

## Apprenticeships

### Purpose of Report

To update the Fire Commission on matters in relation to the government's apprenticeship policy and how it will impact on fire services.

### Summary

This paper is for information and briefly describes the main issues in relation to apprenticeships and the fire service.

### Recommendations

Members are asked to:

1. Discuss and share local issues relevant to the governments apprenticeship policy;
2. Feedback views so these can be shared with government to inform future policy changes and the implementation process; and
3. Help shape the offer of support from the LGA to help FRS deal with the new apprenticeship policy.

### Action

Officers to progress as appropriate.

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## Apprenticeships

### Apprenticeships Policy changes

1. The Government has committed to creating three million new apprenticeships in this Parliament, covering all industries including all Fire and Rescue Services (FRS). The apprenticeship levy and public sector targets are being introduced to help meet this policy initiative and both will significantly impact upon the Fire Service. This report provides a summary of the impact of these changes.

### Apprenticeship Levy

2. The aim of the apprenticeship levy is to create long-term investment to support the development of apprentices. The policy is UK wide and applies across all industries. The levy will be charged at 0.5% of the total pay bill collected through PAYE.
3. The levy applies to individual employers who have a pay bill in excess of £3million and it is assumed the levy will apply to all FRS. In 2015 the FRS had a total pay bill of £1.1billion meaning the levy will cost the FRS an estimated £5.5m per annum. The levy will be payable from April 2017.
4. The levy can only be used to pay for apprenticeship training from government approved training providers. Employers will receive their levy back through a digital 'apprenticeship' account topped up with government funding of 10p for every £1 an employer invests.
5. It is unclear at this time what other additional funding will be available to support employers in recruiting certain types of apprentices. Currently funding is available to an employer who recruits apprentices aged 16-18 or with specific additional needs for example around literacy and numeracy.

### Apprenticeship Public Sector Targets

6. Central to the government's new apprenticeship policy is the commitment to increase the number of apprenticeships across the public sector. Set out in the Enterprise Bill, Ministers will be given the power to set public sector organisations **with 250 staff or more** an apprenticeship recruitment target of 2.3% of the workforce headcount per year.
7. For FRS, based on a head count of about 49,100 in 2015, this could equate to approximately 1,130 apprenticeship starts per annum.
8. The targets will be set from April 2017 with employers having a duty of compliance i.e. "comply or explain" although there are no sanctions proposed at present for failure to comply. Details on how the targets will be set or data collected are yet to be approved.

### **Apprenticeship policy and the LGA**

9. From the outset the LGA has opposed the government's new apprenticeship policy. In principal the LGA recognises the need to increase vocational route ways into work as a viable alternative to university for young people.
10. However the scale and investment expected by the Government by the public sector does not match the need of employers both in terms of skills or capacity. The LGA has raised concerns about many aspects of this policy and these were highlighted in the consultation submission on the public sector targets.
11. The LGA argued strongly that funding should be focused on need and that local authorities were well placed to help facilitate and increase apprenticeship numbers locally working in partnership with local business, community and learning providers.
12. Local Authorities have a wider role than just a local employer and provide apprenticeship opportunities through commissioning services, procurement and their wider role in economic development and regeneration.
13. A key part of LGA's ask of Government was to "pool" the levy locally so that funding could be targeted where it was most needed. The LGA raised concerns about the quality and spread of apprentice training provision, the lack of relevant apprenticeship standards and the timeframe to develop new ones, the lack of capacity in councils (due to the reduction in funding to local government) as well as the basic principle that targets were not based on need.
14. The government has yet to publish its response to the consultation.

### **Apprenticeship Opportunities?**

15. The Government's new apprenticeship policy raises several challenges. However it also creates an opportunity for employers to re-think and re-focus their approaches to workforce development, operational training and recruitment. Where apprenticeship programmes work well employers tell us they see greater retention, better engagement and improved productivity. Apprenticeships are a mid to long term solution to address skills shortages and recruitment difficulties. They can bring extra capacity and provide clear progression routes for new and existing workers.
16. The focus on the under graduate or "higher apprenticeships" provides employers with the opportunity to look at career pathways into certain professional job roles.
17. The fast track "trailblazer" opportunities provide employers the opportunity to create new standards to allow occupational training based pathways to aid skills progression and help succession planning.
18. The investment in training through the levy, channels resources into training and therefore creates a significant potential increase in spending on development.

### **Apprenticeship activity and FRS: Sector Skills Council**

19. In discussions with the Sector Skills Councils for the FRS it was identified that some action is already being taken to highlight where apprenticeships could benefit the sector. For example a new apprenticeship Business Fire Safety Advisor is being created, led by Greater Manchester FRS. Ten FRS have signed up to support the development of this new standard.
20. There is already an apprenticeship standard for firefighters (operational) and this is being used in Perth & Ayrshire in Scotland.
21. There are some FRS who have expressed an interest in the possibility of developing an apprenticeship recruitment campaign to target underrepresented groups in the workforce e.g. women.
22. Although the details are yet to be clarified it has been agreed by central Government that the existing workforce could enrol on apprenticeship programmes if those programmes provided progression into new roles. There is therefore opportunity to explore progression routes and skills pathways particularly in senior operational and managerial roles.
23. A good example of this (as referenced in the Workforce Report for Fire commission 25 May, paragraph 42-49) is the new apprenticeship programme developed by the FBU through their National Learning Centre and in partnership with Leeds City College. This programme is an Advanced Level Apprenticeship in Exercise and Fitness which will enable successful applicants to qualify as a Level 3 Personal Trainer. This partnership approach will be of benefit to fire and rescue services as they look to support the fitness of their employees.

### **LGA Support**

24. The LGA is currently capturing successful practice and sharing this through regional networks. The LGA is meeting with cross government leads on apprenticeships from BIS, HMRC, DCLG, National Apprenticeship Service and the Skills Funding Agency (SFA) to help ensure members get advice and guidance as well as influence the government's implementation of the policy. This has resulted in national cross government roundtable discussions with local employers to raise concerns, issues and problems direct with policy makers. The LGA has arranged SFA/ BIS webinars, regional workshops and presentations to key groups to raise awareness and gain feedback. Regular updates are provided in the LGA's Workforce Bulletin.

### **Apprenticeships and FRS: Next steps**

25. In summary the government's new apprenticeship policy creates a significant financial and reporting burden on FRS. The scale of expectations of the government's apprenticeship policy does not meet the needs of employers. There are opportunities to see how the FRS can maximise the invested levy funds of around £5.5m p.a. The LGA would welcome feedback on how this can be taken forward with government and how individual FRS can be supported to deal with this new apprenticeship policy.