



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 3.5</b>
<b>3 JUNE 2020</b>	<b>PUBLIC REPORT</b>

## COMBINED AUTHORITY RETRAINING SCHEME PILOT

### 1.0 PURPOSE

- 1.1 To seek approval to develop and launch a new Retraining Scheme Pilot, as part of the Government’s National Retraining Scheme (NRS). Responding to the needs of business who require new staff to be retrained or to retrain staff for new roles as business diversify as a result of COVID-19. For individuals who may have been made redundant to retrain and direct them into new sectors.
- 1.2 To ask for approval to spend the allocated funding received from Department for Education (DfE) of £80,100 for the Retraining Scheme Pilot.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor John Holdich, Lead Member for Skills</b>
<b>Lead Officer:</b>	<b>John T Hill, Director Business and Skills</b>
<b>Forward Plan Ref: n/a</b>	<b>Key Decision: No</b>
<p>The Combined Authority Board is recommended to:</p> <p>(a) Approve the development and launch of the Cambridgeshire &amp; Peterborough Retraining Scheme Pilot.</p> <p>(b) Give approval to spend the allocated budget of £80,100 from the Department for Education.</p>	<p><b>Voting arrangements</b></p> <p>Simple majority of all Members</p>

## **2.0 BACKGROUND**

- 2.1 This paper is to seek approval to develop the Combined Authority's Retraining Scheme Pilot and to propose the launch and approval to fund using the allocated budget from Department for Education (DfE).
- 2.2 The Combined Authority will bring forward the planned development of a Retraining Scheme Pilot that was due to be developed over the summer months to launch in September 2020. However, due to the unprecedented situation and effect to the labour market a localised Retraining Scheme to respond to COVID-19 is in development by the Project Manager, working with a number of Partners to develop a Retraining Scheme that will build economic resilience in this challenging time.
- 2.3 A detailed design will be developed that satisfies local needs and DfE objectives, to demonstrate the Combined Authority's ability to manage the full budget upon potential devolution. An evidenced based analysis of needs will take place over the next few months as the pilot evolves.
- 2.4 It is proposed that training courses are developed taking into account business needs to begin mid-June 2020, or sooner if demand is great. Initial courses will be delivered via online learning due to the current situation. A social media campaign and press release is being created by the Communications Team in readiness to launch the Pilot.
- 2.5 The allocated funding received from DfE for the Retraining Scheme Pilot is not currently within the Medium-Term Financial Plan (MTFP), as notice was only received by Officers in mid-February 2020 that this funding would become available. The Finance Team will be adding this budget line to the next restatement of the MTFP, as noted within the financial implications section.

## **3.0 BACKGROUND TO THE GOVERNMENT NATIONAL RETRAINING SCHEME**

- 3.1 The Government announced at the 2017 Autumn Budget that it would introduce a National Retraining Scheme (NRS), to help workers retrain as the economy changes.
- 3.2 This was followed up in the 2018 Autumn Budget, by the Chancellor who announced a £100 million commitment to start the initial roll out of the NRS. This funding allowed DfE to start delivering parts of the service to the public from 2019 and also them to substantively test, evaluate and learn as they build the service.
- 3.3 The National model of the NRS is being developed by a Partnership between Government, Confederation of British Industry and the Trade Union Congress, working closely with potential users of the Scheme and providers.

- 3.4 Cambridgeshire and Peterborough Combined Authority were selected by Ministers as an area to test and help shape the NRS model. This was launched on 16 October 2019, and as a result the Combined Authority was considered to develop their own localised pilot alongside the National Pilot.
- 3.5 The Scheme needs to respond to the current situation of COVID-19, structural trends, which will impact on the labour market and drive the need for lifelong training (for example, automation, longer working lives and productivity challenges).
- 3.6 COVID-19 and automation has the potential to cause a significant impact on the economy, with the most disruption for people who are low skilled and are least able to adapt. Both workers and employers face barriers to learning (motivation, cost and time).
- 3.7 With the disruption to the economy, labour market and workforce, the NRS is perceived by Officers as an excellent opportunity to develop sooner by responding to those changes and adapting to business needs as the Pilot is developed.

#### **4.0 THE RATIONALE FOR A LOCALISED RETRAINING SCHEME**

- 4.1 Whilst the real impacts of managing COVID-19 are unclear at this stage, it is likely we will see challenges across all sectors of the employment market. We can already see some sectors that are going to be dramatically influenced by economic downturn. The severity and therefore how we prioritise scarce resources, will depend on the effectiveness of stimulus and support packages to maintain each sector and the economy beyond the duration of the control measures.
- 4.2 New working practices will be developed over this period and continue beyond the COVID-19 measures. This will influence the skillset needed by managers and teams. The areas of the country which have strength in these areas will recover more effectively.
- 4.3 This raises the challenge of how we provide support and options for those who are coming to terms with the new situation. We are already seeing individuals and businesses entering a problem solving and experimentation phase as to how best to manage.
- 4.4 Leaders are already adjusting business models and looking for opportunity. This should be supported with skills development of a positive solution-based focus to upskill or retrain employees or individuals. Those not yet in that stage may need skills development as a lever to get them moving to a positive mind set in tackling the difficulties business is dealing with. Hence the timing of a Retraining Scheme should facilitate some of that.

## **5.0 ALLOCATED FUNDING FOR A LOCALISED PILOT**

- 5.1 DfE recognise that the demand for adult training is expected to increase following the national roll-out of the NRS Get Help to Retrain service. The NRS has the potential to increase in demand and can be met via local areas developing their own pilots.
- 5.2 Additional funding of £80,100 has been made available and will be received with the Adult Education Budget (AEB) allocation for one year only (2020/21). The NRS Get Help to Retrain service will continue to develop during 2020/21 based on engagement with service users. NRS colleagues want to collaborate further to understand how this additional funding can be used to develop a more localised training offer, to take account of local labour market and skills needs.
- 5.3 Working with the AEB Team to develop and further enhance the offer to ensure that both programmes are complimentary to each other. Connecting employers and individuals to the AEB Funded Providers via the NRS to give a broader offer to the recipients in any gaps that each programme doesn't deliver.
- 5.4 Discussions are ongoing with Officers around the AEB Innovation Fund and how the NRS can link to this fund to augment the portfolio offered by the Combined Authority to support retraining.
- 5.5 The Apprenticeship Levy will be used as a source of funding as part of the Combined Authority Retraining Scheme Pilot. The Levy will be used when progression routes are advanced through the scheme. The Combined Authority Levy Pooling Virtual Wallet will be used to support non-levy employers and small and medium sized enterprises (SME's).
- 5.6 The Apprenticeship marketplace has already shown signs of reducing, major disruption to the sector will need an intervention to support regrowth. Connecting employees with the Apprenticeship programme as part of the NRS and funded via the Apprenticeship Levy should support that growth and in turn retrain a potential workforce.

## **6.0 POTENTIAL DEVOLUTION FOR NATIONAL RETRAINING SCHEME (NRS) AND THE NATIONAL SKILLS FUND (NSF)**

- 6.1 The devolution of the NRS is a unique and invaluable opportunity for Cambridgeshire and Peterborough. If the NRS is devolved to the Combined Authority, it will have the powers and responsibility to determine the funding priorities and retraining needs of employers and individuals.
- 6.2 The Retraining Scheme Pilot should be targeted on what makes the most difference to our people and economy. This can provide the framework which clearly shows the advantages of further skills devolution and other potential Skills Funds that could be devolved i.e. the National Skills Fund.

- 6.3 To help address some of the rising challenges set to impact the economy and labour market throughout the 2020s and beyond, the Conservative Government promised in their General Election manifesto to introduce a National Skills Fund from 2021. This fund would provide £3 billion over five years, to contribute towards retraining and upskilling the adult workforce.
- 6.4 We will be monitoring progress on a monthly basis and measuring impact to present to DfE to use as the evidence needed to demonstrate that the Combined Authority can develop and implement a robust, sustainable and scalable Retraining Scheme. This will create opportunities for a strong, productive and thriving economy that will see us through the challenges post COVID-19.

## **7.0 RETRAINING SCHEME TRAINING AND COURSES**

- 7.1 The Retraining Scheme will have step on courses as introductions and then have progression routes via longer courses or Apprenticeships, utilising funding via the Combined Authority's Apprenticeship Levy Pooling and aligning with the devolved AEB.
- (i) Project Management
  - (ii) Leading Change
  - (iii) Digital Finance Skills
  - (iv) Team Leadership
  - (v) Operational Leadership
  - (vi) CMI and ILM Management Courses either funded as an Apprenticeship
  - (vii) Full cost CMI or ILM qualification (funded via the employer)
  - (viii) Digital Skills to upskill all levels (Potential Digital Skills Pilot with DfE)
  - (ix) Support to change careers, change employers (if facing redundancy),
  - (x) Upskill, Reskill, Retrain, Level-up

## **8.0 FINANCIAL IMPLICATIONS**

- 8.1 Confirmation has been received from the Department of Education (DfE) for the allocation of the £80,100 for payment to the CPCA via the AEB funding. Due to the potential of future funding, a new budget line will be created to ensure full tracking of the funds. The funding will be paid across the 2020/21 academic year with 7/12th received during the 2020/21 financial year and 5/12th in April 2021.
- 8.2 Expenditure on the pilot will be restricted to the funds received and therefore have no wider impact on the CPCA budget. However, as the proposed pilot's expenditure does not exactly match the timing of the grant funding being received, due to the split across financial years, the timing difference is small and therefore the Combined Authority can withstand this cashflow delay with no significant impacts.

## 9.0 LEGAL IMPLICATIONS

- 9.1 The recommendation within the Report accords with CPCA's powers under Part 2 of the Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order 2018 (SI 2018/1146)."

## 10.0 APPENDICES

<u>Background Papers</u>	<u>Location</u>
None	