

EAST AYRSHIRE COUNCIL

CORPORATE GOVERNANCE COMMITTEE

8 JUNE 2006

SKILLSEEKERS TRAINING ALLOWANCE/BONUS PAYMENTS

Report by the Depute Chief Executive/Executive Director of Corporate Support

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek the Committee's approval for proposed changes for 2006/07 to the current levels of Skillseeker training allowances and achievement bonus payments and to propose changes for 2006/2007.

2. BACKGROUND INFORMATION

- 2.1 It has been identified that the neighbouring authorities of North and South Ayrshire Councils are providing Skillseeker training allowances at a considerably higher level than East Ayrshire Council. South Ayrshire Council Skillseekers receive £80/week; North Ayrshire Council Skillseekers receive £70/week. Further afield it is noted that Glasgow City Council Skillseekers receive £79/week.

- 2.2 East Ayrshire Council trainees in receipt of training allowances are in the following programme categories.

- Get Ready for Work—includes EASY project.
- Skillseekers

- 2.3 The current rates of allowances and bonus payments made to Skillseekers with East Ayrshire Council have been static for over five years and are:

Weekly Allowance	£ 55
Level 2 SVQ Achievement Bonus	£200
Level 3 M.A. (Admin) Achievement Bonus	£200 (paid on top of level 2 Bonus)

- 2.4 The bonus payment system which was introduced by Scottish Enterprise was dropped from being mandatory some years ago. It should be noted that neither North nor South Ayrshire Councils operate with an achievement bonus system.

- 2.5 The bonus payment system when introduced was intended to encourage speedy achievement of vocational qualifications and was aimed as a reward for those trainees who worked hard and gained their VQ in the allotted time scale. The training and

learning style has now changed and non employed trainees contribute considerably to the output of departments and therefore the bonus system no longer has any relevance.

3. PROPOSAL

- 3.1** To enable the Council to continue to attract high quality Skillseekers, it is proposed that the basic Skillseekers training allowance be raised by £20 per week, providing for a weekly allowance of £75 per week from 1st April 2006.
- 3.2** It is also proposed that achievement bonus payments should cease for all trainees recruited after 1 January 2006, bringing the Council into line with our neighbouring authorities and with private training providers.
- 3.3** All trainees recruited prior to 1 January 2006 would remain eligible for the achievement bonus notified to them when they commenced their training programme.
- 3.4** The Corporate Management Team at its meeting on 22 March 2006 agreed to support the proposal to increase the training allowances.

4. FINANCIAL IMPLICATIONS

- 4.1** The financial implications arising from the proposal based on current contract levels and based on contracted training weeks from 2004/2005 is an additional £67,000 being added to the training allowances budget. This is made up from £36,000 to Get Ready for Work; £20,000 to Skillseekers and £17,000 in respect of trainees participating on the Easy Project. There would be an offset of approximately £6,000 from the proposal to end bonus payments.
- 4.2** These additional costs would be met as follows:
 - Skillseekers - from departmental budgets and any external work placements in accordance with current arrangements.
 - Get Ready for Work trainees - from the respective budgets within Building and Works and Outdoor Amenities where all these trainees are in placement in accordance with current arrangements.
 - E.A.SY. Project trainees – from within the existing budget of the Skills Training Unit as these trainees are not in placement within departments.

5. POLICY/LEGAL IMPLICATIONS

- 5.1** The proposal supports the Improving Opportunities Theme contained within the Community Plan.

6. RECOMMENDATION

6.1 The Corporate Governance Committee is asked to approve: -

- (i) the proposed increase to the Skillseekers and Get Ready for Work training allowance of £20 per week from 1 April, 2006;
- (ii) the termination of the achievement bonus payments made to new Skillseeker recruits from 1 April 2006, and
- (iii) otherwise note the content of the report.

Elizabeth Morton
Depute Chief Executive/
Executive Director of Corporate Support
21 April 2006

BACKGROUND PAPERS

Nil

Any person wishing further information should contact Martin Rose, Head of Personnel (telephone 01563 576092).