

07 June 2016 at 7.00 pm

Council Chamber, Argyle Road, Sevenoaks
Despatched: 27.05.16



Policy & Performance Advisory Committee

Membership:

Cllrs. Abraham, Clark, Eyre, Fleming, Kelly, Krogdahl, Maskell, McGregor, Mrs. Morris, Parkin, Miss. Stack and Thornton

Agenda

	Pages	Contact
Apologies for Absence		
1. Appointment of Chairman		
2. Appointment of Vice Chairman		
3. Minutes To agree the Minutes of the meeting of the Committee held on 1 March 2016, as a correct record.	(Pages 1 - 4)	
4. Declarations of Interest Any interests not already registered		
5. Actions from previous meeting (if any)		
6. Update from Portfolio Holder		Councillor Fleming Tel: 01732 227180
7. Referrals from Cabinet or the Audit Committee (if any)		
8. Annual Complaints Report 2015-16	(Pages 5 - 12)	Amy Wilton Tel: 01732 227280
9. Devolution - Update	(Pages 13 - 16)	Lee Banks Tel: 01732 227161
10. Local Government Transparency - Consultation on changes to the 2015 Code	(Pages 17 - 40)	Lee Banks Tel: 01732 227161

11. **New Public Sector Duty on Apprenticeships and the Apprenticeship Levy** (Pages 41 - 48) Lee Banks
Tel: 01732 227161
12. **Work Plan** (Pages 49 - 50)

EXEMPT INFORMATION

At the time of preparing this agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public.

If you wish to obtain further factual information on any of the agenda items listed above, please contact the named officer prior to the day of the meeting.

Should you need this agenda or any of the reports in a different format, or have any other queries concerning this agenda or the meeting please contact Democratic Services on 01732 227247 or democratic.services@sevenoaks.gov.uk.

POLICY & PERFORMANCE ADVISORY COMMITTEE

Minutes of the meeting held on 1 March 2016 commencing at 7.00 pm

Present: Cllr. Fleming (Chairman)

Cllr. Miss Stack (Vice Chairman)

Cllrs. Abraham, Clark, Eyre, Kelly, Krogdahl, Maskell, Mrs. Morris, Parkin, Miss. Stack and Thornton

An apology for absence was received from Cllr. McGregor

30. Minutes

Resolved: That the minutes of the meeting held on 26 November 2015, be approved and signed by the Chairman as a correct record.

31. Declarations of Interest

There were no additional declarations of interest.

32. Actions from previous meeting

There were none.

33. Update from Portfolio Holder

The Chairman and Portfolio Holder for Policy & Performance advised the Committee of various meetings he had attended with contractors concerning various developments. He also reported that the Swanley and Hextable drop in sessions for the Swanley Masterplan had been well attended. More work was to happen in schools in order to engage the younger community in the proposals.

34. Referrals from Cabinet or the Audit Committee

There were none.

35. Residents Survey 2015

The Communications Manager gave a [presentation](#) on, and presented a report which, set out the results of the 2015 Residents' Survey carried out from 24 October to 2 November 2015 by an independent research company on behalf of the Council. The purpose of the survey was to evaluate the level of satisfaction with the Council and its services, the effectiveness of the Council's communications activities and to establish where local people obtain information about the Council. The data was collected by way of a telephone survey of 201 Sevenoaks District residents, who collectively formed a broadly representative sample of the District population.

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The research had been conducted under the Code of Practice of the UK Market Research Society, which meant that all of the answers residents gave remained strictly confidential and anonymous. Satisfaction with the Council stood at 79%, 59% of residents thought the Council provided Value for Money, and 70% said they were well informed about Council services. In all cases the scores were significantly higher than the national benchmark.. In Shape magazine continued to be the communication that was most seen by residents in the 6 months prior to the survey and overall satisfaction with In Shape magazine was high with 85% of respondents agreeing it provides good value for money,.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the results of the 2015 Residents Survey, be noted.

36. Communications Strategy

The Head of Transformation & Strategy presented a report which asked Members to consider and comment on the current strategy and proposed work plan that would support officers to deliver the aims and objectives set out in the strategy.

The Council's Communication Strategy had been reviewed in recent years, with significant support from a Members Working Group, to reflect the changing priorities for the Council and had been improved to clearly reflect the purpose of all communications activity for the Council and set a clear framework for the remit of the Communications team. The work plan would reflect the significant projects the Council would undertake during the next year and highlight work required within Council services to ensure strong communications with customers.

Members asked some questions concerning the work plan. There was some discussion on advertising and sponsorship. At the moment no 'off brand' advertisers were used in InShape. Sponsorship was a difficult area and as things moved forward it would be a future discussion for Members to explore. Rather than creating email lists for newsletters, it was hoped the new website could be used to offer customers a more personalised experience.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That Cabinet be recommended to adopt the Communications Strategy.

37. Swanley Local Office

The Corporate Customer Services & Delivery Manager presented a report which sought Members approval for the District Council to seek to continue the partnership agreement which had existed for fourteen years between Sevenoaks District Council and Swanley Town Council for the operation of services through a local office in Swanley – 'Swanley

Link.’ The current agreement was due to expire on 31 March 2016, and approval was sought to renew the agreement to end on 31 March 2018.

In response to questions the Corporate Customer Services & Delivery Manager advised that the Council’s branding was not currently visible and that clear and permanent branding would form part of the contract discussions. The previous two contracts had been 3 and 5 years long, it was felt a 2 year contract helped focus delivery and gave more negotiating ability and opportunity to revise standards. The benefits of the Allpay system were discussed.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty. It was further noted that if the facility were removed there could be a detrimental impact to customers.

Resolved: That it be recommended to Cabinet to approve the renewal of the provision of a Local Office service for a further 2 years with Swanley Town Council based on the current terms and value.

38. Transparency and website update

Members considered a report which provided an update on progress with the delivery of a new council website as well as the work the Council had planned to improve the way in which it published the range of data required under the Local Government Transparency Code.

The Corporate Customer Services & Delivery Manager showed Members the latest mock up of the new Council website, and advised that work was currently underway to review content and reduce the number of pages. The Head of Transformation & Strategy advised Members of the proposal to have a second site – a new data website – that would improve the Council’s current approach to transparency. This site would be developed over the summer and would bear no additional costs, being met from existing budgets.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the progress made in the delivery of a new Council website be noted.

39. Work Plan

The work plan was noted.

40. Swanley Regeneration

The Regeneration Advisor presented the report which reminded Members that Cabinet had approved the demolition of the former Working Men’s Club at 18 High Street

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Swanley, the former Bank at 16 High Street Swanley and the vacant shop units and accommodation above them at 27 – 37 High Street Swanley, subject to further investigation into the possible VAT and CIL implications of developing the site. The report informed Members about the VAT and CIL implications, and the planning implications for 27-37 High Street Swanley of it being listed as an Asset of Community Value. The report also sought consent to proceed with the demolition process at the former Working Men's Club at 18 High Street, the former bank (CAB centre) at 16 High Street and the disposal of the temporary building currently on the Bevan Place site.

It was moved by the Chairman and

Resolved: That, under section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendices B to the report, on the ground that likely disclosure of exempt information was involved as defined by paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) as identified in Schedule 12A to the Local Government Act 1972.

Members discussed the confidential appendix.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be recommended to Cabinet that

- a) the CIL and VAT implications of developing land at 16 – 18 High Street be noted, and the demolition of both buildings (The former Working Men's Club and former CAB building) at the earliest opportunity, be approved, noting that the demolition works had already been procured and the contractor was ready to mobilise;
- b) the revised costings for the demolition, contained in Appendix B to the report, and the fact that the previous contractor remained the best value for money, be noted; and
- c) the demolition of the former Working Men's Club and CAB building be approved, and the fact that this was subject to a Prior Approval Notification, be noted.

THE MEETING WAS CONCLUDED AT 8.31 PM

CHAIRMAN

ANNUAL COMPLAINTS REPORT 2015/16

Policy and Performance Advisory Committee - 7 June 2016

Report of Chief Officer Corporate Services

Status: For Information

Key Decision: No

Executive Summary: This report updates Members regarding customer complaints and feedback monitoring for the year 2015/16, as compared to 2014/15.

This report supports the Key Aim of improving the key services we deliver to the public

Portfolio Holder Cllr. Peter Fleming

Contact Officers Amy Wilton Ext. 7280 Julie Heather Ext. 7125

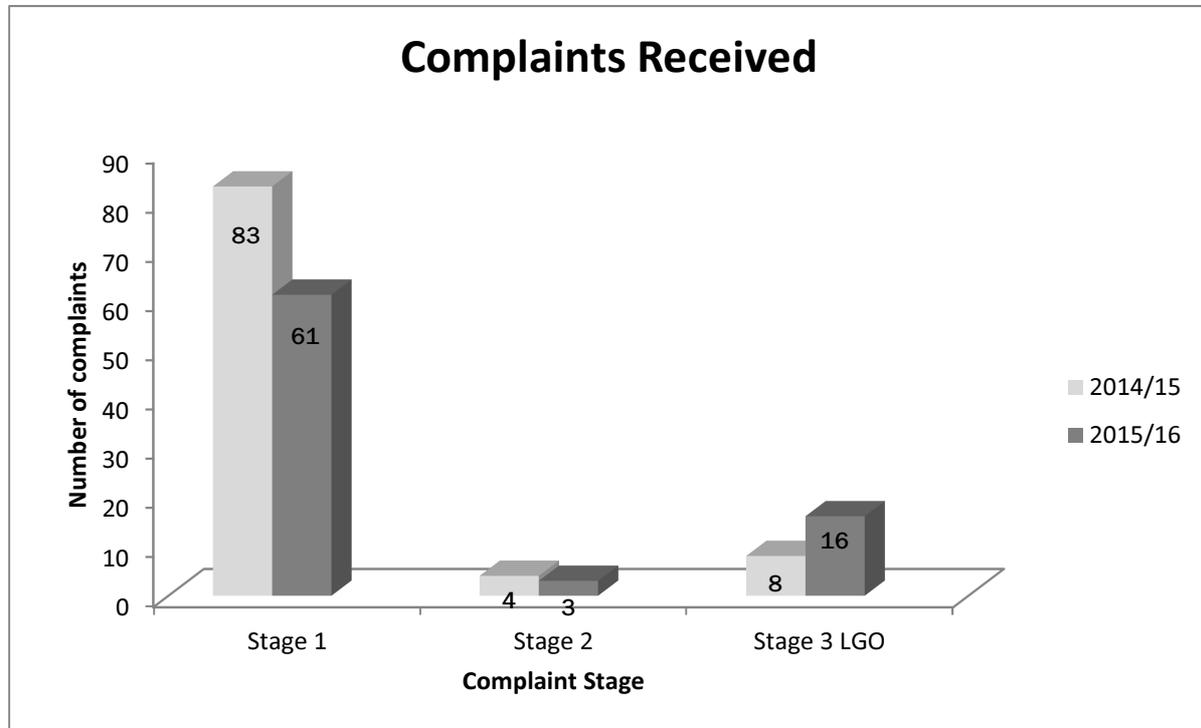
Recommendation to Policy & Performance Advisory Committee: That the report be noted.

Introduction and Background

1. This report provides details of formal complaints received by Sevenoaks District Council during the period 1 April 2015 to 31 March 2016. Complaints data provides the Council with a useful tool to highlight specific concerns, assist in the identification of trends and common areas of concern and act as a guide to which remedial action may be required to deliver service improvement.
2. The Council's formal complaints procedure defines a complaint as '*any expression of dissatisfaction with our services whether justified or not*'. If a customer is contacting the Council for the first time regarding assistance for a Council service then this will be dealt with as a service request. The complaints process will be used if a customer specifically states they would like us to follow the "complaints process" and/or they make reference to items from within the formal process (e.g. Stage 1) or the customer is contacting us for a second time regarding the same matter and wishes to make a complaint.
3. The procedure is based on a two-stage internal process. If complainants are still dissatisfied with the outcome after both Stage 1 and Stage 2, they can then request the Local Government Ombudsman investigate at Stage 3.

2015/16 Complaints figures

- The Council received a total of 80 complaints in 2015/16, a decrease of 15 since 2014/15. The following graph shows at which stage of the complaints process each of the complaints were received.



Stage 1 Complaints

- Stage 1 complaints received

	2014/15	2015/16
Total	83	61

- 2015/16 saw a decrease in Stage 1 complaints received. Parking services and Development Services attracted the most complaints. For a break down of Stage 1 complaints received by service area see appendix A.
- Of the 61 Stage 1 complaints received in 2015/16 77% were found to be invalid. This was because customers had made incorrect claims, unrealistic claims or had contacted the wrong organisation.

8. Outcome of complaints at Stage 1

	Total 2014/15	Total 2015/16
Complaint invalid	51	47
Complaint upheld	32	14
Total	83	61

No financial payments were made at Stage 1.

Stage 2 Complaints

9. Stage 2 complaints received

	2014/15	2015/16
Total	4	3

10. This year saw a decrease in Stage 2 complaints by 25%. For a breakdown of Stage 2 complaints received by service area see appendix B.

Out of the 3 Stage 2 complaints investigated during 2015/16, 100% were found to be invalid. This was because customers had made incorrect or unrealistic claims.

11. Outcome of complaints at Stage 2

	Total 2014/15	Total 2015/16
Complaint invalid	4	3
Complaint upheld	0	0
Total	4	3

No financial payments were made at Stage 2.

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Stage 3 complaints - Local Government Ombudsman

12. In 2015/16 the Local Government Ombudsman received 16 complaints about this authority. Of the 16 complaints 9 were closed after initial enquiries and 7 decisions were made during the year. The following table shows the decisions made by the LGO.

LGO Decision	Service area	Number of decisions
Investigation complete no maladministration	Development Services	4
	Environmental Health	1
	Housing	1
Upheld	Development Services	1
Total		7

13. This year the Ombudsman has yet to provide the annual letter. As such at this time, no comparison can be made to other Local Authorities as in previous years. For Local Government Ombudsman complaints received by service area see Appendix C.

14. No financial payments were made at this stage.

Key Implications

Financial

The Council made no financial payments as compensation in 2015/16 to resolve complaints.

	Compensation Paid (£)	
	2014/15	2015/16
Stage 1	245	0
Stage 2	0	0
LGO	0	0
Total	245	0

Equality Impacts

There are no decisions recommended through this paper. There is therefore a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Appendices

Appendix A - Table to show Stage 1 complaints received by service area.

Appendix B - Table to show Stage 2 complaints received by service area

Appendix C - Table to show LGO complaints received by service area

Background Papers

None

Jim Carrington-West

Chief Officer Corporate Services

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Appendix A - Stage 1 complaints received by service area

	Stage 1 Complaints received			
	2014/15	% of total	2015/16	% of total
Audit	1	12	0	0
Benefits	5	6	2	3.3
Building Control	1	12	1	1.6
Communications	0	0	0	0
Communities & Business	2	2.4	2	3.3
Customer Services	2	2.4	3	4.9
Democratic Services	0	0	0	0
Development Services	22	26.5	13	21.3
Direct Services	7	8.5	7	11.5
Electoral Services	2	2.4	2	3.3
Environmental Health	4	4.8	2	3.3
Facilities Management inc.	2	2.4	0	0
Housing	5	6	3	4.9
IT Services	0	0	0	0
Land Charges	1	1.2	0	0
Legal	1	1.2	1	1.6
Licensing	0	0	0	0
Local Tax	18	21.7	11	18
Parking Services	9	10.9	14	23
Planning Policy	0	0	0	0
Print	0	0	0	0
Property	4	1.2	0	0
Total	83	100	61	100

Appendix B - Stage 2 complaints received by service area

	Stage 2 Complaints received			
	2014/15	% of total	2015/16	% of total
Benefits	0	0	1	33.33
Building Control	0	0	0	0
Communications	0	0	0	0
Communities & Business	0	0	1	33.33
Customer Services	0	0	0	0
Democratic Services	0	0	0	0
Development Services	2	50	1	33.33
Direct Services	0	0	0	0
Electoral Services	0	0	0	0
Environmental Health	0	0	0	0
33.3Finance	0	0	0	0
Housing	1	25	0	0
Human Resources	0	0	0	0
IT Services	0	0	0	0
Land Charges	0	0	0	0
Legal	0	0	0	0
Licensing	0	0	0	0
Local Tax	1	25	0	0
Parking Services	0	0	0	0
Planning Policy	0	0	0	0
Print	0	0	0	0
Property	0	0	0	0
Total	4	100	3	100

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Appendix C - Local Government Ombudsman complaints received by service area

LGO Complaints received 2015/16	
Communities & Business	1
Development Services	11
Environmental Health	1
Housing	2
Parking Services	1
TOTAL	16

DEVOLUTION - UPDATE

Policy & Performance Advisory Committee - 7 June 2016

Report of Chief Executive

Status: For Information

Key Decision: No

Executive Summary: This report provides an update on devolution as it is progressing both nationally and at a local level in West Kent.

Portfolio Holder Cllr. Peter Fleming

Contact Officer Margaret Carr Ext. 7341

Recommendation to Policy & Performance Advisory Committee: That the report is noted.

Reason for recommendation: To update Members on the progress of devolution at a national and local level.

Introduction and Background

- 1 Members received a report on devolution at their meeting on 26 November 2015. That report outlined the background to devolution and the response by cities and large combined authorities to the Government's invitation to submit proposals progress for devolved powers.
- 2 Of the 38 proposals that were submitted to Government in September last year, only 10 have so far been agreed, with others still at various stages of negotiations with Government, and in some cases, amongst themselves.
- 3 There have been two major reports looking at devolution so far at a national level. The first by the Communities & Local Government Select Committee; and a second by the All Party Parliamentary Group (APPG) on Devolution. Both remain firmly in favour of devolution, but are critical of the lack of devolution of fiscal powers, and the lack of focus on objectives, measurable outcomes and transparency in the way some of the deals have been put together.
- 4 The challenge remains for those seeking devolution on a large scale to translate their ambitions into meaningful, measurable outcomes which will have public support.

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- 5 The Government remains firmly committed to devolution as one of the main planks of the Chancellor's Productivity Plan: Fixing the Foundations and announced a further three deals at the most recent budget in March this year. However all three of these are now experiencing difficulties in going forward.

Devolution in Kent

- 6 In the last report to Members it was noted that devolution offers the Council an opportunity to take increased responsibility for services that are important to local people and businesses and for these to be determined and delivered in a way that increases efficiency and results in savings. Being financially self-sufficient provides the Council will a level of certainty in its financial planning and means that it is well placed to consider its own position in relation to devolution, with the aim of delivering ever improved outcomes for residents and businesses.
- 7 Since the November meeting, Councils in West Kent, together with Kent County Council, have agreed to look at where responsibilities sit within all tiers of government and consider opportunities for devolution. This includes delegation, integration and co-commissioning that would enable either more efficient service delivery, greater responsiveness to local priorities, or a more seamless service for the customer.
- 8 The key outcome is that any joint working has the aim of adding value to what is currently happening. This has provided a helpful focus in terms of which services are being considered. The table below indicates what discussions on seven main themes have been considering in West Kent.

Highways and street scene	Improved co-ordination between county and district functions and joint commissioning and pooling expertise
Public health (preventative services)	Developing a framework to work together to make individual budgets work harder and smarter and developing a new model for this
Housing related support	Increased co-ordination and efficiency in support services to a range of vulnerable groups and realigning services at a local level in order to improve the service to the customer
Economic development and tourism	Options to further integrate economic development services and co-commissioning services for business support
Community safety	Examining co-commissioning and looking at how closer working can be delivered

Property and assets	Joint procurement of property services and development of an asset management plan
Sports development	A shared sports strategy including joint campaigns, bids and sharing of good practice

- 9 Meetings have been taking place and were continuing at the time of writing this report. A verbal update will be provided at the meeting to provide further information on the progress being made.

Governance and terms of reference

- 10 Discussions are taking place against a common principle that the individual sovereignty of the four authorities will be maintained. Should discussions progress to a point when a West Kent devolution model requires issues of governance to be resolved in order to move forward a Governance Group will explore options if and when the time is right.

Key Implications

Financial

- 11 There are no financial implications arising from this report.

Legal Implications and Risk Assessment Statement

- 12 There are no legal or risk implications arising from this report.

Equality Assessment

- 13 The information provided through this paper has a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Conclusions

- 14 Discussions are continuing amongst West Kent authorities and the County Council to establish whether proposals for closer working that improves or adds value to current practices can be set out for individual local authorities and their Members to consider.
- 15 With a financially self-sufficient budget position the Council has the advantage of a level of certainty in its financial planning and means that it is well placed to consider its own position in relation to devolution, with a focus on delivering ever improved outcomes for residents and businesses.
- 16 To ensure Members are informed about the most recent position a verbal update will be provided at the Advisory Committee meeting.

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Appendices: None.

Background papers: Local Government Devolution report to Policy & Performance Advisory Committee - 26 November 2015
<http://cds.sevenoaks.gov.uk/documents/s26147/07%20-%20Local%20Government%20Devolution.pdf>

Pav Ramewal
Chief Executive

LOCAL GOVERNMENT TRANSPARENCY - CONSULTATION ON CHANGES TO THE 2015 CODE

Policy & Performance Advisory Committee - 7 June 2016

Report of Chief Executive
Status: For Consideration
Key Decision: No

Portfolio Holder Cllr. Peter Fleming

Contact Officer Lee Banks Ex. 7161

Recommendation to Policy & Performance Advisory Committee:

Members advise on the Council's response to the Governments consultation on changes to the 2015 Local Government Transparency Code.

Reason for recommendation: To ensure that Members views inform the Council's response to Government on proposed changes to the 2015 Local Government Transparency Code.

Introduction and Background

- 1 In 2011 the government issued the Code of Recommended Practice for Local Authorities on Data Transparency, with a stated intention to place more power in citizens' hands, to increase democratic accountability and to make it easier for local people to contribute to the local decision making process and help shape public services.
- 2 The scope and content of the 2011 Code of Recommended Practice for Local Authorities on Data Transparency was reviewed in 2012. As a result of the Government published a revised Local Government Transparency Code in October 2014, and further updated the Code in February 2015.
- 3 Since October 2014, compliance with part of the Code has been mandatory. The Local Government Transparency Code 2015 requires the Council to publish certain information (as set out below), and recommends that certain other information is also published. Cabinet resolved that information recommended to be published be done so "if it were readily available".
- 4 Currently the Council is required by the Code to publish, on a quarterly basis, details of expenditure exceeding £500 and information about procurement and contracts. The Code also requires the Council to publish, on an annual basis, information about local authority land, social housing

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assets, grants to voluntary, community and social enterprise organisations, an organisation chart, details of trade union facility time, the parking account, details of the number of parking spaces, senior salaries, the constitution, the pay multiple and details of local authority fraud detections.

- 5 Data published as a requirement, rather than a recommendation, must be published in open format. However, no particular format for the presentation of the data is stipulated, nor does the Code mandate exactly where local authorities should publish all their data. In practice, most local authorities publish their transparency data on their own websites.
- 6 The Government are proposed that the Local Government Transparency Code 2015 be updated to provide the opportunity for greater town hall transparency and also to enhance scrutiny of the use of public assets and resources, including through better comparison of data.

Consultation on changes to the 2015 Code

- 7 The Department for Communities and Local Government published a consultation on strengthening the local government transparency code on 12 May 2016. The consultation will be open for eight weeks, closing on 8 July, and proposes changes to the following elements of the existing Local Government Transparency Code 2015:
 - i. **Land Assets:** to extend the current provision for publishing land assets with additional requirements in particular around planning and housing provisions and the publication of the data through the government e-pims (property management information management system) portal;
 - ii. **Procurement information:** Making procurement information available in a standard format through a central portal;
 - iii. **Contracts:** to provide further details about in-house service contracts and how they have been market tested in a prescribed form;
 - iv. **Parking:** to extend the current provision to also include information about a breakdown of income from parking charges and details about penalty charges notices;
 - v. **Method of publishing:** to extend the current general provision of publishing data anywhere on the council's website to publishing data on specific websites in specific formats; and
 - vi. **Small and Medium Size Enterprise:** to extend the current provision to publish what proportion of spent is made annually to SMEs.
- 8 Provided at Appendix A is the full consultation document setting out further details on the proposals being set out.

Responding to the consultation

- 9 It is recommended that the Council provides a response to the Government setting out its views on changes to the Transparency Code. As is usual with consultations of this type this will be done, unless recommended otherwise, by Portfolio Holder decision.
- 10 To inform the Council's response the views of the Advisory Committee are welcomed.
- 11 Officers would wish to highlight for Members attention the proposal to introduce a new requirement to set out the reasons and evidence of value for money in relation to in-house service provision and the proposal to centralise some data collection and to propose a prescribed way to place information on a Council website. These may run contrary to the Council's ambition to develop its own website to not only hold its data but make it more usable to interested parties.

Other Options Considered and/or Rejected

- 12 The Council could consider not responding to the Government's consultation. This would not be recommended as it is likely that the proposals as set out will place an increased burden on the Council's staff resources and in places run contrary to local plans and ambitions for its data.

Key Implications

Financial

- 13 From the information provided within the consultation document it is anticipated that there will be limited, if any, financial impact on the Council. Where new burdens are being introduced the Council may wish to highlight in any consultation response that this should be funded by Government.

Legal Implications and Risk Assessment Statement

- 14 Regulations require that the Council comply with the Code as set out and any new requirements introduced in an updated Code.
- 15 There is some, albeit, relatively low risk to the Council that costs will increase as a result of any new requirements introduced and equally some risk that the amount of staff resource applied to compliance with the Code will increase. Failure to comply with the Code carries reputational risk.

Equality Assessment

- 16 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

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Conclusions

- 17 The Government has set out a consultation to update the 2015 Local Government Transparency Code. It is recommended that Members provide their views to inform the Council's response to the consultation.

Appendices

Appendix A - 'Strengthening Local Government Transparency', consultation on changes to the Local Government Transparency Code 2015.

Background Papers:

Local Government Transparency Code 2015
<https://www.gov.uk/government/publications/local-government-transparency-code-2015>

Dr Pav Ramewal
Chief Executive



Department for
Communities and
Local Government

Strengthening Local Government Transparency

Consultation on changes to the Local Government
Transparency Code 2015



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1. Scope of the consultation

A consultation paper issued by the Department for Communities and Local Government on behalf of the Secretary of State

Topic of this consultation:	This consultation paper sets out the Government’s proposals for updating the Local Government Transparency Code 2015.
Scope of this consultation:	<p>The Department for Communities and Local Government is consulting on proposals to update the Local Government Transparency Code 2015, in particular to change the way that local authorities record details of their land and property assets, and publish information about their procurement, their contracts and the delivery of some of their services. We are also proposing to include in the Code new requirements about information on parking charges and enforcement and about the way transparency data is published and presented. Finally, we are proposing to include in the Code recommendations that local authorities publish information about their dealings with small and medium-sized enterprises.</p> <p>Any change to the Local Government Transparency Code requires secondary legislation to revoke the existing Code and put a new, updated, Code in place.</p>
Geographical scope:	The Local Government Transparency Code 2015 applies to certain authorities in England, including local authorities, National Park Authorities and fire and rescue authorities.
Impact Assessment:	No impact assessment has been produced for this consultation. The consultation asks about the impact any new requirements will have on the authorities that are subject to the Local Government Transparency Code.

Basic Information

To:	This consultation is open to everyone. We particularly seek the views of individual members of the public, of those bodies that are subject to the requirements of the Local Government Transparency Code, of those bodies that represent the interests of local authorities at all levels, and of those bodies that have an interest in transparency.
Body responsible for the consultation:	The Conduct and Council Constitutions Team in the Department for Communities and Local Government is responsible for conducting the consultation.
Duration:	The consultation will begin on 12 May 2016. The consultation will run for 8 weeks and will close on 8 July 2016. All responses should be received by no later than 8 July 2016.
Enquiries:	<p>During the consultation, if you have any enquiries, please contact:</p> <p>Jim Jobe email: jim.jobe@communities.gsi.gov.uk TEL: 0303 44 42556</p> <p>How to respond: Please respond by email to:</p> <p>TransparencyCode@communities.gsi.gov.uk</p> <p>Alternatively, please send postal responses to:</p> <p>Jim Jobe Department for Communities and Local Government 2nd Floor, NE, Fry Building 2 Marsham Street London SW1P 4DF</p> <p>Responses should be received by close on 8 July 2016.</p>
How to respond:	<p>You can respond by email or by post.</p> <p>When responding, please make it clear which questions you are responding to.</p> <p>When you reply it would be very useful if you could confirm whether you are replying as an individual or submitting an official response on behalf of an organisation and include:</p> <ul style="list-style-type: none"> - your name

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	<ul style="list-style-type: none">- your position (if applicable)- the name and address of your organisation (if applicable)- an address, and- an e mail address (if you have one)
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2. Introduction

1. The Department for Communities and Local Government is consulting on proposals to update the Local Government Transparency Code 2015 ('the Code'), in particular to change the way that local authorities record details of their land and property assets, and publish information about their procurement, their contracts and the delivery of some of their services. We are also proposing to include in the Code new requirements about information on parking charges and enforcement and about the way transparency data is published and presented. Finally, we are proposing to include in the Code recommendations that local authorities publish information about their dealings with small and medium-sized enterprises.

2. The government believes not only that transparency is the foundation of local accountability, the key that gives people the tools they need to hold their councils to account, but also that the availability and format of certain data can provide new opportunities for analysis of public spending and the management of public assets.

3. Since 2010 town hall transparency has improved greatly. The changes to the Code proposed in this consultation are the next step in further improving town hall transparency and further increasing the accountability of those entrusted with the stewardship of public resource and assets.

The Local Government Transparency Code

4. In 2011 the government issued the Code of Recommended Practice for Local Authorities on Data Transparency, to place more power in citizens' hands, to increase democratic accountability and to make it easier for local people to contribute to the local decision making process and help shape public services.

5. The scope and content of the 2011 Code of Recommended Practice for Local Authorities on Data Transparency was reviewed in 2012, with the Department consulting on a proposed update of the Code. As a result of the consultation, the Government published a revised Local Government Transparency Code in October 2014, and further updated the Code in February 2015.

6. Since October 2014, compliance with Part 2 of the Code has been mandatory. The Local Government Transparency Code 2015 requires certain authorities to publish certain information, and recommends that those authorities publish certain other information.

7. The Code requires that authorities publish, on a quarterly basis, details of expenditure exceeding £500, government procurement card transactions and information about procurement and contracts.

8. The Code requires that local authorities publish, on an annual basis, information about local authority land, social housing assets, grants to voluntary, community and social enterprise organisations, their organisation chart, details of trade union facility time, their

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parking account, details of the number of parking spaces in the local authority, local authority senior salaries, the local authority's constitution, the pay multiple in the local authority and details of local authority fraud detections.

9. The Code recommends that local authorities go further than the minimum requirements for expenditure, procurement, land, parking spaces, local authority organisation, grants and fraud prevention.

10. Data published as a requirement, rather than a recommendation, must be published in open and machine-readable formats. However, no particular format for the presentation of the data is stipulated, nor does the Code mandate exactly where local authorities should publish all their data. In practice, most local authorities publish their transparency data on their own websites.

11. The original purpose of the Code was to place more power into citizens' hands to increase democratic accountability by requiring local authorities to publish certain information about financial transactions and assets, allowing the public to access this key data, so enabling the public to more effectively engage with, and challenge, their local authority.

12. Local data is valuable. Making the best use of local data to ensure that public money and assets are being effectively managed requires going beyond the original requirements and intention of the Code with its focus on the publication of local data on local websites for local use. Certain local data produced by authorities can be of more use if it is published in a manner that allows analysis not just at a local level, but at a national one too.

13. It is thus proposed that the Local Government Transparency Code 2015 be updated to provide the opportunity for greater town hall transparency and also to enhance scrutiny of the use of public assets and resources, including through better comparison of data.

14. The Local Government Transparency Code 2015 is available at:
<https://www.gov.uk/government/publications/local-government-transparency-code-2015>

3. Proposed changes to Part 2 of the Local Government Transparency Code 2015 – Information which must be published

Land

Existing provisions

15. The Local Government Transparency Code 2015 requires that local authorities publish, on an annual basis, details of all land and building assets including all service and office properties occupied or controlled by user bodies, both freehold and leasehold, any properties occupied or run under Private Finance Initiative contracts, all other properties local authorities own or use, garages unless rented as part of a housing tenancy agreement, surplus, sublet or vacant properties, undeveloped land, serviced or temporary offices where contractual or actual occupation exceeds three months and all future commitments, for example under an agreement for lease, from when the contractual commitment is made. The land or building asset in question is identified by reference number, address and map reference.

Proposal

16. In the Spending Review 2015 the government committed to consulting on updating the Transparency Code to require all local authorities to record details of their land and property assets in a consistent way on the government's electronic Property Information Management System (ePIMS).

17. The government considers that collecting data on local authority land in a central space would allow for a more strategic consideration of how public land can best be used and enable closer collaboration with central government and the wider public sector. This is important if we are to use land and property as enablers for local growth including housing growth, better services and to create efficiency savings that can be reinvested.

18. To ensure greater and more collective transparency, it is proposed that the data would be publically available on the Government Property Finder, which is currently used for central government data.

19. We propose that the Code be modified to require the annual publication of land and building asset data to ePIMS, rather than to local authority websites. In practice, local authorities would need to fill out and submit to Cabinet Office, via email, a standard Excel spreadsheet, which the department would then upload to the ePIMS system.

20. We are clear that this proposal will entail only the publishing of data to a different place, in a fixed format, rather than any new data collection requirement. As a

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consequence, this may not result in new burdens and may instead result in savings and wider benefits to the local authority; including:

- access to data on central government land and buildings creating collaboration between central and wider public sector
- advance information of surplus land before it is disposed of outside of government
- detailed property searching and mapping, including land registry titles of all land packages and vacant land and property
- free access for all users - local authorities will not have to establish their own systems at their own cost
- standardised and consistent data capture, which allows for better estate planning and management between public sector bodies
- benchmarking capability
- further improvements and technical additions to the e-PIMS system to support and provide a wider functionality for local authorities
- support from Cabinet Office

Q1: Do you agree that authorities should record details of their land and property assets in a consistent way on ePIMS?

Q2: What do you consider are the benefits/disbenefits of authorities recording details of their land and property assets in a consistent way on ePIMS?

Q3: Can you quantify the added cost or saving to your authority of publishing this data to ePIMS rather than publishing it on your own authority's website?

Q4: Can you quantify the added or saved man-hours involved in your authority publishing this data to ePIMS rather than publishing it on your own authority's website?

21. In terms of collecting new data, we propose that in addition to the existing data on land and property assets published by local authorities, local authorities also publish, on ePIMS:

- the extent of the land in hectares for each piece of land
- whether that land is surplus to requirements
- whether there are current or future plans to release the land for housing development
- if there are plans to release the land for housing development, what is the current planning status
- if there are plans to release the land for housing development, how many homes can be accommodated, and
- for properties of 10,000 square foot or larger, the floor area of that property, the number of floors and the number of car parking spaces that property has.

22. We understand that suitability of land for housing may be a subjective judgement. However, local authorities should be able to make that judgement and rely on their housing plans. By planning status we mean what the existing permitted land use for that land is, and, if an application is in preparation or submitted for a change to housing use,

what stage that application is at. Where plans do exist for the release of land for housing development, we consider that there will usually have been an assessment of how many homes can be accommodated.

Q5: Do you agree that authorities should record the additional data proposed above, in a consistent way on ePIMS?

Q6: What do you consider are the benefits/disbenefits of authorities recording the additional data proposed above, in a consistent way on ePIMS?

Q7: Can you quantify the added cost, if any, to your authority of publishing this additional data?

Q8: Can you quantify the added man-hours, if any, involved in your authority publishing this additional data?

Procurement

Existing provisions

23. The Code currently requires local authorities to publish certain procurement data quarterly, including details of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5k and details of every contract, commissioned activity, purchase order or framework agreement with a value that exceeds £5k. This data must be published on a quarterly basis.

Proposal

24. Updating the Code provides an opportunity to increase the consistency of local government procurement data, including contracts data, through the development of a national reporting mechanism.

25. Increasing the standardisation and transparency of procurement and contract data, for instance by publishing to a central source, such as data.gov.uk, which is designed for this purpose, would enable the data to be more easily interrogated for the purpose of detecting fraud, bribery and corruption.

26. Moreover, the Government considers that the chances of detecting procurement fraud would be enhanced if local authorities were to publish their procurement data in a more prescriptive format. Publishing procurement and contract data from different local authorities in a fixed format would enhance comparability, enabling the data to be more easily interrogated.

27. We are clear that local authorities will continue to publish procurement and contract data, just as they do at present, but publish it in a fixed format to a central source. The data would remain, as it is at present, in an open and machine-readable format.

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28. This central source could also house procurement data from central government. This would allow the central source to undertake the analysis of local and central government procurement and contract data to help increase transparency and allow for the comparison of data to spot markers of fraud and corruption in public procurement.

29. Such an approach not only brings potential benefits in the detection of fraud and corruption, but the increased transparency and ability to compare data would allow local authorities to compare their own procurement with other local authorities on a national basis, allowing local authorities to get a better deal for the taxpayer.

Q9: Do you agree that authorities should publish procurement data in a fixed format to a central source?

Q10: What do you consider are the benefits/disbenefits of publishing procurement data in a fixed format to a central source?

Q11: Can you quantify the added cost or saving to your authority of publishing this data in a fixed format to a central source rather than publishing it on your own authority's website?

Q12: Can you quantify the added or saved man-hours involved in your authority publishing this data in a fixed format to a central source rather than publishing it on your own authority's website?

Contracts

Existing provisions

30. The Local Government Transparency Code 2015 requires local authorities to publish details of their existing waste collection contracts.

31. The Code also requires local authorities to publish details of any contract, commissioned activity, purchase order, framework agreement or any other legally enforceable agreement with a value that exceeds £5,000. The local authority must publish details of the contract reference number, title, the local authority department responsible, the description of goods and services being provided, the supplier name and details, the value of the contract, VAT that cannot be recovered, the start, end and review dates of the contract, whether or not the contract was the result of an invitation to tender and whether the supplier is a small or medium-sized enterprise.

Proposal

32. A local authority should go through due process when making decisions to ensure they are providing high-quality, value-for-money services for council taxpayers. Where decisions are made regarding the deployment of 'in-house' services, the costs and benefits of these decisions should be documented and made available. Given the Code already obliges local authorities to provide details of contracts with external providers, this

levels the playing field where transparency is concerned. A local authority should be able to demonstrate a clear and transparent approach to service and cost evaluation using robust data, quality comparators and a clear options assessment and therefore be able to justify to its residents why its services are being provided in-house rather than a private company. It is expected that local authorities already do this analysis when taking insourcing decisions, and in many cases already make it public (for example, through cabinet papers). This requirement would ensure that the information is readily available in one place on the council's transparency website.

33. We therefore propose that the Code be updated to require local authorities with 'in-house' services to provide a one-off set of information for their local residents which sets out details of the in-house service and justifies to residents that the service is being delivered cost-effectively.

34. Specifically, a local authority should publish, within one month of taking such a decision:

- information on how it has 'tested' its in-house provision against the market to ensure the service is being delivered cost-effectively. Local residents should get the best possible value for money service
- assumptions of the operational costs of the service
- where appropriate, other relevant assumptions: for example, in a waste services context, those relating to household recycle sales and assumptions about future revenues from recycling and business waste collections.

35. The local authority should set out for how long the current in-house service is expected to be in place and should reassess the costs and benefits of in-house services against provision by private firms after an appropriate time period – for example, every 7 years

36. This information should be presented on authorities' transparency websites, with the relevant information (including the above) contained in a single document and clearly labelled.

37. In order to minimise burdens for local authorities, this requirement could be limited to services above a threshold – for example, contracts with a value in excess of £500,000.

Q13: Do you agree that authorities should publish information about the decision making process of retaining, or taking, a service 'in house'?

Q14: What do you consider are the benefits/disbenefits of publishing information about the decision making process of retaining, or taking, a service 'in house'?

Q15: Should the requirement apply to all services, or should it apply to specific key services - such as waste services, leisure services and human resources where a decision has been made to provide the service in-house?

Q16: If the requirement were to apply to all services, what should the threshold be for the value of these services?

Q17: What aspects of this requirement will give rise to burdens for local authorities and how can these be minimised while still increasing transparency?

Q18: Can you quantify the added cost, if any, to your authority of publishing this data?

Q19: Can you quantify the added man-hours, if any, involved in your authority publishing this data?

Parking

Existing provisions

38. The Local Government Transparency Code 2015 requires that local authorities must publish, on their website, or place a link on their website to this data if published elsewhere, a breakdown of income and expenditure on the authority's parking account. The breakdown of income must include details of revenue collected from on-street parking, off-street parking and Penalty Charge Notices. Local authorities must also publish a breakdown of how the authority has spent a surplus on its parking account.

Proposal

39. Department for Transport (DfT) guidance requires local authorities that enforce parking to produce an annual report about their enforcement activities within six months of the end of each financial year. The report should cover financial, statistical and other data reflecting the revenues received from their parking operations. DfT require this data to help develop parking policy and there is a concern that the data being supplied is not as comprehensive as it should be, and most local authorities do not feel obligated to do so.

40. Accordingly, we propose that the requirements to publish data relating to a local authority's parking account be expanded to include greater detail about parking charges as well as statistics about the enforcement of parking restrictions by the local authority.

Specifically, we are proposing that local authorities are required to provide data on:

- total income and expenditure on the parking account kept under section 55 of the Road Traffic Regulation Act 1984, and Off-street parking charges and penalty charges which are not covered under section 55 Road Traffic Regulation Act 1984.

Breakdown of income:

- on-street parking charges
- on-street penalty charges
- off-street parking charges
- off-street penalty charges

Breakdown of:

- total surplus or deficit on the parking account
- action taken with respect to a surplus or deficit on the parking account
- details of how any financial surplus has been or is to be spent, including the benefits that can be expected as a result of such expenditure.
- breakdown of running costs of parking provision outside of the section 55 account

Statistics

- number of higher level penalty charge notices issued
- number of lower level penalty charge notices issued
- number of penalty charge notices paid
- number of penalty charge notices paid at discount rate
- number of penalty charge notices against which an informal or formal representation was made
- number of penalty charge notices cancelled following an informal or a formal representation
- number of penalty charge notices cancelled following an appeal made to an adjudicator.
- number of penalty charge notices written off for other reasons (e.g. an error by the civil enforcement officer or driver untraceable)
- number of vehicles immobilised
- number of vehicles removed

Q20: Do you agree that authorities should publish further details of their parking finances and enforcement?

Q21: What do you consider are the benefits/disbenefits of publishing the parking data as set out above?

Q22: Can you quantify the added cost, if any, to your authority of publishing this additional data?

Q23: Can you quantify the added man-hours, if any, involved in your authority publishing this additional data?

Method of publication

Existing provisions

41. The Local Government Transparency Code 2015 requires that local authorities must publish data in a format and under a license that allows open re-use, including for commercial and research activities. Data that is covered by Part 2 of the Code, that is, data that must be published rather than data that it is recommended is published, must be published in open and machine-readable formats.

Proposal

42. We consider that navigating to local authority transparency data should be a straightforward matter. Accordingly, we propose that local authorities should have a link to a common 'landing page' where the public can find all the transparency data required by the Transparency Code, as well as that transparency data that is published because the Transparency Code recommends it.

43. Moreover, we consider that it would be beneficial for those seeking transparency data if all local authorities were to use a common template web page that lists the data required by the Transparency Code, with links to that data that the public can click on to access the data.

Q24: Do you agree that authorities should ensure that their transparency data is clearly signposted and easy to navigate?

Q25: What do you consider are the benefits/disbenefits of prescribing a fixed format for local authorities to present their transparency data?

Q26: Can you quantify the added cost, or saving, if any, to your authority of establishing a transparency page on your authority's web site?

Q27: Can you quantify the added man-hours, or saving, if any, to your authority of establishing a transparency page on your authority's web site?

44. As proposed already in this consultation, the government considers there may be merit in the publication of certain local authority data in a standardised format and to a central source. Publishing local authority data in a standardised format to a central source facilitates easier analysis, comparison and benchmarking of that data. The government proposes that such standardisation of publication to a central source be extended to local authority data such as expenditure exceeding £500, housing asset values, grants to voluntary, community and social enterprise organisations, senior salaries, pay multiples and fraud.

Q28: Do you consider that the publication of certain local authority data in a standardised format to a central source will facilitate analysis, comparison and benchmarking of that data?

Q29: Can you quantify the added cost, or saving, if any, to your authority of publishing the proposed data in a standardised format to a central source?

Q30: Can you quantify the added man-hours, or saving, to your authority of publishing the proposed data in a standardised format to a central source?

Compliance with the Code

45. Since October 2014, compliance with Part 2 of the Code has been mandatory. The Code is intended to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services. Authorities should then publish the information required by the Code. We are seeking views, particularly from those who use the Code, on how compliance with the Code might be measured and enforced.

Q31: How should compliance with the Code be measured and enforced?

4. Proposed changes to Part 3 of the Local Government Transparency Code 2015 – Information recommended for publication

Small and Medium-Sized Enterprises

Existing provision

46. The Local Government Transparency Code 2015 requires local authorities to publish details of any contract, commissioned activity, purchase order, framework agreement or any other legally enforceable agreement with a value that exceeds £5,000. The details that must be published include whether or not the supplier is a small or medium-sized enterprise.

Proposal

47. The government is committed to one third of central government procurement spend going to small and medium-sized enterprises by 2020. Central government already publishes what percentage of procurement spend goes to small and medium-sized enterprises on an annual basis.

48. We are clear that it is right that local authorities should do the same. The Code already requires local authorities to identify where contracts over £5,000 are awarded to small and medium-sized enterprises.

49. We propose that the Code be modified to recommend that local authorities publish, on an annual basis, what percentage of their procurement spend goes to small and medium-sized enterprises.

50. Moreover, in line with the government's commitment to creating a supportive environment in which businesses can flourish, we propose that the Code be modified to recommend that local authorities publish data on the time taken for local authorities to pay undisputed invoices from small and medium-sized enterprises.

Q32: Do you agree that the Transparency Code should recommend that authorities publish information about their dealings with small and medium-sized enterprises?

Q33: What do you consider are the benefits/disbenefits of authorities publishing details about their dealings with small and medium-sized enterprises?

Q34: Do you think that publishing this data should be a requirement rather than a recommendation?

Q35: Can you quantify the added cost, if any, to your authority of publishing this data?

Q36: Can you quantify the added man-hours, if any, involved in your authority publishing this data?

About this consultation

This consultation document and consultation process have been planned to adhere to the Consultation Principles issued by the Cabinet Office.

Representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004.

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department for Communities and Local Government will process your personal data in accordance with DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.
Individual responses will not be acknowledged unless specifically requested.

Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

Are you satisfied that this consultation has followed the Consultation Principles? If not or you have any other observations about how we can improve the process please contact DCLG Consultation Co-ordinator.

Department for Communities and Local Government
2 Marsham Street
London
SW1P 4DF

or by email to: consultationcoordinator@communities.gsi.gov.uk

NEW PUBLIC SECTOR DUTY ON APPRENTICESHIPS AND THE APPRENTICESHIP LEVY

Policy & Performance Advisory Committee - 7 June 2016

Report of Chief Officer Corporate Services

Status: For Consideration

Key Decision: No

Executive Summary: This report provides Members with an overview of the new duty for the public sector on apprenticeships, and the Government's apprenticeship levy. It outlines the information currently available from Government regarding how the both of these are intended to work, and considers some of the known implications for Council.

Portfolio Holder Cllr. Peter Fleming

Contact Officers Margaret Carr Ext. 7341
Nuala Beattie Ext. 7169

Recommendation to Policy & Performance Advisory Committee:

The new public sector apprenticeship duty and the cost of the apprenticeship levy are noted.

Reason for recommendation: To ensure Members are aware of the new duty for public sector bodies on apprenticeships, the Governments apprenticeship levy, and the implications of these for the Council.

Introduction and Background

- 1 In line with commitments made within its manifesto, Government has set an ambitious target to achieve three million new apprenticeships by 2020. This forms part of the Chancellor's productivity plan, 'Fixing the Foundations', which was published in July 2015.
- 2 There are a number of core elements to the Government's ambition. These include:
 - The creation of a new Institute for Apprenticeships led by employers to support quality apprenticeships;
 - Placing employers at the heart of designing new Apprenticeships Standards through the Trailblazer programme (replacing the existing apprenticeship frameworks);

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- Providing equal legal protection to apprenticeships to that given to degrees;
 - The abolition of Secondary Class 1 NICs for apprentices under the age of 25 from April 2016;
 - Introducing an apprenticeship target for public sector bodies - a new duty on the public sector to have 2.3% of its workforce comprised of apprenticeships; and
 - An apprenticeship levy for employers including the public sector, intended to raise over £3bn across the UK by 2020.
- 3 This report updates Members on primarily the last two of these: the new duty and the levy, both of which are due to come into force on 1 April 2017.

Apprenticeships

- 4 An apprenticeship is defined as a real job with training which allows participants to earn while they learn, whilst gaining a nationally recognised qualification. Apprenticeships take between one and five years to complete and cover 1,500 job roles in a wide range of industries, from engineering to accountancy, public relations to veterinary nursing. Apprenticeships are now available up to degree level and beyond.
- 5 Apprenticeships last between 12 months and four years, and are usually, but not exclusively, aimed at the 16 to 21 year old age group. Apprentices can also include members of an employer's existing workforce.
- 6 Guidance states that apprentices are expected to spend 20% of their time in formal study (normally one dedicated day per working week). Historically this has taken place at a local college. However, this depends on the skills required for the qualification and some studying now takes place online with a monthly workshop, or similar arrangement.
- 7 The Government sets out minimum wages for apprentices each year, based on age, starting at £3.30 per hour for 16 to 18 year olds, or someone aged 19 who is in their first year. This rises to £6.70 for an apprentice aged 21 or above. There is no guarantee of a job with the host employer on completion of the apprenticeship; this sets them apart from the traditional apprenticeships of former years.

The new apprenticeship duty

- 8 Government published a consultation document on the new apprenticeship duty for the public sector in January 2016. The responses to this will be used to inform drafting of the regulations following the passage of the Enterprise Bill. This bill contains provision to amend the Apprenticeships, Skills, Children and Learning Act 2009 so that targets can be set for prescribed public bodies in relation to the number of apprentices working for them in England.

- 9 As part of the new legislation, public bodies will have a duty to publish information annually on progress towards meeting the target and send this information to the Secretary of State.

Apprenticeship targets

- 10 The Office for National Statistics National Accounts Sector Classification has been used to define public body (the list currently contains over 1,500 bodies); all public bodies with a headcount of 250 or more staff will be included in the scope of the new duty. Housing associations are exempt as the Government intends to reclassify them as private sector bodies. For the local government sector, this means that all but 30 local authorities out of a total of 354 would be included.
- 11 The Government has also announced targets for apprenticeship starts for the sector; for local government (as a whole, in England), the target is 35,000 per year, the highest for any public sector group. This compares to a target of 28,000 starts for the health sector, for example.
- 12 There are, however, no specific targets set for each employer, and the legislation talks about a “due regard” rather than a statutory duty. If Sevenoaks District Council were to take the 2.3% as a guideline, this would result in about seven apprenticeship starts per year for the three years of the programme.

Reporting requirements

- 13 Broadly speaking, the Government is proposing that published reporting should focus on the number of apprenticeships starts in relation to the number of employees in the reporting period in question and an indication of whether the target is being met.
- 14 Organisations will also be required to send other information to the Secretary of State which is not intended to be published. This information would include:
- Information about action that the body has taken to meet an apprenticeship target set for it;
 - If the public body has failed to meet an apprenticeship target set for it, an explanation of why the target has not been met;
 - Information about action that the body proposes to take to meet an apprenticeship target set for the body for a future target period; and
 - If the body considers that a future target is not likely to be met, an explanation of why that is so.
- 15 Government proposes reporting periods should be in line with financial years from 1 April 2017 until 31 March 2020.

The Apprenticeship Levy

- 16 A step change in the scale and quality of the apprenticeship programme also requires a step change in funding. Government has announced its intention to raise funds through a levy during the Budget in March last year, and again in the Spending Review in the Autumn. However it was only in the autumn that the public sector was formally included in the list of employers who would be subject to the levy.
- 17 The levy will be calculated as 0.5% of an employer's pay bill where that pay bill is £3m or more. At Sevenoaks District Council the pay bill is approximately £11m. The Council's contribution will therefore be approximately £55,000 per year for three years starting from April 2017 and ending in March 2020.
- 18 All contributing employers will receive an annual one-off cash payment of £15,000 to offset against the Levy. However, this cannot be used for funding training and assessment of apprentices.
- 19 The Levy payment will be made to Her Majesty's Revenue & Customs (HMRC) through the Pay as You Earn (PAYE) process alongside income tax and National Insurance. Government intends for all contributing employers to open a Digital Apprenticeship Service account (DAS); once HMRC receives the payment, it will then notify the Department of Business, Innovation and Skills (BIS), who will apportion it to each organisations digital account for them to spend.
- 20 Government have stated that employers who pay the levy and are committed to apprenticeship training will be able to get out more than they pay in to the levy. This will be achieved by the Government applying a 10% top-up to monthly funds entering levy paying employers' digital accounts, for apprenticeship training in England, from April 2017.
- 21 Funds held within digital accounts can be used for apprenticeship training and assessment (with an approved training provider and assessment organisation up to its funding band maximum). They cannot be used for:
 - Wages;
 - Statutory licences to practise;
 - Travel and subsidiary costs;
 - Managerial costs;
 - Traineeships;
 - Work placement programmes; or
 - The costs of setting up an apprenticeship programme.

Managing an apprenticeship programme using the levy

- 22 Once the funds enter a DAS account, organisations have 18 months to use them before they are reallocated to another employer on a “use it or lose it” basis.
- 23 If the Council decides to create apprenticeships within the organisation, it will then chose an appropriate training provider from a list of eligible organisations, and negotiate a price with them.
- 24 Government will be issuing funding bands for each apprenticeship standard, and it will be up to the Council as an employer to agree a price within this band with the training provider. Once an apprentice has been selected, as soon as the training begins, the Skills Funding Agency will draw down the cost on a monthly basis.
- 25 Government is still considering whether organisations can use their levy monies to support apprenticeships locally in smaller companies, for example, who may be in our supply chain. For the first year, however, this will not be possible.

Consultation

- 26 The Government issued a consultation paper on the proposed Levy in January this year. Although recognising the value that apprenticeships can have for the individual and for the employer, in its response the Council raised concerns regarding the targets for the public sector and the lack of detail regarding how the levy would work.
- 27 Government has received a strong response to the consultation but has not yet released the outcomes of this and is still in discussion with Ministers about the responses.
- 28 In addition to extra payments for 16 to 18 year olds who are taken on as apprentices, Government has also indicated that additional support would be available to young people aged 19 to 24 who have an Education and Health Plan, or who are leaving the care system. The Government has also recently committed to looking at how young people with learning difficulties can increase their access to apprenticeships.
- 29 There is still considerable detail to be worked out on both the levy and the new duty. Government are planning further updates in June, October and December this year, with access to the new Digital Apprenticeship accounts available in January 2017. The levy and the duty come into force from 1 April 2017.

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Key Implications

Financial

- 30 As an employer with an annual pay bill above £3 million the Council are liable to pay the Levy calculated at 0.5% of it's annual pay bill, which is approximately £11m. The Council's contribution will therefore be approximately £55,000 per year for three years starting from April 2017, and ending in March 31 2020.
- 31 All contributing employers will receive an annual one-off cash payment of £15,000 to offset against the Levy. However, this cannot be used for funding training and assessment of apprentices

Legal Implications and Risk Assessment Statement

- 32 Legally the Council will be required to pay the apprenticeship levy regardless of whether or not they seek to offer apprenticeships within the organisation.
- 33 A risk assessment will be completed at the appropriate time to assess the impact of an apprenticeship scheme within the Council. This will include an assessment of opportunities that may also arise.

Equality Assessment

- 34 The information provided through this paper has a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Conclusions

- 35 Whatever the sector, apprenticeships provide an important public sector function, that of promoting the employability of young people. They can also contribute to meeting the sector's own skill needs: the notion of "growing our own" is one which is not unfamiliar to us as an organisation and it is also recognised that apprenticeships can support succession strategies.
- 36 However, there is a challenge in promoting employment opportunities in local government at a time when funding has reduced more drastically than at any other point.
- 37 Potentially the Council could face challenges in both finding the resources to meet the salary and associated costs of apprentices, in finding the right training frameworks delivered locally for its particular needs, and in attracting young people to take up the opportunities. Members may wish to note that the targets being set by Government relate to apprenticeship "starts". Drop-out rates from apprenticeships nationally are often high, up to 60%, indicating that there can be challenges faced by all parties

(employers, the young person and the training provider) in sustaining the role and providing support to the young person.

- 38 Regardless of this apprenticeships do promote transferable skills and a placement within the Council would undoubtedly help young people achieve these. Although the Council currently employs apprentices in the council (Building Control, for example), Members may wish to consider how actively they feel the council should engage in the new duty and if the council should seek to increase the number of apprenticeships currently available.

Appendices: None

Background Papers: Governments Productivity Plan - Fixing the Foundations (July 2015)
<https://www.gov.uk/government/publications/fixing-the-foundations-creating-a-more-prosperous-nation>

Public sector apprenticeship targets (consultation)
<https://www.gov.uk/government/consultations/public-sector-apprenticeship-targets>

Apprenticeship levy: how it will work
<https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work>

Jim Carrington-West
Chief Officer Corporate Services

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Policy & Performance Advisory Committee Work Plan 2015/16 (as at 16/05/2016)

7 June 2016	6 October 2016	24 November 2016	23 March 2017
Annual Complaints Report - 2015/16	Draft Corporate Plan		

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