

**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee - Human Resources (HR) Subgroup – 22 November 2018

Subject: Apprenticeships Update

Report of: Director of HROD

Summary

This report provides an update on the Council's apprenticeship strategy and activity since the introduction of the apprenticeship levy.

Recommendations

To consider and comment on the information in the report

Wards Affected:

All

Alignment to the Our Manchester Strategy Outcomes (if applicable)

Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	
A highly skilled city: world class and home grown talent sustaining the city's economic success	The availability of quality apprenticeships makes an important contribution to developing the knowledge and skills of the Council workforce and therefore the wider community
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	External apprenticeship opportunities are targeted at the Council's Social Value priority groups to support access to quality employment for these cohorts.
A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

1.0 Background & Introduction

- 1.1 In April 2017 the government introduced a levy on all employers with employee pay bills in excess of 3 million pounds, equivalent to 0.5% of their payroll spend. This formed part of a national strategy to increase the uptake of apprenticeships and reposition them as broader qualification route across the full range of professions. - The levy is paid to HMRC on a monthly basis but can be 'drawn down' by the organisation for payment of the cost of apprenticeship training and assessment. Levy funds cannot be used to pay for other costs, for example, apprentice salaries or the cost of administering and monitoring apprenticeship schemes. Any levy funds not spent by the organisation within two years will be clawed back by government centrally.
- 1.2 At the same time a public sector target was introduced for employers with over 250 staff, equivalent to 2.3 % of the workforce. The target for local authorities includes employees working in maintained schools.
- 1.3 Calculations carried out at the time of the introduction of the levy and public sector target predicted an annual levy payment of £1.4 million and a target of 283 apprentice starts between April 2017 and 31st March 2018 for the Council (including maintained schools). The estimated levy payment for April 2018 to March 2019 is £1.5 million with a slightly increased target of 318 apprentice starts.
- 1.4 In the context of the above, the nature of apprenticeships have changed significantly in the last 2 years. This has included the introduction of Apprenticeship Standards which give employers a far greater influence over the content and structure of apprenticeships themselves. In addition, there has been a significant growth in apprenticeship standards at advanced, higher, degree and postgraduate level. This has provided the Council with an unprecedented opportunity to utilise the apprenticeship levy to provide accredited development opportunities for the entire workforce. Work here has built on the Council's successful model of apprentice recruitment into entry level posts over recent years, supporting Manchester's social value priorities. However, the new model of apprenticeships has supported the Council to create an approach which now also supports the development and progression of the existing workforce at all levels.
- 1.5 The Council's apprenticeship programme has formed a key component of work to deliver Our People strategy and the remainder of this report provides an overview of work here over the first year and a half of this programme.

2.0 Progress to date

- 2.1 When the levy was first introduced, five principles were agreed to guide the Council's apprenticeship strategy;
 - Every new post and arising vacancy will be considered as an opportunity for an apprenticeship, either as a direct fill or backfill.
 - Apprenticeships are the preferred vehicle for all accredited learning.

- Any delivery costs (i.e. backfill or management support) will be met from within existing funds.
- Every opportunity will be taken to provide opportunities for those further from the employment market
- Plans will, on the whole, continue to be delivered within existing available apprentice standards. - We will, however continue and strengthen our influence on a range of priority developing new standards and consider taking a lead role in Standard development if and where this is necessary.

2.2 These principles remain at the heart of this work and have supported the achievements summarised below.

2.3 Growing our apprentice population

- 2.3.1 Over the past 19 months the Council has seen a total of 254 employees accessing apprenticeship opportunities, committing circa. £1.6M of our Levy pot to the development of new and existing staff. This includes 200 starts in 2017/18 and 54 in 2018/19 to date, with a further 105 anticipated starts in the remainder of this financial year. – Whilst these figures fall below the public sector target noted above the reasons behind this gap are nationally recognised and explored further below, with very few local authorities nationally meeting the 2.3% figure. Excluding the target for community schools, the Council's target for 17/18 of 162 sign-ups was exceeded with 183 apprenticeship starts across the non-schools workforce which is a significant achievement.
- 2.3.2 192 apprentices starts over this period have related to existing employees accessing a relevant qualification, with the remaining 62 Manchester residents newly recruited, largely though not universally into entry level posts. The Council's new apprentice recruits over this period include 6 former LAC or Care Leavers.
- 2.3.3 Over this period over 30 different apprenticeship standards and frameworks have been utilised, a breakdown of which is included at Appendix 1. Whilst a high proportion of apprenticeships (40%) remain at the entry level (Level 2), the majority (60%) are now at Advanced, Higher, Degree and Postgraduate apprenticeships (Level 3 to 7).
- 2.3.4 In promoting apprenticeships as an option for all over the past year and a half, a focus has been given to emphasising that this is not simply a route for 'young people'. 9% of apprentice starts over this period have related to employees over the age of 49 and the intention is to consider how we can further grow the diversity of access to apprenticeships by involving some of these individuals in promotional case studies as described below.
- 2.3.5 It is worth highlighting that, in support of the above, work has also been undertaken to grow the corporate and peer support available to apprentices and their managers to ensure that individuals successfully complete their training and maximise the broader opportunities this brings.

3.0 Key Strands of Our Apprenticeship Activity

3.1 In line with the five principles noted above, work in this area has focused across a range of areas. An overview of activity in each of these key areas is summarised below.

3.2 Recruiting apprentices to vacant posts

3.2.1 The electronic form that is completed by managers and submitted to the Resourcing Team to request a vacancy to be filled now includes a question about whether the post presents an opportunity for an apprenticeship. Members of the Resourcing Team and Workforce Change Team have received training on how they can proactively advocate for apprenticeships and support managers in understanding the full scope of possibilities. As noted above, since April 2017 60 Manchester residents have been recruited to apprenticeship posts within the Council, not only into entry level posts but also into advanced, higher and degree level roles. This has, in large part, been supported by work to both communicate the opportunities posed by apprenticeships and this process change, which has worked to place apprentice considerations at the forefront of the recruiting managers' mind from the outset.

3.3 Apprenticeships as main source of accredited training

3.3.1 By utilising apprenticeship standards to deliver professional accreditation we have been able to fund Institute of Personnel Development (IPD) accreditation in HR, Chartered Institute of Public Finance and Accountancy (CIPFA) in Financial Services, Chartered Institute of Legal Executives (CILEX) in Legal Services and management qualifications up to and including Masters level across several services. This would have cost the Council in the range of £100,000 from traditional sources such as Directorate Workforce Development budgets. In reality these budgets would have been unable to support this level of expenditure, meaning the number of people being offered these opportunities has increased, whilst also releasing funds in workforce development budgets to be used for other non-accredited development.

3.4 Releasing employees for training

3.4.1 A central component of the apprenticeship model is a requirement that 20% of paid working time is allocated as 'protected learning' or off the job training time. Given the increasing delivery demands on services this has, perhaps, been the biggest barrier to supporting an increased take-up of apprenticeships. HROD has worked closely with managers to help them understand and explore options here which do not necessarily fit with the traditional 'day release' model of study. Indeed, in many areas apprentices can use their protected learning time to support broader project work or undertake work shadowing and learning within the workplace. In support of this a guide has been produced for managers to help them in ensuring apprentice learning is prioritised in the context of service demands. – In some cases, however thought may need to be given to developing a more structured

backfill arrangement to support apprentice release. Whilst this has not been needed to-date this will remain a line of enquiry as the Council continues to seek to maximise apprenticeship opportunities.

3.5 Promoting apprentice opportunities as widely as possible.

3.5.1 All apprentice vacancies are subject to the Manchester residency criteria, with applicants that are either looked after children or people with disabilities guaranteed an interview. Extensive work has been undertaken with colleagues from Work and Skills, the Virtual School and organisations such as The Big Life, Breakthrough UK and Barnardos Leaving Care Service to reach out to target groups of residents to fill apprenticeship vacancies, prioritising the Council's Social Value priority groups namely:

- looked after children and care leavers;
- young people who are Not in Employment, Education or Training (NEET) or at risk of becoming NEET;
- young people involved in or at risk of being involved in the criminal justice system;
- long-term unemployed with an underlying health condition or complex needs;
- people with disabilities;
- older people;
- vulnerable adults overcoming a crisis or, domestic violence and abuse, rough sleepers.

3.5.2 Two pre-apprenticeship schemes have been utilised by the Council as a route to support individuals from these target groups to access apprenticeship opportunities and to increase the likelihood of their success in the workplace: the My Future scheme run by Manchester College and a Big Life/DWP work opportunity scheme. These schemes have given intensive support to 17 individuals and enabled them to successfully secure apprenticeship roles.

3.5.3 In support of this area, the organisation's revised Recruitment and Selection Policy and a refreshed approach to Work Experience are also acting to enable increased recruitment from across these priority groups.

3.5.4 The Council's externally recruited apprenticeship cohort over this period is also supporting work to increase BAME representation across the Council, with 31% of apprentices BAME compared to a general representation level of 24% across the organisation. There is clear potential here to go further in supporting the Council's work on racial equality by growing the recruitment of BAME apprentices and also using this as a catalyst to support internal progression. To support this the Council in the process of applying to the Education and Skills Funding Agency for Diversity Champion status for Apprenticeships and is carrying out focus groups with some of the Council's existing BAME apprentices capture an insight into their apprenticeship experience.

3.6 Standard Development and Innovation

- 3.6.1 As noted above, the focus has been placed on delivering apprenticeships within existing Apprenticeship Standards. However, given the emerging nature of this area, significant work has taken place to both explore the opportunities for flexibility within agreed standards and also participate in work at a Manchester and Greater Manchester level to support the development of new and emerging Standards linked to organisational workforce development priorities.
- 3.6.2 Appendix 2 provides a case study of one of the most effective examples of this innovation; work in collaboration with Manchester Metropolitan University (MMU) to develop a bespoke Health and Social Care pathway in their management degree apprenticeship. This course is now commencing its second cohort, bringing together managers from across the Manchester Locality to undertake the generic Apprenticeship Standard, specifically tailored to the Health and Social Care context.
- 3.6.3 Also in the field of Health and Social Care, the Council is working with partners across the System to explore how apprenticeship standards can be more flexibly delivered to support emerging new integrated roles. This work is currently focusing on the Level 2 and 3 Standards and, in the first instance, on how staff can be offered a broader range of modules, linked to the core Diploma in Care qualification, to support transferability and progression across the system. – A workshop was held earlier this month, co-led by MCC and MFT, and involving a range of providers, to support this work.
- 3.6.4 The Council is also involved in a number of Trailblazer groups, which are made up of a selection of public and private sector employers nationwide and are authorised by the Institute for Apprenticeships to lead on the development of new standards. For example, the Council is co-chair in the Environmental Practitioner standard Trailblazer Group.

3.6.5 Greater Manchester involvement

Since the introduction of the levy the Council has been actively involved and supportive of the apprenticeship agenda being promoted across Greater Manchester. This has involved meeting regularly with apprenticeship leads from other local authorities, GMP, TfGM and NHS Trusts, coordinated by the Combined Authority, to share intelligence and develop a GM wide strategy.

The Council has also supported the development of a GM wide procurement system (DPS) which ensures apprentice training providers meet quality standards and enables economies of scale from joint procurement and cohorts.

At a Greater Manchester level, the Council is leading a collaboration project linked to the developing Revenue and Welfare Benefits Practitioner standard; working closely with Salford, Tameside, Trafford, Wigan and Oldham

Councils. The Council has also contributed to a range of GM events and initiatives, including celebration events for National Apprenticeship Week.

4.0 Developing and Growing Apprenticeships

4.1 The Council is continuing to explore and progress opportunities to grow apprenticeships across the organisation, both internally and through recruitment. Much of the future work in this area will build on the activity noted above. However, there are two further strands of the emerging Strategy for 2019 and beyond worth highlighting.

4.2 Communicating the benefits and opportunities to the workforce

4.2.1 To-date the focus of work to identify apprenticeships has been placed in work with managers and through Directorate workforce planning activity. Recently however, actions have begun to further support the workforce at large in understanding the potentials which apprenticeships can bring and encouraging employees to explore options for them through the 'About You' process, which has been strengthened to include a specific consideration of apprenticeship opportunities. To-date this has included the development of new, more user friendly guidance, for staff and a number of drop-in sessions facilitated by HR Specialists and providers. Going forwards, a range of case studies and targeted communications are being developed to promote the opportunities available. To support this, a range of quotes from recent apprentices are included at Appendix 3.

4.3 Community Schools

4.3.1 To-date uptake of apprenticeships from Community Schools staff has been limited and below the equivalent portion of the public sector target. This is, in part, due to the late development of a number of relevant Standards here. However, the budget challenges faced by schools and, in particular, the 20% protected learning requirement have also posed challenges.

4.3.2 Specific attention is now being given to promoting the message about the benefits of apprenticeships to maintained schools. Information sessions have been run, supported by a range of providers who offer schools related apprenticeships, for Headteachers and schools business managers. Specific guidance for schools has also now been provided via the Schools Information Hub which can be accessed by all maintained schools and the Schools Business Partner has promoted apprenticeships at Headteacher and Governors meetings. – The hope is that this will see an increase in starts here this financial year.

5. Transfer of apprenticeship funds

- 5.1 Education and Skills Funding Agency (ESFA) funding rules allow for up to 10% annually of a levy payers funds to be transferred to another employer of their choice (raising to 25% next year) for use in funding apprentices training. The Council's transfer allowance has been confirmed as £152,000.
- 5.2 Work has been undertaken to explore opportunities for utilising this funding to increase apprenticeship opportunities in the commissioned homecare and residential sectors. This, in turn, would support the overall developing integrated career pathway for health and social care. However the response, feedback to date has not been encouraging with suppliers seeing the cost implication of the 20% off the job training as an insurmountable barrier. – This picture is similar to the experience of other boroughs.
- 5.3 HR are working with Work and Skills and Commissioners from MHCC to follow up these conversations, providing more detailed information to encourage interest and explore opportunities to mitigate the 20% off the job requirement. Opportunities in a range of other areas are also being explored.

6. Public Sector Target reporting

- 6.1 In September the Council reported on progress towards the target set by Government and were able to confirm that the organisation had 200 apprentice starts in the period April 2017 to March 2018 achieving 70% of the target, the fourth highest in Greater Manchester. In responding to Government the Council noted three main issues limiting its ability to achieve more apprentice starts:
- A lack of suitable standards and delays in final approval by the Institute for Apprenticeships(IfA) of new and appropriate standards For example Pest Control Operative, Revenue and Welfare Benefits Practitioner and most significantly Social Worker standards amongst others.
 - The calculation of the public sector target based on Headcount as opposed to FTE which disproportionately impacts the Council given the high proportion of part time workers and apprenticeship rules which require a minimum of 30 hours contracted work to be eligible for an apprenticeship
 - The inclusion of Community Schools within the Council's target over whom the Council has limited control and for whom, if considered as a separate entity, would on the whole not reach the threshold of a Levy payer. This is also compounded by specific delays in Standards related to schools. (17 apprentice starts were seen in schools in 17/18 and 3 this year to date)
- 6.2 As noted above, funding rules imposed by the ESFA state that any levy payments in an employers account will be clawed back by Government if they have not been spent within 2 years of entering the account. These funds will then to be used by the ESFA to fund apprenticeship training for non levy paying employers anywhere in England. The oldest funds will expire first and the amount retained will be based on actual spend not on committed spend.

This is significant in that apprenticeship training providers are paid from the levy account on a monthly basis with amounts equally divided across the length of the apprenticeship, not 'upfront'. Therefore while the Council may have contracted with a provider for an apprenticeship lasting 4 years and considers the funding committed, in reality the actual spend at the 2 year stage will be less than half of what has been committed (the end point assessment of 20% weighting the cost of the apprenticeship towards the end of the programme).

- 6.3 Based on projected apprenticeship starts to the end of this financial year, a proportion of the Council's levy pot will begin to be clawed back from July 2020 (£57K initially rising to circa. £116K thereafter). – The Council can, of-course further delay and reduce this claw-back by supporting new apprenticeship starts as part of the 19/20 and 20/21 apprenticeship strategy.

7. Conclusion

- 7.1 Whilst, on the surface, the apprenticeship levy represents an additional financial burden to the authority, a positive and proactive approach has been taken by the organisation. The Council has seized this opportunity to both increase the pace and scale of accredited learning for staff and further support quality jobs for Manchester residents, underpinned by accredited qualifications to support long term employment.
- 7.2 Going forward the Council will continue to promote apprenticeships as a learning opportunity for all and identify new opportunities to enable participation by the broadest possible cross-section of staff.
- 7.3 There is still enormous capacity for expansion and innovation here, particularly in the area of Health and Social Care integration and greater collaboration both with other Greater Manchester authorities but also with NHS partners across the city. As the core approach becomes business-as-usual a greater emphasis will be given to these areas.

Appendix 1: Breakdown by Standard, role and grade

Standard	Type of roles	Range of Grades
Adult Care Worker Level 2	Reablement Worker Assistant Network Support Worker Assistant Wellbeing Officer	Grades 1 to 4
Business Administrator Level 3	Business Support Officer Admissions Officer Business Support Assistant District Administration Assistant Case Management Assistant Registrar	Grades 1 to 3
Data Analyst Level 4	Business Support Officer (Level 2) Data Analyst	Grades 4 to 5
Electrical & Lift Technician Level 3	Technical Officer	Grade 4
Lead Adult Care Worker Level 3	Reablement Worker	Grade 4
Operations / Departmental Manager Level 5	Support Coordinator Facilities Officer Admissions Manager Operations Manager Surveyor Team Leader Supervisor	Grades 4 to 6
Associate Project Management Level 4	Project Officer Reform and Innovation Analyst Work and Skills Officer Neighbourhood Officer Project Manager Neighbourhood Team Leader Office Manager	Grades 5 to 8
Business & Administration Level 2	Business Support Officer Level 1 Employee Assistant School Admin Officer Facilities Assistant Clerical Officer	Grades 1 to 3
Digital Marketer Level 3	Business Support Officer	Grade 4
Cyber Security Level 4	Environment Analyst	Grade 7
Senior Leaders MBA Level 7	Programme Manager	Grades 9 and above
Customer Service Practitioner Level 2	Neighbourhood Delivery Assistant Facilities Assistant	Grades 1 to 3
Operational Delivery Officer Level 3	Customer Service Officer	Grade 3
Assistant Accountant Level 3	Finance Officer Financial Administrator	Grades 3 to 5

Food Production & Cooking Level 2	Catering Assistant Assistant Cook	Grade 2
Team Leader/Supervisor Level 3	Assistant Market Manager Business Support Lead Admissions Manager Neighbourhood Officer	Grades 3 to 5
Hospitality Supervision & Leadership Level 3	Catering Assistant	Grades 2 to 3
Management Level 4	Teaching Assistant	Grade 3
Supporting Teaching & Learning in Schools Level 2	Lunchtime Organiser Teaching Assistant Admin Officer	Grade 3
Chartered Manager Degree Apprenticeship Level 6	Operations Manager Programme Lead Service Coordinator Contract Officer Team Leader	Grades 5 to 9
Professional Accountant Level 7	Finance Officer	Grade 7 to 8
Housing Property Management Level 3	Project Officer	Grade 4
Facilities Management Level 3	Supervisor	Grade 3
Property Maintenance Operative Level 2	Building Maintenance Manager	Grade 4
Children and young people's workforce: early years educator Level 3	Teaching Assistant	Grade 3
Management Level 3	Manager	Grade 5
IT, Software, Web and Telecoms Professionals (3)	Desktop Support Analyst	Grade 5
Playwork (2)	Teaching Assistant	Grade 3
Digital & Technology Solutions professional Level 6	SAP Technical Developers Delivery Analyst	Grade 4 to 7
Horticulture Level 2	Neighbourhood Operative Cemetery Worker	Grade 3

Appendix 2: Case study, Management degree apprenticeship (Health and Social care pathway)

Early in 2017 as plans for the creation of the Local Care Organisation were taking shape discussions began as to how we could develop the management and leadership skills of those who would be managers and leaders in the new organisation. It was recognised that this would be a pivotal role in the new place-based locality and neighbourhood settings and that the effective management of multi-disciplinary teams would be key to the success of the new structure and for the integrated delivery of priority health and social care services in the city.

The introduction of the apprenticeship levy in April 2017 presented the opportunity to explore how we could use the levy to fund the development that was needed. We identified the Chartered Management Degree apprenticeship as a possible route and entered into discussions with one of approved apprenticeship training providers, Manchester Metropolitan University, as to how we could collaborate to create a suitable programme.

What emerged from these multidisciplinary discussions was a bespoke health and social care pathway which delivered a Level 6 (degree) management qualification which was structured in such a way to be relevant to managers working in the health and social care arena. The university brought together academic staff from both their School of Business Management and School of Health and Social Care to work with senior managers from the services to make sure that the content of the programme reflected the needs of managers working in those areas and to co-deliver the workshop sessions. The programme was also adjusted by taking account of employees prior learning and experience to reduce the time taken to complete down to 15 months from 4 years.

The first cohort of 12 Manchester City Council Health and Social Care managers commenced the programme in October 2017 into a mixed cohort of local authority and NHS Employees.

On the back of the success of this pilot group a second cohort has commenced the programme in October 2018.

Appendix 3: Apprentice Quotes

“I most definitely recommend apprenticeships to anyone. Whether you're a school leaver, a graduate or an employee. They are the perfect option for anyone wanting to develop your career or someone entering the world of work for the first time. No matter your age or background, apprenticeships can benefit the best of us.”

Business Admin Apprentice (Capital Programmes and Procurement)

“The impact of having apprentices has reminded/encouraged existing staff to think about and take charge of their own personal development.”

Manager (Legal Services)

“I would definitely say that if anyone is looking to start an apprenticeship with the Council, they should go for it. Once they start the apprenticeship they will see for themselves how good it is.”

Business Support Officer (Legal Services)

“It's really good to understand the theory behind the work you're doing and how that applies to your role, all whilst you gain experience and a qualification.”

HR Apprentice (HROD)

“I would recommend having an apprentice to any manager within the Council as it allows the team to grow new staff with modern, relevant skills and existing staff have the opportunity to access a variety of courses for their own development and improve service delivery.”

Manager (Data Governance)

“You get a lot of support and everyone is right behind you in order for you to make the achievements. I would recommend being an apprentice to other people, if they are looking for a new challenge and to build up their skills it is very worthwhile.”

Business Support Officer (Children's Services)

Appendix 4: Apprenticeship starts by Directorate

Achievements by Directorate			
Directorate	Apprentice Starts		
	External	Internal	Total
Neighbourhoods	19	70	89
Strategic Development	1	13	14
Corporate Core	23	30	53
Children's & Education	0	10	10
Adults	18	50	68
Schools	1	19	20
<u>TOTALS</u>	<u>62</u>	<u>192</u>	<u>254</u>