

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

07 February 2023

Report of the Assistant Director, Education and Skills

Apprenticeships Update

Summary

- 1. The citywide efforts to maintain the profile of apprenticeships and targeted activities by the council's Skills and HR teams continue to sustain the take up of apprenticeships in York.
- 2. Public data* for the academic year 2021/22 shows a continued recovery in the local apprenticeship market, with around 15% more starts in York when compared with the previous year, which brought the number of apprenticeships being undertaken by York residents to 2,550.
- 3. In line with the national picture, the number of starts in York has not yet returned to 2018/19 levels (the last full reporting year not affected by the pandemic), but the 2021/22 figure is positive, particularly when compared with the circa 9% increase in starts nationally (2021/22 vs 2020/21). There was an increase in the number of apprenticeship starts across all age groups by York residents in 2021/22, compared with the previous year.
- 4. Targeted activities for schools and students (sections 29 to 36) in York have contributed to the 277 apprenticeship starts by young people (aged 16-18) in 2021/22. This age group saw the biggest increase, of more than 31%, compared with 2020/21 and accounts for nearly 24% of all starts by York residents in 2021/22. Nationally, starts by people aged 16-18 account for around 22% of all starts in the same year.
- 5. 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.
- 6. York's apprenticeship market remains stable, with opportunities available across a range of key and growth sectors and levels including early years, professional services, IT and digital, rail engineering and manufacturing.

- 7. Through the impartial Apprenticeship Hub, the council's Skills Team continues to support individuals, schools, businesses and training providers in York to make the most of apprenticeships. Key activities since October 2022 have included Apprenticeship Taster Days for Year 11 students and partnering with the York and North Yorkshire Apprenticeship Hub and NYBEP to deliver the 'Skills for Life' Apprenticeship Fair at York Racecourse connecting potential apprentices with up to 60 local businesses in key and growth sectors, such as life sciences, hospitality, professional services, manufacturing and construction.
 - 8. Through the York Apprenticeship Offer (YAO), and working with partners such as NYBEP, around 400 York students in years 7 to 13 accessed apprenticeship information events. In addition, the Skills Team supported wider activity, reaching more than 1500 young people, parents and carers.
 - 9. The council's own apprenticeship and levy transfer strategies continue to support local recovery. As of 31 December 2022, there are 81 active apprentices within the council and local authority-maintained schools. In addition, one apprentice successfully completed their End Point Assessment in the past quarter.
 - 10. In line with the national figure, almost two-thirds of the apprenticeship starts by York residents in 2021/22 were supported through Apprenticeship Levy funds (section 45). Increased utilisation of the council's own levy funds (to support its own employees and via levy transfer) has contributed to this, and demonstrates that York residents, and therefore the local economy, are benefitting from access to apprenticeship levy funds.

Recommendation

- 11. The Executive Member is asked to:
- Note the content of the report.
- Continue to champion apprenticeships to support skills development within the council's existing workforce and to recruit new employees.
- Support the continued reporting of Apprenticeship Levy updates on a six-monthly basis.
- 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

- 12. At his decision session in November 2022, the Executive Member for Children, Young People and Education agreed to receive quarterly apprenticeship updates. This report therefore updates the Executive Member on apprenticeship activity in York since 1 October 2022, covering:
- the take up of apprenticeships by York residents for the academic year 2021/2022
- the work of the impartial Apprenticeship Hub and Skills Team
- the 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.
- As proposed in section 51, this paper does not contain financial updates regarding the council's Apprenticeship Service Account (including applications under its Levy Transfer Scheme) as these will continue to be reported on a six-monthly basis.

Apprenticeships in York

- 13. York's apprenticeship market has remained stable throughout this reporting period with an average of 87 apprenticeship adverts listed on the national <u>Find an Apprenticeship</u> website within a 15-mile radius of York.
- 14. Hospitality and Pharmacy roles have been prevalent, particularly at Intermediate level. However, opportunities continue to be available across a range of key and growth sectors and levels, including Intermediate and Advanced apprenticeships in Early Years, Professional Services, IT and Digital, and Higher / Degree apprenticeships in Rail Engineering and Manufacturing.
- 15. Since October 2022, the majority of advertised apprenticeship vacancies (around 57%) have been at Intermediate Level 2, offering important entry-level roles for both young people looking to start their careers and those looking to change career.
- 16. Of the 1,167 apprenticeship starts in York in 2021/22, almost 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 115% of York's total number of starts (1,010) for the previous full-year (August 2020 – July 2021). In comparison, during the same period there was a circa 9% increase in the number of starts nationally.

- 17. 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 <u>Find an Apprenticeship</u> website;
- Apprenticeship starts include apprenticeships being undertaken by new and existing employees the latter are not advertised on the national <u>Find an Apprenticeship</u> website.
- 18. There was an increase in the number of apprenticeship starts across all age groups in 2021/22, when compared with the previous year. Encouragingly, the largest increase, of more than 31%, was by young people aged 16-18, bringing the level of starts by this age group to almost 88% of the number seen in 2018/19 (the last full reporting year not affected by the pandemic). Nationally, there was around a 19% increase in starts by this age group in 2021/22 (vs 2020/21), which helped to bring the overall number of starts nationally by 16–18-year-olds to circa 79% of the comparable 2018/19 national figure.
- 19. 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 29 to 36).
- 20. Starts by York residents aged 19-24 and those aged 25+ increased by more than 15% and 8% respectively, compared with 2020/21. However, the data shows that more than 70% of the Higher (levels 4-7) apprenticeship starts were by people aged 25 or older (compared with circa 67% nationally). 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.
- 21. The 2021/22 data corroborates this, with around 67% of Higher level starts by York residents (across all age groups) being undertaken by employees with more than 6 months' service (compared with circa 61% nationally). For context, Higher apprenticeships accounted for fewer

than 30% of all starts by York residents (aligned with circa 30% nationally).

- 22. Almost two-thirds (65%) of the apprenticeship starts by York residents in 2021/22, are supported through Apprenticeship Levy funds (section 45). This aligns with the national picture for the same year (circa 65%). As well as working for and/or utilising levy from York businesses, some York residents may have their apprenticeship training funded by regional or national levy-paying organisations. This figure demonstrates that York residents, and therefore the local economy, are benefitting from access to apprenticeship levy funds.
- 23. It is therefore important that the council continues to support employers, through its impartial Apprenticeship Hub and own 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, schools, businesses and training providers in York to make the most of apprenticeships.
- 25. In the quarter ending 31 December 2022, the Hub provided impartial advice and direct support to eight businesses including those with an interest in the council's apprenticeship levy transfer scheme.
- 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. In addition, more than 60 people (25 employers) attended the *Building a Resilient and Agile Workforce event* as part of *York Business Festival*. Delivered by the University of York, with skills partners from across the city (including the council's Skills Team), interactive sessions helped to showcase inclusive employment approaches, including the benefits of apprenticeships and employers engaging with careers programmes.
- 28. Following the Executive Member's Decision Session in November 2022, the council's Skills, and Early Years Quality Improvement and Childcare

Sufficiency teams are working together on plans to jointly engage employers within the Early Years sector. A provider information session was held in January where sector employers learned more about apprenticeships and other skills development programmes.

- 29. 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, helping to deliver a regional Apprenticeship Recruitment Event at York Racecourse (as part of National Apprenticeship Week), and weekly careers updates for school Careers Leaders, including apprenticeship events, resources and opportunities.
- 30. 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 with fourteen local micro, SME and large employers, across a range of key sectors, to offer students the opportunity to experience life as an apprentice in their chosen sector.
- 31.27 students secured places across six organisations in sectors including, hospitality, manufacturing and construction. The latter, which for some students included a visit to the York Central or Duncombe Barracks (Passivhaus build) site, attracted almost three-quarters of all attendees.
- 32. The Skills Team also worked in partnership with the regional Apprenticeship Hub to develop and promote the 'Skills for Life' Apprenticeship Fair at York Racecourse (8 February 2023). The 2022 event raised awareness of apprenticeships and helped to connect more than 300 attendees, of all ages, with a range of exhibitors. At the time of writing more than 50 businesses have registered this year, bringing the total number of exhibitors to 84 (86% of which are businesses or providers based in York or North Yorkshire). The impartial York Apprenticeship Hub, York Learning and City of York Council HR teams attend as exhibitors.
- 33. The team continues to raise awareness of apprenticeships with young people and schools through the impartial York Apprenticeship Offer (YAO). Working in partnership with NYBEP (who hold the national Apprenticeship Support and Knowledge for Schools and Colleges (ASK) and Careers and Enterprise Company contracts locally). Three in person events were delivered between October and December, reaching around

400 students in years 7 to 13. In addition, the team supported wider partnership events that reached 1500-2000 young people, along with their parents or carers.

34. The Specialist Learning and Employment Adviser Team provides tailored advice and guidance to young people with specific identified needs, including those for whom the Local Authority has a corporate parenting role. The HR and Skills teams champion apprenticeship opportunities and the council continues to offer guaranteed interviews for careexperienced or disabled applicants who meet the minimum criteria for the job.

- 35. The Skills Team also works with the national social mobility charity *Career Ready* to run a programme of support for sixth form students. The latest cohort started in November 2022, with 46 students from across the five York sixth forms. This programme aims to equip young people with the necessary skills to progress after sixth form. It includes a range of masterclasses, workplace visits, work experience and 1:1 mentoring. Apprenticeships are highlighted as a progression route and support is offered by the impartial Apprenticeship Hub to identify opportunities.
- 36. Weekly email updates are sent to members of the Careers Education Network (CEN). These updates include news, events, resources, local programmes of support, employment/apprenticeship programmes and training. The latest listing of apprenticeship opportunities is also shared.
- 37. The team continues to be active within the national Apprenticeship Hub Network (AHN), which includes representatives from ten organisations across England. During 2023, the AHN hopes to collectively engage stakeholders and develop its role in helping to shape the national picture.
- 38. Locally, the York Apprenticeship Provider (YAP) Group continues to evolve, with more than 40 organisations regularly represented. Key agenda items at the quarterly meeting in December included updates from partners on the Provider Access Legislation (Skills and Post-16 Education Act 2022) and the Government's decision to cease the Traineeship** programme from August 2023.
- 39. **Provider Access Legislation (PALs)** came into effect in January 2023. Nationally, the Careers and Enterprise Company (CEC) is working with DfE to ensure that secondary schools provide, as a minimum, six encounters with approved providers of apprenticeships and technical education for their students. This is to ensure that they are engaging with different types of providers, so that all academic and vocational options can be explained and explored equally.
- 40. Ofsted has updated its school inspection handbook to strengthen the focus on careers guidance, including clarification that inspectors will always report where a school falls short of the requirements of the legislation. Locally, 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.
- 41. In January, DfE issued statutory '*Careers guidance and access for education and training providers*', and the local Careers Hub held two training sessions for schools to provide support. Throughout 2023, PALs

will also be a standing agenda item for meetings of the York CEN and YAP Group, with updates being shared as they become available.

- 42. **Traineeships** in December, the Government announced it will integrate the Traineeship programme into 16-19 study programme and adult education provision from 1 August 2023.*** The decision has been attributed to the relatively low number of Traineeship starts during the past 10 years.
- 43. Whilst the number of Traineeship vacancies advertised each week within a 15-mile radius of York have been consistently low (single figures), they have been considered an important pathway for young people (aged 16-24 or 25 with and education, health and care plan) who need support to transition into employment.
- 44. This was identified as a cause for concern at the December YAP group, and work is underway to understand the impact on individual providers who currently serve York. Further detail will be included in the next update.

Apprenticeship Levy

- 45. 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.
- 46. Funds are credited monthly to the business' online digital 'levy account', called the Apprenticeship Service Account (ASA). These credits are topped up with an additional 10% from the Government.
- 47. 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.
- 48. As funds in the ASA can only be used to pay for the training and assessment for approved apprenticeship standards, the council remains unlikely to use all its levy funds on training its own apprentices (new or existing employees). To ensure that more of its levy is used in the local area, the council operates 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 in November 2020.
- 49. As reported in previous apprenticeship updates, the balance of the digital account and how much levy expires can fluctuate on a regular basis and

is affected by activities such as, adding new apprenticeship starts to the system or when the completion payment (of up to 20% of the overall training cost) is claimed by the training provider.

- 50. Since the introduction of the Levy Transfer Scheme and a dedicated HR Apprenticeship Team, the average amount of expired levy per month, taken across two reporting periods (April to September and October to March), has been used as a key performance indicator. This has shown that the overall direction has been a decrease in monthly expired levy funds, aligned with increased take up of apprenticeships within the council, local authority-maintained schools and local SMEs.
- 51. Therefore, to support consistent and meaningful reporting, it is proposed that the Executive Member for Children, Young People and Education continues to receive financial updates regarding the council's ASA, including applications under its Levy Transfer Scheme, on a six-monthly basis.

Apprenticeships at the Council

- 52. 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.
- 53. At 31 December 2022, there were 81 apprenticeships active across the council (66) and local authority maintained schools (15). In addition, one apprentice successfully completed their End Point Assessment.
- 54. Since 1 October 2022, three apprentices have or are in the process of joining the council. Roles include Governor Services (Education), Trainee Accountant, and Apprentice Civil Engineering Technician.
- 55. 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, Project Management and Digital Marketing.
- 56. Within local authority-maintained schools, higher level apprenticeships in Accounting, Coaching, Management, and School Business Professional, are helping to develop existing employees. Vacancies have also been approved for new recruits in IT and Early Years standards.

57. Since October 2022, 11 Expressions of Interest (EOIs) have been approved by the council's Apprenticeship Task Group for apprenticeship starts. School apprenticeship activity tends to align with the academic calendar and therefore, it is not surprising that this three-month reporting period highlights that (see table below).

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

Snapshot: 31 October 2022 – 31 December 2022

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

- 58. 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 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.

59. Support for the existing 66 council and 15 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. The HR Apprenticeship Team held drop-in sessions at both council offices during November, directly engaging with 12 colleagues interested in apprenticeships.

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 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

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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Report

Date 27 January 2023

Approved

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

 \checkmark All

For further information please contact the author of the report

Background Papers:

None

Annexes

None

List of Abbreviations Used in this Report

- AHN Apprenticeship Hub Network
- ASA Apprenticeship Service Account
- ASK Apprenticeship Support and Knowledge for Schools and Colleges
- **CEN Careers Education Network**
- DfE Department for Education
- EOI Expression of Interest
- ESFA Education and Skills Funding Agency
- NYBEP North Yorkshire Business and Education Partnership
- SME Small or Medium sized Enterprise
- YAO York Apprenticeship Offer
- YAP York Apprenticeship Provider Group