

Apprenticeship Levy

.01 Purpose of the Report

To provide the Schools Forum with an update of the apprenticeships levy strategy and the processes for schools payroll provided by Selima. The report's objective is to assist Forum to understand the Councils' position and the implementation of processes to achieve the central government aim for nationally recognised apprenticeships training courses and provisions.

.02 Suggested Action

The Forum is asked to note the contents of the CLT draft report and FAQs, and the implementation of payroll arrangements to ensure successful operations towards achieving the apprenticeship levy mission.

.03 Background

The reports provides an update of the Councils work in progress of the apprenticeship levy legislation and the anticipated actions to be undertaking following gaining access to on-line portal for managing the operations. Also the role of schools payroll provider, Selima.

.04 Summary

In additions to the CLT report and FAQs, the apprenticeship levy process is an additional element to the current payroll operations as unlike employer's NI and pension calculations, the apprenticeship levy amount cannot be computed at the same time as these on-costs calculations due to the requirement of HMRC confirmation of acceptance of payroll submitted returns and agreed deductible positions.

Therefore, after the month's payroll(s) have completed, an Employer Payment Summary (EPS) is sent to HMRC after 5th of the following month and it is at that time that the system knows the whole of the amount to calculate the levy on and it is at that point that the information is recorded on the payroll system and sent to HMRC.

From April 2017, the schools payroll provider will be calculating 0.5 percentage on the exact pay bill for all maintain and voluntary controlled schools towards meeting the levy contribution, and these amounts will then be included in the HMRC payments.

The following should be noted as incorporated within the operations:

- a. Confirmation that voluntary aided schools sharing the Councils payroll with pay bill under £3m will be excluded from the Councils' levy calculations due to different employer status
- b. Confirmation that Levy costs to schools to be apportioned on the exact monthly costings to each schools for equitable share of costs
- c. Confirmatin that the levy cannot be calculated during the payroll processing therefore will not be included in the ledger export produced for each pay run.
- d. Report to be made available to schools finance on monthly basis to assist monitoring for schools contributions and usage of the system.

Selima will be providing further information for the apprenticeship levy and other year-end related topics to all schools towards the end of February 2017.

.05 Recommendation

That the reports are noted and that schools continue to work with the Council's Finance Team and Selima payroll to ensure a clear understanding of the apprenticeship levy operations and that issues are addressed in an appropriate manner.

John Ogden
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