



Derby City Council

PERSONNEL COMMITTEE

2 November 2017

ITEM 6

Report of the Director of Governance and
Monitoring Officer

Apprenticeship Levy Update

SUMMARY

- 1.1 A detailed report was considered at 9 February 2017 Personnel Committee and the Committee asked that the Levy become an agenda item for future meetings. This report provides an update on the Apprenticeship Levy.

RECOMMENDATIONS

- 2.1 To note the contents of the report.

REASONS FOR RECOMMENDATIONS

- 3.1 To keep Personnel Committee updated on the Apprenticeship Levy.

SUPPORTING INFORMATION

- 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 The Committee previously endorsed the agreed principles for spending the Levy as:

The Council will seek to maximise drawdown of the Apprenticeship Levy and

will encourage maintained and voluntary controlled schools to do the same.

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.

4.4 **Update:**

The Council is working on a corporate strategy to maximise the Apprenticeship Levy.

The Levy can be used to meet the cost of apprenticeship training and assessment against an approved apprenticeship framework or standard. This can be for both existing employees as well as new starters of all ages across the Council and schools.

A business needs analysis was carried out earlier this year for 30% of the organisation and this identified trends for training and development within the workforce. This includes specialist technical areas specific to departments along with leadership and management skills.

This informed the Council of the breadth of the required training provision and the decision was taken to enter into a tender exercise to procure a "managed service" provider to support the Council to spend the Levy effectively across all departments and schools. The "managed service" provider would complete the business needs analysis exercise, and subsequently scope the Council's needs to the relevant available apprenticeship standards and frameworks.

The procurement exercise for the "managed service" is underway, supported by the Council's Procurement and Contracting team. The aim is for the procurement exercise to be completed by early November.

OTHER OPTIONS CONSIDERED

- 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:

Legal officer	Janie Berry, Director of Governance and Monitoring Officer
Financial officer	
Human Resources officer	Liz Moore, Head of Human Resources
Other(s)	

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List of appendices:	Appendix 1: Implications

IMPLICATIONS

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 a year.

Personnel

- 3.1 The HR service is taking the 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.