

**EMPLOYMENT, HEALTH & SAFETY COMMITTEE
WEDNESDAY 2 NOVEMBER 2022 AT 1.30PM
CIVIC CENTRE, RIDLEY STREET,
REDCAR, YORKSHIRE, TS10 1TD**



CONTACT

Mrs Sue Fenwick
(01642) 444413
25 October 2022

CIRCULATION

Councillors I Nightingale (Chair), Baldwin (Vice Chair), Ayre, Brown, Cawley, Craig, Gallacher, Head, C Holmes, Lockwood, Rider, Waterfield and Westbury.

Officials:

Managing Director (Head of Paid Service)
Governance Director and Monitoring Officer
Executive Management Team
Jane Garnett, Strategic HR Manager
The Press [except for Confidential item(s)]

A G E N D A

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1. Apologies for Absence.	
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4. Report of the Managing Director (Head of Paid Service)	
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Member Report

Apprentice Pay Award

Report to: Employment, Health, and Safety Committee
Report from: Jane Garnett, Strategic HR Manager
Portfolio: Resources
Report Date: 2 November 2022
Decision Type: Committee
Council Priority: Investing in the long term.

HEADLINE POSITION

1.0 Summary of report

The report asks the Committee to clarify the position in terms of the pay award for first year apprentices, given the potential for a flat rate payment to be agreed as the national annual pay award for other staff within the Council (rather than a percentage uplift as would usually be expected) and to confirm the position for future years should a similar position arise.

2.0 Recommendation

It is recommended that in the event of flat rate payments being offered as the national pay award in the year 2022/23 and/or future years, that first year apprentices be awarded the highest percentage equivalent that the flat rate represents for staff on NJC terms and conditions.

DETAILED PROPOSALS

3.0 What are the objectives of the report and how do they link to the Council's priorities

- 3.1 The salaries of first year apprentices are governed by the National Minimum Wage legislation. In 2017 we decided that it was important and appropriate to invest in apprentices in their first year and pay an hourly rate of £5.00, which was above the minimum wage at the time. There was, however, no arrangement in place for this rate to be automatically uplifted.
- 3.2 During 2021, this position was reviewed and, accordingly, the Committee agreed a new rate of £5.77 per hour (reflecting the position that would have been achieved had national pay awards been applied since the previous rate was agreed) and approved that the salaries of first year apprentices should be linked to the national pay award for other council employees.
- 3.3 This decision was, of course, based on the assumption that the award would be in the form of a percentage uplift. This year, the current proposal is that the pay award (which has not yet been agreed) should take the form of a flat rate payment of £1,925 regardless of grade. If this was to be applied to the first-year apprentices, in real terms, it would represent an increase of 17.3%, taking the hourly rate for first year apprentices from £5.77 to £6.77 per hour.

- 3.4 As apprentices are our lowest paid employees, there is, of course, merit in the full flat rate payment being applied. However, this would be well out of line with other employees and would also bring with it significant expense at a time when the Council is facing additional financial pressures. Therefore, an increase of that magnitude would potentially result in directorates having to reduce the number of apprenticeship opportunities on offer in order to cater for the impact on their budgets, and/or having to divert other staffing or service budgets for that purpose.
- 3.5 Aside from the financial impact, applying the flat rate increase to the first-year apprentices would bring their hourly rate within 6 pence per hour of second year apprentices. Therefore, in moving from the first year of their apprenticeship to the second, apprentices would effectively receive no pay rise, despite their progression through the scheme. It would, of course, also be possible to uplift the salaries of second year apprentices, but this is unaffordable at this time.

4.0 What options have been considered

4.1 The options which have been considered are as follows:

- a) Pay the flat rate payment. If the current pay offer of £1,925 is agreed nationally, then this would result in the position outlined above and result in a salary increase of 17.3% for first year apprentices.
- b) Pay a percentage increase, calculated using the percentage uplift represented by the flat rate payment for other staff against their salary. In that regard, the payment of £1,925 obviously results in a different percentage uplift for staff depending on their salary and grade. For example:
 - i. The flat rate payment represents an increase of 10.50% for staff on the lowest grade of the NJC pay scales. If applied to apprentices, 10.5% would be an annual increase of £1,168.66 and their hourly rate would increase from £5.77 to £6.38.
 - ii. The flat rate payment represents an increase of 4.04% for the staff on the highest grade of the NJC pay scales. If applied to apprentices, this would be an annual increase of £449.73 and their hourly rate would increase from £5.77 to £6.00.
 - iii. The flat rate payment represents a composite increase of around 6.75% for all staff across the NJC pay scales. If applied to apprentices, this would be annual increase of £751.41 and their hourly rate would increase from £5.77 to £6.16.

4.2 Given that first year apprentices are, in effect, the lowest paid staff, then it would seem appropriate that they receive the same uplift as those at the lowest end of the NJC pay scales, as per the recommendation.

5.0 Impact Assessment

- 5.1 Climate Emergency – N/A**
- 5.2 Health and Safety – N/A**
- 5.3 Social Value – N/A**
- 5.4 Legal – N/A**

- 5.5 Financial** – Based on current figures, applying the payment of £1,925 would incur a cost of around £75,000 in terms of apprentices. Were we to implement a pay rise of circa 10% (as will apply to the lowest paid staff) then the cost would be around £50,000. By way of a comparison, a 6% increase would cost around £30,000 and a 4% increase would cost around £20,000.
- 5.6 Human Resources** – The implications for apprentices are set out within the report.
- 5.7 Equality and Diversity** – The rates apply to all first-year apprentices regardless of any protected characteristic.

6.0 Implementation Plan

6.1 Timetable for Implementing Decision:

The decision would be implemented at the point of the national pay award being agreed.

6.2 Lead Officer: Jane Garnett, Strategic HR Manager

6.3 Reporting Progress – No further specific reporting on implementation would seem to be required, but members will have access to BBB, the usual conduit for communication messages about pay issues to staff.

6.4 Communications Plan - The decision would be communicated in line with normal arrangements for pay award-related issues - i.e., through EMT, DMTs, BBB, HR Insight and the intranet.

7.0 Consultation and Engagement

The trade unions have been asked for their views, they have been asked to provide any comments by Wednesday 26 October 2022. Any comments received will be shared with the committee.

8.0 Appendices and Background Papers

N/A

9.0 Contact Officer

9.1 Name:	Jane Garnett
9.2 Position	Strategic HR Manager
9.3 Email address	jane.garnett@redcar-cleveland.gov.uk
9.4 Telephone Number	01642 444524