
**Manchester City Council
Report for Resolution**

Report to: Economy Scrutiny Committee – 3 January 2018

Subject: Apprenticeships in Manchester

Report of: Head of Work and Skills

Summary

The purpose of this report is to provide an update on current apprenticeships activity. This is set in the context of national policy changes, including the impact of recent apprenticeship funding reforms. This report includes information on specific initiatives to deliver apprenticeships both at Manchester and Greater Manchester levels. Case studies have been included that highlight the impact of recruiting an apprentice both from an employer and a young person's perspective.

Recommendations

Members of the Committee are requested to consider and comment on the information contained in this report.

Wards Affected: All

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Background documents (available for public inspection):

- Apprenticeship Funding in England from May 2017
- Economy Scrutiny Committee report on apprenticeship activity in Manchester, November 2014
- Manchester Work and Skills Strategy 2015-2020

1.0 Introduction

- 1.1 Since the last report on apprenticeships to Economy Scrutiny, the government has introduced significant changes to apprenticeship funding with the aim of providing employers with greater control over designing, choosing and paying for apprenticeship training.
- 1.2 Key features of the apprenticeship funding reforms introduced in 2017 include:
- Introduction of an Apprenticeship Levy, from 01 April 2017 for employers with a wage bill exceeding £3 million.
 - A new online Apprenticeships Service digital portal to enable employers to manage levy funds, in addition to accessing performance data on apprenticeship providers.
 - Funding bands for existing apprenticeship frameworks and new standards, which vary according to the type and level of apprenticeships.
 - Government contributions and additional funding for non-levy paying employers, 16-18 year olds, priority groups and English and Maths support.
- 1.3 In light of these reforms this report will update on ongoing apprenticeship programmes, in addition to campaigns developed as a response to the evolving apprenticeships landscape.

2.0 Background

- 2.1 The recent apprenticeship reforms were borne out of the Richard Review (2012). This review made a number of recommendations including simplification of apprenticeships and moving to an employer led system. In October 2013 the first employer groups were formed as 'Trailblazers' to design new apprenticeship standards and assessment approaches.
- 2.2 In December 2015 the government published plans for apprenticeships up to 2020, with a target of 3 million new apprenticeship starts. In achieving this aim the proposals called for more public sector apprenticeship starts, a general increase in apprenticeship starts across all sectors and an uplift in higher level apprenticeships.
- 2.3 In May 2017 the government launched the Apprenticeship Levy with the aim of establishing less reliance on centrally funded apprenticeships, employer contribution and providing greater control to employers. Employers with a wage bill of more than £3 million pay 0.5% of their payroll into the Apprenticeship Levy, minus a £15k annual allowance from the government. Although this represents less than 2% of employers nationally, it is estimated that the levy will generate just over £2 billion per annum to fund apprenticeships. Non-levy paying employers are entitled to 90% of the cost of apprenticeship training paid by the government.

- 2.4 The government has committed to an additional £2,000 of funding for 16-18-year-olds, care leavers and young people with an education, health and care (EHC) plan. Of this £1,000 is paid to the employer and £1,000 to the training provider. Employers with fewer than 50 employees do not have to pay anything towards the cost of training a 16-18-year-old, care leaver or young person with an EHC plan.
- 2.5 To simplify the payments system, 15 funding bands ranging from £1,500 to £27,000 have been introduced. All existing apprenticeship frameworks and new standards are placed within one of these funding bands. Employers are able to negotiate and agree training costs with providers within the upper limit of each band.
- 2.6 Employers can use levy funds to re-train workers in new skills, even if they have prior qualifications, as long as the apprenticeship is significantly different from their previous qualification(s).
- 2.7 To underpin the Apprenticeship Levy the government has created the Apprenticeship Service, an online portal through which everything from certification of training providers to funding is channelled. Each employer will have a digital account and apprenticeship funds are paid into this account via The Apprenticeship Service. Employers use this digital account to pay providers (or themselves where they are an employer/provider) for apprenticeship training. This portal is not limited to those paying the levy with every employer in England being able to use this system to pay for their apprenticeship training (Levy employers from May 2017, all other employers from 2018-2020).
- 2.8 Providers wishing to deliver apprenticeship training must apply to the Register of Apprenticeship Training Providers and pass an Ofsted assessment before being allowed to appear on the digital system and deliver apprenticeship training. The Institute of Apprenticeships Standards has been established as an independent body to provide oversight for the new system, give advice to government and ensure high quality apprenticeship standards.

3.0 Greater Manchester Public Sector Strategic Group

- 3.1 As part of a collective response to the implementation of the Apprenticeship levy, Manchester City Council has been working closely with colleagues from the Greater Manchester Combined Authority (GMCA), The Growth Company, as well as other GM public bodies to maximise opportunities that the levy presents to the public sector.
- 3.2 A GM Public Sector Operational and Strategic Group has been established as a collaborative approach to meeting GM public sector employers' obligations for apprenticeship recruitment. This group shares knowledge and best practice around existing apprenticeship programmes across GM, in addition to developing new models of joint delivery.

3.3 The group focuses on four key themes:

- Workforce development - creating a public sector workforce for the future.
- A coordinated approach – Maximum impact for organisations through sharing knowledge, best practice and delivery systems.
- Creating high quality apprenticeship opportunities – across all of the public sector.
- Integration with the wider public sector and reform programmes – linking to healthcare, unemployment programmes and pathways to apprenticeships.

3.4 To date good progress has been made against each of these themes. Workforce planning support has been put in place for all local authorities to implement strategies for apprentice recruitment, with the aim of creating an overarching GM plan.

3.5 Linked to this work is underway to develop a multi-provider framework for GM, which will implement a collaborative approach to procuring training provision. Planning for development of collaborative flagship training programmes are also gathering momentum, such as the Health and Social Care Management Degree Apprenticeship programme led by Manchester City Council.

3.6 GM highways teams are currently working with colleagues in TfGM to develop and recruit apprentices to support infrastructure projects across Greater Manchester. Although small cohorts to begin with, these will focus on developing the engineering and technical skills in short supply in the GM labour market.

3.7 Work is ongoing to implement a shared communications strategy for GM, which builds on the #seedifferent campaign and ties into the greater.jobs recruitment portal. The latter provides a portal for all public sector jobs in GM.

3.8 The GM Public Sector group continues to grow and strengthen ties across the GM public sector, integrating with the NHS apprenticeship network to provide further opportunities for information sharing and collaborative initiatives. The development of a coordinated approach across Greater Manchester's public sector should provide greater opportunities and clearer pathways for GM residents from different starting points.

4.0 Greater Manchester Apprenticeship Hub

4.1 The GM Apprenticeship Hub was established in 2012 under the City Deal and is partnership involving a wide range of stakeholders including GMCA, GM local authorities, GM Chamber of Commerce and Jobcentre Plus. The Apprenticeship Hub aims to increase the scale, breadth and quality of apprenticeship delivery.

- 4.2 To encourage non-levy employers to recruit apprenticeships as part of their talent attraction and to upskill employees, the GM Apprenticeship Hub commissioned The Stimulating Employer Demand for Apprenticeships (SEDA) programme in 2016. This scheme began in January 2017 and is due to run until September 2018. SEDA focuses on working with non-levy paying employers that have not traditionally engaged with apprenticeships. Central to the programme is supporting employers to appreciate how apprenticeships can play a key part in developing their business and building a workforce for the future. The programme also supports employer engagement with schools, colleges and parents/carers. Actively promoting careers within key industries and supporting young people to make more informed decisions about their futures.
- 4.3 SEDA is funded by the GMCA's City Deal, via the GM Apprenticeship Hub and is delivered by The Business Growth Hub together with the GM Chamber of Commerce. The aim is for SEDA to engage with around 30,000 non-levy paying employers in GM, with a target of 360 new apprenticeship starts across GM by the end of 2018. SEDA has a specific focus around engaging with growth sector employers. The programme also aims to develop a "kitemark" standard that can be used by employers to indicate their ongoing commitment to providing outstanding apprenticeship opportunities.
- 4.4 As part of the one to one support provided to employers through SEDA, advisors visit with businesses to conduct a workforce development plan, which assesses the viability of recruiting and retaining an apprentice. Even if a business is not yet ready to recruit an apprentice, the workforce development plan serves as a useful tool for the employer's aspirations and growth. If an employer wishes to recruit an apprentice the SEDA team will support with connecting to a training provider and monitoring progress until the apprentice starts.
- 4.5 To date 726 workforce development plans have been completed with employers across GM, with 190 of these undertaken with Manchester employers. This is 98% of the contract target already achieved. From this 108 new apprenticeships have begun across GM, with 25 of these recorded in Manchester to the end of 2017. Additional Manchester apprenticeships are due to start in 2018.
- 4.6 Feedback from employers through SEDA indicates that smaller employers have a lack of understanding around the new apprenticeship standards available for different ages and sectors. Employers have also noted the absence of financial incentives to assist with training and developing the apprentice to become fully productive. Employers have also expressed a need for a single point of contact particularly around training provision and an impartial advice service for apprenticeships. This feedback will be taken into account as we continue to develop initiatives to support our SME's.
- 4.7 In addition to targeting employers and increasing apprenticeships demand through SEDA, another key objective for the Apprenticeship Hub is to develop the supply of apprenticeships. Central to this is the provision of information,

advice and guidance (IAG) to young people in Greater Manchester. Since the last report the hub has commissioned a range of GM IAG projects that the City Council has supported. Examples include:

- The Better Choices, Better Outcomes - a programme focused on improving perceptions of careers and education information, advice and guidance (CEIAG) in schools.
- The Apprenticeship Ambassador scheme - providing valuable advice and guidance to schools, with apprentices sharing their knowledge and experience with pupils, teachers and parents.
- Inspiring IAG – developing good practice frameworks for organisations that work with young people. This programme recognises schools and colleges which have a CEIAG offer in place which is above and beyond national minimum expectations.

5.0 Apprenticeships in Manchester

- 5.1 The primary purpose of Manchester's Work & Skills Strategy is to develop a work and skills system which meets the growth needs of business and enables residents from all backgrounds to obtain the skills and attributes required by employers. Quality apprenticeships are crucial to this system, not only being the starting point for a future career but also developing many of the skills required to develop the economy. Our ambition is to increase the number of apprenticeships in the city, ensuring that young people leave the education system with the skills and attributes needed to succeed in the labour market. Moreover it is important that adults and older people also have access to the support required to enter and sustain employment through apprenticeships.

6.0 Apprenticeships in Manchester – Current Position

- 6.1 Figures 1 and 2. (below) show the latest number of apprenticeship starts by age and Figures 3 and 4 by level respectively for Manchester and the other nine GM local authorities for 2016/17.
- 6.2 As has always been the case, there is a significant time delay on data being made available. A sectoral breakdown by age is included in Appendix 4 for 2015/16, however we do not yet have this for 2016/17. Education and Skills Funding Agency (ESFA) statistics show that the majority of apprenticeship starts in 2016/17 were at intermediate level with 2,420 starts at this level in 2016/17. Advanced level starts make up the next biggest group at 1,650 and higher level apprenticeships continue to be the smallest group at 280 starts. The total number of starts was 4,350. It should be noted that we are currently unable to track attainment, except by individual provider and as there are hundreds of different providers delivering apprenticeships in the city, our ability to oversee quality of provision is limited.

Figure 1

	Under 19	19-24	25+	Totals
Bolton	720	800	1,410	2,930
Bury	420	560	800	1,780
Manchester	850	1,090	2,410	4,350
Oldham	680	820	1,280	2,770
Rochdale	590	680	1,150	2,420
Salford	630	730	1,250	2,600
Stockport	800	790	1,220	2,820
Tameside	740	740	1,180	2,650
Trafford	500	570	820	1,880
Wigan	1,130	1,090	2,020	4,230

Figure 2

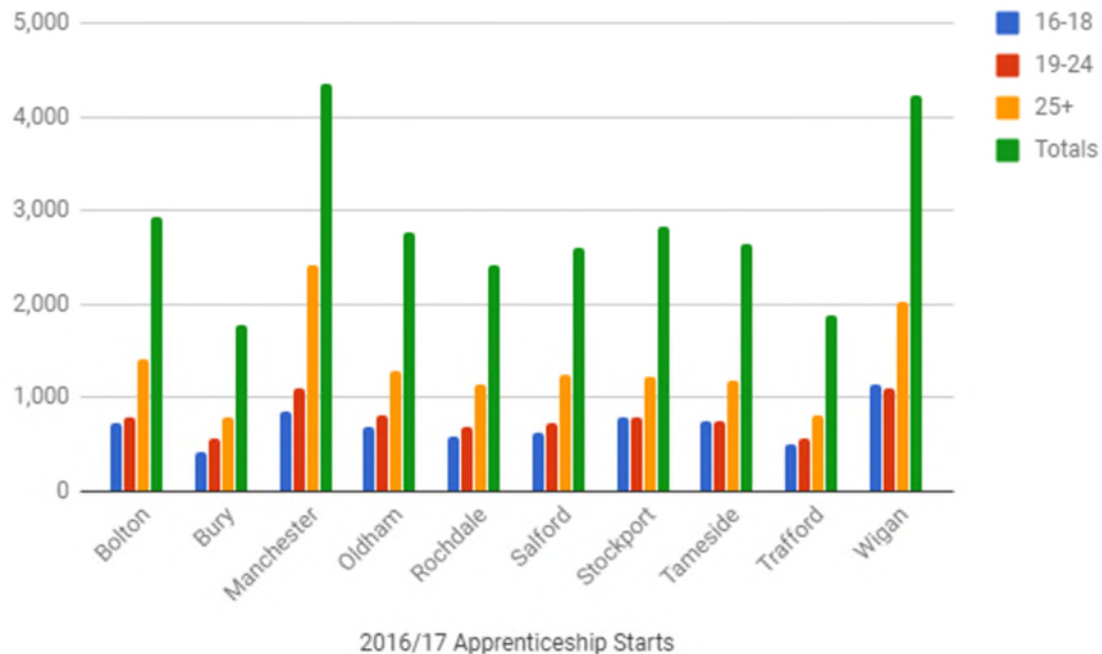
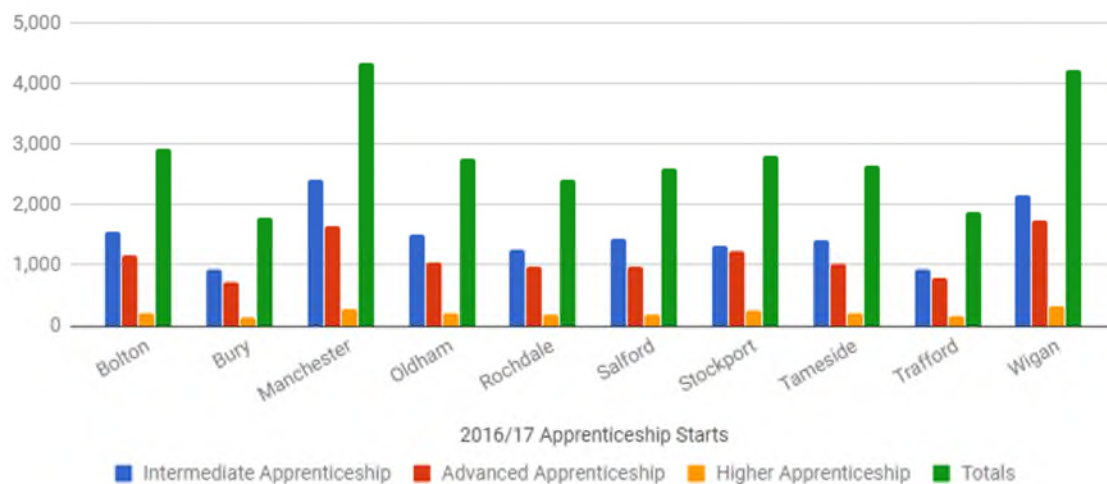


Figure 3

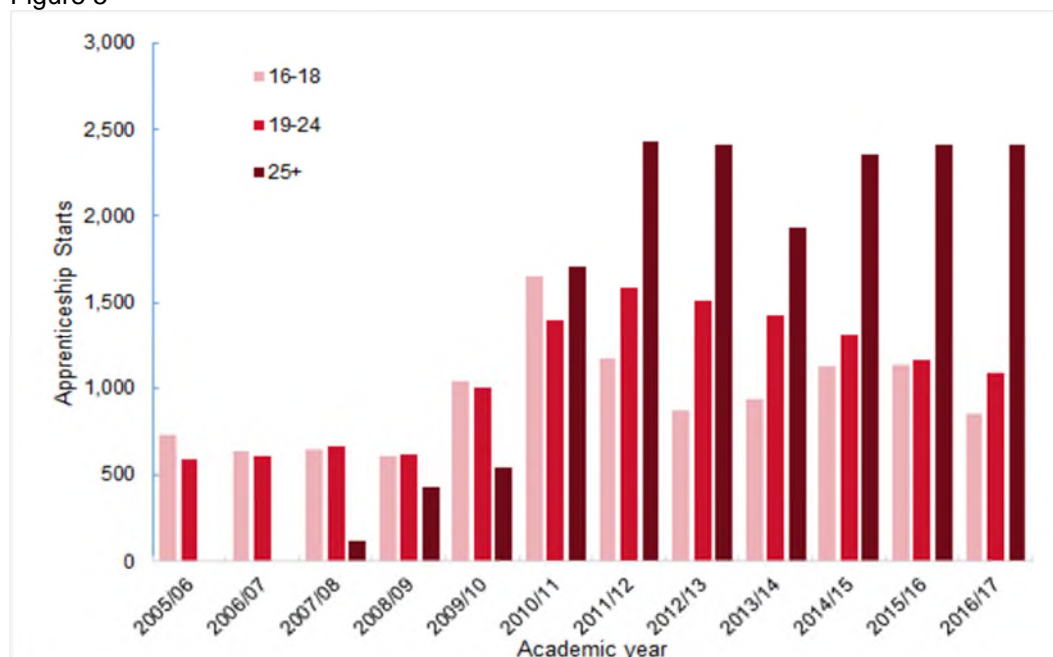
	Intermediate Apprenticeship	Advanced Apprenticeship	Higher Apprenticeship	Totals
Bolton	1,560	1,170	200	2,930
Bury	920	710	150	1,780
Manchester	2,420	1,650	280	4,350
Oldham	1,520	1,040	210	2,770
Rochdale	1,250	980	190	2,420
Salford	1,430	980	190	2,600
Stockport	1,330	1,240	250	2,820
Tameside	1,420	1,030	200	2,650
Trafford	930	800	160	1,880
Wigan	2,160	1,750	330	4,230

Figure 4



- 6.2 Figure 5 below shows the trends in apprenticeship starts from 2005/06 to 2016/17 by age. It can be seen that apprenticeship starts peaked in 2011/12 with 5,190 starts. There were some gradual reductions in apprenticeship starts through 2012-2014. However 2014/15 saw starts rising again to 4,830. To date, the impact of the levy on starts in 2016/17 does not appear to have been too significant with a drop of 360 starts from 2015/16, however there is some anecdotal evidence that some starts were rushed through under the old frameworks as employers and providers were mindful of the potential delays brought about by the need to develop new standards. What is a noticeable trend is that the greatest number of starts has been in the 25+ age group which is consistent with the rest of Greater Manchester.

Figure 5



- 6.3 The data shows that the trend is generally positive in terms of apprenticeships starts and some evidence that the focus the City Council and partners have placed on apprenticeships since 2010 has resulted in increased numbers, albeit from a very low starting position. However, to enable us to once again break through the 5,000 starts barrier and beyond, more work needs to be done, particularly around higher and advanced level apprenticeships and with the 16 and 17 year old group. This should be supported by the introduction of T levels in 2018/19.
- 6.4 Since 2012 the majority of apprenticeships undertaken in Manchester have been intermediate (level 2) qualifications. Recently there have been some small increases in advanced and higher level apprenticeships across the age ranges. Both the Apprenticeship Levy and Greater Manchester Health and Social Care Devolution provides us with new ways to support our employers and training providers to collaborate on creating new standards and models of delivery to increase uptake of higher/advanced apprenticeships.
- 6.5 Moreover the levy also presents opportunities for employers in key growth sectors to work in partnership, together with training providers to develop higher level gateway roles into their industries aligned to new standards. Employers in a particular sector are key to developing the standards that their sector needs but standards take time and commitment to develop, so there is not currently a comprehensive set of apprenticeship standards to meet the needs of the growth sectors or public sector in GM.

7.0 Apprenticeships in Manchester – Current Programmes

- 7.1 The City Council continues to work with a wide range of stakeholders including, businesses, training providers, schools, colleges, young people and their parents and carers to promote apprenticeships.
- 7.2 In relation to Manchester City Council's apprenticeship recruitment, between summer and December 2017, 42 Manchester residents (and Looked After Children) were offered apprenticeship positions were recruited in business administration, health and social care and customer service roles. These positions were ring-fenced for Manchester residents with a specific focus on promoting to our priority groups. Of those employed, 6% of candidates declared a disability (compared with 5% of the current workforce), 39% described their ethnicity as 'other than white British' (compared with 20% of the current workforce) and six declared that they were looked after children.
- 7.3 Under the new Apprenticeship Levy rules priority groups are eligible for £2,000 of additional funding to support their learning and progression. This funding is split 50/50 between the training provider and employer. The Council will work its framework providers to establish how best we make use of this funding to support learners/employees who may have additional needs, including support to achieve their maths and English functional skills test. This will enable us to ensure that we recruit new apprentices from a diverse range of backgrounds who have the right attributes and can make a positive contribution to our

organisation but who would otherwise not successfully apply for an apprenticeship.

- 7.4 There are currently 80 apprentices employed by the Council, of whom 41 were recruited within the last six months (An MCC apprentice case study can be found in appendix 1). This number will significantly increase over the next two years as we aim to meet our 2.3% public sector target and maximise our Apprenticeship Levy Funding. Work is ongoing across Council directorates to understand where teams can fill vacancies using apprentices and where existing staff can upskill by undertaking an apprenticeship to fill future skills gaps.

8.0 MCC Work Experience Pilot

- 8.1 To develop further pathways into work, including apprenticeships, in 2017 we piloted a refreshed approach to work experience with an increased focus on targeting our priority groups. This new approach supports an individual's aspirations by providing a clearer understanding of the skills and attributes required in the world of work through a supported placement.
- 8.2 Initially 12 Growth and Neighbourhoods work experience opportunities were made available online, with systems put in place to ensure support organisations working with priority groups could refer into the scheme. Following a successful pilot the Work and Skills Team has collaborated with schools and specialist support organisations to further promote the offer, which now includes a diverse range of work experience opportunities such as, business administration, community and cultural services and ICT.
- 8.3 To date the focus has been on young people, with plans to develop a broader scope, supporting residents of all ages. So far this new approach to targeting our priority groups has yielded positive results with feedback from parents, carers and support workers indicating improved confidence, self-esteem and communication skills. Moreover some of the young people have been successful in moving into apprenticeships, employment and further training.

9.0 My Future Intermediate Labour Market Scheme

- 9.1 The My Future Intermediate Labour Market programme is a service commissioned through the Work and Skills team and delivered by The Manchester College, to support young people furthest away from the job market such as young offenders, care workers and people with disabilities, into work. The scheme works with 16 to 24 year olds who are not yet ready to access an apprenticeship or full-time employment. The core aim of the programme is to move the young people into work. To achieve this My Future provides work experience, via a three month work based placement, to develop key skills and gain work related qualifications.

- 9.2 Between February 2015 and Sept 2017, 168 young people started a placement, 150 of whom completed the programme. Out of the 150 young people who completed the programme, 68 young people went on to start work or moved into further training through an apprenticeship or a paid job role. A My Future case study can be found in appendix 2.

10.0 Careers and Enterprise Coordinator

- 10.1 The Council provides fundamental support to CEIAG Networks to enable peer support, drive up standards and provide quality assurance. As noted earlier the Inspiring IAG scheme was developed in Manchester as part of the GM Apprenticeships Hub and is one of twelve awarding bodies across the country to assess the quality of CEIAG via the national Quality in Careers Standard. Manchester City Council is encouraging the achievement of this award to enable quality assurance of the CEIAG offer. Currently, eight schools or colleges have the full award (Gold), three have silver and six have bronze.
- 10.2 The Careers and Enterprise Company was set up to help coordinate relationships between schools and businesses. At a local level, Careers and Enterprise Coordinators (CEC) work to establish an Enterprise Adviser Network (EAN) which aims to create powerful, lasting connections between local businesses and the schools and colleges in their area. The Work and Skills team has jointly funded a CEC post to work specifically with Manchester schools. The CEC has engaged 22 schools or colleges and is now working to recruit Enterprise Advisors who will be matched with those schools or colleges across Manchester to improve their strategy around careers education specifically employer engagement.
- 10.3 Aligned to this the Work and Skills team alongside the CEC, colleagues in the South Neighbourhood Team and Businesses Working With Wythenshawe (BW3) are currently working on a pilot project in South Manchester to better coordinate routes into employment by improving school relationships with employers. This project is driven by the South Place Group and aims to create clearer pathways to work through improving work experience placements, interactions with employers and IAG. Using an Our Manchester approach this project recognises the positive work that is already being delivered in this area and by working key stakeholders in the area aims to enhance this offer. Additionally this project will listen to feedback from the schools with a view to arranging a series of wrap around support events focused on areas of need for example specific sectors, work readiness skills and labour market information.

11.0 Manchester Life Higher Apprenticeship Scheme

- 11.1 Promoting and supporting uptake of apprenticeships within our key growth sectors continues to be an essential part of our ongoing work. The Manchester Life apprenticeship programme is one of a number training opportunities planned to support the delivery of social value through the Our Town Hall Project. It is aimed at Greater Manchester's high-achieving young people, ready to take on challenging and highly rewarding roles. The Manchester Life

Higher Apprenticeship programme was jointly developed by the Council and The Manchester College, creating a unique employer-led construction focused scheme. A case study focusing on one of these apprentices can be found in Appendix 3.

- 11.2 More broadly, the Work and Skills team works closely with the Planning Department and Developers in the City, to identify opportunities for apprenticeships from key developments. The team also works closely with Manchester Airport Group (MAG) to develop construction related apprenticeship opportunities as part of the Terminal Two expansion programme, which will run until 2022. The Work and Skills team already has a strong relationship with MAG's in house training provider the Airport Academy and will continue to develop this partnership to ensure that residents can take advantage of both construction and end-user apprenticeship opportunities at the airport. There will be further information on apprenticeships in construction at the next meeting.

12.0 Communication and Events

- 12.1 Promotion and publicity is an essential element of our work on apprenticeships. This has been especially important recently to communicate changes to the apprenticeships system to our residents and employers.
- 12.2 Working in partnership with The Apprenticeships Hub and the Council's Central Communications team we have connected the Council's website apprenticeship landing pages to the GM Apprenticeship hub website, which provides a more user friendly approach for residents and employers.
- 12.3 Building on brand recognition of the Apprenticeships Hub #seedifferent campaign we have developed a communications strategy utilising digital media. In September 2017 we launched an apprenticeship campaign aimed at parents and young people, which included case studies of current apprentices to illustrate our messages. The campaign generated 13,000 additional apprenticeship web page views compared to the previous month. A parent specific Facebook campaign generated over 2,500 clicks through to specific parent content and included tagging of fellow parents and young people. The promotion ran for the last two weeks in September and reached 70,000 people.
- 12.4 Linked to the digital campaign, in October 2017 a Pathways booklet was distributed through Manchester high schools. The booklet is aimed at parents / carers of year 11 students to raise awareness of pathways to apprenticeships, as well as jobs with training, to enable them to support young peoples' choices. The Pathways booklet also contained labour market information to show where future jobs will be. The 2017 booklet was well received with copies now available in special schools and libraries. In conjunction with this we have also commissioned the Greater Manchester Learning Provider Network (GMLPN) to evaluate school options evenings to recommend tools to increase parent / carer understanding of apprenticeships. Findings from GMLPN indicate that some schools prioritise promotion of apprenticeships

more than others and that there is a need for regular communication with parents / carers through a variety of mediums to maintain engagement. As a result of this research, work is underway with schools to develop a continuous approach to apprenticeship pathways IAG.

- 12.5 To support the SEDA campaign and communicate the changes to the apprenticeship system, the Work and Skills team continues to engage with employers across the city from large business networks to local traders. We have communicated the apprenticeship funding reforms to all of our key networks such as BW3 and South Manchester Enterprise Network (SMEN), also linking networks to SEDA. We have also supported referrals to SEDA for small businesses across the city for example, traders in Burnage and Hulme.
- 12.6 The Work and Skills team also provides direct support to employers across the city looking to recruit an apprentice. This support is responsive to the requirements of the employer and includes: support with developing the role; promotion and publicity; links to training providers and recruitment; and where needed the delivery of open days and Sector Based Work Academies. In 2017 we have worked with a number of employers including, Cardinal Maritime, Aldi, Wythenshawe Community Housing Group and the NHS to support apprentice recruitment to a variety of positions.
- 12.7 To reinforce our employer engagement work, we also continue to work with Jobcentre Plus, housing providers and partner organisations across the city to organise apprenticeship focused careers events. In 2017/18 we plan to deliver a series of events in each neighbourhood area. The aim is for employers and providers to showcase their apprenticeship vacancies and provide information around pathways into their sector, in addition to providing work readiness skills such as, interview techniques and CV building.
- 12.8 The first neighbourhood event was held in June 2017 at the Wythenshawe Forum and had a specific focus on South Manchester residents aged 16-25, particularly NEETs. 83 young people attended the event, with the majority being NEET, reached through the Youth Alliance team. Over 40 organisations attended the event with a wide range of job vacancies, apprenticeships and programmes on offer. This included employers such as Aldi, McDonalds, NHS and GMP. Other organisations in attendance to assist with the pre-employment offer ranged from Manchester Young Lives to GMLPN, as well as volunteers from BW3. An evaluation of this event highlighted some important lessons to take forward into the next event planned for early 2018 in North Manchester.

13.0 Measuring the impact of the Apprenticeship Levy

- 13.1 As noted earlier the latest ESFA data showed an overall increase in apprenticeship starts in Manchester for 2015/16. The 2016/17 data is yet to be released. There is however some emerging evidence that there has been a significant drop in apprenticeship starts nationally since the introduction of the Apprenticeship Levy.

- 13.2 According to figures from the Department for Education (DfE), 48,000 people began an apprenticeship in England in the final quarter of the academic year (May-July 2017). This is a 59.3% fall compared to the same quarter in 2015-16, when 117,800 apprenticeship starts were recorded. In the previous quarter apprenticeships were up 47% compared to 2015-16. Interestingly, Total People, part of the Learning, Training and Employment (LTE) Group, also saw a fall in starts but report it as not being as substantial as the national figures at 40%.
- 13.3 In normal circumstances a 59.3% year on year drop would be concerning, however it is fair to assume that these figures can be attributed to businesses, in particular SMEs, not yet fully understanding what is required from them to take advantage of the levy. Additionally many larger employers may have delayed apprentice recruitment until the introduction of the levy and receiving access to the new digital system. This adjustment period must be taken into account before any firm conclusions are drawn on the impact of the levy. These figures however do highlight the importance of GM and city-wide employer engagement, support and communication campaigns that continue to promote apprenticeships, the levy and the digital service.
- 13.4 Linked to the above figures, it has recently been reported that the target of 3 million new apprenticeships starts by 2020 may not be achievable. In order to reach this goal by 2020, a further 1.8 million starts are required nationally, meaning just under 60,000 new starts per month. The figure for new apprenticeship starts currently stands at circa 41,000 per month.
- 13.5 In early December the ESFA informed providers how much funding for apprenticeships with non-levy employers they are to receive from January 2018 to March 2019. Reports indicate that some small yet high quality training providers have not been successful in their bids and have no funding allocations. In addition to larger providers being allocated less than their original funding bids. With SMEs being the back-bone of the GM economy and non-levy apprenticeships a vital aspect of the new apprenticeships system, work is underway to understand what the impact of funding reductions will mean for Manchester and Greater Manchester.
- 13.6 A recent national study conducted by the Chamber of Commerce surveyed 1,400 businesses nationally, with the aim of understanding how the introduction of the levy had impacted employers. Of those businesses surveyed 112 were located within GM. 15% of employers surveyed were levy paying employers, with 82% non-levy paying and 3% unknown. 55% of non-levy businesses surveyed reported that they don't know what to do as a response to the levy or have little to no understanding of the Apprenticeship Levy. Of the GM levy paying businesses surveyed 25% reported that they expect to recoup their levy amount by recruiting sufficient apprentices. 38% of levy paying businesses expect to only partially recover their levy payment, with 19% expecting to recover more than their initial levy payment. It should be noted that of both levy and non-levy paying GM employers surveyed 65% stated that they had not taken on an apprentice in the past 12 months. It is important to take into account the relatively small sample size when drawing

any inferences from this data. Although this research does once again highlight how clear communication with and ongoing support for our smaller employers is imperative to maximise levy funding and increase apprenticeship starts.

14.0 Conclusion

- 14.1 The past 12 months has been a period of flux in the apprenticeship landscape with the overall impact of significantly reducing the number of apprenticeship starts nationally. We will be in a better position to understand the impact in the City and GM when the 2016/17 figs are released in the Spring. In the meantime, increasing the number, quality and take-up of apprenticeships in Manchester and Greater Manchester continues to be a priority. There is a particular need to build on the work that is taking place to develop advanced, higher and degree level apprenticeships.
- 14.2 For our priority groups and where residents are at a distance from the labour market, there is an ongoing need to provide pathways into apprenticeships including traineeships and supported internships. The approach we have taken as a City Council re. targeting work experience and ILM opportunities for our priority groups and aligning them with apprenticeship recruitment has paid dividends. In terms of concentrations of residents, with no or low skills, they are disproportionately concentrated in the over 50s, not a group that we have traditionally targeted for apprenticeship opportunities. However, given that people are working longer and may have to switch careers as older workers, this will need consideration in the future. The City Council as an employer will continue to expand the number of apprenticeship opportunities for new recruits and our own staff, with more available at higher levels than has traditionally been the case.
- 14.2 Continued engagement with our employers, specifically non-levy paying businesses is crucial to maximise the levy spend in the city and to continue to increase apprenticeships take up. Fruitful relationships with employers already exist across the city. Utilising new channels of communication and different methods of working will enable us to engage with businesses that are the hardest to reach.

Appendix 1 – Manchester City Council Apprentice

My name is Michael D'Ambra, I'm 37 and I live in Central Manchester. I'm currently employed as an apprentice Business Support Officer with Manchester City Council's Work and Skills team.

In the past I've worked for The Prince's Trust, Manchester CAB and Seetec before unfortunately being made redundant. I was struggling financially and found my self-esteem and confidence suffered too, so to help me get back into work I began volunteering at various charities and at the Manchester Museum and Manchester Art Gallery. This led to me successfully securing some temporary work through the Aspire recruitment agency at Manchester Metropolitan University.

Whilst I enjoyed the role at MMU it was insecure and a short term contract, so I began looking for something more permanent.

I heard about the MCC apprenticeship scheme through the Manchester Employer Suite and attended an open day at Central Library.

As a proud lifelong Manchester resident I've always wanted to work for the Council to help contribute to Manchester's growth and success. The apprenticeship scheme appealed to me as I wanted to gain more experience and qualifications whilst working with the incentive of a permanent contract.

The benefits of doing an apprenticeship are that you are able to learn and work simultaneously, you can immediately apply what you learn directly in your job. My communication skills and confidence have grown a great deal during my time here and I'm much more positive about my future prospects now.

Initially I was very apprehensive about applying for an apprenticeship as I thought they were just for young people but I'm really glad I did, as it was exactly what I needed. An apprenticeship has provided me with support both at the workplace and through my training provider, which has really helped me to develop. I've already completed an NVQ level 2 and have recently been put forward to study an NVQ Level 3, which I'm very grateful for. I feel very fortunate that I've been given this opportunity as someone who has suffered spells of unemployment. My longer-term goals are to hopefully develop into a Work and Skills Officer and to progress within the Council.

Appendix 2 – MY Future ILM Case Study

Connor Lawlor is 21 and lives in Levenshulme. Connor completed his My Future Programme work placement as a Customer Care Administrator with FareShare Greater Manchester based in Openshaw.

FareShare GM re-distributes tonnes of surplus good food to over 200 charities across Gt Manchester who help over 20,000 people each week.

Connor worked in administration taking calls from charities and community groups allocating their food orders and making sure all orders were correct. He also occasionally helped in the warehouse preparing orders for delivery to customers.

Before his work placement with FairShare, Connor was out of work, even though he'd applied for a range of jobs, whilst also being supported by Jobcentre Plus.

Being employed on the MY Future programme gave Connor a sense of purpose knowing that he had a job to wake up for and keeping to a routine. After successfully completing his 13-week placement with FareShare, the company offered Connor a 12-month Level 2 Business Administration Apprenticeship, which he was delighted to accept.

As an apprentice, Connor continues to impress in the way he has adjusted to combining work and training. Building on the positive attitude he has shown during his placement. It is clear that Connor is taking his apprenticeship seriously as an important step to building his future career path.

Appendix 3 - Manchester Life Higher Apprenticeship Case Study

Brendan Todd, Gorton resident.

'After I completed my studies in maths, physics, philosophy and politics, at Xaverian Sixth Form College, I knew that the usual university route was not for me. I worked abroad for a while before returning home to look for a career. I had heard about the opportunities in higher apprenticeships and how young people were getting paid to study whilst also working and gaining invaluable experience. I decided I wanted to apply for higher apprenticeship.

After applying for countless apprenticeships in the construction and engineering sectors I eventually made it onto the Manchester Life Higher Apprenticeship course. The Manchester Life course is a two year placement programme where apprentices spend four months at six different disciplines within the construction sector whilst studying towards a HNC and Level 4 NVQ. There were nine apprentices on the course in my cohort and we were each given a mentor which would become a central part of our growth and development.

My personal experience of the work placements has been excellent. The professionals I have worked with in different construction related companies have all been very supportive and would often go out of their way to explain things to me or offer me their expert knowledge. I have been given some very exciting tasks over the course of my apprenticeship one of which - creating a 3D model of Manchester in 2025 - I am particularly proud of.

The apprenticeship course has given me an enormous amount of practical experience and knowledge in all aspects of the construction sector. Having now finished my placement course I have a full time job in the Strategic Development team at Manchester City Council. I also have qualifications, two years of hands on and varied experience and contacts across the sector having worked for a number of companies whilst on placement. The apprenticeship scheme as enabled me to grow in confidence and develop the skills I need to progress and get on in the industry.

I would absolutely recommend the apprenticeship route to anyone who is unsure about university and keen to start working. For me apprenticeships take you years ahead of those taking the university route giving you experience and qualifications whilst earning a wage'.

Appendix 4 - 2016/17 Manchester Apprenticeship Starts by sector and age 2015/16

The tables below show the breakdown of apprenticeship starts for 2015/16 as mapped against the city's growth sector and by age grouping. It can be seen from the table that the most popular apprenticeships correlate with our key growth sectors.

Figure 6 : Apprenticeship starts by sector / level (16-18) 2015/16

	Sector	Intermediate	Advanced	Higher	Total
High growth	Creative	0	9	0	9
	Business administration / F&P	256	86	3	345
	Personal Services	70	29	0	99
	Construction	45	7	1	53
	Sport	14	26	0	40
	Retail	16	2	0	18
	Tourism & Hospitality	38	3	0	41
	Science	0	2	0	2
Modest growth	Health & Social Care	167	66	0	233
	Transport & Logistics	86	10	0	96
	Digital	3	59	8	70
	Education	9	5	0	14
Declining / static	Manufacturing & Engineering	58	49	1	108
	Environment	6	0	0	6
	Total	768	353	13	1,134

N.B. The figures in these tables do not exactly match starts by age in Figure 5 as adjustments have been made.

Figure 2. (below) shows data for 19-24 year olds and for 2015/16. There was a slight increase at Level 4. Business Administration and Health & Social Care remained the most popular apprenticeships, with construction also seeing a welcome increase in take up, given the skills shortage in this sector.

Figure 7: Apprenticeship starts by sector / level (19-24) 2015/16

	Sector	Intermediate	Advanced	Higher	Total
High growth	Creative	0	2	0	2
	Business administration / F&P	238	134	14	386
	Personal Services	41	22	0	63
	Construction	60	10	4	74
	Sport	14	12	0	26
	Retail	29	9	0	38
	Tourism & Hospitality	58	23	0	81
	Science	0	1	2	3
Modest growth	Health and Social Care	139	132	8	279
	Transport and Logistics	63	21	0	84
	Digital	3	13	10	26
	Education	9	10	0	19
Declining / static	Manufacturing & Engineering	36	36	0	72
	Environment	10	4	0	14
	Total	700	429	38	1,167

In relation to adult apprenticeships (25+) ESFA data shows a small increase in numbers starting intermediate and higher level apprenticeships but a small decrease at advanced level.

Figure 8: Apprenticeship starts by sector / level (25+) 2015/16

	Sector	Intermediate	Advanced	Higher	Total
High growth	Creative	0	0	0	0
	Business administration / F&P	396	297	72	765
	Personal Services	88	26	0	114
	Construction	75	13	3	91
	Sport	32	18	0	50
	Retail	20	10	0	30
	Tourism & Hospitality	149	48	2	199
	Science	0	0	0	0
Modest growth	Health and Social Care	345	411	68	824
	Transport and Logistics	108	11	0	119
	Digital	9	6	2	17
	Education	13	33	0	46
Declining / static	Manufacturing & Engineering	115	26	0	141
	Environment	11	2	0	13
	Total	1,361	901	147	2,409