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WEST MIDLANDS LOCAL SKILLS IMPROVEMENT PLAN

ANNEX C: BACKGROUND AND METHODOLOGY

Coventry & Warwickshire Chamber of Commerce
The Ultimate Business Network

LSIP Local Skills Improvement Plan West Midlands

Contents

Introduction

This Annex to the West Midlands Local Skills Improvement Plan (WM LSIP) sets out the local strategic context to the Plan. Enclosed is a detailed description of the methodology and process used to develop the LSIP, and how this reflects the process set out in the statutory guidance issued by the Department for Work and Pensions, including how the Modern Industrial Strategy and priorities of the West Midlands Combined Authority (WMCA) have been taken into account, alongside the evidence sources used in the development of the LSIP, and the rationale for these. It also presents the governance structure of the WM LSIP.

Geography

The WM LSIP covers the geography of the West Midlands Combined Authority (WMCA), which is made up of the seven metropolitan local authority areas of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton. Within this area, the Coventry & Warwickshire Chamber of Commerce (CWCC), the Greater Birmingham Chambers of Commerce (GBCC) and the Black Country Chamber of Commerce (BCCC) collectively act as the leading voice of local businesses in the region.

The WM LSIP is being delivered by Coventry & Warwickshire Chamber of Commerce, the West Midlands' Employer Representative Body, working in partnership with the Greater Birmingham Chambers of Commerce and the Black Country Chambers of Commerce. The Chambers are working jointly with the WMCA.

Methodology and Process

Purpose of the WM LSIP:
To identify what employers across the WMCA area are already doing (and where they want help) to meet their current and future skills needs and to produce actionable recommendations for how DWP, DfE, Skills England, the WMCA, Local Authorities, FE colleges, Independent Training Providers, universities (and other higher education providers), employer/industry bodies and other regional stakeholders can use the LSIP outputs to close those gaps, alongside wider education, skills - and employer- investments.

Key objectives:

i. Map employer activity (training, apprenticeships, Learning & Development offer, short courses, in-house upskilling) across the region with particular focus on WMCA high growth priority clusters and the Everyday Economy.

ii. Identify cluster-specific and cross-cutting skills gaps (digital, green/net-zero, management/leadership, development of young people and up/re-skilling) and the minimum level of competency required for employers to access and grow talent.

iii. Assess barriers employers face to accessing technical education and skills provision and to working with post 16 education providers (such as capacity, cost, course content, timing, local availability) in order to determine the best-fit solutions that will stimulate employer investment.

iv. Co-design practical interventions with employers and system partners that central government, education providers and other regional partners can deliver to respond to employer need through employer-led post 16 technical education and skills, LSIP, and Skills England offers.

Methodology:

The WM LSIP developed a rigorous, multi-method approach to ensure that the recommended priorities identified through the LSIP are grounded in robust evidence and co-designed with employers and those directly involved in the regional skills system, thereby ensuring their relevance and enhancing their potential impact.

Strand A - Desk research (November – February)

The WM LSIP convened key regional strategies, cluster profiles, and available data to establish a baseline understanding of sectoral growth opportunities and existing training provision. This included the WM Growth Plan, the West Midlands Futures Green Paper, the Theory of Growth published with the Green Paper, the WMCA Employment and Skills Strategy, the West Midlands Works (the region's Local Get Britain Working Plan), the Skills England Local Skills Dashboard and additional Skills England publications, such as its Industrial Strategy Sector Skills Needs Assessments and the Assessment of priority skills to 2030.

This research resulted in short; summary evidence briefs to inform our understanding of what employers across the WMCA area are already doing and where they want help to meet current and future skills needs. These were presented to employers, education providers and other stakeholders to inform 'solutions workshops,' and are set out later in this Annex.

Strand B.1 - Employer survey (November-March)

Through surveying, the WM LSIP gathered primarily quantitative insights on employer engagement in training, skills needs and potential avenues for potential future support and collaboration, producing data that is statistically relevant and broadly representative of the business demography in the area.

The WM LSIP employer surveying was conducted between November 2025 and March 2026 by a telemarketing provider, using data lists that sought to exclude members of the three Chambers of Commerce involved in the WM LSIP. This was done to ensure that the data was, where possible, unbiased, and representative of the wider business community, to supplement the extensive research conducted with Chamber members, through Meaningful Engagements and Solutions Workshops.

The quantitative surveying received 453 responses. With 91,940 enterprises in the LSIP geography in 2024, this represents a confidence interval of ±4.59 percentage points with a confidence level of 95%.

The tables below reflect the distribution of responses by size, industry sector (as self-reported) and, for comparison, the distribution of regional businesses by the same measures. Those surveyed were senior representatives of their organisations, with telemarketers asking to speak to senior decision makers, such as Chief Executives, Chief Financial Officers and Finance or Human Resource Directors.

To ensure the quantitative element of the WM LSIP reflected the employer base of the WMCA area as accurately as possible, the survey was initially designed to mirror the business size profile of the region while excluding micro-businesses, recognising that many are sole traders or employ very small numbers of staff and that questions were specifically designed for employers with a defined workforce structure. As the fieldwork progressed, the approach was widened to include firms with more than five employees in response to strong interest from smaller employers wishing to contribute, the collective economic significance of these businesses across the WMCA area, and the practical challenges concerning the volume of data available to contact larger (small, medium and large) employers. This adjustment ensured that the LSIP captured a broader and more representative range of employer insight while maintaining a focus on businesses with meaningful staffing responsibilities.

Where survey respondents differ in sector from the wider business demography of the WMW LSIP geography this is unfortunately due to challenges with a lack of contact data available for individuals in businesses meeting the specifications of the project.

Business size	Percentage of survey respondents	Percentage of Enterprises in the WMCA area [1]
1-9	15.2	88.67
10-49	58.9	9.20
50-249	20.1	1.65

[1] Inter Departmental Business Register (ONS), accessed via Nomis, 2025

250+	3.5	0.49
No answer	2.2	n/a

Business sector	**Percentage of businesses surveyed**	**Percentage of Enterprises in the WMCA area[2]**
Mining and quarrying	0.2	0.0
Manufacturing	9.7	9.0
Electricity, gas, steam and air conditioning supply	0.7	0.4
Water supply; sewerage, waste management and remediation activities	0.7	1.0
Construction	8.6	4.0
Wholesale and retail trade; repair of motor vehicles and motorcycles	4.6	14.2
Transportation and storage	4.8	5.5
Accommodation and food service activities	1.3	7.4
Information and communication	2.9	2.8
Financial and insurance activities	3.3	2.9
Real estate activities	1.1	1.9
Professional, scientific and technical activities	9.0	8.2
Administrative and support service activities	4.8	9.7
Public administration and defence; compulsory social security	0.4	4.7
Education	13.2	9.8
Human health and social work activities	19.3	14.6
Arts, entertainment and recreation	2.6	1.9
Other service activities	12.8	1.9

The resulting dataset, presented in Annex A of this report, provides new, unique insights on what employers across the WMCA area are already doing and where they want help to meet current and future skills needs.

Strand B.2 - Meaningful Engagements (November – March)

Throughout November 2025 to March 2026, all three Chambers involved in the WM LSIP (Coventry and Warwickshire, Greater Birmingham and the Black Country Chambers of Commerce) also gathered further qualitative data from employers across all sectors and sizes, education providers and stakeholders across the WMCA area through 355 'meaningful engagements'; one to one conversations and qualitative surveys undertaken with and by senior representatives (e.g. employer leads (L&D or operations), HR managers, and CEOs/MDs/Principals) of organisations operating in the West Midlands, based on existing relationships.

These conversations are framed by a selection of questions, designed by the Chambers of Commerce with support from the WMCA. They aimed to explore dimensions such as motivations, barriers, and examples of effective collaboration, and gather rich, high-quality insights from employers that supplement the findings of the quantitative surveying and the solutions workshops.

Key themes and comments from these engagements are presented in Annex A of this report.

Strand C – Solutions workshops (December - March)

Building on the previous, West Midlands and Warwickshire LSIP and the summary evidence briefs of strand A, the WM LSIP convened a series of cross-sector and cluster-specific' Solutions Workshops to co-design practical interventions with employers and educators, drawing on research from employer insights and what works examples.

The solutions workshops represented a range of employers reflecting the cross-sector and sector-specific thematic focus of each session. Strategic employer networks, including the Mayor of the West Midlands' Taskforce representatives and sectoral skills groups also lent their support for this approach.

The first of these workshops took place on Wednesday 10th December 2025, with invited employers from all sectors, education provider representatives (e.g. FE colleges, Independent Training Providers, and Universities), and wider regional stakeholders (including LAs and regional DWP) to explore the types of solutions and practices to leadership and management skills gaps that employers would like to see more of in the region.

Similar workshops in early 2026 focussed on the West Midlands priority clusters, designed to address both specific sectoral skills challenges and five cross-cutting thematic priorities:

- Young people and entry pathways;
- In-work progression;
- AI and digital adoption;
- Green skills and Sustainability; and
- Innovation.

The sector specific workshops focused on the following cluster and sector priorities based on the West Midlands Growth Plan. For scheduling and cross sectoral analyses purposes, disciplines were grouped together:

1. Advanced Manufacturing, Clean Tech and Defence, 6th February 2026;
2. Professional and Business Services, 25th February 2026;
3. Health and Med Tech, 9th March 2026;
4. Creative and Digital, 12th March 2026; and
5. Everyday Economy, 13th March 2026.

Whilst the region's high growth priority clusters demonstrate the sectoral strengths and potential of the region's economy, the Everyday Economy is essential to the day-to-day services we all rely on, for which most residents are employed, and serves as opportunity to strengthen communities, widen access to opportunity, and ensure inclusive growth by improving job quality and productivity across it.

Additionally, an Apprenticeship Engagement Workshop was held on 17th March in partnership with Coventry County Council to support employers, particularly small and medium-sized enterprises (SMEs) to better understand apprenticeship opportunities, funding mechanisms and practical routes to implementation. The workshop used a qualitative, discussion-based approach to gather detailed insights from participants. Facilitated conversations enabled employers and stakeholders to share real-world experiences, identify common challenges and propose practical solutions.

The anonymised findings and recommendations from each of these solutions workshops and the apprenticeship engagement workshop have been published in standalone reports, so that employers have something they have produced with clear asks and wants, to encourage co-investment, and education providers have a something with clear steers on offers based on employer asks to form a basis for stronger collaboration and employer engagement. These are also convened in Annex A of this report.

A total of 268 individuals were engaged in workshops, including employers, voluntary and community sector organisations, education provider and stakeholder representatives.

In developing the LSIP proposals, we have deliberately sought to codesign solutions led by employers with education provider representatives and wider system stakeholders because regional skills challenges cannot be solved by any single part of the system acting alone. Codesign, in this context, means bringing together employers involved in workforce development, hiring and technical delivery, as well as those who deliver training and/or have subject expertise and those who use it to shape interventions that are practical, relevant and grounded in real operational realities. This approach builds on the strong practice that already exists across the region, where many employers and education providers are collaborating effectively to tailor learning, pilot new approaches and refine what works. By drawing these examples together, the report aims both to surface and celebrate the good practice already happening and to ensure that future solutions are informed directly by the people who will use, deliver and benefit from them.

Annex A of this report provides a series of anonymised summaries of the feedback captured during these solutions workshops and the apprenticeship engagement workshop.

Strand D - Supplementary Higher Level Skills Needs Research (April)

In response to WMCA and stakeholder feedback on the initial draft of the 2026 West Midlands LSIP, additional surveying and a further (virtual) solutions workshop were convened to gather more data on higher level skills needs in the West Midlands, and co-design practical interventions with employers and higher education providers including universities, to address these skills needs.

The Higher Level Skills Needs survey opened in late April, receiving 8 responses from employers and education providers across the region. This aimed to explore motivations, barriers, and examples of effective collaboration between employers and higher education providers, specifically at Levels 5, 6, 7, and 8. Key themes and comments from these engagements are presented in Annex A of this report.

The Higher Level Skills Needs Solutions Workshop took place on 30th April, bringing together employers, cluster representatives, universities and higher education providers, and regional stakeholders to explore where skills gaps are most acute, what barriers prevent those needs being met, and what practical solutions could be developed through the WM LSIP. A total of 37 individuals participated. An anonymised summary of the discussions in this workshop is presented in Annex A of this report.

Strand A Summary Evidence Briefs

The following summaries of background evidence were tested and used to inform discussions at each of the Strand C solutions workshops.

Leadership and Management Development

The following provides a brief summary of various research into leadership and management challenges in the West Midlands. Please note this research also looks at the wider regional geography including the WMCA area.

The Challenge

- Regional productivity is low: gross domestic product (GDP) per capita, a traditional measure of the overall strength of the economy is 22% below the national average in the WMCA area. Similarly, the average gross value added (GVA) per hour worked which measures the productivity of the economy was £35.70 in 2023 compared with the UK average of £41.90. (West Midlands Growth Plan, 2025).

- The West Midlands has the lowest business management scores in England, marking a decline since 2020. (ONS Management Expectations Survey, 2016 to 2020 and 2016 to 2023).

- Weak management competencies account for 30% of the productivity gap between Midlands and international benchmarks, along with a lack of investment in Research & Development and low investment in capital equipment. (Productivity Institute, 2024).

- A large proportion of Tier 3–5 firms in supply chains prioritise low-margin efficiency overgrowth, limiting autonomy and leadership development. (West Midlands Theory of Growth, 2025).

- Research suggests that there is an under-supply of leadership and management skills in the West Midlands. Using Lightcast data for between April 2021 and April 2023 shows there were 177,965 managerial job postings but only 91,902 CVs with management skills. (However, it should be noted that not all CVs will necessarily signal these skills.) (West Midlands Future Prosperity, 2023).

- Employer investment in training has fallen 28% since 2005; UK firms invest less than half the EU average. (WMCA Employment & Skills Strategy, 2024).

- Recruiting staff with managerial skillsets is particularly challenging for medium-sized companies; low investment in training is cited as a reason for poor productivity gains. (Business Commission West Midlands, 2024).

Specific Leadership and Management Skills Needs

- The WM & Warwickshire LSIP 2023 report identified via focus groups that a lack of leadership and management skills were constraining growth, particularly with a focus on digitisation, net zero transition, and technology adoption. The most frequently identified additional skills needed were: Strategy Development, required by 43% for digitisation and the advancement of new technologies, and by 38% for net zero; Performance Management - 42% and 28%; Project Management - 34% and 28%; and Change Management - 32% and 28% respectively. (West Midlands & Warwickshire LSIP, 2023).

- Leadership and management training is needed at Levels 4 and 5 to support SME growth, the development of under-represented groups typically at managerial and senior levels, and technology adoption particularly with a focus on modular training. (WMCA Employment & Skills Strategy, 2024).

- There are understood to be sector-specific gaps in leadership and management within the region. Research by Skills West Midlands and Warwickshire found that 61% of Engineering & Manufacturing businesses reported management or senior leadership/C-suite shortages. (Skills WMW Employer Skills Report, 2024).

Advanced Manufacturing, Clean Tech and Defence

Advanced Manufacturing, Clean Tech and Defence are central to the West Midlands' economic strengths and to the transition to a more productive, innovative and resilient regional economy. These priority sectors bring together high-value engineering, complex supply chains and rapidly evolving technologies from industrial digitalisation and automation to electrification and low carbon processes. These sectors are strategically important in strengthening regional competitiveness through its wider skills offer, accelerating net zero delivery, supporting supply chain resilience, and unlocking productivity gains that spill over into the wider regional economy.

The following provides a brief summary taken from analysis of research into advanced manufacturing, clean tech and defence in the West Midlands.

Context:

- Scale & contribution: Manufacturing accounts for ~14% of West Midlands output and supports ~270,000 jobs (up ~9,000 since 2023). Transport equipment ≈ 28.7% of regional industrial output; metals ≈ 19.9%; machinery ≈ 10.8%. (Make UK/BDO Annual Regional Manufacturing Outlook), Clean Tech ~ 20,000 jobs (WMCA), and the Midlands aerospace & defence supercluster spans >500 businesses, ~£5.3bn GVA, with strong propulsion/systems specialisms and deep tiered supply chains (many within WMCA; Make UK/BDO Regional Manufacturing Outlook Report, 2025)

- Growth lens: The WM Growth Plan, the Investment Zone and the Defence and Security Blueprint for the Midlands put the Advanced Manufacturing, Clean Tech and Defence sectors at the heart of the region's growth strategy (West Midlands Growth Plan, 2025).

- Skills & Inclusion mission: The WMCA skills priorities for 2024-2027 include a stronger supply and pipeline for higher level technical skills (L3, L4, L5), leadership & management offers, and aligning pathways to the former WMCA Plan for Growth (since superseded by the WM Growth Plan) which included Advanced Engineering, Light Electric Vehicles and Battery Technologies, and Clean Tech & Smart Energy Systems (WMCA Employment & Skills Strategy 2024-27).

- Current challenges:
  - The Modern Industrial Strategy's Advanced Manufacturing Sector Plan flags tight labour pools, ageing workforces and underrepresentation; productivity depends on digital, automation, and L&M capabilities. (Department for Business and Trade, Advanced Manufacturing Sector Plan, 2025).
  - Defence is disproportionately affected by skills shortages; priority roles include systems engineering, digital/cyber, electronics, production technicians, welding/NDT, project/programme leadership, and the sector faces security clearance delays and ageing workforces. (Skills England, Sector Skills Needs Assessment: Defence, 2025).

Gaps in current provision

Advanced Manufacturing

- Leadership & Management for production settings: consistent, sector-relevant L&M pathways (from team leader to senior manager) that sit alongside technical change (automation, quality, digital, safety). WMCA plans to strengthen L&M at L4+ with a focus on underrepresented groups and tech adoption (WMCA Employment & Skills Strategy).
- Modular Level 4/5 technical skills: based on gaps identified by the previous WMW LSIP, short courses/HTQ modules in automation, robotics, electrification, power electronics, battery manufacturing, digital twins, data/AI have been developed with clear progression from L3 (Local Skills Improvement Plan Progress Report for West Midlands and Warwickshire, 2025)
- Provision for supply chain transition: targeted coaching and grants to help firms diversify and win work in EV/battery/medtech/green supply chains (being addressed through the WMCA Investment Zone Supply Chain Transition programme).
- Navigation & brokerage: employers want a simpler "front door"; WMW LSIP called for integrated employer engagement and an all-age careers/skills service, leading to the creation of Skills WMW.

Clean Tech & Smart Energy Systems

- Heat decarbonisation & retrofit: retrofit coordination (PAS2035), heat pumps, controls, building services integration (WMCA Employment & Skills Strategy).
- Crosscutting: L3–L5 technicians, project delivery, leadership & management (to scale new tech), digital/data skills (Net Zero analytics), and 'essentials' (maths, digital, ESOL) for progression (WMCA Employment & Skills Strategy, WMW LSIP).

Defence (incl. aero/dual use)

- Systems, software & digital: model-based systems engineering (MBSE), cyber, AI/data, software safety, integration & verification. (Skills England Sector Skills Needs Assessment, Defence)
- Advanced manufacturing trades: coded welding, NDT, precision machining, composites, electronics, assembly. (MAA evidence, 2023; Skills England Sector Skills Needs Assessment, Defence)

- Programme & commercial: project management, cost/EV, export control, and security-cleared talent, industry bodies warn of shortages and clearance bottlenecks (Securing Our Future, Together, ADS, GBM, Prospect, 2025.

- Security clearance literacy: understanding talent pipelines and how to plan recruitment/placements around vetting timelines, an operational bottleneck for SMEs (Skills England Sector Skills Needs Assessment, Defence)

Challenges in accessing training

- Time & cost constraints for SMEs:
  - The Institution of Engineering & Technology's UK Engineering & Technology Skills Survey 2025 finds 50% of employers cite lack of time as a barrier to upskilling/reskilling (and 46% say staff leaving after training hinders progress).
  - Surveying by the WMW LSIP in 2023 found employers explicitly flag money and time as principal barriers:
    - 51% lack a budget for training
    - 21% lack staff time to oversee training
    - 19% lack staff time to undertake training
    - 14% cite admin time tied to training

- Low awareness & navigation issues: WMW LSIP surveying in 2023 found that 74% of employers were unaware of existing training mechanisms; in focus groups, employers reported the landscape feels crowded/fragmented.

- Mismatch of modes: need for flexible, modular, on-the-job and blended training (evenings/weekends, micro credentials); education providers still skew to single, longer qualifications. (WMCA Employment & Skills Strategy)

- Progression silos: gaps between Level 3 upskilling and Level 4/5 technical pathways; L&M often not embedded within technical programmes. (WMCA Employment & Skills Strategy; WMW LSIP)

- Workforce participation barriers: e.g. health, caring, transport, childcare, especially for women and older workers; WMCA's West Midlands Works plan (2025) seeks integrated employment/skills/health hubs to address this.

- Energy system and grid constraints can delay projects and deter investment, limiting employer appetite to commit to training cohorts ahead of confirmed connection timelines, particularly relevant to electrification & heat decarb supply chains. (WM Theory of Growth, 2025)

What employers want (practical asks)

- Bespoke, flexible delivery: bite-sized modules; onsite and shift-friendly; "learn-and-do" formats; assessment by workplace projects. (WMW LSIP)

- Leadership pathways that track operations: e.g. supervisor to cell/line leader to values team manager to plant/operations leadership, with credentials stackable to L4/5. (Skills England Sector Skills Need Assessment: Advanced Manufacturing)

- Digital & green embedded in every programme (not standalone): e.g., problem solving with data, basic automation, energy efficiency/lean green for all staff. (Skills England Sector Skills Need Assessment: Advanced Manufacturing)

- Applied projects and placement talent: students/apprentices solving real factory problems; codesign of curricula with industry. (WMW LSIP)

Professional and Business Services

Across the West Midlands, business and professional services is the largest single 'growth cluster', accounting for a substantial share of regional output and jobs. (WM Theory of Growth & WM Growth Plan)

As a sector that enables every other sector to grow, it's also a crucial input to the growth of digital, advanced manufacturing, health tech and the everyday economy, helping firms manage risk, finance expansion, adopt new tech, win contracts, comply with regulation, and reach new markets.

Most Common Skills Gaps

Digital, data and AI capability (for non-tech roles as well as tech roles)

- Employers report difficulty hiring for digital capability, and the region has a high share of firms reporting difficulty recruiting applicants with the digital skills they need. (WMCA Employment and Skills Strategy & Tech UK Closing the Digital Skills Gap in the West Midlands)
- Demand is rising for practical skills in data handling, cyber awareness, CRM, workflow automation and AI-enabled productivity, because these are increasingly embedded in professional services delivery models. (WM Growth Plan and & Tech UK Closing the Digital Skills Gap in the West Midlands)

Leadership & management (especially in SMEs and scaling firms)

- Regional strategies highlight leadership and management as a priority, reflecting sustained employer demand and the need to raise productivity through better management capability. (WMCA Employment and Skills Strategy & WM Theory of Growth)
- Evidence cited in the West Midlands "theory of growth" points to undersupply of management/leadership capability relative to demand (including for roles such as project/programme management and team leadership).

'People and personal skills' that underpin client service

- DfE / Skills England Employer Skills Survey 2024 (published 2025) tracks shortages in 'people and personal skills.'
- Communication, team working and problem-solving are cited by CIPD as fundamental to engaging with customers and other external stakeholders.

Higher-level technical/professional skills (Level 3–5+)

- WMCA's strategy is explicit that future growth will be concentrated in higher-skilled jobs, and that the region needs more Level 3–5 provision aligned to business needs. (WMCA Employment and Skills Strategy & WM Growth Plan)
- For PBS, that translates into shortages and bottlenecks in areas like compliance/risk, finance & accounting pathways, regulated advice support, commercial skills, and specialist digital roles - often requiring Level 3–5 progression routes. (WMCA Employment and Skills Strategy, WM Growth Plan & ONS BRES)

Challenges in Accessing Training

Time, cost and release capacity (especially for SMEs)

- Employers consistently cite operational pressures as barriers to training - time away from the job, covering shifts, and affordability. (WMW LSIP)
- The previous LSIP identified that a majority of businesses hadn't engaged with education providers in recent years, and that simplifying access is a core challenge. (WMW LSIP)

Complexity of the public funding landscape

- WMCA notes employers can be deterred by complex mechanisms and evidence requirements associated with public funding, which can reduce take-up and investment. (WMCA Employment and Skills Strategy)
- West Midlands Works also describes a "crowded" and hard-to-navigate landscape, reinforcing the case for simpler routes and clearer "front doors." (West Midlands Works)

Flexibility of delivery

- WMCA is clear that the region needs more accessible provision: part-time, evening/weekend and hybrid, designed around working adults. (WMCA Employment and Skills Strategy)
- This is particularly relevant for PBS, where work is often deadline-driven and client-led, making predictable release patterns difficult. (WMCA Employment and Skills Strategy)

Gaps in current provision

Not enough Level 4/5 and modular 'step-up' routes

- WMCA identifies the need to expand the Level 4/5 offer and to develop short courses/modules (including via the Lifelong Learning Entitlement/HTQs) aligned to employer demand. (WMCA Employment and Skills Strategy)
- This matters for PBS progression routes (e.g. from admin/operations into compliance, finance, project coordination, data roles, leadership tracks). (WMCA Employment and Skills Strategy)

Not enough holistic "into work/progression" programmes

- WMCA flags that below Level 2, too much provision can be oriented around single qualifications rather than holistic programmes that enable progression into work and further learning. (WMCA Employment and Skills Strategy)
- In Professional and business services, this shows up when learners have a qualification but still lack workplace behaviours, digital confidence or customer communication needed for frontline service roles. (WMCA Employment and Skills Strategy)

Health and Med Tech

Context:

- Growing Cluster: The West Midlands has a distinctive Health/MedTech cluster anchored by Birmingham Health Partners and the new Birmingham Health Innovation Campus (BHIC) with the Precision Health Technologies Accelerator (PHTA) now open and operating.
- Scale and contribution: Regionally, MedTech accounts for the majority of our life sciences activity; the WM hosts two HDR UK data hubs and ~600 life sciences companies, providing an advantageous testbed for data driven healthcare. (Invest WM)

- Interventions unlocking potential: The West Midlands Health Tech Innovation Accelerator (WMHTIA) has already engaged 269 innovators, intensively supported 144 innovations, generated £67.3m in private & public investment and 5 innovations procured by the NHS (2023–25), with funding extended into 2025/26.
- Growth lens: The West Midlands Investment Zone (2024–34) prioritises advanced manufacturing including healthtech, expecting 30,000+ jobs and a targeted skills programme with 360 L4/L5 & leadership learners by 2029.

Gaps in current provision

- Contextualised L4/5 provision for MedTech (regulatory science, QA/RA, clinical evaluation, QMS, health economics) is not yet available at scale across FE/HE, hence the move to co-design new MedTech HTQs by WMCA, local employers and Skills England to meet ~145,000 role needs by 2035 nationally. (Skills England)
- Leadership & management offers often lack HealthTech specificity (DTAC, DSPT, AI safety, NHS procurement); employers want codesigned, in-work short courses. (WMW LSIP)
- Adoption & evidence generation skills inside education providers (benefits realisation, pathway redesign, data) remain uneven. (Care Quality Commission Birmingham and Solihull Integrated Care System: pilot assessment report)

Sector-specific leadership skills gaps

- Regulatory & quality leadership to steer products through evolving pathways. Demand signals are rising: Regulatory Affairs vacancies grew ~35% YoY in 2024 nationwide. (MRHA, VacancySoft)
- Evidence generation & adoption leadership, understanding NHS evaluation, procurement and real-world data. (NHS)
- Data governance & AI product leadership, including privacy-by-design, clinical safety, interoperability and ethical deployment. (NHS)
- Commercialisation & product management in health systems, including pricing, health economics, and route-to-NHS. WMHTIA's portfolio and co-investment traction shows the region's appetite but also the need for leadership capacity to scale. (WMHTIA)

Challenges in accessing training (from an employer perspective)

- Low awareness & navigation friction: LSIP findings indicate 74% of employers (across all sectors) were not engaged with FE provision, with a majority unaware of existing mechanisms; employers cite fragmented landscape.
- Time & flexibility constraints for SMEs and NHS line managers require modular, evening/weekend, blended delivery (WMCA Employment and Skills Strategy)
- Funding fit/eligibility: simpler routes required to co-fund L4/5 and in-work upskilling; WMCA has raised the low wage threshold to £30k and is shifting toward multiyear, flexible commissioning. (WMCA Employment and Skills Strategy)
- Placement & testbed access: many SMEs lack structured NHS test environments or routes to evaluation; new programmes like Grow Digital Health Midlands help but capacity remains limited. (GDHM)
- Compliance barriers: regulatory expectations are necessary but can feel opaque without structured support, especially for first time suppliers. (NHS)

New MedTech HTQs

- In Dec 2025, government/Skills England announced new MedTech Higher Technical Qualifications (HTQs) to plug ~145,000 job openings by 2035 across the sector (70k net new + 75k replacements), with a strong employer codesign principle.
- Developed with Skills England, Pearson, WMCA and MedTech employers, the HTQs target roles such as technicians for AI enabled devices/wearables/diagnostics and regulatory/quality advisors, explicitly blending digital systems, regulation, testing and clinical evaluation.
- Pearson's BTEC Higher Nationals in MedTech (L4 & L5) are slated to be available from September 2026 across colleges, private training providers and HE. This gives education providers a clear runway for curriculum & placement planning in 2026/27.
- The HTQ development was piloted with Investment Zone backing and WMCA partners, aligning to the region's life sciences & healthtech cluster.

What employers want (practical asks)

- Single front door and brokerage into skills/testbeds (reduce search costs, join up FE/HE/ITP with NHS). (WMW LSIP; WMCA Employment & Skills Strategy)
- Flexible, stackable learning: micro credentials that ladder to L4/5 HTQs, delivered in evenings/blended formats, with coaching/mentoring baked in. (Skills England; WMCA Employment & Skills Strategy)
- Handson compliance support: Digital Technology Assessment Criteria (DTAC) / Data Security and Protection Toolkit (DSPT) clinics, clinical safety competency, and procurement readiness (specs, evaluation packs). (NHS)
- Real testbed access: rapid evaluation with BHIC/PHTA, WMHTIA partners, and ICS digital teams; clearer pathways to adoption. (BHIC, WMHTIA)
- Leadership programmes relevant to healthtech: regulatory strategy, data governance & AI, value-based selling to NHS, programme/change leadership. (WMW LSIP; NHS)
- Fair access to funding and simpler co-investment mechanics for SMEs and in-work learners (WMCA Employment & Skills Strategy)

Creative and Digital

Context:

- Scale & contribution: The WM tech economy is valued at ~£15.3bn, with ~144,000 people in tech roles across ~2,400 tech businesses; the wider creative & digital sector generates ~£4bn GVA. (Creative UK)
- Growth lens: C&D sits within the region's growth strategy as a priority cluster while the Digital Roadmap (2024–27) sets five missions (access; data-for-good; best-connected; digital transformation of the economy; digital public services).
- Regional strengths include: screen and content creation, games and e-sports, design and marketing, createch, live experiences (including theatre + interactive), and jewelry/crafts/design-maker (one of Europe's largest clusters). (WMCA)
- Screen & games ecosystem: The region is a BFI-funded Skills Cluster area led by Create Central; the new Production Central WM office provides a single regional production services gateway - both focusing on pipeline development for film/TV/games and on-set roles. (Create Central & Screen Skills)
- Skills infrastructure & momentum: WMCA has scaled Digital Skills Bootcamps since 2018 (6,178 residents trained; 2,996 job outcomes among unemployed learners) and secured a £26.8m grant for 2024/25 to extend delivery. (Birmingham Tech)

Potential gaps in current provision

- 'Freelance skills' gaps: self-employment is unusually high in creative occupations (around 31.5% in England and Wales, higher still in arts/culture roles; Creative Industries Policy and Evidence Centre) relative to other sectors. WMCA mapping specifically on support for creative freelancers in the West Midlands identified gaps including:
- A lack of consistent, accessible, affordable provision: Accessible and affordable training and development offers that are consistently delivered on a regular repeated basis across all artforms and practice areas, and across the geographical areas of the region are limited. Whilst there are an increasing number of organisations that are taking an equitable approach to provide subsidised opportunities, sliding scales on fees, with access costs covered for those who need it, this is not always standard practice.
- No clear route for affordable support: Outside of membership organisations and formal training and development programmes, there is no clear route to finding a mentor or accessing one-to-one advice. This results in an inequitable system where only people with existing relevant networks get signposted through word of mouth to people who could help them.
- Limited capacity: A lot of informal support is given unpaid and therefore capacity is limited.
- Difficulty navigating the support available and people who already face systemic barriers are even less likely to have the resources and capacity to navigate and access the complex and relatively hidden support opportunities that are available.
- An apprenticeship system that doesn't 'fit': Skills England's national assessment suggests the creative sector's Level 2–3 apprenticeship pipeline is far smaller than it should be, with take-up hindered by delivery costs for small firms, inflexible duration requirements for project-based work, and a limited market of specialised training providers. Similarly, Skills England reports that the creative employers have struggled with T Level industry placements because creative work is often project-based and flexible, making it difficult to schedule/coordinate the required placement model. (Skills England: Sector skills needs assessments, Creative Industries, 2025)
- Modular Level 4/5 technical skills needs: Employers and colleges identify shortages in data engineering/analytics, cloud/DevOps, cybersecurity, and creative tech (e.g., virtual production, VFX, real time engines). WMCA calls for flexible L4–5/HTQ style modules codesigned with industry and stackable to higher awards. (West Midlands Works and the West Midlands Tech Review 2025)
- Leadership & Management (L&M) skills needs for growing SMEs: Demand for short, stackable L&M offers that integrate AI/digital adoption, project delivery and people leadership, particularly for creative microbusinesses and first line managers - remains high. (West Midlands Works)
- Inconsistent work-readiness & portfolio evidence: Employers seek candidates with live brief experience, portfolios/reels/GitHub, and brokered micro-placements (40–120 hours). Current supply is inconsistent across education providers and SMEs. (Employer skills survey 2024)

Challenges in accessing training (from an employer perspective)

- Time & cost constraints for SMEs: Cost and time are the top barriers to upskilling; local polling highlights budget limits and lack of staff capacity as the main reasons employers postpone digital training and AI adoption. (Mastering the Future with Digital Skills, 2025)
- Low awareness & navigation issues: WMW LSIP evidence shows many employers are unaware of existing routes/funding and view the landscape as fragmented.
- Mismatch of modes: Firms want short, modular, job-adjacent delivery (evenings/weekends, blended, micro-credentials); provision still skews toward longer single qualifications. (West Midlands Works)
- Progression gaps: Gaps between Level 3 upskilling and Level 4/5 technical pathways; L&M not consistently embedded within technical programmes. (West Midlands Works)
- Policy shifts to watch: New T Levels (e.g., Media, Broadcast & Production and incoming V Levels) and flexible apprenticeships to fit creative working patterns.

What employers want

- Bespoke, flexible delivery: Bite-sized modules with onsite/shift-friendly options; vendor-aligned credentials (AWS/Azure, Adobe, Unreal/Unity) and assessment by workplace projects/portfolio artefacts. (WMW LSIP, Code Institute)
- More experienced talent: Live briefs, micro-placements and guaranteed interviews attached to provision to de-risk entry-level hiring in both tech and screen/games. (Employer Skills Survey, West Midlands Tech Review 2025)
- Leadership pathways that track growth: Short, stackable L&M modules for creative and digital managers (people, commercials/IP, agile/AI adoption), linked to WMCA's leadership offer. (West Midlands Works)
- Simple navigation: A single regional front door to skills, funding and talent pipelines (e.g., via Skills WMW and Production Central WM). (WMW LSIP, Screen Skills)

The Everyday Economy

Overview: what is meant by 'Everyday Economy'

- In the WMCA-commissioned West Midlands Futures Everyday Economy in the WMCA report (2025), the New Economics Foundation (NEF) defines the Everyday Economy as non-tradable, locally serving, relatively labour-intensive activities where there are limits to substituting labour with capital without compromising service quality.
- On that basis, the report sets out an Everyday Economy that broadly encompasses health, education, social care, public administration, protective services, retail, hospitality, leisure, personal services, arts, tourism, construction, utilities, domestic transport and food production.

Context:

- The West Midlands Growth Plan positions the Everyday Economy as the foundation of prosperity and living standards, alongside high-growth clusters, recognising that the majority of residents experience the economy through these jobs and services.
- The WMCA-commissioned NEF analysis finds that jobs in the Everyday Economy occupations make up 63.0% of all jobs in the WMCA.
- NEF notes high job counts in Everyday Economy occupations such as nursing and care, retail, teaching, road transport drivers, hospitality, construction and elementary service roles.
- NEF finds significant variation in the share of resident employment in Everyday Economy occupations by local area, and that areas of highest deprivation tend to have the highest share of resident jobs in Everyday Economy occupations.
- The Everyday Economy is therefore consistently cited as a critical to reducing deprivation and raising living standards, not just filling vacancies. (West Midlands Futures Everyday Economy in the WMCA, NEF, 2025; West Midlands Growth Plan, WMCA, 2025; West Midlands Works: Jobs for Everyone, WMCA, 2025]
- NEF reports that, on average, Everyday Economy workers are younger, more ethnically diverse and more likely to be female, disabled or born abroad, and are more likely to provide 20+ hours per week of unpaid care than non-everyday economy workers.
- Implication for training access: schedules, locations, affordability and wrap-around support matter more, because many workers are balancing shift patterns and caring responsibilities. [West Midlands Futures Everyday Economy in the WMCA, NEF, 2025; Employment and Skills Strategy 2024–2027, WMCA; West Midlands Works: Jobs for Everyone, WMCA, 2025]

Potential gaps in current provision

- Evidence across WMCA strategies points to a stack of skills issues across the economy as a whole - including foundation skills, progression to Level 3+, and management/leadership - interacting with sector-specific requirements impacting the everyday economy (care compliance, logistics licences, customer service, digital adoption). [Employment and Skills Strategy 2024–2027, WMCA; West Midlands Works: Jobs for Everyone, WMCA, 2025]

- Foundational skills gaps: Frontline EE roles often recruit from groups with lower qualification levels and need work-ready literacy/numeracy, communication, digital basics and customer interaction to stabilise retention and enable progression. [West Midlands Futures Everyday Economy in the WMCA, NEF, 2025; Employment and Skills Strategy 2024–2027, WMCA]
- Digital/Tech adoption: WMCA strategies repeatedly stress that the region must equip residents for technological change and support businesses to adopt technology, with implications across EE (scheduling, e-commerce, logistics tech, assistive tech in care, etc.). NEF notes early evidence that technology adoption is growing across EE (at varying speeds) and that many EE jobs involving manual/relational work may be relatively more resilient to AI than often assumed. [Employment and Skills Strategy 2024–2027, WMCA; West Midlands Works: Jobs for Everyone, WMCA, 2025; The West Midlands Theory of Growth, WMCA, 2025; The Everyday Economy in the WMCA, NEF, 2025]

Challenges in accessing training

- Training must fit around work and life: WMCA's Employment & Skills Strategy calls for a more accessible offer with part-time, evening, weekend and hybrid delivery, explicitly to fit around adult learners' work and wider commitments. It also highlights the need to strengthen the training offer for employed adults, developing flexible models for residents who work shifts or can only attend evenings/weekends. West Midlands Works reinforces that structural barriers (including childcare, transport and insecurity) make moving into work and training "risky," and argues for integrated local hubs and flexible pathways.
- Public funding complexity deters employers: The Employment & Skills Strategy notes that employers (across the economy as a whole) are often deterred by complex mechanisms and evidence recording requirements associated with public funding. West Midlands Works adds that employers consistently report the support landscape feels fragmented and crowded, and calls for a simplified, regionally-led framework that better connects the skills system to business need.

Pockets of 'low job quality' and retention challenges may be contributing to the "skills problem"

NEF suggests that that some of the largest EE occupations exhibit poor job quality (e.g., low pay, insecurity), varying by sector.

A number of factors may be contributing to this, including:

- Hospitality (and parts of retail/leisure) demand shock legacy: During the spring 2020 lockdown, 81% of hospitality businesses closed. [Support for pubs and the hospitality sector, House of Commons, 2024] A long tail of debt/repayment, depleted reserves, and disrupted career pipelines after mass closures reduces employers' ability to raise pay and stabilise hours quickly.
- Food inflation: ONS stats show that CPI peaked at 9.6% (Oct 2022) and food/non-alcoholic beverage inflation peaked at 19.2% (Mar 2023). As of January 2026, CPI is 3.0%, and food price inflation continues to trend above this, at 3.6%.
- Increased employment costs: ONS's Business Insights and Conditions Survey (BICS) shows 41% of businesses with 10+ employees (across all sectors) reported staffing costs increased over the last 3 months (Feb 2026), and 55% expected staffing costs to increase in the next 3 months. This reflects National Living and Minimum Wage rises from April (and the impact of differentials with higher paid staff), as well as increased employer National Insurance Contributions.
- Local Authority funding cuts: local authorities are major commissioners/employers in EE sectors (care, cleaning, catering, leisure, transport support). Funding pressures can push commissioning toward lowest unit cost, short-term contracts, and limited scope for paid training time - which can suppress wages and security in large frontline occupations.
- Changes in consumer spending post pandemic: ONS "Family spending" data (released 2025) shows the share of total household expenditure on restaurants and hotels was 7% in FYE 2024, still below

pre-pandemic (FYE 2020) levels of 9% - suggesting a persistent shift in household allocation away from hospitality compared to before COVID. ONS retail sales data shows that May 2025 saw retail sales volumes fall across all sectors, with food store volumes down 5.0% (largest monthly fall since May 2021). Retailers explicitly cited inflation and customer cutbacks, plus reduced sales of alcohol and tobacco.

Training interventions alone may underperform if employers are unable to provide fair compensation and retain staff, undermining retention and progression.

WMCA's Growth Plan actions for the Everyday Economy include mechanisms to raise job quality: a West Midlands Good Work Charter, a Social Value Statement, and targeted activity such as a care sector pilot, alongside investment in skills and training. [Our Business; The Everyday Economy https://growth.wmca.org.uk/taking-action/the-everyday-economy/ WMCA; West Midlands Works: Jobs for Everyone, WMCA, 2025]

Governance Structure

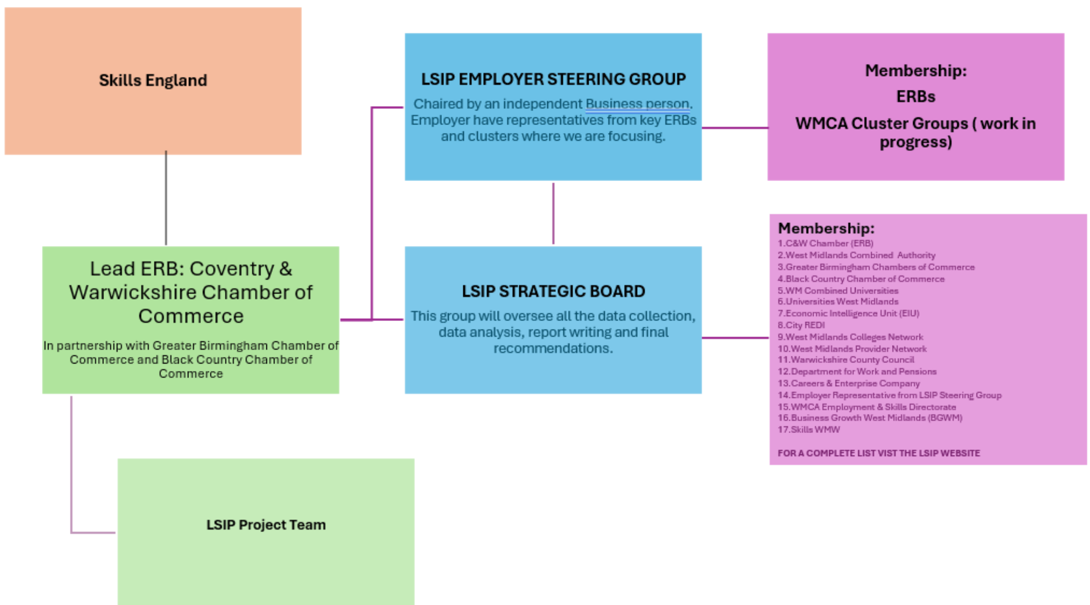
The WM LSIP governance structure is designed to provide clear employer-led strategic oversight and effective operational delivery through collaborative working between employer representatives, delivery partners, Skills England, and regional stakeholders. The LSIP Employer Steering Group (currently being set up) will be established as the principal strategic governance body for the programme, supported by the LSIP Operational Board (already established) which will continue to oversee programme coordination, implementation activity, and delivery management in line with the published Terms of Reference.

Further details are available in the following governance documents:

Operational Board Terms of Reference (TOR): WM LSIP Ops Board Draft ToR 2026.pdf

Employer Steering Board Terms of Reference (TOR): WM LSIP Employer Steering Group.docx

WM LSIP - Governance Structure



SKILLS SHAPED BY BUSINESS
IN THE WEST MIDLANDS

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