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Title of Report:	Employing Apprentices in the Council
Report to be considered by:	Personnel
Date of Meeting:	14 th December 2011
Forward Plan Ref:	

Purpose of Report: To seek agreement for a measures to promote the employment of 16-18 year old apprentices in the Council

Recommended Action: To approve the use of the National Minimum Wage to pay apprentices aged 16-18
To presume in favour of approval of fixed-term posts created by services, from either temporary vacancies or savings/income, to employ such apprentices
To set a target for Heads of Service to engage a minimum of 10 apprentices across all services

Reason for decision to be taken: An increase in apprentice numbers will support the Council's targets with respect to NEETs, and take advantage of the Government's fully funded training offer.

Other options considered: Budget pressure to fund a corporate scheme, including salaries for a specified number of posts and administrative support.

Key background documentation: National Apprentice Service website
CB report September 2009 on Apprentices

The proposals contained in this report will help to achieve the following Council Plan Priority(ies):

- CPP1 – Support our communities through the economic downturn** – to alleviate the impact on different communities and individuals who find themselves out of work and/or disadvantaged
- CPP2 – Raise levels of educational achievement** – improving school performance levels
- CPP3 – Reduce crime and the fear of crime**

The proposals will also help achieve the following Council Plan Theme(s):

- CPT1 - Better Roads and Transport**
- CPT2 - Thriving Town Centres**
- CPT3 - Affordable Housing**
- CPT4 - High Quality Planning**
- CPT5 - Cleaner and Greener**
- CPT6 - Vibrant Villages**
- CPT7 - Safer and Stronger Communities**
- CPT8 - A Healthier Life**
- CPT9 - Successful Schools and Learning**
- CPT10 - Promoting Independence**

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- CPT11 - Protecting Vulnerable People
- CPT12 - Including Everyone
- CPT13 - Value for Money
- CPT14 - Effective People
- CPT15 - Putting Customers First
- CPT16 - Excellent Performance Management

The proposals contained in this report will help to achieve the above Council Plan Priorities and Themes by:
improving the opportunities for young people to gain valuable paid work experience with training within the Council

Portfolio Member Details	
Name & Telephone No.:	Councillor Anthony Stansfeld - Tel (01488) 658238
E-mail Address:	astansfeld@westberks.gov.uk
Date Portfolio Member agreed report:	14/11/11

Contact Officer Details	
Name:	Jane Milone
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Implications

Policy: The report seeks a change to the Council's pay policy. The pay structure in WBC (as set out in the 1999 Terms and Conditions document) is based on the National Joint Council pay spine. The minimum point used in the Council is SCP4. In order to make the scheme to employ apprentices viable, we need to be able to pay them on one of the National Minimum Wage rates. This would reflect the lack of experience and skill of 16-18 year olds who are entering the workforce for probably the first time.

Financial: The proposals will have a neutral financial impact. Financial approval would continue to be a requirement for any post established to employ apprentices. The cost of training is currently funded at the rate of 100% by the Government. If there are any financial implications contained within this report this section **must** be signed off by a West Berkshire Finance Manager. Please note that the report cannot be accepted by Policy and Communication unless this action has been undertaken.

Personnel: Any increase in the employment of young people in training posts will increase the support needed from HR to line managers. HR will produce a tool kit for employment and induction and liaise closely with training providers.

Legal/Procurement: n/a

Property: n/a

Risk Management: n/a

Footer to be completed by Policy & Communication

West Berkshire Council

name of decision body

date of meeting

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Equalities Impact Assessment:

see appendix A

Where a decision is required, Policy and Communication are not able to accept your report without an EIA Stage 1 being completed (Appendix A to this report). Further information and an EIA Stage 2 form can be found at: www.westberks.gov.uk/eia. For advice please contact Principal Policy Officer (Equality & Diversity) on Ext. 2441.

Corporate Board's Recommendation:

Corporate Board supported the proposals and requested that special emphasis be placed on recruiting apprentices among our own care leavers
To be completed after the Corporate Board meeting.

NOTE: The section below does not need to be completed if your report will not progress beyond Corporate or Management Board.

Is this item subject to call-in?	Yes: <input checked="" type="checkbox"/>	No: <input type="checkbox"/>
If not subject to call-in please put a cross in the appropriate box:		
The item is due to be referred to Council for final approval	<input type="checkbox"/>	
Delays in implementation could have serious financial implications for the Council	<input type="checkbox"/>	
Delays in implementation could compromise the Council's position	<input type="checkbox"/>	
Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months	<input type="checkbox"/>	
Item is Urgent Key Decision	<input type="checkbox"/>	

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Executive Summary

1. Introduction

- 1.1 This report considers options for increasing the number of 16-18 year old apprentices employed by the Council.
- 1.2 Key issues for consideration are;
 - (1) The ability of the Council to pay such apprentices on the National Minimum Wage
 - (2) The ability of Heads of Service to create fixed-term apprentice posts
- 1.3 The report rejects the option of seeking a budget pressure to create a Council-wide scheme, including funding for new posts and an administrative resource to run the scheme.

2. Proposals

- 2.1 It is proposed that HR seek agreement with the trade unions to payment of the National Minimum Wage (NMW) for 16-18 year old apprentices using a model framework similar to that used currently for schools.
- 2.2 It is proposed that there is presumed approval for apprentice posts (subject to confirmation by Accountancy of funding), and it will only be refused if there are serious financial or other concerns.
- 2.3 There will be two main ways in which 16-18 apprentice posts will be created;
 - (1) Where a post becomes vacant through resignation or retirement, or part of a post becomes vacant as a result of the employee voluntarily reducing their hours (e.g. post maternity leave). The Head of Service could seek to convert the post, on a temporary basis for one year. Depending on the staffing budget available, this could create one or two apprentice posts at the NMW.
 - (2) Where a Head of Service can demonstrate non-staff savings or income generation which could be used to fund an apprentice post. The Head of Service could seek to establish a new post for a year at the NMW.
- 2.4 In neither case would the post be a permanent one. The approval would be for the appointment of an apprentice on a one year fixed term contract. At the end of the year, the vacant post would revert to its original status. Apprentices would have the opportunity to apply for the permanent post alongside other internal applicants.
- 2.5 Portfolio holders will be expected to monitor the implementation of a Council target to employ at least 10 apprentices per year.

3. Conclusion

- 3.1 Approval of a limited scheme to encourage the employment of 16-18 year olds in fixed-term jobs with training would support the Council's wider objectives which

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include supporting the community through difficult economic times and improving employment prospects for care leavers..

Executive Report

1. Introduction

- 1.1 In September 2009, Corporate Board and Management Board approved proposals for the Council to expand its opportunities for apprentices. These were;
- (1) Identify all eligible existing employees who would be eligible and encourage them to engage in an apprenticeship.
 - (2) Introduce a policy of considering all vacancies occurring up to a particular grade for 'trainees', with a generic trainee job description and grade.
 - (3) Publicise apprenticeships across the Council by providing information, links and guidance for managers and employees
 - (4) Work with West Berkshire Training Consortium (WBTC) on a joint bid for Future Jobs Fund money and, if successful, put together a plan to establish at least 30 new fixed term jobs across the Council for apprentices.
 - (5) Implement the draft Work Experience Policy, and liaise with partner agencies to ensure that we include E2E people in the programme.
- 1.2 These proposals have been implemented and the Future Jobs Fund scheme was a great success with 27 young people (aged 18-24) employed for at least six months with training provided by WBTC. The FJF scheme was withdrawn by the Government in summer 2010.
- 1.3 However, there is still more that the Council could do to expand opportunities for the employment of young people in jobs with training, to help to achieve our own targets for reducing those not in employment, education of training (NEET), taking advantage of current Government funding available for training within the apprenticeship frameworks.
- 1.4 This paper sets out proposals for creating new jobs for apprentices aged between 16 and 18. The key barriers that exist currently are;
- (1) Union opposition to payment of any employee at a rate below the minimum of the WBC pay scales, which is seen as undermining terms and conditions and potentially removing graded posts from the establishment.
 - (2) Political resistance to any increase in the staffing establishment of the Council
 - (3) The current tight financial climate within the Council
- 1.5 Unison and GMB were consulted on the proposals following Corporate Board approval. Unison's response was not positive, and so HR will need to do some work to ensure that sufficient safeguards are put into the scheme to allay their

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concerns. These concerns are summarised in the words of the Branch Secretary – “We are still very nervous that these apprentices could be expected to fulfil the role of a much higher grade and would not get the support required for an apprentice role as existing staff already have a heavy workload.”

- 1.6 Schools have begun to employ young apprentices in the last year, following the development by HR of a ‘toolkit’ of job description, person specification and pay rates.

2. Schools

- 2.1 Schools manage their own budgets and are able to determine their own staffing establishment. However, they are constrained by the School Staffing Regulations in the rates of pay that they can use.
- 2.2 In the last few months several schools have expressed interest in employing young apprentices using the opportunity of free (Government funded) training for those aged 16-18. However, the minimum pay rate on the Council’s pay scales was so far above the National Minimum Wage (NMW) for apprentices that it made it difficult for them to create new trainee jobs.
- 2.3 In September 2011, Unison and GMB agreed that schools could use the NMW rates to pay apprentices in schools, provided they were working to a restricted set of duties which were appropriate to the role and reflected its nature and the lack of experience of the apprentice.
- 2.4 The resultant model job description (drawn up by HR) has been adopted by schools and has proved extremely popular, leading to opportunities for young people to gain experience in the classroom, in nursery and early years settings, and in the school office.

3. Funding training costs

- 3.1 Apprenticeship funding is available from the National Apprenticeship Service. The size of the contribution varies depending on the sector and the age of the candidate, and is paid to the organisation providing the training (e.g. Newbury College or West Berkshire Training Consortium).
- 3.2 If the apprentice is aged 16–18 years old, 100 per cent of the cost of the training is available; if they are 19-24 years old, up to 50 per cent; if they are 25 years old or over there may be a contribution depending on the sector and area (for example, there is currently 100% funding for Management Apprenticeships at Level 3 for non-graduates of any age).
- 3.3 Apprenticeships normally last for up to one year, depending on the nature of the job and the skills of the individual appointed.

4. Options

- 4.1 There are two options which could achieve the aim of increasing apprenticeship opportunities within the Council for young people. Both options require the creation of new posts, for the purpose of employing apprentices on fixed-term contracts. Both require agreement to use the NMW pay rates (see appendix B) for apprentices to make them affordable. Either;

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- (1) Posts to be created individually by Heads of Service, either extra to establishment (funded from savings and/or income generation), or by temporary conversion of vacant posts which already exist on the establishment into training posts; or
- (2) Additional funding to be provided (as a budget pressure) to create a central scheme for apprentices. The funding would provide salaries for a specified number of posts and a small amount to provide for the administration of the scheme (probably in HR). Heads of Service could bid for posts in their area. This would be similar to schemes in other Councils, such as Kent.

5. Proposal

- 5.1 It is probably unrealistic to expect money to be found for a central 'pot' to provide funding for new apprentice posts. Therefore, it is proposed that option (1) above is pursued.
- 5.2 Fundamental to this proposition's success is securing agreement with the trade unions to payment of the NMW for 16-18 year old apprentices. The lower wage has been approved by the Government to reflect the fact that such employees are entering the workforce for the first time, with limited skills and experience, and that the employer will be required to have significant input into training on the job.
- 5.3 It is proposed that HR seek this agreement using a model framework similar to that used for schools. It is likely that any agreement will involve assurance about a tight set of conditions aimed at protecting the employment and pay terms of WBC employees in established posts, and ensuring that the employment of apprentices does not undermine more secure employment opportunities at the Council.
- 5.4 Also fundamental is securing political agreement to a system which will allow the creation of apprenticeship posts 'extra' to the establishment without having to argue the case from scratch each time. We achieved such agreement for FJF posts two years ago, but these were fully funded by the Government. It is proposed that there is presumed approval for such posts (subject to confirmation by Accountancy of funding), and it will only be refused if there are serious financial or other concerns.
- 5.5 There will therefore be two main ways in which 16-18 apprentice posts will be created;
 - (1) Where a post becomes vacant through resignation or retirement, or part of a post becomes vacant as a result of the employee voluntarily reducing their hours (e.g. post maternity leave). The Head of Service could seek to convert the post, on a temporary basis for one year. Depending on the staffing budget available, this could create one or two apprentice posts at the NMW.
 - (2) Where a Head of Service can demonstrate non-staff savings or income generation which could be used to fund an apprentice post. The Head of Service could seek to establish a new post for a year at the NMW.
- 5.6 In neither case would the post be a permanent one. The approval would be for the appointment of an apprentice on a one year fixed term contract. At the end of the

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year, the vacant post would revert to its original status. Apprentices would have the opportunity to apply for the permanent post alongside other internal applicants.

- 5.7 In order to ensure that these proposals can move forward, it is proposed that portfolio holders have the responsibility for monitoring the implementation of a Council-wide target to employ at least 10 apprentices each year.

6. Other considerations

- 6.1 Close liaison with apprenticeship training providers should be established by HR. These are likely to be West Berkshire Training Consortium and Newbury College, though others may also be involved.
- 6.2 Consideration should be given to the recruitment of apprentices. This scheme will be restricted to 16-18 year olds which makes it especially suitable for looked after children leaving the care of the authority. Any recruitment strategy should prioritise this pool of young people. Other agencies, such as West Berkshire Training Consortium and Jobcentre Plus, and the National Apprenticeship Service should be used to advertise and/or recruit to vacancies.
- 6.3 A tool kit will should be developed by HR with model job descriptions and person specifications. A specific induction package should also be developed for line managers to ensure that the young people, who may have no previous work experience, are supported to integrate quickly and effectively into the workforce.

Appendices

Appendix A – Equality Impact Assessment – Stage 1
Appendix B – National Minimum Wage @ October 2011

Consultees

Local Stakeholders:

Officers Consulted: Corporate Board

Trade Union: Unison and GM have been consulted.

Equality Impact Assessment – Stage One

Name of item being assessed:	Proposal to create opportunities for employment of apprentices aged 16-18 years
Version and release date of item (if applicable):	November 2011
Owner of item being assessed:	Jane Milone
Name of assessor:	Jane Milone
Date of assessment:	31 st October 2011

1. What are the main aims of the item?
<p>To encourage the employment of young apprentices within the Council, by;</p> <ul style="list-style-type: none"> • allowing the Council to pay apprentices below the current minimum of it pay scales, using the National Minimum Wage for apprentices aged 16-18. • allowing apprentice posts to be temporarily created from vacant posts, or from savings/income where approved by Accountancy

2. Note which groups may be affected by the item, consider how they may be affected and what sources of information have been used to determine this. (Please demonstrate consideration of all strands – Age, Disability, Gender, Race, Religion or Belief and Sexual Orientation.)

Group Affected	What might be the effect?	Information to support this.
Age	People over 18 will not be able to apply for the posts created under this scheme	The proposal is specifically aimed at young people aged between 16 and 18.

Further comments relating to the item:

The discrimination in favour of young people aged 16-18 can be objectively justified because it seeks to address a local and national target to reduce the number of young people not in education, employment or training (NEET) by offering employment with training to this group. The focus on this age group is directly related to the government funding available for apprenticeship training – it is 100% funded for this age group.

3. Result (please tick by double-clicking on relevant box and click on ‘checked’)

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<input type="checkbox"/>	High Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/>	Medium Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/>	Low Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
x	No Relevance - This does not need to undergo a Stage 2 Equality Impact Assessment

For items requiring a Stage 2 equality impact assessment, begin the planning of this now, referring to the equality impact assessment guidance and Stage 2 template.

4. Identify next steps as appropriate:	
Stage Two required	
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	
Stage Two not required:	

Name:

Date:

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Appendix B

Salary Rates for Apprentices

NMW = National Minimum Wage

Salary Rate	fte annual salary @ 37 hours a week	hourly rate
NMW apprentice during first year*	£5,015.87	£2.60
NMW age 16	£7,099.38	£3.68
NMW age 18	£9,028.56	£4.68
NMW age 21	£11,729.41	£6.08
WBC scale point 4	£12,145.00	£6.30

*this rate may only be paid during the first year of any apprenticeship. After one year, the relevant NMW rate for the age of the individual must be paid.