

27th September 2017**Agenda Item: 5****REPORT OF THE SERVICE DIRECTOR - CUSTOMERS AND HUMAN
RESOURCES****NOTTINGHAMSHIRE COUNTY COUNCIL'S RESPONSE TO THE
APPRENTICESHIP LEVY AND PUBLIC SECTOR DUTY****Purpose of the Report**

1. To provide the Personnel Committee with an overview of the actions taken by the Council to ensure the effective implementation of the Government's national Apprenticeship Levy and associated Public Sector Duty, which took effect on 6th April 2017, and to seek approval for the Council's employer Apprenticeship Programme and action plan for delivery.

Background

2. Nottinghamshire County Council previously provided up to 60 Apprenticeship placements a year for young people aged 16-24, funded through a centrally held budget. This was part of the Council's overall offer of work based learning programmes aimed at attracting new employees into the Council's workforce as part of its Workforce Strategy, linked to its wider Economic Development agenda to encourage skills development and improve the employability of young people across the County.
3. At its meeting on 1st February 2017, Elected Members of the previous Personnel Committee received an initial report setting out the background to the requirements of the new Apprenticeship Levy and highlighting the specific implications for the County Council, as they were understood at the time.
4. Members considered and agreed:
 - The proposed approach to implementation of the Apprenticeship Levy and associated Public Sector Duty in the context of the uncertainties at the time of the changing and still emerging picture at national level.
 - The establishment of 2 fte Band B posts of Project Officer to work with the Council's HR team for a fixed term of 12 months initially in order to develop and deliver the Council's response to the Levy and associated Public Sector Duty.
 - That a further progress report be brought back to Personnel Committee as the details at national level were confirmed and a strategic approach identified.

5. Final national guidance was issued later in February 2017. This has enabled the detailed development of an Apprenticeship programme which will enable the Council to comply with its new duty and ensure that progress is made toward the achievement of its Apprentice headcount target to enable the cost of the Levy to be recovered.
6. The approach proposed supports the Council's current strategic objectives as set out in the Council Plan "Your Nottinghamshire, Your Future". Our own extended Apprenticeship offer will contribute to building a thriving local job market, by providing a vocational route into employment, training and qualification for people of all ages which helps to build a modern, local, skills base. This will be linked with and contribute to the Council's wider Economic Development, Educational Improvement and Corporate Parenting strategies.
7. Maximising the potential provided by the Levy to use Apprenticeships as a means to ensure that the Council sustains and grows its reputation as a good employer and is able to recruit, train, develop, deploy and retain the future skills base it needs, will be a key element of the Council's workforce planning strategy moving forward.

Delivery Programme

New apprenticeships and existing staff

8. A number of actions have been undertaken to create new apprenticeships and encourage take up of appropriate apprenticeship training from amongst existing staff.
9. In order to be in a position to respond to the direct employment of Apprentices from 6th April 2017, the initial focus of the Council's Apprenticeship project has been on the direct employment of Apprentices to meet its own **176** headcount target. The aim is to involve schools from September 2017 onward to enable the Council over time to reach its overall target of **372**.
10. Under previous arrangements, the Council's Apprentice Training Agency provider, Futures, were the employer of Apprentices placed with the Council. Under the new requirements of the Levy, from 6th April all new Apprentices are direct employees of the Council, and an Apprenticeship Agreement has been developed to accompany the contract of employment to facilitate this.
11. Other actions include:
 - A revised Vacancy Control Decision Record (VCDR) has been developed and launched, this enables all Council vacancies released for advert to be considered for Apprenticeships with related training.
 - The Education and Skills Funding Agency digital Apprenticeship account became available in May and this has now been set up and is being managed through the Workforce Planning and Organisational Development Team. When an Apprenticeship agreement is entered into, the details are input into the Council's digital account and the cost of the Apprenticeship training and assessment is automatically transferred to the training provider at monthly intervals over the agreed length of the Apprenticeship.

- Futures have been contracted under the terms of the Council's existing arm's length relationship to continue to market Apprenticeship opportunities within the County Council. The Council's recruitment processes have been adjusted to accommodate Apprenticeship applications through these arrangements. Existing arrangements with training providers through Futures will also be maintained in the short term pending the development of new and additional opportunities as the scope of the Council's Apprenticeship offer widens which may require additional provider input.
- The Council's Apprenticeship Programme is also promoted externally within the wider community in order to ensure an ongoing supply of appropriate apprentices including regular attendance at Job Fairs and careers events and community roadshows across the County. A short video promoting the quality and scope of the Council's offer has been produced which will also be available on the Council's public website.
- Discussions are taking place with local higher education providers to develop higher level Apprenticeships for existing employees, linked to accreditation against recognised qualifications, including management and leadership. This will form part of the next phase of the Council's Leadership Development Programme.
- Initial internal communications have been issued to inform managers and employees about the forthcoming changes and to illicit their early engagement. A Communications Plan has been developed in order to maximise manager and employee engagement.
- An ongoing programme of direct engagement with departmental leadership teams has been initiated through Apprenticeship project leads and HR Business Partners. This will help to ensure that all departmental managers are fully engaged in identifying suitable opportunities for Apprenticeships on a consistent and proactive basis. Further engagement and discussion with departmental managers will be critical to successfully working toward identified targets.
- The key service managers responsible for those service areas where it has been identified that existing Apprenticeship Standards can currently provide our initial Apprenticeship offer, have already been contacted by a project officer to ensure that they are supported to put this into practice.
- Ongoing mapping of and engagement with the process of identifying and developing additional standards at national level will enable the Council's programme to be extended over the course of time.
- Work is underway with the relevant children's service areas as to how Apprenticeships can contribute to fulfilling the Council's corporate parenting responsibilities for Nottinghamshire care leavers and support efforts to improve life chances for young people with special educational needs.
- An employer **Apprenticeship Programme (Appendix A)** has been developed for consideration by Personnel Committee setting out the Council's approach. This is underpinned by an Action Plan (**Appendix B**), for the ongoing delivery of the Apprenticeship Programme within the context of the Council's wider Workforce Strategy.

Schools

12. Initial direct engagement with Maintained Schools commenced through the Schools Forum on 8th December 2016, this was followed up by a letter on 19th December 2016 which informed schools of the forthcoming implementation of the Levy and its implications for schools. A contact in HR for further information was provided and numerous follow up calls have been responded to.
13. This was followed up with a further letter in January 2017 which gave each Maintained School specific information on the financial impact of the Levy for the individual school. This was accompanied during the same month by input to the Clerks' Briefing to inform them of the Council's implementation plans.
14. In addition a newsletter item was included in the Spring Term Governors newsletter and Apprenticeships were promoted as part of the annual Governors' Conference on 11th March 2017.
15. Further information for School Business Managers on how to access funding via the Digital Apprenticeship Account, set up for the Council to administer the funding, was issued in mid-May following the account being made accessible.
16. A planned programme of direct liaison with individual schools to inform them of the process for requesting funding to support the training and assessment costs of apprenticeships ran over the summer term 2017, including 4 locality based school briefings during July, with the aim of securing their active involvement from the new academic year commencing September 2017 onward.
17. The temporary Business Partner and Project Officers dedicated to the Apprenticeship Project continue to be available to visit any school seeking further information about how to engage with the Levy and maximise the Levy monies available to them.

Progress to Date

18. The range of Apprenticeship opportunities being identified are steadily increasing as new Apprenticeship Standards are being approved for delivery and suitable matches are made to job descriptions. Opportunities have been identified across a range of locations Countywide.
19. Initial rounds of recruitment against established vacancies focussed on Business Administration vacancies as the apprenticeship path in this area is already well established. Action has been taken to ensure that the next round of recruitment, started in July, offers vacancies covering a wider more representative range of occupational areas covered by the Council. This includes Adult Social Care Re-ablement Workers; Children's Residential Care Workers, Cooks, Customer Service Advisors, Data Analysts, ICT Infrastructure Technicians and Software Developers and Youth Workers.
20. So far **16** Apprentices have been appointed to start in September. As part of this recruitment process one applicant with Autism was also offered a work trial instead of an interview as a reasonable adjustment to support them to gain the experience to be

successful in a subsequent recruitment round. One successful applicant was a Care Leaver.

21. The range of Apprenticeships that have been identified for existing staff through EPDR's to support Continuing Professional Development (CPD) are also increasing as new Apprenticeship Standards are approved for delivery. To date there are a total of **15** current employees ready to begin higher level Apprenticeships in: Business Administration, Customer Services Level, Chartered Management Degree; Professional Management Consultant; Software Developer; Public Service Operations; Team Leader/Supervisor and Associate Project Manager. There are a number of outstanding requests for Apprenticeships against Standards still in development for existing employees which will be taken up when the standards are agreed nationally.
22. The recruitment of Apprentices in Schools have been to supernumerary placements and all individuals appointed will start at the beginning of the autumn term in September. There are currently **43** school based apprenticeships across a range of job types including: Teaching Assistants, Supporting Teaching and Learning in PE and School Sport, Business Administration, Facilities Services and Early Years Educator.
23. Requests for apprenticeship training for existing employees in schools include Accountancy; Human Resources; Teaching Assistant and Early Years. There are also a number of schools waiting to take up apprenticeship training when the new School Business Manager Apprenticeship Standard is released later this year.
24. Discussions have been underway with the recognised trades unions to gain their support and involve them in shaping and developing the Council's approach to apprenticeships. Trades union colleagues are positive about the approach and programme developed by the Council. Trades union colleagues are also keen to work with the Council to promote apprenticeships across the wider public sector.

Other Options Considered

25. A range of options were initially considered. The approach currently adopted and under further development is consistent with the final national guidance and the Public Sector Duty, carrying the least risk and being the most achievable initially.
26. There remains potential that in future the Council could consider engaging a management service to deliver the Apprentice Programme. The costs of this service are currently unknown as the majority of external offers are under ongoing development.
27. The Council could also eventually seek to become an Approved Training Provider in its own right, resourced to directly train and employ its own Apprentices.

Reason for Recommendations

28. To enable the Council to recruit and retain employees with the knowledge and skills it requires to ensure continued delivery of services and achievement of the priorities set out in the Council Plan. This includes being able to sustain and grow its corporate commitment, to Apprenticeships as a good employer in full compliance with the requirements of the

Public Sector Duty in a manageable way which ensures that the cost for the national Apprenticeship Levy is fully recovered.

Statutory and Policy Implications

29. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications:

30. Annual Levy contributions to be placed in the digital account for the Council are estimated to be £750,000 per annum based on current headcount figures. This will be paid over on a monthly basis alongside HMRC and National Insurance contributions. Funding for the Levy was set aside in the Medium Term Financial Strategy and has been identified in the base budget for 2017/18 onwards.

31. The estimated figure for Maintained Schools, using the same modelling is £736,858 per annum. HMRC will collect this money directly from school budgets on a monthly basis alongside HMRC and NI contributions.

32. The following **tables** show the current Levy expenditure committed in relation to the planned Apprenticeship starts:

Committed Levy Expenditure – NCC Direct

New Apprenticeships		£301,250.00
Apprenticeships – existing staff		£159,000.00
Total		£460,250.00

This expenditure will be offset against the total estimated Levy contributions of £1,469,962 above and the expenditure that can be offset will increase as more apprenticeships and apprenticeship training are confirmed.

Human Resource Implications

33. These are set out in the body of the report. The support of the Council's recognised trades unions continues to be critical to the continued successful ongoing development of the approach set out in this report and trades union colleagues want to continue to be involved in developing the programme and its implementation.

34. As a key part of its overall approach to workforce planning and underpinning its commitment to being an Employer of Choice, the County Council supports the use of Apprenticeships as a means of offering jobs, work based learning and career opportunities to a diverse range of new recruits and existing employees.

RECOMMENDATIONS

It is recommended that Members:

- 1) Agree the Council's employer Apprenticeship Programme and associated Action Plan for its delivery as **appended** to this report.
- 2) Agree to receive a progress report in 6 months and that this be included in the Personnel Committee work programme.

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Constitutional Comments (KK 06/09/2017)

35. The proposals in this report are within the remit of the Personnel Committee.

Financial Comments (RWK 04/09/17)

36. The financial implications are set out in the report in paragraphs 29 to 31.

Human Resources Comments (CLG 7/8/17)

37. The human resources implications are implicit in the body of the report as far as they are known and understood at the current time. Discussions took place with the recognised Trade Unions at the Central Joint Consultative and Negotiating Panel (CJCNP) meeting on 26th January 2017 and 14th September 2017. Overall trades union colleagues were supportive of the approach and want to continue to be involved in developing this as the Council moves forward.

Background Papers and Published Documents

Personnel Committee report 1st February 2017– Implications of the implementation of the Apprenticeship Levy for Nottinghamshire County Council.

Electoral Division(s) and Member(s) Affected

All