

Committees: Community and Children’s Services – For decision Establishment – For decision Resource Allocation Sub (Policy and Resources) – For decision	Dated: 13 January 2017 17 January 2017 19 January 2017
Subject: Apprenticeships – Expansion of the Apprenticeship Provider Service	Public
Report of: Director of Community and Children’s Services Director of Human Resources	For decision
Report author: Simon Cribbens, Community and Children’s Services	

Summary

The City of London Corporation (City Corporation) is committed to delivering 100 apprenticeships across its departments in 2017/18. The delivery of this commitment, and the outstanding level of service the City Corporation seeks, will require additional staffing and resources.

This report seeks Member approval of the proposed staffing structure, which includes the creation of an additional post over and above the existing apprenticeships team and funding to support it.

Recommendation(s)

Members of the Establishment and Community and Children’s Services Committees are asked to:

- approve the proposed structure of the apprenticeship provider service and additional supporting roles.

Members of the Resource Allocation Sub (Policy and Resources) Committee are asked to:

- approve a baseline budget increase of £250,000 to fund those posts that cannot be met from the draw down of Levy funds, to be allocated to the relevant departments.

Main Report

Background

- 1 The City Corporation has set an ambition to be an exemplar in the recruitment, training and development of apprentices.
- 2 The commitment to a future apprenticeship programme of 100 apprentices per annum to meet this ambition has the approval of Summit Group, and has been

agreed by the Establishment Committee. It has been further agreed by that Committee that the delivery of apprenticeships will be through an “employer-provider” model, utilising the City Corporation’s existing in house Apprenticeship Service.

- 3 This programme, and the enhanced level of support and service that it commits to provide, requires the creation of additional posts to secure, support and monitor delivery. The Establishment Committee agreed in principle to the establishment of this service for which the proposed budget is £250,000 in 2017/18. This was subject to the provision of detailed proposals – as set out in this report - and Member approval.
- 4 Demand and competition for apprentices will increase significantly as public sector bodies act to meet the government’s target (2.3 per cent of workforce) and larger employers subject to the new Apprenticeship Levy seek to draw on their levy to meet their skills needs. Against this background the City Corporation apprenticeship offer will deliver the quality, brand and remuneration required to secure the number and quality of apprentices it seeks.

Current Position

- 5 The City Corporation is already both an employer of apprentices and an approved apprenticeship provider - training and supporting apprentices employed by the City Corporation and a range of other City businesses. The number of internal apprentices employed within the City Corporation has remained broadly static over the last few years at around 25 to 30. To grow from this position and to offer a sustainable 100 apprenticeships year on year, will require additional staffing resources in the provider service and related roles. This report seeks approval for the creation of the required additional roles and the corresponding increases to baseline budgets.

Future funding of apprenticeships

- 6 From April 2017 large employers will pay a new Apprenticeship Levy (the levy) – set at 0.5 per cent of the gross pay bill. The City Corporation has already made budgetary provision for its levy contributions.
- 7 The levy will be paid monthly into the Digital Apprenticeship Service (DAS), through which employers will be able to channel their levy funds to their chosen apprenticeship provider (which for the City Corporation is its own internal service). The City’s Apprenticeship Service will claim funding each month, in relation to the number and type of apprenticeships it is providing. Funding caps will be in place to limit the maximum spend for individual apprenticeships.
- 8 The levy can be used to fund training, education and the end point assessment of apprentices. The levy can also meet some other costs – such as administration related to the delivery of the apprenticeships.
- 9 However, there are several costs which cannot be met by the levy. These include:

- wages of the apprentice
- contributions for travel expenses
- wages for line managers or other colleagues supporting the apprentice
- post apprenticeship support
- apprentice recruitment.

Additional resource implications for the City

10 The expansion of the apprenticeship programme will require additional staffing and service provision. Where eligible, the cost of some posts will be fully recoverable from levy funding. However, the City Corporation's declared approach to apprenticeships - in terms of the quality and depth of support to apprentices, and the breadth of the Apprenticeship Service's role - will require additional resourcing for elements that cannot be funded by the levy. These include:

- apprentice recruitment
- outreach work with schools and communities to promote the scheme
- pastoral support
- post apprenticeship support (including support to secure employment within and outside of the Corporation)
- support to managers and supervisors.

11 In addition to these elements, it is proposed that additional resources support increased capacity in Human Resources (creating a lead officer) and commissioning.

12 The budget to support these additional roles is costed at £250,000. This allows some flexibility within the parameters of the proposed salary grades. The proposed roles are detailed below and the staffing structure is appended.

Roles and structure

13 The roles outlined below have been costed at the grades proposed by departments. It should be noted that they are subject to formal job evaluation and therefore may change. It is anticipated that, since the new roles are based upon broadly comparable existing roles, any changes to proposed grades will be minimal and the resulting impact on the overall budget can be absorbed within the Department of Community and Children's Service's (DCCS) local risk.

City Corporation funded roles

14 Six new roles will deliver the elements of the service that cannot be funded through the levy:

Four of these, which will sit within the Apprenticeship Service, will be created to deliver the additional quality and elements of service that the City Corporation scheme seeks. These roles consist of:

- 1 x Quality and Performance Manager (Grade F)

- 1 x External Provider Manager (Grade E)
- 2 x Recruitment, Outreach and Welfare Officer (Grade C)

At mid salary scale, these posts with on costs are budgeted at £183,000.

One role will sit within Corporate HR to meet the increased demand on that service and provide a dedicated apprenticeship lead within that department:

- 1 x Human Resources Officer (Grade D) role will be created. This role is budgeted at £44,000.

One part time role will provide capacity within the DCCS Commissioning team to provide performance management of the in-house service, and were it necessary the commissioning of alternative provider services:

- 1 x (0.4) Commissioning Officer (Grade D) at a budgeted cost of £17,500.

Role	Number of posts	Grade	Salary (mid scale + 27.5% on costs)	Total
Quality and Performance Manager	1	F	£61,136	£61,136
MIS Co-ordinator	1	E	£49,712	£49,712
Recruitment, Outreach & Welfare Officer	2	C	£36,146	£72,292
HR Officer	1	D	£43,886	£43,886
Commissioning Officer (0.4)	0.4	D	£17,554	£17,554
Total				£244,580

Apprenticeship Levy funded roles

15 The functions of the Apprenticeship Service that can be funded via the monthly draw down of levy resources will be delivered by the roles set out below:

Role	Number of posts	Grade	Salary (mid scale + 27.5% on costs)	Total
Training Manager	1	E	£49,712	£49,712
External Programme Delivery Manager	1	E	£49,712	£49,712
Tutor/Assessor	4	C	£36,146	£144,584
Service Administrator	1	C	£36,146	£36,146
MIS Administrator	1	C	£36,146	£36,146
Total				£316,300

16 The expansion of apprentice numbers will be delivered in four cohorts across 2017/18, and as such levy income will build across the year. Therefore recruitment to these posts will be staggered to reflect the growth in apprentice numbers across the year and mitigate the risk of salary costs for these roles exceeding levy income.

17 These roles reflect functions previously funded through the Skills Funding Agency to deliver apprenticeships, which will now be funded by the levy.

Proposals

18 The roles and structure (as set out) to deliver the City Corporation apprenticeship programme are proposed to Members for approval.

19 For those roles funded by the City Corporation, it is proposed that Members approve an increase in the baseline budget totalling £250,000 per annum within the relevant departments.

Corporate & Strategic Implications

20 For those posts where the salary costs may be met from levy funds there remains a risk that the City Corporation might not be able to draw down sufficient funds to cover this. This risk is considered minimal given the target number of apprenticeships and will only be present in the first half of the year, having diminished during that period. Should this risk materialise, the DCCS will absorb, where possible, any resulting overspend.

21 Should proposals for the creation of an internal apprenticeship provider service be rejected, it will be necessary to identify an alternate apprenticeship provider. This would be subject to a procurement exercise and would still require the creation of supporting roles.

22 Salary costs for the apprenticeships that are to be created in 2017/18 will be met from a centrally controlled, ring fenced fund that has been established as part of the City Corporation's overall budget setting process. It is anticipated that, in subsequent years, departmental budgets will be increased where sustainable apprenticeship opportunities are established.

Conclusion

23 Delivering an outstanding apprenticeship service will require additional roles to meet both the increased level of delivery and enhanced level of service. To achieve this will require funding in addition to that which can be drawn down from the Apprenticeship Levy.

24 In providing these resources and the service they support, the City Corporation can fulfil the challenge of its publication *The City's Business* to "walk the talk" and be an exemplar in how apprentices are recruited, trained and developed.

25 Establishment and Community and Children's Services Committees are asked to approve the creation of the additional posts to support the expansion of the City of London Corporation's apprenticeship scheme. Resource Allocation Sub-Committee is asked to approve an increase to the baseline budgets of the

DCCS and Corporate HR to meet the cost of those additional posts that cannot be met from the draw down of Levy funds.

Appendices

- Appendix 1: Structure chart

Background Papers

- New Apprenticeship Scheme and Paid Work Experience – Establishment Committee; 25 October 2016
- Apprentices Update – Community and Children’s Service Committee; 18 November 2016

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Appendix 1: Proposed structure to support CoL Apprenticeship Delivery
Department of Community & Children’s Services and Human Resources

