

Report of the Assistant Director – Legal & Governance

## **Apprenticeship and Skills – Scoping Report for Possible Scrutiny Review**

### **Summary**

1. This report provides a suggested scope for the Committee’s scrutiny of apprenticeships and skills in York and if a review is agreed to consider a remit and methodology for completing the review work.

### **Background**

2. At a meeting of this Committee in October 2019 Members received an update report on High Value Employment, Apprenticeships and Skills as part of ongoing discussions to develop the Committee’s work programme. To help the Committee agree its priorities, representatives from City of York Council’s Skills Team, York University, York College and York St John University took part in round table discussions to advise and inform Members.
3. As a result of these discussions the Committee agreed it wanted to take forward the apprenticeship topic for possible review and asked for a scoping report for this meeting.
4. Apprenticeships and the higher skills they bring continue to be an asset to York’s economy, but the number of people starting apprenticeships is in decline across the Leeds City Region (LCR).
5. Across the LCR there were 25,300 apprenticeship starts during the 2017/18 academic year, a fall of 7,900 (24%) from the 33,140 starts in 2016/17. This follows a 5% decline the previous year. York’s decline in 2017/18 was 20%.
6. In York, 1,150 apprentices started in the 2017/18 academic year, down from 1,720 in 2015/16. The 2017/18 intake comprised 350 under 19 year

olds; 340 19-24 year olds and 460 over 25 year olds. This fall is significant because it is undermining the role of high-skills educational courses outside of university which puts more pressure on universities to deliver the skills that apprenticeships may be better able to provide. The figures for 2018/19 will be available in early December.

7. York St John University does offer degree-level apprenticeships in Business, Medical Science and Data Science which suggests that the growth of universities' intake may not be a factor in the decline of apprenticeships. Indeed, the University of York is also in the process of recruiting apprentices due to its enrolment in the Apprenticeship Levy.

### **Apprenticeship Levy**

8. The Apprenticeship Levy is paid by employers with annual pay bills in excess of £3 million and there are around 50 such companies headquartered in York.
9. The levy is used to fund apprenticeship training and assessment. Levy-paying employers can transfer up to 25% of their contribution to support apprenticeships in other organisations (levy or non-levy, large or small). If levy payments are not used within two years they are returned to central government.
10. The Committee's October meeting noted that some employers found it difficult to utilise their levy while small and medium sized enterprises (SMEs) found it difficult to access higher and degree level apprenticeships. However, the Education & Skills Funding Agency has announced that this will be changing over the next 12 months (phase one Jan-March 2020) so both levy and non-levy paying employers will be able to access the training provider and apprenticeship training provision they wish.

### **Suggested Aim and Objectives**

11. To identify cost effective ways to encourage an increase in the number of apprenticeship starts in York.

<b>Objective</b>	<b>Method</b>	<b>Deadline</b>
To evaluate the current number of levy payers in York based on best available knowledge so	The Chair to write to companies on behalf of the Committee seeking this information	TBC

as to assess the value of funds potentially available.		
To understand the current apprenticeship training provision, the potential in York and the current spend	Consider what current training providers currently deliver in York in terms of the courses they support and the level of training available along with consultations with training providers, educational establishments and City of York Council	TBC
To understand the demand and perceived barriers from companies who might want to offer apprenticeships	A questionnaire is sent to both SMEs and larger employers, seeking their views.	TBC
To understand best practices with regard to the transfer of the apprenticeship levy.	Gather information from authorities such as Leeds City Region and Greater Manchester on how they are trying to encourage levy-paying businesses to make the most of unspent levy funds.	TBC

## Consultation

12. This Committee has already consulted with representatives from City of York Council's Skills Team, York University, York College and York St John University and there will need to be further consultations with businesses, education establishments, training providers and other local authorities if a review is agreed.

## Options

13. Members can decide to:
- i. Agree to carry out a scrutiny review into Apprenticeships and Skills, agree a remit for the review and appoint a Task Group to carry out this work on the Committee's behalf, or
  - ii. Agree not to carry out a scrutiny review into Apprenticeships and Skills in view of the Committee's other priorities.

## **Analysis**

14. There is no analysis as this report is for information only.

## **Council Plan 2019-23**

15. This report is linked to several priorities in the Council Plan, particularly Well-Paid Jobs and an Inclusive Economy; A Better Start for Children and Young People and An Open and Effective Council.

## **Implications**

16. There are no known implications associated with this report. Should the Committee agree to carry out a review any implications arising from the final review recommendations will be addressed accordingly.

## **Risk Management**

17. There are no known risks arising from the recommendation in this report as it is presented for information only.

## **Recommendations**

18. Having considered the information provided within this report, and at the October meeting of the Committee, Members are asked to agree whether or not to proceed with a review.
19. Should a decision be taken to proceed the Committee are recommended to:
  - i. Set up a Task Group to carry out the work on the Committee's behalf
  - ii. Agree the review remit as suggested above in paragraph 11
  - iii. Agree a timeframe for the completion of the review

Reason: To ensure compliance with scrutiny procedures, protocols and work plans.

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Wards Affected:

All

For further information please contact the author of the report