

Scrutiny and Performance Panel

23 April 2015

**Agenda
Item No. 7**

Walsall Works Programme Update

Ward(s) All

Portfolios: Cllr M Nazir – Portfolio Holder for Regeneration

Executive Summary:

This report provides a comprehensive performance overview for the Walsall Works programme since its inception in 2012. The report sets out the current achievement against targets for apprenticeships, traineeships and the additional positive outcomes created for the benefit of young people in Walsall.

Members will be updated on real case studies of young people who have benefitted from the support on offer. It also draws members' attention to the level of match funding drawn in from the private and public sector, the added value the programme has generated in the way of savings to the public welfare system, and the income to the treasurer from increased income tax and national insurance.

It sets and demonstrates how the programme has resulted in the highest rate of reduction on youth unemployment in the Black Country and the lower than average rate of young people aged 16-18 years old who are not in education, employment or training (NEET).

Finally, the report sets out our future plans on growth of the programme to work with older residents and our commitment to sustain the model for the long term benefit of our residents.

Reason for scrutiny:

To update Members on the progress of the Walsall Works programme.

Recommendations:

That Scrutiny Panel members;

- 1. Note the contents of this report and comprehensive update at Appendix 1 commenting and scrutinising as appropriate.**
- 2. Recognise and identify next steps for programme delivery.**

Background papers:

Comprehensive overview report on Walsall Works attached at Appendix 1

Resource and legal considerations:

Walsall Works is managed and delivered through the designated budget of £2.2m as approved by Cabinet on 8th February 2012 and a further £400,000 from reserves from the Economic Growth Programme, as approved by Cabinet on 18th March 2015.

Citizen impact:

The budget is profiled to create and deliver employment, training, apprenticeships and pre-apprenticeships for young Walsall citizens. The new funding allocation will allow the programme to expand it offers to adults over 25 as appropriate.

Environmental impact:

None arising from this report.

Performance management:

Outcomes and finances are profiled and a robust programme management function is in place to manage performance and record delivery. Officers are required to deliver programme targets within the budget allocated.

Equality Implications:

An equality impact assessment has been carried out to ensure the programme attempts to reaches all clients regardless of their characteristics and this fully adheres to the Councils equal opportunities obligations.

Consultation:

Extensive consultation with employers, young people and partners has taken place in the design and delivery of the programme.

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Head of Strategic Regeneration

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Real Skills

Real Jobs

Real Business

CAREER **YOUNG**
PEOPLE
APPRENTICESHIPS
EMPLOYERS
FUTURE

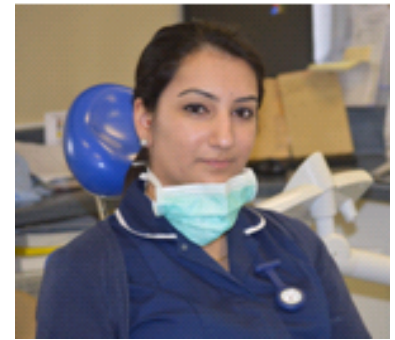
REAL **JOBS**
BUSINESS
SKILLS

LEARN **EARN**
WORK **EXPERIENCE**
QUALIFICATIONS

Summary

Walsall Works was launched in April 2012 and is a multi-million pound financial investment by Walsall Council. It symbolises the Council's vision of creating the conditions for sustained economic activity by supporting the growth of businesses and the creation of jobs in Walsall.

It achieves this by ensuring local residents have the right skills that match the business environment in order to make the most of opportunities. Its key ambition is to support young people into training and sustainable employment.



*Sonia Badhan (24)
Supported by Walsall Works
now a
Dental Nurse at
Key Dental Practice*

Background

Walsall is situated at the heart of the country, home to over 250,000 people. It is one of the four local authorities (along with Wolverhampton, Dudley and Sandwell) situated in the Black Country, a sub region of the West Midlands. Walsall is a major metropolitan borough with a reputation built on a strong production base and an urban area renowned for its traditional manufacturing industry. Our transport networks, with the M6 running through and excellent rail and air connections mean we are an ideal location to reach suppliers and customers, across the UK and the globe.

Despite all this opportunity, our levels of unemployment have remained high and our skills levels have been amongst the worst in the region and country. This situation was further exacerbated following the recession in late 2008; when the number of young people facing the prospect of long term unemployment rose, together with the number of suitable jobs for their circumstances falling. Research on previous recessions showed that young people were more likely than other workers to face long-term negative consequences due to being unemployed. In Walsall unemployment benefit claimant levels for 18 -24 year olds in late 2008 was running at 15.2%, (3,530 people) almost twice the national average at 8%. With those aged 16-18 and classed as not in Employment, Education or Training (NEETs) having the highest levels in the Black Country at 8.4% (588 young people).

The ability for local employers in the private sector to create and fund new job opportunities was hindered by their financial circumstances, stifled by risk management and a general lack of growth in the economy. This came together with cuts to public funding in youth services and the loss of Education Maintenance Allowances, which resulted in a further increase in NEETs and youth unemployment levels in Walsall.

Solution

In response to this local crisis, the Employment and Skills Team within the Council, developed and presented a solution to Councillors. The Walsall Works programme is born out of an idea to develop an attractive proposition to employers which encourages them to consider employing young people into apprenticeship positions. The positions need to lead to long term sustainable employment within key business growth areas identified by the private sector. Through consultation with employers, young people, training providers, colleges, the Skills Funding Agency, Department for Work and Pensions, a clear understanding of customer needs has been formed and opportunities for adding value are identified.

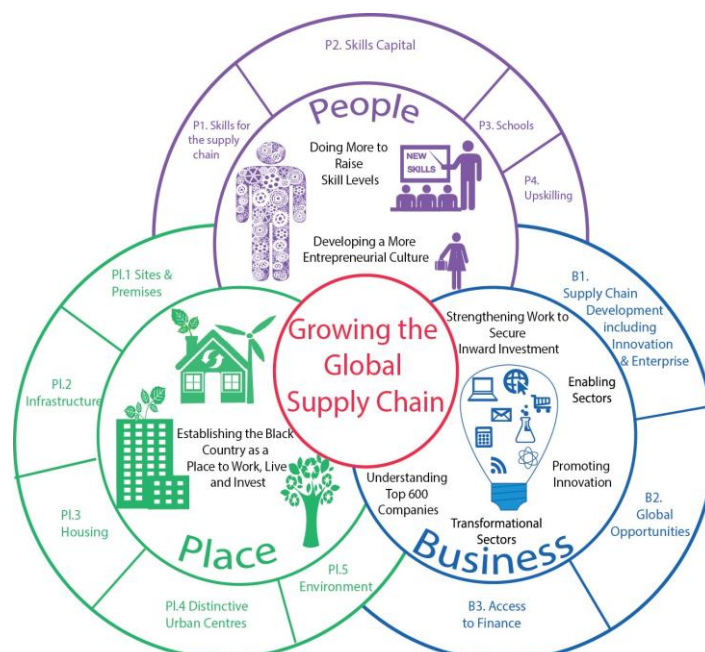


*Marcus Tonkes
Supported by Walsall Works
now a
Apprentice Welder
European Heathyards*

The Skills Funding Agency and the National Apprenticeship Service support the programme and it fits with their funding and government delivery plans. The programme has been devised not to duplicate existing provision, but to deliver a flexible approach that adds value by removing barriers to participation by 16-24 year olds whilst unlocking jobs with employers.

The solution, Walsall Works is a financial investment of £2.2 million by Walsall Council designed to tackle youth unemployment, with a further award of £400,000 secured in March 2015 to sustain and grow the programme. Its key principles are aligned to the Council's key priority of 'supporting business to thrive and supporting local people into work' and the strategic priorities set within the approved Black Country Local Economic Assessment and the emerging Black Country Strategic Economic Plan.

Black Country Strategic Economic Plan



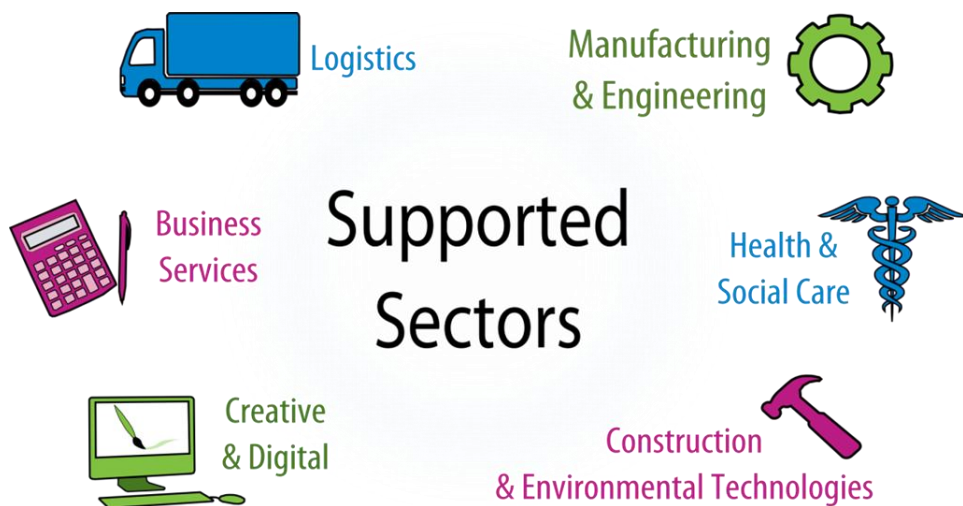
CORPORATE PLAN 2015-2019



WALSALL PLAN 2013-2016



The scheme aims to raise the ambitions and aspirations of young people from within the borough of Walsall. Walsall Works' long term ambition is to continue to unlock new jobs and apprenticeship opportunities within micro, small and medium sized enterprises with a focus on those employment opportunities from within the growth sectors suggested by our Local Economic Assessment, outlined below:



Local Employers are offered an incentive payment to recruit a Walsall young people as an Apprentice. They are expected to pay the National Minimum Wage for the age of the young person, well above the national apprentice wage which is currently only £2.73 per hour. For example, a 21 year old apprentice is paid £6.50 per hour.

Walsall Works apprenticeships are paid jobs with learning and our employers are expected to offer the young apprentice a minimum employment contract of 35 hours per week for at least 12 months and to adhere to the agreed national minimum wage. They also commit to employing the young apprentice for the full duration of the apprenticeship which could last from 1 year to 4 years. A key condition of the incentive payment is that they offer at least a further 26 weeks of sustained employment after the apprenticeship has completed.

The incentive payment is reduced by £1500 if employers are eligible to claim the National Apprenticeship Service Age Grant for Employers. This ensures we maximise on mainstream provision from our partners before utilising our own grant funding.





Walsall Works offers young people the opportunity to undertake work based training and obtain the skills designed to meet the skills shortages identified by employers. The training leads to a nationally recognised qualification at intermediate, advanced and higher levels, so they learn while they earn and meet the skills needs of the local labour market.

In addition we actively support young people who do not meet the entry requirements of a full apprenticeship through a pre-apprenticeship programme in a range of sector based academies that respond to the needs of the local labour market. Pre-apprentice learners achieve a Level 1 in Literacy and Numeracy, a vocational qualification in a sector of their choice ie construction, an employability qualification and a 6 week work placement with an employer. Upon completion the progression is either into employment opportunities or into apprenticeship opportunities unlocked through the programme. This model was designed and began to be delivered nearly 3 years ago and we are currently recruiting our 7th cohort of learners. Our pre-apprenticeships were developed well in advance of the launch of the governments Traineeship model which replicated our programme almost like for like.

Walsall Works advises and guides young people ensuring they make informed choices that suit their skill set and career aspirations. We offer them access to a number of partner events i.e. careers events, employability forums, promoting opportunities events. We also support young people to register on the National Apprenticeship website and to navigate and improve their profile and their application form. Walsall Works has a proactive approach for young people to ensure that they are fully aware of the opportunities that are available locally, whether this is jobs or training.

Changing Young People's Lives

Since launching our programme in the summer of 2012, we now have a database of 2,682 young people who have registered their interest in the programme. We maintain contact on a regular basis and to date we are aware that 1,548 young people have been supported into apprenticeships, pre-apprenticeships, employment, education and training, as set out below.

There have been  **4 7 9** Apprenticeships &  **3 9 7** Pre-Apprenticeships created and supported.

There have also been  **7 3 8** Young People helped into other positive outcomes.

Walsall Works



*Georgia Hodges (19)
Supported by Walsall Works
now a
Apprentice Administrator
Britannia Apprenticeships*

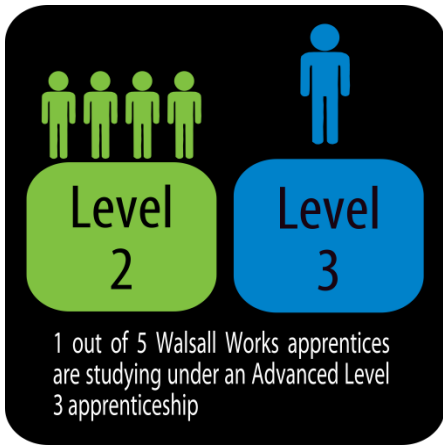
Walsall Works aims to support young people into positive pathways that appeal to them and suit their skill sets. We regularly promote, signpost, and hand-hold young people as well as booking appointments to provision that will help move young people into positive pathways. We achieve this by working in partnership with a wide range of organisations; such as Jobcentre Plus, training providers, community sector organisations and local colleges.

Weekly job vacancy bulletins are emailed to young people to inform them of the opportunities that are available in the growth sectors and this is followed up with a tailored offer of support. We use the internet widely including the use of social media via Twitter and Facebook to communicate opportunities and promote provision. In addition, we manage a text message service that sends information to young people as we are informed that this method is their preferred communication medium.

Our key aim is to ensure that young people are equipped with employment with learning as we know that helping young people achieve qualifications has a substantial impact on employment levels and also helps the borough bridge the gap between our known local skills levels and those nationally, as illustrated below.

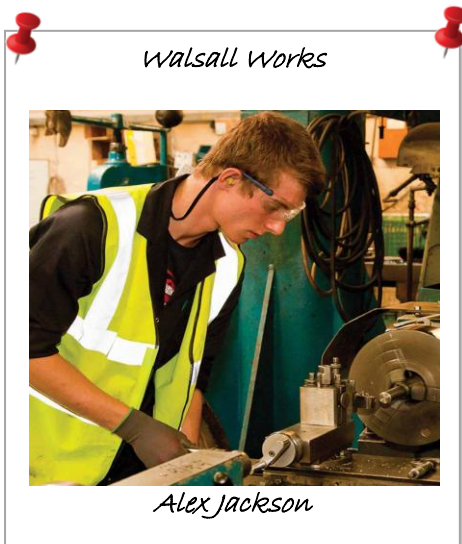
Level of Qualification	Walsall Employment Rates	England & Wales Employment Rates
No qualification	45.2%	48.5%
Level 1	71.2%	73.8%
Level 2	77.1%	78.3%
Level 3	83.8%	83.5%
Apprenticeship	80.0%	80.7%

Source 2011: Census



Through our data, we know that one in five of our apprentices are studying an Advanced level of qualification. Improving skills and qualification levels has a profound outcome on the lives of young people, not only does it contribute to improved employment rates but also has an impact on well-being.

Here are some case studies and what young people say about the opportunities we have made possible.

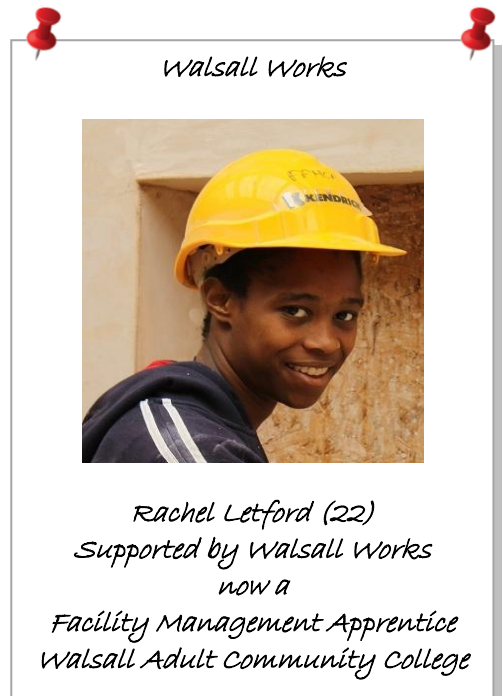


Alex Jackson (18) started his Engineering apprenticeship with Regent Engineering.

'I am very excited to have the chance to progress further in the business. It's a brilliant opportunity to prove myself and move up'

Adam Duckhouse (21) is employed as an Apprentice Mechanic with Motorland.

'This apprentice scheme has been a lifeline to me because it's given me a purpose and made me feel like I can achieve something in my life. One day I hope to run my own business and I will always be grateful to Walsall Works for giving me this apprenticeship'



Walsall Works



Amy Newton

Amy Newton (21) is employed as an Apprentice Dental Nurse with Ashleigh Dental Practice in Bloxwich

'I really enjoy it. It's a big change and it's something I always wanted to do'

Amy is studying towards a Level 3 in Dental Services.

Walsall Works



Daniel Cope

Daniel Cope (23) impressed PAL Group with his determination and willingness to learn and once he had completed his Pre-Apprenticeship, he was given the offer to progress onto a full Engineering Apprenticeship with them.

After completing his Apprenticeship, Daniel has shown himself to be an important member of the PAL Group team and has been able to establish himself as a hardworking permanent member of their team.

"I liked the idea of learning skills that would enable me to find an Apprenticeship in engineering or construction"

Walsall Works



Elisha Robbins

Elisha Robbins (20) commenced on the Construction Pre-Apprenticeship course and commenced her work experience with Ashtree Property Services.

They were so impressed with Elisha's hardworking nature and dedication that they offered her a fulltime employment opportunity.

Since the programme started we have supported 465 young people into Apprenticeships. On average one per day.

This means that since our first start in



we have helped more than 1 person a day

Invest to Save

The Walsall Works programme is built on a number of agreed principles, including:

- Maximising funding from partner organisations
- Drawing in match funding



For every subsidised apprenticeship Walsall Works gives on average:

- £3,800 to eligible employers as a financial incentive

That's £3,800 per apprentice

For every subsidised apprentice the following amounts are leveraged in:

- Average amount from Skills Funding Agency for training- **£4,431**
- Average amount from Employers for salary and Training - **£6,323**
- Average amount from other grants i.e. AGE -**£561**

That's £11,315 per apprentice

This means for every



spent by Walsall Works almost



is leveraged in from other sources

Walsall Works



*Lewis Gedney (18)
Supported by Walsall Works
now a
Apprentice Caliper Stripper
Transaxle*

Added Value

Using the New Economy Cost Benefit Analysis Toolkit Walsall Works has been able to make the following savings/benefits calculations:

Cost/Saving Category	Agency bearing cost or making saving	Unit	Estimated cost/saving	Total cost of individuals engaged in Walsall Works	Savings as a result of Walsall Works
Not in Employment Education or Training Average cost per 18-24 year old	Multiple	Per year	£4,528	£3,735,600	£1,082,192
Job Seekers Allowance for single claimant 16-24 year	DWP	Per year	£3,016	£2,488,200	£720,824
Youth offender, yearly average cost of a first time entrant (under 18) to the Criminal Justice System	Criminal Justice System	Per year	£21,268	£233,948	£148,876
Improved health – Workless claimant entering employment	NHS	Per year	£579	£477,675	£214,230
Total				£6,935,423	£2,166,122

Walsall Works has therefore been able to generate

a saving of **£2,166,122**

across different



Government Agencies

Cost/Saving Category	Agency generating income	Unit	Estimated Income	Benefit as a result of Walsall Works
National Insurance and Tax contributions based on Walsall Works hourly rates	HM Treasury	Per year for 18-20 year old	£346	£75,082
		Per year for 21-24 year old	£1,280	£134,400
Apprenticeship Level 2 qualification	HM Treasury	Per person per year	£836	£307,648
Apprenticeship Level 3 qualification	HM Treasury	Per person per year	£1,391	£127,972
Total				£645,102

Young people on the Walsall Works Programme have contributed £645,102 to the treasury

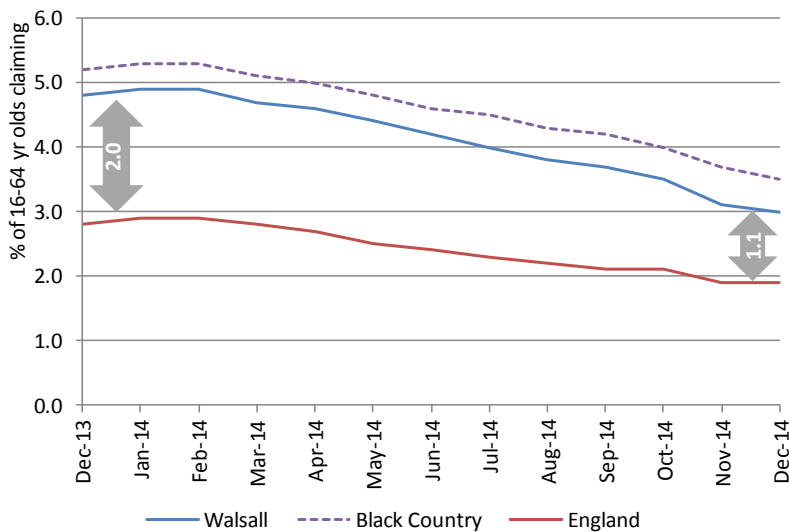


This is as a result of being in paid employment and by completing their qualifications. The figures do not take into account the increased productivity and output levels as a result of employing apprentices at a local level, however the Centre for Economics and Business Research have estimated that nationally employers gain in the long and short term from taking on an apprentice, estimating increased outputs for businesses of £1.8 billion in 2012-13.

Tackling Youth Unemployment

Our intelligence gathering demonstrates there have been significant reductions in the total number of Jobseeker Allowance claimants in Walsall. The rate across England has also been decreasing but the current rate for Walsall shows the borough is closing the gap with England and the current gap stands at only 1.1%. The trajectory shows a closing of the gap with national averages shown below.

JSA claimant rate, Dec 2013 – Dec 2014



The JSA claimant count as at December 2014 shows that Walsall now has the lowest rate of young jobseeker claimants in the Black Country sub region, with the current rate in Walsall standing at a record 4.9% compared to 5.8% in the Black Country and 2.9% in England.

Since December 2014, there has been a slight increase in young jobseekers but the rate in the borough still has dropped disproportionately to other Black Country local authorities and at a higher rate of improvement. Walsall's rate of improvement is **4.3% (1,590 less young jobseeker claimants)** compared to an average **3.7%** rate of improvement in the Black Country which equates to a **1,257** average per borough area.

There is a direct correlation between the volumes of young people entering our Pre-Apprenticeship and Full Apprenticeship programmes with the reduction of young jobseekers on the Jobseeker Claimant Count month on month. Therefore Walsall Works has had a direct impact on the improvements in Youth Unemployment for the Borough and reducing the number of young people who are not in education, training or employment (NEET).

Other key factors on the Latest Jobseeker's Allowance (JSA) figures for December 2014 show that in Walsall there were 4965 residents claiming JSA, representing 3.0% of the working age population (a reduction of 276 from last month). This local claimant rate is lower than the Black Country (3.5%) but remains above the national average (1.9%).

Whilst the rates are now well below pre-recession figures, and the gap with England has closed over the past year from 2.0 percentage points in December 2013 to 1.1 percentage points. In addition, the average length of a claim is 26.9 weeks, which is shortest in the Black Country but longer than the national average. Half of claims are for less than 6 months, but one in five is long-term claims over 2 years.

Walsall Works



Nikkita Mai (17)

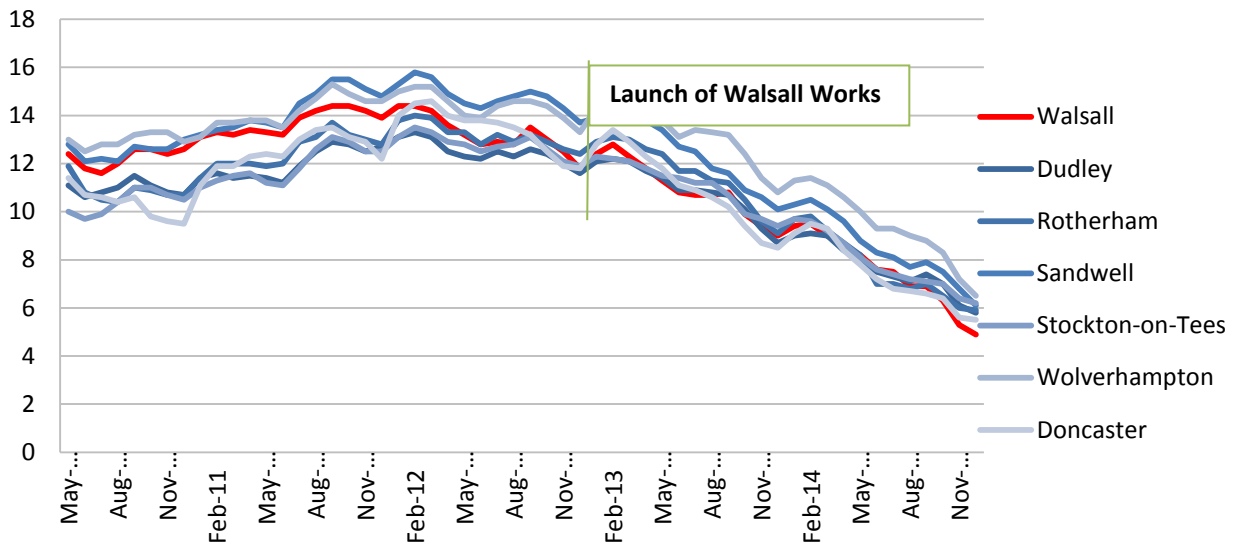
Supported by Walsall Works

now a

Dance Co-ordinator

YDC Dance Studio

Walsall has also seen greater improvements in young claimants in comparison to our statistical neighbours as illustrated in the graph below:



The Future

Three years on, Walsall Works is a brand that is recognised and trusted by young people. We work closely with schools, youth service and youth clubs to provide advice and guidance about alternative vocational pathways for life after school. We regularly attend careers fairs and school assembly to promote apprenticeships and other learning pathways in order to inform young people about Walsall's employment landscape.

We work closely with our vulnerable young people i.e. ex-offenders, looked after children, teenage parents, those with learning and physical disabilities and have recently secured funding from DWP and Public Health to run a Work Club for our looked after children that are transitioning out of the care system and into independence. Care leavers are a group of young people that require targeted assistance as some may have suffered instability and trauma in their early years and often have less support leading to extreme difficulties in adulthood. Care leavers are roughly twice as likely to be NEET at 19 in comparison to their peers. The programme has had several successes in placing this target group into work placements, jobs and training.

We have also secured commitment from Public Health to provide financial support to Walsall Works as we have demonstrated that periods of unemployment are harmful for physical and mental health. Supporting young people to become economically active can prevent the call on health services especially in the areas of mental health referrals, substance misuse, specialist health screenings i.e. diabetes, high blood pressure, obesity, weight management, infant mortality, and hospital admissions i.e. teenage pregnancy, self harming, poor general health.

Furthermore, we have piloted support to adults who are repeatedly making contact with the service asking for assistance. We are now working hard to match our residents into local jobs vacancies and in particular through our ongoing discussions with those responsible for physical developments who through signs of economic growth



are beginning to show an interest in Walsall, as a resulting fact of more confidence to invest in sites and developments in the borough. We liaise closely with developers, procurers and main contractors to secure opportunities as well as working closely to support our existing employers to grow and create new jobs.

Walsall Works



*Naffissa Nurani (18)
Administrator
Dawnus Construction*

Naffissa Nurani (18 year old) recently received support from Walsall Works and was appointed by Dawnus Construction, the Darlaston Transport Major Contractor as a Administrator

Walsall Works is now reviewing how it can sustain the model both here in the borough and across the sub region. We are now actively scoping out funding opportunities through the new Local Growth Fund and new European Social Funds in order to continue the support to residents. The next phase for further development of the programme is to expand the Walsall Works programme to match local people of all ages to local job vacancies.



*Paul Linton
Chairman of the LEP
Employment and Skills Board*

Paul Linton, Chairman of the LEP Employment and Skills Board and Deputy to the MD at Huf UK, said:

"We need to develop our education systems and training to ensure our young people are at the cutting edge of technology across the manufacturing and engineering sector. Projects like this are leading the way in addressing the skills gap in order to ensure we continue to make products in the Black Country that are sold around the world for years to come."

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**APPRENTICESHIPS
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