



Sutton Skillsmatch

a business-led approach to employment and skills 2013-2016



Foreword



I am delighted to introduce the Sutton Skills Match strategy. The strategy builds on the council's new 'Opportunity Sutton' economic growth programme which will bring investment, prosperity and jobs into the borough.

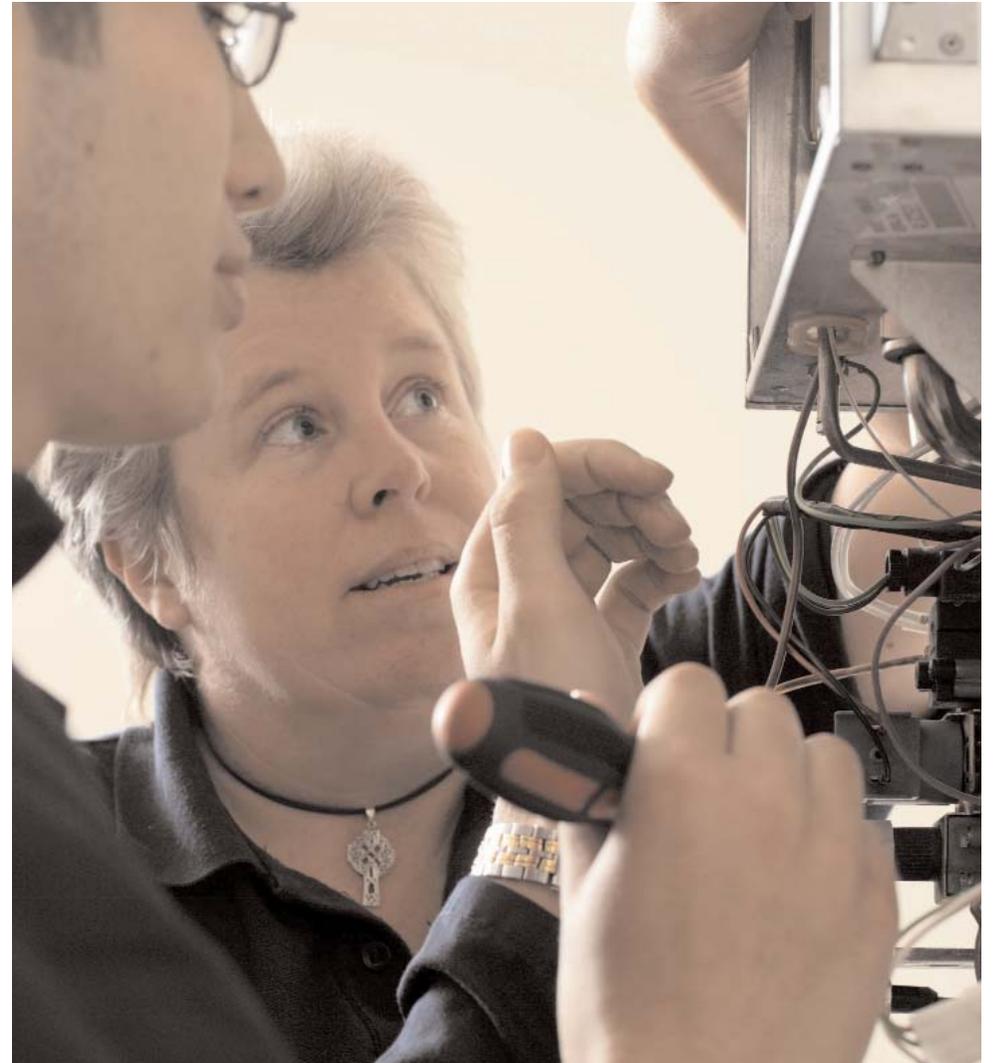
This strategy has been developed to ensure that the growth delivered by the Opportunity Sutton programme benefits Sutton's residents by ensuring that they have the skills required to meet current and future workplace demands.

Councils can play a valuable role in helping local people into employment, and in Sutton, through our Opportunity Sutton programme, we are proactively working to support and stimulate the local economy to ensure there is a wide range of jobs available within the borough, and that local people have the skills to take up those employment opportunities. By taking a proactive role in bringing businesses and skills providers together we can make this happen.

I encourage all employers and residents to support the aims and delivery of the strategy and action plan so that businesses get the quality employees they require, and local people can find stimulating and successful employment within the borough

Councillor Jayne McCoy

Chair of Housing Economy and Business Committee
and Chair of Sutton Economic Support Taskforce



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This strategy provides a new and innovative business-led approach to employment and skills.

Sutton businesses have been central to developing the strategy which sets out the training programmes and the workforce they require.

The strategy will enable Sutton to reshape its skills profile to ensure workforce supply meets the current and future demand of growth sectors.

Sutton boasts a strong cross-agency employment and skills partnership. This strategy has been developed through the Sutton Economic Support Taskforce (SEST).

The strategy captures the scene nationally, regionally and locally and discusses the current challenges for skills and employment. The strategy aims to address the mismatch between supply and demand in Sutton through four high-level strategic aims. These are:

- 1 plug skills gaps and match skills with local demand
- 2 upskill residents in preparation for future growth sectors
- 3 ensure residents have basic employability skills
- 4 embed apprenticeships and traineeships

The above objectives are delivered through eight actions set out in the action plan on page 15.

Vision

"To make Sutton a borough where business thrives and residents have the skills to meet current and future workforce demands."

The Sutton Skills Match strategy sets out the priorities for raising skills levels in the borough, increasing employment and creating sustainable employment opportunities.

The public sector spending cuts and Localism Act have shifted the emphasis on the delivery of growth and employment to the private sector at the local level through partnership working.

A broad range of organisations shape and deliver the complex skills and employment agenda. In Sutton, partners are brought together through the Sutton Economic Support Taskforce (SEST) including representatives from the public, private and voluntary sectors to ensure a coordinated approach is taken in the shaping of skills and employment policies and their delivery.

Membership of SEST includes

- **Sutton Council:**
 - Opportunity Sutton**
 - Education Business Partnership**
 - Revenues and Benefits**
 - Housing Centre**
- **Carshalton College**
- **Sutton College of Learning for Adults (SCOLA)**
- **Sutton Chamber of Commerce**
- **Jobcentre Plus**
- **Training and Recruitment Partnership**
- **Jace Training**
- **Sutton and District Training**
- **Work Programme providers and their sub-contractors**
- **the voluntary sector**

This group has the knowledge and experience to deliver projects to meet local challenges.

The council will use its influence in the borough and its role as a major employer to provide employment and skills opportunities. This will include using Section 106 planning obligations and the council's supply chain to provide apprenticeships and work experience. The council itself will also lead by example by employing apprentices and providing work experience opportunities.

Delivery

The Sutton Economic Support Taskforce will oversee and resource the delivery of the strategy. The strategy covers a three year period and the action plan will be refreshed annually to provide the flexibility to ensure the projects reflect changing economic challenges.

What Businesses Say



"UK businesses are struggling with a widening mismatch between the skills of their workforce and the skills they need to achieve strong growth"

Source: Laura Hinton, HR consulting partner at PricewaterhouseCoopers (PwC)



Businesses say there has been a failure of the state, local authorities and schools in relation to skills provision. Businesses are recruiting; they want to work with schools and councils to address these gaps; they will invest. But significant skills gaps remain (even at entry level): people are not 'work ready' and do not have the 'soft' skills required for employment. ¹

Strong employability skills, include interpersonal skills, punctuality, motivation, teamwork, and basic numeracy and English language skills. Such skills are seen by many employers as more important than specific technical knowledge or experience when it comes to entry level positions. Individuals who do not have such skills will struggle to find and retain work. ²

A recent survey has shown that almost two thirds of UK business leaders say a lack of employees with key skills is hampering their firm's growth prospects. ³

The current system does not match up employers' needs with training, with an oversupply of skills in some areas and a deficit in others. ⁴ People are being trained for jobs that do not exist locally.

In England last year 194000 hairdressers were trained for just 18000 jobs, while only 123000 people were trained for 274000 jobs in construction. ⁵ This is frustrating for both employers and the people striving for work.

Businesses have also complained about the poor skill levels of young people in the country which has led to the proposed 'traineeships programme' for 16-24-year-olds. This is a new programme devised by Skills Minister Matthew Hancock for young people who want to work, but who need extra help to gain an apprenticeship or job.

Traineeships will develop the skills and workplace experience that employers require. ⁶

¹ Dr Adam Marshall LGA Hidden Talents Conference 5 June 2013

² London Councils. London's Skills Challenge. May 2013.

³ <http://www.cipd.co.uk/pm/peoplemanagement/b/weblog/archive/2013/04/29/skills-gap-hampering-business-growth-say-65-per-cent-of-uk-leaders.aspx>

⁴ London Councils website - Intro to London Skills Challenge

⁵ LGA Hidden Talents Conference Handout 5 June 2013

⁶ <http://www.bbc.co.uk/news/education-20961113>

What Sutton Businesses Say

Sutton businesses also say that their current and future needs are for 'STEAM' skills - Science, Technology, Engineering, Arts and Maths and that there is a national shortage of engineers.



Sutton businesses have provided similar feedback for the local business environment. Some larger engineering and life sciences employers in the borough are looking to grow and expand. However these companies have said that they have to recruit nationally and from overseas as they cannot find a skilled workforce locally.



A number of Sutton businesses struggle with recruitment due to candidates lacking basic employability skills which means they are not 'work ready'.



There is a local demand for STEAM skills and 'green' skills.

The UK and London Labour Market

In 2008, the global financial crisis plunged the UK into its longest and deepest recession since the 1950s. More than a million people lost their jobs as businesses either made redundancies or closed completely.⁷

Before the crash consumer spending had seen a rise thanks to a buoyant housing market and cheap and easy credit. However, the credit crunch and job fears resulted in a cut in consumer spending, with people paying off debt and saving instead. This drop in demand in the UK and abroad hit businesses who found borrowing from banks was harder or more expensive.

In London the job market has remained relatively resilient since the recession began in 2008. The number of jobs has grown and has recently exceeded 5 million.⁸ However unemployment rates for a proportion of Londoners remains high, and rates of long-term jobseekers are increasing which is hitting those most distanced from the labour force hardest.

The Mayor's London Enterprise Panel (LEP) recently launched its Jobs & Growth Plan for London (April 2013). The London Enterprise Panel has identified four priority areas to boost London's economy and cope with predicted skills needs:

- **Skills and Employment:**
ensure Londoners have the skills to compete for and sustain London's jobs (including the apprenticeship campaign)
- **Small and Medium Enterprises (SMEs):**
support and grow London's businesses
- **Sector Focus: Digital Creative, Science and Technology:**
for the capital to be recognised globally as a world leading hub for science, technology and innovation - creating new jobs and growth
- **Infrastructure:**
keep London moving and functioning⁹



However, London Councils' recent report of May 2013, 'London's Skills Challenge', suggests that London's skills needs are too complex and diverse to be addressed at a pan-London or LEP level. Groups of boroughs are better placed to lead this approach as they reflect these functional economic areas and understand local business and community needs.¹⁰

⁷ www.bbc.co.uk/news/10613201

⁸ Getting London Working - London Councils. April 2013

⁹ Jobs and Growth Plan for London. London LEP. April 2013

¹⁰ London's Skills Challenge. Meeting London's Skills Gap. London Councils May 2013

The Sutton Labour Market

Sutton enjoyed labour market prosperity between 2000 and 2008 with over 8000 jobs being created - this growth outstripped that seen in London and the UK.¹¹

Resident employment in the borough grew by 2700 over this period. Sutton also performed relatively well during the recession with a net increase of 1400 jobs (for residents) between 2008 and 2010 due to the fact that many residents commute to the high value-added service activities in Central London.

However between 2008 and 2010 the number of actual jobs in Sutton dropped by over 5000 jobs (6.8%).¹² Sutton also experienced a change in its focus between 2000 and 2008, where administrative and support services saw a growth of 7500 jobs and public services increased by 1600 jobs. In this period 4200 jobs were lost across wholesale / retail and financial services.¹³

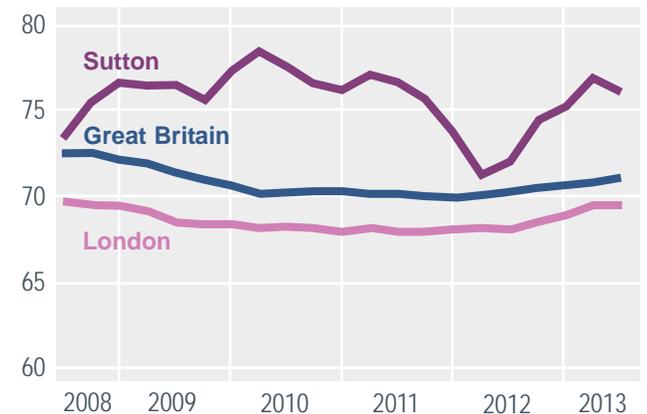
The largest source of employment for Sutton residents in 2012 were:¹⁴

administration and support services	15.1%
health	10.6%
retail	9.6%
education	8.1%

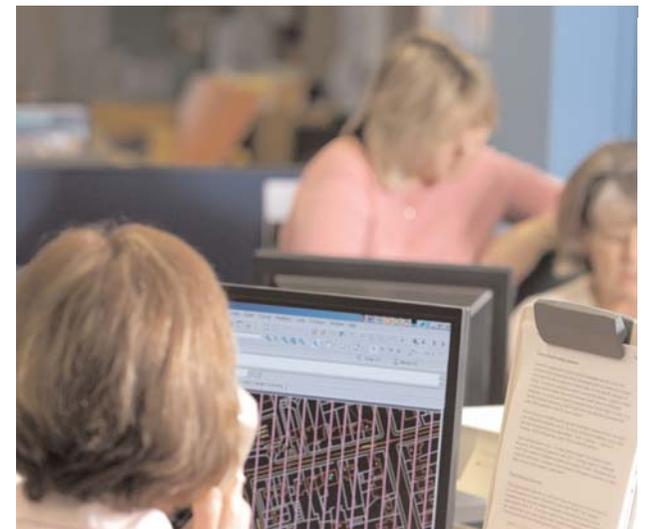
Economic activity and employment levels in the borough remain high. Between July 2012 and June 2013 the economic activity rate in Sutton stood at 81%, which is higher than that of London (76.4%) and Great Britain (77.3%).

Sutton's employment rate has fluctuated throughout the recession but has always remained higher than Great Britain and London (see graph). Between July 2012 and June 2013 the employment level in Sutton was 76% (102,800 people): higher than London (69.4%) and Great Britain (71.1%).¹⁵

% Persons Employed June 2008-2013



Source: ONS Annual Population Survey



¹¹ Oxford Economics 'Changing Sutton' Nov 2012

¹² Oxford Economics 'Changing Sutton' Nov 2012

¹³ Oxford Economics 'Changing Sutton' Nov 2012

¹⁴ Experian Study for 'Employment Land Use Study' 2012

¹⁵ ONS Annual Population Survey

The Sutton Labour Market



A major increase in benefit claimants started with the recession in 2008, peaked around 2009, and has remained relatively constant ever since. In February 2013 the total number of claimants stood at 13,280.¹⁶

However the recession has seen the number of people in Sutton claiming Jobseeker's Allowance increase and rising levels of long-term unemployment in the borough. The task of getting the long-term unemployed into work is currently within the remit of the Department for Work and Pensions 'Work Programme'.

Young people in particular have been hit harder by the recession and are finding it difficult to find jobs on leaving education. Sutton had 297 (4.4%) 16-18 year olds registered 'Not in Education, Employment or Training' (NEETS) and 713 'Not Known' in August 2013. The majority of 16-24 year old NEETS are located in Beddington South, St Helier, Sutton Central, and Wandle Valley - the most deprived wards in the borough according to the Index of Multiple Deprivation (IMD 2010).

Furthermore in May 2013 a new trend emerged showing the borough had more over-50 year olds out of work than 18-24 year olds, suggesting an emphasis is also needed on retraining residents.

However overall, in terms of education and skills, Sutton remains one of the top performing Local Authorities with 80.8% of GCSE students getting at least 5 A*-C grades (including English and Maths) and 62.2% of 'A' Level students gaining A*-B grades (2013).

Whilst nearly 40% (39.6%) of residents in the borough have degree level qualifications or higher (NVQ4) this figure is significantly lower than that of London 47.6% (January-December 2012).¹⁷ Furthermore, Sutton's residents have fewer higher level jobs: 52.2% of residents fall within the highest level bracket compared to 54.8% in London¹⁸

	Sutton numbers	Sutton (%)	London (%)	GB (%)
NVQ4 and above	46,000	36.1	45.9	32.9
NVQ3 and above	70,300	55.3	59.4	52.7
NVQ2 and above	92,400	72.7	71.4	69.7
NVQ1 and above	109,400	86.0	81.2	82.7
Other qualifications	11,100	8.8	9.5	6.7
No qualifications	6,600	5.2	9.3	10.6



¹⁶ NOMIS - NVO Level 4 and above

¹⁷ NOMIS - NVO Level 4 and above

¹⁸ Standard Occupational Classification - Major Groups 1-3

What Sutton is Doing - 'Opportunity Sutton'

Opportunity Sutton promotes the borough as a great place to live and work due to its high-achieving schools, outstanding parks and green spaces, low crime rates, good transport links, strong town and district centres, and high quality housing.

In June 2012, at the Opportunity Sutton Inward Investment event, the Borough introduced a new approach to economic development and publicly demonstrated its commitment to economic growth and prosperity. The event launched 'Opportunity Sutton: A Statement for Growth' to business partners and potential investors.

Opportunity Sutton is made up of seven 'Priority Projects':

■ Life Science Cluster

will seek to develop a new Science and Research Development cluster based on the multimillion pound growth plans of the Institute of Cancer Research and Royal Marsden.

■ Strengthening Town and District Centres

will focus on how Sutton can think ahead and position itself to weather the changes that high streets are facing, drawing on the individual economic strengths of our district centres, and by working with businesses and the community to form a more viable offer.



What Sutton is Doing - 'Opportunity Sutton'



■ Tramlink

will raise the profile of the economic impact such an extension would have for Sutton, in terms of facilitating growth and job opportunities.

■ Area Renewal programmes

will deliver growth to Hackbridge and Beddington as well as a range of measures to improve the vitality of the district centres in North Cheam and Worcester Park.

■ Growing the Green Economy

will build on the Council's commitment to become a 'One Planet Borough' by 2025 providing environmental and economic benefits to the borough.

■ Open for Business

will deliver a programme of support for new business start-ups targeting residents considering self-employment, and providing advice and guidance to existing businesses with ambitions to grow. This project will create business incubator space, help SMEs access council contracts, investigate the feasibility of introducing further Business Improvement Districts (BIDs) and a range

of other initiatives that will bring growth, investment and jobs to the borough.

■ Matching Skills with Demand.

will capitalise on the growth afforded by the other priority projects such as the Green Economy and Life Science Cluster by ensuring LBS residents can fulfil the roles and employment opportunities in these growing sectors.

The 'Sutton Skills Match' strategy is a workstream of Matching Skills with Demand. This strategy will make appropriate links with local training providers and schools to ensure skills development is aligned with the needs of local businesses.



It is widely recognised that there is a strong correlation between skills levels and employment, and that obtaining qualifications results in higher earning for those in work.¹⁹

It is projected that this will continue and by 2020 more than half of London's jobs will require at least a level 4 (HND, Degree and Higher Degree).²⁰

Without necessary skills Sutton's residents are in danger of being left behind without the required skills for employment.

Growth Sector - Science, Technology, Engineering, Arts and Maths (STEAM)

Oxford Economics have mapped the future labour market trends in Sutton. It is predicted Sutton will continue to have high levels of out-commuting and that employment will grow by 4100 jobs between 2012 and 2030 (5.6%). Between 2012 and 2030 the public sector and manufacturing sectors will continue to contract, whilst workplace employment is forecast to grow in the professional, scientific and technical sectors (encompassing the majority of professional services), as well as administrative and support or service sectors.²¹

Growth in these sectors, in both Sutton and nationally, will create a demand for the STEAM skills (Science, Technology, Engineering, Arts and Maths). Currently there is no provision for learning STEAM skills in the borough and a key action of SEST will be to investigate the creation of a 'STEAM Centre' within Sutton.



¹⁹ UKCES 2009 Ambition 2020: World Class Skills and Jobs for the UK

²⁰ Hackney Skills for Employment Strategy May 2009

²¹ Oxford Economics 'Changing Sutton' Nov 2012

Growth Sector: The Green Economy

Growth in the green economy is one of the priority projects of the Opportunity Sutton programme. There were 209 green businesses in Sutton in 2011 employing 3914 people, which ranked Sutton as 11th in London in 2011. The London Low Carbon and Environmental Goods and Services Sector Study (2011) has projected a growth of 12.8% by the end of 2013/14 financial year in the UK.

The Government's Green Deal policy and Sutton's One Planet plan will drive this growth, locally. The Green Deal will allow businesses and residents to make energy efficiency measures to their properties with no upfront cost and the Energy Companies Obligation (ECO) will fund energy efficiency improvements in low income households.

In June 2013 the council's Environment and Neighbourhoods Committee resolved to enter into a direct partnership with a Green Deal and ECO Provider. This implementation strategy is ongoing.

Enabling One Planet Living in Sutton (trail-blazed in Hackbridge) requires the transformation and decarbonisation of infrastructure, places, and systems in areas from transport to waste, food to health. Together, this policy and strategy will require a skilled 'green' workforce.

Growth Sector: Health and Social Care

In 2008, the Department of Health introduced personal care budgets in England. The budgets are pools of money which are designed to allow people in need of care and support to have more control over their care provision. This money can be used to purchase care and support giving independence, choice and control.²²

The council's Adult Social Services Housing and Health (ASSHH) lack capacity for social care expansion to enable people with care and support needs to live at home. Currently there are difficulties sourcing this type of care highlighting an existing, and future, growth sector which the skills strategy should seek to address.



There are a number of national changes that will impact on Sutton's demand for employment and skills. The Welfare Reforms, including the Benefit Cap, will mean that there will be a maximum amount of benefit that a household will be entitled to. This is intended to create additional incentives for people to seek work.

²² <http://www.homecaredirect.co.uk/individuals/what-is-a-personal-budget/?gclid=CluS57D6zLgCFSGWtAodBUkAiw>

The Government is also increasing the age to which all young people in England must continue in education or training. This will require young people to continue until the end of the academic year in which they turn seventeen (from 2013) and until their eighteenth birthday from 2015.

From September 2013 young people in Year 11 and below are affected. Raising the Participation Age (RPA) does not mean young people must stay in school. They will be able to choose one of the following options post-16:

- full-time education at school, college or a training provider
- an apprenticeship
- part-time education or training if they are employed, self-employed or volunteering full-time (which is defined as 20 hours or more a week).²⁴

RPA will increase the demand for alternatives to the traditional 'A' Level route post 16, to university. These could include greater provision for vocational courses, work-based learning, apprenticeships and traineeships.

No matter which pathway a young person follows, it will be important that they have experience of the work-place, strong functional skills in english, mathematics, and ICT, and have developed the key employability skills employers want.

Preparation for all young people should include opportunities to develop a range of interview skills and techniques, plus a knowledge and understanding of different career routes, job types and industry sectors.

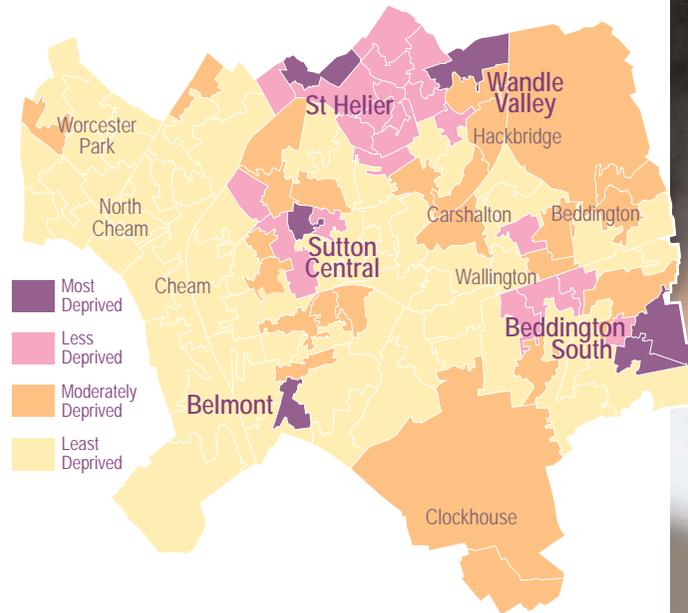


23 <http://www.education.gov.uk/childrenandyoungpeople/youngpeople/participation/rpa>

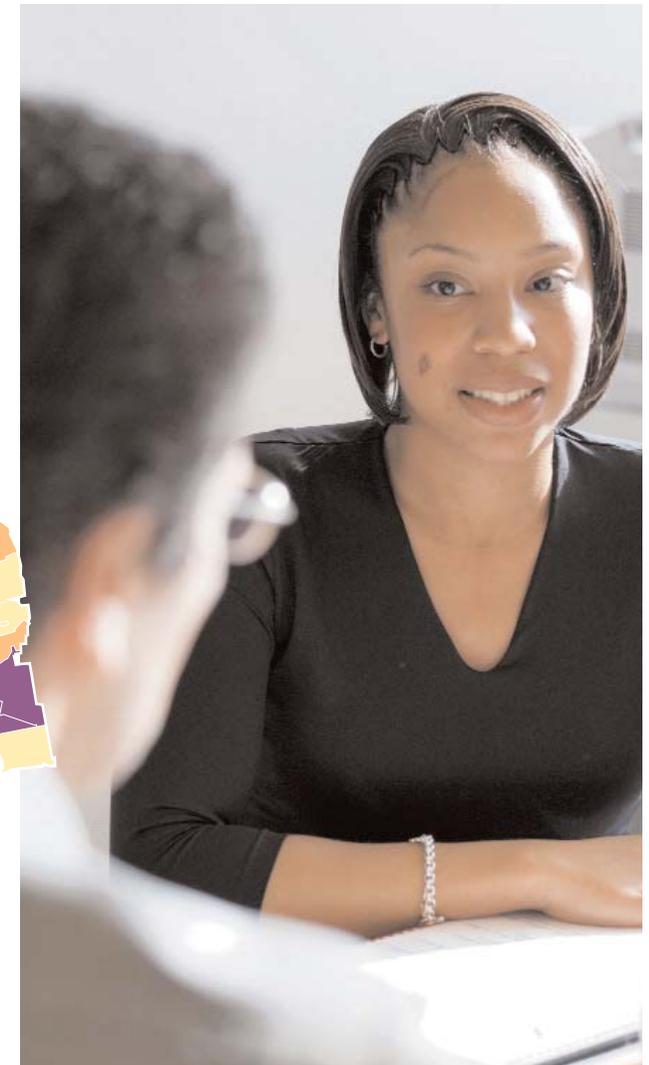
Summary of Key Findings

- Economic activity and employment levels in the borough are high and above GB and London levels
- Long-term unemployment is rising
- Number of unemployed over-50s is rising
- Local skills do not match local demands with residents training for jobs that do not exist locally (or even nationally)
- Large employers in the life sciences and engineering sectors are unable to find a skilled workforce locally and are recruiting from elsewhere
- Many skilled workers commute out of the borough for higher skilled and higher paid employment
- A shortage of care workers indicates a current and potential growth sector
- Changes to welfare system and RPA will mean more people and more young people seeking employment and apprenticeships

- National and local demand for STEAM skills and green skills (no current provision in the borough for STEAM but Power Centre at Carshalton College delivers renewable energy training)
- There are areas of deprivation in the borough:



Areas of Deprivation in London Borough of Sutton
Source: CLG Indices of Deprivation 2010

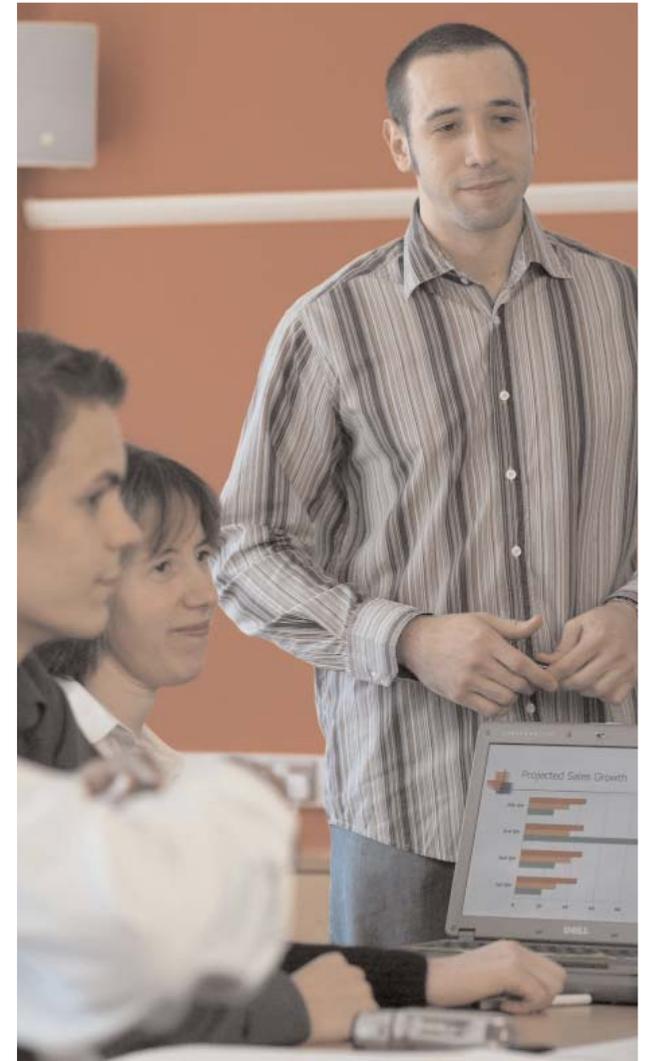


This document provides a background to the skills and employment challenges that the borough faces.

These challenges have led to the following strategic objectives being created:

- 1 Plug current skills gaps in the borough: match local skills with local demand
- 2 Up-skill residents in preparation for projected future growth in Science, Technology, Engineering, Arts and Mathematics (STEAM); green economy; and social care
- 3 Increase basic employability skills for Sutton residents
- 4 Embed apprenticeships and traineeships as alternatives to university to local training providers

To achieve these strategic objectives 8 actions are proposed in the following Action Plan.



Action Plan to Deliver Strategic Objectives

Strategic Objectives	Challenges & Opportunities	Actions
Match local skills with local demand	Skills mismatch	1 Develop business-led skills provision
	Lack of soft skills	2 Targeted intervention for lone parents
	Lack of basic employability skills	3 Targeted intervention for over 50s
	Rising unemployment of over 50s	4 Promote self-employment
Upskill residents for future growth sectors	Growth in Science, Technology, Engineering, Arts and Maths (STEAM)	5 Investigate creating a STEAM Centre
	Growth in green economy	6 Promote green skills
	Growth in demand for social care	7 Develop capacity for social care
Embed apprenticeships and traineeships	Alternatives to school, colleges and university required	8 Provide apprenticeship hub



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