

Skills for cities, skills for life



How cities, government, employers and providers can work together to help people and places everywhere succeed

Contents

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ABBREVIATIONS

AEB	Adult Education Budget
APPG	All-party Parliamentary Group
Bath & NES	Bath & North-East Somerset
BCP	Bournemouth, Christchurch & Poole
CA	Combined Authority
CPD	Continuing professional development
DBT	Department for Business & Trade
DCMS	Department for Culture, Media & Sport
DESNZ	Department for Energy Security & Net Zero
DfE	Department for Education & Skills
DLUHC	Department for Levelling Up, Housing & Communities
DSIT	Department for Science, Innovation & Technology
DWP	Department for Work & Pensions
FE	Further Education
GAAP	Green Apprenticeships Advisory Panel
GMCA	Greater Manchester Combined Authority
HE	Higher Education
ITP	Independent Training Providers
LA	Local Authority
LGA	Local Government Association
LLE	Lifelong Learning Entitlement
LLL	Lifelong Learning Loans
LMI	Labour Market Information
LSIF	Local Skills Improvement Fund
LSIPs	Local Skills Improvement Partnerships
MCA	Mayoral Combined Authority
NEETs	Not in Education, Employment or Training
ONS	Office for National Statistics
PAC	House of Commons Public Accounts Committee
SDF	Strategic Development Fund
SME	Small or Medium Enterprise
UKSPF	UK Shared Prosperity Fund
WMCA	West Midlands Combined Authority
WWL	Women's Work Lab

Foreword



Cllr John Merry CBE
Chair of Key Cities
Deputy City Mayor of Salford

Ask not what you can do for your city, ask what your city can do for you – or recognise at least that if we want to use skills to drive growth, then we must not only get the right skills for our places to succeed, but also the right offer for individuals to navigate their employment journey through all stages of life.

We know uneven productivity across the country is the biggest barrier to growth, and as Professor Hourizi reminds us (page 58), technology is advancing at pace and the skills gaps are costing us billions. The solution is to develop optimal mechanisms for supporting the needs of local industry and the local labour market. The government has introduced statutory Local Skills Improvement Partnerships and a new framework for lifelong learning which are welcome, but not all the right voices are always heard and decision-making is often not sufficiently local.

When it comes to local delivery, the Key Cities perspective is worth listening to. The fact is that if the skills approach is not delivering to best effect locally, then (a) it isn't levelling up, and (b) it won't deliver the hoped-for improvement in productivity and growth. These pages lay out some of our experience in the country's largest and most diverse network of urban areas and highlight ways in which we can work with government and others to develop those optimal mechanisms.

This report was completed before the recent additions of Cumberland, Stoke-on-Trent and Brighton & Hove to our now 29-city network, but the experience and principles described here apply equally to them, and their accession renders our commitment and ability to deliver even greater.

Summary

Having the right skills in the right places is central to productivity, growth and levelling up.

POLICY REVIEW

Government approach

Skills shortages are a key impediment to growth. How can government best support delivery of the right skills in the right places? New measures introduced include business-led Local Skills Improvement Plans, Institutes of Technology bringing industry and providers together, funding to improve provision, and loans to support lifelong learning.

Challenges

MPs have warned that trainee numbers are declining with disadvantaged areas worst affected, and emphasised the importance of local authorities' and providers' input alongside that of business. The system is too complex for both learners and employers, and the further education sector too financially fragile to attract and retain the required teaching staff.

Integrated approach

To support local authorities in their statutory obligations to children and young people, the LGA has developed a model for an integrated approach to skills and jobs advice with support for individuals and businesses, designed to deliver improved performance at lower cost. Greater devolution of jobs and skills programmes is needed to respond to the opportunities of green transition and automation and to align local supply and demand. National and local government should work together to achieve progress.

Standards should not focus so narrowly on the needs of individual businesses as to result in proliferation and reduced quality. Business should work with providers and the local authority to strike the right balance. Local coherence and planning are key to make sure that skills, jobs and infrastructure such as transport are locally aligned and avoid draining communities. A simplified offer and whole life approach is key to linking demand for skills training with opportunity.

A rounded approach

Productivity in London and the south-east is significantly higher than elsewhere in the UK: getting skills right everywhere is key to national growth. Devolution is too uneven and insufficiently local to achieve this. The diversity of the Key Cities network offers an opportunity to unlock economic development with a rounded approach to skills development.

Pace of change

Green growth is the standout opportunity but insufficiently understood and communicated. The skills offer must enable individuals to keep pace with advancing technology and balance short-term specialist needs with long-term transferable skills.

Local priorities

Most Key Cities have local authority-led strategic skills partnerships involving the employers and providers in their area and find them effective. Awareness of training and job opportunities is patchy among key target groups. All cities believe greater devolution of powers and funding is required to meet the needs of local employers and residents. Greater flexibility around apprenticeships, increased funding for the FE sector, simplified careers guidance, and commitment to climate policies to drive green skills are also seen as priorities.

Areas to explore

Government at national and local level must work together to identify weaknesses and improve effectiveness of local partnerships and delivery.

Areas to explore include pathways and gaps in provision at the lower and middle levels, staff recruitment and retention, planning to align skills, jobs and infrastructure in places, and improved careers advice and guidance.

Connecting skills and productivity effectively nationwide succeeds or fails at local authority district level. The Key Cities are an effective testbed for improving the system.

EXPERT EVIDENCE

Providers perspective

Yorkshire Learning Providers MD Alex Miles says the role of independent providers in adult education and apprenticeships should be better understood and investment by government and business in adult education and CPD is not sufficient to deliver effective lifelong learning. The operation of the apprenticeship levy, which has seen take-up decline, should be reviewed.

Role of FEs Uniquely delivering the whole range of skills training for all ages from 16, and rooted in the locality, FE colleges are critical to delivering the skills objectives for central and local government alike, says Bradford College CEO Chris Webb.

Getting to Level 3 by 19 receives insufficient attention in current policy and colleges need to be empowered to do this. The 16-18 group is proportionately underfunded compared to secondary and higher education; adult education funding has fallen in real terms and numbers are declining. Devolution of both powers and funding needs to be more local and more uniform than is being envisaged to benefit all places and communities.

The golden triangle The University of Salford's Professor Helen Marshall says the new Institutes of Technology bring providers and employers together to plug skills gaps for the benefit of their regions. 'Golden triangle' planning to bring skills, jobs and infrastructure together is essential to increase prosperity and life chances in places. Universities not only train and educate, they also help to create jobs locally.

Higher and Degree Apprenticeships Higher and Degree Apprenticeships provide outstanding education, support careers and advance communities, says the University of Gloucestershire's Stephen Marston, and they are also an important vocational alternative route into higher education for a broader demographic of employed learners. They form an increasingly significant part of the offer of universities, but are subject to unnecessary bureaucracy and complexity.

Skills gap growing The number of employers unable to access the skills they need is rising, and almost three quarters are concerned about availability, Joanne Dobson of Coventry University points out. There are surpluses in some parts of the country of specific skills of which there is a shortage in others. The fragmented and centralised funding for skills is a barrier to meeting local labour market needs. Coventry University offers apprenticeship courses in multiple locations, built where possible around people's lives and commitments. The apprenticeship levy underspend should be allocated to regions with identified need.

Women's Work Lab Claire Lynch introduces the Women's Work Lab, an initiative supporting single parents, domestic abuse victims, mothers of special needs children and others back into work. WWL partners with charities and others to identify need, and with employers to create pathways into work. Since launching in 2019, 68% of alumni are in employment, and 21% in volunteering or training.

Resolving the skills gaps Professor Rachid Hourizi at the University of Bath's Institute of Coding notes that skills gaps cost the economy billions of pounds a year. Resolving them will require looking at the needs of different sectors and also of people in each region at different stages of their lives and careers. Professional skills and personal development are important alongside specific technical requirements. Initiatives like skills bootcamps have engaged learners and delivered jobs but alternative pathways are also needed.

The voices of employers, providers and learners are all needed to develop new routes, and local government is well placed to convene the right experts and stakeholders. Technology continues to develop fast. Long-term planning and infrastructure is needed to support lifelong learning ecosystems in each city to keep pace.

CONCLUSION

A testbed for scalable programmes No growth strategy will succeed unless the right skills are available in the right places. The government should remove obstacles, bureaucracy and funding silos to allow local needs to be addressed. There is an urgent need to improve careers advice and guidance for people at all points in their careers.

Key Cities can connect policy areas locally and can be a testbed for designing and trialling effective programmes that are scalable across the country.

The payoff for getting it right



Cllr Imran Khan

Deputy Leader of Bradford City Council
Key Cities Portfolio Lead on Skills

The Key Cities are already taking the initiative to deliver a more productive and highly skilled workforce.

Together we have experience and expertise of different sectors and different environments reflected in this report, and will support government with developing policy and identifying what works for the future.

The perennial challenge of driving up the UK's productivity as the economy simultaneously shifts to reflect the opportunities of automation and AI and meet the requirements of net zero demands a flexible, agile and above all locally developed skills system.

Our current, fragmented system needs a fresh approach and greater devolution of powers and budgets to deliver this.

Improving opportunities for citizens to access learning throughout their lives is key if the benefits of future growth are to be widely shared. Better skills, better employment leading to more growth for all.

This report sets out to national policymakers how we can reimagine skills development and employment support. This should form the basis of Government skills policy to deliver increased economic participation and growth especially for residents who have been disadvantaged in the past.

The payoff for getting this right will be enormous: a much more competitive position for UK businesses and a better quality of life for our people.

Key Cities recognise that effective local strategic and delivery partnerships are critical to maximising the return on government investment into skills development. The report has been developed with businesses, local authorities, colleges and universities reflecting their pivotal roles in shaping local skills offers.

The Key Cities each has a strong track record of successful skills interventions delivered through established and effective local partnerships. Given the right powers and investment we can accelerate and amplify this work to deliver economic growth that truly benefits the whole country, and ensures the UK succeeds in the future of the world of work.

Recommendations

Improving skills and employment opportunities for residents are cornerstone priorities for Key Cities.

They are also central to the widely shared aims to increase productivity and improve economic outcomes in all parts of the country, or as the Levelling Up White Paper put it, to “boost productivity, pay, jobs and living standards... especially in those places where they are lagging.”

To achieve this, our recommendations are that the government should:

1. Comprehensively devolve skills powers and funding, not just to mayoral combined authorities but to municipalities, to better tailor provision to local needs and opportunities.

Local areas require the flexibility to design and fund programmes to meet needs identified by LSIPs and local partnerships, and to be effective, these decisions need to be taken at the right level for the local labour market and travel to work and learn area. The current approach is insufficient to simplify the marketplace and increases the number of bodies education providers are accountable to.

2. Provide significant and dedicated funding to improve information and advice services about careers and skills training for people at all stages of their working lives.

Inadequate and poor information fails to deliver the right skills for employers and prevents individuals from accessing opportunities that are right for them. The crucial importance of this is recognised in the Greater Manchester and West Midlands trailblazer deals. Local leadership and integration of the offer for careers and jobs is key to maximising return on the taxpayer’s investment.

3. Significantly expand opportunities for lifelong learning and retraining, including wider entitlement to free study and support for adults looking to upskill from Levels 2 through 5, to keep pace with changes in technology and the environment.

The future of work is a constantly changing landscape, affected by automation, disruptions in regulation and trade, and the transition to net zero. While creating attractive opportunities for new skills, these changes also threaten jobs with low or out-of-date skills and the system must be agile enough to compete.

4. Improve technical pathways at levels 1 and 2 from the age of 14, including an effective pre-apprenticeship programme.

The renewed focus on level 3 qualifications is welcome but hard to deliver when 40% of young people do not currently reach that level by the age of 19. Reinforcing level 1 and 2 pathways is vitally important for cities to support thousands of young people and adults to improve their skills.

5. Increase investment in skills to the OECD average across further and higher education, student and business support.

A competitive approach to funding will allow devolved authorities to put vitally needed 3-5-year settlements in place, enabling education partners to plan their strategic curriculum and capital requirements to meet economic and social needs.

6. Work with Key Cities to design and trial scalable models focused on integrating skills supply, skills utilisation, infrastructure alignment, Good Work job design, and business support.

These themes, and the experience that informs them, are explored more fully throughout this report.

Part One: Policy review

Skills, place and policy

Skills policy in England is led by the department for Education (DfE), supported across government by the departments for Science, Innovation & Technology (DSIT), Business & Trade (DBT), Energy Security and Net Zero (DESNZ), Culture, Media & Sport (DCMS), Levelling Up, Housing & Communities (DLUHC) and Work & Pensions (DWP).

In Wales, Scotland and Northern Ireland, skills policy is led by the devolved administrations.

GOVERNMENT APPROACH

In January 2021 the government published the Skills for Jobs White Paper and in April 2022 parliament passed the Skills and Post-16 Education Act, seeking to build stronger links between employers, providers and place, and to provide better support for lifelong learning.

The government's approach was outlined at a roundtable discussion of the Key Cities All-Party Parliamentary Group on 24 October 2022 by DfE deputy director Rizwana Parveen.

The government regards skills shortages as the key impediment to economic growth. Bearing in mind that a third of employers are reporting skills shortages in their localities and businesses, and that skills needs are evolving with people working longer and changing careers more often through their lives, how can the delivery of the skills that are needed be best supported by government?

The White Paper aims to introduce flexibility around learning and funding, with employers and learners at the heart of the system. Thirty-eight new, statutory Local Skills Improvement Plans (LSIPs), led by Chambers of Commerce, are used to map policy to local needs.

To address employer concerns that the funding levers and mechanisms were unable to respond quickly enough to their priorities, the government introduced a Strategic Development Fund (SDF) for LSIPs, to de-risk change for providers and encourage them to bid collectively for development funding. SDF was piloted in 18 areas in 2021-2022 and rolled out the follow-

ing year with awards totalling £96 million across England. SDF will be replaced by a Local Skills Improvement Fund (LSIF), aligned with the development of LSIPs.

Another innovation is the introduction of new Institutes of Technology to bringing HE, FE and employers together to improve provision of T levels and levels 4 to 6 courses in STEM subjects where they best know the skills needed in their area.

For learners, the aim is to create a flexible and modular lifelong learning system to enable them to go back into learning, including the introduction of the Lifelong Loan Entitlement (LLE), which will replace higher education student finance loans and Advanced Learner Loans from 2025 to provide more flexible provision, funding, and access post-18. New learners have a loan entitlement to cover tuition fees for the equivalent of four years of post-18 education to use up to the age of 60, topped up with maintenance loans and means-tested grants for eligible students. There are special arrangements for returners who have already received student finance, and to encourage retraining, restrictions on funding courses ranked lower than a student already holds will be lifted.

To support long-term planning for providers and better outcomes for learners, the government has introduced accountability agreements and the overall aim is to align all technical education content to a common set of employer-led standards by 2030.

Concerns

In a December 2022 report¹, the House of Commons Public Accounts Committee (PAC) highlighted concerns about progress being made towards achieving the government's stated objectives.

DfE spends upwards of £4 billion a year on activities to develop workforce skills in England, but evidence shows the system is failing to deliver the skills that are needed. The number of adults participating in government-funded further education and skills training has dropped dramatically with the steepest decline in the 50-plus age group. The drop is particularly marked in disadvantaged areas, where large employers are less likely to be located. Fundamental to improvement is making apprenticeships work better for small employers. Overall, the committee said, DfE's response is not commensurate with the scale of the problem.

Employers – central to DfE's approach – are spending less than before on workforce training. Smaller businesses often

lack the resources to invest and there are concerns about the inflexibility of the apprenticeship levy. The committee recommended that the government review how employers invest in skills development, including through the apprenticeship levy, and improve the effectiveness of incentives. It emphasised that in addition to businesses and other employers, input from others such as local authorities and colleges is also important.

Two other concerns highlighted at the APPG roundtable were echoed in the report, around complexity for employers and learners, and financial fragility in the college sector.

PAC noted that the multiplicity of programmes makes it hard for employers and individuals to find the training that best meets their needs. Government must strike a balance between keeping the system simple and intelligible, while also delivering training that meets people's needs.

Colleges' ability to play their part is hampered by financial pressures and ability to recruit and retain teaching staff, leading in some cases to a narrower curriculum, reduced length of courses, and less activity around careers advice and employability.

LOCAL GOVERNMENT

Local authorities have an important role in stimulating their economies, as well as a range of statutory duties affecting skills development in young people, including:

- finding education and training places for children and young people up to the age of 17
- identifying and re-engaging young people not in education, employment, and training (NEETs)
- providing careers advice and guidance to vulnerable young people
- supporting young people with special educational needs and disability (SEND).

They also have duties for early years, promoting the well-being of all children, and as corporate parents for children in care.

To support authorities in meeting their obligations and achieving the best outcomes, the Local Government Association (LGA) has created a framework for an integrated and devolved model for employment and skills called Work Local, which brings together advice and guidance, employment, skills, apprenticeships and business support for individuals and employers, at the local level.

Research has demonstrated substantial benefits of this model for local areas in skills outcomes and economic growth.

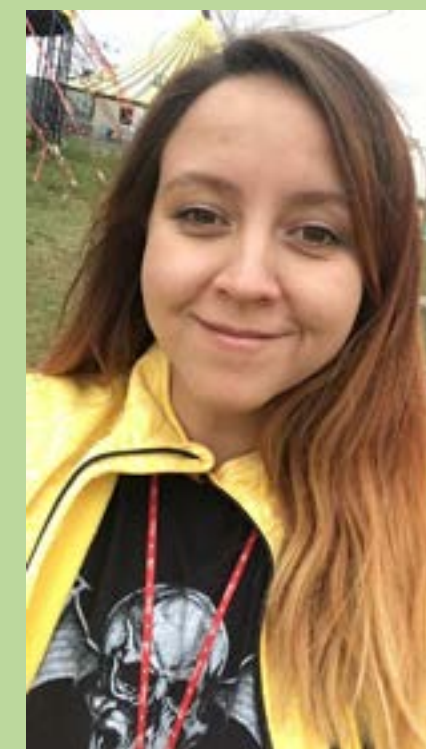
Case study: Southend

The Agency for Creative Production (ACP) is a social enterprise training young people at the start of their careers. It's about putting production into practice, through industry-embedded skills and training.

ACP span off from the arts organisation Metal, who were involved in Southend's Village Green Festival for 14 years from 2008. Supporting local young people into creative careers through ACP is an important legacy from that festival.

ACP responds to a need identified by industry, education, young people and audiences at live events. The live events industry is a growing sector that lacks a pipeline of diverse, locally grown talent with relevant skills. Young people in Southend are often unaware of career opportunities in live events. FE and HE institutions recognise the need to embed industry experience in their courses, but often lack suitable paths. The creative sector in live events is ill equipped to facilitate work experience as most SMEs are sole traders. Local audiences want more live events, yet there is a lack of capacity in the region to fulfil that demand.

Lily cut her teeth in the Village Green Festival as a volunteer and now has a successful career in the international events industry. She discovered pathways into different aspects of event management. This is what ACP is looking to preserve, delivering hands-on experiences that open up pathways into the creative industries.



ACP is a social enterprise for Southend, South Essex and the wider region. Its primary aim is to support young people in developing their skills in the live events industry through programmes that provide industry experience. It acts as a hub and incubator for creative micro-industries that can grow the live programme locally and support that skills pipeline. ACP works in partnership with training providers and creative practitioners to develop skills specifically for the live events industry. The aim is to establish the region as a na-

tional and international source of talent, and to diversify the workforce in the creative and live events industries.

ACP's services are designed around professional qualifications, with a UAL-accredited level 4 professional diploma course delivered in partnership with the local FE College. The agency also develops specialist training and CPD for the sector, where freelance event professionals also gain experience of working in a learning environment with young people.

A successful and diverse pilot this year saw young people putting on their own live event in Southend, with additional services such as tuition to younger children and familial knowledge of these careers right from those early ages as well.

ACP puts young people in the centre and supports them to create programmes based around their own creative interests, alongside opportunities for local events professionals to up-skill, gain specialist qualifications and new paid employment, so it's about combining valuable industry experience as an add-on to classroom learning.

Developed with investment from Creative Estuary's Regeneration 31 Programme to cultivate opportunities across the region, ACP works with the education sector, creative professionals, events companies and local authorities with a vision to enable a new generation of skilled locally based creative professionals grow the live events industry across the region.

A cost-benefit analysis by the Learning and Work Institute suggested a 15% increase in the number of people improving their skills or finding work, delivering benefits to residents, businesses and the health and wellbeing of local communities while reducing costs to the public purse.

Work Local argues for greater devolution of jobs and skills programmes, tied to agreements around local areas' approaches and anticipated outcomes. Building on the Skills for Jobs White Paper, LGA's May 2022 report Work Local: Unlocking talent to level up argues the case for finer granularity, with evidence that a one-size-fits-all (or even a five-sizes-fits-all) national approach will not align employment and skills provision with local need. Local leaders and their partners want to capitalise on opportunities created by the green growth transition, automation, emerging technologies and new global markets, but their levers and connection with government are inadequate to the task.

The current system is also too complicated for businesses and public sector employers. An LGA survey showed that based on their local knowledge, 93% of councils believe that employers would value a one-stop shop service for local skills and employment.

Far more can be done to create pathways to help people get on in life and grow the local economy. Employers are struggling to recruit and the country as a whole lacks the right mix of skills to meet future demand. By 2030, the LGA predicts, there will be a two-and-a-half million shortfall in higher skilled workers and an oversupply of three million people with low and intermediate qualifications compared to the jobs generated – with greater disparity within places than between places.

The LGA sees the Levelling Up White Paper as an opportunity to transform the jobs and skills system, embedding Place in government thinking and giving local government a greater role in steering funding for growth. The reforms including LSIPs and plans to devolve all areas by 2030 are welcome, it says, but they are limited and too slow.

The LGA advocates a joint endeavour by national and local government to support more people into work, improve skills, match people with jobs, and secure the desired recovery at a lower cost than the current system.

Providers and local authorities

The APPG roundtable in October 2022 also heard from providers and local authorities. Increasing employer engagement

Skills and Key Cities

is widely welcomed, but there is a risk, warned West Yorkshire Skills Partnership chair and FE leader Nav Chohan, of focusing standards too narrowly on the needs of individual organisations, resulting in standards proliferating and smaller training groups which is harder to deliver. The specificity of employer requirements for T Levels similarly steers a course away from lifelong transferable skills. The provider and local authority perspectives are important in getting the offer right.

After 15 years of squeezed funding in further education the financial pressures on colleges are severe and, in some cases, existential. This has consequences for attracting and retaining staff in competition with local employers who can often offer higher salaries.

Positives for FE include the new Skills Development Fund and a growing demand from employers seeing green skills as potential cost savers.

Introducing an HE perspective, pro vice-chancellor Joanne Dobson of Coventry University emphasised the multidimensional role of HE in skills policy and provision, with centres of research and innovation in a sector that is not overly concentrated in particular regions. Universities are often significant elements in the distinctive strength of places around the UK as well as significant employers themselves. Their engagement with local demographics and education pathways is broad and in many universities, 18-22-year-old undergraduates from well-to-do backgrounds do not typify the student body.

University of Salford vice-chancellor Professor Helen Marshall highlighted cross-sector collaboration through the Greater Manchester Institute of Technology and pointed to the importance of local planning to achieve a “golden triangle” with skills, jobs and transport infrastructure in the same place. Building skills without putting jobs within reach causes an exodus of talent and creates ghost towns.

Getting skills right locally requires a broader focus, including upskilling early years educators and embedding conversations about careers and future industries in the curriculum. In Coventry, the city’s director of education and skills Kirston Nelson indicated, the focus had shifted from achievement at 11 and 16 towards talking about destinations, pathways and life chances. Bradford agrees with the importance of lifelong learning, so that people can rethink and retrain as they need. The city’s aim, outlined by assistant director Jenny Cryer, is to provide a coherent offer for residents, removing concerns about fragmented, short-term and project-based funding with multiple players and hiding the complex wiring.



The UK workforce currently comprises about 33 million people, with substantial variation in rates of productivity between the nations and regions.

London and the south-east have the highest productivity levels, with respectively more than 50% and almost 25% greater output per hour worked than the median. While east and north-west also outperform the median, they are significantly lower, with other regions further behind and Wales more than 4% in the negative. It has long been clear that national economic growth and prosperity depends significantly on “levelling up” regional productivity, an awareness that has driven moves towards devolution over the past decade.

Getting skills right (hyper) locally is at the heart of this..

The extraordinary diversity of Key Cities – broadly distributed across all nations and regions except Scotland and Northern Ireland, with member cities that are coastal and inland, north, south, east and west, authorities within and outside mayoral combined authorities, and populations ranging from 100,000 to 600,000 – presents valuable opportunities to develop and validate a rounded approach to skills.

All Key Cities have challenges in skills, as well as opportunities that can drive prosperity. Due to the diversity of the network, Key Cities could have a more significant impact than any other UK network in unlocking economic development. Members have shared their common challenges and opportunities, and they have thought about how levelling up or inclusive development plays out in all those different places across the country, with skills as a lever.

Devolution as yet is uneven, with significant funding and powers devolved to mayoral combined authorities (particularly Greater Manchester and West Midlands) but less local control in other places. Even in the most devolved areas, there are important questions as to whether the right flexibility exists at the right level to deliver optimal outcomes.



Output per hour relative to the median region (%)

Relative productivity by nations and regions in the UK, 2020 (ONS)

Key Cities Skills Network

All members of the Key Cities group collaborate in the Key Cities Skills Network, established in 2021 under the leadership of Bradford's deputy leader Cllr Imran Khan.

On 19 May 2022, the Skills Network convened a virtual Future Skills for Cities conference with sessions on green skills, chaired by Salford and Eccles MP and Key Cities APPG co-chair Rebecca Long-Bailey, and on lifelong learning chaired by Cllr Khan.

Issues highlighted at the conference include:

- The move towards green represents the greatest economic opportunity for the country, but awareness about available green skills and apprenticeship opportunities in many areas is low among young people according to the Green Apprenticeships Advisory Panel. Better information is crucial.
- What green jobs and clusters will appear where in the network of Key Cities? What does each city have to offer in

terms of training, apprenticeships and job opportunities? The Skills House in Bradford offers a single point for accessing local services. Is there scope for a network of opportunity finders for Key Cities, an online Skills House across the network?

- The immediate need and opportunities for technical skills should be balanced with people's long-term need for transferable skills to navigate the employment market over their lifetime.
- Tech skills needed today will be redundant tomorrow and the ability to constantly learn new skills is what counts. What will be needed in ten years' time? There is a growing need for more local supply chains – this is where business and colleges can work together.
- Higher education and further education should not be seen as competing options. Both have important roles to play
- Partnerships to support school leavers and adult learners are key to success.
- There should be a national strategy for information and brokerage to help working-age people in under-skilled sectors to retrain.

The conference deliberations fed into work with the Key Cities APPG and Innovation Network to develop constructive engagement between cities and government around skills.



The Future Skills for Cities conference. View at https://youtu.be/7xaheX_pk_k

The Key Cities Skills Survey

A survey of Key Cities conducted in the months following the Future Skills for Cities Conference provides an insight into the experience and practice of 14 member cities:

- Bath & North-East Somerset
- Bournemouth, Christchurch & Poole
- Bradford
- Colchester
- Coventry
- Doncaster
- Exeter
- Kirklees
- Lancaster
- Preston
- Salford
- Southampton
- Southend
- Wolverhampton

Of these, Southampton did not complete the survey and is therefore not included in the quantitative analysis, but did provide useful information about its approach.

Local skills partnerships

Eleven respondents (85%) have active strategic skills partnerships comprising universities, colleges, employers and independent training providers. All but Bradford also included voluntary and community sector organisations.

Exeter highlighted the involvement of sector skills representatives such as Building Greater Exeter in construction, as well as business organisations such as the Chamber and the Federation of Small Businesses, charities and the Department for Work and Pensions (DWP). Chamber and business involvement was also emphasised by Bradford, Lancaster and Salford.

Schools, DWP and the West Midlands Combined Authority play an important role in Wolverhampton, while the Greater Manchester Combined Authority responsibility for funding adult education and some welfare-to-work programmes was mentioned by Salford alongside housing association and public health representatives. Preston pointed to the leading role of the Lancashire Employment and Skills Hub – part of the Lancashire LEP – with regard to employment and skills provision in Lancashire. The Hub supports the Lancashire Skills and Employment Advisory Panel, which has responsibility for skills and employment priorities in Lancashire. The Lancashire Skills and Employment Strategic Framework 2021 Refresh informs and directs activities. This framework is underpinned by an evidence base and was developed in consultation with stakeholders including employers, schools, colleges, universities, private training providers and the third sector.

All respondents who have a partnership find it effective. Six – Bradford, Coventry, Exeter, Salford, Southend and Wolver-

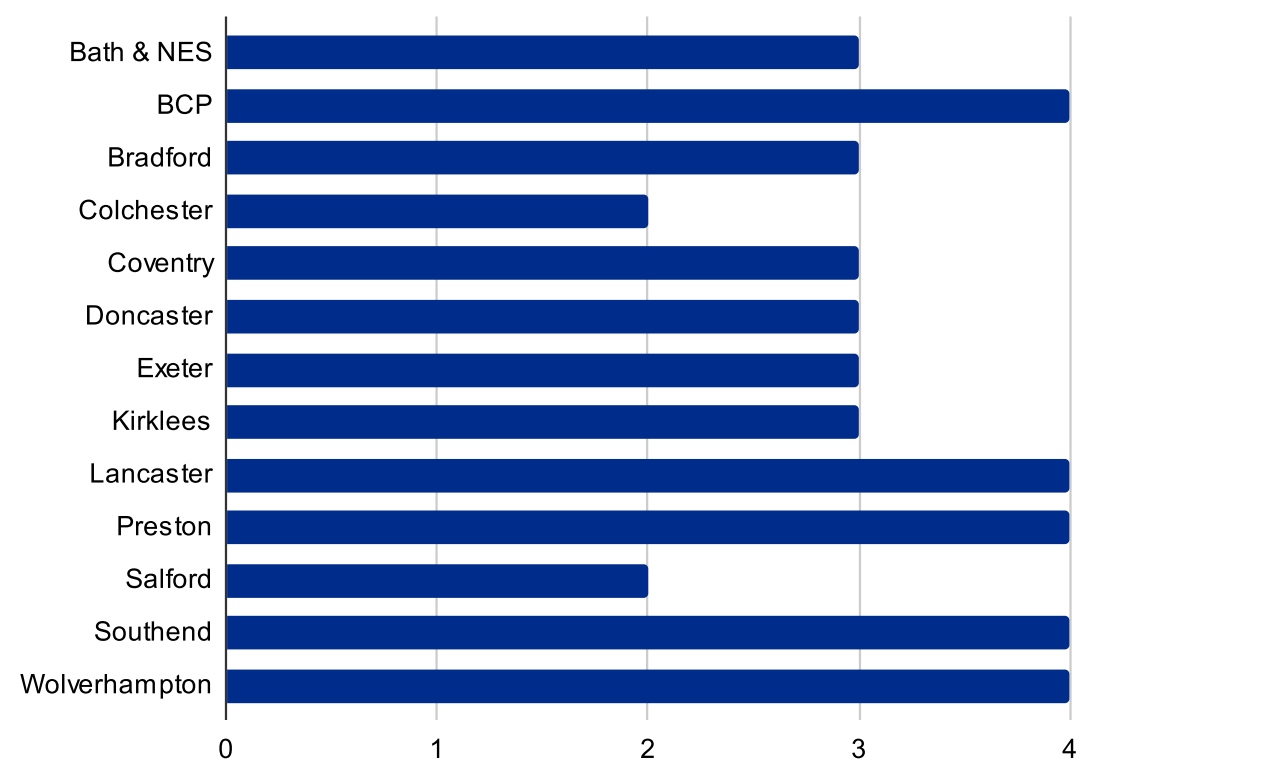
hampton – report their partnership is led by local government. In Bournemouth, Christchurch & Poole it is led by the Local Enterprise Partnership, while in Lancaster and Preston the partnerships are driven more broadly by the partners and coordinated by the Lancashire Employment and Skills Hub.

Southampton considers that skills should be integrated into a wider partnership focused on the economy, and that partnerships will be effective where they have a clear, unique vision for an area, consensus across sectors and partners, financial support and flexibility around delivery.

Public awareness

Asked how aware potential trainees are of the courses and job opportunities that are available locally, all felt there was some room for improvement, with five (BCP, Lancaster, Preston, Southend and Wolverhampton) fairly satisfied, and two, Colchester and Salford, expressing greatest concern.

Respondents were asked to identify which of their important target groups were particularly lacking in awareness of the offer.



How aware are potential trainees of the courses and potential job opportunities available in your area? (0 = little or no awareness, 5 = all or nearly all aware) (Key Cities)

Bath & NES identified the over-50s, lone parents, working parents and long-term unemployed.

Bradford pointed to economically inactive adults, young people who were missing in education under the age of 16, and young people who had been home educated.

Coventry identified significant groups including people from ethnic minorities, residents of more deprived communities, people with disabilities and health conditions, benefits claimants aged over 50, young NEETs (not in education, employment or training), people with substance misuse issues, those at risk of homelessness, and victims of domestic violence.

For Exeter the list is “very variable”, depending on an individual’s needs at a point in time. Through its work, the Council comes into contact with a wide range of people seeking guidance and support for both training and accessing employment.

Kirklees agreed that target groups with low awareness are “a real cross section of the community”, including those who are disadvantaged and people with less than a Level 2 qualification, adding that there are also significant sections of the wider population who are unaware at the Level 3 to 4 attainment mark.

For Lancaster the focus should be on NEETs and the long-term unemployed. Preston agrees, while pointing to partner networks and job clubs as ways of sharing opportunities.

Salford highlights “most groups outside the current system” along with NEETs, older adults aged over 50, and low-skilled workers, while for Wolverhampton, a greater focus is needed on all who are economically inactive.

Devolution

All cities are united in feeling that more devolution of powers and/or funding for employment and skills provision from central to local government is required to meet the needs of employers and individuals in local labour markets.

When asked how, a range of ideas was put forward.

Bath & NES: We struggle with capacity and need more people in post to support and drive knowledge about what’s available. The funding opportunities seem to land in combined authorities rather than local authorities.

Bournemouth, Christchurch & Poole: Devolution will make it more reflective of the needs of the local economy and allow more flexibility and agility to reflect changing needs.

Bradford: Powers and funding for employment and skills programmes from across all Whitehall departments.

Colchester: More devolution would enable a nimbler response from local government and make the relationships with partners more meaningful.

Coventry: DWP employment support programmes such as Restart do not work as they take a national, one-size-fits-all approach. These would work far better if they were devolved to local authority level. LAs could then design their own programmes which effectively address local needs, including skills gaps. Where LAs sit within a Mayoral Combined Authority area, it is vital to practise ‘double devolution’. MCAs can play a crucial role in co-design and regional connection, but LAs should take the lead in designing programmes and developing local consortia.

Exeter: By having local control over funding streams, such as adult education budgets, it is much easier to target funding at the most in demand and required provision. There needs to be flexibility so that when needs change in the labour market, these can be met through a local response. With local control, the up-to-date intelligence about demand and supply will have much more impact on commissioning and delivery. A lot of good work already happens on a local basis in Exeter through bringing together partners and working collaboratively, but things are often made more difficult by needing to find the right funding source to support the required activity.

Kirklees: All national programmes should be devolved locally to implement, to best fit local needs. Otherwise, duplication happens, and this creates confusion for both businesses and people who live in the area and complicated progression pathways.

Lancaster: Each region has different needs and different sectors within the area. If funding for employment and skills provision was decided at a local level, then it would be tailored to meet the needs of the businesses and individuals within that area.

Preston points to the published views and recommendations of the Local Government Association regarding unique local labour markets, system complexity, local government knowledge and convening power, and research pointing to effectiveness of devolution.

Salford: The Greater Manchester Combined Authority has had a partially devolved skills budget now for three years, during which time we have seen significant improvement in the delivery of skills, and our ability to influence what will be delivered in Salford has increased. Working with GMCA we hope to see an increasingly place-based commissioning model of

delivery informed by local data and the experiences of key city stakeholders and businesses. We would like to see greater devolution of other skills funding streams including pre-19, Apprenticeships, UKSPF and other nationally commissioned services including Welfare to Work and the National Careers service.

Southampton: Better local leadership is needed to provide a coherent and accurate understanding of the skills landscape.

Southend: [Skills devolution] should be part of county deals and combined mayoral authorities.

Wolverhampton: Devolved powers / funding over FE provision, 16 to 18, including school sixth forms, also employment support programmes such as Restart (a national DWP programme), and a national careers service.

Role of the network

What can Key Cities do as a network to help member cities and their partners develop a local offer that meets the current and future needs of employers and individuals, and to deliver sustainable, inclusive growth?

The broad consensus is that Key Cities has an important function in lobbying government in policy areas such as devolution and funding, highlighted in responses from Bath & NES, BCP, Bradford, Colchester, Coventry, Lancaster and Wolverhampton. Lobbying priorities included increased funding for adult education, greater flexibility around apprenticeships, more capital funding and addressing gaps in funding and timelines between EU funding programmes and the UK Shared Prosperity Fund.

Sharing best practice within the network was singled out as a network function by Colchester, Salford, Southend and Wolverhampton, while BCP thought there could be scope for joint working in areas like procurement.

Other ideas for network activity included:

- Ideas, research and engagement (Lancaster)
- Developing robust evidence (Preston)
- Producing case studies on innovative practice, e.g. with NEETs and over-50s (Salford)

Government action

Are there any measures or reforms the government could adopt that would significantly improve regional and local inequalities in employment and skills outcomes?

Devolution of powers and funding was singled out by BCP, Bradford, Coventry, Exeter, Kirklees and Southend. Bradford and Salford emphasised the need for greater flexibility around apprenticeships, and a simplified systems for careers guidance with an increased role for local authorities. More funding for adult education was identified as important by Bradford and Coventry to make up for significant erosion over the last decade. Colchester urged the government to get behind the need for net zero with policies that enable business to innovate and grow so that the UK is a leader in this field.

Other suggestions included:

- Devolved skills funding on a per capita basis (BCP)
- Increased capital funding for skills (Bradford)
- Reduced entry barriers for 16+ provision (Bradford)
- Wage subsidies and national minimum wage entitlement for apprentices (Coventry)
- National marketing of the offer for adult skills training (Coventry)
- Funding for providers to develop at-risk curriculum areas (Kirklees)
- Make careers education compulsory in schools (Lancaster)
- Support intergenerational learning to help parents support their children (Salford)
- Improve adult literacy (Salford)
- Promote L3 qualifications and the skills ladder for low-skilled people (Salford)
- Greater focus on lifelong learning (Salford)
- Delivery of training to be less prescriptive, less red tape (Wolverhampton)

In more general observations, Bath & NES urged greater investment and interventions, and Salford said that paid work experience has a valuable role to play. Salford also pointed to the lack of affordable childcare as a significant barrier. Southampton suggested paid traineeships, placements, or vocational studies to assist those that wouldn't be able to participate otherwise, and a training bursary topping up benefits to help people move from benefits into retraining and on to paid employment.

Working with government

Following the policy review in 2022, Key Cities undertook a process to explore whether there is scope to engage directly with government for mutual benefit in delivering on policy aims while improving local outcomes.

University of Salford vice-chancellor Professor Helen Marshall proposed four areas that might be looked at:

1. Underprovision of “the missing middle” – level 4 and 5 qualifications – to meet industry and consumer demand
2. The gaps in staff training and recruitment resulting in insufficient supply for local needs and demand
3. The regulatory framework whereby HE institutions are “doubly regulated” with regard to Degree Apprenticeships
4. Pilot schemes in Key Cities to evaluate LSIPs and “golden triangle” planning (skills, jobs and infrastructure)

A workshop on 31 May 2023 explored the potential in more detail.

“Skills in places” is a well-trodden path, so where can Key Cities add value? One area might be to work locally on improving LSIPs and progression between colleges and universities. There are visible discontinuities in the system – it is not without seamless joins for learners.

Nationally there is great variance between LSIPs. In West Yorkshire, two quite different locales (one Bradford, Leeds and York, the other Kirklees, Calderdale and Wakefield) are lumped together in a single report, which in turn is unconnected to wider West Yorkshire and North Yorkshire.

Chambers have had to cope with a fast and centrally determined implementation timetable for LSIPs, creating some short-term problems such as knowledge gaps, and often a greater engagement with the provider base than with employers. There are issues around consistency and fragmentation.

The regional plans that drive LSIPs do not always map to local priorities. Labour markets are generally more diverse than the defined geographies covered by LSIPs. In Bradford, much

of the systemic focus is on Leeds as the major regional centre, but Manchester across the M62 is locally also very relevant.

In Bath & North-East Somerset, the skills programmes are typically geared to the larger neighbouring areas of Bristol and South Gloucestershire, which does not necessarily meet local needs. In Bath & NES, the heavy focus on apprenticeships is not necessarily appropriate in an area where the 50-plus age group is a high priority.

Gloucester’s labour market is likewise heavily influenced by the pull of Bristol, but Gloucester is also a travel to work and travel to learn area in its own right. The multiple geographies inherent in these travel to work and learn areas make it harder to create a coherent skills plan for a single geography.

Employers generally ask for people to be trained to fill jobs they have available and this does not automatically mean there is demand for those skills to be taught. It would be good to use LSIPs to feed back to employers how their offer is experienced, to bring that gap into the conversation. Can LSIPs be used to persuade employers to rethink what good work looks like so that it will interest young people? Could they be used to move careers advice and guidance beyond jobs as they are today, and look at how young people can find a job they want to do and get the skills to do it?

Funding methods

Complexity of funding can be a significant inhibitor. At Bradford College, adult provision is funded by the combined authority, 16-18 is nationally funded, apprenticeships are also national, linked to employers and, many feel, overbureaucratic. Key Cities which are in the shadow of larger cities can be marginalised within their region, since the funding associated with LSIPs sits with the mayoral combined authorities.

The new Lifelong Loan Entitlements (LLE) are good for lifelong learning, but they can also complicate things by making providers segment their offer to suit the funding model. What can we do in the Key Cities to make the roll-out of LLE effective in delivering level 4 to 6 qualifications for industry? How can the LSIPs process help?

Funding incentivises providers to offer what applicants want to train in. The scope for supply-side reforms to change that is limited. If it’s not what students want to do, providers can’t provide it. This presents difficulties for government and for places alike in delivering on their growth objectives. Focusing on a golden triangle approach could help to align consumer

demand more with industry need, as could improvements in the quality and nature of careers advice and guidance, so that young people and adults are better able to see jobs they want to do, and for which they want to train.

Careers guidance

There is a widespread perception that careers advice and guidance requires more attention and investment, providing attractive, relevant and easily accessible information about options and opportunities, and looking not only at jobs, but also at wider questions around place and liveability.

Many places face the challenge of a low-skilled workforce who are going to struggle to access level 4 and 5 courses because they don't even have a level 2 qualification, so there is a need to look at the escalator and pathways.

Skills and productivity

Skills are only valuable when fused with businesses and organisations. What makes our cities and companies productive sits at one remove. How do we design good jobs? How do we support our businesses to become more innovative and successful by using the skills they have? Skills supply should link seamlessly with business support for growth and innovation if we want to create prosperous places. This means looking at how skills feed into the wider aims of the UK Shared Prosperity Fund and business support services.

This is not just about the largest places, but about places of all shapes and sizes levelling up to rates of productivity and business success that are already achieved in the capital and the South-East. The employment battles and skills challenges will significantly be won and lost in large towns and smaller cities – it can be argued that if we get it right in Key Cities, we get it right everywhere. Improving skills by colleges, universities, industry and local authorities working together contributes to a better quality of life. Key Cities views skills as a primary contributor to improved productivity and growth in cities.

The Local Authority district area is a good place to think through ninety percent of the skills agenda, and the Key Cities, which are all labour markets in their own right, provide a context where the skills agenda can be well designed, with better connections between local, district and regional. This process should not be unnecessarily constrained by the LSIPs framework. Devolution should work in such a way as to give these places freedom to make the skills system make sense locally.

This is one area where Key Cities offer a testbed for how the new systems and proposed new systems are working and can be improved, and an opportunity to resolve longstanding dysfunctions in the skills agenda.

Part Two: Expert evidence

Scanning the provider landscape



Alex Miles
Managing Director of
Yorkshire Learning Providers
and Co-chair of the Northern
Skills Network

As a representative of all the different types of providers involved in training and skills, Alex Miles highlights some of the stresses and priorities we need to address to get our skills ecosystem to deliver for our people, places and industries.

Yorkshire Learning Providers is a not-for-profit membership network that represents the full suite of skills provision and organisations across the post-16 landscape – from private, independent training providers (ITPs), to colleges, universities, adult & community learning, and awarding bodies. Across our 105 members all skills programmes are delivered, from apprenticeships to adult education, bootcamps, study programmes and everything in between. As the representative voice and body for all our members, it is imperative that we remain current, transparent, and honest on the skills policy at local, regional, and national level in order to reflect the views and responses from our members.

The Northern Skills Network is a partnership of eight regional provider networks, which between them represent over 350 training organisations across the north, bringing a single voice for northern skills and how it supports levelling up, economic growth, impactful education, and employer demand.

Challenges and opportunities in the skills system

As leader of these representative bodies at the Yorkshire and northern level for the FE and skills sector, I can see where challenges and opportunities are, and help support the sector to take action that leads to positive change. Action may include gathering real-time evidence to underpin place-based responses to critical issues and challenges faced by our members, sharing practice and developments to understand a unified regional and northern skills need, and using our united voice to advocate for change.

Across Yorkshire and the north, we are inherently aware of the

critical need to improve productivity, boost economic growth, encourage innovation, create good jobs, enhance educational attainment, and renovate the social and cultural fabric of our northern regions to ensure equality in our nation's opportunity and success.

Education providers across the FE sector have the passion, dedication and desire to meet the ever-changing and challenging skills needs and to be responsive and flexible to changes in the labour market, but an undeniable obstacle delaying this is that skills providers are under-funded, under-valued and under-recognised. Skills are cited as the saviour whether in the race to net zero, boosting productivity, preparing for AI and enhanced digitisation, industry 4.0 or meeting local skills needs, but the organisations delivering these skills are not appropriately funded or supported to meet the demand that is put on them.

Further Education really is the jewel in the education crown. They provide the most impactful education programmes that change people's lives from age 16 to 60, but the system that supports them needs to recognise the crisis currently facing FE and the displacement between types of organisations who can access funds and who are recognised by the local, regional and national powers that be.

We need better localised, place-based, integrated approaches to sharing data, LMI intelligence and collaborative approaches to skills programmes. Aligning industry and education is paramount to future success of skills and meeting challenges, with responsibility being taken for this by all parties and supported more effectively by local powers. One part of the FE and Skills sector, or one institution, cannot solve the skills gaps and address the needs of their local areas or across the North.

We are seeing businesses being more open to working with education and education being more flexible to respond to business need, but this is limited by the skills funding and access to funding at regional and national level. With 80% of the 2030 workforce already employed, businesses and education need to work together to design and deliver collaborative skills programmes that enable diversification and currency in skills and professional development. Investment in adult education and investment from business in CPD is not where it needs to be to ensure that an impactful lifelong learning plan at local, regional and northern levels can be achieved. Investment in the ITPs and colleges needs to have more parity and more priority if we are to meet that need.

We are also having to contend with a degree of low level snobbery in education, with national and local powers missing the vital benefit delivered by entry-level programmes to help boost employment and education. The removal of level 2 and level 3 qualifications, and the insistent focus by MCAs on level 3 and above, is widening the education and employment gap at local levels and will inevitably result in those who most need education and skills missing out, which does nothing to support the changing and challenging employment needs. Local areas need to value the stepping stones to employment, ensure the offer is inclusive and understood by those who need it, and support the education and skills trajectory from pre-employment right through to the higher levels.

Apprenticeships

Every business should employ an apprentice, whether that's giving an opportunity to a school leaver, upskilling the existing workforce or diversifying skills for advanced, new approaches or emerging tech. Apprenticeships really can change the business landscape. There are very few things in this world that are not only morally & socially right to do but also boost productivity and improve local and regional economic development.

Again, we need improved funding, better recognition, and more local, place-based collaboration to ensure apprenticeships are seen for the impactful, developmental and life-changing programmes they are and ensuring there is parity between all education pathways. Across the regional groups that make up the Northern Skills Network we are committed to growing and enhancing apprenticeships to meet the challenging social mobility and levelling up needs of our regions. Our network members contribute to the largest proportion of apprenticeships across the country and more employers across the north take on apprentices than other parts of the country – however, take-up has reduced since the introduction of the levy and we are keen to explore approaches and recommendations for the levy to meet business needs, better support smaller businesses and meet changing skills gaps and industry developments. We are engaged in research and policy development work on the future of the levy with our colleagues at the Northern Powerhouse Partnership.

Further Education complexity

The Further Education Sector is currently facing a staff recruitment and retention crisis. FE providers are struggling to recruit

new staff to the sector and retain them when in role. To deliver high-quality vocational education and training, FE providers need high quality. There is also a need for greater alignment between industry and further education. NSN members are working on local initiatives to support the FE sector to recruit and retain high quality staff. The best practice and learnings will be shared through NSN.

Funding across FEs has not been increased in over a decade, with funding around 5% below 2010 levels, which is making it hard to offer salaries that will attract staff. Whilst colleges

have received some support from the government and are able to access capital funds to support development, this has not been offered to apprenticeship or adult education providers, who deliver much of the local skills offer meeting employment and economic need. There is a tendency at national and local level to focus skills development and funding on college provision only, and while these have their place, there are also high-quality, flexible, dedicated skills providers that play a valuable role in the skills system.

We know that employers support a flexible approach to learning and value personal development in their employees alongside qualification attainment, so the FE and skills offer needs to become more slick, understood, steeped in collaboration with parity of opportunity and access, and based on demand and need that supports employment.

There is plenty of choice for young people and adults in skills provision, but the landscape is highly complex and confusing, with many programmes not actually preparing people for work. Too many young people and adults are on programmes that give them limited access to real life employability knowledge or development and many young people lack awareness of their transferable skills. This was heightened by the pandemic as young people are even further away from feeling prepared for the realities of the world of work.

Many employers are asking for young people to have more employability and personal development traits over educational and degree qualifications, but the current pre-16 education and careers landscape does not support this effectively, with the consequence that it puts extra pressure on the

“Employers support a flexible approach and value personal development alongside qualifications.”

post-16 sector to ‘mop-up’ the needs and skills. There needs to be greater employer involvement, careers service and local responsibility to offer the skills that candidates need.

In summary

We supported much of the Skills for jobs: lifelong learning White Paper in how it detailed plans for the sector, and the statements it made on addressing the needs of improving skills and reforming the FE landscape. The overarching narrative within the paper of putting employers central to the future skills system is certainly something we have heard before in other government strategies, and whilst we support employer involvement and alignment, we must not forget our commitment is to learners at all levels of education, social mobility and levelling up.

Across the regions and the north, the skills providers and their networks already have excellent, strong relationships with the Chambers and other business membership bodies (FSB, CBI, LEPs etc) and we are in a great position to support the roll-out of greater skills development to support the employers and communities we serve locally, but the funding and recognition needs to match the ambition set by government.

ITPs and colleges are committed to helping shape a local skills curriculum that is successful and impactful, and across the north we recognise and celebrate all types of skills providers being the heart of any employer-led strategy.



The role of further education



Chris Webb
CEO

Bradford College

Further Education (FE) has a particularly critical role to play if Key Cities are to thrive in the face of the key immediate and long-term UK wide labour market considerations.

Net zero; stagnant productivity and growth; automation, digitalisation, and AI; caring for an ageing population, and our international competitiveness all demand significant skills input into the labour market, and the FE sector will continue to be the driver of this.

These challenges demand the in-depth technical skills and employer-led curricula that schools are not set up to deliver for our young people, and will also require adults to be able to access the training and skills development that will enable businesses to be more productive and to grow.

Colleges have a unique role working across all ages post-16 to deliver a comprehensive range of learning and training opportunities for individuals, communities, and employers, all rooted in the localities that they serve.

We form an integral part of the local infrastructure. An FE College is a key strategic collaborator and actor in the shaping of their place, working closely with local authorities, regional and national government.

The full breadth of the FE offer is critical to realising Key Cities ambitions for economic growth that all residents can benefit from.

Government reform has focused very much on the attainment of Level 3 qualifications. Whilst we do absolutely need to get more of the workforce qualified to that level, an approach that focusses on the Level 3 qualifications without adequately considering how people get to be ready for Level 3 is flawed.

According to the DfE's data,² almost 40% of young people in this country do not get to Level 3 by age 19, and a similar proportion of the working age population are not qualified to that level.³

It is imperative in this context that FE is empowered to ensure there are sufficient and varied high quality pathways at

all levels for young people alongside lifelong learning opportunities to enable all residents and communities in Key Cities to develop the right skills to secure, sustain and progress in, work.

Residents know and trust local colleges. We support them to understand how to progress through qualification levels, on an escalator of skills, and how that relates to their work ambitions and life opportunities. For Key Cities to thrive and be genuinely inclusive, policy must ensure that age and stage appropriate provision is available, including recognition of the value of community learning and first steps provision.

This also means securing a long-term, stable, and elevated funding settlement for colleges, including greater capital investment.

The 16-18 phase of education is critical in terms of preparing young people for work or their next steps in education, but this phase has been consistently funded at a significantly lower rate

“People know and trust their local colleges. We must ensure that age and stage-appropriate provision is available, including community learning and first steps.”

than both schools and higher education despite being the bridge between the two.

There is no logical reason for this, just an historic inequality that governments haven't tackled.

Compounding this, funding for all ages has not kept pace with inflation. Despite recent increases in the 16-18 rate, research from the Institute for Fiscal Studies notes “spending per pupil will remain well below the levels seen in the early 2010s”.⁴

Similarly, the adult education funding rate remained unchanged for a decade. Announcements of an increase for 2024/25 are a start, but the impact of a decade of real terms cuts has been severe on colleges and on participation; the Learning and Work Institute found in 2019 that there were 3.8 million fewer adult learners than at the start of the decade.⁵

As a consequence of these funding challenges, colleges struggle with recruitment and refreshing the FE estate. The key issues we face around productivity, care, net zero and automation all demand that learners access the latest industrial technologies and thinking.

FE is simply not resourced to update its facilities in line with

this expectation. Minimal access to capital funding means colleges will not be equipped to train people to meet workplace requirements.

We also need to be fully empowered to use this funding flexibly for local need.

The national Skills Fund will start to tackle the complexity of the learning landscape, and the Local Skills Improvement Plan could be a useful tool to shape the curriculum. However, to fully realise the potential for FE to deliver a genuinely demand-led system, we need devolution of powers and funding to enable an offer that is truly flexible for local needs.

In summary, colleges must be a key part of the solution for the major national missions we face together, but need policy developments to reflect that.

We already make a unique contribution to the success of the Key Cities where we are based, but need to have more freedom and resource to secure the opportunity for residents to acquire the skills at all levels to improve their outcomes, increase productivity in the workplace, and secure sustainable economic growth that benefits all our communities.

The golden triangle of growth



Professor Helen Marshall
Former Vice-Chancellor
University of Salford

The University of Salford is a member of the Key Cities Innovation Network

Skills are central to economic growth, but providing the right skills in the right place at the right time requires a connected approach, argues Professor Helen Marshall.

Next year, the University of Salford will open its doors to students at the brand-new Greater Manchester Institute of Technology. Institutes of Technology are new, unique collaborations between universities, further education colleges and employers that are focused on strengthening higher technical education to meet identified skills gaps in local and regional economies.

We are proud to be the lead higher education institution in this Institute, working alongside our partner colleges – Ada (National College for Digital Skills), Bury College, Tameside College and Wigan & Leigh College – and leading regional employers – GCHQ, Laing O’Rourke, Siemens and Talk Talk. This new model of vocational education will offer learners across Salford and Greater Manchester the chance to access higher level technical education designed to equip them with the skills needed not just for the jobs of today, but the jobs of the future also.

With a focus on digital, engineering, health and construction, the provision of the Greater Manchester Institute of Technology will seek to directly plug key skills gaps in the regional economy and help to train the workforce that Greater Manchester businesses need to thrive.

We see the Greater Manchester Institute of Technology as one of the major ways in which the University of Salford is helping Salford and Greater Manchester grow. Alongside our traditional degree offer, our rapidly growing degree apprenticeship provision and our emerging range of short courses, expanded and accessible higher technical education – whether for school leavers or older learners looking to upskill, reskill or retrain – will be a key driver of economic prosperity and social mobility in Salford and across the city region.

But while prime minister Rishi Sunak might think that education is “the closest thing to a silver bullet” for changing peo-

ple’s lives for the better, we know that it is a little more complicated than that. Training people for high-skilled employment is one thing, but making sure they have a good job to go to once they have finished their studies, and ensuring that they can get to that job, is another.

I believe that for prosperity and life chances to be improved through increased economic growth, you need a ‘golden triangle’ of skills, innovation and infrastructure to be in place. Innovation supports the creation of new, better paid jobs and infrastructure allows skilled workers to access those employment opportunities.

“Universities have a vital role, not just in training but in helping to create jobs in their communities.”

When I worked in South Wales, we did a lot of work around access to higher education for people that would not usually go to university. We ran a hugely successful programme that got swathes of young people from The Valleys into higher education for the first time. But I remember one graduation day speaking to a young woman who had

excelled in her studies, and she was telling me she had got a job already and that by the end of the summer she would be working in a graduate position. She was from Merthyr Tydfil and the job was in Cardiff.

There simply were too few good paying jobs in Merthyr Tydfil for her to stay in the town she was from, and I think that is wrong. I am not saying that people shouldn’t move away for their careers – I certainly did – but I am saying that they shouldn’t have to.

Universities have a vital role to play not just in training people for the jobs of the future, but in helping create those jobs in their own communities.

And that is our ambition in Salford.

It is not to say that Salford does not have good quality jobs already. The city has experienced rapid economic growth over the past decade, with over £1 billion of additional value in the economy, almost 70% more businesses in the city, 7,000 new jobs created at MediaCity and Salford Quays, and 21% more people in work than in 2008.

However, there is still work to do. Salford is the 18th most deprived local authority in England, average household income is nearly a quarter lower than the England average and

well over a third of children in Salford are living in poverty.

So, what are we doing about this?

The Greater Manchester Institute of Technology and associated outreach, for instance through our new IntoUniversity Centre in Salford, is one side of the triangle, but we also want to help create good jobs in Salford and connect people to them.

Crescent Innovation is our ambitious plan for a new innovation zone on the edge of our campus and at the heart of one of the most disadvantaged neighbourhoods in the city. We are working with Salford City Council to reimagine this area of Salford into a vibrant new community where academia and industry will come together to drive growth and jobs, creating a new economic heart-beat for Salford and contributing an additional 6,500 jobs to Salford's employment base.

Crescent Innovation would be one corner of Salford's Innovation Triangle that includes one of the country's leading digital and creative hubs at MediaCity and one of the NHS's most digitally innovative hospital Trusts at Salford Royal. Salford Innovation Triangle is already home to 75,000 jobs and has the potential to create an additional 20,000 highly skilled jobs and add £1.5 billion to the economy.

And critical to all of this is transport infrastructure. A new tram line connecting city centre Manchester to Salford Crescent and onto MediaCity would unlock the potential of this innovation area and open up access to this part of Salford to those living across Greater Manchester.

Imagine this a few years from now.

A young person from Broughton, one of the most deprived areas of Salford, gets the chance through their school to go to the IntoUniversity Centre which is not too far from where they live for after school mentoring with expert tutors. They love computer games, but they never realised that their hobby could also be a job until a careers adviser asks if they'd ever thought of becoming a game designer. When they finish school they apply for a place at the Greater Manchester Institute of Technology, which is on the University of Salford campus. They study for a Higher National Diploma in Extended Reality and Virtual Environment Production. During their studies they undertake a work placement with a new up-and-coming video game company at MediaCity. When they finish their course, the firm offers them a full-time position as a junior game designer.

That is the golden triangle of opportunity that we want to create here in Salford.

Professor Helen Marshall retired as Vice-Chancellor of the University of Salford in August 2023.



Higher and Degree Apprenticeships



Stephen Marston
Former Vice-Chancellor
University of Gloucestershire

Apprenticeships can have an important and growing position in the constellation of higher education, says the University of Gloucestershire's Stephen Marston.

The University of Gloucestershire is a member of the Key Cities Innovation Network

- 1 The University of Gloucestershire took the decision in 2016 to invest in developing Higher and Degree Apprenticeships (HDAs) as a significant part of our course portfolio. Our long-term ambition, for which we deliberately did not set a deadline, was that HDAs would grow over time to account for around one quarter of our total student numbers. In other words, we wanted HDAs to be a significant part of our whole enterprise and offer, not just a marginal add-on.
- 2 There were several reasons. First and most important, we see a strong alignment with our mission. The University's strategy includes as three of our primary goals:
 - a. To support our students to learn well by providing an outstanding education
 - b. To support our students to achieve their full potential in their careers and their lives
 - c. To promote the wellbeing and advancement of our community.
- 3 HDAs can serve all three of these goals. All our apprenticeships are designed and delivered in close partnership with employers, which helps to ensure that they prepare students well for future career success. Given that we aim to ensure that all our courses have a clear line of sight to professional purpose, we can provide a high quality of applied and practical study. And we see it as a primary part of our role in our community to ensure our local employers in both the private and public sectors can access the supply of skilled and qualified recruits they need, selecting the apprenticeship standards we offer by reference to known demand from local employers. As a result, we can have a powerful impact in promoting local economic growth.
- 4 HDAs also function as an important alternative route into higher education, alongside traditional entry for full-time students

via UCAS. The profile of apprentice learners can be significantly different, with a higher proportion of local and mature students. Many would not have contemplated paying fees to enrol on a full-time programme of study, but can achieve their career ambitions by studying while earning. Our apprentice learners are funded by their employers through the apprenticeship levy, which has been a welcome game changer in promoting national investment in advanced skills while offering the opportunity of quality higher education to people who could not otherwise have afforded it.

5 So as a University we do not recognise the characterisation of University as “academic” study separate and distinct from professional and vocational programmes such as apprenticeships. Universities like Gloucestershire seek to integrate both in a diverse portfolio of courses to meet varying student needs and study preferences, but united by a common purpose of preparing all students to achieve their career ambitions.

6 The first apprenticeship we introduced was the Nursing Associate in 2016. We have built from there, so in the current academic year (2022/23) we project to have some 900 apprentice learner enrolments on 14 apprenticeship standards (including two that we offer in partnership with Serco). The programmes cluster in Business and Finance; Computing, Data Science and Engineering; Nursing, Allied Health and Social Work; and Education.

7 All HDAs provided by Universities are now inspected by Ofsted. We had our first full inspection visit in February 2022, and were delighted to be rated “Good” on all aspects.

8 Although the University is proud of the progress we have made, the journey has not been without incident or challenge. The regulatory framework for complying with Ofsted and Education and Skills Funding Agency requirements is very different from that applying to mainstream university courses. In significant respects it is more demanding and carries some bureaucratic burden of record keeping and reporting, with different staffing, systems and cost consequences. The requirements for individual learning plans, skill scans, learner reviews and employer reviews all create their own data collection, analysis and reporting demands. The triangulation between the University, the apprentice, and the employer can create a powerful dynamic of shared interest in driving relevance and quality, but also requires considerable time and care to manage effectively. Employers and apprentices themselves can find the record keeping and bureaucracy offputting, putting some onus back on us to streamline the processes and “hide the wiring” where we can.

9 The recruitment approach is fundamentally different, being centred on securing contracts with employers before securing applications from learners. Therefore the marketing has to be different, focused on building business-to-business client relationships with employers, to create understanding and confidence that this is a good business investment for their levy. For all apprenticeships which have an integrated qualification (and most University of Gloucestershire apprenticeships lead to the award of a University degree), motivating learners also to undergo the End Point Assessment can be a challenge. In sum, apprenticeships are very different from traditional full time University programmes, and require investment, time and significant adjustment to get right.

10 In many ways these are good disciplines. They focus attention on the quality of the partnerships we have with the apprentice employers, and on careful review of the progress made by every apprentice at every stage towards their individual learning plans. They increase the imperative for the University to listen carefully to what employers in our community say they need in terms of skills, competences and capabilities to support their organisational performance. There has been useful learning from all that about our wider approaches across the University.

11 From the outset the University deliberately sought to integrate HDAs fully into our mainstream systems, quality control, operating methods and staffing, rather than creating a standalone unit responsible for end-to-end delivery. We have made our lives quite a lot more complicated as a result, not least in explaining what we do to Ofsted. But it has the advantage that we can scale up our HDA portfolio on the back of mature and effective University infrastructures, rather than duplicating, and it facilitates cross-fertilisation of learning about what works.

12 Overall, higher and degree apprenticeships have been an important strategic development for the University. They have proved to be a good way of delivering our mission to enable our students to achieve their full potential and progress to successful careers, while at the same time giving a powerful boost to the economic success, wellbeing and prosperity of our place.

Stephen Marston retired as Vice-Chancellor of the University of Gloucestershire in July 2023.

Pathways to better futures



Joanne Dobson
Associate Pro-Vice-Chancellor
Coventry University

Coventry University is a member of the Key Cities Innovation Network

People need opportunities to train, progress and retrain where they live, and we must use the potential we already have, says Coventry University's Joanne Dobson.

For all the well-documented productivity and skills challenges, we must acknowledge that the UK has a highly skilled workforce. Our strong higher education sector means we are lucky enough to have between 40 to 50 percent of our workforce as graduates.⁶

Yet it is right that the root of many of our economic challenges are skills-related – 72% of company CEOs are concerned about the availability of key skills.⁷ The proportion of employers struggling to find certain skills more than doubled between 2019 and 2021.⁸ The Financial Times recently highlighted the importance of investment in human capital to ensure the UK's skill system can respond to economic challenges.⁹

Policymakers and education providers must understand the nuances. There are shortages of STEM graduates and a skills challenge for public services, for example healthcare and education. There are also surpluses of certain skills in some regions while there are shortages of the same skills in other areas of the UK.

Skills funding is highly fragmented, centralised and often inefficient, resulting in skills provision that is not matching local labour market needs. With 80 percent of the country's 2030 workforce already in the workplace,¹⁰ people need opportunities to train where they live with ample chances for progression and retraining for different roles and new industries as they emerge.

One pathway to the better futures that we believe good skills provision can provide is apprenticeships. From the start of Coventry University Group's degree apprenticeship programmes, we know employers need the skills and want to invest in the local people or they wouldn't be partnering with us to offer them.

Our range of apprenticeship programmes support the development of vital training in occupations such as Nursing, Phys-

iotherapy, Occupational Therapy, Social Work, Civil Engineering, Mechanical Engineering and Teaching. We offer nearly fifty programmes – the most of any provider in England, with 70% of those degree or post graduate level apprenticeships.

Our Nursing Associate Foundation Degree is one of the most popular and the programme is open to those currently employed in health and social care organisations. We partner with local NHS trusts such as Coventry and Warwickshire NHS trust. Given the status of the current labour market,¹¹ we must utilise the potential of the existing workforce to both address skills shortages in the NHS and retain staff.

In Scarborough, where we also offer the Nursing Associate programme, people can train in their hometown, around their family responsibilities. There is no other Higher Education provision available in the town and many of our students go straight into working at the local hospital, one of the biggest employers in the area. There are plenty of opportunities for

progression into other nursing roles once the course is completed, making the benefit of the qualification longer-term. In 2019 our Nursing Associate Foundation Degree was shortlisted for the Nursing Times Award for Nursing Associate Training Programme Provider of the Year and Health and Science Apprenticeship of the Year.

Another part of our organisation, CU London, has a partnership with the City of London Police to provide

training for their new officers in the form of the Police Constable Degree Apprenticeship and the Degree Holder Entry Programme. This provision serves mature students who want a new career in a public service. CU London co-delivers the programme with City of London Police staff. This approach means resources and expertise have been better utilised with added value and perspectives for students. We also provide support to City of London Police tutors, who mentor the apprentices, with coaching workshops. This approach means it's not only the students who are enrolled as apprentices on the courses who are gaining new skills, but Coventry University Group is helping upskill those already in work and delivering

“People need opportunities to train where they live, and to progress and retrain for different roles and new industries as they emerge.”

parts of the course.

Coventry University Group also has a partnership with Coventry City Council to provide apprenticeships. Due to our long-standing history of collaboration with the local council we can tailor our apprenticeships programmes and modules to meet the council's business needs. Our Social Work Degree Apprenticeship is currently our largest offering to the council. These apprenticeships mean the council has been able to up-skill their current employees and embed career pathways to meet current and predicted skills shortages while also delivering better services for local people.

The future of our labour market, regional economies and skills are questions of policy as well as provision. Ultimately, money is tight with spending on adult education consistently squeezed over the last decade¹² and training investment by UK employers down more than a quarter since 2005.¹³

Different places need different skills, and the regional skills agenda is vital to the economic productivity challenge. So, the apprenticeship levy underspend should be deployed to regions and cities where a skills need is clearly identified. But the complicated budgets are held centrally, limiting the extent to which local labour market understanding can feed into those decisions. Despite the setup, providers and local leaders know that addressing regional productivity challenges requires a shared skills focus. For example, here at Coventry University Group we are one of the major regional organisations that give to the WMCA levy redistribution fund targeting SMEs run by our Metro Mayor.

The future should see SMEs benefitting more with support for businesses to navigate a complex regulatory and funding framework. There are much-needed government plans for a lifelong learning structure and the learnings from Degree Apprenticeships should be considered so skills policy and provision can meet the scale and pace of change that is needed for growth and prosperity everywhere.

With technological change and a green transition taking place across so many industries, employers facing skills shortages will already be behind the curve of those developments. Policymakers must safeguard the progress that's been made while supporting locally informed decision making about provision to enable all UK regions to grow.



Women's Work Lab



Claire Lynch
Business and Skills Manager
Bath & North East Somerset
Council

Launched in Bristol in 2019, the Women's Work Lab now supports many mothers in the south west into meaningful employment.

The Women's Work Lab (WWL) supports unemployed mums on benefits back into work. The 12-month bespoke classroom training, work placement and career coaching programmes focus on building confidence, ambition and employability skills. WWL specialises in unlocking potential and laying the foundations for a brighter future.

Since launching in 2019 the organisation has supported nearly 300 women – mostly single parents, many with experience of domestic abuse, children with special educational needs and their own health conditions – back into work.

Outcomes include new careers, further training and crucially the creation of a vital support network. Sixty-eight percent of 2022 graduates are currently working and twenty-one percent volunteering or in further training. The work is bespoke, specific and draws on coaching techniques usually only available to professionals and not currently covered in general employability programmes.

This year, WWL launched the UK's first entry-level returnship for mums on benefits in partnership with FTSE-100 investment firm Hargreaves Lansdown. The scheme sees Hargreaves recruit ten or more WWL graduates into entry-level term-time-only roles with progression.

WWL is also working in collaboration with refugee charities to launch a specialist programme for refugee mums in Autumn 2023.

WWL has forged relationships with more than seventy employer partners who offer work placements and jobs to our mums. WWL also lobbies the government and provides training to businesses on inclusive employment practices to encourage workplaces to be more diverse and accessible.

WWL's current business model is funded via c. 65% statutory funding, c. 10.5% employer funding (sponsoring mums on

placement + returnships), and c. 24.5% grant funding.

WWL's impact to date

- 300 women supported through 19 programmes across 8 geographical areas since 2020
- 500+ children indirectly supported
- 70+ employer partner relationships
- 100+ referral partners
- 2023 sees WWL launch the UK's first entry level returnship for mums on benefits with FTSE 100 Hargreaves Lansdown
- Lived experience is key: one in three WWL staff are graduates of the programme

2022 stats

- 68% of graduates now working (June 2023)
- 21% of graduates in volunteering/training
- 219 applicants for 90 places
- 86% of starters graduated from the programme
- Graduates report an increase in confidence from 5/10 to 8/10
- 41% are survivors of domestic abuse
- 32% are mums with a disability or health condition
- 30% are carers

As well as working, WWL mums tell us how family life has improved as a result of the programme, due to improved confidence, mental health, and financial stability.

2022 Graduate Zoe, now working for Bath & North East Somerset Council as a Finance Assistant, says: "I've gained so much confidence in myself and my abilities. WWL was exactly what I needed to push myself to achieve. I am now working and have also made friends for life!"

Employer partners equally champion their impact.

Sally Curnow, UK Business Support Manager at Buro Hapold comments: "WWL has made a huge difference to so many mums, whose voices were for so long unheard. Each candidate is prepped, trained and looked after so well. Our first mum is now a permanent member of staff! It has opened my eyes to the hidden talent that for so long was overlooked by businesses. WWL not only changes the mums' lives, they are breaking the mould for how we recruit.

Focus on Bath

WWL has supported 75 mums in Bath & North East Somerset since launching in the area in 2021. The organisation has worked with many different employer partners over this time to provide meaningful work placements for their mums. They consistently receive feedback from mums that what we do is 'different' and that by giving them the specialist support and training that they so desperately need, something changes within them. The creation of a vital support network of like-minded women is also a really important part of our success. Community and collaboration creates the confidence for mums to be able to take that next step back into work. WWL is now part-funded via Bath College and the AEB provision. Our intention is to offer at least one programme for 15 mums in Bath on an annual basis.

“Community and collaboration creates the confidence for mums to take that next step back into work.”

Tanya, curriculum administrator at Bath College and May 2022 graduate, says: "WWL really helped my mental health. I found myself again, became more than just 'mum' and finally discovered what I was capable of. Being with other women on the same journey as me felt like I wasn't alone anymore. WWL gave me the confidence and courage to continue applying for jobs after loads of knock backs.

"I really enjoy all aspects of my new job, from helping assessors and also ordering training materials. Everyone has made me feel really welcome. I have already been promoted since I started the role last September!

"The programme has had a tremendous impact on my family; I no longer struggle with low mood and feel we can all achieve so much more. It is amazing to now be surrounded by such a brilliant network of women."

Voices around the Key Cities table



Professor Rachid Hourizi
Director of the Institute of Coding, University of Bath

The University of Bath is a member of the Key Cities Innovation Network

Professor Rachid Hourizi explores why Key Cities are ideally placed to facilitate the improvement in skills pathways and delivery that are needed to help the economy grow.

The UK suffers from chronic skills shortages^{14 15 16} that affect our productivity¹⁷, health¹⁸ and plans for a greener future^{19 20}. The opportunity cost of those skills gaps to the UK economy runs to billions of pounds per year²¹ and a growing body of research suggests that resolving them will unlock innovation, efficiency and national competitiveness in international markets²².

Key Cities has identified the importance of responding to these national skills shortages at pace and scale²³. Resolving skills shortages in each of the subjects and economic sectors that underpin the digital economy, net zero development, our healthcare system and other key areas of local economies will however require a heterogenous approach – separate but overlapping sets of skills are needed to address talent shortages in each sector.

Within the UK’s well-reported digital skills gaps, for example, research²⁴ highlights distinct yet intersecting skills essential to supporting activity in software development, the creative economy, AI, cybersecurity and other specialist subfields. Each of those subfields can then contain professional groups with more specialist needs, e.g. the thirteen different cybersecurity specialisms identified by the UK Cyber Security Council²⁵.

When developing a response to major skills shortages, policymakers will also need to consider the heterogenous needs of those considering education or training in each region. They will, for example, need to consider the ways in which skills requirements evolve over the course of a career. Researchers²⁶ and policymakers²⁷ have identified and reported important differences in the needs of those seeking a first job versus those returning to work after a break, changing careers, progressing an existing career or maintaining relevance in an area that has been transformed by digitalisation, international competition or other factors.

Key Cities’ leaders will also have to consider the impact of the different educational history and experience of potential learners in their relevant region. Those with foundational education and experience in an area close to one in which skills shortages exist will, for example, be better equipped to learn from complex but related training material than those who have not.

In addition, a growing body of research highlights the impact of more personal factors, such as the variations in self-belief reported by different groups who might benefit from development of their skills. The Social Mobility Foundation, for example, reports on the negative impact of low confidence amongst those not in education, employment or training (NEETs)²⁸, and the Institute of Coding²⁹ and FutureDotNow³⁰ report on less pronounced but related barriers to learning across sectors and career stages.

In that context, Key Cities hoping to unlock productivity and economic gains through skills development must look beyond domain-specific technical provision to promote complementary training in professional skills³¹ and support for personal development³².

Responding to skills shortages

In response to prominent skills shortages, initiatives, such as the DfE’s regional and national Skills Bootcamps have grown to support engagement by tens of thousands of learners with technical, professional and personal training. Provider experience of piloting courses on those programmes is that a growing number of employers have shown interest in those completing these short courses, and that many participating learners have been able to reach new roles, jobs and careers as a result³³.

Those outcomes notwithstanding, research shows that the development of robust skills education and training pathways that take learners from first engagement to employment remain a work in progress. Research undertaken by the Tech Talent Charter in partnership with Code First Girls³⁴ and the Institute of Coding³⁵, for example, reports both learner and employer interest in emerging (“alternative”) skills pathways and the need to strengthen the diversity of learner cohorts, the signposting that supports those cohorts and the mechanisms that support transitions to work.

Importantly, that research also reports that no single individual or organisation has sufficient expertise to develop and deliver coherent solutions to rapidly evolving skills shortages in isolation. Employers in each city will, by definition, have the most up-to-date understanding of the skills that they need to grow and compete. Public and commercial education providers are likely to have greater understanding of the different ways in which those skills can be delivered and individuals seeking skills (“learners”) will, inevitably, have unique insight into their own motivations for doing so and the ways they will want to engage with the future of work³⁶. Development of new skills pathways and new ways of working will be faster and more likely to succeed if each of those expert groups is given a voice in the creation of new pathways to skills.

Key Cities is strongly placed to convene those experts in support of well-targeted skills delivery for learners at different career points (lifelong learning). Each city in the network works with local employers to create industrial strategies³⁷. Each has links with local educators (public and private) and each gathers information on the employment outcomes of the local population³⁸. The bringing together of key stakeholder groups to promote skills innovation and delivery is therefore a role that regional leaders are ideally equipped to adopt and have embraced³⁹.

Longer-term planning

The anticipation of future skills needs and early development of pathways that respond to them are, however, challenging tasks. The pace of technological innovation and application that underpins many prominent skills shortages remains high and the potential implications for learners at different points in their careers continue to be substantial.

Since the publication of the latest government report on post-18 education in the UK (the Augur review⁴⁰), for example, Covid lockdowns have triggered accelerated digital adoption⁴¹, the

National Health Service has undergone rapid change⁴² and new research has provided detailed descriptions of the skills needed to achieve net zero emissions⁴³. Generative AI models have drawn particular public attention⁴⁴ and the implications of those models on the economy have been widely discussed⁴⁵. The emergence of Quantum computing is also accelerating⁴⁶. This combination of technological innovation and commercial adoption will cause

further change to the skills that employers are looking for and learners will therefore need.

As a result, long-term planning and delivery infrastructure will be needed to support future development of lifelong skills ecosystems in each city within the Key Cities network. That infrastructure is needed to ensure the continuation of the collaborative skills pathway development that has underpinned the emergence of Skills Bootcamps and other skills-focused initiatives.

Long-term planning and infrastructure is needed to support lifelong learning ecosystems in each city.

Importantly, the Key Cities network also provides a mechanism for the sharing of successful (and unsuccessful) approaches to skills development. As experts in each region guide the design and delivery of new skills pathways, interaction supports cross-fertilisation of best practice in signposting, teaching and employment. Continuation of a collaborative approach will also support understanding of the ways in which currently under-represented groups engage with skills courses, building upon work by the Social Mobility Foundation⁴⁷ and others⁴⁸. Cross-network sharing of best practice allows Key Cities to accelerate innovation and, ultimately, feed back to the national research and practice, introduced above.

Final thoughts

In summary, the individual and economic ambitions which underpin the creation of the Key Cities' infrastructure will be difficult to achieve without addressing the large-scale, chronic skills shortages introduced at the start of this paper.

The complexity of both the shortages themselves and the tailored, through-career (lifelong) education and training needed to address them means that it would be difficult to the point of impracticality to ask any single stakeholder group to work to provide optimal pathways to new skills. Key stakeholders are far more likely to be able to develop successful pathways to skills and employment when working together. Some of those stakeholders will usefully bring national and international experience to the solutions they develop, while others will bring more granular understanding of the local economy, population and ambition.

Key Cities leaders have clear opportunities to combine existing interactions and networks to support in the development of new skills pathways at pace and scale and, as a result, to provide benefit to local employers and individuals, such as:

1. Their unique position as local policymakers and actors mean that they have already developed and maintained up-to-date understanding of local employer and population skills needs.
2. Strong local convening power allows them to bring together evolving networks of employers, educators and learners, who will, in turn be able to provide responses to existing gaps at scale and at pace.
3. The lifespan of those networks can be extended to create enduring collaborative institutions and practices in preparation for future disruptions to local skills needs.
4. The higher-level *network* that brings Key Cities together provides an obvious platform for the sharing of best practice and specific interventions designed to stimulate creation of under-developed parts of the current skills ecosystem (signposting, inclusion and structured pathways to work).

Those advantages provide a useful basis for continuing the work of each Key City as they support the upskilling of their local population, region and economy.



Part Three: Conclusion

Skills to succeed

If we want to improve productivity and stimulate economic growth throughout the country, the 29 Key Cities have a crucial part to play, and this they are determined to do.

Skills are central. No growth strategy, national or local, will succeed unless the right skills are available in the right places.

Skills policy has been the object of multiple government strategies and restructurings over the years, spurred by the knowledge that long-standing gaps and deficiencies are holding back productivity and growth. The current policy relies on Chambers of Commerce coordinating local partnerships with providers and employers, backed by local “skills improvement funds”, while the design of apprenticeship standards and vocational programmes continues to be led by the Institute for Apprenticeships and Technical Education. New Institutes of Technology bring colleges, universities and employers together to address local skills shortages. The Lifelong Loan Entitlement will give adult learners greater flexibility to build skills and qualifications throughout their careers with a modular approach to learning.

What is the environment in which these reforms are being introduced? This year’s Graduate Outcomes survey shows that almost one in three graduates did *not* think they’re “utilising what I learnt during my studies in my current activity”. As the Public Accounts Committee noted, about a third of employers do not provide any training for their staff, and overall, what employers spend on training is declining. Apprenticeships can help to make sure that skills acquired are actually used to meet business needs – but many employers don’t use them, and a significant part of the levy is not spent on training but returned to the Treasury.

We urge the government to remove obstacles, bureaucracy and funding silos where possible, for example around apprenticeships and the Shared Prosperity Fund, to enable local partners to address some of these issues by targeting available resources flexibly where they will have most effect, based on their knowledge of local conditions.

Putting skills to good use also relates to the wider ‘Good Work’ agenda: making sure there are more jobs that offer satisfying, rewarding employment, and that make good use of the skills, knowledge and talents in the workforce.

These issues go across policy boundaries. As Professor Helen Marshall noted, there is little point in equipping people with skills if there are no jobs for those skills in their area, or no transport infrastructure to get people to those jobs.

As we have seen, there is an urgent need to improve the careers advice and guidance that’s available for young people and for adults throughout their careers to align supply and demand. Learners need a better understanding of

the career outcomes and rewards of courses they can choose, with up-to-date information about likely career outcomes, and about the skills and qualifications that will open the door to well-paid, rewarding jobs in the future economy.

Key Cities can boost the growth in jobs, business success, productivity and innovation by locally connecting skills with policy frameworks and interventions across government departments, and so facilitate a more integrated and effective approach to growth in our places. The cities have extensive knowl-

edge and experience of the challenges and opportunities in their own labour markets, and at a time when new initiatives are being introduced and have yet to become fully embedded, their focus is on how they can best be implemented locally to have the greatest impact in improving skills.

Our recommendations for municipal devolution, better careers advice, expanded lifelong learning and retraining, improved skills pathways from age 14, and raising investment in skills to the OECD average, address that focus.

There are challenges and obstacles to successful implementation of the current approach. We urge the government to engage in a process of testing and evaluating scalable models for effective delivery – using unspent levies perhaps? – and we offer our network of 29 cities of all sizes and in all parts of the country as a flexible, collaborative testbed for doing so.

The nature of our cities and towns allows close collaboration among local partners. We understand our (hyper)local communities, economic strengths, labour markets and travel to learn/work patterns. With good communication between providers and employers, we are well placed to develop ways of bridging long-standing gaps between skills supply and demand.

The Key Cities network offers a strong potential for designing and trialing scalable programmes focused on integrating skills supply, skills utilisation, infrastructure alignment, Good Work job design, and business support to improve productivity in meaningful ways for the benefit of all places in all parts of the country.

“Key Cities can boost productivity and innovation with a more integrated approach to growth in our places.”



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