



Blank Page

# Young People’s Education and Skills (YPES)

## Local Authority Apprenticeship Sub-Group

**Date** 24 March 2016      **Venue** London Councils

**Meeting Chair** Andy Scott, London Borough of Tower Hamlets

**Contact Officer:** Anna-Maria Volpicelli

**Telephone:** 020 7934 9779      **Email:** [Anna-maria.volpicelli@londoncouncils.gov.uk](mailto:Anna-maria.volpicelli@londoncouncils.gov.uk)

**Attendance:**

**Members:**

Andy Scott	London Borough of Tower Hamlets <b>(Chair)</b>
Jo Margrie	Hackney Learning Trust
Stuart Woosnam	Havering College
Rachel Dowse	London Borough of Barking and Dagenham
Cheryl Jones	London Borough of Bexley
Genta Hajri	London Borough of Brent
Michael Pratt	London Borough of Camden
Vanita Nicholls	London Borough of Ealing
Joyceline Hogan	London Borough of Enfield
Jason Lashley	EPIC CIC (RBKC representing Helga Senior)
Hamish Mackay	London Borough of Islington
Geeta Tailor	London Borough of Islington
Andrew MacPhee	London Borough of Lambeth
Charlotte Gibson	London Borough of Lewisham
Lorna Fraser	London Borough of Southwark
Paula Spencer	London Borough of Southwark
Jenny Dutton	London Borough of Tower Hamlets
Negat Lodhi	National Apprenticeship Service
Simon Steptoe	Unison

**Officers**

Dianna Neal	London Councils
Anna-Maria Volpicelli	London Councils

**Apologies**

Tomi Moronkola	London Borough of Hounslow
Andres Ochoa-Mikan	London Borough of Wandsworth
Oreleo Du Cran	Union Learn/SERTUC
Jivko Hristov	London Borough of Croydon
Fenella Beckman	London Borough of Lewisham
Helga Senior	EPIC CIC
Vic Farlie	London Work Based Learning Alliance
Ray Ellul	London Borough of Newham
Samantha Dodd	London Borough of Westminster
Neeraj Sharma	London Councils

## **1 Welcome Introductions and apologies**

1.1 Andy Scott welcomed members to the meeting. Apologies for absence were noted.

## **2 Notes of the last meeting and matters arising**

2.1 Item 5. Future of Apprenticeships, Negat Lodhi felt the wording of 5.1 and 5.2 did not accurately reflect the items as discussed at the meeting. It was agreed that Negat Lodhi would send amended wording for inclusion in the notes of 24 November meeting.

2.2 With the exception 2.1, the notes of the last meeting were agreed.

**Action: Notes of the last meeting to be amended and re-posted to website.**

## **3 Update from sub-group members**

3.1 Updates from sub-group members with additional dialogue was tabled and will be re-circulated with post meeting note.

## **4 National Apprenticeship Week 2016 – 14-18 March**

4.1 Members shared details of events held during National apprenticeship week. These included events run in conjunction with large and well known business leaders, charities, local businesses, FE (incl. specialist) institutions and training providers. Held in a variety of locations, members reported the events were well received and there was good attendance.

4.2 Andy Scott noted the diversity and creativity that boroughs used in setting up and running these events. He asked that those who offered to share information circulate to members.

**Action: members to share material relating to their activities in National Apprenticeship week with colleagues.**

## **5 Apprenticeship Reforms**

**Levy: What is your organisation's estimated contribution to the levy? How are you intending on using the levy locally?**

5.1 At the Summer Budget it was announced that three million new apprenticeships will be created by 2020, funded by a levy on large employers. The apprenticeship levy will come into effect in April 2017, at a rate of 0.5% of an employer's pay bill. A £15,000 allowance for employers will mean that the levy will only be paid on employers' pay bills over £3million. Less than 2% of UK employers will pay the levy.

5.2 Negat Lodhi, speaking to a presentation to be circulated post meeting, highlighted some of the key points from the Enterprise Bill with regard to apprenticeships, including the Levy:

- The abolition of National Insurance contributions for apprentices under 25.
- Development and creation of apprenticeship standards in order to expand existing ones and cover more areas of work.
- Development of both higher education and degree level Apprenticeships
- There is a ['Specification for Apprenticeship Standards in England'](#) about apprenticeship frameworks and how they are developed.
- The Enterprise Bill (September 2015) saw;

- Power for the Secretary of State to set targets for public sector bodies in relation to the number of apprentices they employ in England;
- Require public bodies to have due regard to any targets set on them and to report annually on progress against meeting those targets increase the number of apprenticeships in the public sector;
- Protection of the 'Apprenticeship name/brand'.
- An '[Institute for Apprenticeships](#)' is being set up and will be employer led (April 2017).
- Government departments also have set targets.
- The development of a 'Digital Apprenticeship Account' (to draw down money).

There needs to be strong links with employer engagement officers and LGA colleagues as the increase from 16% apprenticeship delivery (historically) in the public sector to 50% is a steep climb. Negat Lodhi pointed out that it was possible to include existing staff in these targets as there would be opportunities within the normal course of workforce development. Final funding notes will be available June 2016. There is a dedicated page on the website to the levy [here](#).

### **Apprenticeship targets: views on the consultation and its proposals**

- 5.3 Andy Scott thanked Negat Lodhi and opened the item to members for wider discussion. Members voiced some concern around the 'estimated' headcount of individual borough employees, which, even taking into consideration contractors working on the council's behalf, appear to be inflated and disproportionate.
- 5.4 Dianna Neal asked if there will be any Public Sector (as an employer) representation in the newly formed 'Institute for Apprenticeships'. It was also asked if schools were included within the LA target and whether the fact that all schools are to become Academies by 2020 has been taken into account. Negat Lodhi agreed to take these matters back to SFA and report back to the group.

#### **Action:**

- **NL to advise if LAs will have representation at the 'Institute for Apprenticeships' and;**
  - **Confirm how targets have been calculated and if BIS will share datasets used for these calculations.**
  - **Relay concerns about the headcount figures used for local authorities to the group working with DCLG**
  - **What arrangements will be for schools that are currently being counted under LAs but will convert to Academies by 2020.**
- 5.5 Andy Scott asked members how they were building up to reach the projected targets. It was agreed that some of the numbers could be addressed by skills gaps in existing workforce and through outsourced contracts. Other points noted:
- With cross working/Tri-borough – who ultimately would record/have ownership of the figures towards their target?
  - Would there be a way to record/work in partnership?
  - Unreasonable targets means that it is unlikely that they will be fulfilled and if so, is there a penalty?

5.6 Negat Lodhi confirmed that the concern over hitting targets was shared with central government departments but there was a re-assurance that as long as everything was being done to try and achieve the targets, that no penalties would be incurred. HMRC are already putting in place procedures for the collection of Levy but was unable to confirm if payments would be lost if not utilised.

*Post meeting update from NL:*

***Expiry of levy funds***

- *Levy funds will expire 18 months after they enter your account unless you spend them on apprenticeship training. This will also apply to any top-ups in your account.*
- *Levy funds which have expired will keep their value, as they will be reallocated to committed employers through the top-up to their accounts.*

5.7 Members expressed concern that there appears to be no offer of support as this will have a financial impact on already heavily constrained budgets (costs of recruitment, administration). Negat Lodhi confirmed that LAs would have to take the burden of any extra costs, but the department will be using their existing learning and development schemes budget.

5.8 Dianna Neal asked members if there was interest in collective purchasing power and fast tracked apprenticeships. It was suggested that this could be a project or possibly a task and finish group to look at this further.

**Action:**

- **NL to clarify what the arrangements will be for employers that work with ATA(s) when the levy comes into place.**

**Apprenticeship pay:**

**What are current pay levels of apprenticeships in London? How will the apprenticeship levy and target impact apprenticeship pay levels/bands? Role of sub-group to shape reforms/implementation?**

5.9 Members discussed and commented as follows:

- Are pay levels expected to change? Andrew MacPhee advised that Lambeth were revising their pay scales at the moment.
- There are differing pay levels across boroughs and how to reconcile young apprenticeship pay scales to that of older apprentices and to that of existing staff? This extends to differing pay methods, of which some can be very complicated.

5.10 Andy Scott added that even securing the starts would still mean facing the practicalities of achieving completions. He also added that unless age limit was lifted, there may not be enough young people in borough who would want to take up an apprenticeship with their local authority or those whom they contract with. The higher the targets, the smaller supply would become.

5.11 Dianna Neal added that Tessa Mapley, Principal Performance Analyst at London Councils has offered to contact her borough HR Metrics colleagues with a short and simple survey to try and have a London wide picture of pay scales etc. This will be of common value and can be useful as a benchmarking tool. It was agreed that members would submit questions for pulling together a questionnaire.

**Action:** members to email [anna-maria.volpicelli@londoncouncils.gov.uk](mailto:anna-maria.volpicelli@londoncouncils.gov.uk) suggestions for questions that can be formed into a brief survey on apprenticeship paycales.

**Action:**

- Negat Lodhi to share the presentation she spoke to with members post meeting.
- Anybody interested in getting involved in the development of the Digital Apprenticeship Service and testing the BETA version of the system should contact [DASemployerpilot@sfa.bis.gov.uk](mailto:DASemployerpilot@sfa.bis.gov.uk)

## **6 AOB**

- 6.1 Joyceline Hogan advised she will be leaving Enfield early May. Members would like to express their thanks for her support and contribution to the group and wish her the best for the future.

**Action:** AMV to reschedule of the 23<sup>rd</sup> June meeting due to this date being held for the EU referendum vote.

DRAFT

Blank Page

# Young People's Education and Skills

## Local Authority Apprenticeship Sub-group

### Analysis of London Borough Apprenticeship data 2015-16 Item no: 5

**Report by:** Jane Harrison  
Presented by Dianna Neal

**Job title:** Principal Policy & Project Officer:  
Economy, Culture and Tourism

**Date:** 16 June 2016

**Contact:** Jane Harrison

**Telephone:** 020 7934 9639      **Email:** Jane.harrison@londoncouncils.gov.uk

---

**Summary:** The 2015-16 collection of apprenticeship data is nearly complete. The emerging trends show there is likely to be an overall increase in the number of apprentices recruited in local authorities and their supply chains compared to last year. However this follows last year's pattern which shows decreasing numbers being directly recruited and increasing numbers in boroughs supply chains. The number of apprentices recruited via Apprenticeship Training Agencies remains broadly static.

---

**Recommendations**

1. That the group notes the emerging trends outlined in the analysis.
2. That the group agrees how the data should be used.
3. That the group considers what, if any, actions should be taken as a result of this year's data.

---

## 1. Background

### 1.1 Every year London Councils collects data from all London boroughs which show:

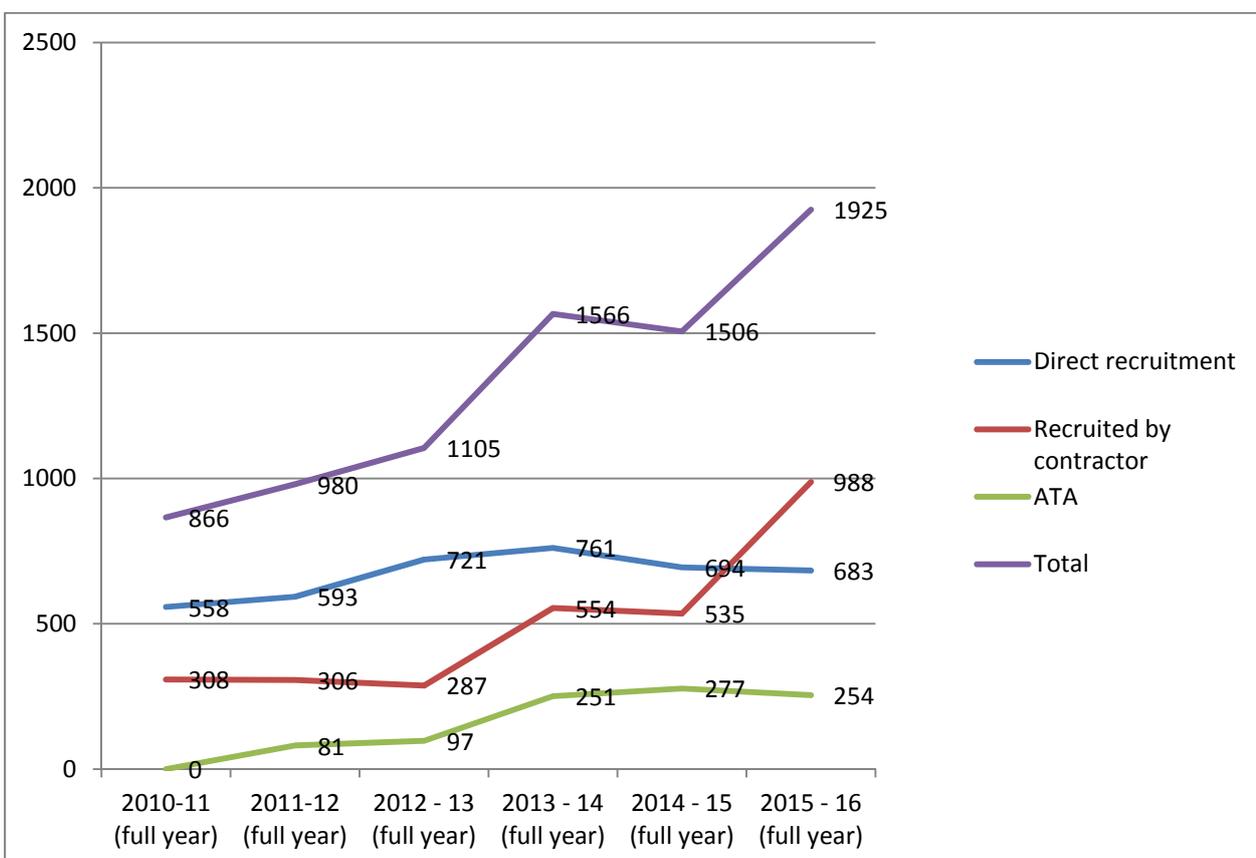
- The number of apprentices directly recruited by boroughs. Including information on age, level and the number that were previously NEET.
- The number of apprentices recruited by contractors that delivers services on behalf of a boroughs. Including information on age, level and the number that were previously NEET.
- The number of apprentices placed with ATAs where boroughs pay the salary and provide the placements for full apprenticeships.

1.2 This year's data collection started in March 2016. One borough has not responded. It is hoped that a full set of data will be available for the next sub-group meeting.

## 2. Emerging Trends.

2.1 The data shows that the **total number apprentices** recruited directly by a borough and by their contractors in 2015/16 has dropped again. This continues the trend from last year. The number of apprentices recruited via an ATA has decreased slightly. It is likely that because of difficulties monitoring the data, a number of boroughs under report on the number of apprentices that have been recruited via their contractors and therefore the true number may be higher.

Graph 1: Number of apprentices recruited by borough, contractor and ATA since 2009

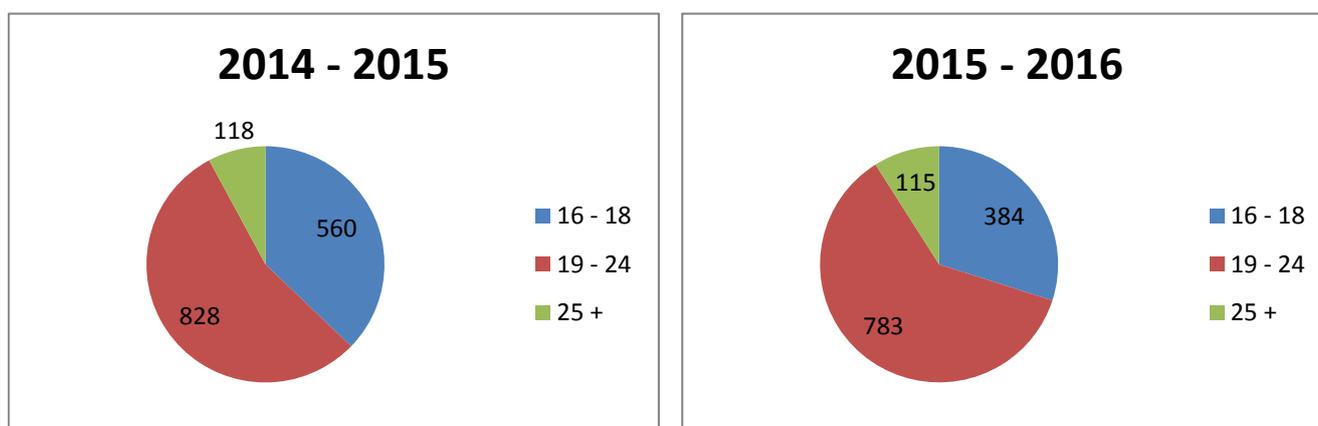


2.2 There is variation in the **number of apprentices recruited by each borough**. Please see the tabled document for a breakdown of apprentice numbers in each borough since 2009. Variation in the numbers of apprentices recruited by borough can be due to different factors

including maturity of the apprenticeship programme, demand for apprenticeships, ability to recruit appropriate apprentices and the number of opportunities in a locality (for example boroughs with high levels of development and construction are likely to see more apprentices recruited via their contractors).

- 2.3 There is also a borough by borough variation in the number of apprentices recruited into supply chains. There is a significant increase in the number of apprentices recruited into supply chains this year. However the tabled borough breakdown demonstrates that is largely in part due to the activity in one borough. London Councils considers this to be an area of concern as we think there is a lot of activity going on in this area but it remains under reported. One of London Councils' proposals regarding the apprenticeship target for public sector bodies is to allow boroughs to count the apprentices recruited in their supply chains towards their totals. If this is incorporated into the target, it will be increasingly important for boroughs to accurately monitor this activity.
- 2.4 Not all the boroughs were able to provide a **breakdown of the age of the apprentices recruited**. However for the data provided 91 per cent of the apprentices recruited were 24 and under (with 30 per cent 16 – 18 – compared with 37 per cent last year). This differs to the general profile of apprenticeship starts which shows that numbers in the higher age brackets have risen significantly and over-25s now make up 37 per cent of all starts<sup>1</sup>. This demonstrates that local authorities in London are providing more opportunities for younger people than business more widely. Graph 2 shows the age break down compared to 2014 – 15.

Graphs 2 & 3: Age of apprentices recruited by boroughs, their contractors and ATAs (2014/2015 & 2015/ 2016)

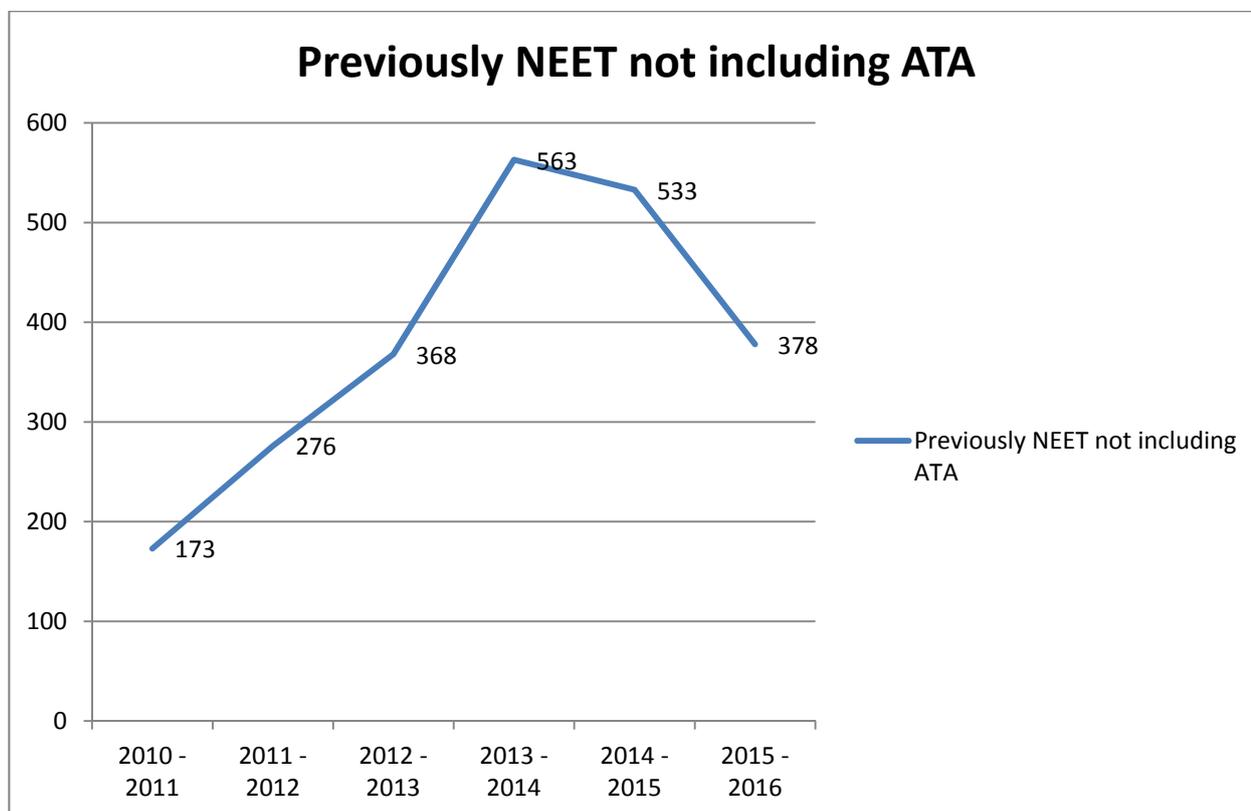


- 2.5 There was incomplete data on **recruitment by level**. However, from the data collected the trends show that 70 per cent of apprentices were recruited at level 2 (877 apprentices) and 29 per cent at level 3 (366 apprentices). Only 1 per cent of apprentices (19) were recruited at level 4. This is the same profile as last year. London boroughs recruit at a similar level to the rest of the country and other businesses where:
- Level 2s make up 65 per cent of provision,
  - Level 3s make up 33 per cent
  - Level 4s make up 2 per cent.
- 2.6 Comparing **the number of apprentices that were previously NEET** over time is difficult as data from 2010 - 11 to 2012 – 13 does not include apprentices recruited via an ATA. The graph below shows the data just including supply chains and direct recruitment. There is a

<sup>1</sup> [http://www.ippr.org/assets/media/publications/pdf/learner-drivers-apprenticeships\\_June2015.pdf?noredirect=1](http://www.ippr.org/assets/media/publications/pdf/learner-drivers-apprenticeships_June2015.pdf?noredirect=1)

downward trend in terms of apprentices that were previously NEET. This is also a concern given that one of our arguments for government to reconsider how it will calculate the apprenticeship target is that boroughs are undertaking significant work with NEET and harder to help people, which are more expensive to help. It would be useful to know from members of the group what the reasons could be for this reduction.

Graph 4: Number of apprentices recruited directly by boroughs and by their contractors that were previously NEET (2010 – 2015)



### 3. Next steps for the data

3.1 It is intended that the data will be used in the following ways:

- In a letter from Tim Shields (Chief Executive at Hackney, and CELC member for Skills) to other Chief Executives to update on trends in apprenticeships across London.
- As part of Cllr. Peter John's opening address at the London Borough Apprenticeship Awards.
- On London Councils' apprenticeship web pages.
- In a letter to Nick Boles MP to lobby against the current methodology for the apprenticeship target.

It would be helpful if the group could consider any other ways they would like the data to be used/ promoted, including how it could be used by London Councils to lobby against the current apprenticeship target methodology.

3.2 The data demonstrates a number of emerging trends which may require activities/ interventions. Some suggestions are below:

- Improved data monitoring regarding supply chain apprenticeships. Southwark has drastically increased their numbers regarding supply chain opportunities. This may be worth some focussed best practice sharing.

- The increase in numbers, although positive, is broadly down to one borough's increased activity and a number of boroughs on-going work. What more can be done to support boroughs with consistently low number of apprentices?
- Are we recording the right data – is there anything else boroughs would like to see reported on (bearing in mind we want this data collection to remain light touch)? This should be considered alongside the new data that boroughs will have to submit to the BIS secretary of state from April 2017 (new data at annex 1).

**Annex 1: Data due to be submitted to BIS** ([text from the consultation on apprenticeship targets for public sector bodies](#))

Public Bodies will also be required to publish and send additional supporting information to the Secretary of State to understand more about the recruitment and retention of apprentices. The required information in relation to workforce is:

- The number of employees whose employment by the body began in the reporting period in question (figure A);
- The number of apprentices who began to work for the body in that period and whose apprenticeship agreements also began in that period (figure B);
- Figure B expressed as a percentage of figure A;
- The number of employees that the body has at the end of that period (figure C);
- The number of apprentices who work for the body at the end of that period (figure D);
- Figure D expressed as percentage of figure C. (This will indicate whether the target is being met);
- If that reporting period is the first reporting period in the target period, the number of apprentices who worked for the body immediately before that period.

Bodies will also be required to send other information to the Secretary of State which we do not propose be published. We propose that this information would include:

- Information about action that the body has taken to meet an apprenticeship target set for it;
- If the public body has failed to meet an apprenticeship target set for it, an explanation of why the target has not been met;
- Information about action that the body proposes to take to meet an apprenticeship target set for the body for a future target period;
- If the body considers that a future target is not likely to be met, an explanation of why that is so.

The information will be used to determine whether or not further support is needed for public bodies to ensure that they are maximising apprenticeship growth and, where they are failing to meet the target, taking steps to redress this.