



## Report of the Economy, Skills & Transport Overview & Scrutiny Committee

### 1 Background

- 1.1 In June 2014 the then Birmingham Economy & Jobs and Transport, Connectivity & Sustainability Overview & Scrutiny Committees jointly undertook a short piece of work on 'Maximising the Benefits of High Speed 2'. In the course of that work the potential economic benefits of High Speed 2 (HS2) and "its role in helping to realise the city's and the region's economic vision..." were emphasised, and the members agreed that there were three key strands:
- Ensuring businesses are ready to take advantage of the opportunities offered by HS2. For example local firms need to be able to demonstrate they can provide best value for money, quality and workforce expertise in order to become HS2 suppliers;
  - Working to ensure that Birmingham residents are ready to take the jobs generated e.g. in construction;
  - The added benefit of the HS2 Curzon Street Station that could create in excess of 200 jobs (excluding retail and other opportunities) around the station.
- 1.2 Today's report sets out the evidence the Economy, Skills and Transport O&S Committee has heard in relation to the second of these – jobs and skills. A lot of progress has been made in relation to a number of opportunities that could benefit local residents, such as the potential plans for the Washwood Heath Depot to be the national high speed train maintenance depot for the HS2 fleet and for Washwood Heath to house the Network Operational Control Centre for the entire HS2 line. If these plans come to fruition, there are many jobs that could be created locally in one of the most deprived wards in the city and country; and as such there would be a requirement for a skilled workforce. Linking this in with the National College for High Speed Rail due to open in September 2017 would mean that local people could be trained in the city to access the jobs being created.

### 2 Introduction

- 2.1 In October 2016 the Cabinet Member for Jobs and Skills told this Committee that improving access to jobs and raising skills levels of local people were part of the Council's key corporate priorities. Members were keen to explore this area further and in December 2016 the Committee looked at the opportunities the National College for High Speed Rail will present for Birmingham residents when it opens in September 2017.
- 2.2 Members were keen to hear what the College is proposing to offer not only to young people but also adults that are furthest from the job market, the long-term unemployed, and those that may be thinking of upskilling or a career change. The Committee were also keen to understand how



those living in priority wards in the city, and in particular deprived wards, could benefit most from the offers available not only by the College but also how the City Council and other partners are supporting the challenge of getting local people into jobs.

- 2.3 Further evidence was taken on the role of the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) and the City Council's Adult Education service.

### 3 The National College for High Speed Rail

- 3.1 Daniel Locke-Wheaton, the Interim Academic Director, National College for High Speed Rail gave evidence to the committee and told members that the National College for High Speed Rail is the largest of five new, national employer-led Colleges being created by the Government to help British students develop world-class skills.

- 3.2 The College will be opening in September 2017 on state-of-the-art campuses in Birmingham and Doncaster. Evidence was presented that it will be dedicated to providing the higher level training required to create HS2 and work on future high speed rail projects, in what will be a major growth industry in the UK and abroad over the coming years.

“Through a combination of classroom teaching and real work experience, the College will offer cutting-edge technical and professional courses to learners that are starting a career in rail infrastructure, looking to switch careers, or are part of the existing workforce seeking to upskill.”

- 3.3 Members were told that employers have a central leadership role in the College, through strong representation on its governing body and by supporting the design, development and delivery of its provision, for example, by offering placements and providing real life work challenges for courses.

- 3.4 The College will also contribute to the wider economic need for an increased supply of engineers that will benefit other infrastructure projects and therefore have a purpose beyond the timeframes of HS2.

- 3.5 The Birmingham site is located at Venture Way, Dartmouth Middleway B7 4AP on the corner of Dartmouth Middleway and Lister Street which is situated in the heart of the City's learning and development quarter. The Committee heard that once completed the College will provide modern, fit for purpose buildings, demonstrating a high standard of design that provides an effective learning environment, as well as meeting high efficiency and environmental standards. The higher level of study and the national status of the College will mean that in some cases learners will be willing to relocate to study thus access to residential facilities will be required. The College will work on a 'hub and spoke' model, with links to a range of providers with whom the National College for High Speed Rail will form a network for railway and engineering skills provision across the country.



## **Partnership Working**

3.6 The College has worked closely with a range of local partners including the City Council, GBSLEP and West Midlands Combined Authority. Birmingham City Council is represented on its board, and a Working Group meets monthly to keep the local authority up to date. The College is represented on the GBSLEP's Jobs & Skills Workstreams and its 'Ignite', 'Accelerate' and 'Retune' sub-groups (see page 6).

## **For individuals**

3.7 Members heard that the College will provide individuals with the skills needed to enter and progress in one of the country's fastest growing sectors. Opportunities will be open to people from a range of backgrounds as well as those already employed in the rail sector, those employed elsewhere looking to reskill, learners leaving other full-time education as well as those currently furthest from the labour market.

3.8 The Committee heard that the College's provision starts at Level 4 and there is a commitment to a broad range of learners:

“Dialogue with a wide range of providers is taking place to ensure that the curriculum is complementary to that provided by other Colleges and schools. Support is being given to other providers to deliver appropriate qualifications to gain access to the National College, including potentially an Access to Higher Education pathway that may be of particular interest to the long term unemployed. In addition to this, consideration is being given to the entry requirements of the College to ensure that they are assessing more than just academic ability. The assessment process will look at cognitive, dexterity and mental challenges to look at a person's all round ability. Not all courses will hold entry requirements of Level 3 Maths and Science.”

3.9 It was recently announced by the High Speed Rail Industry Leaders Group that they will provide a bursary for two learners who would otherwise not attend the College. This will pay the learners fees and support the wider costs of studying at the College e.g. transport. The College is in conversation with other sponsors to build this bursary opportunity for a greater number of students. The success of the council-led Building Birmingham Scholarship which has already supported 73 people with 80% from priority ward areas, has been shared in the development of the College bursary.

## **For businesses and their employees**

3.10 Members were told that businesses working in rail and associated sectors will have the opportunity to invest in their employees and develop their workforce. The increased competitiveness that upskilling brings will allow companies to grow and prosper.

3.11 Recruitment will start in early 2017 for a range of jobs including teaching and support staff.



3.12 The College as a local employer is also committed to using local businesses to provide products and services whenever possible.

SEPTEMBER 2017 OPENING		
<b>Both sites</b> <ul style="list-style-type: none"> <li>• Higher Apprenticeships – core units               <ul style="list-style-type: none"> <li>• Leadership &amp; management (high speed rail specialism – level 5 CMI)</li> </ul> </li> <li>• Continuous Professional Development modules</li> </ul>		
Apprenticeship specialisms – September 2017		Apprenticeship specialisms – January 2018
<b>Birmingham</b> Civil engineering	<b>Doncaster</b> Track systems	<b>Both sites</b> Systems engineering

## 4 Role of the City Council

4.1 The Cabinet Member for Jobs & Skills, Councillor Brett O'Reilly, highlighted the three key objectives that the City Council has in terms of getting people into work:

1. **Closing the jobs gap** – the City Council has a statutory duty to ensure there are job opportunities for young people not in education, employment or training (NEETs).

The City Council is working with partners and stakeholders and has established an online platform known as COG that allows young people to connect with employers & skills providers. It also allows employers to advertise opportunities that young people may be interested in. Cohesive working is taking place internally across directorates. Currently the City Council is responsible for getting 16,000+ young people into work with up to £50.4m funding.

Birmingham City Council on behalf of the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP) is also responsible for convening and managing the collaborative working with strategic partners to ensure jobs and skills opportunities including apprenticeships and work experience are maximised for 'priority' local residents.

**Closing the skills gap** – Raising aspirations and removing barriers in access to the jobs market is also important in getting people into work.

The City Council is supporting major projects such as HS2 and wants to ensure that there is access to the jobs created by it for all. This includes working in partnership with employers, Colleges and training providers to make sure people are equipped for upcoming job opportunities and emerging economies. The City Council is building on the success of its



adult education and youth service that has excelled in supporting adults and young people to gain new skills and access to career choices.

Work is currently underway to strategically realign the Birmingham Employment & Skills Board with boards such as the Birmingham Youth Partnership and in line with District Jobs and Skills plans. This provides a platform to communicate effectively with the GBSLEP and West Midlands Combined Authority to close skills gaps and maximise opportunities.

There are also a number of initiatives focussed on getting people job-ready and into work:

- **STEP Forward** – A new policy initiative to be launched in March 2017 encouraging people to take one step forward to improve their skills and future job prospects. The framework is being developed by the Employment & Skills Service who is consulting with stakeholders and seeking buy-in from employers, trade unions and others. It is not limited to a particular level but focussed more on encouraging lifelong learning. The benefits of this are clear to both employers and employees, gaining commitment and working in partnership is crucial to the success of this initiative.
- **ASPIRE Birmingham** – Work is taking place with schools, Colleges, 6th forms and communities to understand perceived barriers. Research is also being done to understand how people in different areas can access the careers they want and how can the City Council can help break down those barriers.

A Corporate workplace strategy is also being looked at to see how the City Council can expand what it does already in supporting those out of work into work through placements.

A key development nationally is the Apprenticeship Levy. The Council is committed to supporting this and work is already taking place.

2. **Supporting inclusive growth** – As the city benefits from inward investment and major projects and infrastructure it is imperative that all citizens feel the benefit. Currently some citizens do not feel included in the growth that the city has seen.

## 5 Greater Birmingham & Solihull Local Enterprise Partnership

5.1 The GBSLEP is responsible for creating jobs and growing the economy of the LEP area. It is made up of businesses, local authorities and universities that support private sector growth and job creation<sup>1</sup>.

5.2 The LEP's key roles are to

- 'Shout up' for the region and use its influence to bring in greater funding and devolution and greater investment from the private sector;
- Use resources directly aligned to the LEP to invest in priorities, leveraging additional funds;

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<sup>1</sup> <http://centrefenterprise.com/>



- Bring together existing partners and organisations in the area, supporting and guiding their activity and resources to deliver shared priorities.

5.3 Members of the Committee received a presentation on the LEP's Strategic Economic Plan 2016-30 and were interested to learn that on skills and unemployment specifically:

- The area currently has a weak skills profile. There is a low proportion of the working population with degree level or higher level qualifications (28.1% against core city LEP average of 29.8%) and a higher than average proportion with no qualifications (13.7% compared to a core city LEP average of 11.3%).
- A Skills for Growth Plan has been launched setting out delivery of skills targets and a Skills for Growth Compact has been developed committing employers, Colleges and schools to building a best-in-class skills service to link pupils and learners to real-world work opportunities. This is being delivered through local Employment and Skills Board supported projects such as the 'Step Up' campaign in Solihull and activity around the Birmingham Baccalaureate.

5.4 The Committee also heard that the GBSLEP have 3 key themes as part of a skills framework challenging low skills and high unemployment – 'Ignite', 'Accelerate' and 'Re-tune' as detailed below. Using this framework and as set out in the Midlands HS2 Growth Strategy, HS2 presents a once-in-a-generation opportunity to drive productivity, inclusive economic growth and prosperity across the Midlands.

### IGNITE



Collaborating with local delivery partners in education and training we will **ignite** interest in the jobs that will be delivered through this Growth Strategy, engaging with young people from an early age, raising awareness of career pathways and influencing their choices.

### ACCELERATE



We will invest in our local workforce and **accelerate** their progression along the skills continuum ensuring that individuals achieve their full potential be it academically and/or vocationally. We will ensure that our existing workforce has the skills that businesses require to encourage them to invest in the area, grow and innovate.

### RE-TUNE



We will **re-tune** the skills of the adult workforce so that those who are out of work or employed in declining sectors, are able to re-train to access the jobs created as a result of HS2 and support further economic growth.



## Future working

5.5 The LEP's priorities for the future include

- Setting up the Skills for Growth Hub which is a 'virtual' entity (linked with the Growth Hub), linking employers to sources of recruitment, training and skills provision and providing a gateway to opportunities for individuals seeking access to learning, jobs and skills.
- Delivery of a demand-led and sector-specific approach to ensure the skills eco-system works more effectively and that the range of skills providers demonstrate the capability and capacity to respond flexibly and quickly to the skills demand.
- A skills environment where Higher Education curricula are in touch with the local technology eco-system to jointly design projects and activities that prepare students to enter the fast changing technology workplace; responsive to the higher level skills gaps identified by businesses and targeted towards Higher Level Apprenticeships creation and focused technical training which facilitates a 'ladder of skills progression' for all.

## 6 Adult Education Service

6.1 At the session in December the Head of Birmingham Adult Education Service (BAES) told the Committee about the need for the city to prepare itself for the opportunities that will present themselves with both the preparation and arrival of high speed rail that will bring with it evolving technologies.

6.2 It is envisaged that HS2 will create over 25,000 jobs in construction and engineering and 2000 apprenticeships. Approximately 3,000 people will be employed in operational roles.

6.3 Alongside the National College for High Speed Rail there will be two stations based in the city – Curzon and UK Central (Birmingham interchange near the Airport). The headquarters for the design and construction of HS2 will also be based in the city. As previously mentioned, a state of the art Network Control Centre & Rolling Stock Maintenance Depot will be based in East Birmingham.

6.4 It was highlighted that the city lacks people with the levels of skills needed in the engineering and rail fields. Members were told that 50% of workers in engineering and rail are semi-skilled, 16% are higher level technicians or professional engineers. In addition 20% of engineers are over 55 and likely to retire in the next 10 years meaning that much of the skills will be lost and have a knock-effect in training up and bringing through younger people. Also, worryingly, only 4% of women nationally are engineers – currently the lowest rate in Europe.

6.5 'The Midlands HS2 Growth Strategy'<sup>2</sup> published in July 2015 states the need to get people ready for HS2 through its employment and skills vision for the region:

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<sup>2</sup> GBSLEP



“Ensure the availability of the right workforce at the right time with the right skills and behaviours”; and

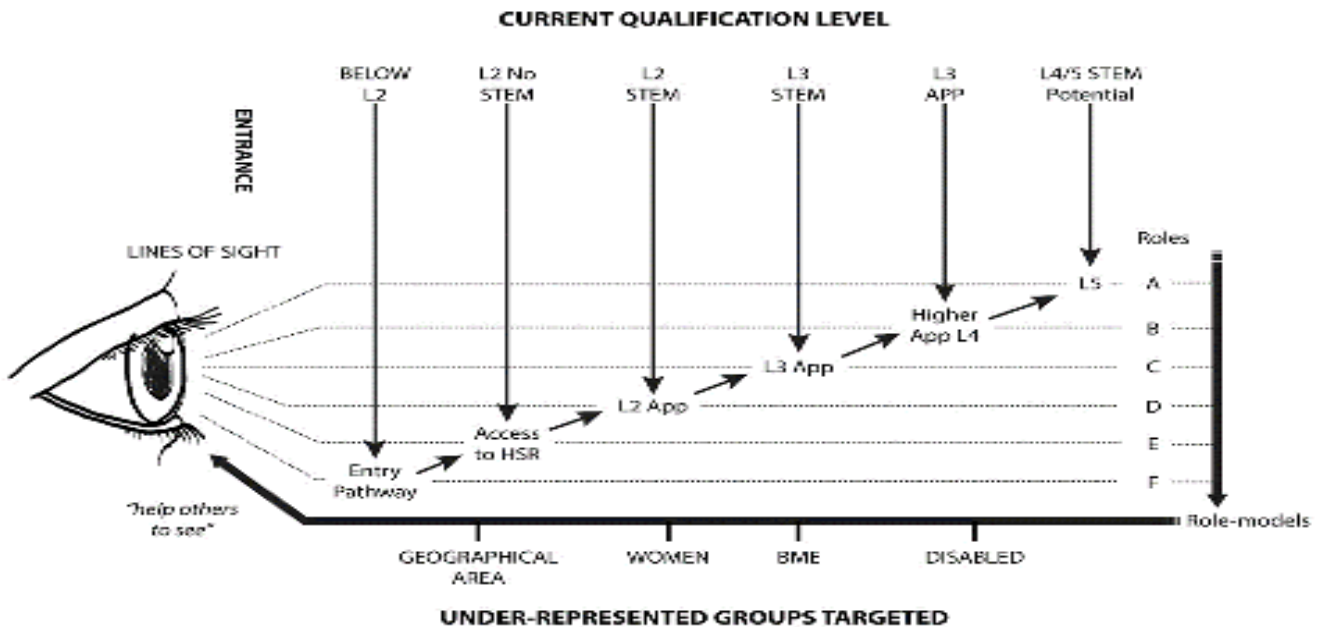
“Create opportunities for local, disadvantaged and under-represented people and companies to benefit from the investment in, and employment prospects created by HS2”.

- 6.6 The Committee heard that BAES is supporting the HS2 Jobs & Skills Workstream and focussing on the area of the ‘Re-tune’ theme (as set out in the LEP’s Strategic Economic Plan) that concentrates on the skills of the adult workforce.
- 6.7 Particular reference was given to the ‘STEM (Science, Technology, Engineering and Maths) Progression Pathway’. This is a strategy (by the Learning and Work Institute) to enable the lowest-skilled and least-advantaged citizens in the region to progress towards high-skill, high-value jobs in STEM industries, which:
- Illustrates the various routes into jobs in HSR and STEM-related industries at all levels;
  - Provides a “line of sight” to those jobs for people farthest from achieving them;
  - Includes an entry point to the pathway for those with the lowest skills and furthest to travel in terms of learning and qualifications.
- 6.8 The following evidence was presented to the Committee, explaining the strategy and shows the proposal in a way that those that are out of work can easily see their pathway and gain an understanding of how to get from one place to another. This can mean that they are more likely to engage in learning and employment opportunities as they are able to see their journey.

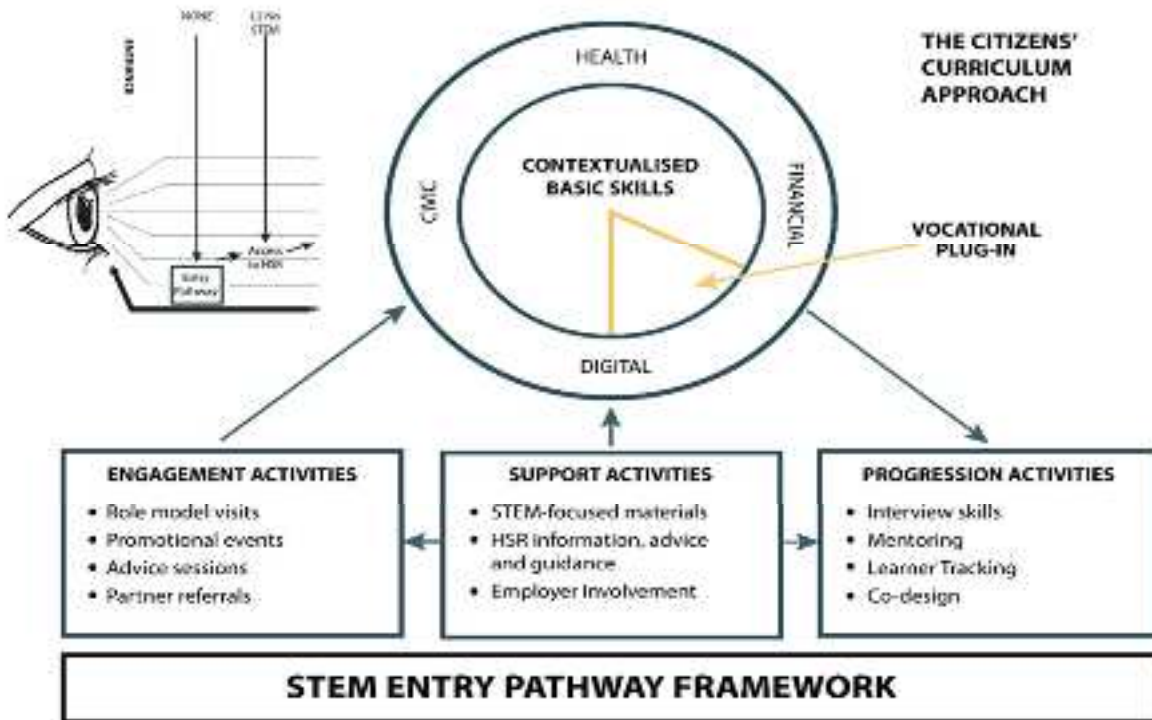




## The Proposed Model



- 6.9 Members also heard about the work that the Learning and Work Institute have developed and piloted known as the 'Citizens Curriculum (STEM) Entry Pathway Framework' (see graphic below) which is an implementation plan that BAES is looking to use.
- 6.10 The framework is a starting point where adults can begin on the road to gaining skills and employment. It looks at the various barriers that adults encounter. There are 3 key areas based on engagement within the model and it focusses on bringing role models to people who have been out of work for a period of time – in particular bringing in people from their own communities so that they have someone to identify with.
- 6.11 The framework has eight key design features:
1. A clear line of sight for learners to learning and work opportunities.
  2. Strategic partnership co-ordination.
  3. Robust progression infrastructure.
  4. Tailored and targeted provision.
  5. An holistic approach.
  6. Employer involvement.
  7. Outreach, promotion and engagement in communities.
  8. Peer support and role models.



## 7 Conclusion

- 7.1 Members heard from the National College for High Speed Rail, the City Council's BAES and from GBSLEP on their priorities relating to tackling low skills levels and giving local people greater opportunities to resources and upskill with the end gain to take advantage of the upcoming opportunities that are coming to the city in the shape of High Speed 2.
- 7.2 A number of key points were made during Committee discussions that warrant further investigation and thought, including:
- i. **Communication** is key. Members highlighted that opportunities for example like HS2 can bear little resonance with local people because they are not aware of the opportunities it brings and how it will benefit them in getting a job in their local area for example? In addition often people do not feel engaged with major projects coming into the city such as HS2 as they feel that the opportunities will not be accessible to them for a variety of reasons. For example do those furthest from the jobs market or NEETs know that the National College for High Speed rail will be opening in September 2017 and are they aware of the opportunities available through the work of the City Council and the LEP (e.g. Step Forward, COG and Aspire Birmingham)?
  - ii. **Connecting Local People to training and job opportunities** – If people are seeking training how can they access those opportunities if they are living in parts of the city where connectivity proves an issue? How are partners addressing the issue of connecting local



people to training and job opportunities especially those in deprived and priority areas? Is there/can funding be accessed to support these people? Are we supporting the positive promotion of companies that show corporate social responsibility and invest in local talent?

- iii. **'Underemployment'** - HS2 offers the opportunity to rebuild engineering capacity in the West Midlands and help reverse shrinkage of the manufacturing sector with the College being based in the city. There is also an issue of 'underemployment' – where there are people who are over qualified for their current job for example graduates who may not be working at the level to which they are qualified.

7.3 It is hoped that the information and evidence in this report will assist members in contributing to this debate; it is of critical importance that all members of the City Council are able to put forward their views on such an important priority for the city. The outcomes from this debate, alongside the evidence in this report, will feed into future work of the committee in supporting those priorities.

## **Motion**

That the report is noted, and discussion points are forwarded to the Economy, Skills and Transport O&S Committee to feed into future work.

**Councillor Zafar Iqbal**  
**Chair, Economy, Skills and Transport Overview & Scrutiny Committee**