



Metals and Materials Sector in Sandwell Overview

The Economic Intelligence Unit

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Headline Data

Metals and materials are everywhere. They are the foundation of our infrastructure, buildings, and vehicles, while inherent to the products we use on a day-to-day basis. In Sandwell and the wider West Midlands, these foundation industries remain a major part of the economy.

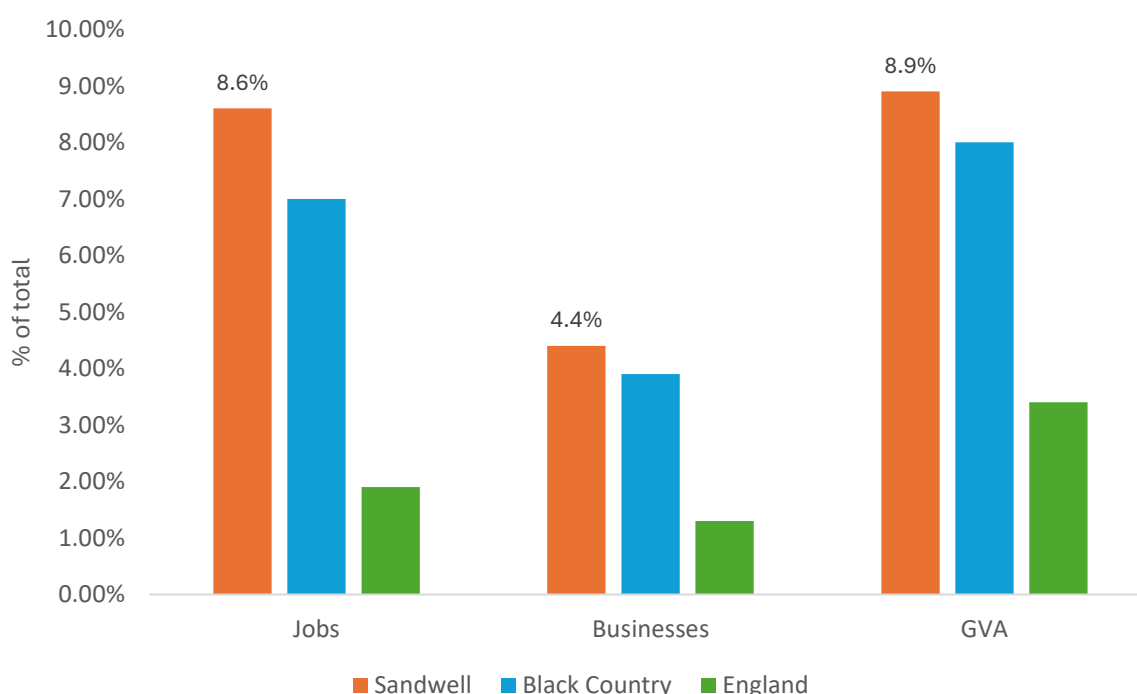
Our definition of metals and materials (Standard Industrial Classification Codes 22,23,24 and 25), suggests that there are almost 30,000 businesses in the sector across England, delivering nearly £60 billion in Gross Value Added (GVA) and employing 521,000 people.

As for Sandwell, there are 440 businesses in the sector, contributing £569m in GVA and employing 10,750 people. These figures, as outlined in the table below, confirm its importance locally and relative specialisation in Sandwell – further measured through high proportions of total jobs and high location quotients (LQ) that prove the sector’s industrial specialisation in Sandwell, up to 4 or 5 times higher compared to the national average (denoted as 1.0 in LQ analysis).

Figure 1: Key Metals and Materials Sector Metrics

Area	Jobs ¹ (% of total, LQ)	GVA ² (% of total, LQ)	Businesses ³ (% of total, LQ)
Sandwell	10,750 (8.6%, 4.48)	£569m (8.9%, 1.66)	440 (4.4%, 3.52)
Black Country	31,000 (7.0%, 3.63)	£1,784m (8.0%, 1.71)	1,445 (3.9%, 3.10)
England	521,000 (1.9%, 1.00)	£59,596m (3.4%, 1.00)	29,845 (1.3%, 1.00)

Figure 2: Metals and Materials % of Total



¹ Office for National Statistics (ONS) Business Register and Employment Survey (BRES), 2023

² ONS GVA, 2023

³ ONS UK Business Counts, 2023

Sub-Sector Analysis

Metals and materials jobs and businesses in Sandwell are most commonly within the “manufacture of fabricated metal products” sub-activity (over half of jobs and over two-thirds of businesses) but there is substantial activity across the other sub-activities, including both metals (24: the manufacture of basic metals) and more “materials” (22: manufacturing of rubber and plastic products, and 23: manufacture of other non-metallic mineral products).

Figure 3: Sandwell Metals and Materials Jobs and Businesses across Sub-Activities

SIC Code & Description	Sandwell Jobs (2022)	Sandwell Businesses (2023)
22: Manufacture of rubber and plastic products	1,000	35
23: Manufacture of other non-metallic mineral products	1,250	25
24: Manufacture of basic metals	2,500	45
25: Manufacture of fabricated metal products, except machinery and equipment	6,000	320
Metals and Materials Total	10,750	425*

**Total does not add up to actual 440 due to rounding rules within the data*

Sources: ONS BRES and ONS UK Business Counts

Company Segmentation Insight

According to the available published data via the Office for National Statistics (ONS), 58% of metals and materials firms in Sandwell have less than 10 employees, representative of 255 companies. 130 companies (30%) have between 10 and 49 employees while a further 50 (11%) have 50 to 249 employees. Zero firms are identified as having 250 or more employees, but this is likely to be due to the “rounding down” of zeros in the data. Using the company-level dataset collected for this Economic Intelligence Unit (The EIU) / UK Metals Council (UKMC) project, we can estimate that up to 5 metals and materials companies in Sandwell are likely to have 250+ employees (based in the locality).

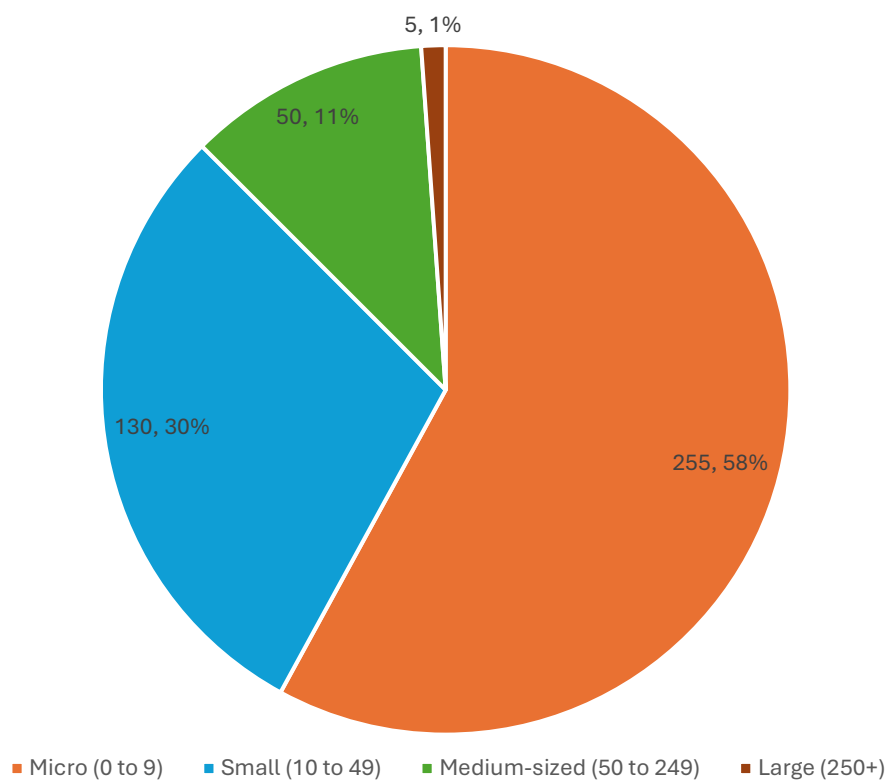
Small and medium sized firms (10-249 employees) therefore make up 41% of Sandwell metals and materials businesses, considerably higher than the overall economy average in Sandwell (12%). This highlights the considerable number of decent sized businesses in the sector in Sandwell, and their importance to driving growth forward. This is also likely to reflect the strategically essential nature of metals and materials to the wider economy - including automotive, aerospace, rail and construction sectors – with Sandwell metals and materials firms being deeply embedded in global supply chains.

The company-level data collected this project provides slightly different data, due to non-conformity between official company count data (ONS) and firm-level records (via Companies House etc) but with a similar story. Note that for the company-level data (EIU / UKMC company-list), all data is total company employees (not necessarily all employed in Sandwell), hence the higher number of large companies. This is unlikely to be true in reality.

Figure 4: Sandwell Metals & Materials Companies by Size (Employees)

Company Size by Employees	Metals & Materials Businesses in Sandwell (ONS)	Metals & Materials Businesses in Sandwell (EIU / UKMC Company List)
Micro (0 to 9)	255	0 (only 10+ employee companies considered)
Small (10 to 49)	130	147
Medium-sized (50 to 249)	50	58
Large (250+)	5 (EIU estimate)	11
Total	440	216

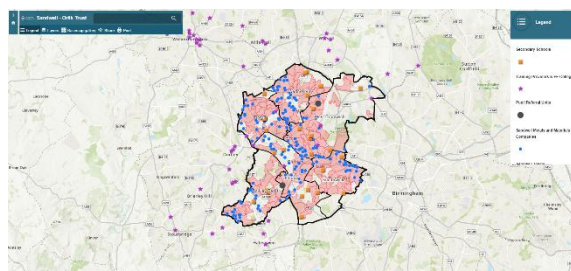
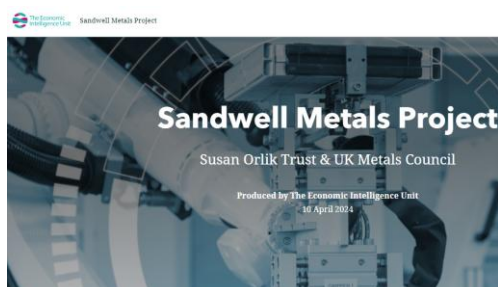
Figure 5: Sandwell Metals & Materials Companies by Size (Employees)



Source: ONS UK Business Counts (2023)

The EIU have created an interactive storymap, accessible here <https://arcg.is/P8zyG>

and the map file is here to use - <https://arcg.is/1Or5H50>



Sandwell Metals Apprenticeship Survey Results

The following section presents the findings of the Susan Orlik Trust⁴ Apprenticeship Survey.

The results from this survey are intended to form the basis of a pilot project in Sandwell to improve the quantity and quality of apprenticeships in the Metals Sector while fostering stronger connections between schools and metals companies.

The survey was collaboratively designed and developed by The Economic Intelligence Unit (EIU) and the UK Metals Council (UKMC). The survey aligns with UKMC's mission to elevate and advocate for the UK Metals Sector while shaping policy development. The UKMC encompasses leaders from the full spectrum of the supply chain, from primary manufacturing to recycling, SME to OEM.

The survey was conducted online between 1 March and 31 March 2024 and was distributed through a range of channels, including UKMC networks, social media, and email lists. The survey results offer insights into the potential barriers hindering companies' apprenticeship recruitment efforts and the broader macroeconomic factors impacting the metals sector.

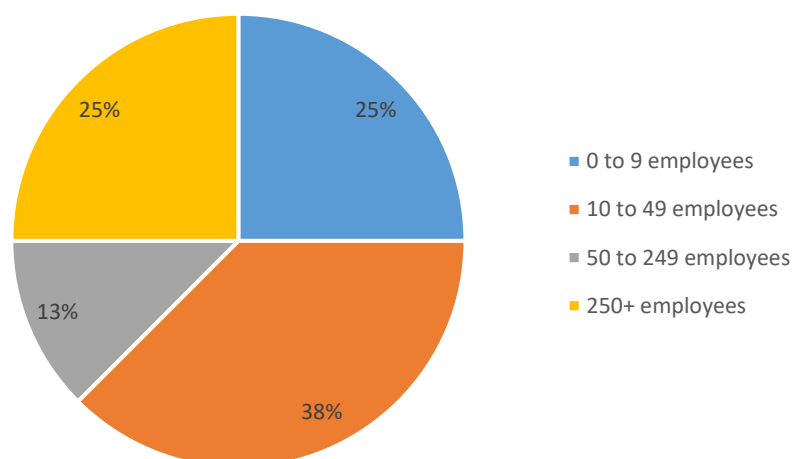
As part of the analysis of the results, we explore whether organisations had previously employed apprentices, if they were likely to in the future, if not, what was preventing them and what support and guidance would help them to recruit.

All percentages in this report are rounded to the nearest whole number. This means that reported individual percentages may not sum exactly to reported combined percentages.

Background and context:

All respondents to this survey are key decision makers in Sandwell based metals companies.

Over half (52%) of respondents were from companies that are described as SME's i.e. small and medium enterprises; 25% from micro businesses (0 to 9 employees) and 25% from large companies (250+ employees).



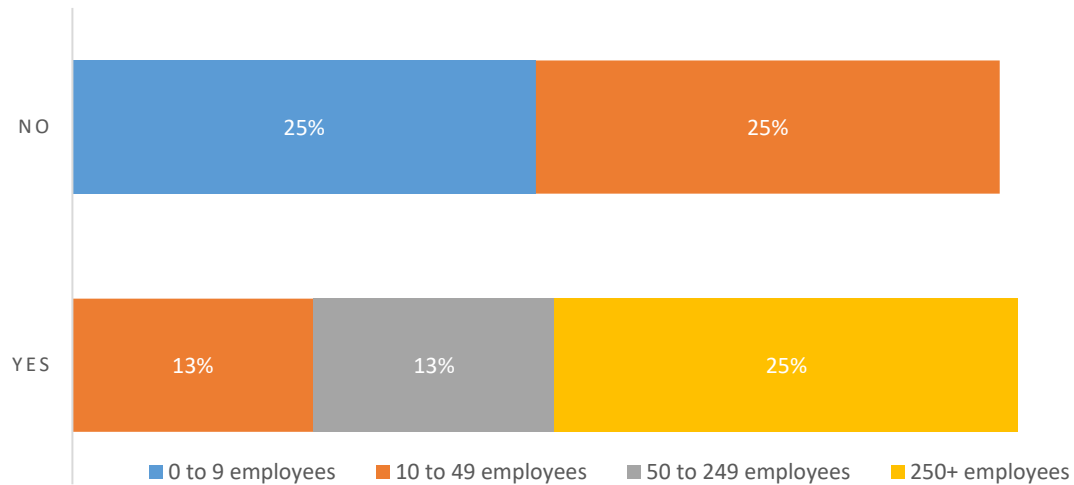
⁴ The Orlik family are planning to create a Trust in memory of Susan Orlik to support improvements in apprenticeships and vocational training in the UK Metals Industry in the West Midlands.

Apprenticeship recruitment:

When asked whether their company had recruited an apprentice in 2023, 50% had and 50% had not.

Recruitment by company size:

Further analysis by company size showed that it was predominately larger companies that had employed an apprentice in 2023.

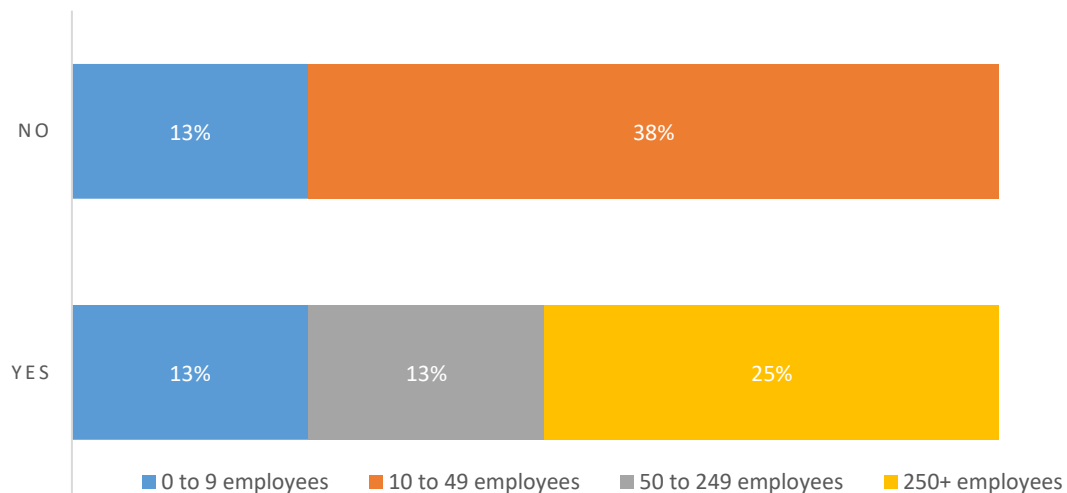


Future apprenticeship recruitment:

When asked whether their company had plans to recruit an apprentice in 2024, again the respondents were split 50/50.

Recruitment by company size:

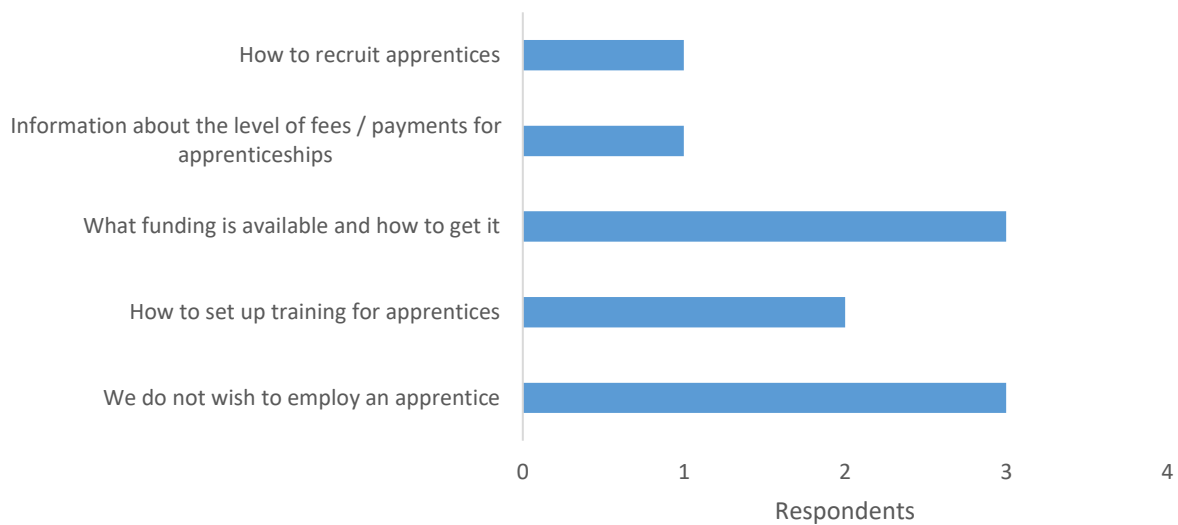
Upon analysis of company size, it was noted that among the surveyed companies, none of the small-sized enterprises (10 to 49 employees) had intentions to recruit an apprentice in 2024. Conversely, there was a more optimistic trend observed among micro-sized companies, with indications suggesting an interest in exploring apprentice recruitment opportunities; whilst all large companies said that they would once again recruit apprentices to their business.



Of the companies looking to recruit an apprentice in 2024, 50% indicated that they would welcome support to increase application rates from local schools and colleges. These companies were the micro and smaller sized companies. No large company requested further help or assistance.

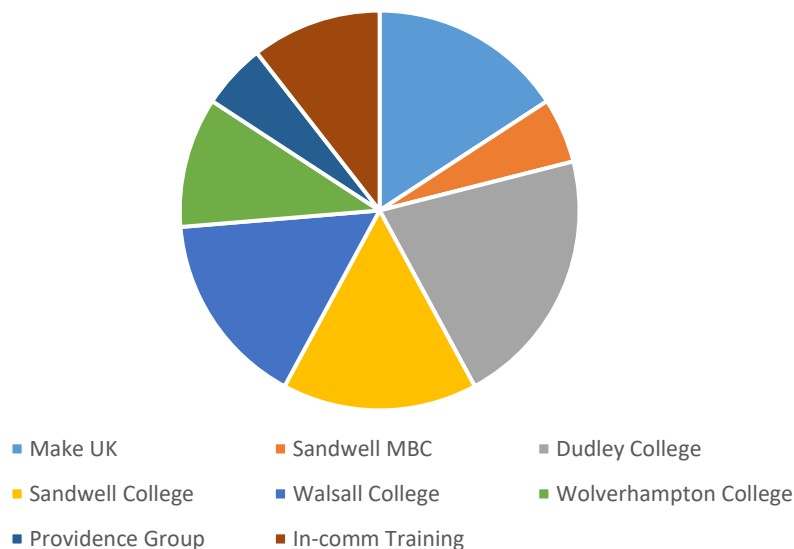
For those companies that were not planning on recruiting an apprentice, when asked if any support or guidance would help, most responses centred around information on how to recruit apprentices, the level of fees and payments involved, what funding is available and how to set up training.

- 30% however said that they did not wish to employ an apprentice.



Training provision:

Respondents identified both FE colleges and Independent Training Providers (ITPs) as their main choices for training provision. Among Sandwell-based metals companies, Dudley College was the most popular training provider, followed by other local colleges such as Sandwell, Walsall, and Wolverhampton. Make UK stood out as the most utilised ITP.



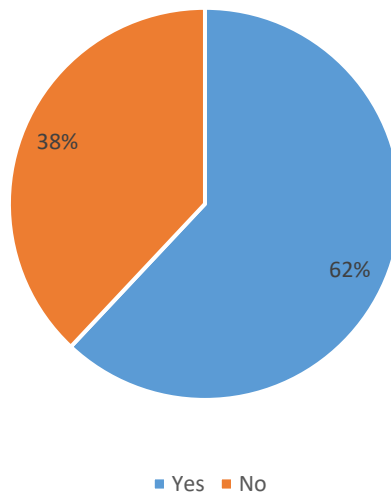
Only 25% of companies surveyed believed that they needed or would need help to train staff to mentor apprentices during the period of their apprenticeship.



Notably, the 25% of respondents that needed help to train staff were the micro companies who responded to the survey.

Relationship with schools and colleges:

- 62% of respondents said that they had a good working relationship with local schools and colleges.

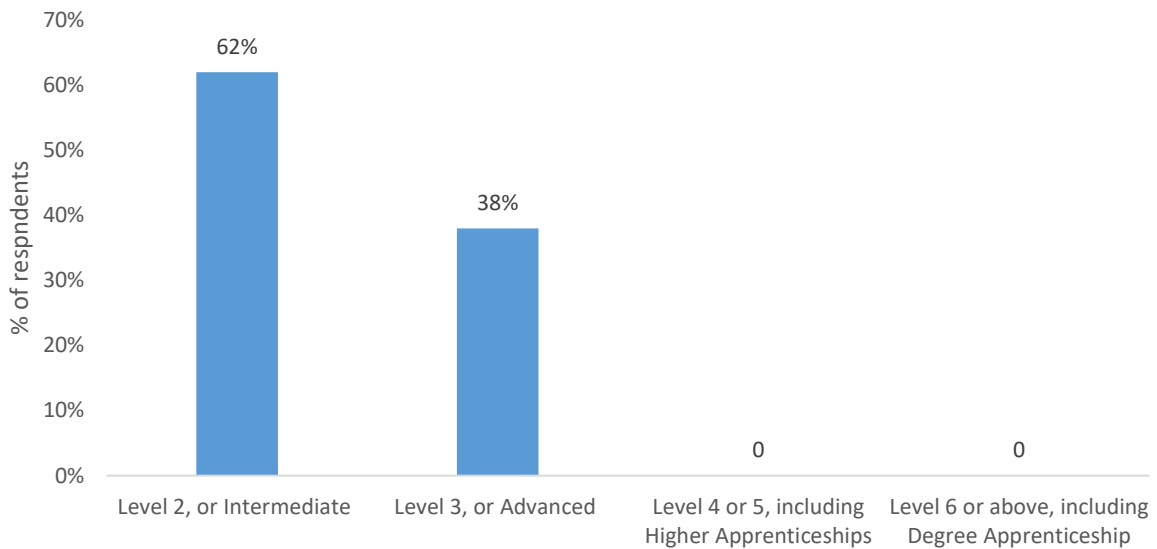


Unsurprisingly given the geographical focus of the survey, the schools, and colleges that businesses said that they worked with included Sandwell Academy, Sandwell College, Dudley Institute of Technology and Wolverhampton College.

The respondents who said that they did not have a good relationship were smaller sized companies particularly those with 10-49 employees.

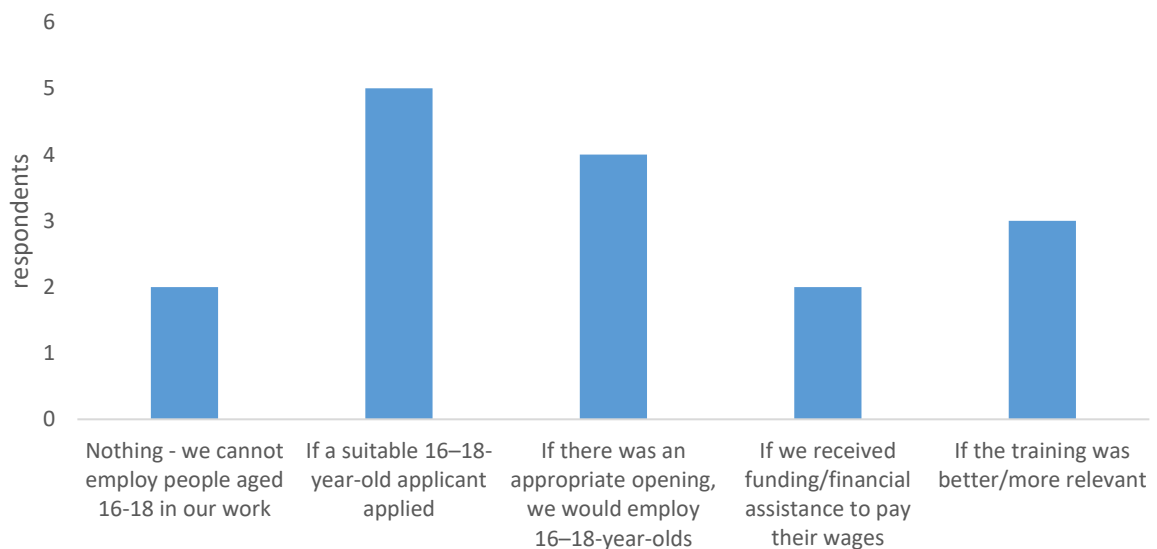
Survey results:

Question 1. Which level of apprenticeship would you say is most important to your business?



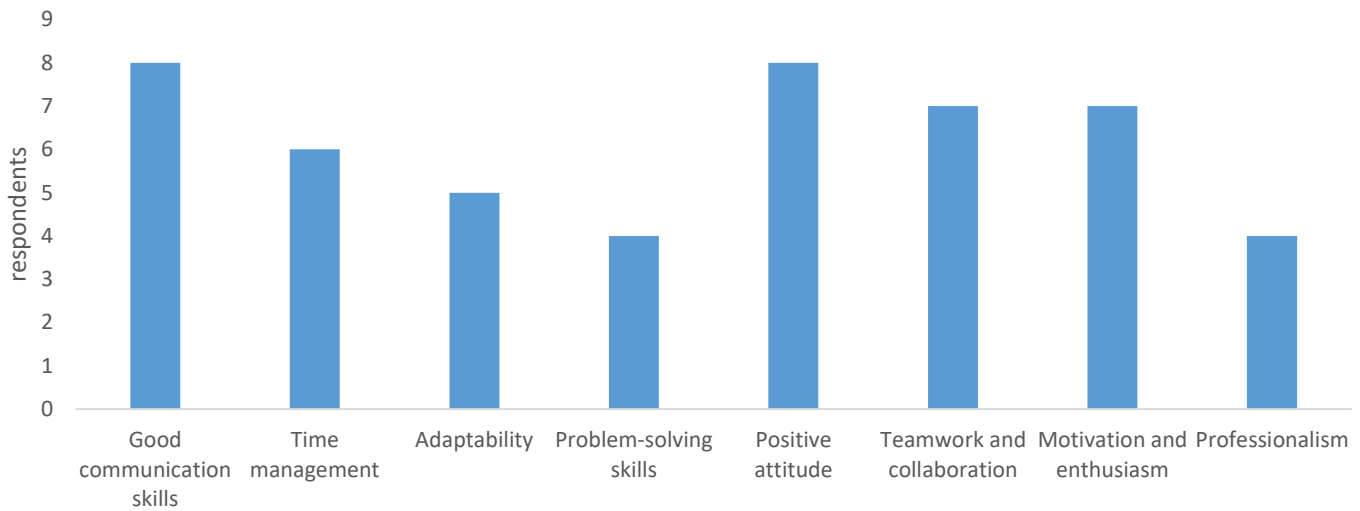
- Almost two-thirds of respondents said that Level 2, or Intermediate level apprenticeships were most important to their business.
- There were no discernible patterns to the responses when analysed by size of company.

Question 2. What, if anything, would persuade you to offer apprenticeships to young people aged 16-18?



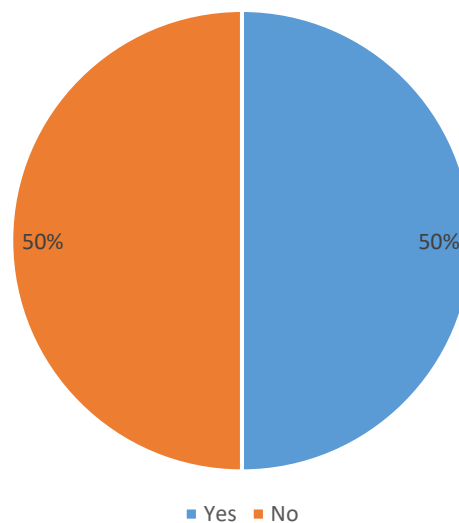
- The majority of respondents said that they would offer an apprenticeship to a 16-18-year-old if either there was a suitable candidate or an appropriate opening within their organisation.
- Other important factors included better or more relevant training whilst others said that they would if funding or financial assistance was available to pay wages.

Question 3. What specific skills and/or employability characteristics would your business expect from an apprentice?

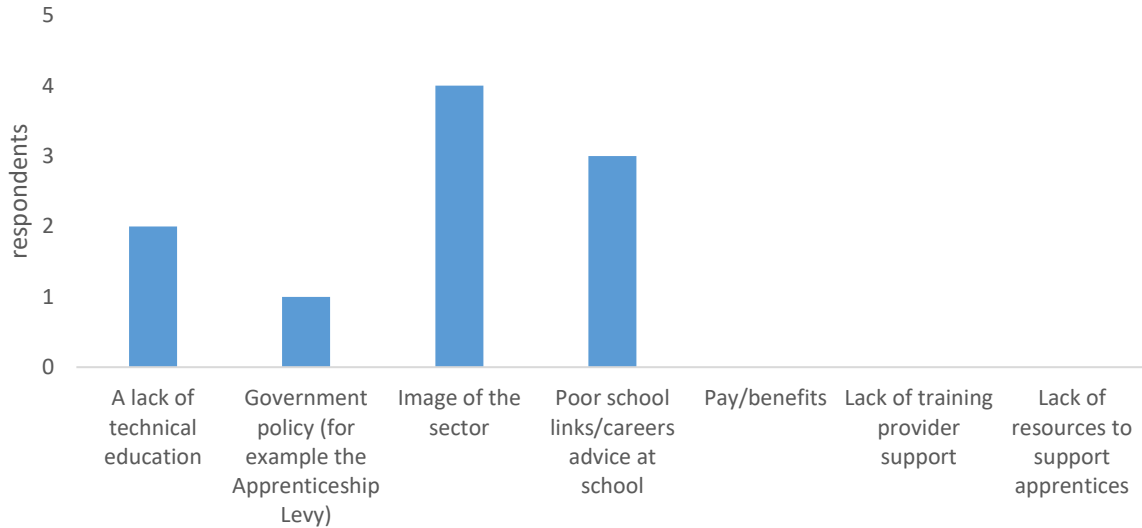


- Whilst respondents identified a range of key skills and employability characteristics, the most prevalent ones were ‘Good communication skills’ and a ‘Positive attitude’.
- Other soft skills that scored highly included ‘Teamwork and collaboration’, ‘Motivation and enthusiasm’ and ‘Time management’.

Question 4. Thinking more generally, did your organisation have any difficulty in recruiting or retaining staff in 2023?

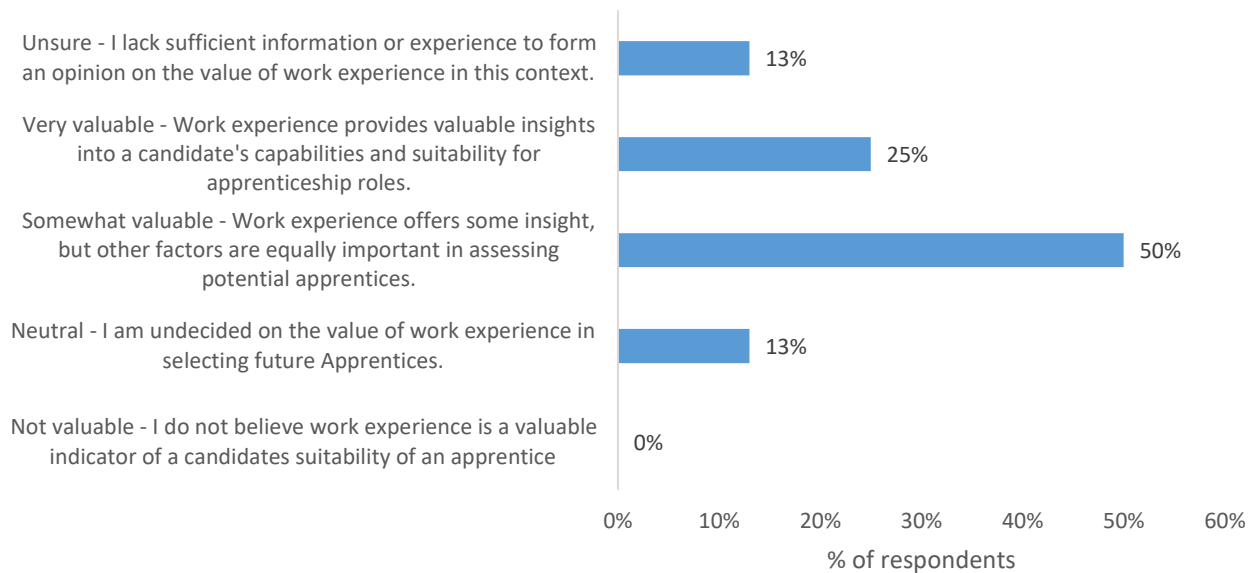


- Half of the respondents said that their organisation had had difficulty recruiting or retaining staff in the last year.
- Further analysis showed that the organisations which had difficulty recruiting or retaining staff were primarily businesses at both ends of the spectrum, the large businesses (250+ employees) and the micro businesses (0-9 employees).
- For those employers who reported skills and staff shortages they identified the ‘Image of the sector’, ‘Poor school links/careers advice at school’, ‘A lack of technical education’ and ‘Government policy’ as the main reasons for their difficulty in recruiting and retaining staff.



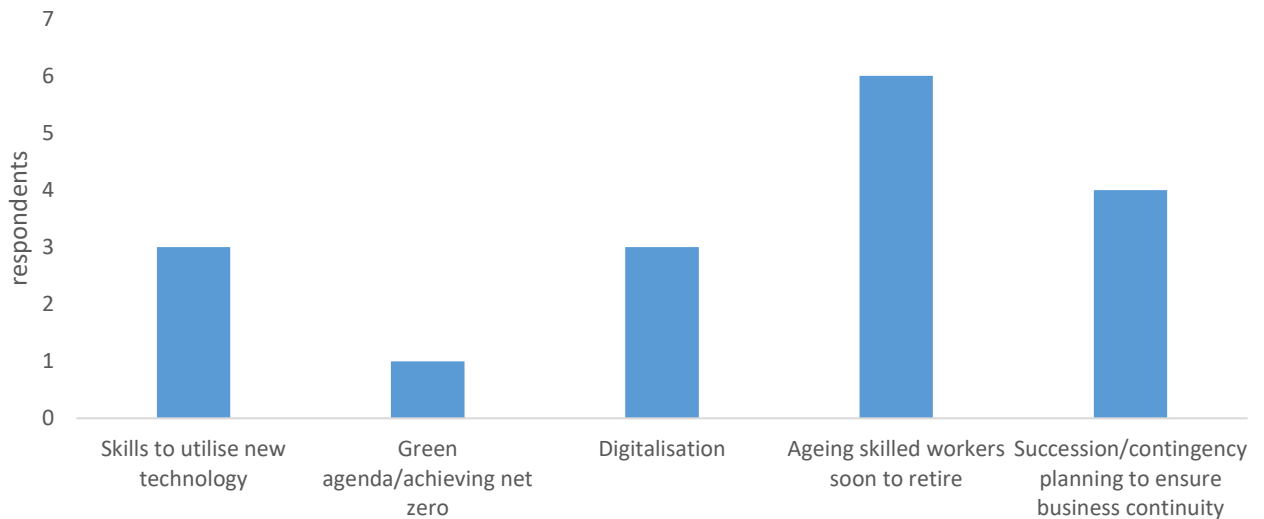
Question 5. Does your organisation accept students on work experience schemes?

- 75% of respondents said that their organisation accepted students on work experience schemes.
- However, only 38% of organisations had a student on work experience in the last year. Analysis by company size shows that the companies which had a work experience student were all larger sized businesses (50+ employees).
- Despite this, 75% of respondents indicated that they thought work experience was either ‘Very valuable’ or ‘Somewhat valuable’ in providing insights into a candidate’s capability and suitability for apprenticeship roles.



Question 6. Has your organisation undertaken a strategic review of its future skills needs?

- 88% of respondents had held a strategic review of their future skills needs.
- Of those that had conducted a strategic review the most common areas revolved around 'Aged skilled workers soon to retire' and linked to this 'Succession/contingency planning to ensure business continuity'.
- The organisations that had conducted strategic reviews into 'Aged skilled workers soon to retire' were generally the SME sized companies whereas respondents from the larger sized companies were more likely to have conducted reviews into 'Skills to utilise new technology', 'Digitalisation' and 'Green agenda/achieving net zero'.



Overall, respondents thought that 'Aged skilled workers soon to retire' would have the biggest impact on the metals sector.

Conclusion:

The Susan Orlik Trust Apprenticeship Survey provides a snapshot of the current landscape and workforce challenges within the metals sector.

The need for support and guidance in apprentice recruitment and training is evident, particularly among micro and smaller-sized companies and whilst the majority of respondents report positive relationships with local schools and colleges, there are still challenges, especially for smaller-sized businesses in establishing effective partnerships.

Work experience is perceived as valuable in assessing candidates' suitability for apprenticeship roles, which emphasises its role in talent acquisition and development.

Linked to this, strategic reviews of future skills needs are prevalent among surveyed companies, with a focus on addressing challenges around an aging workforce and embracing new technologies. However, there are differences in the priorities between SMEs and larger companies, reflecting varying industry perspectives and objectives.

Overall, the survey highlights the multifaceted nature of workforce challenges within the metals sector and the importance of collaborative efforts between industry stakeholders, educational institutions, and policymakers to address these challenges effectively.