

CORNWALL & ISLES OF SCILLY

Local Skills Improvement Plan - Annexes

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ANNEX A: SUMMARY OF THE LOCAL STRATEGIC CONTEXT

Detailed Local Strategic Context

Background of region

Cornwall and Isles of Scilly (CloS) has a population of 570,000, which is growing and ageing at a faster rate than the UK as a whole, leaving the region with a high retirement age to working age population ratio; 0.42 compared with 0.36 for the South West and 0.29 for the UK overall.

Output in CloS measured in terms of Gross Value Added (GVA) is a £10.7 billion economy. The CloS economy experienced 2.8% average annual GVA growth compared to 2.8% in the South West and 3.0% in the UK overall from 2012 to 2020. Annual growth in GVA per head was 2% between 2012 and 2020, in line with the average for the South West in the same period, but lower than the UK (2.3%). Over time, the CloS trend has broadly mirrored the peaks and troughs shown nationally. In 2008, GVA per head stood at 69.4% of the UK average, the figure then declined to 65.1% in 2015, it then rose to 68.4% in 2017, then falling back to stand at 64.1% in 2020. GVA per head in 2020 was £18,524, the UK figure was £29,063.

It has the lowest levels of productivity among all 38 LEP areas in England. GVA per hour worked, measuring overall productivity, is £28.9 compared with £33.7 for the South West and £37.7 for the UK. Dividing our sectors into broad groups also shows lower than UK average productivity in every broad sector group when measuring GVA per job.

CloS has specific economic characteristics. It has higher than average levels of self-employment, more part-time employment with a higher share of employees in small businesses, with a corresponding lower share in large businesses. 17.7% of those aged 16-64 were self-employed compared to a UK figure of 12.2%. Part-time workers accounted for 29.3% of the total, higher than the UK average of 23.2%. In 2020, 30.6% of employees in Cornwall worked in micro-businesses (0-9 workers), compared to the UK average of 18%. Conversely, only 28.4% worked in large businesses compared to the UK average of 54.2%.

Economic activity, inactivity, and employment rates are similar to the UK average. Unemployment at 2.9% is below the UK average of 3.9%.

In terms of output, the main sectors in 2020 were Wholesale, retail & motors (14.9%), Health & social work (13.2%), Construction (10.5%), Manufacturing (9.3%) and Public admin etc (7.0%).¹ Since 2011, the contribution of total GVA from Health & social work has increased from 11.1% to 13.2%, with Construction up from 8.9% to 10.5%. Transportation & storage fell from 4.2% to 2.4% while Accommodation & food services declined from 7.2% to 5.7%.

Using data from the 2021 census illustrates the contrast in dependence on certain sectors compared to the average for England. Residents in Cornwall were more likely to work in Agriculture, forestry and fisheries than the average (2.8% to 0.8%, LQ = 3.5²), Mining & quarrying (0.5% to 0.2%, LQ= 2.5), and Accommodation & food services (8.6% to 4.9%, LQ = 1.8). Conversely, Financial & insurance activities were under-represented (1.2% to 3.8%, LQ = 0.3), as was Information & communication (2.3% to 4.7%, LQ = 0.5).

There have been some changes in the sectors that residents work in between 2011 and 2021. Overall

¹ Share based on total, excluding Owner occupier imputed rentals.

² LQ is the share in Cornwall expressed in relation to the share in England for a sector.

the number of people working increased by 4%, but while eight sectors recorded an increase in workers, ten saw declines. The largest % increase was in Information & communication, up by 40.3%, followed by Construction at +24.1% and Health & social work at +20.5%. The biggest declines were in Mining & quarrying at minus 25.7% and Financial & insurance at minus 21.4%.

In absolute terms Health and social work saw the biggest increase from 33,071 up by 6,778 to 39,849. Manufacturing saw the largest decline, down 2,889 from 19,279 to 16,390. Generally, changes in the economic structure of a region, particularly sector composition occur slowly and are influenced by national and local policy.

Vacancy levels in Cornwall tend to be lower than the England average. In 2022 the figure for Cornwall was 1.4% compared to the England average of 2.9%.

In 2022, total workplace gross annual median earnings for all employees equalled £24,037 (87% of the UK average - Full-time figures were £28,521 and Part-time £12,422). Total resident gross annual median earnings equalled £24,510, 88% of the UK average. Self-employed earnings are also below the UK average. In the 2019-20 tax year, median earnings in CloS were £14,100 compared to a UK figure of £15,400.

Economic Profile

Population: 570,000 (Census 2021). [ONS].

Unemployed: 5,100 YE September 2022. [APS, 16-64]; Claimant Count: 9,315, December; Universal credit: 46,791, December. [DWP].

Employment (workplace): 248,064 in employment.³ 189,408 employees, 58,656 self-employed. [Census 2021].

228,000 employees 2021; 247,000 employed 2021. [BRES].

254,100 employed YE September 2022. [APS, 16+].

Vacancies: 3,418 January 2023 (Economy Monthly Monitoring Update).

House prices: Mean: Q4 2022, £326,900. Median: Q2 2022 £265,000. [Land Registry].

Enterprises: 24,425. **Workplaces:** 29,680, 2022. [UK Business Activity].

Gross Value Added: Total GVA in 2020 £10,661 million. Ex OOIR = £8,947 million.

Per head – 2020 was £18,524. Equal to 64.1% of UK average. Main sectors 2020: Wholesale, retail & motors (14.9%), Health & social work (13.2%), Construction (10.5%). [ONS]. [All in current basic prices].

Productivity: In 2020 Nominal (smoothed) GVA per filled job was £41,465, 71.4% of the UK average of £58,054. Nominal (smoothed) GVA Per hour was £28.90, 76.6% of UK average of £37.70. [ONS].

Gross Domestic Product: GDP £12,189 million in 2020, Cornwall (£12,128 million). Isles of Scilly = £61 million. [ONS]. [All in current basic prices].

³ Excludes Full-time students.

Workless households: 26,000, 15.7%, (UK 14.1%); Workless People: 33,000, 10.0%, (UK 10.0%) 2021. [APS].

Employee earnings: Total workplace gross annual median earning = £24,037 (87% of the UK average. (Full-time £28,521, Part-time £12,422). Total resident gross annual median earnings equalled £24,510, 88% of the UK average. Cornwall 2022. [Annual Survey of Hours and Earnings].

Self-employed earnings (median): £14,100 for 2019-20. [UK £15,400]. [HMRC].

Gross Disposable Household Income: £19,196, 89.5% of UK average, 2020. [ONS].

Qualifications: 30% with Level 4 and above, 16.3% with no qualifications. [Census 2021, 16+]. NVQ4+ 36.4% (UK 43.5%); No qualifications 5.5% (UK 6.7%), 2021. [APS, 16-64].

Cornwall and Isles of Scilly LEP

The Cornwall and Isles of Scilly Local Enterprise Partnership (CloS LEP) is a strategic body, launched in May 2011. It is a business-driven, private sector-led board. There are fourteen representatives from the private sector, three Cornwall Council nominated representatives and one nominated representative from the Council of the Isles of Scilly.

The small executive team is hosted by Cornwall Council, with commissioned local authority support and procured delivery agents from the private and public sector, to deliver its Strategy.

The LEP's role includes convening partners, leading on projects and strategies in consultation with Cornwall and the Isles of Scilly's broader business community, investing funds into strategic projects across the region as well as an ongoing dialogue with government to drive local economic growth and the creation of local jobs.

CloS LEP is one of 38 LEPs across England set up following the Government's approach to economic development. This approach puts businesses in the driving seat and empowers the private sector to determine their own priorities. The LEPs objectives and vision are set out in Vision 2030, the Cornwall and Isles of Scilly Strategic Economic Plan and the 2020 Local Industrial Strategy, with further articulation in our Annual Delivery Plan.

ANNEX B: FURTHER INFORMATION ON METHODOLOGIES/PROCESSES USED

Employer engagement report by PFA Research Ltd.

FSB commissioned PFA Research Ltd. to provide market research services to support the development of the LSIP. This research would set out to deliver new insights into employers' challenges and frustrations on skills, and to hear what changes they would like to see relating to how skills and training are delivered in CloS.

"Research Support for the Local Skills Improvement Plan (LSIP)" can be found on FSB LSIP webpage <https://www.fsb.org.uk/cornwall-and-the-isles-of-scilly-lsip.html>

Research Methodology

Primary employer research for the CloS LSIP comprised of a survey of businesses located in the CloS area, conducted by telephone interviews and online self-completion. There were also a number of round table discussions, conducted in-person at venues across Cornwall and online. The primary research activity was supported by PFA Research Ltd., an independent market research company.

FSB engaged with stakeholders and partners via specific LSIP events and meetings, as part of regular meetings, one-to-one discussions and attendance at external events.

Engagement activities

A summary of the engagement undertaken between 13 December 2022 and 29 March 2023:

1. Online launch workshop with training providers and stakeholders 13 December 2022.
2. Online launch webinar inviting all interested parties to take part and explaining the process (recording made available at <https://www.fsb.org.uk/cornwall-and-the-isles-of-scilly-lsip.html>) on 15 December 2022.
3. Online focus group sessions on 31 January (x2), 2 February (x2), 27 & 28 February.
4. In person focus group sessions on 24 January (x2) and 15, 16, 21 and 22 February.
5. Online survey, running from 1 February to 17 March.
6. One to one telephone interviews, held between 1 to 28 February.
7. In person student round tables on 20 and 23 March at 2 different colleges.
8. In person training provider emerging priorities focus group on 29 March.
9. Attendance at various stakeholder meetings and partner events.

Across all event activity there were the following participants:

| Total Booked | Total Attended | Employer | Training Provider | Stakeholder | Students |
|--------------|----------------|----------|-------------------|-------------|----------|
| 194 | 172 | 48 | 62 | 39 | 23 |

There were a further 250 telephone survey replies and 25 online survey replies, making a total of 447 engagements in total for the CloS LSIP, with 323 of those being direct with employers plus many other valuable ad hoc discussions at external events and meetings.

The sections below describe the approach taken to each engagement activity.

Qualitative Research (Discussion Groups)

A series of formal focus groups, round table discussion events and one-to-one interviews, recruited and promoted via FSB and partner communications, were held with business owners and representatives between Tuesday 24th January and Tuesday 28th February 2023. A total of 36 participants attended. (A further 12 attended the online launches).

The events were conducted via a combination of in-person and online virtual meetings held over Zoom. With consent from participants, all events were recorded and auto transcribed to assist notetaking and later analysis. Discussions were guided by a pre-designed discussion guide. However, allowing for the varying experiences of participants and different contexts, a more conversational format was permitted which provided the opportunity to explore specific topics or participant expertise where necessary more deeply.

Feedback noted from all discussion sessions helped to enhance each subsequent session and has been included to evidence emerging cross cutting themes, for example:

- Employability skills and work readiness.
- Technical capability translated to the work environment.
- Digital skills.
- Green skills.
- Engagement with training provision.
- General availability and subsequent retention of good candidates.

Online focus groups

A total of six facilitated online employer focus group sessions were held across the engagement period.

Two each (on different days at different times) for our two key focus sector groups of:

- Marine, Engineering & Manufacturing (MEM)
- Construction & Retrofit (CR)

Two further opportunities were available for any employer from any sector. These were held at 6pm and 8am to give as many as possible a chance to join and contribute.

Businesses from the Isles of Scilly were invited to attend online groups by the skills connectors.

The sessions were based on the discussion guide agreed with PFA research on the following topics:

- Introductions – to understand participants backgrounds.
- Skills – to find out about recruitment and retention. Current availability of technical capabilities, expertise and soft skills and future requirements.
- Environmental, Social & Governance (ESG) – inclusivity, diversity and green issues around people and skills. Implementing digitisation and emerging technologies.
- Skills providers – requirements of businesses from training providers, sourcing training, what is perceived as currently good or what improvements are needed. Qualifications & exam accreditation vs. vocational training.
- Getting the LSIP right - what needs to change in skills provision in Cornwall and Isles of Scilly to meet business objectives and economic aspiration.

In person focus groups

Four strategically geographical, in-person, sessions were held across the Cornwall and Isles of Scilly area to capture feedback from different localities. It is recognised that the economic landscape and business needs differ significantly across the region.

Sessions were therefore conducted in East, Mid, North and West Cornwall, open to all employers, training providers and strategic stakeholders interested in providing input into the LSIP.

Two further face-to-face focus groups were held for our key sectors of Marine, Engineering & Manufacturing and Construction & Retrofit.

Student Round tables

Two round table events with college students were conducted. One at Truro and Penwith College on 20 March and one at Cornwall College in Camborne on 23 March. We asked the following:

- How attendees got to be on the course, their background and what inspired them.
- What sort of careers advice was received. What advice has been given to pinpoint the type and level of course.
- How easy is getting to any training venue. How does the course fit into daily life. General feeling about suitability and enjoyment of the course. Is it working out as expected?
- Is the course as part of a job, specifically for an intended job? Are attendees looking for roles whilst training or what decisions will attendees be making to use their qualifications to take them into employment. Are attendee's hopeful of a good job in Cornwall? Has anyone decided that they don't want to work in that field of study after all or will they need to go out of county to do that and are concerned about that?

- Has the training inspired attendees to learn more or been inspirational in other ways?
- Anything attendees want to add into the LSIP recommendations that would have made their sourcing or doing the course easier and is there any other support that they feel should be available to them or for the college.

Quantitative Research (Surveys)

The business survey comprised 250 one-to-one telephone interviews plus 25 online survey completions (total sample n=275). This allows the survey to be quoted with a margin of error of +/- 5.9% at the 95% level of confidence.

Telephone survey

The sample for the telephone survey was sourced from Experian, an independent provider of business contact data. Sample data was selected based on sector description, to ensure that there was a significant 'key sector' representation in the file (i.e. businesses from the manufacturing, engineering, marine, construction and retrofit activities), as well as cross-sector representation. Records were selected from Experian based on businesses having more than one employee.

Telephone interviews were conducted by trained and experienced telephone researchers. All calls were recorded (for training and quality assurance purposes), with each participant's permission. All interviews (telephone and online self-completions) were conducted in accordance with the Market Research Society Code of Conduct.

Online survey

One online survey was produced to specifically target employers. The survey contained a combination of open and closed questions. The online surveys were made publicly available via a link to PFA's research portal and disseminated through FSB, partners, stakeholders and the steering group's networks across the region.

The surveys were structured into six sections:

- Organisation details, including quantitative questions to gather background data on each participant.
- Vacancies, retention & recruitment – to find out more about the extent of the gaps that businesses face in their workforce and what that means to their business.
- Skills development & sourcing – how businesses currently address skills gaps.
- Training plans and workforce development – future plans and potential difficulties.
- Work experience & opportunities – what ongoing support businesses offer their employees and if they have sufficient leadership skills.
- Wrap up – a chance to add in anything not specifically asked or any direct recommendation that could be suggested for the LSIP.

Figures 1 to 5 – An overview of the survey sample

Company type, broad sector groups, size (employees & turnover), geographic location.

Figure 1

Q. What is the structure of your business?

Base: All respondents; n=275

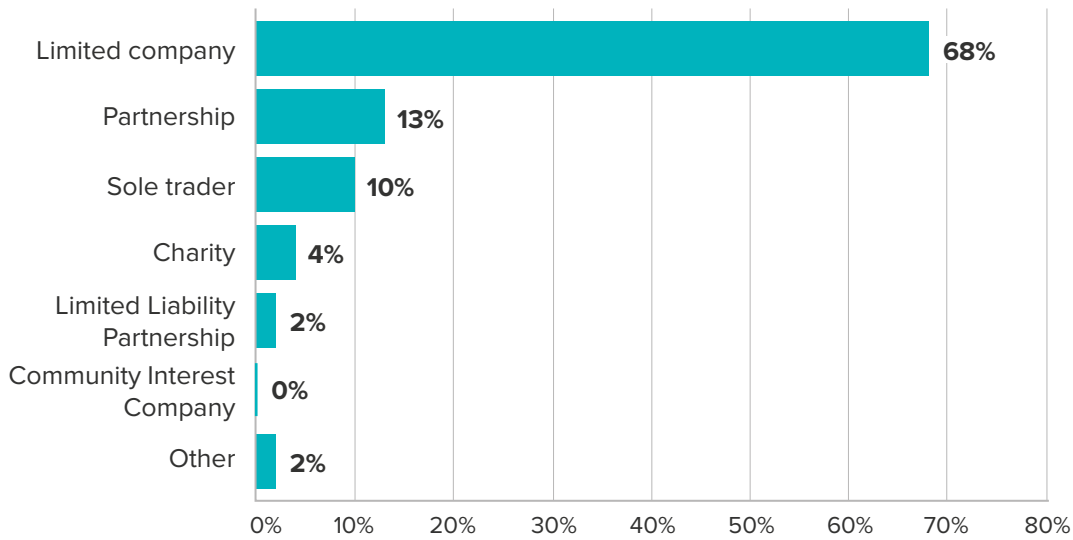


Figure 2

Q. Which of these options best categorise the sector(s) you work in? CODED

Base: All respondents; n=275

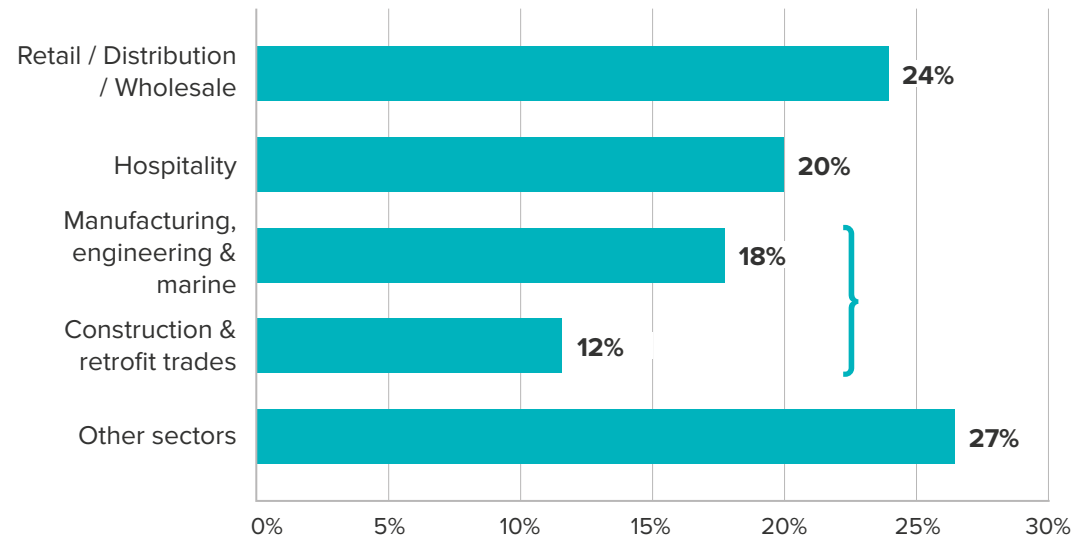


Figure 3

Q. How many people does your business currently employ in Cornwall & Isles of Scilly?

Base: All respondents; n=275

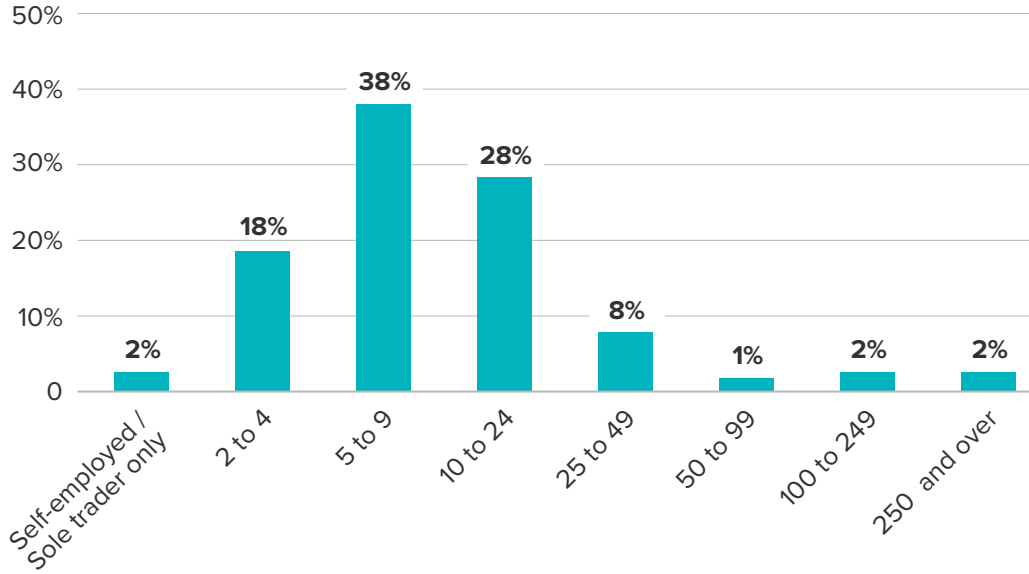


Figure 4

Q. Approximately, what is the annual turnover of the business?

Base: All respondents; n=275

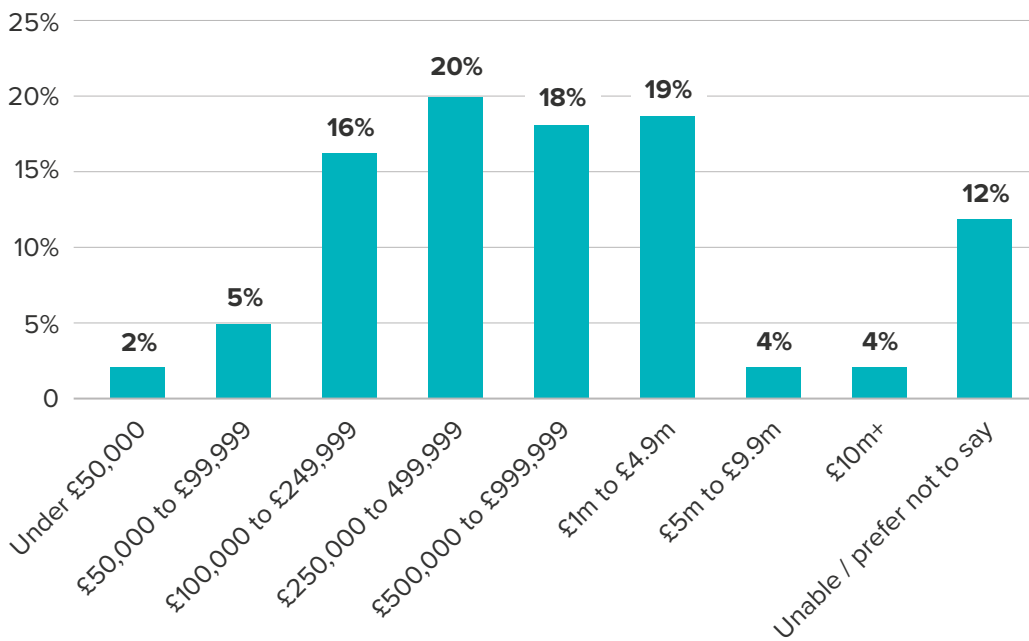
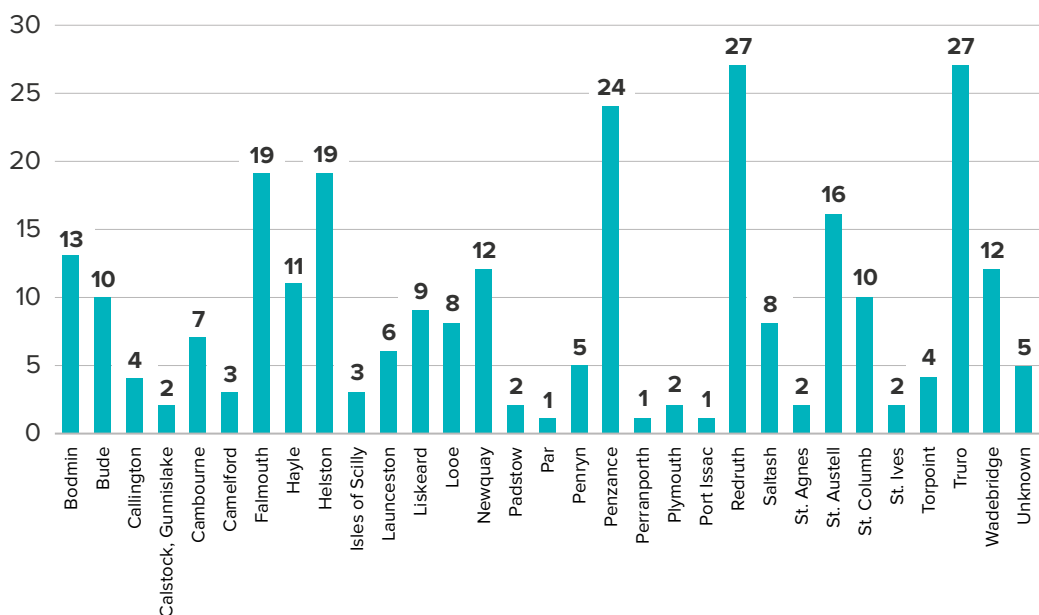


Figure 5

Q. What is the first part of your postcode? (Postal districts)

Base: All respondents; n=275



General comment on business engagement levels

In response to relatively low levels of employer engagement, consideration was given to time of day, location, and the provision of virtual opportunities to get involved to make it as easy as possible for employers to attend sessions. The best form of engagement came from direct telephone interviews that gathered 250 responses. There were various anecdotal reasons for low level in-person engagement with the main one being economic conditions and the need to be prioritising day-to-day business activity. Hence telephone engagement proved most popular with 250 responses out of the total 323 engagements.

Training Provider & Stakeholder Priorities Consultation

Throughout the process of creating the LSIP we have consulted with training providers (including sector groups that provide training or routes to training) to ensure that we understand any barriers that they may have and good ideas that could be translated into reality with a little more support.

Training providers were well represented on our Steering Group and so enjoyed monthly online discussion and were party to the detail in the process of creating the final report.

We introduced the LSIP on 13 December in a well-attended online webinar. On 29 March we presented and sought input on the Emerging Priorities Report supplied to those needing to produce Accountability Statements and this document was then added to the FSB LSIP website for public viewing.

We then held a meeting with our two colleges and our Local Authority on 19 April, to discuss the emerging priorities in detail so they could produce their Accountability Statements, required by 31 May.

We also worked with the Supply Group that is the provider group associated with the Employment and Skills Board. All (some 65 email contacts) were invited to our events to send comments.

All stakeholders were also kept up to speed with the progress on the LSIP and invited to comment. We attended CloS LEP Board, ESB and Supply Group meetings, had regular dialogue with the Local Authority (also on the steering group) and industry groups including Cornwall Marine Network, Cornwall Manufacturers Group, Celtic Sea Supply Group and attended many external events and meetings where all were invited to engage with the LSIP process.

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