

Allocation and Implementation of the Apprentice Levy - Schools

The apprenticeship levy came into force from 6 April 2017 and is a levy on UK employers with a paybill over £3 million each year to fund the costs of apprenticeship training and assessment. The levy is set at 0.5% of an employer's paybill which is then topped up by an additional 10% by the Government.

The Council holds an apprenticeship levy of approximately £252,000 per annum based on the pay bill for our 44 voluntary controlled and community maintained schools. To manage this, schools have currently been allocated a sum from the levy based on the following approach:

- 0.55% of the payroll total for each relevant (community and voluntary controlled school) this is 0.5% plus 10% government top up

Following on from our attendance at the January Heads Forum, we have reviewed the current levy position and as of April 2018, for schools we are projecting a committed spend of approximately £89,000 leaving a balance of £163,000. Levy funds are paid monthly by the government and will expire after 24 months if unspent, it is essential to start accelerating the expenditure of these funds in advance of them expiring.

Since the last meeting, the Organisational Delivery and Development Team have provided schools with relevant literature offering guidance and support on how to utilise levy allocations for schools. Other actions that have been taken to improve communication and support around the levy include:

- Contacted each school to identify a point of contact for apprenticeships, this was to ensure all relevant communications including updates around the levy and new apprenticeship standards becoming available.
- Email communications sent out in January and April specifically targeted at providing information around the apprenticeship levy and the support available to encourage utilisation of funds. Documentation attached to these emails included A-Z list of all available apprenticeship standards, list of apprenticeship standards specifically used in a school setting and FAQ guidance around apprenticeships.
- Attendance at a number of meetings including cluster groups and business manager's network.
- Individual meetings with a number of Head teachers.

The take up of levy spend has still continues to be lower than expected by schools, we have reviewed the approach and **in response the funding will now be pooled and offered to schools on a first come first served basis**. Schools are now asked to submit a short business case setting out what need or gap an apprentice will address within the schools workforce and a prioritised list of framework, quantity and cost of apprenticeships. The first bid window will be open until 25 June. At this point we will review all applications and allocate funding on the following basis:

1. If the total cost of bids is less than the levy pot all funding will be allocated.
2. If the total cost of bids is greater than the total levy pot, they will be allocated in priority order i.e. all first priority apprenticeships will be awarded, then the second etc. until the pot is allocated.

Once we have allocated funding using the above methodology, we will use the summer holiday period to procure the frameworks ready for schools when they return in the Autumn term. If after this bid window there is levy remaining, we will open another bid window in September.

We have found that for a lot of our smaller primary schools their share of the levy allocation is often too small to fund training, by pooling funds this offers a solution and also ensures that the levy funding is being spent.

Please note where you have an apprentice in post that started before April 2017, the funding of this standard will not come from your levy for 2017/18.

Key Points

- An apprenticeship is a genuine paid job with an accompanying training programme known as a standard or framework.
- Standards last a minimum of 1 year up to a maximum 4 years and range from Level 2 (GCSE equivalent) to Level 4+ (degree equivalent).
- You can only use the levy to pay for apprenticeship training and assessment for apprentices that work at least 50% of the time in England.
- Salaries for apprentices will be funded by Schools. An officer following an apprentice standard must be paid at least the minimum rate for an apprentice. Schools will have to consider the level of the pay offered to ensure that they attract candidates of the required calibre/education level.
- Apprenticeships last a minimum of 12 months and involve at least 20% off-the-job training. This 20% off-the-job training requirement is measured over the course of apprenticeship. The off-the-job training is an essential part of an apprenticeship and should take place during employed time but must not be delivered as part of their normal working duties.
- The apprenticeship levy can be used to “upskill” existing staff as long as the apprenticeship is relevant to their role and the most appropriate way of developing the employee.
- Where the apprenticeship is to upskill an existing post-holder, we will require named staff to complete a short form so that we can ensure that they have the necessary qualifications to commence the training (providers will look for this evidence) and ensure that we have the required information to secure Skills Funding Agency monies.

For further information around using the levy funding to either recruit to an apprenticeship post or to upskill existing post-holders within your school please contact Calum O’Sullivan Ext 80073 or Calum.O’Sullivan@telford.gov.uk