



People, Performance and Development Committee
25 July 2017

Apprenticeship Reforms Update

Purpose of the report:

To update Members of the People, Performance and Development Committee on Surrey County Council's progress with regard to targets and future plans for utilising the Apprenticeship Levy.

Recommendations:

The People, Performance and Development Committee is asked to note the contents of the report and comment on the conclusions

Introduction

The Government announced the Apprenticeship Levy in the Summer Budget 2015 with an introduction date of April 2017. The purpose of the Levy is to fund an increase in the number and quality of apprenticeships. The Levy will help to deliver the Government's commitments of three million apprenticeship starts by 2020. It is designed to make apprenticeship funding more sustainable and for the first time employers will be in control of the funding. The Government expects the public sector to lead the way in offering apprenticeships and the purpose of this report is to outline how SCC will address this challenge.

Apprenticeship Strategic Aims

1. In order to meet the apprenticeship target set for Surrey County Council (SCC) and to maximise the use of the levy, dedicated resources have been identified within the HR&OD Team and the following key aims have been set:

Adapt Entry Employment Roles

2. It is not financially viable to create and sustain 268 new positions for apprentices in addition to the Council's current establishment figures. SCC must therefore look at entry level employment roles across the organisation and identify where they can be converted into apprenticeships or where the completion of an apprenticeship upon appointment becomes a mandatory requirement. It is necessary to adopt a more strategic approach to 'growing

our own' future workforce.

Promote Apprenticeships

3. The Council faces a number of challenges over the next few years and challenges can only be met if SCC has the right people, with the right skills at the right time to meet demand. Apprenticeships therefore need to form an integral part of the organisational workforce strategy to provide the Council with a talent pipeline that supports current and future skills needs. The offer of an apprenticeship qualification will be widely promoted internally to raise participation amongst existing staff looking to develop and build upon their skills. Apprenticeship qualifications have traditionally been perceived as only relevant for school leavers and for junior entry level roles therefore developing greater awareness of the types of apprenticeships available will be a key message in all promotional activities.

Increase Recruitment

4. The Council will target particular areas where recruitment and retention are an issue to raise the number of young people joining the organisation. This will be done through targeted recruitment initiatives and service led ad-hoc recruitment throughout the year. A more robust approach to the use of vacancies and job carving is required to create more apprenticeship roles.

Implement Reporting Duties and Targets

5. In accordance with SCC's Public Sector Duty requirements there is a requirement to publish data annually relating to the Council's progress in meeting the 2.3% apprenticeship target set by Government. It is envisaged that by imposing a proportion of the Council's target of apprentice starts per year onto each directorate it would provide the incentive to engage and promote the opportunities across individual services. (Figure 1).

Develop Career Pathways

6. Developing a greater awareness of the types of apprenticeships available, particularly higher level apprenticeships, and the benefits they offer for both new and existing employees will be essential in increasing the number of employees undertaking an apprenticeship. Career pathways should be developed so it is clear what training and development opportunities are available to help individuals progress their careers'. These career pathways will include both internal and external learning and development opportunities including entry level to degree level apprenticeships.

| |
|-------------------------|
| Progress to date |
|-------------------------|

7. This section sets out the progress made against each aim within SCC's Apprenticeship Strategy. In order to gain support and have a coordinated approach to the Strategy, a network of Apprenticeship Champions has been formed. They have become the main point of contact into service and have been working with the Career Development Team to advocate apprenticeships and apprenticeship qualifications within their services. They also help to promote apprenticeships qualifications as a career development

option for all. Through this network, the team are able to communicate to staff on all matters regarding apprenticeship and have apprenticeships on team agendas.

Adapt Entry Employment Roles

8. The team are engaged with all directorates to understand the needs of specific services and how to promote the opportunities that are available. Apprenticeship Champions have a good knowledge of job roles, recruitment and retention information and sector qualifications. A mapping exercise has been conducted to identify roles within each Directorate that could potentially be an Apprenticeship position
9. The Recruitment Team are fully engaged and have already made changes to the recruitment process to ensure that when managers put forward vacancies for advert they are asked to consider whether they could potentially be apprenticeship opportunities.

Promote Apprenticeships

10. In order to increase the number of apprenticeships within the organisation officers are engaging with senior management to promote the benefits that hiring apprentices can bring to the Council thereby gaining commitments to include apprentices in workforce planning.
11. Work is ongoing with Apprenticeship Champions to develop communications around how apprenticeships can aid career development, linking into career pathways and challenge any misconceptions around apprenticeships.
12. A dedicated Apprenticeship S:Net page has been set up with guidance and documentation for staff and managers with signposting to apprenticeship qualifications advertised through the training portal. In addition to this SCC is also promoting apprenticeships at career fairs and skills events.

Increase Recruitment

13. The Apprenticeship Strategy offers the opportunity for the Council to provide entry routes into the Council as well as enabling existing staff to undertake relevant apprenticeship qualifications aligned to current and future skills needs.
14. Apprenticeships within the Council have to date predominantly been utilised to provide entry opportunities for young people to undertake lower level apprenticeships and develop their skills for future roles. There are currently 74 such apprentices working at SCC.
15. In addition, there has been increasing promotional activity of the different types, levels and benefits of apprenticeships for new entrants. Officers have also identified opportunities to utilise relevant apprenticeship qualifications to support skills development as part of career development pathways for existing staff. To assist this further, a mapping exercise to match relevant apprenticeship qualifications to job roles has been undertaken in conjunction with Apprenticeship Champions and services.

16. Apprenticeship opportunities has also been integrated into the learning and development offer for employees such as using relevant supervisory and management apprenticeship qualifications to support aspiring and developing managers.

Implement Reporting Duties and Targets

17. All public sector organisations have been given an annual target for new start apprenticeships and for SCC this target is 268. It was agreed by the Chief Executive's Direct Reports that each directorate will be given a proportion of the target based on their headcount to ensure all directorates are contributing fairly to the Council's commitment to supporting apprenticeships (Figure 1). They will be required to report quarterly on their progress towards the target.
18. Target figures and levy spend, together with workforce numbers, need to be submitted annually to the Department of Education. In order to be ready for this annual reporting criteria, the Career Development Team will produce reports on a quarterly basis to capture this and report back to internal governance boards.
19. Following the recent promotional activities and engagement with the service leads and service champions SCC now has its first indications of interest from across the organisation. To date the number of expressions of interest received totals 332 and this figure is increasing on a monthly basis.
20. These expressions come from current SCC staff members as well as from services where an apprenticeship position has been created and is awaiting the commencement of recruitment process. So far they span 36 different apprenticeships, of which there is either a new standards or an old framework currently available for 31 of them. The remaining five qualifications that have no new developed standard all sit within Surrey Fire & Rescue Service (SFRS).

| Directorate | Target | Expressions of Interest | | Forecast Levy Spend |
|-----------------------------------|--------|-------------------------|---------------|---------------------|
| | | Current staff | New positions | |
| Adult Social Care & Public Health | 50 | 172 | 1 | £1,100,000 |
| CEO/ Business Services | 27 | 28 | 5 | £194,000 |
| Children's Schools & Families | 112 | 15 | 13 | £187,500 |
| Customer & Communities | 4 | 2 | 3 | £35,000 |
| Environment & Infrastructure | 34 | 54 | 3 | £382,500 |
| Legal, Demo & Cultural | 41 | 36 | 0 | £259,000 |
| | 268 | 307 | 25 | £2,158,000 |

Figure 1. Expressions of interest by directorate

21. What is evident from initial figures is that much more engagement is required with services to identify further entry levels roles which could be filled by apprentices as this figure currently stands at just 8%. The Council also need to take into consideration the fact that there is currently a recruitment freeze within both the Adult Social Care and Children, Schools and Families directorates, so those positions identified in each directorate will be filled once this is lifted.
22. From the initial interest it is evident that there is a growing number of staff looking to undertake higher level apprenticeships which represents a positive shift from the organisation having to fund degree level qualifications (Figure 3).

| Apprenticeship Levels | Equivalent |
|------------------------------|--------------------------------------|
| Level 2 | 5 GCSE's |
| Level 3 | 2 A Levels |
| Level 4 | Higher Education Certificate/Diploma |
| Level 5 | Foundation Degree |
| Level 6 & 7 | Bachelors/Master's Degree |

Figure 2. Apprenticeship levels mapped against traditional qualification levels

23. Figure 2 above is a reminder of how apprenticeship levels map against the traditional qualification framework.

| Directorate | Apprenticeship Level | | | | | Totals |
|-----------------------------------|-----------------------------|------------|-----------|-----------|-----------|---------------|
| | 2 | 3 | 4 | 5 | 6 | |
| Adult Social Care & Public Health | 45 | 80 | 23 | 15 | 10 | 173 |
| CEO/ Business Services | 0 | 18 | 6 | 7 | 2 | 33 |
| Children's Schools & Families | 12 | 12 | 3 | 0 | 1 | 28 |
| Customer & Communities | 0 | 0 | 4 | 0 | 1 | 5 |
| Environment & Infrastructure | 0 | 25 | 16 | 9 | 7 | 57 |
| Legal, Demo & Cultural | 12 | 20 | 3 | 0 | 1 | 36 |
| Totals | 69 | 155 | 55 | 31 | 22 | 332 |

Figure 3. Apprenticeship levels by directorate

24. The Environment and Infrastructure Directorate has shown a significant interest in apprenticeship levels 5 & 6 which cover areas such as engineering and surveying. In the ASC Directorate, the Council has seen expressions of interest for project management and chartered management qualifications.

Develop Career Pathways

25. The team is working towards introducing a career development pathway for each Directorate in order to maintain a motivated and engaged workforce. A career development platform to allow staff to plan their career path will be created, linked to job families, well-being initiatives and career development toolkits.

26. The team has delivered eleven Manager Workshops and seven Staff Drop-Ins at various locations across the county to promote the availability of sponsored qualifications¹. The impact of this promotional activity has contributed to the number of expressions of interest received to date.

Working with schools

27. To maximise the opportunities from the Levy it is important that schools are aware of the Apprenticeship reforms. Local Authority Maintained schools, as part of the SCC, are subject to the levy charge and are required to have regard to the 2.3% apprenticeship target. The Council assumes responsibility for publishing data regarding the number of apprenticeship starts within schools as part of the Council's Annual Apprenticeship Report.
28. In addition to providing advice, information and guidance relating to the reforms SCC has been working with schools to promote the benefits that these changes can deliver in helping to meet skills gaps and future workforce needs. Over June and July the Pay & Reward Team has delivered 13 briefing sessions (465 attendees) as part of the Pay and Reward consultation with schools. The audience included representatives from community, voluntary aided, voluntary controlled, foundations schools and academies. These events focused on raising awareness of the new apprenticeship standards in development for teachers, teaching assistants and school business directors, as well as a range of other broader standards that could be used by the wider schools workforce in helping to create apprentice opportunities.

Conclusions

29. The ongoing promotion to staff and managers alike of the opportunities available to both current and new employees is key to success in achieving the Government's targets. Undertaking a sponsored qualification will become the natural and accepted way forward to gain new skills and knowledge when working for SCC.
30. Constant review of learning and development offer will ensure SCC maximise the funding opportunities the Levy presents, enabling the Council to direct its internal training budgets to specific priority areas in order to meet compliance and regulatory requirements.
31. Officers are in the process of identifying additional resource both within the HR&OD Team as well as in schools to assist them in achieving their targets and utilise their levy contribution fully within the given timeframes.

Financial and value for money implications

32. The Levy contribution for each organisation is calculated by HMRC via PAYE. SCC's Levy contribution is currently £1,235,000 with an estimated monthly digital account credit of £102k. Based on the expressions of interest received to date the Council should be looking to utilise just over £2 million (Figure 1).

¹ The Council has agreed to use the terminology "sponsored qualification" for existing staff undertaking an apprenticeship qualification as it was deemed appropriate.

This value will be drawn from SCC's digital account on a monthly basis once learners begin their qualification.

33. Using the Apprenticeship Levy to cover the cost of many of the accredited qualifications SCC has offered to date will allow SCC to release funds for use in other development opportunities. As a large diverse organisation there will always be specific service based training needs to be met relating to regulatory and statutory requirements. Changes to legislation often require a supporting training activity to inform staff about both legal implications and the impact on practice.
34. During the financial year April 2016 to Mar 2017 SCC used internal funding totalling £217k to cover the cost of 233 externally commissioned accredited qualifications. From April 2017 the Council will no longer fund these qualifications from the central training budget but instead will use the Levy to cover the total cost of their provision.

| Type of qualification | Levels | Number of staff | Over 12 months |
|---|-------------|-----------------|-----------------|
| Diploma's in Health & Social Care | 2, 3, 4 & 5 | 40 | £54,000 |
| Diploma's in Children & Young Peoples Workforce | 3 & 5 | 25 | £39,000 |
| ILM Qualifications in Leadership & Management | 3,5,& 7 | 168 | £124,000 |
| Total | | 233 | £217,000 |

Fig 4. Internal funding spent on externally commissioned qualifications 2016 to 2017

35. In anticipation of the Apprenticeship Standards for Social Worker and Occupational Therapist degrees being ready to be delivered in 2018, ASC and Children's Services have suspended the sponsored trainee offer. Current cohorts will continue to be sponsored until completion of their degrees. The costs of a sponsored route is currently £27k per person over three years. This will result in savings on the professional qualifications budget of £258k over the next three years.
36. As SCC commences the commissioning process for approved providers officers will begin to identify further saving to the Council's in-house programme based on the content of the individual apprenticeship programmes proposed by each provider. It is envisaged that an element of the classroom programme will match the current internal offer for apprenticeships such as Business Administration and Customer Services.
37. The Apprenticeship Levy will create a dedicated funding stream of over £1.2million for sponsored qualifications each year for the foreseeable future. The impact of which is the ability to redirect funding previously used for accredited and professional qualifications for use on alternative projects and interventions. For 2017/18 identified internal saving of £227k have so far been identified with the expectation being that this will increase over the next three years (Figure 5).

| | 17/18 | 18/19 | 19/20 |
|---|-----------------|-----------------|-----------------|
| Our Apprenticeship Levy contribution | £1,200,000 | £1,200,000 | £1,200,000 |
| Accredited Qualifications savings | £217,000 | £217,000 | £217,000 |
| Professional Social Care qualifications savings | £20,000 | £101,000 | £137,000 |
| Savings Total | £227,000 | £318,000 | £354,000 |

Figure 5: External funding and identified saving to the internal budget

38. By the end of October, officers will be in a position to forecast the drawdown from SCC's digital account as it is anticipated that start dates will be in place for the majority of applicants following the completion of planned procurement activity across August and September with partners.

Equalities and Diversity Implications

39. Apprenticeships and sponsored qualifications are promoted at all levels of the organisation meaning they are widely accessible. Apprenticeships are work based and can be phased meaning they are accessible to people with competing needs e.g. childcare or part-time workers. Apprenticeships allow people to obtain qualifications whilst 'on the job' and the length of the apprenticeship can be extended in accordance with contracted working hours in order to successfully complete their qualification.
40. Any member of staff is eligible to undertake an apprenticeship regardless of age or position. The apprenticeship must be relevant to the role they are currently in to allow them to draw on their own experiences through work to meet the criteria of the qualification.

Risk Management Implications

41. A lack of uptake of apprenticeships will lead to underutilisation of SCC's Levy contribution. Each monthly deposit will be reclaimed by HMRC on the 25th of the month if not spent. Hence continuing engagement in person and keeping information up to date on the S:Net.
42. There is a requirement for public sector bodies to publish their apprenticeship levy targets achievements and there is potential for public criticism if SCC does not do this. The Council will therefore work closely with all training providers to ensure learners are supported and remain on track to complete their apprenticeship within the given timeframes.
43. Managers are required to maintain a level of engagement with the apprenticeship agenda, with constant and consistent regard for vacant posts being filled with an apprentice and existing staff utilising the sponsored qualification opportunities. Work will continue with the Recruitment Team who will remain on top of where possible apprenticeship opportunities could be considered to facilitate meetings with managers to discuss and highlight the

benefits.

Next Steps

- 44. In partnership with East Sussex County Council, West Sussex County Council and Brighton & Hove City Council, SSCC are about to embark on a large procurement exercise to commission training providers for the apprenticeships identified.
- 45. In order to contribute to and shape new standards the Council will give consideration to joining trailblazer groups to address current gaps identified within specific sectors e.g., Registrar, Procurement, Trading Standards and Public Health.

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Annexes: None

Background papers: None

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