

Division(s):

REMUNERATION COMMITTEE – 13th APRIL 2016

REVIEW OF INTERMEDIATE APPRENTICESHIP PAY

Report by Chief HR Officer

Introduction

1. This report reviews the current salary offered for entry-level Intermediate Apprenticeship roles. It describes some issues we have experienced with recruiting into apprentice roles in the past 12 months, and offers a salary comparison with rates paid by other local high quality employers. This report informs members of Remuneration Committee of the revised rate of pay the Council will offer for Intermediate Apprenticeships.

Current Situation

2. Oxfordshire County Council is strongly committed to offering Apprenticeships in our own workforce, as we have experienced first-hand the business benefits that apprentices bring, having recruited apprenticeships in a wide variety of roles since 2006. The Council currently employs Intermediate, Advanced, and Higher Apprenticeships.
3. The salary offered for Intermediate Apprenticeships at the Council is currently £7,365 per annum, or £3.83 per hour. The Apprentice Minimum Wage is currently £3.30 per hour.
4. The rate we pay for an Advanced Apprentice is Grade 3 (14,216 pa), which attracts good quality applicants, and is competitive. There is not a need to review this rate.
5. Higher Apprenticeship roles are not standardised, so these go through job evaluation to determine the appropriate grade.
6. We have been prompted to consider increasing the salary due to two recruitment experiences last summer:
 - (a) CEF Early Intervention Service attempted to recruit 7 apprentices, but despite advertising the vacancies 3 times, they attracted very few applicants and appointed only 1 apprentice of appropriate calibre.
 - (b) CEF Director's Office had a very low response rate for a different vacancy, with only 1 candidate coming for interview, which did not lead to a successful appointment.
7. As a consequence of this, managers in CEF have expressed concerns about whether they can attract applicants for roles at this level, so question whether an organisational structure including apprentices is viable.

8. It is important that the pay rate for our entry level apprenticeship roles reflect the trainee nature of the post, and ensures apprenticeships are an affordable option for services. However, there is little point in keeping the pay rate so low that we have difficulty attracting good quality applicants.
9. An additional consideration has been that central government are introducing a Public Sector Apprenticeship Target during 2016, subject to the outcome of a recent consultation by the Department for Business Innovation & Skills and the Department for Education. The proposed target is likely to be stretching, which reinforces the need to attract good candidates, in order to be able to appoint successfully for any apprenticeship vacancies created.
10. Since the Council introduced the Apprentice wage in 2011 (when the rate paid for Intermediate Apprenticeships was reduced from Grade 2), we have applied the 1% pay rise awards each year, but otherwise have not increased it. During this period, the National Apprentice Minimum Wage has risen from £2.60 per hour to £3.30 per hour (an increase of 27%).
11. Reviewing pay rates of other Oxford-based quality employers who we compete with for good applicants, it is clear that they pay considerably more than the Council for Intermediate roles. Some examples of higher pay rates recently advertised on the government's "Find an Apprenticeship" website are:
 - (a) University of Oxford - £15,659 pa
 - (b) Oxford City Council - £10,398 pa
 - (c) Henmans Freeth law firm - £10,010 pa
 - (d) BMW - £11,928 pa
 - (e) Oxford Bus Company - £13,156 pa

New salary for Intermediate Apprenticeships

12. The revised salary that the Council will offer for Intermediate Apprenticeships is £10,400 per annum. This equates to £200 per week, or £5.41 per hour.
13. We anticipate that this increased rate will attract a higher number of better quality applicants for our entry level roles. It is our intention to review the impact on application rates in 12 months, or after 5 Intermediate Apprenticeships have been advertised and appointed to, whichever is sooner.

Financial and Staff Implications

14. The decision will increase the pay of two existing Intermediate Apprentices currently employed by the Council, from 1st April 2016. Their line managers have confirmed that this does not create a budget pressure.

Equalities Implications

15. None

RECOMMENDATION

16. **The Remuneration Committee is RECOMMENDED to note the increased salary offered.**

STEVE MUNN
Chief HR Officer

Background papers: none

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