



LEP – Sub Committee

Lancashire Skills Board

Private and Confidential: No

Thursday 10th September 2015

Apprenticeships Levy Consultation

Report Author: Dr Michele Lawty-Jones, Director of the Lancashire Skills Hub,
michele.lawty-jones@lancashire.gov.uk

Executive Summary

The Department for Business, Innovation and Skills (BIS) has launched a consultation regarding the implementation of the proposed apprenticeship levy aimed at larger employers. The request for responses closes on the 2nd October 2015.

Recommendation

The Committee is asked to agree that the Lancashire Skills Board submit a collective response to the consultation in-line with the timescales outlined in section 5 of this report.

1 Background

- 1.1 The Department for Business, Innovation and Skills (BIS) has launched a consultation regarding the proposed apprenticeship levy.
- 1.2 The consultation closes on 2nd October 2015.

2 Apprenticeship Levy

- 2.1 The notion of an apprenticeship levy aimed at larger employers was introduced in the Summer budget, and further referenced by the Treasury in the Productivity Plan.

- 2.2 The levy is proposed as an answer to the structural decline of employer investment in skills, and apprenticeships specifically, in a long-term and sustainable way.
- 2.3 Essentially the levy will be collected from larger employers via HMRC and returned via a voucher system to those employers who commit to apprenticeship training (with the potential to gain more than they put in). The system is aimed to put control in the hands of the employer.

3 Current Consultation

- 3.1 The current consultation only covers the implementation of the levy, with a promise of further detail on the levy rate and scope later in the year.
- 3.2 The consultation also poses questions in relation to Construction and Engineering Construction which are already subject to a statutory training levy.
- 3.3 The document does not address how the system will benefit small to medium enterprises (SMEs).
- 3.4 A number of questions are posed in the consultation document to gain feedback from interested parties. These relate to the paying of the levy, employers operating across the whole of the UK, allowing employers to get back more than they put in, making the levy fair, giving employers real control, simplicity, and interaction with existing statutory training levies (as per 3.2).
- 3.5 The consultation document can be accessed at:
<https://www.gov.uk/government/consultations/apprenticeships-levy-employer-owned-apprenticeships-training>

4 Response to the Consultation

- 4.1 At present a piece of work is underway to review the market opportunity for higher level and degree apprenticeships in Lancashire. The proposed apprenticeship levy has featured in discussions undertaken by the consultants with employers. A final steering group takes place on Thursday 10th September in the afternoon to review the findings from the study.
- 4.2 It is proposed that the findings from the study and the final steering group are fed into the development of a response from the Lancashire Skills Board, alongside feedback from the board members.

5 Recommendations

- 5.1 That the Lancashire Skills Board submit a collective response to the consultation.
- 5.2 The Skills Hub collate information gleaned from the higher level skills study and the steering group (plus any other relevant issues raised in the sector studies) into the consultation questionnaire.
- 5.3 Skills Board members feed in responses to the Skills Hub (Lisa.moizer@lancashire.gov.uk) by Wednesday 23rd September 2015.
- 5.4 The Skills Hub to circulate the draft consultation response to Skills Board members by Monday 28th September 2015 with members providing feedback by close of play Wednesday 30th September 2015.
- 5.5 The Skills Hub to submit the consultation response by the 2nd October 2015 deadline on behalf of the Lancashire Skills Board.