



Northumberland

County Council

CABINET

DATE: 10 JULY 2018

APPRENTICESHIP PAY PROPOSAL FOR THE APPRENTICESHIP PROGRAMME FOR NORTHUMBERLAND COUNTY COUNCIL

Report of Kelly Angus, Executive Director of HR and OD & Deputy Chief Executive
Cabinet Member: Councillor Nick Oliver, Corporate Services

Purpose of Report:

The purpose of this report is to seek Cabinet approval to a pay grading system for the Apprenticeship Programme for Northumberland County Council which reflects the entrant's age, experience and pathway level at which they join the council and a fair pay progression throughout until graduation from the apprenticeship programme.

Recommendation:

That the Cabinet agrees to:

1. formalise the current pay arrangements for new Level 2 and Level 3 apprentices based on the National Minimum and National Living Wage arrangements; and
2. adopt a new pay structure that reflects the marketplace, for new entrants to apprenticeships at Level 4, 5, 6 and 7 that aligns with the job evaluation scheme.

Link to Corporate Plan:

This report is relevant to the 'Achieve and realise your potential' priority included in the Corporate Plan

Key Issues:

The current pay structure based on April 2018 rates is:

Current Apprenticeship Pay Structure				
	18 or Under	18 - 20 Yrs	21 to 24 Yrs	25+ Years
Pay rate (per hour) 1st Year	£3.70			
Annual Salary	£7119			
Pay rate (per hour) 2nd Year onwards	£4.20	£5.90	£7.38	£7.83
Annual Salary	£ 8080	£ 11351	£ 14199	£ 15065

These rates have been effective for the recruitment of young people to the apprenticeship programme for their first jobs and offers reasonable pay progression for lower level apprenticeships.

However since the introduction of the degree apprenticeships, the pay rates do not reflect the prior attainment of applicants who want to enter the council directly at the higher levels. As the higher and degree level programme grows, attracting people to apply for this programme will be hindered by the current pay arrangements.

Background:

Integral to the ability of the Council to deliver high quality services is attracting new talent into the workforce and to make the best use of the apprenticeship policy reforms and levy. It is proposed to create a pay structure which will therefore attract the right level of talent, ensure investment in wages is fair and sustainable, and is consistent with the pay progression offered currently by Single Status.

The report seeks approval to formalise the current pay arrangements for new Level 2 and Level 3 apprentices based on the National Minimum and National Living Wage arrangements and proposes a new pay structure that reflects the marketplace, for new entrants to apprenticeships at Level 4, 5, 6 and 7 that aligns with the job evaluation scheme.

For existing members of staff who undertake an apprenticeship in their current role after joining the council, this pay model does not apply as they will continue to be paid for their current role

1) Entry Level Apprenticeships - Level 2 and 3

Entry apprenticeships are estimated to span between one and two years to complete. These proposed rates are based on each apprentice achieving the national minimum wage for apprentices in their first year of study followed by the national minimum wage for their age in subsequent years, with the exception of those 25+ who will receive the National Living Wage.

	<i>Pay rates per annum for full time.</i>	<i>Intermediate and Advanced Apprenticeships (Level 2 & 3)</i>
Year 1	All Ages	£6734
Year 2+	Under 18	£7792
	18-20	£10774
	21-24	£13564
	25+ (Northumberland Living Wage)	£15103
<i>Anticipated Job Evaluation Band 2 / 3 on Completion of the Apprenticeship</i>		£15613 - £16781

2) Higher and Degree Level Apprenticeships - Level 4, 5, 6 and 7

Apprenticeship Standards set out the skills, knowledge and behaviours that the apprentice needs to develop on each programme. These have been job evaluated by the Council to identify the appropriate pay bands for the occupation that should be achieved on completion. It is sensible to set a pay rate for this group of apprentices for the “in training” period, which is just below the job evaluation grade.

Higher and degree apprenticeships are estimated to span between two and three years to complete. These proposed rates are based on each apprentice

- starting at two or three bands below the job evaluation of the apprenticeship standard
- the apprentice progresses up to the lowest point of the next band after each full year of service and satisfactory progress on the programme
- On completion of the whole programme they achieve the band for the apprenticeship standard and end post as set by Job Evaluation.

	<i>Higher Apprenticeship (Level 4)</i>	<i>Undergraduate Apprenticeship (Level 5)</i>	<i>Degree Apprenticeship (Level 6/7)</i>
Year 1	Band 2 - £15613	Band 2 - £15613	Band 3 - £16781
Year 2	Band 3 - £16781	Band 3 - £16781	Band 4 - £18070
Year 3		Band 4 - £18070	Band 5 - £20661
<i>Anticipated Job Evaluation Band on Completion of the Apprenticeship</i>	Band 4 - £18070	Band 5 - £20661	Band 6 - £23398

Pay and Programme Progression

Where an Apprentice is on a pathway containing a number of apprenticeship levels over a number of years, it is proposed that Apprentices are assessed for readiness for the next level and that pay progression is not automatic. It is proposed that there are 3 potential outcomes from that assessment:

1) **Stretch and Develop**

The employer / training provider jointly agree the apprentice is suitable for progression to the next level of Apprenticeship and therefore attains the associated pay award.

2) **Hold and Review**

The employer / training provider jointly agree the apprentice progress has been satisfactory but the individual's current performance and/or potential demonstrates they are not yet suitable for progression to the next level of Apprenticeship and the associated pay award. They are considered suitable for retention in the Council and would be managed through the "at risk" procedure and deployed as appropriate into vacant fixed term or permanent posts. Although the individual will have completed the apprenticeship programme and their apprenticeship status terminated, the mentoring team would agree a support plan for the individual over time to observe whether the required performance level required to successfully re-enter an apprenticeship at a higher level has been reached.

3) **Observe and exit**

The employer has determined that through regular performance management and review, the individual is not suitable for retention or continued progression within the Council and that the individual's fixed term apprenticeship contract will expire on completion of the apprenticeship training. This may be due to:

- a) failure to progress as required
- b) failure to satisfy end assessment
- c) performance and/or capability proceedings and outcome
- d) disciplinary proceedings and outcome
- e) ill health management proceedings and outcome
- f) outcome of organisational change proceedings

Implications:

<p>Policy</p>	<p>The current Corporate Plan makes a direct reference for the Council to support employment and growth together with developing its workforce to ensure that it is able to provide the highest quality services to the population of Northumberland.</p> <p>The Apprenticeship Policy reforms have been implemented and there is a requirement to ensure we can support the development of different levels of skilled posts through the Apprenticeship Levy.</p>
<p>Finance and value for money</p>	<p>97% of apprentices are appointed at the Intermediate and Advanced Levels. The proposed costs will increase for the 25+ age band only. This will be to ensure that they are paid at the Northumberland Living Wage rate after their 1st year, rather than at the National Living Wage rate after their 1st</p>

	<p>year. This increase can be met within the current Apprenticeship budget.</p> <p>The Level 4, 5, 6 and 7 programme currently represents 3% of new apprentices. This proposed pay structure will result in an increase for this cohort. For employing departments wishing to recruit new apprentices at this level, they will need to make future provisions within their budgets prior to making appointments.</p> <p>The rates of pay for existing staff undertaking an apprenticeship are unchanged.</p>
Legal	n/a
Procurement	n/a
Human Resources	An apprenticeship pay policy statement will be produced and disseminated. Changes to apprenticeship appointment statements and automated increments within E Business will be required.
Property	n/a
Equalities	(Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
Risk Assessment	
Crime & Disorder	n/a
Customer Consideration	The introduction of a new pay rates for higher apprentices will provide enhanced satisfaction, a higher skill base for the existing workforce, and improved recruitment of trainees and improved retention of graduates.
Carbon reduction	n/a
Wards	ALL

Background papers:

None

Report sign off:

Authors must ensure that relevant officers and members have agreed the content of the report:

	name
Monitoring Officer/Legal	Liam Henry
Executive Director of Finance and S151 Officer	n/a
Executive Director	Kelly Angus
Portfolio Holder(s)	Nick Oliver
Chief Executive	Daljit Lally

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