

## **APPRENTICE PAY UPDATE REPORT**

### **1. RECOMMENDATIONS**

1.1 That HR Committee support the increase in apprentice pay.

### **2. BACKGROUND**

2.1 The Council is proud of its commitment to apprenticeships and such opportunities have always been fully supported by our Leader and our Executive Management Team.

2.2 We do this in two ways:

- By recruiting new employees as apprentices across our wide range of services
- By providing and supporting apprenticeship training for our current employees

2.3 The Apprenticeship Levy was introduced in 2017, and the Council pays 0.5% of our pay bill into the levy each year. We can draw down on our levy payments to fund apprenticeship training.

2.4 Since the introduction of the Levy, 42 people have undertaken apprenticeships with the Council; 29 of these have been undertaken by current employees and 13 as newly recruited apprentices to the Council. Currently we have two apprentices in their second year of a Horticulture apprenticeship, and we have two employees undertaking Management Diploma and Degree apprenticeships.

2.5 For our current employees the apprenticeships have helped them develop in their current roles, and all who have undertaken these confirm they have added value to their role as well as their personal development and confidence. Where possible and appropriate, the Council will seek out opportunities to secure further employment for our apprentices. Of the 13 new employees who joined us as apprentices:

- Five that have successfully completed have now gone on to secure permanent roles with us
- One has transferred to a further apprenticeship with us
- Two are currently undertaking their apprenticeship
- Five left after successful completion of their apprenticeship to pursue other interests.

2.6 The apprenticeship fees continue to be drawn down from the Council's levy payments, this shows the payments to the Levy are well utilised where possible.

2.7 As a public sector employer with over 250 staff, the government has set a target of employing an average of at least 2.3% of our workforce as apprentices each year. We must 'have regard' for this target.

2.8 Apprenticeship opportunities for new apprentice recruits or current staff are always given full consideration alongside alternative options to ensure this is the best development opportunity. In doing this, we look at the following factors:

- The content of the relevant apprenticeship programme
- The skills required by the apprentice and whether these can be met by the apprenticeship
- The impact of the requirement to spend 20% of the working week 'off the job learning' - both on the employee and on the team.

### **3. CURRENT SITUATION**

3.1 Over the past 18 months Grounds Maintenance has been the only service area to recruit new apprentices. They were successful last summer (2020), but this year there were no applicants.

3.2 We have spoken with the provider Sparsholt College; they were unsurprised at this despite our previous successful campaigns. The feedback we have received has been that the rate of pay is not attractive to potential applicants.

3.3 We currently pay apprentices above the National Minimum Apprenticeship Wage of £4.30.

We pay the National Minimum Wage for under 18's to all apprentices in year One at £4.62. We pay the relevant National Minimum Wage for their age in any further years as follows (correct April 2021 rates):

£8.91 - age 23 or over (National Living Wage)

£8.36 - age 21 to 22

£6.56 - age 18 to 20

£4.62 - age under 18

3.4 Our current band one is £18,110 (£9.39 per hour) and band two runs from £18,308 (£9.49 per hour) - £19,428 (£10.07 per hour).

3.5 We have received the following pay comparisons where high quality apprentices have been recruited:

Portsmouth City Council £18,329 per annum (£9.50 per hour) from day one, no change by age or year of apprenticeship.

Salisbury City Council National Minimum Wage for age from day one (so if age 23+ at the start of the apprenticeship they would receive £8.91 per hour).

Other employers are paying a minimum of £5.50 per hour in year one, with reviews often within the first year and salary increases – these rates have secured apprentices, but they have not been as successful or sustained as the Council rates detailed above.

### **4. AGREED PAY FOR NFDC APPRENTICES**

4.1 To attract and retain high quality apprentices, with potential onward employment with us or other local employers, it was clear we needed to review our apprentice rate/s of pay.

4.2 Based on the feedback from Sparsholt, and as we are also a more remote location and public transport is very limited, EMT agreed the more attractive we can make the rate, the more successful we are likely to be.

4.3 EMT agreed that from 1<sup>st</sup> January 2022 apprenticeship pay would change for current and new apprentices to:

£6.56 per hour in year one (this is the National Minimum Wage for 18 – 20-year-olds), and then National Living Wage of £8.91 per hour in any subsequent years. (rates will update as national rates change, normally in an April each year).

## **5. FURTHER UPDATE**

5.1 The Government announced on 19<sup>th</sup> October 2021 that an extension to the £3,000 payment incentive per apprentice would apply for any new apprentices that start before 31<sup>st</sup> January 2022. This can be put towards apprentice salary costs.

## **6. FINANCIAL IMPLICATIONS**

6.1 There will be financial implications for new apprentice pay, somewhat offset for those that start before 31<sup>st</sup> January 2022. A total cost cannot be given as we do not know how many apprentices we may have, but the rates will be publicised to managers so they can ensure salary costs can be covered by the business unit.

## **7. CRIME & DISORDER IMPLICATIONS**

7.1 None.

## **8. ENVIRONMENTAL IMPLICATIONS**

8.1 None.

## **9. EQUALITY & DIVERSITY IMPLICATIONS**

9.1 By increasing the rate of pay during year one of an apprenticeship, this may widen the pool of candidates.

## **10. DATA PROTECTION IMPLICATIONS**

10.1 None by increasing the rate of pay.

## **11. EMT DECISION**

11.1 Having given full consideration to the information provided the decision was made to increase apprenticeship pay to £6.56 per hour in year one (NMW for 18 – 20-year-olds), and then National Living Wage of £8.91 per hour in any subsequent years. This will take effect from 1<sup>st</sup> January 2022 and will be reviewed in 12 months' time.

## **12. EMPLOYEE SIDE COMMENTS**

12.1 Employee Side supported the proposal.

### **For further information contact:**

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