

BRISTOL CITY COUNCIL

HUMAN RESOURCES COMMITTEE

For Resolution

21st JANUARY 2010

Report of: Service Director: Strategic HR & Workforce Strategy

Title: Apprentices Travel Expenses

Officer Presenting Report: Liz Jones/Sally Ansell (HR Adviser,
Employee Initiatives)

Contact Telephone Number: 0117 92 22776/24885

RECOMMENDATION

To agree to the recommendation that:-

- the Council pays for the travel costs for apprentices who earn below the minimum wage
- this proposal is effective from 1st February 2010

Summary

Apprenticeships are work-based training programmes that consist of:

- An NVQ at Level 2 or Level 3
- Key skills, for example, literacy, communication, application of number (numeracy), information and communication technology (ICT), or teamwork
- A technical certificate, which provides the underpinning knowledge required
- Other qualifications or requirements as specified by the particular occupation

- Although apprentices were traditionally for 16 -18 years old they are now available to anyone over 16
- Apprentices aged over 19 (and only in the second year of their apprenticeship) do qualify for the national minimum wage.

The significant issues in the report are:

1. Bristol City Council successfully launched the Bristol Apprentices Programme in September 2009, with 35 high level apprentices engaged with a further 20 to commence with BCC on January 11th 2010. There will continue to be a rolling programme to encourage young people into the ageing workforce of Bristol City Council. The apprentices are not covered by the NJC Green Book Terms and Conditions.
2. A recent report was agreed by HR Committee regarding the payment of additional travel costs of the lowest paid employees in Bristol City Council and also the introduction of a salary sacrifice scheme.
3. It was recognised that this report did not go far enough in supporting the new apprentices who earn a training allowance, which allows them to earn while they learn, but is well below the minimum wage in line with the government apprenticeship scheme.
4. At a recent meeting of the Young Employee Voice, a self-organised Group, a number of the new apprentices voiced their concerns at the costs of their travel against their income, and asked if the Council could assist them with these high costs.
5. It was agreed that the Officer with responsibility for the Apprenticeship Programme would take the request to the Directors to ensure it could be covered financially and then seek approval of the HR Committee.
6. Costs of Travel within Bristol are reported to be some of the highest in the country, and therefore it would be reasonable to help the apprentices who are working below the minimum wage on a Training Allowance with those costs.
7. If an Apprentice is aged over 19 and in the second year of their apprenticeship they would then go on the minimum wage and no longer qualify for assistance with travel costs.
8. Travel costs will be reimbursed for the actual costs incurred through the

payroll system upon receipt on a monthly basis by the departments each of the apprentices works for.

9. Mileage will be paid at the rate agreed within the Travel Policy until the apprentice earns the minimum wage. Parking should not be paid unless a car is required for work purposed, in line with Council practice.

10. First Bus are responding positively to the suggestion that Bristol Apprentices be given reduced travel rates providing some clear form of identification is agreed. It is unclear at this stage if it applies to all apprentices in Bristol or just those of the Council and further clarification is being sought. This will help keep down the costs of assistance at such a difficult time for the budget. Copy of letter at Appendix A.

11. Currently 23 out of a possible 35 apprentices have responded to claim their transport costs, so this could increase if there are any further claims. The total cost for funding these travel expenses amounts to around £1000 additional spend per month, or £60 per department per apprentice.

12. The costs for Travel will increase in January 2010 when an additional 20 Apprentices join the Council.

13. It is proposed that the employing departments will pay the additional travel costs, rather than the Employee Initiatives Team trying to find the additional money from the Recession Action Plan budget which is allocated.

1. Policy

- 1.1 The Travel Policy is intended to assist the lowest paid employees within the Council with additional travel costs. The Apprentices are not covered by the Green Book Terms and Conditions, and therefore this policy does not cover them.
- 1.2 The Travel Policy does not deal with Apprentices as they do not earn enough to pay Tax, and the Travel Policy is aimed at employees who pay tax, via the Salary Sacrifice scheme.
- 1.3 It is requested that a special dispensation for Apprentices on the Bristol Apprenticeship Programme is made to assist them with Travel Costs whilst they are earning below the minimum wage.
- 1.4 The cost of travel will only be reimbursed to those apprentices who are either in their first year of the apprenticeship and 19 or over

OR

Under the legal age for the minimum wage to apply, 16-18.

2. Consultation

2.1 Internal

The Apprentices
DCX
Strategic Director – Transformation
Head of Workforce Strategy

2.2 External

Not applicable.

3. Context

As set out below.

4. Proposal

4.1 You are asked to agree to the recommendations in this report.

5. Other Options Considered

5.1 To do nothing.

5.2 To pay up to a maximum set each month to all apprentices, however this would be classified as a taxable benefit by the Inland Revenue.

6. Risk Assessment

6.1 More apprenticeship opportunities are available in the city and many organisations offer more money than the minimum of £95 per week in the first year, and so we are at risk of losing out on the best apprentices who will go where they are receiving more money and benefits.

7. Equalities Impact Assessment

7.1 Not applicable.

Legal and Resource Implications

Legal

There are no direct legal implications arising from this Report. It is advisable that the Apprentices are provided with clear written guidance on the application of the recommendations in this Report, in particular in relation to what will be classed as reasonable travel costs and when the application of the policy will come to an end.

Advice from Husinara Jones for Head of Legal Services

Financial

(a) Revenue:

It is estimated that the travel costs will be around £60 per eligible Apprentice per month. Not all apprentices are eligible as set out in section 1.4 and not all apprentices will claim. These costs will be funded by the employing departments from within existing budgets.

(b) Capital:

Not applicable.

Advice from Stephen Skinner, Finance Business Partner Resources, Transformation and Deputy Chief Executive

Land

Not applicable.

Personnel

As set out in the report.

Appendices

Appendix A - Letter to First Group

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 Background Papers:

None

Ref: JD/pas

3 December 2009

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Dear Cllr Janke

Fares - Apprentices

Thank you very much for coming to the Stakeholder event held by Moir Lockheed in the last week.

One of the items you particularly raised was the fare levels on local bus services paid by apprentices. We are currently considering a number of fares initiatives within the City and surrounding areas and there is a possibility that within that package we may be able to provide some assistance for those who are on apprentice schemes.

Rather than generate a completely new ticket type, the easiest way to access a reduced fare would be by an apprentice using an easily recognised piece of personal identification to enable them to access a special bus price. In order to progress a proposal, I wonder if you are able to advise if apprentices do have special identification cards, or are in possession of any other item of identification, which would enable their status to be identified to a driver and access to a special fare be given.

If you are able to revert to us on this item at an early date, this would be advantageous in us taking the fares project forward to maximum advantage for the local community.

Contd.

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Thank you once again for attending the meeting with Moir Lockhead and I look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Justin Davies', written over a horizontal line.

Justin Davies
Managing Director

cc. Chief Executive