

**Report to:** Schools Forum

**Date of Meeting(s):** 2 November 2017

**Subject:** Apprenticeship Levy - Schools

**Report of:** Matthew Stockwell (Business Manager – Apprenticeships)/Vicki Lowe (HR Business Manager – Schools, Resources & Digital)

**Contact Officer:** As above

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**Summary:** To update Schools Forum on the Apprenticeship Levy and process for accessing Levy funds

**Recommendation(s):** For Schools Forum to note the contents of the report

Consider recommendation to appoint members to an Apprenticeship Levy Steering Group to develop a strategic plan for the allocation of Council Levy Funds, to be in place from September 2018.

**Implications:**

*What are the **financial** implications?* Varies depending on situation but many will be required to pay 0.5% of paybill into the apprenticeship levy account.

*What are the **staffing** implications?* None.

**Risks:** None.

## **1. Introduction**

- 1.1 In April 2017, the Government introduced an Apprenticeship Levy which is a levy on UK employers to fund new apprenticeships. These changes on how apprenticeships are funded give employers more ownership and control of apprenticeship funding and qualifications. The change of funding means that if a school has a pay bill of £3 million then it must pay the Government a levy payment of 0.5% of their pay bill. This also applies to schools that do not hit this threshold but fall under the Local Authority. Further guidance can be found at <https://www.local.gov.uk/apprenticeship-levy-and-maintained-schools>. Those schools under the Council's levy have been contacted with specific levy contributions for 17/18 based on the estimated pay amount. Further details will follow relating to the recharging process for this.
- 1.2 Wigan Council now has an Apprenticeship Team in place to support those schools that are classed as 'levy payers' under the Council's Levy. The team forms part of the Council's Human Resources and Organisational Development Service and provide a wide range of services, advice and support to meet the needs of schools that are in scope and are either looking to recruit an apprentice or upskill an existing employee. This includes everything from identifying the most appropriate apprenticeship programme, recruitment support, choosing a training provider and the contractual and financial requirements that are required as a levy-payer.
- 1.3 The purpose of this report is to outline the proposed process for the allocation of funds from the Council's Levy pot, and procurement of a training provider for the delivery of the apprenticeship training programme. The process outlined will be developed over the forthcoming 12 months, with a view to developing a more strategic approach to the allocation of funds, to ensure this best meets the needs of schools across the borough.

## **2 How Levy Funds Can be Used**

A school paying the levy can use what they pay into the levy to spend on apprenticeship training for both new apprentices and existing employees wishing to upskill and gain a qualification through the apprenticeship training route. The levy cannot be used to pay the salary of an apprentice or any other associated costs other than training and assessment. Levy funds not used within a 2 year period will be lost and therefore need to be utilised.

### **3 Your Schools Levy Contribution**

The apprenticeship levy applies to all employers in the UK. The contribution you make is charged at a rate of 0.5% of your annual pay bill. All employers have an annual levy allowance of £15,000. This is not a cash payment and can only be used to offset against levy liability. This effectively means that only employers with an annual pay bill over £3m will pay the levy. If the employer of the staff in your school is a local authority; a governing body which controls more than one school; or a multi-academy trust with an annual paybill of more than £3 million, you may contribute to the levy through them. The annual levy allowance of £15,000 will apply to the overall employer.

For those schools that fall under the Local Authority's levy, there may be a scenario where a school may not contribute enough individually through the levy to fund a particular programme (or programmes) of learning. In these circumstances, the LA will consider (at this time) applications from those schools who will exceed levy contributions and will make a decision on whether additional funds will be granted, depending upon needs from across Wigan schools. Schools will need to bear in mind the 2 year lifespan / time limit on the use of levy funds. Levy-payers under the LA will need to utilise these funds in advance of the 2 year deadline or face losing the contribution made.

Those local schools with their own levy pots (or contribute elsewhere than to the LA) would be expected to manage these funds themselves. Schools that are classed as non-levy payers would also need to deal with apprenticeship recruitment or staff up-skilling through an apprenticeship themselves, using the co-funding model.

### **4 Assessing the Current Needs of Council Levy Paying Schools**

The Apprenticeship Team circulated some guidance and a survey to those schools who contribute to the LA's apprenticeship levy on 12 October 2017. These communications are intended to provide more information about the levy (including the specifics for each school) and the support available from the team. The survey is intended to establish a snapshot of potential demand and then provide the necessary support and guidance to plan and allocate funds to meet these needs over the academic year.

## **5 Developing a Strategic Plan for the Allocation of Apprenticeship Levy Funds**

It is our intention to use the results of the current survey to influence future plans regarding utilisation of the apprenticeship levy in local schools. We intend to work with school leaders and LA education colleagues to develop a strategic plan that will influence the future allocation of funds. The plan will be influenced by school demand, feedback from OFSTED inspections, school improvement data and other sources. We see there being significant opportunities to meet strategic demand in a collaborative way, such as developing a cohort approach to provision in specific areas which will create a more consistent approach to delivery across the borough and other benefits such as peer support.

## **6 Procuring an Apprenticeship Programme**

Recent communications (email; guidance document and survey) were disseminated by the Apprenticeship Team on 12 October 2017 to all schools that are in scope for Wigan Council's apprenticeship levy. This includes details on the procurement of training, which would involve the Apprenticeship Team identifying a preferred supplier from their small list of approved apprenticeship training providers. The team would support the school with all aspects of this process including recruitment where necessary, to the point where the funding for the training is approved from the Digital Apprenticeship Service account. The Apprenticeship Team will also carry out ongoing quality and compliance checks and evaluation to ensure that the training provision delivered is of a high standard and acceptable to the employer and learner.

From January 2018 (assuming no further delays) we will see the introduction of a Greater Manchester Dynamic Purchasing System (DPS) which will replace the current interim approved supplier list used by Wigan Council's Apprenticeship Team. Once live, this will become the standard approach to the procurement of apprenticeship training for Wigan Council and those schools that fall under the Council's levy. Training providers that do not secure a place on the DPS will not be considered for the delivery of apprenticeship provision.

Although those schools under the Council's levy must liaise with the Apprenticeship Team to progress with the procurement of an apprenticeship programme, those with their own levy funds or non-levy paying schools are free to progress with this agenda

individually. The Apprenticeship Team cannot provide the same in-depth support to these schools but can offer some guidance where required and should there be a need could look to run some workshops for levy-paying and non-levy paying schools who are out of scope to the local authority.

## **7 20% Off the Job Training Requirement**

As part of the apprenticeship reforms, one of the requirements set by Ofsted, is that learners recruited after 1st May 2017, whether recruited into an apprenticeship position or existing members of staff undertaking an apprenticeship as part of their professional development, must undertake a mandatory amount of 'off the job' training, equating to 20 % of the whole programme.

Off-the-job training (OTJT), as defined in ESFA funding rules, is learning which is undertaken outside of the normal day to-day working duties and leads towards the achievement of an apprenticeship. This can include training that is delivered at the apprentice's normal place of work but **must not be delivered as part of their normal working duties.**

The off-the-job training must be directly relevant to the apprenticeship framework or standard and could include:

- The teaching of theory (for example: lectures, role playing, simulation exercises, online learning or manufacturer training)
- Practical training: shadowing, mentoring, industry visits and attendance at competitions
- Learning support and time spent writing assessments/assignments.

It is up to the employer and provider to agree on the best way to deliver OTJT. This could be a proportion of every day; one day a week throughout; one week out of every five; or a block at the beginning, middle or end of the programme. However it is delivered, the apprentice must receive off-the-job training for a minimum of 20% of the time that they are paid to work.

Schools must give careful consideration to this requirement in the same way that other employers need to. When considering the recruitment of an apprentice, this will need

to be factored in and the subsequent implications on resources. Equally, the same applies to existing staff that are up-skilled through an apprenticeship.

The Apprenticeship Team are working with their approved apprenticeship training providers to consider ways of most effectively meeting this need whilst reducing or limiting the impact on staff resources within the school. We would expect that the approach to the 20% OTJT suggested by a training provider will form a key part of the decision making process for procuring a training provider.

The Apprenticeship Team have produced a guide to the 20% Off The Job Training which can be shared with schools in the borough on request.

## **8 Academies**

Academies will be classed as levy payers in their own right assuming they meet the £3m paybill threshold. Academies within the borough, alongside larger schools with a paybill over £3m who fall out of scope to the Local Authority will contribute to their own apprenticeship levy on a monthly basis (via PAYE). These schools will need to procure their own apprenticeship training provision and pay for this through their Digital Apprenticeship Service (DAS) account – which will need to be set up. As stated above, the Apprenticeship Team are willing to run some workshops to guide local schools through this process, should there be a demand.

## **9 Non Levy Paying Schools**

Non-levy paying schools are those which do not form part of the local authority; are not part of a MAT or other type of consortium and have a paybill under the £3m threshold. Those schools that fall into this category would be expected to procure their own apprenticeship training provision and fund 10% of the cost of the overall training (the other 90% funded by the Government). As with levy-paying schools in their own right, the Apprenticeship Team are willing to run some workshops to guide local schools through this process, should there be a demand.

## 10 Next Steps

- 10.1 All Council Levy paying schools are encouraged to complete the Apprenticeship Levy survey by the deadline of 17 November 2017 – this was sent to schools on 12 October 2017.
- 10.2 The Apprenticeship Team will then collate responses and contact schools to discuss their apprenticeship needs, and allocation of funds.
- 10.3 Recommendation to appoint members to a Working Group to develop a strategic plan for the allocation of Levy Funds, to be in place from September 2018. The Working Group will ideally have representation from all sectors of the Council Levy paying schools e.g. primary, secondary, special schools, nursery/early years.
- 10.4 Levy (non-Council) and non-levy paying schools asked to express an interest in attending a guidance workshop with the local authority's Apprenticeship Team by emailing [apprenticeships@wigan.gov.uk](mailto:apprenticeships@wigan.gov.uk) by 17 November 2017.