

Report of Steven Neill (CIPFA Coordinator)

Report to Chief Officer Financial Services

Date: November 15th 2018

Subject: Award of level 7 finance apprenticeships to CIPFA Education and Training Centre (CETC) by way of a waiver of contract procedure rules

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. Leeds City Council finance staff have historically studied for the Chartered Institute of Public Finance and Accountancy (CIPFA) professional qualification. This is the preferred qualification for its accountants and can now be studied as part of a level 7 apprenticeship called Accountancy / Taxation Professional.
2. The purpose of this report is to seek permission to award level 7 finance apprenticeships to the CIPFA Education and Training Centre (CETC) by way of a waiver of contract procedure rules 8.1 and 8.2.
3. Leeds City Council currently has an apprenticeship framework in place with a professional support services element which includes finance. Babington is the current provider.
4. Other level 7 finance apprenticeships are available but CETC is the only provider of the version which includes the CIPFA qualification.
5. Financial Management currently has 6 trainees studying CIPFA with CETC as apprentices.
7. The course is levy funded to a maximum cost of £21,000 per apprentice.
8. The council has recently appointed 2 new Trainee Professional Accountants and will look to recruit a further 2 in September 2019.
9. The decision to award a contract to CTEC is a significant operational one because the value of the contract is under £100K per annum but involves waiving contract procedure rules.

Recommendations

1. That the Chief Officer Financial Service approves the waiver of the following Contract Procedure Rule: **Contracts Procedure Rule No 8 –intermediate procurement**
2. The decision is made to award a contract to CTEC for the delivery of level 7 accountancy apprenticeships for 4 Trainee Professional Accountants, 2 to start the course in February 2019 and 2 to start February 2020.

1 Purpose of this report

- 1.1 To seek approval to award a contract to CTEC for the delivery of level 7 finance apprenticeships; funded by the apprenticeship levy.

2 Background information

- 2.1 The apprenticeship levy was introduced nationally in May 2017 as a way to promote training within organisations which are required to set aside funding based on their size and payroll expenditure to be used to fund vocational training. The total fund for Leeds City Council to draw down is approximately £2.6m per year.
- 2.2 Leeds City Council has an apprenticeship framework contract which was completed in October 2017. This tender includes a lot to provide the council's professional support services which includes finance. Babington won the tender and provide the apprenticeships which include the Association of Accounting Technicians (AAT) qualification. CTEC following advice from HR did not tender for the lot as they would be unable to provide the non-finance elements.
- 2.3 The council currently has 6 students studying the CIPFA accountancy qualification as apprentices.
- 2.4 Financial Management have recently (September 2018) appointed 2 new Trainee Professional Accountants and are looking to recruit 2 more as part of the councils graduate scheme which will begin recruitment in December 2018 for a September 2019 start. The Trainee Professional Accountant role is a three and a half year training program which includes studying for a professional accountancy qualification.
- 2.5 CIPFA is the only professional accountancy qualification specializing in public sector finance and the preparation of public sector accounts.
- 2.6 CIPFA have taken the decision that their in house training team CTEC will be the sole provider of the level 7 finance apprenticeship which would include the CIPFA accountancy qualification.
- 2.7 CETC is a registered apprenticeship provider. CETC charge £21,000 for the CIPFA level 7 finance apprenticeship. The full cost of this course can be reclaimed via the level. Additional exam and membership fees would be a direct cost to Resources and Housing and these cost are just under £2,000 per trainee over the course.
- 2.8 Leeds City Council is a Platinum accredited employer with CIPFA.

3 Main issues

Reason for Contracts Procedure Rules Waiver

- 3.1 There is no internal provider capable of delivering this provision.
- 3.2 The new Trainee Professional Accountants could undertake a level 7 finance apprenticeship with Babington the current provider.
- 3.3 Babington do not provide the version of the apprenticeship which awards the CIPFA accountancy qualification. A waiver is required to use CTEC without competition for the February 2019 and February 2020 cohort of students.

- 3.4 The Finance team would like to support the use of apprenticeships to meet the learning and development needs of existing staff and to get best value out of our levy contributions. If the council supports fewer than 500 apprentices this year we may not recoup the full levy of £2.6 million.
- 3.5 The current published cost of a course is £21,000 which would be funded via the levy and an additional £1,882 for membership and exam costs (at current prices). This figure would drop if a trainee had exemptions due to a relevant degree. For 4 new trainees the waiver would therefore be for a maximum cost of £91,528.

Consequences if the proposed action is not approved

- 3.6 If the waiver is not approved current and future students could be given the option to study with another professional body which the current apprenticeship provider uses.
- 3.7 The CIPFA qualification specializes in public sector finance and other accountancy qualifications will not have the same public sector emphasis.
- 3.8 The Council has an excellent working relationship with CIPFA and is a Platinum rated employer. This relationship could be damaged if the council's accountants are trained by another professional body.
- 3.9 There is also a risk of the council not obtaining full value from our levy contributions.

Advertising

- 3.10 The framework contract was advertised through YORTENDER and awarded in October 2017.

4.1 Consultation and Engagement

- 4.1.1 Financial Management feel that CIPFA is still the most relevant qualification for public sector finance staff to study and currently has 6 trainees studying for CIPFA. The service is currently set up to provide support to trainees studying CIPFA and changing providers will mean this as well as a period where the services has trainees studying two different qualifications, support for the new trainees may not be as focused until the new course requirements are fully understood.
- 4.1.2 Recruitment for the Trainee Professional Accountant posts stated that CIPFA was the qualification successful applicants would be studying.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 The decision will affect the two Trainees Professional Accountants hired in September 2018 and any hired in September 2019. All Trainees Professional Account posts are subject to a full open recruitment process.
- 4.2.2 Please see equality Impact screening tool attached as appendix 1.

4.3 Council Policies and Best Council Plan

- 4.3.1 Using the new apprenticeship programme to train accountants will lead to continual improvement in service delivery and sustainability. Making full use of the apprenticeship levy will be consistent with 'spending money wisely'.

4.4 Resources and Value for Money

- 4.4.1 The current published cost of a course is £21,000 which would be funded via the levy. Additional costs £1,882 made up of a £50 registration fee, student membership for £158 for 4 years, £1,200 for 11 exams (10 x £100 + 1 x £200) for each trainee will need to be found by the service. This figure would drop if a trainee had exemptions due to a relevant degree. For 4 new trainees the waiver would therefore be for a maximum cost of £91,528.

4.5 Legal Implications, Access to Information and Call In

- 4.5.2 The maximum cost of the waiver will under £100K per annum but involves waiving contract procedure rules. This decision is therefore a significant operational one and does not require call in.
- 4.5.3 In making their final decision the Chief Officer Financial Services should be satisfied that the course of action recommended represents best value.

4.6 Risk Management

- 4.6.1 The current provider for the professional services lot of the framework contract can provide another level 7 finance apprenticeship so there is a small risk of challenge. The winning tenderer currently provide the level 3 & 4 accountancy apprenticeships which includes the AAT qualification.

5 Conclusions

- 5.1 This request will allow up to 4 new Trainee Professional Accountants to study the Councils preferred accountancy qualification.

6 Recommendations

- 6.1 That the Chief Officer Financial Service approves the waiver of the following Contract Procedure Rule: **Contracts Procedure Rule No 8 –intermediate procurement**
- 6.2 The decision is made to award a contract to CTEC for the delivery of level 7 accountancy apprenticeships for 4 Trainee Professional Accountants, 2 to start in February 2019 and 2 to start February 2020.

7 Background Documents

- 7.1 N/A