

Schools Forum Report

2 May 2017

Apprenticeship Levy Proposals

Introduction

1. The Government has made a commitment to deliver 3 million apprenticeships by 2020 and is introducing an apprenticeship levy, new apprenticeship standards and public sector apprenticeship targets from April 2017. An initial report was presented to the Schools Forum regarding the levy payment on 13th December 2016.
2. The levy will be payable by Employers with pay bills over £3 million at a rate of 0.5% of the pay bill. The Government has confirmed that community and voluntary controlled maintained schools' pay bills will be included in the calculation of the levy payable by the Council. In addition the Government has confirmed that the public sector apprenticeship target for the Council will be based on 2.3 % of headcount, including the headcount of community and voluntary controlled maintained schools. This therefore will apply to your school.
3. The DfE has produced a guidance document on the new apprenticeship reforms for schools, which provides detailed and useful information on the changes and impact on Schools. This can be downloaded from the link below:
<http://amazingapprenticeships.com/resources/apprenticeship-levy-and-public-sector-duty-briefing-for-schools-and-education-stakeholders/>
4. In December 2016, the Schools Forum agreed that individual school budgets would be responsible for paying their proportion of the levy. The cost of your school's contribution to the levy will be based on a calculation of 0.5 % of your school's total pay bill and I understand that this has been incorporated when setting your individual school budgets for 2017/18. For further information regarding this, please contact your Finance Advisor.
5. It is estimated that community and voluntary controlled maintained schools' will collectively pay into the levy approximately £170,000 a year (based on March 2017 payroll). It has been agreed that the schools element of the levy in the Council's apprenticeship account will be ring fenced for schools apprenticeship training and that the School Forum would decide how best to spend the levy. As the Local Authority, we will support schools with the allocation of the levy funds to training providers and set out a clear process so that the levy funding is effectively managed.
6. The levy payments are paid on a monthly basis into a digital account which will be centrally managed by the Council's Human Resources and Finance Departments. Employers have 24 months to spend levy payments.

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This report outlines the proposals as to how Schools could spend their proportion of the levy, and the mechanism for allocating funds to Schools for apprenticeship training.

Background

7. Apprenticeships are a great way for Schools to improve the skills base of their employees. They are a way to both recruit new staff and to re-train or up skill existing

staff of all ages and levels of experience in a wide variety of roles.

8. The levy can be used to fund training and assessment for new apprenticeships and also to up-skill existing staff. Any School wishing to take on a new apprentice will need to ensure they have sufficient budget for salary costs as well as approval to access Levy funds for training costs (see below).

The levy cannot be used towards any training which started prior to 1 May 2017, but anyone already undertaking an apprenticeship can continue under the existing funding arrangements.

9. The following rules for any apprenticeship will also need to be complied with:
 - The apprentice must be employed in a 'real' job;
 - The apprentice must work towards achieving an approved apprenticeship standard/framework;
 - The apprenticeship training must last at least 12 months;
 - The apprentice must spend at least 20% of their time on off-the-job training
 - The individual must gain a higher or different area of training/qualification than they already have;
 - There should be a "genuine" job opportunity available on completion of the apprenticeship.

10. Schools employ staff in a wide range of roles that align with apprenticeship training. A range of apprenticeships relevant to schools are either already available or are under development. Existing apprenticeship opportunities available and are delivered by the Council's Learning & Skills Service include:

- **Business Administration (Level 2 qualification)**
Levy Cost - £2,000
Duration – 12 months
- **Business Administration (Level 3 qualification)**
Levy Cost - £2,500
Duration – 12 months
- **Business Administration (Level 4 qualification)**
Levy Cost - £4,000
Duration – 12 months
- **Teaching Assistant (Level 2 qualification)**
Levy Cost - £2,000
Duration – 12 months
- **Teaching Assistant (Level 3 qualification)**
Levy Cost - £2,500
Duration – 12 months

Apprenticeship standards which are currently under development specifically for Schools include:

- **Teaching Apprenticeship** - this will replicate the same high standards for entry and completion as those required of all Initial Teacher Training programmes. It is hoped that this will be available for September 2018 start dates. Cost and duration of training to be determined
- **School Business Manager Apprenticeship** – to create a new career structure within school business management. Cost and duration of training to be determined

11. For each Employee (new and existing) who accesses apprenticeship training, a training contract will need to be drawn up between the Council/School and the Training

Provider. Human Resources are able to facilitate this, along with ensuring that appropriate apprenticeship contracts of employment are in place for Employees.

12. All apprenticeship training for new and existing staff will be administered by Human Resources so that:

- appropriate training contracts are put in place with the training provider,
- procurement rules are followed where appropriate
- the Levy funds can be allocated through the Apprenticeship account to the training provider.
- a central record can be maintained of all apprenticeship training that counts towards the public sector targets.

The initial contact in Human Resources for apprenticeship training will be:

Liz Purdy – Corporate HR Team Manager.

Telephone: 01642 528884. Email: liz.purdy@stockton.gov.uk

Proposals

13. The Schools Forum are asked to give consideration to how the ring-fenced Levy funds will be allocated to schools – estimated to be £170,000 p.a. based on current School numbers and payroll figures.

Two options are put forward for consideration and outlined below, with the recommendation to agree to implement Option 1.

14. Option 1 – Schools request Levy funding and approval to be given by a Panel on a termly basis

Schools would submit a request to Human Resources (on a standard request form – to be developed) outlining

- The Apprenticeship training requested (i.e. Teaching Assistant)
- If it is for New and/or Existing staff
- How many apprenticeships it is for
- When they wish the apprenticeship to start (linked to start of next School Term)
- Confirmation that budget for salary costs would be available
- The business case for an apprenticeship within the School
- That there is a “genuine” job opportunity available on completion of the apprenticeship

Human Resources would then detail on the form:

- The cost of Apprenticeship training – to be deducted from Levy
- The duration of the Apprenticeship
- Training provider
- Approximate amount paid by the school into the levy per annum
- If levy funding is available for the apprenticeship from the overall contribution made by Schools.

The form would then be submitted to a Panel which could comprise of the Assistant Director of Schools & SEN (Diane McConnell), Finance, HR, and representatives from Schools. This could be defined by the Schools Forum. It is suggested that applications are considered termly, to allow recruitment / appointments to be made for the start of the following term. A timeframe would be drawn up for this process. Applications approved

by the Panel would then be ratified by the Schools Forum. Human Resources would then liaise with the School regarding recruitment and next steps.

This option would allow smaller schools who pay a small proportion of levy to access and benefit from an apprenticeship position. It should be noted that some Schools due to their total paybill will pay less than £2,000 p.a. into the levy, which would therefore not fund any apprenticeship.

The Panel and the Schools Forum could ensure that the Levy funds are allocated to Schools where there is a greater need for additional support and to where Schools have available budget to fund salary costs (if applicable). They would also be able to have oversight of the overall use of apprenticeships within Schools and their contribution towards the Public Sector target.

15. Option 2 – Each Schools is permitted to access their proportion of the levy.

With this option, Schools would contact Human Resources directly to discuss any apprenticeship requirements they have, and an assessment would be made by Human Resources and Finance as to whether the amount the School pays into the Levy would be sufficient to grant them access to the required training. It would not require approval from the Schools Forum, or take into consideration any unused Levy funding by other Schools.

As stated above, some smaller Schools would not pay into the levy enough to cover the cost of an apprenticeship in year 1. Other schools may choose not to take on any apprenticeships and therefore their levy funds would be unused, and could be lost if not used within 24 months.

16. Consideration could also be given to Schools sharing apprenticeship positions and the associated salary costs. This might be something which smaller schools wish to consider to be able to make use of the levy.

Recommendations

17. That the Forum notes the contents of this report and agrees to Option 1 of the proposals as to how the school element of the levy should be allocated.

Yours sincerely

Anne Rix
HR Business Manager