

Growing Apprenticeships and making the best use of NNDC's Apprenticeship Levy.

Summary: This report provides information on apprenticeships in the council and the use of our Apprenticeship Levy monies. It specifically asks for consideration to be given to the allocation of £200,000 of reserve monies from the Delivery Plan reserve, to assist Directorates with the funding of apprenticeship salaries. This will enable the Council to continue to grow its apprenticeship offer, investing in the futures of our young people and ensuring that the Council continues to develop and grow the skills that the organisation needs now and in the future, whilst at the same time maximising the use of our levy monies.

Options considered: Consideration has been given to using current staffing budgets to fund apprenticeship salaries, but this is not feasible in all cases as many Departments do not have the budget available to them to do this. We have also considered encouraging Managers to always explore the apprenticeship option if a vacancy arises. However in some cases, the level of skills and technical knowledge required to fill a particular vacancy would not always support this. In both of these examples the number of apprenticeships that we could offer overall would be reduced and we would be less able to support young people in the District into work.

We do have the opportunity under Apprenticeship Levy rules to transfer out up to 25% of our levy monies to an employer(s) of our choice. However we are a small authority and our levy pot is small (£36,300 pa) Transferring out money would reduce the Council's opportunity to invest in the skills that it needs for the future, as well as limiting our ability to think more creatively about how we plug our hard to fill vacancies.

Allocating some monies from reserve funds to help support Directorates to recruit apprentices will allow the Council to develop the skills it needs for the future whilst at the same time providing job opportunities for our young people. This would be at a time when their career opportunities have been severely limited and impacted by the Covid pandemic. Allocation of reserves to assist with the funding of apprenticeship salaries has worked successfully in the past and many of our apprentices have gone on to secure permanent employment with the Council.

Conclusions: This report provides information in regard to apprentices and the Apprenticeship Levy. It provides information on our current situation and makes a recommendation that further reserve monies should be set aside to ensure that the Council can continue to provide opportunities for Apprentices. The current pandemic has directly affected young people's career opportunities. This will provide an opportunity for us to invest in the futures of our young people in the District as well as providing the Council with a key resource for the future, building the skills and knowledge that we will need, helping to recruit into hard to fill vacancies and assisting with succession planning.

Recommendations: It is recommended that Cabinet sets aside a contribution of £200,000 to assist with the funding of apprentices salaries. This contribution should be allocated from the Delivery Plan Reserve.

Reasons for Recommendations: The release of the reserve monies will allow the Council to continue to grow our apprenticeship offer, investing in the futures of the young people in the district and will also ensure that the Council is developing the skills and talent that it needs now and in the future.

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1. Introduction

- 1.1 In April 2017 the Government introduced the Apprenticeship Levy. The aim of the levy was to provide an incentive to employers to increase the number and quality of apprenticeships. The levy is payable by any organisation with a pay bill of over £3m per annum. North Norfolk District Council is therefore required to pay the levy.
- 1.2 Each month we pay 0.5% of our pay bill into the levy which equates to roughly £33,000 pa. The payment applies whether we have apprentices or not. The Government tops up these funds by 10% each month. The money we pay into the levy pot is used to fund apprenticeship training (levy monies cannot be used to fund apprentice's salaries). After 24 months any unused levy is lost (this is taken on a rolling basis).
- 1.3 In addition to the payments we have to make, Local authorities must also have regard to a Public Sector Apprenticeship target. This target has been set at an average of 2.3% of staff as new apprentice starts over the period April 2017 to end of March 2021. It has recently been confirmed that this target is set to continue into 2021 and beyond. Given that we currently have 18 members of staff currently undertaking some form of apprenticeship training we are on track to achieve this target when we have to report again in September 2021.

- 1.4 Since the introduction of the levy the Council has taken a proactive approach to ensure that our Levy monies are fully utilised. We saw it as an opportunity to invest in young and (not so young) people's development, providing a range of opportunities, whilst at the same time providing the Council with the skills, knowledge and experience that we need now and in the future. Many of our apprentices have gone on to secure permanent jobs with the Council.
- 1.5 Following the setting aside of £300,000 by Members in 2017 we introduced a bid process for our managers. This was to enable managers, who were struggling to find the salary budget to fund an apprenticeship to bid for help with salary costs. This money had now been used but the demand from our managers for more apprentices is increasing.
- 1.6 In the recent budget announcements (March 2021) the Government has announced incentive payments of £3,000 for each new apprentice that an employer recruits between 1st April and 31st September 2021. This payment is applicable to all apprentices of all ages.
- 1.7 For information: Apprentices and the Apprenticeship levy are not linked to the Governments Kickstart scheme. This scheme was introduced to provide funding to create new job placements for 16-24 year olds on Universal Credit who are at risk of long term unemployment. The main difference between Kickstart and an apprenticeship is that Kickstart is a short term scheme focused on general employability, while apprenticeships are longer term and centred around specialist technical skills.

2. Current Situation

- 2.1 The numbers and range of apprenticeships that we offer has grown over time. To begin with many of our apprenticeships were at level 2/3 (see attached document for explanation on different levels) and were mainly Business Administration or Customer Services apprenticeships.
- 2.2 As the numbers of providers and the range and level of apprenticeships increased so has our offer. We provide apprenticeship training to new staff that we recruit but we also use apprenticeship training to develop our existing staff. For example, 8 members of staff are currently completing their level 5 management apprenticeship.
- 2.3 The table below shows the number and level of the apprenticeship training that we are currently providing.

Apprenticeship	Level	Number on Apprenticeship
Maintenance Operative	Level 2	1
Business Admin	Level 3	4
Software developer	Level 4	2
Welfare and Benefits	Level 4	2

Practitioner		
HR Consultant/Practitioner	Level 5	1
Operations and Dept Manager leading to CMI Qualification	Level 5	8
Surveying	Level 6	1

2.4 Other apprenticeships that we have had in the past include; Civil Engineering degree apprenticeship (Coastal), Digital Marketer and Leisure operations.

Future Apprenticeships

2.5 Many new apprenticeships have been developed over recent years and universities are increasing their apprenticeship offer. For example, apprenticeships are now available in planning, (Chartered Town Planner degree apprenticeship and Masters qualification (Level 7)) Environmental Health, (Environmental Health practitioner (Level 6) and Health and Safety Environment technician (Level 3) to name a few.

2.6 The following departments have expressed an interest in taking on an apprentice if assistance with some salary costs were available.

- Planning – PPU
- Environmental Health
- CDU/PA shared Resource
- Human Resources
- Democratic Services
- Legal
- Revenues
- Housing
- Economic Growth

3. Corporate Plan Objectives

Investing in apprenticeships will help the Council to ensure that it is equipped for the future and that it fulfils its objective of supporting young people into work. If we carefully prioritise where and what apprenticeships we provide we will be able to:

- Recruit into areas where vacancies are difficult to fill, for example in planning.
- Ensure that the Council has employees with the right skills and knowledge it needs to help delivery of the Corporate Plan.

- Provide for Succession planning.
- Invest in the futures of young people in the District

4. Medium Term Financial Strategy

The proposal will allow us to maximise the use of our levy monies. As our current apprenticeships end we will need new opportunities available to ensure that we continue to use our levy money effectively.

5. Financial and Resource Implications

As outlined above the Council contributes £33,000 pa to the levy pot, with the 10% government top up this equates to a total annual funding pot of £36,300. Being able to offer further apprenticeships will mean that we can make maximum use of our levy monies, reducing the risk of losing this money back to central government for no return.

Funding of £200,000 is therefore requested from the Delivery Plan Reserve to support the Council's apprenticeship programme. £200,000 would allow for the recruitment of approximately 6 new apprenticeships (taking an average length of an apprenticeship as 18 months on the highest apprenticeship salary pay band) The number of apprenticeships would increase or decrease slightly depending on the age of the apprentice recruited and the length of the apprenticeship.

6. Legal Implications

There are no legal implications as a direct result of this report

7. Risks

Investing in the futures of young people in the district is a good news story and particularly relevant following the Covid pandemic, where it has been recognised that it is the lives and careers of young people that have been directly affected. Ensuring that we are maximising the use of the levy to its fullest extent both now and in the future is something that the Council can be proud of and should be celebrated.

The negative press that could come with lack of investment in apprenticeships, loss of our levy monies for no return and the failure to reach the public sector target is to be avoided if at all possible.

8. Sustainability

As mentioned above, recruitment of apprentices will help to ensure that the Council has the workforce that it needs to sustain itself in the future. It will help us with succession planning as well as recruiting into areas with hard to fill vacancies.

9. Climate / Carbon impact

Whilst we are not able to definitively say that our pool of apprentices would live locally. Experience has shown us that due to the relatively low wage rate and the high cost of travel most of our applicants do come from the Local area. By recruiting local people for local jobs we can ensure that the amount of travel to and from work is reduced thereby reducing carbon emissions.

10. Equality and Diversity

The Council is an equal opportunities employer and has a number of duties and obligations under the Equality Act 2010. We ensure that any recruitment process we undertake is a fair one and that any applicant will not be excluded on the grounds of sex, gender reassignment, pregnancy, maternity, race, marital status, disability, age, religion, belief or sexual orientation.

11. Section 17 Crime and Disorder consider

None

12. Conclusion and Recommendations

This report provides information in regard to apprentices and the Apprenticeship Levy. It provides information on our current situation and makes a recommendation that further reserve monies should be set aside to ensure that the Council can continue to provide opportunities for Apprentices.

In so doing, the Council will be investing in the futures of our young people but will also be providing the Council with a key resource for the future, building the skills and knowledge that we will need, helping to recruit into hard to fill vacancies and assisting with succession planning.

It is therefore recommended that the Council sets aside a further contribution of £200,000 to assist with the funding of apprentices salaries so that we can continue to grow our apprenticeship offer and maximise the use of our apprenticeship levy. This contribution should be allocated from the Delivery Plan Reserve.