



Apprenticeship Data Collection 2021

In April 2021, London Councils collected data on apprenticeships in London boroughs during the 2020/21 financial year. Data was collected on apprenticeship starts, apprenticeship completions, progression from apprenticeships and apprenticeship levy spend. This member briefing presents and analyses the data collected.

Background

Every year London Councils collects data from all London boroughs on:

- The number of apprentices directly employed by boroughs
- The number of apprentices employed by maintained schools
- The number of apprentices recruited by contractors that deliver services on behalf of a borough
- The number of apprentices placed with ATAs
- The number of apprenticeships created through levy transfers from boroughs
- The number of apprentices recruited as a result of boroughs working with businesses not in the supply chain.

For those apprentices employed directly by the borough and in schools, we also record information on the age, ethnicity, level of apprenticeship, the number of apprentices who were previously NEET and the number who have declared a disability.

This year London Councils asked for data relating to completions and progression for the first time. Boroughs were asked to submit data on the amount of apprenticeship levy available to them and the amount they were able to spend. This data was previously collected alongside the pay scales data in the autumn.

All 32 London boroughs and the City of London submitted returns.

Analysis

Key findings

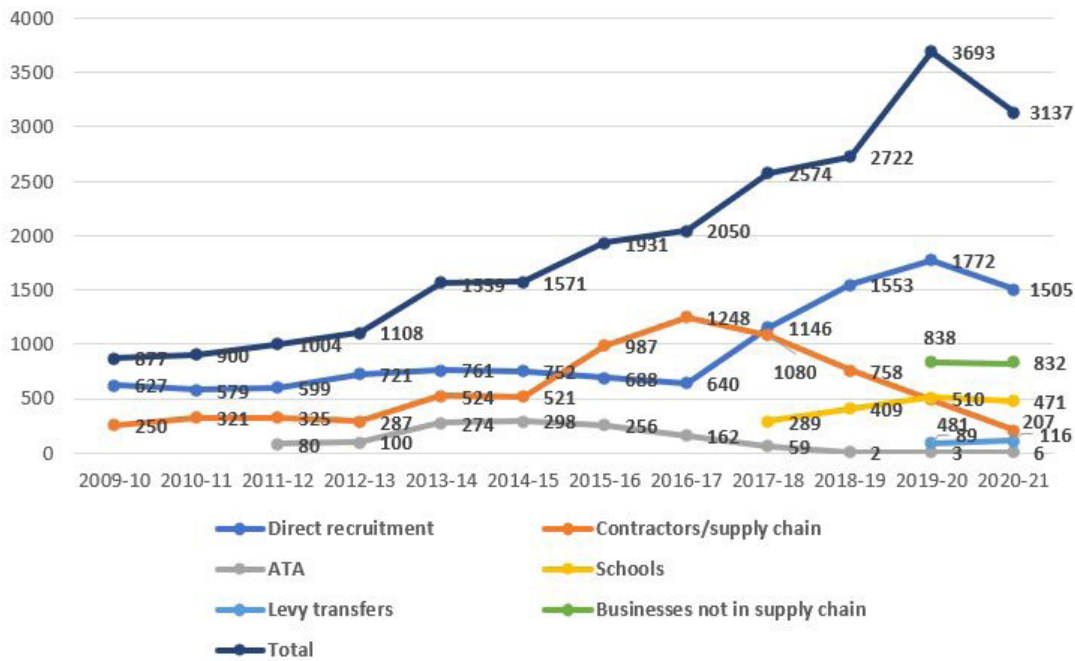
The Covid-19 pandemic caused considerable disruption to the operations of local authorities during this period. It is therefore unsurprising that the data shows a drop in the number of apprenticeships created compared to the previous year.

The data submitted shows that **London boroughs generated a total of 3,137 apprenticeships during the 2020/21 financial year.** This compares to 3,693 apprenticeships generated

in 2019-20, representing a 15 per cent decrease. **Boroughs directly employed 1,505 apprentices, a 15 per cent reduction on the previous year**, although the reduction in new apprentices employed by the council (as opposed to existing staff starting apprenticeships) was 48 per cent. **471 apprentices were delivered in maintained schools, an 8 per cent drop on the previous year.** The number of apprenticeships created through contractors or in the supply chain has declined by 57 per cent, from 481 to 207. The chart below shows the different types of apprenticeships generated by boroughs since 2009/10.

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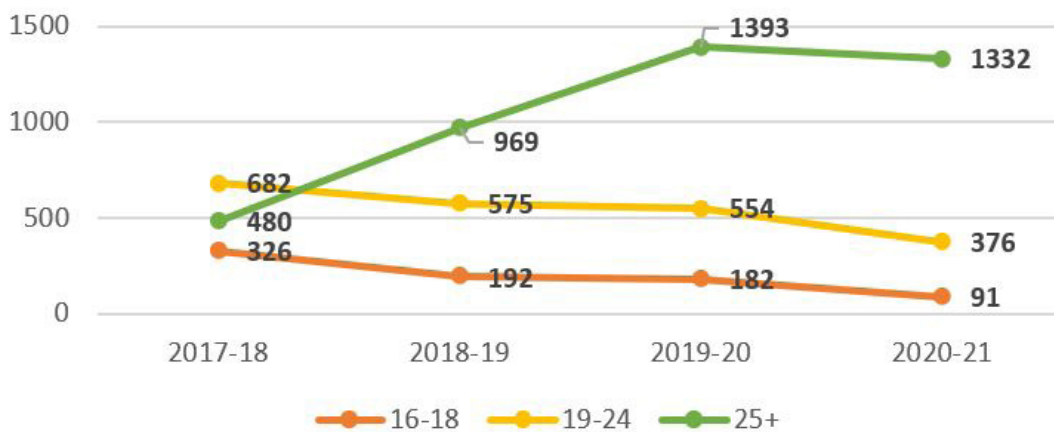
Annual number of apprenticeships generated by London boroughs since 2009/10



Age and levels of apprentices

The age data shows a continuation of the trend recorded in recent years of increasing numbers of apprentices aged 25 and over and a reduction in apprentices under the age of 25. **Since 2017/18 (the first year of the apprenticeship levy), the absolute number of apprentices in councils and schools aged 16-18 has fallen by 72 per cent and the number aged 19-24 has decreased by 45 per cent.** In contrast, the number of apprentices aged 25 and over has increased by 178 per cent. The chart below shows the trends since 2017/18.

School and council apprentices by age since 2017/18



Data on the level of study tells a similar story. **Since 2017/18 the number of Level 2 apprenticeship starts has fallen by 80 per cent, from 627 starts to 128.** The number of Level 3 starts has undergone the least change, although fell by 27 per cent to 725 from last year's figure of 994. The number of Level 4-5 starts has more than quadrupled since 2017/18, increasing from 154 to 621. The number of Level 6-7 starts has risen from zero in 2017-18 to 410 in 2020/21.

29 per cent of apprenticeship starts were new members of staff, compared to 71 per cent who were existing members of staff taking apprenticeships. Last year the respective figures were 45 per cent and 55 per cent.

The Public Sector Apprenticeship Target

Under the Public Sector Apprenticeship Target, which came into force in 2017, public sector bodies including local authorities must have regard to the target of creating new apprenticeship starts equivalent to at least 2.3% of their staff. **Four local authorities were able to meet or exceed the 2.3% target in 2020-21, down from six the previous year.** The average performance against the target was an average of 1.18% compared to 1.41% the year before.

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Apprenticeship levy

A total of £58,100,387 in levy funds was available to boroughs in between April 2019 and March 2021, of which £20,747,260 was spent. **This means that boroughs managed to spend 36 per cent of their available apprenticeship levy in between April 2019 and March 2021.**

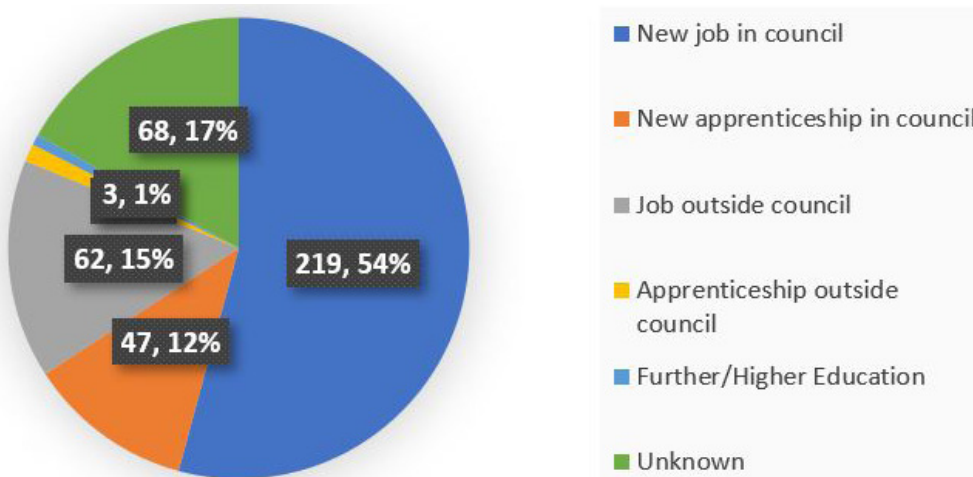
Although there is still a significant underspend of the apprenticeship levy, this represents an increase on previous years. Last year's survey found that boroughs spent 26 per cent of their levy and in the year before that the figure was just 13 per cent.

Completions and progression

Boroughs reported having 404 completions of new apprentices and 175 completions of existing staff taking apprenticeships. These figures are considerably lower than the number of annual starts, which suggests that this data is not consistently kept on record or isn't easily accessible.

Of the 404 completions of apprentices who were new to the council, 219 (54 per cent) went on to a job in the council, 47 (12 per cent) started another apprenticeship, 62 (15 per cent) moved to a job outside the council, 5 (1 per cent) secured an apprenticeship outside the council and 3 (1 per cent) went on to further or higher education. No destination was given for 68 (17 per cent) of these completions.

New apprentices - progression after completing apprenticeship



Of the 175 completions of existing members of staff, 12 (7 per cent) went on to a new job in the council and 3 (2 per cent) went on to another apprenticeship. This data was provided by a limited number of boroughs. It is assumed the other existing staff members who completed an apprenticeship remained in their previous role.

Commentary

All the data collected relates to a period when local authorities were dealing with the Covid-19 pandemic. For much of this period the economy was partly locked down, local authorities were dealing with the impact of the pandemic and home working was enforced. It is therefore unsurprising that the data reveals a reduction in apprenticeship starts. In this context it is impressive that the overall reduction was modest and that councils continued to generate apprenticeships. Furthermore, the proportion of the apprenticeship levy spent by boroughs has increased to 36 per cent, compared to just 13 per cent two years ago, which is a positive development.

However, the fall in the number of young people taking apprenticeships in boroughs is concerning, particularly in the context of the pandemic and the impact this has had on youth unemployment and education. Only 26 per cent of apprentices were under the age of 25 and just 29 per cent were new members of the workforce. It may be that the unique circumstances of the previous 12 months were the main reason for such low figures, however it continues a trend that dates back to the introduction of the apprenticeship levy and the replacement of apprenticeship frameworks with standards.

It is likely that the withdrawal of frameworks has meant that there are fewer apprenticeship opportunities available for young people entering the workforce, particularly at Level 2. Meanwhile, the growth in higher level standards, accompanied by the availability of the levy, has led to a year-on-year increase in the number of existing staff members taking apprenticeships at higher levels. This in itself is not a bad thing, but it is concerning if it is coming at the expense of younger apprentices entering the workforce.

London Councils is in the process of working with boroughs to understand these trends in more detail, with the aim of producing some practical recommendations for how boroughs can increase the number of young apprentices they recruit. With youth unemployment projected to grow further this year, it is vital that boroughs are creating apprenticeship opportunities for young people.

London Councils is also submitting a paper to government calling for reforms to the apprenticeship levy, which we have put together jointly with the GLA, the subregions and London business organisations. The paper calls for a number of flexibilities to be introduced to the levy, which would free up some of this funding to be spent on things like wages and pre-apprenticeship training. These changes would provide greater incentives to employers – including local authorities – to recruit more apprentices.

This is the first year that London Councils has collected data on completions and progression. The data submitted is useful, for example showing that 54 per cent of new apprentices went on to jobs in the council. However, not all boroughs were able to submit this data and most boroughs only returned partial data, particularly in relation to existing members of staff. No data was provided for 17 per cent of completions relating to new apprentices, and it is unclear whether this is due to the data being unavailable or negative outcomes. We will work with boroughs to find out why this data is not widely available and what can be done to ensure that more boroughs are able to provide it in future years.

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This member briefing has been circulated to:

Portfolio holders and those members who requested policy briefings in the following categories: Economic Development