

DESCRIPTION OF OPTIONS

This report details the potential budget savings from the revenue budget for the Wirral Apprentice Programme (which provides apprenticeships in SMEs) and identifies three options for Members to consider:

- **Option 1: Retain/Reduce £500,000 Budget**

The Wirral Apprentice Programme currently offers wage incentives from £6,797 to £11,286 depending on circumstances. The average unit cost (including contingency for a potential 2% increase in the national minimum wage next October) is £9,071 per apprentice. The maximum £500,000 would therefore support approximately 55 new Wirral Apprentices in 2013/14.

- **Option 2: Removal of £500,000 Budget**

The Wirral Apprentice Programme in its current form would cease, which would result in a revenue saving of £500,000 from 2013/2014.

- **Option 3: Liverpool City Region Deal: Retaining Match Fund Allocation**

Develop proposals with partners across the Liverpool City Region to utilise National Apprenticeship Service Grant funding, which has been top sliced as part of the Liverpool City Region Deal with Government. If this option can be taken forward then approximately £80,000 will be required as match funding resulting in a revenue budget saving of £420,000.

RATIONALE FOR SAVINGS

The Wirral Apprentice Programme needs to be reviewed as part of efforts to significantly reduce Council expenditure in light of unprecedented cuts to its funding.

PROPOSED SAVINGS

Ceasing the Wirral Apprentice Programme would result in a revenue saving of £500,000 from 2013/2014.

IMPACT

The cessation of the programme would result in the loss of the opportunity to create approximately 55 apprentices over a 12 month period. It would also mean that only the national apprenticeship scheme would then be operating in Wirral.

Ceasing the programme would have a limited impact on voluntary, community and faith groups as they are not directly involved in its delivery. However, individuals benefiting from apprentice placements may come from one of those sectors.

MITIGATION

There may be an opportunity to develop an apprenticeship scheme for the Liverpool City Region, however, this is subject to a review by HM Treasury and the outcome is not yet known.