

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Housing, Environmental and Economic Development

Council - 24 June 2009

Subject: Apprenticeship Training

1. Purpose

- 1.1** The report provides Council with information in relation to options, costs and ramifications in future years, if the Council provides 100 new apprenticeships as requested by the UNITE Union.

2. Background

- 2.1** At the Council meeting on 27 May 2009, the Council instructed Officers to prepare a report for the June Council meeting, exploring all options, including the Future Jobs Fund, and any costs and ramifications in future years, if Council provides 100 new apprenticeships as requested by the UNITE Union.
- 2.2** The Skillseekers Section of Housing, Environmental and Economic Development is currently responsible for the recruitment, selection, and monitoring of training, for all Apprentices recruited to the Council.
- 2.3** The number of Apprentices recruited each year varies, however, in normal circumstances, Construction Apprentices are recruited each year and Horticulture Apprentices are recruited every alternate year. The duration of these apprenticeships are for 4 years.
- 2.4** The Council also recruits Apprentices in Business Administration each year. The duration of these apprenticeships are 2 years.
- 2.5** This coming year (09/10), the Council will have 63 Apprentices employed at various stages in their training, 33 in Construction, 7 in Amenity Horticulture and 23 in Administration.
- 2.6** The Skillseeker Section in the recent past also worked in partnership with the private sector to deliver construction apprenticeships. In 2006, 20 local small construction firms employed a first year apprentice with the support of the Council. A financial contribution was made to assist with college fees, tools and protective clothing and for journeyman down time to support the Apprentices. Skillseekers staff also provided assistance in relation to the organisation and administration required in terms of recruitment and registration with the Construction Industry Training Board.

- 2.7** Additionally, since 2005/06, having identified sectoral demand in engineering, the Council has supported an Engineering Apprenticeship Programme, working with private sector training providers and the colleges, to sponsor young people through the first year of a full-time course in Engineering, and then working with the training providers to place the young people with engineering companies. In the first 3 years of the programme, 15 young people completed their college courses and proceeded on to fulltime apprenticeship training with engineering companies. In 2008/09, 12 young people commenced the programme and to date, 5 have already been guaranteed employment with a local company.
- 2.8** All of the Apprentices who commence these programmes are residents of West Dunbartonshire, and the foregoing paragraphs are testament to the current commitment of the Council in delivering apprenticeship training for the young people of the area, both within the Council and in partnership with private sector employers.
- 2.9** The Skillseekers Section also provides a range of other projects through National Programmes and locally designed initiatives to support young people to access training and gain employment. A list of these projects and a brief description is attached as Appendix 1. In summary, although these projects are at different stages, the Council is working with approximately 200 young people per year and supporting 65% into positive destinations of jobs, training or education.
- 2.10** Additionally, around 700 young people from our 6 secondary schools are engaged in vocational courses at Clydebank College, Caledonia or with Council Services such as Leisure. Originally the opportunity was available to 3rd and 4th year pupils but the programme now runs in 5th and 6th years too. Young people can follow a 1 or 2 year programme and gain a range of qualifications including City and Guilds, Intermediate 1 and 2, Access, or Skills for Work accreditation. Through our partnership with Clydebank College, young people who successfully complete a vocational course will be guaranteed an interview for full-time courses. During the senior stage of school, pupils also have the opportunity to experience a work placement.

3. Main Issues

- 3.1** The two main issues in relation to the provision of 100 additional Apprenticeships this year relate to funding and the capacity of the Council's infrastructure to support such a number of Apprentices.
- 3.2** The Skillseeker Section contracts annually with Skills Development Scotland (SDS) to fund apprenticeship training and the contract values are approximately £90,000 per year. Income is based upon the achievement of milestones and the successful completion of the SVQ required for the apprenticeship. The total value of income available for each apprenticeship varies across occupational sectors, with Administration equating to £2,550, Amenity Horticulture at £6,500 and Construction at £7,500.

- 3.3** The contract proposals for SDS to deliver National Training Programmes for the contract year 2009/10, had to be submitted in December 2008. It has been confirmed by SDS that the entire budget for National Training Programmes for delivery across Scotland was allocated at the beginning of the Financial Year.
- 3.4** The Scottish Government has indicated that there may be funds made available for additional apprenticeships, and this is likely to be clarified within the next few months.
- 3.5** If the Council were to recruit Apprentices in the current year, no funding would be available across the duration of the training programmes, and the Council would have to bear the full cost for, the 4 years in relation to Construction and Amenity Horticulture, and the 2 years in relation to Administration. The financial implications are dealt with at Section 4, below.
- 3.6** The ratio of Apprentices to full time operatives is very important and while there may be some scope for a small number of additional Apprentices, within the existing sectors of operation and the possibility of investigating opportunities in other sectors within the Council, preliminary discussion with Departments has indicated that there is unlikely to be capacity within the Council to support 100 new apprenticeships over and above the 63 currently being managed, while maintaining performance and productivity, with Construction being close to its limit.

4. Personnel Issues

- 4.1** There are additional staff requirements to support the recruitment and management of an additional 100 apprentices, however this cannot be fully assessed at this stage.
- 4.2** A more complete assessment requires to be undertaken in relation to the differing pay rates to ensure compliance with all of the equality duties, e.g. pay equality, age equality, and sex equality.

5. Financial Implications

- 5.1** For historic reasons, there is no consistent approach to the salaries paid to Apprentices within the Council. In year 1, Administrative Apprentices are paid £6,533, Construction Apprentices £11,835 and Amenity Horticulture Apprentices £15,988. An Administration Apprentice over the age of 19 and with 1 year's service is paid £8,778 per annum, whilst a fourth year Construction Apprentice is paid £16,710 and a fourth year Amenity Horticulture Apprentice is paid £18,451.

- 5.2** It is difficult to place an accurate figure on the total cost of such a programme. However, it has to be assumed that there would currently be no funding from Skills Development Scotland, and the Council would have to pay for college fees in addition to salaries. On the basis of salaries currently paid to Apprentices and the current balance of apprenticeships in each of the sectors, the cost of 100 new Apprentices in year 1 would be £987,673, while the cost in year 4 would be £1,273,775 at current values and excluding employer costs.
- 5.3** If funding was available from Skills Development Scotland, the above figures would be reduced by an average of £138,500 per annum.
- 5.4** The Council does not currently have budget provision to accommodate such a programme of apprenticeship training. If Council is to consider the employment of 100 new apprentices, to comply with its Best Value duties Council will require to assess the full financial consequences prior to taking such a major financial decision
- 5.6** Reference was made in the Council decision to the Future Jobs Funding recently announced by the Department of Work and Pensions. This funding is aimed at 18-24 year olds who are approaching 12 months of unemployment. This is largely a different client group than for apprenticeships which are largely aimed at 16-19 year olds. On the assumption however, that the Council did not seek to access SDS National Programme Funding, then the Future Jobs Fund could prospectively contribute to approximately one half of the cost of the first year of a programme of 100 new Apprentices, however, this would be a one-off payment and would not be available in future years. Additionally, although the Department of Work and Pensions has indicated that the Future Jobs Fund will be a rolling programme over a period of 2 years, they are encouraging all applications to be made by 30 June 2009, which does not fit with the current proposal to create 100 new apprenticeships this year.
- 5.7** It should be noted that Council Officers are currently leading on a project with other public agencies and third sector providers to identify a programme of activity to submit to the Department of Work and Pensions for the Future Jobs Fund, by the due date.
- 5.8** The Department of Work and Pensions also has other streams of grant funding such as the Deprived Area Fund and Right to Bid, that support employability projects, however further investigation would be required to establish if they would support an apprenticeship programme such as the one proposed..

6. Risk Analysis

- 6.1** There is a risk that by embarking on such an extensive programme of apprenticeship training without the proper infrastructure to support it, the Council will fail to meet a number of performance indicators against which it is currently measured.
- 6.2** The large majority of young people, who currently obtain apprenticeships with the Council, continue in fulltime employment with the Council, however, there is a risk that if the number of apprentices is significantly increased, this will have an impact on their chance of employment at the end of their term of apprenticeship training.

7. Conclusions & Officers' Recommendations

- 7.1** From the information contained in Section 2 and Appendix 1, it is evident that the Council already supports a wide range of apprenticeships and other forms of training for young people in West Dunbartonshire.
- 7.2** From the information provided at Section 3 and 5 above, it is evident that there are significant issues that would require to be addressed to ensure the Council had the capacity to support such a programme of apprenticeships, either in terms of current infrastructure or funding.
- 7.3** In reference to the information contained in Sections 4 and 6 above, there are a number of Personnel Issues and Risks that would require further consideration, particularly in terms of the continuing ability to focus on key corporate priorities while investing time, people and financial resources in such a major new initiative.
- 7.4** It is recommended that:
- (i) the Council notes the terms of the above report and the work that is already being undertaken to provide training opportunities for the young people of West Dunbartonshire; and
 - (ii) a report be prepared for a future meeting of the HEED Committee, providing a more detailed proposal with options and costings for an expansion of the existing apprenticeship programme, when further details of additional Government support have been established, and with a view to making a submission to Skills Development Scotland as necessary to support any additional Apprenticeships commencing 2010/11.

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Appendices: Appendix 1

Background Papers: None

Wards Affected: All.