

Report to: **Audit, Best Value and Community Services Scrutiny Committee**

Date: **14 July 2017**

By: **Chief Operating Officer**

Title of report: **Apprenticeship Levy**

Purpose of report: **To provide the Committee with an update on the implementation of the Apprenticeship Levy within the Council**

RECOMMENDATION: The Committee is recommended to note the progress made in implementing the Apprenticeship Levy and the proposed focus of the work for the next 18 months.

1. Background

1.1 The Audit, Best Value and Community Services Scrutiny Committee has received a number of reports on the Apprenticeship Levy and the arrangements being put in place to support its implementation within the Council. The most recent report was presented to the Committee at its last meeting on 14 March 2017 and a copy is attached at Appendix 1 by way of background information.

1.2 As a high level reminder, from April 2017, the County Council will be required to pay an Apprenticeship Levy calculated at 0.5% of the paybill. This equates to a core business levy of approximately £573k per annum and a Schools levy of approximately £454k per annum.

1.3 In addition, the Government has set a statutory target for the public sector of 2.3% of the workforce being Apprentices. Based on current headcount, this equates to 238 in total i.e. 102 in the core business and 136 in Schools.

2 Supporting Information

2.1 As can be seen from the previous report, a significant amount of progress has been made in ensuring that we have the right infrastructure and conditions in place to support the implementation of the Levy and our delivery against it. In particular, four key workstreams have been identified:

- Communication and Engagement Strategy;
- Procurement Strategy;
- Mapping of current workforce against the new standards, and
- A Schools focussed working group

A council wide Steering Group has also been established to oversee and steer our work on Apprentices.

2.2 A key consideration of our approach is that it should be complimentary to the existing workforce development and training plans already in place in departments. Given the greater demands that the new standards will place on managers, from a service delivery perspective, a balance needs to be struck between seeking to achieve the 2.3% target and maximising our spend from the Levy, against distorting the composition of the workforce. Set against this background, the Corporate Management Team have agreed a workforce led, 'grow our own' approach, rather than a target led one, to the implementation of the Levy. In support of this, the standards are being written into our job descriptions as a 'willingness to undertake vocational qualifications', thereby fostering a culture of training for new starters and their managers.

2.3 In keeping with this approach, the core (corporate Council) levy costs have been provided for through the RPP&R process and therefore, the risk to the budget removed. In this context, any income derived through the levy is beneficial. This is not the case for the Schools levy as these costs, in accordance with DfE guidance, must be passed on to Schools.

Schools

2.4 In light of this, as noted above, a specific Schools Task Group has been established. As well as the progress noted in the previous report of 14 March 2017, over the last 2 months, the Apprenticeship Team has also contacted 109 Schools on an individual basis to discuss the levy and how the School can use it. In addition, various fact sheets and communiques have been issued. Of those contacted, we so far have firm commitments for 9 apprentices/existing staff starting in September 2017.

2.5 The majority of Schools contacted have requested the ability to carry over their levy contribution into Year 2 so that they have a more meaningful amount of money to spend on apprenticeship training and/or the ability to 'pool' any unspent levy contribution. At this stage, it is still early days in relation to the levy and careful consideration is therefore being given to both the financial and practical implications of such arrangements, including what our neighbouring Councils are doing, in order to ensure value for money to the Council.

2.6 A further issue for Schools is that many want to use the levy to support pathways into Teaching. Unfortunately, the apprenticeship standards that support this are still in development and are not currently available for use. These standards include the Higher Level Teaching Assistant and Teaching. The HLTA standard is currently expected to be available in September 2018 and Teaching in September 2019. In addition, the School Business Manager standard is also one that Schools are very interested in but again, will not be available until September 2019. These are of particular significance as these standards draw down a significantly higher amount from the levy pot e.g. the School Business Manager and Teacher both cost £27,000. In contrast, the Business Administration level 2 framework, which is currently available, only costs £2,000.

Communication and Engagement

2.7 From the engagement with managers and staff to date, it is clear that the perception of apprentices is that they are 'entry-level positions', primarily aimed at young people and school leavers. Under the new arrangements however, apprentice training can now be used to gain qualifications up to and including a master's degree, in a range of professions from Solicitor to Social Worker. Communication and engagement with managers and staff is therefore a critical part of our approach. In support of this, a Communication and Engagement Strategy has been developed with the aim of ensuring that managers and staff understand how the levy works and how it affects jobs in their Teams, as well as the value it can provide to them. Promotion of the new arrangements has already begun and attached at Appendix 2 is a copy of the Communication and Engagement Plan.

Corporate Apprenticeships

2.8 All posts across the Council have now been mapped against standards either in place or being developed. From this, we have now established 2 cohorts of 10 attendees per month for Adult Social Care and Business Administration. We currently have 29 attendees confirmed to start at either level 2 or level 3 qualifications. In addition, when the projected standards for Children's Services arrive, currently anticipated as either Autumn 2017 or January 2018 at the latest, these will provide for an additional cohort. In addition, we currently have 5 confirmed starts for apprenticeship training from CET.

2.9 As with the Schools based standards noted above, there are a number of higher level standards that are not yet available for our other key professions. These include apprenticeship standards such as Social Worker, Occupational Therapy, Civil Engineering and Accountancy and again, are standards that both support our workforce led approach as well as costing significantly more at £27,000 and therefore enabling us to draw down more from the levy than at present.

3. Conclusion and Reason for Recommendations

3.1 Since the previous report, a considerable amount of work has been undertaken and good progress made. The work programme over the next 18 months will therefore focus on: supporting Schools, ensuring that we are ready to implement the higher level standards across the range of our professions, as and when they come on stream (expected September 2019), whilst maximising the existing standards to support the training and development of both our existing, and future, workforce.

3.2 The Committee is therefore recommended to note the progress made in implementing the Apprenticeship Levy and the proposed focus of the work for the next 18 months

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