

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	8 February 2013
Title:	Hampshire Youth Investment Programme: Part 1 (Apprenticeships, Internships and Future Skills Centres)
Reference:	4589
Report From:	Director of Children's Services

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1. Executive Summary

- 1.1. At its meeting in December 2012 Cabinet discussed a paper about the development of the *Hampshire Youth Investment Programme*. It requested further information in relation to apprenticeships and in relation to a scheme to support a number of undergraduates.
- 1.2. This report sets out proposals to expand the number of apprentices within the County Council's workforce to 1,000 in five years, to include interns. A separate paper considers the issues relating to the undergraduate scheme and will be brought to the March meeting of Cabinet.
- 1.3. The report also makes an outline proposal to explore the development of 'Future Skills Centres'.

2. Contextual information

- 2.1. As of 30 September 2012, the County Council employed 442 16-24 year olds. This represents 3.5% of the workforce. It employs just 28 16-18 year olds. 3,215 staff (25%) are 55 or older. Further details of the age profile of the County Council's workforce appear at Appendix 1.
- 2.2. Some work is already done to attract young people into the County Council's workforce and to support them when they are there. An 'Internship Plus' scheme is already in operation and 21 people have been supported in this way.
- 2.3. The County Council already offers some apprenticeships. It has employed 83 apprentices since 2009. A detailed breakdown of their current positions appears at Appendix 2. In summary, most are employed in jobs elsewhere

following their apprenticeships, although 20 remain in permanent jobs within the County Council.

- 2.4. As a major employer within Hampshire, the County Council could do more to give people a first step on the employment ladder, and to meet its own future business needs by retaining some of these into permanent employment for the future. This would accord with Government policy and mirror the very best practice from the private sector. Increasingly, local, national and multi-national organisations are making a significant investment in apprenticeships and internship programmes to foster innovation, fill skills gaps, meet future workforce requirements more widely and address business needs. The County Council is no different, needing as an organisation 'open for business' to prepare its staff of the future for that business.
- 2.5. If this is to take place a step change is needed. A more active recruitment of apprentices, in particular, is needed.

3. The Proposals

- 3.1. Many more apprentices would be recruited into the County Council's workforce. We would aim to recruit 200 apprentices or interns, each year – the large majority to be apprentices – for five years based on an Annual Apprentices Recruitment Plan that will need to be agreed with each department. The apprentices would occupy permanent full time positions.
- 3.2. There are three levels within the apprenticeship framework – intermediate, advanced and higher. The higher level leads to a level 4 qualification (Foundation Degree or HNC/D equivalent) and is generally seen as an alternative for college leavers to going to university. It can also be seen as a development opportunity for existing employees, including suitable people who have flourished during their Internship Plus programme.
- 3.3. This is an initiative for the whole County Council and all departments would need to move towards an 'Apprentice First' policy so that any A-C post made vacant, or known to be becoming vacant, and for which approval to recruit is given, is considered by the recruiting department as an apprenticeship vacancy. There were 5,508 posts at these grades in the County Council's workforce as of 30 September 2012, though not all are full time. A breakdown of staff by grade appears at Appendix 3.
- 3.4. Given that about half of vacant posts graded in the A-C band are secured as internal promotions by existing staff it is estimated that in the region of 60% of the remaining full time vacancies on these grades would need to be recruited as apprenticeships, for the target of 170 each year to be hit. In the year to September 2012 there were 542 vacancies of 0.8 FTE or more, at grades A-C.
- 3.5. All apprentices would be permanent employees of the County Council but a consortium of high quality post 16 training providers, including colleges and the County Council's own adult and community learning service, approved by the Education Funding Agency (EFA) and the Skills Funding Agency (SFA), would undertake the more formal aspects of skills development. This would include essential qualifications missed by some people during their

secondary education – grade Cs at GCSE in English or mathematics for example.

- 3.6. All apprentices would be provided with a mentor at Grade F or above for the duration of their apprenticeship. Mentors will also be drawn from the Leader's Futures Group programme. All the evidence of the County Council's work in this area to date points to mentoring of good quality as a critical success factor in supporting people to progress.
- 3.7. Although timescales are tight the scheme could begin in April 2013, with the recruitment of the first cohort of apprentices to take up their posts in September 2013.
- 3.8. Alongside the growth in the number of apprentices, the County Council would also aim to increase the number of people following the Internship Plus programme, up to 20 people per year. This is a programme aimed at Care Leavers. There is also a smaller programme called 'Into Employment' that is aimed at young people with learning difficulties and/or disabilities, and we would aim to increase the number of people following that programme up to 10 each year. These programmes do not need to be altered from that which is currently offered.
- 3.9. If the number of people set out in these proposals was recruited, applying the current annual turnover of 22% for the 16-24 age group, employing 850 additional apprenticeships and recruiting 150 interns could increase the count to an estimated 1,330 by 2018, or 10.5% of the total workforce.
- 3.10. A draft simple 'factsheet' for potential apprentices, setting out the key features of the apprenticeship scheme, is set out at Appendix 4.

4. Future Skills Centres

- 4.1 *Hampshire's Youth Investment Programme* is about changing the profile of the workforce of the County Council, but it is part of a wider strategy. That strategy includes an exploration of the development of *Future Skills Centres*.
- 4.2 It is proposed that *Future Skills Centres*, operated by high quality post 16 training providers and/or colleges, would support the County Council's strategic commissioning role post 16, and future workforce requirements in priority areas – in health and social care, for example. The purpose is to support young people into training and development in areas of the economy where staff are needed, not those where they are not.

5. Finance

- 5.1 The majority of costs of the apprenticeships part of *Hampshire's Youth Investment Programme* are already covered by existing budgets. This is because apprentices are not supernumerary. Apprentices occupy permanent, full-time posts that would otherwise be filled by people who were not apprentices. The salaries would be paid anyway.

- 5.2 Some strengthening is needed in terms of managing the apprenticeship scheme and in terms of apprentices' learning and pastoral support. Each department will have an Apprentices' Champion and there will be a County Manager sited within Children's Services. These roles will be filled by existing staff, some of whom will be found from spare capacity within Hampshire Learning Centre.
- 5.3 In terms of the three apprenticeship programmes, additional costs are related to recruitment and to the fees that will need to be paid for apprentices who are 19 or older. The County Council, as the employer, would be liable for 50% of the fees, for people aged 19 and over (the Government funds 100% for 16-18 year olds, but only 50% for people older than that), as well as supporting the individual to attend periods of study and to undertake workplace assessment.
- 5.4 These additional costs, i.e. those not covered from existing budgets, including some underspends on existing budgets, are estimated to average out at £34,000 per year, a total of £171,000 over the life of the scheme, and will need to be considered as part of the 2013-14 budget process. A contribution of £20,000 has been secured from the National Apprenticeship Service (NAS) for the first year of the scheme with the possibility of further support in future years.
- 5.5 A full specification for *Future Skills Centres* needs to be developed, but it is envisaged that revenue funding would come not from the County Council but from the Education Funding Agency and the Skills Funding Agency.
- 5.6 There are no additional budget implications for the Internship Plus scheme or for the 'Into Employment' scheme.

6 Performance

- 6.1 Performance will need to be judged in a number of ways: recruitment, retention, and the degree to which job performance is maintained and improved.
- 6.2 Key to the success of the scheme is the recruitment of people into it. The recruitment of 1,000 people into Internship Plus, Into Employment and apprenticeships, within the five year period, is ambitious but the degree to which this is achieved should be an important indicator against which success should be measured.
- 6.3 Retention rates are more problematic. It is anticipated that a proportion of people will leave the County Council for other employment within Hampshire or elsewhere, once they have finished their apprenticeships. Arguably, if they do that and become successful, this should be a cause for celebration just as much as if they had stayed within the County Council. So, measures will need to be developed that indicate:
 - the proportion of people who complete their internships, Into Employment scheme or apprenticeships
 - the destinations of people who leave the County Council when their apprenticeships are completed

- the destinations of people who stay with the County Council once their apprenticeships are completed; and
- the judgements made by apprenticeships and interns on the quality of the experience, their training and development in particular.

6.4 Through the County Council's performance management mechanisms, measures will need to be developed that indicate the impact of the scheme on the quality of work being done and the delivery of services.

7 Recommendations

7.1 That Cabinet approves the proposals for this part of *Hampshire's Youth Investment Programme* and, in particular, approves:

- the annual recruitment of 170 people a year for five years into *Intermediate Apprenticeships, Advanced Apprenticeships or Higher Apprenticeships*
- the growth in the number of people following the Internship Plus programme to 20 each year and up to 10 for the 'Into Employment' scheme

and approves the additional costs associated.

7.2 That Cabinet approves the development of further proposals relating to Future Skills Centres.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	No
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	Yes
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1 The adoption of *Hampshire's Youth Investment Programme* is neutral in the context of equalities legislation. It is in its implementation that equalities impact will be seen and need to be judged. The County Council is already following equalities legislation, in its recruitment activity and in its treatment of staff, and that will be carried into this scheme.

2. Impact on Crime and Disorder:

- a) None

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

Headcount is not being increased and no change is envisaged. Interns and apprentices will be working within Hampshire workstyle which is designed to reduce carbon footprint.