

Meeting: Children, Education and Skills Sub-committee

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Title: Apprenticeship programme 2014/17

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Service: Human Resources and Organisational Development

Wards affected: All

1. Purpose of report

The purpose of this report is to update the sub committee on progress with North Tyneside Council's apprenticeship programme since it's inception in 2014, to highlight developments relating to apprenticeship reforms in 2017 and to report on the Council's response to the apprenticeship levy and public sector targets and implications for North Tyneside schools.

2. Recommendations

To note the report and make any recommendations as appropriate.

3. Information

3.1 NTC is planning it's fourth year of apprentice recruitment. The table below outlines the number and destinations of each cohort since 2014.

cohort	recruited	completed	Appointed to external job	Appointed to internal job	n/k	resigned	terminated	Still on programme
2014 cohort	49	38 (77.5%)	9	18	11	8	2	1
2015 cohort	19	2	1	1	nil	1	1	15
2016 cohort	21	-	-	-	-	-	-	21

3.2 The key points are:

- At this time we have 37 apprentices in post.
- The 2015 cohort are due to complete end of Feb 2017 and are being supported with employability skills training sessions and being considered for any appropriate internal vacancies.

- The number recruited in 2014 was inflated by the 21 apprentices previously employed by Constructing Communities and then absorbed into the NTC apprenticeship programme.
- Of the apprentices completing their programme so far, a healthy 72.5% are now employed, 47.5% of these by NTC. Many have been employed by their service areas e.g. Sport and Leisure, Comms Team, ALES, BED and the Mayor's Office. Others have found job opportunities in new teams. Managers have striven to identify potential job opportunities for their apprentices and the young people have been supported with the application and interview process by the Adult Learning Alliance and HR.
- The number of apprentices having their contact terminated due to failing to reach a satisfactory level of performance is low at 3 out of 68 (4%). This low number evidences the effort all key players have made to be flexible and supportive when faced with challenging behaviour/additional needs.

3.3 Recruitment Statistics

The statistics below are based upon the creation of 17 new apprentice posts recruited to in Sept. 2016. They exclude the 4 posts in sport and leisure which were filled later and for which data is not yet available.

	Applicants	Successful candidates	Compared to 2015
Mode age	18	19	Younger applicants, the same age being successful
Gender breakdown	19% F 89% M	30% F 70% M	Higher % of males
% considering themselves as disabled	12.7%	3.8%	Higher

3.4 Targeted Groups

The council's apprenticeship programme continues to encourage applications from those in less advantaged groups including those who are NEET, looked after, leaving care or who have additional support needs.

Year	Total number of applicants	Applicants who meet target audience	Target group shortlisted	Target group employed	%of posts filled by target group
2014	255	83	26	9	32%
2015	83	54	39	10	58%
2016	79	46	25	9	53%

3.5 North Tyneside residents

We have also focused our recruitment on North Tyneside residents.

This was achieved via partnership working with North Tyneside Schools, Tynemet, Connexions North Tyneside and organisations working to support NT young people.

The Council has a strong presence at each Get up and Go event which attracts a significant number of North Tyneside young people and their parents/carers.

Year	Applicants from NT	Appointed from NT	Applicants from outside NT	Appointed from outside NT
2014	134	24	121	4
2015	57	16	26	1
2016	56	13	23	4

3.5.1 The Key points are:

- The proportion of boys applying for and being successfully recruited has risen to 70%. This significant increase is due to a narrower range of vocational areas recruiting (fitter and park keeping vacancies attracting mainly boys) and an increase in boys applying for and being recruited to admin.
- The proportion of posts filled by those from targeted groups this year is 53%, with the figure being 58% in 2015 and 32% in 2014.
- We have recruited a higher number of apprentices with disabilities – 3.8% compared to 1% last year. However, proportionally, fewer disabled applicants are shortlisted for interview due to relatively weaker applications.
- The number of applications and apprentices appointed from North Tyneside residents continues to far outweigh those from outside the borough.

4. Developments in 2016

4.1 Traineeships

A pilot traineeship was developed and ran for 10 weeks over the summer. This was supported by NTC's sport and leisure, Tynemet and the Workforce Programme Adviser.

The rationale was to engage less advantaged young people living in NT and equip them with some foundation level skills and knowledge to support their progression into apprenticeships/ employment.

8 young people were recruited to the programme and 50% were from vulnerable groups (care leavers, additional needs). They were placed for 2 weeks in each leisure centre gaining work experience and attended weekly taught sessions with Tynemet. Each was guaranteed an interview for an apprenticeship in sport and leisure. As a result 2 of the trainees were successfully appointed to a sport and leisure apprenticeship.

4.2 The LAC/care leaver group

4.2.1 NTC has made a commitment to support these young people into our apprenticeships and there have been some significant positive outcomes this year.

The “Care2Work Partnership” action plan sets out to raise the participation rates in learning and employment of those young people who come into the care of the local authority. One target is to increase the number of work experience and employment opportunities in NTC for these young people. As a result:

- SLT agreed to create work experience opportunities for and these were offered with the Youth Service, Care Call, Fleet Services and Kier.
- “Care4me” training was delivered by young people supported by Vicki Nixon’s team in Participation and Advocacy to the managers involved in the pilot.
- The LAC Connexions Adviser identified 7 suitable young people and their placements began in January 16.
- Four out of the 7 young people engaged. Of the 4, 2 dropped out due to personal issues, 1 has progressed onto college and 1 has started an NTC apprenticeship.
- The young care leaver recruited into an admin apprenticeship spent 9 months on placement with Care Call. As a consequence the service manager identified a potential apprenticeship opportunity which she has now secured.

4.2.2 This year in total we have recruited 4 young care leavers into council apprenticeships as follows:

- Business admin with Care Call
- Business admin with DOLS
- Business admin with Housing, Property Service
- Business admin with Participation and Advocacy

This brings the total number of care leavers in NTC apprenticeships to 5 as another is still in post from 2014 and is based with the Rhelac Team.

4.3 The arising challenges

We have made a commitment to encourage applications from young people in “target groups”. This requires careful preparation and investigation if we are to offer these young people a positive experience, be realistic about their potential for employment and minimise the risk of drop out and termination. In this year’s recruitment, we have:

- Been more creative about selection processes.
- Given greater consideration to matching the young person to the most appropriate team environment, mentor and manager.
- Trialled a pathway from traineeship to apprenticeship via the pilot in sport and leisure.

We still need to:

- Address the balance for staff between “doing the day job” and managing the demands of apprentices, especially in the face of a reducing workforce. This tension will increase as we develop more apprenticeships in 2017 and move to up skill existing staff.

- Balance our commitment to recruit from young people in “target groups” with the demands of the upcoming apprenticeship reforms.

5. Apprenticeship Reforms 2017

In order to drive up the quality and quantity of apprenticeships the Government is introducing an apprenticeship levy across all businesses with a pay bill of £3m and numerical targets for all public sector employers. These will come into effect on 6th April 2017.

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5.1 Key points and implications for the council:

1. Apprenticeship target/duty for public sector bodies –an **annual target of 2.3%** of workforce to be apprentices. This target can include new and current workforce.
 - a. Our estimated target for 7th April:
 - i. North Tyneside council only – 2896 equates to **66** apprentices
 - ii. Schools - estimated 19 schools come under our pay bill calculations which equates to 975 employees. This would equate to a target of **22** apprentices. However there is potential for this to drop to 14 schools if they go to Academy status in January 2017. To ensure efficiency for the payroll team it was felt necessary to put schools through on the council’s payroll PAYE reference. This means that the schools would “count” towards our target. We could process the schools payroll separately but that would incur significant increase in processing cost for Engie that might be difficult to recover from the schools.
 - b. Overall total headcount incl. schools is therefore **88**
2. Latest guidance issued 25/10/16 emphasises “apprentices cannot be employed solely to deliver an apprenticeship”; there must be a **genuine job available after they have completed** their apprenticeship”. This has implications for any external recruitment of new apprentices as we will have to consider their progression pathway.
3. UK employers with an annual pay bill of more than £3 million are liable to pay the levy (a digital account), at a rate of 0.5% of pay bill, paid through PAYE. Our Community schools within North Tyneside will be part of the 0.5% and we will therefore need to consider the best way to transfer this levy onto these schools and manage their spend as well as our own. This is estimated to be circa £92K for the schools. The HR team for schools has been keeping the schools abreast of these changes and we now need to work with finance teams to agree a framework of how this will operate.

4. The levy can **only be used to pay for training and assessment costs** and is capped depending upon each individual framework/standard. The maximum funding bands start at £3k and go up to £27k.
5. Note the levy **can't be used to pay for apprenticeship wages**.
 - a. This helps support workforce planning within the council. We can look to up skill our current workforce for future challenges and priorities by spending some of the levy to this end rather than solely employing new apprentices which will incur additional wage costs.
 - b. The levy can be used for apprentices studying lower qualifications (so even graduates could undertake a lower level apprenticeship) provided the training allows them to acquire substantive new skills.
6. The levy will stay in the digital account for **24 months**, starting in May. If it is not used within this time the money goes to central government.
 - a. With this in mind we will look to maximise the levy by offering an earlier intake in May to our existing workforce and an intake in September to accommodate school leavers and NEETs.
 - b. Utilising our levy will be crucial. Apprenticeship standards/frameworks will have different costs depending on the level and the occupational area. For comparative purposes an admin apprentice level 2 equates to circa £3k, compared to a heavy vehicle technician level 3 is circa £18k. So there will need to be a balancing act between meeting the target vs. spending our levy.
7. New Apprenticeship Standards will replace apprenticeship frameworks by 2020. These standards will have caps on them in terms of the maximum you can pay per person for the apprenticeship.
8. In recruiting **16-18 year olds, the government will provide extra funding** (£1k per person) to employers and training providers and an additional cash payment will be made to training providers equal to 20% of the funding band maximum.
9. The government will also provide **£1k to employers and training providers who take on 19-24 year old care leavers or those with an EHP**.
10. A new register of **approved training providers** has been created. Our Adult Learning Alliance will be an approved training provider and we will look to utilise them to be our provider, where appropriate. This will enable us to utilise the levy and retain the funds within the organisation.
11. All employers will have a **£15k allowance** to offset against the levy liability. It is not a cash payment and will remain in our digital account for the 24 months.
12. Employers who pay the levy will receive a **10% top up to their** digital account.

6. Progress in meeting demands of the levy and apprenticeship target

An paper submitted to the Senior Leadership Team (SLT) in November outlined the apprenticeship reforms facing the Council from April 2017.

SLT were asked to consider how best to meet the target and maximise the levy within the current challenges of reducing our workforce and service redesign.

Specifically SLT were asked to consider opportunities within services for:

- Our current workforce to up skill in either a higher level standard or a significantly different area of expertise in order to support succession planning and/or;
- new apprenticeship posts coming into teams

Below outlines feedback from service areas so far. Responses suggest that the Council will accommodate 73 apprenticeships out of a target of 66. Some of these posts have to be discussed further before a definite decision to proceed can be made.

Service area	Team	New apprentice post	Existing workforce
HR&OD	HR&OD	1	1
Commissioning	Commissioning team	1	
Commissioning	Catering	4	3
Corporate Strategy	Community and Vol sector		1
EHL	Waste collection		40
EHL	Environment and cleansing	2	
HECS	Prevention and intervention	2	1
HECS	Childrens services		8
HECS	ASC	1	
BED	BED		2
Law and Governance	Statutory services	1	1
HECS	Gateway	1	
Environment, Housing, Leisure	Housing		1
HECS	ALES	2	
TOTAL		15	58

7. Next steps and timescales linked to the Apprenticeship Reforms

January – March 2017	<ul style="list-style-type: none">• Pull together paperwork, marketing and publicity etc ready for Get up and Go in March.• Start development work to prepare for existing staff to commence apprenticeships from May onwards.
March 2017	Get up and Go to promote vacancies for August - September start
7th April 2017	Implementation of new reform
May 2017	First cohort of apprentices start – existing employees
August - September 2017	External apprentices commence employment with the Council

8. Implications for North Tyneside schools

There are 19 Community schools in North Tyneside with a requirement for the placement of 22 apprentices, there are currently 2 apprentices employed in 1 Community school. These schools are responsible directly for the payment of the levy and the appointment of apprentices. They are being supported to implement the requirements of the levy and a briefing is taking place on the 14th February 2017 with the Schools HR team and Adult Learning Alliance. The focus of this briefing is to ensure Community schools:

- Clearly understand what they need to do within their individual school
- How they can work collectively as a Community grouping of schools
- Where they are able to seek help with sourcing an apprenticeship
- Access to apprenticeship providers, the various types of apprenticeship routes, etc.

All other schools are being supported in a similar way but as they are Foundation Schools or Academies the direct employment/associated Levy requirements is not the responsibility of North Tyneside Council.