

**Report of the Director of Children's Services**

**Report to Executive Board**

**Date: 16 November 2016**

**Subject: Promoting apprenticeships**

Are specific electoral wards affected? If relevant, name(s) of ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. Since March 2013 the Leeds Apprenticeship Hub has delivered a programme of activity under the Leeds City Region Apprenticeship Hub programme, funded through the City Deal contract. The Hub has supported over 800 businesses to recruit an apprentice and over 500 young people to start an apprenticeship.
2. Against a backdrop of changing trends, policy and programmes nationally and in Leeds City Region on apprenticeships, the Council has reviewed how we can most effectively align our resources and set out a proposed programme of activity for working with young people, businesses, communities, and partners to ensure that young people in particular continue to benefit from the opportunities offered by apprenticeships.
3. The proposals set out in this report contribute directly to our ambitions to enable all of our residents to benefit from a strong economy in a compassionate city, and in particular, to the Best Council Plan outcome for everyone in Leeds to earn enough to support themselves and their families and the Best Council Plan priorities around providing skills programmes and employment support and supporting economic growth and access to economic opportunities. They also support our ambitions to be a NEET-free city and a city where children and young people can grow up to lead economically active and rewarding lives.

**Recommendations**

4. Executive Board is asked to endorse the proposed activities set out in this report.

## 1 Purpose of this report

- 1.1 Changes in policy and contracted provision in the Leeds City Region have given the Council the opportunity to consider how we can most effectively align our resources and set out a proposed programme of activity for working with young people, businesses, communities, and partners to ensure that young people in particular continue to benefit from the opportunities offered by apprenticeships.

## 2 Background information

### 2.1 Apprenticeship trends

- 2.1.1 In Leeds, the total number of apprenticeship starts during 2015/16 was 5,270. While there has been a growth both nationally and locally in apprenticeships since 2009/10, this has been primarily driven by an increase in the number of starts by those aged 25 and over, who account for more than 40% of all starts during this period. Increasing the number of starts by young people (under 19) remains a significant challenge.
- 2.1.2 There is also a continuing challenge around the level of apprenticeships being started, particularly at higher levels, which remain consistently very low across national, regional and local geographies.

Year	2013/14			2014/15		
	England	Y&H	Leeds	England	Y&H	Leeds
Level 2	65	68	67	60	64	61
Level 3	33	30	31	36	33	35
Higher Apprenticeships (4-7)	2	2	2	4	3	3

- 2.1.3 Finally, there continues to be a preponderance of starts in framework areas such as business, administration and law; health, public services and care, and retail and commercial enterprises. While this does in many ways reflect economic activity locally and nationally, there is a recognition that a broader sectoral spread of apprenticeships started would be supportive of future economic growth, particularly around construction, planning and the built environment, and ICT.
- 2.1.4 The trends noted above have been a fundamental consideration of the activity proposed in the remainder of this report.

### 2.2 Apprenticeship policy

- 2.2.1 Increasing the volume and quality of apprenticeship opportunities is a priority for the current Government, which has maintained the ambition to see 3 million apprenticeships by the end of this Parliament, and has committed to introduce the Apprenticeship Levy in April 2017.
- 2.2.2 These priorities are reflected in the Leeds City Region's Strategic Economic Plan (2016-2036) and the Employment and Skills Plan (2016-2020), which has an ambition for 'more and better apprenticeships' with the following priorities:
- Support businesses to understand and make the most of apprenticeships, particularly in the context of the apprenticeship levy and reforms;

- Support people to access traineeships and apprenticeships as a pathway into rewarding careers
- Increase take-up and provision of apprenticeships, particularly advanced, higher and degree level apprenticeships

2.2.3 The activity set out in this report is entirely consistent and aligned with the City Region's ambitions.

### **2.3 Apprenticeship activity since 2013 and the new City Region programme**

2.3.1 Since March 2013 the Leeds Apprenticeship Hub has delivered a programme of activity under the Leeds City Region Apprenticeship Hub programme, funded through the City Deal contract. The Hub has supported 807 businesses to recruit an apprentice, of which 777 have been SMEs, with 543 young people beginning apprenticeships as a result.

2.3.2 In October 2016, following a competitive tendering process, the Council and other LCR local authority partners were unsuccessful in securing a contract funded through the European Structural Investment Fund (ESIF) for a new 18 month programme of support to young people and businesses. The contract was awarded by the Skills Funding Agency (SFA) to ESG (Skills) Ltd.

2.3.3 The City Region programme will seek to support 2,500 businesses to recruit an apprentice, and support 1,125 young people to start an apprenticeship and sustain attendance for 26 weeks. In total, the contract value of the programme is £2.57m to be delivered across the city region.

2.3.4 Despite being unsuccessful in bidding for this contract, increasing the volume and quality of apprenticeships available to young people in Leeds remains a priority for the Council. While progress has been made in reducing youth unemployment and the number of 16-19 year-olds not in education, employment or training (NEET), the associations between poverty and low educational achievement and subsequently reduced employment chances are well documented. Apprenticeships offer a clear route out of this dependency.

2.3.5 In light of these new circumstances, this report sets out a proposed programme of activity by the Council for working with young people, businesses, communities, and partners to ensure that young people in particular continue to benefit from the opportunities offered by apprenticeships.

## **3 Main issues**

3.1 The following activities are proposed as part of a programme of support to businesses and young people. They focus on raising awareness of the opportunities offered by apprenticeships, particularly higher and degree level apprenticeships, and supporting businesses and groups that may not be served through the ESIF programme. The activities are characterised as follows:

- Promoting apprenticeships to young people and underserved groups;
- Promoting apprenticeships, particularly higher and degree level apprenticeships, to businesses, particularly apprenticeship levy payers, and the Council's role as an employer of apprenticeships; and

- Lobbying for further devolution of apprenticeship funding and activity.

## **3.2 Promoting apprenticeships to young people and underserved groups**

- 3.2.1 The Leeds Apprenticeship Recruitment Fair is well established in the city's calendar, having taken place each year since 2013. Last year over 5,000 people visited the First Direct arena in National Apprenticeship Week to learn more about apprenticeships and apply for vacancies from over 110 exhibitors including major employers and training providers.
- 3.2.2 A commitment has been made to stage the Fair again during the 10<sup>th</sup> annual National Apprenticeship Week, on the 6 March 2017. The Leeds BID has offered financial and promotional support to the 2017 Fair which will help raise the profile of the Fair even further among businesses and ensure visitors have an even wider range of opportunities to consider. The timing of the Fair, in March 2017, is also helpfully positioned for employers who will be liable for the Apprenticeship Levy, giving them an opportunity to promote their vacancies to a wide range of visitors.
- 3.2.3 In Summer 2016, the Council, working in partnership with City of Bradford MDC, commissioned a project to gather evidence from BAME young people and their key influencers on their awareness and understanding of apprenticeships, and barriers they faced to applying and starting apprenticeships. This research is now being used to design a programme of activity to meet our equality improvement priority of raising the proportion of apprenticeships being started by BAME young people from 10% to 15% by 2020.
- 3.2.4 The Apprenticeship Hub programme for 2015-16 included the delivery of a service to raise awareness of and encourage applications for apprenticeships from young people in the city at risk of dropping out of education and becoming NEET. This project included:
- the identification of young people at risk of dropping out/dropping out from years 12 and 13, through existing provider work in the community, liaison with schools, and intelligence from Children's Services;
  - one to one support and guidance about employability matters and apprenticeships specifically for up to 100 young people;
  - support for searching for apprenticeship vacancies and making applications, including interview preparation.

This project has been commissioned again in and is now being delivered, enabling us to support a cohort of young people who are unlikely to be targeted by the contracted ESIF Apprenticeship Hub provision.

## **3.3 Promoting apprenticeships to business**

- 3.3.1 The Hub has already been engaging with a number of levy paying employers to help them understand the opportunities that apprenticeships offer to their business, and supporting them with recruitment activity. These employers are unlikely to be engaged by the ESIF programme provider, which has a remit to work with SMEs (some SMEs will be levy payers as it is based on pay roll value rather than business size). While a number of levy paying employers will be supported by the SFA directly, there are limited resources within the organisation to undertake this activity. It is also the case that our local networks with employers are excellent, giving us quick access to those in

need of advice, as are our links to local training providers who can offer support, and local young people who we can link to the opportunities created by employers.

- 3.3.2 There is a clear rationale for the Council's continued delivery of this activity, as the volume of opportunities created, many of which we hope will be offered at higher levels, will be significant. This activity also offers an opportunity to promote higher and degree level apprenticeships to these employers more generally. The Council itself is also liable to the apprenticeship levy, and is looking to set a lead on higher and degree level apprenticeships offered by the organisation.
- 3.3.3 To drive a culture where apprenticeships are seen as a genuine alternative to university education, and offer young people a truly aspirational pathway to a career, more opportunities at higher and degree level need to be offered by businesses. We will work with businesses, especially those liable for the levy, to promote the advantages of these apprenticeships, encouraging them to offer increasing numbers of those opportunities to our residents.
- 3.3.4 The Council has also been working closely with the city's three universities and two further education colleges to develop a more coherent proposition for higher and degree level apprenticeships that the city's businesses can navigate, with an initial focus on opportunities in the digital sector. The Council has supported bids by the three Universities and Leeds City College to the first round of the HEFCE Degree Apprenticeship Development Fund (in which Leeds Trinity University were successful), and will be supportive of further bids to Round 2 which is now open.
- 3.3.5 From 2017 at least two degree apprenticeships will be on offer in the city, the Chartered Manager standard and the IT and Technology Solutions Professional standard. There are encouraging signs that employers are realising the value of offering such opportunities and we expect the initial cohorts to be well-subscribed. An increased number of opportunities at this level should undoubtedly help to improve the perception of apprenticeships among young people and employers.
- 3.3.6 As well as looking to the wider business community, work is already ongoing across the Council to identify opportunities to increase workforce skills and qualifications through apprenticeships, and we have taken a lead on this locally, as evidenced through hosting a recent LGA/SFA conference on the levy for public sector organisations.
- 3.3.7 An important consideration for the Council, in common with many large employers, is how we effectively integrate apprenticeships and progression from apprenticeships into our workforce development planning. Success in doing so will enable our staff to undertake apprenticeships with confidence that this will lead to progression opportunities and career growth, even within what is likely to remain a contracting workforce. Services within the Council, supported by colleagues in HR, are already considering how the provision of degree apprenticeships in, for example, children's social work management, or digital and technology solutions can be part of a skills ladder which enables staff to progress from entry levels to more senior and higher skilled posts.

### **3.4 Making the case for devolution of apprenticeship funding and activity**

- 3.4.1 The Council, not least through our leadership of the Core Cities Skills and Labour Market Policy Hub, has taken a lead on pressing for further devolution of skills and employability funding and programmes. In the Leeds City Region, this has already seen the devolution of the Apprenticeship Grant for Employers (AGE) and the imminent devolution of the Adult Education budget. We will continue to lobby for the devolution of other functions and funding relating to apprenticeships, with a particular focus on our request of Government, in partnership with the LGA, to enable public sector organisations to pool their levy contributions to increase our local commissioning power.
- 3.4.2 Given the outcome of the referendum on the UK's membership of the European Union, considerable doubt exists over if and how future ESIF funded activity for employment and skills priorities, including apprenticeships, will be funded. The Council will seek to engage with Government to ensure that a clear plan is in place for activity beyond the contracted SFA programme.
- 3.4.3 To avoid duplication, we have taken care to align all of the activity proposed in this report with the contracted delivery under the ESIF / SFA funded programme. We have already engaged with the contracted provider to seek to achieve this. We will continue to hold this delivery to account to ensure that it is appropriate and reflective of local needs.

## **4 Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 Key city partners including Leeds Beckett University, Leeds Trinity University, the University of Leeds, Leeds City College and Leeds College of Building have been consulted on key aspects of this proposal and have committed to working in partnership with the Council in their implementation. The Leeds City Region Local Enterprise Partnership, and the HEART Partnership, are also supportive. Our proposals are also consistent with the ambitions of key employer representatives, including the Leeds Chamber of Commerce, the Federation of Small Businesses, and the Leeds BID.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 The programme seeks to have a positive impact on equality and diversity by improving opportunities for young people in particular, with an emphasis on uptake of apprenticeships by BAME groups especially. Key aspects of the proposal have already been subject to equality and diversity screenings.

### **4.3 Council policies and best council plan**

- 4.3.1 The vision of the Best Council Plan 2015-2020 is for Leeds to be a compassionate and caring city that helps all its residents benefit from the effects of the city's economic growth. This report sets out how our work to improve the volume and quality of apprenticeships on offer to our residents will help us to meet those goals, including the Best Council Plan outcome for everyone in Leeds to earn enough to support themselves and their families and the Best Council Plan priorities around providing skills programmes and employment support and supporting economic growth and

access to economic opportunities. They will also support the Council's ambition to be a NEET-free city and city where children can grow up to lead economically active and rewarding lives.

#### **4.4 Resources and value for money**

4.4.1 Improving the volume and quality of apprenticeships on offer to our residents will enhance the ability of all our residents to contribute to the economy to their full potential, boosting economic productivity and the competitiveness of Leeds and reducing the costs of poverty to the economy and the taxpayer.

4.4.2 Residual funding of £85,000 from the City Deal Apprenticeship programme has been committed to this activity. No staff costs are covered through this funding and this activity will be delivered alongside existing priorities of the Employment and Skills service. We will draw on partner activity, including that of the LEP Skills Service and the LEP Business Growth Service, to promote our ambitions to employers in order to reach as wide an employer audience as possible.

#### **4.5 Legal Implications, access to information and call In**

4.5.1 There are no significant legal issues relating to the recommendations in this report. This report is eligible for Call-In.

#### **4.6 Risk management**

4.6.1 Risk management plans will be put in place to identify and address risks to delivery.

### **5. Conclusions**

5.1 This report sets out a proposed programme of activity by the Council for working with young people, businesses, communities, and partners to ensure that young people in particular continue to benefit from the opportunities offered by apprenticeships.

### **6. Recommendations**

6.1 Executive Board is asked to endorse the proposed activities set out in this report.

### **7. Background documents<sup>1</sup>**

7.1 There are no background documents.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.