

Title: **Apprentice Levy**

Wards Affected: **All Wards**

To: **Audit Committee** On: **26 July 2017**

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1. Key points and Summary

- 1.1 The apprentice levy has been introduced by Government to encourage employers to offer more apprenticeships and to be able to meet the training needs and skills of their workforce.
- 1.2 The Apprentice Levy was introduced in April 2017, employers with a pay-bill of over £3million per annum are required to pay 0.5% of their pay-bill into an apprentice levy.
- 1.3 Employers who are required to pay the levy also receive a 'top-up' allowance of £15,000 to off-set against their levy funds.
- 1.4 The cost of apprenticeship training ranges from £2k - £27,000k, depending upon the level of apprenticeship being undertaken.
- 1.5 The Levy is payable through Pay As You Earn (PAYE) and is payable alongside income tax and National Insurance. Each employer has a levy funds digital account that they use to access their funds and pay training providers.

2. Introduction

A review of the existing Apprentice Strategy and the number of Apprentices the Council employs has been undertaken due to the introduction of the Apprentice Levy, see Appendix 1 – Apprentice Strategy 2017.

The levy funds can only be used to fund the cost of apprenticeship training and assessment, it does not include salary costs. The Council has therefore changed its strategy to reflect this and has reduced the number of 'new' apprentices it commits to employ each year.

The funding can be used to train existing staff, therefore, as part of its workforce planning activities, the Council will use the funds to upskill existing staff, to support their continuing professional development and for succession planning.

3. Current Situation

The Council's Levy Funds are £175k, this figure includes linked entities such as the TDA and also Council Schools (community and voluntary controlled). These funds have to be used within 24 months of being allocated or else they will expire.

HR are administering the digital levy account on behalf of the Council and have developed new processes to ensure compliance with the Apprenticeship Levy Funding Rules. The Council will also be required to undertake a formal procurement process of training providers to ensure compliance.

The Council currently employs 11 Apprentices, these posts were recruited to within the last 12 months under the Council's previous Apprentice Strategy. This cohort have mostly all completed the first year of their apprenticeship training and are going on to complete the next level, which will be funded from the Council's levy funds.

The Council has already committed to funding £15k of its apprentice levy funds. This is for Business Administration apprenticeships within the Council and Supporting Teaching and Learning Apprenticeships in Schools.

4. Existing Staff

As part of workforce planning and developing existing staff, HR have been working with different service areas across the Council and Schools to ensure that they are aware that the levy funds can be used to develop existing staff.

There are a number of staff who have already been identified to undertake management training, as well as higher level apprenticeships in civil engineering, and business administration. Should these training requests be approved, it is estimated that a further £59k will be spent from the Council's levy funds.

The use of the levy funds is an ongoing HR priority for the Council. HR is working with all service areas to ensure that the funds are being utilised and that learning and development opportunities for staff can be fully taken advantage of.

Jo Sandbrook
Senior HR Officer

Appendices

Appendix 1 - Torbay Council Apprentice Strategy 2017

Documents available in members' rooms

Apprenticeship funding: rules and guidance for employers May 2017 to March 2018:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/605004/EMPLOYER_RULES_V2_FINAL.pdf

Background Papers:

The following documents/files were used to compile this report:

Extract from Grant Thornton Report – Apprentice Levy – Are You Prepared?