

Skills Federation response to the West Midlands Combined Authority Green Paper

The Skills Federation

The Skills Federation brings together the shared perspective of different industries on how the UK can build a workforce able to meet our skills needs. Our members are 18 employer led sector skills bodies who work across more than 20 sectors of the economy and represent over 150,000 employers, both large and small, across the UK. They are funded by their industries to provide sectoral voices and vital support on skills issues. This includes workforce planning and intelligence, professional standards, tailor made skills solutions, qualifications, kitemarking, accreditation and quality assurance.

Our vision is for a skills system that supports industrial investment and growth by providing a pipeline of talent into each sector of the economy, giving the opportunity for everyone to get in and get on at work through pathways that turn jobs into great careers.

We provide a range of apprenticeship support solutions including the industry-standard End Point Assessment tool, ACE360, to support delivery of Apprenticeship Standards in England. We are the designated Certifying Authority for Apprenticeship Frameworks in Wales and provide both an apprentice registration and certification function for Modern Apprenticeships in Scotland.

As well as working with national governments across the UK, we are keen that Skills Federation works effectively with Strategic Authorities such as West Midlands Combined Authority (WMCA), supporting you to better understand and respond to the skills challenges associated your regional growth ambitions.

Our response

Our submission draws on the extensive sector-specific expertise of our members. We provide a pan-sector view where there are commonalities, alongside sector specific examples to illustrate differences between sectors, and areas of effective practice. Given the focus of the Skills Federation and our members, we have focused our response on the questions related to people and skills. We have answered other questions from a skills perspective.

Skills Federation welcome wider and deeper devolution as an opportunity to ensure that local skills provision can be better tailored to the needs of individuals, including connecting them to employers and employment opportunities in their local area. A maturing system of devolution should also provide the opportunity to test and learn 'what works' in supporting people to succeed and should ensure that education and training opportunities available are not focussed solely on the jobs in that area but are broad enough to support people who may want to work elsewhere. Education and training opportunities within a place that create a workforce with current and relevant skills will also give employers confidence and support greater levels of inward investment. The WMCA Green Paper is a good example of the benefits of taking a regional approach to growth.

Nonetheless, devolution of skills within England, whilst better meeting the skills needs of places, can also pose challenges for employers - particularly those that work across the

country - because diverse arrangements flowing from place-based plans risks duplication and confusion. We have suggested to central government that sector workforce plans at a national level would help to provide a coherent picture and support coordination of responses to skills challenges. These plans could be implemented at a local level by Strategic Authorities, to address the ways in which the challenges and therefore the potential solutions differ for a geographical region. Sector skills bodies are in prime position to support government in developing these plans. Skills Federation would be keen to work with WMCA in either shaping regional sector workforce plans and/or in interpreting what national sector workforce plans mean for implementation across the West Midlands region.

Business and investment

3. Do you agree with our identification of the West Midlands key cluster strengths and what needs to be done to support and develop them?

Our recommendation: WMCA should recognise the complexities and interconnectedness of sectors and use information from both national plans created by government and sector plans developed by or with sector skills bodies to support this.

The government's Industrial Strategy will be instrumental in guiding strategic decisions about where government should invest. We agree, therefore, that a line of sight between the national Industrial Strategy and identification of regional growth-driving sectors and clusters which will bring focus to local plans, makes sense.

As the Industrial Strategy Green Paper identifies however, there is no single agreed analytical methodology to identify highest growth potential sectors. There are also varying definitions of what industries and occupations are included in each sector and considerable duplication between sectors, for example, advanced manufacturing and life sciences. Whilst definitions are important, the complexity of the economy also needs to be reflected. It will be important that the definitions used within regional plans are clear but also sufficiently flexible to ensure responsiveness to emerging situations.

We welcome the recognition in the Green Paper that SMEs don't always fit neatly into sectors or sub-sectors, and sectors are interconnected in terms of supply and value chains. For example, 'green energy' relies on constructing the facilities for new clean energy production and life sciences companies rely on a strong domestic chemical supply industry. According to the [Federation for Small Businesses](#) there are over 5 million private SMEs in the UK accounting for over 99% of private businesses and three-fifths of employment. SMEs play a key role in supply chains, and it is crucial to consider them when developing policy, especially since they are less likely to invest in staff development.

We also welcome the focus in the Green Paper on the everyday economy, and the recognition of the dual need to focus on high-volume sectors as well as growth sectors. We agree with the approach that the focus on high growth sectors should not come at the expense of key foundational sectors where there are also identified skills needs. For example, the CITB has identified that over 250,000 extra construction workers are required by 2028 to meet demand. Skills Federation members represent industries right across the economy and can support WMCA with their approach to both sectors with high volume of roles as well as high growth sectors.

7. What needs to be done to create and support better quality jobs?

Our recommendations:

- WMCA should draw on the sector-specific intelligence of Skills Federation members to ensure skills provision is tailored to meet the needs of industry
- WMCA should consider co-ordinating a regional campaign to engage and inform employers of the benefits of taking the 'high road', providing examples of what works well. Skills Federation and its members would be pleased to support you in efforts to reach employers.
- The Mayor and WMCA should consider using their political leverage to encourage central government to consider tax incentives for employers to invest in skills.
- WMCA should draw on the sector-specific expertise of Skills Federation and its members to develop its training offer for key growth sectors.

We agree with the policy levers proposed in the Green Paper to improve the quality of jobs and welcome the key point made that there is variation between sectors and that a one size fits all approach is unlikely to be successful. WMCA should utilise intelligence from Skills Federation members to help to ensure skills provision is tailored to meet the needs of industry and to provide portability for individuals.

We agree that employers themselves need to decide whether they take 'the low road or the high road' to increasing productivity. WMCA should consider co-ordinating a regional campaign to engage and inform employers of the benefits of taking the 'high road', providing examples of what works well. Skills Federation and its members would be pleased to support you in efforts to reach employers.

Improving investment in skills is essential to increasing productivity and the decline over the previous decades in employer investment needs to be reversed. At a regional level, incentives should focus on building capacity to change behaviour and embedding new ways of working to improve the quality of jobs. Nationally, we would support exploration of financial incentives such as a skills tax credit, as proposed by the [House of Lords Industry and Regulators Committee](#) and the [Learning and Work Institute](#). Strategic Authorities, particularly where well-established such as the West Midlands, have an opportunity to add to these calls and use their political position to encourage central government to consider this option.

An approach to skills investment that responds better to collective employer demand is also likely to encourage employers to invest. An example of where this is working well at a regional level is in the North East, where one of our members – Cogent Skills – is collaborating with a training provider to tailor apprenticeships to suit businesses across their sector. Cogent have facilitated a group of employers to generate over 400 apprenticeship positions across a range of standards. This example shows that positive change can be brought when intermediaries act as facilitators to bring their industry together across a region.

Skills Federation is keen to work with WMCA to identify growth sectors – for example construction, advanced engineering, light electric vehicles, or creative – where the CA could collaborate with Skills Federation members to develop a more appropriate training offer.

People and skills

9. What more needs to be done to address our high levels of youth unemployment in the region?

Our recommendations:

- WMCA should draw on the expertise of Skills Federation members to identify examples where sector specific input would be help reduce levels of youth unemployment, and to develop and implement tailored solutions.
- WMCA should provide a strong and co-ordinated offer for 18-24 year olds, whilst using its convening power to provide greater and more coherent support for 16-18 year olds.

The West Midlands Youth Employment plan contains a comprehensive range of initiatives to help reduce youth employment. We offer the following comments to help support roll-out:

- Effective join-up and coordination of the various programmes and support available for young people will be essential to providing an engaging offer that will successfully support young people into the labour market.
- Effective engagement with employers will be essential. WMCA should coordinate its asks of employers to ensure this is streamlined and clear. Skills Federation members would be happy to provide support to engage employers within their sectors across the West Midlands.
- Whilst the Youth Guarantee Trailblazers are focussed on 18-21-year-olds, we recommend that WMCA provides an offer for 18-24 year olds. In addition, the Mayor and CA should use its convening power across the region to provide greater and more coherent support for those under 18, whilst also continuing to lobby central government for more influence over how these budgets are spent across the region.
- For any offer for young people to be effective, it will need to be delivered in partnership with others. This should include better join up between employment and health services to create a more holistic package.

Support for young people to gain employment will only be successful if it is underpinned by more effective careers information, advice and guidance. Skills Federation are calling for a new all age careers strategy to set the direction and purpose of career development for young people and adults. More detail is provided about this in the next section.

10. How do we support more people into paid work?

The Green Paper sets out the complex circumstances of residents facing economic inactivity and under-employment. Whilst a comprehensive response will be required to effectively support more people into paid work, providing support to navigate both employment and training options is an important part of this. Skills Federation have called for a new careers strategy to set the direction and purpose of career development for young people and adults.

We recognise that WMCA's latest devolution deal established WMCA as the central convenor of careers provision in the West Midlands. We believe an all-age careers strategy for the West Midlands could helpfully be set in the context of a national careers strategy to benefit from economies of scale and the opportunity to share effective practice. We can provide support to develop this and ensure that it reflects the rich careers information that sector skills bodies provide.

An all-age strategy for careers, whether at national or regional level, could:

- Widen perspectives, ensuring the skills for the future and supporting levelling-up.
- Remove fragmentation and promote an “all-age” approach to Careers Information Advice and Guidance.
- Engage with sector skills bodies and use the very rich information already available including existing industry careers sites/materials. Two examples are ‘[not just lab coats](#)’ which [Cogent Skills](#) is involved in and [Tasty Careers](#) set up by the [NSA Food and Drink](#).
- Utilise the tools and training already available through organisations including the [Careers Development Institute](#) and the [Careers and Enterprise Company](#).

11. Do you agree with the focus on Level 3 skills and how can we foster better engagement between businesses and skills providers?

Our recommendations:

- WMCA should ensure its training offer provides clear progression pathways for residents which lead to occupational competency, using intelligence and occupational standards set by sector skills bodies to support this.
- WMCA should balance its focus on higher-level skills with the recognition of the value of skilled work at lower levels. Intelligence from sector skills bodies can help to identify occupations which fall into this category.

The evidence that the West Midlands is moving towards a high-skill economy is clearly presented, and we agree with the ambition to support people to gain higher level qualifications to gain and thrive within employment.

To support this, WMCA will need to develop clear pathways of programmes and qualifications which reflect the up-to-date requirements of work and lead to occupational competency. Programmes and qualifications should be underpinned by occupational standards which detail the knowledge, skills and behaviours required and which are reviewed and refined regularly to ensure relevance to the evolving needs of the workplace.

Sector skills bodies, alongside employers, have played a key role in developing Occupational Standards in England and the National Occupational Standards which are used across the UK. They have a detailed understanding of what’s needed for their sectors, including carrying out detailed occupational mapping exercises which can support in developing pathways. For example, the CITB have identified occupations where there is not an associated standard and are developing competence frameworks for the built environment sector. This work is a key outcome of the Grenfell Tower Inquiry and is aligned to the new Building Safety Act.

In focusing on support for a high-skill economy, it is also important that WMCA does not under-value work for which level 2 is an entry point. For example, skilled operative roles in the fashion and textile industry, on-site roles in construction, butchers, bakers and fishmongers in the food and drink sector, all require skills at level 2 not level 3. In the Energy and Utility Skills sector, around 20% of new jobs are anticipated to be at level 2 and below. Intelligence from sector skills bodies could help to WMCA identify occupations which require skilled work at lower levels.

Public services and net zero

20. Do you agree our proposed approach to developing the second West Midlands Net Zero Five Year Plan?

Our recommendations:

- The WMCA net zero five year plan should have a focus on supporting skills development, including how residents can recognise transferable skills and move seamlessly between sectors.
- WMCA should draw on the in-depth national information skills bodies have in developing its regional plan.

Skills will need to be a key part of the West Midlands Net Zero Five Year Plan. The nature of work is evolving quickly in this area and some roles will disappear, while others will be created. This means that upskilling and reskilling of the workforce will become increasingly important and need to be done efficiently in terms of both time and cost. To support this, we recommend that the WMCA plan includes a focus on:

- The identification and development of transferable skills. This would identify the core skills for competence for an occupation, and the more specific skills required in each sector. Initiatives including [Connected Competence](#) led by the Engineering Construction Industry Training Board (ECITB) could be included in the WMCA plan.
- The development and funding of more flexible training options which support people to achieve required competencies. Often what is needed to transfer between roles or sectors is not a year long qualification, but a shorter sharper piece of learning which focusses more specifically on the skills that an individual needs to develop to transfer successfully. Strategic Authorities are ideally placed to be able to respond to this and sector intelligence can be utilised to ensure this is done effectively.

Sector skills bodies have a wealth of in-depth national information about the skills required to achieve net zero which could be utilised in regional plans. Skills Federation members ECITB, CITB, Cogent Skills, Energy and Utility Skills and National Skills Academy for Rail have been working closely with government to support plans to deliver critical skills for net zero. For example, Cogent Skills, as part of the [Hydrogen Skills Alliance](#), have developed a [Hydrogen Skills Framework](#) which will articulate specific hydrogen training needs. This will be an open-source resource to support standard setting and the development of training and qualifications across the UK.

For further information, please contact:

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