

**West of England Local Enterprise Partnership
Board meeting – Monday 6th March**

SKILLS UPDATE

Purpose of the report

1. To update on the range of regional skills programmes currently being delivered or in development, overseen by the West of England Skills Advisory Panel, chaired by LEP Board members Chris Grier and Joanne Rumley.

Recommendation

For Board members to note background ahead of a presentation at the meeting.

Overview

The West of England produced its first comprehensive and ambitious Employment and Skills Plan in 2019 (see [here](#)), which was based on a thorough review of the evidence available at that time. Significant progress has been made by the Combined Authority and partners in delivering against this Plan. The West of England Metro Mayor has set as a key priority the need to bring secure and fairly paid jobs to the region (including green), working with trade unions, local employers, skills providers and others, to help residents access these opportunities. The Combined Authority's skills portfolio has more than tripled from c£20m to c£60m within the last 2 years.

Key progress to date includes:

- **Reforming the devolved Adult Education Budget (AEB)** – which is supporting over 10,000 learners each year with foundational skills – to improve alignment with local priorities and better equip people with the skills needed to progress into and within work.
- **Promoting green skills as a career path and funding training** for the specialist roles needed such as retrofit, organisational sustainability, environmental data science, green technologies and engineering, and modern methods of construction.
- Launching the **Metro Mayor's Good Employment Charter** which is already working with over 100 employers to become even better at recruiting, supporting, and retaining their staff.
- **Supporting people through the impacts of Covid-19** by flexing and adapting all existing provision (AEB, Future Bright) and through £20m regional recovery funding, quickly putting in place targeted additional support (Community Support Fund, Digital Skills Programme) to help build communities' and individuals' resilience.
- **Helping over 3,500 people to progress in work through Future Bright**, addressing precarious work and the cost-of-living crisis

- Supporting employers with their skills needs and established an **apprenticeship investment and support service** which has to date retained over **£3m** of apprenticeship levy in the region.
- **Securing over £11m additional funds for skills training**, empowering employers to address short- and medium-term skills needs including digital, construction, retrofit assessors, health, and management.
- **Establishing specialist HGV and bus driver** training, alongside targeted support for **tourism and hospitality**, to address critical skills and labour shortages.
- Through the **West of England Careers Hub**, delivering a range of **school and college-based initiatives**, to better prepare young people for their next best step and achieve their potential including a new **Green Futures Fund**.
- Working with all partners through the **Skills Advisory Panel**, including our Local Authorities, HE and FE, and business, to establish a shared understanding of our changing economic picture, to understand the challenges and work to collectively on solutions. This included a review of post 16 infrastructure ([here](#)) and alignment with the **West of England Local Skills Improvement Plan (LSIP)** led by Business West.
- Designed **Skills Connect**, a new single regional careers and jobs advice service, supported by a new **Mayoral Priority Skills Fund** to help us respond flexibly to skills gaps as they arise.

Looking forward, the region continues to have a strong and diverse economy, with above average levels of productivity, low rates of unemployment, a highly skilled workforce, and high-quality jobs. There remain, however, considerable structural challenges with new ones emerging as the economic landscape continues to shift. Importantly, our employment and skills system must continue to adapt to the climate emergency and the creation of new sectors and technologies, while climate adaptation needs to be embedded across all sectors including health, creative and digital.

Collectively, as a region, we need to address:

- **Skills miss-matches and skills shortages in some sectors**, but also within geographic and demographic communities where **communities and individuals struggle to access opportunities**.
- **Low pay, particularly for part time workers, and insecure employment; Wage and occupational inequality** and lack of progression in work for some, and a growing polarisation between higher and lower skilled occupations.
- **Unequal educational attainment in schools**, particularly for disadvantaged children and high numbers of young people not in education, employment or training (NEET) in parts of the area.

- **Low awareness and participation in apprenticeship opportunities**, and challenges for industry in utilising the Apprenticeship Levy.

The pandemic created new challenges. In the short-term, the economic and social impacts hit some groups harder than others and exacerbated existing regional inequalities. Whilst the recovery was faster than expected the scarring effect on these groups leaves a legacy which needs addressing. The pandemic also changed the face of employment, for instance, it **caused a rise in unemployment and economic inactivity amongst older workers and increased health-related barriers to work. Young people missed out** on work experience opportunities and the social elements of joining a new workplace, and many struggled.

The **sectoral impact of the pandemic was also uneven with some**, such as aerospace, retail, hospitality and tourism placed under greater pressure than others. Whilst the long-term impact remains to be seen, it is likely that some of these sectoral changes will be permanent, and that the shift to new technologies has been hastened.

The **speed of digital transformation** is a particularly pressing challenge, in terms of upskilling as well as keeping technology up to date. Digital skills are now essential to participate in all aspects of society as well as to support wider digital growth (57% of digital jobs are found in non-digital sectors). We have great resources to address these challenges in the West of England, including the Institute of Technology, the Digital Engineering Technology and Innovation (DETI) programme, HE and FE provision, but we need to ensure that digital provision is a cross cutting theme throughout our provision.

The pandemic also saw an **upsurge in home working**, which has become the new normal for many. Whilst home working offers many advantages the full impact on the world of work may be significant and may not yet be fully understood.

Our Post 16 Research (see above) **indicates that providers are already experiencing excess demand for courses related to these sectors and that certain apprenticeship courses are over-subscribed.** Furthermore, increased demand due to population growth is putting a strain on the region's providers.

National employment and skills initiatives provide opportunities to resource some of the region's priorities (e.g. the UK Shared Prosperity Fund and Multiply, National Skills Fund etc). However, the complex nature of the skills ecosystem, partly stemming from departmental silos at national level, as well as the short-term nature of the funding streams and inflexibility in some of the funded programmes is a barrier to achieving local skills and employment objectives. Further devolution of skills and employment support would help to overcome these barriers.

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