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Title:	Apprenticeships in Westminster
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Cabinet Member Portfolio	Cllr Robert Davis MBE DL, Deputy Leader and Cabinet Member for Business, Culture & Heritage
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1. Executive Summary

- 1.1 This paper provides an overview of Apprenticeships, recent Apprenticeship reforms including the introduction of the Apprenticeship Levy and the activities planned to promote and stimulate Apprenticeship growth across Westminster.
- 1.2 The Government has reformed apprenticeship delivery in England. The aim is to increase the number of high-quality Apprenticeships whilst ensuring they are more rigorous, better structured, independently assessed and aligned to the needs of employers. The reforms are also designed to partly address the skills shortages reported by many industries and Britain's poor productivity record.
- 1.3 The initial reaction from the business community has however not been encouraging. There has been significant reduction in demand for apprenticeships nationally. It is thought that this is partly down to the need for businesses to more clearly understand the new scheme and this is a role that the Council can support.

- 1.4 To that end, a new Apprenticeship Development Officer post has been created, jointly funded by the Economy Team and Children's Services (Tri-borough). The remit is to engage with businesses across Westminster and work closely with Education colleagues and senior leaders in schools and colleges to increase the uptake of Apprenticeships.
- 1.5 To raise the profile and value of apprenticeships as a route to sustainable employment and career progression, the Economy team has also developed an Apprenticeship Growth Plan. The plan draws together both internal and external stakeholders in a collaborative partnership approach to delivery. Engagement in the first year will focus on five selected industry sectors.
- 1.6 The Economy Team has also recruited a new broker to manage employment and apprenticeship obligations on the part of contractors and developers and a data analyst to review and monitor historical and recent commitments.
- 1.7 People Services, working in partnership with the Westminster Adult Education Service (WAES) has developed the Council's new internal Apprenticeship programme, the Westminster Apprenticeship Academy. Apprentices recruited since April 2017 are employed directly by the Council.
- 1.8 The detail that supports this Executive Summary is set out below in the Background section of this paper.

2. Key Matters for the Committee's Consideration

- 2.1 In the wake of new government legislation and the subsequent reaction from business nationally, the Committee is invited to review the main activities and approach developed to support apprenticeships in Westminster. These are:
 - The joint work of the Children's Services and Economy in externally promoting and supporting apprentices in the Borough
 - The new internal approach to the recruitment and support of apprentices which has been led by People Services in partnership with the Economy Team and the Westminster Adult Education Service
 - The activity designed to ensure that both Council contractors and developers fulfil obligations they make to support apprenticeships
- 2.2 The Committee is specifically asked to respond to the following questions
 - What more could be done to support apprenticeships in Westminster?
 - What if anything is missing in the current Council approach to supporting apprenticeships?
 - Is the current resource to support apprenticeships sufficient or does this require further review?

3 Background

What is an Apprenticeship?

- 3.1 An apprenticeship is a genuine job with an accompanying development programme. It enables individuals to earn while gaining valuable skills in a specific job role. This is through a wide mix of learning in the workplace, formal off-the-job training and the opportunity to practise new skills. Individuals aged 16 years and over (with no upper age limit) can apply. Employers can offer apprenticeships to new entrants or grow talent from amongst current employees. The minimum duration of an apprenticeship is 12 months. In terms of employer responsibilities, there must be a genuine job available with a contract of employment.
- 3.2 Apprenticeships are now available to degree level and beyond. Over 50 national universities currently offer a range of degree apprenticeships with more to be confirmed. Apprenticeships have equivalent educational levels as illustrated at table 1. There are 15 different bands of funding available for Apprenticeships ranging from £1,500 to £27,000.

Table 1: Apprenticeship Levels

Apprenticeship Title	Level	Equivalent Educational Level
Intermediate Apprenticeship	2	5 GCSE passes
Advanced Apprenticeship	3	2 A level passes
Higher Apprenticeship	4, 5, 6 and 7	Foundation degree and above
Degree Apprenticeship	6 and 7	Bachelor's or master's degree

Apprenticeship reform

- 3.3 As set out in the Executive Summary, the government has reformed the way apprenticeships are funded and delivered in England. A key element is the Apprenticeship Levy, introduced in April 2017. The levy is intended as a means of funding apprenticeship training and is expected to raise in the region of £2.8bn by 2019-20.
- 3.4 Employers now also play a crucial role in developing new apprenticeship standards via trailblazer groups. A Trailblazer is made up of a group of employers who work together to design the new standards. A Westminster based business is currently a member of a trailblazer group established to design a Degree apprenticeship in Architecture.

The Apprenticeship Levy

- 3.5 From April 2017, employers in England with a paybill of three million or more are required to pay the Apprenticeship Levy. The levy is paid at a rate of 0.5% of total payroll through PAYE on a monthly basis. Employers with a paybill of less than £3 million a year will not pay the levy. The government will ask non-levy-paying employers to make a 10% cash contribution to the cost of the apprenticeship training, paid directly to the provider, with the government covering the remaining 90%. Small and medium sized businesses with less than 50 staff will receive 100% of Apprenticeship funding costs from the government.

Initial market reaction to the new levy

- 3.6 Unfortunately, the initial business reaction to the new levy and reforms has been lukewarm. The number of apprenticeships starts dropped significantly in the first three months following the introduction of the levy. Provisional figures for 1st May to 31st July 2017, the first quarter the levy was introduced, show that starts dropped by more than 60%. Between May and July 2017, apprenticeship starts decreased to 43,600 from 113,000 over the same period the year before, a decrease of 61%.
- 3.7 Clearly, the last year has presented a huge change for employers in terms of apprenticeship funding. As such, employers may have needed a period of time to adjust and plan for opportunities presented by the levy. The Council's role is therefore pivotal in supporting employers analyse and plan for future workforce development, incorporating apprenticeships as an integral component of their recruitment and retention strategy.

Promoting apprenticeship growth in Westminster

- 3.8 The following tables provide a general indication of apprenticeship starts in Westminster for the period 2011/12 – 2016/17 (derived from constituency data for Cities of London and Westminster and Westminster North)

Parliamentary Constituency data on Apprenticeship Starts

Parliamentary
Constituency

Cities of London and Westminster

Apprenticeship - Starts							
Geography	PCON/Region/England	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 Full Year (Provision)
PCON	Cities of London and Westmin	520	450	400	460	440	370
Region	London	47,230	45,070	40,050	45,550	46,280	44,220
National	England	515,000	504,200	434,600	494,200	503,900	485,500
Total	Grand Total	520,600	510,200	440,400	499,900	509,400	491,300

Parliamentary Constituency data on Apprenticeship Starts

Parliamentary
Constituency

Westminster North

Apprenticeship - Starts

Geography	PCON/Region/England	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 Full Year (Provision)
PCON	Westminster North	330	270	250	280	260	260
Region	London	47,230	45,070	40,050	45,550	46,280	44,220
National	England	515,000	504,200	434,600	494,200	503,900	485,500
Total	Grand Total	520,600	510,200	440,400	499,900	509,400	491,300

- 3.9 A new Apprenticeship Development Officer post is jointly funded by the Economy Team and Children's Services with a remit to, engage with businesses across Westminster to stimulate apprenticeship growth.
- 3.10 To raise the profile and value of apprenticeships as a route to sustainable employment and career progression, the Economy Team has also developed an Apprenticeship Growth Plan. The plan draws together both internal and external stakeholders in a collaborative partnership. Engagement in the first year will focus on five selected industry sectors: Construction & Property, Retail, Hospitality, Life Sciences and Health, and the Creative and Cultural sector
- 3.11 A sector based employer engagement strategy is deemed most appropriate because businesses typically identify themselves by sector. The five sectors were derived from research conducted by Economy team. It is envisaged that activities will include employer events in conjunction with the Business Improvement Districts and other stakeholders including Westminster based training providers.
- 3.12 The Apprenticeship Growth plan includes **a target of 100 apprenticeship opportunities** to be generated with Westminster businesses. To meet this target, the Apprenticeship Officer has engaged with 62 Westminster employers since joining WCC in Mid-August 2017 and now meets with a minimum of five employers per week. Developments since the post started include discussions with the London Early Years Foundation who would like to recruit 20 apprentice nursery assistants and a healthy food chain that has a target of 160 apprentices. By August 2018, this target should therefore be comfortably met.
- 3.13 The following serves to illustrate some of the activities undertaken as part of the Apprenticeship Growth Plan.

- Two apprenticeship information events have been held in conjunction with the BID's, (Northbank BID in March 2017 and Victoria BID in October 2017). Both were well attended by Westminster businesses.
 - The 11th National Apprenticeship Week (NAW 2018) will run from 5th to 9th March 2018.
- 3.14 For National Apprenticeship Week, Westminster will highlight one of the five sectors each day. Examples of plans agreed are as follows:
- Construction & Property, in partnership with the University of Westminster, the Faculty for Construction and the Built Environment. An employer focussed event aimed at promoting the University higher and degree apprenticeships.
 - Hospitality, in conjunction with Westminster Kingsway College. An opportunity for young people to observe hospitality apprentices and speak to hospitality employers about the industry.
- 3.15 Other activities in the growth plan include researching Westminster employers with traditional graduate recruitment schemes that do not yet engage in apprenticeships. The introduction of the levy, coupled with the emergence of higher and degree apprenticeships could offer a real alternative to employers.
- 3.16 The Apprenticeship Growth Plan also recognises the requirement to enable more young people including Looked After Children, Care Leavers and young people with special education needs to access opportunities to start or re-start their careers as apprentices if desired.
- 3.17 The Apprenticeship Development Officer has also linked in with all the Westminster secondary schools to support careers information. There is a recent statutory requirement for schools to publish a statement of intent outlining how they will enable access to specific year groups by training providers and employers. This is an opportunity to further support Westminster schools engage with apprenticeships.

Westminster Council as an Apprenticeship Employer

- 3.18 Since the introduction of the Government's reforms, the Council has taken the opportunity to utilise knowledge and expertise across the Economy Team, Westminster Adult Education Service and People Services to:
- Support apprentice growth within Westminster.
 - Increase the demand amongst Westminster residents.
 - Deliver the Council's own high quality internal programme.
- 3.19 The Council has reviewed and further developed its own apprenticeship programme. Prior to April 2017, delivery was by the London Apprenticeship Company (LAC). Apprentices were employed by the LAC and hosted by the Council. Whilst numbers averaged 50 per year, few apprentices went on to be

employed by the Council and the number of Westminster residents taking up apprenticeships was very small at around 10% of total recruitment.

- 3.20 Since the introduction of the reforms, the Council pays approximately £35,000 per month to the HMRC as an Apprenticeship levy. This money is available under a funding agreement with the Education and Skills Funding Agency (ESFA) to fund apprenticeship training and assessment. This includes new apprentices or existing staff who complete an apprenticeship programme to support their professional development. The Council is also subject to an apprenticeship target to employ an average of at least 2.3% of their staff as new apprentice starts over the period of 1 April 2017 to 31 March 2021. The Council has a duty to 'have regard' to the target which means that it can actively consider apprenticeships, either for new recruits or as part of career development for existing staff.
- 3.21 People Services, working in partnership with the Westminster Adult Education Service (WAES) has developed the Council's new apprenticeship programme, the Westminster Apprenticeship Academy. Apprentices recruited since April 2017, are employed directly by the Council and funding covers the cost of training and assessment.
- 3.22 **Westminster currently has 54 apprentices within Council services.** Twenty-two joined before April 2017 and are employed by the London Apprenticeship Company (LAC), hosted by Westminster. A further 32 have been employed on Westminster contracts since the introduction of the Apprenticeship Levy in April 2017. Since bringing the Council's apprenticeship programme back in-house, it has been expanded, with a variety of apprenticeships now set up in procurement, finance, town planning, public health, children's services, outdoor learning and libraries. As a result, there is a more diverse group of individuals applying for the opportunities and an **increase in the number of residents** applying for and placed into roles. **Over the past two years the number of residents who have become apprentices working for the Council has increased from around 10% of all apprentices to 25% and this proportion is growing.**
- 3.23 The Council continues to offer an entry level apprenticeship programme for new starters, focusing on opportunities for Westminster residents. Two cohorts of entry level opportunities have since been recruited with a third planned for February 2018. Partnership working with WAES and the Westminster Employment Service has resulted in an increase in the number and quality of the applications received. Over 100 applications have been received for the 32 opportunities since April 2017. Of the 32 that started since April 2017, eight have been filled by Westminster residents, including one long term unemployed resident and one returner to work. Where Westminster residents are unsuccessful in securing Apprenticeships and need further support this provided through the WES employment coaches and through WAES. These candidates are then assisted in applying for future roles.
- 3.24 Internal Apprenticeships represent an excellent opportunity to develop the skills of existing staff and since April 2017, ten employees have started an

Apprenticeship programme to support their professional development. Further internal Apprenticeship programmes are currently being developed in project management, finance, digital and technology and leadership and management. These are to launch this year in March 2018.

Promoting Apprenticeships through planning and the supply chain

- 3.25 During the consultation on the Westminster Employment Service in 2016, Finance & Corporate Service Scrutiny Committee requested information on the aggregate contribution of the Council's supply chain and developer community to local apprenticeships. At the time, data was difficult to obtain. This necessitated a detailed review of processes as well as an internal audit.
- 3.26 The audit was overseen by the Director of Economy with inputs from Planning, Policy and Procurement. The purpose was to gather information on the current process of securing apprenticeships and traineeships and to assess the adequacy and effectiveness of the controls in place. Overall the audit confirmed that further work was required to strengthen the monitoring, compliance and the procedures for agreeing commitments.
- 3.27 As a consequence, the Apprenticeship Development Officer now collaborates with colleagues from Westminster Employment Service to ensure apprenticeship opportunities derived from section 106's and procurement exercises are maximised and where possible filled by Westminster residents.
- 3.28 Also in response to the audit findings, Economy Team has recruited a new broker to manage employment and skills plans with contractors, clarified processes for agreeing the delivery of the plans and has hired a data analyst to review past commitments. A summary of aggregate commitments, including apprenticeships is also set out at table 2 below.
- 3.29 A "Meet the Team Breakfast" event with contractors and developers was held in December and attended by 57 contractors and developers. New monitoring arrangements will commence in January and monthly community based job fairs with suppliers and developers will start in February. The purpose of the job fairs is to highlight the negotiated opportunities and give residents as much advance notice about roles so as to allow them to prepare. Many of the candidates will then work alongside the coaching support offered through the Westminster Employment Service.

Table 2. Employment and skills commitments through Planning, Procurement & Business Rate Relief. 2018-21

Commitment	Planning (s106)	Responsible procurement	Business Rate Relief	TOTAL
Local Jobs	292	183	-	475
Apprenticeships – Westminster	143	276	9	428

Training & qualifications		895		895
Work experience placements	28	781	18	827
Curriculum support activities	18	-	-	18
Graduate placements	2	-	-	2

4 Conclusion – Apprenticeship Growth in Westminster

- 4.1 The Council’s apprenticeship agenda has gained considerable momentum and the approach is much more integrated than in the past, with several services supporting activity. Despite an initially disappointing set of figures nationally, these Council reforms will serve to ensure that Apprenticeships are of high quality, provide added value to businesses and, by delivering skills to the workforce, help to improve economic productivity.