

Apprenticeships & Work Experience Placements

Report of the Head of Services for Communities

1. Introduction

- 1.1. In June 2015 the Young People and Employment Task Group presented their report to the Place Scrutiny Committee. Amongst their recommendations was that Devon County Council should start providing JobCentre Plus eight-week work experience placements to young people. This report provides an update with regard to this recommendation, taking into account other developments locally and nationally which impact upon work experience, apprenticeships and the wider employability of young people.

2. Current arrangements within the Council

- 2.1. The Council has long standing work experience policies in place relating to short-term, unpaid, work experience and paid Extended Work Experience, with the latter being targeted particularly at unemployed 16-24 year olds to improve their longer term employability prospects. Alongside work experience, the Council provides other routes into employment for young people including apprenticeships, general recruitment and via the in-house temp bank 'Temp Solutions'.
- 2.2. Take-up of unpaid work experience is not centrally recorded because it is managed locally by service areas but anecdotally it is understood that there has been a reduction in placements in recent years. Take-up of the Extended Work Experience option remains low, but where it has been used for specific service areas (such as sports development roles in Active Devon and for care leavers in Children's) it is successful. In all cases, anecdotal feedback from managers suggests that they are finding it increasingly difficult to accommodate work experience in the light of changes in the nature of our workforce, reduced staffing resources and a more pressurised workload. This has therefore made it difficult to progress further improvements.
- 2.3. The Council continues to use apprenticeships successfully, through a mix of HR-run and service-led arrangements and apprenticeship activity is likely to increase in light of the Government changes outlined later in this report. Recruitment generally of younger employees is lower than we might wish, with Temp Solutions being the most successful at attracting young people, with currently 38% of those on the books aged 25 years or under. Generally, the Council's employee age profile continues to be older than the Devon population (appendix 2).
- 2.4. There have also been developments recently to improve access to work experience and apprenticeships for care leavers, taking into account the Council's duties and responsibilities as a Corporate Parent (which are being broadened by further Government legislation – see below). Two care leaver apprentices are currently part of the 2015 HR-run scheme cohort and Extended Work Experience is used. It is recognised that apprenticeship and work experience opportunities are life changing for both the receiving service and the care experienced young people and practice in Devon has been recognised as 'better than any other observed'¹, which provides a robust basis for programme development. However, there is recognition that there needs to be greater co-ordination and availability of placements within all

parts of the organisation and more widely, working particularly with other Devon statutory, public and voluntary sector employers (some of which have already expressed an interest in offering placements). There may also be opportunities to bid for additional funds² and/or further utilise existing providers. However, whilst this work is ongoing, current funding pressures mean that there are no dedicated resources to develop further, which places a risk on progress.

3. Current developments impacting upon work experience and apprenticeships

- 3.1. **The Government's Apprenticeship changes**, linked to its '2020 Vision'³ will significantly impact upon the Council's approach and funding of apprenticeships and in summary are⁴:
 - 3.1.1. Removal of the payment of employer National Insurance Contributions from April 2016 for apprentices aged under 25 years.
 - 3.1.2. Introduction of an Apprenticeship Levy for large employers, from April 2017. Initial analysis suggests that the Levy could cost Devon County Council c£1.31m per annum, £0.73m of this cost would be funded by the Dedicated Schools Grant and the remaining £0.58m would fall to non-schools. These figures include maintained schools but exclude Academies, Voluntary Aided and Foundation schools.
 - 3.1.3. Introduction of a Public Sector Apprenticeship Target (date to be confirmed). Initial analysis (based on headcount) suggests that in order to achieve the 2.3% Target, the Council would need to employ around 100 apprentices corporately and 260 apprentices within schools.
 - 3.1.4. Broadening of apprenticeship qualifications and scope, to make them more employer-focused, available from GCSE up to degree/Masters level and to enable greater take-up from existing as well as prospective employees of all ages, overseen by a new Institute for Apprenticeships.
- 3.2. **The Council's duties and responsibilities as Corporate Parents** are encapsulated in the Children (Leaving Care) Act 2000, the Care Leaver's Charter (2012) and the recently published 'Keep on Caring – Supporting Young People from Care to Independence' (July 2016) and is reflected in the Council's Care Leavers Strategy. The expectations of the Leaving Care Act mentioned in the recent Queen's Speech will be for greater evidence of Corporate Parents facilitating opportunities, work experience and apprenticeships for care leavers.
- 3.3. Alongside this, the Council continues to work on its **Post 16 Education and Skills vision**, which includes greater support for NEETs⁵, the development of internships to improve employability and the ability to live independently and new employment routes and better educational opportunities from further education. This work is due to be completed by the end of 2016.

4. Future arrangements

- 4.1. It is likely that budget and resource pressures will continue to place pressure on managers and employees, which may inhibit the availability of work experience and apprenticeship placements. However, the paradox is that in order to meet our changing organisational needs and to successfully plan for the future the Council

² For example, as part of a wider Social Care Innovation Fund bid to develop a youth led mentoring, work experience and apprenticeship hub for care leavers and young carers in Devon. The Government is also proposing, as part of the revised Levy and apprenticeship funding arrangements, to provide additional funding to employers and training providers for care leavers.

³ The Government has pledged to increase the quality and quantity of apprenticeships in England, reaching three million apprenticeship training starts in 2020 - https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/484209/BIS-15-651-english-apprenticeships-our-2020-vision-executive-summary.pdf

⁴ See appendix 1 for further information

⁵ A young person who is no longer in the education system and who is not working or being trained for work

will need to fully utilise work experience and apprenticeships as part of its wider workforce resourcing and development strategy, for its directly employed workforce, its role as a commissioner and joint deliverer of services and its broader role in supporting economic growth.

- 4.2. The current mix of corporate-run and service-run approaches may not be sustainable bearing in mind the Government changes and may not maximise the achievement of the Council's workforce needs and strategic priorities. It is also important that we do not implement work experience in isolation - the Council's future work experience and apprenticeship offer needs to complement other routes into employment such as internships, general recruitment, traineeships and graduate recruitment as well as the development of existing staff and pathways through the organisation (and across partner organisations) to support retention and succession planning.
- 4.3. The Government apprenticeship changes do provide us with some time to develop a more holistic approach. The Government has stated that any existing apprenticeship training will continue to be funded via existing arrangements, with the Levy only being used for new apprenticeships that are agreed after 1st May 2017. This therefore gives the Council an opportunity to further consider its resourcing and development requirements for our direct workforce (including maintained schools) between now and May 2017. The Government has stated that they are willing to consider how employers can use their individual Levy account to support apprenticeship training funding for other employers but it appears that this will not be implemented until 2018 and further clarification is still awaited⁶, which gives the Council further time to work with stakeholders to fully understand their needs and how they can be supported.
- 4.4. Bearing in mind the above, it is proposed to take forward the following actions:
 - 4.4.1. **Implementation of workforce planning across the Council**, to enable all service areas to better understand their current and potential future workforce resourcing and development needs. This work will help to determine how to make best use of the Levy and where work experience opportunities may be beneficial to service areas to support recruitment and succession planning.
 - 4.4.2. **Setting up of a Stakeholder Reference Group** to balance the demands of different stakeholders and groups against the Council's business needs and ensure compliance with our duties and responsibilities as a corporate parent. The Group would include Economic Development, Education, Children's Services, Commissioning, Adult Social Care etc and would aim to identify needs, commonalities and potential solutions, which will then be fed into the Implementation Group to action.
 - 4.4.3. **Setting up of an Implementation Working Group** initially to identify and deal with the issues relating to the Apprenticeship Levy but then over time to consider the other practical and operational issues that may need to be addressed to maximise the Council's use of work experience and apprenticeships, including the particular needs for care leavers. This Group will consider issues such as guidance, support and incentives for managers; individual support; building closer links with relevant apprenticeship training providers and maximising the expertise and resource available from internal and external sources (including JobCentre Plus).

5. Conclusion

- 5.1. This is an area of work that is experiencing significant changes and the Council is committed to supporting the employability of young people and to build upon current policy and activity. However, in light of the difficulties currently being experienced

⁶ The Government has proposed that an employer may be able to use 10% of its Levy funds from 2018 to support apprenticeships with employers, as part of their supply chain.

with the availability of placements, alongside the National changes it is imperative that the Council has in place a holistic approach, which provides appropriate support to managers and staff and demonstrates how work experience and apprenticeship placements can help deliver the Council's workforce and development needs as well as the achievement of wider strategic priorities.

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Local Government Act 1972: List of Background Papers

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| Background Paper | Date | File Reference |
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None

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Appendix 1 to SC/16/12: Summary of the Government's Apprenticeship Changes

Removal of the payment of National Insurance Employer Contributions from April 2016 - this applies only to apprentices aged under 25 years, subject to meeting specific criteria. Payroll has already written to managers, with details of the people who we believe are apprentices and may be eligible for the change. Pay bill savings are minimal so far.

Apprenticeship Levy, from April 2017⁷ - this applies to employers with an annual pay bill of over £3m. In effect money will be 'top sliced' at source from the employer and paid into a digital account via the PAYE (pay as you earn) arrangements. The employer can then draw on those Levy funds to pay their agreed training provider for the apprenticeship training and end point assessment (currently funds are provided directly to the training provider, without direct input from the employer). The Levy can not be used to fund salary or other apprenticeship costs. Each apprenticeship training qualification will continue to have a nationally set 'funding band', which will be the maximum amount that the employer can take from their Levy account to pay the training provider for that qualification. In their Levy guidance, the Government has stressed that 'public sector bodies will need to (continue to) comply with Public Contracts Regulation 2015 when selecting an (apprenticeship training) provider and an assessment organisation from the approved registers.' The Levy is set at 0.5% of the annual pay bill for the employer, with a £15,000 allowance to offset against the Levy payment. If the employer does not use all their Levy funds within 18 months the monies will be transferred to a Government apprenticeship training fund. Initial analysis suggests that the Levy could cost Devon County Council c£1.31m per annum, £0.73m of this cost would be funded by the Dedicated Schools Grant and the remaining £0.58m would fall to non-schools. These figures include maintained schools but exclude Academies, Voluntary Aided and Foundation schools. Any apprenticeship training that has been set up prior to the introduction of the Levy will continue to be funded via those existing arrangements until the apprenticeship is completed – only new apprenticeship arrangements commencing after 1st May 2017 will be able to be funded from the Levy. The Government are proposing that employers will be able to use some of their Levy funds (they are suggesting 10%) to fund apprenticeships for employers who are part of their supply chain (this is anticipated to take effect from 2018).

Public Sector Apprenticeship Target⁸ - a new Target for 2.3% of the workforce of each public sector body (who employs more than 250 staff) to be apprentices (this can be existing or new employees). We understand that the Council will be required to report upon this annually and that the Government sees this as an 'ambition' for public sector bodies to aspire to. It is unclear at the moment whether it would be a percentage of headcount or full time equivalent (FTE) (local government has been lobbying for FTE). Initial analysis (based on headcount) suggests that in order to achieve the 2.3% Target, the Council would need to employ around 100 apprentices corporately and 260 apprentices within schools.

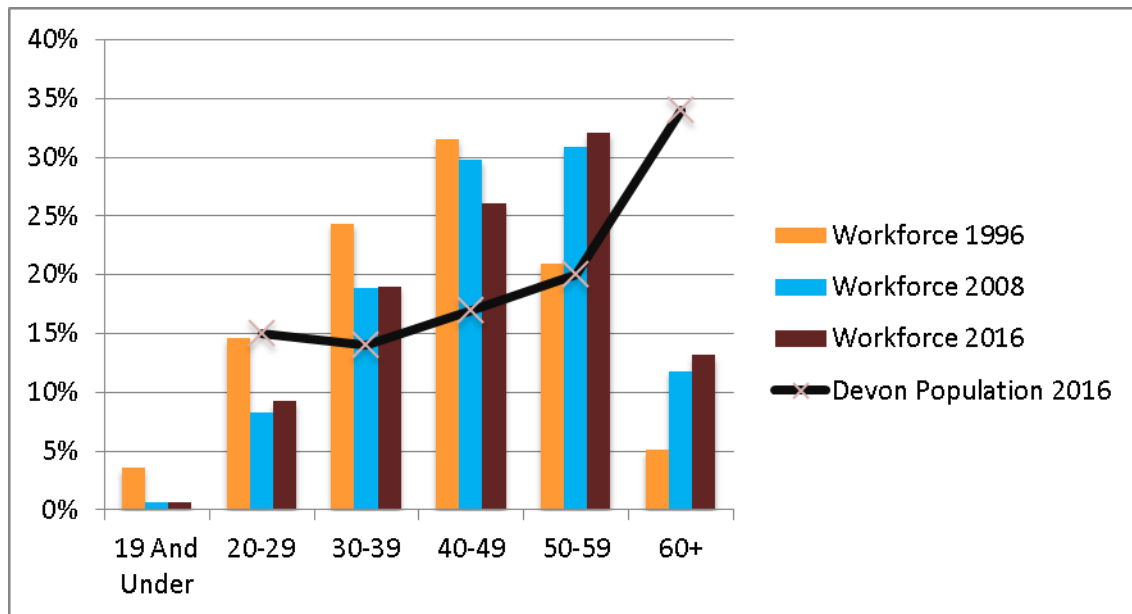
Broadening of apprenticeship qualifications and scope - the existing '[Frameworks](#)' (each of the apprenticeship qualifications that are available, across a range of skills/professions) will be replaced over time by new '[Standards](#)'. These Standards will be much more employer-led and focused - some 'trailblazers' are already developing Standards and some could be relevant to the Council (e.g. digital, financial, managerial and public sector 'commercial professional'/'operational delivery officer' roles). The Local Government Association and specific sectors (e.g. health and social care) are also in the early stages of considering what could be offered in the future. In addition, apprenticeships will be available at a greater number of levels – for those leaving school with GCSEs up to degree or even Masters Level. Apprenticeship training will be available to new employees and also to existing employees who might want to undertake an apprenticeship qualification as part of their development/career progression (although there are some employment contractual and funding issues that we would need to explore and resolve, before they could be fully utilised for existing staff).

The introduction of a new Institute for Apprenticeships from April 2017 - this body will be responsible for overseeing the quality of apprenticeship training provision by approving the new Standards. They will work with the existing Skills Funding Agency, employers and training providers.

⁷ Some of these details have yet to be confirmed and further guidance is expected in the Autumn

⁸ Awaiting outcome of Government consultation. Timescales are as yet unknown.

Appendix 2 – Age Profile of the Council’s directly employed Workforce

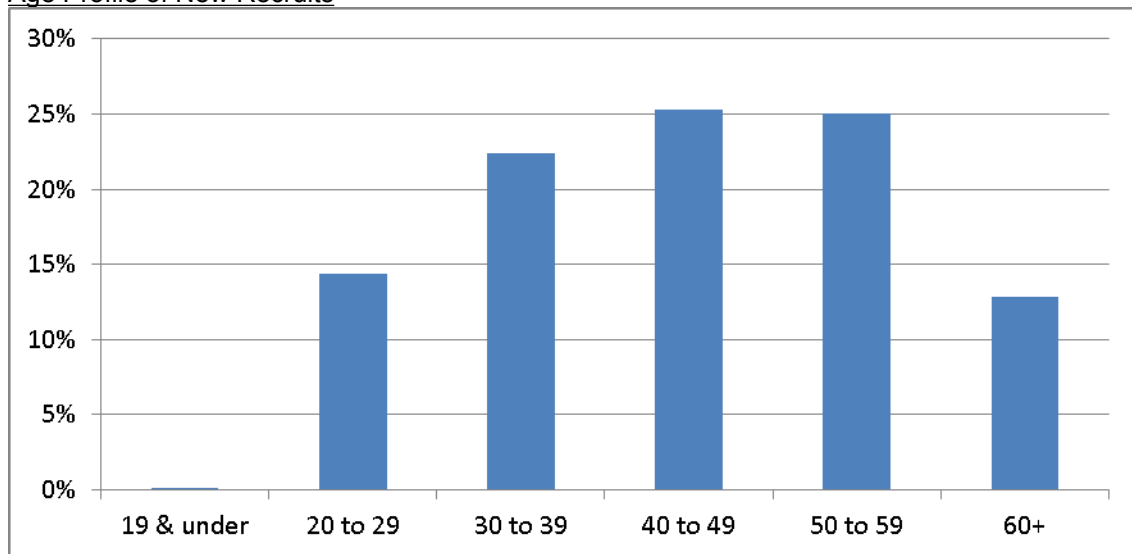


Note – Workforce data from Oracle, which excludes those engaged via Temp Solutions. Devon Population Data excludes those under 20 and over 80

Approximately 45% of our current workforce is over 50 years and over 60% is over 40 years

Recruitment and Retention

Age Profile of New Recruits



Note – Workforce data from Oracle, which excludes those engaged via Temp Solutions.

In 2015/6 on average the Council recruited 42 new starters per month. However less than 15% of these were under age 30 and 38% were over age 50.