

READING BOROUGH COUNCIL

REPORT BY ASSISTANT DIRECTOR OF HR AND ORGANISATIONAL DEVELOPMENT

TO:	PERSONNEL COMMITTEE		
DATE:	15 MARCH 2023	AGENDA ITEM:	
TITLE:	UPDATE ON APPRENTICESHIPS, WORK EXPERIENCE AND MENTORING PROGRAMMES		
LEAD COUNCILLOR:	CLLR LIZ TERRY	PORTFOLIO:	CORPORATE SERVICES AND RESOURCES
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This report provides an update to Personnel Committee on activity being undertaken as part of the Team Reading Programme to support young people in the borough to prepare for work and see the Council as a potential future employer, whilst also providing opportunities to upskill Council employees. The four areas covered in this report are:

- Apprenticeships, including progress towards achieving the objectives within the three-year Apprenticeship Strategy, pay rates, plans for overcoming some of the challenges to employing apprenticeships at the Council, and opportunities to ring-fence some apprenticeship posts to certain groups in line with our social inclusion objectives
- A corporate work experience programme that will be piloted from February 2023
- Potential volunteering options for Council employees to mentor young people
- A proposal that the Council signs the Social Mobility Pledge.

1.2 Appendices

- A: Apprenticeship details as at August 2022
- B: Apprenticeship three-year strategy
- C: 2021/22 Apprenticeship Strategy Performance Update
- D: Proposed FTE target for each service area and current apprentice numbers

2. RECOMMENDED ACTION

2.1 It is recommended that Personnel Committee:

- 2.1.1 Notes the current position with apprenticeships across the Council.
- 2.1.2 Approves an increase in the hourly pay rate for apprentices, for example to at least the Living Wage Foundation rate (currently £9.90 per hour, increasing to £10.90 per hour from 1 April 2023), in line with the Council's commitment to be a Living Wage Foundation employer.
- 2.1.3 Notes that each service area will be required to ensure that at least 2.3% of their full-time equivalent posts are employed as apprentices. This excludes current staff who are upskilling through an apprenticeship. This will create at least 15 new apprentice posts at the Council by March 2024.
- 2.1.4 Notes that the Council will ring-fence some apprenticeship posts to certain groups in line with our social inclusion objectives, such as care-leavers and those living in the lower income or least affluent areas of the borough, and to increase the number of black employees across the Council in a range of roles.
- 2.1.5 Notes the Council's new approach to work experience which will commence with a number of pilot programmes during 2023.
- 2.1.6 Notes that Council staff will be offered the opportunity to volunteer as part of a number of mentoring programmes for young people in the borough.
- 2.1.7 Approves a proposal for the Council to commit to the Social Mobility Pledge.

3. APPRENTICESHIPS

- 3.1 The Apprenticeship Levy was introduced in April 2017, requiring organisations that have an annual pay bill of more than £3 million to pay 0.5% of this to fund apprenticeships. In January 2020 the Council created an Apprenticeship Officer role dedicated to utilising our levy fund to attract new apprentices and upskill existing employees through an apprenticeship route. The apprenticeship levy can be used to fund the cost of the apprenticeship training only and cannot be used towards any salary or expense costs.
- 3.2 Apprenticeships can support our social inclusion objectives and our aim to make the Council a more diverse and inclusive organisation. This is highlighted within two key areas of the People Strategy:

ATTRACT: We will plan for our future workforce requirements and position ourselves as an employer of choice, so that we attract, recruit and retain the best staff who share our values and desire to make a difference to Reading.

DEVELOP: We will develop the skills, knowledge, competencies and talent of our people so that they fulfil their full potential and make a maximum

contribution. We will enhance the quality, skills and styles of leadership, encouraging ambition and collaboration

3.3 Currently, 54% of employees are aged 45 or over and only 5% aged 24 and under. We recognise that apprenticeships provide a great opportunity to attract new talent to the Council and build the skills of existing employees to achieve our corporate goals and deliver service excellence to our customers.

3.4 Apprenticeship levy funds

3.4.1 Levy funds as at 6 September 2022 were £922,069 which includes the contributions for RBC maintained schools where the Council is the employer. It excludes Brighter Futures for Children who are a separate employer. In 2021/22, the Council paid £451,083 in apprenticeship levy and spent £349,280 which is 77%. The reason we have such a large amount remaining in our levy pot despite spending 77% of what we paid in during the 2021/22, is because initially we were paying into the levy when it was first introduced without fully utilising it.

3.4.2 Any unspent levy which is more than two years old is taken away every month and is shown as expired levy. Appendix A shows information on the number of apprentices and levy fund activity up to August 2022. In 2021/22, we paid back £90,530 to the government in expired levy.

3.5 Current apprenticeship position

3.5.1 As at 31 August 2022, there were 67 apprentices at the Council (47 existing staff who are upskilling through an apprenticeship and 20 staff who are specifically employed in an apprentice role). Appendix A provides a further breakdown, showing the number of apprentices by directorate/team. Apprenticeships range from a Level 2 to a Level 7. The majority of new apprentices at the Council are recruited onto Level 2 or Level 3 standards and existing staff are completing apprenticeships ranging from levels 2 - 7.

Level of apprenticeship for those currently on programme (RBC only)						
	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
New Starters	5	12	0	0	1	2
Existing staff	4	11	7	9	11	5

3.5.2 In 2021/22, the Council recruited just 11 new apprentices and so far in the current financial year, we have recruited three new apprentices. We have a number of skills gaps that apprenticeships could help to improve due to the vast number of qualifications on offer and the attractiveness of apprenticeships for young local residents.

3.5.3 Since we started utilising apprenticeships in 2017 we have a withdrawal rate of 17.6%. It is often fed back to us that staff have withdrawn due to their capacity and not finding the time in their roles to dedicate to the qualification or having the overall support of their managers to have this time. It is a requirement that a learner is given 20% off the job time for their studies/to attend classes (now capped at six hours maximum per week). This commitment is often another reason managers are not able to support an apprentice.

3.6 Apprenticeship Pay

3.6.1 The majority of new apprentices to the Council are recruited on Level 2 or Level 3 standards and are paid the Apprentices Minimum Wage of £4.81 per hour for their first year (a total salary of £9,280 per annum), after which they move on to the national minimum wage for their age¹.

Hourly National & Living Minimum Wage Rates	Aged 23 and over	Aged 21-22	Aged 18-20	Aged under 18	All apprentices in Year 1
From April 2022	£9.50	£9.18	£6.83	£4.81	£4.81

3.6.2 The Council is a Living Wage Foundation employer and for all other employees, we guarantee to pay at least the Living Wage Foundation hourly rate which is currently £9.90 per hour (or £19,100 per annum), rising to £10.90 per hour (or £21,209 per annum) on 1 April 2023. The Council's current pay rates for apprentices are likely to be a barrier for some people taking up an apprentice role as it would be challenging to live independently in the borough on a total salary of less than £10k per annum. Personnel Committee is therefore asked to consider whether we should increase the minimum hourly wage rate for apprentices, for example to at least the Living Wage Foundation rate.

3.6.3 It should be noted that an increase in apprentice pay rates could deter some managers from creating apprentice roles as salary budgets are already seen by some as a barrier. In addition, any change in approach could also impact on schools/nurseries for whom the Council is the employer but who have their own salary budgets. Further discussion with impacted settings would be required.

3.7 Apprenticeship Strategy progress

3.7.1 The Council's three year Apprenticeship Strategy, which was approved by the Team Reading Programme Board, began in 2020/21 and focuses on apprenticeships forming an integral part of upskilling our people, enabling career development and ensuring apprenticeships are embedded within the Council, supporting employee growth and providing the talent needed now and in the future to achieve our organisational goals. The full strategy is included in Appendix B.

3.7.2 The aims of the Apprenticeship Strategy are to:

- Support the organisation's current and future skills needs
- Optimise use of the Council's levy contributions
- Provide high quality and comprehensive apprenticeship programmes for existing employees and new recruits
- Achieve our public sector target of 2.3% of the workforce completing an apprenticeship (this target has since been removed by government but is still a useful indicator, so we continue to measure it)

¹ Apprentices doing Level 4 qualifications or above are in job evaluated roles on the Council's standard pay structure.

3.7.3 Appendix C shows the agreed success measures for the Apprenticeship Strategy and progress against these in Year 1 and Year 2.

3.8 Current apprenticeship challenges and suggested ways to overcome them

3.8.1 There are a number of current challenges with apprenticeships:

- The high number of withdrawals from apprenticeship programmes (about 18%)
- Limited budgets within teams to recruit new apprentices
- Managers' need for new employees to be fully competent at recruitment versus structures that enable apprentices to grow into roles through their training
- Apprentices seen as "nice to have posts" rather than viable options to fill vacant posts
- Managers/teams unable to support the 20% off the job development time
- Managers/teams with no capacity to train/develop apprentices
- Apprenticeship roles not specifically allocated within team structures
- Low uptake of apprenticeships by both RBC and schools

3.8.2 In order to overcome these challenges, the Corporate Management team (CMT) has agreed the following proposals which will be progressed by the Organisational Development (OD) and Learning team:

- Each Assistant/Deputy/Director will be set a target to ensure that 2.3% of posts in their service area are employed as apprentices. This excludes existing staff undertaking an apprenticeship. The target is based on the previous public sector target which required employers to employ an average of 2.3% of their organisation's headcount as new apprentice starts each year. For the Council's workforce, this equates to 35 apprentice posts (we currently have 20). A breakdown showing the FTE target for each service area and current apprentice numbers is included in Appendix D.
- Funding for the 15 new apprentice posts will be created by top-slicing a percentage of existing salary budgets in order to create ring-fenced funding for each service area to appoint the minimum number of apprentices shown in Appendix D.
- We will raise managers' awareness of the benefits of employing apprentices, and the commitment required of both them and their apprentice, through manager's briefings, seminars, guidance notes etc.
- We will encourage cross working between departments if teams do not feel they had capacity to train an apprentice over the full duration of the course. For example, teams could share an apprentice, or utilise them on a placement-basis for several months in another team, provided this is relevant to their apprenticeship standard and made clear to applicants upfront.
- Some apprenticeship posts will be ring-fenced for certain people to apply for, in line with the Council's social inclusion objectives, such as care-leavers or those living in the lower income or least affluent areas of the borough, and to increase the number of black employees across the Council in a range of roles. For care-leavers, this would be in addition to

our existing commitment to guarantee an interview for care leavers who meet the essential criteria for any roles.

4. WORK EXPERIENCE PROGRAMME UPDATE

4.1 The HR and Organisational Development team is working with managers across the Council to create a new corporate work experience programme, initially for students in Years 10 and 11.

4.2 The new programme aims to:

- showcase the Council as a future employer of choice for young people and the wide range of career opportunities available.
- manage work experience placements more efficiently
- support more students
- provide a more impactful experience aligned to schools' needs

4.3 In order to achieve these aims, the work experience programme will be delivered to students over three separate weeks in the calendar year, allowing teams plenty of notice to plan for placement support.

4.4 The new programme is being designed by the OD & Learning team and will be piloted in February 2023. Support will be provided for managers who are part of the pilot programme which will focus on showcasing the Council as a future employer.

4.5 CMT is asked to provide feedback to the OD & Learning team on areas of work, teams and/or activities they would like included in the work experience programme, as well as ensuring that their managers actively engage with it.

4.6 The offer will be communicated to schools for the first week of delivery in February 2023. This will be targeted at Year 10 students during the pilot, but we also aim to support Year 11, 12 and 13 students once the programme is established. We will prioritise students from schools in the lower income or least affluent areas of the borough or students within their catchment areas.

4.7 Based on a survey of schools and data on this year's work experience placements we are planning the following weeks for the new work experience programme:

- The week before Feb half term
- The week before May half term
- Mid July

4.8 We will use the first year to pilot what works best and will ask the students and teams to feedback to us to help us shape and finalise the programme for 2024. This approach will enable the Council to be more proactive in the work experience offered to students and enable managers to plan time effectively to support work experience placements.

5. MENTORING SCHEME UPDATE

- 5.1 The Team Reading Programme for 2022/23 includes an objective to explore opportunities for RBC managers to mentor young people in the borough, prioritising secondary schools for young people from the lower income or least affluent areas of the borough.
- 5.2 Ten organisations have been approached for details about their mentoring programmes, following discussions with Brighter Futures for Children, Reading Voluntary Action and Connect Reading about existing schemes that the Council could join. We have decided to support two schemes initially but will continue to explore options for additional schemes that could be supported in the future. The two initial schemes are detailed below:

Mentoring scheme provider	Key features of scheme	Time commitment
Starting Point	Mentoring for young people who face disadvantage Aim to get young people into sustained employment or training Aimed at young people with low attendance at school or school refusers The majority of referrals to Starting Point come from BFFC.	1 hour per week for 12 months
Chapter 2, Reading	Specifically for boys who have grown up without a father. Working with the church, the focus is on life skills and building relationships and so is not career related. Only men are asked to volunteer	Once a fortnight for 2 years.

- 5.3 Staff will be given the opportunity to volunteer to support these schemes. The Council already has a Volunteering Policy which allows employees up to two days' paid leave to volunteer in the borough. This will be reviewed to ensure that it can accommodate the volunteering commitment required by these mentoring programmes.

6. THE SOCIAL MOBILITY PLEDGE

- 6.1 The Social Mobility Pledge is a coalition of 550 businesses globally employing over 5 million people, as well as more than 50 universities representing almost 2 million students. It encourages organisations to be a force for good by putting social mobility at the heart of their purpose and committing to outreach, access and recruitment.
- 6.2 Organisations signing the pledge are required to make three commitments:

Outreach

We will work to reach out to schools or colleges to provide coaching through quality careers advice, enrichment experience and mentoring to people from disadvantaged backgrounds or circumstances.

Access

We will work to provide structured work experience and apprenticeship opportunities to people from disadvantaged backgrounds or circumstances.

Recruitment

We will work to adopt open employee recruitment practices which promote a level playing field for people from disadvantaged backgrounds or circumstances.

6.3 The Outreach and Access commitments are covered by the proposals in this report. The Recruitment commitment is covered for example through our work with Job Centre Plus, where at least once a quarter, members of the Resourcing team attend the Job Centre in Reading to support job seekers applying for roles at the Council. The team also attend local job fairs at least once every quarter.

6.4 It is recommended that the Council signs the pledge to demonstrate our commitment to social mobility. This simply requires completion of a short form. A social media toolkit is available to help organisations promote the pledge and their involvement with it.

7. CONTRIBUTION TO STRATEGIC AIMS

7.1 Offering apprenticeships, work experience and mentoring supports Reading to realise its potential and to ensure that everyone who lives and works here can share the benefits of its success. Apprenticeships develop the skills and abilities of our people, unlocking their potential. Through apprenticeships we support attraction of talent to the Council and upskilling of existing staff, enabling them to deliver service excellence making Reading a sustainable and great place to work. Work experience and mentoring allows us the opportunity to showcase the Council as a potential employer to young people and attract future talent.

8. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

8.1 There are no environmental or climate impacts resulting from this report.

9. COMMUNITY ENGAGEMENT AND INFORMATION

9.1 Engagement with external stakeholders including schools, colleges, BfFC, residents, businesses and providers, will ensure higher profile and understanding of the Council's offer for apprenticeships, work experience and mentoring programmes.

9.2 Further work needs to be undertaken, in partnership with the Communications team, to promote these programmes more effectively within the borough, and to promote our commitment to the Social Mobility Pledge, if agreed by CMT.

10. EQUALITY IMPACT ASSESSMENT

10.1 Not required for this report.

11. LEGAL IMPLICATIONS

11.1 Not relevant for this report.

12. FINANCIAL IMPLICATIONS

- 12.1 In September 2022, the Council's levy pot was £922,069 which is available to fund apprenticeship training. This can only be used for training costs and not salaries.
- 12.2 In order to ensure that every service area achieves its target of employing a minimum of 2.3% of posts in their service as apprentices, salary budgets from 2023/24 onwards will be top-sliced to create a ring-fenced budget for apprentices which will total £1.2 million. This has been calculated using an assumed salary of mid-point RG4 with on-costs, multiplied by the apprentice target for each service area, as detailed in Appendix D. The funding will be re-allocated back to each service area, based on their 2.3% target, and can only be used to fund apprentice posts. The ring-fenced budgets will need to be re-calculated annually to account for pay awards, changes in on-costs etc.
- 12.3 This report also proposes that Personnel Committee considers the current pay rates for apprentices, for example to bring them in line with our commitment to be a Living Wage Foundation employer. This would mean increasing pay rates from the national minimum rates shown in paragraph 3.6.1, to at least £10.90 per hour from 1 April 2023.
- 12.4 The ring-fenced apprentice budgets detailed in 12.2 above assume that all apprentices are appointed on mid-point of RG4, which is more than the Living Wage Foundation rate, in order to ensure that apprentice funding is future-proofed.

13. BACKGROUND PAPERS

- 13.1 None

Appendix A: Apprenticeship Information as at August 2022

No of apprentices currently on programme			
	RBC only	Schools	Total
New Starters	20	6	26
Existing staff	47	7	54
Total	67	13	80

No of apprentices currently on programme - per directorate (RBC only)			
	DOR	DEGNS	DACHS
New Starters	7	13	0
Existing staff	16	15	16

Level of apprenticeship for those currently on programme (RBC only)						
	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
New Starters	5	12	0	0	1	2
Existing staff	4	11	7	9	11	5

Current staff - apprentice starts 2022 per month												
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
RBC only	0	3	9	0	0	0	0	0	0	0	0	0
Schools	0	0	0	0	0	1	0	0	0	0	0	0

New to RBC - apprentice starts 2022 per month												
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
RBC only	0	0	0	1	2	0	0	0	0	0	0	0
Schools	0	0	1	0	1	1	0	0	0	0	0	0

Apprentice completions 2022 per month												
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
RBC only	0	3	2	0	2	2	1	1	0	0	0	0
Schools	0	0	0	0	1	0	2	0	0	0	0	0

Withdrawal reasons - 1 new withdrawal this month only

Left RBC	1
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Levy 2022								
	Jan	Feb	Mar	Apr	May	June	July	Aug
Paid in (inc 10% top up)	£37,706	£37,145	£37,518	£ -	£38,125	£ 80,795 *includes Aprils levy pay	£ 38,419	£38,113
Paid out	£35,941	£33,186	£27,791	£29,667	£25,314	£ 25,710	£ 24,966	£21,972
Expired Levy	£2,939	£4,085	£29,434	£102,268	£13,213	£ 8,168	£12,757	£16,360

The equivalence of the levels are as follows:

- Level 2: 5 x GCSE passes
- Level 3: 2 x A Level passes
- Level 4: Foundation Degree/HNC or the first year of an undergraduate degree
- Level 5: Foundation Degree or HND
- Level 6: Bachelors Degree
- Level 7: Masters Degree

August 2022 - Apprenticeships by team

DEGNS Apprenticeship Numbers August 2022

	Environmental & Commercial	Housing & Communities	Culture Services	Property & Asset Management	Planning, Transport & Public Protection	Regulatory Services
New Starter	3	8	1	0	0	1
Existing Staff	4	3	5	1	2	0

DACHS Apprenticeship Numbers August 2022:

	Provider Services	Commissioning	Safeguarding, quality, performance & practice	Operations	Public Health
New Starter	0	0	0	0	0
Existing Staff	4	4	1	6	1

DOR Apprenticeship Numbers August 2022:

	Finance	HR & OD	Kennet Nursery	Legal	PMO	Digital & ICT	Customer Services
New Starter	2	1	2	2	0	0	0
Existing Staff	3	2	1	6	2	1	1

Appendix B: Apprenticeship Strategy



Appendix C: 2021/22 Apprenticeship Strategy Performance Update

Reading Borough Council

<p>Public Sector Target of 2.3% which includes schools</p> <p>This looks at the number of apprentices on an apprenticeship during the financial year, it doesn't account for any leavers/withdrawals</p>	<p>Previous position (Year 1 - 2020/2021) RBC only - 1.39% RBC/Schools - 0.58%</p>	<p>2021-2022 RBC & Schools 1.41% RBC Only 2.31% Schools only 0.44% Achieved increasing performance in Year 2.</p>
Apprentice starts	<p>Previous Position (Year 1 - 2020/2021): 34</p>	<p>Current position: Year 2 - 21/22: 39 apprentice starts at RBC 21/22 Year 1 & 2 target not met: Increase in new apprentice starts year on year (both new starters and existing staff). 0.25% increase per year, Year 1 - 42, Year 2 -52, Year 3 -65.</p>
New entrants	<p>Previous position (Year 1 - 2020/2021) - 7</p>	<p>Current position: Year 2 - 21/22: 11 new apprentices at RBC Increase in newly recruited apprentices into the Council, year on year. 0.25% increase per year Year 1 - 9, Year 2 - 11, Year 2 - 14 Increase to 11 achieved.</p>
Withdrawal rates	<p>Overall withdrawals since May 2017 - RBC & Schools: 36 out of 204 that have enrolled = 17.6%</p>	<p>Our goal is to get a reduction in learners leaving programme before completion. Reducing trend - Year 1 - 20%, Year 2- 15%, Year 3- 10%</p>
Reporting	<p>MI created and published to CMT annually Strategy created, agreed and deployed.</p>	

Maintained Schools

Apprentice starts	<p>Previous position - Year 1 20/21: - 10</p>	<p>Current position - Year 2 21/22 - 7 apprentice starts (2 existing, 5 new). Target not met. Increase in new apprentice starts year on year (both new starters and existing staff). 0.25% increase per year</p>
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		Year 1 - 12, Year 2 -15, Year 3 -19
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RBC and schools

Levy utilisation	Previous position was reported as a monthly figure so it hasn't been put on here.	<p>Current position: Year 2 - 21/22 paid in £451,083.82 and spent £349,280 = 77% utilisation. Year 2 target met Year on year increase in monthly levy contribution utilisation.</p> <p>Year 1 - 60%, Year 2 - 70%, Year 3 - 80%</p> <p>*Although we spent 77% of our levy contributions in financial year 2021/2022, we have a large amount of money in the levy pot due to having not spent it when the levy scheme initially started. The government take a portion of this back from us each month as expired levy on a 24 month rolling basis.</p>
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Note:

Year 1 - 2020/21

Year 2 - 2021/22

Year 3 - 2022/23

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Appendix D: FTE target for each service area and current apprentice numbers

Service Area	Head Count	FTE	2.3% of FTE	Rounded target	Current FTE apprentices*
Adult Care	281	239.31	5.50	6	0
Commissioning and Transformation (DACHS)	31	28.21	0.65	1	0
Communications	11	9.75	0.22	1	0
Corporate Improvement and Customer Services	133	117.56	2.70	3	0
Culture	201	144.81	3.33	3	1
Digital & ICT	23	22.32	0.51	1	0
Environmental & Commercial Services	285	281.66	6.48	6	3
Finance	95	90.95	2.09	2	2
Housing and Communities	187	181.27	4.17	4	8
Human Resources & Organisational Development	63	59.44	1.37	1	3
Infrastructure, Economy and Capital Projects	9	7.19	0.17	0	0
Legal and Democratic Services	109	104.56	2.40	2	2
Planning, Transport and Public Protection Services	135	126.83	2.92	3	1
Procurement & Contracts	5	4.50	0.10	0	0
Property & Asset Management	94	81.11	1.87	2	0
Wellbeing	9	7.91	0.18	0	0
Grand Total	1693	1527.69	35.14	35	20

*Excludes existing staff who are upskilling through an apprenticeship

Grey highlight indicates service areas which are not currently meeting the target