

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD1282

Title: London Apprenticeships Campaign: Marketing and Communications

Executive Summary:

The GLA has led a high-profile marketing and communications campaign to drive up employer engagement in apprenticeships. The most recent Spring 2013 Campaign was highly successful in increasing the number of employer leads to the National Apprenticeships Service and improving employer perceptions of apprenticeships in London.

On the 24th April 2013, the London Enterprise Panel approved the allocation of £1m Growing Places funding to be used on continuing to enhance marketing and communications resources available to promote the business benefit of Apprenticeships to employers.

This Mayoral Decision provides approval to allocate up to a maximum £1m from 2013/14 to 2015/16 on Marketing and Communications activity to support the Apprenticeship campaign.

Decision:

That the Mayor approves:

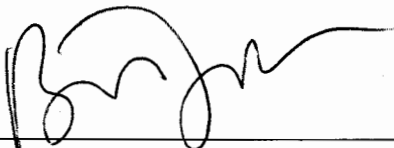
1. Expenditure of up to a maximum £1m over the period 2013/14, 2014/15 and 2015/16 to deliver the London Apprenticeships Marketing Campaign.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

28.11.2013

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. This project makes a direct contribution towards the Mayor's ambition to create an additional 250,000 apprenticeship starts by 2016 and that Londoners are supported to access the jobs generated through Mayoral investment.
- 1.2. The GLA led a high-profile marketing and communications campaign to drive up employer engagement in apprenticeships. The most recent Spring 2013 Campaign was highly successful in increasing the number of employer leads to the National Apprenticeships Service and improving employer perceptions of apprenticeships in London. This project aims to build on that success.
- 1.3. The Spring 2013 campaign had great impact on business perceptions of apprenticeships and generated significant new leads. A summary of the campaign outcomes is outlined below¹ with full details in appendix 1:
 - A 15% increase in businesses agreeing with the proposition that apprenticeships improve staff retention and loyalty;
 - A 6% increase in businesses agreeing with the proposition that apprenticeships improve productivity and efficiency;
 - A 3% increase (67% baseline) in businesses agreeing with the proposition that apprenticeships benefit businesses;
 - An 8% increase in businesses agreeing with the proposition that 'I think my company has sufficient resources to support an apprentice';
 - An 8% decrease in businesses having the negative impression that apprentices require a lot of support to become effective;
 - 572 leads were generated from the campaign directly.
- 1.4. The 2012 Institute of Employment Research literature review of apprenticeships conducted for the National Apprenticeships Service highlighted the key perception barriers to employer engagement with apprenticeships. These include:
 - Apprenticeships were not relevant or suited to the business (reported by 33% of those who did not offer, currently have or plan to use apprentices) and that the company did not have plans to recruit or did not need to train apprentices as all staff were already trained (21%);
 - 12% of establishments reported that they were too small to offer Apprenticeships and around 7% cited budget and funding issues as a barrier to engagement which was more common in the case of smaller establishments;
 - Apprentices were not relevant to or required by the business;
 - the company preferred to hire fully trained workers;

¹ TNS online tracking survey Feb-May 2013.

- there were prohibitive costs and administration requirements associated with engagement;
- the process of taking on apprentices being overly bureaucratic; managing and organising;
- Apprenticeships being time-consuming; risks associated with committing to Apprenticeship;
- Lack of awareness of the support available to help businesses recruit apprentices;
- Lack of awareness of the business benefits that apprenticeships bring.

1.5. On the 24th April 2013, the London Enterprise Panel approved the allocation of £1m Growing Places funding to help increase the number of employers offering apprenticeships in London by enhancing the marketing and communications resources available.

1.6. Although detailed expenditure has yet to be fully scoped out, and will be determined by the project group based upon the approach set out in the main body of this report, the estimated budget phasing for the campaign is as follows:

- 2013-14 - £400,000
- 2014-15 - £350,000
- 2015-16 - £250,000

2. Objectives and expected outcomes

2.1. The project team will work with stakeholders to define the marketing objectives of the London Apprenticeships campaign. It is anticipated that the following key areas of focus will be explored:

- Increase in the number of employers becoming a 'qualified lead' with the National Apprenticeship Service or accessing information about apprenticeships;
- Greater awareness of the diversity of apprenticeships available and fit with their business;
- Greater awareness of the business benefit of apprenticeships;
- Greater awareness of the channels through which employers can access support (with the user journey to be explored).

3. Other considerations

3.1. This project directly supports the delivery of the Mayor's commitment to support the creation of 250,000 apprenticeship starts by 2016.

3.2. London still has a low number of apprentices per proportion of our workforce. Nationally 2.1% of workforce jobs are apprenticeships. In London, the rate is just 0.9%. This suggests that there is still considerable scope for apprenticeship growth, particularly as more relevant apprenticeship frameworks are being developed that have greater relevance to the London economy.

3.3. Increasing the relevance of apprenticeships to London's business structure is a key aim. Apprenticeships are more and more available across a greater range of relevant specialisms. Recent new frameworks include:

- Legal services apprenticeships;
- Tax and accountancy;
- Press, PR and marketing;
- Project management and HR.

- 3.4. The trend for private sector led jobs growth has remained positive over the last two years. As the economy grows over the period 2013-2016 London's labour market should see an increased demand for labour with good potential for these to be apprenticeship positions.

Spring 2013 Marketing Campaign:

- 3.5. Based on a budget of £230,000 the marketing spend for the Spring 2013 campaign was as follows:

Item	Spend
Creative agency fee & production <i>(not utilised for Spring 2013 campaign)</i>	n/a
Web development fee <i>(not utilised for Spring 2013 campaign)</i>	n/a
Offline adverts placed across media spectrum (including posters, newspaper ads)	£64,118
Adverts placed in digital media (e.g. Facebook, LinkedIn, Emedia)	£130,882
Qualitative research fee (agency) <i>(not utilised for Spring 2013 campaign)</i>	n/a
Pre and post campaign tracking	£15,900
TfL production costs	£5,675
Distribution costs <i>(not utilised for Spring 2013 campaign)</i>	n/a
Content	£12,840
Events <i>(not utilised for Spring 2013 campaign)</i>	n/a
Proposed TfL inventory (value in kind)	£147,368
Added value (earned through negotiation & over-delivery)	£58,000

- 3.6. Key lessons from the Spring 2013 campaign are set out in Appendix 1 and will be incorporated into the design of the new campaign.

Proposed focus of new Marketing Campaign:

Activity	Rationale
Wider non-sector specific focus	<ul style="list-style-type: none"> - Apprenticeship campaign materials have a broad message which is applicable to a wide range of businesses.
Retain focus on Business 2 Business campaign	<ul style="list-style-type: none"> - Evaluation highlights that businesses are still most likely to speak to another business about apprenticeships. - Over a 12 month period the number of individuals registering interest on the NAS website increased by 34% to 17,559. Whereas the number of vacancies increased by only 22% to 2,547 (snapshot). As a result it is proposed that we continue a focus on employer facing activity. - GLA to exploit strength in communicating to businesses and utilising the Mayor as an asset.
Increase target businesses from 250 employees and below to business sized 250-1,000	<ul style="list-style-type: none"> - The evaluation highlighted that larger businesses are more likely to be positive towards apprenticeships and that smaller businesses did not consider our approach to be relevant to their business. Targeting larger businesses also supports our business objective of creating 250,000 apprenticeships during the current Mayoral term, as they offer better opportunities for higher returns. Significant promotion of the AGE Grant for SMEs targeted at SMEs up to 250 will continue.

Strategic planning and better alignment with press and PR activity	<ul style="list-style-type: none"> - Evaluation highlights that press and PR activity is still extremely important in driving awareness of apprenticeships. Marketing activity and spikes should be scheduled strategically based on key milestones, announcements, etc, but consideration should also be taken around busy times, such as National Apprenticeships Week, to ensure sufficient cut-through for the future marketing activities
Testing a local approach - supporting convergence	<ul style="list-style-type: none"> - Potential to run hyper-local marketing activities in partnership with local councils, business groups, training providers and further education colleges. The approach would leverage the value of a high profile and well resourced campaign and complement with local partner activity.
Support/enhance methods of targeting smaller businesses (0-50 employees) through targeted approaches.	<ul style="list-style-type: none"> - NAS/GLA research shows that direct mail and telemarketing approaches remain the most effective way in which to engage with small businesses.
Investigate partnership opportunities with colleges and training providers and employer led initiatives	<ul style="list-style-type: none"> - The research highlighted that 26% of employers would speak to a college or training provider directly (source: TNS online tracking survey Feb-May 2013). - We will also explore the potential to support small-scale marketing and promotion of the London Professional Apprenticeships Network (in partnership with PwC and the National Apprenticeship Service) designed to increase the number of professional services firms offering apprenticeship opportunities.

Activity currently underway (outside of the scope of the marketing activity):

- 3.7. Big business engagement - the GLA and the National Apprenticeship Service have in place a big business engagement strategy designed to drive apprenticeships growth in major employers in London, typically with businesses with workforces over 1,000 in size. The Mayor has already written to hundreds of businesses and a programme of continued personally signed letters is in place. Big wins secured through this process will support our press and marketing activities.
- 3.8. Direct Mail campaign to London SMEs – the National Apprenticeship Service and the Mayor have a targeted marketing led - direct mail approach for London SMEs. This approach includes writing out to around 60,000 businesses, utilising commercially purchased business databases of SMEs in London.
- 3.9. Marketing and communications activity (Spring 2013 campaign) – the Mayor and the National Apprenticeship Service have worked closely on a range of marketing campaign pushes in addition to the core marketing activity undertaken by the National Apprenticeship Service in London – including most recently an Ambassador led campaign featuring Brasserie Blanc, Channel Four and PwC.
- 3.10. Radio Advertising (NAS-led) including:
 - Employers with employees up to 1,000 being targeted with a 5 week burst of 40s ads starting in October, 2013;
 - London Welcome Calls – contacting over 1,265 London employers that have: successfully claimed the Enhanced AGE Offer to promote the London uplift and extension to December 2014 (265), and London employers that have said ‘yes interested but not now’ (over 1000);
 - Higher Apprenticeship product campaigns from October 2013, for: HR Management, Project Management, Legal Services, IT software, web and communications, Engineering - Advanced Manufacturing and Health (Assistant Practitioner) – collaborative employer engagement events and campaigns with strategic partners and dedicated collateral.

- 3.11. Continued Government support for Apprenticeships – the Government has made it clear that support and funding for apprenticeships will be continued. Most recently the Government has announced an extension of the national AGE Grant Incentive for SMEs to encompass the 2014 calendar year.
- 3.12. Some of the risks highlighted below are relevant to the wider apprenticeships system – much of which does not directly come under the purview of the proposed marketing activities. The implication for marketing and communications is that activity will need to work harder in the areas that policy interventions cannot reach.

Risk	Mitigation
Economic climate. Growth in new apprenticeship starts will be constrained if private sector employment does not continue to increase. Public sector retrenchment also poses a risk.	London is still recording private sector jobs growth. As the economy improves the demand for more jobs and the creation of new roles should support the campaign.
<p>Changes to apprenticeships by national government may reduce take-up:</p> <ul style="list-style-type: none"> - Govt committed to increasing the number of L3 and above apprenticeships most likely at the expense of those at L2. L2 apprenticeships will increasingly shift to traineeships. This could impact on the numbers. - The focus on quality provision. Quality will continue to influence starts of all ages well into 2013/14. This can be illustrated through a recent risk analysis of changes to the Customer Service framework. Changes to the framework away from its widespread generic use to specific customer service job roles could see a reduction of at least 20,000 starts nationally. The focus on quality requires NAS, and providers, to re-sell the benefits of Apprenticeships to employers. - The introduction of loans for apprentices aged 25+. NAS doesn't have any impact assessment on this but around 50% of all apprenticeships in London are in the 25+ age range. 	<p>Mayor's Office to meet with the Skills Minister and CX of the National Apprenticeship Service to confirm funding commitments to apprenticeships and to seek regional influence over particular barriers to apprenticeships growth, e.g. potential uplift for funding for SME apprenticeships provision and monitoring of provider behaviour towards delivering non-apprenticeship focused adult funded provision (utilising freedoms and flexibilities).</p> <p>Improved quality of apprenticeships to be used as part of the promotion of apprenticeships – to both employers and individuals.</p>
Filling vacancies. There are over 1,500 vacancies on the system right now.	This a current focus of the National Apprenticeship Service and efforts to improve the careers service.
<p>Competing offers – including Traineeships and other work-experience programmes. Traineeships should in time lead to better prepared young people more likely to secure an Apprenticeship. In the short term it might detract employers and training providers' focus away from Apprenticeships. Employers, especially larger ones, tell us there is already potential for confusion in the marketplace with the range of subsidies and support available.</p>	The new campaign will support the delivery of clear, simple employer facing messages. The National Apprenticeship Service now has responsibility for marketing traineeships as well – this will support alignment of messaging to employers.
<p>Limited face to face careers advice –The National Careers Service remit does not include face to face advice with young people 18 and under and many local Connexions facilities have closed. While a statutory responsibility for schools – many young people tell us that they have not been informed about the Apprenticeship route.</p>	The GLA will be exercising considerable influence over the development of the new National Careers Service offer which will go-live in Spring 2014.

4. Financial comments

- 4.1 Approval is being sought for expenditure of up to £1 million to deliver the London Apprenticeships Marketing Campaign.
- 4.2 The revenue cost of up to £1 million will be funded from the Growing Places Fund (GPF) programme, for which the GLA is the Accountable Body.
- 4.3 The use of GPF programme funds has been approved by the Local Enterprise Partnership (LEP) at its meeting of 24 April 2013.
- 4.4 Although detailed expenditure has yet to be fully scoped out, and will be determined by the project group based upon the approach set out in the main body of this report, the estimated budget phasing for the campaign is as follows :
- 2013/14 £400,000
 - 2014/15 £350,000
 - 2015/16 £250,000
- 4.5 All requisite budget adjustments will be made.
- 4.6 Any changes to this proposal must be subject to further approval via the Authority's decision-making process.
- 4.7 The Economic and Business Policy Unit within the Development, Enterprise & Environment Directorate will be responsible for managing this project.

5. Legal comments

Sections 1-3 of this report indicate that:

- 5.1 The decisions requested of the Mayor fall within the GLA's statutory powers to do such things as maybe considered facilitative of or conducive to the promotion of the social and economic development of Greater London.
- 5.2 In formulating the proposals in respect of which a decision is sought officers have complied with the GLA's related statutory duties to:
- (a) pay due regard to the principle that there should be equality of opportunity for all people;
 - (b) consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
 - (c) consult with appropriate bodies.
- 5.3 The services required must be procured by Transport for London Procurement who will determine the detail of the procurement strategy to be adopted in accordance with the GLA's Contracts and Funding Code.
- 5.4 Officers must ensure that appropriate contract documentation is put in place and executed by the successful bidder(s) and the GLA before the commencement of any services.

6. Investment & Performance Board

- 6.1. IPB endorsed the proposal on 11/09/2013, which sought approval for £1m of funding to improve London employers' awareness of, and participation in, the National Apprenticeships Service. The report followed an earlier Stage 1 and Stage 2 submission for the overall funding allocation of £2.5m from the Growing Places Fund towards the increasing the level of apprenticeships in London. The Executive Director DEE confirmed that this campaign would allow to hit, and probably exceed, the Mayoral target of 250,000 apprentices by the end of the Academic year 2015-16.

7. Planned delivery approach and next steps

- 7.1. It is proposed that the London Engagement Team work with key stakeholders to develop the marketing activities. It is anticipated that activity will include:
- Research and creative message testing;
 - Working with a creative marketing agency;
 - Engaging with a media planning agency.
- 7.2. Supporting some uplift of existing planned activity by campaign partners, including the National Apprenticeship Service, the launch of the London Professional Apprenticeships (LPA) Network and London Boroughs.
- 7.3. Governance – it is proposed that outside of the standard GLA reporting mechanism that the campaign team use the LEP Skills and Employment Working Group as a key employer facing sounding board and the wider stakeholder workshop group that met on the 28th March, 2013.

Activity	Timeline
Procurement of contract [for externally delivered projects]	November 2013
Announcement [if applicable]	November 2013
Delivery Start Date [for project proposals]	December 2013
Final evaluation start and finish (self/external) [delete as applicable]:	Sep 14 – Dec 15
Delivery End Date [for project proposals]	March 2016
Project Closure: [for project proposals]	June 2016

Appendices and supporting papers:

Appendix 1 - Key Lessons from the Spring 2013 Apprenticeships Marketing Campaign

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? YES

If YES, for what reason:

Until any and all envisaged services in respect of this phase of the project have been procured and awarded.

Until what date: 30 November 2013.

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – No

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Eorogh Rahmani has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

Assistant Director/Head of Service:

Mark Kleinman has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Sponsoring Director:

Fiona Fletcher-Smith has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Kit Malthouse has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature M.J. O'Leary

Date 21.11.13

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature Edmund Hill

Date 25.11.2013

Appendix 1: Key Lessons from the Spring 2013 Apprenticeships Marketing Campaign

1. Marketing and PR activity, including use of London Underground posters and collateral is very important in raising awareness of apprenticeships to employers – digital activity is most effective at driving good ‘click through rates’ to NAS/GLA websites and generating leads. The mix of awareness vs direct response channels will be determined based on the marketing objectives.
2. There needs to be a simplification of the user journey – the Spring 2013 campaign offline advertising drove to London.gov and the NAS call centre. The digital advertising clicked through to the London.gov site. Leads are then followed up by NAS with the view of converting them. The optimum user journey should be considered for the upcoming marketing activities to ensure it is suitable and smooth for the target audience, whilst also meeting the marketing objectives.
3. Understand the target audience – it is critical to fully understand the target audience (TA) we’re targeting – who they are, what type of media they consume and what messages will resonate with them. For the 2013 campaign the TA was HR and CEOs of businesses of a white males background between the age of 35-54 from the AB social category. 67% of that group spend more than 40 hours online per week.
4. Target audience needs to be identified and interrogated to ensure it is fully understood both in terms of demographics and media consumption habits. For example, the bigger the business the easier the sell. Future campaign needs to consider refocusing the size of businesses we target as well as who we target within those businesses. Target messaging is also important - for example, 61% of businesses believe apprentices require a lot of support to become productive.
5. Factors to be explored to improving cost-effectiveness (reduced Cost Per Acquisition for future B2B Apprenticeships marketing campaigns):
 - i. Expand audience (broad approach rather than sector-led)
 - ii. Refine suitability of TA (target businesses with higher employee numbers to increase volume of opportunities and target warmer audiences)
 - iii. Closer integration with National Apprenticeship Service and London Enterprise Panel
 - iv. Creative message testing (to develop relevant messaging, triggers and strong calls to action)
 - v. Simplification of user journey and clear reporting processes
 - vi. Upweight successful media from Spring 2013 campaign e.g. LinkedIn, Emedia/lead generation (N.B. Tbd based on campaign objectives and target audience)
 - vii. Investigate new campaign channels e.g. events, direct marketing, localised activity/partnerships
6. Channel selection - It will be important to select the right media channels for the target audience based on robust target audience selection and profiling (outlined above).
7. The Spring 2013 campaign used a varied media channel mix so the effectiveness of individual channels could be monitored. A breakdown of the channels used is set out below along with their effectiveness at reaching the campaign’s business decision maker audience (HR and CEO’s of businesses).

Media channel	Spend (MEC)	Effectiveness at reaching target audience
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Press ads	£51,787	18% of businesses asked who had heard about the campaign cited press adverts as their source of awareness (source: TNS online tracking survey Feb-Mar 2013)
Out of Home	£11,892	28% of businesses asked who had heard about the campaign cited OOH activity (including TFL inventory) as their source of awareness (source: TNS online tracking survey Feb-Mar 2013)
Google search	£11,011	12% of businesses asked who had heard about the campaign cited Google as their source of awareness (source: TNS online tracking survey Feb-Mar 2013)
LinkedIn	£28,805	The campaign was seen by nearly 90K unique LinkedIn members within the target audience with a 0.1% CTR, 66% higher than the LinkedIn average. Sponsored emails (InMail) generated a 24% open rate vs. a 20% LinkedIn benchmark.
E-media	£40,994	Directly generated 358 leads – 179% of overall campaign objective (200+ leads)
Display advertising (industry specific)	£38,632	Industry specific networks over delivered on booked impressions. Individual website (Caterer and Hotelkeeper) underperformed. It is recommended that networks should be used for future activity and not individual sites.
Mediafed (RSS feeds on Ipads)	£9,259	Second best traffic driver with a 0.37% CTR. Tablets have a high penetration against target audience (35-54's AB: over index at 167 vs. all London adults)
Facebook (ASU ads)	£2,182	Generated high volume of clicks but relatively low CTR with best performing age range, 50-59 yr olds. Alternative engagement options will be explored going forward

8. The value that the Mayor brings is demonstrable – businesses that were aware of the Mayor's role in apprenticeships were more likely to agree with the proposition that 'apprenticeships are good for business'. 89% of those who know a 'great deal' about what the Mayor is doing to support apprenticeships would recommend the scheme to other employers².
9. Creative message testing is recommended for the future campaign to ensure the advertising resonates with our target audience and compels them to take the call to action e.g. contact the National Apprenticeship Service for further information.
10. Consider the use of ambassadors for future marketing activities including relevance to target audience and how they are used e.g. in advertising, in content, and so on. Respondents to the survey suggested that we need to think about how we make businesses feel our campaign is targeted at them directly. Over 50% of businesses didn't think the use of Apprenticeships ambassadors made a difference to their feelings about apprenticeships (source: TNS online tracking survey Feb-May 2013).
11. Consider better use of partnerships for future marketing activities to maximise credibility and reach. 26% of businesses turn to colleges and training providers to find out more about apprenticeship and a similar number speak to other businesses directly (source: TNS online tracking survey Feb-May 2013).

² TNS online tracking survey Feb-May 2013

12. Typically larger businesses have been more positive about apprenticeships and are more likely to feel they have enough support/resources to recruit. They also appear more likely to have seen campaign material and be aware of the Mayor's work.
13. Smaller firms have been less receptive to the campaign and did not tend to consider it as relevant to their business