

**City of York YorOK Board
16 January 2012**

AGENDA ITEM 8

TITLE: Apprenticeship Developments in York and Programmes Supporting Young People 16-24 into Work

This item relates to the following: (please state)

- CYPF Priorities / Outcome/s:
- Performance Indicators:

1. Summary:

This paper provides an update on apprenticeship development and support for youth unemployment and participation for 16-24 year olds in York.

1.1 Strategic Context

1.1.1 Government funding, structures, statutory legislation and systems for supporting young people aged 16-24 cut across different Government Departments¹ and the age boundaries of 16-18 and 19-24. This subsequently impacts on how Local Authorities, in partnership with other stakeholders, deal with priorities and activity at a local level. Details in this report need to be considered within this strategic context.

1.1.2 **Raising Participation Age - 16-18 year olds.** The Education and Skills Act (2008) places a duty on all young people to participate in education or training until their 18th birthday (or until they achieve a Level 3 qualification). The legislation raises the participation age in two stages, to the end of the academic year in which a young person turns 17 from 2013 and until their 18th birthday from 2015. This does not mean young people must stay in school; they will be able to choose one of the following options:

- full-time education, such as school, college or home education
- an Apprenticeship
- full-time work (or volunteering) with part-time education or

¹ Department for Education (DfE); Department for Work and Pensions (DWP); Business, Innovation and Skills (BIS)

training alongside

1.1.3 **Local authorities** have the **statutory responsibility** to secure education and training in their areas for these **young people aged 16-18** (and up to age 25 for young people subject to a learning difficulty assessment), promote the effective participation in education or training of these young people and make arrangements to identify those not participating.

1.1.4 **In York – the 14-19 Education Team** (John Thompson, Principal Adviser 14-19) lead on this statutory responsibility, working with partners to develop appropriate high quality learning provision through an agreed Local Area Statement of Need (LASN). The LASN also takes account of Council Plan priorities.

1.1.5 **In terms of 19-24 year olds**, Learning City facilitates meetings to bring together key funding agencies (JCP and SFA) with local delivery partners to review Employability and Economic Inclusion priorities and provision for adult residents (19+) who are not in employment. Whilst these meetings have not specifically focused on 19-24 year olds, they have helped to shape and align provision and access funding to support target priority groups and communities e.g.: Job Connect Clifton and working with the GP Health Centre to support adults with mental health issues back into work (£52k). Where priorities, activity or provision cuts across an age range e.g.: Apprenticeships, LCY provides support to the 14-19 Team to ensure that these artificial age boundaries do not impede the city's place-shaping and economic development role of education beyond 19.

1.2 Apprenticeships

1.2.1 Whilst **Apprenticeship starts for 16-18 year olds** have risen in the last 3 years – participation rates with this age group (8.7%) remain well below both the regional rate (14.1%) and that of neighbouring areas (e.g.: East Riding: 15%). Apprenticeship starts and in-learning workforce development for **19-24 year olds** is far higher.

1.2.2 The **employer penetration rate** (October 2011) of 9.5% for new Apprenticeship starts (all ages) and 13.4% of employers

with Apprentices (all ages) in training is higher than both the national and Leeds City Region (LCR) averages and the 5th highest of the 11 Local Authorities in LCR. In order to meet the average targets for LCR of 14% of employers recruiting an apprentice and 20% of employers with apprentices in training by 2016, further work will be required in York to build on recent successful campaigns / activity.

1.3 Young People 18-24 Unemployed and 16-18 NEET

1.3.1 In terms of young people aged 18-24 on out-of-work benefits (3.4%) and those aged 16-18 identified as NEET (5.7%), these figures are significantly lower than both regional and national averages and whilst currently stable, they are not shifting downwards.

1.4 Autumn Statement 2011 – £940 mn Youth Contract Programme for 16-24 year olds

1.4.1 **In terms of unemployed 18-24 year olds** - opportunities include job subsidies for employers, incentives to small businesses to take on apprenticeships, work experience placements and career interviews. Much of this will be administered by DWP's Work Programme Prime Contractors. In York these Contractors are G4S and In-Training.

1.4.2 **In terms of 16-18 year olds** – funding over the next two years will support work experience as part of post-16 learning (through contracts already held by providers); and the small business incentives to take on apprenticeships should also benefit this age range.

1.4.3 It is unlikely that these short-term funding pots will have a significant impact for York, by the time 'allocations' are awarded at a local level.

2. Main body of the report

- Apprenticeships in York - Current Performance, Programmes and Initiatives (See Appendix 1- p4)
- York Young People (18-24) on Out-of-Work Benefits; NEET (16-18 year olds) and Raising Participation Age (16-18) – current situation, programmes & initiatives (See Appendix 2 – p7)

- £940m national Youth Contract Programme (support for 18-24 year olds) (see Appendix 3 – p10)

3. Recommendations

- In light of Youth Contract Programme funding announcements and the recent launch of the **National Participation Strategy for 16–24 year olds**, which will continue to cut across different funding structures, Government Departments and age boundaries, the Council would benefit from reviewing how it strategically co-ordinates and aligns developments both internally (across different Directorates) as well as with external partners in order to maximise the benefit for local residents (16-24) and employers.
- The Council will need to continue to work closely with NAS, YPLA, DWP, JCP, SFA, ESF and Prime Contractors to link these new initiatives to local delivery structures, including Future Prospects, Castlegate, Young People’s Services, All Age Careers Service, schools, colleges and training providers to share and improve labour market intelligence and to effectively plan provision, develop joint ways of working and monitor impact across the city.

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Appendix 1

Apprenticeships in York - Current Performance, Programmes and Initiatives

1. Performance

- 1.1 **The number of apprenticeship starts** for all ages reported in York at October 2011 was 1,445, representing a 52.6% increase on figures for 2009/10. This breaks down as 593

starts (41%) for those aged 25+, 555 (38.5%) for 19-24 year olds and 297 (20.5%) for 16-18 year olds. The most significant rise in starts has been amongst the over-25s, due in part to changes in funding for workforce development.

- 1.2 The number of **16-18 year olds** starting apprenticeships has increased from 270 in 2008/09, to 301 in 2009/10 and 302 in 2010/11. The target for 2011/12 is 320 and the current total is running at 297 (as at the end of October). Success rates are well above national regional averages, however, the participation rate for 16-18 year olds (8.7%) remains well below the regional rate (14.1%) and that of neighbouring areas (East Riding : 15%; Leeds : 9.3%).
- 1.3 The number of **19-24 year olds** starting apprenticeships as at October 2011 was 555 (38% of all starts). Whilst some of these will have supported young people back into work, the majority of these 'starts' will be existing employees benefiting from the employers investment in workforce development in partnership with a Government funded training provider.
- 1.4 The **employer penetration rate** (October 2011) of 9.5% for new Apprenticeship starts (all ages) and 13.4% of employers with apprentices in training (all ages) is higher than both the national and Leeds City Region averages (6% and 9% respectively for starts; 9% and 12.8% for Apprentices in training). York currently has the 5th highest penetration rate of the 11 Local Authorities in Leeds City Region. In order to meet the average targets for LCR of 14% of employers recruiting an apprentice and 20% of employers with apprentices in training by 2016, further work will be required in York to build on recent successful campaigns / activity.
- 1.5 In terms of **Apprenticeship providers** - there are currently around 60 different providers that deliver Apprenticeships (to all ages) in York, albeit many only deliver to single figures. In terms of 16-18 year olds, 30% of new starts (90) this year have been delivered by York College.

2. Local Developments & Initiatives

- 2.1 **City-wide strategic developments** for 16-19 and adults 19+, are currently planned through the Apprenticeship Starts

& Development Group (Chaired by Gary Robinson, 14-19 Team) and includes reps from National Apprenticeship Service (NAS), Young People's Services, Economic Development (Learning City York). Apprenticeships feature in the Local Area Statement of Need for 16-19 provision as a priority under "Learner Choice and Sustainability", as well as the new Economic Strategy, the City Strategy and Learning City Strategy.

- 2.2 **City-wide joint activities** with other partners to deliver strategic priorities, raise awareness and promote apprenticeships to both businesses and learners are currently planned and implemented through the York Based Providers' Group (which also has attendees from non-York based providers). This group is facilitated by the 14-19 Team, supported by Learning City York and reps include York Training Centre (CYC), whose manager has chaired the local provider network meetings for many years.
- 2.3 **The York Apprenticeship Challenge**, led by the Council's 14-19 Team in partnership with NAS, Learning City York, the council's Marketing and Communications Department and 9 providers including CYC's York Training Centre, was delivered from June to September 2011 to raise awareness with employers and generate commitments to Apprenticeships (16-18 and 19+/adults). It resulted in 89 businesses generating 199 apprenticeship 'starts', 57% of which were new vacancies for 16-24 years old and 43% were training opportunities for existing staff.
- 2.4 **The Council's corporate apprenticeship programme**, launched through the York Apprenticeship Challenge, offered 36 Apprenticeship vacancies across a number of different service arms. This builds on a much smaller number of Apprentices recruited in 2009/10 and CYC's York Training Centre, has worked closely with HR on the recruitment of these Council apprentices and is the provider of choice for the training of the 19 business admin apprentices.
- 2.5 **York Apprenticeship Graduation at The Minster** – this new initiative aimed to provide a high profile ceremony, as part of York Business Week (November), to celebrate the achievements of York residents (of all ages) that had

completed an Apprenticeship framework in 2011. Led and co-ordinated by York College, with support from NAS, Economic Development and Nick Eggleton (YBW), sponsorship funding was provided by the College, CYC 14-19, The Guilds and other training providers. Of the 600 'completers', circa 70 attended with their employer and family. It is intended to make this an annual event and embed within an Apprenticeship framework with employers and learners from the start of any new programme.

- 2.6 ESF Skills Support for the Unemployed / Apprenticeship Support to SMEs** – For those aged 18-24 claiming JSA / ESA who want to progress to an Apprenticeship within a SME, the provider can draw down a max £2,500 per individual to pass onto the employer to support the individual with their apprenticeship programme. JHP Group hold the contract in York & NY to deliver this programme (May 2011 – end July 2012).

2.7 Further joint activity planned includes:

2.7.1 14-19 Year Old Learner Activity

- 14-19 Team is working with NAS and the Provider group to develop Advice and Guidance packages on apprenticeship pathways for 14-16 year olds and 16-19 year olds (following successful bid by the 14-19 Team to NAS for funding totalling £13k) to drive up awareness, as well as a specific event to engage with A Level students looking at an alternative progression route to HE and with employers seeking Level 3 Apprentices
- Targeted work with providers on pre-apprenticeship programmes for vulnerable learners e.g. with learning difficulties and disabilities through York Training Centre (CYC) and Blueberry Academy, "Place of Change" re-engagement programme for young people presenting as homeless with York College / CYC Housing Operations Manager
- DfE funded Raising the Participation Age locally led delivery project (£75k) looking at jobs without training and working with employers to convert them to apprenticeships, developing pre-apprenticeship pathways

and raising awareness of the pathway amongst young people, parents and employers

2.7.2 19+ Apprenticeships

- Future Prospects is working with JCP on targeted events to raise awareness of Apprenticeship opportunities amongst adults 19+ who are currently seeking to return to employment, for whom 'jobs with training' is an attractive option

2.7.3 Employer Related Activity

- Learning City York is working with NAS, the Key Employer Account Management framework, the York Future Workforce Forum, providers **and Leeds City Region** to strengthen employer engagement, build a bank of Apprenticeship Ambassadors, identify job opportunities and facilitate better support to businesses to enable them to engage with Apprenticeship programmes as a vehicle for recruiting to new vacancies.
- Exploring new ways to drive up employer penetration rates for Apprenticeships and breaking down barriers for SMEs in particular. This includes investigating the potential need / demand and feasibility of establishing an Apprenticeship Training Association (ATA) - a distinct entity established to recruit and employ apprentices to hire out to employers in support of sustainable apprenticeships with those employers

Appendix 2

York Young People (18-24) on Out-of-Work Benefits NEET (16-18 year olds) and Raising Participation Age (16-18)

1. The Statistics

- 1.1 In October 2011, there were 3,438 Job Seeker Allowance (JSA) claimants of all ages in York. Whilst the claimant rate has increased as a result of the recession (circa 1700 in October 2007) the claimant rate of 2.5% is well below the national average of 3.8%. The overall figures have remained fairly stable for some months.
- 1.2 In terms of young people, there were 1,010 JSA claimants **aged 18-24 years** (29% of claimants) and 297 (5.7%) of young people aged **16-18 years** identified as NEET in October 2011. Both these figures are significantly lower than regional and national averages (JSA Claimants 18-24 nationally is 8.0%) and whilst both figures are currently stable neither are shifting downwards.

(Note: NEET is 5.7% compared to 3.7% in 2010. This is mainly due to the changes to the formula based upon residency resulting in a reduction of approx 900 in the overall cohort of young people age 16-18.)

- 1.3 In October 2011, there were 2352 notified vacancies at Jobcentre Plus (2.2% higher than October 2010). The top 5 notified vacancies were for care assistants; sales reps; sales & retail assistants; postal workers and cleaners. The top 5 sought occupations do **not** include caring and there is excess demand for construction jobs.

2. Support for Unemployed 18-24 year olds

- 2.1 **In terms of 18-24 year old JSA Claimants** - The Government's welfare reforms have included the introduction of a single universal benefit; the introduction of Getting Britain Working Measures delivered by Jobcentre Plus; and the Work Programme commissioned through DWP.

2.2 All new benefit claimants are assessed by Jobcentre Plus advisers who will ensure that support is personalised to meet the needs of the individual. **The Get Britain Working measures** support this by providing:

- Work Clubs - to encourage people to share skills and experience (Future Prospects run 3 across the city for all ages)
- Work Together - a way of developing skills through volunteering
- Work Experience - to give people practical, recognizable experience
- Enterprise Allowance - to encourage people into self-employment through greater support and financial help (25 people of all ages are currently on this programme in York, supported by York & NY Business Advice Centre, Clifton Moor)
- Enterprise Clubs – peer to peer support and semi-structured workshops for those looking at self-employment and starting-up a business (Future Prospects are running a club with the Change Foundation and Business Advice Centre in the city centre; York College have an ESF supported programme for those aged 50+)
- Service Academies – launched summer 2011 - linking work experience with tailored skills training for employment opportunities in specific sectors (none in York at present)
- Mandatory Work Activity – targeted to those who continually fail to demonstrate acceptable job search activity

2.3 At a specific point in their claim, if individuals have not secured employment they will be referred to the **Work Programme**. The referral will depend on the type of claimant and will be at any point from 3 to 12 months of their claim. Work Programme providers in York are G4S and In-Training. They have been given the freedom to develop support based on customer need and will be paid on results with greater rewards linked with those furthest away from the labour market. Delivery commenced at the end of June 2011. The Council has a direct relationship with the two Primes in York through Future Prospects.

- 2.4 The Skills Funding Agency also tenders out a number of ESF funded contracts to specifically tackle unemployment. See 2.2.6 for programmes to support 18-24 year olds.
- 2.5 The Council's employment delivery service Future Prospects also delivers IAG, employability workshops and programmes to support young people back into work, as supported through ESF funded contracts and direct funding from the Council.
- 2.6 At a strategic level, Learning City facilitates meetings to bring together key funding agencies (JCP and SFA) with local delivery partners to review Employability and Economic Inclusion priorities and provision for adult residents (19+) in the city, as set out within the Learning City Strategy. Whilst these meetings have not specifically focused on 18-24 year olds, they have resulted in writing successful bids to support targeted programmes for priority groups to better connect vulnerable adults to job opportunities e.g.: Job Connect Clifton and working with the GP Health Centre to support adults with mental health issues back into work (£52k).

3. Support for NEET (16-18 year olds) – Raising Participation

3.1 In terms of current NEET young people (16-18), strategic priorities to raise participation are set out within the York Local Area Statement of Need 14-19 (and to age 25 for young people subject to a learning difficulty assessment). Developments are then brought together with partners through the NEET Strategy Group (facilitated by CYC's Young People's Services), which includes reps from 14-19, Learning City York, JCP, Future Prospects, York CVS, training providers, NYBEP, YOT, Care Leavers. There are several programmes of support available to support young people in York, including:

- **Step up to Progress** – a short roll-on, roll-off 15 week Level 1 / Level 2 employability programme, delivered by York College three times a year
- **Late Start Social Science AS Level programmes** – November start at York College

- **Entrepreneur Diploma** – a Level 3 programme at York College that starts November, enabling students to plan, set up and run their own business
- **Accelerate** – a 12 week entry level programme delivered at Askham Bryan College in areas such as Horticulture, Outdoor Sports and Animal Care
- **ESF Starting Fresh** (managed by Your Consortium) – provides access to a Job / Learning Mentor and a menu of training opportunities to support progression into employment, Apprenticeships or full-time education, including specific support for young people with learning difficulties and disabilities. York delivery partners are Future Prospects, Emovere, BSD, York College, and Blueberry Academy.
- **Routes to Success** - Foundation courses leading to level 1 qualifications including 42 young people formerly NEET, delivered at CYC's York Training Centre. These include 2 LLDD programmes involving a range of partners to deliver bespoke programmes.
- **Care Leavers** - Positive relationships being formed between the officer responsible for progression of children leaving care and York Training Centre to ensure that work-ready care leavers are catered for by appropriate programmes.
- **Care Leavers – Springboard** (Big Lottery funding, managed by Foundation) will support new programmes and positive progression for care leavers in York, Selby & Ryedale from April 2012 – December 2015. Steering Group reps and delivery partners include CYC Care Leavers team, Learning City, Network 2 (Young People's Services), York Cares
- **Information, Advice, Guidance (IAG) and Support** - Continuous work by Young People's Services (including the outgoing Connexions Service) in schools, colleges, local communities and from Castlegate providing young people under 16 at risk of NEET and those age 16 -19 (and up to 25 if a Care Leaver or young person with LDD) on the NEET register with IAG and support in relation to employment preparation programmes and apprenticeships.

Appendix 3

Autumn Review 2011

New Government Announcements to support Young People (16 – 24) and Employers

1. £940mn Youth Contract Programme (support for 18-24 year olds)

- 1.1 The Autumn Statement (November 2011) builds on measures announced earlier in the month by Vince Cable and Nick Clegg of new funding to help address youth unemployment and to help employers gain the skilled workers they need to grow. This will provide opportunities including job subsidies, apprenticeships and work experience placements to 400,000 unemployed younger adults. **Initiatives for 18-24 year olds** will be administered by DWP's Work Programme Prime Contractors. In York these Contractors are G4S and In-Training.
- 1.2 The Youth Contract programme will see wage subsidies worth £2,275 offered to employers to take on **18 to 24 year olds**. It will be available to all young people claiming JSA for at least 9 months and who are on the Work Programme. Participating employers will be expected to pay at least the minimum wage. Anyone rejecting a subsidised job offer will be required to undertake four weeks' mandatory work activity. The programme will begin April 2012 and aim to get young people into a range of employment sectors.
- 1.3 The investment will also fund a further 250,000 work experience places to be provided over the next three years, adding to the 50,000 places announced so far by the Government. The places will be offered to every **18 to 24 year-old** after three months' unemployment, but before they enter the Work Programme.
- 1.4 An improved careers information portal will be created as part of the National Careers Service from April 2012. As part of the Youth Contract, an additional £4.2 million over three years will be provided so that the service can provide careers interviews for **18–24 year olds** who have been on JSA for three months.

2. Youth Contract Programme - Apprenticeship Specific (16-24 year olds)

- 2.1 To encourage small firms that don't currently hire apprentices to take on a young apprentice **aged 16 to 24**, the Government will offer employers with up to 50 employees an incentive payment of up to £1,500. This will support up to 20,000 new Apprenticeships in 2012/13. An initial payment will be made two months after the individual has started their Apprenticeship; the balance will be paid after the Apprenticeship has been completed and the trainee has progressed into sustainable employment.
- 2.2 Processes will be simplified to make it quicker and easier for employers to take on an apprentice. The NAS and training providers will be required to ensure that every employer is in a position to advertise a vacancy within one month of deciding to take on an apprentice. Health and safety requirements will be streamlined so that there are no additional demands on employers that already meet national standards.
- 2.3 There will be a renewed focus on targeting the programme where Apprenticeships deliver greatest value - including on younger adults, new employees, higher level qualifications and particular sectors where they can make the greatest impact.
- 2.4 Apprenticeship providers will be required to offer training in English and Maths up to the standard of a good GCSE (level 2) for all Apprenticeships.
- 2.5 There will be a further opportunity in 2012 for organisations to bid for funding to extend Higher Apprenticeship provision.

3. Other key points that impact upon young people (16-19 year olds):

- 3.1 The Government will invest £4.5 million over the next two years to support work experience as part of post-16 learning (through contracts held by providers with the YPLA);
- 3.2 Work with the Federation of Small Businesses will review regulation impacting on work experience by the end of 2011

and publish a guide to address common misconceptions about work experience.

Note: In York - led by the 14-19 Team – a review of Work Experience for pre and post-16 learners is taking place with schools, colleges, training providers and relevant agencies, in light of both the Wolf review and recent funding announcements.

4. New Participation Strategy for 16-24 year olds

4.1 In December, the Government will be issuing a Participation Strategy for 16-24 year olds that is intended to align policy and programmes from the 3 departments of DfE, DWP and BIS.

5. Conclusions

5.1 In light of these new funding announcements and the imminent launch of the **National Participation Strategy for 16–24 year olds**, which will continue to cut across different funding structures, Departments and age boundaries, the Council would benefit from reviewing how it strategically co-ordinates and aligns developments both internally (across different Directorates) as well as with external partners in order to maximise the benefit for local residents (16-24) and employers.

5.2 The Council will need to continue to work closely with NAS, YPLA, JCP, SFA, ESF and Prime Contractors to link these new initiatives to local delivery structures, including Future Prospects, Castlegate, Young People's Services, schools, colleges and training providers to share and improve labour market intelligence and to effectively plan provision, develop joint ways of working and monitor impact across the city.