

Economic Growth Board

Date	Wednesday 12 th July 2023
Report Title	Local Skills Improvement Plan Update
Portfolio lead	Skills and Productivity – Councillor George Duggins
Accountable Chief Executive	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
Accountable Employee	Clare Hatton, Interim Director for Employment, Skills, and Health and Communities Email: clare.hatton@wmca.org.uk
Report has been considered by	Councillor George Duggins

Recommendations for action or decision:

The Economic Growth Board is asked to:

- a) To approve the findings of Employer Representative Body to support the Local Skills Improvement plan, and supporting statement made by the WMCA to DFE in consultation with the portfolio lead on how its views were considered in the process.
- b) To approve the WMCA's support of the implementation of the Local Skills Improvement Plan as part of our new deeper devolution powers, including the endorsement of an expression of interest from Solihull College & University Centre to be the lead Local Skills Improvement Fund holder for WMCA areas in consultation with the portfolio lead.

1 Purpose

- 1.1 For the Economic Growth Board to note the findings of the employer representative bodies (ERB) research to inform the local skills improvement plan (LSIP).

2 Background

- 2.1 The Skills for Jobs White Paper set out a plan to put employers more firmly at the heart of the post 16 technical and education skills system to help ensure businesses and people have the skills they need to thrive and progress. The Skills and Post 16 Education Act 2022 see's LSIPs as a key part of achieving this aim with a focus on the four key objectives:

- 2.1.1 Set out a clear articulation of local employer skills needs.
 - 2.1.2 Highlight the local changes needed to make post-16 technical education and skills provision is more responsive and flexible in meeting local labour market skills needs.
 - 2.1.3 Drive a better match between the supply of and demand for the skills employers most need to boost productivity.
 - 2.1.4 Help drive greater collaboration between providers to realise the benefits of economies of scale and specialisation.
- 2.2 The Department for Education (DfE) designated the Coventry & Warwickshire Chamber of Commerce, leading a partnership including Greater Birmingham and Black Country Chamber of Commerce, to be the lead Employer Representative Group to develop a Local Skills Improvement Plan for the West Midlands and Warwickshire.
- 2.3 LSIP's will take place on an annual basis with the final report approved by the Secretary of State, for 2023 approval will take place in July. To support the response to the LSIP across colleges and providers DFE are making £10.4m available through Local Skills Improvement Funding (LSIF). A lead college in the region will hold the LSIF and deploy the funding across colleges and providers to support a series of capital and revenue projects to respond to the report.
- 2.4 At the 9th January West Midlands Skills Advisory Board (SAB) meeting, an overview of LSIP was provided along with a summary of the sectoral focus and the role of the WMCA in the LSIP process. As part of the Act, a duty is placed on the Secretary of State to be satisfied, when approving the LSIP, that in the development of the plan due consideration was given to the views of the MCA/GLA.

3. Findings of the ERB Report

- 3.1 The ERB has now completed its research and reported to DFE and is now under review. The key findings in the report set out the following needs from employers:

Theme	Cross Cutting
<p>1. Sector skills demand:</p> <ul style="list-style-type: none"> • Engineering and manufacturing • Construction • Digital ICT • Logistics & Distribution 	<p>2. Leadership & Management (L&M)</p> <p>General</p> <ul style="list-style-type: none"> • Strategy development • Performance management • Project management • Change management <p>Specialist</p> <ul style="list-style-type: none"> • Digitisation • Advancement of new technology • Transition to net zero
<p>3. Essential Skills:</p> <ul style="list-style-type: none"> • Communication • Collaboration / team working • Numerical skills 	<p>4. Wider Considerations:</p> <p>Employer engagement in the skills system:</p>



<ul style="list-style-type: none">• Organisation• Accountability• Innovation and problem solving• Office skills: letter writing, office etiquette, answering the phone• Skills for resilience: dealing with uncertainty and ambiguity, working through uncertainty	<ul style="list-style-type: none">• Challenge in understanding what they 'need' to address workforce challenges• Limited understanding in the skills offer currently available and which training provider to engage <p>Talent attraction:</p> <ul style="list-style-type: none">• 16-19 age group present recruitment challenges as part of early years approach• More extensive careers education would support the attraction of 16-24 years olds• Employers interested in job fair locally to support engagement <p>Education system:</p> <ul style="list-style-type: none">• Education providers experiencing difficulty in recruiting and retaining staff with the skills to bridge skills gaps e.g. engineering, digital• Challenge to compete with salaries and benefits from industry where the educator has the occupational experience• Employers want to work with education establishments but barriers are time, cost and knowledge to achieve this on both sides
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4. Local Skills Improvement Fund

4.1 To respond to the LSIP, a lead college in the region will hold the local skills improvement funding to develop up to 6 projects to respond to its findings. The total amount of LSIF funding for the WMCA & Warwickshire area is £10.4. Solihull College & University Centre will submit an expression of interest (EOI) to be the lead provider in this LSIP region, as lead provider they will be supported by the other colleges across the region and independent training providers. The projects will focus on:

- 4.1.1 Electrification and battery storage (*link to Plan for Growth*)
- 4.1.2 Green skills for SME's (*link to Plan for Growth*)
- 4.1.3 Construction for manufacturing of future housing (*link to Plan for Growth*)
- 4.1.4 Essential digital skills (*supports digital inclusion*)
- 4.1.5 Technology adoption, machine learning, AI and automation (*link to Plan for Growth*)

4.1.6 Supporting employer engagement (*supports understanding skills needs and navigation of skills system*)

4.2 As part of the deeper devolution, the WMCA was requested to approve the LSIF EOI application by DFE.

5. WMCA response to ERB LSIP report

5.1 The WMCA has been engaged in both research and reporting phase of the LSIP as a member of operational board and as a commissioner. The ERB have taken on our views consistently throughout the process, this was demonstrated in the ERB's focus on plan for growth clusters in the research phase and taking on board our comments on the report before submission to DFE. Our supporting statement submitted to DFE along with the ERB report can be found in **annex a** of this paper.

5.2 There are elements of the report that are particularly helpful such as leadership and management and engineering that contribute to the WMCA focus on improved productivity and business growth and Plan for Growth. We will work with DFE, the ERB and the LSIF lead provider in working through the response to the LSIP implementation across the WMCA area, and this will form part of deeper devolution deal for skills related to the new joint governance board with DFE to provide oversight of post-16 technical education.

6. Next steps

6.1 The below sets out the next steps both for LSIP and LSIF:

Month	Activity
June 2023	EOI process to secure LSIF provider open
July 2023	Secretary of State approves LSIP and publishes report
September 2023	LSIF plan submitted to DFE to respond to LSIP
October 2023	Lead provider notified of LSIF plan application
November 2023	LSIP research for year 2 commences

7 Financial Implications

7.1 There are no direct financial implications arising from this report. WMCA are not the account body for the £10.4m of funding should this be successful, this will be Solihull College & University Centre.

7.2 Any future requirement for WMCA funding will need to be either from existing budgets or be requested through the internal governance routes.

8. Legal Implications

8.1 There are no immediate legal implications arising from this report

9. Equalities Implications

9.1 There are no immediate equalities implications arising from this report.

10. Inclusive Growth Implications

10.1 There are no immediate inclusive growth implications arising from this report.

11. Geographical Area of Report's Implications

11.1 The LSIP and LSIF covers the 7-met WMCA area and Warwickshire. The WMCA's devolved skills powers related to 7-met WMCA, the ERB and lead college will work with Warwickshire County Council from a key stakeholder perspective.

12. Other implications

12.1 None

Annex A – LSIP WMCA statement

Local Skills Improvement Plan: West Midlands Combined Authority statement.

The Skills and Post-16 Education Act 2022, places a duty on Secretary of State to be satisfied, when approving an LSIP, that in the development of the plan due consideration was given to the views of the mayoral combined authority (MCA) in this instance the West Midlands Combined Authority (WMCA).

The designated Employer Representative Body (ERB) for West Midlands area is Coventry and Warwickshire Chamber of Commerce (CWCC) supported by Greater Birmingham Chamber of Commerce and Black Country Chamber of Commerce.

The LSIP region for West Midlands includes both the devolved areas of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton, and also includes the non-devolved area of Warwickshire which is non-constituent member of the West Midlands Combined Authority. Therefore, this statement can only be made for areas that are devolved to the WMCA.

Whilst the WMCA holds the view that LSIP's are likely to duplicate work already undertaken in an MCA area, especially those that have had devolved adult skills powers with governance structures well developed such as Skills Advisory Panel's, we have worked collaboratively with the ERB throughout the LSIP process which has included:

- Supporting the research methodology in terms of focus on high growth clusters and research questions
- Members of the ERB operational board including David Gaughan, Head of Employer Services and Fiona Aldridge, Head of Insight
- ERB attendance at our Skills Advisory Panel chaired by WMCA portfolio lead, Councillor George Duggins, Leader of Coventry City Council
- ERB attendance at the Business Insight Forum chaired by Andy Street, Mayor of WMCA
- Introductions to a range of stakeholders
- Review of draft documents and shared views
- WMCA attendance at stakeholder session to identify areas that can be developed.

The ERB also took onboard our request as part of the research methodology to look at our Plan for Growth clusters, that are set to see accelerated growth over the next 7 years that will bring high skilled well-paid jobs to the region. Ensuring that we have the availability of good quality skills provision is paramount to support the growth of sectors particularly in advanced manufacturing, electrification and battery storage, creative and gaming, business professional services, net zero and logistics.

There are areas of the report that we support and indeed there are areas where work is already happening in terms of short/modular learning through the devolved Adult Education Budget (AEB) and devolved skills bootcamps, development of a leadership and management offer and addressing essential skills such as teamwork, communication skills and problem solving.

Where the report is less detailed on the prioritisation of skills needs, and taking on our feedback the ERB has worked hard to address these gaps. However, retrospectively addressing gaps when the research methodology has been set and work undertaken isn't feasibly possible.

Moving forward, through our deeper devolution deal that includes Post 16 Technical Education and joint governance board we look forward to working through how LSIPs are developed, shaped and implemented including the local skills investment fund to support our residents and economy.