



## **Apprenticeship Levy and Public Sector Duty – Briefing for Schools and Education Stakeholders**

This brief is about apprenticeships delivered by **the school as an employer** – not as a qualification for your pupils. It is **intended for head teachers, school business managers or bursars.**

### **Introduction**

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 £3m will be required to pay an [apprenticeship levy](#). In England 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. **This can be for both existing employees as well as new starters.** The training provider must be on the Register of Apprenticeship Training Providers. You can find out more about the register here: <https://www.gov.uk/government/collections/register-of-apprenticeship-training-providers>

This briefing summarises how the apprenticeship levy will typically work for schools. There are a variety of pay bill arrangements in the education sector so there is no single approach. **This briefing does not constitute tax advice.** Schools should read this alongside the full [published guidance](#) on calculating, paying and spending the levy and seek appropriate professional advice on their liability. Detailed guidance on paying the levy will be published by HMRC in December 2016.

Apprenticeships are now the cornerstone of the skills system and provide opportunities for all sectors, including education, and at all levels. The apprenticeship levy will boost our economic productivity, while increasing the country's skills base and giving millions a step on the ladder of opportunity. We want to encourage Local authorities and schools to work together, using the levy to meet skills gaps and plan future workforce needs.

### **Who pays the levy?**

#### **1. Community schools (including voluntary controlled schools)**

Local authorities will typically be responsible for paying the levy in community schools they maintain, where the local authority employs the staff and pays National Insurance contributions (NICs). Such staff will be counted as part of the local authority's payroll. **We expect the cost of the levy to be passed on to schools in the same way that employer National Insurance and superannuation is.** Where the local authority is the employer, schools will have access to funding for apprenticeship training, via the local authority's digital apprenticeship service account.

#### **2. Foundation and voluntary aided schools**

Foundation and voluntary aided schools typically employ their own staff so they will be responsible for paying the levy.

#### **3. Standalone academies**

The Trusts of standalone academies will typically be responsible for paying the levy where they are the employer responsible for paying Class 1 secondary NICs.

#### **4. Academies that are part of multi-academy trusts**

Multi-academy trusts (MATs) generally employ the staff in their academies, and will be responsible for paying the levy.

### **Schools that do not pay the levy**

The government will pay 90% of the cost of apprenticeship training and assessment for:

- employers that have a pay bill of less than £3m and
- those that have used all the funds in their digital account.

The employer will be required to pay the remaining 10%.

### **Apprenticeship roles available**



## Department for Education

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** standard is also underway, led by a group of schools coordinated by the Teaching Schools Council. There is not yet a firm timescale for the introduction of a teaching apprenticeship, but we expect more information to become available in the New Year. In addition a consortium of schools led by Hughenden Primary in Buckinghamshire, are developing a **Teaching Assistant apprenticeship** standard and assessment criteria. The aim is to have this in place by the end of 2017. You can find more information on apprenticeships available here: <https://www.gov.uk/topic/further-education-skills/apprenticeships>

### **Public Sector Duty**

- As part of the 3 million starts commitment, we want to expand the number of apprenticeships within the public sector. This will improve the capacity and capability of the public sector, ensuring that it benefits from the same positive impacts as in the rest of the economy and enable more people to achieve their potential.
- As part of this we want to encourage Local authorities and schools to work together, using the levy to meet skills gaps and plan future workforce needs.
- The government has therefore proposed targets for public sector organisations, including publicly funded schools, to increase the number of apprentices they employ. Details of how this will work are being finalised. The government's response to the consultation will be published in due course. Further information can be found at: <https://www.gov.uk/government/consultations/public-sector-apprenticeship-targets>