

Liverpool City Region

**Local Skills
Improvement Plan (LSIP)**
May 2023



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Liverpool City Region Local Skills Improvement Plan (LSIP)

 Halton Chamber of
Commerce & Enterprise
A united voice for Runcorn and Widnes businesses

 Knowsley
Chamber

 Liverpool
Chamber

 St Helens
Chamber

 Wirral Chamber
of Commerce



Introduction

The **Liverpool City Region Local Skills Improvement Plan** (LSIP) presents an opportunity for a new way of approaching skills improvement in our City Region, placing employers at the centre of the skills system.

This report is the result of an extensive research project conducted over seven months by the five Chambers of Commerce in the Liverpool City Region, to identify the skills employers need most in the workplace, now and in the foreseeable future. The LSIP is mandated to focus on level 3 and higher skills. Garnering consistent and significant employer analysis and insights, the LSIP outlines the requirements of local employers, and makes actionable recommendations that could help FE Colleges and training providers to meet these needs. The Liverpool City Region LSIP adds value through the consistency of the message from employers, the preciseness of their insights, and the articulation of cross-cutting issues including a desire for access routes to higher education and focused courses that enable upskilling of employees.

A detailed data appendix summarises our evidence base. The evidence base is also available as a live Power BI database on www.lcrchambersofcommerce.co.uk so that all stakeholders can access the full evidence base.

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* Research has been conducted in Sefton by Liverpool Chamber of Commerce.



Part 1 //

A Strategic Overview



Part 1: Overview

1.1 // LSIP Aims & Objectives

This plan sets out clear priorities for post-16 Level 3 and higher skills provision in Liverpool city Region. Utilising extensive employer engagement plus secondary data, it identifies the key priorities for changes to make post-16 education and training more responsive to local economic skills needs, now and into the future.

The purpose of the LSIP is to set out an actionable roadmap that providers and stakeholders can use to continuously improve the local skills system to drive economic growth, boost productivity, and improve employability and progression for learners.

1.2 // Research Methodology and Response Rate

A range of fieldwork exercises that have informed the priorities for action included in this plan were completed between November 2022 and May 2023. Data was gathered via three online surveys of increasing depth, a series of sector-based focus groups, and a number of one-to-one recorded interviews with businesses located across the Liverpool City Region.

Quantitative data was gathered via the surveys, which were open to businesses across all sectors. More in-depth qualitative data and insights were gathered from businesses in the strategic priority sectors via focus groups and interviews. In total more than 1120 contacts with businesses were undertaken through the utilised touchpoints.

A summary of response rates is:

First survey: Top-line identification of priority sectors and areas of concern	Nov-Dec 22	265 responses
Second survey: Detailed gathering of knowledge, skills, behaviours, training and recruitment issues, concerns and focus areas within next 1-5 years.	Jan-May 23	568 responses
Third survey: Gathering future skills intelligence in Maths and English, Communication, Digital and IT, Green Tech, Automation and AI	April-May 23	160 responses
Qualitative Focus Groups and Interviews	Feb 23-April 23	33 1:1 interview 18 focus groups with 6+ attendees

As Chambers of Commerce our employer reach enabled far more engagement than other skills or business research programmes have been able to achieve. The survey responses and qualitative interviews combine to provide an extremely consistent and robust picture of the skills ecosystem and employer needs.

However, stakeholders must be aware of the prevailing economic headwinds that have affected employers at time of our research. This had an impact on responses and potentially skewed prioritisation. Due to immediate economic pressures facing all businesses, we consistently found that horizon-scanning for many organisations did not extend beyond 3-6 months. We often found that employers did not have a longer-term workforce development plan and were therefore unable to provide the very specific business intentions that providers really need to be able to plan ahead. We say more about this in Part 3 on future roadmap.

An extensive evidence base exists in the form of a 127-slide presentation pack in our Annex, and a live Power BI data presentation on www.lcrchambersofcommerce.co.uk which can be interrogated by all providers and stakeholders. This is an important resource enabling far more analysis than can be contained in a narrative report limited to 30 pages.

Our analysis in this report is contextualised and augmented with existing labour market information, and numerous secondary data sources are listed in the Annex.

Within the plan are several sections headed 'Employer Needs'. These needs are strictly the views of the businesses who engaged with the research and not those of St Helens Chamber as the lead ERB, or the other Chambers of Commerce facilitating the research.

1.3 // Priority Sectors in the Local Skills Improvement Plan

The guidance for the LSIP was to not attempt to cover the entirety of provision within an area but focus on the key changes and priorities that can gain traction and maximise impact, informed by robust underpinning evidence, meaningful dialogue between employers and providers, and constructive engagement with stakeholders. Our first task therefore was to run a short employer survey to identify key concerns around which the LSIP work could be structured. Construction and Manufacturing came through strongly as key sectors throughout the City Region where LSIP impact could be important. We also determined that hyper-local research would be undertaken through qualitative work, where a local authority area had a particular strength or priority in that sector. Logistics and Warehousing were employer priorities for St Helens and Halton. Professional and Business Services was identified as an employer priority for Liverpool and Wirral. Visitor Economy was a key priority for Sefton and Knowsley.

We have included analysis from detailed secondary data sources for other priority employment sectors, especially the Health and Care sector and Life Sciences. Our approach was designed to ensure LSIP resource would add value and not duplicate existing up-to-date work. Health and Social Care in particular is a large employment sector suffering from well-evidenced labour supply shortages. We decided not to focus this first LSIP on Health and Social Care because of the wealth of evidence already in place from the work of Skills for Care and other studies.

Construction

Construction is made up of a wide variety of trades, from traditional wet trades such as plastering and bricklaying, to new trades including off-site manufacturing, modular or system buildings, green technologies, digital generated designs, professional roles in architecture and many more. The sector has contributed over £25 billion (ONS) Gross Value Added (Balanced) to Liverpool City Region's renaissance in the last 20 years.

The workforce of the Liverpool City Region is smaller than predicted future demand, and broadening diversity remains a priority. There is an ageing workforce at professional and trades level which risks widening the skills gaps in the years to come.

Construction has traditionally been, and remains, one of the most volatile sectors and skilled construction and building trades occupations have a high proportion of self-employed workers compared to employed workers. This is an important feature of the sector to note in the immediate post Brexit period as being sponsored by, or attached to, an employer provides relative advantages under the Government's new migration system.

Apprenticeship numbers have been broadly static over recent years, and there is more work that needs to be done with employers to stimulate the creation of quality and sustainable apprenticeships. This will lead to developing a skilled and motivated workforce of the future.

Broadly speaking, there are two kinds of employer requirements. First, for there to be a sufficiently large skilled labour force (occupational skills shortages) and second, any additional skills needed by the existing, skilled workforce (skills gaps and upskilling needs).

Manufacturing

Manufacturing makes a vital contribution to the local and national economy, providing over 47,000 jobs and over £4.3bn of GVA to the LCR economy. The sector, broadly defined, covers a wide range of activity including chemicals and pharmaceuticals, automotive, metal products, electronics and manufactured fuels. The manufacturing sector is strong in the City Region, experiencing both employment growth and increased GVA.

The sector has an ageing workforce, with ONS data for the City Region indicating that 37% of workers are aged 50+. Automation and the harnessing and application of digital technologies is increasing in prevalence and general demand for STEM skills remains strong due to replacement demand.

The sector needs more candidates to progress into manufacturing roles, however research from local higher education institutions indicates that only 24% of STEM graduates actually take up STEM occupations six months after graduation.

Warehousing & Logistics

Logistics is a key employment and wealth generating sector for Liverpool City Region. There are over 2,000 businesses operating in the sector, employing over 26,000 people in 2016, which is 4.2% of the region's workforce.

Employment in the sector has grown significantly in Liverpool City Region, with 12,000 jobs created between 2010 and 2016, mainly in transport and warehousing. There has been significant growth of late linked to the growth in online purchasing associated with the Covid health crisis.

The sector is increasingly at the forefront of automation, innovation and the application and the use of technology to support and improve the way customer needs are met.

Whilst previous engagement with employers suggested that relatively fewer skills shortages existed, further discussions with employers and those who work with the sector are indicating that this is changing with disruptions brought about by the health pandemic, as well as Brexit.

Businesses are having to respond rapidly to the economic shocks and changes in customer demand and behaviour and view the need to attract and retain a skilled and flexible workforce as a priority.

Professional & Business Services

The Professional and Business Services sector adds more GVA to our local economy (almost double the amount) than the nearest other sector. It supports an estimated 93,000 jobs across 12,000 companies and generates more than £4.2 billion per annum in economic activity.

The primary areas of business activity within the sector include accountancy, insurance, legal services, head office functions, and other professional occupations. The sector in Liverpool City Region has specialisms in wealth and fund management and in business services for the health and life science and maritime industries.

The sector has strong skills supply, particularly from graduates of the City Region's universities and increasing numbers entering apprenticeships and degree apprenticeships from school. Several areas of the sector are facing challenges and business disruption brought about by the move to online digital services, and hybrid working associated with the COVID-19 pandemic has resulted in different business practices being adopted.

Whilst in some cases this has led to increases in efficiency and productivity, it has raised issues including making it harder for new recruits to be fully inducted into new organisations, supporting existing staff especially with well-being and mental health, being able to capture new business and clients and for recognising the need to upskill existing employees.

Visitor Economy

The visitor economy is vital to the whole of the Liverpool City Region and acts as a major driver of economic growth and prosperity. It is worth more than £4.2bn worth of GVA a year to our economy providing 52,000 jobs.

The hospitality sector and other areas of the Visitor Economy were significantly affected by the health pandemic, and recovery from this continues to be a key focus. Future skills planning and addressing known skills shortages will assist with both survival and longer-term recovery. There is a major aspiration for the leading operators within the sector to provide a demonstrably attractive career pathway.

Building resilience and market diversification will need massive investment in digital skills to help deliver the services that will build back consumer confidence resulting from Covid, the capacity to exploit new market opportunities (both product and communication) and generate operating efficiencies.

1.4 // Future Sectors for Further Analysis:

The Liverpool City Region Economic Landscape after 2023

The employment sectors above have been the main focus of our qualitative research with employers in this first Local Skills Improvement Plan for Liverpool City Region. This prioritisation was based on size of employment base and identified key local priorities, and responses to our first employer survey in November-December 2022. However, the Liverpool City Region employment base is of course more diverse, and emerging Growth Priorities will be vital for future iterations of the LSIP. This will be particularly informed by the LCR Mayoral Combined Authority's Plan for Prosperity and the work of the Business and Enterprise Board and constituent sector boards.

Health & Care

The health and care sector will continue to play a strong role in providing accessible jobs at all levels, with opportunities for support and progression given that around 20% of City Region jobs are in health and care. There is a need to ensure that there is a clear understanding of the support available for people to get into health and care roles and for employers to find people and support them in their progression. There are many overlapping offers which can all too easily confuse and at worse cases duplicate activity, which leads to a need to simplify the offers available.

Green Jobs & Skills

There are a range of emergent green jobs and skills opportunities coming forward in the City Region, as set out in the Green Jobs and Skills Plan, which including retrofitting, offshore wind energy, electric charging points, the move towards hydrogen as a fuel source and the potential for a tidal energy solution in the medium term. The skills needed are broadly understood and there are a range of training facilities in place across colleges, training providers and universities but there is a need for employers and providers of training to continue to engage in detail about needs and opportunities to ensure that skills supply can be provided in due course. We have a number of important employer insights into Green Skills in the future skills part of the LSIP report and evidence base.

Freeport

The Liverpool City Region Freeport was approved in January 2023 with the medium-term ambition of creating a further 10,000 jobs in the City Region: whilst there are tax sites at 3MG in Widnes, Parkside in St Helens and Wirral Waters, companies from across the whole City Region can benefit from the customs benefits. The first jobs are likely to be created in early 2024 and there is a need to ensure that employers can access the logistics job roles that are initially planned to be delivered, as well as the medium-term opportunity to create manufacturing roles. The logistics and warehousing sections of the LSIP refer.

Life Sciences

There is a potential for the Liverpool City Region to accelerate economic development in life sciences. Building upon the strengths at the research institutions and across the pharmaceutical and medical services sectors, this has the potential to accelerate the significant benefits seen locally and support inclusive economic growth. This will require the provision of skills in science research, high value manufacturing and commercialisation.

Early Years & Childcare

Underpinning this growth will require further development and increases in Early Years and Childcare provision in the City Region. Budget 2023 confirmed an increase in the funding and support available for parents of younger children, at a time when existing providers were finding things to be challenging. There is a need to expand the availability, quality, accessibility, and affordability of provision, whilst working with providers to enable staff to be upskilled.

Visitor Economy

The hosting of Eurovision 2023 has provided a significant boost to the Visitor Economy within the City Region, alongside the annual hosting of the Grand National festival and the Open Golf Championship being held at Hoylake in 2023. Allied to the recent opening of Shakespeare North Playhouse in Prescot, this wider cultural and visitor offer from across the City Region is providing more opportunities for people to engage with and secure employment and progression in. Ensuring that inclusive, sustainable, and good quality jobs are available, which could lead to longer term careers, is crucial to the survival and flourishing of the sector. More detail on this important sector is given below, from primary and secondary research.

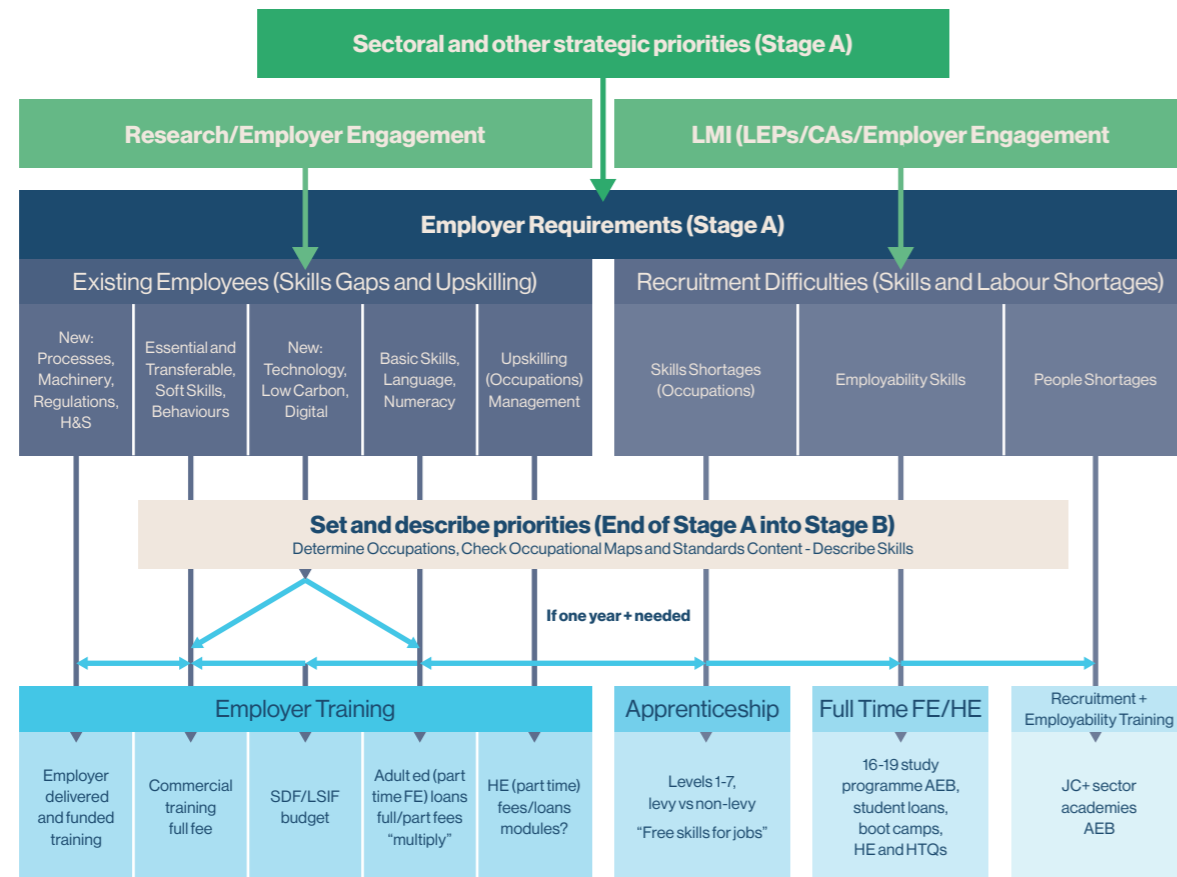
1.5 // Our Approach

Having set our strategic priorities, we have adopted the framework illustrated in the diagram below to gather labour market intelligence and employer views, categorise skills requirements and point to possible publicly funded programmes.

For each sector, we have split employer priorities, into occupational skills shortages (the right-hand side of the diagram) and Skills Gaps and Upskilling (the left-hand side of the diagram).

For occupational skills shortages we have used two criteria: The top 5 occupations by employee volume across the City Region and the top five occupations for replacement demand.

Some of these occupations lend themselves to Apprenticeships and/or 16 to 19 Vocational FE programmes and some to upskilling the existing workforce via either Apprenticeships or short courses, depending on the employer's preference and capabilities.



1.6 // Engaging Colleges and Independent Training Providers

Colleges and Independent Training Providers (ITPs) were engaged at several stages of the fieldwork process and ahead of the publication of the Emerging Priorities Report in March 2023. FE Colleges often took part in employer roundtables and met frequently with their local Chamber of Commerce lead researcher. ITPs were engaged through the industry body, Greater Merseyside Learning Providers Federation, who hosted several engagement sessions through the period of research.

1.7 // LCR Be More Platform

Employer feedback to our initial research highlighted that 65% of businesses were struggling to find information to tell them which providers could offer the training they needed. During later stages of the research qualitative feedback described an "information void" around the availability of courses in the Region and the funding available for businesses to help them access these courses.

We have made recommendations on this in part 3, and in particular wish to highlight the importance of the Liverpool City Region Combined Authority's Be More platform, providing a one-stop shop for skills advice. The portal offers an opportunity to simplify how employers and learners navigate the local skills system.

In 2022 the portal was redeveloped to be a 'go to' resource for all local careers content, information, advice, guidance, and opportunities. Moving forward, LCR Be More will be focusing on the following key areas of development:

- + The website and mobile app will continue to be optimised based on feedback from stakeholders (for example, DWP, providers, employers) to provide a fast and efficient service.
- + A greater level of external stakeholder engagement (for example, providers and employers); and,
- + The introduction of a virtual assistant which will provide the means to navigate the site far more effectively for users whilst also continuing the accessibility functionality that is commended across all stakeholder groups.

We see these developments as a key opportunity to fulfil some of the priorities identified by employers and have made specific recommendations related to this throughout this plan.

1.8 // The Strategic Development Fund

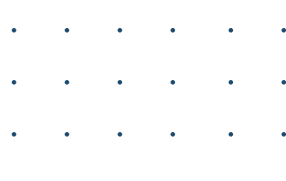
The Strategic Development Fund 2022-23 provides capital investment to enable FE Colleges in areas across England to reshape their teaching and training provision and update their facilities in preparation for the rollout of Local Skills Improvement Plans.

In the Liverpool City Region this funding has been awarded to FE Colleges for the development of 'Green Skills', with colleges developing curriculums and making physical alterations to premises to facilitate the delivery of new courses. We say more about this in Annex D with key case studies on the SDF.

St Helens and Knowsley College and The City of Liverpool College have focussed on courses in Low Carbon Heating and Solar Technologies; Riverside College is focusing on Hydrogen Technology courses; Wirral Metropolitan College is focussing on Modular Building technology; and Hugh Baird College is focussing on courses related to Electric Vehicles, complemented by Southport College focusing on EV charging installation courses.

Future capital investment funding goes to FE Colleges through the national Local Skills Improvement Fund, with a planning and bidding round during the summer of 2023 and aligned to insights provided by the Local Skills Improvement Plan.

A question raised in our research by employers who have good experiences and relationships with a geographically rooted Independent Training Provider, is why ITPs do not have the same access to capital funding as FE Colleges. While beyond the scope of this LSIP, we may be able to look further at this question and subsequent recommendations through further iterations of our research.





Part 2 //

Priorities for Action



Part 2: Priorities for Action

In this section we will address the key findings and priorities identified for each of our priority sectors. Whilst the individual priorities and recommended actions for each sector differ, we have grouped them consistently as two key challenges: Recruitment Difficulties and Skills Gaps / Needs.

2.1 // Construction

Summary

52% of construction businesses surveyed cite finding employees with the right technical skills as an issue, so there is a big challenge ahead to address the skills gaps in this sector. In addition to these acute skills shortages there is also an extreme imbalance in gender within the industry, with some occupations, such as carpenters and joiners, being up to 99% male workers.

This presents a huge opportunity to grow the skilled labour force and you will see in our recommendations below, we propose developing female-focussed programme-led Apprenticeships for some trades to help address this.

Recruitment Difficulties

When we asked employers in the construction industry about their recruitment difficulties, the answers were mainly concerned with employability skills and barriers perceived within the local skills system.

Full Apprenticeships bring significant time requirements for the learner and their employer, and while Apprenticeships generate highly productive workforces they can be perceived as too high a cost and inconvenience, especially when the employer requires a more focused skills uplift on e.g. new techniques. Our recommendation to tackle this barrier is a reintroduction of modularisation. This could enable employees to complete shorter courses on an ad-hoc basis, making them more flexible and accessible around working patterns and opening them up to different demographic groups.

Feedback indicates recruitment for construction is in a very poor state currently. Employers see the potential for colleges to be a recruitment solution for businesses, but stress that teaching needs to be up to date and relevant to the role and business, so as to not restrict talent. We believe the development of a cross-college recruitment agency, as outlined above could help to tackle this issue.

Firms want to see increased exposure of construction as a career path in schools and colleges with T Levels, as opposed to over-exposure of university level courses. A more detailed review of the current position is needed to achieve this. We would suggest a collaborative project between Employer Representative Bodies, the Combined Authority, Colleges, Schools, and the Careers and Enterprise Company is needed to tackle this and create an action plan.

Employer Need (Construction)	Provisional Priority
Priority employability Skills Barriers	
UK-based apprenticeships have time requirements which is causing cost and inconvenience to businesses	9. Modularisation could enable employees to complete shorter courses on an ad-hoc basis, making them more flexible and accessible around working patterns and opening them up to different demographic groups.
Agency workers are not being provided with relevant experience/skills/ knowledge and this is leading to upskilling issues and employment issues	10. Explore the possible development of a cross-college recruitment agency that offers employability, soft skills and IAG to candidates. Ensure continued learning whilst in employment (modularisation); DFE funding a pathway for a learner who's employable.
A large part of the workforce is made up of self-employed/sub-contractors who cannot afford the time for qualifications required which has led to the employment of under-skilled and underqualified workers	5. Upskilling via PM Apprenticeships or short courses
Local Skills System Priorities	
Increased exposure of construction as a career path in schools and colleges with T Levels as opposed to over-exposure of university level courses	11. Establish the current position and if appropriate, form a collaborative project (ERB, CA, Colleges, Schools, CEC) and action plan to tackle this.
Employers can recruit from college courses if teaching is up to date and relevant to the role and business as to not restrict talent	10. Explore the possible development of a cross-college recruitment agency that offers employability, soft skills and IAG to candidates. Ensure continued learning whilst in employment (modularisation); DFE funding a pathway for a learner who's employable.

Skills Gaps and Upskilling Needs

Employer Need (Construction)	Priority for Existing Workforce	Priority for Future Workforce
New Processes, Machinery & Regulations		
Retrofitting and AI technologies – in the next 1-2 years there are strong targets for housing that needs to be a certain EPC level. Housing association funding requirements along with other building priorities increase these skills needs where significant shortages are forecast.	12. AEB/LSIF funded upskilling for plumbers, electricians, and other trades	13. Every College delivering construction training to be equipped and capable of making the offer for net zero upskilling content requirements 14. Introduce Apprenticeships for new occupations: Low Carbon Heating Technician 15. Explore the use of Bootcamp or AEB funding for training new occupation of “Renewables/ retrofit assessor”
Essential and Transferable Skills		
Project planning and management, time management and team working	16. Short course programme for managers. Online learning modules could be utilised for transferable skills. Fits in with a modular learning approach.	
Flexibility and adaptability as the industry is changing at pace, so the ability to transfer skills over for new roles is essential	Lifelong learning. Businesses know that as the world and their industries change, there will be a need for their workforces to upskill and even reskill over time.	
Training the trainers is essential to move with the industry. This will prevent recruitment and employment issues and ensure transferable and essential skills are shared	17. Develop a network of industry-based training staff for development	Explore viability of private sectors businesses teaching in colleges. CITB having a training college themselves.
New Technology/Low Carbon		
Hydrogen piping – Businesses report limited pipe technicians in the area to provide this service for the new technology	18. Explore expansion of hydrogen pipe fitting training capacity	
Solar panelling – Businesses report that there is not much incentive for them to train in this area - the homeowner and scaffolder are the ones who benefit from this new technology.	As (13) Every college delivering construction training to be equipped and capable of making the offer for net zero upskilling content requirements	
Learning and Development for those within the sector that can share and train best practice and adapt at pace with the industry	As (13) Every college delivering construction training to be equipped and capable of ensuring net zero upskilling.	As (14) Introduce Apprenticeships for new occupations: Low Carbon Heating Technician
	As (15) Explore the use of Bootcamp or AEB funding for training new occupation of “Renewables/retrofit assessor”	
Upskilling		
Labourers and joiners moving into project management and site management roles. Labourers and joiners moving into specific in-demand roles such as electricians and plumbers. All roles being upskilled to use AI technologies such as those cited for retrofitting	As (5) Upskilling via PM Apprenticeships or short courses	
	As (8) Upskilling via Site Manager Apprenticeship or short courses	
	Also, a possibility of specific adult Bootcamp/ AEB funding for upskilling adults as in (15) above	
Local Skills System		
There needs to be support provided for female workers who may have childcare commitments, more flexibility and staggered starting is essential	Modularisation – diverse and hybrid working/ learning. Colleges to recognise forward looking businesses and look at the systemic issue.	19. Explore female-focussed only recruitment/ training programmes for certain trades. Begin with block of off the job training (funded by Apprenticeships, AEB or Bootcamp) and moving into Apprenticeships
Recruitment needs to be less focused on higher management jobs and advertisements for entry level and apprenticeship roles need to be advertised on a wider more accessible scale.	As (11) Establish the current position and if appropriate, form a collaborative project (ERB, CA, Colleges, Schools, CEC) and action plan to tackle this.	

2.2 // Manufacturing

Summary

The manufacturing sector represented the largest segment of the employers who engaged in our research and with 57% of these businesses struggling to find employees with the right technical skills it is clear why they were keen to share their views.

Sector specific technical skills are the most highly valued skill set by this sector, and the ones they are most likely to invest in over the next 5 years. The biggest barrier to improving skills for manufacturers is time.

Recruitment Difficulties

When we asked employers in the manufacturing industry about their recruitment difficulties, it was clear that perceptions of the industry were creating obstacles. Employers believe that young people do not see manufacturing as an attractive career proposition, especially graduates, who are opting to move into other sectors. A true picture of what a modern manufacturing business looks like is failing to gain traction, so those that do enter the sector often have low aspirations which can lead to issues with attitudes.

Some of the recommendations for this sector seek to challenge these perceptions through improved Careers IAG and a shift in culture toward lifelong learning and continued professional development.

Employer Need (Manufacturing)	Provisional Priority
Priority Employability Skills Barriers	
Improve the attractiveness of the roles within manufacturing regarding wages, flexibility, and career benefits for university graduates	Action for employers, but also the project at (11) above under Construction to be extended to include Manufacturing
Improved attitudes of younger workforce and recruits preventing higher turnover and less conflict within the workplace	5. Ensure content of 16 to 19 vocational programmes (other than T Levels and Apprenticeship where they are already covered) includes behaviours or similar. Outline lifelong career paths to raise aspirations and embed that investment in learning is crucial
Adaptability and problem solving are strongly demanded within the businesses to adapt and cope with the industry changes (particularly for those in the workforce whose knowledge, behaviours and skills are largely institutionalised)	As (5) ensure content of 16 to 19 vocational programmes (other than T Levels and Apprenticeship where they are already covered) includes behaviours or similar. Outline lifelong career paths to raise aspirations and embed that investment in learning is crucial
Local Skills System Priorities	
Increase supply of teachers/trainers for priority manufacturing trades as colleges are struggling to recruit as trade jobs offer higher paid salaries	6. Develop a cross area initiative to increase the supply of teachers/trainers in FE Colleges related to priority sectors Develop a LCR Centre of Excellence for Manufacturing (see Warwick University) Liverpool set for new manufacturing training centre Northwest Manufacturing News (insidermedia.com)
Ensure that trade courses are both suitable and transferable – lack of this means that a qualification is suitable for company A but leads a holder to be unqualified for company B.	7. Develop a model for Skills Health Checks where providers check in with employers to check if knowledge/skills are relevant and still being used. The recommendation for at least annual curriculum development sessions with employers should help with ongoing curriculum updates.
Colleges and Schools to promote career pathways to young women and ethnic groups to demonstrate manufacturing as a career option. Supporting and engaging with businesses to attract and fulfil the expectations of a diverse group of protected characteristics and socio-economic backgrounds.	Incorporate into project described at (11) under Construction (Extended to Manufacturing)

Skills Gaps and Upskilling Needs

Our work has identified several points made by employers, some relating to skills gaps and some requiring a different type of action. These are listed below, along with the priority action to be explored by providers.

As with the construction sector we have made recommendations around recruitment programmes for females - not only to address the gender imbalance in the sector, but to tap into a previously underutilised pool of workers to help offset skills shortages and recruitment challenges.

Employer Need (Manufacturing)	Priority for Existing Workforce	Priority for Future Workforce
New Processes, Machinery & Regulations		
Existing ways of manufacturing and designing goods is changing, for example firms are discussing 3D printing as a new process, as-well as digital engineering	7. Seek to develop an awareness of new production processes via workshops, skills health checks with employers, and curriculum development panels.	9. Build content into Apprenticeships and T Levels
Essential and Transferable Skills		
Improve teamworking, problem solving and Management and Leadership for all trades	8. Possible Transferable skills short course programme	Already built into T Levels and Apprenticeships, ensure behaviours and attitudes are covered in all courses.
Project planning and management skills for supervisors and managers & associate managers	9. Supervisor/manager short course programme	10. Build into Apprenticeships and T levels If not already covered
Key Behaviours and transferable skills such as honesty and integrity, strong work ethic, willingness to learn & adaptability are essential	As (8) Possible Transferable skills short course programme	Already built into T Levels and Apprenticeships, ensure behaviours and attitudes are covered in all courses.
New Technology/Low Carbon		
Low carbon and environmental factors such as the demand for electric vehicles	As (9): short course programme	As (10) Build into Apprenticeships and T levels If not already covered
Digital skills to work side by side interacting with technological business solutions such as increased used of robotics and the impact of wider policies and customer demands on the manufacturing process	As (7) Seek to develop an awareness of new production processes – workshops, curriculum development	As (10) Build into Apprenticeships and T levels If not already covered.
Basic Skills		
Maths for mechanical engineering and graphic design for digital marketing	11. Offer short courses for engineers and digital marketers	As (10) Build into Apprenticeships and T levels
Upskilling		
Trades moving up to supervision and then to management. Upskilling warehouse operatives into warehouse managers. Engineers moving into engineering supervision or digital engineering.	12. Apprenticeships and/or short courses Address through introduction of modular learning provision	
Local Skills System		
Need a push on STEM subjects that can be translated to manufacturing roles to drive up the number of potential candidates	Part of project at 11 under Construction extended to Manufacturing	19. Explore female-focussed/only recruitment and training programmes for certain trades. Begin with block of off the job training (funded by Apprenticeships, AEB or Bootcamp) and moving into Apprenticeships.
Advanced manufacturing is competing to attract STEM applicants with other sectors and there needs to be renewed focus on targeted promotion of the sector as well as managing and retaining Millennials / Generation X	Part of project at 11 under Construction extended to Manufacturing	

2.3 // Logistics & Warehousing

Summary

Where technical skills were the biggest priority for construction and manufacturing firms, for the Logistics and Warehousing sector, employability skills are the priority. Communication skills are a key priority for this sector, alongside other soft skills like teamwork.

This sector is much more likely to recruit via face-to-face recruitment or word of mouth referrals. Time is the key barrier for investing in skills for this sector, but employers also struggle to find relevant courses for them locally.

Similar to construction, there is a severe imbalance of gender in the workforce in this sector. Large Vehicle driving roles for example, are up to 99% male workers, leading to our recommendation for female-focussed training programme for HGV Drivers.

This sector has a smaller sample size than other sectors so the data may be less robust.

Recruitment Difficulties

When we asked employers in the logistics and warehousing industry about their recruitment difficulties, it was clear that external forces were creating barriers for the sector, namely issues around driver insurance for young people, continued fallout from covid, and post-Brexit challenges.

As with manufacturing, perceptions around career progression are also a challenge so we have recommended extending the proposed IAG project to encompass all priority sectors.

Employer Need (Logistics)	Provisional Priority
Priority employability Skills Barriers	
The industry has an issue with professional driver qualifications. Can drive a truck at age 18 but then insurance at age 21, so these drivers are lost to other roles/industries within the interim period. The same with somebody who wants to be a HGV driver and starts work at a distribution centre, but they are lost to other roles.	3. Seek to establish a progression route for 18-year-olds and seek to increase volume of adult driver training across the area Skills bootcamps for driving qualifications/learning could be an option.
Some employers report that since Covid and furlough there has been a change in attitudes and behaviours. Employers are reporting issues with what they describe as the younger person's ethos to work. Brexit has caused issues for recruitment too, with a reduction from a quarter to 5% of workers now being non-UK nationals who display what are described as the correct attitudes. Employers also have mentioned DWP benefits being equivalent to working an additional 10 hours.	Noted for further LSIP iterations of research – no definite priority or recommendation yet other than general points about behaviour and attitudes learning.
Local Skills System Priorities	
Employers express a desire for skills providers to reinforce and deliver pre-employment skills and behaviours	4. Explore Employability skills and placement programme under "Boot Camp" or AEB funding or expansion of Traineeships and Study Programmes 5. Work with Colleges to ensure placements and essential skills are part of all 16 to 19 vocational programmes
Colleges and schools need to teach logistics as a career path. There is now a clear progression for workers, start at lower levels, move into management and eventually senior management.	6. Extend the project under 11 in Construction, to all priority sectors
With customer service aspects as part of logistics, drivers and operators need to be able to negotiate and use technology. Older and younger drivers don't necessarily have those skills currently	7. Short courses for existing staff focusing on customer service, digital skills.

Skills Gaps and Upskilling Needs

Our work has identified several points made by employers, some relating to skills gaps and some requiring a different type of action. These are listed below, along with the priority action to be explored by providers.

The adoption of new technologies is a particular priority for this sector, which needs to be carefully considered in the evolution of T Levels and Apprenticeships to ensure suitable skills are being taught to all young people joining the workforce via these routes. This is a recurring recommendation for this sector.

Employer Need (Logistics)	Priority for Existing Workforce	Priority for Future Workforce
New Processes, Machinery & Regulations		
Logistics is one of the industries in which H&S qualifications are required to be able to complete the role effectively and safely due to regulations	Occupational pathway to be clarified	Greater specification/ employer engagement needed to identify exact H&S requirements.
Essential and Transferable Skills		
For heavy goods drivers there needs to be a set list of qualifications to upskill drivers. The issue is that these qualifications have lots of costs attached to them – medical costs etc	We have designated this as a priority occupation under 1 above. (1) Apprenticeship and Adult training	Already built into T Levels and Apprenticeships
Requirement for fire warden, health and safety, first aid, Microsoft office skills and IT skills	8. Short course programme	8. Short course programme
Logistics uses robotics and AI as well so IT skills are crucial to operate modern day technology.		
Engineers needed for warehouses		
Behavioural skills such as willingness to learn, honesty and integrity, proactivity and self-motivation.		9. Ensure essential skills are built in the adult training programmes
New Technology/Low Carbon		
Energy and transportation costs are continuing to rise which is having a significant impact on operating costs for firms. Rising fuel costs and pricing of routes and container rates is expected to continue to rise. The war in Ukraine is going to put additional pressure to adopt green and onsite energy production	10. Exploratory workshops for managers on green energy options and net zero	Adoption of green skills recommendations into future quals.
Lorries and coaches are struggling to switch over to greener energy in the short term. Scania have predicted electric to overtake petrol/diesel by 2028. Diesel is moving to particulate filters and engines are getting cleaner with euro 6.	10. Exploratory workshops for managers on green energy options and net zero	Adoption of green skills recommendations into future quals.
Basic Skills		
Flexible and modular learning that includes analytical and communication skills as-well as literacy and IT skills	As (5) work with colleges to ensure placements and essential skills are part of all 16 to 19 vocational programmes. As (9) ensure essential skills are built in the adult training programmes.	As (10) build content into Apprenticeships and T Levels
Upskilling		
Digital skills for existing workforces, responding to the huge rise in e-commerce trade. Retraining in new customs documentation and other requirements that have been brought on by being outside of the EU (regulatory compliance). Logistics is not yet an industry in which you can come out of college and go straight into the role due to qualifications not being offered. The routes into lorry driving are FLT or warehouse operatives.	As (8) Short course programme for drivers	More detail needed on potential for creating direct into logistics courses rather than individuals needing to do FLT or warehousing first.
Local Skills System		
To combat an ageing workforce, succession planning management and leadership skills programmes are needed. Identification of entry level and progression opportunities to provide a more diverse and stronger workforce		11. Short course programme for future managers and use of Management Apprenticeships when upgrading occurs
There are more women coming into work in transport as managers and HGV managers or running their own haulage businesses, but when it comes to drivers the facilities for learning are not up to standard for women such as toilets and showers, health and safety and childcare		12. Check out facilities with providers of HGV training and seek to agree action as appropriate 13. Explore female-focussed training programmes for HGV drivers.

2.4 // Professional & Business Services

Summary

Generally, the issues with recruitment are less acute within the Professional and Business Services Sector than in other priority sectors.

Leadership and Management skills are those most in demand by Professional and Business Services employers.

This sector places the highest value on IT and Digital Skills and is also most likely to be interested in qualifications when hiring. IT roles were the most recruited role in the last year, with almost 32,000 unique listings.

There is a larger proportion of male workers in this sector, but the divide is far less extreme than other priority sectors, with females making up approximately 38% of workers.

Recruitment Difficulties

The professional and business services sector has become a job seekers market in recent times. Candidates entering or moving roles in this sector are more demanding and discerning over where they chose to work and their expectations of their employer. A number of the challenges with recruitment faced by this sector we believe could be overcome by upskilling the recruiting managers, so we are recommending creation of a series of workshops to give them the knowledge and tools to attract and retain the right staff.

Employer Need (Professional & Business Services)	Provisional Priority
Priority employability Skills Barriers	
Young person's attitudes are a barrier to employability – dictating interview times, moving around a lot of businesses & a lack of life skills and wrong mindset to hold down a job	7. Ensure 16 to 19 vocational programmes all cover behaviours and job entry skills (Apprenticeships and T Levels do already)
Flexible working benefits are highly desirable for young workers, and these are not offered by all companies putting some at a disadvantage	8. Recruitment and Retention (including Hybrid/flexible working) workshops for Managers
Recruitment processes have changed over time, LinkedIn for example has provided huge opportunities for headhunting rather than recruitment	As (8) Recruitment and Retention (including Hybrid/flexible working) workshops for Managers
Local Skills System Priorities	
An increased focus on recruitment and retention. Post covid firms are struggling to find suitable talent and keeping that talent due to headhunting and newer generations bouncing from job to job	As (8) Recruitment and Retention (including Hybrid/flexible working) workshops for Managers
Finding candidates with the right soft skills to work within office and home working environments is proving to be a struggle for businesses	As (7) Ensure 16 to 19 vocational programmes all cover behaviours and job entry skills (Apprenticeships and T Levels do already)
Candidates need a greater understanding of their roles and how it fits within the business. Technical skills at entry level are suitable however due to diverse ways of working there have been issues finding candidates with the right behaviours	As (8) Recruitment and Retention (including Hybrid/flexible working) workshops for Managers

Skills Gaps and Upskilling Needs

Our work has identified several points made by employers, some relating to skills gaps and some requiring a different type of action. These are listed below, along with the priority action to be explored by providers.

More so than any other priority sector, the professional and business services sector has seen a new set of challenges brought on by adapting to new ways of working, where the typical 9-5 office roles are no longer the norm. This has led to a varied set of recommendations that focus on soft skills around not just the roles people perform, but how they work.

Employer Need (Professional & Business Services)	Priority for Existing Workforce	Priority for Future Workforce
Essential and Transferable Skills		
New ways of working such as homeworking have led to a lack in communication and basic work skills such as Honesty and integrity, strong work ethic, willingness to learn and basic teamworking skills	9. Workshops for Managers on managing hybrid working	Ensure behaviours and skills sets on employability are built into all courses.
Employers report need for basic office training including using a telephone, emailing, office and email etiquette, etc.	Given that Level 2 Business Admin does not exist, there are skills gaps emerging at level 3. It is a current and future priority to look for ways of increasing level 2 skills, knowledge and behaviour into higher other courses.	As for current workforce.
Critical thinking and complex problem solving, effective communication and collaboration	Short course open to all staff covering essential skills	As (7) Ensure 16 to 19 vocational programmes all cover behaviours and job entry skills (Apprenticeships and T Levels do already)
Change management and cultural change skills	10. Manager development programme	As for current workforce.
New Technology/Low Carbon		
Enhanced digital and data analytical skills such as AI and digital processing	11. Short courses on digital and data analytical skills	As (10) build content into Apprenticeships and T Levels
Low carbon ways of working and increased awareness of a low carbon economy, greener energy supply and access to financing for low carbon schemes and what it means for everybody within a business	12. Short courses on "Achieving net zero" for managers and relevant staff	As (10) build content into Apprenticeships and T Levels
Basic Skills		
Giving control to employees and learners to learn new skills that they deem valuable for their role / development such as Excel, digital design or BI	13. Digital skills programme available for all staff	As (10) build content into Apprenticeships and T Levels
Upskilling		
Upskilling courses should be integrated with businesses on demand. These can be shorter bespoke courses tailored to a specific need. Upskilling used as a form of retention, giving skills to those who wish to progress into new roles/careers. Upskilling to meet the requirements of new ways of working and working with industry mentors and mental health mentors	As (9) Workshops for Managers on managing hybrid working	11. Short course programme for future managers and use of Management Apprenticeships when upgrading occurs
	As (11) Short courses for IT support staff	
	As (12) Short courses on 'Achieving net zero' for managers and relevant staff	
	As (13) Digital skills programme available for all staff	
Local Skills System		
There is funding available for recruiting apprentices, but there aren't many funding streams for alternative routes so this should be looked at. Funding for start-ups in particular is difficult as many streams require an upfront payment which micro – small businesses can't always afford to pay out	AEB Innovation funding may be a possibility	11. Short course programme for future managers and use of Management Apprenticeships when upgrading occurs
Greater awareness around alternative routes into the sector, many businesses do not require people to have obtained a degree before entering the workplace as there are other routes such as apprenticeships... however there isn't always the volume of candidates needed	14. Project 11 under Construction extended to all priority sectors.	
Courses should be integrated with businesses; this involves colleges being involved with students being in attendance in an office environment offering career insight days	As (14) Project (11) under Construction extended to all priority sectors.	15. Explore introduction of placements in courses where they are not already present, beyond T Levels (where they are already mandatory) and Traineeships.



2.5 // Visitor Economy

Summary

For employers operating within the visitor economy, finding people with the right attitude and experience is often the greater challenge, with 86% of employers engaging with our research citing experience of most importance when recruiting. Unsurprisingly the skills they value the most are teamwork and verbal communication. Employers also tell us that the training they value most is on the job in-house training. What is clear is that there is a need for skills providers to provide opportunities for employers to engage in curriculum development.

Some of the barriers raised by employers are wider issues beyond skills providers. Covid has had a dramatic impact on the hospitality industry and a large proportion of trained employees have left. Unsociable hours are an employability barrier as many cannot commit to the long hours required in the industry. This has led to workers looking for more sociable hours and higher paid roles. Often industry/ sector factors have limited our ability to identify priority actions that could be undertaken by skills providers.

The entry point for Visitor Economy jobs tends to be lower paid/zero-hour contracts for waiting on, housekeeping etc. Our employer respondents recognise there needs to be more upskilling of the existing workforce. This includes pathways to apprenticeships and degree-level courses. Instead of seeing the Visitor Economy as a temporary job, this leads the employee into making this job a lifelong career by raising the aspirations and highlighting the pathways of how to become e.g. a General Manager. Businesses have pointed out that income at the higher end is equivalent or higher than other industries, but the loss of workforce due to COVID has dramatically reduced the number of employees coming through in this way.

Key recommendations include the wider availability of short courses e.g. on security, digital skills, customer service, health and safety; and the engagement of employers into course scheduling so that peak periods can be avoided and employer/learner commitment to longer courses like Apprenticeships can be maintained.

Recruitment difficulties

Employer Need (Visitor Economy)	Provisional Priority
Priority employability Skills Barriers	
Employers have reported the view that colleges are not providing businesses with apprentices/graduates that meet the standards required for businesses. One facet of this is trainees are starting work and finding it difficult to adjust to the working environment and leave due to unsociable hours and poor conditions	2. Greater employer curriculum involvement; work placements may assist; investigate specific standards involved and act accordingly.
Local Skills System Priorities	
Requirement to bridge the gap with long term skills issues for roles such as Chef, front of house and assistants	2. Greater employer curriculum involvement; work placements may assist; investigate specific standards involved and act accordingly.
Needs to be a change in culture in the hospitality industry as many roles are seen as a 'weekend' job. Candidates are turning up for interviews and job fairs less and less, which is restricting the labour market pool	Consider expanding project 11 under Construction to ensure inclusion of Visitor Economy as an option for career choices.
For hospitality, fundraising and Arts there is a desire for work experience-based learning on-site and in roles so that learners have a full grasp of what is required when they are employed or seeking employment.	Ensure all courses have work placement opportunities, as T-levels, Traineeships and Study Programmes already do.

Skills Gaps and Upskilling

Employer Need (Visitor Economy)	Priority for Existing Workforce	Priority for Future Workforce
New Processes, Machinery & Regulations		
Brexit has had a massive impact on the industry, limiting the number of EU workers coming to work within the sector. Independent Hospitality and Tourism businesses recently recovering from COVID are also at risk of vulnerability due to EU exit.		A marketing effort on behalf of the industry may help, as will project 11 on career choices.
Essential and Transferable Skills		
There's a requirement for workers to have multiple skills to be able to meet the requirements of industry roles, such as digital skills, teamworking and communication.	3. Multi-skilling workplace programme working with employers in the sector	
Business awareness, attention to detail, presentation skills, resilience and multi-tasking are also listed as essential skills for the industry.	4.Build essential skills into all courses	
Digital skills are also required to help deliver the services required.	5. Essential digital skills programme for the sector	
Basic Skills		
The training needs to be more aligned to real-life standards whilst working on site such as timekeeping, pressures of workplace environment, customer service and relationships, appropriate workplace attire and attitude	6. Establish sectoral working group to check and develop content of courses.	
Upskilling		
Specific skills needed include food hygiene, health and safety, airport operations and management, security and cyber security	Short courses as in other sectors, on identified specific skills.	
Upskill from entry level customer service jobs into management roles and supervisors	7. Ensure available project management, management development courses, and encourage employers to consider Management Apprenticeships	
Local Skills System		
Seasonal nature of the work makes apprenticeship model less suitable for the sector. There is a reluctance to release staff at peak periods. There needs to be a shift in attitude of workers which means that study and training is done in the off season or end of season	This is already possible, but more attention needs to be paid to scheduling to enable off-season study and training with breaks in learning during peak periods.	

2.6 // Future Skills

Following publication of the Emerging Priorities report in March 2023, we identified a need to delve further into the more specific skills employers were looking for within some of the key areas identified in the earlier stages of our research, to enable colleges and Independent Training Providers to respond and shape their provision accordingly.

During this stage of our research business were asked to think specifically about the next five years of trading and identify the skills that they felt would be most important for their success. The full evidence base for this is available on www.lcrchambersofcommerce.co.uk and in the evidence base Annex to this report, providing far more analytical detail than can be summarised here.

Communication Skills was flagged as a key skill requirement by a number of our priority sectors in earlier stages of our research. On delving deeper Active Listening was identified as the most required skill (by 62% of respondents). Speaking with confidence (56%) and Written Skills (53%) were also in demand.

Digital & IT Skills were also cited by multiple sectors as being of importance. On delving into the specific skills needed, computer literacy was the standout response, selected by 88% of employers. Email and Data Entry skills were also highly sought after.

Time management was a priority for 84% of employers when asked about the Mathematical Skills that they considered important to them. Numeracy was selected by 79% of respondents and attention to detail was also high on the list.

Automation and AI is an emerging field that has practical applications in a range of industries. but our research indicated that it is not yet high on the agenda for most businesses, with no standout priorities in this area selected. Cyber security was a priority for 32% of businesses, whilst Scripting and computer skills were selected by 30%.

When asked about Green Skills for the future most businesses (95%) highlighted Recycling as a priority skill. This is something that is easy to access by all kinds of business and requires less by way of capital investment. Areas that require higher investment and may be appropriate for all sectors (such as solar panelling and electric vehicles) came much lower in their priorities.



Part 3 //

A Roadmap for Delivering Change

Part 3: Roadmap

LSIP Implementation Recommendations

A consistent and authentic employer voice has emerged from the Local Skills Improvement Plan work in Liverpool City Region. The strength of this voice has generated a clear and actionable way forward to improve the skills system for employers and residents. In designing, researching, and drawing together the LSIP Liverpool City Region Chambers of Commerce have drawn upon strong engagement from central Skills Strategy teams in the Mayoral Combined Authority; the FE Colleges group (AoLCRC); the grouping of Independent Training Providers in GMLPF, and several sector specialist groups and organisations. We have engaged with our LCR Careers Hub and Cornerstone employers.

As the LSIP develops in 2024 and 2025 we need to improve engagement with the voice of the Higher Education Institutions. The future skills and growth sectors sections of this report signal the emerging research priorities for later iterations in 2024 and 2025.

The intention from the Department for Education is for the Local Skills Improvement Plan recommendations to be owned and delivered by strategic structures in their locality.

Part C of the LSIP has therefore been directed to provide recommendations for strategic and practical implementation of the Liverpool City Region LSIP findings. Below are our interim recommendations.

1. Liverpool City Region's Employment and Skills Board clearly brings together relevant organisations: this Board enables employment and skills commissioners and providers to report and gain guidance on their activity, obtain a sense of conditions on the ground for reporting into Government, and creates a space for a shared sense of priorities to emerge. Since the establishment of the LSIP, the voice of the Employer Representative group of Chambers of Commerce has been integrated.

Our recommendation is that the Board should hold partners to account for actions identified in the LSIP. Employers and the LSIP Governance Board have asked for key performance indicators and metrics across all Skills partners to enable the Employment and Skills Board to track and assess progress on our City Regional skills offer and monitor implementation of LSIP recommendations.

We therefore recommend the Board develop its role further to become the main strategic forum for Liverpool City Region to secure achievement of actions across all partners. Maintenance of a private sector Chair will help to ensure focus on Liverpool City Region priorities. These metrics may include planned and actual delivery numbers across key programmes against identified priority areas, and reports on levels of engagement with employers.

Links between the Employment and Skills Board and the emerging Business and Enterprise Board and the constituent Sector Boards should be strengthened. Detailed Skills planning for growth sectors and future developments needs to continue (with Freeport and Green Skills plans being examples) and be clearly and obviously communicated to skills providers, including independent training providers.

2. There is inconsistency in structures or skills ecosystems in areas of Liverpool City Region, and that means that the employer voice is sometimes not heard. Where there is a Local Skills Board, a Skills and Employment Partnership, or similar, this has understandably often been focused on unemployed adults, NEET young people, and economic inactivity, rather than skills uplift for productivity and the needs of employers in growth or large employment sectors. Local Skills and Employment Partnerships are proving difficult for employers to find out about and engage with in a meaningful way. Large employers are reporting that inconsistency in arrangements across different areas makes it harder for them to systematically engage with the skills system and plan their own training.

Our recommendation is that each of the six Local Authority areas in Liverpool City Region should consider their local arrangements for hearing the employer voice in their local skills system. It may be possible to establish more consistency in stated purpose and terms of reference, invest in facilitation of the employer voice by utilising local Chambers of Commerce, and gain local intelligence and accountability from providers and employers. Part of the route map of achieving LSIP recommendations in Liverpool City Region therefore requires detailed local work to ensure the right structures and ways of working are in place for a fully effective employer-oriented local skills system.

Some employers felt that they did not have a training provider close to them that they could work with. This may be a misperception or an historical issue. The second iteration of LSIP will look in more granular detail at the potential existence of any 'areas of missed opportunity', where local employers and residents do not have the opportunity of forging a strong relationship with one or more skills providers.

3. The clear and consistent finding from our employer research is that employers need to be more involved in planning and design of courses, with FE Colleges and Independent Training Providers. There are two related findings:
 - a) A significant number of employers are reporting that they feel that learners, especially young people, are often emerging from education and training without a thorough grasp of employability skills and appropriate behaviour in the workplace. Especially since the impact of Covid on the learning experience of many young people, employers often report that they experience difficulties with the readiness for employment and overall behaviour of young people they are recruiting from 16-18 provision. While all 16-18 provision includes a focus on employability and work placements, it seems that there is still a reported issue with readiness to work. Employers also need to collaborate to improve this, by extending work placement opportunities and providing support/supervision to strengthen employability.
 - b) Colleges and ITPs have an opportunity now to increase engagement with leading local employers. Our recommendation is that as a basic requirement every SS1 curriculum area should have an employer forum at least once a year, directed towards curriculum development and co-design of programmes. Employer forums need to represent both bigger and smaller companies and invest in facilitation of the employer voice across different sectors and geographies. The LSIP Governance Board has asked for FE Colleges and providers to report on their levels of employer engagement to local skills structures and the Employment and Skills Board. There are examples of excellent practice and innovation in this area, and response to local needs is now part of the Ofsted enhanced inspection regime. The challenge of implementation of the LSIP is to ensure that more of this activity takes place and leads to greater tailoring of course provision to local area needs.

4. Employers consistently report that the landscape for training in the Liverpool City Region is very mixed. Knowledge of the skills offer is patchy, especially knowledge of the ways that our Higher Education Institutions can help develop our workforce. There is a consistent message that the training landscape was not as coordinated as employers would like. We found examples of employers sourcing training from non-LCR providers and other locations, unaware of local partnerships or training offers that could help them, or sometimes even having been rebuffed by institutions when they enquired for help. In the City Region we can do more to develop standard training and progression pathways (perhaps based upon the IfATE route maps) which could be more clearly understood and a basis for communication with employers.

There is a genuine and credible need from many employers in the City Region for an access route to higher level skills, at Colleges, Training Providers and HEIs. We need to open up that dialogue from now on.

While significant efforts have been made to make it easier to find out what courses are on offer, including investment into an LCR BeMore website by Liverpool City Region Combined Authority, this is not yet fully established, and information asymmetries are widespread. One of the tools contained within the platform is a digital solution to make it easier to find provision across the City Region, however, there has been a significant challenge in sourcing the information to maintain the digital tool. The framework for such a system is available and needs a consistent and collective means of providing the information and data required.

Employers have suggested that LCR Be More portal is currently too focused on the offer for unemployed adults and young people, whereas employers need to be able to search for courses that upskill their employees.

Our recommendations are:

- a) A commitment by all parties, including the ERB and HEIs, to facilitate engagement between larger employers and higher-level skills providers, putting the right people around the table with a commitment to an ongoing and meaningful conversation leading to lasting impact.
- b) Collaborative work with partners to integrate higher-level skills offer into LCR BeMore portal and development of a stronger employer upskill and HEI access route.
- c) Explore, design and implement a collaborative methodology between all stakeholders that will allow skills providers to keep their offer relevant and up to date on the LCR Be More platform to ensure that a full and comprehensive City Region skills offer is more accurately articulated.
- d) Further investment into strengthening LCR BeMore platform including mapping to show locations and quantities of training offers; more promotion of the facility including through SEO, to ensure it reaches employers as well as to residents as an access route for upskilling.

5. Employers need to do more to identify, plan for and communicate their future skills needs, both for recruitment and upskilling or development of their employees, and for organisational development to be part of their business strategy. A limited number of employers were able to articulate comprehensive workforce development intentions (and of these they were both large and SME employers). Few employers had much understanding of the complex funding environment which might make it hard for skills providers to fulfil their needs, especially without being able to plan ahead or aggregate demand across multiple businesses.

To improve this we recommend consideration is given to:

- a) Extending the existing Skills Brokers to interact with more businesses to help them develop workforce plans, enabling the Employment and Skills Board to set targets and receive reports on the metrics achieved by Skills Brokers.
- b) Investing into the ability of other networks of business contact such as professional services firms, HEIs delivering Help to Grow, and Chambers of Commerce, to work with employers to help them undertake workforce development.
- c) Funding a 'backfill' capacity within employers to enable a senior leader to take a short time out from their role to plan for workforce development and engage with the skills system.
- d) Consideration should also be given to how employers and providers can be supported to better understand the needs of emerging and new technologies/skills needs.

6. A clear message was that access to some courses delivered as modules or part-qualifications would help employers commit to upskilling employees. Employers felt that they often needed a short, sharp intervention to uplift their employees' skills, particularly where new techniques or requirements are emerging. Building on the flexibilities of Skills Bootcamps may be a suitable model. Colleges felt that longer qualifications sometimes acted as a deterrent to firms and individuals and the dropout rate from some courses was high which affected their achievement rates and financial viability. Apart from Adult Education Budget for low-paid employees, most upskill-related modular courses are not funded at present, national preference being longer qualifications such as Apprenticeships.

There is a dual responsibility here. Employers often need to step up to commercial purchase of training they need, as an investment into their own people and business growth, rather than expecting the skills system to provide everything. However, there is a set of well-known market failures militating against this (asymmetric information, and fear of losing trained employees to other firms who have not invested in this way), and the public sector role is to reduce these market failures. Our recommendation is that at national level further opportunities for modularisation are explored, and that at City Region level we consider any opportunities devolution gives, as a way to help skills providers offer modularised courses.

7. It was clear from our research that for all roles employers are hiring and wish to hire individuals of varying ages, genders, heritage and characteristics. The days of all apprentices being young white men aged 17-19 are long gone, if they ever existed. Skills providers need to accommodate this diversity of employment, enabling childcare and different working patterns. While all accept that fully bespoke provision cannot be offered within the current funding environment, as part of curriculum development skills providers must engage with employers about whether operational changes in delivery would increase the number of individuals taking up training opportunities.

8. A recommendation from employers is that current work to raise aspiration in young people is vital but needs to be grounded in realism about starting points, salary expectations, and insights into training requirements. Examples were given of young people presenting with unrealistic expectations of salaries and career paths, and not understanding that they need to invest time and effort in training, and that employers expect demonstrable achievement e.g. in Apprenticeships. There is a responsibility upon employers to engage with careers information and advice, facilitate work experience and correct myths that emerge and encouraging more employers to do this will help to enable more encounters with the workplace. In addition, being clear about progression paths (linked to occupational route maps) will enable clearer communication about initial expectations.

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