

**The LEP Area Apprenticeship
Strategy for Hertfordshire**

2017-2020



This **Apprenticeship Strategy** outlines what we want to achieve over the next three years in Hertfordshire.

The vision and aims for Hertfordshire's Apprenticeship Strategy are:

Vision

To have an apprenticeship offer in place within Hertfordshire by 2020 that increases employer participation and is seen as a valuable development opportunity and career pathway for Hertfordshire residents

The Strategy has been developed to sit within a suite of other Plans including the Hertfordshire Skills Strategy, the European Structural Investment Fund (ESIF) Strategy, the Hertfordshire Local Enterprise Partnership (LEP) Strategic Economic Plan, the Hertfordshire County Council (HCC) 16-24 EET Participation Strategy and the HCC Corporate Plan, to provide a coordinated overview for partner organisations working to increase the take up of apprenticeships within the County. In addition, the Strategy should reflect national and regional priorities as stated by Government, i.e. the proposed Industrial Strategy.

Aims

The Strategy builds on previous work undertaken and will be delivered by a range of partners with the aim to:

- **Increase the total number of Hertfordshire residents accessing apprenticeships by 15%, from 6829 in 2015/16 to 7850 by 2019/20, with a particular focus on young people aged 16-24.**
- **Increase the total percentage of young people aged 16-18 years in employment with training (including apprenticeships) by 15%, from 1955 in 2015/16 to 2255 in 2019/20.**
- **Make it easier for Hertfordshire employer communities (both public and private) to access appropriate apprenticeships to support the current and future needs of their business.**

We will work towards achieving these goals by focusing on three themes:

- **Increasing apprenticeship opportunities** – working with employers to understand the business benefits of the apprenticeship offer.
- **Supporting potential apprentices** – to ensure they understand the benefits of apprenticeships, are of the required calibre for business, and are supported into work.

- **Sharing best practise** – supporting the Hertfordshire provider base to continually evaluate the local offer in order to ensure provision meets current and future business needs.

Through this strategy we aim to increase the uptake of apprenticeships with a particular focus on young people, the existing workforce and disadvantaged groups. Via its Apprenticeship Sub Group, the LEP will work with a number of organisations to promote the benefits of apprenticeships to all. The strategy will link to the local skills needs of the Hertfordshire economy, the quality of delivery, support around the introduction of the apprenticeship levy, and particularly to the support available to small and medium sized employers for creating more apprenticeship opportunities.

The implementation of the strategy requires a partnership approach. The LEP already has an Apprenticeship Sub-Group with representation from partner organisations such as HCC, YC Hertfordshire, the Bedfordshire, Hertfordshire and Milton Keynes Provider Network, Jobcentre Plus, the National Apprenticeship Service, Further Education colleges, Employer membership and support organisations such as the Federation of Small Businesses and the Hertfordshire Growth Hub. The rationale and membership of this Group will be reviewed on an annual basis. In addition the Sub-Group will seek to engage with other organisations such as the Hertfordshire Apprenticeship Ambassador Network and the proposed Young Apprentice Ambassador Network (YAAN), the National Careers Service, the Careers & Enterprise Company, the Association of Employment and Learning Providers (AELP), and Sector and Trade Bodies in order to deliver this strategy

We need to increase the availability of apprenticeship opportunities whilst ensuring high calibre applicants are available to fill them. There is also a need to enable progression from intermediate level apprenticeships as well as direct entry at level 3 and above, with progression into higher level and degree apprenticeships. Hertfordshire is a county with 60,980 active enterprises, of which over 95% are classified as small to medium sized with under 250 employees. Effectively communicating the apprenticeship offer to employers to stimulate the creation of new vacancies is therefore a challenge. We want to put in place the resources to support our employers, particularly those who do not have the infrastructure to single-handedly recruit and train.

In light of the introduction of the Apprenticeship Levy, we need to help levied employers in Hertfordshire consider all the available options in order to maximise returns and ensure the levy works to their benefit, i.e. by up-skilling an existing workforce as well as recruiting new staff to meet current and future business needs.

Increasing employer demand and take up of apprenticeships is only half the equation. We also need to ensure that potential learners can make informed and realistic decisions about apprenticeships by providing high quality information, advice and guidance in order to increase the number of applicants for apprenticeship vacancies. This will require a co-

ordinated approach, working closely with key intermediaries such as HCC, Hertfordshire Association of Secondary Heads (HASH), the Careers & Enterprise Company, YC Hertfordshire, National Careers Service, the ASK project and DWP Advisers as well as directly with schools and parents.

Succeeding in our challenge involves a partnership approach from across the sectors to find solutions. The development of this strategy and the accompanying action plan has brought together key stakeholders contributing to the shape of the vision and aims.

Progress to date

Apprenticeship Starts

Significant progress has been made since the original Apprenticeship Strategy targets were set in 2014. Overall, there has been a 13% increase of 824 in the two years from 2013/14 to 2015/16. Key points to mention include:

- A 22% increase (359 starts) in the number of 16-18 year old starts in Hertfordshire. However, with regard to the percentage of young people aged 16-18 who start an apprenticeship, the county still lags behind at 5.01% compared to the national average of 7%).
- A 32% increase (682) in the number of people aged 25+ who have started an apprenticeship in Hertfordshire.
- A 10% decrease in the number of 19-24 year olds that have started an apprenticeship (216 total). It should be noted that the majority of this reduction was in 2014/15 with a smaller decrease (22) in 2015/16.
- Significant numbers of unfilled vacancies on the Apprenticeship Vacancy Online System – on average, there have been around 440 vacancies advertised in the Hertfordshire area over the 4 week period from 19th June 2017 to 14th July 2017.

Table A: Apprenticeship Starts Full Year 2013/14 (R13) and 2015/16 (R13) by age and level

Level	Age	Starts		Difference	Difference %
		2013/14	2015/16		
Intermediate	16-18	1084	1187	103	9.5
	19-24	1320	1076	-244	-19.5
	25+	1472	1416	-56	-4
Advanced	16-18	498	712	214	43
	19-24	930	905	-25	-3
	25+	572	1140	568	99

Higher	16-18	15	56	41	273
	19-24	53	108	55	104
	25+	56	228	172	307
All Levels	16-18	1597	1956	359	22.5
	19-24	2305	2089	-216	-10
	25+	2104	2784	680	32
Total		6006	6829	823	13

Although the picture looks healthier for the number of starts for the 16-18 year old cohort with an increase of 359 apprenticeship starts, this hides some underlying issues that still need to be addressed.

Information collected by Hertfordshire County Council showed that in July 2016, 1955 young people aged 16-18 were on an apprenticeship programme out of a cohort of 38,536 (5.01%), whereas in March 2014, there were 1108 young people out of a cohort of 31,072 (3.6%). The above figures reflect the limited trajectory of participation for this age group, with the majority of young people either staying on in school or going to FE College.

Within the 16-18 year old age group, apprenticeship participation generally increases in tandem with age, which suggests that some young people may find they have made the wrong choice and therefore drop out in Year 12 before considering an apprenticeship. More needs to be done to inform students who have completed A-levels or equivalent to consider advanced/ higher and degree apprenticeships as an alternative pathway to Higher Education.

Overall, the position remains positive with increases across both the 16-18 and 25+ age groups, however the decrease in the 19-24 age group remains a concern, although evidence indicates that this is reducing year on year. We should however continue to monitor this and target this age group. The introduction of the Apprenticeship Levy may help, however there is more that can be done to monitor the destinations of young people in the age group who leave formal education. We propose to work closely with JCP to target the 19-24 unemployed to promote the benefits of employment via apprenticeships. As at August 2016, the 18-24 unemployed (those claiming JSA benefits) account for 11.9% of the total JSA claimants. Hotspot Districts include Watford at 14.1%, Dacorum at 13.5%, and Broxbourne and East Herts at 12.2% each,

Higher/Degree Level Apprenticeships – growth plan

Research intelligence indicates that an increasing percentage of new jobs growth in Hertfordshire over the next five years will require higher level skills. In order to drive economic growth it is important that we retain a focus on driving increases in the number of advanced/higher and now degree level apprenticeship starts in the County.

We have seen an encouraging increase in the number of higher level starts in the county over the past two years, however such starts are still a small percentage of the overall

starts. More is therefore required with regards to encouraging employers to consider higher and degree apprenticeships as well as encouraging our provider base to offer the higher and degree level standards/frameworks that local employers require.

The introduction of the Apprenticeship Levy may provide greater opportunities for employers to consider higher and degree level apprenticeships. Many such employers may require impartial support with regards to the type and level of apprenticeship to meet their needs and thought should be given to how this could be provided across the County and what the role of the Skills Brokerage Service may be in supporting this. Equally, at the higher apprenticeship levels, indications from employers is that they would welcome clarity regarding the specialisations of providers as well as greater collaboration between providers in the delivery of appropriate apprenticeship solutions.

The strong foundation of apprenticeships that has been built up at levels 2, 3 and 4 within the County should provide a solid platform to be able to progress individuals onto higher and degree apprenticeships where appropriate for their role. More work needs to be done to ensure that the detailed planning of curriculum and transitional arrangements between providers is seamless and that employers feel supported to access whatever provision they need for their workforce from level 2 – 7.

Table B: Hertfordshire Full Year 2014/15 (R13) and 2015/16 (R13) Higher Level Apprenticeship Starts comparison

Sector	Higher Level Starts		Difference	Difference %
	2014/15	2015/16		
Arts, Media and Publishing	1	1	0	0
Business, Administration and Law	164	184	20	12
Construction, Planning and the Built Environment	0	8	8	8
Engineering and Manufacturing Technologies	12	6	-6	-50
Health, Public Services and Care	96	138	42	44
Information and Communication Technology	32	38	6	19
Retail and Commercial Enterprise	16	12	-4	-25
Science and Mathematics	0	5	5	5
Total	321	392	71	22

Whilst the table above indicates a healthy percentage rise in real terms, there is still more to do. Of particular concern is the reduction in engineering/manufacturing higher level apprenticeship starts, whilst a small increase in science related starts is positive.

Apprenticeship vacancies across Hertfordshire

Information related to apprenticeship vacancies, including numbers, sectors and locations, is also available from the Apprenticeship Vacancies Online System. Analysis of four weeks of vacancy data has been completed to identify the six sectors with the most vacancies.

Table C: Apprenticeship vacancies across Hertfordshire by sector

	03.07.17.
Vacancies Top 5 Sectors	
Bus Admin	106
Retail	59
Health & Public Services	52
Engineering/Manufacturing	69
ICT	36
Hospitality & Leisure	37

Table D: Apprenticeship vacancies across Hertfordshire by level

Vacancies by Level	03.07.17
Intermediate	280
Advanced	137
Higher	6
Total	423

The largest number of vacancies by level is Intermediate (see Table D). This tallies with the starts data which shows that 54% of all starts in 2015/2016 are Intermediate starts. More work needs to be undertaken to address the balance between Intermediate and Advanced/Higher level starts if we are to achieve the expectations of high level skills stated in the Strategic Economic Plan.

Table E: Employment by Industry in Hertfordshire

Top 8 Sectors	2013	% of employment	2014
Wholesale & retail trades	19.4%		18.7%
Administration & support services	14%		13.7%
Professional, scientific & technical services	10.8%		11.7%
Human health & social work activities	9.6%		12.7%
Education	8.6%		9%
Manufacturing	6.5%		6.2%
Construction	5.6%		6.5%
ICT	4.9%		5.8%

Table F: Largest apprenticeship sectors across Hertfordshire

	2014/15	2015/16	% Difference
Health and Social Care	1277	1494	17
Administration	900	921	2.3
Hospitality and Catering	584	528	-9.6
Business Management	593	526	-11.3
Child Development and Well Being	366	453	23.8
Service Enterprises	448	417	-6.9
Sport, Leisure and Recreation	262	303	15.6
Engineering	266	287	7.9
Manufacturing Technologies	276	277	0.4
Transportation Operations and Maintenance	308	267	-13.3
Building & Construction	222	226	1.8
ICT Practitioners	199	192	-3.5

If we compare the largest employment sectors with the data identifying the largest apprenticeship sectors for starts in 2013/14 and 2015/16, a number of conclusions can be

drawn.

- Business administration remains the sector with the largest number of vacancies; it remains the second highest employment sector however has only seen a relatively small increase in apprenticeship starts
- A similar picture is repeated for health and public services, however apprenticeship starts in retail and wholesaling do not reflect the employment position.
- Engineering has seen a healthy increase in both the number of starts and vacancies, although we know these numbers are seasonal.
- ICT has seen an increase in overall employment, however there has been a slight decline in the number of apprenticeship starts.
- Professional, scientific & technical services is the third highest employment sector but this position is not reflected in apprenticeship starts or vacancies.

In light of the progress to date, the following headline targets have been identified.

Apprenticeship targets				
	2014	2017	2020	Objective
Target 1: Increased numbers of 16-18 year old Hertfordshire residents starting on the apprenticeship programme.	1559	1865	2255 (this is a 18% increase on 2016) 16 – 500 17 – 735 18 - 1015	1.1 2.1/2.3
Target 2: Increased numbers of Hertfordshire residents starting on Higher Level Apprenticeships. (L4&5)	134	400	800 (this is a 100% increase 2016)	1.1 2.4
Target 3: Increased numbers of 19-24 year old Hertfordshire residents starting on the apprenticeship programme.	2440	2830	3250 (this is a 15% increase on 2016)	1.1 2.2
Target 4: Improved balance between intermediate/advanced/higher starts	Intermediate (61%) Advanced/Higher (39%)	Intermediate (55%) Advanced/Higher (45%)	Intermediate (55%) Advanced/Higher (45%)	1.1
Target 5: Increase number of Hertfordshire residents starting on a Degree Level Apprenticeship	0	50	300	1.1/1.4

Target 6: Increased number of small to medium size workplaces recruiting apprentices.*	79.1%	82%		1.3 3.1
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*Because of data compatibility issues, and the possibility that this data will be reported as level/non-levy in the future, further modelling will be required to confirm this target.

We will review the above targets on an annual basis and revise accordingly if we feel that the targets are no longer sufficiently stretching or are unrealistic.

In order to deliver these targets the following objectives have been identified under each of the three themes.

Objectives

1 – Increase Apprenticeships (Targets 1, 2, 3 and 5)	
1.1	Improve the quality of the information to employers to raise awareness about the business benefits of apprenticeships, the apprenticeship reforms, the apprenticeship levy and increase opportunities for new and existing staff
1.2	Provide targeted support to employers in order to both reduce the number of apprenticeships vacancies not filled (through positive recruitment) and manage expectations regarding the time it takes to recruit to apprenticeship vacancies
1.3	Support SMEs to overcome barriers to participating and gaining the benefits from apprentices
1.4	Support employers to engage with Trailblazer activity where there is no appropriate apprenticeship offer for the skills gaps that they have identified

2 – Support potential apprentices (Targets 1, 2 and 3)	
2.1	Encourage young people and parents to view the apprenticeship route positively so that apprenticeship numbers increase to meet skills shortages and support economic growth
2.2	Influence all establishments in Hertfordshire to provide impartial IAG which includes the promotion of apprenticeships as a viable option
2.3	Raise awareness of apprenticeship vacancies on the 19 – 24 age group as well as the younger age group
2.4	Promote the eligibility of apprenticeships to employed adults and their employers seeking qualifications to support their career progression
2.5	Establish measures for Social Mobility that enable the county to identify and improve the positive impact of apprenticeships for Hertfordshire residents.

3 – Ensure quality provision (Targets 4 and 5)

3.1	Improve communication between providers and employers to enable the apprenticeship offer to be responsive to changing business needs
3.2	Showcase best practise and celebrate success to increase levels of employer confidence and engagement in apprenticeships across all beneficiaries.
3.3	Work in partnership with stakeholders to evaluate current provision and to identify and meet the development needs of supply side provision via a co-ordinated county wide approach
3.4	Encourage greater collaboration between all providers to ensure that pathways provide appropriate opportunities for progression.

In order to achieve the objectives outlined above, an Apprenticeship Action Plan will be produced and owned by key stakeholders and reviewed annually in order to monitor progress and ensure modifications are made in light of changing government, economic and other factors.