

### **3.7 Deputy H.L. Jeune of St. John, St. Lawrence and Trinity of the Minister for Social Security regarding exclusions for trainees or apprenticeships in the living wage (OQ.81/2025):**

Further to the Minister's work to introduce the living wage, will she explain the decision to exclude specific provisions for trainees or apprenticeships, and advise whether the potential for businesses to be reluctant to hire inexperienced young people undertaking training was considered when making the decision, and if not, why not?

#### **Deputy L.V. Feltham of St. Helier Central (The Minister for Social Security):**

The minimum wage and the trainee wage were harmonised as the result of a States Assembly decision in 2023 because of a proposition brought to the Assembly by Deputy Andrews. When taking decisions around the minimum wage and also the Better Business Support Package, the reluctance for businesses to hire inexperienced young people undertaking training was considered.

##### **3.7.1 Deputy H.L. Jeune:**

The Living Wage Foundation excludes apprentices in terms of under-18s from their living wage criteria. Could the Minister advise why she is doing something different and what is the evidence she has to ensure this is not detrimental to young people?

#### **Deputy L.V. Feltham:**

The States Assembly took the decision to do something different in 2023, as I indicated, arising from a proposition that was brought to the Assembly. Subsequent to that, the Employment Forum did undertake consultation and I have taken on board advice and evidence that have been given by organisations such as Skills Jersey and the Jersey Employment Trust. What became apparent is that by the provision of just a trainee wage, that was not meeting the skills gaps that were required on-Island. That piece of work, as evidenced earlier by the Minister for Education and Lifelong Learning, better sits within that department to ensure that we are working on the provision of providing proper training that delivers on skills gaps that we need. It should not be the purpose of a trainee wage to ensure that businesses can access cheap labour and, as it was set previously, that was indeed a risk.

##### **3.7.2 Deputy J. Renouf:**

I thank the Minister for those answers. I think what I would be interested to hear is whether the Minister is prepared to consider bringing changes to the proposition that was passed by the Assembly in 2023, that it is indeed the case that she is following that, but does she consider that there have been unintended consequences which mean that it was worth revisiting that decision?

#### **Deputy L.V. Feltham:**

I have seen no evidence to suggest that there have been unintended consequences arising from that decision. I do firmly believe that if we are to encourage traineeships and apprenticeships that reducing the wage is not the way to do it. It was not targeted and it was open to abuse. We are much better providing targeted incentives for employers for proper training and apprenticeships. We are of course providing a payment of £2,000 per apprentice per year to support employers through the Better Business Support Package.

[10:30]

As the Minister for Education and Lifelong Learning indicated earlier, there is a lot of work being undertaken by his department and Skills Jersey to ensure that traineeships are available.

##### **3.7.3 Deputy J. Renouf:**

I accept that this is a very delicate balance but it does seem to be considerable pushback on the question of particularly young people working in holiday jobs being caught up in this. I wonder whether the Minister has considered that area as one where there could be some flexibility.

**Deputy L.V. Feltham:**

You mentioned what day it was earlier, Sir. It did not take me long to get reminded this morning when I opened up the *J.E.P. (Jersey Evening Post)* because they seemed to have surpassed themselves today with their April Fools' joke and unfortunately perhaps the Deputy has fallen for it. It is not the purpose of the trainee wage to enable young people to be employed for less money, and I do have to correct some inaccuracies in today's paper. Fourteen and 15 year-olds are not subject to the minimum wage. The Employment Law quite clearly states that the minimum wage starts after school-leaving age at the age of 16. Also, it is not within the employment legislation that people have to be paid double time on bank holidays. It was never the intention of the trainee rate to be used to supply businesses with cheap, young labour. I want to make that absolutely clear. So, no, I am not concerned around young people and their ability to get holiday work. That was never the intention of the trainee work and everybody deserves an equal day's pay for an equal day's work.

**3.7.4 Deputy P.F.C. Ozouf:**

While it is perhaps unfortunate that it is 1st April, this is no joke. While the Minister says that she has taken soundings from the Employment Forum and other places in response to the earlier question that she does not think there is anything to do, now that we are seeing the first step up into the two-thirds median, will she be committing to keeping a very close eye on the labour market because what people thought might happen might not be the case when it is going to happen. Would she agree that it is going to be the evidence of her policies that is going to be important and she needs to review what is going on backwards from 3 months and at 6 months, not just what in theory could happen?

**Deputy L.V. Feltham:**

Yes, of course. I will be keeping an extremely close eye on the labour market; that is my job.

**3.7.5 Deputy P.F.C. Ozouf:**

She says it is her job, and I agree, but it is all Ministers' jobs. Is she not aware of the concern that this question arises, that there is real concern about the implications about businesses and other business in various different sectors about the government's policy on the living wage? Does she have no worries about the concerns of businesses being unable to get labour?

**Deputy L.V. Feltham:**

We have a very buoyant labour market at the moment, I am not concerned about businesses not being able to get labour. I did consider the concerns that were raised, which is why we have taken a much more slow and measured approach to introduce it or working towards the living wage. I remind the Assembly, we are not yet at the stage where our minimum wage is equal to a living wage. We will not be there next year. We are taking a very, very measured approach to this.

**3.7.6 Deputy H.L. Jeune:**

Could the Minister commit to reviewing the impact of the living wage on apprenticeships, trainees and especially under-18 year-olds after implementation and, if necessary, supporting adjusting the policies to support businesses and young people if it does negatively affect them?

**Deputy L.V. Feltham:**

As I said previously, I believe that that is firmly an area that sits within the remit of the Minister for Education and Lifelong Learning. If the Minister for Education and Lifelong Learning comes to me with advice that I need to take action as Minister for Social Security to support traineeships and apprenticeships, then I will indeed take that advice.