

Committee:	Date:	Item No.
The City Bridge Trust	6 th June 2013	
Subject: City Gateway - "Ladder for London" Apprenticeships	Public	
Report of: Chief Grants Officer	For Decision	
<u>Summary</u>		
<p>This paper requests additional funding necessary for the delivery of the "Ladder for London" apprenticeships programme through a partnership with the City Gateway charity.</p>		
<p>Recommendation</p> <p>A grant of £84,230 to City Gateway towards the full and final delivery costs of providing 10 apprenticeships across the City Corporation under the "Ladder for London" initiative, to be charged against the City Bridge Trust Strategic Initiatives allocation for 2013/14.</p>		

Main Report

1.0 Background

- 1.1 In October 2012 approval was granted for funding of £140,000 (from the Strategic Initiatives budget for 2012/13) to the City Gateway charity for the creation of ten new apprenticeships across the City of London Corporation.
- 1.2 This was part of the initiative of the Evening Standard newspaper ("Ladder for London") whereby employers across the Capital are urged to take on young apprentices as a vehicle for combatting youth unemployment
- 1.3 When the Evening Standard launched the campaign in September 2012 it struck a chord with the public and immediately garnered a great deal of interest and press coverage, particularly for the first, corporate, employers to commit to the programme.
- 1.4 In order to make an early commitment to Ladder for London your Committee on 27th September 2012 received a verbal report from the Chief Grants Officer and agreed that approval be delegated to the Town

Clerk, in consultation with the Chairman and Deputy Chairman of the Policy & Resources and the City Bridge Trust Grants Committees, to award £140,000. This approval was ratified on 9th October 2012.

2.0 Current Position

- 2.1 The grant awarded - £140,000 - was based on a best-estimate of what the likely costs might be. In the months since October 2012 your officers have undertaken extensive negotiations with City Gateway and with the Corporation's own Head of Adult Learning Service to determine in detail how these apprentices would be recruited, placed, trained and managed.
- 2.2 Agreement has now been reached by all parties which has helped to determine the final and full costs of this initiative, which come to £224,230 in total (Appendix A). Your approval is required, therefore, for an additional grant of £84,230 to meet the shortfall.
- 2.3 City Gateway, as a registered charity and accredited trainer, will employ and train the apprentices. Each of the apprentices will be recruited by City Gateway, although representatives from the host departments within the City Corporation will also be involved in this process. All apprentices will be employed for 35 hours per week (inclusive of one day-per-week spent on formal training), for one year, and will earn the London Living Wage. Throughout their tenure, City Gateway will work closely with the Head of Adult Learning Service to ensure that these apprentices are supported as expertly as those currently employed through the Corporation's own in-house programme.
- 2.4 The final costs (Appendix A) are for five apprentices aged 18 or under and five aged 19 or over. This is pertinent, as for those aged 19+ the employer has to pay 50% of their formal training costs.
- 2.5 If you approve this request the additional costs recommended of £84,230 would be charged against your 2013/14 allocation for Strategic Initiatives of £747,500. This would leave a balance of £426,143 remaining for this financial year should you approve all the funds recommended at this meeting as outlined below:

Strategic Initiatives	Committee date	£
Allocation of 5% of 2013/14 grants budget		747,500
Already agreed in this financial year:		
Access and Sustainability Service	18/04/2013	192,900
Recommended at this meeting		
Ladder for London	06/06/2013	84,230
Lord Mayor's Show	06/06/2013	29,227
City Philanthropy Book	06/06/2013	15,000
	Total	321,357
Balance remaining		426,143

3.0 Financial Observations

- 3.1 At your previous meeting (May 2013) you approved a grant to City Gateway for an application it made in its own right. The Chamberlain, having appraised the organisation's finances, made the following comment:

City Gateway's most recent audited accounts are for the 17 months from April 2011 to August 2012, as the charity has changed its financial year end from 31st March to 31st August. These accounts show a surplus of £107,488 (2.2% of turnover) which largely related to unrestricted activity.

The organisation's reserves policy is to maintain a designated reserve of at least 3, but ideally 6, months' worth of future expenditure. As a result of the Ladder for London initiative, City Gateway has grown considerably and its latest financial projections for 2012/13 show expenditure of £6.6m and secured income at this stage of £5.8m, with a target of a further £1.4m to be secured, making a total of £7.2m. Based on these figures, its target unrestricted reserves figure should be in the range £1.65m - £3.3m. As at 31st August 2012, free reserves amounted to £673,442 which equates to 1.2 months' worth of expenditure. However, should the charity achieve target income of £7.2m in 2012/13, then a further contribution to reserves of £0.6m will be made.

City Gateway recognises the need to increase its unrestricted reserves which it plans to do over the next three years through increased employer engagement in fundraising, developing its major donor base and through hosting large scale events, the first of which is planned for June 2013.

4.0 Conclusion

- 4.1 When approving the grant to City Gateway in October 2012 to deliver ten new apprenticeships within the City of London Corporation, the Corporation became one of the first local authorities in London to commit to the inspirational Ladder for London initiative. The scheme falls fully within the current and significant package of support for youth employment to which the Trust has pledged funds (eg Get Young People Working – the Youth Offer).
- 4.2 The scheme is ready to commence, with the first batch of candidates now assembled for interview by the host departments. The Trust will work closely with your Public Relations Office; City Gateway, and the Evening Standard to issue a suitable public announcement when the first apprentices take up their posts.

Recommendation

That you approve a grant of £84,230 to City Gateway towards the full and final delivery costs of providing 10 apprenticeships across the City Corporation under the "Ladder for London" initiative, to be charged against the City Bridge Trust Strategic Initiatives allocation for 2013/14.

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