

## Executive Summary – Skills Innovation Fund.

The Skills Innovation Fund will create a circa £8.5m pot of funding, comprising £4.5m of WECA Investment Funds with £4m of European Social Fund (ESF).

WECA is asked to fund £4m to match fund £4m of ESF to help SMEs to address their skills needs by encouraging, improving and facilitating their engagement with learners in the further education system and the providers of that learning. The additional £0.5m of funding will be used to support interventions aimed at children below the age of 14, who are not eligible for ESF funded support, the so-called “pre-NEETS”, which are exempted from ESF support.

When matched with ESF, the WECA £4m will effectively become ESF, obligated under the same rules. This means that it will deliver ESF defined outputs under the priority area “*Improving the labour market relevance of education and training systems*”. The sole output required for all projects under this priority is: “*Number of supported micro, Small and Medium-sized Enterprises (including cooperative enterprises, enterprises of the social economy).*”

The identified result that follows is of “*Small and Medium Enterprises successfully completing projects (which increase employer engagement; and/or the number of people progressing into or within skills provision).*”

For £4m of ESF, the benchmark value of the cost of delivering an SME support output under this Priority Axis is around £10,000. This figure excludes the match, so in total the project would deliver approximately 400 SME supports (roughly £20k per engagement). It is anticipated that at least 75% of these engagements would need to result in a successfully completed “project” (broadly defined).

At a high-level, the Skills Innovation Fund will address and achieve:

- the perceived failure of information between what adult learners chose to study and the current and future, most productive, job vacancies that exist or will arise.
- SME workforce planning and abilities enabling them to better prepare for and meet future skills needs by making them aware of the full range of options available to develop their workforce.
- Increasing SME investment into training particularly at 4+ medium to higher level skills.
- Improved capacity in SMEs to provide project/placement/internship/work experience opportunities and enhance the contribution of advanced skills to SME growth, including programmes to specifically engage the most disadvantaged groups or those who face particular local disadvantages in utilising advanced skills;
- More and better opportunities to encourage and increase work experience, work placements, traineeships, apprenticeships, and graduate placements particularly through wider employer engagement and involving supply chains;
- Encouraging the uptake of Apprenticeships.
- Better curricula and course design amongst providers of further education.
- Better informed careers information, education, advice and guidance services.
- New inspirational careers-based activity aimed at children in the year 6 to 7 transition between primary and secondary school.

By tackling these issues, the SIF will help WECA to meet its strategic objectives under the Skills pillar of our WECA 18/19 Business Plan:

- WS1 – Improving skills and knowledge supply to meet existing and future demands.
  - Increased educational attainment (including STEM and vocational training) across all communities.
  - More Apprenticeship starts, completions and timely completions.
- WS2 – A joined up education and skills system that meets the region’s business needs.
  - Increased proportion of students from the region studying here.
  - Higher graduate retention.
  - Increased educational attainment (including STEM and vocational training) across all communities.
  - More Apprenticeship starts, completions and timely completions.
  - More employees providing in-work skills and training.