

EAST HERTS COUNCIL

EXECUTIVE – 19 JULY 2016

REPORT BY THE LEADER OF THE COUNCIL

APPRENTICES

WARD(S) AFFECTED: NONE

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**Purpose/Summary of Report**

- To request funding for the recruitment of up to 7 apprentices in 2016/17.

**RECOMMENDATIONS FOR THE EXECUTIVE: That:**

<b>(A)</b>	<b>the funding for apprentices is approved; and</b>
<b>(B)</b>	<b>the Council's apprenticeship rate is £4.00 per hour, increasing to £4.50 per hour in the second year.</b>

1.0 Background

- 1.1 The key priority for the Government is to deliver three million apprenticeships by 2020. The public sector is to lead by example and employ a significant proportion to ensure a skilled workforce for the future.
- 1.2 The apprenticeship levy will be in place from April 2017 to help fund the growth and quality of apprenticeship training and staff development. The levy will be set at 0.5% of any employers pay bill which will be collected from HMRC monthly. Based on the council's 2014/15 pay bill, 12 million, East Herts estimated levy payment would be £60,000.
- 1.3 From April 2017 the council's target will be 7 apprentices per year based on the FTE. Apprenticeships are to be seen as employment and will not be ring-fenced for a particular group to ensure that employees are employed from a diverse range of backgrounds.

## 2.0 Report

- 2.1 The Leadership Team agreed in June 2016 to set up an apprenticeship programme in 2016. The apprenticeship levy comes into effect in April 2017; therefore for 2016 the current funded apprenticeships programmes would be relevant.
- 2.2 Until April 2017 young people aged 16 - 18 are funded for apprenticeships. Apprentices are funded for college fees only. As the council has over 50 employees the council would not be entitled to any additional funds or grants.
- 2.3 The average starting salary for apprentices advertised on the gov.uk website is estimated at £4.25 per hour. The £4 - £4.50 per hour was suggested at the EELGA conference as East Herts is outside of London.
- 2.4 The estimated salary costs for £4.00 and £4.50 per hour:

Year	Hourly Rate	Annual Salary	Pension/NI costs
One	£4.00	£7,800	£2,000*
Two	£3.50	£8,700	£2,280*

\*If the young person decided to join the pension scheme

The National Insurance threshold is £8,112, the pension element could increase the cost.

- 2.5 If funding was approved, East Herts would aim to recruit 7 apprentices within the following services that have expressed an interest in taking an apprentice:

- Revenues and Benefits Shared Service
- HR & Organisational Development
- Communications, Strategy and Policy
- Planning and Building Control
- Strategic Finance and Property

The apprentices will be managed and supported centrally within the HR and Organisational Development Service.

2.6 The funding for 7 apprentices in year one would be £54,600 with a potential additional cost of £14,000 if they all joined the pension scheme. The posts would be funded from the reserves.

### 3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

### Background Papers

None

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