West Midlands Combined Authority

Overview and Scrutiny Committee: Skills Review

Prior to the pandemic we were making progress

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Prior to the pandemic, the region's economy experienced unprecedented growth exceeding the rest of the UK, with **rising productivity, jobs and employment**.

- **Economic Growth:** fastest growing region outside of London, breaking through the £100bn economic output mark in 2019-20
- **Skills:** Qualification levels were improving (10% increase in NVQ4+ vs 7% for the UK)
- **Business base:** Our business base was growing faster than elsewhere in the UK (16% increase in the number of businesses 2018 to 2019, compared to 5% nationally).

Yet the region also faced some **long-standing labour market challenges**:

- **uneven development and attainment by young people** through early years, primary, secondary and tertiary education and training. Lower than average educational achievement at KS2 and KS4
- **low skill levels**, with fewer residents qualified to Level 4+ and more people with no qualifications, compared to other areas;
- **low employment rate and high levels of unemployment** particularly in some parts of the region, e.g. Birmingham.
- **growing in-work poverty**, driven by lower-than-average wage levels
- **lower GVA per head** compared to national figures (£25.5k in the region compared to £30k nationally).
- **persistent skills shortages**; around 1 in 4 vacancies in the region were classed as 'hard to fill', particularly in roles that require advanced and/or higher skills
- A **high number of residents in jobs/sectors at risk of automation** and/or from broader economic change

The pandemic hit the West Midlands region hard, with young people and those from BME communities hit hardest – particularly those who are less well qualified, and who live in areas with already high levels of unemployment and deprivation.

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Employment rate at a record high

Unemployment close to pre-pandemic levels

Inactivity rates at a record low

Qualification levels rising

Impact of Covid in the West Midlands

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The economy is now recovering well, although this is uneven with a real risk that some places and people will be left behind. In particular, it is important to consider:

- Variability of recovery across the region – across places, sectors and demographic characteristics
- Persistent long-term challenges in areas with high levels of deprivation – recovery is slower here.
- High level of unfilled vacancies reflects where many businesses are struggling to fill roles, impacting both them and the wider economy
- Pockets of high unemployment, particularly among young people in some areas (Walsall, Sandwell, Wolverhampton)
- Stubborn levels of long-term unemployment, with 84,272 residents across the WMCA area who are currently claiming Universal Credit and Seeking Work, but who have been unemployed for over 12 months.
- A growing number of older people and those with both short-term and long-term health conditions who are leaving the labour market to become economically inactive
- Growing in-work poverty as the cost of living continues to rise.
- This risk of recession as wider economic factors begin to bite.

Shared Challenges

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Each area across the 7 MET has its unique challenges. Others are shared across many of ours LAs, many of which have been exacerbated by the Covid-19 pandemic:

- Low skill levels in the population, lagging behind the rest of the UK.
- A high number of residents in jobs/sectors susceptible to closure during pandemic and potential for future changes with new technologies.
- Low educational attainment on leaving school/college
- Deep rooted and long-standing issues with deprivation in certain areas e.g East Bham, Walsall West, North Dudley, Central/North Wolves
- Overall and Youth Claimant numbers still above pre-pandemic figures and the rest of the UK.
- Low productivity growth in many areas.
- Challenges in reaching all communities with lower engagement as a result.
- Lack of a detailed understanding on resident aspirations/ etc.
- Training still not aligned fully to market demand.
- A range of barriers to jobs and training, not just skills e.g health, transport.

Unemployment remains higher than nationally with particular concerns around young people

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	Employment rate	Unemployment rate	Economic inactivity rate	Youth claimant rate
Birmingham	64.4%	9.7%	28.7%	7.7%
Coventry	71.2%	6%	24.2%	3.6%
Dudley	78.6%	4.4%	17.8%	7.2%
Sandwell	73.2%	5.2%	22.8%	9.3%
Solihull	77.4%	3.7%	19.6%	5.7%
Walsall	70.1%	7.3%	24.4%	8.4%
Wolverhampton	71.1%	6.5%	23.9%	9.7%
7 MET	69.8%	7.1%	24.9%	7.2%
UK	**75.7%**	**3.7%**	**21.4%**	4.6%

Only 2 LAs across the 7 MET have a higher employment rate and lower unemployment and inactivity rates than the rest of the UK.

Still big concerns for young people, with all but Coventry having a youth claimant rate higher than the UK average, and Wolverhampton and Sandwell double the national rate.

Red and green denotes where the position is currently below or above the rest of the UK.

Our people are still, on average, less qualified

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KS4 achievement – below UK average

LA Area	% of pupils achieving grades 4 or above in Eng and Maths (Good Pass)
Birmingham	69.4
Coventry	68.2
Dudley	66.7
Sandwell	61.6
Solihull	74.4
Walsall	65
Wolverhampton	68.1
England	72.2

Resident qualifications profile – lower than UK average

LA Area	No Quals %	NVQ3+ %	NVQ4+ %
Birmingham	10.8	58.1	37.9
Coventry	7.6	58.9	38.1
Dudley	8.3	48.5	30.5
Sandwell	11.2	41.9	26.5
Solihull	4.7	61	42.2
Walsall	9.9	49.2	27.2
Wolverhampton	9.5	48	31.5
UK	6.7	61.2	43

Red and green denotes where the position is currently below or above the rest of the UK.

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Working in partnership on jobs and skills across the 7 Met area

To date we have secured £0.65bn for jobs and skills

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Adult Education Budget
£520m

National Skills Funding – Free Courses For Jobs (level 3)
£19.5m

Skills Bootcamps, Digital and Green
£27.2m

Construction Gateway £7m

Employment Support Programmes
£8m

Community Renewal Fund
£2m

Apprenticeship Levy Scheme
£32m (secured to date, ambition of £40m by 2025)

£45m in total for our Skills Deal

£6m ESF and National Lottery funding

We anticipate this will grow with Multiply, UKSPF and more DfE/DWP funding.

The impact of devolution in the West Midlands

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Devolution has allowed us to:

- **Strengthen partnership** working across the region, particularly with Local Authorities, education providers and independent training providers to ensure provision is shaped and relevant for each local area.
- **Collectively** deliver initiatives ensuring maximum impact in each area, as well as shared governance e.g. Skills Advisory Board, AEB commissioning.
- **Implement new provision** linked to economic and business need, increasing sector-based work programmes, with over 50% moving into employment as well as engaging with under-represented groups in training through programmes such as digital bootcamps which have delivered 50% BME and 50% female participation through new providers.
- **Respond** to labour market need quickly and effectively e.g. HGV driver training piloted early in 2021 as response to emerging sector pressures; regional hospitality response; regional health and care training plan.
- **Commission** programmes with a focus on future provision such as Electric Vehicles, Retrofit and new digital bootcamps to support residents into new jobs, as well as supporting businesses in the region such as BT and Goldman Sachs.
- **Improve** routeways into work for local residents by ensuring that training is relevant to business demand.
- **Engage** in a much more co-ordinated way with employers to ensure there is bespoke training for companies in identified areas, allowing them to have direct access to a pool of people ready for work and where they can recruit directly from.
- **Promote** opportunities in a much more targeted way to local residents on an area-by-area basis working jointly with partners.
- **Ensure** input to governance across the region and new initiatives being considered nationally e.g. Trailblazer Devolution Deal proposals, UK Shared prosperity Fund, Skills Advisory Board action plan, AEB commissioning and 2022-2025 AEB Strategy

We have delivered impact for residents and businesses across the 7 MET are

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- Greater investment in jobs and skills
- A clear sector-based approach with new taskforces and training plans linked to industry needs
- More training linked directly to employer need, including those recruiting
- Fully funded SWAP and Technical Training offer alongside Colleges West Midlands Group
- Youth and Adult Employment Platforms, tailored for each LA
- New DWP Youth Hubs in each LA area, with more satellite sites for each area
- Improved qualification levels across all LA areas
- Improved partnership working in each LA and best practice sharing.
- Pooled resources and co-design/ implementation of programmes.

Birmingham

Employment rate: 64.4%

Unemployment rate: 9.7%

Inactivity rate: 28.7%

Claimant count: 65,185 (8.9% highest rate in the 7 MET)

Youth claimant count: 10,840 (7.7%)

Proportion of residents with no qualifications: 10.8%

Highest qualification levels: Level 1 (82.1%) Level 2 (72.8%) Level 3% (58.1%) Level 4 (37.9%)

Context, partnership work and impact

Context

- Above average levels of unemployment and inactivity, particularly amongst BME communities.
- Lowest employment level in the 7 MET with Overall claimants still above pre-pandemic figures & highest rate of claimants as a % proportion of 16-64 year olds.
- High levels of deprivation across the city, with some areas being the worst in the country.
- Poor performance at KS4 and below average qualification levels.

Investment, collaborative work and impact to date

- South and City College and BMET are the largest providers in Birmingham. Provision is also delivered via 47 Independent Training Providers.
- Each year we invest £130m in training and skills in the West Midlands. In addition to AEB funding (£109m 2019-22), we have secured increased investment through NSF (£870k), digital bootcamps and investment in Construction Training Hubs (+£300k)
- £7.7m secured through our Apprenticeship Levy Scheme, supporting 789 new apprentices and 205 SMEs in Birmingham since April 2019.
- 153,829 enrolments (70,362 residents) in skills training, 6,769 residents enrolled on Level 3 courses and 10,300 unemployed residents progressing into work as a result of training since 2019.
- Partnership working with DWP to create a new Youth Hub at Central Library with satellite sites across the LA area identified.
- Increase in qualification levels, both decreasing those without any qualifications (12.9% 2019 down to 10.8% now) and an increase in those with higher level quals NVQ4 (33.1% in 2019 up to 40.4% now).

Concerns and areas for development

- Birmingham still has too much provision focused on Entry Level training and lower level functional skills.
- More work needed to connect residents to good jobs (e.g. HS2, Tech Sector), building on the work already done through programmes such as SWAPs.
- Particularly important to further accelerate our work in key areas of need e.g. North and East Bham.
- Need a concerted focus to support young people (Breaking Barriers report highlighted criticality of this) – Places for People will support this.
- End of ESF funding presents real risks to delivery; funding for ‘people and skills’ does not begin until 2024/25

Coventry

Employment rate: 71.2%

Unemployment rate: 6%

Inactivity rate: 24.2%

Claimant count: 12,170 (4.8%)

Youth claimant count: 1,980 (3.6%)

Proportion of residents with no qualifications: 7.6%

Highest qualification levels: Level 1 (84.9%) Level 2 (76.5%) Level 3% (58.9%) Level 4 (38.1%)

Context, partnership work and impact

Context

- Above average levels of unemployment and inactivity and a lower employment rate than the rest of the 7 MET and wider UK.
- Poor performance at KS4 and below average qualification levels
- Higher rates of overall claimants as a % proportion than both the 7 MET overall and wider UK rate, but below the rest of the UK for Youth Claimants.

Investment, collaborative work and impact to date

- Coventry College the largest provider in the LA area. Provision also delivered by 34 Independent Training Providers.
- Each year we invest £130m in training and skills in the West Midlands. In addition to the AEB funding spent in Coventry (£19.5m 2019-22), we have secured increased investment as a result devolution through NSF (£331k) and through initiatives such as our Construction Training Hub (£300k).
- Secured £1m through our Apprenticeship Levy fund, supporting 128 new apprentices in 49 SMEs in Coventry since April 2019.
- 31,224 (16,109 individual residents) in skills training, 1,349 residents enrolled on Level 3 courses, and 2,231 unemployed residents progressing into work as a result of training since 2019.
- New DWP Youth Hub at Coventry Job Shop and further satellite sites being identified, as well as Youth and Adult Employment platforms specific to Coventry.
- Increasing qualification profile. A reduction in those without any qualifications (9.1% 2019 down to 7.9% now) alongside an increase in those with higher level quals NVQ4 (36.4% in 2019 up to 40.4% now).

Concerns and areas for development

- Provision still focused too heavily on Entry Level/ESOL/lower-level functional skills.
- A lack of employer engagement to map skills demands & tailored training offer to plug vacancies.
- Low levels of SWAPs aligned to business recruiting – critical to increase this to provide routeways towards employers who are actively recruiting.
- Lack of job progressions; more progression from ITPs than FE Providers in 2020/21
- The training offer is still not sufficiently aligned to economic need.
- More joint work needed to identify key areas across the LA for further interventions, and to design programmes and implement solutions.
- End of ESF funding presents real risks to delivery; funding for ‘people and skills’ does not begin until 2024/25

Dudley

Employment rate: 78.6%

Unemployment rate: 4.4%

Inactivity rate: 17.8%

Claimant count: 10,045 (5.2%)

Youth claimant count: 1,715 (7.2%)

Proportion of residents with no qualifications: 8.3%

Highest qualification levels: Level 1 (82.1%) Level 2 (74.7%) Level 3% (48.5%) Level 4 (30.5%)

Context, partnership work and impact

Context

- Above average levels for employment and below for unemployment and inactivity – one of only 2 LAs in the 7 MET.
- Higher rates of overall claimants as a % proportion than both the 7 MET area and wider UK.
- Poor performance at KS4 and below average qualification levels

Investment, collaborative work and impact to date

- Dudley College and Halesowen Colleges being the largest providers in the LA area. Provision also delivered by 26 Independent Training Providers.
- Each year we invest £130m in training and skills in the West Midlands. In addition to the AEB funding spent in Dudley (£13m 2019-22), we have secured increased investment as a result devolution through NSF (£200k).
- Secured £1.2m through our Apprenticeship Levy fund, supporting 169 new apprentices in 57 SMEs in Dudley since April 2019.
- 19,865 enrolments (11,714 individual residents), 1,497 residents enrolled on Level 3 courses both AEB and NSF funded and with 2,363 unemployed residents progressing into work since 2019.
- New DWP Youth Hub in Skills Shop at Merry Hill with further sites being identified across the LA area, as well as Youth and Adult Employment platforms specific to Dudley.
- Increasing qualification profile. A reduction in those without any qualifications (16.4% 2019 down to 7.6% now) alongside an increase in those with higher level quals NVQ4 (24.7% in 2019 up to 35% now).

Concerns and areas for development

- Large volume of delivery of lower-level functional skills. Very small provision at level 3+
- Low levels of Independent Training Providers with delivery in the area compared with other areas across the 7 MET.
- Lack of alignment in offer from providers across the LA area.
- Low recording/capturing of destinations.
- Enrolments do not always progress learners to the next level.
- Lack of provision in Stourbridge, following the closure of the college – plan to address this working in partnership with providers.
- Halesowen College looking to further grow their provision, particularly higher-level skills at 4 and 5.
- End of ESF funding presents real risks to delivery; funding for ‘people and skills’ does not begin until 2024/25.

Sandwell

Employment rate: 73.2%

Unemployment rate: 5.2%

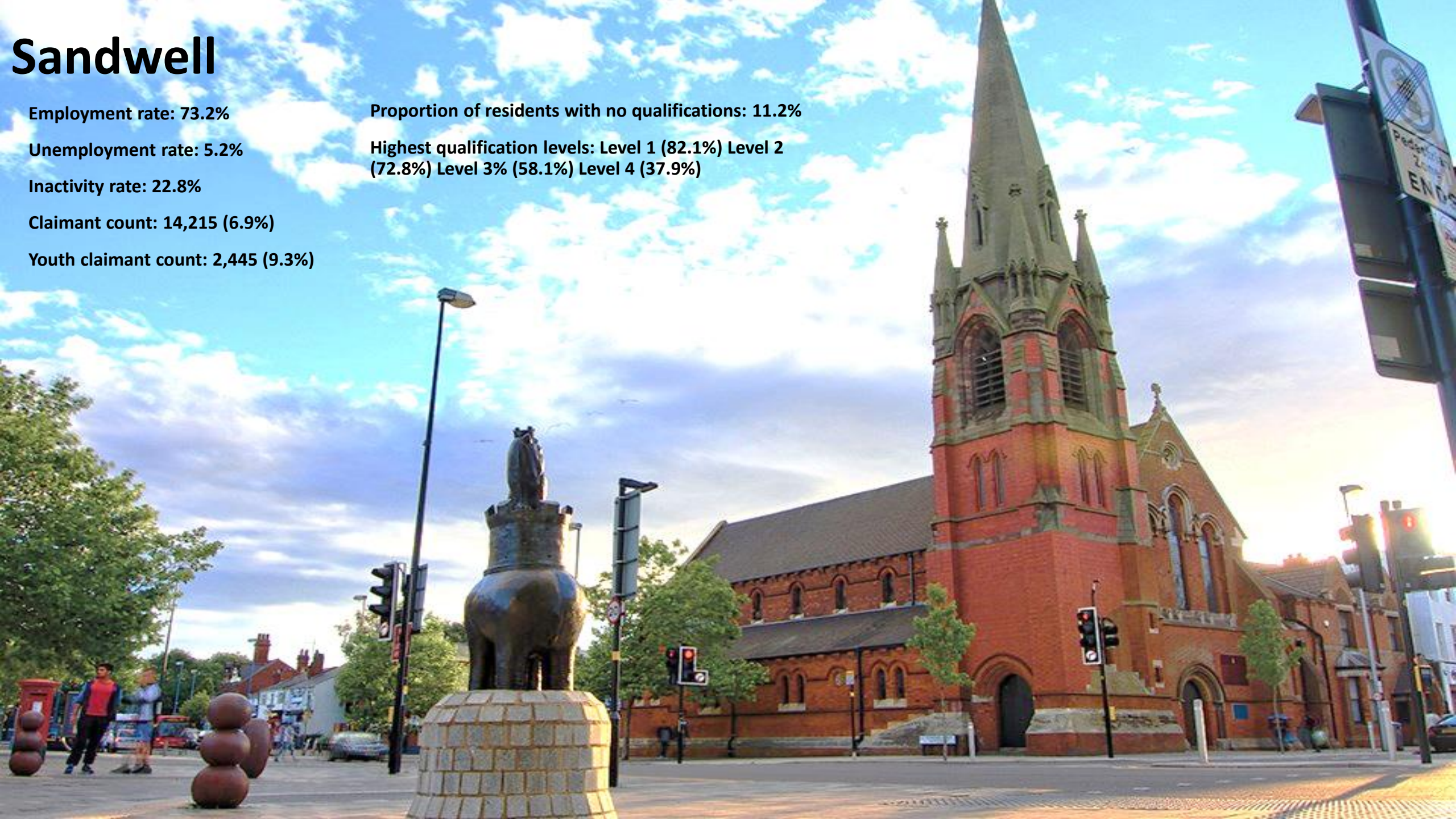
Inactivity rate: 22.8%

Claimant count: 14,215 (6.9%)

Youth claimant count: 2,445 (9.3%)

Proportion of residents with no qualifications: 11.2%

Highest qualification levels: Level 1 (82.1%) Level 2 (72.8%) Level 3% (58.1%) Level 4 (37.9%)



Context, partnership work and impact

Context

- Above average levels for employment and below for unemployment but a better inactivity rate than the rest of the UK.
- Poor performance at KS4. Qualification levels below UK average. Proportion of residents with no qualifications double the national rate (16.7% vs 6.6%). Lowest proportion of residents qualified to level 4+ in 7 Met area.

Investment, collaborative work and impact to date

- Exemplar deliverer in Sandwell College, looking to grow further. Provision also delivered by 39 Independent Training Providers.
- Each year we invest £130m in training and skills in the West Midlands. In addition to the AEB funding spent in Sandwell (£22.7m 2019-22), we have secured increased investment as a result devolution through NSF (£274k) and in the Fab Lab Demonstrator Site at Sandwell College (£100k). We have also supported the development of the Aquatics Centre and new hospital through our Construction Gateway programme.
- Secured £680k through our Apprenticeship Levy fund, supporting 102 new apprentices in 32 SMEs in Sandwell since April 2019.
- 33,777 (17,261 individual residents) in skills training, 1,752 residents enrolled on Level 3 courses, and 3,261 unemployed residents progressing into work as a result of training since 2019.
- New DWP Youth Hub at Sandwell College with satellite sites across the LA area identified, as well as Youth and Adult Employment platforms specific to Sandwell.
- Increasing qualification profile. A reduction in those without any qualifications (20.3% 2019 down to 11.2% now) alongside an increase in those with higher level quals NVQ4 (22.2% in 2019 up to 27.5% now).

Concerns and areas for development

- Lack of alignment of offer from providers across the LA area.
- Much more work needed to address low levels of qualifications.
- Continue to bring partners together to implement the new ‘Sandwell Offer’ and ensure alignment of provision for maximum impact.
- Further partnership work to identify key areas of need across the LA and collectively develop interventions.
- End of ESF funding presents real risks to delivery; funding for ‘people and skills’ does not begin until 2024/25.

Solihull

Employment rate: 77.4%

Unemployment rate: 3.7%

Inactivity rate: 19.6%

Claimant count: 4,735 (3.7%)

Youth claimant count: 870 (5.7%)

Proportion of residents with no qualifications: 4.7%

Highest qualification levels: Level 1 (89%) Level 2 (80.8%) Level 3% (61%) Level 4 (42.2%)

Context, partnership work and impact

Context

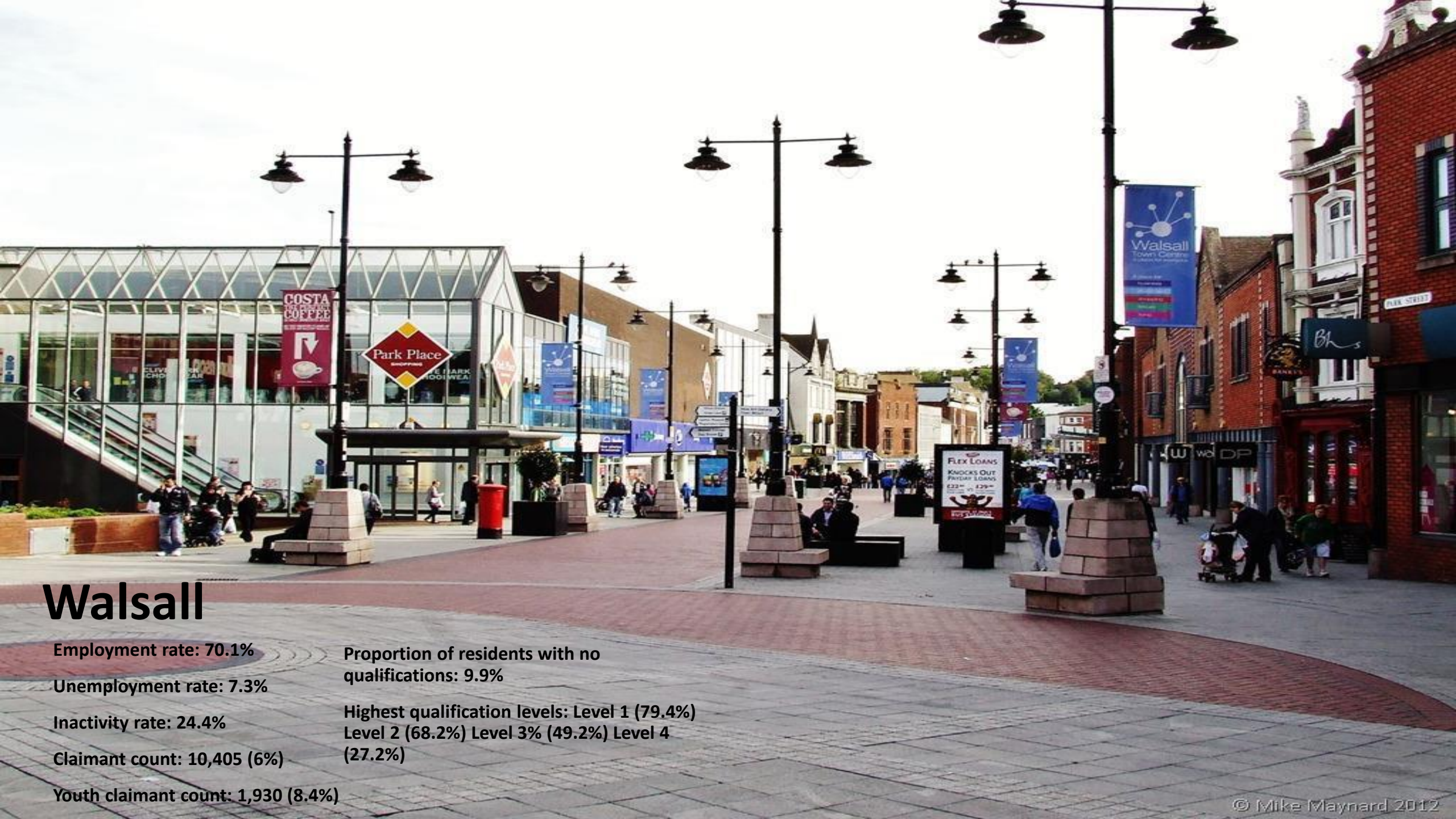
- Better rates of employment, lower levels of unemployment and inactivity then elsewhere in the 7 Met area
- The only LA in the 7 MET area to have higher qualification levels at KS4 than the England average, fewer residents with no qualifications, and a higher proportion qualified to levels 3 and 4.
- However, youth claimants are above UK average and above pre-pandemic levels.
- Deprivation in the north of the Borough, closest to Birmingham. In many cases, this mirrors places such as East B'ham which it adjoins.

Investment, collaborative work and impact to date

- Largest provider is Solihull College. Provision also delivered by 19 Independent Training Providers.
- Each year we invest £130m in training and skills in the West Midlands. In addition to the AEB funding spent in Solihull (£7.4m 2019-22), we have secured increased investment as a result devolution through NSF (£48k).
- Secured £955k through our Apprenticeship Levy fund, supporting 113 new apprentices in 26 SMEs in Solihull since April 2019.
- 8,288 (4,891 individual residents) in skills training, 661 residents enrolled on Level 3 courses, and 1,429 unemployed residents progressing into work as a result of training since 2019.
- New DWP Youth Hub at Chelmsley Wood with more satellite sites across the LA area identified, as well as Youth and Adult Employment platforms specific to Solihull.
- Increasing qualification profile. A reduction in those without any qualifications (5.5% 2019 down to 4.7% now) nut also a decrease in those with higher level quals NVQ4 (44.9% in 2019 up to 43.5% now).

Concerns and areas for development

- Low level of SWAP provision, linked to employers actively recruiting.
- Higher levels unemployment and deprivation in North Solihul; targeted interventions with partners in the locality are key.
- Low number of Independent Training Providers in the area.
- Higher proportion of residents 'In Work' and on Benefits – need to accelerate work for more in work progression support.
- Lower recording/capturing of destinations. Enrolments not always progressing learners to the next level based on their starting points.
- End of ESF funding presents real risks to delivery; funding for 'people and skills' does not begin until 2024/25.



Walsall

Employment rate: 70.1%

Unemployment rate: 7.3%

Inactivity rate: 24.4%

Claimant count: 10,405 (6%)

Youth claimant count: 1,930 (8.4%)

Proportion of residents with no qualifications: 9.9%

Highest qualification levels: Level 1 (79.4%) Level 2 (68.2%) Level 3% (49.2%) Level 4 (27.2%)

Context, partnership work and impact

Context

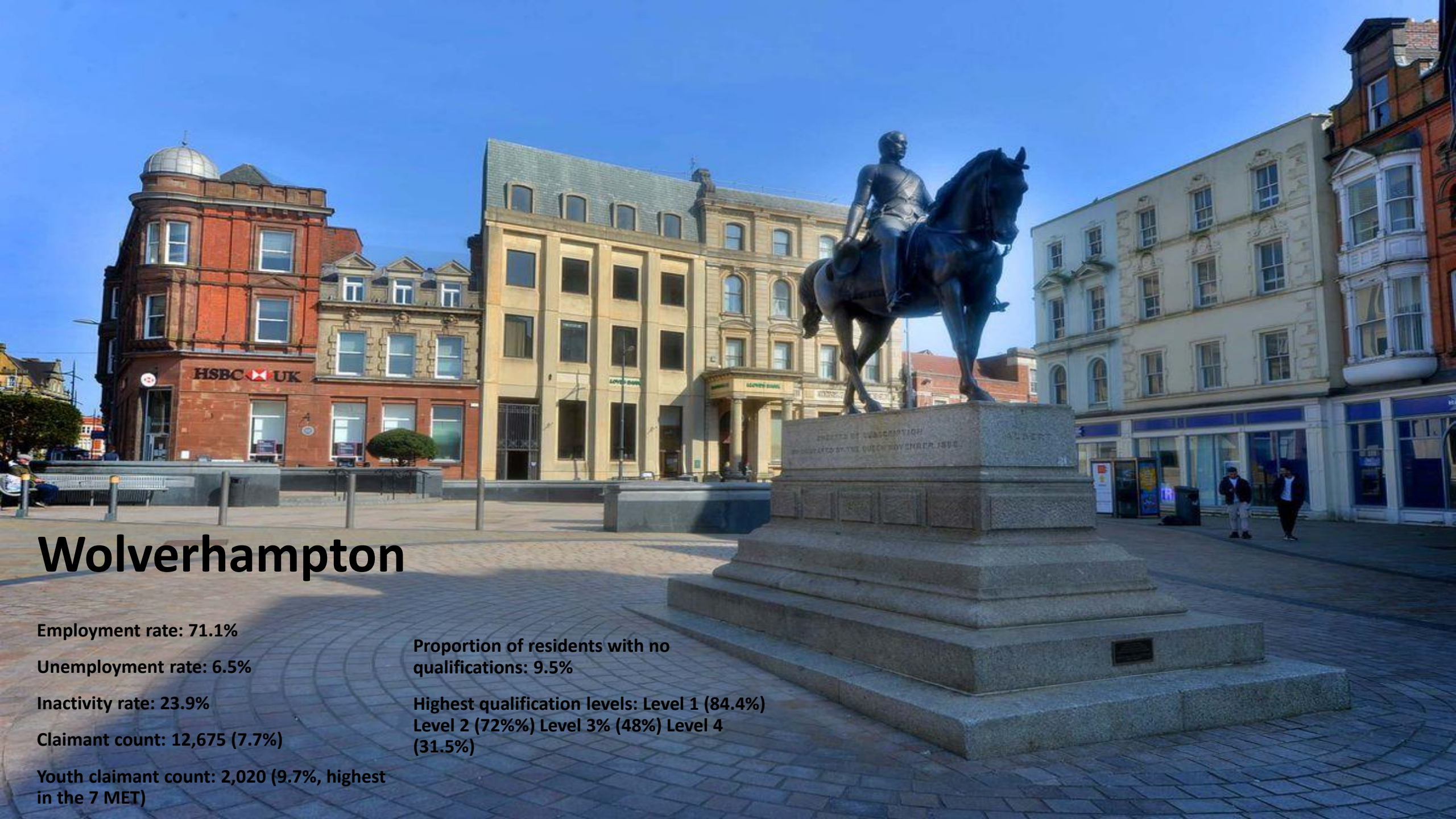
- Below average levels of employment and higher levels of unemployment and inactivity, compared to the rest of the UK.
- Poor performance at KS4. Qualification levels below UK average. Second lowest proportion of residents qualified to level 4+ in 7 Met area.
- Concerns for young people in Walsall.
- Areas of deprivation, particularly in the East of the Borough.

Investment, collaborative work and impact to date

- Exemplary provider in Walsall College, the largest in the LA area. Provision also delivered by 32 Independent Training Providers.
- Each year we invest £130m in training and skills in the West Midlands. In addition to the AEB funding spent in Walsall (£15.2m 2019-22), we have secured increased investment as a result devolution through NSF (£243k), as well as investments in Walsall College for a Digital Innovation Hub (£100k).
- Secured £628k through our Apprenticeship Levy fund, supporting 102 new apprentices in 35 SMEs in Walsall since April 2019.
- 21,579 (11,548 individual residents) in skills training, 1,119 residents enrolled on Level 3 courses, and 1,917 unemployed residents progressing into work as a result of training since 2019.
- New DWP Youth Hub at Walsall College with more satellite sites across the LA area identified, as well as Youth and Adult Employment platforms specific to Walsall.
- Increase in qualification levels, both decreasing those without any qualifications (12.3% 2019 down to 9.9% now) and increasing those with higher-level qualifications NVQ4 (27.6% in 2019 up to 26.8% now).

Concerns and areas for development

- Dominance of single provider i.e. Walsall College
- Further work needed with the College to ensure implementation of the Health and Care plan and associated pathways including the health care diplomas at level 2/3 to support in-work progression
- Introduce bootcamps, including digital, and consider other areas where a bootcamp model would support the needs of local employers and residents e.g engineering, green EV
- Destination tracking to monitor positive outcomes for residents who engage in offers at Walsall College needs to be improved
- Continue to implement vocational ESOL
- Walsall Pathfinder, opportunity to develop a better understanding of the situation and motivations of those not in work in Walsall and how we can encourage them into work
- Opportunity to support SMEs in creating bandwidth to innovate through introduction of L&M offer leading to increased productivity and growth
- End of ESF funding presents real risks to delivery; funding for ‘people and skills’ does not begin until 2024/25.



Wolverhampton

Employment rate: 71.1%

Unemployment rate: 6.5%

Inactivity rate: 23.9%

Claimant count: 12,675 (7.7%)

Youth claimant count: 2,020 (9.7%, highest in the 7 MET)

Proportion of residents with no qualifications: 9.5%

Highest qualification levels: Level 1 (84.4%) Level 2 (72%%) Level 3% (48%) Level 4 (31.5%)

Context, partnership work and impact

Context

- Below average levels for employment and high levels of unemployment and inactivity, compared to the rest of the UK.
- Poor performance at KS4. Qualification levels below UK average.
- Youth claimant rate considerably above UK average, on of the highest rates in the country.
- Chunks of deprivation, particularly in outskirts of the city centre and the north.

Investment, collaborative work and impact to date

- Largest provider is the City of Wolverhampton College and City Council, who we have strong relationships with. Provision also delivered by 37 ITPs.
- Good alignment of offer and strong rates of SWAPs, linked to employers recruiting.
- Each year we invest £130m in training and skills in the West Midlands. In addition to the AEB funding spent in Wolverhampton (£17.5m 2019-22), we have secured increased investment as a result devolution through NSF (£250k), as well as investments in new initiatives such as Electric Vehicle Training Centre (£250,000), Rail Training Academy (£750,000), Construction Training Hub (£100,000), Plant Training Facility (£100,000) and an investment of Contribution of £7.4m to City of Wolverhampton College campus upgrade bid.
- Secured £1m through our Apprenticeship Levy fund, supporting 100 new apprentices in 35 SMEs in Wolverhampton since April 2019.
- We have seen a number of benefits to date through our joint work, 25,104 enrolments with a range of difference courses accessed by local residents (14,436 unique learners), 1,430 enrolments on Level 3 courses. Both NSF and AEB funded and with 3,917 residents moving into work since 2019.
- New DWP Youth Hub in the City Centre at ‘The Way’ with more satellite sites identified, as well as Youth and Adult Employment platforms specific to Wolverhampton.
- Increase in qualification levels, both decreasing those without any qualifications (12.3% 2019 down to 9.9% now) and increasing those with higher-level qualifications NVQ4 (24.9% in 2019 up to 35.4% now).

Concerns and areas for development

- Need to accelerate progress achieved, including SWAPs aligned to businesses and labour market demand.
- Further potential to expand training linked to green and future tech given initiatives already in place e.g. EV Centre
- City Council need to accelerate Community Learning delivery and return to pre-pandemic levels much more quickly.
- End of ESF funding presents real risks to delivery; funding for ‘people and skills’ does not begin until 2024/25.

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Looking to the future

Potential changes to regional employment

- Impact of Covid, flexibility of where people work vs where they live.
- Smaller growth of prof services vs decline in manufacturing – areas like the BC will be hit harder.
- Increased automation of workplaces.
- Advanced manufacturing and modern methods of construction.
- Green technologies such as retrofit.
- Greenifying of existing jobs and companies generally.
- Digitization, AI and VR.
- Battery technology.
- **But the potential risks for each area due to their industry makeup can also be a strength to build on.**

Industry	BCLEP	CWLEP	GBSLEP
Primary sector and utilities	-2.40%	-2.50%	-4.70%
Manufacturing	-13.20%	-11.20%	-11.50%
Construction	1.30%	-0.50%	0.30%
Trade, accomod. and transport	-0.80%	-0.60%	-0.30%
Business and other services	2.90%	4.10%	2.40%
Non-marketed services	3.90%	1.20%	1.50%

Opportunities with high growth and emerging jobs

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Digital:
The Digital Sector in the region has already seen massive growth, growing by an average of 7.6 per cent a year between 2014 and 2019, **the fastest region in the UK**.

The sector is predicted to create an additional 52,000 roles over the next four years, generating at least £2.7 billion for the local economy by 2025.

Low Carbon and Green Industries:
Nearly 100,000 people are employed in low carbon manufacturing industries, with research showing that a further 21,000 new jobs could be created over the next five years and 92,000 more by 2041 as we move towards becoming a **zero carbon region by 2041.**

Construction:
Given the significant investment in infrastructure projects across the West Midlands, sector growth regionally is predicted to be at 4.8% over the next 5 years – **higher than the UK average of 4.4%** with 25,000 new workers being required (5,000 each year) from 2021 to 2025 and the potential for thousands of more workers as further investment occurs and the sectors continues to grow.

- Manufacturing of Electric Light Vehicles and Associated Battery Storage Devices
- HealthTech and MedTech
- Aerospace (inc. Manufacturing Alternative Fuel)
- Logistics and Distribution
- Professional and Financial Services and Supply Chain
- Creative content production and gaming
- Manufacture of Future Housing
- Modern and Low Carbon Utilities

- Sustainable Food & Drink Packaging
- Space Technology
- Further Evolution of Logistics
- Very Light Rail
- Land Remediation & Retrofit
- Laboratories
- Air Purification
- Textiles & Fashion
- Blue Infrastructure
- EdTech
- Future Building Materials
- Cyber Security
- E-Commerce
- Blockchain
- 5G Adoption
- Assistive Technology

By working together, we have already demonstrated the value of devolution

- We have proved that through regional leadership and collaboration, devolution can make a difference and meet the specific challenges the region faces, not a ‘One Size’ fits all national model of delivery.
- 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.
- We have placed a greater emphasis on getting more people into jobs, developing more higher-level skills, and being more responsive to employer needs:
- We have responded quickly and flexible to meet demand from current and emerging sectors, as well as applying flexibilities to respond to sudden demand e.g HGV drivers.
- We have invested in more higher-level skills training
- We have seen a 20% increase in job progression and work outcomes since devolution of skills funding.
- **BUT we want to do much more working together!**

Creating an integrated employment and skills system for the West Midlands

As part of a Trailblazer Devolution Deal, we are seeking to build further on this success, by creating **an integrated employment and skills for the region through which we can deliver better outcomes for residents and businesses.**

Our skills devolution asks include:

1. **Greater influence over post-16 technical and vocational education in the region**, including FE capital spend, level 4/5 delivery through HE as well as FE, and a role in stimulating further growth in apprenticeships – potentially supported through a single funding pot for skills related activity.
2. **A new approach to co-commissioning employment support provision** in the region with DWP, to ensure that programmes respond quickly and effectively to local labour market challenges, and better meet the needs of residents, businesses and local economies.
3. An all-age **West Midlands Careers Service** supporting residents to make informed decisions about careers, better work and the pathways into existing and emerging opportunities.

Future joint work

West Midlands Combined Authority

An increased focus on provision for young people and engaging those who are economically inactive.

Further joint work on supporting the 'Places for People work'.

WMCA working with BCC to develop a new outreach offer to young people – this could be replicated across the 7 MET.

Further place based/localised interventions in key areas, like we have already done in areas like North and East Birmingham.

More jobs fairs in target areas working with LAs – what more can we do together to do more of this?

Further increase employer engagement, bringing all partners together to ensure alignment of offers, maximum impact and so training is relevant to demand.

Building on success together – your thoughts

West Midlands Combined Authority

What should be the next actions we implement to strengthen joint working in general between the WMCA and LAs across the 7 MET?

What more can we do jointly to ensure better links to employers to strengthen their input and ensure resident have the skills needed to get jobs now, and in the future?

What more can we do to identify key areas of need in each LA area so that we can better target interventions working together?

What should be the key overarching priority for devolution for the region?