

Subject:	Update on Employer Skills Task Force and Apprenticeship Brokerage Service		
Date of Meeting:	18 October 2016		
Report of:	Chair, Greater Brighton Officer Programme Board		
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 At its meeting on 14 July 2015, the Greater Brighton Economic Board ('the Board') received a presentation from Cllr Tom Bewick and asked the Greater Brighton Officer Programme Board ('the Officer Board') to consider proposals for a Greater Brighton Apprenticeship organisation and to return with its findings and proposals.
- 1.2 This report will update the Board on progress, including a summary of both the findings and the emerging model, and outline the next steps.
- 1.3 This report will also provide the Board with an update on the Coast to Capital Local Enterprise Partnership's (C2C LEP) Enterprise Advisor Network Pilot, which helps to promote apprenticeships and strategic links between businesses and schools.

2. RECOMMENDATIONS:

- 2.1 The Board is asked to note the progress that has been made and to endorse the next steps at 3.22 to 3.26.

3. CONTEXT/ BACKGROUND INFORMATIONGreater Brighton Employer Skills Task Force

- 3.1 In July 2015 following a meeting between the council and senior business leaders the Employer Skills Tasks Force was set up. This time limited employer led group was established to consider two areas. The first was how to increase the take up of apprenticeships locally in order to address the very low levels of take up in the sub-region, and how to support greater levels of engagement between business and schools as a means of improving students understanding of the local labour market, helping to inform their career and learning choices; and creating a pipeline of future talent for the local economy.

- 3.2 The Task Force comprised around 30 members from the business community and local education institutions. Experts, practitioners and apprentices were invited to attend the meetings and help inform the work. The Task Force developed a number of recommendations as a result of the meetings; chief among them was agreement to set a target of a minimum of 1,000 new apprenticeships in 1,000 days. To achieve this, the Task Force launched the Employer Pledge, asking the wider business community to support the campaign. They also set out eight recommendations detailed below:
- R1.** To establish a Youth & Employability Organisation (brokerage service / Community Interest Company (CIC)).
 - R2.** Local businesses should be encouraged to sign the Greater Brighton Pledge to work with the Youth & Employability Organisation and use it as the main source for trainees and apprenticeships.
 - R3.** Every school in Brighton & Hove should be allocated at least one key business partner in the city and form a relationship lasting at least two-years with the aim of increasing pupils understanding on the work and career opportunities in different sectors locally and across the Greater Brighton City Region and as a means of raising aspiration.
 - R4.** A campaign in local schools similar to the 'London Ambition' and schools pledge to organise at least 100 hours of contact time between pupils and local businesses.
 - R5.** Develop and maintain an apprenticeship brand for the Greater Brighton City Region to help simplify the training and apprenticeship offer and reduce confusion for businesses, young people, schools and parents.
 - R6.** Encourage each school to have a school governor for enterprise to champion entrepreneurship within the curriculum, support initiatives that raise awareness of the world of work and promote employability.
 - R7.** Large businesses (over 250 employees) in the Greater Brighton City Region, including Brighton & Hove City Council, should lead by example by identifying entry level through to higher level jobs that will be appropriate for traineeships and/ or apprenticeships.
 - R8.** The Council and local businesses should lobby for a proportion of the proposed Apprenticeship Levy on large employers to be used to help fund the creation of the new Youth and Employability organisation.
- 3.3 The Employer Pledge was launched during Apprenticeship Week in March 2016. At this event, businesses were asked to commit to one or more of the following:
- Offer a traineeship, apprenticeships or higher apprenticeship
 - Offer a workplace visit to their business
 - Offer a work placement to a young person
 - Offer help with student projects or enterprise activities in schools and colleges
 - Offer to speak to pupils about careers and recruitment

- Become a school governor
 - Mentor a budding entrepreneur
 - Provide employment advice about their industry.
- 3.4 To date, 45 employers have made a total of 106 pledges and all employers have been contacted and connections established with schools and colleges. This includes employers engaging directly with schools and helping promote the importance of apprenticeships. Further work to engage employers is ongoing prior to establishment of the brokerage.

Greater Brighton Apprenticeship Service

- 3.5 The Task Force identified the following key issues to be addressed in the City Region:
- Challenges faced by employer engaging with the employment and skills system.
 - Duplication of efforts and competition between providers.
 - The need to have a single brand and campaign to get employers at every level and size engaged in raising apprenticeships and addressing youth unemployment.
- 3.6 A key ambition of the Task Force was to help support the creation of apprenticeships they therefore recommended the establishment of an all-age brokerage service to:
- Help large employers and small and medium sized enterprises (including micro-businesses) to find trainees, apprentices (including higher apprentices).
 - Track the number of apprenticeships starts and completions and provide evidence in the form of metrics that will detail take-up by a range of indicators e.g. age, gender, ethnicity, disability and geography.
 - Develop apprenticeship branding for the City Region, to help simplify the training and apprenticeship offer and reduce confusion for businesses, young people, schools and parents.
- 3.7 It is envisaged that the brokerage service will work with providers to help them enhance the relevance and quality of their services, and target businesses with opportunities and offers.
- 3.8 It is intended to develop an apprenticeship brand for the City Region and to simplify the training and apprenticeship offers thereby reducing confusion for businesses, young people, schools and parents.
- 3.9 It will also analyse patterns and trends in recruitment, skills and recruitment requirements with support from the Coast to Capital Local Enterprise Partnership (C2C LEP).

3.10 The Apprenticeship Levy will be introduced in April 2017 and it will be a levy on UK employers to fund new apprenticeships. Organisations with a turnover £3m or above will pay 0.5% of their wage bill for the levy. The Apprenticeship Levy represents a changing relationship between business and learning institutions and will put businesses in the driving seat in purchasing the training that they need for new and existing staff. There is an opportunity for the proposed brokerage service to support levy payers by making it easier to navigate the training provider market and in helping them to identify new and existing staff able to take up apprenticeship opportunities. The main benefits of the brokerage service for employers, individuals and training providers are outlined below.

For Employers

- Employers will receive support to maximise value for money from their Apprenticeship Levy contributions.
- Recruiting talent locally and addressing skills gaps with talented local people, allows employers to innovate and grow.
- Employers are able to offer (through schools and other training providers) good quality work experience and work trials that benefit both businesses and individuals.
- Enhance employer engagement with schools and providers by helping them access and develop relationships.
- Employers are able to access clear advice on options relating to staff training and opportunities to support Continuing Professional Development (CPD).
- Employers able to provide good quality apprenticeships, communicate with potential and current employees and feel supported to do so.
- Lower employee turnover (ie a more stable/settled workforce).
- Job applicants are better prepared for work (ie higher quality job applications, more knowledgeable about the jobs they can apply for).
- Employers have a clearer understanding of how to access good quality training provision for their staff.

For Individuals

- Access to good quality Information Advice and Guidance and a career path which better helps individuals realise their potential and aspirations, including higher level study through work of equal value to a degree.
- A central contact point for all ages for employers.
- More supported employment opportunities (with progression) with a range of employers for all ages.
- More awareness of different vocational and academic pathways.
- Easier access to recruiting employers.
- To be able to find out about, apply for and feel safe in an apprenticeship in the city – whether as a young person or adult.
- More people from 'excluded' backgrounds in work.
- Vocational routes to Higher Education as clear as the academic ones.
- Young people better understand the various routes through training and education into employment.

For Providers:

- Able to better match the training provision on offer with the needs of employers.

- To create a positive ongoing dialogue between employers and providers.
- To raise the level of delivery from providers by creating a benchmark which can be followed across the sector.

Governance

- 3.11 A Greater Brighton Employer Action Group has been established to identify and take forward the steps needed to create the brokerage service. The Group is chaired by Gavin Stewart, Chief Executive of the Brighton & Hove Economic Partnership, and made-up of employers and training providers.
- 3.12 It is envisaged that the Greater Brighton Apprenticeship Brokerage will be independent and impartial. It will consist of a small team of skilled staff who manage enquiries, sign post businesses to the appropriate support including the Digital Apprenticeship Service which will launch in January 2017. The Digital Apprenticeship Service is an online platform that employers will be able to use to administer the Apprenticeship Levy such as pay for training and assessment for apprenticeships.
- 3.13 The Action group is responsible for:
- Agreeing the desired outcomes linked to the objectives and a set of 'SMART' measures which can be tracked
 - Drafting the workplan and agreeing indicative timescales
 - Considering the resource implications starting with a presumption that resources will need to be drawn from existing services, providers and/ or organisations.
 - Reporting back to the Learning, Skills & Employment Partnership on the proposed workplan and indicative timetable for delivery of the proposed actions across the four year period.
- 3.14 The Greater Brighton Employer Action Group is responsible for undertaking detailed financial modelling and for exploring resourcing options; it is likely that a request for a contribution towards funding will be brought back to the Board in the near future. The aspiration is that the service will become financially self-sustaining within 3 years of operation. Longer-term it is envisaged that funding will be secured from levy payers and training providers including the FE colleges in the region. Work will take place to actively pursue major employers who are likely to be levy payers, including NHS, universities and other public sector organisations, to secure sustainable funding for this service. Contributions will be sought from district councils, large private sector employers and the public sector.
- 3.15 The Greater Brighton Apprenticeship Brokerage service will help the City Region to meet its devolution commitment to have employed 1000 apprentices in 1000 days by providing a clear support service to help employers navigate the training landscape and secure the training that they need for their staff
- 3.16 Engagement with businesses has continued following the launch of the Pledge however, there is a need to establish the brokerage in line with the launch of the new apprenticeship levy. The aim therefore is to launch the brokerage service in Spring 2017.

Enterprise Adviser Network

- 3.17 The C2C Local Enterprise Partnership successfully secured government funds to pilot an Enterprise Adviser Network for the region. The Network co-ordinator matches businesses with the senior leaderships teams in schools so that they can work together to promote enterprise in schools.
- 3.18 C2C LEP successfully worked with 20 schools and colleges during the phase 1 pilot in Coastal West Sussex and Brighton and Hove from September 2015-August 2016, matching them all with Enterprise Advisers.
- 3.19 Following the success of the pilot the LEP were awarded additional funding for a wider roll out of the scheme. Funding for Phase 2, which runs from September 2016-August 2017, involves a planned expansion across the Coast to Capital region, prioritising mainstream secondary schools and academies and colleges.
- 3.20 C2C LEP plans to recruit a specialist Enterprise Coordinator for Phase 3 (2017/18), who will focus on institutions working with young people with special educational needs and disabilities.
- 3.21 The Enterprise Advisor scheme will complement the work being delivered through the brokerage by helping to create a pipeline of young people with a better understanding of the world of work and the opportunities presented through apprenticeships.

Next Steps

- 3.22 That the Greater Brighton Employer Action Group will develop the business and funding model for the Apprenticeship Brokerage Service.
- 3.23 That employer engagement activity across the city region promotes the Greater Brighton Employer Pledge and apprenticeships.
- 3.24 That ongoing activity with the Sussex Council of Training Providers in schools and colleges, links closely with East and West Sussex, to raise awareness of the Apprenticeship levy and the apprenticeship opportunities.
- 3.25 That work with Higher Education and Further Education partners explores higher level apprenticeship opportunities including qualifications in schools, NHS and other public sector organisations.
- 3.26 That a further report will be brought to the Economic Board once the final business and financial model is developed.

4.0 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The Task Force discussed different models of apprenticeship training companies and agencies and Jeremy Hempstead, CEO and Chair London Apprenticeship Company, spoke to the group about Apprenticeship Training Agencies (ATAs) and he raised concerns about ATAs' sustainability without ongoing public funding.

- 4.2 Alongside the work conducted by the Task Force, the consultants ('Rocket Science') commissioned to develop the City Employment & Skills Plan (2016-2020), established the need for an employer brokerage model through the research and consultation they conducted to develop the Plan. A review of different ATA models in the country was done by Rocket Science including those that had been developed in other devolved cities. They found similar challenges with financial sustainability and this information is helping to inform the modelling of the proposed brokerage.
- 4.3 In summary, therefore, evidence from other examples around the country showed that whilst some were successful in terms of generating and improving take-up in underserved sectors, others have been difficult to scale up due to cost
- 4.4 In addition, expectations of using freedoms of the Apprenticeship Levy to fund such an ATA have been discarded as the government has made clear that the allocation of and or pooling of levy money will not be approved. Funds will be held by government and claimed by businesses against the number of apprentices employed.

5.0 COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The consultants responsible for the City Employment & Skills Plan engaged with providers, public bodies, third sector partners and businesses throughout the development of the Plan. Over 100 delegates attended the first consultation event in December 2015 which looks at the key priorities for the Plan. Over 70 delegates attended the second consultation event in January 2016 to develop a set of recommendations for the Plan. City Region partners were invited to attend the consultation events. Over 25 in-depth interviews with conducted with key stakeholders in the City. In addition over 170 respondents completed an online questionnaire which helped inform the development of the Plan.
- 5.2 A Greater Brighton Employer Skills Taskforce was convened which was an integral part of the development of the City Employment & Skills Plan to ensure employers were central to its development.

6.0 RISKS

- 6.1 The Task Force identified the need for a brokerage service for the Greater Brighton City Region to raise the level of apprenticeships. A do nothing approach may result in apprenticeship numbers falling further at a time when local firms have identified skills shortages.
- 6.2 An alternative model of an Apprenticeship Training Agency has been examined and considered as not a viable option.
- 6.3 The Apprenticeship Levy is being introduced in April 2017. It is considered that doing nothing is not an option as failure to maximise take up of the levy will inhibit the city's ability to achieve the 1,000 apprentices in 1,000 days target.

7. FINANCIAL & LEGAL IMPLICATIONS

Financial Implications

- 7.1 There are no direct financial implications as a result of this report although it should be noted that there may be potential future contributions required toward the Greater Brighton Apprenticeship Brokerage in respect of establishing and running the Community Interest Company (CIC). Any request for funding contributions from members will be brought back to Greater Brighton Economic Board for approval. It is anticipated that the Greater Brighton Apprenticeship Brokerage will be financially self-funding within 3 years.
- 7.2 The C2C Local enterprise Partnership has already secured government funding to pilot an Enterprise Advisor Network and further funding has been secured for Phase 2 of the Scheme running from September 2016 to August 2017.
- 7.3 The Apprenticeship Levy will be rolled out nationally from April 2017. Contributions of 0.5% of annual PAYE will be collected by HMRC from businesses with an annual turnover of over £3.0m. The only way that businesses can access this levy is via a digital voucher system which can be used for the training of apprentices.

Finance Officer Consulted: Rob Allen, Principal Accountant BHCC

Date: 5/10/16

Legal Implications

- 7.4 This report is for noting and there are no direct legal implications arising at this time.

Lawyer Consulted: Bob Bruce, Deputy Head of Law BHCC

Date: 07.10.16

8.0 CONCLUSION

- 8.1 The Greater Brighton Economic Board is asked to comment and consider ways in which it might support the successful establishment of the Greater Brighton Apprenticeship Brokerage.

SUPPORTING DOCUMENTATION

Appendices:

1. Employer Pledge and Report prepared by the Employer Skills Taskforce