

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Phil Adams – Executive Manager, People and Public Protection

To: Policy Development Panel - 9 May 2017

(Author: Claire Burton, HR Manager, Spalding)

Subject: Apprenticeship Levy and Apprenticeship Programme update

Purpose: To update the Panel on the new Apprenticeship Levy requirement and future proposed Apprenticeship Scheme

Recommendation:

- 1) None. For information only.

1.0 BACKGROUND

- 1.1 A new Apprenticeship Levy has been implemented by Government from April, with the aim of funding three million start up apprenticeships in the UK by 2020. The Government has committed to boosting productivity by investing in human capital and there is a pledge to develop vocational skills and to increase the quantity and quality of apprenticeships. The start date for the new apprenticeship funding system will be 1 May 2017 and funding will not appear until the end of May 2017.

2.0 HOW THE LEVY WORKS

- 2.1 All employers with a pay bill greater than £3 million each year will need to pay the apprenticeship levy; the levy is charged at 0.5% of the employers pay bill. Employers will benefit from an allowance of £15,000 per year to offset the levy payment required (0.5% x 3m = £15000)

- 2.2 South Holland Levy charge

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
0.5% of pay bill of South Holland employed staff	£29,605	£32,622	£32,221
Less Levy Allowance	£15,000	£15,000	£15,000
Contribution required from SHDC	£14,605	£17,622	£17,221

These costs have been accounted for in the Medium Term Financial Plan

- 2.3 The levy will be paid through HMRC's PAYE process on a monthly basis. The payment of the levy then translates to training funds, and cannot be used to pay salary/wages.
- 2.4 Guidance is that local authorities should have 2.3% of their workforce as apprentices; this is currently guidance only and is not, at present, enforceable nor is the authority penalised for not complying with this figure. SHDC will need to employ 6 apprentices to comply with this suggested target.
- 2.5 The funding can be used to support current employees to undertake an Apprenticeship, for example an NVQ, or to fund training for a new employee as an Apprentice. At the present

time SHDC do not employ any Apprentices. As providers of some of SHDC services, CPBS have 9 Apprentices, however, none of these could be counted towards the suggested target.

3.0 APPRENTICESHIP TERMS AND CONDITIONS

3.1 Apprentices:

- Work at least 30 hours per week
- Are entitled to pay for time spent training or studying whether at work, college or training organisation
- Are entitled to the same conditions as other employees i.e. paid holidays; sick pay; benefits; other training/support
- May be entitled to the same right to redundancy should they meet the statutory eligibility criteria.
- Wages – as a minimum Apprentices are required to be paid:

Year	25 +	21 to 24	18 to 20	Under 18	Apprentice
April 2017	£7.50	£7.05	£5.60	£4.05	£3.50

Apprentices are entitled to the apprentice rate if they're either aged under 19 aged 19 or over and in the first year of their apprenticeship.

Apprentices are entitled to the minimum wage for their age if they are aged 19 or over, and have completed the first year of their apprenticeship.

4.0 CURRENT POSITION – SHDC

- 4.1 Guidance and full details about the Apprenticeship Levy and the new Apprenticeship Standards are slow to come through and lack detail. We are working closely with Training Providers to establish how this will work in practice and how we can best make use of the scheme.
- 4.2 Currently one Apprenticeship is proposed in the Democratic Services/Legal Team. In addition, as part of Service Reviews, managers are being encouraged to include Apprenticeship posts as part of service to fill skill shortages and support succession planning.
- 4.3 The HR Team are currently working with Training Providers (Lincoln College & First College) along with professional bodies including CIEF, RITP & RICS, to develop an Apprentice scheme for SHDC. Particular areas which will be focussed in include 'building' Apprenticeships in professions which are traditionally difficult to recruit to, for example, Environmental Health, Planning and Building Control. The team will be putting a proposal together by early Summer, working with Councillor Jack McLean through-out. A draft project plan is attached in Appendix A however please note this is subject to change as and when more details are released about the Levy and on the new Apprenticeship Standards.
- 4.4 SHDC have also committed to the LGA National Graduate Scheme with a year-long placement being offered as part of a 'gap year'. SHDC are to take on two students, one employed in the Corporate Improvement Team and another in Planning.

4.5 Our neighbouring Local Authorities find themselves in the same position as SHDC. They too are looking into developing Apprenticeships schemes once more detail of the Levy and the new Apprenticeship Standards are developed.

5.0 **IMPLICATIONS**

5.1 **Constitution & Legal**

5.1.1 The Apprenticeship Levy is a statutory requirement and as such the Council is required to comply, notwithstanding the benefits this scheme will also bring.

5.2 **Corporate Priorities**

5.2.1 The Apprenticeship Levy supports the following corporate priorities:

- To provide the right services, at the right time and in the right way
- To encourage the local economy to be vibrant with continued growth

5.3 **Equality and Diversity / Human Rights**

5.3.1 Apprenticeships will be open to all employees or applicants, regardless of age, disability, sex, gender reassignment, pregnancy and maternity, race, sexual orientation, religion or belief, and marriage or civil partnership.

5.4 **Financial**

5.4.1 The funding SHDC is required to contribute to the Levy has been budgeted for.

5.5 **Reputation**

5.5.1 An Apprenticeship Scheme to enable the Council to 'Grow our Own' can provide opportunities for both local people and current employees in order to develop skills and secure employment.

5.6 **Staffing**

5.6.1 Opportunities will be open to new employees as Apprentices and also current employees.

5.7 **Moving Forward Programme**

5.7.1 All service areas are considering where Apprentices can be utilised as part of their service reviews

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 All wards affected

7.0 **ACRONYMS**

7.1 None used.

Background papers:-

Department of Education:

<https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work>

Education and skills Funding Agency:

<https://www.gov.uk/government/organisations/education-and-skills-funding-agency>

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Key Decision: No

Exempt Decision: No

This report refers to a Discretionary Service

Appendices attached to this report:

Appendix A (Project Plan)