

ANGUS COUNCIL

STRATEGIC POLICY COMMITTEE – 19 MARCH 2013

MODERN APPRENTICESHIPS (YOUTH EMPLOYMENT)

JOINT REPORT BY CHIEF EXECUTIVE AND DIRECTOR OF INFRASTRUCTURE SERVICES

ABSTRACT

This report seeks committee approval to further develop the council's commitment to, and participation in, the Modern Apprenticeship Programme to support youth employment across Angus.

1 RECOMMENDATIONS

1.1 The committee:

- (i) note the business case for supporting modern apprenticeship opportunities offered across the council in relation to the increasing challenge of youth unemployment.
- (ii) agree that the council support an aspirational target of 30 new modern apprenticeship opportunities across the organisation in 2013/14 as outlined in Section 3 of this report.
- (iii) agree that modern apprentices be paid an hourly rate of 50% of the adopted living wage with the exception of craft apprentices who would be paid as per national industry rates.
- (iv) note that all modern apprenticeship opportunities will continue to be managed through the council's Towards Employment team.
- (v) note that other community planning partners have agreed to consider their capacity to support increased modern apprenticeship opportunities.

2 BACKGROUND

2.1 In 2012 the Scottish Government stated its commitment to youth employment by appointing Angela Constance, MSP, as Minister for Youth Employment and, in June 2012, by publishing its youth strategy with the intention of addressing Scotland's growing youth employment issues.

2.2 Within this strategy Scottish Government declared its intent to 'secure senior level commitment across the public sector to supporting young people into work'.

2.3 This intent was expressed as:

- Offering modern apprenticeships, work experience and student placements.
- Making use of community benefit clauses or influencing the supply chain in other ways to create opportunities for young people.
- Increasing the proportion of young people in the public sector workforce.

2.4 This report addresses modern apprenticeship opportunities within the council.

2.5 It follows on from a meeting of the Angus Community Planning Partnership in September 2012 when partners agreed to develop a partnership response to the issues surrounding youth employment and the lack of employment opportunities available in the area.

- 2.6 The committee is asked to note that other measures in the governments' youth employment strategy, ie work experience, student placements, community benefit clauses etc are also being progressed on behalf of the community planning partnership and a report to committee will follow in due course.
- 2.7 The proposals have been developed against the following backcloth:
- The unemployment claimant count for those aged 18-24 in Angus sits at 7.2%, above the Scottish average of 6.9%. This is in comparison to an overall unemployment claimant count in Angus of 3%, lower than the Scottish average of 3.9% (source: Nomis December 2012).
 - In terms of school leavers entering a positive destination Angus sits at 93.5% (2011/12 figures – source: Skills Development Scotland), however only 19.2% are entering employment.
 - 35.5% of Angus school leavers enter further education, considerably higher than the Scottish average of 26.8%, but compared to the high claimant count for 18-24 year olds it may suggest that employment opportunities are limited once leaving further education.
- 2.8 Modern apprenticeships are considered as a positive route to help address youth employment. They are well suited to young people and school leavers as they are work-based programmes that combine practical training with study and work. They can take between 1 and 4 years to complete depending on the level of apprenticeship.
- 2.9 All apprenticeships are industry recognised qualifications across a number of vocational areas, with individuals receiving a wage from their employer whilst they complete their qualification.

3 PROPOSAL

- 3.1 Following visits by officers from the Towards Employment team to council departments it is anticipated that the council could support up to 30 new modern apprenticeship opportunities in 2013/14 based on the following breakdown within the new departmental structure:

People	- 12
Communities	- 8
Resources	- 8
Chief Executive's	- 2

- 3.2 It should be noted that these figures are aspirational as they are dependent upon suitable opportunities arising within departments.
- 3.3 There are currently 12 modern apprentices within the council. Opportunities have to date been identified by council departments on an ad hoc basis and have often been additional to the establishment.
- 3.4 The target of 30 modern apprentices requires a more planned approach. Accordingly it is proposed that as a post becomes vacant it is assessed for its potential to become a modern apprenticeship. This would apply to all posts which are vacated albeit some may not be suitable.
- 3.5 This 'workforce planning approach' will require very high levels of organisational 'buy-in' to ensure sufficient opportunities are created and the Towards Employment team and Personnel will develop procedures accordingly.
- 3.6 Adopting this approach as the primary means of developing apprenticeship opportunities will not necessarily replace the current approach which could still apply should there be additional funding available either from internal or external funding sources.
- 3.7 The government has set the minimum wage level for apprenticeships at £2.65 per hour, albeit craft apprenticeships normally pay higher as national industry rates apply.
- 3.8 As the committee will be aware the council adopted a living wage of £7.45 per hour with effect from 1 January 2013 and in recognition of this, and recognising that the modern apprentices are undergoing a period of 'training', it is proposed that modern apprentices within the council be paid at 50% of the living wage, ie £3.72. National industry rates would continue to apply to craft apprentices.

- 3.9 The proposed approach, as above, will contribute to the development of employability requirements for 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. Investing in the skills and worth ethic of our youth today is viewed as a preventative measure, to help lessen the prospect of unemployment and with it a number of the social and health issues that this may bring as they grow older.
- 3.10 It will also provide a lead to other community planning partners supporting modern apprenticeships. The committee is asked to note that the Towards Employment team will be visiting partners to encourage them to review their current approach to addressing youth employment and to increase their commitment to modern apprenticeships.
- 3.11 The targeted approach also compares favourably to the response from other councils across Scotland to support modern apprenticeship programmes. Locally both Dundee City Council and Perth and Kinross Council are supporting the recruitment of up to 50 modern apprenticeship opportunities.

4 RISKS

- 4.1 There are two potential risks associated with the proposal to support up to 30 new modern apprenticeships.
- 4.2 Firstly, recruitment of modern apprentices is dependent upon suitable vacancies existing within departments. The target figure can only therefore be aspirational.
- 4.3 Secondly, should there be a requirement to seek redeployment opportunities for permanent staff the potential pool of apprenticeship opportunities may be lower than would otherwise be the case.

5 FINANCIAL IMPLICATIONS

- 5.1 The Towards Employment team currently contract with Skills Development Scotland for funding to meet modern apprenticeship training costs. As long as these costs are covered by current contractual arrangements there will be no cost to the council for training.
- 5.2 Departments will meet wage costs, including employer costs and where appropriate travel and subsistence costs from the existing budgets allocated for any posts identified as suitable for filling with a modern apprentice. The Council's financial pressures and its need to reduce its workforce to meet those pressures will make delivery of the aspirations in this report challenging but not unachievable.

6 HUMAN RIGHTS IMPLICATIONS

- 6.1 There are no human rights implications associated with the terms of this report.

7 EQUALITIES IMPLICATIONS

- 7.1 The issues dealt with in this report have been the subject of consideration from an equalities perspective. An equalities impact assessment is not required.

8 SINGLE OUTCOME AGREEMENT

- 8.1 This report contributes to the following local outcome contained within the Angus Community Planning Single Outcome Agreement 2011-15:

- We have a sustainable economy with good employment opportunities.

9 CONSULTATION

- 9.1 The Assistant Chief Executive, Director of Corporate Services, Head of Finance and Head of Law & Administration have been consulted on the terms of this report. The trade unions have been consulted on the proposals within this report.

10 CONCLUSION

- 10.1 The proposals in this report are seen as part of a corporate response to help address youth unemployment and increase to proportion of young people in the council workforce.

RICHARD STIFF
CHIEF EXECUTIVE

ERIC LOWSON
DIRECTOR OF INFRASTRUCTURE SERVICES

FC/HMR

NOTE No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.