



Apprentice Levy Transfers

Policy and Guidance

DOCUMENT STATUS

Version	Date	Action
1	September 2022	New document, prepared by Mark Leach, Deputy Head of HR & OD – Pay, Benefits and Resourcing

1.0 Overview

- 1.1 Employers with annual pay bills in excess of £3 million, such as the Council, are required to pay an “apprenticeship levy”. The levy is payable at 0.5% of the total pay bill, minus an annual levy allowance of £15,000. The levy due by an employer is paid to HMRC through the PAYE process.
- 1.2 The use of the levy for funding apprenticeships, in England, is the responsibility of the Department for Education with the scheme delivered through the [Education and Skills Funding Agency](#). The levy paid is held in a [digital account](#) which the employer can use to pay for apprenticeship training. Levy funds remain in the digital account for 24 months from the date of payment, any amount remaining after 24 months expires and is reclaimed by HMRC.
- 1.3 In addition to funding apprenticeships for their own employees, businesses who pay the apprenticeship levy can choose to transfer up to 25% of their previous financial year’s apprenticeship levy funds to other businesses and organisations for apprenticeship training, subject to them meeting certain requirements. This policy sets out Warrington Borough Council’s approach to apprenticeship levy transfers.

2.0 Apprenticeships and the Council’s Priorities

- 2.1 The Council’s [Corporate Strategy 2020 – 2024](#) lists the Council’s pledges and priorities:

Our residents live healthy, happy and independent lives <ul style="list-style-type: none">• People are healthy, safe and well• People have opportunities to thrive• High quality education and youth facilities• Early intervention to prevent long-term health conditions arising• Residents feel part of their community	Everyone benefits from our thriving economy <ul style="list-style-type: none">• A place where businesses invest and thrive• A place that provides opportunity for all• Invest in and provide access to the right skills and education• Sustainable employment opportunities• The right sustainable economy for the future	Communities are safe, strong and our most vulnerable are protected <ul style="list-style-type: none">• A safe place• Empowered, resilient and independent communities – people take responsibility for their area• Safeguard our children and adults and protect our most vulnerable• A place of culture, sport, wellbeing and lifelong learning• Delivery of our equality objectives• Actively support our residents, businesses and communities impacted by coronavirus	Our town is clean, green and vibrant <ul style="list-style-type: none">• Reduce the impacts of climate change• Improve air quality• Manage waste effectively• Make best use of green spaces and natural resources• Clean streets and public places• Sustainable transport and travel
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- 2.2 By providing funding from the apprenticeship levy, both internally and via the levy transfer, the Council is assisting in creating apprenticeship opportunities which supports the following:
 - People have opportunities to thrive.
 - A place that provides opportunity for all.
 - Invest in and provide access to the right skills and education.
- 2.3 In addition to using the apprenticeship levy to support its own apprenticeship programme the Council will transfer levy funding, up to the maximum amount allowed, to other appropriate businesses and organisations to support their own apprenticeship programmes.
- 2.4 The Council’s assessment process for apprenticeship levy transfer applications will give priority to those applications which support the following:

Priority 1	Priority 2	Priority 3	Priority 4
Creating apprenticeship opportunities for disadvantaged groups who live in the borough of Warrington, for example those with disabilities or health conditions, the unemployed, care leavers, NEETs.	Creating apprenticeship opportunities in key employment sectors: - Health and social care. - STEM. - Digital and creative. - Construction. - Visitor economy. - Education and childcare. - Hospitality and retail.	Creating apprenticeship opportunities for young people with no access to other funding opportunities.	Creating apprenticeship opportunities for higher level skills (Level 3 or above).

3.0 Who can receive Apprenticeship Levy Transfers?

- 3.1 The Council will only transfer funds where a business/organisation either does not pay an apprenticeship levy, or does pay the levy, but has already spent their funding in full. Also, the Council will only transfer funds if the business/organisation has a significant presence in the borough of Warrington.
- 3.2 The Council will give priority to smaller businesses and charitable, community and voluntary sector organisations when assessing applications for apprenticeship levy funding transfer requests.
- 3.3 Funds cannot be transferred for apprenticeships that have already started.

4.0 Promoting the Availability of Apprenticeship Levy Transfers

- 4.1 A dedicated web page has been produced on the Council's website to promote the availability of apprenticeship levy transfer funding. This page includes links to key documents supporting the levy transfer process.
- 4.2 A brochure has been produced as a promotional tool for the apprenticeship levy transfer scheme.
- 4.3 The new EFSA platform will be used to pledge the available levy transfer funding, in accordance with agreed priorities, and to receive applications for funding.
- 4.4 Proactive promotion of the apprenticeship levy transfer scheme will be undertaken. This will include establishing links with Warrington and Co's Employment Development team and other appropriate forums, issuing a press release detailing the scheme to the local media, use of the Council's social media, promotional activity around "National Apprenticeship Week" and considering utilising any other Council interaction with businesses, such as business rate bills. The scheme will also be promoted internally to create awareness amongst employees across the Council who may be aware of potential applicants.

5.0 Pre-application checklist

- 5.1 Before making an application organisations must ensure that they comply with and are aware of the following:
- The business/organisation must be registered and have an account with the Digital Apprenticeship Service, including signing the [ESFA employer agreement](#).
 - The Council will only transfer apprenticeship levy funds to businesses/organisations that either do not pay an apprenticeship levy themselves, or do pay an apprenticeship levy but have spent their funds in full.
 - The business/organisation must have a significant presence in the borough of Warrington, for example being located in Warrington, or employing people from Warrington.
 - The apprenticeship levy transfer can only be used for apprenticeship training and assessment costs, it cannot be used to fund apprentice salaries or any other related expense.
 - Apprenticeship levy transfer funds can only be used for new apprenticeship training and assessment, it cannot be used for training that has already commenced.
 - The business/organisation must use an approved training provider for the apprenticeship training.
 - The business/organisation must be paying the apprentice the age-related National Minimum Wage rate.
 - State Aid rules apply to employers when receiving funds from other organisations. Employers applying for transfer of apprenticeship levy funds are advised to check the amount of state aid received within a three year period to ensure that they do not go over the limit which they are allowed under “de minimis” funding rules.

6.0 Application and Assessment process

- 6.1 Applications must be made via the [Government platform](#) and they will be received and administered by officers in the Council’s Resourcing team. This team manages the Council’s apprenticeship programme and the apprenticeship levy account and they will request further information and evidence from the applicants to enable assessment and scoring.
- 6.2 Applications will be assessed based on the nature of the business/organisation making the application and how the application supports the Council’s apprenticeship priorities. A scoring framework is in place to make this assessment.
- 6.3 If multiple applications are made and the Council’s maximum levy transfer amount would be exceeded, then applications will be prioritised based on the highest assessment scores.

7.0 Implementation

- 7.1 The council will advise the applicant of the outcome of their application and, if successful, the Council will verify the details required to progress to a formal agreement.
- 7.2 Once this has been completed there will be a formal agreement made through the ESFA platform which sets out the terms and conditions for both parties.
- 7.3 When the agreement is in place, the transfer of funds will be instigated through the digital account. Payments will automatically be made, on a monthly basis, to the training provider

via the connected accounts. Payments will continue until the end of the agreement. If the apprenticeship is terminated or paused, the business/organisation must notify the Council and the ESFA.

- 7.4 The Council's Resourcing Manager will monitor the apprenticeship levy transfer agreements in place and will report on take-up and outcomes to the appropriate Council forum.