



CABINET – 25TH JULY 2018

SUBJECT: PROPOSED ALLOCATION OF FUNDING FOR APPRENTICESHIPS ACROSS COUNCIL SERVICES

REPORT BY: MARK S WILLIAMS - INTERIM CORPORATE DIRECTOR COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To seek approval from Cabinet for the allocation of funding for Apprenticeships across the Council together with a formal process for the consideration of applications for apprenticeships from service areas across Council Services.

2. SUMMARY

- 2.1 In April 2011 a revenue budget of £485k was established for the purpose of funding Apprenticeships. Due to ongoing savings requirements arising from the Medium-Term Financial Plan (MTFP) this budget was reduced to £150k in 2015/16 and then removed in its entirety from 2016/17. Underspends on the revenue budget were ring-fenced into a usable reserve and as at the 31st March 2018 the uncommitted balance on the reserve is £530k.
- 2.2 Consideration now needs to be given to releasing the reserve for a new apprenticeship programme in order to support the Welsh Government, Council (and wider Cardiff Capital City region (CCR)) employment, regeneration, skills and apprenticeship priorities and to assist various services across the Authority with workforce planning issues.

3. LINKS TO STRATEGY

- 3.1 An Apprenticeship Programme will contribute to the following Well-being Goals within the Well-being of Future Generations (Wales) Act 2015:
- A prosperous Wales
 - A more equal Wales
 - A Wales of cohesive communities
 - A globally responsible Wales
- 3.2 The policies referred to in this report link to the People Management Strategy and therefore to all other strategies, including all equality strategies, policies and procedures, which rely on employees to deliver the strategy and service provision.

- 3.3 The Caerphilly Public Service Board well being delivery plan includes an Apprenticeship Action Area which is championed by the Authority. The Action Area is aimed at developing an apprenticeship programme for the County Borough that meets the future skills requirements of the Authority but also links to future needs of both the local and regional economy and maximises opportunities that will be available through CCR. This will also involve links with the private sector to ensure that their needs are also being met and a seamless apprenticeship programme is established.
- 3.4 The Authority is a member of the Cardiff Capital Region (CCR) City Deal Partnership. The CCR has developed a range of pan regional work streams/priorities one of which is the development of skills, training and apprenticeships to increase employment levels in the region. However, the CCR has a private sector investment focus with a priority to deliver apprenticeships & skills for a modern day industry within the region.
- 3.5 The latest WG document (Guide for Local Authorities on Apprenticeships in Wales, June 2018) encourages local authority apprenticeships but it must be recognised that it will largely be the local authority itself that will determine its own apprenticeship needs and requirements and will need to consider these requirements in the design of its individual scheme.
- 3.6 While the CCR skills development activity and Local Authority apprenticeships are separate schemes with differing requirements, collectively they will contribute to an overall increase in opportunity across the region.

4. THE REPORT

- 4.1 Apprenticeship programmes have been used by the Council since 1996 to develop the skills required to fill future vacancies and to offer school/college leavers and others opportunities to gain knowledge and skills to enable them to find long term meaningful employment
- 4.2 The last time Apprenticeships were funded centrally was 2011/12 when a revenue budget of £485k was established. This resulted in an additional 40 apprentice places being created and 4 Graduate trainee Opportunities. The revenue budget was deleted from 2016/17 due to ongoing savings requirements arising from the MTFP.
- 4.2 Most of these Apprenticeships have been at Pay Grade 2 and 3, with the majority being offered within the building trades area to satisfy future demand in the Council for these skills.
- 4.3 There are currently 35 Apprentices employed within the Council: 29 in Housing, 2 in Horticulture and 4 in Schools. These have been funded by individual services.
- 4.4 The WG Local Authority Apprenticeship guide referenced in 3.5 above provides information specific to local authorities on what apprenticeships are and how to use them. It urges local authorities to consider how they can introduce new or further develop apprenticeship opportunities and how to include apprentices in workforce planning or workforce re-modelling.
- 4.5 The WG guide outlines the fact that apprenticeships are a great way for local authorities to improve the skills base of their employees while also being a tried and tested way to recruit new staff, to re-train or up-skill existing staff of all ages & levels of experience in a whole variety of roles. Apprenticeships can also provide an

invaluable entry into the world of work for young people who do not always respond well to formal education and attainment of formal qualifications.

4.6 The WG guide sets out a number of key steps for local authorities to consider, these include:-

- Are our neighbouring local authorities already using apprenticeships? (In the Caerphilly context, Rhondda Cynon Taff have been running a very successful apprenticeship and graduate trainee scheme for a number of years).
- What skills do our employees need now and in the future and can apprenticeships help with this?
- How does an apprenticeship programme link to our workforce planning requirements?

4.7 Corporate Management Team has recently been examining the age profile across the Authority and there is a general skew in the data towards staff aged 50+. In this context workforce remodelling and workforce flexibility policies can assist in downsizing the organisation where it is required but there needs to be a balance that allows talent to enter the organisation as well. This is more important in some services than others due to various workforce planning issues.

4.8 The Authority's Housing Service (WHQS and Housing repairs) already has a comprehensive apprenticeships programme in place and this key element is an integral part of the service planning for 2020 and beyond using Housing Revenue Account funding. This report therefore concentrates on other services across the Council

4.9 There are consequently a number of reasons why the Council should offer apprenticeships:-

- a) To enable people to obtain skills and experience that can be used to secure long term employment.
- b) To ensure that skill shortages are addressed to meet the Council's future needs.
- c) To assist the Council in addressing other workforce planning issues such as an aging workforce in certain services.

4.10 The primary cost of supporting an Apprenticeship is salary. This cost will vary based on the Apprenticeship salary and duration. For the purposes of this report it has been assumed that the salary scale will be Grade 2 or Grade 3.

4.11 The table below provides full time salary costs per annum at the maximum of Grade 2 and Grade 3, based on current salaries with oncosts.

Grade	Total salary cost per annum (£)
2	21,946
3	22,608

4.12 The table above does not include college/training costs and these may therefore need to be factored in to any Apprenticeships considered. However, there is a possibility that these may be funded by the Welsh Government as part of their support for Apprenticeship programmes from private training providers or funded

directly by the individual services

- 4.13 As well as “traditional” apprenticeship opportunities, other initiatives such as work experience and shared apprenticeship opportunities will need to be considered
- 4.14 The Council has to pay the Apprenticeship Levy to the UK Government equating to 0.5% of total salary bill. However, the responsibility for Apprenticeship Training is devolved to Welsh Government who has set a target of creating at least 100,000 quality apprenticeships over the next 5 years. Welsh Government has been supporting Apprenticeships within Wales for a number of years but has made no further financial provision available since the introduction of the Apprenticeship Levy. In order to qualify for training support funding from Welsh Government the Apprenticeship should include the following elements:
- A competency qualification falling under the Credit and Qualification Framework for Wales (CQFW).
 - A technical qualification relevant to the skill, trade or occupation specific to that Apprenticeship and;
 - An essential skills qualification e.g. application of number, communication and Digital Literacy Skills.
- 4.15 The funding that may be available through the Welsh Government is to cover some of the training costs of an apprentice but does not cover salary costs.
- 4.16 Based on just the payment of an annual salary at the maximum of Grade 3 for one year, without paying training costs, the Council could employ 23 Apprentices with the £530k that is currently available in the Apprenticeship Reserve. However, it is unlikely that any Apprentice training course would be for only one year. In addition, the Council would have to seriously consider what employment opportunities could be available for these Apprentices at the end of the period of training, otherwise it would not realise any benefit.
- 4.17 As part of the MTFP and the Business Improvement Programme consideration will need to be given to establishing a permanent budget for Apprentices and other initiatives that would allow us to “grow our own” knowledge and expertise across key areas of the organisation that would fit as part of our emerging workforce planning strategy.
- 4.18 Due to the limited sum available it is important that the objectives of the funding are clear to ensure that best value is achieved. Early work undertaken shows that it is likely that demand will outstrip the funding available therefore applications for support from service areas will need to be aligned to the overall objectives of the Council and Apprentice schemes.
- 4.19 Should a service area wish to recruit an apprentice a business case must be completed and submitted to the Apprenticeship Panel, which would consist of the Corporate Director of Communities, the Head of People Services and Head of Corporate Finance. The business case should clearly detail why an Apprenticeship is required, linking to the objectives set out below; the duration of the Apprenticeship; the training that will be offered to underpin the Apprenticeship; the benefits to the service area and the wider Council and the cost. If there is an intention to restrict applications to Welsh speaking candidates to increase the provision within the service area this should also be identified.

4.20 The objectives of an Apprenticeship could include:

- Ensuring the Apprenticeship links to developing skills that are difficult to recruit to within CCBC – in this regard long term employment prospects will need to be considered.
- Ensuring the Apprenticeship links to future workforce planning needs.
- Ensuring there are opportunities for socially and economically disadvantaged groups to secure apprenticeships and skills that will increase future employment prospects.
- Ensuring the opportunities are open to people of all ages in line with Welsh Government funding requirements.

4.21 The Apprenticeship Panel will consider the applications and make recommendations to the Chief Executive. Furthermore, a periodic progress report will be provided to the Policy & Resources Scrutiny Committee for information on the engagement of apprentices.

5. WELL-BEING OF FUTURE GENERATIONS

5.1 The process contributes to the Well-being Goals as set out in Links to Strategy above. The intention of the strategy is to take a long-term view of increasing the skills of the workforce and provide opportunities for career advancement. The strategy integrates the work of the local authority alongside the work of other organisations in the area that have the same aim.

5.2 The proposed apprenticeship scheme will assist jobseekers in acquiring the skills relevant to specific long term employment prospects within the local Authority with particular contributions to prosperity (a prosperous Wales), equality (a more equal Wales), community & economic regeneration (a Wales of cohesive communities) and global responsibility (a globally responsible Wales).

6. EQUALITIES IMPLICATIONS

6.1 There are no equalities implications associated with this report. If apprenticeships are to be offered by the Council then the authority's HR and equal opportunities policy will apply to the recruitment process.

7. FINANCIAL IMPLICATIONS

7.1 A one off sum of £530k is available to support the funding of Apprenticeships.

7.2 This sum could either support 23 apprenticeships for a 1 year period or 11.5 apprenticeships for a 2 year period (which is a typical apprenticeship period). There are obviously a number of other permutations dependent on specific service requirements relevant apprenticeship periods and/or whether the service area could make any financial contribution to salary costs. The ability of an individual service to contribute funding to the apprenticeship scheme will be an integral part of the business case to be completed.

7.3 There would also be an expectation that individual services would fund the training costs or source external funding to support the costs of training.

8. PERSONNEL IMPLICATIONS

8.1 The personnel implications are included within the main body of the report.

9. CONSULTATIONS

9.1 The views of the listed consultees are included in the report.

10. RECOMMENDATIONS

10.1 Cabinet agrees that the uncommitted one off sum of £530k currently set aside in reserves is used to fund apprenticeships.

10.2 Cabinet endorses the establishment of an Apprenticeship Panel consisting of the Corporate Director – Communities, Head of People Services and Head of Corporate Finance, which will consider apprenticeship Applications in accordance with the process outlined in 4.19 above.

10.3 To note that a further report will be presented to Cabinet in due course that will set out a proposed workforce development programme including any initiatives that will ensure the Council's workforce is sustainable over the longer term.

11. REASONS FOR THE RECOMMENDATIONS

11.1 The recommendations are made because it is important that the Council supports the development of skills within the County Borough to enable its residents to gain employment, to contribute to the Well Being of Future Generations, to assist future workforce planning and to contribute to the wider CCR skills work stream. There is limited one-off funding set aside for Apprenticeships and therefore it is important that the maximum benefit is derived from the investment.

12. STATUTORY POWER

12.1 Local Government Act 1972
The Well-being of Future Generations (Wales) Act 2015

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Background Papers:

- Guide for Local Authority Apprenticeships in Wales (Draft) – June 2018, Welsh Government