

# North Tyneside Council Report to Cabinet Date: 11 February 2013

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 the potential 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.
- provide information to assist Cabinet in determining whether funding of £83,719 be made available for this purpose.
- provide a recommendation if the funding was made available.

### 1.2 Recommendation(s):

It is recommended that Cabinet:

- a) consider the information referred to in this report and determine whether funding should be made available to further develop the apprenticeship programme as outlined in this report
- b) authorise the Head of Service; Schools, Learning and Skills to take all necessary steps to implement the programme.

### 1.3 Forward Plan:

This report was included on the Forward Plan for the period 1 August 2012 – 31 November 2012 but deferred as a result of the Cabinet meeting held in August 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 14<sup>h</sup> 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 remains subject to national agreement as set out in the report submitted to Cabinet on 14 May 2012.

1.5.5 At its meeting on 13<sup>th</sup> August 2012 Cabinet agreed to defer consideration of this matter to allow a further report to be brought back to Cabinet after discussions had taken place with the preferred bidders for the business and technical packages with a view to creating a more substantial apprenticeship programme.

1.5.6 Balfour Beatty and Capita Symonds, the successful partners, are currently developing their workforce development plans and are in discussion with the Employment and Skills Team to set targets for apprenticeships and other employment related activities. In addition Capita Symonds, Balfour Beatty and Kier North Tyneside have agreed to implement a joint model to supporting the apprenticeship programme. This will ensure a coherent approach for potential apprentices and employers. The strategy will be launched as part of the Apprenticeship Week 11 – 16 March 2013. In the first instance Capita Symonds is anticipating recruiting 5 new apprentices in the Spring.

1.5.7 Additional financial resources could support businesses to recruit additional apprenticeships. This support would directly contribute to the cost of salaries for the apprentices.

1.5.8 The Nationally set apprenticeship programme guidelines require all apprentices to be employed. Notwithstanding the support from business partners referenced above, employers, particularly very small businesses are reluctant or unable to commit to employing an additional employee in the current economic climate. However, many such businesses state that their business would benefit from additional employee resources.

- 1.5.9 The reluctance of businesses to recruit apprentices and new employees is detrimental to the ex-Armed Forces personnel who are looking for work. Many of the ex-Armed Forces personnel are often over qualified for apprenticeship opportunities.
- 1.5.10 Recent examples of apprenticeship bursaries indicate that a small subsidy targeted at specific employers, sectors and groups of unemployed people can significantly increase the job creation and uptake from these groups.
- 1.5.11 It would be possible to trial an offer to our business partners, Balfour Beatty and Capita Symonds, or smaller employers of a tailored bursary programme linked to employment and training of ex-Armed Forces personnel. It would be possible to implement conditions within the programme that apprenticeship would be the first priority. If apprenticeship was not possible that an individual skills assessment linked to the employment opportunity would be undertaken as the secondary condition. This would provide employment opportunities for this group whilst ensuring skills development is a condition of employment.
- 1.5.12 With the funding of £83 719 it is anticipated that approximately 16 ex-Armed Forces personnel or any other identified target group could be assisted. Additional target groups could include the long term unemployed, young people aged 16 to 18 and residents residing in the most deprived wards. This would include a maximum bursary to the employer of £5,000 in the first year of employment.
- 1.5.13 The funding of £83 719 for the suggested programme would be deliverable within the current financial year and would be provided as a stimulus to the market to create one-off new jobs for our desired target group. There would be no further commitment to employers or individuals to continue the programme and therefore no further expectation of future financial commitment from Council resources.
- 1.5.14 Although there is no available match funding the suggested programme could be aligned with existing programmes. For example; national employer subsidies including £1 500 that is available to new employers employing apprentices, bursaries for apprentices to the maximum value of £2 000 and ex-Armed Forces personnel training grants.
- 1.5.15 This alignment would provide a favourable opportunity for both individuals and employers. The resultant programme would provide an attractive option for ex-Armed Forces personnel and provide the encouragement and support to local employers to be able to create the Apprenticeship positions.
- 1.5.16 This initiative demonstrates the Mayor and Cabinet's commitment to their long term strategy to address unemployment.

## **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 and training programme, in accordance with Cabinet's original proposals,

with a particular focus on working with the business partners Balfour Beatty and Capita Symonds.

## **1.7 Reason for Recommended Option**

Option 2 is the preferred Option as it potentially creates a more substantial Apprenticeship and Training offer to assist more targeted residents of North Tyneside into employment with training as referred to in paragraphs 1.5.10 – 1.5.14.

## **1.8 Appendices:**

Appendix 1: Cabinet Report 13 August 2012 - The Council Strategic Plan and 2012/13 Budget Proposals - Apprenticeships

## **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 14<sup>th</sup> May 2012: 2012/13 Budget Proposals – Apprenticeships.

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

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 states that there are currently additional resources available totalling £0.302m. There is no commitment from this proposal beyond 2012/13.

### **2.2 Legal**

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. The apprenticeship programme which is the subject of this report is a matter for Cabinet, however 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.

### **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**

- Chief Executive

- Strategic Director(s)

- Mayor/Cabinet Member(s)

- Chief Finance Officer

- Monitoring Officer

- Strategic Manager, Policy and Partnerships

