



West Midlands  
Combined Authority

## Overview and Scrutiny Committee

<b>Date</b>	11 July 2022
<b>Report title</b>	Skills Provision Review Overview
<b>Accountable Chief Executive</b>	Laura Shoaf - Chief Executive, WMCA email: <a href="mailto:Laura.Shoaf@wmca.org.uk">Laura.Shoaf@wmca.org.uk</a>
<b>Accountable Employee(S)</b>	Dr Julie Nugent, Executive Director of Economic Delivery, Skills and Communities email: <a href="mailto:Julie.Nugent@wmca.org.uk">Julie.Nugent@wmca.org.uk</a>  Clare Hatton, Director of Employment and Skills Delivery Email: <a href="mailto:Clare.Hatton@wmca.org.uk">Clare.Hatton@wmca.org.uk</a>

### Recommendation(s) for action or decision

The Overview & Scrutiny Committee is recommended to:

- (1) Review and agree the draft scoping document for the first proposed scrutiny review for 2022/23, attached as appendix 1.
- (2) To determine the membership and timescales for the review.

## **1. Purpose**

- 1.1 This paper sets out the proposed scope for the committee's review of skills provision across the region and provides a background scoping for the review in context of the economic and skills provision of each of the seven local authority areas, progress to date and the future challenges posed by economic recovery, the greening and automation of industry and the opportunities for continued joint working.

## **2. Background**

- 2.1 The Adult Education Budget (AEB) for the West Midlands constituent member area was devolved to WMCA for delivery from 1<sup>st</sup> August 2019. The WMCA agreed an approach to commissioning adult education and training that aligned the mix of provision more closely to local and sectoral priorities, whilst avoiding the unnecessary destabilisation of locally based institutions (colleges and adult education providers). This included a much greater focus on using AEB to support more people move into employment, more people to gain higher-level technical skills, and more upskilling for low-skilled, low-paid people already in employment. The approach also built in more specific targeting of key client groups and geographies, in line with local authority priorities.
- 2.2 Additional skills funding was delegated from the Department of Education (DfE) to the WMCA commencing 2020/21. This funding is part of the National Skills Fund and comprises annual allocations of £10.9m 'Free Courses for Jobs' (FCfJ) focused on Level 3 technical qualifications and £11.2m 'Technical Bootcamp' funding for the forthcoming year.
- 2.3 We have also been allocated £16.7m over a 3-year period to deliver the Government's 'Multiply' programme, an adult numeracy focussed programme funded through a ring-fenced allocation of the UK Shared Prosperity Fund.
- 2.4 Overview and Scrutiny Committee, at its meeting on 15<sup>th</sup> February 2019 commissioned a review of the opportunities provided through the devolution of the Adult Education Budget. The review took place during March and April 2019 and the findings were considered at the meeting on 12<sup>th</sup> April 2019.
- 2.5 The committee reviewed progress against recommendations from the review at its meeting on 9<sup>th</sup> March 2020.
- 2.6 Since then, the Black Country review has debated skills provision aligned to economic recovery of the region and the committee considered it was timely to look again at skills provision post pandemic and in the context of the economic and social challenges for the region.

## **3. Proposed scope of the review**

- 3.1 The review will consider skills provision in the context of the relative economic indicators for the region and its constituent local authorities.
- 3.2 The accompanying slide deck sets out, for each area, the key indicators, an overview of impact and partnership work to date to shape the skills offer and the challenges for local people and economies that skills can help address.
- 3.3 It further sets out the key growth opportunities and the focus for joint working.

- 3.4 The additional skills funding combined with the £131m Adult Education Budget, increases our overall capacity to deliver skills and training that meet the needs of local residents and businesses. Critically, this includes our ability, working with Local Authority partners, to commission provision that meets local needs and reflects local priorities, helping more residents gain skills, move into employment, and pursue rewarding careers. Annex A outlines current levels of Adult Education Budget investment in each local area.
- 3.5 Annex B sets out some of the ways we have used devolved funds to better address local skills and employment priorities, supporting more people into jobs and to develop higher levels skills. We have done this by removing courses of low economic value, out of area providers and poor subcontracting. We have worked strategically to ensure that Local Authorities are central to commissioning decisions and also, where they are delivering through their adult education services, we have increased allocations by up to £500k per annum.
- 3.6 We are negotiating further skills devolution through the levelling up devolution deals offered to WMCA. The review provides an opportunity to inform future direction of travel.

## **4 Inclusive Growth Implications**

- 4.1 The inclusive growth implications of commissioning the skills delivery include:
- The headline outcome of the Education and Learning element of the Inclusive Growth Framework is 'Increased skills levels' among the WMCA population. The commissioning outcomes listed above are consistent with that outcome. As provision is delivered, it will be important to assess the profile of beneficiaries and the impact of their improved skills – including whether their income increases (the headline outcome of the Inclusive Economy fundamental).
  - It will be important for commissioned provision to boost economic missions held within the wider Inclusive Growth Framework – for example, by investing into skills that will enable people, institutions and businesses to decentralise and decarbonise the region's energy systems, and to boost climate resilience.
  - Finally, the focus on collaborative design and delivery of the provision is consistent with the Power, Influence and Participation fundamental – notably, there is a chance to work directly with grassroots providers to co-design provision, ensuring that people in excluded communities receive investment that works for them.

## **5 Geographical Area of Report's Implications**

- 5.1 Devolution of the Adult Education Budget relates only to the constituent member areas. In non-constituent member areas AEB will continue to be deployed through the national funding system. The delegated Free Courses for Jobs and Multiply programmes relate only to the constituent member areas. In non-constituent member areas Free Courses for Jobs will continue to be deployed through the national funding system. Non-constituent areas will receive a separate Multiply allocation. The Technical Bootcamp programmes relate to the three LEP areas.

## **6 Other Implications**

None

## Annex A: Adult Education Budget Investment Local Authority Split

The table below shows the current Local Authority split of the Adult Education Budget, based on historical patterns of delivery. Provision is deliberately responsive however, and funding may shift in year to meet demand.

	<b>Birmingham</b>	<b>Solihull</b>	<b>Coventry</b>	<b>Dudley</b>	<b>Sandwell</b>	<b>Wolves</b>	<b>Walsall</b>
<b>Grant AEB</b>							
Total £101,434,994	£53,402,841	£3,344,010	£9,424,030	£6,384,020	£11,146,703	£9,525,364	£8,208,026
<b>AEB Procured</b>							
Total £31,599,996	£14,024,897	£1,589,495	£3,301,559	£3,012,179	£3,679,073	£2,896,141	£3,096,652
<b>All AEB</b>							
£133,034,990	<b>£67,427,738</b>	<b>£4,933,505</b>	<b>£12,725,589</b>	<b>£9,396,199</b>	<b>£14,825,776</b>	<b>£12,421,505</b>	<b>£11,304,678</b>
<b>% Split</b>	<b>50.68%</b>	<b>3.71%</b>	<b>9.57%</b>	<b>7.06%</b>	<b>11.14%</b>	<b>9.34%</b>	<b>8.50%</b>

## Annex B: Addressing local skills and employment challenges through devolved skills funding

Since our first devolution deal, we have secured over £0.65bn for the region, including:

- £520m Adult Education Budget
- £19.5m of National Skills Funding for level 3 qualifications
- £27.2m for Skills bootcamps
- £8m for employment support programmes
- £2m for Community Renewal Fund projects
- £32m through our Apprenticeship Levy Transfer Scheme
- £45m as part of our Skills Deal

We have worked closely with our Local Authority Officers Group to ensure that this funding is used to shape employment and skills programmes that reflect local priorities and complement other local activities. As a result, skills training is now more strategically aligned to regional and local economic need – with a greater focus on getting more people into jobs, developing more higher-level skills, and being more responsive to employer needs. Local Authorities are also better placed to influence provision in their local areas. Since devolution, we have seen:

- 20% increase in provision supporting residents into jobs through training.
- Increased vocational ESOL provision
- Level 2 provision maintained, with greater sector mix and direct route into jobs.
- Seven-fold increase in Level 3 provision, while cash investment in level 3 provision has risen from £4.4m pre-devolution, to £13.9m in 20/21.
- 33% increase in provision aligned to regional priority sectors in construction, manufacturing, digital and business and professional services – including a 66% increase in new digital courses. £7.3m spent on construction training compared with £4.8m pre-devolution. 1,150 business and professional learners at level 3, compared with 150 pre-devolution.

Devolution has also enabled us to make significant additional investment in each Local Authority, including:

- New rail, construction and electric vehicle training at **Wolverhampton** College, supported by an additional £2m pa AEB.
- New dedicated construction plant training facility in **Solihull**, through a partnership between Solihull College and RMF supported by £2m pa AEB.
- In **Dudley**, new green technologies and retrofit training, alongside the launch of a new Institute of Technology delivering new higher-level skills training supported by AEB.
- Significant increases in higher level skills training delivered to adults by **Walsall** College tackling the lack of higher-level skills in the resident population. A new electric vehicle training centre and a youth hub co-located at the college site.
- New pre-employment training offering with a range of SWAPS delivered by **Sandwell** College through an additional £0.5m AEB alongside innovative returneeship programmes delivered by Release Potential and a focus on training local people to work on development of Aquatics Centre.
- Significant growth in digital skills training in **Birmingham**, both through £3m AEB delivery by specialist provider Netcom and through a range of new providers delivering skills bootcamps to residents, providing the skills for the growing tech jobs market
- Significant increases in sector work-based training in **Coventry** with new programmes delivered by the Local Authority and Pet XI in particular, plus £1m investment in training supporting residents to access opportunities linked to City of Culture.