

# Business and Property Committee

Item No.

<b>Report title:</b>	<b>Trial Apprenticeship Training Agency Project</b>
<b>Date of meeting:</b>	<b>Wednesday 18 October 2017</b>
<b>Responsible Chief Officer:</b>	<b>Tom McCabe – Executive Director, Community and Environmental Services</b>
<b>Strategic impact:</b> <p>Apprenticeships are an asset to any organisation and bring significant benefits to the business and existing workforce.</p> <p>The new County Council Plan 2018-22 being developed sets out how the Council will implement the new ‘Caring for our County’ themes.</p> <p>‘Caring for your Family’ highlights the need to create more apprenticeships, giving young people more control over their future, working with local businesses to give young people a first step on the career ladder.</p> <p>‘Caring for your Economy’ states that NCC will ‘work with businesses and other partners to boost growth and bring more jobs to Norfolk’.</p> <p>Additionally, our Vital Signs sets ambitious annual targets for moving vulnerable people on benefits into work.</p>	

## Executive summary

This paper sets out a key proposal to support the only existing Apprenticeship Training Agency (ATA) in Norfolk. The ATA helps small businesses access the benefits an apprentice can bring without having to commit to the full term of an apprenticeship.

The ATA will also support young people aged 16-24, including looked after children and care leavers, who consistently struggle to engage with mainstream provision for a variety of reasons and may need additional support to take up an apprenticeship.

An Apprenticeship Training Agency (ATA) offers a unique approach to the recruitment of apprentices. It is specifically designed to support smaller employers who wish to take on an apprentice or those whose order book will not currently allow them to commit to employing an apprentice for the full period of the Apprenticeship, but know that they will need fully trained employees in the future.

The ATA also provides a vehicle for young people who would not easily be able to engage and sustain an apprenticeship to access the additional support they require in order to engage fully with mainstream provision.

The development of an ATA in Norfolk would enable small businesses to continue to grow and thrive, enjoying the benefits that an apprentice can bring to their business whilst also supporting vulnerable young people.

### Recommendations:

- 1. Members support the development of a trial ATA, working with an existing organisation, subject to securing external funding;**
- 2. Officers will bring back a report detailing the outcomes of the trial before upscaling the model to a wider cohort of young people.**

## 1. Proposal

- 1.1. The proposal is to develop an ATA to support both individuals and employers to lever the benefits an apprentice can bring to a business. The distinctive feature is that it is the ATA that acts as the apprentice employer and places them with a host employer. For an area like Norfolk which has high number of SMEs it would be a useful mechanism to increase the type of businesses that would consider apprenticeships, perhaps for the first time.

The ATA model offers other benefits for the employer. These include;

- Support with recruitment – finding the right apprentice to meet the employers' needs
- Responsibility for the wages, tax, National Insurance as well as administration and performance management.
- Apprentice management during the Apprenticeship period
- Links with an approved training provider and support to both the apprentice and host employer throughout the Apprenticeship.

## 1.2. **The Model**

The ATA provides bespoke support to both the employer and the individual to ensure that any barriers are managed and dealt with in a timely fashion. This will increase the chances of successful outcomes for both the employer and the young person.

The apprenticeship reforms encourage large businesses to invest in training their existing staff rather than recruiting new apprentices meaning there is less availability in the system for young people. Those young people that are most vulnerable such as looked after children could easily become marginalised as the reforms become embedded.

The ATA will support new employers from the smallest companies to recruit an apprentice. The host employer then pays the ATA a fee for the apprentices' services which includes the cost of their wages, and other employment related costs. This allows employers, often SMEs, who may have short term opportunities or specific business needs to be more flexible and create the right opportunity for their business and will enable Norfolk County Council, and other public sector businesses to use up to 10% of their levy to support the cost of training these apprentices. It also offers apprentices a wider range of work experience while safeguarding their qualification.

Partnership working alongside the county's apprenticeship providers and the network of employers and other stakeholders which make up the existing Apprenticeships Norfolk Network (ANN) will be critical to making the apprenticeships reforms and the proposed ATA a success. ANN members have agreed to support the ATA, to promote its offer and to support employer engagement. Schools, colleges and NCC Children's Services will all act as a referral point for suitable young people.

## 1.3. **Funding the Proposal**

We are proposing to fund the ATA in two phases.

Firstly a pilot, working with an existing ATA (TrAC) to support 30 of our most

vulnerable young people.

Funding will be sourced from a number of avenues

- We are proposing to utilise £100,000 previously granted by members to support skills and training for young people
- TrAC has applied for £200,000 funding from the New Anglia LEP skills deal programme. The application has been approved in principle subject to a number of caveats and the due diligence process which will be completed
- TrAC has submitted various applications totalling £150,000 to an ESF funding stream to ensure the trial includes support for individuals prior to them starting an Apprenticeship. The result of these bids will be known in November.
- Additionally, from April 2018, Norfolk County Council will be able to transfer up to 10% of its levy to a registered ATA to support the cost of training these individuals. Other organisations could choose to do similar if they are not expecting to use all their levy.

The cost per apprentice for the trial will total £19,917, of which £6,403 will be met from contributions from host employers. The remaining will be subject to successful applications to the various funding streams listed above.

Subject to a successful trial, other ESF opportunities are expected to become available in 2018 which we would seek to bid for to implement a fully sustainable commercial model. Alongside this, we are also exploring other investment opportunities. The ATA is a major undertaking and will result in a new way of supporting apprentices aged 16 to 24, training providers and employers in Norfolk.

## **2. Evidence**

- 2.1. Apprenticeship starts for 16-18 year olds have fallen in Norfolk over the last 9 months and are predicted to continue to do so as the apprenticeship reforms encourage larger employers up skill the existing workforce. Many young people at school express an interest in taking up an apprenticeship but will be unable to do so unless the number of opportunities remains consistent and support is available to help them make the transition to the workplace. Employers are also sometimes concerned about the resource implication of supporting a young person and the ATA will provide bespoke support for both.

## **3. Financial Implications**

- 3.1. TrAC is currently seeking funding from a range of external sources including European Social Funding and Social Investment. If successful we are proposing a partnership approach with TrAC to trial the model and prove the concept. It may then be possible to upscale the model and for other public and large private sector organisations to work with us.

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

- 4.1. Without the interventions detailed above there is a risk that the number of apprenticeship opportunities for young people available in Norfolk will decrease leading to disappointment and disengagement from small businesses. The

number of young people, particularly those who need additional support, who successfully move into an apprenticeship will continue to decline leaving them with fewer options to progress and increase their skills levels. This may lead them to become dependent on the benefits system and less able to move back into the labour market in the longer term.

There is also a financial risk to NCC in that if the project is not successful the funding invested will not yield the expected outcomes, however supporting a pilot project will mitigate this and limit the extent of the risk.

## **5. Background**

- 5.1. Apprenticeships provide nationally recognised routes to sustainable employment and we know that there is significant demand across Norfolk from young people. Providing bespoke support to both the individuals and employers within a partnership context will enable us to continue to grow the number, level, quality and range of Apprenticeships on offer in Norfolk.

### **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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