

**Executive**

**29 October 2015**

Report of Director of Customer & Business Support Services

## **CYC Future Workforce (Apprenticeships and Work Placements)**

### **Summary**

- 1 This report provides Executive Members with an update on City of York Council's (CYC's) approach to apprenticeships and employment offer to young people, and to seek approval to continue with planned work.
- 2 Members are also asked to approve recommendations to increase Year 1 apprentice pay, and to include as part of an annual review consistent with all other council employees.
- 3 The report confirms progress towards meeting the commitment made as part of the joint administration's plans and emergency budget earlier this year.

### **Recommendations**

- 4 a. Executive is asked to note progress and plans as follows:
  - the further development of the council's in-house apprenticeship and future workforce offer, aligned to future skills need;
  - to increase pre-apprenticeship provision by CYC, through structured work experience and supported traineeship/internship programmes, in line with city-wide initiatives;
  - to ensure that CYC upholds its responsibility as corporate parent to vulnerable groups (including children living in care, care leavers, NEET and SEND populations) through ring-fenced access to work placements and support in gaining apprenticeships.
- b. Executive to agree to increase current Year 1 pay in line with National Minimum Wage increases from October 1st 2015 and review annually in line with other council employee groups.

Reason: *To ensure Executive members are informed of the CYC approach to apprenticeships and that proposals are aligned with likely national policy direction.*

## Background

- 5 Since 2011 the council have allocated an annual budget of £115k, managed centrally by HR, to provide 50% match funding for apprentices across the authority.
- 6 The council have run a successful in-house apprenticeship programme since 2011, with 55 apprentices and former apprentices now working in roles across the authority (including 4 schools-based CYC support staff). Total numbers of apprentices taken on since around 2011 are 111, with an overall completion rate of 92% (compared with 71% nationally<sup>1</sup>), see table below for a year by year breakdown.

Date	Numbers of Apprentices	Other information
Before 2011	2	
2011/12	35	Commencement of funding of £115k
2012/13	34	
2013/14	18	Reduction from 2012/13 mainly due to introduction of a 'Living Wage' for apprentices increasing pay from the then minimum rate of £2.68ph to £4.98ph
2014/15	10 (+1 school based)	
2015/16	8 Apprentices (+ 3 school-based)	Plus 8 vacancies

- 7 The 2015/16 intake to date is at 8 apprentices (and another 3 school-based apprentices), with a further 8 vacancies in progress across a diverse range of roles.
- 8 To date, the majority of apprentices have joined on 12-18 month contracts, and match-funded posts have been recruited on a supernumerary basis (i.e. apprentice roles sit outside of established team headcount).
- 9 From June 2013, an additional strand of the apprenticeship strategy was developed to enable managers to convert existing vacant posts into

<sup>1</sup> 2013/14 figures, taken from SFA publication on gov.uk:  
[2013 to 2014 NSRT apprenticeship overall headline success rates](#)

apprenticeships. Within this 'vacancy management' strand, apprentices were recruited on the basis that their role would be converted into a permanent post on successful completion.

- 10 Uptake of the vacancy management approach has been limited with many suitable posts either ring-fenced for redeployment or unfilled to achieve financial savings targets.
- 11 A gap has also been identified in the council's provision of work experience or work placements, which has been largely reactive and localised.
- 12 The 2015 Enterprise Bill, currently going through Parliament, includes provision to provide the Secretary of State with power to set targets for the number of apprenticeships provided by local government. In reviewing our provision now, we aim to be in a strong position to meet those targets once introduced.

### **Across the city**

- 13 Recent reports from the Skills Funding Agency and the Department of Business, Innovation and Skills show that York is currently in the top 5% of all local authorities for the increase proportion of residents starting an apprenticeship compared to the previous year. York also has a very successful Apprenticeship Hub, in partnership with the Leeds City Region.
- 14 CYC aims to lead by example as a positive role model for apprentice and traineeship employers across the city.
- 15 CYC is currently leading on an innovative supported internship programme for young people with Special Educational Needs and Disabilities (SEND), funded by the DfE. This report recommends working collaboratively to support that initiative through participation and provision of placements, as well as through joint communications and city-wide promotions.

### **Objectives of the Future Workforce Strategy**

- 16 As a council, we want to put ourselves in a strong position to manage future changes to the workforce, increasing opportunities and routes into the organisation for young people on a sustainable basis.
- 17 We aim to achieve this through a continued strategy of promoting high quality apprentices, and increasing work experience provision.

- 18 The Future Workforce Strategy will form part of the council's new draft People Plan and will be aligned to the council's future service plans and operating model, ensuring that investment is made in the skills needed for the future. Recommendations to more closely align the CYC apprentice scheme with the future resource and skills needs of the organisation have been roundly supported and HR will continue to work with leadership teams to identify priority service areas where apprenticeships could create an effective pipeline for succession.
- 19 The council's HR team are providing a dedicated resource to manage the vacancy management process, and once in post, the HR Officer (Future Workforce) will actively promote this strategy, working proactively to increase manager awareness and understanding of apprenticeships. This work will be supported by the York Apprentice Hub team.
- 20 The dedicated HR resource referenced above will undertake the following duties:
  - a. Engagement with managers, directorate management teams and to promote the benefits of apprenticeships and the variety of options available internally, supported by the York Apprenticeship Hub team.
  - b. Secure and monitor adherence to the existing vacancy management policy and work proactively to identify opportunities to convert vacancies into apprenticeships.
  - c. Act with organisational oversight, providing the opportunity to match upcoming vacancies or placements with known requirements from children and young people's support teams.
  - d. Coordinate and support the development of a central work experience package, with ring-fenced provision for vulnerable groups where the authority has a duty as corporate parent.
  - e. Act as a point of escalation for apprentices, providing pastoral support and guidance where needed.
  - f. Facilitate the development of a self-generating support network for apprentices, through joint development activities across the authority.
  - g. Work closely with colleagues from the Children's Services, Education and Skills teams to join up and maximise the impact of internal and citywide initiatives.

## **Apprentice Pay Proposals**

- 21 We want to ensure that our rates of apprentice pay remain competitive and set a positive example to other apprentice employers across the city through formalising an automatic review of apprentice Year 1 pay, linked to increases to the National Minimum Wage for 18 to 20 year olds. We already pay a 'CYC Apprentices Living Wage' for Year 1 apprentices of £4.98 (compared to the national rate of £2.73) but this has not been reviewed since its inception in 2012.
- 22 All Year 2 apprentices also receive enhanced £6.70 an hour which is already set at the National Minimum Wage (NMW) for 21 years and older and receive an automatic increase statutorily in line with national rate increases. This rate has increased from £6.50 an hour from October 2015.
- 23 We recommend that Executive Members agree to increase the pay of Year 1 Apprentices to £5.30 per hour in line with the NMW for 18-20 year olds and amend it automatically in future. This rate has increased from £5.13 in October 2015.
- 24 Should the NMW rate for 18 – 20 year olds for CYC Level 1 apprentice pay be agreed this would see an increase of 32p per hour (6.4%). It is not recommended that any retrospective increases are made.

## **Consultation**

- 25 Council Management Team has reviewed and support the changes recommended in this report.
- 26 This report has been circulated for comment to the Trade Unions and feedback taken. Throughout ongoing dialogue (via CCNC) the Trade Unions have been supportive of CYC initiatives to provide high quality apprenticeships, and have helped to identify areas of need but have raised concerns about retention figures and pastoral support.
- 27 The proposed developments for the scheme incorporate feedback from trade union representatives as well as apprentices, managers and colleagues in support services. We anticipate that these proposals will further enhance the authority's capacity to retain apprentices following successful completion of their qualifications, and that dedicated resource will enable apprentices to feel better supported throughout their studies.

## Options

- 28 There are no alternative options for Recommendation a) which asks members to note the progress and plans as outlined in the report.
- 29 Members can choose to agree or to disagree with the proposed increase to Year 1 apprentice pay rates at Recommendation b).

## Analysis

- 30 All information is contained in the body of the report.

## Council Plan

- 31 Outcomes achieved by the activities covered in this report help to deliver priorities in the Council Plan 2015-19 in support of 'A prosperous city for all', ensuring that as an employer the council sets a positive example of supporting employees to achieve their full potential.
- 32 This work will form part of the draft People Plan strategy which will support overall delivery of the Council Plan 2015 –19.

## Implications:

### 33 a. Financial

To increase the Year 1 apprentice rate of pay to £5.30 from 1st October 2015 would cost approximately £9.75k excluding on-costs, based on current numbers of 21 apprentices in place at that date, with recruitment of a further 8 in process. This equates to an annual increase of just over £600 (or £51.45 per month) per person. Funding would be set aside from the apprentice budget for 50% but departments would be required to fund the remaining 50%.

The HR team will continue to manage the corporate apprentice budget of £115k in line with the proposed strategy. Through adopting the proposed strategic approach to address succession and talent planning through use of apprenticeships to build internal skills and knowledge, longer term savings will be achieved through a reduced need to recruit experienced and in-demand skills.

**b. Human Resources (HR)**

By adopting a proactive strategy, the longer term impact of this work will mean that HR are better able to plan and align resource where needed. Increased engagement and improved access to information for managers will reduce the advice burden on HR in the medium to long term.

**c. Equalities**

This work will form a key strand of activity to ensure that the council's workforce profile more closely matches that of the city and its residents. We aim to improve the representation of communities of interest within the council, through working closely with colleagues in the Community Engagement and Children's Services teams to ensure that all future workforce initiatives are promoted to vulnerable and hard to reach groups through supported recruitment and targeted campaigns. See attached Community Impact Assessment (Annex 1) that supports this report.

Recruitment activity will be in line with legislation, ensuring the council upholds its obligations under the Public Sector Equality Duty. Best practice will be applied in order to maintain the Excellent status achieved against the Equality Framework for Local Government earlier in 2015.

**d. Legal**

None

**e. Crime and Disorder**

No known implications.

**f. Information Technology (ICT)**

Anticipated impact on ICT services are limited, though advice and development may be sought from the ICT team to ensure that technology is applied to best advantage to promote apprentice and work placement opportunities, and enable internal and alumni networks.

**g. Property**

No known implications.

## **h. Other**

No known implications.

## **Risk Management**

- 34 There is a risk in not reviewing apprentice Year 1 pay that apprentices are being treated differently from other employee groups within the council. The main risk is to the council's reputation as an employer in the city, which could be undermined if it is not able to set a positive example as an employer. Implications are likely to have a detrimental effect on the council's ability to attract high calibre employees and make best advantage of the high level of skill in the city's younger population.

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### **Report Approved**



**Date** 16/10/15

### **Specialist Implications Officer(s)**

Financial: Ian Floyd  
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**Wards Affected:** *List wards or tick box to indicate all*





## **Background Papers:**

None

## **Annex 1: Community Impact Assessment**

### **List of abbreviations used in this report:**

CYC	City of York council
DfE	Department for Education
CCNC	Corporate Consultative Negotiating Committee
NEET	Not in employment, education or training
SEND	Special educational need and disabilities
ICT	Information and computer technology
HR	Human Resources
NMW	National minimum wage