



**DORSET
TRAINING
ACADEMY**

Finding, Employing and Funding Apprentices in West Dorset

An Employer's Guide



What is an apprenticeship?

Apprenticeships benefit employers and individuals, and by boosting the skills of the workforce they help to improve economic productivity. An apprenticeship is a real job with training. It is a way for individuals to earn while they learn gaining valuable skills and knowledge in a specific job role. Apprenticeships are available in 1,500 occupations across 170 industries. Businesses of all sizes and sectors in England can recruit an apprentice and they can last anything from 12 months to 4 years.

So how do you find an apprentice?

...Weymouth College can help

At **Weymouth College** we have a dedicated 17 strong Apprenticeship Team of who are all experts in their field. We have a long and successful track record in providing apprenticeship training in West Dorset and are pleased to be **an approved training provider** and **included in the inaugural Government Register of Apprenticeship Training Providers (RoATP)** announced in April this year.

- We work with over 300 businesses, supplying the apprenticeship training they require and need to support both their workforce and their business.
- We provide traditional apprenticeship course options – together with tailored and bespoke training – delivering the required qualification in the very best way for both you the business owner and your apprentice.

Our free and bespoke **Workforce Development Planning Advisory Service** has been designed to help you create and implement a comprehensive apprenticeship plan for your business. It is based on the sound expert knowledge that we have developed over recent years together with our understanding of the requirements the new Apprenticeship Levy will now place on all employers and training providers.

If you are an employer with an annual wage bill of £3m or more you will now pay into the new Apprenticeship Levy.

Indeed many employers who will now pay into the Apprenticeship Levy may not have employed apprentices before.

Levy payers will want to know how best to recover the levy payment and make it work as hard as it can for them. And non-levy payers will want to know how apprenticeships will now work for them and how they too can access funding.

But all employers will want to explore the opportunities now available to train existing staff and to recruit new staff.

So where do you start?

Contact the Apprenticeship Team at Weymouth College and we'll arrange to carry out a FREE detailed Training Needs Analysis to give you some areas and ideas to start thinking about.

We can then - in partnership with you - develop a bespoke **Workforce Development Plan** for your business.

We'll cover areas including:

- **How to forecast levy payments – a levy calculator – and how to recover that funding for apprenticeship training**
- **How to make sure you get the right training so you are not wasting your money**
- **How to recruit your new apprentice**
- **How to reskill or upskill your existing staff**
- **Workforce planning support – looking at how to support and encourage your apprentice so they achieve for both themselves and you**
- **How to deal with all the paperwork, assessment and ongoing administrative requirements of the new apprenticeship system**

Contact us today on **01305 208709** to talk some more about your options and to arrange for your **FREE initial Training Needs Analysis** – the first step in creating your bespoke **Workforce Development Plan**.

Want a bit more information?

On the following pages we've included some more details on apprenticeships in general, the new standards and frameworks and the likely effects of the new apprenticeship levy. Hopefully this will help to answer some initial questions you may have about apprenticeships in general and their funding in particular. The information will provide a good starting point from which to consider how you would like to steer your own Workforce Development Plan

How does an apprenticeship work?

A training organisation – college, training provider or university – will work closely with you to ensure that the apprenticeship offered is the most appropriate for the individual's job role, whilst reflecting individual employer and learner needs. Most of the training is on-the-job, working with a mentor to learn job specific skills in the workplace. Off-the-job training will depend on the occupational area, the training organisation and the requirements and wishes of the employer. This training may be delivered in the workplace, through 'day release' or at premises away from the working environment. On completion of the apprenticeship the apprentice must perform tasks confidently and completely to the standard set by the industry

Who are they for?

Individuals over the age of 16, living in England and not in full time education can apply for an apprenticeship. Employers can offer apprenticeships to new entrants or use them to grow talent from among current employees. The focus of an apprenticeship is to equip individuals with the necessary skills and knowledge required for specific job roles, future employment and progression.

Benefits of hiring apprentices

Hiring apprentices is a productive and effective way for businesses to grow their own talent by developing a motivated, skilled and qualified workforce. 83% of employers would recommend apprenticeships to others.

1. The average apprenticeship completer increases business productivity by £214 per week, with these gains including increased profits, lower prices and better products.
2. Other benefits that apprenticeships contribute towards include:
 - improving productivity in the workplace
 - increasing employee satisfaction
 - reducing staff turnover
 - reducing recruitment costs

Employer responsibilities

Employers must give their apprentice an induction into their role and provide on-the-job training. Employers are responsible for paying their apprentice's wages and issuing their contract of employment. By employing an apprentice, employers have certain requirements to meet:

- An Apprenticeship Agreement between the employer and the apprentice must be in place
- The apprentice must receive the Apprenticeship National Minimum Wage. Apprentices aged 16-18, or in the first year of their apprenticeship, must be paid a minimum of £3.50 per hour. All other apprentices are entitled to the National Minimum Wage for their age i.e. £5.60 per hour for apprentices aged 18-20, and £7.05 for those 21 and over. Many businesses pay more.
- The minimum hours of employment for an apprentice should be at least 30 hours per week. By exception, where the individual's circumstances or the particular nature of employment in a given sector makes this impossible, then an absolute minimum of 16 hours must be met. In such cases the duration of the apprenticeship should be extended.
- All apprentices must receive the same benefits as other employees.



- The apprentice must receive 20% off the job guided learning which will be agreed between yourself and the training provider at the time of the apprentice starting their apprenticeship. Off the job training is defined as learning which is undertaken outside of the normal day-to-day working environment and will last for the duration of the apprenticeship. Off the job training can be delivered either through the employer and/or training provider.

Government support

Employers are not required to pay National Insurance Contributions for apprentices under the age of 25 on earnings below the higher tax rate of £827 a week (£43,000 a year).

As of May 2017 the following incentives are also available to employers who take on apprentices:

- £1,000 payment to both the employer and provider when they train a 16-18-year-old.
- £1,000 payment to both the employer and provider when they train a 19-24-year-old who has previously been in care or who has a Local Authority Education, Health and Care Plan.
- Employers with fewer than 50 people working for them will be able to train 16-18-year-old apprentices without making a contribution towards the costs of training. The government will pay 100% of the training costs for these individuals.

Apprenticeship reforms

Over the last few years the government has embarked on a large-scale programme to reform the way apprenticeships are delivered and funded in England. The reformed apprenticeships are more rigorous, better structured, independently assessed and more clearly aligned to the needs of employers.

The reforms address the skills shortages reported by many industries and help keep the UK internationally competitive. Most importantly the reformed apprenticeships offer high quality opportunities for people to develop their talents and progress their careers.

The government will double the annual level of apprenticeship spending between 2010-11 and 2019-20 to £2.5bn, which will be funded by the new apprenticeship levy. The levy will be paid by employers with a pay bill of over £3m as of April 2017.

The apprenticeship service on GOV.UK will enable employers to directly manage their apprenticeship programmes and purchase training online.

The Apprenticeship Levy

The levy was introduced on 6 April 2017 and is charged at a rate of 0.5% of an employers' pay bill*, paid through PAYE on a monthly basis.

Each employer has a levy allowance of £15,000, this is not a cash payment. It works in a similar way to the personal tax allowance and cannot be used to purchase apprenticeship training. The impact of the allowance means that fewer than 1.3% of UK employers - those with an annual pay bill of more than £3 million - are liable to pay the levy.

Employers in England who pay the levy will be able to get out more than they pay in, through a 10% top-up to their online accounts. So, every £1 that appears in an employer's online account will be worth £1.10 to spend on apprenticeship training.

All levy payments must be used to pay for apprenticeship training and any unspent funds (including top-ups) will expire after 24 months.

The apprenticeship levy can also be used to develop existing staff, if the training meets an approved standard or framework and the employee meets the apprentice employability criteria.

**An employer's pay bill is made up of the total amount of the employees' earnings that are subject to Class 1 National Insurance contributions, such as: - wages - bonuses - commissions - pension contributions*

Buying apprenticeship training

The Apprenticeship Service (AS) will eventually be accessed by all employers - both levy and non-levy paying - with each employer having a digital account. Employers will use this account to pay for the training and end point assessment of apprentices in England. This training and assessment must be with an approved training provider and assessment body.

The Apprenticeship Service

The Apprenticeship Service (AS) is an online portal to select apprenticeship programmes, training providers and facilitate payments. (<https://manage-apprenticeships.service.co.uk/>)

Through the Apprenticeship Service on GOV.UK employers can plan and manage their apprenticeship programme, giving them greater control over their apprenticeships and their funds. The apprenticeship service is made up of:

- **Estimate my apprenticeship funding** - allows employers to calculate whether they will pay the apprenticeship levy or not, and how much they will have available to spend on apprenticeships. It also shows all employers how much the government will contribute towards the cost of training.
- **Find apprenticeship training** - gives employers easy to digest information on the choices available to them. They can easily search for and find a standard, framework and training provider, and compare one provider with another.
- **Recruit an apprentice** - is a new platform through which training providers can post vacancies and manage applications for apprenticeships and traineeships. This will be opened up to employers at a later date.
- **Find an apprenticeship** - Find an apprenticeship and Find a traineeship are the recruitment sites that enable employers to advertise their vacancies for free and find candidates who match their criteria.
- **Manage apprenticeships** - registered levy paying employers can manage their funding and apprentices, view their levy balance, forecast and plan their spending and pay training providers through their online account.

Co-investment

Employers who use all of their levy allowance can add to their digital accounts. Employers can co-invest 10% of the costs of the additional training, with the government paying the remaining 90%.

What about non-levy paying employers?

Employers with a pay bill of less than £3 million a year will not need to pay the levy.

At least 90% of non-levy paying employers' apprenticeship training and assessment costs in England will be paid for by the government. The government will ask these employers to make a 10% contribution to the cost, paid directly to the provider, and the government covers the rest. This cost will be spread over the lifetime of the apprenticeship.

The government is offering additional support to organisations with fewer than 50 employees* by paying:

- 100% of training and assessment costs for their apprentices aged 16-18 and for those aged 19-24 formerly in care or with a local authority education, health and care plan.

The government will also pay employers, no matter what size, £1,000 for each 16-18 year old apprentice they employ.

Standards v Frameworks

A range of new apprenticeship standards are replacing the existing apprenticeship frameworks. These standards are designed to meet the changing needs of learners, employers and providers. They will:

- offer employers control in designing apprenticeships
- simplify and clarify the apprenticeship process
- define knowledge, competency and skills levels clearly by job role or sector
- provide rigorous independent assessments that test competency
- develop a grading structure that will recognise exceptional performance

Funding bands

All apprenticeships will now be funded from one of 15 bands, each with an upper limit ranging from £1,500 to £27,000. It will then be up to employers to negotiate prices with providers.

Funding bands for frameworks and standards

- From 1 May 2017 all frameworks and standards will be funded in the same way.
- The new system will be made up of 15 funding bands and all existing and new apprenticeships will be placed within one of these funding bands.
- 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 apprenticeship, and the maximum price government will 'co-invest' towards, where an employer does not pay the levy, or has insufficient levy funds and is therefore eligible for government co-investment.
- Funding bands do not have a lower limit.
- Over the course of parliament current apprenticeship frameworks will be phased out so that all new apprentices undertake standards.

English and maths

There is concern that literacy and numeracy levels in England are falling behind those of other countries. The provision of English and maths is central to recent reforms to post-16 education and training and the government is committed to helping apprentices gain the minimum standard of Level 2 in English and maths.

The government will pay training providers to deliver these qualifications.

And some more information...

...If you would like more in-depth initial information on the proposed structure and operation of apprenticeships in 2017 – whether you are a levy payer or not – you may find the link below useful.

<https://www.gov.uk/education/apprenticeships-traineeships-and-internships#/education/hiring-and-training-an-apprentice>



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