



Derby City Council

**PERSONNEL COMMITTEE**  
**29 June 2017**

Report of the Director of Governance and  
Monitoring Officer

# ITEM 7

## Apprenticeship Levy

### SUMMARY

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| 1.1 | A detailed report was considered at 9 February Personnel Committee and the committee asked that the Levy become an agenda item. This report provides an update on the Apprenticeship Levy. |
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### RECOMMENDATIONS

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| 2.1 | To note the contents of the report. |
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### REASONS FOR RECOMMENDATIONS

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| 3.1 | To note update on the Apprenticeship Levy. |
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### SUPPORTING INFORMATION

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| 4.1 | The Government implemented the mandatory Apprenticeship Levy in April 2017 and the Council's annual contribution is £836,571.10 with approximately£500k apportioned to non-schools based employees and £336,571.10 apportioned across our schools based employees. The calculations are based on 0.5% of the Council's salary bill.   |
| 4.2 | Prescribed groups and public sector bodies with 250 or more staff in England have a statutory target to employ an average of at least 2.3% of their staff as new apprentice starts over the period of 1 April 2017 to 31 March 2021.  |
| 4.3 | <p>The Committee previously endorsed the agreed principals for spending the levy as:</p> <p>The Council will seek to maximise drawdown of the Apprenticeship Levy and will encourage maintained and voluntary controlled schools to do the same.</p> <p>The Council will initially prioritise the levy to support the care leavers for whom the Council is the corporate parent, wherever possible, notwithstanding the overall aim of maximising the Council's drawdown.</p> |
| 4.4 | Update:   |

	<ul style="list-style-type: none"> <li>• The Council has now signed the Skills Funding Agency agreement and we can access our funds.</li> <li>• The first monthly payment was transferred into the Council's Levy pot on 22 May 2017, amount £73,887.</li> <li>• There has been an increasing urgency to advertise Apprenticeship vacancies particularly in schools, due to the up and coming summer break. Therefore we are currently advertising the first cohort of Apprenticeships under the reforms.</li> <li>• The Apprenticeship Service is working closely with the Children in Care Team to identify opportunities for care leavers, supporting with the Council pledge of offering new apprenticeships to Derby City care leavers.</li> <li>• The Council is continuing to work in partnership with Nottingham City Council. They are leading on the development of a new 'Approved Training Providers List' that will be accessible by public body employers seeking apprenticeship training. Nottingham City Council are aiming to have this in place by late Autumn 2017.</li> </ul>
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#### OTHER OPTIONS CONSIDERED

- 5.1 None. The manner of reporting was agreed at the meeting of the Personnel Committee on 9 February 2017.

**This report has been approved by the following officers:**

<b>Legal officer</b>  <b>Financial officer</b> <b>Human Resources officer</b> <b>Other(s)</b>	Janie Berry, Director of Governance and Monitoring Officer  David Cox, Head of Human Resources
<b>For more information contact:</b>  <b>List of appendices:</b>	Tania Hay, Employee Commission Lead. (01332) 643453 tania.hay@derby.gov.uk  Appendix 1: Implications Appendix 2: Updated Project Task List

<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 The Council has no option other than to pay the 0.5% apprenticeship levy from April 2017.

The Council's cost of funding the Apprenticeship Levy is based on the PAYE salary figures estimated as follows:

General fund £86,200,171.

Schools £80,459,503.

Housing Revenue Account is £654,547.

Total salary bill included in the levy calculation is £167,314,220.

This would equate to an annual cost of £836,571.10.

Approximately £500,000 being apportioned to our non-schools based workforce and the remaining £336,571.10 being apportioned to our maintained and voluntary aided Schools.

**Legal**

- 2.1 This is a mandatory levy introduced under the Enterprise Act 2016 which applies to all employers who operate in the UK in any sector with a pay bill of more than £3 million per annum.

**Personnel**

- 3.1 HR is taking lead responsibility for developing and implementing an Apprenticeship Strategy which will maximise the Council's drawdown from the Apprenticeship Levy fund. Proactive work will also be undertaken to raise awareness across the Council and maintained and voluntary aided schools to promote the use of the Apprenticeship Levy where possible.
- 3.2 City Placements will continue to support the Council's existing Apprentices.

**IT**

- 4.1 The apprenticeship levy will be administered as an on line digital service provided by HMRC.

**Equalities Impact**

- 5.1 Personnel Committee have agreed to give priority in the use of the Apprenticeship levy to young people with protected characteristics under the

Equality Act, including care leavers to enhance the diversity of our workforce. An equalities impact assessment will be undertaken as part of the project plan.

### **Health and Safety**

6.1 N/A

### **Environmental Sustainability**

7.1 N/A

### **Property and Asset Management**

8.1 N/A

### **Risk Management**

9.1 The potential risks in not completing the project in a timely and robust manner would be not using the levy to its maximum potential and losing the money paid into the levy after the rolling 24 months.

### **Corporate Objectives and Priorities for Change**

10.1 A modern, flexible and resilient workforce.

## Appendix 2

### UPDATED PROJECT TASK LIST

	<b>Levy Payment</b>																								
	The Levy has now gone live and the Council is about to make the first payment when we run payroll on 18 <sup>th</sup> April 2017.																								
	<b>Adult Learning Service (ALS)</b>																								
1.1	<p>The Council has been successful in maintaining our position as a Training Provider under the new Apprenticeship Levy rules.</p> <p>List of frameworks and standards DALS is able to deliver currently:</p> <table> <tr> <th><b>Standard(S)/Framework(F)</b></th><th><b>NVQ Level</b></th></tr> <tr> <td>Operational Delivery (s)</td><td>3</td></tr> <tr> <td>Business Admin (f)</td><td>2</td></tr> <tr> <td>Business Admin (f)</td><td>3</td></tr> <tr> <td>Customer Service Practitioner (s)</td><td>2</td></tr> <tr> <td>Team Leader/Supervisor(s)</td><td>3</td></tr> <tr> <td>Supporting Teaching and Learning in Schools (f)</td><td>2</td></tr> <tr> <td>Supporting Teaching and Learning in Schools (f)</td><td>3</td></tr> <tr> <td>Education and Training Mentor (s)</td><td>3</td></tr> <tr> <td>Adult Care Worker (s)</td><td>2</td></tr> <tr> <td>Lead Adult Care Worker (s)</td><td>3</td></tr> <tr> <td>HR Support (s)</td><td>3</td></tr> </table>	<b>Standard(S)/Framework(F)</b>	<b>NVQ Level</b>	Operational Delivery (s)	3	Business Admin (f)	2	Business Admin (f)	3	Customer Service Practitioner (s)	2	Team Leader/Supervisor(s)	3	Supporting Teaching and Learning in Schools (f)	2	Supporting Teaching and Learning in Schools (f)	3	Education and Training Mentor (s)	3	Adult Care Worker (s)	2	Lead Adult Care Worker (s)	3	HR Support (s)	3
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	<b>Schools</b>																								
2.1	Seeking clarity from the Skills Funding Agency on what constitutes an Apprenticeship year in the schools: is it calendar year or four terms due to school holidays.																								
2.2	The levy working Group is engaging with a Derby Head Teacher to ensure the																								

	Schools perspective is considered.
2.3	3aaa Project Manager currently putting together options for Schools to be included in the paper for COG week commencing 10 April 2017.
	<b>3aaa Business Needs Analysis (BNA)</b>
3.1	3aaa progress and options paper being tabled at COG on 11 <sup>th</sup> April, with the view to a full BNA paper being tabled at COG on 9 <sup>th</sup> May with the intention to go to Cabinet in June.
	<b>Procurement</b>
4.1	Procurement is currently engaging with the D2N2 Authorities on an exercise to develop a shared procurement framework of authorised providers.
4.2	Procurement will be tabling an options paper to COG in the coming months.