

Apprenticeships: Implications for Schools

Report of the Chief Officer for Children's Services

Recommendation

- a) Note the Government's changes to apprenticeships and the Council's work to date to prepare for these changes, including the implications for schools.
- b) That schools use the changes as an opportunity to review and identify their workforce resourcing and development needs (on an individual basis and through discussions with other schools) and how apprenticeships might help meet those needs, so that they are able to access the Levy funds from 1st May 2017 onwards.

1. Introduction

- 1.1. This report summarises the Government's apprenticeship changes that will impact upon the Council and schools as employers and the actions that are being taken by the Council to prepare for these changes.

2. The Government's Changes

- 2.1. Apprenticeship arrangements are changing as a result of Government policy and the '2020 Vision'¹. See **Appendix 1** for further information. The key changes are the:
 - 2.1.1. Introduction of an **Apprenticeship Levy** from April 2017, which means that employers with an annual pay bill of more than £3 million will pay 0.5% of their pay bill into their Levy account to fund apprenticeship training². Maintained schools fall under the Council's Levy payment, with an estimated annual cost to maintained schools of c£0.42m per annum³. Academies, Voluntary Aided (VA) and Foundation Schools are considered as separate employers⁴ and will only pay the Levy if their pay bill exceeds £3 million per annum. Non-Levy paying employers will fund training on a 'co-investment' basis with the Government funding 90% and the employer 10%. Any apprenticeships that commence before 1st May 2017 will remain on the existing funding arrangements.
 - 2.1.2. Introduction of a **Public Sector Apprenticeship Target** for public bodies who employ more than 250 employees. The implementation date is to be confirmed but is expected to be 1st April 2017; from which date relevant employers will need to report on what proportion of their workforce are undertaking approved apprenticeship qualifications. The Target (which we believe is aspirational) is for 2.3% of the workforce headcount to be undertaking apprenticeships (this could be newly appointed apprentices or existing employees undertaking apprenticeship qualifications). Maintained schools would fall under the Council's Target (2.3% of the maintained schools workforce is c125 staff) and it is understood that Academies, VA and Foundation Schools would be considered as separate employers and only required to report upon the Target if they employ more than 250 employees, but this is to be confirmed.
 - 2.1.3. Broadening of apprenticeship qualifications and scope, to make them more employer-focused, available from GCSE up to degree/Masters level and available to existing and prospective employees of all ages, overseen by a new **Institute of Apprenticeships**. This involves moving from the existing Apprenticeship Frameworks to new **Apprenticeship Standards**. It is understood that the Department for Education (DfE) are currently mapping the schools workforce against the current and proposed Standards. Early work on developing a Teacher Standard is underway but there is not yet a firm timescale for its introduction. A Teaching Assistant Standard is also being developed, which should be in place by late 2017. **Appendix 2** summarises some of the Frameworks and Standards that may be of interest to the education sector.

¹ The Government has pledged to increase the quality and quantity of apprenticeships in England, reaching three million apprenticeship training starts by 2020.

² The Levy can only be used to fund training and not associated employer costs like salary. The Government will 'top-up' an employer's Levy amount by 10%.

³ The total cost of the Levy per annum for Devon County Council is c£1.01m, c£0.42m of which is with maintained schools.

⁴ Each employer entity, whether that is one school or a group of schools, like a Multi-Academy Trust.

3. Work to Date

- 3.1. The Council is preparing for the changes, including the implications for schools. However, progress has been difficult because it is dependent upon the availability and timeliness of detailed guidance from the Government, particularly with regard to the treatment of schools in relation to the calculation of the Levy and some of this clarity is still awaited.
- 3.2. Various communications have been provided to schools, the most recent of which has set out further details on the apportionment of the Levy to maintained schools and how other types of schools will be affected⁵. Finance will be in contact with schools this term to confirm individual circumstances and to discuss how this will operate in practice. For schools who subscribe to HR ONE Payroll Services, there will also be more detailed discussions this term. Further communications will also be published as clarification is received from the Government.
- 3.3. At this stage, there are no final details about how the Government's new Digital Apprenticeship Service (DAS) Levy account will operate. It is expected that further information will be provided by the end of January 2017. Informal information to date suggests that the Council will only have one log-in for its account and will therefore need to administer the account on behalf of maintained schools, but this is to be confirmed. Decisions need to also be made about whether or not each part of the Council (including each maintained school) will only be able to access the funds that they have paid in and how this will be managed and monitored. These changes will impact significantly upon the Council's current apprenticeship offer and proposals are being developed around what the future offer will look like and how it will be resourced.
- 3.4. Without some of the details, it is difficult to make definitive decisions about how to use the Levy funds but the Council and schools have some time to clarify this. Only new apprenticeship starts from 1st May 2017 can utilise the Levy funds and the funds will remain in the employer account for 24 months from the date at which they were paid in, so the first funds paid into the account at the end of April 2017 will be available to the employer up to the end of April 2019. Schools may wish to take the opportunity, if they have not already done so, to review their workforce resourcing and development needs, so that they can then identify where they might be able to meet those needs through apprenticeship qualifications, for existing as well as new staff. Schools may also wish to have discussions with other schools to determine how they could use apprenticeships for mutual benefit. HR ONE can provide advice and support to schools, if required.
- 3.5. Devon County Council also recognises that the changes may be an opportunity to enhance the availability of work experience, traineeships and apprenticeships across the County to improve economic development and to support particular groups such as NEETS (young people not in education, training or employment), care leavers and others and this is currently being considered further.
- 3.6. We appreciate that many schools also have questions around how the apprenticeship changes will affect their students and/or the school's role as a current or potential apprenticeship training provider. This is outside the scope of the current work within HR and Finance, which is focused on the impact on Devon County Council and its schools as employers. However, guidance is available from the Government's National Apprenticeship Service - <https://www.getingofar.gov.uk/employers> or by telephoning: 08000 150 600.

4. Conclusion

- 4.1. Although the Government's changes are a challenge and place additional burdens on already stretched budgets and resources, it also provides an opportunity to review the approach to apprenticeships and to use the changes to enhance workforce development, improve succession planning and increase economic access for young people in Devon.

Jo Olsson
Chief Officer for Children's Services

Please ask for:
Jo Fellows, HR Strategy Manager,
Jo.fellows@devon.gov.uk

⁵ <https://new.devon.gov.uk/schcomms/> and see **Appendix 3**.

Summary of the Government's Apprenticeship Changes

Removal of the payment of National Insurance Employer Contributions from April 2016⁶

The Government has already made one change to support the apprenticeship agenda. This applies only to apprentices aged less than 25 years, subject to meeting specific criteria. Devon County Council Payroll Services (HR ONE) have already written to schools that use their services, with details of the people who we believe are apprentices and may be eligible for the change.

Apprenticeship Levy, from April 2017⁷

This applies to employers with an annual pay bill of over £3m. In effect money will be 'top sliced' at source from the employer and paid into a Digital Apprenticeship Account (DAS) via the PAYE (pay as you earn) arrangements. The employer can then draw on those Levy funds to pay their agreed training provider for the apprenticeship training and assessment. Each apprenticeship training qualification will continue to have a nationally set 'funding band'⁸ (updated annually), which will be the maximum amount that the employer can take from their Levy account to pay each training provider for each apprenticeship training qualification. The Levy is set at 0.5% of the annual pay bill for the employer, with a £15,000 allowance to offset against the Levy payment. If the employer does not use all their Levy funds within 24 months the monies will be transferred to a Government apprenticeship training funding account. The Government will apply a 10% top-up to the funds the employer has paid into their Levy account each month - for every £1 that the employer pays into the digital account to spend in England on apprenticeship training, the employer will receive £1.10. Any apprenticeship training that has been set up prior to the introduction of the Levy will continue to be funded via those existing arrangements until the apprenticeship is completed – only new apprenticeship arrangements commencing after 1st May 2017 will be able to be funded from the Levy. The Government propose that employers may be able to use a proportion of their Levy funds to support other employers within their supply chain, but this is not likely to be implemented until 2018 and is likely to only be 10% of the overall Levy amount. Non-Levy paying employers will be subject to different arrangements called co-investment, whereby the Government pays 90% of the training cost and the employer 10%. The Government's guidance highlights the need for public sector bodies to continue to ensure compliance with its procurement rules when choosing and funding training providers, however we await further clarification on what this means in practice. Additional financial support (outside the scope of the Levy) will be available for apprentices aged 16-18 years of age, 19-24 year old care leavers, those who have an Education, Health and Care Plan and for those who need support for English or maths or require additional learning support as a result of conditions such as dyslexia, learning difficulties or disabilities.

Public Sector Apprenticeship Target, date to be confirmed, although likely to be April 2017

The Government are introducing a Target for all public sector employers who employ more than 250 staff to have 2.3% of their workforce headcount undertaking apprenticeship training. We understand that the Council will be required to report upon this annually and that the Government sees this as an 'ambition' for public sector bodies to aspire to. Existing as well as new employees will be able to utilise apprenticeship training, which will all count towards achievement of the Target. We are awaiting a response from the Government following their consultation exercise which ended in March 2016.

Broadening of apprenticeship qualifications and scope

The existing 'Frameworks' (each of the apprenticeship qualifications that are available, across a range of skills/professions) will be replaced over time by new 'Standards'. These Standards will be much more employer-led, with some 'trailblazers' currently developing Standards. In addition, apprenticeships will be available at a greater number of levels up to degree/Masters level. The Institute of Apprenticeships will approve Standards and oversee quality.

⁶ Further information: <https://www.gov.uk/government/publications/national-insurance-contributions-for-under-25s-employer-guide>

⁷ Further information: <https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work> and <https://www.gov.uk/guidance/pay-apprenticeship-levy>

⁸ Further information: <https://www.gov.uk/government/publications/apprenticeship-funding-from-may-2017>

Summary of the current Education-related Apprenticeship Frameworks and Standards

The information below provides a summary of the current Frameworks and new/developing Standards that might be relevant to the Education sector, to give an idea of the qualifications that may be available. Further detail on the relevance, eligibility and qualification levels can be found in the lists which are available online:

- Frameworks - <https://www.gov.uk/government/publications/apprenticeship-frameworks-live-list>
- Standards - <https://www.gov.uk/government/collections/apprenticeship-standards>.

Frameworks:

Accounting
Business administration
Fundraising
Human resource management
Information security
ICT
Management
Children and young people's workforce
Learning and development
Learning support
Supporting Teaching and Learning in Physical Education
Supporting Teaching and Learning in Schools
Volunteer Management
Youth Work
Catering and Professional Chefs
Cleaning and Environmental Support Services
Facilities management
Laboratory and science technicians
Libraries, archives, records and information management services
Play work

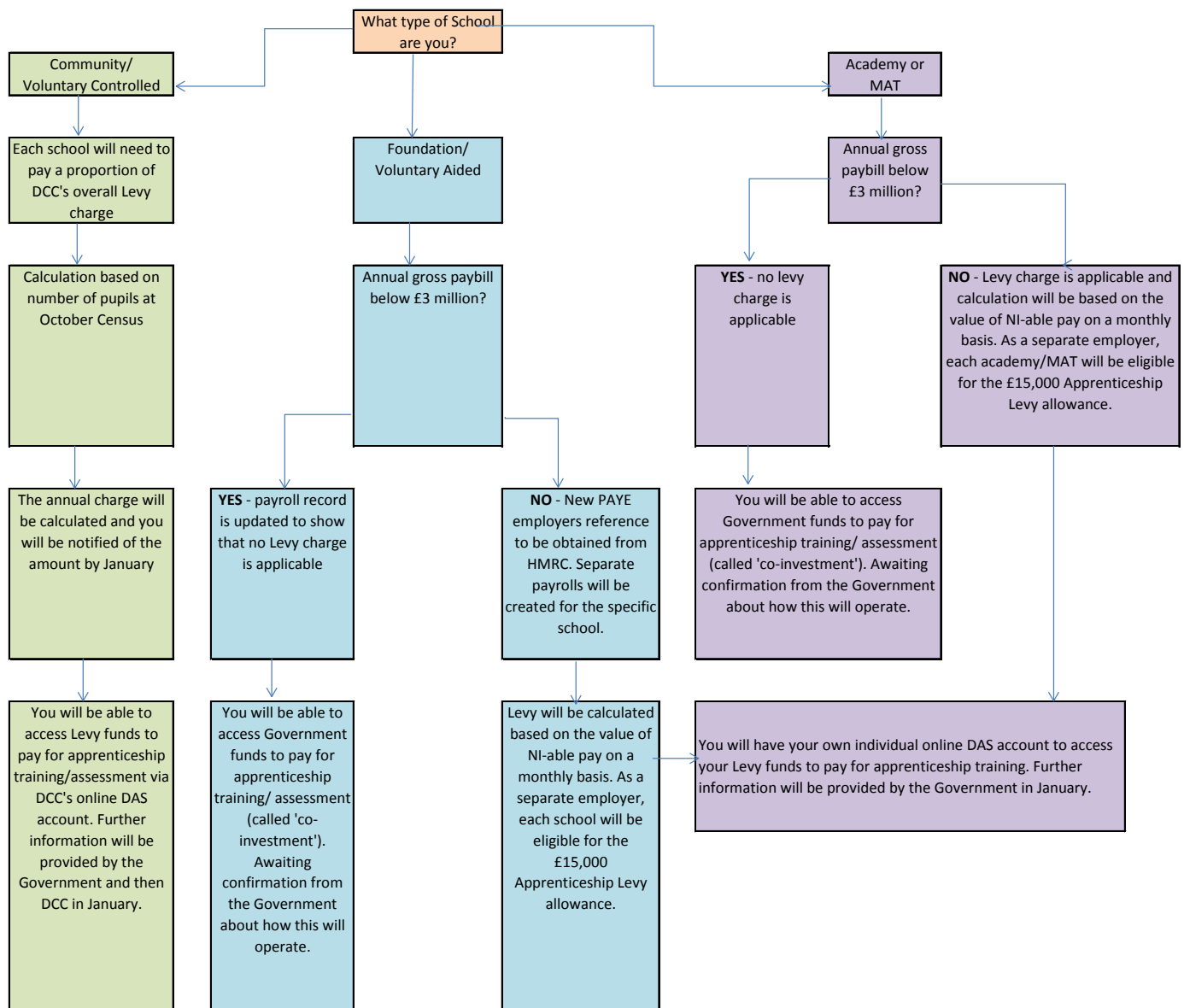
Standards (either approved or in development):

Accountancy
Business administration
Human resource management
Management
Team leader/supervisor
ICT
Early years educator
Further education learning (various)
Assistant early years practitioner
Senior early years practitioner
Early years centre leader
Facilities management supervisor
Property maintenance operative
Creative venue technician
Laboratory technician
Teacher (very early stages of development, with no date for implementation confirmed)
Teaching Assistant (in development and due to go live by the end of 2017)

Impact on Schools of the Apprenticeship Levy

The flow chart below is based on our current understanding of the impact of the Levy on different types of school, based on information received to date. Further information can be found in the Government web links shown in Appendix 1.

Apprenticeship Levy Overview for schools



DCC - Devon County Council
DAS - Digital Apprenticeship Service, being set up by the Government
NI - National Insurance
MAT - Multi Academy Trust
VA - Voluntary Aided