

A Short Guide to Apprenticeships and Apprenticeship Funding from April 2017

What are Apprenticeships?

Apprenticeships are jobs in a skilled occupation, which entails substantial and sustained training lasting at least 12 months and involving at least 20% off the job training. This leads to full competency and capability in the occupation. Apprentices can be categorised into 2 main types

- A new (usually, but not, exclusively young) member of staff would train on the job to learn that job and ultimately become qualified.
- Existing workers who will be learning some new skills within their normal role. The apprenticeship is used as a mechanism for receiving training and having their abilities and understanding recognised through qualifications for the job that they are doing, or one they are developing in to.

The way apprenticeships are delivered is changing from frameworks to standards - by 2020 it is envisaged that all frameworks will have been superseded by standards.

With either type the apprenticeship must be delivered in the context of a valid job not just as a training programme or course.

Apprenticeship Frameworks

Apprenticeship Frameworks have been in place since 2008 and will gradually be phased out by 2020 as the new Apprenticeship Standards come online. The eligibility rules for apprentices under the frameworks are

- The apprentice must be employed and work at least 30 hours per week
- The apprentice must not have any qualifications higher than Level 3 (equivalent of A-Levels)

Apprenticeship Standards

The new Apprenticeship Standards have developed directly by employers. They lead the development rather than just inputting into it. Some are available now and more are in the pipeline <https://www.gov.uk/government/collections/apprenticeship-standards>

The eligibility rules for apprentices under the standards are:

- The apprentice must be employed and work at least 30 hours per week
- Prior qualifications will not be a barrier to undertaking an apprenticeship as long as the prior qualification isn't in the same subject as the apprenticeship
- There will be an end-point assessment which needs to be carried out by an independent approved assessment organisation. This can take any form but will be stipulated in the standards.

- Frameworks will be phased out until all new apprentices undertake standards. As these are more expensive to deliver this is recognised in the new system where higher bands will be allocated to standards compared to the existing framework rate.

Funding of Apprenticeship Standards

Funding will take either one or two forms dependent on whether the employer is a levy paying employer or not. Levy paying employers will have an annual salary bill of over £3m otherwise they will be considered as non-levy paying.

Funding can only be used for apprenticeship fees, not for travel, other costs or salary.

Non-levy paying employers

Non-levy paying employers they will agree a price with the training provider The employers will contribute 10% of the total and the government will contribute 90% in a “co-funding” model

Levy paying employers

Apprenticeship levy paying employers pay their levy every month through their payroll to HMRC. This levy is 0.5% of the annual salary over the £3m threshold. The HMRC transfers this levy to the employer’s account with the Digital Apprenticeship Service (DAS) every month and tops up the levy payment by 10%. The employer will agree a price with the training provider for the delivery of the apprenticeship and the education provider will be paid from their levy through the DAS. If a levy paying employer has insufficient funds in their digital account to pay for the apprenticeship in full they can apply to use the co-funding model as per the non-levy paying employer.

If the funds in the digital account are not used within 24 months, they will be removed from the account and redistributed to other organisations

Apprenticeship Costs and Allowances

- There will be 15 funding bands within the new system ranging from £1,500 – £27,000. All existing frameworks and standards will be put on this banding system. The upper limit of each band is the maximum amount of funding which can be accessed from the digital funds.
- Employers can negotiate the best price which can be below the maximum in each band.
- If they wish to spend more than the upper limit of the band, this must be funded from other sources.
- Funding will not be allocated at different rates based on age or geography
- However additional 1,000 will be paid to both employers and training providers for apprentices aged 16-18, 19-24 care leavers or those with an education, health and care plan.
- Small employers (less than 50 employees) will not have to contribute towards employing 16-18 year old apprentices.
- If the apprentice needs training to meet level 2 English and maths, a direct payment (not from the digital account) of £471 for each qualification will come from the government.
- £150 will continue to be paid to the training provider to support learners with additional learning support

Public Sector Targets

The government aims to deliver 3 million apprenticeships by 2020 and wants to ensure that the public sector is a model employer in this regard, leading by example and employing a significant proportion of apprentices to develop a skilled workforce for the future

To help achieve these objectives, certain public bodies will now be set targets for apprentices. Details are still not finalised however the targets are likely to apply to all public sector bodies who employ more than 250 staff and will equate to the equivalent to 2.3% of the workforce signed up to an apprenticeship per annum

Further Links and Resources

Read further

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

<https://hee.nhs.uk/apprenticeships>

Register for email alerts from the government regarding apprenticeship updates:

https://public.govdelivery.com/accounts/UKGOVUK/subscriber/new?topic_id=UKGOVUK_1

Plan your apprenticeship spending

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

Draft regulations for the calculation, payment and recovery of the Apprenticeship Levy

<https://www.gov.uk/government/publications/draft-legislation-regulations-for-the-calculation-payment-and-recovery-of-the-apprenticehip-levy>

Employing an apprentice

<https://www.gov.uk/take-on-an-apprentice>

Health Careers

<https://www.healthcareers.nhs.uk/>

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