



People, Performance and Development Committee
Monday 29 January 2018

Apprenticeship Levy and Public Sector Target Update

Purpose of the report:

This report is being brought to update Members of the People, Performance and Development Committee on the current status and progress to date on meeting the Government's Apprenticeship Levy and Public Sector Target duties for Surrey County Council.

Recommendations:

It is recommended that the People, Performance and Development Committee note the positive progress detailed within the report and comment on the conclusions.

Introduction:

1. The Apprenticeships Levy is a payment is paid to the HMRC via PAYE returns on a monthly basis at 0.5% of Surrey County Council's (SCC) total pay bill. This equates to a monthly levy cost of approximately £100,000 for non-schools and £70,000 for schools. Payments began in April 2017. The purpose of the levy is to encourage employers to invest in apprenticeship programmes and to raise additional funds to improve the quality and quantity of apprenticeships across England.
2. As of May 2017, SCC has access to the contribution in the online digital apprenticeship service account. This account is being used to pay for apprenticeships training and assessment in the Council.
3. The Apprenticeship Levy forms part of the Government's plan to raise the number and quality of apprenticeships. The levy is set to raise £3 billion a year (£2.5 billion for England), helping to fund the Government's target of three million apprenticeships by 2020.
4. The Public Sector has also a target of a minimum 2.3% apprentices and/or sponsored qualification starts each year based on the headcount of employees. For SCC this equates to a target of 268 apprentices and/or sponsored qualification starts for non-schools and 389 for schools based on 1 April 2017 headcount figures

Background

5. A strategic framework has been put in place to address five key aims as a response to the Apprenticeship Reforms. These five key strategic aims are listed below with a brief explanation and a progress report is provided quarterly.
 - 5.1 **Adapt Entry Employment Roles**
Develop clear entry routes into the organisation, utilising apprenticeships where appropriate
 - 5.2 **Promote Apprenticeships and Sponsored Qualifications**
Promote the value and benefits of apprenticeships as a career pathway to achieving a professional level qualification to all staff.
 - 5.3 **Increase Recruitment**
Progressively increase the number of apprenticeship employed to achieve the 2.3% public sector target.
 - 5.4 **Implement Reporting Duties**
The Council will report and publish its contribution towards the national target of three million apprenticeships as well as its commitments to the Public Sector Duty and tracking of apprenticeship levy spend.
 - 5.5 **Develop Career Pathways**
Provide apprenticeship opportunities for existing staff aligned to skills development requirements across the Council and embed the use of apprenticeships within the Council's workforce planning and succession planning activity with all service managers.

Progress to date

Adapt Entry Employment Roles

6. A review of entry employment roles of the Council has been conducted to see where entry roles can be converted into apprenticeships with a sponsored qualification attached.
7. Clear entry routes into the organisation for young people and those returning to work are being re-developed in partnership with key stakeholders.
8. All vocational areas in each directorates have been mapped. Areas where there is scope to introduce apprenticeships have been identified.
9. SCC's external website for apprenticeships is being reviewed to ensure it provided up to date information and clear signposting.
10. An 'alternative career' apprenticeship programme aimed at a mature entrant that takes into account the older population demographics in Surrey is being investigated.

Promote Apprenticeships

11. The Career Development Team have conducted workshops and drop –in sessions for staff and managers. Information was also made available on the recent Learning & Development Campaign roadshow with sponsored qualifications being the biggest area of interest. Sponsored Qualifications information and process is also promoted at SCC's monthly County induction sessions.
12. Particular areas where recruitment and retention are an issue, apprenticeships are being offered in order to raise the number of young people joining the organisation. One such area being targeted is engineering in Highways.
13. In both Children's Services and the Adult Social Care Directorate they aim to increase their uptake once the Social Worker and Occupational Therapist Degree Apprenticeship standards are ready for delivery in 2019.

Increase Recruitment

14. The Career Development Team, Recruitment Team and Apprenticeship Ambassadors have attended six career and skills fairs in Surrey in 2017 to promote opportunities at SCC and will continue to sponsor career events in the South East region.
15. The Council aims to continue to recruit and attract new apprentices into the organisation through an ongoing recruitment campaign, together with the National Apprenticeship Week promotions and service led recruitment throughout the year.
16. The Council currently has 100 apprentices who started in 2016/17 under taking the old apprenticeship framework. A further four apprenticeships have been recruited in 2017 have used the levy to fund their qualifications. There are eight apprentices going through pre-employment and five further positions at interview stage, bringing the Council's total new entry apprentices to 112.
17. The Recruitment Team is gaining access to the Government's "Find an Apprenticeship" service and is promoting the Council's apprenticeship vacancies through multiple media channels including Twitter, Facebook and SCC's job website.

Implementing Reporting Duties

18. Imposing a duty on directorates for a minimum amount of apprenticeship starts per year has increased their commitment. Directorate target numbers can be found in Annex 1 as well as in figure 1 where it is shown as a comparison against the progress made.
19. There are currently 183 sponsored qualifications in the pipeline over the next few months. The graph below shows where these will be, it also shows that every directorate is having regard to the apprenticeship levy and its workforce targets. The types of sponsored qualifications being undertaken in each directorate can be found in Annex 2.

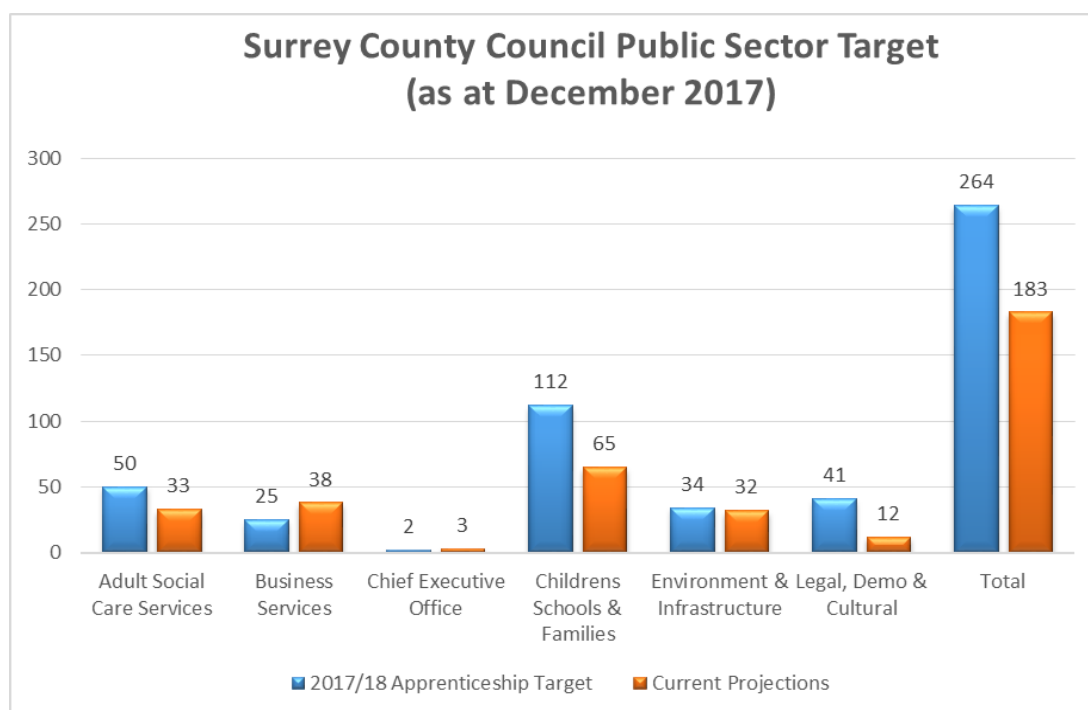


Figure 1. Directorate Targets and Progress to date

20. The Career Development Team has developed a database to track applications and expressions of interest, together with actual and forecast spend.
21. The report to the Secretary of State regarding SCC's due regard to the Apprenticeship Reforms (1 April 2017 – 31 March 2018) is due in September 2018. The Public Sector Target, whilst annual, is averaged over four years.

Develop Career Pathways

22. Career pathways are being developed so it is clear what training and development opportunities are available to all staff to help individuals progress in their career. The completion of sponsored qualifications, utilising the Apprenticeship Levy, is being seen as the natural route to gain new skills and knowledge to progress individual careers, enabling the Council's internal offer to focus on meeting mandatory and statutory training requirements.
23. A mapping exercise of all job families against sponsored qualifications and various training offers has been carried out to identify progression routes. The Career Development Team are now looking to translate this information into an accessible and more user-friendly tool to enable individuals to plan their careers'.

Locally Maintained Levy Paying Schools

24. A team lead in Schools & Learning has been identified and will be working with the Schools Apprenticeship Champion and Area Schools Officers to promote and administer the apprenticeship levy and public sector targets for local authority maintained Schools in Surrey. It is envisaged that the management of the Schools DAS account will be the responsibility of the Team Lead, once a robust application process is in place.

25. The SLA Online project will now include a category for Apprenticeships to allow Schools easier access to the levy funding and follow an agreed process for training provision. Until this time, the Career Development Team will continue to manage their on line digital account. The teams will also continue to work in partnership to ensure sharing of knowledge and best practice.
26. To date, the take up in Schools has been small. This is due to a number of valid reasons:
 - 26.1 absence of school-specific apprenticeship standards being available;
 - 26.2 the cost of creating apprenticeship positions and salary on already stretched budgets;
 - 26.3 the requirement of sponsored qualifications and apprentices having a 20% “off-the-job” requirement with no backfill budget; and
 - 26.4 the Public Sector target figures based on headcount which equates to 389 for Schools which, combined with the above reasons is felt to be unattainable
27. There are currently 16 new apprentices and two existing staff sponsored qualification starts across eight schools with the majority taking up the Supporting Teaching & Learning apprenticeship qualification.

Conclusions

28. Sound progress has been made on the strategic approach with solid numbers in non-schools and there is more scope for developing apprenticeships as the strategy beds in. The interest from staff is high and manager engagement is good with an ongoing plan of promotional activity for 2018 with the Communications Team regarding sponsored qualification.
29. Progress in schools has been slow due to pressures of change in the sector and the need for more schools based apprenticeships. The announcement that Teaching Apprenticeship Standard is now ready for delivery and Teaching Assistant Apprenticeship Standard in development will hopefully provide wider opportunities for school employed staff and help them meet their public sector targets.

Financial and value for money implications

30. The SCC non schools Levy contribution in the financial year 2017/18 is expected to total £1.2m. To date officers are forecasting to spend £652k of this (Annex 3) as of November 2017, however this will be withdrawn from SCC’s digital account over the next three years as the programme lengths vary for each individual apprenticeship.
31. The SCC schools Levy contribution in the financial year 2017/18 is expected to total £1.2m. Due to the low level of activity, the spend from this account was only £5k at November 2017.

32. The Career Development team are working with providers to negotiate value for money programmes ensuring we maximise the delivery of content to meet all the development needs of each apprentice.

Equalities and Diversity Implications

33. As an employer SCC has a responsibility to ensure that its offer of undertaking sponsored qualifications is accessible to all. There are a number of funding eligibility criteria that we must abide by set by the Education & Skills Funding Agency (ESFA) that will ensure the Council offers a fair and equitable opportunity to all. A sample of these criteria are listed below and the full document can be found on www.gov.uk.
- 33.1 We can access learning support for apprentices to help with learning that affects their ability to continue and complete their apprenticeship. This can be claimed up to the learning actual end-date. Learning support will be claimed by the provider to meet the costs of putting in place a reasonable adjustment as part of the Equality Act 2010.
- 33.2 ESFA will fund apprentices to achieve qualifications in English or maths (or both), if they do not already meet the required standard. This will be paid in full to the provider by the ESFA at the rate they set, and will not be deducted from our digital account or require employer co-investment
- 33.3 The employer must allow the apprentice to complete the apprenticeship within their working hours.
- 33.4 Working fewer than 30 hours a week or being on a zero-hours contract must not be a barrier to successfully completing an apprenticeship. We will monitor working hours' data and patterns of behaviour to ensure that sufficient regular training and on- and off-the-job activity is done to ensure successful completion of the apprenticeship, regardless of the number of hours worked
- 33.5 The training provider will receive a payment towards the additional cost associated with training if, at the start of the apprenticeship, the apprentice is aged between 19 and 24 years old and has either an Education, Health and Care Plan (EHC plan) provided by their local authority or has been in the care of their local authority.

Risk Management Implications

34. The main risk related to the activities detailed in this report is the underutilisation of SCC Levy contribution. The mitigating actions being taken to address this include:
- 34.1 Maintaining an ongoing communication strategy to constantly promote the availability of sponsored qualifications, especially around midyear and end of year appraisal periods.
- 34.2 Ensuring the Career Development Team are keeping abreast of the launch of new sponsored qualifications and are targeting relevant areas across the Council to ensure they come to the attention of the service Champions.

34.3 Maintaining accurate and up to date forecasting figures that are shared monthly with the Head of Service for HR&OD and reported quarterly back to PPDC.

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Next steps:

A quarterly progress report focusing on public sector reporting duties and SCC proposed response to be scheduled for review in May 2018 by the People and Performance Development Committee

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Annexes:

Annex 1 - Targets for each Directorate, based on headcount

Annex 2 - Forecast of Sponsored Qualifications (at 31 December 2017) by Directorate

Annex 3 - SCC's corporate projections

Annex 4 - Schools projections

Sources/ /Background Papers:

None

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