

# Cabinet

## 12 September 2018

<b>Report title</b>	Apprenticeship Pay Scale	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Val Gibson Governance	
<b>Corporate Plan priority</b>	Place - Stronger Economy	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	No	
<b>Wards affected</b>	All Wards	
<b>Accountable Director</b>	Meredith Teasdale, Director of Education	
<b>Originating service</b>	Skills	
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<b>Report to be/has been considered by</b>	Strategic Executive Board	14 August 2018

### Recommendation for decision:

The Cabinet is recommended to:

Approve the new pay scales created for apprentices that are recruited into the Council.

## 1.0 Purpose

- 1.1 To propose a new apprenticeship, pay scale that will support the Council's apprenticeship offer under the apprenticeship levy.
- 1.2 To explain the reason for the new apprenticeship, pay scale.

## 2.0 Background

- 2.1 The recruitment and workforce development landscape has shifted significantly since the introduction of the apprenticeship levy.
- 2.2 The current scheme apprentices are funded through the current Apprenticeship scheme revenue budget until the end of their 12-month apprenticeship. No further Apprentices are being recruited through this scheme, instead they will be recruited using the individual service budgets where they are available. The current scheme is restricted to 16 to 18-year olds and paid at minimum wage. The scheme was limited to 20 apprenticeships and at level two or three. Apprentices are for people of all ages, are available up to level six, and to take advantage of this a new pay scale is required.

## 3.0 Apprenticeship pay structure proposal

- 3.1 Over the past two months, work has been carried out on what an appropriate pay scale would look like to ensure that the City of Wolverhampton Council can attract young people, care leavers and older people who are looking at a change of career or returning to work following a career break. Research was carried out to see what other councils and businesses pay their apprentices. It is important that the Council competes with these organisations to attract the best quality apprentices and to stand out as an exemplar employer. The Local Government Association (LGA) was consulted and confirmed that the pay scales were appropriate.
- 3.2 The Council has accrued a large amount of money under the apprenticeship levy that can only be used to train apprentices. To do this, the Council must be able to offer managers a range of different apprentice opportunities at different levels.
- 3.3 Proposed Pay scale:

<b>Apprenticeship Level</b>	<b>Hourly Rate</b>	<b>Weekly rate</b>	<b>Annual Salary</b>	<b>Pay scale calculation</b>
Level 2 (a) 16 to 18 years	£4.20	£155.40	£8,080	National minimum wage (NMW) for 16 to 18-year-old
Level 2 (b) 18 years plus	£7.83	£289.71	£15,064	National Minimum wage for 25-year-old

<b>Apprenticeship Level</b>	<b>Hourly Rate</b>	<b>Weekly rate</b>	<b>Annual Salary</b>	<b>Pay scale calculation</b>
Level 3	£8.02	£296.95	£15,441	As for level 2 (b) with an additional 2.5% of NMW
Level 4	£8.22	£304.19	£15,817	As for level 2 (b) with an additional 5% of NMW
Level 5	£8.61	£318.68	£16,571	As for level 2 (b) with an additional 10% of NMW
Level 6	£9.39	£347.65	£18,077	As for level 2 (b) with 20% of NMW

- 3.4 Apprentice pay will come out of the recruiting manager's budget where previously 20 apprenticeships were funded centrally. The higher pay scales for 18 years plus will have an impact on the recruiting manager's budget but will be less than recruiting fully qualified workers. Currently apprentices are paid £150 per week regardless of their age but this has not been an attractive offer and would not be suitable for recruiting higher level apprentices. The proposed rate of pay for a level six apprentice is equivalent to the top of the Council's grade three.

#### **4.0 Evaluation of alternative options**

- 4.1 Using the NJC pay grades: there are not enough pay grades on the NJC pay grade scale to accommodate five levels of apprenticeships, without compromising existing roles that have been evaluated within the Council's structure.
- 4.2 Paying apprentices at National Minimum According to age, this would discriminate against a younger Apprentice.
- 4.3 Managers would struggle to identify accurate budget if the Apprentice was paid at minimum wage according to age until the Apprentice had been appointed.

#### **5.0 Reasons for decision**

- 5.1 The proposed pay scale will not discriminate against the Apprentices who are younger but carrying out the same level of apprenticeship.
- 5.2 The proposed pay scale will be more than the benefits that can be claimed by the care leavers, so will be an attractive career option. This has always been a block to attracting care leavers into apprenticeships.

- 5.3 The pay scale is straight forward and will allow managers to budget for the apprentice they are recruiting in advance of the recruitment process.
- 5.4 The pay scale offers a reasonable wage for Apprentices with progression and a career pathway, which should make it attractive and encourage quality applicants who might otherwise only have considered going to university.

## **6.0 Financial implications**

- 6.1 The current scheme apprentices are funded through the current Apprenticeship Scheme revenue budget within Skills until the end of 2018-2019. It is estimated that the change in pay structure will create a budget pressure of approximately £13,000 during 2018-2019 but this can be met from the existing budget. Any future apprentices will be recruited by individual service areas where required and subject to budget availability within the employing service.

[ES/04092018/I]

## **7.0 Legal implications**

- 7.1 Legal advice has been taken on the proposed pay scales and if the manager recruits the apprentice to undertake tasks that link directly to the Apprenticeship Standards at the appropriate level this pay scale is permissible and is unlikely to pose any risk of equal pay claims.

[JB/04092018/D]

## **8.0 Equalities implications**

- 8.1 An equalities analysis has been undertaken that demonstrates several positive impacts, reducing the likelihood of age-related discrimination and enhancing opportunities under a number of equality strands.

## **9.0 Environmental implications**

- 9.1 There are no environmental implications arising from this report.

## **10.0 Human resources implications**

- 10.1 The recruitment of apprentices will be subject to the Council's human resources procedures. A streamlined process will be introduced to complement the new arrangements.

## **11.0 Corporate landlord implications**

- 11.1 There are no corporate landlord implications arising from this report.