

 Executive		Agenda Item No. 6
Title	Corporate Apprenticeship Fund	
For further information about this report please contact	Elaine Priestley – Senior HR Officer Tracy Dolphin – HR Manager	
Wards of the District directly affected		
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	Yes/No If yes state why	
Date and meeting when issue was last considered and relevant minute number		
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	Yes
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	Yes (If No state why below)

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	21.9.17	Chris Elliott/Andrew Jones/Bill Hunt
Head of Service	21.9.17	As above
CMT	21.9.17	As above
Section 151 Officer	21.9.17	Mike Snow
Monitoring Officer	21.9.17	Andrew Jones
Finance	21.9.17	Mike Snow
Portfolio Holder(s)	21.9.17	Andrew Mobbs
Consultation & Community Engagement		
Consultation has taken place with SMT/CMT and the recognised Unions		
Final Decision?	Yes/No	
Suggested next steps (if not final decision please set out below)		
Report to Employment Committee recommending the adoption of a Corporate Policy.		

1. **Summary**

- 1.1 The purpose of this report is to request funding to support a Corporate Apprenticeship Programme. A Corporate Apprenticeship Programme would operate in addition to the Council's agreed staffing establishment and budget.

2. **Recommendation**

- 2.1 The Executive approves a budget of up to £100,000 for 2018/19 and £150,000 per annum thereafter for a Corporate Apprenticeship Programme, with this being incorporated within the Medium Term Financial Strategy and considered as part of the Base Budget Report, subject to the agreement of the scheme by Employment Committee.

3. **Reasons for the Recommendation**

- 3.1 The creation of a fund for a Corporate Apprenticeship Programme will ensure the sustainability of a dedicated programme enabling the District Council to offer up to 8 apprenticeship opportunities at any one time.

The rationale for raising the number of apprentices employed by the Council and increasing the apprenticeship training offered includes:

- To address difficulties in recruiting into some hard to recruit to areas.
- An investment in new skills and planning for the future.
- The introduction of the Apprenticeship Levy commits the Council to paying a percentage of its paybill (0.5%) less an allowance of £15k per annum. This equates to approximately £50k for WDC for 2017/18 and is a recurring cost.
- The District Council has an ageing workforce so there is the potential to lose skills and create skills gaps as staff retire.

- 3.2 **Benefits to Apprentices** - Apprentices can gain the skills that WDC and other local employers need and that are relevant to the local economy, therefore improving their prospects of progressive earnings and sustained employment.

Other benefits include:

- learning while earning
- gaining a recognised qualification
- receiving off-the-job training specific to their apprenticeship
- working alongside experienced staff

- 3.3 **Benefits to the Authority** - Enables WDC to train staff to the level required, as well as assuring that there are people available with strong technical and good employability skills.

Other benefits include:

- staff are trained to the WDC's specific requirements
- apprentices can help fill skills gaps
- increased productivity
- a higher calibre of staff
- proven retention

4. **Policy Framework**

4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end the FFF People strand contains several Key projects of which the Salary, Benefits and Recruitment Review is one. This report shows the way forward for implementing a corporate Apprenticeship scheme which is a priority work stream as part of the review.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/productivity of local economy Increased employment and income levels
Impacts of Proposal		
The right people in the right jobs support the Council in delivering its intended outcomes.	The right people in the right jobs support the Council in delivering its intended outcomes	The right people in the right jobs support the Council in delivering its intended outcomes. The employment of apprentices will contribute to raising the skills of the local labour force and can support the employment of support specific groups, for example NEETS (Not in Education, Employment and Training)
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities

The right people are in the right job with the right skills and right behaviours		Seek best value for money
Impacts of Proposal		
To ensure we are competitive in being an 'Employer of choice' attracting, training and retaining talent to the District Council.	Creates additional capacity for staff to innovate, support change initiatives, and make best use of new technology.	Enables access to the Apprenticeship Levy funding

4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are explained here.

People Strategy

4.3 The People Strategy outlines the future needs of our workforce to enable us to attract, recruit and retain the right people; provide the development they need to allow them to grow and progress; manage potential and plan for the future. The way in which we lead and support our people is a key element to the successful delivery of quality services.

4.4 The review also seeks to recognise the plans that will enable the Council to recruit and retain staff of the calibre required to deliver its services efficiently and effectively.

4.5 **Impact Assessments** – Consideration has been given to equality issues.

5. **Budgetary Framework**

5.1 Costs incurred by implementing the proposed Corporate Apprenticeship Programme would be in addition to the Council's established staffing budget.

The proposed salary costs of an apprentice range between £7,814-£14,470 plus on costs subject to age, level of apprenticeship and whether 12 months have been completed.

Apprentices aged 19 and over, who have completed the first year of apprenticeship must be paid the National Living Wage for their age. This is currently between £5.60 to a maximum of £7.50 per hour.

The Council already has to pay approximately £50,000 to the Government Apprenticeship levy in 2017/18. The Council is effectively able to get this funding back to pay for training costs, but not to fund employment costs.

It is important to note the additional indirect costs, both monetary and time related. The opportunity cost is difficult to assess together with the impact on staff overall, some examples are:

- apprentice time spent 'off job' training
- manager time to plan, support and prepare their resources and the team
- training for mentoring

- HR support, time and costs to co-ordinate programme, interviews, training, work with managers, teams and apprentices to ensure the programme is fully supported.

5.2 The proposed apprentice pay scales are shown in the appendix. Depending on the nature of the apprenticeship, it may be necessary for these pay bands to be flexed.

5.3 The total cost of employing 8 apprentices could be up to 150,000. This has been included as a recurring cost within the Medium Term Financial Strategy and Base Budget for 2018/19 being considered by the 29 November Executive

5.4 It should be noted that £150,000 is a maximum cost based on 8 apprentices over 25 with one year's experience in the apprenticeship. In reality it is unlikely this will ever be the case however it covers all eventualities. In 2018/19 it is anticipated that a cohort of apprentices will be recruited to join the Council midway through the year. Consequently, for 2018/19, a lower figure of £100,000 is proposed and has been included within the Base Budget.

6. Risks

6.1 This scheme forms part of a wider initiative to mitigate any risks to the Council relating to future recruitment, retention and skills gaps. If a Corporate Scheme is not funded there is the potential risk to one of the work streams that support the effective workforce planning for the Council.

6.2 There may not be suitable vacancies or employment opportunities to retain apprentices at the end of the apprenticeship training.

7. Alternative Option(s) considered

7.1 Not to introduce a funded Corporate Apprenticeship Programme
- This was discounted as not meeting the Council's objectives to recruit, train and retain staff. It would also prevent access to the Apprenticeship Levy which the Council has to pay regardless of the number of apprentices employed.

8. Background

8.1 Like all Local Authorities Warwick District Council (WDC) has a low proportion of young people working for the organisation, with our Workforce Profile indicating that on 1st November 2017 from 474 members of staff 4.22% were aged between 18-24.

The proportion of older workers, the 55-64 age group is 21.52% and the over 65's 4.64%

This has implications for the resourcing of future service delivery, indicating the need for a more targeted approach to succession planning. One specific approach to address this age imbalance is to offer apprenticeships. This will help the organisation to address specific skills shortages by 'growing our own', as well as encouraging more young people to consider careers in local government.

As a public employer within the District, the Council can seek to lead by example, offering younger people opportunities to study for relevant national

qualifications at the same time as earning a salary, and contributing effectively to the District's economy.

A corporate policy/guidelines and dedicated support from HR will support managers/staff to understand and follow the process to recruit, manage, mentor and support apprentices and promote apprenticeships.

Organisational Benefits:

Supports key strategic objectives of the Council.

- Will contribute towards achieving a more balanced workforce as a workforce profile found the average age of a WDC employee is nearly 46 years.
- Help to raise the educational attainment of the WDC employees. This approach could also be extended to include employees 'at risk' in securing employment in a new role.
- Apprentices provide positive role models for the Council in their own communities.
- A means of replenishing 'high potential' candidates as older and more experienced workers leave the organisation.
- By 'growing our own' – securing higher retention rates through career pathways and reducing recruitment costs.
- Succession Planning – ensuring that we can identify employees potentially approaching retirement/or career progression and ensuring that knowledge and skills are not 'retired'/lost when the employee departs.
- Help tackle some staffing shortages, and reduced reliance on agency/temporary staff.
- Greater staff retention / reduced turnover.
- Apprentices have a positive impact on staff morale by stimulating new and fresh ideas.
- Provides existing staff with coaching and mentoring opportunities, contributing to CPD.
- Opportunities to work closer with partners and training providers; as well as actively exploring the option of becoming a training provider in our own right.

Community Benefits:

- Strengthen links and relationships between the Council and local communities, particularly if we recruit apprentices who reside in the District.
- Demonstration of a Council commitment to promoting inclusion, wellbeing and reducing poverty.
- A tool to tackle high local levels of Worklessness in specific groups – for example NEETS, (Not in Education, Employment and Training), particularly if we target recruitment to local people.
- Raise attainment and aspirations for the young people of Warwick District.
- Contributes to raising skill levels in the local labour workforce.

8.2 Subject to the Executive agreeing the funding a corporate policy/guidelines will be presented to Employment Committee. Dedicated support from HR will support managers/staff to understand and follow the process to recruit, manage, mentor and support apprentices and promote apprenticeships.

8.3 Subject to the funding and Corporate Policy being agreed and Employment Committee a recruitment campaign will be undertaken during National Apprentice Week in February 2018.