

Cabinet 5 February 2018

Report title: Aspirational Futures: Lambeth Council's Apprenticeship Prioritisation Commitment

Wards: All

Portfolio: Cllr Matthew Bennett: Cabinet Member for Planning Regeneration and Jobs;
Cllr Imogen Walker: Deputy Leader (Finance and Resources)

Report Authorised by: Jackie Belton: Strategic Director for Corporate Resources,
Sue Foster: Strategic Director for Neighbourhoods and Growth

Contact for enquiries:

Dawn Redpath: Head of Economic Inclusion dredpath@lambeth.gov.uk 0207 926 0298;
Tracey Connage, Interim Head of Human Resources & Organisational Development
tconnage@lambeth.gov.uk

Report summary

Apprenticeships are one part of the Council's commitment to inclusive growth and ensuring all our residents benefit from the economic development of the borough. The Council is committed to delivering on its Apprenticeship Levy commitments to ensure benefits to residents who face the most disadvantage in our Borough, to our staff who want to develop themselves within the organisation and also to develop the capacity of the organisation to be a nurturing, supportive place to work. Apprenticeships will contribute to delivering on the Equality Commission recommendations and ensuring a Future Workforce that better reflects, at all levels, the borough we serve and the skills we need.

This paper highlights the Council's intentions for prioritising the apprenticeship levy and delivering on the Public Sector Duty in line with key corporate priorities such as those highlighted within the Borough Plan and the Equalities Commission recommendations. It sets out the vision of how the internal apprenticeship programme will be aligned within the organisational redesign process, support workforce planning and staff development and proposes how the organisation can maximise its role as a major employer.

The 'Aspirational Futures' commitment is the prioritisation proposal forming only one element of the wider Lambeth Council Apprenticeship Scheme, the detail of which is still being developed through Corporate Resources; further information on this will be set out within a separate paper in due course. It is anticipated that, following a scaling up of the current programmes, the proposals for prioritisation will deliver half of the (approximate) 60 – 80 anticipated new apprenticeships annually.

Finance summary

The levy will apply to all employers in the UK who have a pay bill of over £3m. The rate is set at 0.5% of all Class 2 NI-able PAYE. The funds will have 10% added to them by Government and will be held in a digital account from which it will be possible to draw down the funding for apprenticeship training, Lambeth Council's levy pot is anticipated to be approximately £400k annually

Recommendations

1. To note the wider objectives of the Corporate Apprenticeship Scheme including the level of Lambeth Council's levy contributions and annual targets and the proposals for delivering the Corporate Apprenticeship Scheme.
2. To agree the proposals for prioritisation of residents who are disadvantaged in the labour market (paragraph 2.5).
3. To report on the council's wider approach to apprentices which will be brought to cabinet for its approval in the summer.
4. To receive an annual report in 2019.

1. Context

- 1.1 As a major employer in the borough, there is little doubt that the introduction of the Apprenticeship Levy and associated Public Sector Target has the potential to make significant positive impacts on the organisation internally as well as to improve the lives of Lambeth residents. In order to get maximum benefit from the opportunities presented it is necessary to develop a whole organisation, cross departmental approach to delivery; this paper sets out initial proposals for how this might be undertaken. It should be noted that an intensive expansion of activity is required to achieve the ambitious increase in numbers that the Levy and the prioritisation programmes might facilitate and therefore a range of approaches will need to be implemented and reviewed to ensure maximum impact from the resource.
- 1.2 This report outlines how the Corporate Apprenticeship Scheme will be complemented by a targeted prioritisation piece and how the approaches together will support both delivery of our internal functions and our ambitions for addressing employment inequality in the wider community. As part of this undertaking, all new apprenticeship opportunities will be targeted at Lambeth residents in the first instance.
- 1.3 There are many positive benefits of having an apprentice in the organisation, some of which are outlined below:
- Apprenticeships will contribute to delivering the Equality Commission recommendations and a Future Workforce that better reflects, at all levels, the borough we serve and the skills we need.
 - Apprenticeships can help us increase our productivity, make us more reflective of our community and reduce our costs.
 - Apprenticeships can free up existing staff time, delegating more basic jobs to an apprentice allows them to learn and take responsibility, while freeing up the time of more experienced staff and a better more targeted allocation of work should help make us more productive.
 - Apprentices can help to keep the Council fresh
 - Apprentices can also bring challenges (which need to be managed), but also a fresh approach, insight and a positive attitude into the workplace.

Background

- 1.4. The Apprenticeship Levy is a charge being introduced by the government to help fund its plans to deliver improvements to apprenticeships in terms of both numbers and quality. The levy will apply to all employers in the UK who have a pay bill of over £3m. The rate is set at 0.5% of all Class 2 NI-able PAYE. The funds will have 10% added to them by Government and will be held in a digital account from which it will be possible to draw down the funding for apprenticeship training, Lambeth Council's levy pot is anticipated to be approximately £400k annually. All employers will have 24 months to spend these funds before they expire. The levy came into force on 6 April 2017.
- 1.5. The Government has been very specific about what the levy can be spent on. The funds can only be used to fund training and assessment with an approved training provider and assessment organisation but cannot be used for anything else such as wages, managerial costs, travel costs or Traineeships. If the funds are not drawn down from the digital platform then unspent funds will be recycled elsewhere.
- 1.6. The Public Sector Apprenticeship Target sets a target for apprenticeship starts at 2.3% of headcount for public sector bodies with 250 or more employees in England. As with the levy, schools that are maintained by a Local Authority (LA) and where the LA is the employer will be included within the target (although it has been confirmed that this can be reported separately in the annual report to

government on performance). The target will be an average target calculated over a number of years: 2017/18 to 2020/21 in the first instance. Apprentices employed through supply chains or by sub-contractors will not count towards the target. The annual target of apprentices to be started in the Council is between 60 and 80.

- 1.7. There have been significant changes to the definition and conditionality of apprenticeships. The age limit (which previously affected the availability of funding for apprenticeship training) has now been lifted, with the funding bands constant for apprentices of any age. In the context of the levy and the public sector target, an apprentice can also be either a new member of staff employed into an apprenticeship post, or a member of staff from the existing workforce undertaking levy-compliant training ('conversions'), this opens up a number of opportunities for us to target and prioritise the apprenticeship opportunities.
- 1.8. Corporate Resources recognise the opportunity presented by this work and are keen to align it with ongoing activity on supporting greater equality and diversity as well as working to grow our own talent. The 'Aspirational Futures' programme forms part of the wider Lambeth Apprenticeship Scheme developed by Corporate Resources, looking at apprenticeships also in terms of workforce development, and career development opportunities for staff.

2. Proposal and Reasons

Lambeth's Approach

- 2.1 The aim for the Lambeth's programme is: '***To support the recruitment of diverse local talent into our Council, always encouraging our workforce to develop and thrive***'. The ambition is to utilise our levers as an employer to prioritise target groups for access to the training and apprenticeship opportunities made available through the Levy whilst also developing existing staff, supporting recruitment to 'hard to recruit' roles and encouraging staff to consider apprenticeships within the organisational redesign process.
- 2.2 The recruitment, development and retention of apprentices is a key element of developing our Future Lambeth Workforce vision

"We aim to develop a talented and diverse workforce that is increasingly knowledge-based with skills and behavioural values that put Lambeth residents at the heart of everything we do. Through the continuous development of our workforce our aim is provide to excellence customer services that are responsive, adaptive and efficient.
We aim to deliver this vision through an organisational development plan, modernising our employment framework and offer, developing our leadership capacity and workforce, bringing in and on talent that meets resident's needs and makes significant contribution to Lambeth being a sustainable community".
- 2.3 The report sets out the primary ways in the apprenticeship programme which will be made accessible for the existing workforce and also be prioritised for target groups. The proposals have been developed with Borough Plan priorities at the centre and directly support the ambitions of the Equalities Commission recommendations.
- 2.4 The proposals recognise the range of targeted pre-employment support available to our residents through existing Council-led programmes. These include:

Programme	Lead	Partners
Steps to Success: Our Council's employment support programme for Care Leavers	Jointly led by Economic Inclusion and Children's Services (Looked After Children)	Corporate Resources DWP (Flexible Support Fund 2018-19) Drive Forward Foundation
Industrial Cadets: Our structured work experience programme for 16 – 24 year olds who are not in education training or employment	Economic Inclusion	Corporate Resources
Workforce Plus: The new 2-week pre-apprenticeship programme designed for residents who have faced multiple and complex barriers to entering and sustaining employment including NEETs.	Economic Inclusion	Corporate Resources Guy's & St. Thomas Trust King's College Hospital Trust St. George's Hospital Department for Work & Pensions Lambeth College Metropolitan Police
Lambeth's Inclusive Futures Employment Project (LIFE): An innovative public / private initiative focused on improving the paid employment rate of our residents with Learning Difficulties and Disabilities in partnership with Capita and Mencap.	Jointly led by Economic Inclusion and Corporate Resources	Mencap Capita

2.5 Both the Industrial Cadets and Workforce Plus programmes will be targeted at priority groups aged 18+ identified within the Equality Commission, for example, our Black Caribbean, Somali and Portuguese communities as well as disable residents (including people with physical and/or mental health conditions). It is anticipated that 15 – 20 people will progress into apprenticeships on average annually from these two programmes. The Steps to Success programme will work to get an additional 5 – 10 people into the apprenticeships and the LIFE Learning Disability / Difficulty project will secure an additional 10 this brings the anticipated annual average to around 50% of the total number of new apprentices.

2.6 Alongside the intention to prioritise entry to the organisation's apprenticeship opportunities for the above priority groups, the organisational re-design and workforce development of the council present opportunities for existing employees to access opportunities.

2.7 Our 'Aspirational Futures' programme presents Lambeth Council with the opportunity to be a role model and demonstrate best practice in maximising the benefits presented by the Apprenticeship Levy and Public Sector Target, specifically in showing how the programme could be used to 'Address Inequality' and facilitate 'Inclusive Growth'.

It is anticipated that on average, 25 - 35 apprenticeship (or if appropriate traineeship) opportunities would be filled by candidates engaged through Aspirational Futures related programmes annually which represents approximately 50% of the proposed annual apprentices.

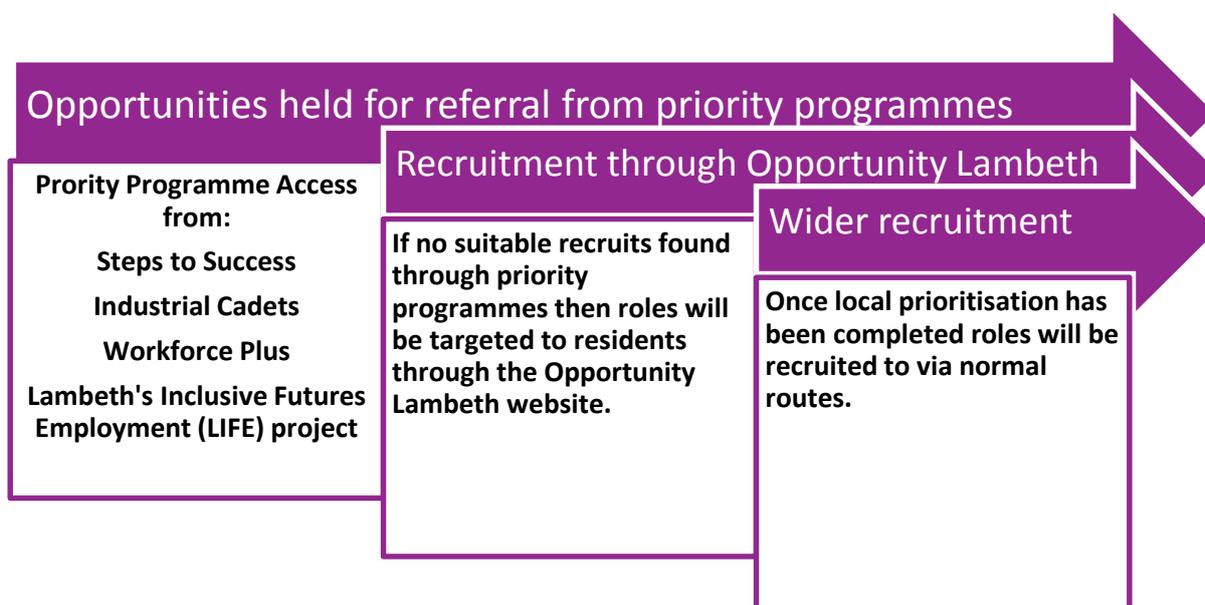
2.8 In the first year, Lambeth has a target of approximately 60 apprentice starts with a stretch target to achieve 80 (the Community Schools target is separate to this). This section sets out how access to these opportunities would be prioritised for local residents and how workforce planning will

maximise the benefits presented from the levy. There are three main avenues for meeting the target which are outlined below:

- i. Through facilitating priority access for residents from target groups
- ii. Through the organisational redesign process
- iii. Through workforce planning

2.9 Priority access to new apprenticeship opportunities would be facilitated by creating direct routes into the apprenticeships through the employment support programmes detailed at section 2.3 above. The flowchart below sets out how this prioritisation would work - providing that applicants meet the minimum essential criteria, all applicants coming from the four priority programmes will be invited to interview.

When widely advertised the advert would include the phrase 'we would be particularly pleased to receive applications from Lambeth residents' and, whilst there may be some small risk to undertaking the prioritisation of Lambeth residents in this way, it is considered to be a risk which is, on balance, acceptable particularly as other Boroughs already prioritise access in this way.



2.10 In order to stimulate interest in its initial stages and support cross council investment in the programme, a nominal target of 15 apprentices will be given to each Directorate. The organisational redesign process gives an opportunity for Directorates to include new apprenticeship roles in their revised structures and the HR department will be able to offer guidance and support in the development and design of the apprentice roles as part of the organisational redesign process. They will also set out new processes to ensure that the transition on to a new opportunity post-apprenticeship (which may not be within the council) is considered by the employee, the manager and the organisation from the very beginning.

2.11 In order to achieve the successful apprenticeship starts for the priority groups identified here, HR will work with Hiring Managers to encourage the 'carving' of opportunities for identified people and the matching of residents into the opportunities who may not be fully job-ready so they can fulfil a threshold criteria to start an apprenticeship successfully, as well as supporting apprentices and hiring managers to develop them throughout the course of the apprenticeship to fulfil the full person specification and enable them into permanent employment. As part of the organisation's role in providing a supportive, nurturing environment for our more disadvantaged residents, the Economic Inclusion and HR teams will need to work together to make the prioritisation a success.

- 2.12 Alongside the above approaches, additional opportunities for the existing workforce to be re-trained and up-skilled using the levy will be maximised. Work-based learning opportunities will be targeted for those roles where there are known skills gaps / hard to fill roles and the changing workforce requirements are being felt most strongly and posts will be informally 'converted' to apprenticeships to provide the additional skills which the organisation will need in the future. An essential component of this will be the development of clear and achievable skills pathways which HR will design and promote throughout the organisation. Access to these training opportunities in the medium to long term will be inclusive and will be representative of the organisation.
- 2.13 Procurement has recently reviewed and redesigned its Responsible Procurement policy. The new policy includes specific action plan that will be required for consideration in all large value tenders. It requires officers to consider including apprenticeships in the relevant contracts. This also helps to promote apprenticeship schemes throughout Lambeth supply chains and although these numbers wont form part of the levy target it is a good example of how we are raising the profile of apprenticeships cross the borough.
- 2.14 Ongoing monitoring and review will be undertaken jointly by HR and Economic Inclusion via the Apprenticeship Steering Group with quarterly reports being presented to senior officers and Cabinet Members. A full and comprehensive review will also take place after the first year and the delivery of the programme will be adapted in response to the initial learning.

3. Finance

- 3.1 There is a £400,000 annual funding contribution to the annual levy which is sourced from Corporate Finance budgets and paid on a monthly basis, calculated from payroll, the levy needs to be spent within a 24 month period or it will be lost.

4. Legal and Democracy

- 4.1 There are no legal matters arising directly from this report, specific advice can be provided as and when required in relation to the operation of the Apprenticeship Scheme.
- 4.2 No further comments from Democratic Services.

5. Consultation and co-production

The proposals set out have been developed through discussion with a number of internal departments. Priority access to the opportunities has been designed taking into consideration the needs of a wide range of priority groups using specialist agencies' advice and guidance. The prioritisation of particular groups has been taken from the recommendations of the equality commission.

6. Risk management

- 6.1 There is a risk associated with the proposed prioritisation of key target groups as, if residents from the priority programmes are successful at interview, then the roles will not be put out to wider advertisement. Given that the numbers expected to be employed through this route are very small and a robust business case can be presented the risk is not considered to be significant and can be managed.

- 6.2 There may be some risk that there may be a delay to HR processes and hiring managers may have to wait to appoint a successful candidate at wider recruitment if the prioritisation approach does not deliver an appropriate applicant.
- 6.3 There are some risks associated with the non-achievement of targets and spend of Levy which will be monitored by the Apprenticeship Steering Group and reported to Cabinet Members, ongoing review and adaptation to the process will be undertaken through these mechanisms to maximise impact.

7. Equalities impact assessment

- 7.1 This proposal has been developed in direct response to the recommendations within the Equalities Commission and Overview and Scrutiny Jobs Commission and so is intended to have positive impact on equalities issues for the most disadvantaged communities. The rationale and evidence for targeting support for young people, including Looked After Children, people with mental health issues, people with disabilities, people from Black African, Black Caribbean and Portuguese backgrounds and people aged 50 or over, are set out in the Equalities Commission report.
- 7.2 Apprenticeships will form an important strand of the workforce equality and diversity plans including 'growing our own' talent schemes. The Aspirational Futures scheme will be an opportunity to attract and recruit target groups that are currently underrepresented in our workforce, including young people. Apprenticeships will also support workforce development and provide additional training and career development opportunities for staff.
- 7.3 Overall, we believe the impact of this scheme will be positive across a number of protected characteristics. The analysis to support this is set out in the accompanying equalities impact assessment.
- 7.4 The actual impact of the scheme will be monitored as the programme is implemented.

8. Community safety

No anticipated implications.

9. Organisational implications

Environmental

None.

Staffing and accommodation

These will be considered on a case by case basis in line with flexible working guidance.

Procurement

Procurement of the training providers will be undertaken following procurement guidance and following the Procurement Framework approach.

Health

None direct although some indirect work-related positive benefits from entering employment.

10. Timetable for implementation

Progress will be reported to Cabinet in February 2019.

Audit Trail				
Consultation				
Name/Position	Lambeth directorate / department or partner	Date Sent	Date Received	Comments in paragraph:
Councillor Bennett	Cabinet Member for Planning Regeneration and Jobs	09.01.18	26.01.18	
Councillor Walker	Cabinet Member for Corporate Affairs	25.01.18	26.01.18	
Sue Foster	Strategic Director for Neighbourhoods and Growth	19.12.17	26.01.18	
Sandra Roebuck	Director for Planning Regeneration and Employment	19.12.17	02.01.17	Various
Jackie Belton	Strategic Director for Corporate Resources	07.12.17	21.12.17 26.01.18	8
Dean Shoesmith HR/OD	Corporate Resources	24/1/18	24/1/18	
Andrew Ramsden, Finance	Corporate Resources	19.12.17	02.01.17	4.1
Alison McKane, Legal Services	Director of Legal Services and HR	26.01.18	26.01.18	5.2
Victor Ruskin, Procurement	Corporate Resources	11.01.18	11.01.18	2.12
Henry Langford Democratic Services	Corporate Resources	26.01.18	26.01.18	

Report History	
Original discussion with Cabinet Members	11.01.18
Report deadline	24.01.18
Date final report sent	26.01.18
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	No
Date first appeared on forward plan	N / A
Key decision reasons	N / A
Background information	Govt. advice https://www.gov.uk/government/publications/apprenticeship-levy/apprenticeship-levy
Appendices	Appendix 1 - Equalities Impact Assessment