

Title of Report:	Update on Apprentices
Report to be considered by:	Executive
Date of Meeting:	13 February 2014
Forward Plan Ref:	EX2753

Purpose of Report:

To seek approval for:

1. A change to the pay rates for apprentices with effect from 1st April 2014.
2. Two apprenticeship posts to be created; one to be funded by Public Health and a budget to be identified by the Head of Finance.
3. To provide information for the Executive on the employment of apprentices at the Council to date.
4. To set a target of appointing a minimum of 15 apprentices each year.

Recommended Action:

1. To establish one apprenticeship post reserved for a disabled applicant. This post to be funded by, and placed in, Public Health in 2014/15.
2. To establish one apprenticeship reserved for a Looked After Child (LAC) applicant. This post to be funded from a budget to be identified by the Head of Finance (a budget pressure).
3. With effect from 1st April 2014 to pay all new and existing apprentices the age related national minimum wage (NMW) unless the Head of Service creates a more responsible apprenticeship role which will be paid on the minimum spinal column point on the WBC pay grades.
4. The Executive to set a target for Directorates to employ a minimum of 15 apprentices each year (five per directorate unless otherwise agreed at Corporate Board).

Reason for decision to be taken:

Requested by Management Board.

Other options considered:

To discontinue the scheme. Rejected for the reasons described in the report.
To continue to pay most apprentices on the NMW for Apprentices. Rejected for the reasons described in the report.

Key background documentation:

none

The proposals contained in this report will help to achieve the following Council Strategy priority:

CSP2 – Promoting a vibrant district

The proposals will also help achieve the following Council Strategy principle:

CSP5 - Putting people first

Portfolio Member Details	
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Date Portfolio Member agreed report:	9 January 2014

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Implications

Policy: None

Financial: Apprenticeships are paid for from existing service budgets. This report suggests that funding is allocated for two particular apprenticeship posts: one reserved for a Looked After Child (LAC) applicant and one reserved for a disabled applicant (both under age 19 on appointment). The funding for the disabled applicant post will come from the Public Health and Wellbeing service budget, which will employ the disabled applicant in 2014/15. The funding for the LAC applicant will come from a budget to be identified by the Head of Finance (a budget pressure). The cost will depend on the ages(s) of the applicant(s) and will range from £14,314 pa to £19,355 excluding on-costs. Assuming WBC employs 15 apprentices per year the financial implications of the proposed change to the rate of pay will depend on the age of the apprentices. The difference between the current rate of pay and the proposed rate of pay will be between £30,015 pa (if all recruits were under 18 for the whole of their 12 month apprenticeship) and £67,815 pa (if all recruits were aged over 18 for the whole of their 12 month apprenticeship). This additional cost will be absorbed by service budgets when they decide to recruit an apprentice. There is no budget pressure.

Personnel: In report

Legal/Procurement: None

Property: None

Risk Management: None

Is this item relevant to equality?	Please tick relevant boxes	Yes	No
Does the policy affect service users, employees or the wider community and:			
• Is it likely to affect people with particular protected characteristics differently?		<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Is it a major policy, significantly affecting how functions are delivered?		<input type="checkbox"/>	<input type="checkbox"/>
• Will the policy have a significant impact on how other organisations operate in terms of equality?		<input type="checkbox"/>	<input type="checkbox"/>
• Does the policy relate to functions that engagement has identified as being important to people with particular protected characteristics?		<input type="checkbox"/>	<input type="checkbox"/>
• Does the policy relate to an area with known inequalities?		<input type="checkbox"/>	<input type="checkbox"/>
Outcome (Where one or more 'Yes' boxes are ticked, the item is relevant to equality)			
Relevant to equality - Complete an EIA available at www.westberks.gov.uk/eia			<input checked="" type="checkbox"/>
Not relevant to equality			<input type="checkbox"/>

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"/>	
Report is to note only	<input type="checkbox"/>	

Executive Summary

1. Introduction

- 1.1 This report updates the Executive on the apprenticeship recruitment scheme in WBC (excluding schools).
- 1.2 The Personnel Committee decision in December 2011 to encourage the recruitment of apprentices has resulted in a rise in the number of young people employed by the Council.
- 1.3 Apprentices must be aged 19 or under when starting their training with West Berkshire Training Consortium (WBTC) to attract government funding. The wage costs of the apprentices are met from existing service budgets (for example by using funding from an employee moving from full to part time employment after maternity leave).
- 1.4 The national minimum wage (NMW) for apprentices is £2.68 per hour. This rate was sufficient to attract sufficient quality applicants in the past but the most recent recruitment campaign in November 2013 attracted no applicants. This is probably because the economy is improving and £2.68 per hour is no longer a competitive rate in the recruitment market for young people.
- 1.5 Two services have developed a job description with more responsibilities and these two apprentices are paid on Grade B on £6.69 per hour (one in Libraries and one in ICT).

2. Proposals

- 2.1 This report recommends that a target is set for the recruitment of a minimum of 15 apprentices per year (five per directorate unless otherwise agreed by Corporate Board).
- 2.2 This report recommends that funds are earmarked for one apprenticeship reserved for a disabled applicant under 19 on appointment. The external training is free for applicants under 19 on appointment. Lesley Wyman (Head of Public Health and Wellbeing) has volunteered to fund the salary costs from her service budget and employ this person in 2014/15.
- 2.3 This report recommends that the Head of Finance identifies a budget to fund one apprenticeship reserved for a Looked After Child (LAC) applicant under 19 on appointment. This is a budget pressure.
- 2.4 This report recommends that with effect from 1st April 2014 the pay rate for apprentices is the age-related National Minimum Wage. For under-18 year olds this is £3.72 per hour. For 18-20 year olds this is £5.03 per hour. The higher rate(s) will be more likely to attract quality candidates than the current rate of £2.68 per hour. Assuming that WBC appoints 15 apprentices per year the additional cost of this change to the wage rate will be between £30,015 pa and £67,815 pa.
- 2.5 Heads of Service will continue to be able to recruit on the minimum point of Grade B (£6.69 per hour) where the apprenticeship post has a more responsible job description.

3. Equalities Impact Assessment Outcomes

3.1 No negative equality issues – see appendix A.

4. Conclusion

- 4.1 The apprenticeship scheme has been successful to date but with the economy picking up it is time to increase the hourly rate from £2.68 per hour to ensure that it remains successful in future. The age-related national minimum wage (NMW) rates are significantly higher than the current NMW for apprentices pay rate.
- 4.2 Approval for two funded apprenticeships, one for a disabled applicant and one for a LAC applicant, will help achieve the Council's Public Sector Equality Duty.

Executive Report

1. Introduction

- 1.1 The current apprenticeship scheme was agreed by Personnel Committee on 14th December 2011. The scheme allows new apprenticeship posts to be added to the WBC establishment when created by individual services. No new money was provided for the scheme and services have to fund any apprenticeships from existing service budgets.
- 1.2 Apprentices are employed on a one year fixed term contract.
- 1.3 The trade unions were consulted in 2011 and agreed that WBC could pay the national minimum wage (NMW) for apprenticeship posts if the posts were 'supernumerary'. 'Supernumerary' means that the apprentice post is an addition to the staffing structure of a service and the post would not need to be replaced when it ends.
- 1.4 A report was taken to Personnel Committee on 14th December 2011 to approve the change to the Council's pay and grading structure to allow payment of the NMW for apprentices. The NMW for apprentices is £2.68 per hour from 1st October 2013.
- 1.5 If an apprenticeship post has additional responsibilities the apprentice is paid at Grade B (£6.69 to £7.71 per hour). There are currently two apprenticeships posts which are paid on Grade B (one in Libraries and one in ICT).
- 1.6 West Berkshire Council already had apprentices in some services in 2009/10 (16 apprentices were employed, funded by the now defunct 'Future Jobs Fund'; 10 remained in employment with WBC after the scheme ended).
- 1.7 In early 2012 HR contacted all Heads of Service and launched a recruitment campaign to increase the number of apprentices.
- 1.8 In 2012, West Berkshire Council was awarded a Certificate of Excellence by West Berkshire Training Consortium (WBTC). The certificate is the highest accolade given to companies who show exceptional leadership in the provision of apprenticeships to local young people.
- 1.9 The Disability Equality Scrutiny (DES) Board asked the Head of HR on 18th July 2013 to include in this report a request to the Council to fund an apprenticeship to be reserved for a disabled young person. Suitable applicants would be provided by Job Centre Plus. Lesley Wyman (Head of Public Health and Wellbeing) has volunteered to fund this post and employ the successful applicant in 2014/15.
- 1.10 This report recommends that the Council funds an apprenticeship from a budget to be identified by the Head of Finance which would be reserved for a Looked After Child (LAC) applicant (this is a budget pressure). This funded apprenticeship post would be offered to services. Suitable LAC applicants would be provided by the Communities Directorate.
- 1.11 Apprentices are employed on a fixed term contract for one year, during which time they undergo a structured programme of work and training, aiming to achieve and NVQ Intermediate level 2 in a relevant subject.

2. Partnership with West Berkshire Training Consortium (WBTC)

- 2.1 To support the recruitment and training process, since 2012 the Council has worked in partnership with West Berkshire Training Consortium who:
- (1) Support the advertising process through raising awareness of WBC apprenticeship vacancies with job-seekers;
 - (2) Provide funding for qualification training and provide the off-the-job training (for those who are 16, 17 or 18 years of age at the start of the apprenticeship there is no cost to the employer for this training);
 - (3) Support line managers with developing a work-based training and development programme for the apprentices; and
 - (4) Support the apprentices through their year of work and training.
- 2.2 If a service chooses to use the template job description provided by Human Resources the apprentice has been paid on the National Minimum Wage for apprentices of £2.68 per hour (see Appendix B).
- 2.3 If the role requires any prior knowledge or skills, or requires a higher level of responsibility, the job description is submitted to HR for approval to pay on a Grade B.
- 2.4 A generic advert is placed on the West Berkshire Council website and the WBTC website. Applicants are asked to click a link to the dedicated apprenticeship vacancies page which links to the WBC online application system powered by Jobs Go Public.
- 2.5 Applicants are provided with a brief overview of the apprenticeship scheme; a copy of the job description; and details of how to apply for the vacancy online. In addition, the vacancies are publicised through recruitment fairs, libraries, secondary schools, sport centres, local businesses, Facebook and weekly feeds through Twitter.
- 2.6 Once the campaign has closed (after one month), HR reviews the applicants to ensure they are the correct age for available funding and they do not currently hold a Level 2 Intermediate NVQ in the same subject (which would mean that funding for training was not available).
- 2.7 Successful applicants are invited to attend an assessment centre, as the first stage of the selection process. This is held in the Council Chamber and comprises:
- (1) A clerical checking test, designed to assess speed and accuracy in checking detailed information. The test consists of 40 questions and applicants are given 7 minutes in which to complete the test;
 - (2) A written exercise;
 - (3) An overview of the recruitment process.
- 2.8 At this stage, applicants are also asked to nominate a preferred area of work.

- 2.9 The results of the ability testing undertaken at the assessment centre are provided to service managers and they begin the short-listing process, assessing applicants against the job description and person specification.
- 2.10 Shortlisted applicants are invited to attend a recruitment interview with the service manager, which forms the final stage of the recruitment process. Service managers confirm to HR the applicant whom they wish to appoint.
- 2.11 Unsuccessful applicants are asked by HR whether they would like their application to be put forward for any other apprenticeship vacancies.

3. Appointment and induction process

- 3.1 Apprentices under the age of 19 have been paid on the national minimum wage (NMW) for apprentices (£2.68 per hour from 1st October 2013) or, where the responsibilities of the post are at a higher level, on Grade B (range £12,915-£14,880 per annum/£6.69 to £7.71 per hour).
- 3.2 Once an appointment has been made, the service manager receives confirmation of the new starters' induction course with West Berkshire Training Consortium (WBTC).
- 3.3 The under-19 age group is able to access fully-funded training, via West Berkshire Training Consortium. Recruitment to apprenticeship vacancies has therefore been limited to this age group.
- 3.4 The NVQ Assessor from WBTC makes contact with the service manager to book the first meeting to discuss developing a support programme for the apprentice.
- 3.5 HR organises an induction event and encourages the apprentices to meet together for social and networking benefits. This has met with limited success to date as most of the apprentices prefer to bond with their new teams rather than with other apprentices.

4. Training provided to apprentices

- 4.1 National Vocational Qualifications (NVQs) are work based awards that are achieved through assessment and training.
- 4.2 West Berkshire Council offers apprenticeships at Level 2. This level involves the application of knowledge in a significant range of varied work activities, performed in a variety of contexts. Collaboration with others, perhaps through membership of a work group or team, is often a requirement. Level 2 is equivalent to GCSE grade A*-C.
- 4.3 To achieve an NVQ, apprentices must prove that they have the ability (competence) to carry out their job to the required standard. NVQs describe the 'competencies' expected in any given job role (based on national occupational standards). Apprentices work towards an NVQ that reflects their role.
- 4.4 WBTC advises that apprentices should commit around 1.5/ 2 hours per week to their electronic portfolio. This is the NVQ competency part of the training.

4.5 Apprentices also undertake a Knowledge and Technical Certificate, achieved in 12 taught sessions (half days) over the year.

4.6 All WBC apprentices to date have undertaken Level 2 qualifications in Business Administration or Customer Services.

5. Numbers of apprentices appointed to date

5.1 In 2012:

(1) 18 Apprentices were appointed from two rounds of recruitment in April and June 2012 (excluding schools).

5.2 In 2013:

(1) 17 apprenticeships were advertised.

(2) Three apprentices were appointed to start in September 2013.

(3) A further three apprentices have been appointed outside the main round of advertising, totalling six new appointments.

(4) Social care apprenticeships are less popular than office based apprenticeships.

(5) The November 2013 recruitment campaign had no applicants.

6. Next steps for apprentices recruited in 2012

6.1 One apprentice has secured a one year fixed term contract as an Administrative Assistant with the Registration Service based at Shaw House

6.2 One apprentice has secured a permanent post within Adult Social Care as an Adult Social Care Admin Assistant.

6.3 One apprentice has remained working for Libraries following her apprenticeship as Apprentice Library Assistant and has also taken up a further post as Community Learning Assistant.

6.4 One apprentice was successfully appointed internally to the post of HR Administrator within the Training team on a permanent contract.

6.5 One apprentice secured employment outside the Council working as a Teaching Assistant in the SEN Department at a local Academy School.

6.6 One apprentice secured employment with Stacatruc as an Administration Assistant.

6.7 Two apprentices left the scheme before completing the one year apprenticeship, one applying to university.

6.8 One apprentice left at the end of the fixed term contract to go travelling.

6.9 Three apprentices left at the end of their apprenticeships with no confirmed destination.

6.10 Four apprentices are employed as casual workers in social care.

6.11 Two apprenticeships are due to end in March 2014.

6.12 Six apprenticeships will end in 2014/15.

7. Recommendation to pay the age related national minimum wage (NMW) with effect from 1st April 2014

7.1 The NMW for apprentices is £2.28 per hour. As the economy improves this is now too low to attract quality candidates. Therefore this report recommends an increase in the rate paid to apprentices.

7.2 An alternative to paying £2.68 ph would be to instruct Heads of Service to pay on Grade B for apprentices in future recruitment rounds from April 2014. However, this would probably reduce the number of posts in the apprenticeship scheme because services might not be able to absorb the increased costs within existing budgets.

7.3 Therefore this report recommends a compromise which will see future apprentices paid on a higher rate from 1st April 2014, but not so high that it might reduce the number of apprenticeship posts created by services. The higher rate recommended is the age-related NMW. This is £3.72 for under-18 year olds and £5.03 per hour for 18-20 year olds. The job description at Appendix B will apply for this rate of pay.

7.4 The increase in the wage rate will have the following financial consequences. Assuming that WBC appoints 15 apprentices per year, the additional cost of this change to the wage rate will be between £30,015 pa and £67,815 pa. If all the apprentices were below aged 18 for the whole 12 months of their apprenticeship the additional cost would be as follows: £3.72 x 37 x 52 x 15 minus (current rate) £2.68 x 37 x 52 x 15 = £30,015 pa. If all the apprentices were aged 18 or over for the whole 12 months of their apprenticeship the additional cost would be as follows: £5.03 x 37 x 52 x 15 minus (current rate) £2.68 x 37 x 52 x 15 = £67,815 pa.

7.5 Four apprentices employed in 2013 will move from the lower rate of £2.68 to the higher age related national minimum wage on 1st April 2014. They are in ASC, C&EP (2) and Customer Services. Two other apprentices are on Grade B and will not be affected.

7.6 It is recommended that a target of 15 apprentices per year is set. This is five per directorate (unless the distribution is agreed differently by Corporate Board).

8. Recommendation for an apprenticeship reserved for a disabled applicant.

8.1 The idea of reserving an apprenticeship post for a disabled applicant aged under 19 was put to the Head of HR at the meeting of the Disability Equality Scrutiny (DES) Board on 18th July 2013. The DES Board asked that their idea was included in this report.

8.2 It is difficult for disabled young people to find employment and a reserved post for a disabled young person (under 19) would ensure that at least one young disabled young person was employed by WBC every year (fixed term for one year).

- 8.3 Implementing this idea will help with the public sector equality duty to "advance equality of opportunity between people who share a protected characteristic and those who do not".
- 8.4 It is not unlawful to do this because being a non-disabled person is not a 'protected characteristic' under the Equalities Act.
- 8.5 Establishment of the post would help to promote disability awareness in the service concerned. Disabled applicants would be provided by Job Centre Plus.
- 8.6 Public Health and Wellbeing have volunteered to fund and recruit to this post in 2014/15

9. Recommendation for an apprenticeship reserved for a Looked After Child (LAC)

- 9.1 The Communities Directorate is keen to reserve an apprenticeship for a young person under 19 who is a Looked After Child (LAC).
- 9.2 LAC applicant(s) would apply to the apprenticeship scheme in the normal way, albeit to a reserved place. This would mean that at least one LAC applicant will be recruited each year to an apprenticeship post (fixed term for one year).
- 9.3 The apprenticeship for a LAC applicant will be funded from a budget to be determined by the Head of Finance. This is a budget pressure. The post would then be offered out to services.

10. Conclusion

- 10.1 The Council has successfully increased the number of young people employed as apprentices over the last two years. This report recommends that a target of employing 15 apprentices per year is set (five per directorate).
- 10.2 This report recommends that the practice of paying apprentices on the NMW for apprentices of £2.68 per hour is ended with effect from 1st April 2014 because this pay rate now fails to attract any good quality candidates as the economy picks up.
- 10.3 This report recommends that existing and future apprentices are paid on the age-related NMW. This is £3.72 per hour for under age 18 and £5.03 per hour for 18-20 year olds. The job description shown at Appendix B will apply for this rate of pay.
- 10.4 This report recommends that an apprenticeship post is reserved for a disabled young person as requested by the DES Board to be recruited in 2014. Public Health and Wellbeing will fund and recruit to this post in 2014.
- 10.5 This report recommends that an apprenticeship post is reserved for a LAC applicant as requested by the Communities Directorate. This post will be funded from a budget to be determined by the Head of Finance. This is a budget pressure

Appendices

Appendix A – EIA

Appendix B - template job description for NMW apprentice.

Consultees

Local Stakeholders: N/a

Officers Consulted: Corporate Board

Trade Union: Consulted – in favour of proposed changes.