

# Strategy and Resources Scrutiny Board Maximising the Apprenticeship Levy

## Summary Note of the Working Group Meeting held on 14<sup>th</sup> December 2018

### Introduction

1. In October 2017, the Strategy and Resources Scrutiny Board received an update on how the Council was developing Apprenticeship plans under the wider remit of the More Jobs, Better Jobs programme. Linked to this, the Board particularly considered how the Council could utilise the Apprenticeship Levy to make the greatest impact.
2. This year, the Scrutiny Board decided to revisit this matter and review how the Council is maximising the Apprenticeship Levy in relation to its own workforce development. It was agreed that this matter would initially be considered via a working group, with an invitation extended to all Board Members. This meeting was held on 14<sup>th</sup> December 2018, with key information being presented by Councillor James Lewis, Deputy Leader and Executive Member for Resources and Sustainability and Libby Megson, HR Service Manager.
3. This summary note sets out the key issues arising from the evidence presented at the working group meeting for the consideration of the full Scrutiny Board.

### Summary of key issues.

#### Understanding the stipulations associated with the Apprenticeship Levy funding process.

4. The working group acknowledged the following stipulations associated with the Apprenticeship Levy funding process;
  - The funding initially leaves the Council's main account and is given to HMRC.
  - HMRC returns the funding plus an additional 10% into the Council's Digital Apprenticeship account.
  - The Council can only spend money on Apprenticeship Training or standards, this cannot be used for wages or management time.
  - Training providers are sourced and then paid monthly according to the type and number of apprenticeships they deliver.
5. The working group was informed that from April 2017, Levy payments equivalent to 0.5% of the Council's pay bill had been taken by HMRC and put in a Digital Levy account.
6. At that stage, the annual Levy stood at £1.7m for Leeds City Council and a further £0.7m for schools. It was also noted that the Council had spent £511,000 and committed a further £3.2m over the next 3 years. This meant that the unspent Levy pot was at £3,872,102.
7. Whilst acknowledging that the Levy funding can be used anytime up to 24 months from first being levied (with the oldest money required to be spent first), the working group was conscious that if after 24 months the Council does not use the funding, then it will be returned to central government.

## Progress made to-date in maximising the Apprenticeship Levy

8. The working group acknowledged the public sector target set by the Department for Education (DfE) for which the Council has to give due regard. This is 2.3% of the Council's head count and therefore, on an annual basis, this would equate to employing over 500 Apprenticeships; 350 in Leeds City Council and 200 in schools.
9. As the Levy is an additional cost to the Council, the working group acknowledged that efforts continue to be made to encourage this to be utilised, where possible, to train and develop both new and existing staff and assist in developing career pathways for individuals to encourage fresh talent into Local Government.
10. It was noted that back in 2016, the majority of the apprentices were new into the Council and all were either Level 2 or 3, in traditional roles such as craft roles, gardeners, childcare, Healthcare. However, the working group acknowledged that the Council has moved from supporting a handful of apprenticeship frameworks, mostly at entry level for traditional roles, to managing apprentices spanning over 50 different frameworks and standards across all directorates within the Council.
11. It was reported that apprentices are now studying from Level 2 through to Level 7 (post graduate), and in diverse roles such as Civil Engineering, Solicitor, Digital, Finance and MBA. With the upsurge in professional qualifications available, and the reduction in alternative training budgets, the working group learned that there has also been a notable increase in internal staff conversions to apprenticeships, with the data showing a 70/30% split between conversions/new apprentices.
12. Linked to this, particular reference was made to the introduction of a Leadership and Management Apprenticeship Programme which had been developed in response to staff survey results as a way of providing a clear leadership career pathway for staff as well as contributing to the wider management development programme.
13. This programme invites colleagues to apply for apprenticeship development specifically across management apprenticeship standards from level 3 to 7. As apprenticeships are vocational and learners must be able to evidence learning throughout their work, the working group learned that efforts were made to map the management standards across associated grades for this to be used as a guide (see table below). However, it was also noted that these were not set and so there would remain room for progression and stretch.

<b>Level</b>	<b>Staff group</b>	<b>Suggested grade band</b>
3	Supervisor / Team Leader	Up to SO2
5	Operations / Service Managers	PO1-3 grades
6	Senior / Strategic managers	PO4 - PO6
7	Senior Leaders	JNC

14. The working group noted that the Council had also bid for and secured Employer Provider status to enable it to provide bespoke delivery and also bring monies back into the Council from the Levy directly. Linked to this, the working group also welcomed the Council's ongoing commitment to the Leeds Living Wage for all entry level employees including apprentices and as such, have begun to be an attractive

proposition against other employers only supporting the National apprenticeship pay rate of £3.70.

15. In terms of the overall progress made to-date, the working group was informed that the Council figures at that time stood at 593 apprentices on programmes. However, it was noted that approximately 80 of those were registered prior to the introduction of the Levy and as such cannot be counted towards the official target.
16. It was therefore explained that when the government return was submitted in September 2018, figures reported were 276 apprentices employed but only 204 since the Levy began. After submission, the Council had reached 341 in total (with only 258 counted). However, it was highlighted that the recent enrolment of a large cohort of internal staff to Leadership and Management Apprenticeships (180 staff in the first cohort in September 2018) had brought the figure to over 500 apprenticeships since the introduction of the Levy, which therefore meant that the Council had exceeded its target.

#### Ongoing efforts to drive future interest and uptake of apprenticeships

17. The working group recognised that whilst the Council has made such great strides in the development of apprenticeships and pathways for the Council's workforce, efforts are still required on maintaining this positive start and to implement a stronger link between apprenticeships and the Council's workforce development strategy to ensure that the Levy is being spent effectively and that the public sector target continues to be met.
18. Linked to this, the working group acknowledged the key role of the Council's Apprenticeship Board, which was set up to provide assurance, consistency and challenge to the work that the Council does around Apprenticeships. This is attended by the Chief Officer for Human Resources; the Chief Officer for Employment and Skills, and other lead officers from within both service areas that are working collaboratively. However, as part of its work, it was highlighted that support is also utilised from a wide variety of other sources, for example:
  - The views of schools, young people, parents and carers and community organisations
  - Providers – including our local FE and HE organisations (particular partnership links now growing with our local universities as a result of the Leadership programme)
  - Professional bodies and the LGA and WYCA – good network of regional colleagues to share ideas and bolster cohort numbers with providers
  - Trade Unions
  - Other Levy-paying organisations and Councils
19. Moving forward, the working group learned that the Apprenticeship Board's key areas of focus will be around improving identification and forecasting, through work-force planning, to set out where future Apprentices will come from. However, it was acknowledged that despite already knowing where particular demand areas are, current restrictions linked to the Apprenticeship Programme nationally has prevented progress in this regard. An example shared with the working group related to the

recruitment gap for Social Workers and the potential benefits to be gained by having the necessary Level 6 Social Work qualification being introduced as part of the apprenticeship pathway.

20. It was noted that particular work will also be undertaken to explore what can be done to engage communities and offer opportunities to priority groups to increase diversity – especially with entry level Apprenticeships. Linked to this, a suggestion was made by the working group for the Apprenticeship Board to liaise closely with the Council's Communities Team and reflect on the work that is being undertaken as part of the Council's Priority Neighbourhoods approach.
21. The working group also acknowledged that particular efforts would continue to encourage a greater uptake of school based apprenticeships. However, it was noted that earlier engagement efforts made with schools, including Head Teacher briefings; family of schools/cluster meetings and Finance officer networks, had already flagged a number of common issues and barriers linked to the take up of apprenticeships, which are primarily linked to the stipulations placed upon the Apprenticeship Programme nationally.
22. As the Apprenticeship Programme now requires 20% off the job learning to achieve the qualification, this can pose a particular challenge to schools. As such, they may need to limit the numbers of staff that can be enrolled at any one time in order to meet resource demands.
23. Whilst there is a strong demand to offer higher Teaching Assistants a through career pathway, there is currently no provision within the Apprenticeship Programme to accommodate this. The Programme only offers entry at Levels 3 and 6, which is a post graduate level qualification. As such, existing Level 3 Teaching Assistants would need to obtain a degree qualification before being accepted entry onto a Level 6 Apprenticeship Programme. The working group noted that schools nationally have already lobbied the Department for Education on this particular issue.
24. As well school staff, the working group was also reminded of the decision taken by the government in April 2018 to introduce the ability for Levy paying Employers to spend up to 10% of their Levy on funding apprenticeships in other organisations within its supply chain or those that the Council partners with across the city. However, it was reported that this allowance was now set to increase to 25% in April 2019.
25. Linked to this, the working group noted that the Apprenticeship Board had already outlined a transfer process and identified priority sectors that the Council would wish to target/encourage in this respect, which included; Health & Care, Women in technology, Digital and creative, construction, non-levy paying schools and the voluntary sector. In discussing this further with the working group, a further suggestion was made for the Apprenticeship Board to approach Neighbourhood Network Groups to gauge their views and potential expressions of interest too.