Sandwell Skills Strategy DRAFT

2020 - 2023



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(1) Foreword: Cllr Rajbir Singh

I am delighted to be presenting the Sandwell Skills Strategy, a first in our Local Authorities history. It is both ambitious and challenging as our residents deserve a skills environment where they can thrive and benefit from local investment in the area.

The development of skills is a vital part of all aspects of life. We recognise that those who have a good level of skills are generally more likely to find sustainable employment and earn higher wages. Skills development also has a positive effect on physical and mental health. We recognise the importance of upskilling our local people in work too, giving them the knowledge and confidence to progress within the workplace.

The development of skills is important to business development and growth. We want Sandwell businesses to thrive, to increase their productivity and be able to offer increased wages. It is essential that our workforce can support businesses to compete in the local economy. We encourage local companies to help shape the skills training that is delivered to ensure that local people are best placed to gain the future opportunities.

We are committed to looking at skills needs for the future and we are driving skills development in areas such as the environment and digital. We recognise that these skills will be key to a much wider range of employment opportunities of the future and want our residents to be leading the way. Skills provision needs to be flexible to support individual needs as well as responding to the changes in the economy. We are working with funders to make sure that Sandwell's needs are recognised. The aims of the Sandwell Skills Strategy support the Inclusive Economy Deal and Community wealth building agendas, providing the best support for individuals to benefit from regeneration opportunities. It also contributes to the wider Sandwell Council priorities such as 'best start in life' and 'thriving communities'. The collaborative approach of partners; working together to the benefit of Sandwell residents will ensure the greatest success. This total commitment and alignment of resources is paramount to enable Sandwell residents to achieve and excel.

(2) Executive Summary

Sandwell is a diverse borough with a rich history of traditional industries, practical skills and deep-set community values. It is a place where generations have followed in the footsteps of their ancestors to support their families. With the advancement of technology and the diversification of business, Sandwell residents too need to adapt and gain skills to support them in the future economy.

Although Sandwell is already moving forwards towards these ambitions, there are still areas which require additional attention. They include:

Low skill levels in the population, with fewer people qualified to Level
4+ and more people with no qualifications, compared to other areas

· Issues of poverty for those in employment, driven by low wage levels

 Skills shortages faced by employers, particularly in roles that require advanced and/or higher skills

• Lower attainment by young people through early years, primary and secondary education

There is much good work already underway to address these challenges. However, some of the issues require additional focus to transform our labour market and meet the needs of our businesses. We also recognise the growth sectors of future will require skills that are more specialist.

Sandwell partners are committed to developing key actions that will support the skills agenda of the borough. The Sandwell Skills Plan has been developed to lead this work. The main aims of the plan are:

- Improve skills attainment
- More people to move into employment
- More people to move into higher skilled jobs
- More skilled employees available to support business

In March 2020 the country was hit by a pandemic of unprecedented scale. The COVID-19 virus is the biggest threat the UK has faced in the modern world. It has caused thousands of deaths, affected the lives of everyone and has had a devastating effect on business.

The employment and skills needs that emerged from this pandemic will need to be addressed before we are able to focus on our long-term vision. They include:

- Large scale redundancies and a shift in growth sectors
- An increased need for digital skills and access to equipment
- Young people facing the more competition for opportunities
- Mental Health, wellbeing and resilience support

(3) Opportunities and Priorities

There are several wider Strategies and Plans that need to be considered when looking at the key Opportunities and Priorities for Skills in the borough. **Sandwell Council's 2030 vision** sets of the key ambitions to achieve a thriving and prosperous community. **The Sandwell Inclusive Economy Deal** outlines the key opportunities for local economic growth and outlines the specific priorities for the development of Skills. In wider terms, Sandwell needs to align its actions to the **WMCA Regional Skills Plan (RSP)** for the benefit of the region.

The Sandwell 2030 Vision



The Sandwell 2030 vision has been developed to focus on ten key ambitions for the future and aims to unite communities, businesses and public services to strive for the best outcomes for all.

Sandwell's Vision 2030

In 2030, Sandwell is a thriving, optimistic and resilient community. Ambition 6 It's where we call home and where we're proud to belong - where we choose to bring up We have excellent and affordable public transport that connects us to all local centres and to jobs in Birmingham, Wolverhampton, the airport and our families, where we feel safe and cared for, enjoying good health, rewarding work, feeling connected and valued in our neighbourhoods and communities, confident in the future, and benefiting fully from a revitalised West Midlands. the wider West Midlands Ambition 1 Ambition 7 Sandwell is a community where our families have high aspirations and where we pride ourselves on equality of opportunity and on our adaptability and resilience. We now have many new homes to meet a full range of housing needs in ractive neighbourhoods and close to key transport routes Ambition 2 Ambition 8 Our distinctive towns and neighbourhoods are successful centres of community life, leisure and entertainment where people increasingly choose to bring up their families Ambition 3 Ambition 9 where the local economy and high performing companies continue Ambition 4 Ambition 10 Our children benefit from the best start in life and a high quality educat throughout their school careers with outstanding support from their eachers and families Ambition 5 Our communities are built on mutual respect and taking care of each Find out more other, supported by all the agencies that ensure we feel safe and protected in our homes and local neighbourhoods. www.sandwell.gov.uk/vision2030

The main ambitions that relate to skills are:

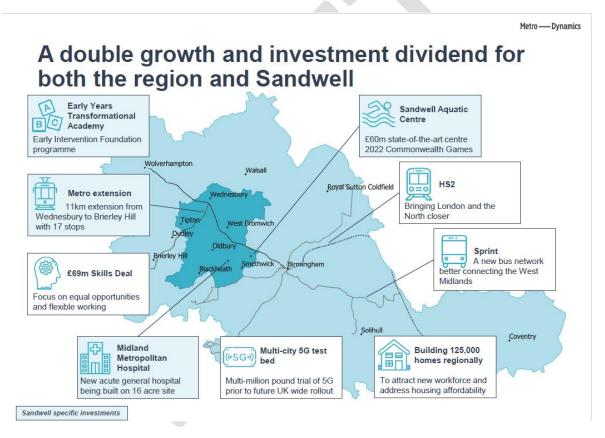
Ambition 1 – Working with individuals and their families to encourage high aspirations for the future. Through the engagement of secondary schools, we can provide more information about skills that can support future employment. Recognising that we are all individuals with different needs and supporting those differences to enable everyone to access the opportunities available.

Ambition 3 – Supporting Sandwell's workforce and young people to gain the skills and experience needed to take advantage of the opportunities available. To ensure that they understand the local business community and the changing economy which will enable them to work towards the jobs of the future.

Ambition 4 – Supporting our children to benefit from the best start in life and a high-quality education. Looking at options to support different learning styles and enabling families to be more proactive in providing support throughout their child's school career.

The Sandwell Inclusive Economy Deal

Inclusive growth is also referred to as sustainable economy, social economy, inclusive economy. All these terms relate to maximising the outcomes for the local area in terms of both economic and community benefits. The Sandwell Inclusive Economy Deal pulls together the key opportunities for the borough and looks at the way in which we can gain the maximum impact from them. Some of the opportunities that we want to maximise within the borough are the Sandwell Aquatics Centre and Commonwealth Games, Midland Metropolitan Hospital, Metro Extension, HS2 and the Multi City 5G test bed. The key opportunities for Sandwell's growth can be seen on the map below.



The Inclusive Economy State of the Borough report highlights some of the challenges that Sandwell faces. In terms of skills there is a recognition that aspirations of residents are on average higher, but they are often not aligned to the opportunities that are available locally, with a large proportion of young people wanting to work within the Digital sector. It is also recognised that aspirations are lowest amongst young people aged 13-14 years old and particularly white British/Irish boys.

Sandwell's local economy is unable to attract high-value jobs due to the large number of residents with low or no qualifications. This in turn means that the average wages for jobs within the borough are much lower than our neighbours.

The Inclusive Economy Deal has bought together residents, businesses and public services to pledge their commitment to supporting and developing the borough to become more prosperous.

Regional Skills Plan

The West Midlands Combined Authority is the largest economy in the UK. The region's young population, excellent connectivity and strengths in advances manufacturing and digital provide the baseline for future growth and prosperity. It is recognised that to maximise the opportunity for growth, a focus on the development and retention of skills is needed.

In response to this, the WMCA and its partners have worked together to develop the Regional Skills Plan. Its main aims for the region are:

- More people to move into employment
- More people to move into higher skilled jobs
- More skilled employees available to support business growth and productivity
- All communities to benefit from the region's economic growth
- An agile and responsive skills system that is more aligned to the needs of business and individuals

The Skills plan identifies that people, skills and employment are some of the key foundations of productivity and enablers of growth. Twelve key sectors have been identified as those which shape the regions success.

They are:

- Low Carbon technology
- Aerospace
- Logistics/transport technology

- Metals and materials
- Life sciences
- Professional skills
- Rail

- Construction
- Creative
- Food and drinks

- Automotive
- Tourism

Sandwell is in full support of the growth sectors for the region and will encourage skills development within these fields.

Employment and Skills Funding

There are several funding streams that support the Employment and Skills agenda within Sandwell. The programmes associated enable residents to gain the skills and experience needed to progress onto Education and Employment. The most significant funding streams are detailed below.

Adult Education Budget (AEB)

Utilise the Adult Education Budget to maximise the impact for Sandwell's skills development and to address gaps that have been realised through the changing economy.

The devolution of the AEB funding is an exciting development and will mean that the provision is more appropriate to the needs of the West Midlands and specifically Sandwell. As part of the West Midlands Combined Authority we can influence the way funding is commissioned and champion the specific skills needs that our borough has.

Understanding the landscape and mapping the offer that now exists is vital to ensuring that Sandwell residents gain the best outcomes. We are working with providers to understand their offer and the way in which they link to labour market opportunities. The programmes that are on available aim to improve skills and focus on the employment sectors where jobs are available.

We are developing Innovation projects to support specific groups including those with learning disabilities and mental health. The innovation programmes will utilise the core principles of the AEB funding with added flexibilities to enable a wider range of learners to achieve.

The European Social Fund (ESF) Programme 2014 to 2020

The European Social Fund (ESF) is part of the European Structural and Investment Funds (ESIF) Growth Programme for England in 2014 to 2020. In England, the Department for Work and Pensions Managing Authority manages this. The Programme's priorities in England to increase labour market participation, promote social inclusion and develop the skills of the potential and existing workforce. The ESF is designed to increase sustainable economic and social inclusion in the European Union, by helping people who have difficulties finding work, and improving the skills of the workforce.

The ESF is Europe's main instrument for supporting jobs, helping people get better jobs and ensuring fairer job opportunities for all EU citizens. It works by investing in Europe's human capital – its workers, its young people and all those seeking a job. ESF financing of EUR 10 billion a year is improving job prospects for millions of Europeans, in particular those who find it difficult to get work. Due to an underspend across the fund, the allocation is being extended until December 2023, with successful projects being able to apply to deliver until this time. It is anticipated that the Shared Prosperity Fund will begin delivery before this point to ensure that there are no gaps in provision.

Shared Prosperity Fund

The UK Government have outlined plans to create a 'United Kingdom Shared Prosperity Fund' which will replace Structural Funds. This fund is intended to "reduce inequality between communities across the four nations" and to deliver "sustainable, inclusive growth". They promised that "£500 million of the UK Shared Prosperity Fund will be used to give disadvantaged people the skills they need to make a success of life".

Very few details about the operation of the Shared Prosperity Fund have been released. In the March 2020 budget, the government committed to setting out further plans at the next spending review. There are concerns that the level of funding promised by the UK government will not be equivalent to the Structural Funds. The UK government has however committed that the UK Shared Prosperity Fund will operate in a way that respects the devolution settlements, and allocations should be available at a very local level.

(4) Skills for the Future

There is a need for Sandwell to plan and look towards the skills that will be needed by the general workforce.

- Digital skills Sandwell Digital Strategy 2018-2021 outlines the need to upskill the workforce to be digitally led, give improved access to services through the use of technology and support digital inclusion within our communities; enabling them to trust technology and participate in the digital world. Looking to the future it is anticipated that automation and artificial intelligence will become more significant to business development, as well as the growth of areas such as coding and programming.
- Green Skills Green Skills can be defined as "the knowledge, abilities, values and attitudes needed to live in, develop and support a sustainable and resource-efficient society" (Cedefop, 2012). Green skills will be needed by all sectors and at all levels in the workforce. Some specific Green Jobs of the future include: Water conservation, Biofuels, environmental remediation, Sustainability, Energy auditors, Recycling, Electric Vehicles, Solar power, and Wind energy.
- STEAM (Science, Technology, Engineering, Arts and Mathematics) – These programmes aim to promote innovation and critical thinking. It uses engineering or technology as a basis to develop creativity and problem solving. These skills will support a better transition to work and real-world experiences.

(5) Policy and Labour Market Context (Jan 2020)

Sandwell is made up of a range of diverse communities and businesses. The heritage of the area is longstanding, with many residents descending from generations of Sandwell citizens. It is however an area of vast need with some areas having lower levels of prosperity and skills.

<u>Context</u>

Sandwell is a growing borough with clear economic advantages a wide range of regeneration opportunities planned for its future development. Despite this it faces several key labour market challenges, notably that our residents are not benefitting equally from the economic growth that we have seen and need additional support to move forward.

Low employment rates

The employment rates within Sandwell have significantly increased since the recession hit and stands at 70.7%. Although this is better than it has been for several years, there is still a gap between Sandwell and the wider areas with the West Midlands at 73.9% and England at 75.8%.

The slow recovery in labour demand since the recession of 2008 could be a contributing factor towards the low employment rate. It is also thought that the higher number of people with low/no skills and larger ethnic minority populations could impact on the figures as they are likely to have more barriers in finding suitable employment.

High levels of Unemployment

The level of unemployment within Sandwell has significantly decreased over the last 10 years with 4.9% classified as unemployed. This is in line with the wider Black Country but higher than the West Midlands at 3.8% and Great Britain at 2.9% Amongst those aged 25 to 49 years old, the figure has also decreased. The unemployment rate is 5.0% for this group, which is significantly higher than 4.1% in the West Midlands and 3.1% in Great Britain

A decreasing number of jobs

Nationally there is an upward trend in the number of total jobs within the economy. This is replicated in Sandwell where the total number of jobs has risen from 132,000 in 2017 to 136,000 in 2018. There is however a need to enable residents to travel outside of the borough to gain the best employment options.

A large and growing, diverse population

The largest Black Country local authority, Sandwell has almost 328,500 residents and is scheduled to grow faster than the Black Country, regional and national averages with growth of 8.4% by 2030. Sandwell has a young age profile with over 40% of residents under 30, compared to around 30% in the UK, and 15% of residents over the age of 65, which is below the UK average of 18.2%. The borough is diverse with almost 40% of residents from an ethnic

minority, far surpassing the regional and UK average of 18.8% and 14.0%, respectively.

This young and diverse population is a huge advantage and could help to grow the future economy. The challenge is in engaging with these young people to unlock their potential and inspire them to aim high. Youth unemployment has been an issue within Sandwell but the vast range of support on offer to this group is steadily bringing this down.

School attainment is challenging but improving

For **early years**, there are low levels of school readiness with 66.4% of children achieving a good level of development at the end of reception, compared to over 70% regionally and nationally.

During **childhood**, the attainment gap between Sandwell pupils and the national average grows from primary to secondary school. It is around four percentage points at Key Stage 2, increasing to over ten percentage points at Key Stage 4. Although the attainment is improving slightly, there young people in Sandwell that are leaving school with lower levels of skills than other parts of the country.

High numbers of residents with no qualifications

A higher share of **adults** have no qualifications at 20.3% compared to regional (10.2%) and national (7.7%) averages. The number of residents that have achieved a level 2 qualification is very low at 55.8% of the population compared with 71.7% for the West Midlands and 75.6% for Great Britain.

A high number of residents with low paid jobs

Worklessness is common with higher levels of unemployment and economic inactivity, whilst almost 30% of employee jobs earn below the Real Living Wage compared to 22.9% in England. Equally, there are challenges in work for younger people with almost 30% of employee jobs earning below the living wage, compared to 24.7% in the region and 22.9% in England.

Vacancies within the Borough described by Employers as 'hard to fill'

There are a high number of jobs within Sandwell that are classed as high skilled. Within the Black Country there are approximately 32% of jobs that require a level 4 qualification or above. This exceeds the population attainment level, with only 21% of residents qualified to level 4 or above. It is expected that the changing economy will increase the number of vacancies requiring higher level skills.

Different strengths and challenges amongst the six towns

Although Sandwell is one borough it had very distinct towns that can often operate as different communities. They have different strengths and weaknesses that need to be recognised for Sandwell as a whole, to develop and grow.

Oldbury: highest job growth high business growth low skills profile. 	 Rowley Regis growing slowly with an older age profile modest job growth low aspirations. 	 Smethwick most densely populated and youngest town lower than average job growth high proportion of residents with no/low skills young urban renters
 Tipton high skills levels but lower than average job growth. Smallest town young, relatively fast- growing population 	 Wednesbury growing slower than average higher levels of mid-level skills. 	 West Bromwich largest town older age profile high employment and skills levels.

(6) Key Actions

A shared ambition to realise change

Within Sandwell there are a wide range of partners that support and drive the development of local skills and work collectively to maximise the outcomes. These include Sandwell MBC, DWP, Sandwell College, The NHS, The Community and Voluntary sector, and many more.

To have the greatest impact on skills within the Sandwell Borough and to maintain a clear focus, a set of key actions has been developed. These include those to tackle the biggest challenges for Sandwell and those that will support the skills development of the wider region. Underneath these key actions will be a series of specific activities that will help to improve Sandwell's outcomes.

The key actions that have been identified are:

- Reduce the number of residents with no/low qualifications and increase those with level 4 and above qualifications to close the gap with West Midlands and England
- Increase the skills provision for those with Disabilities and Mental Health
- 3. Prepare our young people for future life and work
- 4. Create a local network of specialists, technical education and training
- 5. Accelerate the take up of good quality apprenticeships
- 6. Deliver inclusive growth by giving more people the skills to get and sustain good jobs and careers
- 7. Strengthen collaboration between partners to support achieving more collectively

Reduce the number of residents with no/low qualifications and increase those with level 4 and above qualifications to close the gap with West Midlands and England

A large number of young people have no or low skills, leaving mainstream schooling without any GCSE's. Many working age residents (18-64) have no or low skills. This reduced the opportunities that are available to the and in turn, the earnings that they will receive.

A lower proportion of working age residents have NVQ level 4 or higher (roughly a degree level qualification or higher), at 21.1%. This is approximately 18 percentage points lower than the UK average (39.2%) and lower than the Black Country (24.5%), West Midlands Combined Authority (30.5%) and Regional (33.1%) averages.

Some key actions that could support this include:

- Widen the delivery of English and Maths provision through Adult Education Providers
- Better promote the opportunities available via the Adult Education Budget (AEB) for Sandwell residents
- Develop higher level skills provision within the borough to support wider careers pathways
- Create a learning pathway from Community and Voluntary Sector support through to formal learning
- Make higher level skills more accessible with the borough with a university presence established

Increase the skills provision for those with Disabilities and Mental Health

Sandwell has a growing number of residents that identify themselves as having a disability and/or mental health. This can be linked with the level of deprivation within the borough. Disabled people who are not in employment are often classified as economically inactive rather than unemployed which can affect the level of support that they receive. Disabled people have higher unemployment rates compared with the total working-age population. There is a need to provide additional support and varied pathways to enable them to gain skills and enter the labour market.

There has also been an increase in the number of people suffering from mental health conditions, both in and out of employment. There needs to be some additional support to allow them to gain and maintain opportunities.

Some key actions that could support this include:

- Development of more Internship opportunities within Sandwell Businesses
- Create Supported apprenticeship opportunities that can be delivered at the learner's level
- Joint working with the WMCA to run a Disability pilot in Sandwell
- Job Carving to create jobs which are more tailored to the skills and needs of the individual
- A retention service with capacity to support Sandwell employees who develop mental health issues to maintain employment

Prepare our young people for future life and work

Sandwell has a higher proportion of young people than the national average which means we could have a competitive advantage for the future jobs and earnings. Unfortunately, our young people are not reaching the same levels of educational attainment as their peers during their school life.

For early years, there are low levels of school readiness with 66.4% of children achieving a good level of development at the end of reception, compared to over 70% regionally and nationally.

During childhood, the attainment gap between Sandwell pupils and the national average grows from primary to secondary school. It is around four percentage points at Key Stage 2, increasing to over ten percentage points at Key Stage 4.

Some key actions that could support this include:

- Provide more support for parents of 0-5-year olds to get their children ready for education
- Look at alternative/additional measures that can support the increase of attainment levels in compulsory education (Key stage one and two)
- Actively engage in the West Midlands Career Learning Hub to support and develop an all age careers offer
- Improve the focus and impact of career education to young people
- Inspire more young people and encourage them to access new local and regional opportunities
- Raise awareness of local opportunities and highlight career paths from an early age

Create a network of specialists, technical education and training

The profile of employers across the West Midlands such as advanced manufacturing, construction and building technologies gives a good basis for strengthening demand for advanced and higher-level skills. We want to encourage our residents to aim high and think outside the borough to gain the best skills and employment opportunities. Some key actions that could support this include:

- Promote work experience opportunities to improve the work readiness of Sandwell residents
- Engage employers to drive skills provision to meet business needs
- Support the development of new skills solutions to meet the ambitions of the West Midlands Local Industrial Strategy
- Make links between local schools and higher education establishments to provide insight to specialist/technical careers

KEY ACTION 5

Accelerate the take up of good quality apprenticeships

The numbers of people taking up apprenticeship opportunities has fallen in recent times but there are many industries that have skills gaps and an aging workforce. It is important for Sandwell that we support local people to gain skills and work experience that will enable them to benefit from opportunities. Some key actions that could support this include:

- Maximise the levy investment within Sandwell including the development of existing staff and supporting future recruitment
- Transfer of levy funding to smaller businesses to support their staff and business development
- Promote the benefits of apprenticeships and encourage the take up by local businesses and residents
- Support young people to access pre-apprenticeship provision on their journey towards skilled employment
- Work with businesses within the growth sectors to develop apprenticeship opportunities to support future workforce planning

Deliver inclusive growth by giving more people the skills to get and sustain good jobs and careers

Sandwell and the wider West Midlands is set to benefit from a range of regeneration projects that will include the Sandwell Aquatics Centre (as part of the Commonwealth Games 2022), the Midland Metropolitan Hospital, High Speed Rail (HS2) and a variety of housing initiatives. It is vital that Sandwell residents benefit from the apprenticeship and employment opportunities, the end user jobs, the use of the developments and benefit from the increased economic prosperity.

Some key actions that could support this include:

- Include Social Value clauses in all large-scale regeneration contracts to enforce commitment
- Provide pre and post-employment work coaches
- Establish an Employment and Skills group for stakeholders and an Employment and Skills Network for the community/voluntary sector
- Improve the range and impact of the career planning advice that unemployed and low paid adults can access
- Improve the focus on upskilling low paid and low skilled residents, to improve their long-term career and income prospects

KEY ACTION 7

Strengthen collaboration between partners to support achieving more collectively

There is a need for key stakeholders to work together to be able achieve greater skills within the Sandwell area and in term, great economic prosperity. Some key actions that could support this include:

- Recognise the interdependence of partners and provision to provide a meaningful pathway towards a career
- Creation of effective referral processes to enable transitions to happen quickly
- Develop one digital resource/presence where the residents can
- seek help from all partners

(7) Delivering our Ambition

Immediate Considerations

In March 2020 the country was hit by a pandemic of unprecedented scale. The COVID-19 virus is the biggest threat the UK has faced in the modern world. It has caused thousands of deaths, affected the lives of everyone and has had a devastating effect on business.

The collective effort of everyone in the UK to control the spread of the virus means that the economy is safely beginning to reopen. This is not however without cost, with many businesses and communities facing difficult times ahead for the forceable future.

Sandwell borough already had low level skills, low level earnings and several disadvantaged groups that were struggling to gain and maintain meaningful employment. The pandemic has had a significant impact on Sandwell and will mean that these issues will become magnified over time if actions are not put into place.

Several emerging themes have been identified to support the skills needs of residents and businesses. A reset and Recovery Action Plan will be developed and implemented across the partnership.

Long-term Aspirations

It is anticipated that as the Reset and Recovery actions are implemented, Sandwell will move closer to stability and longer-term aspirations will be established. Growth sectors for the borough and the wider region will be central to planning.

The Key sectors identified by the Inclusive Economy Deal for Sandwell are:

- Manufacturing
- Logistics
- Health and Social Care
- Retail and Wholesale

These sectors will be reviewed at a later date to ensure that they are still relevant to Sandwell's growth.

Other key sectors which will be considered to support the wider West Midlands are:

- Environmental
- Digital

It is important in Sandwell to also acknowledge the disadvantaged groups that require the greatest support.

Action plans will also be developed to look at:

- Support for those with low/no skills
- Support for those with disabilities and/or mental health
- Support for those where English is a second language