

# WMCA Employment and Skills Strategy

2024-2027

## Introduction

‘Our new Deeper Devolution Deal will be an historic gamechanger. It will give local decision makers more freedom and flexibility to support people to develop new skills, to find good work, to progress in employment and to improve their quality of life as we underpin an inclusive economy’

The West Midlands is a world-class, internationally-significant economy with enormous economic potential. The success of our region is 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 to that trajectory, and to build a more prosperous and better-connected West Midlands, which is fairer, greener and healthier.

As part of this, we have launched our Plan for Growth, working in direct partnership with businesses to support a portfolio of high opportunity sectors across the region. The aim is to regain economic momentum and accelerate our region’s return to high growth performance. Our ambition is underpinned by a fast-developing employment and skills system that includes a regional partnership of FE colleges, adult and community education, universities, voluntary and community sector and training providers who are strategically commissioned by WMCA to meet the needs of local businesses stimulating economic growth. The engine to deliver regional change is now set to move us forward – and we are about to supercharge it.

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Our new Deeper Devolution Deal will be an historic gamechanger. 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, business support and digital inclusion. It

will give local decision-makers more freedom and flexibility to support people to develop new skills, to find good work, to progress in employment and to improve their quality of life, as we underpin an inclusive economy

From the next spending review, we also have secured a departmental-style ‘single settlement’, giving local leaders unparalleled control over spending on devolved areas including adult skills. This 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.

Implementation of the single settlement will be shaped through a combination of place-based and functional strategies. This WMCA Employment and Skills Strategy will inform the development of the functional strategy for the adult skills element of the single settlement, providing a blueprint for investment. By delivering this in conjunction with our place-based strategies, we will use the single settlement to deliver an integrated, more impactful and long-term approach to local economic development and inclusive growth; one that empowers residents to develop their technical, vocational and transferrable skills, resulting in better connected, more resilient and healthier residents.

The main vehicle of delivery will be our world-class skills system – a partnership including FE colleges, adult and community organisations, local universities and private providers – which works at scale and is designed to respond to the needs of the region’s employers, both large and small. This public-private sector approach will provide an enduring model to develop the right workforce for our regional economy as it competes in a global marketplace. The strong relationship the WMCA has built with stakeholder businesses has meant our ambitions to support residents achieve their full potential is matched by likeminded business leaders who also want to make their contribution by opening the doors to opportunity, for example supporting access to employment and progression to well-paid jobs within their firms.

This regional empowerment marks an exciting chapter in the West Midlands, but the task ahead is not easy. Despite many successful interventions across our complex and diverse region, the West Midlands 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. Youth unemployment is of particular concern, as is the growing number of residents who are economically inactive due to disability and poor health.

**‘Our ambition is to develop an integrated skills system for the region through which we can stimulate economic growth, deliver better outcomes for residents and businesses, and create healthier thriving communities’**

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 three-fifths (59.3%) are qualified to at least level 3, compared with two-thirds nationally (66.7%). As a result, many businesses 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, at the start of 2024 the jobs market remains tight with more than 70,000 vacancies across the WMCA area. We must ensure that residents are well skilled and supported to make the most of these opportunities, whilst recognising the importance of working with partners to deliver more good jobs for the region. 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 – and compounded further when combined. In turn, this can result in even poorer health outcomes, making it even 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 a more integrated employment and skills ecosystem for the region through which we can stimulate economic growth, deliver better outcomes for residents and businesses, and create healthier thriving communities. For adult education and

skills we will have a single coherent funding structure where the Adult Education Budget (AEB), Free Courses for Jobs and Bootcamps will form the basis initially. We hope and will endeavour to expand this to encompass an integrated employment and skills funding stream.

And having a better integrated employment and skills ecosystem will also make it easier to align this investment with other services, such as business support and health etc, further improving outcomes in local areas.

In implementing the 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 businesses to ensure the creation of more good jobs across the region, to improve the diversity of the workforce, to provide more and better opportunities for upskilling and reskilling, and to increase business 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 into training. Through close collaboration with Local Authorities, adult education and community partners, with colleges, universities and training providers, and with businesses and unions, together we have:

- improved the qualifications profile of the region and worked in partnership with businesses 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 business needs.
- aligned more of our training provision to regional priority sectors, including construction, manufacturing, digital and greener technologies, 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.
- promoted 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. This has closed the gap to the national average from 8.4 to 7.1 percentage points.
- 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 learners taking part in digital skills programmes.

Nonetheless, while we have made a good start in our devolution journey, persistent challenges remain – and we need to go further, go deeper and accelerate progress. This will take a co-ordinated, prolonged and intensive effort from all partners to make the systemic change needed to do better for all of our residents and businesses and to realise the benefits of inclusive economic growth.

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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 our focus on:

- building strong and inclusive communities.
- providing a good education up to level 2.
- supporting residents into employment and supporting career progression.
- meeting future skills needs at level 3 and above through upskilling and reskilling.

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

## Building strong and inclusive communities

‘Strong communities made up of healthy, resilient, connected and proactive citizens are the basis for strong economic development and inclusive growth’

Our vision is to build a more prosperous and better-connected West Midlands, which is fairer, greener, and healthier. In achieving this, we want all of our communities to have access to the services and support they need to thrive.

While adult learning plays a critical role in improving the skills, qualifications and employment prospects of our residents, its impact extends far beyond this into the very fabric of our wider lives, our families and our communities. Likewise, strong communities, made up of healthy, resilient, connected and proactive citizens are the basis for strong economic development and inclusive growth.

Adult learning delivered in or by communities, helps connect individuals and families, improves their resilience, supports mental and physical health, engages those furthest away from civic and community life, and provides 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 health<sup>1</sup>.

As such, adult and community learning 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. We will continue to invest in this delivery, increasing the reach into groups and localities where people experience the most significant disadvantage.

Community based learning, delivery by adult and community education providers, housing providers, faith groups and voluntary and community sector organisations, 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’

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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, housing, and voluntary and community sector partners, we are committed to further developing a strong place-based offer of numeracy, literacy, language and digital skills for communities in all parts of the region that, through application and innovative delivery:

- **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.

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

- **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 that understand their strengths and learn from one another, 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, self-employment or further learning:** moving more people on to further learning opportunities in more formal settings.
- **Provides a first engagement of under-represented communities** in learning and employment support to overcome multiple barriers to employment, including poor mental or physical health.

Engaging and supporting residents to connect with employment opportunities is key to the success of the West Midlands economy. Following the first devolution deal, WMCA in partnership with its stakeholders, developed an Employment Support framework, outlining the key stages of support that someone may need to undertake, to secure and progress in work.

An individual can face many barriers to labour market participation (health, debt etc) and we recognise the importance of having a dedicated coach or mentor who can help navigate the support that is available. We will continue to develop a co-ordinated approach to delivering employment support, harnessing the ability of our voluntary and community sector to engage and develop a plan of action that allows residents to connect with wider support, including our skills offer.

We understand the importance of place, and the benefit of delivery in the heart of communities in ensuring that support is both consistent across the region and also reflective of local needs.

#### Since devolution, we have...

- Continued to safeguard funding to learn in the community for health and wellbeing, to support life transitions or to return to learning and overcome significant barriers such as disability, ill health or long-term unemployment.
- 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 devices to digitally excluded residents, we have also seen a 13% increase in digital skills learners between 2019/20 and 2022/23.
- Showcased the wider outcomes of learning through our first WMCA Adult Learning Awards, which will now take place annually.
- 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.
- Developed and tested employment support models, successfully focussed on progressing those residents with significant barriers (such as health conditions or experiencing long term unemployment) to gain employment.
- Developed an Employment Support Framework, articulating the key stages and interventions required to support someone to gain and progress employment.



### **We will now focus on...**

- Engaging more adults from communities typically under-represented in learning and disadvantaged in the labour market. Importantly moving them towards level 2 rather than just engagement.
- Strengthening our work with the voluntary and community sector and housing providers, as a first point of engagement and support for adults.
- 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.
- Developing an integrated Universal Support offer for residents with health conditions, to support them to find work and progress in employment, and to work with businesses to understand the benefits of an inclusive and accessible workforce.

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, in order to remove barriers to learning. 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

‘We are seeking to transform the way in which foundation skills provision is delivered in the West Midlands’

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 and onward progression to level 3 and above. It helps people find employment and succeed at work. 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, 231,400 adults aged 16-64 across the WMCA area, of which half (50%) are economically active, 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 businesses 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. Across the region, just 61% of our 16-year-olds leave school with a GCSE grade 4+ in English and Maths. 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:

‘Too much of our offer is focused on the achievement of singular qualifications at the expense of providing holistic programmes of training that equip residents to progress into further learning or good work’

- 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 businesses, 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 4.2% 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 businesses finding it difficult to hire applicants with the necessary digital skills (38%). This proportion dramatically increases for individuals with impairments making them more at risk to digital exclusion. 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 businesses 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, employment or progression at 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.

## Moving residents into employment and supporting career progression

‘An into-employment offer which closely aligns with employer skills needs and provides clear pathways of progression for learners will benefit both residents and businesses’

The regional labour market remains tight, with three-quarters of working age adults in work and vacancies in many parts of the region 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, businesses 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 the skills businesses need and provides 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, artificial intelligence or climate change adaptation. Businesses have their role to play, and we have examples of firms working with the WMCA to first develop pathways for residents to gain entry into their workforce – and then for advice on how to retain and develop this talent within the workplace while working with our partners.

With more of our workforce experiencing 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. And developed new training opportunities working closely with employers including our construction gateway and equine management programmes.
- 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 Co-developed sector training plans in Health & Care, Construction, and Advanced Manufacturing and Engineering, in order to better align provision to business needs and skills gaps. Through further collaboration with sector bodies, businesses and providers we will be developing and testing further sector plans aligning provision to local economic skills gaps and business 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.
- Implemented two successful pilot programmes Connecting Communities (Place Based) and Thrive into Work (Health), providing our most vulnerable residents with tailored support to help them to progress into employment.
- Created a Jobs and Skills Academy to support residents in accessing employment opportunities created by the Commonwealth Games (CWG). We worked in partnership with CWG workforce team, contractors and other stakeholders to design and deliver a training offer that ensured a skilled workforce was in place to facilitate a successful Games.

#### We will now focus on...

- Improving labour market participation and helping more people into good work.
- Broadening our offer across sectors, ensuring there are pathways into sectors with good jobs.
- Supporting in work progression, helping people change career or progress out of low pay.
- Establishing a coherent employment support offer for all residents with effective triage.
- Supporting people who are ill or disabled to access education and employment.
- Tackling youth unemployment.
- Developing proposals for an all-age careers service.

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

**‘We will also expand our into-employment offer to include ... those working in the gig economy and on zero hours contracts’**

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

We will expand our into-employment training offer 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.

Building on our joint work and the commitment in our new devolution deal, 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 are disabled 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 (BGWM), 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 by using our convening and regional leadership role to encourage more businesses to offer opportunities for young people. We will make apprenticeships more accessible for young people through a new pre-apprenticeship programme and encourage businesses to take on more apprentices using levy donations secured through our Apprenticeship Levy Transfer Scheme. Through Business Growth West Midlands we will offer support to businesses looking to take on apprentices and become more youth friendly.

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 and sectors that align with their aspirations. We will continue to develop specialist bootcamps that support groups of residents or communities delivering engagement and support and networks as people move into employment.

We will continue to work with our FE colleges on the current gaps in destination and progression data for learners, to ensure learner progression and impact of provision is clearly demonstrated. And we will continue to seek more joined up data sharing arrangements across government that would support the evaluation of outcomes.

### **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

‘Over the next decade or so, most employment growth in the WMCA area will be concentrated in high-skilled jobs’

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.

‘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’

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 recovery and 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 businesses 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 respond to the demands of changing technologies such as automation and artificial intelligence, as well as to ensure that those people in these roles better reflect our local communities. In doing so, we will need to harness the considerable expertise already available across the region’s universities and High Value Catapults to tackle sector challenges impacting productivity and growth. Our colleges and independent training providers will also play a key role in providing an accessible leadership and management skills offer through BGWM, enabling more SMEs to access this training to support improved productivity and growth.

We also recognise the need to improve accessibility of leadership and management training, particularly to those residents from under-represented groups, those under-employed and in low paid insecure employment where this training can lead to improved employment outcomes.



Despite the growing importance of higher-level skills and qualifications in improving business productivity and individual opportunity, business 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 businesses 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 c.£1m 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...

- Strengthening our level 3 offer and 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 businesses to upskill and reskill their workforce.
- Increasing business investment in training.

In collaboration with businesses, 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 to drive the region's economic growth and productivity forward.

We will work with the region's universities, with central government and with national organisations to leverage opportunities presented by the Lifelong Learning Entitlement (LLE) and Higher Technical Qualifications (HTQs). 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 HTQs aligned with Plan for Growth, Investment Zones and wider regional economic priorities.

We will work with colleges and universities to develop flexible models for level 4/5 delivery that offer the opportunity to learn in a flexible, modular way for those looking to retrain or boost their career prospects. We will explore approaches to stimulating both individual and business demand for provision at these levels.

As an enabler to developing a level 4+ offer, we will look to unlock the opportunity that collaboration between FE/HE can bring through the curation of new curriculum connecting level 3 to progression routes at level 4 and above. We will also look to this collaboration to exchange knowledge especially in areas of pedagogy to develop high quality teaching and learning content and co-delivery of skills training using shared resources.

We will also explore how we use our funding to support the development of a level 4/5 offer, that supports social mobility by equipping residents to access good jobs; that improves productivity and growth by supporting businesses with recruitment, retention and workforce development.

We will develop a 'people and skills' strand of BGWM, 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 business engagement strategy to lever greater private sector investment in training.

We will work with our Plan for Growth Cluster Leadership bodies to align training provision to meet the needs of these critical sectors for the regional economy.

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.

We will continue to stimulate the take up of apprenticeships through our apprenticeship levy transfer scheme. Whilst WMCA doesn't currently hold policy levers specific to apprenticeships, we will work with central government, businesses, and apprenticeship training providers to explore how we can expand apprenticeship provision particularly for young people, in SMEs and in key sectors of the regional economy.

#### **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

'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'

In making a success of our new devolution deal, the WMCA has a vital role to play in bringing together Local Authorities, education and training providers, and businesses to create a more accessible and effective skills system, for both industry and business. Our ambition is for the region to become a leader in the development of an employment and skills system that is easy to understand, straightforward to access, clear in its path to educational progression and responsive to the needs of our region's economy. Building on our successes in delivering a devolved Adult Education Budget, we will now consider how these can be applied to the wider employment and skills ecosystem.

Through a strong place-based approach, and with the flexibilities secured through successive devolution deals, we will seek to cut through national policy silos, 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 business and sector body collaboration to ensure provision will increasingly be aligned to economic and business 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.

While our commitment to delivering best value and quality for our residents and businesses can only be met through the combined efforts of all providers involved in the delivery of education, skills and employment support, we also recognise the need to work with particular types of providers to leverage specialisms in delivery, market responsiveness or the ability to engage specific resident groups.

To date, FE Colleges have been the recipients of the largest proportion of our funding, and we have specific responsibilities, as part of government's FE and Accountability Strategy, in shaping our ways of working.

- Our **FE colleges**, as place-based anchor institutions, play a key role in our skills system, and have made a significant contribution to our efforts to move residents into work and increase attainment at level 3. Colleges are also critical in responding to local needs.
- Local Authority **Adult and Community Education** services provide place-based learning in the community. Their role in delivering first engagement education for health and wellbeing, active citizenship and progression into further learning and employment is essential to the skills ecosystem. Adult and Community Education is uniquely placed at the centre of the skills systems, enabling residents supported by voluntary and community sector organisations to access education.
- 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 aligned to innovation that will stimulate our economy to create more jobs. We will increase our capacity to engage with the regional universities to allow us to better understand the role and impact they have in delivering and retaining highly skilled employees for the regional economy. We will

work with universities to establish transition pathways into sustainable employment. 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 Plan for Growth sets out the clusters where high growth will lead to high paid and high skilled jobs. To benefit our residents and businesses, we will look to **FE/HE** to form collaborative partnerships to shape skills offers and connect progression pathways from level 3 onwards.
- Since devolution, we have focused our work with **Independent Training Providers (ITPs)** on establishing specialisms in a range of technical and vocational skill areas such as construction, digital and green technologies. ITPs provide much needed capacity and agility to respond to business demand, and we will continue to build on these specialisms by sector and place.
- 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 businesses.

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 an annual accountability statement, produced by grant providers.

The deeper devolution deal enables us to use a small percentage of the funds for capital. Whilst **capital investment** will continue to be led by DfE we will work with government to look at how we best align investment in the region, and consider how we use our flexibilities to support investment aligned to the introduction of new provision.

Our **Dynamic Purchasing System (DPS)** went live in November 2022 and now has around 250 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 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’**

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.

We recognise the important role of the Combined Authority and its Local Authority partners in **strengthening leadership capacity and capability** of the region to deliver an effective employment and skills ecosystem for the region. We will work with our colleges, adult and community education, and universities as place-based leaders to support them to deliver more for their local communities, and in collaboration with Anchor Institutions Networks where they exist.

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.

### Business engagement

‘Through this Strategy, we are committed to forging stronger links between the skills ecosystem and employers, so that our residents acquire relevant, in-demand skills that supports progression into good jobs’

A skilled workforce, across the breadth of our economy, is pivotal if we are to deliver economic growth and improve productivity in our region. Through this Strategy, we are committed to forging stronger links between the skills ecosystem and businesses, so that our residents acquire relevant, in-demand skills that supports progression into good jobs. At the same time, businesses will have access to a world-class skills system to help develop their existing workforce and provide a vital pipeline to future talent.

‘To ensure our skills ecosystem is truly fit for purpose we recognise the importance of capturing the employer voice’

As an enabler to forge links between the skills system and small medium sized businesses (SMEs), we will develop a range of people and skills products,

with an emphasis on leadership and management, to be made available through our new BGWM business support service. This will enable businesses to access the training they need to support their growth ambitions.

To ensure our skills ecosystem is truly fit for purpose we recognise the importance of capturing the business voice. Our LSIP – which surveyed businesses in the region on their skills experience – highlighted the need for improved access by businesses to the skills system. In response, Local Skills Improvement Funding (LSIF) is now allocated to support improvement in business engagement through a collaborative approach between colleges and independent training providers. To better support economic growth through skills, the region was also recently awarded funding through Innovate UK to better facilitate college engagement with businesses. We will work closely with the

provider base to ensure that investment in specific projects, to support longer term engagement with businesses, is aligned to maximise the benefits to our business community.

In a bid to encourage more inward investment into the region, while supporting large businesses already based here, we will work closely with West Midlands Growth Company in providing subject matter expertise linking our skills system to activity that will boost growth and improved productivity. We will also look to optimise our strategic key account relationships to further energise our economy, leading to good jobs for our residents.

Leveraging our Plan for Growth cluster leadership and the proposed investment zones, we will use business insight to co-design bespoke skills programmes to support the accelerated growth within those high potential areas – so stimulating further job creation, particularly in technical occupations leading to good jobs at level 4+.

### Employment and Careers

We will work with DWP, Local Authorities and other key partners to develop and implement a **regional strategy to tackle labour market challenges** and move people back into work. We will seek to adopt the principles in our employment support framework to bring coherence and reduce duplication across the offer whilst extending reach to a greater range of communities. We will seek to integrate new provision (Universal Support) in a way that enhances the ecosystem and our regional offer.

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.

We recognise the particular issues for learners with learning difficulties or disabilities (LLDD) in making a successful transition into to the labour market. Working with Local Authority and College partners, and informed by our expert advisory panels we will develop a blueprint for what good would look like. This will be accompanied by an investment plan that we will discuss with government.

### System infrastructure

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 i) young people and careers; ii) work, health and labour markets; and iii) future skills and the economy.

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 employment and skills planning and delivery.

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.

We will closely monitor our policies and provision, to **demonstrate impact and improve our understanding of what works**. We will undertake and publish robust evaluation of our employment and skills investment and share best practice with others.