

Local Government Association

Date: November 2020

Reminder: If you've not yet joined us on the KHUB you can sign up to our apprenticeships group [here](#).

Got an urgent question on apprenticeships? Email us on our 24/7 query line on info@spark.org.uk

Hi everyone,

Just a quick update from us on the various apprenticeships related announcements and issues that came out this week.

Spending Review

As many of you will no doubt have already seen, the outcomes of the Government's Spending Review were announced on Wednesday by the Chancellor, including a number of changes to how the apprenticeships system will work moving forwards. On Apprenticeships, the Government is:

- making available £2.5 billion of funding for apprenticeships and further improvements;
- allowing levy-paying employers to transfer unspent levy funds in bulk to Small and Medium-sized Enterprises (SMEs) with a new pledge function from August 2021;
- confirming unspent Levy funds will continue to expire after 24 months;
- introducing a new online service to match levy payers with SMEs that share their business priorities for the purposes of Levy transfer from August 2021;
- allowing employers in construction and health and social care to front-load training for certain apprenticeship standards from April 2021 and explore whether this offer can be extended to other sectors;
- testing approaches to supporting apprenticeships in industries with more flexible working patterns in 2020/21, including considering how to best support apprenticeship training agencies;
- extending incentive payments for hiring a new apprentice introduced in the Plan for Jobs to 31 March 2021.

In our reaction on behalf of the sector the LGA has broadly supported these measures. The Government has listened to employers and is introducing some long overdue reforms to the apprenticeship levy. The extension of the £2,000 apprenticeship incentive payments and the introduction of a new service to match levy payers with SMEs that want to receive a transfer of funds should both help to create more apprenticeship opportunities.

However, we are continuing to urge the Government to go further and deliver root and branch reform of the apprenticeship levy. Local government should be offered more local freedom and flexibility to maximise the use of these funds, for example to widen participation to disadvantaged groups. We look forward to receiving more information on the Government's plan to allow employers to make levy transfers to SMEs and we hope that it

will provide the opportunity for local government to work with employers to take a more strategic approach to apprenticeships locally and pool funds so we can maximise support to our communities.

It is disappointing that the Government has confirmed that the 24-month expiry policy for unspent levy funds will remain in place. We urge the Treasury to reconsider and pause this policy to prevent employers from losing funds through no fault of their own. The Government should also introduce a levy payment holiday of up to six months for businesses struggling with cashflow problems.

You can read more about what the government announced in the spending review and the LGA reaction to it in our [‘On the Day Briefing’](#).

Public Sector Target: 19/20 Reporting Data published

Reporting data for 2019/20, the third year of the public sector apprenticeships target, was published by Government yesterday. It shows a mixed, but generally solid picture for local government. I have attached (page 4) my usual briefing summarising some of the key parts of the data, as well as highlighting the full list of councils that met their public sector target (both in-year in 19/20 and cumulatively over the three years so far), as well as a regional breakdown. Key headlines are:

- Local government created 15,809 apprenticeship starts in 19/20.
- This is a drop of 361 starts on our 18/19 numbers and represents the first time we have not seen an increase in apprenticeship starts in our sector since the introduction of the Apprenticeship Levy in 2017 (though the slight fall was in line with LGA projections so is not unexpected).
- Main drivers behind the drop seem to be COVID disruption to some recruitment planned in March, some councils beginning to see starts ‘plateau’ as they run out of options to upskill staff and/or settle into a sustainable long-term programme, and the drop in headcount suffered by the sector in 19/20, reducing our capacity.
- Despite the drop in starts, our performance against the public sector target is actually up, rising from 1.4% in 18/19 to 1.5% in 19/20, again due to the drop in our overall headcount.
- This still lags behind the public sector average of 1.8%.
- However, if maintained schools were removed from the local government target, then our estimate is that our performance would improve to somewhere between 1.83% and 1.95% on the strength of councils’ performances alone.
- Schools have seen a small rise in starts, rebounding back to 17/18 levels after a small dip last year.
- 61 councils or Combined Authorities met their in-year target in 19/20, and 31 met their cumulative target across the full three year period.

In addition to the information in my briefing, if you want to see all of the figures for yourself, you can go to the government’s [Apprenticeships and Traineeships data publication page](#). This contains a wide range of data on apprenticeships. Headline public sector target data can be seen under the ‘public sector apprenticeships’ sub-heading, but if you want the full table with breakdowns of performance by organisation for 19/20 (and the previous two years), then you’ll need to click on the ‘Download associated files’ link towards the top of that

page and download the spreadsheet called 'Underlying data - Public sector target organisations'.

Lastly on the target I just want to say a big thank you to everyone who completes our annual apprenticeship survey. The data that you provided in that allowed us to again make an extremely accurate projection for how the whole sector would do against the target (our projection 15,752, actual: 15,809). Given that we can't get responses from everyone, having timely and accurate data from those of you who are able to contribute is vital in helping us develop a picture of what is going on nationally. Given the lag time in when the official data is published, being able to know with confidence how the sector has done almost six months ahead of time is enormously valuable in not only providing benchmarking data for individual councils when they need it, but for us to be able to present what is going on in the sector accurately to government.

Pooled PAYE Issue

Thank you to everyone who keeps highlighting this as an issue with me – it's enormously helpful in being able to demonstrate to the ESFA the full extent of the problem councils and their non-maintained schools on these Pooled PAYE Schemes are facing. In recent conversations with councils it has become clear that this issue is really beginning to bite now, with organisations with a Pooled PAYE Scheme not only unable to receive levy transfers, or claim incentive payments, but many are functionally unable to take on apprentices at all, with employers required to have their own DAS account before they can access any apprenticeship funding.

I want to reassure everyone that I am doing everything I can to highlight these issues with government and push for a solution. I raise this issue at every one of my weekly catch ups with ESFA and have been pushing for a solution for months. It does not seem to be an easy process to unpick for government, and appears to require a tricky technical solution, leading to the delay. I share your frustrations that this is taking so long to fix – it's over two years since a council first highlighted this issue would prevent them transferring funds to any non-maintained school on their PAYE system. I have been assured this is being looked at as a matter of priority. I have also been assured that for things like the incentives, if anyone of the schools on the Pooled PAYE system is able to start an apprentice before a fix is delivered, they will still be able to claim the incentive payment retrospectively. I don't currently have a timescale on when a solution will be delivered, but I meet with the ESFA every Monday, and I bring this issue up each time. If any of you are affected by this problem, but haven't been in touch with me yet (I've identified at least 20 councils affected) please do let me know as soon as possible and I will raise the issue personally with ESFA.

I will provide a further update as soon as I am able to.

Job Vacancy: Apprenticeship Network Manager, LB Hackney

Lastly for this update, Alex Jacobs at the London Borough of Hackney, has advised that they are seeking an Apprenticeship Network Manager, details can be found here: <https://recruitment.hackney.gov.uk/vacancy/hackney-apprenticeship-network-manager/>. If you have any questions, please contact Alex directly on alex.jacobs@hackney.gov.uk.

Public Sector Apprenticeships Target Performance 2019/20: Local Government

What is the public sector apprenticeships target?

The public sector apprenticeships target was introduced by Government on 1 April 2017 and covers all public sector employers with a headcount of 250 or more. These employers are required to create apprenticeship starts equivalent to 2.3% of their headcount each year between 2017/18 and 2020/21. Performance can be averaged out, so if an employer misses their in-year target on one or more occasions, they can still meet their overall target if their average performance is equal to or in excess of 2.3% over the four-year period.

How did Local Government perform in 2019/20?

- Local Government created 15,809 apprenticeship starts in 19/20, slightly down from the 16,170 created in 18/19.
- This is a decrease of 361 starts on 18/19 – a 2.23% drop.
- This is the first year since the levy was introduced that Local Government has seen a fall in starts, though the final numbers are in line with LGA projections and remain almost 10,000 per year higher than in 2016/17, the last year before the target was introduced.
- Based on feedback from councils, this small drop in starts appears to have been caused by three things:
 1. A reduction in headcount in the sector of 3% between 18/19 and 19/20, reducing capacity;
 2. Starts beginning to 'plateau' in some councils due to 'maxing out' of opportunities to upskill staff in certain roles;
 3. Some disruption to planned recruitment in March 2020 caused by the COVID outbreak.
- The reduction in headcount year-on-year means that despite the small drop in starts, Local Government's performance against the public sector target has actually improved. The sector created apprenticeship starts equivalent to 1.5% of councils' headcount, against a target of 2.3%, up from 1.4% in 2018/19.
- 61 councils and combined authorities met their in-year public sector target in 19/20, down slightly from 64 in 18/19.
- Since the introduction of the public sector target and Apprenticeship Levy in April 2017, Local Government has created 43,157 apprenticeships despite our sector's headcount falling by more than 11% over this period.
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How does Local Government compare with the rest of the public sector in 19/20?

- In 2019/20, the average performance against the target across all parts of the public sector rose slightly to 1.8% from 1.7% in 2018/19.
- Local Government kept pace with the increase across the rest of the public sector, rising from 1.4% to 1.5%, though we remain below the average of all public sector employers.
- This means Local Government ranks behind the Armed Forces (7.1%), the Fire Service (2.8%), the Civil Service (2.1%) and NHS (1.6%), but ahead of the Police (1.4%) and non-maintained schools (1%) this year.

What does cumulative performance look like over the three years of the target so far?

- Cumulatively since 1 April 2017, Local Government has created apprenticeship starts equivalent to 1.3% of its headcount.
- This is below the public sector average of 1.7%.
- Again, Local Government ranks higher than the Police (0.7%) and non-maintained schools (1%), but behind the NHS (1.5%), the Civil Service (1.7%), the Fire Service (1.8%) and the Armed Forces (7.9%).
- Cumulatively, 31 councils and combined authorities have met the 2.3% target across the first three years, slightly down from the 33 councils and combined authorities that had done so across the first two years.

How did maintained schools do?

- As Government do not currently require councils to report separately on maintained schools' performance, it is not possible to provide precise figures for this subset of schools.
- However, using data reported by non-maintained schools on their own performance against the target and employer data available through the ILR, Government is able to make an estimate of overall apprenticeship starts across all types of school.
- In 2019/20, the Government estimates that 6,200 starts took place across all schools. This is an increase on their estimate of 5,600 starts in 18/19 and on a par with the 6,300 starts estimated to have taken place in 17/18.
- In previous years, we have estimated that maintained schools apprenticeships accounted for somewhere in the region of 50-60% of total school starts. If this held true in 19/20, maintained schools will have created between 3,100 and 3,900 apprenticeship starts – on a par with their estimated performance in both of the last two years.
- Maintained schools are responsible for approximately 40% of the Local Government public sector apprenticeship target (c.9,950 starts out of a total target 24,870) and contribute around 40% of our total apprenticeship levy pot.
- Based on these estimates, if maintained schools had not been included in Local Government's public sector target in 2019/20, our sector's performance would have improved to somewhere between 1.83% and 1.95% against the 2.3% target.

Appendix 1: Councils and Combined Authorities Meeting Public Sector Target 2019-20

Single Tier/Upper Tier Councils Meeting the Target in 19/20	
Bath and North East Somerset Council	Oldham Metropolitan Borough Council
Blackburn with Darwen Borough Council	Redcar and Cleveland Borough Council
City of London Corporation	LB Richmond & LB Wandsworth Shared Staffing
Coventry City Council	Rotherham Metropolitan Borough Council
Cumbria County Council	Salford City Council
Darlington Borough Council	Sandwell Metropolitan Borough Council
Dudley Metropolitan Borough Council	Sefton Metropolitan Borough Council
Gloucestershire County Council	Southend on Sea Borough Council
Hartlepool Borough Council	Telford & Wrekin Council
Kingston upon Hull City Council	Thurrock Council
Knowsley Borough Council	Wakefield Metropolitan District Council
London Borough of Redbridge	Walsall Council
Medway Council	West Berkshire District Council
North Tyneside Council	Westminster City Council

Districts Meeting the Target in 19/20	
Ashfield District Council	Kettering Borough Council
Borough Council of Kings Lynn & West Norfolk	Newark and Sherwood District Council
Cambridge City Council	North East Derbyshire District Council
Canterbury City Council	North Hertfordshire District Council
Chelmsford City Council	Northampton Borough Council
Chesterfield Borough Council	Nuneaton and Bedworth Borough Council
City of Lincoln Council	Sedgemoor District Council
East Lindsey District Council	South Cambridgeshire District Council
East Staffordshire Borough Council	South Ribble Borough Council
East Suffolk Council	Spelthorne Borough Council
Epping Forest District Council	St Albans City and District Council
Epsom and Ewell Borough Council	Waverley Borough Council
Erewash Borough Council	Wealden District Council
Great Yarmouth Borough Council	West Suffolk Council
Hertsmere Borough Council	Woking Borough Council
Hyndburn Borough Council	

Combined Authorities Meeting the Target in 19/20
Greater London Authority
Greater Manchester Combined Authority

**Appendix 2: Councils and Combined Authorities Meeting Cumulative Public Sector
Target 2017-2020**

Single Tier/Upper Tier Councils Meeting Cumulative Target 2017-2020	
Darlington Borough Council	North Tyneside Council
East Suffolk Council	Oldham Metropolitan Borough Council
Isle of Wight Council	Plymouth City Council
London Borough of Redbridge	Redcar and Cleveland Borough Council
Medway Council	LB Richmond & LB Wandsworth Shared Staffing
Middlesbrough Council	Walsall Council

Districts Meeting Cumulative Target 2017-2020	
Ashfield District Council	Rushmoor Borough Council
Borough Council of Kings Lynn & West Norfolk	South Ribble Borough Council
Chesterfield Borough Council	Spelthorne Borough Council
City of Lincoln Council	St Albans City and District Council
East Lindsey District Council	Swale Borough Council
Huntingdonshire District Council	Waverley Borough Council
Newark and Sherwood District Council	Wealden District Council
North East Derbyshire District Council	West Suffolk Council
Northampton Borough Council	

Combined Authorities Meeting Cumulative Target 2017-2020
Greater London Authority
Greater Manchester Combined Authority

Appendix 3: Councils and Combined Authorities Performance Against the Public Sector Target 2017-2020, by Region

Region	North East	North West	Yorks & Humber	East Midlands	West Midlands	East	London	South East	South West
Target 17/18	1,669	4,135	3,224	2,469	3,364	2,929	3,539	4,250	2,373
Starts 17/18	934	1,937	1,273	988	1,198	872	1,367	1,670	871
PST %	1.3%	1.1%	0.9%	0.9%	0.8%	0.7%	0.9%	0.9%	0.8%
Target 18/19	1,570	4,010	3,366	2,409	3,056	2,357	3,538	3,933	2,210
Starts 18/19	1,319	2,958	2,182	1,320	1,812	930	1,874	2,363	1,312
PST %	1.9%	1.7%	1.5%	1.3%	1.4%	1.0%	1.2%	1.4%	1.4%
Target 19/20	1,509	4,044	3,226	2,381	2,873	2,032	3,255	3,588	1,897
Starts 19/20	1,184	2,820	1,984	1,269	1,901	1,220	1,922	2,292	1,090
PST %	1.8%	1.6%	1.4%	1.2%	1.5%	1.4%	1.4%	1.5%	1.3%
Change 18/19 - 19/20	-10.2%	-4.7%	-9.1%	-3.9%	+ 4.9%	+ 31.2%	+ 2.6%	- 3%	- 16.9%
Change 17/18 - 19/20	+ 26.8%	+ 45.6%	+ 55.9%	+ 28.4%	+ 58.7%	+ 39.9%	+ 40.6%	+ 37.25%	+ 25.1%