
West Midlands Local Skills Report

2022



West Midlands
Combined Authority

Chapter 1: Foreword Chair of the Skills Advisory Board

A high performing labour market has a crucial role to play in enabling local people, businesses and the wider West Midlands economy to flourish and thrive. The West Midlands Regional Skills Plan (RSP), published in 2018, details how the West Midlands Combined Authority (WMCA), working with key partners, is seeking to support that ambition.

Our focus is on securing stronger and more inclusive regional growth. Put simply, we want to deliver a better match between the skills of the people in our region and the current and future needs of our businesses, to accelerate productivity and deliver economic growth. We want to make sure more people have the skills they need to enter and progress in work.

Many parts of our region have longstanding challenges to overcome, with well-rehearsed issues of high unemployment, low pay, skills shortages, and limited social mobility. However, our opportunities are many too. The region has a young and diverse population, a strong Higher Education base and many Good and Outstanding schools, colleges and training providers.

Prior to the pandemic, the region's economy experienced unprecedented growth with rising productivity, jobs and employment – at levels that exceeded the rest of the UK. We saw growth in high value-added sectors, new investment and infrastructure, and a growing digital capability.

But the pandemic hit the West Midlands region hard – in part because of its dependency on automotive, aerospace, manufacturing, leisure and hospitality sectors. A high number of workers in the region were furloughed to the end of the scheme. We experienced significant job losses and large numbers of benefit claimants.

The pandemic exacerbated existing inequalities within the region, resulting in higher levels of unemployment in areas such as East Birmingham and higher youth unemployment in places such as Wolverhampton. Young people and those from BME communities were hit hardest – particularly those least qualified, and living in areas with already high levels of unemployment and deprivation.

The West Midlands economy is now beginning to recover, with employment levels rising, unemployment below pre-pandemic levels, and record vacancies. But significant challenges remain and there is no room for complacency. Many of our employers are reporting significant labour and skills shortages, and while some parts of the region have bounced back, others are recovering much more slowly, with the risk that some people and places are left behind and unable to share in the benefits of recovery.

There is much good work already underway to address these challenges. The flexibilities afforded through devolution have enabled us to take a collaborative systems approach to ensure that skills provision is strategically aligned to regional economic need. We have been able to respond quickly to current labour market needs and invested in new provision linked to emerging demand. As a result, we have seen a 7-fold increase in level 3 provision and a 33% increase in provision aligned to regional priority sectors – with a 20% increase in job outcomes across our offer. Now, more than ever, we need an agile and responsive skills system that equips residents with the skills needed to find, and progress at, work, and provides employers with the skills needed to secure long-term economic success.

This Local Skills Report has been developed in line with the Department for Education's (DfE) Skills Advisory Panel (SAP) guidance, to provide a key source of information of the local skills needs of the West Midlands, enable national comparison and help feed local skills intelligence to central government, as well as being a source for local stakeholders. The report will support the WMCA and its partners to capitalize on opportunities and improve skills and productivity in the region to deliver more inclusive economic success.

The evidence base underpinning this report has been developed with strong employer input and with key partners including Local Authorities, Local Enterprise Partnerships, Colleges, Universities, training providers and the Black Country, Greater Birmingham & Solihull and Coventry and Warwickshire Chambers of Commerce.

Chapter 2: Skills Advisory Panels – Introduction

Since 2018, SAPs have been bringing together employers, skills providers and key local stakeholders to better understand and resolve skills mismatches at a local level. SAPs are part of Mayoral Combined Authorities and Local Enterprise Partnerships (LEPs) and there are 36 in total across England. The DfE has supported SAPs with grant funding primarily to produce high-quality analysis of local labour markets and publish Local Skills Reports, which set out the local skills strengths and needs, and explain how the SAP proposes to address key priorities for the area.

This second iteration of SAPs' Local Skills Reports comes at a time when DfE is Trailblazing new Local Skills Improvement Plans (LSIPs), in eight areas of the country. Developed by Employer Representative Bodies, LSIPs are part of a suite of reforms launched in DfE's "Skills for Jobs" White Paper that aim to put employers more firmly at the heart of the skills system. An evaluation of the eight Trailblazers will inform the national roll out of the programme. In the meantime, and before LSIPs are rolled out across the country, it is DfE's intention that Skills Advisory Panels and this Local Skills Report should continue to influence the behaviour of local partners and feed intelligence to central government, including to sectoral focussed skills teams and the national-level Skills and Productivity Board.

WMCA Skills Advisory Board

The WMCA Skills Advisory Board predates the establishment of SAPs. As the national SAP infrastructure took shape, the WMCA Skills Advisory Board was formally recognised as our SAP through a Memorandum of Understanding in late 2018.

The Skills Advisory Board is chaired by Cllr George Duggins, Leader of Coventry City Council and WMCA portfolio holder for Productivity and Skills. Through Cllr Duggins' leadership the Skills Advisory Board:

- provides a strategic steer and direction to ensure effective delivery of the RSP, offering oversight, guidance and constructive challenge;
- provides oversight and ongoing monitoring of the WMCA's Productivity and Skills project pipeline;
- identifies and monitors risks that could affect the delivery of the RSP and wider skills programmes;
- advises on major policy change within the Portfolio;
- develops a clear understanding of current and future local skills and labour market needs, against current skills and employment support provision, ensuring work programmes are underpinned by a clear evidence base; and
- provides a forum for strategic conversations between business, local authorities, HE and FE stakeholders and the WMCA.

The Board's wide membership reflects the breadth of its work. It includes representatives from the region's Local Authorities and LEPs, employer chairs of our Sector Taskforces, trade union officials, and Further Education (FE) and Higher Education (HE) sector. Government officials from the Department for Work and Pensions (DWP), DfE and Education and Skills Funding Agency are invited to attend as observers. The Board meets twice yearly, and secretariat support is provided by WMCA.

The Skills Advisory Board reports directly to WMCA Board, which is chaired by Mayor of the West Midlands, Andy Street. It has oversight of the WMCA's Skills Officers Working Group, an operational group which brings together regional partners to collaborate on skills issues, and the Digital Skills Partnership (DSP), which in part is funded by the Department for Culture, Media and Sports. The Board's direct oversight of the DSP reflects the importance of digital skills to current and future growth prospects.

During the last year the Advisory Board's priorities have been centred on understanding and responding to the impact of COVID-19 and emerging skills needs on the regional economy, specifically how innovative and flexible models of training can support people to access and progress in work. We have also sought to strengthen collaboration between the further and higher education sectors, with a particular focus on driving regional productivity.

The West Midlands SAP Geography

The West Midlands area is centrally located at the heart of the country. Administratively, our geography is complex. The West Midlands is both a 'NUTS 1' official region² (or former UK Government Office for the Region) and a Metropolitan County. The latter is the basis of the West Midlands Combined Authority – the seven local authorities of Birmingham City Council, Coventry City Council, Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council, Solihull Metropolitan Borough Council, Walsall Council, and the City of Wolverhampton Council are the constituent members of the WMCA. This is also the area that the devolved Adult Education Budget (AEB) covers.

There are also ten neighbouring local authorities that are non-constituent members with significant involvement, for example (limited) voting rights, and four further observer organisations². Our region also spans across the three LEP areas of the Black Country LEP (BCLEP), Coventry and Warwickshire LEP (CWLEP) and Greater Birmingham and Solihull LEP (GBSLEP). Most of the analysis in the report is done at three LEP level to recognise the breath and importance of our partnership working on skills. However, the metropolitan and NUTS 1 definitions of the region are also used to provide additional context, or where data is not available at a three LEP level.

¹ Nomenclature of Territorial Units for Statistics, as determined by our former membership of the European Union.

² Non-Constituent Local Authority members are Shropshire, Telford & Wrekin, Cannock Chase, Tamworth, Redditch, Warwickshire, North Warwickshire, Nuneaton & Bedworth, Rugby and Stratford-upon Avon. Observers are Herefordshire Council, The Marches Local Enterprise Partnership, West Midlands Fire and Rescue Service and the West Midlands Police and Crime Commissioner.

WEST MIDLANDS COMBINED AUTHORITY 3 LEPS

WMCA 3 LEP's

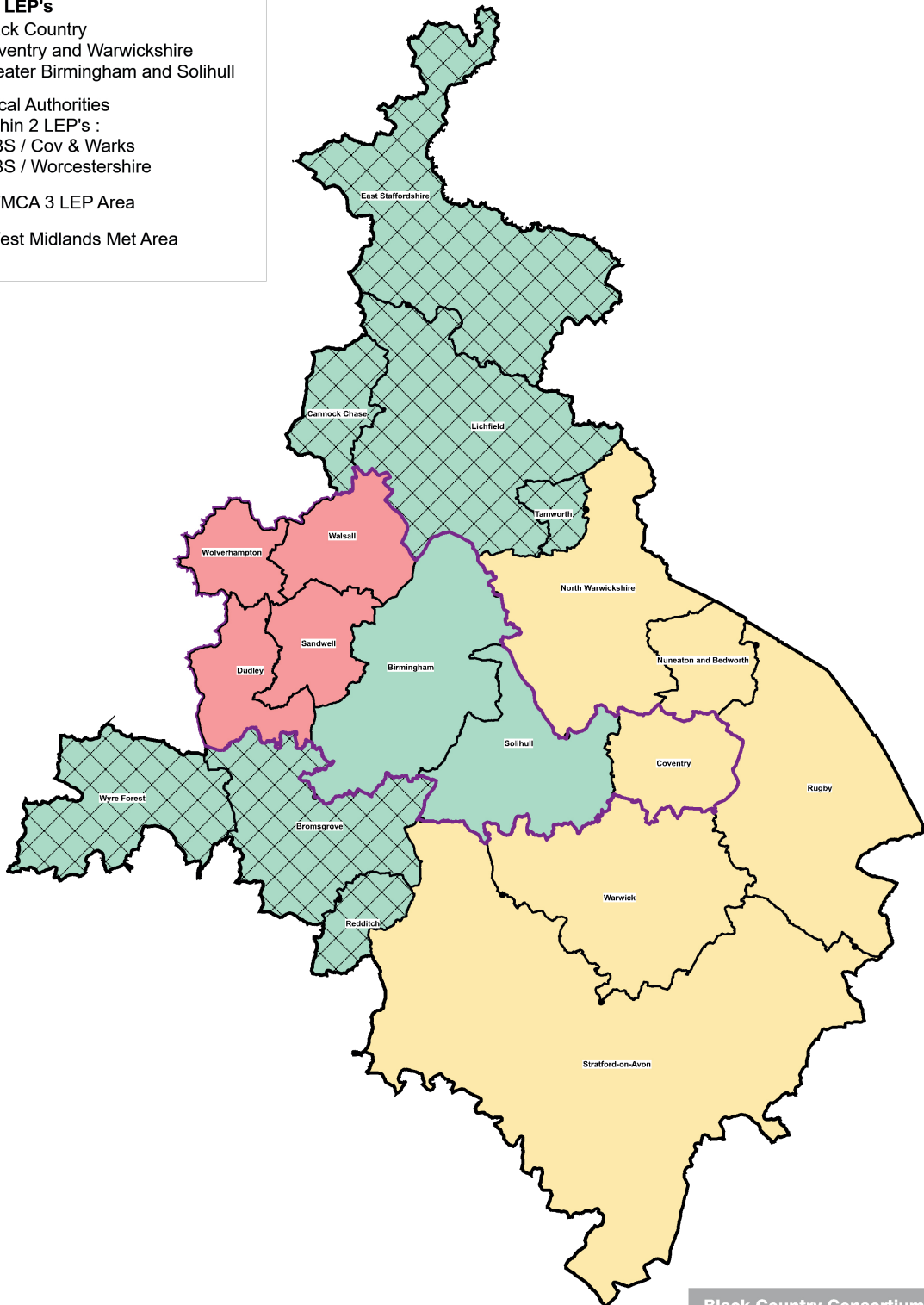
- Black Country
- Coventry and Warwickshire
- Greater Birmingham and Solihull

Local Authorities within 2 LEP's :

- GBS / Cov & Warks
- GBS / Worcestershire

WMCA 3 LEP Area

West Midlands Met Area



Economic Intelligence Unit

Chapter 3: Skills strengths and needs

This chapter sets out the key skills strengths and needs in the West Midlands, as they relate to qualifications, occupations, and industrial sectors. The analysis shows a broad continuation of strengths and needs trends seen in recent years, alongside a notable improvement in the qualifications profile of the working population in the West Midlands.

Demographic profile

The West Midlands Metropolitan area is characterised by a particularly young and diverse population. The latest ONS population estimates show that the Metropolitan Area (21.4%) and West Midlands NUTS 1 region (19.6%) have higher proportion of under 16s compared to the UK average of 19%. In terms of ethnicity, we anticipate that the 2021 Census will show a broad continuation of the trends seen a decade ago, which has the Metropolitan Area as one of the most ethnically diverse regions outside of London, with 30% of the Metropolitan Area being from non-white backgrounds, compared to 20% nationally³.

These demographic factors are long standing and pertinent to the skills system, underpinning our strategic approach to skills and employment support; with its focus on young people – our future talent pipeline – and on inclusive growth, making sure all communities across the region participate in and benefit from our economic development.

Compared to the UK average, the West Midlands has a larger proportion of the working age population with no or low-level qualifications, and a smaller proportion qualified at level 4 and above. This difference can be almost entirely attributed to the Black Country, which as a centre of manufacturing, draws on skills not always recognised in formal qualifications. The other two LEP areas are much closer to the UK in general.

Nonetheless, between 2019-2020, the West Midlands has seen an above average increase in the proportion of people with qualifications at all levels, alongside a 2.5 percentage point fall in the proportion with no or low qualifications.

% of Working Age Population with NVQ Qualifications	West Mids (2019)	UK (2019)	West Mids (2020)	UK (2020)
% with NVQ4+	33.5%	40.2%	36.7%	43.0%
% with NVQ3+	51.3%	58.4%	55.8%	61.2%
% with NVQ2+	69.8%	75.6%	74.0%	78.0%
% with NVQ1+	80.4%	85.5%	84.4%	87.6%
% with other qualifications (NVQ)	8.3%	6.6%	6.8%	5.8%
% with no qualifications (NVQ)	11.3%	7.9%	8.8%	6.6%

Table 1: West Midlands working-age population at each qualification level, by NVQ equivalent.

³ Census data here is taken from the WMCA's Covid-19 Equality Impact Assessment (internal documentation).

This improvement in qualification levels is in part a result of younger, more qualified workers entering the labour market but can also be attributed to the focus and efforts of WMCA and regional partners on increasing the qualifications profile of adults. The flexibilities offered through devolution of the Adult Education Budget, alongside additional National Skills Fund investment, has resulted in a seven-fold increase in level 3 provision since devolution, while cash investment at this level has risen from £4.4m pre-devolution, to £13.9m in 20/21.

While we will continue to maintain a focus on closing the qualifications gap, we also need to ensure that higher qualification levels translate into improved labour market opportunities, for all of our residents. Deep dive analysis, undertaken as part of the Skills Advisory Board activity, into learning and employment by gender and by ethnicity (see Supporting Evidence Report) demonstrates that investment in qualifications and skills alone does not

always secure favourable outcomes for women and BME residents. The analysis by the West Midlands Regional Economic Development Institute (WM REDI) shows BME groups perform well in education but experience higher unemployment rates than white groups and are characterised by lower pay in work. For women, there is a disparity between good performance in education and comparatively poorer outcomes in the labour market measured by progression and pay gaps with males.

Sectors and occupations

The WMCA Strategic Economic Plan identifies seven transformational sectors, key to driving current and future growth prospects for the region. The importance of these sectors and the impact of skills within them are demonstrated in the current GVA and employment figures. Our internal forecasts also show that these sectors will continue to drive the supply and demand of skills in coming years⁴.

Sector	Sectoral output
Advanced Manufacturing and Engineering	<ul style="list-style-type: none"> £16.4bn of GVA, which is 14.1% of the economy. 209,400 jobs attributed, which represents 11.3% of overall employment.
Business Professional and Financial Services	<ul style="list-style-type: none"> £27.8bn of GVA, which is 26.5% of the whole economy. 354,600 jobs, 19.2% of overall employment. 41,865 businesses.
Construction	<ul style="list-style-type: none"> £7.1bn GVA. 121,000 jobs. The majority (69%) of jobs & GVA (89%) appear within the 'Building Construction and Engineering' Standard Industrial Classification code category.
Creative Industries	<ul style="list-style-type: none"> Estimated £5.8bn GVA. GVA per employee of £88,635. 10,925 businesses across the WMCA in this sector.
Life sciences and social care	<ul style="list-style-type: none"> £8.8bn GVA. 244,940 jobs. 6,730 businesses.
Logistics and transport technologies	<ul style="list-style-type: none"> £5.0bn GVA 109,335 jobs in the sector. Estimated GVA per worker of £46,116. 10,445 businesses
Low Carbon and Environmental Technologies	<ul style="list-style-type: none"> £3.6bn in GVA. 22,750 jobs 740 businesses.

Table 2: West Midlands transformational sector economic output

⁴ Forecasts taken from the WM REDI produced 'State of the Region 2020' report.

The current employment profile of the West Midlands reinforces the strengths outlined in the Strategic Economic Plan and is built on the unique assets across our three LEP areas; the Black Country is a globally significant hub of leading advanced manufacturing and engineering businesses with international supply chains, manufacturing essential components such as aerospace actuation and transmission systems. The CWLEP area also boasts a high-value advanced manufacturing sector, primarily associated with the automotive industry and the extensive supply chain that supports leading automotive brands. The logistics and gaming sectors are also prominent, as is the tourism industry. Coventry, a QS top 50 global student city with a walkable city centre, was the UK's City of Culture 2021. Located between BCLEP and CWLEP, GBSLEP is primarily built around the UK's second city, which hosts many of the economic drivers of the wider conurbation, and is an economy based around the professional services industry.

Occupational analysis in Annex A shows that health, education, business admin & support services, manufacturing, retail and professional roles account for almost two thirds of jobs in the region. The West Midlands has relatively more employment in manufacturing and in the public health and education sectors, but a significantly smaller IT sector. Although the need to replace retiring workers will continue to drive employment in manufacturing even as total employment declines, the relatively younger population in the West Midlands poses a challenge for future job creation. Expansion in professional services and other regional strengths such as biosciences will be integral to this.

Occupational growth forecasts for the West Midlands show broad contractions for manufacturing, primary sector and utilities, trade, accommodation and transport, and growth for business and other services. However, there is also projected growth roles in the construction, business and non-marketed service occupations (See Annex A).

Industry	BCLEP	CWLEP	GBSLEP
Primary sector and utilities	-2.40%	-2.50%	-4.70%
Manufacturing	-13.20%	-11.20%	-11.50%
Construction	1.30%	-0.50%	0.30%
Trade, accommodation. and transport	-0.80%	-0.60%	-0.30%
Business and other services	2.90%	4.10%	2.40%
Non-marketed services	3.90%	1.20%	1.50%

Table 3: Forecast total change in employment by sector and LEPs, 2020-2027.

The continued growth of our transformational sectors is contingent on the availability of workers with skills aligned to the needs of current roles, and on investment in future skills needs. Skilled workers will also be needed to meet replacement demand, even in those sectors with contracting levels of employment. Across our economy, there is a need to equip residents with the skills to access work, and to support progression within employment. We are encouraged that apprenticeship achievement by sector broadly aligns with our sector strengths: 31% business, admin & law accounts, 22% health, and 21% engineering and manufacturing technologies. As a result of devolution, we have also been able to better align AEB provision to regional growth sectors (as shown in Annex A), create more flexible and responsive models of delivery, and improve employment outcomes of training.

The Advisory Board also has a strategic role to play in ensuring that the region has the workforce skills needed to support the growth of a greener economy and help achieve the aspirations set out in its WM2041 strategy. Our analysis shows that most jobs created, as part of the region's net zero transition, will be in manufacturing low emission vehicles, battery packs and modules in giga factories situated near existing production sites. Wider mobility services and products may also play a role and affect demand for new vehicles and create opportunities for employment in the wider mobility sector. We have already developed a range of skills programmes, including retrofit provision, and in the coming year will be developing a broader green skills strategy.

Higher Education

The West Midlands benefits from a strong Higher Education base, alongside many Good and Outstanding schools, colleges and training providers. Universities in the region make a substantial contribution to the economy⁵: educating 180,720 students (full-time equivalent, 2019/20); employing 25,030 staff (full-time equivalent, 2019/20), and contributing an estimated £4.8 billion to GDP over five years.

Overall, our universities (59%) outperform the national average (56.2%) on employment metrics (see Annex A). This is positive for the West Midlands, given the volume of

current and anticipated graduate roles in our transformational sectors. However, the region faces ongoing challenges in relation to graduate employment and retention within the region; 6.3% of graduates in the West Midlands are unemployed, compared with 5.4% nationally. A DfE typology analysis categorises the West Midlands as demonstrating ‘mild brain drain’, due to its successful attraction of students to its university system but subsequent loss of many young graduates to other parts of the UK. This highlights the need for the Skills Advisory Board to support further collaboration between universities, employment and skills services and industry to support retention in the region (see Annex A).

Summary			
Skills Strengths		Skills Needs	
Occupations <ul style="list-style-type: none"> • Manufacturing • Business admin and support services • Education • Transport and storage • Wholesale and retail trade 	Qualifications <ul style="list-style-type: none"> • Improving skills profile of resident Universities <ul style="list-style-type: none"> • Above average graduate employment AEB <ul style="list-style-type: none"> • Flexibility and responsive provision 	Employer’s <ul style="list-style-type: none"> • Upskilling workforce to meet occupation growth forecasts, including in the construction, business, and non-marketed service • Replacement demand for retiring workers in skilled trade and operative roles 	Qualifications <ul style="list-style-type: none"> • Qualifications – including closing the ‘no qualification’ and NVQ Level 4+ gap Employment <ul style="list-style-type: none"> • Increasing the proportion of FE students going into employment Universities <ul style="list-style-type: none"> • Reducing graduate unemployment and improving retention

Table 4: Summary of skills strengths and needs for the West Midlands.

⁵Data presented to the Skills Advisory Board by Professor Julian Bear, Birmingham City University.

Chapter 4: Skills strategy

This section outlines how the West Midlands prioritises skills needs locally. It shows how skills planning and delivery is linked to our strategic plans and summarises our cross-cutting skills priorities, COVID-19 recovery priorities and sectoral priorities.

Regional Skills Plan

Our Regional Skills Plan sets out a clear roadmap for equipping local people with the skills they need to support, and benefit from, ongoing economic growth across the region. The RSP addresses several critical, persistent labour market challenges in the region which remain prominent three years on:

- A low employment rate and high levels of unemployment in some parts of the region
- Poverty for some people in employment, driven by low wage levels
- Above average levels of adults with no formal qualifications
- Skills shortages leading to 1 in 4 vacancies in the region being classed as ‘hard to fill’

Our analysis of the latest data shows that while progress has been made across all areas, there are still challenges to address, as outlined in chapter three.

Delivering our strategy

Our collaboration with key partners such as the DfE, DWP, LEPs and Local Authorities alongside the oversight and scrutiny provided by the Skills Advisory Board, WMCA Board and other regional governance structures ensures that we are focused on addressing current and future skills needs. This has enabled us to develop our devolved funding and responsibilities in a tailored and deliberate way

to ensure delivery is informed, innovative and responsive to local labour market challenges and opportunities. Our work to do this happens across four broad areas:

- **Insight** – analysis of data and other intelligence to understand challenges and opportunities. This includes SAP analysis commissioned through DfE funds.
- **Development** – policy and programme development with partners across the West Midlands to garner the best results from our assets and resources, and to ensure ideas are challenged and tested.
- **Recovery** – the ability to respond to major shocks, i.e., BREXIT and COVID-19.
- **Skills Delivery** – commissioning and delivery of provision that seeks to support residents to gain the skills and qualifications they need to gain employment, progress in work and access higher learning.

To deliver impact across a complex geography requires commitment from regional stakeholders and the Government. A key priority for our Skills Advisory Board is to ensure there is even more joined up working through the skills system. This includes shaping an effective business support system that supports SMEs to improve recruitment and training plans to drive growth.

We will continue to work with Government to get the powers, flexibilities and funding needed for the region to meet our distinct needs.

The table below summarises our cross cutting, COVID-19 and sector priorities. These have been identified through data analysis, engagement with regional and national partners and discussions at Skills Advisory Board meetings.

Skills priority category	Priorities and supporting rationale
<p>Cross-cutting skills priorities</p>	<p>Inclusive growth / Levelling Up</p> <ul style="list-style-type: none"> This remains a cross cutting priority. COVID-19 have exacerbated the already challenging outlook for many groups. Using our AEB provision (SWAPs and digital bootcamp) to address skill needs and connect priority groups to and back to the labour market to address disproportionate impact of COVID-19, this includes Women, Adults aged 50+, Young People (16-30) and BME residents. <p>Social value</p> <ul style="list-style-type: none"> We will continue to work with policy leads and partners to extract social value to benefit residents in the region. <p>Qualifications and skills</p> <ul style="list-style-type: none"> NVQ: Building on the progress made in the last year and continue to reduce the qualifications gap with the UK. Upskilling: Upskilling workers and learners to support career progression and replacement demand. Green Growth: As part of WM WM2041 aspirations we are working to provide future skills, for future jobs. Digital: Digital skills are seen as the ‘golden thread’ that runs through the region’s economic development. Specialist / technical: Higher-level skills, particularly specialist and technical skills are seen as the key to unlocking inclusive growth and this is corroborated by data in Annex A and B. Apprenticeships: Apprenticeships are a key route out of disadvantaged backgrounds and the regions’ Levy Transfer Fund – enables both apprentices and SMEs in the region to be supported. <p>HE sector</p> <ul style="list-style-type: none"> Graduate retention across all sectors is vital and will help to shape our engagement with the HE sectors.
<p>Covid-19 recovery and renewal skills priorities</p>	<p>Future-proofing</p> <ul style="list-style-type: none"> Beyond emergency recovery, the various impacts of Covid-19 on the world of work have invited reflections about ‘building back better’, and so skills development that builds in resilience requires prioritisation.
<p>Sector priorities</p>	<p>Transformational sectors</p> <ul style="list-style-type: none"> Automotive & Advanced Manufacturing: Building on existing traditions in the region, the automotive and advance manufacturing sector is a key area for protection and modernisation. Business Professional and Finances Services: With the economic ‘renaissance’ of, in, Birmingham city centre, linked to developments such as HS2, the sector is now a key growth priority, promising higher-level and higher-salaried employment. Construction: Significant local developments with linked infrastructural priorities (e.g., HS2, the Commonwealth Games) provide opportunities for local residents to participate in economic growth through linked employment. Low carbon and environmental technologies: As we work to achieving WM2041 the region will continue to map what is needed for industry and associated provision. Digital and creative: Utilising regional assets and key events such as the Commonwealth Game to create opportunities. Life sciences and social care: 15% of jobs in the West Midlands are in health. We need to ensure that the sector has the talent pool required to take up roles at all levels. Logistics and transport technologies: Utilising the region’s central geographical position and improving infrastructure as means of attracting investments and talent. <p>Occupations</p> <ul style="list-style-type: none"> Support forecasted growth in the following occupations: construction, business, and non-marketed services.

Table 5: Summary of skills priorities for the West Midlands.

Our AEB strategy for 2022 onwards aims to deliver a responsive and flexible adult skills offer, which will support our people-centred approach to ensure the skills needs of businesses are met and everybody can benefit from economic growth. It has four key actions:

1. Getting residents into employment
2. Upskilling and reskilling to respond to the regional economy and net zero
3. Provide a good basic education up to Level 2 for those who need it
4. Support our communities to be stronger and benefit from inclusive growth

Chapter 5: Skills action plan

We are also seeking to build on the strengths outlined in chapter three and our skills plan outlines the actions we will take to do so. This section focuses on the planned actions to deliver on the skills needs set out in chapter three and the priority areas outlined in chapter four.

Skills action plan				
Priority	Activity	Organisations/bodies ⁶	WMCA/SAP responsibilities	Timeframe
Support opportunities for young people	<p>Develop a regional youth entitlement.</p> <p>Further engagement with businesses, particularly SMEs, to increase apprenticeship take up.</p> <p>Develop the NEET intervention partnership working and data approach to enable early identification and better tracking of every young person.</p>	<p>WMCA</p> <p>LAs</p> <p>DfE</p> <p>Youth Employment UK</p> <p>Colleges</p>	<p>Lead strategic conversations with partners to garner support.</p>	2022-23
Increase the number and proportion of residents with higher level skills	<p>Increase the amount of higher-level technical provision, through investment in Level 3+ through AEB and NSF.</p> <p>Expand our level 4/5 technical offer through HTQs and FE/HE collaboration.</p> <p>Work with universities to develop practice that increases graduate retention.</p>	<p>WMCA</p> <p>FE Colleges</p> <p>Universities</p> <p>LAs</p>	<p>Oversight of AEB strategy and investment.</p>	2022-23
Reduce the proportion of population with no qualifications	<p>Ensure a good basic skills offer, with clear progression routes, is in place to include ESOL, Digital Entitlement, English and Maths, but also a clear vocational offer linked to sector skills needs at level 2.</p> <p>Increase progression from Community Learning to wider skills provision.</p> <p>Develop proposals for UKSPF to engage those with no qualifications.</p>	<p>WMCA</p> <p>LAs</p> <p>Colleges</p>	<p>Commission provision in all areas with clear targeting.</p>	2021-2023
Support more people with the training they need to enter employment	<p>Ensure AEB provision is supporting residents into sustainable employment, through SWAPS, Sector Gateways, bootcamps</p>	<p>WMCA</p> <p>LAs</p> <p>Colleges</p>		2021-2023

⁶ This is an indicative list of some of the partners that will shape this plan.

Skills action plan				
Priority	Activity	Organisations/bodies⁶	WMCA/SAP responsibilities	Timeframe
	and other employer linked programmes and associated employment targets.	DWP		
Support more people to progress in work	Develop more flexible and innovative approach to provision for those in employment. Work with DWP to develop proposals for in work support for those on UC – including skills and mentoring.	WMCA DWP Colleges		2021-2023
Improve technical skills in key high growth / volume sectors – digital, health, green, business and professional	Continue to expand digital bootcamp offer across the region enabling more employers to benefit from new talent. Develop new bootcamp style provision for health and green occupations.	WMCA DfE Universities Colleges		2021-2023
Increase social value from WMCA and LA investments	Work with private and public sector partners to maximise the value from new and existing investments, e.g. through securing job commitments from businesses for local residents.	Industry bodies Businesses LEPs and LAs	Deliver programme with oversight from the Economic Growth Board.	2021-2023

Table 6: West Midlands Skills Action Plan Summary.

Chapter 6: Assessment of Progress

This chapter looks back on the work of the Skills Advisory Board during the past year, and its progress delivering against our skills action plan.

Taking a local leadership role

Regionally, our Advisory Board is playing a leading role on skills. COVID-19 has been challenging on many fronts, however it has also led to more collaborative working on skills, often at pace, to address the challenges and opportunities outlined in chapter three and the action plan in chapter five.

In particular, we are seeking to develop greater collaboration between further and higher education, to improve progression pathways for our residents, address the skills needs of employers at all levels, and to boost the productivity of the regional economy. We have begun work in this area; the role of universities in supporting regional skills and productivity needs was a focus at our last Advisory Board meeting in November 2021. This engagement led to the commissioning of a thematic paper and further research on the role of further and higher in improving productivity (see Supporting Evidence Report).

Enhancing local knowledge

During the last year, our Skills Advisory Board has been well served by nationally recognised capabilities delivered through the WM REDI partnership, the Black Country Consortium Economic Intelligence Unit (EIU) and the WMCA’s in-house research team, the Office for

Data Analytics.

WM REDI provide regular intelligence updates to key civic and strategic leads across the region, including Advisory Board members, the Mayor of the West Midlands and Chairs of the three LEPs. These reports include the annually produced State of the Region report, which provides an in-depth overview of our people, economy and infrastructure, and outlines key trends around current and future skills needs. In addition, we have commissioned a series of thematic studies to deepen our understanding of employment and skills within the region, and to shape programme delivery. Key findings and actions from the most recent studies are presented below:

Key findings	Examples of actions
<p>BME Employment and Skills Paper</p> <ul style="list-style-type: none"> BME groups perform well in education and are characterised by relatively high rates of participation in post-compulsory education, though success in education does not necessarily translate into employment outcomes. BME groups have higher unemployment rates than white groups and are characterised by lower pay in work. Their employment has been disproportionately impacted by the Covid-19 pandemic. 	<ul style="list-style-type: none"> Analysis undertaken to establish which parts of the region have low take up of AEB provision among BME groups to shape commissioning of provision in 2022.

Key findings	Examples of actions
Women in Learning Paper <ul style="list-style-type: none"> Women perform well in education, so issues concerning women's position and performance in the labour market are not just about encouraging an increase in learning or qualification level. Women caring for children (especially lone mothers with small children) face particular barriers to participation in learning. 	<ul style="list-style-type: none"> Develop approaches, models and funding packages to target working women accessing part time Level 2 and 3 provision with Colleges West Midlands. Delivered the <u>Black Coder</u> digital bootcamps to support BME females to gain employment in digital roles.
Furlough in the West Midlands region Paper <ul style="list-style-type: none"> 10% of the region's employees are low paid. When applied to furlough figures this equates to 16,000 workers in the region who could struggle if their employment conditions change (i.e. reduced hours) following the ending of the scheme. Birmingham is the main outlier in the region for furlough, with 34,400 people accessing support; at least three times higher than any other local authority area in the region. 	<ul style="list-style-type: none"> Implement and deliver a Jobs Plan designed to work with employers to connect residents to employment opportunities. Deliver localised jobs events for residents to highlight live vacancies, in conjunction with partners and employers.
Over 50's in the Labour Market Paper <ul style="list-style-type: none"> Older workers who are made redundant or become unemployed, are likely to take longer to find employment than younger age groups. The over 50s face a range of barriers in accessing learning and employment. Employers are less likely to train older than younger workers. 	<ul style="list-style-type: none"> Support for over 50's included in Community Renewal Funder tender. Developing a commission for a redundancy pilot.

Table 7: WM REDI Thematic Report Key Findings

Over the coming year we will seek to further develop our analytical and insight capabilities. In particular, we are seeking to develop deeper qualitative insight into the ambitions and aspirations of our residents, rather than solely relying on demographic data, to further tailor our provision to support residents to develop skills, find employment and progress at work.

Impact on local skills provision

The devolved AEB is the most significant lever we have to steer and shape.

- AEB now funds more higher-level skills provision than prior to devolution and these increases have come in key employment sectors – digital, health and business and professional.
- There has been a significant increase in training that leads to jobs as a response to the priorities of the Board – working with JCP and Colleges West Midlands - there is now a full range of SWAPs on offer including new areas of provision responding to job vacancies – e.g. housing officers

- 6000 training places commissioned to support employment opportunities linked to the Commonwealth Games

Direction from the Board has shaped and driven the increased higher-level digital skills provision we now have across the region. With successful bootcamp provision available across a range of tech jobs we are responding to emerging and growth sectors.

Covid-19 recovery and renewal plans

Our Skills Advisory Board is a key part of the governance infrastructure shaping our COVID-19 recovery and renewal planning. While the WMCA Board is the overarching strategic board for economic matters in the region, the Skills Advisory Board is an integral part of our strategic thinking about future priorities, including those related to COVID-19. As such, at our most recent meeting the Board considered the current, long standing and emerging challenges and opportunities referenced in our look ahead in chapter eight.

Skills action plan

This section outlines some of the key elements of our skills action plan that been fulfilled and some of the key areas for development in 2022 and beyond.

Skills Theme	Successes	Areas for development
Young People	<ul style="list-style-type: none"> We have developed an online platform – a ‘one stop shop’ – for young people to access information and advice about the full range of options available to them across the region (i.e., the WMCA’s Youth Offer). We have worked with colleges and local authorities to establish new partnerships and ways of working to reduce NEET through prevention. By early identification of those at risk and shared tracking the partnerships have been able to reduce the numbers that become NEET mid-year, the partnership working is ripe for expansion and fuller roll out. 	<ul style="list-style-type: none"> We are keen to ensure that young people that would benefit from work placements (i.e., those that would have qualified for kickstart) are able to placement or any other support that will benefit them. Our careers’ related activities in 2022 and beyond are key in helping us to achieve this objective.
Specialist, technical education	<ul style="list-style-type: none"> We have developed further vocational pathways for specific sectors, including Construction Gateway provision, the Health & Care Plan and bootcamps for digital and creative sectors to ensure clear pathways for progression into jobs are being delivered by our providers to meet local skills needs. We allocated £21m from the AEB to support the new bootcamps over the next three years, with a target of supporting over 4,000 people. These new bootcamps will run from November 2021 to October 2024 and will be delivered by 10 providers. 	<ul style="list-style-type: none"> For this priority area one of our key areas of development is to continue to commission and develop provision with partners that meets gaps in the Employment Support Framework.
Apprenticeships	<p>We are on track to secure £40m in levy transfer donations by end of the 2023 financial year.</p>	<ul style="list-style-type: none"> Supporting the recovery in uptake of apprenticeships which have stalled due to COVID-19.
Inclusive Growth (employment support)	<ul style="list-style-type: none"> Continuous delivery of the Connecting Communities Project, our flagship inclusive growth programme that demonstrates ‘place-based’ innovation through a ‘saturation model’ of employment support for those furthest from the labour market. Joint partnership working with JCP to achieve 10,000 kickstart places. 	<ul style="list-style-type: none"> Continue to develop and seek adoption of the Employment support framework across regional partners.

Table 8: Skills Advisory Board Action Plan

Chapter 7: Case studies/ positive impact stories

This chapter includes more detail about skills-related successes in the West Midlands. In this year's report we have included examples of how large employers and learners have benefitted from our provision and how training providers are enabling this success through their delivery. These case studies demonstrate how the priorities outlined in chapter four are being met through service delivery.

Case Study 1: Large Employer

This case study shows how global technology giant UST were able to recruit local people to fill up to 40 roles because of their engagement with the WMCA's digital

bootcamp programme. It illustrates our wider work with key regional employers, to understand their skills needs and develop bespoke training programmes to meet these needs. It also demonstrates how the region is investing in its workforce to develop the specialist skills needed for digital roles and connecting them to recruiting employers. It is a good example of how tailored provision can help support those groups who have been disproportionately impacted by the pandemic – such as parents of young children – and have struggled to access and progress in the labour market because of childcare responsibilities.

In late 2020, the technology firm UST, were struggling to recruit for digital roles and approached WMCA for assistance. The team introduced UST to Tech Talent, one of the WMCA's digital bootcamp providers who designed and delivered a bespoke bootcamp to meet UST's requirements. The first bootcamp learners have just graduated and are now going through the interview stage to fill 40 vacancies. Building on this success, UST are now looking to develop further bootcamps.

Mayor of the West Midlands, Andy Street, said "We know that training in the skills of the future that employers need is a crucial way to help people get back into work quickly as the region recovers from the economic impact of the pandemic. That's why we have partnered with UST to enable local people to start new, exciting jobs in the tech sector, with everyone who completes the bootcamps also gaining valuable skills to help their current and future careers."

Praveen Prabhakaran, Chief Delivery Officer, UST, added "Our partnership with the WMCA will develop the talent for a wide variety of digital programmes and represents a commitment to the region. UST has successfully transformed the lives of under-represented communities across different geographies with our 'Step IT Up' program. Our work with WMCA and Tech Talent Academy paves the way to expand on this initiative across the UK. The

local talent we are recruiting bring with them a range of expertise in the data, low code, and RegTech space - and will ultimately enhance our offering to customers."

Janice Rae, founder of TechTalent Academy, said "As an organisation we give the opportunity to help people upskill and find a fulfilling, new career in the tech sector. Many people we work with may not have considered or been able to get into tech previously and we actively encourage applicants from under-represented and minority communities. We have trained more than 500 students this year already, the majority of whom are representative of these groups. We have strong relationships with employers, with the focus on our students working in the sector once they've got their accreditation. This clear route into employment provided by UST is a really exciting opportunity for our students."

Former primary school teacher Rebecca Uddin, from Birmingham, took a career break after having two children and has just started as a junior data scientist with UST after completing TechTalent's part-time Women in Data Academy, funded by the WMCA. She said "Training online enabled me to work flexibly while being a stay-at-home mum. The trainer was always approachable and helpful, and there was lots of hands-on learning and support ranging from one-to-one sessions to extra sessions focusing on helping me to understand difficult concepts."

Case Study 2: Learners

This case study shows how five Coventry residents with learning disabilities have successfully been recruited to paid employment in CV Life, following a new partnership training programme, and demonstrates the real-life impact of our inclusive growth aspirations. Stakeholders in the region recognise the impact that the pandemic has had on young people and are working together to ensure they have access

to high quality training that will support them to enter and progress in the labour market. The case study focuses on one of our successful SWAP programmes, designed and delivered to support local residents to access some of the many vacancies available across the region. It illustrates the importance of flexibility, work experience and wrap around support in enabling those with additional needs to successfully find employment.

Luke, Jrah, Gordan, Jackie and Ibrahim were all offered jobs after taking part in Coventry Adult Education Service's successful Sector Work Academy Programme (SWAP) with CV Life – a scheme for learners with learning disabilities, with shared work between Coventry City Council's Employment and Skills Service, Adult Social Care, CV Life and the charity Grapevine.

Learners were referred through Coventry Job Shop's Connect 2 programme, a European Social Fund (ESF) programme designed to support Job Shop customers with additional needs and barriers. Grapevine also referred one customer through their Help and Connect programme. The course was 6 weeks long with 2 days a week spent on work placement with CV Life and 2 days spent doing classroom learning in an onsite classroom provided by CV Life at The Wave.

Andy Street, the Mayor of the West Midlands, said: "We know these past 18 months have been an incredibly tough time for jobseekers, and that's why work placements and other learning opportunities such as SWAPs are so vital to help people across the West Midlands into work."

Jackie Cruise, one of the successful course participants said: "When I first started the course, I was extremely nervous and was really unsure if I was going to get a job at the end of the 6 weeks.

"After the help from the Job Coaches, CV life mentors and tutors, I felt much more comfortable and started to really enjoy myself. I have now been offered a paid opportunity and I am so happy. The experience has been brilliant, and I would recommend this to anyone!"

The learners have achieved a Level 1 Award in Health and Safety Awareness, as well as developing their customer service and communication skills and increasing their knowledge in safeguarding and equality and diversity. The learners have been supported in the classroom by their tutor and a learning support assistant from Coventry Adult Education Service.

The work placements have been hosted across CV Life venues including The Wave, The Herbert Art Gallery, Coventry Transport Museum and The Alan Higgs Centre. The roles have been in Front of House (first point of contact for visitors), Maintenance, Retail, Cleaning and as a Spa Attendant. CV Life Managers who have been trained to act as placement 'Mentors', have provided excellent support to learners to succeed in their placements. In addition, Job Coaches from the Coventry Job Shop and Grapevine provided initial support which was phased out as the learners became more confident in their roles.

The course has been highly successful, with the learners demonstrating their ability in the placements – supported by their classroom learning, commitment from CV Life and Job Coaching. Rather than putting the learners through a formal application and interview process, CV Life took the decision to treat the work placements as ‘working interviews’ with informal interviews at the end of the placements. This has resulted in 5 of the 6 learners who started the course gaining paid work with CV Life.

Cllr Kindy Sandhu, cabinet member for education and skills, said: “The work placements for these young people have been a great success, and the support of job coaches and the various learning opportunities has been an important addition to the project. It has been an excellent example of partnership working for the benefit of young people. Each person has gained new skills, a qualification

and great experience and I’m delighted that Luke, Jrah, Gordan, Jackie and Ibrahim have all secured paid jobs at CV Life. I know all 5 are really excited to be starting their roles and will continue to receive excellent support from CV Life with any extra support required being provided by the Coventry Job Shop and Grapevine.”

Paul Breed, CV Life CEO said: “CV Life has been delighted to partner with Coventry City Council and other agencies to pilot the SWAP programme. Having the learners fully integrated within the business of the company has been hugely beneficial to both the learners and the teams from CV Life. It is absolutely fabulous that we have been able to offer five of the learners permanent employment opportunities and the incredible success of this pilot means that CV Life looks forward to offering future opportunities and programmes.”

Case study 3: Training Provider

Embark Learning Care Academy gives the opportunity for jobseekers to start a rewarding career in health and social care with our sector-based work academy programme (SWAP), My Care Portfolio. Working in partnership with West Midlands Combined Authority and local employers, the Academy offers a 3-week full-time accredited pre-employability programme,

free of charge. This case study provides an example of how skills programmes across the region are being designed to support those furthest away from the labour market to access employment in growth sectors. It also illustrates our efforts to raise the qualification levels of the workforce and align our qualification offer to regional skills priorities.

The Academy are working in partnership with local health and social care employer Fairway for 'Project 1000', which will see over 80 professionals per month being recruited, trained and developed to boost the health and social care sector with new skills, best practice and a fresh caring attitude. At the end of the programme, learners have a guaranteed interview with Fairway, which can lead to a permanent role upon satisfactory completion of the course.

Diane had never worked in the health and social care sector and started the My Care Portfolio programme in October 2020. She was nervous at first as she didn't have an academic background and lacked confidence. She felt deflated as she had applied for external roles and didn't get any responses.

When she applied for the My Care Portfolio training programme, she was really happy when she was given the opportunity to enrol. Not only did she get two accredited qualifications, but she also gained employment with Fairway and as of September 2021 she has achieved a permanent contract with a local college, assisting young adults with various disabilities. She has achieved this through hard work and picking up various experiences and knowledge across a range of social care settings.

Diane recently received some excellent feedback from the local client, who she worked regularly for, "We worked with Diane

recently, she was supporting a very complex and challenging young man. Can honestly say she will be an asset to any team. She's caring, compassionate and motivated."

Diane commented "I completed the My Care Portfolio course back in October 2020 and it was the best thing I did. I have now been working for Fairway for ten months and I love every minute, staff are always there if you need anything. I'm about to start a new role through Fairway, which I'm really looking forward to as this is something new for me. I would say if you get the chance to do the My Care Portfolio course then do it, they showed me age doesn't matter!"

Safwan Hanash, Business Development Manager at Embark Learning Care Academy commented, "We are all about giving people opportunities to work in the care sector. You do not need any experience to enrol onto our My Care Portfolio SWAP programme, you just need some passion and a willingness to help and care for people, and we do the rest! Our excellent team of Trainers develop the candidate's skills and knowledge to an industry professional standard ensuring they are ready to Embark on a journey in an exciting career within care. As well as the two accredited qualifications, they get a guaranteed job interview and if successful, they can be working in a variety of settings such as Support, Residential, Nursing, Homecare etc. Diane has been a prime example of what you can achieve coming onto the care programme. Her journey has been remarkable."

Chapter 8: Looking forward

The West Midlands has enormous economic potential, and the success of the region is critical to the success of the UK more widely. Prior to the pandemic, the region’s economy was experiencing unprecedented growth exceeding the rest of the UK, with rising productivity, jobs and employment. Large infrastructure projects such as HS2 and extension of our tram lines were poised to support that growth, however the pandemic stalled our progress.

As our economy re-opens and recovers, we are now working to ensure a return to growth is one that is truly inclusive and is shaped by

our aspirations to deliver on the Government’s levelling up vision across the region. We are confident that we have the people, infrastructure and businesses needed for recovery, and our focus is now on ensuring that we optimise them to make our region a better and more prosperous place to live.

Devolution is key to achieving this – and has already begun to deliver for our residents. To date, we have secured nearly £0.5bn worth of adult skills investment for the West Midlands, using this to better shape employment and skills programmes that meet the specific and unique challenges of the region.

Pre-devolution	Post-devolution
<p>Hundreds of colleges and providers delivering £126m of Adult Education Budget to West Midlands residents.</p> <p>15% of delivery from out-of-area providers sub-contracting in region.</p> <p>Limited collaboration between colleges and providers. Patchy links between JCP, employers, and colleges/providers.</p>	<ul style="list-style-type: none"> • Providers base predominantly local specialist providers, adding value in key areas e.g. level 3 digital skills, LGV/HGV training, construction and manufacturing specialisms, support for over 50s returning to the labour market. • Strong regional collaboration linked to needs of local areas and sectors, including through shared curriculum offer (e.g. Health & Social Care, Construction, Digital) and signposting of provision to learners. • Co-location of support and services to unemployed young people e.g. Youth Hubs, Youth Platform, and to businesses.
<p>Superficial links between economic/ employer needs and provision.</p> <p>Provision determined by national regulation with a focus on spending the (annual) allocation:</p> <ul style="list-style-type: none"> • Two-thirds of provision low-level and generic with little success of getting people into jobs. • Generic ESOL provision • Limited offer to low skilled, low-paid adults – with little progression from Level 2 • Less than 1% of provision focused on Level 3, despite regional skills needs. • Limited provision of digital skills to meet labour market needs 	<ul style="list-style-type: none"> • Regional system leadership, with skills and training strategically aligned to regional economic need – focus on more people into jobs, more higher-level skills, more responsive to employer needs: • 20% increase in provision supporting residents into jobs through training. • Increased vocational ESOL provision • Level 2 provision maintained, with greater sector mix and direct route into jobs. • Seven-fold increase in Level 3 provision • 33% increase in provision aligned to regional priority sectors in construction, manufacturing, digital and business and professional services. • New providers brought in to deliver economically critical digital skills • Strong job and progression in work outcomes from bootcamp provision.

Pre-devolution	Post-devolution
<p>Lack of innovation across regional FE system resulting in limited new provision to meet local sectoral needs.</p>	<ul style="list-style-type: none"> • New eligibility criteria with more support for people in low-paid, low-skilled work e.g. Access to HE for ambulance contact centre staff to progress to paramedics; level 4 care management for BME workers, construction management for women; • New approach to funding rates e.g. funding ‘key’ employability criteria (CSCS cards, security licences, HGV licences); piloting job outcome payments. • New provision linked to current and emerging labour market demand e.g. retrofit, EV maintenance; vocationally targeted ESOL provision e.g. bi-lingual care workers, ESOL for construction. • Responsive provision to labour market needs e.g. HGV driver training piloted early in 2021 as response to emerging sector pressures; regional hospitality response; regional health and care training plan. • Dedicated provision to engage under-represented groups in training e.g. digital bootcamps have delivered 50% BME and 50% female participation through new providers and programmes. • Cross college provision targeting training for unemployed linked to roles in SMEs

Table 9: What has devolution delivered for the West Midlands

Skills devolution has already strengthened partnership working in the region, opened up new opportunities and enabled us to test innovative solutions to long-standing problems. Now, more than ever, we need an agile and responsive skills system that equips residents with the skills to find, and progress at, work, and supports employers to secure long-term economic success.

We believe that further skills devolution will enable us to deliver even better outcomes for West Midlands residents, and have proposed that this should involve:

- the creation of a Single Skills Funding Pot to enable a joined-up skills training offer. that can boost productivity, underpin economic growth and support Levelling Up.

- greater responsibility for technical and vocational training in the region, to create a clear and integrated offer for employers and learners that will drive up higher-level skills.
- devolution of careers to ensure we target and support those young people and adults who are most vulnerable to labour market change.

We recognise greater devolution should come with greater accountability – with the agreement of clear and transparent deliverables that the West Midlands Mayor and Mayoral Combined Authority would be held publicly and politically to account for. These would reflect a shared ambition for both government and the West Midlands, an approach aligned around people and place; and clear accountability coupled with broad autonomy in delivery.

Partnership and collaboration

A successful skills system for the West Midlands also requires collaboration between a wide range of partners within the region – to understand the current and future skills needs of employers, to shape provision to meet these needs, and to support all residents to access and make the most of new opportunities.

How we work together will have direct impact on our success. To this end, we are keen that Advisory Board activities continue to be delivered across four areas of insight, development, recovery and delivery. For providers, employers and prospective employers this will mean finding ways to ensure that service and organisation level intelligence is continuously shaping our thinking and this in turn is relayed to Government to shape national priorities.

We will also ensure policy and programme development is responsive and inclusive to the needs of partners in the region. Our Skills Advisory Board meetings provide the space for this to happen at strategic level and we recently contributed to a governance review of West Midlands structures to ensure other structures allows this to happen.

Our recovery work will continue to be shaped by the Board, partners and the robust intelligence that we commission from our research institutions. And for delivery, our focus will be to continue to flex our provision to meet the needs of employers, for example through our investment in leadership and management provision. We will also work with FE, HE and training providers to ensure delivery is cohesive and meets current and future skills needs.



West Midlands
Combined Authority