

Agenda item:

Title of meeting: Employment Committee

Date of meeting: 14th June 2016

Subject: Apprenticeships - Progress and update report

Report by: Jon Bell - Director of HR, Legal & Performance

Wards affected: N/A

Key decision: No

Full Council decision: No

1. Purpose of report

To update members of the Employment Committee on the progress made in recruiting apprentices and to provide an update on the introduction of the Apprenticeship Levy, public sector targets and the financial implications for Portsmouth City Council.

2. Recommendations

Members are **recommended** to:

- (i) Note the progress in recruiting apprentices across the City Council
- (ii) Note the requirements of the Apprenticeships Levy, the planned public sector targets and the financial implications of these
- (iii) Note the Actions from the project plan for the introduction of the Apprenticeship Levy and planned Public Sector Targets

3. Background

- 3.1 Members agreed the content of the apprenticeships report presented to the Employment Committee on 4th November 2014 and since then Officers have been working with all Directorates within the City Council to identify apprenticeship opportunities and encourage the recruitment of apprentices to all posts advertised at pay band 5 and below.
- 3.2 The current pay bands for apprentices as previously agreed are pay band 1 for level 2 qualifications, pay band 2 for level 3 and where applicable pay band 3 for higher grade apprenticeships, where there would be difficulty recruiting at a lower pay band, as detailed and agreed in the report presented to Employment Committee on 15th December 2015.

4. Progress to date

- 4.1 The 'We Love Apprenticeships' pledge was made at a full council meeting earlier this year following agreement at the Employment Committee on 15th December 2015 (Appendix 3)
- 4.2 The PCC apprenticeships officer is linked with the PCC Post 16 Advisor and the work being undertaken within PCC is reflected in the Portsmouth Apprenticeships Strategy to ensure collaboration, consistency and sharing of best practice models.
- 4.3 There are currently 38 Apprentices that have been recruited directly and 9 existing staff who have converted to an apprenticeship for their personal development. We have a further 21 apprenticeship opportunities that are either in the recruitment stage or being developed which, when delivered, will bring the PCC figure to 68 apprentices. We now have every Directorate in PCC engaged in supporting the recruitment of apprentices. Appendix 1 has a breakdown of apprentices by Directorate, detailing the employing team and the qualification being undertaken. Appendix 1 also includes quotes from PCC apprentices on their experience.

5. Current work and development

- 5.1 Work is being undertaken to gather case studies from PCC apprentices so as to provide useful resources to schools, colleges, businesses and the public to promote apprenticeships. In conjunction with this 'apprenticeship ambassadors' are also being recruited to support this marketing.
- 5.2 A project plan and working group has been established to support the introduction of the Apprenticeship Levy and the Public Sector targets. The working group consists of representatives from HR, Finance, Procurement and Education. Appendix 2 lists the actions and the reasons behind them from the project plan.
- 5.3 A recruitment event has been planned for 30th June 2016 to promote careers in social care and support the introduction of apprenticeships in PCC adult social care residential units. Funding was secured from Skills for Care to support this event which has fully covered the costs of the venue and the marketing to supporting it.

6. Introduction of the Apprenticeship Levy and Public Sector Targets

- 6.1 April 2017 will see the introduction of the Apprenticeship Levy with a Levy rate of 0.5% for all employers with a pay bill over £3 million. The Levy will be paid to HM Revenue and Customs (HMRC) through the PAYE process and will be based on the total amount of earnings subject to Class 1 secondary National Insurance contributions (NIC's). It is worth noting that although earnings below the secondary threshold are not counted when calculating an employer's NIC's

they **will be included** for the purposes of calculating the amount of Levy the employer needs to pay.

- 6.2 Accessing Levy funds for the purchase of training to support apprenticeships will be via a 'Digital Account' (DA) and employers will be able to register to create an account in January 2017. Levy-paying employers will be able to use accounts from April 2017 to pay for training and assessment of apprentices. Funds will arrive in the DA monthly with the first funds appearing in late May 2017. These funds expire 18 months after they enter the digital account unless used within that period. The funds in the PCC DA can only be used for training and assessment costs for PCC apprentices.
- 6.3 Training to support Apprenticeships from April 2017 must be through an approved provider and Public Sector employers must comply with the Public Contracts Regulations 2015 when commissioning these. Payments to training providers will be made through the DA on a monthly basis for the duration of the apprenticeship.
- 6.4 Every apprenticeship standard and framework will be placed in a funding band which will set out the maximum amount of funding available for assessment and training costs over the length of the apprenticeship. These bands will apply to all employers but the employer will be able to negotiate and agree the costs of apprenticeships with training providers on the approved register.
- 6.5 There will be extra support for apprentices aged 16-18 years and for those with additional needs. A payment will be made to the employer via the training provider to support the extra costs in recruiting 16-18 year olds. These same rules apply if an apprentice is 19-24 years old and has an Education and Health Care Plan or has been in Local Authority Care. If an apprentice has additional learning needs e.g. Dyslexia, other learning difficulties or disabilities the training provider will receive additional funds to support the extra costs of supporting learning. Apprentices must work towards level 2 qualifications in Maths and English if they haven't already achieved them. If required, this will be provided through the appointed training provider.
- 6.6 The Department for Business Innovation and Skills is planning to introduce public sector employer apprenticeship targets from April 2017. A consultation on this ended in January 2017 and we currently await the final details. The consultation proposed an apprenticeship target of 2.3% of the total headcount for each public sector employer. For the City Council (excluding Schools) and based on a headcount of 3,656 this would require 84 apprentice starts per year. Local Authority Schools (excluding Academies) have a current headcount of 2,779 requiring 63 apprentice starts per year. This gives an overall target for PCC of 147 based on the headcount figures at the time of this report.
- 6.7 The Department for Business Innovation and Skills will be releasing further information in June 2016 that will cover the following:
- Provisional funding bands which will set the maximum amount of funding available for each apprenticeship qualification from April 2017

- The provisional level of extra payment employers can get for hiring 16-18 year old apprentices from April 2017
- The provisional amount that will be paid for English and Maths training for apprentices who need it, from April 2017
- Eligibility rules that set out who employers are able to spend apprenticeship funding on and where
- More information on who can provide apprenticeship training and how organisations can set themselves up to deliver apprenticeship training

In October 2016 there will be information about:

- The final levels of funding, Government support, payments for 16-18 year olds and English and Maths payments for apprentices starting from April 2017
- A full draft of funding and eligibility rules

In December 2016 there will be information about;

- A final detailed set of funding and eligibility rules
- Further employer guidance from HMRC on how to calculate and pay the apprenticeship Levy

7. Legal implications

- 7.1 PCC must comply with the Public Contracts Regulations 2015 when commissioning training providers to deliver Apprenticeship qualifications.

8. Finance comments

- 8.1 The introduction of the Apprenticeship Levy will place a financial burden on the City Council which, based on our current annual pay bill, will be up to £740,000 per year. This may be offset to some extent if current apprenticeship training costs can be met from levy funds. The levy may also be reduced by £15,000 for a "levy allowance", and potentially by a further £70,000 in respect of voluntary aided, voluntary controlled and foundation schools (further clarification is awaited on this point).

This will need to be considered by Members as part of the annual budget setting process.

- 8.2 The Council has written to HMRC to specifically ask for clarification on how schools and other external clients are to be treated in respect of the levy. It is possible that a significant amount of work will be required to the Council's payroll and tax reporting systems ahead of the 2017 implementation date.

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Signed by:

Appendices:

Appendix 1 - Tables showing the Apprenticeships in recruitment and recruited by Service, Qualification and Number.

Appendix 2 - Apprenticeships Levy and Public Sector Targets; list of Actions

Appendix 3 - 'We Love Apprenticeships' Pledge

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

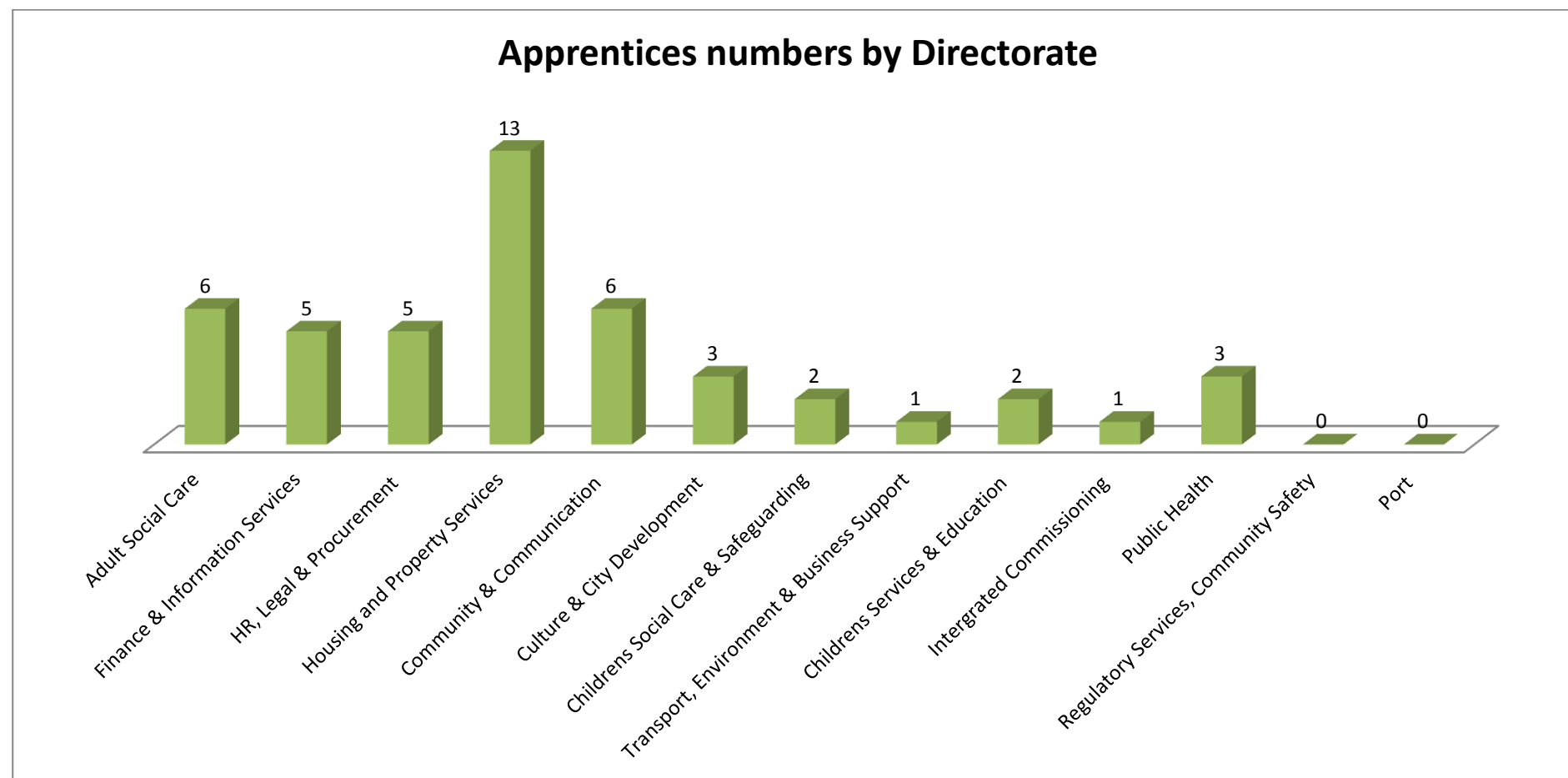
Title of document	Location
Shaping the Future of Portsmouth	Strategy Unit
Business Growth & Skills Plan	Strategy Unit
Apprenticeship Strategy	Strategy Unit
Apprenticeship Employment Committee Report 15 th December 2015	Employment Committee
Enterprise Bill: Public sector apprenticeship targets and preventing misuse of the 'Apprenticeship' term	Department for Business Innovation & Skills https://www.gov.uk/government/collections/enterprise-bill
Apprenticeships Levy	Department for Business Innovation & Skills https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work
Public Sector Apprenticeship Targets	Department for Business Innovation & Skills https://www.gov.uk/government/consultations/public-sector-apprenticeship-targets
Public Contracts Regulations 2015	Legislation.gov.uk http://www.legislation.gov.uk/ukxi/2015/102/contents/made

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

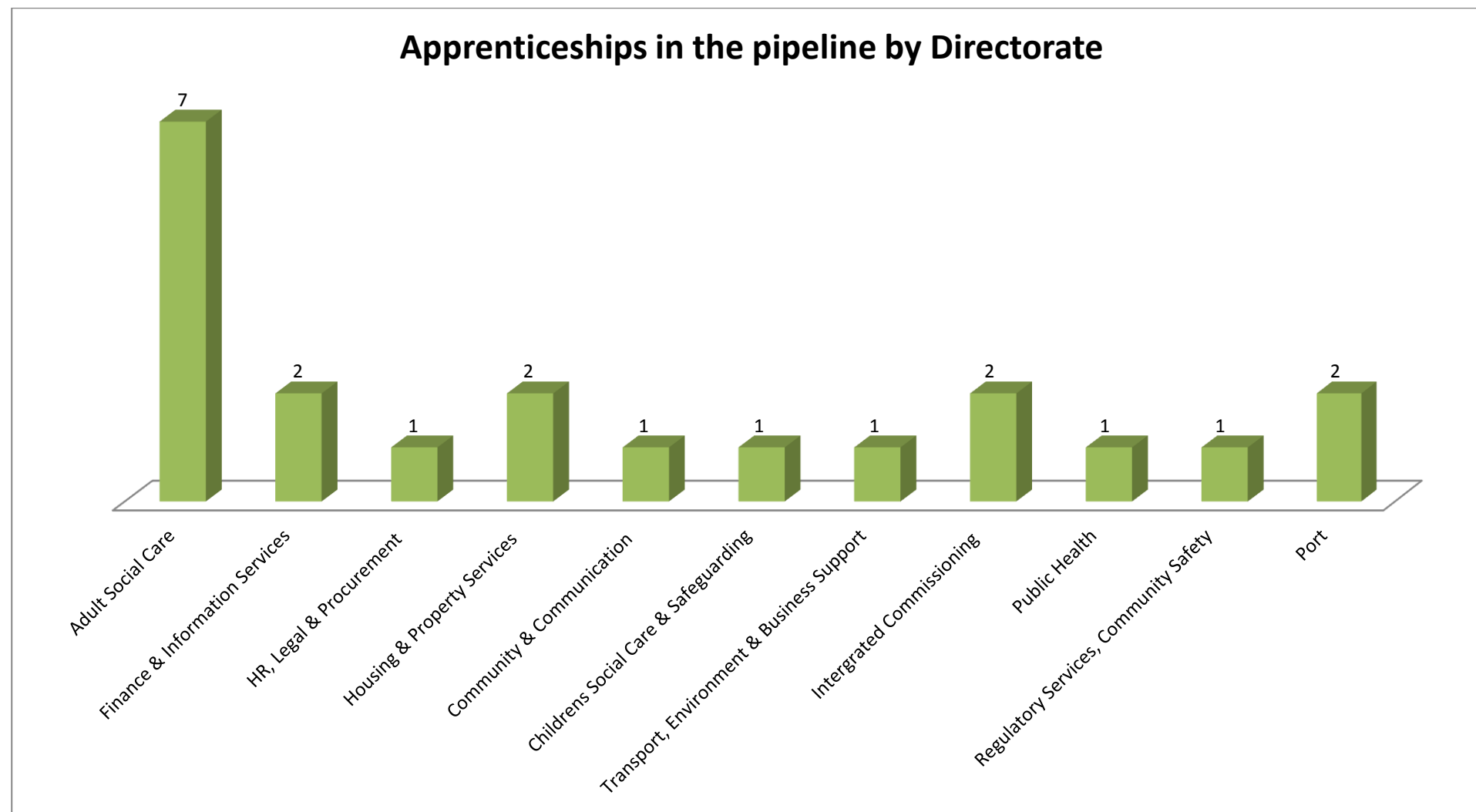
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Apprentice statistics

Portsmouth City Council currently has 38 new apprentices and 9 existing staff that are completing an apprenticeship to increase their personal development, giving a total of 47 apprentices. The graph below shows which Directorates they are in.



Currently there are there are 21 apprenticeships either in recruitment or currently in the pipeline for the next few months. The graph below shows where these opportunities will be, it also shows that every directorate will recruit an apprentice this year.



Apprenticeships in recruitment / discussion or in development			
Directorate	Team	Qualification	Number of Apprentices
HR, Legal & Procurement	L&D & CSC	Business Administration	1
Transport, Environment & Business Support	Pest Control	Exploring suitable frameworks	1
Children's Social Care	Business Support	Business Administration	1
Community & Communication	City Helpdesk	Customer Services	1
Finance & Information Services	Finance	Business Administration	2
Adult Social Care	Across teams	Health & Social Care, Catering	7
Housing and Property Services	Housing Offices	Housing	2
Integrated Commissioning		Procurement	2
Port	Across teams	Mechanical/ electrical, ICT	2
Transport, Environment & Business Support	Enterprise Centres	Business Administration	1
Public Health	Wellbeing	Customer Service	1

Current Apprenticeships			
Directorate	Team	Qualification	Number of Apprentices
Adult Social Care	Various teams	Business Administration	3
Children's Services & Education	Various teams	Business Administration	2
Community & Communication	City Helpdesk	Customer Services	5
Culture & City Development	Planning, licensing & libraries	Business Administration	3
Finance & IS	Finance	AAT & Business Administration	3
Finance & IS	IS	ICT	2
Integrated Commissioning		Business Administration	1
Property & Housing Services	Various team - Green & Clean, Housing Offices	Housing, Business Administration, Horticulture	10
Public Health	Wellbeing	Gym instructor	3
HR, Legal & Procurement	HR, Legal & Procurement	Legal Services, Business Administration	5
Transport, Environment & Business Support	The Learning Place	Business Administration	1

Existing Staff that have been converted to an apprenticeship			
Service	Team	Qualification	Number of Apprentices
Adult Social Care	Various Teams	Health & Social Care, Hospitality	3
Childrens Social Care	Various Teams	Health & Social Care, Business Administration	2
Property & Housing Services	Green & Clean, Housing Office	Cleaning, Housing	3
Finance & IS	EBS	ICT	1

Quotes from PCC Apprentices

I enjoy the diversity of my job, no two days are the same and I seem to be learning something new every day. It's fast paced and I was treated as a valuable member of the team straight away - **Election Apprentice**

As a Housing Apprentice I had the opportunity to learn from a wealth of experienced and knowledgeable members of staff which hugely increased my confidence going into work - **Housing Apprentice**

The biggest benefit of doing an apprenticeship is learning whilst on the job. I have found doing an apprenticeship enables me to feel more confident as I am still learning every day. Having team members, a manager, apprenticeship officer and an assessor to help and guide you as an apprentice makes it possible to succeed - **Education Apprentice**

With doing an apprenticeship I have benefitted from first hand training from experienced gardeners and gained highly recognisable qualifications and valuable experience - **Green & Clean Apprentice**

Apprenticeships Levy and Public Sector Targets; list of Actions

Action	Why we are doing this
Create a Dynamic Purchasing Framework of training providers that are approved to deliver Apprenticeship training	To enable PCC to show compliance with the Public Contracts Regulations 2015. Enables PCC to purchase apprenticeship training requirements effectively and in a transparent way from approved training providers.
Implement the payroll requirements for paying the Apprenticeship Levy to HMRC	It is a legal requirement to pay the Levy. The Department for Business, Innovation and Skills will produce a specification to enable payroll software suppliers to update their systems in order for employers to pay the Levy; PCC cannot pay the Levy without this work being undertaken.
Identify Higher Apprenticeship Programmes that are available locally and on the approved list	This will enable PCC to identify opportunities for existing staff to undertake higher qualifications appropriate to their role (under an apprenticeship) using funding from the PCC Digital Account. This will enable staff a higher level of staff development. This action could also reduce the amount Directorates' spend on qualifications and make the best use of our Levy pot
Work with all PCC staff to get their current highest qualification recorded onto HR Self-Serve	This will support the action above and give a better picture of the skill levels of staff employed in PCC.
Develop a communications plan	To provide clear communication to staff and managers in PCC on the changes to apprenticeships and the opportunities this presents. To communicate clearly the requirements for Public Sector employers to work towards the apprenticeship targets set by Government.
Update the existing PCC Apprenticeships Policy.	To reflect the introduction of the Levy and the changes in procedure resulting from it.
Identify and commission relevant Business Information reports	To enable PCC to meet any reporting requirements that result from the introduction of the Levy and the Public Sector Employer apprenticeship targets.
Develop a plan to engage Local Authority Schools	To provide support, advice and guidance to Schools on the introduction of the Levy and Public Sector employer targets.

'We Love Apprenticeships' pledge

1. Be a job with a productive purpose - Apprentices should have parity of terms and conditions with all other employees. All quality apprenticeships will have progression opportunities to genuine employment.

2. Be paid a fair Wage & Supplied with a contract of Employment and paid at least min apprentice wage - (Employers can pay more than the min wage).

3. Ensure high quality training and clear individual development - Apprenticeship programmes must identify a clear programme of training that is relevant to the job and recognisable in the sector. Apprentices must be given sufficient paid time off the job to study in colleges/training provider centres, or in dedicated training centres at the workplace. On the job training should be fundamental to the apprenticeship. There should be a clear system for supervision, support and mentoring, by appropriately trained work colleagues.

4. Be accessible to, and achievable by all - A good apprenticeship programme will include strategies to ensure that Apprenticeships are accessible to the widest possible demographic and diverse spread of people. Particular attention should be given to enabling people from disadvantaged groups to take up any opportunities offered and support given to complete them successfully, thereby achieving the full benefit of apprenticeship.

5. Be part of, and contribute to, a Healthy and Safe environment - Employers and Training Providers should work together to ensure a safe environment. Particular attention should be given to the unique needs of apprentices and young workers. Apprentices should be given sufficient training on health and safety, including relevant legislation, and the programme should be regularly reviewed from a health and safety perspective.

6. A commitment from the employer to complement the workforce, not supplement it - Apprentices should not be recruited for job substitution, but to fill genuine skills shortages and plan for future skills gaps.

<http://www.weloveapprenticeships.com/>

