



OCTOBER 2016

Welcome to your industry newsletter



Delegates at the 2016 Lift and Escalator Symposium, Northampton

Welcome to the sixth LEIA newsletter. As ever, the team has been busy working throughout the summer and have a number of items to update you on.

In this month's newsletter, you will find information on the Scottish Government's announcement about project bank accounts, information on the Apprenticeship Levy, set to impact all businesses from April 2017, and a review of our recent Liam Loves Lifts children's safety campaign.

HSE survey

The HSE is reviewing the requirements in Health & Safety legislation for the Inspection & Thorough Examination of work equipment. They want to hear your views about how well these requirements are working, and how they might be improved to promote effective and proportionate approaches to equipment inspection. To submit your views, you can take part in the [survey](#).

Distance learning prices

The new price list for the distance learning courses is now available, and there has been a price increase. The

fees will increase from January 2017, but this is the first time since 2011 that there has been a rise. We have tried to keep the prices the same for as long as we could, however with the increased cost of materials, registration fees and examination fees, we have to cover our costs. We feel that these prices still reflect good value in the industry. You can view the new prices [here](#).

Lift and Escalator Symposium

The 6th Symposium was held at Highgate House near Northampton on 21-22 September. LEIA joined the University of Northampton and CIBSE as co-organisers last year. Judged by attendees, this was not only the largest symposium so far but also seems to have been popular with attendees.

The symposium included high quality papers from diverse fields; papers on the latest R&D rub shoulders with more practical papers. There were interesting papers on installing and calibrating

induction loop (as appears in BS EN 81-70) along with updates from London Underground on its escalator safety improvements and a report of its "stand on the left" trial at Holborn tube station which was widely reported in the media.

Nick Mellor chaired a session on codes and standards including a paper on the 1935 Code of Practice. Lawrence Dooley and Nick Mellor also presented on the LEIA distance learning course, vocational qualifications and apprenticeships to a workshop on training and education.

The symposium featured a small exhibition space which was well used this year by Global Lift Equipment, Lester Control Systems, Lift & Engineering Services, and Shorts Industries.

For your diaries, the 7th Symposium will be held at Highgate House, Northampton, 20 to 21 September 2017.

Don't forget to [follow us](#) on our LinkedIn page for weekly updates and news.



Construction industry applause for Scottish Government's announcement on Project Bank Accounts (PBAs)

The announcement by Cabinet Secretary for Finance, Derek Mackay, that as from 31 October 2016, project bank accounts (PBAs) will be used on building projects over £4 million (procured by Scottish Government bodies), has received praise from the Specialist Engineering Contractors' (SEC) Group Scotland.

SEC Group Scotland, of which LEIA is a member, represents the largest sector (by value) in Scottish construction. Speaking on behalf of the Group its Chairman, Eddie Myles, said he was delighted with the announcement:

"SEC Group Scotland has been the leading exponent of PBAs since they are the most effective method for ensuring regular and secure payments to construction supply chains, especially SMEs."

Fiona Hodgson, MD of the Scottish and Northern Ireland Plumbing Employers' Federation added:

"Scottish Government is to be congratulated. Dealing with poor payment practices has to be the number one priority for construction. I look forward to the time when we can half the threshold for using PBAs."

SEC Group Scotland intends to work with Scottish Government in helping to train the industry and public sector bodies in the use of PBAs. The Group has already published guidance for clients, **12 Easy Steps in Setting up a Project Bank Account**, which is available on the member's area of the LEIA website.

PBAs are two-fold:

- they provide regular and secure payments to the supply chain;
- they ensure that monies payable to the supply chain are protected from upstream insolvencies.

The benefits include:

- facilitation of compliance with fair payment requirements;
- reduces risk of failure of supply chain firms and consequent disruption caused to projects;
- reduces the bureaucracy, cost and disputes associated with having multiple layers of payment systems on projects;
- automatic visibility and auditability of the timing and amounts of all transactions via the electronic banking process.



The Apprenticeship Levy: what you need to know

Despite calls for a delay from some business leaders, and a mixed reaction to its finer details, the government recently announced that the Apprenticeship Levy will go ahead from early next year. Lawrence Dooley, Safety & Training Manager, looks at the implications for the industry, and what businesses need to do next.

What is the Apprenticeship Levy?

The levy is the government's scheme to fund an increase in the number, and quality, of apprenticeships to meet its target of creating three million places by 2020. Following its initial announcement in the Summer Budget 2015, and a public consultation earlier this year, the government confirmed in August that it will start from 6 April 2017.

All employers with an annual wage bill of more than £3m are required to contribute, at a rate of 0.5% of their annual bill. Those with a bill of less than £3m will still have to pay the levy, which must then be reclaimed; they will still have access to funding. However, for those who are eligible, little time remains before next spring to fully understand the implications and prepare.

How it works

The introduction of the levy changes the way apprenticeships are funded and organised, so will have implications for both levy and non-levy paying employers. Smaller companies may reap the benefits as they will be eligible for funding for apprenticeships, and the government is also currently looking into whether it may be possible for levy paying employers to fund smaller organisations within their supply chain.

The bill will be based on the total amount of earnings, subject to Class 1 secondary NICs. Although earnings below the secondary threshold are not counted when calculating an employer's NICs, they will be included for the purposes of calculating the amount of levy the employer will need to pay.

According to the guidance, earnings include any remuneration or profit coming

from employment, such as wages, bonuses, commissions, and pension contributions that a business pays NIC on. Other payments, such as benefits in kind, will not be counted.

Employers with a payroll of over £3m:

- The levy will be calculated, reported and paid to HMRC through the PAYE process alongside tax and NICs.
- Once declared to the HMRC, funding can be accessed through a new digital apprenticeship service account, which will be topped up by the government by 10%.
- Although the levy is charged at 0.5%, there is a levy allowance to offset against this which is £15,000 for each tax year. This means that the levy is only payable on bills of over £3m because $0.5\% \times £3m = £15,000$.
- The allowance will operate on a monthly basis, accumulating throughout the year. Any unused allowance will be carried over from month to month.
- Money in the digital account will be used to pay for apprenticeship training. If there are not enough funds available, the government will 'co-invest' with the employer to cover any shortfall.
- The government has set up an [online calculator](#) to help businesses work out how much they will need to pay.
- Employers who don't use the levy within 18 months will lose it, and the government will reclaim it and use it elsewhere.

Employers with a wage bill of under £3m:

- Those in this bracket will not be required to pay the levy, but can draw upon the scheme for apprenticeship funding.
- Under the current proposals, smaller employers are only required to pay 10% of the cost of training an apprentice

and the government will cover the remaining 90% of training costs. The final co-investment rate looks set to be confirmed in October.

- Small employers (with under 50 staff) won't pay anything if employing apprentices under the age of 19.
- Businesses may also receive a £1k payment, with an additional £1k payment to the training provider.
- Non-levy paying businesses can also use the [online calculator](#) to calculate funding.

What next?

The next step for eligible employers is to calculate how much will be paid. Details such as the percentage of their workforce living in England, and the types of apprenticeship training they will need, are needed to fully work out the cost. All payroll systems will need to be set up to start payment from April 2017.

Further guidance will be released by the government in October 2016, six months ahead of the scheme. If apprenticeships are not something you had considered for your business, start to look into it. After all, they are vital to the future and development of our industry.

Timeline

August 2016: government confirms the apprenticeship levy to go ahead.

October 2016: government to issue the next set of funding guidance.

January 2017: eligible businesses should register for the digital account.

6 April 2017: official start date.

May 2017: eligible employers must declare their liability to HMRC.

Liam Loves Lifts children's safety campaign



Back in May, LEIA launched the 'Liam Loves Lifts' safety campaign for children. Aimed at the under 5s, the campaign was devised to target parents promoting the safe use of lifts by children across the UK – building on the success of LEIA's Safe & Sound campaign. The key message was to discourage young children from putting their hands on lift doors, and trapping their fingers.

The campaign focused on a story book called 'Liam Loves Lifts' demonstrating the dangers of lifts when Liam's soft toy gets trapped. It was accompanied by song lyrics to be sung to tune of 'The wheels on the bus.' A height chart was also included in the book so that the message would be visible for a longer time.

To promote these materials, a Facebook page and Twitter feed were launched, and the book was officially revealed during LIFTEX 2016 in May. A page was set up on the LEIA website with links to Survey Monkey to order the book and chart, with an option of downloading the book and chart as a PDF.

The campaign received an overwhelming response from the industry and parents, with

orders for the book exceeding all expectations. The volume of requests via Survey Monkey were so large that they had to be capped at 5,000 in order for the team to process them.

The social media campaign was so successful that it has now been shortlisted for an award at the UK Social Media Communications Awards 2016.

Social media stats

- Facebook: posts reached over 284k of the target audience – 224 shares, 489 likes, 333 comments and 1,475 clicks on the link. – Over 265k impressions and 268 page likes.
- Twitter: over 13,000 impressions, 30 link clicks and 28 re-tweets.

- Classified adverts on NetMums and advertorials on MumsNet, one each per month during June, July and August.
- NetMums resulted in over 3m views and 1,869 clicks.
- MumsNet went to nearly 6m recipients with over 80k unique opens – a 13.4% open rate.

"We are thrilled with the success of the campaign" says LEIA's Lawrence Dooley. "The combination of the characters and the story really struck a chord with parents who got on board with promoting lift safety. Social media however was the vital ingredient in reaching out to parents, and with the support of sites like NetMums and MumsNet, we reached a whole new audience who would not have previously been aware of LEIA and our work."

To find out more about Liam, visit the [LEIA site](http://www.leia.co.uk).