

Agenda Item No:**Report No:****Report Title:** LEAP – Employment and Skills**Report To:** Cabinet**Date:** 20 November 2014**Cabinet Member:** Cllr Phil Howson**Ward(s) Affected:** All**Report By:** Nazeya Hussain – Director of Business Strategy & Development**Contact Officers-**

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Purpose of Report:

To provide an overview of the progress with the Local Enterprise and Apprenticeship Platform (LEAP) pilot programme and set out the options for LDC's continuing contribution to the local employment and skills landscape.

Officers Recommendation(s):

- 1** To support the continued promotion and signposting of apprenticeships and business start-up support under the LEAP brand.
 - 2** To authorise the Director of Business Strategy and Development to prepare a tender for the provision of training for new entrepreneurs seeking to start their own business within Lewes District in accordance with Option 4a of this paper.
 - 3** To allocate up to £10,000 from the Change Management and Spending Power Reserve as funding for the continuation of LEAP for a further 12 months in accordance with Option 4a of this paper.
 - 4** To authorise Officers to explore opportunities for the continued delivery of apprenticeship support under the LEAP brand, initially through discussions with key partners including Plumpton College and Sussex Downs College.
 - 5** To authorise Officers to explore opportunities for joint working and collaboration with neighbouring authorities in East Sussex and within the Greater Brighton City Region (subject to agreements on financial contributions).
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Reasons for Recommendations

- 1 LEAP was launched as a two-year pilot initiative in February 2013. The programme is due to finish at the end of February 2015. After a slow start, LEAP has made significant progress in raising awareness of apprenticeships and the provision of free training and support for business start-ups.
- 2 LEAP has obtained a good level of brand awareness around apprenticeships and business support, which helps to demonstrate the added value that LEAP offers within the local employment and skills landscape. Withdrawing LEAP's support for local activities would lose that awareness and reverse the positive work LDC has done on enterprise and apprenticeships. There is therefore a need for some form of continuity for LEAP to evolve and continue to deliver new opportunities for local residents and businesses.

Information

3 LEAP

- 3.1 The LEAP initiative was first taken to Cabinet in May 2012 (Report no.90/12) and approval was given to work up a detailed business plan for the project. This was subsequently reported to Cabinet in November 2012 (Report no.188/12) and sought approval for the delivery programme.
- 3.2 The targets set in the May 2012 Cabinet report were:
 - a) Between 50 and 80 completed apprenticeships
 - b) 15 – 30 new businesses started and supported.
- 3.3 In November 2012, Members committed to providing £150,000 of funding for LEAP via a combination of S106 (£50k) and New Homes Bonus (£100k).
- 3.4 Match funding was secured from ESCC's Rural Growth and Employment Fund (RuGEF), albeit this was based on different – much higher – targets than those approved by Cabinet. To date, LEAP has accessed approximately £41,000 of ESCC funding to support project delivery.
- 3.5 Apprenticeships typically take between 12 months and 4 years to complete, depending on the type of apprenticeship framework and the Level being undertaken. However, the originally forecast project outputs identified 'completed' apprenticeships. This has subsequently been clarified with apprenticeships now referred to in terms of new job starts.
- 3.6 As at 31 October 2014, LEAP has achieved the following:
 - a) 51 Apprenticeship starts in Lewes District
 - b) 28 New employers recruiting apprentices
 - c) 18 entrepreneurs completing LEAP training
 - d) 14 new businesses started
 - e) 14 further entrepreneurs currently attending LEAP training.

To date, LEAP has a success rate of more than 80% for apprenticeships. This compares favourably with the 74% figure across East Sussex.¹

4 LEAP – Business Start Up Programme

- 4.1** The LEAP business plan reported to Cabinet in November 2012 allowed for 3 Business Start-Up (BSU) programmes for up to 10 entrepreneurs each time.
- 4.2** This element of the project invited local entrepreneurs to pitch to a panel of local businesspeople and representatives - the Lewes Den - to win a cash prize to help start up their business idea. This is part of an overall BSU offer which is unique in East Sussex and has been extremely well received.
- 4.3** LEAP is in the process of running the third BSU programme (14 candidates), with the first 2 programmes seeing a total of 18 entrepreneurs complete the initiative. So far, 14 entrepreneurs have started their businesses in Lewes District as a result of support from LEAP. We have made best use of our allocated budget and plan to run an additional 4th BSU programme during 2015 within the originally agreed budget parameters, as well as expanding capacity to allow for 15 people per programme.
- 4.4** The delivery of LEAP's BSU programme involves:
- (a)** Five x 1-day training workshops (for up to 15 people) to provide the skills and knowledge required to start your business;
 - (b)** Follow-up mentoring and coaching to help with the completion of a detailed business plan;
 - (c)** Business leaders panel meet to assess the business plans and shortlist 4/5 to present to the 'Den';
 - (d)** Shortlisted entrepreneurs present their business idea and plan to the 'Den';
 - (e)** Winner receives a cash prize of £3,000 to help get their business off the ground, with all other entrepreneurs that complete the programme receiving a tailored package of support worth £350 - £700.
- 4.5** The LEAP BSU training programme is delivered by Lets do Business Group on behalf of LDC. Let's do Business Group have a team of professional workplace trainers that deliver business support programmes across the South East, including Brighton & Hove City Council's 'Ride the Wave' initiative.
- 4.6** LEAP's entrepreneur offer has also fitted well with other initiatives. Specifically, LEAP was able to secure the creation of a dedicated category and sponsorship of the Entrepreneur of the Year Award at the

¹ Latest statistics from June 2014 as reported by the Skills Funding Agency and the Department for Education (<https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships-2>).

inaugural Lewes District Business Awards to maximise publicity and exposure for the shortlisted candidates on our 2nd BSU programme. LEAP plans to continue this involvement in 2015, with the winner of the 4th BSU programme also being announced at the Lewes District Business Awards.

- 4.7** The table below shows the programmes completed so far, together with the winners / winning ideas and the number of businesses that we can evidence as having been started:

	1st LEAP BSU Programme (June - October 2013)	2nd LEAP BSU Programme (January – April 2014)
No. of Applicants (Completed)	11 (7)	15 (12)
Winner	Sarah Huntley – Equine Elite (specialist recruitment agency)	Jennifer Porteous – The Tiny Vineyard Company (grow at home vineyards)
No. Businesses Started	2	10
Range of Business Ideas	IT software provider; artists workshops; drinks manufacturer	Gourmet pet food; live digital cinema; sustainably sourced clothing; publisher; watersports tuition; yoga centre.
Cost of Programme (incl. promotions)	£14,089.71	£20,005.69

- 4.8** The two remaining LEAP entrepreneur programmes are due to finish on 8 December 2014 and 2 July 2015 respectively.
- 4.9** Changes in the project team as the 1st entrepreneur programme was launched resulted in a lower spend on the 1st programme. Subsequent entrepreneur programmes have benefited from a well-targeted and extensive promotional campaign. Appendix A to this report highlights some examples of LEAP’s promotional materials for information.
- 4.10** LEAP’s programme is different to other sources of support available. It offers extensive training, mentoring and follow-up support / prizes. There are no current initiatives that share all of these characteristics with LEAP, and feedback from candidates that have attended our programme has been universally positive.
- 4.11** As an example, the quote below is from Sharon Lloyd, who completed the 2nd LEAP entrepreneur programme. Sharon was among the

shortlisted candidates who presented to the 'Lewes Den', although she did not win the first prize.

- 4.12** *"Lewes District Council, with all its insight and obvious connection with its own community, has put together a system free to those who dared to dream, to help make their dreams a reality... I personally cannot praise enough all involved with the LEAP team and wouldn't be where I am today, 54 and in control of my own business and a better future, without LEAP's innovative programme."*
- 4.13** The provision of LEAP's entrepreneur programme fits well with the wider provision of publicly-funded business support in the UK. For example, Business Link – the principal central Government organisation for business support – has moved from offering one-to-one advice, pre-start and start-up workshops and telephone advisers, to a more web-based service.
- 4.14** In addition, page 25 of the recent Investment (Open for Growth) Peer Challenge in which LDC took part reported that *"The LEAP Lewes initiative...is a good example of successful partnership working, bringing together training providers, voluntary and community groups, employers and young people. LEAP also provides support for aspiring entrepreneurs providing extensive training and mentoring for business pre-starts."*
- 4.15** It is therefore recommended that LEAP's entrepreneur programme continue beyond the lifespan of the original pilot programme.

5 LEAP - Apprenticeships

- 5.1** The LEAP business plan reported to Cabinet in November 2012 envisaged an 'Apprenticeship Competition' whereby a series of assessment processes and tasks over a 2-3 month period would whittle down applicants to find "The Lewes Apprentice" – who would then be given a two-year apprenticeship with a local employer. All other applicants were to be individually assessed and given a bespoke training, employment and support package.
- 5.2** In practice, this idea proved unworkable. The process set out in the Business Plan effectively guaranteed candidates employment – this was undeliverable as there was no guarantee that employers would be recruiting for apprentices at the end of the selection process.
- 5.3** LDC has worked on improving the original apprenticeship proposals to create a brokerage and support service for employers and young people seeking apprenticeships. This revised LEAP offer has incorporated a number of key activities.
- a)** Dedicated employer brokerage and referral service. This offers employers an opportunity to discover more about how apprenticeships can benefit their business. LEAP will contact all

suitable training providers on their behalf and present the options – followed by referrals and follow-up meetings with providers as required.

- b) Dedicated support service for young people. This includes independent advice and tips on how to find an apprenticeship, as well as referral to wider support organisations (eg. Youth Employability Service – YES).
 - c) Hosting dedicated apprenticeship events – either targeted at employers or young people or both.
- 5.4** To further support project delivery, LEAP works closely with the Sussex Council of Training Providers (SCTP), Apprenticeships in Sussex (AiS) and Soren Learning Solutions. This latter organisation has provided dedicated employer engagement services to ensure that LEAP covers as much of Lewes District as possible.
- 5.5** LEAP has produced a range of information leaflets, factsheets and themed promotional campaigns to support project delivery. These are shown in Appendix A.
- 5.6** To date LEAP has helped to place apprenticeships with 14 different training providers. Our initial experience demonstrated that the programme should focus on finding the most appropriate training provider, rather than just the local College (ie. Plumpton or Sussex Downs). This change of focus has significantly helped LEAP to add value locally.
- 5.7** To date LEAP has directly supported the creation of 51 apprenticeships within Lewes District. These jobs have been created across 28 different employers. Two of these positions have been created within LDC – our LEAP Apprentice commenced work at LDC on 24/02/2014, with an IT Helpdesk Apprentice commencing work on 22/09/2014. Provision is also being made for apprenticeships within key LDC contracts, including an apprentice that has been taken on by LDC's grounds maintenance contractor.
- 5.8** In addition to these figures, LEAP is currently supporting 12 employers recruit 15 further apprentices – although these posts have yet to be finalised.
- 5.9** As well as the tangible results highlighted above, LEAP has helped to showcase the Government's wider apprenticeship agenda and raised awareness of the benefits of being an apprentice for both young people and employers. LEAP's activities have been well received by its target audience.
- 5.10** Aside from the initial project launch, LEAP has held 3 primary Employer Engagement Events. These have been in the form of breakfast networking events hosted at Pelham House Hotel in Lewes, at Peacehaven Golf Club (Newhaven/Peacehaven) and Seaford Golf Club. These have been well attended – particularly in Seaford.

- 5.11** LEAP has also hosted information events for young people. These have ranged from drop-in 'Clinics' in LDC reception, to 'Parents Evenings' for young people and their parents to raise awareness of apprenticeships and receive individually tailored advice from qualified careers advisors working for LEAP partners.
- 5.12** Numbers for the young people events are typically lower due to the need to provide 1:1 advice to each young person. Thus far, approximately 35 young people have attended dedicated information events through LEAP. It is important to note, however, that these are not the only mechanism through which LEAP supports local young people.
- 5.13** In addition to LEAP hosted events, LEAP attends a wide range of careers fair and networking events within Lewes District. LEAP is now invited to schools careers events to promote apprenticeships, as well as events hosted by organisations including 3VA, Sussex Community Development Association's employment arm and regional events (eg. countywide Apprenticeship Show at Brighton Racecourse).
- 5.14** This activity has further cemented the strength of the LEAP brand locally and across East Sussex. At the last count, LEAP has been represented at well in excess of 50 events across Lewes District since the project's inception.
- 5.15** The strength of the LEAP brand provides local residents and businesses with a clear pathway to information and support on apprenticeships. This is particularly important given the reduction in size of national support services highlighted in paragraph 6.2, although the apprenticeships element of the project is acknowledged as being particularly resource intensive for LDC.
- 5.16** With the resource issues in mind, it is proposed that Officers will explore options for the continued delivery of apprenticeships support under the LEAP brand – ideally with existing key partners such as Sussex Downs College.

6 Strategic Fit

- 6.1** Since Members approved LEAP in November 2012 – and the project's subsequent launch in February 2013 – the wider employment and skills landscape has changed considerably, although some of the key issues remain. In particular, the lack of a centralised careers advice and support service has created significant challenges in raising awareness of apprenticeships amongst young people, as well as challenges in dealing with secondary education providers.
- 6.2** This issue has been intensified by funding and staffing cuts facing the National Apprenticeship Service and the Skills Funding Agency. A recent newspaper article² highlights that the Skills Funding Agency is seeing a 32% drop in staff numbers, whilst the National Apprenticeship Service is

² "Apprenticeships programme 'threatened' by jobs cuts" – The Daily Telegraph 11 July 2014
(<http://www.telegraph.co.uk/education/educationnews/10267097/apprenticeships-programme-threatened-by-jobs-cuts.html>)

facing a 47% reduction. It is within this landscape that LEAP has played a key role locally, including the provision of advice to neighbouring local authorities as a model of effective partnership working and resource management within employment and skills.

- 6.3** The Government is also expected to bring about changes to apprenticeship funding whereby employers receive funding for the delivery of apprenticeships rather than training providers, as at present. The impact of this change has yet to be fully assessed.
- 6.4** LEAP still accords with the principles of “Building a Brighter Future” – LDC’s Regeneration Strategy 2012-2015. This strategy places a high level of importance on ‘Promoting Enterprise’ and ‘Inspiring Learning’ as key ingredients for securing sustainable economic growth.
- 6.5** Appendix B outlines LEAP’s fit with existing strategies.

Future Options

- 6.6** It is recognised that the current LEAP project is resource intensive for LDC. To run the project effectively, this necessitates a dedicated Project Officer (P/T), an Apprentice (F/T) and regular detailed support from the Project Manager– along with a high degree of committed time / resource from key partners (eg. SCTP, AiS, Soren Learning Solutions and a range of training providers).
- 6.7** Nonetheless, it is considered vital that LDC continues some form of employment and skills activity under the LEAP banner. The primary reasons for this are:
 - a)** LEAP has a strong fit with current and emerging regeneration and skills strategies;
 - b)** There is a need for continued employment and skills activities by local authorities in the face of wider funding cutbacks; and
 - c)** LEAP has established a strong brand and vehicle for the promotion of employment and skills initiatives.
- 6.8** Accordingly, we have prepared a number of possible options for Members’ consideration. These are discussed in detail in Appendix C and presented as an options matrix below – setting out an overarching assessment of each option and their feasibility.
- 6.9** Based on this appraisal and our experience of running the LEAP programme, it is recommended that LEAP is continued in some form. On this basis, Option 4a is the preferred option, as this reduces operational risk and places targets with contractors to reduce Officer time in delivery.
- 6.10** At the same time, it is suggested that LDC explores options to work with neighbouring authorities in East Sussex and the Greater Brighton City Region to exploit economies of scale in the delivery of apprenticeship support. However, this would be subject to consideration of any financial implications, cost-benefit analysis for local residents and businesses and ensuring it offers a continuation of the work put into the LEAP brand.

This possibility does not preclude proceeding with Option 4a, as the tender specification would be designed in such a way as to allow for integration with larger projects as they emerge.

Option	Est. Annual Cost to LDC (£)	Strategic Fit	Advantages of Option	Disadvantages of Option	Anticipated Outputs per Year
1 – Continue LEAP	90,000	<ul style="list-style-type: none"> • Good fit with ESCC Employability & Skills Strategy, as well as LDC Regen Strategy. • Good fit with both LEP's skills targets. 	<ul style="list-style-type: none"> • Continuity of operations. • Enables sufficient dedicated resource to deliver target outcomes. 	<ul style="list-style-type: none"> • Resource and labour intensive. • Proposed central Govt funding changes create risk. • Lack of differentiation from other schemes. 	<ul style="list-style-type: none"> • 15 entrepreneurs completing training. • 10-15 businesses started. • 25 – 30 new <u>apprenticeships</u> started.
2 – LEAP Entrepreneur only	45,000	<ul style="list-style-type: none"> • Good fit with LDC Regen Strategy. • Limited fit with ESCC and LEP's skills strategies. 	<ul style="list-style-type: none"> • Continuity of Entrepreneur scheme. • Good PR opportunities linked to wider biz engagement. 	<ul style="list-style-type: none"> • Negative perception at ending apprenticeship activities. • Impact on business support functions at LDC. • Impact on key LEAP partners (eg. training providers). 	<ul style="list-style-type: none"> • 15 entrepreneurs completing training. • 10-15 businesses started.
3 – LEAP Apprenticeships only	50,000	<ul style="list-style-type: none"> • Good fit with ESCC Employability & Skills Strategy and LDC Regen Strategy. • Good fit with both LEP's skills targets. 	<ul style="list-style-type: none"> • Continuity of support for businesses and young people. • Good PR opportunities linked to wider biz engagement. 	<ul style="list-style-type: none"> • Negative perception that LDC no longer supports business start-ups. • Proposed central Govt funding changes create risk. 	<ul style="list-style-type: none"> • 25-30 new <u>apprenticeships</u> started.
4a – Contract out LEAP Entrepreneur	30,000	<ul style="list-style-type: none"> • Good fit with ESCC Employability & Skills Strategy, as well as LDC Regen Strategy. • Good fit with both LEP's skills targets. 	<ul style="list-style-type: none"> • Continuity of LEAP. • Regular monitoring and feedback. 	<ul style="list-style-type: none"> • LDC loses an element of control over project delivery and direction. 	<ul style="list-style-type: none"> • 10 people completing start-up training. • New businesses started. • 7/8 new jobs created.
4b – Contract out LEAP Apprenticeships	30,000	<ul style="list-style-type: none"> • Good fit with ESCC Employability & Skills Strategy, as well as LDC Regen Strategy. • Good fit with both LEP's skills targets. 	<ul style="list-style-type: none"> • Continuity of LEAP. • Regular monitoring and feedback. 	<ul style="list-style-type: none"> • LDC loses an element of control over project delivery and direction. • Measurement of apprenticeships activity is likely to be challenging and there may be a limited level of interest shown. 	<ul style="list-style-type: none"> • Up to 100 new apprenticeship vacancy <u>leads</u> generated.
5 – Terminate all LEAP Activities	0	<ul style="list-style-type: none"> • Fails to meet any of the core objectives of ESCC Employability & Skills 	<ul style="list-style-type: none"> • No resource or additional labour costs. 	<ul style="list-style-type: none"> • Reputational risk to LDC. • Loss of LEAP branding. • Impact on future employment & 	<ul style="list-style-type: none"> • None.

		Strategy, LDC Regen Strategy or LEP's skills priorities.		skills activity.	
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Financial Appraisal

7 The Finance Department has made the following comments:

- 7.1 The Council allocated a total of £150,000 as funding for the initial 2-year LEAP pilot initiative. Target-driven match funding was also secured from ESCC's Rural Growth and Employment Fund (RuGEF). Spending on LEAP has been contained within the budget, and it is currently forecast that £20,000 will remain uncommitted at the close of the pilot phase.
- 7.2 If Cabinet chooses to continue with LEAP for a further year, the cost of the preferred option (Option 4a – a contracted service for the Entrepreneur programme) is projected to be in the region of £30,000. The appointment of a contractor(s) would be subject to a tender exercise in accordance with the Council's Contract Procedure Rules.
- 7.3 Assuming that the unallocated balance of funding from the pilot phase is carried forward, an additional funding allocation of £10,000 will be required. Part of the original source of funding was New Homes Bonus (NHB) received by the Council, and it would be possible to utilise a further £10,000 of NHB from the unallocated balance (£167,000) currently held within the Change Management and Spending Power Reserve.

Legal Implications

8 The Legal Services Department has made the following comments:

- 8.1 The tenders for the services referred to in Option 4a should be let in accordance with the Council's Contract Procedure Rules.

Sustainability Implications

9 I have completed the Sustainability Implications Questionnaire and there are no significant effects as a result of these recommendations.

Risk Management Implications

10 I have completed a risk assessment.

- 10.1 The following risks will arise if the recommendations are not implemented, and I propose to mitigate these risks in the following ways:

Risk	Likelihood	Impact	Mitigation
Reputational damage for LDC	High	Medium/High	Need to carefully manage end of LEAP programme with appropriate press coverage.
Negative impact on future employment & skills initiatives	Medium	High	Ensure that all LEAP partners are aware of LDC decision-making and reasoning.

Uncertainty surrounding LEAP and next steps	High	High	Ensure that clear decisions made regarding the future of LEAP.
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10.2 The following risks will arise if the recommendations are implemented, and I propose to mitigate these risks in the following ways:

Risk	Likelihood	Impact	Mitigation
Loss of element of control over project delivery	High	Medium	Detailed reporting requirements will be included in any delivery contracts prepared for LEAP.
No delivery partners can be found for the contract	Low	High	It is considered likely that a number of LEAP partners would be interested in delivering the entrepreneur programme.
Duplication / overlap with other entrepreneur training schemes	Low	Low	LEAP has established its brand and offers additional services to support wider delivery of the employment and skills agenda locally.
Lack of interest from young people	Low	Low	LEAP is established as the local vehicle for apprenticeships and works with partners to ensure appropriate engagement.
Lack of interest from employers	Low	Low	LEAP is established as the local vehicle for apprenticeships and works with partners to ensure appropriate engagement.
Lack of interest from aspiring entrepreneurs	Low	Low	LEAP's entrepreneur programme has been well received thus far and it is planned to continue marketing in a similar vein.

11 As shown, the risks of not implementing the recommendations contained within this report would have a greater negative impact on LDC than their successful implementation.

Equality Screening

12 The proposal was screened for equality implications by Peter Sharp on 6 August 2014, and as no adverse impacts were identified a full equality analysis is not required.

Background Papers

13 None.

Appendices

14 Appendix A – Examples of LEAP promotional materials.

15 Appendix B – LEAP fit with local and regional strategies.

16 Appendix C – Detailed LEAP Options Appraisal.

Appendix A – Images from LEAP
Flyer from 3rd LEAP Entrepreneur programme



The flyer features a green and white color scheme. At the top left is a green checkmark logo. Below it, the text 'LEAP LOCAL ENTERPRISE & APPRENTICESHIP PLATFORM' is displayed in blue and green. The main title 'KICKSTART PROGRAMME 2014' is in large green letters. A photograph of a man and a woman in business attire is on the left. A large green diagonal banner contains the text 'Win £3000 to help get your business off the ground'. The bottom left has a teal circle with the closing date. The bottom right contains contact information for Rachael Page and Wes Game.

www.yourleap.co.uk

LEAP LOCAL ENTERPRISE & APPRENTICESHIP PLATFORM
KICKSTART PROGRAMME 2014

across Lewes, Seaford, Newhaven, rural areas & beyond...

Win £3000
to help get your business off the ground

Tell us about your business idea and you to help get your business off the ground could win:

- Free business workshops
- Professional mentoring
- The chance to win £3000
- Support worth £350

Complete your application online at:
www.yourleap.co.uk/leap-kickstart-award-2014

For enquiries, please contact **Rachael Page** on 0300 330 1450 or email at info@yourleap.co.uk

Submit your completed application forms to **Wes Game** at wes.game@ldbgroup.co.uk

CLOSING DATE
12 September 2014

Examples of LEAP Apprenticeships promotional materials

www.yourleap.co.uk
 contact LEAP on 03003 301450

LEAP LOCAL ENTERPRISE & APPRENTICESHIP PLATFORM

Are you looking for information on your career options as you finish school?

Find out more about Apprenticeships by calling in to our **Information Hub** at the Council Offices, Southover House, Lewes, BN7 1AB

Monday
 7th & 14th April
 2pm - 4pm

for apprentices for businesses

Don't get caught on the hop this Easter make 2014 your LEAP year!

www.yourleap.co.uk

LEAP LOCAL ENTERPRISE & APPRENTICESHIP PLATFORM

Take a LEAP higher!

for parents
 for apprentices
 by appointment only

LEAP presents a **Parents Evening** – Personalised Information Sessions
Monday 23rd June 5pm - 7pm
Monday 7th July 5pm - 7pm
 at the Council Offices, Southover House, Lewes, BN7 1AB

The event is organised by LEAP in partnership with Sussex Downs College

SUSSEX DOWNS COLLEGE

contact LEAP to make your appointment on **0300 330 1450**

www.yourleap.co.uk
 call LEAP on 03003 301450 or email info@yourleap.co.uk

LEAP LOCAL ENTERPRISE & APPRENTICESHIP PLATFORM

Kick off a new career with LEAP!

for business
 for apprentices

Do you want to find out how an apprentice could help your business achieve its goals?
 Could an apprenticeship help you hit your career targets?

LEAP into action TODAY! Call us on 0300 330 1450

Appendix B – Strategic Fit (LEAP)

ESCC Employability and Skills Strategy 2014-2016

ESCC's strategy highlights the benefits of apprenticeships, citing the National Audit Office which estimates that Intermediate (Level 2) Apprenticeships yield a GVA return of £16 for every £1 of investment and Advanced (Level 3) Apprenticeships yield a return of £21 for every £1 of investment.

The strategy identifies four key priorities – a number of which directly relate to LEAP's aims and objectives:

- a) Raise prosperity and create job opportunities.
- b) Ensure that children and adults have the knowledge and skills they need to succeed at work.
- c) Increase the number of young people that are in education, employment and training until they are 25 years old.
- d) Support vulnerable people, including looked-after children, troubled families, and those with learning disabilities to find and keep either voluntary or paid employment.

Coast to Capital LEP

C2C LEP has produced a dedicated skills strategy which identifies the following Vision:

“Local businesses will be able to access the skills they need to compete internationally and to deliver the exceptional growth and productivity gains set out in Coast to Capital’s Strategic Economic Plan.”

To achieve this Vision, C2C has identified three strategic priorities:

- a) Stimulate the demand for skills by encouraging business ambition
- b) Ensure skills provision meets the needs of the Coast to Capital LEP's businesses, focusing on its priority sectors
- c) Ensure that people make informed decisions about their learning and career choices.

South East LEP

SELEP has included Skills as the fourth element of their Growth Deal contained within the Strategic Economic Plan. SELEP has identified a key outcome of their skills activities being 10,000 additional apprenticeships in the SELEP region by 2021. To assist in achieving this, SELEP has identified a number of key priorities which include:

- a) Increasing the talent pool for SELEP's priority sectors
- b) Increasing participation of young people in work, education and training, with focus on priority sectors and skills shortages; and
- c) Improving the basic skill levels and employability of our residents to boost productivity and employment.

As noted above, LEAP accords with the core priorities of ESCC's emerging skills strategy, as well as the main focus of both C2C and SELEP, playing a key part in delivering these priorities within the local landscape.

National Industrial Strategy

In September 2013, the Government launched an Industrial Strategy. The vision underpinning this strategy is of the Government *"...working in partnership with business to create more opportunities, deliver more jobs and make the UK more competitive so that British businesses can thrive and compete with rising economies."*

To achieve this vision, the Industrial Strategy has identified five core strands – the first of which directly relates to the LEAP initiative:

- 1. Skills
- 2. Technologies
- 3. Access to finance
- 4. Government procurement
- 5. Sector partnerships.

Appendix C – Future Options for LEAP

Option 1 – Continuation of LEAP

16.2 The first option we have considered is to continue with LEAP as per the current pilot programme.

16.3 LEAP is a labour and resource-intensive project. To continue as is, it is estimated that we require the following Officers (with estimated salary implications including on costs at 30%):

Officer Role	Spinal Point	% of Time allocated to LEAP	Annual Salary Cost (£)
Project Manager ³	SCP37	20	8,607.82
Project Officer (based on 20hrs p/week)	SCP25	100	16,227.51
Apprentice (based on 37hrs p/week)	N/A	100	12,581.04

16.4 As shown, annual ongoing salary costs for LEAP would be in the region of £35,000 - £40,000 per year.

16.5 As well as salary costs, there are a number of other key areas that we would need covered by the project budget. All of these costs are shown in the table below.

Area of Expenditure	Estimated Annual Cost (£)	Estimated Outputs per Year
Officer Salaries	£40,000	-
Entrepreneur Programme (incl. cost of training, prizes, mentoring, support, marketing, awards event)	£20,000	10-15 new businesses started
Apprenticeships Programme (incl. Employer Engagement and all promotional / operational costs)	£30,000	25-30 apprenticeship starts commenced
Estimated Total Annual Cost	£90,000	

³ The Project Manager salary is included as an opportunity cost only. Should LEAP finish entirely, then this cost saving would not be realised as the Project Manager is responsible for a range of other projects in addition to LEAP.

16.6 Our experience with LEAP has shown that it is extremely difficult to place accurate targets on the number of apprenticeships that will be created over a period of one year. This is due to the number of SMEs based locally and the time it takes such small businesses to accurately assess the benefits of employing apprentices. Typically, we have found that a minimum of 6 – 9 months of support has been required.

16.7 Assuming that LEAP is measured by apprenticeship starts, it is considered that 25 – 30 apprenticeship starts is a realistic and achievable figure for one year’s additional activity.

Advantages of Option 1	Disadvantages of Option 1
<ul style="list-style-type: none"> • Provides continuity of operations for local businesses and young people; • Enables sufficient resource to be invested in LEAP to deliver targeted outcomes. 	<ul style="list-style-type: none"> • Resource and labour intensive; • Proposed changes to apprenticeship funding from central Government creates significant risk; • Similarities to other apprenticeship services.

16.8 To achieve these measures, we estimate a total annual cost for LEAP of **£90,000 per year.**

Option 2 – Continue LEAP Entrepreneur only

16.9 The second option considered is to continue with LEAP’s BSU programme only. This reflects the wide range of apprenticeship activities already taking place in Lewes District, as well as the demonstrated added value offered by the entrepreneur programme. The entrepreneur programme will still require a significant level of Officer time.

16.10 LEAP has been able to publicise a significant level of positive press coverage on the entrepreneur programme. This has included articles from the winners of both the 1st and 2nd training programmes.

16.11 To continue with the LEAP entrepreneur programme, it is estimated that we require a P/T Project Officer together with Project Manager⁴ input. This equates to annual ongoing salary costs for LEAP in the region of £25,000 per year.

⁴ The Project Manager salary is included as an opportunity cost only. Should LEAP finish entirely, then this cost saving would not be realised as the Project Manager is responsible for a range of other projects in addition to LEAP.

Advantages of Option 2	Disadvantages of Option 2
<ul style="list-style-type: none"> • Provides continuation of successful Entrepreneur programme; • Gives good PR opportunities linked to wider LDC business engagement; • Less resource and labour intensive than full LEAP programme. 	<ul style="list-style-type: none"> • Perception that LDC is no longer interested in creating opportunities for young people; • Negative impact on core business support function of LDC; • Negative responses from some key LEAP partners (eg. providers).

16.12 Together with the ongoing costs of running each LEAP entrepreneur programme, the estimated annual cost of this option is **£45,000 per year**.

Option 3 – Continue LEAP Apprenticeships only

16.13 The third option considered is to focus all activity on the apprenticeship brokerage and support service offered by LEAP. There are two core elements within apprenticeship activity – employer engagement and young person engagement.

16.14 Employer Engagement: Paragraph 16.6 highlights the lengthy nature of support for smaller businesses to employ apprentices. In addition, there is a need for any apprenticeships promotion to focus on attendance at networking events across Lewes District – including presentations to local Chambers of Commerce, etc. Finally, once an employer has reached the point of advertising a vacancy, there is a need for in-depth brokerage and support to identify the optimal training provider for the specific needs of each individual employer. This is extremely time consuming and resource intensive.

16.15 Young People: Engaging with young people is a challenging activity. The events that LEAP has hosted to date have been moderately successful. Despite this, there is still an evidenced need for LEAP to continue engaging with young people. This is due to the demise of Connexions, the cutbacks facing the National Apprenticeship Service and the lack of dedicated careers advice in many secondary schools.

16.16 To continue with the LEAP apprenticeship activity as is, it is estimated that we require a P/T Project Officer together with Project Manager⁵ input. This equates to annual ongoing salary costs for LEAP in the region of £25,000 per year.

16.17 To effectively promote apprenticeships whilst supporting employers would require a significant level of additional employer engagement support. To date this has been provided by Soren Learning Solutions and SCTP. We estimate that over the course of 1 year, there would be a requirement for £25,000 of support required to effectively deliver the apprenticeships agenda through the LEAP vehicle.

⁵ The Project Manager salary is included as an opportunity cost only. Should LEAP finish entirely, then this cost saving would not be realised as the Project Manager is responsible for a range of other projects in addition to LEAP.

Advantages of Option 3	Disadvantages of Option 3
<ul style="list-style-type: none"> • Provides continuation of support for young people and local businesses; • Gives good PR opportunities linked to wider LDC business engagement; • Less resource and labour intensive than full LEAP programme. 	<ul style="list-style-type: none"> • Perception that LDC no longer supports business start-ups; • Proposed changes to apprenticeship funding from central Government creates significant risk.

16.18 Together with salary costs, the estimated annual cost of this option is **£50,000 per year**.

16.19 It is also worth noting that, were LDC to continue running both aspects of LEAP separately, the overall cost to LDC is higher than Option 1. This is due to economies of scale (particularly concerning staffing costs).

Option 4 – Contract out LEAP Services

16.20 The fourth option identified for the progression of LEAP is to contract out the delivery programmes for both entrepreneurs and apprenticeships to external providers. This would minimise LDC Officer time on the project, but would necessarily mean that LDC would lose a significant degree of control over project delivery.

16.21 There would also be time implications for a range of LDC departments (including Legal Services) in undertaking a robust procurement process for commissioning the delivery of these LEAP services.

16.22 For ease of reference, this option has been broken down into the two core elements: entrepreneurs and apprenticeships.

Option 4a - Entrepreneur Programme

16.23 The delivery of the training programme for business start-ups is currently delivered by Lets do Business Group. It is considered that this particular aspect of LEAP lends itself most easily to being solely delivered by external partners reporting to LDC.

16.24 Any such contract would follow a similar format to the existing programme. As a guide, programme delivery would include the following core elements:

- a) Project administration, including appropriate dedicated staffing / resource; arranging the 'Lewes Den'; social media.
- b) Sponsorship of Lewes District Business Awards (or alternative event sponsorship / venue hire).
- c) Marketing and promotions, including design, print and distribution costs.
- d) Delivery of training programme (5 x 1-day workshops) for up to 15 candidates per programme.
- e) Delivery of follow-up 1:1 mentoring sessions with each candidate.
- f) Assessment of business plans.
- g) Provision of prizes and support packages for all candidates.

16.25 Based on the current delivery programme, it is estimated that such a contract would be valued at approximately £30,000 per programme. This is based on the following cost breakdown:

Programme Element	Cost (£)
Project Administration (incl. all marketing costs)	10,000
Delivery of training programmes and mentoring sessions	6,500
Sponsorship of LDBA / alternative venue hire & event organisation	3,500
Prizes and Support Packages for all Candidates	10,000
Total Cost per Programme (estimated)	30,000

16.26 On this basis, we estimate that a range of target outcomes would be provided for and measured via a detailed reporting and monitoring framework run through the existing Regeneration team. Target outcomes are likely to include:

- a) 15 aspiring entrepreneurs attending each training programme.
- b) 10 completing the training programme and submitting a business plan for assessment.
- c) 6 new businesses started within 6 months' of competition completion.
- d) 7/8 jobs created (to include the 6 new business owners) within 9 months of competition completion.
- e) Business starts would be defined as those new businesses registering with HMRC as self-employed or their Limited Company has been registered and commenced trading.

Advantages of Option 4a	Disadvantages of Option 4a
<ul style="list-style-type: none"> • Provides continuation of successful LEAP initiative; • Regular monitoring and reporting back to LDC to assess productivity; • Considerably less resource and labour intensive. 	<ul style="list-style-type: none"> • LDC will lose an element of control over project delivery and direction, although this will be addressed by the development of a detailed reporting and monitoring framework.

On this basis, the delivery of Option 4a is likely to cost LDC in the region of **£30,000 per year** for the LEAP Entrepreneur programme (running one training programme annually).

Option 4b - Apprenticeships

16.27 To deliver apprenticeships in a similar vein to LEAP’s current model is likely to prove more challenging than for entrepreneur programme. Having spoken to a number of private sector professionals active in the sector, it is very difficult to measure apprenticeships activity purely on ‘job starts’. This is because of the time lag involved in converting an initial expression of interest to actual starts as highlighted in paragraph 16.6.

16.28 It is considered likely that the strongest response for such a delivery contract would be for a ‘Lead Handling Service’. In effect, this would require the contractor to generate new interest in apprenticeships through employer engagement activity and act as a key referral point in Lewes District under the LEAP brand.

16.29 It is difficult to provide an accurate standpoint for measuring the outputs of such a contract. We estimate that the following expenditure would be required, as a minimum:

- a) Employer Engagement £20,000 pa
- b) Lead Generation & Handling £10,000 pa

On this basis, we estimate that a sensible target outcome would be up to 100 new apprenticeship leads generated per year. Outputs would be measured via a detailed reporting and monitoring framework run through the existing Regeneration team.

Advantages of Option 4b	Disadvantages of Option 4b
<ul style="list-style-type: none"> • Provides continuation of successful LEAP initiative; • Regular monitoring and reporting back to LDC to assess productivity; • Less resource and labour intensive. 	<ul style="list-style-type: none"> • LDC will lose an element of control over project delivery and direction, although this could be addressed by the development of a detailed reporting and monitoring framework. • Measurement of apprenticeships activity is likely to be difficult and may reduce the level of interest shown from delivery partners.

16.30 On this basis, the delivery of Option 4b is likely to cost LDC in the region of **£30,000 per year** for some form of apprenticeships activity. It is important to note that there is a degree of uncertainty surrounding how best to deliver continued apprenticeships support for employers and young people through the LEAP brand.

Option 5 – Termination of all employment & skills activities

16.31 The final option considered is to simply terminate the LEAP pilot at the end of February 2015.

16.32 LEAP was created as a pilot to help evaluate the role that LDC can play in the local employment and skills landscape. Whilst there have been a number of challenges within the original project plan as well as changes to wider skills policies and funding

from central Government, LEAP does add value to the local economy – across both core programme aspects.

Advantages of Option 5	Disadvantages of Option 5
<ul style="list-style-type: none"> No direct resource or labour costs. 	<ul style="list-style-type: none"> Reputational risk to LDC as perceived by local businesses, training providers and residents; Wider negative implications on other activities (eg. support for UTC would not tally with termination of LEAP); Loss of LEAP branding; Any future employment and skills activity is likely to incur higher costs to re-establish a new local brand; Any future employment and skills activity is unlikely to be successful as perception will be that LDC will not continue with such activities long-term.

16.33 Nevertheless, should Members wish to terminate LEAP there would be **no additional direct resource requirements** to LDC as a result.