



## **The LEP Area Apprenticeship Strategy for Hertfordshire**

**2015-2017**

## Introduction

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

### **The vision and aims for Hertfordshire's Apprenticeship Strategy**

#### **Our vision:**

**By 2017 have an apprenticeship infrastructure in place within Hertfordshire that increases employer participation and apprenticeship vacancies as well as providing appropriately skilled and motivated applicants for those vacancies.**

The Strategy has been developed to sit within a suite of other Plans including the Hertfordshire Skills Strategy, the European Structural Investment Fund Strategy, the Herts Local Enterprise Partnership (LEP) Strategic Economic Plan, the 16-24 EET Participation Strategy and the Hertfordshire County Council (HCC) Corporate Plan to provide a coordinated overview for partner organisations working to increase the take up of apprenticeships within the County.

The Strategy builds on previous work undertaken and will be delivered by a range of partners. The aims are to:

- **Increase the total percentage of young people aged 16-24 years in employment with training including apprenticeships and traineeships up to the national average of 5.3% (4.1% in Hertfordshire)<sup>1</sup>**
- **Achieve a balance between apprenticeship and traineeship vacancies and the demand for places.**

We will work towards achieving these 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 and that they are of the required calibre for business and are supported into work.
- **Ensuring quality provision** – ensuring provision meets current and future business needs.

Through this strategy we aim to increase the uptake of apprenticeships particularly by young people and meet employer demand for apprentices with the right skills. Via its Apprenticeship Sub Group, the LEP will work with a number of organisations to promote the benefits of apprenticeships to all. This will be linked to the local skills needs of the Hertfordshire economy, to identified skills, to quality of delivery, and particularly to

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<sup>1</sup> NCCIS data March 2014

supporting small and medium sized employers to create more apprenticeship opportunities. This will be done in conjunction with access to apprenticeships for the wider community.

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, the Bedfordshire and Hertfordshire Provider Network, Jobcentre Plus, the National Apprenticeship Service, Further Education colleges, Employer membership and support organisations such as the Federation of Small Businesses and WENTA. The rationale and membership of this Group will continue to be reviewed. In addition the Sub Group will seek to engage with other organisations such as the Apprentices Ambassador Network, the National Careers Service, the Association of Employment and Learning Providers (AELP), 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 with progression into higher level apprenticeships. In a county with 46,775 employers, over 95% are classified as small to medium size employers with less than 250 employees; therefore supporting effective communication of the apprenticeship offer to employers in order to stimulate the creation of new vacancies is 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.

Increasing employer demand and take up of apprenticeships is only half the equation, we also need to ensure that potential learners can make an informed and realistic decision 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), Youth Connexions, National Careers Service 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

There was an overall decrease in apprenticeship starts between 2012/13 and 2013/14 using provisional data. This decrease was the result of a number of factors including the following:

- Fewer JobCentre Plus candidates coming through as potential apprentices (reduction in the number of 18-24 year olds available to the job market)
- Low numbers of 25+ recruits this year due to the impact of the introduction of the Advanced Learning Loan from September 2013 through to December 2013 when the decision was reversed.
- Significant numbers of unfilled vacancies on the Apprenticeship Vacancy Online System – as of July there are currently 203 vacancies advertised.

**Table A: Apprenticeship Starts Full Year 2012/13 (R13) and 2013/14 (R13)<sup>2</sup> by age and level**

Level	Age	Starts		Difference
		2012/13	2013/14	
<b>Intermediate</b>	16-18	1047	1080	33
	19-24	1474	1323	-151
	25+	1595	1447	-148
<b>Advanced</b>	16-18	465	484	19
	19-24	898	935	37
	25+	1332	552	-780
<b>Higher</b>	16-18	19	16	-3
	19-24	38	52	14
	25+	64	55	-9
<b>All Levels</b>	16-18	1531	1580	49
	19-24	2410	2302	-108
	25+	2991	2057	-934
<b>Total</b>		6932	5939	

Although the picture looks healthier for the number of starts for the 16-18 year old cohort with an increase of nearly 50 apprenticeship starts, this hides some issues that need to be addressed.

Information collected by Hertfordshire County Council showed that in March 2013 1101 young people aged 16-18 out of a cohort of 30704 (3.6%) were on an apprenticeship programme and this compares with March 2014 data showing 1108 young people out of the cohort of 31072 (3.6%) on an apprenticeship programme reflecting a flat

<sup>2</sup> Source: October 2014 SFA LEP Operational Data Suite In Year Data Cubes

trajectory of participation for this age group. The above figures reflect the high levels of young people who either stay on in school or go to FE College.

Within the 16-18 year old age group, apprenticeship participation generally increases the older the individual which suggests that some young people may find they have made the wrong choice and drop out in Year 12 and then take up an apprenticeship. More needs to be done to encourage students who have completed A levels or equivalent to consider advanced apprenticeships as an alternative pathway to Higher Education.

**Table B: Hertfordshire Full Year 2012/13 (R13) and 2013/14 (R13) Apprenticeship Starts comparison between 2012/13 and provisional 2013/14 figures<sup>3</sup>**

			Starts		
All levels	Ages	2012/13 Full year (R13)	2013/14 Full year (R13)	Difference in numbers	% Difference
	16-18	1531	1580	49	3.2
	19-24	2410	2302	-108	-4.5
	25+	2991	2057	-934	-31.2
	Total	6932	5939	-993	-14.3

Provisional data which allows comparison of starts between 2012/13 and 2013/14 shows that for all age ranges (with the exception of 16-18) and across all levels there has been a decrease in apprenticeship starts. The largest reduction is for 25+ apprenticeship starts but as previously noted this was the result of the introduction of the Advanced Learning Loan, which increased numbers prior to its increase, but caused a decline after.

### Higher Level Apprenticeships – growth plan

In addition the number of Higher Level Apprenticeships remains low even with a slight increase between 2012/13 and 2013/14. The Skills Funding Agency plans are to increase the number of Higher Apprenticeship starts in Hertfordshire.

Hertfordshire has initially been allocated 64 Higher Level Apprenticeships from the Growth Fund but there will be other opportunities throughout the year to demonstrate growth and to put in a business case.

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<sup>3</sup> Source: October 2014 SFA LEP Operational Data Suite In Year Data Cubes (IS THIS THE LATEST VERSION)

## 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 three months of vacancy data has been completed to identify the 5 sectors with the most vacancies.

**Table C: Apprenticeship vacancies across Hertfordshire by sector<sup>4</sup>**

	26.01.15	24.11.14	20.10.14	29.09.14	26.08.14	Total
<b>Vacancies Top 5 Sectors</b>						
Bus Admin	99	43	62	67	75	<b>346</b>
Retail	52	55	42	46	51	<b>246</b>
Health & Public Services	25	26	24	19	25	<b>119</b>
Engineering/Manufacturing	22	16	11	15	19	<b>83</b>
ICT	34	16	18	17	34	<b>119</b>

**Table D: Apprenticeship vacancies across Hertfordshire by level<sup>5</sup>**

Vacancies by Level	26.01.15	24.11.14	20.10.14	29.09.14	26.08.14	Total
Intermediate	191	132	120	128	160	731
Advanced	56	31	39	39	56	221
Higher	5	1		1		7
Traineeship	5	2	1	3	7	18
<b>Total</b>	<b>257</b>	<b>166</b>	<b>160</b>	<b>171</b>	<b>223</b>	<b>977</b>

The largest number of vacancies by level is Intermediate (see Table D). This tallies with the starts data which shows that 59% of all starts in 2012/2013 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 higher level skills stated in the Strategic Economic Plan.

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<sup>4</sup> CENAS Data

<sup>5</sup> CENAS Data

**Table E: Employment by Industry in Hertfordshire<sup>6</sup>**

**Top 6 Sectors**

	<b>% of employment</b>
<b>Wholesale &amp; retail trades</b>	<b>19.4%</b>
<b>Administration &amp; support services</b>	<b>14%</b>
<b>Professional, scientific &amp; technical services</b>	<b>10.8%</b>
<b>Human health &amp; social work activities</b>	<b>9.6%</b>
<b>Education</b>	<b>8.6%</b>
<b>Manufacturing</b>	<b>6.5%</b>

**Table F: Largest apprenticeship sectors across Hertfordshire<sup>7</sup>**

	2012/13	2013/14 (Provisional)	Difference
1.3 – Health and Social Care	1114	892	-222
15.2 – Administration	1113	862	-251
7.4 – Hospitality and Catering	611	532	-79
15.3 – Business Management	585	497	-88
1.5 – Child Development and Well Being	496	455	-41
7.3 – Service Enterprises	497	393	-104
4.2 – Manufacturing Technologies	325	342	17
7.1 – Retailing and Wholesaling	346	306	-40
4.3 – Transportation Operations and Maintenance	478	245	-233
4.1 – Engineering	46	232	186
8.1 – Sport, Leisure and Recreation	232	222	-10

If we match the vacancy analysis with the data above identifying the largest apprenticeship sectors for starts in 2012/13 and 2013/14 a number of conclusions can be drawn.

- Business administration has the largest number of vacancies over the 3 month period and is also the second highest employment sector however is also showing the largest drop in apprenticeship starts.
- A similar correlation is also repeated for retail and health and public services.
- Engineering has seen a significant increase in the number of starts however a fall in vacancies over the past few months.

<sup>6</sup> Business Register & Employment Survey ONS

<sup>7</sup> Source: October 2014 SFA LEP Operational Data Suite In Year Data Cubes

- ICT has a large number of vacancies and 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

In light of the progress to date outlined above some headline targets can be identified.

Apprenticeship targets			
	2014	2017	Objective
Target 1: Increased numbers of 16-18 year old Hertfordshire residents starting on the apprenticeship programme.	1559	1865	1.1 2.1/2.3
Target 2: Increased numbers of Hertfordshire residents starting on Higher Level Apprenticeships.	134	400	1.1 2.4
Target 3: Increased numbers of 19-24 year old Hertfordshire residents starting on the apprenticeship programme.	2440	2830	1.1 2.2
Target 4: Improved balance between intermediate/advanced/higher starts	Intermediate (61%) Advanced/Higher (39%)	Intermediate (55%) Advanced/Higher (45%)	1.1
Target 5: Increased number of small to medium size workplaces recruiting apprentices.*	79.1%	82%	1.3 3.1

\*Because of data compatibility issues further modelling will be required to confirm this target.

In order to deliver these targets<sup>8</sup> the following objectives have been identified under each of the three themes.

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<sup>8</sup> The achievement of these targets will be subject to potential changes to policy following the election in May 2015



## 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 and increase vacancies
1.2	Provide targeted support to employers in order to both reduce the number of apprenticeships/traineeship vacancies not filled (through positive recruitment) and manage expectations re the timeline it takes to recruit to apprenticeship vacancies
1.3	Support SMEs to overcome barriers to participating and gaining the benefits from apprentices

### 2 – Support potential apprentices (Targets 1, 2 and 3)

2.1	Promote pathways into apprenticeships using independent and impartial information, advice and guidance for young people (Years 8-13)
2.2	Focus awareness of apprenticeship vacancies on the 19+ group as well as the younger age group
2.3	Improve the employability skills of young people to reduce youth unemployment and improve the calibre of apprenticeship applicants
2.4	Promote the eligibility of apprenticeships to employed adults and their employers seeking qualifications to support their career progression

### 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	Improve and celebrate success to provide higher levels of employer confidence and engagement
3.3	Working in partnership with stakeholders to identify and meet the development needs of supply side provision via a co-ordinated county wide approach

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.