



<b>Report to:</b>	Development Committee
<b>Subject:</b>	Consultation Response on Review of Apprenticeships
<b>Date:</b>	18 March 2014
<b>Reporting Officer:</b>	John McGrillen, Director of Development, ext 3470
<b>Contact Officers:</b>	John McGrillen, Director of Development, ext 3470

1	Relevant Background Information
1.1	The Department for Employment and Learning (DEL) recently launched a consultation exercise on its proposals for the review of the current Apprenticeships system. The deadline for submission of comments on the document is 7 April 2014.
1.2	The proposals contained in the consultation document reflect a significant and radical change to the current arrangements for provision, reflecting a considerable re-focusing towards new areas of economic growth as well as an elevation in skills levels, with the new apprenticeships focusing on level 3 and above (i.e. equivalent of A levels).
1.3	Members will be aware that the draft Integrated Economic Strategy for Belfast identifies a need for a greater number of people to be skilled to level 3 and above, in order to meet the projected skills demand associated with the city's economic growth projections. At present, only 39% of Belfast residents are educated to level 3 and above with 41% of residents having no qualifications or educated only to level 1 (no GCSEs). The latter figure is equivalent to 94,000 people. Conversely, projections suggests that, in the future, only 1 in 7 jobs in Belfast will require no or low qualifications with all other employment requiring higher skills levels. This points to an impending skills shortage in the short to medium-term, if targeted interventions are not put in place.
1.4	At present, 68% of apprenticeships are at level 2 (equivalent of GCSEs grades A*-C), with 10% at level 2/3 and only 22% at level 3. There are currently no apprenticeships offered beyond level 3. The most popular sectors are health and social care, catering and hospitality, retail, management, engineering, customer service, business and administration, construction, childcare and team leading.

2	Key Issues
2.1	<p>Taking account of economic challenges, employer requirements and the needs of young people, the consultation document contains a range of proposals for the new apprenticeships framework. Some of the key reflections from the research work to date include:</p> <ul style="list-style-type: none"> <li>- The current focus on level 2 qualifications does not support the skills projections for 2020 and beyond, with demand for lower skills expected to halve and demand for higher skills expected to increase significantly</li> <li>- The current system does not offer efficient matching of apprenticeships to the needs of the economy due to under-supply of apprentices at the right level for economically important sectors</li> <li>- The role of the employers in defining and developing apprenticeships needs to be enhanced: currently, the system is more of a supply-led model, i.e. the providers dictate the level and type of provision</li> <li>- There is limited uptake by SMEs, principally because of structural barriers and lack of awareness of how the system works</li> <li>- There is an absence of a clear road map between professional and technical and academic pathways. This means that the apprenticeships framework has a perceived lower status than academic support, including university education</li> <li>- Employers find it hard to navigate their way through the qualifications landscape and therefore it is difficult for them to make a decision as to what apprenticeship framework is available to them or is relevant to their development needs</li> <li>- The current process of progressing from education to apprenticeships is more complex than the transition from school to university. This can act as a hindrance to potential entrants into the apprenticeship system</li> <li>- There is a lack of clarity around entrance and eligibility criteria: if a young person holds certain qualifications, it can mean that they are unable to pursue certain apprenticeships. Equally, the requirements for some education attainment can prevent young people accessing apprenticeships and therefore impact on their long-term employment prospects</li> <li>- There is a view that the current apprenticeship structures are not very portable: there is a focus on skills-specific issues as opposed to providing wider skills such as customer skills and team working</li> <li>- The absence of any provision beyond Level 3 means that there are limited progression pathways for those choosing apprenticeships.</li> </ul>
2.2	<p>Taking account of these observations, and in anticipation of the outcomes of the consultation exercise, DEL has been engaging in a number of pilot initiatives around apprenticeships. These include a number of higher level apprenticeship pilots in key industry sectors such as ICT and professional services. They have also run a number of public/private apprenticeship schemes, with over 70 apprentices now working in a range of ICT roles within the public sector. The employer costs for these schemes are met by the public sector employer.</p>
2.3	<p>The vision behind the consultation document is an apprenticeship model which will deliver highly skilled apprentices in areas of economic importance for the jobs of today and tomorrow. The document contains 32 proposals under four key themes, namely:</p> <ul style="list-style-type: none"> <li>- The components of an apprenticeship</li> <li>- Increasing participation</li> <li>- Partnership – the role of the key players</li> </ul>

2.4	<ul style="list-style-type: none"> <li>- Ensuring quality.</li> </ul> <p>The consultation document contains 32 questions, based on each of the proposals and DEL has asked that responses are framed around these questions. A full copy of the consultation document is available on DEL's website, under the "consultation zone" section.</p> <p>The draft council response is attached as <b>Appendix 1</b>, with draft responses set out against each of the questions. In summary, the key council contributions include:</p> <ul style="list-style-type: none"> <li>- Need for the new system to demonstrate greater alignment between supply and demand: training people for jobs that do not exist and are unlikely to exist at the end of the apprenticeship can involve a waste of time on the part of the apprentice and a waste of government resources</li> <li>- If the system is to be changed in the ways that are proposed, consideration needs to be given to how pathways into apprenticeship schemes can be created, so that those with low or no skills are able to access apprenticeships</li> <li>- Employers should be encouraged to look at innovative approaches to apprenticeships, e.g. the Bombardier apprenticeship scheme, through which entrance criteria are waived. However the apprentice is still expected to meet minimum skills levels by the end of the apprenticeship and support is offered by the employer to ensure that this happens</li> <li>- Apprenticeship training should also equip participants with wider skills such as customer care and team working</li> <li>- Consideration needs to be given to how employers can be made aware of apprenticeships as well as other skills and employability support measures: it is difficult for companies – particularly SMEs – to navigate the landscape and understand how the support can help them in their business</li> <li>- The commitment of the council to engage in apprenticeship and other programmes, including those in new areas of work and at higher levels, as set out in the consultation.</li> </ul>
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<b>3</b>	<b>Resource Implications</b>
	There are no specific staff resources at this time.

<b>4</b>	<b>Equality and Good Relations Considerations</b>
	There are no specific equality or good relations implications.

<b>5</b>	<b>Recommendations</b>
	It is recommended that members consider and approve the attached draft response to the review of apprenticeships and agree to submit this to DEL as part of the consultation process.

<b>6</b>	<b>Decision Tracking</b>
	An update on the outcome of the consultation exercise will be fed back to the committee once approved.
	Timeline: August 2014 <span style="float: right;">Reporting Officer: Lisa Toland.</span>

<b>7</b>	<b>Key to Abbreviations</b>
DEL – Department for Employment and Learning	

<b>8</b>	<b>Documents Attached</b>
Appendix 1: Draft Belfast City Council response to DEL consultation on the review of apprenticeships.	