, the all-industries figure for those stating decreased turnover is 45%.

The accommodation and food service activities industry had the highest percentage of businesses with no or low confidence that their businesses would survive the next three months, at 32%.

Of businesses not permanently stopped trading, 2% intend to permanently close a business site in the next three months. The arts, entertainment and recreation industry had the highest percentage of businesses intending to permanently close a business site in the next three months, at 4%. This was followed by the professional, scientific and technical activities industry, the construction industry, and the information and communication industry, all at 3%.

N.B: industry sector comparisons can vary by source as the classifications are not consistent (for example, one source might state hospitality sector, whilst ONS refers to Accommodation and Food Service Activities)

<sup>13</sup> Source: As 12

<sup>14</sup> Source: ONS data tables

<sup>15</sup> Source: ONS GDP April to June 2020

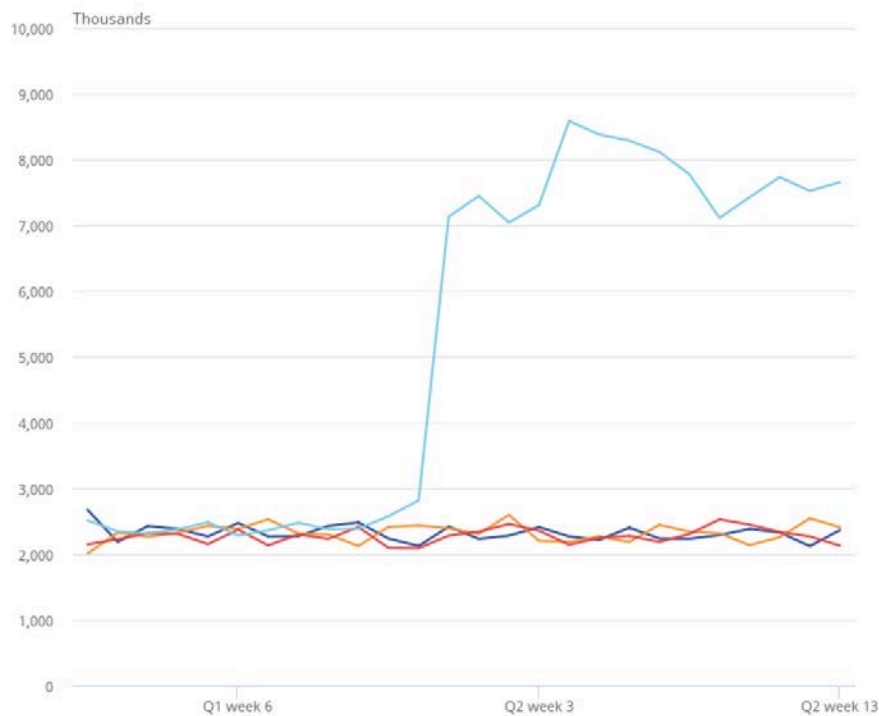
<sup>16</sup> Source ONS: Coronavirus and the economic impacts on the UK: 5 November 2020

# The immediate impact on businesses

Recruitment activity was at least halved for the early months of lockdown, with gradual improvement after, skewed by a brief sectoral resurgence from hospitality in summer 2020. The position has just fundamentally changed again with a second national lockdown.

- 370,000 vacancies in the UK (May-Jul 2020), less than half of the figure a year earlier
- July and August 2020 showed strongest recovery in accommodation and food service activities sector (30% increase in vacancies)

Total number of people temporarily away from paid work, seasonally adjusted, UK, January to June 2017 to January to June 2020



<sup>17</sup> Source: ONS

Number of vacancies in the UK, seasonally adjusted, between May to July 2001 and May to July 2020

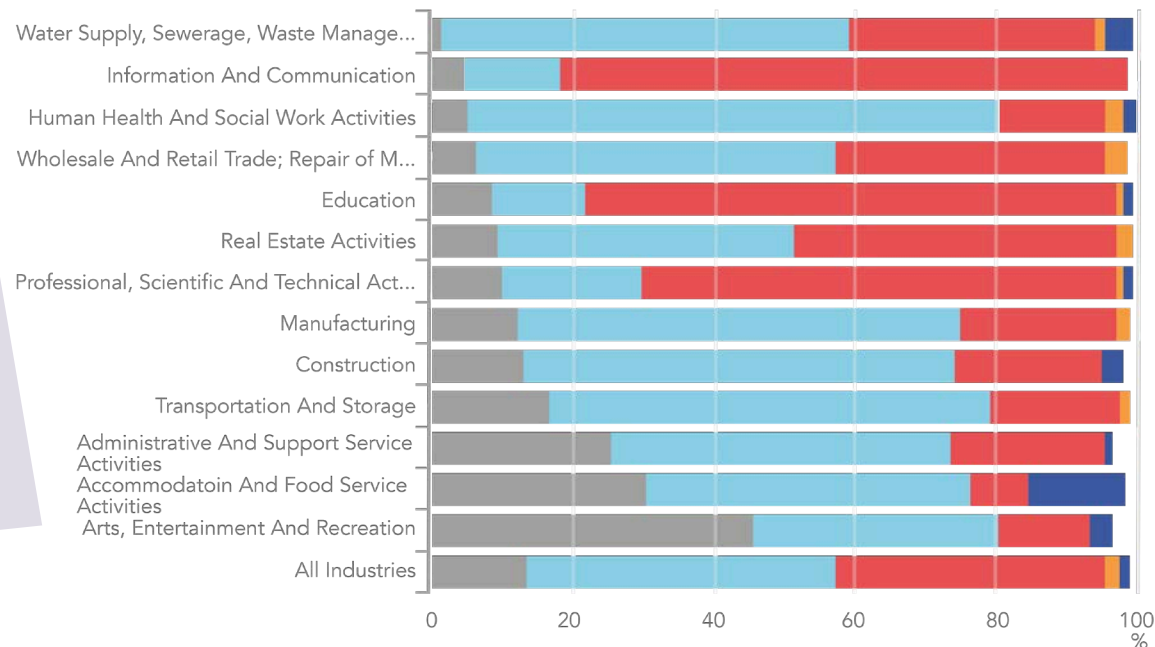


# The immediate impact on businesses

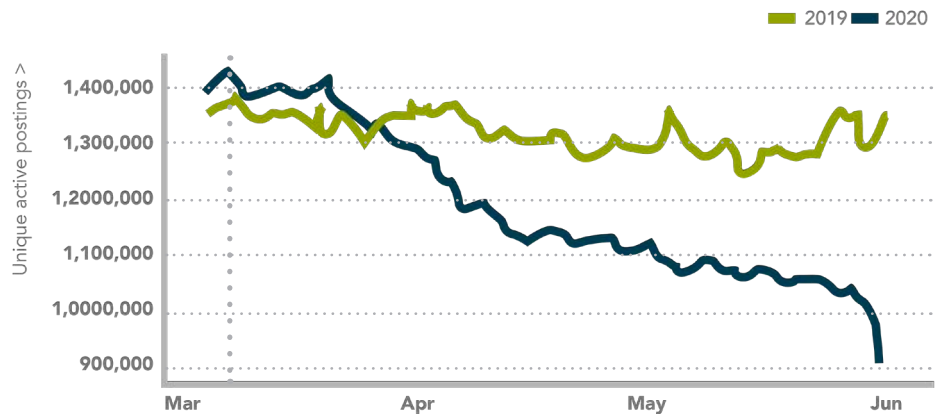
According to the July job market report from employment website CV-Library (17 July 2020), vacancies in Q2 2020 dropped by 63% compared to the same period last year. In terms of sectors, the public sector and social care both saw an increase in vacancies, whilst **the biggest drops were seen in:**

1. Catering – down 92.9%
2. Administration – down 88.6%
3. Sales – down 87.3%
4. Design – down 86.6%
5. Media – down 85.7%
6. Recruitment – down 84.9%
7. Marketing – down 82.7%
8. Automotive – down 80.3%
9. Retail – down 79.6%
10. Customer Service – down 79.1%

Working arrangements, businesses that have not permanently stopped trading, broken down by industry, apportioned by workforce, UK, 13 to 26 July 2020



#covid19: Daily posting trend in the UK Online job postings to 31/05



- Other
- Off sick or in self-isolation due to coronavirus (COVID-19) with statutory or company pay
- Working remotely instead of at their normal place of work
- Working at their normal place of work
- On furlough leave

Source: ONS - Breakdown of staff activity by sector, between 13th and 26th July 2020

Source: EMSI Job Postings Analysis



# The immediate impact on businesses

## Employment and self-employment in West Sussex

- 424,700 people in work<sup>18</sup>  
348,300 employees
- 70,800 self employed
- claimant count: 5.2% of the working population, identical to the overall figure for the South East
- highest share of population impacted are 18-24s (now 9.2%)

There were 26,540 claimants for universal credit aged 16+ in West Sussex in October. Crawley and Arun each have over 5,000 claimants, and Crawley the highest rate at 7.5%.<sup>19</sup>

The age profile of claimants is broadly similar across the county though Crawley has the highest proportion of 25-49 year-olds and Chichester the highest over 50+. The highest % increase in claimants are amongst the 16-24 year-olds across the county.

The office and commercial workspace sector, particularly in Worthing, Gatwick and Horsham, is under pressure as a result of the changes to the way people work.

Through the engagement, participants raised the following current issues are dominating business recovery planning in West Sussex:

- Recruitment levels and ways of recruiting do of course vary greatly according to sector and location
- There has been an obvious explosion in the use of online recruitment through agencies, platforms and companies recruiting direct. This

growth relates not just to the posting of job ads, but also to the fact that CVs are 'triaged' using online tools, candidates are required to complete online assessments, and interviews are increasingly conducted by video conference (or telephone), with some companies even conducting initial interview by the candidate recording a piece to camera or using virtual interviewing programmes.

The sometimes-sudden change in recruitment processes poses some challenges:

- **For the company** – may not have that much of a web presence so it is harder for candidates to find out much about them or the post
- **For candidates** – those without broadband or mobile phone data package are disadvantaged, and even before lockdown, there were queues to use PCs in job centres and libraries

There may be issues for some people in establishing empathy in an online interview and participants mentioned that this may lead to some candidates being offered a role and then dropping out fairly quickly because it turns out not to be for them.

Conducting induction digitally is also harder and it has been an unusual start for those who joined a new firm in lockdown.

In April 2020 Crawley was highlighted in national media as the area most exposed to large scale redundancies, with over half of its jobs either in vulnerable or very vulnerable sectors. At the end of July, Gatwick Airport Ltd (GAL) published its half year results, including the headline of £321m loss over the previous six months.

<sup>18</sup> Source: Nomis Labour Market Profile - West Sussex

<sup>19</sup> Source: Business West Sussex

# The immediate impact on businesses

In March, there were 3,300 GAL employees working at the airport, in September 2,400<sup>20</sup>. The situation with redundancies at Gatwick is evolving and in October 2020, the airport’s chief executive, Stewart Wingate, stated that about 40% of employees at Gatwick Airport would have lost their jobs by the end of that month<sup>21</sup>.

Being a largely SME and micro-business economy West Sussex businesses are statistically more likely to have furloughed some staff. Full redundancies from furlough are yet to be understood, with the scheme now having been extended until March 2021. The risk of redundancies is particularly acute in industries which are unable to reopen properly.

There has been some informal feedback that there may be significant redundancies from some rural based businesses once the furlough scheme ends.

West Sussex businesses, in our 1:1 engagements, have described CJRS as a life-line but masking the true picture. One respondent referred to the current period as being like “the phoney war” – the six month period at the start of World War II when battle had not really commenced.

Furloughing implies that employees are ‘safe’ and will be returning to work. However, this will not be the case as many organisations will struggle to contribute to costs, introduced from August, and redundancies are inevitable. Those who do retain staff will have costs associated with the re-integration of workers, adjusting to a work-life that will look very different to one they left, potentially 6+ months ago.

It is important to continue to monitor the CJRS monthly statistics per sector to track which sectors remain unable to support the return to work of significant numbers of workers since these are the ones where large scale redundancies are most likely.

The £1,000 end of furlough retention payment was not thought to be a significant incentive in both urban and rural settings since employers will be more concerned with the ongoing costs of employment if cash flow has not improved.

The Institute for Employment Studies has published a review of online vacancies by district over the month to 9th August. This builds on their previous weekly analysis of trends during the first three months of COVID-19 crisis.

Local Authority	w/e 9 Aug 2020	Change since 15 March	Change in last month	Year on year change
Adur	330	-79.1%	11.1%	-40.80%
Arun	601	-42.6%	36.9%	-38.2%
Chichester	1596	-49.9%	36.9%	-45.5%
Crawley	955	-68.5%	25.3%	-63.7%
Horsham	1020	-58.4%	18.1%	-44.4%
Mid Sussex	966	-63.4%	20.1%	-53.6%
Worthing	454	-64.9%	11.3%	-58.2%

[Source: Business West Sussex / IES analysis of Adzuna vacancy data]

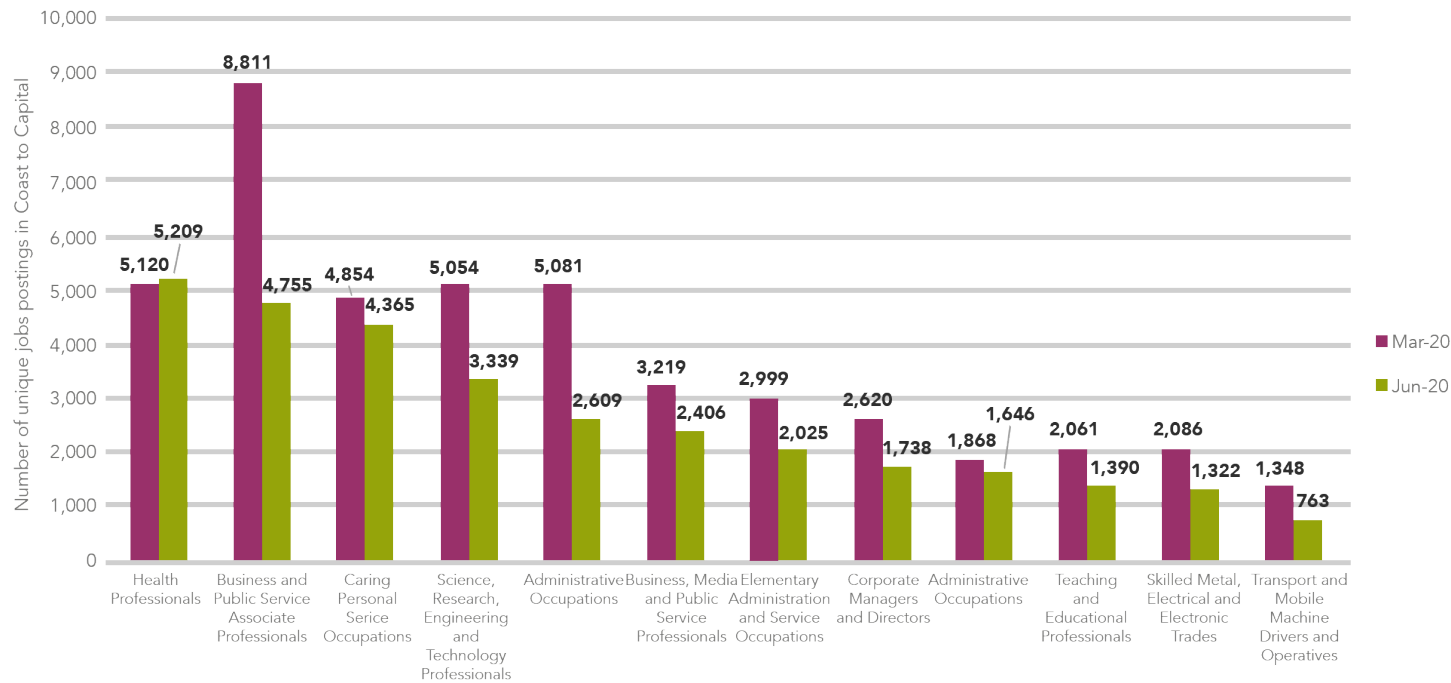
<sup>20</sup> Source: Gatwick Diamond Business

<sup>21</sup> Source: BBC

# The immediate impact on businesses

The recruiting decisions from different sectors across the Coast To Capital region is clear, when comparing March 2020 to June 2020, with the biggest local fall in business, public service and administrative job roles being advertised<sup>22</sup>.

There was a significant increase in new vacancies in West Sussex between July and August 2020, suggesting a slight upturn in hiring, following the national trend. Adur has the 4th highest percentage decrease in vacancies from 15th March to 31st August, out of all local authorities in the UK<sup>23</sup>.



<sup>22</sup> Source: Coast To Capital / Emsi  
<sup>23</sup> Source: Business West Sussex

# The immediate impact on businesses

## Key sectors in West Sussex

### Land-based



Horticulture in West Sussex was initially hard hit when garden centres closed in lockdown, but as soon as they reopened, there was a resurgence in demand with people restocking their gardens. Once again non-essential businesses are closed; but with some confusion as to what counts as a non-essential business and with click and collect being allowed.

Demand for food did not decline but the way the food chain operates often had to change substantially; for example, growers who mainly supplied the restaurant trade needed to find new routes to market. Many restaurants and wholesalers found they had a digital skills deficit when looking to create rapid e-commerce platforms in order to sell takeaway/delivery produce direct to homes.

The rural economy presents particular issues in employment and skills and business development:

Isolation of some communities and people compounded by a digital divide

Serious drop off in rural hospitality sector threatening some local communities which depend on holiday venues bringing people and money into the area

West Sussex contains many areas of exceptional natural beauty which are attractive to developers and home-workers. The focus is on sustainable and sensitive building programmes; yet the government incentives will be aimed at quick-build, ambitious and 'shovel-ready' projects

The needs of rural communities are different, so initiatives in employment and skills need to be subject to 'rural-proofing'.



### Transport & Logistics



There are large numbers of relatively low skilled workers in aviation and support industries; they represent challenges of upskilling or retraining people often at an advanced stage of their working life. There are many workers, aged over-50, within this supply-chain working in Mid Sussex where universal credit claims are far higher than expected for this age group – implying that many have already been made redundant, rather than furloughed.

# The immediate impact on businesses

## Key sectors in West Sussex

### Tourism, Retail & Hospitality



All components of food and beverage services in West Sussex fell in April during the first lockdown, though there was less impact on takeaways. Now we are in a second national lockdown, pubs, bars and restaurants have closed again except for takeaways.

The Tourism South East COVID-19 Business Impact Survey reported, from those that responded, that the majority of businesses in West Sussex (81%) have adapted their business model / service as a result of COVID-19. However, 13% feel that they are under threat of permanent closure as a result of the pandemic, and half were unsure.<sup>24</sup>

In the engagement process and through local visitor economy discussions, it is clear the demographic of hotel guests is changing. Many seaside town hotels have traditionally done well out of the older coach tour market, which has collapsed with COVID-19. More families and younger visitors are coming to the coast in 2020 because it is more difficult to take overseas holidays.

After the UK Government gave the green light for UK holidays in late June there was a reported 'one staycation booked every 11 seconds' according to lodge specialists Hoseasons<sup>25</sup>. With more than 37,000 jobs in West Sussex in the tourism sector<sup>26</sup>, this re-opening of the sector brought positive news to many. However, Experience West Sussex forecasts (June 2020) indicated a decline of 59% for visits in 2020 and a drop of £2bn in visitor spend<sup>27</sup>.

Butlins, as an example of a major tourism employer in Bognor Regis, was reported in the national media as having 1,000 jobs at risk (not just in West Sussex) once furlough ends<sup>28</sup> – but this was refuted by the company. The uncertainty for many workers will be having nearly as much impact as confirmed redundancies – and we can expect to see pre-emptive movement into other work from anxious staff.

Businesses in this sector are recognising the need to increase internal digital skills and capacity, as well as marketing and e-commerce expertise, but with little certainty on how and when investment in this is possible. Of all full-time subjects in Further Education, the pandemic has seen the biggest and sharpest fall in applications to travel and tourism courses across Sussex, whereas courses in digital and design subjects have started to increase.

Well known national retail chains are already restructuring and announcing redundancies, which will have an even deeper on employment in West Sussex high streets – particularly among 16-24s and over 50s.

For small retailers, opportunities to accelerate online services alongside shop-fronts have seen a rise in the demand for digital skills support, but it is not clear how long-lived this will be – or if this has been enough to protect many in this sector.

Online retail at scale is growing strongly, for example Tesco and Aldi recruiting across West Sussex due to growth in these areas.

<sup>24</sup> Source: Tourism South East, August 2020

<sup>25</sup> Source: Hoseasons, as reported on many news channels

<sup>26</sup> Source: Business West Sussex

<sup>27</sup> Source : Cabinet Minister visits tourism venues to hear of COVID-19 challenges, August 2020

<sup>28</sup> Source: Reported on many news channels BBC

# The immediate impact on businesses

## Key sectors in West Sussex

### Culture & Events



Whilst there is no clear data on the size of this sector in West Sussex, the night-time economy has been a clear area of growth in visitor economies in Worthing, Horsham and Crawley particularly. The sector has been very hard hit by COVID-19, with all venues closed from March until July, some then not able to reopen either because they are not able to do so in a 'COVID Secure' way, or because they remain subject to lockdown restrictions (nightclubs for example), and now a second national lockdown affecting all venues.

Some indoor venues, such as galleries and museums, were able to open during the summer and autumn with 'COVID Secure' measures such as distancing, good ventilation and timed tickets. Outdoor performance is a growth area, but the evolving COVID restrictions and season change limited the efficacy of this.

Some larger theatres in Worthing, Horsham, Crawley, and Chichester, Chichester Festival Theatre, for example, depend on selling-out two shows a day during the pantomime season in order to make enough money to support some less profitable shows through the rest of the year. Many of the smaller venues which are so important to the character and cultural life of the county operate on tight margins and across a range of audiences and have similarly been severely affected by lockdown, with opening in a 'COVID Secure' way not being viable for some. Operating on reduced numbers therefore remains a considerable challenge, with many venues on the brink of bankruptcy. Uncertainty prevails in the sector as we wait to see whether the national lockdown will end on 2nd December, whether local lockdowns will be extended and whether 'COVID Secure' operation will be possible at all over the rest of winter 2020/21.

Some venues and producers are using what they refer to as a 'blended model', where live performance will take place for limited numbers, and it is hoped that some of the lost revenue can be made up by online streaming of content, but there are challenges in this burgeoning marketplace (not least that the price-point for one-off online content is considerably below what people would pay for a live performance) and it is not feasible for all venues or types of content.



The Arts Council Cultural Recovery Fund, with extensive lobbying from the Small Venues Trust, has secured some emergency funding for a small number of West Sussex venues – but this will not cover losses all the way through to spring 2021.

Support that has been available involves:

- Providing a way to get through cash flow difficulties whilst venues are closed and people prevented from working
- Lobbying the government and national bodies on the importance of this sector to national and local economies
- Helping SMEs to develop their business plans to adapt to the changes in how shows can be delivered
- Adapting premises and projects for different means of delivery

Cultural sector representatives have expressed caution around new job incentives such as Kickstart, as it could be some years before follow-on opportunities are available and the upfront cashflow requirements may be a challenge.

# The immediate impact on businesses

## Key sectors in West Sussex

### Health & Social Care



This remains the largest employment sector in West Sussex where job-posting numbers are high. The care sector in West Sussex is 10% higher in numbers than the national average, with pre-COVID growth prediction of a further 3.3% by 2027<sup>29</sup>. Mid Sussex and Worthing remain the districts with the largest health and care workforce.

There are challenges with recruiting staff due to additional pressures of the job in the pandemic – with increased operating costs of health and social care providers because of COVID – cost of PPE, distancing and isolating measures, and greater demand for services and staff.

Staff numbers are expected to stay strong, with targeted programmes to boost recruitment such as the partnership between Health Education England and The Prince's Trust and the Community Assets programme pilot from Health Education England – promoting careers options and opportunities through membership-led voluntary sector organisations across Sussex (see case study).

The energetic focus on the adult social care offer in the West Sussex Reset and Reboot plan – particularly around preventative work, transport and community hubs – could be an opportunity for new skills and opportunities.

### Professional Services



This less easily defined sector is one of the key growth areas identified, for example, in the Coast to Capital LEP Skills Advisory Panel Skills and Labour Market Research<sup>30</sup>.

One FE college engaged with sees professional services as a growth area for accredited training. However, uncertainty due to the negative impact on the aviation industry and the implications for Gatwick, for example, would likely create a knock-on effect for many of the large professional services businesses with connection to the sector.

The business support sector is a key employer in the Manor Royal BID area, close to Gatwick. Examples include financial services, accounting and consultancy firms, often with an international client base. Many firms in this sector are able to handle significant numbers of their staff working from home, at least part of the time, but this will have an impact on office space – both in terms of the level of demand for space, and the need to adapt it to make it more attractive, sustainable and safer for office workers.

The question is whether people will continue to commute to work in these locations in large numbers, or whether home working, both within the county of West Sussex and outside it, will become the preferred option for many.

It is important to keep business districts like Manor Royal a high priority for workers by improving the public domain, transport links and amenities. One roundtable participant mentioned that West Sussex could have the ambition to be the top place for people to live and work from home, but this obviously creates a tension when so much investment continues to be levelled at corporate real estate.

<sup>29</sup> Source: Emsi

<sup>30</sup> Hatch Regeneris for Coast To Capital, September 2019

# The immediate impact on businesses

## Key sectors in West Sussex

### Computing, Digital & IT



CDIT is, in many ways, a boom sector given the way the pandemic has compelled people to work from home and companies to offer their goods and services online.

Key growth areas mentioned in engagement include:

- Website design and development
- E-commerce; including booking, stock management, transactional and payment systems
- Online marketing and search engine optimisation
- Online networking as a means to build skills, connect with other professionals and find new work
- Online security including data security

Digital logistics (for example systems are developed and rolled out to manage supply chain, sales and marketing or delivery systems for businesses now operating online)

A lot of this extra capacity has been met within the existing headcount and many CDIT businesses have imposed recruitment freezes in order to build up cashflow. There may be opportunities in early 2021 when tech businesses start recruiting again or focusing on this sector to be main beneficiaries from the Government's Plan for Jobs and incentives to employ newly unemployed young people.





# The immediate impact on businesses

## Key sectors in West Sussex

### Engineering & Advanced Manufacturing



Manufacturing businesses saw widespread national growth during June 2020, primarily because of increased demand and the recommencement of work, as businesses managed to operate while adhering to social distancing measures<sup>29</sup>.

Many West Sussex manufacturing businesses seem to be performing very well. However, most continue to 'crisis manage' the implications and operations needed to provide a safe working environment and protect their staff from COVID.

Participants in the engagement process state that Brexit is still a higher risk factor for this sector than others because of the uncertainty around tariffs and speed of getting goods to market. This continues to complicate the long-term planning around sustainable growth, jobs and skills. Much like with high growth tech, recruitment has slowed down dramatically, whilst options are considered and the labour market landscape unfolds post-furlough. [source: Coastal West Sussex Partnership].

In the larger manufacturing companies, the move to automation has been more rapid; with recruitment increasingly focused on knowledge roles, research, design and innovation expertise. This creates long-term opportunities for West Sussex, supported by existing investment by the University of Chichester and the forthcoming technology and innovation research centres in Crawley, but there will be little positive immediate impact.



West Sussex County Council has put the emphasis on a 'sustainable economy' at the heart of its Reset & Reboot plan, with opportunities now to accelerate skills training opportunities in carbon-neutral business, renewables and circular economy manufacturing. The Coast to Capital LEP has been awarded funding from the Getting Building Fund to invest in an Innovation Centre in Crawley, as well as a wide range of key priorities including regeneration of towns, creation of employment, digital infrastructure, green technology and skills.<sup>30</sup> However, some short-term thinking is also needed to incentivise further and higher education programme development to focus on local skills gaps that are linked directly to these emerging opportunities.

<sup>31</sup> Source: ONS, Coronavirus and the impact on output in the UK economy: June 2020

<sup>32</sup> Source: Coast to Capital awarded £19.2 million Getting Building Funds, August 2020

# The immediate impact on businesses

## Key sectors in West Sussex

### Construction & Built Environment

UK builders reported their strongest monthly rise in activity in almost five years in July as the sector rebounded further from COVID-19 lockdown restrictions<sup>33</sup>. Residential building was the main growth driver in July and the Government's planning reforms will help to continue this trend.

The picture is mixed, locally, depending on type of construction and location, but the Get Britain Building fund is going to increase activity locally.

One West Sussex firm specialising in residential mentioned, during our engagements, that lockdown has increased many people's focus on improving their living space, by extending and reconfiguring space to provide for working from home (garden office studios becoming popular for example), upgrading kitchens and bathrooms, making better use of outdoor space, and taking advantage of the Green Homes Grants Scheme.

Another firm, during engagement, highlighted the uplift effect of the stamp duty holiday on new build sales and increased interest from first time buyers, downsizers, and people moving out of larger conurbations.

There is also increased interest in net-zero carbon schemes whereby the amount of carbon emissions associated with a building's usage and construction stages (up to practical completion) must equal zero or a negative number.

Apprenticeships are most buoyant in the construction sector. But existing pre-COVID skills shortages in estimators, project managers and carpenters may be exacerbated unless these opportunities, along with credible training, can be well communicated to viable candidates recently unemployed from other sectors.

A multi-million-pound investment across the county is delivering a comprehensive digital infrastructure programme. The aim is to deliver full fibre, gigabit capable connectivity to support the economy, to attract and retain businesses and allow new businesses to develop, as well as to give residents high quality digital opportunities. Through this programme City Fibre have pledged 150 new civil engineering jobs, however the scale of infrastructure work being announced suggests that there will be many more jobs available<sup>34</sup>.

There are opportunities to have more streamlined Section 102 and Social Value Charter agreements with the construction sector, aligned to new skills development priorities, as new infrastructure investment projects are announced in 2021.

<sup>33</sup> Source: Financial Times, 6 Aug 2020

<sup>34</sup> Source: WSCC, Multi-million-pound investment agreed for West Sussex's digital future, February 2020

# The significance of social mobility and protected characteristics

Whilst coronavirus does not discriminate, the impact of it does and without specific interventions, certain communities within West Sussex will feel far more lasting damage from changes to the labour market and careers landscape. It is important therefore that interventions take account of the fundamental principle that some groups will be affected to a greater extent and in different ways by the fallout that the pandemic brings to the employment market. To address these concerns, interventions must follow the evidence of need, with due consideration of the impact on groups with protected characteristics, and work with best-placed partners to ensure no-one gets left behind.

The following are some brief examples of how interventions can be targeted to particular groups:

- Increasing access to apprenticeships, traineeships and the Kickstart scheme for all will help address the needs of younger workers
- Helping businesses to recruit, retrain and retain a mature workforce, with specific employment support for the over 50s, for example through increased availability of accessible, practical upskilling opportunities
- Long-term employment pledges from businesses to ensure young people, women and ethnic minority jobseekers are competing for jobs on a level playing field, for example through a focus on fair recruitment procedures and a recognition of the need for more mentoring to enable underrepresented groups to progress in the workplace

West Sussex mirrors the national picture, when looking at which protected characteristic groups are more likely to feel the biggest effects of job losses over the next few months. The data below indicates how some specific programmes of work could be focused to take account of the issues arising in working with people in protected characteristic groups.

<sup>35</sup> Source: West Sussex County Council

## Age

A new report from the Centre for Ageing Better and Learning and Work Institute shows that the number of older workers on unemployment related benefits has nearly doubled as a result of the pandemic – increasing from 304,000 in March to 588,000 in June. Their recommendations include the need to support continued skills development among older workers to help them access jobs and progress.

They suggest adult skills funding be extended to give all older workers an entitlement to funding for a qualification, or modules, up to and including level 3. This should be advertised widely in HMRC and DWP communications to encourage older workers to take advantage of it.

West Sussex has a more mature workforce overall, but particularly so in Arun and Chichester<sup>35</sup>.

	Estimated Population mid-2019	Median age mid-2019
West Sussex	<b>863,980</b>	<b>45.3</b>
Adur	64,301	45.7
Arun	160,758	49.7
Chichester	121,129	49.3
Crawley	112,409	37.5
Horsham	143,791	46.3
Mid Sussex	151,022	43.8
Worthing	110,570	45.2

# The significance of social mobility and protected characteristics

## Age (continued)

Older workers in West Sussex tend to be in the retail sector, with some in hospitality. In the Crawley area there are many lower skilled mature workers in support industries dependent on aviation.

There is generally very low awareness of the Adult Education Budget, and of available courses at L2 and above for adults needing to broaden their skills base. It will be important to work with DWP and others on how to tackle the potential for a large number of people to need redundancy support and reskilling – and West Sussex County Council can have a role in disseminating information as well as innovating around course co-design in this area.

Health Education England's Community Assets pilot across Sussex has seen deep and successful consultation and partnership with voluntary sector organisations, particularly those that support older people and armed services veterans, to ensure that opportunities for work in health and care are properly understood. There is scope to extend this out, helping existing common interest groups of protected characteristics to develop skills for the labour market via the community assets to which they belong.

However, the impact on young people at the start of their career is as acute and will certainly impact a greater number of people in the short-term. According to the July snapshot report from the IFS<sup>36</sup>,

*"on the eve of the coronavirus outbreak, workers aged below 25 were more likely than other workers to be employed in sectors that have been effectively shut down as part of the UK lockdown and they are more likely to have lost their jobs since then".*

The report goes on to state that:

*"sharp contractions in shut-down sectors will make it harder for young people to take their first step onto the career ladder, while reduced job opportunities will make it harder for them to move into higher-paying occupations."*

Particular concern is growing around the large number of prospective apprentices and undergraduates that may now not have a course/job offer and will find it very difficult to find employment without any prior experience. There is no available data on how many this affects, but interventions that ensure this cohort do not miss out on opportunities or skills in the long-term are worth considering as a matter of priority.

A briefing series from The Sutton Trust from July 29th<sup>37</sup> concludes that the economic impacts of the COVID-19 crises will have *"considerable and lasting consequences for social mobility"* with a widening of existing inequalities and the increase in the number of children growing up in poverty. The evidence has demonstrated the most affected group will be disadvantaged students at every stage of their life - early years, schools, apprenticeships, access to university and into the world of work.

As a response to this, Youth Employment UK launched their 'Good Youth Employment Charter'<sup>38</sup>, Youth Friendly Employer digital badge and #1000Opportunities campaign in September 2020. The aim is to get the rate of NEET young people back to pre-pandemic levels by October 2021, which relies on UK employers creating 1,000 additional employment, training or education opportunities per day for 16-24 year-olds. The concern is that without intervention, there will be 1.1m more NEET young people by the end of 2021.

<sup>36</sup> Source: Institute for Fiscal Studies, COVID-19 and the career prospects of young people, July 2020

<sup>37</sup> Source: Youth Employment UK, How Will Coronavirus Impact Graduate Recruitment and Work Experience? July 2020

<sup>38</sup> Source: The Good Youth Employment Charter

# The significance of social mobility and protected characteristics

## Gender

A briefing note by the IFS in 2018<sup>39</sup> showed that over the past 40 years, the UK has seen an almost continual rise in the proportion of women in employment (with the rate among women of 'prime working age' (aged 25-54) increasing from 57% in 1975 to 78% in 2017).

This predominantly reflects an increase in full-time employment, from 29% in 1985 (when data on hours of work began) to 44% in 2017. It also revealed that women are much less likely to drop out of the labour market after the birth of their first child and more likely to stay in paid work in the years following.

There is concern about how the pandemic may undo a lot of this progress. The law firm Shoosmiths reported that during lockdown, **women were more likely to work in the sectors that had to completely shut down such as hospitality** (23% of women vs 16% men in these industries)<sup>40</sup>.

75% of furloughed male workers had their wages topped up beyond the 80% government cap provided for under the CJRS, in comparison to 65% of female workers. It is thought that this is because employers are more likely to want to protect those in senior, higher paid roles which are more typically held by men.

Mothers were 47% more likely to have permanently lost their jobs or resigned as a result of COVID-19. Mothers in two-parent households were doing, on average, a third of the uninterrupted paid-work hours of fathers. Prior to the COVID-19 pandemic, mothers did paid work for an average of 6.3 hours on each weekday, which has now reduced to 4.9 hours.

<sup>39</sup> Source: Institute for Fiscal Studies, The rise and rise of women's employment in the UK

<sup>40</sup> Source: Shoosmiths, COVID-19 and its impact on women at work

<sup>41</sup> Source: The Guardian, UK childcare industry 'crushed' by coronavirus crisis

Although it might be presumed this is just a temporary setback, women who lessened their workload during lockdown may actually find it harder to return to pre-pandemic work levels given the recession the UK is now facing, not to mention the fact that childcare is likely to be limited for some time to come.

10,000 childcare providers may go under as a result of the pandemic<sup>41</sup> which would put around 150,000 childcare places at risk. For women working in sectors which are on course to recover more quickly, this could be particularly detrimental.



West Sussex County Council can work with partners to better examine what conditions are needed to ensure that women can access sustainable employment, and that progress made around pay, childcare and job security is not setback.



# The significance of social mobility and protected characteristics

## Ethnicity

A study by The Guardian newspaper found that the transport and logistics sector announced the most redundancies early on (rather than opting for furlough schemes), with 24,000 reported as of 28 July. Black and minority ethnic workers, who make up 12% of the UK workforce, account for 18% of jobs in this industry<sup>42</sup>.

The accommodation and food services sector, where BAME people are also overrepresented, making up 15% of the staff, had the third-highest number of redundancies, with 16,000 announced as of 28 July. Our expectation is that the impact on BAME workers in West Sussex mirrors the national picture, but there is no statistically significant information that we can find to confirm this. The scale of redundancies (rather than furloughing) in transport and hospitality is of particular concern, given how much of a footprint these sectors have around Gatwick Airport and on the coast.

The key focus here will be to ensure that critical information on employment opportunities, micro-credentials and digital skills support, inspiring sector-based careers campaigns and information about apprenticeships and other work-based learning reaches every community in an accessible way, with any barriers to engagement (such as language, communication channel, assumed knowledge) removed.



<sup>42</sup> Source: The Guardian, BAME workers disproportionately hit by UK Covid-19 downturn, data shows

# The significance of social mobility and protected characteristics

## Social mobility via work-based learning

The government has reiterated its commitment to apprenticeships.

On 8th July 2020, the Chancellor announced the following new incentives for apprenticeships:

- Any firm that hires a new young apprentice aged 16 to 24 between August 2020 and January 2021 will receive £2,000 (on top of the existing £1,000 for taking on an apprentice aged between 16 and 18)
- Any firm that hires a new apprentice aged 25 and over will be paid £1,500

However, there have been 53,530 apprenticeship starts reported between 23 March and 31 July 2020, fewer than the 101,300 reported for this period at this point last year, a decrease of 47.2 percent.<sup>43</sup>

The 'Find an Apprenticeship' website shows that in July 2020 compared to July 2019 there was a drop both in adverts and vacancies, but the fall was much less steep than in May (88% and 85% respectively):

	May 2019	May 2020
Adverts	9,480	1,160 (88% fall)
Vacancies	12,580	1,850 (85% fall)

From our engagement process, it is clear employers are aware of the steep drop off in new apprenticeships, and some evidence that the government's incentives may have reduced the decline. There remains a broad commitment to continuing with apprenticeships with many employers expecting to be involved further, but there is a lot of **'wait and see...'**

Apprenticeships in construction, engineering, health/care and ICT have been less affected than in other sectors but work will need to be done to expand these out to get the right balance of supply and demand.

A local FE college said:



*"We did not hit our apprenticeship budget but didn't miss by a lot. Other training providers did miss targets. We have not seen the wave of apprentices being made redundant yet. We do have companies working with us who want to be part of the solution. We have definitely seen people losing their jobs in the hospitality sector. We are taking on more health people".*

<sup>43</sup> Department for Education: Apprenticeships and Traineeships, England: August 2020

# Priority areas for action

In order to move forward with focus, it has been agreed to group together themes of insight that we have covered through this report into strands of development, upon which targeted action can be agreed.

The following 'Thematics' introduce these core priority areas that will start to form a direct response to the impact of the pandemic. Whilst there will be some cross-over with other initiatives that are also currently adapting to the changing needs, the intention is to identify where there are gaps in existing provision and put forward a suite of suggested activity and intervention to address the gaps. We will also look to build new coalitions of the willing, with expertise and resource where more capacity and attention is useful.

More detail on worked models for each area, case studies from elsewhere, and timeframes for development will be suggested in the second report. The actions will then be taken back out to stakeholders for interrogation, and to build consensus for a workable plan.

## Target Audiences

**1 Getting into Work**  
(18-24 year olds accessing the workplace)

**2 Getting back to Work**  
(24+ year olds, currently not working)

**3 Staying in Work**  
(support for existing employees)

Through the findings of the engagement and desk research, we have developed a proposal for a framework to shape initiatives.

In order to move forward with focus, we suggest that we consider the challenge in terms of **Audience** (who we will engage with) and **Priorities** (opportunities for activity with greatest impact).

County-wide skills co-ordination (in whatever form that might take) will sit outside this matrix.

	Growth sectors	STEM and Digital	Upskilling and reskilling for lifelong learning	Skills micro-businesses and start-ups	Wider support for those out of work
Getting into work (18-24 year olds)					
Getting back to work or starting new enterprise (24+ residents not currently working)					
Current workforce					



# Areas of intervention

## Support for the Unemployed

This thematic responds to the stark levels of growing unemployment in the area as redundancies are announced. More capacity will be needed to target resources towards the worst hit places, sectors and communities.

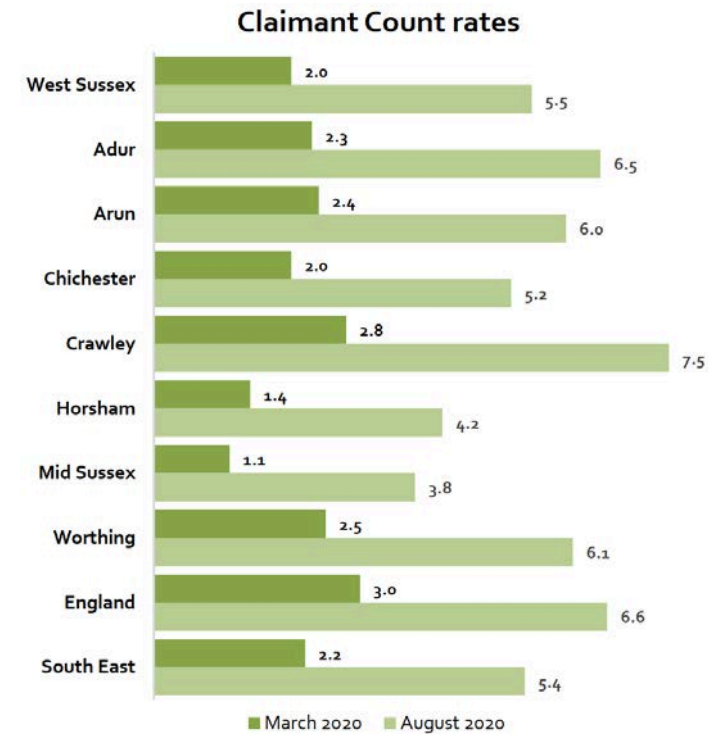
- Targeted public campaigns, matching skillsets and interests to available jobs
- Clarity of training and up-skilling offer, with line of sight to viable careers
- A system of support, with centralised information leading to localised solutions

Unemployment levels are rising fast. There are jobs available immediately in health and care, construction, some public services and some areas of logistics – but we must also consider how to support individuals for the long-term. Equality divides will deepen unless life-long learning offers are accessible and are intrinsically tied to more viable sectors and places as they begin to recover.

Full alignment with the Kickstart and new apprenticeship incentive schemes as they emerge would be advisable.

Building on new resources – such as the Get Career Confident website and the Learn Live platform from the Sussex Learning Network and Coast to Capital Careers Hub – can help simplify public messaging to ensure that jobseekers are not pulled in different directions.

Virtual work experience programmes for unemployed adults could be co-designed with a range of businesses by building a West Sussex toolkit. There would be data collected on the impact of the experiences and whether it brought new employers into considering a WEX offering.



[source: Business West Sussex]

# Areas of intervention

## STEM and Digital Skills

This thematic acknowledges that there is no workforce, labour market or economic recovery programme in the UK not focused on digital skills at its heart. This commitment is in addition to the county's longstanding commitment to Science, Technology, Engineering and Maths (STEM). The remote working and contactless connection necessity of the pandemic has accelerated digital transformation by years in most organisations, increasing expectations around knowledge and aptitude from stakeholders.

There are existing digital skills programmes, as well as COVID-response ideas published by the LEP and district and borough councils; but with a huge and evolving challenge, there are gaps that need to be addressed.

- A range of training, support and professional development appropriate to prior learning and accessible to rural, coastal and Gatwick Diamond communities
- Promoting the Tech Talent Charter for business
- Balancing digital inclusion and digital ambition

Through engagement, we have identified that when you unpick the term **'digital skills' the key gaps in West Sussex are:**

- Skills base of adult job seekers and low levels of digital literacy
- Breadth and depth of skills of graduates looking to compete in the jobs market
- Capacity for SMEs to fully utilise digital tools for efficiency

- Infrastructure, expertise and access for some rural businesses
- Different digital skills packages for people at different points in their student or employment journey
- Skills base of over-50s workforce and entrepreneurs
- High-tech innovation, and retaining top digital talent in the area
- Jobs – and the digital skills demand of jobs – changing at pace

National digital skills plans run from a spectrum of advanced high-tech eco-systems and boosting the amounts of expert coders and programmers in an area, to targeted access and inclusion programmes aimed at improving digital literacy amongst disengaged citizens.

Many existing strategies focus on supporting people at the bottom and top of the digital skills spectrum – there is an opportunity to focus an offer of short courses and micro-credentials for jobseekers who need to develop specific pre-applications skills.

There is increasing evidence of an already wide digital divide becoming wider, with 10% of the UK adult population having no access to the internet at all<sup>44</sup> – but also of technology become part of new routines for marginalised people who may have previously been excluded.



West Sussex County Council could have a pivotal role in linking the new ultra-fast broadband infrastructure across the county to specific training programmes for citizens and businesses – with a focus on diversity of recruitment.

<sup>44</sup> Source: ONS, One in 10 UK adults don't have internet access, March 2019

# Areas of intervention

## Upskilling and Lifelong Learning

The UK Government have emphasised lifelong learning as their priority. We need to seize the investment that follows. This thematic maximises the opportunity to help citizens build transferable skills under three broad areas where there is greatest identified need: caring (empathy, people skills, user/customer experience), coding (problem-solving, technical development, innovation) and communicating (teaching, presenting, story-telling, marketing).

- Championing character ('soft') skills alongside technical learning
- Developing micro-credentials and bite-sized accreditations
- Meeting the changing needs of business and jobseekers in a new landscape

Insights from the engagement process include:

- The vast array of online training available to people, with many courses offered free, which is an underutilised resource. Barriers to take up include time and the issue of the digital divide
- Offering training digitally can be a challenge for some sectors, e.g. social care, where empathy and people skills are so important
- Micro-businesses and SMEs often state they do not have time or resources to train staff
- Huge numbers of people will need to be retrained/upskilled when large scale redundancies start to kick-in. Use and accessibility of digital technology will be key in this area. In addition, the need to map digital skills per level and sector and signpost training opportunities for people at the right level



- Online recruitment is itself a considerable challenge; with many employers needing both skills and systems development in this area

Whilst the most in-demand skills and personal characteristics did not change between 2019 and 2020, there are some noticeable changes in each area, with accounting skills dropping from top 10-15 to outside of the top 25 in every area. More traditional desktop IT and business compliance/governance skills seem to have been replaced by roles and skills more associated with frontline health, care and research science roles.

**Outside of the top 25, the biggest fall in skills demand in the Coastal West Sussex region are in hospitality and restaurant operation, already falling in 2019 but accelerated during the COVID pandemic.**

The top 20 skill areas (technical and character) listed on job adverts in West Sussex - compared between Jan-Dec 2019 and Apr-Sep 2020<sup>45</sup>.

<sup>45</sup> Source: ONS, One in 10 UK adults don't have internet access, March 2019

# Areas of intervention

## Upskilling and Lifelong Learning

The top 20 skill areas (technical and character) listed on job adverts in West Sussex - compared between Jan-Dec 2019 and Apr-Sep 2020.

[source: Emsi]

### Crawley & East Grinstead

2019	2020 - Apr to Sept
Communications Management	Communications Management
Sales	Sales
Customer Service	Customer Service
Enthusiasm	Enthusiasm
Detail Oriented	Leadership ↑
Leadership	Innovation ↑
Innovation	Detail Oriented
Teaching	Teaching
Operations	Presentations ↑
Problem Solving	Operations
Accounting	Problem Solving
Microsoft Excel	Agile Software ↑
Presentations	Development ↑
Auditing	Auditing
Interpersonal	Key Performance Indicators (KPIs)
Communications	Interpersonal
Key Performance Indicators (KPIs)	Communications
Mathematics	Microsoft Excel
Microsoft Office	Mathematics
Agile Software	Nursing ↑
Development	Research ↑

Dropped out:  
Microsoft Office  
Accounting

### Shoreham-by-Sea, Worthing, Littlehampton, Bognor Regis, Chichester

2019	2020 - Apr to Sept
Communications Management	Communications Management
Customer Service	Customer Service
Sales	Sales
Enthusiasm	Enthusiasm
Detail Oriented	Teaching ↑
Leadership	Leadership ↑
Teaching	Nursing ↑
Innovation	Detail Oriented
Nursing	Innovation
Interpersonal	Personal Care ↑
Communications	Mental Health ↑
Problem Solving	Interpersonal ↑
Accounting	Communications
Operations	Problem Solving
Auditing	Welfare ↑
Microsoft Excel	Operations
Personal Care	Learning Disabilities ↑
Presentations	Auditing
Mathematics	Mathematics
Teamwork	Mentorship ↑

Dropped out:  
Microsoft Excel  
Teamwork  
Presentations  
Accounting

### Haywards Heath, Burgess Hill, Horsham, Midhurst

2019	2020 - Apr to Sept
Communications Management	Communications Management
Customer Service	Customer Service
Sales	Sales
Enthusiasm	Enthusiasm
Detail Oriented	Detail Oriented
Leadership	Leadership
Innovation	Nursing ↑
Teaching	Teaching
Problem Solving	Innovation
Operations	Problem Solving
Microsoft Excel	Operations
Nursing	Interpersonal ↑
Interpersonal	Communications
Communications	Mental Health ↑
Accounting	Personal Care ↑
Presentations	Mathematics
Time Management	Presentations
Mathematics	Time Management
Auditing	Research ↑
Agile Software	Microsoft Excel
Development	

Dropped out:  
Accounting  
Auditing  
Agile Software  
Development

Colleges and training providers are providing an increasing number of short courses as part of a retraining and upskilling offer. Micro-credentials, short courses and digital accreditations are especially useful when helping jobseekers to articulate their experience and character as well as any formal qualifications.

There is also an opportunity for work at county level to draw on Adur & Worthing Council's emerging framework for a platform for learning, work and skills. In order to affect the scale of change needed for Adur and Worthing they intend to develop a coherent narrative about ambition that all partners can shape and share around Good Work. This will not all be

just about jobs, rather it will be about the journey to \*good\* work, developing approaches to learning and skills that suits different parts of their communities, and developing, sourcing and creating good work and different types of work that suits the new world. It is also about how jobs might be developed around "good work" approaches.

# Areas of intervention

## Start-ups and Micro-Entrepreneurs

This thematic centres on two emerging insights from both the research engagements and the data – a) confidence for many West Sussex businesses has been knocked and the focus on survival might set aside any investment or planning around skills and workforce for some time, and b) the numbers of self-employed people and new businesses in West Sussex is soaring, although concerns have been raised that some incorporations could be linked to a desire to take advantage of incentive programmes.

- Enabling businesses to consider skills and training as core to their survival and recovery planning
- Collaboration between local authorities and business networks to support with training on resilience, business continuity and emergency planning
- Enterprise skills and self-employment support for new start-ups and freelancers

A set of interventions could be aimed directly at business leaders, particularly where there is sudden growth or increased viability because of the new consumer demands in the COVID-19 pandemic.

There is still often a big disconnect between business recovery and growth and investment in training and skills, with evidence of ever-diminishing training budgets in difficult trading times.

A raft of business planning tools, mapped to local need, training offers and available expertise, could be provided to help businesses invest in short, medium and long-term training and upskilling alongside job creation or re-structuring the organisation.

There are many specialist business networks, consultancies and business growth support agencies operating in West Sussex. An activity programme could commission 1:1 support, virtual workshops and planning sessions (to complement services offered by the University of Chichester-led Business Hothouse programme with a specific skills and training focus). The positive reaction to membership organisations and colleges becoming intermediaries for the Kickstart scheme has demonstrated how something like this can happen at speed.

From June 2020, there were more business incorporations than there had been in the previous year. From 1st May – 31st August 2020 there were 2,487 new business incorporations in West Sussex. The majority of these were in Business Services; Travel, Personal & Leisure; and Construction. This increase may suggest that individuals who are out of work or remain furloughed are exploring other employment options.

The Self Employed Income Support Scheme September 2020 statistics update shows:

- There were 28,900 claims in West Sussex, 58% of those eligible. The rate across the South East was also 58%.
- Crawley and Adur saw the highest take-up rates for the SEISS, at 64% and 63%. Lowest take up was Chichester (54%), with Horsham and Mid Sussex both at 55%



There is a big opportunity, and need, to make enterprise and self-employment skills training available – especially with so many new entrants into the market. Flexible mentoring, grants and workshop programmes – with funding with diverse sources – would be an ideal joint offering between economic development influencers across West Sussex.

# Areas of intervention

## Skills Co-ordination

This thematic is, in many ways, the most important. A clear, unambiguous and repeated request from engagement conversations was that West Sussex should have an influential and independent Skills Action Group, that can drive forward a cohesive action plan across the county.

- Collaborative, action-led leadership
- A vehicle for investment and innovation
- Thinking like a system, acting like entrepreneurs

Led by a selected group of business leaders, economic development specialists, DWP staff and skills/training experts – a constituted group of professionals can ensure that a cross-cutting agenda is met and that the right design-thinking processes draws on local and national expertise in order to target resources properly.

This group would work on a specific set of goals, not serving to duplicate existing skills forums or strategy groups, but rather to be the engine behind them with capacity to raise income, pool resources, test ideas, lobby for change and innovate at speed and scale.

The impact of this group will be long-term, rather than short term, but there are benefits to assembling an initial forum to take forward some recommendations from these reports, creating a flexible, measurable and realistic 'now, next and later' set of goals.

