
**Decision Session – Executive Member for
Children, Young People and Education**

08 November 2022

Report of the Assistant Director, Education and Skills

Apprenticeships Update

Summary

1. During the past six-months apprenticeships, alongside a number of other training and development schemes, have continued to play an important role in supporting the city’s economic recovery, providing opportunities for those entering the workforce or those who need to reskill or upskill.
2. The citywide efforts to maintain the profile of apprenticeships and targeted activities by the council’s Skills and HR teams have helped to sustain the take up of apprenticeships in York. Public data* for 2021/22(Q3) shows a continued recovery in the local apprenticeship market, with around 980 apprenticeship starts in York since August 2021. This equates to 97% of the total number of starts (1,010) for the previous full-year and brings the number of apprenticeships being undertaken by York residents to 2,350.
3. Targeted activities for schools and students (sections 27 to 30) have also contributed to the 250 apprenticeship starts by young people (aged 16-18) since August 2021. Encouragingly, this equates to around 114% of the full-year figures for this age group in 2019/20 and 2020/21.
4. The council’s own apprenticeship and levy transfer strategies continue to support local recovery. As of 30 September 2022, there are 80 active apprentices within the council and local authority maintained schools (50% more than at end of September 2021), and in 2021/22, the council also achieved the public sector target of 2.3%**.
5. Since the council’s levy transfer scheme was launched in May 2021, funding has also been approved for the training of 36 apprentices, currently committing £194,000 of support to seven local businesses over a maximum of 51 months.

*Annual national apprenticeship data refers to the academic period from August to July. The latest annual and quarterly updates are available on the Government website: [Apprenticeships and traineeships, Academic Year 2021/22 – Explore education statistics – GOV.UK \(explore-education-statistics.service.gov.uk\)](https://www.gov.uk/explore-education-statistics)

**2.3% of the workforce to be made up of apprentices and for Local Government this target includes schools that are maintained by the authority. The figure is as of 31 March each year.

6. By increasing the number of its own apprentices and supporting businesses in priority sectors, such as adult health and social care, the council spent around 30% more (levy funds) on apprenticeship training during April 2022 – September 2022 than during the previous six months.
7. Whilst the amount of levy in the account and how much expires can fluctuate for a number of reasons, the overall direction continues to be a decrease in the average expired funds each month, aligned with an increased take up of apprenticeships within the council, local authority maintained schools and local SMEs.

Information on job vacancies (including apprenticeship vacancies) at the council can be found on the council's website: <https://jobs.york.gov.uk/>

The York Apprenticeship Hub can also help individuals or businesses wanting to find out more about apprenticeships in York
email: york.apprenticeships@york.gov.uk or write to: Apprenticeship Hub, West Offices, Station Rise, York, YO1 6GA

Recommendation

8. The Executive Member is asked to:
 - Note the content of this report.
 - Agree the frequency of future Apprenticeships Update reports.

Reason: To continue to encourage the creation of apprenticeship opportunities in York, by supporting local businesses to access available funding and to support routes to employment for residents.

Background

9. Following approval of the City of York Council's Apprenticeship Levy Transfer Strategy in November 2020, the Executive Member for Economy and Strategic Planning received apprenticeship updates every six months, covering the period to 31 March 2022.
10. At full Council in May 2022, responsibility for Skills Development and Apprenticeships transferred to the Executive Member for Children, Young People and Education.

11. This report therefore updates the Executive Member on apprenticeship activity in York from 1 April 2022 to 30 September 2022 (inclusive), covering:
- the work of the council's Apprenticeship Hub and Skills Team
 - use of apprenticeships to support skills development within City of York Council's existing workforce and to encourage the recruitment of new apprentices into the organisation
 - the support provided to local businesses through the council's Apprenticeship Levy Transfer Scheme

Apprenticeships in York

12. York's apprenticeship market has remained buoyant throughout this reporting period with between 100 and 180 apprenticeship vacancies regularly listed on the national [Find an Apprenticeship](#) website (across circa 100 to 120 adverts) within a 15-mile radius of York.
13. The fluctuation in the number of advertised vacancies broadly corresponds to larger employers' recruiting periods. Employers looking to recruit apprentices to start in the forthcoming September begin to advertise their roles early in the calendar year with many adverts closing towards the end of Spring, in line with Key Stage 4/5 exam periods. Therefore, a decline in vacancy numbers between July and September isn't unusual.
14. Within a 15-mile radius of York, vacancy listings fell in September to around 70 per week. Whilst this is in line with market trends (and significantly above the low of 20 per week at the start of the pandemic), feedback from intermediaries suggests that the cost-of-living crisis is starting to affect the appetite of some employers to hire new apprentices.
15. The Skills Team will continue to work with businesses, training providers and other partners to better understand the local situation and identify what, if any, additional support may be needed.
16. There continues to be a good range of apprenticeship vacancies on offer, with opportunities in York's key and growth sectors including, biotechnology and life sciences, digital, hospitality, early years, engineering, and health (including dental).
17. Whilst the majority of advertised apprenticeship vacancies have been at Advanced Level 3, around 38% of all advertised vacancies in September offered entry-level roles at Level 2. These are important for both young people looking to start their careers and those looking to change career.
18. Of the 980 apprenticeship starts in York in 2021/22(Q3), around 13% of the participants indicated they have a learning difficulty and/or disability and/or health problem. The number of starts since August 2021, equates

to 97% of York's total number of starts (1,010) for the previous full-year (August 2020 – July 2021), and brings the number of apprenticeships being undertaken by York residents to 2,350.

19. It's important to note that the percentage of apprenticeship starts will not necessarily correlate with the percentage of vacancies advertised at the same level (in the same or preceding quarter) due to a combination of factors including:
 - From the available data, it is not possible to track each apprenticeship from advertisement to start date;
 - Not all new recruit apprenticeship vacancies are advertised on the national [Find an apprenticeship](#) website;
 - Apprenticeship starts include apprenticeships being undertaken by new and existing employees – the latter are not advertised on the national [Find an apprenticeship](#) website.
20. Whilst the Skills Team continues to predict a reduction in the overall number of apprenticeship starts in York for 2021/22, when compared with 2018/19 (the last full reporting year not affected by the pandemic), the 2021/22(Q3) data for 16-18 years is encouraging. 250 of the 980 starts since August 2021 have been by young people aged 16-18, equating to around 114% of the 2019/20 and 2020/21 full-year figures (220 per year) for this age group.
21. The Skills Team continues to work with secondary schools, colleges and other partners to promote apprenticeship opportunities and connect those in this age group, who may decide to leave full time education, with appropriate apprenticeship vacancies (sections 27 to 30).
22. Starts for those aged 19-24 and those aged 25+ are also comparable to the previous (2020/21) full-year figures – tracking at 100% and circa 88% respectively. However, the data shows that around 69% of the Higher (levels 4-7) apprenticeships started were by people aged 25 or older. This, alongside the low number of Higher (including Degree) apprenticeships advertised each week (single figures) suggests that most Higher apprenticeships in York are undertaken by existing employees.
23. It is therefore important that the council continues to support employers, through its impartial apprenticeship hub and levy transfer scheme, to both create entry-level opportunities in key sectors and prioritise higher-level, technical and green skills as part of workforce planning.

The Impartial York Apprenticeship Hub

24. Through the impartial Apprenticeship Hub, the Skills Team continues to support individuals, businesses and training providers in York to make the most of apprenticeships.
25. Since 1 April 2022, the Hub has provided impartial advice and support to 47 businesses including those with an interest in the council's apprenticeship levy transfer scheme (section 60).
26. The team develops communications, resources and events, including a weekly apprenticeship e-newsletter (over 500 young people, parents and advisers are on the mailing list) and regular Facebook and Instagram posts (with a post reach of around 5,000 per month). These channels provide free advertising for employers and help potential apprentices to identify appropriate vacancies, including new listings and those due to close.
27. The team also raises awareness of apprenticeships with young people and schools through the impartial York Apprenticeship Offer (YAO). Working in partnership with NYBEP (who manages the national Apprenticeship Knowledge for Schools and Colleges (ASK) and Careers and Enterprise Company contracts locally), six in person events have been delivered since April, reaching around 725 students in years 7 to 13.
28. Requests for in-person activities are increasing, with more inputs having been booked to take place in coming months. For 2022/23, the national ASK offer has been reshaped with increased focus on FE colleges and sixth-forms students. NYBEP will therefore lead on supporting those cohorts, with the YAO partnership sustaining support for secondary pupils.
29. The Skills Team also collaborates on other programmes and partnerships to help raise aspirations and promote apprenticeship pathways locally:
 - Career Ready – mentoring, masterclasses and work experience for Year 12 students considering alternatives to university.
 - Opportunities Events at Askham Bryan College for young people with Special Educational Needs and/or Disabilities to explore their post-16 options.
 - Careers Education Network – weekly resource roundup and termly meetings for secondary, further and higher education careers advisers, which include local employer spotlight sessions and apprenticeship pathways into key sectors.

- York and North Yorkshire Careers Hub Conference – held at the National Railway Museum. 65 attendees including representatives from five York secondary schools and both FE colleges.
- Railway Futures – a two-day partnership event showcasing the breadth of careers available and different routes into the rail industry for primary, secondary, further and higher education students.

30. The Specialist Learning and Employment Adviser Team continues to provide tailored advice and guidance to young people with specific identified needs. In the 2021/22 academic year the team actively helped 15 young people, who were approaching a transition point, to explore an apprenticeship pathway.

31. Plans and activity for the next quarter include:

- Issuing a revised *Post-16 Pathways – A guide for young people, parents and carers* which includes information on apprenticeship pathways for year 11 pupils and those with Education, Health and Care Plans, looking to take their next step towards training and employment.
- Piloting an ‘Apprenticeships in York’ Facebook group to complement existing Apprenticeship Hub Facebook activity. Through this group, individuals looking for an apprenticeship could connect with training providers and employers with vacancies, at a time that suits them.
- *Building a Resilient and Agile Workforce* event in York Business Festival – showcasing the benefits of apprenticeships and employers engaging with careers programmes.
- Finalising the programme for the Year 11 Apprenticeship Taster Day in January 2023.
- Collaboration with partners to plan and coordinate activity for National Apprenticeship Week 2023.

32. The team continues to be active within the National Apprenticeship Hub Network, which has expanded further and now includes representatives from ten organisations across England. Simon Ashworth, Director of Policy at AELP was the guest speaker at the September meeting. As well as sharing best practice, the group discussed the:

- need to simplify the system and remove barriers for employers
- new legislation for Provider Access in schools from January 2023 (section 34)
- potential review of the Apprenticeship Levy in the Autumn Budget
- apprenticeship feedback/exit survey, from November 2022

- attrition of Level 2 apprenticeships and national campaigns aimed at those aged 18+, and potential impact on the number of starts by 16–18-year-olds
 - [IfATE policy changes](#), regarding the mandating of a degree in a Level 6 apprenticeship (covering ‘degree level entry’ occupation) or a Level 7 apprenticeship (covering a ‘master’s level occupation’).
33. Locally, the York Apprenticeship Provider Network continues to evolve, with more than 40 organisations now regularly represented. Partners include Yorkshire Learning Providers and the regional Apprenticeship Hub who are helping to support local priorities and extend the service provided to York’s residents and businesses.
34. Quarterly meetings were held in June and September 2022. A key discussion item at the latter meeting was Provider Access Legislation (Skills and Post-16 Education Act 2022), which is expected to come into effect in January 2023. It specifies that secondary schools must provide a minimum of six encounters with providers of approved educational qualifications or apprenticeships across Key Stages 3, 4 and 5 (two encounters in years 8/9, two in years 10/11 and two more in years 12/13).
35. Through York’s Careers and Education Network and York Apprenticeship Provider Group, the Skills Team is working with NYBEP (who holds the Careers and Enterprise Company and ASK contracts for York) to support schools to understand and meet this requirement.

Apprenticeships at the Council

36. Whilst the financial impact of the pandemic and cost of living crisis on the Local Authority’s budget has reduced its ability to create new roles, apprenticeships remain an integral part of the organisation’s strategy to support succession planning and for upskilling the existing workforce.
37. Following sustained work from the HR and Skills teams, performance against the public sector target has improved significantly, with the council achieving the 2.3% target for the first time in 2021/22. Whilst the public sector target officially ended on 31 March 2022, the council remains committed to achieving this target going forward.
38. At 30 September 2022, there are 80 apprenticeships active across the council (64) and local authority maintained schools (16). This is 50% more than at end of September 2021. In addition, four apprentices successfully completed their End Point Assessments in the past six-months.

39. Since April 2022, six apprentices have or are in the process of joining the council in roles such as Motor Fitter, Bereavement Services, Trainee Accountant, Gas Heating Engineer and Plumber.
40. At the same time, apprenticeships are being used to support skills development within the existing workforce and help fill skills gaps. Within the council, these include higher and technical apprenticeships in Social Work, Senior Leader Degree, Chartered Manager, Solicitor, Civil Engineering and Digital Marketing.
41. Within local authority maintained schools, higher level apprenticeships in Accounting, Coaching, Management and School Business Professional, are helping to develop existing employees. Expressions of Interests have also been approved for new recruits in IT, Property Maintenance and Early Years standards.
42. Since April 2022, 13 Expressions of Interest (EOIs) have been approved by the council's Apprenticeship Task Group (8) and School Apprenticeship Panel (5) for apprenticeship starts within the council and local authority maintained schools.

43. Snapshot: 1 April 2022 – 30 September 2022

Metric	City of York Council	Local Authority Maintained Schools	Total
# Expressions of Interest Received	8	5	13
# Expressions of Interest Approved	8	5	13
# New apprenticeship starts (existing staff and new apprentice recruits)	6	2	8
# New apprenticeship starts pending (existing staff and new apprentice recruits)	11	1	12
# New apprentices recruited or transferring into organisation (included in above figures)	5	0	5
Examples of apprenticeships and level (L) approved/being undertaken			
City of York Council	Level 2: General Welder, Plasterer, Carpentry and Joinery. Level 3: Gas Engineering Operative, Business Administration, Team Leader, Data Technician, HR Support, Civil Engineering Technician, Installation Electrician, Heavy Vehicle Service and Maintenance		

	<p>Level 4: Children, Young People and Families Practitioner, Data Analyst, Associate Project Manager, Construction Management, Professional Accounting.</p> <p>Level 5: Leader in Adult Care.</p> <p>Level 6: Chartered Manager (degree), Civil Engineer (degree), Digital Marketer (integrated degree), Public Health Practitioner (integrated degree), Social Worker (integrated degree)</p> <p>Level 7: Chartered Town Planner, Senior Leader, Solicitor</p>
Local Authority Maintained Schools	<p>Level 2: Property Maintenance</p> <p>Level 3: Business Administrator, Teaching Assistant, Early Years Educator, Information Communications Technician</p> <p>Level 4: Assessor Coach, School Business Professional</p> <p>Level 5: Departmental Manager</p> <p>Level 6: Chartered Manager Degree Apprenticeship</p>

44. In any given period, there will likely be a difference in the number of EOIs received, EOIs approved, apprenticeship starts, and apprenticeship starts pending. Reasons for the variance in the numbers above include:
- EOIs submitted towards the end of one reporting period (e.g. in late March 2022) have been approved within the next reporting period;
 - Existing employees completing functional skills qualifications ahead of their apprenticeship starting – EOIs approved but apprenticeship not yet started;
 - Apprenticeship is part of a cohort that hasn't yet started – those with known future start dates are reflected in 'new apprenticeship starts pending' figures;
 - Managers are being supported to progress procurement of the training provider and/or recruit candidates for approved EOIs – some EOIs have only recently been approved and others may have had low levels of applications so will be advertised more than once.
45. Support for the existing 64 council and 16 school apprentices continues. Internal communications and workforce development planning is also helping to identify where apprenticeship training can further support colleague development and organisational plans.

Apprenticeship Levy

46. The Apprenticeship Levy is the apprenticeship funding system that took effect from April 2017. Businesses with an annual wage bill of more than £3m are required to set aside 0.5% of their monthly payroll for apprenticeship training – this is known as the Apprenticeship Levy.
47. Funds are credited to the business' online digital 'levy account' called the Apprenticeship Service Account (ASA) monthly. These credits are topped up with an additional 10% from the Government.
48. Levy funds are accrued on a monthly basis, with any unallocated monies being returned to Central Government ("expiring") on a rolling 24-month cycle e.g. if not all funds set aside in April 2017 had been allocated by April 2019 the unused amount expired.
49. Funds in the digital account can only be used to pay for training and assessment for apprenticeship standards, and for new apprenticeship starts (new or existing employees). They cannot be used for wages or other associated costs.
50. As of 30 September 2022, the City of York Council Apprenticeship Service Account (which also includes contributions from local authority maintained schools) stood at £993,997. As funds for ongoing apprenticeships are only deducted on a monthly basis and the earliest credits (i.e. from 24 months ago) are used first, the balance in the ASA is generally composed of the deposits made during the past two years (section 53). Section 57 details how the council is effectively utilising its earliest credits and actively reducing the amount of expiring funds.
51. When considering the account balance, it is important to understand that this figure fluctuates on a regular basis and is affected by:
 - the date that credits enter the account each month
 - the date that unallocated credits expire each month
 - new apprenticeship starts being added to the system. For instance, funding for some of the 13 approved internal expressions of interest (section 42) and external levy transfer expressions of interest won't have been deducted from the digital apprenticeship account
 - when the completion payment ($\leq 20\%$) is claimed by the provider.
52. The account balance also still includes those future contributions that the council has committed to make, whether on behalf of its own employees or through the process of levy transfer.

53. In summary:

City of York Council Apprenticeship Service Account Balance	Payments in	less	Payments out	Not shown in balance
at any given date equals	Monthly credits from CYC levy		Payments for training and assessments made up until today	Future contributions the council has committed to make for active apprenticeships including any that have paused (known as a Break in Learning).
	Government top up (10%)		Unallocated funds from levy credits that entered the account more than 24 months ago	

54. As the levy can only be used to pay for training and assessment for apprenticeship standards, and for new apprenticeship starts, the council remains unlikely to use all the account balance on training its own apprentices. To ensure that more of its levy is used in the local area, the council continues to operate a Levy Transfer Scheme (section 60). This approach is in common with many other public sector levy payers and was endorsed by the Executive Member for Economy and Strategic Planning in November 2020.

55. Since the introduction of the Apprenticeship Levy in 2017, the City of York Council has utilised more than £898,000, supporting apprenticeship training for new and existing employees and, since May 2021, by supporting levy transfers.

56. In the six months since 1 April 2022, £214,620 of levy has been utilised for training costs by the council and via transfer – an increase of around 30% compared with the previous six-month period.

57. The council is working hard to reduce the amount of funds expiring each month. By continuing to value and use apprenticeships within the council and by supporting Small and Medium Enterprises in York via levy transfer, the amount of expired levy funds has reduced to an average of £4,240 per month, between April 2022 and September 2022 (compared with £14,859 per month from October 2021 to March 2022 and £24,107 per month from April 2021 to September 2021).

58. It is important to note that the oldest funds will continue to be utilised first, so outgoing apprenticeship training payments in September 2022 may be utilising credits from as far back as September/October 2020.

59. Whilst the amount of levy in the account and how much expires can fluctuate for several reasons, the overall direction continues to be a decrease in monthly expired funds, aligned with increased take up of apprenticeships within the council, local authority maintained schools and local SMEs.

Apprenticeship Levy Transfer

60. Since the council's Apprenticeship Levy Transfer Scheme was launched in May 2021, circa £194,000 has been committed to support seven businesses and 36 apprenticeships over a maximum of 51 months. Funded apprenticeship standards include, Data Analysis, Adult Care, Lead Practitioner Care, Children, Young People and Families Practitioner, Early Years Educator and Supply Chain Leadership.
61. Two, previously approved, apprenticeship levy transfer requests have now been withdrawn by the receiving employers. One because the apprentice resigned and the other was unable to recruit to the vacancy. These two requests had accounted for £39,000 of committed levy funds.
62. The council remains committed to transferring any of its unallocated annual apprenticeship levy funds, up to a maximum of 20% of the annual amount accrued, to local employers to support inclusive growth in the city.
63. The Skills, HR and Economic Development teams continue to promote the council's levy transfer offer through provider and employer networks and directly to businesses. At its monthly meetings, the Apprenticeship Task Group considers the status of the council's levy funds alongside any outstanding EOIs and DfE or ESFA updates, before agreeing a targeted approach to solicit applications.
64. During the past six months, most requests have been to support roles in adult health and social care. However, the council is keen to remind businesses, from all sectors in York, of the support available through both the impartial Apprenticeship Hub and the Levy Transfer Scheme.

Council Plan

65. The Council Plan identifies eight priorities, three of which are relevant:
- Well-paid and an inclusive economy;
 - A better start for children and young people;
 - An open and effective council.

Implications

66. The following implications have been considered:

- **Financial** – the report includes financial implications throughout including the continued use of the council’s apprenticeship levy funds, which are held by central government.
- **Human Resources (HR)** – no implications;
- **One Planet Council / Equalities** – EIA completed
- **Legal** – where apprenticeships are offered within CYC, a contract will be entered into between the Council and the appropriate training provider incorporating the requirements of ESFA’s funding rules. A template contract has been prepared and is frequently reviewed, however Legal Services should be consulted in the event that providers request amendments or ask for alternative terms and conditions to be used.
- **Crime and Disorder** – no implications;
- **Information Technology (IT)** – no implications;
- **Property** – no implications.

Risk Management

67. None specifically associated with the recommendation within this paper. However, the continued take up of apprenticeships within the council and effective delivery against the levy-transfer strategy are fundamental in utilising the council’s apprenticeship levy funds locally.

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Report
Approved



Date 28 October 2022

Wards Affected: [List wards or tick box to indicate all]

All

For further information please contact the author of the report

Background Papers:

None

Annexes

None

List of Abbreviations Used in this Report

AELP – Association of Employment and Learning Providers
ASA – Apprenticeship Service Account
ASK – Apprenticeship Knowledge for Schools and Colleges
BIL – Break in Learning
DfE – Department for Education
EOI – Expression of Interest
ESFA – Education and Skills Funding Agency
FE – Further Education
NYBEP – North Yorkshire Business and Education Partnership
SME – Small or Medium sized Enterprise
YAO – York Apprenticeship Offer