

Education Skills and Employability Board

29 June 2022

Apprenticeship Hub Development

Is the paper exempt from the press and public?	No
<i>Reason why exempt:</i>	Not applicable
Purpose of this report:	Policy Decision
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Not a Key Decision

Director Approving Submission of the Report:

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Executive Summary

Apprenticeships offer positive financial returns to both people who undertake them and to the businesses who employ them. More widely, apprenticeships offer a high-quality route to securing the skills that South Yorkshire needs for a productive and inclusive economy. However, even before the pandemic, take up of apprenticeships across South Yorkshire had begun to fall in line with national trends, particularly among young people taking their first steps within the labour market. The pandemic also had a dramatic impact on apprenticeship numbers, from which we are not yet fully recovered. South Yorkshire's Recovery Action Plan included a proposal to fund an agent – such as an apprenticeship hub – to reverse recent trends and to work with employers, residents and providers to drive up both quality and take up. The ESE Board gave broad support to a proposal for an apprenticeship hub submitted by the South Yorkshire College Group. This paper provides an update for the Board on proposed development and is an opportunity for the Board to re-affirm its support for the Hub development. It also confirms that a business case is in development with a plan to secure approval in advance of the Authority coming back to the Board for funding approval in August.

What does this mean for businesses, people and places in South Yorkshire?

This proposal contributes to development of a more productive and inclusive economy. It also takes forward commitments made in the South Yorkshire Recovery Action Plan. According to Government statistics (2018), employers who have an established apprenticeships programme report that productivity in their workplace improved by 76% while 75% reported that apprenticeships improved the quality of their service or product. Apprentices themselves are more likely to be in employment for longer and will receive higher earnings with wage premiums of 11% for intermediate apprenticeships and 18% for advanced level. National figures (2014) show that for every £1 spent on apprenticeships, the economy gains £21, which is substantially more than other productivity related factors including investment in innovation, research or technology.

Recommendations

- To approve the overall proposal for development of an apprenticeship hub as described at paras 2.1 to 2.9.
- To note next steps for SYMCA in working with South Yorkshire Colleges Group to secure approval for the business case prior to returning to the Board for funding approval in August.

Consideration by any other Board, Committee, Assurance or Advisory Panel

Education Skills and Employability Board

05 January 2021

1. Background

1.1 The SYMCA Strategic Economic Plan (2021 – 2041) has a simple vision:

“We will grow an economy that works for everyone. We will develop inclusive and sustainable approaches that build on our innovation strengths and embrace the UK’s 4th Industrial Revolution to contribute more to UK prosperity and enhance quality of life for all.”

- 1.3 A key part of this is the reinvigoration of apprenticeships across the region. Apprenticeships have been part of the fabric of working life in South Yorkshire for centuries. But while some measures have improved lives for the region’s apprentices, the overall impact of decades of funding and policy changes have resulted in system that is poorly understood by parents, teachers, young people and employers. Apprenticeships are still viewed as a second-class choice to Higher Education, rather than a fundamental part of the HE offer. The benefits of choosing a vocational path are not well understood and the potential benefits to businesses, especially following the challenges of the pandemic and not clear when balanced against the challenges of accessing funding and the system.
- 1.4 While they may have been introduced for the right reasons, recent Government policy changes including the levy, focus on standards, minimum apprenticeship length and commitment to off the job training coupled with a move to higher level apprenticeships provision for existing members of staff have served to compound a level of confusion about who and what apprenticeships are for.
- 1.5 Post pandemic, while there is some recovery in apprenticeships numbers, South Yorkshire is still behind the level of demand we had previously seen and is certainly behind the size and scale of programme that could achieve a significant impact on the local economy. In line with the commitment set out in the SEP this paper sets

out a proposal to invest “*in our apprenticeship system to build upon existing high-quality education assets*”. The Apprenticeship Hub is the first step in delivering this intervention. The hub proposal will also deliver on the commitment made in the region’s Recovery Action Plan to stimulate apprenticeship growth as a key solution for young people.

- 1.6 The Board considered a paper in January 2021 which considered whether an apprenticeship hub would add value for the region. The Board then received a proposal from the South Yorkshire Colleges Group (SYCG) to establish a South Yorkshire Apprenticeship Hub. This was endorsed by the region’s Skills Advisory Network (SAN) and the SCR Provider Network of training providers in the region.
- 1.7 Since this proposal was submitted, the region’s Chambers of Commerce have produced an employer led Local Skills Improvement Plan (LSIP) which identified the benefits of Apprenticeship Hubs (Recommendation 4) to help businesses simply access technical talent.
- 1.8 The apprenticeship hub proposal also supports commitments at the heart of the emerging skills strategy. The hub will be a key lever for raising the profile of apprenticeship activity across the region and has the potential to drive forward a number of strands including raising demand across the public sector.
- 1.9 This is an opportunity for the Board to re-affirm its support for the South Yorkshire Colleges Group model.

2. Key Issues

2.1 Summary of the hub proposal

The apprenticeship hub will be developed in partnership between the SYMCA executive and the South Yorkshire College Group.

- SYMCA’s role will be to part fund the Hub and to set high level strategic priorities set by the Education, Skills and Employability Board linked to the emerging skills strategy.
- SYCG’s role will be to provide leadership to the Hub and to ensure through day-to-day management that its development is consistent with the priorities set by SYMCA.

The expectation is that

- SYCG will recruit core staff to the Hub. Initially this will include 3 members of staff jointly funded between SYMCA and SYCG. As the Hub becomes established, SYCG will second expert staff into the Hub from within the SYCG;
- The Hub will develop a clear identity and branding as a SYMCA / SYCG Partnership Hub and will at least initially have a base within the SYMCA offices for part of the working week;
- The Hub will be employer focused as per the LSIP and will seek to hide any “wires” for employers and to encourage greater take up of Apprentices;
- The Hub will source Apprentices and link them to vacancies and providers that are most appropriate for them;
- The Hub will work with SYMCA and with employers across the region to identify unspent levy monies and develop proposals for maximising their use through levy transfer and flexible apprenticeship opportunities;

- Engaging with a wider group of stakeholders to support Hub development, critically with a focus on creating a simple and consistent narrative for employers, linked to learning from the LSIP.

- 2.2 The role of the hub will be to stimulate greater apprenticeship opportunities across South Yorkshire and to encourage take up by developing networks with schools, communities and others influencing young people's choices. The hub will have a key role in raising awareness and understanding of apprenticeship, for acting as a point of entry for employers and providing support for young people in identifying opportunities and as they complete their apprenticeships.
- 2.3 In terms of employers, the key target group for support are SME employers who are new to apprenticeships and who need support in navigating the system. The hub will explore options for submitting a proposal to run a flexi job apprenticeship scheme when applications are open.
- 2.4 In terms of residents, the key target group for the hub will be young people with the potential to become an apprentice at Level 2 or 3 and those aged up to 25 who are already in an apprenticeship. A priority for the hub will be working with South Yorkshire Learning Providers to improve the effectiveness of engagement activity and progression routes into apprenticeships, linking to the availability of traineeship funding and the delivery of T levels across South Yorkshire. The hub should also develop progression options for young people coming out of an apprenticeship and seeking further opportunities for work with training.
- 2.5 The hub will support SYMCA in development and implementation of proposals to be set out in the skills strategy, including an effective regional levy transfer system, an approach to improve apprenticeship completions, marketing and communications events, including National Apprenticeships Week and local celebration of apprenticeship achievements and a body of evidence to demonstrate good news stories and the effectiveness of local provision.
- 2.6 As the Development Phase rolls out the focus will increasingly be on implementing and embedding a region wide apprenticeship programme. In the Implementation Phase, the Hub will deliver:
- An employer owned and driven system;
 - Innovative approaches eg incentives to engage harder to reach SMEs;
 - Support for apprentices from disadvantaged areas;
 - Attraction of new apprentices from the region's diverse communities;
 - New Apprenticeship Standards being offered with strong employer support;
 - Increasing recognition amongst school age children and their parents and carers of the value of technical apprenticeships as a legitimate step into their chosen career.

Is the Board content to proceed with this approach?

2.7 Next steps

A business case for this Hub proposal is in development and will be submitted to SYMCA's programme office for approval. Once that process has completed, we expect to be able to bring the proposal back to the Board at the end of August for a decision on funding.

2.8 Hub Oversight

The Hub will be led and managed by a consortium of SYCG and staff will be seconded into the Hub to improve capacity and leadership capability as it develops. The Hub manager will provide regular reports to the SYMCA Executive on progress in preparation for reporting to the Board on performance. SYCG will be held to account for delivery of high-level priorities set by ESE Board in the context of the emerging skills strategy through SYMCA's contract management processes.

3. Options Considered and Recommended Proposal

3.1 Option 1

Approve proposal for the joint SYMCA / South Yorkshire Colleges Group Hub.

3.2 Establish the hub. Set challenging targets and hold it to account for making an impact for South Yorkshire.

3.3 Option 1 Risks and Mitigations

The key risk for the Hub is timing. It is unlikely that we will have a funding decision until the end of August which means that there is a risk that the Hub will not be in place for the key apprentice recruitment point in the year. The Hub will still be able to operate but won't demonstrate its full value immediately.

3.4 Option 2

Do not put in place an apprenticeship hub.

3.5 Await recruitment of a single person within the skills team with responsibilities for business and skills including apprenticeships. Secure marginal change through networking and influencing,

3.6 Option 2 Risks and Mitigations

Increasing the volume of apprenticeship activity across South Yorkshire has significant potential for driving up productivity and an inclusive economy. However, we are now several years into a period of declining take up of apprenticeships and we have not broken through the barriers that exist in the system for many

3.7 Option 3

Develop proposals for a Flexi Job Apprenticeship Scheme.

3.8 Support for Flexi Job Apprenticeship Schemes (acting as an agent to support apprentices moving between a network of employers in the course of an apprenticeship) are offered on a competitive basis by DfE periodically. Our main challenge in applying for a flexi job apprenticeship scheme are that we do not have the resources ourselves to make a successful application. There is no guarantee that an application would be successful. And a Flexi Job Apprenticeship Scheme on its own would have less impact for the region than a package of measures that could be put in place through the proposed Hub, which could also include a Flexi Job Apprenticeship Scheme.

3.9 Option 3 Risks and Mitigations

We are unlikely to be able to achieve the same level of impact through a Flexi Job Apprenticeship Scheme as we would through a hub with a broader menu of options for driving up apprenticeships. There is also no guarantee that we would be successful in a competitive process.

3.10 Recommended Option

Option 1

4. Consultation on Proposal

4.1 This proposal has been developed in partnership between SYMCA and South Yorkshire Colleges Group. It has been considered previously by the ESE Board and requested to come back with next steps. Stakeholder consultation has also taken place through the Skills Advisory Network and with the South Yorkshire Provider Network.

5. Timetable and Accountability for Implementing this Decision

5.1 The Board is invited to make a policy decision to press ahead with development of the Hub proposal in partnership with South Yorkshire Colleges Group. Next steps will be internal approval of the business case. Funding approval will be sought from the ESE Board in August. Set up of the Hub will follow in the Autumn.

6. Financial and Procurement Implications and Advice

6.1 No budget has yet been approved for the Apprenticeship Hub. Budget approval will be sought once the proposal has been through the Assurance Framework.

7. Legal Implications and Advice

7.1 Not at this stage.

8. Human Resources Implications and Advice

8.1 The proposal has been amended following consultation with HR. The proposed model has evolved from being an inward secondment model to focusing on robust partnership working between SYMCA and SYCG.

9. Equality and Diversity Implications and Advice

9.1 This proposal is principally about supporting more young people to enter the labour market via an apprenticeship, Apprenticeships offer among the best returns to young people of any qualification at levels 2 and 3. By putting in place this apprenticeship hub, the Board will be supporting growth in apprenticeship numbers across South Yorkshire which will help to drive up inclusion and economic growth and will extend opportunities for those looking for an alternative from academic study routes.

10. Climate Change Implications and Advice

10.1 None identified.

11. Information and Communication Technology Implications and Advice

11.1 None identified

12. Communications and Marketing Implications and Advice

12.1 The Hub will provide a focal point for apprenticeships across South Yorkshire. It is too early to include in this paper specific marketing and comms plans, but a requirement for collaborative approaches between SYMCA and the Apprenticeship Hub will be part of our expectation of support for the model being proposed.