
**Decision Session – Executive Member for
Economy and Strategic Planning**

26 April 2022

Report of the Assistant Director, Education and Skills

Apprenticeships Update

Summary

1. Apprenticeships, alongside a number of other training and development schemes, continue 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 throughout the pandemic and targeted activities by the Council's Skills and HR teams have helped to sustain the take up of apprenticeships in York. National data* for 2020/21 shows that, despite the challenges associated with a full year of varying Covid-19 restrictions (affecting residents, businesses and education providers), there was a 3% increase in the number of new apprenticeships started by York residents, compared with 2019/2020.
3. The published data for the first two quarters of 2021/22 is also encouraging, with 730 new apprenticeships having been started by York residents in the six months to 31 January 2022. This equates to 72% of York's starts in the previous full year and brings the total number of apprenticeships being undertaken to 2,080 (Q2 2021/22).
4. The council's own apprenticeship and levy transfer strategies continue to support local recovery. As of 31 March, there are 79 active apprentices within the council and Local Authority Maintained schools, compared with 53 at 30 September 2021. Since the council's levy transfer scheme was launched in May 2021, funding has also been approved for the training of 27 apprentices (nine in the past six months), committing £160,000 of support to nine local businesses over a maximum of 51 months.
5. 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 50% more (levy funds) on apprenticeship training during October 2021 – March 2022 than during the previous 6 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/government/collections/apprenticeships-and-traineeships)

6. 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 expired funds each month, aligned with an increased take up of apprenticeships within the council, Local Authority Maintained schools and local SMEs
7. The Skills Team has also sustained the profile of the council's impartial Apprenticeship Hub service. Support includes free advertising for recruiting employers via a weekly e-newsletter (over 500 young people, parents and advisers on the mailing list) and guiding individuals towards circa 180 apprenticeship vacancies, within a 15-mile radius of York, each week.
8. The team also develops communications, resources and events. For National Apprenticeship Week 2022, the York Hub delivered a successful social media campaign reaching around 12,900 people, and the team partnered with the York and North Yorkshire Hub to develop the regional 'Build the Future' Apprenticeship Fair at York Racecourse (section 26).
9. The Skills Team continues to work with secondary schools, colleges and other partners to promote apprenticeship opportunities and connect those who may decide to leave full time education with appropriate vacancies, including opportunities within the council. Targeted activity has included Apprenticeship Taster Days for Year 11 students and a citywide Apprenticeship Recruitment Event at York High School to support those planning their next step (from summer 2022).
10. Of York's new apprenticeship starts since August 2021, 210 have been by young people aged 16-18. This is particularly positive as it equates to 95% of the previous full-year figure (2020/21) for this age group and suggests that targeted school activity (sections 17 and 27-30) during the previous and current academic years is supporting recovery.

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

11. The Executive Member is asked to:

- Note the content of this report.

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.

- Agree the updated framework through which local employers can apply to receive a transfer of the council's unallocated levy funds to support new apprenticeship starts within their organisation.

Reason: To support inclusive growth by aligning the framework with the priorities set out in York's 10-Year Skills Strategy.

Background

12. Following his approval of the City of York Council's Apprenticeship Levy Transfer Strategy in November 2020, the Executive Member for Economy and Strategic Planning receives apprenticeship updates on a six-monthly basis. This particular report updates the Executive Member on apprenticeship activity in York from 1 October 2021 to 31 March 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

It also proposes an updated framework through which local employers can apply to receive a transfer of the council's unallocated levy funds to support new apprenticeship starts within their organisation.

Apprenticeships in York

13. Despite the enhanced employer incentives (for hiring a new apprentice) ending on 31 January 2022, the recovery seen in the apprenticeship market during the second half of 2021 has been sustained into early 2022. From the low of 20 per week at the start of the pandemic (March 2020), there are now around 180-200 apprenticeship vacancies (across 160-180 adverts) listed within a 15 mile radius of York each week.

14. The majority of advertised apprenticeship vacancies have been at Advanced Level 3, offering opportunities in York's key and growth sectors including, biotechnology and life sciences, digital, early years, engineering, health (including dental), manufacturing and transport.
15. Encouragingly, in March 2022 around 40% of the apprenticeship vacancies on offer were at Intermediate Level 2 and in a range of key sectors in York - offering important entry-level roles into hospitality, health (including pharmacy), adult social care, construction, early years and manufacturing.
16. In accordance with the national picture, some of these sectors have continued to report an insufficient supply of applicants for current apprenticeship vacancies. The reasons for this vary between sectors and across apprenticeship levels but feedback from individuals, employers and training providers (local and national) suggests:
 - A continued perception that career pathways within key sectors impacted by lockdowns (linked to the pandemic) are less secure;
 - The buoyancy of the local job market may make a job without training but higher salary more attractive than an apprenticeship;
 - Fewer young people in York took the apprenticeship route in 2019/20 and 2020/21 (220 per year compared with 320 in 2018/19), choosing to remain in Further or Higher Education.
17. In relation to the latter, the Skills Team actively works with schools, colleges, training providers and other partners to raise awareness of apprenticeships with young people, particularly those in Years 11 and 13 looking to start an apprenticeship upon leaving Secondary or Further Education. Simultaneously, the council's Apprenticeship Hub supports York employers to promote upcoming vacancies to these cohorts (sections 23-30).
18. Targeted activity throughout 2021 has helped to encourage the take up of apprenticeships by young people; with 210 York residents aged 16-18 having started an apprenticeship in just the first six months of 2021/22.
19. Encouragingly, in the first two quarters of 2021/22 there appears to have been a good spread of apprenticeship starts across the three levels - Intermediate (210), Advanced (310) and Higher (210). 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. However, the data does show that more than 60% of the Higher (levels 4-7) apprenticeships started in Q1 and Q2 2021/22 were by people aged 25 or older. This, alongside the low number of Higher (including Degree) apprenticeships advertised each week (circa 10) seems to suggest that the majority of higher-level apprenticeships in York continue to be undertaken by existing employees. This is important as the 22% increase in the take up of Higher apprenticeships in 2020/21 (compared with 2019/20) contributed significantly to the overall growth (3%) in apprenticeships starts in York for the same year.
21. 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

22. Through the impartial Apprenticeship Hub, the Skills Team continues to support individuals, businesses and training providers in York to make the most of apprenticeships.
23. The Skills Team provides free advertising for recruiting employers and support for individuals via the hub's weekly e-newsletter (over 500 young people, parents and advisers on the mailing list) and regular Facebook posts (2,330 followers with potential post reach of up to 3,000).
24. Targeted activity around National Apprenticeship Week (7 – 13 February 2022) included a social media campaign comprising 30 posts on Facebook and five on Instagram. Developed around the national '*Build the Future*' daily themes, this activity reached around 7,600 people and generated more than 250 engagements.
25. Case studies of local apprentices, including 11 from within the council, and vacancy adverts proved most popular, reaching more than 5,200 people and leading to almost half of the total engagements.
26. The team also worked in partnership with the regional apprenticeship hub to develop and promote the '*Build the Future*' Apprenticeship Fair at York Racecourse (10 February 2022). The event raised awareness of

apprenticeships and helped to connect more than 300 attendees, of all ages, with 41 exhibitors (51% of which were businesses based in York or North Yorkshire). Both the impartial York Apprenticeship Hub and City of York Council HR Team attended as exhibitors.

27. The team also raises awareness of apprenticeships with young people and schools through the impartial York Apprenticeship Offer. Working in partnership with NYBEP, who manages the national Apprenticeship Knowledge for Schools and Colleges (ASK) contract locally, four in-person events having taken place (since restrictions were removed) this academic year, reaching around 300 students across Years 9, 10 and 11. Requests for in-person activities are increasing and several more inputs have been booked to take place in coming months.
28. The Specialist Learning and Employment Adviser Team, which supports young people with specific identified needs, also provides tailored advice and guidance to those looking towards an apprenticeship pathway.
29. Each January, Year 11 students have the opportunity to attend taster sessions with post-16 providers and/or apprenticeship employers, to help them make an informed choice about their next steps in education or training. This year, the Skills Team worked directly with thirteen local employers to give interested students the opportunity to experience life as an apprentice in their chosen sector.
30. 30 students secured places across nine micro, SME and large organisations in a range of sectors including, early years and childcare, hairdressing, hospitality, estate agency and construction. The latter, which for some students included a tour of the Guildhall refurbishment project, attracted more than half of all attendees. As a direct result of the taster day, one participant has been offered a joinery apprenticeship (to commence once they have completed Year 11) with a local microbusiness, two others have secured work experience at a large construction company and another has interviewed for an early years apprenticeship role.
31. Since 1 October 2021, the Skills and HR teams (Business Engagement Officer was in post to 31 December 2021) have provided impartial advice and support to around 40 businesses including those with an interest in the council's apprenticeship levy transfer scheme (section 55).
32. The team continues to be active within the National Apprenticeship Hub Network, which has expanded to include representatives from eight hubs across England. The group shares best practice and key items discussed at the January and March 2022 meetings included plans for National Apprenticeship Week and UCAS apprenticeship platform and resources.

33. Locally, the York Apprenticeship Provider Network continues to evolve, with more than 30 organisations now regularly represented. A key item at the last quarterly meeting (March 2022) was how the network could support the priorities set out in York's 10-Year Skills Strategy. Partners from Yorkshire Learning Providers and the regional Apprenticeship Hub have also been welcomed into the network and are helping to support local priorities and extend the service provided to York's residents and businesses. Examples include:
- Additional campaigns and events (such as the '*Build the Future*' Apprenticeship Fair) to support the take up of apprenticeships
 - The York hub can work with the regional hub to support York employers to access levy transfer from the wider region (if needed)
 - The York hub can signpost York residents to vacancies available through the regional hub (as appropriate)
 - Specifically commissioned regional resources and insights such as the Yorkshire Apprenticeship Provider Directory and Yorkshire Apprenticeship Gap Analysis.

Apprenticeships at the Council

34. Whilst the financial impact of the pandemic 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 upskilling of the existing workforce.
35. At 31 March 2022, there were 79 apprenticeships active across the council and local authority maintained schools (49% more than September 2021). 35 of these apprenticeships commenced within the last six months, compared to 17 within the six months prior (April – September 2021).
36. Since January 2022, eight apprentices have or are in the process of joining the council in roles such as Civil Engineer, Business Administrator, HR Support, Business Intelligence and Early Years Educator. As reported in other sectors, the council has also experienced a reduction in the number of applicants for apprenticeship vacancies, with key roles in Bereavement Services and Vehicle Maintenance being re-advertised.
37. 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, Solicitors, Welder, Electrician, Leader in Adult Care, Chartered Town Planner and Civil Engineering. In March 2022, an existing apprentice was recruited into the council and is being supported to continue their Level 4 apprenticeship in Construction Management using the council's levy funds.

38. Within Local Authority Maintained Schools, higher apprenticeships in Senior Leadership, Accounting, Coaching, Learning and Skills Teaching and School Business Professional are helping to develop existing employees. Expressions of Interests have also been submitted for new recruits in Teaching Assistant and Early Years Educator standards.

39. Since October 2021, 22 Expressions of Interest (EOIs) have been approved by the council's Apprenticeship Task Group (12) and School Apprenticeship Panel (10) for apprenticeship starts within the council and Local Authority Maintained Schools.

40. Snapshot: 1 October 2021 – 31 March 2022

Metric	City of York Council	Local Authority Maintained Schools	Total
# Expressions of Interest Received	12	7	19
# Expressions of Interest Approved	12	10	22
# New apprenticeship starts (existing staff and new apprentice recruits)	30	5	35
# New apprentices recruited or transferring into organisation (included in above figure)	7	2	9
# New apprenticeship starts pending (existing staff and new apprentice recruits)	8	6	14
Examples of apprenticeships and level (L) approved/being undertaken			
City of York Council	General Welder L2; Plasterer L2; Plumber L3; Electrician L3; Leader in Adult Care L5; Children, Young People and Families Practitioner L4 Data Analyst L4; Associate Project Manager L4; Team Leader Supervisor L3; Business Administrator L3 Senior Leader L7, Civil Engineer L6, Solicitor L7; Chartered Manager Degree L6		
Local Authority Maintained Schools	Admin L3, Teaching Assistant L3, Early Years Educator L3, Assessor Coach L4, School Business Professional L4, Learning & Skills Teacher L5, Departmental Manager L5, Chartered Manager Degree Apprenticeship L6.		

41. 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 September 2021) 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 some new roles have had low levels of applications and have therefore been advertised more than once.
42. Support for the existing 79 council and school apprentices continues and workforce development planning is underway to identify where apprenticeship training can further support organisational plans. However, like other levy-paying organisations and national employer representatives, the council would welcome flexibilities in how levy funds can be utilised. The Executive Member for Economy and Strategic Planning has previously called on the government to make the apprenticeship levy more flexible to support the local upskilling, reskilling and job-creation needed to support an inclusive economy.

Apprenticeship Levy

43. 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.
44. Funds are credited to the business' online digital 'levy account' called the Apprenticeship Service Account (ASA) on a monthly basis. These credits are topped up with an additional 10% from the Government.
45. Levy funds are accrued on a monthly basis, with any unallocated monies being returned to Central Government ("clawed back") 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 was 'clawed back'.

46. 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.
47. As of 31 March 2022, the City of York Council Apprenticeship Service Account stood at £979,642 (compared with £988,833 at 1 October 2021). When considering this figure, it is important to understand that the account balance 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 22 approved internal expressions of interest (section 39) 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.
48. Also, funds for ongoing apprenticeships are only deducted on a monthly basis and the earliest credits are used first. This means that the account balance 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.

49. 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	

50. 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 of the account balance on training its own apprentices. In order to ensure that more of its levy is used in the local area, the council continues to operate a Levy Transfer Scheme. This approach is in common with many other public sector levy payers and was endorsed by the Executive Member for Economy and Strategic Planning at his decision session in November 2020.

51. Since the introduction of the Apprenticeship Levy in 2017, the City of York Council has utilised £683,591 supporting apprenticeship training for new and existing employees and, since May 2021, by supporting levy transfers. In the six months since 1 October 2021, £163,953 of levy has been utilised - an increase of around 50% compared with the previous six-month period.
52. 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 for the period, October 2021 to March 2022, has reduced to an average of £14,859 per month (compared with £24,107 per month, April 2021 to September 2021).
53. In the 16 months from 1 August 2019 to 30 November 2020, £473,605 expired from the levy account (circa 60% of the total to date). In the 16 months following the endorsement of the levy transfer strategy (November 2020) and introduction of dedicated HR Apprenticeship Team, £328,796 has expired. It is important to note that the oldest funds will continue to be utilised first, so apprenticeships funded in March 2022 may be utilising credits from as far back as March/April 2020.
54. 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 monthly expired funds, aligned with increased take up of apprenticeships within the council, Local Authority Maintained schools and local SMEs.

Apprenticeship Levy Transfer Criteria

55. The council's Apprenticeship Levy Transfer Scheme was launched late May 2021 and to financial year end (March 2022), circa £160,000 has been committed to support nine businesses and 27 apprenticeships over a maximum of 51 months. Funded apprenticeship standards include, Data Analysis, Adult Care, Lead Practitioner Care, Children, Young People and Families Practitioner, Chartered Manager and Early Years Educator.
56. 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. At its monthly meetings, the Apprenticeship Task Group considers the status of the council's levy funds alongside any outstanding EOIs and ESFA updates, before agreeing the approach to solicit more applications.

57. Reflecting on the requests from businesses since the service was launched in May 2021, employers value the flexibility of being able to apply for a transfer of levy funds at the right time in their business planning cycle. Therefore, the approach has evolved from initially accepting applications during a specified period of time (window) to only closing the application window once the funding limit has been reached for that financial year.
58. However, the council continues to target its marketing activity to encourage the take up of apprenticeship levy transfers at certain times. For instance, spring is a key period for promoting the council's levy transfer service – not just because it's the start of the new financial year but employers looking to hire new apprentices or enrol existing employees on apprenticeship training for September should start to put plans in place.
59. The Apprenticeship Task Group therefore feels it is time to review the framework through which employers can apply for a transfer of the council's unallocated levy funds. The proposed updated criteria is included at Annex 1. This simplified framework has been aligned with the priorities set out in York's 10-Year Skills Strategy and is designed to support recruitment into key sectors and encourage employers to prioritise higher, technical and green skills as part of their workforce planning.

Council Plan

60. 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

61. 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** – no implications;
 - **Crime and Disorder** – no implications;
 - **Information Technology (IT)** – no implications;
 - **Property** – no implications.

Risk Management

62. 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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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

ANNEX 1 - City of York Council Apprenticeship Levy Transfer Criteria – Revised

List of Abbreviations Used in this Report

ASA – Apprenticeship Service Account

BIL – Break in Learning

EOI – Expression of Interest

ESFA – Education and Skills Funding Agency

NYBEP – North Yorkshire Business and Education Partnership

SME – Small or Medium sized Enterprise