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14 March 2017

S U M M O N S

MEETING: Policy and Organisation Board
DATE: 22 March 2017
TIME: 6pm
PLACE: Committee Room 1, Town Hall, Gosport
Democratic Services contact: Lisa Young

MICHAEL LAWThER
BOROUGH SOLICITOR

MEMBERS OF THE BOARD

The Mayor (Councillor Mrs Hook) (ex officio)
Councillor Hook (Chairman)
Councillor Burgess (Vice-Chairman)

Councillor Allen	Councillor Foster-Reed
Councillor Bateman	Councillor Hicks
Councillor Carter	Councillor Hylands
Councillor Chegwyn	Councillor Jessop
Councillor Mrs Cully	Councillor Murphy
Councillor Edgar	Councillor Philpott

FIRE PRECAUTIONS

(To be read by the Mayor if members of the public are present)

In the event of the fire alarm sounding, please leave the room immediately. Proceed downstairs by way of the main stairs or as directed by GBC staff, follow any of the emergency exit signs. People with disability or mobility issues please identify yourself to GBC staff who will assist in your evacuation of the building.

IMPORTANT NOTICE:

- If you are in a wheelchair or have difficulty in walking and require access to the Committee Room on the First Floor of the Town Hall for this meeting, assistance can be provided by Town Hall staff on request

If you require any of the services detailed above please ring the Direct Line for the Democratic Services Officer listed on the Summons (first page).

NOTE:

- i. Councillors are requested to note that, if any Councillor who is not a Member of the Board wishes to speak at the Board meeting, then the Borough Solicitor is required to receive not less than 24 hours prior notice in writing or electronically and such notice shall indicate the agenda item or items on which the member wishes to speak.
- ii. Please note that mobile phones should be switched off or switched to silent for the duration of the meeting.
- iii. This meeting may be filmed or otherwise recorded. By attending this meeting, you are consenting to any broadcast of your image and being recorded.

AGENDA

RECOMMENDED
MINUTE FORMAT

1. APOLOGIES FOR NON-ATTENDANCE

2. DECLARATIONS OF INTEREST

All Members are required to declare, at this point in the meeting or as soon as possible thereafter, any disclosable pecuniary interest or personal interest in any item(s) being considered at this meeting.

3. MINUTES OF THE MEETING OF THE BOARD HELD ON 7 FEBRUARY 2017

4. DEPUTATIONS – STANDING ORDER 3.4

(NOTE: The Board is required to receive a deputation(s) on a matter which is before the meeting of the Board provided that notice of the intended deputation and its object shall have been received by the Borough Solicitor by 12 noon on Monday 20 March 2017. The total time for deputations in favour and against a proposal shall not exceed 10 minutes).

5. PUBLIC QUESTIONS – STANDING ORDER 3.5

(NOTE: The Board is required to allow a total of 15 minutes for questions from Members of the public on matters within the terms of reference of the Board provided that notice of such Question(s) shall have been submitted to the Borough Solicitor by 12 noon on Monday 20 March 2017).

6. APPRENTICESHIP LEVY

The purpose of this report is to update members on the introduction of the Apprenticeship Levy, the implications for the Council and the plan to maximise its Levy allocation.

PART II
Michael Lawther

7. ANY OTHER ITEMS

which the Chairman determines should be considered, by reason of special circumstances, as a matter of urgency

Policy and Organisation Board
22 March 2017

**A MEETING OF THE POLICY AND ORGANISATION BOARD
WAS HELD ON 7 FEBRUARY 2017**

The Mayor (Councillor Mrs Hook) (ex-officio), Councillors Allen (P), Bateman (P), Burgess (P), Carter (P), Chegwyn (P), Mrs Cully (P) Edgar (P), Foster-Reed (P), Hook (Chairman) (P), Hicks (P), Hylands (P), Jessop (P), Murphy, Philpott (P)

26. APOLOGIES

An apology for inability to attend the meeting was received from Councillor Murphy.

27. MINUTES

RESOLVED: That the minutes of the meeting of the Board held on 21 September 2016 be signed as a true and correct record.

28. DECLARATIONS OF INTEREST

There were none.

29. DEPUTATIONS

There were no deputations.

30. PUBLIC QUESTIONS

There were no public questions.

PART II

31. SERVICE REVIEWS

Consideration was given to a report of the Borough Solicitor and Deputy Chief Executive updating members on the proposed programme of service reviews.

In answer to a Members question, the Board were advised that the review of Legal and Democratic Services was now complete and that a report would be presented to Council detailing a redundancy. Members were advised that this was consensual and that the remaining Legal Services staff would be able to undertake chargeable work for Portsmouth City Council.

In addition, the Board were advised that opportunities to bring in apprentices would be explored.

RESOLVED: That the recommendations in the programme of reviews detailed in Appendix A of the report be noted.

CHAIRMAN

Concluded at 18.05

AGENDA ITEM NO.6

Board/Committee:	Policy and Organisation Board
Date of Meeting:	22 nd March 2017
Title:	Apprenticeship Levy
Author:	Deputy Chief Executive
Status:	FOR APPROVAL

Purpose

The purpose of this report is to update members on the introduction of the Apprenticeship Levy, the implications for the Council and the plan to maximise its Levy allocation.

1. Recommendation

Members are recommended to:

- 1.1 Note the contents of this report and the plan to maximise the Council's Apprenticeship Levy allocation.
- 1.2 Agree Grade 1 Spinal Column Point 6 as an apprenticeship pay rate for new starters undertaking a level 2 Apprenticeship.

2. Background

- 2.1 The responsibility for apprenticeships and the Apprenticeship Levy has now passed to the Department for Education (DfE). The Levy will be introduced on 6th April 2017 with the first Levy funds appearing in employers' digital accounts after 22nd May 2017. As a result the new system for funding apprenticeships will come into force on 1st May 2017.
- 2.2 The apprenticeship levy will require all employers with an annual pay bill of more than £3 million to pay into the levy at a rate of 0.5%. These employers will be able to access their levy funds through a digital account (DAS) to pay for approved apprenticeship qualifications and end point assessments for apprentices within their organisation.
- 2.2 The final information published by the Government includes the agreed funding bands for apprenticeship qualifications and the additional funding available to employers and training providers for 16-18 year olds, those with additional learning needs or who have been resident in local authority care. There will also be a payment for Apprentices living in the most deprived areas of the country as per the Index of Multiple Deprivation. The timescale during which Levy funds must be used has now been set at 24 months.
- 2.3 The employer guidance clearly states; *'there must be a genuine job available after the apprenticeship is completed, unless the apprentice is employed by a*

recognised apprenticeships training agency.' This will mean that any specific apprenticeship recruitment must be for a permanent position within the City Council unless an apprenticeships training agency is used.

- 2.4 The Public Sector Apprenticeship targets have been set at 2.3% of total as of 31st March 2017. The Government has taken into account all responses from the consultation carried out in 2016 and decided on balance to retain headcount as the basis for the target. They will, however, introduce flexibility by making the target an average from 2017/18 - 2020/21 inclusive. The council's target will be set at the headcount for 31st March 2017 for the duration of this period and will include all staff on its payroll.
- 2.5 The current model GBC uses for apprenticeships involves using a Training Provider and an Apprenticeship Training Agency (ATA) who between them advertise, recruit, pay the apprentice and provide the qualification elements of the Apprenticeship. This model requires the council to pay these partners a fee for this service, as well as paying the Apprentices salary and qualification costs. An example of the current costs and implications of this model are as follows:
- The cost of recruitment is £460 per apprentice with the cost of a level 2 qualification being £57.50 x 13 months = £747.50. In addition there is a 20% Admin cost per apprentice paid monthly to the ATA of around £99 per apprentice per month = £1,188 per year. The total cost of using this model is therefore around £2,395.50 per apprentice. In addition to these costs the council also pays the ATA the salary for the apprentice.
 - When the Levy is introduced the additional costs identified above, (Apprentice Pay, Recruitment and Administrative costs) cannot be met from the council's levy.
- 2.6 The Council currently has 4 apprentices sourced through the ATA route with Apprenticeship Solutions acting as the ATA and PETA providing the qualification and assessment. These apprentices are currently located in Corporate Policy, Planning, Streetscene and Electoral Services.

3. Implications for Gosport Borough Council

- 3.1 With information provided from PCC's finance team, the current estimated payroll bill for GBC will be in the region of £6,219,000. On this basis a reasonable estimate for GBC's levy would be £17,000 for 2017/18. Careful consideration will therefore need to be given to the numbers and levels of apprenticeships being offered so as to stay within this financial constraint.
- 3.2 The government target of 2.3% will mean that GBC will need to increase the number of apprentices to 6 working on a headcount of 250 people
- 3.3 The levy will provide an opportunity to provide existing staff of any age (subject to eligibility) the chance to upskill and gain higher qualifications. NB: for existing staff who have converted to an apprenticeship their existing terms and conditions of employment will remain the same. With this in mind it is

recommended the council move away from the ATA model currently being used.

- 3.4 Any staff member looking to gain qualifications will need to discuss with HR (PCC) to see if there is the opportunity to do the qualification through the apprenticeship route so that GBC can maximise levy spending.
- 3.5 There is a wide range of qualifications eligible for funding through the Apprenticeship Levy, alongside the intermediate & advanced apprenticeships there are also many higher level and degree qualifications available some of which are detailed below:
- Leadership & Management - Level 4 & 5
 - Chartered Institute of Management - Degree
 - Project Management - Level 4
 - Digital & Technology Solutions - Degree

NB: The Levy can only be used for qualifications that have been approved by the DfE for apprenticeships

- 3.6 All apprenticeships have a requirement for 20% of the working week to be allocated as study which could impact on the number of apprenticeship places a team or service could manage. Staff will need to be enabled the time for study which may be away from the workplace or on the job depending on the type and level of qualification being taken but in either case it will impact on their capacity to fulfil all the requirements of their post. Whilst increasing apprenticeship numbers in line with the council's target and spending the levy allocation are key drivers this needs to be balanced against the demands of service delivery.

4. Plan for Gosport Borough Council

- 4.1 PCC to set up and manage GBC digital account
- 4.2 PCC Apprenticeships Officer to spend 1-day per month at GBC (See Appendix 'B' for breakdown of costs to GBC) to coordinate and manage apprenticeships as follows:
- Identifying through service reviews where the greatest need for apprentices is and support recruitment to these areas
 - Move away from the current model of using an ATA so as to reduce costs per apprentice
 - Procure training providers from the government's approved list that will be able to support both Portsmouth and Gosport in a wide range of apprenticeship frameworks and standards
 - Identify existing staff through Personal Reviews who will be eligible to take part in an apprenticeship as part of their career progression.
 - To work with GBC to produce an apprenticeship contract, policy and manager guidelines and consider an apprenticeship wage. Appendix 'A' shows Local Authority Apprenticeship pay rates for comparison.

- Provide briefings and support communications officers in raising awareness of the apprenticeship levy.

5. Apprenticeship opportunities already identified

- 5.1 The Housing Service has been identified as an area where the number of apprentices can be increased, the qualifications below are currently available to new and existing staff and are already being considered for GBC.
- Housing level 2 & 3
 - Facilities Management 2 & 3
 - Chartered Surveying Degree
- 5.2 Another area where apprenticeships could be useful will be in developing the next generation of legal personnel. This is already in place in PCC and can be mirrored in GBC.
- 5.3 A 'Trailblazer' Apprenticeship is currently being developed for Town Planning at Degree level and the PCC Apprenticeships Officer will ensure both PCC and GBC Planning teams are kept up to date on developments in this area.
- 5.4 Leadership and Management (including Team Leading at Level 2) at Levels 4 & 5 are already available and this could be another area within the council where apprenticeship could be introduced.

Financial Services comments:	The cost of the PCC Apprenticeships Officer coordinating the GBC Apprenticeships Levy would be in addition to the shared officer agreement currently in place.
Legal Services comments:	All legal implications are addressed within the main body of the report
Service Improvement Plan implications:	
Corporate Plan:	
Risk Assessment:	
Background papers:	Apprenticeship funding: rules and guidance for employers May 2017 to March 2018. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/588786/EMPLOYER_RULES_Final_010217.pdf Skills Funding Agency Apprenticeship Targets for Public Sector Bodies - Government consultation response. Department for Education https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/584246/Apprenticeship_targets_for_public_sector_bodies_government_consultation_response.pdf
Appendices/Enc	

losures:	
Appendix 'A'	Apprenticeship Wages Comparator
Appendix 'B'	Cost breakdown for PCC Apprenticeships Officer to coordinate GBC Apprenticeship Levy
Report author/ Lead Officer:	Deputy Chief Executive

Apprenticeship Wages Comparator

From April 2017 the National Minimum Wage and National Living Wage rates will be:

Year	25 & over	21 to 24	18 to 20	Under 18	Apprentice
2017	£7.50	£7.05	£5.60	£4.05	£3.50

NB: Apprentices are entitled to the apprentice rate if they're either:

- aged under 19
- aged 19 or over and in the first year of their apprenticeship

Portsmouth City Council has the following pay rates for its apprentices:

- Level 2 qualification - Band 1 (£14,514)
- Level 3 qualification - Band 2 (£14,819)
- Level 4 qualification - Band 4 (£15,322)

For apprenticeships that will lead to a degree by undertaking apprenticeships at lower levels first; a progression pay rate is agreed based on the level & complexity of the roles being undertaken.

As a corporate parent PCC decided to pay all apprentices a liveable wage to ensure they are able to live independently.

The table below originates from the South East Employers Mini Survey that was undertaken in May 2016.

Type of Council	Do you pay your apprenticeships the current minimum wage of £3.30 per hour (where applicable)?	If you pay above the national minimum, what rate do you have to pay for apprenticeships in general
County A	No, we raised this in 2015 to new County A rate of £3.79 per hour.	£3.79 in first 12 months rising to NMW according to apprentice age in second year if applicable
District/Borough A	Above minimum.	NVQ Level 2 for 16yr – 20yrs & 21yrs+ £3.37 for the first 6 months and then £4.15 for the second 6 months NVQ Level 3 for 16yr – 20yrs & 21yrs+ £3.90 first 6 months and then £4.94 for the second 6 months Apprentices aged 19 or over who have completed their first year must be paid at least the minimum wage rate for their age.
District/Borough B	No	Apprenticeships in general - we pay the age related national minimum wage
Unitary C	No	We pay Band 1 (£13,614) for Level 2 qualifications and Band 2 (13,919) for Level 3 qualifications.
Unitary D	Yes	

Appendix A

District/Borough C	Above minimum	£3.70
District/Borough E	No	We currently pay £4.43 per hour for level 2 apprentices.
District/Borough F		Year 1 all apprentices £4.64 Year 2 apprentices under 19yrs £5.30 Over 19yrs minimum rate for their age
Unitary E	No	£3.85

Cost breakdown for PCC Apprenticeships Officer to coordinate Gosport Borough Council Apprenticeship Levy

Resources deployed

PCC Apprenticeships Officer - PCC Band 8

Recruitment

- In house - no charge

Pay & Policy

- Band 8 x 1 day to produce or update PCC policy / guidance to include GBC.

Ongoing Management of Apprenticeship Programme

- PCC Apprenticeships Officer x 1 day per month

Cost breakdown

17/18 Rates - estimated

Band 8 £35.00 per hour

Therefore per month

£35.00 x 7.4 = £259 per day

Pay & Policy Band 8 £35.00 per hour

1 day (7.4 hours) = £259.00

12 months - April to March

PCC Apprenticeships Officer 1 day per month £3,108.00

PCC Pay & Policy Officer 1 day £ 259.00

Total estimated cost to GBC £3,367.00