

WIRRAL COUNCIL

CABINET – 14 OCTOBER 2010

REPORT OF THE INTERIM DIRECTOR OF CORPORATE SERVICES

EXTENSION OF THE WIRRAL APPRENTICESHIP PROGRAMME

1.0 EXECUTIVE SUMMARY

- 1.1 This report sets out a proposal to extend the Wirral Apprentice Programme and updates members on the project to date..
- 1.2 As part of the Council Budget for 2010/11 A policy option of £500,000 was made available to extend the Wirral Apprenticeship Programme.
- 1.3 Members requested that officers investigate all relevant sources of finance to ensure this programme continues to grow, working in partnership with Wirral businesses, giving new opportunities to Wirral's young people and maximising any opportunities provided by the two major schemes for digital infrastructure and for extensive home insulation.
- 1.4 The funding is to increase the total number of apprenticeships under the successful Wirral Apprentices Scheme to a minimum of 200, doubling the original target of 100 apprentices.

2.0 BACKGROUND

- 2.1 At Cabinet on 23rd April 2009 the Wirral Apprentice Programme was approved in response to feedback from businesses and partners on the adverse impact that the recession was having on the availability of apprenticeship places for young people in Wirral.
- 2.2 The Programme was designed around a number of principles:
 - Direct support for businesses by offering an 18 month wage subsidy to employers in return for a minimum 2 year apprenticeship employment contract. The subsidy is paid at the National Minimum Wage for 18-21 year olds – currently £4.83 an hour, and rising to £4.92 per hour from 1st October 2010 for up to 40 hours per week.
 - Engaging with small to medium enterprises with no history of apprenticeship recruitment;
 - Working with partners to open up apprenticeship places to 'hard to reach' individuals
- 2.3 The programme has been extremely well received by businesses and is oversubscribed. This led to an additional allocation of Working Neighbourhoods Funding of £807,140 being approved to support an additional 50 apprenticeship places. This additional phase of The Wirral Apprentice targeted Wirral's 16 to-18 year olds who are not in Employment Education or Training (NEET) and vulnerable young people and/or those in disadvantaged areas.
- 2.4 An opportunity for further funding through the European Social Fund became available in summer 2010. A successful application for this funding was made through the Pathfinder Enabling Programme (PEP), securing a further £275,000 for the apprentice programme. This will result in an additional 17 apprentice placements being funded.

2.5 The combined funding for the Wirral Apprentice Programme is shown in the table below:

WNF initial allocation	£1,699,800
Additional WNF allocation	£807,140
PEP (ESF)	£275,000
Wirral Council (Policy Option Fund)	£500,000
TOTAL	£3,281,940

3.0 PROGRESS OF THE SCHEME

3.1 The first 100 Apprentices were recruited in September and October 2009.

3.2 Recruitment for the second tranche of apprentices focused on the NEET cohort and began in January 2010. Most of these positions have been recruited and the remaining few will be recruited by October 2010.

3.3 Through existing funding arrangements; a total of 167 apprentices have been recruited to date.

3.4 A breakdown of individual participants for both phases shows that:

- All are Wirral residents
- 57 were NEET; with a further 15 NEET to be recruited
- 31 would have been NEET if not for the programme
- 16 were unemployed young adults

3.5 The programme has engaged with 121 businesses during the first two tranches which has encouraged several employers to take on additional staff and trainees funded directly through the employer. This has led to an additional 17 apprenticeships and the creation of 8 new jobs.

3.6 A table giving a breakdown of the apprenticeships by occupational area is shown below:

Accountancy	4
Admin	31
Agriculture	1
Construction	37
Electronic engineering	4
Engineering	23
Engineering Motor Vehicle	9
Environmental	7
Hair & Beauty	6
Health & Social Care	6
Hospitality & Tourism	3

IT	4
Manufacturing/production	3
Media/design	8
Print	2
Retail	7
Science/technology	4
Sport	3
Warehouse/logistics	4
Other	1

4.0 OPTIONS CONSIDERED

4.1 Options to explore how the additional funding of £500,000 can be maximized; have been investigated by officers from the Corporate Services and Children and Young People's departments.

- 4.2 The opportunity to source additional funds for the Wirral Apprentice Programme through the Future Jobs Fund (FJF) has been considered. However, the Future Jobs Fund is a national programme commissioned by the Department for Work and Pensions with eligibility criteria that do not align fully with the principles of the Wirral Apprentice Programme.
- 4.3 Most significantly, Future Jobs Fund is only eligible for the creation of 'additional' jobs that demonstrate community benefit which has largely restricted the programme to public sector and voluntary/community sector employers. There are also restrictions on FJF participant eligibility which would limit potential apprentices to those over 18 years and claiming Jobseekers Allowance for a prescribed duration.
- 4.4 Whilst the Council's Future Jobs Fund Programme has been successful in its own right there is little scope to use these funds to expand the Apprenticeship Programme for the reasons given above. Given the continuing demand from private sector companies for apprenticeships it is the Officers view that the additional £500,000 should be used to extend the current Apprenticeship Programme.
- 4.5 The option of securing Wirral Apprentice opportunities within the Digital Infrastructure scheme has also been considered. Initial meetings established that the appointment of a contractor or agent to deliver the digital infrastructure scheme is unlikely to be in position until 2011/2012. This would put this scheme beyond the scope of the existing Wirral Apprentice programme. However employment and training opportunities for local people will be included as an important part of the tender process when this takes place.
- 4.6 The option of securing Wirral Apprentice opportunities within the Home Insulation scheme recently approved by Members has also been considered. The contract for Wirral's free insulation scheme involved the procurement of a managing agent to coordinate the programme. Working with the procurement team, a requirement to include employment and training opportunities was included within the tender specification.
- 4.7 It was originally envisaged that approximately 10 to 12 apprenticeship positions could be linked to the Home Insulation scheme. Following discussions with the appointed contractor; it was apparent that it would not be suitable for inclusion within the Wirral Apprentice Programme as the insulation fitters and installation positions involved in this scheme only require a short training period. Therefore it is more cost effective for the Council to ensure the companies involved will meet the costs of any employment and training positions directly.
- 4.8 There will be approximately 30 job and training opportunities created from this contract over the next 4 years subject to funding for 2011/12, 2012/13 and 2013/14 being confirmed by the Council as part of its annual budget setting process.. The majority of these positions are being targeted at local unemployed people. These will be managed through the construction employment integrator (CEI) project, which is better placed for managing these positions. Targeted recruitment and training commitments are now being agreed with the delivery agents involved.

5.0 **PROPOSAL**

- 5.1 It is therefore proposed that the additional £500,000 policy option is used to create a further 33 apprenticeship positions within the parameters of the existing programme. The Apprenticeship Programme will maintain the existing delivery model and framework offer to

employers and participants and will be facilitated through existing staff resources within the Council.

5.2 Recruiting suitable employers and apprentices will take approximately two months, with the apprentice positions profiled to start in January 2011. This extends the timescales for the Wirral Apprentice Scheme until the end of Dec 2012.

5.3 This proposal will raise the total opportunities created through the Wirral Apprentice Scheme to a minimum of 200 apprentices.

6.0 FINANCIAL IMPLICATIONS

6.1 The policy option funding will be committed and spent between January 2011 and June 2012.

7.0 STAFFING IMPLICATIONS

7.1 Implementation costs will be met from the existing resources for the programme and managed by the Children & Young People's Department.

8.0 EQUAL OPPORTUNITIES IMPLICATIONS

8.1 The implementation of the Wirral Apprenticeship Programme will reflect the Council's commitment to equal opportunities.

9.0 COMMUNITY SAFETY IMPLICATIONS

9.1 There are no direct community safety implications arising from this report.

10.0 LOCAL AGENDA 21 IMPLICATIONS

10.1 No implications arising directly from this report

11.0 PLANNING IMPLICATIONS

11.1 There are no direct planning implications arising from this report.

12.0 ANTI-POVERTY IMPLICATIONS

12.1 As part of the Working Wirral suite of projects, the Wirral Apprenticeship Programme will have significant future benefits for this area.

13.0 HUMAN RIGHTS IMPLICATIONS

13.1 There are no implications arising directly from this report.

14.0 SOCIAL INCLUSION IMPLICATIONS

14.1 As part of the Working Wirral suite of projects, the Wirral Apprenticeship Programme will have significant future benefits for this area.

15.0 LOCAL MEMBER SUPPORT IMPLICATIONS

15.1 There are no implications arising directly from this report.

16.0 BACKGROUND PAPERS

16.1 Cabinet report 23rd April 2009, Wirral Apprentice Programme

16.2 Cabinet report 22nd February 2010, Budget 2010-11

16.3 Details of learning through apprenticeship as well as links and contact information can be found at <http://www.apprenticeships.org.uk/>

17.0 RECOMMENDATIONS

17.1 Cabinet approves the extension of the Wirral Apprentice Programme as set out in this report.

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