

APPRENTICESHIPS

Submitted by: Executive Director Resources and Support Services

Portfolio: Finance and Budget Management

Ward(s) affected: Not Applicable

Purpose of the Report

To obtain approval for a proposal for the council to establish a Shared Apprenticeship Scheme with both public and private sector partner organisations.

Recommendation

That a Shared Apprenticeship Scheme be established as set out in this report to enable the employment of local young people and contribute to the economic regeneration of Newcastle-under-Lyme.

Reasons

To help support the worklessness agenda by increasing the number of employment opportunities for young local people to enable them to gain valuable work experience and a meaningful qualification as well as earning a wage.

1. Background

- 1.1 In previous years the council has employed up to 8 apprentices and work placements with funding support from the Future Jobs Fund which is no longer available. The apprenticeship budget had previously been reduced and the council currently employs a total of 4 apprentices across Streetscene (2), Garage Workshop and ICT.
- 1.2 The council's current workforce age and grade profile indicates an under representation of younger and/or less qualified or experienced employees. Currently only 4.3% of our employees are aged 25 or under. This compares with the Newcastle area in which 16-24 year old people constitute 13.5% of the working age population. Over the last three years the council's recruitment activities have been very limited due to the need to deliver significant savings and the Council's approach to managing vacancies and using redeployment to avoid compulsory redundancies as part of the savings process. This has impacted on the council's current employee profile. It is therefore necessary for the council to consider initiatives that promote the recruitment of young employees who can be developed to meet the Council's current and future talent needs.
- 1.3 Unemployment rates for younger people not in education are consistently high. 2011 saw high unemployment rates for 18 to 20 year olds since comparable records began in 1992: 36% of economically active 16-17 year olds who were out of school were unable to find a job. 67% of economically active 18-20 year olds who were out of school were unable to find a job.
- 1.4 Innovative ways are needed to increase the number of employment opportunities for young local people to enable them to gain valuable paid work experience and a meaningful qualification and this is why a Shared Apprenticeship Scheme is being considered. The apprenticeship scheme also addresses one of the Local Enterprise Partnership's key

priorities this is priority 6, 'ensuring the skills and training of our workforce meet business needs by encouraging the take up of apprentices across businesses in our local area'.

- 1.5 It is proposed to run a shared scheme working with various local public and private sector partners. The intention is to provide a number of apprenticeships working within the council and across participating organisations on a shared basis.
- 1.6 The Council would administer and coordinate the shared scheme and employ the apprentices on a fixed term contract. The apprentices would gain valuable work experience by working with two or more partner organisations for a set period of time during their apprenticeship. The Council would need to ensure that it only works with partners who are able to provide opportunities that are beneficial to the individual, so that they gain structured work experience that is focussed to meet the framework of their chosen career path and qualification.
- 1.7 The council will be responsible for monitoring the apprentice's progress during their work placements. Each apprentice will be given a clear development and work experience plan that is aligned to their qualification and training programme. This should ensure that they are able to apply what they have learnt in to the workplace.
- 1.8 This approach will allow the apprentice to gain a wider range of relevant experience and skills through sharing on the job experiences from different employers and improve their career prospects. It will also benefit existing employees by increasing their skills level through knowledge transfer from partner organisations.
- 1.9 The scheme will help pool together resources and share the burden and responsibilities of training apprentices with partners who may not have the time or resources to take an apprentice on for the full duration of an apprenticeship. In this approach no single organisation bears the total costs of financing the apprenticeship as the main financial contribution is towards the apprentices wage (plus the management fee) whilst they are working at the partner organisation during a work placement.
- 1.10 Services that have been identified to offer apprentices suitable work experience are within the following areas, which would also need to be available in the partner organisations:
 - Customer Service
 - Business Administration
 - Finance
 - Sports and Leisure
 - Parks
 - Grounds Maintenance
 - Streetscene
 - ICT
 - Garage Workshop
 - Warehousing/ Fork Lift

The benefits of the Scheme include:

- increases cooperative and partnership working;
- gives trainees a more varied work experience and hopefully increase further career opportunities;
- options of various partners to work with;
- choice of the most suitable training provider;
- ability to offer more apprenticeships by working cooperatively with partners;
- provides employment opportunities within the borough; and

- opportunity for the council to develop and be part of a high profile shared apprenticeship scheme.

2. **Issues**

- 2.1 The council needs to ensure there is an adequate supply of partners to host the apprentices. To date the following organisations have expressed an interest in participating in the Scheme:

Stoke-on-Trent City Council, Glendale, Croppers Grounds Maintenance, Stoke College, Newcastle College, Reaseheath College, Nuffield Health and M Club.

Further discussions are taking place with other potential partners.

- 2.2 Discussions have taken place with JET (Jobs Enterprise & Training) who will assist with the initial selection of potential apprentices to ensure their suitability.
- 2.3 It is essential that the individuals recruited on to the scheme are capable of completing an apprenticeship and are willing to work and to learn in their chosen career path.

3. **Options Considered**

- 3.1 **Option 1** (recommended)

Council's Shared Partnership Scheme as outlined above

Option 2

3rd Party Provider

- 3.2 The council joins a 3rd party Shared Apprentice Scheme taking in to consideration the following differences:

- Apprentices are recruited through the 3rd party preferred training provider;
- The 3rd party may only use one training provider;
- The 3rd party provider decides which partners to work with; and
- The 3rd party provider charge an additional management fee to the partner organisations.

Potential benefits of this option:

- The 3rd party provider is the formal employer and would co-ordinate the overall programme; and
- Reduces administration burden of employing apprentices directly.

Potential disadvantages:

- Limits range of Training Providers which may not deliver meaningful learning outcomes;
- Not being part of the recruitment process may not select the right candidate for the scheme;
- Increase in numbers not completing the programme;
- Increase the costs by paying a management fee;
- Due to increased costs may limit number of apprenticeships offered;
- Potential reduction in Partners participating in the scheme; and
- May limit the range of placements offered.

4. **Outcomes Linked to Corporate Priorities**

- 4.1 The initiative compliments the Sustainable Community Strategy in providing and improving economic wellbeing. It also addresses the council's priority a 'Borough of Opportunity'.

5. **Legal and Statutory Implications**

- 5.1 The National Minimum Wage which increases the wages depending on the apprentices' age after the first year of an apprenticeship.

6. **Equality Impact Assessment**

- 6.1 The council working in partnership with JET will ensure that the selection process is fair and does not discriminate on the grounds of sex, race, religion or belief, ethnic origin, age, marital status, disability, gender, marriage and civil partnership, or sexual orientation.

7. **Financial and Resource Implications**

- 7.1 Provision has been made in the 2013/14 budget of £40,000 to help finance the scheme.
- 7.2 At this stage it is difficult to ascertain whether or not the full budget would be needed as this depends on the number of partners joining the shared scheme, the council securing funding and the number of apprentices recruited.
- 7.3 The possibility is being explored of gaining government funding of between £1,500 up to £2,275 per apprentice which goes towards the salary bill.
- 7.4 Partner organisations would be invoiced for the duration of the placement and charged a management fee of approximately 20%. The management fee would need to cover administration, holiday pay, tax, employers national insurance and pension contributions. The % charged would be higher where apprentices opted to join the Local Government Pension Scheme.
- 7.5 Management of the Scheme will be undertaken by staff in the Human Resources team from within the existing resources.

8. **Major Risks**

- 8.1 Not enough partners join the Scheme.
- 8.2 Not enough suitable candidates are selected to join the Scheme.

9. **Sustainability and Climate Change Implications**

Not applicable.

10. **Key Decision Information**

Not applicable.

11. **Earlier Cabinet/Committee Resolutions**

Cabinet Meeting - 18 July 2012.

12. **List of Appendices**

Appendix A – Apprenticeships Shared Partnership Scheme 2012/13

13. **Background Papers**

None