

Schools Forum			
REPORT TITLE	The Apprenticeship Levy and Public Sector Targets		
KEY DECISION		Item No.	6
CLASS		Date	5 October 2017

1. Purpose of the Report

To update the Forum on the use of the Apprenticeship Levy funds and to report on the progress of schools to meet the Public Sector Targets for Apprenticeships.

2. Background

The Forum are reminded of the following: -

- 2.1 The Government has committed to creating 3 million new apprenticeships in this Parliament, (2015-2020), with 2 primary measures to achieve this ambition. The 2 measures are: -
- The Apprenticeship Levy
 - The Enterprise Act 2016 which introduces apprenticeship targets for public sector organisations including schools.
- 2.2 *Apprenticeship Levy:* Employers with a UK pay bill of over £3m from both private and public sectors will be required to pay 0.5% of that into a levy. The levy payment will be ring fenced in a digital account held by government and can be used to purchase apprenticeship training.

The Enterprise Act 2016: The Enterprise Act came into force on 4th May 2016. It introduced a range of changes to employment law including the introduction of apprenticeship targets for public sector organisations in England. The targets will be set by future regulation but, in principle, will apply only to those bodies with 250 or more employees. The Act also introduced a statutory definition of 'apprenticeship' in England to help set minimum standards. In future it will be an offence to label any training as an 'apprenticeship' unless it satisfies the statutory requirements and forms part of an individual's employment.

3. What has it meant for Lewisham Schools?

- 3.1 In the first six months of the year, Lewisham Schools, both community and voluntary aided who use the Council's payroll have contributed **£253,227.30p** to the Levy digital account. It is projected that the full year contribution for the same group of schools will be **£2,227,898.28p**

- 3.2 During that period **zero** funds have been drawn by schools.
- 3.3 Kender School has recruited 1 apprentice, however this is against a target of 111. Drawing money from the Levy account is not dependent on meeting the public sector target; however the point of making reference to this is to highlight how difficult it is to meet the target. Kender use an alternative payroll provider and therefore have a separate digital account.
- 3.4 The public sector target for apprenticeships in 2017/18 is 2.3% of the total headcount (not FTE). The list identifying what this means for individual schools is attached again for information.
- 3.5 There are no plans to introduce any legal or financial penalties for not achieving the target. However, to ensure public bodies are having regard to the target and in order to increase transparency there will be a duty for public bodies to publish information on progress towards meeting the apprenticeship targets annually. It is anticipated that school progress will be published individually within the annual report.

4. Implications and Challenges for Schools

- 4.1 Whilst Apprenticeship Frameworks and Standards are available with more in the development stage there is a concern that the availability of suitable options remain limited and progress is slow in development. For example, a number of school business leadership and management type posts were anticipated for the autumn term 2017. These will not now be available until next year. An apprentice teaching post is in the same position. The public sector target, therefore remains unrealistic for organisations to meet.
- 4.2 Frameworks for traditional apprenticeship roles remain available but attract low level funding and would require recruitment in large numbers to make a 'dent' in the Levy. Both the Levy and the Enterprise Act come at a time when many schools are seriously considering reducing staff numbers rather than recruiting more.
- 4.3 A possible solution to this is to consider up-skilling existing staff. By considering this option schools would only have to cover the cost of the one day per week the apprentice would need to study away from the workplace rather than the additional salary costs a new recruit would bring. The Apprenticeship must clearly be an up-skilling opportunity, for example, a teaching assistant training to be a higher level teaching assistant.
- 4.4 Provided below is a link to a useful search engine that will allow schools to search for suitable courses. The link also includes details of when courses start and how frequently they run and of providers that are appropriately located. Details are also given of the qualification levels needed to be able to commence the course. The Link is:

<https://findapprenticeshiptraining.sfa.bis.gov.uk/Apprenticeship/Search>

- 4.5 The Forum should also be aware that there are a number of Apprenticeship Training Agencies (ATAs) offering to assist schools with the apprenticeship process. These agencies are not recognised as providers and schools will not be able to access Levy funds by using them. A note will be going out on the mailing to warn all schools to beware of approaches of this nature. If in any doubt please contact Charlotte Gibson, the Council's Apprenticeship Co-ordinator on 020 8314 6452 or at charlotte.gibson@lewisham.gov.uk
- 4.6 As previously noted the current public sector target remains unrealistic to meet given continued budget pressures and the limited suitable apprenticeship frameworks available. Charlotte Gibson is happy to assist schools recruit to traditional apprenticeship roles where schools are able to consider this.
- 4.7 Management of the digital account remains with the Schools' HR Team.

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