

# REPORT FOR: CABINET

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<b>Date of Meeting:</b>	19 January 2012
<b>Subject:</b>	Development of Apprenticeship Opportunities
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Andrew Trehern, Corporate Director Place Shaping
<b>Portfolio Holder:</b>	Councillor Keith Ferry, Portfolio Holder for Planning, Development and Enterprise
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Enclosures:</b>	Appendix 1 - Risk Analysis

## Section 1 – Summary and Recommendations

This report sets out the arguments in favour of establishing a Council-wide apprenticeship project, the development process and the methodology for managing that project

### Recommendations:

Cabinet is requested to:

- Confirm their commitment to the London Councils 2009 pledge (to establish Council-wide apprenticeship programme) by appointing a Council Member to champion an apprenticeship project.
- Nominate a Director to act as Champion for Apprentices, to be

supported by identified officers in HR and Economic Development.

- Agree the establishment of a pilot apprenticeship programme to determine a small number of Level 2 intermediate apprenticeships and from this first cohort, develop a smaller number of Level 3 advanced apprenticeship places for those who successfully achieve their Level 2 qualification.

### **Reason: (For recommendation)**

In January 2009, Council Leaders and Chief Executives of London's 33 Local Authorities pledged to offer 2,000 apprenticeships in their own workforces or in those of their contractors by March 2012. They met this target in September 2011, but without input from Harrow Council.

The Authority has apprentices within its wider workforce, but no direct Council-run programme. Implementation of these recommendations would allow the development of an appropriate programme within the Council to benefit local workless young people and make good its pledge to support the London-wide Council commitment.

## **Section 2 – Report**

### **Introductory paragraph**

In October 2011, there were 4,247 people claiming Jobseeker's Allowance in the borough of Harrow. Whilst at 2.8 per cent, unemployment in Harrow is lower than the London average of 4.4 per cent and the national average of 3.8 per cent; however with only 657 vacancies in the borough, it means seven people are chasing every job available.

Young people (18 to 25 year olds) in Harrow make up over 23% of the unemployed in the borough; 13<sup>th</sup> highest in the league table of London boroughs (just behind Hounslow, but higher than Brent).

In the past, local authorities were a route for local young people to find sustainable and rewarding employment; however, the changing nature of tasks and roles within the sector, have severely diminished entry level job opportunities. Skills and experience are immediately needed to deliver the services which are undertaken by the Council. Consequently the demographics of the local authority workforces across London in general, have changed substantially, with fewer local residents and younger people.

Despite this need for specific skills, the Council is unique in that there are many careers that apprentices can pursue within the same organisation. The apprenticeships on offer by Councils across London include business administration, health and social care, customer service, construction and horticulture.

Harrow Council has a stated commitment to investing in its staff and is dedicated to serving the local community. The turnover of staff in the Authority is currently low and the trend of low recruitment is set to continue for the coming year. However, even in a time of decreasing resources in Local Government, there is still a need to both recruit and retain key staff and to ensure that the Authority retains its link with its residents. Other Local Authorities have found that apprenticeships offer an excellent route to ensure that these key elements are met.

## **Options considered**

The following organisational options were reviewed by Officers when reflecting on the mechanisms necessary for the Council to establish an apprenticeship program:

- Centralised funding of the program against use of individual Service Budgets
- Single Directorate (i.e. Place Shaping) implementation versus a Council-wide model
- Internal management by Economic Development or HR
- Direct Management of the program by the Council against the use of Managing Agent

Economic Development Officers undertook a review of apprenticeship programme models in other Local Authorities, utilising support from London Councils and formal reviews by District Audit or other commissioned organisations.

On the basis of this review, it was concluded that a Council-wide program was the most efficient option. Officers favoured a managing agent model (possibly an Approved Training Agency), managed by the Economic Development Team, utilising individual funding from service budgets for specific posts. As a first stage to developing a programme, a small working group looking at specific Council Departments and posts should undertake a further review, taking into account HR policies and the pending agreement with the Council Trade Unions and recommend the delivery model needed for an initial pilot program.

## **Current situation**

Currently within the Council there are a small number of apprentices in individual departments secured via the departments themselves, and some working with contractors.

Across the Chief Executive's, Legal & Governance and Finance Directorates there is currently 1 apprentice, situated in Procurement. Housing have taken on 2 apprentice Housing Caretakers via an Approved Training Agency (ATA) for a 2 year period. They may consider additional apprentices dependant on their success.

Recent procurement has created additional opportunities for the creation of apprenticeships with contractors.

It is felt by Members and Senior Officers that a Council-wide programme offers a more coherent way-forward.

Discussions have been on-going with the Trade Unions on the terms and conditions necessary for implementation of a Council-wide programme including wage rates payable. These discussions are about to be concluded and will be subject to a separate report on this Agenda.

There is a need for a decision to be taken at January Cabinet to ensure that a timetable for a September 2012 intake of apprenticeships is met. This will allow Officers to finally establish the mechanisms most appropriate to Harrow to manage the programme. This will include the nature of any pre-apprenticeship training; secure the appropriate funding internally; and undertake the procurement and contractual processes required to secure managing agents/training providers.

## **Implications of the Recommendation**

### **Staffing/Workforce Issues**

The introduction of an apprenticeship programme at a time of cutbacks could limit the opportunities for redeployment. However, the entry level nature of the vacant posts targeted for apprentices are unlikely to offer suitable opportunities for redeployees.

### **Financial Implications**

There are funding considerations in the implementation of an apprenticeship programme in respect of program management, wages cost, auxiliary costs of apprenticeship management, mentoring and training support.

Funding to underpin delivery can be sourced via the following sources:

- **Management, mentoring and support.** Resources can be sourced from S.106 funding; or the re-allocations of current officer resources
- **Apprentice salary costs.** These can be found by introducing apprenticeship posts into future vacancies or against anticipated future vacancies.
- **Training costs:** By targeting 16-18 year olds, funding for training can be secured from the Central Government's Skills Funding Agency; either via the training agency procured or through a managing agency.

The final budget from the programme will be developed by the small working group to be established to develop the program and subject to agreement by Cabinet in March.

## **Legal Comments**

By limiting the initial offer of apprenticeships to 16-18 year olds, there is a risk of a complaint of age discrimination from the 19-24 year old age group. Positive action is permitted under the Equality Act 2010 and direct age discrimination can be justified. However, this still poses a low risk.

## **Performance Issues**

Whilst the final make up of the programme will be developed by the working group, it is anticipated by Officers that 12 local residents will commence a one-year Level 2 intermediate apprenticeship program in both September 2012 and 2013; with 6 apprentices from each of these cohorts progressing to Level 3 apprenticeships in a second year. Thus a total of 12 Level 3 apprentices across the length of the pilot.

To increase performance within the existing workforce, the working group will also review the feasibility for introducing Advanced Level Apprenticeships in skills areas such as Business Improvement, Management and Team Leadership to form part of a programme of continued professional development for existing Council staff.

A report back on progress will be made July 2012.

## **Environmental Impact**

This proposal has no Environmental Impacts.

## **Procurement**

Officers will work with the Council's procurement to ensure the process for the procurement of a managing agent and/or training agency will follow Council Corporate Procurement policy; and will deliver responsible procurement excellence, value for money and give consideration to Harrow's diverse community.

## **Risk Management Implications**

Risk included on Directorate risk register? No

Separate risk register in place? Yes

A separate risk register has been completed and will be included within the Place Shaping Directorate risk register when approval is given for the pilot to be developed.

## Equalities implications

Was an Equality Impact Assessment carried out? Yes

The introduction of an apprenticeship program has the potential for positive equality impacts on the Council, particularly for young people and BAME. However, the position for other groups can only be ascertained through careful monitoring of the program during its pilot stage.

During a period of retrenchment in the Council's workforce, it is likely that older workers will be those most affected. The introduction of an apprenticeship program at the time to fill vacant posts will limit opportunities for re-deployment and therefore impact more highly on older employees.

Discussions with Council Trade Unions will take place to ensure the proposals do not adversely limit the opportunities for this staff group.

## Corporate Priorities

By targeting unemployed young people resident in the borough the proposal supports the following Corporate Priority:

- Supporting and protecting people who are most in need.

## Section 3 - Statutory Officer Clearance

Name: Kanta Hirani	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 21 September 2011		
Name: Linda Cohen	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 11 January 2012		

## Section 4 – Performance Officer Clearance

Name: Liz Defries



on behalf of the  
Divisional Director  
Partnership,  
Development and  
Performance

Date: 11 January 2012

## Section 5 – Environmental Impact Officer Clearance

Name: Andrew Baker



on behalf of the  
Divisional Director  
(Environmental  
Services)

Date: 22 December 2011

## Section 6 - Contact Details and Background Papers

**Contact:** Colin Middleton, Construction Employment Advisor, Economic Development Unit. Tel: 020 8736 6080

**Background Papers:** None.

**Call-In Waived by the  
Chairman of Overview  
and Scrutiny  
Committee**

**NOT APPLICABLE**

*[Call-in applies]*