

# Horizon Scanning Update

## D2N2 and Greater Lincolnshire Public Service Compact

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### SKILLS & APPRENTICESHIPS

The DfE has published provider-level national achievement rates tables for apprenticeships, education and training in 2015/16.

- Headline data show the overall apprenticeship achievement rate – at all levels, for all ages and in all providers – to be 67%.

*The department has been criticised for publishing the tables without comparable figures for previous years; it said that a change in methodology meant the figures weren't comparable. However, it has now announced that the figures will be published after all, once it has worked out how to enable some level of comparability.*

**New Skills Minister, Anne Milton, gives first public address at AELP 2017 National Conference. In her address to the AELP conference in June the new Skills Minister, Anne Milton, made the following announcements**

- A guidance document has now been published regarding examples of 20% off-the-job training delivery.
- Providers who made business cases following non-levy allocations will receive a written response - 42 providers will have increased allocations.
- Non-levy growth requests would begin in July 2017.
- The non-levy tender, currently paused will be scrapped, in favour of -
  - The introduction of a new non-levy tender in July 2017, for contracts and allocations from January 2018-April 2019. However, this will only be available to those already on the Register of Apprenticeship Training Providers.
  - There will be another opportunity to apply to be on RoATP, but it will be limited to levy-funded provision only.

**The DfE has published guidance for employers and training providers on how they should meet the 20% off-the-job training requirement for apprentices.**

- Off-the-job training is defined as learning which is undertaken outside of the normal day-to-day working environment and leads towards the achievement of an apprenticeship.
  - This can include training that is delivered at the apprentice's normal place of work but must not be delivered as part of their normal working duties.
- The guidance includes best practice examples.

**The new Institute for Apprenticeships (IfA) is advertising for up to 150 unpaid industry experts to join employer-led groups that will help shape the future of the apprenticeships programme.**

*There are concerns about confusion and lack of "joined up decisions", as the panels will be separate from those being set up by the DfE to advise on the same occupational routes for new T-Levels.*

**The Education & Skills Funding Agency (ESFA) has published an updated list of funding bands for approved apprenticeship standards.**

**The DfE has published revised quarterly FE and skills statistics for England, providing data for 2015/16 as a whole and for the first two quarters of 2016/17.**

- Participation in adult further education by the second quarter of 2016/17 had fallen by 11.1% compared with the same period in 2015/16.
- 1,537,100 learners participated in adult education courses in the first half of this year – 78,300 fewer than in the same period in 2015/16 (-4.8%).
- 731,600 participated on an apprenticeship by the second quarter of 2016/17, compared to 708,900 at this time in 2015/16 (+3.2%).
  - 392,700 (53%) were at Intermediate Level; 308,200 (42%) at Advanced Level and 44,400 (6%) at Higher Level.
  - 156,800 (21%) were aged under 19.

- There were 258,800 apprenticeship starts, up from 251,100 in the first two quarters of 2015/16 (+3%).
  - 141,400 (54%) were Intermediate; 101,200 (39%) Advanced; 16,200 (6%) Higher.
  - 82,600 apprentices (32%) were aged under 19.
- There have been 110,200 apprenticeship framework achievements reported so far in 2016/17, compared to 101,300 reported at this time last year.

**The Association of Graduate Recruiters' Apprenticeship Survey suggests that 83% of student employers have apprenticeship programmes this year, and they are expecting to hire 59% more apprentices in 2017.**

- intermediate apprenticeships make up the largest share of programmes by volume (4,492) followed by Advanced (3,967) and Higher (3,320).
  - Intermediate apprenticeships are also expected to increase at the fastest rate this year (287%).
- The largest volumes of apprenticeships are in IT/telecoms and banking, while the highest growth rates are in IT/telecoms and retail.
- All of the employers taking part in the survey are paying the Apprenticeship Levy; on average, they expect to use 33% of Levy funds to recruit new apprentices this year.
  - Half of the respondents are starting programmes as a result of the Levy with some using the funds to up-skill existing staff instead.
- 74% of employers confirmed that their apprenticeships would not impact graduate hiring this year; an annual intake of apprentices is typically 1% of the workforce while an annual intake of graduates is typically 1.9%.

**A report by the Association of Graduate Recruiters, funded by HEFCE, investigates the degree apprenticeship strategies of employers of different sizes and sectors.**

- 44% of employers surveyed have accelerated their degree apprenticeship strategy as a result of the Apprenticeship Levy; just 22% said that they would be cutting graduate numbers as a result.
- Of the Levy-paying employers surveyed, 56% are offering or planning to offer one of the 18 approved degree apprenticeships available when the survey was undertaken in November 2016.
  - Large employers are more likely to do so, as are those in construction, financial services and law.
  - The Chartered Manager Degree Apprenticeship is predicted to grow by more than 400% between 2016 and 2019 to just over 1,000 apprenticeships; Digital & Technology Solutions Professional Degree Apprenticeships by over 280% to 635.
- 73% said that degree apprenticeships might be a part of solving the skills gap issue within their organisation; only 13% didn't see a clear link.
- 77% said their apprenticeship and social mobility strategies were linked, with only 5% stating outright that recruiting apprentices would *not* contribute to their social mobility agenda.
- The most frequently cited issues employers face in developing degree apprenticeships are around the lack of awareness (60%) and reputation (60%) as well as unknown student demand (42%).

**Monthly updated statistics for apprenticeship applications show applications rising while new vacancies posted have decreased.**

- So far this academic year, there has been an increase in the number of applications made in almost every month; in August 70% more applications were made than in August last year.
  - There has been a particular rise in the number of applications made by those under the age of 18.
- Statistics for the number of employers posting vacancies show that, so far this year, almost every month has seen fewer vacancies posted than in the same month last year, with April seeing a third fewer.
- The statistics are available for: age, gender, ethnicity, sector subject or programme level; live vacancies; age at registration; and number of applications by area and age.

**The Association of Employment & Learning Providers (AELP) has published the results of a telephone survey with 200 employers on the subject of apprentice recruitment.**

- 90% were aware of the Apprenticeship Levy, but 25% didn't know how much they will have to pay.
- 46% plan to recruit the same number of apprentices in the seven months following the levy introduction in April as in the seven months before; 35% plan to reduce numbers; 17% plan to increase them.
  - Post October 2017, 52% expect recruitment to stay the same as in the previous year, while 22% expect an increase and the same number a decrease.

- Opportunities for 16-18-year-olds and in Intermediate apprenticeships are likely to decrease after October 2017, although overall numbers are expected to rise.

## EMPLOYABILITY

### **UK Labour market statistics for February–April 2017:**

- **Employment rate:** 74.8%, the joint highest since comparable records began in 1971.
- **Number in employment:** 31.95m, up 109,000 on the quarter and 372,000 on the year.
- **Unemployment rate:** 4.6%, down 0.4ppt on the year, and the joint lowest since 1975.
- **Number of unemployed:** 1.53m, down 50,000 on the quarter and 145,000 on the year.

**A freedom of information request by FE Week has revealed that the progression rate from traineeships to apprenticeships for all age groups improved from 22% in 2014/15 to 37% in 2015/16.**

- However, the progression rate for 19-24-year-olds was 17.6%, down from 20% the previous year.
- The traineeship scheme was launched four years ago to help low-skilled unemployed people below the age of 25 onto apprenticeships, replacing Access to Apprenticeships programmes.

**The DfE has published updates to the national participation figures released in June 2016, and provisional estimates for the end of 2016.**

- The overall proportion of 16–18-year-olds not in education, employment or training (NEET) fell by 0.5ppt in the last year to 6.0%, the lowest rate since consistent records began.
  - The largest annual change was seen at age 18 where the NEET rate fell by 1.5ppt to 9.8%.
  - The rate also fell at age 16, by 0.3ppt to 2.9%.
  - At age 17 the rate increased by 0.3ppt to 5.2%; the increase was driven by a large fall in the employment rate of those 17-year-olds not in education and training (NET).
- The proportion of 16–18-year-olds in education and work-based learning (WBL) increased by 0.3ppt to 81.9%, the highest level since consistent records began in 1994.
  - Participation increased to record levels for 16–17-year-olds and remained stable at age 18.
  - The largest increase was seen at age 17, up 0.6ppt to 88.0%; at 16 the rate was 94.3%; at 18 it was 64.2%.

## SCHOOLS & FURTHER EDUCATION

**The Careers & Enterprise Company has announced the successful bidders for funding from its £5m Careers & Enterprise Fund.**

- The funding will support 50 organisations running tried and tested programmes for young people that focus on work experience, enterprise education, volunteering and/or transition skills development.
  - £1m of the investment will be targeted at the government's first six Opportunity Areas to help boost social mobility.
- The Company has also announced that it has signed up 1,700 secondary schools and colleges to its network so far – half of all secondary schools and colleges in England.
  - The Enterprise Adviser Network connects schools and colleges with employers and careers programme providers to work together to create meaningful encounters with the world of work for young people.

**The Collab Group of 36 colleges has announced two new exclusive partnerships.**

- Capita Further & Higher Education will provide further education and technology services.
- The Collab Group will be the exclusive supplier of apprenticeship provision for infrastructure and public support service provider Amey.

*May's Market Place Update featured the news that the Group announced it would deliver apprenticeship training for property, residential, construction and services group Kier.*

- The legal merger of New College Nottingham and Central College Nottingham has finally been confirmed some 10 months after its due date, creating **Nottingham College** – one of the largest in the country.
- Kensington & Chelsea College has announced plans to merge with Ealing, Hammersmith & West London College in 2018.

*Analysis by FE Week shows that, while the original expectation was for up to 80 mergers to take place as a result of the area review process, the reports from the first three waves make recommendations for just 37. To date, 11 of those have fallen through or changed.*