

REPORT TO: Corporate Services Policy and Performance Board

DATE: 5th June 2018

REPORTING OFFICER: Strategic Director, Enterprise, Community & Resources

PORTFOLIO: Resources

SUBJECT: Halton Borough Council Update on Apprenticeship Policy / Apprenticeship Levy & Public Sector Target

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To provide Members with an update on Apprenticeships in Halton. Reference has also been made to both the regional and national pictures.

2.0 **RECOMMENDATION: That the information be noted.**

3.0 POSITION STATEMENT

3.1 **Current Apprenticeships:**

11 apprentices are currently employed within the Council (May 2018).

The Council's approach to apprenticeships focuses on the guiding principle that, wherever possible, we look to offer our apprentices permanent employment upon completion of their apprenticeship.

During the last 3 years, 16 out of 19 apprentices have acquired permanent positions with the authority, 11 of these in Waste Management and 5 in Open Spaces services.

3.2 **'New' Apprenticeships in progress:**

The new Apprenticeship framework brought forward by government in April 2017 introduced the Apprenticeship Levy and the requirement to use prescribed training providers as approved by the National Apprenticeship Council.

Five 'new' apprentices have commenced placements since April 2017, as follows:

Registration Officer
Crematorium Technician
Cemeteries & Crematorium Assistant
Procurement (Finance)

Public Health

Five other new placements were advertised towards the end of 2017/18, and are currently being recruited to:

Administration Service x2

- **Apprentice Administration Assistant** (Business & Administration – Level 2 / Level 3)

Health Improvement Team x1

- **Apprentice Health Trainer** (Health & Social Care – Level 3)

IT x2

- **Apprentice Data Centre Technician** (Level 3)
- **Apprentice Network Technician** (Level 3)

The overall aim is to have a rolling target of around 25 'new' apprentices in the Council at any one time.

3.3 **Development of Existing Workforce:**

The Council is seeking to utilise the Apprenticeship Levy to promote Continuous Professional Development (CPD) within the existing workforce, initially concentrating on 4 specific areas:

- Adult Social Care
- Children`s Social Care
- Administration Services
- Generic rollout re: Project Management & Prince 2 qualification

Officers have engaged with Training Providers, (Riverside College for Business & Administration, TRN Train for Health & Social Care and 3AAA for IT), to support this activity, having regard to the training delivery model, supporting and monitoring the learner, costs, and completion rates.

It should be considered that there is a mandatory requirement for each employee to spend 20% of their working week undertaking 'off the job' training. This can include teaching of theory, practical training, learning support, and time spent writing assessments and assignments. This will be managed within the relevant services.

Indicative unit costings for training have been obtained; however these will ultimately be dependent on the level of qualification to be attained, and numbers. Anticipated numbers at the time of writing, are as follows:

Health & Social Care – 36 learners in total:

- 19 x Level 2 Adult Care Workers
- 6 x Level 3 Lead Adult Care Workers
- 2 x Level 3 CYPW
- 4 x Level 5 Health & Social Care
- 5 x Care & Leadership & Management

Business & Administration – 7 learners in total:
3 x Level 3
4 X Level 4
Catering & Professional Chef – 2 learners in total
2 x Level 3

Continuous Professional Development (various): 45 learners.

3.4 Utilising the Learning & Development Budget more effectively – for any new applicants wishing to access Post Entry Training (PET) within Halton Borough Council, where possible these will be linked to new Apprenticeship Standards to establish if the relevant eligibility criteria is met. If it is the Council will be able to access the Apprenticeship Levy to fund the training.

3.5 New Apprenticeship SharePoint Site

This has been created and launched with the purpose being:

- To provide an overview of Halton Borough Council`s Apprenticeship Policy
- To ensure that the organisation keeps abreast of current and changing legislation
- To ensure that we can address key emerging issues effectively
- To provide a forum in order to share good practice

3.6 Waste Management Section initiative

This service is currently exploring the possibility of existing Waste Management Operatives undertaking LGV Driver Apprenticeship qualifications, for which consideration will be given to utilising the levy account monies.

3.7 Positive Apprenticeship publicity and marketing

This is currently being explored, with three distinct themes having been identified:

- a) An article for 'Inside Halton' – to reflect success stories, for example 3 apprentices within Open Spaces have recently acquired full time positions. In addition to this 4 new Waste Operatives posts are to be ring fenced to the current cohort of Waste Management apprentices completing their training.
- b) The Introduction of an Apprenticeship of the Year category as part of the Employee Recognition & Award Scheme.
- c) Consideration to be given in the future to possible nomination(s) re: Apprentice/Young Achiever of the year in the Halton Business Awards, hosted by the Halton Chamber of Commerce and Enterprise, and the Annual National Apprenticeship Awards organised by the National Apprenticeship Service.

3.8 **Liverpool City Region (LCR) – Local Authority Apprenticeship Support & the Way Forward**

A piece of work, commissioned in 2017, considered the potential for future collaboration and has which has resulted in a number of initial recommendations around additional brokerage support, which could facilitate greater efficiencies.

This includes:

- Providing technical knowledge and guidance;
- Providing additional capacity to council's, where required, in their work with schools to maximise levy draw-down;
- Extending partnership working arrangements including regular reporting and tracking of levy spend and progress towards the 2.3% target;
- Collating collective demand in line with common need to generate viable cohorts for delivery of apprenticeship training;
- Engaging with the provider base to articulate demand and raise awareness of procurement opportunities;
- Supporting the development of new standards.

In addition to this the Heads of HR across the Liverpool City Region have reviewed this list and have identified the following 3 key priorities:

- Supporting the planning, positioning and mapping of apprenticeships as a career pathway for key public sector job roles;
- Exploring the innovative use of the apprenticeship levy, including utilising 10% with supply chains or supporting delivery through an Approved Training Agency (ATA) model; and
- Sourcing and sharing of best practice to increase apprenticeship penetration across the workforce and facilitating the future commissioning of provision.

To provide context to the regional and national pictures, a range of statistics are outlined in sections 3.9 to 3.12 below.

3.9 **'New Starts' vs Developing Existing Staff (October 2017)**

Local Authority	New Apprentices	Existing Staff	Total Numbers
Wirral	12	39	51
Warrington	13	31	44
Liverpool	15	3	18
Cheshire East	27	9	36

3.10 Statistics re: Total Apprenticeship Starts within the Liverpool City Region

Level	Age	LEA/LA/Region/England	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 Full Year (Provisional)	2015/16 - 2016/17 % variance	2015/16 - 2016/17 variance
All	All	Knowsley	2,910	2,560	2,010	2,180	2,140	2,160	101	20
All	All	Liverpool	7290	6120	4600	5080	5130	5310	104	180
All	All	Halton	2010	1630	1420	1420	1440	1430	99	-10
All	All	Sefton	3840	3860	2890	3100	3090	3330	108	240
All	All	St Helens	2850	2330	2080	2260	2390	2280	95	-110
All	All	Wirral	4870	4510	3530	3850	4130	4070	99	-60
All	All	LCR	23,770	21,010	16,530	17,890	18,320	18,580	101	260

3.11 Observations & Comments in relation to the above table:

- 470 fewer 16-18 year old resident in Liverpool City Region started an Apprenticeship in 2016/17 than in 2015/16. This falling trend is some 3% worse than the national fall in the volume of starts.
- The majority of the reduction in starts between the 2016/17 and 2015/16 academic years (440 starts) for 16-18 year olds intermediate Level 2.
- Liverpool City Region also had fewer Apprenticeship starts aged 19-24 year olds in 2016/17 than in 2015/16, but the drop of 100 fewer starts is proportionally less than the national and regional average falling trend.
- Liverpool City Region apprenticeship starts aged 25 and over are up 740 on 2015/16 volumes, a 9% rise on the previous academic year. This sudden rise in the volume of starts aged 25 and over in Liverpool City Region could be due to the impact of the flexibility following reforms for Apprenticeships to be delivered at higher levels, the ability to deliver apprenticeships to a wider cohort including those already with skills at the same levels as their apprenticeship, but in different disciplines, or indeed the impact from May 2017 onwards of the Apprenticeship Levy, with employers opting to train their existing workforce in greater volumes.
- Liverpool City Region's growth in older Apprentices is some 7% above the national increase in Apprentices aged 25 and over and 6% above the regional rising trend.

3.12 The National Picture: Local Government Association Survey (December 2017)

- **What's Working?**
 - Leadership – 90% of Councils have buy-in from the Council leadership
 - Corporate Plans – 73% of Councils have included apprenticeships in their corporate plans or have a separate apprenticeship policy
- **Problems and Barriers:**
 - Off the job training - especially the 20% requirement for time out for existing staff
 - Resources – some Councils have been unable to afford new starts and so

have focused their efforts on upskilling existing staff, and/or have struggled to put into place a designated person/team to support the roll out of apprenticeships within their organisation

- Training providers - lack of local providers, providers charging the funding band maximum even though they had previously provided similar training at a much lower price under the old system
- Standards – a lack of appropriate standards in some key areas
- Schools – proving to be a significant challenge, largely because of the limited capacity to employ an apprentice within what is often a small operational structure.

3.13 Three expressions of interest in new apprenticeship placements have already come forward for 2018/19:

- Waste Management Division x2
- Housing Solutions x1
- Civil Engineering (Highways) x 1

4.0 **POLICY IMPLICATIONS**

4.1 **Halton Borough Council Apprenticeship Policy** was updated December 2017 in light of new HMRC Regulations re: National Minimum Wage Rates and continued guidance from key bodies such as The National Apprenticeship Service, Local Government Association and the Education & Skills Funding Agency.

4.2 Nothing significant has emerged following the 2017 General Election, and no significant change in policy direction has come about within the last 12 months.

4.3 It is envisaged that following the success of the initial cohort of Council apprentices under the 2017 regime, new apprenticeship opportunities will be encouraged within the Council throughout 2018/19, along with opportunities being advertised for our existing workforce to consider their continued professional development.

5.0 **FINANCIAL IMPLICATIONS**

5.1 Costs incurred to-date (April 2017 – May 2018) by the Council through the obligation to pay the Apprenticeship Levy is as follows:
Halton Borough Council (including LA Maintained Schools) = £402,691
This also includes the Government 10% top up.

5.2 **Apprentice Wages** – the Council will continue to pay 75% of the bottom of HBC 3, (SCP 14) which equates to:

- a) With on-costs:
£8.33 per hour, £308.18 per week and £16,069.49 annually.
- b) Without on-costs:

£6.52 per hour, £241.37 per week or £12,585.76 annually.

Year 2 (12 months after the commencement of a placement) and subsequent years (if applicable) apprentices will be paid the National Minimum Wage appropriate to their age, unless 75% of SCP 14 is greater, in which case this rate will continue to be paid.

This ensures that the Council pays **above** the National Apprenticeship Wage.

5.3 **Funding generated**

£2,000 to-date, due to 2 'new' apprentice`s being aged between 16-18.

This is to be paid into the Council`s Corporate Apprenticeship fund, to fund future apprentice wages within the Council.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 The policy continues to support two corporate priorities, namely Employment, Learning and Skills in Halton and Environment and Regeneration in Halton.

7.0 **RISK ANALYSIS**

7.1 There is a risk that the Council falls short of spending the available levy sum; and as such the benefit of it is lost. Steps are being taken to ensure that the Council utilises as much of the levy as is possible.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 Equality and diversity was considered in the formation of the Apprenticeship policy in 2017. No new issues have been identified.