

Apprenticeships are Changing:

How this Affects Non-levy Paying Employers

Summary of the Changes

The government has reformed apprenticeships and how they are funded. The reforms give employers more control over designing, choosing and paying for apprenticeship training. The funding policy supports the changes to the way apprenticeships are paid for, underpinned by the apprenticeship levy. **From May 2017:**

Levy Employers

Employers pay the levy if they have an annual payroll bill of over £3 million. The levy equates to 0.5% of their payroll bill over the £3 million and can only be used to purchase apprenticeship training for their organisation.

The government adds a further 10% of funding to the levy. Unused levy monies expire after 24 months.

Non-Levy Employers

Organisations with an annual payroll bill of less than £3 million do not pay a levy, instead the government co-invests with non-levy paying employers:

- 90% of the apprenticeship training course fees are paid for by the government, so long as the course fee sits within the funding cap.
- The remaining 10% will be paid monthly by the employer over the duration of the apprenticeship training.
- For employers with less than 50 staff, the government will pay for 100% of training costs for 16-18 year olds. This also applies to 19-24 year olds who were formerly in care or who have an Education and Health Care plan.

Levy and non-levy employers will also receive £1000 for each apprenticeship undertaken by a 16-18 year old, or a 19-24 year olds who were formerly in care or who have an Education and Health Care plan.

- Existing apprenticeship frameworks are being phased out by 2020 and new **apprenticeship standards** are being developed and many will include education pathways to degree-levels.
- The new **Apprenticeships Service** supports employers to select an apprenticeship, a training provider and an end-point assessment organisation. This system via your training provider will also post vacancies for apprentices and manage levy funding. **Non-levy employers will not use the Apprenticeship Service to purchase their apprenticeship training until 2018 and will instead purchase apprenticeship training directly with the training provider.**
- The **Institute for Apprenticeships** has been established to regulate quality, approve and log **apprenticeship standards** and set funding caps for the delivery of apprenticeship standards or frameworks.

What is an Apprenticeship?

Training for a job in a skilled occupation that combines studying for a work-based qualification with working in a related job role. Generally, 20% of an apprentice's time will be off-job training in the workplace and/or at college and 80% of their time will be spent working at work. **Apprenticeships last for a minimum of 12 months and can last up to 5 years depending on the education level.** There are many apprenticeships already available and more being developed from education levels 2 to level 7 offering complete vocational education pathways for occupations including nursing. Apprentices work to an apprenticeship standard or framework which outlines the competencies required to complete the programme. The new standards have been developed by employers, the old frameworks are being phased out.

Who is it for?

Apprenticeships are a great way to develop 16-24 years olds in a particular occupation as they enter the workplace, however apprenticeships also support career progression and there are apprenticeships for all levels. **Apprenticeships are therefore suitable for all ages and for developing both new and existing staff members.**

What are the Benefits?

- Apprenticeships are an effective way to recruit new staff with enthusiasm, talent and fresh ideas
- Apprenticeships are great way to re-train or upskill existing staff which can increase staff morale and reduce turnover
- Apprenticeships can enable career progression via recognised vocational pathways
- The training develops a number of transferable skills, increasing the flexibility of your workforce
- Apprentices could be used as part of your wider plan to manage skill shortages and recruitment issues
- The learning is tailored to specific job roles, making it a flexible way to support your team

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Recommendations for Employers

You may wish to review why and how you are currently using apprentices. Consider:

- What benefits can apprenticeships bring to your organisation?
- Are there any skills gaps in your organisation (clinical or non-clinical) that could be filled by apprentices?
- What succession plans do you have in place to cover retirement of existing staff?
- Is the way you work changing, could employing an apprentice help your team to adapt to the change?
- What investment would it require? What is the return on that investment?
- Do you have staff who could benefit from upskilling / further training in their occupation? Could they be released for out-of-workplace training for 20% of their time at work for 12 months or more?
- Do you have experienced staff who could support the development of an apprentice? Could this be a development opportunity for them also?

Investment/ Funding Considerations

For Non-Levy Employers:

- All apprenticeships have funding caps . If you agree a price with your training provider which falls within the specified cap the **government will fund 90%** of the course fees
- The remaining **10% will be paid by the employer** at a monthly rate for the duration of the apprenticeship.
- Anything over the specified cap will have to be paid by the employer.
- For employers with less than 50 staff, the **government will 100% fund apprentices aged 16-18 years old** and 19-24 years old who were formerly in care or who have an Education and Health Care plan and the employer will receive £1000.
- The government will pay funding direct to the training provider to fund the English and Maths qualifications within the apprenticeship if required.
- The apprentice must work enough hours each week so that they can undertake sufficient, regular training and on-the-job activity. This is to ensure that successful completion of the apprenticeship is likely.
- The apprentice must be paid at least the apprenticeship minimum wage in the first year of the apprenticeship, then at least the national minimum wage for their age thereafter to completion.

Next Steps: Accessing Apprenticeships

- 1) Choose the right apprenticeship for your organisation's needs- the right subject and right education level. It is important that the job role the apprentice carries out enables them to meet the competencies required by the apprenticeship standard or framework you select. The **Find Apprenticeship Training** tool can be used to select the right **apprenticeship** <https://findapprenticeshiptraining.sfa.bis.gov.uk/>
- 2) Find a training organisation to deliver the course aspect of the apprenticeship, again the **Find Apprenticeship Training** tool can be used for this. The apprenticeship could be delivered at a local college and/ or in the workplace depending on the delivery model of the training provider. Contract and purchase directly with your chosen training provider. You may wish to have a [Service Level Agreement](#) with your chosen training provider
- 3) If you are developing an existing staff member, skip to step 5. If you are recruiting a new post, **your training provider will support you to advertise your apprenticeship.**
- 4) Interview applicants and select your apprentice and follow your internal HR processes for a new employee. Apprentice wages should be [at least the apprenticeship minimum wage.](#)
- 5) Make an [apprenticeship agreement](#) with your apprentice, your training provider will be able to assist you.
- 6) Pay your apprenticeship training costs via monthly payments, spread over the duration of the apprenticeship, along with the apprentice's salary.
- 7) Support the apprentice throughout their time on the course, ensuring that their job role supports their learning.

For further information please follow the specific links above & go [here for full details on how to take on an apprentice.](#)

Find Out More

For further information, advice and guidance please contact: Robert Smith, Project Manager working with Health Education England across Kent, Surrey & Sussex Email: Robert.Smith@nsahealth.org.uk