

### Apprenticeships Paper

#### Background

- There is no apprentice to staff ratio for the number of apprentices employed but all apprentices must be supervised by a trained/qualified member of staff.
- Shift rota:- apprentices are covered by employment law and apprentices under 18 must not start before 7:00am and must finish before 10:00pm. Apprentices over 18 can do shift work after 10:00pm and before 7:00am, but as above the apprentices must be supervised by a trained member of staff.
- There are currently three levels available, intermediate (estimate 12 months to complete) advanced (estimate 18 months to complete) and Higher (normally the apprentice would be over 18 and have already achieved advanced or other qualifications with on the job experience).
- College/training:- providers currently receive the whole training cost for apprentices under 19. Apprentices 19-24 employers have to make a contribution, this can vary on framework, level and the provider Skills Funding Agency allocation. For example Southend Adult Community College currently charges employers £400 for intermediate apprenticeship framework and £500 for advanced apprenticeship framework.
- Southend Adult Community College could deliver the training for apprentices. It may also be a good idea to provide training for staff working with apprentices, but funding would not be available and training would have to be covered by the employer. Currently funding for apprenticeship training would be paid to the college but from 2016, if proposed changes go ahead, funding will be paid direct to the employer for them to purchase training from a provider of their choice.
- Salary – apprenticeship minimum wage 16-18 (under 19) £2.73 per hour but when they get to 19 and second year of apprenticeship it reverts to National Minimum Wage of £5.13. At 19, £2.73 per hour for the first year of the apprenticeship and then National Minimum Wage of £5.73. N.B. as from October 2015 apprenticeship minimum wages increase by 57p to £3.30 per hour.

## **Apprenticeship Training Agencies**

### **What is an Apprenticeship Training Agency (ATA)?**

Apprenticeship Training Agencies (ATAs) offer a unique approach to the recruitment of apprentices. The ATA model is intended to support the delivery of a high quality Apprenticeship programme with a focus on small employers who wish to use the services of an ATA to source, arrange and host their Apprenticeships. This could be for a number of reasons; including them not being able to commit to the full framework, short term restrictions on employee numbers, or uncertainty about the value of an Apprenticeship.

The distinctive feature of the ATA model is that it is the ATA which acts as the apprentice's employer and which places them with a host employer. The host employer pays the ATA a fee for the apprentice's services; this fee being based on the wage agreed with the host (at least the minimum Apprentice rate) and the ATA management fee.

If circumstances change and the host employer is unable to retain the apprentice the ATA will find alternative and appropriate employment for the apprentice giving them the reassurance that they can continue their Apprenticeship.

- Support with recruitment, finding the right apprentice to meet the employers' needs.
- Responsibility for the wages, tax, National Insurance as well as administration and performance management.
- Supervision of the apprentice during the Apprenticeship period.
- Links with an approved training provider and support to both the apprentice and host employer throughout the Apprenticeship.

The ATA is not a 'temporary work' business but rather a means to manage and give real flexibility to the delivery of a high quality Apprenticeship. This flexibility also applies where employers may not be able to offer all aspects of a framework but linking them with other host employers allows the full range to be covered.

For the apprentice the ATA gives another route into an Apprenticeship which can offer them the opportunity to experience a range of employers and increased security around the continuation of their Apprenticeship.

### **Update and additional information**

Essex County Council were investigating the possibility of a Health and Social Care Academy to train 200 level 2 apprentices over the next 2/3 years. ECC did put his on hold but they have now revised the proposal with a slightly amended model and will pilot it in 4 locations – Chelmsford, Harlow, Basildon and Colchester. They plan to have about 40 apprentices on the programme – 20 from health and 20 from social care – if it works, they would like to roll it out to all areas.

The revised ECC proposal is more in line with the Southend Borough proposal, however, we understand ECC are still looking at using ESF funding to subsidise

salary cost. This will be through SELEP ESIF bids but tenders are still with the Opt-in agencies. Specifications and size of contracts have not yet been approved by managing agencies.

Having discussed ATA with SFA there is currently no proposal to increase the number of ATAs, however, this may change following the General Election in May. NB as from October 2015 apprenticeship minimum wages increase by 57p to £3.30 per hour

### **Options:**

- Continue to explore a Southend only model. There are costs and implications for this as the apprentices will be employees; therefore we will need to consider:
  - Their Terms and Conditions of Employment;
  - Entry into the Talent Pool when their apprenticeship is coming to an end;
  - The need for additional resources in terms of Pay & Conditions/additional work for Hyman Resources;
  - Employee Assistance costs;
  - Implications of not being able to place the Apprentice with a host placement provider.
- Continue as an employer for a relatively small number of Apprentice using SACC as our main training provider
- Continue to work with Essex County Council on a joint scheme
  - ECC ACL recent Ofsted grade 3 requires improvement
  - SBC ACL recent Ofsted grade 2 good with outstanding features
- Engage with care employers to encourage them to take on apprentices (influencing role) The Enterprise & Innovation team could work on this aspect.