Department for Business Innovation and Skills (BIS)   
Apprenticeship Levy Consultation

Arts Council England

2nd October, 2015

Introduction

Arts Council England’s mission is 'great art and culture for everyone' and we work to achieve this by championing, developing and investing in arts and cultural experiences that enrich people's lives, enabling new artistic developments, realising talent, and championing culture in public policy. As the national development agency for the arts, museums and libraries, we support a range of activities from theatre to music, reading to dance, photography to digital art, carnival to crafts. We support and invest in high quality arts practice and the best emerging practitioners whom we believe are the backbone of a dynamic creative economy.

Should a proportion of the apprenticeship funding raised from larger companies be used to support apprenticeship training by smaller companies that have not paid the levy?

Yes

Please provide any additional comments that will help us to understand how you have answered the question.

Arts Council England broadly agrees with the principles behind the Apprenticeship Levy, in larger organisations supporting training opportunities for apprentices in smaller organisations.

We would welcome recognition of sector-specific circumstance in this area, however. The largest employer funded by Arts Council England employs less than 3500 people (permanent, contract and freelance staff.) In the United Kingdom, Tesco UK employs more than 310,000 people.

Arts Council England requests that the implementation of the Apprenticeship Levy recognises the difference in organisational capacity to administer the scheme to ensure its introduction is carefully managed and does not place undue administrative burden on organisations towards the ‘smaller’ end of the Apprenticeship Levy eligibility scale.

Arts Council England would also welcome a sector-specific ring-fencing of apprenticeship training funds to ensure money invested by organisations in the arts and cultural sector is used to fund development of the arts and cultural sector.

Do you have any comments on the proposed mechanism for collecting the levy via PAYE?

Arts Council England would welcome clarification on the ‘type’ of employment eligible for this scheme and how that might be calculated. Will the size of the firm paying the levy be calculated on permanent staff only, or on contracted and freelance staff too?

How long will a post need to exist before it is ‘counted’ towards an organisations’ eligible employee number? At what point in the year will this be calculated?

Biennial festivals, for example, grow and contract the number of staff employed depending on organisational need. Will the needs of different business models be considered in the implementation of the scheme?

In your opinion, how should the size of firm paying the levy be calculated?

Arts Council England recommends that the size of organisation paying the levy should be based on the number of full time, permanent employees, employed for at least 12 months.

Should employers be able to spend their apprenticeship funding on training for apprentices that are not their employees?

This should be available as an option to those who contribute to the scheme. The benefit to an organisation or sector should be clear, however. Ring-fencing funds for sector-specific need would enable understanding of this benefit.

How long should employers have to use their levy funding before it expires?

Due to the variety of business models in cultural organisations, we would welcome flexibility in this area. Allowing organisations to ‘claim’ vouchers within a three year period would enable organisations that might not work on a traditional annual cycle to benefit from the levy.

Do you agree that there should be a limit on the amount that individual employer’s voucher accounts can be topped up?

We do not recommend a limit as long as money raised arts and cultural sector remains in the cultural sector. A limit would be welcomed if this is not feasible.

How can we sure that the levy supports the development of high-quality apprenticeship provision?

Further Education colleges and independent training providers are subject to a great deal of regulation through the Skills Funding Agency, OfSted and the qualifications bodies. It seems sensible to require any agency providing training and receiving funding from the voucher system should be regulated in some way.

How should these ceilings be set, and reviewed over time?

An appraisal of the usefulness of provision should be made in collaboration with training providers and apprenticeship ‘hosts’. We would welcome longitudinal tracking of the career of apprentices too, to test the efficacy of intervention.

How best can we engage employers in the creation and wider operation of the apprenticeship levy?

Eligible organisations should be given appropriate time to understand the positive and potentially negative implications of the introduction of this Levy and ensure their business is ready to introduce a useful apprenticeship scheme. Employers should understand the potential benefits of the Levy and see its introduction as a positive resource not a requirement.

Does the potential model enable employers to easily and simply access their funding for apprenticeship training?

Without knowing more about the practicalities of the Levy it is difficult to make a reasonable appraisal. Arts Council England would welcome a simple process that acknowledges the limited capacity of many arts and cultural organisations to administer and maximise the benefits of the Levy, however.

Should we maintain the arrangement of having lead providers or should employers have the option to work directly with multiple providers and take this lead role themselves if they choose to do so?

Employers should have the option to work directly with multiple providers and take a lead role themselves if they choose to do so.

If employers take on the lead role themselves what checks should we build in to the system to give other contributing employers assurance that the levy is being used to deliver high quality legitimate apprenticeship training?

To ensure quality and parity Arts Council England would welcome partnership with Higher and Further Education bodies where possible. Educational standards already exist. Arts Council England recommends working within existing frameworks and structures.

Should training providers that can receive levy funding have to be registered and/or be subject to some form of approval or inspection?

We would welcome flexibility in approach.

How should the new system best support the interests of 16-18 year olds and their employers?

Close collaboration with FE institutions should identify and enable the proper support of 16-18 year-olds.

Do you agree that apprenticeship levy funding should only be used to pay for the direct costs of apprenticeship training and assessment?

A proportion of the levy should be used to fund infrastructural costs like developing new apprenticeship standards.

Are there any other issues we should consider for the design and implementation of the levy that haven’t been covered by the consultation questions we have asked you?

Arts Council England recognises the benefit of encouraging the employment of apprentices, in diversifying the workforce and attracting and maintaining talent.

This is evidenced through our support of the Creative Employment programme. Arts Council England is preparing to welcome a number of apprentices into the organisation so understands the benefits from an employer’s perspective too.

We would, however, welcome acknowledgement of an increasingly challenging financial climate in the public sector and the impact that has on organisational capacity to deliver such a scheme if flexibility is lacking. The majority of larger cultural organisations, who might be eligible for this scheme, already employ apprentices. We recommend that these organisations are able to continue existing programmes where appropriate.

We would also welcome consideration of career development support available for apprentices once the formal apprenticeship period is over. If an organisation is unable to offer a full-time post at the end of the scheme we would like to see a package of support available to ensure the skills developed during the apprenticeship period can be usefully deployed within the sector.

Do you have any other comments that might aid the consultation process as a whole?

Acknowledgement of sector difference is vital as is the need to engage in future-facing apprenticeships, not just apprenticeships in traditional areas. It is interesting to note there is not a drop-down box at the beginning of the questionnaire for the creative sector.