



Greater Manchester
Chamber of Commerce

Greater Manchester Local Skills Improvement Plan

A skills plan for everybody



**Funded by
UK Government**

**Prepared by:
Greater Manchester
Chamber of Commerce
May 2023**

This Local Skills Improvement Plan has been approved by the Secretary of State in line with the approval criteria set out in the [Skills and Post-16 Education Act 2022](#), and in accordance with the [LSIP statutory guidance](#).

Greater Manchester Local Skills Improvement Plan – May 2023

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INTRODUCTION

In August 2022, Greater Manchester Chamber of Commerce was named as the designated Employer Representative Body (ERB) for developing and delivering the LSIP for Greater Manchester (GM LSIP).

Local Skills Improvement Plans (LSIPs) are a new initiative from the Department for Education (DfE) and form part of a new vision to transform the provision for post-16 technical education by putting employers at the heart of the skills system. Introduced in the Skills for Jobs White Paper in January 2021 and now part of the Skills and Post-16 Education Act, LSIPs provide a far-reaching opportunity to give employers a much stronger voice in local skills planning. This builds on existing work ensuring there is an active partnership between business and education and training providers. This relationship will reflect and react to market changes, responding to new challenges and providing the skills required by employers in a fast -changing labour market.

In the March 2023 Spring Budget details of the new Trailblazer Devolution Deal for Greater Manchester were revealed and a brand new approach to skills provision in GM was outlined building on, amongst other areas, the Mayor's stated ambition for an Integrated Technical Education City Region. This new approach will have the GM LSIP at its heart and will ensure that future provision matches demand better and has the flexibility to respond rapidly to changes in the labour market.

Whilst the Devolution Deal covers post-16 skills, it is important that GM works with all educational institutions to ensure young people have a clear line of sight to the labour market at earlier ages. The idea of providing credible, attractive and informed choices to young people pre-16 is a popular one with employers, but obviously the necessary powers are not part of the Devolution Deal and no powers currently exist to enable this to happen.

This is a significant ambition but is only one part of the solution to deep-seated skills issues. The LSIP has identified issues that employers and employees face with in-work training and skills development; upskilling to meet new demands in methods and technology and reskilling for many traditional sectors that have seen rapid decline in employment, and workers are left with no option but to look at different career paths and opportunities.

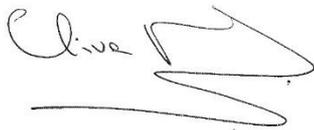
In addition to the above, current labour market conditions are setting a challenging environment for employers.

The GM LSIP sets out the Strategic Priorities for GM as regards key growth locations, sectors, occupations in demand and levels of provision and training using a mix of existing data, new intelligence and analysis at a scale that has not been done before. It highlights the priority areas and occupations for action and why it is important to tackle these for the GM economy and its residents. Recruitment difficulties are covered as well as a range of other issues that have been highlighted by employers that all impact on their ability to recruit and train the staff they need and which, ultimately, act as a barrier to growth in GM.

There are actions that will need to be taken forward. Some are more obvious than others and, as GM develops a new LSIP-informed technical skills system, additional solutions may be identified later in the Stage 2 process of the LSIP.

This Plan sets out the key priorities and changes needed in a local area to make post-16 technical education or training more responsive and closely aligned to local labour market needs, it will develop and evolve responding to employers' needs as part of an ongoing dialogue between employers and providers *and* linked to the strategy of the GMCA.

Full details of the methodology and sources of data used can be found in the accompanying Annexes and thanks must be given to everyone that has played a part in the development of the GM LSIP, other Business Representative Organisations, employers, college principals and their staff, GMIOT, GMLPN, GMCA staff and a significant number of partners and stakeholders willing to take part in what is a significant and potentially transformational piece of work.

A handwritten signature in black ink, appearing to read 'Clive', followed by a stylized, sweeping flourish.

Clive Memmott OBE

Chief Executive Officer

Greater Manchester Chamber of Commerce

31st May 2023

1. LSIP PURPOSE AND PRIORITIES

THE GREATER MANCHESTER ECONOMY AND GROWTH STRATEGY

Greater Manchester City Region is home to c125,000 businesses who between them employ 1.34m people.

Its economy delivers £77.8bn GVA (2022) and the City Region has an ambitious strategy for growth that aims to provide wider opportunities for its residents to access and benefit from jobs that are well paid, secure and offer good employment opportunities that will, ultimately, benefit businesses and residents in GM and beyond.

The Greater Manchester Strategy vision is one of 'better lives for all'. A significant part of this is about creating conditions for a fairer, greener, more prosperous GM so that its residents and businesses can look forward with confidence and ambition.

LOCAL GROWTH CORRIDORS/CLUSTERS

To deliver the strong economic foundation for this, 6 key growth locations have been identified from the 2021 GM Growth Location Update. They are:

Airport/Southern Growth Corridor – Manchester Airport is a vital link for international trade and tourism. Future growth plans will see the expansion of existing businesses in Airport City with a focus on distribution, warehousing and logistics whilst attracting more Head Offices to be based there. The growth plans also include developments in nearby Stockport town centre including GM's first Mayoral Development Corporation with significant new developments planned or currently underway. Transport infrastructure will be developed across the area with the building of a station for HS2 servicing the airport and surrounding area and the wider north.

Central Cluster – Located in Manchester and Salford with plans to create 90,000 new jobs in digital/creative/media and professional services with strong links to universities and R & D facilities to build on the innovation strategy. The plans also include 15,000 low carbon homes and a high, continued demand for jobs in construction, leisure and culture as this sector looks to expand further with new facilities.

Eastern Growth Cluster – Centred around Tameside to take advantage of growth happening in advanced materials/manufacturing with a focus on coatings, plastics and textiles. Tameside has invested over recent years in its digital infrastructure, and this will continue to attract new hubs for future growth.

North East Growth Corridor – Based around Rochdale, Oldham and Bury, the centrepiece is 'Atom Valley' with a focus on early stage developments around advanced manufacturing, materials and other product development and research businesses. This area is already the site of the Advanced Machinery and Productivity Institute (AMPI), and developments here will offer a link with West Yorkshire and parts of East Lancashire.

Wigan and Bolton Growth Corridor – Focused on logistics, manufacturing (especially food) and health innovation/life sciences; 12,000 new homes to be built and significant upgrades to existing infrastructure including a new mainline station at Golborne.

Western Gateway – The ambition is to build on links with Liverpool Freeport with the establishment of a tri-modal freight hub – Port Salford. 25,000 new jobs will be created around logistics, distribution, advanced manufacturing, and a focus on low carbon technologies in Trafford Park. 21,000 new homes and supporting infrastructure to be built.

KEY SECTORS

To support growth, GMCC has identified the following 7 key sectors based on: evidence from local authority growth plans, the 4 GM frontier sectors identified in the GM LIS and those sectors identified as having growth potential vital to Greater Manchester:

Manufacturing and Engineering – Greater Manchester has always had a strong manufacturing and engineering heritage and industry. Whilst developments over the last 30 years have seen the decline of major industrial plants, the sector plays an increasingly vital role in identifying new, innovative technologies, making high value supply chain components, vital for high tech and precision engineering and has specialist areas in food manufacturing and advanced materials. Whilst workforce numbers are in decline, the GVA of the sector continues to grow and with net zero becoming increasingly important, ongoing developments in the sector will ensure there will be a continued demand for highly skilled employees for years to come.

Financial and Professional – The cities of Salford, Manchester and other areas in GM have seen a rapid rise in F & P jobs over the last few decades and that growth is set to continue but may evolve and require fewer but better skilled employees. Outlying areas adjacent to the city centre are also now experiencing an overspill of job creation for the sector and new sector hubs being set up. Whilst new technologies, most notably AI, are now beginning to play a part in businesses thinking about future developments, there is still a high demand for a range of office-based roles and especially for managerial positions.

Digital and Technology – Greater Manchester is an established centre - second only to London - with a number of national companies headquartered here. New offices have opened up for organisations like GCHQ that need the skills available in the city region for work in international/global Cyber Security. Across all 10 local authority areas new hubs and clusters are being developed to ensure that the sector's growth continues. In the GM Digital Blueprint 2023-2026 it is predicted employee numbers in digital roles will reach 95,000 and GVA for digital, data and technology will reach £7bn by 2029. And with the evidence and data showing that employees in all sectors will require some degree of digital knowledge and aptitude in the future, there is an immediate challenge around making sure that accelerating demand can be met.

Creative, Culture and Sport – A large part of the GM economy is based around this sector. In addition to the income it brings from tourists and visitors from home and overseas, it offers employment

opportunities for a large number of people as part of an extensive supply chain. There are new venues being built and further investments being made. With retail facing post- Covid challenges, alternative attractions and destinations are needed and the sector will be a driving force behind this.

Construction and Green Economy – For a number of years, the construction sector has underpinned Greater Manchester’s economic growth and is a significant employer. With £5bn planned developments to be delivered in years 2023/24 as part of the growth corridor and clusters and other construction and infrastructure developments, there will be a steady increase in future demand for jobs. Estimates are for 11,000 new jobs by 2027 - in ‘traditional’ skill sets and trades as well as new and emerging methods and technologies around low carbon construction and a significant uplift required around the retrofit of existing properties. It is estimated that over 880,000 homes and 2,700 public buildings will need some form of retrofit with no estimates available yet for commercial property. This is likely to create 90,000 new jobs. Whilst net zero will have significant sector-wide impacts, it is within construction and new energy and building efficiencies that this will first manifest itself. There are also increasing digital skills requirements from managing projects to ensuring building management is as efficient as possible.

Education and Early Years – To have an effective and well-trained workforce it is vital that they have access to well-trained teachers. However, there are significant issues and shortages of staff to train as teachers throughout the whole education system in key subjects such as STEM, English and Digital that are important and form the foundation for later skills development and training future teaching staff. Whilst labour shortages play a part, a dedicated approach is required to target those subject areas that are critical to deliver longer term growth ambitions. As regards early years provision, over the next 3 years there may be an increase in demand responding to new childcare entitlements announced in the Spring Budget 2023.

Health and Social Care - This sector is vital not only to ensure there is immediate provision to deal with current and projected demand, but to also ensure that there are adequate resources devoted to future growth and development. New technologies, new applications and techniques are being developed as part of a major focus on life and health sciences in GM. This has been the subject of significant investment and attracting new industries to GM.

Work is currently ongoing by GMCA to assess what impact and further opportunities the Trailblazer Devolution Deal may have on the growth locations and key sectors. The data that has been collected for the LSIP will be vital within this process in ensuring that future activity matches employers’ needs.

Data underpinning the LSIP was collected at a local level across all 10 local authority areas in GM that make up the Greater Manchester City Region and has been used by colleges to complete their Accountability Statements.

This data has been aggregated up to the GM level to match with key growth sectors and locations, whilst still reflecting and focusing on local strengths and variances. Copies of the area-by-area breakdown and data can be found in Annex D and this will be used to help with putting the GM LSIF bid together.

WHY ACTION IS NEEDED

There are a variety of well-established and well-known reasons why businesses often struggle to recruit staff. There are issues around skills shortages i.e., applicants for roles do not have the required level of skills to fulfil all or part of the role requirements; labour shortages, where employers report difficulty in attracting applications for roles advertised; and finally, the job conditions themselves, with prospective employees identifying issues around unsocial hours, remote locations, etc., that prevent them taking up positions.

The UK is currently facing tight labour market conditions with a significant shortage of available workers relative to the demand for labour. The last 12-18 months have been characterised by a low unemployment rate, a historically high number of job vacancies and an increase in the number of those who are economically inactive, particularly through the rise of the long-term sick post-covid. Training alone will not resolve these shortages, there must be a recognition about pay and conditions as well as short to medium term access to migrant labour.

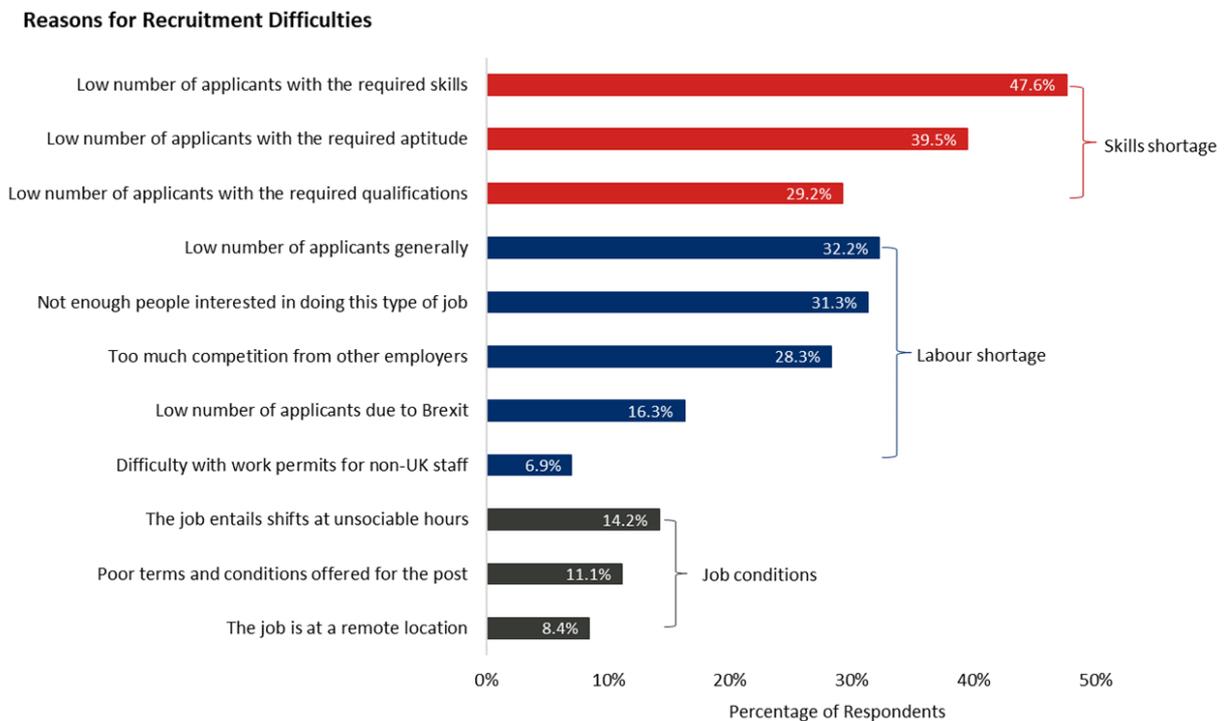
The unemployment rate for January to March 2023 stood at 3.9%, which is on par with the figures recorded before the pandemic, and lower than the pandemic era peak. Economic inactivity, currently at 21%, remains at a higher level than pre-pandemic times. In the months preceding the pandemic, the economic inactivity rate was 0.7 to 0.8 percentage points lower than the current level. The recent decrease in the economic inactivity rate has been driven by people in the 16-24 year group entering the workforce – such as students leaving education and part time working. However, this cohort experiences the second highest economic inactivity rate after the 50-64 age group, who are leaving the workforce in significant numbers. As experienced workers in the latter group leave, the labour market also loses the indispensable skills and experience they have gained. The combination of low unemployment and higher economic inactivity levels cause labour shortages and recruitment difficulties, evidenced by the high vacancy rate in the UK.

In the three months from March to May 2022, the number of open vacancies peaked at 1.3 million. Although they have now decreased to 1.08 million, this level is still 31.1% higher than the period just before the pandemic. The number of vacancies in November 2019 to January 2020 and December 2019 to February 2020, were 822,000 and 826,000 respectively. The sectors with the highest number of vacancies in February to April 2023 were Health & Social Work (196,000), Wholesale & Retail (138,000), Accommodation & Food Services (132,000), Professional Scientific & Technical Activities (113,000) and Administrative & Support Services (73,000). Meanwhile, Manufacturing and Construction had 72,000 and 40,000 vacancies respectively. These sectors are vital contributors to the Greater Manchester economy and continued labour shortages could curtail their ability to expand operations, innovate and invest in new projects, potentially limiting overall economic growth.

Data gathered from the LSIP survey and interviews with employers reveal that many employers are struggling to find individuals with the specific skills and qualifications required for certain roles. Skill shortages are particularly prevalent in sectors that demand highly specialised or technical skills, such as healthcare, digital and technology, manufacturing and construction. Tight labour market

conditions mean the competition for workers is high, driving wages higher as employers attempt to attract and retain talent. Our research has shown that wage inflation continues to pose challenges for business while also contributing to potential inflationary pressures on the broader economy. Constraints in the labour market pose particular challenges for SMEs as they struggle to compete with larger enterprises to attract skilled workers. Whilst the causes for labour shortages and recruitment difficulties are not all attributable to skills deficits, Greater Manchester based employers have clearly said that they are struggling to recruit workers with the relevant skills. Addressing current labour market challenges will require significant investment in skills development and creating training programs to bridge skills gaps through strengthening collaboration between employers, learning providers and employer representative bodies.

The following table breaks down employers' answers to the survey questions posed on recruitment issues.



Research undertaken across multiple streams have shown that employers perceive a shortage of the skills they require in candidates and hence they report recruitment difficulties. Analysing the causes of recruitment difficulties revealed some interesting insights. According to employers, recruitment problems were primarily linked to skills shortages within the labour market. **The most cited reason for recruitment difficulties was “low number of applicants with the required skills” with nearly half of the businesses saying they faced this issue.** The lack of aptitude, proficiency, and qualifications, according to employers, also contributed to recruitment difficulties. Two in five identified “low number of applicants with the required aptitude” and just under a third cited “low number of applicants with the required qualifications” as obstacles to recruitment. These reasons can be categorised as a skills shortage issue.

However, the research also shows that causes for recruitment difficulties are not all attributable to a deficit in skills. **Recruitment difficulties were also caused by a labour shortage i.e., a significant shortage of workers rather than a deficit in skills.** Around a third of the respondents reported that there were “not enough candidates generally”, while an almost equal number said there were “not enough candidates interested in applying for the job”. In a tight labour market, competition amongst employers to recruit the people with the skills they need is going to be high and indeed, 28.3% of employers reported that there was “too much competition from other employers” which drives up wage costs.

A third option presented to employers for the reasons for recruitment difficulties had to do with the conditions of the job itself. These reasons were the least popular, as not many respondents cited them. It is likely that most employers do not perceive, or are perhaps unwilling to admit, that pay and conditions are barriers to recruiting staff. Only 11.1 % reported that the “conditions offered by the post were poor”, while 8.4 % said that the “location of the job was remote” and hence a barrier. The findings highlight the fact that a host of other factors such as lack of transport links, unsociable shift hours or childcare costs can impact applicant numbers and worsen recruitment difficulties.

The data analysed for the development of the LSIP show that **salaries offered to staff are an important determinant of recruitment difficulties. Within Greater Manchester, there are large variations in the salaries offered to staff for the same role.** For example, Adzuna data shows that in 2022 (before the increase in NLW in April 2023) the median salary in job postings for social care workers was £19,831 in Greater Manchester. Demand for social care workers measured by the number of job postings was the second highest of all occupations in the conurbation. For the same role, the median salary offered in Tameside was £18,818, while the adjoining borough of Stockport offered £20,042. These fall below either or all of the National Minimum Wage (£19,851), the National Living Wage (£20,319) and Real Living Wage (£21,255). A similar trend can be found in other roles such as Warehouse Worker (Logistics & Transportation sector) and Customer Service Assistant (Hospitality sector).

At the lower end of the pay scale, a 5% - 7% difference is likely to have a significant impact and affect decisions about where people seek to take up employment. These differences are not limited to lower paid roles. It emerged from the LSIP survey and interviews that openings for Quantity Surveyors were hard to fill. The role is also believed to earn higher than median salary. Yet, the salary offered for Quantity Surveyors varied between £45,000 to £60,000 in different boroughs. At the lower end of the pay scale, marginally higher salaries and perceptions about difficult working conditions can shift workers from one sector to another or from one part of the sector to another. It’s clear that the high demand for roles in Hospitality (with better pay) was encouraging lower paid workers in Health & Social Care to seek work in that sector. An interviewee from a NHS Trust said that the difference in pay between what is offered by the NHS and what care homes offer was certainly prompting workers to seek employment in the NHS as soon as they acquired the minimum skills and/or qualifications to do so and create more issues around shortages in care homes.

Greater Manchester has an ambition to become a Real Living Wage City Region, an initiative that could particularly benefit lower paid workers. Wide take up amongst businesses could certainly address some of the above-mentioned issues. However, this is often not enough as the market has driven up wage costs because of limited labour supply.

Another important barrier relates to business uptake of employee training. The Chamber's Quarterly Economic Survey shows that, predating the pandemic and many of the current challenges that businesses state as distinct barriers to growth and investment at present, business investment in training has reduced and continues to stay well below the historic average compared with the national average, which shows a huge long-term decline over the last 20 – 25 years. Some attempts to rectify this situation have led to already higher-qualified employees having more provision. Despite the importance for business training in upskilling, re-skilling and improving worker productivity, businesses are not always willing to offer training to their workers. Reports published by the OECD and CIPD highlight that the lack of training opportunities particularly affects workers possessing lower skills and on lower pay. The LSIP survey helped identify some connected issues.

Most businesses observed skills shortages in the labour market, but they did not identify major skills issues within their workforces. Nearly 70% of employers “strongly agreed” or “agreed” that their organisation was affected by skills shortages. At the same time, approximately 76% of businesses “strongly agreed” or “agreed” that their staff possessed the necessary skills to do their jobs. Moreover, 59% of the respondents “strongly agreed” or “agreed” that their current staff possessed the necessary skills that their organisation will need in the next three years. **In other words, businesses regarded their existing workforce positively and did not see major skills problems inside their organisations.**

The fact that the majority of businesses reported skills shortages in general but most of them reported no skills issues within their workforce seems contradictory. A regression analysis on this issue **revealed that businesses do not associate the concept of skills shortages as an internal skills issue. This was a particularly interesting finding because it means that employers tend to associate skills shortages with the recruitment process and not always with learning and development needed by their workforce, or with the pay or terms of employment that may be offered.** It is therefore evident that many employers do not always recognise the value of staff training and treat it as an additional cost, rather than a productivity and retention enhancing investment. Even when employers recognise the value of training, they fear that well trained and higher skilled employees might be lost to competition, particularly in a tight labour market. Consequently, many employers “attempt to recruit their way out of a labour shortage” and try to recruit workers with all the required skills and experience rather than taking on candidates with potential whose specific skills needs could be addressed with training.

Most businesses (61.3%) reported that they have provided some type of training to their staff, either on-the-job or external courses. However, training provision varied widely across the type of business. A regression analysis with the LSIP survey data showed that the larger the business, the more likely it was to provide training to the staff. In other words, larger and medium businesses provided training more often than small and micro businesses. The Employers Skill Survey 2019 (ESS) and the Employers Pulse Survey 2021 (EPS) verify these findings. Both surveys found that SMEs are lagging behind larger enterprises in training. Usually, larger businesses have more organisational and economic resources than smaller businesses, which largely explains why the former provide training more often than the latter ones. Several respondents identified internal and external obstacles to training. Difficulties in releasing staff for training, more than the cost of training, was the major internal barrier to offering training. **Whilst 32.4% of businesses reported that their staff did not have time to undertake training, 23.3% reported that their managers lack the time to organise it. 30.5%**

of businesses cited budgetary constraints. These findings may be understandable, but employers do need to be more proactive to help address this. At a time when businesses are facing labour shortages, releasing existing staff to undertake training could disrupt the business but the cost of not doing this is obvious. The finding also highlights the need for workforce planning within businesses.

When asked about external barriers to training, course prices and local availability were cited as the main obstacles. External courses were reported as being too expensive by 35.3% of businesses. Moreover, **20.1% expressed the concern that there were no courses available in their local location, while 15.8% reported that there were no relevant courses in their field.** Some respondents mentioned that there are many online training courses available, but there are not enough face-to-face courses. Many respondents preferred in-person training and expressed the view that face-to-face training was not just preferable but critical in areas such as “leadership and management”. This finding highlights the need for raising awareness about available training options. Moreover, some independent training providers are often willing to work with the business to identify specific training needs and create bespoke courses that best meet business needs. Considering that businesses generally feel that the skills ‘system’ is not easy to navigate, these findings emphasise the role of anchor institutions such as ERBs to facilitate discussion between employers and training providers and in helping employers access the training they need as opposed to the training they are told they need by providers who will sometimes push subsidised provision.

The LSIP will primarily focus on how skills shortages in key sectors can be addressed in order to maintain the forward dynamic growth in the GM economy. We will also consider the relevant elements raised from issues around ‘labour shortages’ by ensuring the awareness and value of roles in some sectors is more accurately portrayed and publicised. It should be recognised that issues around labour shortages may take longer to resolve than new qualification provision.

Our data showed that, overall, 60% of job roles took longer than 3 months to fill.

Whilst the main focus of the LSIP will be on skills that are required to ‘do the job’, there is still a significant number of employers that use the phrase ‘soft skills’ as a descriptor for areas of skills shortages in recruits and existing employees. We drilled down into this area to establish what employers mean by this. For the purposes of the plan, the phrase has been used to help employers identify shortages but, evidence shows some of the areas of soft skills shortages can be classed as specific, technical skills dependant on sector.

Combined, labour shortages and skills gaps pose a vital challenge to businesses because they hamper the ability of a business to maintain production or service delivery, impede profitability and cause increased workload for other staff, which can in turn affect employee wellbeing. It is also widely documented that the UK has a productivity deficit relative to other OECD countries, and skills gaps are a contributor of low productivity. Shortages of skilled labour also creates wage inflation, whilst affecting the delivery of new projects and the adoption of productivity-improving technology.

Greater Manchester has clear ambitions to grow and develop its economy and, with further devolution, the ability to now deliver these plans has never been better. But to do this there has to be a relentless focus on ensuring the pipeline of future skills will meet demand where and when it

will be needed. Young people will need to be better aware, guided and ultimately trained to ensure they can take full advantage of the opportunities before them. Employers will need to be better engaged in helping identify areas of need and playing a greater part in helping address those problems in partnership and collaboration with providers and local authorities.

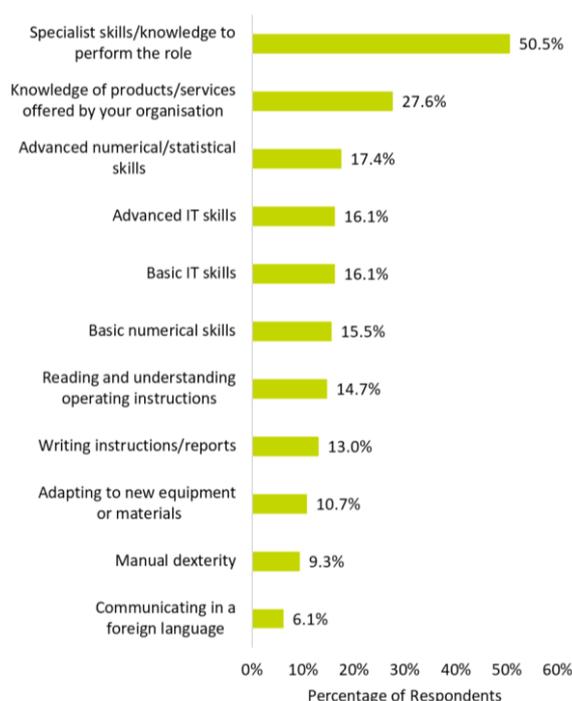
These are significant ambitions, but ones that will need to be delivered in line with the priorities and recommendations identified in the LSIP. The following section looks at what those priorities for action are.

2. PRIORITIES FOR ACTION

EVIDENCE FOR ACTION

Our comprehensive survey work (over 3,000 responses) produced clear evidence of what employers wanted as regards technical skills i.e., ‘the skills to do the job’. We also included questions relating to soft skills as previous work had identified that many employers perceived soft skills to be of equivalent importance, if not more so, than technical skills. Many employers stated that their priority was a person with the right attitude, as technical skills can be taught later. As soft skills cover a range of semi-technical skill sets, dependent on sector, we identified that the ability to segregate these is an important part of the skills planning in the LSIP.

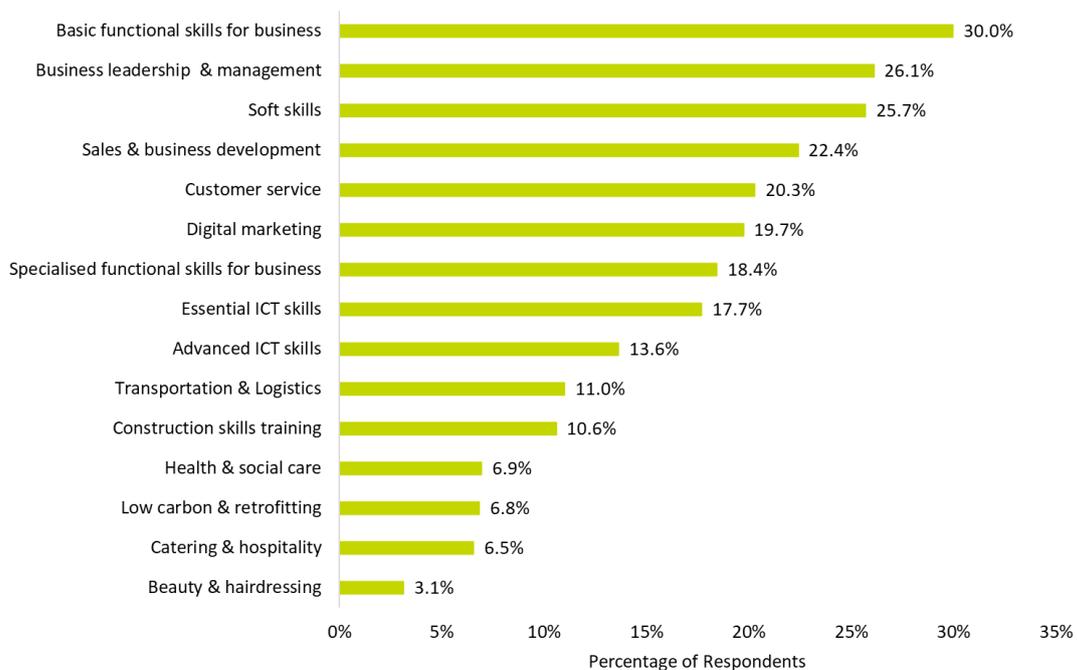
In the first instance, we focused on non-sector specific evidence and areas where technical skills were lacking, or not, at the required level for employers to fill advertised posts. These results show employer responses for technical skills gaps when recruiting at a GM level – subsequent area by area breakdowns of all data and results can be found in Annex D.



The following table shows the ranking of those soft skills missing or lacking in recruits.



We also asked about areas of training that employers wanted to see more of or made more accessible.



INITIAL FINDINGS

Combined with our extensive interviews with employers (over 100 individual meetings) initial findings showed that:

Employers linked skills shortages with recruitment as opposed to the need to upskill their workforce with c.70% of employers saying skills shortages were evident when recruiting staff, but 70% said that their workforce had sufficient skills for current and future needs.

Digital Skills – whilst there was existing awareness of shortages of high-level ‘technical’ digital skills – software devs, coders etc. - it became increasingly clear that there are significant gaps in digital skills at all levels and across all sectors. Basic functional skills such as being able to use Office applications or operate digitally controlled machinery and equipment, are lacking and these have become and will be increasingly fundamental for all job roles in the future.

Leadership & Management – Many employers highlighted the lack of adequate leadership, management and supervisory skills both in their existing workforce and when recruiting for specific roles. Cross referencing with many of the ‘soft skills’ gaps highlighted, skill sets around time management, presentation skills and managing/motivating staff are missing in recruits and staff. The default response seems to be employers promoting staff who are ‘good at their job’ into managerial positions without proper training, resulting in poor outcomes in terms of operational efficiency and staff morale.

Soft Skills – This phrase has been used for a number of years by employers to describe those skills that an employee needs outside of those specific ‘technical’ skills to do the job. For many employers this means attitude and aptitude as well as more basic work requirements, such as presentation skills, setting objectives, time management, etc. The problem with this is that it is a lazy catch-all description that can be difficult to interpret accurately and pick out specific skill sets to address. It can also reflect employer uncertainty in relation to what they need. On a sector-by-sector basis, for some employers, certain attributes may be less important than others, e.g., customer service is a priority for retail, hospitality and sales, but less so in a production role or potentially a trades role. Soft skills are a major issue for employers, and this is also recognised by providers. Whilst some technical skills shortages may be easier to address, it would be wrong to ignore the issue of soft skills if current and future skills and recruitment issues are to be tackled successfully.

Net Zero – The huge focus on net zero and the low carbon economy means many businesses want to deliver aspects of this around retrofit of properties, energy management, EV technologies, etc., or, at the least, looking at ways of ensuring their business meets new legislation and guidelines and takes advantage of new technologies to reduce bills. As Net Zero impacts on a number of sectors, it can be described as cross-cutting similar in some ways to digital, but a lot less developed when it comes to clarity and understanding of what businesses need to do and what staff and skills they need to develop. Whilst there has been a steady growth in net zero related training and courses, overall, the evidence is that this will need to be significantly stepped up over the next few years to ensure targets are met – in GM the accelerated net zero target date is 2038. Fully effective deployment of net zero skills through the workforce will enable the unlocking of other activity that will further boost economic growth. Furthermore, basic carbon literacy to forward-looking business development and planning skills at all levels will be at a premium unless wider, faster more effective provision is

enabled. It is vital that bottlenecks are not allowed to develop, and employers have a voice in this by looking further ahead and are not just reliant on existing order books with just ‘traditional’ work. The switchover in demand will happen and it is important to focus on making sure this happens quickly and effectively.

Essential Skills for Work – The level of satisfactory literacy and numeracy levels coming into post-16 education is still a significant issue for many FE providers with a huge effort made and a lot of public money spent to ensure that shortfalls are made up. From our work with employers, many still report issues around employees’ ability for example to write reports satisfactorily, writing good email communications to customers, basic numerical skills and a range of other work-related skill areas. Many employers see there being a set of essential work skills needed that takes core subjects such as maths, English and digital and a focus is made on the functional or application of these in a workplace setting. With government focusing on boosting maths attainment until 18, employers are concerned that without a focus on how these skills are to be applied in the workplace relevant to job roles and career pathways, then the situation will not improve sufficiently and the problems will persist.

SECTOR PRIORITIES

Using data from local authority growth plans for priority sectors in each of GM’s 10 local areas, we found sectors that have been identified as a priority in each local authority. These also reflect the GM priorities and plans as to where future focus needs to be as regards economic growth.

	BOLTON	BURY	MANCHESTER	OLDHAM	ROCHDALE
Construction	X	X	X	X	X
Logistics	X	X			
Health	X	X	X	X	X
Education	X	X	X	X	X
Health Innovation	X				
Green/Net Zero	X	X	X	X	X
Manufacturing	X	X	X	X	X
Hospitality		X		X	
Professional Services		X	X	X	X
Digital Creative Media			X		
	SALFORD	STOCKPORT	TAMESIDE	TRAFFORD	WIGAN
Construction	X	X	X	X	X
Logistics	X	X		X	X
Health	X	X	X		X
Education	X	X	X		X
Health Innovation					

Green/Net Zero		X	X	X	X
Manufacturing	X	X	X	X	X
Hospitality			X		
Professional Services	X		X	X	X
Digital Creative Media	X		X		

CURRENT PROVISION

Looking at the key sectors in GM, referencing the local growth areas and where demand is expected to grow matched with current provision, the following sector by sector roles and occupation priorities become clear. Labour market factors have also been referenced where these have a significant impact on supply such as in Health and Social Care where critical labour shortages are the primary factor impacting the sector, as opposed to this being down solely to lack of training provision. **A low priority rating does not necessarily mean no action is required and often means that provision will need to be increased to meet future demand created by growth.**

This is a summary of the full set of results contained in ANNEX E that set out the emerging trends and supporting evidence.

CONSTRUCTION	PRIORITY FOR ACTION
Retrofitting	Urgent Priority
Steel Erection	High Priority
Structural Fabrication	High Priority
Construction Process Management, Site Engineering, Project Management	High Priority
Quantity Surveying	High Priority
Building Envelope Design	Medium Priority
Digitalisation in Construction methods	Medium Priority but provision will need to be increased and become more specialised
Core Construction Skills	Currently low priority but increasing demand means the volume of courses will have to expand to meet demand.

Infrastructure and Future Developments in GM

1. The increase in development projects across Greater Manchester provides significant opportunities for further growth in the construction sector. The development of residential and commercial areas, science hubs and education facilities amongst others, requires construction work in varying capacities, especially in the initial stages of development.
2. Construction projects are scheduled to take place impacting the whole of Greater Manchester. For example, key developments in Manchester, including the new 23,500

capacity arena, residential, commercial and mixed used buildings like the Ducie Street development are huge construction projects.

3. There are similar projects in Bury, like the Longfield centre -£100m investment; Millgate shopping centre redevelopment; Radcliffe Civic Centre - £40m investment; and the Bury Market Flexi-Hall.
4. Transport infrastructure expansion and development has been another area bolstering the construction sector. For example, The Bee Network aims to deliver seamless end-to-end journeys using the different modes of public transport. With a phased rollout until 2025, it will create jobs in construction and transportation.

DIGITAL & TECHNOLOGY	
Cloud Computing	High Priority
Data Analytics	High Priority
Emerging Technologies (AI)	High Priority
Software Development	High Priority and demand is increasing
Cybersecurity	Medium Priority but increasing demand and levels of importance
Essential IT skills for Business	Low Priority, but demand is increasing as employers become more aware of gaps and shortfalls

Future Developments in the sector in GM

1. The Factory, in Manchester, a £1 billion investment project set to be a new centre for arts and culture. Targeted continuous investments in creative, innovation, tech and digital industries in NOMA are also taking place.
2. Developments in St Petersfield, Tameside, are said to be multi-purpose facilities but also have the potential for innovation within the digital and creative field.
3. Immersive Technologies Innovation Hub are exploring applications for immersive technologies in the entertainment, education, health, built environment, and manufacturing sectors, helping businesses to design, develop and test new solutions for the metaverse.
4. The Memorandum of Understanding between GMCA, Innovation Greater Manchester and Innovate UK commits the parties to closer collaboration to support business innovation. This has implications for the digital sector specifically, with more R&D going into it.

EDUCATION	
Teaching – Stem & Digital HIGH PRIORITY Teaching - LOW	High Priority – current provision demand is met but severe labour shortages are impacting the sector.
Supporting Teaching and Learning	High Priority - current provision demand is met but severe labour shortages are impacting the sector.

Infrastructure and Future Developments in GM

1. Investment in different sectors to attract employment in Greater Manchester has had a trickle-down effect. As investments are being made in housing and education to support the different growth clusters, the development of educational infrastructure is required to increase.
2. There are plans to include an education centre at Therme Manchester, a wellness resort being developed in Trafford, for schools and community groups to learn about nature and sustainability.
3. AR EdTech For Hydrogen Skills – Blair Project – an education technology (edtech) platform providing hydrogen skills training content for the manufacturing, construction, transport and energy sectors. This helps individuals develop skills relevant for a multitude of industries employing technology and green skills in education.

FINANCIAL, BUSINESS AND PROFESSIONAL SERVICES	
Sales & Business Development	High Priority for Sales courses – widespread feedback from employers that these skills in high demand. Medium Priority for Business Development
Accountancy and Finance	Medium Priority
Law	Medium Priority though labour market conditions are impacting supply.
Administration	Low Priority but demand is increasing beyond traditional office roles

Future Developments in the sector in GM

1. In Greater Manchester, the FBPS sector is one of the largest employers and the largest in some local authorities. The sector continues to grow, and more talent will be needed to meet future expansion.
2. The set of business and mixed-use facilities around Greater Manchester would result in the expansion of businesses into these areas. More business in Greater Manchester would create an increased demand for professional services.
3. Stockport in 2022 approved plans for a low carbon eco business park in Cheadle Town, aimed at attracting a range of diverse businesses with a common, low-carbon theme.

HEALTH AND SOCIAL CARE	
Nursing	Urgent Priority for provision – the degree route for nursing is impacting greatly on recruitment numbers plus there are specialist areas in critically high demand such as Mental Health.
Social Care	High Priority – chronic labour shortages are impacting more than skills provision.

	Employers reluctant to release staff for training in a sector with a severe labour shortage and it is difficult to attract staff into the sector
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Future developments in GM

1. There will be an increased demand for the services of the health and social care sector given the ageing population of Greater Manchester. There is a current and rising demand for occupations like adult care and support workers, nurses and specialist occupations like mental health professionals.
2. Health innovation has also become increasingly important in Greater Manchester, with multiple projects currently underway. For instance, Greater Manchester launched a health accelerator programme that invited companies to collaborate with the NHS and research organisations. The programme will run until June 2023, focusing on AI & digital technologies, medical devices, biosensors, genomics & precision medicine, diagnostics, biopharmaceuticals, and applications of advanced materials, aiming to support the introduction of new health and care innovations.
3. In Trafford, proposals for a care home offering specialist dementia care have been submitted, to be incorporated into their project, Trafford Waters, which is expected to create 5,000 jobs, overall.
4. Bury has invested nearly £60 million recently in new Health Innovation and STEM facilities at Bury College. This expansion creates new opportunities across healthcare and digital technology.
5. In Manchester, Foundation Trust and Bruntwood are planning to transform the Wythenshawe Hospital Campus, through major investment in the estate, its infrastructure and the local community. Development will include a range of new top-specification research facilities to support the Trust in delivering innovation in healthcare. There is also a continued investment in the Manchester Science Park such as the £60m investment in the highly specialised lab space by Bruntwood SciTech.

LOGISTIC AND WAREHOUSING	
Future Skills in Logistics	Urgent priority for operational skills around use of automated lines/drones etc High Priority for general software skills and coders for equipment/picking lines
HGV & Bus Driving	High Priority – increasing demand coupled with labour shortages.
Forklift Operation	High Priority – rapid increase in demand with new warehouses and failure for provision to keep track
Warehousing	High Priority – labour market shortages impacting recruitment. Little provision for upskilling in operational managerial skills on attracting staff to the sector but once in

	there is little provision in managerial/operational skills
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Infrastructure and Future Developments in GM

1. Greater Manchester has predicted that there will be over 3 million sqm. of warehousing floorspace needed by 2037.
2. In Bolton, the Bewshill Farm Development would be designated as industrial and warehousing floorspaces. This will complement the adjacent development of the Logistics North site and the logistics park in Wigan, all of which are linked to the Bolton-Wigan Growth Corridor.
3. The Western Gateway will improve connections with the Port of Liverpool through the development of a tri-modal freight hub at Port Salford. This ground-breaking development is to include an inland port, rail link, container terminal facility and 1.5m sq. ft of logistics floor space, with operations commencing in 2023.
4. The expansion of air freight activities undertaken by Manchester Airport would create more opportunities for the sector. Manchester’s Airport City is forecasted to create 11,600 jobs, overall. This includes a dedicated industrial and logistics park, housing a fulfilment centre for Amazon and a facility for ALPHA Logistics, among others.

MANUFACTURING & ENGINEERING	
Green Skills, Lean Manufacturing and Sustainability	Urgent Priority especially around energy efficiency/waste management. These are transferable into other ‘trade’ sectors
Robotics and Automation Technologies	High Priority
Electrical Trades, Electricians, Electronics Engineers and Technicians	High Priority
Computer Aided Manufacturing and Digitalisation in Manufacturing	Medium Priority, but demand will continue to increase and pace of technological change will also need to be managed.
Traditional Manufacturing/Engineering Skills	Medium - Welders are in demand but currently there is adequate provision. This could change however with a small increase in demand. Low Priority for machine operators and Medium Priority for Fitters, but labour shortages are impacting on the supply of labour and attracting new entrants to the industry.

Future developments in the sector in GM

1. Greater Manchester aims to be a world-leading region for innovative firms to experiment with, develop and adopt advanced materials, make smarter technologies in manufacturing and facilitate the design of new products and processes through its Local Industrial Strategy.

2. The North East Growth Corridor focuses on developments in Bury, Oldham and Rochdale. The most important of which are Atom Valley, which will place a key focus on manufacturing innovation across advanced materials, advanced machinery and the circular economy.
3. In Tameside, the creation of a Mayoral Development Zone will build upon the existing strengths in advanced materials and manufacturing of coatings, plastics and textiles.
4. Advanced Machinery and Productivity Institute (AMPI), in Rochdale, is focused on machinery innovation including automated and autonomous robotic systems.
5. The University of Salford won grants to fund projects on advanced manufacturing and productivity. Companies can benefit from linkages with academic partners to test new technologies. For example, North of England Robotics Innovation Centre (NERIC), which will provide a hub for collaboration and innovation.

RETAIL & HOSPITALITY	
Chef & Cooking skills	Low Priority but very big labour demand with increasing competition
Customer Facing Skills	Medium Priority - staff with good skills in high demand – labour shortages due to recruitment issues for the sector. Some of this will be met by part-time labour e.g., students, but issues remain around skill levels.

Future developments in the sector in GM

1. Investments are being made across GM to reshape city centres, while some Local Authorities, like Salford, have put forth proposals for the development of new city centres, increasing opportunities for retail, leisure and hospitality-based businesses.
2. TraffordCity is also set to become home to the first surfing lagoon in the region. The £60million scheme would be the first inland surfing facility to open in the region by 2025 and create 100 jobs in the area.
3. Bolton has plans for the restoration of Hulton Park, and the provision of a Ryder Cup standard golf course and associated leisure and tourism facilities.
4. Stockport Exchange is a modern business district being developed in phases, with phase 4 currently underway. It is expected to house a town centre hotel, and leisure and retail facilities.
5. Manchester’s Airport City is forecasted to create 11,600 jobs, overall. This includes shops, bars and restaurants.

There is clear evidence that for some occupations and sectors existing supply is currently meeting demand, but the expected growth will mean that supply will need to keep pace with this creating extra pressure on resources, capacity and ability to meet future demand. What may currently be seen as adequate could, with no continued focus or investment, fall behind demand levels anticipated in the future. There is also the impact of labour shortages to be considered and noted in the above table that if resolved will create extra demand on existing provision. It is also important to note that within sectors there may be acute shortages in parts of that sector and it is vital that these are prioritised.

STRATEGIC PRIORITIES

From the evidence gained through our survey work and employer interviews the following, broader issues came up time after time as recurring evidence around skills shortages or barriers to recruitment. It is important that they are recognised as strategic priorities and connected with the sector/occupation specific skills shortages in the previous section to give an overall approach for taking action. It should also be noted that these issues have been around for a number of years and will require a longer-term plan to resolve them.

- 1. Basic IT/Digital Skills**
- 2. Essential literacy and numeracy**
- 3. Leadership and Management**
- 4. Net Zero/Sustainability**
- 5. Basic, soft skills specific to the workplace**

Whilst the above will not be immediately resolved solely by a new qualification or provision, and may in reality prove more difficult to address, the weight of evidence from employers show these to be of such a high level of concern that they cannot be ignored. However, addressing some of these issues requires significant structural change at all stages of the education journey that is outside the current scope and ability of the LSIP.

Because of their importance, long-term nature and far-reaching impact these Strategic Priorities should form a framework around which sector-specific skills and training can be built.

CHANGES NEEDED

Over the past few years through GMCA-led work and with a range of partners across GM, work has already started to address some of the long-standing skills issues affecting the city region.

The announcement of the Trailblazer Devolution Deal will address significant issues identified, with greater local control to respond quickly to emerging labour market challenges. Evidence shows that employers want a greater focus on technical and vocational education and enhanced provision for numeracy, literacy and digital skills to make them more suitable for the demands of a modern workplace. These must be positioned within a wider context rather than just allowing learners to make choices at a certain stage in the educational journey.

There are other actions needed to bring about the level and scale of change that is needed.

Some of these listed below are strategic and high-level changes across the city region others less so, but, as a set of changes, they are an effective and realistic response to the priorities identified and allow levels of local delivery where appropriate. It should also be stated that these will be worked on and implemented in partnership with employers, providers and the GMCA. Together, with other data, these will also form the basis for initial work on the Local Skills Improvement Fund bid for GM.

RECOMMENDATIONS

Build a Strategic Priority Framework that supports occupation/sector specific training – this will ensure that the long-standing and critical needs that employers have identified as critical skills gaps and shortages underpin all future technical/vocational training, ensuring that both immediate technical skills needs are met, and steps are taken to resolve deep-rooted and long-standing skills issues.

Greater focus on technical and vocational skills and training for young people – this will raise awareness of jobs and careers available. The announcement of the integrated technical city region and increased focus on the technical/vocational pathway and the ongoing conversation around this will establish a roadmap for how this will be delivered in GM taking advantage of the new Devolution Deal. It is important though that the other key issues that have been identified around broader but equally as important, non-technical skills shortages, are not ignored. This also helps more young people from disadvantaged backgrounds to be included to help begin to break cycles of poverty.

Workforce development and upskilling must be significantly improved/enhanced - this will help focus on making sure employers are encouraged to assess their current workforce skills levels and look ahead to future requirements in line with the findings from the LSIP. Employers have to significantly increase investment in training and development of their staff; this does not equate to a purely financial investment, but also recognition that this will involve allocating time for staff to attend courses whether externally or internally. It is important that this message is promoted extensively to employers outlining the benefits of staff training. This will require a big cultural shift in many businesses to address a long-term decline that has been deeply damaging.

Develop and deliver more, shorter courses to support in-work training and employee development - evidence shows these to be effective and better suited to dealing with pressures of releasing staff for long periods from the workplace which does have a significant impact on certain sectors for example Health & Social Care. The work done as part of the SDF bid looking at the development of HTQs in Construction provides great evidence of how, if done successfully, these types of courses can be successful and attractive to employers and staff. More of this method of course delivery will be needed to complement more established training provision.

Use economies of scale - build on existing collaboration within the colleges and GMLPN to address GM wide issues such as the need for a basic set of essential work skills i.e., essential literacy, numeracy and digital/technology. This is not the sole responsibility of an individual college or provider but is a city region wide issue that could be tackled better with a collaborative approach to bring resource efficiencies and a level of consistency that will help employers. This should be considered as a way to resolve issues identified under the 5 strategic priorities.

Ensure that the local elements of the LSIP remain an integral part of the work - this will build on the work done in Stage 1 to build up from the ground level a clear and detailed picture of current demand and provision. Whilst the top level of activity will be at a GM level it is important that, operationally, the ability for local businesses and local providers to have a clear overview of what is happening in their local labour market is critical. This will help with the development of growth corridors and industrial zones, as, even though they go across borders, these offer a great opportunity for a geographical 'base' for ongoing work gathering data and delivering provision.

Employers need to be more aware of existing provision and access points into it - this will be an ongoing element of Stage 2 work to fully maximise the range of opportunities on offer and guide employers to these, where applicable and suitable, as a first option. Current activity is inconsistent and can appear piecemeal often delivered on the back of a national campaign – better, more localised activity matched to need is required. There must be a concerted effort to link employers with providers to ensure that awareness of current provision is up to date taking in established options such as Apprenticeships and ‘newer’ options such as T-Levels and a range of shorter course options around HTQs.

Better tracking and forecasting mechanisms built on research and analysis – building on the expertise already in the city region this will be needed to ensure that supply better meets demand across all sectors and areas, not just for priorities, but to identify and bring forward a pipeline to better anticipate and plan for ‘pinch points’ in provision, or where there may be surges in particular sectors, i.e., major inward investment/construction projects. The ideal would be a ‘real-time, all the time’ approach to match market volatility.

Expand involvement and engagement between employers and education - some of this is being delivered successfully but it needs to be done at a significantly greater scale and involve the ability of providers to utilise the knowledge and skills of employers and their workforces to ensure course content is up to date and relevant and that curricula match immediate and future needs and changes in technology and methods. The GM IoT offers a way for curriculum development that blends industry needs and priorities to provision. Greater use of on-site training should be considered to give ‘real world’ experience where possible. Whilst T-Levels offer practical experience and work placements relevant to courses, there will be supplemental areas of training that this type of activity could address effectively. Employers are already engaged in helping co-design skills bootcamps and colleges are working with employers to adapt delivery models to support staff release. It is vital that where this is effective the activity continues and can be used to support other areas. For example, the digital sector is a prime example where current working knowledge, methods and technology often significantly outstrip the content being taught by providers. With better collaboration, and more ‘live’ engagement with front-line staff building on good practice in industry knowledge exchange, provision will begin to match demand and better reflect the real-world situation.

Ensure there is sufficient funding to cover requirements for new training resources – this will help cover additional costs where different courses are identified to respond to new requirements or where there needs to be an uplift in provision to meet new demand or ensure provision continues to meet demand. This should not necessarily be public sector funds and the role that employers could and should play in supporting new provision should not be ignored. However, this is not purely about financial contributions from business and there are a range of ways that employers can be more engaged within the development and deployment of provision that does use some of their resources but could be based around knowledge exchange, for example. In addition, many employers feel frustration at the way that potential sources of funds, such as the Apprenticeship Levy, do not seem to assist them and there could be some mileage in exploring alternative ways to finance courses. The LSIF will play a role in this supported by the LSIP, but more may need to be done.

Improved definition and understanding of what the skills requirements are around retrofit and the expected growth in net zero - construction needs around specific products e.g., heat pumps, is established but there is little by way of clarity around actual delivery or skills support to allow this to

happen. There also needs to be a concerted effort to bring together a supporting framework for relevant qualifications which is currently missing, and which is something that many employers and providers are asking for.

Significant uplift in the way that careers advice and guidance is given - through a greater use of employers and employees within education to help set out careers, opportunities and rewards to ensure that sectors facing difficulties in recruitment through labour shortages or 'image' start to tackle these issues for young people. It was unrealistic to expect the schools and colleges to provide this without the support of employers. It is also important that advice and guidance is available for existing employees to guide them through their career, look at upskilling/reskilling opportunities, and for so-called 'sunset roles', action is taken to redeploy staff and their skill sets to new roles or within some form of training support capacity.

3.DELIVERING THE LSIP PRIORITIES

The recommendations from the LSIP will play a pivotal role in the development of the new Integrated Technical Education City Region into and beyond Autumn 2023 and will help guide and ensure activity matches employers' needs.

It is critical that the recommendations, changes and extensive data and analysis we have collected is maximised and fully utilised to support the development of the future structure and activity for technical and vocational skills in GM.

This activity will also reflect the outline guidance issued for Stage 2 of the LSIP and ensure that where delivery of priorities can be implemented now then it is done so and where further work is required, recognising the scale and complexity of the GM economy, this is undertaken as soon as possible.

Underpinning this will be continuous monitoring and analysis of the local labour market to ensure that information is current and can be actioned as quickly as possible where issues arise. Part of this will be addressed under the new proposals being developed for the Integrated Skills System which build on the existing ESAP and other groups and will be guided by the new governance arrangements set out in the Devolution Deal.

Whilst these are currently in development, the Chamber will set up a GM LSIP Delivery Group that will oversee activity relating to all aspects of the GM LSIP but which will sit outside of any formal skills governance structure in GM. The purpose of this group will be to focus on the delivery and operation of the LSIP. It will consist of stakeholders and partners from outside of the Chamber but with who we have worked closely with in the development of the LSIP.

Subsequent findings and recommendations of the GM LSIP will be fed into the skills governance structure that is currently under development in GM both for the GM LSIF and the body currently being developed from the existing ESAP that will oversee the work for the development and delivery of the GM Integrated Technical Education Skills and Work City Region identified in the 2023 Trailblazer Devolution Deal. There is a role for the Chamber as designated ERB within these structures. We will also continue to support providers with their requirements to produce Accountability Statements and OFSTED inspections where required.

Whilst these top-level governance arrangements are important it is vital that there is continued engagement between providers and employers at a local level with other engagement including ‘continuous’ survey work. This will provide the data for the supporting system to act on. In addition to the changes being considered for the skills model in GM there are other streams of work ongoing that will have an impact on skills and employment. Most notable of these involve potential new powers around the Growth and Investment Zones announced in the Spring Budget. This is a ‘live’ piece of work within the GMCA and it will be imperative that the LSIP feeds into and responds to the decisions taken around these.

The collaborative relationship GMCC has with the GMCA will ensure that both parties are kept fully informed and engaged with this so that any necessary changes can be quickly made to ensure that the LSIP remains central to these developments so employers, providers and other stakeholders can quickly respond to guide provision needs where necessary.

Away from the more strategic elements of this there are a range of actions that can be implemented quickly or ensure that they continue and will in many cases run throughout Stage 2 and beyond.

KEY ACTIONS

1.DELIVER CLEAR STRUCTURED ACTIVITY FOR PRIORITY SECTOR QUALIFICATIONS AND CURRICULUM PLANNING THAT INCLUDES THE 5 STRATEGIC PRIORITIES
Drill down to confirm and identify provision, qualifications and other non-qualification based training such as Bootcamps to establish where gaps exist and, more importantly, persist. Link with existing activity such as HTQs in Construction to make sure that this is part of the overall delivery activity in GM matching employers’ needs, and promote expansion if required. Ensure the 5 Strategic Priorities are included within this work to act as a wraparound series of activities to address long standing, high demand, critical skill shortages.
WHO
GMCC, Providers, Employers, GMCA
TIMESCALES
Ongoing – first overview to be delivered by the start of Autumn ‘23 to feed into subsequent delivery plans.
2.SUPPORT AND ADVISE ON THE DEVELOPMENT OF THE INTEGRATED SKILLS SYSTEM
Feed in employer needs and supporting data to maximise the opportunities from the new Devolution Deal and set up new ways of delivering technical skills training in GM. This needs to ensure that GMCC as the Designated ERB – on behalf of GM businesses -plays an integral role within the structure and, where required, can effectively ‘sign off’ or support LSIF funded projects as per the Devolution Deal.
WHO
GMCC, GMCA, Providers, Employers
TIMESCALE
Work ongoing (May ‘23) Ongoing review and engagement.

3.PLAN AND DELIVER SKILLS ACTIVITY TO SUPPORT DEVELOPMENT OF GM GROWTH AND INVESTMENT ZONES
These zones have been identified and a good picture exists of current and planned provision, but it is vital that skills delivery and ongoing identification of demand is embedded in the new opportunities coming out of these areas that are vital for GM’s future growth. Ensure that businesses within these zones are fully aware and engaged in activity.
WHO
GMCC, GMCA, Providers, Employers
TIMESCALES
Work ongoing (May ‘23) Ongoing review and engagement.
4.INCREASE AND IMPROVE EMPLOYER ENGAGEMENT WITH PROVIDERS
Build on existing, strong activity at a local level between Providers and Employer Boards/Groups. Support development of groups identified, where needed, to assist with the GM Integrated Skills System and continued development of the overall GM LSIP to ensure ongoing demand and needs are met.
WHO
GMCC, Employers, Providers, GMCA
TIMESCALES
Review activity by Autumn ‘23 and identify gaps and where links could be strengthened especially around priority sectors.
5.COLLECT DATA AND SKILLS INTELLIGENCE- SURVEY, RESEARCH AND ANALYSIS REAL-TIME, ALL THE TIME – THAT ACCURATELY PRESENTS DEMAND AND SUPPLY
Ongoing ‘continuous’ collection of data and intelligence from employers and providers to help ensure that existing analysis is still correct and that the work can react to the volatility of the labour market. This can and should be linked with existing employer engagement through providers. This model worked effectively during Stage 1.
WHO
GMCC, Employers, Providers, GMCA
TIMESCALES
3 surveys per year – Spring, Summer, Winter with capacity to focus on particular sectors/issues such as net-zero or digital where more in depth analysis may be required. Ongoing qualitative data through interviews and other face-to-face opportunities.
6.DELIVER AN EFFECTIVE COMMUNICATIONS PLAN AND REPORTING MECHANISM FOR SKILLS ACTIVITY FEEDING INTO AND OUT FROM THE LSIP
Take forward and enhance the model used in Stage 1 around communications to ensure that LSIP results and activity are communicated effectively to a wide audience across GM. This will also integrate with regular review processes to ensure that the LSIP is on track and changes in emphasis/focus are taking effect. Success with this should encourage greater engagement going forward by employers and others who may not have been involved with Stage 1 work.
WHO
GMCC, Employers, Providers, GMCA

TIMESCALES

Monthly activity plans to track comms and review activity, delivery and progress against any targets.

In addition to the above actions there are a number of issues that have been identified during the course of Stage 1 that bear consideration for further work as part of Stage 2 activity.

OTHER ISSUES

As regards the work involving more sector-based work some feedback and evidence shows that the removal of certain qualification levels has created barriers for entry and increased the likelihood of students dropping out of apprenticeships, etc. This is an example of where the reason for a shortfall in provision is not immediately obvious and is more than a course just not being delivered. It is important we can pinpoint the real reasons around lack of take up for training. This may create work but, in the long run this is a better option to ensure that solutions are accurate and issues can be tackled successfully.

There is also a significant issue around the supply of trained staff across education especially those with specific skill sets in STEM subjects and digital, for example. Whilst recruitment of more staff is urgently needed, this will take time to deliver. There is a willingness for providers and employers to work closer together and we must build on this. Employers must actively engage and participate in helping providers to improve the curriculum and deliver provision that is required by employers.

Through working with other stakeholders, ongoing activity has been identified that we will continue to develop in Stage 2 as we feel that this is of benefit to addressing wider skills issues:

- We have started work with the EY Foundation on activity involving engaging young people primarily from low-income backgrounds with employers and is aimed at breaking down barriers to recruitment. This work is in its early stages and further activity will take place within Stage 2. A paper on this can be found at ANNEX I.
- We are also re-establishing links with Primary Engineer specifically around broader STEM engagement with primary schools. This is something we have worked on in the past but is an area that has generated interest from employers and has been a great way of widening the appeal and awareness of this sector which is a vital part of GM's future growth plans.

SUMMARY

The Greater Manchester Local Skills Improvement Plan presents a detailed illustration of a variety of labour market issues that employers have highlighted, set against a city region with a fast moving and dynamic local economy whose performance has implications at a national level. It is also a city region with a range of new devolved powers and funding that has skills at its heart and in which the LSIP will have a pivotal role.

The plan identifies priorities and actions based on extensive engagement with employers and providers and also highlights a range of other issues that need addressing. For example, Brexit has introduced new challenges for the labour market especially in sectors like healthcare and hospitality,

where reliance on EU workers is high. In a tight labour market, there is significant wage inflation but also wage inequality because pay for lower skilled workers has stagnated.

Addressing these challenges requires a multi-faceted approach and collaboration between GMCA, learning providers, employers and employer representative bodies to decide on impactful investment in skills development as well as working together in potentially new ways.

The GM LSIP has identified numerous actionable priorities to enable this to happen and, looking ahead, the spirit and willingness of employers, providers and other stakeholders to get involved to develop the plan will be needed in its delivery to ensure its success.