

APPRENTICESHIPS AT HILLINGDON COUNCIL

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REASON FOR ITEM

The Committee requested a briefing note providing an update on current progress following the introduction of the Apprenticeship Levy and Apprenticeship targets for public sector organisations.

OPTIONS OPEN TO THE COMMITTEE

The Committee is asked to note the report.

APPRENTICESHIP LEGISLATION

1. The Government have confirmed that the annual apprenticeship target for public sector organisations falling within scope of the legislation will remain 2.3% of the workforce headcount. The government have discounted basing the target on full-time equivalent (FTE) numbers.
2. It has also been confirmed that local authority targets and levy calculations will be based upon employees within councils and community schools. This has been a contentious issue, as local authorities have argued that there is limited opportunity to create apprenticeships within smaller community schools and that local authorities would be disproportionately challenged to meet the overall targets.
3. As expected, it was confirmed that apprenticeship targets would include both newly recruited apprentices and any existing employees who are 'retrained' through an apprenticeship. However, there are restrictions to what would be considered 'retraining' and this will not simply allow organisations to use the apprenticeship levy to provide existing staff training provisions.
4. An additional financial challenge for organisations has emerged, as the Government has indicated that employment agencies would be levied 0.5% workforce costs on any workers that they place on assignments. Employment agencies have indicated that they are unable to sustain this additional cost and the indications are that the industry will look to renegotiate contracts and placement costs, resulting in passing the burden onto organisations hosting temporary workers.
5. While there is no penalty for failing to utilise the apprenticeship levy, beyond the loss of the funds, there are consequences to public sector organisations failing to meet apprenticeship targets. It has been confirmed that failing to meet the target will mean that the organisation will be required to make a submission to the Government explaining why the target have not been met, how due regard for the target has been demonstrated, and what measures are in place to ensure the target will be met in subsequent years.

LBH APPRENTICESHIP TARGETS AND ESTIMATED LEVY

6. Based on the Council's current headcount of 2,714 employees it has been anticipated that our apprenticeship target would be 63. Our levy contributions have so far been £34k per month or circa £410k p.a.
7. Based on a headcount of 3,009 eligible employees in community schools, an additional target of 69 apprenticeships is assumed and Finance has estimated an additional levy contribution of £319k.
8. In total, including the community schools workforce, the Council is anticipating an overall apprenticeship target of 132. This target will include newly recruited apprenticeships, as well as existing employees retrained through an apprenticeship. The target should be achieved as an average per annum over the 4-year period between 2017/18 and 2020/21.
9. The total levy amount, including community schools, is estimated at £729k p.a. The Government will provide an additional 10% 'top-up', which means the total levy amount available for apprenticeship training will be £802k p.a.

OFFSETTING THE LEVY

10. As part of the BID workforce work-stream, it was identified that through converting vacant posts to apprenticeship posts the Council could 'offset' the cost of the levy due to the relatively lower salary costs required for apprentices. For example, converting a Scale 5 post to an apprenticeship post would reduce budget requirements by around £10k.
11. Meeting the Council's apprenticeship target (excluding community schools) of 2.3% of the workforce by converting 63 posts, would therefore easily offset the entire levy for the Council's workforce. However, this target is of course extremely ambitious, representing a ten-fold increase in the number of apprenticeships across the Council.
12. Workforce planning activity is in place to identify posts that are suitable for conversion. Posts have already been identified for conversion in Adult's Social Care, Operational Finance, Revenue & Benefits and the Insurance teams.
13. In total, the 18 posts already converted to apprenticeships will enable a workforce cost reduction of £183k.
14. The table in Appendix 1 indicates apprenticeship activity and additional opportunities by directorate and service.

RE-TRAINING UTILISING THE APPRENTICESHIP LEVY

15. A second method of offsetting the levy is to identify where there is an opportunity to provide existing staff training through apprenticeships. A precursor for drawing down any apprenticeship levy for training is to identify an appropriate *Apprenticeship Standard* which can be used to provide the training. There are a wide range of Standards already available and in development. Each Apprenticeship Standard includes specific entry

requirements and an assessment plan outlining how the apprenticeship will be assessed and the requirements for successful completion.

16. In the last financial year, 34 existing employees attended first-line supervisory and management training funded by accessing government apprentice scheme grants. Similarly, this funding stream provided social care training for six employees and business administration and customer care training for 18 employees. This training can now be funded directly through the levy via an appropriate Apprenticeship Standard.
17. If, for example, we replicate last year's training provided through apprentice scheme funding using the levy, then these 58 employees would count towards our apprenticeship target and together with our newly appointed apprentices this would achieve the apprenticeship target (excluding schools).
18. There are a number of degree-based training programmes which can be accessed through the levy. For example, there are degree-level Apprenticeship Standards for Chartered Management, Digital & Technology Solutions, Chartered Surveyors and Solicitors with more in development, including an apprenticeship pathway for qualified Social Workers.

SCHOOLS APPRENTICESHIP OFFER

19. Although it may be difficult for schools to employ apprentices, a 'schools' apprenticeship offer' is being developed allowing training of new and existing staff in roles such as teacher assistants. Schools would also be able to access levy-funded training in business administration, supervision & management, customer services and public services delivery. Apprenticeship Standards for the teaching profession are in development but there is currently no indication when these would be available.

Appendix 1: Apprenticeship Activity by Directorate / Department

Function	Current Apprenticeship status	Future Opportunity
Administration directorate	4 apprenticeships within the legal team (3 already recruited) and 2 new roles in HR / L&D.	HR succession planning to replace all future leavers in non-management roles with Apprentices.
Finance directorate	2 new apprenticeships in Revenue & Benefits, 1 new accountancy apprenticeship in Operational Finance and 1 new Insurance apprenticeship.	2 more posts to be converted in Revenue & Benefits. Future Procurement vacancies potentially converted to new Standard.
Social Care directorate	5 new apprenticeships in Adult Social Care.	Review of contingent labour model may offer more opportunity in ASC. Introduction of social worker Standard will allow for retraining towards NQSW level.
Technical Administration	6 posts created in Business Support and Contact Centre.	If apprenticeship model is successful further opportunity to convert may be possible across admin and customer service roles.
Green Spaces, Sport & Culture	Already 4 ongoing horticulture apprenticeships in Green Spaces.	Exploring opportunities in Library Service. Potential of Venue Technician in Theatres and future country worker role.
Communications	1 new post agreed as part of recent restructure	
Asset & Development	4 existing craft apprenticeships	
Planning & Transportation	1 new post under consideration in Building Control	Apprenticeship Standard for planners in development.
ICT		A number of Standards available for all levels across ICT. Review of vacant posts will be conducted by HRBP's following restructure.
DD Resident Services		Meeting with Deputy Director week commencing 6 March