MIDLANDS ENGINE SKILLS STRATEGY

August 2018

Midlands Engine Skills Strategic Programme Group
Midlands Engine Skills Strategy

Introduction

The Midlands Engine Skills Group shares a strong belief that we can achieve more through collaboration. In particular, we can achieve more for our most valuable asset, our people, by making the most of our collective strengths, sharing our best practice, knowledge and expertise, and combining resources for our common goal.

This skills strategy responds to the Government’s Midlands Engine strategy released in March 2017. It also responds to the Industrial Strategy released in November 2017. As the Midlands Engine partnership we are not seeking to replace or replicate the Local Enterprise Partnerships’ work on Local Industrial Strategies or the Mayoral Combined Authority Skills Plan; instead we are seeking to harness energy and accelerate productivity in the Midlands through working together.

Undoubtedly the major challenge for the Midlands region moving forward is that of improving productivity and closing the productivity gap of around 15% that exists between the Midlands and the UK average. As representatives of the skills ecosystem of the Midlands, we firmly believe that the foundations to address this challenge can be built through the effective provision of high quality education and skills.

- We can make the Midlands Engine a region of lifelong learning where young people are able to follow structured career paths that will enable them to become the productive workforce of the future
- We can engage businesses in this process to ensure that their current and future skills needs are catered for
- We can support the current workforce with upskilling and career development opportunities aligned to their personal aspirations and employer needs
- We can support unemployed and economically inactive individuals to improve their basic skills and employability, progress through skills levels or retrain to enable them to play a productive part in the future labour market
- We can work collaboratively to make the Midlands a great place to learn, work and live

Skills Ecosystem

The Midlands has significant assets to develop skills that can be harnessed through the Midlands Engine to create a multiplier effect through collaboration and sharing:

- 4 universities in the top 20 of The Times and Sunday Times Good University Guide Rankings 2017
- 4 Catapult Centres in high value manufacturing, energy and satellite applications
- Existing collaboration across our 25 regional universities:
  - Midlands Enterprise Universities
  - Midlands Innovation Universities
  - Major impacts on skills, innovation and social mobility
- 56 FE colleges with 78% of those in the West Midlands graded Good or better by Ofsted and 73% in East Midlands
- Existing collaboration across the Colleges including the FE Skills and Productivity Group in the West Midlands
- 10 University Technical Colleges (UTCs)
- Institute of Technology pilots completed and a number of proposals submitted to the DfE
Our emerging Skills Strategy seeks to enable collaboration at all levels and will reflect, and be responsive to, the needs of many stakeholders, urban and rural areas, different governance structures and the involvement of a diverse base of existing skills providers. We are not seeking to put in place significant additional targets, programmes or initiatives but instead we would like to harness the collective power of those existing structures to achieve more. Existing larger scale initiatives can enable success in other geographies by transferring good practice, high performing ideas and delivery models. Local schemes can identify parallel activities in other locations and through the establishment of collaboration protocols and a networked approach will be able to extend their reach and impact. Improved communication between key leaders and stakeholders will facilitate collaboration across sectors, geographies and organisation type.

The diagram below illustrates the scale and scope of organisations, geographies, stakeholders and strategy relevant within the Midlands area for skills:

Midlands Engine is a collaboration across the Midlands incorporating all LEPs within the Midlands geography. This Skills Strategy is designed to accelerate the Midlands region achieving its potential in terms of productivity and through focus on four skills challenges;

1. **Growing our sector strengths**
2. **Addressing low level skills and investing in our workforce**
3. **Enhancing careers provision for all**
4. **Delivering high quality apprenticeship growth**
Challenge 1: Growing our sector strengths

We have identified the following sectors as key to the future economy of the Midlands:

- Manufacturing, engineering and transport technologies
- Agri-food, food and drink manufacturing and production
- Healthcare, life sciences and translational medicine
- Energy and low carbon technologies
- Creative, digital and design
- Hospitality and visitor economy

We cannot allow a lack of skilled workforce to impede the growth of these industries. In particular, within advanced manufacturing and engineering current delivery models and infrastructure do not provide sufficient numbers of appropriately qualified people to keep pace with the demand as the economy grows.

1. There are two key areas through which we believe growth can be achieved across our key sectors: 1. The 15 new route ways in technical education, or ‘T-Levels’; and 2. Ensure parity of esteem for apprenticeships with traditional academic routes. Together, the technical and academic routes can help us provide a long term solution to many future skills gaps:
   - By focusing apprenticeship provision at levels 4-6 we can meet the forecast skills shortages at technician level and above
   - By supporting the development and introduction of further degree-level apprenticeships we can provide sustainable career paths
   - By encouraging the introduction of more graduate programmes we can increase talent retention in the region
   - By raising awareness of apprenticeships as a mid-career development opportunity we can encourage lifelong learning

2. To achieve our goals we are seeking to develop Collaborative Skills Networks (CSNs) in each of 6 key sectors. The CSNs will give us dedicated resource to bring together industry representatives and key stakeholders to influence the future delivery of skills in the Midlands Engine region. We will:
   - Establish sector influence groups, including both large organisations, SMEs and education providers to:
     - Identify future skills needs and directly contribute to development of skills provisions, e.g. through the establishment of further trailblazer apprenticeship groups and short courses
     - Identify barriers to participation in apprenticeships, particularly by SMEs
     - Promote technical education routes, including apprenticeships, in order to bring about parity of esteem with academic routes
   - Support companies to understand the apprenticeship levy and how it can be utilised to best effect with their sector, including policy initiatives such as the transfer of levy pots to supply chain companies
   - Support capacity building within skills provider organisations to bridge the current gap between supply and demand
   - Identify subject or sector areas in which the Midlands Engine region can become future global market leader for the provision of skills

3. Create the Centre for Automotive Skills to develop higher level bespoke skills training in the Midlands to support the automotive industry given its significance in the Midlands
Challenge 2: Addressing low level skills and investing in our workforce

The Midlands has a low proportion of highly skilled people, around 15% below the national average and low levels of graduate retention. Just 37.9% of graduates in the East Midlands who are in work six months after graduation, are working in the region. The figure for the West Midlands is 55.4%. In contrast, London retains 69.2% of its graduates. By investing in skills across the employed workforce and by supporting businesses to offer more attractive career paths for graduates (both from academic and technical or apprenticeship routes), we can achieve a step change for our economy.

1. The availability of a strong talent pool is crucial to enable employers to improve their productivity and grow more quickly. Midlands Engine will work to ensure that the employer base links closely with the skills ecosystem, that skills provision is tailored to employer demand and opportunities for maximising talent retention in the region.

2. We need to tackle worklessness and low levels of skills if we want to see real improvements in productivity rates. Whilst the East Midlands’ unemployment rate is 4.7% compared to the UK average of 4.8%, the West Midlands is significantly higher at 5.9%. Low levels of skills are also an issue - one in eight people in the West Midlands has no qualifications. We will ensure the success of the proposed £20m Midlands Skills Challenge to tackle these issues

3. Establish the Further Education Innovation Fund which is a college focused recurrent grant programme for knowledge and technology transfer exchange. This is to build capacity within Further Education colleges to work with SMEs. This is not about delivering qualifications, instead it focuses on developing new skills which will support the deployment of new technologies, processes or techniques and tackle business challenges. The FEIF will increase the applied research capacity of colleges, build on the extensive employer engagement in the FE sector, increase higher level skills training and improve the speed at which companies adopt new technologies.

Challenge 3: Enhancing the provision of careers advice for all

High quality careers advice is key to enabling the success of our other challenges and the following initiatives will enable real change:

1. High quality careers advice will be key to the achieving lasting change in how our young people make decisions about their education, linked to their future careers. With the launch of the Government’s Careers Strategy, we will lead the development and implementation of a Midlands Engine pilot in conjunction with the Careers and Enterprise Company to improve the level and scale of careers advice available to School, FE and HE students through the engagement of leading employers representing a range of key sectors.

2. Specific and dedicated careers advice programmes are incredibly valuable to our young people but they should not be the only solution. Improved collaboration and sharing of good practice, labour market intelligence and partnerships with business and other stakeholders can make a vital difference to knowledge available to teachers and other practitioners charged with shaping our young people’s future. We will embed an ethos of collaboration and sharing across all of our activities
Challenge 4: Delivering high quality apprenticeship growth

As part of the economic growth and productivity aspirations, apprenticeships can play a key role in meeting skills needs amongst Midlands businesses.

1. In the last Parliament, **500,000 apprenticeship starts were achieved across the Midlands. The Midlands Engine will target this to be 750,000** in the current Parliament. In support of this Midlands Engine will initiate a marketing campaign to raise awareness of apprenticeships for parents, young people and businesses.

2. Develop strong relationships between higher and further education institutions as part of a **skills escalator** programme. The Skills Escalator approach will bring together employers, FE and HE to collaborate in a targeted manner with the aim of producing a comprehensive sector-based Skills Escalator reaching from Level 2 (FE) through to Level 7 (HE). This will include new developments around T level courses. This Escalator will align with the 6 Collaborative Skills Networks to focus on those industries and utilise the supply-demand work generated by the Networks. The Skills Escalator process will map the key entry/exit points necessary to ensure participation from the widest section of the community including transfer between formerly single vocational/academic pathways.

3. A **Midlands Engine wide marketing campaign to raise the profile of apprenticeships** for employers, parents and young people. It will target businesses, particularly SMEs, to understand the value of apprenticeships, the impact of the levy and their value for business growth. It will also support schools in developing knowledge to provide advice and guidance to young people. This will draw on the resources of the LEP Growth hub and Apprenticeship Ambassador Network. This will also include the WMCA campaign as part of the wider Midlands Engine activity.