



Schools Forum Date: 2 February 2017 Time: 8:30 am Venue: Shrewsbury Training and Development Centre	<u>Item</u> Public	<u>Paper</u> F
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APPRENTICESHIP LEVY

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Summary

This report provides an update on the work relating to the Apprenticeship Levy, due to come into force from April 2017.

Recommendation

Schools Forum members are asked to note the contents of this report.

REPORT

Background

The report to Schools Forum on 24 November 2016 gave details of the new Apprenticeship Levy, which is coming into effect from 1 April 2017. This report provides an update on the levy and on the work that has been undertaken to date to ensure that the Council is ready to maximise the levy available from April.

1. Update on Levy

1.1 Maintained Schools

Further clarification has been published in relation to who pays the levy as outlined below, however more information is expected to be published by the HMRC/DfE, but no timescale for publication of this information is yet available:

- a) Community and Voluntary Controlled (VC) schools. The local authority is the employer and therefore all schools paybills will need to be included in the local authority's calculation.

- b) Voluntary Aided and Foundation schools. The governing body is considered to be the employer, rather than the local authority, therefore each schools liability for the levy will be based on its own paybill. Those schools with paybills under £3 million, who are included on the local authority's payroll, will be excluded from the calculation of the authority's liability for the levy.

1.2 Non-Maintained Schools

Whilst an authority administrating the payroll for a non-maintained school may actually pay over the levy to HMRC, as part of its payroll admin role, the levy liability would be funded by the school and the non-maintained schools payroll would not count in the local authority's calculation of its own liability.

Examples of the cost of the levy to schools:

Small primary (6 FTE – 3.5 teaching ,2.5 support) with pay bill of £180k will have a levy cost of £870 - this could be averaged down to £145 per FTE.

Secondary (120 FTE – 72 teaching, 48 support) with pay bill of £3.8 million will have a levy cost of £18,500 - this could be averaged down to £154 per FTE

These figures have the caveats of:

- a) Based on gross pay bill, not including any additional hours
- b) Take into account the £15,000 allowance to be deducted on Council total pay bill.

2. Progress so far

2.1 Governance Arrangements

A Project Board has been set up and has representatives from all Council service areas, including HR, legal, finance and school representatives. The Senior Responsible Owner (Project Sponsor/SRO) is George Candler, Director of Place & Enterprise. Headteacher representatives are Kay Rednapp, Jacqui Carter and Richard Langford.

A Terms of Reference has been agreed by the group and is attached at Appendix 1.

The first meeting was held on 14 October 2016 and meetings have taken place on a monthly basis thereafter. A Project Plan is in place identifying all the activities that need to be undertaken along with a Risk and Opportunity Register. A Project Group within HR, with support from appropriate service leads, has led on various pieces of work and progress is summarised below:

- tender documentation for procurement completed ready to go out to tender in January 2017 (see next section).
- categories exercise undertaken identifying apprenticeships that will be required by the organisation and schools now and in the future
- application and selection process defined
- attendance at various networking events with other local authorities, public sector, training providers etc. to increase knowledge

- presentations made to key stakeholders and the business community
- communications strategy drafted and planned rollout starting February 2017.

2.2 Procurement of preferred suppliers

In order to be ready to draw down funding from April 2017, the Council needs to have identified through a procurement exercise, preferred suppliers to be on a framework for the provision of apprenticeship training. We would look to engage these suppliers not just to provide training but to act as a partner for the organisation to enhance the training available and work with us to meet the needs of the organisation in the future. This framework will be available to use by other third parties (i.e. other local authorities, public sector, academies etc.).

There is a requirement for training providers to be on the National Register of Apprenticeship Providers in order to access levy monies. This application process opened in October 2016 and the Register will be published in February 2017.

It is anticipated that, subject to the Register being published on time, we will be in a position to confirm our framework of providers by early March. We will then work with those providers on our framework to support our communications and engagement with the workforce.

2.3 Communications

Communications with schools has been taking place via the HR Talking Points Newsletter, the HR Business Partners termly visits and attendance at CPG and headteacher briefings, scheduled in February. Further workshops for headteachers can be arranged if necessary. Communications with staff, will be via a staff newsletter and posters which will have information on the levy and a round of roadshows which are planned for March/April where staff can get more information about what it could mean for them.

We will now start to work with schools to identify opportunities for apprenticeships in order to maximise the use of the levy fund as well as encouraging current staff to undertake apprenticeships as part of their career development within their role to enable schools to retain talent.

The Project Board is currently scoping the online application process for staff to apply for an apprenticeship, including eligibility criteria, as well as the sign off and selection processes. An overarching process map is attached at Appendix 2 for information.

Unison, our main recognised trade union, are represented on the Project Board and have been actively communicating the opportunities that the levy has with their members. They are extremely supportive of the approach being taken by the Council to make best use of the opportunities presented. A regular update on the project is also reported at our monthly Association Secretaries meeting (teacher and support staff trade unions).

Work has taken place to create information for the Council Website and this will be made live in January 2017. Social media (Facebook and Twitter) will also be used to push messages out about what we are doing in Shropshire to make the best use of the levy as well as supporting our local businesses.

2.4 Finance

As agreed at a Directors meeting on 5 September 2016, the Project Board has been working on the basis that the service areas and schools will receive their share of the levy pot (based on 0.5% of the paybill for those areas). Discussion has taken place as to how this will operate in practice and Directors agreed in December 2016 the following principles:

1. That for schools, the levy pot will be ring fenced into primary schools and secondary schools and all maintained schools would be able to bid for monies from the appropriate pot and will be approved by a schools representative committee.
2. For service areas in the Council they will have dedicated pots of monies, based on 0.5% of their pay bill, available to bid for, which will be approved at Directorate Management Team meetings.
3. It is recognised that not all service areas will be able to make use of apprenticeship training and likewise other service areas may request more monies to fund apprenticeship training. Given that the monies in our Digital Account will be lost after a period of 24 months, we need to ensure that we use what we can well in time of any expiration. Therefore, service areas and schools accounts will be monitored on a monthly basis to assess applications made, approved and monies used. At quarterly intervals this information will be considered by the Project Board along with any requests for additional monies over and above a service area or schools allocation. Recommendations will then be made at Directors as to re-allocation of monies

Full detailed process/policy based on the above principles are currently being created by the HR Project Group.

2.5 Apprenticeship Targets

The government have set the public sector a target of 2.3% of the workforce being in apprenticeships by 2020. To meet this target it is proposed to set targets for each service area including schools. This will focus efforts on encouraging the development of our existing staff and recruiting new apprentices into the workforce whilst maximising the use of the levy pot.

It is proposed that these targets are set on a sliding scale of achievement to meet the target by 2020 applying corporately as well as by service area, including schools and progress reported quarterly:

2017/18		2018/19		2019/20	
%Target	Number	%Target	Number	%Target	Number
1.5%	51	2%	68	2.3%	79

*based on an approximate headcount number of 3,417 working in schools.

In addition to the setting of targets, it is proposed that further work be undertaken by the Project Board to look at the opportunities for new apprenticeships for Looked After Children (LAC). A way of doing this could be to ring-fence vacancies at a certain grade and look to fill these with LAC as an apprenticeship in the first instance.

3.0 Summary and Next Steps

A lot of work has been undertaken by the Project Board and Project Group since September, however there is still a lot of work to be undertaken to make best use of the levy pot from April. School representatives on the Project Board are key to ensuring effective communication across schools and their continued commitment to the project is required.

A further update will be provided in March 2017 on progress of the project.