

# Cabinet

18 April 2023

## Proposals for utilisation of additional funding for apprenticeships and reskilling activity

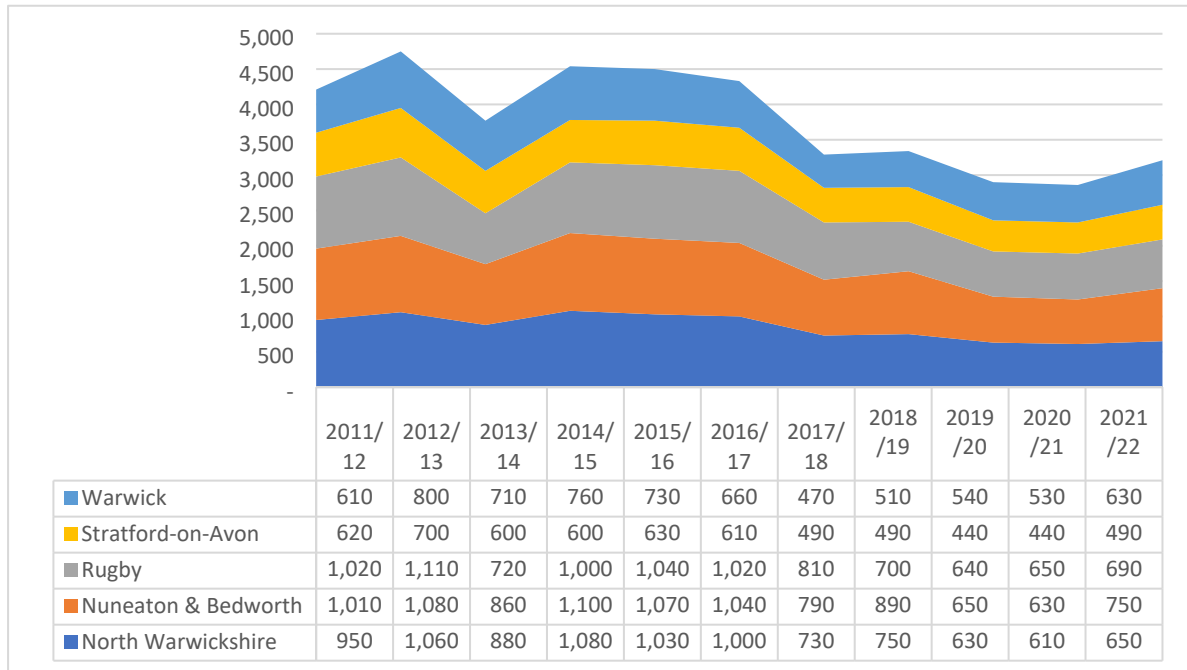
### Recommendation

That Cabinet approve the proposals set out in Section 2.1 for the utilisation of the additional funding of £300,000 pa approved in the Council revenue budget resolution (7 February 2023).

### 1. Background and Key Issues

- 1.1 In the 2023/24 Revenue Budget Resolution, agreed by Full Council on 7 February 2023, it was agreed that an additional £300,000 p.a. be invested to support apprenticeships and reskilling across the County, with an emphasis on reskilling for the changing economy and consistent with the countywide levelling up approach. It was stated that proposals for the utilisation of this funding be brought back to Cabinet for approval in April 2023.
- 1.2 Despite strong demand for labour across Warwickshire in recent years, the number of apprenticeships in the county has fallen since the highs seen in the early 2010's, as shown in Figure 1 below. Key changes to apprenticeships over that time, including the requirement for 20% off the job training which has seen individuals spend less time on operational duties, has affected Apprenticeship take up. This is alongside the challenge experienced of delivering apprenticeships during the COVID 19 pandemic

**Figure 1: Number of apprenticeship starts by district & borough (2011/12-2021/22)**



- 1.3 Vacancy and recruitment rates remain high across Warwickshire, which is a positive economic sign. However, it is clear that many businesses are overlooking apprenticeship opportunities when considering taking on new staff. Due to the current economic climate, businesses are behaving more cautiously and choosing to target their recruitment at experienced applicants and not looking to invest the time in developing their own talent.
- 1.4 Skills needs of businesses are changing at an increasingly rapid pace as technology develops, digitalisation and new ways of working accelerates, and as the transition to a low carbon economy takes hold. This can be a challenge both for businesses to ensure their staff are suitably skilled, and for education and training providers to “get ahead of the game” and ensure the right and most up to date skills are being taught. At the cutting edge of new technology or processes where demand for labour is high (including digital skills, battery technology, low carbon solutions, etc.) there is also a significant lack of knowledge and capacity within the training provider network to offer suitable apprenticeships in these areas.
- 1.5 As technologies advance and new industries created, continuous learning and reskilling are critical to ensure both longevity in the workplace and to increase productivity of the workforce. The largest client group that the Department for Work and Pensions (DWP) are working with in Warwickshire are the over 50’s, and the issue of up-to-date skills is seen as a key barrier to this group returning to work. Apprenticeships provide a potential route into employment. This was recognised in the recent Budget with the announcement of “Returnships”, an apprenticeship-style programme for the over-50’s. We expect further detail in due course as to how this programme will operate.
- 1.6 There is also imperfect knowledge around apprenticeships, skill needs and future employment opportunities across the board. Businesses are unclear around the range of apprenticeships available, the opportunity to adapt them to meet their needs, and the range of labour force options open to them in a competitive labour market. Training providers struggle with understanding the emerging and future

skills needs of businesses, making it hard for them to plan ahead. Finally, there remains a lack of knowledge and understanding by residents around apprenticeships and the wide range of different opportunities across a variety of sectors.

- 1.7 Apprenticeships have historically been an effective way, particularly for those from disadvantaged backgrounds, to achieve higher wages and qualifications. This is particularly important given the increase in cost of going to university, with many young people, especially those from lower income backgrounds wary of taking on debt early in their careers. For Warwickshire, apprenticeships are one way of reducing the disparity between those who have a Level 4 qualification and those who don't and for those who don't have any qualifications as part of our Levelling Up agenda.

## 2. Options and Proposals

- 2.1 Building on the analysis set out above, the following proposals are suggested for utilising the additional funding allocation made in the budget resolution:

- a.) **“Future Skills Advisor”** – as businesses evaluate their future skills needs and navigate through priorities such as their transition to net zero or the incorporation of new technology which promotes sustainability and opportunity of growth, they report that whilst they can identify opportunities for increased sustainability, and develop new products, services and markets; the biggest barrier to executing such plans is having the right skills or understanding the routes to take the plans forward. Training providers also need to work to develop their offer to incorporate new skills needs, and apprenticeship delivery models may need to be adapted to ensure they are meeting the needs of business. The Future Skills Advisor will enable us to have a dedicated resource to focus on this important priority for businesses, identifying key trends and emerging opportunities. The Advisor will work with businesses to help develop Future Skills Plans, helping them plot a route forward, and liaise and work with our training providers to get the right provision in place. The advisor would also develop a new Future Skills network to help share knowledge and promote best practice.

*Key Outputs:* 5 new industry networks, 50 “Future skill” apprenticeships p.a.

- b.) **Future Skills & Apprenticeship Fairs** – as our understanding of the needs of businesses and future opportunities grows through the work of the Advisor, we would develop a marketing strategy to promote and support Future Skills Apprenticeships. We would launch a series of Future Skills and Apprenticeship Fairs which will run county wide. At the fairs, businesses will deliver inspiring talks and apprenticeship providers will present and provide take-away information on how to access different apprenticeship opportunities.

*Key Outputs:* At least one fair in each district & borough, engagement with over 2000 students and job seekers across the 5 events

- c.) **Flexible funding opportunity for employers** – this funding will be used in two ways to increase the uptake and delivery of apprenticeships in the county. Firstly, it will help support small businesses with the salary cost of taking on apprentices. The salary support programme would support the salary of apprentices for the first 3 months of their apprenticeship. National research shows that apprentices positively impact the business within 3 months, and once these benefits are realised businesses become committed to the process on an ongoing basis. We will work with businesses to model an offer that is likely to be attractive to the market. The second area of support would be through increasing employer engagement in apprenticeship provision. Both businesses and colleges report the significant knowledge and skills gaps within delivery teams of education providers. Whilst colleges struggle to recruit and retain delivery staff, businesses report the urgent need to see college provision reflect current industry trends and have staff with recent industry experience. Whilst education salaries are often not competitive to those in industry, we must explore how we bring such valuable skills and knowledge into the classroom. Working with a number of industries and education providers, we will develop pilot delivery models which incentivise and provide opportunity for businesses to deliver sessional support, ensuring current provision represents current and future skills.

*Key outputs:* 30 business supported p.a. with salary support, work with 10 employers p.a. to pilot training delivery models.

- d.) **Barrier breaking for over 50's** - Warwickshire's labour market intelligence demonstrates that we have an increasing number of over 50's who are unemployed and looking to explore new pathways into work and gain new skills. We also see employers making tough decisions on retaining staff who might not have the right skills for the future skills needs of the business. It is therefore recognised that there is a real need to promote apprenticeships as an adult provision and a credible pathway for progression. We will work with and incentivise employers to raise awareness of the benefits of adopting apprenticeships as part of their onboarding and training for experienced staff. We will also work with DWP and employment support programmes to raise awareness of apprenticeship opportunities for this client group, developing targeted marketing and communications; and with training providers to help adapt their provision where appropriate to better meet the needs of this client group. We will link in with and promote the "Returnships" as these are rolled out. Finally, we will work with employers to upskill their existing staff to prevent job losses and ensure employees have a progressive pathway to meet the skills needs of the business. By supporting the business to co-fund training packages, or utilise the apprenticeship levy, and offer progressive incentives, we believe combined with the guidance from our skills team, we will make a positive impact and generate increased apprenticeship opportunities

*Key outputs:* work with at least 40 businesses, generating at least 50 apprenticeship opportunities per annum.

- e.) **Inclusive apprenticeships** – Warwickshire County Council is committed to supporting individuals with learning disabilities and autism into sustainable employment. Our aim is to increase the accessibility of apprenticeships, particularly for young people and adults with SEND. Transition data, NEET

and youth unemployment rates all reveal numbers of young people who would benefit from an Inclusive Apprenticeship offer. Currently, many young people with SEND may not consider apprenticeships as an accessible opportunity which offers a transitional pathway into employment, yet employers would welcome a structured training programme which supports the learning needs and adjustments of those with SEND that they wish to offer work opportunities to. A new Inclusive Apprenticeship Development Programme will support the apprenticeship provider network to work with employers to shape Inclusive apprenticeships and make adjustments to delivery of the apprenticeship which reflect any learning barriers individuals may have.

*Key outputs:* create 25 inclusive apprenticeships per annum.

- 2.2 This work will be anchored within the Warwickshire Skills Hub, part of the Economy & Skills Team within Warwickshire County Council, who have an excellent track record of working with businesses, communities, and training providers across the county. In total, the programme should achieve:
- 155 apprenticeships per annum
  - At least 120 businesses supported
  - 2,000 young people engaged via Apprenticeship Fairs
- 2.3 The team will work with a wide range of partners and stakeholders to deliver this programme of activity, including industry networks, the Chamber of Commerce, FSB, the C&W Growth Hub, the C&W Apprenticeship Network, the Warwickshire education and training network, the Careers & Enterprise Company, DWP, employment support providers, Adult & Community Learning, Libraries, and our District & Borough Councils.
- 2.4 Elements of the activity proposed (in particular those at 2.1 (c) and 2.1(d)) involve providing grants and incentives to a range of recipients for activities surrounding apprenticeships. This is likely to constitute 'a subsidy scheme' (and some of the of grants and incentives offered will be classed as 'subsidies') for the purposes of the Subsidy Control Act 2022. As such we will need to publish details of the scheme, including any subsidies over £100,000 awarded under the scheme, on the Subsidy Transparency Database. The detailed operation of the grant and incentive arrangements will be developed in compliance with the legislative guidance.

### 3. Financial Implications

- 3.1 The component parts of the proposal are costed in the table below.

<b>Component</b>	<b>Cost</b>
Future Skills Advisor	£50,000
Future Skills & Apprenticeship Fairs	£25,000
Employer Salary Grant	£100,000
Barrier Breaking	£75,000
Inclusive apprenticeships	£50,000
<b>Total</b>	<b>£300,000</b>

- 3.2 The team have several opportunities to attract additional investment through partnerships and bidding opportunities via DWP, LSIPS and UKSPF. Due to the significant reduction of national and local funding in employability and skills, partners are understandably cautious but are still committed to a common ambition to be creative in tackling local skills challenges.
- 3.3 We anticipate that our continued approach in taking innovative approaches to shaping highly engaging activity and responsive solutions to local need will effectively manage any risk and invite investment in tested programmes.

#### **4. Environmental Implications**

- 4.1 A key feature of this proposal is to help advance the understanding, awareness, and provision of green skills within the county to support the transition to a low carbon economy. This will significantly contribute to our objectives on Warwickshire being Carbon Neutral by 2050.

#### **5. Timescales associated with the decision and next steps**

- 5.1 The programme would have a 3-month lead in period, and we would expect it to become fully operational by the end of July 2023.

##### ***Delivery Plan***

<b>Component</b>	<b>Delivery Considerations and Initiation</b>	<b>Delivery Start Date</b>
Future Skills Advisor	The recruitment of Green Skills Advisor	<b>June 2023</b>
Future Skills & Apprenticeship Fairs	Annual delivery programme of February, July, October	<b>July 2023</b>
Employer Salary Grant	Marketing the offer to employers	<b>May 2023</b>
Barrier Breaking	Marketing the offer to employers	<b>May 2023</b>
Inclusive apprenticeships	Marketing the offer to employers	<b>May 2023</b>

	<b>Name</b>	<b>Job Role</b>	<b>Contact Information</b>
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The report was circulated to the following members prior to publication:

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Councillor Parminder Singh Birdi  
Councillor Sarah Boad  
Councillor Caroline Phillips  
Councillor Will Roberts