

**Report of Head of Projects and Programmes**

**Report to Chief Officer Employment & Skills**

**Date: 21 August 2018**

**Subject: Apprenticeship Levy Training Programme - 2018-23 Provider Contracts**

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s):		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number: CONFIDENTIAL Appendix 1 DPS Cat 10 ATP Contracts 2018-23, rule 10.4 (3)		

**Summary of Main Issues**

1. The Government introduced a levy of 0.5% on employers to fund apprenticeships with effect from April 2017. It is collected monthly from employers with a pay bill in excess of £3 million through the Pay-As-You-Earn system (PAYE) and applies to both the public and private sectors across the UK.
2. The Levy amount of 0.5% of the Council's pay bill equates to c£2.6m per year. This is taken at source by HMRC and returned with an additional 10% top-up into a digital account which can only be used to pay for approved apprenticeship training and assessment. The national programme is managed by the Education and Skills Funding Agency (ESFA).
3. In addition to the Levy, the government introduced legislation that states that all public sector organisations are required to ensure that 2.3% of their workforce are apprentices at any one time. For the Council this target equates to around 330 apprenticeships, plus another 150-200 for maintained schools and can be applied both to new joiners and to upskill existing staff where there is a demonstrable business need. Levy funds can be used on apprenticeship training and end-point assessment for up to 2 years after they are initially raised.
4. The Council successfully registered as an apprenticeships Employer-Provider in February 2018 with the ESFA, and in May 2018 the Employment and Skills Dynamic Purchasing System (DPS) Category 10 for Apprenticeships Training was established.
5. In July 2018, a DPS Category 10 (Apprenticeships Training) mini-competition was published to all 24 providers registered on the DPS Category 10 to procure multiple apprenticeship training providers under the Employer-Provider model.
6. This report seeks authorisation to award five year £0 value contracts to those providers listed in Confidential Appendix 1, commencing on 1 September 2018 and running through to 31 October 2023.
7. The proposals set out in this report contribute to the Best Council Plan 2018/19 priorities around supporting economic growth and access to economic opportunities, providing skills programmes and employment support. The Apprenticeships Training programme will also contribute to the Council's ambitions set out in the Council's Inclusive Growth Strategy and the Leeds Talent and Skills Plan.

## **Recommendations**

The Chief Officer Employment and Skills is asked to approve:

- The award of five year contracts for £0 value to deliver apprenticeships training provision to Council staff under the Council Apprenticeship Levy Employer-Provider Programme 2018-23 to 20 providers as set out in the Confidential Appendix 1.
- The recommended maximum annual Apprenticeships levy draw-down set out in Confidential Appendix 1 allowing individual provider orders to be raised on demand and in accordance with Contract Procedure Rules to enable effective programme management to maximise Council apprenticeships outcomes.
- The Head of Projects and Programmes, Employment and Skills Service will be responsible for the implementation of the recommendations set out in this report and, the management of the Apprenticeship Programme on behalf of the Council.

## **1. Purpose of this report**

- 1.1 This report seeks authorisation to award five year £0 value contracts to 20 providers on the Council's Employment and Skills Dynamic Purchasing System (DPS) established in March 2018 to deliver Levy funded Apprenticeships Training to Council and Local Authority (LA) schools staff.
- 1.2 The recommended providers and their maximum annual levy draw down are set out in the Confidential Appendix 1.

## **2. Background information**

- 2.1 The Apprenticeships Levy amount of 0.5% of the Council's pay bill equates to c£2.6m per year. This is taken at source by HMRC and returned with an additional 10% top-up into a digital account which can only be used to pay for approved apprenticeship training and assessment. The national programme is managed by the Education and Skills Funding Agency (ESFA).
- 2.2 In addition to the Levy, the government introduced legislation that states that all public sector organisations will be required to ensure that 2.3% of their workforce are apprentices at any one time. For the Council this target equates to around 330 apprenticeships, plus another 150-200 for maintained schools and can be applied both to new joiners and to upskill existing staff where there is a demonstrable business need. Levy funds can be used on apprenticeship training and end-point assessment for up to 2 years after they are initially raised.
- 2.3 The Council apprenticeships training programme is now programme managed by the Employment and Skills Service in close liaison with the Human Resources workforce planning service area and comprises a range of apprenticeships across all the Council directorates delivered under the following sector specialisms or "Lots":

### Lot 1 – Business Administration

Business Administration within the Council is a significant service function with a regular turnover. The resource is centrally managed but allocated across services. We have had recent success in this area with 91% of apprentices successfully completing and either moving on to further study or employment and we would look to continue this good work. We require provision of Level 2 and above in Business administration from providers with excellent achievement levels.

### Lot 2 – Construction

Traditionally Leeds Building Services have recruited apprentices to resource their workforce at the entry level. These start with a 14 month QCF apprenticeship which covers a range of trades which are generally completed prior to staff electing a preferred trade apprenticeship. Learners then go on to specialise in a given Trade apprenticeship at Levels 2 and above (DPSs/standards including those in carpentry, plumbing, electro-technical, plastering and painting and decorating). Training Providers should have good quality provision for practical elements of the apprenticeship in a location within the vicinity of Leeds. This lot also covers the business needs of our Highways service that currently require delivery of Construction Operations & Civil Engineering, also Intermediate and advanced Civil Engineering and may extend to further highways related skills at a future date. Following the practical vain of this lot our Fleet service requires delivery of Heavy Vehicle Maintenance and Repair, Levels 2 and above which should likewise have suitable practical provision.

### Lot 3 – Customer service

Our customer service provision across the Council is large scale covering our call centre, community hubs and libraries and other service areas that come into contact with community or visitors. It is hoped that in time, apprenticeships may form the entry route to roles across the service. However at this time commitment is ring fenced to the contact centre where core customer service skills are required to deliver a first point of contact service. Apprenticeships will provide the building blocks for career progression and aid retention in a fast moving field. Customer Service Level 2 and 3 is required for this Lot.

### Lot 4 – Health & Social Care

Training and development within Adult Social Care has been a solid provision for some years and more recently apprenticeships are featuring highly as a main form of entry level recruitment.

One of our priorities is to upskill our current workforce and deliver transformational roles through apprenticeships, we will also provide Apprenticeship support to Private, Independent, and Third Sector Social Care organisations. In the short to medium term we want to deliver the new apprenticeship standards from Level 2 to Level 5 in Health and Social Care. In addition to this we are seeking training providers who will be able to deliver higher level degree apprenticeships.

This lot is also looking for strong provision for Children's Services with a wide range of current and future requirements covering courses between Level 2 and 7 in a range of Children and Young People's standards, including level 4 and level 5 'Working with children and young people', childcare & Early Years Educators. In the future we may consider standards in Occupational Therapy once these are approved and ready for delivery. Our Children and Families service are also keen to develop and adopt new and higher level standards including a level 7 apprenticeship in Leadership and Management.

#### Lot 5 – ICT

Digital skills are an ever growing area. As a Council we have employed a proportion of entry level ICT posts as apprenticeships over the last few years, focusing mainly on Microsoft and networking skills. In a bid to develop our apprenticeship offer we are also seeking to convert ICT degree courses that we have supported and as such would be looking for a provider that could cover Levels 2 and above and also higher degree level ICT courses.

#### Lot 6 – Legal

Our Legal services are keen to provide a clear progression pathway for a career in Legal within the Council. This will involve Legal apprenticeships which will include Level 3 paralegal up to Level 6. Professional Legal accreditation must be achieved at the outcome of the apprenticeship.

#### Lot 7 - Sport & Leisure

Sport and Active Recreation have an active training ethos and are keen to develop their staff where ever they see the potential. Training providers would be expected to deliver Levels 2 and above to cover the breadth of sports & recreational related apprenticeships including leisure operations, leisure duty manager, personal training, gym instruction and activity leadership. Training must be delivered flexibly and be mindful of shift patterns. Although less developed the Council are considering extending their offer in more of the leisure and arts areas including libraries, museums and theatres, we would be interested in providers who could cover the breadth of this lot.

#### Lot 8 - Professional Support services

This lot covers the range of support services functions and associated apprenticeship training (those that fall outside of ICT and Legal specialisms). This will include apprenticeship equivalents to professional qualifications including Finance, HR, and Projects & Procurement including accreditations to; AAT, CIPFA, CIPD, CIPS and APMP. Standards & Frameworks will range from Level 2 to 7 and cover AAT 2-4, and professional Accountant Level 7, when released. Also required are HR standards levels 3 to 7, as and when these are available for delivery. For our Projects & Procurement Unit the business requires Project Management and Public Sector Commercial and Professional Level 4 standard. Accreditations to professional bodies must be achieved at the outcome of the qualification.

#### Lot 9 - Leadership & Management

Leadership and management training has traditionally been provided across services and across levels to fill skills gaps and develop rising talent. In the past this has been supported through training and development budgets. With part of the budget now dedicated to pay the apprenticeship levy it is important that where possible Leadership and management apprenticeships are utilised instead of traditional routes. The Council is keen to provide a solid

career progression through Leadership & Management and so requires delivery of Levels 3 to 7.

### Lot 10 - Facilities & Services

We have a number of other front line services that lend themselves very well to recruiting apprentices these incorporate manual services such as Parks, including; Land based studies with our Parks and Countryside service, delivery required in DPSs/standards covering Horticulture, Land Based Engineering and General Gardening Operations. Our Housing Service are also keen to provide a clear career pathway within the service and to initially provide introductory numbers of apprenticeships to support this. These will include Level 2 standard Housing Property Management Assistant, Level 3 Housing Property Management, in time Level 4 in Senior Housing Property Management and possibly Level 6 Housing qualifications in the future.

### Lot 11 - Schools

Schools in Leeds are specifically looking for high quality education based apprenticeships at Levels 2 and above that enable them to benefit from the levy fund in their sector. These would naturally include Schools Business Director/Manager, Early Years practitioner, various support roles (eg Technicians, Caretaking, Catering, Administration) and once developed, Teaching Assistant and Teacher apprenticeships. Training Providers bidding for this lot should be comfortable to deliver in a flexible way that may accommodate schools working together in clusters and alliances.

## **3. Main Issues**

### **3.1 Award of Contracts**

3.1.1 This report seeks approval to award of 5 year £0 value contracts to 20 providers that bid in the Council's DPS mini-competition for Category 10 Apprenticeships Training delivery commencing 1 September 2018 to 31 October 2023, 4 providers that had previously joined DPS category 10 elected not to submit a bid.

### **3.2 Provision and Coverage**

3.3 The list of 20 training providers is set out in the Confidential Appendix 1 and coverage by Lot and qualification Levels are summarised in the table below:

<b>Count of Providers by Specialism</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 4</b>	<b>Level 5</b>	<b>Level 6 (Degree)</b>	<b>Level 7 (Masters)</b>
Lot 1 Business Administration	14	14	9	0	0	0
Lot 2 Construction	6	5	4	2	3	1
Lot 3 Customer Service	14	14	1	0	0	0
Lot 4 Health & Social Care	7	7	4	8	3	2
Lot 5 ICT	6	8	5	0	1	1
Lot 6 Legal	0	0	0	0	0	0
Lot 7 Sport & Leisure	5	4	0	0	0	0
Lot 8 Professional Support Services	7	8	8	1	1	2
Lot 9 Leadership & Management	9	14	7	13	6	3
Lot 10 Facilities & Services	7	6	2	1	1	1
Lot 11 Schools	7	6	4	2	2	1

3.3.1 To enable the Council to maximise grant expenditure and programme impact, recommended allocations can be over-programmed by up to a maximum of 10% for each provider. This is

compliant with Contract Procedure Rules and supports effective programme management to enable orders to be raised within the total Levy funding available.

- 3.3.2 A Leadership and Management apprenticeships offer was cascaded across Council Directorates in July 2018 and the level of interest has been high.
- 3.3.3 Council and LA schools staff will be subsequently invited to express interest in other apprenticeship standards for qualifications that sit outside of Leadership and Management which are relevant to their role and service area.
- 3.3.4 Apprenticeship provider contracts terms and conditions have been updated to ensure compliance with May 2018 GDPR legislation and also July 2018 ESFA funding rules.
- 3.3.5 Any relevant future ESFA funding rules amendments will be cascaded to providers orders T&C's to ensure compliance.

## **4. Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 The Executive Member for Learning, Skills and Employment has been consulted on this decision. The Projects, Programmes and Procurement Unit have been consulted on the approach to the contract.
- 4.1.2 HR Business Partners have worked closely to engage with leads in each directorate to identify and coordinate workforce development and succession planning needs across the Council as well as identifying key skills gaps.
- 4.1.3 The mix of providers, types of standards available and target groups will enable the Council to continue to provide a broad and balanced programme for a range of apprenticeship types across the Council. This opportunity will also inspire and motivate existing members of staff, many of which have worked for the authority for a number of years with a severe shortage of formal training.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 All providers were required to submit Equality Diversity and Community Cohesion (EDCC) information as part of their applications to join the DPS and in subsequent mini competitions. Providers will continue to report on and demonstrate that equality issues have been considered and will be embedded in the planning, delivery and review of provision.
- 4.2.2 The provision is also subject to Ofsted requirements through the Common Inspection Framework which are built into the contract monitoring and quality assurance processes. This includes a key focus on equality and diversity including providing quality inclusive services, identifying and removing barriers and narrowing any gaps in participation and achievement.
- 4.2.3 An equality screening was carried out on 20 Aug 2018 and is detailed in Appendix 2. The findings from this assessment are that equality, diversity, cohesion and integration issues have been appropriately considered in relation to the proposed allocation of contracts to providers on the Council's Apprenticeship Programme.

### **4.3 Council Policies and Best Council Plan**

- 4.3.4 The proposals set out in this report contribute to the Best Council Plan 2018/19 priorities around supporting economic growth and access to economic opportunities, providing skills programmes and employment support.
- 4.3.5 The proposals will also contribute to the Council's ambitions set out in the Council's Inclusive Growth Strategy and the Leeds Talent and Skills Plan.

### **4.4 Resources and Value for Money**

- 4.4.1 In February 2018 the Council attained Employer-Provider status on the Register of Apprenticeship Training Organisations (RoATP) and the Council is preparing to start delivery of Levy funded apprenticeship training from September 2018.

- 4.4.2 The Employment and Skills Projects and Programmes team will programme manage Council and LA schools staff apprenticeship training and ensure all ESFA levy funding compliance is met.
- 4.4.3 The Employment and Skills' Finance Manager has been consulted on the proposed awards to ensure financial integrity of the Levy funding available.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 Following a mini-competition 20 providers were selected from the Council's Employment and Skills DPS and will be awarded five year £0 value contracts, commencing on 1 September 2018 and running through to 31 October 2023 in accordance with the Council's Contract Procedure Rules.
- 4.5.2 The Council Procurement Manager advises this decision to award contracts is an officer delegated Significant Operational Decision subsequent to the previous Key Delegated Decision in December 2017 to establish the DPS, and is not subject to "call-in".
- 4.5.3 Subject to approval, processing of orders for Apprenticeships training provision will be undertaken by officers in the Employment and Skills Service in conjunction with PPPU.
- 4.5.4 The information contained in Confidential Appendix 1 relates to the financial or business affairs of provider organisations and is therefore considered to be commercially sensitive. This information has been obtained through the contract management process which is still subject to negotiation in some areas. It is therefore considered that this element of the report should be treated as exempt under rule 10.4 (3) of the Access to Information Procedure Rules.

#### **4.6 Risk Management**

- 4.6.1 Advice on the terms and conditions, award methodology and criteria to award contracts has been sought from The Council Procurement Manager.
- 4.6.2 Advice on maximum annual amounts for contracts has been sought from the Finance Manager in conjunction with the Apprenticeships Levy.
- 4.6.3 All contracts awarded will be subject to robust financial and quality monitoring procedures led by officers in the Employment and Skills Service and in accordance with the Council's and the ESFA's regulations.
- 4.6.4 A privacy impact assessment was carried out on 20 Aug 2018. The Privacy Impact Analysis is detailed at Appendix 3.

### **5. Conclusions**

- 5.1 Following an open tender process in May 2018, 24 organisations were appointed to a ten year Dynamic Purchasing System for Apprenticeships Training Provision. In July 2018 those organisations bid in a mini-competition for five year contracts to deliver the Council's Apprenticeship Programme training provision.
- 5.2 This report deals with the award of contracts starting on 1 September 2018. The Levy funding available for apprenticeship delivery is £2.6 million per year.

### **6. Recommendations**

- 6.1 The Chief Officer Employment and Skills is asked to approve:
- The award of five year contracts for £0 value to deliver apprenticeships training provision to Council staff under the Council Apprenticeship Levy Employer-Provider Programme 2018-23 to 20 providers as set out in the Confidential Appendix 1.
  - The recommended maximum annual Apprenticeships levy draw-down set out in Confidential Appendix 1 allowing individual provider orders to be raised on demand and in accordance with Contract Procedure Rules to enable effective programme management to maximise Council apprenticeships outcomes.

6.2 The Head of Projects and Programmes, Employment and Skills Service will be responsible for the implementation of the recommendations set out in this report and, the management of the Apprenticeship Programme on behalf of the Council.

**7. Background documents<sup>1</sup>**

7.1 There are no background documents

---

<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.