

North Tyneside Council

Report to Cabinet

13 August 2012

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| <p>Item 5(m)(ii)(a) Title: The Council Strategic Plan and 2012/13 Budget Proposals - Apprenticeships</p> |
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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 with regard to alternative sources of funding for the development of the apprenticeship programme with particular reference to the Armed Services, pursuant to the delegation granted by Cabinet for that purpose at its meeting on 14 May 2012.

1.2 Recommendation(s):

It is recommended that Cabinet consider the options available in relation to the Council's apprenticeship programme as outlined in this report.

1.3 Forward Plan:

This report was included on the Forward Plan for the period 1 August 2012 – 31 November 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 considered a report on 14th May 2012 and approved the delegation of authority to the Head of Schools, Learning and Skills, in consultation with the Strategic Director of Finance 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 development of the Council's apprenticeship programme.
- 1.5.3 Following that decision consultation for that purpose was undertaken with:
- The National Apprenticeship Service (NAS) which supports, funds and coordinates the delivery of the Apprenticeships throughout England
 - The Skills Funding Agency, a partner organisation of the Department for Business, Innovation and Skills which funds and regulates adult further education and skills training in England.
- In both cases it was confirmed that there is no additional funding available to support the further development of the Council's apprenticeship programme.
- 1.5.4 The cost associated with apprenticeships remain subject to national agreement as set out in the report submitted to Cabinet on 12th May 2012.
- 1.5.5 Cabinet have earlier on this agenda considered the formal appointment of Preferred Bidders for the Business and Technical Packages. Bidders have included in their proposals investment in Apprenticeship Schemes. It may therefore be sensible to defer consideration of this report to allow discussions with the Preferred Bidders to see if the limited Council funding can in some way be matched with the Preferred Bidders investment funds to create a more substantial North Tyneside Apprenticeship Scheme.

1.6 Decision Options

The options for Cabinet to consider, in the light of the further information provided in this report, are as follows:

Option 1

Agree to take no action in relation to increasing support for Apprenticeships; or

Option 2

Agree to provide £83,719 to support the further development of the Council's apprenticeship programme, in accordance with Cabinet's original proposals, with a particular focus on supporting the Armed Forces returning to employment.

Option 3

Agree to defer consideration of this report to allow a further report to be brought back to Cabinet after discussions have taken place with the Preferred Bidders for the Business and Technical Packages with a view to creating a more substantial Apprenticeship Programme.

1.7 Reason for Recommended Option

Option 3 is the preferred Option as it potentially creates a more substantial Apprenticeship Programme to assist more residents of North Tyneside.

1.8 Appendices:

None.

1.9 Contact officers:

Jean Griffiths – Head of Schools, Learning and Skills, tel: 0191 643 8782
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.

Report to Cabinet 14th May 2012: 2012/13 Budget Proposals – Apprenticeships.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The financial implications will depend on which option is agreed.

There are no financial implications arising if option 1 is agreed.

In terms of option 2, 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 alternative 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. The latest Implementation Plan report to this Cabinet states that there are currently additional resources available totalling £0.218m.

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.

In this instance Council excluded funding for the programme in the alternative budget agreed by Council at March 2012. The current position regarding available resources is referred in paragraph 2.1.

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, as well as with the National Apprenticeship Service and the Skills Funding Agency as described in the report.

2.4 Human rights

There are no human rights implications directly arising from this report

2.5 Equalities and diversity

The apprenticeship programme is available to all eligible young people in the borough I.

2.6 Risk management

Any proposals agreed would be appropriately risk managed to ensure the Council and any 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) X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Strategic Manager, Policy and Partnerships X
- Chief Executive X