

DIGITAL APPRENTICESHIP SERVICE OVERVIEW

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to give an overview of the changes to Apprenticeships planned for 2017, under the new title of the Digital Apprenticeship Service.

2. BACKGROUND

- 2.1 The Council actively supports appropriate apprenticeship schemes to help develop the skills, knowledge and experience within the New Forest District.
- 2.2 Since 2010 we have recruited 30 apprentices, ranging from one to three year Apprenticeships. Four of these have gone on to study further apprenticeships with us, and five have gained employment within the Council.
- 2.3 During this time, the Council has been responsible for employee salary and apprenticeship training costs. The course costs have commonly been between £500 – £1,500 per apprenticeship.
- 2.4 Since 2010, apprenticeships have been developing in small stages to better meet all stakeholders needs. The most recent format has been the 'Apprenticeship Framework'.

3. THE WAY FORWARD

- 3.1 In his November 2015 budget, George Osborne set out to achieve 3 million apprenticeship starts in the UK by 2020 (up by over 600,000 at the current time). To achieve this, the Government have enforced major changes to apprenticeships – moving from the 'Framework', to 'Trailblazer Standards' and introducing the Apprenticeship Levy; these two aspects will form the 'Digital Apprenticeship Service'. These changes will take effect from April 2017 (although this may be delayed due to the UK exit from the EU).

4. TRAILBLAZER STANDARDS

- 4.1 The vision for Trailblazer standards, (overseen by the Institute for Apprenticeships for quality and consistency), is twofold;
- 1) For potential trainees to view apprenticeships as a high quality and prestigious path to a successful career
 - 2) For employers to be placed in the driving seat of designing quality fit for purpose standards which they are in control of to create buy in.
- 4.2 The Trailblazer standards will run from level two to degree level, across all sectors. There are 194 standards in place so far, with 64 at degree level. They will last for a minimum of 12 months and could last up to five years, depending on the course and level.

- 4.3 As well as the traditional method of taking on apprentices to complete these trailblazer Apprenticeship standards, (where we would recruit to an apprenticeship post and pay the apprenticeship salary), current employees can undertake a trailblazer standard as a method of their ongoing learning & development within their existing role (replacing the old NVQ method).

5. THE LEVY

- 5.1 The levy is an additional 'tax' that will be applied to all businesses with total employee earnings of £3million or more. The tax will be 0.5% of the payroll with £15,000 offset against this.
- 5.2 The levy will be applied monthly from April 2017. The details of how this is calculated and paid, and how the offset will work are not finalised as yet, but it is likely to cost us around £120,000 per annum drawn monthly from PAYE.
- 5.3 This tax is then paid back to the employer in 'Digital Apprenticeship Vouchers'. Any not used each year are kept by the Government to help fund smaller employers apprenticeships.
- 5.4 Indications are that most trailblazer standards will cost between £9,000 - £12,000 per year, for the training alone - equivalent to approximately 10 apprenticeships for NFDC.
- 5.5 For those taken on as apprentices, the previously agreed salary rates will apply. This is the 16 – 18 year old national minimum wage rate for all apprentices in their first year, and the relevant national minimum wage rate for their age for any subsequent years. This is in addition to the training costs detailed above in 5.4 and will need to be funded outside of the Digital Vouchers, within business unit budgets.

6. FUTURE CONSIDERATIONS

- 6.1 It is proposed that Service Managers consider together how the Digital Vouchers should be spent - eg priority areas for apprentices and training opportunities for existing employees.

7. FINANCIAL IMPLICATIONS

- 7.1 Based on last years' pay bill, the levy will enforce costs upon us of approximately £120,000, with £135,000 available in our 'Digital Account'. There will be one Account which will be managed corporately.

8. ENVIRONMENTAL IMPLICATIONS

- 8.1 There are no envisaged implications

9. CRIME & DISORDER IMPLICATIONS

- 9.1 There are no envisaged implications

10. EQUALITY & DIVERSITY IMPLICATIONS

- 10.1 It is hoped that the levy will mean that we offer a wider range of apprenticeships.

11. EMT COMMENTS

- 11.1 EMT continue to support developing Apprenticeships across the council. With the new Digital Service and the Levy, EMT have requested that HR develop a corporate guide to ensure we are consistent and proactive in our Apprenticeship recruitments and to ensure the apprenticeship budget is fully committed. EMT have asked for the guide to be bought to them early in 2017.

12. EMPLOYEE SIDE COMMENTS

- 12.1 Employee side supports the opportunities presented by the Trailblazer funding and continued apprentice opportunities available to the Council, provided it does not restrict the training and development opportunities available to existing employees. Will this replace existing training budgets, or will funding remain available for training needs which are not covered by Trailblazer standards?

13. RECOMMENDATIONS

- 13.1 That the move to the Digital Apprenticeship Service is noted.
- 13.2 That apprenticeships continue to be supported moving forward.

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