

BOROUGH OF KETTERING

Committee	MONITORING & AUDIT COMMITTEE	Item A4(i)	Page 1 of 4
Report Originator	Julie Trahern - Head of Income and Debt Management & Customer Services	<i>Fwd Plan Ref No:</i> N/A	
Wards Affected	N/A	4 th February 2020	
Title	KETTERING TRAINING SERVICES & APPRENTICESHIPS		

1. PURPOSE OF REPORT

- i) To remind members of the national apprenticeship funding changes;
- ii) To update members of the national picture around apprenticeship numbers; and
- iii) To update members on the local picture around apprenticeships

2. BACKGROUND

2.1 National Apprenticeship Changes

The Government made changes to the funding of apprenticeships and set an ambitious target to drive increased take up of Apprenticeships; their goal was to see 3 million new Apprenticeships nationally between 2015 and 2020.

2.2 To date national estimations are showing take up of apprenticeships is approximately 28% below the government targets set.

3. DETAIL

3.1 Levy / Non Levy Payers

From May 2017 a 0.5% tax bill on an employer's pay bill over £3m was introduced (KBC is one such employer), these employers are deemed levy payers, this represents an estimated 2% of all businesses nationally, but accounts for an estimated employment base of 60% of the country's national workforce.

3.2 Since January 2018 employers with a pay bill of less than £3m are deemed non levy payers, this makes up the remaining 40% of the country's national workforce

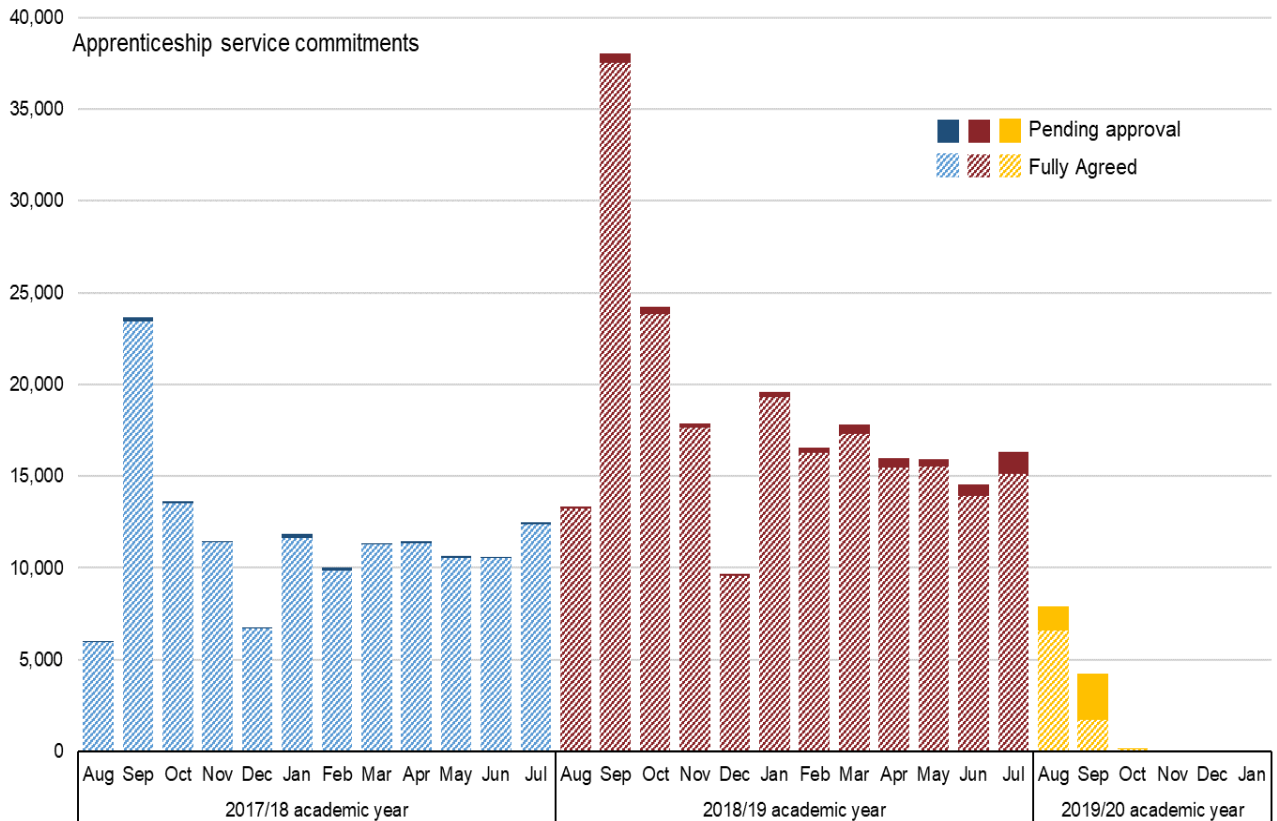
3.3 In April 2018 it became possible for levy-paying organisations to transfer up to 10 per cent of the annual value of funds entering their apprenticeship service account to other organisations in the apprenticeship service. From April 2019, this increased to 25 per cent.

BOROUGH OF KETTERING

Committee	MONITORING & AUDIT COMMITTEE	Item A4(i)	Page 2 of 4
------------------	---	------------	-------------

3.4 National Data

Of the 219,800 apprenticeship commitments recorded nationally for 2018/19 (as shown in the graph below), 119,500 commitments were for apprentices aged 25 and over. 69,000 commitments were intermediate apprenticeships, and 94,800 were advanced apprenticeships.



3.5 Detailed apprenticeship levels

In 2017/18, there were 48,150 higher level (level 4+) apprenticeship starts, compared to just 3,700 in 2011/12. Between 2015/16 and 2016/17 higher level starts increased 34.7% from 27,160 to 36,570. Between 2016/17 and 2017/18 the higher level starts rose 31.7% to 48,150.

3.6 In contrast, both intermediate (level 2) apprenticeships and advanced (level 3) decreased between 2016/17 and 2017/18 by 38.1% and 15.9%, respectively.

BOROUGH OF KETTERING

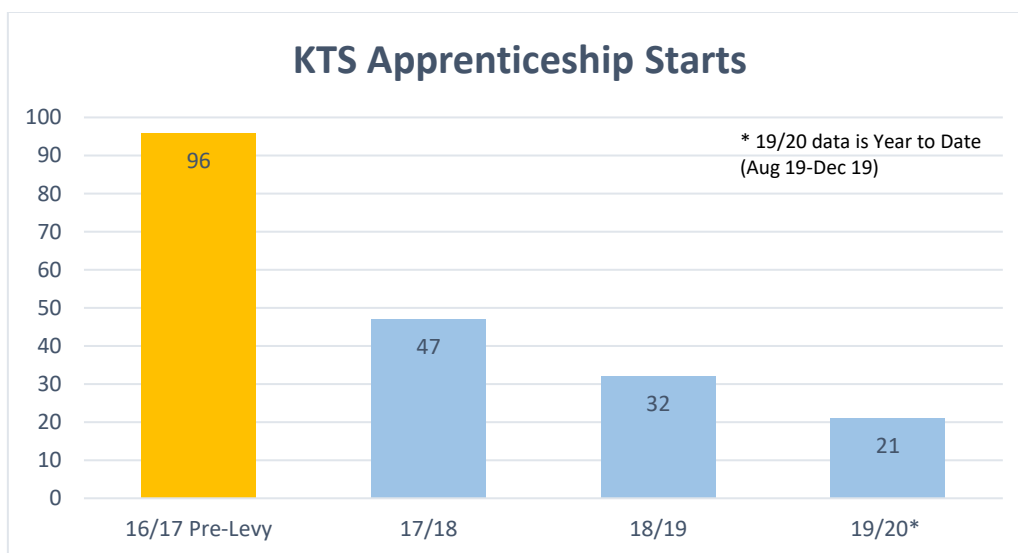
Committee	MONITORING & AUDIT COMMITTEE	Item A4(i)	Page 3 of 4
------------------	---	------------	-------------

Table B: Apprenticeship starts by level since the 2011/12 academic year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Level 2	329,000	292,750	286,490	298,280	291,330	260,650	161,390
Level 3	187,880	207,670	144,730	181,760	190,870	197,660	166,220
Level 4	2,850	4,180	3,810	7,090	9,510	11,920	16,800
Level 5	850	5,610	5,410	12,590	16,870	22,960	20,480
Level 6	-	-	-	100	740	1650	6,370
Level 7	-	-	-	-	30	50	4,500
Total Apprenticeship Starts	520,600	510,200	440,400	499,900	509,400	494,900	375,800

3.7 The national figures demonstrate since the introduction of levy funding employers are utilising their funding to develop their current workforce in preference to employing apprentices starting their employment journey, meaning higher level apprenticeships are increasing and early years level 2 and 3 apprenticeships are reducing.

3.8 The national picture around apprenticeships is seeing levy paying employers looking to develop their workforce rather than take on young future talents

3.9 Local Picture



3.10 While there are limited local statistics available, apprenticeship take up at Kettering Training Services (KTS) has reflected the national picture. There was a significant fall in starts post Levy Reform but this is beginning to show signs of recovery as employers familiarise themselves with levy requirements.

3.11 In line with national trends the nature of take up continues to change and is also reflective of the national landscape. KTS has seen an increasing demand for higher level apprenticeships, invariably for existing staff aged 19+. To meet this

BOROUGH OF KETTERING

Committee	MONITORING & AUDIT COMMITTEE	Item A4(i)	Page 4 of 4
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demand a programme of staff development and delivery approval is being implemented.

3.12 It has been recognised nationally that the imminent closure of all Apprenticeship Frameworks in September 2020 will continue to drive the higher-level demand and leave a gaps in level 2 provision. KTS is considering offering a Traineeship programme to address the level 2 gap impact on learners progressing from Study Programme.

4. CONSULTATION AND CUSTOMER IMPACT

4.1 None as a result of this report

5. POLICY AND RESOURCE IMPLICATIONS

5.1 None as a result of this report

6. LEGAL AND EQUALITY IMPLICATIONS

6.1 None as a result of this report

7. CLIMATE CHANGE IMPLICATIONS

7.1 None as a result of this report

8. RECOMMENDATION

Members note the detail included in the report

Background Papers:

Title

Date

Contact Officer

Previous Minutes/Reports:

Ref:

Date:
