

Higher Level Skills Match *Plus*

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Details of the Project

1. Higher Level Skills Match (HLSM) ***Plus*** has been designed, and will be delivered, by a unique collaboration and delivery partnership between Aston University (AU), Birmingham City University (BCU), University College Birmingham (UCB), and the University of Birmingham (UoB), with full endorsement from Graduate Re-Tune delivery partners within the Department for Work and Pensions' Birmingham and Solihull Jobcentre Plus District and Prospects (National Careers Service contractors for the West Midlands).

2. ***Plus*** combines key components of two of the most successful higher level skills projects delivered in Birmingham over the last 7 years: HLSM, which has delivered skills solutions for 707 local businesses to date, and Graduate Re-Tune (GR), which has placed over 892 unemployed graduates into work (70% from a BME background).

The Project

3. Using a 'hub and spoke' model, ***Plus*** will:

- Provide EZ companies that choose to participate in the Project with a unique, single point of access, to over 38,000 final year undergraduates, recent graduates, masters, and postgraduate students, and the circa 540 unemployed graduates currently claiming benefits in the Birmingham and Solihull Area - a latent talent pool constituting a serious waste of human capital.
- Offer a proven Account Management service to large companies (and their supply chains), newly inward-investing companies (***as early as possible*** in the business relocation process) and SMEs within the EZ, particularly those operating in priority growth sectors.
- Deliver a unique skills 'offer,' co-designed ***with*** and ***for*** local businesses, by:
 - Enhancing their current graduate recruitment and retention processes;
 - Deploying the proven employability and skills wrap-around support developed for the BCU-led Kickstart Scheme ***Graduate Opportunities*** Gateway;
 - Focussing on the soft, technical, and analytical skills companies expect their graduate hires to have¹;
 - Complementing other EZ-focused skills provision;
 - Providing signposting to other business skills support available locally.

4. ***Plus*** will;

- Engage with a minimum of 250 EZ businesses;

¹ including for example, Personal Resilience, Business Communications, Data Analytics, Digital Marketing, Introduction to AI, Analytical and Problem-solving Skills, Planning for Growth, STEM skills and STEAM Thinking.

- Complete Business Skills Needs Analyses (BSNA) with 188, and secure a signed Graduate Talent Charter with at least 179 of the companies engaged;
- Secure a commitment to engage in the co-design of job preparation and higher level skills workshops, from at least 50% of **Plus** Charter Signatories (including new inward investors);
- Address the serious waste of human capital that the current level of local graduate unemployment presents (with circa 540 graduates registered as unemployed in Birmingham and Solihull alone);
- Support a minimum of 170 graduates in to permanent, graduate level employment with EZ businesses, with a minimum of:
 - 128 graduate hires retained following a formal probationary period, or for at least 6 months, if a probationary period does not apply;
 - 119 graduate hires coming from a disadvantaged background;
 - 111 graduate hires having been unemployed or underemployed previously;
 - 60 graduate hires progressing in work within 12 months.

Costs of and funding for the Project

5. Total Project funding of £ **£1,188,404.12** is comprised of:

- £949,614.58 Enterprise Zone (EZ) Grant Revenue Funding;
- £238,789.54 Match-in-kind secured from the 4 Higher Education Institutions (HEIs) who will deliver the Project.

6. Grant Revenue Funding will be used primarily to cover Project Delivery Team staff costs.

7. **Plus** will be delivered at an EZ Grant Revenue Funding **average** unit cost of £3,798.46 per company engaged and £4,753.62 per company, against total project funding costs.

8. These average unit costs compare very favourably with the average unit costs of the ESF Programme-funded HLSM SME skills project, which had an average ESF unit cost of £7,483.95 per company and a total unit cost per company of £14,732.

Assessment Framework Component	Recommended Evidence
<p style="text-align: center;">Step 1</p> <p>Policy objective (Subsidy Control Principle A)</p>	<p>Specific policy objective.</p> <p>In accordance with Principle A of the UK Government’s <u>Subsidy control statutory guidance (publishing.service.gov.uk)</u> Plus responds proportionately to the following policies and strategies:</p> <ul style="list-style-type: none"> • Government Skills policy by demonstrating the value of innovative business support and skills provision, co-designed by local universities in partnership with a central Government Department (DWP), and predating by several years the WMCA’s ‘Trailblazer’ Devolution Deal’s emphasis on facilitating regionally commissioned and locally designed and delivered solutions to local skills challenges, to create well paid, high quality jobs and deliver differential growth in particular business clusters; • Birmingham City Council’s (BCC) EZ Investment Plan Business & Skills Support Offer (See FBC Section 1.1.3) • The WMCA’s and UK Government’s Build Back Better Growth Plans (See Section 1.1.5 and 1.1.6) • BCC’s Our City Future Plan and inclusive growth strategy (See Section 1.1.5) • Meeting HE and DWP’s Job Outcome Targets by reducing graduate unemployment (See The Levelling Up White Paper and the Government’s Jobs Plan). <p>In a nutshell, no other national or local employability or skills providers have the appetite to create, or the expertise and capability to deliver, such a unique, collaborative response to the labour market issues Plus will address.</p> <p>The existence and significance of the market failure and/or the inequality the subsidy seeks to address.</p> <p>In accordance with Principles B and C of the statutory guidance, the HEI Consortium has carefully assessed the level of subsidy required to achieve the stated policy goals of tackling graduate disadvantage, supporting inclusive growth, and improving</p>

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	<p>productivity, and bring about the required changes in the behaviours of EZ companies, specifically in relation to identifying and addressing their higher level skills gaps.</p> <p>In designing the Plus service delivery model the HEI Consortium has drawn directly on lessons learned from Graduate Advantage, HLSM and GR, to continuously improve the cost effectiveness of the Consortiums offer and determine the limited amount of subsidy required to successfully tackle the serious waste of human capital (and market failure) that circa 540 graduates registered for welfare benefits with the 19 Jobcentres across Birmingham and Solihull constitutes.</p> <p>How the subsidy will remedy the market failure (i.e. provide a more efficient outcome) and/or address the equity objective (reduce an inequality).</p> <p>Plus will address market failure and the current waste of human capital by:</p> <ul style="list-style-type: none"> • Offering higher level upskilling, job preparation and jobs matching support to unemployed, underemployed, and newly graduated jobseekers - provision which has been co-designed with EZ companies • Securing permanent graduate level employment for at least 170 graduates who register with Plus. <p>Desired outcomes</p> <p>In accordance with Principles D and E of the statutory guidance, Plus focuses on meeting the ever-increasing business demand for higher level skills by helping unemployed, underemployed, and newly graduating jobseekers from disadvantaged backgrounds to attain the specific soft, technical, and analytical skills that companies require of their graduate hires. Without this subsidy these target audiences will remain at a significant disadvantage in the graduate jobs market and largely overlooked by business.</p> <p>Plus will deliver the Outputs and Outcomes specified in Section 2.4.5, namely;</p> <ul style="list-style-type: none"> • Engage with a minimum of 250 EZ businesses; • Complete BSNA's with 188, and secure a signed Graduate Talent Charter with at least 179 of the companies engaged; • Secure a commitment to engage in the co-design of job preparation and higher level skills workshops, from at least 50% of Plus Charter Signatories (including new inward investors);

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		<ul style="list-style-type: none"> • Address the serious waste of human capital that the current level of local graduate unemployment presents (with circa 540 graduates registered as unemployed in Birmingham and Solihull alone); • Support a minimum of 170 graduates in to permanent, graduate level employment with EZ businesses, with a minimum of: <ul style="list-style-type: none"> ○ 128 graduate hires retained following a formal probationary period, or for at least 6 months, if a probationary period does not apply; ○ 119 graduate hires coming from a disadvantaged background; ○ 111 graduate hires having been unemployed or underemployed previously; ○ 60 graduate hires progressing in work within 12 months.
	Appropriateness (Subsidy Control Principle E)	<p><i>appropriate instrument for addressing the identified policy objective and why other instruments have been set aside such as regulation, direct provision of the good or service by the authority, or loans or equity investment on commercial terms</i></p> <p>In accordance with Principle E of the statutory guidance, the policy objective of tackling graduate unemployment, underemployment and graduate labour market disadvantage cannot be achieved, at scale, or cost effectively, by other means.</p> <p>As ‘anchor’ institutions Universities are uniquely placed to support local, inclusive, sustainable economic growth and to enhance business access to local graduate talent and the higher level skills needed to sustain economic growth now, and in the future. The HEI Consortium has an impressive track record in tackling graduate unemployment, through its unique partnership with the Department for Work and Pensions - via GR - and thereby supporting inclusive growth.</p> <p>The above EZ Outputs and Outcomes can only be realised via the Minimum Financial Assistance (MFA) that Plus proposes.</p>
Step 2	Baseline no-subsidy scenario (Subsidy Control Principles C & D)	<p>Set out the future scenario – over both the short and the long-term – In the absence of the subsidy.</p> <p>Please see Section 2.2.1 of the Full Business Case for a comprehensive assessment of this worst case scenario.</p> <p>If EZ Grant Revenue Funding is not secured, HEI Consortium delivery partners would not have the funding or resources available to deliver the proposed Plus service to businesses within the EZ, or</p>

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	<p>to unemployed graduates in Birmingham and Solihull. In short, the project would not proceed for the following reasons:</p> <ul style="list-style-type: none"> • Plus would not be able to secure staff resources and expertise from our proposed new HE delivery partners: UCB and UoB; • The evolution of the existing services offered by HLSM and GR would not take place, which would result in minimal benefits to EZ businesses and a missed opportunity; • BCU and AU would continue to engage only with their own unemployed graduates, which would mean that far fewer unemployed graduates, and most EZ businesses, would not have their priority higher level skills needs identified addressed; • HLSM and GR resources would be spread too thinly across the whole of the Birmingham and Solihull area, which would seriously impact both the quantity and quality of proposed Plus project Outcomes and risk the loss of Account Management and Graduate Consultant expertise in December 2023 and July 2024 respectively; • The current level of graduate unemployment would be likely to rise, instead of reducing.
<p>Additionality Assessment (Subsidy Control Principles C & D)</p>	<p>Relative to the baseline/no subsidy scenario, provide details of how the subsidy will lead to a change in the economic behaviour of the beneficiary (and therefore brings about something that would not have occurred without the subsidy) which assists with achieving the policy objective.</p> <p>In accordance with Principles C and D of the statutory guidance, Plus will bring about a fundamental change in EZ companies, graduate attraction, recruitment and retention policies and processes, which will not occur at scale without the level of subsidy the HEI Consortium has devised.</p> <p>Plus will help EZ companies to:</p> <ul style="list-style-type: none"> • Streamline their graduate recruitment processes and thereby reduce costs; • Attract a broader and far more diverse local graduate talent pool; • Interview far more graduate job applicants who, due to the upskilling provided by Plus, demonstrate the soft, technical,

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	<p>and analytical skills that companies expect of their graduate hires.</p> <p>Plus will also provide newly inward investing companies with access to local graduate talent pipelines much earlier in the relocation process and, by affording them the opportunity to work with the HEI Consortium to co-design skills provision, secure the higher level skills they require, at the earliest possible stage, and reduce their recruitment timelines and costs.</p> <p>Overall, Plus will:</p> <ul style="list-style-type: none"> • Facilitate inclusive growth and an inclusive labour market within the EZ; • Reduce graduate unemployment; • Reduce EZ companies' graduate recruitment costs; • Improve graduate retention in Birmingham and the City-region. <p>For schemes, please provide details of how it has been designed to exclude any groups of beneficiaries where it can be reasonably determined in advance that there is unlikely to be additional benefits that would not have otherwise happened in the absence of the subsidy. Please provide appropriate justification where it has not been possible/reasonable to identify and exclude these groups. (DELETE IF NOT APPLICABLE)</p> <p>Plus creates a level playing field for graduate recruitment and facilitates the aim of delivering inclusive economic growth, an aim that is shared by the EZ Partnership, BCC, the GBSLEP and the West Midlands Combined Authority.</p> <p>It has been designed to provide higher level upskilling support, co-designed with EZ companies, to unemployed, underemployed, and recently graduated job seekers. It will not provide upskilling or jobs matching support to graduates who are already employed in graduate level jobs, who may apply for and be interviewed for graduate jobs with EZ companies.</p>

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Step 3	<p>Proportionality and Minimising Distortion (Subsidy Control Principle B & F)</p>	<p>Demonstrate how the subsidy is proportionate and has been designed to minimise any negative effects on competition and investment within the UK whilst still allowing it to meet the policy objective. This should include details how you have considered the following subsidy characteristics (where relevant):</p> <p>In accordance with Principles B and F Plus at an average unit cost of less than £5,000 per company) minimises the potential effect on UK competition and investment, while affording the HEI Consortium the opportunity to extend the reach of two tested and proven labour market interventions, which have:</p> <ul style="list-style-type: none"> • Refreshed the skills of local unemployed graduates and enhanced the job specific skills of recent graduates still seeking employment; • Identified and met the priority higher level skills needs of 707 local businesses (to date); • Helped to create ‘a level playing field’ for unemployed graduates and graduates from disadvantaged backgrounds, competing with those from more advantaged backgrounds to jobs in the EZ. <p>The breadth of potential beneficiaries has been determined by the EZ Partnership and the EZ geographical boundaries.</p> <p>Within these parameters Plus will:</p> <ul style="list-style-type: none"> • Broaden company access to a more diverse graduate talent pool; • Help deliver the strategic goal of delivering inclusive economic growth; • Address the jobs and skills needs of a specific group of disadvantaged residents - all too often overlooked - who, provided with the right skills support, can contribute significantly to improved productivity and sustained local economic growth. <p>The timespan over which the subsidy is given and nature of costs being covered.</p> <p>See FBC Section 4.1: Plus will be delivered from 01/01/24 to 31/12/25 and total Project Funding will be deployed as follows:</p> <ul style="list-style-type: none"> • Grant Revenue Funding will be used to fund: <ul style="list-style-type: none"> ○ Project Management Team; ○ A Business Account Manager and a Graduate Consultant for each delivery partner;

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		<ul style="list-style-type: none"> ○ A small Marketing Budget ● Match-in Kind will be used to fund a range of HEI: <ul style="list-style-type: none"> ● Student and Graduate Careers Advisors; ● Employability Advisors; ● Higher Level Skills and Employer Engagement experts; ● Programme Management and Evaluation experts. <p>All the above, matched staff will contribute fully to the design and delivery of the Plus skills offer.</p> <p>The performance criteria</p> <p>The pilot's Critical Success Factors are specified in Section 2.1.</p> <p>Ring-fencing</p> <p>EZ Grant Revenue Funding will be used only to cover the staff costs stated in FBC Section 4. As there will be no direct transfer of funds from the HEI Consortium to companies accessing Plus support, there is no risk of Project funding being used to cross-subsidise other areas of the beneficiary's business, and no need for the formal ring-fencing of funds to be considered.</p> <p>Monitoring and evaluation</p> <p>Please see Section 5.5 for the methodology and Appendix 16, for the Plus Pilot's detailed Monitoring and Evaluation Plan, and Section 3.2.2 for the timelines for delivering the Plus Interim and End of Project Evaluations.</p>
Step 4	<p>Balancing Exercise (Subsidy Control Principle G)</p>	<p>Expected benefits of the subsidy (as they relate to the specified public policy objective) and its anticipated negative effects, including any negative effects on competition and investment within the UK, and international trade and investment. This should also include any geographical and distributional impacts. Justify why the negative effects are outweighed.</p> <p>In accordance with Principle G of the statutory guidance Plus will engage with a minimum of 250 EZ companies and help at least 188 of those to identify their priority higher level skills and recruit local graduate talent to fill those gaps, and thereby help deliver the overarching policy goals of creating inclusive business growth and sustainability.</p>

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	<p>In addition to funding the necessary HE resources to place significant number of disadvantaged and unemployed graduates into sustainable jobs (see FBC Section 2.4.5 and Step 1 of this Appendix), EZ Grant Revenue Funding will allow the HEI Consortium to establish and nurture long term, mutually beneficial relationships with a significant number of businesses operating across the EZ.</p> <p>More local people will therefore be able to contribute to and benefit from local economic growth.</p> <p>More businesses will be able to:</p> <ul style="list-style-type: none"> • Understand and plan to secure the higher level skills required to achieve growth; • Access the local graduate talent via a unique, single point of access and 'hub and spoke' service delivery model; • Enhance the diversity of their workforce; • Be signposted by Plus Account Managers to additional forms of business and skills support available from other mainstream and specialist providers within the local employability and skills eco-system; • Consider re-locating to the EZ due to the enhanced access to the local graduate talent pool. <p>As this service will be available to all EZ companies that wish to engage with the Plus Pilot, and/or explore the relevance of graduate recruitment to their business (if they have not recruited graduates previously), we do not envisage that there will be a significant competitive advantage, either in terms of trade or investment within the UK or beyond.</p> <p>However, there may be a small advantage to a business that chooses to reconfigure their graduate recruitment process to identify Plus either as their preferred supplier of graduate talent or one of several alternative suppliers.</p> <p>On the grounds of proportionality, and given the limited amount of assistance proposed - an average unit cost of £4,817.09 - we do not consider that a full balancing exercise is required.</p> <ul style="list-style-type: none"> • <i>Please note that it will not always be possible to quantify every element of the assessment, and therefore the balancing exercise may need to include both quantitative and qualitative elements.</i>