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| Local Members Interest |
| N/A |

Prosperous Staffordshire Select Committee - Friday 26 February 2021

The Relationship between Training and Skills and the Future Staffordshire Economy

Recommendations

I recommend that the Committee:

- a. Considers the report provided on the relationship between training and skills and the future Staffordshire economy.
- b. Considers the future skills needs and opportunities and recommends further interventions by the County Council and partner organisations to be considered by Cabinet, that the Committee believes would help to enable economic recovery and growth.
- c. Agree that relevant Cabinet Members bring updates on delivery of the interventions to this Committee for scrutiny every 3 months.

Report of Darryl Eyers, Director for Economy, Infrastructure and Skills

Summary

What is the Select Committee being asked to do and why?

The purpose of this report is to:

- a. Provide the Select Committee with an opportunity to consider and comment upon the training and skills interventions by the County Council and partner organisations to improve the skills of the workforce to enable economic recovery and growth.
- b. Provide the Select Committee with an opportunity to consider and shape the future short and longer term interventions for economic recovery and growth over the next five years.
- c. Monitoring the County Council's performance in delivering the skills priorities will be vital to ensuring we ultimately achieve the aims of Staffordshire's Economic, Recovery, Renewal & Transformation Strategy. The Select Committee has an important role in scrutinising our performance in the delivery of the skills priorities.

Report

Summary

1. This report provides an overview of recent economic and skills achievements leading into the pandemic, the major investments and skills and employability programmes that are in place to respond to COVID-19, and considers where we expect to see growth in the future economy of Staffordshire and what the strategic workforce skills priorities are likely to be for our future skills and employability programmes to meet this changing demand.
2. The key skills interventions and achievements are listed below:
 - a. The delivery of 13 skills capital projects in advanced manufacturing & engineering from 2014 to date, in response to the forecast that 2,600 trained engineers were needed every year for ten years to replace the existing workforce and growth in the sector. The £18.3m projects were delivered through the Advanced Manufacturing & Engineering Hub and the Skills Equipment Fund with sites across Stoke-on-Trent and Staffordshire hosted by FE colleges, independent trading providers and employers. The projects have delivered skills training and qualifications to over 36,000 learners.
 - b. The £58m ESF skills programmes have been critical to upskill and reskill people, keeping them economically active and getting people back to work. The programmes have supported 27,500 participants, delivered 24,800 qualifications, and achieved 12,100 progressions into employment, further education and apprenticeships.
 - c. The skills of the local workforce have improved considerably over recent years following these programmes and projects, providing a far more skilled labour market to help drive economic growth and improve productivity. Adult qualification levels in Staffordshire have been improving for a number of years, with faster improvement than seen nationally since 2011. The local area has seen those qualified to level 4+ increase from 27% in 2011 to 38.4% in 2019 and has closed the gap to the national average of 40%. This is similar to what has been seen at level 3+.
 - d. Staffordshire has also seen those with no qualifications decline by 23,700 since 2011, a decrease of 44% compared to 27% drop nationally. This faster improvement than seen nationally means those with no qualifications have decreased from 10.2% in 2011 to 5.7% in 2019 and now better than the national average of 7.5%. We have also seen faster improvement at Level 2 (equivalent to 5 A*-C GCSEs) and Level 3 (equivalent to A Level) than nationally largely overcoming the gaps that previously existed.
 - e. Staffordshire features in the best performing quintile nationally and the best in the West Midlands with regards its levels of 16-17-year olds being NEET or presence unknown.
 - f. Following the recession and economic downturn caused by the financial crisis Staffordshire benefited from good jobs growth with an increase of over 41,000 jobs since 2011. Alongside this substantial job creation, we witnessed record low levels of unemployment at around 1% well below the regional and national averages. Staffordshire has also seen improvements in economic activity and

employment rates, with 82% of the working age population economically active compared to 79% nationally and over 79% in employment compared to 76% nationally.

Introduction

3. The economy and the skills which it requires are rapidly changing and the impact of COVID-19 has accelerated many of the trends which we were seeing prior to the pandemic including growth in e-commerce and home working. New digital technologies and the requirement for clean growth to address climate change are changing the way we live and work. The economy is becoming more digital and green in nature with all sectors impacted by the adoption of new technologies and new ways of working which have less impact on the environment.
4. Alongside the cross-cutting drivers of economic and social change in digital and the green economy, Staffordshire also has a number of existing sectoral strengths which are likely to be central to the recovery from COVID-19. We expect to see growth in priority and locally important sectors including:
 - a. Advanced Manufacturing & Engineering – driven by the adoption of new digital technologies including Machine Learning, Automation and AI.
 - b. Modern Methods of Construction – to help deliver Government house building targets, green retrofitting opportunities, and the adoption of new digital technologies such as Automation and AI.
 - c. Advanced Logistics – to support the boom in online retail as a result of COVID-19 and the opportunity to increase productivity through new digital technologies including Automation / AI.
 - d. Health and Social Care – the digitisation of services to help better meet demand from a growing and ageing population such as the adoption of new medical technologies.
5. This anticipated sectoral growth will mean increased demand for certain skills to support businesses to grow and become more productive. Residents will need to reskill and upskill to meet the needs from higher value roles in our priority and locally important sectors such as in the key sector skills areas of:
 - a. Digital - cross-cutting - new technologies and ways of working with high and increasing demand for higher digital skills.
 - b. STEM – support advanced manufacturing including auto/aero, med-tech, agri-food and energy.
 - c. Construction – trades skill gaps i.e. site ready and higher skill gaps e.g. architects and MMO advanced skills demand.
 - d. Health & Social Care – skill gaps including nurses and care workers alongside skills to support increasing digitisation of services.

Context - recent economic and skills achievements

6. COVID-19 is clearly having a major impact on the national and local economy, both in terms of many businesses struggling to operate at full capacity and jobs either being furloughed or lost. However, while the current situation remains challenging

it is important to recognise the significant improvements and strong comparative position of Staffordshire leading into the crisis.

7. Following the recession and economic downturn caused by the financial crisis Staffordshire benefited from good jobs growth with an increase of over 41,000 jobs since 2011. Alongside this substantial job creation, we witnessed record low levels of unemployment at around 1% well below the regional and national averages. Staffordshire has also seen improvements in economic activity and employment rates, with 82% of the working age population economically active compared to 79% nationally and over 79% in employment compared to 76% nationally.
8. A key factor in enabling local residents to access the jobs that have been created has been the continued development of our local skills system to rapidly improve adult skill levels. Staffordshire has seen over 59,000 more adults with Level 4+ (degree or higher) qualifications since 2011, an increase of 42% compared to 27% growth nationally. This faster improvement than seen nationally means those qualified to Level 4+ have increased from 27% in 2011 to 38.4% in 2019 and closed the gap to the national average of 40%. We have also seen faster improvement at Level 2 (equivalent to 5 A*-C GCSEs) and Level 3 (equivalent to A Level) than nationally overcoming the gaps that previously existed.
9. Staffordshire has also seen those with no qualifications decline by 23,700 since 2011, a decrease of 44% compared to 27% drop nationally. This faster improvement than seen nationally means those with no qualifications have decreased from 10.2% in 2011 to 5.7% in 2019 and now better than the national average of 7.5%. We have also seen faster improvement at Level 2 (equivalent to 5 A*-C GCSEs) and Level 3 (equivalent to A Level) than nationally largely overcoming the gaps that previously existed.
10. As well as seeing improvement in adult skills we have also seen wide use of apprenticeships as a technical training and skills pathway into many of our priority and locally important sectors including business, engineering and advanced manufacturing, health and social care, and construction. The FE system has also ensured that more of our young people have the skills necessary for the world of work, helping them to achieve qualifications in key sector subject areas and obtain work readiness skills that jobs in the economy require. It is also notable that FE helps ensure that increasingly more young people that did not obtain Level 2 at school do so by the time they finish formal education and are therefore in a much stronger position to enter the workforce.
11. The improvement in training and skills provision and attainment has meant that many of the jobs that have been created over recent years have been higher skilled and higher value roles. This has seen increased local prosperity through better rates of pay, with average wages improving at a faster rate than nationally.
12. The size of the economy has grown by £3.4 billion since 2011 at least in part due to improving skill levels to support the creation of higher value jobs in our key priority growth sectors including digital, advanced manufacturing, advanced logistics and construction. Although we know that we need to go further in improving the skills within the local workforce in order to close the productivity gap to the national

average, with the average job in Staffordshire currently nearly a fifth less productive than average.

13. As well as continuing to improve skill levels we are also aware of skill shortages in Staffordshire which we are currently looking to address to support further economic growth. We have shortages within the construction sector where there is increasing demand for onsite construction skills to support both the delivery of challenging house building targets as well as major infrastructure projects such as the development of our strategic employment sites. In health and social care, we have high demand for nursing and social work roles due to our ageing population.
14. We recognise the need to continuously raise digital skill levels to support the adoption of new technologies and ways of working across the economy, related to this we need to encourage the attainment of more STEM related qualifications to support our priority sectors.
15. COVID-19 has impacted jobs considerably over the last year with major areas of restructuring. Clearly lockdowns and restrictions have caused a shift to remote working and online learning leading to an increased need to improve digital skills. Related to this there has been a shift to online retail which has generated increasing demand for logistic roles. To support the population during the pandemic there has been a strengthening of the public sector with significant recruitment and the demand for health and social care workers has been further heightened.

Major Skills and Employability Investments

16. The Advanced Manufacturing & Engineering Hub has been developed over two phases through £13.3m of LEP and private investment in facilities at six sites. The Hub provides world-class vocational environments in the manufacturing & engineering sector. Each site has a lead specialism, has world class equipment and trains to the latest industry standards. The phase 2 sites have delivered a growth of 2,077 learners and include; The JCB Academy (Dove Engineering Centre), Newcastle & Stafford Colleges Group (Hybrid Plant Machinery Project) and South Staffordshire College (AgriSTEM).
17. The LEP funded Skills Equipment Fund (SEF), project managed by Staffordshire County Council, allows local employers and training institutions to submit bids to secure funding to purchase state of the art equipment to enable the delivery of high quality and high-level training programmes to support the growth in Stoke-on-Trent and Staffordshire's priority economic sectors. Grants have been awarded to 7 projects to date. The projects have delivered a growth of 1,366 jobs and delivered to 2,394 new learners. Further details of the projects are available [here](#)
18. The projects include:
 - a. Newcastle & Stafford Colleges Group - Advanced Manufacturing Mechanical & Electrical Centres
 - b. Staffordshire University - Staffordshire Apprenticeship and Skills [case study](#)
 - c. Stoke-on-Trent College - Technical and Curriculum Development Project - The Heat Academy

- d. Perkins Engines Stafford - Manufacturing Excellence Centre
 - e. Stoke-on-Trent College - Academy of Technology & Digital Skills
 - f. Newcastle & Stafford Colleges Group - Hybrid Construction Technology
 - g. South Staffordshire College - Cannock Engineering Academy [case study](#)
19. The Council, on behalf of the LEP, has commissioned £58m ESF skills programmes across Stoke-on-Trent & Staffordshire and to date the programmes have supported 27,501 learners with 12,102 progressing to employment, further education or Apprenticeships. The programmes support residents who are furthest from the job market with multiple barriers to those who are currently in employment but may need to develop higher level skills to progress further within their employment. [case study](#)
 20. The ESF Skills Hub delivered by Staffordshire Chambers of Commerce, features in the broader skills offer. The Skills Hub Brokerage Service within the Skills Hub provides key services in relation to ensuring that employers are supported to access relevant skills support/workforce development activities. This includes the identification of skills gaps to better position these businesses to diversify into new markets, adopt new technologies, and create more jobs.
 21. The Stoke-on-Trent & Staffordshire Careers and Enterprise Company Enterprise Adviser Network, including the Skills Hubs, creates powerful, lasting connections between local businesses and the schools and colleges in their area. The Enterprise Adviser Network brings together schools and business leaders to implement the Gatsby Benchmarks to provide young people with effective and high-quality encounters with the world of work and to focus on the local and national skills gaps. There are now currently 85 Stoke and Staffordshire Schools in the network, of which 81 have signed-up to be Careers Hub schools.
 22. The Apprenticeship Ladder for Staffordshire is part of a national initiative managed by Performance Through People in the LEP area to encourage businesses to take on apprentices and invest in their future by giving them the skills both they and the business need. The Ladder works with the Express & Star and the Sentinel to promote apprenticeship opportunities offered by local employers.
 23. The Employer Apprenticeship Ambassador Network was set up to promote Apprenticeships, share best practice, and support, encourage and mentor other businesses in establishing their own apprenticeship training programmes. The Network in the West Midlands is chaired by representatives Jenny Johnston from KMF and in Staffordshire by Emma Bridgewater. The Network will be useful in any effort to promote to business the value of apprentices and assist with recovery of the programme.
 24. The annual Apprenticeship graduation ceremony is held in July each year. The ceremony is to give apprentices the opportunity to experience a graduation ceremony and has been running for 5 years. The 2020 ceremony has now been rescheduled to 2021 and will provide an opportunity to promote apprenticeships during the recovery period.

25. The Apprenticeship levy funding is paid into the digital account monthly throughout an academic year. The amount of levy spend is increasing annually and this year the Council reached 35% of the public sector target. The Council has transferred £275k and has reached its 25% allocation available to transfer to other employers.

Future - short term response to COVID-19

26. The Redundancy and Recruitment Triage Service has been established to support businesses who have to restructure and individuals affected to discover their skills and qualities that match them to roles that are in demand.
27. The Countywide redundancy task group has been established as the vehicle to address the effects of job losses on individuals, through collaboration with partner agencies and the promotion of local and national employability programmes, more recently Plan for Jobs. The group includes all relevant partners to deliver appropriate support where redundancies are notified. The group has supported the creation of a redundancy and recruitment triage service led by the National Careers Service, that has supported over 1,300 individuals to date, 26% with a positive outcome. A local Kickstart charter has been completed and adopted to implement the Government's Kickstart scheme locally and to date there are 6 approved Gateway representatives in the area offering 245 live placements (covering 407 roles), 36 customers have started a placement so far. The Countywide task group recently launched a very successful virtual Stoke and Staffs jobs fair which had 41 Contributors in total and generated 10,265 engagements on the tweets.
28. The Countywide redundancy task group also oversees activity related to the Government's Restart scheme supporting to support long-term unemployed to find jobs in the local area. Although the Restart scheme is targeted at all adult age groups, there is concern regarding the current gap in the Plan for Jobs offer for those aged over-50 that have just been made redundant and are struggling to find employment which matches their skills. This may lead to increasingly more over-50s finding themselves either in work but underemployed or long-term unemployed as has been seen following previous recessions.
29. A bespoke student start-up programme for young entrepreneurs, Ignite, has launched, delivered in an engaging and interactive way through an online platform. It is a 3 year, county-wide initiative designed to encourage young people to understand the basics of entrepreneurialism and enterprise. In year 1 it aims to engage 4,000 students through a dedicated programme leading to 300 engaged online with 100 taking the intensive 5-day programme. This will lead to a target of 20 business starts.
30. At the start of the COVID19 pandemic the Council's Adult & Community Learning Service, quickly identified learners who would become disadvantaged due to lack of connectivity and access to digital equipment and/or low digital skills. For these learners, sub-contractors provided paper-based course materials and appropriate resources by following safe social distancing practices and/or delivery via post. In addition, tutorials were conducted through direct phone calls or 1-2-1 video conferencing using mobile devices. The introduction of remote online learning

reached out to new learner audiences and enabled learners to continue in their education during extraordinary circumstances

31. The Council has supported in the development of the Staffordshire Means back to business broad based support package to support economic recovery and skills through working closely with districts and combining Additional Restrictions Grant with other funding to support business and Apprenticeship growth.
32. The Staffordshire 500: Apprentices Support Programme aims to support 16-24-year olds who are unemployed to get into an apprenticeship by incentivising employers to take on apprentices by providing a grant to contribute to the cost of apprentices. This incentive will support small employers and those that currently do not pay the apprenticeship levy.
33. The enhanced Skills Hub programme supports businesses to retrain or upskill their staff or train new staff to meet changing business operations, entering new markets or sectors. A supplementary grant to match the current Skills Hub ESF grant (which pays 48% of training) enables training at no cost to employers to a value of £10,000. It also gives employers access to a free Organisational Needs Analysis (ONA) and an Action Plan how to meet their workforce training and skills needs.
34. The Council has secured £920k funding from the LEP's Getting Building Fund to support round 3 of its Skills Equipment Fund scheme. The projects include the Digital Skills Academy - South Staffordshire College, The Creative and Digital Industries (CDI) scheme and the Digital Construction skills project led by Stoke-on-Trent College.
35. The Council has supported in the development of 2 wave 2 Institute of Technology applications led by Newcastle and Stafford Colleges Group and Staffordshire University. IoTs are the Government's flagship programme designed to spearhead the delivery of higher technical education in STEM subjects. Their aim is to help to level up skills across the country, offering an accessible route into high wage and high skilled employment for people in cities, towns, rural and coastal areas. The applicants will be notified of the outcome of the stage 1 review in spring 21, followed by the roll out of the stage 2 process.
36. T Levels, the new 2-year, technical programmes designed with employers to give young people the skills that industry needs, will give students aged 16 to 18 a technical alternative to A levels and will help them to get a skilled job. T Levels will provide a mixture of technical knowledge and practical skills specific to their chosen industry or occupation, an industry placement of at least 45 days alongside maths, English, and digital skills. Painsley Catholic College has been accredited to deliver the digital route from September 20 with Burton & South Derbyshire College and Newcastle and Stafford College Group and the JCB Academy to follow in the next 2 academic years.

Future - longer term response to COVID-19

37. It is too early to say what the full impact of COVID-19 will be on the economy, but it is clear that there will be significant job losses and the need for people to reskill and

upskill into new roles. Findings from the Stoke-on-Trent & Staffordshire LEP Career Learning Pilot concluded that to successfully engage adults seeking to retrain, barriers related to individuals' attitudes towards career learning, as well as more practical barriers related to individuals' personal circumstances need to be primarily addressed. It was also noted that the messages and communications channels needs to be tailored to the particular target groups to promote engagement. These messages to also inform the development of the National Skills fund.

38. The crisis and its economic impact will also have profound structural effects on the UK economy and labour market as the crisis continues to speed up existing trends such as the move to more online shopping resulting in greater demand for distribution and a shrinking high street that will need to be repurposed. At the same time, we are seeing the digitisation of business models with the adoption of new technologies such as AI, automation and machine learning alongside growth home working.
39. The crisis has seen the government and public services respond at scale and pace to the COVID-19 pandemic ensuring that public needs continue to be met. While the public sector remains focused on the immediate COVID-19 threat, there are emerging longer-term implications such as the recognition of key workers including the extraordinary work of frontline health and care workers, as well as the crucial importance of others needed to tackle the virus and maintain daily life – whether they are delivering the back-offices that power the medical frontline, stacking shelves in supermarkets, maintaining broadband and mobile connectivity, delivering to peoples' homes or any of the other professions that have played a major role during the crisis. This improved perception of the public sector provides an opportunity to attract people to the sector and address the skills shortages which currently exist.
40. This potential boost to recruitment within the public sector comes at a crucial time given that there is likely to be further pressure on the sector from the longer term effects of COVID-19 such as young people requiring more intense support from education providers to address the impact of lost learning, adults in particular the over 50's that may have lost their jobs requiring training and skills support to reskill and upskill into areas of demand, and the need for health sector support to meet the health needs of long COVID.
41. As we transition to living the new normal following the pandemic there are emerging opportunities which are likely to help address labour market issues caused by the crisis. Not least the ongoing delivery of test and tracing and a long-term vaccination programme will provide employment and volunteering opportunities to help with employability.
42. There is an opportunity to be more transformative with programmes that address longer-term skills issues. Digital skills could be prioritised for reskilling/retraining, for instance women returners, to move into professional and higher-level technical roles backed by a digital reskilling programme on a large scale. There is also an opportunity to use a digital programme/campaign to capitalise on the recent skills developed by the expansion of homeworkers. As individuals used technology to self-help due to the disruption caused to business activities and processes. e.g.

unavailability of face to face meetings, driving up the consumption of existing technologies could drive more rapid productivity improvements.

43. Leadership and management skills are repeatedly cited as holding back growth in productivity. The last recession saw growth in managerial, professional and associate professional roles therefore, the training and development of current leaders and managers provides an opportunity to address this.
44. Capital investment from the Future High Street Fund and the FE Capital Transformation Fund is needed to support the ability of providers to respond to skills needs. The pay back from this investment is relatively quick and is easy to deliver with a bank of projects already in the pipeline which may need further refinement given the rapid shift in online delivery of education and training.
45. The delivery of substantial capital projects including HS2 and the West Midlands Freight Interchange provide clear opportunities for skills and employment in the area, with a high demand for workers in occupations in which there are local strengths such as construction and engineering, alongside higher value roles in management and design.
46. There is new job creation within the logistics sector with substantial inward investment from the likes of ASOS and Pets at Home recognising our prime central location for their operations. These jobs will be a huge boost for local jobseekers which may have lost their jobs during the crisis proving further employment opportunities and strengthening our economic recovery.
47. The governments Levelling up agenda is significant to investing in Staffordshire towns and city centres to respond to and drive the transformation of retail, leisure and new ways of working.
48. The UK Shared Prosperity Fund roll out will be required to support the current ESF skills programmes that are ending in 2023. The current ESF skills programmes are a critical piece to upskill and reskill people, keeping them economically active and getting people back to work. To date the programmes have supported 27,501 learners with 12,102 progressing to employment, further education or Apprenticeships.
49. We will support local businesses to make the most of new technologies such as AI and automation by ensuring that the local skills system works with local businesses and is responsive to their needs. Providing our residents with clear skills development opportunities and pathways into the high growth sectors will help ensure that there is a fit for the future skilled local workforce in place to support improved productivity and continued high value growth. While at the same time more residents will be able to access more good jobs with higher wages and a better quality of life.

Future economic growth and strategic skills priorities

50. Based on the extensive assessment of evidence gathered to support the development of the SAP Skills Strategy, LIS, and COVID-19 Strategies there is

strategic agreement that there are a number of sector skills priorities for Staffordshire. In particular, it is recognised that there are cross-cutting skills priorities for the local area where there are current gaps and anticipated growth in demand including:

51. **Digital** - The 4th Industrial Revolution is seeing rapid technological change which is altering the way we live, work and relate to one another. The scale, scope and complexity of the transformation is unprecedented. This accelerated technological progress characterized by new innovations provides both opportunities and challenges across all sectors of the economy.
52. Emerging technology breakthroughs in fields such as AI, robotics, the Internet of Things, autonomous vehicles, 3-D printing, nanotechnology, biotechnology, materials science, energy storage, and quantum computing, e.g. last decade data has increased 25-fold, all provide opportunities for increased economic growth and improved productivity.
53. Due to the cross-cutting nature of digital almost every industry is seeing transformation in systems of production, management and governance e.g. advanced manufacturing, offsite construction and automated logistics. This is leading to significant changes in job roles and skills demand e.g. traditional manual manufacturing roles on the shop floor being replaced by computer/machine programmers through automation. The top 15 emerging digital job roles in the UK include:
 1. Artificial Intelligence Specialist
 2. Data Protection Officer
 3. Robotics Engineer
 4. Site Reliability Engineer
 5. Customer Success Specialist
 6. User Researcher
 7. Data Scientist
 8. Sales Development Representative
 9. Cloud Engineer
 10. Cyber Security Specialist
 11. Platform Engineer
 12. Full Stack Engineer
 13. Enterprise Account Executive
 14. DevOps Engineer
 15. Content Designer
54. Given the pace of change businesses are reporting skills supply issues which is hindering growth e.g. high numbers of hard-to-fill digital job vacancies. Even in the midst of the COVID-19 recession there are some 90,000 new digital job vacancies a week nationally.
55. The adoption of new technologies and ways of working, including the accelerated adoption of home working brought about by the COVID-19 pandemic, requires supportive regulation but also first-class digital infrastructure and an advanced skills

base. It is important for inclusive growth, social mobility and levelling-up that all our residents have the skills and opportunities to benefit from digital advancement.

56. The Government has recognised this urgent need to improve digital skills to drive growth and productivity in recently announcing new digital bootcamps to provide flexible training for in-demand digital skills (likely to extend to include other technical skills training such as construction and engineering).
57. The bootcamps will cover everything from cloud services, digital for advanced manufacturing and cyber security to coding, software development, data engineering, web design and infrastructure with learners.
58. Further to the agenda on essential digital skills, a digital entitlement was introduced in August 2020 so that adults with no or low digital skills are fully funded to undertake improved digital skills qualifications. The new statutory duty will ensure that adults aged 19+ in England, who do not have the essential digital skills required to operate effectively in work and day to day life, will be eligible for the qualifications based on new national standards.
59. Beyond these national programmes we will ensure that digital skills development is embedded throughout our employability and skills programmes helping to improve digital skills at all levels and in all parts of the local economy.
60. **The Green Economy** – As with digital, the Government’s skills agenda has a clear focus on the Green Economy and the vital role it can play in addressing climate change and supporting recovery from COVID.
61. The Government’s recent response to the Committee on Climate Change 2020 progress report demonstrates its commitment to be net zero by 2050, and to delivering the skilled workforce which will be needed for the future green economy.
62. Green innovation will lead to new green jobs across the economy:
 - a. UK government launches new Green Jobs Taskforce to support the creation of 2 million skilled jobs to build back greener and reach net zero emissions by 2050. In Staffordshire there is expected to be high demand for roles in low-carbon heat, solar PV, home insulation and EV transition.
 - b. The LGA has also reported that in 2018 there were 185,000 full-time workers in England’s low-carbon and renewable energy economy. In 2030 across England there could be as many as 694,000 direct jobs employed in the low-carbon and renewable energy economy, rising to over 1.18 million by 2050.
 - c. Creation of half a million jobs in retrofitting home insulation in existing properties.
 - d. Green Homes Grant to improve the energy efficiency of buildings supporting 100,000 jobs in green construction for local plumbers, builders and tradespeople across the UK.
63. These jobs have the requirement for new green skills (i.e. energy skills challenges). The ‘Plan for Jobs’ recognises the importance of apprenticeships, traineeships, T levels, The Kickstart Scheme and The Restart Scheme in helping people obtain the skills needed to fill the jobs required to build a more resilient and green economy.

64. There are also opportunities to recover economic losses due to COVID-19 with skills development and growth in higher value jobs in priority and locally important sectors such as:
65. **Advanced Manufacturing & Engineering** - our area has been responsible for half of net national jobs growth in manufacturing since 2010, with 45,000 jobs now in the sector. There has been a shift within the sector from traditional manufacturing such as manual shop-floor production to more digital based practices through the adoption of new technologies such as automation, AI and machine learning.
66. Our many major companies, new Advanced Materials and Incubation and Accelerator Centre, and Innovation Demonstrator programmes will make a significant contribution to the future of manufacturing in the UK.
67. To support this growth in more advanced manufacturing and engineering there is a need to continually develop the local skills base ensuring that our residents have the skills which are in demand from Industry 4.0 businesses and smart factories.
68. Key to this is developing local digital skills at all levels, furthering the attainment of STEM skills and strengthening management and leaderships skills to ensure that the local workforce has the skills to meet both existing demand such as mechanical and electrical engineers and maintenance fitters as well as the demand for new and emerging occupations to maximise the effectiveness of new digital technologies, such as;
 - a. Chief Digital Officers - to advocate new technologies and envision how companies can implement new ideas;
 - b. Digital Manufacturing Engineers - to design new systems and processes that use advanced manufacturing technologies like 3D printing;
 - c. Virtual Reality/Augmented Reality System Specialists - to find manufacturing applications for these tools to support early product development, including design, engineering and analysis;
 - d. Worker Experience Designers - to ensure that existing workers and new talent have the skills to use new technologies such as AI and machine learning;
 - e. Digital Factory Automation Engineers - to help transition from traditional production to automated production to improve productivity and quality.
69. We have a wide range of employability and skills programmes such as the University Deals and AME Hub which will be central to ensuring skills supply meets business demand.
70. **Construction / Modern Methods of Construction** – our area has 5,000 businesses and 23,000 jobs with a larger concentration of jobs than the national average. Construction is currently one of the sectors in which we are seeing the highest demand for labour as we progress out of lockdown, with key drivers including the delivery of significant Government housing building targets to support the growing population, major infrastructure projects such as transport and energy projects, including HS2 and the West Midlands Freight Interchange, and the local Get Building Fund project.

71. To support this increasing demand for construction it is already recognised that we have existing trade skills gaps where there are a lack of site ready plumbers, electricians and joiners alongside the need for more advanced skills such as architects, civil engineers and quantity/chartered surveyors.
72. To aid with the housing crisis there is also a current focus on modern methods of construction (MMC) and how modular construction and build-to-rent accelerated house building can be a better quality, affordable, efficient and environmentally friendly solution to the housing crisis. For example, figures from the Royal Institute of British Architects reveal that, MMC building can reduce the number of employees required on a construction site by up to 70 per cent and cut overall building costs by 20-40 per cent. While according to a 2018 report by the National House Building Council (NHBC), close to 30 per cent of UK developers have opened MMC manufacturing facilities for their own developments.
73. To support the adoption of MMC there will need to be further investment in the development of digital and manufacturing-based approaches to construction such as automation and AI. Reforming industry recruitment and training to attract, retain and develop new offsite digital and manufacturing skills that MMC factory production requires. There will still be the requirement for sub-structure e.g. new methods of laying concrete, superstructure and finishing trades on site, as well as issues around utilities. Moreover, as MMC strategies are tied into digitisation, IT literacy amongst construction workers will be a concern.
74. The sector is also key to the green agenda and addressing climate change with MMC and retrofitting existing housing stock high on the agenda for optimising whole life performance through the development of energy efficient, smart assets.
75. Given existing skills issues within the sector, high levels of investment in training and education will be required, not least with regard to growing SMEs and attracting new entrants into the evolving market. Need for a greater focus on STEM and digital training and apprenticeship schemes, working in conjunction with the Advanced Manufacturing Research Centre and Homes England. As well as further work to develop centres of excellence in MMC, in conjunction with the Construction Innovation Hub and the Transforming Construction Programme.
76. **Advanced Logistics** – is a diverse sector covering road, rail, sea and air industries, the sector is a key part of the growing service economy with other sectors heavily reliant on freight services such as retailers and manufacturers whose businesses depend on the efficient movement of goods. With Brexit, technology and other disruptive forces driving changes in the way goods move across borders and through the supply chain, logistics has never been more important to the economy.
77. In 2019 Staffordshire had over 27,000 employees working in the logistics sector, representing 7.4% of the workforce well above the 5% share seen nationally. This is reflective of our central location and strong connectivity and the availability of land and premises to support growth in the sector.
78. COVID-19 has accelerated the shift to online retail with increasing demand for warehousing and wider supply chain logistics. Due to our strengths we have seen

continued interest from investors with the likes of Pets at Home and ASOS moving to the County during the pandemic providing much needed jobs for our local residents.

79. Prior to the impact of the pandemic there was increasing demand for occupations related to storage and warehousing to support growth in online retail and Brexit stockpiling, but COVID-19 has further heightened the ongoing labour shortage in key vocations such as HGV and van drivers. For example, the Chartered Institute of Logistics and Transport (CILT) has reported that 54% of logistics companies are expecting skills shortages to increase over the next five years, whereas 21% are uncertain as to their future recruitment ability, and only 4% expect the skills shortage to improve.
80. Alongside opportunities from changing consumer behaviour, the sector is also seeing opportunities emerge from new technologies and ways of working such as automation (e.g. digital warehouse picking and packing) and AI (e.g. assisting with back office functions such as accounting, HR, finance, customs brokerage etc.), which are changing the shape of logistics and have the potential to significantly increase productivity. The sector is also adopting more modern and sustainable transport with green electric fleets helping to reduce emissions.
81. We have more to do to encourage more people into the sector to address key labour and skills shortages, but also develop the skills required to embrace advancements in digital technology that can assist with growing more highly productive advanced logistics. This will entail a shift from manual, transactional occupations to more strategic, higher level supply chain expert roles including Planning, Procurement, Category/Commodity Management, Supplier Relationships, Logistics, Sourcing, Quality Management, Warehousing, and Inventory Management. These supply chain experts will inform IT personnel such as computer programmers to define, design and shape the direction that technology takes as it applies to the digital supply chain.
82. **Health & Social Care** – the Health and social care sector is vital to the health of the population in general and our workforce for the whole economy. Given the continued growth in the population as a whole and the fact that the population is ageing there is increasing demand for health and social care services. However, growth in the size of the health and social care sector workforce has not kept pace with this increasing demand and therefore the sector faces a number of labour and skills gaps.
83. Prior to the pandemic we were seeing high demand for roles such as nurses and social care workers, this situation has been exacerbated by the increased demand on the sector due to COVID-19. International recruitment has been a key factor in addressing these vacancies, but Brexit and changes to immigration policy will have an impact on the ability of the NHS and social care providers to successfully fill these vacancies. More positively the pandemic has raised the profile of the sector leading to significant up-turns in those choosing health and social care in their learning and training pathway. For example, data published by the University and College Admissions Service (UCAS), showed that 60,130 people had applied to a nursing course for autumn 2021 – an increase of 32% on 2020.

84. There are also opportunities in the sector to make better use of new digital medical technologies to improve quality, efficiency and patient experience as well as supporting more integrated care and improving the health of the population. To support this digitisation of services there is a need for investment in the promotion of the sector as a valuable career pathway, alongside skills provision to support the skills required for roles such as software developer, product owner, implementation facilitator, knowledge engineer (AI), health data analyst and cyber security specialist.
85. To ensure that our priority growth and locally important sectors have the skills in the local workforce to drive economic growth, key sector skill areas have been identified as priorities for skills development locally including digital, STEM, construction, and health and social care.
86. We continue to strengthen skills provision in these areas through the extensive skills programme previously outlined. Key to this is the continued strengthening of partnership working between providers and businesses to ensure that as the labour market continues to evolve and demand for skills from business changes this is incorporated into our skills system.
87. Beyond the cross-cutting and sector specific skills priorities which we were looking to grow moving into the pandemic, there are a number of additional COVID-19 recovery and renewal skills priorities which are important moving forward including improving school education attainment, raising skill levels and inclusive growth, alongside higher skills to support improved productivity.
88. Looking forward we are now considering how best the Levelling Up Fund and Community Renewal Fund (a pilot for the UK Shared Prosperity Fund) can be managed and utilised to further strengthen our skills and employability programme. This will then lead into the first round of the UK Shared Prosperity Fund, which will replace EU structural funding now that the UK has left the EU. The aim of this further funding will be focused on 'levelling up' and 'building back better from the pandemic' by reducing inequalities between communities through supporting economic growth, raising productivity and providing people with the skills they need to make a success in life.

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