

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

9th February 2012

**REPORT OF
CORPORATE
MANAGEMENT TEAM**

COUNCIL / CABINET DECISION

Corporate Management and Finance – Lead Cabinet Member – Councillor Harrington

YOUNG WORKER EMPLOYMENT

1. Summary

This report seeks approval to a new approach to the employment of apprentices and young people within the Council. It is linked to Item 8 on the Cabinet Agenda titled 'Communities Fund Exit Strategy'.

2. Recommendations

It is recommended that Cabinet:

- (i) Agree the approach to increasing the number of apprentices
- (ii) Agree the proposed method of funding
- (iii) Agree that future vacancies are monitored so that suitable vacancies are identified for apprenticeships

3. Reasons for the Recommendations/Decision(s)

To seek Members views on a revised approach to the employment of young workers and apprentices within the Council including support for a graduate trainee programme, apprenticeships, pre employment and 'work ready' support initiatives. Part of this approach will be tailored particularly to NEET's (not in employment, education and training), looked after children and other disadvantaged young people.

4. Members' Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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CABINET DECISION

Corporate Management and Finance – Lead Cabinet Member – Councillor Harrington

YOUNG WORKER EMPLOYMENT

SUMMARY

This report seeks approval to a new approach to the employment of apprentices and young people within the Council. It is linked to Item xx on the Cabinet Agenda titled 'Communities Fund Exit Strategy'.

RECOMMENDATIONS

It is recommended that:

- (i) Agree the approach to increasing the numbers of apprentices
- (ii) Agree the proposed method of funding
- (iii) Agree that future vacancies are monitored so that suitable vacancies are identified for apprenticeships

DETAIL

1. As well as supporting the national drive to develop apprenticeship opportunities, as the largest employer in the Borough the Council has a corporate social responsibility to respond to youth unemployment and to contribute to the future economic prosperity of the Borough by developing young workers.
2. Youth unemployment (claimant count) in the Borough is currently 12.9% compared to the overall unemployment rate for the Borough of 5.3%. The level of young people not engaged in employment, education or training (NEET) in Stockton is 10.2%, which is equivalent to 704 young people aged 16-19 (academic years 12, 13 & 14).
3. The Council also has a stated target to increase the diversity of its workforce, including an increase in the number of young workers.
4. Within the Council, three elements of the proposed way forward currently operate with varying degrees of success; these are work experience, apprenticeships and traineeships. The proposal is to coordinate and draw these elements together in a more systematic way to provide an effective and efficient development offer and maximise the opportunities to utilise the funding available.

5. **Work Experience** In the past work experience placements of up to 2 weeks have been provided within the Council for year 10 and 11 pupils. The statutory responsibility on schools to ensure work experience has been removed, and the demand for work experience placements has reduced drastically and may cease altogether next year. The responsibility in schools has refocused on work related learning, such as interview techniques and the development of soft skills, which employers will be asked to participate in. In the future, an offer of pre employment training could provide an opportunity for employers like ourselves to support young workers prior to leaving school to be 'work ready' and associated careers workshops could be used as an opportunity to encourage potential young workers to consider local government as a career.
6. **Apprenticeships** The Council has been supporting apprenticeships for a number of years by providing the training associated with placements. Currently we have 16 apprentices are employed within the Council, although numbers have been higher in previous years. (40 – 50).
7. The traditional trade apprenticeship has been modernised and covers a range of occupational areas. Apprenticeships are engaged in a learning framework, made up of the following components:
 - NVQ or Qualification Credit framework certificate award or diploma – of occupational competence for job role which is an assessment of **skills to do the job**
 - Technical Certificate – accredited **knowledge** to do the job
 - Functional Skills – **literacy and numeracy** raising the standards in this area as a minimum for employability purposes.
8. The frameworks can be combined to include a number of different levels of awards to create career pathways that look like the traditional trade apprenticeships with which many of us are familiar or can be stand alone depending on the nature of the occupational role placement and professional body requirements. In order to increase numbers of apprenticeships therefore the Council needs to provide the work placement opportunity i.e. the experience of work and the training opportunity so that an apprentice can develop their skills.
9. Apprentices have employed status and are given a fixed term learning contract for the duration of their training .There is no age limit to an apprenticeship and appointment to a vacancy does not remove apprentice status for the employee, this only occurs on completion of the qualification framework.
10. Currently our approach to offering apprentices relies on work placements sought by training providers. It is proposed that in future training opportunities for apprenticeships within the Council are identified in advance of advertising normally on an annual basis. This approach will allow us to tailor our opportunities to a range of young people. It is proposed that some 50% of these will be aimed at those who are most disadvantaged such as NEETs, Looked after Children or those with an offending history. This approach supports the needs identified through the evaluation of the Communities Fund and its impact on reducing levels of worklessness within the Borough. Other opportunities will be aimed at the most talented young people, supporting the Council's aim of increasing the number of young people in the workforce and its succession policy. For these, advertising will be timed to coincide with potential school and college leavers entering the employment market.

11. The following apprenticeship opportunities have already been developed with managers: 2 Civil Engineering, 2 Business Administration, 1 HR, 4 Catering, and 3 Horticulture apprenticeships, 12 in total. In addition we are currently actively exploring apprenticeships in ICT, Marketing, Youth Work, Teaching Assistants and Care Workers. Future opportunities could include Building Maintenance , Highways, Accountancy, Housing and Cleaning and Environmental Services
12. Support for young people with learning disabilities is currently provided through the Job Carving Scheme. In 2009, CMT pledged to provide 12 opportunities each year. Since then 12 young people have worked in the Council under this scheme although currently only 6 are employed. This programme therefore needs to be rejuvenated now the EIT programme is drawing to its conclusion.
13. Finally Corporate parenting responsibility needs to be considered as a part of a young workers strategy. Currently, this group of potential young workers have access to positive action initiatives i.e. training in work ready skills and a small budget to support work placement for apprenticeships. As a tool for transition to work, additional funding would enable more targeted support, an opportunity to be in a work environment and a supported employment model for potential young workers in our care. It has been agreed to increase this ring fenced budget (£20k) to 40k to enable the additional wage subsidies and expenses for up to 8 LAC apprentices in 2012 /13 to be full met. This would make such young people much more attractive to potential employers.
14. **Graduate Training Scheme.** The Council has participated in the National Graduate Development Programme in the past; this was a national scheme for high fliers who had the potential to become senior officers. However, this scheme was costly and it is therefore proposed that an in house graduate programme be developed to engage young workers who have completed degrees. A two year fixed term learning contract could provide the basis of employment and adoption of a pay model similar to the Future Jobs Fund model developed.
15. To ensure the successful implementation of this approach it is proposed that the Head of Human Resources and Communications would take on responsibility for the central coordination of apprenticeship/ trainee schemes and work experience /support to managers to include coordination of recruitment /employment and monitoring mechanisms and the development of a graduate trainee scheme. Working closely with other interested parties within the Council, HR would also be responsible for the identification and ring fencing of resources to provide wage subsidy for apprenticeships (including LAC) and graduate trainee salaries and to stimulate opportunities. In addition future vacancies will be monitored so that suitable vacancies are identified for apprenticeships.

This role would be accommodated within the current HR establishment.

FINANCIAL IMPLICATIONS

16. Currently the minimum wage for apprentices is £2.60 per hour for all apprentices in their first year and apprentices under 19 in their second year. Apprentices over 19 in the second year of their apprenticeship are eligible for the National Minimum Wage of £4.98 per hour for 18-20 year olds and £6.08 aged 21+. The cost of employing an 18 year old on a 2 year apprentice would therefore typically be £5k per annum, including the cost of training, (assuming the apprentice is under 19 throughout the second year of their apprenticeship).

17. As a large employer the Council has no entitlement to government wage subsidy, set up grant or inducements for apprentices. Currently, therefore all apprentices have to be funded within budget although the apprentice is entitled to their first qualification free of charge
18. As the Cabinet Report on the Communities Fund states at paragraph 20 'From local government to the civil service, public sector organisations face skills shortages and demographic challenges. Public sector organisations are usually the larger businesses in a locality and should be able to demonstrate their commitment to workforce development by helping and supporting young people in to sustainable employment and setting an example by practicing what we preach. This is funded within the Council Medium Term Financial Plan as part of a Communities Fund ABG Allocation.
19. In addition, Regeneration and Economic Development has managed to source a limited amount of funding (£25K) from a local philanthropist to support 2 or 3 young people into apprenticeships within the Council before April 2012, with the potential of additional funding in the new financial year if the programme is successful. The criteria for the funding are that the employer must be based in Stockton and the applicants must reside in Stockton and be disadvantaged in the labour market.
20. It is therefore proposed that The Council sets a target to create a minimum of 21 new apprenticeships in 2012/13 as follows:

2 posts to be partially funded by local philanthropist	£5k
18 posts to be created within the Council	£ 90k
+1 graduate trainee on a one-year contract.	£15k
8 posts for looked after children	£20k

Total Cost £ 130k of which £55k will be met from the under spend within the communities fund and the rest from those services employing apprentices. This funding is based on the provision of a 1 year apprenticeship. For 2 year apprenticeships further funding would need to be sought from the employing department.

A further £15k can be made available from within the corporate training budget to support development needs.

LEGAL IMPLICATIONS

21. Apprentices have employed status and are given a fixed term learning contract for the duration of their training .There is no age limit to an apprenticeship and appointment to a vacancy does not remove apprentice status for the employee, this only occurs on completion of the qualification framework. An apprenticeship contract has been developed for the Council in conjunction with legal services.

RISK ASSESSMENT

22. The appointment of apprentices is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

23. This will support the Council in tackling the worklessness agenda within the borough.

EQUALITIES IMPACT ASSESSMENT

24. This is judged to have a positive impact on equalities.

CONSULTATION INCLUDING WARD/COUNCILLORS

25. This is not a Ward specific matter. Relevant Cabinet Members have been consulted.

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<u>Background Papers</u>	None
<u>Ward(s) and Ward Councillors:</u>	Not Ward Specific
<u>Property</u>	Not applicable