



AGENDA ITEM: 7
SUMMARY

Report for:	Cabinet
Date of meeting:	29th May 2012
PART:	1
If Part II, reason:	

Title of report:	Apprenticeships Scheme Framework
Contact:	<p>Cllr Neil Harden, Portfolio Holder for Residents and Regulatory Services</p> <p>Cllr Nick Tiley, Portfolio Holder for Finance and Resources</p> <p>Author/Responsible Officers: Janice Milsom (Ass't Director – Strategy and Transformation, Community and Organisation)</p> <p>Dave Gill – Group Manager – Partnerships, Policy and Communications</p> <p>Lisa Devayya – Learning & Skills Officer Strategic Planning & Regeneration</p>
Purpose of report:	To recommend to the Cabinet the establishment of an Apprenticeships Scheme Framework at the Council to support and enable the employment of local young people and contribute to the economic regeneration of Dacorum.
Recommendations	<ol style="list-style-type: none"> 1. That the Cabinet approve the establishment of an Apprenticeships Scheme at the Council (to be called 'Dacorum Apprentices') and the Apprenticeships Framework, including recruitment from the National Graduate Development Programme. 2. That the Cabinet recommend to Council the approval of a supplementary estimate of a maximum of £331,140 to fund the apprenticeships scheme, to be drawn from the

	Management of Change Reserve.
Corporate objectives:	Building Community Capacity: Facilitating pre employment programmes to ensure a steady stream of job ready candidates for new businesses moving to Dacorum and for existing businesses are elements of the Economic Development Strategy.
Implications:	<u>Financial</u> The cost of establishing the Apprenticeships Scheme is £331,140 if a 14 month appointments are made and £303,140 if 12 month appointments are made. The higher level of funding will enable the Council to establish 10 apprentice posts for 14 months and 2 National Graduate Development Programme (NGDP) posts for 2 years. It is proposed that 1 of the NGDP posts could be funded from the HRA which would reduce the level of General Fund revenue reserves required.
'Value For Money Implications'	A further £50,000 funding is already in the budget for the apprentices being employed through the Employment and Skills Partnership Young People's Employability Fund (point 3.4 of the report) <u>Value for Money</u> The posts will be made on nationally recognised payscales and by making these opportunities available working with partner organisations, we will be supporting the delivery of economic well-being in the local community. The appointment of apprentice posts also supports the delivery of the Council's Workforce Plan.
Risk Implications	Risk Assessment completed on 1 st May 2012 Copy of the assessment is available in the Group Room.
Equalities Implications	Equality Impact Assessment carried out on 1 st May 2012. The scheme will have a positive upon the quality of life of younger people and the subsequent life chances of local people taken on by the scheme. Monitoring of any impact will be undertaken through HR and also through the scheme's management processes.
Health And Safety Implications	All posts would be supported by the Council's Health and Safety policies.
Monitoring Officer/S.151 Officer Comments	Monitoring Officer: There will be a need to agree a loan agreement with the Hertfordshire LEP and ensure that the repayment obligations are realistic and achievable. Furthermore, any secondary loans to third parties must be appropriately documented and include indemnities/guarantees in order to restrict the Council's liability on the primary loan from the LEP. The Legal Governance team

	<p>should be instructed to agree suitable loan agreements.</p> <p>S.151 Officer</p> <p>Paragraph 4.2.1 of the Budget report to Cabinet (7th February 2012) states that officers will examine further opportunities to support local economic growth and proposals for increasing opportunities for individuals to return to work. The apprenticeship scheme detailed in the report fulfils these requirements.</p> <p>The Management of Change reserve is designed to help facilitate future opportunities for savings and efficiencies and to finance change initiatives and alternative methods of service provision. There is a balance of £1,552k on the fund at 31 March 2012. At this stage there is no other planned draw down from the reserve in 2012/13.</p> <p>Funds will need to be drawn down in part in 2012/13 and in part in 2013/14 to provide resources for the whole of the scheme. However, the actual amount required will alter according to the take up of the scheme and the potential overlaps with service-based apprenticeships which will not require funding over and above of existing establishment costs (e.g. where existing posts become vacant and are filled by apprentices). The actual amount drawn down from the reserve will be reviewed during the 2013/14 budget preparation cycle.</p>
<p>Consultees:</p>	<p>Cllr Neil Harden - Portfolio Holder for Residents and Regulatory Services</p> <p>Cllr Nick Tiley – Portfolio Holder for Finance and Resources Corporate Management Team</p> <p>Group Managers</p>
<p>Background papers:</p>	<p>Appendix A: National Apprenticeships Service information</p>
<p>Glossary of acronyms and any other abbreviations used in this report:</p>	<p>HR – Human Resources</p> <p>ESP - Employment and Skills Partnership</p> <p>NEETS – those Not in Education, Employment or Training</p> <p>NGDP – National Graduate Development Programme</p> <p>HRA – Housing Revenue Account</p> <p>NAS – National Apprenticeship Service</p> <p>SCP – Spinal Column Point.</p>

1 BACKGROUND

The Council, as part of its economic regeneration programme has committed to improving employment opportunities for local young people.

A report to the Council's Corporate Management Team in November 2011 on the Workforce Planning Risk Assessment identified as a high risk, the Council's ageing workforce profile. The risk requires a range of mitigating actions and one of those identified was to introduce more ways to enable young people to join the Council.

The establishment of an Apprenticeship Scheme Framework at the Council would be a positive action and this report outlines a range of initiatives which would be part of the overall scheme framework.

Funding of the Employment and Skills Partnership (ESP) will also enable members to identify and deliver a range of targeted support to tackle youth unemployment. Membership includes the Business Community, Key Stakeholders and the Council. A Back to Work Scheme is being developed for those not in education, employment or training (NEETs) and will deliver a range of projects including apprenticeships hosted by the voluntary sector. This initiative will ensure young people gain formal qualifications and develop meaningful employability skills, whilst giving a welcome boost to the Third Sector which is experiencing widespread income reduction leading to job losses and cuts in services.

Skills and employability have a direct impact on individual life chances, the performance of our economy and the effectiveness of public services.

2 Apprenticeships Scheme Framework – elements:

Four elements are proposed; this blended Framework approach will enable managers to choose the best option for their service needs:

1. Working in partnership with the Job Centre Plus and the National Apprenticeship Service
2. DBC 'profession' based apprenticeships
3. National Graduate scheme entry level
4. The Employment and Skills Partnership Young People's Employability Fund

3 Apprenticeships Scheme –'Dacorum Apprentices'

3.1 The introduction of an Apprenticeship Scheme working in partnership with the National Apprenticeship Service.

The Council's apprenticeship scheme ('Dacorum Apprentices') will offer apprentice employment frameworks from the national apprenticeship scheme approved by the National Apprenticeship Service (NAS). The scheme would be operated in partnership with Job Centre Plus and West Herts College and would include the following key elements:

- A referral from Job Centre Plus for all candidates

- A 'sector based work academy', lasting up to six weeks, providing induction, employability skills training, a work taster and guaranteed interview for all potential applicants
- Apprentices appointed from candidates who had successfully completed the 'sector based work academy' training.
- Apprenticeships offered at 'intermediate' level (meaning that apprentices leaving at the end of the scheme would have attained a level 2 qualification equivalent to 5 GCSE passes at 'a' to 'c' grades)
- Apprenticeships offered at level 3 'advanced' – a 14 month programme – e.g. level 3 Business Administration Apprenticeship. Apprentices, already with GCSE's (or the equivalent) working towards work-based learning such as a Level 3 Competence Qualification, Functional Skills and, in most cases, a relevant knowledge-based qualification.
- All apprenticeships will be for a fixed term of either 12 or 14 months
- A training element provided by West Herts College or an equivalent provider

The Council's scheme will only recruit appropriate candidates from Job Centre Plus and therefore it will not be necessary for advertisements to be placed externally by the Council. The 'sector based work academy' approach ensures that candidates will have been given basic training and reached a set standard before they can apply for apprenticeships with the Council.

3.1.1 Key facts:

- Apprenticeships are work-based training programmes designed around the needs of employers, which lead to national recognised qualifications. Apprenticeships can be used to train both new and existing employees. Funding is available to Dacorum from the National Apprenticeship Service to train apprentices.
- The funding contribution varies depending on sector and the age of the candidate. If the apprentice is aged 16–18 years old, 100 per cent of the cost of the training will be funded; up to 50 per cent for 19-24 year olds; and some limited funding is also available for 25 years old and over.

3.1.2 Costs:

- A National Minimum Wage for apprentices was introduced on 1 October 2010. The wage applies to all apprentices aged under 19 and apprentices aged 19 or over in the first year of their apprenticeship. The apprentice minimum wage is currently £2.60 per hour and applies to time working, plus time spent training that is part of the Apprenticeship.
- Employers are free to pay above the minimum wage and many do so, but employers must ensure that they are paying their apprentices at least the minimum wage. If an apprentice is on a higher wage, the employer must continue to pay that for the remainder of the training or until the apprentice becomes eligible for the full national minimum wage.
- If the Council sets up an Apprenticeship scheme, in partnership with the National Apprenticeship service, it would require allocated funding of between £167,500 and £195,500 to enable the scheme to commence in

2012/13. This level of funding is based on paying the national minimum wage of £6.84p (rather than the apprentice minimum wage - £2.60p per hour) and employing 10 apprentices, appointing on scp 05 £16,450 including oncosts and London fringe weighting. This would amount to £164,500 for 10 apprentices for 12 months, or 192,500 for 14 months (see below)_ A further contribution to training costs, estimated at £300 per person, would also be required.

- The apprentices would be on a programme for between 12 and 14 months. There are 3 key elements to frameworks; for the purposes of this project they will attend West Herts College for 1 day a week in order that the technical (underpinning knowledge) and skills element can be delivered. The competence based element (NVQ) will be assessed by the provider in the workplace. The Council needs to commit to provide a work place supervisor/mentor and on the job training and supervision and time allowed to spend with Assessor and for off-site training activities. Towards the end of the programme, the Council will work with the Next Steps Careers service to support apprentices in applying for jobs and preparing for interviews.

3.2 Continue with Apprenticeship entry into Council 'profession' based posts:

- 3.2.1 A number of posts at the Council are already designated as apprenticeship opportunities. These posts are identified as career grades and have been appointed where we have identified skills gaps in future years and so are appointing at apprenticeship level to 'grow our own' future professional staff;

It is proposed that this approach should continue, alongside the above scheme, although the two will obviously converge at times. It is also proposed that all services should commit to considering that any (appropriate) vacancy arising should be first evaluated as a potential apprenticeship opportunity.

3.2.2 Costs:

- No additional costs to the Council and potentially some savings. This part of the Apprenticeships Framework applies to vacancies as they arise and funding is within existing budgets. Funding for professional training also sits within service budgets. Apprenticeship posts are typically appointed on SCP 05 to 15 - £12,644 to £16,571 pa.

3.3 Continue taking part in the National Graduate Development Programme:

- 3.3.1 The Council has already had tremendous value and results from being part of the NGDP. This is currently being offered to us again and it is proposed that the opportunity is encompassed within the Apprenticeships Scheme Framework.

- 3.3.2 It is proposed that the Council applies once again to the NGDP for 2 graduate places. These skills will be used to increase capacity to deliver the Council's Critical and Priority projects, working across all directorates.

3.3.3 Costs:

- Graduates are appointed on a 2-year fixed term contract and paid at the national pay scale of £33,410 including oncosts and London fringe weighting for the first year. This will rise if and when increments are payable. . A total of approximately £133,640 will be required for the duration of the programme.
- There is also a one off £2k fee to the LGA for attraction, recruitment and development of the cohort.

3.4. The Employment and Skills Partnership Young People's Employability Fund

3.4.1 In addition to the above approaches to employing younger people at DBC, there is another proposal which aligns with this and will be part of the Apprenticeships Scheme Framework, utilising the Young People's Employability Fund.

3.4.2 The Cabinet have already identified a reserve to help disadvantaged people back into employment. They have asked that the voluntary sector be significant partners in developing the scheme. The Employment and Skills Partnership (ESP) Young Peoples Employability Fund project will provide funding to identify and deliver a range of targeted support to tackle youth unemployment. Identified solutions will ensure young people remain in education, employment and training. Action will fall into two areas: -

- Supporting unemployed 16 – 24 year olds to gain employment
- Ensuring school leavers do not become unemployed

3.4.3 Membership of the ESP is broken down into three main roles, to give the Board enough expertise to be able to develop effective employment and skills solutions. The three main roles are: -

- Employers
- Key Stakeholders
- Local Authority

3.4.4 The ESP will be a sub group of the Maylands Partnership and will own and deliver a co-ordinated Employment and Skills action plan aligned to the Borough Council's Maylands and the Economy Strategy. A skills development needs survey has been carried out with local businesses and the results will inform the action plan for the ESP.

3.4.5 The DBC funding will be used for two strands:

- To ensure that solutions to businesses skills needs identified in the survey are delivered;
- to offer Level 2 apprenticeships in Business Administration to young people hosted by the voluntary/community sector;
- the initiative will be delivered through a consortium of voluntary organisations that will ensure that young people develop meaningful skills and experience over a 9 – 12 month period from a range of organisations and positions;

- all participants could receive tailored support to enhance their general employability skills and be put through a City & Guilds employability accredited qualification and work taster. This would ensure that all candidates benefited from the programme even if they were not offered an apprenticeship opportunity.

4 Summary

The 4 proposed strands of the Apprenticeships Scheme Framework are set out above. In total it is proposed that, as a totality, this will provide a solid framework on which to develop opportunities for the employment of younger people at the Council.

5 Recommendation

That the Cabinet agree the recommendations set out in this report to enable the establishment of an Apprenticeships Scheme Framework to support and enable the employment of local young people and contribute to the economic regeneration of Dacorum.