

Cabinet Meeting on Wednesday 15 July 2020

Provision of Apprenticeship Services



Cllr Philip White, Cabinet Member for Learning and Employability said,

“The training and placing of apprentices is one of our top priorities as a council, and is a vital part of our strategy to bring growth and prosperity to Staffordshire.

Apprenticeships are high-quality pathways to successful careers. They also provide opportunities for new and existing employees to develop and progress, which helps the county council to meet our current and future skills needs. Having a system that allows us to procure and manage training easily is

therefore essential.”

Report Summary:

The report outlines the requirements to change to a new Dynamic Purchasing System (DPS) to procure apprenticeship provision as the current system will be not be extended for use after September 2020. It provides details and the benefits of joining another established DPS.

Staffordshire County Council (the “Council”) is required to pay the apprenticeship levy after its introduction in 2017. In February 2019 Cabinet approval was given for the Council to use the Directory of Approved Apprenticeship Providers (DAAP) managed by Nottingham City Council. Nottingham City Council has now advised that it does not intend to extend or re-procure this arrangement, therefore the County Council needs to pursue an alternative DPS.

The report also outlines how the apprenticeship levy underspend could be used if a number of asks of Government to decentralise responsibilities and resources were approved to enable Staffordshire to drive the local skills agenda. The Council has been successful in transferring the allowed 25% of its levy to smaller employers to meet the skills needs of priority sectors within the county, therefore if further flexibilities were given using the levy underspend more employers could be engaged to offer apprenticeship opportunities especially for 16-24 year olds.

Initiatives could include paid pre-apprenticeship training, wage subsidies for apprentices who were previously unemployed especially, those apprentices made redundant and need time in employment to allow them to complete their apprenticeship. The Council would support a local campaign to promote the incentives and support available to employers so that they are aware of how apprenticeship can benefit their business.

The annual levy paid and available to use for apprenticeship training is approximately £1,120,000. This figure may change regularly due to staff changes as it is calculated on 0.5% of the payroll each month. The actual annual spend of the levy cannot be estimated as it depends on the apprenticeship needs of the Council and schools during each year.

Recommendations

I recommend that:

- a. Approval is given for the Council to join the Eastern Shires Purchasing Organisation's (ESPO) Apprenticeship Dynamic Purchasing System (ADPS) 554_18 for the fixed period of 1 October 2020 to 30 September 2024; and
- b. Approval is given for the Council's Assistant Director for Skills and Employability to continue to be authorised to approve the award of contracts with training providers through the ESPO ADPS, and the release of funds from the apprenticeship levy to fund training.
- c. Cabinet delegate to the Cabinet Member for Learning and Employability, in discussion with the Assistant Director for Skills and Employability, to develop a number of asks of Government to decentralise responsibilities and resources to enable Staffordshire to drive the local skills agenda, and to provide regular updates to Cabinet on progress.

Local Members Interest
N/A

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Recommendations of the Cabinet Member for Learning and Employability

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Report of the Director of Economy, Infrastructure and Skills

Reasons for Recommendations:

1. The Council has successfully used the Nottingham City Council DAAP as a route to procure apprenticeship training provision since March 2019.
2. In April 2020 Nottingham City Council gave notice that it would not be continuing to manage and operate the DAAP after September 2020, therefore the Council would need to consider other procurement routes from October 2020.
3. In preparation for the current DAAP not being available, the Council has reviewed its requirements with a view to continue to use an ADPS for delivery of Apprenticeship provision.
4. Current DPSs have been compared and considered for suitability to replace the Nottingham City Council DAAP which was working well and met all the Council's requirements for choice and flexibility.
5. The ESPO ADPS has similar processes to that of the DAAP and therefore the transition to the ADPS should be straightforward, and the provision of Apprenticeship training is not expected to be disrupted.
6. Main advantages of joining the ESPO ADPS:

- a. In-house control as the Council is able to manage the calls for competition and award contracts.
 - b. Training providers have already been assessed for financial stability, track record, experience and technical ability.
 - c. Cost effective as ESPO will manage the ADPS and add new training providers as required.
 - d. The cost of full tender process will be avoided.
 - e. Joining this ADPS will not incur any costs for the Council.
7. The risks of using the ESPO ADPS are low. This is an established DPS which is straightforward for training providers to join, and the cost to training providers of joining the ADPS is the same as the DAAP system. There is no cost to the Council to join the ESPO ADPS.
 8. One of the main advantages of joining a DPS generally is the flexibility for new training providers to be able to join the DPS throughout its duration.
 9. The ESPO ADPS gives the ability to create partnerships with reliable training providers that meet the required specification and quality levels that comply with a long-term strategy to achieve value for money and excellent skills training.
 10. If funding rules were decentralised any Levy underspend could be used to give incentives to local employers to recruit apprentices or use apprenticeships to retrain staff at risk of being made redundant so that they are able to move into other roles within the business

Legal Implications

11. The ESPO ADPS is compliant with the Public Contracts Regulations 2015. The ADPS has been established with terms and conditions which will apply to the contracts to be formed between the Council and the training providers. The ADPS terms and conditions have not been reviewed by Legal Services at this stage.

Resource and Value for Money Implications

12. There is no value for money implication as joining the ESPO the ADPS is free of charge to the Council. 1% of each contract is charged to the training providers. This is the same rate as the DAAP. All apprenticeships have prices fixed by the Institute for Apprenticeships and Technical Education.
13. There will be no additional resource needed to use the ESPO ADPS as the procedures and processes are similar to the previous DAAP.
14. The annual levy paid and available to use for apprenticeship training is approximately £1,112,000. This figure may change regularly due to staff changes as it is calculated on 0.5% of the payroll each month. The predicted annual spend of the levy cannot be accurately estimated as it depends on the apprenticeship needs of the Council and schools during each year. The actual spend from June 2019 to date is £270,000.

List of Background Documents/Appendices:

Community Impact Assessment – Summary Document

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