

Employment and skills re-imagined:

An adult education, skills and employment strategy for the WMCA area

Mayoral/Portfolio Lead Foreword – to add in on completion.

Expansive foreword recognising the role of learning, skills and good work in supporting individuals, thriving local communities and inclusive economic growth. Highlighting how devolution and place-based leadership enables us to create a more integrated and impactful employment and skills system that delivered better outcomes for residents and businesses.

Introduction

The West Midlands has enormous economic potential, with the success of our region critical to the success of the UK more widely. Prior to the pandemic we were the fastest growing region outside of London, with rising productivity, jobs and employment. And while the past few years have been challenging, we have a bold ambition and clear plans to return us to that trajectory, and to build a more prosperous and better-connected West Midlands, which is fairer, greener and healthier.

Our new Deeper Devolution Deal is critical to this success. Through it, we secured a budget windfall of more than £1.5 billion to level up the region alongside further influence over key policy areas including skills, careers, employment support and digital inclusion that will give local decision makers more freedom and flexibility to support people to develop new skills, to find good work and to improve their quality of life.

And from the next spending review, we also have secured a departmental-style arrangement with a single pot of funding, giving local leaders unparalleled control over spending on devolved areas including adult skills. This settlement is an important step in taking forward our ambitions to develop an integrated employment and skills system for the region through which we can stimulate economic growth and deliver better outcomes for residents and businesses.

This is an important task, but it will not be easy. The region faces persistent and long-standing labour market and skills challenges. While most adults are in work, employment levels are below the national average, and too many people are stuck in low paid or insecure work. Although unemployment remains historically low, the West Midlands has one of the highest regional rates in the UK. Rising youth unemployment is of particular concern, as is the growing number of residents who are economically inactive due to poor health.

Qualification levels across WMCA have improved but are still lower than the national average. Around 1 in 10 adults in the region have no formal qualifications, while just two-fifths (59.3%) are qualified to at least level 3, compared with two-thirds nationally (66.7%). As a result, many employers report skills shortages, with around half of all vacancies (51%) in 2022 classed as 'hard to fill' and 35% vacant because of a lack of skills, qualifications or experience among applicants.

Yet, despite these challenges, the jobs market remains buoyant with more than 100K vacancies across the Combined Authority area. We need to ensure that residents are well skilled and supported to make the most of these opportunities. We must also equip residents for longer-term changes to our labour market, including those associated with technological change, automation and climate change.

These challenges vary considerably by place and for different groups of people. While some parts of our region are thriving, others are not. Young people, particularly those with fewest qualifications and with poor mental health, are finding it harder to move into the labour market. Employment and earnings outcomes are poorer for women, for disabled people and for some ethnic minorities. In

turn, this can result in even poorer health outcomes, making it harder to take advantage of labour market opportunities.

There is much good work already underway to address these labour market and skills challenges – where the ability to use devolved funding has helped us to focus on local place-based solutions. But there is no silver bullet. Tackling complex challenges requires co-ordinated, prolonged and intensive effort from all partners to deliver the system change needed to do better for all people and places in the region.

Our ambition, as set out in this Strategy is to develop an integrated employment and skills system for the region through which we can stimulate economic growth, deliver better outcomes for residents and businesses, and create healthier thriving communities. For adult skills we will have a single coherent funding structure where AEB, Free Courses for Jobs and Bootcamps will form the basis initially.

In implementing this Strategy, our focus will be on delivering for both people and place. As such, we will work closely with our Local Authority partners to ensure that this Strategy supports the delivery of local place-based plans. We will closely monitor the offer to and impact on each place and on the different communities that we serve.

And as well as investing public funds in commissioning the delivery of employment and skills provision, it is vital that we also deploy the convening and influencing power of the Mayor, the Combined Authority and our constituent Local Authorities – engaging wider stakeholders, aligning efforts around shared priorities and leveraging private sector investment – in order to ensure we can achieve our ambitions.

It is also critical that we work with the region's employers to ensure the creation of more good jobs across the region, to provide more and better opportunities for upskilling and reskilling the workforce, and to increase employer investment in training.

The impact of devolution to date – and a strategy for the future

Since devolution of the Adult Education Budget in 2019, we have secured in excess of £700m of public funds for jobs and skills for the region, as well as attracting greater private sector investment. Through close collaboration with Local Authorities and community partners, with colleges and adult and community education providers, universities and training providers, and with employers and unions, we have:

- improved the qualifications profile of the region and worked in partnership with employers and providers to ensure our training offer meets the needs of the local economy.
- placed a greater emphasis on getting more people into jobs, developing more higher-level skills, and being more responsive to employer needs.
- aligned more of our training provision to regional priority sectors, including construction, manufacturing, digital and business and professional services.
- responded quickly and flexibly to meet demand from current and emerging sectors, as well as applying flexibilities to respond to sudden demand.
- prioritised the growth of higher-level skills training particularly in key sectors, delivering an increase in level 3 provision, from <1% of all learning to 9%. Since 2019, we have seen the proportion of people qualified to at least level 3 rise from 48.7% to 59.3% in 2022.
- invested in building stronger communities through family learning, digital inclusion, literacy, numeracy and language delivery in the community. Since 2019, we have seen a 14% increase in participation in Community Learning courses and a 13% increase in digital skills learners.

This WMCA Employment and Skills Strategy seeks to build further on this success by setting out a vision for an integrated employment and skills system for the region, through which we can

stimulate economic growth, deliver better outcomes for residents and businesses, and create healthier thriving communities. Over the next three years, we will continue to focus on:

- building strong and inclusive communities.
- providing a good education up to level 2.
- moving residents into employment and supporting career progression.
- meeting future skills needs through upskilling and reskilling.

We will also invest in the development of a broader effective regional eco-system for employment and skills, building the leadership capacity and capability to transform outcomes for residents, businesses and the region.

DRAFT

Building strong and inclusive communities

Our vision is to build a more prosperous and better-connected West Midlands, which is fairer, greener, and healthier. Employment and skills are critical to achieving this ambition, but the impacts of adult learning extend far beyond this into the very fabric of our wider lives, our families and our communities. Likewise, strong communities, comprised of healthy, resilient, connected and proactive citizens are the basis for strong economic development and inclusive growth.

Adult learning, delivered in or by communities, plays a critical role in connecting individuals and families, improving their resilience, supporting mental and physical health, engaging those furthest away from civic and community life, as well as providing access to good work. Poor mental health, in particular, can have a devastating impact on the working age population, with almost 14.3m working days lost annually due to mental ill health¹.

As such, it is a vital long-term investment in individuals and in our communities. It is often the first step in a path to improved health and to acquiring the skills needed to access further learning or employment that can, in turn, deliver an even broader range of social and economic outcomes.

Community Learning brings together citizens from different backgrounds and socio-economic groups to increase their social and cultural capital as they develop key life skills, improve their health and well-being, and become more involved in community life. This promotes social renewal by bringing communities together.

We recognise the important role of learning in communities in supporting literacy, numeracy, language and digital skills, including through family learning approaches. We expect that a greater proportion of this provision will equip learners to develop the skills and competences needed for the workplace, as well as for wider life.

Working closely and collaboratively with our Local Authority and voluntary and community sector partners, we are committed to further developing a strong place-based offer of learning for communities in all parts of the region that:

- **Supports good health and well-being:** particularly the mental health of those experiencing isolation, for younger adults affected by the pandemic, and for adults outside of the labour market due to poor health or a disability.
- **Builds confidence:** increasing residents' resilience to face life's challenges and changes, encouraging them to think critically and creatively, and effecting behaviour change that enables them to engage in further learning, civic life and/or the labour market.
- **Improves inclusion and integration:** developing stronger communities with more self-sufficient, connected, and pro-active citizens, leading to increased volunteering, civic engagement and social integration.
- **Develops key life skills:** equipping parents and carers to support and encourage their children's learning (for example through family learning), enabling social mobility, improving progression towards independent living, improving understanding of sustainability, and improving digital, financial and communication skills.
- **Prepares learners for employment or further learning:** moving more people on to further learning opportunities in more formal settings.

Since devolution, we have...

- Worked with Adult & Community Education partners to develop an outcomes framework that demonstrates the broad contribution and impact of learning in communities.
- Developed a new digital skills curriculum, in partnership with the Good Things Foundation, to support greater digital inclusion across the WMCA. In addition to distributing more than 17,000

¹ <https://www.gov.uk/government/publications/health-matters-health-and-work/health-matters-health-and-work>

devices to digitally excluded residents, we have also seen a 13% increase in digital skills learners between 2019/20 and 2022/23.

- Worked closely with DWP, Local Authority and voluntary and community sector partners to develop and implement a blueprint for youth hubs across the region, that enables better join up of services to support young people into employment.
- Showcased the wider outcomes of learning through our first WMCA Adult Learning Awards, which will now take place annually.

We will now focus on...

- Engaging more adults from communities typically under-represented in learning. Importantly moving them towards level 2 rather than just engagement.
- Strengthening our work with the voluntary and community sector, as a first point of engagement and support for adult learners.
- Reducing digital exclusion.
- Improving and accelerating outcomes for residents who need to develop their English language skills.
- Extending the youth hub concept to create more employment and skills hubs for adults in community settings, incorporating community health services.

We will work in close collaboration with Local Authorities and voluntary and community sector partners to engage and support more adults in learning, particularly those who are currently under-represented, in order to strengthen the communities in which they live and work. This will include a more flexible offer for employed adults, alignment of investment with place-based strategies, and the establishment of community-based hubs.

We will work closely with health and community partners to expand social prescribing to learning provision within communities, as part of wider efforts to address health inequalities.

We will continue to improve digital inclusion by providing access to devices, data and learning opportunities in community settings to help residents develop the skills they need to successfully access online support for health, welfare, training or employment.

We will implement the findings of our review of English language acquisition to improve and accelerate outcomes for learners. We will ensure that provision encompasses integration support, as well as the development of cultural and social capital through enrichment activities.

We will continue to support learners in financial hardship or with learning difficulties. We will undertake a review of Discretionary Learner Support Fund (DLSF) to better support the engagement, retention and progression of adult learners.

We will develop and promote a free online offer for WMCA residents, promoting this through our KnowHow campaign, which seeks to encourage residents to engage in training that will help them find work and progress their career.

Investment Plan

In 22/23, WMCA invested £16m into community learning. Based on our current settlement for skills investment, we expect to continue this level of investment in this priority, approx. 10% of overall investment.

In addition, Local Authority UKSPF 'communities and place' funding will continue to be closely aligned, building capacity and offering additionality in places.

Providing a good education up to Level 2

Ensuring that all adults have a good education up to level 2 is essential to improving residents' life chances and tackling inequalities. It provides the necessary foundation for progression into further learning. It helps people succeed at work, find employment and earn more. It builds confidence and self-esteem, improves health and well-being. It helps people with day-to-day activities such as managing finances and accessing public services.

And yet, according to the census, 523,000 adults aged 16-64 across the WMCA area, of which half (47%) are in employment, do not have the benefit of a good education up to level 2. Many people with low or no qualifications struggle to find employment – and those who do are often restricted to precarious contracts, often low paid, with little potential to progress or move into good work. While the proportion of people with low/no qualifications is reducing, the consequences for those who remain in this position are likely to worsen, with many low skilled roles becoming automated and employers increasingly requiring higher level skills.

And too many of our young people continue to leave initial education without the qualifications needed to progress into further study, a good job or an apprenticeship. Nearly half of our 16-year-olds leave school without a GCSE grade 4+ in maths and two-thirds without a GCSE grade 4+ in English. As such, we face an ongoing need for significant investment in providing a good education for all, if we are not to limit future opportunities for our young people.

Given the critical nature of this provision and the pressing need to ensure greater labour market participation, to support residents to access better jobs and to help boost productivity, we must ensure that our investment is working as hard as it can and is targeted on the areas and people most in need. At present, too much of our offer is focused on the achievement of singular qualifications – literacy, numeracy, language, digital skills – at the expense of providing holistic programmes of training and support that equip residents to progress into further learning or good work. As a result, the historic progression and destination outcomes for adult learners on this type of provision falls short of our ambitions for our residents.

We are therefore seeking to transform the way in which foundation skills provision is delivered in the West Midlands, based on the following principles:

- We will take a **place-based approach**, focussed on those areas in the region with the lowest skills levels and lowest levels of participation in adult education.
- Programmes should be **relevant and adaptable** to support the 47% of adults without foundation skills qualifications who are in work. We also need a more **flexible and accessible** delivery model that meets the needs and personal circumstances of learners, enabling them to study alongside their work, caring responsibilities, or wider commitments.
- Programmes should offer **clear progression pathways** into level 2 provision or good work, based on strong partnership arrangements with employers, colleges and training providers. This will include personalised wrap around support, strong careers education, information, advice and guidance (CEIAG), mentoring/coaching, alongside a range of enrichment opportunities.

Through our foundation skills provision, we maintain our commitment to the following:

- **Literacy and numeracy:** An estimated 1 in 4 working age adults in the WMCA area have poor literacy and numeracy skills, of which two-thirds are in employment. We are committed to ensuring that there is a comprehensive offer of high quality, locally available opportunities to improve these skills, including through statutory entitlements.
- **English language acquisition:** Census data suggests that 5.4% of adults living in WMCA require support to develop their English language skills. Like most urban areas, we experience high levels of demand for ESOL provision, well beyond our funding capacity. In 2021/22, we invested £15m in ESOL. However, outcomes from this investment are variable across providers and there is a need to deliver better progression for learners, particularly into employment. We have recently

commissioned a review to evaluate how approaches to language learning, curriculum design and stakeholder partnerships can contribute to achieving improved and accelerated outcomes for learners through a more purpose-driven offer up to level 2, that will support the cultural, social and vocational development of learners, as they improve their language skills.

- **Digital skills:** Access to technology and essential digital skills is more crucial than ever. Yet digital exclusion remains a significant challenge for many residents, limiting their access to essential services and to education and employment opportunities. Research shows that over half of adults (56%) across the West Midlands lack the fundamental digital skills required for work, and the region has the highest proportion of employers finding it difficult to hire applicants with the necessary digital skills (38%). We have developed a new Digital Curriculum in partnership with the Good Things Foundation, to help residents develop the skills they need to successfully access online support services for health, welfare, training or employment.

As part of our foundation skills offer, we will also integrate **vocational training at level 2** as a component to support progression to further learning, work or in-work progression. Specifically, we will target those occupations where high vacancy demand exists, where there is a greening of job roles to support net zero and in occupations likely to have higher proportion of workers without qualifications.

Since devolution, we have...

- Reduced the proportion of residents with no qualifications from 13.4% in 2019/20 to 10.6% in 2022/23, working in partnership with employers and providers to ensure our training offer meets the needs of the local economy and helps more people into work.
- Maintained the level of investment in level 2 provision, while expanding the training offer to include a greater sectoral mix and more direct routes into employment.
- Increased the range and volume of vocationally relevant literacy, numeracy and language provision.

We will now focus on...

- Transforming the delivery of foundation skills provision.
- Reducing the proportion of residents with no/low qualifications.
- Improving the literacy, numeracy, language and digital skills of residents, with a particular focus on those in low paid work.
- Improving learner outcomes into further learning and work.

We will procure an innovative programme of foundation skills provision and work with our grant funded providers to transform their offer below level 2, with greater volumes of people in work undertaking this study.

We will work in close collaboration with Local Authorities and voluntary and community sector partners to ensure a strong local offer is available across the region, with a particular focus on areas with the lowest skills levels and lowest levels of participation.

We will work with providers to develop a flexible, relevant and accessible offer for learners who are in work.

We will implement the findings of our review of English language acquisition to improve and accelerate outcomes for learners. We will ensure that clear progression pathways are available up to level 2 including vocational provision.

We will continue to expand our digital skills offer, supported by our new digital curriculum, to reduce digital exclusion across the region.

Investment Plan

In 22/23, WMCA invested more than £52m in providing residents with a good education up to level 2. Based on our current settlement for skills investment, we expect to invest £70m per annum in this priority, approx. 42% of overall investment.

DRAFT

Moving residents into employment and supporting career progression

The regional labour market remains tight, with three-quarters of working age adults in work and vacancies higher than pre-pandemic levels. Despite this, regional employment levels are below the national average, and too many of our residents are in low paid or insecure work. Rising youth unemployment is of particular concern, as are persistently high levels of unemployment in some parts of the region.

At the same time, employers across the region report persistent labour market and skills challenges, with around half of all vacancies (51%) in 2022 classed as 'hard to fill' and 35% vacant because of a lack of skills, qualifications or experience among applicants.

An into-employment offer which closely aligns with employer skills needs and offers clear pathways of progression for learners, alongside the right kind of wrap around support, will benefit both residents and businesses. It will improve labour market participation and support people into good jobs. It will also help people progress at work, change careers or respond to the changing demands of the workplace, for example as a result of automation or climate change adaptation.

With more of our workforce reporting ill health or a disability, and a growing proportion of residents out of work because of health-related reasons, it is essential that health and well-being support also forms an integral part of our into-employment offer.

Since devolution, we have...

- Increased our investment in into-employment provision, which has seen a 43% progression into jobs, up from single figures pre-devolution.
- In consultation with the sector, introduced a new funding methodology for into-employment programmes designed to drive even better outcomes for unemployed learners in bespoke provision that moves them into employment. To ensure consistency of provision, value for money and effective curriculum design, we have established two-week and four-week programmes, which include personalised wrap-around provision, a work placement, and occupational licenses where required.
- Created a strong high-quality offer of Skills Bootcamps to meet higher level skills needs, at levels 3-5, in the Digital and Creative sectors. We have since expanded this offer in line with our Plan for Growth clusters to include healthcare, green technology, advanced manufacturing and engineering, and logistics – and will look to expand this further into the Professional Services Sector.
- Co-developed sector training plans in Health & Care, Construction, and Advanced Manufacturing and Engineering, in order to better align provision to employer needs and skills gaps. Through further collaboration with sector bodies, employers and providers we will be developing and testing further sector plans aligning provision to local economic skills gaps and employer needs.
- Raised our low wage threshold to £30k, making learning more affordable and accessible for those on below average salaries. We are assessing the impact of this change and have committed to an annual review of the level at which it is set.

We will now focus on...

- Improving labour market participation and helping more people into good work.
- Supporting in work progression, helping people change career or progress out of low pay.
- Supporting people who are ill or have a disability to access education and employment.
- Tackling youth unemployment.

We will continue to focus on the development of a high-quality into-employment offer aligned with regional economic priorities, that includes transitional support and access to further learning when

in employment to at least level 2, and with options to progress to level 3. Provision will be co-developed with employers to ensure training equips residents to move into good work and/or progress out of low pay.

We will develop sector training plans for into-employment programmes in the following sectors: customer service; transport operations and maintenance; digital; warehousing and distribution; health public services and care; business administration; preparation for work; retail and commercial enterprise.

We will expand our funding methodology for into-employment programmes to include residents who are economically inactive and those who experience inequality in the workplace or have additional challenges due to ill health or disability. We will also expand our into-employment offer to include career change programmes, including for those in work without good foundation skills and for those working in the gig economy and on zero hours contracts.

We will continue to work closely with DWP to support unemployed residents back to work, as well as with Local Authorities and other stakeholders to develop a place-based offer that can support economically inactive adults into the labour market. We will also strengthen our training offer for employed adults, working with providers to develop flexible delivery models that cater for residents who work shifts or who can only attend weekend and/or evening provision.

We will continue to work with health sector partners to deliver Thrive Into Work, supporting people with health challenges or a disability stay in work or find employment. As this becomes the new Universal Support offer, we will seek to target wider groups of individuals with health conditions who have the potential to work. Thrive At Work will be incorporated into Business Growth West Midlands, to provide focused support for health and well-being in the workplace. We will also develop our offer to include Thrive at College and Thrive at Night, extending support to students and those working in the night-time economy.

We will partner with others to tackle youth unemployment by strengthening youth hubs and using our convening and regional leadership role to encourage more employers to offer opportunities for young people. We will make apprenticeships more accessible for young people through a new pre-apprenticeship programme and encourage employers to take on more apprentices using levy donations secured through our Apprenticeship Levy Transfer Scheme.

We will work with government and regional partners to increase the numbers of young people accessing apprenticeships.

We will work with providers to develop a new set of Bootcamps targeted specifically at those aged under 30, providing routes into growing sectors of the economy.

We will continue to work with our colleges on the current gaps in destination and progression data for learners, to ensure learner progression and impact of provision is clearly demonstrated.

Investment Plan

In 22/23, WMCA invested £33m in into-employment programmes. Based on our current settlement for skills investment, we expect to invest £40m per annum in this priority, approx. 24% of overall investment.

Meeting future skills needs through up-skilling and re-skilling

Higher-level skills and qualifications are becoming increasingly important to our regional economy – in strengthening existing businesses, in improving productivity and in attracting inward investment. They matter for individuals too. People with higher level qualifications and who develop higher level skills throughout their working lives are more likely to be employed, more likely to earn more when employed, and are more resilient to labour market change.

Labour market projections suggest that over the next decade or so, most employment growth in the WMCA area will be concentrated in high-skilled jobs, with a shift towards occupations that typically require higher level skills and qualifications. This is a particularly important challenge for the West Midlands, where around one in ten adults of working age currently have no formal qualifications and where residents are less likely than the UK average to be qualified to each level. This attainment profile not only acts as a brake on individual opportunity, but also impacts our competitiveness and potential for growth as a region.

Prior to the pandemic we were the fastest growing region outside of London, with rising productivity, jobs and employment. Our Plan for Growth and Investment Zone strategy sets out the pathway to return to this trajectory, spreading opportunity and jobs across the region. Achieving this, alongside our #2041 ambitions to meet the climate challenge, will require a better match between the skills of the people in our region and the current and future needs of our businesses. We will need to increase the volume and range of higher-level technical provision at levels 3-5 in skills gaps areas. We will also need a more accessible offer, with more part-time, evening, weekend and hybrid delivery, to fit around the work and wider commitments of adult learners. And we will need to strengthen our engagement with employers to stimulate demand for training and to ensure that our skills offer meets their needs.

As reflected in our Local Skills Improvement Plan (LSIP), leadership and management skills have never been in greater demand as our regional economy and businesses grapple with the challenges and opportunities brought about by Brexit, the transition to net zero and rapid technological change. We must do more to ensure that our leaders and managers have the skills needed to fulfil their roles, as well as to ensure that those people in these roles better reflect our local communities.

Despite the growing importance of higher-level skills and qualifications in improving business productivity and individual opportunity, employer investment in training has fallen over recent years, such that training spend per employee has fallen 28% in real terms since 2005. On average UK firms now invest less than half the EU average on training their workforce, holding back competitiveness and economic growth. And while many employers are committed to developing their workforce and investing in their talent pipeline, they are often deterred by the complex mechanisms and evidence recording requirements associated with public funding. We will work with businesses to develop new ways for them to invest in regional skills needs, thereby boosting the overall pot available.

Since devolution, we have...

- Significantly increased investment in higher-level skills training – at level 3 from £6.8k in 2019/20 to £26.5m in 2022/23 and at level 4 from £24k in 2019/20 to £852,900 in 2022/23. Since 2019, we have seen the proportion of people qualified to at least level 3 rise from 48.7% to 59.3% in 2022.
- Developed a more flexible higher-level skills training offer, aligned with the regional jobs market, that has supported adults to upskill and reskill for higher level jobs.
- Commissioned a flexible leadership and management offer to support growth and productivity across the region, accelerate adoption of new technologies, create healthy and inclusive workplaces and support aspiring leaders from under-represented groups.

We will now focus on...

- Increasing the proportion of residents qualified to level 3.
- Developing the leadership and management skills of residents to improve opportunities for career progression and boost regional productivity.
- Developing a training offer at levels 4 and 5 aligned to the requirements of businesses and the regional economy.
- Developing our approach to funding training at Level 4 and above.
- Encouraging more employers to upskill and reskill their workforce.
- Increasing employer investment in training.

In collaboration with employers, colleges and training providers, we will expand our level 3 training offer, ensuring that it is accessible to those in work, affordable for those in low paid work, and aligned to regional economic priorities. This will require additional investment in level 3 training and for adults studying at this level, greater collaboration between providers and more flexibility in delivery. We will assess the impact of our £30k low wage threshold and review the level at which it is set on an annual basis.

We will continue to strengthen our leadership and management offer at level 4 and above, with a specific focus on supporting aspiring leaders from under-represented groups, building regional capacity for strategic leadership, creating healthy and inclusive workplaces, and stimulating the adoption of new technologies that can lead to business growth, improved productivity and innovation.

We will invest in an expansion of the region's level 4+ offer, exploring how we can pump-prime the development of short courses, modules and higher technical qualifications aligned with Plan for Growth, Investment Zones and wider regional economic priorities ahead of the introduction of the Lifelong Learning Entitlement in 2025. We will work with colleges and universities to develop flexible models for level 4/5 delivery that can cater for employed residents.

We will explore how we fund provision at level 4 and 5.

We will develop a 'people and skills' strand of Business Growth West Midlands, to stimulate greater demand for, and private sector investment in, upskilling and reskilling opportunities for residents. As part of this work, we will develop an employer engagement strategy to lever greater private sector investment in training.

We will work with our colleges on the current gaps in destination and progression data for learners – including for employed learners – to ensure learner progression and impact of provision is clearly demonstrated.

Building on the success of our Apprenticeship Levy Transfer Scheme, we will work with businesses to develop a way of them investing in regional skills directly through WMCA against priority investments, thereby boosting the overall pot available.

Investment Plan

In 22/23, WMCA invested £23.3m annually in higher level programmes that support upskilling and reskilling. Based on our current settlement for skills investment, we expect to invest £40m per annum in this priority, approx. 24% of overall investment.

Creating an effective employment and skills ecosystem for the West Midlands

Through this Strategy, we are seeking to develop an integrated and responsive employment and skills system through which we can stimulate economic growth, deliver better outcomes for residents and businesses, and create healthier thriving communities. Achieving this ambition will require close collaboration across a wide range of local stakeholders, including Local Authorities, DWP, colleges, universities, training providers, employers, health partners and the voluntary and community sector.

Through a strong place-based approach, and with the flexibilities secured through successive devolution deals, we will seek to cut through the policy silos seen at national level, to take a more holistic approach to enabling residents, communities and businesses in the West Midlands to thrive.

Collaboration with Colleges West Midlands, the West Midlands Provider Network and ACLA has been crucial in successfully delivering the Adult Education Budget and we will continue to work in close partnership. We will continue to strengthen our employer and sector body collaboration to ensure provision will increasingly be aligned to economic and employer needs.

Provider strategy

Our provider base is critical to the successful delivery of this Strategy. We recognise the diverse range of education and skills training available across our skills-ecosystem, delivered through a variety of provider types.

- Our **FE colleges**, as anchor institutions, play a key role in our skills system and have played a significant part in our achievements to date in moving residents into work and increasing attainment at level 3. We recognise the importance of our colleges supporting our approach to **place** responding to local needs. We will work with colleges across all of the pillars of this Strategy with a particular focus on developing a good foundation offer up to level 2 and upskilling and reskilling our region at level 3+.
- In building an effective skills-ecosystem for the region, we recognise the need to extend our work with **universities**, particularly in relation to meeting future and higher skills needs. We will seek to engage universities in the co-design and delivery of adult training by extending grant arrangements to universities who have a presence in the region, in line with the conditions we already provide to our colleges and local authorities.
- Our vibrant **voluntary and community sector (VCS)** provides us with an opportunity to engage more residents through place-based approaches. Recognising that many VCS organisations may not have the band width to engage with the skills system and associated processes e.g procurement, we will build a consortium model that enables VCS organisations to work with us enabling reach to those communities and residents currently under-served by our existing training.

We will develop a **single coherent funding structure for adult skills** that will accelerate the delivery of high-quality, accessible and sustainable training, through multi-year agreements. This will improve the sustainability of our skills ecosystem and strengthen its capacity to develop high quality provision that delivers positive outcomes for our residents and employers.

To support greater accountability, we will introduce new ways of working that will be underpinned through collaborative relationships more commonly seen in private sector supply chain arrangements, based on effective strategic and operational relationship management, to enable our provider base to plan effectively and contribute to the system design and processes underpinning it.

We will move to **accountability agreements and 3-year funding allocations** for Colleges, Adult & Community Education providers and Universities, setting out our overall expectations, and what our grant providers will deliver in return for their funding allocation. Accountability agreements will set out regional skills priorities and associated outcomes, informed by Local Authority strategic plans

and the WMCA Plan for Growth alongside the annual accountability statement, produced by grant providers.

Data: We will regularly publish data and insight to enable providers to deploy delivery effectively to target specific residents, sectors and places. We will continue to work with central government to develop an appropriate data sharing framework that promotes information and data sharing between national government and WMCA to aid the effectiveness of skills planning and delivery.

Procurement: Our dynamic purchasing system (DPS) went live in November 2022 and now has XXX registered providers who can access our competitions. In 2024, we will introduce enhancements to our DPS which will enable us to work more effectively with registered providers and strengthen our understanding of their capacity and capability. Providers will be able to contribute to the future design of our offers and bid more effectively through regular engagement events.

To support bidding, and in line with this Strategy document, we will publish outline specifications alongside our outcomes framework covering the themes of community and innovation, good education up to level 2, into employment and career progression; meeting future skills needs through reskilling and upskilling. We will also publish our procurement cycle broken down by quarter, enabling bidders to plan and contribute to design. Our procurement will continue to have a strong focus on people and place.

Governance: We will strengthen our governance arrangements through a new Joint Oversight Board with central government, which will provide a mechanism for the strategic system oversight and increased accountability that is intrinsic to our deeper devolution deal. The Board will help inform wider UK government and devolved policy, and will take a strong place-based approach to understanding and addressing employment and skills needs across and within the WMCA area.

A new Employment and Skills Board will provide insight and recommendations to both the WMCA Board and the Joint Oversight Board, supported by the work of three thematic panels focused on young people and careers; work, health and labour markets; and future skills and the economy.

Strengthening leadership capacity and capability: We recognise the important role of the Combined Authority and its Local Authority partners in strengthening the leadership capacity and capability of the region to deliver an effective employment and skills ecosystem for the region. We will work with our colleges and universities as place-based leaders to support them to deliver more for their local communities.

Workforce development: Successful delivery of this Strategy is also dependent on having a strong and well-trained workforce across the employment and skills eco-system. We are committed to supporting the sector to develop talent in the region, for the region. We now fully fund a range of professional development qualifications for those already working the sector, to support delivery capacity. We will also work with providers, including those in the voluntary and community sectors, to establish entry routes to support talent recruitment into the sector.

Campaigns and marketing: We will continue to invest in KnowHow, our regional behaviour-led campaign to engage more adults in learning. Where appropriate, we will adapt this to focus on particular places, resident groups and training offers.

Employment Support: We will work with DWP to develop and implement a regional strategy to tackle labour market challenges and move people back into the labour market and into work. We will seek to adopt the principals in our employment support framework to bring coherence and reduce duplication across the offer whilst extending reach to a greater range of communities.

Careers: Our latest devolution deal established WMCA as the central convenor of careers provision in the West Midlands. We will develop an all-age careers strategy for the West Midlands, ensuring a more place-based approach to careers education.

Employer engagement

To support our economic growth as a region and improve productivity, we recognise that a skilled workforce is pivotal for sustained economic growth leading to good jobs. Through this Strategy, we are committed to forging stronger links between the skills eco-system and employers, so that our residents acquire relevant, in-demand skills that supports progression into good jobs, and our employers can access the skills system to support them in securing future talent and developing the existing workforce.

As an enabler to forge links between the skills system and small medium sized employers (SME's), we will develop a range of people and skills products to be made available through our new Business Growth West Midlands (BGWM) business support service to enable employers to access the training they need to support their business.

As part of the accessibility of skills training for employers we recognise the importance of capturing the employer voice. Our Local Skills Improvement Plan (LSIP) highlighted the need for improved access to the skills system for employers, to respond local skills improvement funding (LSIF) is now allocated to support improvement in business engagement through a collaborative approach between colleges and independent training providers. The region was also recently awarded funding through Innovate UK to support college engagement with business to leading to business growth through skills, this funding will further enhance the ability for skills system to engage effectively with employers. We will work closely with the provider base to ensure that investment in these specific projects to support longer term engagement with employers align to maximise the investment and benefits to employers.

Supporting inward investment into the region, and supporting large employers already based in the region, we will work closely with West Midlands Growth Company in providing subject matter expertise linking our skills system to employers to support growth and improved productivity. We will also look to leverage our strategic key account relationships to further stimulate our economy leading to good jobs for our residents.

Leveraging our Plan for Growth cluster leadership and the proposed investment zones we will use employer insight to co-design skills programmes to support the accelerated growth within those clusters leading to job creation, particularly in technical occupations leading to good jobs at level 4+.