

Committee(s): Education Board	Dated: 17/06/2024
Subject: Apprenticeship Levy Spend Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	Providing excellent services.
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
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Summary

This report provides an overview of the advancements made in bolstering apprenticeship opportunities and how the apprenticeship levy is spent within the City of London Corporation.

There has been a marked increase in the number of both centrally and levy funded apprenticeships, from 47 in December 2022 to 276 apprenticeships in April 2024.

In addition, there has been an impressive decrease in the amount of digital levy funds being returned to HMRC. This has dropped from a return of £53,188 in December 2022, to a (zero) return in August 2023 which has been maintained to-date.

We have collaborated closely with both internal and external stakeholders to develop apprenticeship initiatives and forge stronger connections to our social mobility agenda. Our goal has been to facilitate broader access to employment opportunities for individuals from disadvantaged socioeconomic backgrounds, thereby fostering inclusivity and greater equity across the City Corporation.

Main Report

Background

1. Since the introduction of the apprenticeship levy in May 2017, 0.5% is deducted from monthly payroll for the sole use of training apprentices, this became a pivotal aspect of the City of London's commitment to bolstering skills development and workforce enhancement. As part of this commitment, the City Corporation pledged to fund 100 apprenticeships at any given time, ensuring that individuals undertaking apprenticeships programmes receive a fair salary reflective of the living standards in the capitol. Specifically, apprentices at level 2 are remunerated at the London living wage, whilst those at level 3 receive London living wage plus 2%. The initiative not only aims to cultivate a skilled workforce but also underscores the City Corporations dedication to supporting social mobility and inclusivity.

2. The emergence of the COVID-19 pandemic precipitated unforeseen challenges for apprenticeships. Lockdown measures implemented to curb the spread of the virus mandated the suspension of new apprenticeship recruitment activities, accompanied by the extension of contracts for existing apprentices. This measure aimed to provide stability and continuity for the apprentices to facilitate the successful completion of their learning. Apprenticeship numbers fell significantly across most London Councils during and after lockdown.
3. Following the Target Operating Model, the organisation introduced a new position of Apprenticeship Manager who was tasked with enhancing the numbers of centrally funded apprenticeships roles. Moreover, in line with broader objectives to enhance skill levels across departments, the City Corporation has actively incorporated the utilisation of the levy fund for training of existing staff at all levels. This multifaceted approach underscores the recognition of the importance of continuous learning and upskilling employees.

Key steps included:

- a. Key Stakeholder engagement - Connecting Communities, Urban Synergy, The Princes Trust, including collaborative working with Children & Community Services to support care leavers.
- b. Ring fence 15% of centrally funded apprenticeship for care leaver apprentices
- c. Supporting young people with Information, Advice & Guidance (IAG) sessions and CV & Application writing, and interview techniques
- d. Promotion of apprenticeship opportunities at local school career events
- e. Attending departmental meetings to raise awareness of the two apprenticeships workstreams.
- f. Promoting vacancies in National Apprenticeship Week

4. The work undertaken dramatically increased apprenticeships numbers in both centrally funded and levy funded areas and decreased levy returns.

Date	Dec 2022	Mar 2023	August 2023	Dec 2023	Mar 2024	April 2024
Centrally funded number	40	46	62	66	79	91
Levy funded numbers	7	11	106	116	177	185
Levy Spent	£22,975	£36,352	£78,814	£88,063	£97,370	£103,368
Levy returned to HMRC	£53,188	£41,650	Nil	Nil	Nil	Nil

Next Steps

8. The introduction of a Graduate and Work Experience coordinator will facilitate enhanced links between graduates, volunteers, individuals seeking work experience and the apprenticeships. This initiative aims to provide clearer development and career pathways for individuals, thereby strengthening the organisation's talent pipeline and fostering professional growth opportunities.
9. Increased data collection to show number of conversions from apprenticeships to permanent roles at the City Corporation on completion of their qualification.
10. Introduction of quarterly corporate apprenticeship development days, 2 have now taken place at sites around the City Corporation.

Corporate and Strategic Implications

11. Strategic implications – The Apprenticeship programmes will be an integral part of the People Strategy and provide a structured pathway for talent development, enabling the cultivation of a skilled workforce, which in turn will enhance employee retention and facilitate succession planning by nurturing talent. Help bridge the skills gaps by providing hands-on-training and practical experience, demonstrating the organisations commitment to workforce development and corporate social responsibility.
12. Financial and Resource implications – Maintaining the cost of the contingency fund put aside for the salaries of the 100 centrally funded apprentices. Level 2 paid at London Living wage, level 3 at London Living wage plus 2%.
13. Legal implications – Apprenticeships are governed by the Education, Skills, Funding Agency (ESFA). By adhering to these regulations and ensuring programme compliance will mitigate the organisational risk
14. Risk implications – Investing in apprenticeships demonstrates commitment to workforce development and social responsibility however could lead to employer brand or reputational risk if programmes are not run in an ethical and inclusive manner.
15. Equalities implications – Equality, Diversity and Inclusion are critical to the success of apprenticeship programmes. Offering opportunities for individuals from diverse backgrounds to enter and thrive in the workforce, will ensure that the organisation meets their socioeconomic and social mobility agenda.
16. Climate implications – There are no specific climate implications although communications about and employee engagement in sustainability and climate justice activity will be important to realise the ambitions and aspirations of City Corporation’s workforce.
17. Security implications – There are no direct security implications.

Conclusion – The work undertaken has significantly improved numbers of both centrally funded and levy funded apprenticeships. Showing a significant increase in levy spend and a decrease in HMRC levy return.

Appendices

None

Background Papers

None

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