

REPORT TO: POLICY & RESOURCES COMMITTEE - 14 JANUARY 2012

REPORT ON: MODERN APPRENTICE SCHEME

REPORT BY: DIRECTOR OF CORPORATE SERVICES

REPORT NO: 27/2013

1. PURPOSE OF REPORT

The purpose of this report is to provide an outline of Dundee City Council's proposed approach to ramp up its contribution to the Modern Apprentice scheme by using a workforce development approach. The report will cover the proposed implementation and support arrangements for the approach and outline how this will allow Dundee City Council to lead by example by significantly increasing its contribution to the Modern Apprentice (MA) programme to provide more and better quality employment opportunities for young people in the City.

2. RECOMMENDATIONS

It is recommended that the Policy and Resources Committee:

- notes the business case for developing an increased Modern Apprentice programme in relation to the increasing challenge of youth unemployment, social return on investment and organisational benefits.
- confirms that it should adopt a workforce planning approach to Modern Apprentice development, with the potential to develop job creation elements if external or other funding options become available
- agrees to the development of an increased apprentice programme with an aspirational target of 50 Modern Apprenticeships.
- agree that the increased Modern Apprentice programme will be recognised as a core training function of the Council's Learning and Development Service.
- agrees to the creation of a specific Modern Apprentice Coordinator post (grade 9) to develop and implement the new approach recommended for an initial period of 2 years. The responsibility for maintaining the programme thereafter being adopted by the central training team reporting to the Social Work Departments' Learning and Workforce Development Manager.
- agrees that other Community Planning partners be encouraged to consider undertaking similar reviews to determine their capacity to support increased apprentice programmes.

3. FINANCIAL APPRAISAL

The increased MA programme would be developed and coordinated by a 2 year Modern Apprentice Coordinator post. This post has been graded at grade 9 based on currently identified duties (Job Description provided in Appendix 1). The salary scale would be £26,604 –£29,5158 (£33,449.48 - £37,204.62 with on costs) giving a maximum cost of £74,409 over 2 years. It is proposed that this could be supported by reallocating or seconding an existing member of staff or by seeking an additional percentage contribution from the training budgets of departments (a maximum 5% would be required).

The development of the MA programme would be further enhanced by the provision of an administrative resource to support the coordinator, which could be provided in the form of an MA. Exact costing's would depend on the wage rates agreed but based on 50% of the Living Wage from April 2013 this would be £7,186 or £8,460 with on costs, giving a maximum cost of £16,921 over two years.

The wider costs of employing 'workforce planning' modern apprentices will be met from the existing departmental budgets for staff costs. Through Skills Development Scotland (SDS) and their contracted training providers employers can access a contribution towards the cost of Modern Apprentice training. For many apprenticeship frameworks including most Level 2 apprenticeships the contribution funds the total cost of the training, for others wage savings can be used to fund the shortfall.

While coordination costs would be required to develop and implement the programme, these would be minimal in terms of the savings the programme would create by diverting young people from negative destinations. The Council spends significant amounts of public money each year providing services to people who have become disconnected with employment, this impacts on housing, social work services, welfare services and criminal justice. The implementation of an increased apprentice programme begins to directly address these issues through the creation of more quality employment opportunities targeted at this group.

4. MAIN TEXT

The Business Case for Increasing Modern Apprenticeships

Dundee City Council, after NHS Tayside is the biggest employer in the City. Dundee has the highest percentage of public sector workers of any Scottish city with 33.5% of the population employed in the public sector, compared to 27.4% in Scotland as a whole. Despite recent and planned reductions in staffing the impact on the local economy remains significant.

The Challenge of Youth Unemployment

Scotland along with comparable nations is facing an unprecedented challenge in relation to youth unemployment. Since the 2008 recession unemployment among 16 - 24 year olds in Scotland rose from 49,000 in early 2008 to a peak of 113,000 during the summer of 2011.

In Dundee the figures of young people claiming Job Seekers Allowance rose from 1,410 in June 2010 to 1,915 in June 2012. That accounts for 31.9% of claimants higher than the Scottish average of 29.7%. Dundee also has a high incidence of young people who are in the More Choices, More Chances group, (those who are not in employment, education or training) with 1098 of 16 - 19 year olds in this group. For young people who made the progression into a positive destination only 14.4 % of leavers entered employment which is 4.9% below the Scottish average, suggesting that there is a lack of employment opportunities for this group.

Young people are particularly vulnerable at times of recession as there is a marked reduction in entry level positions and they find it harder to compete with more experienced adult job seekers. We know from evidence from other recessions that prolonged periods of unemployment when young can scar young people and limit their life chances. Unemployment when young, increases the future likelihood of unemployment later in life, devalues skills developed at school and can be used as a screening tool by future employers.

Economic Impact

Investing in employing a young person is a preventative measure that will lead to significant long term savings in dealing with negative health and anti social behaviour issues. As well as the social cost of youth unemployment, the economic impact can be massive. The Scottish Government estimates that the life time cost of a single cohort of young people failing to make the transition into regular employment is estimated to be in the region of £2 billion.

Intervention in this area supports the emerging prevention and social return on investment agenda. This recognises the economic benefit of supporting a young person to make an effective transition into employment now, will have financial benefits in the long term in terms of savings in welfare, access to council services, health and criminal justice. While it is recognised that not all of the young people who secured apprenticeships would be from hard to help groups the creation of new MA positions targeted at the 16 - 19 year old group would have a significant impact on the cohort.

Policy Context

The increased programme will contribute to the Scottish Government's target of providing 25,000 apprenticeships in each year of the parliament and responds positively to the recommendations within Scotland's Youth Employment Strategy. The proposal will also directly support employment and youth elements within the Single Outcome Agreement and support the Fairness Strategy.

Locally the MCMC Total Place approach was established to provide a forum for taking a different look at the issues and services which surround the provision for young people who require or are at risk of needing More Choices and More Chances. This review identified very strongly that a key barrier to MCMC young people progressing was the lack of quality employment opportunities targeted at young people. An increased MA Scheme was a key "big idea" to emerge from the MCMC Total Place approach.

The development of a 'leading from the front' approach within the public sector also leaves the local authority in a much stronger position to encourage private sector employers to contribute through the development of their own Modern Apprentice programmes. The ability to evidence a planned approach will be beneficial when negotiating with private sector companies on their contribution to tackling youth employment.

The Council has also adopted a mandatory Community Benefits from Procurement Policy in September 2012 which aims to secure maximum economic and social benefits from procurement within legal frameworks. This will secure additional modern apprentice opportunities through working with nominated contractors - particularly for construction programmes and it is right that the Council can also evidence its support for the programme.

Planning for the Future

The development of an increased Modern Apprentice programme will also support the Council to develop as an organisation through the provision of increased training and through introducing systems to improve succession planning and encourage a younger age profile.

A Modern Apprenticeship is an employment opportunity which includes a training element whereby young people, or adults, follow a recognised 'apprentice framework'. Modern Apprentice Frameworks are available at SVQ Level 2, Level 3 and Level 4 (equating broadly to jobs at craft, technician and management level), can take from 1 to 4 years to complete and are available in a wide range of occupational areas.

As well as providing access to a structured training framework, investment in Modern Apprenticeships are an effective way of bringing young people into an organisation. This ensures a fresh perspective, result in new ideas and ways of working and support public sector organisations to better represent the communities they serve. The council, like other public sector organisations, faces a demographic challenge in relation to the age profile of their workforce. In May 2012, 38.5% of staff were over 50 with 8.6% over 60. At the same time less than 4% of staff were under 25 and of those less than 0.4% of staff were between the ages of 16 - 19. The provision of an increased MA programme will support workforce planning within the organisation, providing access to entry level and progression training and begin to tackle the age imbalance of the workforce, with its impact on succession planning.

5. THE RECOMMENDED MODEL

There are two major options for taking forward an increased MA programme. A workforce planning model, which involves assessing post which become vacant for their potential to become apprenticeships and uses existing resources to fund them or job creation approaches which involve securing additional funding to create new employment opportunities.

It is recommended that the City Council adopts a Workforce Planning Model, with job creation elements and the potential to expand these should additional external funding be secured. This proposed approach involves transforming the way that the organisation recruits and requires very high levels of organisational 'buy in' to ensure sufficient opportunities are created. To ensure that the new approach has sufficient momentum an aspirational target of 50 Modern Apprentice opportunities is suggested for 2013/2014. This would more than double the Council's current apprentice programme and would represent a stretching target to help 'kick start' the new approach. As some apprentices would be in post for more than 1 year this would not be intended to be a year on year target rather a stretching target to progress the new approach. The approach requires the organisation to re-think its traditional approach to recruitment. Managers will be required to consider all vacancies with a view to whether it is possible to appoint a Modern Apprentice and develop that person on the job and in line with an identified training framework. In addition, Level 2 MA opportunities may be identified in additional to established posts.

Workforce Planning Approach

When an established vacant post is assessed as appropriate for an Modern Apprentice opportunity, the post would remain in the organisation establishment for the remainder of the apprenticeship programme (either 1, 2, 3 or 4 years depending on the framework) until the young person had completed their training. If the young person had completed their apprenticeship successfully they would then undertake a competency based interview and if successful would move into the established post (the post would not be advertised).

As these Modern Apprentice opportunities will only be identified when there is an established post it is likely, that if they are competent, a high level of apprentices will be retained in their positions – supporting the council to address its demographic challenge while ensuring in time a qualified workforce and providing an established progression route for the young person. There is no anticipation with this approach that the department will be required to 'back fill' the apprentice opportunity when the young person is qualified.

It is recommended that these apprentices are paid at a percentage of the qualified grade for their post and that their wage increases as a percentage of the qualified grade with each year of their apprenticeship. The recommended wage model would be in line with other

established models. The exception to this would be where an existing post is identified in an area which has a recommended wage framework – like construction where the recommendation would be to adopt the recommended rate for that area. More information about apprentice wage rate options is provided in Appendix 2.

Level 2 Modern Apprenticeship

This approach would be an extension to the established approach currently operated to support the MA Business Administration within the council. Modern Apprentice opportunities will be identified by Council Departments on an ad-hoc basis, these opportunities should not be existing posts and will be additional to establishment.

The young people will be employed in a fixed term contract for a period of 12 months – sufficient time to complete a Modern Apprentice Opportunity at Level 2. The programme will be extended beyond Business Administration to other Level 2 apprentice frameworks to allow departments to provide opportunities which better fit their operational areas. Young people completing Level 2 Modern Apprenticeships which have been identified in this way will not be retained after their apprentice period but will be supported through links with employability partners to apply for positions in the wider labour market. It is recognised that the current progression route for young people on this programme to competitively apply for entry level clerical positions in the Council is likely to be removed as replacement established posts themselves become apprenticeships. This programme will represent part of the contribution to the Council's corporate social responsibility, to develop the employability requirements of young people to prepare them for the wider labour market and has the potential to be targeted at young people in harder to help groups.

It is recommended that MA Level 2 apprentices who are identified in this way are paid at a percentage of the Living Wage – recommended at 50% or £3.72 per hour which would place them below the minimum wage for a 16 – 18 year old at £4.98 per hour but significantly above the apprentice minimum wage of £2.65 and above the hourly rate paid by many other comparable local authorities.

The continuation of this approach as an element of any future programme is recognised as essential for allowing the Council to make an impact in this area and meet its target for new MA opportunities.

Policy Proposals

To support this ambitious target a series of linked proposals are recommended to encourage departments to provide Modern Apprentice opportunities.

- Introduction of a council wide recruitment recommendation which actively prioritises new employment opportunities as Modern Apprenticeships.
- The current vacancy justification to be amended to include an assessment of the posts suitability to become an apprenticeship. This would be supported by the recruitment recommendation with its presumption that new opportunities will be prioritised for apprenticeships. The MA Coordinator would be involved in the assessment process in the first instance with this being mainstreamed to current staff when the approach was established.
- Introduction of council wide departmental apprentice targets and regular reporting of departments' progress toward targets to ensure that all areas contributed.
- MA Coordinator to support the setting of and achievement of department targets by actively working with senior officers in departments to proactively assess posts for their potential to be MAs.

- Retention of the provision (currently used to recruit Business Administration Modern Apprentice) to recruit Level 2 Modern Apprentices on an ad-hoc basis with a recognition that they would be outwith established posts.
- To explore options for considering applications under the Voluntary Early Retirement/ Voluntary Retirement VR Scheme on the basis of not filling the post but providing a Modern Apprentice opportunity.

Support Arrangements

As per the Review of Staff Training Function report it is recommended that the ramped up Modern Apprentice programme become the responsibility of a strengthened corporate training team that would report to the Social Work Department's Learning and Workforce Development Manager. In the mid to long term it is envisioned that this team, with support from their Social Work learning and development colleagues, would be in a position to coordinate and manage an established increased modern apprentice programme. However it is recognised that additional resource will be required in the short term to fully design, develop and pilot the programme. This development approach is recommended based on the Social Work Departments successful experience of establishing the Social Care Academy. The Modern Apprentice model recommends a similar approach with the creation of a 2 year MA Coordinator post, with administrative support to establish and develop the programme. The specific responsibilities of the coordinator are outlined in the job description in Appendix 1

Target group

It is proposed that opportunities be targeted at the 16 - 19 year old group to be able to access SDS apprentice funding and make the biggest impact on Dundee's low level of progression into employment in this age group. A targeted recruitment approach will be established with schools and employability partners rather than open recruitment. Opportunities would be competitive but additional steps would be put in place to support target groups including guaranteed interviews, coordination of work experience programmes and incentives programmes where possible. Opportunities would be actively sought to fund additional enhancements for target groups (notably care leavers). Full use of partnership arrangements with existing employability providers including Get Ready for Work, Activity Agreement and Life Skills providers would be used to develop supported pathways into the opportunities. A programme of apprentice support would also be implemented including investigating the development of an employability award, mentoring support and formal linking of candidates to job brokerage support at the end of their programmes.

The City Development team will continue to seek opportunities to secure funding to support enhancements to the approach. The development of a more coordinated central approach will mean that the council is in a better position to respond to new funding opportunities.

6. NEXT STEPS

The next steps for the Modern Apprentice Scheme ramp up would be to confirm approval of the approach and to proceed with implementation. This will involve:

- Approval of the creation and funding of an Modern Apprentice Coordinator and administrative support and subsequent recruitment.
- Wider Consultation on the Model –consultation planned with the Workforce Planning Group. Further discussions will also be required with SDS, major training providers and employability partners to confirm support arrangements. Roll out an implementation plan

including confirmation of number of target apprentices, identification of opportunities within departments and amendments to recruitment policies

- Report back to Policy and Resources Committee with an update on progress made

7. CONCLUSION

To directly contribute to the unprecedented challenge of youth unemployment posed by the current recession, to lead from the front with other public and private sector employers and to respond to the Scottish Governments policy priorities the council must act.

The recommended approach provides an affordable option which will also help the City Council with succession planning and introducing a more representative workforce.

The delivery of the Modern Apprentice Scheme approach represents a substantial exercise across the Council and must be suitably resourced, directed and managed. The Council, in line with other public sector bodies should embrace this initiative and seek to gain the potential benefits

8. POLICY IMPLICATIONS

This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no issues in this regard to report, however the recommendations contained in this approach will positively impact on the Councils Fairness, Anti Poverty and Economic Development objectives. Specifically the development of this policy will secure additional employment opportunities in the form of apprenticeships for young people.

An Equality Impact Assessment has been carried out and will be made available on the Council website <http://www.dundee.gov.uk/equanddiv/equimpact/>

There are no major issues.

9 CONSULTATION

The Chief Executive, Head of Democratic and Legal Services and other Chief Officers have been consulted in the preparation of this report. Consultations have also been held with the Trade Union Representatives and Workforce Planning group. The proposed approach has also been shared with Dundee Partnership Management Group.

10 BACKGROUND PAPERS

Scotland's Youth Employment Strategy - Action for Jobs - Supporting Scotland Young People into Work, June 2012

Review of Staff Training Function – Report to Policy and Resources Committee January 2013

Marjory M Stewart, Director of Corporate Services

20 December 2012

JOB DESCRIPTION – SOCIAL WORK DEPARTMENT

IDENTIFICATION

Post Title:	Modern Apprentice Co-ordinator	Post Ref:
Section:	Learning and Workforce Development	Grade: 9
Responsible to:	Service Manager	
Responsible for:	Clerical Assistant	

JOB PURPOSE

To develop, manage and administer all aspects of the Council's Modern Apprentice initiative.

PRINCIPAL WORKING CONTACTS

- 1 Senior officers within the council regarding apprentice opportunities
- 2 Other outside bodies, agencies and training providers as required.
- 3 Employability staff
- 4 Modern Apprentices

MAIN DUTIES

1. Promote and develop an expanded modern apprentice programme in Dundee City Council
2. In conjunction with Senior Officers in departments and Human Resources, consider and assess vacant and new posts for their potential to become apprenticeships.
3. Liaise with Skills Development Scotland contracted training providers to source appropriate Modern Apprentice frameworks and training which reflect the needs of different departments.
4. Match apprentice frameworks to key job roles at different levels.
5. Support departments to achieve their modern apprentice targets
6. Support departments in the recruitment and selection of modern apprentices including the development of a recruitment and selection model to support modern apprenticeships in partnership with employability partners.
7. Develop and co-ordinate "Get ready for work" work placements and Activity Agreements, throughout Dundee City Council.
8. Develop and agree internal progression routes for Dundee City Council modern apprentices and arrange and agree support arrangements for those who cannot be retained.
9. Liaise with Other Departments (e.g. Environment Department) linking in where possible regarding the provision of training initiatives
10. Provide support to departmental supervisors with regard to coaching and mentoring including the provision of training.

11. Ensure that an employability element is included in all modern apprentice opportunities, in partnership with employability staff
12. Coordinate the development of programmes to support harder to reach groups in partnership with employability colleagues including exploring pre-recruitment models and formal links with placement programmes including “Get ready for work” and Activity agreements.
13. Contribute to the effective administration and record keeping of the Learning and Workforce Development section.
14. Coordinate funding arrangements for modern apprenticeships.
15. Actively seek funding resources to expand the modern apprentice scheme
16. Prepare and present reports for Senior Management Team
17. Monitor outcomes of the scheme in relation to the Single Outcome Agreement and Fairness Strategy
18. Promote opportunities for Modern Apprentices outwith the Council and share good practice with neighbouring authorities and Community Planning Partners

OTHER DUTIES

This job description is a broad picture of the post at the date of preparation. It is not an exhaustive list of all possible duties and it is recognised that jobs change and evolve over time. Consequently, this is not a contractual document and the post holder will be required to carry out any other duties to the equivalent level that are necessary to fulfil the purpose of the job.

Modern Apprentice Wage Information

Craft Hourly Wage Rates

1st Year	2nd Year	3rd Year	4th Year
£3.45	£4.46	£7.06	£9.15

	Hourly Rate
Apprentice Minimum Rate *	£2.65
Minimum wage rate for 16 - 17 year old	£3.68
Minimum wage for 18 - 20 year old	£4.98
Minimum wage rates for 21 and over	£6.19
50% Current Living **Wage	£3.60
Current Living Wage ***	£7.20
50% Living Wage (from April 2013)	£3.72
Living Wage (from April 2013)	£7.45

All costs exclude employer costs

*Apprentice Rate -applies only for apprentices who are under 19 years old or in the first year of their apprenticeship