

Title: Apprenticeship Commissioning Framework	
Ward: City-wide	Cabinet lead: Claire Hiscott
Author: Jane Taylor	Job title: Head of Service (Employment, Skills and Learning)

Revenue Saving: £100,000 p.a.	Source of Revenue Funding: ESFA (external) and Levy
Capital Cost: £ Nil	Source of Capital Funding: N/A
One off <input type="checkbox"/>	Saving <input checked="" type="checkbox"/>
Ongoing <input checked="" type="checkbox"/>	Income generation <input checked="" type="checkbox"/>

Finance narrative:

1. The general fund 0.5% contribution of the pay bill to the levy fund is funded through a provision set up for this purpose.
2. The cost of additional apprentices towards the quota does not have additional funding and will be funded through existing budgets. It should be noted that current employees undertaking courses under approved conditions will be counted towards the quota.
3. The revenue contribution from HR to the People Directorate is currently in the process of being identified.
4. Control will need to be established to ensure that income generation to cover the balance of the MTFP is made against general fund expenditure and not SFA funded posts.

Finance Officer: Kevin Lock, Interim Business Partner 16th May 2017

Summary of issue / proposal: To develop a single Bristol City Council apprenticeship offer to produce an MTFP net cost saving of £100,000 per annum.

Summary of proposal & options appraisal:

1. From 06/04/2017, BCC is required to pay 0.5% of its pay bill as an Apprenticeship Levy to fund new apprenticeships. BCC can drawdown monies from Levy to fund training for its apprentices. BCC must meet a government quota of 2.3% of public sector workforce to be an apprentice and develop significant new knowledge and skills through a recognised apprenticeship framework by 2020. This requires increase from 86 apprenticeships (plus an unknown no. in BCC managed schools) to 276. Levy funding can also be used to fund apprenticeship training for existing employees. As part of the Council’s budget saving targets, Medium Term Financial Plan savings target has been identified in relation to apprenticeship expenditure of £100K for 2017/18.
2. Widely recognised as key to achieving social mobility and business success – apprenticeships are a top skills priority for central and local government; for Bristol young people who do not go to university through a traditional academic route, apprenticeships represent a strong alternative pathway into employment and higher level qualifications.
3. To manage BCC apprenticeship levy resources effectively and achieve quota, People and HR teams have taken part in a Hot House to identify future service design options. As a result, the Council Senior Leadership Team (SLT) has agreed to the establishment of a single Apprenticeship Service. This means the Director of People will provide strategic leadership and establish strong accountability for delivery of the Government apprenticeship quota through a new Apprenticeship Steering Group. With immediate effect, a single apprenticeship delivery team and infrastructure is being established within the Employment, Skills and Learning Team (ESL), People Directorate.
4. BCC current apprenticeships are largely concentrated in business administration (41%) and construction/engineering (37%). There is scope to broaden this and to future proof our workforce supporting delivery of our organisational and workforce plan. BCC has recently secured Employer Provider status which means we are accredited to commission and deliver apprenticeships as a lead provider. We can also develop innovative programmes that not only meet our business needs but are more attractive to new apprentices and to existing staff wishing to develop their career, e.g. ‘working

- in the public sector', community activist roles; sustainability and energy roles; legal, finance, IT roles; education, family support, health and social care roles.
5. Our new Apprenticeship Service is funded through a combination of levy and Education Skills Funding Agency (ESFA) resources. The ESFA have set a maximum funding band figure in relation to each apprenticeship framework and standard. £100K saving is made possible through HR general fund saving, through ESFA defined eligible overhead costs and employer incentive grants for employing 16-18 year olds. The new Service also provides an opportunity to achieve ESFA growth and income generation by offering apprenticeship services to other employers/Levy payers.
 6. Over the next four years, it is anticipated that we will annually commission approximately £1.4m apprenticeship training and assessment services. Directorates have input into the forward schedule of potential apprenticeships, based on their analysis of their workforce development needs (see appendix 2). The Learning and Development Team has also provided information about potential apprenticeship programmes for existing employees.
 7. Since the Levy came into effect in April 2017, the HR team have set up 23 new apprenticeship posts and recruitment is underway with a local training provider with a planned start date in June this year. However, due to the change in funding rules and requirements, we currently do not have an appropriate commissioning framework in place. Urgent work is being carried out to update commissioning arrangements for apprenticeships and a Draft Specification for the Bristol Apprenticeship Service is being finalised (Appendix A.3 and A.4). It is intended specification will be published week commencing 19th June with end date for tender submissions 12th July and commissioning decisions by 31st July 2017.

Recommendation(s) / steer sought:

- To note the establishment of a new single Apprenticeship Service to transform our management and delivery of apprenticeships both within Bristol City Council and across partner employers in the city.
- To approve the development and publishing of a new single commissioning framework to enable the Council to procure apprenticeship services from external providers as soon as possible.
- To approve delegated authority for the Apprenticeship Manager to establish the framework and enter into contracts with framework providers.

City Outcome: *Provides a clear and flexible approach to enable BCC to enhance offer for staff and new recruits, developing people and use its influence with employers in key industrial sectors. Seeks to achieve MTFP contained with Corporate Plan.*

Health Outcome summary: N/A

Sustainability Outcome summary: N/A

Equalities Outcome summary: Project aims to build upon strengths of existing programmes to diversify and develop BCC workforce. We see significant positive long-term equalities benefits as scheme develops.

Impact / Involvement of partners: Will follow through and beyond commissioning process

Consultation carried out: *Internal Hot House process*

Legal Issues: *Need for a commissioning framework and developing Apprenticeship Agreements for existing employees to avoid changes to terms and conditions (Appendix A.1)*

Legal Officer: *Kate Fryer*

DLT sign-off	SLT sign-off	Cabinet Member sign-off
J Readman People 03/05/17	16/05/2017	Claire Hiscott

Appendix A – Further essential background / detail on the proposal	YES
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Appendix B – Details of consultation carried out - internal and external	YES
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
Appendix G – Exempt Information	NO