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LSIP

Local Skills
Improvement Plan
West Midlands

'This Local Skills Improvement Plan has been approved by the Secretary of State in accordance with the requirements of section 1 of the Skills and Post-16 Education Act 2022, and the relevant published statutory guidance.'

INTRODUCTION AND EXECUTIVE SUMMARY

The West Midlands Local Skills Improvement Plan (WM LSIP), led by Coventry and Warwickshire Chamber of Commerce and developed in partnership with the West Midlands Combined Authority (WMCA) is our region's employer-led roadmap for a stronger and more responsive skills system supporting the full breadth of the region's economy. Grounded in robust employer insight and shaped through deep collaboration across priority sectors, the LSIP sets out the type of skills and programme offers our businesses need over the next three years. To recognise pace and scale of need, the LSIP includes actions required. This matters because the West Midlands has a complex economy that needs a flexible skills system that supports both high-growth clusters and the everyday employers that keep the West Midlands moving.

This plan is targeted at all those who influence or deliver skills: employers across every sector; Further and Higher Education providers and independent training providers; local and national government partners; and civic bodies working to strengthen opportunity and inclusive growth. It provides each partner with a clear, shared understanding of how to respond to employer demand, strengthen the region's talent pipeline, and ensure residents can access meaningful pathways into good work.

Drawing on extensive evidence from over 1,000 employers, education providers and civic partners, the LSIP identifies six crosscutting priorities that reflect the most urgent skills challenges facing the region: (i) strengthening system navigability; (ii) increasing the supply of modular, flexible training; (iii) bolstering work readiness and foundational skills; (iv) unlocking leadership and management capability; (v) embedding digital, data and Artificial Intelligence (AI) skills; and (vi) addressing sustainability literacy and green skills. These priorities build on what we know is already working well to respond to persistent skills barriers, including system fragmentation, low awareness of available training, cost pressures, and limited education provider capacity, that currently restrict employer engagement, workforce progression and the region's ability to respond to technological change.

The LSIP is a call to action. It distils employer insights and sector-specific analyses into clear, practical priorities designed to unlock further growth, widen inclusion and increase market resilience. It builds on the strengths of our region: our industriousness, our diversity, our ability to collaborate, and our shared belief that skills are central to future prosperity.

With this LSIP, the West Midlands has a unified vehicle from which to work together and strengthen an employer-led skills ecosystem that is responsive, collaborative and future-ready - a system not only fit for today, but transformative for tomorrow.

STRATEGIC AND ECONOMIC CONTEXT

The WMCA area has entered a pivotal period of economic transition, combining long-established industrial strengths with new opportunities driven by regeneration, innovation, and sustained investment.

Capitalising on these strengths, the West Midlands Growth Plan is the region's blueprint for accelerating economic growth to 2% per year, support more than 93,000 people into work, increasing GVA per worker by £8,600 and closing the productivity gap to the national average by 2035. Underpinned by a strong evidence base, the plan sets out a bold vision for the regional economy and what is required to deliver it.

Together with West Midlands Works (the region's Local Get Britain Working Plan), the WM Growth Plan sets an ambitious direction towards a more integrated employment, skills and health system, including the development of a more navigable, single-front-door system for residents and businesses.

The WMCA's enhanced powers through its deeper devolution deal and multi-year single settlement, aligned to Mayor Richard Parker's priorities of Jobs, Growth, Homes and Journeys for Everyone, position the region for a new phase of growth. This evolution is central to enabling faster delivery, stronger coordination across partners, and improved capability to support the labour market and skills needs identified through the LSIP.

As an Established Mayoral Strategic Authority, the WMCA's approach to adult skills education is successfully improving the responsiveness of what it commissions to meet labour market need. For example, as part of its Employment and Skills Strategy 2024-2027, a stronger focus on skills for employment and a flexible learning offer including higher level skills is ensuring there is an effective skills ladder to good employment for residents and workforce demand for employers. Collaboration with employers, industry, educators, regional partners including the ERB have been the cornerstone of its success.

Now through its strengthened role, it is further enabling ambitious investments into the regional ecosystem, including:

- £75 million **Building Growth Action Plan** supporting a sustainable talent pipeline for the booming construction sector creating 12,000 jobs over the next three years;
- a Digital Roadmap: bringing together activity to accelerate the region's progress towards an inclusive digital ecosystem, including the West Midlands AI Missions to harness AI for inclusive economic growth.
- £30 million Local Skills Innovation Fund supporting locally driven solutions to transform employment and skills provision and tackle deep-rooted barriers to opportunity, productivity and inclusion.

The LSIP is designed to help deliver these regional economic priorities by embedding the employer voice in skills planning, aligning provision with priority clusters and the region's diverse industrial and employment base, and acting as a catalyst for growth and investment. The region is home to nationally significant clusters in Advanced Manufacturing, Clean Tech and Defence; Business, Professional and Financial Services; Health and Med Tech; and Creative and Digital, alongside a large and essential Everyday Economy, all of which play a major role in employment, innovation and inclusive growth. These sectors closely align with the Government's Modern Industrial Strategy priority sectors as well as the foundation sectors of construction and health and social care, which are central to achieving national growth ambitions. Input via the WMCA's economic evidence and this LSIP, has also informed the development of the associated Job Plans, bringing together shared regional insights into national priorities.

Though the WMCA do not have a statutory role in 16-19 education and skills or in apprenticeship training or in university level education, these are priority areas recognised in its WM Growth Plan and West Midlands Works. To that end, the WMCA also works as a strategic regional convening partner with its Local Authorities, employers, educators, and anchor institutions to support pathways including work through for example its Apprenticeship Levy Transfer Scheme, which has supported 3000 SMEs and 6000 apprenticeship starts to date.

Major regeneration and investment programmes, a strong innovation base, and sectoral cluster strengths present significant opportunities, including good jobs pathways. However, these opportunities sit alongside persistent challenges, including skilled labour shortages, low levels of formal workforce training, limited employer-engagement and complex system navigation. These factors contribute to uneven in-work progression routes particularly amongst SMEs and lower-paid sectors.

This focus on employer-led skills delivery is reinforced through close alignment with West Midlands Works, where strengthened links between skills demand and supply are critical to inclusive economic growth. Through this alignment, the LSIP provides employer-driven insight into skills needs for labour market entry and progression, drawing on evidence from West Midlands Works. Together the measures identified in the LSIP and West Midlands Works, reinforce each other to boost participation and progression. By strengthening pathways into priority sectors and the everyday economy, improving foundational and digital capability, and enhancing system navigability, the LSIP provides a coherent framework that connects employer-led action on skills with the region's wider economic ambitions.

The current situation

The first of these workshops took place on 10 December 2025, bringing together employers from across multiple sectors alongside educators and regional stakeholders. The purpose of this session was to explore common challenges and opportunities relating to leadership and management capability, which employers consistently identify as a key driver of productivity, innovation and organisational performance across the regional economy.

Annex C sets out evidence gathered through previous research and economic strategy development, which highlights both long-standing and emerging challenges. Productivity remains 22% below the national average, driven by shortages in leadership and management capability, technical skills, and foundational digital competence. Employers across manufacturing, digital, health- and med-tech, and business, professional and financial services continue to report difficulty recruiting for Levels 3–5 technical and higher-level roles, while the Everyday Economy experiences sustained pressures relating to retention, foundational skills, and digital adoption.

These challenges are being intensified by wider economic pressures. Rising employment costs, inflation (particularly food and essential goods), and changing consumer behaviour in sectors such as retail and hospitality continue to affect business confidence and constrict employers' ability to invest in training. Meanwhile, employers see the training landscape as fragmented with limited access to public funding and flexible, modular learning - especially for SMEs and workers with caring responsibilities or shift-based roles.

At the same time, there are significant opportunities emerging that will reshape the regional economic landscape and expand future skills demand particularly at higher levels which will see shifts in skills demand, knowledge and behaviours noted in the West Midlands Growth Plan.

Opportunities ahead

The West Midlands Investment Zones reinforce the region's opportunity landscape, with a focus on advanced manufacturing, engineering, clean tech, life sciences, and digital innovation across three key sites in Birmingham (Knowledge Quarter), Coventry (Green Power Park) and Wolverhampton (Green Innovation Corridor). Backed by targeted government investment, the Zone aims to attract global investors, scale up Research & Development-intensive activity, and create thousands of high-quality jobs - strengthening demand for technical, digital, leadership, and green skills.

There is a strong investment pipeline catalysing growth across the region. This includes the Black Country Growth Corridor, covering West Bromwich, Walsall and Dudley town centres undergoing major regeneration, the Wolverhampton-Walsall Growth Cluster with a strong advanced manufacturing supply chain, as well as stronger connectivity and infrastructure alongside the expanding West Midlands Metro line. The Coventry Growth Arc brings together commercial and residential investments across the city, stimulated by the strength of its universities and the Coventry and Warwick Gigapark.

In partnership with Birmingham City Council and backed by Government, the WMCA has established a Birmingham Mayoral Development Corporation (MDC), the largest of its kind in the UK, designed to unlock and accelerate more than £10 billion of regeneration across key sites. This vehicle will drive forward large-scale development, attract public and private investment, and create new employment opportunities across construction, clean energy, infrastructure, placemaking, business, professional and financial services, and digital delivery. As part of the MDC, the proposed Mayoral Development Zone (MDZ) for East Birmingham and North Solihull (EBNS), incorporating the £3 billion Birmingham Sports Quarter, will coordinate long-term regeneration in some of the region's most deprived communities - strengthening transport links, accelerating housing growth, supporting health and life-sciences assets, and unlocking new commercial and industrial opportunities.

Together, these major strategic programmes represent a once-in-a-generation opportunity to reshape the region's economy, leverage its proud industrial legacy and pioneer transitions towards future technologies. They will drive demand for a skilled workforce capable of delivering large-scale regeneration, supporting innovation, and ensuring inclusive growth across priority sectors and the Everyday Economy. The recent awarding of Technical Excellence College status to three Further Education Colleges in the West Midlands will support the delivery of specialist skills to meet this demand for Construction, Advance Manufacturing, and Digital & Technologies.

What the LSIP is trying to achieve

Developed through a comprehensive, multi-method engagement programme involving over 1,000 organisations, the WM LSIP provides a robust and representative picture of employer skills needs across the West Midlands. This evidence led approach ensure the plan reflects the views and needs of employers, providing a mechanism for aligning the region's economic momentum with a responsive and agile employer-led skills system. In Stage 1 (discovery phase), the WM LSIP collated key regional strategies, cluster profiles, and available data from Skills England and the WMCA to establish a baseline understanding of sectoral growth opportunities and existing training provision, and proceeded to build on this evidence base, gathering insights from over 1,000 organisations through a rigorous, multi-method approach. This included the following:

- Engagement of 453 businesses outside of the Coventry and Warwickshire, Greater Birmingham and Black Country Chambers' membership, each with a minimum of 5+ employees, across all sectors of the regional economy through quantitative surveys.
- Conducting semi-structured 'Meaningful Engagement' interviews and qualitative surveys with an additional 355 businesses, education providers and wider regional stakeholders.
- Delivering 6 half-day 'Solutions Workshops,' bringing together 219 organisations, including both those who deliver training and those who use it to identify and shape interventions that reflect practical, relevant and the operational realities of the day-to-day working, the needs of employers and SMEs and the pressures facing managers, to the constraints and opportunities within education provider delivery models. These workshops included thematic discussions covering: young people and entry pathways; in-work progression; Digital and AI; Innovation; and Green and Sustainability.
- Delivering an additional Apprenticeship Engagement Workshop in partnership with Coventry County Council, bringing together 49 organisations and gathering detailed insights from participants on experiences of apprenticeships, what works, common challenges and practical solutions.
- Undertaking supplementary research following an evidence review and stakeholder feedback, engaging 45 employers, education providers and stakeholder representatives on their Higher-Level skills needs through surveying and an additional, online solutions workshop.

Please note that where the term "education providers" is used within this report, it should be understood to encompass further education colleges, independent training providers, universities, and other higher education institutions.

The LSIP seeks to ensure that education providers, civic leaders, communities, anchor organisations and wider regional stakeholders are informed about employer needs and can work together to meet emerging skills needs, supporting inclusive pathways into good work, and enabling the region's residents to seize the full benefits of growth. By shaping skills provision, encouraging flexible and modular delivery, strengthening employer-provider partnerships, and enhancing system-wide coordination and skills provision including flexible and modular delivery, the LSIP acts as both a catalyst and an enabler for the West Midlands' wider economic transformation.



SECTION 1

LOCAL SKILLS NEEDS



Across the WMCA area, participating employers have highlighted a consistent and urgent set of cross-sector workforce challenges. These challenges closely reflect and help operationalise the priorities set out in national, regional and local economic strategies, as well as Skills England's assessments of future demand.

The key skills needs identified span every part of the labour market from high growth clusters to the Everyday Economy and are shaped by wider system constraints such as education provider capacity, barriers accessing available funding and rising employer cost pressures, difficulties understanding the varying knowledge, skills and behaviours benefits amongst different programme outcomes (especially in the same subject area) and challenges distinguishing talent and talent potential as part of recruitment and onboarding. Together, these insights form the foundation for the six priority themes of this LSIP.

Analysis of the LSIP evidence base identifies six consistent priorities that cut across sectors and business sizes:

- Priority 1: Strengthening System Navigability
- Priority 2: Increasing Modularisation
- Priority 3: Bolstering Work-Readiness and Foundational Skills
- Priority 4: Unlocking Leadership and Management Capability
- Priority 5: Embedding Digital, Data and AI
- Priority 6: Addressing Green Skills and Sustainability Literacy

Each of these priorities is grounded in what employers have told us directly and reflect where businesses experience the greatest friction in accessing, developing and using skills. They align with the direction set out in the Modern Industrial Strategy (2025), the WMCA's Growth Plan and West Midlands Works Plan, as well as Skills England's analysis of current and future occupational demand.

Wider system challenges impacting skills delivery

While the WM LSIP priorities set out targeted areas for action, it must also be recognised that the evidence highlights two system level pressures that significantly shape the ability of employers to engage with, seek out, and invest in the skills the region needs with education providers. These challenges cut across all sectors and, if left unaddressed, risk limiting the overall effectiveness of the West Midlands skills system.

(i) Employer Cost Pressures Limit Skills Investment

Across engagement activities and survey responses, employers consistently identified rising business costs, including increased minimum wages, National Insurance Contributions, and utility costs, as major barriers to investing in training. Some also referenced uncertainty about the potential cost implications of changes to employment rights. For many SMEs, these pressures mean that immediate operational demands take precedence over skills development, with the cost of releasing staff (lost productivity, backfill) cited as a significant deterrent. Employers also raised concerns about the cost of training itself, including financial contributions, travel, equipment requirements and the administrative burden associated with accessing funded provision.

System level changes required:

- Targeted financial incentives, subsidies or backfill support to lower the real cost of releasing staff for training.
- Greater flexibility in the use of public funding (e.g., the Growth and Skills Levy) to make training more accessible and aligned with SME needs.
- Simplified, low burden access routes for SMEs, reducing administrative costs and time investment.

- Coordinated regional support to help employers identify high value, high impact training pathways that meet their needs, ensuring its limited resources are used effectively.

These systemic pressures represent critical inhibitors that undermine how the region might address its LSIP priorities. A stronger, better resourced and more agile skills ecosystem will place the region in a significantly stronger position to deliver the high-quality training, progression opportunities and workforce transformation required for long-term economic resilience.

(ii) Insufficient Provider Technical Expertise and Capacity to Meet Employer Demand

Evidence from employers indicates a need for specialist and technical support in high demand/acute skill shortage areas such as engineering and advance manufacturing, in higher level skills programmes from level 3, 4 and 5 through to level 6 and above e.g. welding and software engineering, and in emerging industries where advancements in technology require specialist delivery to support business need.

The ability to deliver sufficiently flexible programmes is constrained however by access to suitably qualified lecturers, particularly in FE colleges, and limited estate capacity. These capacity constraints present a risk that programmes fall behind technological, regulatory and workforce demands. This creates bottlenecks for employers, limiting timely upskilling.

System level changes required:

- Longer-term, and more co-ordinated, infrastructure planning to enable continuous or replenished lecturer workforce capacity, technology upgrades and curriculum innovation with industry across the region.
- Dedicated initiatives to support lecturer recruitment and retention, such as industry linked teaching pathways and shared staffing models.
- Innovative employer retirement or career-exchange models to strengthened cross-sector coordination and improve coverage across the region.



PRIORITY 1: STRENGTHENING SYSTEM NAVIGABILITY

Key challenges for employers

Evidence gathered from employers highlights the skills system is difficult for businesses to navigate. This is a persistent and cross-cutting challenge which was identified in the previous LSIP report. It manifests as low or no employer awareness of available provision, uncertainty about which programmes are relevant (or difficulties understanding course information for a lay audience), and a lack of clear, trusted pathways to help employers identify and access the right support for their workforce.

Across all sectors, employers consistently report that while provision exists, it is fragmented, inconsistent and opaque - leaving many businesses, particularly SMEs, unable to make informed decisions about training, recruitment, or workforce development. These navigability barriers significantly limit employer engagement and undermine the region's ability to convert skills investment into sustained uptake and impact.

"It doesn't feel well coordinated. Too much disparity and difficult to distinguish one training provider from another." – Meaningful Engagement participant

Survey data shows that after difficulty releasing staff/time pressures and the cost of training, the most frequent barrier to providing more training or development opportunities amongst WM employers was a lack of awareness of what's available, reported by 7% of firms overall, and 9% of manufacturers. This is reinforced strongly by qualitative employer testimony. The LSIP found that businesses often rely on informal networks, rather than the formal system, because formal routes feel inaccessible.

Most businesses surveyed by the LSIP (59%) reported that between 76–100% of their workforce had received training in the past 12 months (64% of services sector firms and 43% of manufacturers).

71% of employers reported providing some form of training support for all employees and a further 14% indicated that they provide training support for some employees. Only 14% reported that they do not have a program of support for providing training.

However, Solutions Workshop feedback suggests that much of this provision is informal and delivered exclusively through internal training.

Employers discussed limited signposting and inconsistent communication. Across workshops and interviews, businesses describe the system as "crowded and difficult to navigate," "unclear who does what," and characterised by "too much choice but no clarity".

"Communication between training providers and smaller employers can sometimes be difficult, and it is not always clear what publicly funded training options are available or how to access them. Clearer communication, simpler processes, and stronger engagement with small and medium sized construction companies would help ensure that these investments reach a wider range of employers." – SME construction business

Employers report challenges reaching the "right person" within education providers and cite that short application windows and complex evidence requirements can deter engagement. Several employers stated that they only learned about relevant opportunities "by chance".

Funding models are described by businesses as complex, with unclear eligibility criteria, restrictive, particularly where the apprenticeship levy cannot be used flexibly, and admin-heavy, requiring “jumping through hoops”. Many small employers do not know what support is available or how to access grants, something also identified by the previous West Midlands and Warwickshire LSIP.

Whilst many employers had highly positive experiences of utilising apprenticeship provision, they also frequently cited difficulty understanding its rules (“not simple to understand the apprenticeship rules”), fear of administrative burden and funding compliance requirements, and uncertainty about choosing the right apprenticeship standards.

Difficulties understanding where an offer is available to them in their locality came up, and whilst Skills Bootcamps/SWAPs were described as effective for some, employers discussed variable quality and lack of clarity about outcomes, having little visibility of where Bootcamps are operating regionally, and difficulties with inflexible delivery (e.g., fixed schedules, off-site delivery).

Even where provision is high-quality, the lack of a single front door means employers spend disproportionate time searching for provision that meets their needs, interpreting eligibility rules, or deciphering sector jargon.

Sector-specific insights

While system navigability challenges are common, each sector also faces unique navigational barriers.

SECTORAL INSIGHTS	
Advanced Manufacturing, Clean Tech & Defence	- Low awareness of existing initiatives, despite many sector specific programmes being available. SMEs say they “<i>only discover opportunities through training boards or chance conversations.</i>” - Difficulty identifying which education provider has the right equipment, facilities or specialism. - Challenges contacting the correct person within colleges. - Fragmentation between education providers and industry bodies. - Confusion around security and facilities access in defence linked environments (e.g., unclear clearance requirements that impact SME contracts and hiring capacity). This means businesses often cannot judge which programmes genuinely fit their technical or specialist skills needs.
Business, Professional and Financial Services	- Navigating the training landscape is “overwhelming”, with numerous generic programmes and limited clarity on which are business, professional and financial services-specific. - Lack of visibility on digital, data and AI training tailored to business, professional and financial services workflows. - Little clarity on which education providers offer high-quality, up-to-date training reflecting sector realities, regulation or current requirements. As a result, many SMEs default to in-house training.
Health & MedTech (a sub-sector of Life Sciences)	- No clear route into NHS, social care and medtech training offers. - Confusion around who delivers what and how pathways connect (particularly beyond Level 3). - Limited visibility of digital and AI capability frameworks. - System complexity made worse by multiple commissioners, regulators and education providers operating in an overlapping national-regional space. This contributes to reduced engagement and limited progression for staff because of the competing regulatory sector asks.
Creative & Digital	- Very limited signposting to short modular courses, portfolio-based learning, or industry projects. - A lack of navigation tools that help SMEs or freelancers find relevant provision. - Poor visibility of work-integrated learning routes, live briefs, or innovation programmes. - Complex varying standards across education providers, with no way to compare quality. Many freelancers say support is available “only if you already know where to look”. Freelance is the common working model for these clusters.

Everyday Economy	• Low awareness of entry-level pathways (e.g., SWAPs, employability programmes). • Unclear progression frameworks for lower paid roles, limiting uptake. • Poor signposting to training that builds foundational skills. • A highly fragmented social support landscape (DWP, Jobcentres, education providers), making it hard for SMEs to know where to go.
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Source: WM LSIP employer engagements, detailed in Annex A

Across each of the priority growth clusters in the region, the evidence demonstrates that navigating the system is not simply a communication issue. It is the cumulative effect of employers having low and/or no awareness of provision, fragmentation across education providers, and mixed funding streams, and complex funding rules and eligibility requirements.

Across multiple sectors, employers, particularly SMEs also highlighted that while they recognise the value of upskilling and 26% of survey respondents indicated interest in co-designing course content - they often cannot generate sufficient learner numbers individually to make training viable. Many report that course minimums, funding thresholds, or cohort size requirements effectively exclude smaller firms, even when demand exists collectively. SMEs described being “too small to run programmes alone” and stressed that, without mechanisms to bring together employers with similar skills needs, viable cohorts cannot be formed.

These navigability challenges are intensified for higher-level skills provision. Employers report particular difficulty identifying relevant Level 4+ and professional training offers, including non-university provision, specialist technical courses and higher-level apprenticeships. Many described a lack of clarity about which institutions deliver which higher-level specialisms, how provision aligns to real workplace needs, and how to access funding or support especially where cohorts are small or demand is highly specialised. As a result, engagement with higher-level provision is often fragmented, employer-led and uneven.

This issue was especially pronounced in construction, advanced manufacturing and parts of the Everyday Economy, where firms reported needing “one or two trainees at a time”, but lacking pathways to combine their demand with others. Employers were explicit that pooled or consortium-based approaches would significantly improve their ability to participate in training markets.

Despite the successful establishment of Skills West Midlands and Warwickshire, which has brought about sector-leading education provider collaboration, ongoing changes to the national skills landscape, funding eligibility rules and changes to wider business support have contributed to ongoing challenges with system navigation. Employers continue to call for a singular, trusted, well-resourced, coordinated entry point, to help address limited SME capacity to navigate the system, identify opportunities to pool local demand across SMEs to meet cohort requirements, and ensure that businesses can identify, access and act upon the training that would best meet their needs, ultimately improving productivity, progression and inclusive growth.

Summary

Employer investment in skills across the West Midlands is being diluted by a fragmented and difficult-to-navigate system. Weak signposting, unclear pathways and complex funding rules disproportionately exclude SMEs from formal training markets, despite clear appetite to invest. These challenges are most acute for higher-level and specialist provision, where weak visibility beyond Level 3 and unclear provider specialisms limit uptake and progression. Crucially, the evidence demonstrates that navigability failures are structural rather than sector-specific, constraining employer engagement and reducing the system’s ability to convert skills investment into productivity and progression outcomes across the economy.

PRIORITY 2: INCREASING MODULARISATION

Key challenges for employers

Evidence gathered from employers demonstrates a strong and consistent message across all sectors: businesses need more modular, flexible, bite-sized training provision that can be accessed quickly, is tailored to immediate needs, and fitted around operational pressures. The current system, dominated by long, linear qualifications and rigid delivery models, does not align with the realities of workforce planning, time constraints, or the fast-changing nature of skills demands amongst SMEs.

Employers repeatedly emphasised that short, targeted modules rather than full qualifications enable them to address live skills gaps, reduce time out of the business, and support progression more efficiently. Spiral curriculum modules building on one another, developing increasing topic knowledge across a whole qualification and standalone modules were seen to each serve a purpose, with a mixture of the two needed. Many stressed that accreditation is often secondary to speed, relevance and practical application, with a strong preference for learning that solves real business problems and can be applied immediately in the workplace. Many favoured blended approaches - short online units combined with applied tasks, coaching or on-site delivery, so staff can implement learning immediately. "Learn-apply-reflect" formats were viewed as highly effective. Some also expressed interest in concise, industry-specific training or micro-credentials to help address immediate workforce needs while keeping employees engaged and motivated to continue learning.

Difficulty releasing staff and/or time pressures was the most commonly identified barrier to employers providing more training or development opportunities to their workforce, reported by almost half of the firms surveyed (46%).

Across the survey and interviews, employers, particularly SMEs highlighted difficulty releasing staff for extended periods. Modular, short-duration options allow employees to learn without compromising productivity. Businesses stated that provision needs to "fit around work", "be shorter", and allow flexible, stackable engagement rather than long, continuous programmes.

Employers repeatedly called for training that can be sequenced in small "building blocks" to address specific issues such as new technologies, regulatory requirements, or updated processes. They prefer bite-sized, problem-led content, such as conflict management, quality improvement, or AI-related modules that can be accessed as needed. Longer programmes are often seen as too slow or misaligned with current priorities.

The third most common type of training accessed by WM businesses in the past 12 months was existing short, modular programmes (utilised by 13% of firms surveyed).

Several employers also reported a "roadblock" in progression at Level 3 and uncertainty about suitable next steps. They suggested that more short, stackable modules with clear progression routes into higher level skills would support advancement and prevent drop off. Modular pathways also allow prior learning to be recognised and built upon.

Supplementary LSIP evidence shows strong employer demand for modular, bite sized and stackable provision at Levels 4–7 in particular, including micro credentials and short courses. Employers emphasised that higher level modular provision enables professionals and managers to upskill alongside work, respond to fast changing technical and digital requirements, and build capability incrementally without the risk, cost or time commitment of full programmes. Expanding modularisation at higher levels is therefore critical to addressing the region's "missing middle" and supporting progression into professional, leadership and specialist roles.

In areas such as digital tools, AI adoption, sustainability and new manufacturing technologies, employers also said that skills needs can change too quickly for traditional long qualification cycles. Short, responsive modules would therefore better enable regional skills provision to keep pace with innovation and technological advances.

“Employers repeatedly pointed to short, targeted modules as the most workable and effective format, particularly where content can be selected and combined to address a specific operational issue rather than following a fixed syllabus.” – Leadership and Management Development Solutions Workshop

Sector-specific insights

While modular-based provision is a universal request, employer evidence shows distinct sectoral drivers.

SECTORAL INSIGHTS	
Advanced Manufacturing, Clean Tech & Defence	- Employers require bite-sized, stackable technical units that can be delivered onsite or off-cycle, year-round (not tied to September starts). - A need for modular provision that reduces time away from production lines and supports incremental upskilling in areas like automation, retrofit, materials knowledge and digital systems. - Interest in flexible modules that meet varied occupational needs within supply chains, allowing SMEs to participate despite small workforce numbers.
Business, Professional and Financial Services	- A need for short, targeted training in communication, client handling, digital tools, AI and data. - A preference for modular, “pick and mix” approaches that avoid generic, bundled programmes. - Employers highlighted the importance of practical, experience-based modules that embed learning in real client scenarios.
Creative & Digital	Creative employers – especially freelancers, micro businesses and SMEs reported demand for: - Highly flexible, short modules aligned to fast-moving tools (editing software, digital marketing platforms, AI-assisted production). - Portfolio building modules that link directly to live briefs or project-based work. - Modular alternatives to long qualifications, which do not reflect project-based employment and the variable working patterns of industry
Everyday Economy	Employers in these sectors ask for: - Short, practical modules that build foundational skills like communication, teamwork, customer service, digital literacy and basic maths/English. - Modular, work-integrated training that can be delivered around shift patterns. - Clear stepping stones into apprenticeships or higher-level roles without requiring immediate commitment to longer programmes.
Health & Social Care (part of the Everyday Economy)	- Employers most strongly called for modularisation due to shift patterns that make long courses inaccessible. - Demand for short, stackable modules (5–30 credits) aligned to clear progression routes. - Interest in flexible digital, data, leadership and compliance modules that can be delivered in-work, due to work demands. - Interest in job rotation models supported by modular upskilling as individuals move across functions to support in-work progression. These employers stressed that modular pathways are critical for enabling progression beyond Level 3 and supporting workforce retention.

Source: WM LSIP employer engagements, detailed in Annex A



Across all evidence sources, employers are unequivocal: modular learning is the most accessible, relevant and impactful format for upskilling staff in real time. It reduces operational barriers, aligns with business cycles, supports progression, and allows training to adapt to rapid technological change.

Sector-specific nuances reinforce this priority. Manufacturing needs off-cycle technical modules; health and care requires stackable credits; business, professional and financial services and creative industries depend on rapid-response digital upskilling; and the Everyday Economy needs short, work-embedded modules to build foundational capability.

Making modularisation a core LSIP priority directly addresses employer-identified needs and represents one of the most effective mechanisms for enhancing productivity, supporting inclusion, and ensuring the region's workforce can adapt to future demand.

Summary

Employers express strong and consistent employer demand for short, flexible and work aligned training that can be accessed quickly and fitted around operational pressures. Employers across all sectors report that long, linear qualifications do not always reflect the pace of change in skills demand or the realities of releasing staff, particularly within SMEs and shift based workplaces. Additional, modular, bite sized and stackable provision is seen as critical for addressing immediate skills gaps, supporting progression beyond Level 3 and enabling higher level upskilling without requiring full programme commitment. Evidence shows that modularisation is essential to improving training uptake amongst employers, reducing staff time away from work for training and ensuring the skills system can respond more effectively to technological change and evolving business needs.



PRIORITY 3: BOLSTERING WORK-READINESS AND FOUNDATIONAL SKILLS

Key challenges for employers

Employer evidence shows overwhelming consensus that work readiness and foundational skills are among the most urgent and cross cutting skills needs facing the West Midlands. Across sectors, employers consistently report that new entrants, particularly young people often lack essential workplace behaviours, communication skills, digital competence, resilience, and basic employability skills required to perform effectively from day one. These are foundational skills that signal work readiness amongst employers. The absence or lack of such skills are seen to increase onboarding time, strain supervisory capacity, slow productivity and hinder retention.

“Organisations I work with have trouble recruiting ‘work-ready’ young people. Retention is also a problem. People leave easily if they don’t like the job” – Meaningful Engagement participant

“There is also an opportunity to focus more on preparing learners to be work-ready. Courses that include practical site preparation such as health and safety awareness, asbestos awareness, safe use of tools and plant, and communication skills would make it easier for employers to integrate learners into the workplace. This would help ensure that public investment in skills translates more effectively into productive employment within the industry.” – Meaningful Engagement participant

Employers stressed that foundational skills are not “nice to have”, they are prerequisites for meaningful participation in technical or higher-level training. Across diverse sectors, including engineering, construction, social care, business, professional and financial services, logistics, retail and hospitality, employers consistently made the same point: technical skills shortages are compounded by a fundamental work-readiness gap. This gap limits individuals’ ability to enter or progress in work constrains employers’ capacity to meet operational needs.

Employers repeatedly highlighted deficiencies in core behaviours, including timekeeping, communication, reliability, teamwork, problem solving and professional conduct. Many organisations reported receiving high volumes of applications but finding candidates “not work ready,”. Employers report particular concerns with younger applicants struggling with confidence, resilience and communication skills. Some employers described needing to address basic workplace expectations such as behaviour, attitude and presentation before any technical training can begin.

These concerns extend beyond entry-level roles. Among graduates and early-career professionals in higher-level roles, employers also specifically highlighted weaknesses in communication, accountability, critical thinking, resilience and the ability to apply knowledge effectively in real workplace settings.

Gaps in English, maths and core digital skills were cited across multiple sectors as barriers to recruitment, progression and productivity. While many young people are confident smartphone users, employers noted limited capability in basic workplace digital practices such as professional email use, navigating IT systems and completing digital documentation. These digital skills deficits reduce employability and limit participation in both apprenticeships and other upskilling routes.

Employers also stressed that many young people require more structured opportunities to practice real workplace interactions before entering employment. Activities such as mock interviews, confidence building, early workplace exposure, employer talks and meaningful contact with work environments. Without such activities, transitions into work are weaker and turnover in entry-level roles is higher.

Work readiness gaps place significant additional pressure on managers, who must spend invest additional time coaching, supervising or managing foundational behaviours. This is especially challenging for SMEs with limited capacity; they report struggling to balance operational pressures with the demands of developing entry level workers who require intensive support. Employers expressed concern that these pressures, combined with the increased relative cost of employing entry-level workers, following increases to employer National Insurance Contributions and National Minimum Wages deter recruitment of apprentices or trainees at times of business uncertainty.

Sector-specific insights

While concerns for foundational skills amongst those looking to enter the workforce are widespread, the nature and impact of these gaps differ across sectors. The full LSIP research, set out in Annexes A and C, provides rich insights into how specific industries experience and articulate their needs.

SECTORAL INSIGHTS	
Construction and the Wider Built Environment	• Lack of work readiness, including poor understanding of site behaviour, health and safety requirements and expectations, and teamwork. • The need for broad pre-trade basic customs and practice training, including safe use of tools, asbestos awareness, communication on site, situational awareness, and basic employability skills. • Challenges in finding young people with the attitude and resilience for physically demanding work. • Smaller construction businesses reported a need for multi-skilled workers who can adapt across different aspects of projects, but stated that candidates with both technical capability and adaptability remain difficult to find Several employers explicitly called for a compulsory foundational construction skills year to instil core behaviours and safety understanding before entering trade specific routes.
Advanced Manufacturing, Clean Tech & Defence	• Gaps in basic numeracy, literacy and technical comprehension that hinder progression into and through engineering pathways. • Lack of readiness for structured factory environments, including reliability, attention to detail and problem-solving. • Difficulty recruiting “work-ready” young people with the right attitudes for hands-on roles. These sectors emphasise that foundational competence including maths, digital basics and core workplace behaviours is essential for safe, efficient operation in regulated or precision driven environments.
Business, Professional and Financial Services	Firms report that many applicants even those with existing qualifications can lack: • Professional communication skills suitable for business contexts • Confidence and client facing etiquette • Adaptability and resilience to handle high-pressure tasks • Ability to work collaboratively with others in fast paced environments to meet deadlines. Employers emphasised that technical skills are insufficient without the accompanying behavioural competence. These work readiness gaps are seen to increase onboarding time, reduce early productivity and create additional pressure on managers in time-poor portfolios.
Creative & Digital	• Essential work readiness gaps in communication, client engagement, self-management (working independently) and teamwork across multi-disciplinary portfolios. • An urgent need for baseline digital literacy, including safe and ethical use of AI tools. • Concerns that reliance on AI for coursework completion may impact readiness for real world creative roles because individuals do not develop the genuine underpinning thinking or skill process development needed for industry. Employers emphasised that creative roles require not only technical capability but also confidence, collaboration (negotiating outcomes and compromising between technical and client demand) and reliability (consistency and quality) as areas where many new entrants require development.

Everyday Economy	This sector experiences the most acute foundational skills readiness gaps, including: • Communication, customer service and basic problem-solving • Ways of working, resilience and ability to interact appropriately with customers • Digital skills required for modern retail and service environments • Basic English and maths, which limit employability and progression Employers emphasised that these gaps contribute directly to high turnover and difficulty filling entry-level roles. They called for earlier intervention, more hands-on exposure, and foundational skills programmes embedded within community (and school) settings.
Health & Social Care (part of the Everyday Economy)	• Foundational skills, including communication, empathy, teamwork and reliability as critical to service quality and regulatory compliance. • Gaps in digital and data capability that hinder safe practice, recordkeeping and use of digital care tools. • Difficulty providing placements due to behavioural readiness concerns - some learners lack the resilience needed for care settings. Employers noted that foundational skills are inseparable from patient safety and workforce progression, and that realistic expectations of the working environment (readiness gaps) exacerbate staffing pressures.

Source: WM LSIP employer engagements, detailed in Annex A

Summary

Across the West Midlands, employers are united in their view that work readiness and foundational skills are not being developed consistently or effectively enough to meet labour market needs. These gaps affect every sector, but with distinct impacts depending on industry context. The absence of these core foundational skills reduces productivity gains, hinders in-work progression, increases onboarding pressures for managers and constrains employer willingness to recruit young people, new entrants to the workforce and potential apprentices at the beginning of the career journeys over experienced workers.

A step-change in teaching, developing and embedding stronger work-readiness skills within (subject) provision is essential to meeting employer demand and opening entry access to inclusive pathways for residents to progress into sustainable, high-quality employment.



PRIORITY 4: UNLOCKING LEADERSHIP AND MANAGEMENT CAPABILITY

Key challenges for employers

Evidence from employers continues to demonstrate that leadership and management (L&M) capability remains a fundamental constraint on productivity, retention, digital adoption and organisational resilience. Regardless of employer type or sector, it was consistently described as a challenge linked to insufficient management capacity, under-developed leadership and management skills, and a lack of practical, work-integrated development opportunities for managers at all levels.

While many employers recognise the value of strong L&M capabilities, they highlighted that current provision is often difficult to navigate, insufficiently flexible, overly generic rather than sector or role-specific or misaligned with day-to-day operational pressures, particularly difficulty releasing staff. Smaller businesses in particular struggle to identify relevant provision, release staff, or see a clear return on investment from traditional L&M training. These factors reflect similar findings in the previous, West Midlands and Warwickshire LSIP, reinforcing the ongoing need for a more modular, practical, and employer-informed L&M offer within the region.

Leadership and management appeared consistently in employers' top skills priorities: 6% overall, rising to 11% among manufacturing firms. This places L&M among the top five most frequently identified priority skills across both services and manufacturing sectors.

The first Solutions Workshop focused on L&M and took a cross-sector approach. Employers described a leadership and management ecosystem that is "abundant but uncoordinated", with many stating that while training exists, it is difficult to compare content, relevance and quality, or access local offers or different delivery formats. Several SMEs highlighted that they do not know what is available or how to find the right type of training, especially where funding requirements and administrative burdens are perceived onerous and deter engagement.

A major theme across sectors was that managers are unable commit to long, rigid courses delivered in 9-5 Monday-Friday formats. Employers emphasised that leadership development needs to be delivered through short, modular, work-integrated formats, enabling managers to apply learning in real time within their roles. Many reported that the value of training diminishes without protected learning time and workplace backfill, with participation ultimately dependent on business capacity.

Employers stressed that effective leadership training must be grounded in real operational challenges rather than abstract theory. They valued diagnostic-led and applied approaches, including coaching, mentoring, action learning sets and practical modules addressing core management issues such as conflict management, decision-making, performance management and project delivery.

Several employers described a "missing middle" in leadership capability, with first line supervisors and aspiring team leaders lacking the confidence, capability or tools needed to manage people and embrace or lead through change. This gap is particularly acute in organisations undergoing digital transformation, growth, restructures or changes in service delivery.

Employers noted that many persistent organisational challenges, poor productivity, inconsistent implementation of new systems, missed opportunities for innovation, and high staff turnover stem directly from gaps in leadership and management competence. Without skilled managers, businesses struggle to prepare their workforces for rapidly changing technological and operational requirements, adopt digital tools and AI, respond to sustainability or legislative requirements, or modernise working practices that improve performance and workforce experience.

Across sectors, mentoring was cited as "particularly effective," especially when mentors understand the operational reality of participants' roles. Peer learning models such as "leadership circles" and sector specific forums were valued for their credibility, relevance and sustained impact. Access to networks and peer support was seen as important to support resilience, especially for early career managers or leaders.

Employers stressed that funding rules for apprenticeships and wider workforce development remain too rigid, that administrative burdens are time-intensive and complex, and that SMEs lack capacity assess and compare training offers. Many reported being unwilling to invest in leadership programmes without clear demonstrable business outcomes, particularly when weighed against the high time costs involved.

The recent removal of government funding for Level 7 apprenticeships where learners are aged 22 and above, particularly Level 7 leadership and management apprenticeships was cited by many employers as presenting a significant risk to their workforce development, succession planning and organisational resilience.

Sector-specific insights

Although the need for stronger L&M capability appears across each sector group, the full LSIP research, set out in Annex A, highlights different pressures and development needs across each of the WMCA's priority growth clusters below, and the everyday economy.

SECTORAL INSIGHTS	
Advanced Manufacturing, Clean Tech & Defence	Employer feedback emphasised demand for operational leadership capabilities, particularly: • Supervisory capability on the shop floor. • Skills to manage fast changing technology adoption, including automation and digital tools. • Leadership approaches for safety critical and highly regulated environments. • Succession planning and development of future technical leaders. Many businesses struggle to release managers due to production cycles, driving demand for onsite, modular, off-cycle delivery.
Business, Professional and Financial Services	• Employers highlighted a gap between technical expertise and leadership capability, especially at early career and middle manager levels. • The need for team leadership skills including improving the quality of client handling, communication, and effective decision-making pace. • Difficulty finding L&M training that feels relevant to the "pace and pressure" of business, professional and financial services environments.
Creative & Digital	Employers reported a set of L&M issues distinctive to this cluster, linked to: • Project based, freelance-heavy working patterns. • The need for leaders who can manage fluid teams, agile workflows and innovation cycles. • Managers requiring improved people skills, communication and resilience to support diverse creative teams. • A growing need for leaders who understand AI driven workflows and digital production. Organisations strongly favoured mentoring, coaching and portfolio-based leadership development.
Everyday Economy	• Difficulty developing staff to progress into first line supervisory roles due to foundational skill gaps. • Low confidence among new managers and limited access to training at appropriate levels. • Challenges managing shift-based teams, high turnover, frontline performance and customer facing service delivery. The LSIP research identified strong appetite for bite-sized, practical supervisory training for everyday economy sectors, aligned with real workplace issues.
Health & Social Care (part of the Everyday Economy)	Health and social care employers reported some of the most acute leadership and management challenges, driven by regulatory pressures (e.g. CQC requirements), recruitment and retention issues, and complex cross agency working with NHS/ICB partners. Key needs include: • Team based, bite-sized leadership modules aligned to care settings. • Support for managing compliance, safeguarding, service quality and operational resilience. • Leadership approaches for dispersed teams, high turnover environments and emotionally demanding roles. • Cross boundary leadership with healthcare partners. These employers strongly endorsed sector specific pathways with coaching and mentoring.

Summary

The evidence across Annex A demonstrates that L&M capability remains a cross-economy bottleneck constraining productivity gains, workforce progression, digital adoption and service quality, reflecting the WMCA's underpinning analysis in the West Midlands Growth Plan. Businesses are not asking for generic leadership theory; they need:

- Short, applied, practical options tied to real business problems.
- Sector-specific pathways, especially in health & care, manufacturing and project based creative environments.
- Diagnostic led, coaching supported development, not one-off courses that begins with a formal assessment (diagnosis) of each business or individual's current abilities, gaps, and needs.
- Flexible delivery that accommodates time constraints and different work schedules and business models.
- A simpler, easier-to-navigate system, where suitable L&M options can be easily identified, accessed and utilised.

Improving leadership and management skills is essential to unlocking the region's wider skills ambitions from productivity improvement to digital and green transformation and forms a central priority for the 2026 WM LSIP.



PRIORITY 5: EMBEDDING DIGITAL, DATA & AI

Key challenges for employers

Evidence gathered from employers across the LSIP engagement demonstrates that digital, data and AI capability is a major cross-cutting skills need for employers across the region. Critically, the need is not only for advanced technical expertise, but includes baseline digital competence, the ability to use workplace systems correctly and efficiently, and support to adopt new technologies responsibly and effectively. Employers across sectors described a widening gap between the pace of technological change and the capability, agility and readiness of both its existing staff and new entrants.

While there are clear overlaps with foundational skills needs e.g. basic digital literacy, the evidence clearly also shows that digital, data and AI challenges are more distinctive in nature, being sector-specific, increasingly higher-level (L3+) and systemic, underpinned by infrastructure, delivery and adoption barriers. These challenges are becoming increasingly urgent as businesses accelerate automation, data-driven decision-making and the adoption of AI-enabled tools. Demand cuts across both the region's priority clusters and the everyday economy.

Employers highlighted digital literacy & IT proficiency (6%) and AI & automation (5%) among the most frequently identified skills priorities. In manufacturing, demand is significantly higher, with both rising to 10% each, underlining strong cross-sector demand for digital and AI enabled capability.

A deeper look at feedback reveals that digital literacy and basic IT proficiency are among the most frequently cited skills needs across employers, particularly in the services sector. Employers reported significant weaknesses in routine workplace tasks, including using internal systems, identifying the appropriate digital tools, completing basic data entry, and using digital communication channels to share, update or query information.

Meaningful engagements highlight widespread uncertainty and anxiety about digital transformation and what it means for the workplace. Employers described the rise of AI as both "an opportunity and a potential threat," citing the need for support in understanding real applications, managing the change process, and preparing staff to use new technologies safely and effectively.

Across sectors, employers also identified data analysis and data management as critical gaps. These weaknesses limit decision-making, productivity and effective use of digital tools to improve business performance and efficiency.

Workshops highlighted that employers frequently lack the practical knowledge, readiness and supporting infrastructure to translate digital ambition into delivery, particularly in relation to AI. While the nature of this challenge varies by employer size and sector, many SMEs reported uncertainty about where to start, and how to assess return on investment, sequence adoption steps or ensure ethical implementation. Access to trusted, relevant advice and expertise was identified as essential.

Employers also identified digital confidence gaps among older workers, in particular. This creates challenges for organisations adopting new systems. Employers noted that inconsistent digital skills within teams can stall technology rollout and reduce efficiency. In several sectors, particularly within the Everyday Economy, digital poverty, including limited access to devices, connectivity or familiarity with digital tools, was highlighted as a further restriction to training participation and progression in modern workplaces.

Across all sectors, employer evidence shows a clear and growing need for structured, practical support specifically focussed on AI, as businesses continue to lack clarity on what AI is, how it can be applied in practice, and what effective adoption looks like, particularly for SMEs.

Employers expressed demand for two distinct skills pathways:

1. Business adoption of AI: why it matters, practical use cases, readiness assessment, mechanisms to determine ROI.
2. Skills development for individuals: AI preparedness, AI literacy, responsible use, critical evaluation skills, and integration with digital and data skills.

Sector-specific insights

Although digitalisation affects the whole economy, the nature, depth and urgency of demand vary by significantly by sector. Annex A provides further, sector specific evidence of the skills needed.

SECTORAL INSIGHTS	
Advanced Manufacturing, Clean Tech & Defence	• A need for digital readiness to support automation, smart systems and advanced manufacturing processes. • Gaps in understanding practical digital applications on the factory floor (e.g. machine interfaces, data capture, predictive maintenance). • A lack of SME capacity to adopt digital and AI solutions, attributed to time poverty, long lead times and limited understanding of benefits. • Barriers related to security and infrastructure in defence settings, which restrict exposure to digital systems and complicate digital upskilling.
Business, Professional and Financial Services	• Growing gaps in data analysis, CRM/ERP use, workflow automation and AI enhanced business tools. • Workers who understand theory but lack experience applying digital tools in business contexts. • A strong need for digital learning that is immediately applicable to client facing, commercial and analytical tasks. Business, professional and financial services employers stressed that digital fluency is no longer a "specialist" requirement, it's essential across all roles.
Creative & Digital	Although digital skills are core to this sector, employers reported: • Gaps in work-ready digital capability, particularly among new entrants who may rely on AI tools without understanding the principles behind them. • A need for digital problem-solving, up to date technical tools and safe, ethical use of AI in creative production. • Limited opportunities for freelancers, micro businesses and SMEs to access training that keeps pace with rapidly evolving tools. Creative employers expressed acute concern that AI generated work may undermine skill development unless training focuses on underlying creative and technical understanding.
Everyday Economy	Retail, hospitality, logistics, customer service and care businesses described: • Widespread gaps in basic digital skills required for routine tasks (e.g. digital payments, booking systems, delivery scheduling, online customer service). • Foundational digital exclusion among jobseekers and entry level workers. • Barriers to accessing digital training due to shift patterns, resource constraints and digital poverty.
Health & Social Care (part of the Everyday Economy)	Employers stressed that digital competence directly affects service quality, compliance and patient safety including: • Significant variation in digital capability across the workforce, particularly among older staff. • Barriers to adoption of digital care tools, electronic records and basic data processes. • A lack of clarity about baseline digital skills frameworks for the sector. • Difficulty understanding and adopting AI-enabled health technologies or managing digital transformation across multidisciplinary teams.

Source: WM LSIP employer engagements, detailed in Annex A

Higher-level digital, data and AI capability was identified as a growing priority for professional and technical roles. Employers highlighted increasing demand for advanced skills such as data analytics, AI application, coding, systems integration and critical evaluation of digital tools, alongside concerns that provision often lags behind technological change. Employers emphasised the value of modular, applied learning at higher levels that supports ethical and responsible AI use, embeds digital capability within professional practice, and enables rapid upskilling in response to evolving business models and technologies.

Summary

Across the West Midlands, businesses require comprehensive, practical support to build baseline digital literacy and confidence, strengthen capability in data handling, data quality and data informed decision making, and embed digital and data skills within operational roles, not just specialist functions. They also expressed a strong interest in training provision to support understanding, adopting and managing AI responsibly and productively.

Digitalisation is no longer optional: it is a core capability underpinning productivity, innovation, service quality and competitiveness. The evidence shows a clear need for coordinated, employer aligned, sector sensitive digital, data and AI support across the region.



PRIORITY 6: ADDRESSING GREEN SKILLS AND SUSTAINABILITY LITERACY

Key challenges for employers

Sustainability capability is increasingly linked to firm resilience, productivity and long term growth. While employer awareness and demand are currently uneven, evidence shows that improving sustainability and applied green skills supports more efficient use of resources, lower operating costs, improved compliance readiness and stronger positioning within supply chains. For the West Midlands economy, building foundational and mid level green capability enables firms to respond to emerging regulatory, procurement and investment requirements, unlock innovation and future markets, and ensure the region is prepared to capture the productivity and growth benefits of the transition to net zero rather than falling behind it.

While some sectors, particularly construction, manufacturing, and areas of health and medtech are beginning to articulate clear and practical skills needs relating to sustainability, most employers currently report limited understanding of what “green skills” mean for their workforce, low confidence in implementing sustainability practices, and minimal customer-driven pressure to transition to green practice. As a result, demand for green skills tends to be practical, compliance-driven and incremental, rather than transformative (process over practice).

Employers also openly acknowledged low awareness of sustainability requirements, what constitutes “green skills,” and how to embed sustainability into their business or workforce planning. Many organisations do not currently view sustainability as a driver of competitive advantage, and several stated that customer demand is not yet strong enough to influence skills investment at scale.

This lack of understanding has created a gap between national strategic net zero ambitions and the day-to-day capability of SMEs who form the majority of the regional economy.

In the WM LSIP's quantitative survey, only 1.5% of all employers selected 'green / sustainability- related skills' as being amongst their three highest skills priorities.

- Employers across sectors expressed a need for basic sustainability awareness, particularly:
- understanding environmental or regulatory impacts of operations
- interpreting and responding to emerging net zero expectations and opportunities
- knowledge of sustainable materials, waste handling, and resource efficiency as net gains
- confidence in implementing small-scale sustainability improvements in the workplace or the workforce.

This maps directly to Skills England's Light Green skills category, which includes foundational sustainability knowledge, environmental awareness, and the ability to follow green policies, required across all jobs to meet net-zero 2050 goals.

Even where employers are motivated, they highlighted barriers in what Skills England refers to as using 'Mid Green' skills (the knowledge, skills, and behaviours to adopt sustainable technologies and approaches), not knowing how to apply sustainability in practice, including:

- waste reduction strategies
- circular economy principles
- energy mapping and carbon reduction planning
- meeting environmental management standards (e.g., ISO 14001)
- understanding sustainability data and reporting

Employers emphasised that SME capacity constraints limit engagement in sustainability training or innovation. Many smaller firms lack:

- time to attend sustainability-focused training
- staff with responsibility for environmental improvement
- awareness of funding or regulatory requirements

This results in stalled adoption of sustainable practices and low investment in green capability.

Evidence from solutions workshops shows that the sustainability skills landscape feels complex and disconnected. Employers struggle to identify:

- which education providers offer sustainability training
- what counts as accredited or credible provision
- how sustainability aligns with their sector's workforce needs

This has reinforced the need for clearer frameworks and signposting mirroring challenges seen in other LSIP priorities.

Sector-specific insights

Each sector understands and views green skills and sustainability differently. While demand is strongest in manufacturing, construction, and parts of the built environment, the evidence base shows important nuances across the region's clusters.

SECTORAL INSIGHTS	
Advanced Manufacturing, Clean Tech & Defence	Employers reported some of the clearest green skills needs, including: • understanding sustainable materials and full process sustainability impacts • growing awareness of low carbon and retrofit related skills • need for ongoing CPD as standards, technologies and regulations evolve • gaps in SME technical capacity to implement net zero practices • need for a clear regional framework or roadmap for achieving net zero These needs map to Mid Green (applied resource efficiency, sustainable production) and emerging Dark Green, specialist skills in advanced clean tech - though the latter are still small in volume. Employers also highlighted challenges interpreting carbon data and applying sustainability tools in operational environments.
Construction	• need for a foundation in sustainability awareness for all site workers (Light Green) • skills needs relating to retrofit, energy efficiency and safe use of sustainable materials (Mid Green) • demand for an understanding site waste management, recycling routes and responsible materials sourcing • greater availability of relevant training locally to support the net zero transition. Given the national emphasis on retrofit and the substantial WMCA investment over the next three years, this cluster is likely to see the fastest shift from Light to Mid Green demand in the near future.
Health & MedTech	An emerging but not yet strongly articulated need: • inconsistent awareness of sustainability practices • limited staff understanding of sustainable procurement or waste reduction • gaps in digital and data foundations that underpin sustainability reporting Most needs here are Light Green, such as operational sustainability awareness and sustainable clinical practices.

Summary

The evidence base illustrates that green skills demand in the West Midlands is emerging but not yet fully mature, and there is limited employer understanding of sustainability as a practice or process principle and its operational relevance, in part as customer demand is not yet strong enough to drive substantial investment in green skills or sustainability change at scale.

Some Mid and Dark Green skills needs exist in manufacturing, construction, and clean tech, but represent smaller, more specialised pockets of demand.

Critically, employers need simple, practical, navigable frameworks to help them understand what green skills are, why they matter, and how they apply to their workforce or as a social value asset.



SECTION 2

AGREED CHANGES/ACTION NEEDED

This section sets out the priority changes and actions required to strengthen the West Midlands post-16 technical skills system, making it easier to navigate, more responsive to employer demand, and better aligned with the region's economic priorities. Drawing on extensive employer insight, consultation evidence and sector-specific analysis, this section identifies system-level reforms needed to ensure businesses can access the right training at the right time and learners can progress through clear, modular pathways suited to their needs.

The actions outlined here are grounded in what employers say would make the greatest difference: increased clarity, flexibility, practical application, and a more coherent offer, underpinned by strong regional collaboration with employers.

Together, these priorities form the core architecture of how the LSIP's priorities will be delivered. They respond directly to consistent employer feedback on structural barriers and, through coordinated, employer-led action, support the ambitions set out in the West Midlands Growth Plan and West Midlands Works to create a more agile, relevant, and future-ready skills ecosystem integrated with employment support and health systems.

PRIORITY 1: STRENGTHENING SYSTEM NAVIGABILITY

Employer asks

The LSIP proposes a set of region-wide interventions that directly address the navigability challenges evidenced in Annex A. These are framed by what employers themselves say would make the biggest difference: clarity, simplicity, trusted signposting, and provision that aligns with their real-world operational needs.

Nearly three-quarters of businesses (73%) identified clearer information on funding and training options as the single most important support needed to meet their skills needs.

The overall asks from employers:

- Clear, plain English pathways mapping: A simple overview of apprenticeship apprenticeships, modular options, skills bootcamps, FE/HE qualifications/provision, and sector-specific offers, enabling employers to easily understand available options and the relevance of the qualification/skills that new hires present.
- Straightforward eligibility and funding guidance: clear explanations of what support and funding are available, who is eligible, and how to access it without navigating complex rules – alongside transparent, plain-English clarity on the time, cost and commitment employers are signing up to when releasing staff for training.
- Light-touch triage and brokerage: Practical diagnostic support to help employers identify the most relevant programmes, education providers, and funding options in their locality, reducing time spent searching and improving match quality.

How we will respond

Employers emphasise the need for help determining which programmes fit which workforce needs. To address this, the LSIP will develop sector-specific “tube map style” routes that illustrate progression options and modular stepping stones. This reflects the evidence that unclear pathways, particularly beyond Level 3 limit progression and employer engagement.

To address employer perception of a crowded, complex, inconsistent system, the LSIP recommends:

- Stronger collaboration between education providers: including expansion of “no wrong door” agreements established by Skills West Midlands & Warwickshire, ensuring employers are signposted between institutions where appropriate.
- Simplified, shared referral mechanisms across the West Midlands Growth Company, employer representative bodies (including Chambers, CIPD and CMI), education providers, and Jobcentres (including the new jobs and careers service when established) creating clearer, joined-up routes into skills and employment support.

These actions respond directly to employer feedback that they struggle to find the “right person”, understand which provider best meets their needs, or navigate the system effectively without dedicated support.

“There should be a central hub listing training on offer across the region that can be quickly and easily consulted.” – Meaningful Engagement participant

A single 'front door' for employers will also enable the development of a regionally facilitated 'SME Skills Pool', allowing employers with shared occupational needs - such as engineering, digital adoption, retrofit, or frontline service roles to group demand into viable training cohorts. The ERB, the West Midlands Growth Company, DWP Job Centre Plus and Careers Hubs could play a convening role, using shared intelligence to match businesses, pool learner demand, and work with providers to design off-cycle starts, modular delivery and onsite provision aligned to collective need. Employers participating in Solutions Workshops stressed that pooled cohorts must be supported by simplified administration, clear points of contact, and reduced compliance burdens, particularly for micro-businesses. By extension this principle would also help increase apprenticeship offers and uptake.

To address wider concerns about system complexity, administrative burden and opaque funding rules, the LSIP proposes the development of:

- Simplified plain-English guidance on apprenticeships, levy transfer, Skills Bootcamps, and adult skills funding.
- Standardised templates, checklists and summaries to reduce employer time and administrative effort
- Clear guidance on supervision, time commitments and employer responsibilities, particularly for SMEs and entry-level roles.

These interventions respond directly to employer evidence of limited capacity, low understanding of funding rules, and difficulty navigating multiple programmes and funding models.

Employers highlighted that navigability challenges are most acute at higher levels, particularly for Level 4–7 provision. Businesses reported difficulty identifying relevant higher level and professional training, understanding provider specialisms across FE, HE and independent providers, and accessing small cohort or specialist programmes. These challenges are especially pronounced for SMEs without dedicated HR or learning and development capacity.

Strengthening system navigability and providing clearer visibility of higher level pathways and progression routes beyond Level 3 must, therefore, be a key priority for the 2026 LSIP. Employers want to invest in skills, but the current system places too much of the burden on them to search for, interpret, and coordinate provision. By establishing a singular front door, reinforcing no-wrong door arrangements, improving triage and pathway clarity, expanding modular provision and reducing administrative barriers, the region can respond directly to employer calls for an accessible, trusted, and genuinely employer-led skills system.

This priority underpins all others. Closing skills gaps, improving productivity, and accelerating inclusive growth depend on a system that employers can understand and act on quickly. Improving navigability is therefore not only a structural necessity, but a catalyst for stronger employer engagement, higher-quality training uptake, and a more agile workforce with employer co-investment.



Priority 1: Proposed outcomes, impacts and measurement

OUTCOMES	IMPACTS	MEASUREMENT
Further development of the West Midlands Growth Company and Skills West Midlands & Warwickshire, enabling employers, especially SMEs to find relevant provision. Clear, plain-English guidance for employers on training options, funding eligibility and delivery commitments (time, supervision, compliance), embedded within the 'front door'. Clear, sector-specific pathway maps that highlight progression routes from entry to higher levels. Improved triage and brokerage, matching employers with appropriate education providers, funding routes, and modular options. Functioning SME Skills Pool, aggregating learner demand and enabling viable cohort formation, with reduced administrative and coordination burden for SMEs. Improved visibility and navigation of higher-level and specialist skills provision (Levels 4–7), including clearer progression routes beyond Level 3.	Increased employer participation in training, particularly among SMEs who currently struggle with time and complexity barriers. Reduced employer uncertainty and faster decision-making when engaging with skills provision, particularly among SMEs. Significant reduction in "missed opportunities" where employers report discovering provision "by chance". A clearer provision landscape that employers understand, improving trust and engagement across sectors. Greater uptake of apprenticeships, Bootcamps, and flexible provision due to clearer guidance and simplified compliance processes. Correlation between employment and skills uptake and improved business performance. Increased employer engagement in higher-level and specialist training, supporting progression, productivity and workforce resilience.	System metrics: Number of employers using Skills West Midlands & Warwickshire and the West Midlands Growth Company as entry points to access provision; SME participation rates; enquiry-to-enrolment conversion; Enquiries and starts into Level 4–7 provision. Quality & navigability metrics: Employer satisfaction with clarity, ease of access and signposting; employer confidence in identifying appropriate higher-level pathways. Impact metrics: Increased training starts; cohort formation through SME pools; reduction in duplicated provision; employer feedback on productivity impact.



PRIORITY 2: INCREASING MODULARISATION

Employer ssks

Building on the extensive employer insight gathered through the WM LSIP, there is a clear and urgent need to expand both supply and visibility of modular, flexible and work-aligned training across the regional skills system. The recommendations below translate employer feedback into a practical framework for delivery.

Demand for flexibility is significant: 70% of employers identified easier access to short, flexible training, and a further 66% cited short, modular courses that fit around work as types of support which would help them meet their skills needs.

Employers across all sectors consistently emphasised the importance of short, targeted modules that can be accessed quickly, sequenced over time, and aligned to live operational needs.

How we will respond

To respond to this, the LSIP recommends:

- Scaling bite-sized, stackable learning, enabling standalone units to be combined flexibly into larger qualifications where needed.
- Enabling off-cycle start dates and rolling enrolment, so learners can access modules at the point of need rather than waiting for annual intakes.
- Developing industry-specific micro-credentials and modular credit options (e.g., 5–30 credit units) for Levels 2–5, supporting incremental progression without requiring immediate commitment to full programmes.

These actions respond directly to employer calls for practical, immediately applicable training that fits around workforce pressures.

Employers also stressed that modular learning must be closely connected to real work. The LSIP therefore recommends:

- Work-integrated modules that embed learning within applied tasks, workplace projects, or supervised on site activity.
- Blended “learn–apply–reflect” models, pairing short online content with coaching, workplace exercises, and peer learning.
- Expanded use of roving, on-site delivery, particularly in manufacturing and construction to minimise travel and time away from core duties to minimise disruption for employers.

This reflects evidence that learning is most effective for employers when it is applied immediately and does not require extended periods off the job.

Employers further reported that unclear progression pathways, especially beyond Level 3 and 4 remain a significant barrier, with long, linear qualifications often misaligned to business need, time constraints and the pace of change. Employers expressed strong support for modular, stackable higher level provision - including micro credentials, short courses and applied modules - that enable professionals and managers to build capability incrementally while remaining in work. Clear articulation of how Level 4 and 5 modules link to higher level progression supports both individual advancement and workforce planning, while avoiding unnecessary commitment to full programmes where this is not required.

The LSIP therefore recommends:

- Developing clear modular pathway maps that clearly show how individual units accumulate into recognised qualifications.

- Ensuring pathways clearly signal entry points, sector-specific stepping-stones and progression opportunities, supporting both initial engagement and longer-term workforce development.

LSIP evidence shows strong demand for modular provision that is practical, business-relevant and co-designed with employers. To achieve this, modular delivery should build on existing co-design mechanisms, enabling employers to shape curriculum content, validate relevance to real workplace processes and technologies, specify applied tasks, and highlight emerging technical and digital skills needs.

Employers consistently identified funding rules as a barrier to engaging with modular provision – particularly for SMEs where staff training budgets are smaller and limited. In response, the LSIP recommends exploring greater flexibility in the use of apprenticeship levy funding, including for Level 4/5 modules as suggested by employers in the Leadership and Management Development Solutions Workshop. Wherever possible, administrative and compliance burdens should also be further reduced to support employer participation in co-designing training. This may also help to increase the speed at which education providers can approve new curricula and, where necessary, adapt existing curricula, ensuring content remains aligned with evolving business needs.

Employers also reported low visibility of existing modular or short-course options. To address this, the LSIP proposes embedding modular provision within the proposed West Midlands ‘front door’ for skills, alongside exploring with Skills England, the feasibility of creating a searchable catalogue of modular, micro-credential and short-course offerings. Provision should be clearly tagged by skill area, sector relevance, level, delivery mode and expected outcomes (knowledge, skills and behaviours) to support employer decision-making.

Together these recommendations respond directly to employer priorities for speed, flexibility, practicality and clarity within the post-16 skills system. Scaling modularisation across the West Midlands will enable a shift from a rigid, qualification-led model to one that is agile, responsive and employer centred, supporting productivity growth, workforce resilience and long-term economic opportunity.

Priority 2: Proposed outcomes, impacts and measurement

OUTCOMES	IMPACTS	MEASUREMENT
Scaled availability of industry-specific micro-credentials and short, stackable modules across Levels 2–5, with rolling start dates, ensuring employers can access training at the point of need.	Faster employer response to emerging skills gaps; reduced skills bottlenecks caused by fixed start dates and long qualification cycles.	Activity metrics: Number of modular courses available; proportion of provision delivered as modular units; off-cycle starts.
Modular provision is co-designed with employers to ensure relevance, practical application and alignment with real workplace needs.	Faster employer response to technological change (automation, digital systems, regulatory shifts).	Engagement metrics: Employer uptake; learner participation.
Wider adoption of work-integrated learning, blending online, applied tasks and on-site delivery.	Higher participation in training from time-poor employers and sectors with shift-based work, due to stronger employer confidence in relevance and ROI.	Impact metrics: Progression into higher-level skills; productivity improvements reported by employers; reduced time-away-from-work per learner; retention and re-engagement through stackable modular routes.
Clear modular pathways enable incremental progression and recognition of prior learning, particularly beyond Level 3.	Reduced learner drop-off at transition points, including from Level 3 into Levels 4-5; increased progression into higher-level and specialist skills without requiring full programme commitment.	
	Reduced drop-off rates linked to long, linear qualifications.	

PRIORITY 3: BOLSTERING WORK-READINESS AND FOUNDATIONAL SKILLS

Employer asks

Building on extensive employer feedback across all sectors, the LSIP identifies a clear mandate to strengthen work readiness, foundational skills including basic English, maths and digital competence, and early exposure to real working environments. Employers consistently emphasised that without these baseline capabilities, individuals struggle to engage with technical training, progress in work, or contribute productively from day one.

The recommendations below respond directly to employer identified needs and reflect the operational realities identified through the LSIP evidence base.

How we will respond

Across multiple sectors, employers called for earlier, more consistent development of foundational skills and workplace readiness behaviours. Many highlighted gaps in confidence to speak to colleagues or customers, the communication skills to ask questions, query where they lack understanding or ask for support when they need it, and the understanding of real working environments (ways of working, custom and practice, professional etiquette and workwear). The LSIP therefore recommends engaging partners to:

- Embed work readiness practices alongside foundational skills (including communication, problem-solving, teamwork, resilience and professional behaviours) within learning settings.
- Expand employer-led engagement, using employer representative organisations, career hubs and provider networks to expand provision of employer-led workshops, talks and hands-on demonstrations to normalise early exposure to the world of work.
- Introduce short, practical readiness modules such as workplace etiquette, health and safety basics, digital professionalism - as standard components of pre employment preparation, where applicable utilising the Careers and Enterprise Company Future Skills Questionnaire to measure learners' career readiness.

These actions respond directly to employer feedback that applicants often lack foundational skills and behaviours and an understanding of employer's workplace expectations.

Evidence across the LSIP also strongly emphasises the importance of real-world workplace exposure, particularly for developing confidence, communication skills and professional behaviours. To support this, the LSIP proposes the following:

- Scaling existing structured work experience programmes that reduce administrative burden for employers while allowing learners to participate safely and meaningfully.
- Developing low burden participation for employers, especially SMEs to host learners, addressing barriers such as insurance, supervision requirements and compliance concerns.

Foundational skills in English, maths and digital literacy were consistently cited as critical gateways to employment and progression. To strengthen these, the LSIP recommends:

- Improving access to practical digital literacy training including email etiquette, basic productivity tools and how to use digital systems.
- Providing flexible, modular foundational skills provision that can be accessed around shift work, community or family commitments, or job search activities.

The LSIP also proposes targeted support for SMEs to host work experience and develop work-ready talent. Employer feedback suggests that SMEs often want to engage in supporting future talent but lack the time, administrative capacity or supervisory resource to support individuals. It therefore recommends:

- Providing light touch support packages for SMEs, including templated paperwork, risk assessments, and guidance for hosting learners/work experience individuals including young people not in education, employment or training that they can tailor.
- Developing brokered work experience models, where the ERB, other employer representative organisations and education provider networks can match learners/placements with SMEs, reducing the coordination burden for them.
- Establishing shared supervision or pooled work experience cohorts, allowing multiple SMEs to participate without carrying full responsibility individually and manage the coordination.

Finally, employers highlighted challenges relating to low confidence, limited resilience and anxiety among new entrants. To address these challenges, the LSIP suggests enhancing existing mentoring and coaching offers and utilising peer mentoring models to support people transitioning into work (or between job roles). Strengthening support for employers and their managers to enable smooth/positive on-boarding experiences will also help. There are positive examples of this already in place, led by employers and by education providers.

These recommendations reflect strong, consistent evidence from employers across all sectors: work readiness and foundational skills are essential preconditions for employment, progression and productivity. The LSIP therefore prioritises a comprehensive, employer-aligned approach that builds foundational capability early, strengthens exposure to the world of work, and embeds applied learning across all pathways.

Priority 3: Proposed outcomes, impacts and measurement

OUTCOMES	IMPACTS	MEASUREMENT
Stronger delivery of English, maths and digital fundamentals across entry routes and pre-employment programmes.	Improved baseline behaviours (communication, reliability, resilience, teamwork).	Capability metrics: Improvements in English, maths and digital scores; employer-reported behavioural readiness.
Consistent embedding of work-readiness and foundational skills across pre-employment and entry routes, rather than ad-hoc or variable delivery.	Improved quality and consistency of readiness among labour-market entrants, reducing variation in early job performance and retention outcomes.	Engagement metrics: Volume of work-experience placements facilitated; SME participation rates.
Expanded, employer-led exposure to work through talks, workshops, site visits, mock interviews, and structured work experience.	Improved employability and higher retention in entry-level roles across the Everyday Economy, manufacturing, construction, business, professional and financial services and health & care.	Impact metrics: Retention rates for new entrants; apprenticeship completion; reduction in recruitment challenges reported by employers.
Strengthened SME-friendly work-experience brokerage models reducing administrative burdens.	Reduced onboarding time and reduced supervisory pressure on managers.	
	Higher apprenticeship readiness and reduced early drop-out.	
	Increased participation from disadvantaged or digitally excluded groups.	

PRIORITY 4: UNLOCKING LEADERSHIP AND MANAGEMENT CAPABILITY

Employer asks

The evidence gathered through the WM LSIP shows that leadership and management capability is a critical enabler of productivity, workforce progression, digital adoption, retention and service quality, yet it remains underdeveloped across many parts of the West Midlands economy. Employers consistently called for practical, modular, accessible and sector-relevant leadership and management development solutions. The following recommendations respond directly to those needs.

Employers were clear that traditional leadership programmes, long, rigid, classroom-based are not workable for most managers, especially those working in SMEs. They called for short, skill specific modules that can be sequenced and applied immediately in the workplace. The LSIP proposes the development of existing modular, flexible L&M offers through the proposed 'front door' to help employers navigate to provision, building in a diagnostic-led approach and in work integration through blended formats combining a mix of synchronous live online sessions with asynchronous, on-the-job assignments, applied projects and reflective practice, as well as mentoring and/or coaching support.

How we will respond

Across sectors, employers highlighted the value of approaches that begin with diagnostic assessment - either organisational or individual - so that leadership development is targeted, relevant and clearly linked to business value. The LSIP therefore suggests exploration of:

- Light-touch business diagnostics to help employers to identify organisational leadership gaps and help them map their leaders/managers to appropriate offers.
- Individual gap analysis tools (e.g. 360 feedback, strength-based tools) to tailor development plans and targeted skills.
- Structured "learn-apply-reflect" cycles that focus on live business challenges, enabling employers to see impact and return on investment quickly.

Employers across all sectors cited coaching, mentoring and action-learning sets as some of the most valuable forms of leadership support, particularly when mentors understand industry realities. L&M provision should look at how:

- Peer-learning communities ("leadership circles") are enabled where managers troubleshoot shared challenges (this is especially valuable for SMEs).
- Cross-sector peer learning can be encouraged, to build and scale value, particularly in allied occupations (e.g. HSC) while maintaining sector-specific pathways for regulated or specialist environments.

Employers and providers also highlighted the importance of ensuring leadership and management provision remains current and grounded in real operational practice. Opportunities for educators and facilitators to maintain industry exposure through employer-led CPD, guest teaching, joint curriculum development, placements or short secondments were seen as important enablers of high-quality higher-level leadership development, particularly in fast-moving, regulated or technically complex sectors. These approaches support relevance, credibility and stronger employer confidence in leadership provision.

SMEs repeatedly highlighted that they cannot release managers without operational cover (and thus help with financial support to cover the costs, especially if agency staff are relied upon). To address this, it is recommended that the West Midlands look at building on the recent Job Rotation Pilot and how SME learning sprints could be developed as an extendable offer.

Recognising L&M challenges vary by sector the LSIP proposes the development of tailored L&M pathways that reflect different operational contexts:

- **Health & Social Care:** Create a CQC-aligned leadership pathway focused on service quality, managing inter-generational teams, mandated training and cross boundary working with NHS/ICB partners.
- **Manufacturing/Engineering:** Provide modular supervisory training for operational leadership, safety critical decision making and digital/automation change management.
- **Creative & Digital:** Offer leadership modules tailored to project based workflows, agile teams, portfolio management and creative client leadership.
- **Business, professional and financial services:** Develop applied modules for client facing leadership, commercial decision making and managing hybrid professional teams.
- **Everyday Economy:** Introduce accessible first line supervisor pathways that focus on managing performance in shift-based teams, building staff resilience and people competency practices.

These sector-specific pathways reflect what employers said works best: leadership development that mirrors their reality, not generic provision.

Employers also stressed traditional metrics such as how many learners got promotions are not always feasible or realistic for indicators of leadership impact. To help employers understand a programme's value, they would prefer a broader set of outcomes such to assess programme value, including:

- Reduced staff turnover and improved retention
- Improved service quality and customer satisfaction
- Improved team performance
- Enhanced delivery and operational outcomes
- Evidence of behaviour change at individual or organisational level
- Where appropriate, sector specific indicators, e.g., CQC-related metrics in health and social care.

These metrics help employers, especially SMEs to see tangible value from leadership investment and help them differentiate between offers.

These recommendations directly reflect what West Midlands employers say they need: practical, flexible, applied leadership development that supports real business challenges and fits within operational constraints. By scaling modular, diagnostic-led, sector-specific and SME-friendly L&M pathways, the region can build the leadership capacity required to drive productivity growth, retain and grow talent, adopt new technologies and strengthen organisational resilience across the economy.



Priority 4: Proposed outcomes, impacts and measurement

OUTCOMES	IMPACTS	MEASUREMENT
Modular, diagnostic-enabled leadership development, linked to sector needs. Sector-specific leadership pathways respond to the distinct operational, regulatory and workforce challenges faced by different parts of the economy. Expanded access to coaching, mentoring, peer-learning circles, and real-world problem-solving approaches. SME-friendly learning sprints, support with accessing micro-grant or programme specific funding, enabling managers to receive protected learning time. Improved leadership pathways that bridge the “missing middle” between frontline supervisors and senior roles.	Higher productivity and improved implementation of digital, AI and sustainability initiatives. Reduced staff turnover due to improved line-management quality. More competitive workplace attraction offer reducing skills vacancy shortage pressures. Better application of leadership skills and knowledge supporting succession planning, particularly in manufacturing, health and social care and creative industries. Stronger performance management, conflict resolution and operational decision-making.	Capability metrics: Completion of leadership modules; participation in mentoring/coaching; behavioural change indicators. Performance metrics: Reduced turnover; improved team performance; improved CQC-related indicators for health and care. Implementation metrics: Evidence of digital adoption, process improvements, and operational change linked to leadership learning.



PRIORITY 5: EMBEDDING DIGITAL, DATA & AI

Employer asks

The evidence shows that digital, data and AI capability is no longer specialist requirement but a core business capability, essential for productivity, service quality and innovation across every major sector of the West Midlands economy. Employers consistently described widening capability gaps from basic digital literacy to the practical adoption of AI, and stressed the need for responsive, modular provision that keeps pace with technological change and its implications for the workplace. Supported by strong leadership and management capability, the recommendations below directly reflect employer priorities and align with the LSIP's cross-cutting themes.

Employers repeatedly stressed that they need two distinct forms of support:

1. Business-level support to adopt digital and AI tools, and
2. Individual-level skills development to enable workers to use digital and AI tools effectively and productively

How we will respond

To address this, the LSIP proposes establishing a dual-route digital and AI pathway embedded in the 'front door' navigation offer to reduce fragmentation and confusion comprising:

- A Business Adoption Route: practical guidance on assessing preparedness, identifying appropriate tools, understanding return on investment, implementing AI safely, and managing organisational change, preferably delivered in short courses, with tailored support where SMEs can map their current processes, identify high-impact digital tools, trial AI applications safely and receive mentoring and troubleshooting support.
- An Individual Skills Route: delivering digital literacy, data fundamentals, applied data analysis, AI preparedness, responsible AI use, and system-specific training aligned to workplace needs.

Employers also strongly preferred short, flexible, stackable provision, particularly where AI and digital training must take place (regulatory) alongside day-to-day operations. With this in mind, the LSIP proposes the development of a regional modular digital curriculum with:

- Expanded and better-promoted small-credit modules (e.g. 5-30) credit modules covering digital basics, data handling and processing skills, workflow tools, cyber hygiene, Customer Relationship Management (CRM) and Enterprise Resource Planning (ERP) use, automation fundamentals and AI literacy.
- Sector-specific modules (e.g., digital care records; manufacturing automation interfaces; business, professional and financial services data insight; creative production tools), featuring accompanying sector-led digital readiness toolkits to guide SMEs through implementation steps.

Provision should be accessible to people in work with offers that are flexible (rolling, off-cycle start dates) and allow for workplace integrated delivery (mixed mode) so SMEs and shift based sectors can participate and embed clear "stackable" pathways so modules can accumulate into higher-level digital or data qualifications.

Data capability, including data entry, interpretation, quality assurance, data-informed decision-making and data ethics - was identified as a core gap across sectors. To address this, the LSIP additionally recommends:

- Data foundations modules for all applicable sectors, covering basic data handling, spreadsheets, dashboards, and data quality.
- Applied data for managers modules to help leaders interpret data, support digital transformation, and make more effective evidence-based decisions.

- Embedding confidence-building approaches, especially for older workers into all data training offers as a re and up-skilling principle.

This approach reinforces leadership and management capacity, ensuring managers can champion and sustain data-driven working.

Recognising that digitisation affects sectors differently, the LSIP prioritises the development of sector-tailored pathways, shaped through further collaboration with established WMCA sector groups.

Finally, digital poverty was repeatedly cited as a barrier to inclusion and upskilling, particularly in the Everyday Economy and Health and Social Care sectors. The LSIP therefore emphasises the importance of supporting existing mechanisms to provide entry-level digital inclusion support, such as device access, safe practice training, and tailored support for older workers, and to deliver provision through low barrier digital learning environments (e.g., community settings and workplace-based sessions).

Taken together these recommendations respond directly to employer needs by modularising digital skills delivery, embedding leadership support for digital adoption, and targeting sector specific digital and AI gaps. They also address SMEs constraints and inclusion challenges, building confidence, data capability and applied digital competence. Collectively they provide a coherent, employer-aligned framework to unlock digital productivity through, support innovation, and ensure that the West Midlands workforce is equipped for a rapidly evolving economy.

Priority 5: Proposed outcomes, impacts and measurement

OUTCOMES	IMPACTS	MEASUREMENT
A dual-route model providing: (1) business-level adoption support for digital/AI transformation. (2) individual-level capability building in digital literacy, data handling and AI ethics/us Development of sector-specific digital modules and pathways, including data foundations modules Rolling, modular curriculum including applied data and responsible AI. Reduced digital poverty barriers through low-barrier access, community settings and device access.	Improved digital confidence and reduced variation in competence across the workforce. Higher adoption of digital tools and AI applications among SMEs. Better decision-making through improved data quality, data literacy and analytical capability. Increased productivity, reduced error rates and improved service delivery across sectors.	Engagement metrics: Participation in digital/data/AI modules; SME involvement in adoption sprints. Capability metrics: Pre/post assessments of digital confidence; data-handling competence; AI literacy. Impact metrics: Increased digital tool usage; improved data quality; operational improvements (e.g., reduced time on manual tasks).



PRIORITY 6: ADDRESSING GREEN SKILLS AND SUSTAINABILITY LITERACY

Employer asks

Employer evidence shows that while sustainability and net-zero commitments are increasing at national and regional levels, most businesses, particularly SMEs, are still at an early stage of understanding and adopting green practices. Current demand is concentrated on baseline sustainability literacy and practical, mid-level technical implementation, with limited demand for advanced “dark green” specialisms. This reflects low employer awareness, limited market incentives, and the fact that customer demand for sustainability is not yet driving substantial green-skills requirements at scale that makes it a cost imperative.

The recommendations below respond directly to these realities. They are designed to build employer confidence, support SMEs to take realistic first steps; strengthen sector-specific capability, and align with Skills England’s Light, Mid and Dark Green classifications.

Employers consistently highlighted low awareness of what “green skills” mean in practice, and difficulty understanding which skills are relevant to their sector. To directly address the widespread lack of employer understanding and low prioritisation of sustainability, the LSIP will seek to:

- Increase employer awareness of and engagement with the prototype WM Green Skills Matrix pilot to identify common skills sets across sectors/clusters (including manufacturing, construction and business, professional and financial services).
- Embed this guidance within the proposed LSIP ‘front door,’ improving awareness, signposting and access to relevant green and sustainability provision.

To support practical sustainability capability within education providers, the LSIP will also support the ongoing development of the Green Changemakers scheme of further education practitioners driving transformational change within their own organisations, designed and delivered within the West Midlands and Warwickshire Local Skills Improvement Fund (LSIF) programme.

Employer feedback from manufacturing, clean tech, construction and parts of health and medtech reported clear needs for practical implementation skills, including:

- waste reduction and circular economy practices
- sustainable materials knowledge
- retrofit, low carbon construction basics
- energy mapping and sustainability data
- environmental management practices (e.g. ISO 14001).

To respond to these operational priorities, whilst recognising SME capacity constraints, the LSIP additionally recommends that stakeholders across the region collaborate to:

- Co-design Mid-Green modular training suites, allowing learners/workers to incrementally develop capability (e.g. 5–30 credit modules on waste reduction, sustainable materials, retrofit fundamentals).
- Embed applied, work-based learning (e.g., sustainability audits, waste mapping tasks) to support practical competence.
- Continue development of retrofit and low-carbon skills pathways aligned to national priorities, including through the Colleges West Midlands Green Skills and Decarbonisation initiative, while piloting expansion of further courses in manufacturing, clean tech, health and med tech and construction.

Taken together these recommendations reflect a realistic, evidence-based pathway for growing Green Skills and Sustainability Literacy across the West Midlands. They prioritise Light Green skills literacy, where the evidence shows the most pressing need, whilst building Mid Green applied capability in sectors where momentum already exists and creating foundations for longer term Dark Green expertise. Collectively, these actions will help the region progress towards net zero goals while supporting inclusive growth and employer competitiveness.

Priority 6: Proposed outcomes, impacts and measurement

OUTCOMES	IMPACTS	MEASUREMENT
Increased employer awareness of and engagement with the prototype WM Green Skills Matrix pilot and identification of common skills sets across sectors/clusters.	Uplift in Light Green literacy across sectors - awareness, behaviours, and operational practices.	Awareness metrics: Employer understanding of green requirements; uptake of sustainability literacy modules.
Modular, applied green skills training for manufacturing, clean tech, construction and parts of health and med tech.	Growing capability in Mid-Green applied sustainability skills, particularly in manufacturing, construction and med-tech.	Applied skills metrics: Participation in Mid-Green technical training; evidence of implemented sustainability actions.
Increased employer understanding of sustainability expectations and early-stage requirements.	Improved readiness for net-zero regulation, procurement requirements and cost-saving sustainability practices.	Impact metrics: Reductions in waste, energy use or carbon reporting gaps; increased compliance with sustainability standards.
	Incremental growth in Dark-Green specialisms over time as awareness and demand increase.	



TAKING THE LSIP PRIORITIES FORWARD

Delivering the priorities set out in Section 2, through the agreed activities set out in Annex B of this report, will require sustained collaboration across the region's post-16 skills ecosystem, building on the strong partnerships already established in the region and expanded through the previous 2023 West Midlands and Warwickshire LSIP. Working closely with education providers of all types, employer representative organisations, the WMCA and local authorities, and other key regional stakeholders, including the DWP and its Jobs and Careers Service and the Careers Enterprise Company, we will ensure that the recommendations of the WM LSIP remain aligned to employer needs and regional growth strategies, practicable, and capable of being implemented at pace. We will also bring together Trade Unions to contribute to the ongoing development and implementation of the WM LSIP, in recognition of the important role they play in skills development, and in representing the wider workforce voice.

To keep the employer voice at the heart of delivery, the LSIP is establishing a dedicated WM LSIP Employer Steering Group including priority sector representation and sector leaders drawn from across the region's diverse economy, including its 92,000 strong SME system. This group will provide continuous strategic input, validate emerging solutions, and act as a sounding board to ensure that actions remain grounded in real-world operational needs. This Steering Group will be supported and advised by the WM LSIP Operational Board, which will provide expert oversight, coordinate activity among partners and stakeholders, and monitor progress against the recommended priority areas. It has representation from a range of regional stakeholders who are jointly working with the ERB, including the WMCA, the local authorities, the DWP and the West Midlands Growth Company. The WM LSIP Operational Board also includes representation from the Warwickshire LSIP to support the principle of wider geographical coherence where relevant and the sharing of best practice. Together, these governance arrangements will ensure that the LSIP remains dynamic, evidence-led and strongly anchored in the employer voice.



SKILLS SHAPED BY BUSINESS IN THE WEST MIDLANDS

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