

Title of proposed EIA	Apprenticeship Levy Transfer of Funds
Reference No	EQUA679
EA is in support of	New Function
Review Frequency	Annually
Date of first review	29/04/2022
Directorate	Education and Skills
Division	Skills and Employability
Service Area	Employment and Skills
Responsible Officer(s)	<input type="checkbox"/> Tara Verrell
Quality Control Officer(s)	<input type="checkbox"/> Hilary Mills
Accountable Officer(s)	<input type="checkbox"/> Ilgun Yusuf
Purpose of proposal	Apprenticeship Levy Transfer of Funds
Data sources	relevant reports/strategies; relevant research
Please include any other sources of data	WMCA report on their fund investments
ASSESS THE IMPACT AGAINST THE PROTECTED CHARACTERISTICS	
Protected characteristic: Age	Wider Community
Age details:	<p>The apprenticeship levy is payable by employers with an annual pay bill of more than £3 million at a rate of 0.5%. As a levy paying employer, Birmingham City Council (BCC) can gift up to 25% of its annual levy fund to SMEs and non-levy paying schools to pay for the training and assessment costs of an apprenticeship.</p> <p>The Council's Apprenticeship Pledge, launched in February 2020, sets out the potential to transfer up to 25% of unused apprenticeship levy funds that can be applied for by non-levy paying employers to fund the costs of apprenticeship courses for staff. At the time, pre-pandemic, the Pledge focused the Levy benefits on the Council's supply chain, Voluntary, Community and Social suppliers and schools.</p> <p>However, the pandemic has had a huge impact on our city's core</p>

economy, including previously thriving leisure, retail and hospitality providers, as well as our creative sector, transport providers and some manufacturing sectors. Levels of unemployment are at their highest since the 1980s.

There is an opportunity to build on the ambition of the Pledge, and this is recognised in the Council's Covid 10 Economic Recovery Strategy, approved in March 2021, which cites the transfer of unused levy funds as a key early action: 'to launch levy grants for Apprenticeship learning costs in Spring/Summer 2021'.

The Council's strategic aspirations for the gifting of the Levy are proposed as follows:

1. To prioritise apprenticeship opportunities that are inclusive, accessible and supportive for disadvantaged residents, including care leavers, women, BAME residents, disabled residents and others who experience inequity in the labour market.
2. To create apprenticeship opportunities in known skill shortage areas, such as the Health & Social Care sector, Engineering and Digital and Creative Sectors.
3. To support smaller employers across the city and wider conurbation to recover and reskill/diversify following the impact of the COVID 19 pandemic (jobs will be targeted at Birmingham residents).
4. To use the fund to enable local uplift in apprenticeship pay to Real Living Wage.

The proposal is to use the Council's Giftable Apprenticeship Levy (25% is giftable) which currently represents £0.68M which is being returned to HM Treasury each year and lost to the area.

Setting up a fund will enable smaller non-levy paying employers to apply for apprenticeship course costs to support investment in new apprenticeships.

Age related factors:

Apprenticeships are available to young people who are 16 plus so naturally do not support children.

There is no upper age limit unless the fund manager sets one, which other Apprenticeship Levy funds (such as that run by West Midlands Combined Authority) have done.

The Council and proposed delivery partner Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) have priorities to support the economic recovery of the city and the area, and wish to keep access to opportunity as broad as possible, so the proposed fund will support new apprenticeships for all ages 16+ and this is a step towards positive inclusion. The opportunities will be promoted to all eligible ages including under 25s and over 50s - groups who have been worse hit by the impact of the pandemic on jobs.

Also other funds (such as WMCA's) exclude applications from using apprenticeships to upskilling existing staff. Again this will not be an exclusion in our fund, so existing staff of all ages can benefit.

Protected characteristic: Disability

Disability details:

Wider Community

The minimising of the restrictions to the use of the giftable apprenticeship levy will support all apprentices, and all sectors of employment, enabling a full range of jobs that can support the talents of the whole community. The opportunities will be targeted at those who have historically been underrepresented in employment, this includes disabled residents. The targeting promotion and support will be via the Council and Children's Trust

	<p>support channels, and via Job Centre Plus.</p> <p>There will also be cross-learning from the Council's Supported Internships programme for those with Special Educational Needs to see if these apprenticeships, or the Council's own apprenticeships, could be a follow on opportunity.</p>
Protected characteristic: Sex	
Gender details:	<p>Wider Community</p> <p>The minimising of the restrictions to the use of the giftable apprenticeship levy will support all apprentices, and all sectors of employment, enabling a full range of jobs that can support the talents of the whole community. The opportunities will be targeted at those who have historically been underrepresented in employment, this includes female residents. The targeting promotion and support will be via the Council and Children's Trust support channels, and via Job Centre Plus.</p>
Protected characteristics: Gender Reassignment	
Gender reassignment details:	<p>Wider Community</p> <p>The minimising of the restrictions to the use of the giftable apprenticeship levy will support all apprentices, and all sectors of employment, enabling a full range of jobs that can support the talents of the whole community.</p>
Protected characteristics: Marriage and Civil Partnership	
Marriage and civil partnership details:	<p>Wider Community</p> <p>The minimising of the restrictions to the use of the giftable apprenticeship levy will support all apprentices, and all sectors of employment, enabling a full range of jobs that can support the talents of the whole community.</p>
Protected characteristics: Pregnancy and Maternity	
Pregnancy and maternity details:	<p>Wider Community</p> <p>The minimising of the restrictions to the use of the giftable apprenticeship levy will support all apprentices, and all sectors of employment, enabling a full range of jobs that can support the talents of the whole community.</p>
Protected characteristics: Race	
Race details:	<p>Wider Community</p> <p>The minimising of the restrictions to the use of the giftable apprenticeship</p>

levy will support all apprentices, and all sectors of employment, enabling a full range of jobs that can support the talents of the whole community. The opportunities will be targeted at those who have historically been underrepresented in employment, this includes BAME residents. The targeting promotion and support will be via the Council support channels, and via Job Centre Plus.

Protected characteristics: Religion or Beliefs

Religion or beliefs details:

Wider Community

The minimising of the restrictions to the use of the giftable apprenticeship levy will support all apprentices, and all sectors of employment, enabling a full range of jobs that can support the talents of the whole community.

Protected characteristics: Sexual Orientation

Sexual orientation details:

Wider Community

The minimising of the restrictions to the use of the giftable apprenticeship levy will support all apprentices, and all sectors of employment, enabling a full range of jobs that can support the talents of the whole community.

Socio-economic impacts

Please indicate any actions arising from completing this screening exercise.

The Levy Fund will be reviewed every 6 months for performance and delivery, to ensure it is successfully meeting learning needs. This will include a review of representation of protected characteristics in uptake by communities

Please indicate whether a full impact assessment is recommended

NO

What data has been collected to facilitate the assessment of this policy/proposal?

Data provided by WMCA on the performance of their Fund. The main finding is that uptake is predominantly from younger age groups (hence their focus on young people going forward). This may be a natural impact of the low level of apprenticeship pay, and the entry level support that most apprenticeships occur at (Level 2)

Consultation analysis

Adverse impact on any people with protected characteristics.

Not that we have identified.

Could the policy/proposal be modified to reduce or eliminate any adverse impact?

How will the effect(s) of this policy/proposal on equality be monitored?

Six monthly report and analysis

What data is required in the future?

Application data and jobs outcomes regarding protected characteristics - this will be held at BCC and full details of each application and the apprenticeship employee will be recorded to measure impact.

Are there any adverse impacts on any particular group(s)

No

If yes, please explain your reasons for going ahead.

Initial equality impact assessment of your proposal

This will be positive action enabling a new function which supports increase in learning and employment opportunities for the wider community at a time of significant (over 60%) increase in all-age unemployment, with specific encouragement to use Real Living Wage and to promote to unemployed people and those with protected characteristics.

Consulted People or Groups

Informed People or Groups

Summary and evidence of findings from your EIA

This will be positive action enabling a new function which supports increase in learning and employment opportunities for the wider community at a time of significant (over 60%) increase in all-age unemployment, with specific encouragement to use Real Living Wage and to promote to unemployed people and those with protected characteristics.

#### QUALITY CONTROL SECTION

Submit to the Quality Control Officer for reviewing?

No

Quality Control Officer comments

Decision by Quality Control Officer

Proceed for final approval

Submit draft to Accountable Officer?

Yes

Decision by Accountable Officer

Date approved / rejected by the Accountable Officer

Reasons for approval or rejection

Please print and save a PDF copy for your records

Yes

Julie Bach

Person or Group

Content Type: Item

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