



**Lancashire Skills and Employment Board**

**Private and Confidential: No**

**Wednesday 27<sup>th</sup> July 2016**

**Draft Apprenticeship Growth Plan**

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**Executive Summary**

The benefits of apprenticeships to Lancashire, both to our people and businesses, alongside unprecedented reforms to apprenticeships has led to the creation of an apprenticeship growth plan for Lancashire.

The draft of the apprenticeship growth plan is provided for review by committee members.

**Recommendations**

The Board is asked to:

- (i) Review and comment on the draft apprenticeship growth plan.
- (ii) Agree the recommendation that the draft apprenticeship growth plan is shared with partners for their input.
- (iii) Agree the recommendation that a final draft of the apprenticeships growth plan, approved by the committee, is submitted to the LEP Board for their endorsement, buy in and approval before Christmas.

**1. Background**

1.1 The Lancashire Skills and Employment Strategic Framework identifies growth in apprenticeships as a key priority in tackling replacement demand and skills shortages, as well as improving economic wellbeing in Lancashire. The Government have set a target to achieve 3 million apprenticeships starts by 2020 which is underpinned by a series of unprecedented reforms in



apprenticeship policy and funding. Quality apprenticeships are proven to be of benefit to individuals and employers and positively contribute to the economic success of the UK.

- 1.2 A Lancashire plan to grow apprenticeships at all levels in both large and small employers has been created to complement the strategic framework, to drive this area of work with partners.

## **2. Draft Lancashire Apprenticeship Growth Plan**

- 2.1 The draft apprenticeship growth plan is provided (see overleaf). The plan sets out Lancashire's vision, reasons why, aims and goals for growing our apprenticeships.
- 2.2 Please note that the plan is in draft and communicates only through text; the intention is to make the final plan much more visual using pictures and infographics.

## **3. Next Steps**

- 3.1 The plan requires a collaborative approach across all our partners and therefore facilitating buy-in from the start is paramount. To achieve this aim we want to share the draft plan with key partners for their comments and input.
- 3.2 As there is significant opportunity to grow apprenticeships within this climate of reform, the plan requires a high level of buy-in across the LEP. As such it is recommended that once the committee agree the plan it is then taken to the LEP Board to be agreed and signed off.



## **Draft**

# **Lancashire Apprenticeship Growth Plan 2016**

### **1. Introduction**

This apprenticeship growth plan sets out the vision, intention and key performance indicators of the Lancashire Skills and Employment Board, the Lancashire Skills and Employment Hub and partners in relation to the promotion and delivery of apprenticeships in Lancashire, for the benefit of Lancashire's people, employers and apprenticeship providers. The plan is set over a four year period until 2020.

The programme of work and activities outlined in the plan have been born out of local evidence base, the Lancashire Skills and Employment Strategic Framework as well as national research, policy and apprenticeship reforms.

### **2. Vision 2020**

**Apprenticeships will be understood and valued by three key groups and as a result there will be more high quality apprenticeships delivered in Lancashire which enable apprentices to become skilled and businesses to increase productivity.**

1. People (Future Workforce and Inclusive Workforce) understand apprenticeships and make informed decisions based on that understanding. They value apprenticeships and their benefits.
2. Employers and their employees (Skills and Productive Workforce) understand apprenticeships and the apprenticeship reforms and have proactively adapted to take advantage of the opportunities the reforms bring. They value apprenticeships and understand the contribution and benefits to their employers.
3. Providers (Informed Approach) understand the apprenticeship reforms and have proactively adapted to take advantage of the opportunities the reforms bring. They value relationships with employers and people and deliver high quality apprenticeships that meet their needs, which impact on productivity.



### 3. Why are we doing this?

#### Skills and Employment Strategic Framework

The Skills and Employment Hub is a strategic unit whose purpose is to support the Lancashire Skills and Employment Board to discharge its duties and in doing so facilitate/enable a better balanced, skilled and inclusive labour market which underpins and contributes to economic well-being and growth across the County.

In February 2016 Lancashire's Skills and Employment Strategic Framework was published. The purpose of the Strategic Framework is to make the skills and employment system more responsive to the needs of Lancashire, and, in particular, provide the necessary foundations for achievement of the Lancashire Strategic Economic Plan (SEP)<sup>1</sup>. It has provided a framework for public investment in skills and employment activities in the County, and it outlines the direction skills and employment providers need to take to best address need.

The Strategic Framework identified apprenticeships as a key priority to:-

- a) Increase prosperity and economic growth;
- b) Deliver SEP Priorities;
- c) Address issues of unemployment and economic inactivity; and,
- d) Promote social inclusion, social cohesion, and equality and diversity.

#### Government's Apprenticeship 2020 Vision

The Government has set a challenging target to achieve 3 million apprenticeship starts by 2020. To achieve this target they have set out a number of substantial reforms which will transform the Apprenticeship landscape. The Government published: English apprenticeships: our 2020 vision in December 2015 with the aim of implementing reforms to 'boost the benefits of apprenticeships even further'.

	<b>2020 Vision Summary</b>	<b>Reforms Summary</b>
<b>Quality</b>	<ul style="list-style-type: none"><li>• Provide substantive training in a professional or technical route, with transferable skills and competency in English and maths for all ages.</li><li>• Available across all sectors and at all levels.</li><li>• Every apprenticeship will be a high quality opportunity that delivers the</li></ul>	<ul style="list-style-type: none"><li>• New employer-designed standards and end-point assessments.</li><li>• Protect the term 'Apprenticeship' in law.</li><li>• Expansion of apprenticeships into higher level and degree.</li></ul>



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	skills, knowledge and behaviours that employers are looking for.	
<b>Employers</b>	<ul style="list-style-type: none"> <li>• Recognised and respected as a highly effective means for all businesses to build their pipeline of skilled future staff in all parts of the country.</li> <li>• Simple process for employers to navigate and use.</li> <li>• Employers will feel full ownership of apprenticeships.</li> <li>• Employers will be the main advocates of apprenticeships among their peers.</li> </ul>	<ul style="list-style-type: none"> <li>• Groups of employers developing standards.</li> <li>• Digital Apprenticeship Service.</li> <li>• 'Find an Apprenticeship' online service.</li> <li>• Public sector apprenticeship growth, statutory targets of 2.3% for public sector.</li> <li>• Contribution to apprenticeships through public procurement rules, contracts over £10m and 12 months.</li> </ul>
<b>Supporting routes into apprenticeships</b>	<ul style="list-style-type: none"> <li>• Apprenticeships will be an attractive offer that young people and adults aspire to go into, as a high quality and prestigious path to a successful career.</li> <li>• There will be clear progression routes through technical and professional education and into skilled employment, including apprenticeships.</li> <li>• All young people at school will be able to hear from and be inspired by employers and apprentices.</li> <li>• Young people from all backgrounds will get the preparation they need to be high quality candidates for apprenticeships.</li> </ul>	<ul style="list-style-type: none"> <li>• Post 16 Skills Plan.</li> <li>• Schools statutory duty to ensure access to independent careers guidance.</li> <li>• The Careers and Enterprise Company network of Enterprise Advisers.</li> <li>• Apprenticeship Ambassador Network.</li> </ul>
<b>System</b>	<ul style="list-style-type: none"> <li>• A new, independent and respected quality body.</li> <li>• Agile training providers to meet the evolving needs of business.</li> <li>• More high quality providers and easier for employers to train their apprentices directly.</li> </ul>	<ul style="list-style-type: none"> <li>• Institute for Apprenticeships.</li> <li>• Reduce barriers to new providers entering the market.</li> </ul>
<b>Funding</b>	<ul style="list-style-type: none"> <li>• The funding system will support the commitment to increase the quality and quantity of apprenticeships.</li> <li>• Funding will be placed on a sustainable footing through a levy.</li> </ul>	<ul style="list-style-type: none"> <li>• Apprenticeship Levy.</li> <li>• New funding model will be introduced.</li> <li>• Incentives to take on 16-18 year olds.</li> </ul>



## Apprenticeship benefits

### For individuals

- 97% of Level 2 and Level 3 apprentices felt that they acquired or improved their skills as a direct result of their apprenticeship (*BIS (2015) Apprenticeships evaluation: learner survey*).
- 83% of apprentices said their career prospects have improved (*BIS (2014) Apprenticeship Evaluation: survey of learners*).
- Apprenticeships are a key route for an individual to achieve higher employability and higher earnings (*CEBR (Nov 2014) Economic impact of apprenticeships*).
- Apprentices completing an apprenticeship at level 4 or above could earn £150,000 more, on average, over their lifetime (*2AAT and CEBR (2013) University education – is this the best route into employment?*).
- 89% of Level 2 and 3 apprentices were satisfied with their apprenticeship, while 72% were 'very satisfied' (*BIS (2015) Apprenticeship Evaluation: survey of learners*).

### For employers

- Employers experience a wide range of benefits as a result of training apprentices. Improved productivity, product or service quality, staff morale, staff retention and image in the sector, as well as generating new ideas, were all mentioned by at least two-thirds of employers, with improved productivity the most frequently cited benefit (76%) (*BIS (May 2016) Evaluation of Apprenticeships: Employers*).
- 86 per cent intended to continue offering apprenticeships in future, an increase from 79 per cent in 2014. For those employers who did not intend to offer apprenticeships 48% attributed the change to needing to recruit or train fewer people, while 30% stated that they had decided to recruit or train in other ways.
- In the BIS employer survey in 2014 70% said apprenticeships improved product quality and service.
- In 2012 72% employers reported that having an apprentice had improved productivity.
- The cost of apprenticeship training pays for itself within a couple of years of completion through increased productivity (*BIS (2012) Employer Investment in Apprenticeships and Workplace Learning: The Fifth Net Benefits of Training to Employers Study*).

### Lancashire Skills and Employment Hub's role

Local priorities and needs, the benefits Apprenticeships bring to individuals, businesses and the economy against the background of the Government's Apprenticeship reforms place the Lancashire Skills and Employment Board and the Hub as an impartial strategic lead with a role in supporting partners to be more responsive, address challenges and create opportunities for Lancashire.



## 4. What do we want to accomplish?

### For Lancashire

The benefits of apprenticeships to our residents, our employers and our economy are clear. We have the opportunity to position Lancashire within the reforms landscape and, irrespective of the way the reforms are implemented, to focus on supporting Lancashire individuals, employers and providers to improve the understanding and quality of apprenticeships as set out in our Vision.

### Our overarching goals for 2020

- Greater number of apprenticeships overall – ?% growth per year
- Greater number of level 3 and above apprenticeships - ?% per year growth per year
- Greater number of Lancashire businesses offering apprenticeships? – can we measure this?

### The Skills and Employment Strategic Framework

In our Skills and Employment Strategic Framework published in February 2016 we drew together key skills and employment priorities which were identified through a robust evidence base. The evidence base included seven sector studies focusing on areas of high replacement demand and growth potential and consultations with employers, partners and providers.

The framework is structured into 4 themes: Future Workforce, Skilled & Productive Workforce, Inclusive Workforce and An Informed Approach. These themes are underpinned by a number of key objectives, plus a common set of outcomes for the framework as a whole. Go to this link to see the full framework: <http://www.lancashirelep.co.uk/lep-priorities/skills-employment/skills-and-employment-strategic-framework-2016-2021.aspx>



This key objective from the Framework is the main objective of the apprenticeship growth plan and its vision.

- Increase the number, range and quality of apprenticeships and encourage greater levels of provision at higher and degree level, reaching more employers in sectors with high replacement demand and growth.

The main objective is underpinned by the following three.

1. Provision of advice and guidance to young people and adults, underpinned by robust labour market intelligence to promote apprenticeships to young people with the required capabilities and attitudes so that apprenticeships are seen as a valuable work-based professional and technical alternative to academic routes and higher education.
2. Increase employer engagement in skills, and encourage greater commitment to workforce development, as well as encouraging employers to work with education providers to influence work-based professional and technical education.
3. Work with Further Education Colleges, private providers, universities and employers to target professional and technical education at areas of high replacement demand and future employment growth in-line with local labour market information and trends.





## 5. How are we going to do it?

Although the landscape of the Government's apprenticeship targets, vision and reform gives us a direction and affords us a degree of support the Lancashire apprenticeship growth plan enhances Lancashire's economic wellbeing and therefore we will maintain our focus on the vision and goals set out in this plan in the face of inevitable future changes to Government policy.

### Balancing supply and demand

There is little use in increasing the number of apprenticeship opportunities if the demand to take them up is not there. Likewise it will not be beneficial to simulate demand for apprenticeships if the opportunities are not there. Therefore the apprenticeship action plan seeks to work with the three target groups: people, businesses and providers to simultaneous work to simulate supply and demand of apprenticeships.

### Directing funding and resources

Where the Lancashire Skills and Employment Board or Local Authorities have direct authority or a role in particular skills budgets (e.g. European Social Funds (ESF), Growth Deal Skills Capital, 16-19, young people 'Not in Education, Employment or Training' (NEET), Information, Advice and Guidance (IAG) etc.), it is intended that the apprenticeship plan will inform investment decisions made in relation to these budgets. Providers in Lancashire will be invited to set out how their delivery will contribute to achieving the apprenticeship strategies priorities. In delivering the strategic priorities, the Lancashire Skills and Employment Board and other strategic partners will also work with employers to leverage greater levels of employer engagement and investment in key areas.

## Goals

### 1. People (Future Workforce and Inclusive Workforce)

- a. Inspire and educate young people, parents, teachers and school governors to regard apprenticeships as an equal opportunity to a traditional academic route.
- b. Enhance employability and enterprising skills, attitudes and behaviours throughout the education journey so that young people are willing and able to choose an apprenticeship route.
- c. Improve the employability and skills of unemployed adults and NEET young people and progression into traineeships and apprenticeships
- d. Facilitate routes into apprenticeships through sector specific initiatives targeted at areas with labour market demand and/or to support inward investment opportunities.
- e. Incorporate apprenticeship targets through social value into LEP-driven capital programmes to gain added value for Lancashire.



## 2. **Employers** (Skilled and Productive Workforce)

- a. Increase the number of apprenticeships (including higher level and degree) across our priority sectors.
- b. Increase the number of employers undertaking workforce / succession planning and as a result delivering apprenticeships to meet needs identified.
- c. Communicate the opportunities and highlight the weaknesses of the apprenticeship reforms to Lancashire employers to enable them to take full advantage of the reforms.

## 3. **Providers** (An informed and collaborative approach)

- a. Support providers to communicate the opportunities and highlight the weaknesses of the apprenticeship reforms to Lancashire providers to enable them to take full advantage of the reforms.
- b. Ensure that the traineeship and apprenticeship infrastructure is fit-for-purpose and aligned to our economic priorities and labour market demands.

### **Key successes in 2015/2016**

**Young Apprenticeship Ambassador Network** - 43 Apprenticeship Ambassadors signed up to the Lancashire Young Apprenticeship Ambassador Network (LYAAN).

**LMI Workshops** - 74 practitioners (teachers, tutors and careers professionals) attended 6 workshops across Lancashire in 2016. Evaluations were positive and the workshops were well received; further workshops were requested.

**Enterprise Adviser Network Pilot** – running since January 2016 in Blackburn with Darwen and Burnley, 20 schools and employers signed up to the network. Apprenticeship promotion a cross-cutting theme.

**Apprenticeship Levy Event** – over 60 employers from the public and private sector attended an Apprenticeship Levy event in March 2016. Evaluations were positive, with more events requested.

**Lancashire Science Festival** - City Deal CEIAG Taskforce engaged with over 660 young people, 175 adults and around 70 schools and discussed apprenticeships pathways into construction and engineering jobs.



**Action Plan 2016-2017 – to be updated annually**

**We have worked with our partners to agree this apprenticeship action plan and we will engage with employers, providers and partners to oversee, facilitate and deliver the actions plan.**

<b>1. People</b>			
<b>Action</b>	<b>Owner</b>	<b>Success metric</b>	<b>Planned Impact</b>
<b>Goal 1a: Inspire and educate young people, parents, teachers and school governors to regard apprenticeships as an equal opportunity to a traditional academic route.</b>			
Young Apprenticeship Ambassador Network. Roll out the networks offer of apprenticeship inspiration and promotion to schools from September 2016.	LSEH WBL Forum	Expand the network to 100 by summer 2017.  Ambassadors to engage in a minimum of 150 activities by summer 2017.	Peer to peer promotion of apprenticeships, breaking down misconceptions or misunderstandings that young people may have about apprenticeships. They are informed of the opportunities apprenticeships can bring and the new higher level degree apprenticeship routes.
National Careers Service (NCS) LMI Workshops informing careers advice practitioners and school governors about the LMI picture in Lancashire LEP's key sectors and the opportunities arising from the apprenticeship reforms	LSEH NCS	Deliver LMI to 150 careers advice practitioners by summer 2017.	Key influencers of young people and parents, breaking down misconceptions or misunderstandings that young people may have about apprenticeships. They are informed of the opportunities apprenticeships can bring and the new higher level degree apprenticeship routes.
<b>Goal 1b: Enhance employability and enterprising skills, attitudes and behaviours throughout the education journey so that young people are willing and able to choose an apprenticeship route.</b>			
Roll out the Digital Advantage Pilot, engage 10 schools and colleges and a 100 young people. Engage with Lancashire's digital companies and apprenticeship providers to deliver the pilot and identify apprenticeships for the young people.	The White Room LSEH	100 young people go through the digital advantage programme and over 50% go into a digital apprenticeship.	Inspire young people with an interest in digital to take up an apprenticeship in a digital company in Lancashire. Inspire Lancashire's digital businesses to take on a Lancashire apprentice. Address skills shortages in Lancashire's digital sector.



<b>Goal 1c: Improve the employability and skills of unemployed adults and NEET young people and progression into traineeships and apprenticeships</b>			
Apprenticeship outcomes supported and incentivised in European funded projects to support young people not engaged in education, employment or training or at risk of disengaging.	LESEP SELNET LSEH	Take apprenticeship goals from bid – TBC once activity is procured.	TBC
<b>Goal 1d: Facilitate routes into apprenticeships through sector specific initiatives targeted at areas with labour market demand and/or to support inward investment opportunities.</b>			
Sector specific apprenticeship outcomes supported and incentivised in European funded projects which support unemployed people to get into work and people in work to upskill.	LESEP SELNET LSEH	Take apprenticeship goals from bid – TBC once activity is procured.	TBC
<b>Goal 1e: Incorporate apprenticeship targets through social value into LEP-driven capital programmes to gain added value for Lancashire.</b>			
Work with partners to incorporate apprenticeship targets in capital programmes	LESEP Relevant Stakeholders	Apprenticeship targets embedded in Growth Deal Skills Capital projects and monitored through project claim procedure.	Increase in the number of apprenticeship opportunities at all levels in Lancashire's priority sectors.
Create a social value toolkit to support employers meet apprenticeship targets.	LESEP Relevant Stakeholders	Social Value outcomes embedded in the full Growth Deal programme's projects, and infrastructure and housing developments in the City Deal.	Increase in the number of construction apprenticeships at all levels.



<b>2. Employers</b>			
<b>Action</b>	<b>Owner</b>	<b>Success metric</b>	<b>Planned Impact</b>
<b>Goal 2a. Increase the number of apprenticeships (including higher level and degree) across our priority sectors.</b>			
Work through sector specific SLAs to promote apprenticeships including higher and degree apprentices to employers.	LSEH NAA / Digital Lancashire / NWAA / BOOST	Increase in the SLA sectors of employer engagement with apprenticeships.	Inform employers in key sectors about the apprenticeship levy and reforms. Link up employers with relevant apprenticeship providers. Increase the number of apprenticeships in key sectors.
Use the Skills Partnerships to link up providers of apprenticeships at all levels with employers in priority sectors.	LSEH Skills partnership members	Increase in take up of apprenticeships in Lancashire's priority sectors.	Apprenticeships key to the Skills Partnerships agenda and actions.
<b>Goal 2b. Increase the number of employers undertaking workforce / succession planning and as a result delivering apprenticeships to meet needs identified.</b>			
Enable the BOOST Gateway Service to have up to date knowledge regarding apprenticeship reforms and information regarding Lancashire's.	BOOST LSEH LESEP	Appropriate referrals from the Gateway Advisers to apprenticeship providers, based on knowledge of apprenticeship provision.	With each interaction/engagement with Lancashire employers we are promoting apprenticeships and making it easy for employers to take an apprentice on.
Service level agreement with NAA includes TNAs with Lancashire's Automotive sector employers.	NAA	Increase in the SLA sectors of employer engagement with apprenticeships.	Inform employers in key sectors about the apprenticeship levy and reforms. Link up employers with relevant apprenticeship providers. Increase the number of apprenticeships in automotive.



**Goal 2c. Communicate the opportunities and highlight the weaknesses of the apprenticeship reforms to Lancashire employers to enable them to take full advantage of the reforms.**

Two apprenticeship Levy events set in line with key dates in the Government's levy reform timetable and partnership with LESEP	LSEH LESEP	Good levels of attendance from employers affected by the levy in Lancashire, and positive evaluations.	Employers in Lancashire maximising the use of the apprenticeship levy.
Attendance at established employer events and networks.	LSEH	Engagement of intermediaries and representative bodies in promoting apprenticeships.	Raising awareness of apprenticeships and apprenticeship reforms.



<b>2. Providers</b>			
<b>Action</b>	<b>Owner</b>	<b>Success metric</b>	<b>Planned Impact</b>
<b>Goal 2a. Support providers to communicate the opportunities and highlight the weaknesses of the apprenticeship reforms to Lancashire providers to enable them to take full advantage of the reforms.</b>			
Two apprenticeship levy events for levy paying providers set in line with key dates in the Government's levy reform timetable and partnership with LESEP	LSEH LESEP	The events have strong attendance and receive good feedback	Employers are informed of apprenticeship levy in a timely manner and what steps they can take to spend their levy. Build relationships between local employers and providers.
Regular meetings with representatives of the WBL Forum and regular attendance at WBL Forum meetings.	LSEH LESEP	Outcomes of the meetings will feed into actions and/or create new actions.	Sharing information and resources to create opportunities to grow and improve apprenticeship provision in Lancashire.
<b>Goal 2b. Ensure that the traineeship and apprenticeship infrastructure is fit-for-purpose and aligned to our economic priorities and labour market demands.</b>			
Sector development partnerships or their equivalent. Also engaging with employer networks where SDP have not been formed.	BOOST LSEH	Growth of apprenticeships in Lancashire	With each interaction/engagement with Lancashire employers we are promoting apprenticeships and making it easy for employers to take an apprentice on.
Service level agreement with NAA includes TNAs with Lancashire's Automotive sector employers.	NWAA	Growth of apprenticeships in Lancashire's priority sectors	Organisations who represent and have established relationships with a group of employers will be able to influence employers to consider apprenticeships.
Use of European funds to capacity build SMEs to engage with new apprenticeships standards, to contribute to trailblazers and to embed higher level and degree apprenticeships in workforce planning.	LSEH	Increased number of SMEs offering apprenticeships, with increased engagement at higher and degree level.	Greater number of opportunities for Lancashire's people. Impact on productivity and growth for Lancashire's SMEs.



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