

# Podcast: Megatrends in the West Midlands – Work and Skills

Music followed by introduction by Rebecca Riley, Associate Professor at City-REDI and WMREDI, University of Birmingham:

## **Rebecca Riley:**

Welcome to the Redi podcast. I'm Rebecca Riley, Associate Professor at City-REDI and WMREDI, University of Birmingham. In our first series of podcasts, we'll be looking at megatrends in the West Midlands. WMREDI has developed evidence examining the impacts of COVID 19 on the West Midlands region by producing economic impact monitors and a state of the region report with policy partners.

The WMCA commissioned further work to look at the megatrends identified in the state of the Region 2020 Report. This process has highlighted potential for the acceleration of existing trends by the COVID 19 crisis, culminating in new scenarios for future economic activity, life and places.

Some examples of megatrends we explored include business models and operations, work and training, future health and greenspaces local living, changing city centre business districts, just cities, Generational conflict, urban responses and economic shocks, future mobility and tactical urbanism.

There is a gap in policymakers understanding of whether these trends will continue altering the structure of society and businesses in the longer term. These podcasts and the larger program of work it's part of will help us explore selected trends and scenarios with policymakers locally and nationally in more depth, helping them formulate economic recovery policy, which takes account of these changes.

The scenarios identified could have significant economic consequences and scarring effects of vulnerable groups and places as a result of impacts on human, social, physical and natural capital. This research examines these impacts and trends, developing future scenarios in greater depth in order to identify, along with policymakers, those policies which may be more effective in restarting the economy, encouraging recovery, and creating long term renewal by encouraging positive trends and mitigating negative effects.

I hope you enjoy the series and for a more detailed look at megatrends, please download and read the associated provocations and report on the topic - Megatrends in the West Midlands.

**More music followed by a discussion between Dr Abigail Taylor, a Research Fellow at City-REDI / WMREDI, University of Birmingham and Dr Fiona Aldridge, Head of Insight and Intelligence, Economic Delivery, Skills and Communities at the West Midlands Combined Authority.**

## **Dr Abigail Taylor**

Welcome to the City-REDI Podcast. This series will be examining megatrends in the West Midlands. This episode we'll be looking at skills in the West Midlands and so will be discussing key trends, impacts and opportunities for West Midlands cities and towns. I'm Dr Abigail Taylor, Research Fellow

at City-REDI, University of Birmingham. And today we'll be talking to Dr Fiona Aldridge, head of Insight and Intelligence, economic delivery, skills and communities at the West Midlands Combined Authority, or as it's often referred to, the WMCA.

Fiona, thank you for joining us on the podcast today. Would you like to start by introducing yourself and telling us about your role at the WMCA?

### **Dr Fiona Aldridge**

I'd love to thank you. So I work in a directorate that covers, as you say, economic delivery, skills, communities and health. And my role as head of Insight is really to bring together the data, research, insights, intelligence that will shape the programs and policies that we have here in the West Midlands region, but also to shape the national framework under which we operate.

And the new directorate that I talk to that brings together a whole range of different social policy areas. I'm really excited because we get to look at the interrelationships so how we invest in skills, but how we use them in our businesses, how we support people to be well enough to go to work, but also how good work can help support and improve health and tackle health inequalities.

And so bringing together those range of social policies and thinking about how we develop skills, how we use them for all of those is one of the exciting parts that my role.

### **Dr Abigail Taylor**

Thanks, Fiona. That sounds like an extremely interesting and varied role. So as I mentioned, the theme of today's podcast is Megatrends, particularly key trends regarding skills. In City-REDI's research into megatrends. We defined megatrends as major movements or patterns or trends that are having a transformative impact on business, economy, society, cultures and personal lives. So, for example, they include increasing levels of digitalization and automation due to ongoing technological change and how this is in turn impacting on businesses growth in online and experiential retail and greater hybrid and remote working, as it particularly seen in the last couple of years. As well as rising demand for recognizing social value, climate change and inclusivity among consumers and employees.

The impact of increasing technological innovation on the types of jobs available is an issue here where the subject of much debate in a minute, I thought it would be useful to ask you about the implications of an these technological changes for the West Midlands. But before we do that, what would you say technological change means for jobs and skills in the UK and how is work likely to change in the coming years and decades across the UK?

### **Dr Fiona Aldridge**

You're right, that's it. That's a really big question. And you're right, it's a is a megatrend. We're all thinking about how COVID in particular has led to the use of new technology and accelerated technological development. But as you say, this is a long-term trend. The increased digitization, automation and some of the technological changes we've seen have really changed how we learn, how we work.

And I think some of that is only becoming clearer now and perhaps won't become entirely clear for many years ahead. I think there's some disagreement and some distance, I suppose, and some lack of clarity about what this will look like. And we're going to have to wait some time, I think, until the picture is clearer. We need some evidence that talks about how technology will replace jobs. But actually, I think there's a much greater sense that while some roles will disappear, more people will have to work alongside new and different technologies. And we need to gain a confidence in doing that as we stay within the workplace, but also how we use that technology to improve productivity and indeed to make work life more satisfactory and fulfilling.

And I think that's a really positive changes about how technology can enable different people to access work, to access learning. And we've seen a lot of that during COVID as people have been able to work remotely. But there's some real challenges too, I suppose, particularly about making sure we don't leave people behind. That while the great advantages and more efforts to include many of us, we do need to make sure that that that people aren't excluded.

I mean, it's always difficult to predict exact winners and trends. And I think one of the broad things we need to do is to be able to address digital exclusion. And that's not just about skills, it's also about accessibility, connectivity, competence to make sure that people have opportunities to learn and opportunities to work. So lots of change. And I think only time will tell exactly what that looks like.

#### **Dr Abigail Taylor**

Thanks very much. I really like how you and about the challenges but also the opportunities that these megatrends and are offering. And for example, in relation to your point about new ways of accessing learning, we did some work with the Industrial Strategy Council a couple of years ago, and one of the things that came out of that was that the new opportunity is for training related to informal training that are being facilitated and doing new technology and the ability to create and can use the practice online, for example.

#### **Dr Fiona Aldridge**

Yeah. So, so in my previous role at Learning and Work Institute, a think tank research organization, we did some work around adult learning during the pandemic and actually we saw a massive increase as people turned to online opportunities to pursue their interests, to develop their skills. I mean, we all had to develop skills in using video conferencing teams and zooms, the sorts of things we hadn't done before.

And that's great opportunities within that. And I suppose only as we come out of the pandemic that we work out which of those two things to keep and build on and which ones are these things that we want to leave behind. But it's great to see how we can use technology to bring ourselves together to think about being creative and innovative.

So, so lots of changes there. And I think we need to make sure that we sort of balance those into a really good-blended approach. So we have that human touch where that's more productive and more creative. But we use technology where that's more efficient and productive. And yes, as I say, time, we'll see how that happens.

I think there's also a real challenge, particularly here in the West Midlands where we have a really strong manufacturing base and really conscious of all the conversations we've had with partners across the region about the use of technology within manufacturing and moves towards an advanced manufacturing sector, some great innovations can lead to great economic growth and improvements in productivity.

But one of the challenges of that is that we see the number of jobs required in advanced manufacturing reducing. And so I think we do need to think about who benefits and who gets left behind and think about how we support people whose jobs are no longer required or very different when we engage with technology and we automate and how we support those people to move to other good jobs.

### **Dr Abigail Taylor**

Thank you. I think that's really important about how we support individuals to and to move into good jobs. Something that I think is important that relates to that is the role of personal skills. Because as technology becomes increasingly important in all those, it's you can't just rely on the technology. I wondered if you if you could comment in relation to that and how perhaps personal skills and more rounded individuals could be supported?

### **Dr Fiona Aldridge**

Absolutely. So I think there's all sorts of interactions between the skills, the competencies and the aptitudes and how that fits with technology. So, I think there's something it's really easy to think about skills for the tech sector, and that's something we need to develop. We also need to help people develop broader digital skills and confidence in using technology.

We also need to think about how we can use technologies to support people to develop and demonstrate broader skills. So, for example, the government has got a new program called Multiplier, which is thinking about developing adult numeracy. Across the UK, we have this terrible culture of saying that it's okay to say that you're rubbish at math, and that's because a lot of us struggle with it or struggle with competence, around maths, and yet we really do need great numeracy skills and thinking about how technology and numeracy can come together to overcome some of these barriers, some of those hesitancy, how we can use technology to help supplement, have our skills, but also to give us new ways of learning and developing and sharing of skills. So I think there's just real potential for lots of people to benefit to lives, to be enriched, for skills, to be enhanced, for job quality, to improve. But, there's always this flipside, isn't there? And we do need to think about, as I said before, how we don't leave people behind.

And one example of how we might do that is public services increasingly go digital by default. Again, lots of efficiencies, lots of potential to connect things together and improve services. But again, who are we leaving behind? And importantly, what can we do to mitigate this?

### **Dr Abigail Taylor**

Definitely, because I think we can do research recently, which should be coming out shortly, looking at individuals who are out of work and the challenges that people have encountered accessing employment support. And during the pandemic, when services have needed face to face to virtual support. And I think there are particular groups, particularly those people who maybe aren't that connected to digital technology, might not have a smartphone, might not have broadband at home. Who risk being left behind. If those services do, you may be entirely online. And also, I think it's not just about ensuring people have access because even people who have access, I think, can sometimes prefer face to face in terms of the ability to have a deeper conversation in person or to value the opportunity to leave the house and meet others and have wider and social encounters.

### **Dr Fiona Aldridge**

Absolutely. I think we need to do more work, don't we, to think about how technology advances, how it brings us together, rather than just replace us with technology. And I think there's going to be some real sweet spots. And I do think that kind of blended approach about when is a person, when is that intensive conversation, that face-to-face conversation appropriate when it when the link we bring from a big set of data, our own ability to find out things for ourselves without having to explain to someone else that you don't know, so that there's such a lot of potential there. But we do need to make sure that everybody benefits from it and doesn't get left out.

### **Dr Abigail Taylor**

So I think you've mentioned different challenges, different opportunities, and you look at that COVID 19 and the additional challenges that that brings. What would you say that COVID 19 has revealed to us about priorities for upskilling and reskilling?

### **Dr Fiona Aldridge**

Well, at the same edition there is I mean, I think one of the things that COVID has done is it's really exacerbated where we have inequalities and weaknesses. And it's perhaps caused us also to build on strengths. But I think it's highlighted for us some of the challenges that we've already had. It's highlighted where people are particularly vulnerable to change.

It's identified those places where labour markets are weakest. And it's also, I think, re-opens the question about what good work is and which jobs do we value. And I think perhaps helped us appreciate people's skills and abilities. But I suppose after COVID and of course, it's in a broader set of changes as well, a broader set of economic changes, we continue to see the labour market and the demand for skills change.

So in COVID some of that fluctuated as certain sectors were closed down and opened up and people felt more vulnerable staying in hospitality. And so that that wasn't available though, you know, there were a whole set of sector labour market changes that that affected. But more broadly we see some bigger megatrends and changes to. And I suppose combined with things like technological change, it's just put an increased emphasis on the fact that we can't expect to have initial education, however good it is, to give us all the skills and the knowledge to set us up for what could be for many people sort of 50 year career now that we are going to go through our working lives needing to

continually to upskill, develop new competencies, new ways of working and potentially given economic circumstances and preferences, then retrain for a careers.

And so as well as making sure we get that initial education right for every young person within the West Midlands as well. And make sure that there is good opportunities to find out about explore and take up opportunities to develop skills either to improve or to adjust or to retrain. And I think it's high time to get that integrated employment and skills system, great careers advice that will help us do that throughout our working lives. I think this was a trend anyway, but like many things through that, it's really highlighted that this is critically important if we're going to be resilient to the sorts of changes and shocks that we might experience.

### **Dr Abigail Taylor**

Thank you. And I think this idea of in better integrating skills and employment support and careers advice across the life course is really important. How is the West Midlands Combined Authority seeking to respond to these challenges in the short, in the long term, what would you say are your policy priorities?

### **Dr Fiona Aldridge**

Well, I think just thinking about that short term and long term, it's really important that we do it. So you'll be aware that we've had devolution of the education budget since 2019, and what that's enabled us to do during COVID is to be much more flexible and responsive to the short term needs of the labour market that we've seen during COVID.

So, you'll remember, for example, the story that emerged nationally about HGV drivers, where there was going to be and there was a significant shortage. Because of the relationships that we have, the intelligence that we got in our ability to respond quickly. The West Midlands Combined Authority was able to engage its providers in meeting those skills needs much more quickly than happened nationally and say that we were able to help support the labour market demand for these drivers and we're trying to do that all the time.

We get our intelligence from employers, from providers, from wider partners to respond with the types of provisions that will help people get good jobs within the region. We need to do that in the short run, but we also need to do that in the longer term. Thinking about things like the sustainability agenda as our economy changes in response to that, how we think about new green jobs, new green skills.

We also need to be able to plan now to make sure that we've got the skills for the future and having that devolved adult education budget has made a massive difference. But what we're hoping to do through our new Trailblazer devolution deal that we were invited to develop as part of the White Paper is think about how we do that in a more expansive way, how we have further levers, the skills system, how we integrate that with the employment support system, and how we have really good careers around that.

So, I think definitely have flexibility and that responsiveness has been a real benefit for us.

**Dr Abigail Taylor**

Thank you for explaining that and highlighting what you're hoping to achieve and in relation to wider powers through the Trailblazer Devolution deals. I was just about to ask you a question on that. How important is it for you that policies that address skills and employment challenges are sensitive to differences between places?

**Dr Fiona Aldridge**

So I think this is really critical and it's the rationale behind devolution that that however good national policy makers are, they cannot design a national system that takes into account all the differences between places. And that's why at a regional level, given our strong partnership work, the whole range of organizations within the West Midlands, we think we are better placed to do that.

But as you know, and even within the West Midlands region, there was such a lot of difference and nuance and that we need to get that right at a much more local level as well as a regional level. And that's why those local partners are really critical. For us that's about understanding the data, but it's also about having those good relationships and getting really good insight that will help us take a place based approach.

One size doesn't fit all, but also we shouldn't have policy silos separate to the other. Great advantage of a place-based approach is not that you just think about skills in different places or employment challenges in different places. But we think about skills and about employment and about health and about community engagement and about crime and about housing and energy all together in a place to think holistically about the people and businesses there.

So, it's a key driver for us thinking further about devolution, but not just at that regional level, but really getting into how different local places are different too.

**Dr Abigail Taylor**

Thank you. I agree that that's a key focus for the future and you mentioned in one of your previous answers about the importance of the education system, supporting individuals and to to develop, to expand their skills and to adjust their skills as they progress through their careers. One of our research projects in WMREDI relates to the role of universities in upskilling and reskilling. What would you say is the role of universities? What role can they play and should they be playing? If we're thinking about improving the system going forward in upskilling and reskilling and how do you think the role of universities fits alongside that further education colleges? Something I've taken from several of your answers is important to partnership.

**Dr Fiona Aldridge**

Absolutely. Well, I guess the short answer is it's really a critical role and a role that set in in the combined authority we want to develop and strengthen those relationships. If we're going to build an integrated employment and skills system, then universities have a really key part to play a

significant education providers, but they're also significant employers and they play a really important role around R&D as well.

So, they're key anchor institutions in place. Is and we need to think about the kind of the holistic nature of the role that they can play. And importantly, as you say, how they fit into further education colleges. So, we're providing really good progression routes for our residents from where they are, but progressing and developing their skills even further.

I think particularly around that level for level five provision which we hear a lot about then minute. So, making sure that there's really good progression routes for as many people as possible to develop those higher technical skills. And I think those partnerships between FE and HE are really key. They're certainly within the combined authority and we're looking to see what we can do with the existing funding that we have as well as to our new devolution deal.

But where we can engage with universities further, so how we can work with universities in our boot camp provision. One of the things we're trying to do is develop our leadership and management offer. How can we work with universities there? So I think there's lots of potential. I think we're still very much early days there with our relationship with the combined authority. Lots more to do.

Universities absolutely have a critical role around upskilling of reskilling. I think that's something as well around our, I suppose the challenge that we have around graduate employment. So, our universities have great employment metrics and that's really positive for the West Midlands region. But there is there is a challenge that we have around graduate employment and retention within the region and I think we want to do something more so that these graduates who perform really well in our regional universities get the opportunity to have great jobs in our region and then continue to develop their skills with our local universities and colleges to make sure that we can continue to support the development of these businesses and the development of their careers. So, lots to do there. And I think getting these partnerships right is crucial.

### **Dr Abigail Taylor**

Thank you. It's really interesting and it relates to one of our findings, which was that and I think there's a great appetite for stronger partnerships across the region, because sometimes these partnerships can be challenging to implement in practice because funding sometimes existing systems, they perhaps aren't designed in the best way to support collaboration across different partners, including different types of universities and universities, working in collaboration with other types of organisations.

### **Dr Fiona Aldridge**

Absolutely, yes.

### **Dr Abigail Taylor**

Overall, what policy change would you most like to see to enable the West Midlands to respond to the labour market opportunities and challenges that you so clearly described over the next 10 years?

**Dr Fiona Aldridge**

Okay so I guess I've got a bit of cheat answer to this in that it's not one policy change, but what I've been working with my colleagues and with partners really hard on our devolution deal asks, what levers we need to have hold of, in order to be able to create an integrated skills and employment system for the region.

There's a lot of money spent in the region at the minute, but because it is not more coherent and more strategic, it's often spent at national level, competed. We spend a lot of time, all of us, writing bids and competing against one another rather than thinking about where resources can be spent to most effect. And that's not our fault as providers and bidders.

It's because that's the way the system is set up. I would really like to see a really good collaboration between us as regional partners and national government so that every pound spent in the region on skills and employment support we decide on that together would be great if it was all devolved to us, but that's not even being able to co-commissioned to co-develop to make things or make sure things are joined up.

I think if we were to do that, even with the same amount of money, we'd always be great to have more, but even the same amount of money. I think we can get better outcomes and better value for money. So I would really like government to say yes to a devolution deal and then for us all to come together as a region to make sure that we spend that very well and get great outcomes for the residents and businesses of West Midlands.

**Dr Abigail Taylor**

Thank you. I think that idea of strengthening networking between and central and regional government and wider institutions is absolutely key. We did some research a couple of years ago in conjunction with the Industrial Strategy Council and places which have successfully levelled up and made progress in relation to that. And I remember when I did the case study of Lille in Northern France and one of the things that really worked now is that they had an informal network which put together central government, regional government, local government, as well as partners like businesses, and they helped that help to generate new ideas of policy and also discussed how that should be best implemented.

**Dr Fiona Aldridge**

Absolutely. And if it is in our shared interest to be able to direct that money, well, spend it well, work together to create a coherent system that businesses and individuals can find their way around. And I'm absolutely confident that we can do a much better job with the resources that we have if we do it together.

**Dr Abigail Taylor**

Thank you very much for taking part in our podcast. It's been absolutely fascinating to speak to you today.

**Dr Fiona Aldridge**

It's great, thanks Abi.