

Summary of Apprenticeship Reforms

Presented by - Paul Duerden

Business Manager Engineering



**Apprenticeship funding in England
from May 2017:
How the funding changes, including
the levy, work**



What is the apprenticeship levy and who pays it?

Starts on 6 April 2017, at a rate of **0.5% of pay bill**, paid through PAYE

Applies to all **UK employers** in all sectors

£15,000 allowance is **not a cash payment**

Only **1.3% of employers** will pay the levy

The levy will be set at **0.5% of an employer's pay bill**. It will only be paid on any pay bill in excess of

£3m

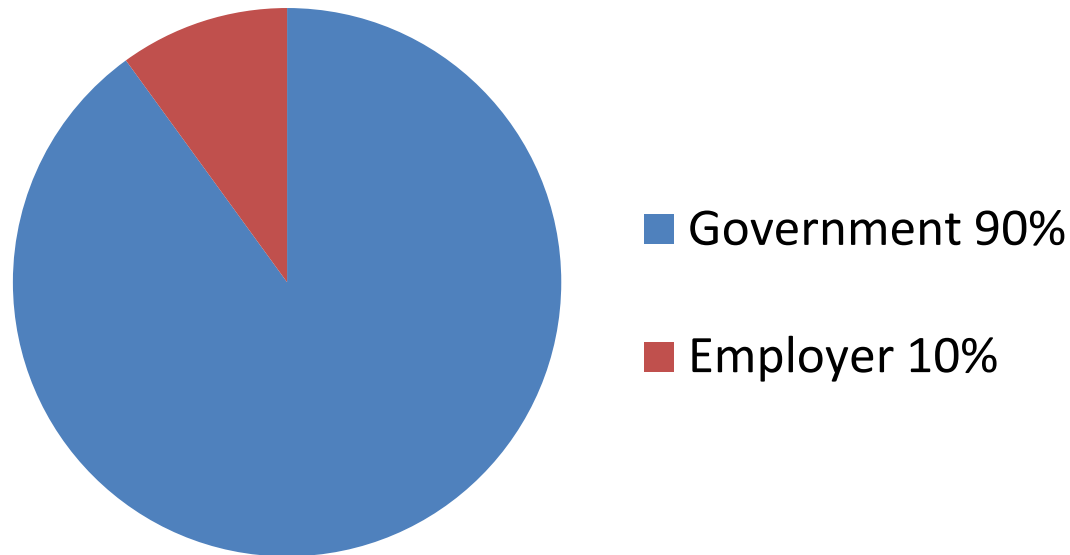
Employers will have an allowance of **£15,000** to offset against their levy payment



What about non levy payers? Co-Investment

There are two types of employers who will benefit from government support towards the cost of their apprenticeships training:

1. Employers who haven't paid the levy and want to purchase apprenticeship training from a provider
2. A levy-paying employer who with insufficient funds in their digital account to pay for the cost of training and assessment they want to purchase



- The **government will pay 90%** of the costs of training and assessment.
- The **employer will be responsible for paying 10%** of the costs.



Accessing levy funds to spend on training

- Levy funds will be available through a new digital service on gov.uk
- First funds appear in account in late May 2017

How funds in the account will be calculated

If 100% of pay bill is in England	100% of levy payment in digital account
If 80% of pay bill is in England	80% of levy payment in digital account

- 10% government top up to monthly funds entering an account

What can funds be used for?

Digital funds and government funding **can** be used for:

- apprenticeship training and assessment
- against an approved framework or standard
- with an approved training provider and assessment organisation
- up to the funding band maximum for that apprenticeship

Digital funds and government funding **can not** be used for

- wages
- travel and subsistence costs
- managerial costs
- traineeships
- work placement programmes
- the costs of setting up an apprenticeship programme



Funding bands

Number	Band limit
1	£1,500
2	£2,000
3	£2,500
4	£3,000
5	£3,500
6	£4,000
7	£5,000
8	£6,000
9	£9,000
10	£12,000
11	£15,000
12	£18,000
13	£21,000
14	£24,000
15	£27,000

Every apprenticeship will be placed in a funding band

The upper limit of each funding band will cap the maximum:

- amount of digital funds an employer who pays the levy can use towards an individual apprenticeship.
- that government will 'co-invest' towards, where an employer does not pay the levy or has insufficient digital

Employers can negotiate the best price for the training they require

- If employers want to spend more than the funding band limit, using their own money, then they will be free to do that.
- Funding bands do not have a lower limit.

Additional support

16-18 year olds

Government will pay **£1,000 to employers**, and a further **£1,000 to training providers** if they train a 16-18 year old apprentice

Disadvantaged young people

Government will pay **£1,000 to employers**, and a further **£1,000 to training providers** if they train 19-24 year olds leaving care or who have a Local Authority Education and Healthcare plan

Small Employers

Employers with fewer than 50 employees will have 100% of the training and assessment costs covered when training a 16-18 year old (or 19-24 year old formerly in care or has a Local Authority Education, Health and Care plan

Additional learning support

We will pay training providers **up to £150 a month** to support these learners, plus additional costs based on evidenced need

English and Maths training

To meet minimum standards of English and maths we will **pay training providers £471** for each of these qualifications (Level 1 and 2)



CHANGING APPRENTICESHIPS

SASE FRAMEWORKS (MULTI-OCCUPATIONAL)

Initial assessment



On-the-job and off-the-job training

- **Mandatory Qualification(s)**
NVQ and Technical Certificate or combined qualification
- **Maths and English**
- **Personal Learning and Thinking Skills**
- **Employment Rights and Responsibilities**



Completion and certification

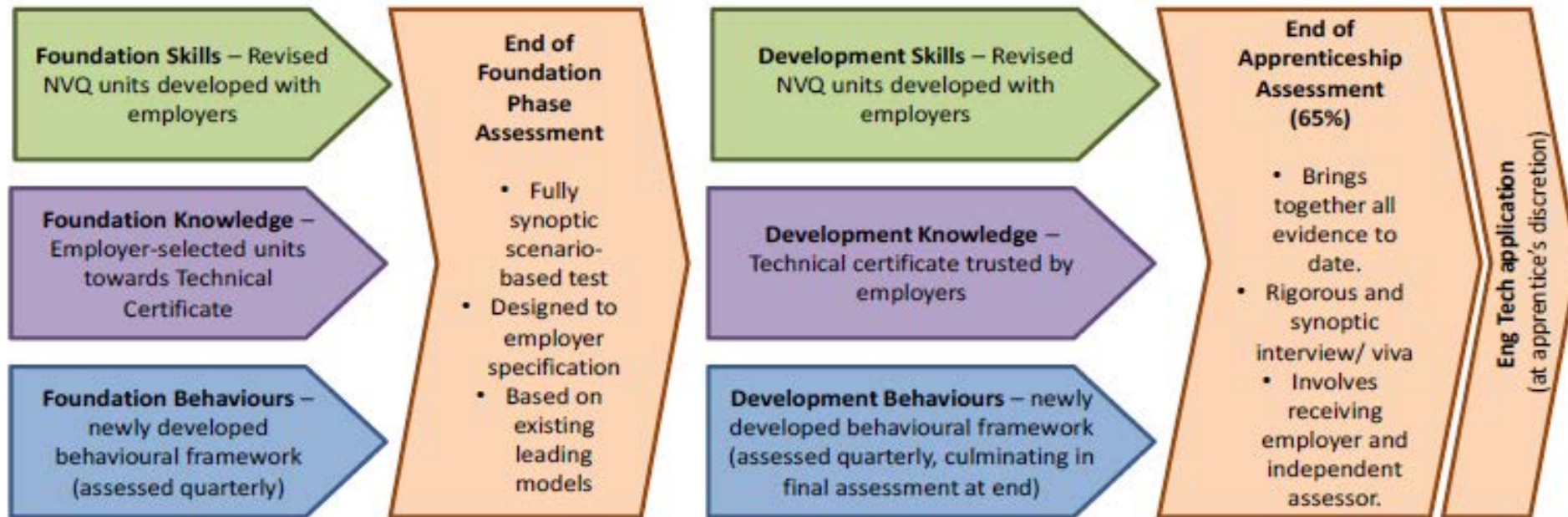


Occupational competence



New Standard Engineering Technician

Automotive Trailblazer - Mechatronics Technician – Assessment Summary



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This is your current balance:

£5,340

on 20 August 2018

Transactions

Date	Description	Credit	Debit	Balance	
15 August 2018	Hackney Skills and Training Ltd		£379	£5,340	View
10 August 2018	Levy credit	£774		£5,719	View
08 August 2018	Lots of skills Ltd		£347	£4,945	View
15 July 2018	Hackney Skills and Training Ltd		£379	£5,292	View
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Wider reforms - Institute for Apprenticeships

- **An independent employer-led body that will regulate the quality of _____ apprenticeships**, set up by April 2017 (shadow form with effect from 2016)
- An independent Chair will lead a small Board comprised primarily of employers, business leaders and their representatives.
- Anthony Jenkins appointed as Shadow Chair and Peter Lauener as Shadow Chief Executive
- Outline role:
 - Approve/reject Expressions of Interest, standards and assessment plans
 - Provide advice and guidance during their development
 - Maintain a public database of apprenticeship standards and publish information illustrating potential gaps
 - Advise on the maximum rate of Government funding that should be assigned to each standard



What you can do now

Read further – go to

<https://www.gov.uk/government/collections/apprenticeship-changes>

Plan your apprenticeship spending - <https://estimate-my-apprenticeship-funding.sfa.bis.gov.uk/>

Check out the draft regulations for the calculation, payment and recovery of the Apprenticeship Levy -

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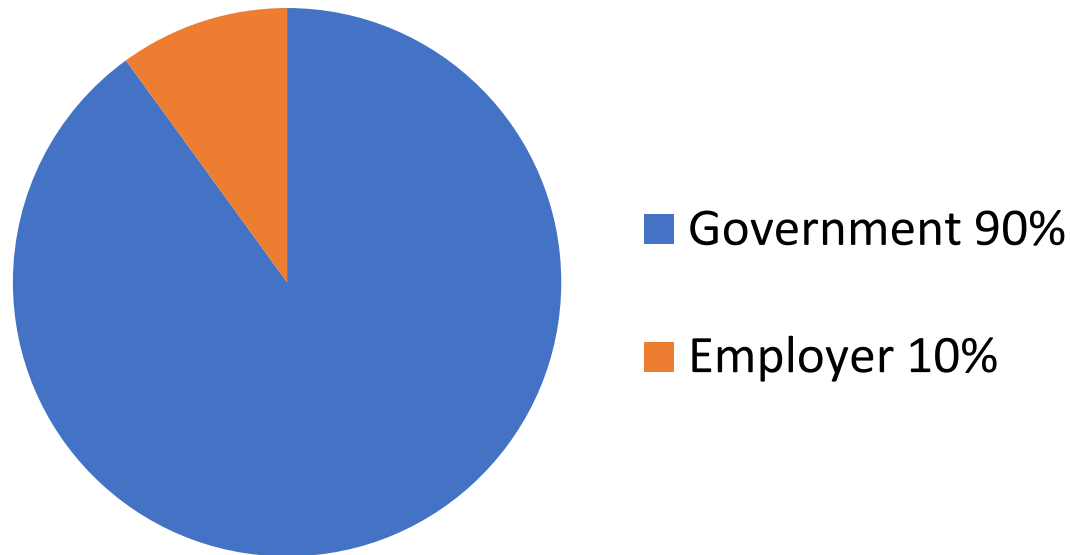
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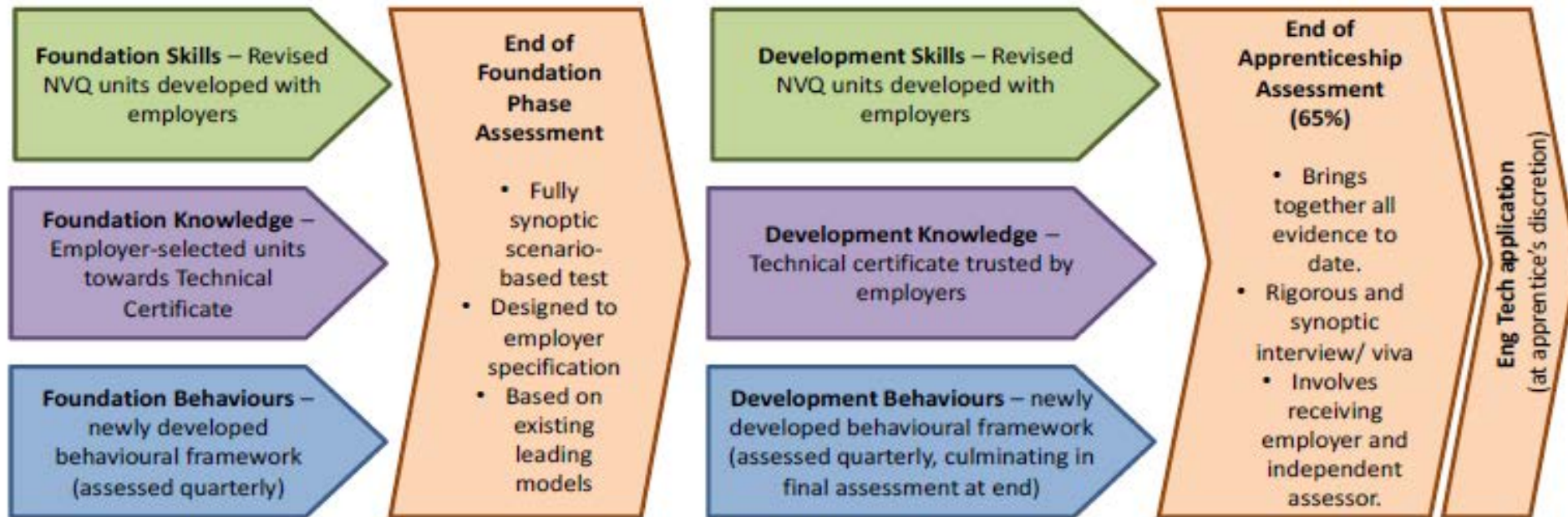


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