

# TONBRIDGE & MALLING BOROUGH COUNCIL

## GENERAL PURPOSES COMMITTEE

06 March 2017

### Report of the Director of Central Services

#### Part 1- Public

#### Matters for Information

#### 1 APPRENTICESHIP UPDATE

**This report advises the Committee of national changes to apprenticeship funding and of the application of apprenticeship targets to public bodies, including this Council, from April this year.**

#### 1.1 **The Apprenticeship Levy**

1.1.1 From April 2017 all organisations with a payroll in excess of three million pounds will be required to pay an apprenticeship levy. The annual liability for this Council will be in the region of £25,000, which will be paid to HMRC via the PAYE process. Once the levy has been declared to the HMRC the Council will be able to access funding for the “off the job” component of apprenticeships through an apprenticeship service account. An online national apprenticeship is currently being trialled that will enable organisations to select apprenticeship frameworks or standards, select appropriate training providers and assessors, and advertise apprenticeship vacancies

#### 1.2 **The public sector apprenticeship targets**

1.2.1 The Government has set a minimum target of 2.3% apprenticeship starts each financial year for each public sector body with 250 or more employees. The targets will start from April 2017 and will be calculated using headcount rather than full time equivalents. For this authority this will equate to 6 apprenticeships per year. The Government has acknowledged that this will be a stretch for some public sector bodies and has therefore stated that the target will be averaged across the financial years from 2017/18 to 2020/21 to allow a little more flexibility to meet the target. Regulations setting out the regime for reporting annual apprenticeship statistics are scheduled to be in force in March 2017 (with the first report due in 2018).

#### 1.3 **The way forward for apprenticeships within Tonbridge and Malling Borough Council**

- 1.3.1 The Council, in conjunction with KCC and West Kent College, has run an apprenticeship scheme in Customer Services since 2009 that has enabled an average of 2 apprentices a year to obtain an NVQ in Customer Services. These apprentices have started their programmes in supernumerary placements. Approximately 75% of participants have obtained either permanent or temporary employment with the Council either during or after completing their NVQ study. All but 1 of the remainder have obtained employment elsewhere on completion of the Scheme.
- 1.3.2 The time taken by apprentices to achieve the standard required for an NVQ Level 2 has varied from 1 year to 18 months. This, coupled with the fact that it is difficult to recruit individuals to the apprenticeship programme in this area (largely attributable to a fairly buoyant job market and the relatively high costs of public transport) has meant that the number of apprentices within the council at any one time has varied from 0 to 3.
- 1.3.3 Even allowing for the increased profile of apprenticeship opportunities resulting from a national recruitment campaign, it is anticipated that it will not be realistic to recruit and fully train more than 2 Customer Service Apprentices in any one financial year. How then will the Council be able to provide its target of 6 new starts each year?
- 1.3.4 As will be discerned from the list in Annex 1 of apprenticeship standards, (qualifying for the payment from the apprenticeship levy of the off the job component of an apprenticeship programme), there are unfortunately very few that reflect the occupations required by a district council. Hopefully more will be added as the national apprenticeship initiative gathers momentum.
- 1.3.5 In the meantime it has been determined that the most viable options for meeting the target of 6, certainly in the current financial year, is a) identifying any suitable permanent or temporary posts that become vacant as one year apprenticeships (still paying the established rate of pay for the role), and, b) utilising the levy to fund supervisory or management off the job training for staff already in post. This approach is possible because there is no age restriction on an apprenticeship, and, the regulations will stipulate that apprenticeships can be new recruits or career development for existing staff.

## **1.4 Legal Implication**

- 1.4.1 The apprenticeship levy was first announced in the summer 2015 budget. Regulations specifying how public sector apprenticeship targets are to be monitored are anticipated to come into force in March 2017.

## **1.5 Financial and Value for Money Considerations**

- 1.5.1 Appropriate provision has been made to fund the salaries of the 2 supernumerary Customer Service apprenticeships in the 2017/18 Revenue Budget. It is hoped that the salaries of remaining 4 apprenticeships will be cost neutral as these posts

will be new starters in established posts or those already employed in supervisory or managerial posts within the Council.

## **1.6 Risk Assessment**

- 1.6.1 The obligation is to “have regard to the target” in workforce planning decisions and the Government has stated that it expects organisations to strive to meet the target. At this point in time we understand that if an organisation is unable to meet their target the regulations will specify that it should set out in its annual report how it has considered the target and state what plans it has to redress this. If an organisation is unable to show it has “had regard” to the targets an external adviser will work with the Council to determine what support is required to assist it in meeting its target in future years.

## **1.7 Policy Considerations – Equality Impact Assessment**

- 1.7.1 The proposals outlined above have no relevance to the substance of the Equality Act 2010. There is no perceived impact on end users.

Nil

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