

Committee: FMTG

Date: 11th February 2021

Subject: Merton Apprenticeships

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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. To provide an update on Merton's contribution to the Apprentice Levy Account since 2017 and spend to January 2021.
- 1.2. To provide an update on how Merton Council is growing the engagement of both Apprentices/Apprenticeships to maximise our spend of the Levy Pot and current initiatives for increased growth

2 DETAILS

Background

- 2.1. With effect from May 2017, the government applied a 0.5% Apprenticeship Levy on employers' whose gross pay bill exceeds £3 million pa. This money is paid to HMRC monthly. Contributing employers receive an additional 10 per cent top up on their monthly levy contributions.
- 2.2. Employers are able to draw down funds to pay for Apprenticeship training via a Digital Apprenticeship Service (DAS) account.
- 2.3. Funds contributed but not spent within a rolling 24 months' period expire and can no longer be accessed.
- 2.4. The DAS service also supports employers to identify training providers, select an apprenticeship-training course (from the standards available) and source potential candidates.
- 2.5. Levy funds can only be spent on covering the *direct costs* of an apprentice's training, assessment and certification, but cannot be used to cover other associated costs, such as salary, overheads, supervision costs or Learning & Development (L&D) resources.

- 2.6. To date, Merton Council has contributed £2,268,041 to the Apprentice Levy Fund and has drawn down £715,860 against training. (See *Appendix 1*) for a full breakdown.

Apprenticeship Targets

- 2.7. The Government has set all public sector organisations an annual target of 2.3% of the workforce to be undertaking apprenticeship training. This target does not distinguish between permanent staff undertaking training or those specifically engaged on fixed term apprenticeship contracts. This target has so far not been reduced in light of COVID-19
- 2.8. Therefore, the target for Merton Council including maintained schools is 96 new starts per annum (*See Appendix 1*)
- 2.9. To date although we are not hitting our target, over 160 Apprentices/Existing staff have commenced Apprenticeships since 2017.
- 2.10. 33 people have successfully completed their Apprenticeships and 36 have withdrawn since the levy commenced. The remaining c.95 are still in training.
- 2.11. There are currently 37 active Fixed Term Contract Apprentices in Council Offices and Schools plus an additional 58 Council/ School Staff undertaking Professional Development Apprenticeships. Overall, 23 staff undertaking training are Merton residents.
- 2.12. Merton Council currently offer 24 different Apprenticeship Standard from L2-L7. We are currently undertaking a procurement exercise that will increase the number of available standards to over 100. (*See Appendix 2*)

FTC Apprentices

- 2.13. Entry / Higher Level Apprentices are appointed on Fix Term Apprentice Contracts for the duration of their training.
- 2.14. The average training period is 18-24 months, although the full scope of training available extends from 12-60 months.
- 2.15. Priority is given to applicants who:-
- a) Are between the ages of 16-14

- b) Currently residing within the Local Authority Area
 - c) Any person who is or was previously looked after by the Local Authority or who was subject to supervision, care order or child protection plan regardless of their current place of residence.
- 2.16. Any apprentice applicant declaring a disability will be guaranteed an interview in accordance with the Two Tick standard.
- 2.17. The current apprentice minimum wage rate is £4.15 per hour for apprentices under the age of 19, or apprentices 19 and over that are still in the first year of their apprenticeship.
- 2.18. Merton Council currently pays all Entry Level Apprentices the London Living Wage £10.75 per hour.
- 2.19. If during the course of the training programme despite all support being provided, an Apprentice on Fixed Term Contracts fails to undertake/complete their training satisfactorily or voluntarily withdraws from the training, their contract will be terminated, and they must leave the Council.
- 2.20. Within the final three months of an Apprentices training and providing they are “on-track” to pass, they are identified and added to the redeployee database. They are then proactively alerted and provided priority access to vacant posts if no “At Risk” redeployees have express an interest, and/or the role is not initially filled by a Redeployee
- 2.21. At the end of the training period if the Apprentice is unable to secure a permanent position or does not continue on a further higher level of Apprenticeship training, they will leave the Council.

Permanent Staff Professional Development Apprenticeships

- 2.22. Professional Development Apprenticeships are apprenticeship-training courses undertaken by permanent members of Council staff to support their personal/professional development.
- 2.23. At the end of the training programme, these staff will continue to be employed by the Council (irrespective of whether they pass or fail the apprenticeship-training course).

Supporting Schools and Young People Children Schools and Families (CSF) and Community and Housing Adults (C&H)

Schools

- 2.24. The HR L&D Team have worked closely with Local Authority Maintained Schools to identify their specific needs and have provided support with recruitment for 23 Teaching Assistant Apprentices and 2 Caretakers since 2017.
In 2019, we procured a provider to deliver school specific Levels 5 & 7 Leadership & Management Apprenticeship Programmes.
- 2.25. A further procurement exercise was commissioned in April 2020 to deliver Level 3 Management Apprentices for schools.
- 2.26. HR L&D meet with Schools Business Managers quarterly to promote the new training standards and promote our apprenticeship offering.
- 2.27. *NB - This only applies to schools who contribute to our Levy pot through buying our HR /Payroll Service.*

Supporting Young People (CSF)

- 2.28. We currently have c.29 young people aged between 16-24 undertaking apprenticeships within the Council and Schools of which c.7 live within the borough.
- 2.29. The L&D team are currently working closely with CSF “Towards Merton” to promote apprenticeships. This includes the early flagging” of upcoming apprenticeship to encourage the engagement of residents with vulnerable characteristics such as Looked-After Children, Young Offenders, NEET and SEND’s, who otherwise are unlikely to be aware of these apprenticeships opportunities if they are only advertised conventionally through our recruitment website.
- 2.30. Providing Entry Level apprenticeships for young people in the community supports their development and increases the ongoing employment opportunities for them. Additionally, it supports the delivery of economic well-being in the local community by reducing the number of those who are NEET.

Adults (C&H)

- 2.31. As Apprenticeship Standards have evolved, we have been working closely with Merton Adult Social Care Team, and have developed a Social Care Worker Apprenticeship. The recruitment process was successfully delivered in 2020.
- 2.32. The Apprenticeship training is a 3-year programme delivered through a partnership procurement arrangement with Kingston College. Training investment via the Levy is c. £23k.
- 2.33. We will continue to maximise on “growing our own talent” by expanding this opportunity with the new training provider framework.
- 2.34. Merton Adult Learning were reaccredited onto the ESFA Register of Approved Apprenticeship Providers (ROATP) in February 2020 and prior to the COVID-19 pandemic we were working closely together to look at the potential of the Council becoming an employee provider of apprenticeships.
- 2.35. The impact of COVID-19 on adult learning, like many services, has mean that resources have been necessarily re-prioritised. As result of this, the application process to becoming a training provider have been paused. An options paper is scheduled to be delivered later this year with a view to potentially launching the scheme at a more appropriate time.

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Utilising 3rd Party Contractors and Sharing Funds to Maximise use of the Levy

Many of the other London Boroughs are “counting” Apprentices engaged via their contractor base within their statistical returns.

Discussions have taken place with Procurement and E&R to determine how Merton can use the Apprentice Levy to encourage our Suppliers to engage Apprentices, (especially from the local resident community), because of the contracts we hold with them.

- 2.36. This activity has been stalled due the impact of COVID-19. Once we are in a more stable position, the position/projects will be reviewed and actively recommenced.

Recent/Current Initiatives to Support/Promote Apprenticeships

- 2.37. We are currently retendering our Apprentice Training Provider contracts. This procurement exercise will provide access to over 100 Apprentice Training Standards. The contract is due to Go-Live at the end of March 2021.
- 2.38. We have refreshed our Internet and Intranet pages and developed a bespoke Apprentice Recruitment portal aligned to the ATS system. This highlights videos of Merton's Apprentices, and those staff who having completed their Apprenticeships have continued into permanent roles across the Council.
- 2.39. New Recruitment Process Maps and "Step by Step Checklists" have been developed for Managers and Schools, and made available on the Intranet/Extranet respectively, to support awareness of the Apprentice recruitment process.
- 2.40. We have launched an Apprentice Networking Group and Managers of Apprentices Networking Group to gain an understanding of how L&D can best support them throughout their Apprenticeship/Roles (especially during COVID-19). It is hoped this intervention will maximise on our investment and build emerging talent within the business, which in turn will encourage retention of Apprentices at the end of their programmes.
- 2.41. In order to ensure our Apprentices cohorts are fully supported, we undertake regular account management meetings with our training providers to ensure the service delivered to the learners is of a consistently high standard.
- Suppliers are asked to complete assessments identifying if the learners are "on-track" to successfully complete their training and End Point Assessment" (EPA). Where learners have been identified as Medium/High Risk of failing their programme, a series of initiatives have been introduced to support them to succeed.
- 2.42. The process of terminating Apprentices at the end of their Fixed Term Contracts negates the principles of supporting young borough residents in employment and/or growing young emerging talent in the business.
- To address this, within the last three months of a successful Apprentices Fixed Term Contract, these Apprentices are identified and given priority access to vacancies over other internal applicants where the role has not been filled by a formally displaced redeployee.
- It is proposed that towards the completion of the apprentices training contracts, an assessment is undertaken of the potential career progression pathways accessible to them. This will be communicated to Apprentices, as without visibility of any internal opportunity, the apprentice is likely to seek alternative employment externally, and the financial investment, training, development and support will be lost.

We are currently reviewing our succession planning and talent management processes and will shortly be launching a programme of “Bringing on the Talent” maximising on the opportunity of Professional Development Apprenticeship Training.

- 2.43. We will continue to provide updates on new and emerging standards as they become available, (especially in non-generic or technical areas) so that we can more easily recruit to these specialist roles, and to help “grow talent from within”.

3 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 3.1. To date, Merton Council has contributed £2,268,041 to the Apprentice Levy Fund and has drawn down £715,860 against training.
- 3.2. The 2020/21 end of year outturn for unspent funds is £338,591. (*See Appendix 1*) for a full breakdown.
- 3.3. By continuing to engage Entry Level apprentices and encouraging Professional Development Apprenticeships of existing employees via Higher Level Apprenticeships, Merton Council will continue to recoup a significant proportion of levy fund contributions paid to date.

4 APPENDICES/ ATTACHEMENTS – THE FOLLOWING DOCUMENTS FORM PART OF THE REPORT

Appendices

No.	Name
Appendix 1	Levy Contributions, Spend, Expired Funds And Apprentice Starts 2017- 2021
Appendix 2	Details of Active Apprenticeship Standards by Level/Qualification

APPENDIX 1 – LEVY CONTRIBUTIONS, SPEND, EXPIRED FUNDS AND APPRENTICE STARTS 2017- 2021

	2017/18	2018/19	2019/20	2020/21	TOTAL
Levy Contributions Paid-In	£530,411	£599,075	£616,560	£521,995*	£2,268,041
Top up	£52,872	£59,744	£61,471	£52,014*	£226,101
Total	£583,283	£658,819	£678,031	£574,009	£2,494,142
Apprentice starts	15	89	43	17	164
Funds spent	£5,325	£113,883	£390,777	£205,874	£715,860
Funds expired	£0	£0	£71,603	£338,591*	£410,195

*2020/21 Figures only representative up to 31 January 2021

APPENDIX 2 - DETAILS OF ACTIVE APPRENTICESHIP STANDARDS BY LEVEL/QUALIFICATION SINCE 2017

Apprenticeship Qualification (Live)	Level	Total Current Apprentices
Maintenance Operations	2	1
Property Maintenance Operative	2	2
Supporting Teaching and Learning	2	11
Accountancy	3	4
Business Administration	3	4
Digital Marketer	3	0
Early Years Educator	3	0
Facilities Management	3	2
HR Support	3	1
Infrastructure Technician	3	1
Lead Adult Care Worker	3	1
Paralegal	3	4
Teaching Assistant	3	3
Team Leader/Supervisor	3	15
Business Analyst	4	1
Commercial Procurement & Supply	4	1
Intelligence Analyst	4	1
Intelligence Operations	4	1
School Business Manager	4	0
Software Tester	4	1
Care Leadership and Management: General Adult Social Care	5	1
HR Consultant/Partner	5	0

Operations / Departmental Manager	5	28
Building Control Surveyor (<i>currently being procured</i>)	6	0
Chartered Legal Executive	6	2
Teacher	6	2
Accountancy and Taxation Professional (CIPFA)	7	4
Accountancy and Taxation Professional (CIMA)	7	1
Senior Leader Master's Degree	7	2
Solicitor	7	1
Totals	-	95