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Higher Level Apprenticeship Plan for the Heart of the Southwest

August 2018

heart of the south west local enterprise partnership

serco

European Union European Social Fund

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Date of document: August 17th 2018
Version: Final

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Acknowledgements

We would also like to thank the many individuals who gave their time to assist in the development of this plan, including Rod Davis, Sharron Robbie and Kirsty Mottram, all of whom were important in the writing of this report. This evaluation would not have been possible without all of these contributions.

List of abbreviations

AAN	Apprenticeship Ambassador Network
ATA	Apprenticeship Training Agencies
DCTPN	Devon and Cornwall Training Provider Network
DSTPN	Dorset and Somerset Training Provider Network
EAP	End Point Assessment
EAPO	End Point Assessment Organisation
HPTA	Hinkley Point Training Agency
HLA	Higher Level Apprenticeship
HotSW	Heart of the South West
OJT	Off the Job Training
LEP	Local Enterprise Partnership
SWAAN	South West Apprenticeship Ambassador Network
TP	Training Provider
YAAN	Young Apprenticeship Ambassador Network

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The Context

The Higher Level Apprenticeship (HLA) plan set out in this document represents the cumulation of several months of research and consultation across the Heart of the Southwest Local Enterprise Partnership (HotSW) area. In the course of gathering the evidence that underpins this plan, Wavehill conducted:

- A desk review of existing evidence and policy reports from national and regional sources
- A survey of Training Providers currently delivering Apprenticeships across the area, to assess current and future levels of provision
- A survey of businesses of all sizes to investigate their current and future plans for Apprenticeships as part of their skills training
- Consultations with groups of Training Providers to validate and triangulate findings from the survey
- Interviews with strategic employers across the HotSW area
- Interviews with stakeholders and partners across the HotSW area
- Presentations to both the Devon and Cornwall Training Provider Network (DCTPN) and the Dorset and Somerset Training Provider Network (DSTPN).

Results from the fieldwork are contained in the body of this report and summarise the major quantitative and qualitative findings. These reports add to the evidence base on skills and training in the HotSW and can be consulted as stand-alone pieces of research.

From these research activities, we make the following observation about Higher Level Apprenticeships in Devon and Somerset that any successful plan must be embedded in:

- The national skills and training agenda and the national qualifications framework
- The business community
- The FE and HE sectors
- The LEP

In doing so it needs to:

- Be responsive and adaptable in recognition of the volatility within the national qualifications, skills and training landscape that has characterised recent years
- Recognise and overcome the traditional, persistent attitudes among some sections of that business community with regards to Apprenticeships
- Recognise trends within the Further and Higher Education sectors within recent years, including the cost to individual learners of degree level qualifications through traditional academic pathways, and the proposal for a South West Institute of Technology
- Recognise the unique institutional role that Local Enterprise partnerships can play in shaping area patterns of economic activity.

Actions

In light of the preceding observations, we propose the following actions:

a) That the establishment of a regional observatory be explored that would:

   i) Bring together multiple business intelligence and Labour Market data sources into a unified structure that would provide timely, accurate, and actionable skills and training data to users.
   ii) Work with HE, FE, and research partners across the LEP area to analyse trends and produce key labour market forecasts.
   iii) Work with Local Authorities, Unitary Authorities, and other public bodies to bring together multiple existing sources of intelligence and to reduce duplication of effort.
   iv) Work with the business community and business leaders to disseminate intelligence to businesses, especially in the SME community, that do not have the resources to generate their own Labour Market intelligence, especially with regard to HLA.
   v) Work with the LEP partners to develop sector skills statements[1] that set out clear roadmaps and targets within key sectors for the regional economy.

b) That a coordinated series of training, workshops and information events be established that target specific themes and sections of the stakeholder community, particular smaller independent training providers. At a minimum, these workshops should target:

   i) Training Providers who are the first point of contact for many smaller businesses when introducing the HLA offer, to coordinate and strengthen the appeal of HLA to businesses that could benefit from using HLA to upskill.
   ii) Regional employers, particularly in the SME community, who may lack information about the benefits and long-term utility of HLA.
   iii) Priority sectors with a particular focus on the supply chains associated with those sectors.
   iv) Individuals who are already in the workforce and who may benefit from HLA-based upskilling and professional development.

[1] These SSS should build upon the work that has already been started by the People Leadership group of the LEP

c) That the establishment of a Skills Hub be considered that would sit within or alongside the current Growth Hub and which would provide a 'one-stop' portal for access to skills and training information, support, and resources. Such a model has been adopted by other LEPs[2]:

   i) The Skills Hub should incorporate existing LEP initiatives and resources, such as the Enterprise Adviser Network.
   ii) The Skills Hub should explore the use and support of the Apprenticeship Training Agency model to address the needs of smaller businesses and supply chain activities.
   iii) The Skills Hub should incorporate equality and diversity as part of its mission statement and promote the potential for HLA to be a vehicle for social mobility.
   iv) The Skills Hub should be an organisational platform for partnership and collaboration with external bodies and stakeholders, such as Trailblazers, End Point Assessment Organisations (EPAO), the National Apprenticeship Service, the Institute of Apprenticeships, the Education and Skills Funding Agency and Ofsted.
   v) The Skills Hub could act as a resource for Training Providers seeking to develop collaborative activities with other TP in the area.
   vi) The Skills Hub could build upon established local models of skills and training portals, such as the Hinkley Point Training Agency (HPTA).

Throughout these activities, the LEP has a critical role to play in helping to coordinate and market the provision of HLA as one part of the solution to the perennial under-investment by UK companies in skills and training. It is vital that the LEP play a strong leadership role in helping to break down traditional preconceptions and misconceptions about Apprenticeships in general and HLA in particular. The survey of businesses included in this report clearly demonstrates that 'traditional' views of Apprenticeships dominate the business community – particularly among SME – and that these views continue to stigmatise and hamper the uptake of HLA across the region.

In particular, as the LEP moves forward with the implementation of the plan for expanding the provision and uptake of HLA in the HotSW area, it is vital that the LEP review its own messaging strategy and that core principles be adopted. Specifically, it is imperative that the LEP ensures that its own messaging:

- Reflects the reality that HLA are specifically adapted to CPD and to the existing workforce (although this is not exclusive of hiring new workforce entrants through HLA)
- Reflects the reality that HLA are not confined to specific sectors (such as the Construction industry)
- Reflects the reality that HLA can be part of a 'Mittelstand'- type culture, in which SME that invest in and value their workforce are valued by employees and the communities within which they are embedded.

[2] For nearby examples, one could look at the Skills Hub maintained by the Cornwall and Isles of Scilly LEP or the Higher Futures Skills Hub maintained by the Swindon and Wiltshire Local Enterprise Partnership.

1 Structure of the report

In the rest of this document, we will present a series of high level actions that we recommend for consideration under the plan, which will then be explored in more depth in three subsequent sections that focus on three categories that can be collectively labelled the Three I's: Intelligence, Information and Integration.

The report includes two sections that provide data from the surveys of HotSW businesses, members of the Devon and Cornwall Training Provider Network (DCTPN) and the Dorset and Somerset Training Provider Network (DSTPN) that we conducted as part of the research for this project. Those surveys form an important part of the evidence base upon which the recommended actions are built, and they can be read as stand-alone reports.

2 The Evidence Base: Employers

2.1 Introduction

This chapter presents findings from one of the three key research fieldwork activities undertaken by Wavehill in formulating the Higher Level Apprenticeship Plan (HLAP) for the Heart of the south west (HotSW) area. The research involved a survey of 409 employers within HotSW and considered several aspects of the apprenticeship landscape in the area. Its core purpose is to inform the development of the HLAP.

The key survey themes concerned the demand for apprenticeships and the type of employers who use them; the key drivers to providing apprenticeships; the type of apprenticeships used; employers' experience of apprenticeships; and future plans and trends for apprenticeships.

2.2 Employer profile

Before presenting the findings emanating from this research, it is firstly important to consider the type of employers surveyed. Our sample of 409 employers includes a broad range of organisations of all sectors and sizes, including 17,631 employees in total. We deliberately targeted larger businesses as they are more likely to employ apprentices. As such, the survey sample is swayed towards larger organisations whilst retaining large groups of microenterprises, small and medium organisations too.

The key firmographics of our sample are presented in the following tables.

Table 2.1: Approximately how many people work at this specific site?

Business size	No.	%
Micro (0-9)	65	16%
Small (10-49)	240	59%
Medium (50-249)	64	16%
Large (250+)	40	10%

Table 2.2: Would you say your business operates within one of the following sectors?

Broad Industrial Groups - grouped[3]	No.	%
Accommodation and food services	65	16%
Arts, entertainment, recreation and other services	12	3%
Business administration and support services, Finance and insurance	16	4%
Construction	35	9%
Education, Public administration and defence	70	17%
Health	96	23%
Production	26	6%
Professional, scientific and technical	12	3%
Motor Trades	22	5%
Transport and storage	10	2%
Wholesale and Retail	33	8%
Other	12	3%

Table 2.3: Is this establishment the only establishment in the organisation?

Type of organisation	No.	%
Single site	292	72%
Multiple site (HQ in HotSW)	46	11%
Multiple site (HQ elsewhere in UK)	67	17%
Multiple site (HQ outside UK)	1	0%

Table 2.4: Would you classify your organisation as one that is:

Type of organisation	No.	%
A central government financed body (e.g. the Civil Service, any part of the NHS, a college or university, the Armed Services, an Executive Agency or other no departmental public bodies)	17	4%
A charity or voluntary sector organisation or a social enterprise	44	11%
A local-government financed body (e.g. a service provided or funded by the council such as leisure centres, social care, waste or environmental health services)	12	3%
Mainly seeking to make a profit	321	78%
None of the above	15	4%

Table 2.5: Does your organisation have a payroll wage bill of over £3m, across the UK?[4]

Type of organisation	No.	%
Levy payers	49	12%
Non-levy payers	336	88%

[3] Based on survey responses, employers have been grouped into these sector categories in order to boost sample numbers for more meaningful comparison.
[4] All of those responding 'Yes' are classified as levy payers

2.3 Structure of this chapter

The remainder of this chapter is structured as follows:

- Section 2.4 outlines the level of demand for apprenticeships
- Section 2.5 concerns the experience of employers using apprenticeships
- Section 2.6 considers the drivers and barriers to offering apprenticeships
- Section 2.7 explores organisations' future intentions around apprenticeships

2.4 Level of demand

The first key insights derived from the Employer Survey concerns the demand for apprenticeships and the type of employers that offer apprenticeships.

Although this study focusses specifically on higher level apprenticeships (Level 4+), there is an expectation for apprentices to transition from Level 2 and 3 into higher level apprentices. In addition, employers offering Level 2 and 3 apprenticeships are more likely to engage in HLA provision. Thus, in this section we consider the provision of all apprenticeships among survey respondents in the last 12 months before exploring HLA.

We use two measures to assess this demand – the level of incidence and density of apprenticeships among employers. As Table 2.6 shows below, incidence for all apprenticeships relates to the proportion of establishments that offer apprenticeships while density concerns the volume of apprenticeships offered as a proportion of all employees within the HotSW area. For HLA, incidence relates to the proportion of employers offering HLA among all establishments offering apprentices, while density is the volume of HLA offered as a proportion of all apprenticeships.

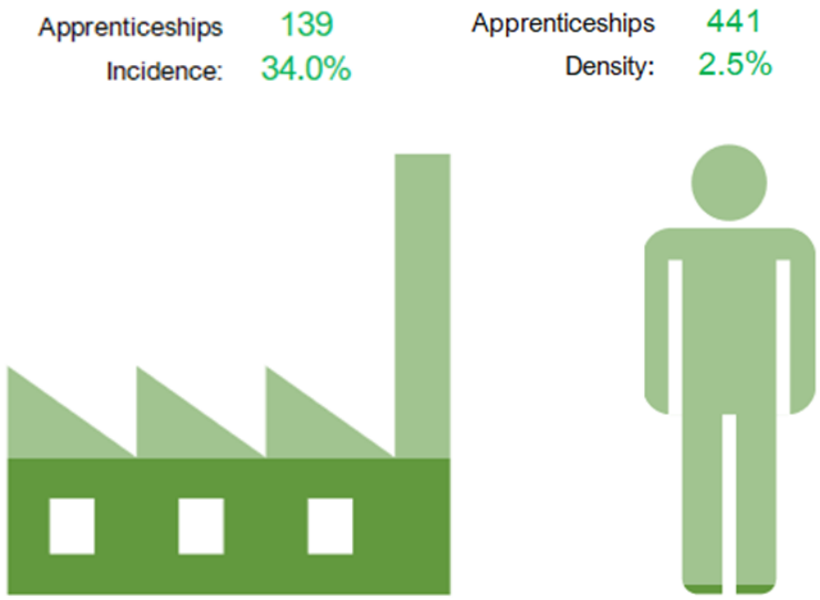
Table 2.6: Incidence and density of

	All Apprenticeships	HLA
Incidence	Proportion of establishments offering at least one apprenticeship	Proportion of establishments reporting at least one HLA among all those offering apprenticeships
Density	Apprenticeships as a proportion of all employment in HotSWA	HLA as a proportion of all reported apprenticeships

2.4.1 All Apprenticeships

We asked respondents to indicate whether they currently or have offered apprenticeships in the last 12 months (incidence) and then the number of apprenticeships offered (density) from Level 2 to Level 7.

Figure 2.1: Incidence and Density of Apprenticeships



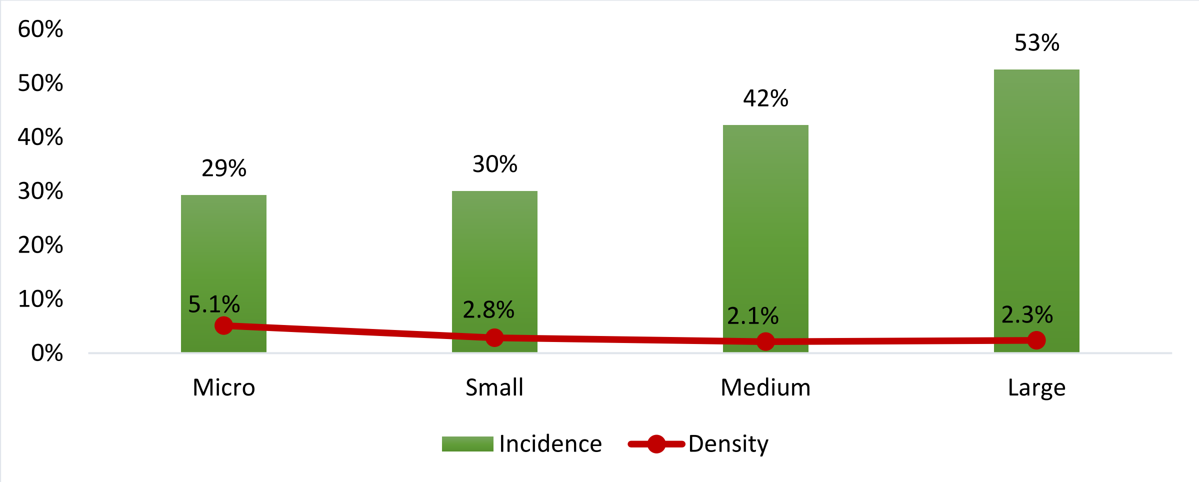
Base: (left) All employers, (right) All employees

Apprenticeships clearly have an important role to play in the HotSW economy with more than a third (34%; 139/409) of employers we surveyed reporting that they offered apprenticeships in the last 12 months. In total, 441 apprenticeships were offered which represents 2.5% of the establishments' HotSW employee base (441/17,631). On average, employers offered 1.1 apprenticeships each in the last 12 months.

In addition to exploring the outright demand for apprenticeships in HotSW, our survey analysis also considers the type of employers that generate this demand. It would be expected that employers who pay the apprenticeship levy i.e. all those with a payroll wage bill of over £3m across the UK, are more inclined to provide apprenticeships as they already contribute towards the funding available for apprenticeships. In this analysis we find that levy payers are indeed 1.5 times as likely to offer apprenticeships with 51% (25/49) of levy payers surveyed reporting this compared to an incidence rate of 34% overall. This also, of course, means that almost half of levy payers do not access the funding for apprenticeships that they are eligible for through their account on the digital apprenticeship service. In addition, despite recording a much higher incidence, the density level among levy payers is lower with apprenticeships accounting for just 2.3% (247/10,654) of their workforce.

As would be expected, there is a clear correlation between the likelihood of offering apprenticeships and the size of employer.

Figure 2.2: Incidence and Density of Apprenticeships, by establishment size

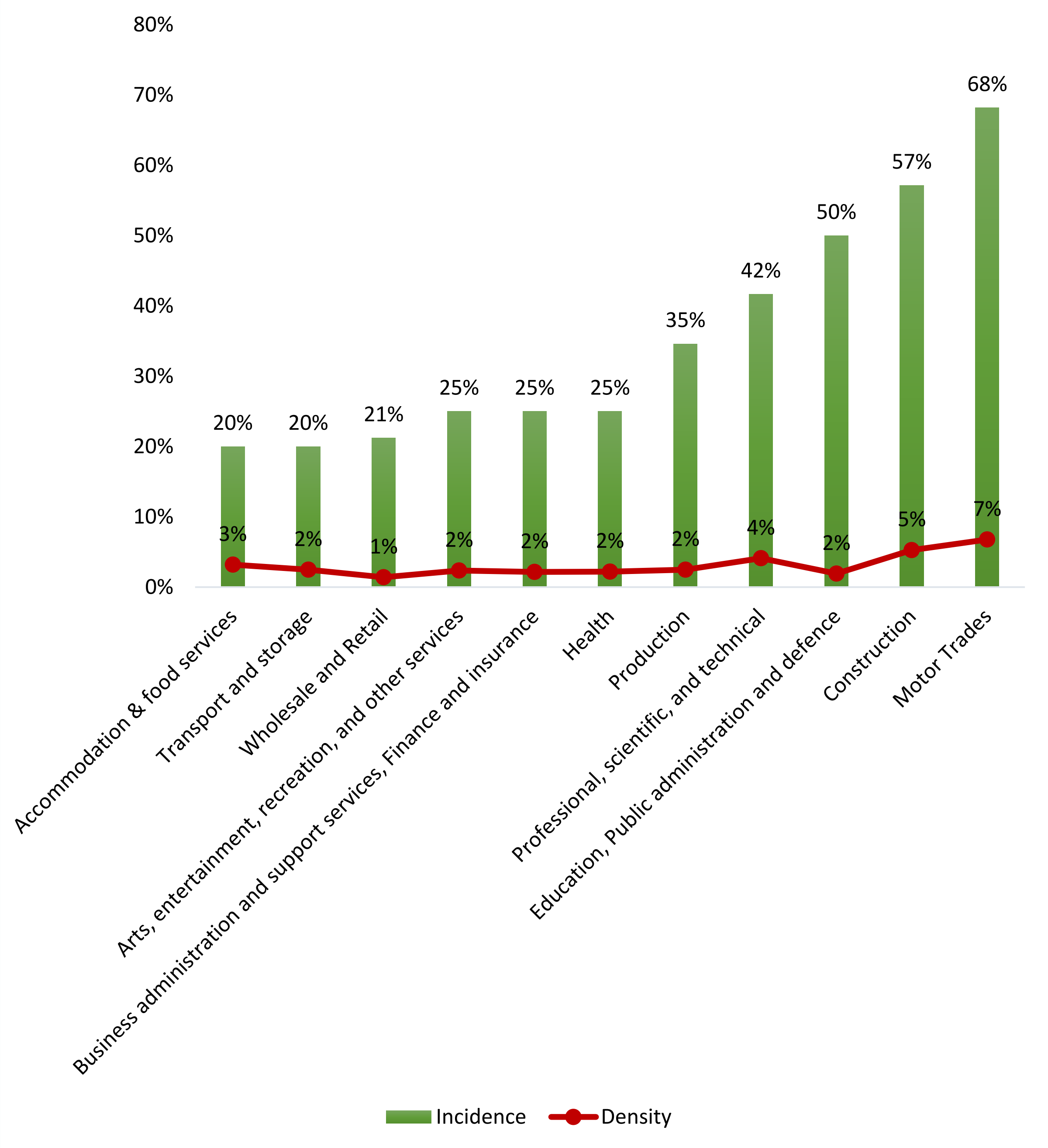


As Figure 2.2 illustrates, the larger the establishment size the greater the incidence of apprenticeship provision. Large employers offered 5.8 apprenticeships each on average, compared to 0.3 offered by micros, 0.5 offered by small establishments and 1 each offered by medium-sized establishments.

However, contrary to the traditional perception of apprenticeships, the data also shows a high level of incidence among microenterprises (29%; 19/65). Furthermore, consistent with the results recorded by levy payers, the density of apprenticeships offered by micros and small establishments is greater than found in large establishments. Apprenticeships account for over 5% of the entire microenterprise workforce compared to just 2.3% of the large establishments' workforce. This shows the importance of apprenticeships in establishments of all sizes and suggests that microenterprises are more reliant on recruiting apprentices in HotSW to operate their businesses.

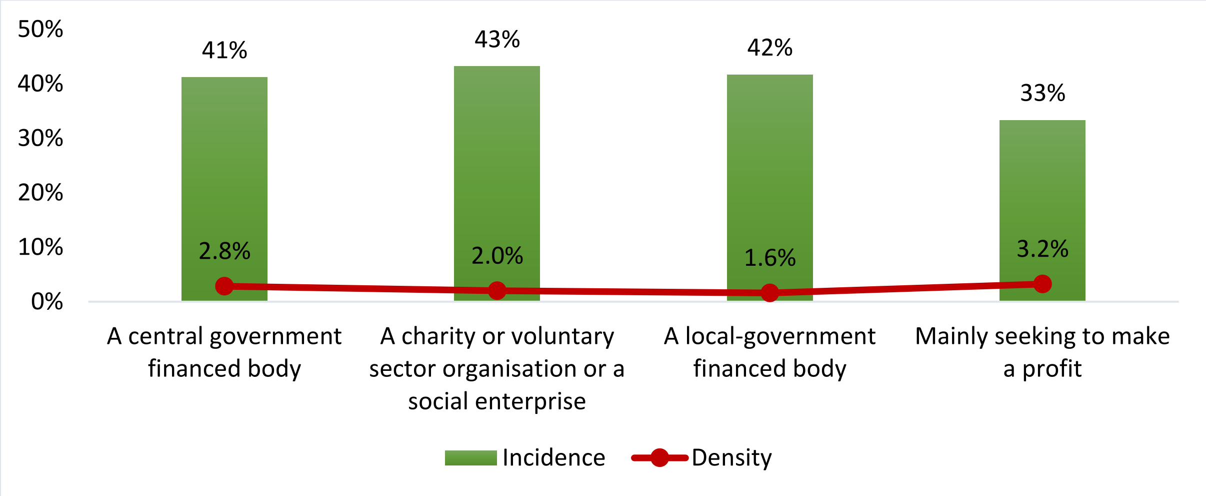
A sectoral extrapolation of incidence and density levels are shown in Figure 2.3. The data shows large sectoral variance where industries traditionally associated with apprenticeships (motor trades, construction and education and public-sector bodies) recording far greater incidences and densities of apprenticeships than in tourism and retail related sectors, for example. However, even among non-traditional sectors there is a substantial minority of employers offering apprenticeships with at least a fifth in each sector reporting this.

Figure 2.3: Incidence and Density of Apprenticeships, by establishment sector



The third and final extrapolation of apprenticeship incidence and density is illustrated in Figure 2.4 where we explore the demand by different types of establishments i.e. government agencies, local government, third sector and private sector.

Figure 2.4: Incidence and Density of Apprenticeships, by type of establishment



Somewhat surprisingly, the data shows little variance in relation to the incidence of apprenticeship provision reported, with the private sector only marginally below the third and public sectors. The density level in the private sector is even more surprising with apprenticeships accounting for a greater proportion of the workforce (3.2%; 295/9,115) and double that of local government finances bodies (1.6%; 83/5,176).

These data show that establishments of all sectors and sizes offer apprenticeships including large proportions in non-traditional settings.

2.4.2 Higher Level Apprenticeships

Despite more than a third of employers offering apprenticeships over the last 12 months, few of these were HLA. Survey results reveal a far greater tendency to recruit lower level apprenticeships and little take-up of HLA.

Figure 2.5: Apprenticeships offered by Level

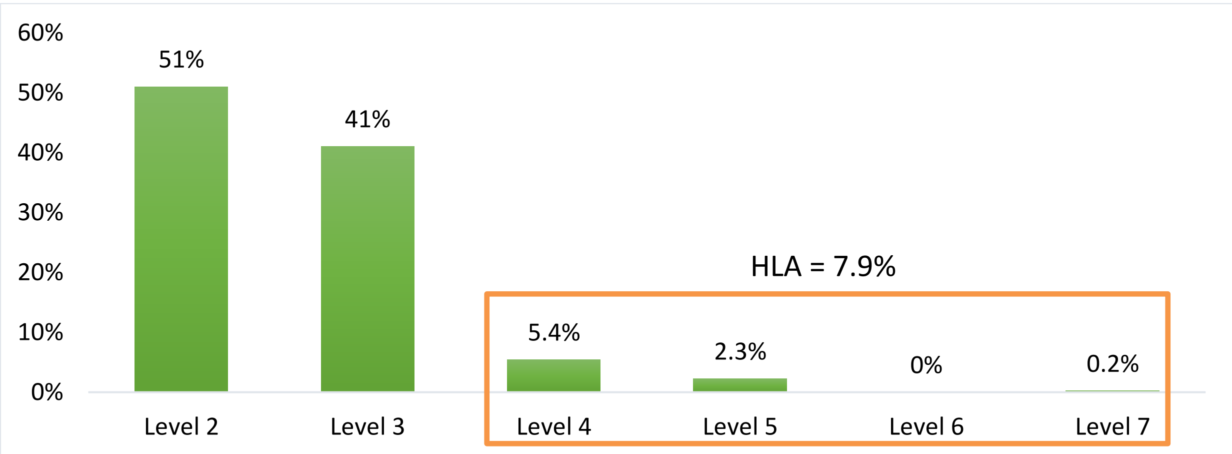
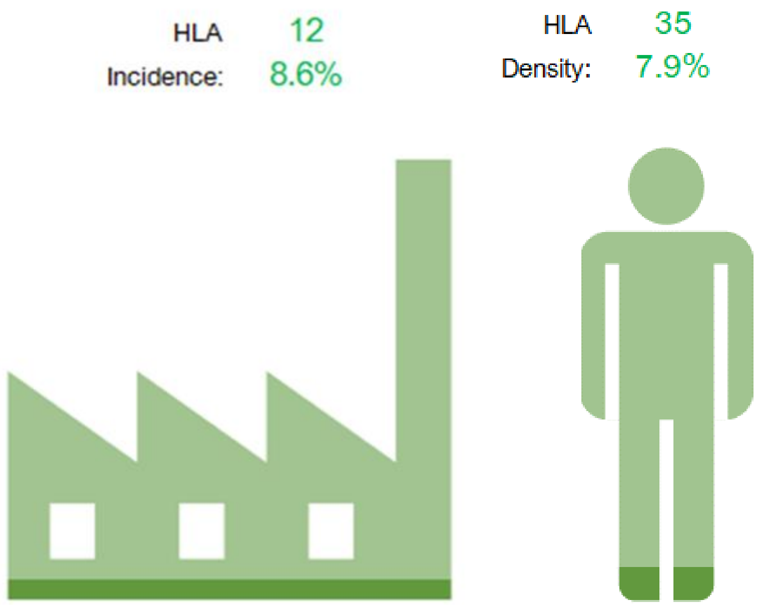


Figure 2.5 shows that only 7.9% (35) of the 441 apprenticeships offered were HLA with the remaining 92.1% offering lower level apprenticeships. The low take-up of HLA is further evidenced in Figure 2.6 which shows a HLA incidence of just 8.6% i.e. the proportion of employers offering apprenticeships that offer HLA. As a proportion of all employers, only 2.9% offer HLA and HLA only accounts for 0.2% of all employees.

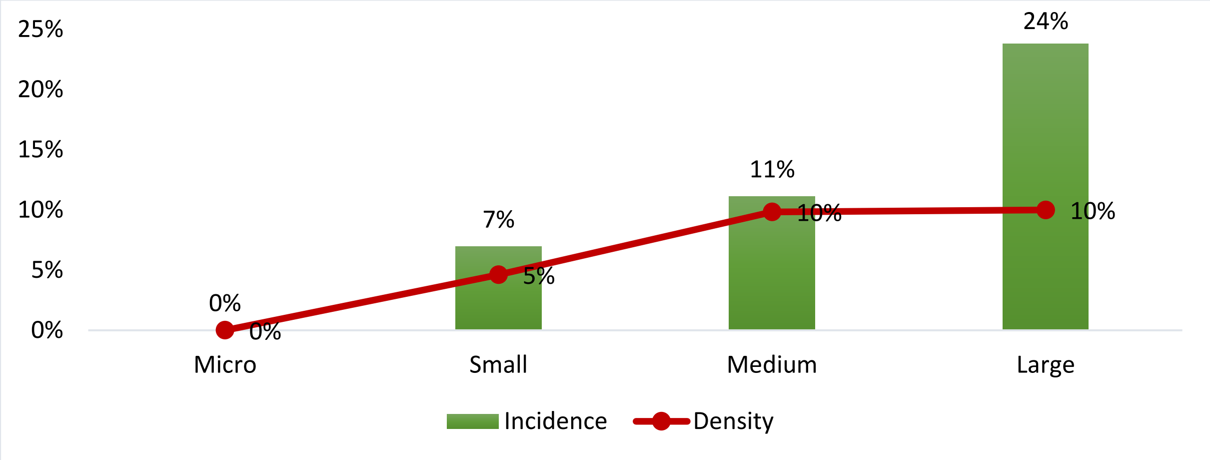
Figure 2.6: Incidence and Density of HLA



Base: (left) All employers offering apprenticeships, (right) All apprenticeships

Although there is a substantial proportion of microenterprises offering apprenticeships, none of these offer HLA. Figure 2.7 reveals a stronger relationship between the size of establishment and likelihood of offering HLA than the likelihood of offering apprenticeships more generally. Around a quarter (24%; 5/21) of large establishments offering apprenticeships stated that they offered HLA which is more than twice the proportion of medium establishments (11%; 3/27) and more than three times the proportion of small establishments (7%; 5/72). Large establishments accounted for 66% of all HLA despite only accounting for 10% of the survey sample and 52% of apprenticeships generally.

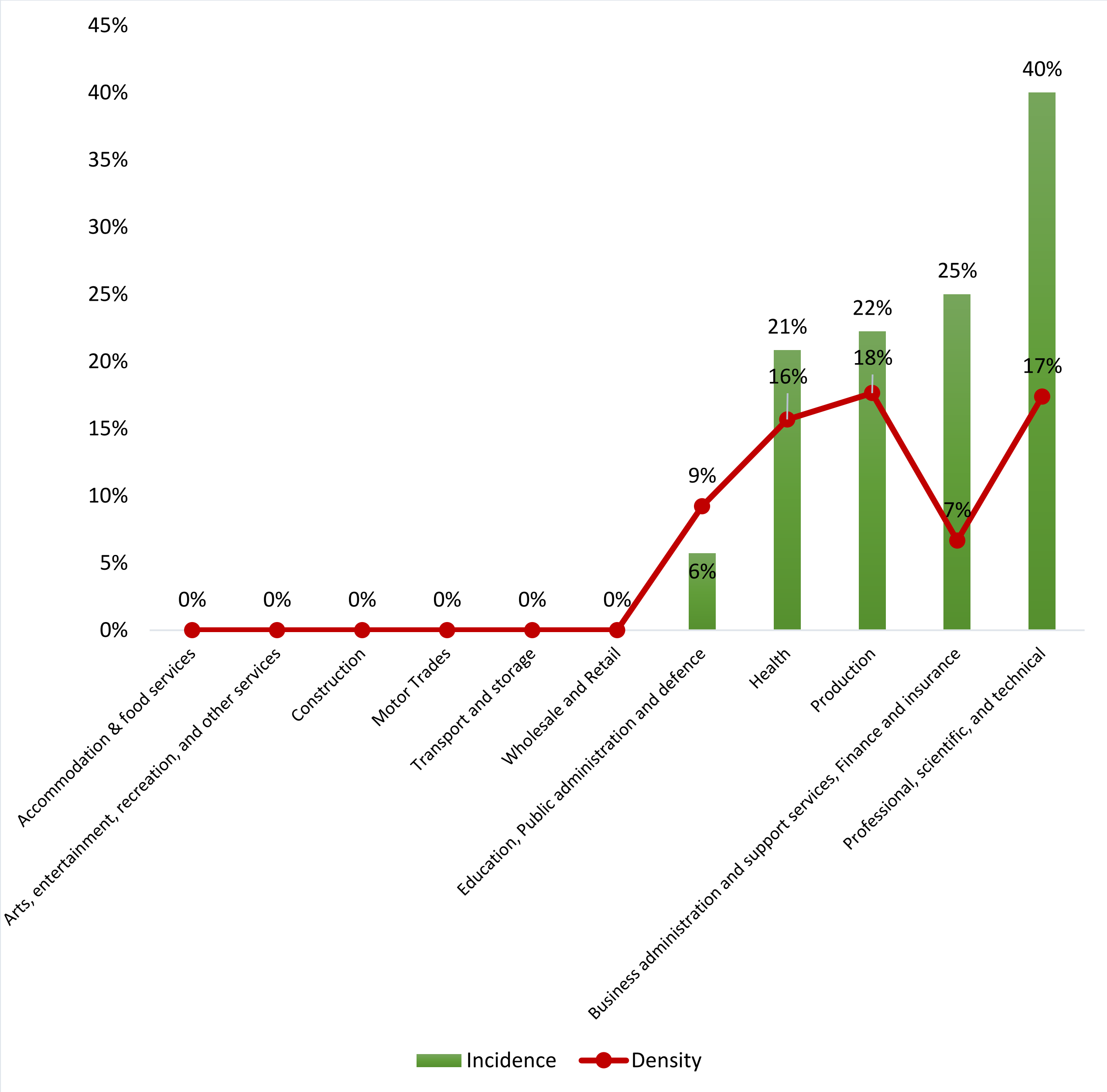
Figure 2.7: Incidence and Density of HLA, by establishment sector



Levy payers are far more likely to offer HLA with around a quarter (24%; 6/25) of all those offering apprenticeships stating that these involved HLA. In addition, HLA accounted for 10% (24/247) of all apprenticeships offered by this cohort.

The sectoral take-up of HLA is also significantly different to the take-up of apprenticeships generally. Whereas the motor trades and construction sectors recorded the highest take-up of apprenticeships, these were all low-level apprenticeships with none recording take-up of HLA. The professional, scientific, and technical services sector, on the other hand, recorded a HLA incidence of 40% (2/5). More than a fifth of business administration, finance and insurance (25%; 1/4), production (22%; 2/9), which includes engineering and manufacturing, and health (21%; 5/24) sectors also recorded high HLA incidences. These results are perhaps to be expected given the higher skilled occupations within these sectors compared to the more elementary skills found in motor trades and construction sectors. **It is extremely important to caution, however, the very low sample size within some of these sectors.**

Figure 2.8: Incidence and Density of HLA, by establishment size

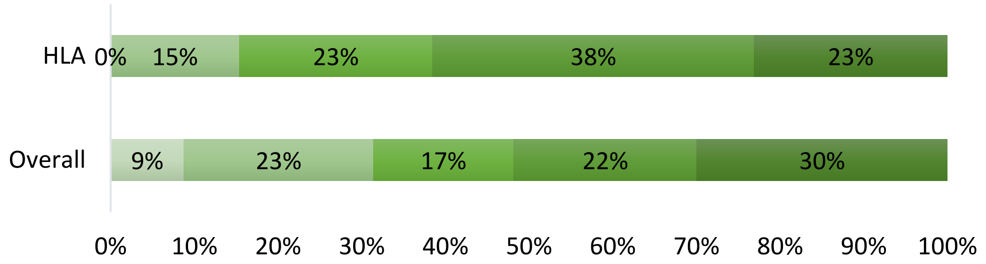


2.5 Experience of Using Apprenticeships

Upon exploring the demand and take-up of apprenticeships, the second key component of our survey considered the experience of employers who had offered apprenticeships, HLA and received support from the HotSW Apprenticeship Service. As such, this section (with the exception of Section 2.5.5) focuses solely on those establishments (139) who had offered apprenticeships in the past 12 months.

We began by asking employers how long they had employed apprentices at their site in the HotSW area.

Figure 2.9: How long has this site been offering formal Apprenticeships, by which we mean Apprenticeships which lead to a recognised qualification?



	Overall	HLA
For a year or less	9%	0%
Between 1 to 3 years	23%	15%
Between 3 to 5 years	17%	23%
Between 5 to 10 years	22%	38%
More than 10 years	30%	23%

Most employers have used apprenticeships for several years with 52% (71/137) stating they had done this for more than five years and 69% (74/137) for three years or more. Providers of HLA are more experienced in offering apprenticeships with 62% (8/13) doing so for more than five years and 85% (11/13) for three years or more. This is likely because a large proportion of HLA providers, as shown in the previous section, are large establishments who are traditionally associated with providing apprenticeship opportunities. However, the survey results also show that large swathes of smaller establishments are also experienced apprenticeship providers including around half of microenterprises (47%; 9/19) and small establishments (52%; 36/71) offering apprenticeships for more than five years.

Around a half of employers (48%; 57/120) reported that they have paid fees to a training provider for the cost of training for their apprentices. The survey results show that this external training is more important for those employing HLAs with 62% (8/13) reporting they had paid external providers to deliver training for their apprentices.

Almost half of employers (45%; 62/139) also stated that they have funded other forms of training in addition to apprenticeships. A much higher proportion of HLA providers (77%; 10/13) reported this. This suggests that there is significant scope to encourage employers to transition their other training provision into apprenticeships.

Figure 2.10: Besides any training delivered through apprenticeships, have you funded or arranged any training for…

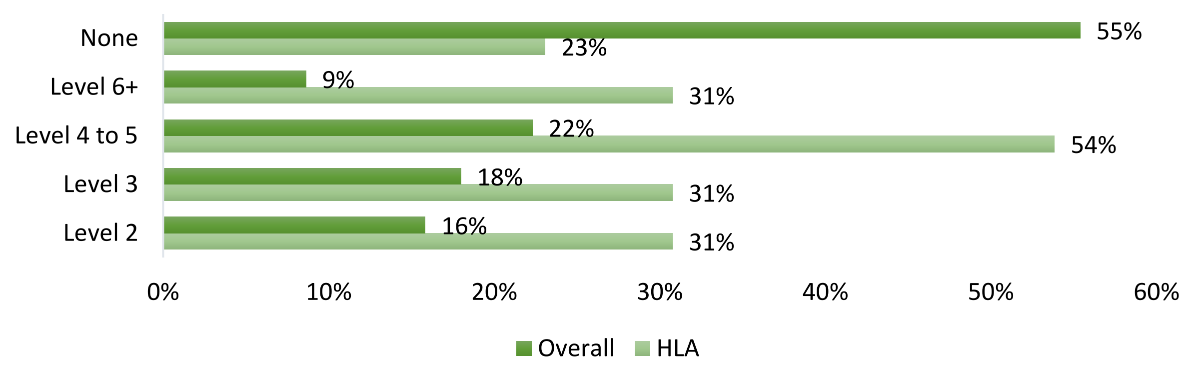
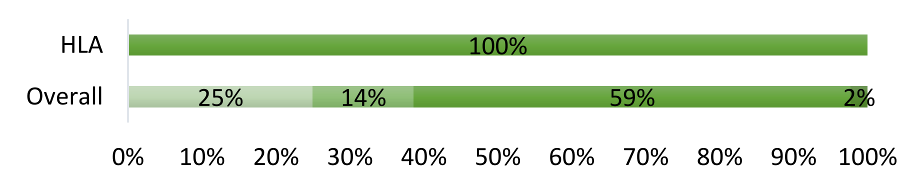


Figure 2.10 shows that these other forms of training provision are mainly at the higher levels with Level 4 to 5 most commonly cited (22%; 33/139). This, coupled with the low incidence of HLA, suggests that employers prefer other training to develop the higher skills needs of their organisation and employees. This may reflect a perception issue where apprentices are perceived as a tool for lower skilled occupations.

We then asked employers who offer apprenticeships and are headquartered outside HotSW (44/139) where the decision making for offering apprenticeships took place. Overall, almost four in ten (39%; 17/44) stated that it was their head office and not the HotSW site that had the main responsibility for this. All providers of HLA (8/8), on the other hand, stated that they had complete autonomy at the HotSW site. It is likely that HLA are offered to address specific needs which require greater expertise and thus are recruited by those on site.

Figure 2.11: How much say does your site have on the number of Apprentices that it trains?

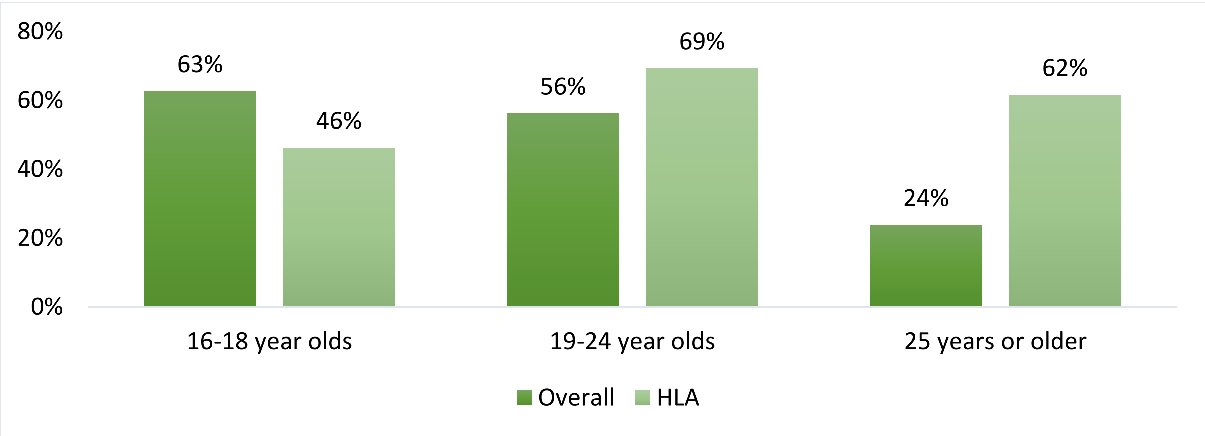


	Overall	HLA
Number set by head office	25%	0%
Recommend the number but head office has to approve it	14%	0%
Complete autonomy at the site	59%	100%
Other	2%	0%

2.5.1 Type of apprenticeships used

Previous survey results presented in this Chapter shows that the vast bulk of apprenticeships offered (92%) are lower level. We also find (see Figure 2.12) that the vast majority of employers offered opportunities to younger apprentices with less than a quarter (24%; 33/139) offering apprenticeships to those aged 25 or older. Traditionally, apprenticeships have been associated to the 16-18 age group and this finding may be indicative of a lack of understanding of the current apprenticeship landscape in England which is available to those of all ages.

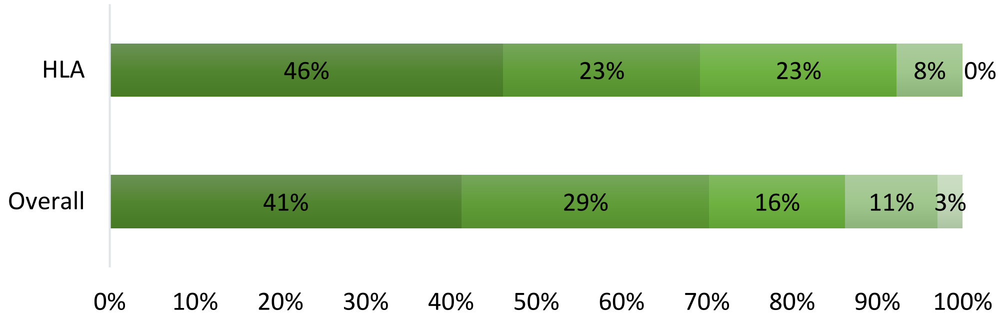
<u>Figure 2.12: To which of the following age groups have you offered Apprenticeships in the last 12 months?</u>



This pattern is far more evident within microenterprises where 79% (15/19) offered apprentices to the youngest age group and just 16% (3/19) to those aged 25+. Conversely, large organisations are more likely to offer apprenticeships to more experienced workers with 43% (9/21) offering to those aged 25+. This is consistent with previous findings which showed that large organisations are far more likely to offer HLA, thus requiring workers who start from a higher skills base and therefore more likely to be of an older age. Indeed, Figure 2.12 shows a stronger relationship between organisations offering HLA to the 25+ group than to the youngest age group – a completely different picture to the general apprenticeship provision.

Most organisations (59%; 69/116) reported that all people offered apprenticeships in the last two years had at least a C grade in GCSE Maths or English. Surprisingly, fewer HLA providers (50%; 5/10) reported this. Furthermore, as Figure 2.13 illustrates, there is no clear difference between the importance of these grades to organisations providing HLA and offering apprenticeships generally, with around 70% of both cohorts reporting it as either very or quite important.

Figure 2.13: How important do you consider it for your Apprentices to have or to achieve A*-C grades in Maths and English?

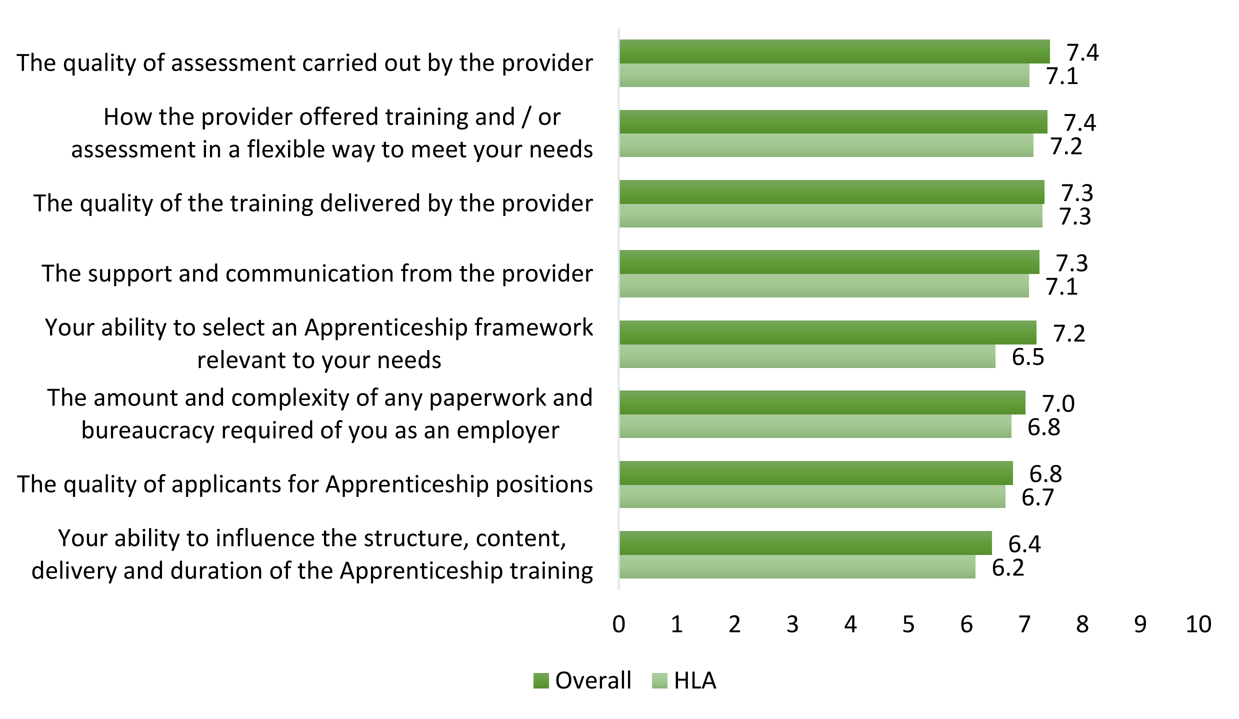


	Overall	HLA
Very important	41%	46%
Quite important	29%	23%
Neither important nor unimportant	16%	23%
Not very important	11%	8%
Not at all important	3%	0%

2.5.2 Satisfaction with apprenticeships and benefits received

Our survey reveals that organisations in HotSW are, on the whole, fairly satisfied with the apprenticeship environment. We asked employers to score various elements of the apprenticeship ecosystem, based on their experience of offering them. These were scored on a scale of 0 to 10 and the mean scores are presented in Figure 2.14.

Figure 2.14: How satisfied or dissatisfied are you with the following aspects of Apprenticeships? (Mean average)



Amalgamating the responses across all these elements generates a composite mean satisfaction score of 7.1 out of 10. The results also show little variance across each element with mean satisfaction ranging from 6.4 to 7.4 across all elements. Employers were particularly satisfied with the role of the training providers including the quality of assessment and training, the flexibility of training and the support and communication provided. Employers were least satisfied with the extent to which they could influence the apprenticeship training, suggesting that many organisations would value greater input in that regard.

The data also shows that HLA providers were slightly less satisfied with each of these elements, scoring 6.8 on average (composite). The greatest variance was around the ability to select an appropriate apprenticeship framework, with HLA organisations scoring this at just 6.5 compared to 7.1 overall. HLA by their nature are likely to be more defined as they require greater expertise, it is therefore likely that these organisations experience greater difficulty finding frameworks that meet their more specific needs.

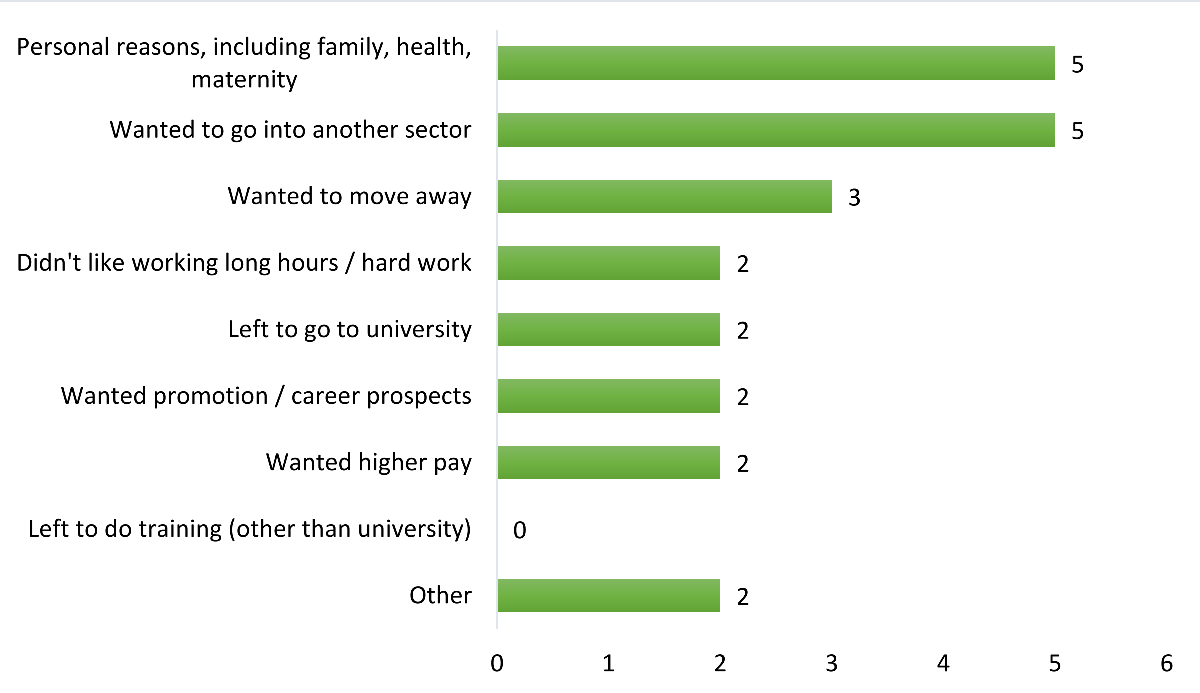
There were also some interesting variations in relation to the mean scores provided by differently sized organisations. Large organisations were far more satisfied with the quality of training provided (8.1 vs 6.8 for microenterprises) and support and communication received (7.9 vs 6.5). They were, however, far less satisfied with the bureaucracy generated from the process (5.9 vs 7.3). This is a surprising finding as large organisations are typically better equipped to deal with the bureaucratic requirements and it is microenterprises who typically report difficulties in dealing with these requirements.

Status of apprentices

At the time of interview, almost eight in ten organisations (78%; 108/139) reported that all apprentices were still with them while a further 6% (9/139) reported some were still with them. Only 14% (20/139) reported that all apprentices had left. Of those that reported all, or some had left, the vast majority (62%; 16/26) stated that apprentices left of their own accord while just over a quarter (27%; 7/26) stated that the organisation decided not to offer them an ongoing role. The remaining 12% (3/26) stated there were elements of both.

The results show that there is no clear and consistent reason behind the apprentices' decision to leave with a wide range of responses provided (see Figure 2.15). The most common reasons are to do with personal reasons (such as family, health and paternity reasons) and apprentices wanted to explore a different sector, with five each citing this. However, these represent just 26% of the responses each (5/19), with many other reasons provided.

<u>Figure 2.15: Thinking of those who you offered an ongoing role to, why did they decide to leave?</u>



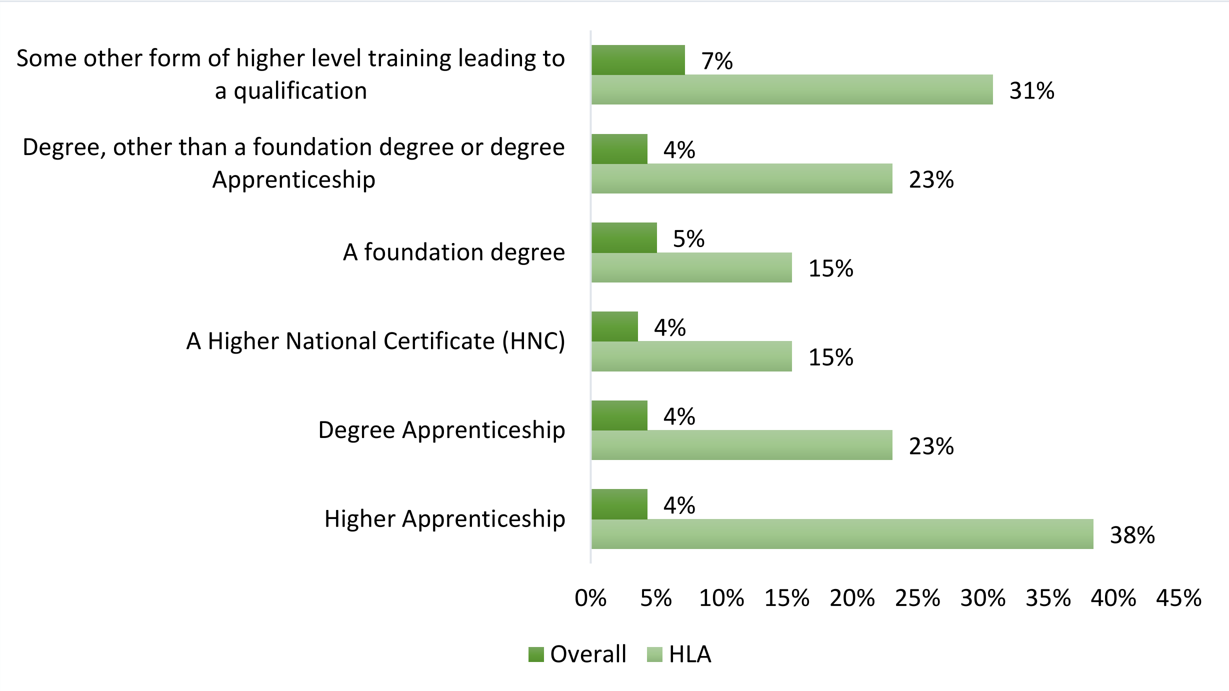
Of the small number of employers (ten) who stated apprentices had left because they had not offered an ongoing role to them, it was clearly to do with the performances of the apprentices. Seven of the 10 employers stated the apprentices were not performing to the standard they needed while one each reported there was a better alternative candidate, there was not enough work and the apprentice hadn't completed their training.

Progression from Level 3

Employers were asked to cite any further qualifications completed by apprentices who had done an advanced Apprenticeship at Level 3. As Figure 2.16 illustrates, few apprentices went on to do other qualifications such as a High National Certificate or a degree and only 4% (6/139) went on to undertake a higher apprenticeship.

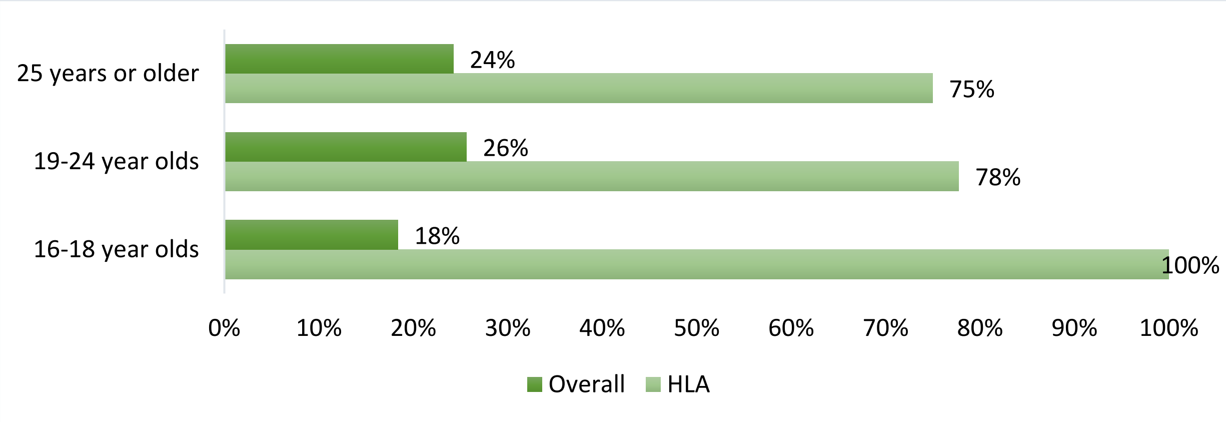
In total, only 18% (25/139) of businesses reporting apprenticeships involved apprentices progressing from Level 3 to a higher-level training leading to a qualification. Those undertaking a HLA were far more likely to proceed to undertake further qualifications with 69% (9/13) reporting this. The data suggests that employers who provide HLA use it as part of a wider upskilling journey whereas employers offering lower level apprenticeships use it as a recruitment strategy. This is further evidenced in findings presented below.

Figure 2.16: Have any of your Apprentices who completed an advanced Apprenticeship at Level 3 actually gone on to do any of the following qualifications while working for your organisation?



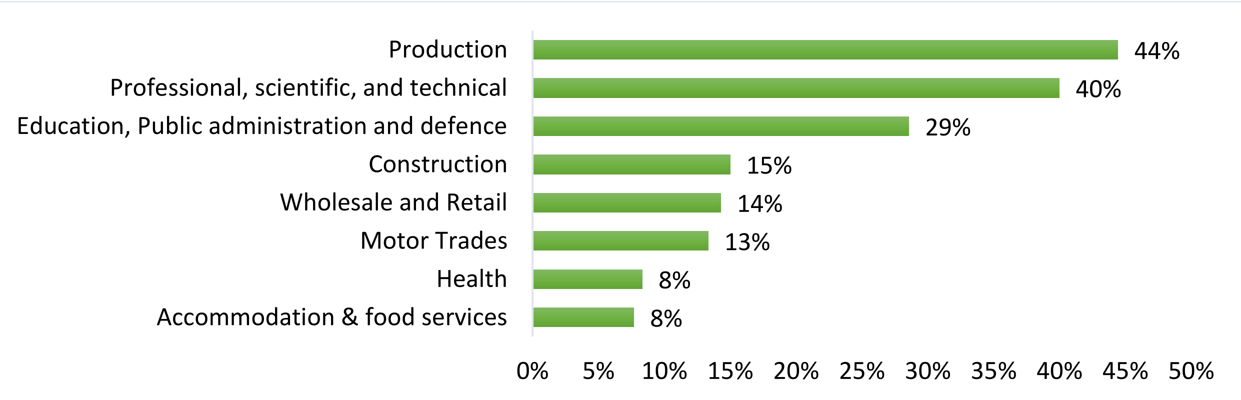
We also look at the progression of apprentices by age groups in order to ascertain whether there's a greater correlation between older apprentices progressing into higher level training and qualifications. As Figure 2.17 illustrates, the older age groups are slightly more likely to progress into qualifications. Around a quarter of employers offering apprentices to the older age groups (18+) progressed into higher qualifications compared to 18% of the 16-18 group.

Figure 2.17: Progression by age of apprentices



It is clear from the survey results that the likelihood of apprentices progressing from Level 3 is also closely related to the sector they operate in with large sectoral variance displayed in Figure 2.18. Once again it is important to caution the low sample numbers for some of these sectors and we have only included sectors with at least five responses.

Figure 2.18: Progression by sector



The results here are consistent with the incidence of HLA reported in different sectors where production and professional, scientific, and technical services are among the highest recorded. This is likely because these sectors require a higher skilled workforce and therefore more likely to encourage apprentices into higher qualifications. Apprentices in the education and public sector also have an above average propensity to progress into higher qualifications, as would be expected given the culture around training and CPD found in the public sector.

Benefits received by employers

In addition to being generally satisfied with their experience of apprenticeships, our survey also finds that employers believe they have received multiple benefits from the process. Survey respondents were presented with a long list of potential benefits and asked to cite which they had experienced as a result of offering and training apprentices.

Figure 2.19: Which if any of the following benefits has your organisation experienced as a result of offering and training Apprentices?[5]

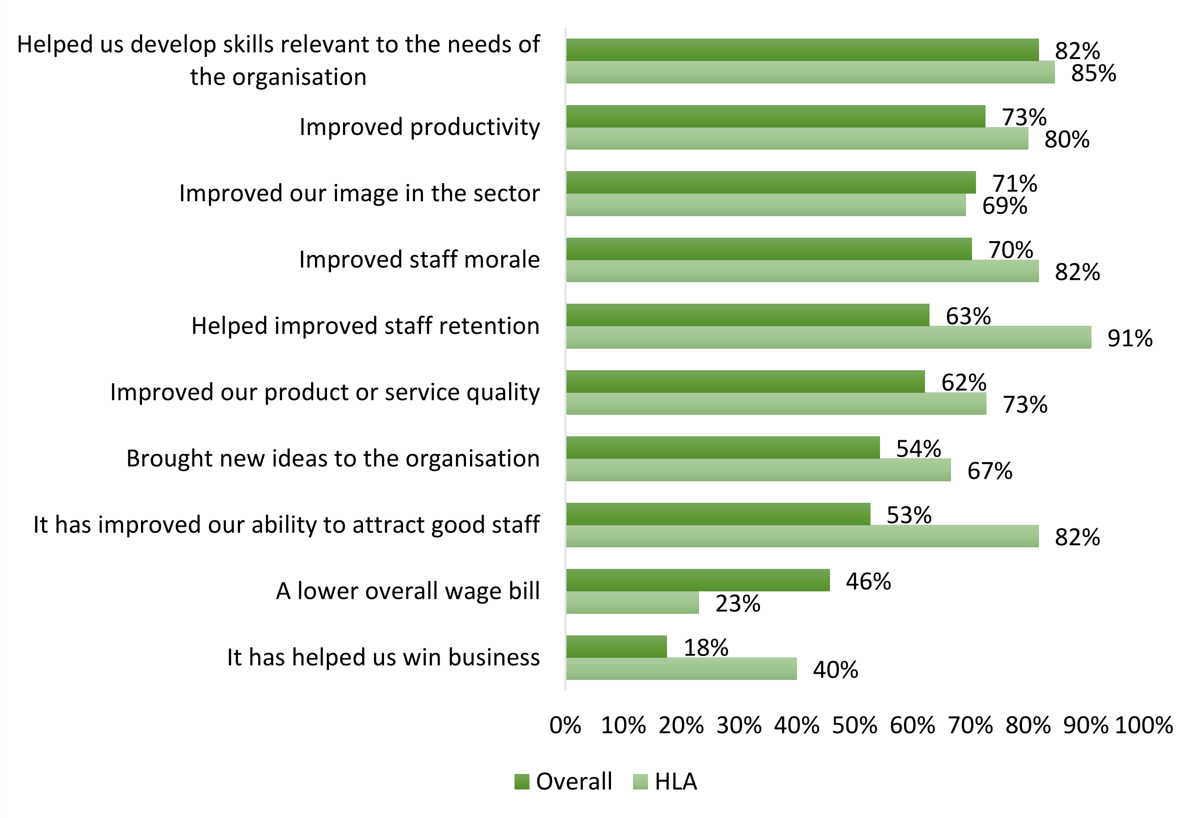


Figure 2.19 shows that wide ranging benefits have been received from this process with almost every benefit listed cited by most respondents. In particular, employers state that apprenticeships have enabled their employees to develop skills which are relevant to the organisations' needs with 82% citing this (108/132). This suggests that the apprenticeship programme is delivering on its core purpose of enabling people to gain job-specific skills.

Somewhat surprisingly, the second lowest benefit cited by respondents involved having a lower overall wage bill suggesting that most employers do not see it as a means of lowering staff costs. Rather, employers report that the greater benefit is to do with having a more appropriately skilled workforce. These results may however contain an element of self-reporting bias with more positive connotations associated with upskilling than with cost-cutting.

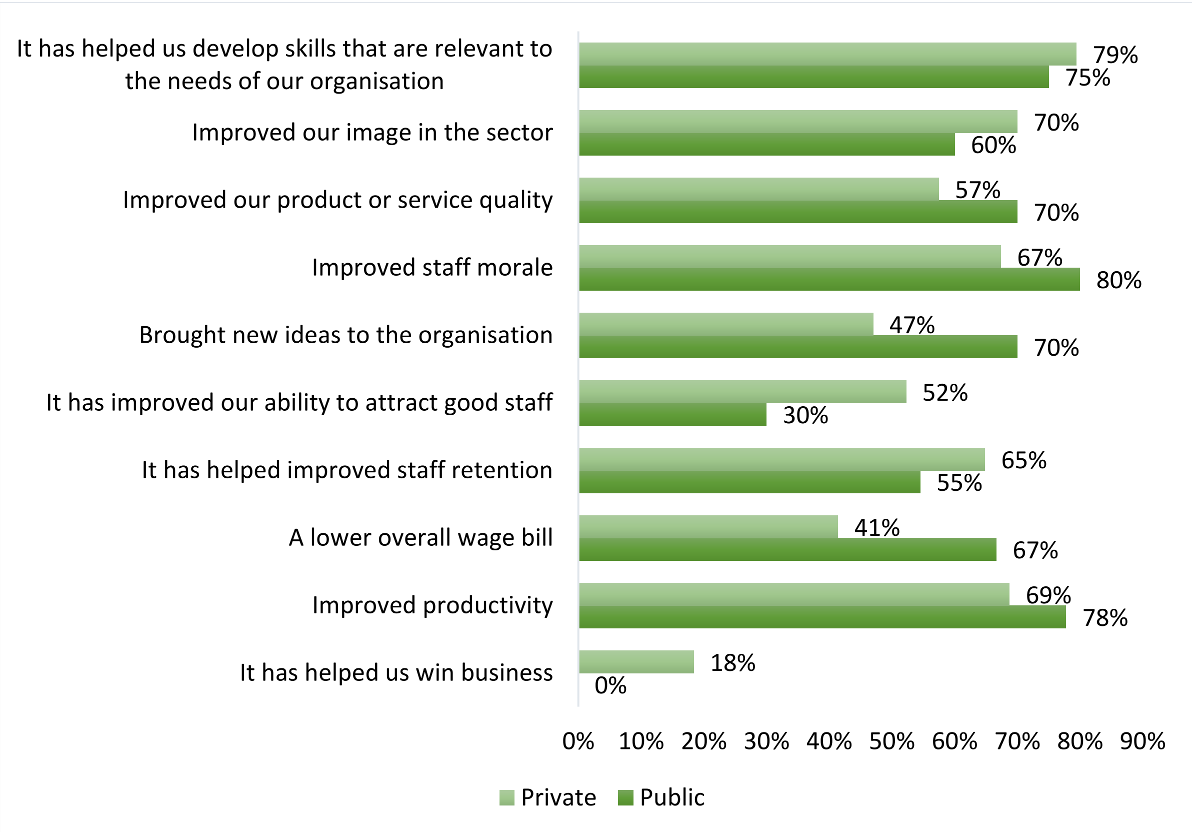
[5] These results exclude respondents stating that the benefits are 'too early to say', ranging from 2-11 responses for each option.

Responses provided by employers offering HLA are largely similar to the wider sample, but with a couple of notable exceptions. As would be expected, far more of the HLA cohort reported that it had enabled them to attract good staff (82% vs 53%) and to improve staff retention (91% vs 63%). Far fewer of the HLA cohort reported that apprenticeships had lowered their wage bill (23% vs 46%). This is because HLA are typically used to upskill existing staff as part of their CPD (Section 2.7 shows that 69% of HLA are existing employees), while lower level apprenticeships are more likely to be offered to new, lower skilled staff.

The least frequently cited benefit, by far, was apprentices helping employers to win work with less than a fifth (18%; 20/114) citing this. Employers offering HLA, however, were far more likely to report this (40%; 4/10), possibly because HLAs had added towards their offer.

There are also some interesting differences between the benefits received by organisations operating in the private and public sectors[6].The former are far more likely to report that apprenticeships have enabled them to attract good staff (52% vs 30%) and helped them to win business (18% vs 0%) while public sector bodies are more likely to report it has enabled them to lower their salary costs (67% vs 41%) and brought new ideas (70% vs 47%).

Figure 2.20: Benefits received by sector

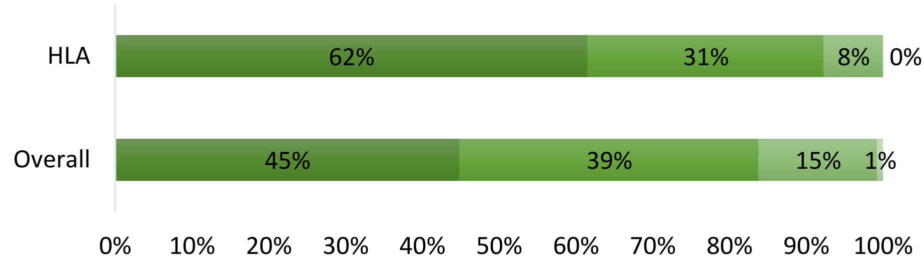


[6] Private sector relates to all those who stated that their business is one that mainly seeks to make a profit; public includes those who self-identified as a central or local government funded body.

A further key indication of employers' satisfaction with apprenticeships and the benefits received is whether they would recommend it to other organisations. More than eight in ten (84%; 114/136) reported that they would recommend apprenticeships to other employers including 45% who stated they would do this without being asked. Only one respondent (1%) stated that they would advise others against apprenticeships.

We also find that employers offering HLA are even more positive about apprenticeships with 92% reporting they would recommend and 61% stating they would do so without being asked.

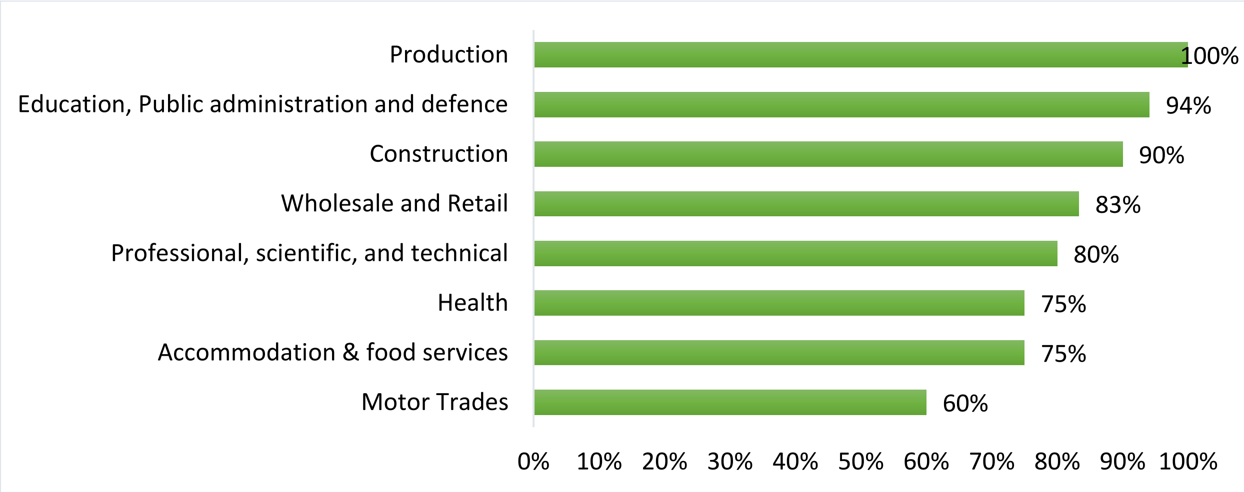
Figure 2.21: Which of the following best describes how you would speak about apprenticeships to other employers?



	Overall	HLA
I would recommend them without being asked	45%	62%
I would recommend them if asked	39%	31%
I would be neutral	15%	8%
I would recommend against them if asked	1%	0%

We also extrapolate the proportion that would recommend apprenticeships by each sector (Figure 2.22). Despite having the highest incidence of apprenticeships, the motor trades sector is least likely to recommend apprenticeships to other employers with only 60% (9/15) stating that they would. Further evidence would need to be collected to explore why 40% of these businesses are neutral / against recommending apprenticeships to other employers.

Figure 2.22: % would recommend, by sector

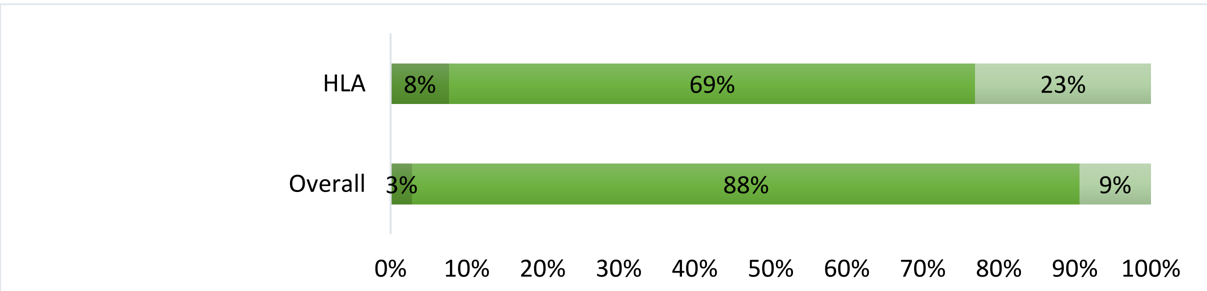


2.5.3 Heart of the South West Apprenticeship Service

The HotSW Apprenticeship Service aims to support people in employment to undertake an Apprenticeship by offering recognised accredited qualifications and bespoke training courses for employees to progress into apprenticeships and by offering business support and guidance about apprenticeships. It is a service delivered by SERCO as part of the HotSW Growth Hub.

Our survey results suggest that, overall, very few employers use this service when looking to recruit new apprentices. As figure 2.23 illustrates, only four of those who had offered apprenticeships (3%) used this service. This includes one employer from the HLA sample (8%).

Figure 2.23: When you have been looking to recruit new Apprentices, have you used the Heart of the South West Apprenticeship Service (managed under contract by SERCO)?



	Overall	HLA
Yes	3%	8%
No	88%	69%
Don't know / Can't remember	9%	23%

Each of these organisations were satisfied with the service with one each providing a score of 6, 7, 8, and 10 on a satisfaction scale of 0-10. However, needless to say, this does not provide a large enough sample base to determine the effectiveness of the service.

2.5.4 Experience of Higher Level Apprenticeships

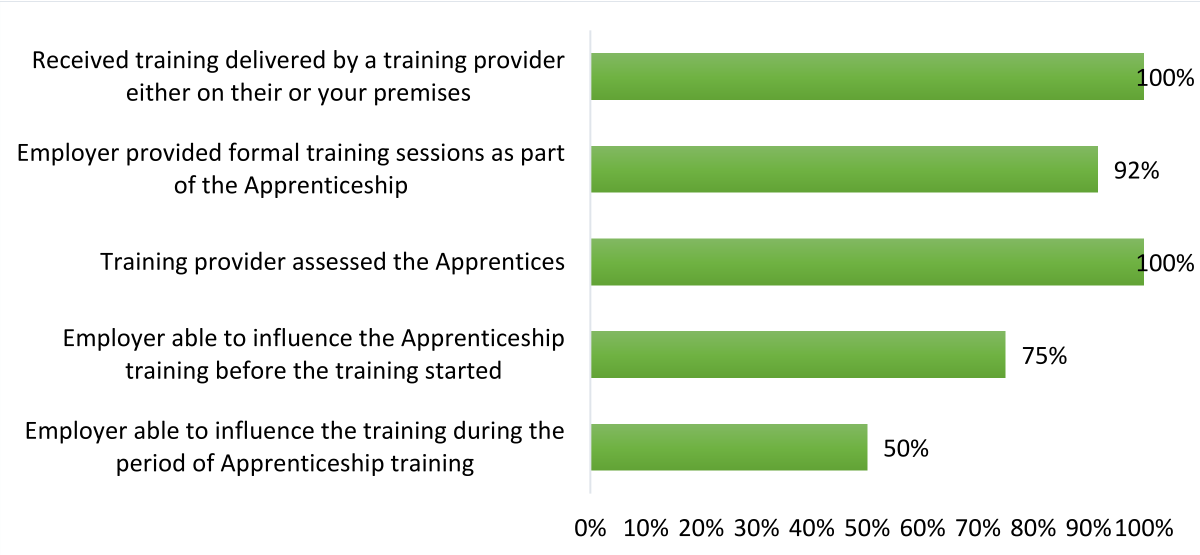
We also asked respondents who had offered HLA (13) a number of specific questions about their experience of doing so.

Firstly, our data suggests that most HLAs are provided to existing employees with 69% of HLA respondents (9/13) reporting this while the other 31% (4/9) had recruited employees specifically to start the apprenticeship and with the training starting straight away. For existing employees, all employers reported they had used HLA to both improve employees' skills in their existing jobs while most (56%; 5/9) also reported it was used to help prepare for new job roles. Furthermore, two (22%) reported HLA was used to accredit their existing skills.

Figure 2.24 shows that these apprenticeships were largely delivered as designed with all employers offering HLA stating that apprentices had received an assessment from training providers. In addition, they had all received training externally from training providers and all but one (92%; 11/12) had received training from the employers themselves too.

One potential area for improvement is the influence employers have on the structure, content and delivery of the apprenticeship training. A quarter (3/12) reported they were not afforded the opportunity to influence this before the training had started and half (6/12) reported they had no ability to influence during the training delivery. These latter group were asked whether they would have wanted to influence the content and delivery and half of those (3/6) or quarter of the whole HLA sample reported that they would.

Figure 2.24: Experience of HLA (% reporting Yes to each statement)



2.5.5 Apprenticeship Standards Programme

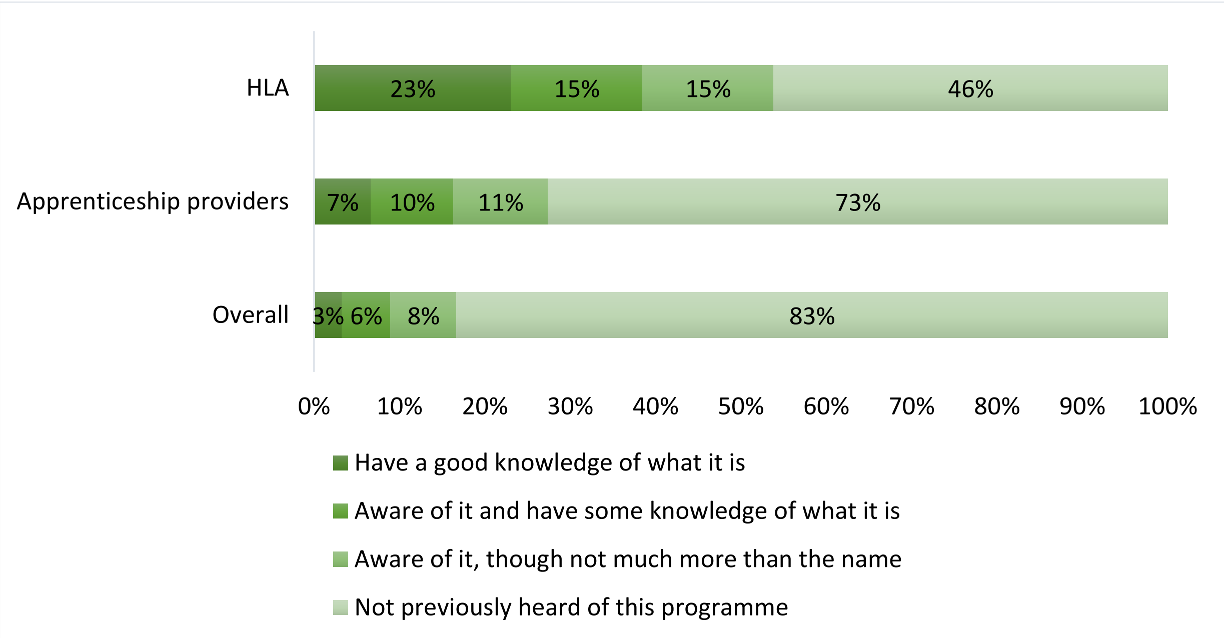
Apprenticeship standards are developed by employer groups known as 'trailblazers' in an attempt to ensure more relevant skills will be taught throughout industries. Standards are occupation-focused and lists the skills and knowledge focus for the apprenticeship. Trailblazers groups are made up of at least 10 employers and they develop the standards for their relevant occupation. These standards represent a shift from the apprenticeship frameworks which are sector-focussed and developed by sector bodies.

Our survey contained a couple of questions on apprenticeship standards, firstly exploring the awareness of them. These questions were asked of the entire sample base.

Awareness is clearly a major challenge in delivering apprenticeships with very few employers understanding these standards in any depth. Figure 2.25 shows the level of awareness among three cohorts: all survey respondents, those providing apprenticeships and those providing HLA.

Incredibly, only 3% of the entire survey sample (13/402) reported that they had a good knowledge of apprenticeship standards. More than eight in ten (83%; 335/402) reported that they hadn't even heard of the programme.

Figure 2.25: Which of these best describes your awareness of this programme?



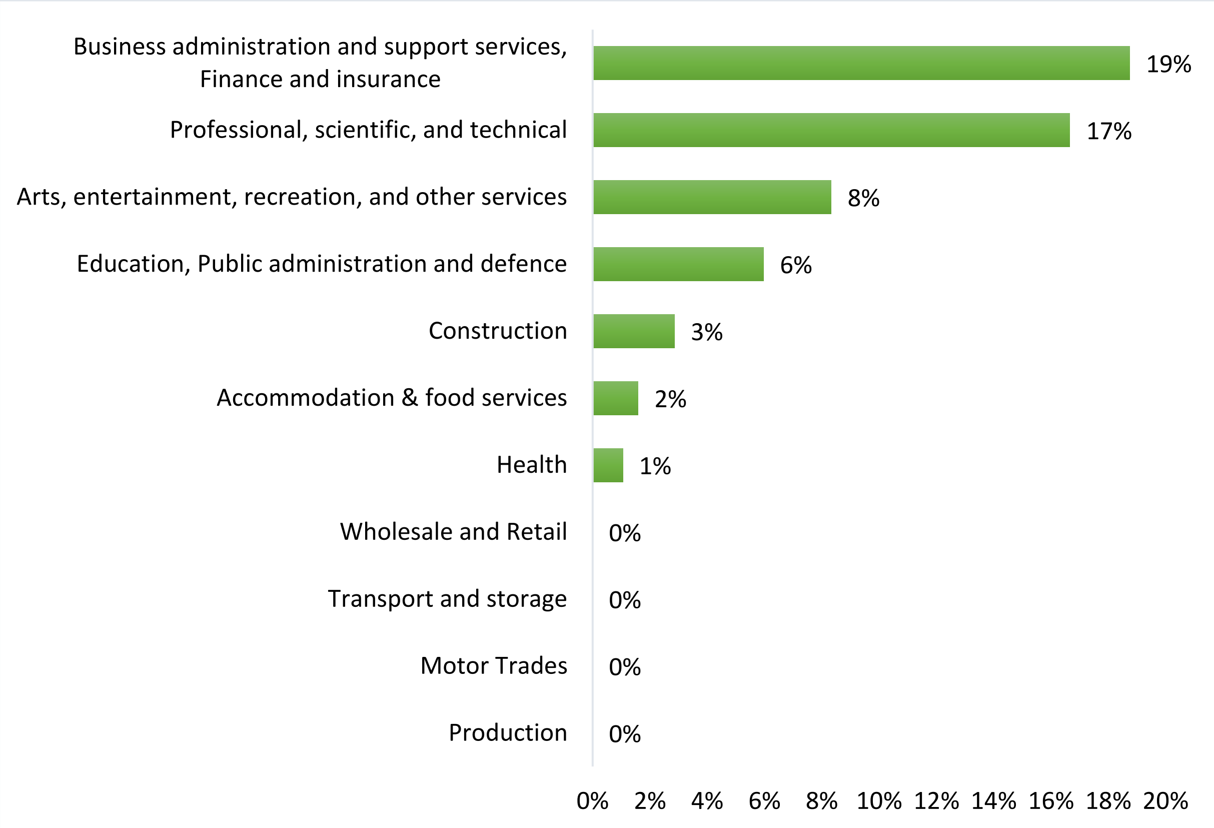
As would be expected, the more involvement employers have had with apprenticeships the greater their understanding of these standards. However, a full understanding among those who have delivered apprenticeships are still incredibly low at just 7% (9/135) while almost a quarter of HLA providers (23%; 3/13) have a good knowledge of them.

Large employers are far more likely to be aware of these standards with 18% (7/40) stating they have a good knowledge of them compared to just 2% of each of the other size categories.

However, even among organisations with 250+ employees, more than half (55%; 22/40) reported they had never heard of the programme.

The level of awareness also varies by sector, as illustrated in Figure 2.26. In several sectors none of the employers reported they had a good knowledge of standards including in those where there is highest take up of apprentices such as production and motor trades. There wasn't a high level of awareness in any of the sectors.

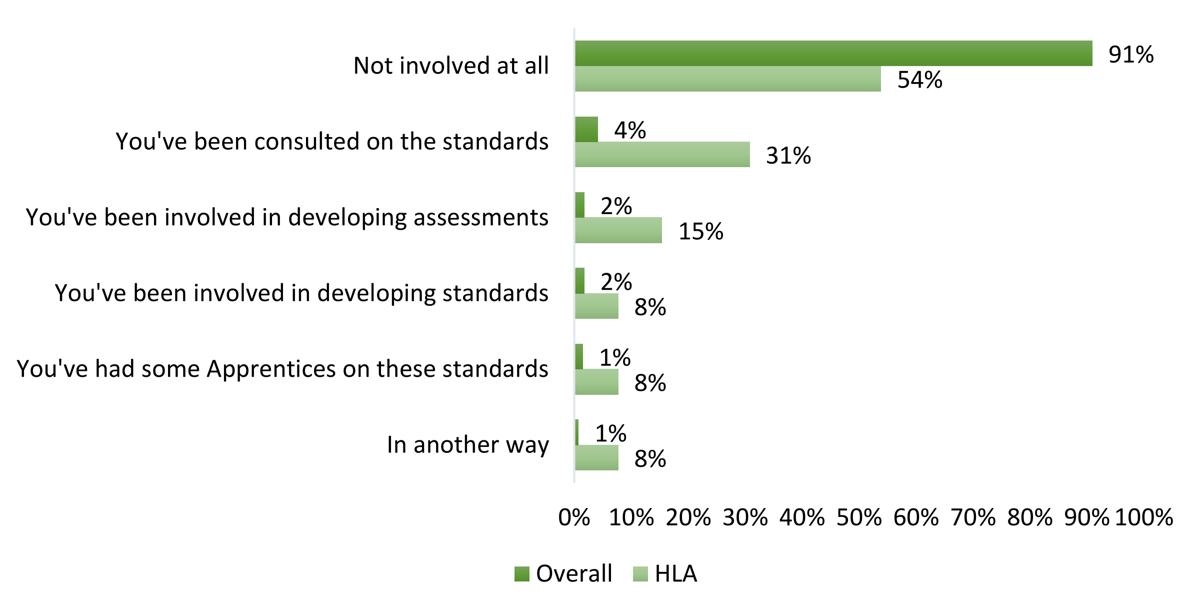
Figure 2.26: % reporting 'Have a good knowledge of what it is', by sector



This lack of awareness is particularly concerning as the standards rely on employers to develop them. Without being aware, the survey shows that there are large swathes of employers in HotSW who will not be able to engage in the standards development process. This is further evidenced in Figure 2.27 where 91% of employers (372/409) have had no involvement with the new apprenticeship standards and only 4% (17/409) report they have been consulted on them. Only 1% (6/409) report they have had apprentices on these standards.

It is a very different picture for employers who have provided HLA where 46% reported they have been involved to some extent, with 31% (4/13) consulted on the standards and 15% (2/13) involved in developing the assessments.

Figure 2.27: How, if at all, has your company been involved with new Apprenticeship standards?



Finally, the few employers who had an understanding of the standards (9%; 36/402) were asked whether they believe these represent an improvement on the previous frameworks. The results were far more positive than negative, with 36% (13/36) stating they were an improvement compared to just 8% (3/36) stating they were not. The largest group (56%; 20/36) were unsure or believed it was too early to say.

2.6 Drivers and Barriers to Offering Apprenticeships

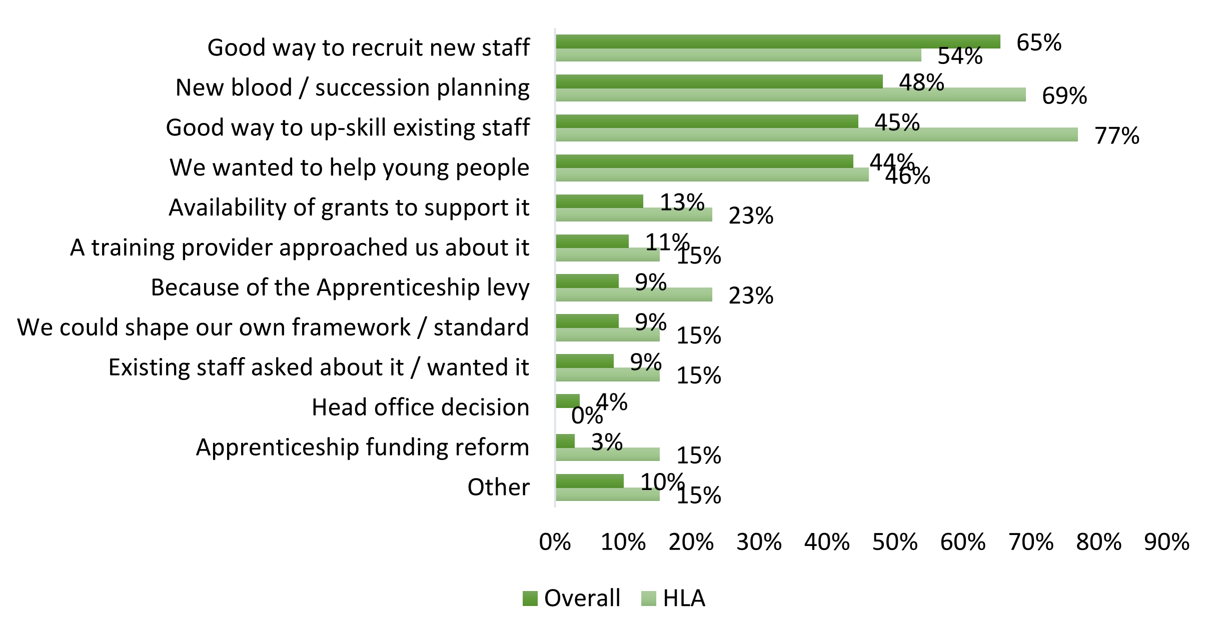
A key area of the survey considered the question of why employers wanted to offer apprenticeships. This understanding provides insights into what employers hope to gain from the apprenticeships i.e. the 'drivers', thus providing critical intelligence to inform the delivery of apprenticeships in HotSW.

Secondly, the survey also explores some of the barriers to offering apprenticeships and specifically focussing on HLA. These questions paid particular attention to the awareness of HLA and wider apprenticeship landscape, recognising that this is likely to represent a key barrier given its complexity. Again, this information will provide crucial intelligence to inform the delivery of apprenticeships and strategize towards alleviating some of these barriers.

2.6.1 Drivers

Employers who had offered apprenticeships in the last 12 months (139) were asked to cite their reasons for doing so and the results of which are illustrated in Figure 2.28. This was a closed question and allowed for multiple responses. Most respondents selected 2-3 drivers.

Figure 2.28: Why did your site decide to start offering Apprenticeships?



These results show that offering apprenticeships were primarily motivated by organisations' recruitment strategy with 65% (91/139) reporting they saw it as a good way to recruit new staff. This was more of an important driver than the need to up-skill existing staff despite upskilling reported as the key benefit for employers (see Figure 2.19). This suggests that employers primarily went into offering apprenticeships simply to recruit staff, but they received wider benefits from them in developing a more appropriately skilled workforce.

Nonetheless, upskilling existing staff was one of the main drivers, reported by almost half (45%; 62/139). Apprenticeships also formed part of organisations' succession planning with around a half (48%; 67/139) reporting this, and a similar proportion (44%; 61/139) reported benevolent reasons i.e. a desire to help young people. This latter diver may contain self-reporting bias, but it also shows a large proportion of employers think it is important to support young people and this could be important in how apprenticeships are promoted to employers.

The results also show that offering apprenticeships are far less driven by changes to the apprenticeship programme with only 3% citing apprenticeship funding reform; 9% each citing the levy and that they can shape their own framework / standard; and 13% citing the availability of grants. However, this is likely to be more reflective of the lack of awareness of these changes and how the programme works, rather than organisations assessing them and concluding they are unimportant. It goes without saying that if organisations are unaware of the offer they will not be motivated by them.

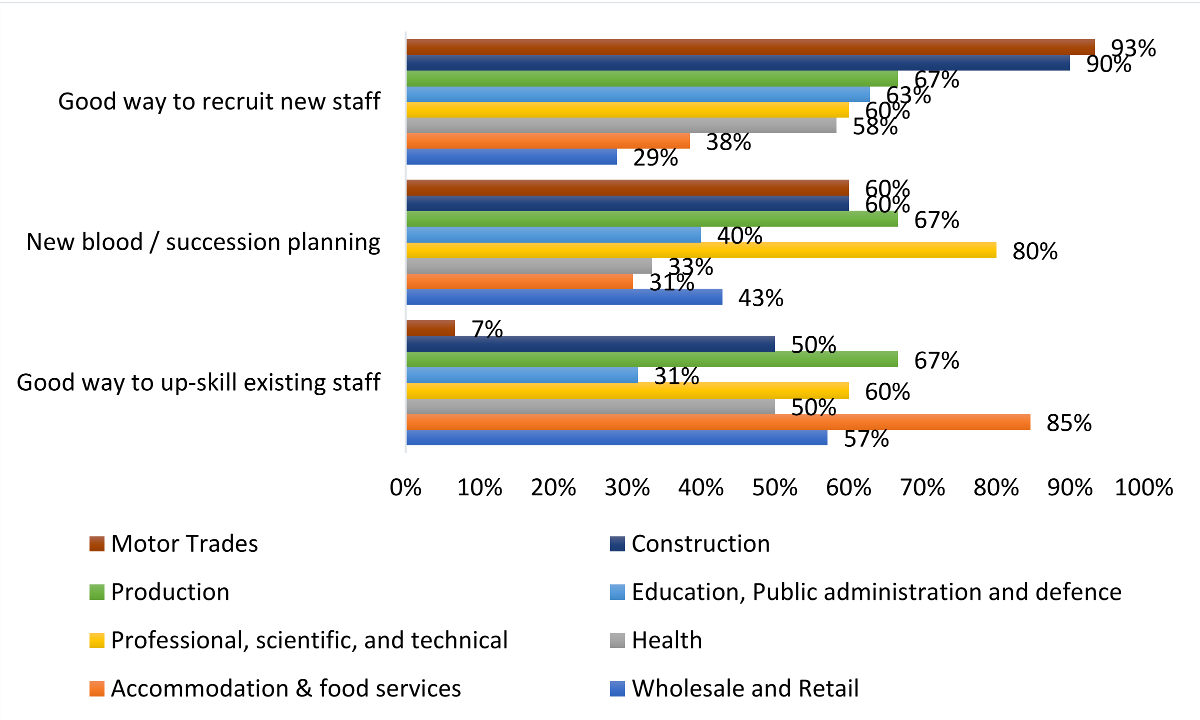
Finally, the data also shows that the offer of apprenticeships were not largely driven by existing staff wanting them (only reported by 9%). This lack of demand amongst existing staff may again be explained by a lack of awareness. In addition, the promotion of apprenticeships from training providers was a comparatively small factor (only reported by 11%).

Figure 2.28 also shows interesting and significant differences in the drivers motivating organisations who offered HLA (13). The drivers for HLA were less to do with recruiting new staff (54% vs 65%) and far more to do with upskilling existing staff (77% vs 45%). Employers are more likely to use HLA to address specific skills needs within the organisation and are therefore more likely to look internally initially, whereas lower level apprenticeships are primarily used as a means to recruit staff. This is consistent with findings presented in Section 3.4 where it was reported that most employers offering HLA (69%) offered them to existing staff.

Furthermore, the results also show that the second key driver for offering HLA relates to organisations' succession planning. This was a far more important driver for HLA than apprenticeships in general (69% vs 48%) and shows that HLAs are used to provide the skills to employees to ease the transition of ownership. Finally, the changes to the apprenticeship programme were also more important to HLA providers as they are more likely to be aware of them and engage with the process.

Figure 2.29 shows how the three key drivers (i.e. recruitment, bringing new people into the industry / succession planning, and upskilling existing staff) compares across the sectors. We have only included sectors where there are at least five employers offering apprenticeships.

Figure 2.29: Drivers, by sector

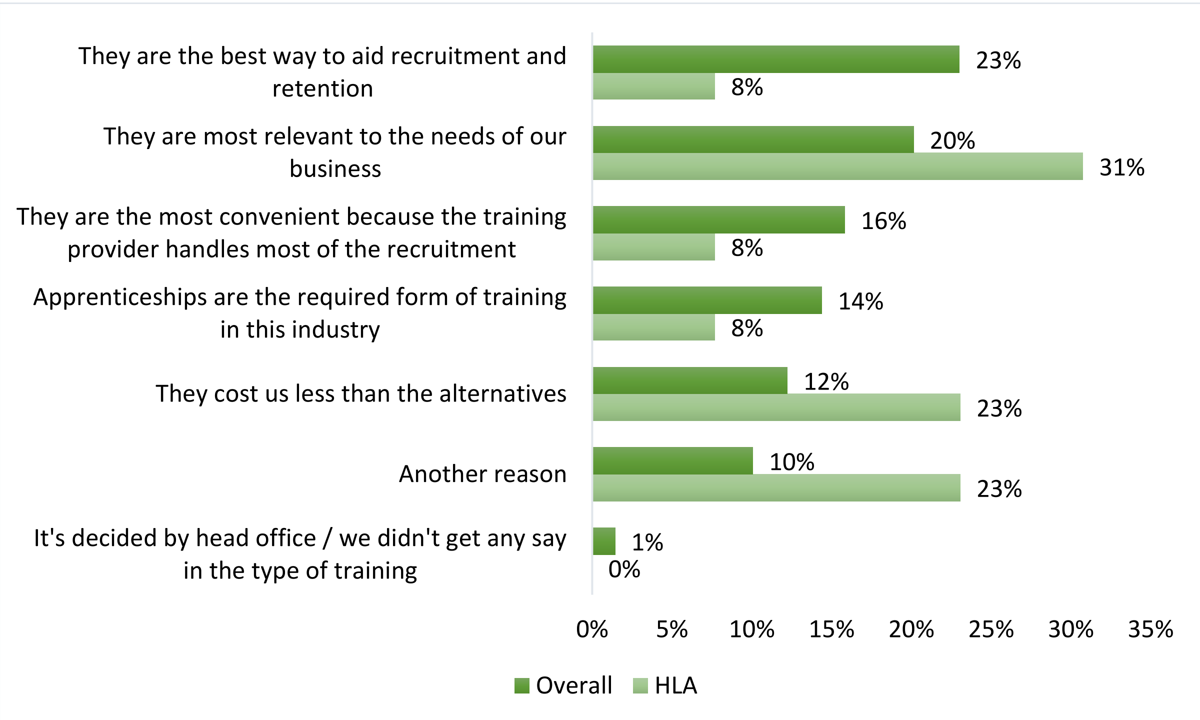


There are wide variances in these results and the data shows that organisations in different sectors are driven by different factors. These results are also consistent with the findings from the HLA extrapolation, where sectors that rely on more elementary skills such as in motor trades and construction, use lower level apprenticeships for recruitment conversely, only 7% of organisations within motor trades offered apprenticeship to upskill existing staff, although this was an important driver for the construction sector. Interestingly, far more organisations within the professional, scientific and technical sector (80%; 4/5) were driven to offer apprenticeships by a need to bring in new blood and/or for succession planning.

We also asked respondents to explain why they had decided to offer apprenticeships over other forms of training, and the results are shown in Figure 2.30 below. In this question, respondents were only allowed to give one reason i.e. their most important reason.

This reinforces previous findings where we again find that recruitment and retention are the most important reasons (reported by 23%; 32/139). These respondents believe that apprenticeships are a better form to recruit and retain staff than other forms of training. However, the data also shows a mixed response with similar proportions selecting other options as the main reason to choose apprenticeship over other training options. A fifth (20%; 28/139) reported that apprenticeships are the most appropriate for their organisation with one organisation commenting *"It is the best way for them to pick up the skills they need"*. Finally, 16% (22/139) chose apprenticeships for the convenience of training providers taking responsibility for recruitment with one stating *"the training is provided externally which saves us time"*. This is potentially a strong selling point for the promotion of apprenticeships.

<u>Figure 2.30: Thinking about people who receive Apprenticeship training at your site, which ONE of the following best described why you offer them Apprenticeships rather than other forms of training?</u>



As with the previous findings, there are significant differences in the feedback provided by those who offer HLA. For them, the relevance of apprenticeships for their organisations' needs is the most important reason (reported by 31%; 4/13), and considerations around recruitment and retention are far less important (reported by just 8%; 1/13).

There are also large sectoral differences in the responses to this question (see Table 2.7). For example, 60% of employers in the motor trades sector (9/15) reported that they chose apprenticeships because they are the required form of training in their industry. No employers in most other sectors reported this. The key factor for the construction sector, on the other hand, involved recruitment and retention while employers in the professional, scientific and technical services sector and in retail and wholesale believe apprenticeships are the most appropriate form of training to address their needs.

Table 2.7: Main reason, by sector

Sector	Decided by head office	Another reason	Cost less	Required form of training	Most convenient	Most relevant	Recruitment / retention
Accommodation..	0%	23%	0%	0%	**31**%	15%	23%
Construction	0%	0%	10%	15%	5%	20%	**45%**
Education…	3%	9%	17%	14%	11%	20%	**23%**
Health	4%	13%	17%	13%	**25%**	17%	13%
Production	0%	11%	**33%**	0%	11%	22%	22%
Professional…	0%	20%	0%	0%	20%	**40%**	20%
Motor Trades	0%	0%	0%	**60%**	0%	13%	20%
Wholesale…	0%	14%	0%	0%	29%	**43%**	14%

2.6.2 Barriers to HLA

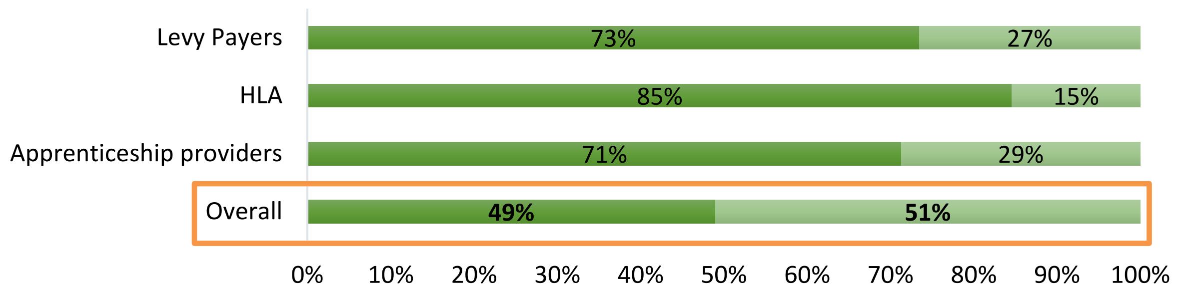
We now consider the barriers preventing organisations from offering apprenticeships and most questions in this section were open to all respondents.

Awareness of changes

One of the key issues explored by the survey involved the awareness of apprenticeships, given the novelty and complexities of the new programme. In this section we explore the awareness of the new changes introduced in May 2017 and find that there are large swathes of employers who are unaware of these changes.

More than half (51%; 207/406) of employers reported that they were not aware of changes to the apprenticeship programme.

Figure 2.31: Are you aware that the way Apprenticeships are being funded in England changed in May 2017?

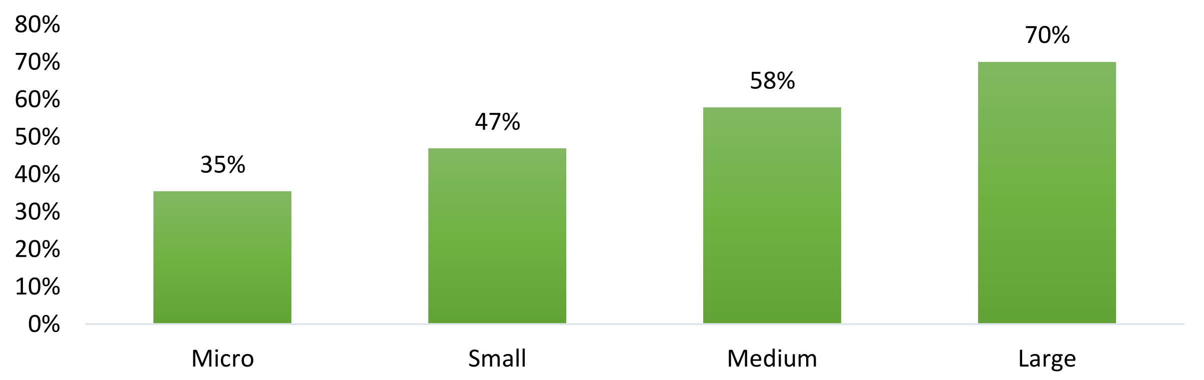


	Overall	Apprenticeship providers	HLA	Levy Payers
Yes	49%	71%	85%	73%
No / Don't know	51%	29%	15%	27%

Figure 2.31 also shows that unsurprisingly the larger the stake employers have in apprenticeships, the more likely they are to be aware of these changes. More than seven in ten employers who provide apprenticeships (71%) and are levy payers (73%) are aware of these changes, while 85% of employers offering HLA are aware of them. This shows a strong correlation between awareness of the changes to the apprenticeship programme, and the likelihood of offering apprenticeships.

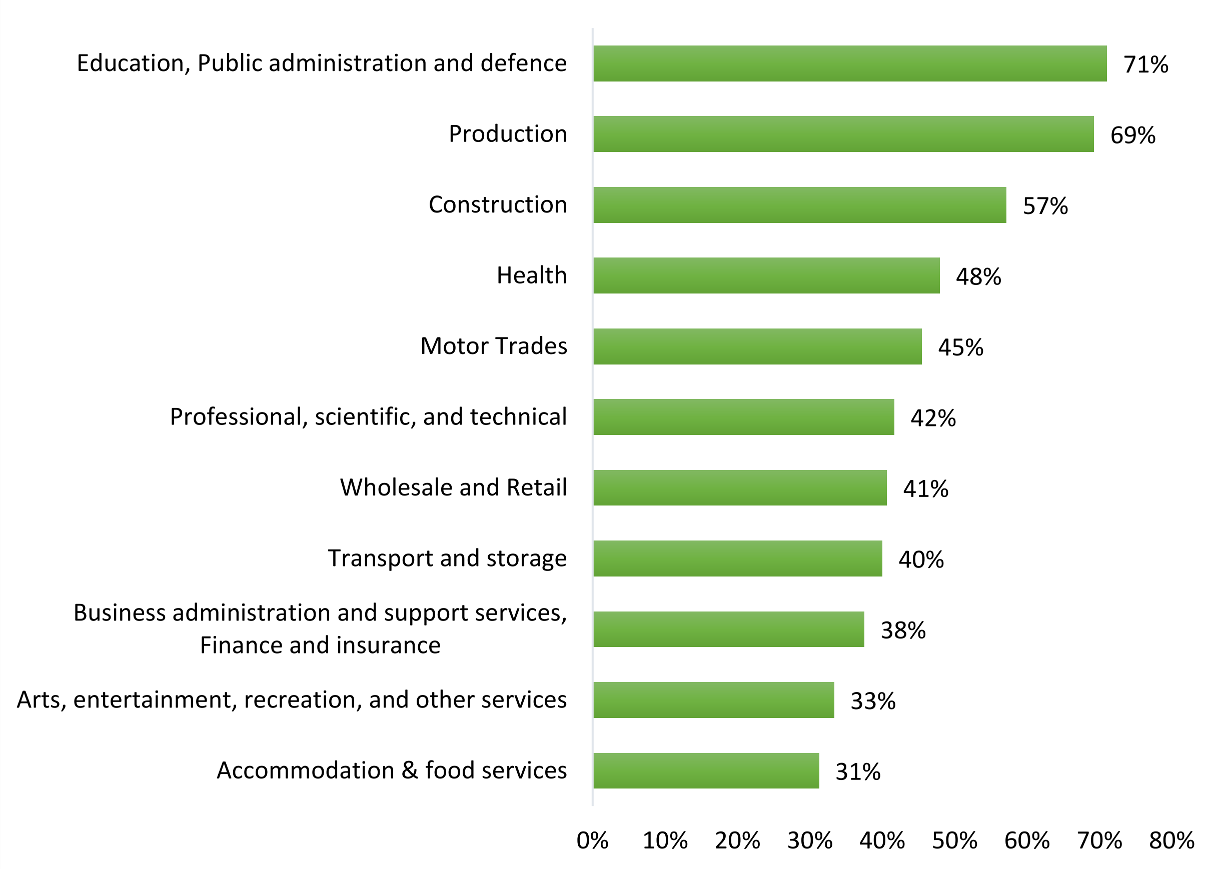
There's also a clear relationship between organisations' awareness of these changes and their size – the larger the organisation the more likely they are to be aware. Only around a third (35%; 23/65) of microenterprises are aware of the changes while twice as many large organisations (70%; 28/40) with their greater HR resource are aware.

Figure 2.32: Awareness of changes, by employer size



There are also clear sectoral difference, illustrated in Figure 2.33 . Generally, the sectors that have the closest relationship with apprenticeships are the ones that are most aware of these changes. Awareness remains a far greater issue within non-traditional apprenticeship sectors.

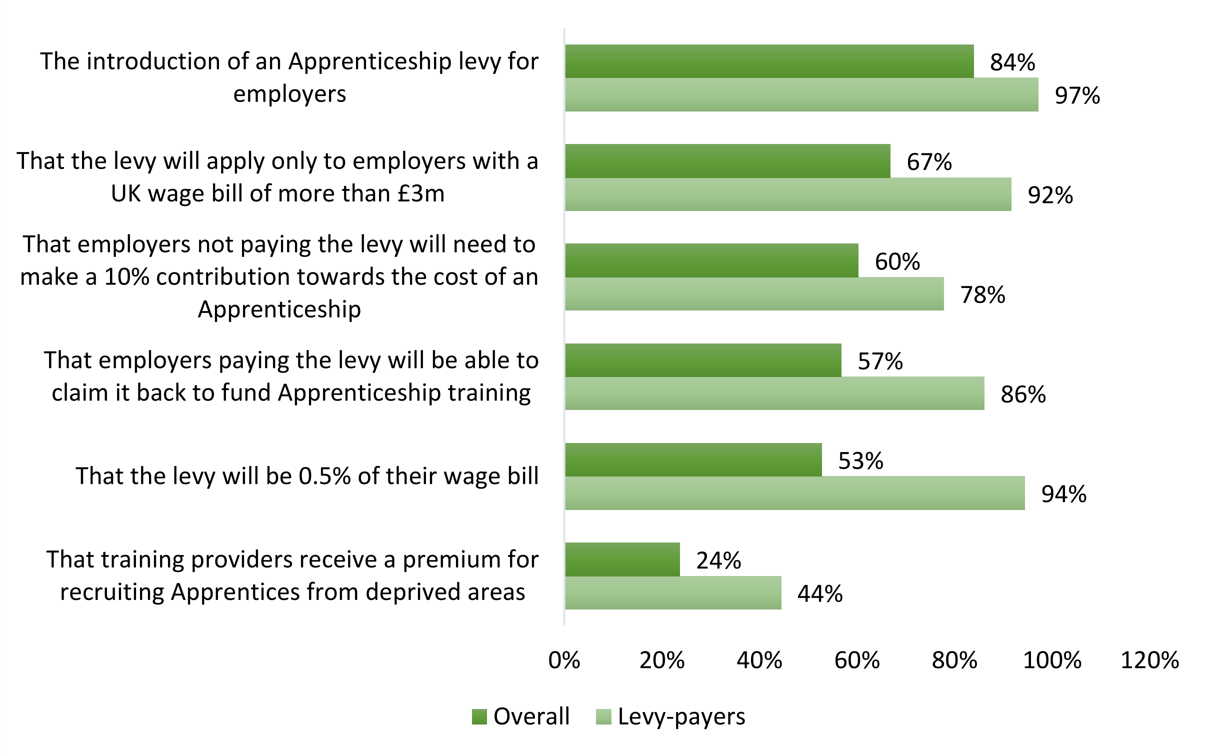
Figure 2.33: Awareness of changes, by employer sector



We then provided respondents with an outline of the changes and asked, with this information, do they recall hearing about the changes. Around a quarter (24%; 49/207) of those who had previously stated they were unaware, now indicated that they had heard of the changes. However, that leaves 39% of the survey sample (158/406) unaware of these changes even after being given an outline of them.

Those organisations who reported they were aware of the changes in the first place (49% of the sample; 199/406) were then asked whether they were aware of several specific elements of the changes and the results are provided in Figure 2.34.

Figure 2.34: Which of the following changes are you aware of?



The results show that the vast majority are aware of the introduction of the apprenticeship levy (84%; 167/199) and yet only around two-thirds (66%; 133/199) understood who the levy applies to. The vast bulk of the levy-payers themselves (92%; 33/36) are aware of this, and yet even amongst this cohort 8% are unaware of who the levy applies to. Additionally, 6% of levy-payers (2/36) did not understand that the levy represents 0.5% of their wage bill and crucially, 15% (5/36) were not aware that they can claim their levy back to fund apprenticeship training.

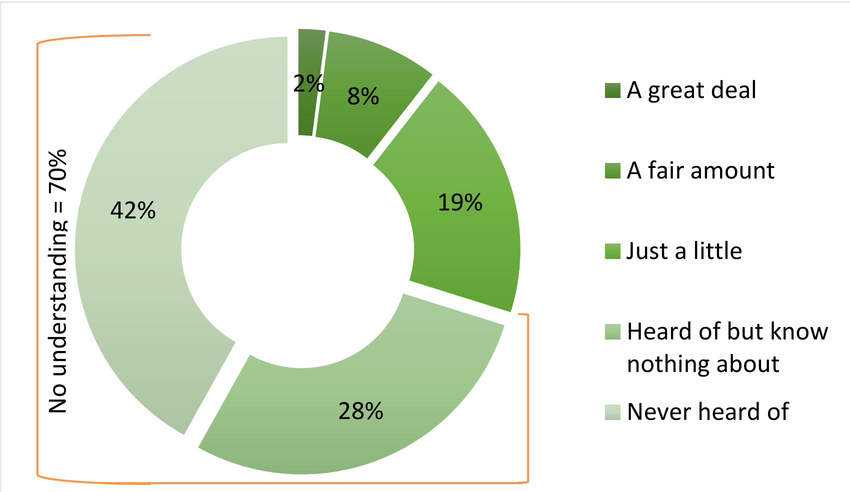
Four in ten (40%; 120/199) of the overall sample were not aware that non-levy payers would need to contribute towards the cost of an apprenticeship. Finally, more than three-quarters (76%; 152/199) of the overall sample and more than half of levy-payers (56%; 20/36) did not know that training providers receive a premium for recruiting apprentices from deprived areas.

Higher Level Apprenticeships

Given that the core purpose of this survey is to inform the HLAP, this section of the survey focusses on the barriers to offering HLA with a particular focus on awareness and their appropriateness to employers.

A lack of awareness among employers of HLA is clearly a significant barrier to accessing these opportunities in HotSW. Our survey finds that 42% of those who have not offered HLA (163/389) have never heard of them. A further 28% say they have heard of them but know nothing about them. Together, this means that 70% of those who have not offered HLA have no understanding of them and that lack of understanding / complete lack of awareness is likely to be a contributory factor towards the low take-up.

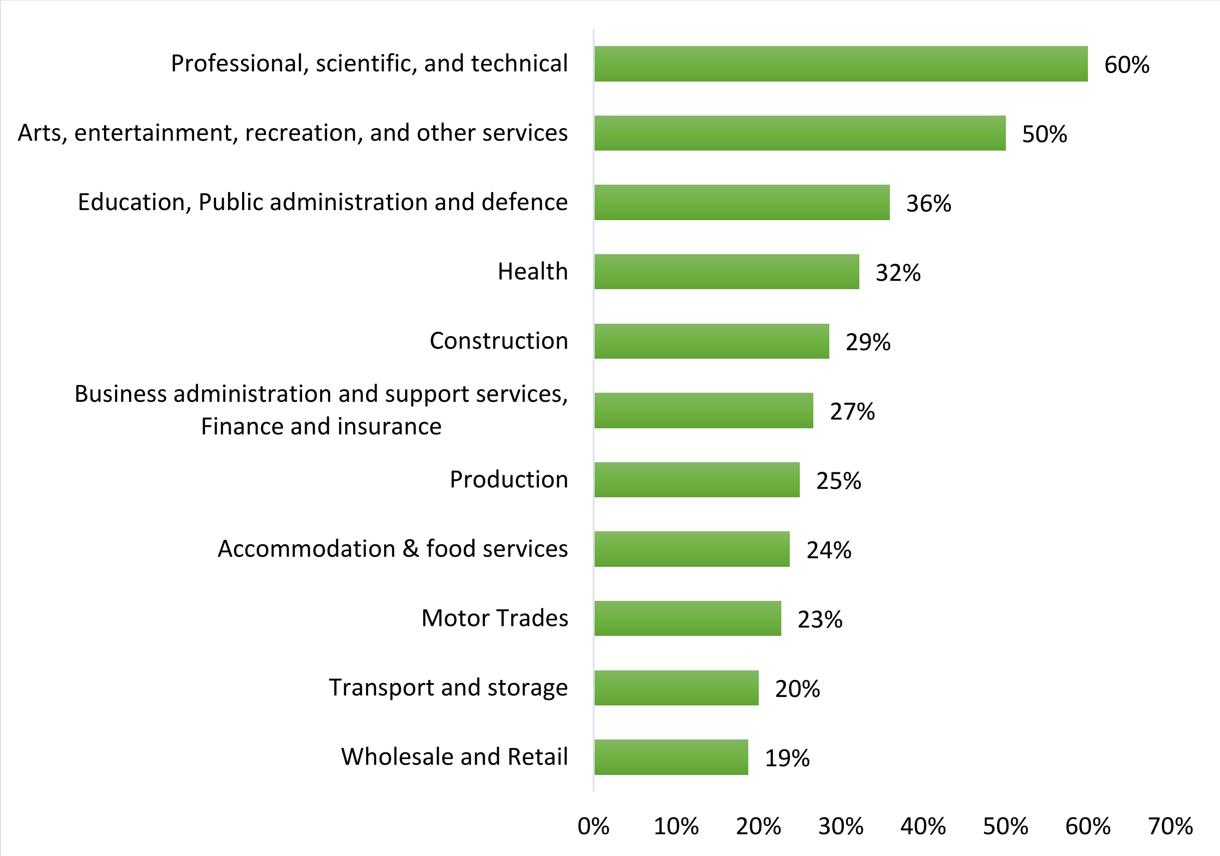
Figure 2.35: How much, if at all, do you feel you know about higher level Apprenticeships - these are Apprenticeships at Level 4 or higher, including Foundation Degree and Degree level?



The same pattern is found as with the previous section on awareness where the larger the organisation the more likely they are to have an awareness and understanding of HLA. The results range from 29% of large organisations (10/35) reporting they have never heard of HLA to 54% of microenterprises (35/65). Even among large organisations this figure is high and represents a key barrier to offering HLA.

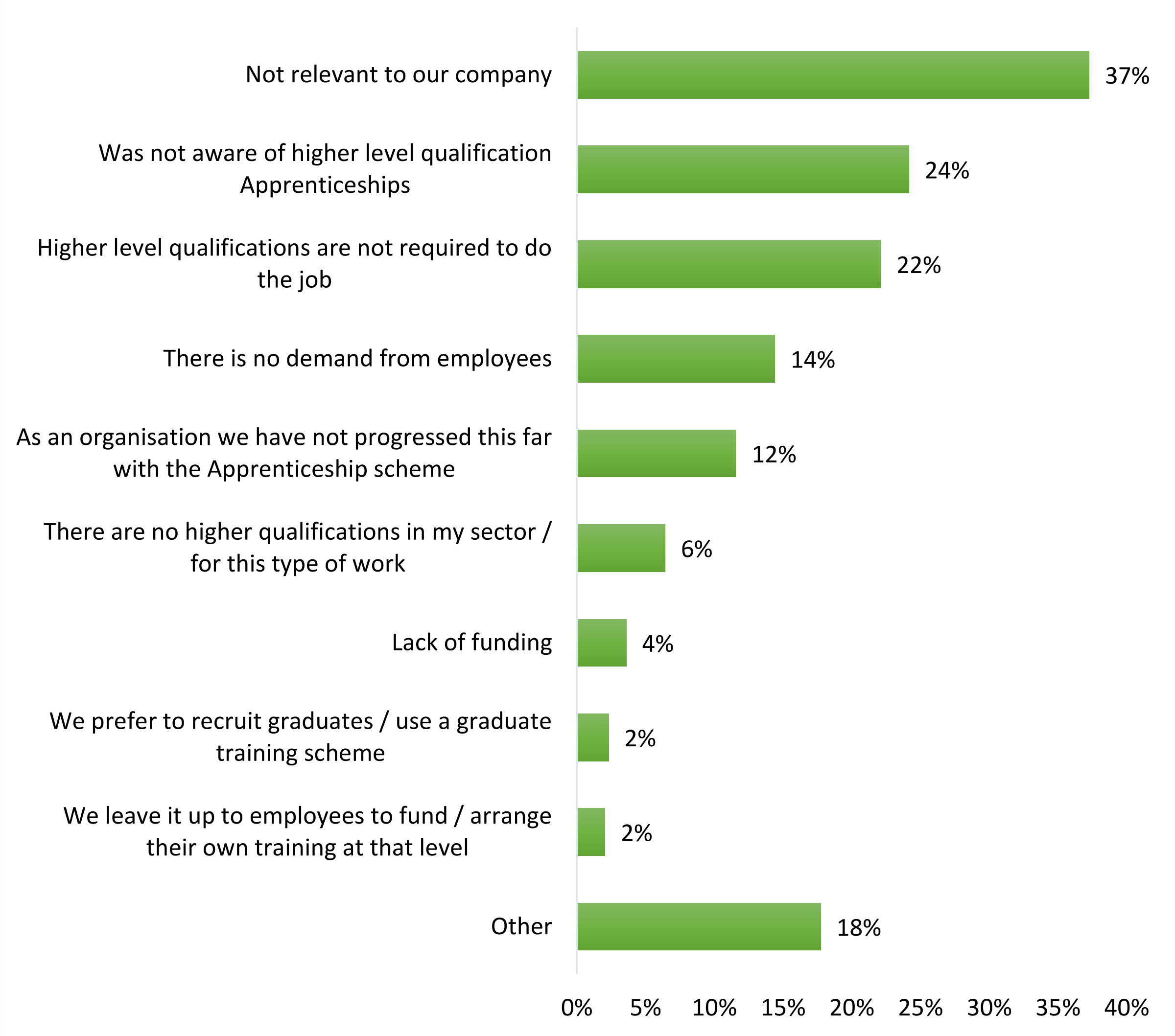
Figure 2.35 also shows that there is substantial sectoral variance with sectors reporting some level of understanding (i.e. one of the first three options in Figure 2.34) ranging from just 19% (6/32) in the retail and wholesale sector to 60% (6/10) in the professional, scientific and technical services sector.

Figure 2.36: % of sectors who report some level of understanding



These organisations were then asked a broader question regarding why they had not offered HLA and a wide range of reasons were provided (see Figure 2.37).

Figure 2.37: Why do you not offer higher level Apprenticeships?



Once again, a lack of awareness was reported as an issue with around a quarter (24%; 94/389) stating they were not aware of HLAs (we know the actual figure of unawareness is much higher from the direct question posed on this, above). However, the main response provided here was that HLA are not relevant to their organisation, with 37% (145/387) reporting this. This finding may be interlinked with the lack of awareness, where organisations do not understand enough about HLA to know how they could be relevant for their needs. It may also be indicative of the lower skills needs of some of these organisations, with more than a fifth (22%; 86/389) reporting that higher level qualifications are not required for the job.

Importantly, 12% (45/189) reported their organisation have not progressed to the stage with the apprenticeship scheme where they feel prepared to offer HLA, suggesting that with greater steer and progress they would be interested in offering HLA. This latter point is a far greater issue for larger organisations, with 27% of medium and 29% of large organisations citing this as an issue compared to 6% and 7% of micro and small organisations respectively. There were no clear trends in terms of organisation size for any of the other issues.

There were also some large sectoral variances, particularly in the proportion of employers reporting that HLA are not relevant to their organisation. The arts, entertainment and recreation sector, 92% (11/12) reported this, whereas in the education and public sector only 14% (9/64) reported the same.

We followed this broader question with a more direct question regarding the extent to which HLA are relevant to their organisation. It is clear that a large proportion of organisations do not think that HLA is relevant for them with almost half (48%; 193/405) stating that they are not relevant at all. Under three in ten (29%; 117/405) reported that HLA are either very or quite relevant. The low awareness of HLA might have some bearing on this, although it is likely that many organisations, particularly in lower skilled sectors, do not require their staff to be trained and qualified to this level.

Figure 2.38: How relevant do you think higher level Apprenticeships are for your organisation?

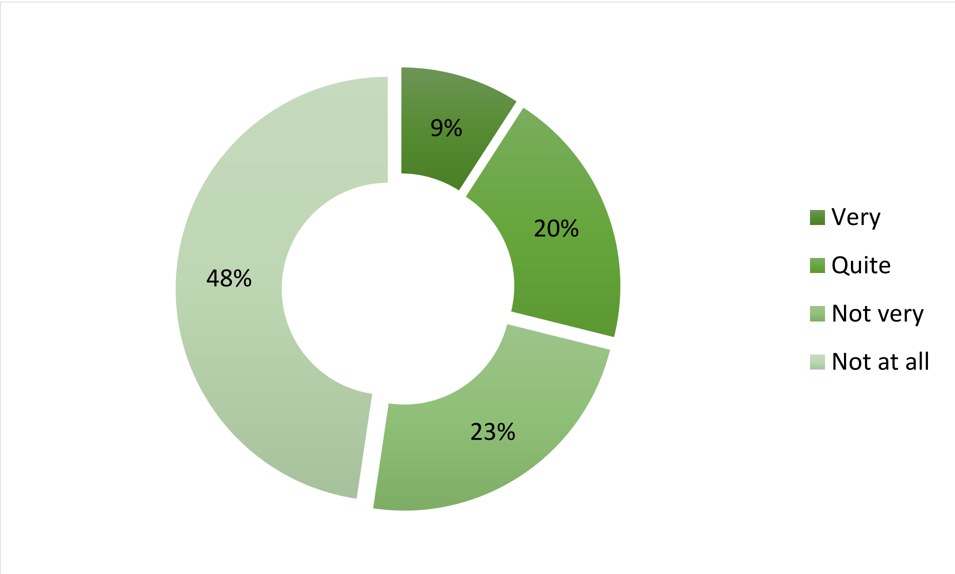
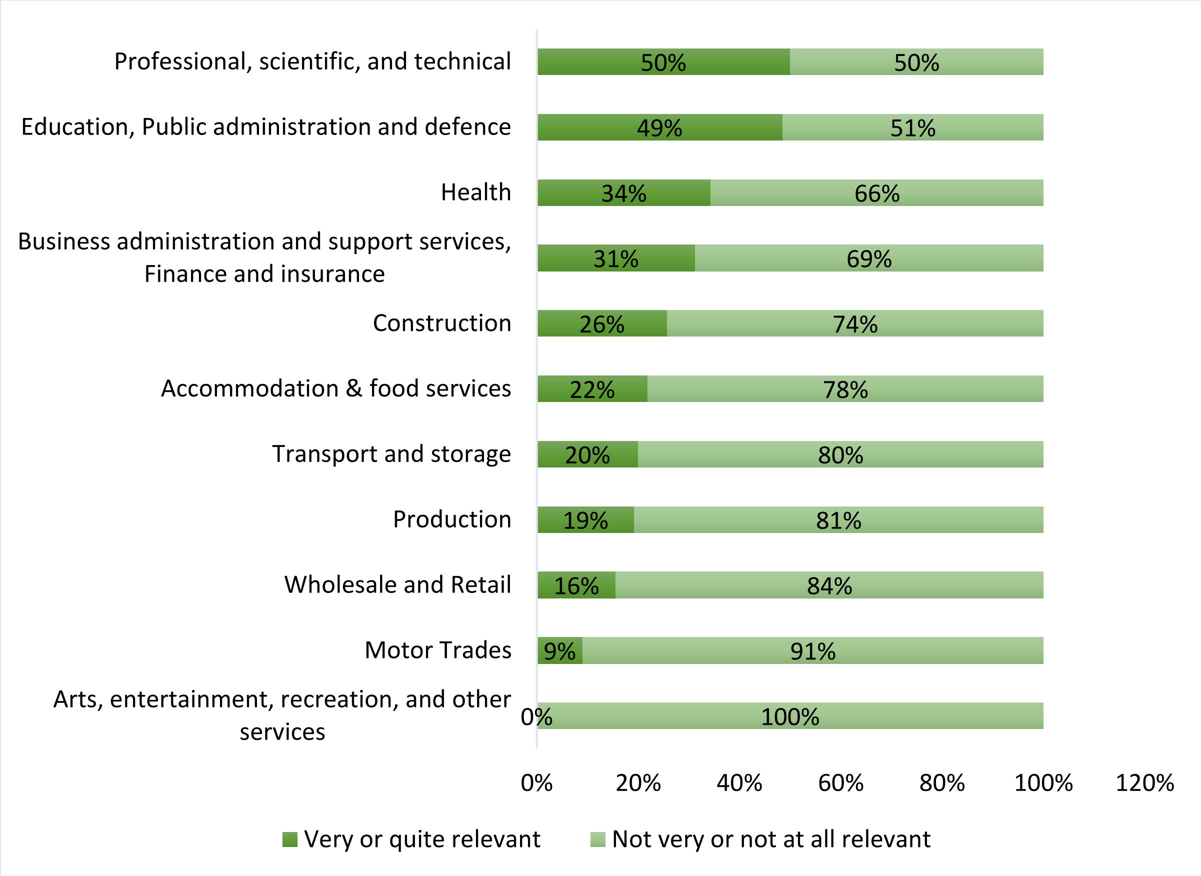


Figure 2.39 shows clear divergence across the sector in relation to the perception of HLA's relevance to organisations. In the highly skilled sectors and those traditionally associated with HLA, there are large proportions who see HLA as being relevant. For more elementary skilled sectors such as motor trades and those not traditionally associated with apprenticeships (e.g. arts and entertainment), none or very few consider HLA relevant.

However, even within sectors that are strongly associated with apprenticeships, such as education and public administration and production, most do not consider HLA relevant. In the latter sector, 81% (21/26) described HLA as not very or not at all relevant.

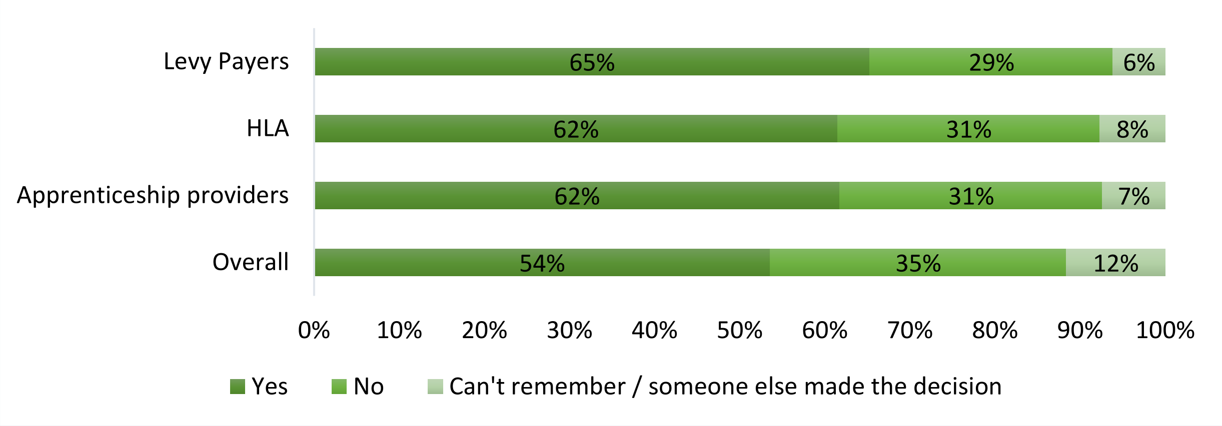
Figure 2.39: Relevance, by sector



Support for apprenticeships

More than a third of employers (35%; 141/405) do not believe there is sufficient information, support and guidance available to employers interested in offering Apprenticeships. A similar proportion of those that have offered apprenticeships (31%; 42/136) reported the same. It is clear, therefore, that improvements could be made to the information and support provided to employers and this would likely increase uptake.

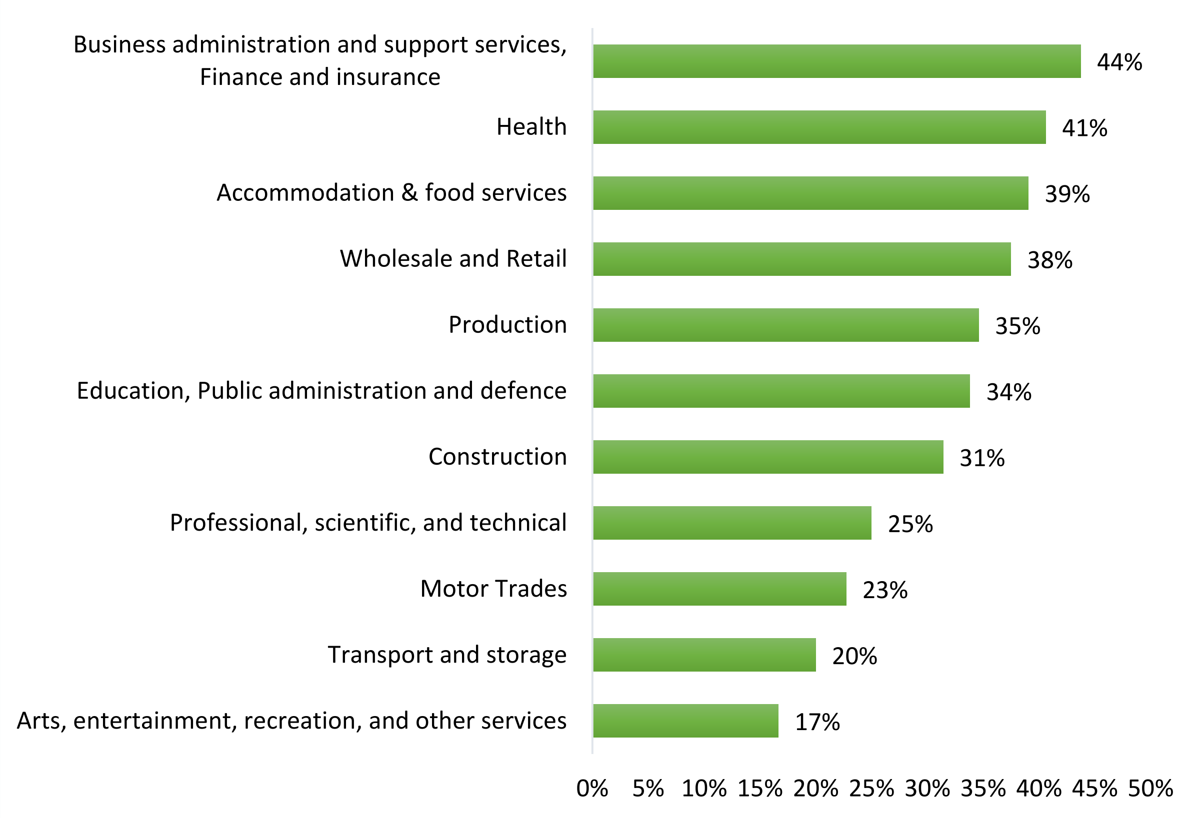
Figure 2.40: Now thinking more generally, do you feel there is sufficient information, support and guidance available to employers interested in offering Apprenticeships?



Interestingly, even among large organisations who would be expected to have a good grasp of the apprenticeship landscape, 30% (12/40) stated that there should be greater information and support.

Figure 2.41 shows the proportion of employers in each sector who believe there is insufficient information and support. It is mostly the non-traditional apprenticeship sectors who report that there is insufficient advice and support. This, coupled with the lack of awareness of apprenticeships generally and particularly of the new programme, suggests that there is scope to target non-traditional sectors to increase uptake.

Figure 2.41: % who believe there is insufficient information and support, by sector



The 35% of organisations who believe there is insufficient information available were asked what type of information and support is missing and the results are shown in Figure 2.42.

Figure 2.42: What information, support and guidance do you think is missing?

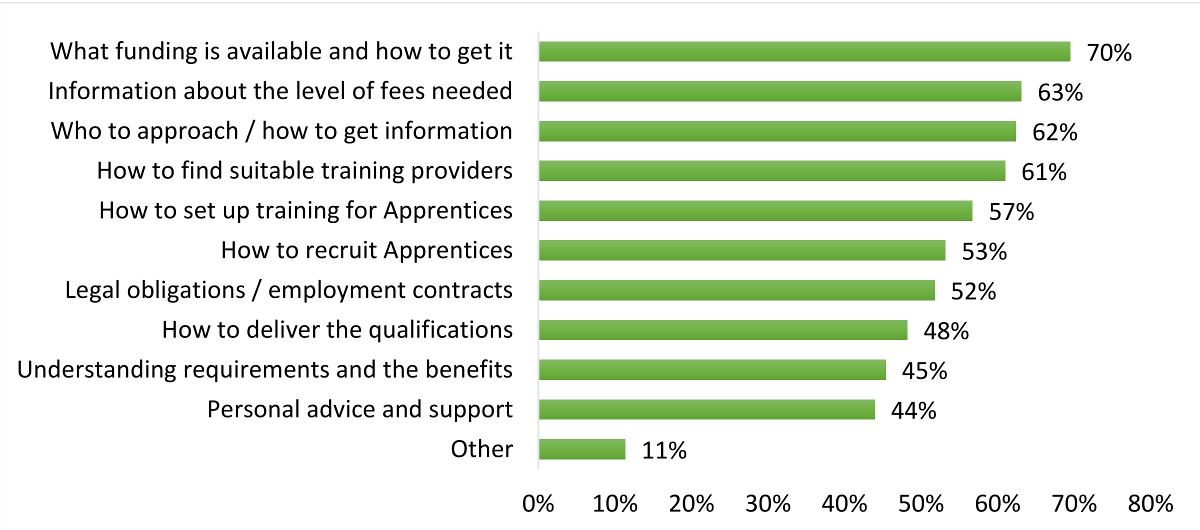


Figure 2.42 shows that there are wide ranging gaps in organisations' understanding of apprenticeships, including 70% (98/141) who would like further information on how to access funding. Most organisations would also like further information on who to approach for support (62%), how recruit apprentices (53%) and how to set up the apprenticeship infrastructure. Including identifying training providers (61%) and setting up training (57%). This lack of understanding is likely to represent a major barrier to organisations engaging with the apprenticeship programme.

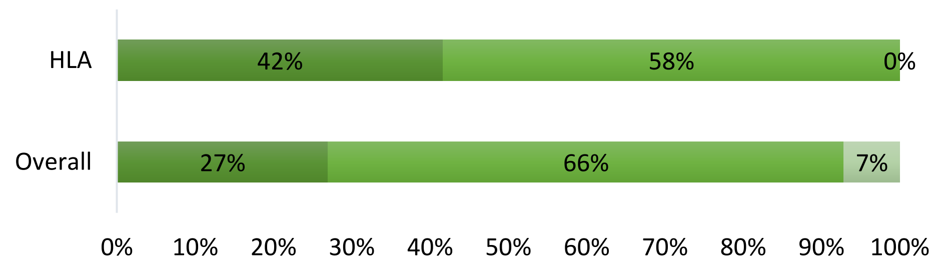
2.7 Future Plans

The final section of the survey considered employers' future intentions regarding apprenticeships, including both employers who currently offer apprenticeships and those that don't.

2.7.1 Future intentions of apprenticeship providers

Firstly, employers who already offer apprenticeships were asked whether they believe the number of apprentices at their site is likely to change in the next 2 to 3 years. Positively, a far greater proportion of these organisations expect the number of apprentices they employ to increase than decrease in the near future. In total, more than a quarter (27%; 34/126) expect the number to increase compared to just 7% (9/126) expecting a decrease (a net gain of 20%).

Figure 2.43: Do you expect the number of Apprentices at this site over the next 2 to 3 years to...

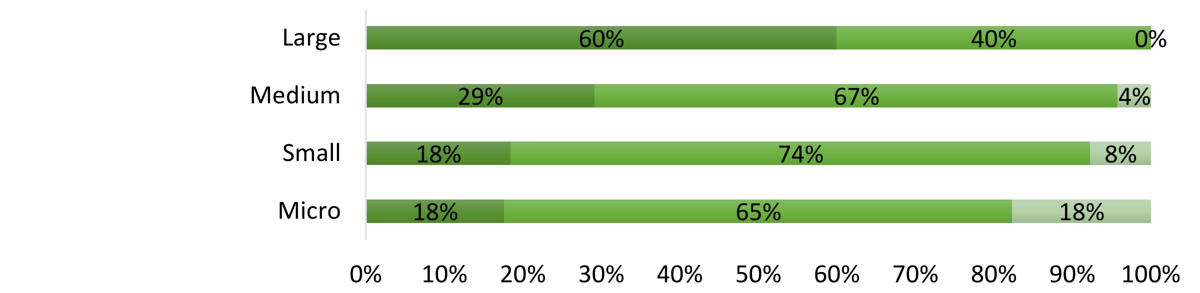


	Overall	HLA
Increase	27%	42%
Stay at about the same level	66%	58%
Decrease	7%	0%

Those organisations who provide HLA were even more positive with 42% (5/7) expecting an increase and none expecting a decrease. However, most of these organisations currently employ lower level apprentices in addition to HLA, so it cannot be determined whether they were referring to an increase in HLA or other apprentices in their response to this question.

A very clear pattern emerges when the size of organisations is extrapolated from these results (see Figure 2.44). Intentions to increase the number of apprenticeships is heavily geared towards larger organisations. For example, just as many microenterprises indicated that they expected the number of apprentices they employ to decrease as increase (net gain of 0%). Conversely, 60% (12/20) of large organisations expect to increase the number of apprentices they employ and none expect a decrease.

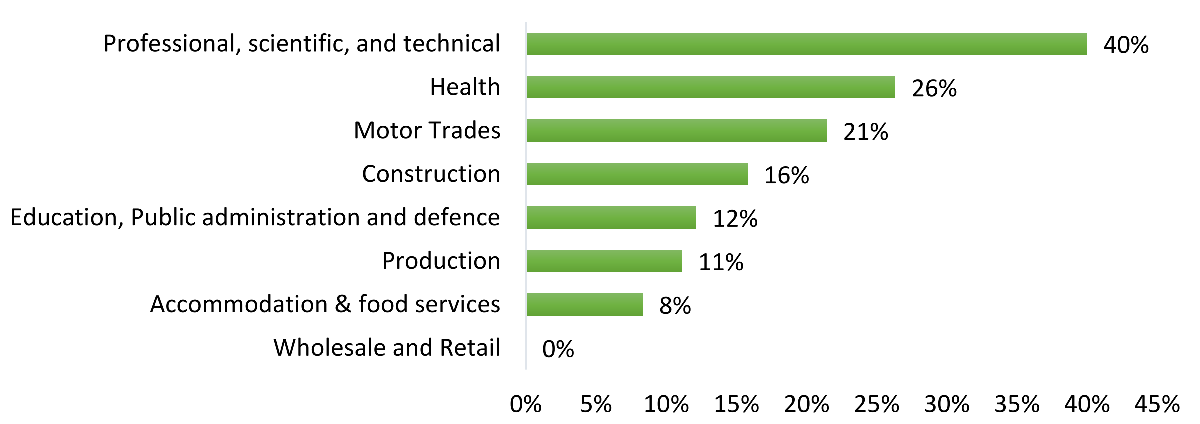
Figure 2.44: Future intentions, by size



	Micro	Small	Medium	Large
Increase	18%	18%	29%	60%
Stay at about the same level	65%	74%	67%	40%
Decrease	18%	8%	4%	0%

Figure 2.45 shows the net increase (i.e. the proportion reporting they expect a decrease subtracted from those expecting an increase) for each sector where there were at least five responses. Positively, almost all sectors reported a net increase with wholesale and retail the only exception.

Figure 2.45: Net increase in apprentices, by sector



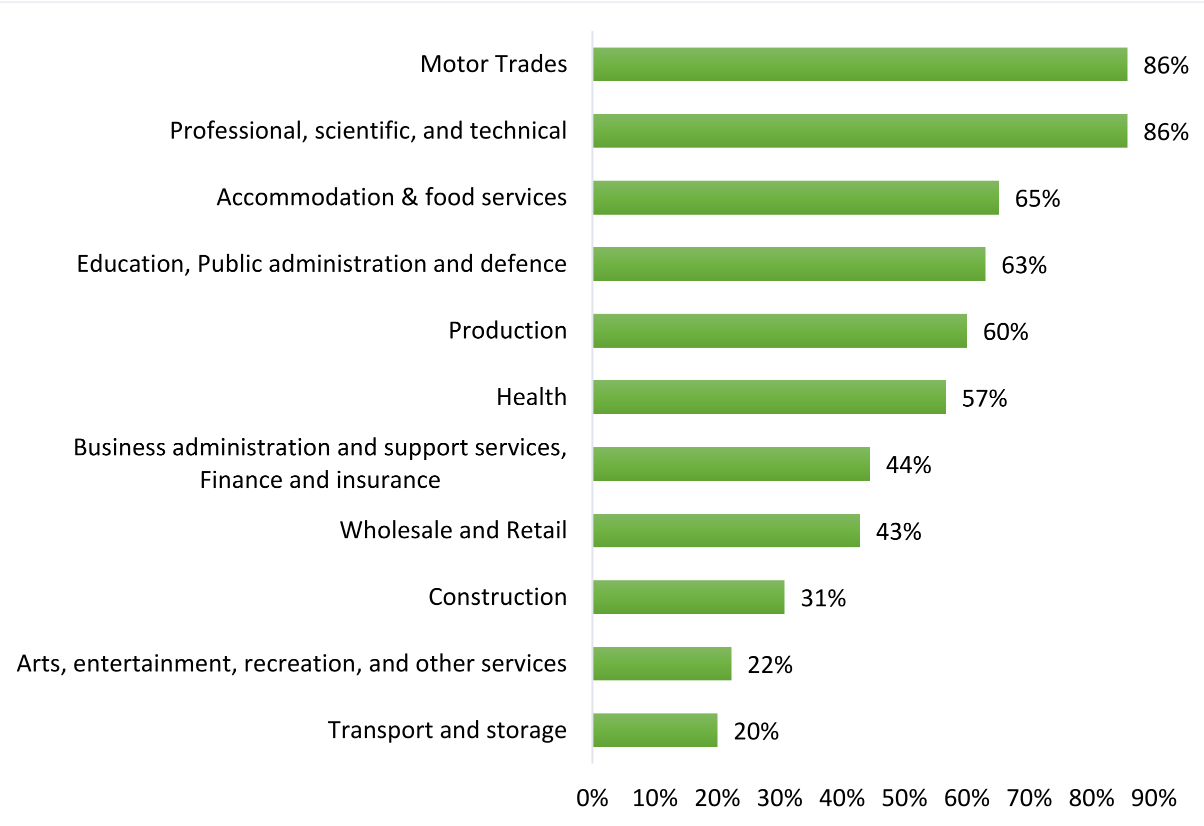
2.7.2 Future intentions of non-providers

Encouragingly, most organisations who do not currently offer apprenticeships reported that they are interested in doing so over the next two to three years. When excluding 'Don't know' answers, 55% (118/215) of these organisations expressed an interest in offering apprenticeships. This includes 38% (53/141) of all those who reported in the previous section that there is insufficient information and support available to them (see Figure 2.40). These findings suggest that there is good scope to increase take up of apprenticeships, particularly among the group of organisations who report they would like further information and support on how to do this.

The survey results also reveal that organisations of all sizes who do not currently offer apprenticeships would be interested in doing so. Excluding Don't knows, 51% of microenterprises reported this along with 60% of large organisations.

There is however large variance across the different sectors as illustrated in Figure 2.46, although caution needs to be taken with the low sample sizes.

Figure 2.46: Are you interested in offering Apprenticeships over the next 2 to 3 years? (% reporting Yes (excluding Don't know), by sector)

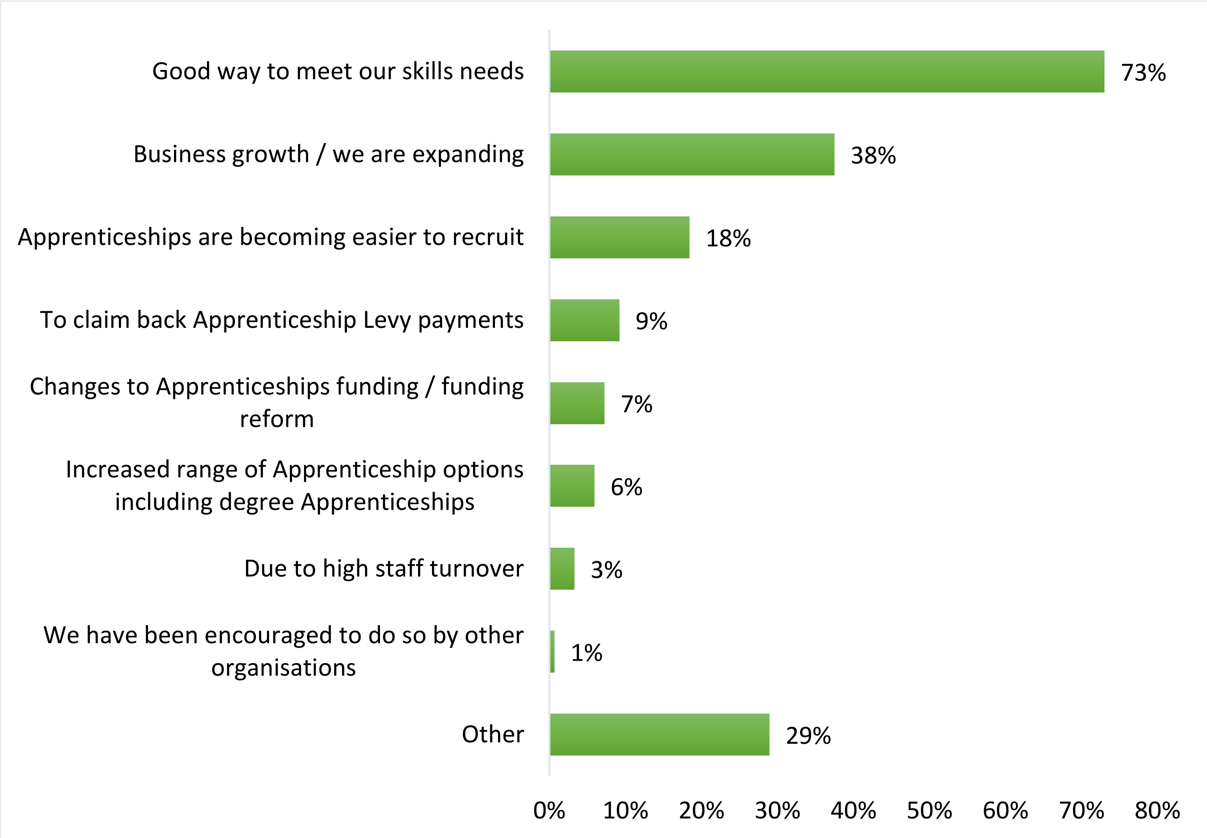


2.7.3 Reasons for these trends

All organisations who are either expecting to increase the number of apprentices they employ or are considering offering apprenticeships when they don't currently do, were asked to explain their reasons for this. Figure 2.47 shows that their reasoning is very much to do with a desire to address their skills needs with almost three-quarters (73%; 111/ 152) reporting this. This is a far greater driver than any of the other options provided.

Organisations who are experiencing growth also see apprenticeships as a meant to facilitate that with 38%; 57/152) citing this as a driver. The apprenticeship levy payment and changes to the programme are clearly not a significant driver for the vast majority of organisations with only 9% and 7% respectively reporting this.

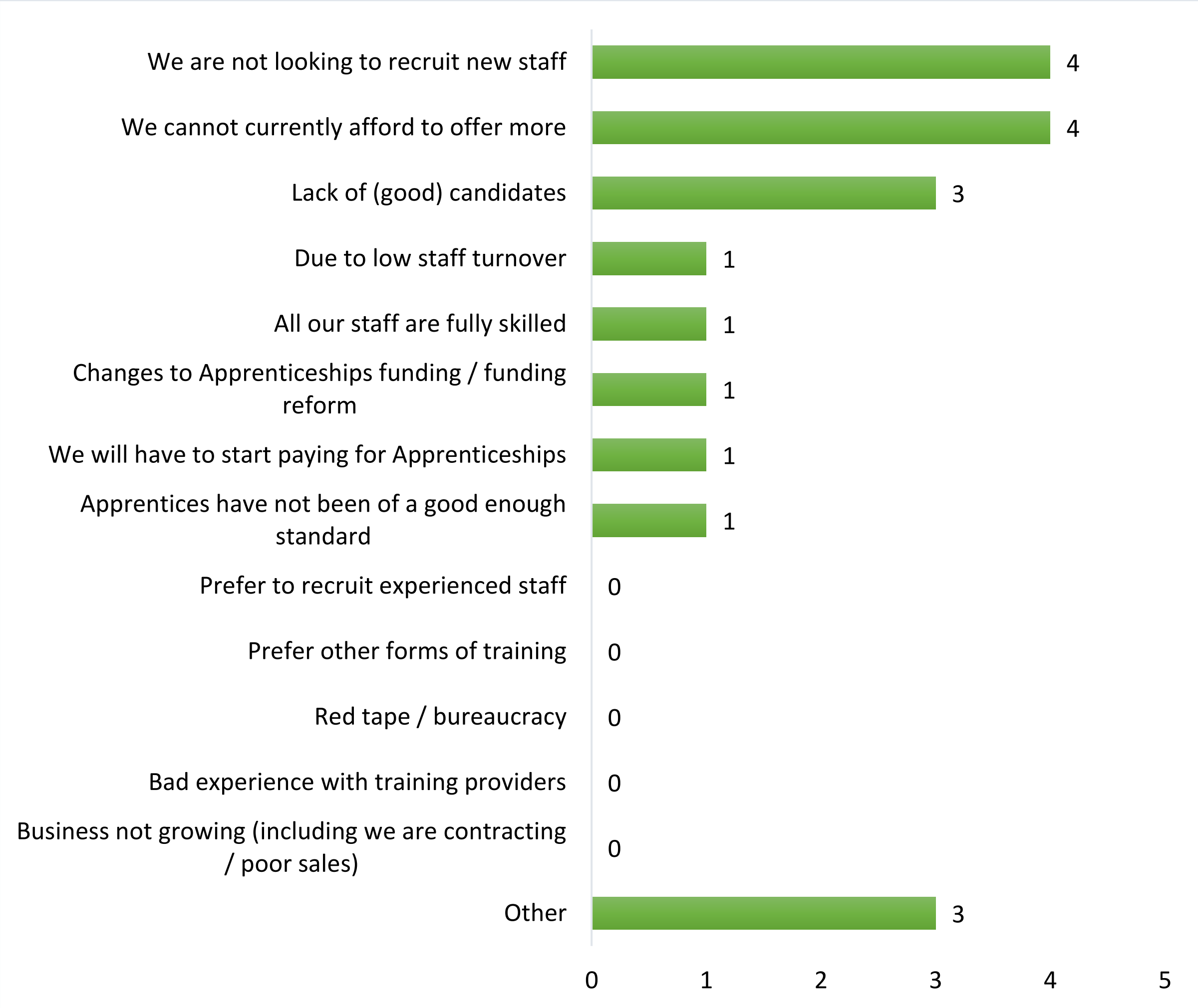
Figure 2.47: Why do you expect the number of Apprentices to increase?



Finally, the nine organisations who expect the number of their apprentices to decrease were also asked to provide their reasons. The main reasons are to do with their business performance with four reporting they are not recruiting new staff and three stating they cannot afford to offer more. A third (3/9) of these also explained that the lack of good candidates is the key factor.

The results also seem to suggest that the changes to the apprenticeship programme are having little effect in dissuading organisations from offering apprenticeships with only one of the nine citing this as a reason. This finding, coupled with findings in the previous chart, suggest that the changes to apprenticeships are having little impact one way or the other in term of take up and demand.

Figure 2.48: Why do you expect your number of Apprenticeships to decrease?



3 The Evidence Base: Training Providers

3.1 Introduction

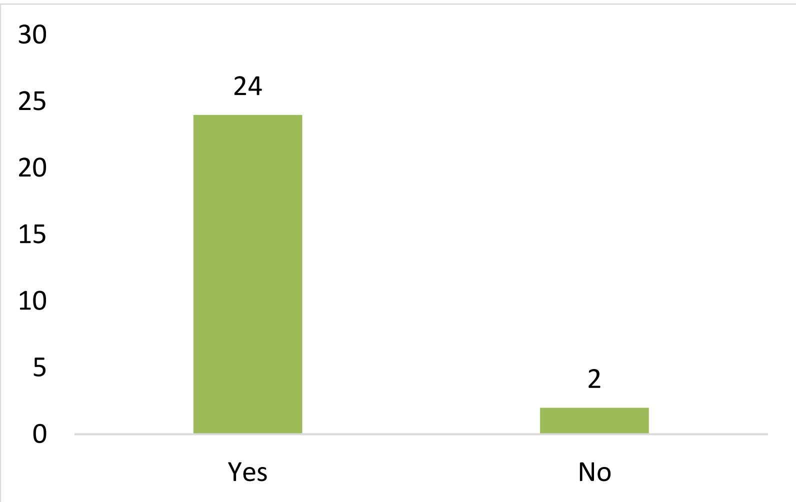
This chapter presents findings from the second of the three key research fieldwork activities undertaken by Wavehill in formulating the Higher Level Apprenticeship Plan (HLAP) for the Heart of the south west (HotSW) area. The research involved a survey of 26 individual Training Providers within HotSW and sought to provide context on current Apprenticeship provision as well as an insight into future delivery plans and priorities. Findings from the survey are complimented by notes from in-depth consultations undertaken with providers based across Devon and Somerset.

A range of providers responded to the survey, and it is important to note that the sample included two universities. The number of interviews undertaken means that data produced here should not be taken as a representation of providers across the region, but rather as an insight as to how some organisations work and their motivations and plans to shape Apprenticeship delivery for the future.

3.2 Profile

Of the 26 training providers, 92% currently deliver Apprenticeships at any level. In total these training providers were responsible for providing an approximate total of 9,155 Apprenticeships to 7007 employers (10% of whom were levy paying).

Figure 3.1: Does your organisation currently deliver Apprenticeships at any level?

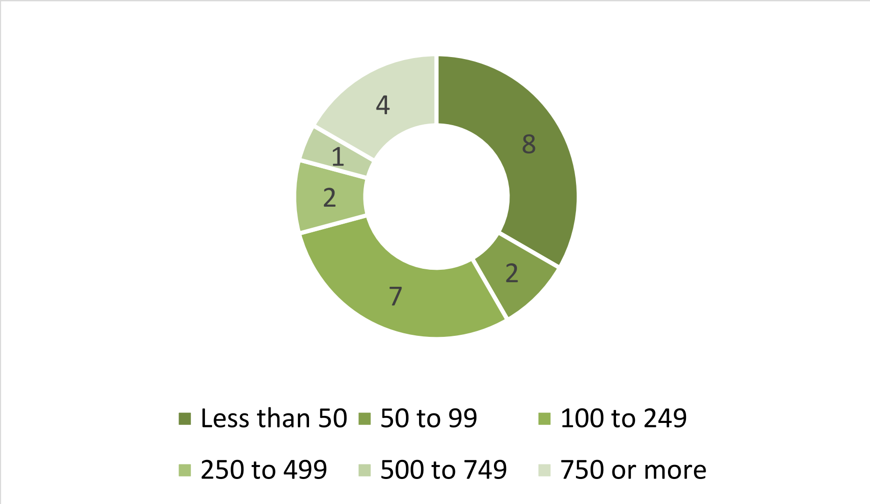


N=26

Employers worked with

The training providers surveyed worked with different numbers of businesses ranging from 4 to 1,200, the average number of businesses worked with was 292.

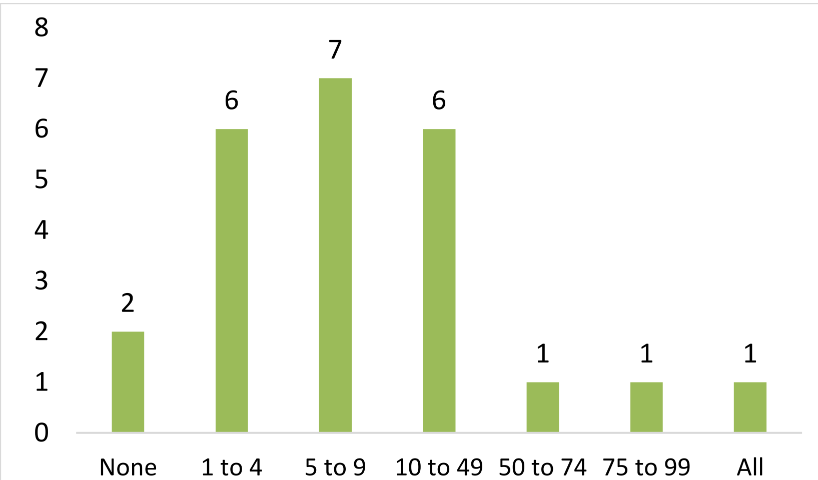
Figure 3.2: Number of employers worked with



N=24

That expectation that employers who pay the Apprenticeship levy i.e. all those with a payroll wage bill of over £3m across the UK, are more inclined to provide Apprenticeships as they already contribute towards the funding available is supported by the results for this survey. Even though less than 2% of businesses were anticipated to have to pay the levy, they accounted for 10% of the number of businesses providers worked with.[7] Whilst our survey sample only represents a small number of providers, it is encouraging as this suggests that levy paying businesses are utilising their funding.

Figure 3.3: Total number of businesses worked with that pay the levy



N=24

[7] https://new.devon.gov.uk/apprenticeships/employers/

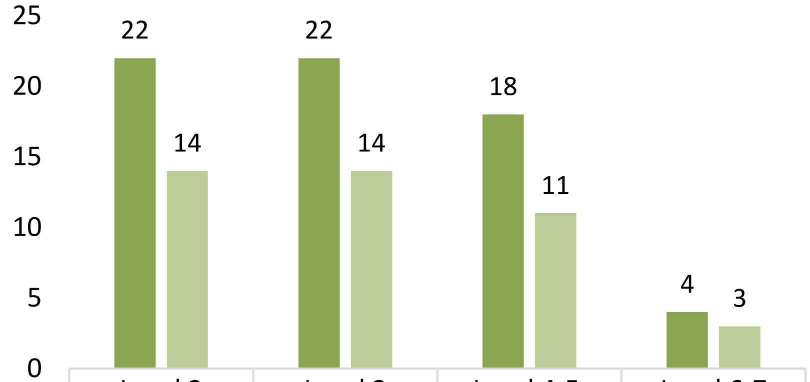
3.3 Current Delivery

This section provides an insight into the current nature of delivery including the Apprenticeship levels on offer, partnership working and considers the current provision of Higher Level and Degree Level Apprenticeships.

3.3.1 Level of Apprenticeships delivered

92% of the training providers who responded to the survey were currently delivering Apprenticeships and the majority of these delivered Apprenticeships at Levels 2 and 3 (92%, 22/24). Most also provided Apprenticeships at Levels 4 and 5, however only 4 businesses (17%) provided Degree Level Apprenticeships.

Figure 3.4: Number of training providers that deliver different Apprenticeship levels across HoTSW and Elsewhere

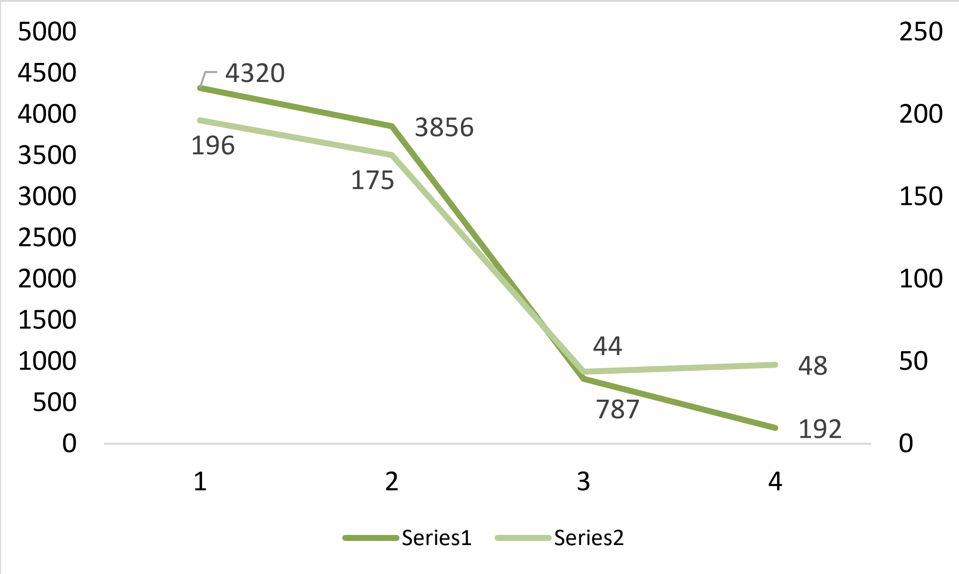


	Level 2	Level 3	Level 4-5	Level 6-7
HotSW	22	22	18	4
Elsewhere	14	14	11	3

N=24, Respondents could choose more than one answer

Training providers from Devon and Somerset reflected that as a result of mainly working with SMEs, the predominant uptake is of Level 2 Apprenticeships and their understanding of Higher Level Apprenticeships is limited. This is reflected in survey findings as the number of Apprenticeships offered at this level accounts for 47% of the number of Apprenticeships offered overall. This figure is consistent with broader geographic statistics, in 2016 a survey conducted by the Federation of Small Businesses found that 45% of small businesses mainly offer level 2 apprenticeships, in England in 2014/15 Government statistics showed that 60% of all apprenticeships starts in England were at Level 2.

Figure 3.5: Total Number of Apprenticeships offered and average number per organisation by Apprenticeship level



3.3.2 Higher Level and Degree Level Apprenticeships

During the in-depth consultation with providers they reflected that for most Apprenticeships delivered at level 3 tended to be taken up by individuals who had been in employment for some time rather than school leavers. It had been shown in research by the Department of Education that Level 4 and 5 qualifications were being accessed by individuals with a relatively deprived background who had typically progressed slowly through the vocational route.

In order to get a sense of the current provision for these types of Apprenticeships as well as a sense of the rate of progression from lower level Apprenticeships we have used two measures; the Incidence and Density of Apprenticeship provision.

As Table 3.1 shows below, the incidence rate for each level relates to the proportion of training providers that offer Apprenticeships at this level while density concerns the volume of Apprenticeships offered at this level as a proportion of the total number of Apprenticeships offered by the providers.

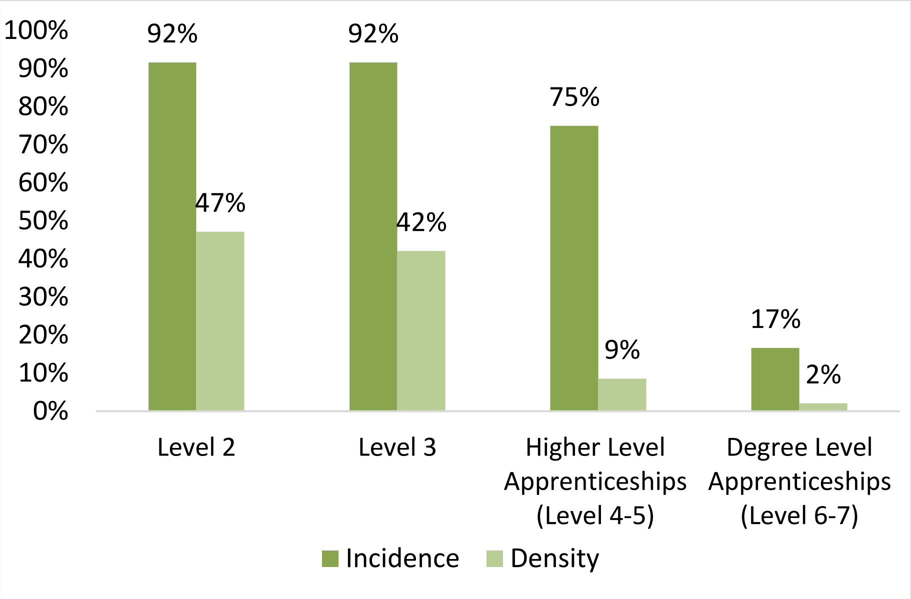
Table 3.1: Calculating incidence and density of Higher Level and Degree Level Apprenticeships

Incidence	Proportion of establishments reporting at least one HLA or DLA among all those offering apprenticeships
Density	HLA / DLA as a proportion of all apprenticeships

As can be seen in the graph overleaf the provision of Higher Level Apprenticeships is relatively high as 75% of providers surveyed offer Apprenticeships at this level, however the number of Apprenticeships undertaken at this level is a much smaller percentage of Apprenticeships being taken up overall.

As expected both the incidence and density of Degree Level Apprenticeships are low, and the 192 Apprenticeships offered at this level were provided by only 3 organisations all operating in the educational sector (2 universities and 1 college).

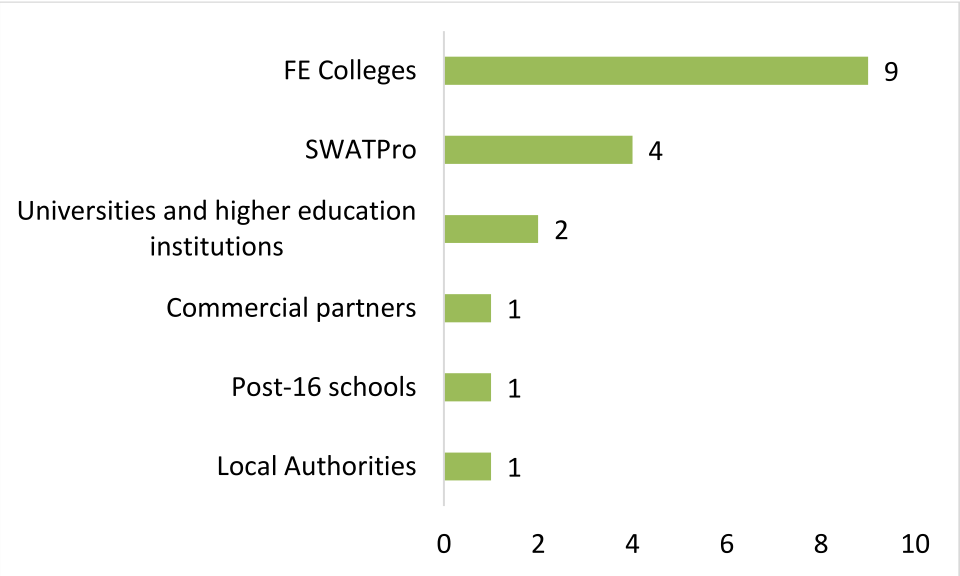
Figure 3.6: Incidence and Density of Apprenticeships offered



3.3.3 Nature of Delivery

Just over half (54%) of the training providers surveyed delivered Apprenticeships in partnership and these partners tended to be mainly further education colleges.

Figure 3.7: Are any of those partners…?



N=11 Please note each respondent could pick multiple options

Frameworks and Standards

Since 2017 the Government has been phasing out the delivery of Apprenticeships through Frameworks and replacing them with standards resulting in a different method of assessment and a new funding system. Looking at the Framework and Standards funding bands it appears that currently neither delivery method covers all provision. Currently there are no frameworks for level 7 Apprenticeships whilst 16% of standards offered are at levels 6 and 7.

In terms of the method of delivering Higher Level and Degree Level Apprenticeships, whilst all providers who offered these Apprenticeships delivered them using frameworks and standards there appeared to be distinction between the popularity of one over the other. It was interesting to note that Higher Level Apprenticeships were more likely to be delivered through frameworks whilst all providers delivering Degree Level Apprenticeships were using standards.

Figure 3.8: Frameworks vs Standards

The base for this graph is the number of respondents that provide Apprenticeships at each level: N (Level 4-5) = 18, N (Level 6-7) = 4.

Looking at Higher Level Apprenticeship provision, the frameworks predominantly used were Level 5 in Care Leadership and Management (16%), Level 4 in Business and Professional Administration (13%) and Level 4 in Advanced Manufacturing and Engineering (13%). Standards were used for a range of sectors including Business and Administration, Digital, Health and Science and Legal.

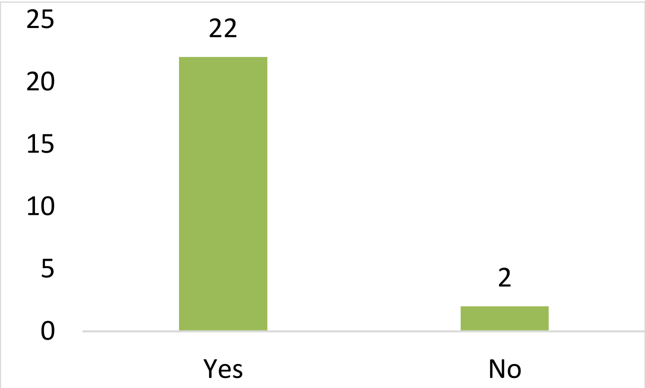
Whilst no qualitative data was provided regarding the frameworks used at levels 6 and 7, standards at this level were Apprenticeships in the Business and Administration and Digital Sectors.

3.4 Future Delivery

3.4.1 Survey Responses

92% of the training providers we surveyed expected that their Apprenticeship delivery plans would change in the next 3 years. In the instances where providers did not expect their plans to change this was either because they were not familiar with their organisation's plans or their organisation was a specialist provider that had already drawn up delivery plans to meet needs of change.

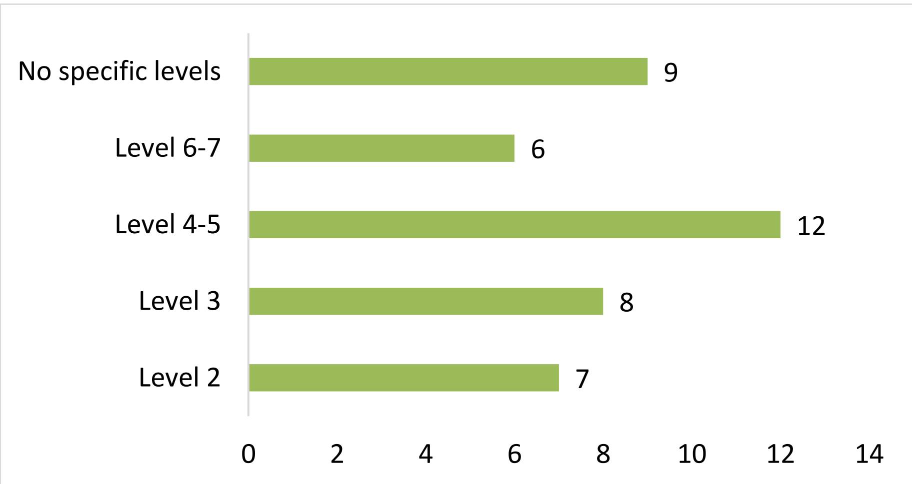
Figure 3.9: Are you planning to change your Apprenticeship delivery plans in the near future?



N=24

Where providers planned to change their delivery plans, the most popular level that they or their organisation were interested in delivering in the future was Apprenticeships at levels 4 and 5 (55%).

Figure 3.10: Are there any specific levels which your organisation may begin delivering, or is interested in delivering Apprenticeships in the next three years?



N=22

Level 6-7 was the least popular choice which is reflective of comments from the in-depth consolation with providers. Unlike academic pathways, vocational pathways are more varied and with Apprenticeships some job roles can only be provided up to a certain level.

Although there is excitement from certain quarters, such as schools, in regard to Degree Level Apprenticeships and UCAS has been updating their website to provide a clearing system for these, it was felt by providers that there is still someway to go in perfecting the offer. Understanding of the employment requirements of a Level 6 or 7 Apprenticeship and aligning the UCAS Degree Apprenticeship offers with those for other degrees were two improvements suggested by providers.

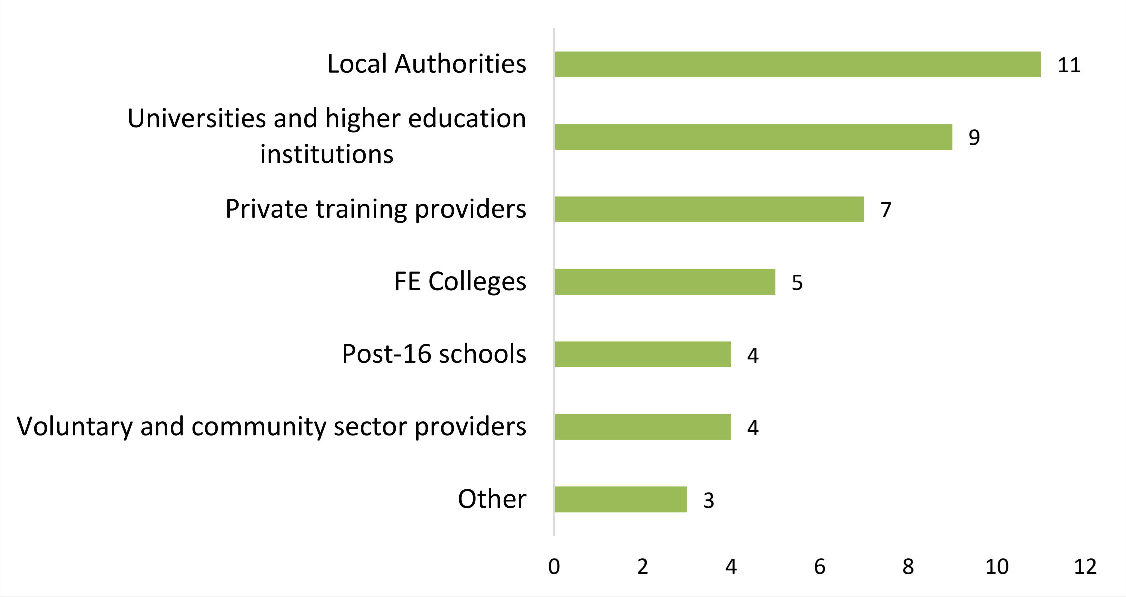
With the strain on Colleges and Universities to keep student numbers high, it was felt that Higher and Degree Level Apprenticeships would be in direct competition with other onsite qualifications provided by these organisations. One provider explained *"The biggest barrier in xx College is from colleagues who want to keep people in their courses."*

It was also felt that universities were less in touch with industry wants and needs.

> *"Universities lack of experience in working with businesses to understand their needs. The apprenticeship programmes need to be driven by the employer's specific requirements where a consultative approach/partnership working is required."*

One point raised in the consultations was the position of Local Authorities in the region, and their concern that in the near future they could see a large amount of their staff retire with no progression routes in place to replace them. Authorities were also described as *"low hanging fruit"* who were keen to have an integrated training budget. These comments were reflected in the survey as 50% of providers (11/22) expressed an interest in working with Local Authorities.

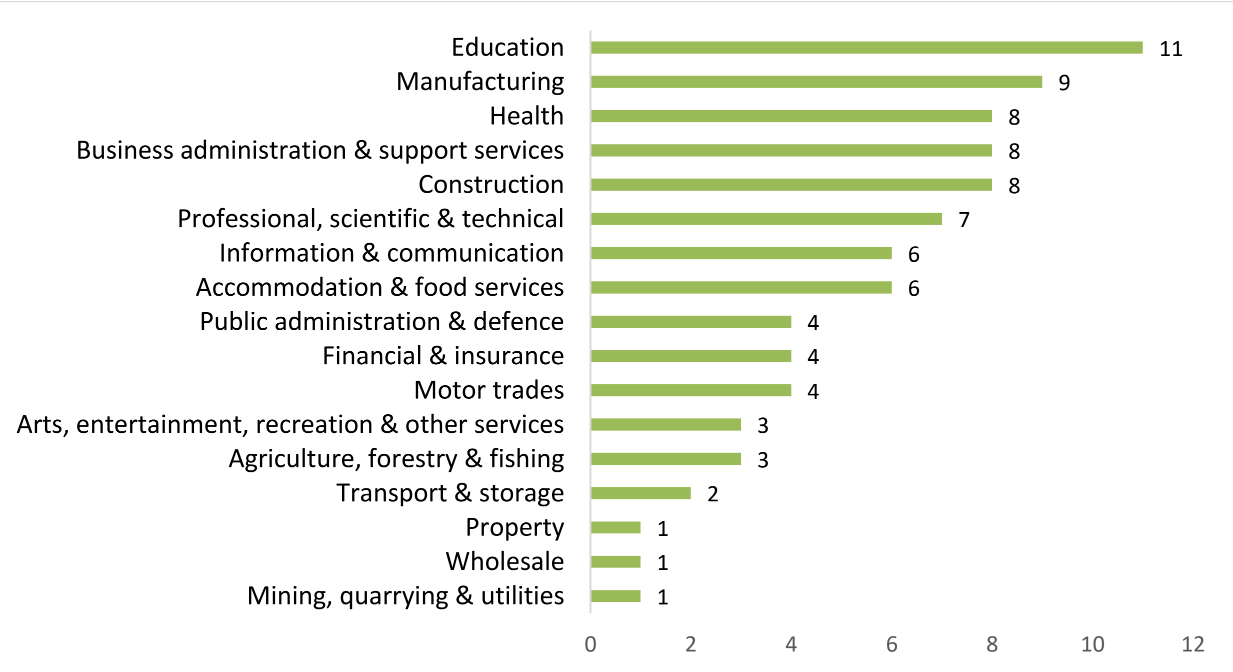
Figure 3.11: Are there any specific partners with whom your organisation is interested in working with [that you don't currently work] in delivering Apprenticeships in the next three years?



N=22

The sectors that organisations were most interested in delivering were Education, reflecting findings in the 2016 Employer Perspective Survey that businesses in this sector were most likely to offer Apprenticeships, and Manufacturing which may reflect the ongoing construction of Hinkley Point.

Figure 3.12: Are there any specific sectors in which your organisation may begin delivering, or is interested in delivering Apprenticeships in the next three years?



N=22

3.4.2 Challenges

It is hoped that the construction of Hinkley point will provide opportunities to expand Higher Level Apprenticeship provision, particularly as additional funding has just been announced to help smaller companies join supply. However, an important point was raised during the in-depth consultation with providers that some of the skills required for the construction are highly specialist and *"equally they are migrating the workforce in for some things due to the need for accuracy"*.

Training providers surveyed commonly identified employer awareness and need as a challenge to increasing provision of Higher Level and Degree Level Apprenticeships. It was felt that certain sectors did not see the need for or the use of Apprenticeships at these levels.

> *"Employers still lack willingness to training…if they have a skill gap they want that addressed now and are not going to wait three years for that individual to be upskilled."*

The requirement for 20% of Apprenticeship training to take place off site was reported to be a challenge for employers which puts them off entering employees for Apprenticeships. One provider stated that the time off needed to study for Higher Level Apprenticeships had a particularly adverse effect on SMEs and meant the qualifications were more suitable for larger organisations. It was suggested that cash incentives could be a way to address this barrier for businesses.

The ESFA digital accounts were mentioned as a barrier as the system has been found to be unwieldy despite hopes it would provide a sophisticated system. There were fears from providers that when everyone is moved to this system for 2018/2019 it will be onerous for providers.

The underlying challenge for Apprenticeships was well summed up by this individual:

> *"The biggest challenge is around supply and demand - we have a definite shortage of employers creating vacancies within their organisations for individuals to undertake degree level Apprenticeships. We are currently seeing employers up skilling their existing workforce as opposed to creating fresh talent pipelines"*

3.4.3 Opportunities

Two important points were made during the consultation regarding what needs to be done to assist with the take up Apprenticeships.

The first point was the importance of ensuring that organisations have an understanding of Apprenticeships in order to be able to promote and advertise them accordingly. Particular reference was made to understanding amongst SMEs and the fact that the free structure means that businesses of this size can get their staff trained to a higher level for less investment. It was suggested that promoting Higher and Degree Level Apprenticeships as a means of succession planning to incentivise businesses of this size.

The use of difference terminology such as *"Workplace degree programme"* was also suggested as it was important to ensure that businesses understood opportunities not as *"making* [an employee] *become an apprentice but about CPD that benefits through apprenticeship funding".*

Collaborative working was also cited as being of critical importance. Providers were keen for employers to 'think outside of the box' and approach Apprenticeships based on employee skill sets and longer-term planning. It is felt this in turn will also mean an uptake of lower level Apprenticeships as a means of progression.

Within collaborations, subcontracting was mentioned both as an opportunity and a barrier. The application of subcontracting rules by the ESFA were cited as unclear and have hindered potential links to ESF funding. Despite this, providers were interested in exploring whether there were beneficial forms of subcontracting for Higher Level and Degree Level Apprenticeships as it was felt subcontracting would allow flexibility and buy in of specialist expertise. It was noted that due to the risk of subcontracting, this would need to be considered carefully and high quality in terms of sector knowledge and compliance would need to be ensured.

A potential opportunity noted in the consultations was alternative funding opportunities such as embedding qualification units into ESF funded projects as a means of engaging with employers.

3.5 Conclusions

Within the consultation, providers noted that 90% of Higher Level Apprenticeship access is from the existing workforce and believed this is where the demand will lie in the future. SMEs are dominant in terms of access to current provision and it was agreed that there is a need to engage businesses of this size at the risk of business from larger employers drying up once their workforce has been upskilled. To do this, emphasis was placed on the importance of ensuring this cohort understands the advantage and applicability of Apprenticeships to their organisations.

Current provision of Degree Level Apprenticeships is low and although schools have expressed an interest in these, there is still some way to go in terms of understanding these qualifications and where they fit in with other qualifications provided at this level. Given that providers felt that the majority of Higher Level Apprenticeships were being accessed by employees who have progressed through Apprenticeships, there may be a natural uptake of these kinds of apprenticeships in the future.

4 Addressing Higher Level Apprenticeships Take-up and Provision: The Actions

The Heart of the Southwest LEP has a critical role to play in helping to coordinate and market the provision of HLA as one part of the solution to the perennial under-investment by UK companies in skills and training and to mitigate the legacy effects of that under-investment across the Devon and Somerset regions. **It is vital that the LEP play a strong leadership role in helping to break down traditional preconceptions and misconceptions about Apprenticeships in general and HLA in particular**. The survey of businesses analysed above in this report clearly demonstrates that 'traditional' views of Apprenticeships dominate the business community – particularly among SME – and that **these views continue to stigmatise and hamper the uptake of HLA across the region**.

In particular, as the LEP moves forward with the implementation of any plan for expanding the provision and uptake of HLA in the HotSW area, it is vital that the LEP review its own messaging strategy and that core principles be adopted. Specifically, it is imperative that the LEP ensures that its own messaging:

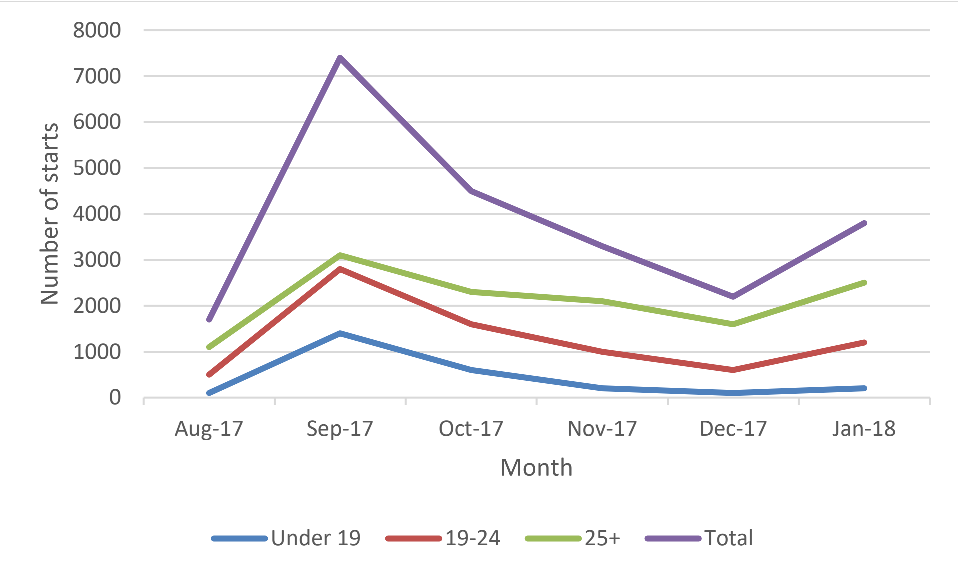
- Reflects the reality that HLA are very well adapted to CPD and to the existing workforce (although this is not exclusive of hiring new workforce entrants through HLA)
- Reflects the reality that HLA are not confined to specific sectors (such as the Construction industry)
- Reflects the fact that HLA in particular can be a means to keeping the outputs of Higher Education local
- Reflects the reality that HLA can be part of a 'Mittelstand'-type culture, in which SME that invest in and value their workforce are valued by employees and the communities within which they are embedded.

In conducting the research to expand the evidence base that underlies the planned actions that we propose, it became evident that common themes emerged from the consultations and surveys of both businesses and Training Providers that can be labelled the *Three I's* – Intelligence, Information, and Integration. In the rest of this section, we expand upon each of these themes and propose a set of actions to address the challenges and concerns that we uncovered.

4.1 Intelligence

As noted above, the skills and training landscape has been subject to much change and reorientation over the last few years, if not decades. One consequence of this dynamic is that it has left the evidence base fragmented, piecemeal, and disjointed. This in turn has led to sensationalist headlines about the direction of travel that are built upon month to month comparisons in a newly established skills and training provision regime; stable and meaningful longitudinal comparison has suffered during this period. For example, if we look at HLA starts since the introduction of the levy in April 2017, the available data show a number of characteristics.

<u>Figure 4.1: Higher Level Apprenticeship starts</u>



Source: Department for Education

This has led to a range of differing interpretations, some of which have focussed on growth[8] while others have emphasized an underlying stability[9] - in all events, the data series is currently too short and the experience of levy introduced changes too recent to draw hard and fast conclusions.

[8] For example, see: 'Huge spike in higher level apprenticeship commitments', FE Weekly (https://feweek.co.uk/2017/11/02/huge-spike-in-higher-level-apprenticeship-commitments/)

[9] For example, 'Apprenticeship starts: the numbers behind the headlines', Learning and Work Institute (http://www.learningandwork.org.uk/2017/10/13/apprenticeships-starts-the-numbers-behind-the-headlines/)

All parties with a stake in qualifications, skills and training outcomes have a need for strong and consistent intelligence:

- Training providers need forward looking market intelligence to identify future skills needs and to shape their training provision strategies
- Employers need a strong and stable intelligence base to determine their internal skills and training needs and to avoid risk-averse withdrawal from the skills and training offer
- Learners need accurate and robust intelligence upon which to make decisions about skills and training that have long-lasting impacts upon jobs, careers, and life opportunities.

It is our view that the LEP is the appropriate and best placed economic development organisation that can help bring the community of stakeholders together to ensure the systematic production and collation of data that will provide a coherent insight into the evolving place of Apprenticeships (and Higher Level Apprenticeships) in the broader qualifications, skills and training landscape.

That intelligence may be drawn from at least three sources:

- National databases and sources to which the LEP and the stakeholder community have access, either through their own analytical staff or through contracted analysts
- Regional and local data sources that are generated by partners and stakeholders, both in the public and the private sectors
- Bespoke research that may be undertaken or commissioned to fill identified gaps in the evidence base.

Action1: Bring together multiple business intelligence and Labour Market data sources into a unified structure that would provide timely, accurate, and actionable skills and training data to users

During the course of the research for this plan, we have had the opportunity to consult and review data from all these sources. There is an existing wealth of information about local economic and skills and training across the HotSW area, but it is held in different locations, organisations, and databases. We also note that there are existing or defunct initiatives in this regard who have worked with the stakeholder community, such as the Marchmont Employment and Skills Observatory at the University of Exeter and the South West Observatory. While any initiative to bring together business and labour market intelligence would need to be mindful of existing activities and areas of strength, the LEP could play an active and leading role through the establishment of a HotSW-level observatory, that could be a ‘win-win’ for all stakeholders.

Consultations with Training Providers revealed that one of the primary barriers to the increased provision of HLA is a lack of knowledge about labour market initiatives and actions that may be coming down the pipeline. It is a valuable asset to the HotSW area that there exists an established example in this regard, exemplified by the Hinkley Point Training Agency (HPTA), which has made a serious investment in predicting future skills demands and labour market shortages in the area, as well as clearly identifying opportunities for HLA to fill some of those gaps. Care should be taken that any such initiative be reflective of the whole stakeholder community and should be open and accessible to the breadth of the Training Provider community.

While the development of a LEP 'economic and labour market observatory' might entail the commitment of (relatively modest) resources, it is possible that the service could be contracted out, be revenue generating, or both.

Action 2: Work with HE, FE, and research partners across the LEP area to analyse trends and produce key labour market forecasts

As noted above, the HotSW area (like most LEP areas) is data rich but possibly intelligence poor; in other words, the available data has not been fully collated and joined, and it may still be under-analysed for strategic and labour market purposes.

As part of the exploration for establishing an 'observatory', we would recommend that partnerships with FE and HE institutions, as well as other Research Institutes, be explored that might leverage the analytical capabilities and expertise of those institutions.

We note, for example, that there has been a very successful partnership established in Wales, WISERD (the Wales Institute of Social and Economic Research, Data, and Methods), that brings together a network of economic and social experts in partnership with public bodies to generate analytical insights that can serve the public good and inform policy making.

We believe that the establishment of an analytical policy information network across the area under the aegis of the LEP and its stakeholder community could address one of the critical factors in inhibiting the further provision and take up of HLA (and indeed skills and training as a whole) which is the imbalance of resources between organisations and institutions across the HotSW area, which in turn has the effect of exacerbating existing inequalities. For example, large businesses with hundreds (or thousands) of employees are likely to be able to produce internal economic and policy reports and to master the complex and changing landscape of Apprenticeship provision; yet smaller businesses do not have similar economic or time resources to invest, and have to rely on external analysis. In the absence of readily accessible, easily digestible, labour market intelligence and information, such businesses remain risk averse and tend to abstain from participation in (new) training and workforce development schemes.

The same is true of many smaller independent Training Providers, who still lack access to robust and reliable trend information that can inform their future provision strategies. As part of the research for this plan, our consultations revealed that over half of all Training Providers that we talked to suggested that they intend to increase their engagement with HLA provision.

However, qualitative interviewing also suggests that there are different drivers for increasing engagement with HLA among different pools of TP and, while some (larger) independent TP are seeing market opportunity, some of the (smaller) independent TP are driven by something closer to fear ("If I don't get involved with this, I will lose market position"). HE and FE institutions also have different strategic concerns for engagement with HLA. Many TP expressed to us that they do not feel that they have enough consistent and stable information about the direction of travel of the local skills economy upon which to base their future choices about provision. This segment of the Training Provider community clearly needs additional support for business planning and market development opportunities.

Action 3: Work with Local Authorities, Unitary Authorities, and other public bodies to bring together multiple existing sources of intelligence and to reduce duplication of effort

As noted above, the HotSW area is in many ways data rich, and there are a number of excellent existing resources that explore local economic and labour market conditions. Many of those resources are maintained by local and unitary authorities that are current partners of the LEP, and many of those existing data sources are already shared with the stakeholder community and inform many of the LEP actions and strategies. A small (non-exhaustive) sample of such existing resources includes:

- Devonomics[10], maintained by Devon County Council
- Plymouth Economic Intelligence Group of the Plymouth Growth Board[11]
- Somerset Intelligence[12], maintained by a network of partners across Somerset including Somerset County Council, Taunton Deane Borough Council (& on behalf of West Somerset District Council), Sedgemoor District Council, Mendip District Council and South Somerset District Council.

We believe that under the aegis of the LEP-level 'observatory', the HotSW can leverage and link to these existing resources and identify possibilities for both increasing cooperation (e.g. standardising data collection and measures) and eliminating duplication of effort (e.g. accessing secure data for GVA and economic forecasting within sectors and local geographies), which will help generate a coordinated approach to HLA.

It should be stressed that the essence of a successful LEP level observatory is the ability to capture fine-grained local and Functional Economic Market Area intelligence to enable within-region comparisons to be made easily and robustly. There is already a network of advisors and specialists across the HotSW area who are keenly attuned to local LMI and a successful observatory initiative will leverage this local expertise rather than duplicate, replace, or ignore it.

[10] http://www.devonomics.info/
[11] https://www.plymouth.gov.uk/investmentandgrowth/strategicgrowth/economicintelligence
[12] http://www.somersetintelligence.org.uk/about-us.html

Action 4: Work with the business community and business leaders to disseminate intelligence to businesses, especially in the SME community that do not have the resources to generate their own labour market intelligence

The LEP has already cemented its place as a forum for the business community to come together with the public sector and to disseminate intelligence about national and regional trends, and the Growth Hub is a central pillar of business support in the region. For the business community of the HotSW to thrive, it is vital that information about emerging market opportunities and supply chain opportunities reach the SME that are the beating heart of the local economy.

In consultations with businesses, we found that there is a clear disparity between larger firms that have greater access to robust labour market intelligence and SME that report feeling 'in the dark' about broader trends and emerging economic patterns. We will discuss the issue of specific information campaigns relating to HLA below, but what is clear from our research conducted for this plan is that SME remain, on the whole, unable to situate the push to increase the uptake of HLA within a broader labour market context. For example, when the 68% of our business sample surveyed for this report who do not currently use Apprenticeships were asked why not, the majority response was, 'they are not relevant to my organisation'. However, under qualitative questioning, businesses told us that they are unaware of the broader transformations taking place in the skills and training landscape (even if they are aware of the levy), and, once informed about those changes, they are likely to change their minds about the relevance (or lack thereof) of HLA.

Action 5: Work with the LEP partners to develop sector skills statements[13] that set out clear roadmaps and targets within key sectors for the regional economy

One of the features of the HotSW economy (economies) is the strength of its cross-cutting sectors[14], such as Agri-tech, Energy and Environment, Food and drink, Marine and Nuclear. [15] Equally, there are other 'traditional' sectors such as Construction that because of the nature of projects undertaken (such as the construction of Hinkley Point) span other sectors and have supply chain opportunities across the whole economy.

[13] These SSS should build upon the work that has already been started by the People Leadership group of the LEP

[14] These are sectors that cut across the SIC-code based Sections or Broad Industrial Groupings (as distinct from priority sectors, although some of the cross-cutting sectors are also identified priority sectors).

[15] See 'Functional Economic Market Areas and Economic Linkages in the South West (Final Report)' (2010), SQW consulting (http://www.sqw.co.uk/files/5813/8712/7397/39.pdf)

Many of the functional economic market areas (FEMA) of the LEP (such as the City of Plymouth, and the Torbay area) have produced local plans that set out clear skills strategies and incorporate discussion of the role of HLA in achieving those targets.[16] The HotSW Employment and Skills Boards[17] have begun work in addressing local skills demands and needs. The HotSW LEP has been active in addressing support for cross-cutting sectors, for example through the Heart of the South West Digital Skills Partnership (DSP) brings together businesses, charities, the education sector and public-sector organisations to tackle local digital skills challenges to build thriving and inclusive local economies, and which is on the forefront of the national policy agenda in this field.

Despite these activities, LEP-level Sector Skills Statements that address skills gaps and demands in these critical cross-cutting sectors remain under-specified and elusive. We note that the move from Apprenticeship frameworks to standards as a national policy decision by the Government was in large part driven by the recognition that cross-cutting sectors have broken down traditional sectoral silos and make the transportability of skills more vital than ever. The underpinning research and preparation for the DSP provides a model and a template for activities that can bring together stakeholders from the public, corporate and charitable sectors to inform strong Sector Skills Statements that will set out a vision for skills needs and provision and the role of HLA within that provision.

4.2 Information

There has been a concerted effort on the part of national stakeholders (DfE, the Institute for Apprenticeships, the Employment and Skills Funding Agency, Ofsted) to communicate with employers, learners, and training providers. The sheer volume of that communication has been hard for training providers to keep up to date with, has been a disincentive for many businesses to engage with the skills and training agenda, and has been confusing to individual learners. While strides have been made to develop institutional platforms and programmes (such as the Apprenticeship Ambassador Network) to overcome misconceptions and misunderstanding, much more work remains to be done. In particular, there is a major effort that is needed to reengage with employers and the business community in a comprehensive fashion and which can energise the hard-pressed SME-sector. Again, it is our view that the LEP is the appropriate economic development organisation to take a lead role in helping the stakeholder community to improve and shape the communications around the Apprenticeship offer.

[16] See, for example, Building Plymouth, 'Our Vision' (http://www.buildingplymouth.co.uk/about/our-vision) or Torbay and South Devon Work and Skills Plan. (http://www.torbay.gov.uk/DemocraticServices/documents/s8975/Work%20and%20Skills%20Plan.pdf/)

[17] HotSW ESBs include: Exeter and Heart of Devon, North Devon, Plymouth, Somerset and Torbay and South Devon.

Action 1: Training the trainers – workshop provision for TP engaged in or considering the provision of HLA

Consultations with area training providers reflects a vibrant community made up of larger and small independent providers, employer-providers, and HE institutions, and FE colleges. As we have noted above, the resources that are available to each of these organisational groups, their experiences of delivery, and their market position with regards to HLA differ widely.

The role of the Training Provider has changed dramatically over recent years, and the regulatory framework within which they operate has also changed, both in form and operation. All of this has been accompanied by the development of a web of statutory and regulatory requirements, that have made the delivery of training provision more complex. TP have to explain and negotiate with employers about the details of Off the Job Training, (OJT) that remains a significant hurdle for many employers, they have to engage with End Point Assessment Organisations, they have to manage the complexity of reporting and payments with ESFA, they have to pass Quality Assurance Assessments (QAA) and pass Ofsted inspection, and they have to deliver the actual training to individual learners.

Despite the burgeoning regulatory requirements, there is little systematic recognition that TP are the 'first line' for many businesses in terms of their engagement with HLA. Training Providers have significant help from the local support networks (the Devon and Cornwall Training Provider Network and the Devon and Somerset Training Provider Network), but these networks have limited resources and capabilities and cannot be 'responsible for everything'. We also note that TP tell us that they are concerned about the looming round of QAA, and that they feel underprepared for undergoing QAA/Ofsted inspection.[18]

If the local economy is to see change in attitudes and conceptions about the role of HLA in workforce development, it is imperative that there be a vehicle through which a unified and coordinated message can be delivered to the business community, particularly smaller businesses. Such messaging can be developed and amplified, for example, in the form of training workshops for the providers themselves. Workshops and training events could address basic issues, such as 'how to approach businesses about HLA' (use of non-triggering terminology, target groups who can benefit from upskilling) to strategic considerations (Using HLA to ensure business succession planning in SME)[19]. Workshops could also be used to disseminate good practice examples and to foster peer learning and support among the TP.

[18] For example, many TP are still unsure of the exact inspection framework, in which degree level apprenticeships will be inspected by the Quality Assurance Agency for Higher Education and where there is a prescribed HE qualification contained within an apprenticeship at Levels 4 to 5, this will be done jointly with Ofsted.

[19] Almost two-thirds of SME say that they have no succession plans in place, and research conducted by Wavehill has shown that a significant proportion of those with no plans in place say it is because they have no-one with the necessary skills to take over direction of the company.

Action 2: Information campaign for regional employers, particularly in the SME community, who may lack information about the benefits and long-term utility of HLA

While awareness of the Apprenticeship levy appears to be on the rise both nationally and regionally, our survey of employers shows that 42% of those surveyed have never heard of Higher Level Apprenticeships and a further 28% have heard of them but know nothing about them; collectively, seven out of ten employers have no understanding of HLA. Clearly, for demand to rise, this has to change.[20]

It would be easy to suggest that this lack of awareness is simply due to an absence of information, and that the remedy is simply to increase information. However, we do not believe that the dynamic is this simple. Under qualitative interviewing and in discussions, employers told us that they have accessed, or attempted to access information about Apprenticeships (including HLA) or that they have received communications about them. However, what we found is that there is been a twin phenomenon of **information overload** and **information distrust**. Both of these phenomena have, at their heart, to do with the rapidly changing and volatile landscape of Apprenticeship (and skills and training) provision that can be traced back to the wide-ranging reforms that have taken place at the national level over the past few years.

Thus, rather than a lack of information, we believe that many businesses have tended to withdraw from the Apprenticeship marketplace until such time as they consider that there will be a more concise, more coherent, and more business-friendly (digestible) source of information that is actionable. Businesses (especially SME) tend to be in the main risk averse, and there is not enough perceived stability at the present time in the market for businesses to see ‘credible commitment’[21] on the part of public authorities.

We believe that the LEP, as a brokerage organisation that stands at the heart of the local economy and links public, corporate, educational, and charitable organisations, is the appropriate vehicle through which to provide that credible commitment to the marketplace. While the flux that has been witnessed at the national policy level may have generated a certain amount of cynicism about the durability of the changes in the skills and training landscape, there is a clear need for a stable and consistent message to be delivered to the business community. Opportunities of HLA need to be clearly communicated (upskilling, workforce development, gender and social mobility) and the place of the HLA in the wider skills and training landscape needs to be clearly explained (for example, the relationship with the new T-levels being phased in). Until businesses have a joined up and seamless understanding of the options and opportunities in the skills and training landscape, we expect take up rates of HLA to remain lower than they otherwise could be.

[20] We should note that, for employers who are using HLA, that information levels are quite high and that they are particularly targeting existing workers and older age groups.

[21] This is a term used in the decision-making literature to refer to the situation of, “If I make a decision based on what you are telling me, will you keep your word?”. It is irrational for businesses to engage in activities that have ongoing future consequences if they believe that the partners in those activities may change their minds.

Action 3: Priority sectors with a particular focus on the supply chains associated with those sectors

As we have touched upon, supply chains are an inherent feature of the cross-cutting sectors and represent a significant opportunity for the SME sector in the HotSW. Supply chain opportunities have been built into the logic of the new Apprenticeship framework, and the ability of levy-paying firms to direct up to 10 percent of their digital account funds to another company in their supply chain represents a real chance to develop the uptake of HLA.[22] In work undertaken elsewhere, Wavehill encountered the case study of a specialist engineering company which (although founded prior to engagement with a major corporation) has prospered and grown almost uniquely in partnership with a major aerospace company which has sponsored higher levels apprenticeships within the business. Not only has the workforce developed the skills necessary to manufacture high grade aerospace components, the business itself has profited from organisation learning associated with the training provision and has introduced new to firm processes that have revolutionised its manufacturing practices.

One model for potentially increasing the Higher Level Apprenticeship take up in companies down the supply chains are the Apprenticeship Training Agencies (ATA), essentially a means for pooling resources among smaller businesses that may be unwilling or unable to engage in their own Apprenticeship. While the future of ATA is uncertain (applications are currently on hold and there are no planned additions to the 138 ATA currently in existence), the pooling of resources and activities across SME could be an attractive option with commercial and supply chain benefits; the LEP is well positioned to examine the possibilities within the current framework for enhancing such collaborative approaches to HLA.

Action 4: Individuals who are already in the workforce and who may benefit from HLA-based upskilling and professional development as well as new workforce entrants

One of the brightest potential benefits of HLA is the possibility that they afford to members of the existing workforce – including older workers – to gain new skills for their job that can enable career development and progression, to learn new aspects of business and strategy that may lead to a move into management, or to make a career change through forced or unforced circumstances. As we have noted, HLA carry the potential for underrepresented groups to pursue social mobility, to address ethnic and gender imbalances in corporate structures, and to enable older workers to reinvigorate their career progression.

[22] We note the limitation of 'passing on' Levy funds to only one other company which is currently a feature of the national landscape.

While HLA have many attractions for the existing workforce, and have been heavily promoted as such, they are also relevant to new workforce entrants. HLA offer a route into higher skills occupations for those school leavers who may be less academically inclined but who may have high levels of aptitude. HLA are a mechanism for young people to gain degree levels skills and qualifications without incurring the significant debt loads that accompany a traditional degree in todays education marketplace, and to gain career experience while leading to guaranteed employment.

Clearly the diversity of the target groups means that information aimed at them needs to be specialised and adapted in recognition of their aspirations and needs. For example, young people and new workforce entrants may be attracted to HLA because of the possibility of avoiding debt, while this is of less relevance to more established workers, who may care more about having to do 'theoretical' learning, to engage in Off the Job Training (which they may perceive as harming their internal career progression in the short term), and to have to undergo assessments in additional to their normal job performance evaluations.

The LEP is already engaged in activities to enhance knowledge and understanding of Apprenticeships among (potential) learners and has been involved with excellent partner organisational initiatives such as the South West Apprenticeship Ambassador Network (SWAAN) and the Youth Apprenticeship Ambassador Network (YAAN). However, these activities are aimed at and mostly reach school-based learners[23], and have limited reach into firms and local employers.

However, current employees are harder to reach, and we have identified an existing gap in this activity. We believe that there are mechanisms by which employers themselves can be engaged (see above) in the course of workshop and conference activities in order to promote upskilling through HLA, possibly in conjunction with other LEP (for example, the South West conference on skills and training). Even so, we would urge that the LEP and the wider stakeholder community develop information packs and opportunities for HLA upskilling in conjunction with Skills Hub that we have recommended (see below).

[23] The AAN (SWAAN) for example targets school visits by current and former Apprentices as the ain vehicle for its informational and recruitment activities.

4.3 Integration

We have used the words 'disjointed', 'fragmented' and 'piecemeal' deliberately. There are many aspects of the qualifications, skills and training landscape that have the potential to fragment and to separate the interests of partners and stakeholders. It is worth noting that the Apprenticeship reforms that have taken place over the last few years are predicated on a high degree of cooperation among each of the relevant constituencies. For example, a non-exhaustive list might point to:

- Employers and learners having the same goals and benefits from training plans
- Employers and training providers are supposed recognise similar benefits from Off the Job Training (OJT)
- Training providers, End Point Assessment Organisations (EPAO), employers and learners have similar interests in passing learners through the gateways to End Point Assessment (EPA)
- Employers will cooperate in trailblazer groups to develop new standards.

Yet a further exploration of these areas shows that interests are not always aligning as the design principles would have them do so, and there remains potential for diverging, and even conflicting actions. For example:

- Employers may be reluctant to invest in internal skills provision and workforce upskilling that leads to transportable qualifications, as there is still a perception that they are simply paying for their workforce to move on elsewhere
- Some FE and HE institutions have a preference for block training and off-site OJT, whereas employers may perceive off-site OJT as 'the loss of valued employees for up to one day a week'
- Training providers and EAPO may have incentives to get learners to the gateways as fast as possible, whereas employers and learners may be more risk averse and indeed may have horizon-stretching timeframes
- Participation in Trailblazers is a low-reward, high-cost activity that suffers from a collective action dilemma ('what is in it for me'?).

Other relevant integration issues pertain to the strength of the cross-cutting sectors in the HotSW economy (nuclear, marine, Agri-tech) and the existence of sub-LEP functional economic geographies that do not easily align with local authority or unitary authority boundaries. Some areas have greater resources to create their own bespoke integrated approaches to qualifications, skills, and training (e.g. the City Deal for Plymouth), while others do not have access to the necessary resources and organisational base. Again, the LEP can and should be the appropriate vehicle to bring together the stakeholder community and to integrate area approaches and initiatives.

Action 1: The Skills Hub should incorporate existing LEP initiatives and resources, such as the Enterprise Adviser Network

The HotSW LEP already supports a range of activities and interventions in the skills and training arena. For example, the Enterprise Advisor Network – a partnership between the LEP and Devon County Council, Somerset County Council, Plymouth City Council and the Torbay Development Agency – links businesses and schools to provide informed and impartial advice to young people through career-focused activities. The LEP has created a comprehensive set of guidelines for Careers Education, Information, Advice and Guidance (CEIAG) to help educational and careers guidance organisations provide high quality and accurate information to learners as they move towards making career choices. Other activities have targeted STEM learning, pupil and employer engagement and community entrepreneurship.

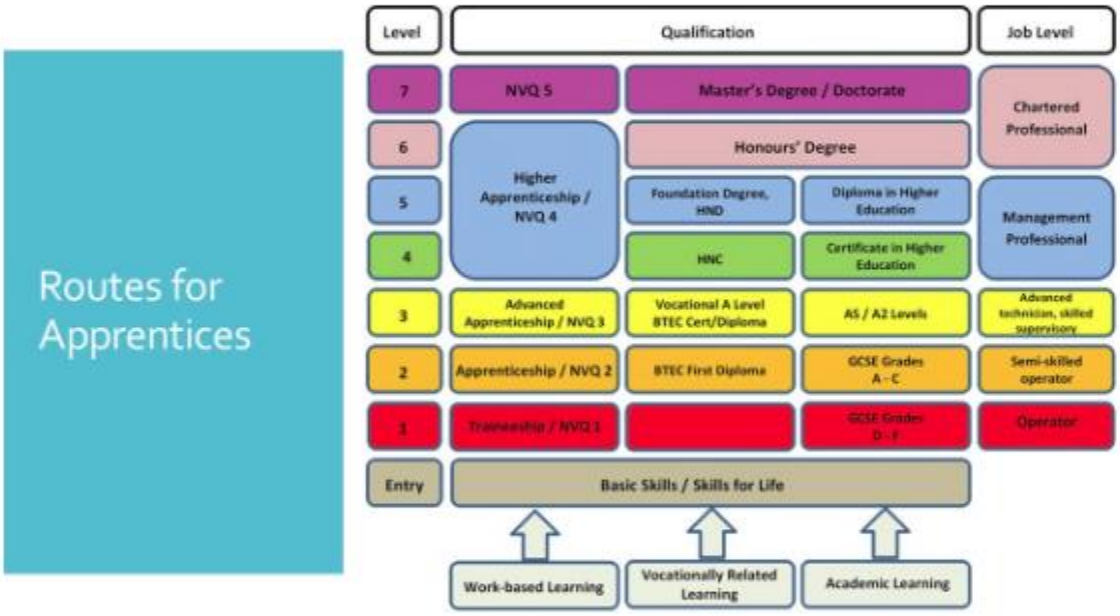
Despite these commendable and successful initiatives, there is an absence of a prominent and accessible platform through which these and other resources could be accessed. We recommend examining the conditions for the delivery of the current Growth Hub and whether there is scope for developing a Skills Hub that sits either wholly within or alongside the GH.

Currently several LEP maintain such Skills Hubs, and there are variations on the model. For example, the Buckinghamshire Skills Hub is a collaborative venture between the Buckinghamshire LEP and other public and business partners, and caters to both businesses seeking information, advice, and support about upskilling and also learners seeking information and opportunities about training, skills, and careers. The Cornwall and Isles of Scilly LEP maintains a Skills Hub that sits within CIoS Growth Hub and which is directed towards businesses who wish to investigate upskilling. The Liverpool City Region LEP maintains a stand-alone Apprenticeship Hub run by the Employment and Skills Board of the LEP in partnership with the local authorities in the region.

Some of these Hubs primarily provide information and resources with links to external services (e.g. LCR), while the Buckinghamshire LEP site acts as a brokerage service connecting businesses and educators to events and opportunities. Others provide parallel services; for example, the CIoS Skills Hub provides Skills Audits to interested companies. Outside England, the Skills Gateway for Adults, run under contract to the Welsh Government by Careers Wales, provides a one-stop portal for connecting individuals to training and skills opportunities and sits alongside the Skills Gateway for Businesses that provides similar services to the business community.

Whichever model is most appropriate to the resources and existing commitments of the HotSW LEP, a Skills Hub should have a clearly defined audience (all businesses? The SME community? The public sector? Educators? Learners?) and a clearly delineated offer. One of the themes running through the research conducted for this report is that HLA are part of the wider Apprenticeship offer and the (even wider) skills and training landscape. The design of a successful skills hub will enable to end user to quickly and accurately gain information and resources about HLA without that being drowned out by the other elements of the skills and training offer; on the other hand, the comparative advantages and drivers for HLA can only be understood in relation to that wider landscape (see Figure 4.2 below).

Figure 4.2: The Apprenticeships National Qualifications Framework and progression routes



Action 2: The Skills Hub should incorporate equality and diversity as part of its mission statement and promote the potential for HLA to be a vehicle for social mobility

There is agreement that Apprenticeships – especially HLA – offer the route to social mobility and increased career progression for groups and segments of the population who may have had lower-than-average historical rates of access to higher education. The Social Mobility Commission report on the matter is categorical: "filling skills gaps, growing the economy, and improving social mobility requires young people to have a decent chance".[24] The argument extends to those already in the workforce and who have not had an opportunity to take advantage of clear progression routes, and who can benefit from clear-cut opportunities to follow work-based progression routes through HLA.

[24] 'Apprenticeships, young people, and social mobility' (2016) The Social Mobility and Child Poverty Commission's submission to the Apprenticeships Inquiry by the subcommittee on Education, Skills and the Economy, p. 5. (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/509123/Social_Mobility_and_Child_Poverty_Commission_Submission_on_Apprenticeships_final.pdf).

However, despite the promise for social mobility afforded by HLA, the data suggest that the majority of Apprenticeship starts by young people are at a level equivalent with their existing qualifications and do not represent a 'step up'; 98% of degree-age apprentices (19-24) in 2015 were studying at A-level equivalent or lower. A further risk identified by the Social Mobility Commission is the lack of impact that Apprenticeships paid for through the levy funding regime may have in rural areas where there are lower concentrations of levy-paying businesses located: "Additionally, there is an emerging risk that the apprenticeship levy (which applies only to large employers) will lead to disproportionate levels of apprenticeship spend in cities, where many big businesses are located. This may widen the disparity in available opportunities between urban and rural areas".[25]

The need for social mobility to be part of the HotSW LEP integrated offer is further illustrated by the fact that, even where higher-level apprenticeships are available, "many areas do not advertise opportunities effectively. This means that the best opportunities often go to those with good contacts rather than to those who need them most. Indeed, better-off families are 2.5 times more likely to know about degree-level apprenticeships than others. When it comes to degree-level apprenticeships in particular, employers often apply their traditional graduate recruiting criteria – which can exclude able disadvantaged students without the social capital or academic profile demanded".[26]

Action 3: The Skills Hub should be an organisational platform for partnership and collaboration with external bodies and stakeholders, such as Trailblazers, EPAO, the National Apprenticeship Service, the Institute of Apprenticeships, the Education and Skills Funding Agency and Ofsted

In the survey of businesses, we found a relatively low level of knowledge and information about the framework for the creation of and delivery of Apprenticeship standards. Where businesses did tell us that they are aware of the wider group of stakeholders, they expressed scepticism about getting involved with Trailblazer groups to be a part of the determination of those standards. We note that one of the criteria for the acceptance of Trailblazers is that they must represent geographical diversity and we believe that it is highly desirable that local businesses be a part of the process by which national standards are being put together for HLA (particularly in cross-cutting sectors that are a key part of the HotSW economy). Yet there are few incentives for businesses – especially smaller ones, again despite the mandatory need for any trailblazer group to include a minimum of 2 (out of 10) smaller businesses. For many businesses, the process of becoming a part of the trailblazers would be unduly onerous, not to mention the prior lack of knowledge and the need to commit what is essentially volunteer time.

Equally the Training Providers consulted – at least, many of the smaller independents – are concerned about the mechanics of delivery and assessments (EPA remain a source of anxiety). The Skills Hub could play a vital integrative role in fostering linkages and information opportunities for TP as they expand and refine their HLA offer.

[25] "State of the Nation 2017', Social Mobility Commission (2017), p.67 (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/662744/State_of_the_Nation_2017_-_Social_Mobility_in_Great_Britain.pdf)
[26] Ibid.

Action 4: The Skills Hub could act as a resource for Training Providers seeking to develop collaborative activities with other TP in the area

Collaboration and sub-contracting remains a thorny issue in the delivery of Apprenticeships, and the issue becomes more acute in the delivery of HLA that are likely to be more complex, have a longer delivery period, and involve a higher level of on-going progress evaluation. We have also noted that the level of cooperation between FE, HE, and independent providers is currently patchy and there are areas in which there could be mutually beneficial opportunities for all. These catalytic activities should be a part of the Skills Hub remit.

Although there is little current data about potential disputes between partners in the delivery of Apprenticeships (the learner, the employer, the TP and the EPAO), we have already noted the potential for a divergence of perspectives to arise at point during the customer journey (progress evaluations, OJT, Gateways, etc.) and our consultations exposed fears on the part of both employers and TP that potential for conflict may inhibit the usage of HLA. While it is premature to suggest that such divergences may become a feature of Apprenticeship delivery, we would also recommend that the HotSW consider supporting an informal (non-statutory, non-binding) HLA dispute resolution process that could help partners in the delivery process ensure a smooth start to finish delivery of HLA.

Action 5: The Skills Hub can build upon successful local models of skills and training portals, such as the Hinkley Point Training Agency (HPTA)

The presence of the Hinkley C project in the HotSW LEP area has distinct economic benefits for the region that have been well-documented elsewhere. Hinkley stands to generate 5,600 jobs in the construction phase, including 2,500 Apprenticeships. However, one of the potential risks of the project is the geographical clustering which can have the paradoxical effect of stalling aspiration and progression in other areas of the LEP (and may also lead to a replacement demand in other businesses and sectors of the economy). The LEP and the HPTA have partnered to deliver six projects within the region through FE institutions that will address issues of the massive increase in need for skills as a result of the project and the issue of replacement demand.

While the nuclear sector, as a consequence of the Hinkley project, is unique within the South West[27] it is possible to envisage the approach as being one that could be reproduced within other key cross-cutting sectors, such as Agri-tech, Energy and Environment, and Marine. As part of a Skills Hub initiative, the LEP could investigate the potential for such sectoral initiatives that would draw in independent training providers, FE/HE institutions, and specialised research institutes.

[27] See: 'South West Nuclear Cluster Inward Investment Opportunities Evaluation and Initial Engagement Report', Davies Nuclear Associates (2015).
(https://heartofswlep.co.uk/wp-content/uploads/2016/09/Nuclear-South-West-Inward-Investment-Opportunities-Evaluation-and-Initial-Engagement-Report-June-2015.pdf).

5 Targeted plans: Devon and Somerset

As part of this work, Wavehill considered the differences in economic geography across the two constituent Councils that fall in the Heart of the Southwest LEP area: Devon and Somerset. While the actions that we have proposed in Chapter 4 of this report pertain to the LEP area as a whole, there are specificities within each of the Council areas that require a separate consideration. In this chapter, we examine the implications for the broad LEP level actions for both Councils and provide specific recommendations where necessary.

5.1 Devon

The economy of Devon is relatively diverse and reflects the physical geography and population dispersion. Despite being the third largest county in England, Devon remains one of the more sparsely populated; it's largest city, Plymouth, ranked 57th out of the 326 districts in England for which the ONS produced population estimates in 2017 (Torbay ranked 161 and Exeter ranked 171). Nonetheless, the population of the county is growing at almost twice the rate of the national average. It has eight tiered non-metropolitan districts (Exeter City, East Devon, Mid Devon, North Devon, Torridge, West Devon, South Hams, and Teignbridge).

In terms of the business demography of the county, its economy is characterised by many small businesses, many of which are not PAYE or VAT registered. The agricultural sector is a strength of the local economy (employing more than four times the national average) and has given rise to an important Agri-Tech sector with supply chains reaching into many traditional areas of the economy. The agricultural strength of Devon is symbolised by the presence of the Rothamstead Research station at Okehampton (North Wyke Farms) that specialises in open range and grasslands and hosts the research centres' experimental “Farm Platform”.

The Devon economy is also mainstayed by the Marine and Maritime sector, another cross-cutting sector that has supply chain activity reaching into many high technology areas of the economy such as Advanced Materials and Manufacturing and energy. Research being done in offshore renewables and marine conservation is world leading.

The position of Devon in the South West peninsula has encouraged the growth of major transport links on the eastern side of the county and this part of the county is the location of some internationally renowned businesses.

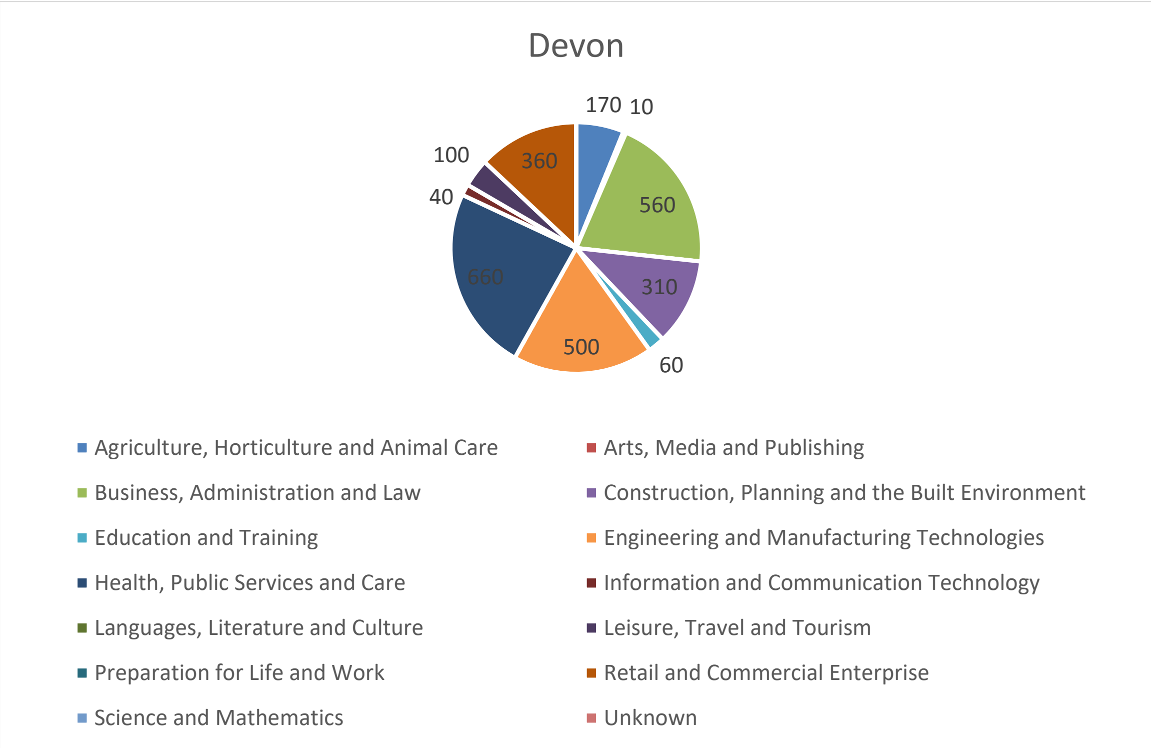
The area is home to eight Further Education colleges including two that specialise in Art or Art and Design. These colleges have been active in the development and provision of Apprenticeships. There are also three universities (University of Exeter, Plymouth University, and the University of St Mark and St John (Plymouth Marjon University), all of whom offer Higher Level Apprenticeships.

Area wages have been historically below the national average. Devon has a thriving visitor economy (over six million visitors come to the county every year) which contributes approximately £2.47 billion to the local economy (2015 estimate) and supports nearly 65,000 jobs (11 percent of the Devon total). However, the seasonality of this sector has consequences for the stability of wages and of employment.

Critical issues in the Devon economy include:

- Low productivity
- Uneven distribution of skills across the county
- Low wages and pockets of relative poverty
- Low penetration of the knowledge economy throughout the county
- Widening rural-urban and periphery-centre gaps
- Ageing population
- Infrastructure challenges and transport linkages

Figure 5.1: Apprenticeship starts in Devon, by sector (2016/7)



Source: UK Government FE data library (apprenticeships)

5.1.1 Intelligence

The Devon County Council has in the past supported an intelligence gathering and dissemination platform, *Devonomics* (http://www.devonomics.info) maintained by the Devon County Council's Economy Service. The platform has provided a useful overview of the county economy, divided into sections on People, Place, and Prosperity and supplemented by briefings. The intelligence gathering has been aided by private contractors (e.g. SERI, SQW).

The information available for the service highlights eight targets towards which the site contributes:

- Strategic Investments – facilitating the creation of exemplary strategic employment space and flagship projects such as the Atlantic array.
- Attracting new investment – creating the right environment in which to do business and to raise the profile and image of Devon as a business destination, whether aimed at existing businesses or attracting inward investment. This includes improving broadband connectivity and managed workspace opportunities.
- Business Growth – improving job opportunities and increased wage levels across Devon by improving business competitiveness through access to new markets and reducing cost bases. This includes supporting key sectors such as tourism and food and drink, improving skills and stimulating innovation and entrepreneurship in emerging sectors such as renewable energy.
- Evidence base – establishing a robust and inclusive evidence base to underpin Growth and Economic Development strategies, policies and interventions and allow the impacts and outputs of our activities to be measured.
- Workforce Development - improving skills attainment amongst employees and our future workforce, 14-19 year olds, improving graduate retention rates and career opportunities to retain skills and knowledge within the county.
- Partnerships – harnessing and developing productive and effective partnerships, building solid relationships with key organisations and businesses, maximising scare resources and delivering activity that has real impact and benefits.
- Funding – accessing new sources of funding to support the delivery of economic development priorities, including EU funding opportunities

(However the site does not appear to be receiving regular updates[28] *and contains data which has been supplanted by more recent additions (and as one specific example, there is no data made available on Apprenticeships, either take up or provision). The laudable ambition and potential of Devonomics remains as yet unrealised as relates to the Apprenticeship agenda. The briefing/local economic forecasts show potential but are out of date and appear to be built upon a model that would be difficult to sustain in the long run.)*

We recommend that serious consideration be given how to better integrate the general approach of *Devonomics* with the strategic sectors and priorities highlighted by economic planners in the county. The principle of gathering and providing market intelligence is a good one but that intelligence should be shaped by the priorities of the economy and the local business community, not by data availability.

[28] Since the first draft of this report, it has been announced that *Devonomics* is being relaunched and refreshed. We have reviewed the beta version and note that there is a section devoted to Apprenticeship data. However these data are not broken out by level of learning, which makes the intelligence less useful for HLA work and planning.

5.1.2 Information

The Devon and Cornwall Training Provider Network (DSTPN) has established itself since 2005 as one of the primary platforms for the gathering and dissemination of information about training provision and apprenticeships across Devon and Cornwall. The DCTPN is a membership (fee) based on a not-for-profit organisation providing a voice for the training provider sector. It gives practical support and partnership opportunities for members which includes two universities, five colleges of further education, Careers South West, Prospects (National Careers Service), and a wide range of independent training providers. The DCTPN hosts information and training events as well as a conference to which relevant speakers are invited. The DSTPN also maintains an Apprenticeship website (http:// http://trainingprovider.com/apprenticeships/) which contains information and opportunities for potential applicants to Apprenticeships.

Helpfully, the DCTPN also promotes links to the latest government publications and factsheets about apprenticeships, which also cover Higher Level Apprenticeships as part of the overall apprenticeship offer (although there are no resources at this site dedicated to HLA).

The DCTPN maintains active links with a community of stakeholders, including the Devon County Council, Plymouth City, the HotSW LEP, the Devon Chamber of Commerce and representatives from public sector bodies where Apprenticeship take up is projected to rise (e.g. the Police Force and the National Health Service). The DCTPN forms an invaluable linkage function across the Devon and Cornwall areas and is clearly a central stakeholder in facilitating the two-way flow of information about Apprenticeships, and an invaluable information resource to many in the small independent TP sector.

However, the DCTPN flows across LEP (and county) boundaries and cannot thus act solely as a broker for the needs of the Devon region. Thus some economic sectors that are vital for the provision of Higher Level Apprenticeships (Nuclear and Advanced Materials and Manufacturing, for example) are less relevant for the county of Cornwall, while others (Offshore renewables) may be stronger in Cornwall than Somerset. It is also the case that the provision of Degree Apprenticeships is different in the two areas, with a stronger HE offer in Devon (Plymouth University and Exeter University have both engaged heavily with Degree Apprenticeships, Exeter University being one of the trailblazer members for the new HE Education Delivery standard).

5.1.3 Integration

The research that we have conducted for this report shows that there is a relative lack of easy to access and coordinated information about Apprenticeship opportunities across Devon. This is not to negate the fact that there are individual colleges or universities promoting opportunities, as well as comprehensive information of their Apprenticeship offer from major nation providers such as SERCO. However, there is no single source of information for Apprenticeships for businesses, learners, and TP, that spans the Devon geography and that draws in the capabilities of each of the local authorities and stakeholders (public bodies, Training Providers, etc.). The establishment of a LEP-level Skills Hub represents a real opportunity to pivot the work of many stakeholders across Devon that currently exists into a centralised portal for skills provision.

5.2 Somerset

Somerset is also a relatively large, rural geography (ranking 7th in size and 28th in population among the ceremonial counties) with a dispersed population. The county contains five non-metropolitan tiered districts (Mendip, Sedgemoor, South Somerset, Taunton Deane and West Somerset). The population is ageing and although unemployment remains low, creating good, well-paid job openings for new workforce entrants is a challenge. Somerset can be characterised as a full employment economy characterised by lower than average wages, low productivity, and low GVA. The geographic location of the county means that there is no one functional economic market area (FEMA) that sits wholly within the geography. In the case of certain key sectors, the FEMA can be considered to be national rather than regional; thus, for example, aerospace has key relationships in the West of England and nuclear in Gloucestershire and Cumbria.

Key sectors in the local economy include:

- The (globally competitive) Aerospace sector, structured around Leonardo
- Low Carbon Energy, Aerospace and Agri-Food sectors (with the potential to be globally competitive)
- Tourism and Health & Care sectors, which are established strengths in Somerset, but which currently exhibit low wages and skills levels
- The nuclear sector that will transformed by Hinkley C

Somerset has a unique position in the UK’s industrial capacity in aerospace given the location of helicopter manufacturing in Yeovil and the surrounding supply chain cluster that is linked to it. Sustaining and developing this part of the UK aerospace sector is a local and national level priority and Somerset partners are keen to work with the industry and Government to ensure this. The South West iAero initiative, which seeks to develop skills, productivity and innovation in the region’s aerospace sector is important element for maximising the this.

The broad challenge to the Somerset economy as a whole is to raise skills across the whole economy not just high growth and high potential sectors and to make them 'stick' across the economy. Upskilling the existing workforce at all levels will also help to address any labour shortages, ensuring that workers have the skills that are needed by businesses. There is a noted shortage of workers with skills needed in Health & Care, Food & Drink and other sectors.

Whilst having an economic activity rate higher than the national average, the economy of Somerset also has low levels of productivity. This is due to both the concentration of employment in low productivity industrial sectors, and the low level of productivity across all of Somerset's industrial sectors. This is also reflected in relatively low levels of earnings across Somerset. Somerset has a large population of small businesses, and few large businesses. The existing small businesses need support to scale-up, grow and become more productive and profitable. Many businesses in Somerset are 'lifestyle' businesses with limited growth aspirations. There is also a strong perception among some sectors of the lack of an enterprise culture in the population, which is contributing to the low levels of start-up and growth.

The rural nature of Somerset and its population of predominantly small businesses means a low level of agglomeration in the economy – particularly when compared to cities and large urban areas. Fostering supply chains and networks among local businesses could help them communicate with each other, to learn from each other, work together, and encourage them to collaborate to access opportunities and market segments that they could not do on their own. The level of new business starts in Somerset is below the national average, and whilst business survival rates are consistently above the national average, there is still room for improvement.

The development and operation of the Hinkley Point C nuclear power station provides an opportunity to drive up the productivity and competitiveness of the Somerset economy. There are several stages to this:

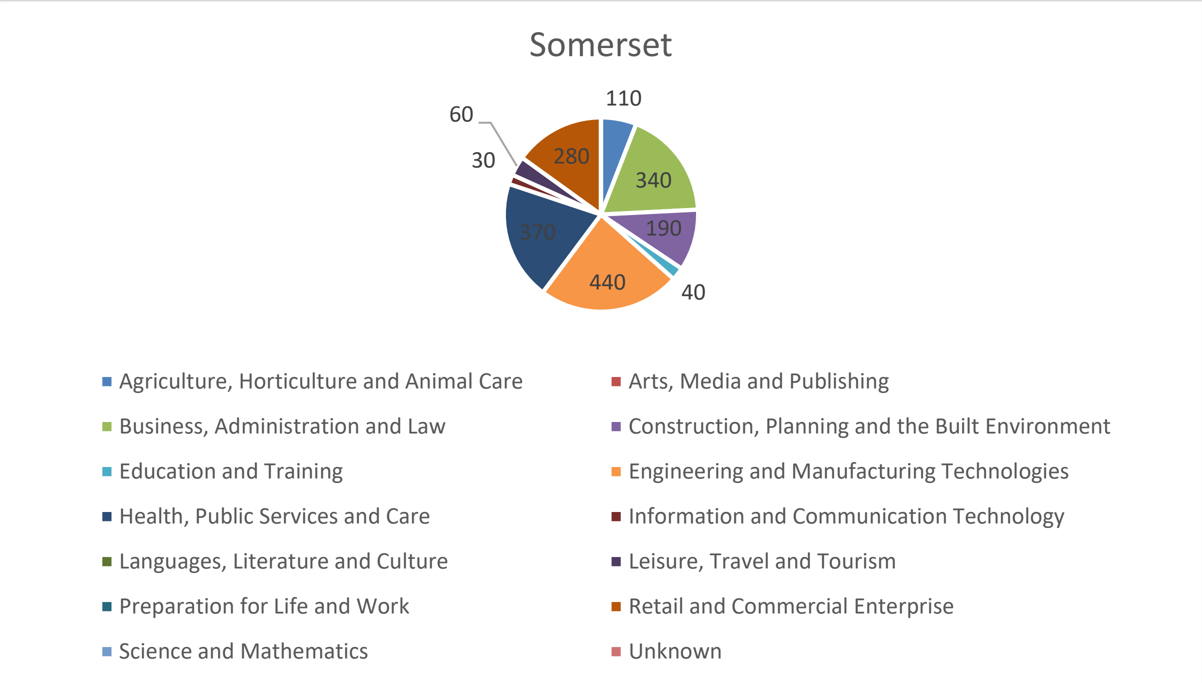
- The construction of the new power station
- The operation of the new power station
- The development of a legacy cluster of businesses that can support the development of other new nuclear build projects after the completion of the Hinkley Point C project.

The Hinkley Point C construction project has created an on-going employment and economic boom in the Bridgewater area. Hinkley has created jobs but many of those are short term construction jobs and there will be a challenge to sustain the influx of workers in the medium and long-term future; an additional challenge will be to ensure that the structure of operation (by EDF) does not mean that skills are either imported from elsewhere and then re-exported or developed indigenously and then exported. In addition, whilst there are many positive opportunities associated with Hinkley Point C, there are also risks to other parts of the Somerset economy, including to businesses that lose labour to the Hinkley Point C project, and those affected by transport congestion. The national nuclear sector deal is a vital opportunity for raising skills and productivity.

Somerset has many challenges in tackling skills provision, high among them being the lack of an established institution of higher education. The merger of Bridgewater and Somerset Colleges in 2016 to form the University Centre Somerset has permitted the delivery of undergraduate degree courses (in partnership with Plymouth University, Oxford Brookes University, University of the West of England, and the Open University) and a real opportunity to develop Higher Level Apprenticeships in the county. The proposal for the Southwest Institute of Technology also aims to strengthen the higher education offer. Nonetheless, the county lags behind the national average in school leavers accessing higher education (37% versus 48% UK wide in 2012-2013). The vibrancy of the further education sector represents a platform of technical education and apprenticeships.

It will also be important to improve the skills and boost the aspirations of young people, so that they can play an active role in the labour force and economy. Supporting SMEs to take-on apprentices will be important for improving young people's skills, and also addressing the skills shortages and challenges faced by small businesses. Many small businesses struggle to dedicate the necessary resources to taking on apprentices, and so support with this will be valuable. Somerset's Colleges will need the resources and infrastructure to help to train young people, including the delivery of apprenticeships.[29]

Figure 5.2: Apprenticeship starts in Somerset by sector, 2016/7



Source: UK Government FE data library (apprenticeships)

[29] A good overview of the Somerset economy can be found in the Somerset County Councils "Economic Dashboard" (http://www.somersetintelligence.org.uk/economy-and-jobs.html)

5.2.1 Intelligence

Somerset County Council maintains an active economic and social intelligence database that is publicly accessible, *Somerset Intelligence* (http://www.somersetintelligence.org.uk). The site contains (mostly) up to date information in several categories that include:

- Ward community profiles
- District community profiles
- Electoral division profiles
- Joint Strategic needs Assessment (JSNA)
- Census results for Somerset
- People and neighbourhoods
- Health and Wellbeing
- Crime and community safety
- Economy and jobs
- Education, skills, and learning
- Environment
- Housing
- Travel and access
- Children and young people
- Older people
- Election results

In addition to these categories of intelligence, the website also hosts a periodical newsletter (SINePOST) which highlights topics and areas of interest. Subscribers can sign up to the newsletter.

The website leverages the flexibility of the commercial data visualisation service Tableau to present much of the data in a visually appealing and intuitive way and to allow the user to interact with some data segments. For example, the section on workforce skills contains an overview of the UK government series on Apprenticeship starts and achievements which are placed in the more general context of educational levels and workforce training. The section blends extracts from data maintained by DfE (apprenticeships) and the Annual Population Survey (NOMIS version). The section enables users to download a useful factsheet prepared by the Economy Team at SCC with the latest available data (2016/7).

We make two recommendations for the potential evolution of the Somerset Intelligence website in the context of HLA:

- It would be useful to expand the analysis of Apprenticeships by sector and to match the Apprenticeship data from DfE with the broader economic information presented elsewhere in the website, for example, it would be possible to calculate the rate of Apprenticeships per number full-time employed in each sector.
- It would be useful to leverage non-UK Government/ONS data that may be available to the SCC – such as the Somerset Skills Survey – to frame and complement the standard datasets that have been used for this data presentation.

Somerset Intelligence provides a useful model upon which to draw in consideration of the broad recommendation that we make above, that the HotSW area would be usefully served by a dedicated LEP-level business and economic intelligence platform. It is a sine non qua of our analysis that any LEP-level intelligence platform should not duplicate but should integrate and interface seamlessly with sub-LEP level databases and data holdings.

5.2.2 Information

The Dorset and Somerset Training Provider Network (DSTPN) has established itself since 2009 as one of the primary platforms for the gathering and dissemination of information about training provision and apprenticeships across both counties. The DSTPN is a membership (fee) based organisation consisting of independent training organisations, colleges, employers and stakeholder bodies working in the post 16 education and training sector. The DSTPN hosts information and training events as well as a conference to which relevant speakers are invited. The DSTPN also maintains an Apprenticeship website (http://www.dstpn.co.uk/apprenticeships/) which contains resources for potential applicants to Apprenticeships and also for teachers and careers advisors. Case studies of Apprenticeships are tailored to the region served by the network.

Usefully, the DSTPN also promotes the factsheet and guide for Higher Level Apprenticeships that has been developed by the National Apprenticeship Service. Finally, the DSTPN also promotes current Apprenticeship opportunities and vacancies.

The DSTPN maintains active links with a community of stakeholders, including the SCC, the HotSW LEP and representatives from public sector bodies where Apprenticeship take up is projected to rise (e.g. the Police Force and the National Health Service). The DSTPN, although formed as a for-profit company, forms an invaluable linkage function across the Somerset and Dorset areas and is clearly a central stakeholder in facilitating the two-way flow of information about Apprenticeships and also an invaluable information resource for the small independent TP sector.

However, as with the DCTPN (see above), the DSTPN flows across LEP (and county) boundaries and cannot thus act solely as a broker for the needs of the Somerset region. Thus some economic sectors that are vital for the provision of Higher Level Apprenticeships (Nuclear, for example) are less relevant for the county of Dorset, while others (Marine and Maritime) may be stronger in Dorset than Somerset. We also note that important stakeholders, such as the Avon and Somerset Constabulary, do not align with the geographical reach of the DSTPN, further complicating matters.

It is also the case that the provision of Degree Apprenticeships is different in the two areas, with the under-provision of HE in Somerset noted above while Dorset is home to Bournemouth University that is engaging in Degree Apprenticeship provision.

It is our recommendation that the stakeholders in the LEP area that operate within Somerset explore means of more cooperation with the DSTPN to enhance the conduit of information specific to the Somerset economic geography.

5.2.3 Integration

During the research for this plan, we have encountered the discussions about ongoing plans within the Somerset area to invest in a Skills/Apprenticeship Hub. Given the specific profile and skills needs of the Somerset economy (see section 5.2.1 above) this is a laudable ambition. As we have identified in the main body of the report, the provision of a dedicated skills hub is, we believe, central to the ambition of increasing the uptake of HLA across the region.

Our recommendation is that duplication of effort be avoided and the pooling of resource and networks by all the stakeholders can ensure that the LEP-level skills hub that we have identified above incorporates detailed and fine-grained information for the skills hub for the Somerset area. We recommend that particular attention be paid to engaging with the Training Provider community at the local level, and that the Skills Hub engage particularly with smaller independent training providers and provide a route to integrating them into the offer. The potential for collaboration among TP is, we think, one of the possibilities afforded by the Skills Hub.

Appendix 1: Survey of businesses

SERCO Apprenticeships Survey

Apprenticeships are the cornerstone of the new Government skills and training plan, and money is being made available to ALL businesses, no matter what size, to use Apprentices as part of their workforce needs.

Wavehill has been commissioned to conduct research and prepare a Higher-Level Apprenticeship Plan for the Heart of the Southwest Local Enterprise Partnership. The plan will identify ways to increase the number of Higher-Level apprenticeships across the HotSW area (Devon, Plymouth, Somerset and Torbay) in the medium and long term and to help businesses plan their Apprenticeship needs.

As an organisation operating in the HotSW area, your participation in this research is of great importance to us, and we are keen to understand the work that your organisation is undertaking in this area. There will also be a chance in the survey to find out how your organisation can access external funding to provide Apprenticeships, no matter what the size of your business or the sector that you work in.

We know that your time is valuable, and we really appreciate you taking a moment to help us. We estimate that the survey should take no more than 10-15 minutes to complete.

The data collected will be stored securely on our (Wavehill's) systems until 6 months after project completion which is anticipated to be November 2018. Any comments that you make will be confidential and the information you provide will only be used for the purposes of this evaluation. Comments that you make will not be attributed to you. This means it will be impossible for anyone to identify you from any published reports because information will be anonymised.

It is also important to note that the team undertaking the evaluation do not work for SERCO or the HotSW. This is an independent evaluation.

You can withdraw your consent at any time by non-submission of the survey. Once you have submitted you can change or withdraw any comments that you've made by contacting Tracy Newman at tracy.newman@wavehill.com or Lucy Davies lucy.davies@wavehill.com on 01545 571711.

Please could you complete this questionnaire by no later than **Friday 27th April 2018.**

You do not have to complete the survey all in one go. You can exit the survey in your browser bar at any point. Your responses will save automatically, and you can return to where you left off by using the same weblink provided.

Q1.3 **Please can we confirm the following information**

Organisation Name:	
Postcode:	

Q1.4 What is your job role?

Q1.5 First can we just check, is this establishment...

The only establishment in the organisation?	
One of a number of establishments within a larger organisation?	

Q1.6 *(One of a number of establishments within a larger organisation)*
Approximately how many people work in your organisation across the UK as a whole? *(including full-time and part-time employees on your payroll, as well as any working proprietors or owners, but excluding the self-employed and outside contractors or agency)*

Under 10		250 to 999	
10 to 49		1000+	
50 to 249		Don't know	

Q1.7 *(One of a number of establishments within a larger organisation)*
Is this site the Head Office of the organisation?

Yes	
No	
Don't know	

Q1.8 (If no) Are the headquarters of your organisation based in the UK?

Yes	
No	
Don't know	

Q1.9 (If no) Please specify where your headquarters are located

Q1.10 Approximately how many people work at this specific site? *(including full-time and part-time employees on your payroll, as well as any working proprietors or owners, but excluding the self-employed and outside contractors or agency)*

Number	
Don't know	

Q1.11 (If Don't know) Could you please estimate the number of people who work at this specific site using the bandings below?

1 to 4		5o to 99	
5 to 9		100 to 249	
10 to 24		250 or more	
25 to 49			

Q1.12 Thinking about your age profile of your business, approximately what percentage of your staff fall into the following age bands?

16 to 18 years old	
19 to 24 years old	
25 to 49 years old	
50+ years old	

Q1.13 Would you say your business operates within one of the following sectors?

Agriculture, forestry, and fishing		Information and Communication	
Manufacturing		Professional, scientific, and technical	
Accommodation & food services		Property	
Arts, entertainment, recreation, and other services		Public administration and defence	
Business administration and support services		Retail	
Construction		Transport and storage	
Education		Motor Trades	
Finance and insurance		Wholesale	
Health		None of the above	

Q1.14 (If none of the above) How would you describe the main business activity of this establishment? *(What would you type into a search engine to find an organisation like yours online? What is the main product or service of this establishment? What exactly is made or done at this establishment? Who does it sell its product/services to?)*

Q1.15 Would you classify your organisation as one that is:

- Mainly seeking to make a profit - go to Q1.16
- A charity or voluntary sector organisation or a social enterprise - go to Q1.16
- A local-government financed body (e.g. a service provided or funded by the council such as leisure centres, social care, waste or environmental health services) - go to Q1.17
- A central government financed body (e.g. the Civil Service, any part of the NHS, a college or university, the Armed Services, an Executive Agency or other nondepartmental public bodies) - go to Q1.17
- None of the above

Q1.16 Are your products or services primarily sold...?

Locally – Within an individual town or area within Devon or Somerset		Within the UK	
Regionally – within the South West		Within the EU	
Nationally – within England		Globally	

Q1.17 Does your establishment primarily serve the population...?

Locally – Within an individual town or area within Devon or Somerset		Within the UK	
Regionally – within the South West		Within the EU	
Nationally – within England		Globally	

Q1.18 Do you currently offer, or have you offered in the past 12 months, any Apprenticeships?

Yes	
No	

Start of Block: Apprenticeships = Yes

Q2.1 Approximately how many Apprenticeships did you offer at each of the following levels?

Level 2:		Level 6:	
Level 3:		Level 7:	
Level 4:		Total:	
Level 5:			

Q2.2 How long has this site been offering formal Apprenticeships, by which we mean Apprenticeships which lead to a recognised qualification?

For a year or less		More than 5 years, up to 10 years	
For more than a year, up to 3 years		More than 10 years	
More than 3 years, up to 5 years		Don't know	

Q2.3 Why did your site decide to start offering Apprenticeships?

Good way to recruit new staff		We wanted to help young people	
Good way to up-skill existing staff		To ensure young people continue to enter the company / industry / new blood / succession planning	
A training provider approached us about it		Because of the Apprenticeship levy	
Existing staff asked about it / wanted it		Apprenticeship funding reform	
Availability of grants to support it		Other	
Head office decision		Don't know	
We could shape our own framework / standard		We wanted to help young people	

Q2.4 If other please specify

Q2.5 To which of the following age groups have you offered Apprenticeships in the last 12 months?

16 to 18 years old	
19 to 24 years old	
25 years or older	
Don't know	

Q2.6 (If one of a number of establishments within a larger organisation?) How much say does your site have on the number of Apprentices that it trains? Is...

The number set by head office?		Other	
Or do you recommend the number but head office has to approve it?		D/K	
Or do you have complete autonomy at this site on this decision?			

Q2.7 If other please specify

Q2.8 When you have been looking to recruit new Apprentices, have you used the Heart of the South West Apprenticeship Service (managed under contract by SERCO)?

Yes	
No	
Don't know / Can't remember	

Q2.9 (If yes) How satisfied were you with Heart of the South West Apprenticeship Service? Please use a scale of 0 to 10 (where 0 is very dissatisfied, 5 is neither satisfied or dissatisfied, and 10 is very satisfied. Please click and drag the cursor to select your answer).

Q2.10 (if <5) Why were you dissatisfied with the Heart of the South West Apprenticeship Service?

Q2.11 (If Level 4 or above) I would now like to ask you some questions about the Apprentices that you have recruited in the last 12 months at levels 4 and above. Were these Apprentices...? *Tick all that apply*

- Recruited specifically to start an Apprenticeship, with the training starting straight away
- Recruited with the intention that they would start an Apprenticeship, but the training didn't start straight away – go to Q2.12
- Or were they existing employees already working for you
- None of the above
- Don't know

Q2.12 Why did their training not start straight away?

- Induction / probation period
- Delays in finding a suitable training provider
- Had to wait for external funding
- Had to wait until we had the money available
- To ensure the employee is suitable / capable of progressing in our industry
- To give employee time to become familiarised with the organisation / the role
- Apprenticeship timings dictated by training provider / college
- Other
- Don't know / Can't remember

Q2.13 If other, please specify

Q2.14 Thinking about staff who were already working for you when they started their Apprenticeship, were they doing the Apprenticeship to prepare for moving into a new job role, or to improve their skills in their existing job role, or both?

To prepare for a new job role		Accrediting existing skills	
To improve skills in existing job		Don't know	
Both			

Q2.15 Are the Apprentices who have completed training in the last 12 months still working for your organisation?

Yes (all still with us)		Some are still with us	
No (none still with us)		Don't know	

Q2.16 (If some apprentices are still working for you) Of those who are still with your organisation, approximately how many were trained at the following levels?

Level 2:		Level 5:	
Level 3:		Level 6:	
Level 4:		Level 7:	

Q2.17 (If none or some apprentices are still working for you) When the Apprentices left, was the situation that...?

- Your organisation decided not to offer them an ongoing role
- They decided to leave of their own accord - go to Q2.18
- Or both - go to Q2.18
- Don't know

Q2.18 Thinking of those who you offered an ongoing role to, why did they decide to leave? *If they found another job:* Why do you think they preferred the other job? *If they didn't like the role offered:* Why didn't they like it?

Wanted higher pay		Wanted to move away	
Wanted to go into another sector		Didn't like working long hours / hard work	
Wanted promotion / career prospects		Personal reasons, including family, health, maternity	
Left to go to university		Other	
Left to do training (other than university)		Don't know	

Q2.19 (Q2.17 = 1 or 3) Thinking of those who you couldn't or didn't offer an ongoing role to, why was this? *If their contract ended:* Why did you decide not to renew the contract?

There were better candidates		Didn't complete their training / dropped out	
Couldn't afford it		Don't know	
Not enough work on		Refused	
Not performing to the standard we demand / dismissed / sacked			

Q2.20 Which level of Apprenticeship would you say was most important to your business, within your Apprenticeship provision? Would it be...

Level 2:		Level 5:	
Level 3:		Level 6:	
Level 4:		Level 7:	

Q2.21 (If Level 4 or above) We'd like to ask you a couple more questions about your Apprenticeships at level 4 or higher.

Q2.22 So thinking of these Apprentices...

	Yes	No
Did they receive training delivered by a training provider either on their or your premises?		
Did you as the employer provide formal training sessions as part of the Apprenticeship?		
Did a training provider assess the Apprentices?		
Were you able to influence the structure, content, delivery or duration of the Apprenticeship training before the training started?		*Go to Q2.24*
Were you able to influence the delivery and content of the training during the period of Apprenticeship training?		*Go to Q2.24*

Q2.23 (if no) Was this assessment done by your own staff?

Yes	
No	
Don't know	

Q2.24 Did you want to influence the content and delivery of the training at any stage?

Yes	
No	
Don't know	

Q2.25 How satisfied or dissatisfied are you with the following aspects of Apprenticeships? Please rate on a scale of 0 to 10 (where 0 is very dissatisfied, 5 is neither satisfied nor dissatisfied, and 10 is very dissatisfied. Please click and drag the cursor to select your answer).

The quality of applicants for Apprenticeship positions	
Your ability to select an Apprenticeship framework relevant to your needs	
Your ability to influence the structure, content, delivery and duration of the Apprenticeship training	
The amount and complexity of any paperwork and bureaucracy required of you as an employer	
The quality of the training delivered by the provider	
The support and communication from the provider	
How the provider offered training and / or assessment in a flexible way to meet your needs	
The quality of assessment carried out by the provider	

Q2.26 Which if any of the following benefits has your organisation experienced as a result of offering and training Apprentices?

	Yes	No	D/K	Too early to say
It has helped us win business				
Improved productivity				
A lower overall wage bill				
It has helped improved staff retention				
It has improved our ability to attract good staff				
Brought new ideas to the organisation				
Improved staff morale				
Improved our product or service quality				
Improved our image in the sector				
It has helped us develop skills that are relevant to the needs of our organisation				

Q2.27 Was there anything you would have liked to change about the content, structure, delivery or duration of the Apprenticeship training?

Yes	*Go to Q2.28*
No	
Don't know	

Q2.28 What would you have liked to change? *If necessary was it too short or too long, was there too much or too little? If 'course content' or 'not suited to our needs': What would you have liked to change about the course content? Was the course content too wide-ranging or too narrow?*

Q2.29 And, of those undertaking Apprenticeships with you in the last 2 years, did all of them have Maths or English at GCSE grade A*- C when they started their Apprenticeship?

Yes, all of them did	
No none of them did / only some of them did	
Don't know	

Q2.30 How important do you consider it for your Apprentices to have or to achieve A*-C grades in Maths and English? Is it...

Very important		Not very important	
Quite important		Not at all important	
Neither important nor unimportant			

Q2.31 Thinking about people who receive Apprenticeship training at your site, which **ONE** of the following best described why you offer them Apprenticeships rather than other forms of training?

Apprenticeships are the required form of training in this industry		They are the most convenient because the training provider handles most of the recruitment	
They cost us less than the alternatives		Another reason	
They are most relevant to the needs of our business		It's decided by head office / we didn't get any say in the type of training	
They are the best way to aid recruitment and retention		Don't know	

Q2.32 Another reason, please specify

Q2.33 Besides any training delivered through Apprenticeships, have you funded or arranged any training for employees at your site in the last 12 months which led to a qualification?

Level 2:		Level 6+	
Level 3:		None	
Level 4 to 5:			

Q2.34 Which of the following best describes how you would speak about Apprenticeships to other employers?

- I would recommend them without being asked
- I would recommend them if asked
- I would be neutral
- I would recommend against them if asked
- I would recommend against them without being asked
- Don't know

Q2.35 Have you paid fees to a training provider for the cost of training for your current Apprentices?

Yes	
No	
Don't know	

Start of Block: All businesses

Q3.1 (If higher level apprenticeships = 0) How much, if at all, do you feel you know about higher Apprenticeships - these are Apprenticeships at Level 4 or higher, including Foundation Degree and Degree level?

A great deal		Heard of but know nothing about	
A fair amount		Never heard of	
Just a little		Don't know	

Q3.2 (If higher level apprenticeships = 0) Why do you not offer higher level Apprenticeships?

There is no demand from employees		Was not aware of higher level qualification Apprenticeships	
Lack of funding		There are no higher qualifications in my sector / for this type of work	
As an organisation we have not progressed this far with the Apprenticeship scheme		We leave it up to employees to fund / arrange their own training at that level	
We prefer to recruit graduates / use a graduate training scheme		Not relevant to our company	
Higher level qualifications are not required to do the job		Other	

Q3.3 If other, please specify

Q3.4 And have any of your Apprentices who completed an advanced Apprenticeship at Level 3 actually gone on to do any of the following qualifications while working for your organisation?

Higher Apprenticeship		A foundation degree	
Degree Apprenticeship		Degree, other than a foundation degree or degree Apprenticeship	
A Higher National Certificate (HNC)		Some other form of higher level training leading to a qualification	

Q3.5 (Is Q3.2 = no relevant to our company) How relevant do you think higher Apprenticeships are for your organisation?

Very		Not very	
Quite		Not at all	

Q3.6 I'd now like to ask you about your awareness of the new Apprenticeship standards, where groups of employers known as Trailblazers collaborate to design a new Apprenticeship.

Q3.7 Which of these best describes your awareness of this programme? Have you...

Not previously heard of this programme		Have a good knowledge of what it is	
Aware of it, though not much more than the name		Don't know	
Aware of it and have some knowledge of what it is			

Q3.8 How, it at all, has your company been involved with new Apprenticeship standards?

Not involved at all		You've been involved in developing assessments	
You've had some Apprentices on these standards		In another way	
You've been involved in developing standards		Don't know	
You've been consulted on the standards			

Q3.9 (In another way) Please specify

Q3.10 (If Q3.7 = 3 or 4) Do you consider these new Apprenticeship standards and assessments to be an improvement over the previous frameworks?

Yes	
No	
Don't know / too early to say	

Q3.11 (If offer apprenticeships) Do you expect the number of Apprentices at this site over the next 2 to 3 years to...

Increase		Stay at about the same level	
Decrease		Don't know	

Q3.12 (If do not offer apprenticeships) Are you interested in offering Apprenticeships over the next 2 to 3 years?

Yes	
No	
Don't know	

Q3.13 (Q3.11 = increase or interested in offering apprenticeships) Why do you expect the number of Apprentices to increase?

Business growth / we are expanding		Increased range of Apprenticeship options including degree Apprenticeships	
Good way to meet our skills needs		We have been encouraged to do so by other organisations	
Apprenticeships are becoming easier to recruit		Due to high staff turnover	
To claim back Apprenticeship Levy payments		Other	
Changes to Apprenticeships funding / funding reform		Don't know	

Q3.14 Other, please specify

Q3.15 (if expect number of apprenticeships to stay the same or not interested in offering apprenticeships) Why do you not expect the number of Apprenticeships to your site to increase?

Content with current number / no business need to increase		Prefer to recruit experienced staff	
Business not growing (including we are contracting / poor sales)		All our staff are fully skilled	
We cannot currently afford to offer more		We are not looking to recruit new staff	
Training Apprentices is expensive		Due to low staff numbers	
Changes to Apprenticeship funding / funding reform		Other	
Prefer other forms of training		Don't know	

Q3.16 Other, please specify

____

Q3.17 (If decrease) Why do you expect the number of Apprentices at your site to decrease?

Business not growing (including we are contracting / poor sales)		Prefer other forms of training	
Bad experience with training providers		Prefer to recruit experienced staff	
Apprentices have not been of a good enough standard		All our staff are fully skilled	
Lack of (good) candidates		We are not looking to recruit new staff	
We cannot currently afford to offer more		Due to low staff turnover	
Red tape / bureaucracy		Other	
We will have to start paying for Apprenticeships		Don't know	
Changes to Apprenticeships funding / funding reform			

Q3.18 If other, please specify

____

Q3.19 Are you aware that the way Apprenticeships are being funded in England changed in May 2017?

Yes	
No / Don't know	

Q3.20 (if yes) Which of the following changes are you aware of?

The introduction of an Apprenticeship levy for employers		That employers not paying the levy will need to make a 10% contribution towards the cost of an Apprenticeship	
That the levy will apply only to employers with a UK wage bill of more than £3m		That training providers receive a premium for recruiting Apprentices from deprived areas	
That the levy will be 0.5% of their wage bill		None of the above	
That employers paying the levy will be able to claim it back to fund Apprenticeship training			

Q3.21 (If no or D/K) For employers with a wage bill of over £3m, the government is introducing an Apprenticeship levy of 0.5% of their wage bill, which they will be able to claim back to fund Apprenticeship training.

Q3.22 (If no or D/K) For non-levy payers wanting to train Apprentices, and for levy payers wanting to invest more in Apprenticeship training than they hold in their Apprenticeship account, employers will need to make a 10% contribution towards the cost of an Apprenticeship.

Q3.23 (If no or D/K) Now we have mentioned some of the main Apprenticeship funding changes. do you recall having heard of any of them?

Yes	
No / Don't know	

Q3.24 Does your organisation have a payroll wage bill of over £3m, across the UK?

Yes		Don't know	
No		Refused	

Q3.25 Now thinking more generally, do you feel there is sufficient information, support and guidance available to employers interested in offering Apprenticeships?

Yes	
No	
Can't remember / someone else made the decision	

Q3.26 (If no) What information, support and guidance do you think is missing?

What funding is available and how to get it		Legal obligations / employment contracts	
How to recruit Apprentices		Who to approach / how to get information on Apprenticeships	
How to set up training for Apprentices		Personal advice and support	
Understanding the requirements and benefits of an Apprenticeship		Information about the level of fees / payments for Apprenticeships	
How to find suitable training providers		Other	
How to deliver the qualifications		Don't know	

Q3.27 If other, please specify

____

Q3.28 Would you like someone from the Heart of the South West LEP and/or SERCO to contact you with more information about Apprenticeship opportunities tailored to your needs?

Yes	
No	

Q3.29 (If yes) Could you leave us with an email address so that we may contact you to discuss those opportunities:

Contact name:	
Email address:	

Q3.30 If you have any additional comments to make about Higher Level Apprenticeships please use the box below:

Appendix 2: Training Provider Survey

Higher Level Apprenticeship Plan

Introduction

This survey sets out the issues that we would like to discuss with you with regards to the Higher Level Apprenticeships for the Heart of the South West (HotSW) LEP plan co-financed by the European Social Fund (ESF) and the Education and Skills Funding Agency (ESFA). Wavehill has been commissioned by SERCO and the HotSW to conduct research and prepare the plan. It will identify ways to increase the number of higher level apprenticeships across the HotSW area (Devon, Plymouth, Somerset and Torbay) in the medium and long term. As part of the development of the plan, Wavehill is conducting research into current higher level apprenticeship provision, the future needs of employers in the area, and initiatives to implement higher level apprenticeships. As a training provider operating in the HotSW area, your participation in this research is of great importance to us, and we are keen to understand the work that your organisation is undertaking in this area. The Devon and Cornwall Training Provider Network and the Dorset and Somerset Training Provider Network have agreed to assist us with the distribution of the survey to their members, and we would be grateful for your participation. We know that your time is valuable, and we really appreciate you taking a moment to help us. We estimate that the survey should take no more than 10 minutes to complete.

In return for participation in this survey-based mapping of training provision, we are offering you the chance of receiving early results from the survey in the form of a confidential overview report that will be sent to all participants who request it. This information should be of great use to you in your future business planning. You will have the chance to sign up for this report at the end of the survey.

All individual responses will be treated confidentially and will not be shared with external organisations or agencies. Responses to this questionnaire will only be used for research purposes.

Q2 Please could you provide us with the following information:

Organisation name:	
Organisation postcode:	
Your name:	
Job title:	
Telephone Number:	
Email Address	

Q3 Could you briefly describe the role that you have in relation to training provision at your organisation?

Q4 Does your organisation currently deliver apprenticeships at any level as part of its training provision?

Yes	*Go to Q34*
No	*Go to Q5*

Q5 Does your organisation plan to deliver apprenticeships at any level in the next three years?

Yes	
No	

Q6 (if no) Could you briefly tell us why not?

Q34 Are you planning to change your apprenticeship delivery plans in the near future [next three years]?

Yes	
No	

Q35 (if no) Could you tell us why not?

Q36 Are there any specific levels which your organisation may begin delivering, or is interested in delivering apprenticeships in the next three years?

Level 2:		Level 6-7:	
Level 3:		No specific levels	
Level 4-5:			

Q37 Are there any specific sectors in which your organisation may begin delivering, or is interested in delivering apprenticeships in the next three years?

Agriculture, forestry, and fishing		Information & communication	
Mining, quarrying & utilities		Financial & insurance	
Manufacturing		Property	
Construction		Professional, scientific & technical	
Motor trades		Business administration & support services	
Wholesale		Public administration & defence	
Retail		Education	
Transport & storage		Health	
Accommodation & food services		Arts, entertainment, recreation & other services	

Q39 What (if any) are the barriers to this increase in apprenticeship provision, in your view?

Q38 Are there any specific partners with whom your organisation is interested in working with [that you don't currently work] in delivering apprenticeships in the next three years?

FE Colleges		Universities and higher education institutions	
Private training providers		Post-16 schools	
Local Authorities		Other	
Voluntary and community sector providers			

Q40 In your view, how important are apprenticeships at all levels in the overall skills and training provision landscape in HotSW?

Very important		Somewhat unimportant	
Somewhat important		Very unimportant	
Neither important nor unimportant			

Q41 In your view, how important are higher level apprenticeships in the overall skills and training provision landscape in HotSW?

Very important		Somewhat unimportant	
Somewhat important		Very unimportant	
Neither important nor unimportant			

Q42 In your view, what are the key challenges for increasing the provision of higher level apprenticeships across the HotSW?

Q43 In your view, what are the key opportunities for increasing the provision of higher level apprenticeships across the HotSW?

Q44 Would you like to receive a copy of the summary report from this survey?

Yes	
No	

Q45 (if yes) Could you please provide us with the email address to which the report should be sent?

Q49 Thank you for taking the time to complete this survey. As part of the evaluation Wavehill will be conducting some focus groups and consultations during March and April to further discuss issues surrounding of higher level apprenticeships. Would you be willing to participate in a focus group, a consultation or both?

Please note that by expressing your interest in taking part you are not committed to attending these events.

Consultation	
Focus Group	
Both a Consultation and a Focus Group	
None of the above	

Q50 Could you confirm these details so that we are able to contact you closer to the time?

Organisation name:	
Organisation postcode:	
Your name:	
Job title:	
Telephone Number:	
Email Address	

Thank you for taking the time to complete this survey.

Start of Block: Deliver App Y

Q7 What level apprenticeships does your organisation currently deliver? *Please tick all that apply*

	HotSW	Elsewhere
Level 2		
Level 3		
Level 4-5		
Level 6-7		

Q8 Approximately how many apprenticeships (number of participants) are you currently delivering in HotSW at:

Level 2	
Level 3	
Level 4-5	
Level 6-7	

Q9 Does your organisation deliver other forms of training in the HotSW area?

Yes	
No	

Q10 (is yes) Could you briefly describe those other elements of training provision?

Q11 Do you deliver apprenticeships in HotSW in conjunction with any partners?

Yes	
No	

Q12 (if yes) Are any of those partners:

FE Colleges		Universities and higher education institutions	
Private training providers		Post-16 schools	
Local Authorities		Other	
Voluntary and community sector providers			

Q13 Other, could you tell us who those partners are?

____

Q14 Approximately how many businesses do you work with in HotSW in delivering apprenticeships?

Q15 Approximately how many of those businesses are levy paying?

Start of Block: Levels 2 and 3

Q17 Which are the principle industrial sectors to which you currently provide apprenticeships at? (for example, if you are providing a management apprenticeship in the Construction sector, you would select 'Construction' from the list)

Agriculture, forestry, and fishing		Information & communication	
Mining, quarrying & utilities		Financial & insurance	
Manufacturing		Property	
Construction		Professional, scientific & technical	
Motor trades		Business administration & support services	
Wholesale		Public administration & defence	
Retail		Education	
Transport & storage		Health	
Accommodation & food services		Arts, entertainment, recreation & other services	

Start of Block: Framework 4-5

Q48 How many **frameworks** (not standards) do you provide apprenticeships at for **Levels 4-5**

0	
1	
2	
3 or more	

Q20 Through what **frameworks** (not standards) do you provide apprenticeships at?

Issuing Authority	
Framework title	

Q24 If other, please specify

____

Start of Block: Framework 6-7

Q49 How many frameworks (not standards) do you provide apprenticeships at for Levels 6-7?

0	
1	
2	
3 or more	

Q51 Through what **frameworks** (not standards) do you provide apprenticeships at?

Issuing Authority	
Framework title	

Q52 If other, please specify

____

Start of Block: Standards 4-5

Q57 How many **standards** (not frameworks) do you provide apprenticeships at **level 4-5**?

0	
1	
2	
3 or more	

Q28 Through what **standards** (not frameworks) do you provide apprenticeships at?

Route	
Name	

Q31 If other, please specify

____

Start of Block: Standards 6-7

Q58 How many **standards** (not frameworks) do you provide apprenticeships at level 6-7?

0	
1	
2	
3 or more	

Q59 Through what **standards** (not frameworks) do you provide apprenticeships at?

Route	
Name	

Q60 If other, please specify

____

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