

ANGUS SHARED APPRENTICE PROGRAMME



**ANGUS COUNCIL
INNOVATION IN EDUCATION,
EMPLOYMENT AND TRAINING FOR YOUNG
PEOPLE**

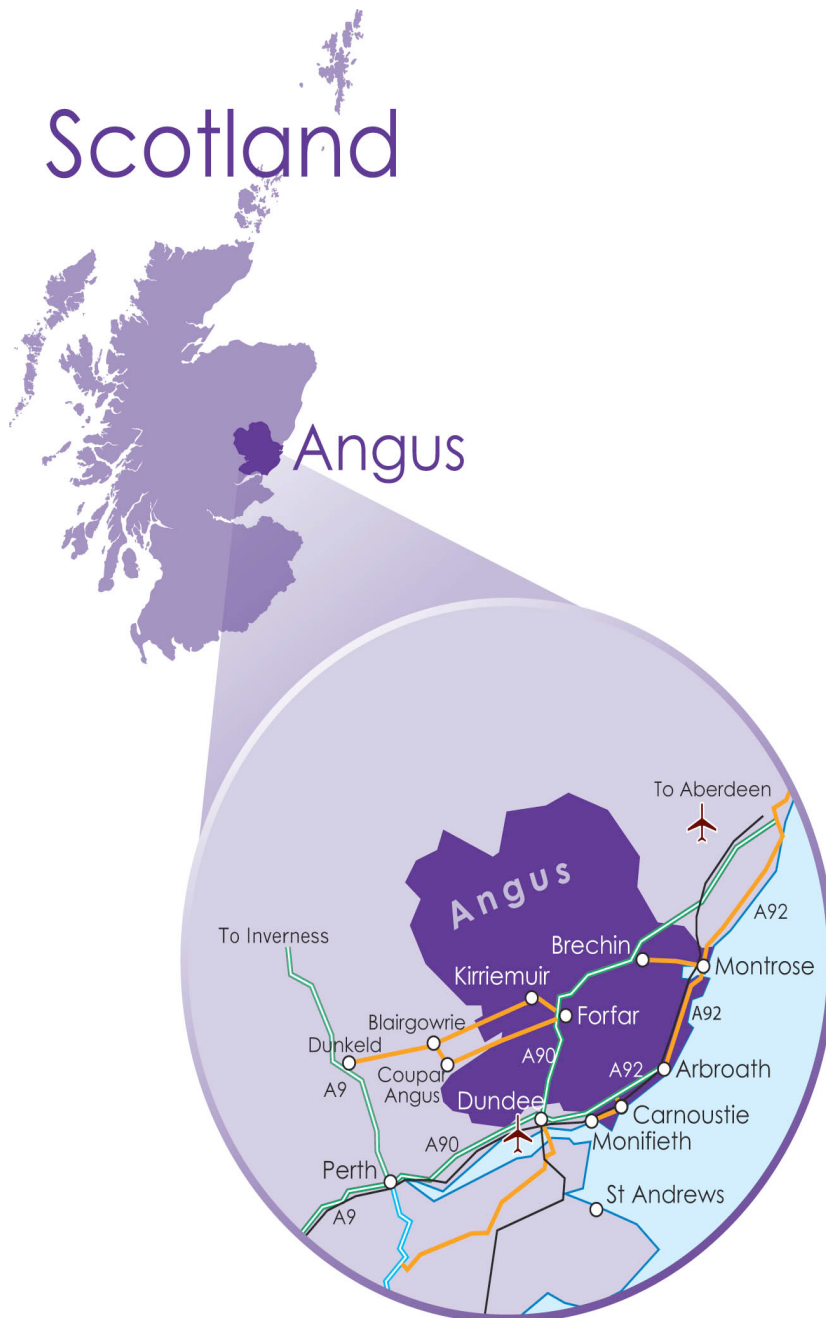
SUMMARY

Angus Shared Apprentice Programme Ltd (ASAP)

The ASAP company, as one of the first of its kind in Scotland, has been established by CITB, further education, public sector and private sector partners to help support the construction industry in the development of its current and future workforce. ASAP targets companies that are Small and Medium Enterprises (SMEs) that are not in a position to offer apprenticeships to young people due to the economic uncertainty across their sector and the short term nature of their order books – removing the long term risk yet enabling them to host apprentices from three months plus.



Where is Angus?



With a population of 116,000 Angus is located on the east coast of Scotland and is one of the small local authority areas in Scotland.

The majority of the population lives in the burghs of Arbroath, Montrose, Kirriemuir, Forfar, Brechin, Carnoustie and Monifieth.

Arbroath is the largest conurbation in the Angus with a population of circa 23,000 and Kirriemuir the smallest with circa 6,000.

The area is a mix of rural and urban communities and key sectors include tourism; food and drink, golf and engineering.

ASAP at a glance

What is the Angus Shared Apprenticeship Programme?

The Angus Shared Apprenticeship Programme Ltd (ASAP) acts as the employer (or in effect a recruitment agency) for a pool of construction apprentices. The apprentices work for multiple contractors, learning from a range of skilled craftsmen/women, while completing their 4 year apprenticeship. With the support of industry the ASAP is supported by CITB Construction Skills, who have a strong track record of delivery in this field, and is endorsed by Skills Development Scotland and Scottish Government.

Business benefits

- Injection of talented young people to the business (mainly 16-19 years old)
- Provides a wider range of skills
- Reduces risk of selecting the 'wrong' person
- Allows employers to grow their own staff
- Removes financial risk to the business
- Increases business potential to secure new contracts
- Future proofing the industry



Apprentice benefits

- Offers a clear progression route from school into training and employment
- Offers experience across a wide range of training
- Gives job security over the term of their apprenticeship
- Develops vocational and life skills

Our Ambition

ASAP

After an 18 month lead in period and a phase of consultation with key stakeholders the ASAP was registered at Companies House. In October 2016, the service went live.

Our vision

'To offer apprenticeship opportunities to develop the skills and abilities of our young people and invest in the future of our businesses.'

Service principles

ASAP is:

- Young person centred
- Future focused
- About business enablement and growth

Our Aims:

- Establish a private company to facilitate the development of the programme
- Develop clear career progression routes from school to employment
- Recruit 12 apprentices in year 1 of operating (2015/16)
- Subsequently recruit 12 apprentices each year until the company employs a maximum of 48 apprentices (year 4)
- Work with council services to embed apprenticeship clauses into all major capital spend contracts
- Work with industry and partners to offer a new way of delivering apprenticeships across Scotland
- Share best practice with others
- Expand the programme into neighbouring local authority areas

Rationale

Challenges

- There is a high % of early school leavers in Angus
- Angus has an ageing population (22% are within the 30-49 age range)
- 98.6% of business in Angus are small or medium enterprises
- Angus Council is one of the largest employers in the area
- There is an over dependency on the public sector as an employer
- Angus Council has less than 1% of employees that are aged 16-19 years old

Policy context

Of those mentioned above the high % of early school leavers and ageing population are the most concerning for the area. Early school leavers indicate a poorly qualified workforce that may not be able to fill the gaps left by the aging population unless public and private sector interventions are initiated.

With this in mind, Angus Council has developed a youth employment framework. The ASAP is just one of the measures implemented to support the aims of this policy and all have the overarching national policy driver of 'Developing Scotland's Young Workforce'.

Key Aims

Angus Council's Youth Employment Framework states we will support and challenge all council services to:

- Improve employment awareness and readiness for work in young people
- Promote a wide variety of career opportunities and access routes available within Local Government
- Increase the total number of young people employed across Angus Council
- Enable business development and growth by giving council services the confidence to invest in young people

Why target construction?

National Research

Building for the Future is the Scottish Construction Industry's Strategy. This strategy sets out the ambition and priorities for the industry from 2013 - 2016.

As part of this intent, it recognises that apprenticeships have always been at the heart of the industry, **but the age profile of the industry**, and the **requirement for new skills, remain important issues**. In addition, **the current economic environment has made it challenging for companies to maintain their investment in training and apprenticeships at the levels seen previously**.

Headline statistics below highlight the hard economic challenges that the industry faces and the significant contribution that it makes to the Scottish economy.

164,200	Employment in the construction industry in 2012	Down 23% Since 2008
45,900	Self-Employed in construction 2013	Down 14% Since 2008
25,005	Businesses in the construction industry in 2012	Down 2% Since 2009
£9.7bn	Total construction GVA in 2012	Down 24% Since 2009
£5.6bn	Total construction wages in 2012	Down 14% Since 2009
£10.7bn	Total construction output 2013	Down 8% Since 2008

Source Construction Sector Skills Investment Plan

Local supply and demand

Supply

Through Community Planning, partners have worked together to offer robust and well-tried progression routes from the Schools Skills for Work courses through to the National Progression Award in Construction. This offers a clear progression into the level 3 SVQ craft apprenticeships.

Those that progress on to the SVQ level 3 apprenticeship courses have demonstrated a high percentage of achievement and attainment. As seen below:

Year	College enrolment	Completers	Achievement
2009/10	89	86	97%
2010/11	80	78	98%
2011/12	77	73	95%
2012/13	83	73	88%
			Average 94.5%

Source Dundee and Angus College

Demand

By working in partnership with the local authority, regional college and employers, this project offers a truly joined up approach to develop the local skills while supporting economic growth.

The Dundee and Angus local association of the Scottish Building Federation – a body of local construction employers surveyed its members.

Key findings:

- Of those surveyed 42.8% employed less than 25 staff; 14.29% employed 25-50%; 28.57% employed 51-100; and 14.29% employed 101-200 staff;
- 86% surveyed supported a shared apprenticeship model;
- 100% had employed an apprentice at some point in time. Of these:
 - 11.1% hadn't employed an apprentice for more than 5 years;

- 33.33% hadn't employed an apprentice within the past 3 years.

Identifying Additional Opportunities

Angus Council Procurement - The Council has a significant portfolio of construction/maintenance related projects and the information below is provided to give an illustration of potential spend.

Contract	Timescale	Contract Value £
Housing	2015 -2018	47.8 million
Schools	2015 -2018	42.9 million
General	2015 -2018	3.72 million
Housing Maintenance	2015 -2018	10.2 million
Property Maintenance	2015 -2018	6.5 million
Total		111.12 million*

Conclusion from our findings:

- Nationally the construction industry has recognised that there are issues with workforce planning and the development of new talent;
- Locally there is an increasing skills gaps emerging;
- The local college had a proven track record in delivering introductory courses to young people with the ASAP allowing a further progression route into employment for the young person into training and employment;
- There is still the demand from young people to undertake the construction training and employment opportunities once qualified within the industry;
- Capital works within the public sector would offer opportunities for young people to gain invaluable experience as part of an apprenticeship programme.

Our Approach

A rapid improvement event was held with local stakeholders and partners to assess the research and to develop the ASAP delivery model. From this, a business plan was developed and support from key national stakeholders and local businesses was sought.

In September 2015 the ASAP board was formed.

Our partners include:

ASAP Board

- Angus Council (elected members x 3)
- Dundee and Angus College
- Robertson's Group
- Pert Bruce Construction
- Andrew Shepherd and Son



Advisers

- CITB
- Angus Council
- Skills Development Scotland
- Our apprentices

Support network:

All back of house functions are shared by the organisations on the board and the company is run through a series of operational groups, each of which are chaired by a member of the board.

Our funding:

A full cash flow and financial forecasting has been undertaken for the company. It is anticipated that the programme will be self-financing by the end of year 2.

Starter funding (to assist with initial cash flow)

- £25,0000 Angus Council
- £25,000 Dundee and Angus College
- £50,000 Developing Scotland's Young Workforce

Regular income streams:

- Apprentice wage rates +20% paid by the host employer
- £10,250 per apprentice over a 4 year period – drawn down from CITB

Developing transition routes to employment from school:

Currently Angus schools offer 'Skills for Work' training at Dundee and Angus College, which can lead to an 'Introduction to Construction' course, if desired. Candidates from the 'Introduction to Construction' course are guaranteed an interview for the ASAP when they are on the course.

Key things we did operationally:

- Formed a shadow board prior to the company going live in September;
- Established a number of working groups with a Director from the board chairing each group;
- Started some potential candidates that had already left school on a government funded work experience programme with a view to them applying for an apprenticeship;
- Ensured that all back of house functions were operational;
- Set up IT systems that allowed us to share information across different organisations;
- Advertised the programme through various routes of social media;
- Offered 'Introduction to Construction' candidates the opportunity to apply for an apprenticeship;
- Held a recruitment day to select candidates (with practical challenges/interviews);
- For those that were unsuccessful, they were offered alternative routes and periods of work experience so they could reapply for the following cohort;
- Canvassed our potential employers;
- Used additional council contract funding to support the first cohort of apprentices as an interim measure whilst community benefit clauses were being introduced into council contracts;

- Surveyed our employers and apprentices after 3 months to gauge progress and areas for improvement.

What our partners said

“Engaging an apprentice was very straight forward. ASAP found the individuals and dealt with all the paperwork etc. We have added to the workforce without having the costs associated with apprentices via the traditional route and gives us more flexibility with the terms of their employment”.

William Milne, Director, Milnbank Ltd

“Pert Bruce is delighted to support ASAP. This is an excellent example of an initiative which addresses one of the construction industry’s biggest challenges of skill shortage. It provides an opportunity for small businesses to take on apprentices when they are not able to commit to the full 4 years of the apprenticeship programme”

Craig Bruce, Director, Pert Bruce Construction Ltd

Measuring Success

Our success to date:

- The ASAP recruited 12 apprentices in October 2015;
- All apprentices are out in industry and attend college for vocational training assessments;
- There are 6 apprentices in placements through public sector contracts;
- The company has a bank of 16 companies signed up to take apprentices;
- Aberdeenshire Council are keen to implement the programme.

What we have learnt:

- Never under estimate the resource required to set up a company;
- The financial plan requires constant re-profiling of projections;
- The need to utilise the strengths that all partners bring to the table;
- A long lead in time is required before trading can commence;
- Payroll and employment law is complex;

- Attention to detail is essential.

Next steps

- To evaluate the programme after its first year and measure impact;
- To roll out to other authorities;
- To determine if the programme is transferable to other sectors;
- Develop case studies.

As part of the first year evaluation, the Board will appraise all aspects of the ASAP delivery model from its governance to the experiences of its employers and employees. Whilst findings have been positive to date, the model will depend on the commitment of the apprentices employed; public sector capital building projects and the support from within the sector. These results will be shared with others across Scotland and the company will amend its Business Plan and risk register accordingly.