

Extract from the minutes of the Scrutiny Panel meeting of 14 November 2023

428. Assessment of Colchester's Ability to Develop the Skills the Economy Needs for the Future

Karen Turnbull, Economic Strategy Specialist, introduced the report and the guests attending to present and answer questions. The World was changing, as were local skills needs and environment. Multi-million pound digital infrastructure investment could attract businesses in the tech sector, and digital skills would be needed to match. The report defined the skills of importance for the labour market and individuals. A rich amount of skills development was being provided by a range of organisations. This prepared Colchester for the future and helped businesses and individuals alike.

Alison Andreas, Chief Executive of the Colchester Institute, explained the size, scope and student numbers at the Institute, on a wide range of courses. These included apprenticeships and degree-level courses. Different levels of professional and technical training were offered, whilst A level courses were provided by the Sixth Form College. Many employers were involved in the training, feeding in to what was taught and providing apprenticeships. Green jobs were noted to be of particular importance and the importance of environmental considerations are being woven across the whole curriculum at the Institute. Courses on carbon dioxide reduction, electric vehicles and green construction were already offered, with the Institute working with the Local Skills Improvement Fund. The challenge was to provide green skills training at sufficient volume. Two out of five students now studying at the Institute were on courses which would support green jobs in the future, with employers giving their views on future skills needed. A 'Net Zero' Centre was to open in 2024, including a green energy skills centre and a training centre for sustainable construction.

Oliver Brown, General Manager of the Wivenhoe House Hotel, explained the work experience they offered to many students. The Hotel did this in a unique fashion in the UK, providing training on all aspects of hotel operation alongside studying for a degree. The Hotel had a 70% occupancy rate over the year and hosted parties, conferences, and business functions. Any surplus income helped to fund the University of Essex's operations. The Edge Foundation opened the hotel school in 2012.

There was a £500m turnover in the hospitality sector across the East of England region. The sector was in the top five employers of every region of the UK. Problems existed in retention of staff, even with improvements having been made in hours and pay rates. Caution was given that, without business rate support, many hospitality employers would reduce investment. Another measure given as important was to have chef roles added to the UK's list of protected professions. Falling numbers of

chefs had led to a reduction in menus on offer. Training kitchens were a vital resource for producing new chefs. Mr Brown advised that the Council should look at the number of over-fifties not working and see how they could be supported into new careers. Alongside this, better information for parents and teachers about careers in hospitality would help the sector.

Sam Good, Chief Executive of the Colchester Business Improvement District [BID], explained the BID and its representing of roughly 500 businesses within the City's centre. The past decade had seen changes in Colchester, such as a 26% increase in employment in the night-time economy. There had been a 40% increase in leisure employment. Despite the increase in jobs and opportunities, leisure and hospitality, and related skills training, did not feature in Government priorities.

Challenges had been identified in a 2022 report on post-Covid barriers, and issues caused by Brexit and the levels of long-term sickness continued to affect businesses. The BID had commissioned research on how to address the issues, which were affecting all business types. The report showed possible short-term wins, such as reducing barriers to training, increasing apprenticeships, and upskilling to assist career progression. Making the City Centre attractive as an employment centre was also important. The BID had talked with Essex County Council [ECC] over the potential for a skills brokerage scheme, and how to support business to employ more. Work with partners was carried out with partners to develop and improve the situation. Much further work and investment was needed into local skills and progression to address a variety of sector skill shortages. The BID considered that Colchester still needed to retain more people, rather than train them and lose them when they left the area.

Simon Mead, Chief Executive of Colbea, described Colbea's work and premises, with the shared workspace model being operated in two locations. The North office was at capacity, with a waiting list, whilst the City office was at 80% capacity, with both sites working well. Around 700 business advice appointments had been carried out in the past calendar year, with many coming from Colchester and many being enterprise pre-start appointments. There was an appetite for digital skills assistance and pre-start advice and courses, working to identify if ideas are feasible and sustainable. The growth hub was explained, with much signposting carried out and some funding for advice and support. Colchester was at the heart of business support and growth in Essex. Much had been necessary to set up the hub, and there was strong desire to retain it. Many referrals were received via the Department of Work and Pensions, for people who wanted to set up businesses and who needed help to assess viability and ensure that necessary skills were available.

Dr Rob Singh, Director of the Research & Enterprise Office, University of Essex, gave the background of the University and how it provided support. In addition to the Colchester campus, there were also sites at Loughton and Southend. Around 5,000 staff were employed, contributing around £600m to the local economy. Equal weight was placed on teaching and research. The University scored highly in Government tables on research and was in the top 30 of the Guardian's guide on good universities, with an increase in research employment, with staffing rising from 350 full-time equivalent employed in 2014, to 700 full-time equivalent employed in 2021.

Support was provided for students and educators, including in finding employment after graduation. Examples were given, such as sports therapy courses where 25% of hours were spent in gaining real experience and training, including appointments with real students. The Essex Law Clinic provided free legal advice, whilst giving students a chance to work alongside lawyers. The University also taught entrepreneurial skills to those seeking to start businesses or join existing ones.

The Knowledge Gateway was a cluster of businesses creating high-value employment, and the investment network attracted over £30m of investment into business startups. There was a high demand for computer science graduates and an increase in demand for those completing post-graduate degrees in the subject. The University was currently looking at how to support the necessary skills in demand for work at the Freeport East project.

Kathryn White, Innovation Director, The Innovation Centre, explained that there were 31 innovation centres across the country, with two in Essex. These assisted in supporting the economy and had a focus on hybrid businesses, often in the tech sector. The Centre was a 'pass through' learning space and worked to identify key areas where skills development was needed. The Centre concentrated on requirements of current and start-up small and medium enterprises [SMEs], areas where training was most needed and how to grow the talent pool for the area.

The Panel was told that the Centre helped ascertain how to get support to entrepreneurs in the early stages of their business development, in employing, training and developing new staff. There was a large demand for apprenticeship positions. An accelerated programme was now in place to help train and show entrepreneurs how to start up and develop. The Centre tapped into support from the University of Essex and worked with cutting edge technology to develop businesses.

Digital and AI skills were highlighted as being key. Businesses needed to spend time with students to show them what opportunities were available.

The Centre prioritised the ensuring of diversity and inclusion. There was increased interest in STEM [Science, Technology, Engineering, and Mathematics] careers across people from different demographics. Retraining and upskilling efforts included for older workers and the retraining of veterans and ex-offenders.

The Panel highlighted the importance of retaining skills in the local area, and a member noted that whilst many people left the area after completing school, many graduates of the University remained to live in the area after completing their studies. The guests were asked whether the Council could do more to help with retention. The BID Chief Executive stated that the main barriers to retention are national ones, but local issues included the additional costs face by people working in the City centre, which were double the costs of those working in the outskirts. Education of employers was a key issue. Much had to be done to simplify training and apprenticeships and to make them easier to provide. A Panel member argued that the Council must do what it could to improve the public realm and local cultural offerings. The Chief Executive agreed that this was important, albeit a secondary factor, which was why Parklets had been installed on the High Street to improve the 'dwell time' of visitors to the City centre. Work was carried out to reduce youth

disengagement with the City centre and investments made to make it a place people wanted to be.

The Director of the Research & Enterprise Office, University of Essex, explained that students had good experiences at the University and would stay if job opportunities were present. Whilst there was good data on graduate destinations regarding types of jobs/careers, there was no data compiled regarding geographical destinations. The Innovation Director, The Innovation Centre, explained the support provided for student entrepreneurship, with businesses starting to provide this. Students were able to get free office space for up to five years after graduation.

A Panel member noted the retention problems in the hospitality sector, and the possible factors behind this such as work conditions, pay and the need for flexibility. The General Manager of the Wivenhoe House Hotel admitted that there was still a stigma attached to the sector. It was important to show people that hospitality employment was better than in the past, and far fairer. People entering the sector were described as being less resilient than in previous times and some employers still did not look after their staff. Good work was being done locally in training around food provision, especially by the Colchester Institute. The 14-16 age group was key for education and training, alongside Wivenhoe House, which hosted an older cohort. Owners of hospitality SMEs were described as facing serious challenges, with many closing down. Help and support was needed to help them pay living wages and support their staff. The BID Chief Executive noted that the pandemic had reduced the number of people wanting to work in hospitality, but informed the Panel that the National Accreditation scheme was starting to accredit local businesses meeting employment standards.

The Chief Executive of the Colchester Institute explained the work done to balance a realistic view of hospitality work, including practical experience in high-pressure situations, with training in resilience and not accepting poor treatment or conditions. Where necessary, employers were educated and concerns highlighted. There was currently no promotion of trades unions to students, but union membership was promoted to staff.

A Panel member asked whether housing tended to be a serious issue for those working in hospitality. The BID Chief Executive emphasised the struggles of local businesses, but explained that the need to have an ambition to move to a living wage when possible was understood. Work to support employees included work with charities and organisations through One Colchester, including Open Road and Emmaus.

A Panel member explained that this agenda item had stemmed from a presentation of the Council's Strategic Plan, which included work to move to a high skill, high wage city. It was acknowledged that many issues were outside of the Council's control, and that it was hard to know how the Council could best support the raising of the local skills base. A request was made for models showing how skills provision worked, in order to better understand it. The partner representatives were asked what was being done to maximise skills development and how the skills pool was assessed.

A Panel member compared the percentage of locally employed residents with an education level of NVQ4 or better [37%] with the national percentage [43.6%], contrasted with the overall higher skill level of local residents, with many working in London. The member asked how skills training for those in Colchester employment could be ensured, and how improvements in skill levels could be shown, arguing that local figures and data were necessary in order to ensure that the goals of the Strategic Plan were achieved. The Panel member wanted specific data, not anecdotes, and ways to track progress towards Strategic Plan goals.

The Economic Strategy Specialist explained that a digital skills hub had been opened at the Wilson Marriage Centre, helping to improve local skills. More than £50m infrastructure investment in digital connectivity improvements was being made in ultrafast broadband and 5G, helping to attract new businesses. More employees were working from home and setting up new businesses. Work was also ongoing with surrounding areas, including in Suffolk, to facilitate the mobility of labour to commute into Colchester. Unemployment in the local area was very low.

The Chief Executive of the Colchester Institute described the Essex Local Skills Improvement Plan, and the annual accountability statement, which was available on the Institute website. The Chief Executive also explained that there were other measures of skills provision than just looking at NVQ level four, as this was not the benchmark in many areas, including construction, trade skills and engineering skills. The area needed many people, trained at different levels, to succeed.

The Director of the Research & Enterprise Office, University of Essex, underlined the objectives for a highly skilled, high-income workforce. Raising skills and incomes were important aims, and an outline was given of work conducted increase the number of jobs in highly skilled roles in research, development, and tech companies. New startups were helped to navigate and access funding and grow their operations. Investment networks were in place to bring in private capital, which could be leveraged. Investment could be made to improve training and employment opportunities for people in those communities identified as being more deprived.

The Panel discussed whether 'low skill' jobs should be described in a different way, given that many such jobs were essential. The Economic Strategy Specialist agree that there was a difference between low-paid and low value jobs, with many jobs requiring more skills than previously, but still only paying at a low level.

A Panel member noted a Council objective to increase the number of highly skilled jobs in the area and argued that this needed to be driven by the Council's Administration. Data was requested on current performance, to evidence how the Council was seeking better performance, and the Panel asked what partners wanted from the Council, and what the Council could do. The Leader accepted this challenge and pledged to examine what could be done to provide data. The Leader ventured that the Council's role was as a partner to help create an environment within which other partners could flourish collaboratively. The Innovation Director, The Innovation Centre, ventured that the best thing Government could do was to remove obstacles and stay out of the way, to allow maximum opportunities and business growth.

Simon Mead, Chief Executive of Colbea, emphasised that not everyone needed high levels of support. Some wanted informal guidance and support, rather than a restrictive course of employment or prescriptive business growth plan.

The partner representatives were asked if enough was being done to attract people to study courses in craftwork and technical skills. The Chief Executive of the Colchester Institute explained that the courses they ran were at capacity and no additional students could be fitted in to their construction and trades courses. More could be done if more space was available, and there was an issue with the level of salary required to obtain trained teaching staff. Answering questions, the Chief Executive agreed that the Institute did have a relationship with Colchester Borough Homes [CBH], but more could be done to provide training and jobs with CBH. Some apprenticeships had been carried out in maintenance works. Training with local employers included site visits and work experience placements.

The Panel and guests discussed the requests that had been made for the collection and publication of data relating to skills provision in the local area. The Director of the Research & Enterprise Office, University of Essex, argued that if partner organisations, such as the University, were to contribute to quality assurance of data produced, then they would need to be involved in the design process for the collection of that data.

RECOMMENDED to CABINET that the Council seek to collect and publish annual data on skills provision within the Colchester area, involving the relevant local partners (organisations which provide skills and training) in designing the process for collecting data and providing quality assurance