

Apprenticeships and Delivery of the National Apprenticeship Service

Agenda item 8

Paper LSC 04/2009

Background and introduction

1. Council has been kept informed of the progress on delivering the commitments in World Class Apprenticeships which was published in January 2008. Previous discussions have centred on the draft Apprenticeship Bill, action to support the expansion of Public Sector Apprenticeships, the National Vacancy Matching Service and the draft Apprenticeship Blueprint.
2. The NAS is due to come into existence in April 2009 and there are a number of key commitments to be delivered in advance of that. While we come into the present year with record levels of Apprenticeship performance, the current economic climate has had a significant effect on the starts of apprenticeships especially for 16 – 18 year olds.

Purpose

3. This paper provides Council with a more detailed update on the key Apprenticeship activities in the run up to the launch of the NAS. It also provides Council with an update of the challenges involved in continuing to expand Apprenticeship starts, particularly for 16 – 18 year olds, in the current economic climate and seeks Council's views on the proposed strategy.

Recommendation

4. Council is asked to note the actions underway to increase the quality and take-up of apprenticeship provision and to comment specifically on the proposals to stimulate demand from employers for apprenticeships.

Key points/issues

Apprenticeships Online – vacancy matching service

5. The apprenticeship vacancy matching service went live through www.apprenticeships.org.uk on Monday 12 January. At the point of going live, there were some 4,700 apprenticeship vacancies with a reasonable geographical spread and across all the key sectors. By the end of the first day, over 400 individuals had registered their details to access the job adverts and people were applying for apprenticeship places. An email is also due to be sent to everyone who registered an interest in the vacancy matching system before it went live. The NES and regional apprenticeship project

teams are continuing to work with employers and training providers to ensure that all apprenticeship positions are advertised on the website. We expect these to build up over time.

6. Some training providers have been reluctant to include the name of the employer to whom the vacancies relate. They have cited commercial interest as the reason. The LSC did not make this a mandatory field in the first year as we believed that the system had to be proven to be successful in order to encourage uptake. However, as confidence in the system grows, we will apply increasing pressure to all providers to provide employer names. In subsequent years, we will be looking at the contractual terms and conditions for providers providing apprenticeships to ensure that they both use the system and look to provide the employer information. Our view is that the credibility of apprenticeship places will be enhanced by providing information to potential apprentices on the full range of employers offering positions.

Establishing the National Apprenticeship Service

7. The NAS is due to come into being in April 2009. The new Chief Executive, Simon Waugh, will start on 1 February. The recruitment for the NAS began on 12 January with the aim of having 400 staff in post from 1 April. Once recruited, all staff will undergo a range of training, with particular early focus on employer support to ensure that those staff who have responsibility for working for employers provide high quality, customer-facing service.

Expanding Apprenticeships in 2009/10

8. Whilst apprenticeship starts continue to run ahead of profile for adult apprenticeships, the growth of 19 – 25 apprenticeships and for 16 – 18 year olds is significantly below profile (16.9% and 14% below profile based on latest data). The sectors that are affected are construction and allied trades, automotive, IT/Communications, Energy and Engineering. Regional apprenticeship teams are reporting that employers are not necessarily stopping taking on apprentices altogether, but are offering fewer places than in previous years. This, together with the impact of the range of redundancies that have been announced for a number of nationwide employers, is having a significant impact on apprenticeship provision.

9. Ministers have announced an additional £140 million to increase the number of apprentices by 35,000 in 2009-10 and 2010-11. We are working with the Departments' Joint Apprenticeship Unit on the detail of delivering this commitment and where the potential for growth (both in age and in sector) may come from.

10. We have agreed with Ministers a number of flexibilities for apprenticeship provision which will help support the continuation of apprenticeships. These are:

- Enabling apprentices who are within six months of completing their apprenticeship framework who have been made redundant to complete their apprenticeship within an educational (FE or WBL) setting;
- Enable apprentices who have already achieved an A* or A grade in GCSE / O Level English or Maths to be exempt from the relevant key skills part of the framework.

11. We have also been working to finalise the details of the 16 – 18 Action Plan and the Public Sector Action Plan for Apprenticeships, to be embedded in the Apprenticeship Delivery Plan. These two action plans provide focused activity to support growth in these areas.

12. We have begun a series of four workshops with colleges and training providers to highlight progress and the performance challenges that we face.

13. We will also receive bids for Apprenticeship overtraining, in which there looks to be a healthy interest, and are researching best practice and new proposals for Group Training Associations.

14. We recognise that there may be more that can be done to support continued apprenticeship growth eg wage subsidy for SMEs, although there are additional costs attached to this and we are not currently in a position to fund this beyond the activity already planned. Council are invited to give their views on what additional support can be provided by LSC to continue to encourage employers to offer apprenticeship places, particularly to young people.

Legal Implications

15. There are no legal implications arising from this paper

Financial implications

16. The announcement of £140 million for 35,000 additional apprenticeship places will require a transfer of funding from DIUS/DCSF to the LSC. The details are still being agreed with the Departments.

17. The flexibilities for apprenticeships do not, in themselves create new financial implications, although if a significant number of young people move into PLA-based provision for the final six months of their apprenticeship, there will be increased call on the EMA and hardship budgets. This may end up being cost neutral in that those individuals may well have moved into full-time education or training as a result of their redundancy.