



Apprenticeships - An employer's guide



What is the apprenticeship levy?

The apprenticeship levy is a levy on UK employers to fund apprenticeships. In England, control of apprenticeship funding will be put in the hands of employers through the Apprenticeship Service. The levy will be charged at a rate of 0.5% for companies with a pay bill of £3 million or more. It will be introduced in April 2017, collected through the monthly payroll, and transferred into an employer's 'Digital Account' with a Government top up.

Funding apprenticeships

Employers can draw down their digital accounts to fund apprenticeships for existing and new employees.

There are four levels of apprenticeship:

- Intermediate apprenticeships: equivalent to 5 good GCSEs.
- Advanced level apprenticeships: equivalent to two A-levels.
- Higher apprenticeships: can lead to a HND, HNC or foundation degree.
- Degree apprenticeships: can lead to a full undergraduate or postgraduate degree, and include study at a university.

Apprenticeships will come under 15 funding bands ranging from £1,500 to £27,000. Employers will be able to use Government funds for training costs up to that limit; beyond that, they will have to 'top up' themselves. Non-levy paying employers (i.e. those with a pay bill of less than £3 million) will make a 10% contribution to the cost of training, with the Government covering the other 90%.

Digital accounts will be accessed online (through the Apprenticeship Service) and used by employers to purchase training programmes from a list of providers on the Register of Apprenticeship Training Providers (RoATP).

How does the Apprenticeship Service work?

Levy funds, and funding provided by the Government, can only be used towards the costs of apprenticeship training and end-point assessment. This must be with an approved training provider and assessment organisation. These funds cannot be used to cover wages, the cost of setting up an apprenticeship or managerial and travel costs.

Levy-paying employers can use the Apprenticeship Service from May 2017 to choose training for their apprentices via an approved training provider and an assessment organisation. The Apprenticeship Service will not be available for use by non-levy paying employers to purchase training until at least 2018.

Once a training provider has been selected, the costs of the training will be drawn down from the employer's digital account monthly and sent to the provider.

How does the Register of Apprenticeship Training Providers (RoATP) work?

To join the RoATP, training providers are required to complete an application detailing their:

- financial health.
- capability to provide training.
- basic organisational details.

Employers will be able to provide their own training if they meet RoATP's standards.

Apprenticeship standards and frameworks

Employers can choose apprenticeship training based on either apprenticeship standards or frameworks.

Standards are new and developed by employers ('Trailblazers'). These cover a specific job role/job category and set out the core skills, knowledge and behaviours required from the apprentice to be successful in the sector, in that type of role.

(Frameworks involve a series of work related vocational and professional qualifications. These will be phased out between now and 2020 as the focus turns fully to employer-led apprenticeship standards.)



Trailblazer groups

A trailblazer group is made up of employers who work together to design new apprenticeship standards for occupations within their sectors. Each trailblazer group should have at least ten members, and charging for membership is not permitted.

Groups should include training providers, assessment bodies, sector bodies, external experts and professional bodies from the sector. This is critical to ensure that standards are truly aligned with contemporary industry and organisational needs.

In order to form a new trailblazer group to work on a standard for your occupation(s), a proposal (Expression of Interest) should be submitted to apprenticeship.trailblazers@bis.gsi.gov.uk. All new standards must be unique. If a relevant standard is already in development, the Department for Education (DfE) will put you in touch with this trailblazer group.

Developing a standard

Following the acceptance of an Expression of Interest by the Department for Education, the trailblazer group will work on developing the standard and assessment plan. Once these are approved, a funding band is assigned, and final preparations are made for the delivery of the standard.

Responsibility for the approval of standards is due to be transferred to the Institute for Apprentices in April 2017.

How will this benefit employers?

The fact that these standards are developed by employers should make them more attractive to a wider range of businesses. The new Apprenticeship Service will allow employers to choose from a range of training, closely tailored to their needs.



What should employers do to prepare for these changes?

Employers should:

1

Check whether they will pay the levy or not.

2

Consider the skill gaps they have in their organisation.

3

Check whether a standard to address these skill gaps, based upon an occupation(s) is either in development or already approved for delivery, which can be done here:

www.gov.uk/government/publications/apprenticeship-standards-in-development

and here

www.gov.uk/government/publications/apprenticeship-standards-ready-for-delivery

4

If this is not the case, employers should begin the process of joining a trailblazer group to create a standard customised to their needs.



If you would like to discuss your needs with us please contact our dedicated Cranfield Apprenticeship team at
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