

TONBRIDGE & MALLING BOROUGH COUNCIL
ECONOMIC REGENERATION ADVISORY BOARD

02 November 2021

Report of the Chief Executive

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 APPRENTICESHIPS

Over the past decade, apprenticeships have played an increasing role in the jobs market, and have become a central part of national policy to address the skills crisis. Whilst much work has been undertaken by the Council in recent years to help address worklessness and improve skills attainment (including the employment of apprentices at the Council), this report takes a look at additional measures that the Council could take to increase the availability of apprenticeship opportunities in the borough.

1.1 Background

- 1.1.1 Since the revitalisation of apprenticeships over ten years ago, they have become a well-established route into the world of work. There is now considerable variety not only in the number of apprenticeship frameworks (now called standards) that exist (growing from 64 in 2015 to 600 in 2020), but also in the levels of these apprenticeships. Indeed, there are now apprenticeships that range from Intermediate (equivalent to 5 GCSE passes) all the way to Degree (equivalent to a Bachelors or even Masters degree in some cases).
- 1.1.2 In 2021, there were just over a quarter of a million new apprenticeship starters, with almost half undertaking an Advanced apprenticeship (equivalent to two A-level passes). This overall figure reflects a reduction in the number of new starts in recent years as the country has battled the covid-19 pandemic and more young people have looked to the Kickstart Programme of placements to enter the world of work.
- 1.1.3 However, aside from the pandemic, there are still wider issues that hamper apprenticeship take-up. These issues range from the introduction of the Apprenticeship Levy in 2017, which has led to a drop in new apprenticeship opportunities to the low levels of apprenticeship pay generally offered by small and medium sized enterprises (SMEs), which is one of the main reasons for high drop-out rates (especially amongst those from less privileged backgrounds). This is particularly unfortunate given that former apprentices can earn on average

£100,000 more than other employees during their lifetime should they complete their training.

- 1.1.4 With the above issues in mind, the Economic Regeneration Advisory Board agreed an allocation of £30,000 from the Business Rates Retention Pilot to go towards support for apprenticeships in the Borough. This report considers the measures that could be put in place to help support this agenda.

1.2 Apprenticeships in Tonbridge and Malling

- 1.2.1 According to data from the Department of Education, the number of new apprentices in Tonbridge and Malling borough has remained relatively consistent since 2015/16, fluctuating between 650-750 starts per annum. However, the number of starts did drop off slightly in 2019/20 (650) and the existing data for the first half of 2020/21 indicates a possible further drop. As highlighted in paragraph 1.1.2, this pattern is very much reflected in the national picture.
- 1.2.2 As such, whilst numbers have reduced in recent times, it is important that the Borough Council looks at what it can do, even in a small way, to support prospective apprentices and local businesses in bringing forward apprenticeship opportunities.

1.3 Potential Areas of Intervention

- 1.3.1 There are a handful of ways in which the Council could support the promotion of apprenticeships as a viable route towards upskilling and accessing the jobs market. These interventions essentially relate to potential funding support to businesses to help towards the costs of taking on apprentices, possible funding for apprentices to help get them prepared for an apprenticeship or to help bolster their wages; and help in promoting apprenticeships and navigating the often complicated and confusing advice and support that already exists.
- 1.3.2 Current incentives of £3,000 per apprentice are a key weapon in Central Government's armoury to fight the UK skills crisis. However, whilst the window for these incentives has been extended until the end of January 2022, this still leaves a relatively short window for businesses to access this incentive - something that is of concern given that recent research conducted by the HomeServe Foundation indicated that 80% of firms surveyed stated that these grant incentives had been a deciding factor in taking on an apprentice.
- 1.3.3 The Local Government Association has lobbied for these incentives to be extended until at least 31 March 2022, especially in light of the stubbornly high national youth unemployment rates (although people of any age can do an apprenticeship, most are undertaken by people in the 16-24 age bracket).

1.3.4 In Tonbridge and Malling, the youth unemployment rate was 5.8% in August 2021, slightly lower than the 7.5% national average, but still above the 3.4% covering the overall Tonbridge and Malling workforce.

Business Incentive Option:

1.3.5 One option could be to establish a scheme that provides a local supplement to mitigate against the withdrawal of this national incentive should it not be extended beyond January 2022. Obviously with an allocated budget of around £30,000, the scheme would not be able to directly replace the level of support previously provided, but by offering support to certain types of apprenticeships at specific sectors, this fund could be able to make a meaningful difference to businesses looking to take on an apprentice. The issues to consider when pulling together any scheme such as this would be:

- Which partner organisations are needed to run an effective scheme?
- How best to promote the scheme?
- What level of grant incentive should be offered?
- The extent to which the location of the business and the apprentice should influence eligibility (i.e., whether both would need to be Tonbridge and Malling based; and whether we have any focus areas for businesses).
- Ensuring the accreditation of the training provider
- Giving careful consideration should be given to the nature of the apprenticeship – minimum number of hours per week, length of apprenticeship and wage level – and to priority business sectors.

Apprentice Support:

1.3.6 As mentioned above, as the level of funding available to pull together a scheme is limited, it is important to consider which apprentices could be targeted for support if this was a route worth pursuing. However, it would seem logical to focus on people that are hardest to get into the workplace and need someone to give them a chance.

1.3.7 This help could take the form of support towards travel costs or acquiring work clothing, as both of these issues have been flagged up in the past as barriers to potential apprentices accessing the opportunities that are available. Alternatively, given the higher drop-out rate amongst people from less privileged backgrounds due to low pay, a small wage supplement could be considered.

Promoting Apprenticeships:

1.3.8 In addition to funded support, the Economic Regeneration Team could also do more work to actively promote apprenticeships and signpost to specialist advice and support. This could be done by raising the profile of apprenticeships through our social media feeds, as well as using our existing business contacts and working

through the West Kent Enterprise Adviser Network to take part in activities in local secondary schools.

1.4 Next Steps

1.4.1 It is proposed that the Economic Regeneration Team talks with some of the key organisations (such as the West Kent Partnership) that have an expertise in apprenticeships, so that thorough consideration is given to the issues highlighted in the report. Once this has been undertaken, then a more detailed proposal will come back to the advisory board at the earliest opportunity.

1.4 Legal Implications

1.4.1 There are no legal implications arising from this report.

1.5 Financial and Value for Money Considerations

1.5.1 £30,000 has been allocated from the Business Rates Retention Pilot Reserve towards supporting apprenticeships.

1.6 Risk Assessment

1.6.1 There is a negligible level of risk associated with the analysis work.

1.7 Equality Impact Assessment

1.7.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.8 Recommendations

1.8.1 That the report **BE NOTED**.

1.8.2 That the options for intervention **BE CONSIDERED**.

1.8.3 That the next steps as set out in paragraph 4.1 **BE AGREED**.

The Cabinet Member for Economic Regeneration and the Chief Executive confirm that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

Nil

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