

LFB Supplier Event

Friday 15th July 2011



Skills and Employment Priorities

- ✓ Why is skills and employment a commercial priority?
- ✓ Skills Labour Needs Analysis
- ✓ The role of the Supplier Skills Managers
- ✓ The National Apprenticeship Service
- ✓ What is an apprenticeship?
- ✓ What are the costs?
- ✓ What are the delivery options?
- ✓ The benefits and challenges of apprenticeships for an employer
- ✓ Next Steps

Why is Skills and Employment a Commercial Priority?

To ensure suppliers provide a capable and competent workforce:

- ✓ Skilled workforce will ensure suppliers have sufficient capability and competency to deliver to time, quality and cost requirements
- ✓ Substantial evidence that training and development improves productivity through reducing staff turnover and a quicker adaptation to new techniques
- ✓ Skills shortages and an aging workforce in key sectors including construction, engineering, and IT pose a high risk to future growth (Project Brunel)
- ✓ London Skills and Employment Board (LSEB): *London's Future: The Skills and Employment Strategy for London 2008 – 2013* (July 2008)

Why is Skills and Employment a Commercial Priority?

To ensure Londoners and the London economy benefit from LFB works:

- ✓ High cost of worklessness and skills shortages to London: improving employment and skills outcomes contributes to reductions in child poverty, crime, improved health and sustainability
- ✓ London's worklessness rate is 30%
- ✓ Less than 50% have the numeracy skills expected of those who have completed primary school
- ✓ By 2020 we expect 50% of jobs to require degree level qualifications
- ✓ Strong Mayoral agenda around supporting employers to provide more jobs and skills opportunities to Londoners
- ✓ Strong Mayoral and Government support for apprenticeships

Strategic Labour Needs & Training – What Is It?

To maximise the value of GLA's project spend, there are SLNT requirements within GLA group contracts that seek to ensure suppliers:

- ✓ Train and develop their workforce to ensure capability/competency
- ✓ Offer training, employment and skills opportunities to London communities, particularly in relation to disadvantaged groups

SLNT is implemented through:

- ✓ Embedding SLNT requirements within new contracts
- ✓ Assisting new and existing suppliers access funding and support to delivery skills and employment requirements through the Supplier Skills Team

The Role of Supplier Skills Managers

The team of SSM's are embedded within the GLA group's Central Responsible Procurement Team and funded by the LDA. Their role is to:

- ✓ Assist GLA group suppliers gain funding and support from available employment and skills programmes
- ✓ Work with GLA group's Supply Chain to understand the suppliers' requirements and help them deliver these
- ✓ Help co-ordinate the various agencies and organisations (including Sector Skills councils, NAS, JCP etc) that offer skills or employment funding, into one integrated programme
- ✓ Co-ordinate and monitor the GLA group Supply Chains to ensure requirements are being met

National Apprenticeship Service

The National Apprenticeship Service (NAS) was launched by the Department for Business Innovation and Skills (BIS) in April 2009 to provide a support service for employers and learners.

Vision:

- ✓ Increased Apprenticeship opportunities
- ✓ Reposition Apprenticeships with business & public services to boost take-up
- ✓ Improved equality of opportunity and access
- ✓ Developing training provider and employer training capacity to underpin expansion
- ✓ Breadth of Apprenticeships to meet demand

Employers Services:

- ✓ Ensure service works for employers from initial enquiry to completing apprenticeship
- ✓ Directly assist large/medium employers and those new to Apprenticeships
- ✓ Offer single point of expertise on Apprenticeships to employers and brokers
- ✓ Target employers in response to unmet demand from individuals

What is an Apprenticeship? (Summary)

- ✓ Work based training programme for current and future employees (16 yrs+)
- ✓ Apprentices complete a structured programme of training which can be on and off the job, leading to nationally recognised qualifications
- ✓ Focus on the whole job, business need and not just individual skills
- ✓ Designed by business for business in over 190 subject areas

Available at two levels:

- **Intermediate Apprenticeship-Level 2** (equates to 5 GCSEs grades A* to C)
- **Advanced Apprenticeship-Level 3** (equates to 2 A Levels)
- **Higher Apprenticeship-Level 4** (Foundation Degree level)

Structure

Structure			
NVQ/ QCF Levels 2,3 and 4 Competence Based	Technical Certificate Theoretical Underpinning Knowledge	Key Skills Qualifications Numeracy Literacy, IT, Teamwork	ERR Employee rights and responsibilities

Costs to the Employer

Training Costs:

- ✓ Public funding for the training is routed through a training provider (college or private organisation) - does not go directly to the employer:
 - 16 -18: year olds, fully subsidised by the Skills Funding Agency
 - 19+: part subsidised with an expected employer contribution around 50%
- ✓ Negotiation between employer and training provider: in some cases, training providers may not charge any fees

Salary Costs:

- ✓ Employer pays the Apprentice salary
- ✓ Contracted minimum wage is £2.50 per hour
- ✓ Average salary is approx £170
- ✓ Can vary by sector, level of apprenticeship and age of apprentice

Apprenticeships: Delivery Options

Direct Employees (existing staff or new vacancies)

- ✓ NAS can support you to ensure the right Apprenticeship discipline is selected specific to requirements, provide a shortlist of Training Providers who offer a free recruitment service and will work with you to deliver Apprenticeship programmes

Apprenticeship Training Agencies (ATA)

- ✓ An 'Agency' to help you employ Apprentices that would handle everything from recruitment to arranging the training – they receive a small premium for their services (reduced risk for organisations)
E.g. London Apprenticeship Company (LAC)

Consortium Approach

- ✓ Working with NAS the consortium approach was developed. It aggregates demand for specific Apprenticeship disciplines.
E.g. TfL's EPMF Framework – 6 suppliers joined together to start a Civil Engineering Apprenticeship Programme

■ Benefits: The Employers

- Better-trained employees, with the right skills
- Improved productivity
- Motivated and loyal workers
- Potential managers / leaders of the future
- Improved retention
- Research has indicated cost benefit of apprentices

Research in February 2009 found that:

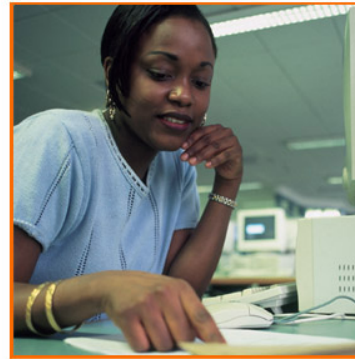
- ✓ 81% of businesses agree that apprentices make their workplace more productive
- ✓ 82% employers agree that Apprentices provide the skilled workers we need for the future
- ✓ 67% employers agree that Apprenticeships mean lower recruitment costs

Employer Badge

- ✓ New scheme launched to recognise businesses who employ apprentices
- ✓ 80% of people are more likely to use a business if it offers Apprenticeships to young people.

Benefits: The Apprentice

- ✓ Earn while you Learn
- ✓ Gain Nationally recognised / transferable qualifications
- ✓ A career not just a job
- ✓ Paid holidays
- ✓ A wide choice of industries and employers
- ✓ Apprenticeships can lead to University
- ✓ Appropriate for high achievers



Next Steps

LFB are keen to support suppliers to engage with or implement Apprenticeship programmes where it would add value to your business. Support is demand led and tailored to employer requirements.

✓ If you are delivering Apprenticeships already, contact us to discuss how LFB can support your activity

✓ If you are interested in starting an Apprenticeship programme, contact us to book a meeting to discuss delivery options, frameworks and funding

Any Questions?

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