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Priorities for up-skilling and re-skilling: what role can and should universities play?

Abigail Taylor, Anne Green and Sara Hassan

Summary and policy recommendations

Universities and colleges in the West Midlands are contributing considerably to up-skilling and re-skilling through developing future sectoral skills, piloting new ways of learning, supporting graduate employability, addressing access to higher education (HE) barriers, developing pathways between further education (FE) and HE, introducing applied higher-level skills development initiatives and working with regional governance stakeholders.

Strengthening partnership working across universities and regional stakeholders is crucial to effective up-skilling and re-skilling over the next decade. Key skills-focused partnership opportunities for universities relate to developing analysis of skills needs in local areas, improving support for graduates given the challenging labour market caused by the Covid-19 pandemic, better linking skills to innovation and developing higher level skills through regional investment and R&D and innovation activities.

The research **identifies 12 key short- and long-term priorities** for universities and other regional stakeholders to expand their role in up-skilling and re-skilling. They include simplifying progression routes between FE and HE.

Introduction

This briefing summarises findings from a research project examining the role of universities in skills and regional economic development. It identifies key short and medium-term priorities for the up-skilling and re-skilling of school leavers, graduates and existing employees in the West Midlands. It analyses the current and potential future role of universities within this.

Based on analysis of 22 interviews conducted in winter/spring 2020/2021 with universities and selected colleges in each Local Enterprise Partnership (LEP) area in the West Midlands Combined Authority area, as well as their partner organisations, it contrasts experiences across the various universities.

University Context

Focusing on the West Midlands enables comparison of differing university models across the three West Midlands LEP areas:

- **Greater Birmingham and Solihull LEP** is home to five universities which vary in terms of history, specialism, research-intensity, international focus and links to local communities: Aston University (Aston), Birmingham City University (BCU), Newman University (NU), University College Birmingham (UCB) and the University of Birmingham (UoB). The Greater Birmingham & Solihull Institute of Technology opened in September 2020. It is led by Solihull College & University Centre, Aston University and BCU, working alongside South and City College Birmingham as a core partner; supported by BMET College, University College Birmingham and the University of Birmingham, as well as a range of employers.
- **The Black Country LEP** has one highly localised university (University of Wolverhampton) and several FE colleges (including City of Wolverhampton College, Dudley College of Technology, Sandwell College and Walsall College). Dudley College was ranked “outstanding” in its latest OFSTED inspection in 2017. The Black Country & Marches Institute of Technology is a collaboration between Dudley College, the University of Wolverhampton, the University of Worcester, Avensys and In-Comm Training. Specialising in providing training in advanced manufacturing & engineering, modern methods of construction & offsite and medical engineering and healthcare, it will open in September 2021.
- **Coventry and Warwickshire LEP** area includes two universities (Coventry and Warwick), one of the largest further and higher education colleges in the UK (Warwickshire College Group) (WCG) and other FE Colleges. Both universities have relatively large numbers of international students, although the former is traditionally more localised in orientation than the latter – albeit local engagement of the latter has become a greater priority in recent years. Both universities have strong links with local priority sectors.

Regional and pan-regional university and college structures also exist including:

- West Midlands Combined Universities (WMCU), which represents BCU, Wolverhampton, and Coventry.
- Midlands Innovation, which includes Aston, UoB, Warwick and five East Midlands universities.
- Midlands Enterprise, which includes BCU, Coventry and four East Midlands universities.
- Colleges West Midlands.

Skills Context

- Research has identified potential severe shortages in basic digital, core management and STEM skills across the UK by 2030, when 5 million workers may be acutely under-skilled in basic digital skills, whilst up to two-thirds of the workforce could be partially under-skilled (McKinsey, 2019). Advances in technology, e.g. automation and big data, are impacting on the labour market. Approximately 7.4% of jobs in England are at high risk of some of their duties and tasks being automated in the future (ONS, 2019).
- This emphasises the importance of graduates and school leavers receiving relevant training and support to access higher-skilled roles and the need for effective up-skilling and re-skilling pathways for individuals in the workforce. Better supported lifelong learning and training programmes are vital in enabling individuals to remain in the workforce for longer and increasing productivity (Foresight, 2016; Lyons et al. 2020).
- Covid-19 has rapidly accelerated the pre-existing shift to digital and online learning (CIPD, 2021).
- The skills system is complex. In January 2021, the government published a [Skills White Paper](#) setting out reforms to post-16 technical education and training designed to support people to develop the skills needed to get good jobs and improve national productivity. Key measures aim to:
 1. enable employers to have a greater say in the development of skills;
 2. develop higher level technical skills;
 3. provide a flexible, lifetime skills guarantee;
 4. simplify and reform funding and accountability for providers and support outstanding teaching.
 5. Up-skilling and re-skilling are particularly important in the West Midlands given the region has experienced longstanding challenges with residents struggling to access good employment due to low skills levels. Table 1 reveals how there is a particular need to raise higher skills levels in the Greater Birmingham and Solihull LEP area and the Black Country LEP area.

Variable	Black Country	C&W	GBSLEP	West Midlands	UK
% with NVQ4+ - aged 16-64	24.7%	40.2%	35.4%	33.5%	40.2%
% with NVQ3 - aged 16-64	16.4%	18.8%	18.3%	16.7%	16.8%
% with NVQ2 - aged 16-64	19.4%	17.3%	18.6%	17.4%	15.7%
% with NVQ1 - aged 16-64	12.7%	8.9%	10.0%	10.5%	9.9%
% with other qualifications (NVQ) - aged 16-64	10.0%	7.5%	7.8%	8.3%	6.6%
% with no qualifications (NVQ) - aged 16-64	16.7%	7.3%	10.0%	11.3%	7.9%

Table 1: Qualifications across the West Midlands region, 2019, Annual Population Survey

- Rapid technological adoption risks further excluding those who were already struggling to access employment because of a lack of advanced skills. Covid-19 further underscores the importance of developing effective up-skilling and re-skilling pathways. The pandemic has accelerated the move to home-based working making digital skills essential for employment and job search. Recent progress in raising skills levels in the West Midlands, particularly in Greater Birmingham and Solihull and the Black Country, which have experienced lower skills levels and higher unemployment rates, could be undermined or even reversed due to the impact of the crisis as employers may be less inclined to offer apprenticeships and work-based learning (WMCA, 2020).

How are universities and colleges contributing to up-skilling and re-skilling?

The research has identified how universities and colleges are responding to future skills needs through a variety of initiatives. Figure 1 classifies selected current initiatives into seven categories (each represented by a different colour).

Universities and colleges in the West Midlands contribute considerably to up-skilling and re-skilling through developing future sectoral skills, piloting new ways of learning, supporting graduate employability, addressing access to HE barriers (including supporting better attainment in schools), developing pathways between FE and HE, introducing applied higher-level skills development initiatives and working with regional governance stakeholders.

They have established a range of programmes and institutes to support up-skilling and re-skilling across specific sectors important regionally. Good examples of how HE and FE can collaborate successfully exist including the [Greater Birmingham and Solihull Institute of Technology](#) and how Warwickshire College Group works with HE. The projects show how partnerships can be designed to include strong employer participation which, in turn, enables skills providers to tailor courses to directly respond to the needs of local employers. Several important projects such as the [Marches Centre of Excellence in Health, Allied Health and Social Care](#) and the [Birmingham Health Innovation Campus](#) have also recently received funding or are due to shortly open. They will be important in addressing skills shortages in the West Midlands and supporting the workforce to adapt to upcoming changes in skills demand.

The universities differ in how they perceive their role in producing talent. Some focus more on providing a general education. Others seek more explicitly to develop future skills linked to key sectors such as digital, health & social care, advanced manufacturing, cyber and sustainability/low carbon.

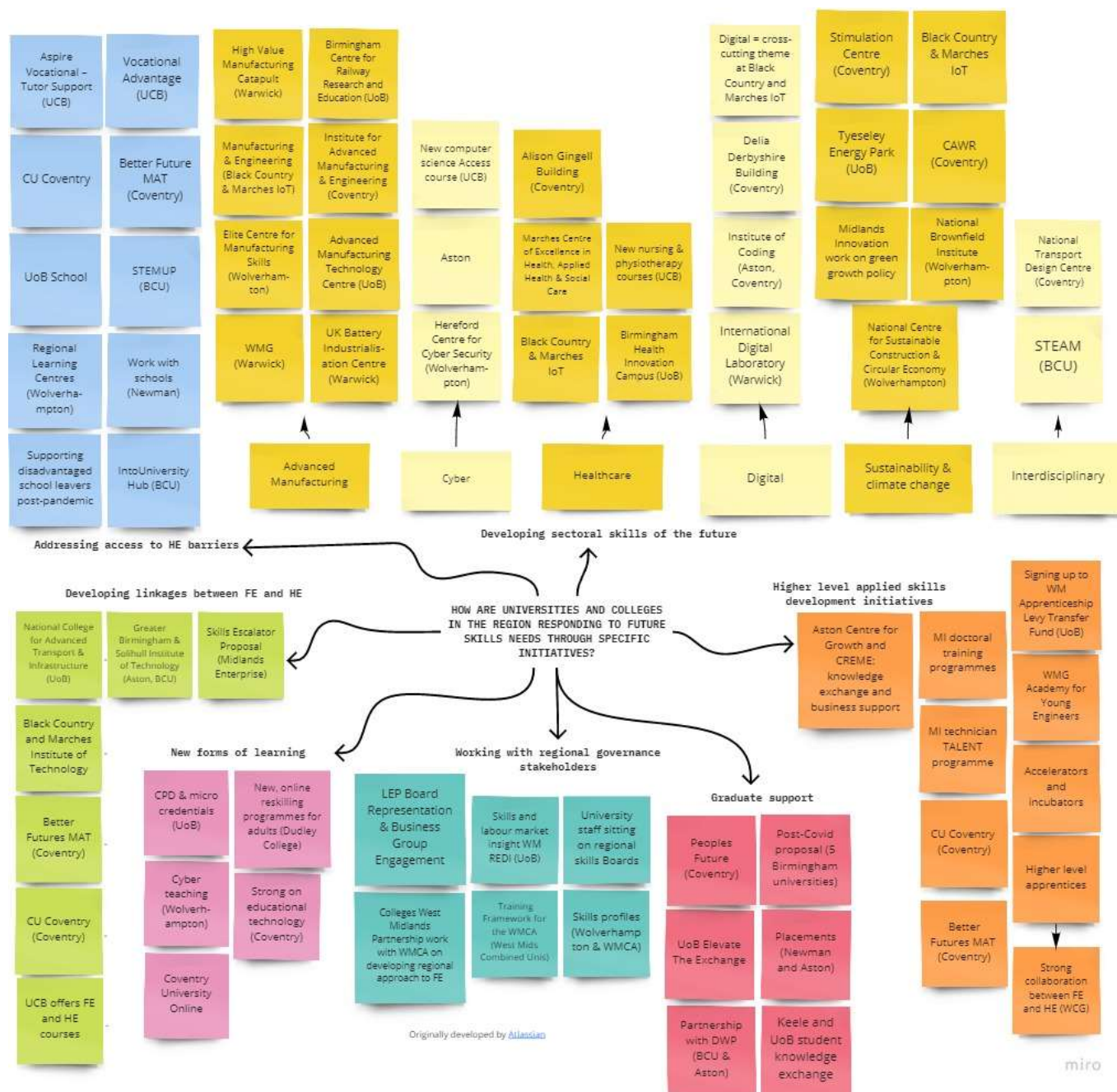
There has been considerable organisational progress in terms of partnerships between universities in the West Midlands and regional and pan-regional stakeholders such as the Midlands Engine, West Midlands Combined Authority, LEPs, Local Authorities and university groups (e.g. Midlands Enterprise, Midlands Innovation and the WMCU).

In terms of their strategic role within up-skilling and re-skilling, universities act as attractors and producers of talent, support knowledge transfer and help with pivoting business models. CREME at Aston is active in working with regional ethnic minority businesses. Skills intelligence from universities and colleges is being used to support funding asks of national and regional government.

A growing focus for universities is establishing graduate-focused careers guidance. Some universities place greater emphasis on working with local employers to create employment opportunities for graduates.

Modern universities tend to have longer standing partnerships with FE than Russell Group universities. They perceive the benefits of working in partnership with FE to respond to the needs of regional employers and stakeholders and sharing innovation in teaching and learning. Where Russell Group universities have established partnerships with FE, often such partnerships are designed to facilitate existing research and teaching goals.

Figure 1: how universities and colleges in the West Midlands are responding to future skills needs through selected specific initiatives



Policy Recommendations

Much progress has been made in terms of developing effective projects, policies and partnerships to address up-skilling and re-skilling challenges in the West Midlands. However, there is more still to be done.

A number of challenges exist including: questions regarding the quality and nature of partnership working; how competition between universities can hinder genuine cooperation; the impact of bureaucratic systems and continued funding instability; different language used in policy, academia and business; competing skills priorities at a Midlands Engine level; a lack of clarity in some cases regarding roles and responsibilities at sub-regional level; and difficulties articulating future skills needs.

The research identifies two key short-term priorities for universities and other regional stakeholders in relation to up-skilling and re-skilling.

1. There is a need to **address the immediate challenges that graduates face finding and maintaining employment in the context of the current uncertain labour market** in the light of the Covid-19 pandemic and the UK's withdrawal from the European Union.
2. In the light of the pandemic, it is **imperative that universities, FE and voluntary sectors, Local Authorities and the WMCA work together to ensure that the progress made over the last 10 years in basic skills levels is maintained, prioritised and improved.**

It also emphasises a number of longer-term priorities:

3. Innovation is key to both growth and reducing inequalities and involves not just research and development but also new ways of working. It is important that skills development is recognised as a key part of innovation policy and that higher-level skills programmes are expanded.
4. Expanding partnerships and integration between HE institutes and FE institutes and other regional stakeholders must be prioritised if the scale of the challenges the West Midlands faces are to be effectively addressed. Partnerships can and should be designed to add value. For partnerships to be most effective, the broader role of universities in relation to skills and economic development should be recognised across regional stakeholders. Better integration between FE and HE offers important ways forward but partnerships should be designed to capitalise on the strengths of both sets of institutions and for the benefit of employers and workers in the region, rather than to move entirely into each other's space. Expanding cooperation between FE and HE in jointly delivering degree apprenticeships offers particular opportunities. The Midlands Engine Skills Group could be strengthened to act as a key conduit for sharing practice across universities, colleges and other regional stakeholders in relation to skills interventions.

It is essential that policymakers and universities are given the **funding and institutional stability** to build on existing progress in supporting up-skilling and re-skilling in key sectors in the region and develop longer-term partnerships to support up-skilling and re-skilling in these sectors. The West Midlands benefits from a wide range of capital projects in several key sectors but it is important that more links are developed from these into complementary and relevant training schemes.

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