

JOINT PERFORMANCE AND REGENERATION AND ECONOMIC DEVELOPMENT PORTFOLIO DECISION SCHEDULE



Friday 29 July 2011

at 9.00 am

in Committee Room D, Civic Centre, Hartlepool

Councillor J Brash and P Hargreaves, Cabinet Members responsible for Performance and Regeneration and Economic Development will consider the following items.

1. KEY DECISIONS

No items.

2. OTHER ITEMS REQUIRING DECISION

- 2.1 Council Apprentice Arrangements – *Chief Customer and Workforce Services Officer and Assistant Director (Regeneration and Planning)*

3. ITEMS FOR INFORMATION

No items

4. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

No items

JOINT PERFORMANCE AND REGENERATION AND ECONOMIC DEVELOPMENT PORTFOLIO

Report To Portfolio Holders
29th JULY 2011



Report of: Chief Customer and Workforce Services
Officer and Assistant Director (Regeneration and
Planning)

Subject: COUNCIL APPRENTICE ARRANGEMENTS

SUMMARY

1. PURPOSE OF REPORT

To comment on and endorse a change in the Council Apprentice arrangements which support wider Economic Development initiatives.

2. SUMMARY OF CONTENTS

Proposed changes to the Council Apprentice management and funding arrangements.

3. RELEVANCE TO PORTFOLIO MEMBERS

Employment and business initiatives outside the Council falls within the remit of the Regeneration and Economic Development Portfolio.

Council apprentice arrangements fall within the remit of the Performance Portfolio.

4. TYPE OF DECISION

Non-Key Decision.

5. DECISION MAKING ROUTE

To be jointly considered by the Regeneration and Economic Development Portfolio Holder and the Performance Portfolio Holder.

6. DECISION(S) REQUIRED

To comment on and endorse proposed changes to the Council Apprentice management and funding arrangements.

Report of: Chief Customer and Workforce Services Officer
and Assistant Director (Regeneration and
Planning)

Subject: COUNCIL APPRENTICE ARRANGEMENTS

1. PURPOSE OF REPORT

- 1.1 To endorse a change in the Council Apprentice arrangements which support wider Economic Development initiatives.

2. BACKGROUND

- 2.1 The Council currently employs 30 apprentices as detailed in Table 1

Table 1 – Current Council Apprentices

Type of Apprenticeship	Level	Number in year 1	Number in year 2	Number in Year 3	Total
Business Admin	2		4		4
Business Admin	3		6	5	11
Accountancy	2		1		1
Civil Engineering	3			2	2
Craft	2	3	2	4	9
Craft	3	3			3
		6	13	11	30

- 2.2 As part of the Council's Strategy to minimise/eliminate equal pay risks, and in light of guidance provided by the Local Government Employers (LGE), Apprentice posts are currently graded in accordance with the Councils Pay and Grading Structure agreed as part of the Single Status Agreement. For example the pay of a Business Administration Apprentice is detailed in Table 2:

Table 2 – Current pay rates for Business Administration Apprentices

Age	Hourly Rate £	Salary (£)
16 + (Year 1)	6.38	12,312
16 + (Year 2)	6.62	12,787

- 2.3 As a result of budget reductions, the capacity of the Council to recruit and manage directly employed apprentices has reduced significantly.

- 2.4 Nationally and locally there is commitment and support to increase the number of apprenticeship opportunities and the proposals in this report will enable the council to do this.

3. PROPOSED MANAGEMENT ARRANGEMENTS

- 3.1 In order to increase the number and range of Apprentice opportunities, reduce the management input and reduce costs within the Council per apprentice, there is an opportunity to partner with Hartlepool College of Further Education (HCFE) to meet the Council's Apprentice requirements in a different way.
- 3.2 The most significant change is that the Council would no longer recruit and employ new Apprentices and HCFE will become a Managing Training Agent for the Council's Apprentices. HCFE will recruit and act as the employer for apprentices across all occupational areas and place them within the Council.
- 3.3 The direct costs of employing Apprentices on behalf of the Council will be funded by departments in the current way.
- 3.4 Robust governance arrangements will be implemented and a formal agreement will be entered into with HCFE.
- 3.5 It is envisaged that the Apprentice Working Group led by the Corporate Organisational Development (OD) Team and comprising departmental Workforce Development representatives will be responsible for the day to day management of the formal agreement with the SLA and will be the main point of contact with HCFE. The remit of the Apprenticeship Working Group will include:
- Identifying departmental apprenticeship requirements
 - Supporting the recruitment process
 - Monitoring apprentice progress target against qualification
 - Managing Performance
 - Acting as conduit between the Council and HCFE to report performance related issues
 - Exploring options for increasing apprenticeship opportunities
 - Any issues relating to individual apprentice performance issues whilst placed with their department
 - Attending term time review meetings

4. PROPOSED FUNDING ARRANGEMENTS

- 4.1 The Council will be responsible for the salary costs associated with placing a HCFE apprentice as detailed in Table 3.

Table 3 – HCFE Cost of employing all Apprentices

Age	Hourly Rate £	Annual Salary (£)
16 – 18	2.60	5,002
19 + (in their 1 st year)	2.60	5,002
19 – 20 (in their 2 nd year)	4.98	9,581.52
21+ (in their 2 nd year)	6.08	11,697.92

- 4.2 In addition, the Council will be responsible for employer pension and national insurance costs where applicable as well as any business expenses e.g. travel costs etc other than to and from work or college. HCFE will be responsible for all other costs. The apprentice will be paid monthly in arrears. The Apprentices will also receive 20 days paid annual leave and will also be paid for all public and bank holidays. During periods of sickness they will receive Statutory Sick Pay only.
- 4.3 The new funding arrangements would result in savings for the authority in 2011/12 and would enable the number of Apprentices being recruited to increase over a wider range of occupational areas as detailed in Table 4

Table 4 – Apprentices to be recruited in 2011/12

Type of Apprenticeship	Level of Apprenticeship	Total
Business Administration	Level 2	6
Business Administration	Level 3	13
Customer Service	Level 2	1
Building Control	Level 3	2
Mechanic	Level 2	1

- 4.4 Based on the above information, the costs associated with placing the number of apprentices detailed in Table 4 will be (if aged 16 upon commencement) £115,046 in year 1 as opposed to £283,176 in year 1 under the previous arrangements (both figures exclude employer oncosts).
- 4.5 It is envisaged that the number of apprenticeship opportunities would continue to increase in future years as the funding of current apprentices would be released.

5. DURATION OF APPRENTICESHIP

- 5.1 Under the new arrangements, the duration of an apprenticeship will be determined by the level of qualification and occupational area. Table 5 (overleaf) illustrates the duration for the apprenticeships detailed in Table 4.

Table 5 – Duration of Apprenticeships

Type of Apprenticeship	Level	Duration
Business Administration	2	1 year
Business Administration	3	2 years
Customer Service	2	1 year
Building Control	3	3 years
Mechanic	2	2 years

6. TOWN WIDE WORKING

- 6.1 HCFE has offered two places on their existing employer group to further influence and develop the apprentice initiative and other business/employment programmes provided by HCFE for the town. It has not yet been decided who will be the Councils representatives.
- 6.2 Under the Local Strategic Partnership (LSP) review currently out for consultation with LSP themed group members it is proposed that the influencing and strategic role in relation to skills, employment and particularly apprentices becomes a role for the new Economic themed group which will be responsible for the delivery of the Hartlepool Economic Regeneration Strategy. It is envisaged that membership of this group will be agreed following endorsement of the LSP review by Cabinet.
- 6.3 The newly formed Economic themed group will agree Terms of Reference to take forward the strategic planning for skills and apprentices to meet the current and future needs of Hartlepool indigenous business and inward investment in line with the opportunities identified in the Economic Regeneration Strategy and the three year Action Plan.

7. RECOMMENDATIONS

That the Regeneration and Economic Development and Performance Portfolio Holders comment on and endorse the above arrangements.

8. REASONS FOR RECOMMENDATIONS

- The arrangements will enable the Council to increase the number and range of apprentice opportunities in 2011/12 and potentially increase opportunities in future years.

9. CONTACT OFFICERS

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