

# **Children and Young People Overview & Scrutiny Committee**

## **Briefing Note**

### **Apprenticeships**

#### **1 Introduction**

1.1 This note has been produced in response to a request from Overview and Scrutiny Committee for a briefing update outlining the number of apprenticeship opportunities within the County and the work being done with partners and the Local Enterprise Council to increase these. The timing of it is due to the final 2011/12 Apprenticeship data only being released in the last week in February.

#### **2 Background**

2.1 An Apprenticeship is a job with an accompanying skills development programme called an Apprenticeship Framework, the frameworks are designed by the Sector Skills Councils (independent, employer-led, UK-wide organisations designed to build a skills system that is driven by employer demand) with business representatives from the relevant industry sectors working with them to develop the course. The framework allows the apprentice to gain technical knowledge and real practical experience along with the functional and personal skills required for their immediate job and future career. These skills are acquired through a mix of learning in the workplace, formal off the job training and the opportunity to practice and embed new skills in a real work context.

2.2 There are currently just over 270 Apprenticeship Frameworks available covering over 2000 job roles. The 3 levels of Apprenticeships are:

**Intermediate Apprenticeships** - Apprentices work towards work-based learning qualifications such as a Level 2 competence qualification, functional skills and in most cases, a relevant knowledge-based qualification. These provide the skills which apprentices need for their chosen career and allow entry to an Advanced Apprenticeship.

**Advanced Apprenticeships** - Apprentices work towards work-based learning such as a Level 3 competence qualification, functional skills and in most cases, a relevant knowledge-based qualification. To enter this programme prospective apprentices will normally require at least five GCSEs (grade C or above) or have already completed an Intermediate Apprenticeship.

**Higher Apprenticeships** - Apprentices undertake a framework at Level 4-7 which will include a competence based qualification, functional skills and in some cases a broader vocationally related knowledge-based academic qualification such as a BTEC Higher National Certificate (Level 4), BTEC Higher National Diploma or Foundation Degree (Level 5), Degree (Level 6) or even a Master's Degree (Level 7). Higher Apprentices will usually have achieved appropriate/relevant A Level

qualifications or an Advanced Apprenticeship. Higher Apprenticeships are increasingly becoming recognised as a membership route to professional organisations such as the Association of Accounting Technician's, Chartered Institute of Personnel and Development etc.

### **3 Current Position**

3.1 At the moment the national Data Service supply us with data based on the apprentices residency as opposed to where the apprenticeship is actually being delivered. Therefore we are reporting on Warwickshire residents irrespective of whether they are undertaking their apprenticeship inside or outside of the County.

Likewise there will be a large number of apprentices employed and working in Warwickshire based companies that we currently do not hold data for as they live outside of Warwickshire. Working with partners through the Local Enterprise Partnership (LEP) and with the Department for Business, Innovation and Skills (DBIS) we are currently trying to rectify this to allow us to have both sets of data. Unfortunately the delivery based data has been bundled by DBIS into the City Deals package – which is not helpful for those Local Authorities who are not part of City Deals.

Apprenticeship data is reported based on the academic year, which runs from 1st August to 31st July. Academic periods relate to calendar months, with period 1 relating to August, period 2 relating to September and so on.

#### **3.2 16-18 year old Apprenticeship Starts**

This year Warwickshire has seen a strong performance with another rise in the number of Apprenticeship starts across all age group. 16-18 year old starts are up from 1098 in 2010/11 to 1188 in 2011/12 – an 8.2% year on year growth compared to reductions in our statistical neighbours of 4.4% and nationally 1.4%.

The table overleaf shows starts grouped around specific job roles for 16-18 year old Apprenticeship starts for Warwickshire residents in the last 3 academic years.

**Table 1: 16-18 Year old starts by employment role**

<b>Framework Name (SASE)</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
Hospitality and Catering	77	78	141
Business Administration	104	100	123
Hairdressing	126	129	89
Engineering	73	96	83
Children's Care Learning and Development	135	96	77
Customer Service	45	81	70
Vehicle Maintenance and Repair	65	56	59
IT and Telecoms Professionals (inc ICT)	19	72	58
Construction	61	42	57
Industrial Applications	4	0	57
Health and Social Care	32	27	49
Retail	43	31	43
Active Leisure and Learning	40	27	25
Electrotechnical	28	40	25
Sporting Excellence	11	14	24
Mail Services		16	21
MES Plumbing	21	12	21
Accountancy	12	19	20
Horticulture	3	4	17
Warehousing & Storage	9	24	16
Equine Industry	12	25	12
Beauty Therapy	25	8	10
IT User	8	4	9
Engineering Construction	4	5	7
Vehicle Parts Operations	4	9	7
Dental Nursing	5	8	6
Heating, Ventilation, Air Conditioning and Refrigeration	3	3	5
Vehicle Body and Paint Operations	7	8	5

Data Source: The Data Service 2013.

### 3.3 All Age Apprenticeship Starts

2011/12 was the first year Apprenticeship starts exceeded half a million in an academic year with 520,570 Apprenticeship starts in England. Warwickshire showed a growth of 14.4% from 4095 starts in 2010/11 to 4686 in 2011/12. This is slightly above our statistical neighbours with 10.4% growth and a national growth of 13.9%.

Table 2 overleaf shows the apprenticeship frameworks Warwickshire residents were recruited into in the 2011/12 year.

**Table 2: 2011/12 all age starts by framework sector.**

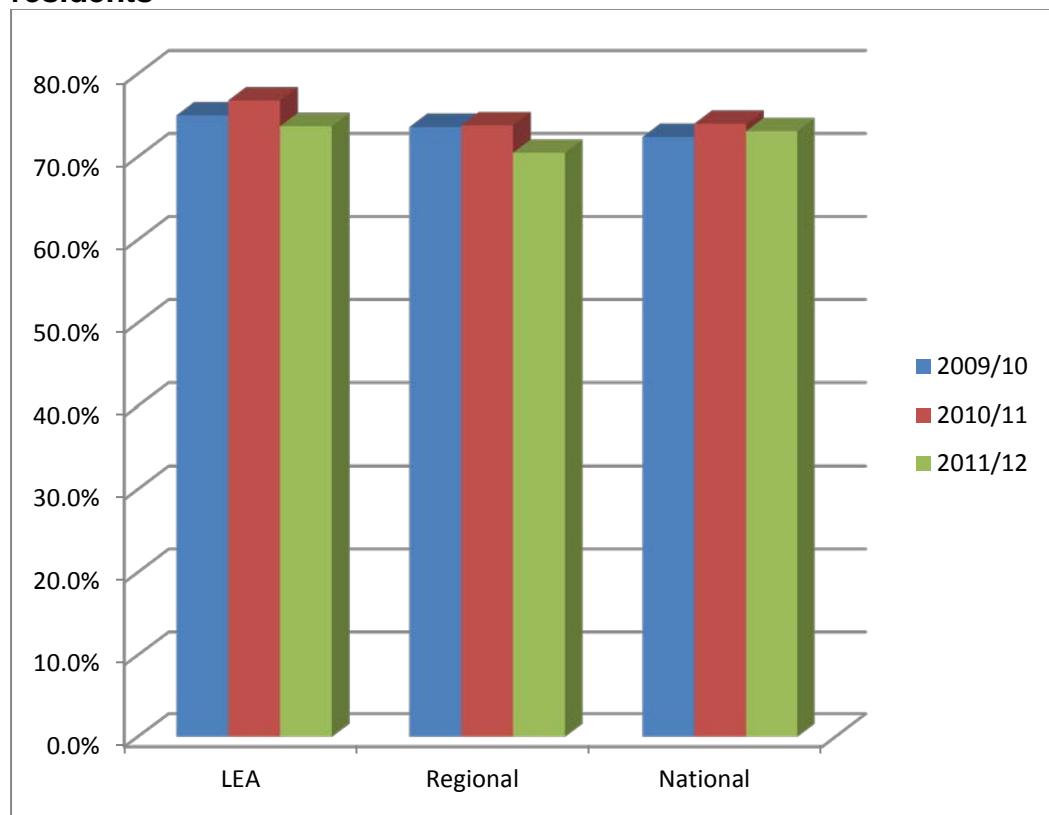
Framework Area	Starts
Business, Administration & Governance	1,466
Adult Social Care /Childcare	661
Hospitality, Leisure, Travel & Tourism	512
Science, Engineering & Manufacturing Technologies	395
Active Leisure, Learning & Well-being	307
Freight Logistics & Wholesale	252
Retail	246

Data Source: The Data Service 2013.

### 3.4 Apprenticeship Success Rate:

The definition of success rate is the number of apprenticeship frameworks achieved successfully in a time period divided by the total number of frameworks that have finished in the same time period – which will include people leaving for non-academic reasons such as redundancy etc.

**Chart 1: Full academic year Apprenticeship success rate for 16-18 year old residents**



Data Source: The Data Service 2013.

As can be seen from Chart 1, the success rate has fallen in 2011/12, the National Apprenticeship Service (NAS) are currently investigating this and one of the initial findings is that it is due to the removal of apprenticeship programmes lasting less than 12 months.

### **3.5 Apprenticeship Vacancies:**

From the 2011/12 contract year all providers were contractually required to use the NAS online vacancy system to advertise all new Apprenticeship opportunities.

Vacancies on the system rose in 2011/12 to 1161. This is an increase of 418 when compared to the 743 vacancies on the system in 2010/11 - although some of this rise can be attributed to better use of the online vacancy system.

Applications from 16-18 year old Warwickshire residents through the system are up 10.7% from 3,891 in 2010/11 to 4,309 in 2011/12.

**Table 3: Vacancies & Application rates by Sector Subject Area**

	Vacancies posted (open to all ages)		Under 19 Applications per Vacancy	
	2010/11 Full Year	2011/12	2010/11 Full Year	2011/12
Agriculture, Horticulture and Animal Care	29	41	5.6	4.4
Arts, Media and Publishing	2	13	17.0	4.2
Business, Administration and Law	202	334	4.3	5.1
Construction, Planning and the Built Environment	30	17	3.3	7.4
Education and Training	1	3	4.0	4.7
Engineering and Manufacturing Technologies	126	246	6.8	4.8
Health, Public Services and Care	79	129	2.7	3.9
Information and Communication Technology	39	44	5.3	8.4
Leisure, Travel and Tourism	103	17	0.3	3.0
Retail and Commercial Enterprise	132	315	2.6	2.4
Science and Mathematics	-	-	-	-
Unknown	-	2	-	4.0

Data Source: The Data Service 2013.

As can be seen in table 3, vacancy growth is healthy with the largest growth areas being Business Admin, Engineering & Manufacturing and Retail & Commercial. Applications are spread across the sectors, with, as might be expected, the highest demand per vacancy being in sectors with less growth or even a reduction in vacancies.

### **3.6 Apprenticeship Provider Base:**

Historically FE colleges and training providers were contracted to deliver Apprenticeships within a geographical area and by specific sectors, they were not allowed to operate outside of the specified area without a contract variation. In the 2010/11 contract year these restrictions were lifted to allow delivery throughout England. This freedom allows providers and colleges to deliver wherever the demand is from employers and to work more effectively with national employers as well as with local small and medium size businesses.

Warwickshire has a historically diverse provider base which is slowly changing. Table 4 below show the change, although the largest 2 providers have remained unchanged others have fluctuated over the years with Stratford College doubling its Apprenticeship starts over the last 12 months to move up to 3<sup>rd</sup> place whilst others, like JHP and the Midland Group Training Services have reduced their local cohort but are increasing their starts on a National level.

**Table 4: 16-18 Starts by Providers**

16-18 Starts Highest Providers by volume	Full Year 2010/11	16-18 Starts Highest Providers by volume	2011/12
WARWICKSHIRE COLLEGE, ROYAL LEAMINGTON SPA, RUGBY AND MORETON MORRELL	156	WARWICKSHIRE COLLEGE, ROYAL LEAMINGTON SPA, RUGBY AND MORETON MORRELL	159
NORTH WARWICKSHIRE AND HINCKLEY COLLEGE	85	NORTH WARWICKSHIRE AND HINCKLEY COLLEGE	108
COVENTRY AND WARWICKSHIRE CHAMBERS OF COMMERCE TRAINING LIMITED	72	STRATFORD UPON AVON COLLEGE	83
HEART OF ENGLAND TRAINING LIMITED	70	COVENTRY AND WARWICKSHIRE CHAMBERS OF COMMERCE TRAINING LIMITED	66
JHP GROUP LIMITED	45	HEART OF ENGLAND TRAINING LIMITED	51
MIDLAND GROUP TRAINING SERVICES LIMITED	40	THE ALTERNATIVE HOTEL GROUP LIMITED	45
JTL	31	JHP GROUP LIMITED	34
ZENOS LIMITED	31	BABCOCK TRAINING LIMITED	28
BABCOCK TRAINING LIMITED	30	SOLIHULL COLLEGE	25
STRATFORD UPON AVON COLLEGE	27	LEICESTER COLLEGE	24

**Table 5: Breakdown of provider base for 16-18 Warwickshire Starts by Quantity**

Number of Learner Starts	Number of Providers/Delivery companies		
	2009-2010	2010-2011	2011-2012
100-149	3	1	2
75-99	1	1	1
50-74	0	2	2
25-49	6	7	4
10-24	7	13	16
5-9	11	15	19
1-4	95	103	106
<b>Total Providers</b>	<b>123</b>	<b>142</b>	<b>150</b>

Data Source: The Data Service 2013.

Table 5 shows the number of contracted providers and companies delivering to Warwickshire residents, it includes FE colleges, training providers and large, often national companies such as National Grid and Seven Trent who hold a direct contract with the Skills Funding Agency to deliver Apprenticeships.

Colleges and Providers are represented nationally by the Association of Training Providers (ATP) there is a sub-regional sub group of the ATP which meets regularly, both Warwickshire County Council and Coventry City Council are members.

## **4 Activities around Apprenticeships**

### **4.1 Labour Market Information (LMI) to Schools**

Work has taken place with colleagues in Economic Development and the Warwickshire Observatory to produce LMI packs for Schools. These will be distributed through school area based workshops involving Schools, IAG/Careers leads and an economic development representative from each of the District Councils. In future years the distribution will be brought forward so the packs are ready for dissemination in September.

### **4.2 Partnership working**

Working in partnership with the National Apprenticeship Service and Coventry City Council, an email has been sent to young people not in education, employment or training (NEET) across the sub region reminding them of what Apprenticeships are and highlighting the current opportunities. The email has also been sent to schools for them to distribute to any potential NEETs they have identified, particularly those considering leaving in or at the end of Year 12.

In collaboration with Coventry City Council we were planning to deliver a sub-regional awards event, originally intended to be held in Spring 2013, but due to operational constraints we are postponing this to a later date. Original date sponsors included the Federation of Small Business, Rugby Borough Council, The Manufacturing Technology Centre and Warwickshire College.

The Higher Education and Training (HEAT) Progression Partnership recently tendered for some STEM (science, technology, engineering, and mathematics) related projects with 2 core priorities of Apprenticeships and Looked After Children. We were heavily involved in this. The tenders have been scored and we are currently in the contract clarification stage with the successful bidders –more details will be available after the clarification process is complete.

### **4.3 Local Enterprise Partnership (LEP)**

The LEP is currently developing an Apprenticeship plan. A wider group has met (with representation from the ATP, Colleges, Coventry City Council (CCC), Warwickshire County Council (WCC), the National Apprenticeship Service (NAS), the Skills Funding Agency (SFA) and the LEP) and delegated the drafting of the plan to representatives from the ATP, CCC and WCC. The final version has been shared with the wider group and is currently with the LEP Executive Delivery Board for approval.

The plan is very much focused on the LEP priority areas of intelligent mobility, advanced engineering, low carbon vehicles and digital technology as opposed to becoming an all-encompassing sub regional plan. Later in the year the LEP must produce a wider skills plan of which this Apprenticeship Plan will form the core.

#### **4.4 City Deals**

The sub regions application – ‘Re-engineering Engineering’ was approved to go to negotiation over the next few months to allow the bid to be developed. The bid for a City Deal focuses on addressing both the immediate skills shortage in engineering across the sub region and on future demand. This includes all levels of skills training and education, including Traineeships, Apprenticeships and Degrees involving a diverse provider base that includes Schools, Colleges, Providers and Universities.

#### **4.5 Going for Growth**

The Council is currently developing an Apprenticeship Hub which will provide an on-line resource for employers and young people to find out more about apprenticeships. This will be staffed by a Manager and Officer on a 2 year secondment from April 2013 up until March 2015, the Manager has been recruited and the Officer role is being advertised with interviews taking place w/c 18<sup>th</sup> March.

The initial website is in place and guidance/promotional literature being designed. Over the forthcoming months the website will be further developed to make it more active.

The other role of the Apprenticeship Hub is the co-ordination of the Councils own Apprenticeship programme. We have now recruited 11 apprentices to work within the Council, 3 within the Resources Group and the remainder within the Communities Group. Under Going for Growth it’s planned that this number will expand to recruit 50 apprentices over the next 3 years. We are aiming to target recruitment at the 16-18 cohort.

Longer term it would be ideal to develop the Councils Work Experience programme, Traineeships and Apprenticeships (Including Higher Apprenticeships) to ensure they are complimentary of each other with potential progression routes between them.

The Council is also holding ‘Warwickshire Expo’, planned for 21st and 22nd March. The first day of which is a careers event with aim of connecting young people, employers and training providers.

### **5 Issues**

5.1 The creation of the Apprenticeship Hub brings the Councils Apprenticeship work under one lead. The Hub will report into a project board of Heads of Service from all 3 Groups. The Hub has the potential to really increase the number of Apprenticeship starts within Warwickshire.

5.2 In relation to Looked after Children, there is no formal tracking of LAC against the unsuccessful apprenticeship vacancy data we receive from NAS at present – The aim is to require the IAG provider to report on this as part of their tracking of all young people.

## **6 Future Developments**

### **6.1 Traineeships**

A national programme of Traineeships will start in September 2013. The government released a discussion paper in January 2013 which the LA responded to and which took into consideration views from across all 3 corporate groups.

The Traineeship programme will offer young people (16-24) the opportunity to undertake a substantial work placement and work skills training, alongside support to improve their English and maths. Depending on the young person's needs, a range of other support and flexible training may be offered to help them develop their skills and progress quickly onto an Apprenticeship or secure other employment. Deliverable by any School, College or Provider who currently contracts with the Education Funding Agency or holds a Skills Funding Agency Adult Skills Budget contract Traineeships will be a useful tool in getting young people into Apprenticeships and employment.

### **6.2 Apprenticeship Funding**

From September 2013 the government will no longer fund Apprenticeships for adults over 24 years old. 16-18 year olds will continue to be 100% funded for the delivery of the Apprenticeship and 19-24 year olds 50%. However, the government recently commissioned the entrepreneur Doug Richard to carry out an independent review on Apprenticeships. One of the core recommendations from this review was to move all Apprenticeship funding into the tax system so the employer pays providers directly for Apprenticeship training. Tax credits, or other forms of government incentives, will then be given to employers as a way to contribute to the overall training costs.

Whilst this method is welcomed by the Confederation of British Industry and by the University and College Union it will have a major impact on the provider base as training providers are currently structured to deliver training at no or little cost to the employer. The move to a business model based on negotiated individual contracts with employers and operates on a 100% commercial basis could destabilise a number of providers.

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