

**Steven Mason, Chief Executive**

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## **MANAGING AND IMPLEMENTING THE APPRENTICESHIP LEVY AND DELIVERING A NEW APPRENTICESHIP PROGRAMME FOR NORTHUMBERLAND COUNTY COUNCIL**

**Cabinet Member: Councillor David Ledger, Deputy Leader**

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### **Purpose of Report**

The purpose of this report is to outline the Council's plans for implementing and managing the Apprenticeship Levy which is due to be introduced from May 2017 as part of the Government's Apprenticeship Policy reforms.

This report seeks the support of the full council to develop and deliver a new wider apprenticeship programme for Northumberland County Council, offering a range of employment and development opportunities for new and existing staff which will ensure that the council has the workforce that it requires over the next 3 to 5 years.

This report also seeks to obtain the financial support required for a number of additional apprenticeship starts within the Directorates of Local Services and Housing and Wellbeing which are anticipated to be up to 60 new opportunities for local young people between the ages of 16 - 18 years.

### **Recommendations**

It is recommended that the Council approves the approach to managing and implementing the new Apprenticeship Levy and plans to deliver a new Apprenticeship Programme for Northumberland County Council.

### **Link to Corporate Plan**

The Northumberland County Council (NCC) Corporate Plan for the period to 2017 has identified a number of core strategic priorities and supporting key organisational actions of which the following are particularly relevant to the workforce and supporting employment and growth which are:

- Make the best use of our limited resources to ensure maximum benefit for all citizens in all communities across Northumberland.
- Listen to and value the views, concerns and ideas of staff.

- Work in partnership and collaborate with others to deliver services as effectively as possible.

## **Key Issues**

2016 saw the introduction of a number of proposed apprenticeship policy reforms. These changes apply to all sectors in England including Northumberland County Council and the Apprenticeship Levy is to be introduced from April 2017.

Integral to the ability of the council to deliver high quality services are the skills of its workforce and it is proposed that the apprenticeship policy reforms are maximised to ensure that Northumberland can support, train and develop its staff to the highest standard

Northumberland County Council through the Northumberland Adult Learning Service (NALS) is a highly successful training provider and has already registered to be a provider under the new arrangements.

All Public sector employers of more than 250 people will have a target of 2.3% of the overall workforce, which they will need to report against annually.

Northumberland County Council is already a strong Apprenticeship provider with over 100 apprentices in post throughout the council at any period of time.

As part of the council's commitment to supporting and developing employment opportunities for young people, the council is proposing to offer a number of new and existing opportunities as routes into employment or where new skills can be developed and staff trained to meet the needs of the council going forward.

## **BACKGROUND**

### **Context**

From May 2017, all employers in England with a pay bill over £3 million will be required to pay the Apprenticeship Levy. The levy is determined at 0.5 per cent of the overall pay bill which for Northumberland County Council is approximately £1 million (including schools).

The Apprenticeship Levy will be put into a government held apprenticeship levy pot every year and this money will be required to invest in apprenticeships. The levy funding can be accessed by the Council through a digital account and funds will be paid into this account with a 10 per cent top-up paid by government being applied at the same time. Employers can use this funding to purchase apprenticeship training and any funds not spent will expire 24 months after they enter the account.

By 2020 all employers in England will use the digital apprenticeship service to pay for training and assessment of apprenticeships and Northumberland County Council will be one of the first organisations utilising the new digital account.

Apprenticeship training (in the form of frameworks or standards) can be purchased by employers who can also apply to become training providers or commission external training provision from a register of approved training providers. Northumberland County Council has already registered to be an approved training provider.

Individuals can undertake an apprenticeship at any level (this could be higher, equal or lower to a qualification they already hold) if it allows them to acquire substantive new skills and this is a change to the previous criteria for apprenticeship enrolment.

In line with the requirement that public sector employers of more than 250 people will have a target of 2.3% which they will need to report against annually, Northumberland County Council will be expected to ensure that they report their achievements against the set target as required.

### **The current Apprenticeship Provision/Programme at Northumberland County Council**

Northumberland Adult Learning Service (NALS) currently delivers the educational/vocational learning requirements and assessments for most apprentices within Northumberland County Council within the following areas:

- Business Administration
- Customer Services
- Retail and Warehousing
- Children's Care, Learning and Development
- Health and Social Care
- Teacher Training and Supporting Teaching

- Construction: Joinery, Bricklaying, Plastering, Refurbishment, Fenestration and general construction operations and supervision
- Housing and Customer Services
- Highway Maintenance
- Neighbourhood Services
- Supervisory Management

There are currently a number of areas where the apprenticeship provision is outsourced and commissioned through external training providers such as Northumberland College and Derwentside College and these are:

- Joinery
- Plastering
- Roofing
- Automotive
- Logistic Operations
- Arborism
- Sustainable Resource Management
- Crematorium Technician

Current numbers of apprentices fluctuate dependent upon the service needs of each area. Replacement requirements are mostly recruited on an individual basis as part of a wider cohort within the NALS service provision or where the college recruits a wider cohort (i.e. the NCC apprentices work with others not employed by the council for their educational/vocational requirements). Recruitment tends to be based on singular opportunities or in single numbers of small groups rather than targeted larger cohort recruitment based upon when it is known that high quality recruitment is achieved at certain times of the year (e.g. at the end of the school year etc).

The current programme offers limited opportunities for the council to meet its obligations under the umbrella of corporate parenting. Looked after children are offered opportunities of an apprenticeship through NALS wherever possible but positive planning or promotion of the Council apprenticeship being a potential destination to undertake an apprenticeship at the age of 16 as part of their long term care planning are in their infancy.

The table below outlines the number of apprenticeships offered and completed by NCC since 2014 to date:

<b>Year</b>	<b>Number of Apprenticeship starts</b>
2014/15	207
2015/16	157
2016/17 (current part	140

year)	
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## PROPOSAL

The proposal is that Northumberland County Council will utilise its Apprenticeship Levy in full to:

- Develop an Apprenticeship Programme which recruits cohorts of candidates to a skill based model based on the requirements of the council over the next 3 to 5 years.
- Develop an Apprenticeship Programme which recruits cohorts of candidates at entry level and within existing roles on a career development pathway offering individuals the opportunity to see the development opportunities on offer with Northumberland County Council
- For Northumberland County Council to be an employer of choice for Apprenticeships within the local area through promotion of opportunities and success stories.
- Where a staff member is offered an internal promotion to a higher banded post in particular areas the promotional opportunity is offered conditionally on the basis that the postholder is required to complete an Apprenticeship Programme at a specific level and within a particular area to enhance their existing skills and future skills required by the Council for its workforce.
- To offer existing staff where appropriate, the opportunity to complete an apprenticeship to enhance their existing skills and future skills required by the Council for its workforce.
- Wherever possible, to offer all looked after children in Northumberland an apprenticeship opportunity from a range of skill areas with Northumberland County Council.
- To explore opportunities to utilise the Apprenticeship Programme to support people with disabilities into gainful employment with Northumberland County Council

To support the above proposal two Apprenticeship Co-ordinators will be appointed to support the pastoral needs of the apprentices and offer support both vocationally and educationally (working in partnership with NALS) on a three year fixed term basis.

## PROPOSED ESTIMATED NUMBERS OF APPRENTICES 2017-2020

The council proposes to recruit the following number of apprentices at the following levels from 2017-2020:

Level	2017-18	2018-19	2019-20
2	75	75	100
3	50	75	100

4	40	50	75
5	40	50	75
6 (Degree)	20	20	40
7 (Masters)	0	10	10
starts	225	300	400

Proposed areas of apprenticeships:

- Business Administration
- Customer Services
- Health and Social Care
- Construction
- Housing and Customer Services
- Highway Maintenance
- Neighbourhood Services
- Supervisory Management
- Joinery
- Plastering
- Roofing
- Gas utilisation and maintenance
- Automotive
- Logistic Operations
- Arborism
- Sustainable Resource Management
- Crematorium Technical
- Leadership and Management
- Social Work
- Firefighter
- Work based Horticulture
- Environmental Conservation
- Supervisory Management
- Team Leader
- Finance
- Human Resources
- Town Planning/Planning

### **PROPOSED APPRENTICESHIP PROVIDER OF CHOICE**

It is proposed that wherever possible, the provider for all Northumberland County Council will be the Northumberland Adult Learning Service (NALS).

Anyone wishing to recruit an apprentice will need to contact the the Apprenticeship Lead within the NALS service to ensure that:

- appropriate apprenticeship needs are met by utilising the existing provision and recruitment timetables to ensure cohort recruitment takes place wherever possible.
- all apprenticeships offered and completed by Northumberland County Council meet the relevant quality assurance requirements to maintain or contribute to the council's Ofsted grading for the NALS service.
- to ensure that only high quality apprenticeship providers with appropriate quality assurance mechanisms are procured by Northumberland County Council if NALS are unable to provide the appropriate framework/standard at the relevant level required for the specific apprenticeship. NALS will then oversee the quality assurance requirements of the apprenticeship (including the end assessment process) that they sub-contract on behalf of Northumberland County Council.
- that the necessary standards are met to ensure that the council receives the relevant funding is downloaded from the apprenticeship levy
- that the management of the Digital Account is fully managed by Corporate Services to ensure that all appropriate funding is awarded to the Council and that there is a clear division between the Council (Commissioner) and NALS (Provider).

## **KEY ELEMENTS OF THE PROPOSED NEW APPRENTICESHIP PROGRAMME FOR NORTHUMBERLAND COUNTY COUNCIL**

There are a number of key elements for the new proposed apprenticeship programme for Northumberland County Council and these are:

- that the Apprenticeship Programme will grow to offer apprenticeships from entry level (level 2) to Masters level (level 7) including the introduction of a number of new standards/frameworks including developing trailblazer apprenticeship standards/frameworks in areas such as Fire and Rescue (Firefighters), Town Planning etc.
- that the Corporate Leadership Team will ensure that sufficient appropriate learning environments are available as placements throughout the council including placements with key partners such as Active Northumberland.
- that the existing NALS traineeship programme (level 1) will operate as a feeder source for individuals wishing to progress onto the Council's Apprenticeship Programme (level 2).
- that recruitment for the cohort based Northumberland County Council Apprenticeship Programme will take place from mid April 2017 to capture opportunities for school leavers from this year offering a range of opportunities across the Council.
- that existing apprentices (including those who have less than 2 years service) will be able to apply for internal vacancies (including additional apprenticeships) after staff who are deemed to be "at risk of redundancy" have been considered for such roles and before a post is advertised externally.
- that the council's Apprenticeship Programme will be promoted through a wide range of media with a strong social media presence with appropriate branding developed specifically for NCC.

- that all council apprentices will be required to undertake 20% of off the job training (1 day per week which can take place in a variety of forms) and this will be reflected appropriately within each programme and agreed with line managers in advance.
- that all council apprentices will be supported by Apprenticeship Co-ordinators who may be hosted by NALS, HR/OD or the Northumberland Fire and Rescue Service (NFRS) who have a strong track record in delivering and supporting apprenticeships.

## **PROPOSED APPROACH AND REQUIRED RESOURCES TO INTRODUCE THE NEW APPRENTICESHIP PROGRAMME FOR NORTHUMBERLAND COUNTY COUNCIL**

### Approach

It is proposed that in order to facilitate the new Apprenticeship Programme for Northumberland County Council and to maximise the use of the opportunities afforded by the Apprenticeship Levy, the following approach is proposed:

- All Band 1 and 2 posts will be considered whether they are suitable for recruitment of an apprentice at level 2 in the first instance. Should the Director/Head of Service approving the vacancy not agree that recruitment of an apprentice to a role of this level be suitable e.g. for experience or statutory safety reasons then this will need to be justified via the appropriate vacancy requisition form.
- All posts at band 3 or above, will be considered whether an Apprenticeship framework/standard can be added to the role so that the individual can obtain additional skills as part of their ongoing development. Should the Director/Head of Service approving the vacancy not agree that an apprenticeship to a role of this level be suitable then this will need to be justified via the appropriate vacancy requisition form. Managers will have a range of apprenticeship frameworks that they can select as part of this process.

### Resources

It is proposed that in order to facilitate the new Apprenticeship Programme for Northumberland County Council the following resources will be required:

### *Support*

- In order to ensure that the pastoral support needs are met for such a large cohort of apprentices that the council recruits 1 x Band 7 Apprenticeship Co-ordinator and 1 x Band 6 Apprenticeship Coach which will require total additional costs to be funded of: £64,204 per annum (including on-costs).
- The Band 7 Apprenticeship Co-ordinator, supported by the Band 6 Apprenticeship Coach will take responsibility for supporting the Apprenticeship



Lead within NALS, HR/OD or the Fire and Rescue Service to ensure that the Apprentices are recruited by cohorts, supported and managed appropriately within the workplace (including liaising with HR & Learning and Development) and their pastoral needs are met. NALS will lead on the provision of the educational/vocational requirements of each apprenticeship.

- Should the council wish to focus on providing further apprenticeship opportunities specifically for young people with disabilities/additional needs and looked after children, dependent upon numbers there may be a requirement for a further Band 6 Apprenticeship Coach (costing £29,836 per annum including on-costs) with specific skills and experience from working with such individuals and a further business case may need to be developed dependent upon actual numbers recruited and grown as part of the longer term plan.
- As number of apprenticeships grow within the organisation, a further business case may need to be developed to meet the pastoral needs of the staff group as required.

### *Salaries*

Where apprentices are recruited directly into existing roles within the establishment there will be sufficient funding in order to cover their salary as an apprentice or at the appropriate band within the Council's salary structure.

Given the proposed numbers of apprentices, managers will be encouraged to make provision for additional apprentices within their existing establishment. To increase the total number of apprenticeship opportunities for by 60 per annum for ages 16-18 years, based on current rates £5,581 per annum (with on-costs) would cost NCC a further £334,860 per annum. It is proposed that these opportunities would be offered predominantly within the Directorate of Local Services and Housing and the Directorate of Wellbeing. This proposal seeks to provide additional recurrent salary costs for 60 apprenticeships for 2017-18 with a further proposal that in principle a further 60 apprenticeships will cost approximately a further £335k in 2018-19. All other salary costs will be funded from current posts.

### **CONCLUSION**

In conclusion, the introduce of the Apprenticeship Levy is not optional and therefore the approach identified within this paper maximises the opportunities that the Apprenticeship Levy affords to ensure that maximum opportunity and gain is made for the benefit of Northumberland County Council and its partners.

### **RECOMMENDATIONS**

It is recommended that approval is given for the approach and resources required to manage and implement the Apprenticeship Levy and the delivery of a new Apprenticeship Programme for Northumberland County Council.



## Implications Arising out of the Report

<b>Policy</b>	<p>The current Corporate Plan makes a direct reference for the Council to support employment and growth together with developing its workforce to ensure that it is able to provide the highest quality services to the population of Northumberland.</p> <p>The Apprenticeship Policy reforms are being implemented and therefore there is a requirement to meet the cost of the Apprenticeship Levy and publish Apprenticeship numbers.</p>
<b>Finance and value for money</b>	<p>The proposed costs of delivering the training will be met through the digital account however there will be additional salary costs for two apprenticeship co-ordinator posts and additional apprentices within areas of new provision or where an increased skill base is required.</p>
<b>Legal</b>	n/a
<b>Procurement</b>	<p>All Apprenticeships will be managed through existing frameworks or with the advice of the procurement team.</p>
<b>Human Resources</b>	<p>Additional resources for two/three Apprenticeship Co-ordinator posts will provide pastoral support to the apprentices who will be recruited and also to existing members of staff.</p>
<b>Property</b>	n/a
<b>Equalities</b>	<p>(Impact Assessment attached)</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/></p>
<b>Risk Assessment</b>	<p>If the council do not utilise the digital account they will not be able to utilise the resources available.</p>
<b>Crime &amp; Disorder</b>	n/a
<b>Customer Consideration</b>	<p>The introduction of a newly launched Apprenticeship Programme for Northumberland County Council will provide enhanced customer satisfaction and a higher skill base for the existing workforce.</p>

<b>Carbon reduction</b>	There are opportunities to deliver a reduced carbon reduction through enhancing and delivering new skills to the new and existing workforce.
<b>Wards</b>	ALL

**Background papers:**

None

**Report sign off.**

***Authors must ensure that relevant officers and members have agreed the content of the report:***

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