

CORPORATE SERVICES OVERVIEW AND SCRUTINY PANEL

TUESDAY, 14TH FEBRUARY, 2017

At 5.00 pm

in the

COUNCIL CHAMBER - TOWN HALL,

SUPPLEMENTARY AGENDA

PART I

<u>ITEM</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
4.	<u>APPRENTICESHIPS WITHIN THE ROYAL BOROUGH</u> To comment on the Cabinet report.	3 - 18

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Report Title:	Apprenticeships in the Royal Borough
Contains Confidential or Exempt Information?	NO
Member reporting:	Councillor Jack Rankin, Cabinet Member for Economic Development and Property
Meeting and Date:	Cabinet - 23 February 2017
Responsible Officer(s):	Russell O'Keefe, Strategic Director of Corporate and Community Services Kevin Mist, Head of Communities and Economic Development Terry Baldwin, Head of Human Resources
Wards affected:	All

REPORT SUMMARY

1. The apprenticeship participation rate in the Royal Borough is currently the lowest amongst the Berkshire authorities.
2. The Council's apprenticeship scheme, launched in September 2013, is on track to have 18 apprentices in post by April 2017. It is recommended to set a target of 33 for 2017/18.
3. The apprenticeship salary offered by the council has been increased to reflect more closely that offered by neighbouring local authorities..
4. From May 2017, the government proposes to change the way it funds apprenticeship training and set targets for the number of apprenticeships employed by public sector bodies. The council will be:
 - a. charged a new annual Apprenticeship Levy, which is likely to be in the region of £280,000 for 2017/18
 - b. Set an annual target for the number of apprenticeships, which is likely to be in the region of 33
5. Employees in maintained schools will be included in both the Council's levy charged and the public sector targets.
6. Apprenticeships support the Council's strategic ambitions "to ensure every child and young person has the opportunity to have an excellent academic and vocational education" and investing "in learning and development for our staff and ensure our workforce is multi-skilled".

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Cabinet notes the report and:

- i) **Notes the implications of the Apprenticeship Levy and the introduction of public sector apprenticeships targets which come into effect on 1 May 2017 and the impacts on the Council's scheme.**

ii) Approves the increase in the number of apprenticeships within the Council to 33 for 2017/18 and the action plan to increase the number of apprenticeships more widely across the Borough (Appendix B).

iii) Delegates authority to the Managing Director and Lead Member for Children's Services to establish the potential charging of the levy for maintained schools where employees are deemed to be part of a local authority's wage bill.

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

2.1 The number of apprenticeships across Berkshire is increasing but at a slower rate than the national average. The growth in apprenticeship starts over 2013/14 and 2014/15 has ranged from 17% in West Berkshire to -1% in the Royal Borough (detailed in Appendix A, Table 1).

2.2 Apprenticeship starts for the Royal Borough account for 6.5% of the working age population compared to 10% for Berkshire and 12% for the South East (detailed in Appendix A, Table 2).

2.3 The Borough's performance differs amongst different apprenticeship levels (different levels detailed in Appendix A, Table 4). There was a higher take up of level 3 apprenticeship across the Thames Valley compared to the national average in 2014/15 (see Appendix A, Table 3). A summary of the Borough's apprenticeship starts by level is detailed below:

- 56% were at Level 2 (lower than the Thames Valley average of 57%)
- 41% were at Level 3 (above the Thames Valley average of 40%)
- 3% at Level 4 or above (lower than the Thames Valley average of 3%)

2.4 Apprenticeship starts by employer workplace size in the Royal Borough are higher amongst micro, small and medium size businesses and lower with larger employers when compared to the Berkshire average. The participation rates by employer's size for the Borough are:

- 33% were with micro (employers with 10 or fewer employees)
- 23% were with small employers (with 11-30 employees)
- 29% were with medium employers (31-300 employees)
- 6% with large employers (300+ employees)

2.5 Department for Education data (Statistics Site 2014/154) concludes that the number of students after Key Stage 5 choosing to attend higher educational institutions as opposed to other employment education or training routes such as apprenticeships, is not higher in the Borough when compared to other neighbouring areas:

- 55% of students attended UK higher education institutions, comparable to the South East (55%) and lower than the average for England (58%)
- 16% attended Russell Group universities (including Oxford and Cambridge), lower than the South East average of 17%

2.6 The key opportunities for addressing the low take up apprenticeships across Berkshire as highlighted by Thames Valley Local Enterprise Partnership apprenticeship data, are summarised below:

- The two main areas in which there appears to be gaps in apprenticeship provision in the area are Engineering & Science and Construction.
- In terms of local economic need and growth forecasts, there seems to be greatest scope to strengthen Berkshire's digital technologies apprenticeship offer.
- There appears to be greatest scope to raise demand amongst individuals to apply for apprenticeships in the Hospitality industry.

2.7 An action plan of activities to increase the take up of apprenticeships within the Council and more widely across the Borough is attached at Appendix B. The plan summarises actions to be undertaken by the Council and partner organisations to facilitate a greater awareness of, and an increase in the take up of, apprenticeships. Specifically to:

- Promote apprenticeships through local employer contacts to widen the local apprenticeship offer.
- Promote apprenticeships through procurement of council services and supplier chain.
- Work closer with local schools and colleges to raise apprenticeship awareness.

2.8 The Council will shortly establish a new joint venture with a private sector developer to initially develop four sites in Maidenhead and play a primary role in the regeneration of the town. The new joint venture will take on apprentices in a range of areas and is expected to create approximately 62 new apprenticeships throughout the programme starting from 2018/19.

The council's apprenticeship scheme

2.9 The council's apprenticeship scheme was launched in September 2013. This is funded by a revenue budget of £40,000 to employ six apprenticeships posts annually. Over this period 85% of apprentices having completed an apprenticeship have progressed to full time employment within the council or externally.

2.10 The council's apprenticeship target for 2016/17 has been increased three-fold to 18 starts. To date this financial year, three apprentices have successfully completed an apprenticeship with three more apprentices currently in post.

2.11 20 apprenticeship vacancies have been identified across council service areas and were advertised in the local press, jobs go public, national apprenticeship Service website and social media in November 2017 with:

- 116 application received
- 54 interviews held
- Eight offers made
- A further five vacancies to be advertised in February 2017

2.12 The Council's apprentice salary was reviewed in January 2016 and increased for 16-18 year-old apprentices. The salary offered is comparable with that

offered by neighbouring local authorities (detailed below) and will increase depending on age in line with national apprentice salary rates as:

Table 1: Apprenticeship Salary Scales

	16 – 18	18 – 20	21+
National Apprenticeship living wage	£7,466	£10,225 - £12,926	£12,926+
RBWM	£7,427- £10,225	National rate	National rate
Reading	£7,208- £10,225	“ “	“ “
Slough	£8,340- £10,225	“ “	“ “
Bracknell	£8,500- £10,225	National rate	National rate

2.13 The Council’s Employment Panel (21 January 2016) resolved:

- to apply an annual increase to meet or exceed the nationally agreed rate until the minimum pay rate reaches £9.00 in 2020
- that the minimum pay rate for apprentices is set at £3.85 per hour from 1 February 2016 and is kept under review
- authority is delegated to the Managing Director and Head of HR to make further adjustments to the salary levels for apprentices where needed.

2.14 To ensure that apprenticeship targets are met the Community Partnerships and Human Resources teams will continue to work to work closely with Council services areas to:

- review vacancies prior to recruitment as to whether these could be filled by an apprentice
- identify training and developments needs that could be met through apprenticeship training for existing employees
- work with service areas to successfully advertise posts
- provide support during recruitment
- provide on-going support to ensure retention and achievement.
- manage training providers to deliver apprenticeship training.

2.15 From 1 May 2017 existing employees are eligible for levy funding if training needs can be met through apprenticeships. When implemented, the Council’s Learning and Development team will work with the Senior Leadership Team to identify eligible employees to undertake apprenticeship training.

The apprenticeship level and public sector apprenticeship targets

- 2.16 From 1 May 2017 employers in the UK with a wage bill greater than £3 million per annum will be charged an apprenticeship levy set at a rate of 0.5% of the total payroll. The government will provide a one off annual allowance of £15,000 to offset the cost of the levy. The key points to note are:
- Employers can claim back levy contributions in the form of digital vouchers for apprenticeship training through a new on line digital apprenticeship service account.
 - The government will provide an additional 10% top-up to spend on training.
 - Levy funds can only be used towards the costs of apprenticeship training and assessment through approved training providers. It cannot be used towards an apprentice's wages or associated cost.
 - Levy funds can be used for apprenticeship training at all levels including degree level apprenticeships at level 6 or 7 and for existing employees regardless of age.
 - Additional funding for employing 16-18 year-old apprentices and apprentices with additional needs will be available.
- 2.17 Existing apprenticeship frameworks are being replaced by new standards developed by employers. However, the amount of funding employers can use towards the cost of each new standard will be capped by 15 funding bands ranging from £3,000 up to £27,000. Additional costs incurred will have to be met by the employer.
- 2.18 From 1 May 2017 the government proposes to set annual targets for public sector organisations having 250 or more employees. The target will be:
- Require a minimum of 2.3% of the head count to be apprentices
 - Require public sector employers to report progress towards the target and reasons for failing to meet the target
- 2.19 Employees in community and voluntary controlled schools where the council is deemed to be the employer will be included in both the levy and the public sector target calculations.
- 2.20 For voluntary aided and foundation schools (as in academies) the governing body is considered to be the employer, rather than the Council. Therefore each voluntary aided/foundation school's liability for the levy will be based on its own pay bill.
- 2.21 For the Royal Borough as of 17 October 2016 the head count within maintained schools was 1,449. This will reduce to 1,281 from April 2017 with the transfer of three schools to academies.

Table 2: Options

Option	Comments
The Council initiates activity to increase the participation of the local working age population and employers with apprenticeships Recommended	The Royal Borough has the lowest apprenticeship participation rate compared to other Berkshire local authority areas. Increasing the apprenticeships offered within the Council will encourage more local employers to develop or expand their apprenticeship programmes.
The Council does not increase the numbers of apprenticeship opportunities within the Council and chooses not to take a community lead in addressing the low take up of apprenticeships within the Royal Borough	By not investing in developing the Council's internal apprenticeship the Council runs the risk of not meeting its public sector apprenticeship targets when set. The Council will not fully realise the full potential of developing its workforce through the Apprenticeship Levy

3. KEY IMPLICATIONS**Table 3: Outcomes**

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Number of apprenticeship starts in post within the Council 30 April 2017	18<	18	19 -25	>25	30 April 2017
Number of apprenticeships in post with the council by 30 April 2018	33<	33	33 – 40	>40	30 April 2018
% Increase in the number of apprenticeship starts across the Royal Borough (2015/16 baseline to be provided by the LEP)	10%<	10%	10 – 15%	>20%	30 April 2018

4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 The Council will be charged a new annual Apprenticeship Levy in the region of £280,000 for 2017/18. Provision has been made in the Budget to account for this charge. The level is collected monthly through PAYE and may vary according to the Council pay bill at the time
- 4.2 Funding in the region £100,000 will be required to meet the 2017/18 apprenticeship target and will be secured from existing budgets, filling new vacancies with apprentices, the existing apprenticeship budget, savings in the Learning and Development budget and existing employees undertaking apprenticeship training.
- 4.3 Options on the potential charging of the levy to maintained schools are being reviewed. Other local authorities are facing the same issue and discussions are progressing.

Table 4: Financial details

	2016/17	2017/18	2018/19
	Revenue	Revenue	Revenue
Addition	£0	£0	£0
Reduction	£0	£0	£0
Net impact	£0	£0	£0

	2016/17	2017/18	2018/19
	Capital	Capital	Capital
Addition	£0	£0	£0
Reduction	£0	£0	£0
Net impact	£0	£0	£0

5. LEGAL IMPLICATIONS

- 5.1 The Enterprise Act gives government the power to set legally binding annual targets for public sector organisations with 250 or more employees based on a proportion of the total headcount at the start of the year. Public sector bodies will be required to report the progress made in meeting them annually.

6. RISK MANAGEMENT

Table 5: Risks

Risks	Uncontrolled Risk	Controls	Controlled Risk
The council does not meet its apprenticeship targets	High	Progress made in achieving the target will be monitored through the council's performance framework	Low
No increase in the number of	High	An action plan of specific activities to	Low

Risks	Uncontrolled Risk	Controls	Controlled Risk
apprenticeships offered by local employers		engage with local employers and partner organisations has been developed and will be monitored quarterly	

7. POTENTIAL IMPACTS

7.1 No Equalities Impact Assessment has been carried out at this stage.

8. CONSULTATION

8.1 Overview & Scrutiny meetings are scheduled prior to this Cabinet. Any comments from those meetings will be reported verbally to Cabinet:

9. TIMETABLE FOR IMPLEMENTATION

Table 6: Timetable for implementation

Date	Details
23/02/2017	Report presented to Cabinet
From 1/12/16	Initiate activity to implement local actions as detailed within the Apprenticeship Action Plan
From 1/03/17	Apprentices and apprenticeship training required identified and levy funding accessed

9.2 Implementation date if not called in: Immediately.

10. APPENDICES

1. Appendix A

- 1) Table 1, Apprenticeship starts 2011/15
- 2) Table 2, Berkshire Apprenticeships starts per 1,000 working age population by local authority 2014/15
- 3) Table 3, Apprenticeship starts by level and local authority 2014/15
- 4) Table 4, Apprenticeship levels and equivalent

2. Appendix B – Apprenticeship Action Plan

11. BACKGROUND DOCUMENTS

11.1 Additional rules governing apprenticeships have been specified and detailed as:

- must be employed in a real job; they may be an existing employee or a new hire
- must work towards achieving an approved apprenticeship standard.
- the apprenticeship training must last at least 12 months
- must spend at least 20% of their time on off-the-job training.

12. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Commented & returned
Cllr Jack Rankin	Cabinet Member for Economic Development and Property	25/01/17	31/01/17
Alison Alexander	Managing Director	31/01/17	
Russell O'Keefe	Strategic Director	16/01/17	17/01/17
Rob Stubbs	Section 151 Officer	16/01/17	
Terry Baldwin	Head of HR	16/01/17	

REPORT HISTORY

Decision type: Non-key decision	Urgency item? No
Report Author: Harjit Hunjan Community Partnerships Manager	

Appendix A

Table 1 Berkshire Apprenticeships Starts 2011 - 2015

Number of employees	Bracknell Forest	Reading	Slough	West Berkshire	Windsor and Maidenhead	Wokingham	Total
2014/15	860	1190	980	1240	660	860	5770
2013/14	780	1130	930	1060	670	790	5360
2012/13	920	1320	1060	1220	810	990	6310
2011/12	860	1350	1020	1180	730	910	6050

Table 2 Berkshire Apprenticeships starts per 1,000 working age population by local authority 2014/15.

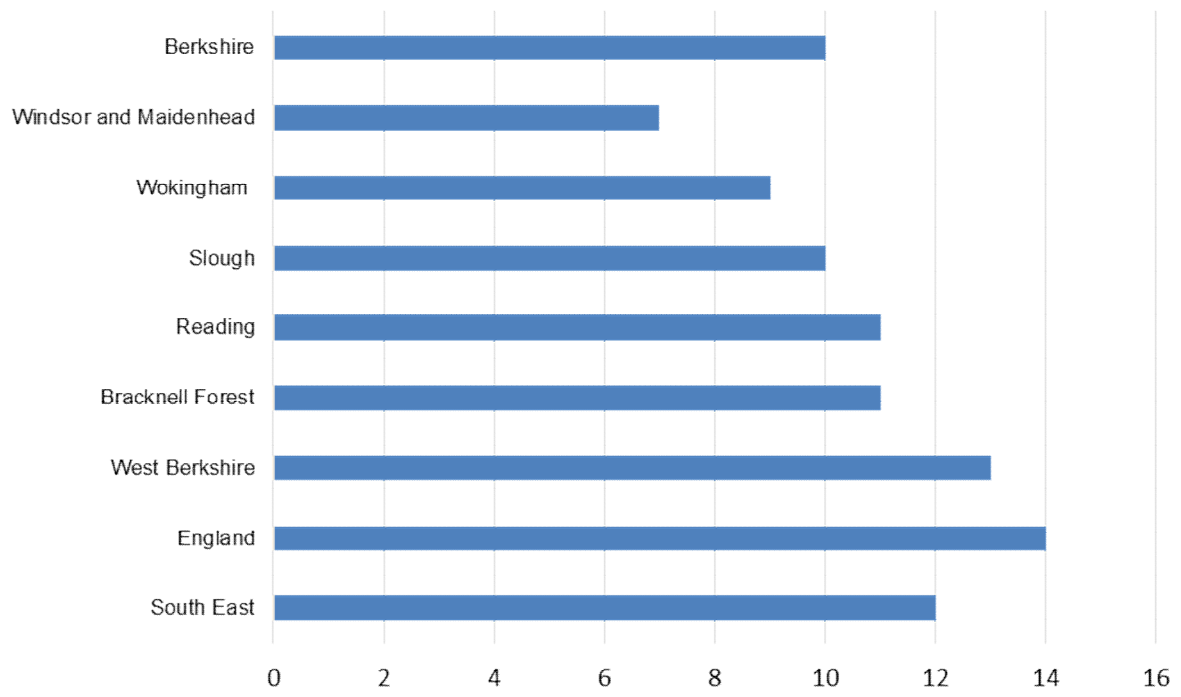


Table 3: Apprenticeship starts by level and local authority 2014/15

	Bracknell Forest	Reading	Slough	West Berkshire	Windsor and Maidenhead	Wokingham	TVB total	England
Higher Apprenticeship (L4+)	6%	3%	3%	3%	3%	5%	3%	4%
Advanced Level Apprenticeship (L3)	40%	38%	35%	40%	41%	47%	40%	36%
Intermediate Level Apprenticeship (L2)	55%	60%	61%	57%	56%	49%	57%	60%
Grand Total	100%	100%	100%	100%	100%	100%	100%	100%

Table 4. Apprenticeship levels and equivalents

Name	Level	Equivalent educational level
Intermediate	2	5 GCSE passes at grades A* to C
Advanced	3	2 A level passes
Higher	4,	Higher Education Certificate or Diploma
Higher	5	Foundation Degree
Degree	6 and 7	Bachelor's or Master's Degree

**Appendix B:
Royal Borough of Windsor and Maidenhead: Apprenticeships Action Plan (2017/18)**

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Activity	Target /Outcome	Time scale	responsibility
<p>Objective 1: Increasing Apprenticeships in the whole Borough</p> <p>Host a Skills and apprenticeship employer event</p> <p>1. Skills and apprenticeship event for Borough employers with partner organisations to be held 15 March 2017</p> <p>2. Windsor Racecourse ‘Destination Expo Inspiring Our Future Workforce Skills event’. To be held 18th January 2017.</p> <p>3. Skills and careers event in partnership with Job Centre Plus in Maidenhead covering local area.</p> <p>4. National apprenticeship week events. To be held 6th – 10th March 2017</p>	<p>Event to promote apprentices opportunities for local employers with focus on science, technology, engineering and maths (STEM) apprenticeships, panel discussions , employer presentations & BCA science diploma.</p> <p>On going Schedule of Grow Our / Elevate Me local events. Events focus on providing employment and skills advice to years 10, 11, 12 & 13.</p> <p>Raising awareness of apprenticeship opportunities for businesses and residents.</p> <p>Grow our own to focus on local marketing activity, press release and case studies on our apprentices. All local events to be attended as part of Grow schedule and Elevate to maximise apprenticeship week,</p>	<p>15th March 2017</p> <p>18th January 2017</p> <p>6th to 10th March 2017</p> <p>6th – 10th March 2017</p>	<p>Jennifer Gunn (Economic Development manager) /local partners/employers.</p> <p>Joanne Horton (Grow Team Manager)</p> <p>Harjit Hunjan (Community Partnerships Manager)/ Joanne Horton</p> <p>Harjit Hunjan/Joanne Horton</p>

<p>5. On going event for local schools - Newlands, Charters and Baylis Court.</p> <p>6. Apprenticeships are incorporated into council contractor(s) / service provider(s) for the procurement of services.</p> <p>7. Apprenticeships to be included within joint venture partner agreements for planned developments</p> <ul style="list-style-type: none"> • Reform Road • St Clouds Way • West Street • York Road <p>8. Access Section 106 funding where appropriate</p>	<p>including employer engagement activity.</p> <p>Visit Borough schools to promote apprenticeships and apprenticeship opportunities to year 10, 11, 12 & 13.</p> <p>Bidders for council services contacts to build local opportunities for apprenticeship in tender submission equivalent to 2.3% of the workforce</p> <p>Apprenticeship opportunities successfully negotiated within joint venture partner agreements equivalent to 2.3% of the workforce</p> <p>Capital Budget for 2017/18 of £70,000 S106.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>On going</p> <p>On going</p>	<p>Joanne Horton/Elevate Me delivery partners</p> <p>Lyn Hutchinson (Procurement Manager)</p> <p>Chris Hilton (Director of Development and Regeneration)</p> <p>Jenifer Jackson (Head of Planning)</p>
<p>Objective 2: Increase participants on the Council apprenticeship scheme</p> <p>1. Increase the target for the number of apprentice posts across the council to 18 apprentices in post during 2016/17</p>	<p>1) Town Hall apprenticeship induction to be held February 2017</p>	<p>11 vacancies advertised December 2016 13 apprenticeship in post by 30</p>	<p>Harjit Hunjan/Joanne Horton</p>

<p>2. Increase the target for the number of apprentice posts across the council to 33 apprentices in post during 2017/18</p> <p>3. Increase apprentice salaries offered to be in line with that other Berkshire authorities pay for 16-18 year olds</p> <p>4. Enhance the learning support available for apprentices in RBWM.</p> <p>5. Improve facilities at the Elevate Me Hub revamped</p>	<p>1) Identify council vacancies that can be filled by apprenticeships</p> <p>2) Identify training and development needs for existing staff that can be met through apprenticeship training</p> <p>3) Identify 2 apprenticeships posts with Ways in to Work</p> <p>4) Identify apprenticeship opportunities for young people in Care.</p> <p>Establish the Council as the Borough's employers of choice for apprenticeships</p> <p>Submit an application for TVBLEP Local Growth Fund Skills Capital funding</p> <p>Two additional training & one interview room added. IT facilities upgraded, centre redecorated</p>	<p>January 2017</p> <p>March 2018</p> <p>Completed, review 1 April 2017</p> <p>Submitted</p> <p>Completed</p>	<p>Harjit Hunjan/Joanne Horton/HR</p> <p>Laura Davis (WIW)</p> <p>Safeguarding and Children in Care</p> <p>Joanne Horton/Human Resources Team</p> <p>Our Community Enterprise/ Jennifer Gunn</p> <p>Kevin Mist / Harjit Hunjan</p>
<p>Objective 3: Apprenticeship levy</p> <p>1. Employers apprenticeship levy workshops in partnership with the</p>	<p>.</p> <p>4 apprenticeship workshops held for SME in conjunction with the chamber</p>	<p>June 2017</p>	<p>Harjit Hunjan/Jennifer</p>

<p>chamber of commerce and partners organisation. To be held June – July 2017</p> <p>2. Identify which elements of the Council's training & development needs for existing staff can be met through apprenticeship training</p> <p>3. Inform Council maintained schools of the regrading impacts/opportunities of the Apprenticeship Levy.</p>	<p>of commerce and partner organisations - WIW, Grow, BCA. EDC</p> <p>Maximise the use of the Councils apprentice levy to fund apprenticeship training including to higher level apprenticeship frameworks level 4 to degree level.</p> <p>Provides information at schools forum and/ or Bursar meetings.</p>	<p>1 May 2017</p> <p>School Business Managers meeting 2 February 2017</p>	<p>Gunn</p> <p>Human Resources Team /Joanne Horton</p> <p>Bursar Support Team /Kevin McDaniel/Harjit Hunjan</p>
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