	<p align="center">General Purposes Committee 7th March 2022</p>
	<p align="center">Report from the Director of Legal, HR, Audit & Investigations</p>
<p>Apprenticeship Scheme – update and pay rates</p>	

Wards Affected:	All
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	One Appendix 1 Diversity profile of apprentices
Background Papers:	None
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1.0 Purpose of the Report

- 1.1 To provide an update on the Apprenticeship Strategy and associated action plan for 2022 onwards and to set out the key areas of activity that will lead the council to further increase the take-up of apprenticeships and support residents into work in Brent and to utilise the opportunity of the Apprenticeship Levy to support career progression.
- 1.2 To outline a proposal for apprenticeship salaries for L2 & L3 apprentices to be aligned with the London Living Wage (LLW). This will bring the council more in line with other London councils and is also consistent with the salary paid to those taking part in the Kickstart Scheme.

2.0 Recommendations

- 2.1 Note the current position in relation to apprenticeships and utilisation of the levy including the greater alignment of apprenticeships with key skill shortage areas and take-up of apprenticeships to support career progression.
- 2.2 Note the position in respect of the council's statutory target that 2.3% of new starters in every year be starters in apprenticeship posts.
- 2.3 Note the agreement by CMT to introduce centralised funding for a number of higher-level apprenticeships and ring-fence some entry-level roles for internships for our residents who need support to get into work or apprenticeships.
- 2.4 Agree to for apprenticeship salaries for L2 and L3 apprentices to be aligned with the LLW.

3.0 Detail

- 3.1 A key strand of the Apprenticeship Strategy is to utilise the levy to support workforce development through apprenticeship opportunities for our residents. Since the introduction of the levy, many more types (or standards) of apprenticeships have become available. This has enabled the council to better align apprenticeships with key skill shortage areas and as a result, there has been a shift from large numbers of apprenticeships in largely business administration and customer service at levels 2 and 3 to a greater spread across a wide range of different apprenticeships from levels 2 to 7.
- 3.2 Current apprenticeship standards in place within the council – new recruits

Standard	Level	Standard	Level
Adult Care Worker	2	Civil Engineer	3
Insurance Practitioner	3	Data Analyst	4
IT Solutions	3	Commercial Procurement & Supply	4
Surveying Technician	3	Associate Project Management	4
Housing & Property Management	3	Software Developer	4
Business Administration	3	Solicitor	7
Information Communication Technician	3	Accountancy Taxation Professional CIPFA	7

Current apprenticeship standards in place within the council – existing staff (upskilling)

Standard	Level	Standard	Level
Team Leader	3	Coaching Professional	5
Advanced Credit Controller	3	L&D Consultant	5
L&D practitioner	3	Social Work	6
Intelligence Analyst	4	Occupational Therapist	6
Housing Management	4	Chartered Legal Executive	6
Counter Fraud	4		

3.3 Public Sector targets

3.3.1 By way of a recap, all local authorities and other public bodies with 250 or more staff in England as at 31 March in each of 2017, 2018, 2019, 2020 and 2021 are within scope of the statutory target to employ an average of at least 2.3% of their staff as new apprentice starts per annum over the period 1 April 2017 to 31 March 2021. Bodies in scope must have regard for the target. Whilst not confirmed by the government, it is assumed this target will continue.

3.3.2 The Government considers the duty to 'have regard' to the target to mean that, in making workforce planning decisions, public bodies should actively consider apprenticeships either for new recruits or as part of career development for existing staff. Apprentices are only considered as 'new apprentices' who will count towards the target, in the year in which they begin their apprenticeship.

3.3.3 The council's position against this target is below:

Year (as at 31 March)	% apprentice starts	Levy spent
2017/2018*	3.34%	£5,962
2018/2019	1.08%	£143,648
2019/2020	0.61%	£328,870
2020/2021	0.71%	£327,324
2021/2022	0.63%	£273,317 YTD

*Excluding schools. It was subsequently clarified by government that the target included schools, where the council is the employer.

3.3.4 Since April 2017 we have been paying monthly payments via payroll towards the Apprenticeship levy. From April 2019 any unused levy funds after 24 months became expired, and were returned to HMRC on a monthly basis. Including schools our total amount that has expired is £821,316. This started in 2020 mainly due to the lack of new apprentice starts across Brent and schools in 2020/2021.

3.3.5 As shown in the table above, the levy spend has increased year on year, with the exception of 2020/21 in which the pandemic caused a delay to any new starts. This was mainly because of the adjustment to homeworking and the transition to online training.

3.3.6 The focus continues to be on identifying and offering apprenticeships aligned to key skill shortage areas, to support career development for existing & new staff. The aim is for apprentices to be successful in their training so that they are in a strong position to apply for and be successful in securing a role at the end of their apprenticeship.

3.3.7 The government recognises that apprenticeships which take 2 years or more to complete could impact on organization's ability to meet the target. Of the 25 different apprenticeships started within the council since May 2018, 17 of these are/were for 2 years or more.

3.3.8 To hit the public sector target we would need to have a minimum of 150 new apprentices per year across Brent & schools. In 2020/21, we had 10 newly recruited council apprentices, 14 upskilling apprenticeships and 19 in schools. This gives us 43 new apprenticeships towards our annual target as of 31st March 2021. This equates to 0.71% of our workforce on apprenticeships. The table below gives an indication on how we are tracking towards our 2021/2022 target.

2021/22 Apprenticeship figures towards target	
New apprentice starts from April 2021	15
Under Offer new & upskilling	15
Recruiting	8
Schools	6
Total	44

3.3.9 Key challenges include the salary costs associated with such a large number whilst at the same time maximising expenditure of the levy, which creates a degree of tension between the two. For those upskilling the one day a week training can be a challenge. Trying to manage workload, as well as coursework, is not easy for those that work in smaller teams, as the workload cannot be absorbed in the same way as it can in larger teams This has been one of the reasons that four of the upskilling apprenticeships have been paused, alongside those having to take English & Maths as part of their apprenticeship training.

3.4 Strategic planning & skills gaps

3.4.1 Apprenticeships are now being used more to train or re-train Brent residents, in roles where we identify a business need. However, at present apprentices train in departments that have the headcount budget. This is not necessarily the best approach, especially if we are identifying areas that have a future skills need, but do not have the budget to hire trainees; the apprenticeships could be used to bridge that training gap. It is therefore proposed to ring-fence central funding for a limited number of apprentices on an annual basis, where there is a business need, or where a skills shortage is identified. This is in some respects similar to the graduate programme.

3.4.2 We will continue to target our recruitment locally as this will give our residents an opportunity to enter into higher-level apprenticeships including degrees. This is a more favorable approach, as it will also enable some people to gain the career in an industry where there is a need i.e. Surveying, Housing etc. For some of our residents this will enable them to gain a further qualification in some cases a degree that they would not have been able to pursue otherwise. This will be beneficial to both Brent and our residents. The cost would depend on the duration of the apprenticeship and if the proposal for the LLW for all apprentices is approved. The table below is based on 5 roles per year at LLW salary.

	Year 1	Year 2	Year 3
Annual cost	£103,428	£206,856	£310,284

3.4.3 Through discussion with individual services a number of apprenticeships could be delivered to help with these skills gaps.

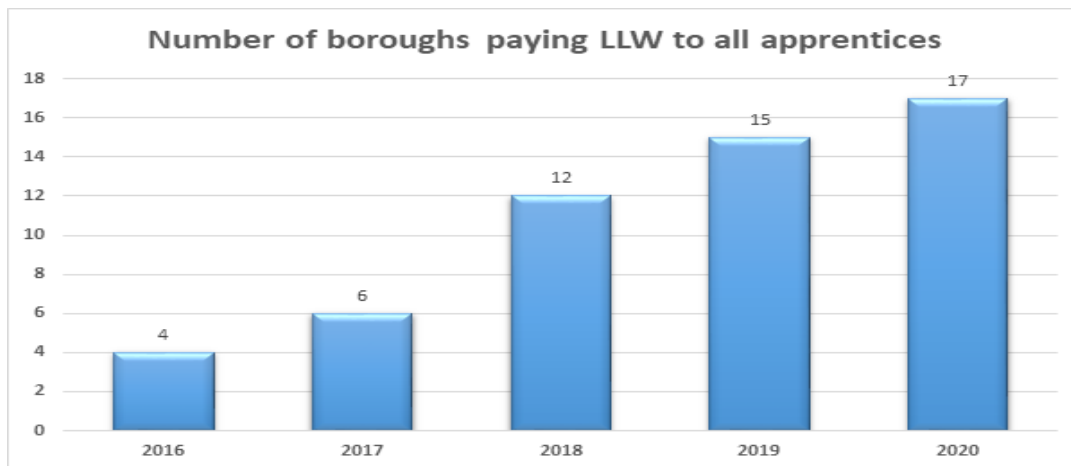
Standard	Level	External
Building Control surveyor	Level 6	External
Transport Planning	Level 3	External
Public Health Practitioner	Level 6	External
Social work	Level 6	External

3.4.4 This would help to address the skills shortages within the council. It could also increase opportunities for residents from Black, Asian and Minority Ethnic backgrounds to move into higher graded roles and could potentially make a significant contribution to the council's progress towards the apprenticeship target and use of the levy.

3.5 LLW

3.5.1 As Brent is a LLW employer, it is proposed that we increase the salary for all L2 & L3 apprentices to align them with those on a L4 and above apprenticeship. This would help us to recruit locally and encourage more people to apply for opportunities in Brent Council, who in turn will benefit from working with a London Living Wage employer. The average age of our externally recruited apprentices is 28, which indicates that not all of our apprentices are still living at home with parental support, which is presumed for some of our younger apprentices. Hence the pressure to earn a higher salary whilst undertaking an apprenticeship as an opportunity to retrain. This is also true for some of our care leavers who struggle financially to pay for accommodation etc.

3.5.2 Using the data supplied in the LGA annual survey on apprentices salaries, this change would align us with other boroughs who also pay LLW to all of their apprentices.



- 3.5.3 As part of the Government's incentive to get people back into work the Kickstart work experience scheme was launched. As part of the scheme Brent agreed to pay Kickstart participants LLW instead of NWM proposed by the government. It is hoped that the scheme will lead to apprenticeship uptake by individuals at the end of the scheme. This would leave us in a predicament if they move across to the apprenticeship programme on a L2 or L3 scheme, as they would be on a lower salary and may decide against the apprenticeship opportunity, which could mean they could revert back to being unemployed.
- 3.5.3 There are currently 2 apprentices on a L2 or L3 apprenticeship on £8.91 an hour. The cost to move them to LLW £11.05 an hour is an increase of £4,006.08 per apprentice per year.

3.6 Funded Internships

- 3.6.1 Funded internships can be run as a pre-employment programme. These opportunities could be used for care leavers or individuals with SEN, to enable them to get the opportunity to gain valuable work experience within Brent. It is proposed that each programme would run for 6 months with 5 people on programme at a time. As a work ready pathway to employment or further training, it is hoped it will ensure commitment and give the individuals some soft skills training, on timekeeping, communication and team work. If the individuals are successful, it could lead to employment or apprenticeship training either in Brent or locally.

The cost at LLW per year is £103,428.

- 3.6.2 It is clear from feedback locally and nationally that care leavers and those with SEN can struggle to get employment and need extra support to enable them to become work ready, prior to an apprenticeship or job. In response to this, the development of a pre-employment programme will provide individuals with the right skills & support, to enter into employment, an apprenticeship or other learning opportunities. This will support our Care Leaver Charter commitment to encourage care leavers to achieve their career and employment goals, and help reduce the current dropout rate for care leavers in apprenticeships that is widely reported. It would also increase our diversity as a disability confident employer.
- 3.6.3 HR will work within the council and other groups in the borough to identify individuals who would benefit from this type of on the job support. This could be an alternative to an apprenticeship for those who would struggle to complete the English and Maths and other learning elements of the apprenticeship programme. We will also need to identify roles where these individuals would gain the opportunity to gain experience surrounded by a supportive team. We are conscious of not setting anyone up to fail, but to enable a successful outcome for all.

3.7 Alternative Options Considered

- 3.7.1 The opportunities for the centralising of some apprenticeships and funded internships, is to enable our residents to benefit from employment opportunities

and learning from industry experts at Brent. We could have continued as we are, however where we are identifying skills gaps and hard to recruit roles, if we can then match these to enable our residents to further their development and gain the career, then it becomes a win, win situation. These opportunities give people a sense of purpose, keeps them in employment and will increase their quality of life. All the things that we strive for daily, for our residents as Brent employees.

4.0 Financial Implications

- 4.1 The Apprenticeship Levy Account is made up of contributions from the Council and maintained schools, which the government tops up by 10%. All employers have 24 months to spend their funds, including top-ups, before they expire. The current balance of the digital account is £1.7m and since 2017 £56k has had to be returned.
- 4.2 The additional cost of paying the LLW rate to all apprentices is £4,006.08 per apprentice per year.

5.0 Legal Implications

- 5.1 Under the Public Sector Apprenticeship Target Regulations 2017, certain prescribed public sector bodies in England have a duty to have regard to targets relating to the number of persons starting work for them under an apprenticeship agreement in each financial year between 1 April 2017 and 31 March 2021, and any relevant guidance issued by the Secretary of State. The Council falls within the definition of a prescribed body for these purposes. The target is that apprentices comprise a minimum of 2.3% of persons starting work each financial year based on a simple headcount. Government has indicated in 2017, that “having regard to” means “in making workforce planning decisions, a body subject to the duty must actively consider apprenticeships, either for new recruits or as part of career development for existing staff”. The proposal is in line with the Council ethos to pay LLW. The Council have not contravened any statutory regulation by not paying LLW to apprentices in the past. All apprentices have been paid in line with the National Minimal Wage.

6.0 Diversity Implications

- 6.1 The availability of the apprenticeship training fund, coupled with flexibilities introduced by the Apprenticeships Reforms provides opportunities for the council to fill skills gaps and introduce apprenticeships for hard to recruit roles, as well as to up-skill the existing workforce. The removal of age barriers to participation in apprenticeships has enabled the council to up-skill a wide range of age groups, including older residents and employees.
- 6.2 Pursuant to section 149 of the Equality Act 2010, the Council has a duty to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons with a protected characteristic and those without,

and fostering good relations between persons with protected characteristics and those without.

6.3 The protected characteristics are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnership but to a limited extent.

6.4 Appendix 1 sets out the current diversity profile of those undertaking apprenticeships with the council.

7.0 Consultation with Ward Members and Stakeholders

7.1 None.

8.0 Human Resources/Property Implications (if appropriate)

8.1 The HR implications are contained within the body of this report.

Report sign off:

Debra Norman

Director of Legal, HR & Audit and
Investigations