

WIRRAL COUNCIL

CABINET

12TH APRIL 2012

SUBJECT:	TACKLING WORKLESSNESS AND SUPPORTING APPRENTICES IN WIRRAL
WARD/S AFFECTED:	ALL
REPORT OF:	KEVIN ADDERLEY DIRECTOR OF REGENERATION, HOUSING AND PLANNING
RESPONSIBLE PORTFOLIO HOLDER:	(RELEVANT CABINET MEMBER) REGENERATION & PLANNING STRATEGY
KEY DECISION?	YES

1.0 EXECUTIVE SUMMARY

- 1.1 As part of a complementary suite of budget policy options for the economy, Members have requested that the Director of Regeneration, Housing & Planning bring forward a report detailing how programmes will be developed and delivered to tackle worklessness and support apprentices.
- 1.2 This report sets out the proposed models for these programmes and seeks Members approval to commence delivery. This includes a combination of both externally contracted elements that require competitive tendering and elements to be delivered in house by the Council.
- 1.3 Appendix A of this report contains commercially sensitive information regarding a competitive tendering process, the disclosure of which is not considered to be appropriate. Accordingly, Appendix A is deemed to be exempt from disclosure under paragraph 3, Part 1 of schedule 12A of the local Government Act 1972 (as amended).

2.0 BACKGROUND AND KEY ISSUES

2.1 National Policy Context

2.1.1 Department for Work and Pensions

The Department for Work and Pensions (DWP) has responsibility to develop Welfare to Work policy. Delivery of their services is provided via Jobcentre Plus and external providers selected from a preferred supplier framework:

- **Jobcentre Plus** (part of DWP) has responsibility for supporting people in finding work in the early stages of their benefit claim.
- **DWP Work Programme**, delivered locally by A4E and Ingeus Deloitte, is a mandatory programme that supports people who are long-term unemployed, or are at most risk of becoming so.

- **ESF Families with Multiple Problems Programme**, delivered locally by Reed in Partnership, is a voluntary programme to tackle worklessness by progressing families with complex and multiple problems, closer to employment.

2.1.2 Apprenticeships

National apprenticeship policy has been reshaped so that Level 3 becomes the level to which learners and employers aspire. Apprenticeships are now defined as: Intermediate Level Apprenticeships (Level 2); Advanced Level Apprenticeships (Level 3); and Higher Apprenticeships (Level 4).

2.1.3 As part of its Plan for Growth, the government announced measures in November 2011 to ensure more young people benefit from an apprenticeship and to make it easier for employers to take on apprentices. These include:

- 40,000 incentive payments of £1,500 for small companies taking on their first apprentice aged 16-24 which will be available from April 2012;
- streamlined processes for employers and a requirement that new opportunities must be advertised on the national Apprenticeship Vacancy Service website;
- renewed focus on younger adults, new employees, higher level qualifications, and specific sectors which deliver greatest impact;
- apprenticeship providers to offer training in English and Mathematics up to the standard of a good GCSE (intermediate) for all apprenticeships;

2.2 **Background to Current Wirral Council Programmes**

In November 2010 Cabinet approved proposals to secure European Social Fund (ESF) resource for activity to address worklessness and support apprenticeships. Wirral was subsequently awarded:

- £1,220,310 ESF to tackle worklessness, which combined with Wirral Council match funds provided a total allocation of £2,440,620
- £655,960 ESF to support apprentices, which combined with Wirral Council match funds provided a total allocation of £1,714,539

2.3 **Tackling Worklessness (April 2011 to May 2012)**

2.3.1 Worklessness Support Programme: The Reachout Partnership

Following a competitive tendering procedure the Council contracted with The Reachout Partnership to deliver the following outputs between 1st April 2011 and 31st May 2012:

- 1755 participants engaged on the programme
- 702 Job Outcomes of which 456 will be sustained at 26 weeks

2.3.2 Other Enabling Actions to Support Worklessness

This has delivered pre-recruitment training linked to employer vacancies; a Jobs Fair & Information Day for the Marine Point Development and an Intermediate Labour Market (ILM) Programme, which has part-funded 100 fixed term employment contracts with training with a local employer.

2.4 **Supporting Apprentices (April 2011 to November 2012)**

The Wirral Apprentice programme, launched in 2009, offered 18 month subsidies in return for 2 year contracts of employment and supported 167 apprenticeship opportunities across Wirral. The current programme runs from April 2011 to November 2012, offering 12 month subsidies in return for 2 year contracts of employment, supporting a further 146 apprenticeship opportunities across Wirral.

3. PROPOSED NEW PROGRAMMES

3.1 In order to continue Worklessness and Apprenticeship Programme activity the following programmes are proposed in Table 1.

Table 1: New Programme Activity

Programme	Activity	Numbers
Worklessness Support Programme	Exempt Appendix A	To Be Contracted
Wirral ILM	Subsidised Jobs	30
Pre-Recruitment Support	Recruitment Responses Redundancy Responses	100
Wirral Apprentice	Subsidised Apprentices	114

3.2 Worklessness Support Programme

In developing a programme to tackle worklessness consideration has been given to the proposed interaction with DWP services and identifying additional provision to meet local need. Members are requested to re-tender for delivery of the Worklessness Support Contract as outlined in Appendix A of this report.

3.3 The Wirral ILM

The Wirral ILM programme part funds a fixed term employment contract and training with a local employer. Delivery is still in its infancy, with only a small number of participants/employers reaching the end of the 6 months subsidised period. Members are requested to delegate authority to the Director of Regeneration, Housing and Planning, to continue the programme based upon evaluation of key success criteria from the first round of delivery. This will also include consideration of how new approaches to delivery can be maximised through the development of innovative and pioneering partnerships with DWP services.

3.4 Pre-recruitment Support

Flexibility to deliver prompt and responsive pre-recruitment support linked to local labour market need. Examples include pre-recruitment training linked to employer vacancies, jobs and information events and additionally a response to redundancy element. Prior to utilising this resource the Council will at all times explore the potential of other funding streams.

3.5 Supporting Apprentices

In order to refocus the programme to support local growth, maximise resources, and take account of national and local policy concerned with driving up advanced level apprenticeship participation, it is proposed that a differential level of wage subsidy support is adopted for the new programme. This can be achieved by varying the length of the subsidy period according to level of Apprenticeship framework as follows:

- Intermediate Level Apprenticeship (Level 2): 9 month wage subsidy; up to 35 hours per week; at least 18+ age related national minimum wage rate;
- Advanced Level (Level 3) & Higher Level Apprenticeship (Level 4): 12 month wage subsidy; up to 35 hours per week; at least 18+ age related national minimum wage rate.

3.5.1 It is proposed that delivery mechanisms, priority participants and target businesses will remain within the parameters of the original programme, with the exception of an

added ring-fenced allocation for green sector apprentices to support the Green Growth in Wirral report which appears elsewhere on this Cabinet agenda.

- 3.5.2 Officers will investigate ways in which the national age-related apprenticeship grant can be combined with the Council subsidy in a way that adds value to the programme. This will serve a dual purpose: raising the profile and take up of the national incentive in Wirral; and adding value to the proposed Council subsidy level.

4. CONTRACTING AND DELIVERY TIMESCALES

- 4.1 Advice from Legal and Corporate Procurement regarding the tendering of the worklessness support programme is outlined in Appendix A of this report.
- 4.2 In-house delivery of the Wirral ILM, Pre-recruitment Support and the Wirral Apprentice will commence with immediate effect, subject to Cabinet approval.

5.0 RELEVANT RISKS

- 5.1 The Council will manage the programmes through existing staff in Regeneration, Housing and Planning who have the expertise and proven track record in managing such programmes.

5.2 Tackling Worklessness

- 5.2.1 The Council will commence a procurement exercise to tender delivery of the worklessness support contract which will include a payment model to mitigate risk of underachievement as outlined in Appendix A.

- 5.2.2 Existing performance management systems will be continued:

- **Wirral Council/Contracted Supplier:** Systems developed for regular performance management/financial monitoring, reporting, audit and review
- **Wirral Council Internal Scrutiny:** Wirral Council internal processes to scrutinise performance/financial delivery. This includes an officer led group to examine performance; review by internal audit and reporting to Economic & Regeneration Overview and Scrutiny Committee.

5.3 Supporting Apprenticeships

Members will note the differentials in the wage subsidy as detailed in 3.5. Planning assumptions are laid out in Appendix A. Variations in accordance with business and participant take up will determine the final number of apprenticeship opportunities available within the allocated budget.

6.0 OTHER OPTIONS CONSIDERED

- 6.1 Wirral's current Worklessness Support Programme commenced prior to the launch of the Work Programme and ESF Families provision. As such engagement of participants was extensively front loaded to ensure no overlap in provision (a requirement of ESF funding). However, the absence of ESF resource now allows the Council a greater degree of flexibility to determine the focus of activity.

- 6.2 In developing the new programme, Officers have taken an approach that considers the proposed interaction with DWP services. This was balanced against the reputational risk for the local authority to limit access to services for its residents, against the adoption of a fully universal service that would not seek to maximise

Council resource. Members are therefore asked to support the delivery model set out in Appendix A of this report, which proposes a range of support priorities to meet this balance.

7.0 CONSULTATION

7.1 The new programme is helping to deliver Wirral's Investment Strategy priorities. These priorities were reviewed through extensive consultation with Wirral residents and our external partners as part of the refresh of the Investment Strategy in 2011. The Council has reviewed our economic priorities with local residents through the Wirral's Future (2010) and Neighbourhood Planning (2011) consultations; and also through consultation with our strategic partners, including Wirral Economic Development & Skills (WEDS) Partnership; the Investment Board; and Wirral's Business Forum.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

8.1 Members will be aware that the partnership that delivers the Council's current worklessness support programme is a consortium made up of organisations from Wirral's voluntary, community and faith sector.

8.2 Whilst the tendering process for the new programme will continue to request a single contract, the tender will allow for consortia applications. This principle enables smaller organisations, including voluntary, community and faith groups to use their combined expertise to bid to deliver the contract. The tender specification will additionally ask potential contractors to set out how they will link with Wirral's voluntary, community and faith sector.

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

9.1 Financial

The total proposed allocation to tackle worklessness and support apprentices is £2,260,000 made up of the following:

Policy Option Single Year Resources:

Total allocation from Worklessness & Apprentices:	£1,500,000
Proportional allocation from Green Growth in Wirral	£260,000

Annual Resources:

Base Budget for apprentices:	£500,000
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TOTAL ALLOCATION:	£2,260,000
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9.2 IT

As a requirement of the Council's previous ESF contract to tackle worklessness and support apprentices, the Council and its contracted suppliers were required to use a specific client handling/management information system. These licenses were purchased and funded centrally across the Liverpool City Region by Knowsley Council as accountable body for the ESF resource. The Director of Regeneration, Housing and Planning is going to formally write to Knowsley Council regarding the availability of ESF resource to continue with this support. If this is not available and to maintain the performance management arrangements, the licenses would have to met from within the policy option budget.

9.3 Staffing

All programme management costs relating to the worklessness and apprenticeship programme will be met from existing staff resource from Regeneration, Housing and Planning.

- 9.3.1 The Wirral ILM programme will continue to be delivered in-house by existing staff resource from Regeneration Housing and Planning.
- 9.3.2 The Wirral Apprentice Programme will continue to be project managed in-house by existing staff resource within Children and Young People. Members are asked to support the costs of the Band F Monitoring and Finance Officer (£26,899 including on costs) based in Children and Young People within the total £2,260,000 budget.

10.0 LEGAL IMPLICATIONS

10.1 Transfer of Undertaking Regulations

The Transfer of Undertaking Regulations 2006 (TUPE) may apply in connection with any retendering of the worklessness programme. TUPE operates to transfer the contracts of employment of affected staff on the date of the transfer. Whether TUPE applies will depend on a number of factors which include whether the economic entity currently undertaking the contract retains its identity on transfer and the percentage of staff time assigned to the existing contract.

- 10.1.1 Regulation 13 of the 2006 Regulations requires the transferor organisation to supply certain information in connection with a transfer of an undertaking, or part of an undertaking or service provision change. Appropriate clauses need to be included in the tender documents and conditions of contract to ensure that the implications of TUPE are made clear to potential bidders. It is only when bids are received that the decision can be made whether TUPE will apply to the proposed contract.

10.2 State Aid

State Aid rules exist to prevent any form of aid to a commercial undertaking to distort, or threaten to distort, competition within the European Community. Activity such as The Wirral ILM and The Wirral Apprentice will ensure that businesses are asked to comply with the de minimis regulations, which allows a qualifying enterprise to receive up to 200,000 euros in aid over three fiscal years. Confirmation will be obtained by employers that any such support will not take their organisation over the State Aid de minimis limit.

11.0 EQUALITIES IMPLICATIONS

- 11.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?
(a) Yes and impact review is attached
<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/regeneration-housing-planning>

12.0 CARBON REDUCTION IMPLICATIONS

- 12.1 This activity will support and link to the Green Growth in Wirral report by enabling workless Wirral residents to move into the green growth sector, through appropriate training and apprenticeship opportunities in Wirral.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

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

14.0 RECOMMENDATION/S

14.1 Members are requested to:

14.1.1 Approve the delivery model for the worklessness support programme and authorise the Director of Regeneration, Housing and Planning to commence a competitive exercise to re-tender this contract as set out in Appendix A of this report.

14.1.2 Approve the delivery model of The Wirral ILM and Pre-recruitment Support element and authorise the Director of Regeneration, Housing and Planning to commence delivery as set out in para 3.3 and 3.4 of this report.

14.1.3 Approve the delivery model of The Wirral Apprentice programme and authorise the commencement of delivery as set out in para 3.5 of this report.

14.1.4 Approve the allocation of £1,500,000 from the Worklessness and Apprenticeship Policy Option; £260,000 from the Green Growth in Wirral Policy Option and £500,000 from the base budget for apprentices, as set out in Appendix A of this report, to meet the objectives of tackling worklessness and supporting apprentices.

15.0 REASON/S FOR RECOMMENDATION/S

15.1 Reducing worklessness and increasing the number of apprentices is a fundamental element in the delivery of Wirral's Investment Strategy. As part of a complementary suite of budget policy options for the economy, Members have requested the Director of Regeneration & Housing bring forward a report detailing how:

- The Worklessness Support programme will be developed and re-tendered to ensure no gap in delivery;
- The Council will continue to invest in the Wirral Apprentice programme;
- To enable people, including the unemployed, to move into the green growth sector, through appropriate training and apprenticeship opportunities in Wirral.

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SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Extension of Wirral Apprentice Programme report to Wirral Council Cabinet	14th October 2010
Liverpool City Region European Funding Proposal report to Wirral Council Cabinet	4th November 2010
Tackling worklessness and supporting apprenticeships in Wirral through the European Social Fund report to Wirral Council Cabinet	9th December 2010
Tackling worklessness and supporting apprenticeships in Wirral through the European Social Fund report to Wirral Council Cabinet	3rd February 2011
Tackling worklessness through the European Social Fund: Wirral Intermediate Labour Market programme report to Wirral Council Cabinet	14th April 2011
Wirral Investment Strategy 2011-2015: report to Wirral Cabinet	21st July 2011
European Social Fund report to Economy and Regeneration Overview and Scrutiny Committee	7th November 2011
DWP Work Programme report to Economy and Regeneration Overview and Scrutiny Committee	7th November 2011
Tackling worklessness and supporting apprentices in Wirral through the European Social Fund report to Wirral Council Cabinet	8th December 2011
Wirral Support for the Liverpool City Region Apprenticeship Strategy report to Children & Young People Overview & Scrutiny Committee	21st March 2012