

**GMLPF:  
LCR Recovery Plan  
Consultation –  
Apprenticeships &  
Traineeships**

# Format

The Impact of Covid-19

The Recovery Plan

Structure & Asks of Government

Metro Mayor & AELP Asks

The Plan and The Asks – Is it fit for purpose? What are the Strengths, Weaknesses and Gaps

How can LCR Learning Providers Help?

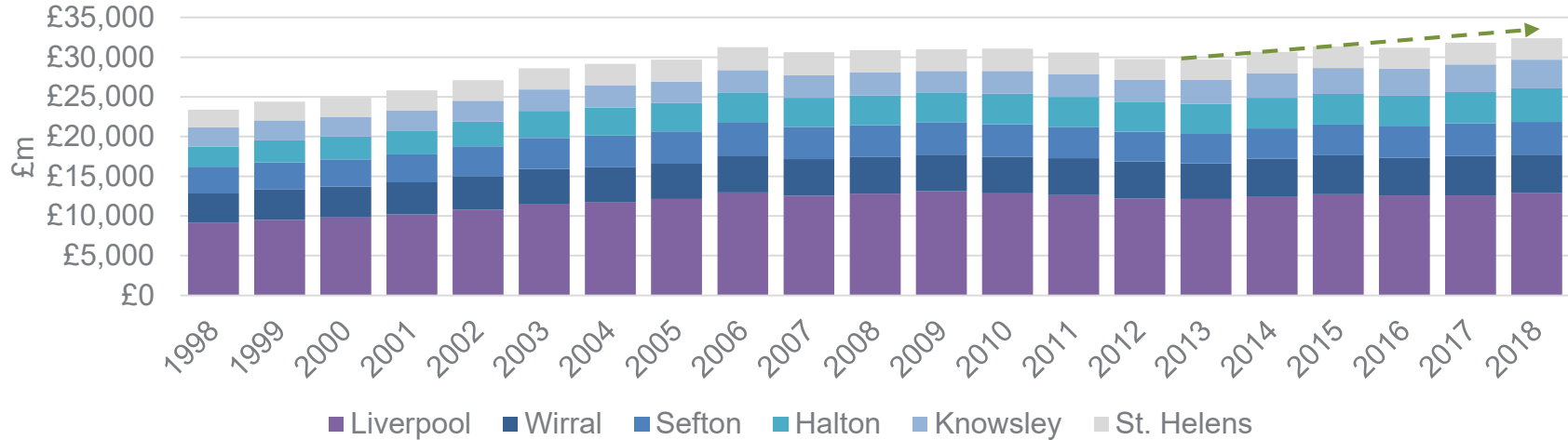
A Skills Manifesto?

## A. Impact of Covid 19?

# Where we were:

## LCR was on a positive trajectory before the pandemic

- A £32.4bn economy
- The most productive City Region in the North
- A growing business base
- A significantly improved labour market



ONS Regional Gross Value Added (Balanced) by Local Authority (1998-2018)

# But we did not go into this from a position of strength...

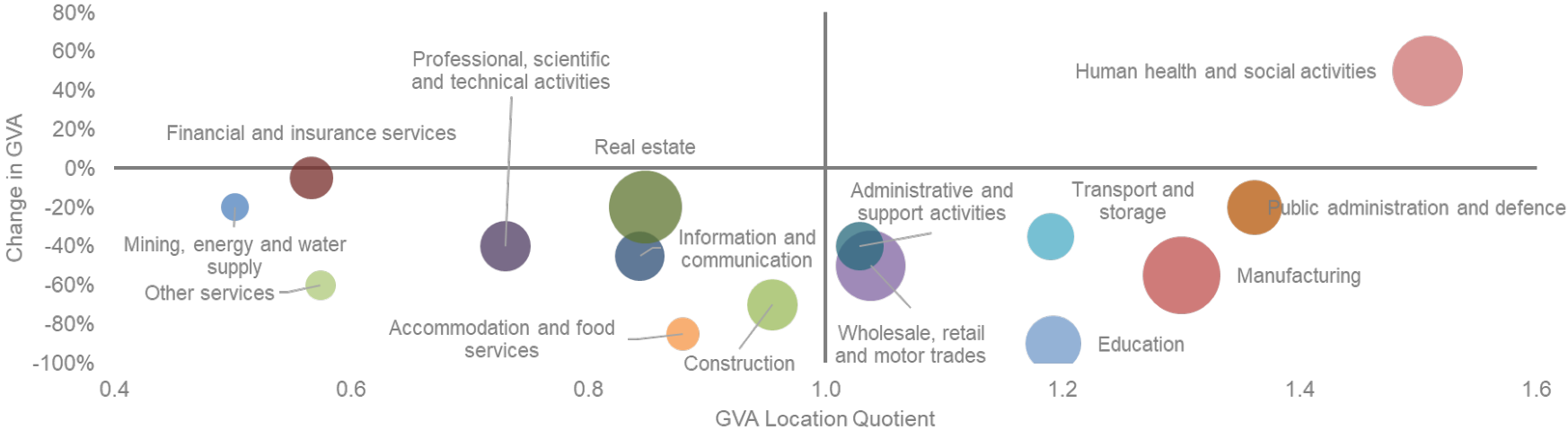
Indicator	Liverpool City Region	UK	LCR vs UK (UK = 100%)	LCR Rank (out of 38 LEPs)
Real GVA (£m)	£32,400	£1,680,000	2%	18
Real GVA per Head	£20,900	£28,000	75%	28
Businesses per 10,000 WAP	536	752	71%	36
Jobs per 100 WAP	66	77	86%	34
Employment Rate	72%	75%	96%	35
Economic Activity	74%	75%	95%	36
No Qualifications	11%	8%	134%	36
% of LSOAs in Most Deprived Areas (Overall)	34%	10%	346%	38

# ...and LCR economy will be disproportionately affected

LCR is exposed to the most extreme sector impacts:

- The manufacturing and education sectors are highly concentrated in LCR
- These sectors are anticipating significant slowdowns.

Concentration of Sectors in Liverpool City Region and The Impact of COVID on Their Output



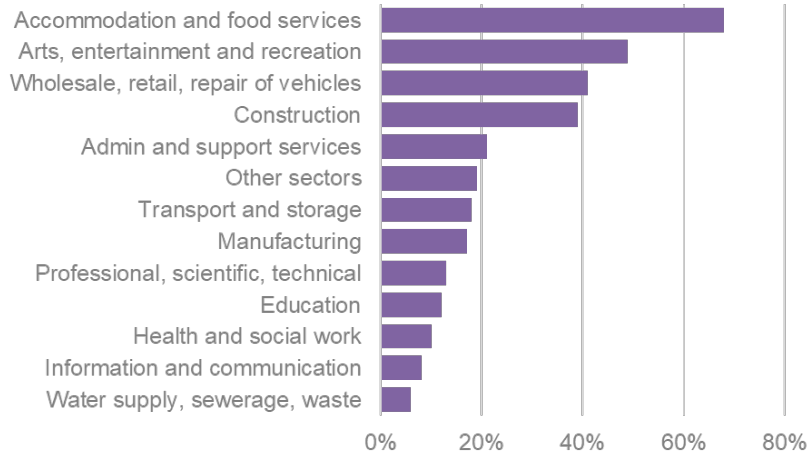
Source: Office for Budget Responsibility, 2020; ONS Regional Gross Value Added by Local Authority, 2018

Note: Bubble size indicates GVA contribution to LCR economy.

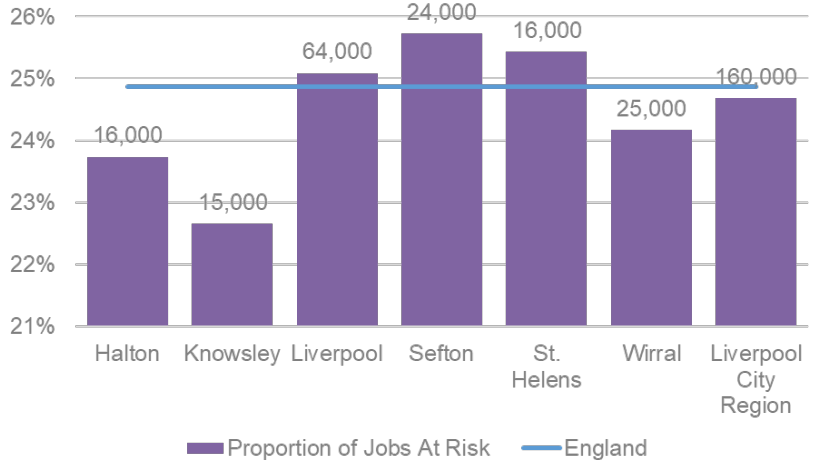
# There is a significant number of jobs at risk...

- Estimated there are 160k jobs at risk across Liverpool City Region
- Again they are in sectors closely linked to the City Region's visitor economy

Proportion of Jobs at Risk by Sector



Number and Proportion of Jobs at Risk



Source: McKinsey Covid-19 in the UK, 2020; ONS Business Register and Employment Survey, 2018

# What Do We Know About Apprenticeships Pre-Covid?...

- LCR Used to be a powerhouse for Apprenticeships

## Nationally

Over 4 Yrs 15/16 – 18/19:

- Starts in England fell from 503,900 to 389,600
- Starts fell by 23%

## LCR

Over similar period:

- Starts fell from 18,320 to 12,190
- Starts fell by 34%
- Starts as share of all England Starts fell from 3.64% to 3.2%
- Suggests shift of resources away from LCR – geographically, by company size and by level
- LCR disproportionately hit



# What Do We Know About Apprenticeships?...

- GMLPF as part of Northern Skills Network driven / participated in some research with providers
- Flags up some concerning trends month on month March - April

## LCR

Redundancies Up – 1.44% to 2.29% (59%

Up)

16-18 Apps Redundant Up - 31.37% to

48.44% (54% up)

Redundancies tie in with LCR data

Modest Increase in BiL

Furlough 18.97% to 21.13% (11% Up)

16-18 Apps on Furlough 45.91% to 39.49%

(14% down)

Actual to Planned Starts All Ages - April 89%

down

Actual to Planned Starts 16-18 – April 93%

down

More reliant on SMEs?

Unfunded Apps locally – 9%

Impact of tapering off of JRS?

## NSN

After Tees Valley – LCR most affected NSN  
area for redundancies

16-18 Redundancy Rates 3 x higher than  
NSN average

LCR has higher rates of furlough relative to  
NSN patch

LCR has less learners on BiL than elsewhere

Starts more impacted in LCR – 89% cf 75%  
decrease in NSN patch

Unfunded average across NSN – 3.76%

# What Are Our Big Challenges?...

- A number of big challenges are evident
  - Redundancies increased and responsibility on providers to source alternative places
  - Working assumption that 9-10% Apprentices could be made redundant
  - Many at risk sectors are where there have been traditionally strong numbers of Starts
  - Company demographics
  - Data / intelligence suggests Starts down / deferred or both
  - Breaks in Learning and EPA issues
  - Cash flow
  - And COVID-19 restrictions

Employers – the unknown factor!

What will demand look like?

Will demand differ from previous years?

Level of demand for Apprenticeships at all key transition points – 16, 18 and 21 may outstrip availability of opportunities

# The Recovery Plan – Structure & Asks of Government

# LCR developing a plan for recovery – Broad Principles

- Taking a partnership approach to developing the plan. The Plan will:
  - Drive the City Region's engagement with government on recovery funding and policy;
  - Provide **strategic direction** for the City Region's medium-term activities; and,
  - Most importantly, provide a framework for collaborating across LCR
- It is being developed against a **backdrop of uncertainty** – timing and phasing of recovery, nature and scale of impact, resources and national response
- We are focused on the specific **local challenges with local solutions...** so the focus and content of the national recovery plan will be pivotal
- Aligned the LIS ambition (a competitive, clean and inclusive City Region)
- Initial Plan to be developed for the end of June – **flexibility in approach** will be paramount
- An Economic Recovery Panel has been launched by the Metro Mayor to guide the work over the next 12-18 months

# Four Themes of the Recovery Plan

- **Business Ecosystem**
  - Developing a more **resilient economy** from the recovery
  - Diversification, business growth and knowledge intensity will be central to this.
- **People**
  - Defend the substantial gains the City Region has made over the last ten years
  - **Avoid long-term labour market scarring** and improve health, wealth and wellbeing
- **Place and Economic Infrastructure**
  - Develop shovel ready and strategic investment opportunities across sectors, aligned to the local industrial strategy and responsive to Government's own priorities.
  - Deliver **economic infrastructure needed for recovery and growth**
- **Opportunities to Build Back Better**
  - Retain the positives which have emerged through this crisis
  - Change the way we work and interact
  - Try to rebuild a more sustainable economy in line with good growth principles.

# LCR Economic Recovery Plan: Overarching Structure

## Thematic Intervention Areas

### 1: Business Ecosystem

Foster a strong, high value and innovative business ecosystem which is conducive to recovery and growth.

### 2: People Focused Recovery

Avoid long term labour market scarring and ensure the health and wellbeing of LCR residents.

### 3: Place & Economic Infrastructure for Recovery

Secure investment in the economic infrastructure needed for recovery and growth.

### 4: Opportunities to Improve

Capitalise on the opportunities to do things differently and better in recovery and growth.

## Priority Activities

### Get Ready to Bid / Respond

Ensure the City Region has an agreed set of priorities and fully worked up business cases so that we can respond swiftly to funding opportunities as they arise.

### Shape Existing Delivery

Work with partners across the City Region to ensure existing delivery is aligned towards recovery needs where feasible and desirable.

# Impact of C19 – Significant Increase in Unemployment

## Increase in Overall Number of Unemployed People

*An additional 45,000 unemployed people expected in LCR with unemployment rate increasing from 4% to 10%*

### Newly Unemployed

Those recently made redundant, related or not to the C19 crisis.

Current estimates = 45,000

- Large proportion expected to move back into work as part of recovery. Nature of employment may change
- Large scale redundancy response will put additional demands on public sector resource.
- Residual likely to be older workers, those with low skills or those with caring responsibilities
- **Plus increased NEET – school leavers & redundant Apprentices**

### Short/Medium Term Unemployed

Pre-existing unemployed at time of C19 crisis.

Currently 30,000 people in LCR

This group could grow significantly. Scale of growth dependent on

- (i) speed and trajectory of recovery
- (ii) how quickly newly unemployed find work

**(iii) how incentives for young people work for 16-18 and 18- 24**  
**This group could easily double by the end of 2020**

### Economically Inactive

Long term unemployed; greatest distance from labour market

Currently 230,000 people in LCR

Constrained labour market could lead those in short/medium term group to become long term unemployed

Existing members of this group could become more distant from the labour market

# People Focused Recovery: Impacts of C19

Significant Increase in Unemployment	Tighter Labour Market	Interrupted Education and Skills Provision	Increase in poor health and inequality	Housing made harder to access
<p>Exacerbate precarious and under employment (including fewer hours)</p> <p>Some will return quickly to work, others not</p> <p>Existing challenges of medium and longer term unemployed likely to become entrenched</p>	<p>Slow return of labour demand (VE)</p> <p><b>Disadvantaged likely to lose out, worsening inequality</b></p> <p><b>Reduced in work progression</b></p> <p>Risk of erosion of pay and conditions</p> <p><b>Risk of digital exclusion</b></p>	<p><b>Disadvantaged children less likely or able to engage in distance e-learning</b></p> <p>Loss of 20% course time for Y10 and Y12 may not be made up</p> <p><b>Particular difficulties at transition points, including into work at 16 or 18</b></p>	<p><b>Increased poor mental &amp; physical health</b></p> <p>Impacts more likely in vulnerable groups, worsening inequality</p> <p>Isolation of marginalised groups without community learning opportunity</p>	<p>Harder for homeless people to secure homes</p> <p>Increased demand for social and private rented homes</p> <p>Increased evictions within PRS</p>

## Potential Loss of Service Delivery Capacity

CVS and charity sector in particular – loss of safety net. Plus looming risk of erosion of ESIF delivery capacity. Restriction of breadth of provision in colleges and training providers

### All of this will likely lead to...

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>- Increased inequality in health and wealth</li> <li>- More people living in poverty</li> </ul> | <ul style="list-style-type: none"> <li>- Long term scarring which undermines people’s life chances</li> <li>- Increased costs to public services</li> </ul> |
|--|---|



# People: Recovery Aims and Objectives

**AIM:** *Avoid long term labour market scarring and improve the health, wealth and wellbeing of LCR's residents.*

<b>Support LCR residents to get into work and progress in work</b>	<b>Objective 1:</b> Enable the newly unemployed to get back into work quickly
	<b>Objective 2:</b> Prevent further disengagement of those furthest from the labour market
	<b>Objective 3:</b> Promote opportunities for in-work progression

**Lobbying Objective:** Work with government to co-design an integrated employment and skills funding response to the current crisis

<b>Ensure all people have the skills to recover and thrive</b>	<b>Objective 4:</b> Ensure training & skills development meets the current and future needs of people and employers.
	<b>Objective 5:</b> Support education providers to make up lost learning time
	<b>Objective 6:</b> Extend local opportunities for adults to develop necessary skills

**Lobbying Objective:** Extend devolution powers to enable the City Region to better respond to challenges and opportunities (i.e. 16-18 funding)

**Lobbying Objective:** Increase Adult Education Budget funding

<b>Promote health, wealth and wellbeing</b>	<b>Objective 7:</b> Mitigate the wider health effects of Covid19, particularly on the most vulnerable
	<b>Objective 8:</b> Ensure people can access appropriate housing to meet their needs

**Lobbying Objective:** Work with Government, NHS and the City Region to co-design and fund a post COVID-19 Health and Wellbeing Improvement Plan

## Support LCR residents to get into work and progress in work

Enable the newly unemployed to get back to work quickly

Prevent further disengagement of those furthest away from the labour market

Promote opportunities for inwork progression

### Lobbying:

Work with Government to co-design an integrated employment and skills funding response to the current crisis

#### Potential delivery responses:

- Response to redundancy
- Additional job search and employment support through scaled Ways to Work and other services
- Targeted support for particular groups and communities
- Enhanced support for CVS
- Business start up advice
- **Apprentice subsidies**
- Paid graduate internships
- **Additional financial and digital inclusion support**

#### Potential delivery responses:

- Additional job search and employment support through scaled Ways to Work
- 'Into work' support to get people ready for work
- Support internships for young people with LDD
- Future Jobs Fund style temporary jobs programme
- **Additional support for 16-18s to prevent NEETs**
- **Additional financial and digital inclusion support**

#### Potential delivery responses:

- Skills development support for people
- Bespoke provision for people wishing to progress in work
- Launch Fair Employment Charter

## Ensure all people have the skills to recover and thrive

Ensure training and skills development needs the current and future needs of people and employers

Support education and training providers to make up lost learning time

Extend local opportunities for adults to develop necessary skills

Lobbying:  
Extend devolution opportunities to enable the City Region to better respond to challenges and opportunities

Lobbying:  
Increase Adult Education Budget funding

Potential delivery responses:

- Business start up advice
- Specific support for sectors and clusters (e.g. Care, VE, retrofitting)
- Skills development support for people and companies (linked to AEB, NRS and NSF) including Ldrshp & Mgt and change management
- Apprentice subsidies
- Additional digital inclusion

Potential delivery responses:

- Help for schools to help them address the learning deficit for disadvantaged pupils
- Capacity building for post 16 providers to enable digitalisation of offering

Potential delivery responses:

- Skills development support for people and companies (linked to AEB, NRS and NSF)
- Additional digital inclusion provision

## Promote health, wealth and wellbeing

Mitigate the wider health effects of Covid19, particularly on the most vulnerable

Ensure people can access appropriate housing to meet their needs

Lobbying:  
Work with Government, NHS and the City Region to co-design and fund a post COVID-19 Health and Wellbeing Improvement Plan

Potential delivery responses:

- Embed health and wellbeing principles and measures as part of investments and delivery
- Further mental health support embedded across all provision

Potential delivery responses:

# The Business Ecosystem

## **Priorities for the National Recovery Package:**

### **1: Provide additional funds to Growth Hubs**

- Growth Hubs will need additional funds for capacity to respond to increased demand

### **2: Invest for the short, medium and long term**

- Short term: gradual, not sudden removal of mitigation measures
- Medium term: encourage and enable business adaptation and innovation
- Long term: sustain investment in innovation assets throughout recovery

### **3. Support the manufacturing sector to protect jobs and progress low carbon aims**

- Hasten recovery of strategic manufacturing supply chains to avoid key business loss
- Where key business loss occurs, support suppliers to realign to new markets.

# People Focused Recovery

## Our asks of Government:

### **1. Work with government to co-design an integrated employment and skills funding response**

- Significant increase in services likely and this will have funding implications -> need to discuss these
- Local input and design needed to ensure an appropriate response for the city region

### **2. Increase Adult Education Budget funding**

- Increase in demand for basic and digital skills provision anticipated
- Demand could significantly outstrip supply without additional funding

### **3. Work with NHS and the City Region to implement the health and wellbeing programme**

- We expect an increase in health inequality following the crisis
- We have a tailored response ready to implement

# Place and Economic Infrastructure

## Our asks of Government:

### 1: Confirm investment funding streams

- Uncertainty over funding streams is constraining pipeline development and progress of projects
- Need confirmation of next tranche of Gainshare
- Need to understand scale and likely focus of Shared Prosperity Fund

### 2: National package of economic stimulus measures

- Important to place demand back into economy
- LCR has a strong pipeline of shovel ready projects

# Opportunities to Build Back Better

## Our asks of Government:

### **1: Secure funding to encourage digital inclusion**

- Nationally recovery efforts should seek to eradicate digital exclusion
- Ensure the availability of appropriate funding to ensure access to hardware, broadband connections and basic digital training.

### **2: Funding to protect and enhance the capacity of the CVS**

- A commitment to continue to 'match fund' National Emergencies Trust fundraising.
- Ring fenced funding is needed to support the CVS and build the sectors' resilience



The Asks of **Metro Mayor, LCR**  
& **AELP**

# Discussions With DfE

## Discussions With DfE

- **A reformed and expanded Apprenticeships offer**
  - **Young school and college leavers a priority**
  - **Potential financial incentives to boost Starts / new Apprenticeships – wage subsidies for new Apprenticeships**
  - **A new, more flexible “pre-workplace” Apprenticeship offer**
- **A reformed, expanded Traineeship offer – a work, focused programme of learning leading to Apprenticeships in the main.**
  - **Broadened to include L3**
  - **Lengthened programme with greater flexibilities**
  - **Closer links to occupational Standards**

# Discussions With DfE

## Discussions With DfE

- **A New Classroom Based Training Offer for school and college leavers aged 18-19**
  - **Option to introduce a new, temporary, targeted and classroom-based training offer**
  - **Complementing Apprenticeships and Traineeships**
  - **Focus on building skills to enter work in priority sectors**
  - **Targeted ie construction, digital and health and social care**

# Metro Mayor – Asks for Apprenticeships

## Joint Statement from Greater London, Greater Manchester & Liverpool City Region Mayors :

- A long term back to work fund over 3 years to help businesses take on Apprenticeships and removal of co-investment
- Provide Provider Relief Funding for all Apprenticeships so that providers can be supported where learning has been paused ie BiL
- Support providers and businesses to continue to offer Apprenticeships safely – H&S, suspending face to face learning where appropriate to keep learners in learning
- Give businesses greater flexibility in how they use levy funds – supporting levy transfer, extending date when levy can be used etc
- Better communications channels between businesses and the apprenticeship system – a one stop shop for employers to access information and support
- Work with SMEs to trial innovative approaches to boost demand – sharing of Apprentices ie GTA, Apprenticeship Agencies
- Better promotion of the Apprenticeship brand to young people and families – emphasising the role of Apprenticeships in recovery and career development

# AELP Lobbying Piece – Working With Skills

## Broad Principles

- Focus on two age groups 16-24 and 25 plus – young people and adults.
- Enshrines learner choice – learner chooses the programme and provider
- Majority of need can be met through existing programmes and existing contractual relationships – no real need to procure new provision
- Joined up thinking – consistency across Government and across the country – avoid a postcode lottery!

# AELP Lobbying Piece – Working With Skills

## Young People 16-24

### Apprenticeships

- An Apprenticeship Guarantee – a subsidy paying approx. 50% of Apprenticeship wage & NI (focus on L2 and L3). Potentially a tapered wage subsidy for higher level. Limits on starts per employer
- Focus on Level 2 – need for a full suite of Level 2 Standards
- Access to free public transport
- A pre-Apprenticeship programme – where an employer commits to recruitment and in meantime young person receives an allowance and starts learning

### Traineeships

- Carry over unspent 19/20 Traineeship funding
- Incentivise SMEs
- Better communications
- Standardised programme for 16-18 and 19-24
- Relax eligibility criteria – offered to those who already have a Level 3 qualification
- More direct access to funding
- Keep focus on work experience but introduce flexibilities

The Plan and The Asks – Is it fit  
for purpose? What are the  
Strengths, Weaknesses and  
Gaps

# Overview

**Proposals – are just that at moment! Form basis of early stage discussions**

**Discussions – fluid, with opportunity to influence / get involved**

**Capacity & capability – huge issue! Staff and Premises**

**Timing – need information soon to help plan for / commence early delivery**

**Funding – Treasury clearly guiding this but DfE working with Treasury to look**



# Overall Plan

**Is it clear what LCR is trying to achieve by way of a recovery plan?**

**Is it ambitious?**

**Do the 4 thematic strands sit neatly together?**

**Is there a clear alignment between the People strand and other Recovery Plan strands?**

# Skills & People

**What are the strengths of the People Strand?**

**What are the weaknesses of the People Strand?**

**Are there any clear or obvious omissions?**

**How might the People strand be improved?**

**Are there any risks associated with the People strand as it stands?**

# **Apprenticeships**

**Is it clear what we are trying to achieve with Apprenticeships within the Recovery Plan?**

**What do members think of the proposals from LCR and AELP?**

**What do you like and / or dislike about the proposals?**

**Are they the appropriate responses? Are they ambitious?**

**Are there any gaps or omissions?**

**What would you like to see by way of investment to support Apprenticeships?**

**Are there any other issues?**

**Do we have sufficient capacity and capability to drive Apprenticeships forward?**

**What is achievable?**

**What are the challenges for providers at the moment in terms of delivering Apprenticeships?**

# **Traineeships**

**Is it clear what we are trying to achieve with Traineeships within the Recovery Plan / AELP proposals?**

**What do members think of the proposals from LCR and AELP?**

**What do you like and / or dislike?**

**Are they the appropriate responses?**

**Are there any gaps or omissions?**

**What would you like to see by way of investment to support Traineeships?**

**Are there any other issues?**

**Do we have sufficient capacity and capability to drive Traineeships forward?**

**Could Traineeships offer an appropriate pre-Apprenticeship programme?**

**What are the challenges for providers at the moment in terms of delivering Traineeships?**



# How can LCR Learning Providers Help? A Skills Manifesto?

# How Can Providers Help The Recovery

**What is our role?**

**What are / should be our priorities?**

**Do we need a Skills & People Recovery Manifesto? What should be in it?**