A London Councils Member briefing

Update on Apprenticeship Activities in London

This briefing provides an update on recent activity on apprenticeships, including the borough apprenticeship data collection exercise carried out by London Councils, the London Business 1000 survey and its findings on apprenticeships and training and the winners of the London Borough Apprenticeship Awards 2017.

Analysis

Borough Apprenticeships Data Collection

Every year, London Councils collects data from all London boroughs on:

- The number of apprentices directly recruited by boroughs.
- The number of apprentices recruited by contractors that deliver services on behalf of a borough.
- The number of apprentices placed with ATAs where boroughs pay the salary and provide the placements for, but do not employ the apprentice.

In each case, London Councils also requests data from boroughs on the age and level of each apprentice and the number of apprentices in each category who were previously NEET. This year’s data collection started in April 2016 and at least a partial return was received from all 32 boroughs and the City of London. The data shows that the total number of apprentices has continued to rise each year (Graph 1). Just over 2,000 new apprentices were hired by boroughs and their supply chains in 2016/17 (2,087) taking the total number of apprenticeships created by London boroughs since 2009 to more than 11,000.

![Graph 1: Number of apprentices recruited byboroughs, contractors and ATAs since 2009-10](image-url)
Efforts to boost the number of apprentices recruited into council supply chains were particularly successful, up 26 per cent compared to last year. However, the number of apprentices recruited directly by boroughs has dropped for the third year in a row, while the number of apprentices recruited by boroughs via an ATA has also continued to fall.

Not all boroughs were able to provide a full breakdown of the age of the apprentices recruited, but for the data provided, 88 per cent were aged 24 and under compared to just over half in England as a whole.

There was also incomplete data on recruitment by level. However, from the data collected, two-thirds of apprenticeships were recruited at Level 2 (66 per cent), 31 per cent at Level 3 and just 3 per cent at Level 4 or above. This is a similar profile to last year. Nationally, just over half of provision is at Level 2 (57 per cent), just over a third at Level 3 (37 per cent) and 5 per cent at Level 4.

There is a downward trend in terms of apprentices that were previously NEET, dropping from 563 in 2013-14 to 256 this year. This drop is in part caused by fewer boroughs providing data on NEETs this year, but it is also not entirely clear from the data whether boroughs are recruiting fewer NEETs as apprentices, whether fewer boroughs are recording whether their apprentices are NEETs or whether there are fewer NEETs to be recruited as apprentices.

**London Business 1000**

London Councils and the London Chamber of Commerce and Industry (LCCI) commissioned ComRes to undertake a survey of a thousand businesses across London between April and June 2017. The London Business 1000, which will run for three years, asked businesses about recruitment and retention, apprenticeships and training, migration and the main challenges and opportunities they face, including Brexit.

Brexit was identified as the biggest challenge by businesses in London and respondents also highlighted the importance of the need for fewer restrictions on immigration to make it easier to recruit new staff. Consequently negotiating for a flexible immigration system that works for London businesses will be extremely important. It is crucial that London has a strong influence on the type of Brexit that the government negotiates with the EU. Other main concerns included the cost of domestic taxes or levies (including business rates), the cost of business space, and skills shortages in key areas.

On Apprenticeships and training, the survey found that:

- 8 per cent of London businesses currently employ apprentices.
- 20 per cent of businesses plan to use apprenticeship funding over the next 12 months.
- Two thirds of businesses that will pay the Apprenticeship Levy (66 per cent) intend to use the funding, compared to just a fifth of those that do not have to pay it (17 per cent).
- Of the businesses planning to use apprenticeship funding, 63 per cent said they will increase the number of apprenticeships they use, 14 per cent will retain to same number and 5 per cent will use the funding, but will employ fewer apprentices.
- The vast majority of businesses planning to use apprenticeship funding will employ more apprentices rather than train existing employees.
- Businesses not planning to use apprenticeship funding cited practical reasons, including being a small business (15 per cent), having no plans to recruit (13 per cent) and lack of space (9 per cent).
- Worryingly, 41 per cent of London businesses do not see any benefit in increasing their number of apprentices compared to 56 per cent who believe there could be benefits.
- Reasons given for not planning to hire apprentices related to the size of the company (too small) or their stage of development (have just started up/don’t plan to hire more staff). Financial factors were most often cited as something that would make businesses more likely to hire apprentices, particularly for micro businesses.
Apprenticeship Awards 2017

The seventh London Borough Apprenticeship Awards took place on 22 September at Plaisterer’s Hall in central London. The awards recognise and celebrate the contribution of apprentices to London’s local authorities and communities and the innovative work happening across London to create new apprenticeships. Awards are presented in five categories. Details of the winners and highly commended entries are below.

**Apprentice of the Year**
Winner: Carly Mitchell, LB Camden

**Best Contribution by a New Apprentice**
Winner: Jordan Bailey, RB Kingston
Highly Commended: Kallum Nunes, LB Lambeth

**Best Progression by an Apprentice**
Winner: Elisha Grant, LB Bexley
Highly Commended: Ariadne Anderson, LB Sutton

**Best Manager or Mentor**
Winner: Fenella Beckman, LB Lewisham
Highly Commended: Marisa Gillan, LB Southwark

**Best Work with Supply Chains and/or Local Businesses to Create New Apprenticeships**
Winner: LB Camden

There were a number of outstanding entries this year, and all of the shortlisted entries, as well as the winners, are excellent role models for other apprenticeships and examples of best practice that all boroughs can learn from. The work Camden, for example, has done on supply chains is an excellent example of this best practice. Last year they created 187 apprentices with employers, including working with the Francis Crick Institute to recruit their first ever Laboratory Technician Apprentices (all four of whom were female) and other employers like Google, UCL and the Knowledge quarter to promote higher apprenticeships within STEAM subjects. Camden’s Adult Apprenticeship pilot scheme supported employers to provide flexible, part-time apprenticeships for parents, with 75 per cent successfully moving into work. 143 apprenticeship opportunities were negotiated through the council’s Better Homes programme, and the borough is also working hard to provide support for local employers to make the best use of their apprenticeship levy.

One of the main themes of this year’s nominees was their very diverse backgrounds. From youngsters fresh out of school to parents moving back into work to people with disabilities, this year’s awards demonstrated that London local government can offer a positive and supportive working environment that can allow individuals to flourish and reach their potential regardless of circumstance. The Awards show that boroughs are beginning to increase the age-range of apprentices, and are offering part-time, more flexible opportunities via apprentices to help people back into employment. This work will continue to become more important as boroughs look to use their Levy funds over the coming years.

This year’s borough apprenticeship data shows a mixed picture: a small increase in numbers, further progress on working with supply chains, but a slight fall in the number of apprenticeships created directly by boroughs, something which has now occurred three years running.
Commentary

The data collection this year takes on a greater level of importance, due to the introduction of the Public Sector Apprenticeship Target. Under the target, London boroughs are required to create an average of around 4,400 apprenticeship starts each year between 2017-18 and 2020-21 – roughly the same number they have directly recruited in the last five years combined. This is an extremely challenging, possibly unrealistic target. 17 boroughs recruited fewer apprentices in 2016-17 than they did in the previous year, with just 12 boroughs recruiting more. Based on this year’s performance, there is currently no London borough that is meeting its target. This should be contrasted however with the more positive story from the Apprenticeship Awards, which showcased the excellent work done by boroughs and their apprentices to support their local communities.

The results of the London Business 1000 also present a mixed picture. It is encouraging that more than double the number of employers in London that currently employ apprentices are now planning to employ apprentices as part of the new funding system. However, eight in ten London businesses did not plan to use apprenticeship funding, and there is clearly a big split between businesses that have to pay the Levy, which on the whole are looking to use the funding, and businesses that don’t, which on the whole have no plans to use the funding available. The other concerning finding is that two-fifths of London businesses do not see any benefit in increasing their number of apprentices, so there is clearly still a job for both central and local government to do more to promote the benefits of apprenticeships, improve business understanding of the options available, challenge perceptions and dispel myths.

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This member briefing has been circulated to:
London Business 1000 Survey
London Borough Apprenticeship Awards 2017

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