

MUNICIPAL YEAR 2018/2019 REPORT NO. 5

MEETING TITLE AND DATE:

Schools Forum – 11 July 2018

REPORT OF:

Chief Executive's Department

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Item: 4a

Subject:

Apprenticeship Levy: Pooling Resources for Community Schools

Wards: All

1. EXECUTIVE SUMMARY

This report provides information on the Apprenticeship Levy and outlines a proposal to pool the contributions made by Community Schools and ensure funding is used more efficiently and effectively.

2. RECOMMENDATIONS

The Schools Forum schools' representatives are asked to consider and agree the proposals for pooling Apprenticeship Levy contributions made by Community Schools.

3. BACKGROUND

3.1 In April 2017, the Apprenticeship Levy was introduced. The aim of the Levy is to fund apprenticeships that have been approved for delivery by the Education & Skills Funding Agency (ESFA) and only by providers on the Register of Approved Training Providers (RoATP).

There are strict parameters on how the money collected from the Levy can be used. These include:

- Funds cannot be used for non-eligible costs or salary costs pertaining to an apprentice;
- The Fund works on rolling basis and any contributions into the Fund must be accessed within 24 months. At the end of this period, any funds not spent will be removed from the account and allocated by the Government as it sees fit to assist small and medium businesses access apprenticeships.

3.2 The regulations require employers, and this includes schools, to make a contribute towards the Levy. The contribution, in most cases, forms 0.5% of an employer's Nlable salary bill. The employer, then receives an amount back (based on NI contributions) plus 10% into the Levy Fund. The funds sit in a virtual digital account. The funds for community schools have been ringfenced for the Enfield School's Workforce.

3.3 As the Local Authority is responsible for managing the Levy fund for community schools. The remainder of this report considers how best to manage the Fund within the constraints of the criteria.

4 THE LOCAL LEVY FUNDING

4.1 Digital Account

The Fund for community schools is added to the funding collected from the Council and total amount from both the Council and community schools is then credited against a single Digital Account.

To manage the Fund and the single Digital Account, the Council has employed an Apprenticeship Levy Manager. Currently, the Apprenticeship Levy Manager divides the total fund into the amount attributable to the Council and individual schools based on their NI contributions.

- 4.2** As highlighted above all community schools are required to contribute towards the Levy. With community schools varying in size, some schools have a large Levy Fund, whilst others have relatively small Levy Fund.

What has been found is that even where a school has a large Levy Fund, the schools finds it difficult to spend it. This is because the school must find the salary costs and other costs from their own budgets outside the Levy Fund. Conversely, a school with a smaller Levy Fund may have the salary costs available but not have sufficient money in their Levy Fund for their staff to undertake an apprenticeships programme. An example of this is the recently introduced teaching apprenticeship. The teaching apprenticeship is estimated to cost £9k per head (training costs only) and it unlikely the smaller schools are going to be able to access these.

Small community schools will not have access to any additional monies from the Government because these schools are defined as being part of Enfield’s single Levy Fund and until it is all spent there would be no co-financing.

- 4.3** The position for 2017-2018 on the Overall Levy Fund for community schools is detailed in the table below. Figures for 2018-2019 are not available due to issues gaining access to schools Nlable contributions (see 5.1).

| Schools | Total number of community schools | No of Schools Accessing Fund | Total Fund | Total Spent | Balance |
|------------------|--|-------------------------------------|-------------------|--------------------|-------------------|
| Primary | 38 | 11 | 354,617.56 | 37,500 | 317,117.56 |
| Secondary | 7 | 1 | 129,247.25 | 34,500 | 94,747.25 |
| Special | 4 | 2 | 40,147.36 | 7,000 | 33,147.36 |
| TOTAL | 49 | 14 | 524,012.18 | 79,000 | 445,012.18 |

From the table above any funds that have not been used by 31 Mar 2019 will be recovered from the digital account by the government automatically on a month by month basis. The digital fund cannot be accessed in terms of cash. It is a funding pot that is allocated to a learner.

5 PROPOSAL

- 5.1** With the Fund now in its second year and to ensure that the money contributed by Enfield community schools is used by Enfield community schools, it is proposed that the Levy Funds for the individual community schools are merged into a single Levy Fund. This will enable a more needs led approach and ensure the Fund can be spent within the statutory framework both in terms of time and apprenticeship programmes covered by the Levy.

5.2 Use and Allocation of the Single Fund

The levy is, as in other Local Authorities, ring fenced for the Schools' Workforce. It cannot be used for anyone who isn't employed within the schools' workforce. Information from other LAs and metropolitan authorities shows that these LAs have pooled their Schools' Workforce levy. Most, but not all Enfield schools, like many schools in other authorities have been cautious about drawing down of the levy. There is currently one school who wishes to recruit more apprentices, however their allocation of funding has been utilised. Another school has nearly used their allocated funds and without agreement to pool the levy then we risk of the government recovering the un-used levy.

The Forum will be aware of the severe shortage of teachers and the impact this is having on Enfield schools. It is hoped that a recent announcement for a Post Graduate Teacher Apprenticeship (PgTA) programme would both enable the use of the Levy and address the pressure created by the teacher recruitment crisis. The PGTA should provide the potential to draw down the levy to cover the tuition fees of training teachers on the PgTA (£9k pa) but there is a concern the development has been rushed and may not have been fully tested. This has resulted in the teaching schools being hesitant in their response to this new opportunity. The Authority is working with the teaching schools to explore how the PgTA will meet school workforce development needs.

The Forum are asked to consider and approve this proposal.

6 NEXT STEPS

- 6.1 If the pooling of the Fund is approved, it will support the work on the PgTA and give the teaching schools some confidence in the new programme. Officers will continue to work with both the teaching schools and community schools to identify opportunities and collect data on individual school's plan for offering and recruiting to apprenticeships and any other training opportunities being consider. This information will then be used to profile the spending from the Fund and ensure the Fund is fully utilised.
- 6.2 Further updates will be provided to the Forum.