

A decorative graphic consisting of a thick, bright green curved line that starts from the left edge and arches across the page, ending at the right edge. Below this line, there is a faint, grey, grid-like watermark of a large checkmark.

*Scrutiny Review of Provision of
Apprenticeships in the Borough*

Report

April 2012

Draft 2

CONTENTS

Contents	Page	Paragraph
Purpose of the report	3	1.0
Structure of the report	3	2.0
Background	3	3.0
Methodology	4	4.0
Evidence and Analysis with findings/conclusions and recommendations	4	5.0
Overall Conclusion	12	6.0

Annexes	Number
Topic Brief	1
Methodology Detail	2
Documents considered during the review	3
Action Plan	4

1.0 PURPOSE OF THE REPORT

The purpose of the report, as outlined in the initial topic brief agreed by the Children & Young People Policy & Performance Board at its meeting on 5th September 2012 is to undertake a review of the provision of Apprenticeships in the Borough of Halton. The review will consider the following specific elements;

- ◆ The implementation of an Apprenticeship programme for Halton Borough Council.
- ◆ Monitoring and review of the programme i.e. the effectiveness of the programme.
- ◆ Engagement with the private sector.
- ◆ Roles and responsibilities of respective agencies to drive forward the Apprenticeships agenda in Halton.

2.0 STRUCTURE OF THE REPORT

This report is structured with an introduction, a brief summary of the methodology followed by evidence, analysis with findings/conclusions and recommendations. The annexes include the topic brief, methodology detail and an action plan to capture the recommendations from the scrutiny review.

3.0 BACKGROUND

3.1 Reason the scrutiny review was commissioned

The bringing together of Children and Enterprise within one directorate recognised that for most young people it was the transferable skills that were developed at school and in further education that would determine their success in a range of jobs throughout their lives.

With reductions in funding, Local Authorities and partners need to work even more closely with NAS to ensure that resources are deployed to create Apprenticeships that are relevant to both the needs of employers and young people

It was therefore agreed at the September 2011 meeting of the Children & Young People PPB that a scrutiny topic on apprenticeships would further cement these principles. It was proposed that the topic group would be jointly overseen by members of drawn from the Employment, Learning, Skills and Community Policy and Performance Board and the Children, Young People and Families Policy and

Performance Board. Councillor Susan Edge was elected to chair the joint topic group.

3.2 Policy and Performance Boards

This report was commissioned as a joint scrutiny working group for the Employment, Learning & Skills and the Children & Young Policy and Performance Boards.

3.3 Membership of the Scrutiny Working Group

Membership of the Scrutiny Working Group included:

Members	Officers
<p>Cllr Susan Edge Cllr Mark Dennett Cllr Margaret Horabin Cllr Stan Parker Cllr Harry Howard Cllr Peter Lloyd Jones</p>	<p>Wesley Rourke - Operational Director, Economy, Enterprise & Property. Siobhan Saunders - Divisional Manager, Employment, Learning & Skills. Simon Clough - Divisional Manager, Learning & Achievement Services. Claire Gurney - 14-19 Programme Manager John Gallagher – Principal Policy Officer – Corporate & Organisational Policy Nick Mannion - Principal Policy Officer - Employment, Learning and Skills</p>

4.0 Methodology Summary

This scrutiny review was conducted through a number of means:

- Regular meetings of the scrutiny review topic group;
- Reports and presentations by various key members of staff;
- Provision of information and comparative data;
- A presentation by the National Apprenticeship Service.

5.0 Evidence (summary of evidence gathered) and analysis with findings/conclusions

5.1 The National Picture

Several areas factors and issues are coming together which should increase the demand for Apprenticeships:

- The Education and Skills Act 2008 will increase the minimum age at which young people in England can leave learning.

- University tuition fees are increasing to up to £9,000 (from £3,000) per year from 2012 and latest figures from UCAS on 28th November 2011 show applications are down 12.9%, 23,427 on last year.
- The development of more Higher Level Apprenticeship frameworks at Levels 4 and 5. There are currently eight issued and £25 million has been allocated to develop a total of 19 more for release by the end of 2012 and a further 10 by the end of 2013

All this comes at the same time as nationally youth unemployment is rising. Within Halton whilst Job Seeker Allowance claimants have risen, the proportion of young people aged 16-18 that are NEET (Not in Education, Employment or work-based Training) in Halton has risen more slowly and is only slightly higher at 10.89% in October 2011 compared to 9.69% October 2010.

In releasing funds to support young people into learning or employment, the Government announced on 29th November 2011 that its Youth Contract that started in April 2012 will provide nearly half-a-million new opportunities for young people, including apprenticeships and work experience placements. This will include:

- To encourage smaller employers to take on their first Apprentice, a total of 40,000 grants of £1,500, divided evenly between businesses with less than 50 employees and those with between 50 and 250 that have not had an Apprentice in the past three years, are available.
- Simplifying processes to make it quicker and easier for employers to take on an apprentice.
- A renewed focus on targeting the programme where Apprenticeships deliver greatest value - including on younger adults, new employees, higher level qualifications and particular sectors where they can make the greatest impact.
- Apprenticeship providers will be required to offer training in English and maths up to the standard of a good GCSE (level 2) for all Apprenticeships.
- Apprenticeship programmes must also last a minimum of 12 months

The Government had also announced a new £150m programme to provide support to some of the most vulnerable 16-17 year olds NEET (Not in Employment, Education or Training) from April 2012. This will provide vital support to help them to get back into education, an apprenticeship or a job with training.

5.2 The Halton Picture

Key details of the work done in recent years, particularly on the issue of NEETs, was discussed, especially regarding Appendix A in the

background information pack - Strategic Analysis to support the 14-19 Strategic Commissioning, 2012-13.

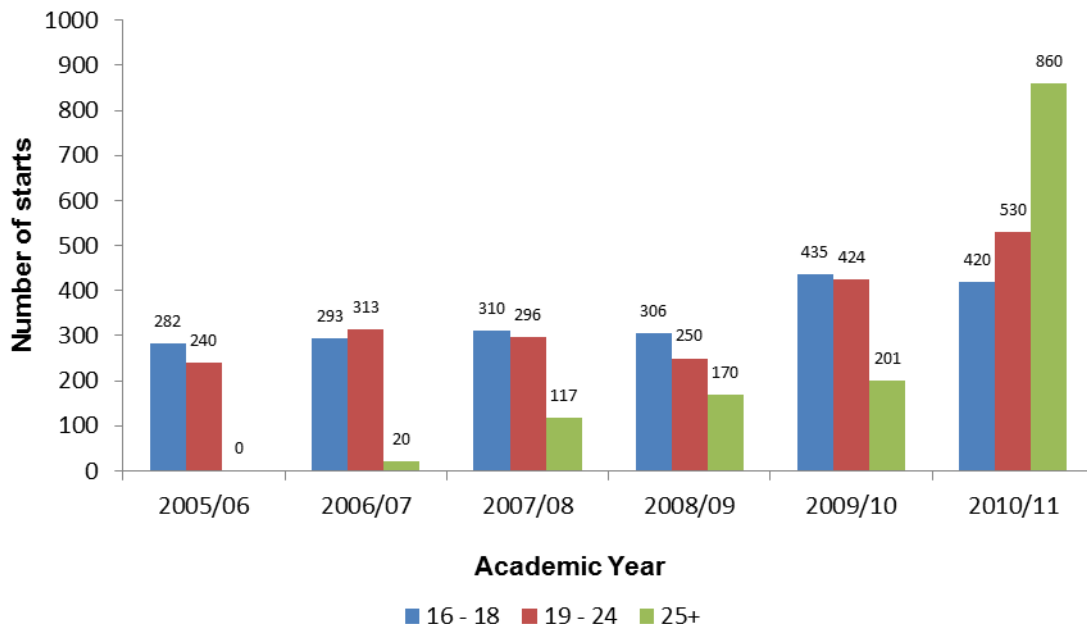
The latest data demonstrates that since 05/06 there has been a significant increase in Halton residents starting apprenticeships.

Age		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
16-18	No.	282	293	310	306	435	420
	%	6%	6%	6%	6%	9%	9%
19-24	No.	240	313	296	250	424	530
	%	3%	3%	3%	3%	5%	6%
25+	No.	0	20	117	170	201	860 *
Totals		522	626	723	726	1060	1810

[Source: www.thedataservice.org.uk]

- A proportion of these may be existing employees that have moved onto an Apprenticeship.

2005/06 - 2010/11 Halton resident Apprenticeship Starts



The top 4 sectors delivering to Halton residents in 2010-11 were Business Administration and the Law; Engineering and Manufacturing Technologies; Leisure, Travel and Tourism, and Retail and Commercial Enterprise. Matched against the Halton growth sector areas of Logistics and Distribution; Retail;

Science, Technology and Advanced Manufacturing, and Construction and the Built Environment.

Challenges

The key challenges set-out in the Action Plan, especially around KF 1, 2 and 3 that present the most severe challenges will benefit from increased practical support.

Other challenges for Halton are;

- How to increase the number of young people (16-24) entering higher level apprenticeships (Level 3 upwards), especially as the offer from local training providers, whose current provision offer is heavily weighted towards level 2.
- To persuade more smaller (less than 50 employees) local businesses and new employers to take on their first apprentice
- The impending removal of the requirement for schools to provide pre-16 work experience opportunities may see many opt out, taking away a previously useful first 'taster' of the world of work for young people.
- To continue to provide work-readiness and pre-employment training, so that young people are able to access suitable Apprenticeship opportunities.
- Maintenance of the availability of impartial IAG (Information Advice and Guidance) so young people are more aware of ALL the post-16 routes available.

Conclusion;

The Topic group concluded that this initial information sharing and awareness-raising session on the current and emerging local and national picture clearly demonstrated the hard work done in recent years, and the high level of expertise and knowledge that the local partners have around the issues of delivering a successful apprenticeship programme in Halton.

However, there are significant emerging issues that are likely to be exacerbated by the deteriorating economic situation.

5.3 National Apprenticeship Service

Peter Finney of the National Apprenticeship Service ('NAS') attended the January 2012 meeting of the topic group. He delivered a presentation that covered current developments in the application of the apprenticeship concept, the work of the National Apprenticeship Service and future opportunities and issues

He opened by advising that an apprenticeship has three elements;

- The workplace environment – key functional skills
- Competency-based qualifications (literacy/numeracy/IT)
- Knowledge-based qualifications

Each of these must be delivered in line with the Specification of Apprenticeship Standards in England (SASE).

The level of participation is growing rapidly, up 60% in the past three years, with nearly 443,000 new apprenticeship starts during 2010/11. The NAS' priority is still the 16-24 age group, but many people and employers are still not aware that an Apprentice can be of any age. The level of satisfaction amongst both employers and learners also continues to improve, with tougher minimum standards scheduled to be introduced during 2012 to drive quality up even higher.

The Government launched its Skills Strategy in October 2010, with Apprenticeships being placed centre stage, whilst the other employer-based training programme 'Train to Gain' has been closed. The strategy also launched a drive to specifically increase the number of advanced and higher apprenticeships being offered.

The current minimum rate for (16 year old) apprentices is £2.60 per hour, rising to £2.65 from September 2012, with an average gross wage of £170 per week across all apprenticeships. There is likely to be an announcement during next week's National Apprenticeship Week on improved financial incentives to smaller employers to take on an apprentice. PF went on to explain the 'Skills Escalator' – a process by which people can move from an entry level Apprenticeship to a Higher Apprenticeship, equivalent to a Foundation Degree and beyond to degree level

Competition for apprenticeship places is currently creating downward pressure - with more 'academic' young people opting to take-up intermediate and advanced apprenticeships for which they are 'over-qualified' at the expense of less academically gifted young people. This could be due to the increased cost of university provision and prevent young people that are NEET obtaining an Apprenticeship.

There are also currently only a limited range of Higher Apprenticeships available locally, but more Higher Apprenticeship frameworks are in the process of being developed.

PF concluded with an overview of the Halton position. Whilst there has been a healthy increase in the number of intermediate and advanced apprenticeships in Halton, out of a total of 1755 apprentices in 2010/11, less than 20 were higher apprentices. He went on to stress that this has been recognised, and NAS is working hard alongside HBC and other partners to promote the availability and attractiveness of apprenticeships to both students and employers. Science Halton, Daresbury SIC and The Heath could all offer potential opportunities.

During the course of the meeting members raised a number of points, which are summarised below.

In response to a query about the number of ICT related apprenticeships available it was confirmed that two categories widely available, including for local apprentices - IT user and IT professional.

As to how we could increase the number of NEET 18-24 year olds starting apprenticeships, PF suggested that one effective way was via better financial support for employers. Also, and Halton already has some work-readiness and pre-employment provision in this area, by helping NEET young people to prepare themselves for the application and entry process. However, there is still scope for better 'joining-up' in some areas.

Asked if there was anything the NAS would like specifically from the council, PF urged it to continue to develop the apprenticeship option as an employer, embedding apprenticeships in how the council recruits new staff and trains existing employees. He referred to Manchester City Council's approach on this as a local authority that is now making extensive use of apprenticeships.

Queried how this concept could be 'sold' at a time when the council workforce is set to reduce, PF suggested that a business case can be made to take the apprenticeship option when looking to fill most vacancies at entry level. The Value for Money case will include;

- Less pressure on the corporate training budget
- Free, or heavily subsidised support through training paid by central Government funding, via the Skills Funding Agency.
- Commitment to develop new and also existing workforce.
- Offering more local opportunities to Halton residents.

Conclusion

Whilst local partners work together effectively, and some, mainly the bigger, employers have enthusiastically embraced the apprenticeship concept in Halton, there is still much work to do. The availability of higher apprenticeships and the proportion of small employers offering apprenticeships could be greater.

5.4 Halton Borough Council Support for Apprenticeships

The January meeting of the topic group also considered two short presentations on how the Council is working to increase the number of apprenticeships.

Borough Council's People Plan

John Gallagher started by pointing out that the council is Halton's largest employer, and we also want the council to be recognised as the best employer in the Borough! The development of a People Plan for the Council is aimed at helping to achieve this goal.

Work had been on-going to develop the People Plan for some months, and it is hoped to have it in place by spring 2012. Two pieces of work undertaken at an early stage were a Staff Survey and the assembly of an accurate Workforce Profile for the council. These have been completed and revealed the high average age of council employees (45-54 age band) along with the very small proportion of employees aged under 24 (less than 5%). These figures closely correspond to that of the overall demographic profile of Halton's workforce population.

It is intended that the People Plan will help the council to develop a more balanced workforce with regard to age, gender, ethnicity, residence etc., and to also make better use of our employee's skills and knowledge. Apprenticeships may also be an option for older and 'at risk' staff.

Another element of the plan will be a Talent Strategy that will ensure a more pro-active approach and will have four relevant elements;

- A career pathway to support employees to make full use of their talents
- Skills for the future/address recruitment challenges facing the organisation.
- Attracting future employees from both within and outside the borough.
- The Apprenticeship Scheme/The Graduate Programme/ The Volunteer Project

The plan will also include proposals for an Employee Recognition & Award Scheme that will help improve staff morale. One option could be an 'Apprenticeship of the Year' award.

Another thought-provoking piece of information that emerged from the Workforce Profile exercise is that the average academic qualification of Halton employees is relatively low at Level 2 (equivalent to 5 A*-C GCSEs).

The number of Apprentices that will be employed by the council at the end of March 2012 is expected to be 49, with up to 25 more in the pipeline already for 2012/13. Also, NAS has been very helpful in facilitating and brokering the development of these.

Waste Management Apprenticeship Pilot

SS outlined the Waste Management Apprenticeship Pilot. The council is currently working with NAS to select a suitable training provider (only two currently offer appropriate training in England). Trade unions have been engaged in the process and looking to learn from the experience and roll-out to other parts of the council

Subsequent to the meeting Myerscough College were selected as the preferred training supplier. Also, a Recruitment Day took place on 30th March to promote a total of twelve Apprenticeship vacancies; Waste Management (6) and Open Spaces (6) to local unemployed people. Over sixty people attended and the recruitment process is progressing.

Another recent development has been the attendance of colleagues from Knowsley MBC and NAS at a meeting of the Council's Corporate Organisational Development Group to discuss the experiences at that local authority in developing and expanding Apprenticeship schemes.

6.0 Overall Conclusion

This scrutiny review has been both a successful and a worthwhile exercise in terms of covering all the outputs and outcomes from the initial topic brief and gaining a thorough knowledge of the concept and opportunities that apprenticeships can offer to both employers and students in Halton.

Members of the topic group found the presentations interesting, and especially welcomed the Council's pro-active approach to embedding Apprenticeships into its workforce in service areas that have not traditionally seen a very significant adoption of Apprenticeships.

There has been a considerable amount of high quality work by the council and a range of partners over recent years to promote and increase the quality and availability of suitable apprenticeship opportunities in Halton. However, there are still considerable existing and emerging challenges to be overcome. One of which will be how to respond to the changes in funding from September 2013 for Apprenticeships from 25+ with the introduction of Level 3 and 4 post-24 loans for Advanced and Higher Level Apprenticeships.

From the council's own perspective, the embedding of the use of apprenticeships within the recently adopted People Plan has the potential to put Halton Borough Council at the forefront of the creative and constructive use of apprenticeships as an example to other local employers.

The recommendations for action and further improvement identified from this scrutiny review are listed below and arranged into an Action Plan at Annex 1 for ease of reference and monitoring.

Recommendations:

- a) **Actively promote and support three Key Focus Areas in the Halton 14 – 19 Apprenticeship Action Plan. Namely:-**
 - **Key Focus Area 1: Forge closer links with employment sectors to better understand the needs in the borough**
 - **Key Focus Area 3: Increase the take up of Level 3 and Higher Level Apprenticeships**
 - **Key Focus Area 4: Work with the 14-19 Partnership to promote alternative routes to higher level qualifications.**
- b) **Continue to work closely with the National Apprenticeship Service to maximise the take-up and provision of apprenticeships in Halton with regard to both students and employer.**
- c) **Adopt a policy that ALL new roles shall be assessed for their suitability to be filled by way of an Apprenticeship.**
- d) **Use the Halton Employment Partnership ('HEP') as the main co-ordinating forum for determining the workforce needs of incoming and expanding employers with regard to Apprenticeships.**
- e) **Promote and market the recent introduction of improved financial rewards for SME's to offer apprenticeships and new/expanding businesses via the Halton Employment Partnership ('HEP').**
- f) **Include a corporate Apprenticeship Strategy within the Council's People Plan**
- g) **The Waste Management and Open Spaces Apprenticeship Pilot programme to be evaluated and rolled-out across the Council.**
- h) **Review and evaluate progress report to the Executive Board on a six monthly basis.**

APPRENTICESHIP SCRUTINY REVIEW ACTION PLAN

ANNEX 1

No	Action	Lead Organisation/ Responsible person	Timescale	Measure of Progress
1	Employ partnership approach involving Job Centre Plus, HBC, National Apprenticeship Service, Sector Skills Councils and local employers to explore the employment and training needs of local employers by sector starting with Logistics, and Science, Technology and Advanced Manufacturing. Use the information to inform the commissioning of provision and the development of apprenticeship frameworks	Halton Employment Partnership	By December 2012	Apprenticeship frameworks available locally align with key employment growth areas – increased number of apprenticeship frameworks offered locally; increased number of local people accessing apprenticeships locally
2	Survey learners on Level 2 and Level 3 Apprenticeship programmes to identify young people's aspirations to higher level courses to inform the commissioning of provision	Claire Gurney Halton Borough Council	Survey May 2012 Results June 2012	Increase : <ul style="list-style-type: none"> • Level 3 – Advanced Apprenticeship starts from September 2012 onwards • Level 4 - Higher Apprenticeship starts from September 2014 onwards
3	HBC and Foundation Learning Group to explore the work based curriculum offer in Halton for 16 and 17 year olds that assists with the preparation of young people to successfully access Apprenticeships.	Claire Gurney Halton Borough Council	By September 2012	Increase numbers of young people progressing from Foundation Learning to Apprenticeships in year from Sept 2012.
4	Design and implement Organisation Apprenticeship Scheme, integral to the Talent Strategy and underpinning one of the Key Strategic Aims of HBC's People Plan 2012-2015, namely "Attract, Develop and Retain Excellent People". Scheme will be crucial to help achieve a more balanced Council workforce.	Organisational Development Group, as represented by John Gallagher.	By March 2013	Year 1: Apprenticeship Scheme in place, supported by Elected Members and Senior Management, with a number of apprentices enrolled across the organisation. Year 2: Number of Apprentices successfully completing their qualifications.

No	Action	Lead Organisation/ Responsible person	Timescale	Measure of Progress
				Year 3: Apprentices applying and being successful in acquiring jobs within the LA.
5	Implement and evaluate the Waste Management and Open Spaces Apprenticeship Pilot programme within Halton Borough Council	Siobhan Saunders/Jimmy Unsworth/Paul Wright – Halton Borough Council	Start April 2012. Sept 2012 (interim evaluation) March 2013 (final evaluation)	6 Waste Management Apprentices recruited and complete the programme. 6 Open Spaces Apprentices recruited and complete the programme Pilot extended
7	Review and refresh Halton's Apprenticeship Strategy in line with the refresh of the Liverpool City Region Strategy (<i>this is likely to focus on specific sectors, particular levels, rather than on just increasing the number of apprentices</i>)	Claire Gurney, Halton Borough Council	September 2012	Halton contributes to LCR apprenticeship activity including: <ul style="list-style-type: none"> • Union learn apprentice champions project • NAS advanced apprenticeship schools project

TOPIC BRIEF

Topic Title:	Provision of Apprenticeships in Halton
Officer Lead:	Operational Director (Employment, Enterprise & Property)
Planned start date:	December 2011
Target PPB Meeting:	May 2012 (CYP) June 2012 (ELS)

Topic Description and scope:

A review of current provision of apprenticeships in Halton; specifically the availability of suitable apprenticeship opportunities, the take-up by local employers of apprenticeship opportunities, the engagement of key agencies towards achieving these objectives.

Why this topic was chosen:

By the bringing together of Children and Enterprise within one directorate it was recognised that for most young people it was the transferable skills that were developed at school and in further education that would determine their success in a range of jobs throughout their lives.

With reductions in funding, Local Authorities and partners will need to work even more closely with NAS to ensure that resources are deployed to create apprenticeships that are relevant to both the needs of employers and young people

It was, therefore, proposed that a topic title on apprenticeships would further cement these principles. It was proposed that the topic would be jointly overseen by members of the Employment, Learning, Skills and Community Policy and Performance Board and the Children, Young People and Families Policy and Performance Board. Councillor Sue Edge had offered to chair the topic group.

Key outputs and outcomes sought:

The topic will consider the following:

- The implementation of an apprenticeship programme for Halton;
- Monitoring and Review of the programme i.e. the effectiveness of the programme;
- Engagement with the Private Sector;

- Roles and Responsibilities of respective agencies to drive forward the Apprenticeships agenda in Halton.

Which of Halton's 5 strategic priorities this topic addresses and the key objectives and improvement targets it will help to achieve:

Children & Young People:

Apprenticeships present another approach to enabling young employees to secure the skills they need to succeed in their working lives. The 2009 Apprenticeships, Skills, Children and Learning Act includes the requirement for all young people to be in education or training until the age of 18 by 2015, and an entitlement to an Apprenticeship place for each suitably qualified young person who wants one from 2013.

Key Objective A - Improve outcomes for children and young people through effective joint commissioning.

Key Objective B - Improve outcomes for our most vulnerable children and young people by targeting services effectively.

Key Objective C - Improve outcomes for children and young people through embedding integrated processes to deliver early intervention.

The safeguarding of Halton's children and young people is a key priority across the Trust and runs through all our work.

Employment, Learning and Skills:

To develop a strong, diverse, competitive and sustainable local economy.

Key Objective B - To develop a culture where learning is valued and skill levels throughout the adult population and across the local workforce can be raised.

Key Objective C - To promote and increase the employability of local people and remove barriers to employment to get more people into work.

Nature of expected/desired PPB input:

Member led scrutiny review of Apprenticeships.

Preferred mode of operation:

- Invite member from National Apprenticeship Service to provide an overview of the national, sub-regional and local position, along with an assessment of the local position and examples of areas of best practice nationally
- Evidence and meetings with relevant officers within the Council to examine current practice, issues and performance. Also, specific regard to the challenges faced by local young people designated as NEET (Not in

Education, Employment or work-based Training) in securing an apprenticeship.

- Briefings on the emerging People Plan and how apprenticeships could be embedded into the Council's recruitment and employment policies.

Agreed and signed by:

PPB chairs

Officer

Date

Date

METHODOLOGY DETAIL**a) Presentations & Reports**

The following officers submitted written reports and/or oral presentations as part of this scrutiny review:

Name of officer	Title of Report/Presentation
Wesley Rourke	An overview of the recent history, the current position, and developments in Halton with regard to apprenticeships.
Simon Clough/Claire Gurney	<p>Apprenticeship Scrutiny Topic Group Information Pack. Contents</p> <ul style="list-style-type: none"> • Liverpool City Region Apprenticeship Strategy • 14-19 Commissioning Statement <ul style="list-style-type: none"> Appendix A – Strategic Analysis Appendix B – Employment Learning and Skills • Halton Apprenticeship Strategy Group Terms of Reference • Halton Apprenticeship Strategy Group Action Plan
John Gallagher	Oral report on the Council's emerging People Plan and related Talent Strategy
Peter Finney	<p>Presentation on the National Apprenticeship Service.</p> <p>Briefing on Higher Apprenticeships.</p> <p>Comparative data on Apprenticeship</p>
Siobhan Saunders	Oral report on the Apprenticeship Pilot Programme in the Waste Management Division.

Documents considered during this review

Links to external data:

The link below is to the Data Service web pages, Apprenticeship Summary Tables for the Academic Years 2005/06 to 2010/11. The data is broken down into various categories and organised into Excel spread sheets.

http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr_supplementary_tables/Apprenticeship_sfr_supplementary_tables/

The link below provides apprenticeship data for the region and individual local authorities in England by age and level of Apprenticeship.

http://www.thedataservice.org.uk/NR/rdonlyres/7D482205-936A-499D-9FA5-22D86B8DF886/0/January2012_ApprenticeshipStartsbyGeographyLevelAge.xls

Halton Borough Council documents:

- Corporate Plan – 2011 - 2016
- Sustainable Community Strategy – 2011 – 2026
- People Plan, 2012-2015.
- Strategic Analysis to support 14-19 Strategic Commissioning for 2012-13

External Documents:

- Skills for Sustainable Growth Strategy Policy Document
- Building Engagement, Building Futures: Strategy to Maximise the Participation of 16-24 Year Olds in Education, Training and Work
- Apprenticeships in Higher Education
- Liverpool City Region Apprenticeship Strategy

DRAFT