

# Business and Property Committee

<b>Report title:</b>	<b>Apprenticeships update</b>
<b>Date of meeting:</b>	<b>4 September 2018</b>
<b>Responsible Chief Officer:</b>	<b>Tom McCabe, Executive Director- Community &amp; Environmental Services</b>
<b>Strategic impact</b> Apprenticeships continue to be a priority in Norfolk offering a valuable vocational pathway for young people who are keen to move into the world of work as well as opportunities for workforce development and business growth. The national reforms introduced in 2017 have had a significant impact on the number of starts in Norfolk with a reduction of 24% (-1,440) during the period August 2017 – April 2018, the national figure has fallen by 33%. This paper provides detail on the activities to increase starts across all ages and levels in line with NCC's Strategy and Vision.	

## Executive summary

Changes in legislation nationally, including a switch from frameworks to standards and the implementation of the apprenticeships levy indicate the ongoing high profile of apprenticeships as a tool for changing the way we work and learn. Currently the scale of these changes has resulted in a reduction in the take up of apprenticeships both nationally and locally. The development of T- levels for young people will also impact on the landscape of provision.

In Norfolk we have developed a number of approaches in collaboration across all stakeholder groups to ensure that the changes to national policy are implemented successfully addressing the recent decline in the number of starts.

**Recommendation: Members are requested to endorse the actions outlined below.**

## 1. Proposal

In responding to the reduction in apprenticeship starts the following activities are either taking place or are being planned.

1.1 Implementation of **Apprenticeships Standards** – progress nationally in approving standards has been slow with employers working in groups of at least 10 to lead the process. Approval from the Institute for Apprenticeships takes some time although measures have been put in place to reduce this.

- **Action:** We are working with colleges and training providers to become more responsive to employer requirements and help them to work together better to maximise the potential for cohort delivery.
- Apprenticeship standards currently are mostly written are at level 3 and above. This disadvantages young people who need to begin their Apprenticeship journey at level 2. There are still significant numbers of frameworks that can be delivered at level 2, but the funding structure for frameworks makes many uneconomic for providers, additionally the levy cannot be shared to fund frameworks.
- **Action:** We have written to Robert Halfon in his role as Chair of the

Education Select Committee highlighting the challenges that this and other aspects of the reforms are presenting.

- **Action:** We are also working with providers to help them to manage delivery more effectively so that the level 2 offer does not suffer as a result of these reforms.

1.2 Implementation of the **apprenticeships levy** – organisations across Norfolk including Norfolk County Council and the District Councils are now paying the apprenticeships levy. Nationally 40% of starts are currently from levy paying businesses.

- **Action:** We are working with levy paying employers to highlight the benefits of using the levy to both develop their existing workforce and to bring in new members of staff. We have some good examples in Norfolk of employers who are proactively using the levy including the NNUH and Norfolk County Council. It is now possible for levy paying employers to share up to 10% of their levy with smaller non levy paying companies. Norfolk County Council was the first organisation in the country to share levy, and can therefore use this positive publicity to encourage more levy payers to follow its lead.

1.3 **As an employer** we have put in place a light touch procurement Framework for Apprenticeship Training Providers, written to allow its use by all local public-sector bodies. The Framework is well-established and working effectively, particularly with the Health Sector, enabling increased effectiveness in ability to procure, spend levy and start apprentices.

- NCC is setting a good example of efficient cross-sector working and collaboration, as well as enhancing opportunities for economies of scale through leading on building apprenticeship cohorts in Norfolk, in such areas as Data Analyst and HR. This makes delivery of apprenticeship starts viable for both provider and employer.
- As the recruitment of high quality Social Workers is a key priority for NCC, we are leading the national trailblazer group to develop a Social Work apprenticeship standard. We are also supporting our Schools and collaborating with the UEA Business School in the development of a tailored MBA Leadership apprenticeship. At least 20 of our School Leaders and aspiring leaders are set to start this apprenticeship in February 2019.
- Norfolk County Council has already started or committed to 104 apprenticeship training opportunities for our staff. Ranging from level 3 all the way up to Level 6 (degree). This figure includes 18 posts that have, or are in the process of, being recruited to as apprenticeship opportunities.
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1.4 **ATA Pilot** – Members will be aware that funding has been secured by TrAC working in partnership with Norfolk County Council to test a pilot ATA supporting our most vulnerable young people and care leavers. This project commenced in

January 2018 and to date has received 114 referrals, more than anticipated.

- By the end of August 2018, the project outputs estimated a total of 16 Apprenticeship starts and 26 Traineeship or Work Experience starts with 13 completions. Currently there are 4 Apprentices on programme, with one more set to start in September and 14 work experience placements in total, 11 being finished and one did not complete.
- **Action:** Although the referrals to the pilot have been higher than anticipated, there have been a number of learning issues that the project team are addressing to support these young people to gain better work experience and transition into apprenticeship opportunities.
- **Action:** Lobbying government for flexibility around support for those living in hostels to ensure that are not disadvantaged by taking on employment as benefits only cover the housing element of their accommodation.
- As the pilot progresses, we will review the learning and investigate how to deliver a sustainable ATA business model in the county.

1.5 **Support for young people** – A plethora of support packages for young people at school are now available regionally and nationally. County Council resources for this work have been reduced accordingly.

- **Action:** Our two apprenticeship advisers are promoting progression to higher and degree level apprenticeships through funding from The Network for East Anglian Collaborative Outreach (NEACO).
- **Action:** We are seeking to establish a partnership of employers and providers willing to provide mentoring help and support to young people in years 11 to 13 who aspire to become an apprentice once they leave education. This support could include advice about applications and interview support.

1.6 **Support for SMEs.** A national survey of 2,000 employers by the Learning and Work Institute highlighted that in businesses with less than 50 employees only 16% employ an apprentice currently or have recently employed an apprentice. As our business base is made up of predominately small employers we need to work with our partners to encourage and support businesses to consider apprenticeships as part of their workforce development.

The research goes on to state that the barriers to businesses in not engaging in apprenticeships include:

- Lack of understanding
- Lack of time
- Lack of framework flexibility
- Non suitable candidates found
- **Action:** We will work with partners to develop a more flexible offer that responds to business need.
- The NALP through the use of the European Social Funding has developed a series of sector skills plans to identify and start addressing

the skills needs in our key sectors.

- The plans aim to identify the main skills needs of the sectors as well as a set of agreed actions to help ensure those needs are met, the further development of apprenticeships is highlighted as part of the solution in many of the plans.
- **Action:** We are working with each of the groups leading their implementation to offer support to both employers and training providers.

1.7 The **Health and Social Care Sector** has seen the largest reduction in numbers of starts with a decline of 50% (-1,070). This is partly due to the requirement for 20% off the job training and the lack of suitable standards.

- **Action:** We need to work with providers to develop and share best practice around the 20% off the job training and to ensure that we have a comprehensive offer of frameworks until the relevant standards have been developed
- **Action:** In 2017 an ESF tender was issued by the Department of Work and Pensions seeking proposals for a project supporting In Work Progression in the health and social care sector. A consortium of Norfolk County Council, Suffolk County Council and local training providers submitted an outline application in late 2017 and a full application was developed and submitted in April 2018. The tender aims to address some of the challenges the sector faces in terms of recruiting, retaining and upskilling staff.

If the funding application is successful the project aims to deliver a model which will:

- Improve access to qualifications amongst the health and social care workforce.
- Map career pathways and qualification routes to enable workers to move into leadership and specialist roles. This is important for career progression and the subsequent impact on in-work poverty as well as for developing and retaining a well trained workforce to meet the skills needs of the sector.
- The apprenticeship offer will form an important part of this and it is hoped will help to redress the current decline in numbers

## 2. Evidence

2.1. Recently released Education and Skills Funding Agency data for the period August 2017 – April 2018 shows:

- The total number of starts in Norfolk had declined by 24% (-1,440). This compares with a 33% decline across England.
- Starts have fallen by 30% (1700) at intermediate and advanced levels (2 and 3) but an increase of 48% (230) has been seen in the numbers beginning higher and degree (level 4+) apprenticeships in the period.
- Starts have fallen most sharply amongst the 25+ age group with a 25% (-950) reduction with smallest reduction seen in the number of 16 to 18 year olds at 10% (-150).

- The largest reduction in starts has been seen in the health and social care sector with a decline of 50% (-1070). This was traditionally Norfolk's biggest sector for apprenticeship starts. In comparison the Agriculture (+50), Construction (+60) and ICT (+90) sectors have seen modest increases in overall starts.

### **3. Financial Implications**

- 3.1. There are no funding implications arising from these proposals. Match funding required for the ESF bids was secured prior to the bid submission and there are no further funding requirements in respect of this.

### **4. Issues, risks and innovation**

- 4.1. There are performance targets for the ATA that are the responsibility of TrAC to deliver and the apprenticeship team are working hard with the organisation to support them.

### **5. Background**

- 5.1. There are no background papers for this report.

### **Officer Contact**

If you have any questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

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