

WIRRAL COUNCIL

ECONOMY AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE

6TH JUNE 2011

SUBJECT:	THE WIRRAL APPRENTICE
WARD/S AFFECTED:	ALL
REPORT OF:	INTERIM DIRECTOR OF CORPORATE SERVICES
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR PHIL DAVIES REGENERATION & PLANNING STRATEGY
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

1.1 This report was requested by Members at Economy and Regeneration Overview and Scrutiny Committee on 14th March 2011 to analyse:

- the funding of the new apprentice programme and the current support given to different levels of qualification within the programme;
- ways to encourage attainment of Level 3 qualifications and access to higher paid employment opportunities
- ways to improve the current support for apprentices aged 19 or over;
- ways to build on the success of the programme.

2.0 RECOMMENDATION/S

2.1 That the detail of the Wirral Apprentice be noted and the future development of apprenticeships in Wirral is supported.

3.0 REASON/S FOR RECOMMENDATION/S

3.1 Cabinet on 9th December 2010 agreed the recommendation of the Economy and Regeneration Task Force for continuation of the Wirral Apprentice.

4.0 BACKGROUND AND KEY ISSUES

4.1 Apprenticeships are work based training programmes designed around the needs of employers leading to nationally recognised qualifications. Apprenticeships consist of a minimum of 280 hours of guided learning¹ and can be used to train both new and existing employees of any working age. There are three levels of apprenticeship:

- **Intermediate:** apprentices work towards work based learning qualifications such as NVQ Level 2, key skills and relevant knowledge based qualifications such as BTEC. Achievement at this level allows entry to an advanced apprenticeship;
- **Advanced:** apprentices work towards work based learning qualifications such as NVQ Level 3, key skills and relevant knowledge based qualifications such as BTEC. To start at this level applicants typically require 5 GCSE's at grade C or above, or prior completion and achievement of an intermediate apprenticeship;

¹ Specification of Apprenticeship Standards for England: April 2011, Department for Business Innovation & Skills

- **Higher:** apprentices work towards work based learning qualifications such as NVQ Level 4.
- 4.2 Funding is available from the National Apprenticeship Service towards training costs, paid directly to the organisation providing this training which is typically a learning provider. The level of funding is dependent on the sector and age of the apprentice:
- 16-18 years: 100% training costs;
 - 19-24 years: up to 50% training costs;
 - 25+: contribution dependent on sector conditions.
- 4.3 The length of time required to complete an apprenticeship varies greatly and is dependent on the sector type, the qualification due to be achieved, the ability and skills of the apprentice, and the employers requirements.
- 4.4 The Wirral Apprentice was first developed in 2009 to actively target businesses new to apprenticeships and participants under represented in the labour market. The programme was designed around 4 key principles:
- Providing direct financial support to businesses as part of Wirral's Economic Recovery Plan;
 - Stimulating the supply of new apprentice places to meet demand;
 - Engaging businesses with the new National Apprenticeship Service;
 - Working with partners and businesses to open up apprenticeship places to under represented individuals.

5.0 THE NEW WIRRAL APPRENTICE PROGRAMME

- 5.1 The new Wirral Apprentice programme budget is £1,714,539 resourced through £655,960 European Social Fund (ESF) and £1,058,579 Wirral Council. The programme provides support to 232 participants, with 146 subsidised apprentice places forming just one element of the programme. Activities include targeted employment training and recruitment preparation for young people; apprenticeship awareness for NEET (not in employment, education or training) or unemployed young people, employer recruitment support; and an on-going menu of aftercare provision for both successful and unsuccessful applicants to the subsidised apprentice places.
- 5.2 Wirral Apprentice participants and outputs are pre-determined by the scope of the ESF specification requirements summarised in Table 1 below:

Table 1

Description	Target
Total number of participants	232
% of total participants who are unemployed	20%
% of total participants who are economically inactive	15%
% of total participants who are 16-19 NEET (or at risk of NEET)	65%
% of total participants in work on leaving (<i>beyond subsidy period</i>)	64%

- 5.3 The subsidised element of the Wirral Apprentice programme represents a wage contribution set at national minimum wage rate, payable to the employer for 12 months. Business applications are assessed by a selection

panel comprised of representatives from National Apprenticeship Service, Jobcentre Plus, Connexions and Invest Wirral based on the following eligibility priorities:

- Small to medium enterprises;
- Businesses who have never employed an apprentice;
- Liverpool City Region transformational sectors: knowledge economy, visitor economy, super-port, low carbon economy;
- Commitment to job permanency beyond the minimum 2 year contract of employment required.

5.4 122 of the 146 apprentices have been recruited onto the new programme with the remaining 24 places fully committed. Employer job descriptions are analysed and matched with the relevant apprenticeship framework and the National Apprenticeship Service advises the business on the appropriate available provider. Applicants are assessed and matched to the appropriate qualification level in accordance with their ability. Over the three phases of the programme to date for which verified records have been received, 75% of starts are at Level 2 and 25% are at Level 3. Once on programme, the Wirral Apprentice works with the learning provider, employer and apprentice to encourage and support progression and transfer from Level 2 to Level 3 where appropriately assessed.

5.5 There is no variation in the length or value of the wage contribution applied regardless of the type of apprenticeship or age of the apprentice. As outlined at 5.2 and 5.3, targeting of priority sectors and participant groups is handled at the eligibility stage. The standardisation of wage contribution was introduced to ensure parity across the programme and to reduce the risk of limiting participation by ability or restricting employer requirements for their business. There is no evidence that this standardisation has deterred participation from sectors where apprenticeship completion typically takes longer than average due to trade requirements.

5.6 The introduction of premium subsidies for specific sectors has the potential to devalue the quality perception of non-premium sectors. Similarly a Level 3 premium has the potential to influence employer demand, which importantly could be at the detriment of the target applicant group. The aim of the programme is to open up opportunities to those young people who are under represented in the labour market. Specialist pre-apprenticeship support and training is provided to prepare participants to secure an apprenticeship place. Participants are assessed and are, in the main, at Level 1 stage at the point of entry. The programme works alongside partners to provide activities which build confidence and employability skills and effectively assesses potential ability to match applicants to the highest achievable level and opportunity. The good balance of Level 2 and Level 3 starts is testament to the success of this approach in relation to historical apprenticeship participation and performance for this customer group.

6.0 INCREASING LEVEL 3 UPTAKE AND EARNINGS POTENTIAL

- 6.1 During National Apprentice Week in March 2011, government announced the re-branding of apprenticeships. Those at Level 2 are now Intermediate Apprenticeships and those at Level 3 are Advanced Apprenticeships.
- 6.2 The Wirral Apprentice promotes and supports progression routes from Intermediate to Advanced level for existing participants; however the parameters of the programme restrict the capacity for advanced level up-take as explored at paragraph 5.6. Increasing Level 3 uptake is however a key driver of business competitiveness and growth, therefore officers are currently exploring the potential for activity which:
- Increases the up-take up Advanced Apprenticeships;
 - Boosts employee earnings potential;
 - Supports labour market movement.

7.0 SUPPORT FOR APPRENTICES AGED 19 OR OVER

- 7.1 As outlined in paragraph 4.2, national funding for apprenticeship training providers reduces for participants aged 19 and over. Participants aged 16-18 are fully funded for apprenticeship training with the expectation that businesses should contribute to the training costs of all employees above this age.
- 7.2 The Wirral Apprentice directly targets a specified percentage of unemployed or economically inactive participants aged 19+ as outlined in paragraph 5.2. Over the three phases of the programme to date for which verified records have been received, 37% of participants are aged 19+. Provider funding issues have not deterred employers from recruiting applicants over 19; a limited budget allocation has been set aside in the programme to support employers with any significant barriers in this regard.
- 7.3 As part of Wirral Council's strategic approach to apprenticeship provision across the borough, the internal Council programme has also been refreshed and revitalised to include the promotion and take up of apprenticeship training for existing staff which has led to the expansion of the age range of participants. Officers are exploring the potential for promotion and support of this approach for external businesses with the aim of:
- Dispelling the common perception that apprentices are for 16-18 year olds only;
 - Raising awareness of the potential for existing employees to take up apprenticeship training;
 - Supporting apprentices aged 19 or over.

8.0 BUILDING ON THE SUCCESS OF THE WIRRAL APPRENTICE

- 8.1 The new Wirral Apprentice programme has built on the successes and lessons learnt from previous phases.
- 8.2 The programme has purchased a comprehensive package of aftercare support from Greater Merseyside Connexions which includes a dedicated Support Officer, access to participant assessment tools (such as a mental toughness assessment tool), and tailored mentoring and coaching support.

Participants will also be introduced to the new National Apprenticeship Service on-line apprentice mentoring service 'horsesmouth.co.uk' to sustain on-going aftercare support.

- 8.3 'Meet the Provider' open days are arranged for unsuccessful applicants where participants are introduced to Foundation Learning providers. The Wirral Apprentice assesses unsuccessful applications, and supplies the learning providers with personalised reports on the barriers to be addressed prior to the event to ensure participants receive an appropriate and relevant support offer.
- 8.4 The programme has been promoted and selected as an exemplar approach to apprenticeships:
- 'Opening Doors to Apprenticeships: Reaching Young People who are Disadvantaged & Disengaged from Apprenticeships': Wirral Apprentice Case Study, The Young Foundation, June 2010 <http://www.youngfoundation.org/>
 - The Wirral Apprentice – A Resource Pack: North West Employers Organisation, <http://www.nwemployers.org.uk/>
 - North West Apprenticeship Service: Special Recognition Award for services to apprenticeships.
- 8.5 The annual Wirral 14-19 STAR Awards host an Apprentice Employer of the Year award. For this year's event, consideration will be given to designing an Apprentice of the Year award.
- 8.6 The programme has adopted a new customer relationship management system to effectively record and report from a wide data resource. The system, once fully operational, will produce easily accessible and timely data and monitoring reports which can be utilised by officers, partners and Members to assess the progress of the Wirral Apprentice participants.

9.0 RELEVANT RISKS

- 9.1 There are no direct risk implications arising from this report.

10.0 OTHER OPTIONS CONSIDERED

- 10.1 Options for the delivery of the Wirral Apprentice were considered and agreed by Cabinet before the start of each phase.

11.0 CONSULTATION

- 11.1 The Wirral Apprentice forms part of the Council's Regeneration Programmes which are taken forward in close consultation with partners from the private, public and voluntary, community and faith sectors.
- 11.2 Continuation of the Wirral Apprentice fits with the recommendations of the Economy and Regeneration Task Force as agreed by Cabinet on 9th December 2010.

12.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

12.1 The Wirral Apprentice forms part of the Council's Regeneration Programmes which are taken forward in close consultation with partners from the private, public and voluntary, community and faith sectors.

12.2 The Wirral Apprentice is available to voluntary, community and faith groups that meet the criteria of Small and Medium Enterprises or micro-businesses.

13.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

13.1 There are no direct resource implications arising from this report.

14.0 LEGAL IMPLICATIONS

14.1 There are no direct legal implications arising from this report.

15.0 EQUALITIES IMPLICATIONS

15.1 The Wirral Apprentice forms part of the Council's Regeneration Programmes which adhere to current legislation including those relating to equal opportunities. The Wirral Apprentice directly supports priority customer groups currently under-represented in the labour market to secure sustainable employment.

15.2 Equality Impact Assessment (EIA)
(a) Is an EIA required? No.

16.0 CARBON REDUCTION IMPLICATIONS

16.1 There are no direct carbon reduction implications arising from this report.

17.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

17.1 There are no direct planning or community safety implications arising from this report.

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SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet – Wirral Apprentice Programme	23rd April 2009
Cabinet – Additional Allocation of Working Neighbourhood Funds	26th November 2009
Cabinet - Extension of Wirral Apprentice Programme	14th October 2010
Cabinet - Liverpool City Region European Funding Proposal	4th November 2010
Cabinet - Tackling worklessness and supporting	9th December 2010

apprenticeships in Wirral through the European Social Fund

Cabinet - Tackling worklessness and supporting apprenticeships in Wirral through the European Social Fund

3rd February 2011