



Department
for Business
Innovation & Skills

Enterprise Bill: Apprenticeships (Data sharing and Spending)

Issue:

The Government announced in the 2015 summer Budget that it would be introducing an apprenticeship levy for employers across the UK, in order to significantly increase the quality and quantity of apprenticeships in England to 3 million starts this Parliament. The levy will be set at 0.5% of a company's payroll and an allowance of £15,000 means only those companies with a payroll exceeding £3million will have to pay it. The levy will be introduced in 2017.

In England, employers will be able to direct funding towards the apprenticeship training they want through the Digital Apprenticeship Service. The Service will also support employers to identify and choose an apprenticeship training course, find a candidate and choose a training provider.

The levy collection system and the new Digital Apprenticeship Service for England need to communicate in order to ensure that employers have access to the appropriate level of public funds for apprenticeship training. Statutory data sharing powers are therefore, required to allow data to flow between HM Revenue and Customs (HMRC) and the Secretary of State (SoS).

We also need to ensure that Devolved Administrations have fair access to information about levy payments in their countries and we will be legislating, with their consent, to provide similar data access.

Measure:

The measures will:

- Create new data sharing powers between HMRC and BIS to facilitate the spending of the proceeds of the levy in England; and support the interface between HMRC's levy collection system and the new Digital Apprenticeship Service for England.

- Create new data sharing powers between HMRC and Devolved Administrations to enable the relevant authorities in each country to administer their apprenticeship schemes
- Expand existing spending powers of the Secretary of State (SoS) in relation to apprenticeships in England; to be clear that the SoS may make payments to employers in England in relation to the full range of statutory apprenticeships, for example, incentive payments to employers for apprentices age 16-18.

The Government will be introducing the levy (and giving details as to its level and scope) in separate legislation - the Finance Bill 2016 and will be publishing draft clauses shortly.

Aims and Impact:

The measures will:

- Provide for two new data sharing gateways in relation to apprenticeships in England:
 - (1) HMRC disclosure to the SoS for the purpose of the SoS's functions relating to apprenticeships;
 - (2) SoS disclosure to HMRC for the purpose of the SoS's functions relating to apprenticeships.
- Provide for two further data sharing gateways in relation to apprenticeships in the Devolved Administrations:
 - (1) HMRC disclosure to Devolved Ministers (and relevant persons) who exercise functions relating to apprenticeships;
 - (2) Devolved Ministers' (and relevant persons) disclosure to HMRC for the purpose of their functions relating to apprenticeships.
- Include a criminal sanction for wrongful disclosure (under section 19 of the Commissioners for Revenue and Customs Act 2005) of data obtained under the first gateways.
- Allow for payments to be directed to employers for all statutory apprenticeships.