

Delivering change

Making apprenticeships work in cities

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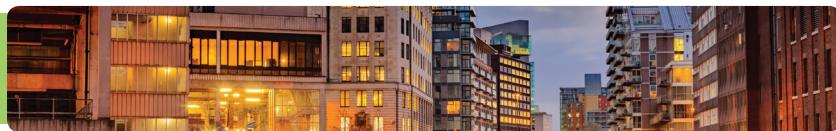
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Executive Summary

Apprenticeships are an increasingly important element of the UK's skills and employment policies. 499,900 people started an apprenticeship in England in 2014/15¹ up from 180,000 in 1995,² and the government has set itself a target of creating 3 million more apprenticeships by 2020.

To achieve this target, the Government has announced a series of major reforms to the apprenticeship system over the next few years.

With nearly two thirds of these new apprenticeships (63 per cent) being started in one of England's 55 biggest cities, cities are going to be crucial for delivering the 2020 target and more importantly for ensuring that these new apprenticeships support the country's future economic success.

For city-based organisations – such as employers, training providers, colleges, schools, local authorities, Chambers of Commerce and Local Enterprise Partnerships (LEPs) – involved in delivering apprenticeships, there are a series of challenges associated with making the apprenticeship programme work.

The report explores how local partners have responded to these challenges and draws out a series of lessons for other places in creating apprenticeships (see Figure 1).

The apprenticeship system is nationally led, and there are things that central Government should do in order to assist local places in making the best of apprenticeships:

- Encourage and support the evaluation of the changing apprenticeship system, particularly the levy, in order to improve understanding of the impact these changes will have on quality and quantity, and awareness and behaviour in different places.
- Provide timely, up-to-date and clear information on the changes in the apprenticeship system in order to help local partners to respond effectively.

¹ BIS (2016) Skills Funding Agency data.

² Mizra-Davies J (2015) Apprenticeship Policy, England prior to 2010. House of Commons Library Briefing Paper Number 07266, 23 July 2015.

Figure 1: Challenges, case studies and lessons for delivering apprenticeships in cities

Challenge	How local partners have responded to the challenge	Lesson
1. Apprenticeships do not meet the skills gaps of local economies	Liverpool Chamber Training: providing training through a Chamber of Commerce Year Up, USA: using local labour market expertise to design training programmes	In order to meet the skills requirements of the city, local partners should use up-to-date labour market information and work in collaboration with local employers to ensure that apprenticeships are meeting current and future skills gaps.
2. The costs of training and wages discourage employers from taking on apprentices	Greater Manchester: local control of the Apprenticeship Grant for Employers Glasgow Guarantee: locally funded wage subsidies for employers Birmingham Young Talent for Business: enhancing national programmes	Financial subsidies can act as a short term incentive for employers to engage in the apprenticeship system who may not otherwise have done so.
3. Employers struggle to find the most appropriate training provider for their needs	Humber Apprenticeship Support Service: using local networks to broker relationships between employers and training providers Apprenticeship 2000: employers coming together to collaborate on training solutions	External partners such as LEPs can be effective in playing a brokerage role between training providers and employers. Larger firms or groups of firms with specific training needs can work together to develop training programmes either with external training providers or internally.
4. Small and medium sized enterprises fall behind in offering apprenticeships	Glasgow Guarantee: local councils supporting HR and administrative functions on behalf of employers London Apprenticeship Company: supporting small businesses through Apprenticeship Training Agencies	Local partners can provide additional support in administration, human resources and financial management to help small and medium sized employers to take on apprentices where they otherwise may have been unable to do so.
5. Employers have low awareness of apprenticeships and whether they are right for their business	London Apprenticeship Campaign: raising awareness through advertising and marketing Plymouth Apprenticeships Manager Network: sharing information through word of mouth	Marketing campaigns and business to business approaches based on personal networks can help make the case for apprenticeships to employers.
6. Making the case for the relevance of apprenticeships in financial and knowledge-based services	London Professional Apprenticeships and PwC apprenticeships: establishing frameworks in professional sectors and working with SMEs to support their uptake	Encouraging takeup of apprenticeships within professional service industries will require clearer progression routes from school into apprenticeships, and the use of high profile examples of apprenticeships can be a valuable employee recruitment strategies for professional service employers.
7. Young people and their parents do not see apprenticeships as a viable career prospect	Plymouth ambassadors: past and current apprenticeships sharing experiences and information through schools	Supporting direct intervention into schools to support information, careers advice and guidance can have a positive effect on increasing the takeup of apprenticeships.
8. The gap between school and the workplace acts as a barrier to recruiting apprentices	City Gateway: supporting hard-to-reach youth through pre-employment training Walsall Works: supporting pre-apprenticeships with council and government funding	Work readiness training such as pre-apprenticeships before beginning an apprenticeship is valuable both to apprentices, in building up skills and qualifications and reducing youth unemployment, and to employers, in supporting a pipeline of work-ready apprentices.



Introduction

The tradition of apprenticeships in the UK goes back centuries, but it is the last two decades in particular that have seen apprenticeships come to the forefront of skills and training. In 1995, when Modern Apprenticeships were created, around 180,000 people undertook an apprenticeship.³ By 2011/12, that had reached 520,600 in England alone⁴ and while numbers have reduced in the years since, the Government's manifesto commitment to creating 3 million new apprenticeships by 2020 was reiterated in the Chancellor's 2016 Budget.

An apprenticeship is firstly and foremost a job, in which the employer hires an apprentice, pays a wage and provides both off and on the job training, often with an external training provider. As such, they sit on the boundary between employment and training – and the balance of emphasis between these two elements has shifted over recent years.

Immediately following the financial crash in 2008, apprenticeships were promoted as a way of tackling youth unemployment.⁵ More recently, as the threat of recession has been replaced by the 'productivity puzzle', the focus has shifted to how apprenticeships can be used to address skills shortages and increase productivity.⁶

However the purpose has framed, there are important issues that have been raised about whether or not the apprenticeships being delivered under our current system are meeting these ambitions.⁷

For cities and their partners involved in delivering apprenticeships on a day to day basis, such as employers, training providers, local authorities and colleges, the system is often complex and difficult to navigate. This report explores how cities and their partners are responding to this complexity and how they are flexing the system to deliver the local outcomes that employers and apprentices want. Part one reviews the changing policy landscape and some of the potential impacts of these changes. Part two sets out a series of case studies which explore some of the ways in which local partners have been proactive in addressing those challenges, and the final section draws out conclusions and implications for cities and for national Government.

3 Mizra-Davies J (2015) Apprenticeship Policy, England prior to 2010. House of Commons Library Briefing Paper Number 07266, 23 July 2015.

4 BIS (2016) Skills Funding Agency Data, apprenticeship starts

5 Daily Mirror (2010) 'Gordon Brown: Why Tory cuts condemn our children to a bleak, jobless future' <http://bit.ly/1TQOdKf>

6 HM Treasury (2015) Fixing the foundations <http://bit.ly/1Sf6gC0>

BIS (2015) Apprenticeships Levy <http://bit.ly/1N85moz>

7 For example, Wolf A (2011) Review of Vocational Education – the Wolf Report. London, DfE. <http://bit.ly/1Q6rdHI>
Social Mobility and Child Poverty Commission. Response to apprenticeships inquiry. <http://bit.ly/1XuU6TF>



How have apprenticeships been approached through policy?

How does the current system work?

Apprenticeships are a devolved function and operate separately in England, Scotland, Northern Ireland and Wales. Frameworks are developed and funding allocated by the relevant national coordinating body (the Skills Funding Agency in England; Skills Development Scotland; the Welsh Government and the Department for Education and Learning in Northern Ireland).

Across the UK, apprentices sign a contract with their employer and in-work training is usually supported by training providers and colleges. The requirements of an apprenticeship are set out in an apprenticeship framework (in England there are nearly 300) and lead towards a recognised NVQ qualification, a technical certificate and additional skills including English, Maths and IT.

Apprenticeships are offered at three levels - Intermediate (equivalent to five GCSE passes), Advanced (equivalent to two A level passes) and Higher (which can lead to NVQ Level 4 and above, or a foundation degree). The frameworks designate both the level and the subject of the apprenticeship undertaken.

The employer is responsible for paying the apprentice's wages, although in Wales, additional government wage subsidies are available for 16-24 year olds. In England, The Skills Funding Agency meet 100% of training costs for apprentices aged 16-18, and 50% of costs for those aged 19-24, while a contribution is made for those over 25. In Scotland, training costs are fully covered for 16-19 year olds, and a proportion is paid for those over 20.⁸ In Wales, training costs are fully covered for all apprentices, while in Northern Ireland, most training costs are covered, with terms and conditions applying for over 25s.

The funding for training is paid to employers by the national coordinating body via the training provider. In England, additional funding support is available for the employer in the form of the Apprenticeship Grant for Employers.

Support and recruitment websites are available through the National Apprenticeship Service in England and the Apprenticeship matching Service in Wales.⁹

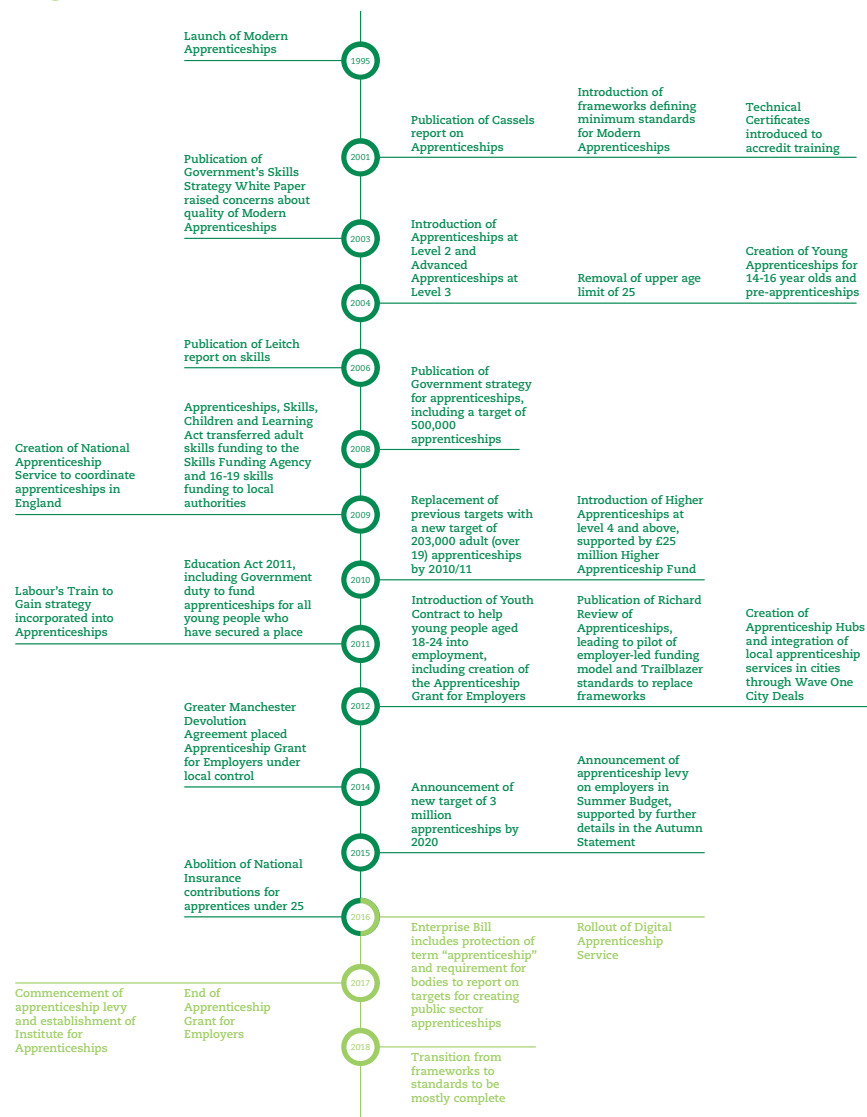
8 Skills Development Scotland (2016) <https://www.skillsdevelopmentscotland.co.uk/publications-statistics/>

9 Welsh Government (2016) Apprenticeships <http://gov.wales/topics/educationandskills/skillsandtraining/apprenticeships/?lang=en>; https://businesswales.gov.wales/skillsgateway/sites/dfes/files/documents/employers_apprenticeship_guide_0.pdf

How has apprenticeship policy changed over the last two decades?

Over the last two decades, policies have been invented and reinvented, with reforms barely completed before the system is changed again, increasing risk and confusion for employers, training providers, schools and young people.

Figure 2: Apprenticeship policy over the last two decades



What will the big changes to policy be, and what does it mean?

As Figure 2 illustrates, a series of changes to the national apprenticeship system have been announced over the past two years, and are set to roll out from spring 2016 with the apprenticeship levy coming into force in April 2017.¹⁰ But what do these changes mean for apprenticeships, and for the local partners involved in delivering them?

- Employers will be required to contribute towards the cost of apprenticeships through a new levy on apprenticeships (see Box 1).
 - This is likely to increase the level of involvement in apprenticeships for larger employers, but could also mean that employers choose apprenticeships over other forms of in-work training.¹¹ More generally it is unclear how the levy will change employers' behaviour overall towards training and recruitment.¹²
 - Employers with wage bills under £3 million will be exempt from the levy, but they will still need to contribute one third of the cost of apprenticeship training upfront. This is likely to increase the barriers that SMEs face in creating apprenticeships.

Box 1: The apprenticeship levy¹³

The Apprenticeship Levy was announced in the 2015 summer budget following the recommendations of the Wolf Review which called for a levy on employers to fund the apprenticeship system.

The levy, which is a hypothecated tax on employers, will come into force in April 2017 and will amount to 0.5 per cent of the wage bill for any employer with a paybill of over £3 million (2 per cent of UK employers). It is set to raise over £3 billion a year by 2019-20.

Employers will have 24 months to spend their contributions on training and assessment, which will be managed in the form of online vouchers through the new Digital Apprenticeship Service. For every £1 spent on training, £2 will be contributed by the Government. For employers who contribute to the levy, their digital accounts will be topped up by a further 10 per cent, meaning that they receive more than they put in, as long as it is spent on training. For smaller employers who have not paid the levy, the employer contribution will need to be made upfront.

10 BIS (2015) English Apprenticeships: Our 2020 Vision. London: HM Government. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482754/BIS-15-604-english-apprenticeships-our-2020-vision.pdf

11 Centre for Cities interview

12 Centre for Cities interview

13 HMRC (2016) Apprenticeship Levy. <https://www.gov.uk/government/publications/apprenticeship-levy>

- Employers will take responsibility for drawing down funding and managing apprenticeships, rather than training providers
 - This puts more power in the hands of employers in determining which apprenticeships are right for them. But it will also likely increase the administration required from the employer and make recruiting apprentices more time consuming.
- Current apprenticeship frameworks will be replaced by employer-developed ‘trailblazer’ standards
 - The shift to standards is likely to improve the relevance of apprenticeship training to the needs of employers, but could also mean that standards will apply more to the specific businesses involved in trailblazers, and not the sector as a whole.¹⁴
 - A proliferation of new standards risks further confusing the picture for employers in choosing the right qualification.¹⁵
 - In the short term at least, an increase in requirements for English and Maths qualifications and the introduction of digital skills requirements compared to frameworks is likely to have a negative effect on success rates.
 - The English, Maths and IT requirements are also likely to demand more off-the-job training, which may increase costs and administration for employers.
 - Stricter assessment criteria involving written tests are likely to lead to the raising of entry requirements into apprenticeships.¹⁶
- A new Digital Apprenticeship Service will be set up for employers to advertise vacancies, choose a training provider and pay for training and assessment
 - The Digital Apprenticeship Service should improve the levels of awareness amongst employers and give them more leverage over the recruitment process and the training available.
- Creation of the Institute for Apprenticeships, an independent body led by employers to regulate quality of standards and assessment plans for apprenticeships
 - The creation of a body with the remit of maintaining apprenticeship quality could be beneficial in monitoring standards, but its effectiveness will depend on the resources that it is supplied with as well as whether it is able to adequately represent the needs of the full range of employers who are involved in apprenticeships¹⁷

14 Centre for Cities interview

15 Offord P (2015) Broken Boles promise leads to Trailblazer criticism. <http://feweeek.co.uk/2015/09/04/broken-boles-promise-leads-to-trailblazer-criticism/>

16 Centre for Cities interviews

17 Centre for Cities interviews

- The protection of the term ‘apprenticeship’ in law
 - Protecting the term ‘apprenticeship’ should prevent types of training and employment which do not meet the statutory requirements from being presented as an apprenticeship, helping to clarify the meaning of ‘apprenticeship’ for the public.

Remaining challenges

While the changes outlined in the previous section will address many of the weaknesses of the current system, some will remain and risk undermining the impact of changes to apprenticeship policy if they are not addressed. These include:

- A focus on ‘start’ targets ignores the importance of ensuring quality outcomes. While the apprenticeship system has changed substantially, the overall aim still remains the same: to achieve a target of apprenticeship starts. **The priority given to ‘starts’ as the measure of success fails to take into account** the quality of apprenticeships, the appropriateness of apprenticeships, or success rates (the number of apprentices who successfully complete their training).¹⁸
- ‘Start’ targets incentivise perverse behaviours by prioritising quantity over quality. A focus on starts without any additional requirements or incentives associated with quality has led to the relabelling of government training as apprenticeships and the branding of existing employer training schemes as apprenticeships,¹⁹ as well as the conversion of jobs,²⁰ all of which ultimately leads to deadweight.
- The measures used to determine the success of the apprenticeship system do not capture quality. While there is data available on apprenticeship starts, including success rates, length of apprenticeships, levels, sector subjects and wages, these do not provide a clear picture of the quality of the outcomes. In part this **is because there is little understanding of how these factors interrelate**,²¹ but also **because even those elements of ‘quality’ which tend to be agreed on are not routinely measured**. These include progression into higher levels, retention within a business, the applicability of skills across businesses and cities, levels of mentoring and support, and the range of soft and transferable skills learned within an apprenticeship.

For cities and their partners, the government’s focus on quantity, often at the expense of quality, increases the challenges associated with trying to design and deliver an effective

18 O’Connor S (2016) Almost a third of UK apprentices fail to complete work schemes. London: Financial Times. <http://www.ft.com/cms/s/0/1e7a0f00-d712-11e5-8887-98e7feb46f27.html#axzz41xjQgm8H>

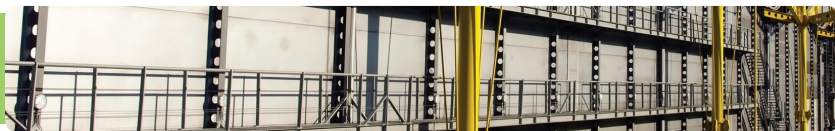
19 Keep E and James S (2011) Employer Demand for Apprenticeships in Rethinking Apprenticeships. London: IPPR.

20 Wolf A (2011) Review of Vocational Education – the Wolf Report. London, DfE. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/180504/DFE-00031-2011.pdf Social Mobility and Child Poverty Commission. Response to apprenticeships inquiry.

21 A rise in intermediate apprenticeships, for example, typically represents a growth in low-skilled apprenticeships. But effective advanced and higher apprenticeships rely on a pipeline from intermediate level. Additionally, for some occupations and sectors, intermediate apprenticeships can provide sufficient training to fill significant skills gaps.

apprenticeships programme that meets the needs of the local economy, employers and apprentices.

Part 2 explores some of these day-to-day challenges in delivery faced locally and draws out a number of lessons from these initiatives which can help cities to support the creation of apprenticeships that work for their place.



Challenges and Responses: How local initiatives are delivering apprenticeships

Challenge 1: Apprenticeships do not meet the skills gaps of local economies

Addressing skills gaps is a priority for many cities. The UKCES Employer Skills Survey showed that the incidence of businesses with vacancies due to skills shortages has doubled since 2011.²² While apprenticeships provide an opportunity to address skills shortages by training people in the skills that are in demand, the system doesn't always perform this function. For example, in Sunderland, which has the highest number of apprenticeship starts per 1,000 working-age population,²³ analysis has suggested that the key skills gaps in the next two years will be in the food and drink sector.²⁴ However, retail and commercial enterprises – which includes food and drink alongside a series of other commercial apprenticeships – only accounted for 17 per cent of apprenticeships in Sunderland in 2013/14; the majority were in business, administration and law and health.²⁵ The following case studies demonstrate how local partners have intervened to ensure a better match between apprenticeships and the demands of the local economy.



Liverpool Chamber Training: using employer networks through the Chamber of Commerce to support the design and offer of apprenticeship training

Liverpool Chamber Training was established in 1986 as Trident Training, a training provider affiliated with but separate from the Chamber of Commerce. In 2009, the name was changed to Liverpool Chamber Training (LCT), and over the last year, the two organisations have become more closely affiliated.²⁶

22 UKCES (2016) Employer Skills Survey 2015: UK Results. Evidence Report 97. London: UKCES. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/498890/UKCESS_2015_Report_-_v4_for_web.pdf

23 BIS (2016) Skills Funding Agency data.

24 Sunderland City Council (2011) Sunderland Skills and Employment Demand Study 2011. TBR. <http://bit.ly/23ybBGs>

25 BIS (2015) Skills Funding Agency data.

26 Liverpool and Sefton Chambers of Commerce (2016) History. <http://www.liverpoolchamber.org.uk/about/history.aspx>

Previously, teams from both the Chamber of Commerce and LCT were engaging separately with local employer partners, with little coordination. To streamline their activities they created a single business engagement team and co-located the Chamber of Commerce and the LCT. Since the introduction of a single communication channel in 2015 they have started to see the benefits; engagement with employers has increased, and employers report higher satisfaction as a result of the more joined-up services, as well as the credibility which comes from being part of the Chamber.²⁷

Over this time, the Chamber has also been able to leverage its relationships with local businesses to establish their employment and skills needs and to better assess the types of support required.

The success rate (the number of apprentices successfully completing the training) of LCT is around 80 per cent, compared to around 70 per cent for Liverpool as a whole.²⁸



Year Up, USA: using local labour market intelligence to inform apprenticeship offers

Year Up is a one year training programme that provides low income adults aged 18-24 with a route into work through skills development, college credits, internships and other support. Headquartered in Boston, Massachusetts, Year Up operates across 16 US cities.

When Year Up started in 2000, it identified its niche in addressing skills shortages in middle-skill, entry level software support jobs. The training initially focussed on addressing this shortage in skills that were above a high school diploma but below a college degree. Over time, and in response to feedback from partner companies, it has diversified and created new 'tracks' in finance and sales, as well as additional training in programming, business management, and customer service.

Recently, Year Up has further invested in identifying growth industries in cities to increase the relevance of their training to local companies. They employ Subject Matter Experts in each city they work in and use real-time labour market information to develop a training curriculum that is responsive to the needs of local businesses. They also try to respond to more specific areas of vacancy identified by partner companies which

²⁷ Centre for Cities interview

²⁸ Liverpool Chamber Training (2015) 250 new apprenticeships created in 2014 http://www.liverpoolchambertraining.co.uk/41/section.aspx/39/250_apprentices

require additional skills – a recent example has been training in anti-money laundering. They design these tracks alongside the employer partner, mapping the curriculum to the requirements of the job.

With the creation of new ‘tracks’, Year Up is able to offer long term career growth for young people, leading to the best possible outcomes both for young people enrolled on the programme and for partner companies.

Since 2000, Year Up has worked with more than 13,000 young people and 250 corporate partners in 16 cities. Demand for placements is high, with large numbers of applicants turned away. Nationally, Year Up has a 75 per cent of higher graduation rate, and at least 85 per cent of Year Up graduates were employed or at school full time within four months of completing the programme.²⁹

These two case studies illustrate two different ways in which local partners better match up the needs of the local economy with apprenticeships being offered. Both examples highlight the importance of two key ingredients that can help to match apprenticeships to the needs of the local economy: firstly, **working very closely with local employers**; and secondly, **using up-to-date labour market information** (from real-time data and local labour market experts).

²⁹ Centre for Cities interview

Challenge 2: the costs of training and wages discourage employers from taking on apprentices

The Employer Perspectives Survey 2014 found that 8 per cent of employers who do not currently offer apprenticeships are discouraged by the cost of taking on an apprentice.³⁰ And even for employers who do take on apprentices, the cost of wages and training remain a problem – one study found that some employers who do take on apprentices are unable to afford additional contributions towards their training, limiting the amount of off-the-job training provided and holding back the quality of apprenticeships.³¹ This is despite the existence of national subsidies for training – which the Skills Funding Agency covers in full for 16-18 year olds, and in part for over 19s – and for wages, which are currently supported by the Apprenticeship Grant for Employers for apprentices under 25.

To overcome the financial barriers faced by employers in taking on apprentices, local partners have found additional ways of flexing or supplementing funding for training and wages.



Greater Manchester: local control of the Apprenticeship Grant for Employers

The national Apprenticeship Grant for Employers (AGE) has existed since 2012 and provides an additional financial incentive for employers to take on apprentices. As part of the Greater Manchester Devolution Agreement in November 2014, the Greater Manchester Combined Authority received local control of the AGE, which is managed by the Greater Manchester Apprenticeship Hub.³² As a result Greater Manchester has flexed the funding eligibility to better respond to the requirements of the local area.

Nationally, the £1,500 grant is available to workplaces with up to 50 employees. In Greater Manchester, in order to cater to the needs of its medium-sized businesses, the grant is available for business with up to 250 employees. This is supplemented with additional grants of £1,000 for employers that progress an apprentice from a Traineeship to an Apprenticeship, or employ an Advanced or Higher apprentice. During 2015-16, there were also additional grants for training providers in Greater Manchester who support the development of a Trailblazer standard.³³

30 UKCES (2014) Employer Perspectives Survey 2104: UK Results. Evidence Report 88. London: UKCES. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/373769/14.11.11_EPS_2014_-_Main_Report_full_V2.pdf

31 OFSTED (2015) Apprenticeships: Developing skills for future prosperity. London: OFSTED.

32 HM Treasury and GMCA (2014) Greater Manchester Agreement: devolution to the GMCA & transition to a directly elected mayor <http://bit.ly/1qHB0zd>

33 New Economy (2016) GM AGE – Greater Manchester Apprenticeship Grant for Employers – UPDATE. <http://bit.ly/1S6budM>

Greater Manchester's ability to flex the amount and type of funding in order to fit local skills needs has been well received in the city.³⁴ The devolved AGE is currently being evaluated by New Economy to inform the programme for 2016/17.³⁵



Glasgow Guarantee: locally funded wage subsidies for employers

The Glasgow Guarantee began in 2008 as the Commonwealth Apprenticeship Initiative, a legacy programme which sought to ensure that Glasgow school leavers would benefit from jobs and apprenticeships in construction associated with the 2014 Glasgow Commonwealth Games. In 2009, following the recession and the threat of youth unemployment in the city, the scheme was extended to cover all types of work, offering a commitment to assisting every Glasgow school leaver into employment or training. The scheme was then further extended to support young people already out of school. In 2015 the programme was rebranded to become the Glasgow Guarantee.³⁶

Apprenticeships make up a substantial part of this pledge, and to encourage employers to take on young apprentices, the city council introduced a subsidy of 50 per cent of employers' wages for 12 months (or 24 months for a four year apprenticeship), as long as the apprentice remains in employment for two years.³⁷

Apprenticeships in Glasgow had declined between 2005/6 and 2008/9, but between 2008/9 and 2009/10 the number of apprenticeship starts in the city more than doubled, and while growth slowed in the following years, there were more than 4,500 apprenticeships by 2012/13.³⁸

This sharp increase in the number of apprenticeship starts occurred across a range of sectors as many employers shifted away from recruiting graduates, towards recruiting apprentices. Post-recession, some of these sectors have reverted back to recruiting graduates – for technicians, for example – but other sectors, such as accountancy, have continued to recruit apprentices.³⁹ The experience in Glasgow shows that wage subsidies can act as a catalyst to draw employers into the apprenticeship system, which enables employers to experience the benefits they can provide to their business.

34 Roue L (2015) Opinion: Sir Howard Bernstein. Manchester Evening News. <http://bit.ly/1V0Swey>

35 New Economy (2016) GM AGE – Greater Manchester Apprenticeship Grant for Employers – UPDATE. <http://bit.ly/1S6budM>; Centre for Cities interview

36 Co-operative Councils Innovation Network (2014). Glasgow: The Commonwealth Apprenticeship Initiative. <http://bit.ly/1Q6t1JS>

37 Glasgow City Council (2016) Glasgow Guarantee <http://bit.ly/1VosSRn>; Glasgow City Council (2015) Regeneration and the Economy Policy Development Committee

38 SDS, Modern Apprenticeship statistics 2005-6 to 2012-13.

39 Centre for Cities interview



Birmingham Young Talent for Business: enhancing national programmes

Young Talent for Business (YTFB) was established in 2013 as part of the Birmingham Youth Promise, which pledges that all young people aged 14-25 will be able to access employment, education and training opportunities within four months of leaving school, college or employment. The scheme overall seeks to tackle Birmingham's youth unemployment challenge through jobs, apprenticeships and traineeships.

The scheme is funded by the city council via the Birmingham Jobs Fund, which also funded Local Exemplar Initiatives to provide employability skills and coaching support to help young people into employment. Young Talent for Business is a partnership between the City Council, the National Apprenticeship Service, the Department for Work and Pensions (DWP) including JobCentre Plus, and Marketing Birmingham.

Until 2014, the DWP provided wage incentive grants of £2,275 for employers hiring long-term unemployed (at least 6 months) young people across the UK. Young Talent for Business was able to match this with an additional grant for young people within Birmingham local authority, paid once the young person had been employed for 13 weeks. This supplemented the DWP grant which was paid once the person had been in work for 26 weeks. For employers hiring young people as an apprentice, YTFB was able to match the contribution made by the national Apprenticeship Grant for Employers, meaning that employers could receive grants up to a maximum of £3,000 from the Birmingham Jobs Fund.⁴⁰

Since the withdrawal of the DWP grants, YTFB have retained the additional subsidy and extended the grant payment threshold to 26 weeks into employment. Applications are made by employers or by training providers on their behalf, and grants are made following review by the partnership members. The partnership also offers recruitment support for employers looking to recruit young people via Jobcentre Plus.⁴¹ The grants are mainly targeted at and accessed by SMEs, and since its introduction, the Fund has helped around 3,300 people into employment and apprenticeships.⁴²

Whilst the direct impact that wage subsidies have on apprenticeship numbers, and the labour market more generally, is unclear, the examples demonstrate how **financial subsidies can supplement and support national schemes, increasing the incentive for employers to engage with the system.**

40 DWP (2014) Helping young people into work. London: DWP. <http://bit.ly/1NnXdXV>

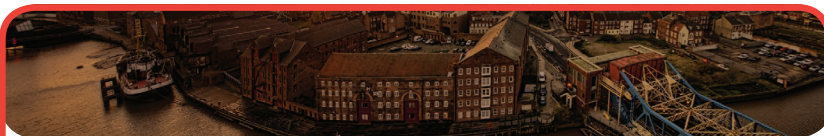
41 Birmingham City Council. Young Talent for Business: Employer financial incentives available through Birmingham Jobs Fund. <http://bit.ly/1MVwQbx>

42 Centre for Cities interview

Challenge 3: Employers struggle to find the most appropriate training provider for their needs

The apprenticeship training provider market is large, complex, and often difficult to navigate. As a result, employers often struggle to find the most appropriate training provider or the best value for money.⁴³

The new apprenticeship system will mean that employers will have greater responsibility for finding training providers. For the new system to work effectively it will require better communication and interaction between training providers and employers, and will benefit from new networks that bring together employers to design training that meets their specific needs.



Humber Apprenticeship Support Service: using local networks to broker relationships between employers and training providers

The Humber Apprenticeship Support Service (HASS) was set up in November 2014 to support the creation of new apprenticeships across the Humber LEP region. HASS brokers relationships between local training providers and businesses in order to support new apprenticeships. It forms one of the six spokes of the Humber LEP skills pledge, which also covers employing graduates, supporting entrepreneurship and employing young people.⁴⁴ For the pledge on apprenticeships and traineeships, employers formally agree to offer a place and are offered support from the HASS to enable them to do so.

HASS brokers relationships between partners in order to better match up the supply and demand of skills across the region. It works with employers to identify their needs, and provides them with the information and support required to create an apprenticeship. They provide information on how the system works and the types of frameworks available, as well as direct support for employers including work readiness training for apprentices and managing communications between training providers, apprentices and employers.

In the first 5 months of the scheme, HASS engaged 338 businesses and delivered 33 apprenticeship starts. By January 2016, that number had increased to 167 apprenticeship starts.

Much of the success of the HASS has been ascribed to the Humber LEP's ability to build on strong existing networks that had been present prior to its creation, between employers and the business community, local authorities and colleges, the Chamber

⁴³ Centre for Cities interview

⁴⁴ Humber Local Enterprise Partnership (2016) Humber Skills Pledge. <http://www.humberlep.org/skills-pledge/>

of Commerce, the University of Hull, and the SFA. The relatively small geographic scale of the area and the longevity of businesses in the Humber also helped to support the effectiveness of relationships within the network.

As a pilot scheme, funding was always a challenge for HASS: it was set up to test demand and supported with funding from the European Social Fund programme via the Humber Regional Growth Fund. The scheme was extended until December 2015, and the LEP plans to use European funds to support a further programme building on lessons learned, currently named HASS 2.⁴⁵



Apprenticeship 2000, Charlotte, North Carolina: employers coming together to collaborate on training solutions

In 1995, Blum, a bespoke furniture fittings manufacturer from Charlotte, North Carolina, was struggling to recruit skilled technicians. Looking to take a more direct role in developing the skills that they needed, they and the other founding firm, Daetwyler, formed a cooperative and approached Central Piedmont Community College about supplying classroom-based training in order to create a bespoke apprenticeship scheme for the partner companies.⁴⁶ In 1996, Apprenticeship 2000 grew to incorporate six partner companies working across the mechatronics, tool and die machining industries.

The sponsoring companies pay for training costs, as well as paying the apprentices wages. A job is guaranteed at the end of the programme, and apprentices receive an Associate of Applied Science (AAS) Degree in Mechatronics Technology, as well as a Journeyman's Certificate from the North Carolina Department of Commerce.⁴⁷

By coming together to define their needs, and then approaching the local college with an offer, the partner companies were able to develop a scheme which supported their specific technical requirements. Over time, as a relationship developed with Central Piedmont Community College, they were able to have input into the curriculum. Partner companies assisted in providing some of the high-quality laboratory equipment for schools to support training, and some companies, such as Blum, developed their own separate training facilities to provide on-site training that would not pose a risk to high-value production line equipment and goods.

⁴⁵ Centre for Cities interview

⁴⁶ NC Community Colleges, Workforce Learning Summit Innovation or Best Practice. <http://bit.ly/23tVmNZ>

⁴⁷ Birkle M et al, Apprenticeship 2000: Workforce Planning. <http://bit.ly/1SfaZDB>

The scheme works because partners clearly see the value in their investment. For the partner companies, the scheme fills technical skills gaps. For apprentices, the offer of high quality training free of charge, alongside the guarantee of good jobs with career progression, meant a significant buy-in to the scheme. And for colleges, several have reported that Apprenticeship 2000 apprentices demonstrate good behaviour, consistently hand in homework and achieve higher grades than other students.⁴⁸

Anecdotally, partner companies have reported increases in production efficiencies over the course of the scheme. In August 2012, the programme received a Trailblazers and Innovators award from the US Department of Labour. Since 1995 136 students have graduated and 49 apprentices are currently enrolled. The scheme is entirely funded by the partner employers and the scheme now has chapters right across North Carolina with 50 different companies.

In the UK, Group Training Associations (GTAs) offer a similar model for developing employer-led training. GTAs are membership groups of local companies who come together to train apprenticeships collectively. They often provide a large part of the training in-house, and tend to specialise in a particular industry, which has historically tended to be in construction or manufacturing.⁴⁹

The examples highlight different ways in which employers and training providers can work together to support effective training programmes for apprenticeships. The HASS example illustrates how **external partners such as LEPs can be effective in playing a brokerage role between training providers and employers**, which is particularly valuable for smaller employers without significant administrative capacity. Apprenticeship 2000, meanwhile, demonstrates how **larger firms, or collections of firms, with very specific training needs can work together to develop training programmes either with external training providers or internally**.

⁴⁸ Centre for Cities interview

⁴⁹ Centre for Cities interview

Challenge 4: Small and medium sized enterprises fall behind in offering apprenticeships

In 1993, when Modern Apprenticeships were created, the majority of apprenticeship employers were small firms.⁵⁰ But more recently, the creation of apprenticeships has been dominated by large employers. Across the UK, only 21 per cent of organisations with 10-24 employees currently offer apprenticeships, compared to 31 per cent of those with 25-99 employees, and 49 per cent of those with 100+ employees.⁵¹

In the 2014 Employer Perspectives Survey, 21 per cent of employers who do not currently offer apprenticeships reported that this was because they felt that apprenticeships were not suitable for the size of their establishment.⁵² This partly reflects the difficulties that SMEs can face in trying to create apprenticeships and fill their vacancies.

One of the reasons is that while large, well-known companies, particularly in engineering and technology, tend to receive large numbers of applications per vacancy, smaller companies without the same reputation and scale often struggle to attract applicants.

But the biggest constraint for SMEs taking on apprenticeships is the additional strain it creates for small and minimally resourced human resource and administrative departments. Understanding the system, finding training providers, choosing the right framework, recruiting and managing apprentices are all more time-consuming and costly for small businesses, which results in lower levels of engagement and recruitment.⁵³

The following case studies illustrate two models in which local partners have supported SMEs in creating apprenticeships through providing HR and administrative support to offset their costs.



Glasgow Guarantee: local councils supporting HR and administrative functions on behalf of employers

As part of the Glasgow Guarantee to provide training and employment opportunities to young people in the city (see above p.14), Glasgow City Council offers a service which manages some of the administrative and HR functions associated with apprenticeships on the behalf of employers. They advertise vacancies, handle recruitment, and sometimes shortlist, depending on the preference of the partner firm. Young people apply to the

50 Mizra-Davies J (2015) Apprenticeships Policy, England prior to 2010. House of Commons Briefing Paper Number 0726, 23 July 2015

51 UKCES (2014) Employer Perspectives Survey 2014: UK Results. UKCES: London. <http://bit.ly/1Q6IT5Q>

52 UKCES (2014) Employer Perspectives Survey 2014: UK Results. UKCES: London. <http://bit.ly/1Q6IT5Q>

53 Centre for Cities interview

council for vacancies rather than to the employer, and the council also handles feedback to unsuccessful applicants.

Unlike many of the other examples, Glasgow Guarantee partners found that SMEs were particularly interested in the scheme, in part because of the recruitment support offered. And a survey of employers' experience found that while their initial motivations for being involved had been in order to access the wage subsidies, those most likely to use the scheme again would do so because of the recruitment support provided.⁵⁴



London Apprenticeship Company: supporting small businesses through Apprenticeship Training Agencies

Apprenticeship Training Agencies (ATAs) were introduced in 2009 as part of the National Apprenticeship Service to lower the costs to employers of taking on an apprentice by taking on HR and administrative functions. There are now around 50 ATAs across the UK, which receive funding support from the Skills Funding Agency. Established to address the obstacles that businesses, and particularly small and medium sized business face in delivering apprenticeships, ATAs act as a recruitment agency, recruiting, hiring and establishing the training plan for the apprentice.⁵⁵

ATAs act as a stepping-stone for SMEs in recruiting apprentices. Typically the apprentice is employed by the ATA for around three months while the employer pays a set fee, and is then taken on directly by the employer.⁵⁶

The London Apprenticeship Company was set up in 2009 with support from the Greater London Authority and was the first ATA to open in the UK. It works with both local authorities and businesses to support apprenticeships, and has supported more than 500 businesses to create over 1,000 apprenticeships. It provides a full range of support services for apprentices, helping recruitment, advertising, providing mock interviews and presentations, negotiating pay, employing apprentices on the behalf of companies, and offering supervision and pastoral support. The LAC also brokers government grants such as the Apprenticeship Grant for Employers.⁵⁷

⁵⁴ Centre for Cities interview

⁵⁵ Centre for Cities interview

⁵⁶ Centre for Cities interview

⁵⁷ London Apprenticeship Company (2016) Matching, training and supporting employers and apprentices, <http://bit.ly/23E55hj>; Centre for Cities interview.

These two examples highlight how **local partners can provide additional support in administration, human resources and financial management to help small and medium sized employers to take on apprentices** where they otherwise may have been unable to.

Challenge 5: Employers have low awareness of apprenticeships and whether they are right for their business

Employers are crucial to unlocking new apprenticeships. With demand far outstripping supply across the country – between November 2015 and January 2016, there were 42,270 apprenticeship vacancies, but 359,000 applications⁵⁸ – there is a strong case for encouraging more employers to take on apprentices. But many employers have not been convinced of the benefits of apprenticeships, and frequently lack access to the information and practical support which can change often outdated and negative perceptions.



London Apprenticeship Campaign: raising awareness through advertising and marketing

Apprenticeships have been promoted by the current London Mayor as a crucial way of tackling the skills gaps which are constraining London's productivity, particularly in non-traditional sectors such as finance. The awareness of apprenticeships among employers was identified as being one of the key challenges to the creation of new apprenticeships in London, and the London Apprenticeship Campaign was launched in 2010 in order to address this issue.

The Campaign has a range of initiatives, including the provision of impartial careers information, advice and guidance in schools and careers and jobs fairs to increase apprenticeship provision in London. In particular, it targets large employers without a history of offering apprenticeships, and SMEs. Two of the key campaigns that the scheme has used are:

1. The Mayoral Employer Letter and Engagement Campaign. Letters signed by the Mayor of London are sent out to the CEOs of large employers, with a focus on financial and professional services, to share some of the potential benefits of recruiting apprentices and to direct them to sources of information and support
2. The University of Work: a joint marketing campaign between the Greater London LEP and the Skills Funding Agency, which commissioned advertising agency Saatchi and Saatchi to work with SMEs on what they know about apprenticeships and helping to refer people to the SFA.

The Campaign has been successful in increasing apprenticeship starts across London: between 2009-10 and 2010-11, the number of apprenticeships in London doubled, and

⁵⁸ Skills Funding Agency data, 2016.

its early successes led to the creation of new targets for apprenticeships in London.⁵⁹ But there are still challenges: since 2010/11 apprenticeship numbers have not increased substantially, and analysis from the OECD has raised questions about their quality.⁶⁰ And while the scheme has been successful in boosting demand among employers, awareness and perception among parents and teachers remains a challenge; for example, despite securing additional incentives for apprentices in London, such as reduced Underground fares for apprentices, takeup remains low.

The London Apprenticeship Campaign demonstrates how campaigning and marketing can have a positive effect on apprenticeship starts, but that at a scale such as that of London, and where there is little history of apprenticeships, changing perceptions is a complex challenge.



Plymouth Apprenticeship Managers Network: sharing information through word of mouth

The Plymouth Apprenticeship Managers Network is part of the 1000 Club, a network of local businesses that aims to support people into careers in the city. The 1000 Club was created in September 2012 in response to feedback from businesses that young people were not work ready and that local businesses were struggling to understand the apprenticeship system. The 1000 Club is driven and managed by a partnership of key stakeholders from across Plymouth and its wider area. Anyone can sign up to become a member and access information available through their website, which also allows them to publicise their business, advertise vacancies and access advice and guidance. It currently has 1,559 members.

The Managers Network is a group of employers from across the city which runs apprenticeship schemes and meets regularly in order to share knowledge and information across different sectors, sharing advice on leadership, recruitment and legal obligations.

To encourage new businesses to take on apprentices, the Network organises dinners to which current members invite businesses that do not currently offer apprenticeships. This personal approach means that the apprenticeship system and its benefits can be explained

⁵⁹ Centre for Cities interview

⁶⁰ Evans S and Bosch G (2012) Apprenticeship in London: Boosting Skills in a City Economy – With Comment on Lessons from Germany. OCED Local Economic and Employment Development Working Papers. <http://bit.ly/1qHEjGE>

by businesses already involved in the scheme. The personal approach also provides a mutually supportive environment for businesses new to the apprenticeship system.⁶¹

Members of the 1000 club have offered 1,244 new apprenticeships in Plymouth since the scheme started, which account for around 21 percent of all apprenticeships created in the city over that period.⁶²

These examples demonstrate that changing perceptions among employers about the relevance of apprenticeships to their business is challenging and requires considerable resource. **Marketing campaigns can help make the case for apprenticeships**, and while it is much harder in a city as large as London, the success of the Plymouth case study suggests that there could be a real benefit in a **business-to-business approach to changing perceptions that is based on personal networks and direct engagement**.

61 1000 Club (2016) Welcome to the 1000 Club. <http://www.1000club.co.uk/home.aspx>

62 6,020 apprenticeships have been created in Plymouth between 2012/13 and 2014/15: BIS 2015. The total statistics do not include apprenticeships created since September 2015.

Challenge 6: Making the case for the relevance of apprenticeships in financial and knowledge based services

The leading sectors in providing higher level apprenticeships in the UK tend to be traditional industries, such as motor vehicles, construction and engineering.⁶³ However, the industries that are increasingly driving economic growth in UK cities, and where skills gaps at higher levels are likely to grow, tend to be knowledge intensive business services such as finance, law and consulting – which have not historically offered many apprenticeships.⁶⁴

There is a growing awareness among business services companies of a need to diversify their intake beyond standard graduate recruitment channels.⁶⁵ This has led some employers to explore how they can utilise apprenticeships within their workforce. But making the case for the value of apprenticeships in these professions remains a challenge.



PwC apprenticeships: establishing frameworks in professional sectors and working with SMEs to support their uptake

London's economy is strongly knowledge-based – 23 per cent of all jobs are in private knowledge intensive business services – and it has one of the UK's most highly skilled workforces, with 48 per cent of all working residents having at least degree level qualifications.⁶⁶ However, the city also faces a substantial skills challenge, which covers a number of sectors, and particularly intermediate level skills which support knowledge intensive business services such as business, administration, finance and law.⁶⁷

Price Waterhouse Coopers (PwC) started looking to apprenticeships in 2010 as a way of addressing the shortages they faced in recruitment. Finding that none of the existing frameworks were appropriate to their needs, they worked with the National Apprenticeship Service and with around 35-40 other companies within the same industry to develop three higher apprenticeship frameworks in assurance, tax and management consultancy.

Using UKCES funding from the Employer Ownership of Skills pilot in 2013, they were then able to deliver 3,000 apprenticeships in professional and business services.

PwC apprenticeships last two years and those which pass their exams are offered jobs. The scheme is highly regarded, and apprenticeship finishers tend to be head-hunted by

63 OFSTED (2015) Apprenticeships: developing skills for future prosperity. London: OFSTED. <http://bit.ly/1YtighH>

64 Swinney P and Thomas E (2015) A century of cities: Urban economic change since 1911. London: Centre for Cities.

65 Centre for Cities interview

66 Centre for Cities (2016) Cities Outlook 2016. London: Centre for Cities.

67 London Councils (2015) Skills Gaps. http://skillsmatch.intelligentlondon.org.uk/skills_gaps

rival firms. The scheme receives more applicants than there are places, and there are never unfilled vacancies. PwC report that the retention rate for apprentices after qualifying is higher than for graduates, at 86 per cent compared to 68 per cent for graduates.⁶⁸

However, there are challenges around the high standards which they demand, even at age 16. Good qualifications, as well as customer service experience and involvement in extra-curricular activities, are important at recruitment stage, and because there are no apprenticeship frameworks in professional services at the intermediate and advanced level, progression into PwC apprenticeships tends to come from academic, rather than vocational routes.



London Professional Apprenticeship (LPA) Programme

Building on their development of higher apprenticeship frameworks in professional services, PwC set up the London Professional Apprenticeship Programme in 2013 alongside the Greater London Authority, the Department for Business, Innovation and Skills (BIS) and the National Apprenticeship Service (NAS) in order to support the creation of 250 professional apprenticeships by small and medium sized businesses, only 5 per cent of which employ apprentices in London.⁶⁹

The programme is funded by £1.4 million from BIS via the Olympic Legacy Budget, which has supported design, set up and early implementation, while £900,000 from PwC will go towards ongoing costs, such as training and networking events, mentoring, and a graduation ceremony.⁷⁰ The LPA Programme also runs a network for apprentices in London that provides social as well as professional support.⁷¹

The scheme now has around 400 SME partners, 70-80 per cent of which had never offered an apprenticeship before. In September 2015, 84 per cent of all enrolled apprentices were on track to complete their apprenticeship, compared to a national average of 69 per cent.⁷²

68 Apprenticeship Careers (2015) Top Apprenticeship Employers. <http://bit.ly/25ZzuZu>

69 BIS (2013) Press release: £2.3 million to open London's professional services to more apprentices. <http://bit.ly/1Sz8RR1>

70 PwC (2013) New PwC programme to open up professional apprenticeships for business in London. <http://bit.ly/1oX6gZt>

71 Centre for Cities interview

72 PwC (2015) London Professional Apprenticeship students celebrate graduation. <http://bit.ly/1VICXxJ>

The challenges around convincing employers of the benefits of apprenticeships are greater when it comes to non-traditional apprenticeship industries. Overcoming these challenges will depend on **establishing clearer progression routes from school into apprenticeships**, and using examples such as the PwC apprenticeship scheme to **illustrate to other professional service firms how apprenticeships can be an appropriate and valuable employee recruitment approach for them.**

Challenge 7: Young people and their parents do not see apprenticeships as a viable career prospect

The word ‘apprenticeship’ carries a familiarity which is a great strength to the brand. However, it is also one of the biggest problems facing uptake in apprenticeships, as people – and particularly young people and their parents – often have false assumptions about what an apprenticeship can offer. Often, young people and their parents tend to think of apprenticeships and vocational education as being second-choice routes for young people not able to secure university places.⁷³ A recent Demos survey of 1,000 parents of 15 and 16 year-olds found that while 92 percent of parents believed apprenticeships to be a good option, only 32 percent said that they would want their child to undertake one.⁷⁴

This is partly a result of years of government policy which placed universities at the top of the skills agenda. But it also represents more deep-seated perceptions about the value of vocational education⁷⁵ which are not helped by a lack of information about what an apprenticeship actually is. One study found that 1 in 10 school leavers in Scotland thought that apprenticeships offered no recognised qualification, and one in three said that information about opportunities provided by their school or college was poor or non-existent.⁷⁶

There are also few incentives for schools to improve information and guidance on apprenticeships. The Ofsted checklist for education providers, for example, does not include a requirement for information and support around apprenticeships, meaning that schools do not prioritise this in the careers curriculum.⁷⁷ And while schools are required to report on progression into higher education, there are no similar requirements for progression to apprenticeships.⁷⁸



Plymouth Apprentice Ambassador Network: using apprentices to share experiences and information through schools

The Plymouth Apprentice Ambassador Network, which is a member of the 1000 Club (see page 23), is a collaboration of employers and training providers across the city which supports current and ex-apprentices to share their experiences with schools and colleges. It aims to improve young peoples’ knowledge and perception of apprenticeships, which

73 Centre for Cities interview

74 Demos (2015) The Commission on Apprenticeships. London: Demos. <http://bit.ly/1MtOAAj>

75 Blunkett, D (2001) Education into employability: The role of the DfEE in the economy. <http://bit.ly/20B6600>

76 Bennett, G (2016) Wrong ideas that lead to lost chance of a career. The Times Online. <http://bit.ly/20B653T>

77 Centre for Cities interview

78 Centre for Cities interview

is particularly important in Plymouth, where demand from businesses for apprentices outstrips the supply – particularly in engineering and manufacturing, business, administration and law, and construction.⁷⁹

Ambassadors receive training to be able to share information that extends beyond their own apprenticeship experience, and go into schools in order to share their knowledge with pupils, teachers and parents.⁸⁰

However, the 1000 Club partners recognise that to reach the city's target of a 25 percent increase in apprenticeships by 2020, more needs to be done to engage with schools and parents in Plymouth. This includes making substantial changes to the careers advice and guidance provided in schools. They are currently compiling an information pack for parents which provides details on apprenticeships available across the city and the progression routes to demonstrate how they can be a legitimate career pathway.

They also recognise that real progress in the approach taken by schools will require changes in how schools are assessed, a requirement for schools to report on numbers progressing into apprenticeships as well as on to university, and changes to the contents of careers guidance.⁸¹



The Humber Local Enterprise Partnership (LEP) Gold Standard: establishing minimum standards for Careers Education, Information, Advice and Guidance (CEIAG)

CEIAG was identified as a priority when the Humber LEP was formed in 2011. The LEP, which is also highly proactive in building up awareness and knowledge of apprenticeships across the region (see below), introduced the Humber Gold Standard quality mark for excellence as a means to recognise high quality, impartial CEIAG and to drive up standards where provision was inconsistent or absent. The Gold Standard is mapped against existing national frameworks but is differentiated according to the input of local employers. The LEP is planning to work with Careers England to have the framework nationally accredited.

Previously, careers advice from some schools in the area was sector specific and tended to focus on traditional jobs rather than all occupational areas. Employers believed that the

79 Plymouth City Council (2015) Plymouth Skills Analysis. <http://www.plymouth.gov.uk/!seskillsanalysispres.pdf>

80 Centre for Cities interview

81 Centre for Cities interview

inconsistency of CEIAG was contributing to hard-to-fill vacancies, as young people were not recognising apprenticeship vacancies as relevant to their interests. By shifting the focus of careers advice in schools towards occupational pathways, and working alongside agencies such as Jobcentre Plus, more young people have been following apprenticeship and learning pathways that match their career objectives.

Schools, colleges and training providers have been proactively involved in the scheme, and their feedback has focussed particularly on the challenge of changing parents' attitudes towards apprenticeships away from the perception that apprenticeships are a low attainment route with low career prospects. The LEP has supported this approach by attending parents' evenings and giving presentations.

So far the quality mark has been offered to 50 schools and colleges and schools are starting to see some shifts in perception of apprenticeships, and further investment has been secured to extend the scheme to additional partners.⁸²



Greater Manchester Apprenticeship Hub: adopting various approaches to information and guidance in schools

The Greater Manchester Apprenticeship Hub was set up in 2012 and is a partnership involving a wide range of stakeholders including the ten Greater Manchester local authorities, the Chamber of Commerce, New Economy, the Skills Funding Agency, the National Apprenticeship Service and JobCentre Plus.

The Hub was set up with three main objectives, one of which was the provision of information, advice and guidance (IAG) to young people in Greater Manchester. In January 2016, there were 18 projects commissioned by the Hub around three main themes:

- Quality awards and professional development support, including Inspiring IAG, a nationally accredited CEIAG award which provides a framework for careers provision in schools, and the Better Choices, Better Outcomes school leadership programme that challenged poor cultural perceptions of CEIAG within schools;
- Information advice and guidance, including the Apprenticeship Ambassador Programme, which sends apprentices into schools to share their experiences about being an apprentice with pupils, teachers and parents; and

82 Centre for Cities interview

- Employability skills, including Skilled and Ready, an award for schools which replicates the activities of employers in schools to share some of the experience of taking on an apprenticeship.

Additionally, the 'See Things Differently' marketing and communications campaign is an outreach project which aims to transform perceptions about apprenticeships. The project has incorporated results day flashmobs, a Greater Manchester bus tour and an apprenticeship float as part of Manchester Pride 2015.⁸³

The impression locally is that through these initiatives, young people are becoming more aware of apprenticeships as an option, and that there is a growing confidence that they can compete with degrees as a route into work.⁸⁴

An evaluation of the Greater Manchester IAG projects during 2015 found that 119 of 221 schools who were approached about information workshops attended, and of these, 82 per cent then participated in one or more projects. On the whole, the schools who took part benefitted from the project, and considered the time that they invested worthwhile, particularly in Inspiring IAG, which helped draw together and develop existing IAG offers in schools. While there is little data available on whether the scheme has led to increased uptake, some schools have seen an increase in interest in apprenticeships – one school had around 10 expressions of interest compared to 2 or 3 in previous years.

There were challenges in the delivery of IAG: finding time in the busy school day to provide services and for providers to engage with staff was often difficult, and engagement was particularly challenging in schools which struggled with performance issues more generally.⁸⁵ More recently, local partners have reported that the quality awards and professional development programmes have led to a demonstrable shift in the cultural perception of CEIAG within schools.⁸⁶

The case studies illustrate how schemes which **support direct intervention in schools to support information, careers advice and guidance can have a positive effect on boosting apprenticeship applications**. However, results from these approaches can be mixed and take a long time to embed, with some local schemes reporting that they may not provide value for money.⁸⁷

83 GMCA, Greater Manchester Apprenticeships Hub. <http://theapprenticeshiphub.co.uk/the-apprenticeship-hub-is-here/>

84 Centre for Cities interview

85 Cambridge Policy Consultants (2015) Evaluation of Manchester Apprenticeship Hub: Improving Careers Education Information Advice and Guidance. <http://bit.ly/20B6seK>

86 Centre for Cities interview

87 Centre for Cities interview

Challenge 8: The gap between school and the workplace acts as a barrier to recruiting apprentices

One of the challenges faced by employers taking on apprentices is the lack of work readiness among young recruits. This incorporates a wide range of knowledge and behaviours from answering the telephone, to dressing correctly and arriving on time, to English, Maths and IT skills. The absence of these skills is likely to become more problematic as we shift from the framework system towards the higher-threshold standards over the next two years, which have higher assessment requirements for apprentices (see page 7).⁸⁸ To address these challenges, a number of local partners have sought to provide additional support for school leavers and for apprentices before they commence their training in order to bridge the gap to the workplace.



City Gateway, Tower Hamlets: supporting hard-to-reach youth through pre-employment training

City Gateway is a charity which tackles challenges around social and economic inequality in London, and particularly in Tower Hamlets, by working with partner organisations to create jobs and apprenticeships as well as providing pre-employment support and training for service users.⁸⁹

Service users include hard-to-reach NEETS (Not in Education, Training or Employment) between the ages of 14–24 and vulnerable women, who face significant challenges in entry to work and training, including limited aspirations and low language and skills levels. Only 10 per cent of learners are able to prove that they already have qualifications when they join the programme.⁹⁰ City Gateway addresses some of the biggest challenges to work-readiness through training and employability skills to enable service users to progress into sustainable employment.

Before an apprentice begins a formal apprenticeship training programme and placement, they complete a pre-employment training course which can take anything between six weeks and a year, depending on their prior attainment.⁹¹ Pre-employment training is free for service users, and there are five different routes, including business administration, childcare and IT. Training includes English and Maths up to Level 2, vocational skills up to Level 3, and interview skills. The courses include flexible entry points at Level 1, Level 2 and Traineeship.

⁸⁸ Centre for Cities interview

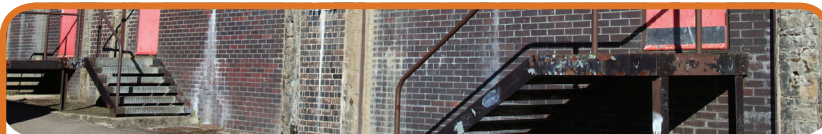
⁸⁹ City Gateway, Training for 16–24s. <https://home.citygateway.org.uk/training-for-16-24s>

⁹⁰ City Gateway, Welcome from our COO. <https://home.citygateway.co.uk/blog/welcome-from-our-coo>

⁹¹ Centre for Cities interview

Applicants need to have passed Level 2 Functional Skills before they can progress onto an apprenticeship, after which apprentices also attend City Gateway once a week to work towards a Technical Certificate and higher level Functional Skills, including English and Maths qualifications.

Since 2008, City Gateway has provided training and work with around 100 business, including the London Stock Exchange Group, Dentons, PwC and Credit Suisse. The completion rates for City Gateway apprenticeships are 13 per cent higher than the national average, and 84 per cent of apprentices that complete their apprenticeship move into permanent employment, training or progression opportunities with City Gateway's careers and progressions team.⁹²



Walsall Works: supporting pre-apprenticeships with council and government funding

Walsall Works is Walsall Council's apprenticeship programme aimed at young people aged 16-24. Launched in April 2012, it supports the creation of apprenticeships with local employers, as well as pre-apprenticeships to support transition into training.⁹³

Pre-apprenticeships are short training programmes available through training providers and colleges across the UK, and provide stepping stones into apprenticeships for those who lack the required skills and qualifications, particularly in GCSE level English and Maths. They can take between 6 and 20 weeks to complete, and focus on building up basic skills and work preparation in particular industries.⁹⁴

Walsall Works offers four pre-apprenticeship schemes of 20-26 weeks training, in Sports, Health and Social Care, Book-keeping, Administration and Customer service, and Business Skills.⁹⁵ As well as qualifications in the relevant subject area, they also receive level 1 qualifications in Maths, Literacy, ICT and Employability, alongside pastoral care and mentoring to support some of the barriers to work, such as low confidence and self-esteem, debt and money management, mental health problems and drug and substance misuse.⁹⁶ Walsall Works have worked alongside three local training providers to support pre-apprenticeship places, which are partly funded by the local council, alongside match funding from the Skills Funding Agency and the Department for Work and Pensions.

⁹² Centre for Cities interview

⁹³ Walsall Council, Walsall Works. <http://bit.ly/1SMqL3e>

⁹⁴ Centre for Cities interview

⁹⁵ Walsall Council (2012) New Pre-Apprenticeship programme. <http://bit.ly/1qHFrtZ>

⁹⁶ Walsall Council (2016) Walsall Works presentation <http://www.slideshare.net/safaraz/walsall-works-presentation>

In the first two years of the scheme, Walsall Works supported 1,189 young people into apprenticeships, learning and employment, including 342 pre-apprentices, and worked with 479 employers and 30 training providers. Over that period, youth unemployment in Walsall reduced faster than for the Black Country as a whole, and in 2014, 70 per cent of all pre-apprentices completed their training.⁹⁷

The case studies illustrate how **work readiness training before beginning an apprenticeship can help apprentices, by building up their skills and qualifications, and employers by providing a pipeline of apprentices who are work-ready.**

97 Walsall Council (2014) Regeneration Scrutiny and Performance Panel: Walsall Works Programme Update. <http://bit.ly/1V4vQbE>





Lessons and recommendations

Lessons for cities

- In order to meet the skills requirements of the city, local partners should use up-to-date labour market information and work in collaboration with local employers to ensure that apprenticeships are meeting current and future skills gaps.
- Financial subsidies can act as a short term incentive for employers to engage in the apprenticeship system who may not otherwise have done so.
- External partners such as LEPs can be effective in playing a brokerage role between training providers and employers.
- Larger firms or groups of firms with specific training needs can work together to develop training programmes either with external training providers or internally.
- Local partners can provide additional support in administration, human resources and financial management to help small and medium sized employers to take on apprentices where they otherwise may have been unable to do so.
- Marketing campaigns and business to business approaches based on personal networks can help make the case for apprenticeships to employers.
- Encouraging takeup of apprenticeships within professional service industries will require clearer progression routes from school into apprenticeships, and the use of high profile examples of apprenticeships can be a valuable employee recruitment strategies for professional service employers.
- Supporting direct intervention into schools to support information, careers advice and guidance can have a positive effect on increasing the takeup of apprenticeships.
- Work readiness training such as pre-apprenticeships before beginning an apprenticeship is valuable both to apprentices, in building up skills and qualifications and reducing youth unemployment, and to employers, in supporting a pipeline of work-ready apprentices.

Lessons for national government

The apprenticeship system is nationally led, and there are things that central Government should do in order to assist local places in making the best of apprenticeships:

- Encourage and support the evaluation of the changing apprenticeship system, particularly the levy, in order to improve understanding of the impact these changes will have on quality and quantity, and awareness and behaviour in different places.
- Provide timely, up-to-date and clear information on the changes in the apprenticeship system in order to help local partners to respond effectively.



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