

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan

Report of the Executive Director of Core Services

Increase in Pay for Apprenticeships

1. Purpose of report

- 1.1. The purpose of this report is to inform members of the proposal to increase pay for apprentices undertaking apprenticeships with Barnsley Council with effect from 1st April 2020.

2. Recommendations

- 2.1 That members approve the proposals to increase pay and to promote this positive change.

3. Introduction

- 3.1 Barnsley Council has supported the delivery of apprenticeships for over 25 years from their original beginnings, to Modern Apprenticeships which were introduced in 1994 and more recently as part of the 2017 Apprenticeship Reform.
- 3.2 The council has successfully supported the delivery of apprenticeship programmes for supernumerary apprentices in a wide range of professions including Business Administration, Customer Service, Motor Vehicle, Horticulture, Information Technology and Care.
- 3.3 Supernumerary apprentices are employed on fixed-term contracts by the council to complete their apprenticeship and gain the skills, knowledge and experience they need to secure employment either within the council or other organisations.
- 3.4 The pay for supernumerary apprentices has historically been based on the Government's National Minimum Wage Apprentice Rate which is £3.90 per hour for the first year of their apprenticeship. Those aged 19 and above move onto National Minimum/Living Wage relevant to their age in Year 2.
- 3.5 In order to benchmark the council's apprentice pay against that of other organisations, research was undertaken in April 2019 which found that only 21% of councils still paid in line with Government guidelines with 52% having revised their pay policies following the introduction of the Apprenticeship Levy.

- 3.6 The research also found that of 31 private companies contacted about their apprentice pay, 17 paid above the National Minimum Wage Apprentice Rate.
- 3.7 As a result of these findings, a report was approved by the Senior Management Team in August 2019 to increase pay for all apprentices undertaking apprenticeships with Barnsley Council.

4. Proposal and justification

- 4.1 With effect from 1st April 2020, all apprentices undertaking apprenticeships with Barnsley Council will be paid a basic rate of £6.15 per hour in Year 1, increasing to age related pay in Year 2 for those aged 21 and above.
- 4.2 This increase in pay ensures the council is paying its apprentices in line with other local authorities and private companies. It also ensures that apprentices are remunerated fairly for the work they are undertaking and promotes the council as an employer of choice.

5. Consideration of alternative approaches

- 5.1 Three options were considered by the Senior Management Team, including leaving the pay rate as it is now with no increase. However, following consideration of all options the proposal as outlined in 4.1 above was agreed as being the preferred option in respect of financial viability and a fair and equitable approach for all apprentices.

6. Implications for local people

- 6.1 An increase in pay will make the council's apprenticeship schemes more attractive to local people and supports the council's priority of Thriving and Vibrant Economy through the creation of more and better jobs and increasing skills to get more people working.

7. Financial implications

- 7.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer)
- 7.2 The preferred option agreed by SMT would result in an increase in costs of £133k in year 1 and £300k in year 2. The cost impact of the pay increase aligns directly to the corresponding business unit, and is shown in the table below.
- 7.3 The table below shows the net cost increase for years 1 & 2. This is made up of the full cost impact, less any existing funding, including the corporate apprentice budget.

7.4 The cost impact of the pay increase of £133k in Year 1 and £300k for Year 2 will need to be contained within the existing resource envelope.

Directorate	BU	Apprentice Numbers	Increase Year 1 £	Increase Year 2 (ongoing FTE) £
PLACE	BU4	8	£0	£13,806
	BU4 Corporate Vacancies	8	£39,331	£95,567
	BU6	11	£53,967	£109,990
	TOTAL PLACE	27	£93,298	£219,363
COMMUNITIES	BU8	2	£9,252	£19,438
	BU12	5	£17,685	£43,150
	TOTAL COMMUNITIES	7	£26,937	£62,588
CORE	BU15	1	£13,085	£18,178
	TOTAL CORE	1	£13,085	£18,178
	GRAND TOTAL	35	£133,320	£300,129

7.5 The costings are based on the following assumptions:

- All 35 current apprentice posts being filled to support the Council's priority around 'People Achieving their Potential';
- The continuation of existing funding;
- The salary rate assumes an average age of 20 years old;
- The on-costs assume all apprentices opt into the pension scheme.

8. **Employee implications**

8.1 The increase in pay will have a positive financial impact on the council's supernumerary apprentices.

9. **Legal implications**

9.1 There are no legal implications of the proposal as the increase ensures apprentices are paid above the Government's National Minimum Wage Apprentice Rate.

10. **Communications Activity**

10.1 A communications plan will be developed to promote the increase in pay both within the council and externally.

11. **Consultations**

Consultations have taken place with the following:

- Existing apprentices
- Local Government Association
- Other local authorities
- Private sector companies
- Organisation Improvement Board
- Senior Management Team
- Financial Services
- Human Resources
- Trade Unions

12. **Glossary**

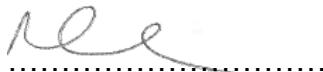
Supernumerary apprentices – apprentices that additional to employee numbers on the council's structure.

13. **Background Papers**

Details of research undertaken, reports to Organisation Improvement Board and Senior Management Team. If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

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Financial Implications /
Consultation



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(To be signed by senior Financial Services officer
where no financial implications)

Up-dated