

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	17 December 2012
Title:	Employment Opportunities in Hampshire: <i>Hampshire's Youth Investment Programme</i>
Reference:	4432
Report From:	John Coughlan

Contact name: John Clarke or Phillip Walker

Tel: 01962 846464
01962 845296

Email: John.Clarke@hants.gov.uk or
Phillip.Walker@hants.gov.uk

1. Executive Summary

- 1.1. The purpose of this paper is to seek Cabinet's in principle approval for a new scheme to enhance employment opportunities within the County Council, particularly for young people.
- 1.2. The scheme would potentially realise an ambition to increase the number of young people aged 16-24 employed by the County Council by 1,000, over the period September 2013-2018. It would also support up to 10 undergraduates each year – up to a total of 50 during the first 5 years of the scheme – with scholarships and an offer of employment with the County Council, post graduation.
- 1.3. The scheme would meet three objectives:
 - Firstly, as a very large employer within the county, the County Council is well placed to make a big difference in easing the difficulties some people, particularly young people, experience in finding employment.
 - Secondly, the scheme would seek to ensure that the County Council protects its future by growing, itself, some of the next generation of people who will work within the organisation.
 - Thirdly, the scheme would provide an opportunity to fill the skills gap that is developing within the County Council in areas such as technology and engineering. Like other modern businesses the County Council needs to rethink its employment arrangements to ensure a better match between training and skills development and the requirements of its jobs and roles.
- 1.4. The scheme would expand the work already being done and add new elements. The County Council already has a work experience scheme

(Placement Plus), a scheme to support interns (Internship Plus), a programme to recruit apprentices and a scheme to recruit and train graduates into the workforce. To these would be added a far greater number of people recruited to intermediate and advanced apprenticeship schemes, and some people recruited for the first time into the higher apprenticeship scheme. There would also be a scheme to support some undergraduates studying in those subject areas most needed to discharge the County Council's business.

- 1.5. Overall, headcount and salary costs would be broadly unaffected. Apprentices would be sought when vacancies arose, or were anticipated, and would be appointed to permanent, full-time, positions.
- 1.6. A small infrastructure to support the scheme would be needed but most of the work would be done by a group of existing staff, drawn from across the organisation, who would work to a County Manager sited in Children's Services. This is not a Children's Services initiative, however, and Children's Services would not be expected to recruit more than its share of people within the scheme. The scheme requires commitment to it from managers across the whole County Council, and for people to think in a different way about recruitment and staff development. Arrangements will need to be drawn up that ensure that each department has its own 'host' arrangements for interns, apprentices and undergraduates, recognising the different requirements of different parts of the County Council.
- 1.7. The costs of the scheme can be covered, very largely, by existing resources, the only exceptions relating to fees for older apprentices, some resource for recruitment and for the scholarships paid to the undergraduates. The salaries paid to apprentices are not factored in because these salaries would be paid anyway, whether the people were apprentices or not.
- 1.8. For *Internship Plus* and the Apprenticeship Programmes the additional costs, i.e. those not covered by existing resources, are estimated at £171,000 for recruitment and apprenticeship fees over the five year period, averaging out at £34,000 per year.
- 1.9. Clearly the costs associated with the undergraduate support scheme are related almost entirely to the number of undergraduates supported. The figures given here are indicative and based on assumptions as to the level of support offered to each person. The detail of this is set out in paragraph 2.8. If 6 undergraduates were supported each year, for three years study, for five years the average cost each year would be approximately £113,000; if 8 then £151,000; if 10 then £189,000. The total costs for the undergraduate scholarships over, what is in effect, a seven year period would be £792,000 for 6 a year, £1,056,000 for 8 and £1,320,000 for 10. It is suggested that detailed financial modelling takes place in the context of the 2013-14 County Council budget as a whole.

2. Contextual information

- 2.1. As of 30 September 2012, the County Council employs 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. Applying the current annual turnover of 22% for the 16-24 age group, employing 1,000 additional apprenticeships and interns could increase the count to an estimated 1,330 by 2018, or 10.5% of the total workforce.
- 2.3. Since 2009, the County Council has employed 83 apprentices and provided 21 internships, on a paid basis. The majority have secured employment following their apprenticeships or internships, and 20 have permanent employment 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 strategy into internships, apprenticeships and an undergraduate scholarship programme will be needed. There would be three elements to the scheme, all of which are additional to work already being done:
 - a greatly enhanced Internship Plus scheme – an annual offer of 30 internships negotiated and agreed with departments, retaining a focus on vulnerable groups and including children in care and those with learning difficulties and disabilities (LDD). The internships would be offered on a 12-18 months basis but their programmes would include structured work on core and employability skills, including support to progress to full time work either within the County Council – in an apprenticeship position – or elsewhere.
 - an annual recruitment of 170 apprentices, based on an Annual Apprentices Recruitment Plan that will need to be agreed with each department. These posts would be permanent full time positions. 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. 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.

- moving 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 2.
- 2.6. All apprentices would be employed by 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.
 - 2.7. All apprentices and interns would be provided with a mentor at Grade F or above for the duration of their training programme, possibly longer. Mentors will also be drawn from the HOG Future Leaders 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.
 - 2.8. Alongside all this work relating to apprenticeships would be a 'Hampshire Undergraduate Scholarship Programme'. This would provide up to 50 people with financial support to undertake three years' study each over the five year period. At graduation, and subject to performance, they would be offered permanent employment within the County Council. Only those people interested in studying subject areas that the County Council needs would be considered for support but we would seek to support particularly those whose financial and/or social circumstances deter them from following an undergraduate programme. The level of the scholarship would be in the region of £8,800 per annum, for three years, that being £200 per week for 36 weeks (three university terms of 12 weeks) plus £200 per week for those weeks where the person would be working full-time within the County Council as part of the scheme.
 - 2.9. The Hampshire Undergraduate Scholarship Programme will need to be aligned with the existing scheme that provides support to care leavers into higher education. The numbers quoted here do not include care leavers.
 - 2.10. Undergraduates supported through this scheme would be required to do eight weeks' work placement with the County Council each year, and would be offered a permanent post after graduation, subject to meeting performance criteria.
 - 2.11. Interns, apprentices and graduates who are part of this scheme would be encouraged and supported to make their careers with the County Council. Clearly not all will, but the intention is to secure enough people who will form part of the next generation of the workforce.
 - 2.12. It is proposed that the entire scheme involving work experience ('placement plus'), internships, intermediate apprenticeships, advanced apprenticeships,

higher apprenticeships, and the undergraduate scholarship programme should be called *Hampshire's Youth Investment Programme*.

- 2.13. A diagram showing the scheme in full, what already exists or partially exists and what is new, how each part of it relates to each other and how people can progress from one part of the scheme to another, appears at Appendix 3. Some case studies indicating how the scheme could operate for young people appear at Appendix 4.
- 2.14. A future development of the scheme will be to explore with the County Council's strategic and shared services partners the development of a cross-organisation scheme, providing more and wider opportunities to young people. We will also seek to support further apprenticeship and employment opportunities for young people through our procurement, contracting and commissioning programmes.

3. Timescales

- 3.1. The scheme could begin in April 2013, with the recruitment of the first cohort of apprentices who would take up their posts in September 2013.
- 3.2. *Hampshire's Youth Investment Programme* team would need to be established during January 2013 and in operation by February 2013.
- 3.3. The scheme would run from 2013/14 to 2018/19.

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 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.
- 4.3 A full specification needs to be developed but it is envisaged that revenue funding would come from the Education Funding Agency and the Skills Funding Agency.

5 Finance

- 5.1 The majority of costs of *Hampshire's Youth Investment Programme* – those relating to the salaries received by apprentices and those relating to work done by existing staff – are already covered by existing budgets.
- 5.2 The scheme will be co-ordinated by a County Manager, sited within Children's Services, and implemented by a small team of people already within that department or within other departments. Some strengthening is

needed in terms of managing the apprenticeship scheme and in terms of apprentices' learning and pastoral support. These costs can be met by refocusing existing budgets. A contribution from the National Apprenticeship Service (NAS) to the cost of managing the scheme is being sought – with every hope of some success.

- 5.3 In terms of *Internship Plus* and 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. These costs are estimated to average out at £34,000 per year, a total of £171,000 over the life of the scheme.
- 5.4 Additional costs for the Hampshire Undergraduate Scholarship Programme are all related to the number of people supported and the amount of that support. The detail of what is proposed at this stage is set out above in paragraphs 1.8 and 2.8 and there are models based on supporting 6 people a year, 8 and 10. In those models, additional costs range from £113,000 on average per annum if 6 people each year were supported at the rate suggested (a total cost of £792,000 over the life of the scheme) to £189,000 on average per annum if 10 were supported each year (a total of £1,320,000 during the life of the scheme). If Cabinet intends to support the scheme it is suggested that further financial modelling be undertaken as part of the development of the approach to the 2013-2014 County Council budget.
- 5.5 An outline budget showing costs covered by existing budgets, additional costs in respect of *Internship Plus* and the Apprenticeships Programme appears at Appendix 5a, and the profile of additional costs for the Hampshire Undergraduate Scholarship Programme (based on supporting 6 people, 8 people and 10 people) appears at Appendix 5b.

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 internships 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 – possibly a large proportion – once they have completed their apprenticeships, will leave the County Council for other employment within Hampshire or elsewhere. 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, apprenticeships or degrees

- 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 the apprentices 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 these outline proposals for *Hampshire's Youth Investment Programme* and, in particular, approves
- the recruitment of 30 people a year for five years into *Internship Plus*
 - the annual recruitment of 170 people a year for five years into *Intermediate Apprenticeships, Advanced Apprenticeships or Higher Apprenticeships*
- and approves the associated additional costs involved for *Internship Plus* and the apprenticeship programmes.
- 7.2 That Cabinet approves the *Hampshire Undergraduate Scholarship Programme* in outline and indicates in principle how many people each year should be supported. On the basis of Cabinet agreement, detailed financial modelling will take place in the context of the overall budget for 2013- 2014.
- 7.3 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, apprentices and under-graduates will be working within Hampshire workstyle which is designed to reduce carbon footprint.