



REPORT TO: COMMUNITY PLANNING BOARD ON 20 SEPTEMBER 2023

**SUBJECT: APPRENTICESHIP STRATEGY ANNUAL PROGRESS REPORT
2022/23**

**BY: MORAY COUNCIL, SENIOR OFFICER ECONOMIC STRATEGY
AND DEVELOPMENT**

1. REASON FOR REPORT

- 1.1 To present the Moray Community Planning Board (CPB) with a progress report on the first year of delivery of the Apprentice Strategy for Moray. The report covers the period of the 2022/23 financial year.

2. RECOMMENDATION

- 2.1 **It is recommended that CPB notes the progress made in delivering on the majority of the initial actions within the action plan of the Apprentice Strategy for Moray. Including the success in growing awareness of apprenticeships in Moray among businesses and prospective employees.**

3. BACKGROUND

- 3.1 The Delivery Framework for developing a diverse, inclusive and sustainable economy from the Local Outcome Improvement Plan (LOIP) sets out the key actions to deliver against the economic outcomes. To support the outcome of increased participation, skill and pay levels with reduced gender inequality through apprenticeships at all levels, the following actions were identified:
- Partnership apprenticeship strategy and action plan developed for public and private sector partners
 - New apprenticeships in the public and private sector
- 3.2 An Apprenticeship Strategy for Moray was developed to deliver against these actions. The strategy was produced in partnership by a short-life working group made up of officers from Moray Council, UHI Moray, DYW Moray, and Skills Development Scotland (SDS). The strategy was approved by the Community Planning Partnership Board at its meeting on 21 September 2022, setting out four strategic objectives:

- Increased apprenticeship opportunities at all levels to support talent attraction and retention
- Develop a 'Grow Our Own' programme for Moray to protect business sectors and public services vulnerable to forecast replacement demand
- Raise employer and employee awareness of apprenticeship pathways
- Embed apprenticeship programmes across all Community Planning Partners

4. FUNDING LANDSCAPE

- 4.1 The Scottish Government commissioned an independent review of the skills and learning delivery landscape. The final report of this review, Fit for the Future: developing a post-school learning system to fuel economic transformation, was published earlier this year. It considered the skills functions and remits of Scotland's national public bodies, making 15 recommendations for future adaptations to support the National Strategy for Economic Transformation.
- 4.2 The recommendations of the Fit for the Future report included the establishment of a single national funding body to have responsibility for administering and overseeing the delivery of all publicly funded post-school learning and training provision. To bring together the responsibility for funding of apprenticeships and training currently remaining in SDS Scotland with the functions for dispensing funding to colleges and universities currently carried out by the Scottish Funding Council (SFC).
- 4.3 These proposals were adopted as a programme of reforms by the Scottish Government on 28 June 2023 as set out within the Purpose and Principles for Post-School Education, Research and Skills.
- 4.4 This ongoing review of the funding landscape for skills provision has created challenges at a local level, with delays in the Modern Apprenticeship contract being released to learning providers. SDS budgetary pressures have also reduced funding available to support apprenticeships across the country. For 2023/24, UHI Moray were awarded the same level of funding as they had received at the start of 2022/23, to maintain the initial number of Modern Apprenticeships starts at the beginning of in the previous year. The College were unable to start any Modern Apprentices beyond October 2022 as SDS had no additional funding, resulting in a backlog of employers on a waiting list. The funding UHI Moray were awarded for 2023/24 equated to 33 MA starts in total (though this excludes traditional trade apprenticeships). All of these places have already been filled for the year, with UHI Moray having remaining demand for a further 75 places this year.

5. MODERN APPRENTICESHIP AVAILABILITY

- 5.1 The following table outlines the total number of apprenticeship starts across the three apprenticeship pathways in the three most recent financial years. Data for the most recent financial year is not yet available for Foundation Apprenticeships or Graduate Apprenticeships. However, the number of

Modern Apprenticeship starts in Moray has continued on the upward trend of the previous three years. However, the number of starts in Moray remains below the 427 who commenced a Modern Apprenticeship during 2018/19. This is reflected nationally, where apprenticeship numbers remain down on pre-pandemic levels. Locally, there has been a notable reduction of Modern Apprenticeship starts in:

- Hospitality, which was down to 7 from 35 in 2019/20
- Retail, which was down to 5 from 43 in 2018/19

	2020/21	2021/22	2022/23
Foundation Apprenticeships	43	34	Not available
Modern Apprenticeships	341	366	383
Graduate Apprenticeship	10	13	Not available

5.2 This may highlight that businesses have less financial resource available for creating work-based learning roles, especially in those industries which now have the additional financial burden of repaying COVID business loans. Though the slow rebound to pre-pandemic levels could also be reflective of the tight labour market restricting the ability of employers to recruit trainees into Modern Apprenticeship roles.

5.3 The table below highlights the availability of apprenticeship opportunities across the community planning partners over the past three financial years. There remains minimal availability of apprentice roles across the CPP with significant work needed to deliver on the LOIP action to create 'new apprenticeships in the public and private sector'.

	2020/21	2021/22	2022/23
Moray Council	14 MA	13 MA	18 MA, 1 FA
Highlands and Islands Enterprise (Moray)	0	0	0
Scottish Fire and Rescue Service (Moray)	2 MA	3 MA	No response
Police Scotland (Moray)	0	0	No response
tsiMORAY	0	0	No response
NHS Grampian	12 MA, 1 FA	2 MA	No response
UHI Moray	0	1 MA	0
Cairngorm National Park Authority (Moray)	0	0	0
Skills Development Scotland	0	0	No response
HiTRANS	0	0	No response

6. ACTION PLANS

6.1 Community planning partners were requested to develop individual action plans to directly or indirectly support increased apprenticeship availability, with investment expected from partners who have capability to deliver substantial programmes. Partners were also asked to identify a targeted increase in the number of indirect and direct apprenticeship starts supported via each organisation, detailing the frameworks offered linked to targets. The Strategy included an action plan template for each of the partners to complete. Thus far no action plans have been returned, with only Highlands and Islands Enterprise (HIE) Moray, University of the Highlands and Islands (UHI) Moray, and Cairngorm National Park Authority (CNPA responding to the request to date.

- 6.2 HIE Moray have confirmed that as a local delivery arm of a Regional Development Agency they will not produce individual action plans at a local level. The HIE Moray head count is capped. Within the Moray Area team there are no apprentices as the opportunity/space to create one has not come up. However, HIE remains signed up to the Young Persons Guarantee and fill all entry level vacancies with Modern Apprentices and on successful completion of the SVQ qualification then consider (role and head count applicable) their appointment to a substantive post. HIE Moray does have one graduate placement on a middle level grade in Business Growth. Across the agency, HIE currently has 4 Modern Apprenticeships in situ with a 5th post currently in planning.
- 6.3 UHI Moray have also not developed the action plan to date mainly due to delays in the Modern Apprenticeship contract being released and the significant reduction in places available at a local level. UHI Moray will be developing an action plan however are unlikely to be in a position to recruit apprentices at the present moment.
- 6.4 CNPA have a Youth Employment Strategy which covers apprenticeships. However, this Strategy covers the whole of the National Park area not just the portion of the Park which falls within the Moray Council boundary. It also does not contain any budgetary information. CNPA had no apprenticeship starts in 2022/23 but several intern positions were recruited into, all of which have spanned across the park area and not specifically within Moray.
- 6.5 Moray Council are in the process of developing an action plan, with a report setting out proposals prepared for Committee consideration. This report outlines options for establishing a council-wide programme to support increased creation of apprenticeships and in-work training posts alongside resource requirements to support delivery. However, as the recommendations would also require additional revenue funding for coordination and support, and given the Council's urgent need to identify £20m of savings over the next two financial years, the report has not yet been tabled for active consideration and will be held until progress in identifying and agreeing savings is apparent. At that point the Council can consider how the actions sit within revised priorities in the Corporate Plan and a reduced revenue funding envelope.

7. DELIVERY OF STRATEGY

- 7.1 Upon approval of the strategy, there was a desire to avoid creation of a new network / forum to coordinate delivery if an existing group with the requisite remit to do so could be identified to do so. It was accepted that coordination of key actions within the strategy would be led by Moray Economic Partnership (MEP) through a yet to be identified structure. MEP subsequently agreed that delivery of the Apprentice Strategy for Moray should be led by the Local Employability Partnership (LEP).
- 7.2 Progress over the first year of the strategy against the actions and performance indicators is outlined within **Appendix A**. This highlights that progress has been made in many areas, especially in relation to the

communications related activities and increasing awareness around the apprenticeship pathways. This has included issuing press releases which celebrate the success of apprenticeship roles at [Gordon & MacPhail](#), [Chivas Brothers](#), and [UHI Moray](#). A sub-group of representatives from the LEP also coordinated an [apprenticeship event in March 2023](#) as part of Scottish Apprenticeship Week (SAW), which included an employer drop in session and a marketplace for anyone wishing to find out more about apprenticeships.

- 7.3 However, as referenced in Section 6, there has yet to be any significant progress across the community planning partners in developing action plans or achieving significant growth in apprenticeship numbers. It is key that this is prioritised in the current year to proactively support delivery of the strategy.
- 7.4 It was agreed that the delivery plan for the Apprentice Strategy would be reviewed on an annual basis. It is proposed that the same actions are retained for the current year as these remain relevant. Where the delivery date was previously March 2023, this will be amended to March 2024 or ongoing, as appropriate.

8. CONCLUSION

- 8.1 Following the success in raising awareness about local apprenticeship opportunities during the past year, the continued support of all partners is essential to the Apprenticeship Strategy for Moray. It is key that all relevant partners now demonstrate commitment to the strategy through development of an action plan to support the growth of apprenticeships within Moray.
- 8.2 Where there are barriers and challenges to delivering this growth, such as the currently restricted finance for apprenticeship training, the shared voice of the Community Planning Partnership could be a powerful tool to lobby at a national level.
- 8.3 To support the monitoring and delivering of the strategy it is proposed that a new sub-group of the Local Employability Partnership focussed upon apprenticeships be formed to coordinate the strategy.