

<b>SUBJECT:</b>	<b>APPRENTICESHIP PAY RATE INCREASE</b>
<b>MEETING:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>03/02/2021</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>ALL</b>

**1. PURPOSE:**

- 1.1 To consider aligning the Council's apprenticeship pay with the rate set by the National Living Wage Foundation rate (UK Real Living Wage).

**2. RECOMMENDATIONS:**

- 2.1 To approve the implementation of the suggested changes to the Apprenticeship pay structure from the 1<sup>st</sup> April 2021.

**3. KEY ISSUES:**

- 3.1 In July 2019, [Cabinet](#) approved the Apprentice, Graduate and Intern (AGI) Strategy. The AGI Strategy sits within the context of 'Prosperity for All' the Welsh Government National Strategy 2020 which states that 'Prosperity is not just about material wealth – it is about every one of us having a good quality of life, and living in strong, safe communities'. A key priority of the strategy is employment and skills.
- 3.2 The AGI Strategy sets out how the Council will deliver new employment and training opportunities for the next three years; to enable new and existing employees to fulfil their potential and raise their skills levels to meet the organisation needs; and to help drive productivity in the local economy and the wider Cardiff Capital Region. The Strategy is also designed to equip services to respond to challenges such as an ageing population, a changing climate, digitisation and globalisation.<sup>1</sup>
- 3.3 The approved AGI Strategy and toolkit recommended that the Council paid each apprentice the National Minimum Wage (NMW) based on their age, for the duration of their apprenticeship. The Council's aspiration was for each apprentice, regardless of which framework they are working on, to be paid the same. To date, this has not happened but is somewhere we aspire to be.<sup>2</sup> The reasons mainly being historical inconsistencies, lack of awareness of the intentions to pay the NMW, recruiting managers paying what they believed to be the correct rates of pay. This is something that the AGI strategy is looking to address by seeking out any discrepancies to prevent it from carrying over into the proposed new pay structure ensuring consistency by deploying uniform processes across all departments.

<sup>1</sup> <https://www.monmouthshire.gov.uk/employment-skills/agi/#:-:text=The%20AGI%20Strategy%20is%20in,opportunities%20across%20the%20local%20authority.&text=Support%20identification%20and%20creation%20of,current%20and%20future%20skills%20needs.>

<sup>2</sup> <http://monmouthshire.biz/wp-content/uploads/2019/10/AGI-Toolkit.pdf>

## **Success to date**

- 3.4 In February 2020, at the start of National Apprentice Week, the Council implemented an 'Apprentice in Care Scheme' supported by the AGI and funded through the Foundational Economy Challenge Fund. We currently have six apprentices supported in Health and Social Care each working toward a recognised qualification.<sup>3</sup> The Greater Gwent Partnership are looking at the Council's model, as a successful model for rollout in other areas. Although the programme has come with its challenges due to the impact of Covid-19, each of the apprentices have worked throughout and have become a real asset to the Health and Social Care Team.
- 3.5 As well as the six Social Care apprentices, since the implementation of the AGI Strategy, the Council has recruited a further seven apprentices taking the total number of apprentices to 18 (5 pre AGI implementation). However this does not include existing staff who have signed up to undertake higher level apprenticeships. The number of staff currently undertaking higher level qualification stands at circa 118 across a variety of service areas, completing a variety of qualifications.
- 3.6 As of April 2020, the Council's pay scales maintained a minimum rate of pay in line with the Real Living Wage (Living Wage Foundation rate of £9.30), this did not include apprentices within the Council at that time. At the time the changes were implemented it was still assumed that apprentices were on NMW, this proposal therefore seeks to address those differences.

## **Kickstart Scheme**

- 3.7 The Council has recently secured Grant funding to act as Gateway to deliver the Department for Work and Pensions (DWP) initiative 'Kickstart' Scheme, this will provide 45 six month fully funded work placements<sup>4</sup> and will not be considered for the uplift in pay for the following reasons:
- The opportunities will be fully funded by DWP and will run until June 2022 with the final placements expected to start up until December 2021. The opportunities are considered as placements rather than apprenticeships, however the work will be meaningful, with clear duties, responsibilities and goals. Each role that has been developed should not replace roles that already exist, or that service areas were intending to create without the Kickstart Scheme;
  - Opportunities are open to Young People 16 – 24 on Universal Credit and intended as an opportunity to try new tasks and build new skills, or to help them improve existing skills in a real work environment that will make a difference to their prospects of finding work in the future; and
  - Young People will not work towards a qualification framework during the six months although if they are successful beyond this, then managers could consider creating apprenticeship posts or further opportunities. Whilst on placement they will have the

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<sup>3</sup> <https://www.monmouthshire.gov.uk/2020/02/monmouthshire-apprentices-kick-start-social-care-careers-at-start-of-national-apprentice-week/>

<sup>4</sup> <https://www.gov.uk/government/news/landmark-kickstart-scheme-opens-to-youth-in-wales>

opportunity to work towards other short term training opportunities relevant to their positions. This will be through the support of their placement supervisor and the Council's Employment and Skills Team.

3.8 The Kickstart Scheme is part of the 'Plan for jobs<sup>5</sup>' and supports young people to develop new skills that will help them move into sustained employment after they have completed their Kickstart Scheme job placement.

**4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):**

4.1 It is anticipated that this change i.e. that all current apprentices being paid apprentice rates will now be paid the National Living Wage, will have a positive impact on peoples' social, emotional, health and wellbeing, education and skills. This will develop their resilience and improve their life chances. However, this proposal also acknowledges that due to personal, social and educational barriers, not every person will progress in their employment. **(Appendix 1)**

**5. OPTIONS APPRAISAL**

**Table one: Options Appraisal**

<b>Option</b>	<b>Benefits</b>	<b>Risks</b>	<b>Comments</b>
Do nothing	None identified	<ul style="list-style-type: none"> <li>Apprentices across the authority on inconsistent rates of pay</li> </ul>	
Proceed with proposal and increase apprentice rates  (preferred option)	<ul style="list-style-type: none"> <li>A clear example of how the Council is leading the way with equality, applying appropriate consistent rates for local businesses to follow the lead</li> <li>Attract candidates who may have previously overlooked apprenticeships within local authority increasing creativity and innovation</li> <li>Ensuring we pay our apprentices what we believe is fair for the work they do and shows their value while investing in the future of the organisation</li> </ul>	<ul style="list-style-type: none"> <li>Competition for posts may rule out younger people with little or no experience in favour of more experienced candidates with more transferable skills</li> <li>Cost implications may prevent managers from considering recruiting apprentices</li> </ul>	

**6. REASONS:**

6.1 To strengthen our existing workforce, shape our future workforce and achieve our goal as set in the AGI Strategy of how we aim to deliver new employment and training opportunities for the next three years.

<sup>5</sup> <https://www.gov.uk/government/publications/a-plan-for-jobs-documents/a-plan-for-jobs-2020>

- 6.2 To align the Council's minimum rates of pay and ensure an appropriate consistent rate across all apprentice roles regardless of the qualification framework.
- 6.3 Increasing the apprentice pay rates in line with the Living Wage Foundation will present a more attractive offer thus: improving access for all ages; introducing a wider range of interest from a wider range of candidates including encouraging applications from older people with additional skill sets, looking to upskill who may have previously overlooked vacancies due to the current rates of pay .
- 6.4 To set out our intentions as a Local Authority with a corporate responsibility with the ambition that local businesses will follow our lead and improve local employment opportunities.
- 6.5 A consistent and appropriate pay rate will mean that all existing apprentices will be paid the same rate of pay for completing their qualifications. The current Social Care Apprentice scheme pays apprentices National Minimum Wage (age dependent), the proposed rate will ensure there is equity amongst all apprentices.

## **7. RESOURCE IMPLICATIONS: (Appendix 2)**

- 7.1 The budgetary implication is based on the Living Wage Foundation rate of £9.50 per hour from 1<sup>st</sup> April 2021 which will be consistent with staff paid on the Council's main pay scale. The estimated additional cost of paying all currently employed apprentices the National Living Wage Foundation Rate for 2021-22 will be £102,607.17. This will be a budgetary pressure and it is proposed that it is incorporated into the final revenue budget pressures for 2021/22 to be presented to Cabinet on the 3<sup>rd</sup> March 2021.
- 7.2 Currently apprentice salaries range from £10,212.32 to £22,690.78 per year depending on age. This will increase to between £22,562.09 and £24,193.31 depending on age under the National Living Wage Foundation Rate. This is for a standard 37 hour per week contract and including on costs.
- 7.3 Cost variance for National Living Wage Foundation apprentices is due to exemption from Employer National Insurance Contributions for apprentices under 25 years of age.

## **8. CONSULTEES:**

- 8.1 The proposal was discussed at Strategic Leadership Team (SLT) on the 7<sup>th</sup> January 2021 and agreed that the Council would seek to align pay rates with the rate set by the National Living Wage Foundation.

- SLT
- Enterprise DMT
- HR Team

## **9. BACKGROUND PAPERS:**

- AGI Strategy and toolkit
- MCC Apprentice Press release
- GOV UK Background paper for Kickstart
- Prosperity for all: The National Strategy
- A Plan for Jobs 2020

## **10. AUTHOR:**

**Gareth James, Apprentice Graduate and Intern (AGI) Coordinator**

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## Equality and Future Generations Evaluation

<p><b>Name of the Officer Gareth James</b></p>  <p><b>Phone no: 07970 641774</b></p> <p><b>E-mail: <a href="mailto:garethjames@monmouthshire.gov.uk">garethjames@monmouthshire.gov.uk</a></b></p>	<p><b>Please give a brief description of the aims of the proposal</b></p> <ul style="list-style-type: none"><li>• To request approval to bring all MCC Apprenticeship pay in line with the Living Wage Foundation (National Living Wage).</li><li>• To agree and implement the suggested changes to the Apprenticeship pay structure with a recommended implementation date of April 1<sup>st</sup> 2021.</li></ul>
<p><b>Name of Service area: Employment and Skills – Enterprise and Community Animation</b></p>	<p><b>Date: 11<sup>th</sup> January 2021</b></p>

1. **Are your proposals going to affect any people or groups of people with protected characteristics?** Please explain the impact, the evidence you have used and any action you are taking below.

<b>Protected Characteristics</b>	<b>Describe any positive impacts your proposal has on the protected characteristic</b>	<b>Describe any negative impacts your proposal has on the protected characteristic</b>	<b>What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?</b>
Age	We will engage with all apprentices	None identified	N/A
Disability	We are actively looking to attract apprentices with disabilities through our commitment as a council to our Disability Confident Pledge. We will meet individual needs without discrimination.	None identified	N/A
Gender reassignment	We aim to be inclusive regardless of gender / non gender specific	None identified	N/A
Marriage or civil partnership	We will ensure fairness and equity.	None identified	N/A
Pregnancy or maternity	Risk assessment will be in place for pregnant women ensures all health and safety measures have been addressed.	None identified	N/A
Race	We will ensure equity of opportunity regardless of race.	None identified	N/A
Religion or Belief	We will offer opportunities that will take into account peoples' religion and religious beliefs.	None identified	N/A

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Sex	We will offer opportunities that will take into account individual needs regardless of sex.	None identified	N/A
Sexual Orientation	We will offer opportunities that will take into account individual needs regardless of sexual orientation.	None identified	N/A
Welsh Language	We are looking to attract Welsh speaking apprentices through advertising selected posts as Welsh Essential as appropriate and support apprentices with existing Welsh Language skills or those who wish to learn. We will adhere to the Welsh Government Welsh Language Policy. We will aim to provide bilingual learning opportunities if there is a need.	None identified	N/A
Poverty	We will target people who are in work poverty or at risk of poverty for future apprenticeship opportunities, paying the new Living Foundation rate for apprentices will have a very positive impact in terms of reducing poverty.	None identified	N/A








**2. Does your proposal deliver any of the well-being goals below?** Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal. There's no need to put something in every box if it is not relevant!

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p><b>A prosperous Wales</b></p> <p>Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>MCC Apprenticeship pay in line with the Living Wage Foundation (real Living Wage) implementing an efficient use of resources and providing apprentices with transferable skills and to equip them for future employment opportunities.</p> <p>Apprentices will feel confident and capable in their working environment.</p>	<p>Apprentices will have support from the Apprentice, Graduate and Intern (AGI) Coordinator. A person centred approach, tailored to individual need.</p>
<p><b>A resilient Wales</b></p> <p>Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>As an MCC employee, all apprentices will be encouraged to maintain biodiversity and ecosystems in their working environment such as waste, recycling, minimize energy usage and efficient use of such resources, whilst also raising awareness of environmental issues and healthy lifestyles.</p>	<p>Sharing expertise, networks and knowledge</p>
<p><b>A healthier Wales</b></p> <p>People's physical and mental wellbeing is maximized, and health impacts are understood</p>	<p>Through the Go To group apprentices have access to mental health and wellbeing support to enhance sustainable employment. Additional support is available by the AGI Coordinator, the level of support is high and consistent.</p>	<p>.</p>

<b>Well Being Goal</b>	<b>Does the proposal contribute to this goal? Describe the positive and negative impacts.</b>	<b>What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?</b>
<p><b>A Wales of cohesive communities</b></p> <p>Communities are attractive, viable, safe and well connected</p>	<p>All apprentices have access to ICT equipment and abide by MCC ICT policies and procedures. MCC aims to ensure that our communities are attractive, viable, safe and well connected.</p>	
<p><b>A globally responsible Wales</b></p> <p>Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>Apprentices have the opportunity to take part in ESDGC (Education, Sustainable Development and Global Citizenship) workshops and events becoming globally responsible citizens</p>	.
<p><b>A Wales of vibrant culture and thriving Welsh language</b></p> <p>Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation</p>	<p>All apprenticeship marketing publications will continue to market and printed literature will continue to be available bilingually where appropriate. We will conform to the Welsh Language Legislation Welsh Language Wales Measure 2011 and accompanying welsh language standards.</p>	<p>Encouraging apprentices to embrace the vibrant welsh culture and language.</p>
<p><b>A more equal Wales</b></p> <p>People can fulfil their potential no matter what their background or circumstances</p>	<p>The AGI Coordinator will continue to effectively engage and provide support for apprentices regardless of ethnic origin, gender, disability sexual orientation or religion to ensure all actively participate in and benefit from their apprenticeship opportunity.</p>	<p>All our policies and procedures are guided by the current local and national equal opportunities guidance and legislation.</p>

**3. How has your proposal embedded and prioritised the sustainable governance principles in its development?**

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p data-bbox="165 533 297 564">Long Term</p> <p data-bbox="344 320 533 564">Balancing short term need with long term and planning for the future</p>	<p data-bbox="568 296 1330 411">The long-term future plan is that all apprentices will increase their skill levels including work relevant skills and the potential to earn a higher income</p> <p data-bbox="568 517 1301 592">This will reduce the likelihood of future or continuing poverty.</p>	
 <p data-bbox="147 836 315 868">Collaboration</p> <p data-bbox="353 632 539 874">Working together with other partners to deliver objectives</p>	<p data-bbox="568 632 1352 831">The AGI Coordinator works closely with Service Managers, Job Centre Plus, Careers Wales, Housing Associations and training providers to contribute to the key objectives of the AGI Strategy including developing new apprenticeship opportunities in the public sector.</p>	
 <p data-bbox="159 1235 315 1267">Involvement</p> <p data-bbox="367 1023 524 1265">Involving those with an interest and seeking their views</p>	<p data-bbox="568 914 1357 1246">The AGI Coordinator regularly meets with our apprentices, Service Managers and training providers to review and sometimes improve their work and training experience. As part of the apprentice journey, the AGI Coordinator understands the necessity for bespoke learning opportunities involving the apprentice and fostering shared responsibility and autonomy as well as constant progress.</p>	<p data-bbox="1382 914 2107 1118">The AGI Coordinator will discuss at the start of the apprenticeship, individuals' needs, qualification and training route options and will provide formative reviews, have informal discussions and evaluations during and at end of apprenticeship.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p><b>Prevention</b></p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>It is anticipated that the long-term impact of this change (All apprentices on national living wage) will challenge behaviours, actions and attitudes, subsequently establishing firm foundations for future succession planning in the authority.</p>	
 <p><b>Integration</b></p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>The AGI Coordinator will work with apprentices supporting them to overcome health and wellbeing barriers by either delivering health and wellbeing programmes and/or support, linking participants with health care professionals, organisations and networks and other health and wellbeing services.</p>	<p>The AGI Coordinator will monitor and review the number of referrals to specialist support for emotional wellbeing</p>

**4. Council has agreed the need to consider the impact its decisions has on the following important responsibilities: Social Justice, Corporate Parenting and Safeguarding. Are your proposals going to affect any of these responsibilities?**

	<b>Describe any positive impacts your proposal has</b>	<b>Describe any negative impacts your proposal has</b>	<b>What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?</b>
Social Justice	This change will reduce the number of apprentices that are living in poverty offering supportive measures to improve their future chances of securing higher earning employment and sustaining employment.	None identified	N/A
Safeguarding	Safeguarding is a priority and we have an excellent relationship with children and adult services. All Employment and Skills staff and volunteers have completed the Safeguarding level 1.	None identified	N/A
Corporate Parenting	All Care Leavers have guaranteed interviews to all MCC vacancies including apprenticeships. We aim to provide a tailor package for Care Leavers which is flexible to their needs and circumstances.	None identified	N/A

**5. What evidence and data has informed the development of your proposal?**

The following data has identified and informed the development

July 2019 the Apprentice, Graduate and Intern (AGI) Strategy was approved by Cabinet. Priority 4 of the strategy is about Improving access, equality, and equity of opportunity for underrepresented groups.

Prosperity for All; Skills and Employability

Strategic Leadership Team considered and agreed the proposal on the 7<sup>th</sup> January 2021.

SLT discussed the benefit of this getting its own decision making route through Cabinet and it was agreed it should by 3rd March when the final budget proposals are taken back through Cabinet.

**6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?**

It is anticipated that this change; - all current apprentices on apprentice rates will be paid the national living wage, will have a positive impact on peoples' social, emotional, health and wellbeing, education and skills. This will develop their resilience and improve their life chances. This proposal does acknowledge that due to personal, social and educational barriers, not every person will progress in their employment.

**7. ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.**

What are you going to do	When are you going to do it?	Who is responsible
<ul style="list-style-type: none"><li>To request approval to bring all MCC Apprenticeship pay in line with the Living Wage Foundation (National Living Wage).</li></ul>	1 <sup>st</sup> April 2021	Gareth James

<ul style="list-style-type: none"> <li>To agree and implement the suggested changes to the Apprenticeship pay structure with a recommended implementation date of April 1<sup>st</sup> 2021.</li> </ul>	1 <sup>st</sup> April 2021	Gareth James
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**8. VERSION CONTROL: The Equality and Future Generations Evaluation should be used at the earliest stage, such as informally within your service, and then further developed throughout the decision-making process. It is important to keep a record of this process to demonstrate how you have considered and built in equality and future generations considerations wherever possible.**

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
1	SLT	07/01/21	

## Appendix 2

### Annual Salary for National Minimum Wage Rates vs National Living Wage Foundation (NLWF) Rate

		Hourly Rate	Annual Salary	Salary (+NI/SA)	Additional Cost of NLWF
2021-22 National Minimum Wage Rates	Apprenticeship Rate	£ 4.30	£ 8,295.95	£ 10,212.32	£ 12,349.78
	Under 18	£ 4.62	£ 8,913.32	£ 10,972.30	£ 11,589.79
	18-20	£ 6.56	£ 12,656.15	£ 15,579.72	£ 6,982.37
	21-22	£ 8.36	£ 16,128.87	£ 19,854.64	£ 2,707.45
	23+	£ 8.91	£ 17,189.98	£ 22,690.78	£ 1,502.53
	NLWF Rate (Under 25)	£ 9.50	£ 18,328.26	£ 22,562.09	-
NLWF Rate (25+)	£ 9.50	£ 18,328.26	£ 24,193.31	-	

### Estimate of Additional Costs for Current Apprentices

	Current Cost	NLWF Cost	Additional Cost of NLWF
<b>Local Authority Total</b>	£ 316,560.24	£ 419,167.41	£ 102,607.17
<i>- by directorate -</i>			
Social Care & Health	£ 122,764.68	£ 162,828.30	£ 40,063.62
Children and Young People	£ 119,643.45	£ 164,459.52	£ 44,816.06
Enterprise	£ 54,624.02	£ 67,686.28	£ 13,062.26
Resources	£ 19,528.09	£ 24,193.31	£ 4,665.22