
West Midlands Local Skills Report

April 2021



West Midlands
Combined Authority

Linked Resources

The following documents are referenced in this skills report:

- [Regional Skills Plan](#)
- [Strategic Economic Plan](#)
- [West Midlands Local Skills Report Annex A – Core Indicators and Additional Data](#)
- [West Midlands Local Skills Report – Evidence Base](#)
- [West Midlands Local Skills Report – Evidence Report - Supporting Appendices](#)
- [Recharge the West Midlands](#)
- [The West Midlands Skills Deal](#)
- [WM Local Industrial Strategy](#)
- [Productivity and Skills Commission](#)
- [WMCA Adult Education Budget](#)
- [Skills for Jobs: Lifelong Learning for Opportunity and Growth](#)
- [Working Futures 2017 – 2027](#)

Chapter 1: Foreword

Chair of the SAP

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, published in 2018, details how the West Midlands Combined Authority (WMCA), working with key partners, will prioritise the underpinning skills actions to deliver on 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.

Our region has many significant 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 onset of the pandemic, the region's economy was experiencing unprecedented growth with rising productivity, jobs and employment – at levels that exceeded the rest of the UK.

It goes without saying, that Covid-19 has presented a huge challenge to the education and skills system. The closure of schools, colleges, and universities during the lockdown has greatly impacted on young people's educational prospects and reinforced inequalities. Unemployment has risen steeply, impacting young people disproportionately and leaving them at risk of long-term scarring effects on their mental health and future prospects. Measures brought in to drive down infections have hit international trade, damaging growth prospects for many key regional sectors including automotive.

So like never before, we need an agile and responsive skills system that can deliver the skill employers need now – and in the future – to secure long term economic success. And, importantly give residents the skills they need to secure good work and remain competitive in a new labour market.

This Local Skills Report has been developed in line with the DfE 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

Skills Advisory Panels

Skills Advisory Panels (SAPs) bring together employers, skills providers and key local stakeholders to better understand and resolve skills mismatches at a local level. There are 36 SAPs across England as part of Mayoral Combined Authorities and Local Enterprise Partnerships.

The Department for Education (DfE) supports SAPs with grant funding primarily to produce high quality analysis of local labour markets and Local Skills Reports. The Reports set out the local strengths and skills needs and how the SAP proposes its area addresses its key priorities. The Reports aim to influence local partners and feed intelligence to central government, including the national-level Skills and Productivity Board (SPB).

In January 2021, DfE published its White Paper “[Skills for Jobs: Lifelong Learning for Opportunity and Growth](#)”, which set out a number of reforms aimed at putting employers more firmly at the heart of the skills system. The White Paper outlined plans to test in 2021-22, in a small number of areas, “Local Skills Improvement Plans” created by business representative organisations.

The White Paper committed to build on the work of SAPs to date. SAPs and their Local Skills Reports will continue as the DfE trailblazes “Local Skill Improvement Plans” and until any potential changes are made to a SAP’s remit and responsibilities.

The West Midlands Skills Advisory Panel

The WMCA Skills Advisory Board fulfils the role of the West Midlands SAP. This Board pre-dates the SAP, having been established as part of our formal governance arrangements within the WMCA. 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 WMCA Skills Advisory Board plays a key role in the oversight and management of the development and delivery of the Productivity and Skills Directorate plan and projects, ensuring that they are contributing

to the delivery of the wider WMCA Strategic Objectives. The Board provides the necessary advisory and system leadership role to deliver an effective employment and skills ecosystem for the region. Specific functions include:

- providing a strategic steer and direction to ensure the development and delivery of the [Regional Skills Plan \(RSP\)](#), offering oversight, guidance and constructive challenge
- providing oversight and ongoing monitoring of the Directorate’s project pipeline
- identifying and monitoring risks that could affect the delivery of the RSP and wider skills programmes
- advising on major policy change within the Portfolio
- developing 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 providing a forum for strategic conversations between business, local authorities, stakeholders and the WMCA.

Membership of the Skills Advisory Board aims to be representative, inclusive and focused at a senior executive level. Representatives from the region’s Local Authorities and Local Enterprise Partnerships are brought together alongside Chairs of our Sector Taskforces as well as a range of key stakeholders, such as FE and HE representatives and trade union officials. Government officials from the DWP, DfE and ESFA are also invited to attend Board meetings, in an observer capacity. The Skills Advisory Board is chaired by the Portfolio holder for Productivity and Skills, and meetings occur twice per year.

In terms of governance and accountability, the Skills Board reports to the WMCA Board and meetings are serviced by the WMCA’s Governance Services team. The WMCA requires all members of the Skills Board to demonstrate high levels of transparency in their capacity as members of the Board, including declaring any personal interests they may have in items being considered and any conflicts of interest between their

Board membership and the roles they undertake on behalf of the organisation they represent on the Board.

Taking a local leadership role

Given that our SAP is embodied by our Skills Advisory Board, which not only pre-dates the establishment of SAPs but also benefits from the formal governance arrangements that sit behind it as part of the WMCA, the move to ‘take up’ a leadership role is differently framed in this region. Leadership here has, effectively, been earned in advance and has been formally enhanced through the Government’s devolution of the Adult Education Budget (AEB) (proportionate to the region).

The leadership approach is one of continual collaboration. On top of our core relationships with local authorities, Chambers of Commerce and the three LEPs that make up the West Midlands region, taking a collaborative approach to local skills leadership has involved working with a range of representative bodies such as Colleges West Midlands (detailed further below), West Midlands Combined Universities, which is a partnership of the three city universities in the region¹, and the West Midlands Provider Network, bringing together Independent Training Providers (ITPs) operating across the region. There is, evidently, a significant ripple effect.

Spurred by the development of the WMCA, the Further Education (FE) sector in the region formed Colleges West Midlands (formerly the Further Education Skills and Productivity Group – FESPG). This is a formal strategic partnership of the colleges within the WMCA area. Through a collaborative approach, Colleges West Midlands aims to speak with a single voice in response to new initiatives and government reforms, to support skills development and drive up the skills base across the WMCA area and, ultimately, to contribute to increased economic prosperity, social cohesion and inward investment.

From the WMCA’s perspective, this collaborative approach has achieved the desired effect and undoubtedly enables simpler and quicker processes, such as in-year development of new training through the AEB that meets emerging and immediate needs. Whilst individual relationships are still nurtured, this way of working contributes to our collective efforts of building an agile and responsive skills and employment ecosystem.

It is evident, also, that the establishment of Colleges West Midlands has engendered and developed relationships within the sector, which has contributed towards eroding the competition that has hampered the FE sector nationally. This could enable specialisms to emerge, which would further support strategic skills landscape planning, including the generation and distribution of FE capital funding with economies of scale and scope, and undoubtedly a multiplier effect for future impacts.

The WM SAP’s economic geography

Our Universities similarly have strong collaborative working arrangements through two representative groups making input and collaboration through the Skills Advisory Board more effective. Our Universities are world leading and pay a significant part in both the delivery of skills and also the local economy as large employers.

The West Midlands is centrally located at the heart of the country. It is predominantly an urban region comprising three major cities – Birmingham, Coventry and Wolverhampton – and several important towns, with surrounding countryside. We have a long and proud history of industry and manufacturing excellence, captured eponymously by the Black Country. Similarly, the ‘city of a thousand trades’ – Birmingham – famously has more canals than Venice, which have been the veins of the region’s extensive import and export trade. Towards the south, Coventry is synonymous with the car manufacturing industry to this day. These histories remain a significant part of the region’s current make-up, and also to the region’s more recent renaissance, which builds on the wealth of manufacturing history as a basis of modernisation and service sector additions.

Administratively, our geography is complex. The West Midlands is both a ‘NUTS 1’ official region² (or former UK Government Office for the Region – GOR – reference point) and a metropolitan county.

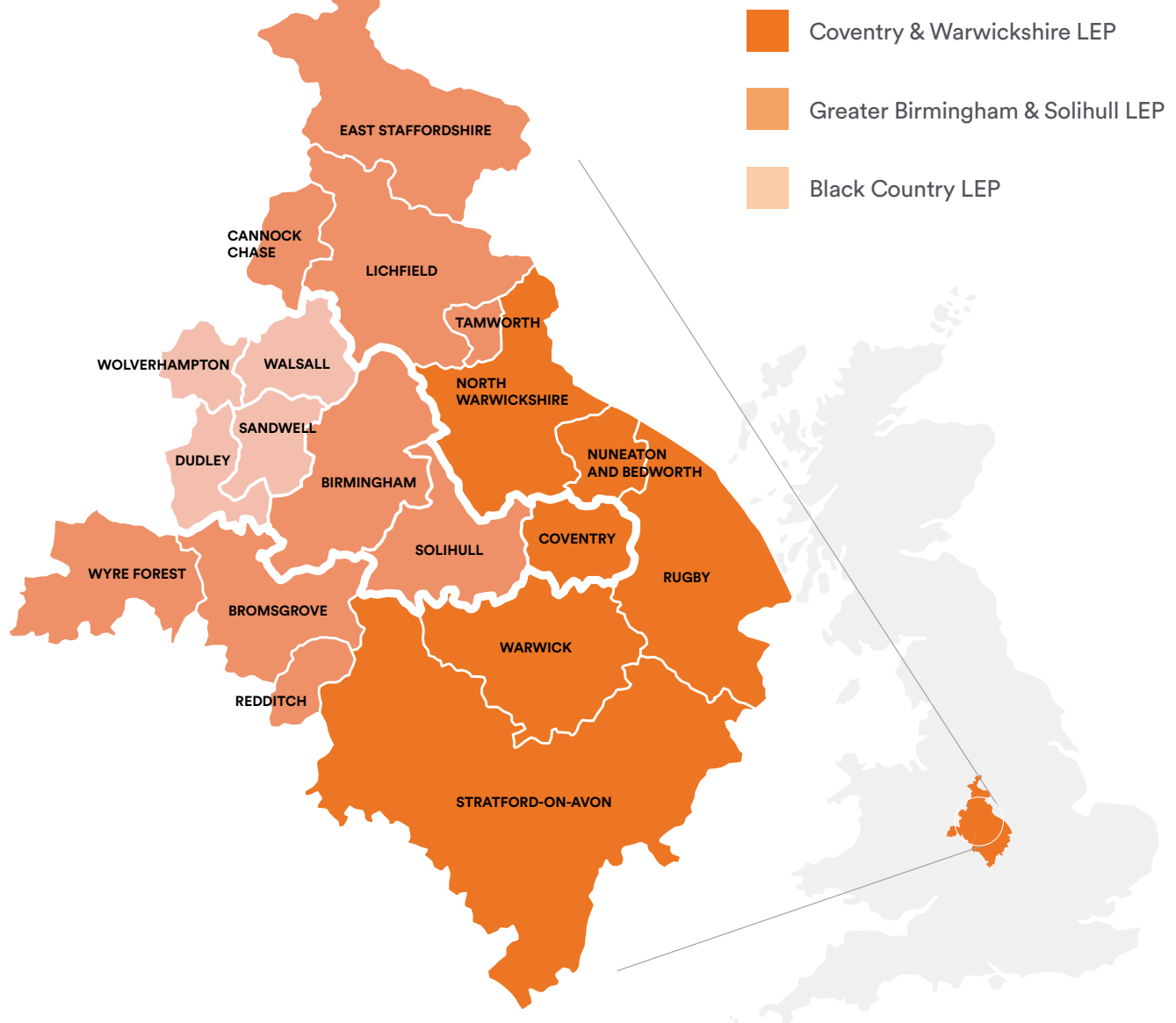
The latter is the basis of the West Midlands Combined Authority – the seven local authorities of Birmingham City Council, Coventry City Council, Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council, Solihull Metropolitan Borough Council, Walsall Council and the City of Wolverhampton Council are the constituent members of the WMCA.

¹ Birmingham City University, Coventry University & University of Wolverhampton

² Nomenclature of Territorial Units for Statistics, as determined by our former membership of the European Union.

There are also ten neighbouring local authorities that are non-constituent members with significant involvement, for example (limited) voting rights, and four further observer organisations³. Central to our SAP's complexity – and unique to the West Midlands – is our lack of co-terminosity with a single Local Enterprise Partnership and our span of three LEPs: the Black Country LEP (BCLEP), Coventry and Warwickshire LEP (CWLEP) and Greater Birmingham and Solihull LEP (GBSLEP).

West Midlands Combined Authority by Local Enterprise Partnership Area



³ 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.

Chapter 3:

Skills Strengths and Needs

Overview of the regional skills demography and geography

The West Midlands region is characterised by a particularly young⁴ and diverse population. Census data indicate that the WMCA's seven metropolitan areas have one of the highest proportions of under 16-year-old populations relative to other regions and one of the lowest proportions of over 65s. Birmingham, specifically, is regularly described as the youngest city in Europe, with under 25-year-olds accounting for nearly 40% of the population. The mean age across the WMCA metropolitan area is 37.4 years, 2 years younger than the mean age across England and Wales. Only the local authority areas of Dudley and Solihull are, in general, older, and the demographic picture across Walsall is mixed, with high proportions of population at both ends of the age spectrum⁵.

In terms of diversity, comparative Census data reveals that the WMCA metropolitan area has the largest non-White regional population⁶ outside London. The single largest group within this non-White ethnic mix is made up of those identifying as 'Asian or Asian British', and the two largest ethnic minority groups are Pakistani (at 7.3%) and Indian (at 6.8%). Overall, 69% of the population identify with a 'White British' ethnic background, compared to 80.5% across England and Wales. Birmingham is the most ethnically diverse local authority area, with 47% of the population being of minority ethnic backgrounds - the first minority majority city, followed by Wolverhampton, Sandwell and Coventry. And there are distinct concentrations of minority ethnic communities across the WMCA metropolitan area⁷.

These factors are pertinent to the skills system, and justify two particular action areas of our strategic approach to skills and employment support (and,

indeed, wider); one is a focus on young people – our future talent pipeline – and another is our focus on achieving inclusive growth – making sure all communities across the region participate in and benefit from our economic development. This latter point is not just about demography and specific cohorts, but about geography and concentrations of needs, as we have significant intra-regional disparities in terms of economic indicators⁸, which necessitate collaborative, localised place-based approaches, co-ordinated at the regional, strategic level.

As briefly set out above, the West Midlands covers three LEP areas. In the BCLEP area, whilst the late 20th century decline of heavy industry allowed resultant socio-economic problems to become fairly widespread and entrenched, recent efforts have significantly modernised the industrial base. The Black Country is now 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, is 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 predominantly based around the professional services industry.

Together, the WMCA area⁹ has a number of key assets to exploit for our central and explicit aim of achieving inclusive growth for the region; the UK Central Hub (growth corridor) built around HS2, the collective

⁴ See Annex A 1.8.

⁵ Census data here is taken from the WMCA's Covid-19 Equality Impact Assessment (internal documentation).

⁶ regional population refers to the residents of the WMCA area

⁷ Census data here is taken from the WMCA's Covid-19 Equality Impact Assessment (internal documentation).

⁸ See Annex A 1.7, 1.10 and commentary for A 2.11 in particular.

⁹ Unless otherwise stated (e.g. as with any references to the Adult Education Budget, which operates to the WMCA's seven metropolitan area), the WMCA area will henceforth related to the three LEP geography.

R&D strength of our global universities and specialist institutions (including six science and research parks) as well as a range of environmental and cultural assets are key drivers in the regional economy. And the area continues to attract new opportunities, particularly those aligned to the digital ‘golden thread’ that runs through our future-proofed growth. Warwickshire’s ‘Silicon Spa’ gaming industry attracted the support of the Department of International Trade under its High Potential Opportunity scheme in 2018, for example, as did Birmingham and Solihull’s Data Driven Healthcare and Technologies and Coventry and Warwickshire’s Connected and Autonomous Vehicle Modelling and Simulation bids in 2020.

Skills strengths

The geographical specificities above reveal a number of key strengths and priorities for the West Midlands. First and foremost, the long tradition of manufacturing in the region is being modernised and supported to continue to be a key ‘USP’ for the wider benefit of the region. It is a specialism with a significant multiplier effect, due to its long and sophisticated supply chains. The sector requires a degree of protection, for example due to uncertainties associated with exiting the EU and the impact of this on just-in-time supply chain management practices, and its employees also require support to adapt to modernisation in the form of increased automation and digitalisation, for example. Through the WMCA’s strategic steer of the AEB and related funding streams, we have prioritised this advanced manufacturing and engineering (AME) sector for continued skills development, maintaining a pipeline of talent that can upskill and reskill according to need and improving employment progression prospects (and also helping to embed a culture of lifelong learning, contributing to the ongoing development of an agile and responsive skills and employment ecosystem).

It is noteworthy that the specific skills development here is, in fact, frequently and easily attributable to the digital sector (rather than AME per se). Advanced digital skills, such as programming and computer-aided design and manufacturing, are the ‘golden thread’ that enables advances in sectors such as AME. From a data analytics perspective, this is difficult to evidence due to the rather dated or otherwise limiting nature of both Standard Industrial Classification (SIC) and Sector Subject Area (SSA) codes (amongst

others) but this issue here is moot; the pertinent point is that we are supporting the maintenance and development of a range of future-proofed technical specialisms through our prioritisation of digital skills. Data in [Annex A 3.4](#) highlight the importance of developing such specialist skills; data in [Annex A 2.3](#) and [2.4](#) capture the West Midlands’ relative strengths in the engineering and technology discipline (via apprenticeship achievements and HE qualifiers data); and data in [Annex A 2.7](#) demonstrate the value in prioritising specialist, higher-level skills.

Skills needs

The relative youth and diversity of our population (as briefly set out above) is – or could be – a key strength and a real asset to the region. Currently, we have a stubborn challenge around youth unemployment, exacerbated by the impact of Covid-19. This is partly attributable to issues at earlier stages in the skills system. At Key Stage 5, far more pupils are leaving education and becoming ‘NEET’ (i.e. categorised as ‘not in education, employment or training’) or with this destination data unknown, than on average across England (14.1% cf. 7.9%, according to the last year of data – 2018/19) and these figures are increasing. Earlier still, we have a worse than England average rate of pupils achieving good grades at GCSE level and worse than England average of rate of children achieving a good level of development in Reception, ready for school.

More broadly, we have significant skills gaps across the wider regional (NUTS1) population. Compared to the UK average, the West Midlands has a larger proportion of the working age population with no qualification. Whilst the long-term trend has been positive – the proportion has been decreasing – official projection figures (i.e. the DfE’s [Working Futures 2017-2027](#)) suggest the West Midlands will be the slowest region to close its ‘no qualifications’ gap.

The region also has significant skills gaps at higher levels – just approximately a third of the regional population hold qualifications at level four and above (approximately degree level), and the region is circa 10 percentage point behind the whole-UK figure at both levels three and four¹⁰.

This higher-level skills gap is particularly significant in light of employment demand trends; Working Futures estimates that (55.2%) of all jobs will require L4+ skills by 2027.

¹⁰ See [Annex A 2.1](#), although note that the standard SAP analysis compares the West Midlands with all-England data, whereas this commentary highlights the starker difference of the wider NUTS1 region against the whole UK.

A logical follow-on to closing the qualifications gap is closing the related employment gap. As data in [Annex A 1.5](#) display, the employment rate across the West Midlands has consistently tracked below the national average for years. Moreover, West Midlands residents tend to be employed in lower-level occupations compared to the national average, which also means these residents are more exposed to Covid-19 risk as these roles tend to be less straightforward to convert to home-working (see [Annex A 1.2](#)). Improving the skills profile of residents will necessarily reduce this gap, especially if the component parts of the system (i.e. skills providers and hiring businesses) can learn to work as a cohesive whole.

To this end, the role of local intelligence is critical. Published data sources plotting employment demand can suffer a time lag that renders it useless, while local collaboration has the added benefit of securing mutual training and employment commitments as well as providing tailored and timely responsiveness to intelligence. As set out in [Annex A section 3](#), skills aligned to our priority sectors¹¹ are in greater demand than in the sectors set out by Working Futures 2017-2027.

Emerging skills needs

Covid-19 has also accelerated existing but relatively background trends in the labour market, with both positive and negative impacts. Net positively, there is a strong recovery narrative around 'green jobs'; whilst this shift will come with some job losses (related to carbon intensive industries), there is an opportunity to tailor skills provision to 'sector switches' and related reskilling and upskilling to support in-work progression and future-proof our workforce.

There is some provision for this already available in the region through time-limited funding – such as 'retrofit' skills – and we will work to both mirror and mainstream successful provision through AEB. More worryingly, the overnight digital transformation of work for some has forced a related recognition of the growing impact of automation. This is a significant threat to the manufacturing sector, which is critical to the region, and impacts are concentrated on certain cohorts (e.g. 50+ year-old men, an age group that has experienced significant job losses, nationally, due to Covid-19).

Summary – skills needs building on skills strengths

Types of skills

- Specialist skills
- Technical skills
- Adaptive / transferable skills
- Digital skills – from basic to advanced
- 'Fusion' skills – integrating digital skills across specific sector-based skills and knowledge

Sectors

- Advanced manufacturing
- Automotive
- Business, Professional and Financial Services
- Construction
- Digital
- Engineering
- Health care and health sciences

Levels

- Higher-level (Level 3+) as a priority
- Maintenance of a pipeline in order to progress to higher levels
- Closure of the 'no qualifications' gap

¹¹ [Priority sectors detailed in evidence base document](#)

Chapter 4: Skills Strategy

Evolution of a dedicated skills strategy

Upon establishment of the WMCA, a comprehensive Strategic Economic Plan was drawn up to set out the vision, objectives, strategy and actions to improve the quality of life for everyone who lives and works in the West Midlands. Whilst skills, employment and productivity cut across all aspects of the SEP, this specific agenda was also drawn out separately as one of eight key priority actions – ‘skills for growth and employment for all: ensuring the skills needs of businesses are met and everybody can benefit from economic growth’. Background information and our full Strategic Economic Plan can be found [here](#).

This ambition coupled with the publication of the (national) Industrial Strategy White Paper (in November 2017) led to the establishment of the Productivity and Skills Commission, which was created to ‘deep dive’ into the specifics of the region’s productivity challenges. The work undertaken by the Commission played a critical role in establishing the evidence base for our Regional Skills Plan and for setting out a new way of working, with employers and skills providers jointly developing new solutions to address skills challenges. It engaged with over 120 businesses in various sectors, representing a range of employers from corporates to SMEs, and worked closely with leading economists, educationalists and policy makers from across the region. This work included the development of a paper specifically on skills as linked to one of the Industrial Strategy’s ‘five foundations of productivity’ (i.e. ‘people’) by leading local expert, Professor Anne Green.

The Commission’s final skills recommendations included the establishment of sector partnerships and a sector-based approach to improving productivity and skills, building on those prototyped by the Commission, and supporting the development and delivery of both academic and technical pathways through formal education and into employment. Full documentation relating to the Productivity and Skills Commission, including Professor Green’s paper, can be found [here](#).

Complementing these burgeoning efforts to strategize around an approach to skills development in the West Midlands, the WMCA simultaneously secured tangible levers and funding packages to pursue commitments through ‘devolution deals’ and a specific

skills agreement with national government. The ‘Skills Deal’, signed in July 2018, unlocked circa £69m to boost digital and technical skills, job opportunities and productivity across the region, helping to support more young people and adults into work as well as upskilling and retraining local people of all ages. This was further complemented by the development of two Institutes of Technology for the region and renewed focus on our Employment Support Framework, as set out in the West Midlands Local Industrial Strategy. The Skills Deal can be found [here](#) and our WM Local Industrial Strategy, including background information, [here](#).

Regional Skills Plan

We launched our dedicated, focused Regional Skills Plan (RSP) in the summer of 2018, setting out a clear roadmap for equipping local people with the skills they need to support ongoing economic growth across the region. The RSP is due for a review and refresh in late 2021 / early 2022.

The RSP addresses a number of critical, persistent labour market dysfunctions in the region, namely:

- A low employment rate and high levels of unemployment in some parts of the region
- Growing issues of poverty for those in employment, driven by low wage levels
- Low skill levels in the population, with fewer people qualified to Level 4 and above and more people with no qualifications, compared to other areas
- Persistent skills shortages faced by employers. Around 1 in 4 vacancies in the region are classed as ‘hard to fill’, particularly in roles that require advanced and/or higher skills
- Uneven development and attainment by young people through early years, primary, secondary and tertiary education and training

It is focused on actions that strengthen the regional response to labour market challenges and opportunities by enabling:

- More people to move into employment
- More people to move into higher skilled jobs

- More skilled employees available to support business growth and productivity
- All communities to benefit from the region's economic growth
- An agile and responsive skills system that is more aligned to the needs of business and individuals

The RSP centres around five key actions:

1. Prepare our young people for future life and work
2. Create regional networks of specialist, technical education and training to drive up skills and productivity and underpin economic growth
3. Accelerate the take-up of good quality Apprenticeships across the region – double the number of Apprenticeships by 2030
4. Deliver inclusive growth by giving more people the skills to get and sustain good jobs and careers
5. Strengthen collaboration between partners to support achieving more collectively

It also sets out our sectoral priorities – advanced manufacturing, building technologies, digital and business and professional services where we want to dramatically increase the number of skilled people and the level of their skills. Whilst we recognise the role of all sectors in our regional economy these are transformative sectors that have the potential to drive inclusive growth more significantly and at a greater pace than others.

Adult Education Budget

We gained devolved responsibility over the Adult Education Budget (AEB) across the West Midlands' seven metropolitan areas from the academic year 2019/20.

From the outset of commissioning this circa £130 million budget, we made the decision not to take a 'year zero' approach, recognising that there was much excellent activity that we wanted to continue. Where we believed that different things needed to be achieved, we sought to secure the changes we needed without disrupting or destabilizing our learning infrastructure. To this end, we operated two concurrent approaches to commissioning activity – plan-led commissioning through the agreement of Delivery Plans with colleges and adult and community providers, and procurement tendered against specified priorities for independent training providers.

In year one (academic year 2019/20), we asked providers to respond to the following strategic priorities:

- Targeting low-skilled and low-paid adults in the workforce, or looking to enter employment, to secure skills at Level 3 and above to enable them to progress in employment with a particular focus on progression in priority sectors
- Deliver greater volumes of digital provision – the digital entitlement including basic digital skills for people to operate in a digital world; general level digital skills at level 2 and a significant increase at advanced level digital qualification at level 3 and 4
- Increase the volumes of qualifications at all levels in priority sectors – construction and building technologies, automotive/advanced manufacturing, business and professional services and digital
- More flexible models of learning delivery that supports adults in work to upskill
- Deliver adult community learning provision to engage communities and support priorities relating to skills, cohesion and integration, health and mental health
- Targeting of people in our priority communities, working with Local Authorities and other key local stakeholders, to maximise impact and increase qualification levels and ultimately employment in those areas that have remained persistently difficult to change
- Improve progression between Levels and into employment - ensure there is support and progression routes in place to move people from basic skills through to Level 2 and into employment
- Delivery of vacancy-led skills support programmes that deliver entry to employment for those out of work

In year two (academic year 2020/21), we built on this with the following strategic priorities through the AEB:

- An increase in the amount of Level 3 provision offered in priority sectors to 3,600 from a baseline of 1,500
- An increase in provision leading to actual employment with new sector-based work academies offering pre-employment training linked to employer vacancies to at least 4,500 adults

- Stronger local partnerships, engaging all providers delivering in an area, with a clear and shared commitment to local goals
- Promotion of our offer to residents through online campaigns and community outreach wherever safe and practical
- Testing Level 4 and 5 provision to improve higher level skills across the West Midlands, this year's enrolments have shown that only 6% of those engaging had a qualification above Level 4. The testing of higher level provision is being done through applying flexibilities to our Adult Education Budget with courses being run by a number of providers including Level 4 in Care, Level 4 AAT Diploma in Accounting, Advanced Customer Service and Creative Industries. Level 5 courses are also being run for Chartered Management Institute qualifications and NVQ Diplomas in Construction Management.
- Training and learning related to the Birmingham 2022 Commonwealth Games and Coventry UK City of Culture 2021, leading to sustainable further learning or employment for residents

Further information about the AEB, including funding rules and our performance management framework, can be found [here](#).

Apprenticeships

Turning specifically to apprenticeships, this is another area of investment in a developing strength, which is particularly important against our regional skills demography given the role of apprenticeships as a key route out of disadvantage backgrounds. Data in [Annex A 2.8](#) clearly demonstrate the value of apprenticeships, which have an approximate 90% successful job conversion rate as well as, in the West Midlands, an evident route into further study, too. Internal analysis reveals that the WMCA (3LEP) area has seen the greatest number of apprenticeships starts of all Mayoral Combined Authority areas, outside London, for the last three years since the introduction of the Apprenticeship Levy.

This is supported by a national leading scheme in the West Midlands – the [WM Apprenticeship Levy Transfer Fund](#), which enables large levy-paying employers to donate their unspent levy funds to small to medium-sized enterprises (SMEs) within the region.

Across the whole country, apprenticeships trends are, unfortunately, moving in the wrong direction, particularly for those from a disadvantaged background. However, the Social Mobility Commission recently reported the West Midlands as one of the top three regions (indeed, joint second) for apprenticeship starters from disadvantaged backgrounds¹². We have seen a significant decline in the number of starts for young people since the pandemic and this is yet to reverse despite the incentives offered by government. It is also evident that the removal of many options at level 2 has further narrowed the profile of those being taken on as apprentices constraining the diversity further.

¹² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/894303/Apprenticeships_and_social_mobility_report.pdf

Skills priority category	Priorities and supporting rationale
<p>Cross-cutting skills priorities</p>	<p>Digital <u>Digital skills</u> are seen as the ‘golden thread’ that runs through the region’s economic development.</p> <p>Specialist / technical <u>Higher-level skills</u>, particularly specialist and technical skills are seen as the key to unlocking inclusive growth and this is corroborated by data in <u>Annex A 2.1 and 2.7</u>.</p> <p>Apprenticeships <u>Apprenticeships</u> are seen as a key route out of disadvantaged backgrounds and the West Midlands’ Levy Transfer Fund – enables both apprentices and SMEs in the region to be supported.</p>
<p>Covid-19 recovery and renewal skills priorities</p>	<p>Young people <u>Young people</u> have been a long-standing priority in the West Midlands due to our particular demographic make-up. Socio-economic commentary and early data reveal the disproportionate impact of Covid-19 on young people, and so this priority is being underlined.</p> <p>Redundancy prevention / mitigation <u>Record numbers of redundancies</u> are expected following the withdrawal of the Government’s ‘furlough’ intervention, which will prove a real test of the rapid responsiveness of the regional skills system.</p> <p>Future-proofing <u>Beyond emergency recovery</u>, 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>
<p>Sector priorities</p>	<p>Automotive & Advanced Manufacturing Building on existing traditions in the region, the automotive and advance manufacturing sector is a key area for protection and modernisation.</p> <p>Business and Professional Services With the economic ‘renaissance’ of, in particular, Birmingham city centre, linked to developments such as HS2, the BPS sector is now a key growth priority, promising higher-level and higher-salaried employment.</p> <p>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.</p>

Chapter 5: Skills Action Plan

Regional Skills Plan actions

The current [Regional Skills Plan](#) detailed the key actions of focus to move towards our broad aims set out above, summarised as follows:

1) Prepare our young people for future life and work

- Create a West Midlands Career Learning Hub to support, develop and co-ordinate an all age careers offer
- Improve the focus and impact of careers education and advice to young people
- Inspire more young people and encourage them to access new regional opportunities, including those created through Coventry's City of Culture and Birmingham's hosting of the Commonwealth Games
- Work closely with the Department for Education (DfE) and its agencies, including Ofsted, to highlight regional issues and opportunities
- Celebrate and promote our most powerful role models – our young talent across the region

2) Create regional networks of specialist, technical education and training to drive up skills and productivity and underpin economic growth

- Support the introduction of new T-level routes and work experience openings to improve the work-readiness of young people
- Create employer-led taskforces, for each of our priority sectors, to drive curriculum and skills provision that meets employers' needs
- Develop an investment plan to build teaching capacity and access to industry standard teaching equipment and facilities, across the region
- Pioneer skills solutions that support the ambitions of our emerging Local Industrial Strategy
- Establish the West Midlands as the place to grow digital talent

3) Accelerate the take-up of good quality Apprenticeships across the region – double the number of Apprenticeships by 2030

- Maximise Levy investment for the West Midlands
- Lead a regional campaign to promote the benefits of Apprenticeships – to employers, young people, employees and key stakeholders
- Support more young people to access pre-Apprenticeship provision and to progress into high quality Apprenticeships

4) Deliver inclusive growth by giving more people the skills to get and sustain good jobs and careers

- Deliver our £4.7m Employment Support Pilot to support those out of work and on low incomes in targeted communities
- Establish an employment support framework for the region to improve the co-ordination, commissioning, delivery and impact of all programmes to support the unemployed – including how we shape and inform the future UK Shared Prosperity Fund
- Improve the range and impact of the career planning advice that unemployed and low-paid adults can access
- Target skills provision to address areas of high need with a particular focus on youth unemployment
- Improve our focus on upskilling low paid and low skilled residents, to improve their long-term career and income prospects
- Ensure that regional economic growth translates to new and accessible opportunities for our residents
- Provide a new employment support service for people with a mental health and/or physical health condition in primary and community care through the Thrive into Work project
- Support the effective delivery of the Work and Health Programme in the WMCA area working with Jobcentre Plus and DWP and taking an active role in the performance management of the contract

5. Strengthen collaboration between partners to support achieving more collectively

- Promote the concept of a skills ecosystem for the West Midlands which recognises the interdependence of schools, Further Education (FE), Higher Education (HE), Adult and Community Learning and private and voluntary training providers and facilitates stronger collaboration with employers, to address regional skills needs
- Support our Local Authorities in their work to improve school performance and young people's attainment
- Re-design the way we do partnerships – placing residents and businesses at the centre of our skills training offer with clearer progression and integrated training offers
- Encourage the development of integrated region wide approaches wherever possible so we can develop joint funding bids, shared infrastructure and sharing of good practice

Covid-19 response actions

With the outbreak of Covid-19 and its impact on the economy, we have had to prioritise a rapid response to emerging local needs. The West Midlands is expected to be one of the hardest hit economies, reflecting the region's high dependency on the automotive and education sectors as well as our regional population. The West Midlands has a younger than average population, and an already high youth unemployment count, lower than average levels of qualifications, and a higher proportion of residents from BME communities. As such, our region is further exposed to the social, economic and health impacts of rising and sustained unemployment.

The labour market which emerges from this crisis will likely be the toughest for generations, with the current hibernation of thousands of businesses potentially followed by a longer period where companies are reluctant to return to their pre-crisis recruitment and training behaviour. The characteristics of our unemployed cohort may well look different to pre-crisis, with a much higher number who have medium- and high-skills and a track record of employment in sectors which may have shrunk significantly. At the same time, rising unemployment is expected to impact most adversely on groups already at a disadvantage in the labour market – including young people, people from black and minority ethnic communities, and those lacking qualifications.

Working collaboratively with partners – including LAs, LEPs, JCP and the FE sector – our immediate response actions included:

- introducing a Rapid Recruitment Response, with local authorities and training providers, to share information on vacancies and promote opportunities to individuals looking for work;
- flexing local training to meet immediate skills and recruitment needs – for example, in health care and warehousing – to move people into jobs;
- moving training provision online, supporting existing students and reaching out to new students; and
- establishing a Covid Response Jobs and Skills Board.

Further support will need to deliver what the economy needs and be targeted at those who will be hardest hit. It should give those without work the ability to maintain their work readiness and gain new skills to get a better job and help to deliver a workforce for the future high-skilled economy. We have, therefore, designed a set of recovery proposals tailored to the specific needs of our young people and workers, whilst also complementing vital national-level policy measures to avoid mass unemployment. There are three broad groupings of proposals:

- Supporting Young People (16-29)
- Getting the West Midlands Back to Work
- Future Skills, Future Jobs

Supporting Young People (16-29)

- We know that young people will be hardest hit as a result of the crisis. Many have had their education disrupted and may already be disengaged from learning. The number of entry level jobs, apprenticeships and graduate jobs will reduce dramatically meaning far fewer opportunities open to young people.
- Those leaving education will have less work experience and will enter a jobs market with high unemployment and few vacancies. Leaving education during a recession can have a large and long-lasting effect on employment and earnings. Low attainers are worst affected, but graduates suffer too.

- The region already suffers from above average youth unemployment. There is a risk that the young unemployed will be even further disadvantaged, particularly those from BAME communities, with low skills, and with mental health issues. New interventions are needed to help them 'wait out' the worst of the labour market crisis and so avoid the scarring effects of becoming long-term unemployed.
- Proposed actions include:
 - tracking and engaging all young people at risk – building on existing local activity, developing a regional clearing system to link young people more effectively to local opportunities, and seeking greater influence over national careers programmes to enable us to target those at risk (e.g. NEETs);
 - developing a new suite of courses to support long-term education, training and careers needs – this will include the ability to complete courses which were disrupted, more courses related to areas of labour market need and more work-related courses that provide young people with critical work-ready skills; and
 - encouraging and incentivising employers to take on young people – supporting the implementation of the Kickstart scheme, now that we have successfully lobbied Government for wage subsidies for employers taking on unemployed young people.
- As the labour market shifts, we will see new opportunities emerge, with the need for high level technical and technological skills. Currently, there is limited training available to support re-entry to technical roles, particularly at Level 3 and above. The West Midlands has successfully piloted the Digital and Construction Gateway Retraining schemes – with demand from employers and learners exceeding the funding available.
- Although there has been significant investment through the Plan for Jobs in services to the unemployed, they all focus on 'fixing' the individual and providing job search through various means. We know that this is not always the issue. There are on average over 110,000 job vacancies per month (Dec 20 – Feb 21) even during lockdown. Many remain unfilled not due to lack of skills but due to pay and conditions and transport. Without any job creation programmes (such as Kickstart) for adults the impact of training will be limited until the labour market starts to grow.
- Support for those in work is limited. Career coaching, training and other employment support services are often restricted to daytime, face to face access and focused on those who are currently unemployed. We need more flexible provision to support those in vulnerable areas of the workforce, including those currently furloughed, at risk of further automation, or working in areas (hospitality, retail etc.) which are likely to be further impacted by Covid-19.

Getting the West Midlands Back to Work

- Currently, employment and skills support is commissioned in silos, reflecting investment from a range of government departments (DWP, DFE, MHCLG, DCMS, HO etc.). This leads to a fragmented regional and local offer, with duplication in some areas (e.g. lots of low-level training) but a lack of funding and focus in others (e.g. access to transport, childcare). There is a risk that this will be exacerbated as government responds with a range of national programmes that do not accurately reflect existing support and/or local and regional needs.
- There is a risk that those already out of work are further disadvantaged as services become more stretched and recently redundant candidates enter the jobs market, better able to compete for fewer opportunities.
- Proposed actions include:
 - accelerating employer-led training to retrain people quickly and get them back into work – developing a differentiated offer to support those who can return quickly (e.g. recently unemployed) and those who may require further support (long-term unemployed, low-skilled etc.) and working with colleges and providers to refocus a proportion of AEB funding to develop and deliver more job-specific training; and
 - increasing support and training for longer term unemployed – using our Employment Support Framework to align existing support and concentrating efforts to address gaps in provision
 - increasing the use of anchor networks and employers and the social value that can be driven through public procurement

Future Skills, Future Jobs

- We know that the region's employment structure is likely to change as a result of Covid-19. Some industries will flourish, whilst others decline. There will be a shift in the occupational mix, with many predicting an increasing need for digital skills. The continued adoption of technology and increasing use of artificial intelligence along with new and emerging green technologies will provide good employment opportunities for residents.
- The West Midlands has above average levels of low-skilled low-paid workers – with many employees struggling to access training and support. Previous national skills policies have reduced the levels of adult learning ('night school') which has made it harder for West Midlands workers to access training that will help them develop their careers and earnings potential.
- There has been a lack of accessible training provision in key growth areas. For example, in 2017/18, less than 1% of the region's AEB was spent on digital training, with critical gaps in cyber security, informatics and software development.
- Proposed actions include:
 - expanding the West Midlands Digital Retraining Scheme – having secured further funding via the National Retraining Fund to scale-up our 'bootcamp' provision, upskilling employees and unemployed in higher level digital skills; and
 - expanding these retraining schemes to other key regional sectors – for example, the advanced manufacturing and low carbon sectors.

Further information relating to our (fast-moving) recovery work – namely our investment case to government, 'Recharge the West Midlands' – can be found [here](#).

Chapter 6: Assessment of Progress

Enhancing local knowledge

Aligned to the chronology of developments set out in [chapter two](#) and further detailed in [chapter four](#), regional leaders in this space were brought together under the guise of the Productivity and Skills Commission in advance of and in order to develop our regional strategic and skills plans. This work involved key stakeholder – including important regional employers – leading deep data dives into the skills landscape to determine needs and sector priorities. We have, therefore, a well-established practice of evidence-based decision-making, the sharing of which richly enhances local knowledge.

It is noteworthy that more recent work undertaken to sense-check and update the knowledge base in this area has assisted the ongoing development of the WMCA's Office of Data Analytics and its processes and partnerships, including with the Black Country Economic Intelligence Unit, part of the Black Country LEP. Collectively, we achieve regular and 'live' data sharing that, effectively, builds up our SAP evidence base in an important if somewhat intangible way.

This points to another critical feature of local knowledge enhancement in the West Midlands: the limitations of published datasets (primarily their time lag) is well understood and so we are openly reliant on stakeholder engagement for local intelligence. This is a fundamental part of developing an agile and responsive skills and employment ecosystem, which would not function as necessary if reliant upon a delayed evidence trail. This approach has the added benefit of building trust and collective credibility.

Impact on local skills provision

Our single most impactful lever in terms of strategically steering local skills provision to align more closely to employer demand is the devolved AEB that covers the seven metropolitan local authorities that constitute the WMCA. Securing and subsequently implementing the operational management and delivery of our devolved circa £130m AEB has been a significant and successful undertaking. The WMCA has established robust procurement and performance management processes, within stringent budgetary controls to generate efficiencies and, by extension, greater social return on (public) investment possible. From the outset, wider reform to the skills landscape

has been achieved by significantly paring down the number of providers operating in the region (from 400 to 94), notwithstanding our solid commitment not to destabilise unnecessarily our grant-funded anchor colleges and local authority (community learning) providers.

In terms of impacts for learners, devolved management of the AEB has already, in its first year of complete data, illustrated a doubling of higher-level (level 3) enrolments compared to the previous year's provision. Similarly, by steering procurement of employer-led provision linked to specific opportunities (e.g. with guaranteed interviews), we have ensured that approximately half of such provision (i.e. Sector-based Work Academy Programmes) were raised a level (to level 2, compared to level 1 or below previously), thereby enabling progression and building a bridge to yet higher level skills development and employment. Other ways the WMCA has shaped and flexed the AEB include responsiveness tailored to regional needs – such as procuring for training linked to the City of Culture 2021 (Coventry) and the Commonwealth Games due to be hosted by Birmingham (2022), some of which is ring-fenced for those from disadvantaged backgrounds – and the mainstreaming of successful pilots (e.g. Construction Gateway, as above).

The aims here all feed into the overarching ambition – to address our region's low qualifications issue, to enable more of the region's residents to acquire skills and qualifications and, eventually, to secure and materially benefit from employment linked to the region's economic growth.

Delivery has, understandably, been negatively impacted by Covid-19, and our provider base has had to adapt rapidly with increased online provision and the implementation of social distancing measures. In order to support providers, the WMCA continued to grant Colleges and Local Authorities on-profile payments and Independent Training Providers continued to be paid – from the start of the first 'lockdown' in March 2020 – at a rate equivalent to the average of their last three months' delivery.

Otherwise, the full set of data from the first year of devolved AEB has led to the detection of some weak practice with regards to providers' completion of destinations data, which has also been corroborated by an interim report from our external evaluators.

The issue is with lack of experience in gathering the required destination data by some providers as focus is on achievement data. Taking this learning forward, the WMCA is now supporting providers to improve progressions into (and within, where applicable) employment data, specifically by improving their data collection and tracking methods and therefore achieving greater training-to-job conversation rates for learners.

Covid-19 recovery and renewal plans

Our SAP has influenced our Covid-19 recovery plans, most tangibly through the establishment of a sub-Board focused squarely on delivery. The Covid-19 recovery plans are covered in chapter five and the structural points are covered in the ‘looking forward’ chapter (eight) as this is what the Jobs and Skills Delivery Board is designed to do.

Skills action plan

Young people

To start to address our youth unemployment issue, the WMCA partnered with a range of business, civil society and government organisations under the guise of the ‘Inclusive Economy Partnership’¹³ and established the ‘Transition to Work’ pilot. This took an innovative, data-driven, ‘local first’ youth- and employer-led approach to closing gaps in provision and developing tailored employment support for young people. Tangible successes from this programme of work included piloting Youth Work Coaches, now championed by DWP and operating nationally, and engendering a wider awareness of young people’s trajectories from earlier stages in the skills and employment journey, leading to a commitment to data-sharing improvements around NEETs (see further below).

We have since also developed an online platform¹⁴ – 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). This was developed in partnership with Youth Employment UK as well as our local authority partners, who each have a webpage reflecting more localised services. In its first month of going ‘live’, the website had already gained over 10,000 views.

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.

Key indicators relating to young people had been showing signs of progress, albeit complicated with the roll-out of Universal Credit and changes to claimant counting (i.e. with the establishment of the Alternative Claimant Count), however this group has been massively – and disproportionately – impacted by the Covid-19 pandemic. Coupled with schooling and training being significantly hampered, the frontline sectors that typically employ young people (for example, hospitality and retail) have faced widespread closures, which has resulted in job losses. The long-term ‘scarring’ effect of this on the future prospects of young people is a critical challenge that needs urgent attention. Since March 2020, our out-of-work benefits claimant count within this age group has rocketed by 84.9% according to latest figures (Feb 2021).

Specialist, technical education

In 2018, the WMCA secured £5m of National Retraining Funding to focus specifically on reskilling and upskilling adults for roles in the construction industry, a key growth sector in the West Midlands. We established the ‘Construction Gateway’, using this NRS funding to train c.2000 people in basic construction skills training and construction skills in plant, equipment training and site traffic access facilitation. Importantly, this was steered through our employer-led Construction Taskforce, which ensured open and effective employer collaboration in the curriculum design. Training targets were hit ahead of schedule and the programme successfully achieved a sustainable job conversion rate of approximately 50%. With the ‘proof of concept’ confirmed, this construction training provision has now been mainstreamed into our wider AEB offer.

Similarly, the WMCA secured £5m of National Retraining Funding to focus on digital reskilling and upskilling, which is not only a key growth sector in the region but one that cuts across a range of other emerging sectors (e.g. ‘fintech’ and ‘medtech’), thereby really future-proofing our workforce.

¹³ Partners included Accenture, Movement to Work, UnLtd, O2, Youth Employment UK, Prince’s Trust, Big Lottery Fund, DWP and the WMCA with support from the Cabinet Office and DCMS.

¹⁴ <https://www.youthemployment.org.uk/employment-help-young-people/youth-friendly-places-in-the-uk/west-midlands>

Through our digital NRF (or DRF), we target a number of under-represented cohorts (e.g. women, women 'returners', learners from BAME backgrounds, learners with autism, refugees and care leavers – to name a few). We have developed intensive 'bootcamp' digital skills provision, which has been nationally commended as a model for other areas and resulted in a £1.5m extension of funding for further roll-out. This work is broadly steered by our Digital Skills Partnership, a collection of regional stakeholders active in this space, including employers, and part of DCMS' national network of DSPs in areas leading the digital sector.

Apprenticeships

Through our Skills Deal agreed with the Government in summer 2018, which was the first of its kind in the country, the WMCA set up the Apprenticeship Levy Transfer Fund, enabling the WMCA to partner large organisations with local small to medium-sized enterprises (SMEs) to transfer funding. This means the large employers – those with wage bills in excess of £3m and therefore liable to pay the Apprenticeship Levy (nationally, normally) – effectively donate a portion of their unspent apprenticeship levy funds to the smaller companies, covering 100% of an apprentice's training and assessment costs (normally, outside our WM transfer system, this would be covered up to 95%). This approach keeps levy money within the West Midlands region, boosting skills, job opportunities and productivity by supporting more young people and adults of all ages into work.

Having set a target of negotiating £40m in levy transfer donations by end of FY 2023, we have already achieved more than half our target, and ahead of schedule. In the summer of 2020, we marked a key milestone – celebrating our 1000th WM levy-funded apprentice. To date, we have supported over 1,900 apprentices and over 600 local SMEs.

There is, however, a downward trend of apprenticeship take-up across the country. This has been evident since the introduction of the Apprenticeship Levy, nationally, and has been significantly impacted by Covid-19. This Covid-19 impact is multifaceted: businesses understandably focused on survival are not in a position to take on apprentices; likewise, specialist apprenticeship training providers are also struggling with continued financial viability; and current apprentices, like many other employees, are being furloughed and are at risk of being made redundant. Indeed, research published in May 2020 – relatively early in terms of the pandemic – highlighted that 44%

of apprentices had already been furloughed or made redundant¹⁵.

Inclusive Growth (employment support)

Having secured, through devolution, the ability to 'co-design' with DWP the future of employment support, in June 2018 the WMCA launched the 'Connecting Communities' pilot – our flagship inclusive growth programme that demonstrates real 'place-based' innovation through a 'saturation model' of employment support for those furthest from the labour market. The pilot is aimed at tackling unemployment and low pay within local communities, specifically nine wards across the WMCA geography. The intention is to support, via specialist delivery organisations, residents to engage with localised employability support, helping them to transition into sustainable employment or progress within their current employment and, more widely, to raise aspirations within the community. Connecting Communities, due to finish at the end of December 2021, has already over 1,000 residents to gain sustainable employment and a further c.150 to achieve in-work progression.

More strategically, the WMCA has developed and promoted with stakeholders our Employment Support Framework – a tool to drive the better co-ordination of disparate and disjointed employment support activity in order to generate economies of scale and scope and, ultimately, to support more residents to gain more provision better tailored to their specific needs. This Framework has gained significant buy-in from stakeholders active in this space within the region as well as national attention as a model of good practice. These workstreams contribute towards a key, cross-organisational aim of achieving inclusive growth – ensuring all our communities benefit from the region's economic growth.

Economic growth, however, has been significantly hampered due to the ramifications of Covid-19. Worse, extensive research and commentary has highlighted how the least economically empowered and most vulnerable communities in society are bearing the brunt of the crisis, both physically – with higher infection rates – and financially – with both high-risk jobs and massive job losses. The employment gaps between those in lower-skilled, lower-paid and more insecure jobs and those in jobs that have relatively easily transitioned into the online environment are significantly widening, as are the racial and related disparities that correlate with this.

¹⁵ <https://www.suttontrust.com/our-research/covid-19-impacts-apprenticeships>

Chapter 7: Case Studies

Landscape case study (provider voice)

We are really pleased with our progress in starting a number of sector-based work academy programmes (SWAPs)¹⁶. We have recently completed a SWAP in partnership with DWP/WHG and the Walsall Manor Hospital whereby all six participants have been offered full contracts. This was a pilot programme and has now resulted in the Hospital offering up 40 further vacancies with SWAPs as the chosen route to employment. We already have 21 starts on this programme and a third cohort planned for the first quarter of 2021. We have agreed with DWP to start a number of generic pre-employment programmes in Schools and Childcare, Health and Warehousing including forklift trucks. All have identified employment opportunities including roles with APC Logistics, Local Authority Schools whereby participants will go onto Apprenticeships.

We are also delivering, in partnership with DWP, Civil Service SWAPs for Job Centre roles. We have just completed our first cohort with others to follow.

The WMCA is funding our ongoing construction pre-employment programmes which include acquisition of CSCS cards and we are about to start a programme in partnership with WHG and Lovell's to support jobs on the former Caparo development in Walsall.

We have had 108 participants attend sessions within our Retail Academy to support jobs for MG Designer Outlet in Cannock.

As a part of our CSCS delivery for the unemployed we have, in partnership with DWP, included a Sector based programme with Jones & Wollman. Current progression into employment is 78%.

Following recent discussions from December we are delivering SWAPs in L2 Warehousing and Logistics, including Forklift. Learners successfully completing this programme will have a guaranteed interview with APC Overnight based in Cannock, who had over 40 positions available.

¹⁶ The sector-based work academy programme (SWAP) help prepare those receiving unemployment benefits to apply for jobs in a different area of work. Placements are designed to help meet employers immediate and future recruitment needs as well as to recruit a workforce with the right skills to sustain and grow businesses. SWAP is administered by Jobcentre Plus and available in England and Scotland.

A SWAP can last up to 6 weeks and have 3 main components:

- pre-employment training – matched to the needs of your business sector
- work experience placement – a great opportunity for your business to identify talent and for the individual to cement their knowledge and understanding of the required role
- a guaranteed job interview or help with an employer's recruitment process

Learner case study (learner voice)

My name is Kashina Summan. I am a product of a great education that started at Adult Education Wolverhampton in 2012.

After leaving school I went to college with the aspiration of going to study at university in London, but at the age of 19 I found myself pregnant and unable to progress with my plan to further my learning. When my son was born in 2012 this gave me even more incentive to find a way to carry on with my studies and 6 weeks after he was born with a recommendation from a friend I enrolled on an Access to Higher Education Nursing course at Adult Education Wolverhampton.

To begin with I was overwhelmed by the responsibility of being a single mum and the pressure of learning. I was riddled with guilt for putting my son into day care whilst I studied but it was the only way I could find a better future. It was hard and I struggled but the support I was given was truly life changing for me and my new little family. They provided childcare and the support from the teachers was fantastic. Without

this our lives today would be a completely different story. Not only did I gain the qualification to go on to study Adult Nursing at university but I also went on to make some lifelong friends, one of whom I went on to graduate with.

After studying at University for 3 years I went on to work as a critical care nurse at New Cross Hospital in Wolverhampton. I had always wanted to work in midwifery but was told it was difficult to get a place; however, I applied and I am now working as a nurse and also studying on the Midwifery degree course at the University of Wolverhampton.

Adult Education Wolverhampton was the beginning of my success. Without the Access to Nursing course, the highly qualified and supportive teachers and the support I had with childcare, none of this would have been possible. It gave me the chance to learn and the opportunity to be a good role model to my child, who now tells me he wants to be a doctor.

I would, without a doubt, recommend Adult Education to anyone thinking about changing their lives for the better.

Large Employer case study (Employer voice)

Nearly 2,000 apprentices have benefited from the Apprenticeship Levy Transfer Fund set up by the West Midlands Combined Authority, in which large employers pledge their unspent levy to SMEs in the West Midlands. HSBC and Lloyds Banking Group were two of the first large employers – and among the biggest contributors – to join the scheme.

Michelle Blayney, chief culture and talent officer for Lloyds Banking Group, said:

“At Lloyds Banking Group we know first-hand the benefits of apprenticeships. They are a core element of our strategy of Helping Britain Prosper and bring tangible business benefits, including: increased productivity and performance; enhanced engagement and loyalty; and creating a more diverse workforce. Since 2012, we’ve supported more than 7,000 colleagues on 34 different Apprenticeship Programmes at Levels 2 to 7.

“Through our partnership with the WMCA we will transfer some of our unspent levy funds to help smaller businesses benefit directly from the same experience.

We are delighted to be working with the WMCA on this important initiative to help more businesses engage with apprenticeships and address skills gaps in key sectors of the economy.

“Access to fully-subsidised apprenticeship training will mean that SMEs can recruit and train more apprentices to help their business prosper and grow. Our investment will open up new apprenticeship opportunities for people across the West Midlands, enabling them to develop the knowledge, skills and behaviours needed to succeed in their careers.”

Iain Heath, Head of Emerging Talent UK at HSBC, said: “As a business based in the West Midlands, we’re excited to be involved in this initiative. It brings together our desire to develop future skills and talent with an awareness that SMEs can provide exceptional opportunities for apprentices, often within their local area. As the first major high street bank to introduce an apprenticeship programme we have seen first-hand the positive impact on the participants and our business. We really want to widen access to the same sort of opportunities.

“We are working hard to utilise our Apprenticeship Levy internally and have already seen a very diverse set of colleagues benefit. The chance to use some of the unspent portion of our funds in this way goes hand-in-hand with this activity. The WMCA have shown creativity and vision to develop this ground-breaking opportunity and we hope that it inspires similar activity in other regions. Apprenticeships can change lives and now more talented West Midlands people will get the chances they deserve.”

Small Employer case study (SME voice)

Birmingham-based IT recruitment and solutions company Crimson has developed an in-house apprenticeship training academy, thanks to the WMCA's apprenticeship levy transfer fund.

Twenty-two out of Crimson's 100 staff are apprentices. They come from a variety of backgrounds including school leavers, graduates and those looking for a change of career. All the apprentices have the opportunity to complete a degree level IT apprenticeship within three years.

Business analysis apprentice Mihai Iacob, aged 26, from Shard End, graduated in law but found it difficult to gain his first job in the profession. As a result, he spent two years working in recruitment, specialising in recruiting software developers and software testers, which sparked his interest in technology.

He said: “I was put on furlough last April and used the time to learn how to code. After two months I decided to look for a job in the IT sector, and I found the role at Crimson on the Government's apprenticeships portal. I started with the company last September and I already feel like part of the family. My ambition is to become a highly skilled software developer. It's been a fantastic journey so far and I'm looking forward to what comes next.”

Cat Halstead, head of change and people development at Crimson, said: “We have found that our apprentices bring innovation and creativity. They offer a completely fresh perspective and a new approach to solving business problems for our clients. They have also enabled us to solve our original challenge, which was how to grow our business when facing a national digital skills gap. I would definitely recommend other organisations to take on apprentices and find out how the levy transfer fund could help them do this.”

Crimson is one of the SMEs that is benefiting from Lloyds Banking Group contributing its unused levy to the WMCA scheme.

Chapter 8: Looking Forward

The impact of the Covid-19 pandemic cannot be overstated. On top of the enormous economic losses that followed almost instantaneously, it is clear that some Government response measures are artificially holding up a tide of further losses (rightly) – such as the Coronavirus Job Retention Scheme (‘furlough’) arguably only slowing down inevitable redundancies. Longer-term impacts are expected to be felt for years, with significant risk of becoming entrenched and bearing down on households in lower socio-economic groups and areas for generations.

Immediately in the early days and weeks of the pandemic and the first ‘lockdown’, the WMCA responded to increasing stakeholder engagement needs by rapidly establishing fora appropriate for the unprecedented nature of Covid-19 and its emerging consequences. Job losses were inevitably part of multiple discussions, as they were amongst stakeholders of the Skills Advisory Board and its employer-led taskforces. As the long-term reality of the pandemic became clearer and as the Government began to promote a ‘skills-based recovery’, it became critical to shift collaborative efforts from their strategic planning phase towards tangible delivery. We therefore created a Jobs and Skills Delivery Board, specifically focused on delivery and, crucially, attended by representatives of stakeholder organisations committed to and able to take forward decisive actions.

The Jobs and Skills Delivery Board is a sub-group of the Skills Advisory Board, complementing its focus and existing membership by taking forward immediate actions to respond to the Covid-19 crisis in terms jobs and skills. It currently meets monthly to maintain momentum and will be responsive to future needs. Its current focus centres on our three recovery workstreams – Supporting Young People, Getting the West Midlands Back to Work and Future Skills, Future Jobs (set out above in Chapter five) – and this will also remain responsive to need.

Our ‘Forward Look’ is, therefore, focused on the Covid-19 economic crisis and recovery planning. However, there is also continued focus on our ‘business as usual’ and continued prioritisation of our key lever for delivery – the Adult Education Budget (AEB).

One of the key aspects of the programmes that we are running alongside providers is to ensure that

there is connectivity into the Labour Market working collaboratively with employers across the region. This is where we have and continue to focus more of our AEB funding, including through initiatives like the sector-based work academy programmes (SWAPs) that are employer-led and train local residents in skills that meet employer demand, crucially, also having a routeway into to work at the end of training.

Ensuring that local residents in the West Midlands have the skills that are in demand to allow them to secure readily available jobs, as well as a focus on developing higher level skills for the jobs of the future, is crucial. Having this dual focus on both ready available jobs and jobs coming down the line, will mean that residents are able to develop their skills to access work now, but will also mean that across the region residents will have the higher level skills to firstly be able to compete in the modern economy, and secondly, will mean that as a region, we are able to attract new businesses and industries.

As a result of developing more employer-led courses, we have removed many of our courses that do not have progression/routeways into work and have and continue to increase consultation with regional businesses and Government Departments like the Department for Work and Pensions to map existing skills gaps, Labour Market and employer demand so that we can procure and fund training for these jobs, ending any cycle of ‘training for training’s sake’.

Furthermore, we continue to work with partners to ensure local residents are aware of our core priorities and to ensure that local residents benefit from the training and potential jobs on offer, particularly around major infrastructure projects like HS2, regional events such as the Commonwealth Games and also regional and local regeneration projects, where we have worked with employers on Construction Gateway projects and on-site training hubs, again all with routeways/progression into the work place.

Finally, we are continuing to develop plans to secure commitments of jobs through major anchor organisations across Birmingham and the wider West Midlands, with the longer term aim to secure commitments on workforce planning, to ensure again that local residents are able to access job placements following their training in areas such as Healthcare in particular.

During our first year of devolved AEB (academic year 2019/20) and the subsequent academic year (which we are approximately mid-way through currently), we tested several funding changes designed to meet our core aims; the following will be extended into the forthcoming year:

- Real living wage threshold** – The WMCA is using the real living wage as the threshold for fully funded training, which for the 2021/22 academic year means that any resident earning less than £18,278 (£9.50 per hour) can access courses at levels 1 and 2, including English for Speakers of Other Languages (ESOL), free of charge.
- Partial or full funding for select level 3 qualifications leading to in-work progression or career changes** – Following the initial piloting of this flexibility in year one and subsequent expansion of this in year two, both with indications of positive impact, the WMCA will again extend this funding change into the forthcoming academic year. Partial or full funding will be available for a select range of qualifications linked to priority growth sectors identified in the Local Industrial Strategy and emerging needs linked to Covid-19 recovery.
- Full funding for select level 4 provision in priority sectors and/or to meet specific skills gaps** – The DfE's most recent Working Futures skills forecast underlines the need for higher-level skills provision, with 55.2% of jobs expected to require skills at level 4 and above by 2027 (39% at levels 4-6 and a further 16.2% at levels 7-8). By extending this funding flexibility, aligned to our Local Industrial Strategy priorities and Covid-19 recovery needs, the WMCA can start to meet projected demand and build a pipeline for local workers into higher-level skills provision and employment opportunities.
- Further testing of funding incentives that address market failures** – Persistent labour market failures across the WMCA area, i.e. relatively low qualification levels and patches of high unemployment, are being exacerbated by the impact of Covid-19. Further testing of funding incentives, some rapidly designed in response to specific issues as they arise, will be necessary over the forthcoming academic year.
- Covid-19 response measures** – Given the unprecedented impact of Covid-19 on the economy, a proportion of AEB provision will need to cover additional in-year starts for young people at levels 2 and 3 as well as tailored provision for those recently made redundant. Evidence suggests that existing inequalities for certain cohorts (e.g. those from black, Asian and minority ethnic backgrounds) have been exacerbated as a result of the pandemic. Whilst the AEB provides relatively well for these groups – for example, AEB 2019/20 data demonstrates that 61% of AEB-funded course participants were from minority ethnic backgrounds – innovations that mitigate against skills and employment gaps widening for the most vulnerable in society (e.g. learners with special educational needs and disabilities – SEND cohorts) as a result of Covid-19 should be explored.
- Community-based skills recovery** – As part of our ongoing efforts to build an agile and responsive skills and employment ecosystem, we are aiming to effectively 'seed-fund' relatively small community-based organisations as significant providers. We will commission up to £10m for a range of innovative community-based skills provision, secured through growth cases from existing providers and mini-procurement competitions to grant awards to community-based providers. Mutual gains for learners, the recipient organisations, communities and the wider skills landscape are expected in terms of post-pandemic recovery.
- In-year flexibilities** – Covid-19 has demonstrated the importance of contingency planning. Whilst the impact of the pandemic could not be foreseen, greater financial resilience has been exposed as a necessity. As a collective response, intended to be supportive, we are setting an expectation that providers will reserve 10% of their funding for greater in-year flexibility. We will work with providers to normalise this as a 'business as usual' standard (where it is not already) for this and future years.
- Regional events** – Following procurement for provision linked to the City of Culture and the Commonwealth Games during AEB 2019/20, delivery of provision will continue into AEB 2021/22. We are targeting provision for up to 4,000 learners from disadvantaged backgrounds for volunteering roles and for 3,000 residents to access employment opportunities linked to the Commonwealth Games.

In addition, and in consultation with the newly established Jobs and Skills Delivery Board where appropriate – to ensure maximum responsiveness and alignment to need – the following priorities are proposed for the forthcoming academic year:

Emerging evidence also points to a contemporary trend in hiring practices, where recruiters are open to a wider geographical pool of talent, which could further hinder the significant proportion of our regional population with low skill levels. These challenges require innovative solutions that could be tested through AEB, particularly where near-term demand in the jobs market can be demonstrated.

Outside of the AEB, our forward look also includes:

- Completion of our Connecting Communities pilot, and the potential mainstreaming of any learning and / or specific interventions for improved employment support
- Expansion of our Digital Retraining Fund programme, rolling out the extension of NRS funding recently won
- Development of a clear offer to support apprentices displaced as a result of the Covid-19 crisis
- Continual promotion of our case for single-pot funding – specifically with regards to the Shared Prosperity Funding to replace ESF funding

These priorities all feed into our overarching, core ambitions of moving more people into employment, enabling people to gain more technical and higher-level skills and jobs, and supporting more people to progress within employment as a result of training, whilst also, now, contributing towards our wider post-pandemic recovery.



West Midlands
Combined Authority