

Apprenticeship Levy & Targets – Schools

From April 2017 the way apprenticeships are funded is changing as part of a series of wider reforms to the apprenticeship system in England. Employers with a pay bill of more than £3million will be required to pay an apprenticeship levy. Plus all public sector employers will be expected to designate 2.3% of its workforce roles as apprenticeships as part of the apprenticeship target.

These changes will impact schools and academies in different ways. There are two key polices all schools need to understand as follows:-

1. Liability of the levy depends on the type of maintained school, see below:-

	Community and Voluntary Controlled (VC) schools	Voluntary Aided (VA) and Foundation schools	NON-MAINTAINED SCHOOLS
Who pays the levy?	Yes	Depends, if the pay bill is over 3 million	Depends, if the pay bill is over 3 million
	<p>The LA is the employer and therefore all staff in community/VC schools are added on to the pay bill of the council, with the levy equivalent to 0.5% of the overall pay bill for the LA.</p> <p>All community/VC schools pay bills will need to be included in the LA's calculation, regardless of whether the school uses the council for payroll services.</p>	<p>The governing body is considered to be the employer, rather than the LA. Therefore each VA/foundation school's liability for the levy will be based on its own pay bill.</p>	<p>The governing body is considered to be the employer, rather than the LA. Therefore each Academies liability for the levy will be based on its own pay bill.</p>
HMRC Pay reference numbers		<p>In practice the LA is likely to administer the payroll for many VA/foundation schools and the school may not have its own HMRC payroll reference number, separate from the LA.</p> <p>- HMRC has stated that only VA/foundation schools with a paybill of over £3 million need to be set up on a new HMRC payroll reference number. Employers who need to set up a new reference number with HMRC will need to do so between 6th February and the end of February 2017.</p> <p>- <u>Those VA/foundation schools with pay bills under £3 million, with the same payroll reference number as the LA, do not have to split out with a separate payroll reference number.</u></p>	
Maintained schools where the LA <u>does not</u> administer the payroll	<p>The school will need to liaise with its payroll provider and the LA on this, to ensure the correct payment is made.</p>	<p>The school will have to calculate its own liability and make arrangements.</p>	
Non-maintained schools where the LA administers the payroll			<p>The LA and the school will need to ensure that the school is set up as a separate employer on HMRC's systems.</p>

2. Apprenticeship Targets

	Community and Voluntary Controlled (VC) schools	Voluntary Aided (VA) and Foundation schools	NON-MAINTAINED SCHOOLS
Who is included in the LAs targets?	Yes	Depends	Depends
	As with the Apprenticeship Levy, schools that are maintained by an LA and where the LA is also the employer will be included in the relevant LA target. Other schools will be treated separately.	The governing bodies of VA, foundation and foundation special schools are regarded as the employers of their schools and will be treated as separate organisations for the purposes of meeting the 2.3% apprenticeship target. However the target will only apply if you have 250 or more employees.	As with VA/Foundation

Apprentice starts can include existing staff providing better opportunities to skill-up existing staff into a range of roles which are either difficult to fill or require a higher level qualification and thereby help build the capability of your workforce.

Apprenticeships are available in many job roles within schools, including teaching assistants, business administration, management, science and ICT technicians. Early work on developing a teacher apprenticeship, teaching assistant and school business directors apprenticeship standard is also underway. The aim is to have this in place by the end of 2017, more information will be available on this standard shortly. If you are interested in working together to develop a standard, let us know.

Employers who pay the levy will be able to access funding for apprenticeship training and assessment via a new Digital Apprenticeship Service. Available funding can be used to meet the cost of apprenticeship training and assessment against an approved apprenticeship framework or standard. Training providers must be on the Register of Apprenticeship Training Providers.

You can find more information on apprenticeships on <https://www.gov.uk/topic/further-education-skills/apprenticeships>

Government guidance on how the levy will work is available at this site: <https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work>

Government guidance on the different types of apprenticeships available can be found here: <https://www.gov.uk/topic/further-education-skills/apprenticeships>

As further information and government guidance becomes available, this will be circulated to schools.

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