

Economic Growth Board

Date	2 February 2022
Report title	West Midlands Jobs Plan
Portfolio Lead	Councillor Ian Brookfield, Portfolio Lead for Economy and Innovation Councillor George Duggins, Portfolio Lead for Productivity and Skills
Accountable Chief Executive	Laura Shoaf Chief Executive, WMCA
Accountable Employee	Julie Nugent Director of Productivity and Skills, WMCA
Report has been considered by	West Midlands Combined Authority SLT Economic Impact Group Local Authority Regeneration Directors and LEPs

Recommendation(s) for action or decision:

The Economic Growth Board is recommended to:

- a) Note progress against the West Midlands Jobs Plan and the target of 100,000 people into employment by 2023
- b) Note the potential for further localised training and employment interventions, enabling residents to access good jobs in growth areas
- c) Identify where further investment in skills provision could equip residents to access available jobs

1. Purpose

- 1.1 The West Midlands economy was hit hard by the pandemic, with significant job losses and large numbers of benefit claimants. At the peak of the first lockdown, one third (34%) of the eligible workforce was furloughed and in February 2021, the claimant count peaked at 232k people across the region. Those communities already experiencing high rates of unemployment were hit hardest, with BME groups, residents with low-skills, and young people particularly impacted.
- 1.2 The West Midlands Jobs Plan seeks to support the economic recovery of the West Midlands, post-pandemic, by boosting the number of work-ready residents and supporting them into quality jobs. The ambition is to ensure that we get 100,000 people back on the path to good-quality employment within two years. This involves:
 - supporting the creation of jobs through leveraging public/private investment;
 - connecting residents to good quality jobs with employers;
 - supporting residents with in-work progression.

2. Background

- 2.1 Prior to the pandemic, the West Midlands experienced unprecedented growth, exceeding the rest of the UK, with rising productivity, skills, and employment. However, the pandemic has hit the region hard, with a high number of workers furloughed to the end of the scheme, alongside significant job losses and large numbers of benefit claimants. At the peak of the first lockdown, one third (34%) of the eligible workforce was furloughed and in February 2021, the claimant count peaked at 232k people across the region.
- 2.2 Among our residents, young people and those from BME communities were hit hardest, particularly those with fewer qualifications, and those living in areas with already high levels of unemployment and deprivation. Existing inequalities within the region were exacerbated, resulting in higher levels of unemployment in inner city wards such as East Birmingham and higher youth unemployment in places such as Wolverhampton.
- 2.3 The regional economy is now showing positive signs of recovery: employment is increasing, the claimant count is falling, unemployment has returned to pre-pandemic levels and the WM has a record number of vacancies. However, significant challenges remain:
- employment remains below pre-pandemic levels (74.6% vs 75.3% in March 2020);
 - the claimant count is 43.5% higher than it was pre-pandemic;
 - wage increases are being outpaced by the rising cost of living;
 - many employers are now reporting significant labour and skills shortages;
 - parts of the region are recovering more slowly than others – with the risk that some people and places are left behind and unable to share in the benefits of recovery.

3. Jobs Plan

- 3.1 The Jobs Plan seeks to support the economy recovery of the West Midlands, by actively boosting the number of work-ready residents and supporting them into quality jobs. The ambition is to get 100,000 people into good-quality employment within two years.
- 3.2 Across the region as a whole, there are currently **60,772 more people in work (Aug-Oct21) than when this goal was set**. Further data will be published on 18 January, when sub-regional data will also be available – and monthly thereafter.



3.3 However, the challenge remains to ensure that more of our communities can access good employment opportunities. WMCA, Local Authorities and DWP are already working closely with employers to target training and employment initiatives that will help more residents access good employment by:

- supporting the creation of jobs through leveraging public/private investment;
- connecting residents to good quality jobs with employers;
- supporting residents with in-work progression.

Supporting the creation of jobs through leveraging public/private investment

3.4 Work is underway across LAs and WMCA to ensure that all public investment is leveraged to create good jobs for residents. This builds on existing good practice across many Local Authorities. We have worked with LA officers to map out planned and significant job creation, to ensure bespoke training and support is available to enable local residents to access these opportunities.

3.5 We have also initiated work with WMCA teams to ensure that investment – in infrastructure (transport/housing) and internal procurement – can also support the creation of good jobs for residents – for example, linking future housing funds to job creation targets.

3.6 Regionally, we are seeking to maximise the impact of large-scale investments including HS2, Commonwealth Games and Coventry City of Culture.

HS2: To date, we have trained 500 residents and supported them into HS2 related jobs.

We have established a West Midlands construction and rail training offer to meet the pipeline of jobs demand. This includes dedicated training facilities across the region, with a new facility at South and City College in East Birmingham.

We are working through the HS2 Enterprise Board, to better understand the planned jobs pipeline and ensure we are training residents in appropriate skills.

Birmingham Commonwealth Games (CWG): We have partnered with the Organising Committee (OC), Birmingham City Council and DWP to establish a Commonwealth Games Jobs and Skills Academy. The Academy will direct around £10m of funding – including AEB, ESF and National Lottery – to support residents in accessing a range of opportunities, including:

- Enabling 1,000 people in priority groups to access Games volunteering opportunities
- Supporting 6,000+ local residents with Games-related training related to roles in Construction, Logistics, Security, Catering, Cleaning and Waste
- Providing 1,500 local residents with higher level skills training, including high quality work experience in areas such as Event Services and Broadcasting

Connecting residents to good quality jobs with employers

3.7 In 2021/22, we have worked with local partners and employers to create a rapid response to address current skills and labour shortages by training unemployed people quickly, in the skills employers need now. We are investing £14m in training to meet areas of key labour shortage, including hospitality, logistics, construction and

finance – with delivery taking place across the region. **Appendix 1** sets out the detail of the training offers available, regionally, to help employers train and recruit staff.

Supporting residents with in-work progression

- 3.8 We are concerned about the prevalence of low pay and in-work poverty across the region. We are committed to supporting more of our residents progress out of low-paid and/or poor-quality jobs. This includes developing progression pathways to higher level-learning e.g. from level 2 to level 3, and ensuring that training is more easily accessible, e.g. more part-time, evenings, intensive and online.
- 3.9 We are working with DWP to develop a new training offer for people in work and claiming Universal Credit – around a third of all claimants. This will include skills and training but also mentoring and coaching.

4. Financial Implications

- 4.1 There are no direct financial commitments or funding requests from this paper, rather the paper notes where existing investment has been successfully utilised to meet the goals of the Jobs Plan and notes how future activity and investment could be similarly leveraged. It is noted that future activities of the Jobs Plan may be supported by both existing and new grant funding streams. The Jobs Plan is a key activity in supporting the delivery of the WMCA aims and objectives approved by WMCA Board in November 2021. Any future funds will align to the core priorities of WMCA ensuring that all future funding bids are optimised to meet the Aims and Objectives. Where specific activity is being directly funded by WMCA accountable body funds, this is referenced in the paper.

5. Legal Implications

- 5.1 There are no immediate legal implications arising from this report. Individual projects arising from the jobs plan would receive bespoke legal advice from Legal Services.

6. Equalities Implications

- 6.1 There are no immediate equalities implications arising from this report.

7. Inclusive Growth Implications

- 7.1 Inclusive economic growth is at the heart of the Jobs Plan, with a commitment to ensuring that jobs and training opportunities are available across the West Midlands and can be accessed by both young people and adults, including those from some of the most deprived communities.

8. Geographical Area of Report's Implications

- 8.1 The 100k target within the West Midlands Jobs Plan relates to the 3 LEP area. Devolved AEB funding can only be spent on residents with a WMCA postcode.

9. Other implications

- 9.1 None.

Appendix 1: Bespoke Training to Support Access to Jobs

Construction and infrastructure: The West Midlands Construction Gateway trains unemployed people in the skills needed to support major infrastructure projects. Individuals gain qualifications that are essential to work on any site, such as the Construction Skills Certification Scheme (CSCS), plant operator accreditation and sentinel card to work in rail settings. As part of the ‘greening’ of construction jobs, we are also piloting the delivery of retrofit training in heat pump installation, fenestration, solar, electrical testing and insulation.

Following a successful £6m pilot, we are now investing a further £5m per year in training to supports residents to move into first roles in construction. This investment will fund the skills development and the accreditation cards needed to become employed in groundworks, plant operations, dry lining, scaffolding etc.

Digital and tech: The West Midlands has the fastest growing digital sector outside London with significant and growing demand for skills and jobs. The region has led national pilots in new digital bootcamps providing intensive training in coding, AI, software development and data analytics. Employers – including BT, NHS, Sainsbury’s, KPMG and HSBC – have used this programme to train and recruit residents into local jobs.

Following an initial £8m pilot programme, we are now investing a further £7m per year to continue the expansion of bootcamps across the region.

Health and Social Care: We have worked collaboratively with a range of partners including the NHS, local authorities, colleges, universities, and key employers, to develop a new training offer for the health and care sector. This sets out the key pathways into jobs in the sector, from entry through to degree level, signposting to relevant training provision available in the region. It provides options for those looking for their first job or who want to retrain to start a new career in health or care, and for those already employed in the sector who are looking for promotion or a new job.

We are investing £7m per year from the Adult Education Budget, supporting 8,500 residents annually.

Hospitality: We have established a Hospitality Taskforce, chaired by Glynn Purnell, to address the issues currently faced by the sector. This includes promoting the industry and creating new training routes for unemployed, young people, and career changers.

Drivers: Working collaboratively with DWP, we have developed sector-based training (SWAP) routes for residents to secure employment in LGV/HGV and van driving occupations. This has been further supplemented by DfE’s national HGV Bootcamp training model. A new bus driver SWAP has recently launched with National Express to address shortages within the passenger transport sector.

Advanced manufacturing: Responding to emerging automotive battery technology, we have used flexibilities within the devolved Adult Education Budget to support training in electric vehicle maintenance across Birmingham and the Black Country. We are also working in collaboration with Colleges West Midlands to identify training pathways in the advanced manufacturing and engineering sector in areas such as electrification and automation.