



Three Steps to Navigating the New Apprenticeships Reality





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Foreword

Since the introduction of the levy, colleges have found themselves in uncharted waters when it comes to apprenticeships, and many are finding it difficult to navigate. In theory it's all very simple. Employers with a wage bill of more than £3 million per annum pay a 0.5% levy into a central fund, which they can claim back only when they take on apprentices. This is, the Government claims, all about "putting control of funding in the hands of employers," and so of course employers should be queuing up at the door of their local Further Education college, eager to take on as many apprenticeships as possible. Thus would employers be more invested in the design and delivery of apprenticeship standards that meet their needs, and thus would we begin to see an increase in productivity. Simple?

However, simple though the concept might be, in practice it has proved anything but. Businesses have complained that the funds raised do not cover training costs, or the many "hidden costs" associated with taking on an apprentice. Employers' groups have complained that the system is too complex and covered in red tape. And let's not forget the non-levy paying employers, who make up the vast majority of businesses in the UK, and who are also finding themselves involved in a system of great complexity.

In the midst of this, colleges are trying to find their way through a system that resembles a giant snowdome, where everything has been thrown up in the air and the pieces have not yet settled. So it comes as no surprise that apprenticeships are keeping college principles awake at night, since the layer of surety that previously existed around apprenticeships is no longer there.

Colleges have told us that they are finding apprenticeships with traditionally high starts are not necessarily performing in the same way as they were. That employers they have existing relationships with are not comfortable with the new system. And perhaps most crucially of all, that providers in other sectors – Universities and ITPs, for instance – are encroaching on territory that has traditionally been the preserve of the Further Education college. How can colleges respond to these challenges?

Having worked in the sector for years, and more recently having helped a number of universities expand their Degree Apprenticeship offer, we believe that the response must begin at the strategic, rather than the tactical level. It is no longer a case of simply trying to do "a bit more of what we've always done". Instead, colleges need to look at new ways to expand their existing offer, identify the potential for new and untapped opportunities, and demonstrate to employers and other stakeholders the value their college brings through its apprenticeships.

The purpose of this short guide is to flesh this out in the following three simple steps:

Step 1 – Looks at how you can maximise the impact of the apprenticeships you already offer, by identifying other employers who need them.

Step 2 – Shows you how you can go beyond step one by letting the local employment market and the demands of industry drive your future apprenticeship offer.

Step 3 – Describes how you can evidence and articulate the impact of your apprenticeships for those who do them, for employers, and for the local community as a whole.

We hope you find the information and the ideas in this guide useful, and that it will help your college take a more strategic approach to navigating your way through the new post-levy environment.

1

Maximise Your Current Offer

Very often, apprenticeships are developed because of existing relationships colleges have with regional companies. This is quite natural, and yet it does raise the question of whether there are opportunities to seek out other employers who have similar needs.

Let's begin by imagining a college in the North West that has developed apprenticeships in Business Administration and Law. These programmes have come about mainly due to the college's links with a number of local finance firms, and they currently offer places to 20 apprentices. But as the college starts to think about possible expansion of the programme, the first question that arises is this: Is there likely to be much demand for Business Administration and Law apprenticeships in our region over the next few years?

We can answer this by using our detailed Labour Market Insight (LMI). According to our data, there are currently around 417,000 people employed in Administrative and Secretarial occupations in the North West, and our projections show that this is set to grow to almost 428,000 by 2022 – a rise of over 10,000. In addition, when we add job churn into the mix – due to things like retirement – what we actually find is that there are projected openings of nearly 21,000 per annum throughout the region. This would tend to suggest that there is the demand for potential expansion, but given that this so, it leads to a second question: which industries can this demand be found within?

This might sound like an odd question. Surely if the college is looking to expand apprenticeships that it is currently running with certain companies, then the most obvious place to start would be to go online and look up all the other similar firms in the region. This would be a perfectly valid and logical place to start. However, it is actually a very limited approach, because the fact is that occupations associated with Business Administration and Law are employed in many other types of businesses than those that the college is currently partnering with.

This can be seen clearly in the table below, which shows the Top 10 industries in the North West that employ people in Administrative and Secretarial occupations. As you can see, there are a wide variety of industries employing this occupation category, which tends to imply that the market for apprenticeships in Business, Administration and Law is much bigger and broader than the one this imaginary college is currently supplying.

Industry	Projected Change (2017 – 2022)	% of Occupation in Industry
Accounting, bookkeeping and auditing activities; tax consultancy	3,904	7.3%
General medical practice activities	2,281	3.6%
Combined facilities support activities	1,105	1.4%
Hospital activities	876	5.0%
Business and other management consultancy activities	769	1.8%
Dental practice activities	719	0.8%
Freight transport by road	672	1.1%
Activities of head offices	667	1.0%
Activities auxiliary to financial services and insurance activities	636	2.3%
Legal activities	614	3.2%

What this means is that by using detailed LMI, you can achieve two crucial aims:

- You can identify whether there is sufficient demand for expanding your existing apprenticeships
- You can very quickly establish which industries and therefore which employers you should be talking to about potential expansion of your existing offer.

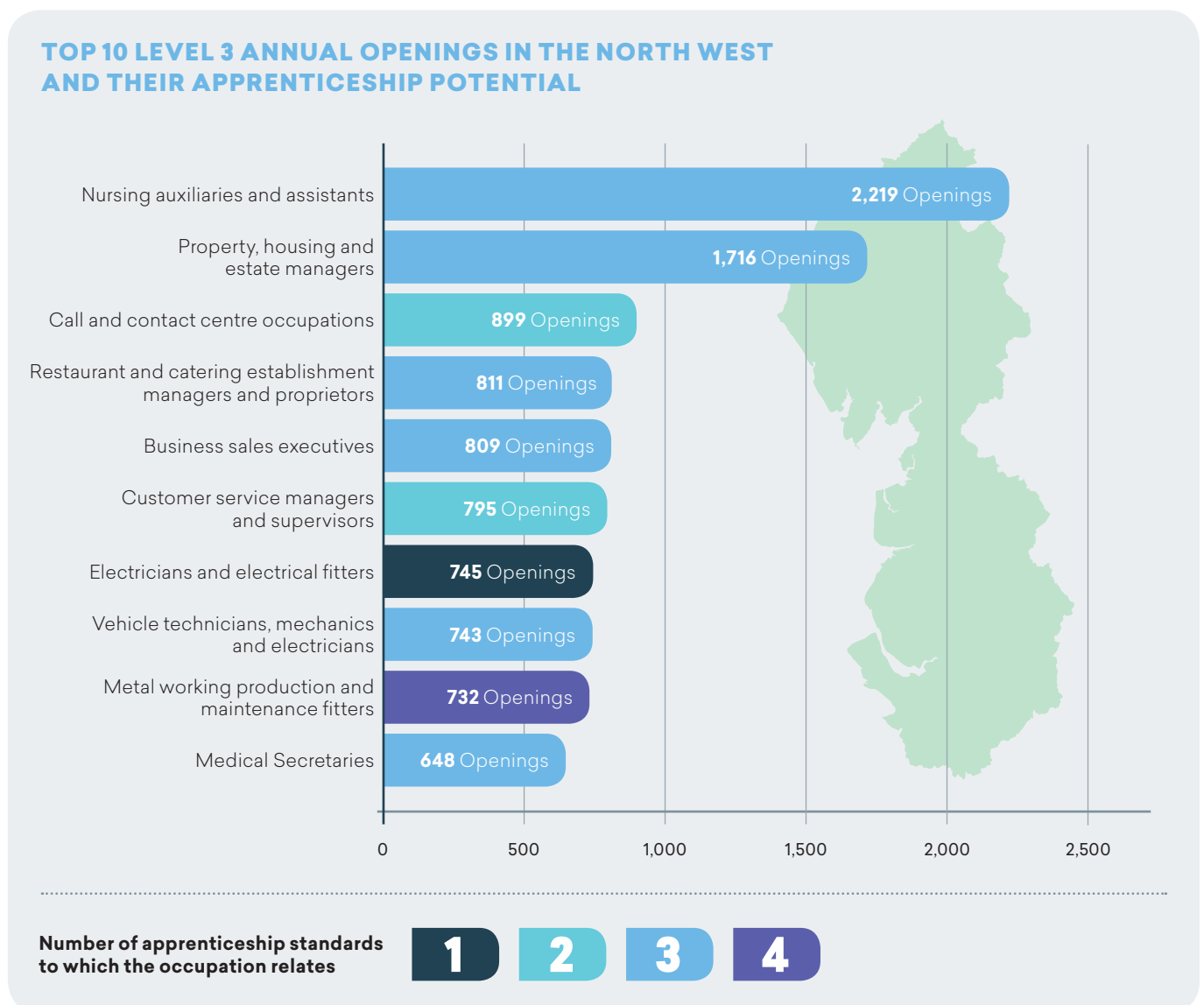
2

Let the Market Lead

Implementing Step 1 will give you the opportunity to expand your existing apprenticeships, but what is crucial to note about this step is that because it is supply led – that is, it is driven by what your college currently offers – it can't unlock your full apprenticeship potential. To achieve this, and to really be at the cutting edge of the new apprenticeship environment, you need to start with labour market demand.

Again, we can use the example of the North West, but this time instead of starting with an existing apprenticeship, we can start with scanning the labour market in the area to identify demand.

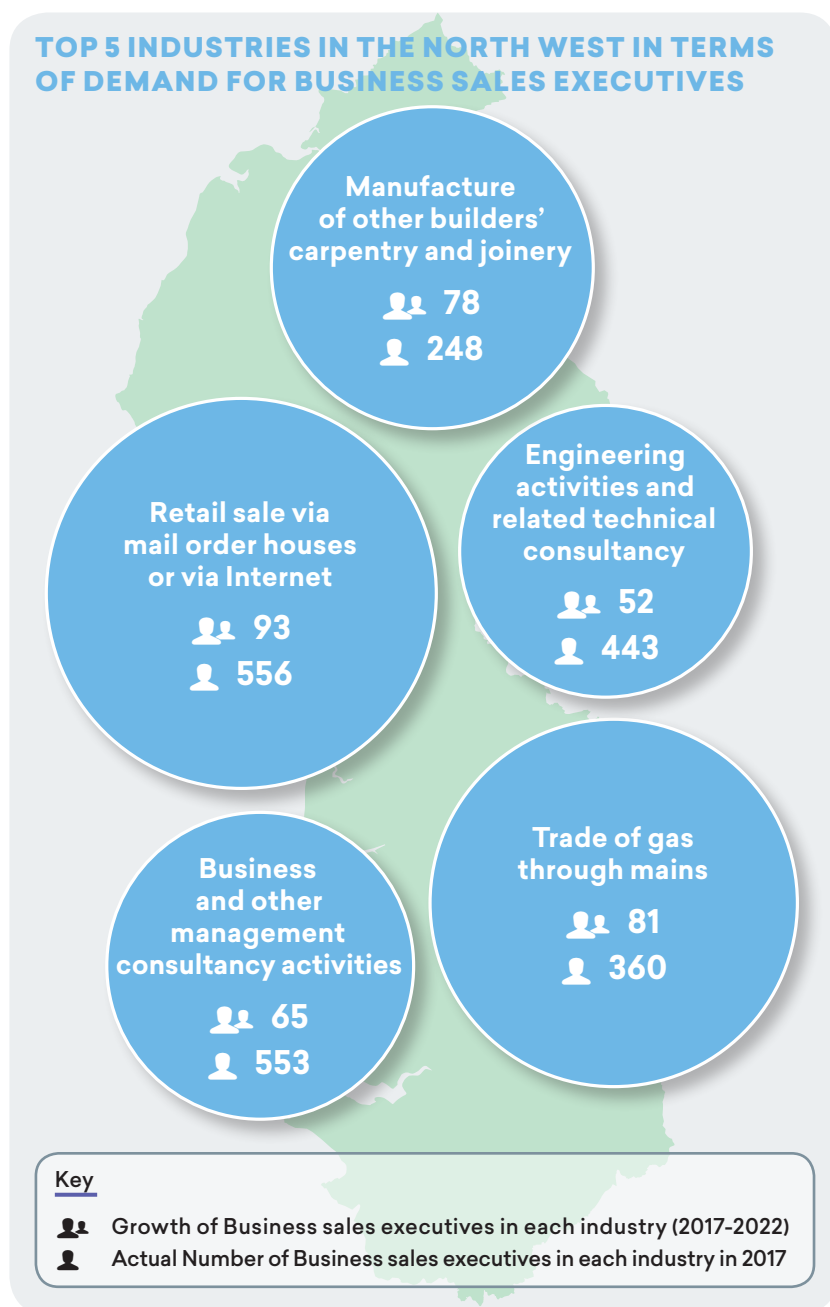
For instance, the following graphic shows the Top 10 occupations at Level 3 in the region according to the number of annual openings projected over the next five years (our data can be filtered to include or exclude any educational level, but for the purposes of this illustration we have only included Level 3). What is more, by mapping current apprenticeship standards to our data, we can establish how many of these each of the occupations relate to. As you can see, we have colour-coded these occupations to show which ones relate to one apprenticeship standard, which ones relate to two, and which ones relate to three or more standards:



Identifying industries

Having identified the Top 10 Level 3 occupations in the North West, and having established that each of them relates to at least one existing standard and therefore could potentially be offered as an apprenticeship, what we can now do – as mentioned in Step 1 – is to identify the industries to which these occupations relate.

For example, if we take Business sales executives, which has just over 800 annual openings, we can identify the industries which employ this occupation. The graphic below shows this, looking at the Top 5 industries that employ this occupation in the region, in terms of projected growth over the next few years:



This is of course just one among many examples that could be used. What it does demonstrate, though, is that by beginning with regional occupation demand, understanding how it relates to existing apprenticeship standards, and then identifying the industries which employ those occupations, a college can begin to get a far broader sense of the real apprenticeship potential that exists in their area. In addition, our data can then be used to identify employers in each of these industries, giving the institution not only a general sense of the occupations and industries that might be good to target, but also the actual employers themselves.

What we have described in Steps 1 and 2 is therefore a pathway that any college can take for forming a much more strategic view of the potential for expanding its apprenticeship offer. By exploring the potential for expanding existing apprenticeships or - for the really ambitious college - starting with the labour market to really open up a whole new range of possibilities, any college that has been struggling to navigate its way through the new apprenticeship environment will be able to develop a far more strategic, holistic and viable approach.

But what happens when a college really does start to maximise its potential? How can it make sure that it really does capitalise on this position and stay ahead of the competition? Our third and final step deals with this.

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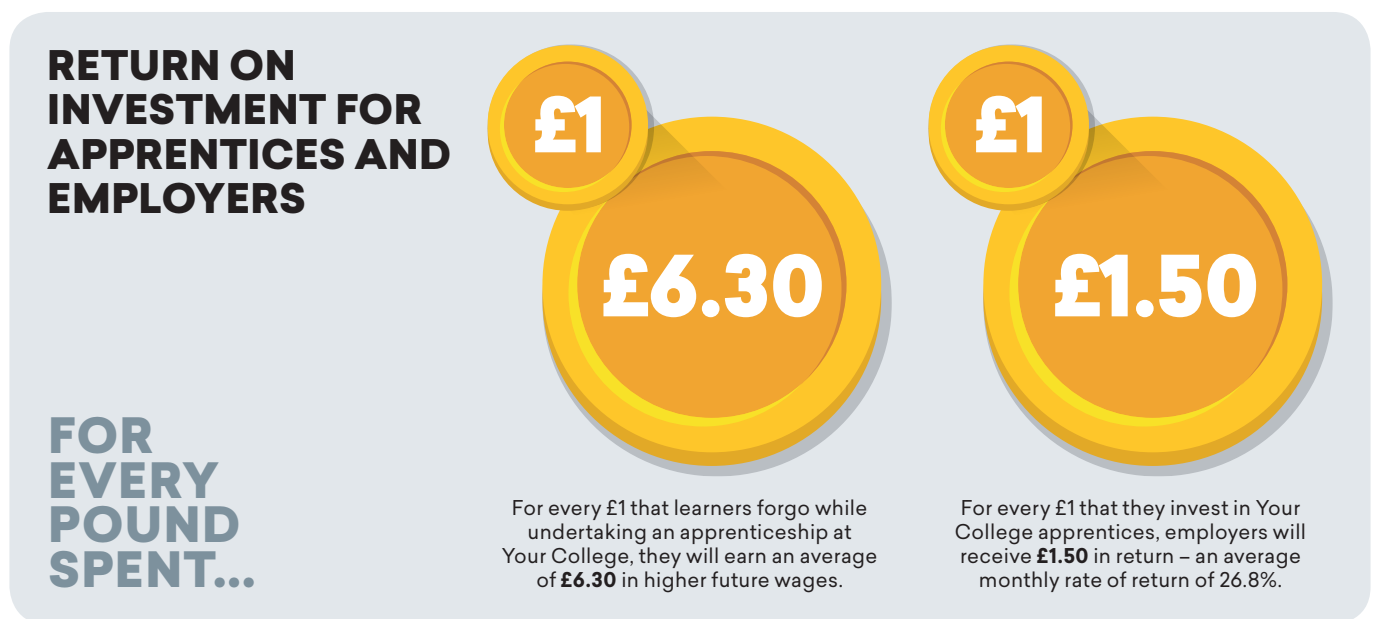
Stay Ahead of Your Competition

As we mentioned in the Foreword, one of the biggest issues that colleges are grappling with in the new apprenticeship environment is the increasing encroachment of other providers on what was once very firmly FE territory. The question is how can colleges respond to this challenge?

When faced with competition, two of the most significant ways an organisation can rise to the challenges are through innovation and by demonstrating the value of the good or service they are offering. The process we have described in Steps 1 and 2 is basically that innovation angle, whereby you can not only push the boundaries as far as your existing provision goes, but you can also seek out new opportunities outside of your current offer. The second way that you can stay ahead of your competitors, is to demonstrate the value of your apprenticeship provision, and to articulate it in a way that provides a compelling case for employers to want to partner with your college, over and above your competitors.

Since entering the UK in 2010, we have been conducting Economic Impact Studies on behalf of colleges. These measure the economic impact that the institution has on its region; the returns that students, taxpayers and society get from their investment in the college; and the increased economic growth that past and present learning at the college has on the region.

In addition to these elements, we can also calculate the return on investment for apprenticeships, both for the employers that offer them and the apprentices themselves. What this means is that any college can now evidence and articulate to regional employers and potential apprentices, the value and benefit they are likely to get from the college's apprenticeship provision, as the graphic below clearly shows:



Any college undertaking an impact study of their provision, will therefore not only be able to evidence the value of their apprenticeships to their stakeholders, they will also be able to articulate this in clear and compelling ways, and so put themselves a step ahead of their competitors.

And so by maximising your existing provision (Step 1), by letting the market lead in seeking new opportunities (Step 2), and by demonstrating the value of your apprenticeships to regional employers and potential apprentices (Step 3), you will not only be better placed to navigate your way through the new apprenticeship reality, you will also be in a much better spot to show why your college is the number one place for apprenticeships in your region.

The Challenge of Apprenticeships

Successfully unlocking your apprenticeship potential requires a good understanding of employer demand and the ability to map it to current standards.

Our aim is to give you the insight that will enable you to do this, so that you can maximise your college's offer.

Let's Talk

We'd love to hear about how you are attempting to maximise your apprenticeship potential and whether our insight might be able to help. Contact us and we will:



Listen

We'll listen to the specific challenges you are facing as you try to navigate the new apprenticeship environment.



Discuss

We'll talk you through a solution and show how it can help you understand which are your best opportunities.



Deliver

We'll deliver a solution and provide ongoing support as you seek to use our solution to maximise your offer and form a viable strategy.

[Contact us now](#)

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