



**CORPORATE RESOURCES
OVERVIEW AND SCRUTINY COMMITTEE
14 October 2019**

TITLE OF REPORT: **Gateshead Council Apprenticeships**

REPORT OF: **Mike Barker, Strategic Director Corporate Services & Governance**

SUMMARY

The purpose of this report is to inform the Overview and Scrutiny Committee of the Council's strategy for the delivery of apprenticeships within the Council

Background

1. In 2017 the Government introduced a number of changes to the apprenticeship system as part of their strategy to deliver three million apprenticeships by 2020.
2. Apprenticeships are government funded work-based training programmes for people aged 16 to 65, combining on and off-the-job training. Some apprenticeships contain additional qualifications and all have a minimum requirement for English and Maths attainment. Employers are responsible for paying the wages of the apprentice and government funding is provided to support the costs of some or all of the training. Although apprenticeships are traditionally associated with craft or engineering sectors, there are more than 250 frameworks and standards on offer covering more than 1,200 job roles.
3. The three key changes introduced by the Government were:
 - the introduction of the apprenticeship levy;
 - the proposed introduction of a public sector apprenticeship target; and,
 - the transfer from Apprenticeship Frameworks to new Apprenticeship Standards (see appendix 1).

Introduction of the apprenticeship levy

4. The introduction of the levy means that organisations with a payroll bill of over £250,000 per month, (£3m per year) are subject to a levy of 0.5% of their gross monthly pay bill. The Council's levy is estimated at around £668,000 per year, including that due for maintained schools. A payment is made each month into the Council's levy account. The Council can draw down from that fund to pay for apprenticeship training. There are strict criteria around the use of the fund, for example it cannot be used to pay wages or non-apprenticeship training costs. There is a maximum of 24 months in which to use each annual levy payment, which

operates on a rolling basis, thereafter unspent funds are inaccessible and returned to the Treasury.

Public sector apprenticeship target

5. The public sector apprenticeship target applies to all public bodies that have 250 or more employees. The annual target requires 2.3% of the workforce to be started on an apprenticeship. Gateshead Council employs approximately 7000 staff including those in maintained schools, therefore this would require approximately 160 apprentices to be enrolled annually to meet the target.
6. In their response to the consultation on the public sector target¹, the Government acknowledged that they have set a stretching target and stated that they '*expect that all organisations will strive to meet the target and will take steps to improve apprenticeship take-up year on year*', indicating that it isn't a 'hard' target; however, organisations will need to demonstrate progress and improvement and be able to thoroughly explain their performance.

Introduction of new Apprenticeship Standards

7. Apprenticeship Frameworks are being phased out, with new Apprenticeship Standards introduced which have been developed in collaboration with employers in order to be more specific to individual business need rather than applying broadly to business sectors.
8. There are over 250 Apprenticeship Standards being phased in over time, covering a wide range of occupations and providing the opportunity to achieve qualifications up to level 7 (post-graduate level), see appendix 1.

Apprenticeships within the Council

9. Following the introduction of the changes in 2017 two scoping exercises have been undertaken with services to identify demand for apprenticeships across the Council. Discussions took place with Service Directors, and in some cases their management teams, to explore where apprenticeships could be utilised to support transformational change and deliver corporate objectives and service delivery. The scoping activity included looking at areas where the Council provides funding for staff to study for professional qualifications, which could, in future, potentially be covered by an apprenticeship. This would result in a direct saving to the Council as funds would be accessed from the levy rather than from the Council's revenue budget.
10. Briefing sessions were also held with senior managers and numerous communications have been sent to employees to promote awareness. References to apprenticeship training is also included in the Council's Maximising Employee Potential (MEP) Guidance and linked with the Appraisal and Development (A&D) process.

¹ Apprenticeship Targets for Public Sector Bodies Government Consultation Response 20 January 2017

11. The Council's LearningSkills service delivers apprenticeship training in a range of subjects including business administration, customer service, leadership and management and Teaching Assistant apprenticeships. To access all other types of apprenticeship training, the Council has been required to establish a procurement process which is compliant with Education Skills Funding Agency (ESFA) regulations. Providers who meet the criteria in relation to quality of provision, health and safety and safeguarding are included on the Council's approved list of providers and can bid to deliver apprenticeship training as demand arises.
12. Despite efforts to publicise apprenticeships across the workforce and put arrangements in place for delivery, the take up of apprenticeships has remained low, with consequential impact on levy spend. This is the general picture across many areas in the public sector, as detailed in the January 2019 report: '*CIPFA Panel – The Apprenticeships Levy*'.

The numbers of apprenticeships are shown in the table below:

Year	Number of apprenticeships	Performance against the Public Sector Target
2017/18	110	1.7%
2018/19	126	2.02%

The current total value of the Council's levy is approximately £1.2m. Over the last 12 months, spend against the levy was approximately £330k.

13. Low take-up of apprenticeships has been due to a number of issues:
 - Concerns from managers over the requirement to spend 20% of time 'off the job' in training, and the impact that has on service delivery.
 - A lack of available Apprenticeship Standards resulting in the continuation of traditional academic qualifications rather than apprenticeships. This is due to new Apprenticeship Standards being rolled out by the Institute for Apprenticeships as and when they are approved for delivery.
 - The essential requirement for all apprentices to evidence English and Maths at GCSE level or Functional Skills level 2, when they may already have degrees and other professional qualifications.
 - Insufficient providers being able to successfully join the Council's 'Approved List' due to failures (or their inability to provide sufficient information) on health and safety and/or safeguarding matters.
 - Insufficient providers in the region to deliver the types of apprenticeship programmes the Council requires.
 - Providers in the region cancelling, or deciding (sometimes at a very late stage), not to run apprenticeship training due to insufficient numbers of learners to form viable cohorts.

- Providers failing to submit bids leading to re-runs of procurement competitions which can delay the procurement process, with a knock-on effect of delaying the recruitment of apprentices.
 - The disparate way requests for apprenticeship training have been managed with various elements being managed by different services and an overall lack of corporate resource to provided a co-ordinated approach.
14. In an attempt to address these issues, the Council has taken the following actions:
- a. Due to the number of providers failing both the health and safety and safeguarding elements of the procurement process on their first submission, the requirements have been reviewed in conjunction with the Council's Health & Safety Team. It has been agreed that only apprenticeship training which falls within construction/engineering will be subject to a high-risk assessment. All other types of apprenticeship training will be deemed to be low risk and will demonstrate compliance through self-assessment. This should result in fewer providers failing the procurement process and having to reapply, thus allowing more providers to be listed on procurement framework.
 - b. With regard to safeguarding, the majority of failures were in relation to statutory guidance which is a legal requirement which providers should already have in their policy to comply with the law. Therefore, it has been determined that standards in relation to safeguarding should not be lowered, and that the Council will continue to check that the policy submitted by the provider is legally compliant.
 - c. To maximise levy spend and address some of the issues, an Apprenticeship Co-ordinator has been recruited for a fixed term period of two years. The remit of the Apprenticeship Co-ordinator is to:
 - Be responsible for the development and implementation of an apprenticeship strategy and delivery plan.
 - Manage the HR aspects of apprenticeships to maximise take up.
 - Be responsible for the contract management of providers to ensure apprenticeship training can be delivered to a high standard.
 - Manage the technical aspects of the procurement process in terms of the dynamic purchasing system and associated procedures.
 - Engage with training providers to encourage participation and drive up apprenticeship delivery.
 - Work in partnership with other organisations to share resources and promote joint procurement of training providers.
15. An apprenticeship strategy has been developed and is shown at appendix 3.
16. The aims of the strategy are to:
- embed a positive apprenticeship culture;
 - maximise workforce capability;
 - support the continuous professional development of employees;

- develop workforce diversity and inclusivity;
 - engage with schools to maximise benefits from the levy; and
 - engage with training providers and other local authorities and employers to maximise apprenticeship provision within the region.
17. It is also the intention to explore passporting levy funds to other organisations to fund their apprenticeship training. The intention is to work with organisations in the Council's supply chain, partners, and community and voluntary organisations within the borough to identify opportunities to passport levy funds to support apprenticeships. Priority will be given to allocating funds to those organisations who are working closely with the Council to deliver the Thrive Agenda.
18. The Council has been successful in applying to the LGA Apprenticeship Accelerator Programme. This enables the Council to access up to 8 days of free consultancy time, as well as access additional resources to assist with the development of the strategy and delivery plan.
19. The LGA will also assist with mapping apprenticeship standards to Council job roles and look at the development of career pathways within a specific service area. The Council will use this framework to replicate the approach in other services.

What will we do next?

20. The next steps are to seek endorsement of the draft strategy (appendix 3) from the LGA, and within the Council. This will include consulting with LearningSkills, Economic Development and trade unions.
21. A delivery plan will be developed which sets out the actions required to deliver the strategy. This will align to the Council's workforce plan, and once approved, the strategy and delivery plan can be implemented in accordance with agreed timescales.

Conclusion

22. The views of the Overview and Scrutiny Committee are sought on whether the Committee is satisfied with the draft Apprenticeship Strategy and the future direction of apprenticeships within the Council.

Contact: Janice Barclay - Service Director, HR and Workforce Development.
Ext. 2101

Appendix 1

Apprenticeship Standards

Apprenticeship Standards cover specific occupations and are developed by employer groups. Standards must be approved by the Institute for Apprenticeships and are being released incrementally for delivery by providers. Over time, existing frameworks are being phased out and replaced by new Apprenticeship Standards.

There are three levels of apprenticeship available spanning 2–6 years of progression. It is possible for ambitious apprentices to progress from level 2 (intermediate) to level 7 (master's degree), with employer support and after several years of training and education. Learners start at a level which reflects their current qualifications and the opportunities available in the sector of interest:

Intermediate Apprenticeship (Level 2 - equivalent to five good GCSE passes): this provides learners with the skills and qualifications for their chosen career and allows entry (if desired) to an Advanced Apprenticeship. To be accepted, learners need to be enthusiastic, keen to learn and have a reasonable standard of education; most employers require applicants to have two or more GCSEs (A*-C), including English and Maths.

Advanced Apprenticeship (Level 3 - equivalent to two A-level passes): to start this programme, learners should have five GCSEs (grades 5-9 or equivalent) or have completed an Intermediate Apprenticeship. This will provide them with the skills and qualifications needed for their career and allow entry (if desired) to a Higher Apprenticeship or degree level qualification. Advanced apprenticeships can last between two and four years.

Higher Apprenticeship (Level 4/5 - equivalent to a Foundation Degree): to start this programme, learners should have a Level 3 qualification (A-Levels, Advanced Diploma or International Baccalaureate) or have completed an Advanced Apprenticeship. Higher apprenticeships are designed for students who are aged 18 or over.

Degree Apprenticeship (Level 5/6 - achieve bachelor's degree) and (Level 7 Masters): to start this programme, learners should have a level 3/4 qualification (A-Levels, Advanced Diploma or International Baccalaureate) relevant to occupation or have completed an Advanced Apprenticeship also relevant to occupation. It differs from a 'Higher Apprenticeship' due to graduating with a bachelor's degree at an accredited university. Degree apprenticeships can last between two and four years.