



Skills Strategy 2018 - 2023



**LIVERPOOL
CITY REGION**
COMBINED AUTHORITY



Liverpool City Region
Local Enterprise Partnership

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Foreword

Making sure that people have the skills to get a job and progress in work and employers have people with the right skills they need for growth is a key priority for the Liverpool City Region Combined Authority. Improving skills levels will help to improve the productivity and economic output of our employers, as well as ensuring that they can benefit from this growth.

This Skills Strategy sets out an ambitious programme of work to help people into work, to ensure they realise their potential and to ensure that businesses can access the skills they need now and in the future. This will enable us to improve productivity and secure fair and inclusive growth. As such, it will form the basis for the people pillar of the Local Industrial Strategy.

The devolution of the Adult Education Budget from 2019/2020 will for the first time enable us to commission skills outcomes to meet the needs of individuals and employers. This provision will more closely meet those needs and be in line with the vision and direction set out in this Strategy.

The priorities identified here set the direction for mainstream services, and will require input from many partners to deliver: as such the Households into Work Programme will provide vital intelligence and learning in how to deliver public service reform to benefit residents and businesses.

Working together across the Combined Authority, Councils, the LEP, employers, colleges, training providers, universities, trade unions and public agencies, we have made great strides in recent years: but there is more to be done to drive collaborative working across providers and employers for the benefit of us all. A sustained collaborative effort is required to see our ambitions realised.



Steve Rotheram

Liverpool City Region Metro Mayor



Cllr Ian Maher

Liverpool City Region Portfolio Lead,
Skills and Apprenticeships

Skills Strategy Summary

Our Vision

The Liverpool City Region Combined Authority has published a Skills Strategy 2018 – 2023 that sets a vision for an improved skills system, able to respond to changing global and local conditions. The Strategy builds on eight years of successful partnership working that has contributed to rising skills levels among young people and adults and the success of high value international sectors generating wealth in the City Region.

Part of this success has been taking control of a range of powers and budgets from central government to more effectively tailor action that meets the needs of City Region people and employers. This work continues, through the Skills Strategy, to address our long-term challenges of improving educational performance and expanding the number and range of high skill jobs located in the City Region. These important objectives will be

delivered within a context of uncertainty, created by Britain's exit from the European Union. But they will be driven to also achieve greater labour market equality and work to eradicate the pockets of concentrated poverty seen in our communities.

Liverpool City Region has a strong foundation to achieve these goals by putting skills at the centre of our economic ambitions. This means enhancing partnership working to create a skills system that is informed by the aspirations of business and is able to supply high quality employees for the jobs being created. It means focusing our efforts on high growth sectors, creating pathways for young people through apprenticeships and graduate entry. It means building on our strengths as an enterprising, flexible and resilient City Region to ensure that all our communities are included in the opportunities being created.

Our vision is that in five years' time Liverpool City Region will have:

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



Measuring our Success

The purpose of the Skills Strategy is to create a framework to co-ordinate the actions of education and training providers, businesses and members of the workforce to improve skills and make the most of our collective talents, energy and resources. To make sure that our partnership is working effectively we have set five outcomes that reflect the priority issues for the City Region. These provide a structure to monitor performance across a wide range of activities and specific targets and will guide City Region investment and decision making.

The purpose of the Skills Strategy is to create a framework to co-ordinate the actions of education and training providers, businesses and members of the workforce to **improve skills** and make the most of our collective talents, energy and resources.

- **Outcome 1** – a higher percentage of our young people have good attainment levels in English, Maths and Digital skills, and higher levels of work readiness.
- **Outcome 2** – a higher percentage of the working age population is employed, and good quality jobs are a higher percentage of all jobs.
- **Outcome 3** – across the key growth sectors, there is higher productivity and a lower incidence of skill shortages.
- **Outcome 4** – across all sectors there are more effective workforces and fewer local recruitment difficulties.
- **Outcome 5** – employers are investing significantly more in the quality and quantity of the skills of their workforce.



Sectoral Analysis

Liverpool City Region has a wealth of intelligence, expertise, capacity, capability and opportunity in its core business sectors that offer the potential for regional, national and international competitive advantage for indigenous and investing businesses. These flow from the sectoral strengths identified by the Northern Powerhouse in their Independent Economic Review.

Figure 1

Summary of growth sectors

Source: BRES Regional Accounts

Growth Sector	Jobs		GVA		Number of Businesses	Business Size (number of employees)			
	No.	Proportion	Amt. (£bn)	Proportion		0-9	10-49	50-249	250+
Advanced Manufacturing	47,200	6.6%	4.3	13.9%	2,265	74.4%	19.4%	4.2%	<1.0%
Digital and Creative	11,300	1.8%	1.0	3.2%	2,450	95.1%	3.9%	<1.0%	-
Financial and Professional Services	46,000	7.5%	8.5	27.3%	4,900	92.2%	6.1%	1.0%	<1.0%
Health and Life Sciences	125,200	20.3%	4.4	14.2%	2,895	66.7%	26.8%	5.0%	1.2%
Low Carbon and Energy	30,300	4.8%	2.0	6.5%	3,505	87.9%	10.3%	1.0%	<1.0%
Maritime and Logistics	26,200	4.2%	0.7	2.4%	2,040	93.6%	5.1%	1.2%	<1.0%
Visitor Economy	51,700	8.4%	4.2	13.6%	6,310	86.0%	12.3%	1.3%	<1.0%



Changing Economic Performance

Recent performance of the City Region economy has been positive, although with significant variation across local authority areas – figure 2. In 2015, the City Region generated around £29.5 billion of economic output (GVA), or £19,300 per head. Rising productivity has supported an increase in full time jobs, with four key sectors contributing the majority of growth: distribution, transport and food sector; manufacturing; business services; and information and communications sector.

Forecasts for the City Region suggest that the number of jobs will grow by some 22,200 up to the year 2025. This could increase by up to 75,000 jobs by 2025, if a series of transformational developments across the City Region go ahead. Forecasts represent net new jobs to the Liverpool City Region economy and do not take into account the jobs that will require new employees to replace those who retire or otherwise leave the workforce. Broad estimates suggest that around 26,000 jobs will need to be filled each year, on average these will far outweigh newly created employment. Meeting this replacement demand with skilled labour is a vital challenge for the City Region and a key opportunity for local residents.

Figure 2

Summary of selected indicators

Sources: 1 – BRES, 2015; 2 – ASHE, 2016; 3 – ASHE, 2016; 4 – Regional Accounts, December 2016; 5 – APS, 2017.

	Employees 2015 ¹	Change FTE Jobs 2006 - 16 (%) ²	Weekly Gross Earnings (FT Resident) 2017 ³	Total GVA (£m) 2015 ⁴	Worklessness Rate April 2016 - March 2017 (%) ⁵
Halton	55,200	13.8	£497.10	3,380	13.7
Knowsley	64,100	5.5	£511.90	3,652	13.3
Liverpool	230,200	11.5	£509.20	10,907	14.0
St. Helens	59,000	1.0	£498.00	2,810	11.8
Sefton	89,600	-1.4	£524.00	4,042	12.7
Wirral	100,400	-6.1	£529.50	4,661	7.9
LCR	598,400	3.3	£513.20	29,452	12.2
North West	3,140,400	5.1	£514.50	156,872	12.7
England	24,866,600	8.3	£555.80	1,433,164	11.5

Rising productivity has supported an increase in full time jobs, with four key sectors contributing the majority of growth: **distribution, transport and food sector; manufacturing; business services; and information and communications sector.**

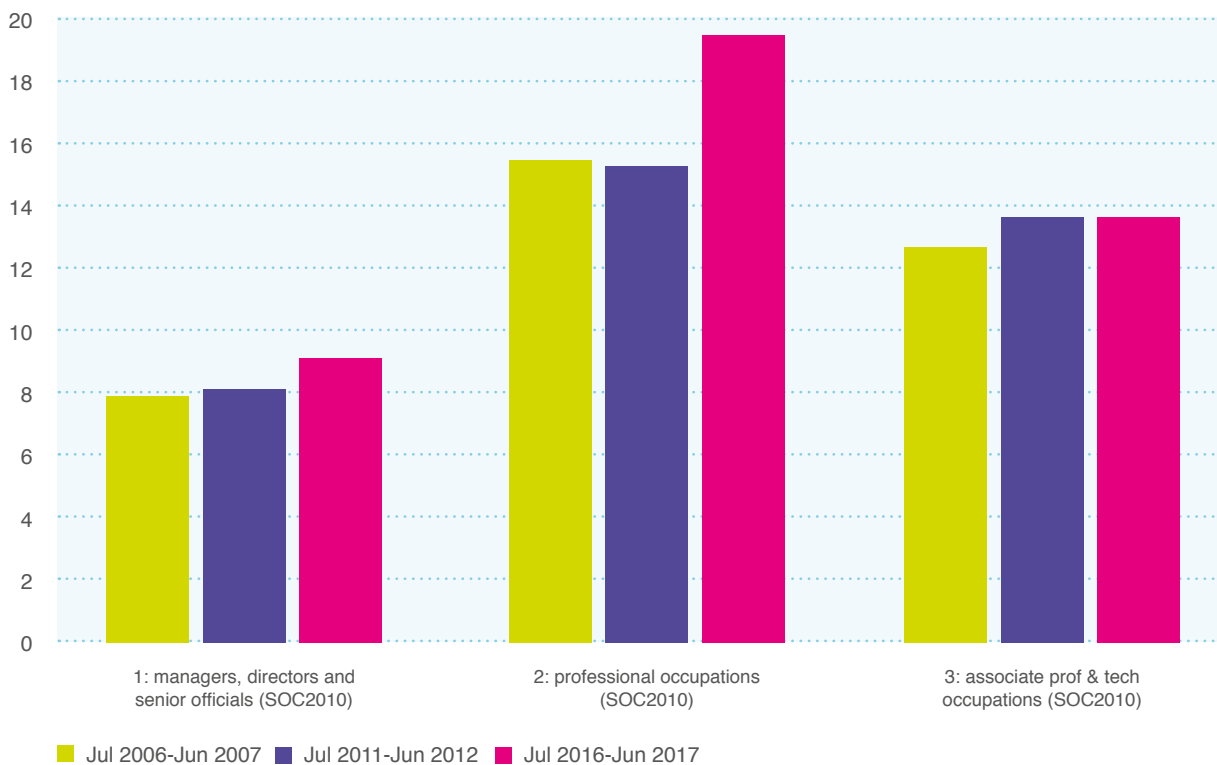
Liverpool City Region has experienced jobs growth between 2000 and 2015 at a rate similar to the North West region, but below the national average. Since 2010 the number of workforce jobs in the City Region has increased by some 43,000 or 6.8 per cent, compared to a national rate of 7.7 per cent.

A key feature of labour market change has been growth in higher skilled occupations, with management, professional and technical jobs now representing 42 per cent of total employment – figure 3. The City Region now has a higher proportion of Professional occupations than the North West region (19.4 per cent compared to 18.6 per cent respectively).

Figure 3

Growth in higher level occupations

Source: ONS Annual Population Survey



The City Region now has a higher proportion of Professional occupations than the North West region (19.4% compared to 18.6% respectively).

Changes in occupational structure are also reflected in levels of qualifications and skills in the City Region, with 50 per cent more people aged 16 – 64 qualified to level 4 or above than a decade ago. The rate of improvement is faster than both regional and national averages, with the gap closing significantly over the past three years. Despite the significant progress there remain a number of important challenges for the City Region.

- Employers report a tightening of the labour market, with difficulty filling technical roles due to a shortage of qualified candidates and in lower level roles due to job readiness. Labour supply remains a risk for the economy as forecasts indicate that the working age population will shrink by some 3.7 per cent (36,000 people) over the period to 2030.
- Inactivity remains a significant challenge, particularly among younger people. If the City Region reduced inactivity rates to the same level as regional average, this would bring around 34,500 people into the labour force. Among both the employed and unemployed, unequal access to quality work has a disproportionate impact on people with disabilities, people from minority ethnic communities, women and those aged 50+.
- Poor educational performance limits progression routes into work for individuals and the availability of skills in the labour market. Achievement at Key Stage 4 varies significant across the City Region, with Wirral and Halton schools above the national average, but other local authority areas are under-performing, most significantly in Knowsley.

With a clear focus on these challenges and strong partnerships with employers, the City Region has the ability to co-ordinate action to strengthen labour market performance. By leveraging demand from key growth sectors, driving improvements in English, maths and digital core skills, cultivating the enterprise of local residents and improving employment rates, the City Region can become an inclusive, high skill, high productivity and high earnings economy. This is balanced against the replacement demand of employers, which could reach 230,000 jobs within the next 10 years.



Improving Our Skills System

Working through the Combined Authority and the City Region's well-established partnership structures offers an opportunity to tailor national policy initiatives to support local growth. In particular the publication of the national Industrial Strategy provides a framework to build existing strengths in materials chemistry, high performance cognitive computing and infectious disease control and boost the productivity of automotive, digital and clean energy sectors. With a clear Skills Strategy to inform investment and the targeting of business support, the Strategy provides a framework to match skill demand and supply; taking advantage of the new T-Level qualifications, devolution of adult education budgets and changes to the national Apprenticeships programme to enhance labour market performance.

To realise our goals we need to reform the way that we plan and deliver education and training and continue to strengthen partnership working through the following actions.

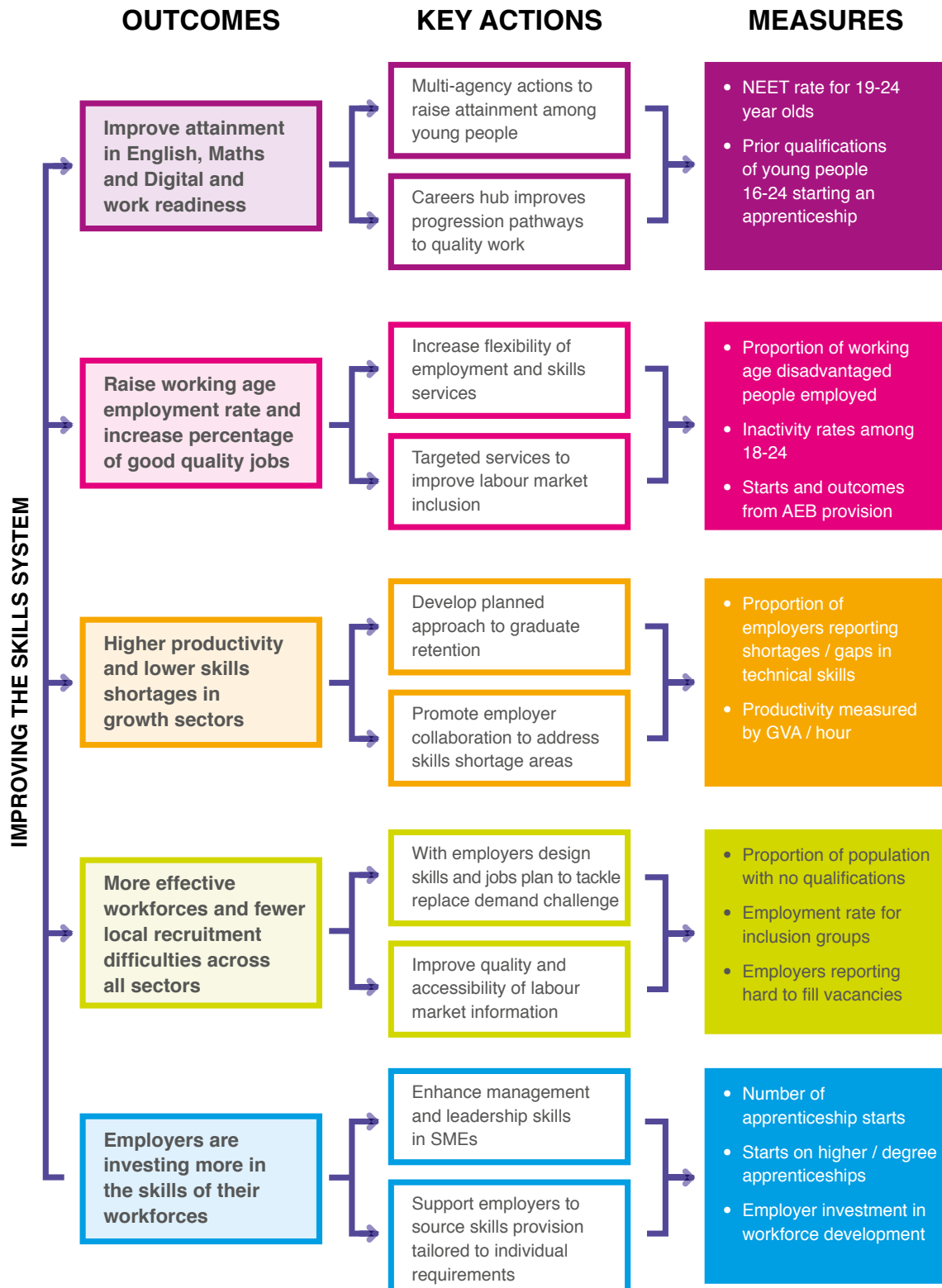
- Simplify and strengthen our skills system to improve responsiveness to changing national and global conditions. Build leadership at all levels to embed adaptability and flexibility in commissioning activity to improve focus on skills needed in the labour market.
- Place inclusivity at the heart of our actions by sharing best practice and innovation among providers and employers. Ensure the implementation of new T-Levels and expanded work experience programmes improve labour market equality across genders and for BAME communities and people with disabilities.
- Improve strategic decision making across Combined Authority and partnerships, recognising the enabling role of health, housing and transport for raising skill levels. Maximise procurement to generate training, work experience and education outcomes.
- Ensure that skills planning and commissioning is intelligence-led by widening availability of quality LMI to plan and measure the effectiveness of the skills system.
- Produce a clear improvement plan that underpins dialogue across sectors and helps measure progress, reported at the annual Skills Summit.



Implementation

The Skills Strategy provides the starting point to define the specific actions required to enhance labour market performance over the next five years. Leadership will come through the Combined Authority supported by the Employment and Skills Board, LEP and Skills Commission and will be woven into the strategic and operational plans

of City Region partners. The headline outcomes, actions and measures in the Skills Strategy, summarised in the diagram below, require the commitment of public sector organisations, businesses and communities to realise the full economic potential of the City Region.



Our Vision

Our vision is that in five years' time Liverpool City Region will have:

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

We will deliver this ambition by:

- Strengthening partnership working across Liverpool City Region to build leadership and innovation and secure commitment to identifying opportunities at all levels to raising employer and individual demand for skills.
- Supporting our people and businesses to be more ambitious, flexible and resilient and better placed to take advantage of changing global and local markets.
- Working with employers and providers to co-design our learning system to be more responsive to individual and business needs.
- Working towards a more inclusive local economy, where all sections of our community are engaging in and sharing the benefits of a growing City Region economy.
- Challenging ourselves and Government to work differently together in ways that recognise the unique strengths of the City Region and fully deliver the skills system we need.

More people
now have higher
qualification and
skills levels.



Our Ambition

In early 2010, the Liverpool City Region Employment and Skills Strategy and Commissioning Framework was published and the Employment and Skills Board was established. Designed in the early stages of the major economic recession, the Strategy has helped guide investment and actions to drive employment and skills in the City Region. It also introduced the Skills for Growth approach, which has strengthened partnership between business, education and learning providers and resulted in a series of sector based action plans that identify the current and future skills needs of employers.

However, there have been significant changes over this period, and looking forward there are both major challenges and exciting opportunities. The ambition set out in the Single Growth Strategy: Building our Future, the growth potential around Digital, Tidal Energy and Advanced Manufacturing and the opportunities from the Science and Innovation Audit must be realised. This means we need to think again. In particular:

- New growth sectors now have a strong foothold in the City Region which offer the potential to create better quality jobs with higher earnings and more secure employment prospects.
- More people now have higher qualification and skills levels.
- Employment opportunities have risen and there is now more evidence of skills shortages and local recruitment problems.
- Devolution of a range of powers and funding to City Regions is now a central feature of UK government policy, linked to the increased profile and effectiveness of the northern city regions working together.



However, there are also challenges that we need to confront:

- Educational attainment levels in the key areas of English, maths and digital have improved – but not enough.
- The uncertainty surrounding Brexit is lowering growth rates.

Our new strategy acts as a bridge between two key pillars:

- It needs to work for our employers by creating a workforce which has high levels of appropriate skills. This will help sustain an expanding and higher quality jobs base, as this is a significant determinant of the level of prosperity that our residents can enjoy.
- It must also work for all groups of people across the City Region as part of a twin process of inclusive growth. For too long, it is the poorest across our communities who have been hardest hit in periods of economic recession and benefited insufficiently from periods of sustained economic growth. This must end.

Working closely with our partners, we will detail our actions and key performance measures.

Transformational change will only occur if Liverpool City Region partners build on their long history of working collectively and collaboratively across public and private sectors and with the community. Above all, the future workforce will need to be enterprising, flexible and resilient to build on the strengths of the local economy, become more confident and outward-looking and exploit the opportunities that future technological changes will bring. This will require that this partnership works for employers and employees and especially those excluded from the benefits of growth to ensure that the City Region makes the best use of all its assets.

This Strategy has been developed after a consultation process involving a wide range of partners sharing the good practice that the City Region has already developed to face up to the future challenges. Case study examples are included throughout this document to highlight that many good things are already underway and show that through partnership working and co-design with employers, unions, voluntary sector, education and training providers, learners and other key players we can create an outstanding and effective skills system to underpin a global and competitive City Region.

Our next step is to develop a Skills Action Plan that will drive the implementation of the strategy. Working closely with our partners, we will detail our actions and key performance measures. The Action Plan will draw heavily on the rich ideas garnered through workshops and one to one consultations during the strategy development process, as well as the extensive and constructive feedback on earlier drafts of the strategy.



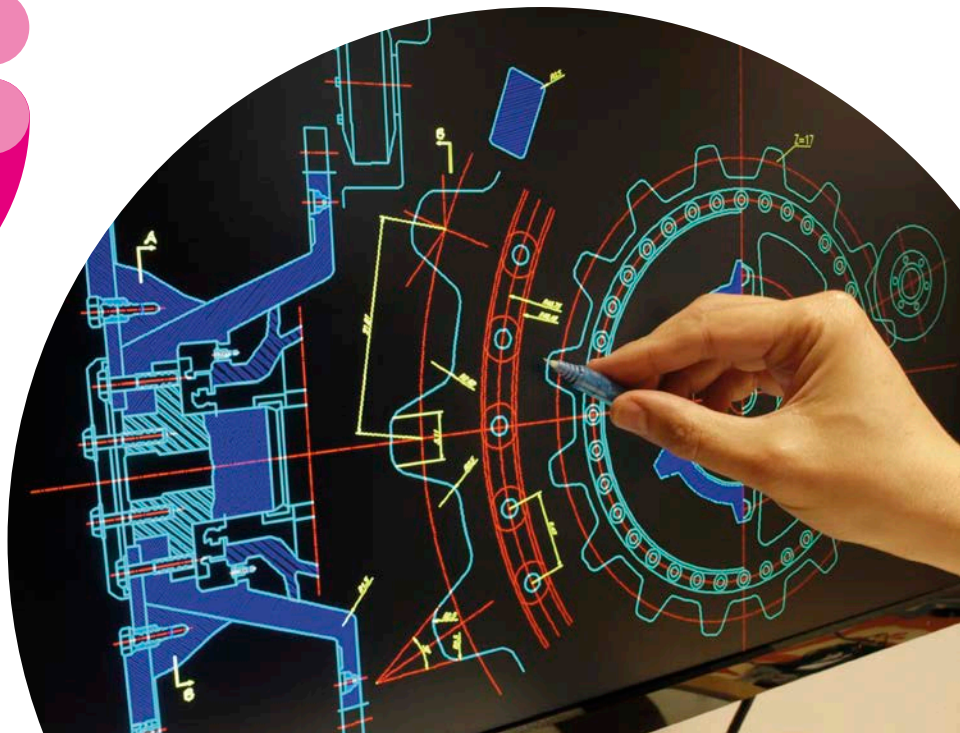
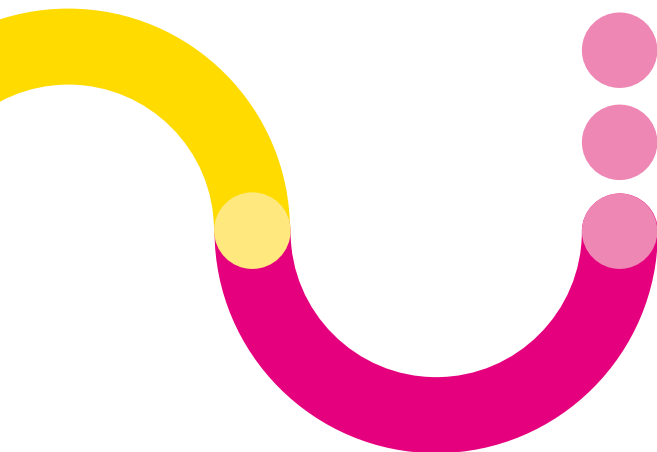
Our Changing Policy Landscape

The Metro Mayor has set out the ambitious and transformative opportunities open to the Liverpool City Region to harness the power of the River Mersey, accelerate Digital Connectivity, build enterprise and support the roll out of the Fourth Industrial Revolution in Manufacturing. These are in addition to the global strengths in Materials Chemistry, High Performance and Cognitive Computing and Infection set out in the LCR+ Science and Innovation Audit. Delivery of these opportunities require sustained and broad based effort from a wide range of partners, not least building a skills and employment base able to support a growing economy.

We welcome the new national Industrial Strategy and believe that the City Region is particularly well-placed to drive forward a local industrial strategy, building on our key sectors in automotive, digital, transport and logistics and clean energy. The City Region looks forward to taking advantage of further devolution to make the best use of our local partnerships to build the productivity of all our sectors and, crucially, include a wider range of our people in the growth of earnings. We will be making full use of the Industrial Strategy actions such as the Challenge Fund for sector development, new infrastructure investment in critical areas and ensuring that employees can access the National Retraining Scheme to develop their interests into new careers: these will need a local input if they are to be successfully scoped and delivered.

Young people now entering the labour market are expected to have multiple jobs through a number of different careers during their working life and the education and skills system needs to build their capacity for flexibility and resilience. The skills landscape is part way through significant shifts in policy that are designed to build the quality and relevance of technical education in the UK, to better respond to a fast-changing economy. Partnership arrangements, through the City Region, need to continually adapt to respond to emerging policy and changing market conditions and ensure the future relevance of provision and a coherent approach to raising attainment across all state education providers.

The production of this Strategy recognises the fundamental importance of strong partnerships that work both across sectors of the economy and connect public and private investment: it also needs to operate 'vertically', planning for and integrating provision for pre and post 16 provision, workbased training and independent adult learning. Realising our skills goals requires leveraging partnerships in areas that include infrastructure and procurement, health and wellbeing and housing as well as with Unions and social sector organisations. These areas are important both to create the environment for skills to be generated and utilised as well as realising opportunities to encourage businesses and workers to invest in learning. This Skills Strategy provides a framework for partnerships to strengthen, to focus on key priorities for the City Region and respond to changes in the policy landscape.



Technical Education

The Government's Post-16 Skills Plan aims to revitalise technical education policy with vocational 'T Levels' at the same level as academic A levels. These T levels will provide progression pathways for young people to achieve their aspirations. The Further Education sector will need to ensure local readiness to meet the opportunities presented by T Levels prior to 2020. The ability to offer quality work placements will underpin a shift-change in employer involvement. Transition year developments for learners will be of key importance in areas with lower than average GCSE attainment at age 16, if learners are to progress to T Levels (at Level 3).

Institutes of Technology are an additional way of addressing skills gaps at Level 4 through to Level 6 (first degree level). These involve collaborations of employers, Higher Education Institutes and Further Education Colleges or independent training providers. Institutes of Technology will focus on Science, Technology, Engineering and Maths related skills areas linked to local needs.

Apprenticeships

The recent changes to Apprenticeship funding and operation have started to shift the nature and quality of learning and present many opportunities at a higher quality with Higher and gold standard Degree Apprenticeships. Valued both by employers and local residents, Apprenticeships have always been a strength of the local economy in Liverpool City Region. It is vitally important that employers and providers are able to exploit the new opportunities these changes present to secure additional high quality apprenticeship opportunities. This Skills Strategy should be read alongside the Liverpool City Region Apprenticeship Growth Plan: this Plan aims to ensure Liverpool City Region will benefit from the right infrastructure and environment to be able to overcome the detrimental impacts of reforms and grow apprenticeship volumes locally.

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Adult Education Budget

Devolution of the Adult Education Budget to the Combined Authority was agreed in the City Region's Devolution Agreement of November 2015. Local devolution will put the Combined Authority in control of what is delivered from this funding from the 2019/20 academic year. This will enable a much closer link to be in place between employers' needs and the curriculum offer. The Adult Education Budget's principal purpose is to engage adults and provide them with skills and learning needed for work or further learning, while also recognising that returning to education can improve employability skills including communication and self-confidence and enable people to contribute to the social wellbeing of their communities. Adult education enables more tailored programmes of learning, which do not need to include a qualification, to help those furthest from learning or the workplace.

The Post-16 Area Review of Further Education carried out in the Liverpool City Region reported in January 2017 and set out a number of structural change and reform recommendations, which are being progressed. The Review was one of the first nationally to have such a strong focus on both curriculum reform and change as well as delivering on the financial and operationally sustainable institutions required for the future.

Maintaining a stable and high-quality provider base in Liverpool City Region is vital to ensuring that learners' and employees' needs are met. The role of the devolved Skills Capital budget in supporting the implementation of the reform recommendations and securing cutting-edge facilities and learning equipment will become increasingly important.

Narrowing gaps

Some of the skills challenges for Liverpool City Region have arisen from uneven growth. Not all areas or groups in the local population have been able to participate in the successes of the City Region. Varied educational outcomes, health, and disability affect an individual's opportunities to secure stable and full-time employment that offers the opportunity to progress. The City Region will need to build on the Work and Health Programme and the Government's twin commitments to reducing both the minority ethnic and Disability Employment Gaps. Equal access to education and learning is a vital part in ensuring that all people from under represented groups can participate fully in the labour market. Fair work and a living wage are vitally important to individual wellbeing, continuing mental health and family development as recognised in the recent Stevenson / Farmer review of mental health and employers and Improving Lives: Helping Workless Families. Stable employment at a living wage underpins this and boosts the local economy where people can afford to buy goods and services.

Improving the life chances and participation of all sections of the labour market is increasingly being recognised as the solution to our long-standing inability to deliver a fully-productive competitive economy.



Examples of practice

DELIVERY: Devolved Skills Capital investment supporting Growth Sectors

Liverpool City Region Combined Authority awarded a Skills Capital grant of £1.509m as a contribution towards Riverside College's STEM Centre at their Cronton site. The centre provides new pathways into advanced manufacturing, life sciences and digital careers on the current 6th Form College site. Facilities include two new laboratories within the existing building and a new build advanced manufacturing centre.

The IDEA Centre will educate students and Apprentices using some of the most advanced industry standard equipment and methods up to degree level. Students studying various courses including Science, Engineering, Sport, IT, Business and Health Studies will have the opportunity to work alongside local and national companies to provide them with the up to date skills needed to gain employment in a variety of industries. Employers from the City Region are pro-actively engaged with the curriculum design and content and can also use the centre to upskill their existing workforce on bespoke programmes. The new centre enables more cross curriculum learning, with students from all subject areas using its facilities to collaborate on project ideas, produce design concepts and develop prototype products, encouraging team building and interaction between courses.

The facility has a strong focus on Industry 4.0; the current industry movement of automation and digital data exchange in manufacturing processes. Students have access to the latest digital fabrication equipment for prototyping, such as 3D printers. There is also a focus on computer science and computer programming, virtual reality technologies, robotics, PLC assembly lines, flow level control systems, pneumatic and hydraulic systems and sports science.

The IDEA centre has become a focal point for the promotion of careers in the STEM priority growth sectors of advanced manufacturing, digital and life sciences. The centre hosted a 'Women into Rail' event with Alstom for over 70 Year 9 schoolgirls in July 2017.

Students have access to the latest digital fabrication equipment for prototyping, such as 3D printers.



DELIVERY: Supported Internships

There are a number of innovative programmes that exist to help young people with learning disabilities into work within the City Region. One such example is run by Liverpool City Council, aiming to help them transition from education into the world of work, so they can live more independently and don't become socially isolated. The Council has teamed up with the Marriott Hotel, Hilton Hotel and grounds maintenance partner Glendale Liverpool to offer Supported Internship placements. They last an academic year with the pupils working for a different department in the organisation each term.

Pupils from Sandfield Park School, Bank View High School and Myerscough College are working four days a week and spending the other day in lessons to build employability skills. All the pupils are supported by a work coach who helps them get used to the routine expected when in employment, instructing and supporting pupils to build skills in the work place to complete work tasks to a high level.



DELIVERY: Working Futures support to young people

Working Futures offers a personalised, flexible package of support to help City Region residents, aged 16 to 29 who are not in employment, education or training (NEET), to move towards a better future. Using funding from ESF and the Youth Employment Initiative, everyone enrolling on to the programme is assessed to identify the help that they require, with short, medium and longer term interventions offered, from 2 weeks up to a year in duration. Participants are supported in a range of ways to help them move in to, or closer to employment, Apprenticeships, Further Education, or volunteering.

Led by Greenbank College, in collaboration with VOLA Consortium, it is delivered by a partnership of 18 Voluntary, Community and Social Enterprise providers across the City Region. From March 2016 to December 2017, the programme has supported over 1,200 participants, with nearly 600 having already moved into work or Further Education.

Sarah, 25, joined the Working Futures programme, offered by Youth Fed, with low self-confidence and a lack of direction for the future. Through the one-to-one support available on the programme, she came to realise that she has lots of great skills and gained enough confidence to join group sessions. Here, she took a leading role and offered support for others. Sarah also decided that she wanted to return to hairdressing. Since September 2017 she has been undertaking NVQ Level 2 Hairdressing at West Cheshire College, combining study with the care of her son. "Working Futures really helped to motivate me, develop my skills and confidence and get me to where I am today".

Our Economy and Labour Market

A detailed Technical Report has been prepared as part of the strategy development process. Here we highlight the key findings emerging from the report.

Liverpool City Region has experienced significant jobs growth, at a rate similar to the North West region but lower than the national average. There has been some variation within the City Region – growth in productivity in Knowsley and Halton has increased at above the national rate and Liverpool has experienced significant growth in the decade to 2015. Other areas have increased total employment, but changing patterns of full-time and part-time work have led to marginal growth in St Helens and declines in FTE employment in both Sefton and Wirral. Growth in productivity has supported growth in full time jobs.

Liverpool City Region generated £29.5 billion worth of economic output in 2015, or £19,300 per head. The City Region's average annual rate of economic growth over the decade from 2005 to 2015 was 2.5%. While growth was achieved throughout the period, this was at a rate below the England average (3.2%).

The City Region's 'performance gap' (measured by GVA per capita) is persistent and entrenched. Having been on a downward trend since the early 2000s, the gap has widened since the recession. Productivity (GVA per hour worked) accounts for the largest proportion of the 'performance gap' and is also associated more closely with the widening of the gap since 2010.

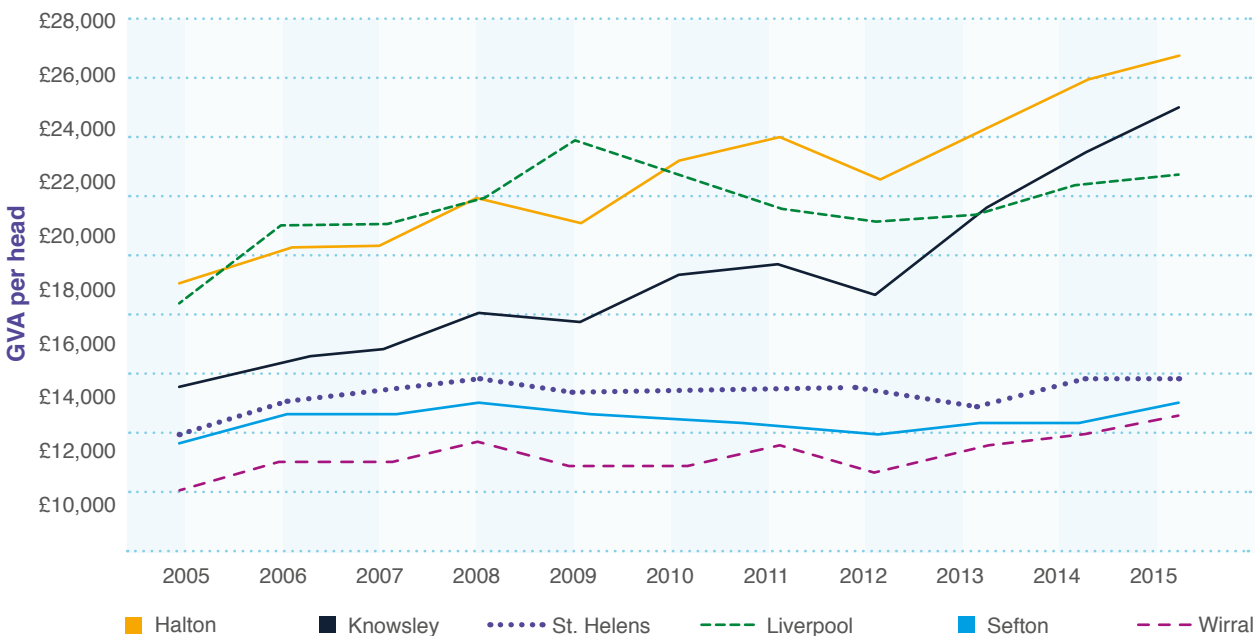
Across the City Region, the sectors that contribute most to GVA growth (82% of all GVA growth in LCR) in the decade between 2005 and 2015 are:

- Distribution; transport; accommodation & food which represents 27% of the increase in City Region GVA and just under a fifth of the economy in 2015;
- Public administration contributed the greatest share of City Region GVA in 2015 (28%) and just under a quarter of GVA growth in the decade to 2015. While the sector remains the largest in the City Region, it does represent a slightly smaller proportion than in 2005;
- Manufacturing has grown in its share of the local economy and is significantly more important in the City Region when compared to national averages (14% compared to 9.8% nationally). Manufacturing GVA in Knowsley has increased 146% over the period but fallen 19% in Sefton and 6% in Wirral;
- Business Services grew by 36% which represents 13% of the total GVA growth in the City Region; and
- The Information and Communications sector grew at over 60%, considerably faster than the national average but still represents just over 5% of the City Region economy in 2015.

Chart 1

GVA £ per head 2005-15

Source: Regional Accounts, Dec 2015 release. Office for National Statistics



Overall, key City Region sectors are adding new jobs, increasing their GVA and providing full-time employment at good rates of pay.

Forecasts for the City Region economy suggest that jobs will grow by 22,200 by 2025 as a baseline but this could increase by up to 75,000 jobs by 2025 if a series of transformational developments across the City Region go ahead. These are net new jobs to the Liverpool City Region economy and do not take into account the jobs that will require new employees to replace those who retire or otherwise leave the workforce. Broad estimates of these suggest that around 260,000 job openings will need filling over a decade – at some 26,000 a year on average these will far outweigh newly created employment.

Liverpool City Region has made significant improvements in qualifications and skills. The City Region now has 50% more people aged 16-64 qualified to Level 4 or above than a decade ago. This rate of improvement is better than both North West and national averages, with the gap closing significantly over the past 3 years. Qualification rates at Levels 2 (GCSE) and 4 (First year degree) have also improved. Employment in senior management, professional and technical occupations have increased as a share of total employment over the past decade and this now stands at 42% of total employment. There is now a higher proportion of Professional occupations in the City Region than the North West. However, graduate retention rates, at around 31%, are low compared to some other northern cities, such as Glasgow (46%) and Manchester (51%) : there is enthusiasm from graduates to stay in the City Region but the graduate jobs are not there in sufficient scale to retain them.

Chart 2
GVA per hour worked (£)

Source: ONS Regional and Subregional Productivity Jan 2015

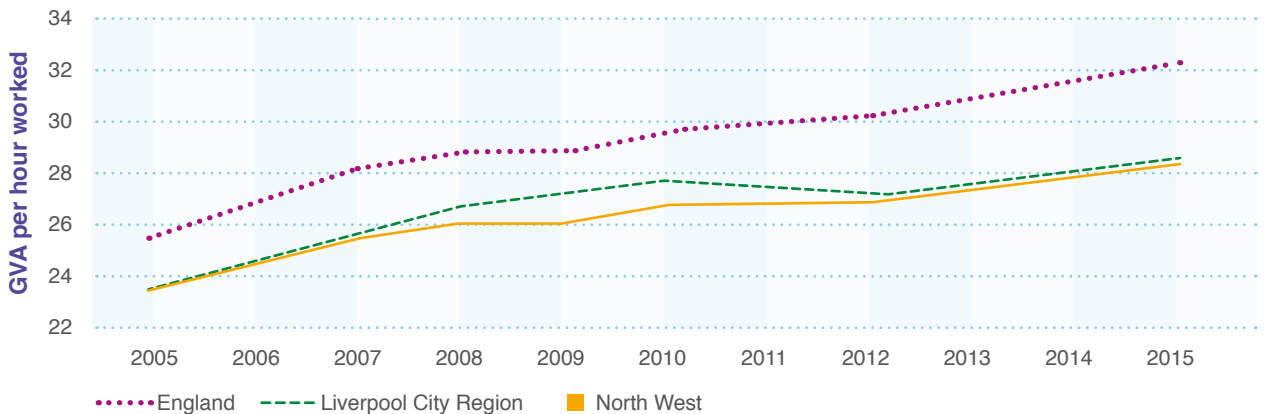
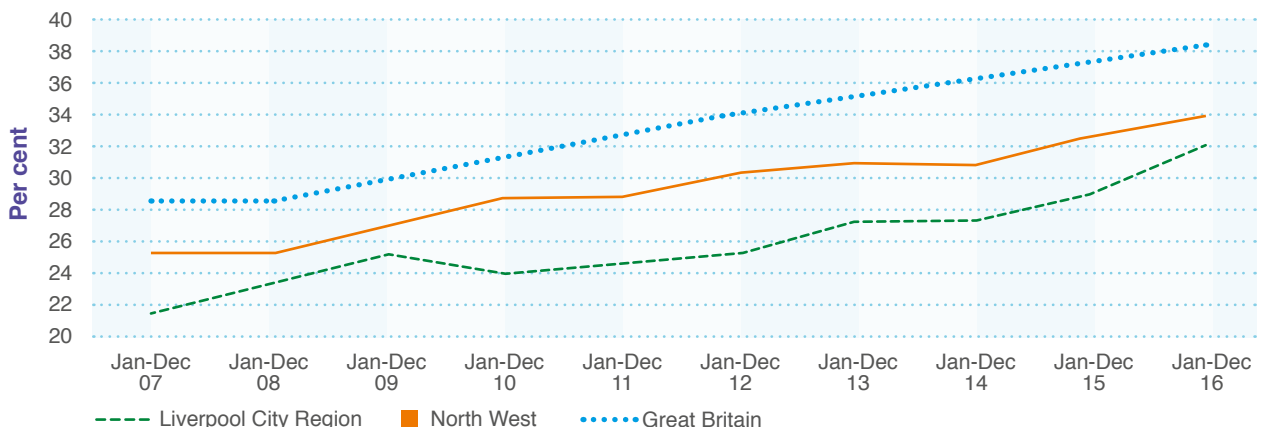


Chart 3
Per cent Working Age Population with NVQ4+

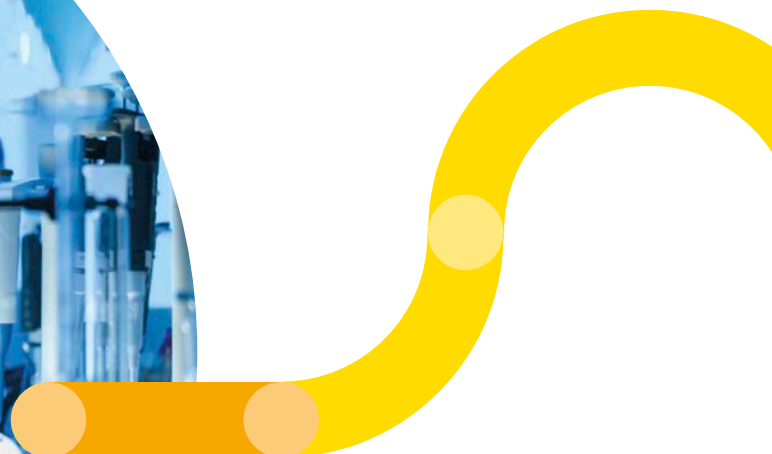
Source: Annual Population Survey



Apprenticeship starts have grown steadily to 18,370 in 2016/17 since 2013/14 – an increase of 12.6% which is above the national average. At the same time, proportionately more Level 3 (A level) and above Apprenticeships have started – just under half of starts in 2016/17 with some 9% at Level 4 or above.

However, there are challenges:

- This skills gap is thought to be one of the most critical factors in driving the overall 'performance gap' as it influences both productivity and employment rates. Evidence from the Employer Skills Survey suggests that more than two-thirds of employers had at least one vacancy in the last year, two in five experienced recruitment difficulties with too few applicants with appropriate skills. Hard to fill vacancies are occurring in both technical skilled occupations and entry-level jobs where candidates for the latter often lack basic employability skills and motivation.
- These recruitment difficulties have a direct impact on businesses – increasing the costs of recruitment, the workloads for current staff and can lead to a loss of contracts. Employers in the Visitor Economy highlighted that the nature and standards of professions have changed following the investment made in the local Visitor Economy over recent years. The resulting reputational enhancement of the City Region as a destination have led to greater expectations from visitors and demand for higher standards from employees.
- It is clear that employers are already finding it challenging to recruit appropriate employees. To compound this, the City Region's workforce is forecast to contract by 3.7% (over 36,000 people) at a time when England's workforce will expand by 4.7%. In some areas, the working age population will fall by 8% up to the year 2030. This is due to a combination of a decline of 16-18 year olds entering the workforce and an increase in the over 50s such that, in some areas, 50-64s will form 38% of the working age population. These shifts will have significant implications in terms of post-50 participation rates due to health problems, increased caring responsibilities and the relevance of the skills of the age group to future employment opportunities.
- Too many City Region residents are inactive: these differentials are across all age groups, but inactivity among younger people is particularly high. If the City Region could match regional inactivity rates this would add 34,500 people to the labour force. Using learning and work as one route to supporting better wellbeing for people with long-term health conditions or disabilities will be a significant challenge.
- Educational performance is mixed across the City Region. At Key Stage 4, Wirral consistently out-performs the national average and Halton schools have improved since 2011 to be above average. The other areas are below average, particularly in Knowsley. The shift to Progress 8 scores in 2015 rates all Council areas as average or below. The proportion achieving grades A*-C in English and Maths GCSEs has improved but only Wirral are above national average which will be an issue for STEM-based technical training.



- The impact of this lower educational performance at age 16 means that the time between 16 and 19 can be taken up by ensuring young people achieve Level 2 rather than developing the Level 3 skills that employers require. This opportunity is lost and can result in larger skills gaps than would otherwise have been the case.
- Whilst the overall trends for employment, unemployment and skills levels might be moving in the right direction, there are significant differences within these indicators for male/female, BME groups, those with disabilities and those aged over 50. As well as improving the overall levels, these gaps need targeted efforts to close.
- The City Region has long seen high levels of apprenticeship starts, particularly at Level 2. The introduction of the reforms in May 2017 has seen an initial reduction in the number of starts as these changes bed in and are implemented. It is expected that there will be a recovery in starts numbers in due course but this picture may be different for sectors where 20% off the job training has not previously been a required.
- Evidence from the 2017 Employer Skills Survey suggests that the labour market is already tightening as employers are reporting difficulties in filling vacancies – for technical skills roles there is a lack of candidates with appropriate qualifications and experience while those employers offering vacancies with lower skills requirements report concerns in finding candidates with the right employability skills.
- Many vacancies are remaining unfilled and this is having an impact in terms of business efficiency and losing sales to competitors. At present, most employers are responding by advertising their vacancies more widely but the trends in the City Region labour force suggest that this is not a sustainable solution. As yet, relatively few are considering changing their approach to training existing staff or employing a less-qualified candidate and training them up. Clearly, there is a challenge to employers to invest more in their workforce and ensure individuals can progress to meet their potential and consider candidates from a wider range of sources.

Apprenticeship starts have grown steadily to **18,370** in 2016/17 since 2013/14 – an increase of 12.6%, above the national average.



Examples of practice

DELIVERY: Jaguar Land Rover Apprenticeship Recruitment

Jaguar Land Rover Halewood welcomed in October 2017 seven new apprentices from across the North West to its award-winning Halewood factory - which manufactures Range Rover Evoque and Land Rover Discovery Sport - and for the first time in the factory's history there are more successful female candidates than men. Five of this year's intake who are about to start the 4 year-long Automotive Trailblazer Advanced Apprenticeship are women and at the end of the programme they will play a key role in helping to manufacture the next generation of Jaguar Land Rover vehicles to be produced at Halewood.

After completing their apprenticeship, they will specialise in Mechatronics and Toolmaking; designing, testing, installing and servicing the state-of-the-art machinery across Jaguar Land Rover's 300 acre factory complex, supporting its 4,200 strong workforce. Technology-based careers in the automotive manufacturing sector don't attract many female applicants, despite the fact they often excel in relevant subjects like design, engineering, mathematics and IT at school. In fact, only 9% of the UK's engineering workforce is female. However, Jaguar Land Rover, the UK's largest car manufacturer, runs a series of initiatives to address this including their Young Women in the Know programme.

DELIVERY, TEST AND LEARN: Youth Employment Gateway

As part of the Liverpool City Region Local Growth Deal with Government the City Region was awarded £5.9m to design and deliver an employment programme helping young people into work. Delivered by Councils in partnership with Jobcentre Plus, the programme provides young people with a Personal Advisor providing one-to-one support, a personal budget to help them into work, supported by mobile app and website.

This focus on flexible and tailored support to meet clients' needs and aspirations and to improve job readiness is a key success factor. The personal budget provides an attractive offer to help 'sell' the programme and maintain engagement, and can make a crucial difference to removing work barriers as well as promoting budget management.

Between October 2014 – September 2017, 4,961 young people have received support with 2,077 (42%) having found work.

Only 9%

of the UK's engineering workforce is female. However, Jaguar Land Rover, the UK's largest car manufacturer, runs a series of initiatives to address this including their **Young Women in the Know** programme.



DELIVERY: Promoting STEM in Schools

Unilever offer an annual “Bright Futures” programme, developed in collaboration with Allabout STEM. Open to all schools in the greater Mersey and Cheshire area, it provides an opportunity to engage and inspire students in year 9 and 10 with aspects of applied science, technology, engineering and mathematics. It exposes students to the everyday applications that science has in the personal care and beauty industry to encourage young people (especially females) to choose to stay in science and engineering related disciplines.

The programme involves working with local schools, to show teachers the technologies and areas that Unilever applies STEM subjects in – consumer understanding, formulation science, packaging, digital and manufacturing – and sets out societal challenges that students are required to work on.

The students visit site to be briefed on sample global, societal challenges, which they will work on when back in school, and to experience applied science. They then work in small teams to develop product and service ideas to meet these challenges. The programme requires students to research the needs of consumers in diverse areas; suggest formulation and packaging solutions that will meet these challenges; demonstrate their understanding of cost and scale up; and consider the communication of benefits and influencing of consumer behaviour.

The projects are judged by Unilever experts and the winning projects win prizes for both schools and individuals. Examples include

- It all adds up - Develop a product that encourages people to use 50% less water when showering.
- Clean Hands for all -Design products that encourage children in 3rd world countries to wash their hands before food and after using the toilet.

The programme in 2017-18 has attracted 180 students from 35 schools across the area.



Skills Challenges as Opportunities

As a result of the extensive analysis and, more importantly wide-ranging consultations, carried out as part of the strategy development process, a large number of pressing issues or challenges were identified. However, rather than concentrating on problems, we have thought more in terms of opportunities that can be grasped as the best way to address the challenges ahead.

In terms of converting challenges into opportunities, we see the following as the key issues where more action is needed.

- The City Region has a comparative advantage and strong potential in a number of key national and European leading sectors – Advanced Manufacturing, Digital and Creative, Financial and Professional Services, Health and Life Sciences, Low Carbon Economy, Maritime and Logistics, and Visitor Economy. These will demand high skill sets to fuel both a growth in employment opportunities and an expansion of higher quality, better paying jobs. We have an opportunity to plan for these jobs by ensuring our skills providers, including colleges and universities, are investing in the right courses.
- Digital skills are an enabler of future opportunities yet there is no consistently applied digital skills framework, to enable employers, learners and skills providers to articulate needs and offers.
- The City Region produces large numbers of graduates from higher education institutions each year but more needs to be done to increase retention of these graduates from the region's universities and attracting back residents from the North West that have studied elsewhere in the UK. This will boost the skills pool and contribute to productivity growth.
- In many of our more traditional sectors, such as construction and engineering, the existing skilled workforce has a high average age. When these people retire, they will create 'replacement demand' that could be met through Apprenticeships. The number of job opportunities created will be substantial, and we must plan to ensure we have the right number of people with the appropriate skills to fill these vacancies when they become available.
- The growth of digital industries and small dynamic businesses across the economy increases the importance of enterprise skills. Understanding how businesses operate can a major advantage to enable young recruits to be 'ready for work' and also broaden their options to include new business start up and self-employment.
- The introduction of T levels provides a challenge to established systems of skills delivery in the City Region. However, it also creates a practical opportunity to draw together employers and providers to adapt new frameworks and delivery arrangements to the specific requirements of City Region employers.
- The number of people of working age is going to grow much more slowly in the coming years as the number of people retiring cancels out the number of young people coming into the labour market. Additionally, as a result of Brexit, it is likely that the levels of immigration of people seeking work in the UK will fall.

The growth of digital industries and small dynamic businesses across the economy increases the importance of enterprise skills.

If we are to ensure that the job opportunities created through growth in our key sectors and replacement demand in our more traditional sectors are met, it is our view that our skills system needs to undergo a step change. This change is essential to enable the City Region to:

- Move towards a high skill/high productivity/high earnings enterprise economy, a significant reversal of the way we currently describe the economies in the North of England.
- This will be driven by skilling and upskilling our young people, those who are unemployed or economically inactive – and also very importantly our employed population, too many of whom currently sit in poor quality jobs with low pay, insecure contracts and limited potential for progression. We have the potential here through the skills strategy and its effective implementation to impact significantly on poverty.

The key point to grasp in our argument is that the changes required to create a more successful City Region economy should be – and indeed must be – aligned with the objective of helping many more of our people to enjoy a more productive and rewarding experience in work; recognising that improved skills

and lifelong access to education make a significant contribution to individual health and wellbeing. We recognise the significant contribution already made by the unions in promoting workplace learning, and they will be key partners in helping implement the strategy as we move forward.

It is also important to make clear that our ambition cannot be achieved solely with public money. Clearly, we want our businesses to prosper, but this prosperity needs to spread across the City Region. We will build a more effective skills system which will aid businesses in their quest for productivity and competitiveness, but the business community needs to co-invest with the public sector more than is currently the case to help transform our City Region. The best way to do this is to have more employers investing in the skills of their workforces, and those that currently do invest in workforce development should seek to increase their investment. Locally, we must ensure that we create the right context and support to enable this to happen.



Our Strategy

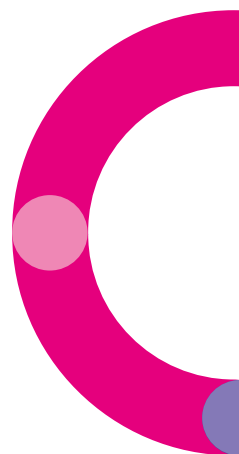
A Shared Process

We have developed our new Skills Strategy as an inclusive process aimed at capturing the views of a wide range of stakeholders, consulted often 1-2-1 but also in small groups and larger workshop sessions. Informing these discussions has been an in-depth analysis of a wide range of statistical indicators of relevance to the skills agenda and a large-scale survey of our employer base. The process of engagement and consultation has been valuable to share available data, to promote debate on important issues for the City Region and to underline our shared responsibilities for implementing this Skills Strategy.

Estimates for potential jobs growth in a transformational scenario involve the creation of **75,000** jobs by 2025.

Our Ambition and Vision

Liverpool City Region has seen significant capital investment in infrastructure and buildings over the last decade. This creates a major platform to support and promote key industries that are major employers, such as tourism, health and retail. It is also providing a magnet to attract major groupings of businesses in the growth sectors of tomorrow, such as low carbon and advanced manufacturing. To ensure and enhance the competitiveness of these and other sectors, it is essential to secure a significantly increased level, and an appropriate mix, of education and skills to build and maintain a highly productive workforce: this is in support of the wider sector development work being undertaken by Local Enterprise Partnership (LEP) Sector Panels. Realising the full impact of high value business, growing investment and a strong skills pool could transform the City Region economy; making a positive impact across the Northern City Regions and beyond. Complementary investment in the transport infrastructure will be vital to secure this growth. Estimates for potential jobs growth in a transformational scenario involve the creation of 75,000 jobs by 2025.



At the same time, the City Region still has too many people who find themselves economically inactive, or unemployed where they are seeking work. The percentage of young people in the NEET group remains unacceptably high, as does economic inactivity in the younger age groups. Much of this is influenced by the volume and quality of jobs on offer, but this is fed by low aspirations and educational attainment levels - particularly in key areas such as English, maths and digital skills - which remain lower than in the country as a whole. In addition to young people, other groups experience disadvantage and exclusion from the labour market. These include issues of gender inequality, carers unable to balance home responsibilities and work, discrimination against people from minority ethnic communities, City Region residents with disabilities or special educational needs and those over 50 that struggle to access the labour market after a period of unemployment. Patterns of exclusion can be seen spatially across the City Regions, with entrenched issues of deprivation reproduced across generations.

What is changing – and quite dramatically – is the age structure of our population, with the numbers in the 16 – 24 age group becoming much smaller in relative terms, as the City Region’s population is growing quite slowly in comparison with England. Significant changes in technology will both add and destroy jobs and everyone in the labour market will need to be flexible and resilient with the capacity and opportunity to develop the skills required for future jobs, many of which have yet to be imagined. These shifts provide an opportunity to increase the number of good quality jobs that people want, that offer stable employment, competitive salaries and improved working conditions.



These contrasting pictures of our City Region need to be redrawn to create a holistic perspective which is joined up and positive as we look into the near future.

- To create and maintain economic momentum we need to maintain a healthy flow of well-motivated and appropriately skilled people who are ready for work and can be rewarded with excellent wages and conditions, and opportunities for further progression either within the workplace or through enterprise. Entry-level jobs are often not the 'final destination' but instead open up opportunities for advancement in employment in our key growth sectors and it is important that individuals are supported to benefit from these opportunities and be given the opportunity to progress further in the labour market.
- To make radical and sustained inroads into high levels of poverty and deprivation, we need to create a labour market which provides good quality employment and enterprise opportunities – but we also need to put in place education and skills progression pathways that help and lead, rather than hinder and confuse – all those looking to build a rewarding career. We also need to increase the opportunities for existing employees to upskill towards the new technologies that will underpin our future economy.

Our strategy will seek to address the needs of both our economy and labour market and the aspirations of our people in relation to employment, and the education and skills required to maximise access to good quality opportunities. These are not alternatives – we need to build a skills system where what works well for our people also works well for employers, and vice versa.

In collaboration with our partners and stakeholders, we have developed a vision which tries in a few simple words to express what it is we're trying to achieve by developing a strategy and then working hard to implement it effectively. Our vision is that in five years' time Liverpool City Region will have:

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

Liverpool City Region has seen significant capital investment in infrastructure and buildings over the last decade.



Focusing Our Outcomes

A strategy helps provide focus. In any planning period and with increasingly limited resources, there is only so much that we can do well. In terms of skills issues which have been with us for many years, it is better to identify a small number of critical skills issues and work hard to resolve these or at least show significant progress. We have selected five critical outcomes that we will relentlessly work towards. By the end of 5 years, we intend to show significant progress on each outcome.

- **Outcome 1.** A higher percentage of our young people have good attainment levels in English, Maths and Digital skills, and higher levels of work readiness.
- **Outcome 2.** A higher percentage of the working age population is employed, and good quality jobs are a higher percentage of all jobs.
- **Outcome 3.** Across the key growth sectors, there is higher productivity and a lower incidence of skill shortages.

- **Outcome 4.** Across all sectors, there are more effective workforces, and fewer local recruitment difficulties.
- **Outcome 5.** Employers are investing significantly more in the quality and quantity of the skills of their workforce.

We believe significant further intervention is needed to achieve the level of change required, building on what works well. The actions that will support these outcomes are the stepping stones towards our vision of the skills system that will drive the City Region up the UK's league table of City Regions in terms of employment growth, job quality, high productivity and earnings, skilled workforce – and inclusive growth where the benefits impact significantly on all our communities.

A sustainable skills system that is much more responsive to employer and learner needs will be essential to securing these objectives. We have outlined later in this section the key actions we consider necessary for this to occur.



Examples of practice

TEST AND LEARN: Households into Work Programme

The long standing approach from services in supporting people into employment is to treat them as individuals, not taking into account the wider households in which they live. The Troubled Families programme showed the benefits of working on a household level to encourage and embed changed behaviours. The Combined Authority is testing a households based approach to supporting residents into work, focusing on households where more than one person is not in work: this forms part of the wider approach to public service reform. Advocates will work with 800 households across a 2 year period to help them get closer to work and to progress in work.

The learning from the current Youth Employment Gateway programme around engagement and co-design of support has been fundamental to the design of this approach.

This programme will be subject to rigorous external evaluation to ensure that the key learning points on delivery and public service reform are captured and shared with commissioners locally and nationally. £3.5m has been secured in a competitive process from Government with a further £1m being made available by the Combined Authority.



The Combined Authority is testing a households based approach to supporting residents into work, focusing on households where more than one person is not in work.



TEST AND LEARN: Daresbury Skills Broker

As part of the Liverpool City Region Local Growth Deal with Government the City Region was awarded £3.05m to deliver a Skills for Growth programme of grants for training support for businesses. The Service is aligned with the Growth Hub and Apprenticeship Hub, providing independent, impartial advice and guidance and access to funding. Following consultations, it was felt that there was a need for a more specific sector based approach for those businesses located in the Sci-Tech Daresbury Enterprise Zone. A dedicated Skills Broker was assigned to work at Sci-Tech Daresbury to meet the specific sector needs of the employers based there.

Being on-site to meet with employers and processing the Organisational Needs Analysis on their behalf, the Skills Broker gained a better

understanding of the type of support and training that the businesses required to meet their workforce training objectives. It became clear, that businesses did not always have time to put in place an infrastructure or to implement robust processes around skills requirements, developing existing talent and identify skills gaps.

Through the skills aggregation exercise, we now have a more in depth understanding of where businesses have similar needs and the type of information advice and guidance they require regarding their workforce development needs and to offer shared solutions to these needs, which would not have been possible through a traditional approach.



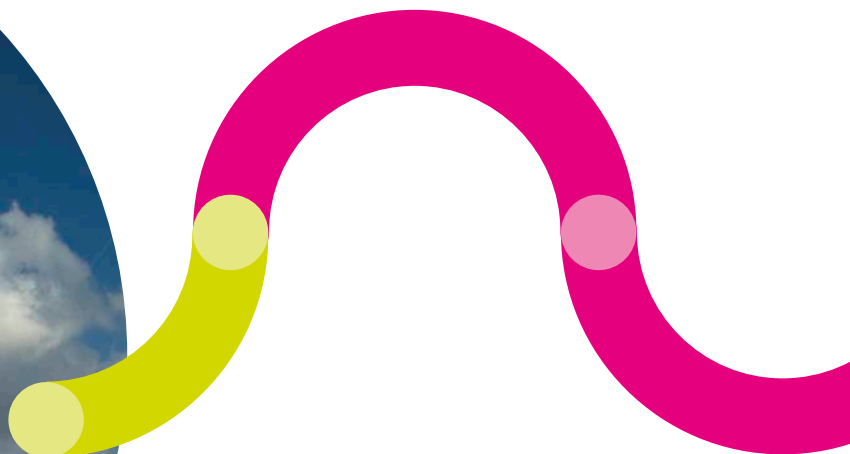
Selecting Meaningful and Impactful Actions

For each of these outcomes, in consultation with our key stakeholders and partners (including employers) we identified a range of actions that would help drive us towards achieving the outcome. To maintain a tight focus in the strategy – to do small number of things well – we have set out two potential key action areas against each outcome. These will be delivered at the same time as engaging with Government to bring forward new initiatives.

Outcome	Action Area 1	Action Area 2
<p>Outcome 1</p> <p>A higher percentage of our young people have good attainment levels in English, Maths and Digital skills, and higher levels of work readiness.</p>	<p>More multi-agency support for young learners to help raise attainment levels among young people including:</p> <ul style="list-style-type: none"> • Development of improvement frameworks and Centres of Excellence (e.g. Maths, English, Digital) • Make best use of the Strategic School Improvement Fund to support increases in school attainment, especially in mathematics • Measures to track inclusion by narrowing the performance gaps of under-represented groups • Improve arrangements around work experience and work placements • Facilitate and lead greater collaboration and knowledge transfer activities across all learning sectors - including Schools, Further Education, Universities and the Voluntary and Community Sectors • Establish clear and consistent digital skills competency framework through a local Digital Skills Partnership, validated by a Digital Skills Passport 	<p>Through our Careers Hub, create and promote clearer progression pathways through education and learning leading to sustainable and good quality employment, including:</p> <ul style="list-style-type: none"> • Provision of accessible and current Labour Market Information including sector specific resources and progression pathways. • Development of Careers Education support materials to be made more freely available across the City Region, but also providing information for young people on types of jobs available in different localities. • Develop more consistent approach to engaging employers in schools to strengthen links with SMEs and open up employment and enterprise options to young people. • The promotion of individual case studies and successes (especially young people to young people) through Pathways to Excellence programme • Pilot use of work-readiness assessment framework (for self-assessment) for multi-agency and employer use • Develop common skills frameworks and progression pathways for priority sectors
Performance Measures	<ul style="list-style-type: none"> • NEET rate for 19 –24 year-olds • Prior qualifications of young people 16-24 starting an Apprenticeship 	
Contextual Measures	<ul style="list-style-type: none"> • Grade 5 or better in English & Maths GCSEs at end of KS4 • Proportion attaining Level 3 at age 19 • NEET rate for 16-17 year olds 	

Outcome	Action Area 1	Action Area 2
<p>Outcome 2</p> <p>A higher percentage of the working age population is employed, and good quality jobs are a higher percentage of all jobs.</p>	<p>Widen availability of employability and skills services in right place at right time – roll on/roll off provision and more effective matching of individuals to employers with current available job opportunities, including:</p> <ul style="list-style-type: none"> • Bespoke employer and sectoral recruitment packages • Design and implementation of the City Region Apprenticeship portal • Multi-agency approach to implementing the fuller working lives principles • Testing new approaches to removing barriers to help people into work, including English language skills, developing emotional intelligence and resilience • Enhanced investment in English, maths and digital skills for adults – employed as well as unemployed • Improved skills opportunities and support to facilitate in-work progression of employees on Universal Credit. 	<p>Commission targeted support to improve inclusion and narrow gaps for under-represented groups (including: over 50s, male/female, BME, disabled people and residents of disadvantaged areas) such as:</p> <ul style="list-style-type: none"> • Ensure equity of access to Apprenticeships and learning opportunities • Access to entry-level learning for people out of work through devolved funding linked to progression to higher learning • Measures to improve the retention and advancement of women managers • Promotion of role models to raise aspirations (including Pathways to Excellence) • Awareness raising for employers in recruitment and retention of people with specific barriers (e.g. mental health) • Increased ESOL provision
<p>Performance Measures</p>	<ul style="list-style-type: none"> • Proportion of working age people from disadvantaged groups employed • Inactivity rate among 18-24s • Starts on Adult Education Budget funded provision • Outcomes from Adult Education Budget funded provision 	
<p>Contextual Measures</p>	<ul style="list-style-type: none"> • Proportion of working age population in employment • Average weekly earnings of people in work • Average weekly hours of people in work 	

Outcome	Action Area 1	Action Area 2
<p>Outcome 3</p> <p>Across the key growth sectors, there is higher productivity and a lower incidence of skills shortages</p>	<p>Develop planned approach to graduate retention , including:</p> <ul style="list-style-type: none"> • Build on local Universities' undergraduate employability programmes to link with local employers. • Employers developing progression pathways into high level qualifications • New ways to promote inclusion linked to increasing productivity across skills agenda • Provide greater encouragement for business starts among students and graduates in areas relevant to key growth sectors 	<p>Promote employer collaboration to find solutions to current and potential skills shortages through collaboration between, including:</p> <ul style="list-style-type: none"> • Deliver higher level provision to meet the skills needs of Fourth Industrial Revolution in Manufacturing through digital means • New delivery models to broker business interest in key occupations • Ensure linkages between LEP Sector Panels and Provider curriculum networks to allow employers to communicate directly with Providers' curriculum leads • Deliver and Implement Skills for Growth Agreements (in support of Sector Deals) • Accelerate the collaborative implementation of new Apprenticeship standards across Further and Higher Education • Deliver Technical Education courses and qualifications that meet needs of employers • Establish a Digital Skills Partnership to cover all levels and job roles
<p>Performance Measures</p>	<ul style="list-style-type: none"> • Proportion of employers reporting skill shortages and skills gaps in technical roles 	
<p>Contextual Measures</p>	<ul style="list-style-type: none"> • Productivity - GVA per head and GVA per hour 	



Outcome	Action Area 1	Action Area 2
<p>Outcome 4</p> <p>Across all sectors, there are more effective workforces, and fewer local recruitment difficulties.</p>	<p>Co-produce with employers a skills and job redesign plan to tackle the challenge of replacement demand as employees retire, including:</p> <ul style="list-style-type: none"> • Multi-agency approach to implementing the Fuller Working Lives principles • Employers developing medium term workforce plans that include progression pathways and improve organisational resilience to changing market conditions 	<p>Improved understanding of job opportunities and links between employers, Jobcentre Plus and local employment support services, including:</p> <ul style="list-style-type: none"> • Provision of accessible and current Labour Market Information including sector specific resources • Pilot work-readiness assessment framework (for self-assessment and facilitated use) for multi-agency and employer use • Targeted information and support that contributes to improving the inclusiveness of the labour market
Performance Measures	<ul style="list-style-type: none"> • Proportion of population with no qualifications • Employment rate gaps by locality, gender, ethnicity, disability and age 	
Contextual Measures	<ul style="list-style-type: none"> • Proportion of employers reporting hard to fill vacancies 	
<p>Outcome 5</p> <p>Employers are investing significantly more in the quality and quantity of the skills of their workforce</p>	<ul style="list-style-type: none"> • Enhanced management and leadership skills provision for SMEs • Develop appropriate bespoke interventions for employers of all sizes • Testing a business mentoring scheme to support SMEs through engagement of local business leaders 	<p>Use collective commissioning power of public bodies in the City Region to deliver social value commitments, including:</p> <ul style="list-style-type: none"> • Supporting delivery of the SfGA, establish single point of contact for employers trying to source skills provision, backed up by independent advice on the match between needs and provision • Development of on-site, location specific or sector specific skills brokerage support that also enables shared solutions across businesses • Provide flexible and adaptable training programmes which allow employers to upskills employees in non traditional ways • Improve provision of work experience and work placements
Performance Measures	<ul style="list-style-type: none"> • Number of Apprenticeships starts • Starts on Higher/ Degree Apprenticeships 	
Contextual Measures	<ul style="list-style-type: none"> • Employer investment in workforce development 	

When developing the Skills Action Plan, we will devote further effort to identifying and developing the key actions required to implement the Skills Strategy effectively. We will base this on a rigorous appraisal of a wide range of alternative actions, using as criteria the extent of buy-in by key partners, the potential for resourcing and the likely impacts on our strategic outcomes.

Reforming Our Skills System

In order to realise our vision for the City Region's skills system and achieve our strategic outcomes, the skills system needs to be reformed. It is our intention to do this by introducing the following changes.

- We will work hard to create a system that is much simpler to access and progress through.
- We will strengthen employer engagement in the skills system working with the LEP, Chambers, employer bodies and Councils.
- We will embed the development of adaptability, flexibility and problem solving as attributes within commissioned activity to ensure that learners are prepared for the jobs of the future.
- We will build responsiveness into our system as a core characteristic to meet the changing needs of both individual learners and employers. This is equally important for those seeking skills support to enter or re-enter the labour market as well as those already in employment seeking to advance and progress in their current role and is essential in a period of rapid change and uncertainty.
- We will highlight and promote role models (such as Liverpool Girl Geeks) and ensure that learning from innovative delivery is shared widely and contributes to building a more inclusive skills system.
- We will extend the provision of work experience and work placements, which will become more critical as T levels are introduced from 2020, to ensure that there are measures to encourage participation by under-represented groups – particularly around gender, ethnicity, disability and location within the City Region.
- We will seek to increase joint working with other key services such as education, health, housing and also affordable and accessible transport where the Combined Authority has leverage. This is important for all users of the skills system, but particularly so for those who are out of work and have to contend with health and disability issues.
- We will promote a greater focus on employment and skills outcomes to be included within other services, as such health and housing, to enable more integrated and personalised delivery as well as leveraging more resources to support the delivery of outcomes.
- We will ensure greater stability in terms of funding to allow providers to invest in their services with a greater feeling of security and will ensure that priority provision that is funded in full or in part by discretionary funds such as ESF is not put at risk.
- We must build on what works well and focus on what needs to be improved.
- We will use our funding to encourage more collaborative working across providers.



We will use our funding to encourage more collaborative working across providers.

- To manage the skills system more effectively we need to create a top-class skills intelligence service (to fulfil the Skills Advisory Panel) role which ensures that:
 - We have up-to-date knowledge of the current and prospective skill needs of our employers;
 - Labour market intelligence (LMI) is analysed and made available in ways that meets the needs of a wide range of people and organisations, including young people in learning, adults trying to change career and schools, colleges, universities and other training providers – and indeed employers. This should include indicate progression pathways to aid individuals and employers to effective plan for the future
 - We have robust and up-to-date information on the performance of our providers to ensure that our skills budgets are producing the maximum value for learners and for employers.
- A small number of key performance indicators measuring the effectiveness of the skills system need to be created so that the movement towards a significantly enhanced skills system can be monitored.
- We should host an annual Skills Summit in collaboration with the key stakeholders, so that the improvements in the skills system and the general progress towards key outcomes can be presented in a transparent process – and subjected to challenge – and we can ensure that our objectives to realise a more inclusive labour market are being delivered. This will also allow best practice to be shared and intelligence about the jobs of the future to be shared.
- The learning from new approaches and innovative delivery needs to be robustly evaluated and shared with all commissioners and providers.

What we are suggesting involves an investment resource – but it is a significant potential return on this investment:

This process of reform will not be easy, but without it the Liverpool City Region will not realise its full potential in terms of achieving high levels of inclusive growth. To bring through this change, a number of things need to happen:

- A simple but detailed skills system improvement plan needs to be developed.
- Resource needs to be released to deliver the improvement plan, and maintain the effectiveness of the reformed skills system. In particular, new more innovative and less resource intensive ways of assessing employer skills demands need to be introduced – and we will seek the support of the business community to take this forward.
- We will begin by applying these principles of performance review to our devolved Adult Education Budget.
- We will as a consequence secure the maximum value for the City Region by this more rigorous approach – and so demonstrate transparently and conclusively that we are better at managing skills budgets than the UK government and its agencies.
- We will then build on this to make the case for greater education and skills devolution to the City Region, beginning with Apprenticeships Funding.

VISION

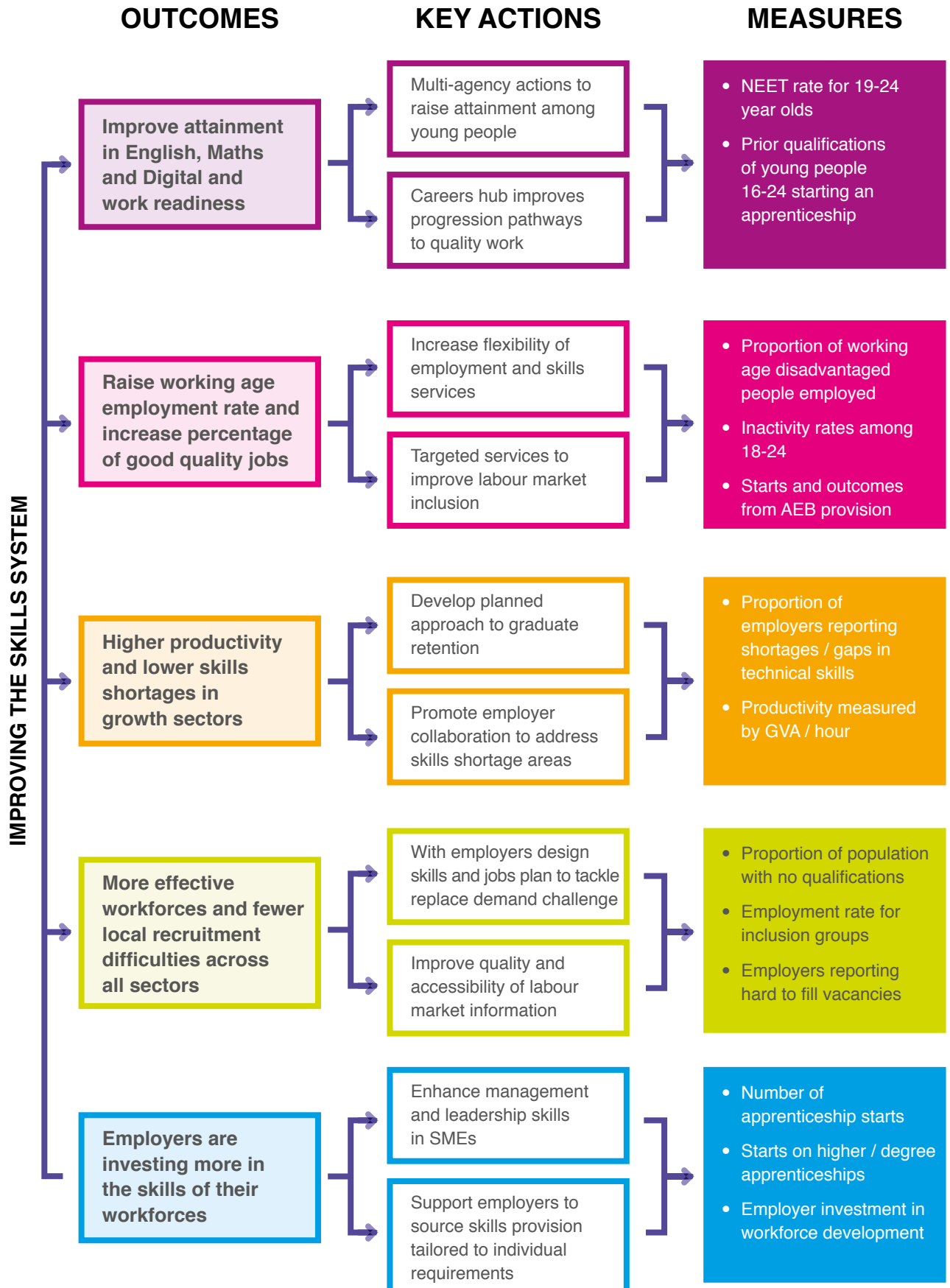
An outstanding and effective skills system that meets the needs of employers, individuals of all ages and communities and drives high aspirations and attainment, to create a truly global and competitive City Region at the heart of the Northern Powerhouse

Outcome	Headline Evidence
Outcome 1 Higher percentage of our young people with good attainment in English, Maths and digital skills - and high levels of work readiness	Skills/qualifications gaps with England narrowed but remain, and persistently high NEET rates
Outcome 2 Higher percentage of working age population employed and good quality jobs higher percentage of all jobs	Persistent large gaps in worklessness and economic inactivity rates versus national levels
Outcome 3 Across the key growth sectors, there is higher productivity and lower incidence of skills shortages	Existing employees left to pick up the slack when jobs remain unfilled or work lost
Outcome 4 Across all sectors there are more effective workforce + fewer local recruitment difficulties	Employers already report unfilled vacancies due to lack of suitably qualified candidates
Outcome 5 Employers investing much more in quality and quantity of skills of their workforce	Fewer than one in five firms invest in existing workforce or are willing to train up less qualified recruits
Essential Systems Change Much simpler systems and more joined up support processes, driven by stable funding and characterized by clarity, inclusivity and responsiveness	Persistent and across the board complaints from individuals and employers trying to access complex education and skill system



Our Strategy: An Overview

The diagram below summarises in a concise fashion the essential elements of our Skills Strategy.



Implementing Our Strategy

Our new Strategy sits firmly on two key pillars.

- It needs to work for our employers by creating a workforce which has high levels of appropriate skills. This will help sustain an expanding and higher quality jobs base as this is a significant determinant of the level of prosperity that our residents can enjoy.
- It must also work for all groups of people across the City Region as part of a twin process of inclusive growth.

The transformational change that is required will only occur if all partners build on their long history of working collectively and collaboratively to deliver this as part of an overall end to end process. The principles that will guide implementation are those set out in the Single Growth Strategy, plus a further one around active performance management:



Meaningful collaboration



Added value



Form follows function



Local knows best



Meaningful delivery



Active performance management

Liverpool City Region groups and bodies will have different and complementary roles to ensure that the ambition in this Strategy is delivered:

- Our Skills Commission will explore and promote new approaches to supporting employers in accessing future skills needs.
- LEP Board to continue to ensure that employers' views are at the heart of the discussions.
- Employment and Skills Board to continue to manage programmes and stakeholder relationships, ensure that the systemic changes required for technical education are delivered and deliver the Skills Advisory Panel role on improving labour market information.
- Combined Authority to provide overall strategic leadership and co-ordination.

It will also be important that the vision and outcomes are woven into the strategic and operational plans of partners so that our ambition and the need for change is understood and delivered in all corners of the Liverpool City Region.




As set out above, the Skills Strategy provides a framework to guide partnership action and inform skills planning and investment decisions to enhance labour market performance in the Liverpool City Region. The Skills Strategy provides the starting point to define the specific activities that are required to support sector growth over the next five years and address the needs of young people and adults that are currently excluded from the opportunities available within the City Region. The Skills Strategy cannot define every action as these will depend on the ideas and support of a wide cross section of partners, providing specialist advice and detailed sector knowledge and leadership. It is also vitally important that the skills strategy is a living document that is able to flex and respond to new opportunities and emerging challenges affecting the City Region over the next five years.

The outcomes and actions articulated in this Strategy will be further refined and delivered in a number of different ways, to make the most of existing resources, capacity and partnerships. The Combined Authority will retain ownership of the Skills Strategy and oversee its performance management and high level links with Government departments and agencies.

The operation of Skills Strategy will be defined through the production of an improvement plan, with LEP and ESB, focusing on the delivery of the key outcomes. These will be shared with sector groups (linked to the Skills for Growth Agreements), providers, schools, Unions and other stakeholders to develop specific activities that deliver the high level actions set out in this Strategy. Working through networks provides an opportunity to maintain the level of input and innovation that has contributed to the production of the Skills Strategy and ensure that the City Region is fully utilising all of the human and financial resources available to transform the skills system.

The Annual Skills Summit (to be held in Autumn each year) will report progress against delivery of the actions and the trends on the performance measures, noting that these might lag the actions somewhat. The different and complementary roles of employers, learners, providers of training, public services and local communities must be in place if the proposed outcomes are to be delivered. Together, and only together, the ambition of this Strategy can be delivered.



The Skills Strategy provides the starting point to define the specific activities that are required to support sector growth over the next five years and address the needs of young people and adults that are currently excluded from the opportunities available within the City Region.

