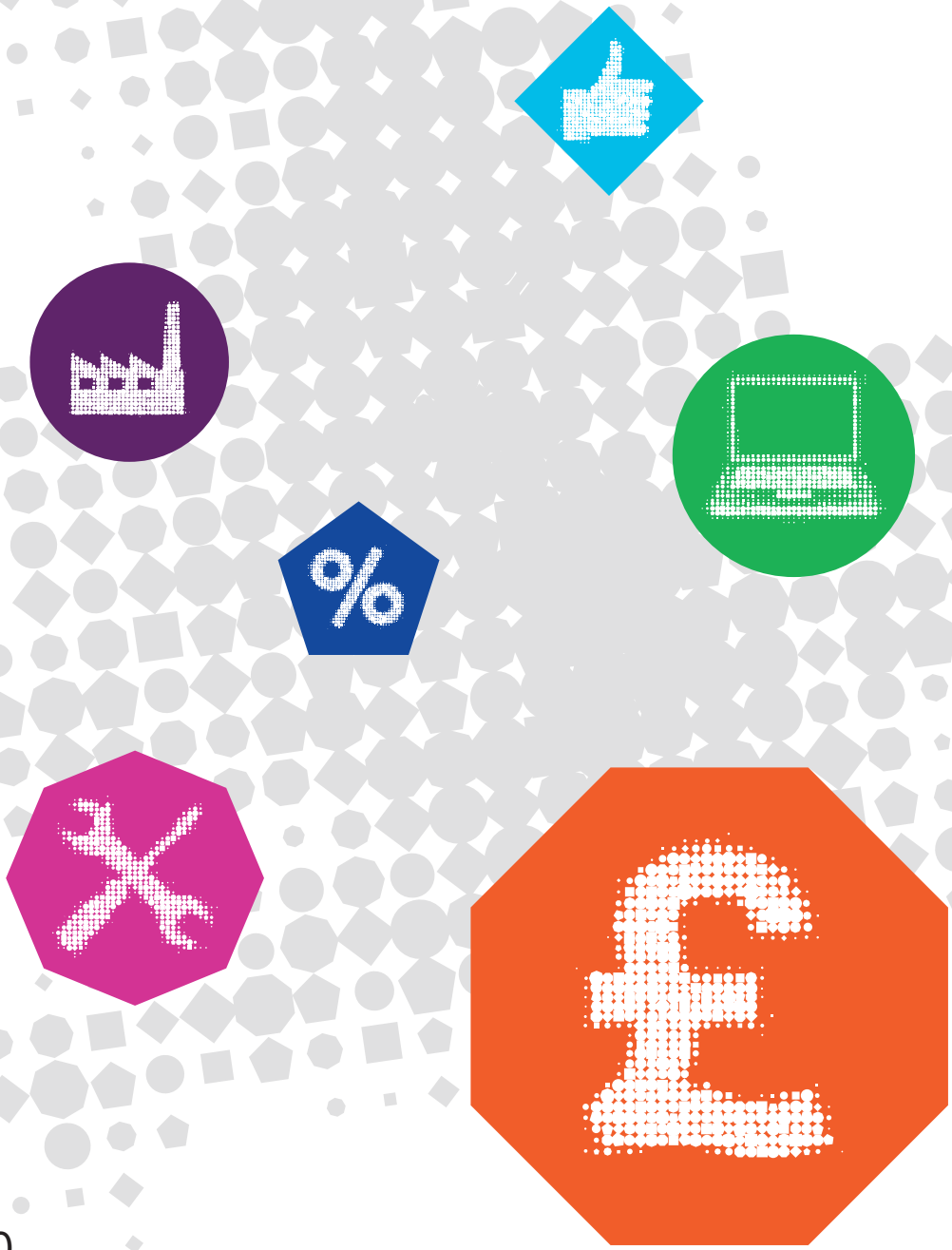



Act Now

Or risk levelling down the life chances of millions

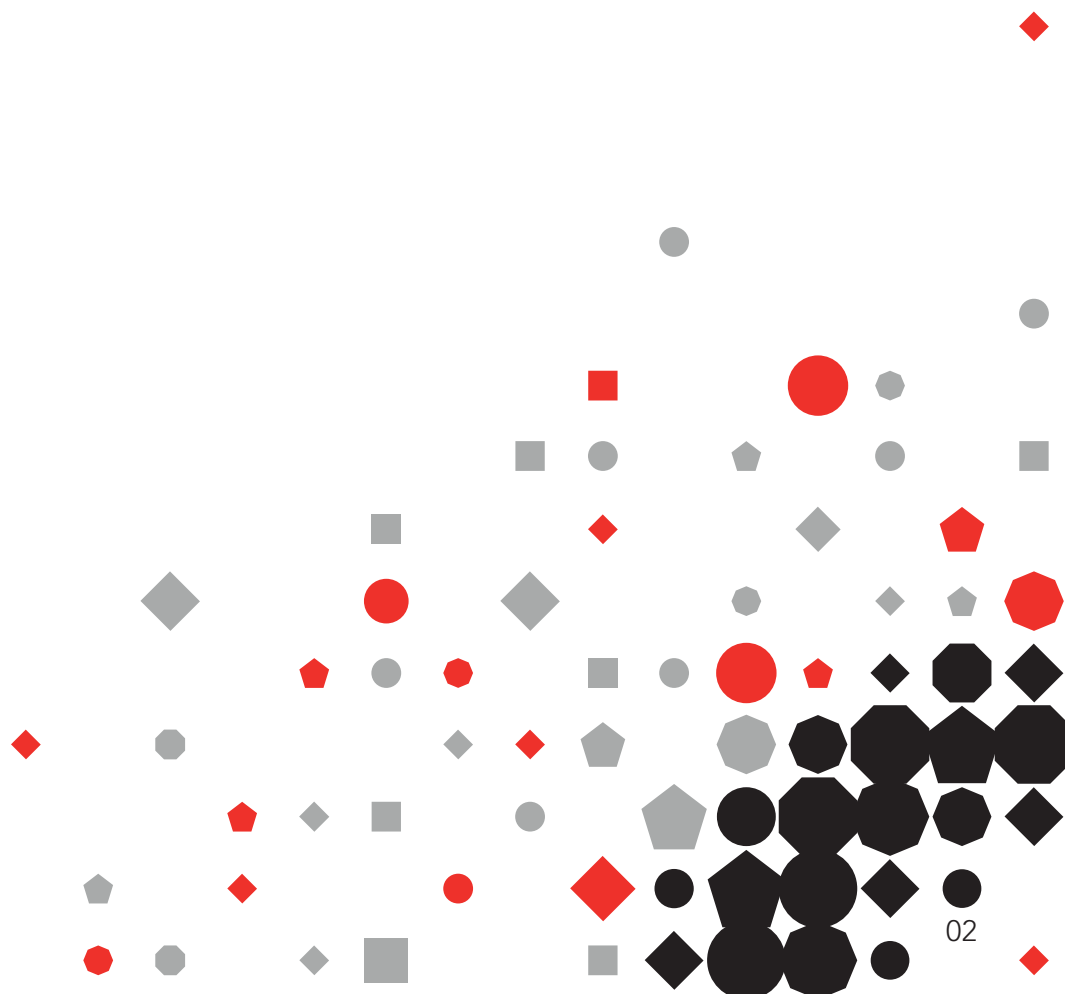




What we found was that a one-size-fits all approach to addressing unemployment and reskilling simply won't work if we are to see a recovery from the pandemic which leaves no region left behind.

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Rt Hon Anne Milton

Foreword

Every year typically has a few defining moments, but it is almost hard to comprehend the full extent to which every part of UK life has been affected by the Coronavirus pandemic during 2020. Unfortunately, with further economic uncertainty looming, fuelled by Brexit and second and even third waves of Covid-19, it is quite possible that the worst may yet be to come.

The Office for Budget Responsibility (OBR) has forecast 3.4 million people out of work this year¹, an increase of 260% on the start of the year. The UK is now officially 'in recession' with the OECD predicting that Britain's economy is likely to suffer the worst damage of any country in the developed world, with a slump in the UK's national income of 11.5% expected during 2020².

Whilst the impact of the Coronavirus pandemic has been devastating across the UK, some regions have been more badly affected than others and early signs of recovery have been seen at differing paces. This is unsurprising when we consider that what we call the "national economy" is, in fact, an aggregation of lots of much smaller and often very disparate local economies, a point that central Government doesn't always recognise when implementing policy.

That was why I agreed to work with the City & Guilds Group over the summer to chair a series of events across the UK to understand how each area was coping, and what more they believed needed to be done to support them back to a position of prosperity following the hammer blow of Covid-19.

What we found was that a one-size-fits all approach to addressing unemployment and reskilling simply won't work if we are to see a recovery from the pandemic which leaves

no region behind. The report that follows will lay out the challenges that we uncovered as well as the solutions that were proposed as we talked to leaders from local Government, employers and educators across the country. Whilst we found many differences there were also many commonalities. We have proposed a series of solutions based upon these, that we believe will allow the regions the autonomy they need to better address the huge challenges they face and increase the opportunity for nationwide prosperity.

We need to act now to deliver the rapid interventions needed to bring the country back from recession and grow a workforce that is fit for the future with the skills needed to drive up levels of innovation and productivity. This will enable us to move back towards a position of sustainable economic and social prosperity. Action is urgently needed and this report provides solutions for how this can be done.

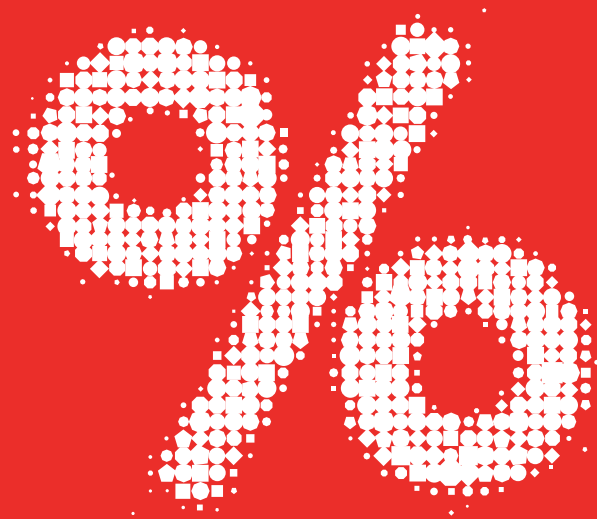


Anne Milton

Rt Hon Anne Milton

¹ OBR

² OECD, June 2020



The Office for Budget Responsibility (OBR) has forecast **3.4 million people out of work** this year, an **increase of 260%** on the start of the year.

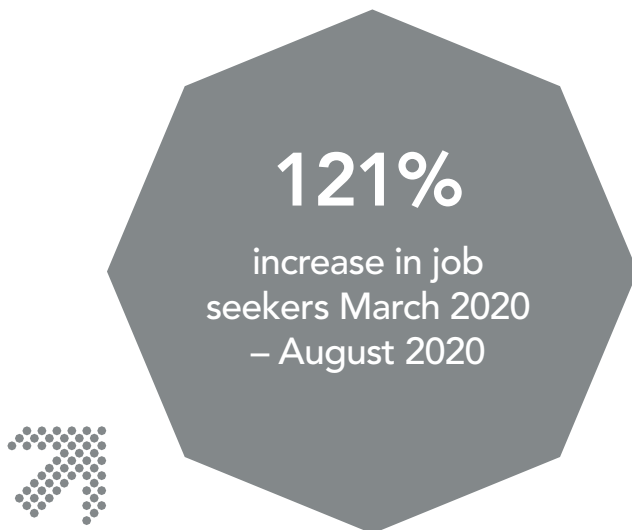
The current state of the UK labour market

Immediate unemployment from Covid-19

The ONS revealed that across the UK the Claimant Count³ reached 2.7 million in August 2020, an increase of 120.8% since March 2020. It is predicted that this will rise to 3.4 million by the end of the year⁴.

Regional disparity in impact and recovery from Covid-19

At a regional level the increase in those making claims is most significant in London, closely followed by the South East, with an increase in both regions of over 160% for the period between March and August 2020.

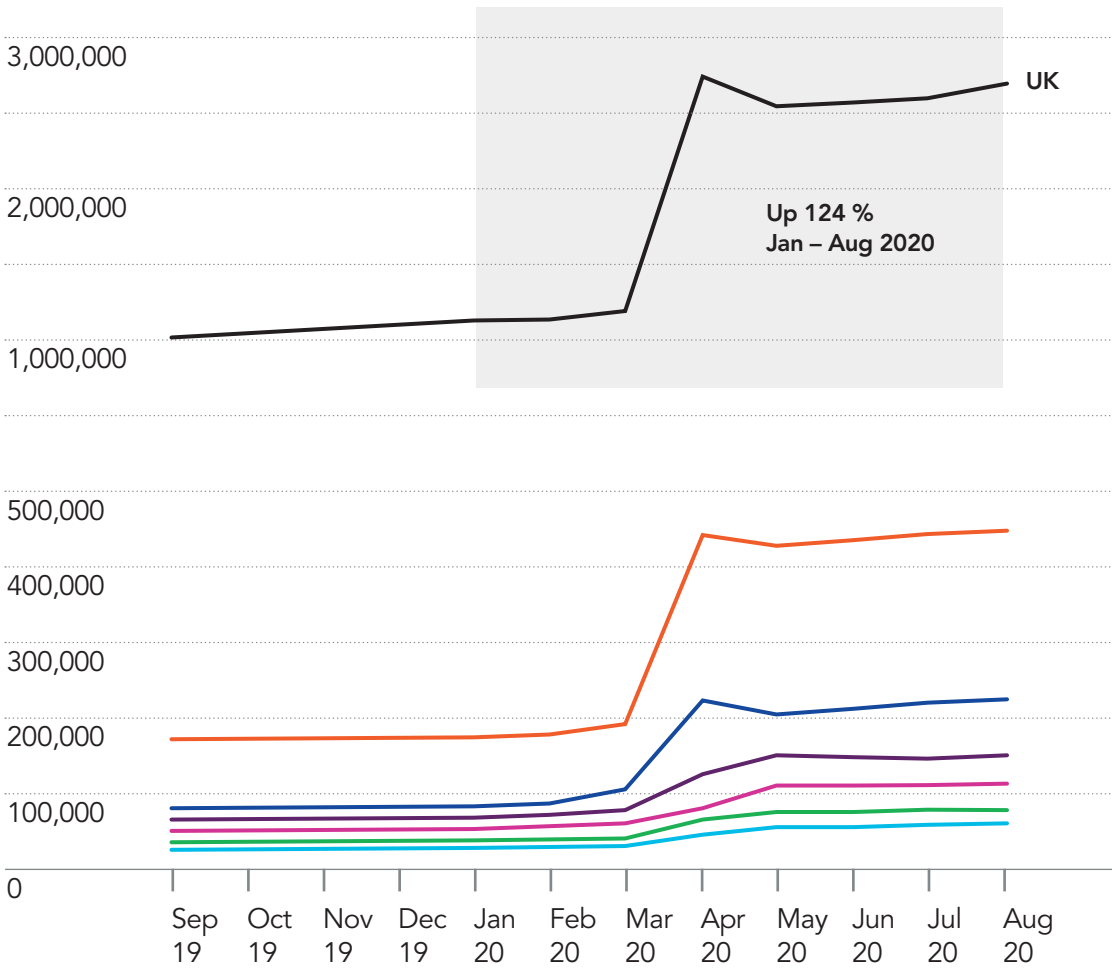


There were particularly high numbers of Job Seekers Allowance claims from people who had been working in careers in Elementary Construction Occupations, Sales Assistants and Retail Cashiers.

³ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/employmentintheuk/september2020>

⁴ According to the Office of Budget Responsibility

Claimant Count



Key: Areas

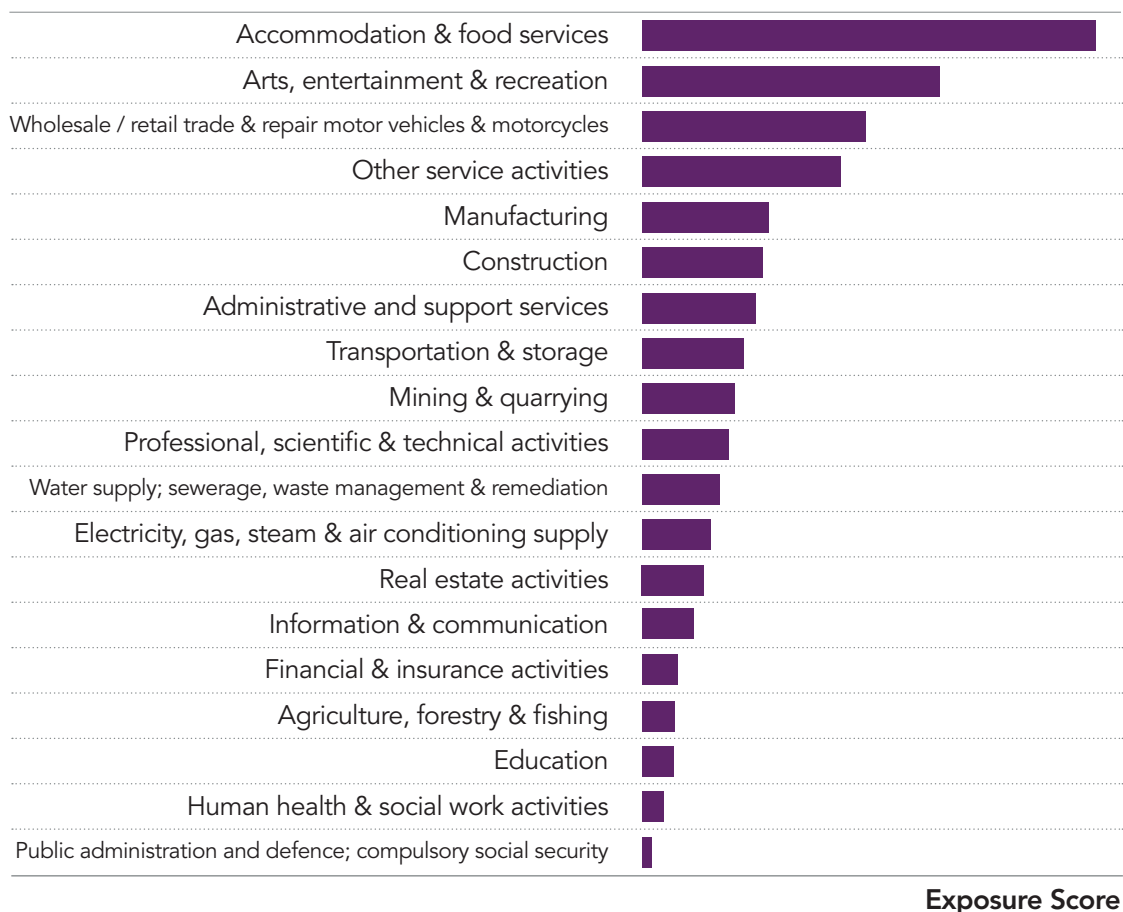
- North East
- Liverpool
- West Yorkshire
- Manchester
- London
- East of England
- UK

We can see from the chart above how differently each of the UK regions has recovered from the impact of the pandemic on their economy.

Source: ONS Crown Copyright Reserved
[from Nomis on 5 October 2020]

We need to act now to deliver the rapid interventions needed to bring the country back from recession and grow a workforce that is fit for the future.

Impact of Covid19 on industries



| Supply-side | Demand-side |
|---|--|
| Need for workers to be in physical proximity to place of work and staff are not classed as 'key workers'. | Restrictions imposed by 'lockdown' has effectively 'switched off' demand for their services. |
| Combined to provide an index score industry sector UK aggregate index can be applied to local employment profile. | |

How does exposure to industries impact regions differently?

It stands to reason that regions that have a higher reliance on the most badly impacted sectors will take the biggest hits to the economy and jobs market.

Why is London so badly impacted?

Industries that thrive on millions of workers commuting into London for work are really struggling from significantly lower footfall from working at home. Plus, a big part of London's economy that thrives beyond

the commuter population is similarly suffering from the reduction of travel in general – namely the leisure and hospitality sector. It's a double whammy for London that is driving unemployment, furlough uptake and suppressing hiring activity. Other regions are less exposed to this phenomena. London's economy is likely to return in time as restrictions ease, but a disease that is fuelled by 'high density living' is disproportionately impacting areas of high density activity both in health and economic terms.

Job postings data

We can see from the chart on page 10 that every regional jobs market has been impacted differently by the pandemic and has recovered at a different rate. As we mentioned in the previous section, this is because each area has a different level of reliance on particular industries.

Whilst certain sectors, for example accommodation and food services has been extremely hard hit due to the near total shut down of the industry for two months, research shows that many of these sectors are now recruiting again, albeit in smaller numbers. For example, the number of vacancies within the accommodation and food services sector was around 8,000 between April and June but has now risen to around 27,000 between June and August. Wholesale and retail also saw a huge decline falling from around 130,000 vacancies at the beginning of the year to 39,000 between April and June. Whilst latest figures show an upturn, we are still a long way from business as usual⁵.

While the number of people who are estimated to be temporarily away from work (including furloughed workers) has fallen, it was still more than 5 million in July 2020, with over 2.5 million of these being away for three months or more. There were also around 250,000 people away from work because of the pandemic and receiving no pay in July 2020⁶.

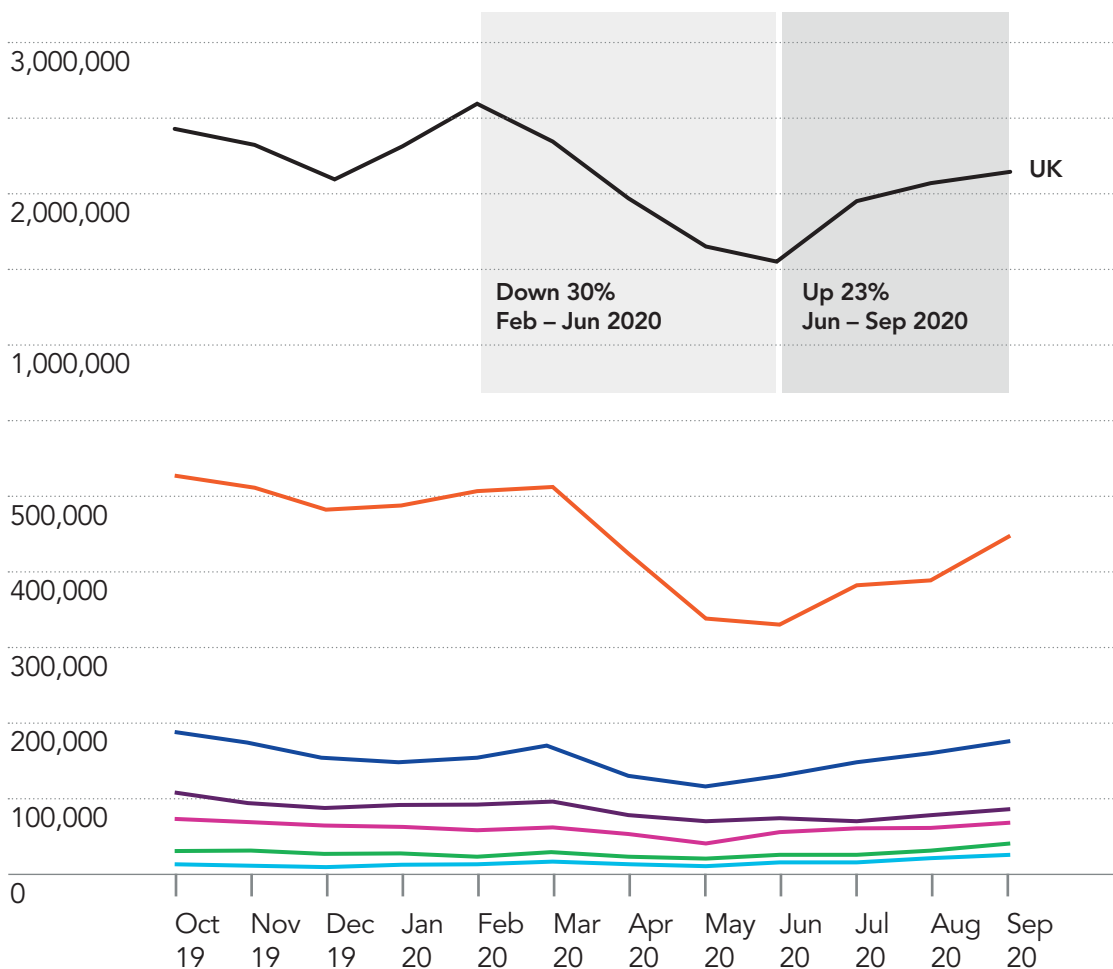
With so many more people being made redundant and job vacancies lower than pre pandemic, this has led to a huge increase in competition for job vacancies.

Economists Emsi stated that postings fell nationally by 30% between February and June 2020 but overall have bounced back considerably and were up by 23% between June and September. However, this jobs market recovery differs vastly at a regional level, for example, in London job postings rose by only 2% between June and August.

Recovery of jobs market

23% increase nationally
vs 2% increase
in London

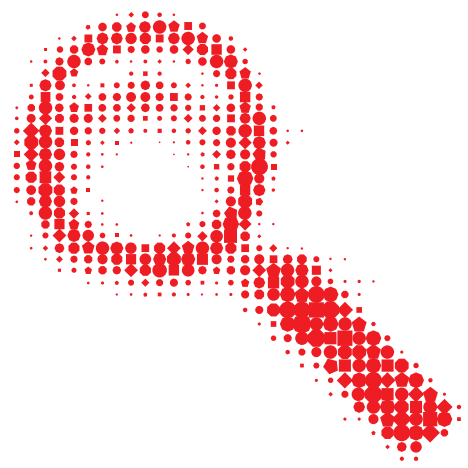
Unique job postings



Key: Areas

- North East
- Liverpool
- West Yorkshire
- Manchester
- London
- East of England
- UK

Source: Emsi 2020.1

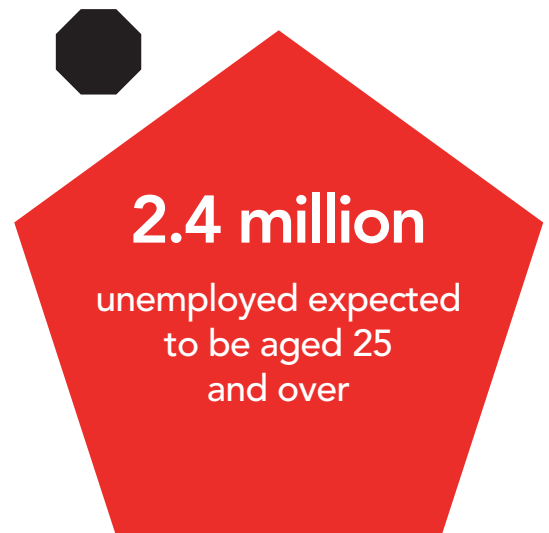


5 <https://www.economicmodelling.co.uk/2020/09/23/what-does-the-latest-ons-release-on-job-vacancies-by-sector-data-show/>
 6 <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/september2020>

The impact on older versus younger workers

We know that young people aged between 16 and 24 will be very badly impacted by the pandemic with 1 million young people anticipated to be unemployed by the end of the year. The Government has recognised this and put numerous interventions in place including the Kickstart scheme, additional funding for employers who hire younger apprentices, funding for traineeships (pre apprenticeships), new funding for sector-based work academies, funding for Level two and Level three courses for 18 - 19 year olds and additional funding for careers advice.

The remainder of the unemployed (2.4 million) will be 25 and over. There was little provision for these older workers until September 2020 when the Government announced that there would be a Lifetime Skills Guarantee launching in April 2021. This piece of policy will allow those without a previous Level 3 qualification (i.e. A Levels or T Levels) to study for a range of qualifications, that will be decided by the Government, at a Further Education College. Whilst this is a welcome addition to the support on offer it will still leave large swathes of the newly unemployed, who do not fit the criteria mentioned, without any support. In addition, if the qualifications are full-time college courses they may preclude people from studying if they have commitments that mean they cannot afford to stay without work for the duration of the course.



Finally, Government should also consider funding Level 4 and Level 5 qualifications that meet local labour market needs as this could aid social mobility and address skills shortages.

According to the Centre for Ageing Better, the pandemic will disproportionately impact older workers who are far more likely to slip into long term worklessness if they are made unemployed. Over 50s who are unemployed are twice as likely to be out of work for 12 months or more as younger workers⁷. There needs to be better provision in place to support these workers if we are to avoid a generation of older people living in destitution and a huge loss of valuable skills and knowledge.

⁷ Centre for Aging Better



According to the
Centre for Ageing
Better, **the pandemic
will disproportionately
impact older workers**
who are far more likely
to slip into long term
worklessness if they are
made unemployed.

Furlough ending

Whilst the Government has recently announced a job support scheme to replace furlough, with subsidies provided to support the pay of employees who are working fewer hours due to lower demand, there will be many who fall through the cracks.

The rate of furlough is indicative of industries that will be most affected in terms of jobs losses. Whilst of course many workers will end up going back to their jobs a certain percentage will not. Across the UK the sectors that have furloughed the most roles during the pandemic include accommodation and food services, arts, entertainment, recreation and the construction industry.

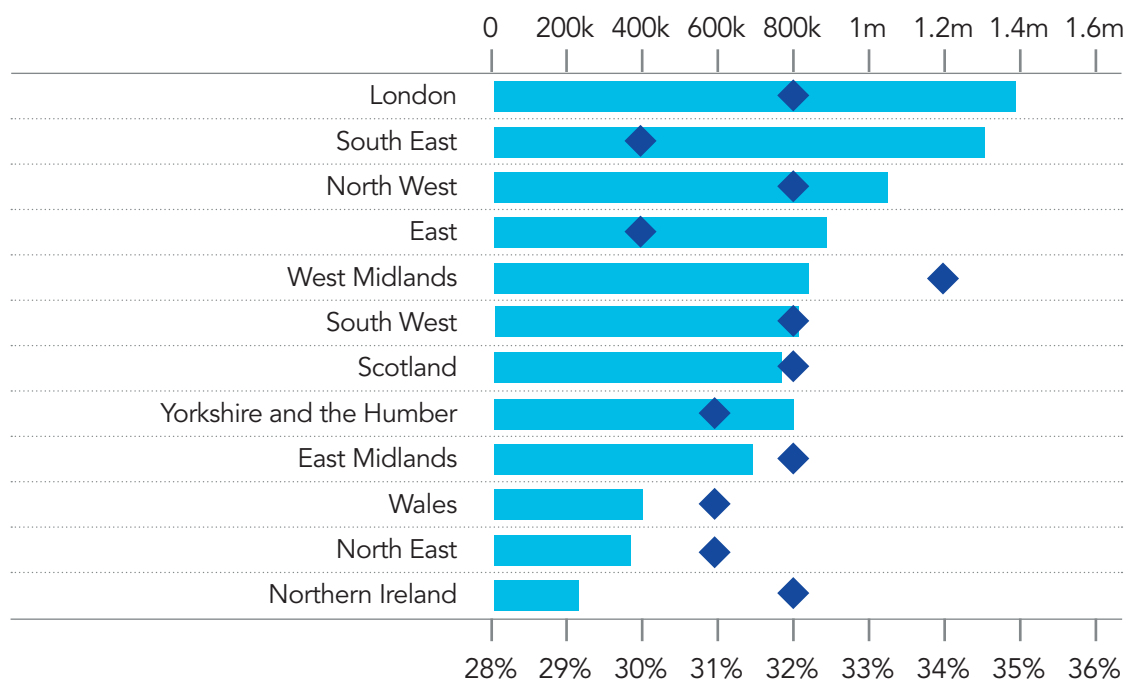
Furlough highlights areas of concern

Furlough take up rate to 31 July 2020 – by industry sector



Source: HMRC CJRS and PAYE Real Time Information

Furlough take up to 31 July 2020 – by region in numbers



Key: Areas

■ Employments furloughed ◆ Take up rate

Source: HMRC CJRS and PAYE Real Time Information

5 million
people were temporarily
away from work in
July 2020

Automation will displace more people

The advance of the fourth industrial revolution and increased use of technology in the workplace means that employers can do more with less, ultimately leading to both opportunities and risks for businesses. The pace of automation has been hugely accelerated by the pandemic across many sectors, with employers needing to find fast and effective new ways of continuing to work, and in some cases, survive.

Economic modellers Emsi have found that 12.4% of the UK workforce are employed in jobs that are at high risk of automation with a further 28% at medium risk. The majority of these are low skill, high volume roles such as Cleaners and Domestic staff, Kitchen and Catering Assistants, Bar Staff and Packers, Bottlers, Canners and Fillers.



Whilst there is a danger of certain skills becoming obsolete, automation is at the same time creating demand in the workplace for other 'human' skills such as resilience, flexibility and mental agility⁸. A greater emphasis is needed on lifelong learning where ongoing training is taking place in order to learn new tasks and keep pace with the needs of the modern workplace. This is especially prevalent within disadvantaged areas of society which is likely to be one of the demographics hardest hit due to the types of occupations most at risk.

UK spend on post 18 training is low

As we reported in our report Missing Millions⁹ it's no secret that the Further Education sector has seen a 50% real-terms cut in classroom-based adult education spending since 2009/2010¹⁰.

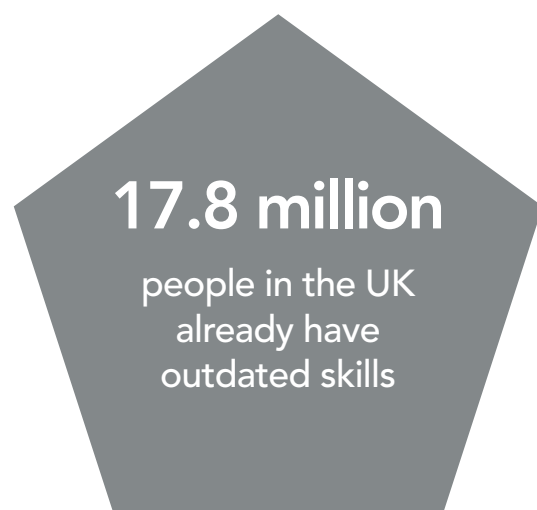
Employer provided training has also been stubbornly low in recent decades, with UK employers investing just half the EU average on workplace training. In addition to this we have some of the lowest levels of self-funded training in Europe. It should be no surprise then that between 2010 and 2020, participation in adult learning has fallen by 10% – with an estimated 3.8 million fewer adult learners having access to adult education at the close of the decade than at its start.

⁸ https://www.economicmodelling.co.uk/wp-content/uploads/2019/11/Automation-Report-Final_WEB.pdf

⁹ <https://www.cityandguildsgroup.com/research/missing-millions>

¹⁰ Institute for Fiscal Studies - <https://www.ifs.org.uk/publications/14625>

With recent City & Guilds' research showing that 34% of respondents have either not received workplace training in the last five years or have never had any such training – equating to 17.8 million people with outdated skills¹¹ – there was a productivity crisis looming even before the pandemic hit. The same research found that 26% of people had not received any training for at least a decade, which is very concerning when you consider the fact that the impact of AI will require at least two fifths of the population to retrain within the next decade¹².



A further 60% of respondents felt that the skills they did have were underutilised, highlighting a real need to tap into the nation's underused skills potential and make much-needed progress on closing the skills gap, boosting productivity in the process. This could be done using online tools such as digital credentialing to create a 'virtual skills CV'¹³ that people could take with them from job to job and career to career.

In the coming months and years many people will need financial support to enable them to access vital job specific training to help them find a route back into employment. As our recent report – Recovery & Resilience (2020) – found, affordability was a key blocker in preventing people from undertaking vital training and skills development to get back into employment. A third of people from lower socio-economic backgrounds stated that they could not afford training and they are also less likely to know how to access funding to pay for a course (26%). These figures rise to 59% and 43% respectively amongst people who are already unemployed.



The Further Education system is uniquely placed to support the required training and retraining for the unemployed to help them back into the workplace. With the right focus and modernisation of the existing technical and vocational education ecosystem we will be able to unlock more capability whilst also complementing and building upon existing provision in place.

¹¹ <https://www.cityandguildsgroup.com/research/missing-millions>

¹² According to the OECD

¹³ <https://www.cityandguilds.com/digital-credentials>

Regional themes, challenges and opportunities

Below are noted the key themes that we drew out of the regional roadshows we held in the East of England, Liverpool, London, Manchester, North of England and West Yorkshire throughout the late summer / early Autumn of 2020.

We know from research undertaken for our report Recovery & Resilience that what we call the “national economy” is, in fact, an aggregation of lots of much smaller and often very disparate local economies. This is shown very clearly in the differences highlighted by the Mayoral Combined Authorities and LEPs we spoke to in terms of education attainment, demographics, occupational profiles, industry mix, productivity and levels of job growth.

Whilst we have noted already that each regional economy is distinctly different, there were some clear commonalities which we have drawn out below.

The challenges the regions face are not always the same

What was abundantly clear was that it will be essential for Government to listen to what is happening at a regional level to gain a better understanding of the specific blockers and challenges local Governments are facing. Many expressed frustration that central policy makers often didn't have an understanding of some of the solutions that are already being successfully implemented in the regions and that less effective national solutions were put into place.

It is only through closely working with local government and business leaders in the regions that UK Government can create and shape a solution that will work effectively from the ground up.

Greater devolution of powers and funding is needed

All of the local political leaders we spoke to advocated for greater decision-making powers to allow them to take responsibility for employment and training in their own regions. They believe that this will allow them to implement tailored solutions that will have meaningful impact in tackling joblessness, driving up skill levels and increasing social mobility. This call for more powers comes as the Devolution White paper is delayed, leaving many areas without the ability to make much needed changes now.

The message that is consistently coming from the regions is clear: the Central Government 'one size fits all' approach doesn't always work and more power and autonomy needs to sit at a regional level to provide the most effective and efficient solutions.

More consultation on national policies that impact different regions

In addition to wanting greater autonomy, there was a consensus amongst the local leaders that we spoke to that national policies need to be targeted, specific and built from the bottom up in order to provide solutions that are flexible, timely and able to adapt quickly in response to sector and regional needs. In our CSR submission, we put forward a proposal for a network of Employment and Training Hubs that are piloted in regions where they can have the most impact and provide much needed resilience and a solid foundation for training based on the unique needs of different regions.

The Government's £2bn Kickstart Scheme was an example of policy that did not translate well for many attendees. It aims to create hundreds of thousands of high-quality six-month work placements for 16-24-year olds currently unemployed. However, the scheme has had limited regional input into its development and subsequently local businesses have found it challenging to apply and receive the funding, particularly smaller businesses who are unable to commit to the minimum number of young people they are required to take on as part of the scheme.

The Government's £2bn Kickstart Scheme was an example of policy that did not translate well for many attendees

More funding with greater flexibility to meet regional challenges

The need for increased devolution of funding to the regions was further highlighted by the differing priorities coming from the regions. In Manchester there is a focus on developing localised employment support schemes that will create jobs with measurable impacts such as goals for zero carbon targets, retrofitting all properties to minimise carbon footprints and building zero carbon homes for rent in areas with housing issues. Whilst in Liverpool City Region, productivity was noted as being a particularly significant issue. The region's productivity is 8% behind the national average, and a localised approach is needed to begin to address this issue.

Better careers advice and guidance

Better and more consistent careers advice and guidance

A theme that was mentioned at every session we ran was the need for better careers advice and guidance for people of all ages and stages in their career – particularly in a constantly evolving landscape where people may need to retrain and reskill several times throughout their lifetimes. Upskilling teachers so that they can provide knowledge and advice on career options and pathways from an early age was also seen as an essential way of opening up discussions on the possibilities and opportunities on offer.

Clear career pathways – Having clearer pathways and options that can be easily understood and communicated simply and effectively was seen as critical to increasing opportunities for social mobility and tackling unemployment. People are often unaware of the range of opportunities that are available and what they need to do in order to maximise on these.

Wider communication of changing employment landscape

– There is a need for an ongoing awareness raising exercise to ensure the local population understand how the jobs market is evolving in their area, how they can capitalise on the changes in the labour market and not be left behind. Supply and demand needs to be explained clearly in the region so that individuals are encouraged to reskill and upskill into areas of the highest demand and leave training with real opportunities to work.

Better recognition of people's transferrable skills

– Individuals are often not aware of the fact that their skills are transferable to other roles and need support to understand the range of career options and opportunities that might be available to them. This might be in the form of a diagnostic when looking for a new role if people have been made redundant, or even when young people are in school to help them understand what skills they have acquired that will be useful in the workplace.

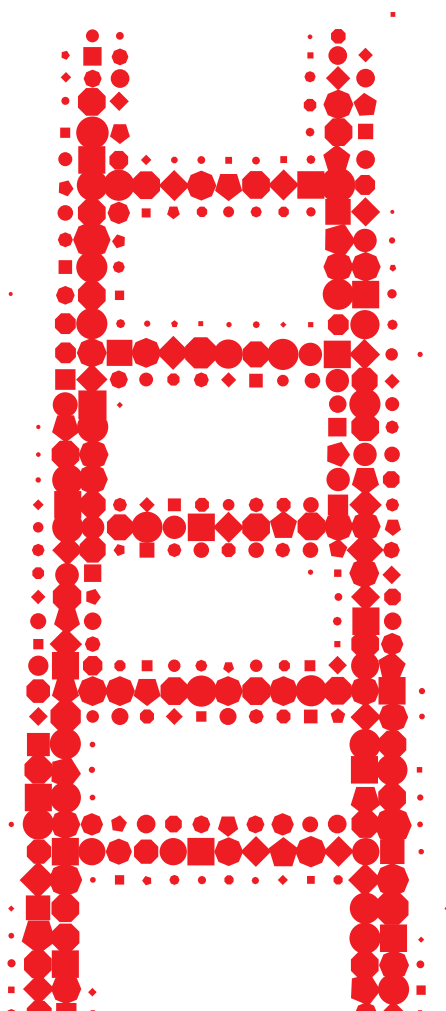
Make training fit for purpose

Disconnect between provision and needs

– There is consensus in the regions that current training options on offer are not meeting labour market demands summed up by the statement that ‘a plan for jobs’ won’t be met by ‘a plan for qualifications’. It was recognised that there is conflict between traditional models of education and skills training and what employers need now. It was agreed that there needs to be a shift in focus to considering success for further and higher education to be the final destination outcome (i.e. the person got a job) as a result of completing some training rather than numbers of people taking and passing qualifications.

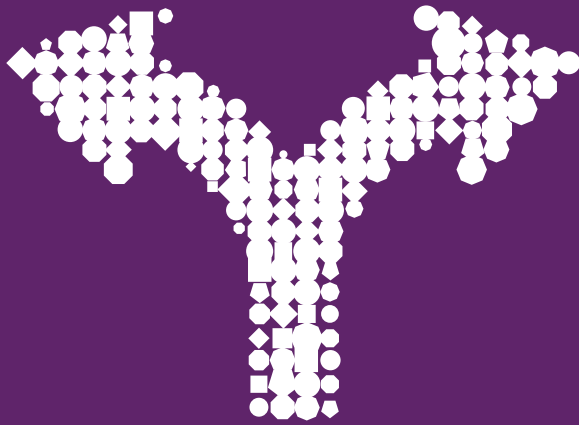
It was noted that a more responsive further education system is required with training provision needing to be much more attuned to the rapidly changing needs of the labour market. Crucial to this was the need for employers to work more closely with providers to develop curriculum to ensure that learners are being equipped with the right skills to rebuild the region’s economy.

A new way of acquiring skills – There will be a need to reskill millions of people because of the immediate impact of the pandemic and the rapidly changing needs of the labour market over the coming years. This need for mass reskilling of the nation’s workforce was true pre-covid19 and is even more pressing now. It is essential that we focus on faster and more efficient ways of giving people skills that people need to get a job. This might not always be in the form of a one, two or even three-year course with a qualification at the end of it but in the future could be shorter, sharper programmes, focusing on giving people the in-demand skills needed to make someone work ready and able to thrive in the workplace.



Skills Bridge Solution

The Skills Bridge solution is aimed at ensuring that unemployed people or those looking to reskill or upskill to new careers are given support to identify and link their core transferable skills to job opportunities.



The solution will allow people who have been displaced from their roles to access potential career changes. People engaged in insecure job roles can be signposted to more secure and sustainable careers.

The solution will also support young people studying in a sector or academic discipline that has been hardest hit by Covid in terms of job opportunities. It can support young people who may not have achieved high grades through conventional academic channels and so find themselves at a disadvantage when seeking employment. They will be able to develop a capability profile to help compensate for lack of work experience.

The Skills Bridge solution will provide the following key features to allow people to rediscover their prospects and lead to sustainable jobs and financial recovery:

'Transferable Skills' diagnostic profiling tools

Use of digital credentials to create personal skills profiles

'Skills Profile' library for a range of target occupations

Mapping service to link personal skills profiles to suitable target occupations

Signposting into 'in demand' occupations through bite-size digital learning

Online and blended training to build or enhance occupational competence

'Industry Mentor' input into social learning platform to support occupational awareness

Job advert matching that links occupational profiles to open vacancies

Signposting to recruiting employers in target occupational areas

Make training fit for purpose

Putting the right adult education network in place in every region

– An adequate network of post 16 training provision (colleges, training providers and universities) should be available in each regional area so that people are able to access face-to-face training if they need it. In addition we believe that there needs to be some new thinking about how and where learning takes place, including more online learning (see point below) and by 'taking learning to the people' in disused retail and municipal buildings in the area. This provision should be focused on meeting the labour market needs of the local economy delivering the right skills, at the right levels, to the right standards.

Digital learning will be key to the future

– There is also a necessity to create a robust and flexible digital learning offer that people can access in their own time to suit their lifestyles. Many people have family and financial commitments that simply won't allow them to study full time in a classroom and this will allow those people to access training. This multi-channel teaching model should then be replicated across every region.

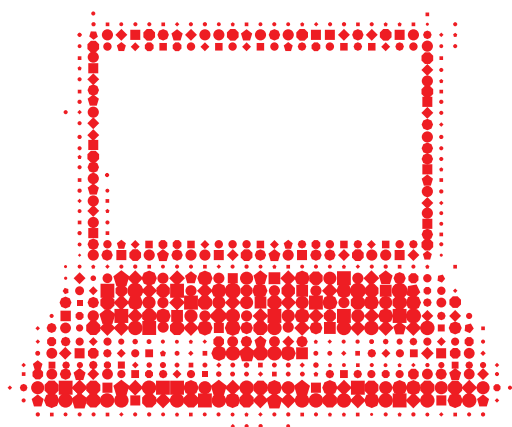
However, when enacting this point we must not forget to provide additional support for those without access to tech or those who have poor digital skills.

Consider the learning preferences of older learners

– Older workers may not want to go back into formal full time training as they don't see it as appropriate for them, and additionally they often have caring responsibilities. There needs to be a way of engaging with this demographic and making training a viable option for them. The previously mentioned short, sharp training interventions delivered through a modular approach may make reskilling or upskilling a more attractive offer to these groups. Colleges won't always be the right answer for older learners hence the suggested investment in 'Employment and Training Hubs' in communities which will also complement rather than compete with existing provision.

Make it easier for smaller employers to engage in training

– Large employers often have in-house support from Human Resources and Learning and Development departments. Smaller businesses, however, often have less support and there are not always the same opportunities to progress people. Smaller employers can therefore be less clear about articulating their skill needs which is essential in order to find solutions that work effectively for all organisations. Our proposal for 'Employment and Training Hubs' could also act as the aggregators in a local region for SMEs to get more support in helping get their skills needs delivered and then recruit directly out of a hub.



Accessibility for all

Better utilise the skills of older workers

– There is a sense of missed opportunities for those nearing retirement age who have a wide range of skills and experiences that irrevocably disappear when they retire. Apprentices could be working more closely with older workers to learn these valuable and transferable skills before they are lost.

It was noted in many of the regions that there is a need to raise older people's aspirations and enable their routes out of low value, easily automatable jobs that could cease to exist in the next decade. We should be upskilling groups where possible to work with and alongside Artificial Intelligence and ongoing automation in the workplace.

Over 50s who are made unemployed are twice as likely to be out of work for 12 months or longer¹⁴. It was noted that more needs to be done around segmenting this demographic as 50 - 70 is a huge age range and people will have varying needs depending upon their age and experience. It is likely that there will be a larger number of those aged 60+ unable to retire due to the rising age of pensions. This group is likely to need short, sharp training interventions to ensure they have the relevant skills needed for their time remaining in employment and the enormous contribution they have to make.

Low income people are left behind

– There is a risk that the long-term unemployed will be left even further behind as those more used to searching for work and updating their skills and who already have better skillsets are also looking for work. Paying for training can be a barrier for those who are on a low income or unemployed. There should be better access to equipment, training, mentoring and support for the long term unemployed to try and ensure that opportunities are available for all.

Access to tech and broadband is also critical. Some people won't have the means or skills to learn via online platforms and this needs to be built into any proposed training solutions. This is yet a further example of how Employment and Training Hubs could level the playing field by providing support, training and access to tech and broadband to address the impact of digital poverty.

Building confidence is key – Helping people to recognise their own skills and how marketable and transferable they are is crucial in order to gain buy in to training solutions. Teaching understanding of different strengths and skills is important from a young age in order to develop confidence. A lack of confidence can act as a huge barrier to take up and access.

This is also the case for older people who may have become institutionalised in current sectors and need help identifying transferable skills. Having skills mentors and support structures in place will be crucial here to successfully support people through upskilling or reskilling interventions.

¹⁴ According to the OECD Check source – is it Centre for Better Ageing?



Over 50s who are made unemployed are twice as likely to be out of work for 12 months or longer. It was noted that more needs to be done around segmenting this demographic as 50 - 70 is a huge age range and people will have varying needs.

Employer's perspective – despite the recession some employers are still struggling with skills shortages

“We have a nurse rate vacancy of 5% that even during times of increased redundancy in the region, we struggle to fill.”

Gary Wright, Deputy Chief People Officer,
North Tees and Hartlepool Hospitals NHS Foundation Trust



North Tees and Hartlepool Hospitals NHS Foundation Trust is the largest employer in the Teeside area, employing around 5,500 people across approximately 300 different roles. The Trust has an employee turnover rate of around 10% and employs a large number of older workers meaning that recruitment and retention activity is an ongoing and necessary priority.

High regional deprivation

Based in an area with high levels of deprivation, 52% of hospital staff live in areas categorised as being in the top 10% of the most deprived in the UK. The region faces high levels of entrenched generational unemployment and there is a below average life expectancy rate.

The Trust places huge importance on the values and behaviours of its employees rating this as equal in importance to individuals having the skills to do the job. A huge challenge in the area, due to second and third generation unemployment, is changing the ambitions and aspirations of people in the community. As Gary explains: "Many of the people living locally don't think they could ever have a career working for the NHS."

Education from an early age

The Trust invests heavily on educating young people from an early age, working with primary and secondary schools to develop their aspirations and showcasing real opportunities in the region. It also works closely with local colleges to ensure that there are clear pathways and routes into healthcare professions and that these are communicated to learners.

A challenge that the Trust faces is the ongoing recruitment of nurses and previously it has had to recruit nurses from the Philippines when it couldn't fill roles locally.

Building for the future

Like with most organisations, the Covid-19 pandemic has brought large-scale change to how the Trust is functioning and 50% of outpatient appointments are now happening electronically. This large change needs to be adequately supported by technology alongside employees who have the skills to use it efficiently and effectively.

In line with its active recruitment and retention policies, the Trust is working to develop clearer career pathways and opportunities for employees: an individual may join the Trust as a Healthcare Assistant and receive training and development as a route towards becoming a registered professional. The hope is that they will then stay working for the hospital for the longer term.

With rapid advances in automation, the Trust also realises that it needs to innovate and develop new roles to keep pace; ensuring that the right levels of digital provision are in place to support this is critical.



Employer's perspective – New green energy solutions will create job opportunities

“Our HyNet proposal to build a carbon capture and storage facility and hydrogen network will create 5,000 jobs and make Liverpool City Region a world leading part of the move towards a hydrogen economy.”



Martin Rimmer, Chief People Officer, Cadent Gas



Cadent Gas, formerly known as National Grid Gas Distribution, owns, operates, maintains, repairs and develops the gas distribution pipe network in the majority of England, connecting 11 million homes and businesses to the gas supply. Cadent employs approximately 1,000 people in the North West of England serving around 2.7 million properties in the area.

Response to Covid-19

The majority of Cadent Gas's employees are engineers and activity needed to continue during the Covid-19 pandemic following social distancing guidelines where possible. Whilst the situation was challenging, Cadent managed to keep all of its employees working and didn't furlough any of its staff. When business inevitably slowed, it offered a paid leave scheme for its employees to volunteer for a few days per month. Cadent also brought forwards work and upgraded gas mains on busy roads and near schools when streets were quieter and schools were closed.

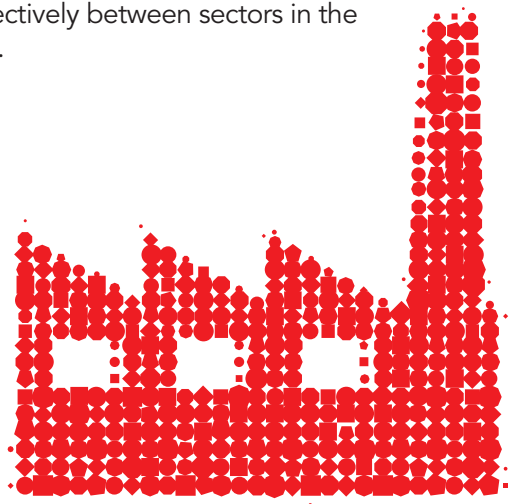
Diversifying the offer

Cadent has developed a proposal to create and deliver a hydrogen network between Manchester and Liverpool. This includes building a carbon capture and storage facility which will see hydrogen produced through the burning and carbon capturing of natural gas. The hydrogen would then be distributed across the North West to power industry in a zero-carbon way, blend into the domestic gas supply to dramatically cut emissions for heating and to potentially power transport.

The predicted benefit is a £17 billion GVA uplift to the North West by the mid-2020s and will see the creation of around 5,000 jobs across the hydrogen supply chain. Cadent chose the Liverpool/Manchester region as it feels strongly that there is a legacy and history of industrial innovation in the North West along with a large number of highly skilled individuals, who are not necessarily currently in jobs that best suit their skills.

Cadent sees many opportunities for retraining and job growth through the creation and delivery of the network. In order to proceed, the business would need to retrain many of its engineers who are currently trained in methane gas distribution which is significantly different to the production and distribution of hydrogen.

The proposal offers an exciting and viable solution to many of the current challenges in the region focusing on transferrable skills, reskilling and opportunities for individuals to pivot effectively between sectors in the North West.



Act now action plan

We have a once in a lifetime opportunity to respond now to the skills and employment challenges this country faces and below is our collective action plan to tackle the unemployment crisis now and create a skills system that will meet the needs of the country over the coming decades.

We need to refocus the adult education and skills system on getting the UK back to work and away from simply allowing people to gain qualifications that are not always aligned to local labour market needs. To do that we need a more coherent and flexible lifelong learning system that considers the needs of employers both now and in the future as well as the needs of people at all ages and stages in their careers. Below we have drawn out how this might happen in practice:

1.

Taking learning to the people

We need to think more broadly about where people will learn if we are to reach all of the people who need to retrain today and in the future. This might not always be in a traditional classroom-based environment and should have a focus on 'taking learning to the people'. Any new thinking should include:

New Locations for Adult Training – taking training out of the traditional college / university environment could make it more appealing to older students. We propose rejuvenating underutilised educational and council owned buildings as well as shop units left empty by the pandemic to make learning more accessible to all.

Move to more online learning – putting more learning online makes it more flexible enabling people to access in their own time around their lives and responsibilities.

Mobile Training coaches / career mentors for outreach – to take training and careers advice to harder to reach / less advantaged communities.



2.

Creation of employment and training hubs in areas of high unemployment

We believe that one way to help quickly get people back to work is via the creation of Employment and Training Hubs which will act as a one-stop skills and jobs matching service for adults in employment who might need to or want to upskill or retrain and those seeking employment. Our view is that these would allow the people to access advice, guidance and gain a

diagnostic of their current transferable skillsets. This service would identify skills that could be easily transferred to other industries / jobs as well as any skill gaps people had. Hubs would; provide careers advice and guidance, direct people straight into employment in other sectors where possible, direct people into college or university if needed but would also provide short, sharp training interventions to get people back into work.

This needs to be done quickly as every month unemployed reduces a person's chances of getting back into work.



3.

Open up funding to include any type of skills-based learning that leads towards a job

We would like to see a more effective reallocation of the £1 billion investment from planned Government funding to be augmented by devolved Adult Education Budget allocations to ensure all post-compulsory education adults have access to Adult Training Allowance Loans to meet employer and labour market demand. There have already been moves to recognise the need to combine channels of funding and this rationalisation must continue if we are to remove the restrictions that each channel places on its utilisation.

4.

Support further business and individual investment in training

There must be more opportunity for people to take control of their own learning with more flexible loans available to people who want to upskill. Employer investment will also be important, a more flexible application of the levy budget could be used for this purpose in the short to medium term.

5.

More investment in careers advice for all ages

More needs to be done to allow people of all ages to access careers advice across the regions. This advice should be region specific, reinforced by up-to-date labour market intelligence which provides an indication of what jobs are available in regions and what skills and learning is needed to access these roles. Information should be equally targeted and tailored to older audiences and include details on self-employment and portfolio careers. Making information readily available will be critical. Better online solutions should be made available so that people can access careers advice from their own homes and in their own time. In addition, there should be physical places where people can access careers advice and guidance such as the proposed Employment and Training Hubs.



6.

Push ahead with regional devolution agenda

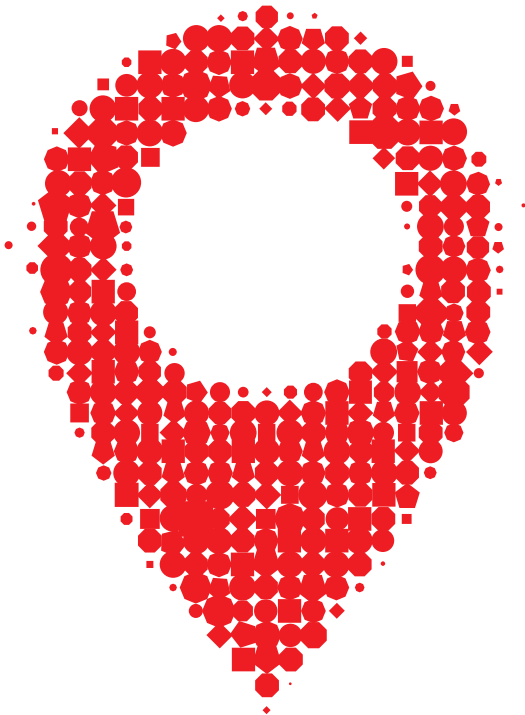
Increased delay to the long-awaited devolution white paper could risk 'levelling down' certain areas of the country. There is already successful devolution underway in largely urban and city locations and further delays to this will mean those areas and regions without similar arrangements in place will suffer as a result. The gap between opportunity across regions could become starker as some are able to capitalise on localisation and others must try and adapt centralised policy applications. This comes at a time when a sense of geographical location might be increasingly irrelevant to where we work and who we work for.

7.

Provide devolved regions with more autonomy to implement skills solutions that work for them

A key theme that arose from all of the roadshows was that Mayors up and down the country are frustrated that their hands were often tied and they were unable to address the challenges they are facing as effectively as they could with more autonomy and better resources.

Devolution needs to go further and deeper than is currently planned to address this. Currently there are uncertainties around the future publication date of the devolution white paper and what this might herald for future devolution of English regions. Given this, and as part of an effort to encourage a level playing field for Mayoral and LEP areas across the country, we believe there are certain aspects of guidance and responsibility which could be provided in these areas to better meet the educational and employment challenges they face:



There needs to be greater collaboration between large and small companies to address local skills shortages

8.

More autonomy over skills funding to deal with local skills and employment challenges

Attendees at all of the roadshows noted that policy interventions from central Government weren't often sufficiently targeted to meet the individual skills needs of each region or local area. We recommend that in addition to areas such as the Adult Education Budget, Government should devolve more skills funding to a regional level and give regions more autonomy to implement central skills policy in a way that works for them. For example the Kickstart scheme could be implemented by MCAs and LEPs to better meet immediate, local needs.

Option to pick the policy that best meets local needs – Mayoral Combined Authorities and LEPs should be able to select from a menu of central skills policies using a dynamic skills budget held within the region. This will allow them to address their own skills need but within a national framework of skills development.

Guidance and a structure to better measure the success of educational institutions – There needs to be much closer alignment of the courses available locally with the labour market needs to ensure that people are able to get a job at the end of their training and that employers are fulfilling their skills needs.

Broadened employer engagement – better support for SMEs

There needs to be greater collaboration between large and small businesses to address local skills shortages. This may be sector-specific, especially where there is a concentrated demand for technical skills in a given area. Equally, cross-sector collaboration enables the development of high quality transferrable skills required by all organisations.

Sharing best practice, determining skills requirements, driving local training delivery and pooling potential candidates will help increase the overall capabilities of the local talent pool, and create a 'rising tide of talent' that benefits all.

Local businesses are best placed to articulate the skills they need in their area. We must ensure that every region has a role in convening and organising. The way that Government grants and vouchers are designed and rarely reflect the local business picture. More must be done to consult with local businesses to ensure better impact.




Summary

Whilst the impact of Coronavirus has dealt a devastating blow to both our national and regional economies, it has also presented us with a valuable opportunity to look at how we train people now and how we could do it better in the future. The adult education system was already broken before Coronavirus came along – this is our chance to put it right and have the responsive and effective lifelong learning system that the country truly needs and deserves.

Now is our 'act now moment'. Government must take a chance on making more radical changes to tackling unemployment and skills gaps in local economies or we will only see greater levelling down of the country in the years to come. That will need innovative new approaches to reskilling considering new learning environments, new ways of training large volumes of people, better more targeted use of skills funding and a lot more consultation with the organisations that understand skills needs and those that understand local economies.

By allowing local governments greater autonomy we will see greater innovation and a better use of public funds that genuinely support getting displaced people back into work. It will also provide local economies with the skillsets they need to thrive into the future.

A young man with short dark hair and glasses is smiling broadly. He is wearing a red short-sleeved shirt with a black collar and black cuffs. The background is a blurred indoor setting with glass panels and vertical lines. A large, semi-transparent grey triangle is overlaid on the right side of the image, containing white text.

Now is our 'act now moment'. Government must take a chance on making more radical changes to tackling unemployment and skills gaps in local economies or we will only see greater levelling down of the country in the years to come.

