

Report of the Director of City Development

Report to Executive Board

Date: 19 April 2017

Subject: Promoting Apprenticeships – update report

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 type="checkbox"/> Yes	<input checked="" 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. In November 2016 Executive Board considered a report which set out how the Council intended to respond to the changing policy and funding trends around apprenticeships, and brought forward 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. Executive Board requested that an update report be submitted to the Board providing further details on this issue, and which also presented statistics on performance against relevant targets and also the matter of job retention for those who had undertaken apprenticeships. Given recent high profile activity including the Leeds Apprenticeship Recruitment Fair, it is timely to update the Board on these matters.
3. The activities described 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 note the actions and achievements described in this report and endorse the Council's continued ambitious agenda to support residents and businesses in the city to access apprenticeships.

1 Purpose of this report

- 1.1 This report updates Executive Board on progress against a range of activities set out in a report to the Board in November 2016, and sets out an ambitious and innovative programme of activity which maintains this Council's commitment to the apprenticeships agenda.

2 Background information - Apprenticeship start and achievement trends

- 2.1 Since the Board last received a report on apprenticeships new data are available reporting the take up of apprenticeships by individuals and by businesses.
- 2.2 The current trend in apprenticeship starts in Leeds is upwards, with numbers for 2015/16 (the last full year available) at a four year high of 7,090, just below the peak of 7,310 recorded in 2011/12. This trend is broadly similar to the Yorkshire and the Humber and England totals for the same period.
- 2.3 The volume of workplaces offering an apprenticeship continues to grow within the region, with figures for 2015/16 showing that 30,650 workplaces are now employing apprentices, a rise from 2011/12 of 10,560. In Leeds, the figure for 2015/16 is 2,935.
- 2.4 A further positive trend is the increasing number of starts on higher level apprenticeship frameworks/standards. In 2011/12 there were a total of only 50 starts in Leeds at the higher level, by 2015/16 this had risen to 340. While this is a positive development, out of a total of 7,090 starts this figure remains far too low, albeit consistent with regional and national trends.
- 2.5 Trends in terms of the relative percentages of starts by framework remain steady, with higher volumes in 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 in the city (and the city region), particularly around construction, planning and the built environment, and ICT.
- 2.6 These data should be set in the context of a time of profound change in the apprenticeships policy environment. New funding regimes, the introduction of the Apprenticeship Levy, the move from frameworks to standards and a new approach to assessment are all creating significant uncertainty in the business environment.
- 2.7 Members also asked for further information about the issue of job retention for qualified apprentices. Data on the overall achievement rate for apprenticeship frameworks/standards is collected, and this shows that in Leeds (based on apprenticeships delivered rather than learner postcode) the overall achievement rate was 71.6%, just below the national rate of 71.7% and the regional rate for Yorkshire and the Humber of 73.4%. This is a decline from 75.4% in 2012/13 (nationally 72.3%, regionally 73.3%), which may relate to the drive to improve the rigour of apprenticeship qualifications.
- 2.8 Data on job retention for apprenticeships is not collected by Government, so it is challenging to form a robust view on this question. Survey based research¹ by the then

¹ Apprenticeship Evaluation Employer Survey 2012-13. The survey explored the views and experiences of 4,009 employers whose employees had finished an Apprenticeship programme between August 2011 and March 2012.

Department for Business, Innovation and Skills (dating from 2013) found that the mean retention rate (% of apprentices still working for an organisation) was estimated at 73% which varied little by framework, but increased amongst employers who had provided Apprenticeships to older staff from their existing workforce. Amongst employers who had recruited apprentices specifically, the retention rate fell slightly to 66%.

3 Main issues

3.1 As reported in November, between March 2013 and November 2016 the Leeds Apprenticeship Hub, part of the Council's Employment and Skills Service, delivered a programme of activity under the Leeds City Region Apprenticeship Hub programme, funded through the City Deal contract. The Hub supported over 807 businesses to recruit an apprentice (777 of which were SMEs) and 543 young people to start an apprenticeship. In October 2016 a new Leeds City Region Apprenticeship programme was tendered by the Skills Funding Agency, with the contract awarded to Interserve Employment and Skills under the branding of 'Absolute Apprenticeships'.

3.2 While the Council is supportive of the new programme, members were keen to maintain a significant commitment to the apprenticeships agenda, and endorsed an approach which complemented this externally funded activity with our own programme of work. The following provides an update on the delivered and planned activities to address the Leeds Apprenticeship Hub programme priorities focusing on the following:

- promote apprenticeships to young people;
- supporting underserved groups of young people;
- promoting apprenticeships, particularly higher and degree level apprenticeships, to businesses including those liable for the Apprenticeship Levy;
- making the case for and adapting to change; and
- LCC preparations for the Apprenticeship Levy.

3.3 Promoting apprenticeships to young people

3.3.2 In March 2017, on the opening day of National Apprenticeship Week, the Hub hosted the fifth Leeds Apprenticeship Recruitment Fair at the first direct arena. Building on the lessons learned from our first event at the arena in 2016, and supported financially by LeedsBID, just under 6,000 visitors attended, taking the opportunity to talk to over 130 employers and training providers including BT, Siemens, Sky, Jaguar Land Rover, Yorkshire Water, Yorkshire Building Society and more.

3.3.3 Feedback from visitors and exhibitors has been extremely positive:

- 88% of visitors said they would be more likely to consider an apprenticeship as a result of coming to the Fair;
- 96% of visitors said they would recommend the Fair to a friend;
- "...an outstanding event...LCC should be extremely proud...[and] could offer other local authorities a master class in this area" (exhibitor)

3.3.4 Members have recently reaffirmed their commitment to stage the Fair again in 2018 and discussions are already underway with stakeholders.

3.3.5 For the first time this year the Hub has engaged with parents in a bespoke series of events giving them the opportunity to hear from leading businesses across the city's economic sectors about their industry, and their view of apprenticeships. The concept for the seminars came from two sources, from businesses, who regularly tell us that would like a way of meeting parents to be able to share an insight into their industry, the range of apprenticeships and specific opportunities available and the skills needed to access them, and from parents themselves. We know that parents are one of the most important groups who support young people to make choices about their career options, and often feel that they do not understand how apprenticeships work and the benefits they offer. By helping parents to be more aware of the incredible opportunities offered by apprenticeships, our ambition is that they can then offer more appropriate advice and guidance to their children and dependents.

3.3.6 Held with the support of LeedsBID and Leeds Beckett University, in March over 160 parents attended seminars on the following sectors:

- Engineering and manufacturing – speakers from Siemens and BT;
- Arts, media, and creative industries – speakers from Leeds Grand Theatre and East Street Arts;
- Construction and the built environment – Wates, Simpson;
- Retail and hospitality – Marks and Spencer, Asda, Q Hotels;
- Financial and professional services – Yorkshire Building Society, Bond Dickinson, KPMG; and
- Digital and technology – User Crunch, BT, Tech Partnership, Sky.

3.3.7 As well as employers from the companies listed, all the sessions featured apprentices or recently qualified apprentices, which was particularly well received by attendees. 160 parents attended the sessions, and we received positive feedback including:

- 97% of attendees felt the session was outstanding or good, and that the information, advice and guidance given was outstanding or good;
- “Lots of new information not previously available to most parents” (parent)
- “I know little about apprenticeships and the knowledge of the panel was presented brilliantly. I go away feeling I know much more about what apprentices are and how to apply” (parent)
- “It was useful listening to those who have successfully completed an apprenticeship” (parent)
- “I thought the events were well structured and the level of Q&A was enlightening. Clearly scope to make them even better but as a starter for 10, fantastic and well done.” (speaker)

- “I was stopped in the Rose Bowl car park afterwards by a couple of parents who were incredibly enthusiastic about what they had seen and heard. It was a thoroughly worthwhile event” (speaker)

3.3.8 An evaluation of the seminars is being undertaken to inform the delivery of future events.

3.3.9 The Hub continues to be extremely active in Leeds schools, promoting apprenticeships to audiences at careers fairs and assemblies and other events. In the the first three quarters of 2016-17 we have supported 56 events in schools, engaging with over 2,602 young people primarily across years 8-13. Without this continued commitment by the Council it is highly unlikely that this volume of apprenticeship promotional activity in the city’s schools would be delivered.

3.3.10 We know from our conversations with schools and young people themselves that young people in Year 7 are often keen to understand more about the world of work, and the opportunities open to them before those important choices in Year 8 and beyond. Leeds City Council has worked in partnership with What Could I Be to develop what we think is a unique and innovative approach to doing this through a ‘newspaper’ promoting apprenticeships to this audience, and also including a pull-out section providing advice and guidance about apprenticeships to parents. The newspaper was launched by Cllr Rafique and the headteacher of Prince Henry’s Grammar School, Otley, and distributed to the Head of Year/Information Advice and Guidance lead (or equivalent) in every secondary school in Leeds for distribution to 8,435 Year 7 pupils at 48 schools in late March, building on the momentum generated by the Fair and the Parent Seminar Programme.

3.3.11 The Apprenticeship Hub programme for 2016-17 has 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 is a repeat of a project piloted by the Hub in 2015-16 following strong support from school partners and a number of positive outcomes for young people. This project, delivered in community settings, schools, and via online support in Leeds between November 2016 and March 2017, 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 young people; and
- support for searching for apprenticeship vacancies and making applications, including interview preparation.

3.3.12 A final evaluation of the project is underway, but to date, 65 young people have received support with six already making apprenticeship starts and 22 positive destinations achieved by NEET young people.

3.4 **Supporting underserved groups of young people**

3.4.1 The Council is also developing two targeted interventions aimed at supporting people from underserved and vulnerable groups into apprenticeships.

- 3.4.2 The Employment and Skills service has made increasing BME participation in apprenticeships one of our Equality Improvement Priorities for the period 2015-19, with an ambition of raising the rate of participation from 10% to 15% by 2019. In 2016, the Council, in partnership with the City of Bradford Metropolitan District Council, commissioned research into the challenges and barriers regarding apprenticeships facing young people from BME communities. This involved consultation with young people and those influencing them in their communities across both cities, which identified a number of generic but also ethnicity specific barriers that prevented young people from these communities applying for apprenticeships. As well as identifying barriers, the researchers worked with young people to understand their perceptions of how some of these barriers might be tackled, and set out a number of recommendations endorsed by participants.
- 3.4.3 The findings have been taken forward by commissioning a provider to promote apprenticeships specifically to young people in BME communities, and to support those young people in making applications. We have worked closely with the BME Equality Hub to co-design a programme of activity. This activity will seek to:
- identify an appropriate cohort of BME young people across Leeds to engage with, with representation from key ethnicities in accordance with the latest NEET and youth unemployment data;
 - reach/actively engage and promote apprenticeships to a minimum of 400 young people;
 - encourage and support a minimum of 200 young people to apply for an apprenticeship, with active support to as participants as is required (through, for example, assistance with vacancy searches, developing a CV/application, interview preparation);
 - assist a minimum of 75 young people to commence an apprenticeship as a result of the intervention (apprenticeship starts can be claimed up to a period of one month following the conclusion of the project, recognising the lag in outcome following support).
- 3.4.4 While the primary purpose of the project is to engage with young people from BME communities, we also expect that the provider will engage with influencers from those communities and build capacity/knowledge about apprenticeships within them. This will contribute to the sustainability of the activity.
- 3.4.5 There are around 700,000 people with autism living in the UK, with unemployment rates likely to be between 50% to 75%. Even where people are employed, this is likely to be in unskilled jobs with low wages. Despite this, many people with autism have above average levels of concentration, perseverance, attention to detail, and the ability to spot deviances in data, information and systems.
- 3.4.6 There is a particular opportunity to open up new employment and apprenticeship opportunities created by the thriving digital and technology sector and warehousing and logistics sector in the city/city region to those people affected by autism. Employers are now realising there are significant benefits in recruiting staff on the spectrum for certain roles. Indeed, in the increasingly digital world characteristics such as an ability to recognise patterns, attention to detail, perseverance and extreme levels of concentration can be a positive advantage in roles such as data

analytics and testing. The “autism advantage” to employers can be an attention to detail and the ability to repeat tasks numerous times without losing interest or getting bored.

- 3.4.7 Software development and testing, for example, involve a combination of tasks that require intense focus. This was recently recognised by the Northern Ireland Department for Employment and Learning, which sought out four young people on the autistic spectrum to take part in their Software Testers Academy, an intensive 10-week training course. All four participants on the autistic spectrum ended up with full time roles in software testing. Similar programmes have been developed elsewhere in the UK, including as part of National Coding Week, which the Council actively supports. The warehousing and logistics sector is another area where an ability to recognise patterns, attention to detail, perseverance, and work in a logical and ordered fashion can be valuable.
- 3.4.8 The Council recognises that both individuals and employers would benefit from a programme of support which works with individuals affected by autism to engage in the labour market, particularly in the digital and technology and warehousing and logistics sector. Both sectors in Leeds and the wider city region are growing and will continue to expand rapidly, with pressure on employers through skills gaps and shortages. The Council, as the author of the Leeds Digital Sector Skills Action Plan, is in regular dialogue with employers in the digital and technology sector about their recruitment and skills needs, and thus has a strong understanding of the opportunity offered here.
- 3.4.9 We are seeking to procure a provider with detailed understanding of the specific challenges facing people with autism in engaging with the labour market, and a proven capacity to engage with and support people in accessing the labour market to support people affected by autism to access work experience and apprenticeships, and to support employers to gain an increased understanding of the benefits that such people could bring to their business.
- 3.4.10 We have worked closely with the Leeds Autism Employment Group (including the Council, Jobcentre Plus, and local third sector organisations working with autistic people) to co-design a programme of activity. The commission (to be delivered over a 12 month period from April 2017) will seek to work with both individuals affected by autism and with employers in the digital and technology sector to:
- to identify an appropriate cohort of people across Leeds to engage with, and reach/actively engage and promote apprenticeships to those individuals, supporting as many of them as appropriate to apply for an apprenticeship;
 - enable a number of individuals to access a work placement with a local business, giving both the individual and a business to see the opportunity and benefit they can both bring;
 - engage with a minimum of 100 businesses within the digital and technology sector to promote and improve understanding of the employment potential of individuals with autism, committing 50% of them to pledge support for the principle of employing individuals with autism on apprenticeships and adopt autism friendly employment practices;

- enable 25 businesses to offer a work placement to an individual to improve mutual understanding, with the appropriate support to the employer in the process, and enable five businesses to start an individual on an apprenticeship.
- 3.5 Promoting apprenticeships, particularly higher and degree level apprenticeships, to businesses including those liable for the Apprenticeship Levy**
- 3.5.1 The SFA contracted 'Absolute Apprenticeships' programme is required to engage with SMEs who have not employed an apprentice before or in the last twelve months. This means the Leeds Apprenticeship Hub does not engagement with such businesses in order to avoid duplication².
- 3.5.2 We have been working with 26 employers who are liable for the Apprenticeship Levy, to help them understand the impact on their workforce, and where appropriate, assisting with apprenticeship recruitment activity. While a number of employers are choosing to invest their levy payments into placing existing staff onto apprenticeship standards (at a range of levels including degree apprenticeships), they are also looking to recruit new members of staff onto apprenticeship programmes. The Hub's strong relationships with a large network of training providers who can offer support to those employers, and local people who we can link to the opportunities created by their recruitment, is enabling us to enhance the impact of the levy for residents in the city.
- 3.5.3 A key element of the messages we are giving to these employers is that to drive a culture where apprenticeships are seen as a genuine alternative to university education, and offer young people in particular a truly aspirational pathway to a career, more opportunities at higher and degree level need to be offered by businesses.
- 3.5.4 The Council has 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 when it is announced.
- 3.5.5 From September 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. The Hub will continue to promote the benefits of higher and degree level apprenticeships to businesses, with the aspiration of seeing the number of starts at these levels increase from 340 in 2015/16 to 600 by 2017/18.
- 3.6 Making the case for and adapting to change**

² We have established a referral mechanism to the Absolute Apprenticeships programme for any eligible businesses we encounter.

- 3.6.6 The fast evolving funding arrangements for apprenticeships, when considered alongside the ways in which employers are being more directly involved in the design of apprenticeship standards, means that further devolution of powers or funding around apprenticeship provision to local authorities or combined authorities is unlikely. We are supportive of the ambitions to place employers at the heart of apprenticeship design and delivery.
- 3.6.7 Our priority under this heading is to ensure that, as the SFA contracted 'Absolute Apprenticeships' provision expires in March 2018, an appropriate and robust replacement programme is brought forward. While some assurances have been given about the funding of future activity in the wake of the referendum on the UK's membership of the European Union, considerable doubt still exists over if and how future ESIF funded activity for employment and skills priorities, including apprenticeships, will be funded. The Council, working with partners including the West Yorkshire Combined Authority and the Core Cities Group, will seek to engage with Government to ensure that a clear plan is in place for activity beyond the contracted SFA programme. We are also playing an active role in holding to account the provider delivering the current programme.
- 3.6.8 We are also seeking to respond to the changing policy landscape for apprenticeships, and the Post-16 Skills Plan, more generally. The Plan sets out 15 technical pathways, now being further taken forward through the development of 'T-levels', which are technical qualifications intended to be on a par with A-levels. In order to understand the potential for apprenticeships to contribute to the city and city region's ambitions for Post-16 skills, we are mapping the provision of apprenticeship standards, and provider readiness to deliver emerging standards, which will enable us to better understand where there are any gaps in provision which might constrain growth. We are working with partners in higher and further education, as well as the Combined Authority, to move this forward.

3.7 LCC preparations for the Apprenticeship Levy

- 3.7.1 The Council has long been an advocate of apprenticeships as an opportunity to develop our workforce, providing entry and progression routes for residents to earn while they learn, and ensure the Council as an employer is more representative of the diversity of the city. While this commitment has been a part of our organisational development approach for many years, it is being given new importance as a result of the introduction of the Apprenticeship Levy.
- 3.7.2 The Apprenticeship Levy came into force on April 1. It is estimated that the annual levy cost to the Council will be £1.7m and £0.7m for schools. In addition to the levy, the Department for Education has also set a target for public sector bodies for 2.3% of the workforce to be apprentices. Meeting the target on an annual basis means employing over 500 apprentices, with 350 employed by the Council and 200 by schools.
- 3.7.3 To prepare for this, the Council's apprenticeship cohort has been expanded from 150 to nearly 290 in the last 12 months – and compared to other Councils we employ more apprentices as a percentage of our work-force. However this expansion, while significant, equates to only 1.7% of the Council's headcount and leaves us with more work to do, especially supporting schools to meet their obligations.

- To support more growth and sustain quality (the Council has an 80% achievement rate), more work will be undertaken to:
- Refine a coherent offer to market the Council's apprenticeships especially to younger people and people from priority groups and areas in the city;
- Adopt higher level apprenticeships (levels 3/4/5 and above) to support up-skilling our existing work-force i.e. where staff are promoted to do new jobs;
- Develop and stimulate external providers to develop and deliver existing and new types of apprenticeships;
- Support managers to operate the Digital Apprentice Service and track performance against targets alongside workforce plans.

4 Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Executive and Lead Members for Employment, Skills and Opportunity have been consulted on the programme of activity set out in this report. Businesses, and business representative organisations such as Leeds Chamber of Commerce and LeedsBID have also been consulted and offered strong support. We have also consulted with IAG leads in schools, as well as young people and parents themselves through extensive feedback gathered at events.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The activities set out in this report are supportive of the Council's ambitions to promote equality and diversity of opportunity, and improved cohesion and integration. This is especially the case of the activity being progressed around young people from BME communities and people affected by autism where activities have been subject to equality and diversity screenings. Given that this is simply an update report, such Equality Impact Assessments are not appended to this report.

4.3 Council policies and best council plan

- 4.3.1 The activities described 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.

4.4 Resources and value for money

- 4.4.1 Funding for activity set out in this report is being drawn from the Leeds Apprenticeship Hub funding.
- 4.4.2 A number of activities have attracted support from the private sector and other partners, with both in kind and financial contributions. This demonstrates not only the

value of the work being delivered, but the strength of the city's commitment to the principle of civic enterprise.

4.5 Legal Implications, access to information and call In

4.5.1 There are no 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 are in place to identify and address risks to delivery across the activities described in this report.

5. Conclusions

5.1 This report updates members of the Executive Board on key trends in apprenticeship take up and provision, summarises recent activity, and sets out an ambitious and innovative programme of activity which maintains this Council's commitment to the apprenticeships agenda

6. Recommendations

6.1 Executive Board is asked to note the actions and achievements described in this report and endorse the Council's continued ambitious agenda to support residents and businesses in the city to access apprenticeships.

7. Background documents³

7.1 There are no background documents.

³ 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.