



Derby City Council

PERSONNEL COMMITTEE
13 April 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 The Committee previously endorsed the agreed principals for spending the levy as:

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.

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| OTHER OPTIONS CONSIDERED |
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- 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:

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| 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. |

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| IMPLICATIONS |
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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.
- 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

| | Levy Payment | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---------------------------------|------------------|--------------------------|---|--------------------|---|--------------------|---|-----------------------------------|---|---------------------------|---|---|---|---|---|-----------------------------------|---|-----------------------|---|----------------------------|---|----------------|---|
| | The Levy has now gone live and the Council is about to make the first payment when we run payroll on 18 th April 2017. | | | | | | | | | | | | | | | | | | | | | | | | |
| | Adult Learning Service (ALS) | | | | | | | | | | | | | | | | | | | | | | | | |
| 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><thead><tr><th>Standard(S)/Framework(F)</th><th>NVQ Level</th></tr></thead><tbody><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></tbody></table> | Standard(S)/Framework(F) | NVQ Level | 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 |
| Standard(S)/Framework(F) | NVQ Level | | | | | | | | | | | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | | | | | | | | | | | | | |
| | Schools | | | | | | | | | | | | | | | | | | | | | | | | |
| 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. | | | | | | | | | | | | | | | | | | | | | | | | |

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| 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. |
| | 3aaa Business Needs Analysis (BNA) |
| 3.1 | 3aaa progress and options paper being tabled at COG on 11 th April, with the view to a full BNA paper being tabled at COG on 9 th May with the intention to go to Cabinet in June. |
| | Procurement |
| 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. |