

	Employment Committee 17 September 2014	Agenda Item No. Additional Item
	Title	National Living Wage
For further information about this report please contact	Mike Snow 01926 456800	
Wards of the District directly affected	N/A	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	April 2014	
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality and Sustainability Impact Assessment Undertaken	Yes

Officer/Councillor Approval		
Officer Approval	Date	Name
Deputy Chief Executive	15/9/14	Andy Jones
Head of Service	15/9/14	Mike Snow
CMT		
Section 151 Officer	15/9/14	
Monitoring Officer	15/9/14	Andy Jones
Finance	15/9/14	Mike Snow
Portfolio Holder(s)	15/9/14	Andrew Mobbs
Consultation & Community Engagement		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. **SUMMARY**

- 1.1 The Employment Committee agreed in April that the National Living Wage should be applied for all employees aged 18 and over from 1 October 2014. This report proposes that the Council does not pay the National Living Wage to apprentices.

2. **RECOMMENDATION**

- 2.1 That the Council agrees that the National Living Wage does not apply to apprentices.

3. **REASONS FOR THE RECOMMENDATION**

- 3.1 The National Living Wage is currently £7.65. The National Minimum Wage from 1 October 2014 is:-

21 and over	£6.50
18 to 20	£5.13
Under 18	£3.79
Apprentice*	£2.73

*This rate is for apprentices aged 16 to 18 and those aged 19 or over who are in their first year. All other apprentices are entitled to the National Minimum Wage for their age.

- 3.2 Benefits Service appointed 2 apprentices over 2 years ago. Both of these apprentices went on to secure jobs within the service as Benefits Assessors. Following the success of these appointments, the service is now seeking to appoint 3 apprentices using one-off Governments Benefits Administration Grant.
- 3.3 In line with the rates agreed previously for the apprentices, it is proposed that the new apprentices will be employed at £170 per week, the equivalent of £4.59 per hour. It will be noted that this is above the National Minimum Wage for under 18s.
- 3.4 It will be noted from Section 5 below, that if the apprentices are to be paid the National Living Wage, there will not be sufficient funding to employ the three proposed apprentices.

4. **POLICY FRAMEWORK**

- 4.1 The Council's current policy is to pay salaries and wages in accordance with nationally agreed local government rates. The National Living Wage is outside of the current agreements, and is part of a local agreement.

5. **BUDGETARY FRAMEWORK**

- 5.1 The apprentices are proposed to be funded from one-off Benefits Administration Grant. At the rates proposed, the cost of the apprentices will be £40,000 for the full 18 months of the apprenticeship.
- 5.2 If the National Living Wage is to apply to these posts, the cost over the 18 months will double to over £80,000. This is well in excess of the funding

available which will mean that it will only be possible to fund one apprenticeship. This is not believed to be economic to pursue, given the additional support and training that is required for apprentices.

6. RISKS

- 6.1 Apprentices are proposed to be employed by the Benefits Section to ensure that there are suitably trained staff within the Section. With the proposed introduction of the Universal Credit, the Section is facing great uncertainty. Apprentices are one of several courses of action being undertaken to help to manage the service and the risks facing it with the introduction of the Universal Credit.
- 6.2 Work is currently on-going with WCC to ensure that the Payroll/HR system is ready to enable the National Living Wage to be paid for applicable staff from 1 October 2014.

7. ALTERNATIVE OPTION(S) CONSIDERED

- 7.1 Members may choose to introduce the National Living Wage for apprentices. Apart from being unaffordable, it may be argued that this goes against the spirit of apprenticeships, whereby the individuals should greatly gain from the employment and associated learning opportunities alongside the remuneration.