

**Manchester City Council
Report for Information**

Report to: Economy Scrutiny Committee – 25 November 2015
Subject: The Skills Company
Report of: Jayne Worthington, Managing Director

Summary

This report provides information on the Skills Company and its activity and progress within the City.

Recommendations

That members;

1. Note the report for information and support the Apprenticeship agenda by continuing to play an exemplar role in Apprenticeship recruitment and employment.
 2. Consider how best to reach parents, care givers and influencers of young people to inform them about the benefits and opportunities available in an Apprenticeship.
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Wards Affected: All

Contact Officers:

Name: Jayne Worthington
Position: MD
Telephone: 0161 2332656
E-mail: Jayne.worthington@theskillsco.com

Background documents (available for public inspection):

N/A

1.0 Introduction

1.1 This report has been prepared in response to a request on the Skills Company and its activity and progress within the City.

2.0 Background

2.1 The Skills Company is part of the Manchester Growth Company and works with 10,000 people a year; it is the largest deliverer of Apprenticeships in Greater Manchester.

The aim of the Skills Company is to provide a career entry point and sustainability in employment for individuals – either through Pre-employment training, Study Programme, Traineeships or Apprenticeships and higher education courses essentially helping people (youth and adult) get into, stay in and progress in work.

2.2 The Skills Company delivers training and skills in a variety of sectors, from Banking & Insurance to Engineering and works in partnership with many of the Greater Manchester Colleges to co-deliver. This includes projects such as 'Engineering Futures' which is aiming to raise the profile of engineering as a career choice for young people.

2.3 As part of the Manchester Growth Company the Skills Company traditionally has offered a market making / market failure approach, addressing areas of growth identified by Greater Manchester and undertaking significant work with those individuals, young people and adults, who may be further away from the labour market – often from chaotic backgrounds. In this context the Skills Company still has a good progression rate;

- 81% of pre-apprenticeship programmes progress to an Apprenticeship or into permanent employment.
- 92% of Apprentices go on to permanent jobs or a higher level Apprenticeship.
- 93% of our Traineeships progress to an Apprenticeship or job.

3.0 Progress to date this year

3.1 The Skills Company has 3 sites within Manchester (10 sites across Greater Manchester) and has worked with 1071 Manchester residents so far this year including;

- 211 young people on a study programme
- 10 young people on a Traineeship
- 122 young people on a L2 Apprenticeship
- 90 young people on a L3 Apprenticeship
- 264 adults on a pre-employment programme
- 21 people on HE provision

3.2 So far this has resulted in the following outcomes to date, which will increase as the year continues;

- 77 young people progressed into employment

- 31 adults progressed into employment
- 57 progressed into Apprenticeship
- 17% of our young learners have a declared difficulty or disability.
- 26% of young people are from black or minority ethnic (BME) backgrounds.
- 58% of young people are male.

3.3 Although target numbers have mostly been met, it has become further apparent that ‘Raising the Participation Age’ has had a direct impact on the amount of young people choosing an Apprenticeship route, with many more staying on at school or transitioning to College.

3.4 The engagement team has been augmented, but it still proves difficult to reach parents, care givers and other influencers – this is especially frustrating when vacancies continue to stay vacant, with businesses keen to give an opportunity to a young person. In response to this the Skills Company have taken a decision to not accept Apprenticeship vacancies that do not pay at least the minimum wage for the age group (unless in exceptional circumstances), this has resulted in an average Apprenticeship wage of £7,487 per annum for a 16 – 18 year old.

3.5 Further work is underway to continue to reach the NEET population, engaging them and preparing them for Apprenticeships, with some current activity also looking at how we reach and support smaller groups such as looked after children.

3.6 Accessible learning is also an area in which the Skills Company continues to invest, paying for a fleet of minibuses which pick up from Manchester (and other areas) to take learners to the Greater Manchester Skills Centre in Trafford Park. It is here that there are specialist engineering and manufacturing, automotive and construction training facilities.

3.7 The Training Centres continue to offer breakfast clubs and the Skills Centre subsidises lunchtime meals to ensure that all learners are able to concentrate on learning.

4. Government policy and future impact

4.1 Significant changes are currently underway around the Apprenticeship agenda with changes to the structure (frameworks to trailblazer standards) and approach to funding (greater employer commitment, contribution and ownership, digital systems and the Apprenticeship levy) matched against a Government focus on 16-18 year olds at a time of declining demographics at this age. This nationally driven reform programme has the potential to lead to confusion and reluctance from employers to engage and a drop in the number of Apprenticeship opportunities, particularly when the transition fully takes place from April 2017.

4.2 The Chancellor’s July Productivity Plan also set a UK target of 3m Apprenticeships in this parliament. The ambition for GM is a minimum of 186,000 new starts, an increase of approx. 38,000 on current activity (a 20% increase – approximately 8,000 P/A increase on current 14/15 numbers).

4.3 Apprenticeship growth is an important facet to achieving the Manchester ambition, both in improving the labour market for business growth and as a mechanism for inclusion; as such the Skills company will drive toward its ambition to grow Apprenticeships across the city.

4.4 To help achieve this The Skills Company are working with partners to change the conversation around Apprenticeships and collaborate to create a mechanism that can realise the ambition at the quality and scale needed through;

1. Working with the private sector to co-own this ambition and see Apprenticeships as a key part of their talent management, succession planning and supporting business growth.
2. Changing the perception of Apprenticeships to be recognised as an individual's career entry through targeted careers education, information, advice and guidance.
3. Change the delivery of Apprenticeship learning to develop deep vocational skills, but also the broad behaviours and competencies needed for a 21st century workforce (resilience, resourcefulness digital literacy and entrepreneurial behaviours etc.).
4. Continue to develop higher level Apprentices.

4.5 Also of note is the potential forthcoming issue concerning the reduction of Adult Skills Budget funding, this is the stream of funding that will be devolved from the Skills Funding Agency to Greater Manchester in 2017. Currently this funding stream allows delivery of;

- a. Sector Based Work Academy activity
- b. Pre-employment training linked to jobs
- c. Access to HE courses for under 24s
- d. English & maths learning
- e. Training at L2 or below

4.6 This activity is at risk through the current and future cuts and indeed many providers are ceasing areas of this work such as pre-employment training, which leaves job-seekers at risk of becoming long term unemployed. This has been raised through the devolution discussions around Skills.

Recommendations

That members;

1. Note the report for information and support the Apprenticeship agenda by continuing to play an exemplar role in Apprenticeship recruitment and employment.
2. Consider how best to reach parents, care givers and influencers of young people to inform them about the benefits and opportunities available in an Apprenticeship.