



Closing the Skills Gap

businesses
Employers
Universities
Colleges
unions
Skills
Schools
third-sector

A report from Overview & Scrutiny





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Preface

By Cllr Ian Cruise, Chair of the Birmingham Economy & Jobs Overview & Scrutiny Committee



The Birmingham Economy & Jobs O&S Committee has a vital remit in ensuring that the City Council and its partners are all working together to build Birmingham's thriving, sustainable economy.

Key to this – as has been established in previous Scrutiny Reviews – is raising the skills level of our resident population. The relatively low level of skills in the city is a major weakness in the local economy, particularly amongst the long term unemployed, and addressing this is fundamental to the city's economic future. The Committee therefore set out to assess the skills gap in the city, and to look at how we close it.

Whilst conscious of the limited resources at the disposal of the City Council, we have heeded the calls for it to show more leadership in this area. Our recommendations seek to use the Council's significant influence to improve co-ordination and focus, particularly with regard to adult skills. We also want to encourage more work experience opportunities for students of all ages. Additionally, for the City Council to have greater impact, we need more powers to be devolved from Government to enable us to shape provision locally.

A range of organisations were involved in a very interesting and productive first Inquiry for this new Committee and I would like to thank them for this.

I would also like to thank the Councillors involved in carrying out this Inquiry: Councillors Chatfield, J. Evans, P. Hamilton, Hutchings, Huxtable, Kane, M. Khan, O'Reilly and Williams; and the officers for helping to bring the large amount of evidence received together to form the conclusions reached in this report.



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Summary of Recommendations

	Recommendation	Responsibility	Completion Date
R01	<p>That the City Council, working with the Birmingham Employment & Skills Board (ESB), should lead a summit for adult skills issues, to bring together relevant stakeholders and get consensus on the best way to use current funding and structure for Birmingham residents.</p> <p>This would be supported throughout the year by the ESB and provider forums.</p> <p>The first of these would look at how employability skills and entrepreneurship are and should be introduced into courses; and the role of paid internships.</p> <p>This could be an annual event (as is the Transport Summit).</p>	Leader	June 2013
R02	<p>That Birmingham's position on the Greater Birmingham and Solihull Local Enterprise Partnership is used to:</p> <ul style="list-style-type: none"> • Reinforce the importance of addressing adult skills deficits and ensure that this is reflected in the LEP's priorities; • Ensure that the LEP skills plan properly reflects Birmingham's needs in particular to address skills gap in long term worklessness; • Lobby (perhaps as part of the City Deal) for skills funding to be devolved. 	Leader	July 2013
R03	<p>That the strategic framework governing the devolution of adult education seeks to ensure that this funding is mainly directed to meeting Birmingham's skills gap, in particular functional skills and pre-employment skills (and pre-entry ESOL).</p>	<p>Leader</p> <p>Cabinet Member, Development, Jobs & Skills</p> <p>Cabinet Member, Health & Wellbeing</p> <p>Cabinet Member, Social Cohesion & Equalities</p>	April 2013
R04	<p>That the City Council promote any externally advertised entry level jobs to the long term unemployed.</p>	Leader	April 2013
R05	<p>(a) That the City Council works with the new Co-operative of Schools in pooling resources for Careers Advisors qualified to IAG accreditation (Level 3).</p>	Cabinet Member, Children & Family Services	December 2013



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	Recommendation	Responsibility	Completion Date
	(b) That the City Council explores how careers advice can be made more Birmingham specific – informing people as to what our industries are, what opportunities are available and how are they accessed.		
R06	That the City Council, as part of the BBacc and the new Co-operative of Schools agenda, work with partners to facilitate relationships between schools and businesses, giving school children not just work experience but a link with a business. Ideally this would take the form of “mentoring” or “buddying” schemes between schools and local companies.	Cabinet Member, Children & Family Services	December 2013
R07	That the Leader in his role as LEP Board Director, lead a campaign to promote the benefits of apprenticeships to local businesses and promote the BIS “Employer Ownership” ¹ (round 2) to businesses in the LEP area.	Leader Cabinet Member, Development, Jobs & Skills	June 2013
R08	That the City Council works with contractors and the trade unions to promote the union learn agenda and the benefits to both employee and employer.	Cabinet Member, Development, Jobs & Skills Cabinet Member, Commissioning, Contracting & Improvement	June 2013
R09	That an examination of Birmingham’s procurement policy is conducted to assess whether it is practical to give greater security/longer contracts to local companies, to encourage them to invest in their workforce	Cabinet Member, Commissioning, Contracting & Improvement	September 2013
R10	Progress towards achievement of these recommendations should be reported to the Birmingham Economy & Jobs Overview and Scrutiny Committee no later than September 2013. Subsequent progress reports will be scheduled by the Committee thereafter, until all recommendations are implemented.	Leader	September 2013

¹ The Employer Ownership pilot offers all employers in England direct access to up to £250 million of public investment over the next two years to design and deliver their own training solutions. The pilot is jointly overseen by UKCES, the Department for Business, Innovation and Skills and the Department for Education.



1 Introduction

1.1 Purpose of the Work

- 1.1.1 Birmingham is the second largest city in the UK and the economic centre of the West Midlands. The city has a significant role to play in “rebalancing the economy” away from the South-East.
- 1.1.2 The Birmingham Economy and Jobs Overview & Scrutiny Committee’s remit is to look at the work of the City Council and its partners to ensure that all are working to ensure that Birmingham has a thriving, sustainable economy.
- 1.1.3 The Committee’s first piece of work has therefore been to explore how the City Council can play its part in “closing the skills gap” to increase employment and boost the economy. Earlier Scrutiny work² concluded that the low levels of skills in the city is a major weakness in the local economy, particularly amongst the long term unemployed. Addressing this is fundamental to the city’s economic future.
- 1.1.4 The key question we therefore sought to answer was: “What is the “skills gap” in Birmingham, and what needs to happen to close it?”

1.2 How we did the Work

- 1.2.1 The terms of reference set out our key lines of enquiry:
- What is the skills gap in Birmingham? What skills do businesses in Birmingham require now and in the future?
 - What are the current and future skills needs of employers? What do we need to do to ensure inward investment in the city is not hampered by current and possible future skills gaps?
 - Do current employees and future employees have/will have the necessary skills to meet business needs;
 - What needs to be done to ensure that Birmingham residents have the necessary skills that businesses require?
 - How are universities, colleges, training organisations and the third sector ensuring Birmingham residents have the right skills for employment, in particular how will they work with those without skills?

² Scrutiny Review of Supporting Recovery, June 2011



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- What role do businesses play in ensuring new and current employees have the right skills for employment?
- What role should the City Council, educational organisations and training providers play?

1.2.2 We initiated a “call for evidence” and received many written submissions from a range of employers and public agencies. Two evidence gathering sessions were then held in September 2012. Appendix A lists all our witnesses, to whom we are very grateful for their time, input and enthusiasm.

Written Evidence

1.2.3 This report sets out the key findings and the Committee’s conclusions and recommendations. The report is supplemented by the written evidence received by the Committee, which can be found on our website at www.birmingham.gov.uk/scrutiny.



2 What is the ‘Skills Gap’ in Birmingham?

2.1 Introduction

2.2 Whilst there have been some national studies of skills (for example the UK Commission’s Employer Skills Survey 2011³), we wanted to look more closely at what Birmingham employers and education/training providers had to say about skills in Birmingham.

2.2.1 Overall, the submissions we received from a wide range of sources did confirm the existence of a skills gap, though a minority were of the view that the perception of a skills gap was exacerbated by the unrealistic expectations of some employers.

2.2.2 What was most striking was that, whilst a deficit of technical and professional skills is obviously a real problem for some Birmingham employers, all our witnesses emphasised the gap in ‘employability’ skills, including basic English and Maths and “soft skills”.

2.2.3 Another key finding was that, whilst there is a lot of training going on in the city, no one organisation held all the information on skills levels, and there was no “skills plan” for the city.

2.2.4 In this chapter, we set out the key findings regarding the skills gap in Birmingham.

2.3 The Skills Gap

2.3.1 In our sessions, the ‘skills gap’ under discussion was primarily the difference between the skills levels of the population and the demands of employers. The majority of our witnesses agreed that there was such a skills gap, but not all agreed on what was the nature of that gap. One witness summarised it as being one or more of three elements:

- Not enough people coming out of school in Birmingham with qualifications;
- Whether those coming out of schools/universities had the ‘right’ skills for employers;
- A skills gap at certain levels in key industries as a legacy of past neglect of vocational training; e.g. engineers with 10 years experience in manufacturing being in short supply.

2.3.2 Other gaps were apparent when comparing Birmingham with other cities, and in looking across different areas of the city and different groups within the city.

³ The first UK-wide employer skills survey, involving over 87,500 interviews with employers across all sectors and covering all sizes of employer. The survey covers topics such as skill related recruitment difficulties, skills gaps, training investment and the work-readiness of education leavers.



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“Employability” Gaps

- 2.3.3 A number of witnesses referred to a gap between their expectations of employees in terms of their employability and those often exhibited by applicants. Our witnesses variously described the gap in employability as relating to attitude, aptitude, time-management, initiative, strong communication skills (verbal and written), common sense, problem solving, team working, ability to handle personal problems, personal presentation, numeracy and literacy.
- 2.3.4 The issue (and the problem of defining that issue) was recognised by the Birmingham Employment and Skills Board; a task group of which summarised it into two working definitions that describe the issue locally:
- Understanding a work ethic, a good attitude, the importance of appearance and manners;
 - At least level 1 competency in literacy and numeracy skills.
- 2.3.5 Some witnesses felt the lack of commercial awareness and awareness of a business environment. Others pointed to unreasonably high expectations of some applicants and employees, expecting to walk into managerial roles without experience, whilst other employees displayed a lack of ambition in terms of realising the opportunities available.
- 2.3.6 In our discussions, there was an emphasis on “attitude and aptitude” including the ability to learn. The fact is that everyone has to learn on the job to some degree, and most people will change careers during their lifetime. Some employers felt some employees to be ill-prepared for this.

Literacy and Numeracy

- 2.3.7 There was also a perceived gap in basic skills, or literacy and numeracy skills. As far as basic English and Maths skills go, school attainment levels show that Birmingham’s performance is one of the highest of the core cities and statistical neighbour authorities, and is above the England average (in 2011, 86.4% attaining five or more A*-C GCSEs, and 58.2% achieved five or more A*-C including English and mathematics).
- 2.3.8 However, whilst this performance is to be welcomed, it is not yet feeding through into adult skills levels. Partly this is due to the fact that Birmingham overtook the national rate for five or more GCSEs at A*-C in 2005 and so it will take decades to make an impression on working-age population qualification rates overall. It also may be related to migration in and out of the city.
- 2.3.9 Some employers drew attention to a deficit of functional skills within their own workforce. One told us:

Numeracy, literacy and information technology skills culminate in what is commonly known as functional skills. We have found that skill levels in the areas of highways, construction and manual labour are traditionally low and due to the nature of the work it is sometime difficult to ascertain skill levels.



Technical and Professional Skills

2.3.10 The employers who came to speak to the Committee cited difficulties in recruiting for specific roles and sectors such as IT, highways construction and financial services. Others noted the need for:

- Creative design skills, environmental technology skills, health and social care skills and engineering skills;
- Engineering – we were told that for the engineering workforce of the West Midlands to be “world class”, 56,700 people need upskilling – around 18,000 to level 3 (skilled tradesperson) and another 18,000 to level 4 (professional/managerial);
- Skills in the Automotive Manufacturing Sector including skilled programmers, setters, operators and assembly operatives with basic engineering knowledge. Highly skilled designers and production managers are sought after but not in the same volume;
- A mix of appropriately skilled and semi-skilled workers (apprenticeships, paraprofessionals, factory workers etc) and the provision of effective employees for the retail and hospitality industries;
- Advanced and higher level apprenticeships to better meet employer skills shortages and to bring an increased return to the local economy.

2.3.11 Marketing Birmingham provided an analysis of future skills needs in line with its research into emerging and high growth sectors in the city. These included:

- Leisure and business tourism: as a growing sector, there are significant employment opportunities to support entry level, middle and senior management roles;
- Transport technologies – including design, process and software, mechanical and electrical engineers with at least a second degree or post doctoral qualifications; and commercial acumen, sales and marketing, written and verbal communication and language skills;
- Professional & financial services, in particular the “out-sourcing of support and back office functions such as IT, customer care and finance from London to lower cost locations elsewhere in the UK and overseas”. This would create demand for:
 - More skilled paraprofessional staff such as legal executives and accounting technicians;
 - Better developed generic skills in areas such as leadership and management, interpersonal skills, literacy and numeracy, customer service, basic Information and Communication Technology;
 - Financial capability and quantitative skills among new entrants.



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- 2.3.12 A recurrent theme in our evidence gathering was that of the shift over past decades from manufacturing as a major employer, to service sectors. This helps explain the increased emphasis on the “softer” skills referred to in the previous section; as communication and social skills play a much more important role in an individual's ability to obtain and retain employment.
- 2.3.13 It also highlights the increasing demand for what are broadly grouped as higher skilled occupations and declining demand for lower skilled occupations.
- 2.3.14 However, there is evidence that manufacturing in the West Midlands is doing better than elsewhere in the country. There is therefore a danger that the city is losing those skills which will be needed in the future, and this loss will have a negative impact on the future of the region.
- 2.3.15 Another issue for many of our manufacturing companies is an ageing workforce. Sector Skills Council for Science, Engineering and Manufacturing Technologies (SEMTEA) told us that in the West Midlands, 13% of employees in engineering companies are aged over 60.
- 2.3.16 It was also noted that the key growth sectors identified by Marketing Birmingham, the Local Enterprise Partnership and the City Council require higher level skills; those without qualifications (often who have been out of work for some time) will almost certainly be unable to secure such employment.
- 2.3.17 Other gaps identified include the need to combine skills and not take too narrow an approach. For example scientists often need language skills too. Another witness noted the difficulty in finding managers with the appropriate technical skills.

2.4 The Alternative View

- 2.4.1 A couple of our witnesses came at this question from a different perspective and said that they do not find that there is a skills gap in their area of work. They were also sceptical of the expectation that any employee could walk into a new job and be able to do the job from day one; it was asked whether this had ever been the case.
- 2.4.2 Partly this is about individual companies and their reluctance or inability to invest time in training employees. It was recognised that the conditions for employers to invest must exist, including security of work. In some sectors, where short term contracts are the norm, this is a barrier to investment in skills:
- ... as relatively short contract durations were awarded in a competitive market place, there was less incentive for the business who won that contract to invest in training and development, as there was a real possibility that the incumbent could lose the contract in the next 3–5 years.
- 2.4.3 The other element is that there can be a failure at individual and sector level to recognise and anticipate their own needs:



There is often an unrealistic demand by some sectors that they require skilled staff immediately to fulfil vacancies that occur, when the sector hasn't been involved in training and development of individuals for considerable amounts of time. This situation occurs too often even when it is known that a particular employer has an ageing workforce. Succession planning is required to maintain the continuity and skill levels to remain competitive and avoid the 'watering down' of skills competency.

2.5 Why it Matters

- 2.5.1 It may seem obvious but it is worth restating the clear link between a lack of skills and the likelihood of gaining employment, and the impact that has on an individual and on the city.
- 2.5.2 The data provided by the City Council's Employment team shows that "this skill shortage is a contributing factor to Birmingham's low proportion of residents employed, and associated high claimant unemployment rate." This is particularly evident when comparing different areas of the city, where the areas of high unemployment match the areas of low skills attainment.
- 2.5.3 Access to a skilled labour market was identified in the Scrutiny Review of Supporting Recovery as one of key things employers look for when considering where to invest. Addressing the skills shortage, including the disparity between Birmingham and other core cities is critical to the city's economic attractiveness.
- 2.5.4 This link to the city's competitiveness within the UK and internationally is important. Evidence provided by the City Council's Employment Team pointed to a gap between the skills levels of Birmingham's population in comparison to the other core cities. The key points are:
- Birmingham has a relatively low proportion of its population educated to NVQ Level 4;
 - Birmingham has the lowest rate of all core cities for those educated to Level 3 (43.5%);
 - Birmingham has a higher proportion of its population with no formal qualifications than the majority of the other English core cities, significantly above the average for the nation as a whole (17%).
- 2.5.5 Available figures also show a significant difference between ethnic groups in the city, although this data is based on 2001 Census data. This highlights potential social cohesion issues in skills gaps, as does the Social Cohesion and Community Safety O&S Committee's current Scrutiny Inquiry looking at "What makes us Brummie", where witnesses referred to the importance of jobs and economic inclusion in promoting a sense of identity with the city.⁴

⁴ See minutes of the Social Cohesion and Community Safety O&S Committee, 18th September 2012



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- 2.5.6 The recently published Green Paper on social inclusion *Giving Hope Changing Lives Making an inclusive city* makes clear the “well-established links between income, health and wellbeing” and that “income inequality remains the primary barrier to social inclusion”.
- 2.5.7 It also matters from an individual perspective. All our witnesses were keen to emphasise the personal benefits of gaining meaningful employment in terms of quality of life and health as well as financial security.



3 What Needs to Happen to Close the Skills Gap?

3.1 Context

- 3.1.1 Our witnesses were agreed on the importance and urgency of tackling the gaps described in the previous chapter. We therefore focused on what needs to happen in Birmingham to close the gaps and the City Council's role in this.
- 3.1.2 The national context for this is the Government's policy on improving and using skills "to return the economy to sustainable growth, extend social inclusion and social mobility and build the Big Society" in England, set out in Skills for Sustainable Growth.⁵
- 3.1.3 This approach has meant that there are no longer top down skills targets imposed from the centre, the Skills Funding Agency does not have a role in planning skills provision, and providers such as colleges have been given more freedom and flexibility in how and what to provide to learners. Individuals and employers are expected to contribute more to training and so provision has become demand-led. The City Council's role was recognised to be limited but influential.
- 3.1.4 It is within this context that the Committee considered how the skills gap within Birmingham could be closed.

3.2 Linking Learners with Employers

- 3.2.1 The strongest theme to emerge from our evidence gathering was that of linking learners and employers as part of their school, college and university courses.
- 3.2.2 This was partly about work experience: the value of targeted and meaningful work experience and work placements was recognised as critical for young people in providing work skills and in giving employers the chance to see young people in the work place, facilitating more jobs and better retention rates. However, it was also about linking employers with education. Some employers felt that changes in education have meant less focus in schools, colleges, universities on the life /"soft" skills referred to in the previous chapter. The best way to get this back into school/college life would be more links between business and education, such as partnership ventures with schools, colleges, universities. Businesses would 'educate' and work with these institutions on the skills students are lacking, and what they need to succeed in the business world.

⁵ Department for Business, Innovation and Skills, 2010



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- 3.2.3 The newly opened Aston University Engineering Academy for 14-19 year olds was cited as a good example of combining academic and work focused learning. Business, Aston University and teachers developed the new and innovative curriculum. At level 3 it offers A levels, BTEC National Engineering and an Apprenticeship. All programmes have input from a range of employers making the learning relevant and insightful for the students.
- 3.2.4 Other schools have developed their own links with businesses, engaging with those in their local community and bringing them into school life beyond a two-week work experience placement. A good example of this is Heartlands Academy – see box below.
- 3.2.5 These kinds of links were seen as imperative in addressing the problem that one of our witnesses summarised as
- ... a mis-alignment between academic achievement in schools and the needs of business. While Birmingham schools have made great strides in recent years to raise GCSE attainment levels, this does not then translate into work-ready young people.
- 3.2.6 Indeed some of our witnesses thought these links were so essential that every child in the city ought to be linked to an employed person to give them contact with the world of work and to educate them in different career options.
- 3.2.7 The City Council is seeking to address the linkages between schools and businesses through the introduction of a Birmingham Baccalaureate ("BBacc") – see section 3.4.3 below.
- 3.2.8 There was general agreement that, in Birmingham, local colleges are becoming increasingly aware of the needs of local employers and supporting them to up-skill employed and unemployed residents. There were examples of Birmingham colleges working with employers to provide flexible training responsive to that business's need (including releasing students from college when the business required them to spend more time at work, for example if there had been an increase in orders, and equally putting on more training during quieter periods). Universities are also working closely with businesses in some areas, for example designing bespoke foundation degree and degree programmes with individual companies.
- 3.2.9 Our witnesses recognised that there was lots of good work, with some fantastic examples of local businesses working with colleges and universities; however it was piecemeal. For example there are over eighty initiatives linking students with engineering experiences. There was a plea, not for more initiatives, but some co-ordination and a vision for the city which would bring a more sophisticated dialogue between employers, educationalists and local authorities.



3.3 The Role of Employers

3.3.1 This leads on to another important strand – the role of employers in tackling the skills gap. We have already referred to the need for individual companies to invest time in training employees and in recognise and anticipate their own needs, both locally and at a sector level.

Heartlands Academy – A Case Study

Members from the Committee visited Heartlands Academy to see for themselves how schools were working with businesses to assist students in gaining “employability skills.”

Mrs Glynis Jones, Principal and Mrs Rachel Buckingham, Community Director highlighted that they had started working with businesses in 2006/07. They told that it was deemed important that this role was undertaken by a dedicated member of staff who did not have teaching commitments.

They have developed links with businesses that include PWC and Deloitte and also other business links have been developed via the Chamber of Commerce and Business in the Community.

PWC are one of Heartlands Academy main partnerships and they support the delivery of enterprise classes by offering students business mentor support and professional enterprise guidance which is delivered through a structured programme created through Enabling Enterprise.

As well as mentoring students to prepare them for the world of work, PWC provide advice and guidance to Senior Leaders within the Academy to enable them to disseminate their knowledge to all staff. Heartlands identified this as one of the key areas for staff development as it facilitates provision of a sustainable programme of careers, advice and guidance for all students.

As part of the partnership PWC tailored an employability day for over 120 students. Classes were replaced by employability workshops, business speed dating and communication workshops.

Phase Leaders (for Key Stage 4 and for Key Stage 3) work with a dedicated team of Learning Managers (one for each year group) and Form Tutors, to ensure that all students are guided and supported, their successes celebrated and any problems supported.

Heartlands also have a Creative Curriculum Week three times per year (October, March and July) where students are taken out of the classroom and take part in workshops.

The academy has also moved the students one week work experience to March so it does not clash with other schools / academies (who tend undertake theirs in the Summer). There were also some barriers with students going into business premises in relation to Health and Safety issues and there needing to be enough variation in the work experience so it doesn't result in the experience being limited.



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- 3.3.2 The University of Birmingham provided examples of research showing that workforce appraisals and that strategic planning for skills within companies were far from common. This was backed up by other witnesses – some businesses have excellent induction and on-going mentoring, coaching and professional development programmes in place. Others contract such work out and some do not have any.
- 3.3.3 It was felt that more could be done to emphasise the benefits of up-skilling the existing workforce into more skilled positions within their organisations where possible, to help fulfil their immediate requirements. Businesses should also invest in long term development of skills within their organisations. Some witnesses spoke of the unrealistic expectations of some employers, who invested nothing or very little in skills training or planning, then expected schools and colleges to provide appropriately skilled workers within a short time.
- 3.3.4 Witnesses referred to the apparently low uptake of the Employer Ownership of Skills Pilot in Birmingham. The Employer Ownership pilot offers all employers in England direct access to up to £250 million of public investment over the next two years to design and deliver their own training solutions. The pilot is jointly overseen by the UK Commission for Employment and Skills (UKCES), the Department for Business, Innovation and Skills and the Department for Education.
- 3.3.5 However, the messages coming though from our evidence gathering is that predicting future skills needs is difficult for any company. It is even more difficult to predict with sufficient time to train people up if they do not have the skills already. This again emphasises the importance of “work readiness” in employees to be able and ready to learn new skills.
- 3.3.6 We spoke to five local employers who all demonstrated good practice in taking on apprentices and those with low skills, and in training up their existing workforce. Examples of initiatives include:
- Amey and Trade Union partners have designed a three year programme which combines functional and technical skills as well as focus on building interpersonal skills;
 - Wesleyan participate in the Bridge Programme, run by Birmingham City Council to help their employees who have been made redundant. Birmingham companies take part in and host workshops and provide seminars which Council employees can attend and use to network and gain information;
 - Acme Whistles employs a mixture of skilled, semi-skilled and unskilled people and work with local schools, offering career opportunities for those interested in manual work;
 - Companies including Colemans have joined in a Shared Apprenticeship Scheme for young people, whereby apprentices can undertake aspects of their apprenticeships at different construction sites and so are not affected by short term projects.
- 3.3.7 However, as already noted, the conditions for employers to invest must exist, including security of work. In some sectors, where short term contracts are the norm, this is a barrier to investment in skills.



- 3.3.8 One witness told us that “working with schools to inculcate attitudes is the most important thing that business can do in the future”. However, there is again a reluctance or inability to get involved with local schools and colleges and provide work experience opportunities.
- 3.3.9 The importance of working with trade unions was also demonstrated by the example of Amey and several trade unions who worked together to improve the skills of their workforce. The partnership allowed them to explore the potential for employees to be released from work to study non-vocational courses. A series of presentations were given to employees at one of the depots to explain the courses available. Subsequently, employees attended work-based training delivered by South Birmingham College (SBC). To date, over 200 employees have studied for Level 1 & 2 NVO’s in IT, numeracy and literacy. As a consequence absenteeism had reduced, internal recruitment had increased and employees displayed a positive attitude towards working and learning.
- 3.3.10 The role of employers in providing apprenticeship opportunities was also discussed. An Apprenticeship is a job with training, so apprentices can earn while as they learn and pick up recognised qualifications. They take between one and four years to complete and cover 1,200 job roles in a wide range of industries, from things like engineering to financial advice, veterinary nursing to accountancy. Apprenticeships are being promoted by Government as the main route to work based learning. Colleges and training organisations are funded for the actual number of Apprenticeships they deliver; therefore the system is driven to respond to employer demand.
- 3.3.11 In Birmingham, there is overall a higher volume of applications per vacancy. The proportion of Engineering/manufacturing vacancies has increased sharply from a baseline well below the national average and there is a very high interest in construction. Marketing Birmingham evidence stated that in “2010/11 apprenticeship starts in Birmingham had risen significantly. Though official data since then is not available, National Apprenticeship Service management has reported unofficially that this rise has now stalled. In order to secure the numbers of apprentices promised as part of City Deal (including 3,500 Apprenticeship Grants for Employers (AGE)⁶ across the LEP area) and other programmes announced in recent months, significant recruitment will be necessary across all sectors and in deprived localities across the city”.
- 3.3.12 We were also told that “last year (2011/12), 1% of vacancies didn’t attract any applicants and 25% attracted between 0 and 5 applicants. However, both measures are marginally better than the previous year. It is not always easy to understand why some vacancies fail to attract candidates it can be either a lack of quality applicants (linked to a skills gaps) or it can be that the job role is unattractive due to location, sector or wage rate”.
- 3.3.13 One of the region’s Work Programme Providers has found difficulty in “selling” apprenticeships to employers, saying that apprenticeships suffer from two problems – how they are perceived by employers, and the “one size fits all” nature of the contents – young and older:

⁶ A grant of £1500 for employers who recruit 16 - 24 year olds who may in time start an apprenticeship programme



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To many people, the word “apprentice” relates to a school leaver entering a first job, mostly in a technical sector such as engineering or advanced manufacturing. Employers and employees often find that there is a stigma associated with the word, as it implies that the apprentice is unskilled and very junior. Also many employers don’t consider the apprenticeship scheme as they believe that only teenagers are eligible, despite the removal of the age limit.

- 3.3.14 There is a lack of data on the ethnic make-up of apprentices nationally and this Committee has submitted an FOI to find information on the local breakdown of apprentices by ethnicity. However brap told us that “nationally, however, the number of BME people taking up *and* completing apprenticeships is very low – about 7% of the total”.
- 3.3.15 We heard that there is a perception amongst some companies that apprenticeships are difficult to access, time consuming and expensive to implement. It was therefore suggested that there needs to be a more systematic promotion of Apprenticeships as an alternative and equal to further education / higher education.
- 3.3.16 The National Apprenticeship Service (NAS) referred to Government concerns that apprenticeships are being used by employers to assess the existing workforce rather than upskill so there is some nervousness about value of post 25 apprenticeships. The national priority is therefore growth in 16-24 market.

3.4 Addressing Functional and ‘Employability’ Skills Issues

- 3.4.1 There was much discussion around the best way to teach the employability skills referred to in the previous chapter. There was a consensus that the best way to do this was to embed the softer skills in courses at all levels (rather than have additional courses on for example “communication” alongside subject specific courses). It was felt that applicants stood a better chance of gaining employment if they could demonstrate that they had experience of using these skills, rather than purely gaining a qualification in them.
- 3.4.2 Similarly with functional skills, there was a common view expressed that literacy and numeracy qualification should focus on work or life situations, to make them more obviously relevant to future careers.
- 3.4.3 The issue of schools and “work readiness” is of course far from new. The Committee heard about the proposed Birmingham Baccalaureate (“BBacc”) which is being promoted as a response to employer concerns that children are not leaving school “work-ready”. The BBacc proposes to recognise, through accreditation, achievements of students not captured in academic qualifications. Businesses will help build the BBacc.
- 3.4.4 The importance of third sector in delivering training and in providing high quality work experience placements and “trade tasters” to get people prepared for employment was discussed (see 3.2).



3.5 Provision for the Unemployed

- 3.5.1 Mostly skills provision for the unemployed is channelled through Job Centre Plus (JCP) and then, when individuals have been unemployed for a specified length of time, through the Work Programme.
- 3.5.2 For those who are on Job Seekers Allowance for less than 12 months, JCP run a number of programmes under the “Get Britain Working” scheme, which includes work experience, Youth Contract initiatives and specialist disability employment programmes. JCP mostly refer their customers to colleges and training providers for skills training. Jobseeker’s Allowance claimants aged 18 and over who want to start their own business can also get extra help though the New Enterprise Allowance.
- 3.5.3 The Work Programme largely replaced the previous mainstream employment support provision. It is delivered for JCP by three Work Programme providers for Birmingham, Solihull and the Black Country: EOS Works Ltd, Newcastle College Group and Pertemps People Development Group. The Providers signed a five year contract and delivery began in June 2011.
- 3.5.4 Work Programme Providers customers may also be able to access other programmes and schemes etc, such as Jobcentre Plus Work Trials, European Social Fund (ESF) Provision, In Work Credit and Learndirect etc.
- 3.5.5 Evidence from Birmingham’s Work Programme Providers noted the reluctance of employers to recruit from the long-term unemployed; and the need for work placements so that individuals can demonstrate their experience and skills.
- 3.5.6 There are other schemes including ESF provision which commenced in April 2012. Skills Support for the Unemployed (SSU) provides skills training to unemployed adults aged 19+ and employability support in order to enhance an individual’s chances of gaining employment.
- 3.5.7 As part of their evidence gathering, Members of the Committee met with support workers and clients of the DWP Co-design WiSH (Worklessness in Shard End and Handsworth) pilot project. The project offers individuals with multiple barriers to employment support to help deal with the underlying issues preventing employment being secured. This support is provided by a co-located partnership team involving JCP, Midland Heart, Pertemps People Development Group and the City Council. Services are also provided to other excluded groups i.e. care leavers and Birmingham residents leaving HMP Winson Green.
- 3.5.8 Working with a cohort of workless residents, the co-design pilot aims to test the assumption that integrated, person-centred support services delivered in community settings, with clients receiving intensive one-to-one support tailored to their needs, would improve the client journey experience and therefore be more effective in achieving sustainable employment outcomes and efficiencies.
- 3.5.9 The WiSH project addresses not just the skills levels of the participants but helps them deal with the situations that they are in. We heard evidence that third sector organisations are well-placed



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to do the same. Training processes involve a number of stages from contact with potential trainee through assessment and training to job hunting. However, as one witness told us: “chaotic lives and training, let alone work, do not mix”. There is “leakage” at each stage and working closely with individuals helps reduce this.

- 3.5.10 Another of the elements of the WiSH project was the closeness of the project to the community, and this was recognised by a number of our witnesses. In particular, the third sector is particularly well-placed to deliver appropriate training and build awareness and promotional activities in the community to support the uptake of skills provision. They are also more likely to work, recruit and spend in the local area. One Work Programme Provider works closely with local community/neighbourhood groups to increase awareness of provision and the benefits of improving and or developing skills and this approach could be extended in partnership with other providers.

3.6 The “System”

- 3.6.1 Throughout our discussions, a number of issues were raised that related back to the national framework or funding of skills provision and which affected implementation in Birmingham.
- 3.6.2 Firstly, some of our witnesses were concerned that, because most skills funding flows through colleges on the basis of qualifications and numbers of people on courses, this, rather than need, could be a driver of provision. Sometimes employers require short courses not necessarily leading to a qualification and the funding system does not recognise this.
- 3.6.3 Having noted the benefits of engaging the third sector to work with those out of work, it was also noted that third sector organisations are having great difficulties getting skills related contracts, as the size of Skills Funding Agency (ESF) and DWP (Work Programme) contracts are generally too large.
- 3.6.4 The Government’s Skills for Growth approach expects the individual learner to take some responsibility for identifying their own skills needs and to make a contribution to meeting that need. However, witnesses identified two potential issues with this: one, the ability of individual learners to identify the sorts of skills employers were looking for; and the ability to pay for any training.
- 3.6.5 With regards to careers advice, information and guidance, this is now provided through the National Careers Service, which “should be seen as a key part of the information advice and guidance landscape to support Birmingham residents to have a better understanding of labour market intelligence and especially the skills needed to acquire and retain employment”.⁷

⁷ Evidence from the National Careers Service. However, it should be noted that vulnerable young people are still advised by the Connexions service.



- 3.6.6 Some witnesses noted this meant a shift from face-to-face provision and an over reliance on technology to run the service, and that there may be a move back to “amateur advisors in schools”. The idea of schools taking a lead in careers advice for young people concerned some, as schools have a financial incentive to retain young people in Sixth Form Colleges.
- 3.6.7 Overall, a number of witnesses expressed concerns that young people looking at what to study have limited avenues for independent advice. There is a need to monitor the implementation and development of the new all age careers service. It was also suggested that there was a need for careers advice that is Birmingham specific – informing people as to what our industries are, what opportunities are available and how are they accessed.
- 3.6.8 With regard to funding issues, funding streams and programmes are available for training and education up to NVQ level 2. Those over 25 and looking to develop their skills beyond level 2 are entitled to apply for a loan (to be paid back over 30 years once the individual is earning over £21,000).
- 3.6.9 One submission to our inquiry noted that it is the individual who takes out the loan and not the business and therefore, if businesses want employees to take certain courses, they will need to ask their employees to apply for the loan personally.
- 3.6.10 There is also the issue of balancing training when receiving Job Seekers Allowance (JSA). Rules governing eligibility mean that only 16 hours a week can be spent attending a course. It was pointed out that this can significantly increase the time it can take an individual to gain a qualification or complete a course or even gain the necessary basic functional skills. There have been examples of dispensations – for example after the closure of the Rover plant where there was a six month dispensation which allowed for intensive training which helped many into jobs – and there are options to increase training hours within specific programmes. However, it was argued that this was generally a barrier and dispensations should be considered in other scenarios.
- 3.6.11 A particular gap in funding was noted with regards to “pre-entry ESOL”, which is not funded by the Skills Funding Agency (SFA). People requiring this provision must therefore pay for it.

3.7 Leadership

- 3.7.1 The report from the City Council’s employment team noted that the majority of funding for skills provision does not flow through the City Council, and so its role is generally one of influence. However, a recurrent theme in our evidence gathering was for the City Council to take “a leadership role”. This took a number of guises: the need for a city-wide skills plan, the need for a central repository for information on skills and skills needs and the need for some co-ordination and a vision for the city.
- 3.7.2 The City Council does undertake a range of activity, reflecting residents’ concerns about unemployment and the impact that has on the city:



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- The Employment Team's Employment Access Team (EAT) utilises the Council's planning and procurement powers to work with developers and employers to capture jobs, so they can be made available to organisations supporting unemployed priority residents into employment and apprenticeships. The work of the EAT culminates in a series of localised recruitment campaigns with customised training linked to specific vacancies identified through links with developers and employers;
- A Procurement Policy Framework for Jobs and Skills has resulted in commitment for up to 5,400 jobs for local residents. EAT works with successful contractors to ensure they meet their contracted training and employment targets. Recent examples of EAT recruitment include: Birmingham Gateway New Street Station; Library of Birmingham; East End Foods, Aston; Extra Care Village, Newtown;
- The Council's Planning Policy is being examined as to whether it can provide a similar overarching framework to enable the systematic application of planning conditions which will secure the agreement to jobs and training targets by developers;
- Working with the Skills Funding Agency they are seeking to ensure that colleges are fully engaged in addressing disadvantage caused by lack of skills in Birmingham's most deprived communities by agreeing a local protocol for working together to achieve individual and shared priorities, and be able to identify the local impact of national funding streams;
- Role in Provider Forums – a series of meetings have been brokered between the Work Programme Prime Contactors and Centro, Best Network and Birmingham Social Housing Partnership to explore joint working arrangements to address these perceived gaps. This has resulted in an increase in ad hoc specialist service purchasing from third sector agencies.

3.7.3 In addition, the Youth Unemployment Commission has recently been set up to explore the scale of the youth unemployment issue.

Birmingham Adult Education Service

3.7.4 The only part of the City Council to receive funding from the Skills Funding Agency for adult skills is the Birmingham Adult Education Service (BAES), which is now part of the new Local Services Directorate. It holds a contract with two components from the SFA:

1. To develop adult skills and qualifications in English, Maths and vocational subjects;
2. To provide community and family learning; this is often non-accredited learning undertaken for personal development.

3.7.5 The BAES successfully engages large numbers of local people in adult learning and reaches into disadvantaged communities. BAES is developing very effective collaborative work with employers, Jobcentre Plus and other key partners. They have introduced "Work Skills" curriculum which is a short course targeted at unemployed learners. The course provides jobs search training, CV advice and interview preparation leading to an accredited certificate in Work Skills.



- 3.7.6 BAES has the largest adult funding allocation from the Skills Funding Agency (SFA) of any local authority in England. Yet it is not explicitly part of any plan to meet the skills needs of the city. A recent Ofsted report identified Literacy and ESOL (attendance and retention rates, the standard of teaching and learning and the structure of programmes) as an area for improvement. It also has overall success rates below the national rates for the further education sector.
- 3.7.7 We also heard that there was an underspend last year and that the BAES may have to / had to return funds to the SFA.
- 3.7.8 In terms of the Adult Skills Funded allocation, BAES over achieved on our funding contract for the three years preceding 2011-12. However, it is likely that the final funding return for 2011-12 will show that around £600K is to be returned to the SFA. The reasons for this underachievement were:
- Changes to the funding rates and the funding for Skills for Life courses;
 - Reduced provision in ESOL and Literacy to address quality issues and prepare for re-inspection of these subjects in May 2012.
- 3.7.9 Nationally that there is likely to be around £60 million under achievement in Adult Skills contracts.

Greater Birmingham and Solihull Local Enterprise Partnership

- 3.7.10 The Leader of the Council is a Board Director of the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP). GBSLEP is tasked with driving forward economic growth in the GBSLEP region and within that has identified “people” (mainly relating to skills”) as one of its key strands of work. To facilitate this, a structure of Employment and Skills Boards (ESB) has been set up. There is one over-arching, business-led ESB, then four local ESBs for Birmingham, Solihull, Southern Staffordshire and North Worcestershire. The ESB will be producing a comprehensive City Skills Development Plan by the end of March 2013 which will set out how the GBS LEP can deliver its vision for skills and stimulate growth.
- 3.7.11 The GBSLEP also led on submitting the City Deal, which was agreed in July 2012. One of the proposals in the City Deal focuses on Skills for Growth and sets out the ambitions to:

Deliver a world class skills system through a “Skills for Growth Compact” that radically recasts careers education as “Work Inspiration” and drives growth in our target sectors (and wider economy) through a “Skills for Growth Hub” that will rapidly increase Apprenticeship uptake and sustainable employment.



4 Conclusions and Recommendations

4.1 Introduction

- 4.1.1 Our report thus far has focused on the skills gap and how best to address that gap, but we should note that there is significant variance by sector and that Birmingham has many strengths. For example Marketing Birmingham told us that businesses based within the knowledge sector have much higher levels of employment and demonstrate a positive future for the city's economy.
- 4.1.2 However, our findings do indicate the existence of a skills gap, and that this is having a serious impact on the local economy and on people living in the city. In particular, the research collated and views heard reaffirmed the findings of the Supporting Recovery Scrutiny Review that Birmingham's main challenge is with the adult population that has been out of work for some time. However, the national focus, and to some extent the local focus, has been on youth unemployment.
- 4.1.3 Our witnesses pointed to the lack of a city wide skills analysis available and that there is no systematic planning process for skills development in the city.
- 4.1.4 In terms of city wide skills analysis, this will be in part taken up by the Greater Birmingham and Solihull Local Enterprise Partnership, as indicated in their White Paper "Strategy for Growth". However, local information is also needed. With regard to planning to address the skills deficit, given the large number of organisations involved in this, a recurrent theme in the Inquiry was the request for the City Council to take a leadership role.
- 4.1.5 This is necessarily limited: the City Council faces the challenge of working to influence skills provision when most of the funding is directed elsewhere. In addition, the City Council's own budget is reducing, and it must be recognised that continuing reductions in local authority funding will reduce the capacity of the City Council to undertake activity in this area. Nevertheless there was a clear view that there was a role for the City Council in:
- Promoting and supporting an increase in adult skills;
 - Promoting and supporting an increase in work experience and/or links with the world of work for school children, to improve the likelihood of a "work ready" workforce;
 - Encouraging employers in the city to engage in apprenticeships and in-work training.

4.2 Adult Skills

- 4.2.1 Adult skills provision is largely within the remit of providers, in particular colleges, and is demanded. Whilst there was not a call for centralised planning to return, our witnesses wanted greater local co-ordination and partnership working across the city. This was a call echoed in the social



inclusion Green Paper, Giving Hope Changing Lives Making an inclusive city, which has recommended that “an integrated employment and skills approach for Birmingham” is developed.

- 4.2.2 An oft repeated call in our Inquiry was for the City Council to take a lead in this, recognising the unique position it holds in ensuring that opportunities for skills development are focussed on local residents.
- 4.2.3 The Committee has noted that the City Council had taken a visible leadership role with regards to youth unemployment, setting up the Youth Unemployment Commission and working to introduce the Birmingham Baccalaureate. We believe similar visibility and political leadership is needed around adult skills, and so are recommending that an annual skills summit is set up, to bring commissioners, providers, employers, employees and those out of work. A key message from our evidence gathering was that, in absence of national planning, strong partnerships at a local level are key. A summit, focused on delivery, would help facilitate a more sophisticated dialogue between education, employers (in particular with SMEs) and provider, focusing on current resources and key priorities.
- 4.2.4 It would help reinvigorate on-going partnerships, such as the provider forums. The City Council got agreement with Work Programme providers, along with colleges and third sector providers, to participate in a forum to join up their work more effectively. We heard from our third sector witnesses that this has not yet got off the ground.
- 4.2.5 The summit could also play a role in identifying gaps in provision, and in particular help identify where generic programmes are not working for specific groups.
- 4.2.6 The City Council also has the opportunity to influence this agenda through the Leader of the Council’s role as a Board Director of the Greater Birmingham and Solihull Local Enterprise Partnership. This is the body charged with driving economic growth across the region. At the time of writing, the LEP’s White Paper “Strategy for Growth” was out for consultation, and it recognised:

We have a skills deficit exacerbated by an increasing demand for skilled labour across a broad range of sectors. We need a significant improvement to skills levels across the city region.⁸

- 4.2.7 It aims to ensure the LEP area has one of the most skilled labour forces in Europe, and that unemployment will be at a record low following private sector growth of 100,000 jobs. Proposed actions include producing a LEP Skills Plan based on a detailed analysis of the local labour market and skills needs, articulating local needs and priorities, aligning investment and delivery through the Skills for Growth Hub (agreed as part of the City Deal in July 2012⁹) and maximising the local benefits of the National Skills Show being held annual at the NEC for three years from 2012.

⁸ Greater Birmingham and Solihull Local Enterprise Partnership’s (GBSLEP) Strategy for Growth White Paper, p. 5

⁹ The Local Enterprise City Deal Proposal, 5 July 2012



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- 4.2.8 However in practice, the emphasis coming across from LEP, reflecting concerns from the wider LEP area, are youth focused. In the eighteen months from summer 2012 the first three actions the ESB is leading on are broadly focused on young people. Birmingham's biggest economic challenge (that of sustained long-term unemployment) is not currently adequately recognised. Whilst a city economic strategy (which will sit underneath this LEP wide strategy) can address "local" issues, we would argue that as Birmingham is the main economic driver of the LEP, this issue is of importance to the LEP as a whole.
- 4.2.9 However, to take a credible leadership role, the City Council would first have to get its own house in order. The Committee heard from both the Employment Team in the Development Directorate and the Birmingham Adult Education Service (now under the Local Services Directorate). Problems had been identified with BAES which are being addressed, but there is a wider issue of co-ordination. BAES has the largest adult funding allocation from the Skills Funding Agency of any local authority in England. Yet it is not explicitly part of any plan to meet the skills needs of the city. Given the repeated demands for basic skills noted in the chapters above, it is perhaps surprising that only 26% of Birmingham's SFA funded enrolments are in Basic Skills/Skills for Life (Literacy, Numeracy and ESOL). We also heard that there was an underspend last year and that the BAES had to return funds to the Skills Funding Agency. All this suggests that the BAES is an under-used resource within the skills agenda, particularly with regard to basic and pre-employment skills, as it does successfully engage large numbers of local people in adult learning and reaches into disadvantaged communities.
- 4.2.10 Another way in which the City Council could lead by example would be in the promotion of externally advertised entry level jobs to the long term unemployed. The City Council's Employment team, under the Procurement Framework, work with employers to achieve this, and so ought also to be taking this route itself where possible.

	Recommendation	Responsibility	Completion Date
R01	<p>That the City Council, working with the Birmingham Employment & Skills Board (ESB), should lead a summit for adult skills issues, to bring together relevant stakeholders and get consensus on the best way to use current funding and structure for Birmingham residents.</p> <p>This would be supported throughout the year by the ESB and provider forums.</p> <p>The first of these would look at how employability skills and entrepreneurship are and should be introduced into courses; and the role of paid internships.</p> <p>This could be an annual event (as is the Transport Summit).</p>	Leader	June 2013



	Recommendation	Responsibility	Completion Date
R02	That Birmingham's position on the Greater Birmingham and Solihull Local Enterprise Partnership is used to: <ul style="list-style-type: none"> • Reinforce the importance of addressing adult skills deficits and ensure that this is reflected in the LEP's priorities; • Ensure that the LEP skills plan properly reflects Birmingham's needs in particular to address skills gap in long term worklessness; • Lobby (perhaps as part of the City Deal) for skills funding to be devolved. 	Leader	July 2013
R03	That the strategic framework governing the devolution of adult education seeks to ensure that this funding is mainly directed to meeting Birmingham's skills gap, in particular functional skills and pre-employment skills (and pre-entry ESOL ¹⁰).	Leader Cabinet Member, Development, Jobs & Skills Cabinet Member, Health & Wellbeing Cabinet Member, Social Cohesion & Equalities	April 2013
R04	That the City Council promote any externally advertised entry level jobs to the long term unemployed.	Leader	April 2013
R05	(a) That the City Council works with the new Co-operative of Schools in pooling resources for Careers Advisors qualified to IAG accreditation (Level 3). (b) That the City Council explores how careers advice can be made more Birmingham specific – informing people as to what our industries are, what opportunities are available and how are they accessed.	Cabinet Member, Children & Family Services	December 2013

4.3 Work Experience

4.3.1 Our witnesses put an emphasis on the need to address “employability” skills. A number of witnesses said that these skills need to be shown through experience rather than a qualification, not least because:

¹⁰ If allowed under the funding criteria.



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Businesses tell us anecdotally that education attainment is not a guarantee of business acumen nor does the curriculum in schools and colleges teach useful business ‘behaviours’.

4.3.2 Again, this has been recognised by the GBSLEP, who (in the draft “Strategy for Growth”) are seeking to:

- Deliver Skills for Growth Compact committing employers, colleges and schools to build a best-in class skills service to link pupils and learners with real-world work opportunities with at least 25% of local businesses signed up by 2015;
- Champion and promote meaningful work experience, mentoring and internships;
- Pilot and roll out education business activity – careers advice, work experience, curriculum content, new apprenticeships.

4.3.3 There is also a role for the City Council here. The Birmingham Baccalaureate (BBacc) is to be welcomed as it seeks to address business concerns regarding the perceived disconnect between school attainment and “work readiness”. However, it is early days yet and there are many questions yet to be answered, most notably how the BBacc will walk the tricky line of demonstrating added value whilst not proving an extra burden on schools at a time when qualification regimes are changing.

4.3.4 One way in which the quality and value of the BBacc could be demonstrated would be to explicitly link it with meaningful work experience within schools – not just a two week “taster” but relationships between schools and businesses, developed to give school pupils a real insight into the world of work. The new BBacc should help drive this forward.

	Recommendation	Responsibility	Completion Date
R06	That the City Council, as part of the BBacc and the new Co-operative of Schools agenda, work with partners to facilitate relationships between schools and businesses, giving school children not just work experience but a link with a business. Ideally this would take the form of “mentoring” or “buddying” schemes between schools and local companies.	Cabinet Member, Children & Family Services	December 2013

4.4 Employers

4.4.1 The role of employers was repeatedly referred to in our evidence gathering, and we heard some examples of some very good practice in employee training and development. However this is



clearly not as widespread as it could be, and the discussion turned to how the City Council and partners could assist.

- 4.4.2 One suggestion was to encourage employers to work with the Trade Unions, as Amey did. A partnership approach that is of benefit to the employer, to the workforce and to the long term skills maximisation in the city is paramount. The concept of the learning rep and trade union learning could be promoted across Birmingham's communities to encourage more of the city's citizens into learning and self-development.
- 4.4.3 The City Council, the Skills Funding Agency (SFA) and the National Apprenticeship Service (NAS), have developed an Apprenticeship Strategy for Birmingham which is shortly to go out to consultation with stakeholders before being launched later in the year. As well as supporting the wider aspirations of Greater Birmingham and Solihull LEP to increase the number of apprenticeships across the area the strategy will focus on the City Council as an employer, using procurement and planning functions, promoting apprenticeships through schools and using the links that the City Council has with employers to promote apprenticeships to a broader audience.
- 4.4.4 The idea of the City Council (or the LEP) taking a lead in promoting apprenticeships was suggested by a number of witnesses (the Mayor of London ran a similar campaign). This is something we think should be explored, particularly with regard to adult apprenticeships. The social inclusion Green Paper made a similar recommendation. Some businesses perceive apprenticeships as expensive and time consuming, so work to get the right information out is needed.
- 4.4.5 A couple of our witnesses also noted that, for smaller companies, the right conditions were needed to invest in training, and that essentially meant some security of work. It was pointed out that the City Council's current procurement practices do not always help local companies. It was therefore felt that longer term contracts may be a way of supporting businesses in investing in their employees.
- 4.4.6 There is a role in supporting SMEs to understand the benefits of upskilling and succession planning, and there has been Government funding available via the Employer Ownership of Skills – Pilot, though it has been suggested that there was a low take up in the West Midlands

	Recommendation	Responsibility	Completion Date
R07	That the Leader in his role as LEP Board Director, lead a campaign to promote the benefits of apprenticeships to local businesses and promote the BIS "Employer Ownership" ¹¹ (round 2) to businesses in the LEP area.	Leader Cabinet Member, Development, Jobs & Skills	June 2013

¹¹ The Employer Ownership pilot offers all employers in England direct access to up to £250 million of public investment over the next two years to design and deliver their own training solutions. The pilot is jointly overseen by UKCES, the Department for Business, Innovation and Skills and the Department for Education.



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	Recommendation	Responsibility	Completion Date
R08	That the City Council works with contractors and the trade unions to promote the union learn agenda and the benefits to both employee and employer.	Cabinet Member, Development, Jobs & Skills Cabinet Member, Commissioning, Contracting & Improvement	June 2013
R09	That an examination of Birmingham's procurement policy is conducted to assess whether it is practical to give greater security/longer contracts to local companies, to encourage them to invest in their workforce	Cabinet Member, Commissioning, Contracting & Improvement	September 2013

4.5 Progress with Implementation

4.5.1 To keep the Birmingham Economy & Jobs O&S Committee informed of progress in implementing the recommendations within this report, the Executive is recommended to report back on progress periodically. This will be carried out through the established tracking process.

	Recommendation	Responsibility	Completion Date
R10	Progress towards achievement of these recommendations should be reported to the Birmingham Economy & Jobs Overview and Scrutiny Committee no later than September 2013. Subsequent progress reports will be scheduled by the Committee thereafter, until all recommendations are implemented.	Leader	September 2013



Appendix 1: Witnesses

Councillor Brigid Jones	Cabinet Member for Children and Family Services
Shilpi Akbar	Assistant Director for Employment, Birmingham City Council
Prof David Bailey	Coventry University Business School
Lesley Bradnam	Research Officer, Birmingham City Council
Prof John Bryson	University of Birmingham
Kate Canty	Birmingham Employment and Skills Board
Bob Carter	Service Birmingham
Keith Cockcroft	ULR Lead, Unite
Yvonne Davies	BVSC
Dan Freshwater	BEST Network
Richard Friar	Amey
Roshine McGrane	Wesleyan
Prof Alison Halstead	Aston University
Sara Holyhead	National Apprenticeship Service
Mike Hopkins	Principal, South and City College
James Howard	Coleman and Co
Rob Johnston	Midlands TUC
Sue Knottenbelt	Head of Adult Learning, Birmingham Adult Education Service
Zanny Lomas	JobCentre Plus
Jeremy Lydiatt	Mansell plc
Laura McCourt	Amey
Liz McKenzie	Wesleyan
Dr Roger Minett	Birmingham Metropolitan College
Beverley Nielsen	Birmingham City University
Linda Round	Birmingham Metropolitan College
Steve Sawbridge	Regional Director, Association of Colleges
John Sunderland	Amey
Sally Taylor	Service Director, Children Young People and Families (Education and Commissioning), Birmingham City Council
Simon Topman	ACME Whistles
Prof Kiran Trehan	University of Birmingham
Christian Warden	National Manager for the West Midlands, Sector Skills Council for Science, Engineering and Manufacturing Technologies (SEMTA)
Gary Wood	Vice-Principal, University College Birmingham
Karen Woodward	National Apprenticeship Service



Appendix 2: Qualifications

How different qualifications compare

Qualification 'levels' are contained in three qualification 'frameworks':

- National Qualifications Framework (NQF);
- Qualifications and Credit Framework (the framework for vocational, or work-related qualifications);
- Framework for Higher Education Qualifications.

National Qualifications Framework

The National Qualifications Framework (NQF) sets out the level at which a qualification can be recognised in England, Northern Ireland and Wales. Only qualifications that have been accredited by the three regulators for England, Wales and Northern Ireland can be included in the NQF. This ensures that all qualifications within the framework are of high quality, and meet the needs of learners and employers.

Qualifications and Credit Framework

The Qualifications and Credit Framework (QCF) contains vocational (or work-related) qualifications, available in England, Wales and Northern Ireland. Vocational qualification levels can be compared to other qualifications:

- Entry level qualifications build confidence and help people prepare for further learning and work;
- Level 2 qualifications are the equivalent level of grades A* to C at GCSE;
- Level 3 qualifications are the equivalent level to A levels.

Existing vocational qualifications include NVQs (National Vocational Qualifications); HNCs (Higher National Certificates) and HNDs (Higher National Diplomas); NVQs (National Vocational Qualifications) and Higher National Certificates and Higher National Diplomas.

Framework for Higher Education Qualifications

The Framework for Higher Education Qualifications (FHEQ) has been designed by the higher education sector, and describes all the main higher education qualifications. It applies to degrees, diplomas, certificates and other academic awards granted by a university or higher education college (apart from honorary degrees and higher doctorates).

The FHEQ broadly corresponds with levels 4 to 8 of the National Qualifications Framework, in terms of the demands the qualifications place on learners.



Table 1: Qualifications by level across the National Qualification Framework (NQF) and Qualifications and Credit Framework QCF

Level	Examples of NQF qualifications	Examples of QCF qualifications
Entry	<ul style="list-style-type: none"> - Entry level certificates - English for Speakers of Other Languages (ESOL) - Skills for Life - Functional Skills at entry level (English, maths, ICT) 	<ul style="list-style-type: none"> - Awards, Certificates, and Diplomas at entry level - Foundation Learning at entry level - Functional Skills at entry level
1	<ul style="list-style-type: none"> - GCSEs grades D-G - BTEC Introductory Diplomas and Certificates - OCR Nationals - Key Skills at level 1 - Skills for Life - Functional Skills at level 1 	<ul style="list-style-type: none"> - BTEC Awards, Certificates, and Diplomas at level 1 - Functional Skills at level 1 - Foundation Learning Tier pathways - NVQs at level 1
2	<ul style="list-style-type: none"> - GCSEs grades A*-C - Key Skills level 2 - Skills for Life - Functional Skills at level 2 	<ul style="list-style-type: none"> - BTEC Awards, Certificates, and Diplomas at level 2 - Functional Skills at level 2 - OCR Nationals - NVQs at level 2
3	<ul style="list-style-type: none"> - A levels - GCE in applied subjects - International Baccalaureate - Key Skills level 3 	<ul style="list-style-type: none"> - BTEC Awards, Certificates, and Diplomas at level 3 - BTEC Nationals - OCR Nationals - NVQs at level 3
4	<ul style="list-style-type: none"> - Certificates of Higher Education 	<ul style="list-style-type: none"> - BTEC Professional Diplomas Certificates and Awards - HNCs - NVQs at level 4
5	<ul style="list-style-type: none"> - HNCs and HNDs - Other higher diplomas 	<ul style="list-style-type: none"> - HNDs - BTEC Professional Diplomas, Certificates and Awards
6	<ul style="list-style-type: none"> - National Diploma in Professional Production Skills - BTEC Advanced Professional Diplomas, Certificates and Awards 	<ul style="list-style-type: none"> - BTEC Advanced Professional Diplomas, Certificates and Awards
7	<ul style="list-style-type: none"> - Diploma in Translation - BTEC Adv Professional Diplomas, Certs and Awards 	<ul style="list-style-type: none"> - BTEC Adv Professional Diplomas, Certs and Awards - NVQs at level 5 (in the QCF framework)
8	<ul style="list-style-type: none"> - specialist awards 	<ul style="list-style-type: none"> - Award, Certificate and Diploma in strategic direction

Table 2: Framework for Higher Education Qualifications

FHEQ level	Examples of qualifications
4	<ul style="list-style-type: none"> - certificates of higher education - higher national certificates
5	<ul style="list-style-type: none"> - diplomas of higher education - Foundation Degrees - higher national diplomas
6	<ul style="list-style-type: none"> - bachelors degrees - bachelors degrees with honours - graduate certificates and diplomas - Professional Graduate Certificate in Education
7	<ul style="list-style-type: none"> - masters degrees - integrated masters degrees - postgraduate certificates - postgraduate diplomas
8	<ul style="list-style-type: none"> - doctoral degrees