

## Derbyshire County Council - Apprenticeship Levy

### Frequently Asked Questions (FAQ's) for Local Authority (LA) Maintained Schools

The following Frequently Asked Questions (FAQs) have been developed to provide guidance to Derbyshire Local Authority (LA) Maintained schools that may have questions about the Apprenticeship Levy.

#### Why was the levy introduced?

The levy was introduced by the government as part of a programme of reforms to raise the number and quality of apprenticeships and change the way in which they are funded

#### When was the levy introduced?

On 6 April 2017.

#### Who is required to pay the levy?

An employer, with an annual pay bill of more than £3 million will be charged 0.5% of the element of their pay bill that exceeds £3m. This is charged on a monthly basis. Schools have been included as part of council's overall pay bill

#### Do schools need to pay the levy?

Local Authority (LA) Maintained and voluntary controlled schools are required to pay the levy as the council is the employer. Each school will have their contribution of 0.5% of the total pay bill allocated against their budget on a monthly basis

All other schools will only be required to pay the levy where they have an annual pay bill of more than £3 million or where they are part of a multi-academy trust that has such a pay bill.

#### Where do the levy payments go?

Levy contributions are added to a digital account provided by the Digital Apprenticeship Service (DAS). The council has one digital account into which all the council's and Local Authority Maintained schools levy payments are made. The governance of the levy is the responsibility of the council.

#### Expiration of Funds

The funds are available to be spent on apprenticeship training only and will expire 24 months after they have entered the digital account. Notification of the expiration of funds will be provided in good time to try to ensure they are utilised and the oldest funding will be used first.

#### How can I access the Levy fund for my school??

In order for your school to apply for funding from the council's digital account, please follow the attached guidance, complete the template and e-mail it back to:

[workplacelearning@derbyshire.gov.uk](mailto:workplacelearning@derbyshire.gov.uk)

If you currently have no requirements you may apply again if, later in the year, you decide that you would like to access the levy. The attached form and associated documentation will be placed on SchoolsNet to facilitate this.

The council have agreed to 'ring-fence' the money put in by schools, to schools. You will not have an individual allocation. The levy fund will be used in a way that allows it to benefit as many schools as possible.

### Can I use the levy to pay for apprenticeships that are already underway?

No. The levy will **not** affect the way training is funded for any apprentices who started an apprenticeship programme before 1 May 2017. Any such apprenticeships will need to follow funding regulations that were in place at the time the apprenticeship started.

However, if an apprentice is moving from Intermediate (Level 2) to Advanced (Level 3) then the new funding regulations will apply.

### What types of apprenticeship training is available for schools?

Some examples are Business Administrator, Teaching Assistant, ICT Technician, Schools Business Professional and Teacher. A full list of available standards can be found on the following website:

<https://www.instituteforapprenticeships.org/apprenticeship-standards/>

The 'Schools' guide to apprenticeship reforms' (attached) provides further details about apprenticeship training.

### How much will apprenticeship training cost?

The new apprenticeship funding system places an upper limit on the cost for each standard or framework, with a total of 15 funding bands available ranging from £1,500 to £27,000.

The upper limit is the maximum amount that can be funded from the levy. However, employers can pay more but would not need to cover the costs beyond the upper limit with their own funds and **not** from their digital account. There are no lower limits for the bands.

### Training Providers

Under the new funding guidelines there is an opportunity for large employers to take the employer provider option to facilitate the delivery of apprenticeship training. The council has agreed that the employer provider option will be our preferred approach. Derbyshire Adult Community Education Service (DACES) will take on this role and become the preferred supplier for our apprenticeship training delivery. DACES are on the approved Register of Apprenticeship Training Providers (RoATP).

Where DACES are unable to deliver the 'off the job' training requirement themselves, they will, in conjunction with your school, sub-contract this to the wider provider market. The revised funding regulations require that, in sub-contracting this work, the requirements of the Public Sector contracting regulations are met. In order to comply with this requirement, in the most cost effective way, the council has been working with the D2N2 councils to develop a 'call-off' framework of providers (from the RoATP) to enable sub-contracting to take place quickly and effectively where required.

This will mean that where a new apprenticeship (or a new level of an existing apprenticeship) is started your school cannot continue to work with your existing training providers unless they are successfully sub-contracted from the "call off" contract by our training provider.

### Can I use an Apprenticeship Training Agency (ATA)?

No. There is no provision to use the levy to cover the costs of apprenticeships provided through ATA's.

### Is there additional support for young apprentices or care leavers?

Yes. The Government wishes to get young people (aged 16-18) and care leavers (aged 19-24) into quality apprenticeships. To recognise the potential additional costs associated with supporting these groups in the workplace (e.g. more supervision and pastoral care) through an additional payment of £1,000 which will be given to each of the employer and the training provider.

The payment will be made to the training provider in two equal instalments, after 3 months and 12 months, with the employer element passed on by the training provider. These payments will come direct from the Government and will **not** be deducted from an employer's digital account.

### **What is the public sector apprenticeship target?**

The Government has placed a duty on public sector employers to ensure that apprentices make up 2.3% of the workforce headcount. The number will include those who have started an approved apprenticeship (framework or standard) in the year of measurement. Existing apprenticeships will not count towards the target. This target will apply to all public sector employers with a workforce of more than 250. Local Authority Maintained and voluntary controlled schools are included as government have included them as part of the council's workforce

The council's projected apprenticeship target is approx. 600 new starts per financial year. Schools share of this target is approximately is approx. 330 apprentice starts per year

### **What happens if local authorities do not meet the target?**

Public bodies must 'have regard' to the target and report annually, setting out how they plan to meet this and where the target has not been met, what plans are proposed to re-dress this.

Currently, there are no legal or financial penalties or sanctions for not meeting the target - it is purely reputational risk.

### **Is there an upper age limit for apprenticeships?**

There are no age restrictions on applying for an apprenticeship.

### **What salary does the council pay to apprentices?**

The council pays the National Minimum Wage for Age to apprentices on Level 2 or Level 3 apprentices. Higher and Degree level are paid on a salary scale.

### **What type of employment contract is offered to apprentices?**

Apprentices are employed on a Fixed Term Contract (FTC) for the duration of their apprenticeship.

### **What happens if an employee is being made redundant and wishes to apply for an apprenticeship?**

If you are employed by the county council in a school and there is a clear break of 28 days from your job ending to your apprenticeship starting, you would keep the redundancy payment. If it is within 28 days you would not be entitled to the redundancy payment.

If you take a job that is with an organisation covered by the Redundancy Modification Order (eg a school) and you have no break in service, then, at the end of your Fixed Term Contract (FTC) for an apprenticeship, you would be entitled to a redundancy payment.

Employees should always seek the advice of Children's Services HR for clarification and confirmation of their individual details.