

Apprenticeships – FAQs

Q. What is an Apprenticeship?

- A. An Apprenticeship is an on the job training programme that develops an employees' competence in the key skills they need to perform in their job role. The training is designed to be flexible and meet the needs of each individual, building on their strengths and identifying any areas for improvement. The Apprenticeship programme may involve 1:1 discussion, practical demonstration, assignment work, on the job assessments, online learning, as well as formal taught sessions and workshops.

Apprenticeships are increasingly recognised as the gold standard for work-based training and include qualifications that have been co-developed with employers and employer bodies, to ensure their relevance to the sector and to help to address the UK's skills shortage areas.

Q. What are the benefits of the Apprenticeship scheme to my business?

- A. Skills shortages and staff retention are still among the biggest risks to UK businesses. Apprenticeships can help businesses across all industries by offering a cost effective route to attract fresh talent and to invest in workforce development. If you have trained staff with the right skills for the job, they can do a wider range of tasks and take on new responsibilities - this can help to reduce skill shortages, minimise staff turnover, improve your customer experience and increase productivity.

Over 130,000 businesses across the UK currently offer Apprenticeship training to their employees, with 20% of employers hiring more Apprentices to help them through the tough economic climate.

96% of employers that take on an apprentice report benefits to their business and 70% of employers report higher productivity and improved quality of products / services.

Q. Are Apprenticeships only applicable for new recruits?

- A. No - Apprenticeship training can be accessed both by new recruits and existing staff to improve their skills and performance. All employees aged 16 years or over can access the training although individuals with a Level 4 (degree equivalent) qualification, are not eligible to receive funding for an Apprenticeship.

Q. How long does an Apprenticeship typically last?

- A. This depends on the level of the Apprenticeship and any additional support that is needed for each person. The table below shows a guide by Level:

Apprenticeship Level:	Average Duration:
<p>Level 2 - Intermediate Apprenticeships</p> <p>Designed to build and consolidate knowledge and competence of operational roles within industry</p> <p>(equivalent to five A* GCSEs)</p>	12 - 18 months
<p>Level 3 - Advanced Apprenticeships</p> <p>Perfect for people in a supervisory or managerial role, or for employees looking to attain the skills required to reach a supervisory or managerial level</p> <p>(equivalent to two A Levels)</p>	15 - 18 months
<p>Level 4 – Higher Apprenticeships are a work-based route into higher education</p> <p>(Foundation Degree Level)</p>	18 - 24 months

Q. Is there a limit to the number of apprentices an employer can have?

- A. No - employers can take on as many apprentices as they can support.

Q. What support do I need to provide to an Apprentice?

- A. As a member of your workforce, the Apprentice will follow your normal HR policies and procedures and require access to the normal company induction and line management structures. On average an Apprentice will need to spend approximately one hour per week working on project work in the workplace as part of their training. They will be assigned to an Assessor, who will usually meet with them once a month during working hours, to review progress, coach and support the Apprentice and set new tasks for the month ahead, ensuring that they are making good progress against the required standards. It's also important that your Apprentice receives regular feedback from their line manager, in order for them to improve and implement their skills effectively in the workplace .

Q. Who pays for the training?

A. The way that Apprenticeships are funded is changing.

Currently Training Providers in England* access funding via the Skills Funding Agency to deliver the Apprenticeship training. This funding covers the full cost of training for those aged 16 – 18 years and a proportion of the cost for those aged 19 years and over. The employer is expected to contribute to the costs of the Apprenticeship for those aged over 19 years however this can be an 'In-kind' rather than cash contribution.

There are also additional **financial incentives** for SMEs that take on 16 – 18 years old Apprentices under the current system, with grants available from £1500 to £3,500 (depending on the location of the SME and subject to regional variations).

From 6th April 2017, the Government will introduce the **Apprenticeship Levy** (see separate Apprenticeship Levy section).

** In Wales Apprenticeships are funded by the Welsh Assembly and in Scotland by Skills Development Scotland*

Q. What is the wage rate for an Apprentice?

A. All apprentices are employed, and will have a contract of employment for at least 30 hours per week. An Apprentice Wage Rate of £3.30 per hour applies to all Apprentices under 19 years of age and for those over 19 years who are in their first year of learning.

Apprentices are entitled to the National Minimum Wage for their age if they are aged 19 or over and have completed the first year of their Apprenticeship, as outlined below:

Year	National Living Wage	National Minimum Wage			Apprentice Wage Rate (Applicable for those aged 16 – 18 years and those aged over 19 years and in their first year of learning)
	25 and over	21 to 24	18 to 20	Under 18	
April 2016 (current rate)	£7.20	£6.70	£5.30	£3.87	£3.30

The above table outlines the minimum wages, below which Apprentices should not be paid. Employers may pay above this rate at their discretion.

The Apprenticeship Levy

Q. What is the Levy and when will it be introduced?

- A. On 6th April 2017, the Government will introduce the Apprenticeship Levy scheme to collect funding from larger employers. Funding generated by the Levy will be ring-fenced for the delivery of Apprenticeship training for that employer.

Employers will be able to use funds generated via the Levy to deliver Apprenticeships internally, or to contract with a Training Provider to deliver the service on their behalf.

Q. Will the Levy apply to my business and if so, at what rate?

- A. The Levy will apply to employers across the UK with an annual wage bill over £3m.

For the purposes of the Levy, an 'employer' is someone who is a secondary contributor, with liability to pay Class 1 secondary National Insurance contributions for their employees.

The Levy payments will be collected via the PAYE system monthly alongside income tax and national insurance contributions. The money will be deposited in each employer's digital account and be accumulated, with the balance carried forward throughout the year.

The Levy rate calculated at 0.5% of the entire wage bill. All employers will receive an allowance of £15,000 to offset against the Levy payment.

The following table illustrates example Levy calculations by employer wage bill:

Employers Annual Wage Bill	Multiplied by Levy Rate	Gross Levy Value	Minus Levy Allowance	Total Levy payable (annual)
£5,000,000	0.5%	£25,000	£15,000	£10,000
£3,000,000	0.5%	£15,000	£15,000	£0
£2,000,000	0.5%	£10,000	£15,000	£0

The effect of the allowance means that the levy is only payable on wage bills over £3m.

Q. How do I access the Levy funding?

- A. Levy funding will be accessed via the Digital Apprenticeship Service. Employers will be able to register for their individual digital account from January 2017, with payments deposited automatically on a monthly basis.

As the Levy goes live in April, the first collections into the digital account will be the following month, therefore each employer can access the Levy funding to pay for the costs of training from May 2017.

In order to access the funds, the employer must register the Apprentice and provider details, outlining the training programme, expected duration of training, type of Apprenticeship programme and agreed price. The price will cover the delivery of the full Apprenticeship training and the end point assessment.

The government will publish a table of maximum funding bands per Apprenticeship Level or Standard. These funding bands will provide a ceiling on the funding per Apprentice that the Levy can be used to pay for. Details of each funding band will be released in October 2016 and further guidance will be produced to support employers and Training Providers.

It is important to note that Levy funding can only be used for approved Training Providers, that are confirmed on the government's 'Register of Approved Training Providers'. Once the training commences, payments will be made directly from the employers digital account to the Training Provider on a monthly basis.

Funds will automatically expire in the digital account, if they have not been utilised on Apprenticeship training within 18 months.

Q. Will the Government contribute to the costs of the training?

- A. Yes, the Government will 'top up' Levy payments directly to each employers' digital account at a rate of 10% increase. Therefore for every £1.00 that is deposited in the account by the employer, £1.10 will be available to pay for Apprenticeship training. These payments will be made automatically on a monthly basis.

Q. Can I deliver the Apprenticeship internally?

- A. Yes an employer can apply to become a registered Training Provider via the 'Register of Approved Training Providers'. The first window to become an approved Training Provider is October 2016.

Q. If I don't pay the Levy can I still access funding for Apprenticeships?

- A. Yes you will still be able to access funded Apprenticeships through approved Training Providers. You will however be expected to pay a cash contribution to the costs of the training. The government will release further details on the contributions required by employers in October 2016, when further guidance will be produced.

Q. Where can I find additional information?

- A. Additional information is available direct from the Department for Education's website: www.gov.uk.

Alternatively, Centrepont Works can provide support, direct delivery and signposting services, please contact us for more information at:

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