

## Briefing note

**To:** Education and Local Economy Scrutiny Commission

**From:** Cllr Jason Ochere, Cabinet Member for Jobs, Business & Town Centres

**Title:** **Overview of apprenticeships, internships and enterprise support**

**Date:** 19 July 2021

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1. This paper sets out the Council's programme of support with regards to apprenticeships and internships and also outlines the enterprise support on offer through the council.

### **Apprenticeships**

2. The aim of the apprenticeship programme is to increase the creation and uptake of good quality apprenticeships. Since 2014, the council has supported the creation of 3,685 apprenticeships. This has been achieved through:
  - engaging with local businesses to create apprenticeship opportunities
  - stimulating uptake amongst residents of all ages and
  - the council's internal apprenticeship scheme.
3. Prior to the pandemic, the Council Plan included a commitment to supporting the creation of 2,500 apprenticeships between 2018 and 2022. Although the pandemic has shifted the council's focus towards rebuilding and recovering the economy, apprenticeship creation remains at the heart of this and we continue to track apprenticeship and internship outcomes.
4. This paper outlines the workstreams which contribute to the delivery of the apprenticeship programme, overall achievements and the future direction of the programme.

### **Where we are now**

5. The Covid-19 pandemic is having a significant impact on the apprenticeship landscape. The crisis has already resulted in 44% of apprentices being either furloughed or made redundant. With employers worried about their business surviving, they are forecasting that fewer apprentices will be hired going forward, if any at all<sup>1</sup>.

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<sup>1</sup> <https://www.suttontrust.com/wp-content/uploads/2020/05/Covid-19-Impacts-Apprenticeships.pdf>

6. Young people from disadvantaged backgrounds are typically found in lower level apprenticeships in the hospitality, leisure and retail sectors and employed by SMEs. As the crisis has had greater impact on businesses in these areas, the negative impacts have disproportionately affected this group of people<sup>2</sup>.
7. Locally, this can be seen through the impact on Southwark Apprenticeship Standard employers reporting apprenticeship starts. The council's annual data collection for 2020/21 showed that very few SMEs reported any new apprenticeships created, due to the impact of the pandemic on business. Similarly, apprenticeships created via local supply chain have decreased compared with previous years.
8. In light of the pandemic's impact on the economy, the apprenticeship programme is currently being reviewed to ensure that it continues to fulfil the aim of supporting the creation of good quality apprenticeships.

### **Current Programme**

9. The apprenticeship programme comprises of the following workstreams:
  - Southwark Apprenticeship Standard (SAS)
  - Engagement with providers and partners
  - Commissioned services and contracts
  - Supply chain
  - Internal apprenticeship programme (managed by Organisational Development)
  - Promotional campaigns

### **Southwark Apprenticeship Standard**

10. The Standard aims to encourage local businesses and enterprises to deliver good quality apprenticeships. Organisations who are members of the Standard commit to their apprenticeships meeting quality criteria set out through the scheme, including the provision of a diverse range of learning and development opportunities, mentoring support and paying, or working towards paying the London Living Wage (LLW). In return, members receive advice and guidance on how to establish and maintain an apprenticeship programme, recruitment support via Southwark Works, information on funding and prior to Covid, networking opportunities.
11. Over 50 employers are signed up to the Standard and it supports the creation of around 300 apprenticeships per year.
12. In early 2020, the council refreshed its support for members of the Standard based on consultation feedback. Some of the proposals have been implemented, for example refreshing the Southwark Works website has had a significantly positive impact on the number of service users and has

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<sup>2</sup> <https://www.suttontrust.com/wp-content/uploads/2020/05/Covid-19-Impacts-Apprenticeships.pdf>

improved the user journey for employers using the service. Other recommendations from the consultation need to be reviewed as we emerge from the pandemic and continue to assess the impact of Covid on the apprenticeship landscape.

### **Engagement with partners, commissioned services and supply chain**

13. The Council works closely with key partners such as LSBU and the Southwark Construction Skills Centre to stimulate apprenticeship uptake. Apprenticeship targets are also embedded within contracts for commissioned services, for example through Southwark Works and Section 106, or contracts with providers in the council's supply chain.
14. Combined, these work streams contributed to circa. 200 apprenticeships per year prior to the pandemic.

### **Passmore Centre**

15. In partnership with LSBU, the Council has supported the Passmore Centre to provide a gateway for learners into higher professional and technical education. The partnership is intended to create the opportunity for at least 1,000 Southwark residents to achieve quality, high level apprenticeships. This will help equip Southwark residents with the skills required to take up the jobs demanded in the future and is integral to the delivery of the Skills Strategy.
16. Issues with performance are currently being addressed in partnership with LSBU. An improvement plan that was put in place before the pandemic is now under review and regular meetings are scheduled with the cabinet member lead to help oversee improvements.

### **Internal apprenticeship programme**

17. The Council's internal apprenticeship scheme was launched in 2005 to contribute to our social and economic development agenda, creating opportunities to grow our own future talent and support our diverse community to realise their potential.
18. The scheme has offered apprenticeship opportunities to work in all council departments on 30 different programmes from Business Administration to Town Planning. To date,
  - 400+ apprentices have completed apprenticeships
  - 85 apprenticeships are currently on our programme
  - 91% of council apprentices progressed to a job or higher qualifications.
19. The scheme has been recognised with Apprentice and Employer awards from the National Apprenticeship Service, Investors in People, Public Services People Managers Association, London Councils and the BAME Apprenticeship Alliance.

20. We are embedding workstreams such as Southwark Stands Together and an emerging employment opportunities strategy to promote apprenticeships uptake across under-represented groups, including care leavers and those who may be coming through non-traditional educational routes.
21. This month, we will revive an Employment Opportunities Pathways group, working across services to get more local people (particularly 16 – 25 year olds into work). In extending our network to external organisations and contacts, we will brief partners on Southwark Stands Together values so that they are consistent in using it as a lever to address discrimination and remove some of the barriers that exist for people from Black, Asian and Minority Ethnic backgrounds, in order to achieve equity of opportunity with white counterparts.
22. For example, recent apprentice appointments included on-boarding x4Town Planning apprentices, from Black and Ethnic Minority backgrounds. An area, where Minority Ethnic groups in the council are usually under-represented.

### **Promotional Campaign**

23. Promotional activity promoting apprenticeships has taken place and contributed towards the delivery of the creation and uptake of apprenticeships. It included both digital and hard materials and the promotion of National Apprenticeships Week.

### **Key achievements**

24. Since 2014, the council has supported the creation of 3,685 apprenticeships and since the Standard was established, 55 employers have signed up as members.
25. In 2019 Southwark won two apprenticeship awards - Apprentice of the Year (Danny Dowling) and Best Work with Supply Chains and/or Local Businesses to Create New Apprenticeships.
26. Southwark was shortlisted for Best Work with Supply Chains and / or Local Businesses in both 2018 and 2020, with the number of apprenticeships created consistently being one of the highest out of all London boroughs.

### **Looking Forward**

#### **Youth New Deal**

27. The Youth New Deal aims to broaden the range of educational and employment opportunities available to young people. This provides the opportunity to create pathways into apprenticeships through a more joined up and consistent approach. Some progress has already been made, for example Standard employers are advertising their vacancies via the Next Step bulletin. Other opportunities are also being explored, for example,

streamlining communication channels through which businesses can be engaged with youth employment opportunities.

### **Pre-apprenticeship Support**

28. In 2019, work was started to commission a pre-apprenticeship support offer as part of the Southwark Works framework to help residents access apprenticeships. Feedback from consultation showed that the key elements required were provision of English & Maths qualifications, employability skills, intensive support through the application process and work experience.
29. The procurement process was placed on hold in March 2020 due to the pandemic. However, we know that the economic impact on many businesses has brought about a significant reduction in apprenticeship vacancies and that competition for apprenticeships will therefore continue to increase. The need for pre-apprenticeship support is therefore greater than ever.
30. Building on work started pre-pandemic, we are exploring how the previous specification could be adapted to the current economic context.

### **Levy Transfer**

31. Levy transfer opportunities are being explored in partnership with the GLA. This would enable the council's unspent levy funds to be transferred to local SMEs to support the training of apprentices. Benefit could include increasing apprenticeship numbers, building capacity amongst local SMEs and keeping unspent levy funds within Southwark. A task and finish group has been established to scope this work.

### **Internships**

32. Prior to the pandemic, the Council Plan 2018-22 included a commitment to *make sure that 500 young people from low income backgrounds get paid internships with London's best employers*. In July 2019, Cabinet approved an internship programme which would be delivered via three main schemes:
- Within the Council
  - Through schools
  - Graduates
33. In all cases, the schemes are only accessible to those from less advantaged backgrounds. The general eligibility criteria is as follows:
- a) Educated at state school; and,
  - b) Have been eligible for free school meals at any point;
  - c) OR have been looked after by the local authority;
  - d) OR previous generations in your family haven't attended university in UK.

34. This paper sets out the ongoing internship delivery strategy, successes to date, and the development of an additional internship scheme, in recognition of the hugely challenging environment currently faced by young people.

### **Where we are now**

35. The Covid-19 pandemic is having a significant impact on the council's ability to support paid internships. With businesses in a state of flux when the pandemic took hold, many internship placements were either cancelled or replaced by virtual offers and as a consequence, there were far fewer paid internship opportunities via our commissioned services in the summer of 2020. Additionally, schools were also less able to support their students to engage with the internship programmes.

36. The climate in 2021 has improved somewhat as employers adapt their practices but there are new challenges to overcome when supporting young people, particularly those from sixth form, into paid internships. For example, some employers are transitioning towards a virtual internship model so they can offer placements to larger cohorts of students. While this does mean that more students will be able to benefit from a virtual offer, the experience will not necessarily be as rich or as comprehensive as a traditional internship and importantly, many will not attract remuneration<sup>3</sup>.

37. However, as part of the Youth New Deal we will continue to promote quality internships and work alongside our commissioned providers to promote the merits of paid internships to employers in the borough, particularly for those from less advantaged backgrounds, and lead by example through our own internal scheme.

### **Current programme**

38. The internship programme comprises of the following workstreams, all focused on supporting young people from low income backgrounds:

- Council internship scheme
- Support for schools
- Graduate scheme

### **Council Internship Scheme**

39. Against the backdrop of the pandemic and the additional challenges of remote working across the council, we nonetheless now have in place an embedded programme that has been in high demand since launching in early 2020. Our three recruitment campaigns have attracted 231 applications and we have successfully on-boarded 33 interns at the council at London Living Wage in the first year.

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<sup>3</sup> [Internships more likely to be unpaid during pandemic, survey finds \(peoplemanagement.co.uk\)](https://peoplemanagement.co.uk)

40. To add value to the recruitment process, all applicants who reach the assessment centre stage (79 young people to date) receive support via an employability workshop.
41. Although on track, there is an ongoing challenge in creating meaningful internship opportunities across the council given wider financial constraints and the extra complexity of interns working from home. However, the feedback from our interns and their host teams/departments has been overwhelmingly positive and we successfully hosted an inaugural internship celebration in June 2021.

### **Support for Schools**

42. The Council currently commissions two providers to support year 12 and 13 students to secure four-week paid internship opportunities across a range of sectors.
43. The first is Career Ready, who are a national charity with a mission to boost social mobility. In Southwark, we have a Local Advisory Board (LAB) which has representatives from business, participating schools, the council and the Education Business Alliance (EBA). In addition to the paid internships for many students, the programme offers wider benefits – every participating student is matched to a mentor from business, and there are masterclasses and workplace visits. The Career Ready programmes teach students ‘core skills’ linked more towards the personal and professional development of the student rather than an academic discipline. It therefore seeks to enhance cultural capital and aids social mobility, leading to more positive outcomes for the students. There are currently five schools attached to the Career Ready programme – CoLA, St Michael’s Catholic College, Harris Boys’ Academy, Harris Girls’ Academy East Dulwich, and the Virtual School (which is a pilot for Career Ready with regards to supporting those looked-after students and care leavers).
44. The second is The Brokerage, a Social Mobility Charity, working with employers in the City of London. Students take part in a structured programme of skills building interventions and support including masterclasses, networking events, CV and interview workshops and mock assessment centres, tailored to the development needs of the individual. Students are supported by The Brokerage in submitting their internship applications and receive guidance to help them identify particular roles and opportunities which fit their interests. Students who are not successful in securing a full internship are supported to make applications for shorter work experience opportunities. The Brokerage programme is available to all Southwark-based Yr 12 and 13 students, regardless of place of study and engagement and outreach is carried out with a range of Southwark schools to promote the opportunity.

## **Graduate Scheme**

45. The undergraduate / graduate scheme is provided by upReach, a social mobility charity founded in 2012 to support university students from less advantaged backgrounds. upReach helps young people to secure internships and graduate roles with leading graduate employers. upReach offer an intensive, personalised career support to deliver a bespoke wraparound coaching programme for each student on the Southwark programme.

## **Additional internship scheme**

46. As part of the Youth New Deal, the Council is currently exploring opportunities to develop a pilot wage-subsidy scheme to support our more vulnerable young people, including those leaving care, and those who have had contact with the criminal justice system. If agreed, the scheme will fund internships at London Living Wage and include wrap around employment support to ensure these young people can take their first step to employment. A provider will be commissioned to deliver the scheme, and it is hoped to begin procurement in Q2 2021/22.

## **Key achievements**

47. The internship programme has included the following key achievements:

- 33 council internships created
- 33% of council interns have been retained beyond their internship
- 76% of council interns supported into employment within 6 months of concluding their internship
- 160 paid internships created / supported (total)
- 120 virtual internships / online programmes
- 100+ students matched with mentors



## Enterprise

48. Throughout the pandemic, the Local Economy Team has administered three separate business support grants schemes to help struggling local businesses to survive the unprecedented shock to local, national and global economies. The table below shows the breakdown of each scheme:

Scheme	Grants allocated (£)	No. of grants	No. of businesses supported
Business Hardship Fund (council funded)	2,098,219	421	421
Local Authority Discretionary Fund	3,420,750	327	327
Additional Restrictions Grant	10,933,351	3585	1608
<b>Total</b>	<b>16,452,320</b>	<b>4333</b>	<b>2356</b>
		<b>Total unique</b>	<b>2049</b>

49. Remaining ARG funds, which must be spent by March 2022, are to be used for the following:

- Business Resilience Support + grants (end of summer 2021 to March 2022 – to help local businesses build resilience and self-sustain, e.g. move their business online, become financially sustainable or build their brand).
- High Street Recovery Fund – supporting the recovery of our town centres and high streets
- Contingency fund (exploring additional grants to support businesses most impacted by the delay in removing social distancing measures)

### Southwark Pioneers Fund (SPF)

50. The 2018-22 Council Plan contained a commitment to *establish an Innovation Fund to invest in Southwark's entrepreneurs of the future*. Considerable development work subsequently took place and Cabinet approved the establishment of the SPF, and its elements, in June 2019.

51. The SPF was targeted at micro businesses – those with fewer than ten employees – who were at an early stage in their business life cycle (0 – 5 years trading) and/or wanted to grow and scale. The four primary aims of the fund were to:

- Increase the creation, survival and scale-up of commercial and social enterprises (including revenue-raising charities):
- Widen the diversity of people who own and lead enterprises in Southwark
- Create good quality employment for Southwark residents

- Generate wider social value for the people of Southwark

### **SPF Progress and Covid-19**

52. Following Cabinet approval, a single round of grant funding was completed, which awarded £49,957 to ten businesses. A commissioning exercise for a business support provider was also at the final stage (pending award notice) when covid-19 struck and the remaining £1.95m of SPF was necessarily repurposed into a Business Hardship Fund in April 2020.

### **What has changed?**

53. With the SPF budget now reinstated, it is intended the refreshed SPF programme will take into account the emerging and fundamental changes to the local economy through macro events such as Covid-19, Brexit and the Black Lives movement, and reflect the key priorities of the council including:

- Young people as part of the Youth New Deal
- Black, Asian and minority ethnic business owners and Southwark Stands Together
- Green businesses as part of the Green New Deal
- Social and community enterprises
- Start-ups and residents exploring routes to self-employment

54. Support for start-ups has been offered in Southwark through the Start-ups in London Libraries (SiLL) programme since mid-2019, and has supported over 300 participants to date. However, the SiLL programme is due to end on 31 December 2021 and therefore the SPF support offer be adjusted accordingly so that start-ups are specifically catered for post SiLL.

### **Refreshed model**

55. To address the current priorities as well as specific themes identified through previous research, namely - procurement, supporting local supply chain, local recruitment and sustainability and environmental impact – the SPF framework of business support will be split into four themes:

- a) start-up support,
- b) growth-stage support,
- c) green renewal,
- d) support for social and community enterprises (via Local Access Programme)

56. The council is proposing to commission business support for themes a-c. For theme d., the council will explore appropriate alignment with the Local Access Programme (LAP). The refreshed SPF will be a 4-year programme to provide comprehensive support for the medium-longer term, prioritising business support and grants across key priority areas, which aligns with the extensive SPF research and engagement undertaken.

57. Embedding the principles of Southwark Stands Together, support for Black, Asian and minority ethnic businesses will be a cross cutting priority across each of the four themes.
58. Building on learning from the previous SPF business support model, support will be delivered through a mixture of one-to-one and one-to-many support sessions, mentoring and peer support. Grants can be used to support growth in a variety of ways which includes providing affordable workspace, i.e. via a subsidised rent scheme or equivalent. The programme presented under the theme of green renewal is based on initial research into existing sector-specific support programmes.
59. The original purpose of the SPF was to support social enterprises and those businesses that will generate social value for the borough. Now that significant progress has been made through the Southwark Local Access Programme (LAP), we will aim to deploy the relevant funding for theme d. via the LAP, which is a partnership that has come together to develop a widely shared vision for the growth of the social economy over the next ten years.
60. Southwark is one of only six places in the UK to receive funds from Access and Big Society Capital to invest in the social economy. A total of £5.3m has been awarded including £900k for Enterprise Development and support, £1.8m for blended investment, and £2.65m for repayable capital. Working groups are currently leading on the development of the programme in each of these three areas.

### **Procurement support**

61. Sources such as the Social Life business consultation and the Education and Business Scrutiny Commission on procurement included recommendations to help SMEs better access relevant council and public sector procurement opportunities. As procurement support is more likely to be relevant to small, as opposed to micro businesses, we will include procurement support as part of the offer to help small and micro businesses better understand and secure public sector contracts and support the local supply chain.

### **Business support and grants**

62. The business support package will include access to funding, including grants, for those businesses who meet specific criteria, e.g. social value impacts. Modelling is underway, but it is expected that grants of up to £20k will be available (although most grants are likely to be at £5k).

## **Engagement and consultation**

63. Since 2018, the Council has undertaken a range of local research, analysis and consultation to help inform the design of the Fund including:
- The establishment of an advisory group consisting of business support providers, academic institutions, corporate consultancies and third sector organisations;
  - A survey seeking the views of businesses via the Consultation Hub;
  - A needs analysis undertaken by the Young Foundation;
  - Advice and guidance gained through soft market testing during the development of the original business support specification;
  - And since the pandemic, a business survey undertaken by Social Life.
64. Through this, we already have a thorough knowledge base on the needs of the social economy locally. However, due to the significant changes in political and economic landscape and refocus of council priorities, the council is re-engaging with Southwark's business communities to ensure that the new model fully meets the needs of businesses in today's climate.
65. The consultation will seek to address key questions such as to what extent we target specific communities, types of business, and to gauge the balance required between business support and finance. It will also ensure that we hear the views of a representative sample of businesses, including those disproportionately affected by the pandemic such as young people and Black, Asian and minority ethnic business owners.
66. The consultation is via an online survey promoted to existing networks including those newly expanded via work through the Southwark Stands Together programme.

## **Next steps and timescales**

67. In order to reflect the consultation results in the final delivery model, it is anticipated that the SPF will re-launch in Q4 2021/22. This will provide a timely business support offer to start-ups (and would-be start-ups) as the SiLL programme concludes, and provide medium-longer term support options for relevant micro businesses following the conclusion of the Business Resilience Support scheme.

## **London Business Hub Navigator Project (1-year pilot)**

68. Set to launch in Q3 2021/22 is the London Business Hub Navigator Project, which brings together the GLA; the borough councils of Lambeth, Southwark and Wandsworth; and private business support providers to create a more coordinated business support system which will improve the SME client experience, reduce waste, tackle poor performance by providers, and improve service delivery outputs and outcomes.

69. The primary deliverable of the pilot is the London Navigator Service which, for the first time, will create a unified, impartial, client-led assessment, navigation and referral system for SMEs located across the three boroughs.
70. The London Business Hub Navigator Project will be closely aligned with the support set out above, including ARG Business Resilience Support and the refreshed SPF.