

For publication

Apprenticeships in Chesterfield 2021

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| Meeting: | Enterprise & Wellbeing Scrutiny Committee |
| Date: | 2 nd December, 2021 |
| Cabinet portfolio: | Deputy Leader |
| Directorate: | Economic Growth |

1.0 Objectives

- To ascertain what kind of apprenticeships are people looking for
- To explain how the Council matches learner needs with available positions
- To demonstrate how the Council encourages businesses to take on more apprentices
- To determine what had been the impact of covid on apprenticeships
- To explore whether apprenticeships be used as a tool for covid economic recovery

2.0 Summary

2.1 The purpose of the report is to examine the impact of the pandemic on apprenticeship delivery in Chesterfield and to specifically address the objectives set out in paragraph 1.0. The report sets out the Councils role in relation to the delivery of apprenticeships, including setting out how the Council works with partners to encourage increased uptake of Apprentices. The report examines available data that shows the impact of demand and uptake of apprenticeships and considers how the covid-19 pandemic and how other factors such as change in Government policy have impacted upon Apprenticeships in Chesterfield.

3.0 Background

- 3.1 Apprenticeships are a popular post 16 work-based training intervention that combine practical work experience with qualifications. For employers, Apprenticeships provide the opportunity to develop the workforce, as a recruitment tool or by way of upskilling and progressing existing employees.
- 3.2 Apprenticeships feature high in Government skills and education policy with the case for Apprenticeships being set out in **English Apprenticeships: Our Vision 2020**. This followed the National Apprenticeship Reforms in 2017 which saw which significant changes to the way which Apprenticeships were funded and delivered including the introduction of the Apprenticeship Levy for large employers, a move away from apprenticeship frameworks to employer led Apprenticeship Standards and the introduction of 20% off the job training for all apprentices.
- 3.3 In July 2020, the government announced their **Plan for Jobs**, setting out a number of measures to retain skills, support, protect and create jobs. In addition to the flagship Kickstart scheme additional funding was announced to create more traineeships and apprenticeships.
- 3.4 Under the priority to make Chesterfield a thriving borough, the **Council's Corporate Plan** commits to increasing the number of apprenticeships and reducing youth unemployment in the borough through an inclusive approach to growth.
- 3.5 Chesterfield Borough Council's **Growth Strategy (2019-23)** highlights that there are a number of significant growth and regeneration projects underway in the Borough that collectively provide an opportunity to put Chesterfield on a higher growth trajectory. The Growth Strategy, and more recently the Councils Economic Recovery Plan, set out a strategic framework for the delivery of a range of programmes and initiatives to achieve the overall aim of the strategy as being:

'To secure the long-term growth of the borough, supporting new job creation and ensuring people have the right skills to access future employment opportunities.'

3.6 Activities within the Growth Strategy and the Economic Recovery Plan are set out under three thematic headings of which one is **'delivering an inclusive approach to growth'**. This theme aims to raise the level of workforce skills to support future business growth and ensure that all local people can benefit from the growth taking place in the borough. The **Skills Action Plan** guides this activity by providing a platform to improve the skills profile of Chesterfield and ensure the benefits of new investment are maximised across the borough. Since its introduction in 2017 Chesterfield Borough Council has worked closely with partners to progress delivery of the Skills Action Plan which covers a range of activities including the Apprentice Town initiative.

3.7 The role of the Council

3.8 In relation to skills delivery, the Council primarily plays a facilitation role, seeking to ensure that programmes are delivered effectively at the local level and acting as a conduit between businesses and the skills providers. The Council does not directly deliver apprenticeships or skills programmes. The Council works closely with partners to maximise the impact of skills related programmes in Chesterfield by supporting (through events, marketing and key account management) the delivery of a range of externally funded skills and employment initiatives including but not limited to, SCR and D2N2's Skills Support for the Workforce programmes and the Kickstart Scheme which in the first 2 quarters of 2021 have collectively engaged with 88 employers and supported 441 learners.

3.9 Alongside programmes delivered by partners, the Council has taken a lead role in establishing the 'Apprentice Town' initiative and in the delivery of an annual skills and employability conference as a way of sharing local and regional skills' priorities with schools and the business community. In addition, to maximise the benefits of new investment, the Council takes a pro-active approach in securing local labour clauses on major planning

applications by leveraging skills and employment outcomes on sites subject to local labour planning conditions. In the first 2 quarters of 2021/2022 'local labour' activity has enabled 67 apprenticeships, 355 jobs and over £13 million of contracts within the local supply chain.

3.10 The Apprentice Town Initiative

3.11 The Apprentice Town initiative was developed by Chesterfield Borough Council and partners in 2016, ahead of the national reforms that took place in 2017. Apprentice Town is a partnership initiative that seeks to raise awareness of the benefits of apprenticeships with a view to increasing apprenticeship participation in Chesterfield and creating *"a town where young people, parents and businesses think Apprenticeship First."*

3.12 The Council worked with key partners including Chesterfield College, The University of Derby, East Midlands Chamber, Derbyshire County Council and D2N2 Careers Hub to establish the initiative and more recently as part of the Economic Recovery Plan, has established a wider Apprentice Town Provider Network. The Apprentice Town Provider Network brings together all providers who deliver apprenticeships in Chesterfield on a bi-monthly basis to support a co-ordinated response to challenges presented around the delivery and supply of apprenticeships in Chesterfield and wider LEP area. Destination Chesterfield support the delivery and marketing activities for Apprentice Town to encourage the uptake of apprenticeships by both employers and prospective apprentices. More detail on activity undertaken is detailed from paragraph 4.10.

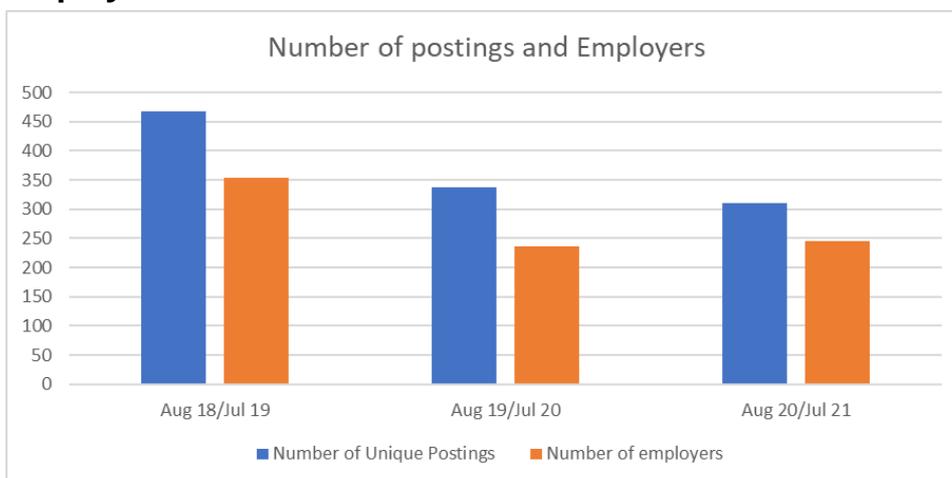
4.0 Progress Against Objectives

4.1 The purpose of this report is to respond to questions raised by the Enterprise and Wellbeing Scrutiny Committee, reflected in the objectives contained within paragraph one of this report. The questions and response are detailed below:

4.2 What kind of apprenticeships are people looking for?

As outlined in paragraph 3.8, the council do not deliver apprenticeships but plays a facilitation role. As such the Council is limited to the data it can access in respect of apprenticeships, in particular where that data relates to individual learners. Whilst the council does not have access to data that shows what individuals are looking for, it is possible to understand what employers are looking for through EMSI labour market analytic vacancy data available that shows apprenticeship vacancies sought by occupation. Figure 1 below shows unique job postings and numbers of competing employers over the last 3 years. Annual vacancy rates have declined, falling from 467 in 2018/19 to 311 in 2020/21. This is thought to be due to a number of factors including the covid-19 pandemic, changes to apprenticeship funding and delivery as a result of National Apprenticeship reforms and more recently, through potential displacement of apprenticeship demand as a result of the Kickstart scheme.

Figure 1 - Apprenticeship vacancy postings and number of employers.



4.3 Figure 2 below shows the top 5 apprenticeship vacancy postings by occupation across each of the years from 2018/19 through to 2020/21. The top occupations by growth in demand are for business and public service associate professionals and customer service occupations where demand grew by 20% and 8%, respectively. There is a decline in demand for administrative occupations, however, this may be in part due the move away from apprenticeship frameworks to apprenticeship standards

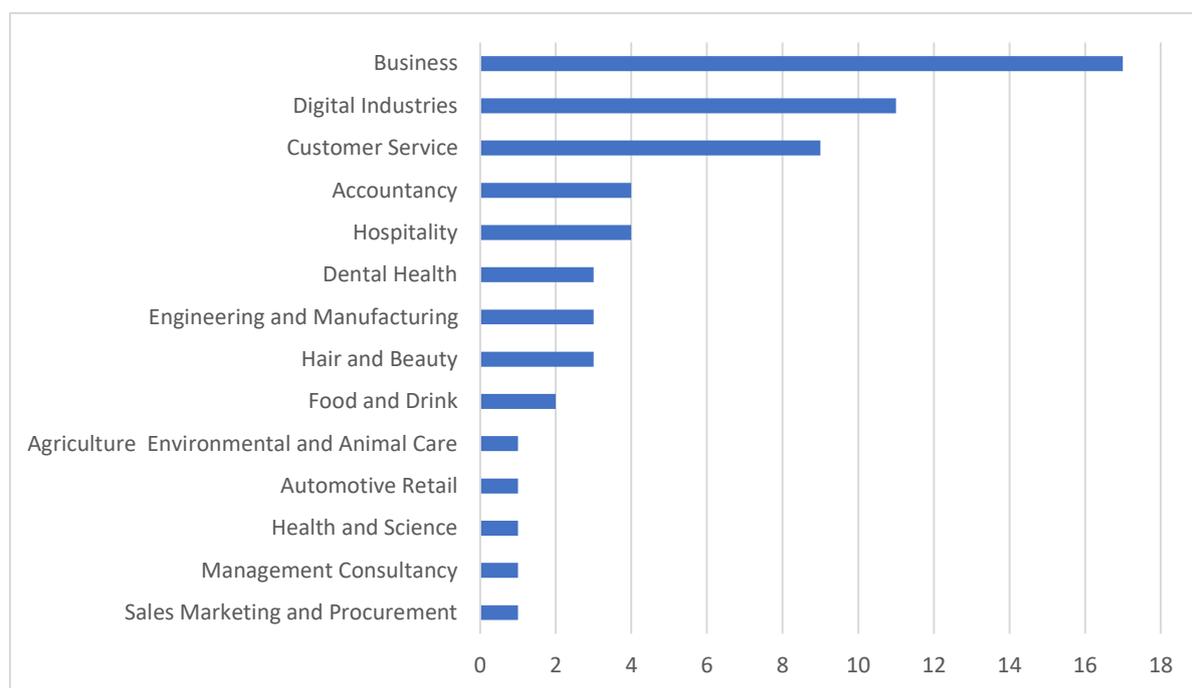
that has seen the level 2 business administration apprenticeship being replaced by a level 3 qualification.

Figure 2 top 5 occupations by posting 2018/19 – 2020/21

| Aug 18/Jul 19 | |
|---|------------------------|
| Top Job roles | Unique postings |
| Administrative Occupations | 157 |
| Science, Engineering and Technology Associate Professionals | 60 |
| Caring Personal Service Occupations | 40 |
| Textiles, Printing and Other Skilled Trades | 33 |
| Skilled Metal, Electrical and Electronic Trades | 28 |
| Aug 19/Jul 20 | |
| Top Job roles | Unique postings |
| Administrative Occupations | 106 |
| Science, Engineering and Technology Associate Professionals | 41 |
| Caring Personal Service Occupations | 31 |
| Business and Public Service Associate Professionals | 28 |
| Textiles, Printing and Other Skilled Trades | 26 |
| Aug 20/Jul 21 | |
| Top Job roles | Unique postings |
| Administrative Occupations | 107 |
| Science, Engineering and Technology Associate Professionals | 43 |
| Business and Public Service Associate Professionals | 31 |
| Caring Personal Service Occupations | 26 |
| Elementary Administration and Service Occupations | 19 |

4.4 For a more current picture, The ESFA (Education Skills and Funding Agency) have recently started to provide a weekly report that provides a breakdown of current live apprenticeship vacancies by Local Authority area. The report for w/c 8th November 2021 shows 61 live apprenticeship vacancies in Chesterfield, 68% of which are at level 3. Figure 3 shows the breakdown of vacancies by sector showing the most popular vacancies as business administration (27%), digital services (18%) and Customer services (14%)

Figure 3: Breakdown of apprenticeship vacancy by sector in Chesterfield w/c 8/11



4.5 How does the Council matches learner need with available positions?

As outlined in paragraph 3.8 the Council plays a facilitation role in delivery of skills and apprenticeships and does not directly deliver apprenticeships. The Council, therefore, does not have access to data that would show if learner need is being met with available positions. It may be possible to ask local apprenticeship providers to share data that would provide insight into this area but it would be on a provider-by-provider basis and it is unlikely that there would be consistency of response to form a full picture.

4.6 However, the Council does have access to data released by the Department of Education that show apprenticeships starts by age, sector and level which can give us some indication as to who is taking up apprenticeships, at what level and in what sector. Data from the last 3 academic years (2018/19, 2019/20 and 2020/21) has been examined and it should be noted that the pandemic spans the latter two academic years. It should also be noted that apprenticeship start data is lagged and therefore for academic year 2020/21, data is only available up to the end of academic year Quarter 3 (Aug 20 – April 21).

Figure 4: Apprenticeship Starts by Level

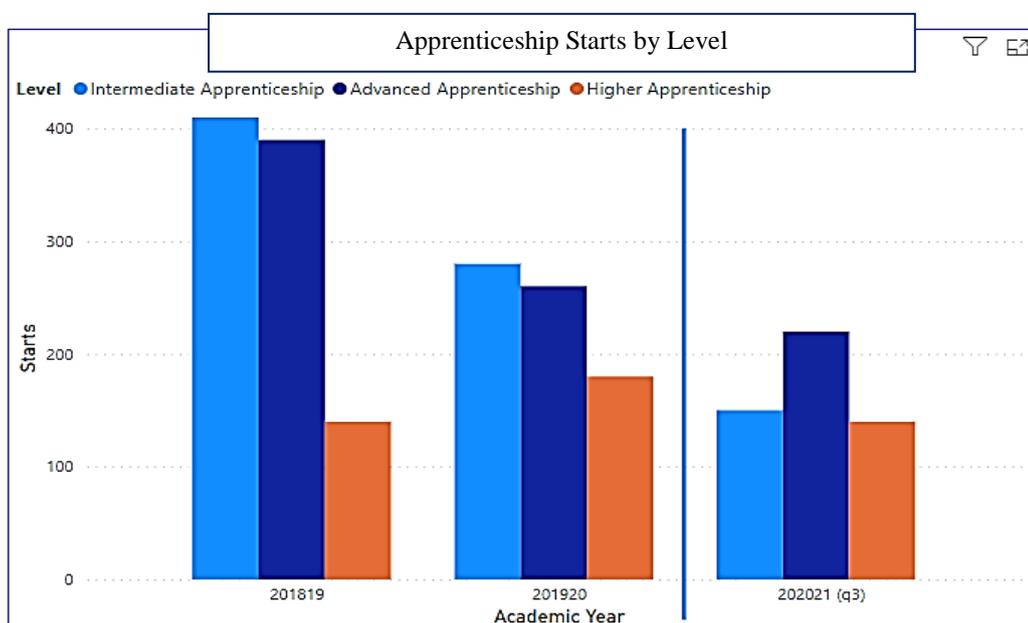
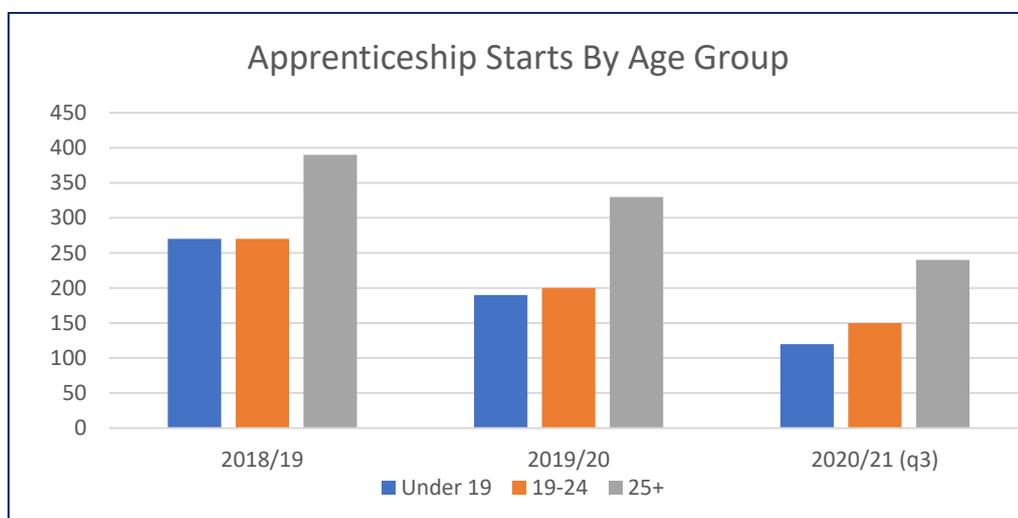
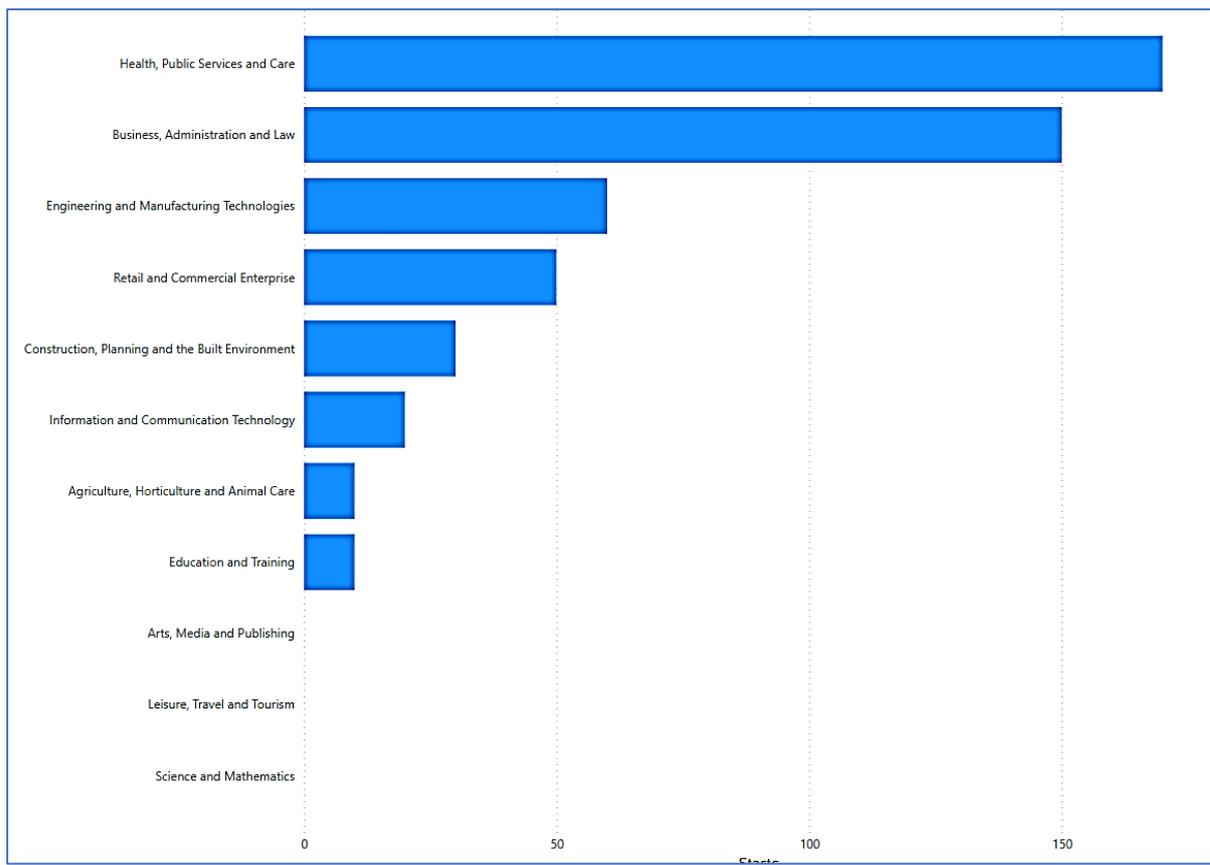


Figure 5: Apprenticeship starts by age group



- 4.7 Figure 4 shows that there has been an overall decline in apprenticeship starts since 2018/19, falling from 930 starts in 2018/19 to 720 in 2019/2020 and 510 to Q3 for 2020/21 – a trend that is mirrored at regional and national level, albeit the decline has been more pronounced in Chesterfield, compared to the regional and national picture, particularly at intermediate level (level 2) and in the under 19 age group. Figure 5 examines starts by age group, showing that proportionally, the sharpest decline has been in starts amongst 16–18-year-olds which represented 29% of all starts in 2018/19 but only 23% starts in 2020/21. Conversely, there has been an increase in apprenticeship starts amongst 25+ year olds, rising from 41% of all starts in 2018/19 to 44% in 2020/21 suggesting that apprenticeship funding may be increasingly being used to upskill existing staff, as opposed to new entrants (typically 16-18). This is likely to be as a reflection of the introduction of the apprenticeship levy, which since 2017 has seen all large businesses with a payroll of £3m or more pay an apprenticeship levy of 0.5% of their payroll. The levy can only be used on Apprenticeship training and therefore, many levy paying businesses use the apprenticeship levy to upskill their existing workforce as an alternative to traditional training budgets.
- 4.8 The number of level 2 (intermediate) apprenticeship starts has also seen a sharp decline; representing 44% of starts in 2018/19 and only 29% starts in 2020/21. Again, this mirrors the regional and national trends and whilst it is thought that the pandemic has impacted this, another likely factor is the introduction of apprenticeship standards for 2017/18 that has seen some previously popular level 2 apprenticeship frameworks being replaced by level 3 standards.
- 4.9 Figure 6 below shows the top 5 sectors for apprenticeships starts between August 2020 and April 2021 with the most popular occupation areas being adult care worker, business administrator, operations/departmental manager, and accounts/finance assistant.

Figure 6: Apprenticeship starts by Sector (2020/21)



4.10 How does the Council encourage businesses to take on more apprentices?

As described in paragraph 3.12 the Council works closely with Destination Chesterfield to support the delivery and marketing activities for Apprentice Town to encourage the uptake of apprenticeships by both employers and prospective apprentices. Central to these activities has been the development of the Apprentice Town web resource which between January 2021 and November 2021 has attracted 10,328 unique page views, a 72% increase on the same period in the previous year. The web resource provides young people, parents and employers in Chesterfield with a single point of contact and information about:

- hiring an apprentice.
- becoming an apprentice.
- what an apprenticeship is;
- upcoming events;

- current apprenticeship vacancies.

4.11 The web resource is supported by a marketing and social media plan which includes scheduled social media activity and a regular monthly sector themed apprenticeship blog featuring Chesterfield based employers and apprentices. The My Future Online Careers Platform, that showcases employers and providers from across Chesterfield, including those with apprenticeships is also included within this activity

4.12 Chesterfield Borough Council lead on the delivery of the skills and employability conference which takes place during National Apprenticeship Week each year, attracting around 120 delegates from Chesterfield's education and business community. Each year the conference features an apprenticeship case study and shares key highlights from the Destination Chesterfield Apprenticeship Round table that takes place in January.

4.13 The Council also work directly to encourage businesses to take on apprentices through the publication of regular case studies that highlight the benefits of apprenticeships, through Key Account Management activity and also through 'local labour' activity which is described in paragraph 3.9 and which has enabled 67 apprentices in the first 2 quarters of 2020/21.

4.14 More recently, in response to an increase in recruitment challenges locally, the Council have delivered two market recruitment events in partnership with Job Centre Plus where employers were encouraged to promote all vacancies including Kickstart and Apprenticeship vacancies. 100 and 179 apprenticeship vacancies were advertised at the September and November events, respectively, representing 9% and 15.6% of all vacancies advertised.

4.15 What has been the impact of covid on apprenticeships?

Apprenticeship start data from the last 3 academic years (2018/19, 2019/20 and 2020/21) has been examined with the pandemic spanning the latter two academic years. Apprenticeship start data is lagged and therefore for academic year 2020/21, data is only available up to the end of academic year Quarter 3 (Aug 20 – April 21). Figure 4 shows that there has been an overall decline in apprenticeship starts since 2018/19, falling

from 930 starts in 2018/19 to 720 in 2019/2020 and 510 to Q3 for 2020/21 – a trend that is mirrored at regional and national level, albeit the decline has been more pronounced in Chesterfield, compared to the regional and national picture, particularly at intermediate level (level) 2 and in the under 19 age group.

- 4.16 EMSI labour market analytic vacancy data also implies that demand for apprentices during the pandemic has been impacted. Figure 1 shows unique job postings and numbers of competing employers over the last 3 years and shows that annual vacancy rates have declined, falling from 467 in 2018/19 to 311 in 2020/21. This is thought to be due to a number of factors including the covid-19 pandemic but also as a result of changes to apprenticeship funding and delivery as a result of National Apprenticeship reforms. The apprenticeship reforms have seen changes to the way in which apprenticeships are funded and delivered with apprenticeship frameworks being replaced by employer led apprenticeships standards, seeing some popular apprenticeship pathways no longer being available under 'standards'. For example, the business administration apprenticeship is only available at a level 3 apprenticeship standards, reflected in the decline in starts at 'intermediate level and amongst 16 -18 years old, shown in figures 4 and 5.
- 4.17 As a result of the pandemic, the Government announced it's 'Plan for Jobs' in July 2020 which included the flagship Kickstart Scheme. The Kickstart Scheme, which provides employers with grant funding to cover 100% of wage costs for 6 months and a grant of £1500 to support set up and support costs has been delivered in Chesterfield since December 2020. To date, the scheme has seen 180 young people from the Chesterfield area start a Kickstart placement. It is thought that some demand for apprenticeships could have been displaced as a result of funding available to employers through the Kickstart scheme.
- 4.18 Anecdotally, it is thought that as a result of changes in labour market trends, young people are making different choices when it comes to entry level employment; both providers and employers are reporting a fall in applications for apprenticeship vacancies and there is some evidence that

shows young people are bypassing apprenticeship opportunities to take up higher paid jobs at supermarkets and online warehouses.

4.19 It has been possible to obtain some insights from some of Chesterfield's apprenticeship providers as to the impact of the covid-19 pandemic on apprentices. This insight has been drawn from an FE provider and HE provider and an Independent Training Provider. This is summarised below:

- Both the FE and HE provider reported a slight increase in apprenticeship starts between 2019/20 and 2020/21 which is contrary to the local regional and national picture. However, both providers were able to provide full year data whereas the headline data from the Department of Education runs to Q3 2020/21.
- Some sector areas have seen a sustained increase in starts since 2018/19 For example one provider reported apprenticeships in construction and engineering having increased by 33% in 2019/20 and 31% in 2020/21.
- Service Sector areas appeared to have suffered the greatest impact with Business Services and Health and Social Care being hardest hit, with one provider reporting a decline in apprenticeship starts between 2018/19 and 2019/20 at -14% and -12% respectively. Whilst Health and Social Care starts recovered in 2020/21, apprenticeships start have continued decline in business services with 12% fewer apprenticeship starts than in 2019/20
- It is reported that service sector areas have also seen the biggest impact by way of apprentices finishing before they've completed their programmes, in particular in the areas of Health & Care, and Hair & Beauty.

4.20 The providers have reported a clear impact on apprenticeships at the peak of the pandemic lockdown restrictions. Information provided by one provider shows that over 21% of apprentices were on Furlough during the peak week in August 2020 when the highest number of apprentices were recorded as being on furlough. Another provider reported over 300 learners having taken breaks in learning for pandemic related reasons including:

- Being unable to work because of covid,

- Furlough
- NHS staff who were unable to undertake learning due to increased demands on their workload
- Additional caring responsibilities (home-schooling / elderly relatives)
- Job role changes

4.21 **Can apprenticeships be used as a tool for covid economic recovery?**

4.22 Investment in skills and apprenticeships is central in the Government's economic recovery plan, **Build Back Better: Our Plan for Growth** (March 2021), where there is a commitment to support productivity growth through high quality skills and training by transforming the post 16 education system to be more responsive to employer needs. With this commitment is continued focus on the quality of apprenticeships and steps to improve the system for employers through more flexible funding and delivery. This commitment recognises that Apprentices can provide employers with the opportunity to help build back skills base that may have been lost during the pandemic and upskill the workforce with the skills needed to remain competitive in a post pandemic economy. In addition, Apprenticeships can help address youth unemployment which peaked in Chesterfield in June 2020 at 11.6% (860). This figure has declined steadily since April 2021 and currently stands 6.8% (505).

5.0 **Potential barriers**

5.1 As outlined in paragraph 3.8, the Council primarily plays a facilitation role in the delivery of skills activity. Whilst the Council does play a lead role in the delivery of the Apprentice Town Initiative and events such as recruitment events and the annual skills and employability conference, it has limited control in the delivery of apprenticeships and as such does not have access to some of the information and data required to support the objectives outlined in paragraph 1.0 (for example, matching learners to available apprenticeships)

5.2 As well as the pandemic, the take up of apprenticeships has been impacted by changes in government policy. For example, the move to

apprenticeship standards has seen fewer apprenticeship opportunities being available at level 2, making it harder for school leavers to access available apprenticeships, particularly those with below average academics or who have not achieved grade 4 (previously grade C) in English and Maths GCSE. This is reflected by recent vacancy data (w/c 8th November) that shows that 68% of apprenticeship vacancies are being advertised at level 3.

- 5.3 The National Apprenticeship Reforms also saw the introduction of the 20% off the job training rule which has been difficult for some employers in some sectors to implement, in particular SMEs operating in the care, hospitality and retail sectors.
- 5.4 Providers and employers are reporting fewer and poorer quality applications for advertised apprenticeship vacancies. This is thought to be in part, as a result of record high GCSE results following 2 years of not using formal exams to assess students' performance. As a result, more young people are staying on at school after their GCSEs and not following other post 16 pathways as in previous years. Another reason for fewer applications is thought to be the increase in availability of relatively well-paid work available to young people to support the rise in e-commerce. There is anecdotal evidence to suggest that young people are favouring this work over apprenticeships where the minimum wage is relatively low at £4.30 per hour.

6.0 Future plans and areas for further scrutiny involvement

- 6.1 As previously stated, Apprenticeships do not sit in isolation of the wider skills agenda but are interdependent and as such are one area of activity that falls within a programme of activity contained within the Chesterfield Skills Action Plan which has an overall purpose of 'ensuring that local people and businesses have the right skills to access future employment opportunities.' The Skills Action Plan is currently being refreshed and is expected to be ready for consultation in 2022. The Skills Action Plan refresh will consider some of the aspects of this report and issues highlighted by the scrutiny committee and there for it may be appropriate for the committee to be to be involved in the refresh.

7.0 Considerations

- 7.1 Economy and Skills - The overall aim of the Growth strategy is *'To secure the long-term growth of the borough, supporting new job creation and ensuring local people have the right skills to access future employment opportunities.'* As stated above, the Chesterfield Skills Action Plan supports the objectives under the 'inclusive approach to growth theme' of the strategic framework contained within the Growth Strategy which includes supporting the delivery and growth of Apprenticeships in Chesterfield. There has been a clear decline in apprenticeship starts over the last 3 years, particularly at level 2 and amongst 16–18-year-olds. At the same time there has been an apparent shift in demand for advanced (level 3) and higher-level (Level 4+) apprenticeships. This appears to be impacting upon the growth of apprenticeships in the borough and suggests that whilst there are apprenticeship opportunities available, they are not accessible to all. When undertaking the refresh of the Skills Action Plan it will be important to work our education and LEP partners to focus on activity that addresses these issues and focuses on activity that ensures more apprenticeships are accessible to more young people across the borough.
- 7.2 Financial and value for money – As stated above the Council does not directly deliver apprenticeships but does work with partners to raise awareness of the benefits of apprenticeships with view to increasing apprenticeship participation in Chesterfield. Currently, a small budget via business rates retention funding is used to support this activity including the delivery of the annual skills and employability conference, Apprentice Town and digital resources including the Apprentice Web Resource and the My Future Online Careers Platform. The Skills Action Plan Refresh will examine how the budget could be allocated to support out a programme of activity that delivers against the objective for a sustainable and inclusive approach to growth.
- 7.3 Climate Change – the Council is committed to address climate change, declaring a climate change emergency in July 2019. The Council aim to become a carbon neutral organisation by 2030 and a carbon neutral borough by 2050. The Institute of Apprenticeships and Technical

Education have recently published a list of [‘green apprenticeships’](#) and through the Apprentice Town Initiative, Chesterfield Apprenticeship Providers will come together December to develop a collaborative approach to highlighting green apprenticeships during National Apprenticeship Week 2022. Alongside this activity an Apprentice Panel Member of the Institutes of Apprenticeships and Technical Education will chair the Apprenticeship roundtable in January, where green apprenticeships will be one of the topics of conversation. The Skills Action Plan refresh will build on this work by considering ways in which the Council can work with partners to support the future skills agenda, including the promotion and delivery of ‘green apprenticeships’ in Chesterfield. The Institute of Apprenticeships and Technical Education have recently

Document information

| Report author | |
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| Emily Williams, Skills Delivery Officer, Economic Growth | |
| Background documents | |
| English Apprenticeships: Our Vision for 2020 Plan for Jobs Chesterfield Borough Council Corporate Plan Chesterfield Borough Council Growth Strategy (2019 - 2023) Chesterfield Skills Action Plan (2017-2020) Build Back Better: Our Plan for Growth | |
| Appendices to the report | |
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