

# Non-levy paying employer information

## What is an apprenticeship?

This section provides general information on apprenticeships, how they work, roles and responsibilities and basic rules for employing an apprentice.

Apprenticeships are work-based training programmes, designed by employers, which combine on and off the job learning and development activities. This combined approach enables apprentices to begin putting their learning into action from day one and become increasingly expert as they progress.

Apprenticeships are available at a range of levels and are used to develop employees who might be new recruits, or existing staff with a need for re-skilling or up-skilling.

## Levels of apprenticeship

Apprenticeships have equivalent educational levels.

<b>Intermediate</b>	2	5 GCSE passes at grades A* to C
<b>Advanced</b>	3	2 A level passes
<b>Higher</b>	4,5,6 and 7	Foundation degree and above
<b>Degree</b>	6 and 7	Bachelor's or master's degree

The minimum duration for an apprenticeship is 12 months but many take far longer e.g. a degree apprenticeship may take 4 years - the expected duration can be found in the apprenticeship standard.

### Apprenticeships rules

There are some important rules about apprenticeships and the roles and responsibilities of those who employ and train apprentices. These are in place to maximise the quality of the apprenticeship programme and ensure individuals are well supported.



[The funding rules for all employers participating in apprenticeships, including specific detail for levy paying employers.](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/588786/EMPLOYER_RULES_Final_010217.pdf)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/588786/EMPLOYER\\_RULES\\_Final\\_010217.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/588786/EMPLOYER_RULES_Final_010217.pdf)

### A summary of roles and responsibilities in apprenticeship training

#### An apprentice:

Is an employee with a job which they perform alongside their training.

Will undertake a mixture of on the job and off the job learning (20% off the job). This may be off site or on employer premises away from immediate work pressure.

Should remain with the employer after the apprenticeship is complete, where a job opportunity continues to exist and where the apprentice wishes to remain.

#### An employer will:

Employ the apprentice and pay at least the national minimum wage for apprentices.

Induct the apprentice and support their on the job learning, utilising the existing skills and knowledge within the workforce

Be involved in reviewing the progress of the apprentice

#### A training provider will support employers to:

- Identify the apprenticeship that fits their business requirements
- Help employers to recruit an apprentice (if you require support)
- Develop a training plan which reflects the apprentice and employer requirements
- Review and test the progress of the apprentice and provide feedback

## Non-levy paying employer information.

- Provide training

### For apprenticeship standards only - an end-point assessment organisation will:

- Be selected by the employer and provider
- Conduct the end-point assessment of each apprentice so that all apprentices following the same standard are assessed consistently

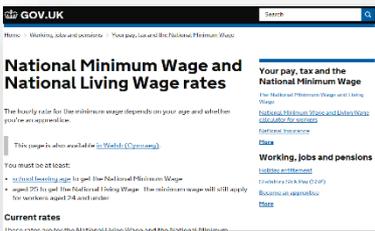
### Who can be funded (eligibility)?

Apprentices must have a genuine job and have the right to work in the UK, with over 50% of their work undertaken in England.

Apprenticeships can be provided for individuals who have already achieved higher level qualifications; as long as the apprenticeship allows the individual to acquire substantive new skills and you can evidence that the content of the training is materially different from any prior qualification or a previous apprenticeship.

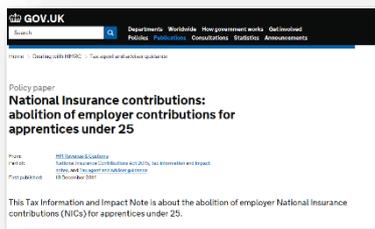
A good example is an individual with a technical qualification e.g. engineering degree, who wishes to undertake a management apprenticeship.

### Apprenticeship pay



*Details on minimum wages for apprentices of all ages*

<https://www.gov.uk/national-minimum-wage-rates>



*A note about the abolition of employer National Insurance Contributions (NICs) for apprentices under 25.*

<https://www.gov.uk/government/publications/national-insurance-contributions-abolition-of-employer-contributions-for-apprentices-under-25>

### Length of apprenticeship and working hours

The minimum duration of an apprenticeship is one year, unless the framework or standard specification or assessment plan requires it to be longer.

The minimum duration is based on the apprentice working 30 hours a week or more, including any off-the-job training they undertake. Where a part-time working pattern is



In conjunction with



## Non-levy paying employer information.

needed, the extended duration of the apprenticeship must be agreed by the apprentice, employer and the provider.

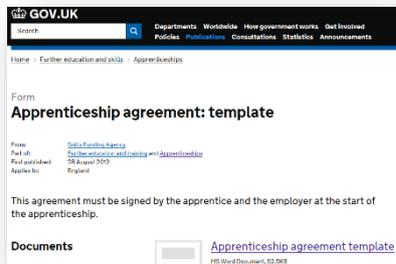
### Formula for extending length of a part-time apprenticeship

12 (f/t duration of apprenticeship) x 30/average weekly hours = new minimum duration in months

### Apprenticeship agreement and commitment statement

An apprenticeship agreement must be signed at the start of the apprenticeship – it confirms the apprenticeship that will be undertaken and the arrangements between the employer and apprentice.

The commitment statement sets out how the employer, provider and apprentice will support the successful achievement of the apprenticeship. All three parties must keep a current signed and dated version.



*This link provides a template for an apprenticeship agreement*

<https://www.gov.uk/government/publications/apprenticeship-agreement-template>

## Apprenticeship Funding

The Government funding changes apply to new apprenticeship starts from May 2017. Existing apprentices (starts prior to 1 May 2017) will be funded for their entire apprenticeship under the funding terms and conditions in place at start of programme

From May 2017, your route to funding an apprentice's training will change and depends on whether your business is in scope for the Government apprenticeship levy.



In conjunction with



## Non-levy paying employer information.



*A document for all employers which summarises the funding changes being introduced for apprenticeships*

<https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work>

### **The Government apprenticeship levy**

The Government apprenticeship levy will apply to businesses in the UK with an annual paybill in excess of £3 million - which means less than 2% of UK employers will pay it.

Employers that are in scope for the apprenticeship levy will be able to reclaim these funds (English proportion) from their apprenticeship service digital account.

To find out more about the apprenticeship levy – [please click here](#).

### **Non-levy paying employers funding for apprenticeships**

Companies that are not in scope for the Government apprenticeship levy (non-levy payers) will be required to co-invest in apprenticeship training.

Non-levy payers will have 90% of their apprenticeship training funded by Government, with the employer paying the remaining 10%, which must be cash and not in-kind.

This approach will also apply to levy-paying employers who want to invest more in apprenticeship training than they hold in their apprenticeship service digital account. If a levy-paying employer has insufficient funds available in their digital account to meet the full costs of training and assessment, they will need to co-invest 10% of the remaining balance, with government paying the remainder.

Employers will be able to agree a payment schedule with their provider and choose to spread the payments they make over the life time of their apprenticeship.

For at least the first year, non-levy payers will make their co-investment payment direct to their training provider. Upon receiving this payment the provider will be able to receive a payment from the Government for the remaining 90% of the training costs.

In future, non-levy employers will make their co-investment payments to providers through the apprenticeship service (previously known as the digital apprenticeship service). Currently, this payment mechanism is only available to levy-paying employers.



In conjunction with



### Government funding incentives for employers

#### *Training younger apprentices*

Young people often require extra support, particularly pastoral support, in the early stages of their apprenticeship.

To encourage employers to recruit and retain young apprentices, the Government will pay all employers £1,000 for taking on a 16-18 year-old on an apprenticeship framework or standard. This payment is also available for 19-24 year olds who were formerly in care or who have an Education and Health Care plan.

#### *For employers with fewer than 50 people working for them*

In addition to the £1,000 incentive, the Government will pay 100% of the training costs for employers with less than 50 employees that recruit an apprentice who is:

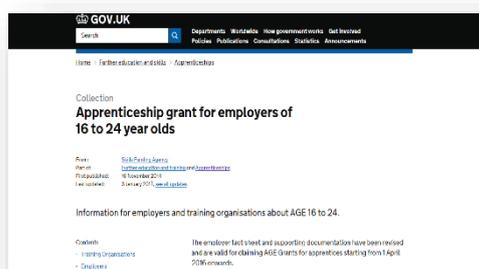
- aged between 16 to 18-years-old,
- aged between 19 and 24 years old care leaver or with an education, health and care plan

#### *Apprenticeship Grant for Employers (AGE) for 16- to 24-year-olds*

Eligible employers can receive £1,500 for each eligible apprentice (up to five in total), where you have not employed an apprentice in the previous 12 months.

AGE is only available for apprentices starting before 1 August 2017 and for employers with fewer than 50 (49 or fewer) employees.

This payment can be in addition to other incentives e.g. £1,000 employer payment for enrolling a 16-18 apprentice.



*Detailed information for employers about AGE 16 to 24*

<https://www.gov.uk/government/collections/apprenticeship-grant-for-employers-of-16-to-24-year-olds>

### *The CITB Apprenticeship Grant in England and Wales (A02-A06)*

To support employers to employ apprentices, the CITB Apprenticeship Grant is available for employed apprentices following approved construction-related apprenticeship programmes of two years or more.

The CITB pay grant for attendance at college, the achievement of a VQ and an apprenticeship framework, up to a maximum of £6,000 for a two-year course or £10,250 for three years.



*Full details of the Apprenticeship Grant and how to claim it are on the CITB website.*  
<http://www.citb.co.uk/grant/grants-available-201617/apprenticeship-grant-england-wales/>

# Choosing apprenticeships and planning for the costs

## Types of apprenticeships

**There are two different types of apprenticeship scheme – frameworks and standards. As part of the Government reforms, frameworks are being phased out between now and 2020, and the system will move to employer-led apprenticeship standards.**

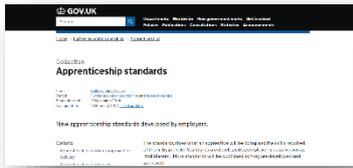
## Differences between apprenticeship standards and frameworks

Apprenticeship standards cover a specific job role and set out the core skills, knowledge and behaviours an apprentice will need to be fully competent in their job role and meet the needs of employers, standards are developed by employer groups known as trailblazers.

Apprenticeship frameworks - a series of work-related vocational and professional qualifications, with workplace and classroom based training.

**Many new standards are ready for delivery and many others are in development – you can see the lists, which are regularly updated, here:**

# Non-levy paying employer information.



## Apprenticeship standards

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

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



## Apprenticeship frameworks

<https://www.gov.uk/government/publications/apprenticeship-frameworks-live-list>



## Apprenticeship frameworks online

You can use the frameworks library to search for an apprenticeships framework.

<http://www.afo.sscalliance.org/>

## How much does an apprenticeship cost?

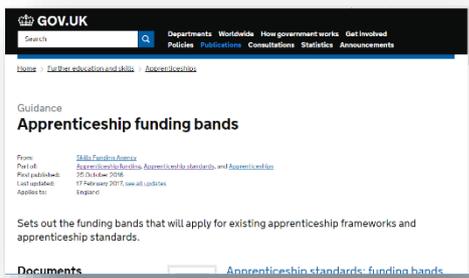
From May 2017, every apprenticeship will be placed within one of 15 funding bands. These funding bands range from £1,500 to £27,000 and represents the maximum cost for that training.



In conjunction with



## Non-levy paying employer information.



### Apprenticeship funding bands

You can access the lists of apprenticeships standard and framework costings here.

You can also link to more detail about each standard and framework by clicking the apprenticeship title.

<https://www.gov.uk/government/publications/apprenticeship-funding-bands>

## Construction apprenticeship standards approved for delivery and funding band value

Sector	Apprenticeship standard	Level	For starts from May 2017	
			Funding Band	Funding band maximum
Construction	<a href="#">Highway Electrician / Service Operative</a>	3	9	£9,000
Construction	<a href="#">Highway Electrical Maintenance and Installation Operative</a>	2	9	£9,000

## Examples of construction apprenticeship framework funding bands

Apprenticeship title	Pathway title	Level	Maximum funding band value
Construction Building	Decorative Finishing	3	£9,000
Surveying	Surveying	3	£6,000
Construction Management	Construction and Building Services Management and Supervision (Sustainability)	4	£12,000



In conjunction with



### Planning for the costs

The amount you will pay for your apprenticeship training will depend on:

- whether you are a Government apprenticeship levy payer or not (see section on funding)
- whether you negotiate a lower rate than the maximum funding band
- whether you include extra training elements above the maximum funding band

If you negotiate a lower rate with your training provider than the maximum funding band, then both the Government and employer contribution will reduce accordingly. If you agree a higher rate than the maximum funding band, the employer will be responsible for all costs above the maximum band.

### End-point assessments

If you are undertaking an apprenticeship standard, the price you agree with your training provider must include the cost of the end-point assessment. Costs of end-point assessment will vary but should not usually be more than 20% of the total agreed price for the delivery of the apprenticeship training and assessment.

### Examples for employers required to co-invest in apprenticeship training (non-levy)

NB - Non-levy paying **employers with fewer than 50 employees** will have 100% of training costs funded by Government, if the apprentice is 16-18 or 19-24 formerly in care or with an Education and Health Care plan.

#### i. Using the maximum funding band

An employer enrolls one apprentice on a highway electrician apprenticeship standard with a local training provider.

Total cost = £9,000 (maximum funding band, including 20% end-point assessment)

Employer co-investment ( $£9,000 \times 10\%$ ) = £900

Employer co-investment payments spread over 24-month duration of apprenticeship = £37.50 per month (payment plans agreed individually with training providers).

Government contribution ( $9,000 \times 90\%$ ) = £8,100

Plus £1,000 employer payment from Government (2 payments of £500), if the apprentice is 16-18 or 19-24 formerly in care or with an Education and Health Care plan.

## Non-levy paying employer information.

### ii. Cost negotiated below maximum funding band

A non-levy paying employer enrolls one apprentice on a highway electrician apprenticeship standard (£9,000 maximum funding band).

Cost = £8,500 (negotiated reduced rate with training provider, including 20% end-point assessment)

Employer co-investment ( $£8,500 \times 10\%$ ) = £850

Co-investment payments spread over 24-month duration of apprenticeship = £35.42 per month

Government contribution ( $8,500 \times 90\%$ ) = £7,650

Plus £1,000 employer payment from Government (2 payments of £500), if the apprentice is 16-18 or 19-24 formerly in care or with an Education and Health Care plan.

## Tools to help you plan your costs

There are a number of tools being developed to help employers to plan for the costs of apprenticeships.



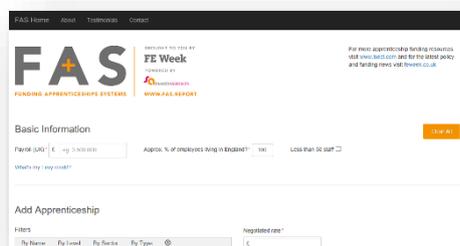
### *SFA estimate my apprenticeship funding tool*

- *A tool for all employers to:*
- *estimate whether you are in scope for the apprenticeship levy*
- *plan your apprenticeship budgets using either the levy or co-investment funding model*

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

[funding.sfa.bis.gov.uk/](https://estimate-my-apprenticeship-funding.sfa.bis.gov.uk/)

## Funding Apprenticeships Systems (FAS)



*A free tool for employers to plan apprenticeship delivery and forecast funding. Allows the user to input negotiated rates, set durations, forecast employer and provider incentives as well as emailing a PDF report of the results.*

<http://www.fas.report/>



In conjunction with



## Non-levy paying employer information.

### Finding a training provider

Once an employer has decided to employ an apprentice, it is useful to identify local training providers and the apprenticeships on offer.



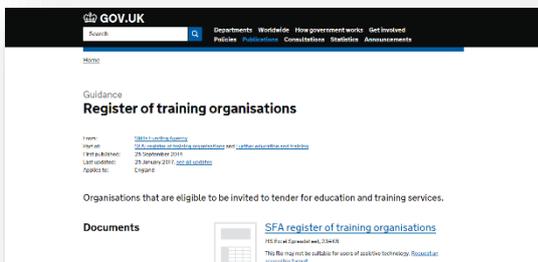
*You can search for potential training providers and identify the apprenticeships that they offer using this apprenticeship service tool.*

<https://findatrainingorganisation.nas.apprenticeships.org.uk/>

### Who can deliver training for apprenticeships?

**Government funded apprenticeships can only be delivered by approved training organisations. The register of training organisations records all approved organisations (not all will currently be delivering apprenticeships) and is refreshed regularly throughout the year.**

Some large employers are on the register, as this enables them to deliver apprenticeship training to their own staff and other businesses.



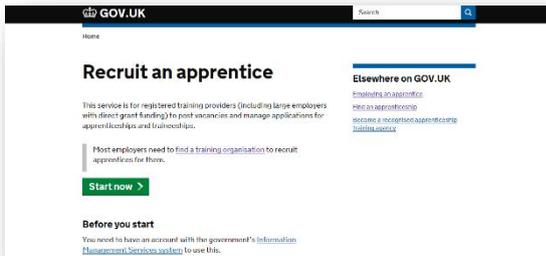
*You can check who is on the register of training organisations through this link.*

<https://www.gov.uk/government/publications/register-of-training-organisations>

## Non-levy paying employer information.

### Recruiting an apprentice

If you are recruiting an apprentice, you can promote and manage your vacancy on the Government's recruit an apprentice website. This is a free service and is highly visible - your training provider will manage this process with you; or if you are an employer-provider, you can access this system independently.



<https://www.gov.uk/recruit-apprentice>



*Get in go far* Information about apprenticeships for prospective apprentices

[https://www.getingofar.gov.uk/?utm\\_source=google&utm\\_medium=cpc&utm\\_campaign=consumer&qclid=C1qL3rzNydICFRReRGwoduYcDJw](https://www.getingofar.gov.uk/?utm_source=google&utm_medium=cpc&utm_campaign=consumer&qclid=C1qL3rzNydICFRReRGwoduYcDJw)



In conjunction with

