



LIVERPOOL CITY REGION



LOCAL SKILLS REPORT



2021-22

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1. FOREWORD

On behalf of the Employment and Skills Board for the Liverpool City Region, I am pleased to present this, our Local Skills Report and Skills Action Plan for 2021/22.

The economic crisis, provoked by the COVID-19 pandemic, has had a detrimental effect on the people and businesses in the City Region: prior to this crisis, the City Region was performing well, and seeing increases in employment and decreases in unemployment and economic inactivity. The City Region had achieved the highest growth in employment in the country over the last five years.

We have made progress in supporting more people into work, improving the qualifications and skills of our residents, and broadened our work with employers to identify, communicate and respond to skills needs. We need to ensure that this momentum is sustained, to improve the productivity of businesses and prosperity of residents.

Our economy is already adjusting to our exit from the EU, and the COVID-19 health pandemic continues to have a significant impact on our businesses and the way we do business as well. We have started to better connect businesses with the current and potential workforce, and the workforce of the future: getting more businesses involved in designing courses will enable learning to be more focused on the needs of businesses. This needs to be widely embedded.

Our employment and skills programmes need to provide tailored support for people: newly unemployed people with in-demand transferable skills should be supported back into work quickly, whilst those who are further away need to be supported to ensure that they are not displaced and pushed further back. Upskilling and reskilling become ever more critical as many of the jobs most at risk from disruptive changes (such as digitalisation and automation) are at entry level.

As a Board, and a wider group of partners and stakeholders, we want to maximise the resources available to our City Region to tackle our skills priorities. We will continue to work with Government to successfully design and deliver its nationally determined programmes locally within our communities.

In all our work, we must ensure that we avoid building back disadvantage: narrowing employment and skills gaps amongst those with a disability, those from a non-white ethnic background, and those groups from our more deprived communities who also face multiple barriers to employment, will be further embedded and strengthened in all our work.

We have ensured that our plan is robust and agile and holds the businesses at the key of our decisions, as we need to ensure we have the skills available to serve the demands and needs of our employment market.

In supporting the development of this Local Skills Report, and committing to the implementation of our Skills Action Plan, we are putting in place a framework that creates the conditions for all providers to deliver responsively. Our assets and opportunities provide the basis for future growth and development. We will challenge ourselves, our partners and Government to deliver these actions and secure success for the residents and businesses of our City Region.

Asif Hamid MBE

Chair, Employment and Skills Board, Liverpool City Region, March 2021

2. INTRODUCTION AND OVERVIEW OF SKILLS ADVISORY PANELS

Skills Advisory Panels: the national context

Skills Advisory Panels (SAPs) bring together employers, skills providers and key local stakeholders to better understand and resolve skills mismatches at a local level. There are 36 SAPs across England as part of Mayoral Combined Authorities and Local Enterprise Partnerships.

The Department for Education (DfE) supports SAPs with grant funding primarily to produce high quality analysis of local labour markets and [Local Skills Reports](#). The Reports set out the local strengths and skills needs and how the SAP proposes its area addresses its key priorities. The Reports aim to influence local partners and feed intelligence to central government, including the national-level [Skills and Productivity Board](#) (SPB).

In January 2021, DfE published its White Paper “[Skills for Jobs: Lifelong Learning for Opportunity and Growth](#),” which set out a number of reforms aimed at putting employers more firmly at the heart of the skills system.

The White Paper outlined plans to test in 2021-22, in a small number of areas, “Local Skills Improvement Plans” created by business representative organisations.

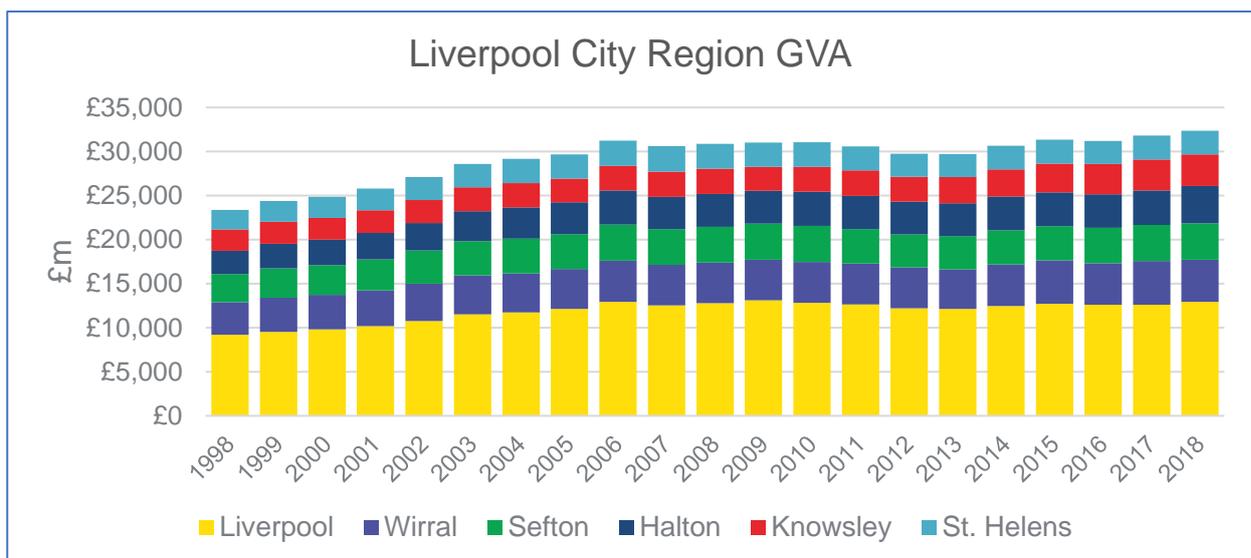
3. LOCAL SKILLS CONTEXT: STRENGTHS AND NEEDS

Introduction

- 3.1 Liverpool City Region Combined Authority is comprised of the Local Authorities of Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral. Established in 2014, it has a £32bn economy, serving 1.5m people: of these, 976,500 are of working age (16-64 years). Currently there are 638,300 jobs and 78,200 self-employed people.¹
- 3.2. As a proportion of the total population, Liverpool City Region has a similar sized working age population as the rest of the country. Many of these working age residents tend to be younger. 20-34 year olds make up 21% of the LCR population compared to 20% nationally, while 35 to 49 year olds make up 18% compared to 19%. This is likely driven by the large student population in Liverpool. Many of these students remain in the City Region after graduating and join the labour force.
- 3.3. We recognise that many gaps remain to be narrowed and that long-standing issues remain; this includes higher than average levels of economic activity due to ill-health. However, we must not overlook the considerable progress that the Liverpool City Region has made in recent decades to strengthen our economy and revitalise our area.

Economy and business base

- 3.4 As the chart below illustrates, in the last decade, we have added over £1.5bn to our economy in real terms, against the backdrop of a significant recession.

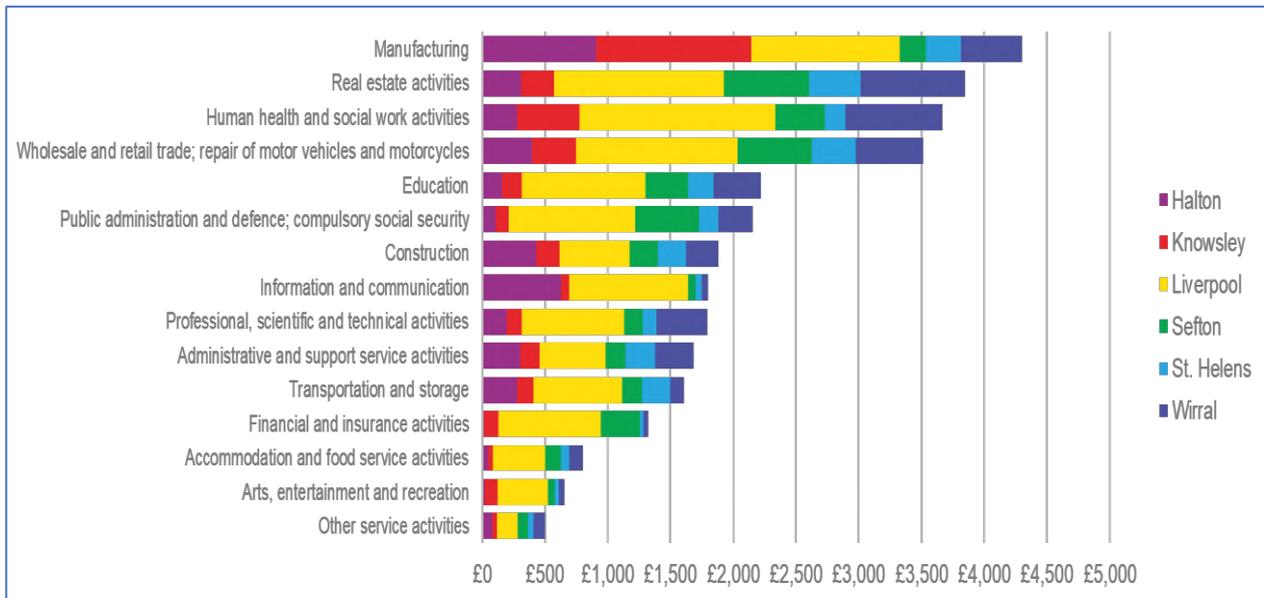


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¹ LCR Local Industrial Strategy Evidence Base 2019, ONS Annual Population Survey 2018

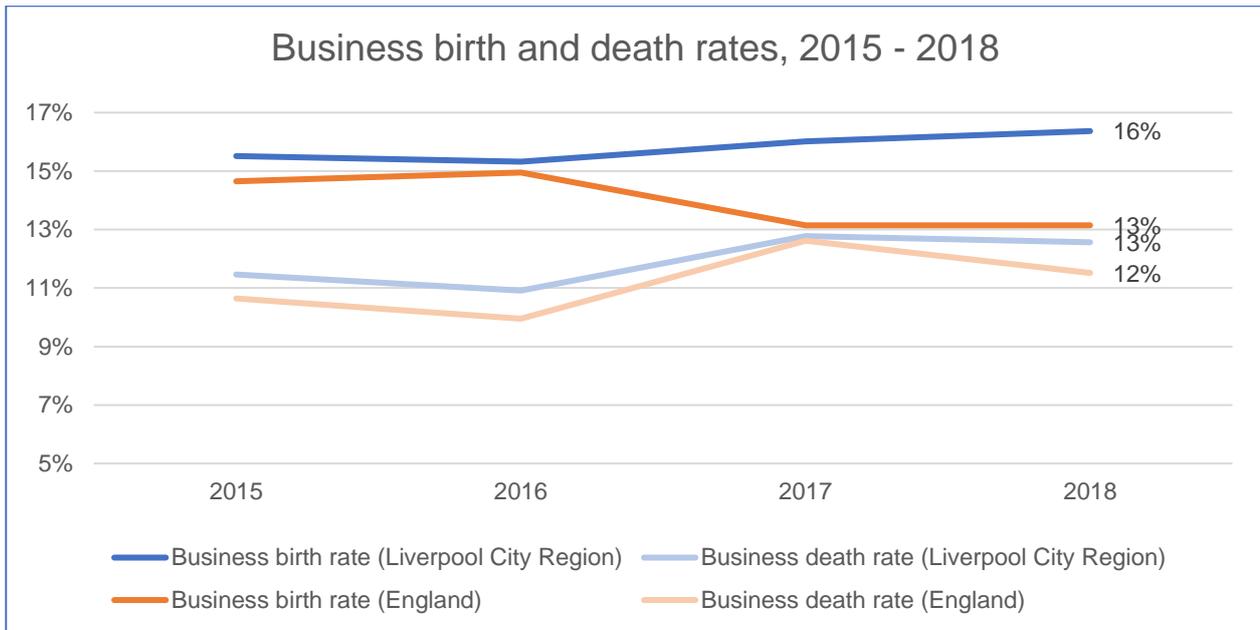
² ONS, NOMIS 2018

- 3.5 Improvements to our levels of employment and skills attainment levels have been made and (pre-COVID-19 impact) the city has become the fourth most visited destination in the country.
- 3.6 As the chart below illustrates, particular sectors have contributed significantly to the growing economy of our local area, with Manufacturing performing notably strongly. The City Region generates significant output through manufacturing, particularly in Halton and Knowsley (contributing 36% of all GVA). Other sectors, including health, retail and education, also play a key role in the LCR economy and continue to add economic and social value.



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- 3.7 This intelligence has been informing our work to address key skills needs of particular sectors that are of strategic significance because of their contribution to GVA as well as sources of employment opportunities, especially in STEM and Health and Care associated areas. This has led to the production of a series of sectoral and thematic Skills for Growth Action Plans.
- 3.8 Our business base has grown consistently each year for a number of years and at a faster rate than the UK, although the proportion of businesses failing to survive has increased slightly.



3.9 The table below illustrates the significance of our growth and priority sectors against a number of measures and factors. More than half of the number of active businesses are operating in our growth and priority sectors.

	Employee Jobs		GVA		Number of Business	Size			
	Number	Proportion	Amount £bn	Proportion		0-9	10-49	50-249	250+
Whole Economy	656,000	#	32.3	#	52,890	81.6%	14.5%	3.4%	0.5%
Manufacturing	49,000	7.5%	4.3	13.2%	2,575	74.0%	19.2%	5.6%	1.2%
Advanced Manufacturing	23,115	3.5%	2.9	8.8%	645	65.6%	21.1%	10.9%	2.3%
Health & Life Sciences	121,045	18.5%	4.4	13.6%	3,755	57.2%	33.9%	7.9%	1.1%
Digital & Creative	23,860	3.6%	2.2	6.8%	4,040	91.8%	6.8%	1.2%	0.2%
Port & Logistics	41,085	6.3%	1.8	5.6%	3,375	86.2%	9.2%	3.9%	0.7%
Built Environment	36,360	5.5%	2.3	7.0%	7,400	92.0%	6.7%	1.2%	0.1%
Financial, Professional & Business Services	102,325	15.6%	4.5	13.8%	11,970	90.0%	7.7%	1.8%	0.5%

Source: ONS GVA 2019, BRES 2020 & Business Units (inc. Local Units) 2020

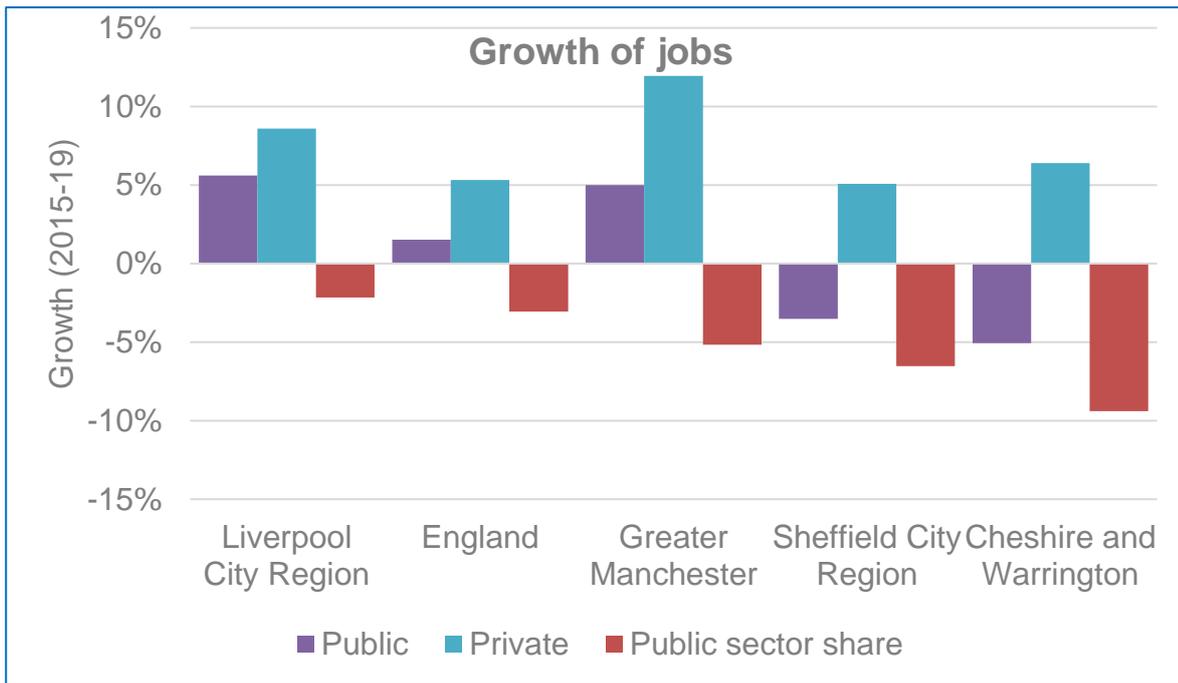
Public sector/ Private sector: rebalancing

3.10. Liverpool City Region has traditionally benefitted from a large public sector; the public sector has provided significant employment opportunities at all skills levels and across multiple job role disciplines. A strong, healthy and resilient public sector also provides an opportunity for innovation and leadership and collaborative partnerships between the public and private sector to the benefit of local businesses and residents, including supporting successful delivery of national programmes as well as those developed locally.

3.11 Locally, there has been recognition for the need to secure an economic rebalancing whereby private sector jobs growth can deliver high value jobs and increased GVA, and thus reducing the dependency on public sector employment. As the charts below indicate, this rebalancing has been taking shape over a sustained period, and the charts illustrate a jobs growth comparison between the public and private sectors. Whilst LCR starts from a high base in terms of the proportion of employment provided through the public sector, all comparator MCA areas have

experienced drops in public sector employment.

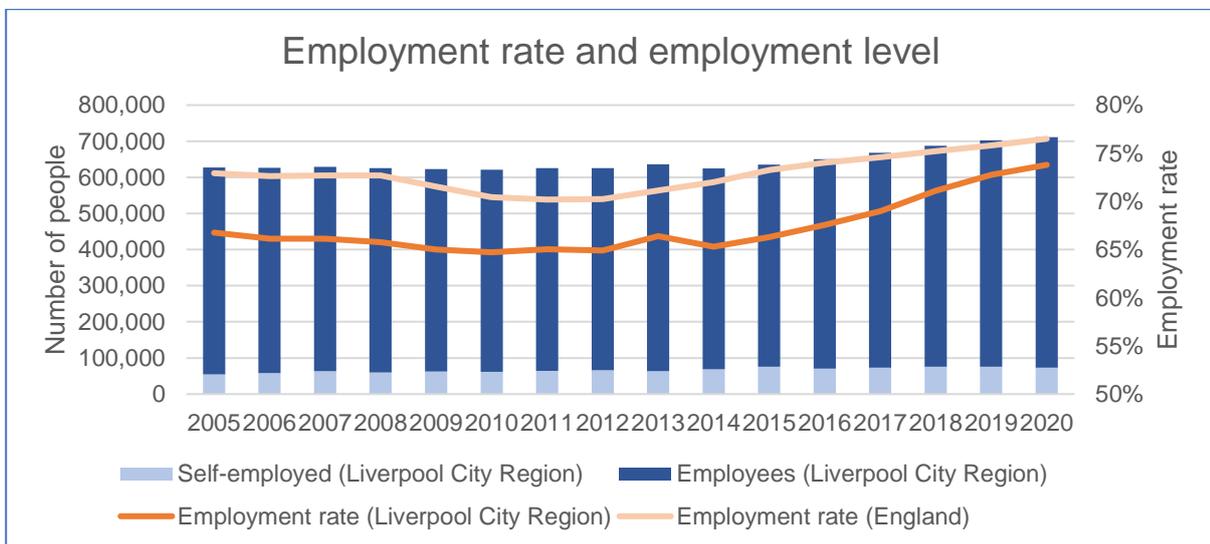
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Employment

3.12. The growth in the Liverpool City Region's economy has resulted in positive impacts on employment levels and incomes.

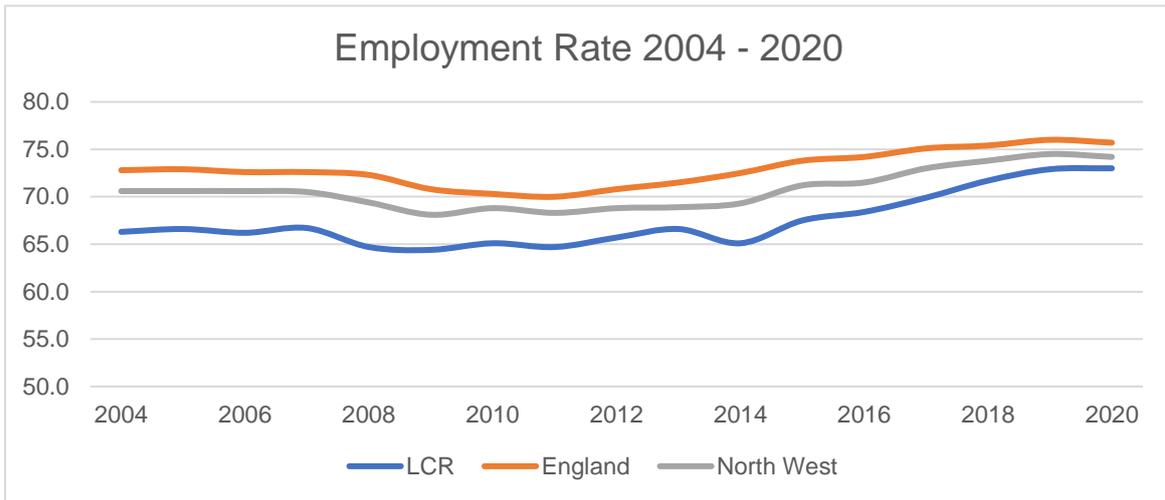


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⁴ ONS, NOMIS 2019

⁵ ONS, NOMIS 2019

⁶ ONS, NOMIS 2020



3.13 When compared to other Mayoral Combined Authorities, our employment rate of 72.9% places us joint third and with an employment rate growth of 7.7%: this rate of growth has largely been consistent since 2012 whereby we are narrowing the employment rate gap with England.

Rank	Employment rate (2019)	Employment rate growth (2010-19)
1	Cambridgeshire and Peterborough 78.6%	Liverpool City Region +7.8pp
2	West of England 78.4%	West Midlands +6.7pp
3	Sheffield City Region 72.9%	Sheffield City Region +6.1pp
4	Liverpool City Region 72.9%	Greater Manchester +5.7pp
5	Greater Manchester 72.7%	Cambridgeshire and Peterborough +5.3pp
6	West Yorkshire 72.3%	North East +5.2pp
7	North of Tyne 71.7%	West Yorkshire +4.8pp
8	North East 70.7%	Tees Valley +3.6pp
9	West Midlands 69.1%	North of Tyne +3.6pp
10	Tees Valley 68.7%	West of England +3.1pp
England	England 76%	England +5.7pp⁸

⁷ ONS, NOMIS 2019

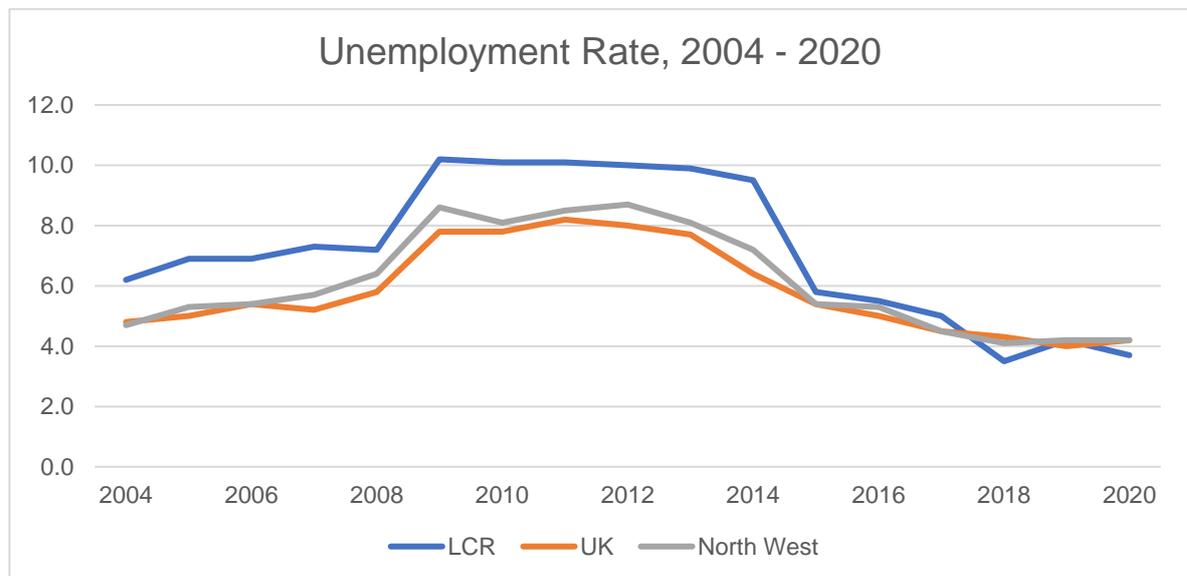
⁸ ONS NOMIS Time Series 2010-2019

3.14 However, there remain a number of groups which have gaps to the overall employment rates:

	Liverpool City Region	England	Gap 2020	Gap 2019	Gap 2018
Overall	73.8%	76.5%	2.7%	4.6%	5.5%
Males	78.5%	80.2%	1.7%	6.3%	5.7%
Females	69.2%	72.8%	3.6%	2.9%	5.2%
People of a Non-white ethnic background	58.2%	67.6%	9.4%	2.7%	5.4%
People with a disability	49.6%	56.8%	7.2%	9.8%	10.4%

Unemployment and Economic Inactivity

3.15 Prior to COVID-19, considerable progress has been made in reducing the level of unemployment. Unemployment has fallen significantly from 6.2% in 2004, to 3.7% in 2019, lower than that of both the North West and the UK. However, we expect the COVID-19 health pandemic to negatively impact the City Region hard.

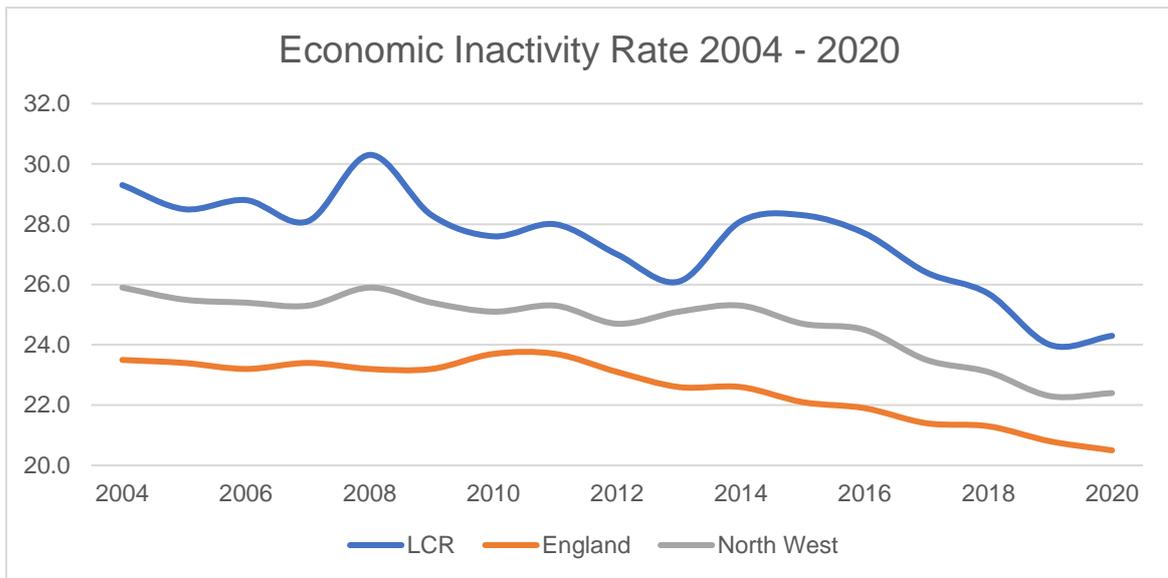


3.16 Unemployment rates for particular groups (e.g. those with disabilities and or a learning difficulty aged 16-24) are still higher than the overall total unemployment rate. Too many people of working age continue to be not in employment, and more than a quarter of people still do not participate in the labour force as result of long-term sickness. Health remains a significant barrier to work and a barrier to increasing overall productivity.

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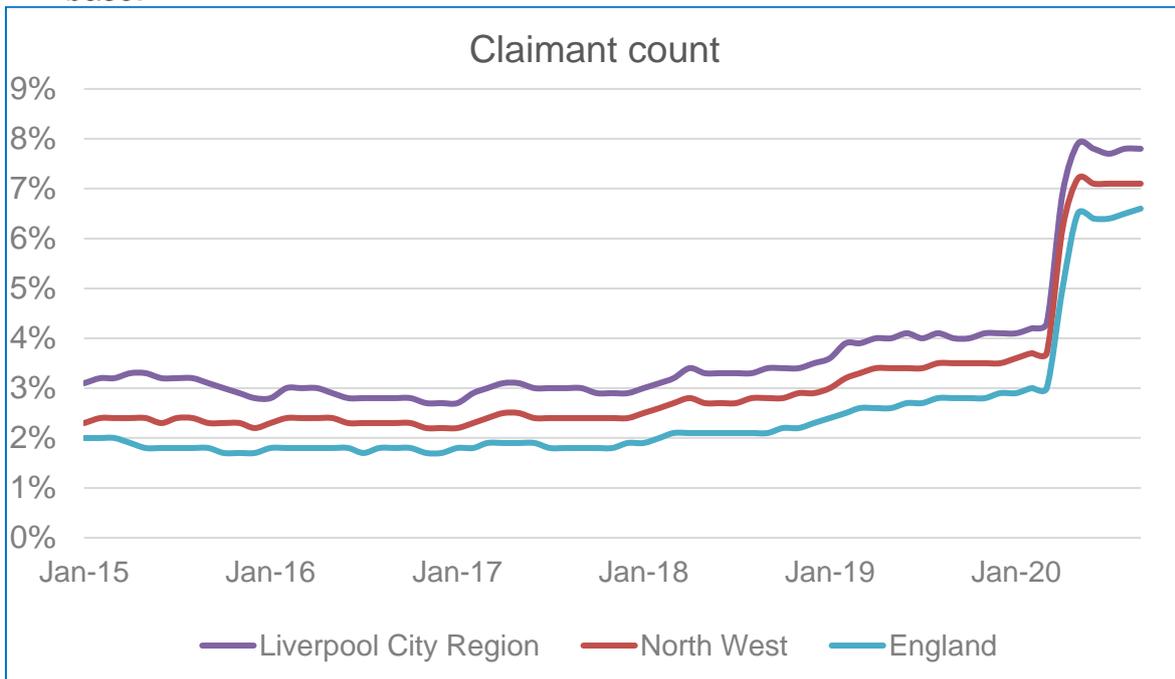
⁹ ONS Annual Population Survey, 2004-2018

¹⁰ ONS Annual Population Survey, 2004 – 2018



Claimant count and the impact of COVID-19

3.17. Before the COVID-19 outbreak, the Liverpool City Region claimant count rate (the number of people claiming an unemployment benefit) was already significantly greater than national levels. Following Spring 2020, the rates jumped sharply. Between January and October 2020, the claimant rate grew by 91% in LCR. This was slightly lower than national rates (increase of 125%) but started from a higher base.

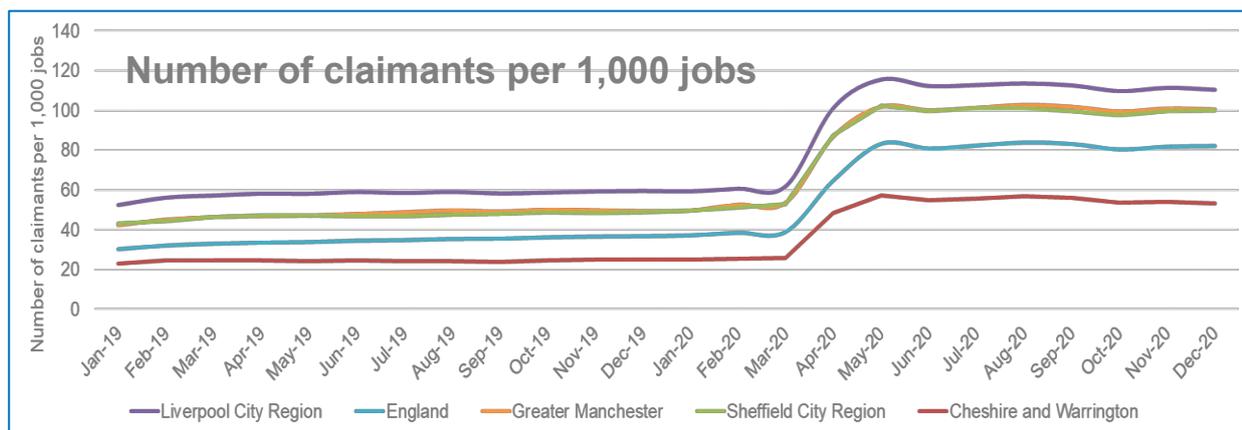


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3.18 The chart below shows the current economic impact of the COVID-19 health pandemic for those individuals seeking employment; between March and May 2020, the number of claimants per 1,000 jobs (those seeking work) in the economy has almost doubled- and has remained constant since. Prior to the pandemic, the number of claimants per 1,000 jobs was higher already than comparator areas, and the challenges in the period ahead will be to prevent more people becoming long-term

¹¹ Department for Work & Pensions, StatXPLORE

claimants, as well as preventing those already furthest away from the labour market being pushed further back in their efforts to secure employment.



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3.19 There remains a significant jobs gaps in the Liverpool City Region and this gaps is the highest among comparator areas. By using the number of people on Universal credit (not in employment) , adding in the number of individuals in the work -related activity group (those on ESA), and then comparing these figures to available vacancies, such analysis further highlights the imperative to both create sustainable jobs at all levels and equip individuals with the skills to access opportunities as they arise; the table below illustrates the scale of this challenge.

	Job Gap (inc. vacancies)		Job Gap (exc. vacancies)	
	No.	% of Jobs	No.	% of Jobs
Liverpool City Region	106,898	16%	117,103	18%
England	N/A	N/A	3,760,418	14%
Greater Manchester	173,895	13%	207,084	15%
Sheffield City Region	84,910	15%	90,113	15%
Cheshire and Warrington	N/A	N/A	43,240	8%

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¹² Department for Work & Pensions, StatXPLORE

¹³ Department for Education, Employer Skills Survey 2019

CASE STUDY SUPPORTING PEOPLE INTO EMPLOYMENT AND SUPPORTING YOUNG PEOPLE IN THE LABOUR MARKET

Young people have been particularly adversely affected by economic impact of the COVID-19 health pandemic, and nearly half of job losses currently have been amongst those aged 16-24. In the face of the current economic conditions, as well as the social restrictions brought about by COVID-19, many young people currently feel disengaged, let down, anxious about their future and lacking in motivation and hope.

Liverpool City Region Combined Authority has been working together with the Department for Work and Pensions (DWP) to support the establishment of a Liverpool City Region Youth Task Force and website to help support young people into employment, including an apprenticeship- where appropriate. This support is designed to remove barriers that young people face in securing meaningful work and which may include referrals to further training or further support that helps them on their journey into employment.

The face-to-face support is being delivered via a network of Youth Hubs established in partnership with those organisations who have a tried and trusted record of engaging and working with young people. Building relationships and trust with young people seeking work or needing help to take that 'next step' can be aided by young people themselves sharing their experiences in overcoming barriers and working with other young people to address their barriers to enable them to move to a more positive position.

One such person is Ellie who is now helping other young people in their search for employment. Working in Italy as a teaching assistant until the outbreak of COVID-19 Ellie returned to the UK and started to claim JSA. Working with her DWP Work Coach, she engaged in a number of virtual support programmes and careers events which she enjoyed, and which also encouraged her to consider other career options.

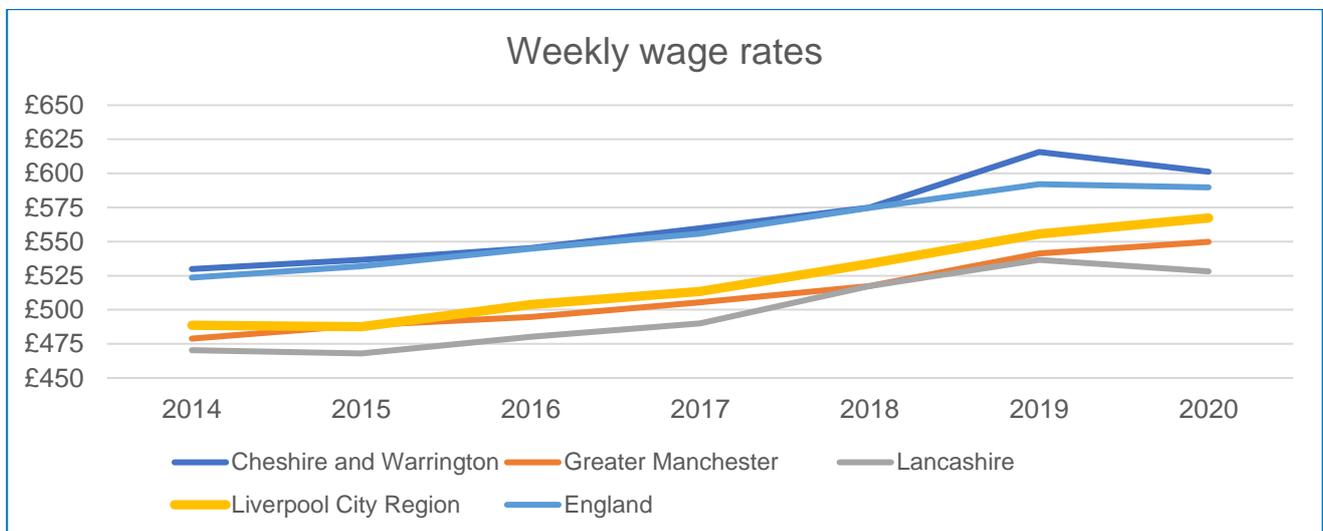
Moving on to Universal Credit (UC) from JSA, she continued to engage with her Work Coach and started to consider a range of non-teaching job roles. Soon after moving on to UC, a vacancy arose in a local Training Provider who are also now one of the local physical Youth Hubs. Ellie was put forward for interview by her work coach who identified her skills and personality as a good fit for the employer who subsequently offered her a job.

Initially part-time, the initial admin role has grown into a full-time position and she is now flourishing in her role, supporting other young people in the Youth Hub and is now running campaigns on Social Media, as well as engaging with partners across the LCR.

Ellie now joins our LCR Youth Task Force, is part of the wider Youth Hub local network and is a great role model for other young people needing hope, inspiration and support.

Incomes and Wages

- 3.20. A growing economy together with the sectoral nature of this growth has meant that there are now more people in employment. Consequently, there has been a growth in median gross weekly wages for those in full-time employment, and particular local residents: there is now no difference between residents and workers. Since 2015, there has also been a narrowing of the gaps with England.
- 3.21. On average, LCR residents earn around £28,500 per year and LCR is ranked 22nd out of all LEPs. While many of the LEPs with higher salaries also have higher cost of living, LCR salaries are similar to the North West average and greater than those of many neighbouring LEPs. Over the last 5 years, median salaries have grown at the national rate (12%). Much of this growth has occurred in the last three years, reflecting strong economic performance.

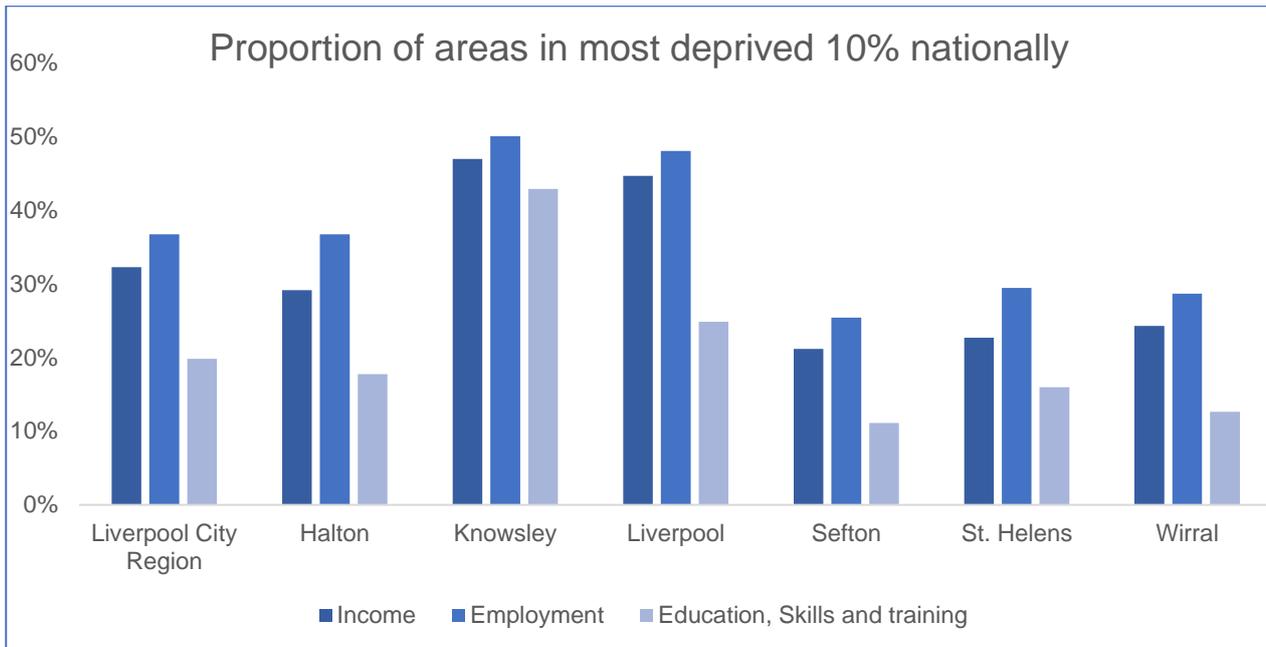


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- 3.22. Median wages vary significantly between the six local authorities in Liverpool City Region, and there is often a difference between resident and workplace earnings in each of the local authorities. Workplace wages are significantly higher than resident wages in Halton, Knowsley and Liverpool, while residents of Wirral, Sefton and St. Helens tend to earn more than workers in those local authorities. This is indicative of significant commuting flows between the local authorities.

Deprivation

- 3.23. Liverpool City Region has significant levels of geographically concentrated deprivation with many of our local areas the most deprived in the country: 32% of middle super output areas (MSOAs) in the City Region fall in the bottom 10% of English MSOAs in terms of net household income.



Skills Strengths & Needs Analysis

Skills priority category	Priorities and supporting rationale
<i>Cross-cutting skills priorities (far-reaching, cross-sector)</i>	
Employability Skills-including English and maths	<ul style="list-style-type: none"> • Employability skills needs are cited by employers at all skills levels up to and including post-doctorate research; • Relative to other areas, we have too few people of working age in employment; • Acquiring English and maths/functional skills remains a significant barrier for individuals to access and progress in employment, and also acts as a barrier to delivering particular programmes such as Traineeships and apprenticeships; • More than 50% of Liverpool City Region pupils do not achieve the expected education standard at age 16 which defines the nature of, and participation in, the post-16 learning offer; • Differentiated approaches to recruitment and the communication of job opportunities based on the needs of both the individual and the sector is important. • The role of the expanded Traineeship programme and apprenticeships is important as is the successful delivery locally of DWP programmes such as Kickstart.
Digital skills	<ul style="list-style-type: none"> • Generic and specific job role digital skills are in huge demand across the City region, and across multiple sectors • The Technology sector is currently the highest paying in the City Region with a median salary of £40,000 and the sector was growing pre-Covid 19 and is projected to still grow.

Skills priority category	Priorities and supporting rationale
	<ul style="list-style-type: none"> • Areas such as data analytics, cyber security; digital marketing/service delivery platforms provide opportunities in many sectors and across multiple job roles; • Computational and statistical literacy; and • Traditional occupational roles in the Bio Sciences and pharmaceutical industries (e.g. laboratory roles) and Advanced Manufacturing sectors now require additional skills.
<p>Leadership and management; change management; and project management</p>	<ul style="list-style-type: none"> • All organisations are facing challenges and business disruption brought about by COVID-19; • New ways of working are emerging, and local businesses are adapting to new markets, supply chains, processes, and developing new products and services; • Business continuity and contingency planning skills have emerged as critical areas of focus, along with project management; and • The move to online digital services, together with enforced homeworking associated with the COVID-19 pandemic, has resulted in different business practices being adopted.
<p>STEM Skills and technical skills- through all education routes</p>	<ul style="list-style-type: none"> • The proportion of jobs requiring a degree- level qualification has increased in the City Region, along with the supply of those skills- especially through specialist HEIs: however, this is still lower than other parts of the country and we need to create high quality STEM related jobs to promote graduate retention and business innovation; • Not all the STEM related skills required by our businesses and priority sectors will be delivered through Higher Education: programmes delivered through FE such as T-Levels and apprenticeships (L3, 4 ,5) will play a key role in providing the technical skills required by our businesses; and • Supporting the roll out of T levels beyond the 3 initial pathways of digital, construction and health and science in 2021. By 2022 six Colleges will offer T-levels and covering the majority of our growth sectors , including two Ofsted Outstanding Colleges.
<p><i>COVID-19 recovery and renewal skills priorities</i></p>	
<p>Upskilling and reskilling people for the new opportunities and sectors where demand remains buoyant.</p> <p>This includes those jobs deemed to be ‘Green Jobs’; Logistics and Distribution related; Construction and Health and Social Care.</p>	<p>There are opportunities coming up in 2021/22</p> <ul style="list-style-type: none"> • The focus on retrofitting homes to comply with future climate obligations will create long term job opportunities in new roles; • The move towards the use of hydrogen (available locally) as a fuel source will reduce emissions and create new opportunities; • The increase in freight and export with North and South America, as well as Ireland, through Liverpool as a result of Brexit will create new jobs; • The continued investment in bioscience research and manufacturing in the City Region will help to save lives whilst creating jobs and value; • To fully capture the opportunities will require many people to reskill and retrain, as well as other enhancing their skills through short courses., and these will be frequently sector based;

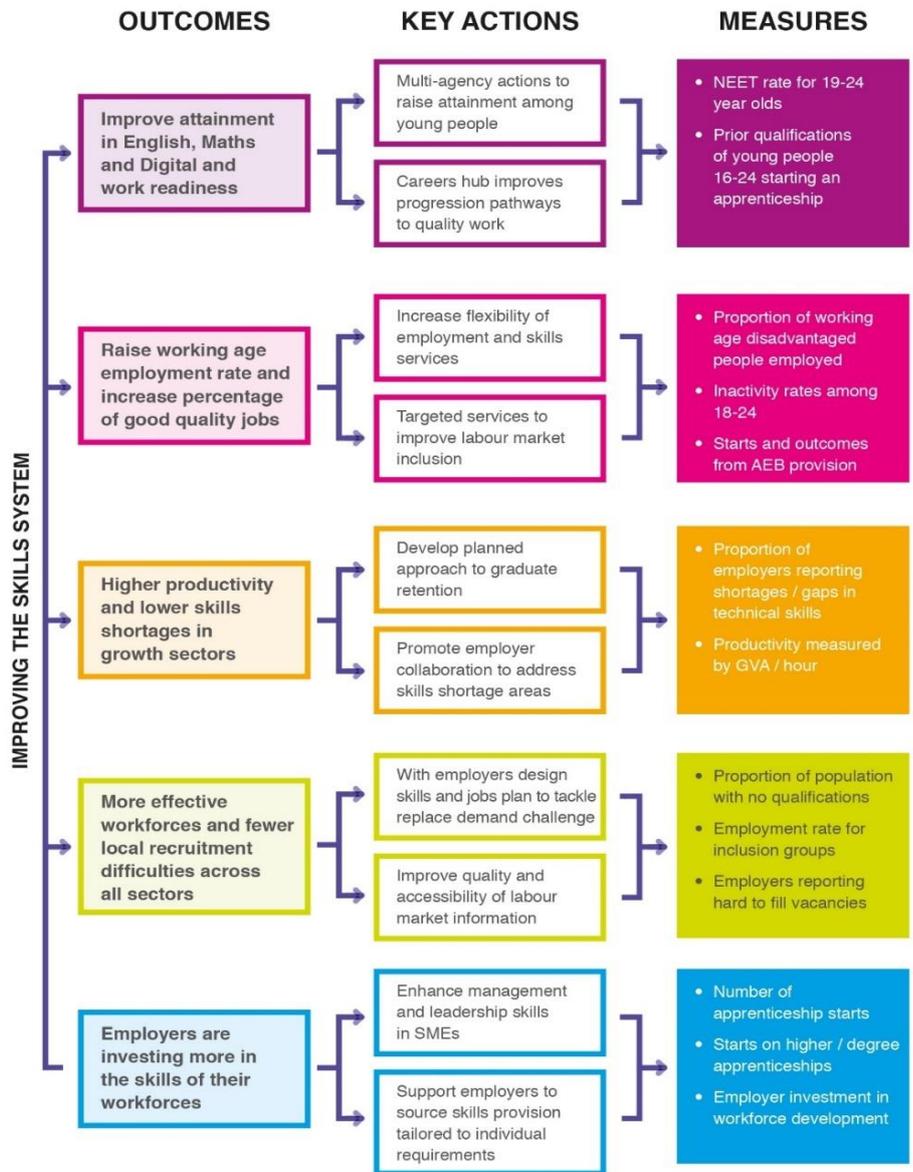
Skills priority category	Priorities and supporting rationale
	<ul style="list-style-type: none"> • There are over 350 different NHS careers; opportunities can be accessed at all levels, across multiple job roles and sites and provides a variety of entry level and progression opportunities. • Nursing skills and wider health and social care workforce development are key priorities not only for the sectors themselves but also as part of a functional labour market and economy.
Sector priorities (or occupational priorities)	
<p>Meeting the needs of our priority sectors</p> <ul style="list-style-type: none"> • Green jobs • Life Sciences • Health and Social Care • Maritime and Logistics • Construction • Digital and Creative • Advanced manufacturing • Professional and business services • Employability Skills • Visitor Economy 	<ul style="list-style-type: none"> • Sectoral overviews and opportunities, together with detailed sector and occupational skills requirements, have been developed through both analysis of the data and through evidence secured directly from employers via our employer networks and sector boards. More detail on these needs and the current and future opportunities within these sectors can be found in the Local Skills Action Plan. • Our priority growth Sectors, and those sectors and sub-sectors where the City Region has, or can secure, a strong competitive advantage, continues to be of importance within the emerging economic approach; • Increasingly, place-based regeneration and the importance of clusters and the local business and business support eco systems are recognised as important components of regeneration, business growth and business resilience- e.g. through investment via the Towns fund and wider MCA- led investments; • Apprenticeships across all sectors; • The City Region continues to have significant strengths and huge potential in innovative and globally competitive sectors: Advanced Manufacturing, Digital and Creative, Financial and Professional Services, Health and Life Sciences, Low Carbon Energy, Maritime and Logistics, and the Visitor Economy; • Many of these strengths- especially in Health and Life Sciences- have shone brightly and been high- profile during the COVID-19 health pandemic; highlighting the local and national response, we shall use this to influence career choices and promote positive messages to young people and other groups seeking employment; and • The impact of Brexit and the different ways of trading and in different markets provides significant opportunities across multiple sectors and job roles

4. SKILLS STRATEGY

4.1. Our 2018-2023 Skills Strategy¹⁶ sets out, as illustrated below: our vision; key strategic actions; and our desired outcomes.

VISION

An outstanding and effective skills system that meets the needs of employers, individuals of all ages and communities and drives high aspirations and attainment, to create a truly global and competitive City Region at the heart of the Northern Powerhouse



Desired Outcomes

1. Improve attainment in English, maths, digital and work readiness
2. Raise working age employment rate and improve the proportion of good quality jobs
3. Higher productivity and fewer skills shortages in growth sectors
4. More effective workforces and fewer local recruitment difficulties across all employers
5. Employers are investing more in the skills of their workforces
6. Simplifying the skills system

¹⁶ LCR [Skills Strategy](#) 16

- 4.2. Each year, we work across teams and with our stakeholders and partners to review actions and progress to ensure that we are addressing sufficiently the employment and skills needs of learners and employers. A short headline summary review of progress against our priority actions is provided in [Appendix 1](#).
- 4.3. Whilst our vision and underlying priorities remain valid and relevant, the impact and consequences of COVID-19 will lead to greater emphasis and urgency as we must seek to ensure that our skills priorities and accompanying actions support our people-focused recovery activities. Considerable progress has been made in equipping people with the skills required to enter and progress in the labour market; it is imperative that this progress is not undone whereby more people are absent from the labour market, for longer, and unable to secure and retain meaningful employment.
- 4.4. It will be essential to enable those who are employment- ready and have transferable skills, to move back into employment quickly through focused and targeted interventions. Similarly, those who have fewer skills or are less qualified, together with those who need more intensive employment and skills support, must not be displaced as they seek to secure employment.
- 4.5. As indicated earlier, the themes and desired outcomes in our Skills Strategy remain valid but Economic Recovery and our response to COVID-19 and its impact now underpins our priority action drivers for change, in particular:
- Securing greater outcomes for young people at Key Stage 4 and better preparedness for the world of work remains critical;
 - The future of work and the impact on skills demand and skills utilisation in the workplace is increasing in importance;
 - New technologies are shaping how we work, where we work, the tasks that we undertake within our job roles and the skills that we need in the workplace: the pace of change is accelerating as must therefore our response;
 - Upskilling and the concept of career/ job swaps and switches are becoming priority investment areas; and
 - Many local residents already at risk of disadvantage and exclusion from the labour market- even during favourable economic conditions- will have this disadvantage reinforced and be further away from securing regular and meaningful paid employment.
- 4.6. Our plans to ensure that we continue to deliver our skills strategy priorities and secure our agreed outcomes by building on our progress, as well as continually addressing our underlying issues, are now supplemented by the need to focus on delivering recovery and renewal for our businesses and residents in response to the Covid19 pandemic. This was set out in detail in [Build Back Better](#), our Economic Recovery Plan.

5. SKILLS ACTION PLAN

Introduction

- 5.1 This section details, in summary version, our Skills Action plan. The more detailed Skills Action Plan can be found [here](#).
- 5.2 The Skills Action Pan sets out our detailed Actions as well as our detailed sectoral needs.
- 5.3 The reformed Employment and Skills Board (our SAP) has a broad range of businesses engaged who have provided detailed input on the current needs for employment and skills. This enables the commissioned and mainstream provision and programmes to be designed in line with those needs and to be as effective as possible.
- 5.4 In addition, our Skills Action Plan reflects input from the LEP's Sector Boards who have provided local intelligence relating to their particular sector.
- 5.5 Skills for Jobs, the FE White Paper of 2021, sets out opportunities for further business engagement in meeting local skills needs, including designing and developing curricula and qualifications, and is reflected in the Skills Action Plan and our plan for implementation.
- 5.6 Following the review of the evidence and analysis, and local and input from our Board and the wider church of employers and stakeholders, our Skills Action Plan provides a framework for colleges, training providers and universities to respond and we will provide support and challenge to secure delivery.
- 5.7 Our Skills Action Plan sets out:
- Six Key Objectives/ Thematic areas
 - Key Actions (recognising that sub-actions may be needed to deliver the key actions)
 - Named partner responsibilities
 - Timescales
 - Measures of success

Monitoring and Evaluation

- 5.8 The actions set out will be monitored quarterly and progress reported back to the Employment and Skills Board, including reporting on the measures of success and their impact.

Skills Action Plan: Action Areas of Focus

5.9 The six key objectives and delivery areas are summarised in the table below.

SUMMARY OF SKILLS ACTION PLAN KEY ACTIONS 2021/22:

1. Enable newly unemployed people to get back into work quickly through locally managed or cohered employment and skills programmes.
2. Prevent further disengagement of those furthest from the labour market, including the successful local implementation of the Kickstart programme, and further delivery of the Ways to Work and Households into Work programmes.
3. Provide clear and relevant opportunities for people to retrain and reskill into new or higher demand roles, including in- work progression.
4. Ensure training and skills development meets the current and future needs of people and employers, using quantitative LMI and qualitative local evidence to underpin investment priorities.
5. Support education providers to make up lost learning time, including capacity building for post -16 providers to enable digitalisation of the learning offer.
6. Additional focussed and targeted support for young people to support transition into the workplace and access employment opportunities; ensuring those with disabilities and/or learning difficulties are able to access such support; supporting Councils to fulfil their statutory duties.

6. GOVERNANCE: ASSESSMENT OF PROGRESS

Providing Local Leadership

- 6.1. Established in 2010, Liverpool City Region Employment and Skills Board (ESB) is a vital component in achieving our shared vision of delivering a more inclusive and competitive Liverpool City Region. In line with national guidance, our existing ESB will be the Skills Advisory Panel (SAP) for the Liverpool City Region and will assume the role and functions accordingly having restructured and strengthened further its membership and refined the Terms of Reference to be SAP compliant. This refreshed Employment and Skills Board met for the first time in November 2020, subsequently meeting in January and March 2021 as part of its new cycle of quarterly meetings.
- 6.2. The Board represents the concentration of local political, executive and business leadership to direct and support the investment of public sector resources. Working together collectively, the Board will be able to add real value through leadership, direction, championing and challenge to make significant improvements in employment and skills levels in the City Region, narrowing the gaps to national levels, including:
 - Increasing the employment rate in the City Region and narrowing the gaps between groups;
 - Increase the skill levels of residents at all levels;
 - Ensuring that employers are better able to meet their current and future skills needs, and thus contribute to improved productivity through evidence-based analysis of supply and demand in a local economic context; and
 - Supporting residents and employers to be prepared for the future world of work, including automation and the rollout of artificial intelligence.
- 6.3 Working within the local governance structure, the ESB has been providing strategic oversight and leadership on all Employment and Skills activities and interventions. This includes:
 - Our Skills Strategy 2018-2023 (prior to this our Skills Strategy 2010 and Employment and Skills Commissioning Plan);
 - 13 Sector Specific Skills for Growth Action Plans and Agreements; and
 - Annual Skills Investment Statements (the last one published covered the period 2020-2021).

Enhancing local knowledge and influencing local provision

- 6.4 Our work to date on undertaking detailed analysis, and developing the evidence base that underpins our publications, has been the basis and cornerstone of our employment and skills commissioning. As a devolved area for the Adult Education Budget, we have used the ongoing development of our evidence base to ensure that those for whom the learning will have the greatest impact are able to access it at the right level and delivered in the most appropriate and effective way and location.

These principles are also embedded within our other skills programmes such as our European Funded Programmes.

- 6.5 Being able to provide greater insight and a finer grain of LMI detail has enabled providers to better understand the local employer marketplace to inform provision. However, we recognise that more analysis, accompanied with an ongoing dialogue with employers and all our partners and stakeholders, will be required.
- 6.6 Whilst enhanced Labour Market Information is therefore a vital tool in developing a better understanding of the needs of employers and individuals within our labour market locally, we have recognised that this needs to be supplemented with a more granular and nuanced form of evidenced need that engaging with our employers and wider stakeholders will provide.
- 6.7 At the first full meeting of the reconstituted Employment and Skills Board in November, Board members were keen to ensure a further strengthening of our knowledge of the skills needs and opportunities within our priority employment and growth sectors.
- 6.8 Facilitated and convened by the Combined Authority's Employment and Skills Team, we established a number of sector workshops bringing employers, stakeholders and providers together from our Board. The result is a set of specific sectoral, and often job role specific, skills and qualifications requirements set out in section 5 and embedded within our Skills Action Plan.
- 6.9. In addition, this work has drawn out a number of cross-cutting skills requirements many of which reflect the current economic landscape- such as leadership skills and change management requirements and which will form part of our approach to economic recovery.
- 6.10 Taken together with our existing evidence base, this work has provided a finer grain of detail around sectoral skills priorities of the type that we have not benefited from previously. Such an evidence base will continue to inform our local skills commissioning- including ESF, and the allocations and performance management process of our devolved Adult Education Budget will be strengthened as a result.
- 6.11 Having shared our initial early draft Local Skills Report and evidence base with our Board and wider stakeholders, and incorporated their views in a revised version, we tabled our initial Skills Action Plan at our Board meeting in January. As a result of these discussions, based on current need, and an assessment of our progress against our skills strategy actions for 2020/21 (set out in [#Appendix1](#)), the Board requested additional work to be undertaken in a number of thematic areas, on a task and finish group basis in the following thematic areas;
 - Apprenticeships
 - Careers
- 6.12 The Task and Finish groups presented their final reports and recommendations to the Board at its meeting in March 2021. Actions will now be taken forward as part of delivering the planned outcomes of our final Skills Action Plan.
- 6.13 Following further engagement with our Board and partners our Skills Action Plan, setting out the agreed final skills priorities, was presented to the full meeting of the

Combined Authority at its meeting on 26 February 2021 endorsing the recommendations in the report.

COVID-19 recovery and renewal

- 6.14 Ensuring the adequacy, relevance, and timeliness of our evidence base, to inform our decision making, is an ongoing process. We have continually striven to identify key gaps in our local Labour Market knowledge and to assess and implement measures to address these gaps in order to provide a finer grain of detail that strengthens our evidence base for our employment and skills investment choices.
- 6.15 Our COVID-19 recovery work has highlighted and vindicated the need for such an approach. Our work, for example, to obtain more robust live vacancy data-supplemented by ongoing engagement with businesses and organisations on the ground locally- has informed a more agile and informed response to influence skills provision, and wider interventions, across the Liverpool City Region during the uncertain economic landscape brought about by the health pandemic.

Looking Back

- 6.16 This Local Skills Report and Local Skills Action Plan is produced within the new SAP framework. However, this report and action plan builds on our ongoing work to deliver a set of actions designed to address the priorities and outcomes of our Skills Strategy 2018-2023 and overseen by our Employment and Skills Board.
- 6.17 Throughout the narrative, we have sought to indicate and contextualise our progress against the employment and skills metrics and evidence base.
- 6.18 Progress against the key actions (20/21) designed to secure the outcomes of our Skills Strategy and address the employment and skills needs as determined by our assessment of the evidence of need can be found in [#Appendix1](#)

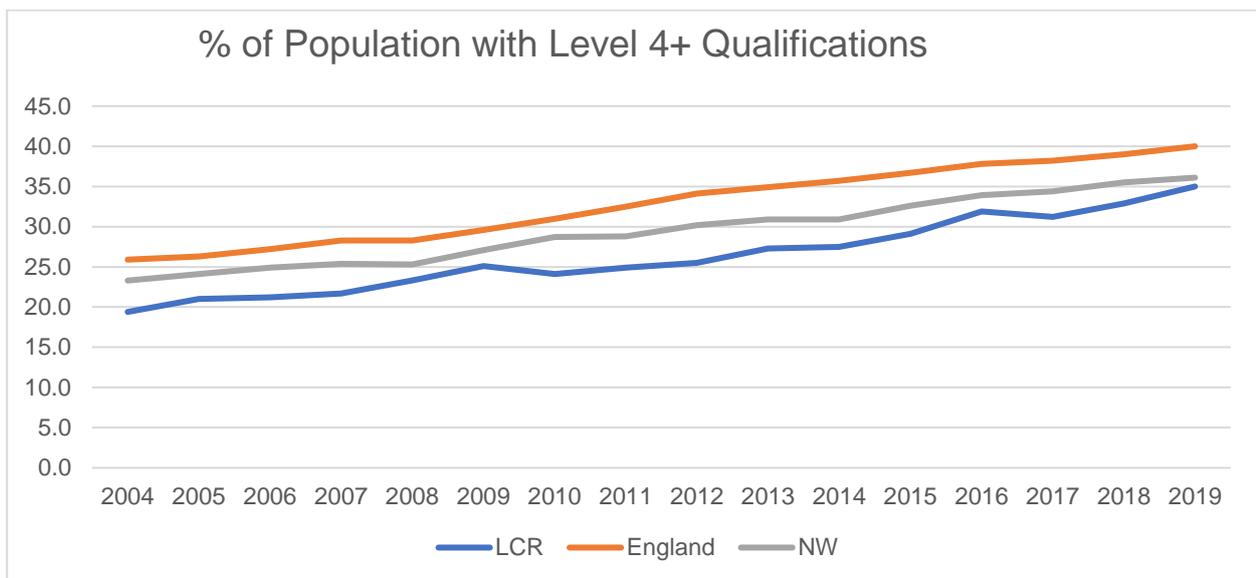
6 SUPPLY

Introduction

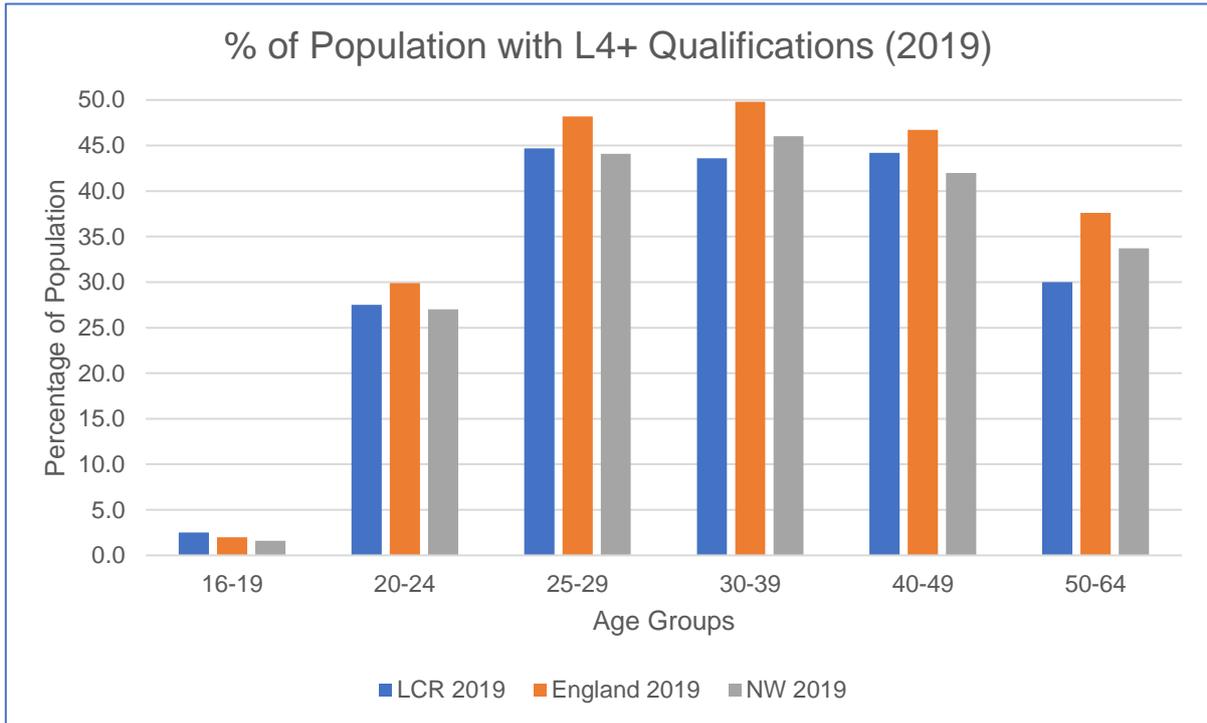
- 7.1 This section focuses on labour market skills supply: it sets out the key pieces of information relating to the workforce and enables us to understand whether our labour market is being supplied with people with the right skills, at the right level, and for a better understanding to be developed of how skills delivery is meeting these requirements.

Qualifications

- 7.2 Significant progress has been made to improve the skills of our residents and workforce in recent years. The City Region has seen the third fastest growth in the number of working age residents with Level 4+ qualifications out of all LEPs, whilst the number of people with no qualifications has more than halved. In both measures, the City Region is catching up with the North West and the UK.

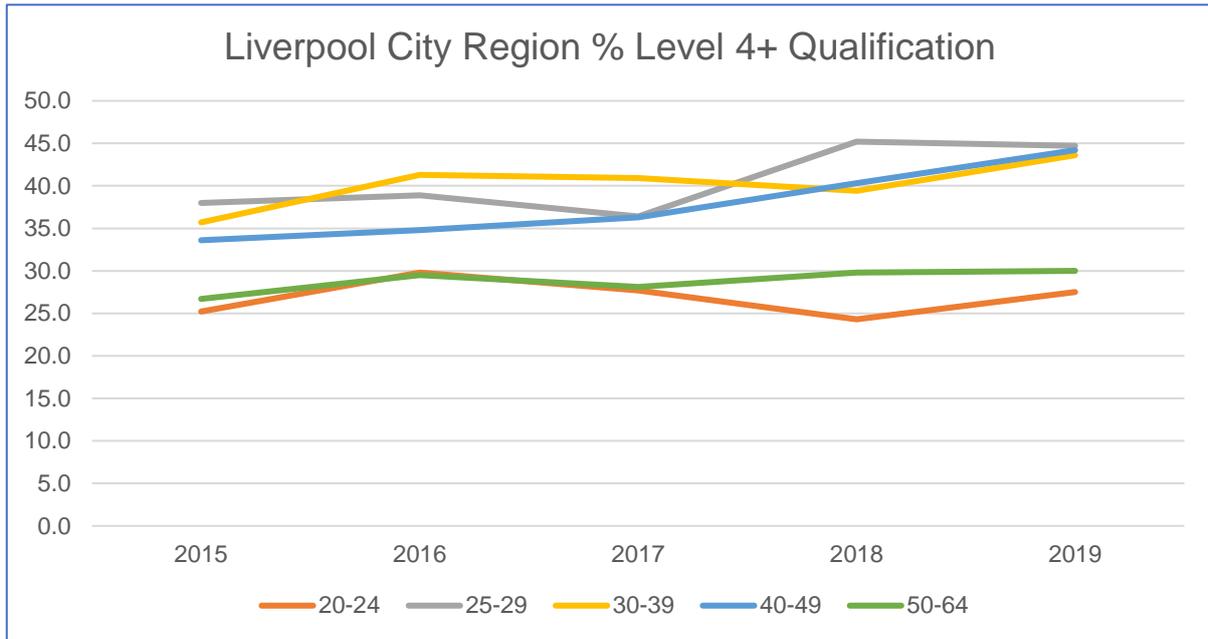


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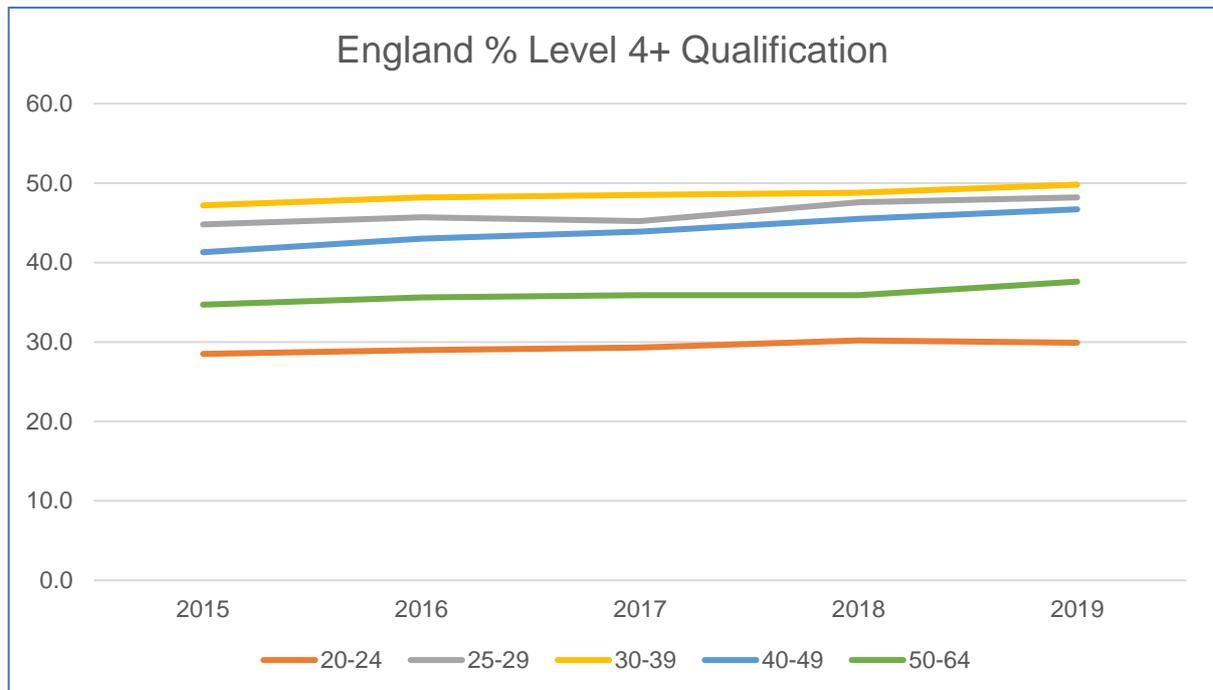


¹⁸ ONS, NOMIS 2019

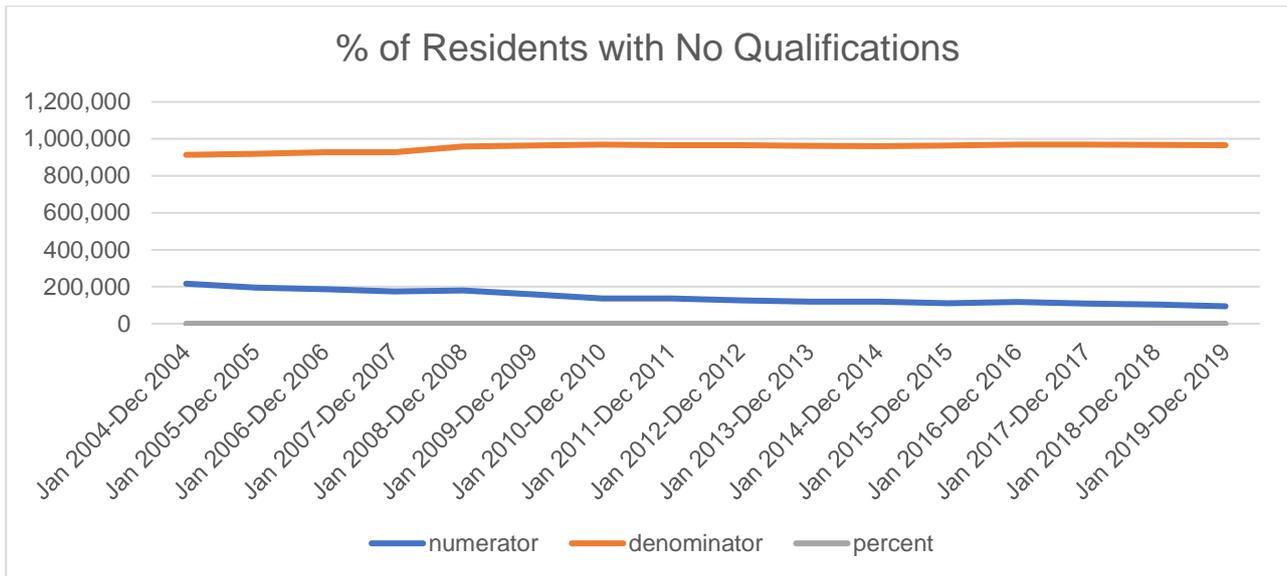
¹⁹ ONS, NOMIS 2019



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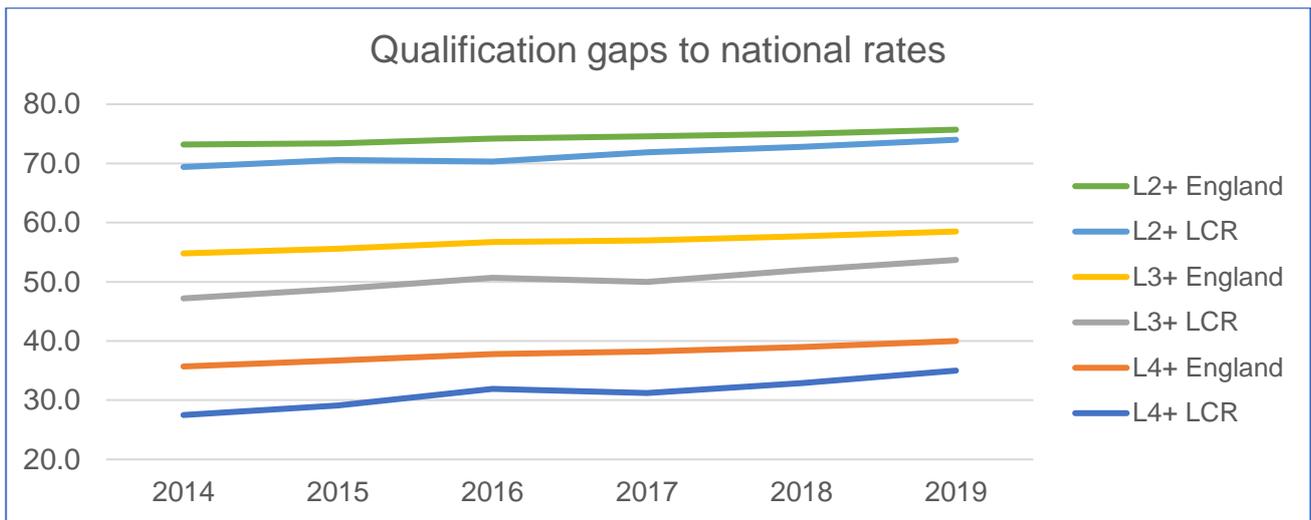


7.3. The Proportion of the local Working-Age Population with no Qualifications has declined significantly since 2014 and, despite the current crisis, evidence suggests that the numbers are still reducing in contrast with both North West and England.



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7.4 Gaps have narrowed to national rates at all qualification levels but there remain further gaps to be closed. This is key as improving levels of qualification are associated with higher levels of skills, productivity and income.



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7.5 In order to get to national rates, Liverpool City Region would need to see:

- 48,300 more residents qualified to Level 4 and above;
- 46,300 more residents qualified to Level 3 and above;
- 16,400 more residents qualified to Level 2 and above; and
- 22,200 fewer residents without any qualifications.

²¹ ONS, NOMIS 2019

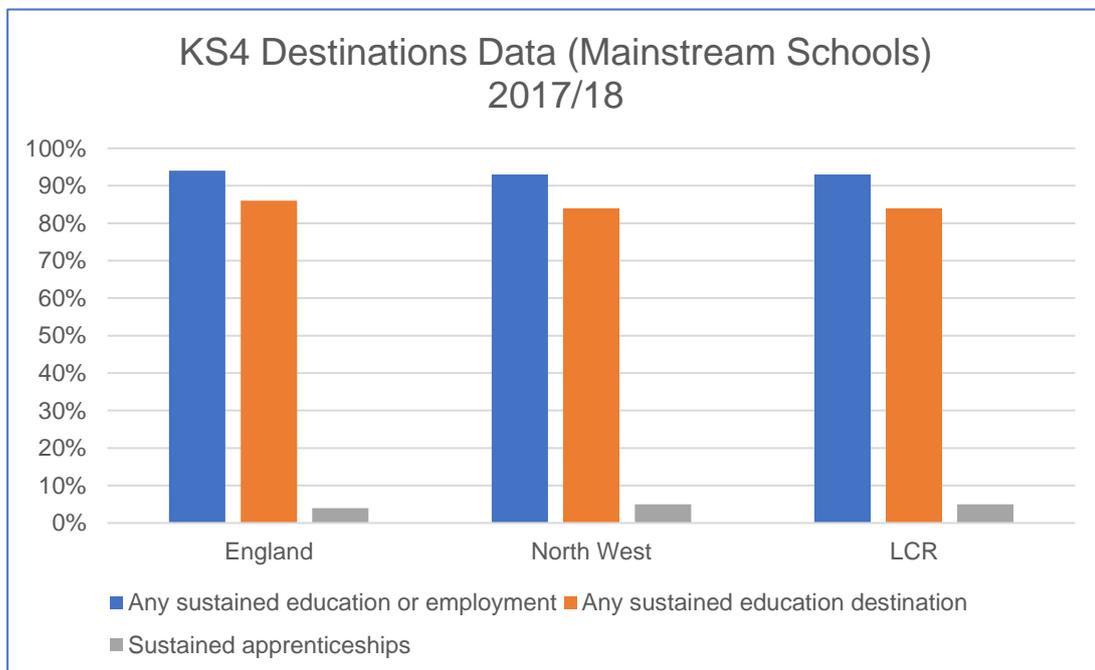
²² ONS, NOMIS 2019

Outcomes for young people

- 7.6. The educational performance of young people within Liverpool City Region has been an issue of concern for many years. There are bright spots of high learning and achievements, but these are too few and far between. Overall attainment continues to underperform compared with national levels, and below that which is required to enable young people to thrive and flourish in order for them to contribute fully to an inclusive economy. As outlined below, Liverpool City Region remains behind both the national average for Key Stage 2 (age 11) and significantly behind at Key Stage 4 (age 16), at both regional and combined authority level. This mitigates the ability of young people to secure better quality work, and often means that they spend time catching up to GCSE level when they could be developing the technical skills requested by employers.

Area	KS2 Reading, Writing & Maths ²³	KS4 Grades 9-5 including English & Maths
England	65%	40.2%
North West	64%	41.2%
Greater London	71%	49%
Greater Manchester	64%	40.8%
Sheffield City Region	63%	40.4%
Liverpool City Region	62%	35.6%

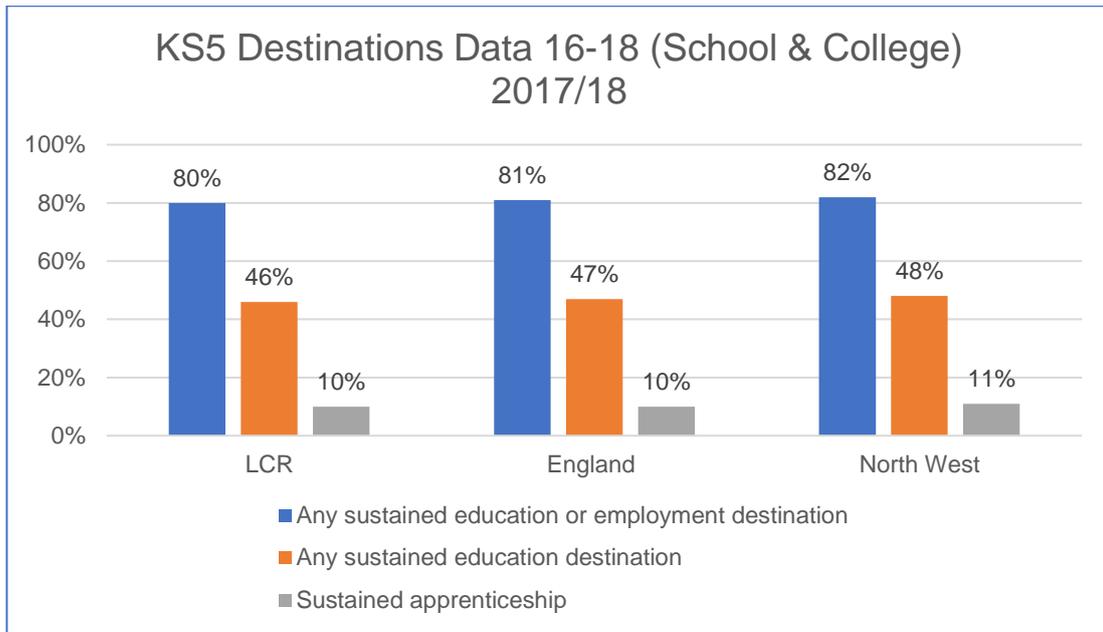
- 7.7. Further analysis of Key Stage (KS) 4 & 5 outcomes, rather than performance, shows a positive trend, aligned with both national and regional rates for young people moving on to either employment, education or an apprenticeship.



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²³ Department for Education, Key Stage Outcomes

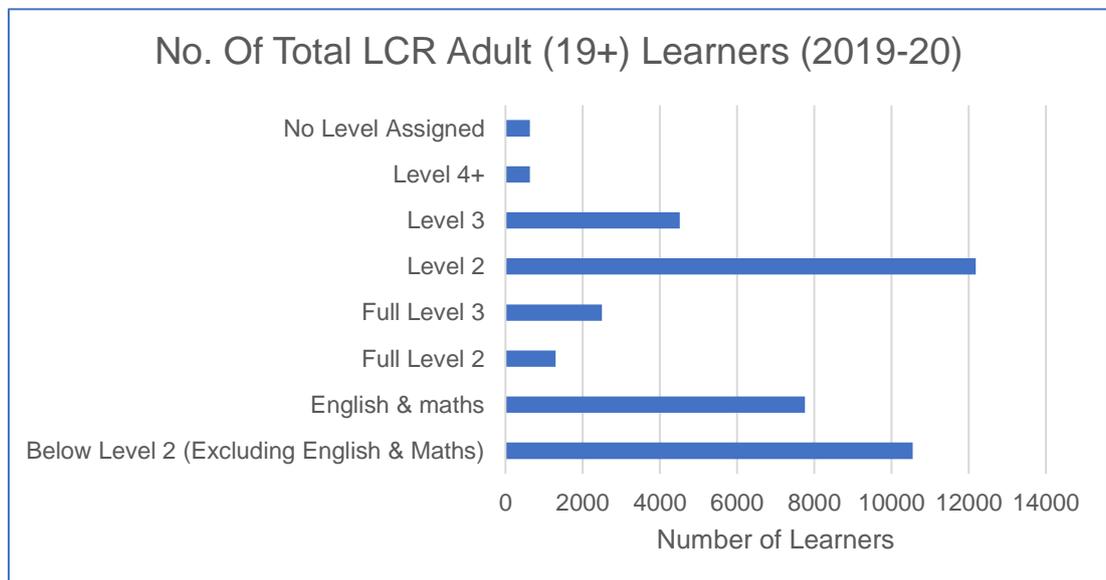
²⁴ Department for Education Key Stage Destinations



Further Education & Training

7.8 The City Region, through both the Devolved Adult Education Budget (AEB) and Community Learning Provision, continues to make progress across all levels of study at 19+. However, there is scope to refocus efforts on increased Level 3+ provision, outside English & Maths. Our website has details on our AEB allocations and providers for 2020/21 [here](#).

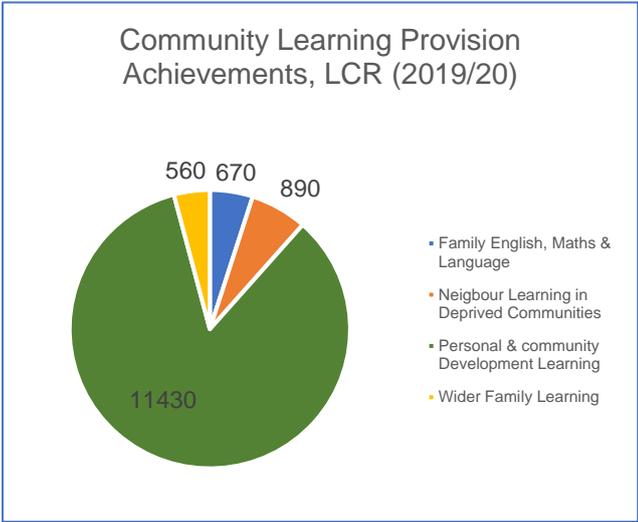
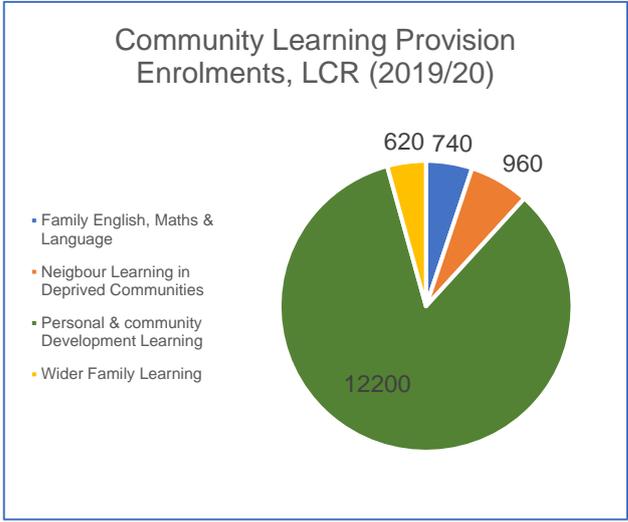
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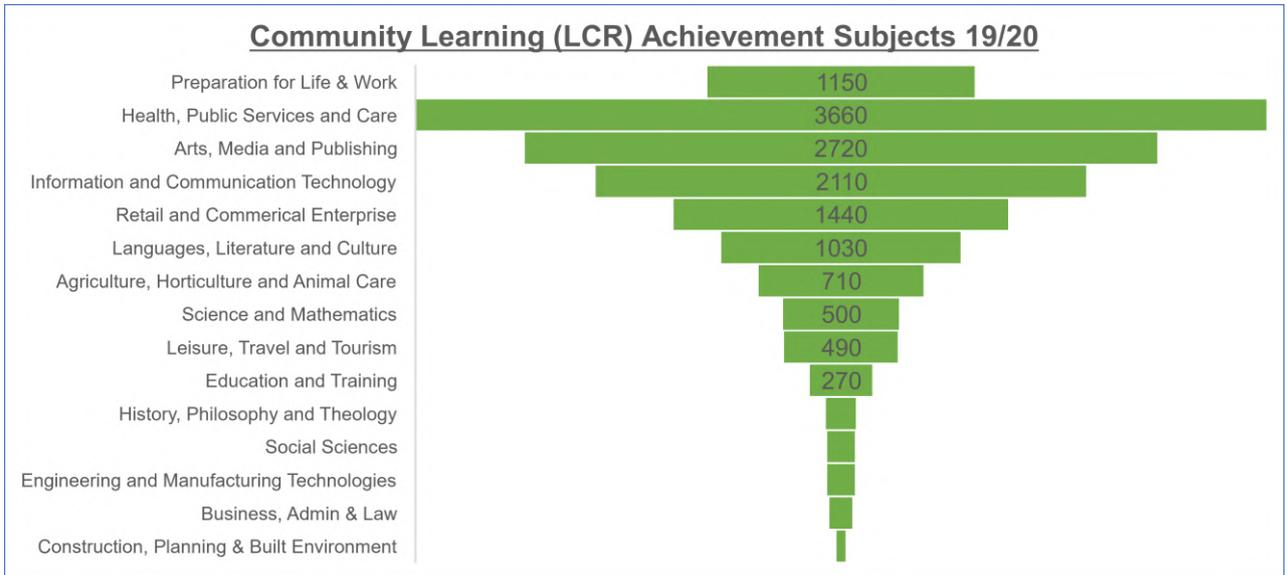
7.9 Adult community learning fills a vital role in targeting the hardest to reach adults, including learners in deprived communities, and those furthest from the job market. Liverpool City Region has a broad range of community learning provision, with a strong focus on digital skills, employability skills and health and care. Through our local AEB funded Test and Learn pilots, we are also working with some of our Community Learning providers to identify ways of better supporting tutors, advisers

and learners to become more aware of local labour market employment opportunities and for this to be contextualised in the teaching of English, maths and digital skills training. The contextualisation, through for example use of locally developed careers materials and support, is also being taken forward through our work with schools. Such a focus will help learner confidence, attitude and aspiration to progress into available employment and career opportunities in the future.

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²⁶ Department for Education, Localism Dashboard

²⁷ Department for Education, Localism Dashboard

CASE STUDY

DEVELOPING NEW FLEXIBLE LEARNING AIMS TO MEET SECTOR NEEDS

Merseyside Colleges Association represents colleges in Liverpool City Region- including sixth-form colleges. They provide learning and training opportunities for learners of all ages utilising multiple funding streams including allocations from the Education and Skills Funding Agency/DFE, and through allocations from the Liverpool City Region Combined Authority via the devolved Adult Education Budget.

Through our devolved Adult Education Budget, funding allocations are intended to meet the needs of learners-through the delivery of statutory entitlements, and provision that engages and progresses individuals into further learning and work- and the needs of employers through provision that is responsive to their current and likely future skills needs.

Working collaboratively with Merseyside Colleges Association, the Combined Authority has overseen the development of new learning aims which have been developed in response to employer demand in specific priority sectors. As a result of this collaborative approach, new learning aims will be trialled across a number of Colleges in the LCR in the areas of Care; Digital; and Advanced Manufacturing.

The level 2 Learning Aims being trialled are intended to promote upskilling, reskilling and progression, and filling identified gaps in the suitability of current learning provision. The new learning aims reflect the 'real time' and ongoing feedback given by employers who judge current available learning aims in particular sector areas as not addressing fully the current skills required, and which lack currency in the labour market in their areas of work.

Designing new and relevant learning aims for individuals to follow, rather than seeking to offer 'off the shelf' solutions to meet employers' needs, also allows elements such as maths skills to be improved and strengthened and delivered in a more flexible and contextualised manner.

Apprenticeships ²⁸

- 7.10 Liverpool City Region has a strong history of delivering apprenticeships with overall starts increasing year on year between 2013/14 and 2016/17. However, starts in 2017/18 fell sharply following the introduction of a range of apprenticeship reforms.

Apprenticeship Starts							
Area	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Halton	1,420	1,420	1,440	1,430	1,030	1,090	870
Knowsley	2,010	2,180	2,140	2,160	1,360	1,430	1,210
Liverpool	4,600	5,080	5,130	3,430	3,430	3,490	2,850
Sefton	2,890	3,100	3,090	2,100	2,100	2,060	1,780
St. Helens	2,080	2,260	2,390	1,540	1,540	1,590	1,310
Wirral	3,530	3,850	4,130	2,770	2,770	2,530	2,020
LCR	16,530	17,890	18,320	18,580	12,230	12,190	10,040
North West	71,670	79,310	80,820	79,702	58,120	58,280	46,950
England	434,600	494,200	503,900	494,880	375,760	389,630	322,500

- 7.11 Apprenticeships have previously been a strong option for 16-18 year- olds to enter the labour market and gain training alongside work. There has been a trend away from employers recruiting young people of this age into apprenticeships, with a growing proportion of adults starting apprenticeships.

²⁸ Department for Education, Apprenticeships & Traineeships Data

LCR Apprenticeship Starts [All Levels]								
Age	2016/17		2017/18		2018/19		2019/20	
	Starts	%	Starts	%	Starts	%	Starts	%
<19	3,720	20%	3,240	26%	2,730	22%	2,200	22%
19-24	4,940	27%	3,250	27%	3,270	27%	2,560	25%
25+	10,000	54%	5,750	47%	6,200	51%	5,300	53%
Total	18,630		12,240		12,200		10,060	

- 7.12 There has been a welcome trend towards higher level apprenticeships being studied, although this could be to the detriment of young people being able to access entry levels apprenticeships.

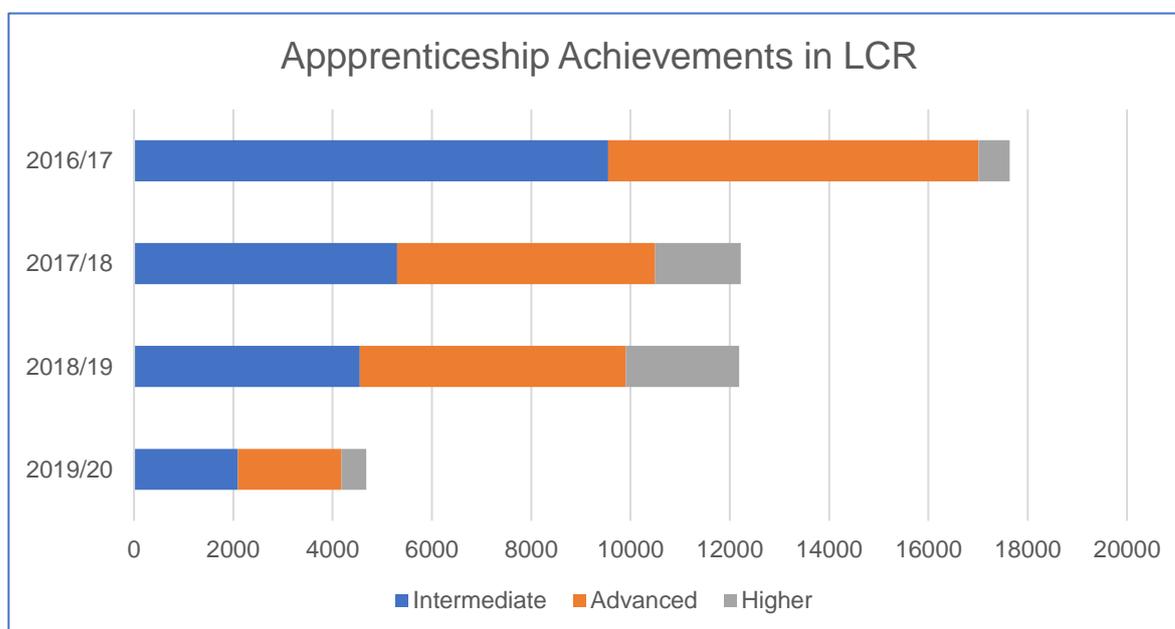
LCR Apprenticeship Starts – All Ages								
Age	2016/17		2017/18		2018/19		2019/20	
	Starts	%	Starts	%	Starts	%	Starts	%
<19	3,720	20%	3,240	26%	2,730	22%	2,200	22%
19-24	4,940	27%	3,250	27%	3,270	27%	2,560	25%
25+	10,000	54%	5,750	47%	6,200	51%	5,300	53%
Total	18,630		12,240		12,200		10,060	

- 7.13. The COVID-19 pandemic represents a major economic shock to the economy in Liverpool City Region, with the potential to exacerbate existing economic, employment and skills problems and inequities whilst also exposing other communities and elements of the economy to new challenges and vulnerabilities. Young people are particularly vulnerable to suffering disproportionately negative effects of COVID-19 due to their greater likelihood of being on skills programmes, including Apprenticeship programmes. The UK lockdown was announced on 23 March 2020 and so it is highly likely to have impacted on starts in the last week of March – and moving forward.
- 7.14. Whilst the scale and breadth of the effect of the COVID-19 pandemic on the City Region is unclear, the [‘Plan for Jobs’](#) announcement on 8 July 2020 outlining a package of measures designed to support jobs by focussing on skills and young people, create jobs with investment in shovel-ready projects and greening our infrastructure, is welcome. That said, there is still some distance to be travelled and significant endeavours to be undertaken by all stakeholders before these incentives can be realised in the Liverpool City Region context.
- 7.15 Starts in the Business Administration Sector Subject Area continue to be significant. Greater levels of delivery diversification are still required and centred on the ambitions to facilitate a high skills/ high value economy, provide attractive options for young people post-16, and attractive alternatives to university.

Curriculum Area	2016/17		2017/18		2018/19		2019/20	
	Starts	%	Starts	%	Starts	%	Starts	%
Agriculture, Horticulture and Animal Care	220	1.2%	130	1.1%	160	1.3%	80	0.8%
Arts, Media and Publishing	0	0.0%	20	0.2%	0	0.0%	30	0.3%
Business, Administration and Law	6310	33.8%	3,930	32.1%	3,830	31.3%	2,960	29.4%
Construction, Planning and Built Environment	630	3.4%	800	6.5%	690	5.6%	560	5.6%
Education and Training	400	2.1%	210	1.7%	180	1.5%	270	2.7%

Engineering and Manufacturing Technologies	2,440	13.1%	1,500	12.3%	1,760	14.4%	1,420	14.1%
Health, Public Services and Care	5,280	28.3%	3,350	27.4%	3,450	28.2%	3,230	32.1%
Information and Communication Technology	370	2.0%	420	3.4%	420	3.4%	390	3.9%
Leisure, Travel and Tourism	470	2.5%	250	2.0%	250	2.0%	110	1.1%
Retail and Commercial Enterprise	2,590	13.9%	1,590	13.0%	1,500	12.3%	1,010	10.0%
Science and Mathematics	0	0.0%	10	0.1%	0	0.0%	0	0.0%
Social Sciences	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Totals	18,650		12,230		12,240		10,060	

7.16. Of the total starts, the proportion of Advanced Apprenticeships achievements has increased from 41% to 44% and that of Higher Apprenticeships from 6% to 9%. The number of achievements in relation to starts has decreased overall.



7.17. Although the apprenticeship starts for gender and those identifying with a disability align with national averages, LCR lags behind others in relation to uptake of apprenticeship among individuals from a non-white ethnic background. Additional activity is planned to start in early 2021 as part of the Race Equality Programme to begin to tackle this issue.

Apprenticeship Starts 2018/19 – Gender, Disability, Ethnicity				
LA/England	Gender (Male)	Gender (Female)	Disability	Non- white ethnic background
Halton	523 (48%)	568 (52%)	105 (10%)	21 (2%)
Knowsley	657 (46%)	774 (54%)	139 (10%)	29 (2%)
Liverpool	1,577 (45%)	1,909 (55%)	400 (11%)	241 (7%)
Sefton	958 (47%)	1,101 (53%)	279 (14%)	33 (2%)
St Helens	764 (48%)	827 (52%)	162 (10%)	26 (2%)
Wirral	1,127 (45%)	1,399 (55%)	288 (11%)	77 (3%)

Total LCR	5,606 (45.9%)	6,578 (53.9%)	1,373 (11.2%)	427 (3.5%)
England	196,270 (49.9%)	197,110 (50.1%)	46,300 (12%)	47,924 (12.3%)

- 7.18. As part of our apprenticeship levy transfer brokerage system, the city region has successfully repurposed over £1 million of funding back into the region to support over 200 new apprentices across a variety of key sectors, including over £580,000 in Health and Social Care.

£1,600,000
of Apprenticeship Levy Transfer has taken place in LCR
Supporting more than **200** apprentices

CASE STUDY

SUPPORTING SMALL BUSINESSES AND APPRENTICES IN THE LIVERPOOL CITY REGION THROUGH LEVY TRANSFER

Apprenticeship Levy is paid by businesses with an annual wage bill of £3 million or more and can only be used for apprenticeship training and assessment

Levy-paying employers can transfer up to 25 per cent of their contributions to support the apprenticeship needs of other businesses who do not have access directly to levy funds. From August 2021, employers who pay the Apprenticeship Levy will be able to transfer unspent levy funds in bulk to small and medium-sized enterprises (SMEs) with a new pledge function.

Despite many businesses and organisations across the City Region paying the levy, many have found it difficult to utilise their levy account funds either in part or in full; many smaller companies seeking to access apprenticeship funding have, since the introduction of the levy, encountered difficulties securing access to apprenticeship funding due to the national funding availability and methodologies for non-levy funded apprentices.

Apprenticeships play an important role in meeting the skills needs of employers as well as a being a cornerstone entry and progression route for young people and adults alike. As any payments not used within 24 months are recovered by central government, this represents a waste of much needed resources for organisations wishing to attract, retain and develop talent, as well as denying opportunities for local residents and young people in particular, to gain the skills they need.

Working with levy paying and non- paying organisations across the Liverpool City Region, the Skills Brokerage Service at Growth Platform, the Liverpool City Region’s Growth Company, has now facilitated over £1.6 million of levy transfer. Businesses across the City Region that have transferred their levy include, Liverpool Football Club, Liverpool John Moores University, Liverpool University Hospitals NHS Foundation Trust and QVC, and conversations are ongoing across many of our leading sectors to open up more opportunities.

Higher Education

- 7.19 Liverpool City Region is home to some of the most well known higher education institutions in the world. The educational outcomes for those studying here are in most cases aligned to national averages, if not exceeding them in some areas. The majority of our undergraduates go into full-time employment after completing their degree (57%). This rises to 68% for postgraduates.

7.20. While over three quarters of our graduates go into employment on completing their degree, this proportion is slightly lower than the national average. Our undergraduates are less likely to go into part-time employment and more likely to go into full-time further study. This could be due to the type of degrees that LCR universities specialise in, such as biological sciences, engineering and maths; degrees that are more likely to lead to further study upon completion.

29	Undergraduate		Postgraduate	
	Liverpool City Region	England	Liverpool City Region	England
Full-time employment	57%	57%	68%	67%
Part-time employment	9%	11%	8%	9%
Employment and further study	10%	10%	10%	9%
Full-time further study	11%	9%	3%	4%
Part-time further study	1%	1%	0%	0%
Voluntary or unpaid work	1%	1%	1%	1%
Unemployed	4%	4%	3%	3%
Unemployed and due to start work	1%	1%	0%	0%
Unemployed and due to start further study	1%	0%	0%	0%
Other including travel, caring for someone or retired	5%	6%	4%	4%
Total in employment	76%	78%	86%	85%
Total in further study	22%	20%	14%	13%
Total unemployed	5%	5%	3%	3%

7.21 As the table below indicates, our higher education focused institutions (excluding FE) produce graduates which enter the following job sectors. As this data outlines, the vast majority migrate into professional occupations each year, with smaller numbers in the Care, Leisure & Other Service Occupation category.

Graduates entering work in the UK by LCR provider 2017/18 Academic Year

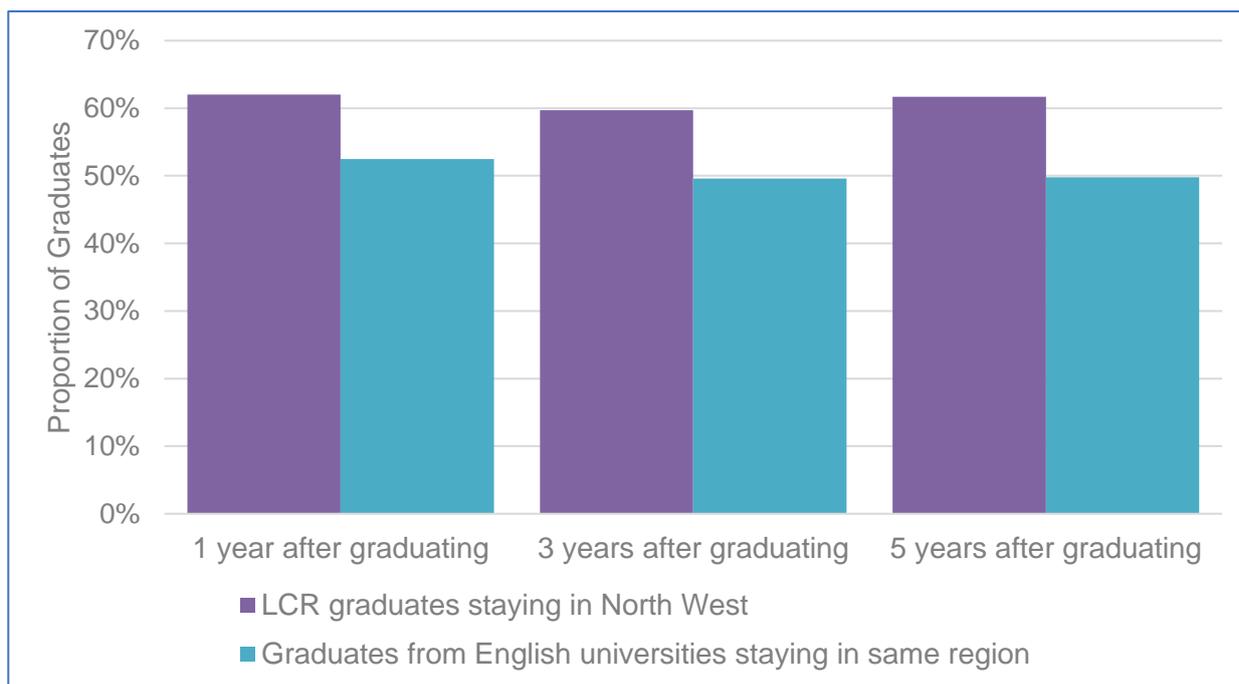
	Liverpool Hope University	Liverpool John Moores	University of Liverpool	LSTM	Edge Hill
Managers, Directors & Senior Officials	30	130	85	0	40
Professional Occupations	370	1,270	1,095	70	880
Associate Professional & Technical Occupations	110	640	575	10	210
Administrative & Secretarial	55	185	170	0	85
Skilled Trades	5	25	15	0	15
Caring, Leisure and Other Service Occupations	100	165	80	0	140
Sales & Customer Service	60	160	90	0	90

²⁹ Higher Education Statistics Authority (HESA)

	Liverpool Hope University	Liverpool John Moores	University of Liverpool	LSTM	Edge Hill
Process Plant & Machine Operatives	0	5	10	0	10
Elementary Occupations	30	140	80	0	60

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7.22 Focusing student outcomes into areas of sector demand and growth remains a key priority for the city region and higher education institutions throughout. 62% of LCR graduates were still living in the North West five years after graduating. This compares to around 50% of all graduates from English universities staying in the same region as the university. This rate rises to around 70% from LJMU and Liverpool Hope, while the University of Liverpool is similar to national rates.

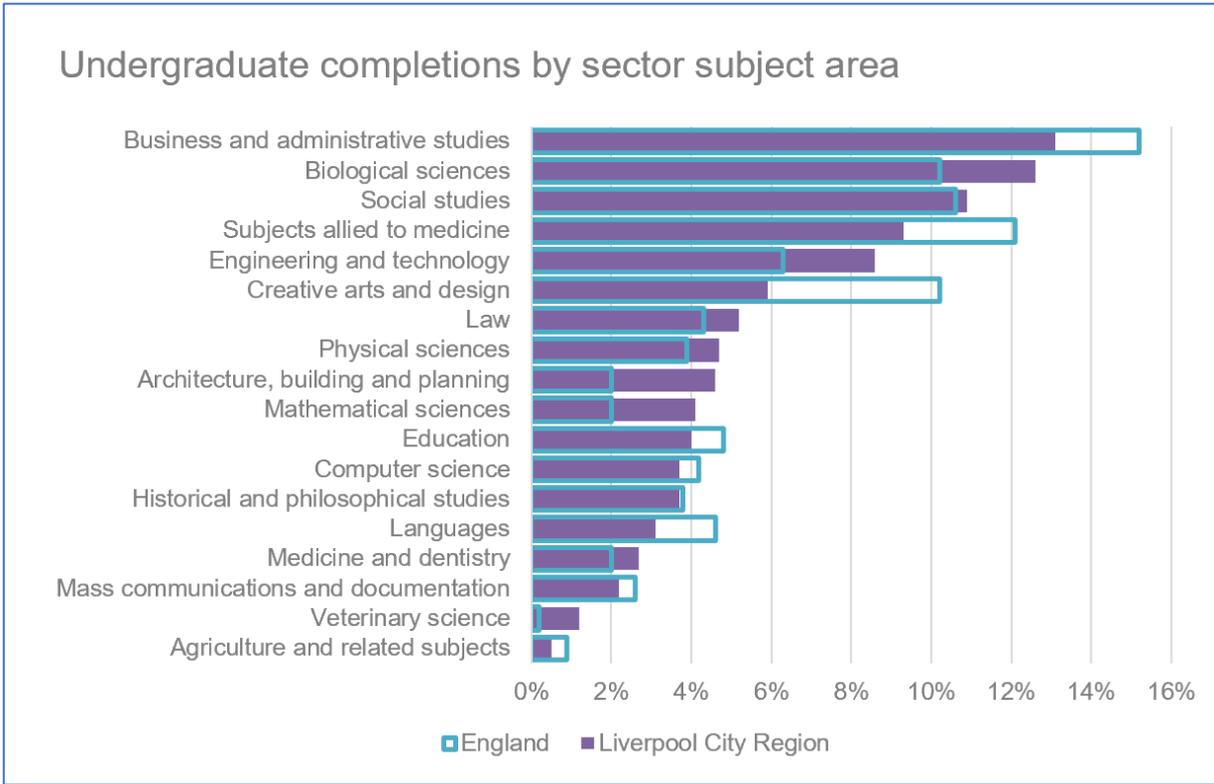


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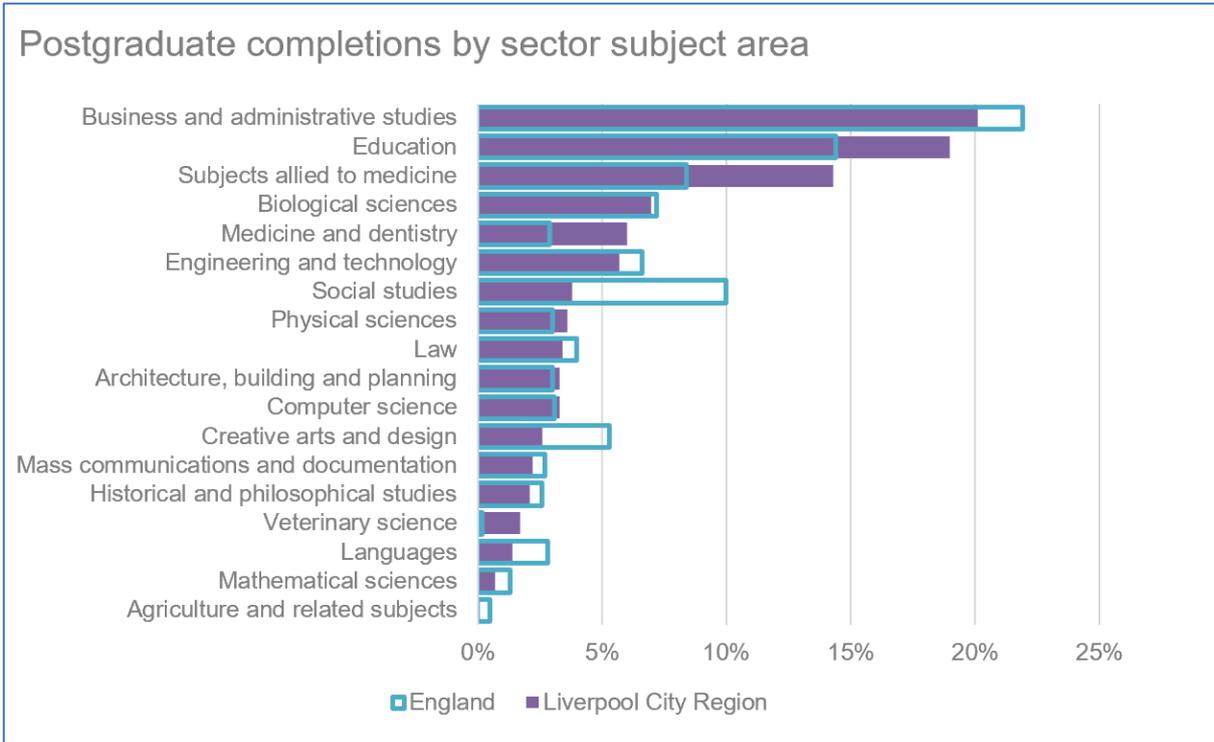
7.23 Business and administration studies related degrees are the most common in LCR universities. This is the case for both undergraduate and postgraduate degrees. Compared to universities across England, LCR universities produce a high proportion of biological sciences; engineering and technology; and architecture, building and planning graduates. At the postgraduate level, they produce a high proportion of education; medicine, dentistry and other related subjects, graduates.

³⁰ HESA Graduates entering work in the UK by LCR provider 2017/18 Academic Year

³¹ HESA Graduates staying in the same region 2017/18 Academic Year



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COVID-19 Additional funding and support

7.24 For young people in particular, unfavourable labour market conditions present major challenges that, if left unaddressed, may lead to increased levels of NEET, unemployment and a lack of relevant skills for the workplace. Often, more young people seek to engage in classroom-based learning where employment

³² HESA

³³ HESA

opportunities are more limited, increasing demand for such places. For other learners, it is recognised that additional support is required to facilitate engagement and progression to further learning and employment. Current and potential adult learners are also facing disruption to their learning, especially where face-to-face learning is restricted.

- 7.25 Working with Government and within national programmes, as well as using local flexibilities available through our developed AEB, we are ensuring that additional resources are made available for learners, including:
- Funding for one-year courses to enable individuals to complete a second High Value qualification: encouraging and support delivery of selected level 2 and 3 qualifications in specific subjects and sectors in response to coronavirus, allocated via the devolved AEB for those aged 19 (those aged 18 are funded via ESFA provider allocations);
 - An enhanced and expanded Traineeship Programme with greater flexibilities for both employer and young people;
 - Support for apprentices to secure another employer where they have been made redundant or are at risk of redundancy;
 - Through an additional digital grant allocation to AEB funded providers, supporting providers and learners to adapt to and maximise on-line learning opportunities; and
 - Working with DWP and our Youth Hub partners, supporting young people through increased access to work coaches and other wrap around support, to secure employment and learning opportunities.
- 7.26. Liverpool City Region has a large number of employment and skills programmes that seeks to address the needs of learners and employers and our wider communities and there are a significant number of programmes currently in-delivery or about to start. [AnnexB](#) sets out the current delivery landscape.
- 7.27. All existing funding streams will be reviewed to ensure that our priorities are embedded and delivered through these programmes and the performance will be reported throughout their delivery. On an ongoing basis, the ESB will work with and support the Combined Authority and its partners to identify additional resources that address the skills priorities set out in our Local Skills Action Plan.

CASE STUDY SCIENCE INDUSTRY PARTNERSHIP

Liverpool City Region has an excellent record in the fields of research and innovation and the science industries play a vital role in the City Region's economy. Liverpool's Knowledge Quarter brings together the city's assets in life sciences, education and healthcare. With world leading specialisms in infectious diseases, personalised medicine, digital health, and sports science, it will be one of the largest academic and clinical campuses in the UK on completion of its new hospitals.

Liverpool University is ranked 2nd in the UK for world leading research and our Higher Education Institutions play an invaluable role in delivering STEM focussed education programmes and research activities. Despite this, too few graduates in employment are in STEM related employment positions 6 months after their graduation.

Following discussions between the Liverpool City Region Combined Authority (LCRCA) and Cogent Skills, SIP Liverpool Plus was established in 2019. SIP Liverpool Plus has put in place a regional skills sub-group of the national SIP Board, consisting of a membership of local science employers from Liverpool City Region and its closely neighbouring areas- such as Cheshire and Warrington. It is an employer-led partnership that provides clarity and leadership on the employment and skills needed locally to support the Life Sciences and Industrial Sciences priority skills needs.

The partners have identified the key skills challenges in a finer grain of detail, with employers attending from across the region's Pharmaceuticals, Chemicals and Medical Technology industry sectors to contribute to this work. This type of engagement has enabled employment and skills priorities to be better reflected in the Local Skills Report and our Local Skills Action Plan. A key priority for the Board's employers is to also further strengthen its Careers and Education outreach activity across all age groups to attract and nurture talent. Whilst it is essential for the City Region's economy to not only focus on creating Science and STEM related job opportunities at all levels, young people in particular need to be better aware of, and connected to, job and progression opportunities within the City Region's science and STEM related organisations.

To help facilitate this work and further engage employers, in February 2021 SIP Liverpool launched a Careers outreach brochure to guide employers through some of the initiatives that are available and to help them learn about which may work best for their organisation. Supporting individuals to acquire the relevant knowledge, skills and behaviours sought by employers, as well as working with employers and partners to create a clear line of sight to job, in-work progression and business start-up opportunities, will contribute to the priorities of attracting and retaining a skilled workforce.

7 DEMAND

Introduction

- 8.1. This section focuses on employment and skills demand and provides additional labour market context. It provides information on skills being sought by employers as well as information relating to vacancies and occupational demand, and highlights skills gaps and skills shortages.
- 8.2. There is also a focus on automation given the increasing propensity for business to either introduce new ways of working and doing business or accelerate and expand existing practices.
- 8.3. In addition, whilst core indicators provided by Government for inclusion in this document provide helpful information relating to sectors and occupations, they do not provide the nuanced and localised view required to inform curriculum and strategic planning – and work continues to strengthen the evidence base and better understanding of need. For this reason, our Local Skills Action Plan details additional information relating to the opportunities within, and requirements of, key sectors.

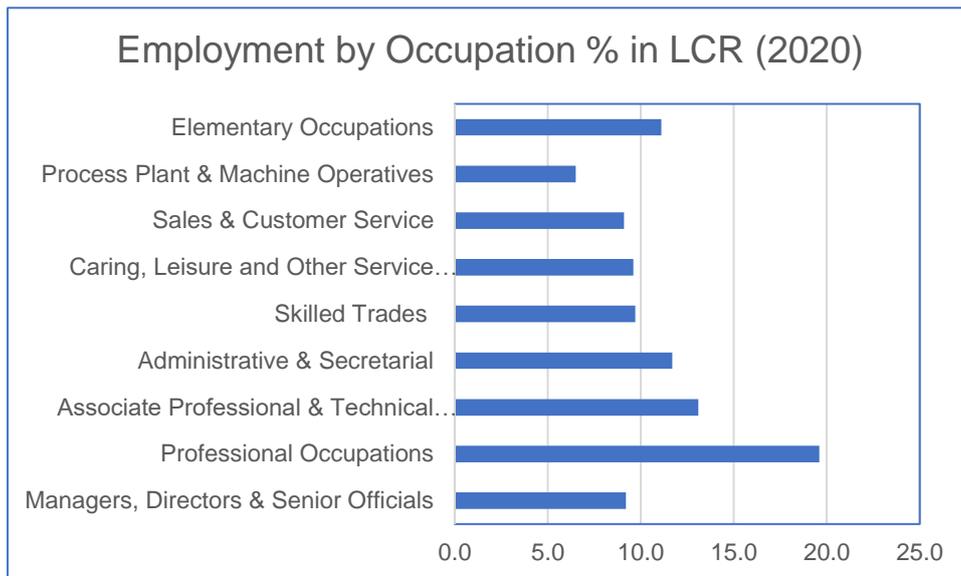
Business base

- 8.4. The majority of our businesses (88%) contain fewer than 10 people- although this position is also the case nationally. Engaging businesses and delivering interventions at scale, whilst meeting individual employer demand, is a challenge. It is for this reason that working with employer networks, intermediaries and other trusted bodies is essential when seeking to address skills needs of the workforce.

Business Size ³⁴ (number employed)	Liverpool City Region		England
	Number	%	%
Micro (0 – 9)	38,000	89.7%	88.0%
Small (10 – 49)	4,190	8.4%	9.7%
Medium (50 - 249)	785	1.5%	1.8%
Large (250+)	185	0.4%	0.4%

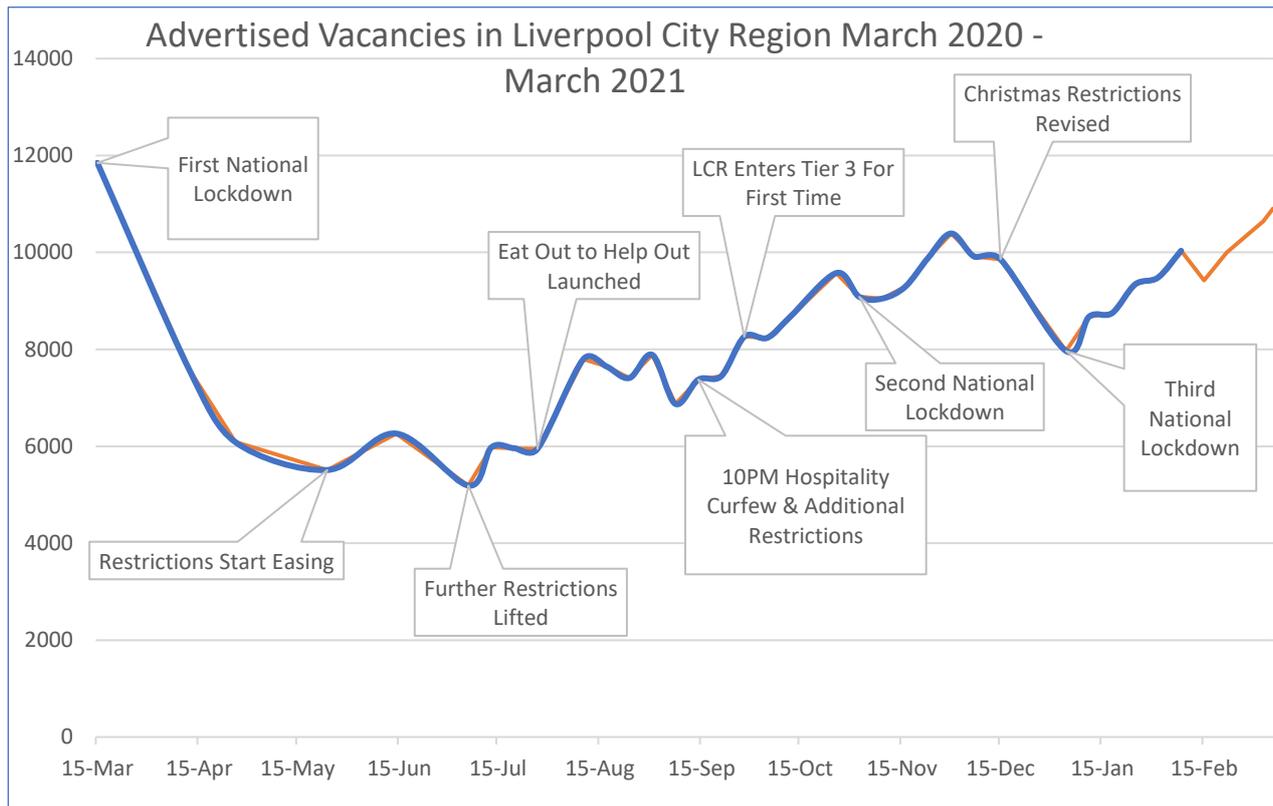
- 8.5. Each sector will have particular needs based on their business size, customers, markets, geographical locations and wider operations, and it is important that needs are addressed on this basis through working with employers and their networks. Locally we have a higher proportion of job roles classified as managerial, directors or senior officials that reflects both the size of the public sector (including education institutions) as well as other significant and large private sector employers.

³⁴ ONS, NOMIS 2020



Vacancies

- 8.6. The economic crisis which resulted from the COVID-19 pandemic has had a detrimental impact on the number of vacancies being advertised. At the start of March 2020, before the main elements of lockdown were announced, advertised vacancies in LCR were running at an average of 12,000 a month. The average low point during May 2020 was around 5,500 vacancies, representing a 54% decline with pre-lockdown figures.
- 8.7. As of January 2021, vacancies in LCR stood at 7,966, representing a 33% drop since pre-lockdown. Whilst the level of vacancies had picked up prior to the second lockdown restrictions commencing 5 November 2020 in England, vacancies are still down on pre-COVID-19 levels and the peaks and troughs appear to resonate with both national and local restrictions, and the increased uptake prior to the Christmas Period.
- 8.8. By the beginning of March 2021, evidence of recovery is starting to emerge- albeit lagging other areas; vacancies in LCR stood at 11,100 – a 7.5% drop since pre-lockdown in March 2020. Utilising Adzuna Sector Categories, we are able to chart the rise and fall of vacancies across a variety of industries. Over the last 30 weeks (up to March 2021), the largest sector increases across the City Region on average have been in:
- Trade & Construction (513)
 - Teaching (247)
 - IT Jobs (339)
 - Healthcare & Nursing (340)
 - Engineering (248)
 - Accounting & Finance (300)
 - Social Work (191)
 - Logistics & Warehouse (555)



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Forecasting demand- Sector Forecasts

8.9. Prior to the COVID-19 pandemic and the subsequent health and economic impact, particular sectors and occupations were forecast to grow strongly whilst others were forecast to grow less strongly. These forecasts, together with the skills that need to be developed on the workforce as a whole, are shown in the charts and tables below. The key trends are:

- The Health and social care sector is forecast to remain a critical sector for LCR both as a growth sector and as a volume provider of jobs, and this was the case without the effects of COVID-19;
- It remains to be seen how COVID-19 affects the projected growth in the Arts and Entertainment sector and the associated customer care and service type roles forecast;
- Whilst IT as a sector is projected to be amongst the sectors with the highest forecast growth, occupations relating to health and social care are forecast to grow more strongly;
- Digital Skills needs, problem solving, adapting to new equipment and techniques, and general product/ service knowledge are cited by employers as key needs for their workforce; and
- Occupations with the lowest growth forecasts are many of those at greatest risk of automation and digitalisation.

CASE STUDY

MEETING THE EMPLOYMENT AND SKILLS NEEDS OF THE HEALTH SECTOR WHILST SUPPORTING PEOPLE INTO EMPLOYMENT

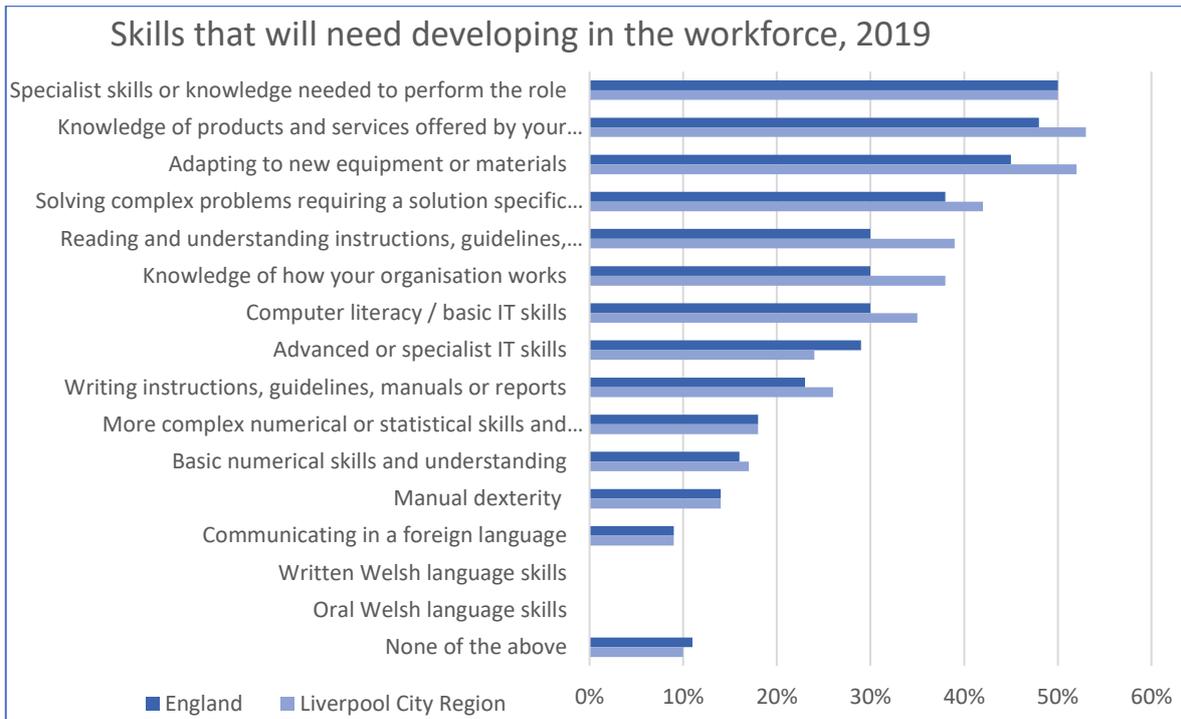
The NHS and the wider Health and Care and Life Sciences sector, together with their supply chain partners, have been at the heart of the City Region's response to the COVID-19 Health Pandemic. The sector provides a significant number of different job- entry and progression opportunities, as well as being a cornerstone for the functioning of the wider Liverpool City Region Economy. Working closely and collaboratively with employers and local partners, we have had the opportunity to identify employment opportunities and provide employment and skills support in a timely and responsive way that meets the needs of both employers and those seeking work.

ISS World are a facilities management company who supply staff to work in the NHS as porters, ward hosts, cleaners and supervisors. In the LCR they work with the Royal Liverpool Hospital, Clatterbridge, The Walton Centre and Broadgreen. During COVID-19, areas of the new Royal Liverpool Hospital were being brought into use for testing and vaccine roll-out. Increased demand for staff, as well as tackling existing staff shortages, meant that a number of flexible and targeted recruitment approaches were required.

Building on existing relationships with both the employer and our local DWP managers, 2 Sector-based work academy programmes (SWAPs) were established with a local training provider delivering a content blended with the ISS role requirements. 11 individuals were offered employment and started in January 2021 as full- time staff members, and the model will be adopted by the employer for future recruitment opportunities. As a result of the success, the apprenticeship levy paying employer is now also working to identify more apprenticeship opportunities to utilise their unspent levy to grow and develop their workforce.

Liverpool City Region: Sectoral Projections (2017-2027)³⁷	
Sectors with highest forecast growth	Sectors with lowest forecast growth
1) Health and social work	1) Food, drink and tobacco
2) Real estate	2) Rest of manufacturing
3) Arts and entertainment	3) Agriculture
4) Information technology	4) Transport and storage
5) Professional services	5) Engineering

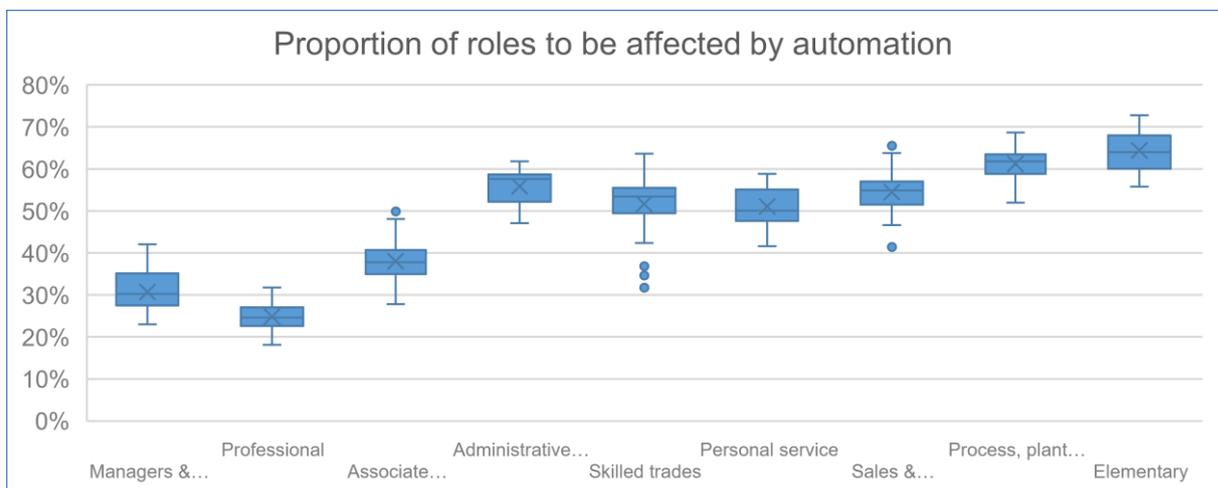
Liverpool City Region: Occupational Projections (2017-2027)	
Sectors with highest forecast growth	Sectors with lowest forecast growth
1) Caring personal service	1) Secretarial and related
2) Customer service	2) Process, plant and machine operatives
3) Health and social care associate professionals	3) Textiles, printing and other skilled trades
4) Health professionals	4) Skilled metal, electrical and electronic trades
5) Corporate managers and directors	5) Administrative



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Automation, Digitalisation and the future of work

8.10. As referenced throughout this document, automation and digitalisation is changing the nature of work and the workplace. The COVID-19 health pandemic is already accelerating the pace of change: short term adjustments may become long-term structural changes. The chart below highlights the potential impact of automation and digitalisation in some key occupational areas.



8.11. In particular, the COVID-19 pandemic has accelerated technological advances and the automation of many routine tasks– from contactless cashiers, increased home delivery and contactless interactions with customers, to robots picking customer orders in warehouses through to delivering packages. Notably:

- Many new, different jobs will be created and will require different skills and ways of working AND provides the need and opportunity for new investment and new

investment choices: e.g. commercial use of drones is on the rise: demand for CAA drone approved training is increasing across the country;

- New business models will emerge and possibly more localised supply chains that increases customer responsiveness;
- Upskilling becomes ever more critical as many of the jobs most at risk are at entry level /in elementary occupations, as well as in industries critical to the City Region's economic performance
- The jobs most under threat are predominantly lower skilled or routine elementary, process, plant and machine operative occupations. Each of our local authority areas will be affected in different ways determined by local differences in the industrial base.

Local Focus: Growth and Priority Sectors

- 8.12. In addition to the information provided nationally that relates to skills shortages, skills gaps and occupational information, the Combined Authority consistently engages with employers and representative bodies, as well as Trades Unions and other partners and stakeholders in order to better understand opportunities and skills and recruitment barriers at the local level. We recognise that all our sectors play an important role in our local economy and contribute to the wider economic and social fabric of our City Region. To a lesser or greater degree, all our sectors will provide significant volumes of jobs opportunities, contribute to the City Region's GVA position and facilitate the functioning of the labour market as a whole. When factoring in local business and institutional specialisms, together with business and regeneration opportunities, the City Region has a relative competitive advantage in particular areas of the economy, and we must ensure we meet the sectoral and job role skills requirements to maximise the potential economic benefits.
- 8.13. As detailed elsewhere the extent, duration, and timing of any readjustment or structural changes of both the local economy and local labour market is uncertain due to COVID-19. As detailed in our recovery response document- Building Back Better- the Combined Authority has been investing funds to support businesses to survive the current economic impact and in particular the Tourism and Hospitality Sector. Prior to the health pandemic, businesses were also planning for the uncertainty resulting from Brexit.
- 8.14. Detailed in the table below is a short demand (for employees) summary forecast analysis across the top 20 sectors of the City Region.
- 8.15. Of the 20, prior to COVID-19, 15 sectors were predicted to be growing or stabilising.

Sector	Employees 2019 (000's)	Pre-covid forecast	Post covid forecast	Sector	Employees 2019 (000's)	Pre-covid forecast	Post covid forecast
Retail	66.7	Stabilising	Shrinking	Construction	15.5	Growing	Growing
Human health Activities	58.5	Growing	Growing	Professional services	15.0	Growing	Growing
Education	56.8	Shrinking	Stabilising	Land transport and Transport via pipe	13.2	Growing	Decline
Manufacturing	48.2	Shrinking	Shrinking	Services to building and landscape	11.0	Growing	Growing
Public administration and defence	36.3	Shrinking	Shrinking	Warehousing and support activities	10.8	Growing	Growing
Food and beverage service activities	34.3	Growing	Shrinking	Office administrative, office support	10.4	Shrinking	Shrinking
Social work activities	27.6	Shrinking	Growing	Sports activities and amusement	8.5	Growing	Stable
Wholesale trade	22.3	Stabilising	Stabilising	Wholesale and retail trade and repairs of motor vehicles	8.1	Growing	Growing
Residential care activities	18.5	Growing	Growing	Architectural and engineering activities	7.6	Growing	Growing
Recruitment activities	16.0	Growing	Growing	Computer programming, consultancy	6.1	Growing	Growing

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- 8.16. The sector summary information brings together quantitative and qualitative information from a variety of sources, including surveys; focus groups; sector boards and wider stakeholder and partner engagement. It also reflects the priorities set out in our Sector and Thematic Skills for Growth Action Plans.
- 8.17. We may anticipate, with a higher degree of certainty, that some changes required in the short-term to the way we work and do business may become long lasting- e.g. changes among businesses and organisations in the use of technology to facilitate remote working by staff.
- 8.18. In other areas of the economy, the pace of change- in areas where changes have been emerging already- may increase and which will impact on the demand for employees and the particular skills that employees have. The use of technology to facilitate the delivery of services and products to customers, that has become increasingly common, may well start to accelerate more rapidly. Digital and technology solutions are increasingly critical elements of business models and operations across numerous job roles- impacting health services and the logistics and retail distributions sector in particular.
- 8.19. When sectors (and businesses within these sectors) that have been adversely affected by COVID-19 move towards recovery, being able to recruit additional staff quickly with the right skills and attitude is seen as vitally important in meeting customer demand. Whilst upskilling and reskilling are crucial components of our support for businesses and local people, maintaining the job-readiness of people who have lost their jobs (or indeed, potentially on long-term furlough) is critical for the nature and speed of our recovery, and specific sectors in particular.

CASE STUDY

MEETING THE NEEDS OF THE MARITIME AND LOGISTICS SECTOR.

Maritime and Logistics is a key employment and wealth generating sector for Liverpool City Region. There are over 3,300 businesses operating in the sector, employing over 41,000 people- which is 6% of the region's workforce⁴⁰.

Employment in the sector has grown significantly in Liverpool City Region, with 12,000 jobs created between 2010 and 2016, mainly in transport and warehousing.

The Growth in online purchasing associated with the current health crisis has meant that businesses are having to respond rapidly to the economic shocks and changes in customer demand and behaviour. The need to attract and retain a skilled and flexible workforce is a critical priority. Our key logistics and distribution centres draw employees from across the City Region and wider travel to work area and support clients locally and nationally.

JMD Haulage is a family run haulage business. The business operates 85 vehicles that enables the firm to offer a variety of Haulage options including container haulage, refrigeration and warehousing and is investing significantly in its fleet and its workforce. In light of our exit from the EU, more containers will be arriving into Liverpool port locations from all over the world. As the demand increases it has become more and more difficult to recruit suitably qualified drivers, and is made more difficult by the ageing demographic of the existing workforce.

Working with the employer and linking them with our local employment and skills programmes and outreach work, partners have been able to engage unemployed people from Knowsley, encouraging and supporting them to consider the logistics sector as a sector where their skills are valued and in demand. Individuals were linked to pre employment training, supporting them to get the relevant licences in partnership with the employer. To date, 22 unemployed Knowsley residents have secured permanent and well- paid employment with JMD and the employer has built a model through a trusted relationship that can be replicated and enhanced in the future.

Definitions

- **Skills Shortages** as defined as a Skills Shortage Vacancy- required job role skills which employers cannot access readily from the labour market (which may be international, national, regional, or local).
- **Skills Gaps** are skills that are lacking in existing employees

- 8.20. Our Local Skills Action Plan 2021/22 contains a detailed analysis of the current sectoral skills challenges faced by employers, following significant input from the LEP's Sector Boards and Chairs.
- 8.21 Colleges, training providers and universities will be asked to respond to these priorities in terms of their provision to ensure that the needs of employers are being met.
- 8.22. There are a number of common areas around digital skills, leadership and management and change management where cross- cutting work will be undertaken to identify needs and capacity.
- 8.23 The following tables summarises the sector requirements of our priority growth sectors. More background information relating to the sectors- their needs, and the opportunities within them is provided in the Sector section of our Local Skills Action Plan.

⁴⁰ Source: ONS GVA 2019, BRES 2020 & Business Units (inc. Local Units) 2020

SECTOR SKILLS NEEDS SUMMARY (MARCH 2021)

VISITOR ECONOMY	HEALTH AND SOCIAL CARE
<ul style="list-style-type: none"> • Digital skills- to help deliver the services that will build back consumer confidence • Support for people who lose their jobs or businesses, finding creative ways of supporting them before then re-engaging people into the workforce • Team based skills:(customer service; presentation skills IT; • Business awareness; attention to detail; resilience; multi- tasking; and • Long term skills issues such as Chefs, front of house staff 	<ul style="list-style-type: none"> • Healthcare practice managers; • Residential, day and domiciliary care managers and proprietors; • Dispensing opticians; • Pharmaceutical technicians; • Medical and dental technicians; • Health associate professionals; • Nursery nurses and assistants; • Nursing auxiliaries and assistants; • Dental nurses; • Senior care workers • Nursing staff and Nursing Skills as part of diversifying the workforce • English and maths skills

LIFE SCIENCES	DIGITAL AND CREATIVE
<ul style="list-style-type: none"> • Digital, computational and statistical literacy; • Leadership skills; • Communication skills; • Translation and commercialisation skills; • Skills updates to reflect technological and regulatory change; • Skills for cross-team and cross-disciplinary working; • Identifying and promoting entry- level opportunities • Succession planning for an ageing workforce; • Promotion and facilitation of agile careers; • Holistic sales and marketing skills; • Data analysis and interpretation (within Laboratory Technician Roles); and • Cyber security 	<ul style="list-style-type: none"> • MS Office Suite, especially MS Excel; • Website design, build, programming; building databases and systems including AI capabilities; • User experience - development, design and research; • Search Engine Optimisation and Payment per Click – online promotion, optimisation planning and execution, analytics; • Content creation – content planning, copywriting, photography / videography, storyboarding, scripting and editing, platform management; • Social Media – paid and organic, campaign design, execution, development and evaluation; • Graphic Design – Adobe skills, InDesign, Photoshop, Illustrator etc.; • Business to Business Skills: communication: management of and working with clients- assertiveness; planning; and attention to detail. • Cloud & DevOps, • Content management and marketing technologies • Administration and management; • Service delivery management; and • Web technologies and support services, Software Engineering, Product Owners/Managers and Digital Transformation.

PROFESSIONAL AND BUSINESS SERVICES	MARITIME AND LOGISTICS
<ul style="list-style-type: none"> • Upskill existing employees to meet new ways of working; • Change management and cultural change skills; • Enhanced digital and data analytical skills- such as artificial Intelligence and digital processing, establishing how best to integrate new skills within traditional methods • Entrepreneurship • Critical thinking and complex problem solving, effective communication, creativity and collaboration; • Improve competency in business and personal resilience 	<ul style="list-style-type: none"> • Engineering skills-including the increased use of robotics, automation and data management- (cross-over areas of the advanced manufacturing sector); • Low Carbon and decarbonisation skills (logistics); • Digital skills (existing workforce) responding to the huge rise in e-commerce trade; • HGV and other distribution vehicle drivers • Retraining in new customs documentation and other requirements necessitated by being outside of the EU (Rules of Origin, Regulatory • An ageing workforce: succession planning management and leadership skills; Identification of entry level and progression opportunities to promote a more diverse workforce; • Improved communication of the varied career opportunities to attract and retain new entrants, especially the maritime sector to address historical views of what the sector does and how it works; • Work -readiness and employability (attitudes); and • More flexible and modular learning that includes analytical and communication skills.

ADVANCED MANUFACTURING	CONSTRUCTION
<ul style="list-style-type: none"> • Leadership and management skills that also includes change management; • Digital Skills- and the ability to interact with technology -robotics • Improved communication of the many varied career opportunities-especially to young people in school or in learning 	<ul style="list-style-type: none"> • Glaziers; • Bricklayers (time-served); • Painters and decorators; • Civil Engineers; • Surveyors; • Wood Trades and interior fit-out; • Construction Project Managers; • Design managers, floor layers and electronics; • Electricians; and • Heritage Construction skills which can be linked in particular to place-based specific regeneration activities locally. • Improve the quality and sustainability of apprenticeships

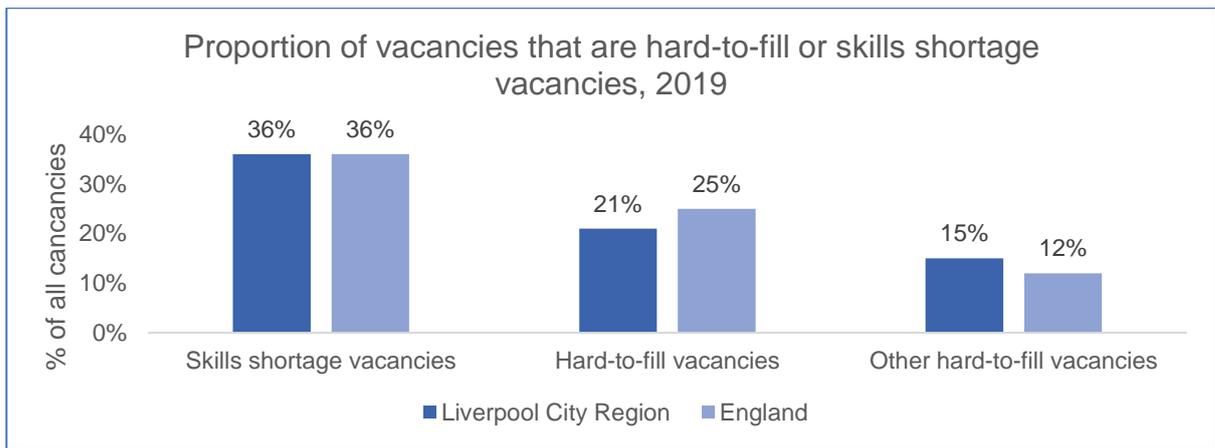
GREEN JOBS	EMPLOYABILITY
<ul style="list-style-type: none"> • Increase the number of young people entering and progressing in sectors characterised by Green Jobs; • Capitalise on changing trend towards Low Carbon energy efficiency; • Improve workforce skills in line with individual sector and job level needs; • Raise awareness of Low Carbon economy drivers across the wider workforce (what it means for businesses and those in employment in these businesses); • Science, research, engineering and technology professionals; • Skilled metalworkers; • Electrical and electronic trades; • Skilled construction and building trades; • Process, plant and machine operatives; and • Elementary trades and related occupations. 	<ul style="list-style-type: none"> • Reliability; • Timekeeping; • Trustworthiness; • Problem solving; • Working as a team; and • Workplace communications and manner <p>Additional support needs include</p> <ul style="list-style-type: none"> • Resilience; • Mental and health and wellbeing; and • Coaching and mentoring support

9. LOOKING FORWARD- CONCLUSIONS

- 9.1. This section brings together and assesses the evidence base and analysis detailed in the earlier sections. In so doing, it must consider the needs and opportunities from the perspective of both employers and individuals, and in the context of the Liverpool City Region economy and our local communities.
- 9.2. Our ongoing analysis must therefore seek to assess and form judgements in a number of areas, including:
- Is provision meeting the needs of employers and individuals?
 - Is there sufficient choice or not enough choice in terms of both learning and employment opportunities that addresses the key skills issues locally?
 - What actions need to be prioritised to address our long- standing skills issues as well as enabling us to respond to the immediate needs- such as those brought about by the COVID-19 pandemic?
 - Is skills provision in the Liverpool City Region delivering the right types of qualifications, at the right level and in the required Sector Subject Areas to meet the needs of particular learners and employers?
 - Is provision delivered in accessible locations, at the right time and utilising appropriate ways of delivery- such as maximising the benefits of technology in fair and accessible ways?

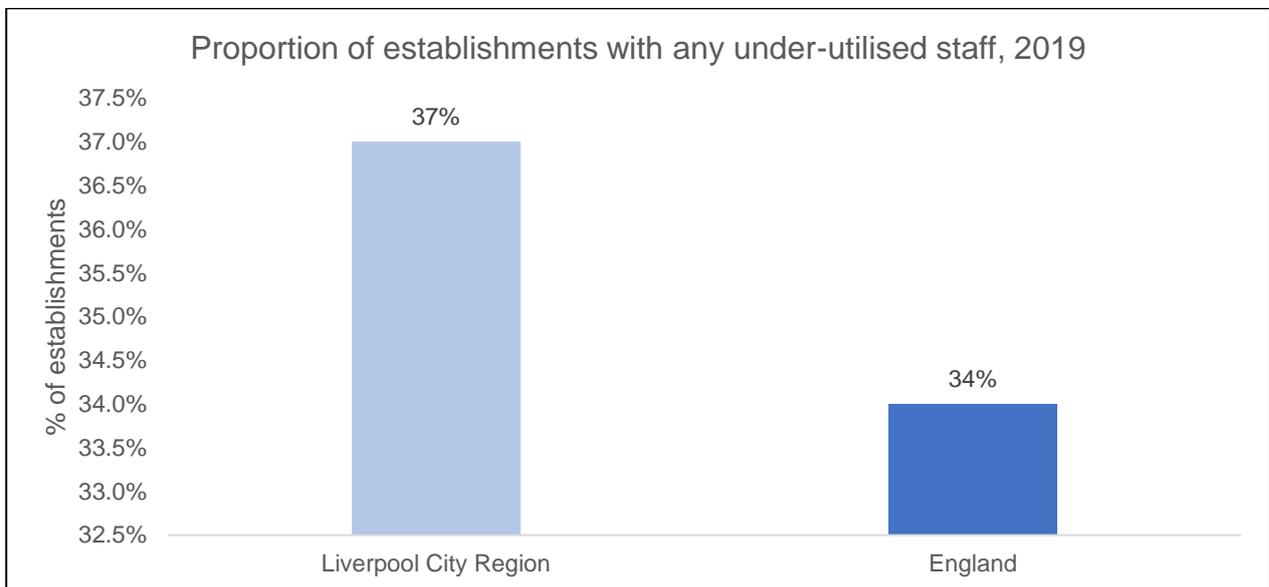
National Employer Skills Survey (2019, published 2020)

- 9.3. Evidence from the National Employer Skills Survey suggests that our local employers are experiencing similar pressures to those experienced by employers nationally in recruiting the skilled staff that they require. Whilst we must caution against comparing the results of the latest national survey with that of our own local employer skills survey of 2017 for a number of reasons (timing; sample size; methodology etc.), the number of hard to fill vacancies and skills shortage vacancies remains a significant barrier for employers. Our estimates at the time of our employer skills survey suggested that there are over 194,000 current workers lacking the necessary skills for their job. That said, of those employers questioned locally, more than 20 percent said that they had taken no action to address their skills needs. Further work needs to be undertaken to understand why this is the case and identify solutions to support more businesses to invest in the skills of their staff.



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9.4. The 2019 National Skills Survey also suggests that there are significant numbers of employer establishments that have employees who have skills underutilised in their job roles, as the chart below indicates.



9.5. Feedback from our Employment and Skills Board suggests that this may be increasing further due to the impact of the pandemic; people with more qualifications and transferable skills are accepting roles for which many are seemingly overqualified and receiving wages that are lower than they may have received previously. As the economy recovers, this may result in a greater degree of volatility in the labour market with increased attrition rates as employees move from one employer to another.

Summary conclusions

9.6. The summary conclusions to be taken from this evidence review are:

- **Employment gaps still** exist with national levels and, without appropriate interventions, the pandemic has the potential to very quickly undo much of the progress that has been made;
- Particular groups in the labour market will be at risk of further exclusion from securing regular and meaningful work. This is especially true of **young people aged 18-30** entering the labour market for the first time and /or without an

⁴¹ DfE, National Employer Skills Survey 2019



employment history that subsequently makes them relatively less attractive to employers;

- Both survey evidence and local employer feedback suggests that there are significant numbers of people in job roles where their **skills are not fully utilised**;
- **Upskilling** becomes ever more critical as many of the jobs most at risk from automation and digitalisation are at entry level /in elementary occupations as well as in industries critical to the City Region’s economic performance;
- The **claimant count** surged from April 2020, with 70% more people making claims compared to the start of the year. Despite a slightly slower growth rate compared to the national average, the number making claims, 7% of 16-64 year-olds, has not been seen in decades. The number of Universal Credit claimants (in and out of work) as at January 2021 was nearly 180,000, whilst the number of claimants “searching for work” on UC (Jan 2021) was 65,700 Individuals
- Supporting **young people** with no or relatively little experience of the labour market will be a key priority 16-24 Youth Employment stands at 0.7% (March 2021) equating to 11,000 Individuals;
- Some sectors are actively recruiting due to strong demand for their products and their services; **reskilling and upskilling** will enable those who have lost their jobs to move back into employment quickly to support businesses to meet customer demand;
- Despite the progress made at narrowing the employment gaps across particular groups of the population, gaps and variations do exist, particularly for those with disabilities and those from a non- white ethnic background;
- **Health continues to remain a significant barrier** to work for many of our residents and a barrier to increasing overall productivity; because of long-term sickness. Of those who are economically inactive, 30 per cent of residents cite long-term health conditions; the precise and longer-term impact of COVID-19 on health locally will unravel over the months and years ahead;
- **Sector Skills Shortages and Skills Gaps must be identified**, communicated and addressed in order to meet the needs of employers and improve our competitiveness. There is a need to develop our understanding further as to *why* these shortages and gaps exist and in particular if there are specific qualifications or delivery approaches that prevent needs being met. Qualitative evidence from local employers and partners suggests that awareness of the job roles within and entry points into particular sectors is making it difficult to attract new entrants, and young people in particular;
- Liverpool City Region continues to have a number of long-standing skills challenges that our devolved Adult Education Budget (AEB) provision can help to address. A significant percentage of our AEB funding supports the delivery of **national entitlements** and with the introduction of the **digital entitlement** and in 2020/21 this is expected to increase. The vast majority (circa 70%) of programmes undertaken are below Level 2 which reflects the local labour market need to upskill our adult population. Our published approach to managing this delivery has enabled us to secure **delivery in all Sector Subject Areas that address our local growth and priority skills areas.**
- Through the National Skills Fund developments, and working within our devolved AEB, we need to maintain our work with Government, supporting the extension of free Level 3 courses for adults who don’t have A level or equivalent qualifications to continue to address the skills gaps at all levels locally.
- Progress is being made to ensure that more people are securing **apprenticeships at Level 3 and above.** There remains a need to focus on ensuring that we are able to provide more apprenticeships and in a more diverse



range of sectors and occupational areas as well as ensuring that young people are still able to progress from Traineeships into the programme.

- Working with our Colleges and other providers there is a need to enhance and **further develop technical skills provision at Levels 4 and 5** and in particular supporting more people who have studied STEM skills into employment.

APPENDIX 1:

SKILLS STRATEGY: ACTIONS PROGRESS REVIEW (SUMMARY)

Introduction

Chapter 6 of this document sets out how, in line with national guidance, that our existing ESB will be the Skills Advisory Panel (SAP) for the Liverpool City Region. This Board will assume the role and functions of the SAP accordingly having restructured and strengthened further its membership and refined the Terms of Reference to be SAP compliant.

As that section indicates, this Local Skills Report and our Local Skills Action Plan is produced within the new SAP framework. However, this report and action plan builds on our ongoing work to deliver a set of actions designed to address the priorities and outcomes of our Skills Strategy 2018-2023 and overseen by our Employment and Skills Board. We review progress against the priorities of our Skills Strategy on an annual basis and adjust our responses accordingly. Regular progress is also shared throughout the year with our Board and wider stakeholders.

Throughout the narrative, we have sought to indicate and contextualise our progress against the employment and skills metrics and evidence base, and this helps drive skills interventions and our programme of delivery interventions (see Annex B).

This section therefore details a summary review of progress against the key actions (20/21) designed to secure the outcomes of our Skills Strategy and address the employment and skills needs as determined by our assessment of the evidence of need.

Actions Progress Review

Improve attainment in English, maths, digital and work readiness

- Primary school to secondary school transition: Liverpool City Council have now adopted a common transfer approach which has been used for the first time this year;
- The LCR School Support Steering group has been established to identify key priorities for schools and the potential to add value to ongoing work;
- AEB: protected delivery of Adult Community Learning for year 2 including maintaining funding levels and rolled forward ESOL and maths and English test and learn pilots into year 2;
- LCRCA residents age 19 can access AEB and statutory entitlements and we will ensure full funding for a first level 2 and level 3 qualification; and
- T Level preparedness has continued: LCR will see c.540 learners enrolled onto a T Level qualification by September 2022.

Raise working age employment rate and improve the proportion of good quality jobs

- Partners have continued to successfully deliver the Households into Work (HIW) and Ways to Work Programmes as part of coordinated and joined up approaches; these have been refined to address the potential impact of COVID-19 e.g. HIW has been invited by JCP to make referrals to a service it has recently commissioned which can provide IT equipment and broadband to eligible people;

- Implementation of more than £3m of investment to in Supported Internship projects to support people with learning disabilities to develop work experience;
- The LCR Fair Employment Charter: final consultation has taken place ahead of the launch in February 2021.
- A Youth Task Force has been established overseeing a virtual and digital offer and the establishment of physical hubs across the City Region to provide employment and skills support for young people. Merseyside Youth Association is one of 2 national demonstrator sites. The website support area was operational by the end of 2020.

Higher productivity and fewer skills shortages in Growth Sectors

- Digital Skills bootcamp funding: £1m has been received from Government to test an alternative model for developing work relevant digital skills.
- Launched Careers in a Box for schools and a range of careers materials was developed and rolled out within schools. Additional resources have been developed by the Growth Platform to provide further support for individuals to be aware of career and job opportunities;
- Established Science Industry Partnership (SIP): SIP Liverpool Plus is adding value to the skills needs of the sector; engaging new companies; working to increase apprenticeship opportunities and opening up new collaborations for STEM and careers outreach.

More effective workforces and fewer local recruitment difficulties across all employers

- £3.5m Graduate Employment project implemented to improve graduate employability and to work with employers locally to encourage them to take on graduates; and
- £2m Entrepreneurship Skills project implemented to support entrepreneurs in developing their skills and potential to grow their businesses.

Employers are investing more in the skills of their workforces

- Ongoing work with SIP members to facilitate Apprenticeship levy transfer support and sector and company specific pilot projects; and
- Implemented a £2.5m Leadership and Management development project, focusing on organisations of between 20 and 50 employees.

Simplifying the skills system, including capacity building

- Since the COVID-19 pandemic, local intelligence has been vital to ensuring that young people, especially those at risk, engage and progress in learning; this included supporting access to essential IT equipment and data.

Apprenticeships

- More than £4m has been invested in a Skills and Apprenticeship brokerage service;
- More than £1.6m of levy transfer support has been secured by the Skills Brokerage team, supporting more than 200 apprentices and including over £600k in Health & Social Care; and
- Established a redundancy support and matching service to support apprentices back into employment



ANNEX A- CORE INDICATORS

(See Separate Annex A Document Online)

ANNEX B – EMPLOYMENT AND SKILLS PROGRAMMES SUMMARY

Programme	Delivery	Focus	Funding	Description
JETS	Ingeus	3 months plus unemployed	£238m nationally	JETS will offer a range of help, including specialist advice on how people can move into growing sectors, as well as CV and interview coaching.
Restart	Due to be in place in Summer 2021.	12 months plus unemployed	£2.9bn nationally for 3 years	Targeted 1:1 support for people who are some way from work with training, bespoke provision, mentoring and guidance.
Work and Health Programme	Ingeus	24 months plus unemployed or with a health condition	£130m nationally per year	Additional intensive mandated 1:1 provision for long term unemployed people but optional if have a health condition.
Ways to Work	Councils	Unemployed people	ESF	Open access bespoke employment support provision for 16+, with limited access to funding for temporary jobs.
Positive Directions	The Growth Company	Unemployed people with a mental health condition	ESF	Targeted jobsearch support coupled with support to enable improvements in mental health
Talent Match Plus	Merseyside Youth Association	Unemployed young people 16-24	ESF and BLF	Intensive 1:1 employment, mentoring and therapeutic support for young people some way from work
Supported Internships	Salvation Army / Councils	Young people with LDD	ESF	Support and paid internships for young people with Learning Disabilities and Difficulties
New Horizons	The Women's Organisation	People some way from work	ESF	Mentoring and jobsearch support for people who are some way from work, delivering through network of CVS organisations

Programme	Delivery	Focus	Funding	Description
Households into Work	CA plus Councils	Households with people who are some way off work	ESF and SIF	Flexible and personalised support for people who are a fair distance off work and with more than one person in households
Kickstart	Lots	16-24s more than 6 months unemployed	National	Creation of 6 month temporary jobs
Graduate	LJMU and UoL	Unemployed graduates	ESF	Targeted jobsearch support for graduates with some paid employment internships
Be More Skills Support	CA	Skills support for companies	ESF and SIF	Co funding support for employers towards training for staff
Digital Skills Bootcamp	CA	People & employers needing digital skills	DfE	Funding support for digital skills
Skills entitlement	Colleges and training providers	People without essential skills	AEB	Free training to get GCSE English and Maths and essential digital skills
Apprentice incentive	Training providers	Employers creating apprenticeships	DfE	£2,000 to support creation of apprenticeships up to 31 March 2021
Traineeships	Training providers	16-24s who are not in education or work	DfE	Flexible provision of English & Maths, vocational training and work experience
Entrepreneurship training	Enterprise Hub	Entrepreneurs	ESF	Additional focused skills development and training for new entrepreneurs
Leadership & management	LJMU led consortium	Employers	ESF	Targeted leadership and management training for smaller employers (20+ employees)
Include IT	VOLA	People who need digital skills	ESF and BLF	Flexible and responsive digital inclusion training delivered by CVS organisations
Better Off Finance	The Women's Organisation	People who need financial advice	ESF and BLF	Flexible financial advice and support provided by CVS organisations
Grants to Community Organisations	WEA	Small community organisations	ESF	Provision of grants of up to £20k to community organisations to support development, delivery and job creation

Programme	Delivery	Focus	Funding	Description
New Futures	VOLA / Greenbank	NEET	ESF	The programme offers support to people who are aged 16 – 24 and NEET or are at risk of becoming NEET.
HMPPS CFO Activity Hub	HMP Prison & Probation Service	Ex-offenders	ESF and MOJ	Support for ex-offenders
BE MORE Apprenticeship COVID-19 Support	CA	Apprentices made redundant or at risk of redundancy	ESF and SIF	To help support redundant apprentices to find a new suitable apprenticeship vacancy and new employer or explore college and other relevant learning options.



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(March 2021)