

DERBY HOMES APPRENTICE SCHEME

Report of the Chief Executive

1. SUMMARY

- 1.1 Derby Homes is committed to developing an Apprentice scheme that will benefit the community, tenants and residents of Derby.
- 1.2 This report provides an update on the scheme, which has changed from the original Social Enterprise plans since the Board report presented on 26 April 2012 and seeks authority to change the proposed format, as outlined in the report, to an internal delivery model.

2. RECOMMENDATION

- 2.1 To approve the proposed changes to the Social Enterprise, to an internally based Apprentice scheme.
- 2.2 To approve that future updates will be delivered through existing reports from the Director of Investment and Regeneration and Personnel Manager.

3. MATTER FOR CONSIDERATION

- 3.1 The Board previously approved the Business Plan to create a Social Enterprise as a wholly owned Community Interest Company (CIC) on 31 May 2012.
- 3.2 The next stage was to ask the Council to agree to Derby Homes establishing a Social Enterprise CIC and to amend the Memorandum and Articles of Association to allow Derby Homes to operate outside of Derby.
- 3.3 The original budget plan was based on three areas of work – void clearance, void cleaning, and rear fencing, with a hope that further areas of work would come on stream at a later date in order to make the overall plan viable from year 4 onwards. Unfortunately, as detailed work on these areas was undertaken, difficulties arose with each of these initial planned areas: void clearance and cleaning are both delivered by existing contractors who could have exercised TUPE protection for their employees to the Social Enterprise, meaning that no new opportunities for apprenticeships or other work experience options would arise. Legal advice was sought and confirmed this to be the case.
- 3.4 The rear fencing business proposal also proved not to be feasible as the costs cannot be recovered as a service charge through Housing Benefit, as had originally been assumed.

- 3.5 As a result of these difficulties and a requirement for the Council to formally approve new business structures relating to the Company and new areas of business, an alternative means of delivering the objectives of the original programme was sought. As a result of the £250,000 for rear fencing no longer being required, one option would have been to expand rapidly the number of apprenticeships that could be delivered by applying this funding directly to that objective.
- 3.6 That model was discussed at the Resources, Remuneration and Regeneration Committee on 15 November, but was rejected due to the additional subsidy implied within that model. As a result, this report has been drafted to attempt to deliver a new service within the existing budget, while still attempting to deliver a structure that will be able to be expanded as new services are delivered, within cyclical maintenance for example.
- 3.7 Agreement is now sought to create and deliver training opportunities through an in-house model as an initiative with social aims, using existing staffing budgets and the opportunity presented by the expansion of cyclical maintenance.
- This model would still have the potential of becoming a Community Interest Company at a later date.
- 3.8 The rationale for progressing under this 'in-house' model is to accelerate delivery, integrate all areas of Derby Homes in a unified approach to apprenticeships, and to match existing funding sources with the costs of the enterprise from the start.
- 3.9 The in-house Apprentice scheme could have similar social aims or 'social purpose' of the originally planned Derby Homes' social enterprise such as:
- Create work based skills and training opportunities
 - Offer apprenticeship placements
 - Build social responsibility and communities by creating employment opportunities
 - Provide opportunities to gain experience through volunteering
 - Offer value for money, high quality services to the people and businesses of Derby, contributing to our local economy.
 - Provide employability information, advice and guidance to all learners
- 3.10 Over the last four to five years Derby Homes has run a number of schemes to enable work placement opportunities. We developed our Home to Work Scheme with Job Centre Plus. This has proved successful with many people moving on to further training, employment and jobs at Derby Homes.
- 3.11 An officer has been asked to lead on the establishment of the Apprentice scheme. They will provide a strategic support role to the Director of Investment and Regeneration and Personnel Manager during an initial 12 month implementation period.
- 3.12 They will implement the plan to deliver the in-house scheme and engage with other key stakeholders within this process.

- 3.13 The proposal is now to fund the apprenticeship placements through existing staff budgets according to the needs of the relevant services, charging placements to the originating service. Each apprentice costs in the region of £10,000 per year including direct overheads. Teams will have to consider the real cost and benefits, and the impact of Apprentices as part of the business case. Current budgets will allow for around 20 apprentices.
- 3.14 As new areas develop within Derby Homes and teams expand, further apprentice positions may become available. This will be balanced against operational effectiveness and capacity to support the schemes. Employing apprentices at a cost of around £10,000 a year will, in some areas, be a useful way of giving someone an opportunity as part of a balanced approach to staff planning. This would be a useful additional tool for managers to balance their teams, albeit within a low level of current staff turnover.
- 3.15 Further potential areas of work include energy efficiency works and linking with partners to deliver on new build contracts, refurbishment of purchased properties and existing contracts.

4. CONSULTATION IMPLICATIONS

We have informed the trade unions about our proposals to develop the Apprentice scheme.

5. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

- 5.1 The cost of an Apprentice is estimated at around £10,000 annually. This includes staff on costs and their external training costs. Existing staffing budgets will be used to fund up to 20 placements. Further opportunities may arise as detailed in 3.15.

6. PERSONNEL IMPLICATIONS

The Apprentice scheme will employ apprentices. The apprentices will be employees of Derby Homes and will receive a salary based on the National Apprenticeship Grading Scheme. Apprenticeships would vary in length between 12 and 24 months. Whilst no guarantee of future employment can be made, it is hoped that some placements will result in permanent appointment to join the main workforce.

7. EQUALITIES IMPACT ASSESSMENT

- Does this report affect the delivery of a service - No
- Equality Impact assessments will be completed as part of the implementation plan of the scheme.

8. HEALTH & SAFETY IMPLICATIONS

Health and safety implications are built into the implementation plan. Apprentices and people on work placements will receive a robust programme of training which will include health and safety.

9. RISK IMPLICATIONS

Risk Implications of delivering services through the in-house model are built into the implementation plan.

The areas listed below have no implications directly arising from this report:

- Environmental
- Legal & Confidentiality
- Council Implications

If Board Members or others would like to discuss this report ahead of the meeting please contact:

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Background Information: None

Supporting Information: None