

Report for: Staffing & Remuneration Committee

Title: Progress of the Apprenticeship Levy

Report

authorised by: Richard Grice, Director of Customer, Transformation and Resources

Lead Officer: Maxine Sobers, Workforce Resource Manager

Ward(s) affected: None

Report for Key/

Non Key Decision:None

1. Describe the issue under consideration

To provide the Staffing and Remuneration Committee with an update on the Council's apprenticeship schemes since the Government implemented the apprenticeship levy and public sector apprenticeship targets in April 2017.

2. Cabinet Member Introduction

Not applicable.

3. Recommendations

This report is for information and for the Committee to note the current position.

4. Reason for Decision

Not applicable.

5. Alternative options considered

Not applicable.

6. Background information

6.1. In January 2015, the Staffing and Remuneration Committee approved proposals to introduce a Council apprenticeship scheme, which resulted in 20 apprentices recruited between 2016 and 2017. This scheme also made a 20% contribution to the '100 apprentices in 100 days' programme led by Haringey Economic Regeneration team.

6.2. This Committee last received an update on apprenticeships in December 2016.

6.3. The apprenticeship levy and public sector apprenticeship targets came into operation in April 2017. The levy is charged at a rate 0.5% of an employer's total annual pay bill, if the employer's pay bill is in excess of £3 million, less an Apprenticeship Levy allowance of £15,000 each year. In calculating the total annual pay bill, payments to employees in local authority-maintained schools must be included if the Council is the employer of those employees. Levy funds can be used only to pay for apprenticeship training and assessment for apprentices that work at least 50% of the time in England, and only up to the

funding band maximum for that apprenticeship. The funds cannot be used to pay for other costs associated with apprentices, such as salaries. Training providers and assessment organisations must be approved by the Government.

- 6.4. In addition, public sector organisations in England with 250 employees or more have been set a target to employ an average of 2.3% of their staff headcount as new apprentice starts between 1st April 2017 and 31st March 2021. The table below summarises the broad levy and apprenticeship targets based on our pay bill and headcount of 2162.

	Levy contribution	Apprenticeship targets
Haringey	55%	50
Schools	45%	80

- 6.5 In this report, “Schools” means those schools maintained by the Council where the Council is the employer of the staff at the school i.e. community, community special, voluntary controlled and maintained nursery schools, while “Haringey” means the Council outside schools.

7. Current position within Haringey and London wide context

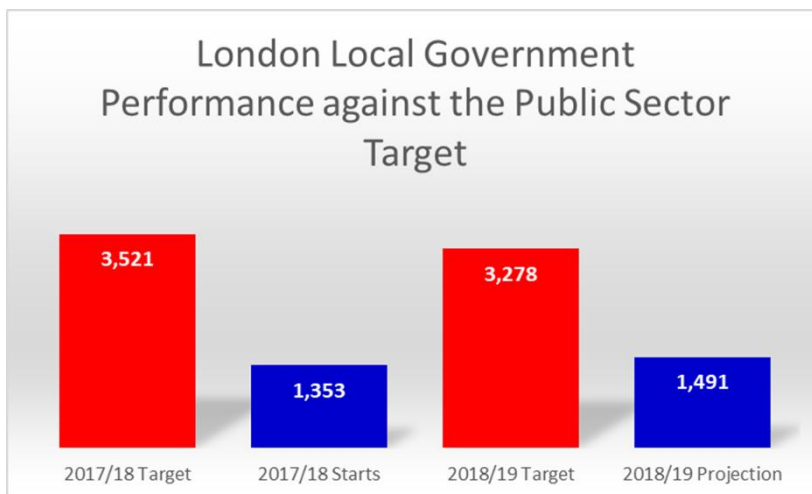
- 7.1. The table below illustrates the number of apprenticeships starts since the introduction of public sector apprenticeship targets in Haringey. The table distinguishes between new and existing staff and this is because existing staff are now able to undertake apprenticeship qualifications without a change to their existing employee terms and conditions.

Year	Haringey		Schools		Actual	Overall Target (50 Haringey 80 Schools)
	New staff	Existing staff	New staff	Existing staff		
2017/18	5	0	13	0	18	130
2018/19	7	19	5	4	35	130
2019/20	2	3	0	1	6	130
Totals	14	22	18	5	59	390

- 7.2. Appendix 1 provides a summary of the apprenticeship qualifications undertaken since 2017 and the demographic make-up of those in the scheme.
- 7.3. Compared to the rest of London, in 2018/19 Haringey Council ranked 26 out of 33 London boroughs when comparing direct recruitment of apprenticeships which excludes schools.



7.4. Based on the 2019 Local Government Association (LGA) survey, London lags behind the rest of the country on apprenticeship starts. London is also spending less of its levy contribution and less likely to have an apprenticeship plan in place.



7.5. The LGA have stated “many employers (are) still struggling to spend their funds two years after the introduction of the apprenticeship levy, further reform to enable greater local flexibility is desperately needed” (6 March 2019 in response to National Audit Office apprenticeship report).

8. Challenges and planned next steps

8.1. Haringey faces a number of issues when seeking to better utilise the levy, some of the pressing challenges include:

8.2 **Suitable resourcing** – the levy funds can only be used for the apprenticeship training and assessment. An effective apprenticeship programme also requires a budget for salaries, pastoral support, procurement and administration all of which needs to be resourced and funded by the Council.

- 8.3 **Apprenticeship time and cost v other learning options** - the cost and time taken to complete an apprenticeship is significantly more compared to qualifications completed through other routes. For example, an accredited project management course would cost approximately £2,500 and 5 days to complete, whereas the starting point for an equivalent apprenticeship qualification is £6,000 (prior to April 19 - £9,000) and 24 months' day release, 20% off the job training to complete.
- 8.4 **Apprenticeship standards/qualifications unavailable for all professions** – Many apprenticeships are still in development or have recently been approved for delivery and some providers are new to the world of apprenticeships, therefore inexperienced and not suitable to local authority ways of working.
- 8.5 The Borough Plan and Workforce Development Strategy of the same period refer to increasing the number of apprenticeships created both within the Council and borough.
- 8.6 The Council as an employer will look to capitalise on the apprenticeship levy to help explore 'grow your own' initiatives to improve occupancy on hard to fill roles and support longer term workforce planning. This sits under the key strategic theme 'valuing differences' of the Workforce Development Strategy.

9. **Contribution to strategic outcomes**

Workforce Development Strategy 2019-2023 and Borough Plan of same period.

10. **Statutory Officers' comments**

10.1 **Chief Finance Officer**

There are no direct financial implications arising from this report.

10.2 **Assistant Director of Corporate Governance**

Section A9 of the Apprenticeship, Skills, Children and Learning Act 2009 (which was inserted into that Act by section 24 of the Enterprise Act 2016) says the public bodies for which the apprenticeship targets are set "must have regard to the targets". Accordingly provided the Council has had regard to the targets, then it is not in breach of the legislation by failing to meet them. Currently there is no statutory sanction in place for any public body that fails to meet the target mentioned in paragraph 6.4. However, there is of course the possibility that the Government will amend the law to introduce such sanctions.

Under section A10 of the Apprenticeship, Skills, Children and Learning Act 2009, and the Public Sector Apprenticeship Targets 2017, the Council is required to publish and send to the Secretary of State annually information on its progress towards meeting the apprenticeships target. The Secretary of State must also be sent by the Council annually information explaining the steps taken to meet the target and reasons why the target has not or may not be met.

The Council will need to comply with the Public Contracts Regulations 2015 when selecting training providers and assessment organisations from the approved registers.

11. Use of Appendices

Appendix 1 – summary of apprenticeship qualifications undertaken.

12. Local government (Access to Information) Act 1985

Not applicable.

Appendix 1 Summary of apprenticeship qualifications undertaken (2017 to present)

The Council has employed 59 apprentices since 2017 - 36 are employed outside schools while 23 are employed in schools. The charts below provide further insight to the topics being studied and the make-up of those staff.

Chart 1: illustrates the subjects studied by the 14 new staff that joined Haringey as an apprentice since April 2017. In contrast, existing staff (see chart 6) are undertaking higher level qualifications.

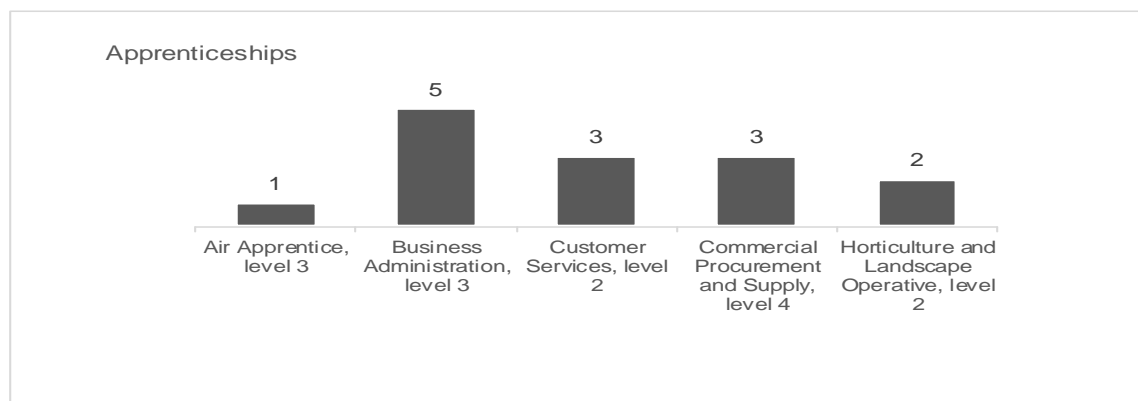


Chart 2 and 3 – illustrates the breakdown of the 14 new apprentices by age and gender.

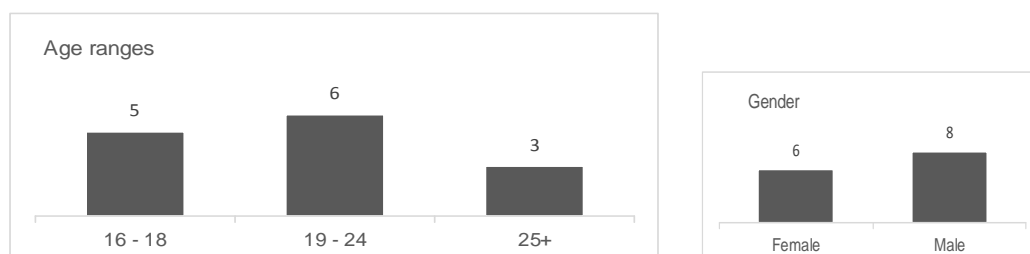


Chart 4 – illustrates the ethnicity breakdown of the 14 new apprenticeships.

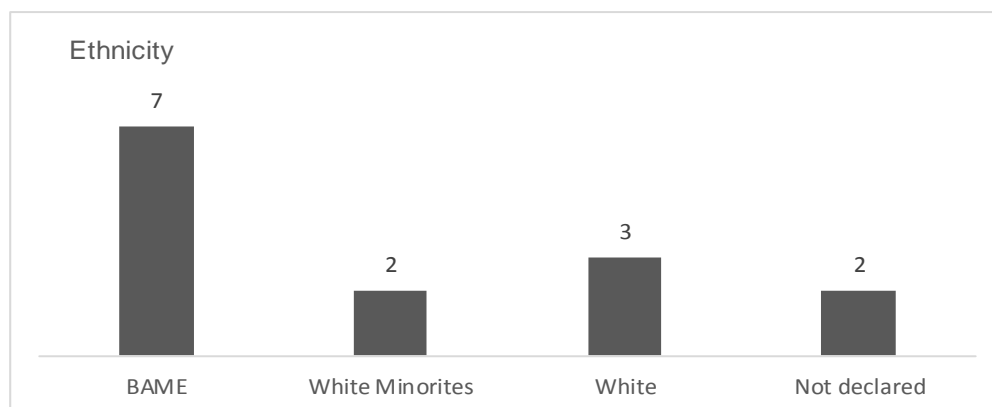


Chart 5 – illustrates the residency of the 14 new apprenticeships, which confirms just over 80% of apprentices live in the borough.

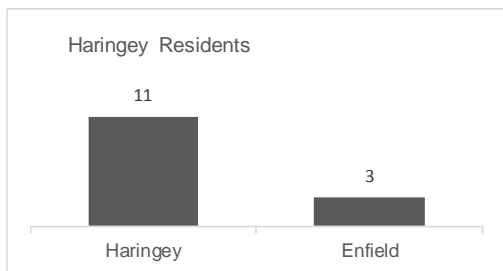


Chart 6 – Since 2017, 22 existing Haringey staff opted to study for an apprenticeship qualification and the below chart summarises the topics studied.

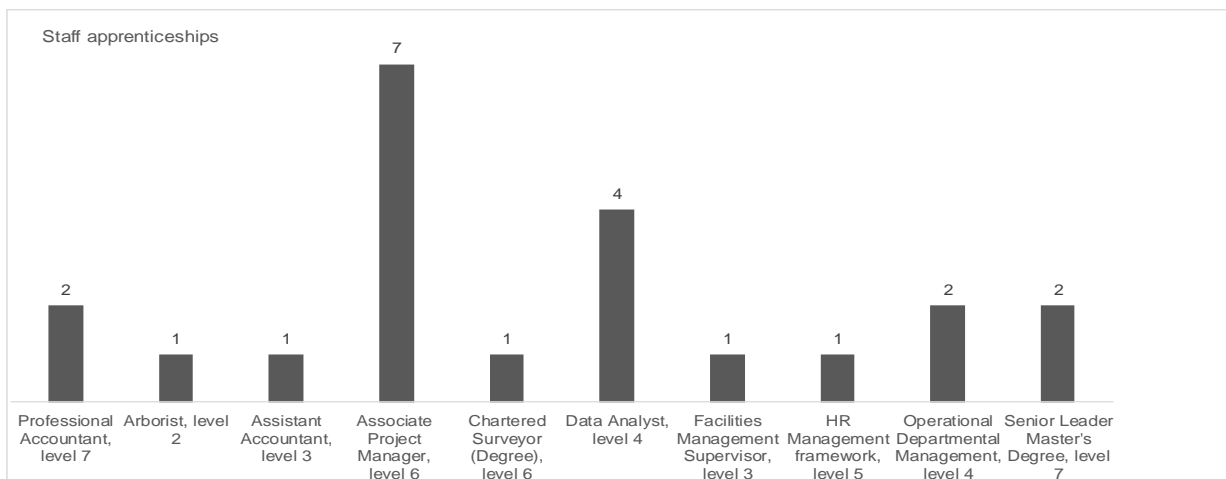


Chart 7 – summary of new apprenticeships employed in schools

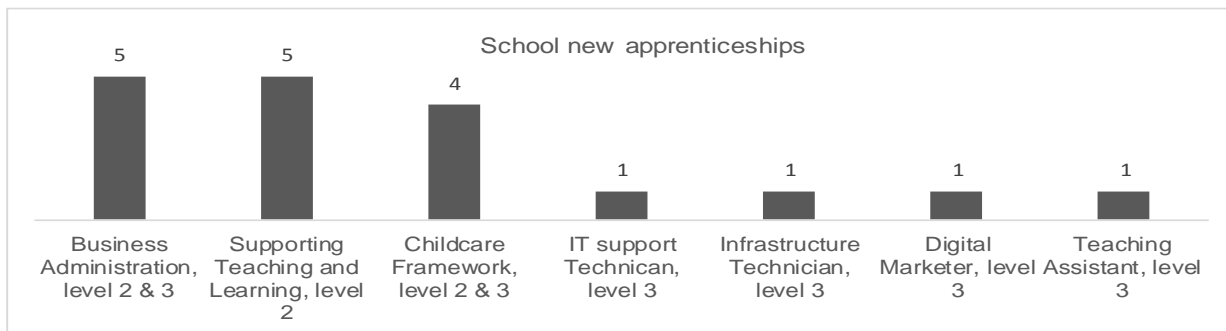


Chart 8 – summary of apprenticeships based on the 5 school staff apprenticeships.

