

North Tyneside Council Report to Cabinet 14 May 2012

Item No. 6 (h)(ii)(f)
Title: The Council
Strategic Plan and
2012/13 Budget Proposals
- Apprenticeships

Portfolio(s): Children, Young People and Learning

Cabinet Member(s): Councillor David Lilly

Report from Directorate: Children, Young People and Learning

Report Author: Jean Griffiths, Head of Schools, Learning and Skills (Tel: (0191) 6438782)

Wards affected: All

PART 1

1.1 Purpose:

The purpose of the report is to provide information in order to allow Cabinet to consider the options available in relation to the development of the apprenticeship programme with particular reference to the Armed Services, in light of the Council's agreed Budget 2012/13 and Council Strategic Plan 2012/15 and the associated Implementation Plan agreed by Cabinet on 28 March 2012.

1.2 Recommendation(s):

It is recommended that Cabinet authorise the Head of Schools, Learning and Skills, in consultation with the Strategic Director of Finances and Resources, the Head of Legal, Governance and Commercial Services, the Elected Mayor and the Cabinet Member for Finance, to explore alternative funding options for the apprenticeship programme.

1.3 Forward Plan:

This report does not appear on the current Forward Plan. However, it is required to be considered at this Cabinet meeting pursuant to the Budget and Council Plan Implementation Plan agreed by Cabinet on 28 March 2012.

1.4 Council Plan and Policy Framework

This report relates to the following priority in the Council Strategic Plan 2012 – 2015:

Priority 2. Maintaining excellent education, training and employment opportunities, including apprenticeships and working in collaboration with partners.

1.5 Information:

- 1.5.1 At an extraordinary meeting of Cabinet held on 28 March 2012, a draft Implementation Plan was agreed in relation to the 2012/15 Council Strategic Plan and 2012/13 Budget. The draft Implementation Plan required a report to be submitted to Cabinet in May to consider alternative options for the apprenticeship programme.
- 1.5.2 Cabinet's original proposals to Council in respect of the 2012/13 budget were to provide £83,719 to support the further development of the apprenticeship programme particularly with regard to supporting the Armed Forces returning to employment. This is in line with the Armed Forces Community Covenant. This proposal did not form part of the Budget which was agreed by Council on 1st March 2012.
- 1.5.3 Following a North East Regional Scrutiny review in January 2011 a number of recommendations were identified to be actioned by Local Authorities, Health, Department for Work and Pensions and Armed Forces. There were some specific references to employment and links between the Local Authority and the Career Transition Partnership.

The recommendations identified were:

- that the Armed Forces and the Career Transition Partnership work more closely with local authorities across the region and provide them with an assessment of the likely level of demand and need for employment and skills related services in order to inform future economic and financial inclusion strategies and future provision.
 - that the Career Transition partnership continue to work with local authorities and Primary Care Trusts (and successor bodies as PCTs are abolished) to ensure that the Transition Protocol is understood and that specific individuals are mandated appropriately to take on these roles.
 - that the Armed Forces and the Career Transition Partnership work more closely with local authorities and third sector organisations such as ex service charities, Norcare and Mental Health North East with a view to developing a formal process for referring vulnerable service leavers into specific services.
- 1.5.4 An apprentice contract is a fixed term training contract, which lasts for the duration of the apprenticeship. There are numerous vocational apprenticeship frameworks to choose from depending the specific needs of Service areas within the Council. Completion of the apprentice training contract is dependent upon 2 key factors:
- the apprentice obtaining an NVQ level 2 or level 3 qualification; and
 - completion of the key skills and technical certificate.
- 1.5.5 The Council has an existing apprenticeship programme which could have been strengthened had the original funding proposal been approved, and could have provided a particular focus on leavers of the armed services. Specific employers would have been targeted to provide opportunities for armed forces personnel to move into civil society by making a contribution to the salary or providing a bursary. Details of both arrangements are included below.
- 1.5.6 The cost associated with apprenticeships are subject to national agreement. Apprentice pay scales are set nationally each year and are based on a scale that is dependent on

the vocational areas and the type of job they are undertaking. Employing apprentices carries with it financial cost (see below) which small to medium sized businesses are often reluctant to embrace. The additional funding would enable direct support to be given to employers as an incentive to encourage them to participate. This would be realised in the form of bursaries for potential employers.

1.5.7 The financial implications for employing apprentices are as follows:

Cost of apprentices (according to age)

Age	Cost
21 +	£11,457.42
19 - 20	£10,264.54
16 -18	£7,792.20

The original growth proposal could therefore have provided in the region of seven 21+ apprenticeship places for armed forces personnel seeking employment in civil society.

Another alternative would be to support employers to employ adult apprentices particularly ex armed forces. This could be tackled in two ways:

- a) A contribution to the salary costs. The Government already offers a grant of £2,000. An additional contribution could be provided by the Council; or
- b) An alternative would be to support other employers to employ adult apprentices particularly from ex-Armed Forces by providing a training bursary. From August 2012 the Skills Funding Agency will stop paying the current 50% training costs for adult apprentices aged 21+. This will have a detrimental effect on the number of adults gaining apprentices and particularly on ex-Armed Forces.

All vocational training cost varying amounts. For example a level 2/3 business administration will cost £4,000 to deliver, however a construction level 2 costs £8,000. The bursary could be a contribution to the training, of which a maximum could be provided to support the employer.

1.6 Decision Options

1.6.1 At the meeting of Cabinet of 28 March 2012 a draft Implementation Plan was agreed in relation to the Council Strategic Plan 2012-15 and Budget for 2012-13. The draft Implementation Plan required a report to be submitted to Cabinet in May to consider options for supporting apprenticeships (including Armed forces returning to employment).

There are therefore two options for Cabinet to consider:

- 1) Agree to take no action in relation to increasing support for Apprenticeships; or
- 2) To delegate authority as described in paragraph 1.2.1 to explore alternative funding sources in order to provide an Apprenticeship programme with a specific focus for supporting the Armed Forces.

Option 2 is the recommended option.

1.7 Reason for Recommended Options

Exploring alternative funding could enable the Council to develop its apprenticeship programme including a particular focus on opportunities for Armed Forces Personnel to return to work.

1.8 Appendices:

None.

1.9 Contact officers:

Jean Griffiths – Head of Schools, Learning and Skills, tel: 0191 6438782
Anthony Gollings - Financial Business Manager for CYP&L and Finance & Resources, tel 0191 643 8071

1.10 Background information:

Report to Cabinet 12 March 2012: Review of Health of the Ex-Service Community – update on actions.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The original budget proposals incorporated additional expenditure of £83,719 to further support the apprenticeship programme in North Tyneside, this was then excluded from the Budget agreed by Council.

There is no provision within the 2012/13 Council Strategic Plan and Budget for this project. If no action is taken to amend Cabinet's original proposals, and the £83,719 was allocated to this programme, the 2012/13 budget would no longer be in balance as insufficient funds would be available.

In line with legal guidance to Council, it is possible for Cabinet to proceed in this manner if the overall budget envelope remains in balance. Any decisions to proceed with this particular project will therefore need to be taken within the context of the Council Strategic Plan and 2012/13 Budget Implementation Plan as some of the proposals contained in that document generate additional resources. As stated in those reports, any surplus budget would be added to the Strategic Reserve and its use will be determined in accordance with the Reserves and Balances Policy.

If Cabinet agree to the recommendation that alternative funding options for the apprenticeship programme be explored, this may enable the apprenticeship programme to be delivered without additional resources being required from the Council.

2.2 Legal

Responsibility for the apprenticeship programme is a matter for Cabinet.

The Council's budget is essentially a financial envelope which is not in itself prescriptive on a line by line basis and is governed by the requirements of the law in relation to the separation of powers between the Council and Cabinet. However, whilst the

apprenticeship programme which is the subject of this report is a matter for Cabinet, Cabinet are bound to take the Council's views in relation to this matter into account as a relevant consideration in its decision making in relation to the matter.

2.3 Consultation/community engagement

Consultation has been carried out with the Elected Mayor and Cabinet Member for Children, Young People and Learning

External consultation has taken place with the North Tyneside Military Civil Integration Officer on this proposal.

2.4 Human rights

There are no human rights implications directly attached to this report

2.5 Equalities and diversity

The apprenticeship programme is available to all eligible young people in the borough with particular focus in this case to armed forces personnel.

2.6 Risk management

The proposals will be appropriately risk managed to ensure the Council and partners are not exposed to unmanageable operational risks.

2.7 Crime and disorder

There are no crime and disorder implications directly arising from this report

2.8 Environment and sustainability

There are no environmental and sustainability implications directly arising from this report

PART 3 - SIGN OFF

- Strategic Director(s)
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Strategic Manager, Policy and Partnerships