

INFORMATION NOTE: APPRENTICESHIPS LEVY AND TARGETS

INFORMATION NOTE OF THE CORPORATE HUMAN RESOURCES MANAGER

1. SUMMARY

A revenue investment entry highlighted the proposal outlined in the Enterprise Bill that an Apprenticeship training levy would be introduced and that public sector bodies will be required to employ apprentices and will be set targets to increase apprenticeships. These matters are being closely followed to prepare for them.

The training levy is expected to be introduced in April 2017.

STEPS TO DATE

Much of the detail on both the levy and the new public sector duty are yet to be finalised and progress will be closely monitored as the details emerge. Guidance is expected to be published in June, October and December 2016.

2. INFORMATION TO NOTE

Government Target

The Government has set a target of 3 million new apprenticeships by 2020. Public sector bodies are being set a target to employ apprentices this together with the introduction of the training levy are measures aimed at achieving this government target. There is a new proposed Apprenticeship Delivery Board that will work directly with the National Apprenticeship Service. This board is expected to work to stimulate interest in apprenticeships and oversee their numerical expansion. The body is planned to be established by April 2017.

The Training Levy

The training levy is expected to be introduced in April 2017, in the interim the current funding for providers will continue. Currently apprentices aged 16 – 18 get up to 100% for intermediate and advanced apprenticeships, if the apprentice is aged 19 – 23 it's up to 50% and for those aged 24 and over it is not guaranteed but may be up to 50%.

Further guidance on the levy is expected to be issued June 2016. But it's anticipated it will be set at a rate of 0.5% of an employers pay bill. An estimate for the Council has been done by finance based on our anticipated staffing establishment in 2016/17 of £11.9m. There will be an allowance set to offset against the levy payment, the allowance is likely to be set at £15,000 it would therefore suggest a levy value of around £45,000. It will be payable through PAYE and collected alongside income tax and national Insurance.

The consultation document set out some detail of the 'Apprenticeship Voucher' all employers whether they pay the levy or not will be able to view a digital voucher that can be used to purchase apprenticeship training. It is intended to be part of a broader digital system that enables employers to advertise vacancies, search for applicants, and engage registered providers for training their apprentices.

3. APPENDICES

None.

4. CONTACT OFFICERS

Kerry Shorrocks - Corporate Human Resources Manager.