

CORPORATE PERFORMANCE MANAGEMENT, EFFICIENCY AND EFFECTIVENESS SCRUTINY COMMITTEE

WEDNESDAY 20TH NOVEMBER, 2013

**AT 6.00 pm
IN COMMITTEE ROOM 2
THE COUNCIL HOUSE
DUDLEY**

If you (or anyone you know) is attending the meeting and requires assistance to access the venue and/or its facilities, could you please contact Democratic Services in advance and we will do our best to help you

**JOE JABLONSKI
ASSISTANT PRINCIPAL OFFICER (DEMOCRATIC SERVICES)
Internal Ext – 5243
External – 01384 815243
E-mail – josef.jablonski@dudley.gov.uk**

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IMPORTANT NOTICE

MEETINGS IN DUDLEY COUNCIL HOUSE

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Your ref:

Our ref:

Please ask for:
Mr J. Jablonski

Telephone No.
(01384) 815243

12th November, 2013

Dear Councillor

Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee

Wednesday, 20th November, 2013 – 6.00PM

You are requested to attend a meeting of the Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee to be held on Wednesday, 20th November, 2013 at 6.00pm in Committee Room 2 at the Council House, Dudley to consider the business set out in the agenda below.

The agenda and public reports are available on the Council's Website www.dudley.gov.uk and follow the links to 'Councillors in Dudley' and the Committee Management Information System.

Yours sincerely



Director of Corporate Resources

A G E N D A

1. APOLOGIES FOR ABSENCE

To receive apologies for absence from the meeting.

2. APPOINTMENT OF SUBSTITUTE MEMBERS

To report the appointment of any substitute members serving for this meeting of the Committee.

3. DECLARATIONS OF INTEREST

To receive Declarations of Interest in accordance with the Members' Code of Conduct.

4. MINUTES

To approve as a correct record and sign the minutes of the meeting of the Committee held on 5th September, 2013

5. PUBLIC FORUM

To receive questions from members of the public

6. REVENUE BUDGET STRATEGY 2014/15 (PAGES 1 -21)

To consider a joint report of the Chief Executive, Treasurer and Director of Corporate Resources

7. APPRENTICESHIP AND WORK EXPERIENCE PROGRAMME FOR DUDLEY COUNCIL (PAGES 22 - 52)

To consider a report of the Transforming Organisation, Real Change (TORCh) Cohort 3 Project

8. QUARTERLY CORPORATE PERFORMANCE MANAGEMENT REPORT - TO FOLLOW

To consider the report of the Chief Executive

9. TO ANSWER QUESTIONS UNDER COUNCIL PROCEDURE 11.8 (IF ANY).

To: All Members of the Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee:

Councillors A Ahmed, Blood, Boleyn, Caunt, Marrey, Mottram, Russell, Sykes, K.Turner and Wright with one Labour Group vacancy

**CORPORATE PERFORMANCE MANAGEMENT,
EFFICIENCY AND EFFECTIVENESS SCRUTINY COMMITTEE**

Thursday 5th September, 2013 at 6.00 p.m.
in Committee Room 2 at the Council House, Dudley

PRESENT:-

Councillor Blood (Chair)
Councillor A. Ahmed (Vice Chair)
Councillors Boleyn, Caunt, Harley, Marrey, Mottram, Russell, Sykes and K
Turner.

Officers

Assistant Director, Policy and Improvement (Chief Executive's Directorate)
(Lead Officer to the Committee), Principal Policy and Performance Management
Officer and Mr. J. Jablonski (Directorate of Corporate Resources)

Also in attendance

(for Agenda Item No. 7 only)

Assistant Director, HR and Organisational Development; Assistant Director,
Housing Strategy and Private Sector; Assistant Director, Quality and
Partnership (Children's Services) and Head of Service - Housing Options

(for Agenda Item No. 6 only)

Treasurer, Assistant Director Customer Services, Head of Revenue Services,
Policy and Performance Manager and Deputy Head of Benefits (All Directorate
of Corporate Resources).

5 APOLOGY FOR ABSENCE

An apology for absence from the meeting was submitted on behalf of Councillor
Wright.

6 APPOINTMENT OF SUBSTITUTE MEMBER

It was noted that Councillor Harley had been appointed as a substitute member
for Councillor Wright for this meeting of the Committee only.

7 DECLARATIONS OF INTEREST

No member declared an interest in any matter to be considered at this meeting.

8 MINUTES

RESOLVED

That the minutes of the meeting of the Committee held on 11th June, 2013 be approved as a correct record and signed.

9 PUBLIC FORUM

No matters were raised under this agenda item.

10 CHANGE IN ORDER OF BUSINESS

Pursuant to Council Procedure Rule 13(c) it was:-

RESOLVED

That agenda item number 7 – Quarterly Corporate Performance Management Report - be considered as the next item of business.

11 QUARTERLY CORPORATE PERFORMANCE MANAGEMENT REPORT

A report of the Chief Executive was submitted on the first quarter Quarterly Corporate Performance Management Report for 2013/14, relating to performance for the period 1st April to 30th June, 2013. A copy of the Quarter 1 report had been circulated separately to members together with an addendum in relation to activities under the headings Regeneration, skills and employment and Cleaner, greener and environmentally friendly.

Following a presentation of the content of the Quarter 1 Report by the Principal Policy and Performance Management Officer members asked a number of questions to which responses were given. Particular points raised were as follows:-

- In response to a question regarding the five performance indicators in respect of young people where performance was below target and a request made for information as to what actions were being taken to address the situation the Assistant Director Quality and Partnership (Children's Services) detailed the action that was being taken in each case.

Arising from the comments made and a query in respect of PI 660 – Number of children in need per 10,000 of the child population (rate) – it was agreed that the Assistant Director, Quality and Partnership would arrange for information as to the performance of the Council on this measure compared with the national picture to be circulated to all Members of the committee.

- With reference to objectives 3 and 4 regarding young people it was agreed that the Assistant Director Quality and Partnership would arrange for details as to how many outstanding school places there were for children with SEN needs who had not been allocated a school by the end of last year's school term and how many such pupils had not been allocated a place by the start of this school term and the reasons for this and clarification as to what were referred to as "alpha children" in relation to entitlement to transport to school given the impact this was reported to be having on three special schools in particular.
- Regarding PI 120 – percentage of 16 to 18 year olds who are not in education, employment or training (NEET) it was agreed that a breakdown by ward of the numbers involved be provided to members of the Committee by the Assistant Director Quality and Partnership in respect of this indicator.
- In respect of PI 170 – Credit Union share to loan ratio – in response to a query regarding the below target performance on this indicator reference was made to the comments in the addendum regarding the extension of the operation of the Credit Union into the south of the Borough by mid September 2013. This was part of a deliberate policy by the Credit Union to build up bank savings and so have a pool of funds available to attract new members in the south of the Borough the increased membership would then replenish the banks holdings and thereby improve the share to loan ratio. The timeline for undertaking this operation was requested and the Assistant Director, Policy and Improvement would arrange for the necessary details to be forwarded to Councillor Caunt.
- Regarding PI 325 – number of adults in English and Maths programmes the Principal Policy and Performance Management Officer would arrange for the information as to the success rate of adults undertaking such programmes to be notified to all members of the Committee.
- Arising from a query on the Black Country Wide "Meet the Funder" event to be held during quarter 2 referred to on page 10 of the report under objective 2.2a – the Assistant Director, Policy and Improvement would ascertain whether members were to be invited to this event.
- In response to a comment made regarding a request made in February, 2012 for details of firms in the borough so that they could be informed of European funding, a response to which was still awaited, the Principal Policy and Performance Management Officer would investigate this matter and respond direct to Councillor K. Turner.

- Regarding objective 3 – reference 2.3d – development of a new tourism strategy and action plan for the Borough – arising from a query about the progress made arising from the tourism summit held in July 2013 – the Assistant Director, Policy and Improvement would arrange for an update on the revised strategy and delivery plan to be circulated to all members of the Committee.
- Regarding the three performance indicators referred to on page 23 of the report relating to the Office of Public Health it was agreed that confirmation would be sought from the Director of Public Health by the Assistant Director, Policy and Improvement that these indicators had been brought forward from those to which the office were working when they were part of the National Health Service and that the comments received by circulated to all members of the Committee.
- With reference to the performance figures for recycling contained on page 26 of the report it was agreed that clarification would be sought by the Assistant Director Policy and Improvement on the issue raised of the non-recycling of yoghurt pots and the view expressed that appropriate advice on this could be incorporated into the A-Z of recycling booklet referred to under reference 6.1a.
- Regarding PI 350 – percentage of municipal waste land filled on the addendum to the report it was agreed that the Assistant Director, Policy and Improvement would arrange for details of the additional costs incurred arising from the below target performance on this indicator and from which budget the costs would be met to be circulated to all members of the Committee together with details as to how many times the new recycling vehicles had broken down since delivery had been taken of them.
- Arising from a query as to whether the Healthy Hubs in the Borough were to continue and where the funding was to come from in the event of this it was agreed that the Assistant Director, Policy Improvement would arrange for this matter to be investigated and a response sent to all members of the Committee.

- Arising from a query raised about return to work interviews an explanation was given of the process adopted since 1st May, 2013 in relation to these and the overall Attendance Management Policy that had been adopted. In essence given the implementation date it was too early to draw any specific conclusions as yet however systems were in place to ensure that such interviews were undertaken by managers and supported by IT developments. Manual systems were also in place. It was commented on that there had been a reduction in the sickness figures following the introduction of the Attendance Management Policy.
- Arising from consideration of objective 7.7a – Roll forward the Council's Budget and Medium Term Financial Strategy - arising from a query regarding the operation of the Coffee Lounge it was agreed that the Assistant Director, Quality and Partnership (Children's Services) would arrange for the financial position to be investigated and for a response to be sent to all members of the Committee.

RESOLVED

That the information contained in the Quarterly Performance Management Report submitted; in the quarter one report circulated separately to members and the addendum thereto, in respect of performance for the period 1st April to 30th June 2013, be noted together with the comments made at this meeting and that the officers indicated undertake the actions referred to above.

12. EXCLUSION OF THE PUBLIC

As it was indicated that it was likely, in view of the nature of the business to be transacted and of the nature of the proceedings, that exempt information would be disclosed, it was:-

RESOLVED

That the public be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information, as defined in Part 1 of Schedule 12A to the Local Government Act 1972, as indicated below and in all the circumstances, the public interest in disclosing the information is outweighed by the public interest in maintaining the exemption from disclosure.

<u>Description of Item</u>	<u>Relevant Paragraph of Part 1 of Schedule 12A</u>
Council Tax Reduction Scheme (CTR)	3

13. COUNCIL TAX REDUCTION (CTR) SCHEME

A report of the Director of Corporate Resources was submitted on the further detail in respect of specific areas that members of the Committee had identified for further scrutiny at the informal meeting held on 30th July 2013.

The Assistant Director, Customer Services, in his presentation of the content of the report referred to the three options for the Council's 2014/15 Local Council Tax Reduction Scheme which were:-

Option 1 – continue with current arrangements.

Option 2 – increase council tax payable by cutting the level of CTR by 8.5%.

Option 3 – increase the council tax payable by cutting the level of CTR by 20%.

As part of the further consideration to be given to this matter information on the protection of vulnerable groups and on a breakdown of Direct Debit payers by Council Tax Property Band had previously been circulated to members of the Committee.

Reference was then made to a presentation to be made at the meeting providing the latest information in relation to:-

- Public consultation results – so far.
- Neighbouring Local Authorities – scheme plans to date.
- Collection issues.
- Next steps.

Officers present then commented further on the presentation given at the meeting.

Regarding the public consultation undertaken and the results to date it was noted that a wide range of consultation had been undertaken, focusing on benefit claimants but also including the general public via approaches such as the Council's website, press release, twitter and facebook.

Of the 320 responses received and analysed up to 23rd August 2013, 237 (74%) favoured option 1. Of the 74%, 86% were in receipt of benefits. 37 (12%) favoured an 8.5% cut in CTR whilst 36 (11%) favoured a 20% cut in CTR. Of these 81% were Council Tax Payers.

A further one hundred responses had now been received and would be analysed in due course.

Updated figures would be given to the Chair by the Assistant Director, Customer Services in due course.

The twelve week consultation period would end on 18th October 2013.

Of the vulnerable groups which could be protected, in the event of either option 2 or 3 being adopted, the highest percentages of positive responses related to protecting disabled adults, disabled children and working age war pensioners .

On the issue of consultation some members commented that more should be done to consult with the general public and in response it was noted that other avenues of consultation such as consulting tenants and via Directorates of the Council were being used.

In addition the use of the Council's Community Forums was raised together with use of further press coverage.

Further ways of engaging with the general public would therefore be explored and undertaken.

Arising from consideration of the position in neighbouring Councils reference was made to the issue of protecting vulnerable groups.

A broad definition of disabled had been used which encompassed all possible categories of disability and long term sickness.

The vulnerable groups were disabled adults and children, lone parents with a child aged under 5 and war pensioners of working age.

It was noted that a variety of definitions of disability were used by other Local Authorities. The effect of protecting all of the vulnerable groups specified in the report and using the full definition of disability would be to reduce the extra collectible Council Tax in any revised scheme by approximately half.

It was considered that a clearer definition of disability and sickness was required and this would be looked into and a tiered approach could also be considered.

Issues relating to the collection of any extra collectible Council Tax were also discussed however, the overall conclusion was that, based on the evidence available, it was too early to indicate how collection rates would actually perform by implementing either options 2 or 3 and that collection rates were also affected by other legislative changes that have been made.

The position would therefore continue to be monitored. It was also noted that collection rates were dependent on the approach taken to recovery of debt.

Regarding the next steps it was noted that the Cabinet would meet on 30th October to consider and propose a scheme to the full Council meeting on 5th December which would include any recommendation made by this Committee at this meeting.

Arising from the presentation and comments made further questions/comments were made, relating principally as to which, if any, of the three options should be recommended to Cabinet.

Various views were then expressed including continuing with the current arrangements – option 1, increasing the Council Tax payable by cutting the level of CTR by 20% - option 3, option 2 with provisos and that option 2 would be uneconomic to implement.

In respect of option 3 a comment was made that if adopted this should be with the narrow Disability Living Allowance definition of disability whilst the contrary view was also expressed that vulnerable groups should be protected using the widest definition of disability.

Comments were also made that there was a need for further information before a decision could be made, as the position regarding collection rates was inconclusive, that the consultation period still had a number of weeks to run and that there was a need to broaden out the consultation to more council tax payers.

At the conclusion of comments made, and following consideration of various proposals it was, following the proposal and seconding of a particular motion and voting thereon:-

RESOLVED

That the Cabinet be informed that this Scrutiny Committee do not wish to make a recommendation to them regarding which of the three options for the Council's 2014/15 Local Council Tax Reduction Scheme should be adopted, on the basis that there was currently not enough information available on which to make a decision but that if Cabinet/Council wish to implement either options 2 or 3 it is recommended that the vulnerable groups identified within the papers circulated to members and referred to at this meeting be protected and that the widest possible definition of disability be features of the proposed Scheme.

The meeting ended at 9.00 p.m.

CHAIR

CPMEE/15

**Meeting of the Corporate Performance Management, Effectiveness and Efficiency
Scrutiny Committee – 20th November 2013**

**Joint Report of the Chief Executive, Treasurer, and Director of Corporate Resources
Revenue Budget Strategy 2014/15**

Purpose of Report

1. To consult the Scrutiny Committee on the Revenue Budget Strategy for 2014/15 and the Medium Term Financial Strategy, with emphasis on those proposals relating to the committee's terms of reference. For this committee the relevant items are those relating to the Directorate of Corporate Resources and the Chief Executive's Directorate in paragraph 32.

Background

2. At its meeting on 30th October 2013, the Cabinet considered a preliminary budget strategy for further consultation, including consultation with Scrutiny Committees, in accordance with the Constitution. In framing their responses to these budget proposals, Scrutiny Committees are being asked to consider both the spending and funding implications (including the impact on Council Tax) of any observations they may wish to make.
3. When the Revenue Budget and Council Tax for 2013/14 was approved, the Council endorsed a Medium Term Financial Strategy (MTFS) which recognised the following basic assumptions:
 - (a) Revenue Support Grant (RSG) for 2014/15 is as per the indicative figures announced with the 2013/14 settlement, and for 2015/16 changes in line with the 2012 Autumn Statement and subsequent Treasury indications.
 - (b) income from Business Rates will be in line with current forecasts;
 - (c) the underlying value of Council Tax Benefit/Support awarded will not substantially exceed current levels.
 - (d) New Homes Bonus funding for future years increases at the same rate as for 2013/14.
 - (e) there is no overall increase in employer pension contributions. The new Local Government pension scheme comes into operation from April 2014, which is also the commencement of a new valuation period. The impact of both is uncertain at this stage.
 - (f) Single Status and Equal Pay costs are no more than estimated;

- (g) general levels of inflation, pay and interest rates do not vary materially from current forecasts;
- (h) income and expenditure relating to treasury management activity, including airport dividend income, are in line with forecasts;
- (i) the impact of schools transferring to academy status can be managed within Directorate of Children's Services budgets.
- (j) there will be no other unplanned expenditure (including any resulting from demographic pressures) or shortfalls in income, which cannot be met from reserves;
- (k) Council Tax increases in future years are up to the referendum threshold based on current legislation and principles.

The risks relating to the above assumptions were recognised, together with the potential need to identify alternative funding sources or further savings to ensure that the strategy remained robust.

4. In order to ensure that the Council could properly manage its financial affairs over the medium term, and ensure resources would be available to deal with new spending pressures and other unforeseen eventualities, the strategy was therefore to:
 - (a) manage spending within approved budget levels;
 - (b) review spending priorities and the allocation of resources in line with Council Plan priorities;
 - (c) seek further efficiency and other savings;
 - (d) maximise opportunities for additional external funding;
 - (e) take action to replenish General Balances;
 - (f) regularly review risks and uncertainties and other relevant factors.

Forecast 2013/14 Position

5. Forecast General Fund revenue spend compared with budget for each Directorate is shown in Appendix A.
6. Latest monitoring indicates favourable Treasury variances amounting to a further £1.5m resulting from better than expected cashflows and returns on investments. Cabinet agreed that Council be recommended to amend budgets to reflect this variance.
7. The budget for 2013/14 included a contingency of £1.0m to cover inflationary and other pressures in excess of those assumed when the budget was set. The position will be carefully monitored and reported back to Cabinet as necessary, but at this stage it is proposed that the contingency be retained.

Looked After Children

8. The outturn report to Cabinet in June 2013 highlighted a risk of an overspend arising from numbers of Looked After Children being higher than those allowed for in the budget.
9. As at August 2013, there were 757 Looked After Children as against 737 allowed for in the budget. The increase is primarily among high cost external residential and independent fostering agency placements. Whereas in previous years it has been possible to manage the costs of Looked After Children by holding back expenditure in other parts of the Directorate, the impact of reducing budgets means that that is no longer possible. Furthermore, the rising demand for services from social care has led to pressures on children's social care workloads. In order to ensure that social workers have manageable workloads and are able to progress cases in a timely manner including responding to externally imposed deadlines from the courts, it has been necessary to allocate additional resource to children's social work services and independent reviewing officers. Taken together, these factors lead to a projected overspend for the Directorate of Children's Services of £3m.
10. Cabinet in June agreed that the Director of Children's Services, the Chief Executive and Treasurer (in consultation with the Cabinet Member and Opposition Spokesperson for Children's Services and Lifelong Learning and the Deputy Leader) should monitor the position and report back to Cabinet in September. It was proposed that the report should include benchmarking of data and costs relating to Looked After Children against other comparable local authorities and should consider the implications for the longer-term budget strategy. This work has taken longer than anticipated due to its complexity, sensitivity and the need to obtain information from other authorities.
11. Preliminary benchmarking data has been shared with the Cabinet Member and Opposition Spokesperson for Children's Services and Lifelong Learning and the Deputy Leader. In addition, and as part of an approach to continuous performance improvement, the Directorate of Children's Services has commissioned a care practice diagnostic exercise by the Local Government Association. This will include an exploration and assessment of the application of thresholds for care and set this against a national context.
12. Cabinet agreed that a report be brought to its meeting in February 2014 outlining the outcomes of the diagnostic exercise and presenting any proposals that arise from it. In the meantime, it is considered prudent to assume that numbers of Looked After Children will remain at their current levels. Cabinet agreed that Council be recommended to amend the current year budget to reflect this variance and that future year forecasts are amended accordingly (see table under paragraph 31 below).

General Fund Balances

13. The latest forecast position, compared to the original approved budget for 2013/14 and subject to the risks and uncertainties outlined above, is as follows.

	Original Budget £m	Latest Position £m
Forecast balance at 31 st March 2013	17.7	17.7
Effect of 2012/13 outturn	-	1.7
Actual balance at 31st March 2013	17.7	19.4
Planned addition 2013/14	0.7	0.7
Variations approved by Cabinet in June	-	0.7
Favourable current year treasury variances (para 6)	-	1.5
Looked After Children (paras 8-12)	-	-3.0
Forecast balance at 31st March 2014	18.4	19.3

Budget Strategy 2014/15

14. In formulating the Council's Budget Strategy and tax levels for 2014/15, Members will need to consider carefully:
- (a) the levels of Government support allocated to the Council;
 - (b) spending pressures, opportunities to free up resources (including savings), and Council Plan priorities;
 - (c) the implications of spending levels in later years as part of the Council's medium term financial plan;
 - (d) the views of consultees;
 - (e) the external factors and risks inherent in the Strategy;
 - (f) the impact on Council Tax payers.
 - (g) the Government's stated intention to offer Council Tax Freeze Grant for 2014/15 and 2015/16 (see paragraph 18 below);
 - (h) the potential impacts on people with protected characteristics as defined in the Equality Act 2010. Members will need to have due regard to the public sector equality duty under the Equality Act 2010. (Further details are set out in the Equality Impact section below.)

Government Funding

15. At the time of setting the current MTFS, RSG figures for 2015/16 onwards had not been announced. Our forecasts were based on the assumption that the ongoing reduction in government funding would continue in line with the reductions over the previous four years. This was supported by the Chancellor's 2012 Autumn Statement and subsequent Treasury indications. Subsequent Government announcements in the March 2013 budget, the 2013 Spending Round (SR2013) in June, and a subsequent "Technical Consultation" on RSG and related matters require these forecasts to be revised. Based on the latest figures set out in the Technical Consultation:
- For 2014/15 RSG will reduce by 18.6% (£16.9m) compared with 2013/14, rather than by the 16.8% provisionally announced in February along with the final 2013/14 settlement;
 - For 2015/16 RSG will reduce by 28.4% (£20.9m) compared with 2014/15, rather than by the 15.4% based on previous Treasury indications and assumed in the MTFS

For 2016/17 we do not have any detailed Government funding figures. However the Chancellor indicated in SR2013 that the reduction in overall Government spending is likely to continue at least until 2017/18 at the same average rate as currently. We have therefore assumed a further reduction in RSG of 25.9% (£13.6m) being a best estimate based on underlying trends. This will need to be reviewed as and when the Government provides further details.

16. The Government has also announced that around 35% of 2015/16 New Homes Bonus (NHB) funding will be top-sliced and allocated to Local Enterprise Partnerships (LEPs) for them to spend on their priorities as part of the "Local Growth Fund". A consultation was issued in respect of the details of the proposals, but not the policy itself.
17. We have responded to the consultations on RSG and top-slicing of NHB as summarised in Appendix B.
18. The Council Tax Freeze Grant offered to Councils who froze their Council Tax in 2013/14 was initially guaranteed for only two years. This has now been extended to 2015/16 amounting to £1.1m per year for Dudley. In addition, the Government has indicated that it will also offer similar grant (i.e. equivalent to a 1% Council Tax increase) to Councils who freeze Council Tax in 2014/15 and/or 2015/16, but with funding guaranteed only up to 2015/16.
19. The Government has indicated that the maximum Council Tax increase for 2014/15 and 2015/16, above which a referendum would need to be held, will be 2% for most authorities. However, unlike previous years this "headline" figure will not be adjusted for individual authorities as a result of changes in levies.
20. The Government has indicated that Education Services Grant (the grant that funds support services to schools which become the responsibility of academies after conversion) will reduce by around 20% in 2015/16. It is being assumed that this will be managed within the Directorate of Children's Services' existing resources.

21. On the basis of previous Government announcements it is anticipated that there will be a real increase of approximately £0.5m in the ring-fenced grant which funds Public Health activities in 2014/15. We are also assuming that grant levels will at least match current levels of expenditure in subsequent years.
22. As part of SR2013, the Government announced the creation of a £3.8bn Integration Transformation Fund to support the integration of health and social care. Precise details are not available at the local level but it is clear that the Fund will include elements of funding that are already built into the Council's budget. The transfer of any additional money will be conditional on the Council transforming the way in which it delivers services so as to release savings within the Clinical Commissioning Group (CCG). Further details are set out as Health Integration (under Directorate of Adult, Community and Housing Services) in Appendix C. These proposals will be kept under review as local plans are developed with the CCG.

Other Forecasts

23. The new Local Government pension scheme comes into operation from April 2014, which is also the commencement of a new valuation period. This will have a favourable effect on employers' contributions. However, on the basis of latest indications the adverse effect of market conditions will more than offset this, such that overall there is likely to be a significant increase in employers' contributions from 1st April 2014, although it may be possible to phase in those increases. However, the magnitude of the increase and how any phasing might operate remains uncertain.
24. In addition to the direct impact of changes in employer pension contributions, the current National Insurance rebate for employees and employers for "contracting" out of the Additional State Pension into the Local Government Pension Scheme will end from 1st April 2016 as part of the move to the new Single Tier State Pension from that date. Although the Government has indicated the impact of this on public sector employers will be taken into account in funding allocations, it would not be prudent to assume this means the cost will be funded.
25. A report elsewhere on this agenda considers a range of proposals regarding the local Council Tax Support scheme. The impact of any agreed changes will need to be reflected in the budget in due course. At this stage a prudent approach has been taken and the forecasts in this report are based on there being no change to the scheme.
26. The "localisation" of Business Rates from 1st April 2013 transferred significant new risks to Councils. In particular:
 - With 49% of Business Rates collected being retained by Dudley, any changes in rateable value as a result of new building, change of use, demolitions, or successful appeals, etc. will have a significant direct impact on the Council's income.
 - In addition to the current effect of appeals, these may also be backdated – sometimes as far as 2005 – giving rise to substantial refunds to ratepayers.

The impact of both the above is difficult to predict, and will continue to be monitored closely, although at present we do not have any reason to make any significant changes to our forecasts.

27. It is estimated that there will be a Collection Fund surplus of £0.6m at 31st March 2014 which can be utilised to fund the 2014/15 revenue budget. This will be reviewed prior to the setting of the budget, along with estimates of the taxbase and forecasts for New Homes Bonus and New Homes Bonus Adjustment Grant.
28. Whilst the final costs of Equal Pay Back Pay (EPBP) still remain uncertain, new Single Status pay and grading structures have now been introduced, and we are reaching the end of the appeals process in respect of these. It has been assumed that any costs relating to schools will be funded from school resources. Latest estimates indicate that ongoing annual costs will be around £2m higher than reflected in previous MTFS assumptions, of which £1m can be met from reallocating the contingency budget for 2014/15 onwards.

Base Budget Forecasts

29. The following key assumptions have been made (and are also referred to in the risk analysis in paragraph 37):
- (a) We are expecting pay awards for local government to be settled at very low levels in the next few years. The budget provision for prices assumes that competitive contract management and tendering will continue to minimise the impact of price rises on Council budgets. We are therefore proposing a provision of 1% for pay and 2% for prices each year for the duration of the MTFS;
 - (b) Interest rates will continue to have a relatively low impact in the medium term.
30. Details of Base Budget Forecasts for the next three years are set out below.

	2014/15 £m	2015/16 £m	2016/17 £m
2013/14 Base	247.6	247.6	247.6
Pay & Prices	3.7	7.3	10.8
Capital Programme and Treasury	-1.2	-0.8	-1.8
Pensions and National Insurance	0.7	1.7	4.7
Other Adjustments (*)	-0.9	0.3	0.5
Base Budget Forecast	249.9	256.1	261.8
% change year-on-year (like for like)	+0.9%	+2.5%	+2.2%

(*) Includes reduction in expenditure as a result of reviewing transfers between the General Fund and Housing Revenue Account, and the costs of Equal Pay Back Pay and Single Status which cannot be met from existing provision and the reallocation of the contingency budget (see para 28 above).

Spending Pressures

31. Having reviewed existing budgets in the light of Council Priorities, additional legislative requirements and service pressures, the following package of additional spending to target key service areas for investment over the next three years is proposed:

	2014/15	2015/16	2016/17
	£'000	£'000	£'000
Adult, Community and Housing			
Increased numbers of adults with learning disabilities	346	721	1096
Increased number of clients with dementia	582	1164	1746
	928	1885	2842
Children's Services			
The demand for placements of looked after children in 2013/14 (LAC) exceeds the 2013/14 base budget by £3.0m as set out in paras 8-12 above.	3000	3000	3000
	3000	3000	3000
Urban Environment			
Waste that goes to landfill is subject to a Landfill Tax set nationally	130	250	350
Domestic waste entering the incinerator is subject to an inflationary contractual 'gate fee'	56	113	170
	186	363	520
Total	4114	5248	6362

There are no proposals in the above table falling within this committee's terms of reference.

Savings

32. Following a detailed budget review process, which considered the base budget forecast, the need to redirect resources to the spending pressures set out in paragraph 31 and the level of resources likely to be available to the Council, a range of savings has been identified from existing budgets as follows. Detailed proposals are set out in Appendix C.

	2014/15	2015/16	2016/17
	£'000	£'000	£'000
Adult, Community and Housing	3350	6707	13707
Urban Environment	1490	3592	3692
Children's Services	3037	4837	5087
Corporate Resources	681	1689	2530
Chief Executive's	100	688	751
Total	8658	17513	25767

The proposals relating to the Directorate of Corporate Resources and the Chief Executive's Directorate fall within this committee's terms of reference.

Human Resource Implications

33. Redundancy costs are dependent on the age and length of service of the individuals being made redundant and therefore cannot be precisely calculated at this stage. However, it is anticipated that they can be met from use of resources earmarked for committed capital expenditure (which in turn could be funded from prudential borrowing) and general balances.

Medium Term Financial Strategy

34. The MTFs reflecting the revised spending proposals set out above, and forecasts of likely resource availability can be summarised as follows.

	2014/15 £m	2015/16 £m	2016/17 £m
Base Budget Forecast	249.9	256.1	261.8
- see para 30			
Pressures	4.1	5.2	6.4
- see para 31			
Savings	-8.6	-17.5	-25.8
- see para 32			
Total Service Spend	245.4	243.8	242.4
Revenue Support Grant (RSG)	73.6	53.8	40.2
Retained Business Rates	48.1	49.1	50.3
Top-Up Grant	15.1	15.4	15.8
New Homes Bonus (net of LEP topslice)	3.4	2.7	3.3
New Homes Bonus Adjustment Grant	0.9	0.9	0.9
Council Tax Freeze Grant re. 2013/14*	1.1	-	-
Collection Fund Surplus	0.6	-	-
Council Tax	95.0	97.2	99.5
Total Resources	237.8	219.1	210.0
Deficit funded from Balances	7.6	24.7	32.4
Balances brought forward	19.3	11.7	n/a
Balances carried forward (see para 35)	11.7	n/a	n/a

*Included in RSG from 2015/16

35. As demonstrated by the table above, balances are adequate to fund the deficit for 2014/15, but it will be necessary to take further action going forward over and above the savings proposed in this report.
36. In order to ensure that the Council can properly manage its financial affairs over the life of this MTFs and beyond, and ensure resources are available to deal with new spending pressures and other unforeseen eventualities, the strategy must therefore be to:
- (a) manage spending within approved budget levels;
 - (b) seek further efficiency savings;

- (c) consider opportunities for additional external funding, including new or increased fees and charges;
- (d) take action to replenish General Balances, including the review and re-allocation of earmarked reserves where these are no longer required for their original purpose;
- (e) explore the viability of different models for service delivery;
- (f) prioritise services in line with Council Plan aims and, as a last resort in the event that other measures are insufficient to deliver a balanced budget, reduce or cease to provide the lowest priority services.

Given the scale and urgency of the financial challenge that the Council now faces, it will be necessary to commit significant time and resources to examination of the options set out above. Cabinet authorised the Chief Executive and Directors in consultation with the Leader, Deputy Leader and relevant Cabinet Members to examine the options set out above.

Estimates, Assumptions & Risk Analysis

37. The proposals in this report are based on a number of estimates, assumptions and professional judgements, which may need to be reviewed and amended either before the budget and Council Tax for 2014/15 is set, during the course of that year, or indeed over the term of the MTFS. These may lead to further increases in expenditure and, therefore, the need to identify alternative funding sources, and include:
- (a) Revenue Support Grant for 2014/15 and 2015/16 is as per the Technical Consultation issued in July 2013, and for 2016/17 is in line with Government indications of ongoing national deficit reduction. It should be noted that these forecasts in particular remain highly uncertain;
 - (b) income from Business Rates will be in line with current forecasts;
 - (c) the cost of Council Tax Support awarded will not substantially exceed previous forecasts. As set out above, the impact of any agreed changes to the scheme will need to be reflected in the budget in due course;
 - (d) New Homes Bonus funding for future years increases at the same underlying rate as for 2014/15.
 - (e) the increase in employer pension contributions from 1st April 2014 is no greater than estimated;
 - (f) Single Status and Equal Pay costs are no more than estimated;
 - (g) general levels of inflation, pay and interest rates do not vary materially from current forecasts;
 - (h) income and expenditure relating to treasury management activity, including airport dividend income, are in line with forecasts;

- (i) the impact of schools transferring to academy status can be managed within existing Directorate budgets;
- (j) there will be no other unplanned expenditure (including any resulting from demographic pressures) or shortfalls in income, which cannot be met from reserves;
- (k) Council Tax increases in each year are 2% in line with indicated referendum thresholds. If the Council were to decide to freeze Council Tax in April 2014 and/or April 2015 and accept Council Tax Freeze Grant (see paragraph 18), the funding deficit would be greater than indicated above.

Consultation

- 38. Extensive public consultation was undertaken during the last budget round (the “Big Question” exercise). Over 4,500 responses were received, giving views about Council Tax increases and about the services that people would most want to protect or would be prepared to see cut. Of those who responded, approximately 1,200 people signed up to receive e-bulletins from the council with news and information from across the borough. In view of the volume of responses already received, and in order to minimise costs, it is proposed that this year’s consultation will be done primarily via free online channels. This will include using the e-bulletin system, which now has approximately 1,600 subscribers, as well as the website and social media channels.
- 39. Detailed consultation will also be undertaken with groups identified as being potentially affected by the specific savings proposals, with a particular emphasis on equalities issues. Further information is set out in the Equality Impact section below. Unions will be consulted in the context of the redundancy process considered in a separate report elsewhere on this agenda.
- 40. The Council is required by law to consult with representatives of Business Ratepayers before the final budget and Council Tax are agreed. A consultation meeting will be held to consider the issues set out in this report. Further detailed information (as required by law) will be distributed in February for comment before the Council Tax setting meeting.
- 41. In accordance with the Council’s Constitution, Scrutiny Committees are being asked to consider the issues set out in this report and in particular any proposals relevant to their terms of reference. For this committee the relevant items are those relating to the Directorate of Corporate Resources and the Chief Executive’s Directorate in paragraph 32. The Chief Executive and Director of Corporate Resources will be available at the meeting to address any queries. In framing their responses, the Scrutiny Committees are being asked to consider both the spending and funding implications (including the impact on Council Tax) of any observations they may wish to make.

Finance

- 42. This report is financial in nature and relevant information is contained within the body of the report.

Law

43. The Council's budget setting process is governed by the Local Government Finance Acts 1988 and 1992, and 2012 and the Local Government Act 2003.
44. The Local Government Act 2003 requires the Chief Financial Officer to report on the robustness of estimates made for the purpose of final budget calculations, and the adequacy of the proposed financial reserves and this will be included in the final budget report.
45. The Localism Act 2011 introduced a new chapter into the Local Government Finance Act 1992 making provision for council tax referendums to be held if an authority increases its council tax by an amount exceeding principles determined by the Secretary of State and agreed by the House of Commons.

Equality Impact

46. Section 149 of the Equality Act 2010 - the general public sector equality duty - requires public authorities, including the Council, to have due regard to the need to:
 - eliminate discrimination, harassment and victimisation and other conduct that is prohibited by the Act;
 - advance equality of opportunity between people who share a protected characteristic and those who don't;
 - foster good relations between people who share a protected characteristic and those who don't.
47. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
 - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
48. The legislation states that "the steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities." In practice, this means that reasonable adjustments should be made for disabled people so that they can access a service or fulfil employment duties, or perhaps a choice of an additional service for disabled people is offered as an alternative to a mainstream service.

49. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- tackle prejudice, and
- promote understanding.

50. Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

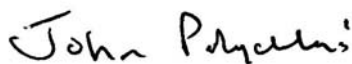
The duty covers the protected characteristics of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

51. An initial assessment of the budget proposals has been made. Where proposals are likely to have a significant equality impact, they will undergo an equality impact assessment informed by consultation with the protected groups who may be adversely affected, during the autumn. The results of this process and any steps which emerge that might help to mitigate any potential impact of the budget proposals on the protected groups will be reported to Members so that they can pay due regard to the Public Sector Equality Duty in making decisions on the budget. In making decisions on budget proposals, Members will need to weigh the Public Sector Equality Duty against the forecast financial position, risks and uncertainties set out in this report.

52. With regard to Children and Young People, the proposed budget for the Directorate of Children's Services will be spent wholly on maintaining and improving services for children and young people. The expenditure of other Directorates' budgets will also have a significant impact on this group.

Recommendations

53. That the Committee considers the Cabinet's Revenue Budget Strategy proposals for 2014/15 and the Medium Term Financial Strategy, taking into account the considerations set out in paragraph 41.



.....
John Polychronakis
Chief Executive



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Iain Newman
Treasurer



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Philip Tart
Director of Corporate Resources

Contact Officers: Jan Szczechowski
Telephone: 01384 814805
Email: jan.szczechowski@dudley.gov.uk

John Everson
Telephone: 01384 814806
Email: john.everson@dudley.gov.uk

List of Background Papers

HM Treasury Budget 2013

Spending Round 2013

Local Government Finance 2014-15 Technical Consultation Paper

Latest Forecast 2013/14

Directorate	Revised Budget £m	Outturn £m	Variation £m	
Adult, Community and Housing	103.759	103.759		
Children's Services	68.556	71.613	3.057	See note 1
Urban Environment	56.287	56.287		
Chief Executive's	3.635	3.635		
Corporate Resources	14.707	13.201	-1.506	See note 2
Total Service Costs	246.944	248.495	1.551	

Note 1: Costs of extra Looked After Children.

Note 2: Better than expected cashflows and returns on investments.

Summary of response to Technical Consultation on RSG for 2014/15 and 2015/16

- We are disappointed that this consultation does not give any opportunity to comment on the reduction in Government funding. Indeed what is essentially a political decision has been hidden within something that purports to be a purely technical consultation. For Local Government to continue to suffer a disproportionate share of the “deficit reduction” is unsustainable.
- In particular, we are disappointed that figures for 2014/15 provided in February, on which authorities based their medium term financial plans, were amended as soon thereafter as the March 2013 Budget.
- In respect of top-slicing RSG to fund New Homes Bonus (NHB), we would re-iterate the point already made by ourselves and others that NHB is redistributing resources to those areas with the greatest capacity for new construction at a time of unprecedented reductions in Council funding. Moreover NHB is no longer required to achieve its original purpose (to provide councils with funding from outside the formula grant system towards the pressure on services resulting from new homes being built in their area), as this is now integral to the new funding system. As a minimum, there should be no further increase in NHB or the hold back required to fund it.
- In respect of top-slicing RSG to fund safety net payments to authorities with large reductions in Non Domestic Rate income, we believe that the safety net requirement may have been overestimated and there should therefore be no upfront safety net hold back, but rather an adjustment in future years once costs are known.

Summary of response to consultation on pooling (top-slicing) New Homes Bonus and allocation to Local Enterprise Partnerships

In addition to the general issues raised concerning NHB in the response to the consultation on RSG above:

- We are opposed to pooling New Homes Bonus (NHB) in this way. Pooling of NHB will divert more resources away from existing essential services, contrary to the DCLG’s own documentation which states “New Homes Bonus is an unringfenced grant, which means local authorities are free to decide how to spend it, as they are in the best position to make decisions about local priorities.”
- Whilst LEPs have a useful role to play, they are unelected bodies. Local authorities are better placed in terms of accountability and making decisions about local priorities, which will include the economy.
- Amounts of NHB which Councils have already included in their medium term financial plans (i.e. to fund existing services) should be taken into account by LEPs when determining their priorities for using pooled funding whether or not any expenditure has been contractually committed. Otherwise pooling will lead directly to further service reductions.

Proposed Savings

The proposals relating to the Directorate of Corporate Resources and the Chief Executive's Directorate fall within this committee's terms of reference.

Adult, Community and Housing	2014/ 15	2015/ 16	2016/ 17
	£'000	£'000	£'000
Learning Disability - Review the levels of residential care and care packages for people including supported housing. This will be achieved following a re modelling of how we deliver services to people with a Learning Disability which will see more people supported in community based settings and through the delivery of Direct Payments.	496	871	871
Health Integration - Working together with the Clinical Commissioning Group for Dudley we will introduce new ways in which people access care and support with revised working practices for staff across both Health and Social Care and the integration of Health and Social Care teams. The emphasis will be on building and maintaining community based services linked to Primary Health and Social Care in order to avoid unplanned hospital admissions and significantly reduce length of stay. This would result in a transfer of resources within the health and social care system to Social Care from Health.	1267	3443	10443
Mental Health Services - Review the levels of residential care and care packages for people including supported housing. This will be achieved by reducing the cost of new placements with providers; delivering improved value for money from existing care packages; through the use of telecare; extra care housing; and Direct Payments.	100	256	256
Transfer of home care hours from internal provision to external provider. The difference in unit costs will deliver the savings with no loss of care hours being provided.	300	300	300
Closure of the existing reablement homes for the elderly, with the transfer of required beds to Russell Court which has changed the use of beds in the home from long term residential care.	515	515	515
Older People - Reduction in number of residential placements being made from 6 residential home equivalents per week to 5 through more effective use of reablement to reduce long term care needs.	200	200	200
Reduction in social work and management posts as a result of the restructuring of the Directorate and the reduction in directly provided services.	200	400	400
Physical Disability - Savings from reviews of existing care packages. This will be achieved following a re modelling of how we deliver services to people with a Physical Disability which will see more people supported in community based settings and through the delivery of Direct Payments.	0	200	200
Libraries Archives and Adult Learning – Planned efficiencies across management and infrastructure costs whilst maintaining local provision.	272	272	272

Adult, Community and Housing	2014/ 15	2015/ 16	2016/ 17
	£'000	£'000	£'000
Older People/ Learning Disability - Review of existing shared lives service with development of extending existing service provision to provide alternative to residential care.	0	250	250
Total	3,350	6,707	13,707

Urban Environment	2014/ 15	2015/ 16	2016/ 17
	£'000	£'000	£'000
Service related savings			
Reduction in the Road reconstruction and resurfacing programme	120	581	581
Reduction in the Footway reconstruction programme and public right of way maintenance	100	100	100
Reduction in routine Street Lighting, signs and bollards maintenance	0	50	50
Reduction in Street Cleansing linked to increased community led litter picking	0	71	71
Reduction in Gully Drain Emptying with a greater focus on problem 'hot spots'	0	52	52
Reduction in the Grounds Maintenance of parks, open spaces, verges and other amenities including grass cutting, shrubs, hard surfaces & pitch marking and the pruning of trees	5	270	270
Shortening the collection period for Green Waste to between April and the end of October	100	100	100
Office staff related savings			
Staff related savings across all Divisions of the Directorate	217	1175	1175
Income generation			
Increase car parking charges	225	225	225
Other efficiency and contractual savings			
Selling the spare capacity of the Incinerator at Lister Road Depot	313	313	313
Introduction of Wheelie Bins for domestic waste as part of wider waste minimisation strategy	100	100	100
Gym equipment contract negotiated savings	40	80	80
New technology within Street Lights will reduce light pollution and save significant energy costs	0	205	205
Broadfield House - explore the potential for an Asset Transfer to a third party	170	170	170
Utilise route optimisation software in Council vehicles	100	100	100
Switch off selected Street Lighting from midnight	0	0	100
Total	1,490	3,592	3,692

Children's Services	2014/ 15	2015/ 16	2016/ 17
	£'000	£'000	£'000
Directorate Accommodation savings and the relinquishing of property leases.	237	237	237
Education Services Redesign the Information Advice and Guidance support to targeted groups of vulnerable young people. The achievement of efficiencies and the use of different delivery models of support will reduce the impact to the service user but a reduction in staffing will be required to achieve the savings together with the release of 2 fte vacant posts.	550	650	650
Education Services Significantly reduce and redesign universal Youth Service activity offered to 11-19/25 year olds in the Borough. Resulting in the closure of up to 3 centres and a reduction in staffing including 2.6 fte vacancies. The service will also develop income opportunities including trading to schools, utilising buildings and activity programmes.	180	380	380
Quality and Partnership Reduce voluntary and community sector commissioning budget.	10	60	60
Education Services The Special Education Needs (SEN) home to school transport budget for pupils will be reduced through efficiencies and some redesign of the service provision to pupils and looked after children.	30	250	250
Quality and Partnership Savings will be achieved by releasing a 1fte vacant post and reducing the commissioned service for early Intervention mental health work.	40	110	110
Asset Management Asset Management Services will increase their traded service income targets and /or make staffing reductions.	40	90	90
Children and Families Proposals will be put forward for the restructuring of Children's Centres and the services they provide. These proposals will be subject to full and proper public consultation prior to any decision about the shape of future service delivery.	1,500	2,300	2,300
Education Services Options will be explored for Dudley Performing Arts (DPA) service to become 100% financially sustainable by 2016/17, through traded service income, grants, partner contributions and trust status.	0	0	160
Education Services A service review of Early Years activities has released 1.5fte vacant posts to save £0.090m. The remaining £0.070m will be saved from either additional traded service income and/or a redesign of the Early Years service delivery with potential staff reduction.	50	160	160

Children's Services	2014/ 15	2015/ 16	2016/ 17
	£'000	£'000	£'000
Education Services The saving will be achieved by the release of 3 vacant Education Improvement Advisor (EIA) posts together with potential staff reduction.	185	185	220
Directorate The Directorate will review and redesign its service provision from April 2014. This will include the release of 2.7 fte vacant posts saving £0.070m; service restructures saving £0.110m will result in some staff reduction; additional income targets of £0.070m; and other efficiencies of £0.050m.	115	245	300
Quality and Partnership Reduce the commissioning budget for short breaks for children with disabilities and redesign and reduce service provision internally resulting in possible staff reduction.	100	100	100
Education Services The national policy changes to Special Education Needs (SEN) should allow for a service redesign to achieve £0.070m of efficiencies by reducing staff by 2015/16.	0	70	70
Total	3,037	4,837	5,087

Corporate Resources	2014/ 15	2015/ 16	2016/ 17
	£000	£000	£000
ICT - Consolidation of corporate and directorate-based ICT Services	200	350	507
100% Removal of Risk Management Funding	195	195	195
Management restructure across directorate	0	110	332
Other efficiency savings following process and service redesign	21	31	89
Increase Management & Valuation and conveyancing fees	0	5	25
Human Resources & Organisational Development staff savings	29	197	221
Accountancy staff savings	93	93	222
Staff savings across Customers division	0	100	298
Staff savings from Law & Governance division	143	185	218
Office accommodation savings	0	423	423
Total	681	1689	2530

Chief Executive's	2014/ 15	2015/ 16	2016/ 17
	£'000	£'000	£'000
Community Safety staff savings	0	140	140
Communications - income generation and staff savings	0	180	200
Other staff savings across directorate	100	268	311
Reduction in Grant to DCVS / CFED	0	40	40
Reduce running expenses across directorate	0	60	60
Total	100	688	751

Agenda Item 7

Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee 20 November 2013

Report of the Transforming Organisation, Real Change (TORCh) Cohort 3 Project Group

Apprenticeship and Work Experience Programme for Dudley Council

Purpose of Report

1. To present to Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee a progress report in respect of the review undertaken by the TORCh Cohort 3 Project Group in respect of Apprenticeships and Works Experience.
2. The Cohort 3 Project Group has now reviewed the Apprenticeship programme administered by Dudley Council with the work experience programme review to be completed by December.

The Remit of Scrutiny Committee for Apprenticeships and Works Experience

3. On 25th April 2013, the Cabinet considered a report on a review of the Council's overview and scrutiny arrangements. The recommendations from Scrutiny Chairs were endorsed by the Cabinet and formally approved at the annual meeting of the Council on 16th May 2013.
4. The principles of the new structure are to strengthen the Council's overview and scrutiny arrangements; to ensure proper democratic accountability and to promote confidence in the conduct of the Council's business. The new scrutiny arrangements are also set in the context of significant financial pressures faced by the Council and the need to focus limited resources in the most effective way. One of the aims of Scrutiny Committees is to be more strategic and selective in selecting topics for scrutiny with Scrutiny Committees focusing on in-depth investigations.
5. Developing apprenticeships, work placements and experience across the whole Council to help school leavers in getting a job and training is a Council priority. This is outlined in the Council Plan and is a key theme for the Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee.
6. The scrutiny of this key strategic area for Dudley Council will:
 - Provide further direction to the apprenticeship task group to review, plan and support young people and employers to engage in high quality Apprenticeship programmes and work experience placements within Dudley borough.
 - Identify gaps to make recommendations for improvement.
 - Support the development of a multi agency approach for ensuring high quality apprenticeships in Dudley borough.
 - Examine how the Council can maximise the opportunities for apprenticeships and work experience for the benefit of local people.

7. Over the last two years there has been significant media coverage about youth unemployment and the limited opportunities for young people. Dudley Council wants to ensure that there is appropriate provision of apprenticeship opportunities, work placements and experience across the borough and within the Council for young people. Therefore the Apprenticeship and Work Experience Task Group was reconvened to support the Scrutiny Committee in this area of work for the Council.

Dudley Apprenticeship Task Group

8. On 25th September 2012, a report of the Director of Corporate Resources was presented to Corporate Board in respect of apprenticeships and work experience opportunities. The report outlined the availability of apprenticeship opportunities within the Council; what is being done to ensure appropriate provision across the borough; what the youth contract is along with what is being done to promote and deploy it within the borough; what is happening for young people to prepare them for work through experience.
9. The report concluded that there is a significant amount of activity that is taking place to promote and support apprenticeships through out the borough. This activity is joined up in places but the complete picture is not shared by any one group or directorate. This is likely to lead to duplication of work and potential inefficiencies. Equally with work experience there is scope to review and improve the offer the Council makes to students.
10. The report recommended that the Apprenticeship Task Group be reconvened to provide the strategic co-ordination of apprenticeships within the Council; the joint review of work experience, led by the Dudley Education Business Partnership with a view to identifying and committing to a more diverse range of placements within the Council; agree to priority being given to Looked After Children for work experience placements; agree to continuing and supporting the work that is taking place to support the promotion and implementation of the youth contract and other initiatives across the borough; agree that contractors to Dudley be encouraged to take on apprentices as part of the procurement process, by raising the profile in the documentation provided.
11. The Dudley Apprenticeship Task Group meeting of 6 June 2013 identified key priorities for delivery, namely:
 - Increasing the number of starts on Apprenticeship programmes by 16-24 year-olds across Dudley borough and supporting Looked after Children and those leaving care to access vacancies;
 - Increasing employer awareness and recruitment of Apprentices;
 - Increasing the number of young people employed as Apprentices by Dudley Council;
 - Improving and increasing work experience opportunities for young people;
 - Improving the local authority's procurement policy especially on large scale Council contracts by setting a quota for the number of apprentices recruited and employed.
12. The Task Group continue to work on enhancing the apprenticeship programme within Dudley borough through local schools and post 16 providers.

TORCh Cohort 3 Project Group

Remit of group

13. Action Learning Project Groups were set up as one of the outcomes from the Council's recent TORCh (Transforming Organisation, Real Change) Leadership Programme. Each group has been allocated a transformation project to research over a six month period commencing in June 2013.
14. One of the Project Groups (Cohort 3) has been allocated the project title of Apprenticeships and Work Experience. This report provides a progress update in respect of the work undertaken to-date and seeks endorsement from the Scrutiny Committee in respect of the actions and proposals outlined within the report.
15. To date the project review has concentrated on Dudley's internal Apprenticeship programme and in particular the 16-18 age group. The review of the work experience arrangement will now commence and be completed by December 2013.
16. The local authority is responsible for tracking all school leavers and Dudley Council's apprenticeship programme allows Dudley to actively promote clear pathways for NEET (Not in Education, Employment or Training) young people.
17. Of the six Cohort 3 Project Group members, one is also a member of the Dudley Apprenticeship Task Group, therefore the need to not duplicate the workings of this newly formed Dudley Apprenticeship Task Group, but to complement the working was a key action for the Cohort 3 Project Group.

National Context to Apprenticeships

18. Apprenticeships have a key role in the government's strategy to develop the skills of the workforce and to promote the growth and rebalancing of the nation's economy. Recent government investment has given priority to helping more young people into work and training through apprenticeships.
19. Matthew Coffey National Director of Learning and Skills said:

"The value of Apprenticeships cannot be underestimated, a point highlighted in a number of Ofsted reports, including the Annual Report and not least by National Apprenticeship Week. There is no doubt that Apprenticeships bring considerable benefits to employers, individuals and the economy. Their value has long been known with a history that stretches back to the guilds of the middle ages.

"Businesses across the country are increasingly realising the benefits that apprentices create, not only in terms of a highly skilled workforce but also by boosting productivity and staff retention. Research shows they are an optimal way of training, developing and skilling people for the future. Apprenticeships help businesses secure a supply of people with the skills and qualities they need and that are not always easily found through external recruitment."
20. The fact sheet at Appendix A outlines:
 - a. What is an Apprenticeship?
 - b. What is Work Experience and a Traineeship Placement?

Review Methodology

21. The Cohort 3 Project Group has spent time initially understanding the meaning of apprenticeships and work experience in the context of the national strategy and the local implementation programme internally for Dudley Council.
22. The research included discussions with:
- a. Connexions service representative.
 - b. Internal Council officers.
 - c. Apprentices – directly and indirectly through professional officers working with young people.
 - d. National Apprenticeship Scheme representative.
 - e. Human Resources and Organisational Development Division representative.
 - f. Workforce planning strategy.
23. Based on the programme of work identified by the Dudley Apprenticeship Task Group it was decided that Cohort 3 Project Group would concentrate their project on Dudley Council's internal processes for recruiting, training and deploying apprenticeship and work experience placements in order to support the Scrutiny Committee to develop this Council priority area.

Vision Statement

24. Based on the background research the Cohort 3 Project Group's proposed vision is for Dudley Council to be regarded as an authority that provides high quality and rewarding apprenticeships and work experience placements for the young people of Dudley borough.

Benefits of developing Dudley's Internal Apprenticeship and Work Experience Programme

25. It supports local young people to be trained as an apprentice or work experience with a recognised local employer of Dudley Council.
26. It supports local young people with the opportunities of training which should lead to the young person gaining permanent employment locally. Thus ensuring young people are employed and retained in the area locally.
27. The Council's services are enriched by having young people working with us and bringing forth new ideas and suggesting new ways of working for the future.
28. An apprentice successfully completing a Dudley programme should be seen as a quality asset to a potential employer.
29. Ofsted state that young people who have previous experience of vocational training are more likely to be successful in making good progress with their apprenticeship framework than those starting straight from school without it.

30. Work experience in the area that interests the young person is positive for providers, young learners and employers and a positive force in equipping young people with an appropriate work ethic and basic employment skills.
31. The programme will equip young people with a good understanding of their employment rights and responsibilities through studying them as part of their apprenticeship. They develop valuable personal, learning and thinking skills together with their employers.
32. Opportunities exist for young people to gain additional experience, skills and qualifications outside their apprenticeship framework. This adds value to their programmes and improves their work skills. Learners and employers particularly value customer service training.
33. Workforce planning will offer opportunities for apprenticeships to be developed in those areas where the Council recognise a skill shortage and helps to address the skills gap in a proactive way.
34. It raises Dudley Council's profile as an employer locally/nationally in respect of apprenticeship and work experience opportunities.
35. Dudley Council could develop a contact base of local organisations or partners who would be prepared to employ a Dudley trained apprentice.
36. As the programme develops, there could be knock on benefits to future local employment in the area, as part of the regeneration programme.

Dudley Council Apprenticeships and Work Experience Review – findings and proposals

37. Dudley Council has an established apprenticeship programme which has been in place for a number of years. However, a recent restructure of Human Resources and Organisational Development division within the Directorate of Corporate Resources has established a need to review the effectiveness of internal processes for employing apprentices to the Dudley programme, which are currently operational across a number of directorates.
38. In order to develop apprenticeships and work experience placements across the whole Council for young people and school leavers, it is important that sound processes are in place to facilitate this, both for the school, the apprentice and the Council, as the trainer and employer. The Cohort 3 Project Group's findings to-date are detailed below.
39. Recording of Apprenticeships
 - a. There is no longer a consistent and co-ordinated approach to the recruitment of apprentices to Dudley Council. Whilst Human Resources and Organisational Development division recruit the majority of apprentices, which have traditionally been administrative, other directorates/divisions and teams are now also recruiting apprentices independently to meet their occupational service needs. Therefore with this fragmented approach, the total number engaged on a programme is not fully known. Therefore whilst it is important to retain and build upon the Dudley apprenticeships already available, there is a need for a co-ordinated approach to the engagement and management of Dudley placements which would at least

allow for a central record to be retained to identify where each apprentice is placed.

b. Proposal

- It is proposed that the Human Resources and Organisational Development division of the Directorate of Corporate Resources undertake the co-ordination process for all recruitment of internal apprentices after determining the needs of all Directorates. This would mean that Human Resources and Organisational Development would initially lead the recruitment campaign for apprenticeships but the appointment process would be made in conjunction with the training Directorate, to ensure that the apprentice suits the needs of the business.
- Human Resources and Organisational Development would then be in a position to capture a baseline record of which apprentice is appointed to each Directorate along with their training details.
- Cohort 3 have commenced a retrospective review of the current apprentice placements with Dudley Council to establish a baseline assessment. This is being undertaken with the assistance of Directorates.

40. Management Responsibilities

- a. There is no consistent or co-ordinated approach to the line manager's responsibilities to the apprentice, when recruited.

Where the employment of Dudley Council apprentices has been administered by the Human Resources and Organisational Development division there is often no involvement from the division or team where the apprentice is to be placed and trained. This could jeopardise the placement stability and it would place more responsibility with stakeholders to manage the apprentice if they were engaged in the recruitment process and had easy access to information regarding their role during that placement.

Conversely, where the training directorate has recruited an apprentice direct, outside of the Human Resources and Organisational Development division processes, whilst there should be more ownership of the placement, there is no formalised management procedures in place for the Council. This could lead to operational inconsistencies of performance management for the apprentices across each directorate.

b. Proposal

- The training directorate should have greater involvement with Human Resources and Organisational Development division in the recruitment process to ensure that the apprentice suits the needs of the business as proposed in paragraph 39.
- An employer's handbook guide to apprenticeships and works experience placements is being developed by Cohort 3 Project Group to document the process for all Council managers. This will ensure there is a consistent approach to appointing and managing apprentices and work experience young people and supporting the manager through the required processes.

- The handbook will also outline the regular contact between provider staff and the employers and advise on reviewing progress, providing constructive feedback and setting new targets to provide work-based evidence, so that apprentices know what they have to do to continue making good progress.
- The handbook will identify the centralised internal monitoring, the recording and feedback processes required in respect of the apprentice, which will be collated for all apprentices by Human Resources and Organisational Development division.

41. The Apprenticeship Programmes

- a. The breadth and levels of apprenticeship programmes are currently very restricted within the Council and predominantly relate to administrative placements at NVQ level 2. This could be because Dudley Council stakeholders do not fully appreciate the benefits of employing an apprentice and/or the merits of recruiting a higher level apprentice have not been considered. Therefore in order to develop the programme, the full range of apprenticeships available must be evaluated against the skills required to fulfil jobs in Dudley Council. This will also assist in the use of Dudley's workforce planning tool to identify current and future skill gaps in Dudley's workforce.
- b. Proposal
 - The National Apprenticeship Programme can offer more than 250 different types of Apprenticeships offering over 1,400 job roles – and more are being developed. They have all been developed with employers and Sector Skills Councils to ensure they meet the needs of employers. Currently, the element of the centrally co-ordinated programme through Dudley's Human Resources and Organisational Development division has only traditionally accommodated administrative apprenticeships, however, the Council has the potential to extend apprenticeships across a very wide range of services within all directorates. In developing the programme further for Dudley Council, it is proposed that further consideration is given to an acceptable time frame to achieve this and further consultation with stakeholders is undertaken to determine how many skill areas across the Council are reasonable
 - All levels of apprenticeships should be considered as part of the development of the Dudley programme. Ofsted state that progression into sustained employment and promotion at work can be linked by many employers to gaining qualifications. With most young ambitious people are keen to gain advanced qualifications. The levels of national apprenticeships generally fall into one of three categories:
 - Intermediate Level Apprenticeships
 - Advanced Level Apprenticeships
 - Higher Apprenticeships
 - To develop the programme there is a need to engage internal stakeholders within Council's directorates to appreciate the benefits of apprenticeships in the workplace. A promotional campaign amongst officers and members would outline the benefits to the organisation.

- Using the Council's template tool for workforce planning on an annual basis will help directors to capture their service needs for the future. This will identify skill shortages and highlight potential recruitment needs. The use of apprenticeships should be factored into that planning process at an early stage.

42. Skill matching

- a. Dudley Council's arrangements for recruiting and matching the correct apprentice to the correct area of skill could be enhanced to ensure that the calibre of student applying to join the programme is maintained at a high and appropriate standard.
- b. Proposal
 - A Dudley Council prospectus for internal apprenticeships and work experience is being developed by Cohort 3 Project Group. The prospectus could be circulated as an on line document or issued as a printed document to Dudley borough schools and local organisations where young people will have access to the information.
 - The Dudley.gov website page in respect of apprenticeships and work experience opportunities is being refreshed and should be reviewed on a regular basis to keep the data current and inviting. This responsibility should be allocated to Human Resources and Organisational Development division on behalf of all Directorates.
 - The Council's Connexions Service within Children's Services attends careers events for local schools and the Real Apprentice event, organised and funded nationally in line with National Apprentice Week. These annual events help young students in schools to find out more about their options at post-16 with a strong emphasis on the apprenticeship route. It is anticipated that these events will continue to address local needs using the Connexions service.

43. Induction programme

- a. Well planned inductions increase young people's understanding of how they will be trained and assessed, and what is to be expected of them in their employment. This should include hearing from former apprentices to whom they can relate and who can act as mentors. However, the existing induction programme within Dudley Council is fragmented.
- b. Proposal
 - It is proposed that further work is undertaken in this area to ensure that Dudley Council's induction programme has a co-ordinated approach to benefit internal apprentices.

44. Staff consultation

- a. There is a need to consult with internal staff within Council's directorates to evaluate the benefits or draw backs of the apprenticeships in the workplace.
- b. Proposal
 - The Cohort 3 Project Group will aim to raise the profile at Management Forum events and via the Employee Insight group

45. Flexible Training and Assessment

- a. Flexible training and assessment, including additional workshops, group training at a distance using webcams and ease of access to online resources, meet the needs of employers and apprentices well. This facility would mean that apprentices did not always have to miss training and would experience new and different ways of working.
- b. Proposal
 - Further consideration of media options available for training apprentices is required and will be discussed with Human Resources and Organisational Development division and stakeholders in Dudley Council.

46. Use of Training Providers

- a. There will be a need to develop a co-ordinated approach to negotiating contracts with training providers. Human Resources and Organisational Development division use JHP Training as the apprenticeship provider of administrative vocational training and assessment. Other directorates use Dudley College, Stourbridge College, Halesowen College, Solihull College, Telford College and Worcester College to accommodate the variety of apprenticeships offered in these directorates. Each training provider will offer a difference programme to suit the occupation of the apprentice.
- b. Proposal
 - Human Resources and Organisational Development Division should provide a central record on Dudley's Apprenticeship website and in the Employers Handbook, as to what apprenticeships can be offered with the Council and the most suitable training provider to facilitate the vocational training and the assessment.

47. Feedback opportunities

- a. Whilst an apprentice should be treated no differently to any other employee in terms of performance management and monitoring there is no central point for capturing feedback from apprentices or stakeholders involved in the programme. For example where the apprentice terminates the placement early; the success rate in their technical certificate; the success rate for employment, local or otherwise; comments from Dudley schools. The availability of this information would aid the continual development of the programme.
- b. Proposal
 - There is a need to collect feedback from the apprentice or work experience student, during and at the end of the placement to gain useful information to refine the Council's process based on first hand experience. Further work will be undertaken by the Cohort 3 Project Group to develop the processes required to capture consistent data for all Dudley Council internal apprentices.

48. Performance measurement

- a. It would be helpful for the Council to set internal targets in relation to apprenticeships in order that performance can be measured and comparison made.
- b. Proposal
 - Internal targets to be developed include:
 - a. The number of occupational skill areas to be covered over an agreed period of time;
 - b. The number of young people to be engaged in apprenticeships and work experience over that timescale;
 - c. What is the fallout from the programme once recruited, how does this compare nationally, what is an acceptable level;
 - d. How many apprentices achieve their technical certificate (vocational qualification supported via the programme);
 - e. How many apprentices continue to a higher level programme in year two;
 - f. How many apprentices gain employment and is that with Dudley Council or within Dudley borough;
 - g. What is the feedback from the apprentice and work experience placement after completion of the programme? Can this be used to enhance the process?
 - h. How can we engage with local organisations in Dudley borough to signpost the Dudley trained apprentices to them for permanent work opportunities if they are not permanently employed with Dudley?
 - It is proposed that, once the processes are established, regular monitoring will be captured for Scrutiny Committee review along with the existing quarterly performance monitoring reports. To include:
 - Entry and access data for the apprentice
 - Process whilst in the organisation
 - Outcomes

49. Works Experience

- a. The Cohort 3 Project Group will investigate further Dudley's current processes for engaging young local people in to work experience opportunities across the Council.

There is a demand from local schools for this service as young people attain year 10 and 11 of their secondary school education but there is no set programme for offering placements on an annual and planned basis to support schools.

The Education Business Partnership team located within Children's Services exists on a traded basis to assist schools with the health and safety requirement of any school work experience placement.

b. Proposal

- The Cohort 3 Project Group plan to assess the needs of local schools, consider the range of Council services available to support an annual work experience programme, evaluate the resources required internally to co-ordinate and deliver the programme, and report their findings to Scrutiny Committee at the next meeting.

50. Looked After Children protocol

- a. A Dudley Council protocol for prioritising Looked after Children for work experience places was required.

b. Proposal

- The development and implementation of a protocol for prioritising Looked After Children for work experience places is now in place and currently being updated by Human Resources and Organisational Development division. The Council is also working with colleagues in corporate finance to explore innovative ways of getting local authority contractors to take on apprentices as part of the procurement process.

Risks and Constraints of Developing the Apprenticeship and Work Experience Programme

51. Any risks identified as part of the proposed development of the Apprenticeship programme will be monitored. A copy of the current risks and mitigating factors are appended at B.

A Changing Council

52. Whilst aspiring to deliver and develop the Council's priority for apprenticeships and work experience internally, the Council faces a number of challenges as outlined in the medium term financial strategy, which impact on funding and the delivery of Council services for the future. Therefore, the impact of developing the apprentice programme must be assessed against these known factors together with the need to address any trade union concerns that the proposals will not have an adverse affect upon existing staff employed by the Council.

Next steps

53. Immediate/short term (0-6 months)

- a. Cohort 3 Project Group will continue to refine the proposals outlined in paragraphs 39 to 50 above and liaise with the Dudley Apprenticeship Task Group and the Human Resources and Organisational Development division to ensure the work programme put in place is effective and meets the need of Dudley Council as an employer and local young people.
- b. For work experience opportunities across the Council, the Cohort 3 Project Group will assess the needs of local schools, consider the range of Council services

available to support an annual work experience programme, evaluate the resources required internally to co-ordinate and deliver the programme and propose a programme for Dudley Council.

- c. The Cohort 3 Project Group will also compare Ofsted's practical guidance and best practice examples of successful organisations to strengthen and develop Dudley's apprenticeship and work experience programme, if necessary, in order to fulfil the Cohort 3 Project Group's proposed vision for Dudley Council to be regarded as an authority that provides high quality and rewarding apprenticeships and work experience placements for the young people of Dudley borough.. Appendix C and D refer.
- d. The Trade Unions Corporate Constitution Negotiation Group will be consulted at an early stage in the process and well before the proposed areas for development outlined in this report are complete.

54. Short/medium term (6-12 months)

- a. The Cohort 3 Project Group will continue to support Human Resources and Organisational Development Division and the Dudley Apprenticeship Task Group.

55. Medium/long term (12 months+)

- a. The Human Resources and Organisational Development Division and the Dudley Apprenticeship Task Group should be in a position to engage strategically and operationally and establish a review programme to ensure the key actions arising from the Cohort 3 Project Group remain effective.

Finance

56. The annual cost of employing an apprentice is funded from directorate budgets using existing resources. There may be resourcing implications for Human Resources and Organisational Development division.

Law

57. The Council may do anything which is incidental or conducive to or facilitate the discharge of its functions under S.111 Government Act 1972.

Equality impact

58. This report complements the Council's commitment to equality and diversity, particularly in relation to employment matters.

Recommendation

59. It is recommended that that the Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee accept the report and endorse the project work and proposals recommended by the TORCh Cohort 3 Project Group to-date.
60. That a further report be presented to a future Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee meeting.

A handwritten signature in black ink, appearing to read 'Geoff Thomas', with a stylized, cursive script.

Transforming Organisation, Real Change (TORCh) Cohort 3 Project Group

Lead Officer – Geoff Thomas

Project Sponsor – Duncan Lowndes

Dudley Council FACT SHEET

National context to Apprenticeships

1. Apprenticeships have a key role in the government's strategy to develop the skills of the workforce and to promote the growth and rebalancing of the nation's economy. Recent government investment has given priority to helping more young people into work and training through apprenticeships.
2. Matthew Coffey National Director of Learning and Skills said:

"The value of Apprenticeships cannot be underestimated, a point highlighted in a number of Ofsted reports, including the Annual Report and not least by National Apprenticeship Week. There is no doubt that Apprenticeships bring considerable benefits to employers, individuals and the economy. Their value has long been known with a history that stretches back to the guilds of the middle ages.

"Businesses across the country are increasingly realising the benefits that apprentices create, not only in terms of a highly skilled workforce but also by boosting productivity and staff retention. Research shows they are an optimal way of training, developing and skilling people for the future. Apprenticeships help businesses secure a supply of people with the skills and qualities they need and that are not always easily found through external recruitment."

What is an Apprenticeship

3. An apprentice is an employee of the organisation. They participate in a government funded training programme to train for an apprenticeship.
4. Apprenticeships are:
 - Work-based training programmes;
 - Designed around the needs of the employing organisation;
 - Nationally recognised qualifications;
 - Designed by Sector Skills Councils;
 - Training is relevant to your industry;
 - Funding is available towards the training;
 - Chance for young people to gain hands on experience;
 - Opportunity for young people to earn whilst they learn.
5. Apprenticeships are one way to ensure that the workforce has the practical skills and qualifications the organisation needs now and in the future. It provides an opportunity to try out new staff and shape your business by growing your own staff.
6. Candidates must be:
 - Over 16;
 - Not in full-time education;
 - Eligible to work in England;
 - Work ready and have the right skill levels.
7. The job role is fundamental to an Apprenticeship and is the starting point for choosing the framework and deciding upon the appropriate level to undertake. There are three levels of Apprenticeship available:

- **1 – Intermediate Level** where the Apprentice works towards a level 2 qualification which is equivalent to GCSE level.
 - **2 – Advanced Level** where the Apprentice works towards a level 3 qualification which is equivalent to A level.
 - **3 – Higher Level** where the Apprentice works towards a Level 4 Qualification or in some cases, a knowledge-based qualification such as a Foundation degree. Levels 4 and higher are equivalent to a foundation degree, HND or degree.
8. There are a number of elements to each Apprenticeship and this is called the Framework. This means the apprentice will get a range of qualifications as they progress through their training and education. The elements include:
- **Work Based Qualification**
This assesses the Apprentice's competence and practical side of the job. The apprentice will have a list of criteria that they will be expected to meet over the course of the Apprenticeship through a variety of means – reports on work done, photos of work completed, witness testimonies etc.
 - **Technical Certificate**
This is the taught element of the Apprenticeship and what is also known as the 'underpinning knowledge'. The Technical Certificate is the academic part of the Apprenticeship and will be taught either in a classroom on a regular basis or at the workplace. The apprentice will be assessed through exams and course work.
 - **Key Skills**
This covers other skills being developed by the apprentice such as communication, working with numbers, ability to work with others and IT.
 - **Employment Rights and Responsibilities**
This qualification helps your apprentice understand their rights and responsibilities in the work place. It is understood that for many young people coming out of school, this will be their first time in the work place and their understanding of their rights and responsibilities is very limited.
9. Employers are responsible for paying their apprentices' wages. The National Minimum Wage for apprentices is £2.60 per hour. This applies to time working and time spent training.
10. Employers must pay the salary for 16 - 18 year old apprentices. The government will fully fund their training.

What is Work Experience and a Traineeship placement

11. Traineeships prepare young people for their future careers by helping them to become 'work ready'.
12. Traineeships provide the essential work preparation training, maths and english and work experience needed to get an Apprenticeship or other job:

- Work preparation training which ensures young people have the skills and confidence needed for an Apprenticeship or other job.
 - Maths and english support to improve young people's literary and numeracy.
 - Meaningful work experience which provides insight and experience of the world of work.
13. Developed with employers, Traineeships will last anything from six weeks to a maximum of six months with the content tailored to the needs of the business and the individual.
 14. Employers will be at the centre of Traineeships, running or designing the programme and offering high quality work placements in partnership with a trusted provider.
 15. NAS have identified that more than half of employers are aware of weaknesses in the core skills of at least some of their employees in literacy (55%) and numeracy (51%), with a third (35%) reporting that they have had to provide remedial training for young people joining them from school or college.
 16. Working with trainees will give the current employees the chance to develop expertise in the skill development, mentoring and coaching of young people.
 17. Employers are not required to pay young people taking part in Traineeships but are encouraged to support trainees with expenses such as transport and meals

Cohort 3 – Risk Register
Project: Apprenticeships and Work Experience programme

Appendix B

Risk No.	Description of High Level Risk	Assessment of Risk			Mitigating Actions	Owner	Target Date (Priority)	Assessment of Target Risk (with controls in place)		
		Impact	Probability	Proximity				Impact	Probability	Proximity
1	Council fails to identify and promote an A&WE brand that is attractive to young people.	High	High	5	Council works on improving overarching brand of A&WE. Raising profile of the programme at a regional level initially. Consultation and communication with key stakeholders. E.g. A new 'prospectus' will help to raise profile externally.	TORCh cohort 3	Refer programme	High	Low	5
2	Council fails to establish an A&WE programme that increases participation and delivers high satisfaction	High	High	5	Council works with providers, NAS advisers and internal stakeholders to ensure robust standards, performance measures and systems in place for A&WE programme. E.g. a new 'managers handbook' will provide information on benefits, access and administration ensuring consistent approach across the Council.	TORCh cohort 3	Refer programme	High	Low	5
3	Council establishes an A&WE programme that is inconsistent with wider expectations of training providers and local employers	Med	High	5	Council ensures 'joined up' approach in engaging with external stakeholders via its operational A&WE work group and HR&OD division.	TORCh cohort 3	Refer programme	Med	Low	5
4.	Impact of Council budget saving measures is at odds with expectation of unions and existing staff teams	Med	High	6	Council needs to engage with unions to achieve understanding of borough demographics and the impact on future provision of essential services	TORCh Cohort 8	Refer programme	Med	Med	6

Key: Impact: Select one from **High** = having a major impact **Med** = having a significant impact **Low** = having a low impact

Probability: Select one from **High** = highly likely to occur **Med** = quite likely to occur **Low** = unlikely to occur

Proximity: This is judged by the need to take action NOT the impact date **1** = this week **2** = this month **3** = this quarter **4** = this half year **5** = this year **6** = over a year

Ofsted - Three examples of success

Bridgwater College - Luxury Leather Goods Manufacturer Mulberry and Bridgwater College working together

Bridgwater College in Somerset has been highlighted by Ofsted as a provider that uses excellent links with employers in its community to build relationships between learners, hopefully securing jobs for them in the future. This was the case with Mulberry, the fashion brand and manufacturer of luxury leather goods. The company's highly experienced and talented workforce demonstrated that they could hold their own on quality against the likes of Cartier, Louis Vuitton and Chanel, whose handbags are vying for the same shoulders, but over recent years the average age of operational staff had been increasing, and Mulberry was finding it increasingly difficult to replace retiring staff with suitably skilled new recruits.

The company turned to Bridgwater College for help in training new staff with the specialist skills it required. Although the College offered textiles to a small number of students, it had little experience of manufacturing leather goods. Mulberry recognised that the College had excellent skills in teaching, learning and assessment and so both the employer and the College worked together successfully to recruit suitable teaching staff and develop a flourishing and successful apprenticeship training programme at Mulberry's premises in Chilcompton.

Mulberry has just announced that it plans to open a new manufacturing facility in Bridgwater creating over 250 new jobs. Bridgwater College will be building on the success of the workforce development programmes that it has been running with companies such as DHL, Morrisons and Haven Holidays, to support unemployed people from the community into employment within this new facility and onto the apprenticeship programme.

Andy Berry, Head of Business Development at Bridgwater College said:

"We are seeing an increasing number of enquiries about Apprenticeships, in subjects as diverse as leather goods, photography, engineering and construction. The increase in university fees and the general rise in the cost of living mean that many young people and their parents are looking to an Apprenticeship as a means of learning new skills, furthering their studies and gaining a nationally-recognised qualification, while earning. An increasing number of employers are supporting apprentices to gain university level qualifications through the new Higher Apprenticeships."

The College is putting on a number of activities to mark National Apprenticeship Week. [Click here](#) to find out more about these and other activities.

Westminster Kingsway College – The Young Chefs' Academy

Westminster Kingsway College was highlighted in Ofsted's Learning from the Best report as an example of best practice that worked well to support learners. It offered a 10-week course on Saturday mornings, sponsored by Geoffrey Harrison Catering, for school children to experience working in a commercial training kitchen. The project was aptly called The Young Chefs' Academy and it gave young people who were considering working in the hospitality industry first-hand experience of the type of training they would receive as part of their learning, especially if they are considering an apprenticeship in the future.

Alexandra Roberts, Programme Manager for Culinary Arts Full Time Courses and Commercial Enterprise at Westminster Kingsway College, said:

"The Young Chefs' Academy is a really good introduction to basic cooking skills and food hygiene. It allows the students to work safely and enjoy the kitchen environment in an exciting and fun setting. The course is also a fantastic preliminary course to the Professional Chef Diploma."

Westminster Kingsway College has an excellent reputation within the hospitality and catering industry with many famous alumni across the sector. The College offers a unique opportunity to study in central London for vocational qualifications that are tailored direct to employment opportunities. Westminster Kingsway College is recognised as one of the leading providers of education and training in London and has been accredited with the new national Training Quality Standard.

Prospects College – Builders' Breakfast

Prospects College worked very well with local employers and was highlighted in an Ofsted report called Learning from the Best. Prospects College is a work based learning provider in Essex. Their Apprenticeship programme in construction features courses in bricklaying, carpentry and joinery, painting and decorating, plumbing and electrical installation. Staff teaching construction worked with a number of local construction employers and set up 'Builders' Breakfast' meetings. These meetings provided a vital network that bridged the gap between apprentices leaving training and looking for work and employers looking for staff who were job ready. When there was less work on one site during quieter times, employers were happy to send trainee apprentices to a different busier site. This yielded benefits for both parties, on the one hand employers would be grateful for the help they received by the trainees during busier times, and also trainees gained more experience as their time was filled with purposeful and challenging tasks.

A construction employer who attended the breakfasts and worked with the college said:

"Giving another apprentice the chance to work on my site is no big deal. It's my chance to give something back to the industry. I'd like to think that if I was starting again, a builder out there would do the same for me."

Ofsted

A good practice report

Ofsted 2012 Report Apprenticeship providers

1. Ofsted reported in 2012 on some of the common factors that have led to high performance in the work of 15 providers who are extensively involved in delivering apprenticeships to young people.
2. They explain how the providers have successfully recruited young people as apprentices: introducing them to the world of work; supporting them in developing vocational skills and completing their apprenticeship frameworks; and supporting their progression into employment and further study.
3. The key findings:
 - In the providers visited, young people who had previous experience of vocational training were more successful in making good progress with their apprenticeship framework than those starting straight from school without it.
 - Work experience in the area that interested the young person was a recurring theme mentioned by providers, young learners and employers as a positive force in equipping young people with an appropriate work ethic and basic employment skills.
 - The negative views of employers in the survey about the ability of some young people to apply for jobs, along with their poor punctuality and timekeeping, were forestalled by the providers working to develop these skills in the young people before they applied for apprenticeships. A small number of the employers complained about the apprentices' poor standard of English and mathematics when they arrived from school, even those with grade C at GCSE.
 - All the providers in the survey had improved their initial advice and guidance, including work tasters, to recruit young people into the area of learning that matched their interests. Provided during recruitment events, in interviews or online, this had a positive impact on increasing the completion of frameworks and eventual progression into employment and further training.
 - When online applications were included as part of the selection process, many of the young people had not been sufficiently well prepared by their schools to make the best possible application.
 - Effective initial assessment had a positive impact on the providers' capacity to put appropriate support in place and secure a more successful match between apprentices and employers.
 - Educational statements from schools did not always follow students to their training providers who then had to reassess their needs. Where data were available, apprentices who received learning support had overall success rates as good as their peers.
 - Well-planned inductions increased young people's understanding of how they would be trained and assessed and what would be expected of them in their employment. They particularly liked hearing from former apprentices to whom they could relate and who acted as mentors in two thirds of the providers surveyed.

- The most effective teaching was well planned, engaged learners and enabled them quickly to put into practice what they learnt in theory sessions. The strong vocational backgrounds of the providers' staff together with small group sizes ensured good and sometimes outstanding skills development.
- Flexible training and assessment, including additional workshops, group training at a distance using webcams and ease of access to online resources, met the needs of employers and apprentices well. Apprentices did not always have to miss training and were often keen to do extra work when resources were readily available. Assessment was often available almost 'on demand' by employer staff or, when planned with the employers, by the provider's assessors.
- Almost all the providers in the survey provided good training in key and functional skills that improved young people's English and mathematics and was delivered by appropriately qualified staff. The key skills were contextualised to the areas of learning and therefore seen as relevant by the young people and their employers.
- Young people had a good understanding of their employment rights and responsibilities through studying them as part of their apprenticeship. They valued the personal, learning and thinking skills that they were developing, as did their employers.
- Many of the young people gained additional experience, skills and qualifications outside their apprenticeship framework. This added value to their programmes and improved their work skills. Learners and employers particularly valued customer service training.
- Regular contact between provider staff and the employers in the survey focused on reviewing progress, providing constructive feedback and setting new targets to provide work-based evidence, so that apprentices knew what they had to do to continue making good progress.
- Progression into sustained employment and promotion at work were linked by many employers to gaining qualifications. Almost all the young people in the survey were keen to gain more advanced qualifications. Some of the training delivered by employers to their employees who have completed advanced apprenticeships is of an advanced level but does not lead to recognised accredited qualifications

TORCh Cohort – Leadership programme
Focusing on Apprenticeships and Work Experience

Name Karen Cocker
Title Children's Services Finance Manager
Directorate Corporate Resources
Role Responsible for delivering the accountancy service on behalf of the Treasurer to the Directorate of Children's Services and all Schools in the Dudley Borough

Name Steve Cooper
Title Head of Strategic Asset Planning
Directorate Corporate Resources
Role Responsible for Council's property asset strategies

Name Annette Darby
Title Service Manager
Directorate Adult Community and Housing Services
Role Responsible for working collaboratively to develop integrated, innovative and bespoke support to vulnerable adults whilst enhancing their quality of life specifically Dementia Gateway Services, Day Opportunities for People with Physical and Sensory Disabilities, Community integration for Older Persons and Sheltered Housing

Name Helen Ellis
Title Divisional Lead – Integrated Youth Support
Directorate Children's Services

Role Responsible for services that support young people aged 10yrs-19 yrs (up to 25yrs with learning difficulties and/or disabilities). Services include: Youth Service, Connexions, Youth Offending Service, Education Business Partnership, Post 16 Commissioning and Teenage Pregnancy

Name Chris Green

Title Design & Development Manager

Directorate Urban Environment

Role Management and delivery of urban design advice, regeneration projects and external financial compliance to assist the design and delivery of regeneration within the Borough

Name Jan Jennings

Title Head of Communications and Public Affairs

Directorate Chief Executives

Role Responsible for the management of Communications across the authority, as well as Mayoral activities and civic events

Improving the Council's Apprenticeship and Work Experience (A&WE) Programme

'Transforming Organisation, Real Change'

TORCH Cohort 3 Project Group

November 2013



Group Members

- Karen Cocker
- Steve Cooper
- Annette Darby
- Helen Ellis
- Chris Green
- Jan Jennings



Context

- Council Plan priority to **develop internal apprenticeships, work placements and experience across the whole Council to help school leavers in getting a job and training.**
- Theme for the Corporate Performance Management E&E Scrutiny Committee.
- Dudley Apprenticeship Task Group interface.
- TORCh leadership programme - personal development.
- Cohort 3 Identified the Council's internal apprenticeship programme as area for review and improvement – 16-18 year olds.
- Work experience next phase.



Future Proposed Vision & Objectives

- For the Council to be regarded as an authority that provides high quality and rewarding apprenticeships and work experience placements for the young people of Dudley Borough.
 - Establishing a clear and distinguishable '*Dudley Council apprenticeship brand*';
 - Identifying and communicating benefits to participants and management;
 - Sustaining and increasing the number of participants, range and quality of services and satisfaction with the Council's Apprenticeship & Work Experience programme – subject to Council funding constraints.
 - Consider future changes to service delivery – may need to negotiate with partners to train apprentices.



What Is An Apprenticeship?

- See fact sheet 'National Context to Apprenticeships'.
- An apprentice is an employee of the organisation and they participate in a government funded training programme to train for an apprenticeship.
- Candidates must be:
 - Over 16
 - Not in full-time education
 - Eligible to work in England
 - Work ready and have the right skill levels.



Apprenticeships Cont'd

- Apprenticeships are:
 - Work-based training programmes
 - Designed around the needs of the employing organisation
 - Nationally recognised qualifications
 - Designed by Sector Skills Councils
 - Training is relevant to your industry
 - Funding is available towards the training
 - Chance for young people to gain hands on experience
 - Opportunity for young people to earn whilst they learn.



What Do Apprentices Think About It?

'It's great to feel like I have a proper job'.

'The hours are long for the money I'm paid'.

'Before I became an apprentice I didn't know what to expect'.



Advantages of an Excellent Apprenticeship and Work Experience Programme

- Supports local young people to be trained with a recognised employer – DMBC.
- Improves chances of young people getting a job and staying local.
- Enriches the organisation.
- Equips young people to know their employment rights and responsibilities.
- Helps to close Council's skills gap in positive way using work force planning opportunities.
- Raises profile of Dudley at national level.
- Knock on benefits of future local employment.



Review Methodology

- Linkage to Dudley Apprenticeship Task Group.
- Internal understanding at officer level.
- Connexions service.
- Discussions National Apprenticeship Service.
- Discussions Human Resources & Organisational Development – Directorate of Corporate Resources.
- Understand workforce planning strategy.
- Apprentices.
- Move forward on apprenticeships first – then Work Experience.



Dudley Internal Apprenticeships

- Baseline assessment in progress.
- Where are they?
- Who are they?
- Data robust?
- Data complete?
- Data usable?



Apprenticeship Current Situation

- No clear vision for the Apprenticeship & Work Experience programme linking to the Council Plan.
- Unable to accurately quantify:
 - participation; range of services; satisfaction; completion; levels of vocational training
- Fragmented recruitment policy across Directorates.
- No clear performance standards.
- Ambiguous and inconsistent procedure for managers.
- Negligible profile at local, regional or national level.



Planned Improvements

- Co-ordinated approach with consistent recruitment of apprentices to Dudley Council – baseline data.
- A Council 'prospectus' that reflects Dudley's brand for Apprenticeship & Work Experience.
- A Council guide for managers and participants.
- Engage internal stakeholders & develop the programme.
- Workforce planning and future skills gap identification.
- Clear and measurable performance standards equitable with 'best in practice' nationally.
- A sustainable and credible delivery plan for implementation by Human Resources & Organisational Development and the Apprenticeship Task Group.



Risks and Constraints

- Funding challenges for the Council.
- Affordability.
- Unable to gain employment after apprenticeship.
- Government agenda changes.



Proposed Next Steps

- Immediate / short term (0-6 months):
 - Complete all outstanding actions by end of 2013 including review of Work Experience options.
- Short / medium term (6-12 months)
 - Continued support to Human Resources & Organisational Development and Dudley Apprenticeship Task Group.
- Medium / long term (12 months +)
 - Human Resources & Organisational Development and Dudley Apprenticeship Task Group engages strategically and operationally including periodic reviews.



Corporate Board 22 October 2013

- Endorsed the:
 - Proposed Vision
 - Scope of the Group's A&WE project
 - Action Plan & baseline data
 - Next Steps with further consideration of Cohort 3's exit strategy
 - Report be submitted to the Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee on 20 November, 2013



Conclusions and Recommendations

- Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee are invited to:
 - Endorse the project work and proposals recommended by the TORCh Cohort 3 Project Group to-date.
 - Receive a further report to be presented to a future meeting.

