



SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE - 17TH JUNE 2014

SUBJECT: APPRENTICESHIP BUDGET – OPTIONS APPRAISAL ON SAVINGS

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

1. PURPOSE OF REPORT

- 1.1 To seek views on considering options available for the potential budget savings from the Apprenticeship Budget, as part of the Medium Term Financial Planning arrangements.

2. SUMMARY

- 2.1 In March 2012 the Council's Cabinet identified budgetary growth that would support the establishment of a number of supernumerary apprenticeships and training placements within the Council. This report contains details of this budget and gives consideration to whether the budget could be reduced or removed completely, as part of the agreed budget strategy for 2015/16 and 2016/17.
- 2.2 Since January 2013 this budget has also been used to support training placements for individuals on the Passport Programme.

3. LINKS TO STRATEGY

- 3.1 The Council's Medium-Term Financial Plan (MTFP) requires estimated savings of £6.5m for the 2015/16 financial year and £6.9m for 2016/17.
- 3.2 The apprenticeship scheme supports the Prosperous and Learning themes of 'Caerphilly Delivers', the LSB single integrated plan and the over-arching Tackling Poverty work, and Strategic Equality Objective 6 - Diversity in the Workplace.

4. THE REPORT

4.1 BACKGROUND

- 4.1.1 The internal apprenticeship budget to support the employment of apprentices was established at £485k per annum. Due to particular timing issues in Year 1 of the scheme there was a significant underspend in 2011/12 of circa £300k. Additional underspends have continually been incurred in the subsequent 2 financial years. This has been due to the scheduling of commencement and end dates on apprenticeships, and a desire where possible to utilise department base budgets (either whole or part funding) to create long-term sustainability. The value of the accrued reserve in cumulative underspends currently stands at £697k.

4.1.2 Members may wish to note that the number of apprenticeships that have been made available since 2011/12 has totalled 97. Of these, 40 have been either fully or partially funded from the apprenticeship budget. In addition a further 24 Graduate Trainee opportunities have been made available, 4 of these being funded from the budget.

4.2 POTENTIAL OPTIONS

4.2.1 3 options are listed below for consideration: -

- a. Carry on funding the scheme at current levels, i.e. £495k per annum. However, the current budget has been underspent from the outset with the underspend for 2013/14 totalling £143k. Hence, as a minimum a budget realignment saving of £143k can be made with no impact on current numbers.
- b. Withdraw the scheme completely with effect from 1st April 2015 onwards. The accumulated reserves to date of £697k could be utilised to fund the apprenticeships that are committed beyond the year-end, with any residual funding being transferred to the General Fund.
- c. A phased reduction of the scheme to a core budget of £150k per annum by 2017/18, using the reserves of £697k to maintain current provision. This will achieve a saving of £345k per annum.

5. EQUALITIES IMPLICATIONS

- 5.1 The apprenticeship scheme is a positive action programme, designed to support a specific group of young people who have been identified as having particular barriers in terms of career opportunities, work experience, training and development.
- 5.2 As these are fixed-term contracts, no individual currently in the scheme will be treated differently as a result of any of the options in 4.2 above.

6. FINANCIAL IMPLICATIONS

- 6.1 The Authority is required to deliver estimated further savings of £13.4m during the 2015/16 and 2016/17 financial years.
- 6.2 The maximum potential saving from the proposals in this report is £495k.

7. PERSONNEL IMPLICATIONS

- 7.1 All of the existing apprenticeships will be maintained up to the end of their current contracts in respect of all of the options.

8. CONSULTATIONS

- 8.1 There are no consultation responses that have not been reflected in this report.

9. RECOMMENDATIONS

- 9.1 Members of the Scrutiny Committee are asked to consider and comment upon the options set out in paragraph 4.2.1 of the report.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure that the views of the Scrutiny Committee are considered prior to the report being presented to Cabinet.

11. STATUTORY POWER

- 11.1 Local Government Acts 1972 and 2000.

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