

Finance, Performance and Resources Select Committee : 1st Nov 2016

Impact of Changes to Apprenticeships and
BCC progress towards new targets and levy

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Mandatory slide Summary checklist

Item description:

Delete as appropriate

Does this affect more than one business unit?
If yes which ones: All Business Units



Are there clear recommendations for the committee



Are there risks associated with the item?
Yes possible sanctions for not reaching the targets



Are there financial implications?
Yes: new levy charged estimated at: £0.99 million



Is there a policy change or political decision needed?



Is or will there be an impact on customers / residents?



Key recommendations :

1. To note the impact on Bucks CC pay-bill for schools and on-schools staff from April 2017
2. To note progress this year towards the targets and strategies to link apprenticeships to workforce plans in setting new targets for 2017-18
3. To approve targets for 2017-18 based on workforce plans rather than percentage breakdown by business unit; potential savings through use of career-graded posts

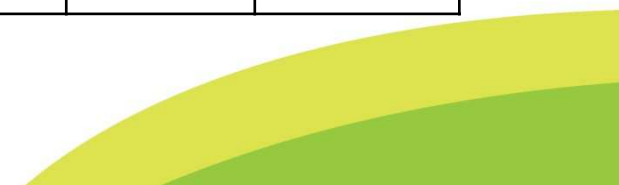


Impact of Apprenticeship Levy and Public Sector targets

- New apprenticeship levy, to be implemented April 17, will be 0.5% of the payroll bill which includes our maintained schools
- Estimated levy is **£988 K** for Bucks County Council on current pay bill including maintained schools (est contribution from non-schools staff = £421K; maintained schools est = £567K)
- Through the digital voucher scheme, we will be able to draw down levy funds to cover training and assessment costs for our own apprentices (will not cover salary costs)
- In addition, the Enterprise Bill introduces a new Public Sector Target of 2.3% of headcount (still awaiting outcomes of the consultation)
- On current figures, our estimated target is 63 apprentices for non – schools staff and 230 apprentices in schools



<u>Levy estimation</u>			
	Payroll 15/16	Est 17/18	Levy @0.5%
	£000's	£000's	£000's
BCC payroll liable	80,896	84,164	421
Schools payroll liable	108,988	113,391	567
Total	189,884	197,555	988
<u>Net financial impact</u>			
	Volume	FTE Cost	Total
		£	£
Entry level Apprentice	32	9,105	-
Existing staff on Higher apprenticeship	31		
Total additional salary cost of apprentices	63		-
Training & Assessment costs			-
Additional cost of managing apprentices			-
			£
Levy			420,821
Total increase in expenditure			420,821



Potential savings in restructuring	Volume	FTE Cost	Total
R2 post reduced to R1B	25	- 4,155	- 103,884
Total saving from displaced posts	25		- 103,884
Annual discount from Levy to employer			- 15,000
Total offsetting saving			- 118,884
Net cost			301,937
Net cost if levy applies to School staff & no additional apprentices delivered			868,937



Key Issues

- The levy is effectively a tax on all large employers irrespective of whether or not we offer apprenticeship placements
- It is likely that in any year, we will be unable to spend all of the funding for training in our digital account as levy funds cannot be used for wages
- Some salary savings may be made by employing apprentices in career-graded range 1B posts to replace vacant range 2 roles
- The impact on schools is still not clear – the LGA are lobbying government to clarify the impact of the levy and targets on schools
- Numbers of apprentices in BCC schools are way below the expected target There is no central coordination of apprentices in Bucks CC schools and we have approximately 25 apprentices currently



Actions to address the changes:

- We have reported to OCB (February & October 2016) on the introduction of the levy and targets for new apprenticeships; and on our current numbers of apprentices in relation to the new (estimated) targets for non-schools staff
- We established the Apprenticeship Task Group (April 16) to identify opportunities for growing our existing apprenticeship scheme in line with business unit workforce planning
- Through the Task Group we have promoted opportunities for existing staff to develop new skills by enrolling on apprenticeship programmes linked to career progression (met twice since April 16)
- We have continued to promote entry level apprenticeship opportunities to increase the numbers of young people taking up placements through our Bucks CC Apprenticeship scheme
- Briefing paper produced for Schools Forum Sept 16



Apprenticeship Delivery Plan 2016-17

2 streams:

Increase existing Apprenticeship programme	Up-skill existing staff using Apprentice Frameworks
Increasing new Apprenticeship opportunities, mapped to career progression	Identifying existing unqualified staff who could achieve accreditation for their learning within the workplace
Teams able to draw down funds for <i>training</i> from the levy pot	Teams able to draw down funds for <i>training</i> from the levy pot
Teams to continue funding the <i>salary</i> of apprentices	
Apprenticeships Task & Finish Group (sponsored by Gill Quinton) to conduct workforce planning for apprenticeship progression routes, identify new funded placements, and up-skilling opportunities	

Actual apprentice numbers vs targets updated Oct 16

Business Unit	Actual Apprentice numbers Oct 16	Staff Enrolled on Upskilling programme	Public sector target (2.3% of headcount)	Shortfall	Currently Recruiting
CSC&L	3	1	25	21	
CH&ASC	4	1	14	9	2
BSP	15	16	17	(-14)	1
HQ	1		2	1	
TEE	2		5	3	3
Totals	25	18	63	20	6

Business Unit targets were based on percentage of headcount.



Impact on Colleagues and Partners

- The latest guidance on the levy (updated August 16) states that employers will only be able to access funding from their digital accounts for apprentices **directly employed** during the first year of the new funding arrangements. This has implications for our current scheme run in partnership with the South East Apprenticeship Company (SEAC) – one of 12 Apprenticeship Training Agencies nationally.
- From 2018, employers working with an ATA will be able to transfer up to 10% of the funds in their digital accounts to the ATA
- In the first year of the new arrangements, funding for training and assessing new apprentices employed by SEAC (and hosted in BCC) would come from SEAC's own digital account.
- As we are increasing the numbers of apprentices each year, we should consider the benefits of employing our apprentices directly rather than through an ATA
- There may be a commercial opportunity to provide a coordinated apprenticeship service to schools.



One Council Approach

- The Apprenticeship Task Group has worked with Bucks Adult Learning to promote opportunities for shared learning across business units . We have 18 staff starting programmes this Autumn to develop Team Leading/ Management and Customer Service Skills across the business units
- Most of our apprenticeship placements are within Corporate Business Support and this could become a pipeline for qualified apprentices at levels 2 and 3 to progress into more specialist and higher level apprentices in the other business units. CBS are reviewing their structures to introduce career-graded roles at ranges 1-2 and 3-4
- Currently there is no capacity within the L&D Team to support a centralised programme for apprenticeships within schools



2016 wage rates

Salary range	Hourly rate (£)	Annual salary (basic) entry pt
National apprenticeship (min)	3.30	6,349
Bucks apprenticeship	3.79	7,292
NMW for over 25s	7.20	13,853
1A		14,660
1B		16,602
2		19,434



Next Steps

- Continue to identify target numbers for upskilling existing staff as well as for new apprenticeship roles aligned to workforce plans; consider use of higher apprenticeships (Apprenticeship Task Group end March 2017)
- Develop options for OCB to consider preferred future delivery of apprenticeship programmes in Bucks CC which may include opportunities within schools (December 2016)
- Continue to report on progress towards the targets and following the publication of further details of the levy and the implementation of the public sector targets (Guidelines for employers expected Dec 2016)
- Work with colleagues in education to raise awareness of the need for schools to report on progress against the targets

