

The Apprenticeship levy

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The Apprenticeship Levy

What is the issue?

What is an apprentice?

How will the scheme work?

What are the opportunities?

Are there any risks?

What next?

What is the issue?

Government are committed to create 3 million apprenticeship starts this parliament (to support increased productivity)

Two primary measures introduced to achieve this for employers:

- 1) Levy equivalent to 0.5% of payroll
- 2) Public Sector Targets 2.3% of Headcount (+250 staff)

Effective date 6 April 2017

What is an apprentice?

There are rules governing what an apprenticeship is.

The main ones are:

- Must be employed in a real job;
- They may be an existing employee or a new hire
- Must work towards achieving an approved [apprenticeship standard](#) or [apprenticeship framework](#)
- Training must last at least 12 months
- Must spend at least 20% of their time on off-the-job training
- Graduate training not included

How will the scheme work?

- Administered by HMRC
- Deductions through the Pay as You Earn (PAYE) process (alongside tax and NI).
- Access funding for apprenticeships through a new digital apprenticeship service account.
- Pay for training and assessment costs
- Spending must be with Apprenticeship Training Agency (ATA)

What are the opportunities?

- Upskill the local population
- Bring in additional capacity and new ideas.
- Support recruitment difficulties and fill difficult posts
- Develop existing staff
- Reduce agency spend
- Meet regulatory requirements within services



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Are there any risks?

- Could decide to do nothing and just pay the levy
- Additional employment costs



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What next?

- Undertake skills gap analysis
- Obtain an outline of what balance of apprenticeships might look like under the new arrangements
- Identify where apprenticeships will be placed
- Look at vacant posts and convert into apprenticeships where possible.
- Establish when and how we will recruit
- Produce fact sheet, communications and publicity
- Develop induction process for apprenticeships