

EMPLOYMENT MATTERS COMMITTEE

13 JUNE 2018

PROPOSAL TO INCREASE LEVEL 3 APPRENTICE SALARIES

Report from: Carrie McKenzie, Assistant Director - Transformation

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Summary:

Following the alignment of the statutory National Minimum Wage and National Living Wage increases to April each year, the increases at 1 April 2018 were such that they equalised the rates that the Council reward their Level 2 and Level 3 Apprentices. This paper proposes to increase the rate paid to Level 3 Apprentices to recognise the higher level of competencies and qualification requirements.

1. Budget and Policy Framework

This report covers a proposal to increase Level 3 Apprentice salaries and is therefore a matter for this Committee.

2. Background

2.1 Previous increases to Apprentices' hourly rates have been agreed as part of the Councils annual salary review protocol, however due to the complexity and nature of the negotiations for the 2018/2019 salary review it was decided to present a separate proposal at the first available Employment Matters Committee.

2.2 The impact of the statutory increases to Apprentice rates within the National Minimum Wage effective 1 April 2018 was to equalise the rates payable to Level 2 and Level 2 Apprentices, the new rates are set out at 2.3.

2.3 Level 2 Apprentice = £136.90 (an increase of 5.71% on 2017)

Level 3 Apprentice = £136.90 (an increase of 5.30% on 2017)

2.4 The Council have historically differentiated between Level 2 and Level 3 Apprentices as there is a clear distinction in the complexity of the work required to complete the respective programme.

3. Proposal

- 3.1 That the Level 3 Apprentice salary be increased to £150 per week.
- 3.2 The Council currently employs 21 Level 3 Apprentices who would benefit from this increase with an estimated annual increase to the salary bill of c£10K (excluding on-costs).
- 3.3 The proposed increase will future proof the Council against anticipated increases to the statutory National Minimum Wage effective April 2019.

4. Benchmarking of Local Authority Level 3 Apprentice rates 2018/2019

<i>Local Authority</i>	<i>Weekly salary 2018/2019 £</i>	<i>Notes</i>
Medway	136.90	Current, without the proposed increase
Kent	160	Increasing to £200 within the first 9 months
Shepway	150	Across all levels
Bexley	242	
Gravesham	136.90	Across all levels
Ashford	Based on +15p per hour over age related NMW	Across all levels
Sevenoaks	136.90	Across all levels

5. Advice and analysis

- 5.1 The Council's Apprenticeship programme as delivered via the Apprenticeship Academy continues to grow and this proposed increase will allow the council to continue to attract high quality Apprentice candidates and reward the current cohort of L3 Apprentices.
- 5.2 The Council currently employs 88 Apprentices and we are on target to have achieved 150 Apprenticeship Programme starts by 31 March 2019.
- 5.3 58% of all Apprentices engaged by the Council have gone on to secure other employment with the Council, thereby realising significant savings in recruitment costs and time, with a further 21% having successfully gained employment elsewhere.

6. Risk Management

- 6.1 The risk implications arising from this report are detailed below:

Risk	Description	Action to avoid or mitigate risk	Risk rating
That the Council does not meet its statutory obligation to pay the National Minimum Wage.	The Government set National Minimum Wage rates for Apprentices on an annual basis with an implementation date of 1 April.	As the proposal is to pay more than the statutory minimum the risk of not meeting the National Minimum Wage requirements is negated.	F4
That the Council falls behind other authorities and local employers in offering an attractive rate of pay for Level 3 Apprentices	Benchmarking of other authorities highlights that some are paying Level 3 Apprentices more than the statutory minimum wage.	This proposal brings the Council into a broad band of Level 3 Apprentice salaries. The Council enhances the overall Apprenticeship offer via the Apprenticeship Academy.	E4

7. Financial and legal implications

7.1 The financial implications are set out at Paragraph 3.2. There are no legal implications.

8. Recommendation

8.1 That the Committee agrees to increase the Level 3 Apprentice salary to £150 per week.

Lead officer contact

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Appendices:

None

Background Papers:

None