

Apprenticeship Reforms in England



Apprenticeship reforms

- Richard review of apprenticeships: employers in the driving seat
- Withdraw apprenticeship frameworks by 2020
- Introduce new employer-led standards: employers choose the training their apprentices get
- Overhaul the apprenticeship funding system
- Post-16 Technical Education Skills Plan / Industrial Strategy



The Government is committed to achieving 3 million apprenticeship 'starts' in England between 2015 and 2020. An increase of 1 million since the previous government.



Why should we care?

- Supporting the next generation of talent aids the sector's growth
- Fairer entry routes into the workforce ensures we reach those with the most talent and potential
- Poor historic recruitment cultures
- Greater sector diversity



What is an apprenticeship?



A job that allows someone to train whilst working.

- On the job learning
- Off the job learning
- Functional skills



Apprenticeship Levels

- **Intermediate Level Apprenticeship**
(Level 2 – GCSE grade A* - C)
- **Advanced Level Apprenticeship**
(Level 3 - A level)
- **Higher Level Apprenticeships**
(Level 4 + - HNC/D, HE C/D, FD)
- **Degree (Graduate) Apprenticeships
(University/Employer partnerships)**
(Levels 6 + - BA (Hons))



Developing Apprenticeship Standards

- Agree the unique occupational role requiring a standalone apprenticeship standard. This should be demand-led
- Set up the trailblazer group – minimum of 10 employers 2 of which must have less than 50 employees. In it for the duration.
- Write the **Expression of Interest**
- Develop the **Standard** concentrating on the core unique Skills, Knowledge and Behaviours
- **Consult** with the wider sector, incorporate feedback
- Develop the **Assessment Plan**
- Once approved the DfE/IfA will issue the **funding band**
- Industry bodies can support the process but not lead it



Cultural Heritage Standards (transferable)

Ready for delivery:

L2 Customer Service Practitioner

Awaiting final sign-off:

L3 Business Administrator

In development:

Level 3 Historic Environment Practitioner

Level 3 Cultural Learning and Participation Officer

Level 3 Collections Assistant

Level 3 Museum and Gallery Technician

Level 4 Conservation Technician

Level 4 Registrar



Who's involved in delivering an apprenticeship?

- **The employer:** who must provide employment for the duration. Responsible for selecting the training provision.
- **The Training Provider:** who must be approved to deliver training for apprenticeships (in some cases this can be an employer)
- **An End Point Assessment Organisation:** must be registered to do this, have assessors with the relevant occupational competence, be independent of the training provider and employer (but can work with partners known to both)

The Apprenticeship Levy

- From April 2017 a new Apprenticeship levy will be payable monthly by employers with a minimum pay bill of £3million a year at 0.5% of payroll costs
- The levy will generate £3 billion per year for funding post-16 apprenticeship training
- It will be collected via PAYE alongside tax and NI contributions
- For the purposes of the levy, an 'employer' is someone with liability to pay Class 1 secondary National Insurance contributions (NICs) for their employees
- Monthly levy payments will be turned into digital vouchers to spend via your (digital) Apprenticeship Service account

The monthly value of your levy vouchers will be calculated as follows:

0.5% of your annual wage bill above £3 million, paid monthly via PAYE. This monthly payment is multiplied by the fraction of your workforce living in England (monitored and updated quarterly by HMRC) + 10% issued to you by the government.

As an example, if your monthly levy payment is £1000 and 75% of your workforce is living in England the value of your monthly vouchers would be:

$£1000 \times 0.75 = £750 + 10\% \text{ from the government} = £825.$

If you are a levy payer and have used up your levy vouchers but want to create additional apprenticeships, the government will cover 90% of the off-the-job training costs and the employer will be required to put in 10%



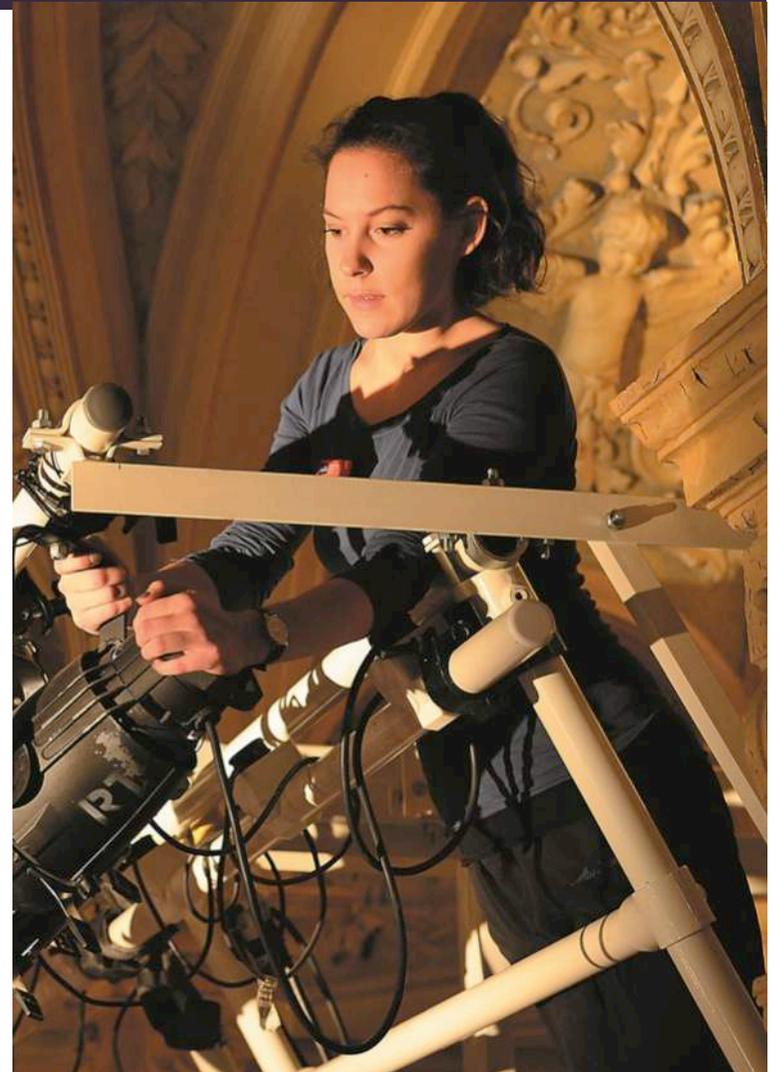
What counts as your pay bill?

- Your pay bill will be based on the total amount of earnings subject to Class 1 secondary (employers) 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 needs to pay.
- Earnings include anything such as wages, bonuses, commissions, and pension contributions that you pay NICs on.



Purchasing training

- As soon as there are funds in your levy account you will be able to select a provider
- Once this selection is made the employer will be entering into a contract agreement with the provider – you are then committed!
- Funds will automatically leave the employer's digital account on a monthly basis, spread over the lifetime of the apprenticeship
- The Government will hold back 20% of the total cost, which is paid on completion (achievement) of the apprenticeship.
- Information/tools in the digital account will help employers forecast and manage the cash-flow for their vouchers



An employer's guide to the digital apprenticeship service

A new digital service will be available for employers early next year.

1

Plan your apprenticeship programme

Estimate how much funding you will have to spend on apprenticeships

2

Choose apprenticeship training and assessment

Find the right type of apprenticeship training for your business

Choose a training provider

Choose who will assess your apprentice at the end of their apprenticeship

3

Advertise a vacancy to recruit an apprentice

Work with your training provider to post an apprenticeship opportunity

If you are a **levy paying employer**, carry on to steps 4 and 5.

If you are a **non-levy paying employer**, work with your training provider to complete the next steps.

4

Manage the funding for your apprenticeship

Register securely to set up an employer account

View the current balance of your levy and any previous transactions

Forecast your funding available in the future

Find out support available if you don't have enough levy

To find out more use our online guidance or contact our employer helpline:

Phone: 08000 150 600

Email: nationalhelpdesk@apprenticeships.gov.uk

Web: www.gov.uk/take-on-an-apprentice/overview

5

Start a new apprenticeship contract

Agree how much you want to pay a training provider from your levy account

Manage payments to your training provider and see when they will be paid

Pause or stop a payment to your training provider

The digital service is coming soon.

Want to see how the digital service might work? Email DAS@bis.gsi.gov.uk to test the prototype and tell us what you think.



Non-Levy paying employers

- Employers with a pay bill of less than £3 million will not have to pay the levy. This is more than 98% of all employers. These employers will continue to have access to government funding to support apprenticeships
- We know that some employers who will pay the levy want to direct their funding to other employers e.g. non levy paying employers in their supply chain. They will be allowed to pass on up to 10% of their vouchers in their network from 2018
- All firms, including the smallest will have access to the Apprenticeship Service in due course (expected from 2018 for non-levy payers) and will be able to use it to choose their training provider(s)
- Non-levy payers will be required to make a 10% contribution to the apprenticeship training costs (this is 10% of the funding band)
- Employers and training providers will receive an additional £1000 for taking on an apprentice aged 16-18 or 19-24 who is a care leaver. Those with less than 50 employees who employ from this demographic won't be required to make a 10% contribution.

Public Sector Target

- Public Bodies as defined by the Office for National Statistics
- 2.3% (average) workforce between 17/18 – 20/21
- 250 employees or more as per the headcount at 31st March
- New apprenticeship starts only. This can include existing staff
- Report to Government within 6 months of respective year-end. Data must be made public.
- Government will publish employer guidance on how to report



A best practice approach



- **Write the job description** – make it real
- **Check your funding** – understand the costs
- **Identify a Training Provider** - a partnership approach
- **Start recruiting** - be open and fair
- **The apprentices first day** – plan ahead
- **Throughout the apprenticeship** – support, guidance and assessment.
- **Make no promises** – progression



Support and Guidance

www.ccskills.org.uk

- Best practice guide to apprenticeships, internships and volunteering
- Information on Trailblazers
- Working with Training Providers to shape unique, sector-led apprenticeship training

Email: apprenticeshipenquiries@ccskills.org.uk

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