

# EXECUTIVE COUNCIL

## CONFIDENTIAL

**Title of Report:** Priorities for Career Development Scheme funding  
**Paper No:** 161/11  
**Date:** 30 June 2011  
**Report of:** Head of Human Resources

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### 1. Purpose

- 1.1 The purpose of this report is to seek Honourable Members approval of the following recommendations in relation to the actioning of the reserve development funding initiated by Members.

### 2. Recommendations

- 2.1 Executive Council is recommended to endorse the following proposals:
- 2.2 The disciplines identified in paragraph 4.4 are those which are given priority for funding in the 2011/12 financial year.
- 2.3 Preference is shown to individuals not eligible for the existing higher education funding programme ie those over 25 and those who do not already have a substantial qualification which would make them currently eligible for a post in FIG.
- 2.4 Matched funding is sought from individuals not currently employed by FIG to ensure firm commitment to completing the qualifications and to mitigate the risk of defaulting on a funding agreement if they choose not to complete the course or seek employment with FIG on completion of the qualification.

### 3 Financial Implications summary

- 3.1 No specific costs.

### 4. Background

#### **Prioritisation of funding against qualifications critical to delivering key FIG services in the longer term.**

- 4.1 In January 2011, ExCo agreed the principles to be used to allocate the £150,000 reserve development budget. (These are outlined in ExCo paper 49/11).

- 4.2 As noted in paragraph 5.2 of that paper ‘the qualification will need to be one that is required for a specific government post,..or range of posts, and therefore by studying the qualification the individual will clearly improve their future career prospects for a Government post’.
- 4.3 A review has been carried out to identify which professional/technical and senior management posts in Government are the most difficult to fill locally due to a specific lack of availability of a substantial, formal higher education or professional qualification such as an MBA etc within the local applicant pool at this time.
- 4.4 This review also took into consideration the Customs and Immigration work permit data provided in ExCo paper 51/11 issued on 24<sup>th</sup> March 2011, which made reference to the main categories held against the ‘Skilled Occupation List (Shortage Occupations).
- 4.5 At this time, the following disciplines are considered by FIG to be those which will be those most needed in the medium to long term within Government.
- Teachers (inc’ camp and travelling – all phases and subjects)
  - Nurses/Pharmacists/Midwives
  - Engineers, (Civil, Mechanical and Electrical in particular) and technicians
  - Medical Dr’s, Practitioners and Specialists
  - Vets and Agricultural Advisers/Specialists
  - Lawyers/Legal Practitioners
  - Accountants and Auditors
  - Fisheries Scientists/Researchers
  - Senior Business Managers
  - Social Workers
  - Aviation Engineering Specialists
- 4.6 Members will note that this is a wide spectrum of skills to support and whilst the funding allocated for this programme is a considerable sum of money that should make great in roads to supporting the localisation agenda, it has to be recognised that the fees to obtain a substantial, formal higher education or professional qualifications can also be significant. This is particularly true of qualifications pursued in the UK from 2012 onwards following the change to the tuition fees structure from that point in time. The fees structure from that year onward will result in a raising of fees from approximately £3,500 per annum to anywhere between £6,000 and £9,000 pounds per annum.
- 4.7 If there is little uptake on these ‘critical’ skills, the monies will be allocated to those seeking to pursue qualifications which are of the next ‘highest’ priority level to FIG and the Islands in the longer term ie tourism specialists and Project and Quality Managers, CAD Specialists, Clerk of Works and so forth.

- 4.8 Prioritising disciplines in this manner should ensure the best return on the initial investment and provide greater security for the community's longer term growth and prosperity, as well as reducing the dependency on the need for contract staff with such qualifications to continue to fill these particular skills gaps.
- 4.9 In light of the fact that those between the ages of 18 to 25 have access to the Higher Education funding programme, it is felt appropriate to give initial preference for this stream of funding to those who do not already have the option to be supported through this scheme.
- 4.10 In addition to 4.9 above, it is also considered appropriate to give preference for funding to those who do not already have a substantial qualification that would make them eligible for a position in FIG ie funding would instead be prioritised towards those who are seeking a first substantial qualification in a priority area or to deepen an existing qualification base in the particular fields which have been given priority to ensure appointability at the more senior levels ie those looking to qualify for a first degree/professional qualification or an MSc/MBA (or equivalent).

#### **Matched Funding.**

- 4.11 Where significant sums of monies are to be loaned out to individuals without any collateral being secured against the loan, there is inevitably an element of risk.
- 4.12 There are two particular risks in regard to the lending of funds under the reserve funding scheme.
- 4.13 Firstly, identifying individual's learning capabilities will be a much easier process to establish for FIG employees due to their regular assessment of this ability in the workplace through the appraisal system. Whilst for non existing FIG employees, school records will be reviewed upon application and employers references as to capabilities will be asked for, (if the individual is content for this to be the case), there is not the same guarantee that learning capacity will be as easy to establish for non FIG employees. This increases the possibility of funds being released to those who may not be fully able to meet the demands this kind of course of studies places upon them, which in turn make this a financially riskier option.
- 4.14 Secondly, it is important to recognise that whilst legal agreements will be in place to allow FIG to pursue recovery of funds from individuals who default on their course, or who do not then seek employment with FIG by the due date after the qualification is gained, that this process can still be an extremely challenging exercise to undertake. There is no absolute guarantee that the outstanding sums could be recovered. This is particularly the case if the individuals concerned are not resident in the Islands at the time funds are being chased. This again increases the financial risks in relation to recuperation of the funding where this is the situation.

- 4.15 The concept of matched funding is therefore proposed to help mitigate both these risk factors. Under this process those who are not existing FIG staff and who apply for the Scheme would be asked to contribute financially towards their course. This contribution could be *up to* the equivalent of a 50:50 split ie if a course costs £10,000 per annum to support, FIG would contribute £5,000 and the individual would also contribute £5,000.
- 4.16 Asking for such a contribution would mitigate these risks on two counts.
- 4.17 Firstly by being willing to make such a contribution, it proves that the individual is firmly committed to this course of action. This helps with self selection for this funding, as those who may not have the necessary learning capacity may be less willing to ‘have a go’ on a course if they also have to contribute funding towards it because they too might lose out financially if they default on the agreement. It may also encourage those selected to remain focused on this goal as they have a vested financial interest in doing so.
- 4.18 Secondly, where an individual defaults on the repayment agreement then less funding is lost under such a scheme as the initial financial risk has been spread between FIG and the individual.
- 4.19 It is hoped that this concept would not only strengthen the likelihood of people completing their courses and taking up jobs in FIG following their attainment of the qualification, but that it would also allow funding to be spread as widely as possible to those committed to building a better future for themselves and the community.

## **5 Human Resource implications**

- 5.1 None at this time, other than the requirement to provide CMT with clear workforce planning data going forward to facilitate the identification of key skills needed in the long term to support the Islands Plan ‘Localisation’ initiative.

## **6. Financial Implications**

- 6.1 No specific costs.

## **7 Legal Implications**

- 7.1 Any documentation to support setting up and repaying any matched funding initiative will require legal sanction.