
Update on Apprenticeships and Work Experience Policy – Supporting Information

1. Introduction/Background

- 1.1 This report provides a brief overview of the introduction of the Apprenticeship Levy both from a national and West Berkshire perspective. The apprenticeship Levy was introduced in April 2017 with the first funds being collected in May 2017. Two years on we can review the government's intentions regarding apprenticeships and reflect on the reality of the situation within the Council. The report reviews how the levy has been used to date and how it could be used in the future to supply a skilled workforce whilst supporting the Council Strategy and the Workforce Strategy.
- 1.2 In addition the report looks at the success of the Apprenticeship Coordinator role which was initially introduced as a fixed term post until 31st March 2019 but has since been extended to 31st March 2020. The role is essential to ensuring the Council meets the public sector target of 2.35% of headcount being counted as apprentices (this equates to 114 employees across maintained schools and corporately).
- 1.3 The challenges of “selling” apprenticeships to managers is partly due to the requirement to allow 20% ‘off the job’ learning coupled with the national issue concerning the availability of suitable ‘standards’ for more specialist posts such as social work or occupational therapy which are nationally regarded as hard to recruit to posts.
- 1.4 The report outlines how the apprenticeship strategy, work experience policy and Workforce Strategy interlink and will work alongside the Council Strategy, setting out the Council's direction of travel in relation to the use of apprenticeships to meet recruitment and retention challenges, promoting training and development of staff and meeting the Council's strategic aims of better educated communities and becoming an even more effective Council.
- 1.5 Consideration is also given to the difficulties for young people in gaining work experience at age 16 or 18 which will lead to careers. This is an issue which brings together Mark Browne (Post 16 adviser) and Tracy Sheriff in discussing how apprenticeships for young people at the Council can be encouraged (particularly for disabled and ‘looked after’ young people). The work experience policy has been reviewed to ensure that there is system for applications for work experience that will ensure a positive experience for the young person and the service supporting the placement. With this in mind HR are currently creating an information pack for managers to make the process easy to follow and provide them with the necessary support to take on a work experience placement as well as linking with a number of local organisations and schools to target the disabled, disadvantaged and ‘looked after’ young people.

- 1.6 The report also reflects on the findings of the 2018 Employee Attitude Survey that showed employees were 7% less likely to agree that they received the learning and development they need than in 2015.

2. Supporting Information

- 2.1 The Council decided in 2011 to encourage the use of young apprentices and set a target in the Council Plan for 10 apprentices. HR encouraged services to take on apprentices and worked with West Berkshire Training Consortium (WBTC) to provide the training. The training was free for 16-18 year olds and this was the target recruitment market. The apprentices were paid on the age related national minimum wage and would undertake part of the duties of a lower graded post on a one year fixed term contract. Typically an apprentice would undertake administrative duties and study of an NVQ level 2 in Business Administration or Customer Services. This system worked well for the Council and many of the young people employed as apprentices were appointed to permanent posts and are still working for the Council today. WBTC arranged for evidence of learning to be assessed and sometimes this was at work and sometimes assessment took place off site.
- 2.2 In April 2017 the government introduced the Apprenticeship Levy. This was a complex system overseen by the Funding and Skills Council (FSC) which began with 0.5% of payroll costs over £3m being paid into a 'digital account'. This was another payroll tax like NI and Payroll worked hard to comply with the new regulations which also applied to maintained schools.
- 2.3 Internal Audit carried out an audit of the apprenticeship Levy in October 2017. Only one minor weakness was identified in the report received in January 2019 as follows: *'The documents covering the testing of the changes made to the payroll system for the implementation of the Apprenticeship Levy were not filed/retained so that they could be easily located'*. In addition all recommendations were based on findings from 15 months ago which have been addressed.
- 2.4 The Council has a digital account which is topped up every month. By March 2019 the Council had contributed £854,770 to the levy pot. The 'sting in the tail' of the Apprenticeship Levy is that after 24 months (April 2019) the money contributed in April 2017 (if not spent) will be lost to the Treasury. Some commentators have called this a stealth tax. The Council has however used a number of months funding and is not expecting to lose any funds until December 2019.
- 2.5 The new system is covered by statutory guidance which restricts the payment of funds in the Council's 'digital fund' to 'Approved Training Providers'. There is no ability at present to use the Council's digital fund to pay for the costs of coordinating the work needed to access the account and organise the apprenticeships (Tracy Sheriff's post of Apprenticeship Coordinator and work in Payroll). It is not possible to subsidise the salary of the apprentices; cover the cost of their absence from the workplace for 20% of their working time; or subsidise their mentoring and supervision. All the funding must go to an Approved Training Provider for either providing the training or the assessment ('approved' because the FSC has put their name on the government approved list after certain criteria have been satisfied).
- 2.6 The words 'apprentice' and apprenticeship' have been given legal status (like 'solicitor') and have to comply with the Apprenticeship Levy definitions – apprentices must have signed a training agreement with their employer and training provider

which includes no 'clawback' of costs if the apprentice drops out or moves to a rival employer the week after gaining their qualification; apprenticeships must last for a minimum of 12 months (with the subsequent requirement for end point assessment this means that the de facto minimum is 15 months) based on a minimum working week of 30 hours. If the apprentice works less than 30 hours the length of the apprenticeship must be extended; and apprenticeships must be against one of the nationally approved apprenticeship 'standards' (which are developed by employers and academics at national level – which has turned out to be a slow process in many areas such as social work). The length of the apprenticeship will vary depending on the level of apprenticeship studied (e.g. a social work degree will take three years to complete).

- 2.7 The government announced the Apprenticeship Levy by stating that this was a skills revolution that would see three million people being trained against an apprenticeship standard by 2020. To give this a push the government announced that the public sector should have 2.3% of its headcount undertaking apprenticeship training. For West Berkshire Council including schools this means 114 people – which we have recently achieved. However to ensure we maximise the use of our funds and continue to meet our target we will need to continue to promote Apprenticeships, exploring innovative ways in which they can be used to upskill the workforce.
- 2.8 Strategy Board met in July 2017 to consider how to approach the Apprenticeship Levy. It was agreed that three objectives should be pursued:
- (1) To 'convert' training for existing employees into apprenticeship training and off-set some of the funding spent from service training budgets to funding from the Council's levy 'pot'.
 - (2) To use the apprenticeship training to attract recruits into hard to fill posts.
 - (3) To make efforts to employ more young apprentices particularly disabled and 'looked after' young people.

It was noted that there was no capacity of expertise in HR to pursue these objectives and therefore funding was provided by the Transformation Fund to employ an Apprenticeship Coordinator from August 2017 to March 2019. The use of time limited Transformation Funding meant that the work of the Apprenticeship Coordinator was treated as a project under the Corporate Programme. The project was reporting to the Corporate Programme Board but has been closed as of March 2019. The work of the Apprenticeship Coordinator is also overseen by the Apprenticeship Steering Group which includes Members and officers. The Terms of Reference for the Apprenticeship Steering Group are shown at Appendix D.

- 2.9 Tracy Sheriff was appointed to the post of Apprenticeship Coordinator. Tracy has a background in apprenticeships under the previous system and 'hit the ground running'. Tracy has achieved the following:
- 118 people have enrolled onto an apprenticeship programme since April 2017 and a further 30+ are in the pipeline. The public sector target equates to 114 per annum for WBC. The following apprenticeships are in the pipeline:

- 12 People enrolled and awaiting confirmation of training provider for associate project management.
 - Social Worker and OT Apprenticeships x 6 Starts planned in September
 - Masters Leadership Programme - 1 Expression of Interest (Start date Sept 2019)
 - ASC L2/3 - New Cohort commencing May/June 2019 (Target 10 starts)
 - Care Leadership Programme x 10 (May/June)
- Committed spend thus far is £586,100 (if everyone enrolled completes their learning programme). This is about the same committed spend as Vodafone who have paid £2.48m into their digital account.
 - It is estimated that no levy payments will be 'lost' from our account until December 2019.
 - We have recently appointed two young / school leaver apprentices and several other apprenticeship roles are currently out to advert.
 - All services have been informed of the Apprenticeship Levy system and many are now involved. Schools have been kept informed and have made use of the new apprenticeship standards for schools posts.
- 2.10 The majority of apprenticeships are in the Communities directorate (66) mainly in ASC, there are 9 apprentices in the Economy and Environment directorate and 4 within the resources directorate with another 39 in schools. Appendix E gives a detailed breakdown on what qualification the apprentices are studying to achieve; the approved training providers involved (seven so far); and the levy contribution be service. There are more apprenticeships in the pipeline as stated in appendix E.
- 2.11 The Apprenticeship Steering Group (which includes Ian Pearson) has identified a mechanism for schools to bid for a share of the funding from schools' payroll costs for apprenticeship training. Schools will bid for the funding to a sub-group of head teachers from the Schools' Funding Forum using a criteria that will be determined by the Forum. However, the demand from schools in 2018/19 does not exceed the amount in the digital account from schools and the demand in 2019/20 is not expected to reach the threshold so this mechanism has not yet been activated; it will only be used if and when demand outstrips funds.
- 2.12 The MTFS had a saving of £100k in anticipation of 'off-setting' the cost of service training against equivalent apprenticeship training funded from the Council's levy pot. A report to Operations Board explained how this saving could not be achieved. In summary the reasons that off-setting didn't work was because the apprenticeship training in ASC was previously provided free via a government grant; the management training budget had already been deleted by HR; schools cannot be included in off-setting; and services have agreed to new apprenticeships which are not equivalent to previous training. This report was agreed by Operation Board and Budget Board and the £100k savings target has been withdrawn.
- 2.13 A paper was submitted to Corporate Board in November 2018 to extend the post of Apprenticeship Coordinator (cost £31k p.a. 0.6 FE) to 31st March 2020. The funding

for this post was agreed. This post is vital to ensure the Council continues to maximise its use of the levy as there is no capacity and limited expertise in HR to carry out this work.

- 2.14 The Workforce Strategy for the years 2019 to 2023 includes recruitment into hard to fill posts through a “talent pipeline”. The HR Service identifies areas of recruitment difficulty and reports these to Corporate Board twice a year. In recent years job roles which have proved difficult to recruit to include social workers (for both children and adult services), residential child care officers, occupational therapists and registered general nurses (RGNs). HR currently work closely with managers recruiting to these roles to provide specific support and guidance to improve the success of recruitment. The approach to recruitment for hard to fill posts will often be to discuss with the recruiting manager whether the post could be converted into an apprenticeship leading to a career path for candidates without specific experience of the type of work.
- 2.15 From September 2019 there will be an apprenticeship standard for Social Work and Occupational Therapy degrees. Two information sessions have taken place with 20 + interested staff members in attendance. Expressions of interest are to be in by the end of March and panel interviews will then take place. The aim is to offer each apprenticeship to two people from ASC and two from children’s services (placements and budgets permitting). It is possible to train new employees for the first three months intensively and then to allow them to work in the new role (the 20% off the job learning requirement can be met in flexible ways).
- 2.16 The Workforce Strategy will seek to address succession planning and develop leadership skills. The review and updating of the work experience policy (see Appendix F) will see to address some of the challenges faced by disadvantaged, disabled and ‘looked after’ children. In addition services will be encouraged to identify posts up to Grade F which can be considered as an apprenticeship opportunity to further promote the use of apprenticeships across the Council and to add value to the Workforce Strategy.
- 2.17 The Council Strategy will look at economic development across the district. It may be possible to divert some of the Council’s apprenticeship levy to small business suppliers and contractors if they will engage an apprentice at entry level. This will help to stimulate employment opportunities for young people at age 16 and 18. The accountability for the way the apprenticeship levy is used will remain with the Council even if some of the funding is devolved to suppliers so there will be administrative work involved to make this happen.
- 2.18 The Workforce Strategy will seek to maintain the Council’s current number of apprenticeships throughout the five year period. If the Council fails to meet the public sector apprenticeship target of 2.3% of headcount (including maintained schools) the government will offer ‘support’ although there are currently no legal or financial sanctions for failing to meet the target. There is more work to do here because in small services and in schools once a post-holder has achieved the relevant qualification (for example a School Business Manager) the need for that training will lapse until natural wastage occurs and a new employee needs to be trained.
- 2.19 According to to Heather Bolton, Director of South East England Councils (SEEC), the Council are doing better than most when it comes to levy spend, and the

Apprenticeship Coordinator was been invited to speak at a SEEC meeting at the LGA offices in London on 29th March. 25 South East council leaders attended to consider good practice on skills and how local authorities can help ensure that students have the right skills to fill gaps in the local economy.

The Council has also been asked by the SEEC to produce a case study.

- 2.20 It has been agreed with Legal and the Procurement Board that a simplified procurement process can be used in relation to apprenticeships. The Apprenticeship Coordinator can contact prospective training providers via email with a list of standard questions. See Appendix G.

3. Options for Consideration

- 3.1 None as this report is for information only.

4. Proposal

- 4.1 Personnel Committee notes the content of this report and agrees with the proposed direction of travel with regards to apprenticeships and work experience and the interaction with the Workforce Strategy and Council Strategy.

5. Conclusions

- 5.1 Personnel Committee should discuss the contents of this report in light of the Council's strategic approach to apprenticeship training over the next five years, and agree with the proposed approach as part of workforce planning.
- 5.2 Resources should be agreed to support the new apprenticeship levy and public sector target, including a review of the fixed term Apprenticeship Coordinator post, prior to the current arrangement expiring in March 2020.

6. Consultation and Engagement

- 6.1 Heads of Service have been consulted on the potential to increase apprenticeships in their service.
- 6.2 Strategy Board & Corporate Board has been consulted on the strategic approach.

Background Papers:

N/A

Subject to Call-In:

Yes: ☐ No: ☒

The item is due to be referred to Council for final approval ☐
Delays in implementation could have serious financial implications for the Council ☐
Delays in implementation could compromise the Council's position ☐
Considered or reviewed by Overview and Scrutiny Management Commission or
associated Task Groups within preceding six months ☐
Item is Urgent Key Decision ☐
Report is to note only ☒

Wards affected: N/A

Strategic Aims and Priorities Supported:

The proposals will help achieve the following Council Strategy aims:

- ☒ **BEC – Better educated communities**
☒ **MEC – Become an even more effective Council**

The proposals contained in this report will help to achieve the following Council Strategy priority:

- ☒ **MEC1 – Become an even more effective Council**

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