

SCOTTISH PARLIAMENT APPRENTICESHIP PROGRAMME

Executive summary

1. The SPCB is invited to note the success of the Modern Apprenticeship pilot programme and agree to the expansion of this programme aimed specifically at young people aged 16-24 years old.

Issues and Options

2. In August 2012, the SPCB undertook a pilot of an apprenticeship programme. Two apprentices were appointed who have had the opportunity to learn new skills while in a real job; undertake training; and gain a high quality recognised vocational qualification. By working in different offices like Finance, Events, UK & International Relations Office and Chamber Office the apprentices have been able to develop a diverse set of employability skills that will make them job ready for the future. It has been a positive experience for the apprentices who feel they have had a unique opportunity to start a career in the Parliament and gain qualifications by a route other than through further education. Both apprentices have now successfully completed their SVQs and are seeking opportunities for permanent employment in the Parliament.
3. A recent study of the age demographic in the workforce has shown that the organisation would benefit from such diversity in the long term, and current projections show that we have a potentially ageing workforce. Currently 1% of staff are under the age of 24 and over 66% of staff are over the age of 40. It is estimated that in 10 years' time this age gap will become even bigger, increasing our median age to 51 years old from the current 44 years old. The organisation therefore needs to consider as part of its workforce planning reducing this age gap and create opportunities to harness young talent into the workforce.
4. The SPCB also has corporate social responsibilities to consider in addressing the problem of youth unemployment in Scotland. In the prevailing economic climate, nearly a fifth (18.2%) of 16-24 year olds are out of work. While trends are suggesting that this figure is improving, youth unemployment is still at a record high with many young people struggling to find a foothold in the labour market. To help bridge this gap, apprenticeships are considered to be a way of providing young people with valuable work experience and training. Should we, as an employer, make a substantial investment into apprenticeships, this would give young people the chance to enter the labour market; build a career in the Parliament; and at the same time address some of our challenges posed by a potentially ageing workforce.
5. We therefore invite Corporate Body members to agree to the expansion of the apprenticeship programme in the Scottish Parliament.

Proposal to Launch a New Apprenticeship Programme

6. The aim is to develop an apprenticeship programme that is deliverable over the next four years. The programme will be aimed at 16-24 year olds with 10 apprentices recruited at two different entry points in 2015 and another 10 apprentices in 2017. Future projections illustrate that this number will have a positive effect on the future age profile of the workforce, reducing the median age slightly and increasing the number and percentage of under 30 year olds employed by the SPCB from 4.4% to 9.8% of staff.
7. The apprenticeships will run for a maximum of 24 months with each apprentice working towards a high quality vocational qualification in areas such as IT, Security and general administration posts in Chamber and Clerking, and Finance. The apprentices will start at the minimum grade 1 salary level and move up to grade 2 on completion of their qualification which would allow them to gain the right level of experience to compete through fair and open competition. We are anticipating restricting recruitment to certain posts at grade 2 to the pool of apprentices thereby increasing their chances of getting a job in the Scottish Parliament. This will include posts that would normally have been filled by agency staff thereby enabling us to achieve savings on the costs of engaging, training and VAT associated with utilising agency staff.

Resource Implications

8. The table below provides estimated costs based on an annual average net cost, including potential savings made from introducing the programme into the Parliament.

Apprenticeship Programme	Amount
Average Annual Salary costs x 1	£13,500
Total Average Salary Cost (10 Apprentices)	£135,000
Less Factor for 10% dropout (in first 3 months)	£12,000
Total Average Net Salary Costs	£123,000
Additional Costs	
Additional HR costs	£24,000
Additional SVQ training	£6,000
Total Annual Additional Costs	£153,000
Annual Savings	
External recruitment costs	£4,000
Training costs*	£8,000
VAT costs*	£26,000
Total Savings	£38,000
Total Average Net Annual Cost	£115,000

* These costs relate to replacement of agency staff.

Overall, additional budget requirements per financial year over the four years are:

Year	Amount
2015/16	£170,000
2016/17	£75,000
2017/18	£135,000
2018/19	£80,000

The average annual net cost over the 4 years amounts to £115,000 as noted in the previous table.

Governance Issues

9. Governance issues have been considered and appropriate action will be taken as and when the project activities to support the programme are scoped.

Publication Scheme

10. This paper can be published under the SPCB's Publication Scheme.

Next Steps

11. The Human Resources office will launch the programme at the end of November 2014 with a view to having the first group of apprentices in post by March 2015. There is a comprehensive project plan in place to deliver the programme which includes a jobs fair at the Parliament and a two week intensive induction programme for the apprentices. The Human Resources office will also work closely with Group Heads in working up individual programmes for each apprentice.

Decision

12. The SPCB is invited to:
 - Agree to the expansion of the apprenticeship programme in the Scottish Parliament.

Human Resources Office
September 2014