

Making sense of the public sector apprenticeship target

Nick Linford, author of the Complete Guide to Funding Apprenticeships

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AAC 2017
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- > 'Essential' apprenticeship funding update
- > Winter Data Conference *Extra date*
- > ESOL Funding Summit
- > AEB funding rules and rates 2017/18
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Welcome to this Lsect webinar

More than 1,000 registrations for this webinar

Agenda

15:30 Registration

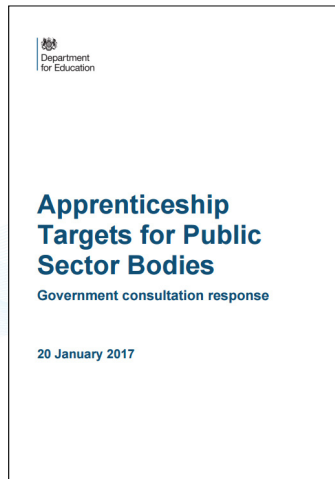
15:35 Making sense of the public sector apprenticeship target
Nick Linford, author of the Complete Guide to Funding Apprenticeships

16:10 Q&A

16:30 End

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Public sector target confirmed



<http://tinyurl.com/zcpdom5>

This came after a consultation which ran from 25/01/16 to 04/03/16

“Delivering three million apprenticeships by 2020 is a key priority for the Government”

“We want to ensure that the public sector is a model employer and leads by example.”

“The Enterprise Act 2016 imposes a duty on all public bodies, which are set a target, to have regard to that target. They must also publish certain information annually on their progress towards meeting the target and send this information to the Secretary of State.”

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Definition of orgs in target scope:

- > ONS classification of public sector (so FE colleges and universities excluded)
- > 250 or more employees (headcount) in England as at the 31 March in the reporting year

In scope

Large schools or MATs
LAs (including school employees)
NHS & civil service dept
Police, fire and rescue etc

Let off despite ONS classification

BBC & Channel 4
Post Office
Financial institutions
Parliament

“A final determination for which bodies will be in scope will be set out in regulations and debated in both Houses of Parliament in due course.”

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The target

An average of at least 2.3% of employees being apprenticeship starts across the years that the target applies, from 2017/18 to 2020/21

Apprentices can be “new recruits or as part of career development for existing staff”

Deadline for submitting and publishing first report, about the 2017/18 financial year, is 30 September 2018

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The target is an average...

Here's the DfE example

	Year 1	Year 2
Overall average % target	2.3	
Headcount	1000	1000
Cumulative headcount	1000	2000
Apps required to meet average target (2.3%)	23	21 (23 this year – 2 over delivered last year)
App delivered	25	

Note:

- > Headcount includes anyone on an employer's payroll, including temporary staff
- > Apprentices employed by sub-contractors who supply goods and services to a public body cannot be counted towards the target
- > Apprentices from an ATA can count in both headcount and target
- > As counting 'starts', apprentice that completes one level and moves onto another level would count more than once

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Reporting against the target

Future information “will set out in employer guidance exactly what information is needed and if this needs to be in a specific format”

Beyond the obvious employee and apprenticeship starts figures the government “anticipate additional information will be”

- Action that the body has taken to meet the apprenticeship target (i.e. how it has ‘had regard’)
- If the target has not been met then an explanation of why.
- Information about action the body proposes to take to meet the apprenticeship target in future.
- From year 2 of the target onwards, cumulative headcount and starts information and the average percentage starts delivered

“Bodies in scope will be required to publish the numerical information above but do not have to publish the narrative information. We are not being prescriptive about how the information should be published but it should be accessible to the public.”

“We will be setting up an electronic mailbox purely for the receipt of the annual reports and will give details of this later in the year.”

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What happens if you miss the target?

In scope employer must “actively consider apprenticeships” for new or existing employees and report progress towards target within 6 months of end of the financial year

But...

If employer can't show they have even ‘had regard’ the government will just “work with them to see what support is needed to enable them to meet the target in future years”

It's an average over 4 years and employer can include excuses within the progress report

Government hope just being named and shame an incentive to achieve (along with ‘celebrating’ the successes)

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What the government said about schools

“Government has reflected carefully but believes it is appropriate for schools to be included, given that this simply requires them to actively consider apprentices as part of workforce planning and ‘have regard’ to the target.”

“There are now standards in development for Teachers, Teaching Assistants and School Business Directors, as well as a range of other broader standards that could be used by the wider schools workforce.”

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What if employer has a lot of part-time workers?

“Organisations who believe their staffing structure has acted as a material barrier to achieving the target can say so in their reporting. In particular, in meeting these concerns we suggest that bodies with a high proportion of part time workers should use FTE in parallel with headcount to report and explain any under-achievement of the target as necessary.”

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What next?

“Government will draft regulations which will indicate those in scope and provide more information on the reporting arrangements. The regulations are subject to affirmative resolution and will be debated in both Houses of Parliament. This will take place in due course. We will issue further guidance for employers before the measure takes effect.”

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How do you know if levied employer?

There will be no government list of employers paying the apprenticeship levy

Employer will register with HMRC and on Digital Apprenticeship System (DAS) where they believe 2017/18 annual UK payroll will exceed £3m (e.g. if it was £2.8m+ for 2016/17)

For example, company with annual payroll with £7m (all England)

Payroll and % employees living in England are the only variables

$$\begin{aligned} & \text{£7m} \times 0.005 = \text{£15,000} \quad \text{0.5\% levy} \\ & \text{£15,000} - \text{£15,000} = \text{£20,000} \quad \text{Allowance (levy not paid on first £3m)} \\ & \text{£20,000} / 12 = \text{£1,667 monthly tax} \\ & \text{£1,667} \times 1 \times 1.1 = \text{£1,833 monthly credit} \quad \text{10\% top-up to levy credit} \\ & \text{£1,833} \times 12 = \text{£21,996 annual levy credit} \end{aligned}$$

If DAS levy credit runs out the system switches to 10% cash contribution in return for 90% SFA funding. Non-levied employers not on DAS receive 90% subsidy where available.

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Tried FAS yet?

The screenshot shows the FAS website interface with several callouts:

- You can identify small employer to ensure 100% subsidy for 16-18 year old**: Points to the 'Less than 50 staff' dropdown menu.
- You can use a filter function to find the framework or standard**: Points to the 'Filters' section with options like 'By Name', 'By Level', 'By Sector', and 'By Type'.
- You can set your own negotiated rate**: Points to the 'Negotiated rate' input field.
- You can set your own duration in months**: Points to the 'Duration in months' input field.
- You can set different ages so 16-18 incentives can be forecasted**: Points to the 'Number of apprentices' section with checkboxes for '16-18' and '19+'.
- You can click on hyperlink to read the framework specification or standard with assessment plan**: Points to the 'Read more at' link.

www.fas.report

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