



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Human Resources Committee

APPRENTICESHIP UPDATE

Report of the Chief Fire Officer

Date: 27 January 2017

Purpose of Report:

To provide an update on the apprenticeship reforms which are being introduced by the government and the potential implications for Nottinghamshire Fire and Rescue Service.

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1. BACKGROUND

- 1.1 In November 2012, an independent study “The Richard Review of Apprenticeships” was published. The aim of the review was to redefine apprenticeships, recommend changes to reflect changing economic demands, whilst providing employers with greater control over the apprenticeships they offer.
- 1.2 To support the provision of high quality apprenticeships, the government is introducing an apprenticeship levy from April 2017, which will apply to both private and public sector organisations that have a total wage budget in excess of £3 Million per annum. The levy will be managed through HM Revenue and Customs (HMRC).
- 1.3 The government has proposed the introduction, through amendments to the Enterprise Bill 2016, for public sector organisations with a headcount of 250 or more to be required to achieve a target of at least 2.3% of apprenticeship “starts” each year. This includes a requirement to publish apprenticeship figures annually, and to report to the Secretary of State where the target has not been reached. Consultation is still in progress as to how this would apply in practice – the LGA have provided a response on behalf of public sector employers in terms of the impact of such a requirement at a time of financial constraint. However, subject to progress of the Bill, the reporting requirement may be introduced as early as April 2017.

2. REPORT

- 2.1 The government has outlined its strategic ambitions to be delivered by apprenticeship reform, which include:
 - All apprenticeships will provide substantive training in a professional or technical route, transferable skills and competency in English and maths for all ages;
 - Apprenticeships will be an attractive offer that young people and adults aspire to go into, as a high quality and prestigious path to a successful career;
 - Apprenticeships will be available across all sectors of the economy and at all levels, including degree level;
 - Every apprenticeship will be a high quality opportunity that delivers the skills, knowledge and behaviours that employers are looking for;
 - By 2020 there will be 3 million apprenticeship starters.

CURRENT POSITION

- 2.2 Nottinghamshire Fire and Rescue Service (NFRS) has provided apprenticeships under the old framework arrangements for young people since 2014. Funding has been made available for up to four apprenticeship

roles at any one time, on a 12-18 month fixed term contract or on a hosting basis. Apprentices are paid at the national minimum wage rate for their age.

- 2.3 In this time, six apprenticeship roles have been created within the administrative, technical, professional and support functions as follows:
- Information and Communications Technology x 3;
 - Corporate Administration x 2;
 - Corporate Communications x 1.
- 2.4 All of the apprentices to date have gone on to permanent employment either during or at the end of their tenure, which reflects the value of undertaking apprenticeships which provide an element of work experience combined with vocational or academic qualification. The most recently qualified apprentice left with a Level 3 qualification in Social Media for Business and has taken up a job with the East Midlands Ambulance Service.
- 2.5 The Service currently has one apprentice within the ICT department, who commenced in December, and who is undertaking an 18 month advanced qualification for IT, Software, Web and Telecom Professional Level 3.
- 2.6 Human Resources (HR) is also currently in the process of recruiting to an administrative HR role in early 2017, and Finance is looking to recruit an apprentice to undertake Association of Accounting Technicians (AAT) qualification as a replacement for the longstanding Chartered Institute of Public Finance and Accountancy (CIPFA) Trainee scheme.
- 2.7 The Service is currently working with a local agency “Futures” which is supported by the One Nottingham Chief Officer Group and aims to develop a shared approach to the public sector apprenticeship agenda across Nottinghamshire. As a registered Apprenticeship Training Agency, “Futures” provide a recruitment service; employs apprentices directly with employers acting as hosts during the apprenticeship; provides general support and guidance to employers; and works with young people and local colleges to place young people on appropriate apprenticeship schemes.
- 2.8 Under the new regulations, apprenticeships must:
- Be employed in a real job; they may be an existing employee or new hire;
 - Be working toward achieving an approved apprenticeship standard or apprenticeship framework;
 - The training must last at least 12 months;
 - At least 20% of apprentice time must be spent on off-the-job training.

OPERATIONAL/UNIFORMED ROLES

- 2.9 Currently there are two Apprenticeship Frameworks for Fire and Rescue Operations and Community Safety, these are:
- Level 2 Apprenticeships in Community Safety. Including but not limited to, road safety, home safety, fire prevention activities and any other Community Fire Safety activities;

- Level 3 Apprenticeship in Emergency Fire Service Operations. Including firefighting activities commensurate to National Occupational Standards.

The Service has not to date facilitated apprenticeships in Community Safety or Emergency Fire Service Operations.

- 2.10 Under the recent apprenticeship reforms, the Fire Service Operations Framework was removed on 1 December 2016. The Framework for Community Safety is due to be removed on 1 April 2017.
- 2.11 At present there are no alternative operational apprenticeships. However, Greater Manchester Fire Service is leading a consortium of interested parties in developing a Business Fire Safety Advisor apprenticeship, and Staffordshire Fire and Rescue Service will be leading on the development of a new Trailblazer Standard apprenticeship for Fire Service Operations. NFRS will be part of the project team supporting Staffordshire Fire and Rescue Service to deliver the new apprenticeship standard.
- 2.12 NFRS has recently implemented an apprenticeship in Fitness Instruction through a partnership with the Fire Brigades Union (FBU) Learning Fund. Thirty five employees have registered on this 18 month course, which will lead to a Level 3 Advanced Apprenticeship qualification in Exercise and Fitness. This course is free to participants but is undertaken in work time. However it does not currently meet the framework requirements which would allow it to be counted against the apprenticeship target.

MEETING THE PROPOSED TARGET

- 2.13 Without a registered sector specific apprenticeship framework, it will be difficult for the Service to meet the proposed target of 2.3% of apprenticeship starts during 2017. Based on the information available so far the target for NFRS could be between 15 and 21 roles per annum.

EXISTING EMPLOYEES

- 2.14 Existing employees undertaking registered apprenticeship standards or frameworks for training or assessment can be counted against the apprenticeship target, and can be used to draw down from the apprenticeship levy as long as their training is through approved providers.
- 2.15 The Service will seek to align management development programmes to a higher level apprenticeship in order to assist in meeting the levy. However, it should be emphasised that such 'reskilling' routes have not yet been laid out clearly as to what is and is not permissible under apprenticeship funding.

THE APPRENTICESHIP LEVY

- 2.16 From April 2017 a new apprenticeship levy will be applied to all employers who have a total wage bill exceeding £3 million per annum. The levy will equate to 0.5% of the total wage cost. The levy may be used to meet costs associated with apprentice training and assessment and certification, however it may not be used to cover wage costs, management fees or associated management costs.

- 2.17 On the basis of a wage bill of approximately £25m this will result in an estimated levy of £110k per annum for the Service. Using the government online calculator, NFRS will have a monthly levy allowance of approximately £120k per annum (10k per month available to spend on the provision of apprenticeship training and assessments).
- 2.18 Employers will be able to draw down from the levy from 1 May 2017 and any apprenticeships started from this date will be funded under the new regulations.
- 2.19 The Service will need to negotiate with providers regarding the cost of training, and will have to meet the cost of excess funding themselves. Public sector employers will need to comply with the Public Contracts Regulations 2015 when selecting a provider and an assessment organisation from the approved registers. This may therefore have an impact on future training budgets.
- 2.20 Additional funding will be available for employers employing 16-18 year olds or those between 19 and 24 years with additional needs. The government will also fund achievement of level 1 and 2 English and Maths training if this is required.
- 2.21 It can be seen that the process of drawing down funds from the levy will, at least initially, be a complex process. The Learning and Development Department, working closely with the Finance section, will work to establish routes through which the Service can maximise its use of the levy funding, particularly in terms of existing employees, over the next year. It should be noted that any levy which is not utilised within 24 months will be lost to the organisation.
- 2.22 The Local Government Association, in its response to the consultation document on apprenticeship changes, is advocating a levy process based on full time posts, rather than headcount, to recognise the large number of part-time workers in the sector and the adverse funding impact that this will have on public sector bodies. It is also advocating the pooling of funding in parts of the sector whereby a group of employers can use pooled funding to support cross sector training, and the counting of apprentices from a sub-contracting service contributes towards the 2.3% target to reflect the contracting out of many public services to private or third sector providers. Such changes would affect the fire service if approved.

3. FINANCIAL IMPLICATIONS

- 3.1. Introduction of the apprenticeship levy will result in an annual cost to the organisation from April 2017 onwards.
- 3.2. Considering the 2017/18 projected wage budget of £25,106,207 and an allowance of £15,000 this would result in a levy of £110,531.
- 3.3. Using the government online calculator, NFRS will have a monthly levy allowance of £10,131 available to spend on the provision of apprenticeships.
- 3.4. Funds in the Digital Apprenticeship Service (DAS) that remain unused after a period of 24 months will expire. Thus monies available within the DAS from

April 2017 can be used to fund appropriate apprenticeships within the Service until the end of September 2018, which provides some leeway for the delivery of apprenticeships into NFRS.

- 3.5. Additional resourcing would be required to provide capacity to manage, coordinate and deliver an infrastructure capable of facilitating an increased number of apprentices throughout the organisation. The cost of such support is difficult to calculate but will be included in future budget planning.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

- 4.1 In order to comply with the government public sector target of 2.3% of new apprenticeships each year, the Service will need to develop new apprenticeship roles which are registered with training and/or assessment providers. The Human Resources Department will be working with departmental managers to identify apprenticeship opportunities, and with the support of “Futures” – the Registered Training Agency – to recruit and host apprentices during 2017. The Service currently funds up to four apprenticeships in support roles.
- 4.2 To meet the proposed public sector apprenticeship target of 2.3% of new appointments, the Service will need to recruit between 15 and 21 apprenticeship starters per annum. This can realistically only be achieved by extending apprenticeships to operational roles. However the lack of sector specific standards and frameworks will prohibit the development of suitable schemes until such time as these are developed and registered with the national apprenticeship service. The Service will be working with Staffordshire Fire and Rescue Service as part of a national project to develop Trailblazer standards in Emergency Fire Service Operations during 2017.
- 4.3 It is unlikely that the new standards will be available to recruit to operational apprenticeships until 2018, which will mean that the Service will be unable to meet the proposed public sector apprenticeship target in 2017/18.
- 4.4 The Learning and Development department will be seeking ways to maximise use of the apprenticeship levy by sourcing training from registered training and assessment providers wherever possible. This will entail the transfer of resources to support apprenticeship schemes. This will mean reviewing and, in some cases, redeveloping course programmes to maximise funding opportunities.
- 4.5 There will undoubtedly be additional work involved in establishing approved apprenticeship schemes in the initial stages of implementation.
- 4.6 The impact of this change will require a review of workforce planning, particularly in the way in which the Service manages new entrants to the service. This may involve an element of positive action and working with partners, such as the Prince’s Trust, to create a direct route into apprenticeships with the Service.

5. EQUALITIES IMPLICATIONS

An equality impact assessment has been undertaken and this shows that there could potentially be a positive impact for employment opportunities for young people as well as those from under-represented groups where a future policy is linked to positive action.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

7. LEGAL IMPLICATIONS

The proposed public sector apprenticeship target will be a statutory requirement on the Service.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1 If the Service is unable to meet the annual statutory target of apprentice starters, it will be required to report to the Secretary of State explaining why it has failed to meet the target, proposals for future action and an explanation of why it may not meet a future target. It is not yet clear what sanctions, if any, will be applied to public organisations who are unable to meet the required target.
- 8.2 There may be an increase in the number of courses required to be delivered to accommodate apprenticeships. Impact on budgets will be monitored and reported to members once known.
- 8.3 Existing courses will have to be mapped against apprenticeship standards and where possible brought in to line to avoid duplication. This will require time and resources from the service to complete.
- 8.4 The introduction of the standards and training materials will take time. Sector specific, particularly Fire and Rescue Service, material is likely to be developed later than other industries, such as engineering, this compounds out ability to meet the levy through operational apprenticeships.

9. RECOMMENDATIONS

That Members note the contents of the report.

10. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

John Buckley
CHIEF FIRE OFFICER