

Economic Growth Board

Date	22 September 2023
Report Title	Leadership and Management Skills Training
Portfolio lead	Skills & Productivity - Councillor George Duggins
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Report has been considered by	LA Skills Officers Group Directors of Economic Development

Recommendations for action or decision:

The Economic Growth Board is asked to:

- (1) To approve the increase investment of leadership and management skills training across the WMCA through devolved adult education budget.
- (2) To note the WMCA response to the local skills investment plan (LSIP) report specific to leadership and management training needs for employers

1 Purpose

- 1.1 The purpose of this paper is to set out how the WMCA will respond to recent reports setting out that deficits leadership and management skills are holding back the region's growth and creating a productivity challenge.

2 Background

- 2.1 Leadership and Management skills have never been in greater demand as our regional economy and businesses grapple with challenges brought about by the pandemic, Brexit, net zero and rapid technological change. These challenges coupled with a tight labour market and changing ambitions and demands of workers and customers means that businesses everywhere are thinking again about how they can bring about transformational change to improve productivity and increase growth.

- 2.2 In the UK, many managers – particularly those in SMEs – have not had any formal leadership and management training to equip them for their position and role in today’s workplace in sectors. In the recent CMI report ‘Bridging the Triple Gap’ focusing on productivity, skills and inclusivity it set out that poor management skills are a key driver of poor productivity, and that making small improvements in management practices can make all the difference both for the individual and the business that they represent. The report also highlighted the need to consider equality especially amongst underrepresented groups including those from black and minority ethnic group, females and those with disabilities.
- 2.3 Recent research conducted through the WM Local Skills Improvement Plan (LSIP) also identified that 14% of leaders and managers do not have adequate skills to overcome challenges and/or maximise opportunities associated with the digitisation and advancement of new technologies, and that 16% of businesses conveyed that they do not believe that all leaders and people managers have adequate skills to overcome challenges and/or maximise opportunities associated with the transition towards net zero over the next 3 years.
- 2.4 The University of Warwick also prepared a report for the Midlands Regional Productivity Forum of the Productivity Institute focused on maximising productivity through managing new technology. Through research interviews that report identified that to fully realise productivity gains from new technology investments, management skills must be addressed. Larger firms had the internal capacity and resources to have ongoing strategic reviews of management training and a dedicated business function focused on identifying the potential of technology to achieve business aims. However smaller and less resourced firms may have relied on business support programmes to accomplish these strategic tasks.
- 2.5 The WMCA is already supporting leadership and management training for example through the Made Smarter programme focusing on tech adoption amongst engineering and manufacturing business, through our adult skills budget on a range of management qualifications e.g team leading and management and through funding apprenticeship levy transfer supporting SME’s developing current staff. However, to respond to the above research findings from a range of WM focused reports we need to scale up our investments in leadership and management skills training to lead to improved productivity and growth.

3. **What we will do**

- 3.1 We will invest £3m of our adult skills funds to secure a flexible leadership and management skills training offer through competitive tender which will be launched in September with delivery taking place from January 2024. Our aim is to support growth and productivity across the region through upskilling and reskilling those working in SMEs, giving our residents the tools they need to support the businesses and sectors that they work in. This will include supporting our plan for growth clusters where its identified that leadership and management training alongside digital skills are sector cross cutting skills needs.
- 3.2 We will establish four key strands to leadership and management skills training to support businesses in accessing the training they need to support them and their employees development:

<p>Aspiring Leaders: Supporting future aspiring leaders from under-represented groups specifically targeting BAME, women and those with disabilities through a career accelerator approach.</p>	<p>Healthy and Inclusive Workforces Supporting Good Work: Creating healthy workforces eg. healthy lifestyles and behaviour changes to support health and wellbeing and adoption of an inclusive working environment to support talent recruitment, retention and career progression for all.</p>
<p>Strategic Leadership: Supporting businesses to develop the capacity and capability to improve productivity and drive growth through Leadership and Management training. We are particularly interested in targeting women in the health care sector who have progressed into leadership roles without any formal leadership and management training, and men in small and medium sized companies in the manufacturing sector in the black country.</p>	<p>Adoption of Technology: Building on the Made Smarter Programme which was designed to support small and medium sized businesses in the manufacturing and engineering sector, we are seeking to extend the “Made Smarter” approach into other sectors aligned to the Plan for Growth, which will support the implementation of technology leading to business growth, improving productivity and innovation.</p>

- 3.3 To support colleges in responding to the LSIP, we have also committed to establishing the above offer for all of colleges within the parameters of their existing adult skills grant agreements. Therefore, enabling them to respond to the LSIP through their accountability agreement with DFE.
- 3.4 To support engagement with SMEs, the leadership and management skills training offer will be easily accessible through a range of engagement platforms including Business Growth West Midlands (BGWM) to support SMEs. We are working with colleges and independent training provider representative groups to develop a blueprint for the role skills training to support business growth as a product within BGWM. Part of this work will align to the local skills improvement fund (LSIF) established to support the college and training provider response to the LSIP report.
- 3.5 The adoption of technology strand will be aligned to the current ‘Made Smarter’ programme, valued at £1.9m, which is specific to engineering and manufacturing SMEs. We know that tech adoption is cross cutting especially through our work with Plan for Growth and a similar type of offer can support other SMEs in other sectors embrace.

4. Financial Implications

- 4.1 This activity will be funded from the devolved Adult Education budget therefore is fully funded as eligible activity. There is synergy with other grant funded activity noted in the paper to maximise the impact of resources.

5. Legal Implications

- 5.1 The proposal herein accords with WMCA governance and is duly endorsed.

6. Equalities Implications

6.1 There are no immediate equalities implications arising from this report

7. Inclusive Growth Implications

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

8. Geographical Area of Report's Implications

8.1 The LSIP report covers the 7-met WMCA area and Warwickshire. The WMCA's devolved skills powers are related to 7-met WMCA only, therefore this leadership and management training response will only be able to support employees resident in the WMCA area.

9. Other implications

9.1 None