

Update on Apprenticeship Levy

Report of the Chief Fire Officer

For further information about this report please contact Rod Hammerton, Chief Fire Officer, on 01743 260201 or Donna Trowsdale, Development Officer, on 01743 260187.

1 Purpose of Report

This report provides the Committee with an update on the apprenticeship levy, following its introduction on 6 April 2017.

2 Recommendations

The Committee is asked to note the contents of the report.

3 Background

In April 2017, the Government introduced the Apprenticeship Levy initiative, which required employers with a pay bill of more than £3 million to pay 0.5% into a 'digital levy account'. The Government aims to have 3 million new apprenticeships by 2020.

The Government has set a target for public sector organisations of an average of 2.3% apprenticeship starts, per year, between 1 April 2017 and 31 March 2021. (This includes both new recruits and existing employees' registering to undertake apprenticeships). This average provides public sector organisations with the flexibility to manage peaks and troughs in recruitment and enrolment of existing staff onto apprenticeships.

Shropshire Fire and Rescue Service draw down a levy of £44,300 per year, which can be used to fund apprenticeships for new employees or consider upskilling/re-skilling existing employees, up to diploma level.

Where spending exceeds the levy amount, the Apprenticeship Funding Rules allow for organisations to enter 'co-investment' whereby the employer contributes 10% of the costs and the remaining 90% is funded by Government.

4 Current position

The Service is currently supporting 5 apprentices, and has not yet recruited any apprentices into the Service since the introduction of the levy. Therefore focus has been directed towards upskilling existing employees.

The Service contributes approximately £3,500 into the digital account on a monthly basis, which is 'topped up' by 10% from Government. Funds are only available to spend for 24 months.

5 Take up and spending

Managers were invited to briefings which were delivered in April, to update them on the levy and the opportunities available to their teams and to give consideration to recruitment of new apprentices within their teams.

Information was also circulated to employees on the Portal and in the Pink, in April.

The take up of apprenticeships from existing employees has been low. Currently, two employees' are registered to completed apprenticeships, as follows:

Apprenticeship	Cost
AAT Level 2	£2,000
Infrastructure Development Technician Level 3	£15,000

Discussions are ongoing with managers with regards to opportunities available to existing employees together with those managers who wish to recruit a new apprentice.

As a levy paying employer, the Service is required to provide a formal return on the take up of apprenticeships.

6 Current apprenticeship cohort

Discussions are currently ongoing regarding the current apprentices whose contracts expire in December 2017. Plans are underway to offer two level 3 qualification apprenticeships and to run a further recruitment campaign in late 2017 to recruit new level 2 apprenticeships in one or two areas of the Service.

7 Alternative providers

The provider used will depend on the qualification offered to new apprentices. Some more specialist apprenticeships are provided through a limited number of providers. In these circumstances, providers will be considered on a case by case basis.

8 Reporting

Under the Apprenticeship Levy Funding Rules, organisations are required to submit returns regarding the take up of apprenticeships and provide an explanation if the 2.3% target has not been met, identifying what has hindered this and what has been done to help support achievement of this. The first report for the 2017/18 financial year is due by 30 September 2018.

9 Financial Implications

Consideration needs to be given as to how all of the funds will be spent as any unspent funds after 24 months are lost.

10 Legal Comment

There are no legal implications arising from this report.

11 Initial Impact Assessment

This report contains merely statements of fact / historical data. An Initial Impact Assessment is not, therefore, required.

12 Equality Impact Assessment

There are no equality or diversity implications arising from this report. An e-EQIA is not, therefore, required.

13 Appendices

There are no appendices attached to this report.

14 Background papers

There are no background papers associated with this report.