

APPRENTICESHIPS UPDATE – MEETING WITH SUNDERLAND COLLEGE

REPORT OF THE HEAD OF MEMBER SERVICES AND COMMUNITY PARTNERSHIPS

1. Purpose of the Report

- 1.1 To meet with representatives from Sunderland College in order to discuss the operation of apprenticeships in the city

2. Background

- 2.1 In setting its work programme for the year, the Committee agreed to include an update on the operation of apprenticeships in the city.
- 2.2 To this end a meeting has been arranged with Ellen Thinnesen (Principal and Chief Executive) and Iain Nixon (Executive Director of Commercial Activity) from Sunderland College.
- 2.3 Sunderland College is the largest provider of apprenticeships in the city and one of the largest in the region, offering around 40 apprenticeship programmes.

3 Current Position

- 3.1 Apprenticeships have a long history in the UK. In the past they were associated with so called “traditional” trades such construction, engineering and shipbuilding – industries central to the local and regional economy. Ever evolving, today apprenticeships now reflect both traditional and newer emerging sectors in the economy including:-

- mechanical and engineering
- construction
- creative and cultural
- education
- health and care
- businesses services and digital
- tourism and retail
- transport and logistics

- 3.2 An apprenticeship can be defined as a real job with training. As employees, apprentices earn a wage and work alongside experienced staff to gain job-specific skills. Most of the training is ‘on the job’ within the workplace. Off the job, usually on a day-release basis, apprentices receive training to work towards a nationally recognised qualification, provided by a local college or by a specialist learning provider

- 3.3 There are two different types of apprenticeships: frameworks and standards. Apprenticeship frameworks are being progressively phased out and replaced by the newer apprenticeship standards. Standards are developed by groups that represent groups of employers and sector organisations.
- 3.4 Apprenticeships can take between one and four years to complete depending on the level of Apprenticeship, the apprentices' ability and the industry sector and are available in 1,500 occupations across more than 170 industries.
- 3.5 Over 900,000 funded apprentices participated on an apprenticeship in the 2016 to 2017 academic year, and the Government has set a target of 3 million new apprenticeship starts between 2015 and 2020.
- 3.6 Apprenticeships are available from the age of 16 onwards and the educational levels are:-

Name	Level	Equivalent educational level
Intermediate	2	5 GCSE
Advanced	3	2 A level passes
Higher	4,5,6 and 7	Foundation degree and above
Degree	6 and 7	Bachelor's or master's degree

- 3.7 Apprentices have the same legal entitlements as the rest of the workforce. Current minimum wage for apprentices is £3.70 an hour. This rate applies to apprentices under 19 and those aged 19 and over who are in their first year. Apprentices must be paid at least the minimum wage rate for their age if they are an apprentice aged 19 or over and have completed their first year.
- 3.8 The apprenticeship programme is delivered by National Apprenticeship Service (NAS) which was officially launched in April 2009. The NAS is responsible for the national delivery of targets and co-ordination of the funding for apprenticeship places. They are also responsible for increasing the number of apprenticeship opportunities and providing a dedicated, responsive service for both employers and learners. This includes simplifying the process of recruiting an apprentice through apprenticeship vacancies, an online system where employers can advertise their apprenticeship job vacancies and potential apprentices can apply.
- 3.9 The organisation and delivery of apprenticeships has changed considerably over recent years with a greater emphasis placed on the role employers in shaping courses. In 2016 the Institute for Apprenticeships was established with the aim of ensuring high-quality apprenticeship standards and to advise the government on funding for each standard.

- 3.10 In April 2017 the apprenticeship levy came into effect with all UK employers with a pay bill of over £3 million per year paying the levy. The levy is set at 0.5% of the value of the employer's pay bill, minus an apprenticeship levy allowance of £15,000 per financial year. The levy is paid into an apprenticeship service account, and funds in this account have to be spent on apprenticeship training and assessment.
- 3.11 Since the introduction of the funding changes in 2017 there has been a fall in the number of apprenticeship starts, leading to criticism of the levy. There has also been concern at the pace at which the apprenticeship standards have been developed.
- 3.12 For many, apprenticeships are considered the optimal way of training, developing and skilling people for the future, helping businesses to secure a supply of people with the skills and qualities they need and which are often not available on the external job market.

4. Conclusion

- 4.1 Given the rapidly changing environment within which apprenticeships operate, a meeting has been arranged with representatives from Sunderland College in order to discuss the operation of apprenticeship in the city.

5. Recommendation

- 5.1 The Committee is recommended to consider and comment on the information provided.

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