

Pwyllgor yr Economi, Seilwaith a Sgiliau/ Economy, Infrastructure and Skills Committee
Yr Ardoll Brentisiaethau yng Nghymru - Gwaith dilynol / The apprenticeship levy in Wales – follow-up
Ymateb gan Cymdeithas Llywodraeth Leol Cymru / Evidence from Welsh Local Government
Association

Apprenticeship Levy -1 Year on

March 2018



CLILC • WLGA

Response to the Inquiry on the Apprenticeship Levy by the Welsh Local Government Association.

Introduction

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales, and the three national park authorities, the three fire and rescue authorities, and four police authorities are associate members.
2. It seeks to provide representation to local authorities within an emerging policy framework that satisfies the key priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.

The impact following the introduction of the Levy

3. The WLGA previously submitted its views on the implementation of the Apprenticeship levy.
4. The Association views the levy as a tax on employers. The cost to Welsh local authorities was £18m in 2017-18 which will increase as the pay bill increases in 2018-19 and future years. This is a considerable added pressure for local authorities and none of this money will be returned to local authorities so that it can deliver services.

Any concerns to date in respect the impact or implementation of the Levy

5. The WLGA is pleased that the approach adopted by Welsh Government remains largely unchanged which simplifies the approach for employers but the impact of that approach is that organisation's cannot necessarily see a direct effect between paying the additional levy and any increase or 'pay-back' for the employers in terms of training programmes. The Association is working closely with Welsh Government to maximise the benefits for local authorities in Wales.
6. The impact of the levy for authorities in reality means less monies available to authorities to invest in services and/or staff. The direct impact is that whilst the training programmes are available to them there is less resource available to support the payment of salary or wages which would be used to engage the apprenticeships. This is having a negative effect on the ability to employ apprenticeships and expand approaches.

7. Another issue that has concerned local authorities is the way schools have been categorised under the Levy. Maintained schools which form the vast majority of schools in Wales are classed as being part of local authority workforce compliment. Yet the likes of free schools and academies which are few in number in Wales are regarded as being independent and are unlikely to reach the £3.0M threshold to qualify for the tax. This means that even small rural schools, with a very small pay bill has to pay the levy. This would be replicated many times as few individual schools would have a pay bill in excess of £3.0M in Wales. This is believed to have a disproportionate impact on Wales compared to England

Recommendations for the Welsh Government

8. The WLGA has never supported the introduction of the Levy, and certainly would wish to see Welsh Government continue to seek for this to disapply to all maintained schools, and for these to be treated the same as non-maintained schools whose function is the same. Non -maintained schools still draw down public money and their exclusion from the payment of the should be extended to all schools.

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