



Derby City Council

PERSONNEL COMMITTEE
16 March 2017

Report of the Director of Governance and
Monitoring Officer

ITEM 6

Apprenticeship Levy

SUMMARY

- 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 and includes the following documents:

Appendix 2: Project update for the Apprenticeship Levy.

RECOMMENDATIONS

- 2.1 To note the contents of the report and Appendix 2.

REASONS FOR RECOMMENDATIONS

- 3.1 To note an updated Project Task List for the Apprenticeship Levy Project.

SUPPORTING INFORMATION

- 4.1 To note the agreed principals for spending the levy are:

The Council will seek to maximise drawdown of the Apprenticeship Levy and will encourage maintained and voluntary aided 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.

- 4.2 The revised Project Task List for the Apprenticeship Levy Project.

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:

Legal officer Financial officer Human Resources officer Other(s)	Janie Berry, Director of Governance and Monitoring Officer Martyn Marples, Director of Finance David Cox, Head of Human Resources
For more information contact: List of appendices:	Tania Hay, Employee Commission Lead. (01332) 643453 tania.hay@derby.gov.uk Appendix 1: Implications. Appendix 2: Updated project task list.

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 per annum.
- 2.2 A Memorandum of Understanding has been entered into with 3aaa however a procurement exercise will be required if the Council is to continue its partnership with 3aaa in the longer term. Legal Advice will be sought as and when required in respect of this issue.

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

Schools Levy Funding

- 1.1 The Apprenticeship Levy cost for maintained and voluntary aided schools will be met from individual schools budgets. Finance has communicated this in the finance pack to schools to set their budgets.

Communications

- 2.1 Communications have gone out to schools and managers and 3aaaare now actively contacting Head Teachers and Managers to gather the required data to complete the business needs analysis.

Initial Data Gathering Strategy

- 3.1 Three priority areas have been identified to start the business needs analysis for the Council, these are:

Establish and prioritise areas where the Council experience difficulties with recruitment and retention of staff.

Identify which of the 162 released standards can be best applied across the organisation.

Establish the business needs of the Council maintained and voluntary aided schools, a dedicated resource has been put in place to achieve this.

Aligning the Levy Spend with the Organisational Development Plan

- 4.1 The 3aaa Project Manager will work closely with Organisational Development to ensure the levy helps to support the Our People outcomes of the Delivering Differently Programme.
- 4.2 There are a number of workforce development needs that will arise from the Organisational Development Plan and resources will be needed to meet those needs.

Adult Learning Service (ALS)

- 5.1 To note the outcome of the market entry qualification process for the Skills Funding Agency Register will be released in March 2017. This will inform the Council if we have been successful in maintaining our position of a training

provider under the new Apprenticeship Levy rules.

- 5.2 Employer Provider Funding Rules have now been finalised by the Government, clarifying how and where the levy can be spent.
- 5.3 To note 3aaa are engaging with the ALS to collate the data on the Council's current in house Apprenticeship and training delivery to establish the revenue generated. The aim is to maintain the Council's income from Apprenticeship delivery and subsequently ring fence a proportion of the levy spend to continue with this established in house service.

Care Leavers

- 6.1 The City Placement Liaison Officer is currently working with the Deputy Head of Service - Children in Care, exploring the potential of placing care leavers to a voluntary/charity youth work provision on a secondment basis.