

Taking Forward the Careers Hub in 2022/23:

Options Paper agenda item 9

1) Overview

- 1.1 This paper sets out the current position for the HotSW Careers Hub programme, and an initial menu of options open to the LEP and its partners around its operation and next steps for academic year 2022/23.
- 1.2 As the primary sponsor of the Careers Hub and its predecessor programme, there is an ongoing expectation from DfE that Local Enterprise Partnerships (or their partners / successor bodies) will continue to support the Careers Hubs moving forward. This equated to support of £170,000 in 2021/22.
- 1.3 With planning for the next financial year now firmly underway, a decision is needed around the LEP's preferred approach to the Hub in 22/23, with both extension or closure likely to have a financial consequence for the organisation.

2) Background

- 2.1 The Career Enterprise Company ('CEC') Enterprise Advisor Network ('EAN') / Careers Hub Programme was originally awarded to the HotSW LEP in 2014. The original project, worth a £100,000 per annum, was to provide a business advisor led approach to schools, matching a businessperson to 40 mainstream secondary schools to promote improved progression and aspiration amongst the area's harder to reach learners.
- 2.2 In 2018, the CEC / DfE expanded the EAN approach through a nationally competitive process, creating 20 'Careers Hubs' across the Country. In the case of the HotSW, the hub was expanded to include 80 schools within its EAN network, 40 of which were provided hub status with a more intensive support programme based around the Gatsby Benchmark approach (DfE's preferred metric for careers).
- 2.3 Since the award of hub status in 2018, the HotSW Careers Hub has steadily expanded out to cover every mainstream school across the area (159 as of mid-2021), as well as providing support to colleges, special schools and wider educational institutions. Made up of 15 staff members, the hub is currently one of the largest in the Country.
- 2.4 The Careers Hub continues to perform strongly against its contract and national performance metrics. Despite the onset of the pandemic, and significant challenges faced across the education system, progress against the Gatsby framework has continued, with 80% achievement surpassed on each on the 8 metrics, the number of schools matched to an Enterprise Advisor increasing to over 90% in year and specific progress was made on Benchmark 5 and 6 ('Meaningful Encounters with Employers' and 'Experience of the Workplace'), with over 70% of schools achieving the benchmark in year (despite challenges around COVID. Overall, 23% of schools in the HotSW had achieved a 100% Gatsby performance in 2021, compared to 16% in 2020.
- 2.5 More widely, the Hub forms a critical element in both the HotSW Local Skills Plan (underpinning Objective 1a and b of the area's strategy), HotSW Build Back Better approach (as a named foundation of programme 8) and the Productivity Strategy (as the basis for Educating and Retaining the Workforce of the Future). Over the past year,

the Hub has also played a central role in supporting young people through the COVID crisis, connecting them to careers and work experience when other advice and support has been limited. This has included the development and rollout of virtual work experience capacity, joint working with the Digital Skills Partnership around the development of a joint pilot on digital careers promotion, and enhanced support for Enterprise Advisors and schools in a virtual environment. Further information on the latest work of the Career Hub can be found on their section of the Launchpad website ([Careers Hub - Skills Launchpad](#))

- 2.5 As such, the LEP has become increasingly involved in the Hubs' funding and support over the past four years. Beginning as a hosted initiative, but with no direct financial support, the LEP provided circa £240,000 towards the Career Hub in 2020/21, and £170,000 in 2021/22. This has been matched by the Local Authorities (£120,000) and the CEC (circa £400,000) over the past two years.

3) Funding Requirement and Options

- 3.1 Whilst the new academic year has only just begun, the Careers Enterprise Company / DfE have indicated that they will be seeking to continue to fund and run the Careers Hub programme in academic year 2022/23 and beyond, with a grant of around £500,000 available to match. Based on previous years, this would require partners to find a further £300,000 of match funding (normally around a 2/1 ratio with the CEC) to draw down the funds available and secure the Hub's current level of provision.
- 3.2 As it stands however, there is currently no allocated match for this activity within the HotSW. Given both the September – August timetable involved with the Careers Hub, and ongoing uncertainties around core funding for both the LEP and Local Authorities into 2022/23, decisions around the Careers Hub funding have been put on hold to date awaiting further information.
- 3.3 However, with the end of the year now approaching, there is a need to consider the area's preferred approach to the Careers Hub. Looking ahead, any retention or change in approach to the Careers Hub will have a financial implication for both the LEP and its partners in FY 2022/23.
- 3.4 In principle, there are currently five options open to partners around next steps on the Careers Hub. The cost to the LEP of each option is provided in brackets for F&R information.
- **Extension, with National Funding (£0)** – The HotSW Careers Hub is provided with a fully funded solution by Government. There is currently no indication that this will be achieved, though discussions are ongoing around the use of SPF and other mechanisms. This may however mean a change in employment status for staff if carried forward through the CEC (an outcome which we may wish to promote).
 - **Extension, seeking funding from LEP and Local Authorities (£300,000, with the balance between partners to be agreed)** – Continuation as is, with local match of around £300,000 to be found between the LEP and its local authority partners. This would secure activity through to September 2023 under the existing Gatsby focused programme, though would also increase redundancy liabilities in 2023 unless a more sustainable funding approach could be agreed. Requires both LEPs and local authorities to have available funds.

- **A Scaled Service (£100,000)** – Continuation with a lower level of local match (for example £100,000), leading to a reduced grant and service to schools. Some crystallisation of redundancy costs dependent on the level of grant lost / number of staff needed to move forward. Could be taken forward without local authority contributions.
- **Local Programmes (up to £50,000)** – A closure of the HotSW service and fragmentation into locally funded service, with local authorities / other partners picking up their elements. Based on early discussions, unlikely to lead to a comprehensive service, with local areas instead agreeing the scope of their local offer. Strong likelihood that individual authorities would seek to focus on age groups and approaches which better suit their priorities outside the Gatsby / CEC framework. No formal requirement for existing Careers Hub staff to be transferred to new leads as a result, unless still working with the CEC, with a redundancy cost impact if staff are not retained.
- **Full Closure (circa £50,000)** – Closure of the Careers Hub, with attendant risks around reputational damage with schools and government. Redundancy costs of around £80,000, with treatment to be agreed between LEP partners.

4) Risks and Unknowns

- 4.1 The above options are currently subject to a considerable level of uncertainty, with several interconnect matters overlapping with the future of the Careers Hub. Key issues to be resolved include:
- **Outcome of the LEP Review** – Whilst some shape has been provided around the ongoing LEP review, future LEP funding and operations are still subject to a high degree of uncertainty. The above assumes that any emerging LEP or other model would seek to support careers education activity into the medium term, but this cannot be taken for granted.
 - **Local Authority Prioritisation** – The above assumes an ability / appetite within local authority partners to support the Careers Hub into the medium term. However, it is not currently clear how likely this is within a revised LEP and LA model, and given substantive financial pressures faced.
 - **Prioritisation of the CEC Programme** – Whilst the Gatsby programme has slowly been adopted by schools as part of their wider operating approach, there remain concerns about its relative value and the impact of the investment involved. The HotSW Careers Hub team are a highly performing team who have delivered on their contract over a number of years, and have sought to extend their reach as far as possible, but the headline national programme continues to have a relatively narrow focus on year 10 and 11.

5) Next Steps

- 5.1 The CEC is currently planning to offer HotSW partners a further £500,000 in 2022/23 to continue the work of the HotSW Careers Hub. However, there is currently no funding allocated to match this figure, and without which the programme will need to be withdrawn.
- 5.2 Given the historic importance of careers education activity to the business community, and the relative weight Government has placed on the CEC programme through the

Spending Review, there is likely to be a degree of pressure brought to bear locally against the closure of the Hub next year. Whilst there is not a formal requirement on the LEP or local partners to continue to support the Hub, there is likely to be both reputational and operational push back from not doing so.

5.3 With this in mind, F&R members may wish to carefully consider two specific options:

- **Option A: Extension** – Whilst there is no current certainty around future funding, it may be prudent to ringfence an appropriate amount of LEP funding for the Careers Hub to allow either a full or a slimdown programme to be sustained through 2022/23. Whilst it may then prove that other local partners cannot afford / decide not to fund the Hub going forward, and the LEP may to act alone, this would provide a strong basis for both CEC transition in 23/24, as well as meet the view of the business community around support for both education and career progression amongst young people.
- **Option B: Early Decision to Close** – To allow for better management of closure, the LEP may wish to take an early decision around further funding. Whilst difficult, this would allow preparation activity to begin around closure of the programme, as well as relevant expenditure for redundancy to be agreed as part of wider financial planning. Early discussions with the CEC on other arrangements could also begin.

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