

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
10 April 2018

From: Scrutiny Committee

Subject: POLICY REVIEW – GRADUATES AND APPRENTICE SCHEMES – FINAL REPORT

All Wards

1.0 SUMMARY:

1.1 Between July 2017 and February 2018 the Committee undertook a review of the Council's Graduates and Apprentice Schemes. This report sets out the Committee's findings, conclusions and recommendations.

2.0 INTRODUCTION:

2.1 Reviewing the Council's Graduates and Apprentices schemes was considered an appropriate topic for review to ascertain whether the schemes were successful in meeting the Council's priority within the Council Plan for 'Driving Economic Vitality'. One of the key priorities within this theme was to facilitate 25 young people into work in small businesses by April 2018 through apprenticeships and to facilitate 7 graduates into Hambleton businesses by April 2018 through the graduate scheme.

2.2 The Committee as a whole undertook the review pursuant to the following terms of reference:

To review the Graduates and Modern Apprentices Schemes and to evaluate:

- how successful the current schemes are;
- whether the current schemes are fit for purpose;
- whether the current schemes provide good value for money to the Council;
- opportunities for improvement; and
- further opportunities for joint working.

2.3 In order to determine whether the District Council's plans, policies and practices were effective, the Committee decided to:-

- review the Graduate and Apprentice Schemes – policies and associated documents;
- review testimonials from graduates and apprentices; and
- survey businesses who had used the schemes to obtain feedback on how successful or otherwise their experience had been.

3.0 EVIDENCE

3.1 The following witnesses attended meetings of the Committee to give evidence, namely:

- Helen Kemp, Director of Economy and Planning (HDC); and
- Nicole Patterson, Business and Economy Manager (HDC).

3.2 The Committee also reviewed the following documents in detail:

- Graduate and Apprentice schemes;
- application and feedback forms;
- publicity material; and
- survey results.

4.0 FINDINGS

4.1 Based on the written and oral evidence presented, the Committee's findings were as follows:

Apprenticeship Scheme

- 4.1.1 The Committee noted that the project was initially established in 2013 as a key activity in the delivery of one of the Council's high level priorities, namely to support local economic growth, and there was evidence that getting young people into work, not only made a huge difference to the lives of those young people, but it was also a positive way of stimulating the local economy.
- 4.1.2 One of the priorities in the Council Plan is 'Driving Economic Vitality' with a performance indicator of facilitating 25 young people into work in small businesses through apprenticeships. The Council works closely with the local schools, Job Centre Plus and training providers.
- 4.1.3 The Committee was advised that the apprentice scheme supports businesses based in Hambleton who recruit apprentices who reside in Hambleton. The apprentice needs to be aged 16-24 to qualify for the current scheme. The scheme was primarily targeted at small businesses and in particular those employing less than 10 people but also looked at opportunities for an apprenticeship in businesses employing less than 100 people.
- 4.1.4 A £2,000 grant is given to the business during the term of employment to assist in paying the apprentices wages. There was also an accompanying grant that offered up to £5,000 to for equipment or associated costs in employing an apprentice. The business had to put in 25% of the costs to match fund the application.
- 4.1.5 The Government provides an Age Grant of £1,500 for businesses employing less than 50 employees who employ one new apprentice. A business can only access this grant once per year.
- 4.1.6 The Committee was informed that approximately 67% of the apprenticeships have continued past their training with the original business. A small number have gone on to study for another 2 years and some have left to move to a different organisation.
- 4.1.7 The apprenticeship scheme forms an important part of the Council's business support offer and often leads to the Council working with a business to support them in other areas. There has been a great deal of positive feedback in relation to this scheme and many success stories for the businesses and the apprentices, including business growth and permanent jobs for the apprentices. Many of the businesses have gone on to employ an additional apprentice and have found that planning to employ more staff has improved their wider business plans, promoted business growth, increased sales and led to businesses moving to better premises.

Funding

- 4.1.8 Initially the scheme was funded through the One-Off fund. However, from 2016/17 the scheme has been financed through the Economic Development Fund. Due to funding other priorities there remains a limited budget for 2017/18 but there is sufficient capacity to continue to fund £50,000 from the Economic Development Fund in 2017/18.
- 4.1.9 The Committee was advised that apprentices are advertised through the National Apprentice Service, job adverts, colleges, etc. The District Council checks the criteria of the apprenticeships to ensure they match the criteria for the scheme and then the business employs the apprenticeship. There are checks undertaken with businesses and colleges after 4 weeks and 12 weeks to ascertain whether the apprentice is still there and additional checks at 22 weeks. If the apprentice leaves between weeks 1 and 12, the District Council will recover £500 of the initial £1,000 instalment and no further monies will be paid. If the employer terminates the apprentice's contract or they leave between weeks 13 and 22, the employer refunds the second payment of £1,000.

Success of the Scheme

- 4.1.10 The Committee recognised that the original benefits of the project included:
- a real job for an unemployed young person, for the minimum period of the apprenticeship, with an expectation of sustained employment;
 - intensive short training course to prepare candidates for work, so even those who are unsuccessful in their application have improved employability prospects;
 - improved employability prospects within the Hambleton district for young people;
 - business growth; and
 - a reduction in the long-term unemployed young people in Hambleton.
- 4.1.11 The Committee noted that the project demonstrated that a high number of apprentices stay with the employer, which is a success for the scheme. Hambleton District Council tries to encourage businesses to recruit at appropriate times, primarily linked to the academic school year. Businesses trying to recruit in January struggle to recruit an apprentice. Therefore the Council encourages businesses to consider when school/college leavers receive their results, thus ensuring businesses seek to recruit apprentices at the appropriate time.
- 4.1.14 The Committee recognised that feedback is very positive from the supported businesses. They have all found the grant process easy to follow and have appreciated the additional support from the Business and Economies team. The scheme has assisted small business, in particular, in recruiting apprentices.
- 4.1.15 Evaluation forms are completed at the end of the 12 month period. This helps the Council ascertain the value of the scheme to the business and apprentices and potentially highlight areas for improvement.

Graduates Scheme

- 4.1.16 The Committee recognised that graduates are slightly different from the apprentices as they are already trained. Applications do not have to be from small businesses and graduates do not have to reside in Hambleton. The same application process applies, certain criteria have to be fulfilled and the decision is made by a panel. If the funding is approved, the businesses then recruit their own graduate. There were lots of examples of people obtaining permanent employment through this scheme.

- 4.1.17 The graduate scheme supports businesses with up to 250 employees based in Hambleton who recruit a Graduate who does not have to reside in Hambleton. The scheme is open to graduates of any UK university who have completed their studies within the last 3 years.
- 4.1.18 The Committee was informed that on the 2 December 2014 Members approved the Hambleton Economic Strategy and Investment Plan 2014 – 2024. One of the key projects highlighted within the Investment Plan was the introduction of a Graduate Programme whose overarching objective was to support 15 graduates (at a cost of £50,000 each year) to find employment with Hambleton businesses.
- 4.1.19 The scheme was launched in January 2015 to run for an initial period of 2 years - 2015/16 and 2016/17, with an allocation of £100,000 from the Economic Development Fund. Initially the Council operated the scheme in conjunction with Teesside University. Following a restructure in 2015 Teesside University was no longer able to continue with the scheme. Hambleton District Council, therefore, took over responsibility for completing pre-checks such as health and safety on site assessments and has managed and administered the scheme from 2015 onwards.
- 4.1.20 The target was to support 15 graduates per annum, which equates to 30 graduates over the two year period.

Funding

- 4.1.21 There is a target within the current Council Plan to support 7 Graduates in 2017/18, the costs associated with delivering this are £28,000. The scheme continues to be funded through the Economic Development Fund.

Success of the Scheme

- 4.1.22 The Committee was provided with the following statistics:
- Total applications for the grant: 39
 - Total businesses who progressed to recruitment: 28
 - 18 businesses had completed the agreed recruitment period of the agreement (6/12 months)
 - 3 graduates left before the end of the agreed period
 - 7 graduates are currently within the agreed period and their claims are on going
- 4.1.23 18 graduates were still in employment beyond the agreed period which was a 100% success rate.

5.0 CONCLUSIONS:

- 5.1 The Committee concluded from the evidence that the Apprentices and Graduates Schemes are working very successfully, that they are fit for purpose and good value for money.
- 5.2 Analysis on feedback received from the survey illustrated that the process of applying for funding was found to be easy, although it was suggested that perhaps an online form could be provided.
- 5.3 The Committee recognised that the schemes appeared to be oversubscribed and suggested that they would perhaps benefit if more funding could be identified and made available.
- 5.4 The Committee supported the continuation of these schemes.

6.0 RECOMMENDATIONS:

6.1 To recommend to Cabinet that:-

- (1) it be noted that the current arrangements for the Apprentice and Graduates Schemes are effective, fit for purpose and good value for money;
- (2) officers investigate the possibility of providing an online application form for the Apprentice and Graduates Schemes;
- (3) consideration be given to identifying whether there is any additional funding available to invest in the schemes in future years; and
- (4) the Committee supports the continuation of the Apprentices and Graduates Schemes.

COUNCILLOR S P DICKINS
CHAIRMAN

Background Papers: None
Author ref: LAH
Contact: Louise Hancock
Democratic Services Officer
Direct Line: 767015