



**MidKent College**

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**Services**

**Supporting the needs of local business**

- **Developing your current and future workforce**
  - **Apprenticeships**
  - **Compliance training**
  - **Professional development training**
- **Recruiting your future workforce**
- **Modern, well equipped facilities**
  - **Meeting space**
  - **Conference facilities**
  - **Fine dining**

- **North Kent Enterprise Zone**
  - **Ebbsfleet Garden City**
  - **Kent Medical Campus**
  - **Rochester Airport Technology Park**
- **Focus on SELEP priority sectors**
  - **The Kent and Medway Workforce Skills Evidence Base**

# **Apprenticeship Levy**

**Spending Review document said:**

**“By 2019-20, the levy will raise £3 billion in the UK. Spending on apprenticeships in England will be £2.5 billion, and Scotland, Wales and Northern Ireland will receive their fair share of the levy”**

**“Colleges currently receive approximately a third of apprenticeship spending. Key providers, including colleges will be able to benefit from the significant increase in apprenticeship spending of almost £900 million by 2019-20”**

<https://www.gov.uk/government/publications/spending-review-andautumn-statement-2015-documents>

- ***“In concluding the Spending Review process we are now in a position to confirm both the rate for the apprenticeship levy and its scope”***
- ***“The rate for the levy will be set at 0.5% of an employer’s pay bill and will be collected via PAYE. Employers will receive an allowance of £15,000. The effect of this allowance is that the levy will only be payable on pay bill in excess of £3,000,000 – employers with a pay bill less than £3,000,000 will not pay anything”***
- **So, for example:**
  - **If employer has between £1 and £2,999,999 annual paybill they get given £15,000 allowance per year. So £15k in the levy pot**
  - **If employer has £6,000,000 pay bill they get £15,000 allowance and then pay 0.5% of £3,000,000 levy = £15,000. So £30k in the levy pot**
- **Government will consult with employers on whether and how non-levy paying employers might be able to access more than £15,000 from the levy pot**

**What does it mean?**

- Levy is for all UK employers in all sectors with wage bill of £3m or more
- Levy is 0.5% of the wage bill above £3m (raising about £3bn per year)
- All employers will start with a levy pot of £15,000
- Providers will need to be SFA registered, Ofsted & Ofqual still have a role
- Levy to be introduced April 2017 alongside new Institute for Apprenticeships who will approve/remove standards and advise on levy caps
- Funding agency to manage funds
- Digital Apprenticeship Service is the online system for posting vacancies, applying for vouchers and managing the levy pot
- Providers will no longer have allocations
- May be changes to provider approval process

**Answers so far...**

- **Will non-levy payers have access to other employers levy pot?**
- **How will ‘top-up’ work and how will it be limited?**
- **Use it or lose it? Expiry date?**
- **Can the levy pot be used for non-apprenticeship delivery?**
- **Can the levy pot be used for frameworks if they aren’t switched off by 2017?**
- **Extra support for 16-18 year olds? English and maths?**

**Still lots of questions...**