

3 September 2019		ITEM: 5
Corporate Overview and Scrutiny Committee		
Apprenticeship Strategy Update Report		
Wards and communities affected: All	Key Decision: Non-key	
Report of: Mykela Pratt, Strategic Lead HR, Resourcing and Improvement		
Accountable Assistant Director: n/a		
Accountable Director: Jackie Hinchliffe, Director of HR, OD and Transformation		
This report is public.		

Executive Summary

This report summarises the year 2 progress made towards delivering the 3 year Apprenticeship Strategy 2017/20.

It sets out achievements made in 2018/19 and recommended priorities for year 3 2019/20.

The corporate KPI target for apprentices was exceeded in 2018/19 with 60 new apprenticeship starts against a target of 56 (2.3% of the workforce) and up from 40 in 2017/18.

The progress made sets the Council in a strong position heading into the final year of the initial apprenticeship strategy.

1. Recommendations

- 1.1 To note and comment upon the progress made in the areas detailed in this report.**
- 1.2 To note and support the priority areas identified as key to continued success in Year 3 as detailed in 3.16 of this report.**

2. Introduction and Background

- 2.1 The government introduced the 'apprenticeship levy' in April 2017 alongside a raft of other apprenticeship reforms. The 'apprentice levy' requires the Council to pay 0.5% of our pay bill over £3million to HMRC each month. The government then add a 10% top up contribution.

2.2 There is also a set public sector target for apprenticeships with 2.3% of the workforce headcount expected to be a new apprenticeship start each year.

2.3 The Apprenticeship Strategy 2017-20 was agreed at People Board in July 2017 and is now in its third year. The strategy identified three key areas to tackle over this period:

- Year 1 2017/18 - People and funding
- Year 2 2018/19 - Support for apprentices and managers
- Year 3 2019/20 - Commercial opportunities.

3. Issues, Options and Analysis of Options

3.1 A summary of apprentice starts in 2018/19 can be found in the Apprenticeship starts MI Dashboard 2018/19 at Appendix 1.

3.2 Performance against the Public Sector target is aggregated across 4 years. The foundations laid in the first 2 years are now coming to fruition with the KPI being exceeded for the first time. 60 apprentices started in 2018/19 against a target of 56.

3.3 Apprentice starts have increased year on year from 40 in 2017/18 to 60 in 2018/19. This increase has been supported by the introduction of Apprentice Champions in each directorate and the inaugural Apprentice Recruitment Day, held in July 2018. 15 apprentices were recruited via the recruitment day – 25% of our overall total. Due to the success, the day ran again in July 2019 with 22 candidates accepting offers. There are around 9 more offers still to be made which totals over 50% of our KPI for this year.

3.4 However, whilst the overall council target was met in 2018/19, three directorates did not meet their directorate target – Adults, Housing and Health, Children’s Services and Environment and Highways. Over performance in the smaller directorates is unsustainable so the underperforming directorates will need to meet their targets for 2019/20.

3.5 Our KPI for 2019/20 is 59. Directorate targets are outlined in the table below along with performance against the targets set for 2018/19.

Directorate	Target for 2019/20	Performance against 2018/19 target
Adults, Housing and Health	19	Shortfall of 7
Children’s Services	17	Shortfall of 4
Commercial Services	1	Met target
Environment and Highways	7	Shortfall of 2
Finance, IT and Legal	7	6 more than target
HR, OD and Transformation	2	6 more than target
Place	4	2 more than target
Strategy, Communications and Customer Services	2	2 more than target

- 3.6 In 2017/18 the council's total levy contributions totalled £369,000 and in 2018/19 that increased to £399,000 (including government 10% top up). Commissioned training over the same period was £127,000 in 2017/18 and £305,000 in 2018/19.
- 3.7 Whilst the value of commissioned training has increased and is expected to continue at a similar level in 2019/20, there remains a shortfall which means that funds will start to expire in the future. Projections against our current spend levels predict that our funding will not start to expire until early 2020. Detail can be found at Appendix 2 – Apprentice Levy Spend. EELGA and the LGA continue to lobby government for a change in the rules for public sector organisations regarding the expiry of funds.
- 3.8 Apprenticeships continue to be offered alongside our Continuing Professional Development (CPD) offering with CPD requests screened for suitable apprenticeship alternatives. Upskilling of existing staff accounted for only 15% of apprenticeship starts in 2017/18. This increased to 50% of starts in 2018/19. Managers are encouraged to consider apprenticeship training when having development discussions with employees.
- 3.9 Apprenticeships are supporting teams with positions that are hard to recruit. For example, our first cohort of Town Planning Apprentices started training at in October 2018. This cohort was led by Thurrock Council in collaboration with Brentwood, Chelmsford and Tendering Council. The long-term ambition is to improve retention by using the new degree level apprenticeship to develop our own planning officers. In addition, we commenced our first cohort of 10 Adult Social Care apprentices in 2018.
- 3.10 A Senior Training Officer has been working with Essex County Council and our Adults and Children's directorates to introduce a degree level apprenticeship programme aimed at upskilling existing support workers to be social workers. The plan is to have two apprentices each in Adults and Children's by the end of 2019 and to repeat this for the following 2 years. This has been communicated in the latest CPD sessions and is proving very popular with a lot of interest. By developing our existing workforce we hope to improve retention at the same time as utilising apprentice levy funding at £23,000 per apprentice over 3 years.
- 3.11 The variety of apprenticeships framework/standards being taken up continues to evolve, having increased by 50% from 2017/18. 15% of our apprentices are studying at higher or degree level.
- 3.12 A comprehensive support package for apprentice's development has been established with monthly Apprentice Forums and the introduction of Apprentice Development Days that take place at Grangewaters Outdoor Education Centre. HR provide coaching support for apprenticeships and our apprentices are encouraged to undertake further development opportunities. Two apprentices participated in the Young Local Authority of the Year

competition in Lancaster in April 2019 where they demonstrated skills in public speaking.

- 3.13 Thurrock Council became an apprenticeship training provider in October 2018 with the enrolment of 9 new Business Administration Apprentices at Thurrock Adult Community College which has now grown to 15 with the first apprentices due to complete their qualification in October 2019. Becoming a provider was introduced a year ahead of strategy but will enable us to recoup £51,000 in levy payments as income for TACC, with the future potential to offer Business Administration Apprenticeships to other employers. There are plans to extend the offering to Adult Social Care Apprenticeships.
- 3.14 The National Union of Students (NUS) Apprentice Extra discount card was introduced in May 2018 and has proven to be a popular benefit amongst new apprentices.
- 3.15 We have extended the promotion of apprenticeships through social media with video case studies developed for National Apprenticeship Week in March 2019. The development and progress of the apprenticeship programme was recognised in the Staff Awards 2018 with a win in the Innovation, Commercial and Enterprise category.
- 3.16 Our 2018/19 recruits are the first to have gone through the Apprentice Recruitment Day assessment process and to also benefit from the additional support introduced. In 2017/18 we retained around 50% of our apprentices. For our 2018/19 starters so far 6 have already moved into permanent roles at Thurrock Council and from April 2019 apprentices have been included in our redeployment process to support them into further employment at the Council.

Priorities for 2019/20

- 3.17 In order to capitalise and build upon the success of the strategy to date People Board agreed to support the following priorities and initiatives:
 - To replace vacant administration roles with apprenticeships.
 - To support the commencement of 4 Social Worker Degree Apprenticeships annually.
 - Directorate Apprentice Champions to continue to drive the directorate to meet their target starts including supporting the Apprentice Recruitment Day and for those that underperformed in 2018/19 to pay particular regard and attempt to exceed their target.
 - To continue to consider upskilling existing employees through apprenticeships and for line managers to consider apprenticeships when having development discussions.
 - To use otherwise expiring levy funding to support SMEs by taking advantage of the opportunity to transfer up to 25% of our levy funding to local businesses to pay for apprentice training.

4. Reasons for Recommendations

- 4.1 The Apprenticeship Strategy is now in its third year. The many strands of activity have helped us to build a strong proposition that gives managers the confidence to offer apprenticeships, attract good quality candidates and enables existing employees to improve their skills. We have made good progress towards meeting the Public Sector target, however we must maintain the momentum if we are to be successful. The priorities detailed in paragraph 3.17 are key to helping us achieve our targets, leverage our levy funding to maximise the value to our organisation and to open up the same opportunities to local SMEs by making our levy funds available to local businesses to pay for apprenticeship training.

5. Impact on corporate policies, priorities, performance and community impact

- 5.1 Giving each directorate their own apprenticeship target and having apprentice champions provides the transparency needed to ensure that all know what they have to achieve to be successful.

6. Implications

6.1 Financial

Implications verified by: **Dammy Adewole**
Senior Management Accountant Central Services

Our contributions to the apprenticeship levy continue to exceed the amount spent per month on apprenticeship training. Funding will expire if not spent within 2 years of deposit. Current projections suggest that funding could start to expire in early 2020. Whilst this does not place any additional financial burden on the Council, if left to expire, funding is released to the treasury and is no longer available to us to train apprentices.

6.2 Legal

Implications verified by: **Tim Hallam**
Acting Head of Legal, Assistant Director of Law and Governance and Monitoring Officer

There are no legal implications relating to this report.

6.3 Diversity and Equality

Implications verified by: **Natalie Warren**
Strategic Lead Community Development and Equalities

There are no diversity and equality implications relating to this report.

6.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder, and Impact on Looked After Children)

When using apprenticeships to upskill existing staff, the requirement to allow apprentices 20% off-the-job training has an impact on team capacity and should be considered carefully.

7. **Appendices to the report**

- Appendix 1 – 2018/19 Apprentice starts MI Dashboard
- Appendix 2 – Apprentice Levy Spend
- Appendix 3 – Apprenticeship Strategy 2017/20

Report Author:

Kerry Huckstepp

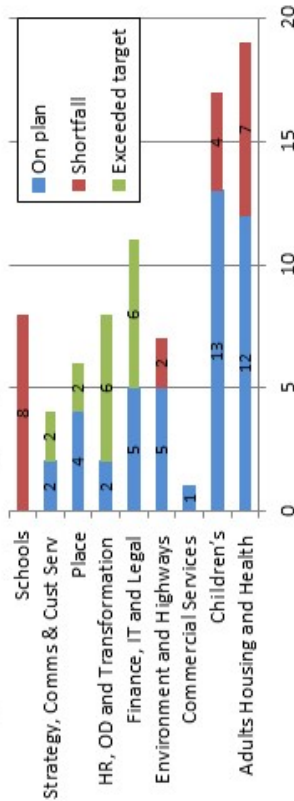
Senior Business Improvement Officer

Appendix 1 – 2018/19 Apprentice starts MI Dashboard

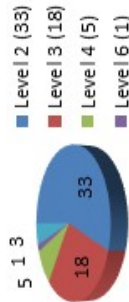
Profile of 2018/19 apprentice starts.

2018/19 Apprentice starts MI dashboard

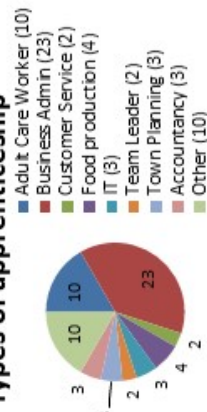
Apprentices starts target by Directorate



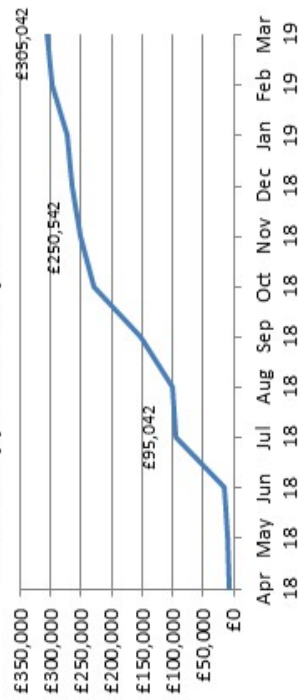
Levels studied



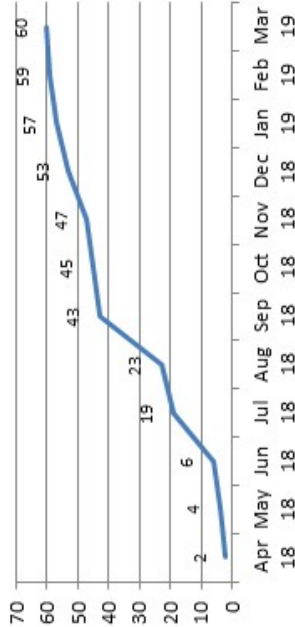
Types of apprenticeship



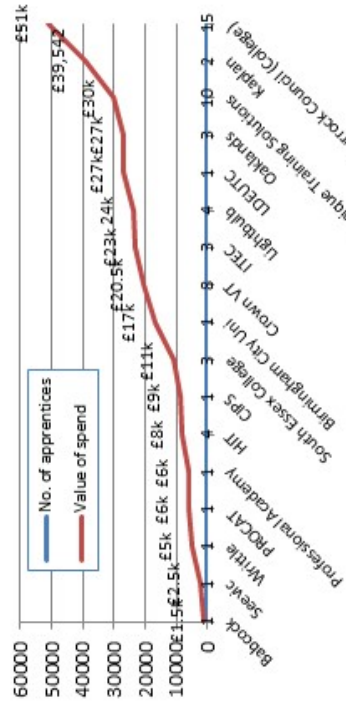
Value of apprenticeships commissioned



Apprentice starts by month



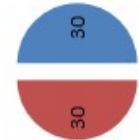
Provider spend



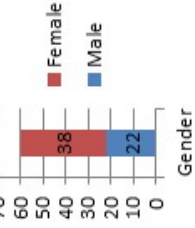
Age of learners



Source



Gender



Appendix 1 – 2018/19 Apprentice starts MI Dashboard (continued)

Commentary on dashboard

Commentary

Apprentice starts target by Directorate

Unlike 2017/18 targets were set for each directorate based on the headcount. Whilst Environment and Highways missed their target by two they did offer two additional apprenticeships in Sports Turf at the Recruitment Day, but we were unable to fill either. Schools did not recruit any apprentices and did not take up offers of support from the apprenticeship officer. Adults also offered 5 apprenticeships at the Recruitment Day but we were unable to fill any.

Apprentice starts by month

A total of 60 starts is a 25% uplift on the 48 starts in 2017/18. There were 2 notable peaks in July and September. In July we started a cohort of 10 Adult Social Care Apprentices who were existing staff upskilling. In September we ran the first Apprentice Recruitment Day offering multiple apprenticeships.

Levels studied

Whilst the overall increase in numbers was 25% we saw little change in the numbers of level 2 apprentices whilst Advanced, Higher and Degree level apprenticeship numbers grew by over 50%.

Types of apprentice

There has been an 80% increase in the diversity of apprenticeships standards being taken up. From 10 in 2017/18 to 18 in 2019/20.

Provider spend

Our own Thurrock Adult Community College attracts our biggest spend. Recycling £51,000 back to Thurrock Council.

Value of apprenticeships commissioned

The value of apprenticeship commissioned has increased by around 240%. From £127k in 2017/18 to £308k in 2018/19. However it is still short of the £399k added to our levy account this past year.

Age of learner

The number of 25+ apprentices has increased by almost 600% with 5 in 2017/18 and 29 in 2018/19. This is largely due to the increased numbers of existing staff undertaking apprenticeships to develop skills.

Source of learner

In 2017/18 new recruits accounted for 85% of starts. In 2018/19 there has been a downshift to 50% for 2 main reasons. Firstly, more staff are taking advantage of upskilling opportunities through CPD and secondly, level 2 apprentices are securing permanent roles with the council and moving up to study at level 3.

Gender

The gender split has remained the same with the majority female at 63%.

Appendix 2 – Apprentice Levy Spend

Year	Levy deposits (inc 10% top up)	Commissioned	Levy spend actual	Shortfall of levy deposit vs. actual spend
2017/18	£369,269	£127,570	£24,681	£344,588
2018/19	£399,066	£305,042	£128,537	£270,529
2019/20 Estimated*	£400,000 estimated*	£250,000 based on current plan – will increase*	£220,200 based on current plan – will increase*	£179,800

* Based on apprentice recruitment day and expected cohort of Social Worker and Adult Social Care apprentices. Does not include ad hoc recruitment or CPD requests which can be substantial.