

AMBITIOUS SCRUTINY PANEL

Update Report: An overview of the city's opportunities with regard to skills and apprenticeships



Purpose of the report:

This report is to provide an overview of the city's opportunities regarding skills and apprenticeships. The panel are advised to note the content of this report and in particular consider the conclusion and recommendations made.

Introduction:

The general picture in 2015 across Plymouth is optimistic; we have a relatively low number of people who are claiming Job Seekers Allowance (JSA) in comparison to other cities; we have a considerable number of job opportunities created by initiatives such as Building Plymouth and the Manufacturing Challenge, and as well as this we see growth and replacement demand in other sectors such as Health and Social Care, for example. There is a reasonable level of graduate retention from Universities (22% compared to Exeter at approximately 12%) although we'd like to see this rise. Current data shows that graduates do not necessarily enter the occupation they studied for with many going into education, for example. (Plymouth Skills Analysis, 2015).

We have a considerable number of projects that should also be cherished and further developed to help support the access to, and entry into, jobs such as the 1000 Club and the soon to be launched Youth Deal incorporating a wage incentive project. Ingredients are therefore in place to make a difference and help our City prosper, alongside a Plan for Employment and Skills that will help co-ordinate and drive the work forward.

The position on Apprenticeships in Plymouth is a promising one in both achievement rates and starts despite a dip that is commensurate with the National picture. The most recent data shows that Apprenticeship starts in 2013/4 were 2,831, which is a 17% drop on the previous year. This is part due to changes in policy with 16-18 year olds being prioritised for apprenticeship funding, the impact of the short lived Advanced loans for Level 3 Apprenticeships, and a Raising of the Participation Age (RPA) leaning towards a view that pupils "had" to stay on in school and compounded by a decline in the number of school leavers across Plymouth. At the time of writing, 300 Apprenticeship vacancies exist in Plymouth across a number of sectors and the impact of Apprenticeship Reform is not known although announcements are anticipated in the very near future.

The Apprenticeship Profile

Apprenticeship starts across all ages in Plymouth are made up of 65% at Intermediate (Level 2), Advanced 34% (Level 3) and Higher 1% (Level 4+). The largest numbers of starts are in Business Administration, Health and Social Care, Retail and Advanced Manufacturing/Engineering, which broadly corresponds to skills demand in sectors across the City, but not necessarily in all sectors or levels of participation. One of our biggest growth areas is Construction and yet take up of Apprenticeships in this has been low making up 7% of all starts in 2013/4. There are other growth

areas such as digital, for example, that are not represented at all. The picture in terms of the apprenticeship offer is therefore one that is good; but, could do better in terms of responding to the needs of the employer and also offering a greater higher skills offer that enables progression. For example, the Business Administration Apprenticeship framework can cover a number of occupations with additional units bespoke to an occupation instead of delivering the framework relevant to the occupational role, but the majority of delivery is at level 2. There should be a greater offer both to cover specialisms with this as well as levels. At level 4, for example, there is little around management or other first tier professional levels, with the majority being in accountancy despite there being over 35 frameworks available. In 2013/4 there were 49 Higher Level Apprenticeship starts out of 2,831. This collectively does not contribute to an apprenticeship offer that either is attractive to entrants or employer responsive. This does not reflect the demand across the City and more needs to be done to shape this offer. The forecast for skills needs going forward is for higher level skills and whilst the provider supply side is of good quality, better labour market intelligence will help support more responsiveness curriculum.

Going forward

The development of an employer responsive Apprenticeship offer requires a number of steps to be taken with some being undertaken as a priority and that will lay for the foundations for future growth.

Three immediate issues are being addressed.

Labour Market Intelligence; informing the supply side of the Plymouth skills picture of the demand and also growth area potential. Currently PCC is undertaking a skills analysis and intelligence from an employer survey that will begin to establish this curriculum offer and skills picture. This will support both apprenticeship delivery and other skills delivery across the city; it will quantify where growth in Apprenticeships will need to be to meet demand and direct providers to these skills markets.

An on-going campaign and support to the value of Apprenticeships demonstrating their value and parity of esteem with the currently preferred academic route to young people, their parents and carers and showing that it has considerable and ensuring that schools in particular understand the messages that are being given and a duty of responsibility to ensure their Careers Information, Advice and Guidance incorporates the full offer. A prospectus is being developed and covers all offers to young people, their parents and carers and will help employers to understand the offer available.

The development of a package of promotion and support that is attractive to young people and also brings forward the concept of “a good offer” as well as advice to employers on how to take on apprentices as well as offer work experience. More information will be offered on Plymouth's key sectors in terms of how to enter and how to progress as part of a career. We will endeavour to make better use of those undertaking Apprenticeships at the moment with a view to showcasing and awards.

In the medium term

Funding is becoming an issue. Whilst funding for Apprenticeships is “protected” for 2015/6, and growth is encouraged, the Adult Skills Budget (ASB) has been cut by 11%. Local Enterprise Partnerships have already been given greater authority to ensure national funding is allocated to more local priorities and the development of Asks to Government is common across all LEP areas and is no

different here. Work has already started to develop Asks of skills funding budgets that will help include more flexibility around the following proposals:

- That the Government devolves an agreed proportion of 16 - 19 Education Funding Agency (EFA) funding and Skills Funding Agency (SFA) funding and allows local flexibility in its use.
- To design a pilot that will test new approaches to funding higher level apprenticeships by working with major employers and training providers, particularly around growth sectors like those involved in the City Deal.
- To sustain and expand successful projects that have delivered jobs and built relationships between employers and education providers, and that have supported many people into work.
- To investigate flexible funding mechanisms to help people over the age of 25 to retrain and gain meaningful employment across the city's growth sectors.
- To establish physical Information, Advice and Guidance (IAG) Hub which promotes career pathways for young people aged 11-24, and which clearly matches advice to local employers' needs and future growth areas.

Further considerations being explored include the following:

- a) Devolving apprenticeships, Further Education and adult skills funding
- b) Locally commissioned welfare to work programmes
- c) Greater employers incentives prioritised to match skills to local need e.g. through Apprenticeship Grant for Employers,

Conclusion:

There is much to celebrate with Apprenticeships in Plymouth in spite of a falling school role and a lack of impartial advice on opportunities available. The current offer also does address sector needs but further analysis will highlight how appropriate this is. Simplistically, there needs to be more at a higher level with a demonstrable career progression route where applicable making a more attractive offer to young people and employers.

Recommendations

1. There needs to be far greater parity of esteem between the educational and vocational pathways and opportunities on offer to young people, adults, parents and carers. Impartial advice and guidance will be essential if that is to occur.
2. Current apprenticeship delivery will need to respond far more readily to higher skills needs across the City both now and in the future and where the local authority can influence this it will pursue.
3. We need to market and promote the opportunities available through the City and ensure that those who are also out of work or are seeking possible career changes can also obtain ready access.
4. That the activity that has already started is supported both in the immediate and medium terms subject to Government policy changes surrounding Apprenticeship Reform.