1. ISSUE

1.1. Cumbria has a strong tradition of Apprenticeship recruitment and success. However, since 2015/16 there has been a significant reduction in the number of Apprentices recruited. This paper sets out the scope of the Apprenticeship programme, the context in which the programme is delivered and the challenges and opportunities that affect further development.

2. BACKGROUND

2.1. Apprenticeships form a crucial part of the education and skills system across Cumbria. They are distinct from other aspects of the system in that they are real jobs, with 20% of the working time spent in ‘off the job’ training at a College or other training provider. An Apprentice is an employee of any age who spends 50% of their working time in England\(^1\).

2.2. The Apprenticeship programme is structured as follows:

- **Apprenticeship** – a job provided by an employer, underpinned by an Apprenticeship standard relevant to the job being undertaken. These standards have been designed by employers to demonstrate competence in the role and may contain a mix of qualifications and employment standards.

- **Off the job Training** – usually delivered by a College or other training provider. It is the employer’s responsibility to source the ‘provider’ of their choice through the Department for Education (DfE) Apprenticeship Service.

2.3. The Apprenticeship programme across England has recently undergone significant restructuring, which has been designed to address the perception that it has been ‘supply led’ i.e. driven by Apprenticeship providers and to ensure that it is now ‘demand led’ i.e. driven by employers. The key aspects of this restructuring are:

- **Introduction of the Apprenticeship Levy** – for employers with a wage bill of over £3m. The levy is applied at 0.5% of the employers’ wage bill. The levy came into full effect in April 2017.

- **Introduction of the Apprenticeship Service** – an online account management system for levy paying employers through which they receive their levy funds; choose their training provider for the Apprenticeship; choose the relevant training for the Apprenticeship; agree prices and payments with the training provider; and pay for the Apprenticeship. Initially designed for levy paying employers, this service must now be used by non-levy employers to secure their Apprenticeship programme.

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\(^1\) Alternative arrangements exist for Apprentices in Scotland, Wales and Northern Ireland
• **Introduction of Apprenticeship Standards** – replacing Apprenticeship frameworks, which set out defined qualifications for each Apprenticeship and were developed by sector bodies. Standards are occupation focused not qualification led and set out the skills, knowledge and behaviours an Apprentice will need. The standards have been developed by employers.

• **Introduction of End Point Assessment** - Each Apprentice is required to take an end-point assessment to complete their Apprenticeship. The assessment will be delivered by a registered end-point assessment organisation. The aim is to ensure that there is consistent quality and approach to assessment across an Apprenticeship standard, regardless of which organisation is delivering the assessment and where and when this is carried out.

• **Introduction of a contribution to Apprenticeships for smaller employers** – for those employers not subject to levy rules the Government initially set out a contribution of 10% of the cost of the Apprenticeship. This was later reduced to 5%.

3. **The Apprenticeship Programme in Cumbria**

3.1. Cumbria has a strong tradition of Apprenticeships underpinning skills support to all aspects of the economy. The County has regularly out-performed other areas of the Country in delivering Apprenticeship starts, often used as a measure of Apprenticeship success.

3.2. At the end of the 2018/19 academic year there were over 10,000 people in Cumbria undertaking an Apprenticeship programme. These Apprentices were supported by over 170 Colleges and training providers. The programme delivers high quality outcomes with attainment rates for Cumbrian Apprentices significantly higher than regional and national attainment rates.

3.3. For 16-18 year old Apprentices the success rate stands at 79.2%, some 9.8 percentage points higher than the regional figure and 9.7 percentage points higher than the national success rates. This success rate places Cumbria at the top of the Apprenticeship success rate league table for this age group.

3.4. For Apprentices of all ages the success rate is 73.2%, some 6.3 percentage points above the regional rate and 5.9 percentage points above the national rate, placing Cumbria 2nd in the all age league table.

3.5. The programme in Cumbria also secures high levels of positive destinations after the Apprentice completes the programme. For Cumbria the positive employment destination is 92%. The national rate is 89%, and this places Cumbria 2nd in the positive destination league table.

3.6. However, since 2016/17 there has been a substantial decline in the number of Apprenticeship starts in the County. During that academic year 5,865 Cumbrian residents commenced an Apprenticeship. By the end of the following academic year that figure had fallen to 4,535 Apprenticeship starts in the year, a 22.6% decline. This figure fell further in the 2018/19 academic year to 4,335 starts, a further 4.4% decline. The decline in starts between 2016/17 and 2017/18 mirrored a decline in starts nationally. However, between 2017/18 and 2018/19 the programme has seen a 4.6% growth in starts nationally.
3.7. The decline in Apprenticeship starts is evident in all parts of the County as detailed in the graph below:

![Apprenticeship Starts by District](image)

3.8. The reasons behind the decline in starts are complex. The restructuring of the programme is likely to be a contributing factor, with many employers taking time to adjust to the changes. There may also be the challenge for smaller employers contributing 10% towards the cost of the Apprenticeship. Whilst this was later reduced to 5% the initial costs may have had an effect. There may also be the issue of employers preferring other skills solutions. There is evidence to suggest that in the sectors where Apprenticeship starts have declined; there has been an increase in the number of starts in other forms of Further Education.

3.9. Whilst there has been a decline in starts overall, the number of recruits into Higher and Degree level Apprentices has increased by 120% over the same period, and a greater percentage of young people progress into an Apprenticeship at the end of Key Stage 4 than elsewhere in the Country.

4. Apprenticeships by Sector

4.1. The Apprenticeship programme in Cumbria continues to form part of the high quality skills support programme offered to employers and learners across the County, and supports a broad range of employers within each sector of the Cumbrian economy. However, the decline in Apprenticeship starts detailed above has had an impact on most sectors as set out below:

- **Health, Public Sector and Care** – traditionally the sector employing the most Apprentices in Cumbria, there has been a 39% decline in starts since 2016/17, with the greatest decline in Health and Social Care Apprenticeships.
• **Engineering and Manufacturing Technologies** – with over 38,000 employees across Cumbria this sector has a strong tradition of Apprenticeships. However, the decline in starts has been significant here also with a 16% decline, with the sub-sector most affected being manufacturing technologies. However, the engineering sub-sector has seen a growth in starts between 17/18 and 18/19.

• **Retail and Commercial Enterprises** – this sector has also seen significant decline in starts with the hospitality and catering sub-sector seeing a 70% decline in Apprenticeship starts.

• **Construction** – one of the few sectors showing an increase in Apprenticeship starts, with 40% increase since 2016/17.

5. **Next Steps**

5.1. The LEP People, Employment and Skills Strategy Group (PESSG) has identified the decline in Apprenticeship starts as a challenge and developed a series of actions to address this as part of its work programme.

5.2. However, whilst the decline in Apprenticeship starts, and the need to maintain the high quality delivery of Apprenticeships, is a priority it needs to be set in the wider context of skills reform and the breadth of support for learners and employers.

5.3. Within this context it is clear that the Apprenticeship programme is one part of a very complex offer to learners and employers, and that the ‘ask’ of employers to commit to Apprenticeships and other learning programmes is increasing.

5.4. As an example, an employer could:

• **Consider employing an Apprentice** – they would then need to consider the training provider they wished to use and how they wished to utilise the funding available. The employers can select from any number of providers

• **Be approached to employ an Apprentice** – many training providers will have a number of applicants for Apprenticeships and will be able to refer these applicants to employers. The employer could be approached by any number of the providers detailed previously

• **Be approached to provide T Level Industry Placements** – during 2021 the T Level programme will be rolled out across Cumbria. Providing a high level technical route to sit alongside A levels, the T level programme must include up to 45 days industry placement with an employer

• **Be approached to become an Enterprise Advisor** – a key part of the Careers Strategy the Enterprise Advisor Network recruit volunteers from industry to provide support to senior managers in schools and College to develop careers education practice and deliver a range of employer experiences for students

• **Become an Apprenticeship Ambassador** – the Apprenticeship Ambassador Network (AAN) recruit industry partners to promote Apprenticeships to other businesses

• **Become a T Level Ambassador** – the Department for Education are currently encouraging the development of a T Level Ambassador Network to support employers in developing industry placements
• Provide work experience for young people – the employer could be approached by a number of education establishments to support this

5.5. Much of the above, whilst valuable, is un-coordinated and risks employers being presented with a confusing array of options when trying to obtain the workforce and skills they needs to develop.

5.6. It is within this environment that the LEP PESSG is taking forward the following actions:

• The development of a technical education vision for Cumbria – this vision aims to simplify access to high quality skills and learning opportunities and encourages employers, learners and influencers to become informed and confident users of technical education. This will require greater collaboration and co-ordination across the skills system alongside consistent promotion of the high quality skills system across Cumbria.

• The development of a curriculum for inclusive growth – the PESSG has mapped the skills offer in Cumbria and identified a range of actions to support developments that will have a direct impact on Apprenticeships. These include:
  o An escalator model of support for unemployed residents – a key aspect of this will be supporting unemployed residents into Apprenticeships at the right point in their learning journey.
  o An effective approach to transition – many learners do not continue their learning programmes, or employment, due to a lack of support at transition. Addressing this could increase Apprenticeship starts and employment.
  o An approach to digital skills – digital skills are likely to be the defining skills challenge of the next few years. Our ambition is for Cumbria to be at the forefront of digital skills support and Apprenticeships will form a key part of the offer.
  o A high quality careers education strategy – enabling young people to understand the range of careers available to them and how to maximise their talents.

• Careers Strategy – at the heart of the Careers Strategy for Cumbria is the drive to engage more employers in providing opportunities for young people to engage with the world of work. The Cumbria Careers Hub has supported a wide range of initiatives and projects and highlights the range of opportunities available for young people to understand the range of opportunities available to them, including understanding the Apprenticeship offer.

• Higher Level Skills – Cumbria faces substantial challenges in developing and retaining higher levels skills within the economy. The growth of Higher and Degree level Apprenticeships will contribute to PESSG plans for a sustainable offer for higher level skills support across the County.

• Supporting innovative use of the Apprenticeship Levy – an example of this has been the development of the North West Nuclear Community Apprenticeship Programme (NWNCAP), which has utilised Apprenticeship Levy funding to support small employers, recruit Apprentices.
• **Edge Project** – developed in the partnership with Cumbria LEP and delivered by a consortium of skills providers, the Edge Partnership has facilitated the progression of over 900 people into an Apprenticeship, and has identified a large number of employers who would consider employing an Apprentice.