

## Workshop 2

Skills for growth: building the workforce  
your business needs



**ADRIAN HUMPHREYS**

Delivery Manager for Business, People and Skills at the West  
Midlands Combined Authority, Business Growth West  
Midlands



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# Skills for Growth

Building the workforce  
your business needs







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**Business Support & Advice**

**Access to Funding**

**Skills & Workforce Development**

**Innovation & Productivity Support**

**Growth & Export Support**





## Summary

- A clearer understanding of the UK skills landscape and what it means for your business
- Practical ways to identify future skills needs and plan your workforce more effectively
- Insight into apprenticeships as a strategic tool, including funding, incentives and real-world examples.

# Global Headlines

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- ☐ AI Digital – Surging worldwide.
  - ☐ Major Skills disruption by 2030.
  - ☐ Growing gaps between skills supply & demand.
  - ☐ Micro credentials & modular learning are expanding.
  - ☐ Inequality in skills development is widening.
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# European Headlines



- ☐ High and rising demand for skilled labour.
- ☐ Digital gap remains significant.
- ☐ Persistent skills mismatches
- ☐ 21<sup>st</sup> Century skills deficit in STEM graduates.
- ☐ Policy push for more resilient skills system.

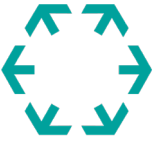
# UK Headlines



- ☐ Persistent Skills Shortages
- ☐ Impact of Technological Change
- ☐ Growing Need for Highly Qualified Workers
- ☐ Mismatch Between Skills and Labour Market Needs
- ☐ Regional Variation & Devolution.
- ☐ Evolving Apprenticeship & Training Landscape.

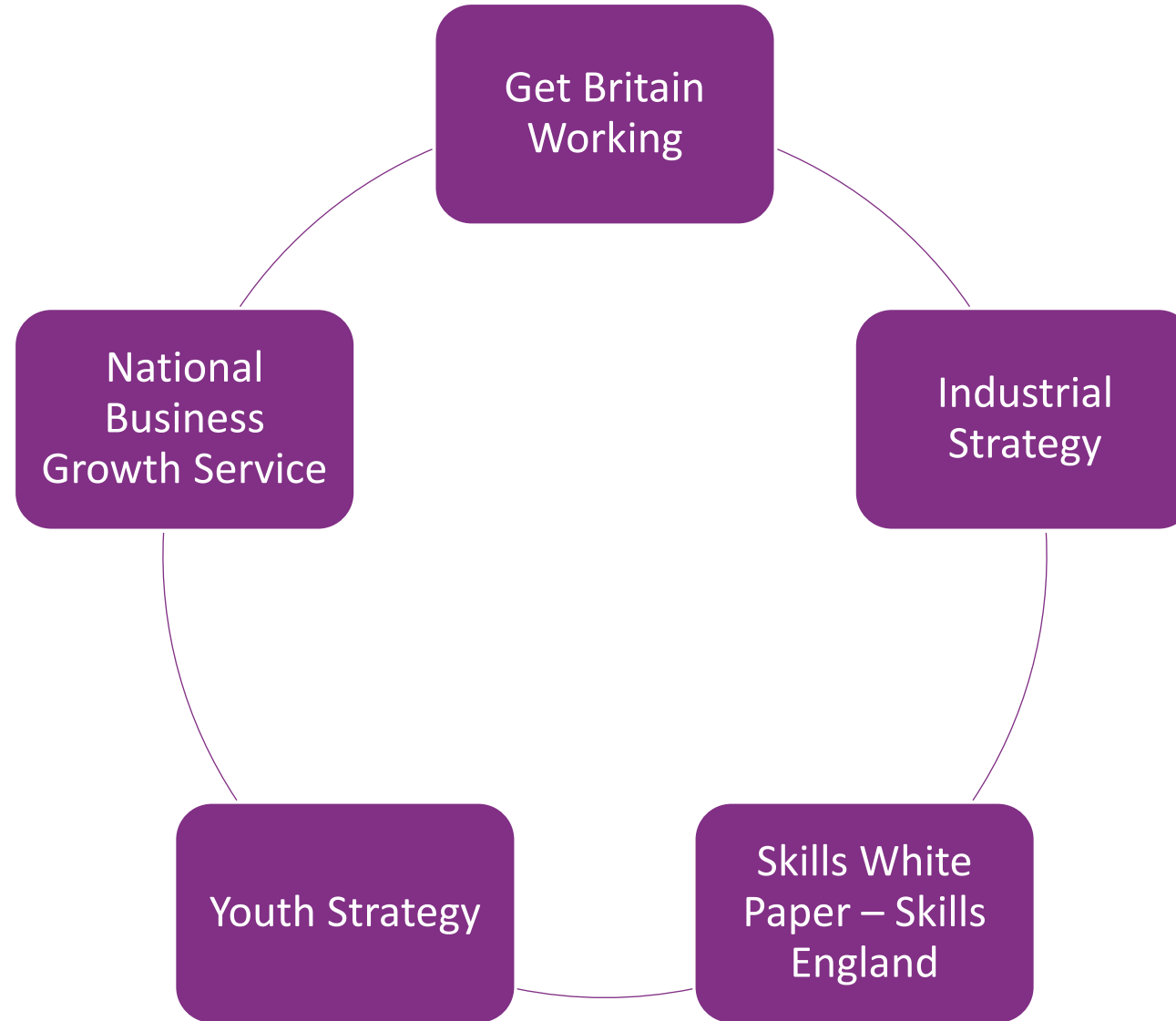


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## → UK Policy





# → Devolution

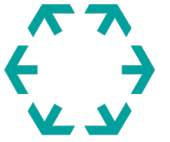
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## 1. Transfer of Powers

The UK government hands over responsibility for certain policy areas to:

- **Scotland** – Scottish Government & Parliament
- **Wales** – Senedd Cymru
- **Northern Ireland** – Northern Ireland Executive & Assembly
- **English regions** – Mayors & Combined Authorities (e.g., Greater Manchester, West Midlands)

These bodies can make their own laws or policies in areas that have been devolved.



# Devolution – Driving place

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## What Powers Are Commonly Devolved? Nations (Scotland, Wales, NI)

Health

Education & skills

Transport

Economic development

Environment

Some taxation powers (varies by nation)

## English Regions

Transport

Skills & adult education

Local economic development

Housing & planning

Business support

Net-zero and energy initiatives (in some deals)

# → Mayoral combined authorities - How Many Mayoral Combined Authorities (MCAs) Are There in 2026?

These are:

Greater Manchester  
Liverpool City Region

**West Midlands**

West Yorkshire

South Yorkshire

Tees Valley

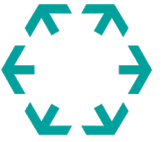
Cambridgeshire & Peterborough

West of England

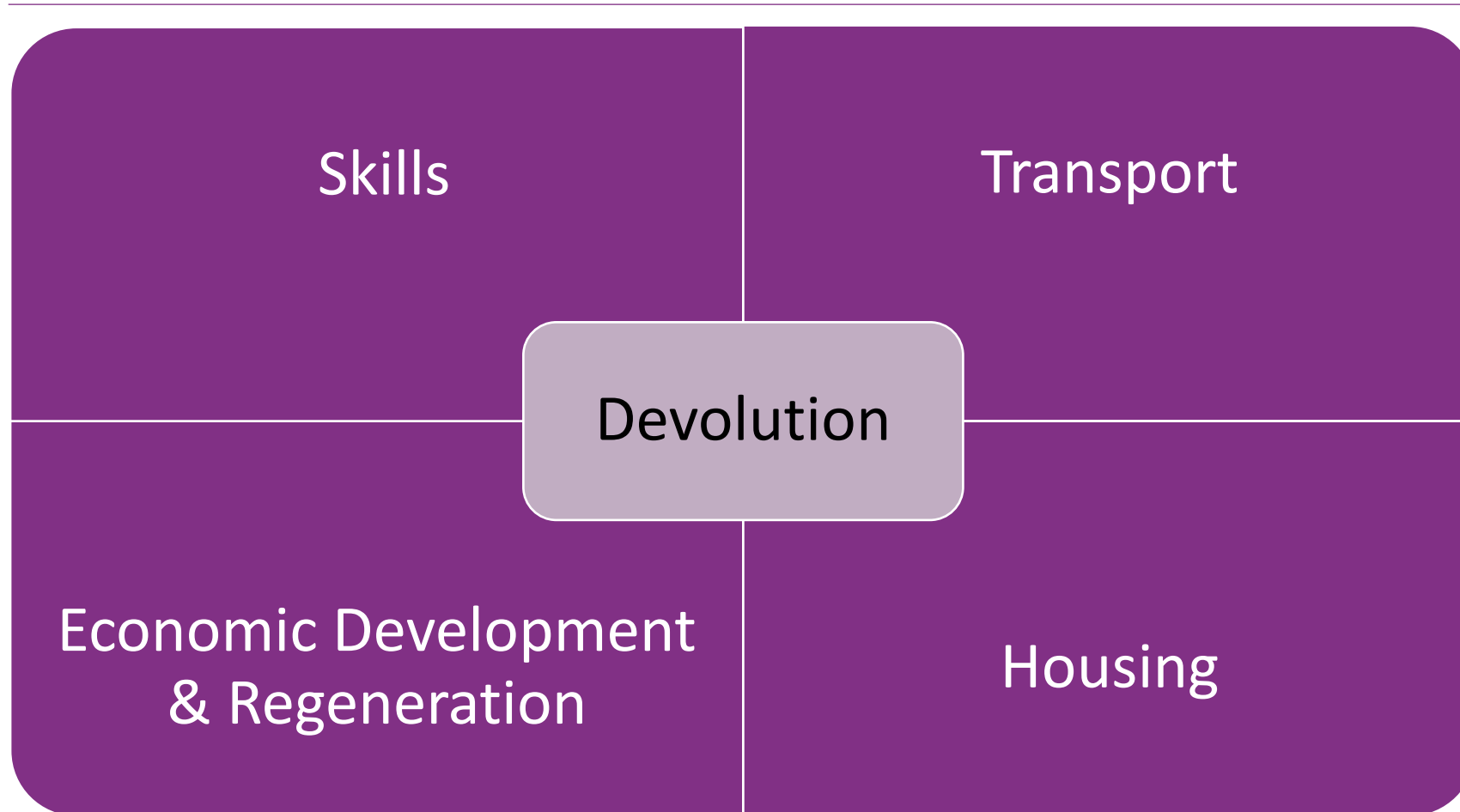
North of Tyne

East Midlands Combined County  
Authority (newly established)

- This count **excludes** the Greater London Authority (GLA), which is not classified as an MCA.
- It also excludes **non-mayoral combined authorities** and **county deals** that do not have a directly elected mayor.



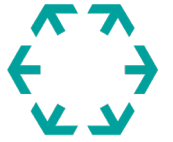
## Devolution – Driving place





# Skills for Growth – Key priority areas...

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Digital Skills

Technical Skills (Construction & Engineering)

Green Skills

Health & Social Care Skills

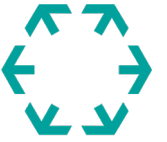
Logistics & HGV Driving

Business & Administration Skills

Early Years & Education Support

Defence

Everyday Economy



# View from.....Current Policy Direction

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The government reforms including:

A shift from the Apprenticeship Levy to a **Growth and Skills Levy** (more flexible use of funds).

Stronger alignment with **Skills England** and **Local Skills Improvement Plans (LSIPs)**.

Greater focus on **priority sectors** and **productivity-boosting training**.

The direction of travel is toward **more flexibility**, **more employer choice**, and **stronger alignment with economic needs**.



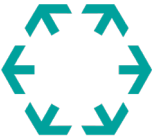
# → Growth and skills levy deeper dive

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## What is the Growth & Skills Levy?

The Growth & Skills Levy is a reformed version of the existing Apprenticeship Levy. While apprenticeships remain central, the new system gives employers more choice in how levy funds can be used to support skills development.

From April 2026, levy funding can be used not just for full apprenticeships, but also for shorter and more flexible training options designed around real business needs.



# Skills for growth....Mixed economy...Employer led training



Regulated - Traditional structure – Quals



Tec and Voc Quals – TVC – post 16 reforms



Apprenticeships



Sector based work academy programmes. DWP



Bootcamps



Bespoke specific- Path2, Job rotation



# Apprenticeships

# Why choose an apprentice....

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## **Access fully funded apprenticeships**



Large employers can transfer up to 50% of their unused levy funds to support smaller businesses. This means:

You can receive funding to cover 100% of training and assessment costs

You don't have to pay the usual 5% co-investment fee

You may not need to pay employer national insurance contributions

You'll still pay wages and other employment costs, but saving on training fees and NICs can significantly reduce your overall spend, especially if you're hiring more than one apprentice.



# What's it giving SMEs



## More flexible training options

Short courses  
Modular training  
Targeted upskilling and reskilling



## Modular Apprenticeship Units

Upskilling existing staff  
Filling immediate skills gaps  
Supporting productivity and growth



## Shorter apprenticeships where appropriate

Certain apprenticeships can be reduced from 12 months to as little as 8 months.



## Changes to levy funding rules

Levy funds will now expire after 12 months, rather than 24

The previous 10% levy top-up for levy-paying employers has been removed

Once levy funds are used up, co-investment for levy payers increases to 25%

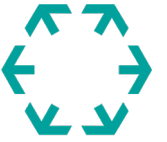
# Case studies





## Summary

- A clearer understanding of the UK skills landscape and what it means for your business
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- Insight into apprenticeships as a strategic tool, including funding, incentives and real-world examples.



## And Finally.....Tips for employers



Engage with local business growth hub



Get to know your further and higher education providers – IoTs



Be involved in the Local Skills Improvement Plan 2.0



Understand the circular economy benefits



Horizon scan and develop a workforce plan.



Understand the growth and skills levy



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**Thanks Bab!**

