

Report to: Personnel Committee



Date of Meeting 6th February 2023

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Apprentice Pay Policy

Report summary:

This report proposes changes to the Council's pay policy for newly recruited apprentices, in light of the recent Reward Review.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That the Personnel Committee recommend to Council that new recruit apprentices are paid at 90% of the standard National Joint Council (NJC) rates as set out in the Council's pay and grading structure, with a minimum rate equivalent to the Real Living Wage. This revision to policy is made in light of the recent Reward Review.

Reason for recommendation:

To ensure that the Council remains competitive in the local apprentice employment market, supporting recruitment and retention and achievement of the Council's Anti-Poverty and Economic Prosperity aims, whilst balancing with the need to recognise the impact of the new pay and grading structure (as a result of the Reward Review) on new and existing posts and to provide some distinction between apprenticeship and standard posts.

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Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk;

Links to background information Apprentice Pay Policy report, 30th November 2021 [211130 Personnel Ctte report Apprentice Pay Policy FINAL.pdf \(eastdevon.gov.uk\)](#)

Link to [Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
 - A greener East Devon
 - A resilient economy
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Report in full

1. Introduction

1.1. This paper proposes changes to the Council's current pay policy for newly recruited apprentices in light of the introduction of the new pay and grading structure agreed through the Reward Review. It describes the current arrangements, why changes are proposed and the implications of the change.

2. Current Apprenticeship Arrangements

2.1. The Council has a long history of employing a small number of apprentices across a range of service areas including StreetScene, Finance (Revenues and Benefits & Income and Payments), Planning, Electoral Services, and Legal). The number of new recruit apprentices reduced during the pandemic, with 6 recruited in 2018/19 compared to 0 in 2020/21, but numbers are now starting to grow, with 11 currently in post, and will develop further as part of the 'grow our own' work in 2023. The average age of new recruit apprentices over the last five years is 23.5 (although apprenticeships are available to people regardless of age).

2.2. Up to November 2021, the Council's pay policy for new recruit apprentices was to pay National Minimum Wage (NWM) at the standard rate (currently between £4.81 and £9.50 per hour, depending on age, increasing to between £5.28 and £10.42 in April 2023). Existing staff who have undertaken apprenticeship training have continued on their substantive NJC pay rate, in line with our standard grading structure. Appendix 1 provides further information.

2.3. The Reward Review has led to an increase in pay rates, with the lowest hourly rate now being £11.59, higher than the statutory minimum and current Real Living Wage rate of £10.90 per hour. This is a positive step, but to achieve this within the agreed budget it has been necessary to merge some of the previous grades, which has identified a potential issue as lower graded non-apprenticeship posts (for example operational roles in StreetScene) will now be on the same grade and pay rate as apprenticeship posts.

3. Proposed Changes to Apprentice Pay

- 3.1. It is recommended therefore that apprentice pay for new recruits is paid at 90% of the salary point on the standard grading structure, except where that hourly rate is below the Real Living Wage, in which case the Real Living Wage rate would be paid. This would ensure that we continue to align with our standard grades (including incremental progression where relevant), pay above the statutory rates, reflect the Real Living Wage, remain competitive in the employment market and support the 'grow our own', poverty reduction and economic development aspirations whilst maintaining a differential with non-apprenticeship roles. Analysis of the impact on pay rates is shown at appendix 1.
- 3.2. Each apprenticeship opportunity would continue to be evaluated in line with the standard Job Evaluation process. Due to the entry level nature of new recruit apprenticeship roles, it is envisaged that most roles would continue to be evaluated at Grades 1. As with current arrangements, managers would be expected to allocate budget accordingly, following analysis of the role requirements and identification of the grade through Job Evaluation.
- 3.3. It is acknowledged that pay rates are not the only factor which can impact on the attractiveness of Council apprenticeship opportunities. Other factors include the local government/Council brand, location (particularly where travel across the district may be problematic for some candidates) and perceptions of apprenticeships. The recruitment and 'grow our own' work already planned will aim to mitigate against these, for example through the development of a strong employer brand, work to develop closer links with local secondary schools and colleges (as a pipeline into apprenticeship roles) and membership of the South West Apprenticeship Ambassador Network (which promotes apprenticeships to employers, young people and their carers).
- 3.4. UNISON's views are being sought on this proposal and will be shared with Committee at the meeting.

4. Conclusion

- 4.1. It is hoped that the recommendations in this report, to review apprentice pay rates in light of the Reward Review, will assist the Council in increasing apprentice starts to support recruitment, retention, succession planning and the Council's poverty reduction and economic prosperity strategic priorities, whilst balancing with the pay rates for non-apprenticeship roles.

Financial implications:

Not material to overall budget approved.

Legal implications:

The legal position is detailed in the report and no further comment is required.

Appendix 1

National Minimum Wage (NMW) and National Living Wage (NLW) rates

Age	Hourly rate April 2022 April 2023 figures are in brackets	Annual salary (based on 37 hours per week) based on April 2022 figures April 2023 figures are in brackets
Under 18	£4.81 (£5.28)	£9,279 (£10,186)
18 to 20	£6.83 (£7.49)	£13,177 (£14,450)
21 to 22	£9.18 (£10.18)	£17,710 (£19,640)
23 and over	£9.50 (£10.42)	£18,328 (£20,103)

Real Living Wage (RLW) rate (2022) (the RLW is a voluntary pay rate)

£10.90 per hour

EDDC Grading Structure (2022/23) (Lowest grades shown)

Grade	NJC Spinal column point	Hourly rate	Annual salary (based on 37 hours per week)	Proposed pay for new recruit apprentices – hourly and annual salary rates	
1	7	£11.59	£22,369	£10.90 (£21,029)	RLW rate
	8	£11.81	£22,777		
	9	£12.02	£23,194		
	10	£12.24	£23,620	£11.02 (£21,258)	90% of standard rates
	11	£12.47	£24,054	£11.22 (£21,649)	
	12	£12.70	£24,496	£11.43 (£22,046)	
	13	£12.93	£24,948	£11.64 (£22,453)	
2	14	£13.17	£25,409	£11.85 (£22,868)	
	15	£13.41	£25,878	£12.07 (£23,290)	
	16	£13.66	£26,357	£12.30 (£23,721)	
	17	£13.91	£26,845	£12.52 (£24,161)	
	18	£14.17	£27,344	£12.76 (£24,610)	
	19	£14.44	£27,852	£12.99 (£25,067)	