

## **Apprenticeship Review 2019 (Appendix1)**

### **Background**

Warwick District Council pays circa £50,000 each year to the Apprenticeship Levy, and approximately 10% top up is received from the Government each month. This can only be used towards Apprenticeship training and assessment costs and not employment costs. It can also be used to fund Apprenticeship training for existing members of staff whilst remaining in their substantive role.

The Council recognises the value of both utilising the Apprenticeship Levy and the benefits of recruiting apprentices to address the workforce age imbalance. The proportion of older workers, the 55-64 age group is 24.47% and the over 65's 3.16%.

A Corporate Apprenticeship Programme was approved by the Employment Committee in December 2017 with a view to helping the organisation to address specific skills shortages by 'growing our own', as well as encouraging more young people, to consider careers in local government. It can also have the benefit of enabling people of all ages/returners to train for new careers.

The Executive agreed £100,000 for the first year of operation of the scheme (2018/19) and £150,000 for subsequent years. This is sufficient to enable the District Council to employ 8 Apprentices, at any one time, at the maximum salary. The maximum salary is payable to an apprentice aged 25 or over with one year in the role.

The District Council also supports the employment of apprenticeships via a 'conversion process' whereby consideration is given as to whether existing roles would form suitable apprenticeship opportunities.

### **Current Situation**

Warwick District Council currently:

- Employs 9 apprentices funded via the Corporate Programme
- Employs a further 5 apprentices funded by established posts
- Has 2 members of staff studying for professional qualifications funded by the Apprenticeship Levy
- Is supporting three members of staff to undertake a Planning Degree at Birmingham University and one member of staff to undertake a professional Building Control qualification.
- Has recruited an AAT (Finance) Apprentice and two Building Surveyor Apprentices to be funded by the Corporate Programme.
- Forecasts that the Corporate Apprentice Fund will be underspent by circa £46,500 in 2019/20; and
- The Levy currently has a balance of £80,607 and a monthly training commitment of £3,100

### **Promotion and Advertising**

Eight careers fairs were attended and a large amount of resource allocated to attending and raising the profile of the Corporate Apprenticeship Scheme. Despite an increase in website registrations, analysis of applications shows that

the majority were alerted to the opportunities by either the training provider or the National Apprenticeship Service (NAS) website.

It can be seen from the level of applications for current apprenticeships that those more niche and creative roles attracted the highest number of applicants. A lower level of applications was received for Business Administration Apprenticeships and in one instance no appointment was made.

### **Recruitment**

Considerable time and support was dedicated to the recruitment of apprentices and procurement of training providers, particularly in the instances when a mini procurement competition was required.

### **Corporate Apprenticeship Fund**

In 2018/19 approximately £56,721 of the £100,000 Corporate Apprenticeship fund was used in salary costs, resulting in an underspend of £43,279. This was due to the majority of apprentices starting part way through the financial year and not being on the maximum salary. Based on the current number, age and length of service of apprentices it is forecast the £85,557 will be spent on apprentices' salaries in 19/20 including oncosts.

Including the offers of employment for an AAT Apprentice in Finance and 2 Construction and Surveying Apprentices in Asset, the forecast will be £107,373, an underspend of over £40,000.

When the Corporate Apprenticeship Fund was agreed it was recognised that it is an unlikely scenario that 8 apprentices will be employed at maximum salary, but care was taken to ensure that all eventualities are covered.

One year into the Apprenticeship Programme, 9 apprentices have been employed with three further Apprenticeship posts offered. A cost analysis and forecast has been undertaken and based on the current cohort of apprentices there is financial capacity to employ a further three apprentices at this point in time.

### **Apprenticeship Levy and Funding Apprenticeship Training**

The levy is based on 0.5% of annual pay bill, less a £15,000 Apprenticeship Levy allowance, and is paid on a monthly basis. Employers who pay the Levy will also receive a 10% top-up from Government to their total monthly contributions.

The levy payment for 2019/20 is circa £50,000 and a 10% monthly top up is received.

As at June 2019 the Council had received £104,989 in Levy funding, spent £24,382 and had a balance of £80,607. The balance of £80,607.19 of unspent training pot will gradually expire and be returned to Central Government if not spent within 18 months.

WDC is actively accessing levy funding for apprenticeship training for both apprentices and existing members of staff and should it be successful in its plans to support degree level training there is the potential that levy funding may be exceeded. Should this be the case Central Government will finance 95% of the

additional costs. This would support the opportunity to fund further apprenticeship training without incurring employment costs by promoting and supporting existing employees to undertake Apprenticeship Training including ILM and Degree Level training at minimal cost to the authority.

### **Apprenticeship Target**

The public sector apprenticeship target was introduced by government in April 2017 in accordance with The Public Sector Apprenticeship Targets Regulations 2017.

The regulations set a target for any public sector employer in England with at least 250 employees to employ an average of 2.3% of their staff as new apprentice starts between 1 April 2017 and 31 March 2021.

The Council is required to report progress to the target annually by the end of September. The percentage of apprenticeship starts (both new hires and existing employees who started an apprenticeship) between 1 April 2017 to 31 March 2018 as a proportion of total headcount of 482 on 31 March 2018 was 0.2%. Only 11% of public sector employers met the target.

From 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019 there were 12 apprentice new starts (which includes 3 not funded from corporate fund) and two existing members of staff started apprenticeship training. Headcount at 31<sup>st</sup> March 2019 was 503 therefore the percentage of apprenticeship starts was 2.78% for 2018/19.

### **Manager and Apprentice Support**

Bespoke sessions have been arranged for managers and apprentices to review their experiences and feedback included:

#### a) Apprentice feedback:

Challenges:

- Include more information on entitlements at the start e.g. Unison
- Not having the trainer on site
- Coursework, too much in too little time
- Ensuring the framework matches the job description

Highlights:

- Annual Leave/Flexi
- Support from Managers
- Team really welcoming
- Recognition that styles of learning were different
- Being given responsibility

#### b) Managers feedback:

Challenges:

- Ensure more time is set aside in the team for training and development
- Advertise earlier to attract candidates
- Allocate buddies in the team
- Home workers may not be able to support in the same way
- Time to integrate into the team/work expectations of team
- Life skills/office behaviours

Highlights:

- Apprentice is amazing, keen to learn and volunteers for everything

- Good for other team members
- The apprentices change the dynamic of the team
- Learn quickly/breath of fresh air
- Take ownership of projects/Just know how to do things
- Bigger role offered as part of the pantomime and apprentice took total ownership
- Change of career as an apprenticeship

The above areas were discussed and overall apprentices were happy with their current apprenticeship providers and managers.

### **Summary**

**Corporate Apprenticeship Programme** – Has exceeded expectations and 9 apprentices are currently funded corporately, three more offers of appointment have been made.

**Corporate Apprenticeship Fund** - The Council has £150,000 annual corporate funding to employ apprentices. Detailed breakdown and analysis of the profile of the current apprentice cohort, including age and termination date, indicates that a further four apprentices could be afforded.

**The Levy** - As at June 2019 the Council had received £104,989 in Levy funding, spent £24,382 and had a balance of £80,607.

**Apprenticeship Target** – WDC will be able to report a 2.78% of new apprenticeship starts for 2018/19, which is in excess of the 2.3% target.

**Actions Undertaken** – these were many and varied ranging from establishing the Corporate Apprenticeship Programme, promoting the opportunities, procurement, advertising and recruitment, induction and ongoing support of apprentices and managers.

### **Conclusion**

The Corporate Apprenticeship scheme has exceeded expectations and the review has been undertaken to ensure that the most effective use of the both the Corporate Apprenticeship Fund and the Apprenticeship Levy.

## APPRENTICE SALARY SCALES 2019

Level	Apprentice Salary bands from April 2019	
Point 1 WDC	£160.95 per week  (£4.35 per hour)  £8,392.41 per annum  (equivalent to NMW for 16-17 yr old)	All New Starter WDC Apprentices
Point 2	£227.55 per week  (£6.15 per hour)  £11,865.00 per annum  (NMW for 18-20 yr old)	19 <sup>th</sup> birthday and have completed 12 months of the scheme
Point 3	£284.90 per week  (£7.70 per hour)  £14,855.54 per annum  (NMW 21-24)	21 <sup>st</sup> birthday and have completed 12 months of the scheme.  Fixed term salary point for higher Apprentices (level 4,5,)
Point 4	£303.77 per week  (£8.21 per hour)  £15,839.48 per annum  (NLW for adults)	25th birthday and have completed 12 months of the scheme.

### To be updated each year in line with appropriate rates

Levels of apprenticeship

Name	Level	Equivalent educational level
Intermediate	2	GCSE
Advanced	3	A level
Higher	4,5,6 and 7	Foundation degree and above
Degree	6 and 7	Bachelor's or master's degree