



**LIVERPOOL
CITY REGION**



**LOCAL
SKILLS
REPORT**



2022-23

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Our draft 2022/23 Local Skills Report, Skills Action Plan, and other associated documents (such as Annex A- Core Indicators) have been developed in line with Department for Education (DfE) guidance and have been shaped and informed by our Employment and Skills Board (discharging the functions of our Skills Advisory Panel); council officers and elected members and other key stakeholders.

These documents will be presented to the next available meeting of the Liverpool City Region Combined Authority on 4th March 2022.

As such, they will remain DRAFT until such time as they are approved formally and therefore may be subject to modification.

1. FOREWORD AND INTRODUCTION

When our Local Skills Report, and Action Plan was published in March of 2021 it was against a background of the Government's 'Step 1' easing of COVID-19 restrictions, and one of the most socially and economically challenging periods that the United Kingdom has experienced in decades.

Within the introduction to our 2021/22 Local Skills Report and Skills Action Plan, we were pleased to focus on opportunities for 'building back better', and to reflect on the substantial progress on economic growth. Our City Region was performing well: increases in employment, and decreases in unemployment and economic inactivity, had seen the City Region achieve the highest growth in employment in the country over the last five years. There had been a dramatic rise in the number of economically active residents, particularly since 2014, and the unemployment rate had reduced from 10% to less than 4%.

Prior to the health pandemic, our economy was adjusting (and continues to adjust) to our exit from the EU.

Whilst our businesses face continuing pressures to adjust to the new challenges- locally, regionally, nationally, and internationally, as well as the longer- term effects of the health Pandemic, the signs that our economy has retained its strong foundations for growth, and one that will provide good quality jobs for our residents, are encouraging.

We must not and will not, be complacent. A key driver of a successful and thriving City Region, is the ability of businesses and organisations to recruit, retain and develop a skilled and diverse workforce: ensuring that more people in the workforce have the skills, experience and, importantly, good health, to participate in the labour market is critical to our success.

The United Kingdom as a whole now has more than a million fewer people in the labour force than it had prior to the Pandemic, and LCR is not alone in having to be agile and responsive in implementing actions to address our key labour and skills shortages: our mobilisation of partners to secure additional financial support from Government- such as Digital Skills Bootcamps and further focussed support for key sectors such as Construction and Health and Care- are two examples of how we can work successfully together to address our employment and skills challenges, responding to the opportunities for growth and success.

We will continue our work to better connect businesses with the current and potential workforce, and the workforce of the future- getting more businesses involved in defining skills needs and influencing the provision that is put in place to meet their needs.

Skills programmes must be tailored to support the needs of the people receiving the support as well; newly unemployed people locally with in-demand transferable skills will be supported back into work quickly, whilst those who are further away will be supported to ensure that they are not displaced and pushed further back. Upskilling and reskilling becomes increasingly critical to the City Region's resilience and success.

Despite the ongoing challenges and uncertainty, City Region partners remain focussed and unwavering in our ambitions to deliver successful social, and economic outcomes for our residents and businesses- underpinned by our desire to secure prolonged and sustainable health and environmental benefits, and as part of our commitment to NET ZERO.

Our 'Plan for Prosperity' is focussed on delivering a Fairer, Cleaner and Stronger Liverpool City Region, and will provide a long-term economic and place-based vision for the City Region over the next decade and beyond; relevant and impactful employment and skills provision will form a key pillar of these proposals.

Since we published the original Local Skills Report and Action Plan last year, the Employment and Skills Board have worked to ensure that as a collective partnership we challenge and support each other to deliver the actions required to make a difference.

We were the first Mayoral Combined Authority in the country to set up a Kickstart Vacancy portal that brings thousands of vacancies on a weekly basis together in one place for young people aged 16-24, with additional job search resources available for individuals. We have also launched our LCR Jobs website in response to the recruitment difficulties faced by our local employers and to promote the thousands of vacancies that are available as our economy moves to recovery and growth; and we continue to deliver innovation through our devolved Adult Education Budget (AEB) which has supported our skills infrastructure to remain responsive and financially resilient, enabling thousands of individuals to continue learning throughout the pandemic

We remain committed to working collaboratively with Government to maximise the outcomes from their investment in our region to the benefit of residents, businesses, and communities. Our Skills Action Plan has been updated to reflect our progress, challenges and new opportunities.

Liverpool City Region is well- placed to respond to new challenges and new opportunities, build on approaches and programmes that we know will work, and to deliver an inclusive City Region where levelling up means that nobody, and no place, is left behind.

January 2022.

2. INTRODUCTION AND OVERVIEW OF SKILLS ADVISORY PANELS

Skills Advisory Panels: the national context

Since 2018, Skills Advisory Panels (SAPs) have been bringing together employers, skills providers and key local stakeholders to better understand and resolve skills mismatches at a local level.

SAPs are part of Mayoral Combined Authorities and Local Enterprise Partnerships and there are 36 in total across England. The Department for Education (DfE) has supported SAPs with grant funding primarily to produce high-quality analysis of local labour markets and publish Local Skills Reports, which set out the local skills strengths and needs and how the SAP proposes its area addresses its key priorities.

This second iteration of SAPs' Local Skills Reports comes at a time when DfE is Trailblazing new Local Skills Improvement Plans (LSIPs), in eight areas of the country. Developed by Employer Representative Bodies, LSIPs are part of a suite of reforms launched in DfE's "Skills for Jobs" White Paper that aim to put employers more firmly at the heart of the skills system.

An evaluation of the eight Trailblazers will inform the national roll out of the programme. In the meantime, and before LSIPs are rolled out across the country, it is DfE's intention that Skills Advisory Panels and this Local Skills Report should continue to influence the behaviour of local partners and feed intelligence to central government, including to sectoral focussed skills teams and the national-level Skills and Productivity Board (SPB).

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 £33bn economy, serving 1.6m people: of these, 979,500 are of working age (16-64 years). Currently there are 658,200 jobs and 71,500 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 19% 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. COVID-19 has had a large negative impact on our economy, and whilst our economy has started to recover: as of the summer of 2021 it was estimated to be 3% smaller than it had been at turn of the year. Given LCR's sectoral composition our area experienced a larger fall in output in the earlier stages of the pandemic, with output in April 2020 reaching an estimated 74% of January 2020 levels.
- 3.4. Prior to the pandemic, we recognised 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. The labour market in particular has become more complex and volatile with employers unable to recruit the staff that they need whilst there is a real danger that some individuals, especially younger people without work experience, may become more marginalised.

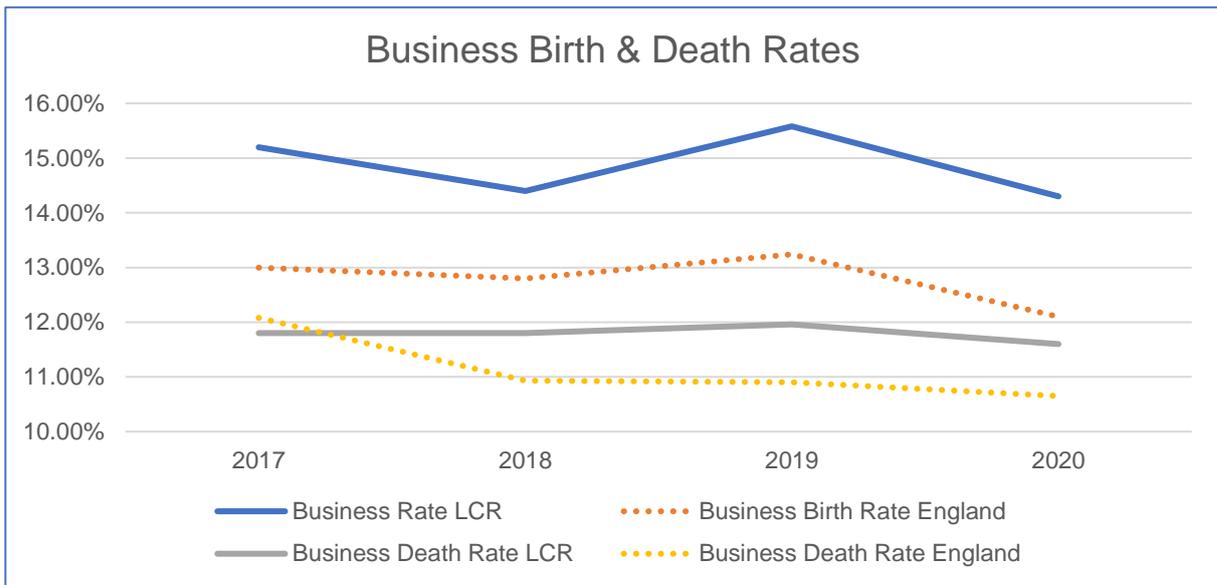
Economy and business base

- 3.5 Liverpool City Region is a £33bn economy as measured by gross value added (GVA). In the last decade, and prior to COVID-19, we added over £2bn to our economy in real terms. However, our productivity (GVA per hour worked) has been consistently below national levels in recent years; LCR workers produce on average £31 of GVA per hour worked, £3 (8%) less than national averages. The productivity gap with the UK is caused by both a higher prevalence of low productivity sectors, and lower within-sector productivity.
- 3.6 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,

¹ LCR Office for National Statistics, NOMIS September 2021

also play a key role in the LCR economy and continue to add economic and social value. 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.

- 3.7 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 been reducing since 2017.



- 3.8 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 Units	Size			
	Number	Proportion	Amount £bn	Proportion		0-9	10-49	50-249	250+
Whole Economy	637,000	#	32.8	#	53,810	82.2%	14.0%	3.3%	0.5%
PRIORITY SECTORS (figures below will not total the whole economy)									
Manufacturing	48,000	7.5%	4.0	12.3%	2,635	73.8%	19.4%	5.7%	1.1%
Advanced Manufacturing	22,000	3.5%	2.6	8.0%	685	65.7%	21.2%	10.2%	2.2%
Health & Life Sciences	121,000	19.0%	4.6	14.1%	3,815	57.7%	33.6%	7.6%	1.2%
Digital & Creative	22,000	3.5%	2.1	6.4%	4,020	91.5%	6.8%	1.4%	0.2%
Port & Logistics	36,000	5.7%	1.9	5.8%	3,760	88.7%	7.2%	3.5%	0.7%
Built Environment	31,000	4.9%	2.4	7.2%	7,675	92.1%	6.6%	1.2%	0.1%
Financial, Professional & Business Services	98,000	15.4%	4.4	13.4%	11,205	89.6%	7.9%	1.9%	0.6%

Source: ONS GVA 2020, BRES 2021 & Business Units (inc. Local Units) 2021

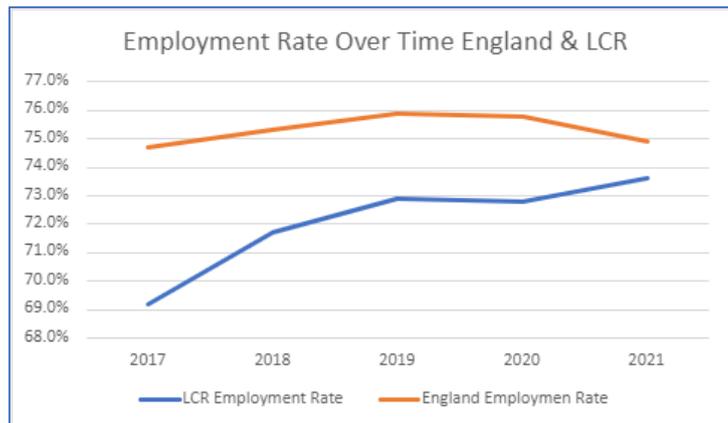
- 3.9 Liverpool City Region has traditionally benefitted from a large public sector, which has provided significant employment opportunities at all skills levels. A strong, healthy

and resilient public sector also provides an opportunity for innovation and leadership and collaborative partnerships between the public and private sector. Public sector anchor organisations and their partners have been a cornerstone of LCR’s response to the COVID-19 pandemic.

- 3.10 There has been recognition for the need to secure an economic rebalancing, with a much higher proportion of public sector jobs in the City Region than nationally. The intention is that private sector jobs growth can deliver high value jobs and increased GVA, and thus reducing the dependency on public sector employment.

Employment, Unemployment and Economic Inactivity

- 3.11 The growth in the Liverpool City Region’s economy has resulted in positive impacts on employment levels and incomes. Our employment rate now stands at 73.6%, compared to an England rate of 74.9%. Our rate has increased by 4.4% since 2017 and we are continuing to narrow the gap between LCR and the national employment rate.



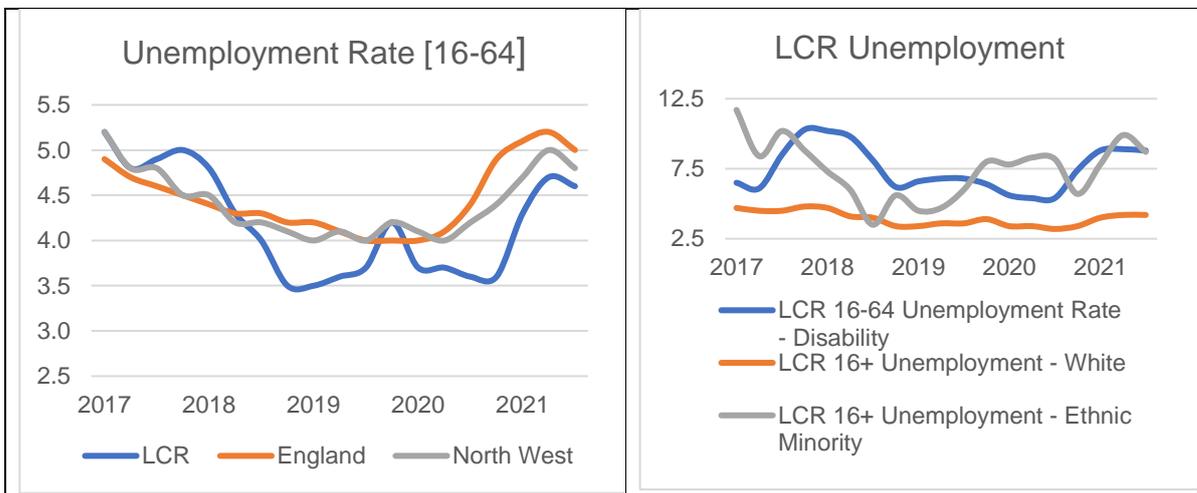
- 3.12 Progress has been made in narrowing the employment gaps for some groups: Male employment rates are above the overall rate for the City Region and all other groups, and progress to narrow the gaps for those with a disability and/ or learning difficulty appears to be being maintained. That said, gaps remain in the unemployment rates for particular groups, and there appears to be an effect brought about by the COVID-19 pandemic both in terms of the female employment rate and the rate for those from a non-white ethnic background; good progress prior to the pandemic was being made. It remains the case that 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.

- 3.13 However, there remain a number of groups which have gaps to the overall employment rates where more work is needed. In particular, females have experienced more of detrimental effect in the labour market over the past 12 months compared to males:

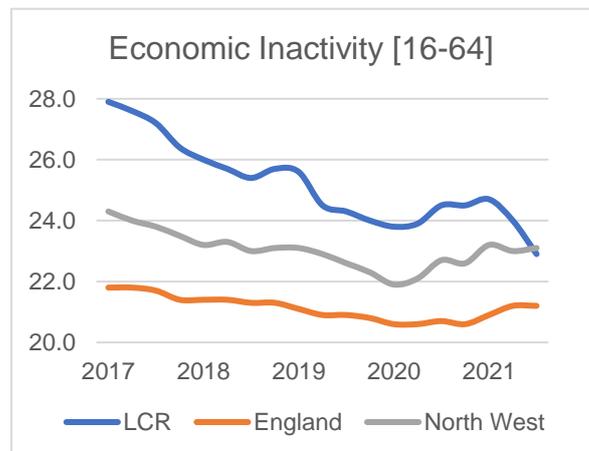
16-64 Employment Rate Gaps	Liverpool City Region	England	Gap 2021 [Sep '21]	Gap 2020	Gap 2019	Gap 2018
Overall	73.6%	74.9%	1.3%	2.8%	3.1%	3.7%
Males	76.4%	78.4%	2%	2.3%	3.4%	5.2%
Females	70.9%	71.5%	0.6%	3.1%	2.8%	2.2%
Minority ethnic	71.3%	67%	-4.3%	6.2%	9.8%	3.6%

16-64 Employment Rate Gaps	Liverpool City Region	England	Gap 2021 [Sep '21]	Gap 2020	Gap 2019	Gap 2018
People with a disability	51.4%	56%	4.6%	7.7%	5.8%	8.9%

3.14 Prior to COVID-19, considerable progress has been made in reducing the level of unemployment. Unemployment had fallen significantly from 6.2% in 2004, to a recent low 3.7% in 2019: however, the impact of the pandemic and associated economic downturn have caused recent instability, although our rates continue to be below both national and regional comparisons. As of September 2021, the current unemployment rate in LCR for 16-64 year-olds is 4.6%, lower than the 5.0% national average, and the charts below illustrate a degree of volatility when compared to the NW, and England. In addition, more work is required to support people from an ethnic minority background and those who declare as disabled to be able to get into work:
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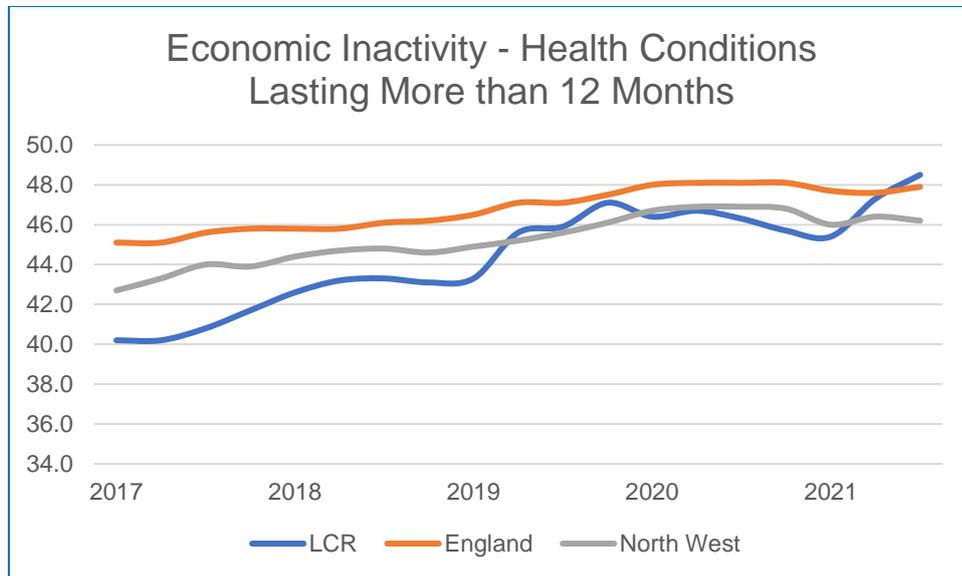


3.15 This trend continues with people who are economically inactive which is now down to 22.9%, a recent low - particularly compared with the pre-pandemic rate in September 2019 of 24.3%. Whilst the trajectory of the overall rate is positive, there are particular groups who require additional focus including people from an ethnic minority background and those who are disabled.



² ONS Annual Population Survey

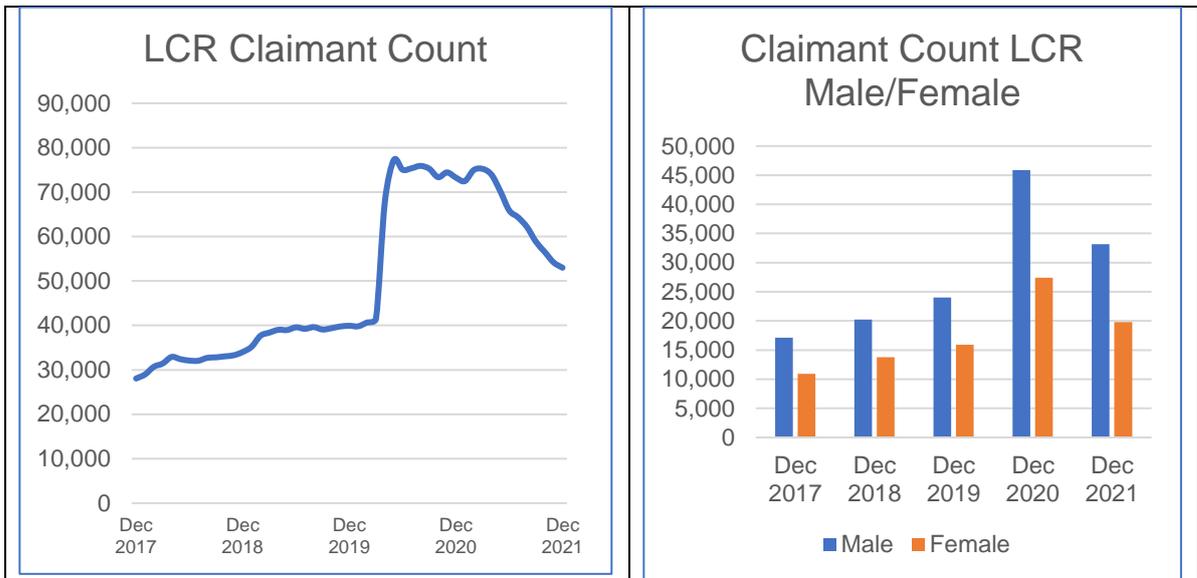
- 3.16 Of particular concern is the proportion of people who are economically inactive due to health conditions and have been so for more than 12 months. Whilst the overall numbers are reducing there is more that needs to be done to integrate health and employment support for such people to ensure that they can be supported into sustainable work.



- 3.17 Although it will be some time before robust longitudinal evidence is available, employers are reporting increased levels of anxiety and poor mental health amongst many people following the pandemic, for those in and out of work. This has significant implications for employers in terms of the requirement for different approaches to recruiting and retaining staff (e.g. terms and conditions advertising; onboarding), for employment and skills programme design and funding; and sustained funding for programmes and activities to allow them to meet the needs of businesses and people.

Claimant count and the ongoing impact of COVID-19

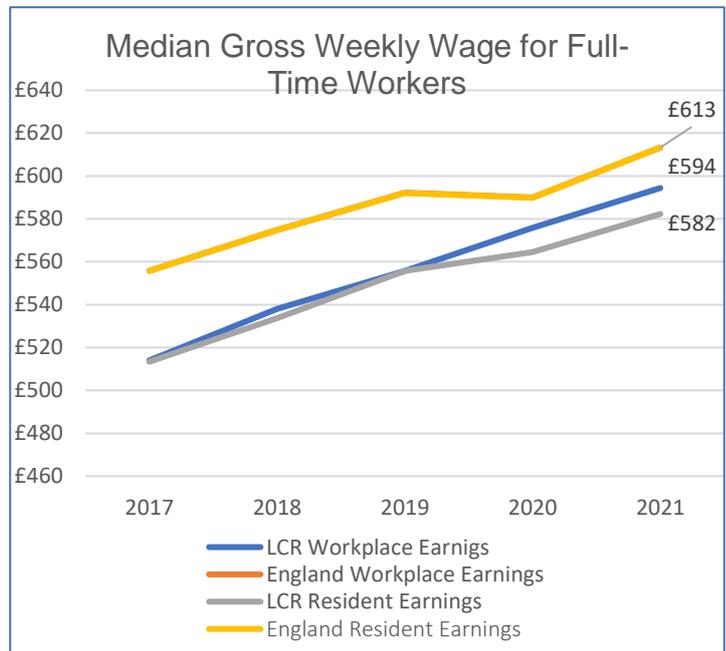
- 3.18 Before the COVID-19 outbreak, the Liverpool City Region claimant count rate (the number of people claiming an unemployment benefit) was already significantly greater than national levels. Following Spring 2020, the rates jumped sharply. Between January and October 2020, the claimant rate grew by 91% in LCR. This was slightly lower than national rates (increase of 125%) but started from a higher base. As of December 2021, the claimant count stands at 53,000. This represents a decline from its 2020 high (over 73,000) but remains higher than the pre pandemic period.



⁴Incomes and Wages

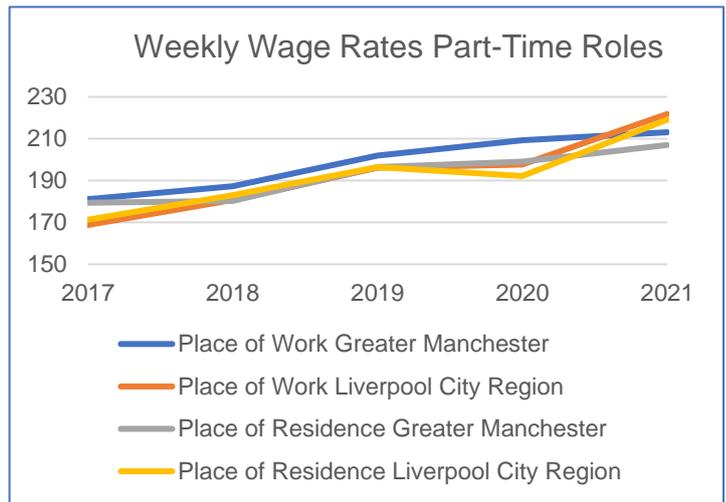
3.19 A growing economy together with the sectoral nature of this growth has meant that there are now more people in employment. Consequently, there has been a growth in median gross weekly wages for those in full-time employment, and particular local residents: in 2019 there was no difference between residents and workers. However, the gap has started to widen again whereby wage levels are lower for LCR residents in work when compared to LCR workplace wage levels.

3.20 On average, LCR residents earn around £29, 499 year and LCR is now ranked 20th out of the 38 LEPs (having been previously ranked 22nd). 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. Wage rates for those in part-time work have continued to grow but wage rates for female workers resident in the LCR continue to lag.



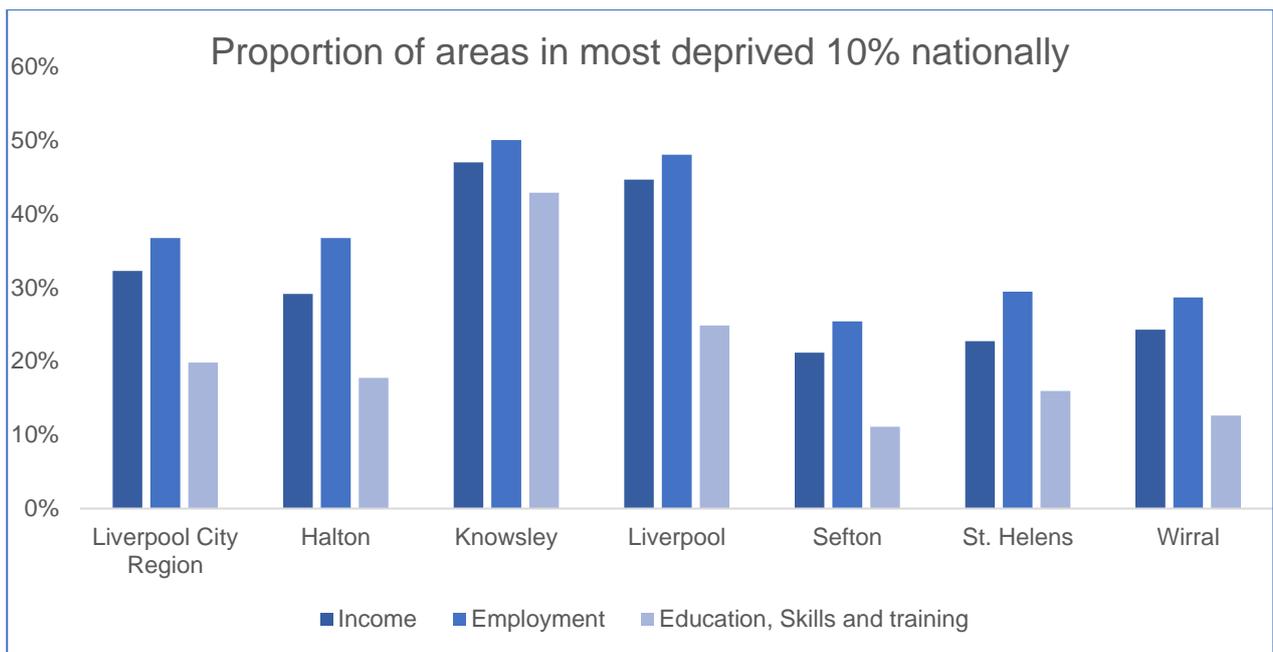
⁴ Department for Work & Pensions, StatXPLORE

3.21 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.



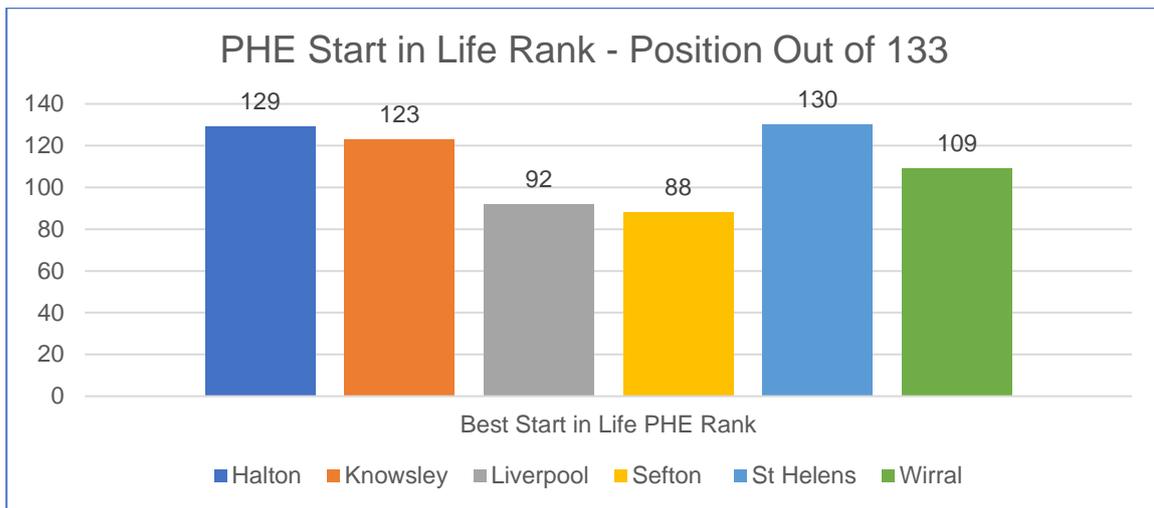
Deprivation

3.22 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.



3.23 Local authorities in Liverpool City Region are amongst the worst in relation to Public Health England’s ‘Best Start in Life’ ranking. All LAs are ranked out of 133, and the majority of LCR’s authorities fall within the worst 10%. The factors within this ranking cover deprivation, inclusive health, protected characteristics and school readiness at a young age. Continued effects of child poverty and wider health deprivation across the region highlights the need to address the wider health needs of the population. Infant mortality rates in many of our authorities exceed the national average and life expectancy across the region remains lower than average for both males and females in every authority.

⁵ Indices of Multiple Deprivation (IMD) 2019

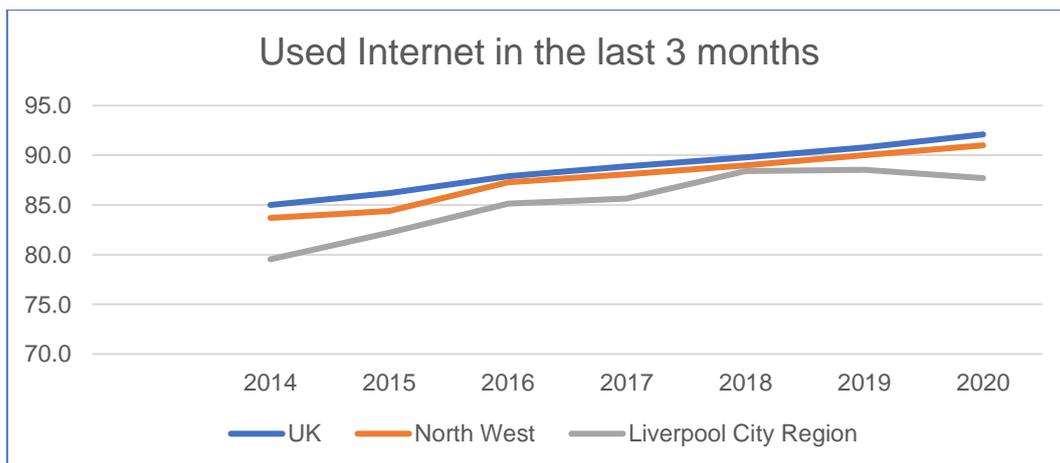


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3.24 Various programmes aimed at tackling these inherent disadvantages are in place across the city region, providing additional support to families in need and working with local community groups to ensure everyone, especially children, have access to the support services they require. However, the core footprint of deprivation across the city region cannot be solved easily if we are to raise the livelihoods, aspirations and health of our residents.

Digital Access and Inclusion

3.25 The COVID-19 pandemic has further exposed the Digital Divide for many of our residents and their need for digital access and the benefits this brings academically, economically and socially. Latest information from ONS shows that Liverpool City Region has a higher number of people not accessing the internet in the last 3 months than either the North West, or the country as a whole, as shown in the chart below. In fact, access has declined since 2018.



3.26 Digital inclusion does not just encompass being able to access devices such as laptops and smart phones at a times when required- e.g. home learning; inadequate digital connectivity and data use access are significant barriers that prevent many residents from accessing education and wider services that they need. The final component of ensuring digital inclusion is equipping people with the digital skills required. AEB providers have throughout the pandemic restrictions sought to provide

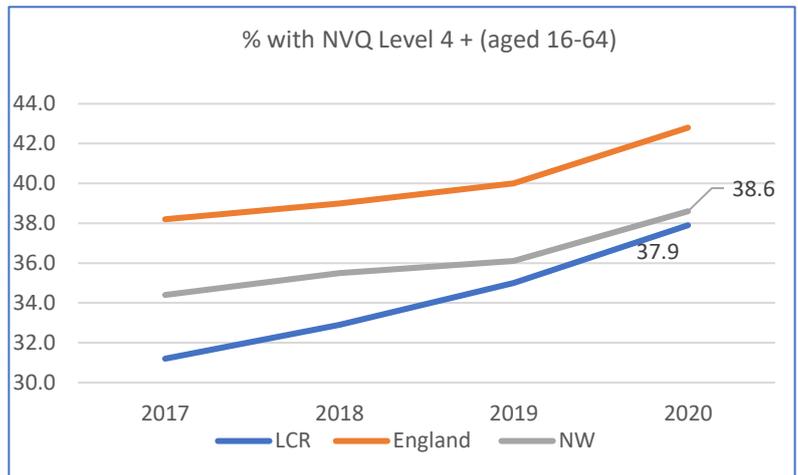
⁶ Public Health England Fingertips, Public Health Data Profile

support to enable both providers and learners to continue engaging in teaching and learning.

- 3.27 Prioritising digital access and inclusion is a key component of our plan for prosperity, and Digital inclusion is now a priority set out in the Combined Authority’s Corporate Plan. LCRCA will work with Government and local partners to ensure that the investments made and measures put in place to better address digital inclusion are built on to ensure sustainable progress.

Qualifications

- 3.28. 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 local areas, 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 England.



- 3.29. The Proportion of the local Working-Age Population with no Qualifications has declined significantly since 2014 and, despite the current economic and learning climate, evidence suggests that the numbers are still reducing.
- 3.30. 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. In order to get to national rates, Liverpool City Region would need to see:

- **47,700** more residents qualified to Level 4 and above;
- **45,000** more residents qualified to Level 3 and above;
- **24,700** more residents qualified to Level 2 and above; and
- **31,900** fewer residents without any qualifications.

A comparison illustrating progress over time is illustrated below

Level	2010 gap to national rates	2020 gap to national rates
Level 4+	66,700	47,700
Level 3+	47,400	45,000
Level 2+	15,800	24,700
Without a qualification	29,300	31,900

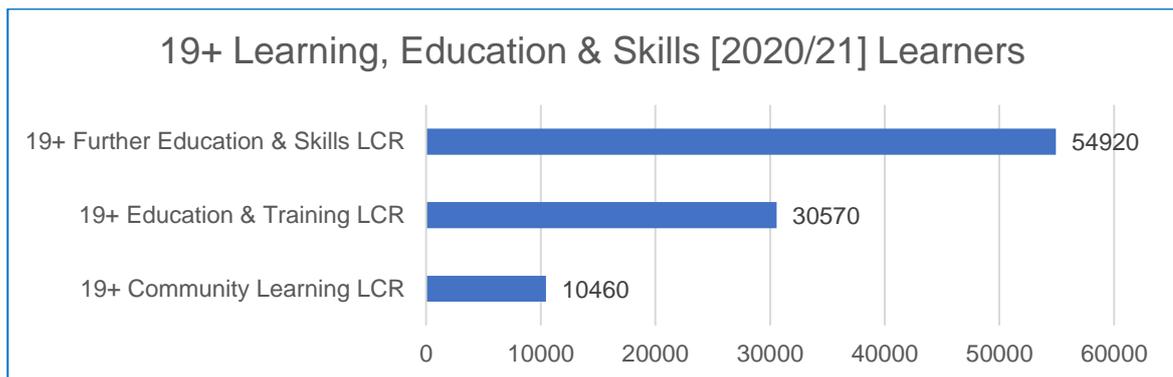
- 3.31. The educational performance of young people within Liverpool City Region has been an issue of concern for many years. There are bright spots of high learning and achievements, but these are too few and far between. Overall attainment continues to underperform compared with national levels, and 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.

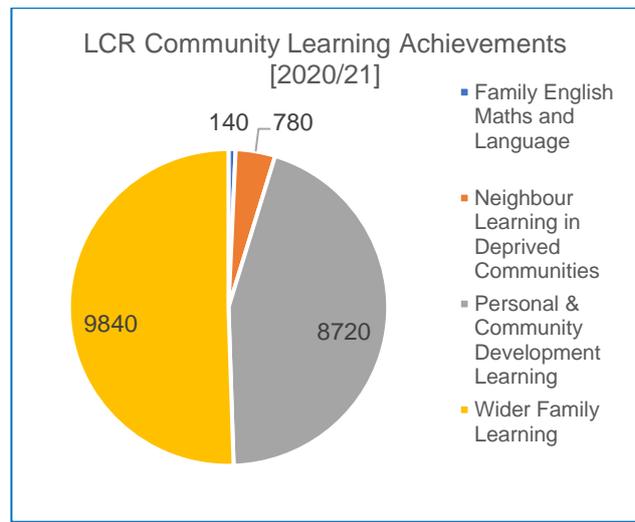
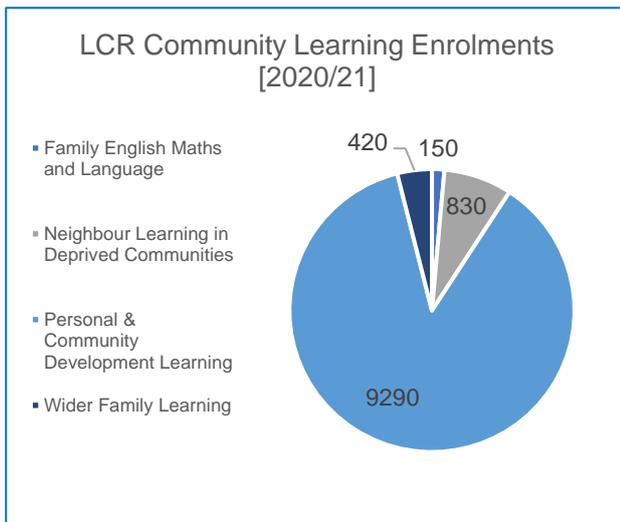
AREA	Pupils Meeting Expected Standard at age 11 [2019]	Key Stage 4 Grade 5+ Inc English & Maths [2019]
Halton	60%	36%
Knowsley	63%	18%
Liverpool	62%	36%
Sefton	63%	36%
St Helens	66%	38%
Wirral	60%	46%
LCR	62%	35%
England	65%	40%

Further Education & Training

- 3.32. 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 and maths. Our website has further details on AEB funding guidance, allocations and other supporting documentation for 2021/22 [Here](#)
- 3.33. Through our local AEB funded Test and Learn pilots, we are also working with some of our 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.



- 3.34. 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.



Apprenticeships ⁷

3.35. Liverpool City Region has a strong history of delivering apprenticeships but has seen a decline in starts over recent years. This is a combination of the COVID impact, plus changes in the way in which apprenticeships are delivered and funded.

	2017/18	2018/19	2019/20	2020/21
Halton	1,030	1,090	870	800
Knowsley	1,360	1,430	1,210	1110
Liverpool	3,430	3,490	2,850	2620
Sefton	2,100	2,060	1,780	1630
St. Helens	1,540	1,590	1,310	1300
Wirral	2,770	2,530	2,020	1990
LCR	12,230	12,190	10,040	9450
North West	58,120	58,280	46,950	45860
England	375,760	389,630	322,500	321440

3.36. 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. Emerging evidence, including discussions with providers, is indicating that many more young people are currently choosing to enrol on classroom based programmes; some young people are discouraged from seeking an apprenticeship due to the potential negative impact on family incomes. Consequently, the pool of young talent available for employers has reduced. Many young people have been affected by the impact of COVID-19 specifically around the lack of work experience.

⁷ Department for Education, Apprenticeships & Traineeships Data

LCR Apprenticeship Starts [All Ages]								
Age	2017/18		2018/19		2019/20		2020/21	
	Starts	%	Starts	%	Starts	%	Starts	%
<19	3,240	26%	2,730	22%	2,180	22%	1780	18%
19-24	3,250	27%	3,270	27%	2,560	25%	2610	27%
25+	5,750	47%	6,200	51%	5,300	53%	5070	53%
Total	12,240		12,200		10,040		9450	

- 3.37. 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.
- 3.38. The COVID-19 pandemic represented, and continues to represent, a major economic shock to the economy in Liverpool City Region; it has exacerbated existing economic, employment and skills problems and inequalities whilst also exposing other communities and elements of the economy to new challenges and vulnerabilities. Young people have been particularly vulnerable to suffering disproportionately negative effects of COVID-19 due to their greater likelihood of being on skills programmes, including Apprenticeship programmes.
- 3.39. Starts in the Business Administration Sector Subject Area continue to be significant, although have declined which may reflect the withdrawal of some programmes and with the move to standards (e.g L2 Business Admin). 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. The top 5 Curriculum areas with the greatest percentage of all starts are:
- Health and Social Care (34% of all starts- up from 27% in 2017/18)
 - Business Administration and Law (28%)
 - Engineering and Manufacturing Technologies (10.5%)
 - Retail and Commercial Enterprise (10%)
 - Construction and the built environment (7%)
- 3.40. 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. Given the disruption to delivery, together with the overall decline in starts, and the reduction in data availability, it will be some time before a fuller overall assessment can be made.
- 3.41. 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 started in early 2021 as part of the Race Equality Programme to begin to tackle this issue, and the Provider Improvement Fund is supporting providers to be more responsive in their learning offer, curriculum design, and delivery.
- 3.42. As part of our apprenticeship levy transfer and brokerage system, the city region has successfully repurposed over £1.6 million of funding back into the area to support over 200 new apprentices across a variety of key sectors, including over £600,000 in Health and Social Care; 783 grants have been issued to support organisations with their wider skills training

Higher Education

- 3.43. 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 (50%) with a further 15% in part-time employment and a further 10% in employment and further study; total Graduate employment at 75% is the same as the level for England. This rises to 65% (full-time employment), 10% (part-time employment) and 10% (employment and further study) for postgraduates- slightly above the England level
- 3.44. LCR universities and world leading linked institutions have highly specialised research departments and capabilities such as medical and biological sciences, chemistry, engineering and maths which offer opportunities for post-graduate studies. The unemployment rate for post-graduate students (3%) is lower than the England level (4%) and that of graduates other LCR graduates (6%).
- 3.45. 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 Main LCR provider 2018/19 Academic Year

	Liverpool Hope University	Liverpool John Moores	University of Liverpool	Edge Hill	LIPA
Managers, Directors & Senior Officials	10	65	65	30	5
Professional Occupations	155	700	880	585	10
Associate Professional & Technical Occupations	60	335	365	190	50
Administrative & Secretarial	55	140	165	90	5
Skilled Trades	5	25	15	15	5
Caring, Leisure and Other Service Occupations	60	108	85	140	5
Sales & Customer Service	40	180	120	110	10
Process Plant & Machine Operatives	5	15	5	10	5
Elementary Occupations	30	120	100	95	15

⁸

- 3.46. 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.
- 3.47. 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

⁸ HESA Graduates entering work in the UK by LCR provider 2017/18 Academic Year

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.

COVID-19 – support and recovery

- 3.48. For young people in particular, unfavourable labour market conditions have always presented major challenges that, if left unaddressed, may lead to increased levels of NEET, unemployment and a lack of relevant skills for the workplace. More young people seek to engage in classroom- based learning if employment opportunities are more limited. College enrolment for 16-18 programmes has been strong since the start of the health pandemic, but emerging evidence from providers suggests that this is having a detrimental effect on the number of suitable young people aged 16-18 ready to start an apprenticeship.
- 3.49. For all learners, we have recognised that additional support is required to facilitate initial and ongoing engagement and progression to further learning and employment, and that learners have faced disruption to their learning, especially where face-to-face learning has been restricted.
- 3.50. Working with Government and within national programmes, as well as using local flexibilities available through our devolved AEB, we have worked to ensure that additional resources have been made available for learners during these challenging times, 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 and with increased sector choice;
 - 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;
 - 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;
 - Establishing 12 Youth Hubs - one in each LA area, with Hub specialisms to meet the needs of particular groups of young people -e.g. Care Leavers, those interested in business start-up and to strengthen access to youth focussed services
 - Facilitated improved access to Kickstart opportunities, wider employment and sector focused career opportunities (e.g. NHS jobs) and CEIAG resources via the LCR Jobs site and Youth Hub by BE MORE portal.
- 3.51. 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 [Annex D](#) sets out the current delivery landscape (to be updated)

- 3.52. All existing funding streams continue to 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.
- 3.53. The increasingly complexity of support programmes available for people and businesses, together with the extended time taken to access support from national programmes, remains a barrier to being able to deliver responsive and timely interventions that address our local needs.

Our Business base

- 3.54. 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.

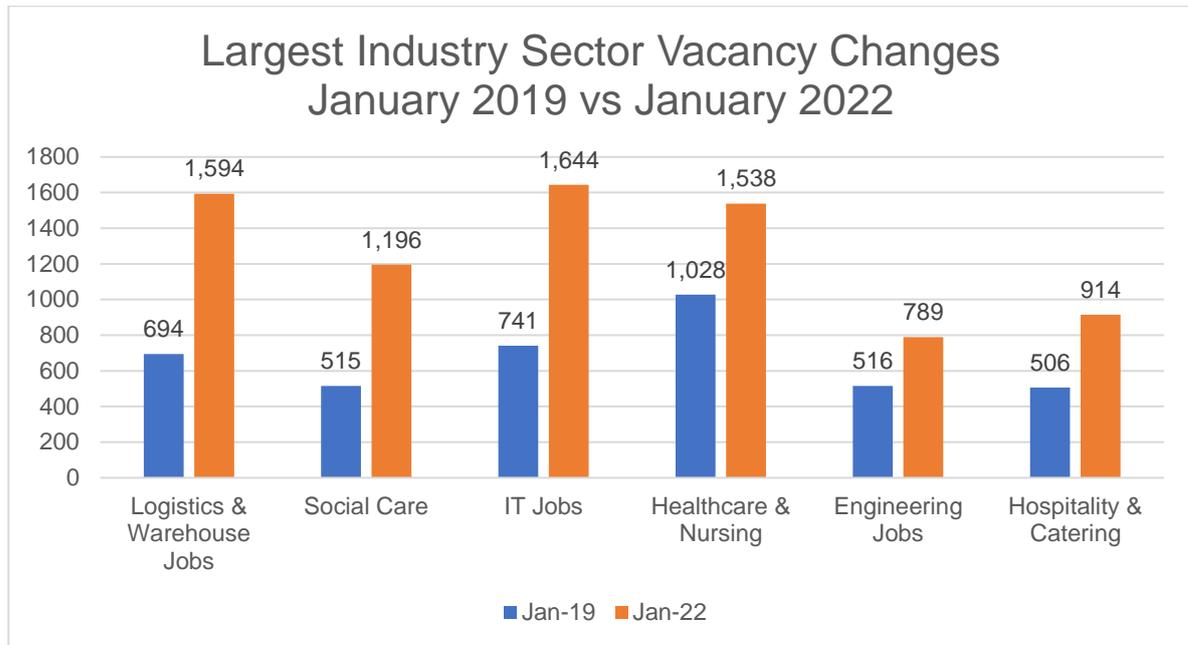
Business Size ⁹ (number employed) 2021	Liverpool City Region		England
	Number	%	%
Micro (0 – 9)	39,055	88.5	89.8
Small (10 – 49)	4,085	9.2%	8.3%
Medium (50 - 249)	790	1.7%	1.5%
Large (250+)	190	0.4%	0.4%

- 3.55. 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.

Vacancies

- 3.56. 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. As of November 2021, vacancies in LCR stood at 19,200 representing a significant increase on pre-pandemic levels as businesses seek to recruit staff who left and changed job roles as the economy recovers and resets.
- 3.57. The distribution of the largest vacancy volumes across key sectors is shown below, with the time series diagram illustrating how vacancies have fluctuated during the social and economic restriction brought about by the COVID-19 health pandemic.

⁹ ONS, NOMIS 2020



Forecasting demand- Sector Forecasts

3.58. 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 in the workforce as a whole were published in our 2021/22 report. However, they are now likely to be extremely unreliable for a number of reasons not least the effects of the COVID-19 health pandemic; the ongoing issues associated with leaving the EU and also current and future LCR priority investment areas.

3.59. Known current key trends and notable areas of focus and review include:

- 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- with new community based roles such as personal assistants and reablement roles in higher demand and as a means to reduce pressure on the NHS and wider care system ;
- It remains to be seen how COVID-19 affects the long-term projected business and jobs growth in the local Visitor Economy sector (Arts and Entertainment, Hospitality and Catering and the associated customer care and service type roles) but local businesses are struggling to recruit in a tight labour market that will restrict their business models, activities and growth;
- 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.
- Many sectors are now experiencing recruitment and pay challenges due to fewer candidates and the move to regular hybrid working;
- 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 remain at greatest risk of automation and digitalisation; and

- LCR will focus more strongly on 'Green Jobs' and those associated with delivering our Net Zero ambitions and will begin to develop a clearer understanding of the new job roles and their skills requirements as well as the new and additional skills required for existing job roles.

3.60. 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 different jobs are being created that require different skills and skill sets and ways of working and provides the need and opportunity for new investment and new investment choices;
- New business models are already emerging and more localised supply chains that increases customer responsiveness are likely to be needed as a consequence of EU withdrawal;
- Upskilling and reskilling becomes ever more critical as many of the jobs most at risk of either being lost permanently due to the effects of COVID-19 or new business models and processes, are at entry level /in elementary occupations, as well as in industries critical to the City Region's economic performance; and
- 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

3.61. 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.

3.62. The Combined Authority has continued to invest 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, and many concerns have now been realised–particularly in relation to accessing the required workforce to enable businesses to operate, and at affordable wage levels.

3.63. In consultation with employers, employer representative bodies, and wider stakeholders, LCRCA has been working to identify and implement ways in which we can support employers to fill vacancies, as well as facilitating and supporting individuals to better access suitable job opportunities; www.lcrjobs.co.uk and the Kickstart vacancy portal are two examples.

- 3.64. Two areas are likely to affect demand significantly in the short-term, medium term and long-term time frames – the demand for **Green Skills**, and the skills demands brought about by the Liverpool Freeport.

Supporting a Clean and Sustainable Economy- the case and context for change

- 3.65. Liverpool City Region has committed to securing the outcomes required to address climate change by 2040, as well as delivering the environmental and health outcomes urgently required across the Liverpool City Region, and are working, closely with Net Zero North West to meet this ambition.¹⁰
- 3.66. Ahead of the COP26 conference, the UK Government published its Net Zero Strategy: Build Back Greener¹¹- seeking to fuel a ‘Green Revolution’, having previously, produced a Ten Point Plan setting out a £12bn public investment programme with as much as three times as much from the private sector across the low carbon economy that will support 90,000 jobs across the UK to 2024. The intention of the Government’s new Net Zero Strategy is to outline how the country can “cut our emissions, seize green economic opportunities, and leverage further private investment into net zero”.
- 3.67. Each of our Local Authority areas has declared a Climate Emergency: Liverpool City Region was the first Mayoral Combined Authority to declare a climate emergency, in June 2019. We have committed to reaching Net Zero carbon by 2040, a decade ahead of the national target. To achieve this, Liverpool City Region will act in four key areas, all of which provide employment and skills opportunities:
- Net Zero Homes: fitting our existing homes with energy saving measure is particularly important in our region. We have ageing, inefficient housing stock that is costly to heat and means housing makes up 30% of our total emissions;
 - Decarbonising Industry: Disproportionately important in LCR given the region’s industrial heritage and continued strengths in manufacturing and construction. Green chemistry skills and the knowledge, skills and experience around minimising waste through avoiding non-sustainable inputs and processes;
 - Clean Energy: Liverpool City Region can become the UK’s renewable energy coast. The City Region’s Climate Plan will outline our vision to develop an internationally attractive hydrogen market, deliver tidal power, and build our wind generation and carbon capture capabilities; and
 - Transport: the Combined Authority have well developed plans to decarbonise transport, with battery trials have been completed on the new, state-of-the art trains for the Merseyrail network, a 600km integrated walking and cycling network is being implemented, and 20 hydrogen fuelled double decker buses are being purchased which will require people skilled in maintenance and repair.

Renewable Energy

- 3.68. Liverpool City Region is working with the Offshore Energy Alliance, which, with 11 wind farms in Liverpool Bay and four more in development, has already helped to make the UK the largest producer of wind power in Europe; production is set to triple

¹⁰ <https://netzeronw.co.uk/>

¹¹ Net Zero Strategy: Build Back Greener; October 2021; Her Majesty’s Stationery Office

by 2032. The tidal range of the River Mersey and Liverpool Bay has given the City Region the opportunity to create the [Mersey Tidal Power Project](#). This low-carbon electricity generation project could create 5,000 jobs, while producing enough energy to power a million homes, and it will be able to create clean, green, predictable power for more than a hundred years.

- 3.69. Green hydrogen also looks set to play an important part in our energy mix in the years to come. The City Region is working with private sector partners to revitalise the Port of Weston, near Runcorn, to create a viable in-land Hydrogen Port, which would generate sufficient power to create 3,000 tonnes of green hydrogen every year for use across industry, transport and domestic consumption.
- 3.70. The green energy infrastructure received a boost earlier this year, with the investment of more than £11m in seven green energy projects, spread across all six of the City Region's local authorities, providing additional low-carbon electrical capacity in areas where electricity demand is expected to grow, for electric vehicles, regeneration projects and new housing developments. To ensure that the City Region maximises the advantages and opportunities of our unique geography, there is a need to equip residents with the skills required to secure and retain employment in these new roles. These will be set out in the revised Green Skills for Growth Action Plan, to be published in early 2022. This will ensure that:
- Provision is made to support new emerging areas of skills requirements;
 - There is recognition and interventions that most of those in the labour market in 2040 are already in the LCR workforce, and that much of the skills impact will be less visible and rely on the iterative adaptation of existing skillsets (e.g. electric vehicle maintenance and repair);
 - Actions reflect and are underpinned by a shift in public attitudes and behaviours; and
 - By working in partnership with government, business, education and skills providers and workforces, that the City Region is able to extract the full potential of change for both City Region businesses and our residents.

Liverpool City Region Freeport Development

- 3.71. In the March 2021 Budget, Liverpool City Region was announced by the Chancellor as one of eight places across England that will be granted Freeport status, subject to the successful development of an outline and then full business case, which is expected in Summer 2022. The Freeport aims to provide a boost to the local economy, enabling key sites across the Liverpool City Region to attract new investment, create quality jobs, support the wider economy, and increase levels of innovation.
- 3.72. As part of developing a Skills Action Plan as part of the business case, we are ensuring that appropriate employment and skills elements that will support the sectors and key strategic sites within the Freeport are integrated within the delivery plan. Our 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.
- 3.73. 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. There remains 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.

3.74. 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.

SECTOR SKILLS NEEDS SUMMARY

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-especially for new entrants into the NHS and those who would like to progress into nursing roles from the existing health and social care workforce

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 • Experience of the workplace and individuals being able to apply technical and scientific knowledge in the workplace 	<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 and 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 Compliance); • 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; 	<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 • Onboarding and induction



- | | |
|---|--|
| <ul style="list-style-type: none">• Skilled construction and building trades;• Process, plant and machine operatives; and• Elementary trades and related occupations. | |
|---|--|

Skills Strengths/Needs Analysis- Summary

Opportunities

- Lower levels of NEET and strong College enrolment for 16-18 programmes meaning more young people are in education to be supported into further learning and work
- A welcome trend towards higher level apprenticeships being studied, although this could be to the detriment of young people
- Vacancies in LCR as of January 2022 stand at over 18,000 representing a significant increase on pre-pandemic levels as businesses seek to recruit staff who left and changed job roles as the economy recovers and resets- providing upskilling and reskilling opportunities, and entry into the labour market for new workers
- Demand for Green Skills linked to our Net Zero carbon by 2040 ambition
- Skills demands brought about by the Liverpool Freeport.
- Clean Energy: Liverpool City Region can become the UK's renewable energy coast, developing an internationally attractive hydrogen market, delivering tidal power, and building our wind generation and carbon capture capabilities
- The [Mersey Tidal Power Project](#). This low-carbon electricity generation project could create 5,000 jobs
- The continued investment in bioscience research and manufacturing in the City Region will help to save lives whilst creating jobs and value.

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; lack of qualifications in English and maths also acts as a barrier to delivering particular programmes such as Traineeships as well as using apprenticeships as a recruitment pathway into certain jobs such as nursing with many candidates rejected due to maths and English deficiencies; • ESOL skills needs are typically being demanded alongside vocational skills with a number of different pedagogies being trialled through a test and learn approach to combine language and vocational skills; • 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 sectoral approaches to recruitment and the communication of job opportunities based on sector/ individual needs is important. This has emerged as a greater priority as a result of the COVID-19 pandemic with employers in all sectors experiencing recruitment difficulties at all job levels.

Skills priority category	Priorities and supporting rationale
	<ul style="list-style-type: none"> • The role of the expanded Traineeship programme and apprenticeships is important as is our ongoing support locally for DWP programmes such as Kickstart, and Restart; and • AEB will now fully fund eligible asylum seekers' learning as fully funded provision including, but not exclusive to ESOL needs. The LCRCA will continue to work alongside local authority partners regarding Operation Warm Welcome in supporting Afghan arrivals in the City Region.
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. • Areas such as data analytics, cyber security; digital marketing/service delivery platforms provide opportunities in many sectors and across multiple job roles; anecdotal evidence suggest demand has increased further; • 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.
Leadership and management; change management; and project management	<ul style="list-style-type: none"> • All organisations are facing challenges and business disruption brought about by COVID-19 and the longer term effects; • 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 (including on-line and hybrid learning pedagogies), together with enforced homeworking associated with the COVID-19 pandemic, has resulted in different business practices being adopted.
STEM Skills and technical skills- through all education routes	<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- and improve pathways into these jobs through better connectivity with employers; • 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 including the Office For Students L4-L6 trial • Supporting the continued 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.
Pathways to prosperity: skills priorities	
Upskilling and reskilling people for the new opportunities	There are opportunities to maximise the benefits from in 2022/23

Skills priority category	Priorities and supporting rationale
<p>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>	<ul style="list-style-type: none"> • Additional Level 3 Skills opportunities for those who require new skills and who are on incomes lower than the real wage; • 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 as will our Liverpool City Region Freeport status; • 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; • 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"> • Work with employers on targeted and differentiated sectoral approaches to address the significant increase in vacancies and the problems that employers are having in attracting and retaining suitably experienced talent, with the consequent impact on entry level opportunities; • 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. • 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 and all levels- including providing support at the right time for individuals who need further support with English and maths to access or progress onto an apprenticeship • 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

Skills priority category	Priorities and supporting rationale
	<p>messages to young people and other groups seeking employment; and</p> <ul style="list-style-type: none">• The impact of Brexit and the different ways of trading and in different markets provides significant opportunities across multiple sectors and job roles- but will require significant adjustments across many sectors and job roles to maximise opportunities.

4. SKILLS STRATEGY

4.1. Our 2018-2023 Skills Strategy¹² sets out, as illustrated below: our vision; key strategic actions; and our desired outcomes.



¹² LCR [Skills Strategy](#) 12

- 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 [Annex B](#)
- 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 ongoing response to COVID-19 and its impact now underpins our priority action drivers for change, in particular:
- The significant increase in vacancies and the problems that employers are having in attracting suitably experienced talent, with the consequent impact on entry level opportunities;
 - The welcome reduction in unemployment but a concerning increase in economic inactivity;
 - Significant employment, unemployment and economic inactivity gaps remaining for women, those from an ethnic minority, those with a disability, young people and older people;
 - The increasingly complexity of support programmes available for people and businesses and the extended time taken to access support from national programmes;
 - Opportunities for people to progress in work;
 - Large scale opportunities for development in the City Region, including HyNet, Glass Futures, Ford's eDrive at Halewood, Retrofitting, Hydrogen power, Freeport, Life Sciences Research and many others;
 - Need to continue to promote opportunities for future growth to young people and broader communities;
 - Changing nature of work (especially post pandemic) and the need to prepare people for this, in term of content, requirements and potential location;
 - Increased levels of anxiety and poor mental health amongst many people following the pandemic, for those in and out of work;
 - The impact of long covid on people, who might already have underlying health conditions and not be able to regain previous levels of activity;
 - Support for employers in helping them with promoting good mental health for their staff;
 - The need and opportunity to improve digital skills at all levels in organisations and attractiveness and suitability of training programmes to address this; and
 - Need to have more sustained funding for programmes and activities to allow them to meet the needs of businesses and people.

- 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.
- 4.7. LCR is developing a Plan for Prosperity which provides a 15 year vision for LCR, and which will be supported by a refreshed evidence base together with updated economic forecasts from Oxford Economics. This plan will set out a new approach to growing our economy by providing a long-term economic and place-based vision for the City Region over the next decade and beyond and will help the City Region respond to the changing policy and economic environment.

5. SKILLS ACTION PLAN

Introduction

- 5.1 The Skills Action Plan 2022/23 sets out our detailed Actions as well as our detailed sectoral needs: it can be found at Annex C.
- 5.2 The 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. In addition, our Skills Action Plan continues to reflect input from the LEP's Sector Boards who have provided local intelligence relating to their particular sector.
- 5.3 The Skills for Jobs White Paper and the Skills and Post-16 Education Bill Skills set 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. Following the review of the evidence and analysis, and local and input from our Board and 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.
- 5.4 The five objectives and delivery areas are set out below:
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 and Restart programmes, 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. Additional focussed and targeted support for young people to support transition into the workplace and access employment opportunities including access to high quality Careers Education, Information Advice and Guidance.; ensuring those with disabilities and/or learning difficulties are able to access such support; supporting Councils to fulfil their statutory duties.

Monitoring and Evaluation

- 5.5 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.

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.
- 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 and Local Skills Action Plans.

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.
- 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. Members of the Board have been generous with their views and perspectives this year, and this has been beneficial in identifying further impacts (e.g. creation of www.lcrjobs.co.uk)
- 6.7 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 continues to inform our local skills commissioning and the allocations and performance management process of our devolved Adult Education Budget will be strengthened as a result.
- 6.8 Having engaged our Employment and Skills Board and wider stakeholders in the production of the 2021/22 Local Skills Report and evidence base, incorporating their views in a revised final version, our initial Local Skills Report and Skills Action Plan was published in May 2021.
- 6.9 There has been a particular interest in careers information and guidance, with the development of what an effective local platform might look like to provide a one stop shop for information, to supplement delivery activities. This, along with additional engagement with young people and stakeholders, has led to the development of the specification for the extended Be More portal which is currently out to procurement.

COVID-19 recovery and renewal

- 6.10 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.
- 6.11 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

- 6.13 A summary of progress against the key actions (21/22) 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 [Annex B](#).

7. CASE STUDIES/ IMPACT

- 7.1 This section brings together the case studies previously embedded within the individual sections of the 2021/22 report. The case studies continue to be focussed on highlighting the impact of employment and skills interventions for both people (supply) and our employers (demand). New case studies have been included to reflect how our local partnerships and collaboration continues to have positive impact in meeting the needs of the local labour market.

Supporting local residents to access and progress in employment

- 7.2 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.
- 7.3 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.
- 7.4 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.
- 7.5 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 Universal Credit 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.
- 7.6 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.

Skills Bootcamps: Digital Skills for The Workplace

- 7.7 Digital Skills for the Workplace provides flexible hands-on courses of up to 16 weeks in duration, which are part of the government's Lifetime Skills Guarantee and Plan for Jobs. Skills bootcamps aim to help participants to find jobs in the growing digital and tech sector and help employers to fill digital skills gaps. The programme is funded by

the Department for Education and developed locally by the Liverpool City Region Combined Authority, working with local employers. The training is open to adults aged 19+, either in work, looking for work or returning to the workforce. Candidates typically access courses that last 8-12 weeks (although they can go up to 16 weeks, and for those out of work offer a guaranteed interview).

7.8 Skills Bootcamp Courses available locally in 2021/22 are:

- Full Stack Web Development
- Digital Marketing
- Cyber Security
- Digital Design
- AutoCAD
- Software Developer/Engineer
- Skills Bootcamp in Infrastructure Technician

7.9 A number of case study videos detailing the training and support made available through our Skills Bootcamps, and how it has made a difference to individuals and businesses can be found [here](#).

Developing Sector Based Work Academy Programmes (Crosby Training)

7.10 Using devolved AEB funding Crosby Training based in Bootle have provided a series of Sector-Based Work Academy Programmes in partnership with JCP. One such example supported St Vincent's Specialist School for Sensory Impairment.

7.11 The training led towards a guaranteed interview for Learning Assistant vacancies. Six learners (aged 19-24) attended training and were also supported by Kickstart funds, each being enrolled onto three AEB funded qualifications that were specifically requested by the employer: L1 Certificate in Personal Development; Level 1 Award in Customer Service; and Level 2 Award in Safeguarding and Protecting Children and Young People as well as additional first aid training. Enrichment sessions included a guest speaker from Daisy Inclusive UK speaking about his own sight loss and the challenges that sensory impairment can cause.

7.12 All six of the learners completed their learning followed by guaranteed telephone interviews followed by a second face-to-face interview. Three candidates were offered Learning Assistant roles with progression to devolved AEB fully funded Level 2 Teaching Assistant qualifications.

Meeting the employment and skills needs of employers - Health

7.13 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. 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.

7.14 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.

- 7.15 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 fulltime 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.

Developing new flexible learning aims to meet sector needs

- 7.16 Association of Liverpool City Region Colleges 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.
- 7.17 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.
- 7.18 Working collaboratively with Association of Liverpool City Region Colleges, 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.
- 7.19 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.
- 7.20 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.

Supporting small businesses and apprentices in the Liverpool City Region through levy transfer

- 7.21 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.

- 7.22 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.
- 7.23 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.
- 7.24 Working with levy paying and non- paying organisations across the Liverpool City Region, the Skills Brokerage Service 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.

8. LOOKING FORWARD- CONCLUSIONS

- 8.1. This section brings together and assesses the evidence base and analysis detailed in the earlier sections and references additional policy updates since the publication of our 2021/22 report.
- 8.2. Against the background of known and expected policy changes, ongoing socio-economic challenges and our known priorities for action, we shall continue our local assessment of need using a number of critical tests:
 - a) Is provision meeting the needs of employers and individuals?
 - b) Is there sufficient choice or not enough choice in terms of both learning and employment opportunities that addresses the key skills issues locally?
 - c) 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?
 - d) 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?
 - e) 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?
- 8.3. Our ongoing engagement with employers through our Employment and Skills Board, Sector Boards and wider networks, stakeholders and providers has continued to provide feedback and insight into local needs, challenges and opportunities.
- 8.4. The voice of the learner, and in particular young people (end users of services) continues to form a cornerstone of our engagement activity: our work to develop our Youth Hub by BE MORE website included the engagement of over 450 young people to provide direct input into the design and delivery principles of our website, as well as informing Youth Hub services; young people through our work with the Careers Hub and our Enterprise Adviser network also provide feedback to inform how we can better prepare them for the world of work and further study.
- 8.5. Our work has been supplemented with additional LMI; through our additional investment in data analytical tools such as Horsefly and raw vacancy data sets such as Adzuna, we have been able to obtain more evidence and a finer grain of detail to guide our local policy developments and investment decisions.
- 8.6. The summary conclusions to be taken from our evidence review are:
 - Employment gaps still exist with national levels and, without appropriate interventions, the pandemic has the potential to very quickly undo and much of the progress that has been made and exacerbate existing issues;
 - Particular groups in the labour market will be at risk of further exclusion from securing regular and meaningful work and additional focus will be required to address this (e.g. young people);

- Despite the progress made at narrowing the employment gaps across groups of the population, gaps and variations do exist, particularly for those with disabilities and those from a minority ethnic background;
- Upskilling and progression in work becomes ever more critical. Progression in work also deepens the relationship with both work itself for individuals who may have been away from the labour market for a period, whilst for others it allows job enrichment and the potential to be able to mentor and supervise new entrants into a business;
- 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;
- Sector Skills Shortages and Skills Gaps are intensifying as a result of increased demand from employers and reduced number of suitably qualified candidates. Recruiting enough staff at all levels, and across multiple job roles within an organisation, is a huge concern for employers in all sectors;
- There remains the 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, and also support progression from Kickstart; and
- 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.

8.7. The Local Skills Action Plan is set out in [Annex C](#)

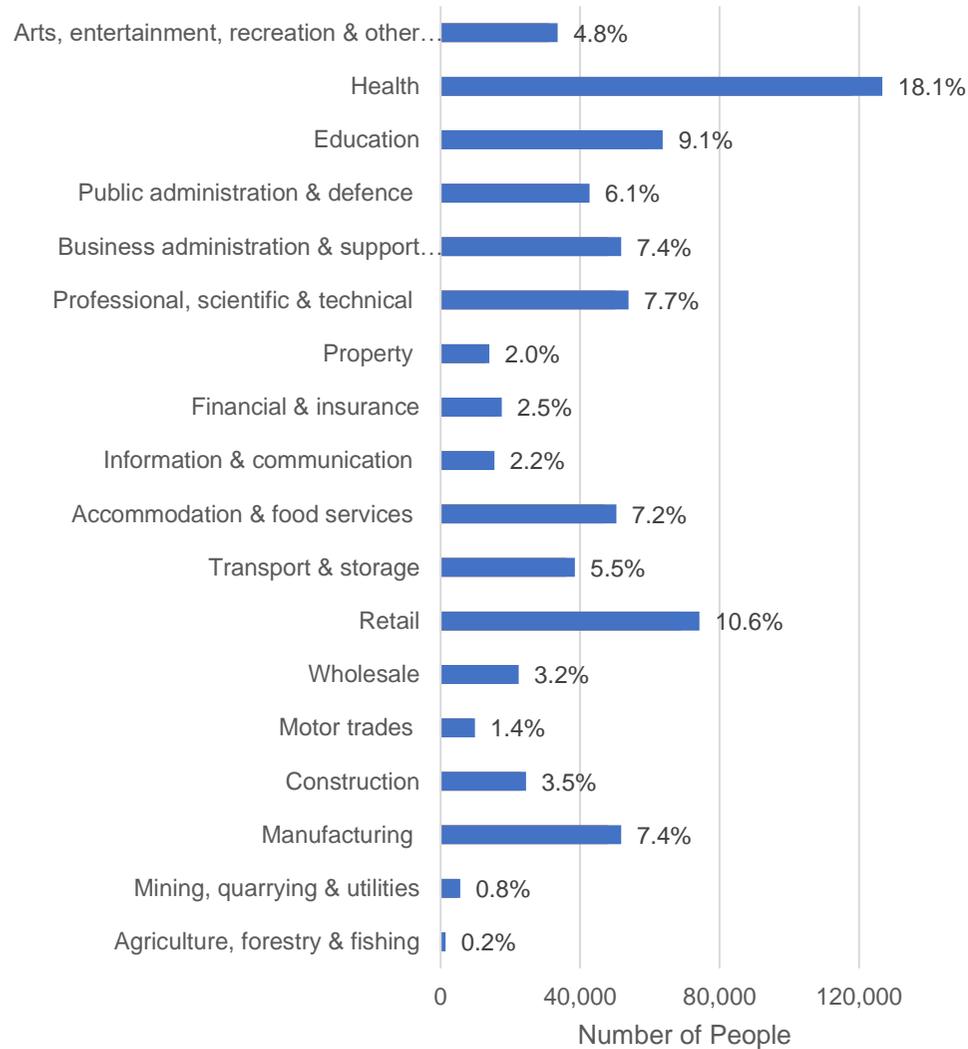
ANNEX A: CORE INDICATORS 2022/23

Local Landscape

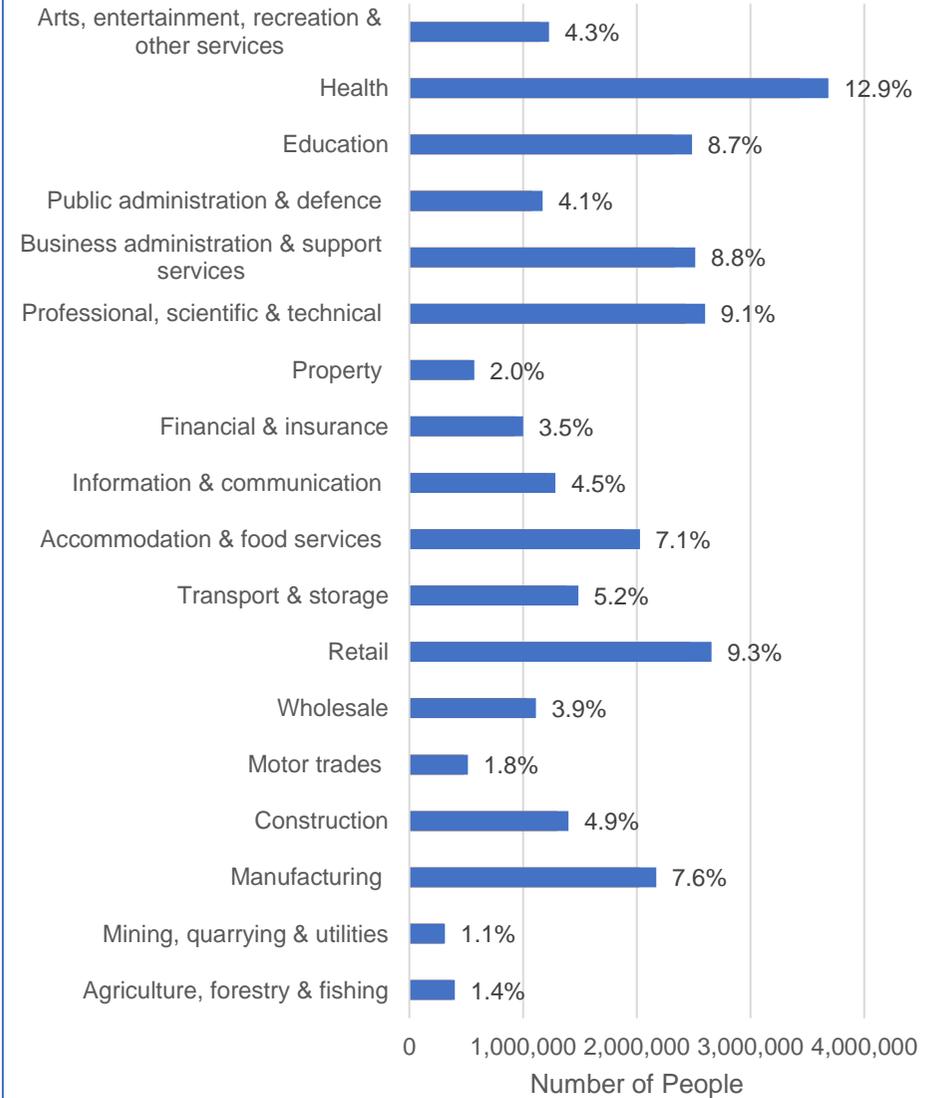
Local Landscape - Summary

- 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 to be driven by the large student population in Liverpool. Many of these students remain in the City Region after graduating and join the labour force;
- We recognise that many gaps need 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;
- Prior to COVID, we added over £2bn to our economy in real terms, against the backdrop of a significant recession;
- 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;
- Prior to the pandemic, we had seen good progress on improving employment rates and reducing unemployment and economic inactivity. This progress is now at risk due to the impact of COVID- not least the volatility of the labour market (already being affected by EU exit);
- The wages gap (residents and workplaces) between Liverpool City Region and England has been narrowing;
- Despite much progress, there are still gaps for particular groups which need to be narrowed, whilst historic deprivation has not been fully alleviated; and
- The impact of COVID-19 will adversely affect indicators in the immediate term, and accelerate shifts in the economy that may previously have taken 5-10 years to play out.

Employment by Sector, 2020 - Liverpool City Region



Employment by Sector, 2020 - England



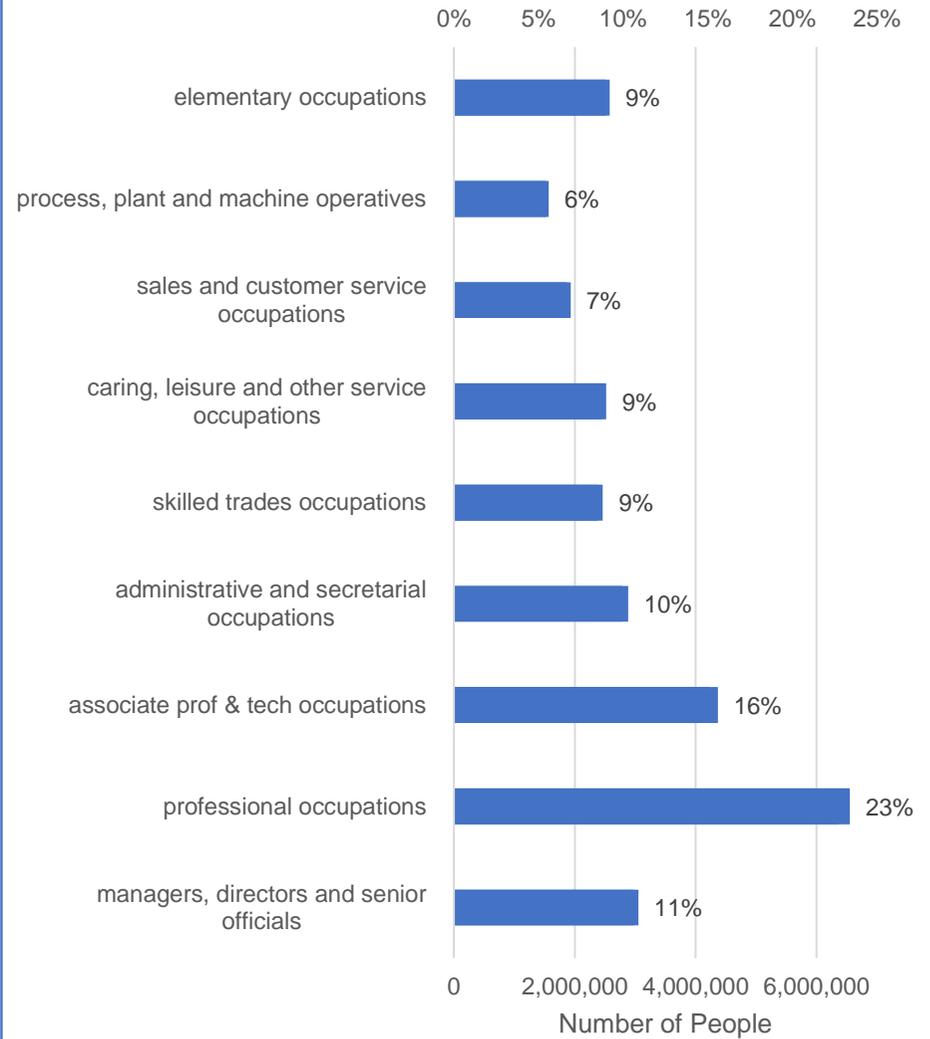
Employment- Sectors

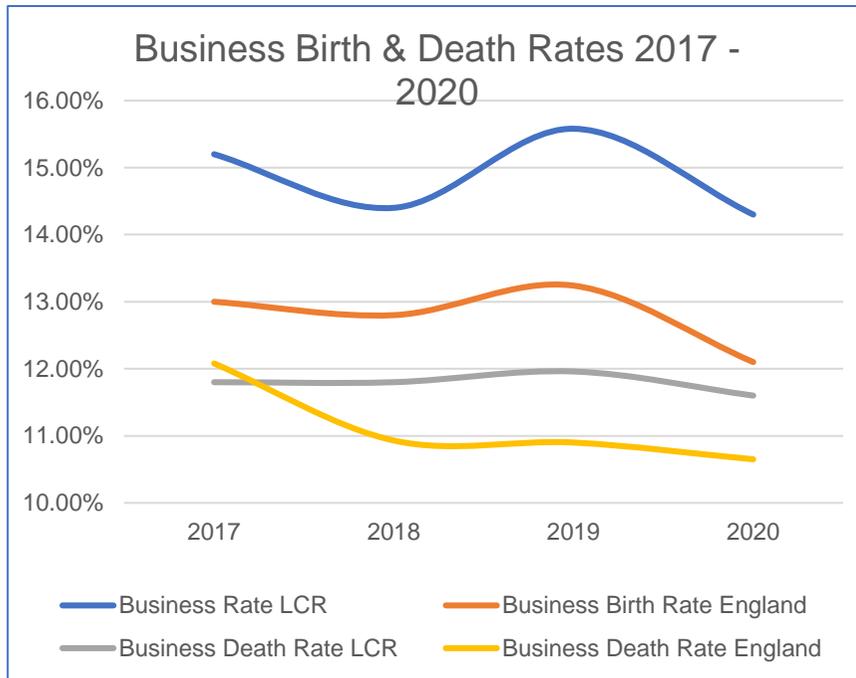
- Each sector will have particular needs based on their business size, customers, markets, geographical locations and wider operations, and it is important that these needs are addressed on this basis through working with employers and their networks. Locally, we have a higher proportion of job roles 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;
- 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. However, these forecasts are likely now to be less reliable and robust in some areas of our economy and may under or overstate growth or contraction; shifts and rebalancing in the economy that may previously have taken 5-10 years to play out will have accelerated, in particular the greater harnessing and application of technology across every sector as well as the increase in demand for specific digital and technology focussed skills in a number of job roles.
- 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:
 - Health and social care 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 type roles forecast for growth: the issue currently is the available supply of people willing and skilled to work in the sector
 - 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 as key needs amongst the workforce; and
 - Occupations with the lowest growth forecasts are many of those at greatest risk of automation and digitalisation- and the pace of change may be increasing.

Employment by Occupation 2021 - Liverpool City Region



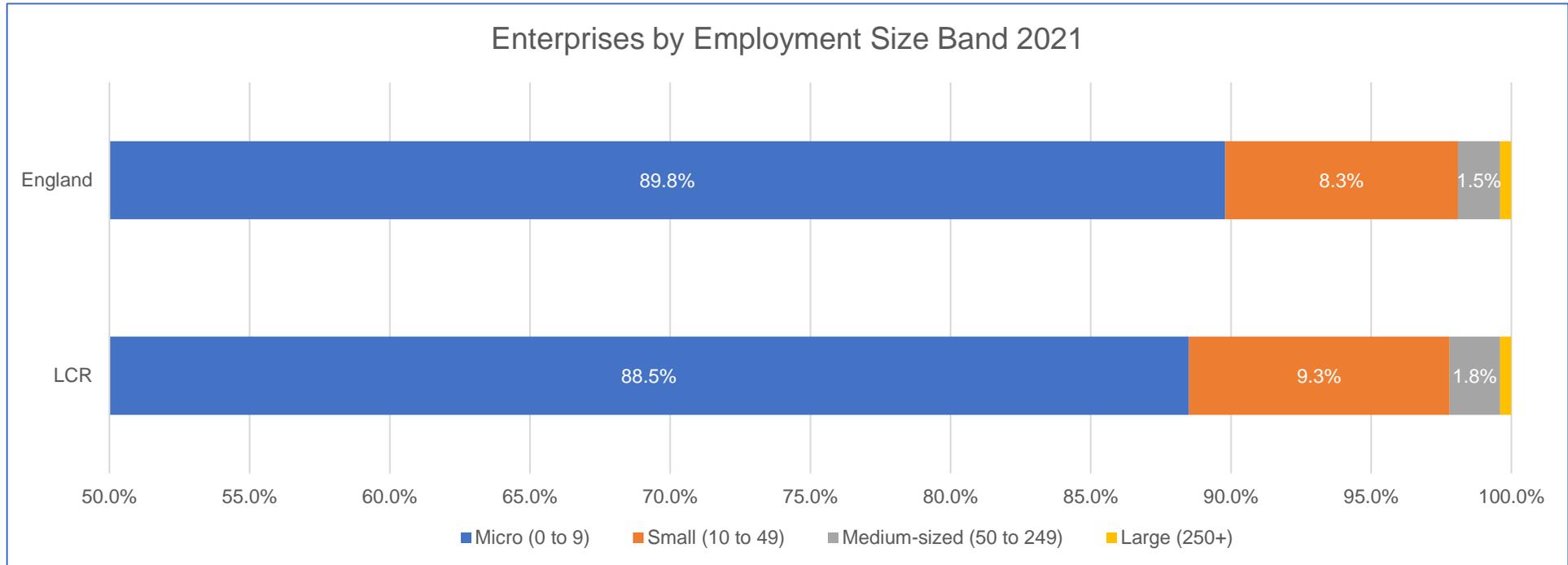
Employment by Occupation 2021 - England





Business birth and death rates

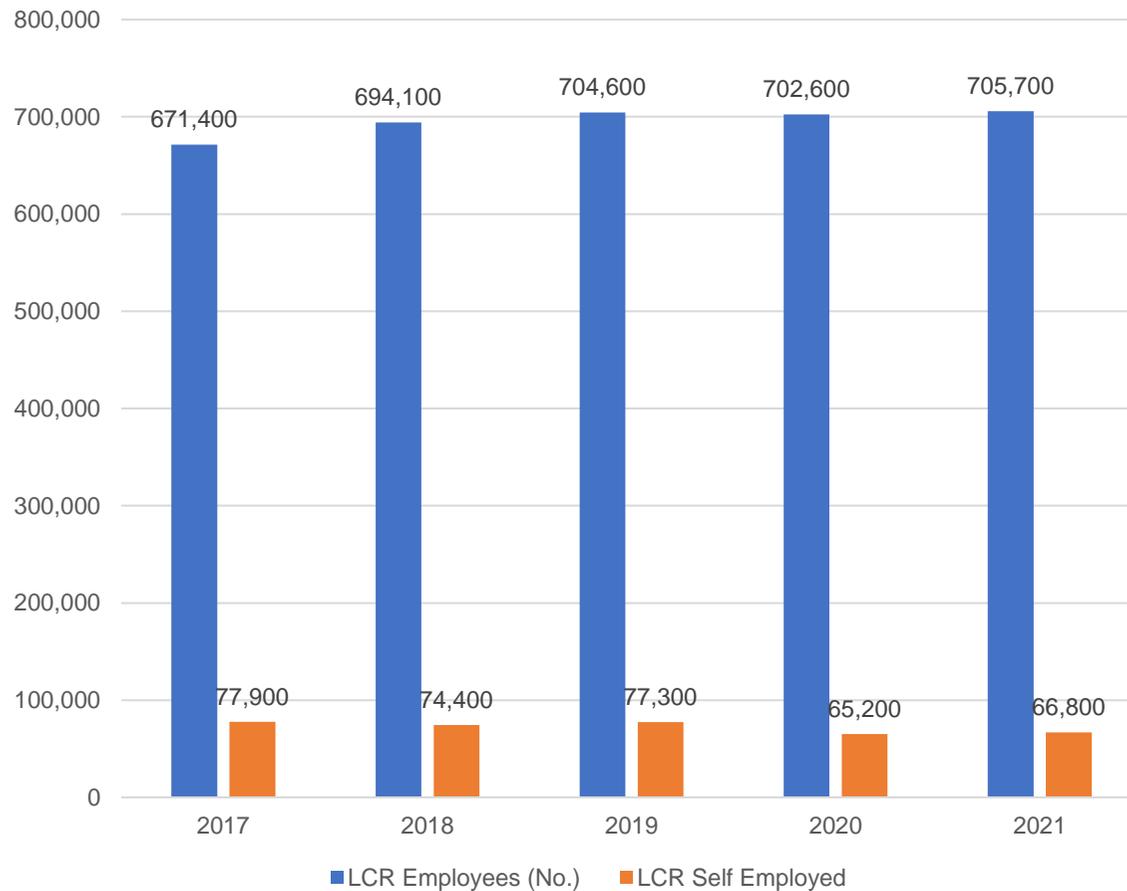
- Prior to the pandemic, Liverpool City Region had a growing business base, supported by a strong business birth rate;
- Over time, since 2014, LCR's business base has grown at a faster rate than the North West and national average;
- The growth in the business base was not significant enough to close the business and jobs deficit in the LCR;
- Our business survival rates, already below national averages prior to COVID-19 are likely to fall further, at least in the immediate term -although the gap had narrowed prior to COVID; and
- Newly formed SMEs are an important driver of the local economy's job creation and productivity growth.



Enterprises by employment size band:

- Our business base has grown consistently each year for a number of years and at a faster rate than the UK, and the proportion of businesses failing to survive had been decreasing from 2017;
- LCR has slightly fewer micro size businesses and fewer large employers than the England but more in the 10-49 size bracket;
- Creating the conditions for entrepreneurship and business start-up; improving business density and the number of jobs in the City Region remains a key priority during recovery: LCR has the second lowest business density of all LEP areas; and
- The SME business base needs to be grown and more businesses nurtured and supported through to survive beyond their third year.

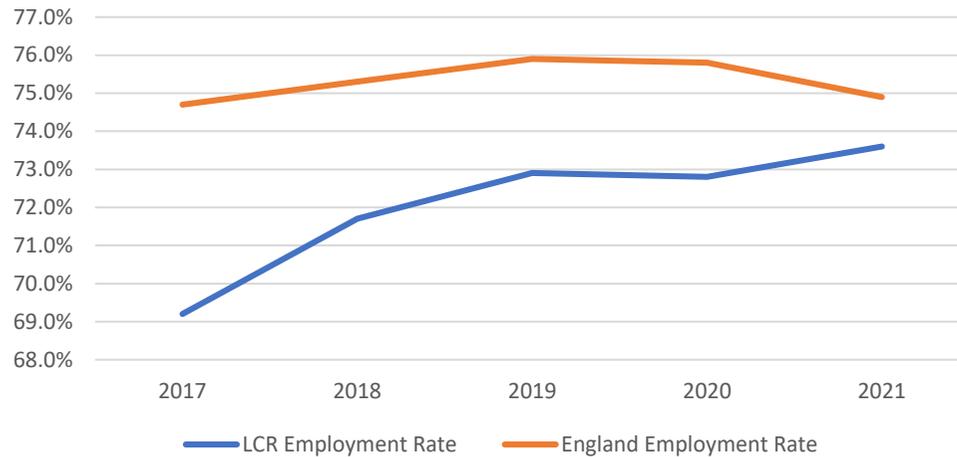
LCR Employee Numbers & Self-Employment 2017-2021



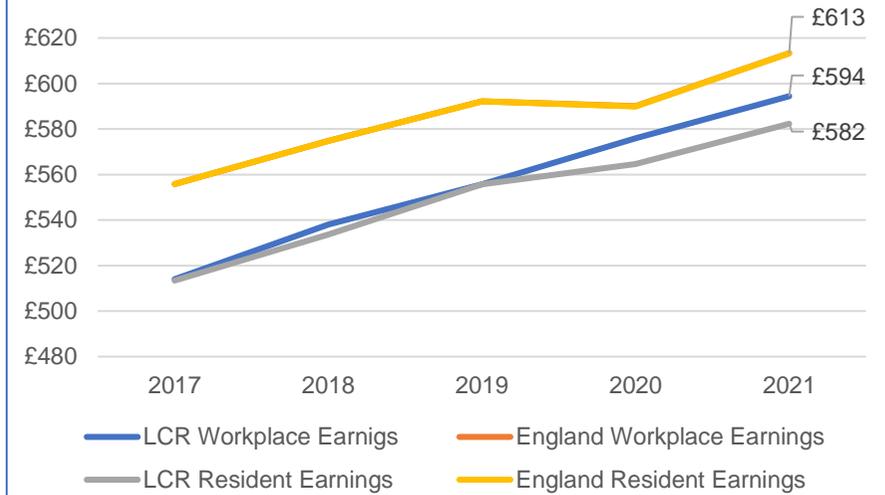
Employment

- Prior to the pandemic, LCR had made significant progress against key indicators closing many of the gaps with national averages. Since 2017:
 - The employment rate has been growing at a faster rate than England levels and the gap between the local and national employment rate has narrowed
 - The number of economically inactive residents has fallen considerably.
 - Our employment rate of 73.6% reflects growth that has largely been consistent since 2012 whereby we are narrowing the employment rate gap with England. The number of people in work rose from 695,800 to 705,700.
- The number of self-employed people has remained flat after some initial trends upwards in the middle half of the decade (although there appears to be some growth in 2021);
- COVID-19 will have an impact and necessitate quick and targeted interventions to prevent long term unemployment and disengagement from the labour market;
- There will be a need for both reskilling and upskilling in the post-pandemic world;
- The challenges associated with high levels of precarious work and zero- hour contracts will remain; and
- The employment rate for those from an ethnic minority background has risen from 64.9% to 71.3%; this is above the national rate of 67%.

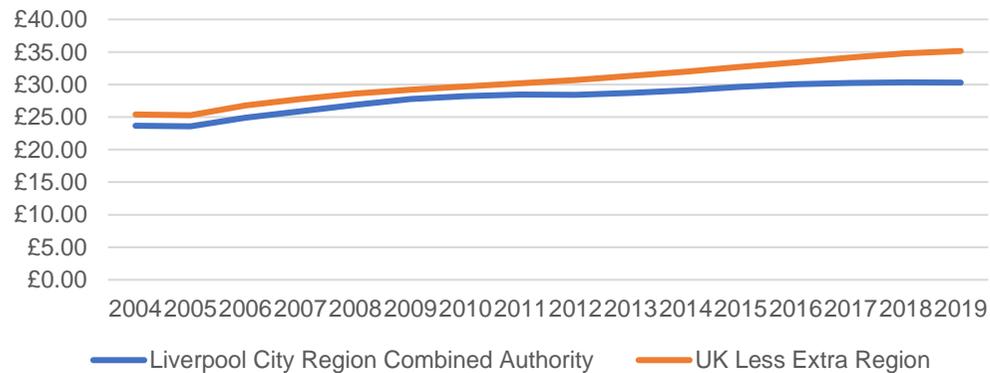
Employment Rate Over Time England & LCR



Median Gross Weekly Wage for Full-Time Workers



Nominal (Smoothed GVA Per Hour Worked)



Nominal GVA per hour worked

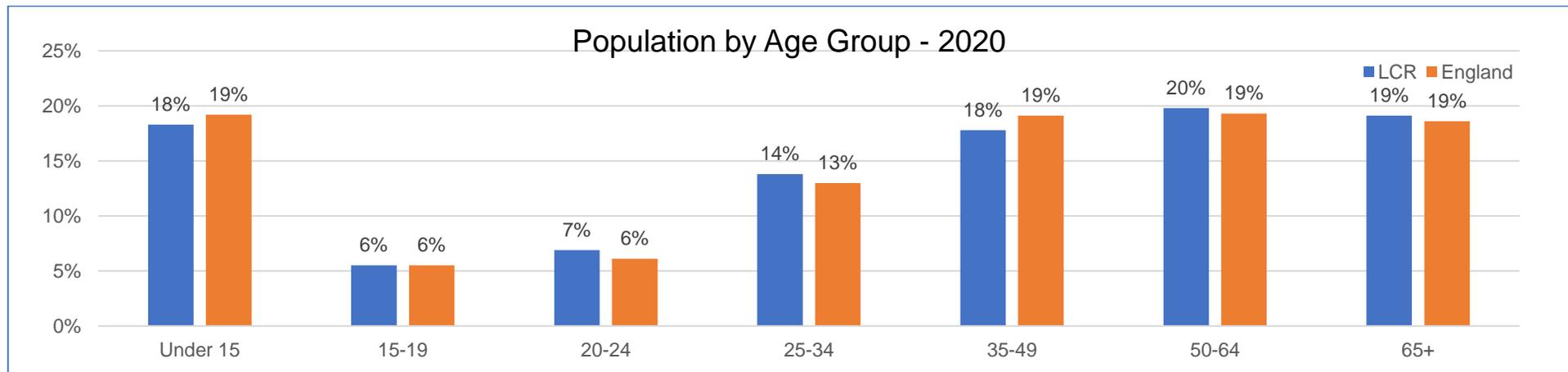
- GVA per hour and per capita had grown at a similar rate to national levels but had flatlined and started to fall by 2019
- As a City Region we produce c 14% less GVA per hour worked than national averages;
- The City Region generates significant output through manufacturing, particularly in Halton and Knowsley (contributing 36% of all GVA).

Median gross weekly wage for full-time workers

- A growing economy together with the sectoral nature of this growth has meant that there are now more people in employment;
- There has been a growth in median gross weekly wages for those in full-time employment, and particular local residents: LCR had moved to a position where overall there had been no difference between residents and workers;
- Since 2015, there has also been a narrowing of the gaps with England;
- On average, LCR residents earn around £29, 499 per year and LCR is now ranked 20th out of the 38 LEPs (having been previously ranked 22nd). Many of the LEPs with higher salaries also have a higher cost of living. LCR salaries are similar to the North West average and greater than those of many neighbouring LEPs. COVID-19 aside, over the last 5 years, median salaries have grown at the national rate;
- Median wages vary significantly between the six local authorities in Liverpool City Region;
- 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.

Population by age group

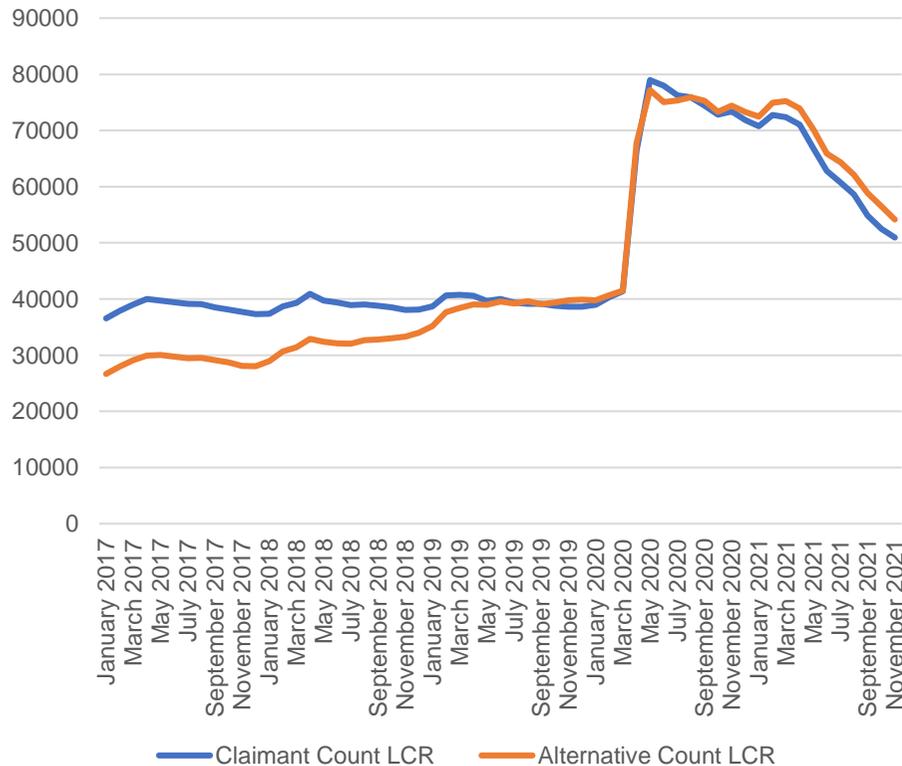
- Taking the population as a whole, the City Region has fewer young people and more older residents.
- With a higher proportion of our population in the 50-64 age group, and in the context of skills and education gaps, this represents a 'tight' labour market during more favourable economic conditions which may inhibit growth and prevent opportunities from being maximised. Higher levels of inactivity also add to the pressures on employers seeking to fill vacancies.



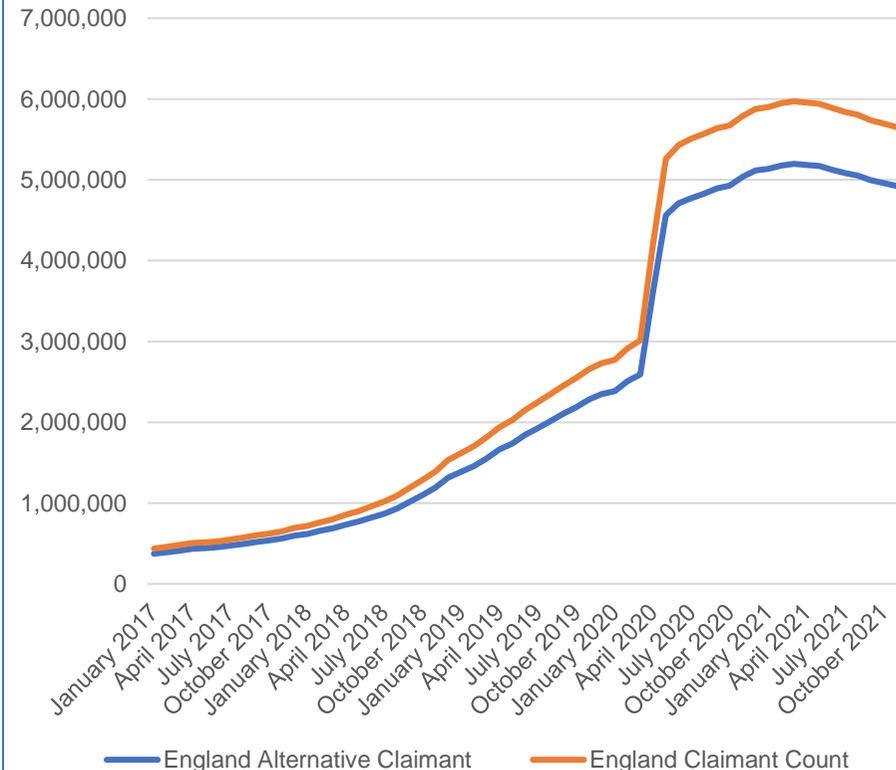
Claimant Count and Alternative Claimant Count

- 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. Claimant counts have now (January 2022 released data) started to fall significantly as the economy recovers;
- The economic impact of the COVID-19 health pandemic for those individuals seeking employment has been significant; between March and May 2020, the number of claimants per 1,000 jobs (those seeking work) in the economy almost doubled;
- Our worst affected sectors- principally those associated with the visitor economy- are the sectors that provide entry level jobs and labour market entry opportunities for young people in particular.
- Between June – December 2021, over 11,000 fewer people were classed as ‘searching, planning or preparing for work’ on Universal Credit in LCR, with 61,000 claimants. Whilst this remains significantly above the pre-pandemic figures (December 2019 – 42,500) it is markedly below the peak figure in May 2020 of almost 80,000 claimants in this set of categories

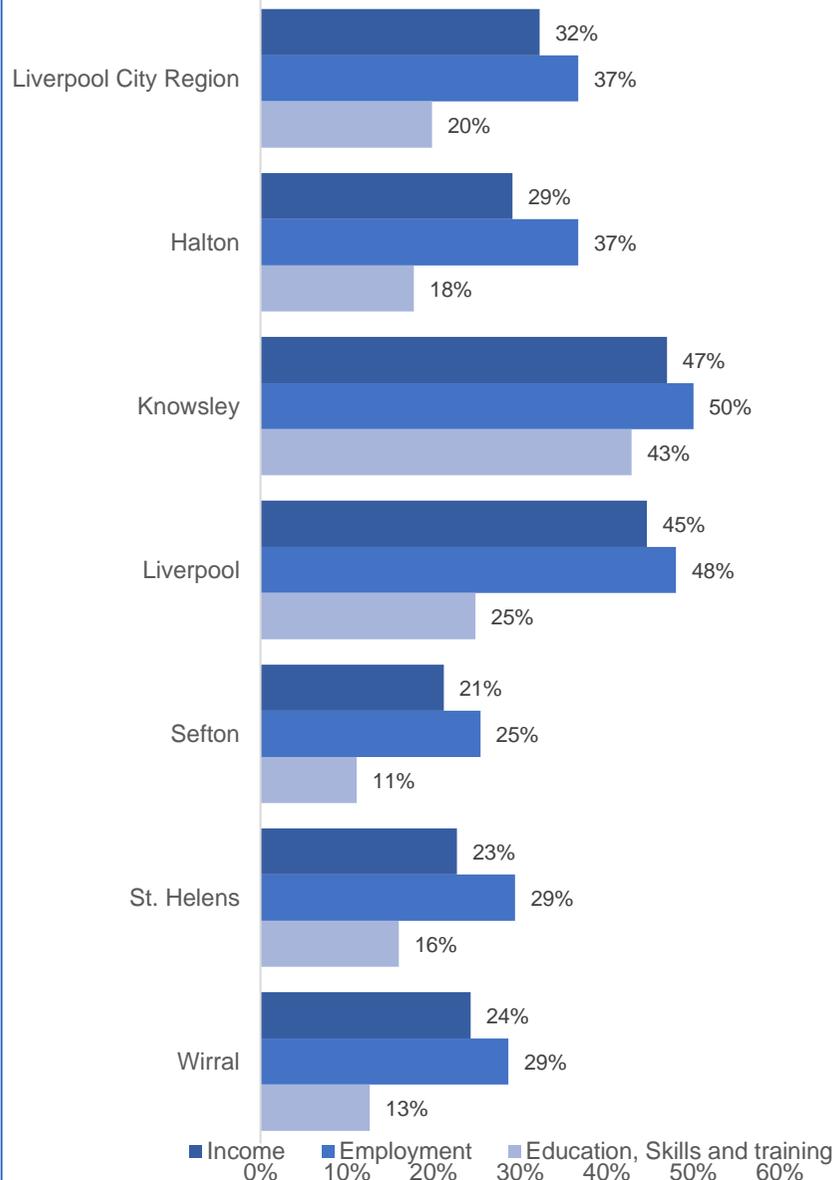
Claimant & Alternative Claimant Count LCR Time Series



England - Alternative Claimant Count & Claimant Count Time Series



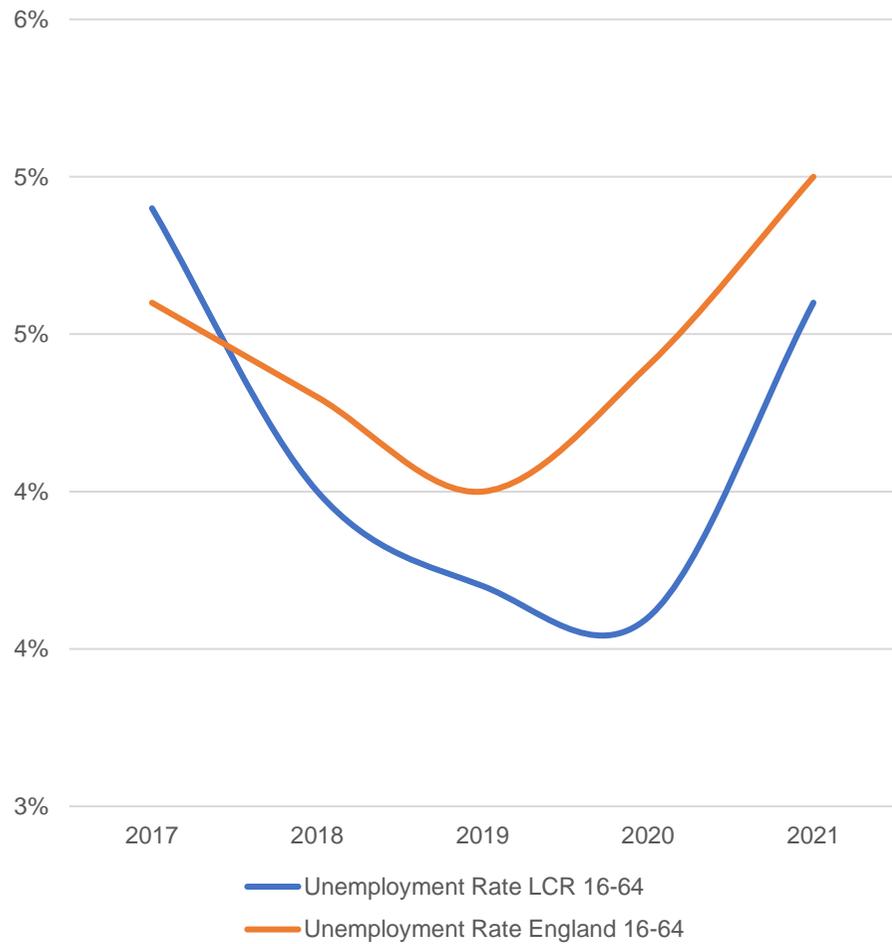
Proportion of neighbourhoods in 10% most deprived nationally



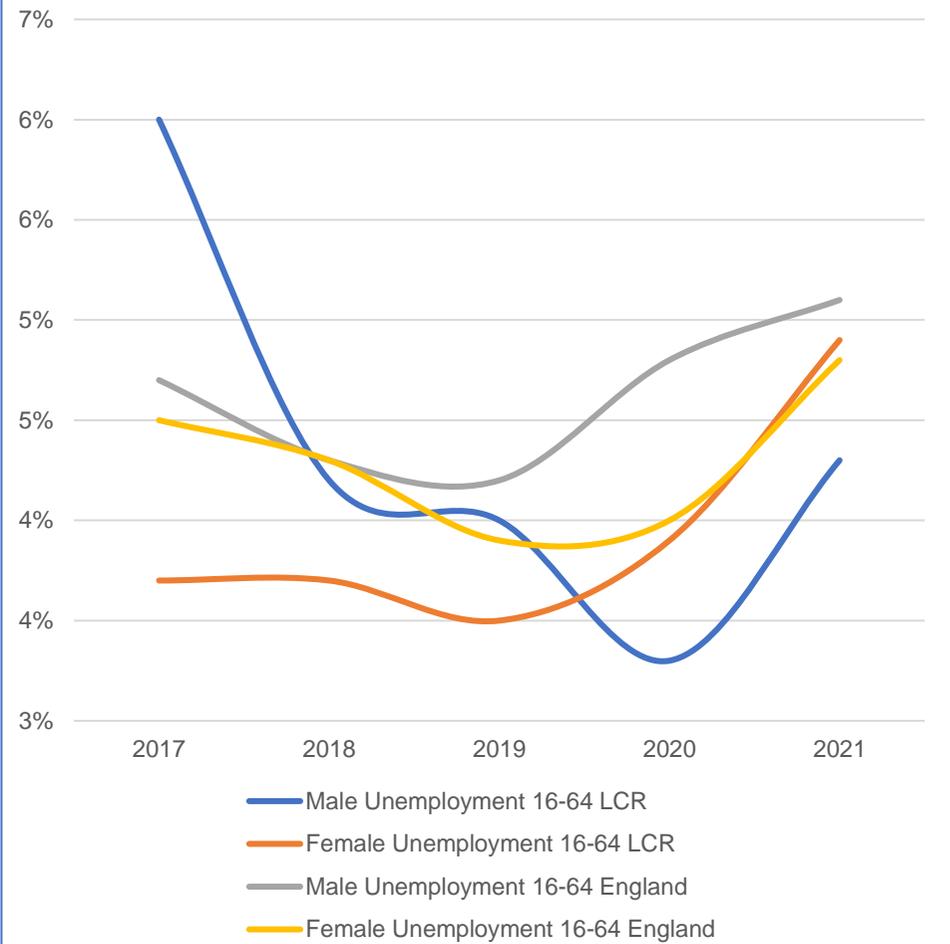
Income, Employment and Education deprivation

- Liverpool City Region has significant levels of geographically concentrated deprivation- many of our local areas are the most deprived in the country, particularly in Liverpool and Knowsley;
- Almost one third of all City Region lower super output areas (LSOAs) are in the most deprived decile in England. These are particularly concentrated in east Wirral, north Liverpool/south Sefton and north Knowsley.
- The City Region has seen the third fastest growth in the number of working age residents with Level 4+ qualifications out of all LEPs,
- 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.
- Short-term job risk is highly correlated with level of education (and also labour market experience). Those with lower qualifications, and less work experience (younger workers), are more likely to have been working in COVID affected/ shutdown sectors and therefore have been at greater risk of permanent job loss and longer periods of unemployment.
- The educational performance of young people within Liverpool City Region has been an issue of concern for many years;
- 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. Access to apprenticeships is also affected.

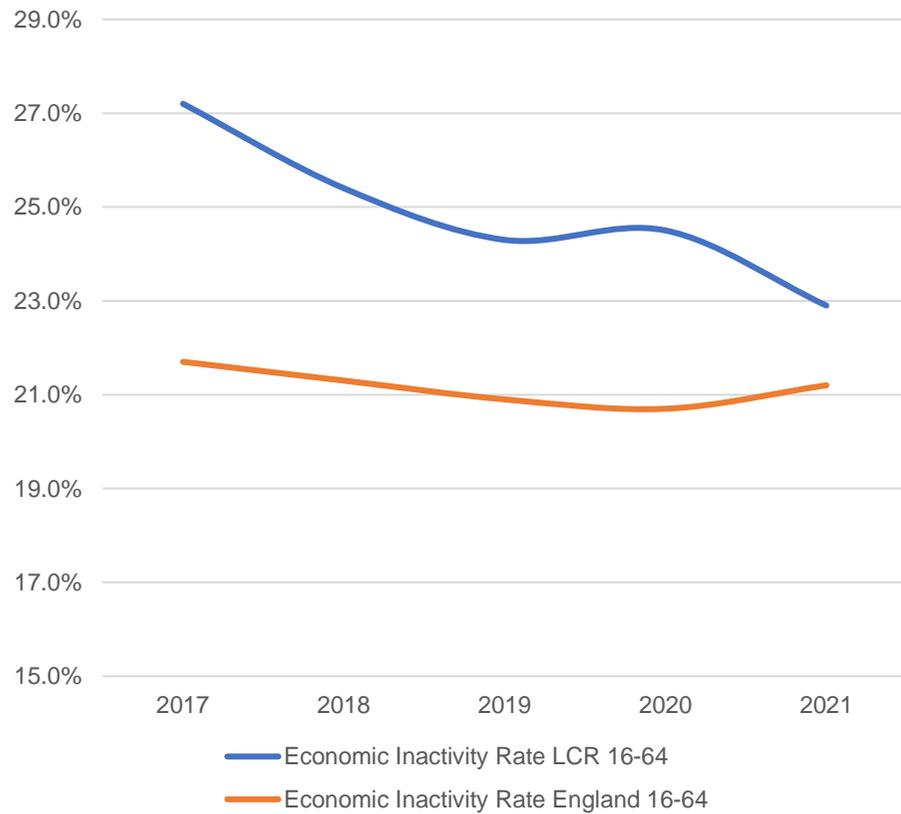
Unemployment Rate 2017 - 2021



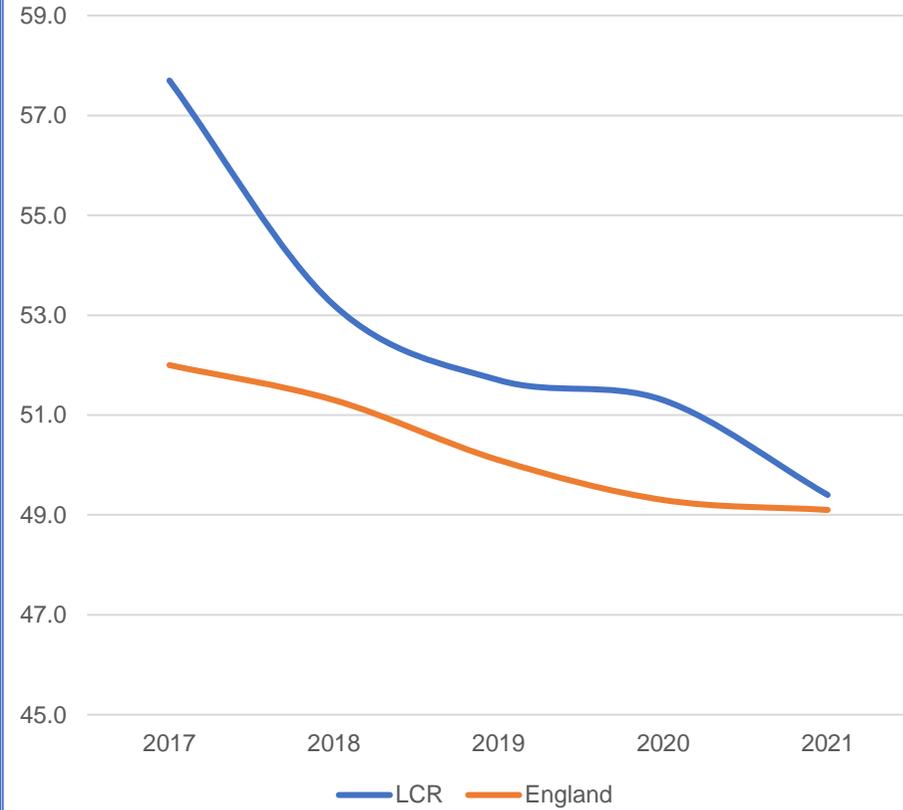
Male/Female Unemployment 16-64

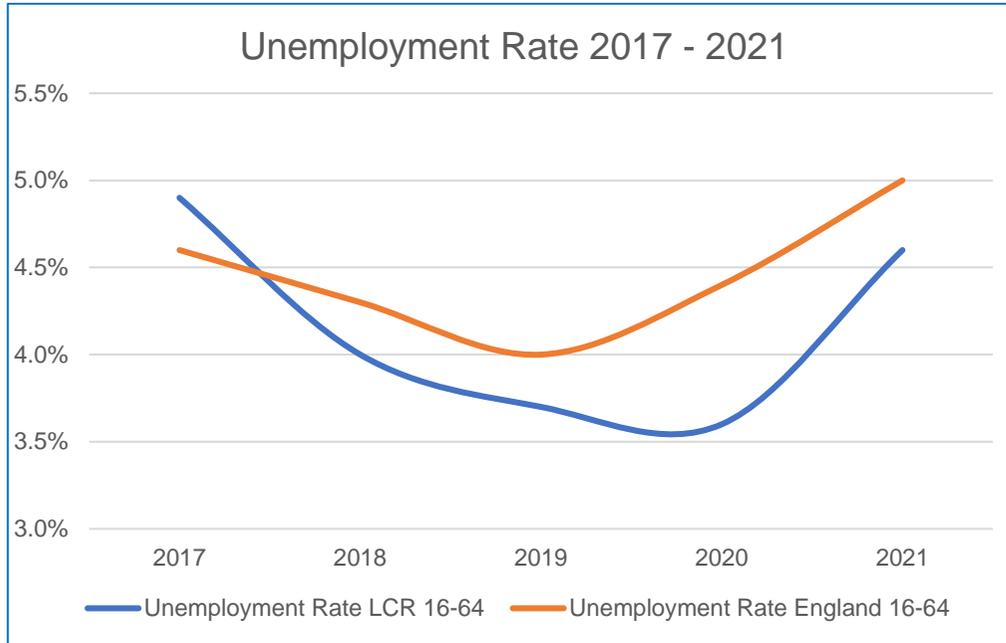


Economic Inactivity 16-64

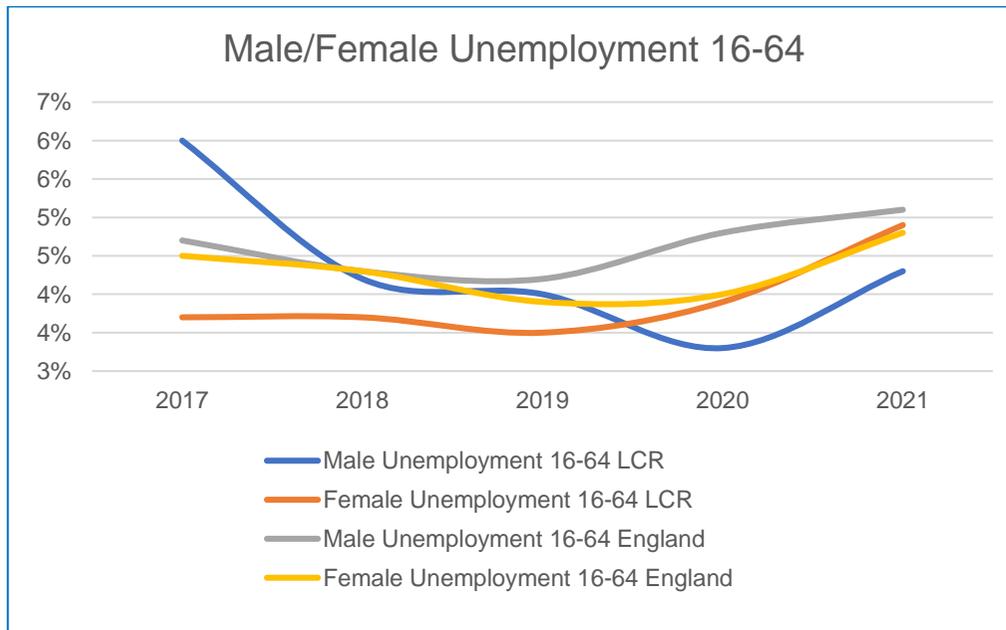


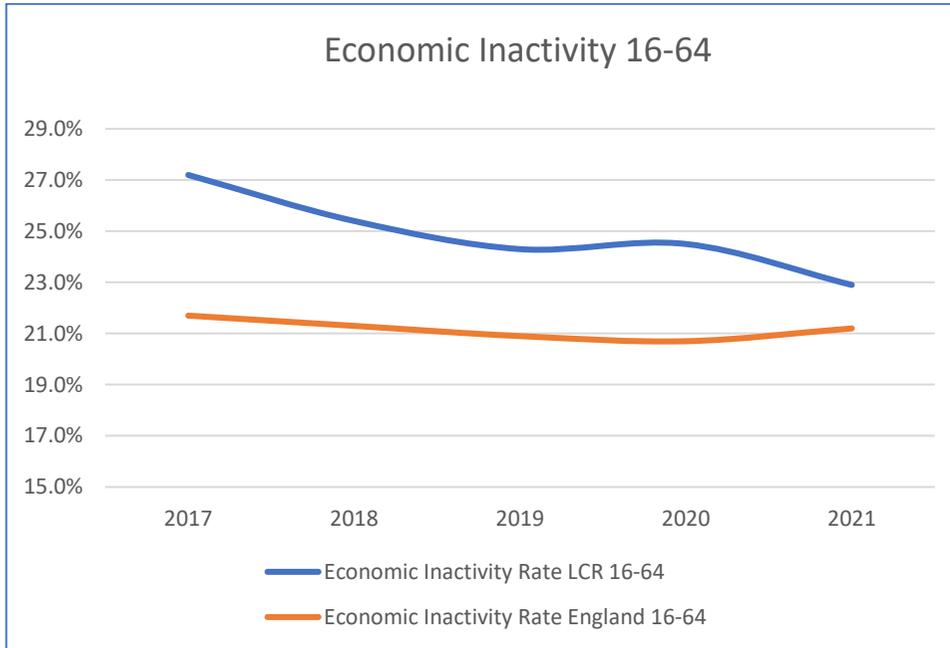
Economic Inactivity Rate - Health Conditions Lasting More than 12 Months





- ### Unemployment
- Prior to the pandemic, considerable progress had been made in reducing the level of unemployment. Unemployment fell from 6.2% in 2004 to 3.9% in 2019. Whilst rates have now risen to 4.6% this is still below the England figure of 5% .
 - Whilst the trajectory of the overall rate is positive, there are particular groups who require additional focus including people from an ethnic minority background and those who are disabled, although progress is being made.
 - The overall unemployment rate for those classed as disabled (under the Equality Act/Work Limiting Disabled) fell to 8.8%.
 - The unemployment rate fell from 9.9% to 8.7% for those from an ethnic minority background.





Economic Inactivity

- The positive trends seen in the levels of employment and unemployment continues with people who are economically inactive.
- Economic inactivity rates have dropped in LCR as a whole from 27.2% in 2017.
- Economic inactivity is now down to 22.9%, a recent low - particularly compared with the pre-pandemic rate in September 2019 of 24.3%.

CORE INDICATORS : Skills Supply

Skills Supply – Summary

- The City Region has seen the third fastest growth in the number of working age residents with NVQ4+ qualifications out of all LEPs, while 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;
- The City Region, utilising programmes such as Apprenticeships, Traineeships, the devolved Adult Education Budget (AEB) and Community Learning Provision, continues to make progress across all levels of study at 19+; and
- 32 providers are funded locally through our devolved Adult Education Budget: the providers comprise Colleges, Local Authorities, Independent Training Providers and other non- college providers, and a new five- year delivery cycle will commence in August 2022

In 2019/20 64,500 learning aims were delivered to 36,800 learners through devolved AEB. The three most popular (AEB funded) Sector Subject Areas by Learner are: SSA14 – Preparation for Life and Work; SSA1 – Health, Public Services and Care; SSA7 – Retail & Commercial Enterprises.

This delivery is reflective of learners' prior educational attainment, and also the priority sector demands locally.

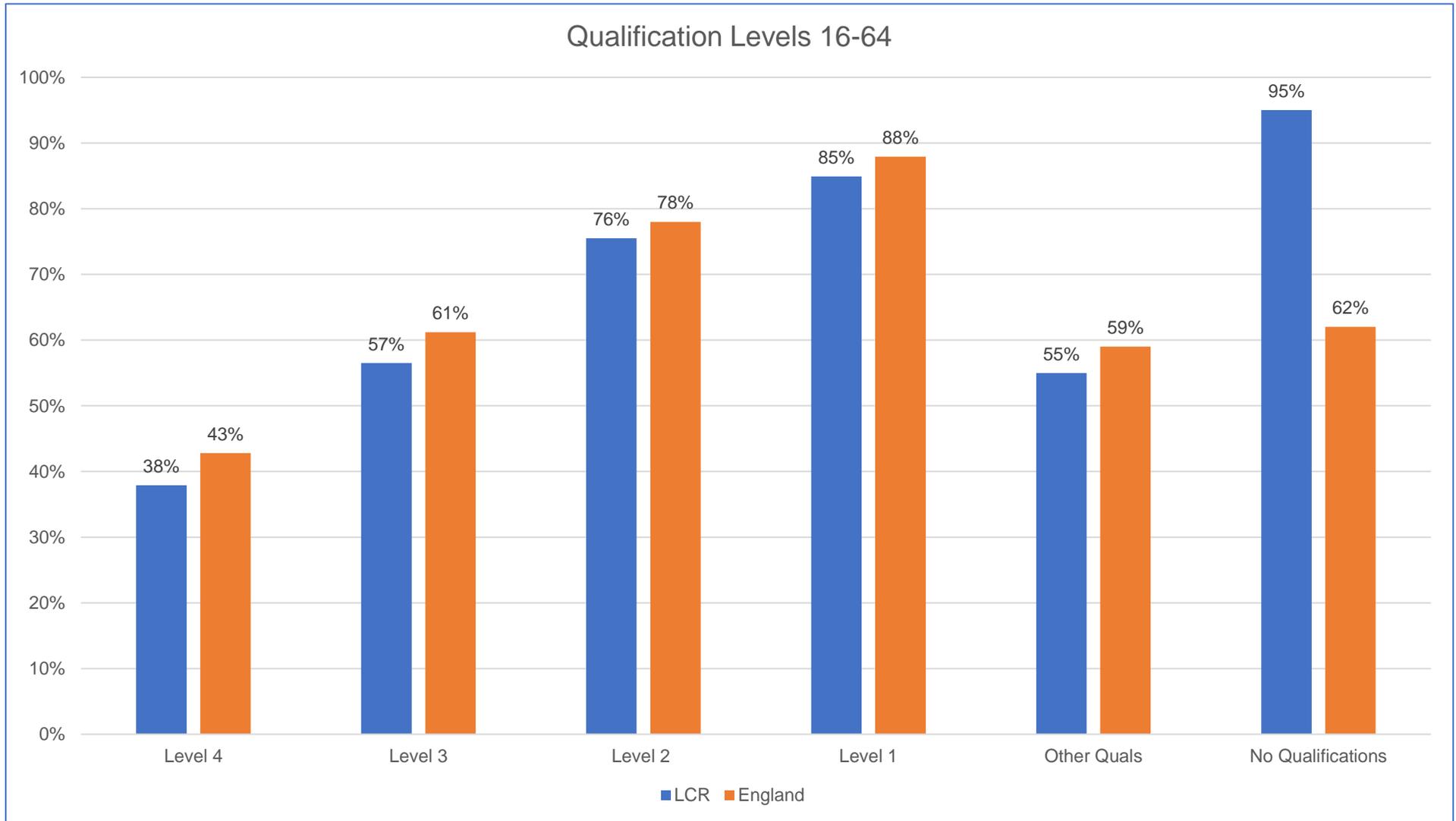
- Adult community learning fulfils a vital role in targeting the hardest to reach adults, including learners in deprived communities, and those furthest from the job market (over 12,000 enrolments in 2019/20); and
- Acquiring English and maths/functional skills remains a significant barrier for individuals to access and progress in employment.

Apprenticeships:

- Starts in the Business Administration Sector Subject Area continue to be significant, although have declined which may reflect the the move to standards (e.g L2 Business Admin). The top 5 Curriculum areas with the greatest percentage of all starts are: Health and Social Care (34% of all starts- up from 27% in 2017/18); Business Administration and Law (28%); Engineering and Manufacturing Technologies (10.5%); Retail and Commercial Enterprise (10%); Construction and the built environment (7%)
- Liverpool City Region has a strong history of delivering apprenticeships successfully with year-on- year increases in starts until 2016/17 after which starts have fallen coinciding with the introduction of the apprenticeship reforms. Starts in 2020/21 9, 450 (compared to 10, 040 the previous full year
- Provider and sectoral delivery diversification is still required locally to address emerging sector priorities.
- SSA delivery reflects many of the needs of the local economy and also mirrors AEB SSA delivery.

Qualification levels

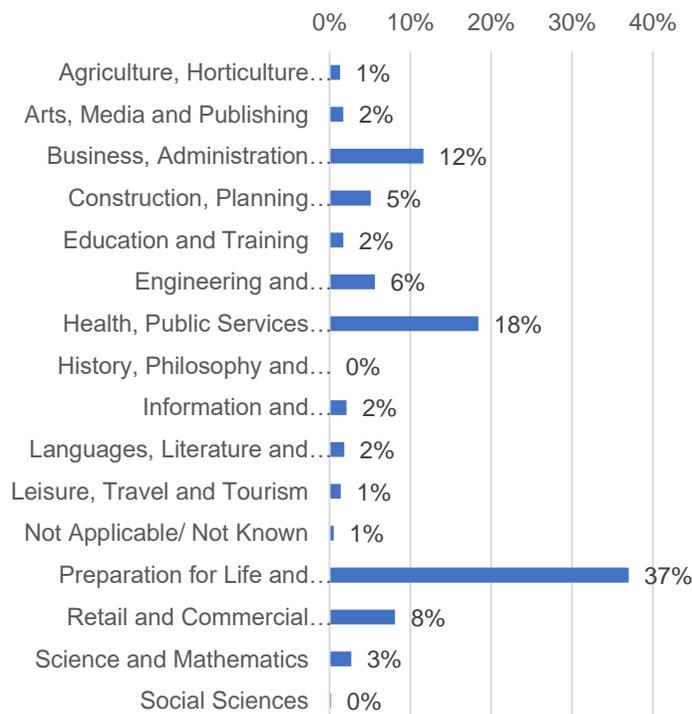
- Significant progress has been made to improve the skills of our residents and workforce in recent years; gaps have narrowed to national rates at all qualification levels but there remain further gaps to be closed.
- Improving levels of qualification are associated with higher levels of skills, productivity and income.
- In order to get to national rates, Liverpool City Region would need to see:
 - 47,700 more residents qualified to Level 4 and above;
 - 45,000 more residents qualified to Level 3 and above;
 - 24,700 more residents qualified to Level 2 and above; and
 - 31,900 fewer residents without any qualifications.
- 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.
- Only 35.6% of young people at KS4 obtain Grades 5-9 including English & Maths, compared to 40.2% Nationally and 41.2% in the NW.



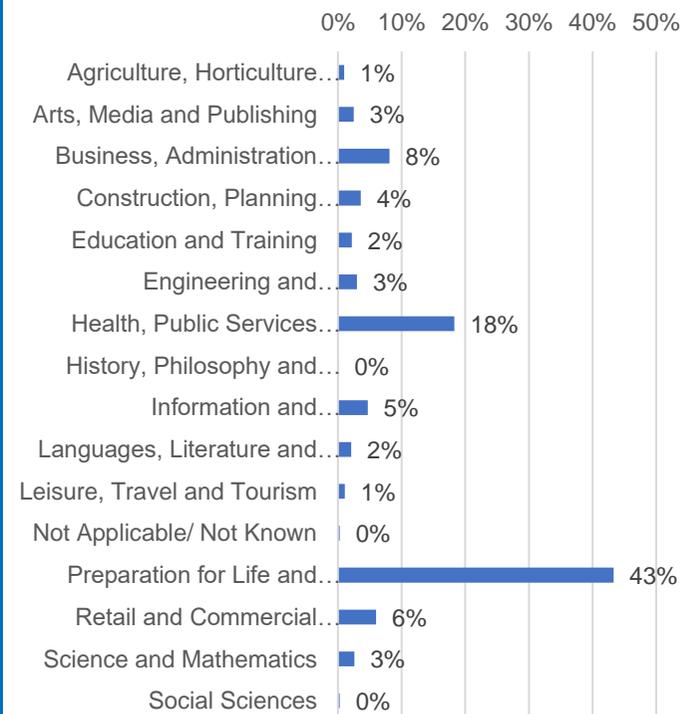
FE Education and Training Achievements

- Delivery and achievements through AEB is reflective of learners' prior educational attainment, and also the priority sector demands locally; it is not too dissimilar to the national picture. The proportion of achievements in the SSA Preparation for Life and Work lags the national picture and is perhaps indicative of the large number of adults deemed inactive in the local labour market. Apprenticeship delivery (subject and level) is similarly characterised. There will be an increasing trend for digital skills at all levels and some sectors (e.g. Visitor economy) may face both short-term and long-term disruption that requires a different skill set.
- Demand for Green Skills and those associated with delivering the NET ZERO and climate change priorities is likely to accelerate, and the strong demand for digital skills will also increase due to consumer behaviour driving business adjustments and consumer behaviour (e.g. on-line purchasing; electric vehicles; home efficiency measures). Short course interventions and outcomes e.g. via skills bootcamps may not be fully reflected currently in FE and Training achievements.

Adult Education & Training
Achievements by SSA Liverpool
City Region 2020/21



Adult Education & Training
Achievements by SSA England
2020/21



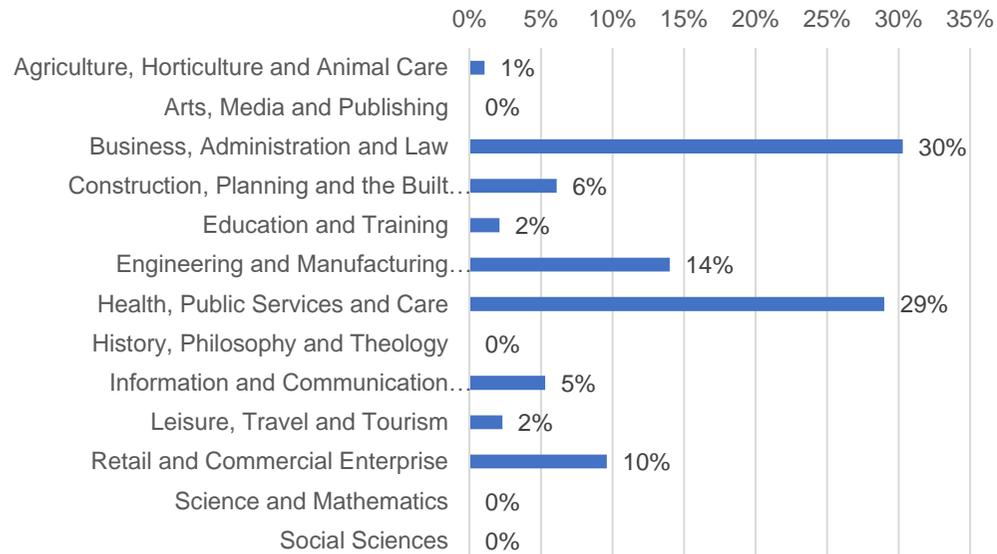
SSA – Apprenticeship Starts 2020/21	TOTAL	19-24	25+	Under 19
Agriculture, Horticulture and Animal Care	110	40	40	30
Arts, Media and Publishing	60	20	30	10
Business, Administration and Law	2740	670	1790	290
Construction, Planning and the Built Environment	650	240	90	320
Education and Training	250	90	130	40
Engineering and Manufacturing Technologies	920	310	290	320
Health, Public Services and Care	3280	810	2050	420
History, Philosophy and Theology	0	0	0	0
Information and Communication Technology	380	160	180	50
Leisure, Travel and Tourism	100	20	20	60
Retail and Commercial Enterprise	960	250	460	250
Science and Mathematics	0	0	0	0
Social Sciences	0	0	0	0
TOTAL STARTS 2020/21	9450	2610	5080	1790

	TOTAL STARTS 2020/21	19-24	25+	Under 19
Advanced	4050	1320	1890	840
Higher	2930	590	2270	70
Intermediate	2480	700	910	870
TOTAL	9450	2610	5070	1780

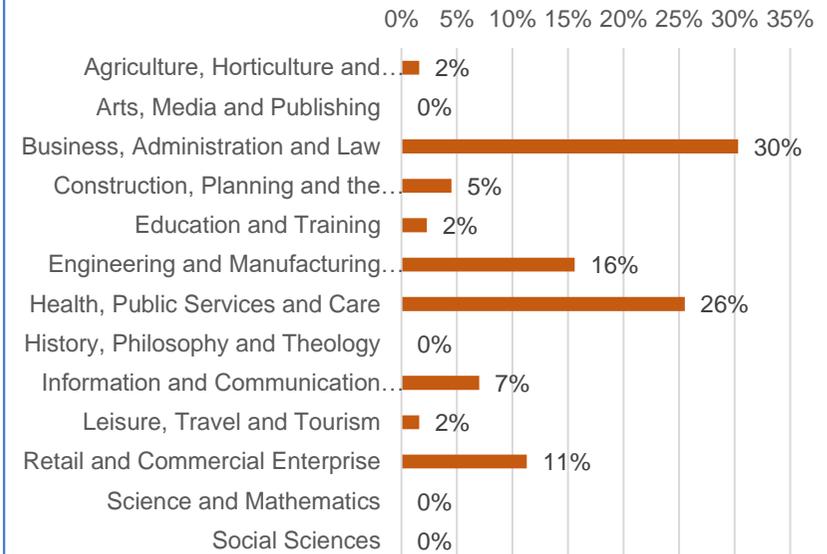
SSA- Apprenticeship Achievements 2020/21	TOTAL	19-24	25+	Under 19
Agriculture, Horticulture and Animal Care	50	20	20	10
Arts, Media and Publishing	0	0	0	0
Business, Administration and Law	1420	440	750	230
Construction, Planning and the Built Environment	290	110	40	140
Education and Training	100	40	30	30
Engineering and Manufacturing Technologies	650	220	190	230
Health, Public Services and Care	1360	320	830	220
History, Philosophy and Theology	0	0	0	0
Information and Communication Technology	250	90	110	50
Leisure, Travel and Tourism	110	20	20	70
Retail and Commercial Enterprise	450	120	170	150
Science and Mathematics	0	0	0	0
Social Sciences	0	0	0	0
TOTAL ACHIEVEMENTS 2020/21	4680	1380	2160	1130

SSA- Apprenticeship Starts Time Series	2017/18	2018/19	2019/20	2020/21
Agriculture, Horticulture and Animal Care	130	160	80	110
Arts, Media and Publishing	20	0	30	60
Business, Administration and Law	3930	3830	2960	2740
Construction, Planning and the Built Environment	800	690	560	650
Education and Training	210	180	270	250
Engineering and Manufacturing Technologies	1500	1760	1420	920
Health, Public Services and Care	3350	3450	3230	3280
History, Philosophy and Theology	0	0	0	0
Information and Communication Technology	420	420	390	380
Leisure, Travel and Tourism	250	250	110	100
Retail and Commercial Enterprise	1590	1500	1010	960
Science and Mathematics	10	0	0	0
Social Sciences	0	0	0	0
TOTAL STARTS 2020/21	12210	12240	10060	9450

Percentage of Apprenticeship Achievements LCR

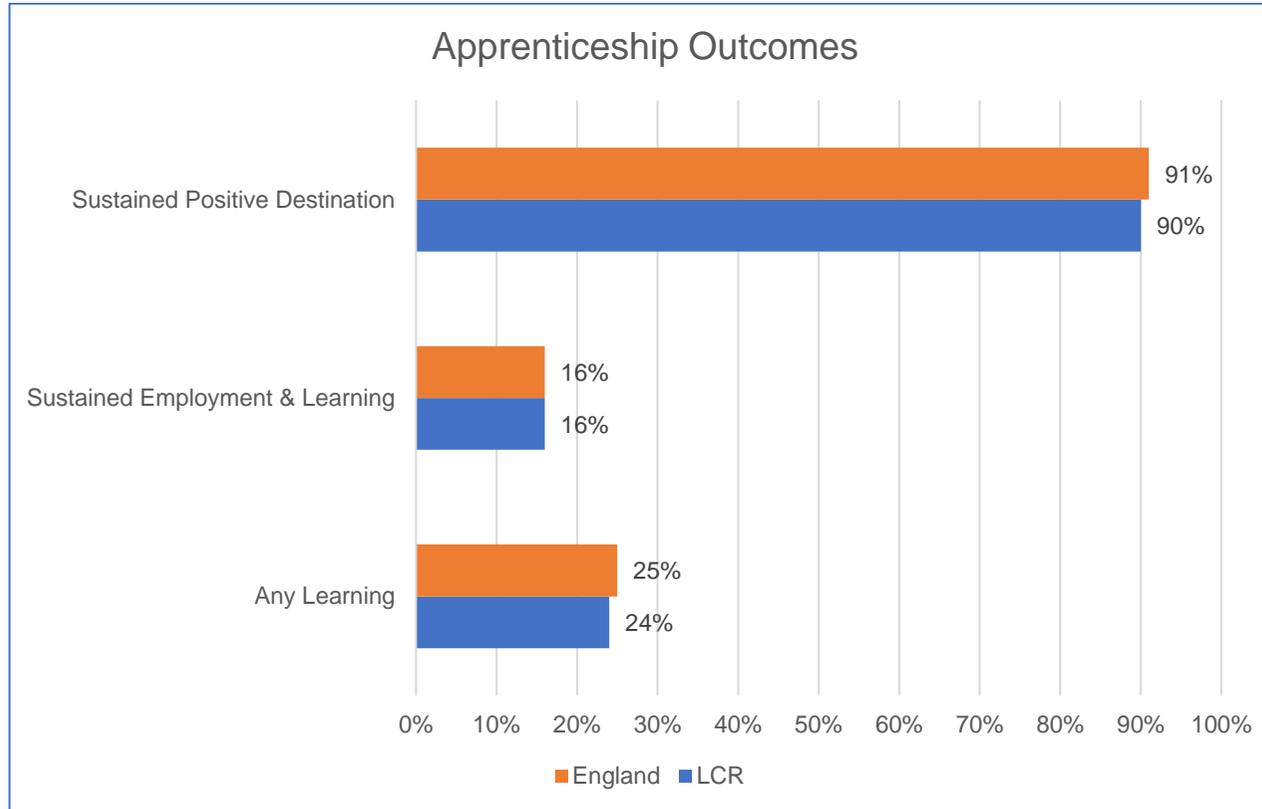


Percentage of Apprenticeship Achievements England

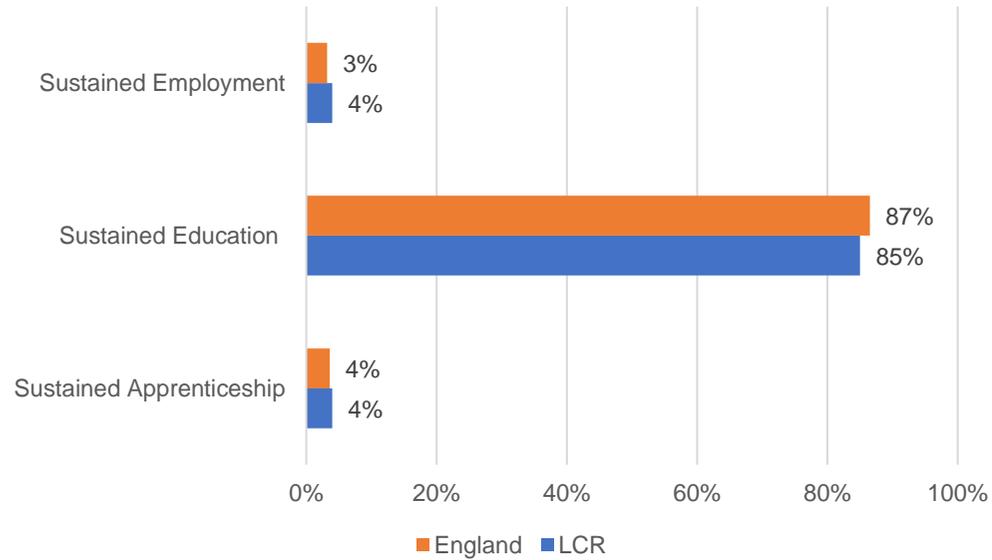


Apprenticeship Achievements (see also supply)

- Liverpool City Region has a strong history of delivering apprenticeships successfully with year-on-year increases in starts until 2016/17 after which starts have fallen as result of the impact of apprenticeships reforms; consequently, fewer starts equals fewer achievements. LCR mirrors the England picture in most aspects of apprenticeships achievement rates and the balance and mix of sector delivery areas;
- There has been a trend away from employers recruiting young people (often lacking experience and maturity); legal age barriers prevent young people from securing particular roles in employment growth areas such as Care roles. Achievement rates have been impacted by COVID-19- delays in end-point assessment, as well as learners out of funding but needing further learning to complete, have hindered progress.
- There has been a welcome trend towards higher level apprenticeships being studied and although small in number this is encouraging- but L2 options are still needed. Given the local demand and nature of business operations, arguably there is a need to expand the number of IT related standards delivered e.g. cyber security.
- Note: an apprenticeship start may not lead to a learner's achievement being secured within the same year.



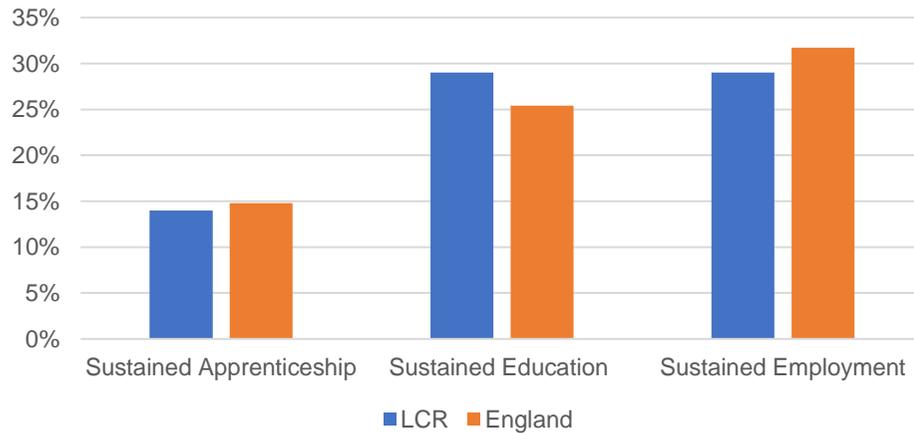
KS4 Destinations State Mainstream Schools - 2019/20



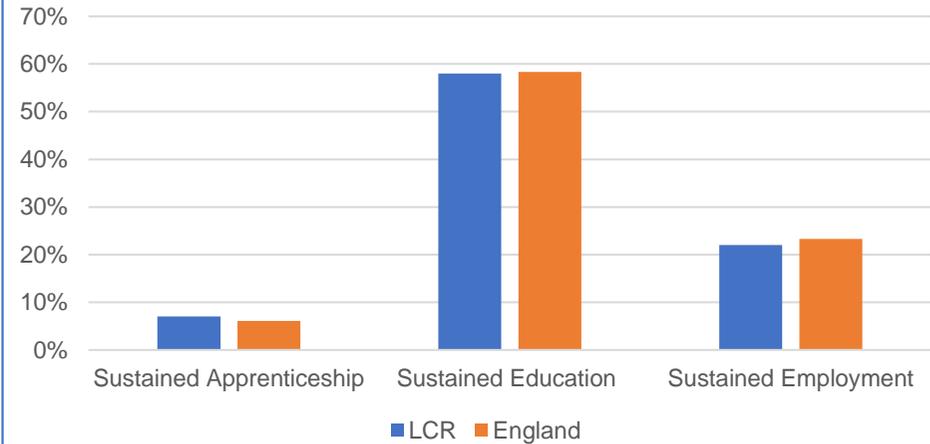
KS4 destinations:

- Liverpool City Region lags (slightly) the England position;
- A slightly higher proportion of more young people follow the apprenticeship route;
- Some young people for personal (e.g. turned off by learning) and family reasons seek employment first - rather than an apprenticeship or further study which may explain some of the differences.

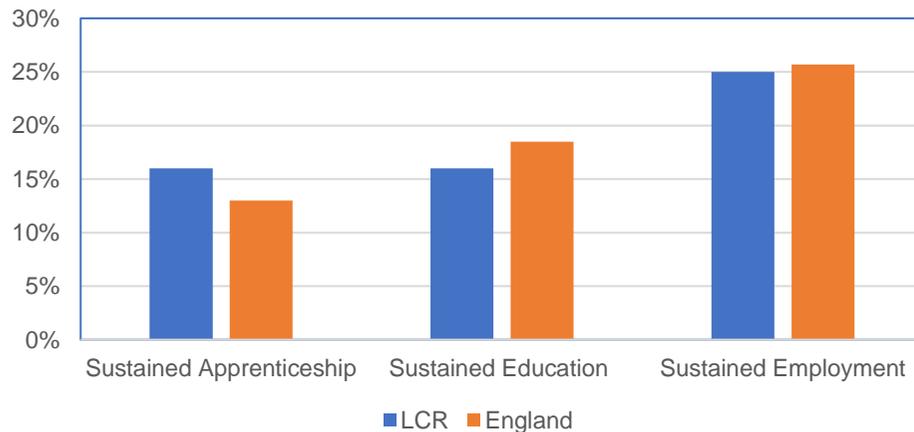
16-18 Destinations [Mainstream Schools & Colleges] Level 2



16-18 Destinations [Mainstream Schools & Colleges] Level 3



16-18 Destinations [Mainstream Schools & Colleges] All Other Qualifications

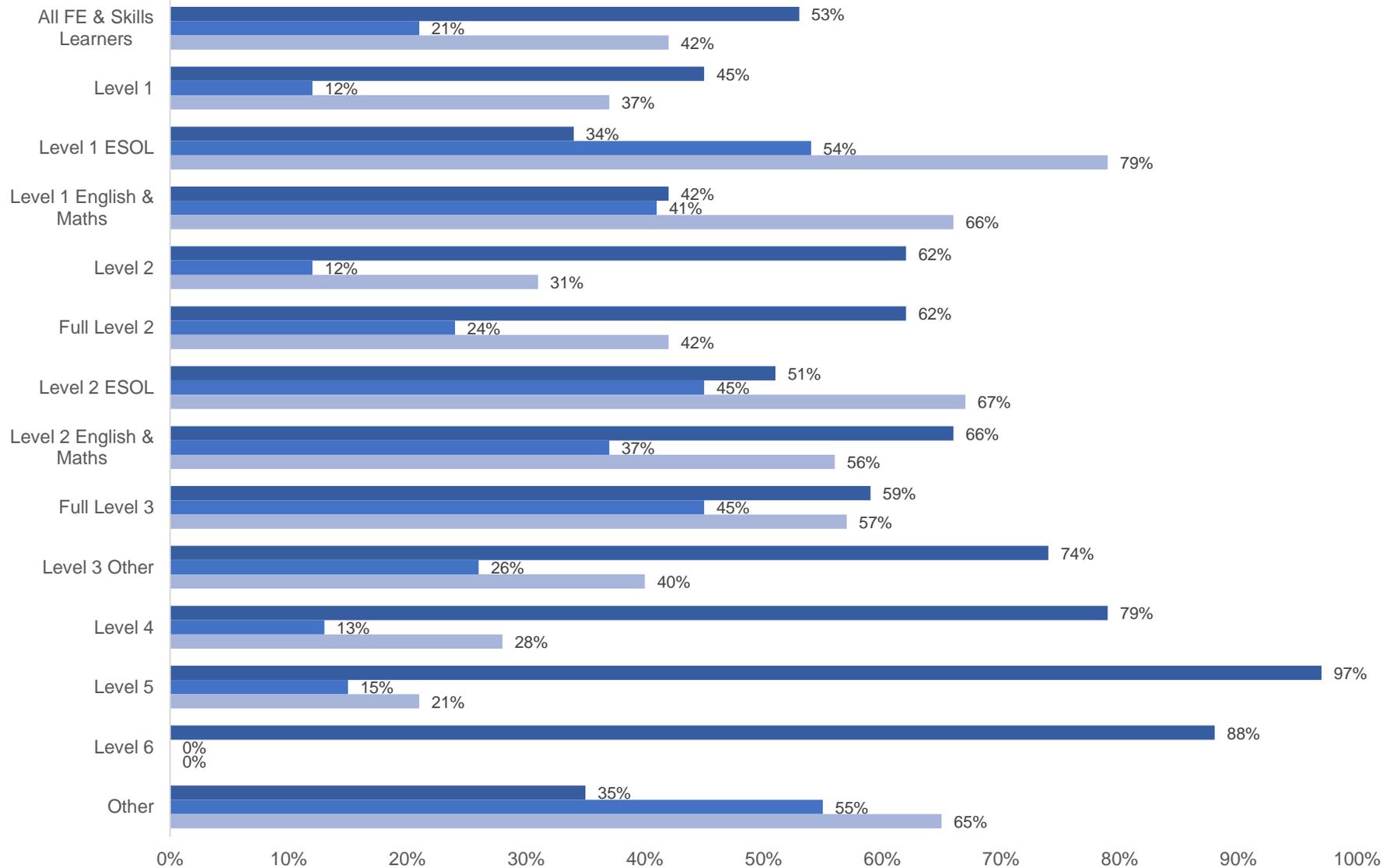


KS5 destinations:

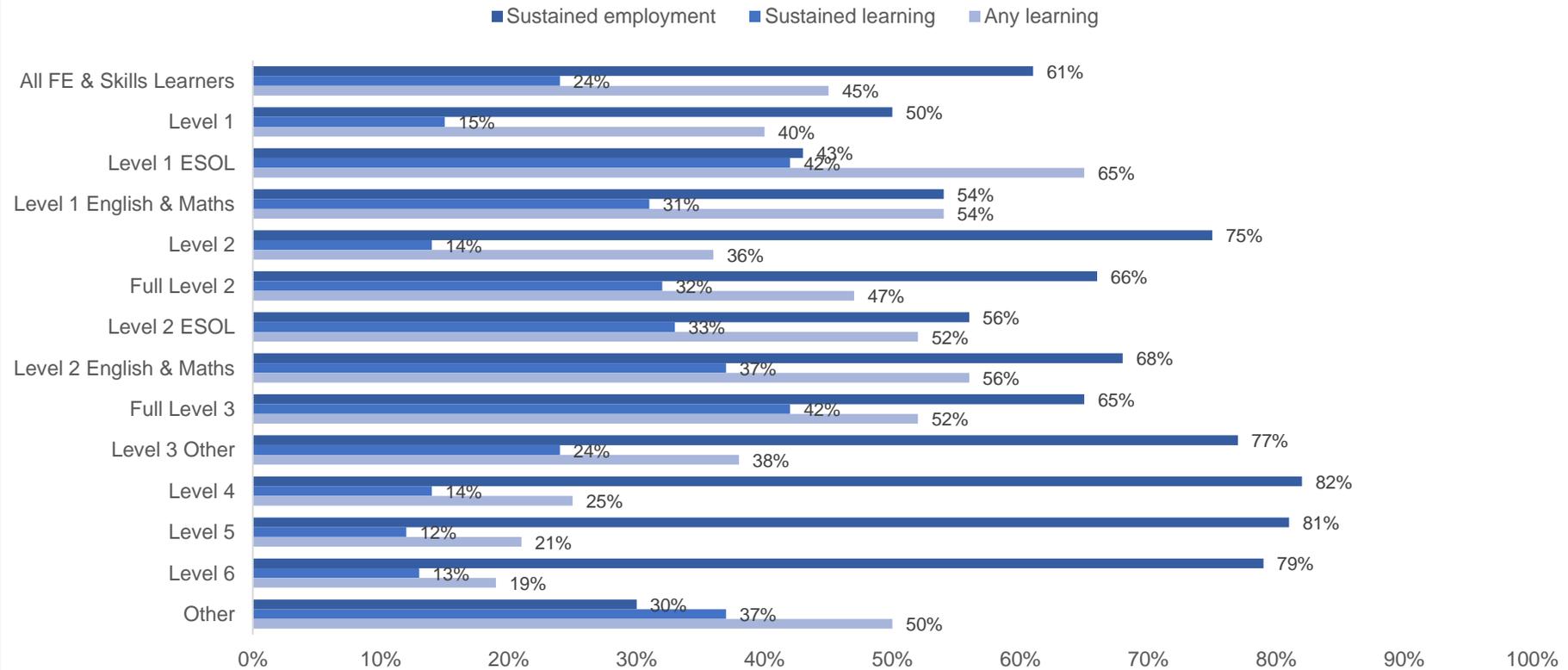
- Both Liverpool City Region's Level 2 and Level 3 learners progress to a sustained education destination at a higher level than the England average;
- Many young people who leave secondary education do not achieve a full Level 2 at age 16 but achieve it later. Learners, therefore, having completed a Level 2, but later, may therefore be progressing to Level 3 study rather than employment.

Destinations of FE & Skills Learners in 2018/19 - Liverpool City Region LEP

■ Sustained employment ■ Sustained learning ■ Any learning



Destinations of FE & Skills Learners in 2018/19 - England



FE and skills destinations

- Sustained employment in Liverpool City Region increases significantly with the level of qualification studied; 97% of learners who have studied L5 qualifications and 88% who have studied L6 progress to sustained employment. These are much higher than the England averages. Those learners in FE who have undertaken lower level courses are more likely to progress to further learning. Such a distribution is reflective of a number of factors such as the general qualifications gaps at all levels (although the gaps has narrowed at L4), as well as the lower jobs density in the city region: more people chasing fewer jobs leads to more competition and potential displacement/ exclusion of those with lower skills and qualifications. People will be in jobs that they are over-qualified for, with frequent skills underutilisation in the job role. This has emerged as an issue in the immediate post-COVID- 19 period.

Graduate Destinations 2018/19	Undergraduate		Postgraduate	
	Liverpool City Region	England	Liverpool City Region	England
Full-time employment	50%	52%	65%	65%
Part-time employment	15%	12%	10%	9%
Employment and further study	10%	11%	10%	10%
Full-time further study	8%	9%	3%	5%
Part-time further study	1%	1%	0%	0%
Voluntary or unpaid work	1%	1%	1%	1%
Unemployed	6%	6%	3%	4%
Unemployed and due to start work	1%	1%	0%	0%
Unemployed and due to start further study	0%	1%	0%	0%
Other including travel, caring for someone or retired	6%	5%	4%	5%
Total in employment	75%	75%	85%	84%
Total in further study	19%	21%	13%	15%
Total unemployed	7%	8%	3%	4%

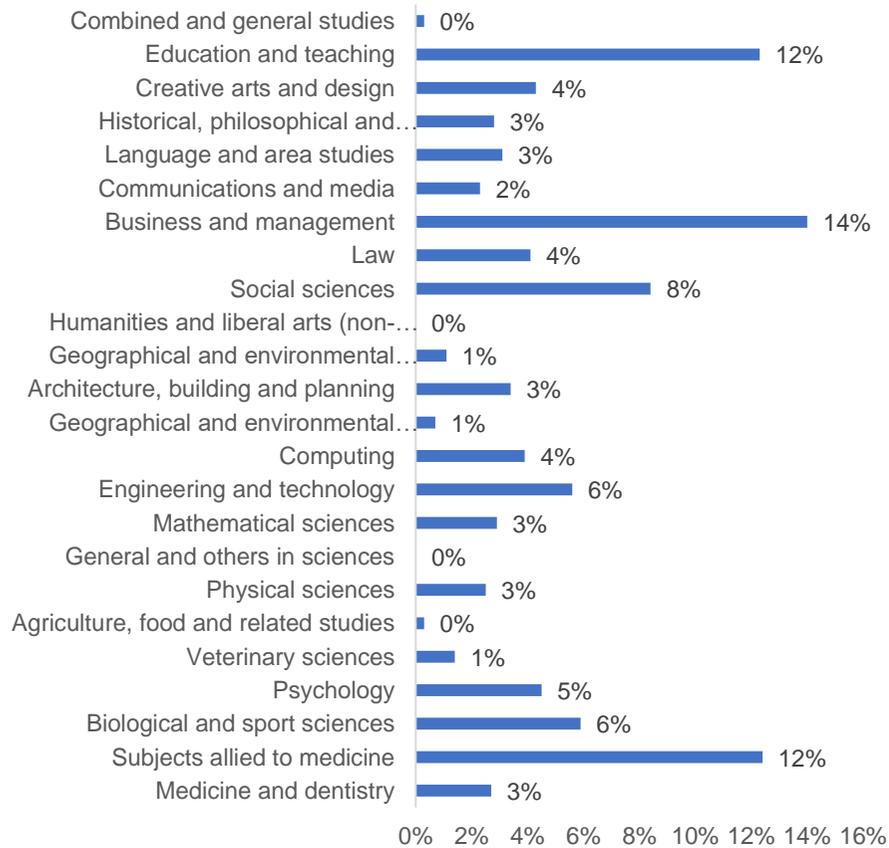
HE Graduate destinations

- Known outcomes for LCR graduates are broadly in line with the rest of England (-1% difference). 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;
- Research from local higher education institutions indicates that only 24% of STEM graduates actually take up STEM occupations six months later after graduation: this is despite large numbers of students undertaking courses in departments rated as world class in research areas;
- A higher proportion of graduates from HEI's in LCR progress into further study- reflecting the research opportunities locally and businesses linked to the areas of research; and
- In statistical terms, Graduates are no more likely to be unemployed having graduated from a local HEI compared to national levels: n.b. the data does not reflect the 'home' post code of the graduate i.e. those domiciled in LCR.

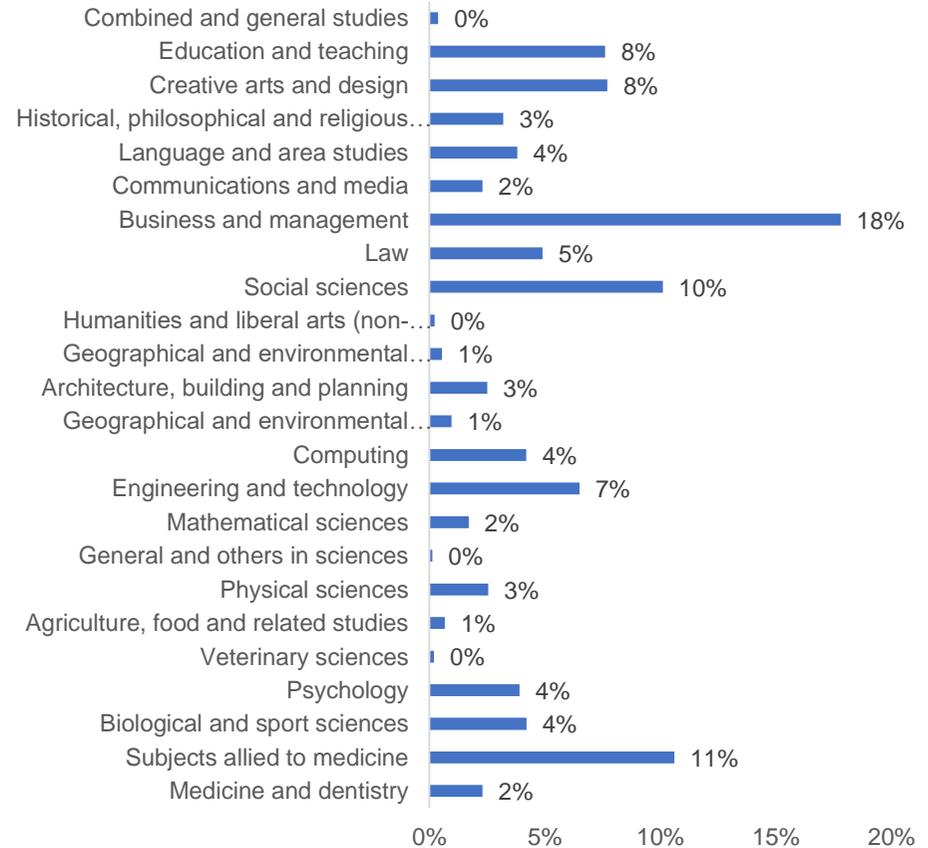
HE Qualifiers

- The balance and mix of the qualifications gained by those completing HE courses at LCR HEIs reflects the research and wider specialisms of our institutions, local employers and other specialist organisations such as the Liverpool School of Tropical Medicine; and
- STEM subjects, medicine and dentistry, and subjects allied to medicine, feature prominently in the qualifications secured and are in many of these areas proportionately higher than either England or other comparable regions' figures. This helps position the LCR's competitive and strong offer in relation to Life Sciences expertise.

LCR HE Qualifiers 2019/20

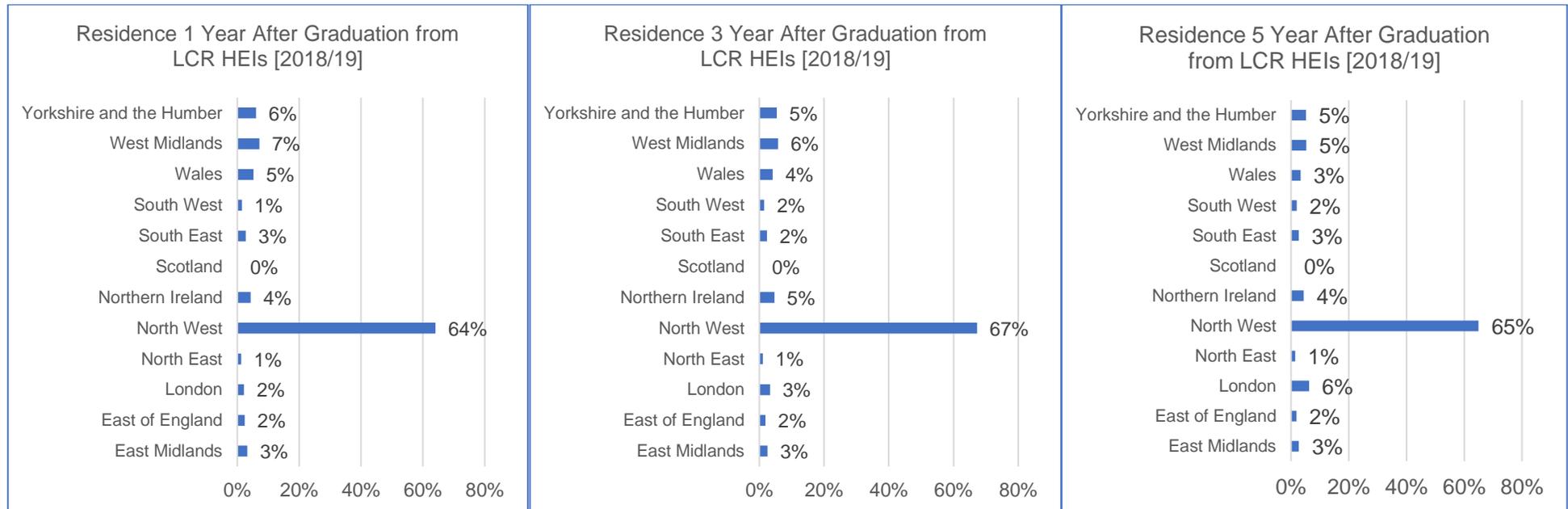


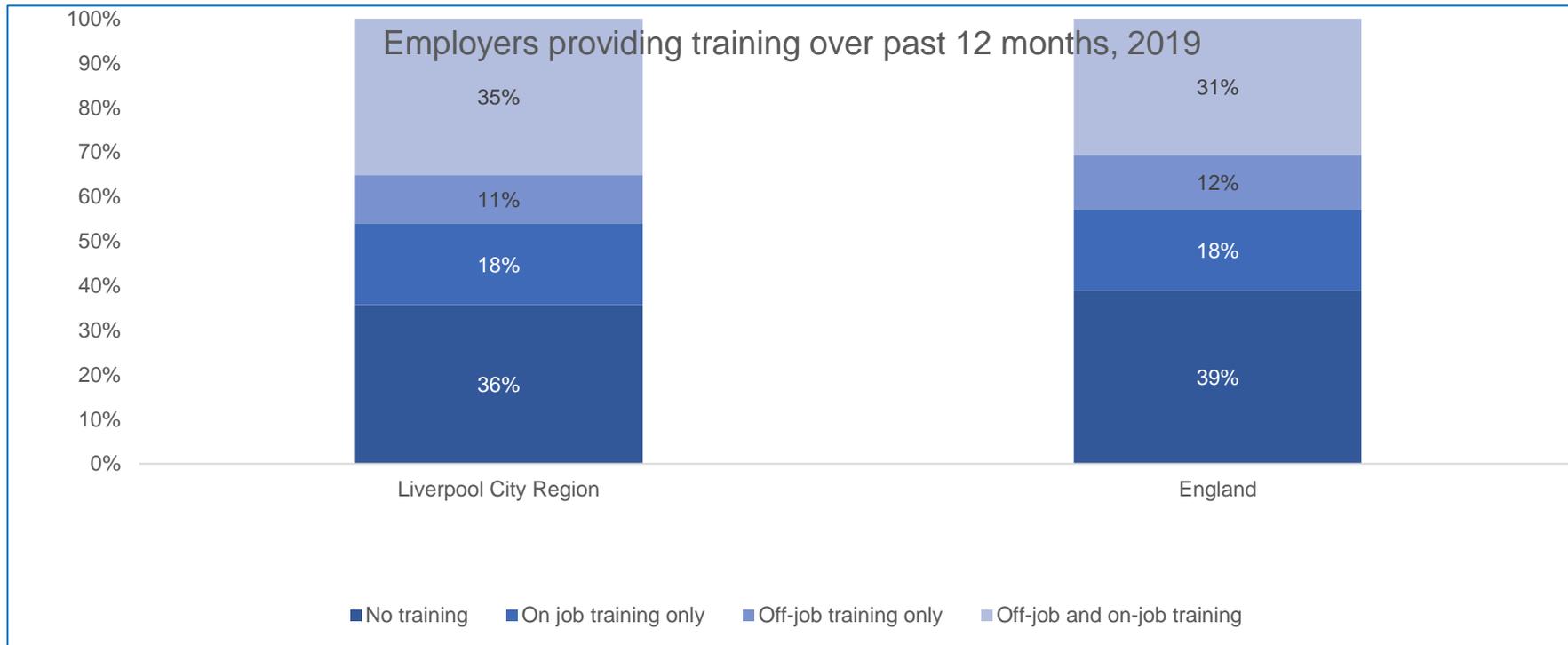
England HE Qualifiers 2019/20



Graduate retention

- Based on the latest data, local HEIs 'supply' in excess of 8,000 Graduates each year;
- The majority (60%+) of graduates from local HEIs remain in the North West 1, 3 and 5 years after graduation (c5,000 graduates). Yorkshire and the Humber, The West Midlands, London, and the South East account for the main destinations of those who do not stay;
- Research from local higher education institutions indicates that only 24% of STEM graduates actually take up STEM occupations six months later after graduation: this is despite large numbers of students undertaking courses in departments rated as world class in research areas;
- LCR has a net inflow of students at local HEIs which total in excess of 57,000 students. Retention rates post-graduation can vary across institutions; LJMU has traditionally recruited students from within the LCR; by comparison, the University of Liverpool had (prior to COVID-19) recruited more international students and students from elsewhere in the UK. This is also reflective of the courses offered and departments such as Medicine and Dentistry; and
- Universities play an important role in attracting talented people into the region, research investment as well as upskilling current residents.





Employer provided training

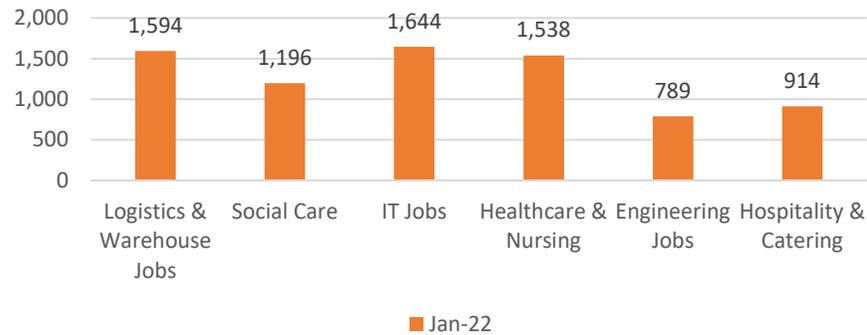
- 64% of LCR employers have indicated that they provide training- higher than the national average. Our own local and extensive employer skills survey indicated a figure of 84% of employers provided some form of training;
- The number of hard to fill vacancies and skills shortage vacancies remains a significant barrier for employers;
- Our own local employer skills survey of 2017 suggested that there are over 194,000 current workers lacking the necessary skills for their job but when questioned more than 20 percent said that they had taken no action to address their skills needs;
- Whilst further work still needs to be undertaken, local experience and anecdotal evidence suggests that in addition to the cost issues it remains difficult for many (especially smaller) employers to understand and navigate the many different publicly funded employment and skills training opportunities that exist. The Government is currently trialling a number of skills programmes to test and evaluate employer engagement and co-investment levels in training. SMEs generally have no dedicated training budget compared to larger employers; and
- Impartial skills brokerage plays an important role: LCR has invested in a Skills Brokerage service within our business facing Growth Platform (LEP) to help address the market gap.

Skills Demand

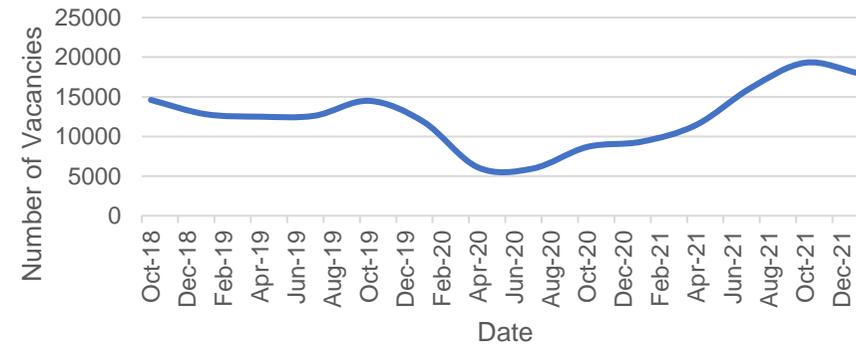
Skills Demand – Summary

- Engaging businesses and delivering interventions at scale whilst meeting individual employer demand is a challenge. Working with employer networks, intermediaries and other trusted bodies is essential when seeking to address skills needs of the workforce;
- The City Region will require around 30,000 new workers per year to replace retired employees or those on extended periods of areas of particular focus (prior to COVID-19) are: Elementary Occupations; Clerical and Services related Administrative Occupations; Sales; Caring and Personal Service Occupations Health Professionals. Local employer feedback indicates that other job roles-particularly driving roles in the logistics sector are likely to require replacement workers;
- Many of the sectors and occupational areas where replacement demand is an issue are also areas where demand for staff is growing- particularly in health and caring roles and warehousing and logistics. IT as a sector is projected to be also amongst the sectors with the highest forecast growth;
- Overall, the City Region has a similar breakdown to the UK in terms of occupations but this masks significant variation between the six districts;
- Digital Skills needs, problem solving, adapting to new equipment and techniques and general product/ service knowledge are cited as key in demand skills needs amongst the workforce by employers. Skills demand is becoming more nuanced in some job roles with additional skills required, often digital focussed, becoming increasingly prevalent e.g. Higher- level laboratory roles requiring proficiency in data analysis systems and techniques;
- Occupations with the lowest growth forecasts are many of those at greatest risk of automation and digitalisation. 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; and
- 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. Demand for skills programmes linked to leadership and management; change management and adapting to new technologies remains strong.

Largest Vacancy Industries January 2022 Liverpool City Region



Advertised Vacancies - Liverpool City Region [2018 - 2022]



Vacancy Information

- At the start of March 2020, before the main elements of lockdown and the effects of Covid-19 were announced, advertised vacancies in LCR were running at an average of 12,000 a month.
- By May 2020, the City Region experienced its lowest vacancy total since data tracking started, with a low of 5,500 vacancies reported, representing a 54% decline with pre-pandemic figures.
- By the beginning of March 2021, evidence of recovery is started to emerge- albeit lagging other areas; Vacancies in LCR stood at 11,100 – a 7.5% drop pre-lockdown in March 2020;
- As of January 2022, advertised vacancies in Liverpool City Region currently stand at 17,942 – higher than pre- lockdown levels, and largest sector increases across the City Region on average have been in: Hospitality; IT Jobs; Healthcare and Nursing; Engineering; Social Work; Logistics & Warehouse; (Adzuna data);
- Health and Social Care 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;
- There remains a significant jobs gaps in the Liverpool City Region and is the highest among comparator areas;
- Occupations with the lowest growth forecasts and reduced vacancy numbers are many of those at greatest risk of automation and digitalisation- including jobs relating to some of our key priority sectors.

Please note these nationally produced forecasts were produced prior to COVID-19 and have not been updated

Liverpool City Region LEP	
Occupations with highest forecast growth (2017-2027)	Occupations with lowest forecast growth (2017-2027)
1) Caring personal service occupations	1) Secretarial and related occupations
2) Customer service occupations	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 occupations

Occupation growth forecasts

- Traditional skills requirements associated with specific occupations is changing and being disrupted;
- Health and Social Care (including allied medical occupations) 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;
- Prior to COVID-19 there was strong projected growth in the Arts and Entertainment sector and the associated customer care type roles forecast for growth;
- Occupational demand relating to Green Jobs is expected to grow, but as yet the demand for particular skills, job roles and within particular sectors requires further analysis;
- The Maritime and Logistics sector, increasingly at the forefront of automation, innovation and its application, and facing new customer demands, is expected to lead to specific occupational skills demand specific to the sector (HGV replacement demand) but also skills that cut across others such as Engineering;
- The forecast occupational growth areas highlight the need to create quality, high value jobs; and
- Occupations with the lowest growth forecasts are many of those at greatest risk of automation and digitalisation.

Liverpool City Region LEP	
Sectors with highest forecast growth (2017-2027)	Sectors with lowest forecast growth (2017-2027)
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

Sector growth forecasts

It is important to distinguish between sector growth as it relates to employees (jobs growth) and growth as it pertains to GVA: of the 20 main sectors, prior to COVID-19, 15 sectors were predicted to be growing or stabilising in terms of demand for employees:

- Health and Social Care 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 type roles;
- IT as a sector is projected to be amongst those 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 as key needs amongst the workforce;
- Occupations with the lowest growth forecasts are many of those at greatest risk of automation and digitalisation; and
- In addition, other sectors forecast to experience jobs growth before and after COVID-19 include construction, professional and business services, Warehousing and support activities.

Mapping Skills Supply and Demand

Skills Supply and Demand - Summary

- Employment gaps still exist with national levels and, over the immediate period and without appropriate interventions, the pandemic has the potential to very quickly undo much of the progress that has been made;
- In addition to growing Skills provision at Levels 4 and 5 and, in particular, supporting more people who have studied STEM skills into employment, the Liverpool City Region needs to grow both the volume and quality of job opportunities and ensure that our local employer/ organisational assets can be maximised economically;
- Many growth areas and replacement demand critical sectors have traditionally provided significant volumes of entry- level job opportunities for those seeking to enter the labour market for the first time (including part-time work opportunities for young people), as well as for those seeking to re-enter the labour market after a period of absence. Sectors such as Health also provide multiple progression opportunities and are becoming more 'tech focused' like many occupations. Maths and English remains an issue for many seeking to progress in learning and into employment at all ages;
- 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;
- Devolved AEB delivery is reflective of learners' prior educational attainment: a significant percentage of our AEB funding supports the delivery of national entitlements. AEB contracting addresses the priority sector demands locally. Delivery MI indicates that the three most popular (AEB funded) Sector Subject Areas by Learner are: SSA14 – Preparation for Life and Work ; SSA1 – Health, Public Services and Care; and SSA7 – Retail & Commercial Enterprises;
- Upskilling and reskilling 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; reskilling and upskilling will enable those who have lost their jobs to move back and be better placed to meet the demand from employers;
- The impact of COVID-19 on the local economy has been both demand and supply in nature (reflected nationally as well): people's demand for particular goods and services had reduced, and so too had the ability of businesses and organisations to provide goods and services. However, in other areas the opposite is true; the future challenge is to support organisations and businesses to recover, stabilise and grow as well as supporting individuals into work (e.g. young people) or back into work, and to progress in work through responsive and relevant employment and skills support. Attracting candidates even for selection is extremely challenging for employers;
- Supporting young people with no or relatively little experience of the labour market will remain a key priority but progress is being made: Youth Employment 16-24 rose from 83,200 to 85,700 in LCR, a rate increase from 49.% to 51.1%. The national employment rate for 16-24 year olds is 50.5%.
- Narrowing the employment gaps across particular groups of the population will be a priority action area: gaps and variations do exist, particularly for those with disabilities and those from a none-white ethnic background. Our Race Equality Hub and Fair Employment Charter work will assist here;
- Sector Skills Shortages and Skills Gaps must be identified, communicated and addressed- 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. The detailed analysis and work already undertaken with employers to identify sector priorities already provides a framework through which to respond and meet employer needs; more detailed sector skills plans will strengthen this.
- Whilst specific sector skills priorities have been identified by our analysis and employer discussions, there are areas of need that are common to all sectors: Employability skills; Digital Skills; Leadership and Management; and Change Management.

Skills that will need developing in the workforce, 2019



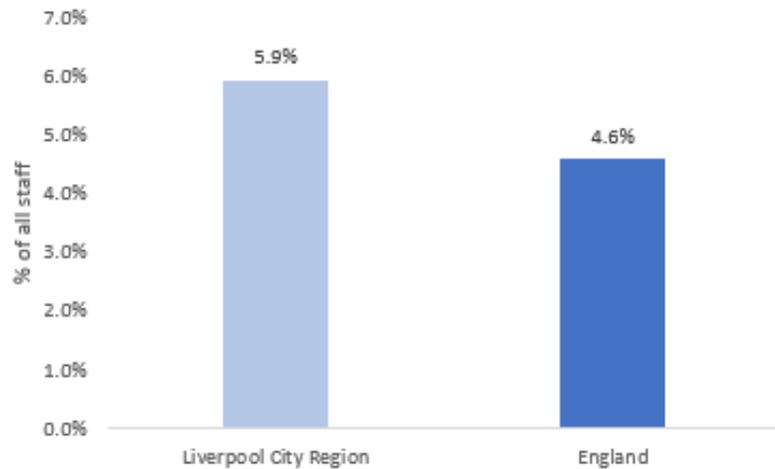
Skills that need developing

- In addition to the skills requirements that relate to individual sectors and job-roles, feedback from partners is suggesting that employers are indicating that employability skills remain a concern;
- When compared to England averages, LCR employers seem to have identified particular skills in need of development, in particular: specialist skills or knowledge and skills required to perform the job role; product knowledge; adaptability; and problem solving. This chimes with local employer feedback whereby a number of common and cross-cutting needs have been identified, including:
 - Digital skills; Leadership and management; and change management; and
 - Employers expectations around specific employability remain an ongoing development area, in particular reliability, timekeeping, trustworthiness; problem solving; working as a team; and workplace communications and manner.

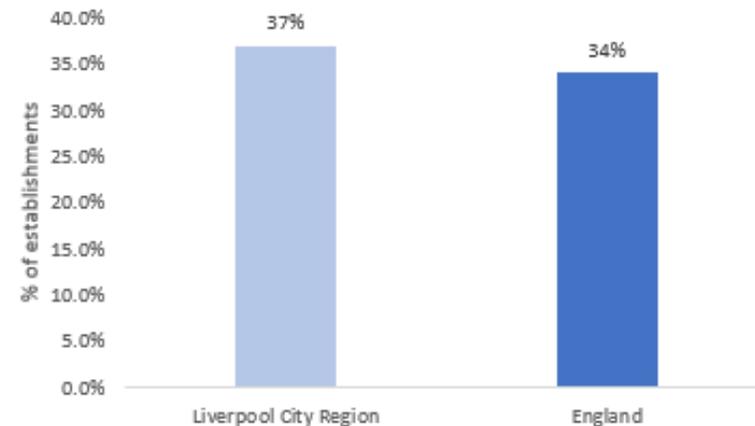
Proficiency of the local workforce

- Local employers have in the past indicated difficulties recruiting the right applicants; the survey results have highlighted particular skills lacking in the workforce and therefore staff who are not fully proficient;
- 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; 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. This could add to an increased volatility in the labour market as the economy recovers

Proportion of staff not fully proficient



Proportion of establishments with any under-utilised staff



Skills shortage vacancies

- Our previous Employer Skills Survey and work with local employers has suggested that, of those businesses with vacancies, two out of five reported that they have experienced difficulty in filling them, with many of those citing skills shortages as one of the principal reasons for having recruitment difficulties;
- Some employers have to hire workers with lower skills than desired at the job entry point; and
- Survey information suggests that skills shortage vacancies in LCR appear fewer than the England average but such survey information is supplemented with ongoing employer feedback. Employers who have more generic and less specialist skills needs have a wider choice of candidates during economic slowdowns such as that experienced during the COVID-19 pandemic.

	Indicator	Source
Local Landscape	Employment by sector ¹	Business Register and Employment Survey¹
	Employment by occupation	Annual Population Survey
	Enterprises by size	UK Business Counts
	Births and deaths of enterprises over time	ONS Business Demography
	Employment level and rate over time	Annual Population Survey
	Nominal (smoothed) GVA over time	ONS - Sub regional Productivity Estimates
	Median wages over time (residents and workplace)	Annual Survey of Hours and Earnings
	Population by age group ²	ONS Mid-Year Population Estimates²
	Claimant count and alternative claimant count over time	ONS - Claimant Count DWP Stat Xplore
	Proportion of LSOAs in most deprived 10% nationally (income, employment, education)	MHCLG
Skills Supply	Highest qualification level of people aged 16-64	Annual Population Survey
	Adult FE Education & Training achievements by sector subject area	FE Data, DfE (ILR data)
	Apprenticeship achievements by subject area	Apprenticeships data, DfE (ILR data)
	HE qualifiers by sector subject area	HESA
	KS4 destinations (% sustained education/apprenticeship/employment)	KS4 Destination Measures, DfE (LEO data)
	16-18 destinations (% sustained education/apprenticeship/employment by level)	16-18 Destination Measures, DfE (LEO data)
	Outcomes for adult FE and Skills learners (% sustained employment/sustained learning/any learning) ¹³	FE Outcome Based Success Measures, DfE (LEO data)
	Outcomes for apprenticeships by level (% sustained employment/sustained learning/any learning)	FE Outcome Based Success Measures, DfE (LEO data)
	HE graduate destinations	HESA
	Region of residence of HE graduates from local providers, 1 3 and 5 years after graduation	Graduate outcomes, DfE (LEO data)
	Employer provided training over past 12 months	Employer Skills Survey
Skills Demand	Total vacancies over time	Adzuna LCR Data
	Top occupations (highest proportion of vacancies)	Adzuna LCR Data
	5 highest and lowest sectors by forecast growth	Working Futures
	5 highest and lowest occupations by forecast growth	Working Futures
	Employer reported skills that will need developing	Employer Skills Survey



Mapping Supply and Demand	Proficiency of workforce (% not fully proficient staff and employers with under-utilised staff)	Employer Skills Survey
	Summary of vacancies (% skills shortage vacancies and % hard to fill vacancies)	Employer Skills Survey

ANNEX B: SKILLS ACTION PLAN SUMMARY PROGRESS REVIEW

1. Enable newly unemployed people to get back into work quickly through locally managed or cohered employment and skills programmes.

Skills Strategy Priority: Raise working age employment rate and improve the proportion of good quality jobs

Skills Strategy Priority: Improve attainment in English, maths, digital and work readiness

- LCRCAs have been working to identify and implement ways in which we can support employers to fill vacancies, as well as facilitating and supporting individuals to better access suitable job opportunities. www.lcrjobs.co.uk offers an opportunity for employers and our strategic stakeholders to communicate their vacancy opportunities, to support our residents to secure employment, and support individuals to identify opportunities for reskilling into a new sector or job role;
- Working with Health Education England our 12 NHS Trust organisations, as well as our Health and Care sectors, we are delivering a careers engagement and employment programme that supports trusts to meet their recruitment and training needs, as well as showcasing vacancy and career opportunities. www.lcrjobs.co.uk contains a new health focussed vacancy and support area as we trial new targeted sector approaches to recruitment and progression support;
- 12 Youth Hubs across the Liverpool City Region have been established, with one in each Local Authority area. 10 DWP Funding Grants have been issued (operation) with at least one Youth Hub in each of our Local Authority Areas. 1,268 starts have been delivered with 325 job outcomes secured so far. 1,586 young people have accessed employer sessions and over 130 partners are now engaged in delivering or supporting services through the Youth Hubs; This network is supported by our Youth Focussed portal <https://youthhub.be-more.info/>
- We have engaged with the successful Restart provider (G4S) for our contract package area to ensure that this additional targeted provision effectively lands in the City Region is delivered successfully and helps support people into work. It is expected that 880 will have been supported into work by January 2022.
- AEB has supported the expansion of Sector-based Work Academy Programmes (SWAPs, and Pre-employability training generally, with job outcome payments for providers and fully funding eligible unemployed and economically inactive LCR residents. In academic year 2019/20 189 SWAP learners were funded through AEB, around 150 outcome payments were claimed and 62% of all AEB funded learners were unemployed;
- During 2019/20, Statutory Entitlement funding for English supported 3,320 learners at a cost of more than £2.5m. For maths, Statutory Entitlement funding of £2.9m supported 3,460 learners; and
- In total, basic skills support for English and maths equated to more than £6m during academic year 2019/20 and 7,370 learners.

2. Prevent further disengagement of those furthest from the labour market, including the successful local implementation of the Kickstart and Restart programmes, further delivery of the Ways to Work and Households into Work programmes.

Skills Strategy Priority: Simplifying the skills system, including capacity building

Skills Strategy Priority: Raise working age employment rate and improve the proportion of good quality jobs

- Households into work: 1,419 people had been referred to HiW with 637 registering on the programme. 55% of those who have registered identify as female, 44% male and 1% identifies as other. 88% of those who have registered identify as White UK and 12% identify as black or other ethnic minority group;
- Kickstart: over 6,100 opportunities have been created and LCR launched the first Kickstart vacancies portal of its type in the country for those seeking a paid Kickstart opportunity; our portal includes access to wider employment and careers support materials for both candidates and work coaches;
- The innovative local New Horizons programme has offered support to those living in the Liverpool City Region who experience specific and multiple barriers accessing job search, training and education opportunities that enable them to compete effectively in the employment market. Through offering a person-centred approach specialist advisers offer advice, training and support that will support 3,120 local residents to enable them to move into work, education or training;
- Race Equality Employment Review: the review has now been completed and the recommendations are now being implemented: Declaration of intent agreed by Combined Authority, 19 March 2021. Race Equality Hub agreed by Combined Authority, 23 July 2021.
- Individuals have been supported to acquire and apply appropriate employability skills sought by employers in addition to vocationally focused training needs: Fully funded employability skills are not only supported through devolved AEB formula funded provision, but also through grant funded community learning, with 49% of community learning learners being unemployed or economically inactive. In total, more than £3.2m of devolved AEB has supported over 3,000 learners in ESOL delivery during academic year 2019/20;
- To further support ESOL demand locally, devolved AEB will now fully fund eligible asylum seekers learning as fully funded provision including, but not exclusive to ESOL needs. LCRCA continues to work alongside local authority partners regarding Operation Warm Welcome in supporting Afghan arrivals in the City Region, some of whom will have medical skills and qualifications and will support the NHS international recruitment programme

3. Provide clear and relevant opportunities for people to retrain and reskill into new or higher demand roles, including in- work progression.

Skills Strategy Priority: Raise working age employment rate and improve the proportion of good quality jobs

- Testing sectoral approaches to reskilling and retraining based upon input from businesses on specific skills gaps and opportunities: LCR CA will oversee the design and delivery of 2 Sector Specialist Skills Brokerage Services in partnership with Jobcentre Plus, and in the priority sectors of Construction and Care. The support will include:

- Enhanced services to people being made redundant in declining sectors
- Joined up employer engagement activity
- Enhance delivery of pre- Sector Based programmes with specialist Skills Brokers
- Enhance delivery post- Sector Based programme with further job broking for those unsuccessful
- Providing access to bespoke skills brokerage and funding for training provision: To date, over £1.6 million worth of Levy transfer has been brokered, including a significant transfers to support priority sectors such as Health and Health and Social Care. 1,144 employers have registered with the service and 953 employers have been supported. 783 grants have been awarded to LCR businesses to support wider training needs;
- Working with partners, LCR has been supporting the reskilling and retraining for people and employers through the devolved Adult Education Budget funded provision, including access to entry level English, maths and Digital Skills, as well as digital skills bootcamps;
- AEB has supported the retraining of local residents through and post the COVID -19 health pandemic, with all Level 2 and below skills needs fully funded for both employed and un-employed learners. During the pandemic this flexibility facilitated the re-training of furloughed workers and has now been extended to the 2021/22 academic year for LCR residents;
- Skills Bootcamps: evaluation data of Wave 1 Digital funding is showing that of those undertaking the higher level digital training on offer more that 60% have significantly changed their role in the company, benefited from a promotion, or have found new employment;
- Following the success of the Digital Skills for the Workplace pilot (Wave 1), LCRCA were notified of their successful bid to secure a further £1.2m funding from DfE to continue to deliver Digital Skills Bootcamps (Wave 2);
- Demand for digital learning was strong in 2019/20 with 2,650 learners accessing digital related training funded through devolved AEB. More flexible lower level courses, supported via community learning, has been more popular with learners in addressing their immediate skills needs- totalling 1,170 community learning funded digital training starts in 2019/20 with a slight reduction in 2020/21;
- Our Leadership and Management course has commenced: Liverpool Business School at Liverpool John Moores University is now managing the Leadership Growth Skills project across the Liverpool City Region (LCR) until the end of 2023. The aim is to upskill people currently fulfilling, or with the future potential to undertake, higher level management and leadership roles to improve productivity and growth;
- Level 3 courses for adults who don't have A level or equivalent qualifications: LCRCA has managed the allocation and delivery of fully funded level 3 training through the National Skills Funded Lifetime Guarantee, otherwise known as the Adult level 3 offer. Delivery of this initiative continues into the 2021/22 academic year, with all providers expanding their Level 3 offer from the previous year.
- LCRCA is also using devolved AEB to address progression route gaps towards Level 3 e.g. a Test and Learn pilot to help residents gain a bespoke Level 2 Maternity Nurse qualification with the aim of progressing towards the industry required standard of Level 3.

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.

Skills Strategy Priority: *Higher productivity and fewer skills shortages in Growth Sectors*

Skills Strategy Priority: *More effective workforces and fewer local recruitment difficulties across all employers*

Skills Strategy Priority: *Employers are investing more in the skills of their workforces*

- Technical skills training at Levels 4-Level 6: LCR convened partners and has supported Liverpool John Moores in submitting a successful bid to OFS to deliver Higher Education Short Course Trial. Together with Hugh Baird College, and Agent Academy CIC they will develop a portfolio of seven short courses delivering Digital Innovation to prepare learners with technical and creative skills for work in the growing area of digital content creation;
- LCRCA has been supporting the increase in the number of businesses who are involved in identifying and developing curricula and qualifications (in line with Skills for Jobs recommendations): the devolved AEB is supporting local FE Institutions to further develop Test and Learn pilots into new short qualifications to address locally identified employer skills needs. These new learning aims have been developed alongside employers and colleges in key sectors;
- LCR has been supporting providers in the development and delivery of new curriculum and facilities including AEB Test and Learn Pilots and the Provider Improvement Fund managed and delivered by GMLPF;
- The LCRCA commissioned an external organisation to develop a toolkit and deliver a range of on-line learning sessions available to all AEB providers to support their understanding in how to embed quality in on-line and digital learning.
- Test and Learn programme and investments through devolved AEB has also been used to address emerging skills needs from new sectors and industries such as fibre optic splicing skills and curriculum Innovation in Green Technologies with an independent training provider Innovative Alliance to develop a 2-day course which will give a experience of 'real' life challenges of working in the green energy sector, and which includes master classes from experienced Green Energy professionals;
- Identification and sharing of effective practice on digital learning and teaching: LCRCA commissioned an evaluation of Test and Learn activity in year 1 of devolution and as a result of this, information has been shared across the AEB provider base and the establishment of thematic groups for the current year.
- We are addressing gaps in gaps in LMI by commissioning additional work and focussed on specific sectors to better articulate job role level skills needs and demystify progression pathways: LCR is finalising a new and more nuanced Low Carbon Skills for Growth Action Plan setting out the key priorities for LCR partners to put in place to provide the LCR skills are ready for the needs of the low carbon economy;
- Through our additional investment in data analytical tools such as Horsefly and raw vacancy data sets such as Adzuna, we have been able to obtain more evidence and a finer grain of detail to guide our local policy developments and investment decisions. This LMI is widely shared with partners, including Strategic and Careers Hub partners, as well as our Employment and Skills Board;
- We are working with colleges and training providers to ensure that there is resilient and responsive training provision locally, including the deployment of the £500,000

Provider Improvement Fund, financed by the European Social Fund and Strategic Investment Fund. The fund will support provider employees to be able to develop and deliver their curriculum offer to better meet the needs of employers as well as their learners- including English, maths and digital skills.

5. Focussed and targeted support for young people and adults to support transition into the workplace and access learning and employment opportunities, including access to high quality CEIAG; ensuring those with disabilities and/or learning difficulties are able to access such support; supporting Councils to fulfil their statutory duties.

Skills Strategy Priority: *Simplifying the skills system, including capacity building*

Skills Strategy Priority: Apprenticeships

- Provision of additional digital grant allocations to AEB funded providers to support providers and learners to engage with on-line learning: AEB supported Digital Access Grants and wider Access Grants (up to £25,000 per provider for each phase of the grant) to help access online provision through lockdown and support a return to face to face learning and blended approaches post lockdown. More than 7,000 learners have benefited from these grants to date; provider delivery has become flexible to meeting learners' needs;
- LCRCA issued additional Access Grants of a further £915,000 in March 2021 to 32 providers comprising of FE Colleges, Local Authorities and Independent Training Providers. To the end of August 2021, of the £1,830,000 allocated to providers, a total expenditure of £1,683,637 has been reported
- LCRCA and partners continue to support Local Authorities to deliver statutory duties to support young people and ensure effective local provision is in place to meet this need. Work has continued to provide support for those who need additional support to move into employment through a greater focus on supported internships and for those who have been in care;
- As part of the LCR Careers and Engagement programme, funded by Health Education England we have initiated and set up supported Internship planning meetings with NHS Trusts , Council representative , Deputy Director Nursing & AHP, and Deputy Clinical Officers;
- The Salvation Army have started their ESF Employment Support: Employment Plus and Steps to Work project. The project is providing employability support and learning disabilities to deliver a tailored intervention package for the Liverpool City Region, targeting the employment gap for disabled people regionally and the need for new approaches to support those facing barriers to work, including people with learning difficulties and disabilities.
- Liverpool City Region Careers Hub have delivered and collaborated in a number of projects, including, some of which align with our support for and work with HEE, the NHS and wider Health and Care sector, including:
 - Talentino Programme supporting 13 SEND schools to develop staff with delivery of careers education.
 - Creation of Virtual online programme – LCR Creating Careers – employer programme accessible to all students across LCR. More than 5,000 views on You Tube channel, 10+ sectors featured and over 60 different job roles explored including SEND.
 - NHS/HEE Creating Careers supported over 250 students engaging in taster days and monthly webinars to highlight different clinical and non-clinical roles.
 - Working close with Growth Sector Leads within Growth Platform to develop



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employer links and provide future jobs and skills information about the Region; Annual Conference in November 2021 for Headteachers, Career Leaders and Enterprise Advisors to attend focusing on whole school approach and careers in curriculum

ANNEX C: SKILLS ACTIONS 2022/23

Action	Responsible	Timescale	Measure of success
1. Enable newly unemployed people to get back into work quickly through locally managed or cohered employment and skills programmes.			
1.1 Ensure that jobseekers can access support and programmes through Work Coaches' advice: this will include facilitating flexible access for young people through the local network of Youth Hubs.	Jobcentre Plus, Councils	Ongoing	Number of jobseekers accessing programmes
1.2 Provide initial additional support for jobseekers through the Job Entry Targeted Support: ensure that those with work-ready skills can move quickly back into employment and ensure appropriate referrals to provision intended to re-skill or upskill for available opportunities.	Ingeus, Jobcentre Plus	Ongoing	Number of people engaging on programme and those getting work
1.3 Expand the delivery of Sector- based Work Academies offering individuals opportunities to access known available employment vacancies via tailored training support, and with a differentiated delivery approach across sectors (e.g. health) and learner groups (e.g. victims of domestic abuse) with additional pastoral support as required.	Jobcentre Plus, Employers, Training providers	Ongoing	Number of programmes, people engaged and those getting work; Sectors/ employers accessing SWAPs.
1.4 Provide opportunities for individuals to set up their own businesses, including young people/ young adults	Jobcentre Plus, Entrepreneurship Hub	Ongoing	Number of new business starts
1.5 Support out of work graduates to find graduate level opportunities through jobs brokerage and work experience/work placements	University of Liverpool, Liverpool John Moores University, Jobcentre Plus	Ongoing	Number of graduates engaged and helped into work
1.6 Improve access to and take-up of Digital Skills Training by improving the attractiveness, suitability and marketing of training programmes- including alignment with DFE campaigns.	Combined Authority Training providers; Councils	Ongoing	Number of people accessing Digital Skills training funded by the CA
1.7 Ensure successful implementation of the AEB 2022-2027 commissioning round, ensuring balance and mix of provision delivers outcomes that address local skills priorities and statutory entitlements.	Combined Authority; Training Providers		Number of learners participating; qualifications delivered- including statutory entitlements.

Action	Responsible	Timescale	Measure of success
2. Prevent further disengagement of those furthest from the labour market, including the successful local implementation of Government programmes such as Restart and further delivery of the Ways to Work and Households into Work.			
2.1. Continued delivery of Ways to Work support to jobseekers who need more help, to include coordinated recruitment and redundancy support programmes.	Councils, Jobcentre Plus	Ongoing	Number of people engaged and helped into work
2.2. Provision of additional support to those furthest from the labour market in households through Households into Work and facilitated supported by an improved CRM system to support effective service delivery.	Combined Authority, Councils, Jobcentre Plus	Ongoing	Number of people engaged and helped into work
2.3 Engage with G4S to ensure that Restart is targeted provision and helps people into work	Jobcentre Plus, Councils, Combined Authority	Ongoing	Number of people engaged and helped into work
2.4 Provision of additional support to those at risk of disengagement from the labour market through New Horizons	Women's Organisation and consortium	Ongoing	Number of people engaged and helped into work
2.5 Implement the recommendation of the Positive Action in Employment Review	Combined Authority; Councils; LEP	Ongoing	Number of programmes delivered; Number of organisations/businesses supported
2.6 Ensure that individuals are supported to acquire and apply appropriate employability skills sought by employers in addition to vocationally focused training needs, including addressing ESOL skills needs where demand occurs.	Jobcentre Plus; Training Providers	Ongoing	Number of people accessing employability and ESOL training
2.7 Deliver the Health Foundation funded Health and Employment Integration Programme	Combined Authority; University of Liverpool ; Liverpool John Moores University.	Ongoing (3 year funding)	Learning networks and information exchanges
2.8 Ensure that employment and skills programmes include wraparound signposting and information for those in and outside of work who need support with anxiety and mental health.	Jobcentre Plus; Training Providers; Councils; Employers/ Employer representative bodies		Reduction in programme no shows; attrition rates; Reduction in numbers absent from the workplace across the LCR/ not in work for reasons of mental health, anxiety
2.9 Deliver phase 2 of the NHS Careers Engagement Programme, building on and enhancing phase 1 delivery	LCRCA; HEE	May 22-Nov 23	Number of apprenticeship opportunities created; Number of SWAPs; Number of unemployed adults and young people engaged in careers focused events

Action	Responsible	Timescale	Measure of success
2.10 Ensure successful implementation and delivery of Multiply, ensuring that it add value to existing provision.	Combined Authority; Local Authorities		Number of adults engaged; Number of numeracy qualifications achieved
3. Provide clear and relevant opportunities for people to retrain and reskill into new or higher demand roles including in work progression.			
3.1 Working with employers on the ESB, Sector Boards and employer groups, produce and present consistent labour market information via new sector focused dashboards, including the development of the new LCR Insights vacancy tool	Combined Authority, LEP Sector Boards, Strategic Careers Hub	Ongoing	Publication of relevant information
3.2 Promote reskilling and retraining for people and employers through devolved Adult Education Budget funded provision, including access to entry level English, Maths and Digital Skills- including statutory entitlements	Combined Authority, AEB providers	Ongoing	Number of people accessing entry level training
3.3 Deliver targeted sectoral approaches to recruitment, reskilling and retraining based upon input from businesses on specific skills gaps and opportunities and through the design and delivery of Sector Specific Services in the priority sectors of Construction and Care	Combined Authority, Councils, Jobcentre Plus, LEP Sector Boards	Ongoing	Number of people engaged and helped to retrain; Number of targeted sector campaigns; Number of additional Skills Brokers
3.4 Provide access to bespoke skills brokerage and funding for training provision	Combined Authority	Ongoing	Number of businesses engaged and employees trained; grants awarded
3.5. Facilitate and promote the extension of free Level 3 courses for adults to address the skills gaps at all levels locally.	Combined Authority, Colleges	Ongoing	Number of relevant courses' starts
3.6. Identify learning from Digital Skills Bootcamp pilot and work with successful providers to ensure delivery meets specified needs of businesses ahead of future delivery	Combined Authority	Ongoing	Publication of learning from phase 1: number of people trained/ supported into work
3.7 Continue to promote Traineeships and Apprenticeships for employers and learners, working with providers of training to ensure provision is in place	Combined Authority, ESFA, Colleges and Training Providers	Ongoing	Number of traineeship and apprenticeship starts
3.8 Deliver ESF funded Leadership and Management provision to improve quality and uptake of training locally	Liverpool John Moores University	Ongoing	Number of businesses engaged and employees trained

Action	Responsible	Timescale	Measure of success
3.9. Ensure that a blended delivery approach to teaching and learning is maximised across the provider base in order attract a wider cohort of learners including those in and out of work	Combined authority; Providers	Ongoing	Learner characteristics participating on funded programmes e.g. employed learners
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;			
4.1 Develop, agree and implement focused business led sectoral skills action plans for 2022/23, including approaches to recruitment and retention that includes an increased focus on onboarding and mentoring.	LEP Sector Boards, Combined Authority	March 2022	Publication of sectoral skills plans
4.2 Increase the number of businesses who are involved in identifying and developing curricula and qualifications (in line with Skills for Jobs recommendations).	LEP Sector Boards, Combined Authority, Colleges, Training providers, Universities	Ongoing	Number of businesses involved; Test and Learn pilots; New learning aims developed
4.3 Review existing provision for technical skills training at Levels 4 and 5 and identify areas for development and improvement ensuring lessons learned from L4-L6 short course trial are incorporated	Colleges, Training providers, Universities	Spring 2022	Publication of report with areas for focus
4.4 Address gaps in gaps in LMI by commissioning additional work focused on specific sectors to better articulate job role level skills needs and demystify progression pathways	Combined Authority, LEP Sector Boards	Ongoing	Publication of range of additional sectoral material to include progression pathways
4.5 Design and implement joined up Liverpool City Region wide approach to offer and access work placements (via different routes including an app) for school students to ensure equity of access to opportunities and mentors; to encourage more SMEs to take part	Combined Authority, Growth Platform, Employers, Schools	Autumn 2021	Publication of review of routes and implementation of joined up offer
4.6 Identify ways of better supporting tutors, advisers and learners to become more aware of local labour market employment opportunities and entry routes	Combined Authority	Sector Boards	Awareness of tutors, advisers and learners
4.7 Support existing and new providers in the development and delivery of new curriculum areas, delivery pedagogies and facilities- including AEB Test and Learn Pilots,	Combined Authority, Colleges and training providers	Ongoing	Availability of new courses based upon employer demand Learners engaged
4.8 Embed and extend T level delivery in the City Region including working with employers to offer industry placement opportunities	Colleges and training providers; Growth Platform	Ongoing	Number of T levels on offer
4.9 Work with colleges and training providers to ensure that there is a resilient and responsive training provision locally which meets the needs of residents and employers, including the delivery of the Provider Improvement Fund: this should include recruitment and retention of	Combined Authority, Colleges, Training providers	Ongoing	Assessment of responsive and resilient provision locally

Action	Responsible	Timescale	Measure of success
high- quality teachers and Governors			
5. Additional focused and targeted support for young people to support transition into the workplace and access employment opportunities including access to high quality Careers Education, Information Advice and Guidance.; ensuring those with disabilities and/or learning difficulties are able to access such support; supporting Councils to fulfil their statutory duties.			
5.1. Deliver statutory duties to support young people and ensure effective local provision is in place to meet this need	Local Authorities, Combined Authority	Ongoing	Proportion of 16-18 year olds who are NEET
5.2 Review the service offer in each Youth Hub to ensure Young People can access additional appropriate support as needed- including access to the Metro Mayor's Young Person's guarantee.	DWP, Councils and Local Partners; Combined Authority	July 2022	Number of Youth Hubs Number of young people accessing additional support; Range of services available
5.3 Ensure that more young people are able to benefit from Supported Internships to support transition into employment, and in particular increasing the number of employers able to provide opportunities.	Councils plus Salvation Army	Ongoing	Number of Supported Internships and proportion securing work afterwards
5.4 Deliver Careers and Enterprise Company nationally funded programmes locally, supporting young people to receive high quality Careers Education, Information, Advice and Guidance support -	Growth Platform- plus Strategic Careers Hub partners	Ongoing until Aug. 2022 with funding for subsequent years expected.	Number of Enterprise advisers; Number of schools engaged and participants on programme; Schools' progress against the 8 Gatsby Benchmarks
5.5. Pilot and test new and innovative approaches to work experience and work placements in the Health and Social Care sectors that supports pre/post-16 transition phases of education	LCR Careers Hub/ Growth Platform; CA; HEE; Employers; Universities	From Jan 22	Number of pupils engaged; Number of employers involved in the design and delivery
5.6. Successful implementation of the Young Person's Guarantee with an initial focus on those aged 18-21.	Combined Authority; Councils; DWP; Youth Focussed Organisations	From early 2022	Number of young people aged 18-21 supported.
5.7 Procure, redevelop, and launch the new BE MORE LCR Careers Portal to support young people and adults, and those who work with them, to access high quality CEIAG and employment support.	Combined Authority	January - September 2022 then ongoing	Number of users

Action	Responsible	Timescale	Measure of success
5.8. Identify and deliver improved approaches to supporting care leavers into employment across the City Region	Councils; DWP; Combined Authority	From January 2022	Number of care leavers supported into further learning and/ or employment

Sectoral skills needs

1. Visitor Economy

- 1.1 The visitor economy is vital to the whole of the Liverpool City Region and acts as a major driver of economic growth and prosperity. It is worth more than £4.2bn worth of GVA a year to our economy providing 52,000 jobs. The serious, significant and immediate threat and challenge to the hospitality sector and other areas of the Visitor Economy brought about by the impact of the health pandemic on trading conditions has been significant and there is the risk that the sector has reduced by £1.5bn in recent months.
- 1.2 Employers in the sector have indicated that survival must be the *immediate* focus and supported by the required skills interventions to support this. The importance of future skills planning and addressing known skills shortages remains as this will help survival and longer term recovery; there must be a focus within the sector, and with support from partners, to ensure both the survival and recovery of the of businesses within and linked to the Visitor Economy connecting to, and benefitting from, both national and local packages of support.
- 1.3 Building resilience and market diversification will need massive investment in digital skills to help deliver the services that will build back consumer confidence resulting from Covid, the capacity to exploit new market opportunities (both product and communication) and generate operating efficiencies. The delivery of the priorities must be through of employer led programmes (particularly through key stakeholders such as the LHA). This relates to their ability (and willingness) to take responsibility of the delivery and conception of skills strategy programmes, the removal of red tape that can lead to missed opportunities when quick decision making is needed, as well as the ability to pump prime long lasting commercial relationships with the skills providers such as City & Guilds. This includes the pilot traineeship programmes, Visitor Economy Week, Skills Passport and the Global Hospitality Certification pilot with City and Guilds. The summary of requirements is set out below:
 - Generic Skills Training, focus on key service delivery items – Barista Service, Table Service, Bed making, Telephone answering, Basic Customer Services, Bar Training;
 - Support for those in employment in Industry to learn next stage progression – dealing with Staff, Mental Health, difficult Customers, etc;
 - Financial Training for Intermediate Staff – e.g. Wage control, cost percentages;
 - Role Development – Chef Skills, Social Media Skills, Financial Skills for Management, personal development of others;
 - Hospitality Career Marketing – giving the LCR students, parents, people on what a successful and rewarding industry this can be for employment; and
 - Ensuring Schools open their doors to hear and engage with Hospitality Businesses to share the joy of working in this great Industry.
- 1.4 Whilst the long term persistent and serious skill shortages and skills gaps in particular occupational areas will remain and need to be addressed as part of recovery, there will be more immediate needs to support people who lose their jobs or businesses: finding creative ways of supporting them before then re-engaging

them into the workforce will be essential if the sector is to bounce back quickly. Those people based and team based skills (customer service; presentation skills IT; business awareness; attention to detail; resilience; multi- tasking) will be attractive to other sectors and employers will need to compete hard to attract these again.

2. Professional and Business Services (including finance)

2.1 The Professional and Business Services sector adds more GVA to our local economy almost double the amount of the nearest other sector Growth Area. It supports an estimated 93,000 jobs across 12,000 companies and generates more than £4.2 billion per annum in economic activity.

2.2 The sector has specialism in wealth and fund management and in business services for the health and life science and maritime industries. The primary areas of business activity, within the sector, include accountancy; insurance; legal services; head office functions; and other professional occupations. The sector has strong skills supply, in particular from among graduates of the City Region's universities and increasing numbers entering apprenticeships straight from school.

2.3 A number of areas of the sector are facing challenges and business disruption brought about by the move to online digital services; enforced homeworking associated with the COVID-19 pandemic has resulted in different business practices being adopted. Whilst in some cases this has led to increases in efficiency and productivity, it has raised issues including making it harder for new recruits to be fully inducted into new organisations, supporting existing staff especially with well-being and mental health, being able to capture new business and clients and for recognising the need to upskill existing employees. The sector has indicated that key competencies as well as particular skills are in demand, in particular:

- Change management and cultural change skills to address challenges and business disruption brought about by the move to online digital services and other disruptive business practices- such as increased levels of remote working.
- Enhanced digital and data analytical skills- such as artificial Intelligence and digital processing, establishing how best to integrate new skills within traditional methods;
- Entrepreneurship, in particular, business innovation and development skills,
- Increasingly heavy emphasis on ways of working and competencies - critical thinking and complex problem solving, effective communication, creativity and collaboration;
- Improve competency in business and personal resilience; and
- Training digitally in professional

disciplines 3. Advanced Manufacturing

3.1 Advanced manufacturing makes a vital contribution to the local and national economy, providing over 47,000 jobs and over £4.3bn of GVA to the LCR economy, The sector, broadly defined, covers a wide range of activity including chemicals and pharmaceuticals, automotive, metal products, electronics and manufactured fuels.

3.2 The sector is strong in the City Region, experiencing both employment growth and increased GVA. The sector has an ageing workforce, with ONS data for the City Region indicating that 37% of workers are aged 50+. Automation and the harnessing and application of digital technologies is increasing in prevalence and general demand for STEM skills remains strong due to replacement demand. The sector needs more candidates to progress into roles in the sector; research from local higher education institutions indicates that only 24% of STEM graduates actually take up STEM occupations six months later after graduation: this is despite large numbers of students undertaking courses in departments rated as world class in research areas.

3.3 Additional skills needs and issues include:

- Further development of leadership and management skills that also includes change management;
- Digital Skills (addressing the concern around 'digital natives') and to work side-by-side interacting with technological business solutions such as increased use of Robotics and the impact of wider policies and customer demands on the manufacturing process e.g. Low Carbon and environmental factors influencing the demand for electric vehicles;
- The need to support education and skills providers to better connect those who have studied STEM subjects to transition/ progress into STEM job roles and to retain those that do; and
- Improved communication of the many varied career opportunities- including the terms and conditions on offer to attract more entrants.

3.4 Advanced Manufacturing is competing to attract STEM applicants with most other sectors and there needs to be renewed focus on targeted promotion of the sector as well as a focus on managing and retaining Millennials / Generation X.

4. Health and Care

4.1 Human Health and Social Work activities is the largest sector by employment representing 12.5% of total employment in England and 14% in the North West. It is an especially significant employment area within the Liverpool City Region economy where it represents almost 18% of total employment. Adding in Life Sciences means that over 125,200 people are working in these sectors, adding £4.4 billion of GVA to the local economy and accounting for 20% of all jobs across the City Region.

4.2 Nationally, Government (based on labour market and sector body evidence) has identified a number of skills shortage areas:

- 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; and

- Senior care workers

4.3 This is mirrored locally with additional needs specified by employers as critical areas for attention and development:

- Nursing staff and Nursing Skills (NHS, but also residential care homes): growing the nursing cadet programme and apprenticeships as a talent pipeline;
- Securing a more diverse workforce, especially tackling under- represented groups which can help address the ageing workforce;
- Healthcare assistants (NHS);
- Carers, Support Workers, Personal Assistants and Senior Care Workers and reablement carers to support patients to manage after a period of illness;
- Care Certificate qualified employees that ensures standards and the skills and behaviours required for delivering excellent and safe care;
- English and maths/ functional skills- which prohibits progression and access to the professions (e.g. Nursing) for both existing staff and new recruits;
- Project management and operational management and leadership skills are as much in demand in the NHS as elsewhere; and
- ESOL for those with the critical vocational skills and job role competencies

4.4 Given the health challenges in the City Region, we need to develop a workforce that has more experience of dealing with the diseases that result from this deprivation, including diabetes, cardiovascular disease, certain cancers and mental health. There is also a lot of potential around upskilling the current workforce and local delivery of these skills for easy access- although English and maths is increasingly a barrier.

5. Life Sciences

5.1 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. The power and value of Science and Technology and its application across the health sector has become even more centre stage as a consequence of the Covid-19 health pandemic. Over the medium term, the processes used by our large biopharmaceutical organisations will change to the next generation of pharmaceuticals that is already been seen today. This will focus around the development of advanced therapeutics, nanoparticles, gene therapies and cell therapies which will bring a whole host of different skills sets that we need to be prepared for. The great news for the City Region is that we already have some great assets in this space through our research institutions, and the full benefits of these need to be more widely spread to for impact.

5.2 In keeping with the national trends, specialised skills required for particular occupations are deemed to be in short-supply by employers, whilst other skills are in demand from employers e.g. cyber security. The SIP Life Sciences 2030 Skills Strategy has highlighted a number of 'pinch points' where skills gaps (lack of specific skills across the workforce) and skills shortages (insufficient quantity of workers) exist in the UK Life Sciences industry sector. The nature of the life sciences sector means that a variety of roles and progression pathways exist up to

level 7 and local skills demand mirrors the needs articulated in the national skills strategy, in particular.

- Digital, computational and statistical literacy;
- Leadership skills;
- Communication skills;
- Translation and commercialisation skills;
- Work experience and the ability to apply specialist knowledge in a workplace setting;
- 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.

6. Construction

- 6.1 Construction is made up of a wide variety of trades, from traditional wet trades such as plastering and bricklaying, to new trades including off site manufacturing, modular or system buildings, green technologies, digital generated designs, and professional roles in architecture and many more. The sector has contributed over £25 billion (ONS) Gross Value Added (Balanced) to Liverpool City Region's renaissance in the last 20 years. The workforce of the Liverpool City Region is smaller than predicted future demand, and broadening diversity remains a priority: there is an ageing workforce at professional and trades level which risks widening the skills gaps in the years to come.
- 6.2 Construction has traditionally been, and remains, one of the most volatile sectors and skilled construction and building trades occupations has a high proportion of self-employed workers compared to employed workers. This is an important feature of the sector to note in the immediate post Brexit period as being sponsored by, or attached to, an employer provides relative advantages under the Government's new migration system.
- 6.3 Apprenticeship numbers have been broadly static over recent years, and there is more work that needs to be done with employers to stimulate the creation of quality and sustainable apprenticeships. This will be to developing a skilled and motivated workforce of the future.
- 6.4 Locally, and based on employer and sector bodies feedback, Skills Shortages/under supply of people has been highlighted in the specific occupational areas, as shown in the list below:
- 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.

6.5 Anecdotal evidence suggests that construction activities relating to residential home property improvements has resulted in some rebalancing of employment activity away from commercial property strengthening demand for plasters and plumbers. Generally, most construction occupations earn less than median incomes relative to the rest of the economy.

7. Maritime and logistics

7.1 Maritime and Logistics is a key employment and wealth generating sector for Liverpool City Region. There are over 2,000 businesses operating in the sector, employing over 26,000 people in 2016, which is 4.2% of the region's workforce. 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. There has been significant growth of late linked to the growth in online purchasing associated with the current health crisis.

7.2 The sector is increasingly at the forefront of automation, innovation and the application and use of technology to support and improve the way customer needs are met. Whilst previous engagement with employers suggested that relatively fewer skills shortages existed, further discussions with employers and those who work with the sector is indicating that this is changing with disruptions brought about by the health pandemic, as well as Brexit. Businesses are having to respond rapidly to the economic shocks and changes in customer demand and behaviour and view the need to attract and retain a skilled and flexible workforce as a priority. Employment and Skills related priorities include:

- Engineering skills which now include increased used of robotics, automation and data management (cross-over areas of the advanced manufacturing sector);
- Low Carbon and decarbonisation skills (logistics);
- Digital skills (existing workforce) and the need to respond to new customer expectations and ways of working, especially in the areas of logistics to respond to the huge rise in e-commerce trade and the associated requirements;
- HGV and other distribution vehicle drivers (average age of HGV drivers is 55);
- Retraining in new customs documentation and other requirements necessitated by being outside of the EU (Rules of Origin, Regulatory Alignment and so on);
- An ageing workforce: succession planning management and leadership skills (noting the high proportion of employees aged over 50);
- 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.

8. Digital and Creative

8.1 Employing more than 21,150 people with over 3,980 businesses, the Digital and Creative Sector is critical to the economic performance of the City Region as both a sector and an enabler for all sectors. The Technology sector is the highest paying in the City Region with a median salary of £40,000. Some roles within this sector are undertaken through self-employment and combined with other roles. There is increasing demand for digital skills from basic through to advanced/niche as well as fusion skills (combination of digital and sector specific skills applied in other job roles, in other sectors). Local skills needs include:

- MS Office Suite, especially MS Excel;
- Web – 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.; and
- Business to Business Skills: communication; management of and working with Clients, assertiveness; planning; and attention to detail.

8.2 In addition, large businesses name their main skills challenges as Cloud & DevOps, Content management and marketing technologies administration and management, Service delivery management – web technologies and support services, Software Engineering, Product Owners/Managers and Digital Transformation.

8.3 There is an increasing need for the developing of fusion digital skills, whereby enhanced digital skills are required to undertake the necessary functions of the role. This applies across a range of roles and underlines the need for all employees to increase their digital and coding skills.

9. Green Jobs

9.1 Liverpool City Region has a target date for reaching net carbon neutrality by 2040. In order to achieve this we need to both develop and expand the use of renewable energy sources, as well as use existing and new forms of energy more efficiently, whilst also reducing unwanted and undesirable pollutants that have negative health and environmental impacts. Businesses operating in the Low Carbon Economy are not only an important pillar of the Liverpool City Region Economy, but are at the forefront global shifts towards clean and efficient use of energy. Beyond the compelling environmental and health imperatives, there are significant economic advantages that Liverpool City Region is well-placed to benefit from.

- 9.2 The City Region is well placed to capture a range of opportunities which could make a significant impact in moving towards carbon neutrality. These include Mersey Tidal Power Project and a Hydrogen Economy Programme plus Refurbishing and Retrofitting Housing. Geographically and geologically the Liverpool City Region is well placed, with a range of low carbon and energy business capabilities; the low carbon sector employs 27,000 people, working for 1,400 companies, contributing £2 Billion to the LCR economy.
- 9.3 The diversity of business activity in the Low Carbon economy is mirrored by the wide- ranging jobs and the skills required by employers in the sector. While there are specialist skill sets in some areas of Low Carbon activity, a majority of skills are rooted in engineering, manufacturing and construction occupations.
- 9.4 The lack of specific pathways into Low Carbon economy careers requires employers to compete within the labour market for the best skills and talent. More work is required to understand and respond to the precise sector and job role skills requirements, and to address underlying weaknesses in the supply of labour and skills in the sector- currently and in the future. Further analysis work will help address the need to:
- Increase the number of young people entering and progressing in the sector;
 - Capitalise on changing trend towards Low Carbon energy efficiency;
 - Improve workforce skills in line with sector and job level needs; and
 - Raise awareness of Low Carbon economy drivers across the wider workforce (what it means for businesses and those in employment in these businesses).
- 9.5 Whilst greater precision and definition is required at the job role level, current skills priorities include:
- Science, research, engineering and technology professionals;
 - Science, engineering and technology associate professionals;
 - Skilled metalworkers;
 - Electrical and electronic trades;
 - Skilled construction and building trades;
 - Process, plant and machine operatives; and
 - Elementary trades and related occupations.

10. Employability Skills and building resilience in all sectors

- 10.1 In addition to the skills requirements that relate to individual sectors and job-roles, within these sectors, feedback from partners is suggesting that employers are indicating that employability skills remain a concern. There is, however, a need to understand and define the nature of the type of employability skills lacking and the balance of these gaps across particular age groups.
- 10.2 Reduced opportunities recently for some groups, young people aged 16 and 17 in particular, to have had the opportunity and support to develop and enhance these skills may inhibit their ability to meet employer's expectations; e.g. physical experience of working with other employees in the workplace.
- 10.3 The increasing need and challenge for employers to provide individuals in the

workplace with more support around resilience, mental and health and wellbeing, and coaching and mentoring support is adding to the traditional employers' expectations of their workforce around reliability, timekeeping, trustworthiness; problem solving; working as a team; and workplace communications and manner.

ANNEX D – 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	G4S	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
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

Programme	Delivery	Focus	Funding	Description
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
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
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
Higher Education Short Course Trial	LJMU; Hugh Baird College; Agent Academy	Those in employment already, those returning to	OFS	Portfolio of seven short courses delivering Digital Innovation to prepare learners with technical and creative skills for work in the growing area of digital content

Programme	Delivery	Focus	Funding	Description
	CIC	education, those with childcare of caring responsibilities		creation, at Level 4 to Level 6 (funded through Office for Students (OFS))
'Bounce Back' - Skills for Jobs	North West Skills Academy	Unemployed people in Halton and Liverpool	CRF	Developing skills required for jobs in Net Zero/Low Carbon/Retrofit Construction.
Clean, Green and Advanced Manufacturing Skills for the Future	St Helens Chamber	Local businesses and their employees; wider community such as schools	CRF	Provide people with the skills needed to create clean/green growth and to further strengthen the advanced manufacturing sector.
Licence to Work Pathways	Kickstart2 employment Limited	Unemployed and economically inactive residents in St Helens.	CRF	Up-skill unemployed residents, ensuring that they have the skills to get a job within the Digital Infrastructure, Construction or Logistics sectors.
St Helens Pathways into Employment	St Helens Council	Unemployed, economically inactive	CRF	Employment support initiatives, enhancing and expanding the existing local Ways to Work offer and supporting residents to progress towards employment.
The Innovation in Communities Project	Liverpool Charity and Voluntary Services	Targeted VCS and local community involvement	CRF	Community engagement, particularly individuals from disadvantaged and excluded communities, supporting people into employment.

ANNEX E: ADDITIONAL INFORMATION

