

# HR Committee

7<sup>th</sup> March 2019



**Report of:** Dr Jacqui Jensen, Executive Director Adult, Children, Education and Public Health (DCS)

**Title:** Bristol Apprenticeship Recruitment and Levy Spend Progress Report

**Ward:** City Wide

**Officer Presenting Report:** *Jane Taylor, Head of Service (Employment, Skills and Learning)*  
*Darren Perkins, Apprenticeship Manager.*

**Contact Telephone Number:** *07810 506586 (J Taylor)*

## Recommendation

For HR Committee to consider the latest Apprenticeship Team progress report in relation to apprenticeship expansion in line with our public sector duty and through use of our Levy fund.

## Summary

Apprenticeship recruitment is gathering pace with the creation of 185 apprenticeships since May 2017 with a monthly levy spend of £34K. A new marketing and communication campaign is underway. Plans are also progressing with a new BCC Levy sharing scheme. To fully spend BCC levy, it is proposed that additional actions are taken to increase the levy spend to circa £80K per month.

## The significant issues in the report are:

1. The BCC Public Sector Duty apprenticeship target by 2020 was initially set at 276 apprenticeships. BCC apprenticeship recruitment is currently 185 (see Appendix 1) with includes 29% from priority groups (see Appendix 2).
2. Current levy spend is £34K per month – to achieve full spend this needs to increase to £80K per month.
3. Additional actions identified by ACE (Employment, Skill and Learning) and Resources (HR/L&D Teams) are critical to achieve full levy spend (see Appendix 3)

## Policy

1. This report and recommendation relates primarily to:
  - a) The Corporate Strategy makes a commitment to develop a diverse economy that offers opportunity to all and makes quality work experience and apprenticeships available to every young person.
  - b) The Organisational Improvement Plan makes a commitment to: support the recruitment and retention of apprentices to the council (revised target 252 by 2021) and make full use of the apprenticeship levy to support learning and development and career progression.

## Consultation

2. **Internal**  
Not applicable
3. **External**  
Not applicable

## Context

### 4.1 Background

In May 2017 the Apprenticeship Levy was introduced requiring large employers to contribute 0.5% of their salary bill into a Government managed fund for apprenticeship training costs. These funds are retained for employer use for 24 months from transfer to levy account (a digital 'virtual' funding system). After 24 months unspent levy funds are transferred to HM Treasury. The Enterprise Act 2016 also introduced a public sector duty requiring local authorities and others to ensure that by 2020 2.3% of staff would be undertaking learning and development through apprenticeships. Based upon BCC workforce at 31<sup>st</sup> March 2017 (including maintained schools) this provided a target of 276 apprenticeships.

Bristol City Council has been approved as a government contracted apprenticeship training provider since 2002. We hold a current OFSTED grade of 2 (Good) and our On Site Bristol provision has been a vital component of the development of construction apprenticeships in the greater Bristol area. This contracting and brokerage lent itself well to BCC developing an employer provider model for the blended delivery of apprenticeships to serve the needs of departments and other employers. This model was proposed and approved by Cabinet in July 2017 and the Bristol Apprenticeship Service commenced in October 2017. At present the service comprises 2 FTE staff within the Employment, Skills and Learning Team.

To ensure a continuation of high quality training the team worked with commissioning and procurement and developed a dynamic purchasing system which has so far approved 15 providers to deliver training in 21 separate specialist areas of learning. The procurement process and subsequent negotiations with approved providers has been negatively affected by significant disruption within the national offer of apprenticeships as new schemes of learning delivery and assessment have been introduced with a slow start.

## 4.2 Progress to date

Since May 2017 185 apprenticeships have been commenced by Bristol City Council staff (see appendix 1) and 122 of these (66%) are for existing staff members. We currently offer 36 distinct programmes across a variety of apprenticeship types and at each of levels 2 to 7. The Apprenticeship Team are also working on a further 6 new schemes which include departmental input to ensure the bespoke needs of individual teams are met.

The delayed set up of the apprenticeship service (May to Feb lost 9 months), lack of nationally approved apprenticeship standards, lack of an agreed corporate approach - impacted through wider organisational changes – have all impacted on progress. At team level, budgetary constraints, and low level manager awareness of apprenticeship charges and changes have been a challenge. Apprenticeship requirements to provide off-the-job training were an initial barrier though managers are now adapting and finding ways to fulfil this commitment.

Since May 2017 BCC has contributed £1.77 million to the levy and this has generated a government top up of £176,898 providing a total input of £1.95 million. To date £198K has been spent and we have a further £800K committed spend over next 24 months at a rate of £34K per month in relation to 115 apprentices.

**However, to prevent Levy funds being passed from BCC to the Treasury, a potential risk from August 2019 onwards, we need to increase our apprenticeship recruitment to 50 per quarter compared to our current average rate of 22 per quarter, and also increase our rate of levy spend to £80K per month compared to our current average spend of £34K per month.**

## 4.3 Diversity

In line with Corporate and Organisational Improvement priorities, the Apprenticeship Team is also accountable for achieving diverse recruitment targets. Positive action is being taken to recruit priority groups into new apprenticeship roles, and also to support existing staff from priority groups to progress through apprenticeship opportunities. BCC apprenticeship recruitment of existing staff and new employees from priority groups is currently 29% (see Appendix 2).

In 2017 the Council was invited to be part of the national 5-Cities Diversity Hub project with London, Birmingham, Manchester and Leicester. Each city is developing a local action plan to widen participation in apprenticeships. Bristol is aiming to increase BAME apprenticeships to 20% by 2020 and also increase apprenticeship take up by other groups that face barriers to recruitment, including Care Leavers, Disabled People, 16-19 year olds and people over the age of 50.

Supported by the Learning City Partnership WORKS team, a multiagency steering group has been formed with DWP, FE Training Providers, NHS, Universities, National Careers Service, Ashley Community Housing and West of England Combined Authority. A range of community engagement activities are being planned and delivered with community-led organisations in and around National Apprenticeship Week in March.

#### 4.4 Marketing and Communications

The BCC Marketing and Communications Team have been supporting the Apprenticeships Team with both internal and external action plans. In a short period, the Apprenticeship internal communications plan and new marketing materials have produced significant staff interest in the new apprenticeship offer.

A range of further communications products and activities are planned, including the provision of an information session and printed materials for elected members to have available for sharing with citizens and other stakeholders.

#### 4.5 Next Steps

##### A. In Progress

The Apprenticeship Team, with support from HR and marketing teams, is taking a number of priority actions over the next two months to increase our apprenticeship recruitment:

- Finalising a new BCC Levy Sharing scheme with a view to launching in early March
- Intensifying our internal marketing campaign
- Finalising contracts so that community-led development and engagement activities can get underway to support diverse recruitment of priority groups
- Contributing to HR linked initiatives to support managers with their workforce planning and recruitment, in particularly as part of the i-Trent project
- Contributing to an internal audit of BCC levy fund calculation and usage.

##### B. Proposed Actions

In December, senior managers and team leaders from ACE (ESL) and Resources (HR & L&D) worked together to identify actions that could help accelerate apprenticeship recruitment and maximise levy spend. Ten priority actions have been identified (See Appendix 3). Apprenticeship recruitment and levy spend risks and opportunities are being escalated through Directorate Leadership Teams to help gain essential traction and impact:

- Senior City Council Leaders to set and monitor apprenticeship targets
- Develop support and training for potential apprenticeship managers
- Reconfigure Learning and Development programmes as apprenticeships
- Publish a protocol and process for handling and approving apprenticeship requests
- Develop an application process so that ALL jobs being approved and advertised are apprenticeship positions by default (similar to NHS scheme)
- Develop clear written guidance for embedding apprenticeship promotion into the day to day work of the HR Resourcing Team
- Raise the profile of apprenticeships through all channels
- Recruit Apprenticeship Ambassadors across all teams
- Promote apprenticeships on the Council's recruitment website
- Support school leaders to set and monitor apprenticeship targets.

## Proposal

This report is being presented to HR Committee for information and discussion of options to increase our apprenticeship expansion in line with our public sector duty and through our Levy fund.

Committee Members are asked to consider and endorse the proposed actions and to provide support with promoting apprenticeships within the City Council and through promotion of our new Levy Sharing scheme which is going live from March 2019.

## Other Options Considered

5. No other options have been considered at this stage.

## Risk Assessment

6. The risk that Bristol City Council may not fully utilise our apprenticeship levy has been included in the ACE Directorate Risk Register. A number of mitigating actions have been identified to enable us to accelerate apprenticeship recruitment, including:
- i) intensify internal marketing and communications
  - ii) develop process for Levy Sharing and public/SME engagement
  - iii) escalate apprenticeship recruitment and levy spend risks and opportunities through Directorate leadership teams

## Public Sector Equality Duties

- 8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
  - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
    - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
    - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
    - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

- iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
  - tackle prejudice; and
  - promote understanding.
  
- 8b) The Council’s public sector equality duties are being fully considered and implemented through our apprenticeship planning, promotion, recruitment and reporting. An equality impact assessment was initially prepared when the Apprenticeship Service was created. A second equality impact assessment is currently being prepared in relation to the Levy Sharing Scheme.

## **Legal and Resource Implications**

### **Legal**

There are no legal implications to the report but the Council must continue to comply with its public sector equality duty in relation to recruitment of apprentices and provision of a levy sharing scheme.

**(Legal advice provided by *Husinara Jones, Solicitor/Team Leader – Commercial & Governance Team, 12<sup>th</sup> February 2019*)**

### **Financial**

#### **(a) Revenue**

The Apprenticeship Levy has been operating since the start of the 2017/18 tax year. Employers contribute 0.5% of the pay bill, beyond a single £15,000 allowance for which they are exempt. This is adjusted for an English apportionment and supplemented by a 10% HMRC contribution to produce an eligible amount that the employer may use for supporting apprentices. Allowances are available in an on-line digital account for two years on a rolling basis (eg the first contribution in May 2017 must be demonstrated to have been spent by May 2019). After two years, any unspent funds are lost to the employer.

Taking account of spend to date and the commitments expected over the next few months (rising to £35k then £40k per month), Bristol City Council looks to be in a position where all its allowance will be accounted for until around September 2019. From September 2019, unless monthly levels of apprenticeship spending can increase to around £80k per month, allowances will start to be lost to the Council.

#### **(b) Capital**

Not applicable

**(Financial advice provided by: *David Tully, Finance Business Partner, 15<sup>th</sup> February 2019*)**

### **Land**

Not applicable

## **Personnel**

The council is continuing to make great progress in engaging apprentices to tackle workforce issues in key areas where there are skills shortages, with the new Social Work apprenticeship hopefully ready for implementation in the autumn of this year. We already have the Care Worker apprenticeship in place which is helping to address the shortage of care workers across the city as well as many others in areas of skills shortage.

The apprenticeship levy is also a great opportunity for the council to invest in the development of current employees and we need to encourage people to take advantage of this learning opportunity and gain qualifications. We also continue to invest in key skills for staff where there is a need for this.

**(Personnel advice provided by: Lorna Laing, HR Business Partner, 20th February 2019)**

## **Appendices:**

Appendix 1: Updated list of BCC Apprenticeships – recruited and in the pipeline

Appendix 2: Apprenticeship Profile by Priority Groups

Appendix 3: Top Ten Priority Actions To Accelerate Apprenticeship Recruitment

## **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**Background Papers: Not applicable**