

Workshop 2

Skills for growth: building the workforce
your business needs



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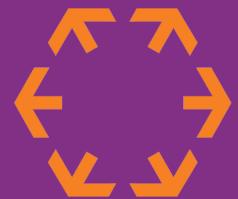


SMALL
BUSINESS
CHARTER



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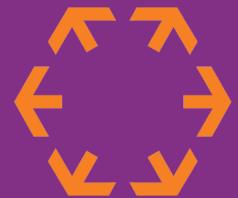


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West Midlands

Skills for Growth

Building the workforce
your business needs





**Business Growth
West Midlands**

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



- 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.



European Headlines



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



UK Headlines



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- 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.

→ UK Policy



→ Devolution

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

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

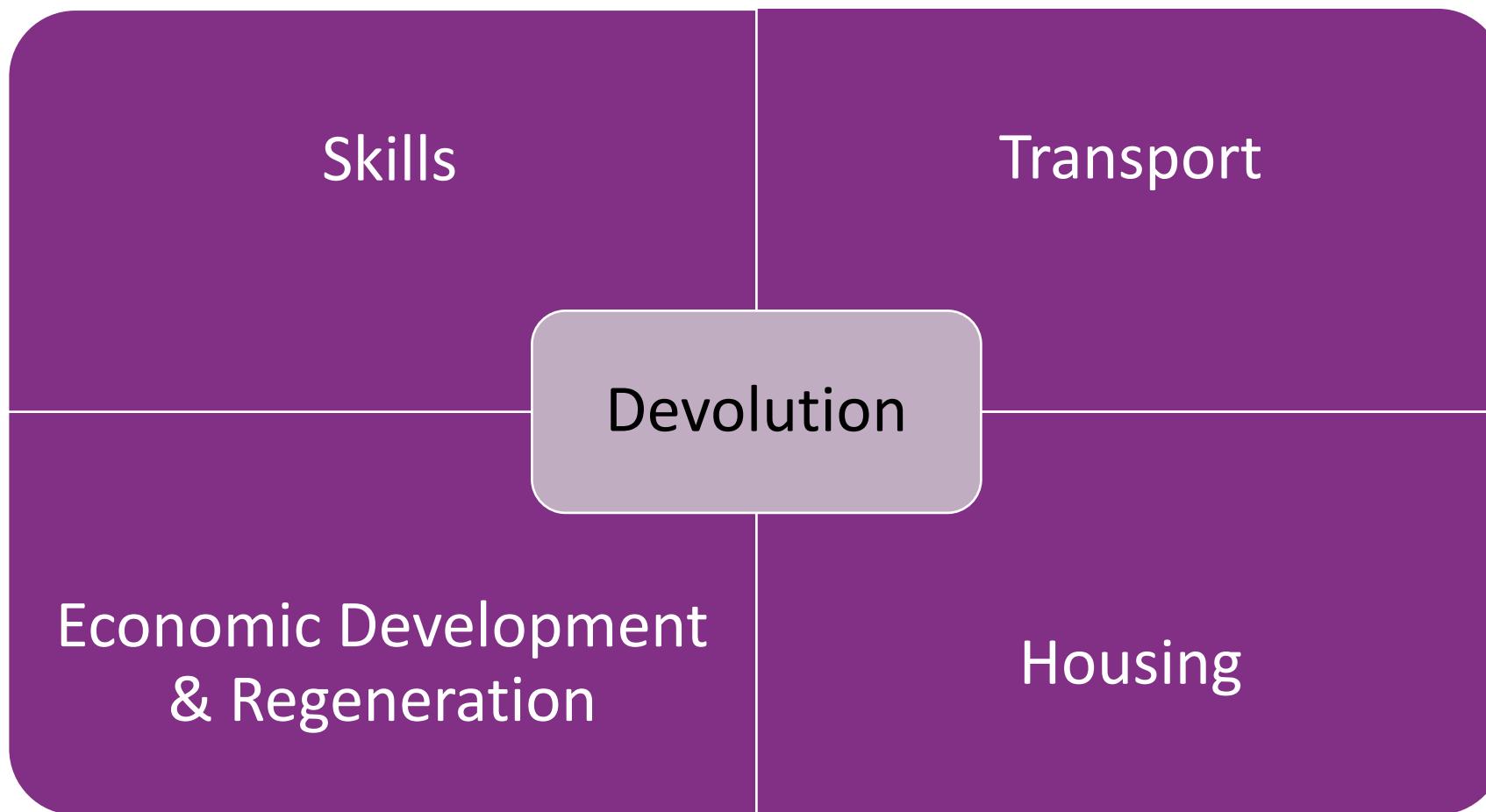
West of England

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...



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

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

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....



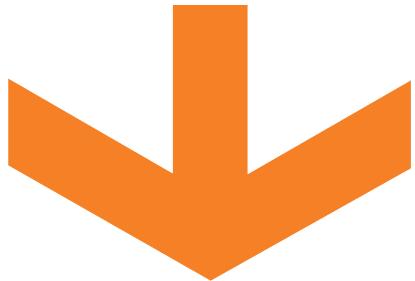
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Access fully funded apprenticeships



- 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

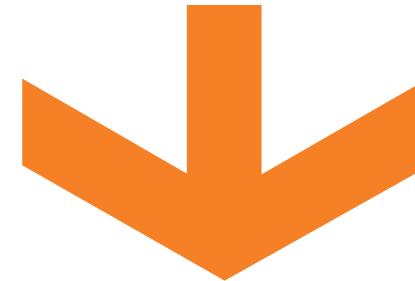


More flexible
training
options

Short courses

Modular training

Targeted upskilling
and reskilling

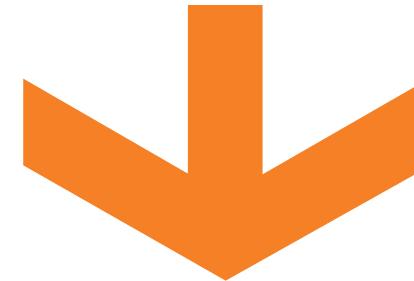


Modular
Apprenticeship
Units

Upskilling existing
staff

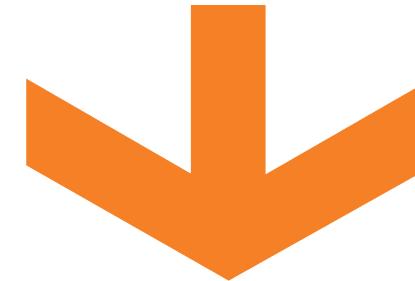
Filling immediate
skills gaps

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%

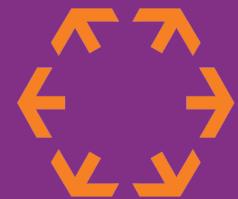
Case studies

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And Finally.....Tips for employers

- Engage with local business growth hub
- Be involved in the Local Skills Improvement Plan 2.0
- Horizon scan and develop a workforce plan.
- Get to know your further and higher education providers – IoTs
- Understand the circular economy benefits
- Understand the growth and skills levy



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Thanks Bab!

