

Stoke-on-Trent and Staffordshire Cost and Outreach Career Learning Pilot

Introduction

1. To provide the Executive with details of the recently announced Career Learning Pilot for the LEP area and to agree the next steps for the implementation arrangements.

Background

2. The Industrial Strategy Green paper set-out the Government intention to explore new approaches to encouraging lifelong learning. This could include making changes to the costs people pay to make them less daunting; improving outreach to people where industries are changing; and providing better information.
3. The Career Learning Pilot will be used to inform the National Retraining Scheme and support the Governments ambition for an adult education system that helps people upskill and reskill throughout their working lives.
4. The Government has budgeted £40million to test these approaches to lifelong learning the first £20million of this will be through the Wave 1 pilots in 17/18 and 18/19 and £20m through the Wave 2 pilots. The Cost and Outreach Career Learning Pilot fits within 'wave 1' and have a total budget of approx. £10million. The other £10million for wave 1 pilots was for the Flexible Learning Fund that was recently launched.

Purpose of the Pilot

5. The purpose of the pilot is to test the best ways to reach out to lower skilled working adults and the effect different levels of fee subsidy has on the demand for courses that are valuable to adults and important to the economy of the area.
6. The Pilot will therefore test:
 - How best to reach adults who are in work and low skilled including the use of face-to-face career guidance
 - Whether reducing the cost of courses (by 25%, 75% and 100%) makes targeted adults more likely to do economically valuable learning matched to local economic need

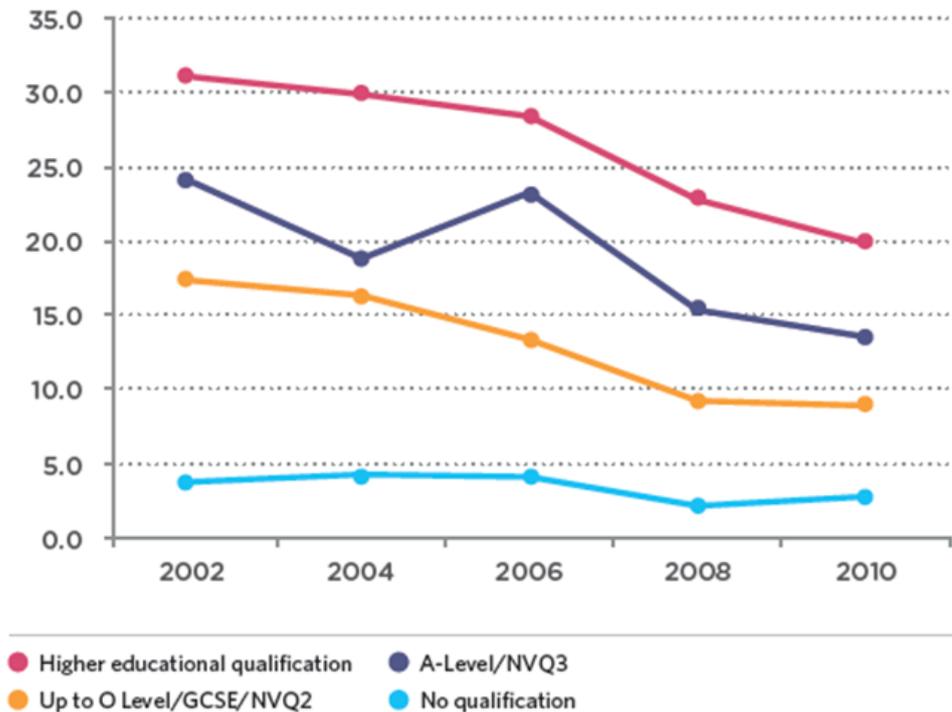
Funding of the Pilot

7. There are three components to the Pilot made up of approximately £6million for course fee subsidy and £3million for outreach and face to face careers guidance. The course fee subsidy funding will be routed through the Education Skills Funding Agency and the National Careers Service will support the outreach activity. The funding will be used to support courses that are eligible for advanced learning loans and the providers who are approved to deliver these.
8. There will also be additional funding available to support local implementation arrangements of the pilot such as programme management and engagement. All costs will need to be included within a local fully costed plan to be agreed with Department for Education prior to implementation.

Why is the Pilot Needed

9. The pilot is intended to drive up skill levels of people in work and help to improve productivity. Productivity is up to 25% lower than in other developed economies and higher skill levels are also associated with higher earning and being in work. For instance those qualified to Level 3 earn 10% more than those without this level of skills and advanced apprentices at Level 3 can earn £117,000 more over their career. Those with level 4 skills earn on average twice as much as those with no qualifications. Improvements in English and maths have long been essential to improving productivity and increasingly digital skills are now even more important.
10. The higher the skill level of workers then the more likely they are to continue to train as shown in the chart below. Overall, levels of training are also in decline and cost, time, family commitments are barriers to learning and for those with low skills age, confidence and interest are perceived as barriers to learning.

Percentage of the those who report taking part in formal education or training in the last 12 months, by highest educational qualification



SOURCE: ELSA Waves 1-5 (2012)

11. In many local economies it is now becoming apparent that low skills demand is becoming entrenched in some sectors and local places. This is accompanied by little incentives in these areas to improve skills in labour markets that do not reward higher skills. Which can lead to the creation of a low skills equilibrium in some sectors and places that limits labour supply characterised by:

- Skills shortages and limited labour supply
- Constraints on employers ability to expand
- High proportions of jobs with low/no skills dragging down productivity
- Limited demand for high level skills
- Limited opportunities for skills progression
- Reduced demand and viability of training provision
- Underutilised skills in the workforce and people moving to jobs in sectors/places with better prospects

12. In the LEP area the labour market shares many of these characteristics and we know overall skill levels and wages, whilst they have been improving, are lower than national averages. The Career Learning Pilot therefore presents an opportunity to test out a new approach to improving skills of those with low skills in the workforce.

Next Steps

13. To move the pilot forward, undertake the design work and begin to scope out the following ideas for testing :

- Key sectors and occupations that are relevant to the pilot and the local economy
- Qualifications that are important to these roles and business
- Identify and engage with key providers and employers within the sectors
- Establish the appropriate level of incentive (25%, 75% and 100%)
- Design the initial outreach and delivery model
- Determine key messages to business, workers and intermediaries to promote the pilot

14. We will therefore begin to scope out this activity with a view to engaging with key stakeholders to design the pilot and begin to work up a costed delivery plan for LEP endorsement and agreement with the DfE. This will include key assumptions, outputs and outcomes and key performance indicators to inform the evaluation.

Timeline and Key Milestones

1. The initial timeline to mobilise the Pilot locally is challenging with a planned go live for outreach activities to commence in March 2018. The training delivery is expected to commence in September and an initial early evaluation taking place to test out take-up at the end of the year.

Milestone		Date
1.	Individual local area workshops	12 January 2018
2.	Proposed Priorities and Delivery Plan to LEP	15 February 2018
3.	Costed delivery plans from areas to DfE	End February 2018
4.	Course priorities identified	March 2018
5.	Final Delivery Plan Agreed by LEP	15 March 2018
4.	Messaging/ outreach begins	End March 2018

5.	Advanced Learner Loan applications open	May 2018
6.	Subsidised learning begins	September 2018
7.	Initial evaluations results	End of 2018

- Next steps are to scope out the design of the Pilot at a workshop in January and agree a costed delivery plan with the DfE by the end of February 2018. This work will be supported by the DfE and the Learning and Work Institute to co-design the pilot

Recommendation

- It is recommended that the LEP Executive agree to engage in the pilot and endorse the next steps.

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