

Education Skills and Employability Board

15 June 2021

Skills Advisory Network (SAN) Update – Apprenticeship Hub Proposal

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|---|-------------------------|
| Is the paper exempt from the press and public? | No |
| Purpose of this report: | Discussion |
| Is this a Key Decision? | No |
| Has it been included on the Forward Plan? | No – not a key decision |

Director Approving Submission of the Report:

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Executive Summary:

The Sheffield City Region Renewal Action Plan (RAP) aims to provide immediate help over the coming 12-18 months for local people, employers and places. One of the key elements in the RAP is the SCR jobs programme called “South Yorkshire Works” which has 4 interventions:

1. **Train to work:** to upskill the workforce at scale.
2. **Back to work:** to match people to opportunity, especially in industries like clean energy, health and care, advanced manufacturing and construction.
3. **Young people’s skills guarantee:** support young people to progress.
4. **Overcome barriers:** remove barriers to training and employment for vulnerable groups.

Apprenticeships form an important element of the RAP proposals. The Education, Skills and Employability Board (ESEB) considered a paper at the January Board on the approach to stimulating apprenticeships. Following that discussion, officers sought support from the Skills Advisory Network to consider options for development of an independent and impartial Apprenticeships Hub that is targeted at Small to Medium Enterprises (SMEs) in the region who haven’t employed apprenticeships before. This Hub will provide these SMEs with a one stop shop service to support them to take on new apprentices and to introduce an appropriate training provider(s) who will deliver the apprenticeship training programme.

The dedicated apprenticeship hub will consist of a central team of employer engagement consultants to engage with SMEs in the region who have not had apprentices before, to identify apprenticeship opportunities, and working with employers determine the most suitable apprenticeship programme(s) and training provider that meets their needs.

Underpinning the initiative it is proposed that SCR consider an option to fund an apprenticeship wage subsidy scheme in the form of a grant that will enable SMEs to take on apprentices at a time when payroll costs are under pressure due to the economic disruption caused by COVID-19.

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

The proposal is designed to support the delivery of all four interventions of the SCR jobs programme with a specific focus on achieving the outcomes for the “Train to Work” intervention that has a stated outcome of an increase of 3,000 apprentices in the SCR within the next 18 months

Recommendations:

To ask Officers to work with the SAN and stakeholders to develop a fully costed proposal. This proposal to come to the September meeting of the Board for a decision.

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

None

1. Background

- 1.1 At its meeting on 5th January 2021 the Board endorsed the proposal to explore an Apprenticeship Hub model to help address the drop in apprenticeship starts in the region.
- 1.2 As part of its commitment to help rebuild the economy and support the communities it serves the South Yorkshire Colleges Group (SYCG) has been working on a proposal that will help deliver on the Sheffield City Region’s Renewal Action Plan (RAP) commitment to support the provision of 3,000 apprenticeships and other training positions.
- 1.3 SYCG have engaged with the SCR Provider Network which represents both Independent Training Providers (ITPs) and Colleges, and the Network is fully behind this proposal.
- 1.4 The proposal was presented to the region’s Skills Advisory Network (SAN) on 5th May 2021 and was strongly supported with the recommendation that it go to the SCR Education, Skills and Employability Board.

2. Key Issues

- 2.1 Apprenticeship opportunities and completions have fallen across South Yorkshire in comparison with 2019. This follows a national trend but is exacerbated in South Yorkshire because of the low education and skills attainment levels across the region. The overall trend is in part a result of reduced opportunities as a result of COVID, but there was already an issue in the number of people accessing apprenticeships and that very few of them were at advanced (Level 3) or Higher (Levels 4,5,6). The trend is likely to be exacerbated in coming years as smaller and medium sized businesses struggle to recover and grow.
- 2.2 The SCR Renewal Action Plan aims to provide immediate help over the coming 12-18 months for local people, employers and places. One of the key elements in the RAP is the SCR jobs programme called “South Yorkshire Works” which has 4 interventions:
1. **Train to work:** to upskill the workforce at scale.
 2. **Back to work:** to match people to opportunity, especially in industries like clean energy, health and care, advanced manufacturing and construction.
 3. **Young people’s skills guarantee:** support young people to progress.
 4. **Overcome barriers:** remove barriers to training and employment for vulnerable groups.

The “Train to Work” intervention has a stated outcome of an increase of 3,000 apprentices in the SCR within the next 18 months.

This proposal will help achieve this target.

3. Options Considered and Recommended Proposal

3.1 Option 1

To deliver on SCR’s Train to Work apprenticeship target, the SAN discussed how an independent and impartial Apprenticeships Hub could be established. The hub would target SMEs in the region who haven’t employed apprentices before. This Hub will provide these SMEs with a one stop shop service to support them to take on new apprentices and introduce them to an appropriate apprenticeship training provider. The SAN recognised the need for employers to help shape the hub and that success would happen incrementally as employers became more confident in the offer.

- 3.2 The dedicated apprenticeship hub will consist of a central team of employer engagement consultants to engage with SMEs in the region who have not had apprentices before, to identify apprenticeship opportunities, and working with employers determine the most suitable apprenticeship programme(s) that meets their needs.

- 3.3 Following consultation with the SAN, the focus of the Hub team will be to promote apprenticeships at level 2 and level 3 as the basis for the entry route into careers with further progression opportunities. This would form one part of our future apprenticeship activity, with a recognition that there is a need to develop a proposal to support employers recruiting higher level apprenticeships separately from this offer. It is unlikely that a single approach could properly satisfy all needs.

- 3.4 Once an employer's skills need has been identified then the Apprenticeship Hub will refer the requirement to the most appropriate training provider who will help recruit the apprentice (if required) and deliver the training, recognising that the final choice of provider rests with the employer.
- 3.5 Supporting the team will be a range of relevant marketing and communications activities including a SCR apprenticeship website with links to other organisations and initiatives, a series of SME focused industry sector events, and social media activity. There is an opportunity to tie into future careers events to highlight the service for potential apprentices.
- 3.6 The initiative will seek to attract the following learner groups to take up apprenticeship vacancies generated by the work of the Hub: young people; women; people with disabilities; people from minority ethnic backgrounds; and people from disadvantaged backgrounds.
- 3.7 Underpinning the initiative and recognising the need to de-risk apprenticeships, it is proposed that SCR fund an apprenticeship wage subsidy scheme that will enable SMEs to take on apprentices at a time when payroll costs are under pressure due to the economic disruption caused by COVID-19. This can be administered by the Apprenticeship Hub via a grant scheme and paid out to the employer in instalments. This grant will be on top of any national Government incentive that may be available noting that the current employer incentive is currently due to close at end of September 2021.
- 3.8 The key elements of the proposal are:
- Establishment of an SCR Apprenticeship Hub that is independent and impartial, and co-ordinates activity
 - The Hub to have a central team of employer engagement consultants to proactively engage and work with SMEs in the region who haven't had an apprentice before
 - High profile campaign to raise awareness amongst employers of benefits of recruiting an apprentice (website, social media, events, press activity) including a region wide apprentice fair
 - Simplified process for employers for apprenticeship recruitment and training delivery
 - Deployment of existing school liaison teams to raise profile of apprenticeship opportunities in schools
 - Administration of the SCR apprenticeship grant for employers
 - Detailed and regular management reports on the progress of the programmes
- 3.9 Critical to the success of the Hub is that it must be independent of any specific training provider(s) and impartial. To ensure this, the Hub will have an Oversight Board whose membership will consist of representatives from employers, training providers, local authorities and the SCR LEP with an independent Chair. This Board will set the key targets for the Hub and will have oversight on the work of the Hub to ensure that it is meeting the region's needs. The Hub manager will report to the Board through the MCA.

3.10 The proposed hub will enhance our approach as a region to apprenticeships. In addition to the hub, there may be some specific requirements that demand a more specific type of support – for example, delivery of apprenticeships at higher levels. More work needs to be done to develop options for these circumstances and officers will report to the Board in September on the broad picture of recommendations, including how we improve use of the levy across South Yorkshire.

3.12 **Option 1 Risks and Mitigations**

This paper contains the report of a proposal from the Skills Advisory Network and the recommendation it makes is for further development work to be carried out so that a more worked up proposal can be brought to the Board in September. The work will include fully developed risks and mitigations. An initial assessment suggests the key risk is failure of the hub to stimulate new apprenticeship vacancies due to insufficient employer support / lack of confidence in the offer. Mitigation will be to seek employer engagement in developing the hub proposal and including employers in the oversight of the Hub.

3.13 **Option 2**

Do nothing, leaving employers to find their way back to apprenticeships once recovery from the pandemic is underway.
Doing nothing does not support RAP objectives and represent failure to follow up the Board's discussion on apprenticeships in January.

3.14 **Option 2 Risks and Mitigations**

There is a significant risk that failure to implement an apprenticeship hub would delay any recovery in the numbers of apprenticeship vacancies across South Yorkshire. This would have an impact on our ability to deliver against the RAP.

3.15 **Recommended Option**

Option 1

4. Consultation on Proposal

4.1 The next steps are to engage with key stakeholder to develop this into a fully costed proposal to come back to the Board for a decision

5. Timetable and Accountability for Implementing this Decision

5.1 Further work to be undertaken by MCA officers working with the Skills Advisory Network develop proposals for implementation, with a worked-up proposition to be brought back to the Board in September.

6. Financial and Procurement Implications and Advice

6.1 This paper provides an update for discussion and as such, no costs have yet been identified for this programme. Subject to approval of this proposal by the Board, further detailed work will need to be undertaken to develop a full cost model, which will be brought to a future Board for consideration. All proposals for RAP funding will require a business case to be presented through the formal SCR assurance framework.

7. Legal Implications and Advice

7.1 No legal implications at this point in time. Any procurement to establish the Hub will need to comply with the MCA's procurement rules.

8. Human Resources Implications and Advice

8.1 None

9. Equality and Diversity Implications and Advice

9.1 Apprenticeships are an essential part of the skills landscape for helping young people and adults reach their potential. The proposal for an apprenticeship hub is being made as a way of stimulating more apprenticeship opportunities across South Yorkshire with a particular focus on providing support for people from more disadvantaged backgrounds to access apprenticeships.

10. Climate Change Implications and Advice

10.1 No climate issues arising from this update report.

11. Information and Communication Technology Implications and Advice

11.1 None

12. Communications and Marketing Implications and Advice. Please also refer to consultation undertaken as per Section 4

12.1 None

List of Appendices Included

None

Background Papers:

Gainshare ESE Paper on Apprenticeships 05/01/2021 meeting paper 09