**FAQs**

**A typical Apprenticeship comprises of:**

* A minimum of 30 hours per week paid employment
* Knowledge-based training
* Competence-based training
* Transferable Functional Skills such as English, maths and ICT (where appropriate)
* An employment rights and responsibilities module

**How long does it take to complete training?**

Generally, an Apprenticeship takes between 12 to 24 months to complete. However, this can vary depending on the skills of an individual candidate or the level of qualification.

**How much does it cost for a business to take on an Apprentice?**

[Apprentices](https://www.gov.uk/apprenticeships-guide) are entitled to the apprentice rate if they’re either:

* aged under 19
* aged 19 or over and in the first year of their apprenticeship

Example - An apprentice aged 22 in the first year of their apprenticeship is entitled to a minimum hourly rate of £3.70.

Apprentices are entitled to the minimum wage for their age if they both:

* are aged 19 or over
* have completed the first year of their apprenticeship

Example - An apprentice aged 22 who has completed the first year of their apprenticeship is entitled to a minimum hourly rate of £7.38.

**What’s in it for me and my business?**

In an increasingly tough marketplace, successful businesses know that, to continue to grow and thrive, they need to maintain a skilled and motivated workforce.

* Gain skilled qualified staff in a cost effective way
* Address skills shortages
* Motivate your workforce
* Enhance your business performance

**How do Apprenticeships work?**

Apprentices do most of their learning at work, and benefit from regular contact with their assigned assessor. They may also attend training off site for some of the teaching and assessments.

***The Levy***

**What is the “Apprenticeship Levy”?**

The apprenticeship Levy requires all employers operating in the UK, with a pay bill over £3 million each year, to make an investment in apprenticeships. The Apprenticeship Levy is a monthly, mandatory financial contribution made by employers to the Treasury.

**How will the government collect the levy?**

The levy will be collected through the employer’s Pay As You Earn (PAYE) and will be payable alongside income tax and national insurance.

**How do employers pay?**

This levy payment will then be placed in a designated account (Direct Apprenticeship Service) which can then be accessed by that employer to fund apprenticeships.

**What if employers don’t spend it?**

If that employer chooses not to spend the levy on apprenticeships, their levy contribution will not be returned to them.

**Are the unions supportive of the levy?**

Yes, unions have long campaigned for a training levy.

**Why is the levy needed?**

We need greater investment in workforce skills and training.

**Can an employer choose not to pay the Apprenticeship levy?**

No, employers cannot opt out from paying the levy.

**Who pays the levy?**

The levy will apply to all large organisations with an annual payroll of over £3million per annum, regardless of whether they already employ apprentices or not.

**Who does not pay the levy?**

Employers with a wage bill of less than £3million

**How is the amount of the Apprenticeship Levy calculated?**

Employers will pay the Levy at a rate of 0.5% of payroll from the point where their payroll exceeds £3 million.  NOTE: There will be a £15,000 fixed annual allowance for employers to offset against their Levy payment.

**Example of Levy Paying Employer**

Employer of 250 employees, each with a gross salary of £20,000.

* Pay bill: 250 x £20,000 = £5,000,000
* Levy sum: 0.5% x £5,000,000 = £25,000
* Allowance: £25,000 - £15,000 =  
   £10,000 annual levy payment
* Non-Levy Paying Employer
* Employer of 100 employees, each with a gross salary of £20,000.
* Pay bill: 100 x £20,000 = £2,000,000
* Levy sum: 0.5% x £2,000,000 = £10,000
* Allowance: £10,000 - £15,000  
  =£0 annual levy payment

**How will companies outside the apprenticeship Levy fund apprenticeships?**

They will need to choose a training provider from the registered list, negotiate the cost of the training.

**What if I employ agency workers?**

If you use agency workers and the recruitment agency is that worker’s employer (technically, if the agency pays the employer NI contribution) then these workers’ pay do not count towards your pay bill and you will not pay the levy on their pay. The Levy will be payable by the agency.

**What if my monthly pay varies?**

The total calculation is based on the employer’s annual pay bill.

**How will the levy work if my company is part of a group/ is a ‘connected’ company?**

Every employer is levied, however, if there is common ownership or common control (a group/subsidiary situation), then as a group, only one allowance of £15,000 will be allowed. Therefore, if all the companies connected at the start of a tax year have a pay bill of under £3 million in total they are unlikely to pay the Levy,

It is intended that at some point they will use the new Digital Apprenticeship Service to make their payments, but this is unlikely to happen in April 2017 but at some later date.

**How will I draw down from the levy fund?**

The new levy will be introduced alongside a new online Digital Apprenticeship System (DAS). The DAS will require an employer to register their details online when that employer wants to draw down from the Levy fund.

**Must all Employers register Apprentices on the DAS?**

You will need to register the details of that apprentice (age, the standard they will be on, etc.) which will then tell the employer how much levy they can draw down. This can then be used by the employer to spend on apprenticeship training with a registered training provider.

**How much will I be able to draw down from the levy fund?**

How much an employer can draw down from the Levy will be dependent on the frameworks or new standards the apprentice is starting on. The funding tariffs for these will be set by government.

**Are employers going to receive incentives to recruit?**

Government will pay £1,000 to employers, and a further £1,000 to training providers if they train a 16-18 year old apprentice.  Support for 19-24 year olds formerly in care or if they have an Education and Health Care plan - £1000 payment to employer and training provider.  Employers with less than 50 employees will have 100% of the training and assessment costs covered when training a 16-18 year old (or 19-24 year old formerly in care or has an Education, Health and Care plan).

**Who can I spend my Levy with?**

Funds from the DAS can only be spent with registered training providers.

**How long will my Levy funds last?**

The funds will last 24 months from the time that they appear in the digital account. If they are not spent by this time, they will expire and the employer will lose them.

**What can I spend my Levy on?**

The vouchers can only be spent on apprenticeship training on either a English Trailblazer standard or apprenticeship framework.

**What if I have Levy leftover?**

Your Levy can be used across a company group, (that is between “connected companies”). The DAS system will allow group companies to pool the vouchers and then spend them throughout the group. However, vouchers cannot be shared with a company outside the group. Levy paying employers can also now transfer 10% of their levy to other companies, these companies can then only use this for apprenticeship training on the new Trailblazer Standards.

**What if I am a levy payer and I use up all the vouchers in my account?**

If you are a levy payer and you have used all the funds in your account and still need to pay a provider for apprenticeship training, then the government will provide some support to help meet the additional costs. This means the government will cover 90% of the costs, with you making a 10% contribution.

**My business has a direct contract with the Skills Funding Agency (SFA), am I still in scope of the levy?**

Yes, subject to having a liability to paying the levy which exceeds the annual allowance of £15,000.

**Can I move my training in-house and become a training provider?**

Yes. However, you are then subject to the same rules and inspections as other training providers are, for example an inspection by Ofsted, and you will not be able to offset the costs of running your in-house training against your vouchers.

**Can I opt into the new Digital Apprenticeship system?**

If you do not pay the levy, then you will not be able to use DAS. There are still questions outstanding for employers who have a levy to pay in some months, but not others. This is yet to be resolved. Eventually, it is intended that all employers, including those who do not pay the levy will use the DAS, by April 2019.

**With the changes can I put an employee on an Apprenticeship who has a degree?**

From May 2017, an individual can be funded to undertake an apprenticeship at the same or lower level if they will acquire substantive new skills.

**Can my staff do an apprenticeship at a level lower than their highest qualification?**

The current funding rules state that as long as the apprentice does not have a qualification higher than the Apprenticeship standard they are eligible.  There is still some clarification required on the funding rules that will apply to the levy which will be issued in the spring. Such as, if someone already holds a Level 6 Degree Apprenticeship, a Level 4 Higher Apprenticeship or if the Apprenticeship is in a totally different area/specialism to their degree and is relevant to their role.

**Can the provider/college manage my Levy for me?**

Yes they can, we will arrange a meeting with you and assign an account manager to you.

**What if my Apprenticeship training costs exceeds the levy payments I have made?**

The Government has outlined that it will allow employers to draw down more funds from unclaimed levy that other employers have paid. There is also nothing stopping an organisation paying additional money to a provider on top of the levy amount if they wish.

**How much does Apprenticeship training cost?**

It varies and is dependent on the level and standard.

***Apprenticeship standards and Trailblazers***

**What are ‘Trailblazer Apprenticeships’?**

All Apprenticeship standards will be required to have been created by employers. Groups of employers have already started to create these new standards, these are known as Trailblazers.

**Do all my Apprenticeship programmes have to be Trailblazers?**

Not currently – ALL Apprenticeship frameworks will be replaced by these new ‘Trailblazer’ standards eventually. The current ‘SASE frameworks’ will continue until otherwise stated by the Government.

**If an Apprenticeship is not on the ‘Apprenticeship’ standard list, will it be redeemable against the levy?**

No, the levy fund can only be claimed to cover approved frameworks/standards that are on the Apprenticeships framework/standard list.

**If there isn’t a Trailblazer Apprenticeship that suits my needs/ in my sector, can I create one?**

Yes, we would encourage every employer to find out which Trailblazers are in development and become involved in the group if you can, or if there is not one that is suitable, you can create one.

**Is the funding available for Apprenticeships UK-wide?**

No, England only. In Northern Ireland, Scotland and Wales Apprenticeships are funded already. They will be given a proportion of the levy and are free to determine how it is spent.

**Are there any age restrictions for the apprentice to be eligible for the new funding?**

No, you can use funds to train an apprentice of any age (starting at 16). However it is best practice to use this to develop new skills be it existing staff (in a new/changed role within the company) or employing new staff.

**Can I use the levy funds to offer Apprenticeships to existing staff?**

Existing staff will be eligible as long as the Apprenticeship is relevant to their role and the most appropriate way of progressing/developing the learners’ career as a result i.e. upon completing the Apprenticeship the member of staff will be promoted, given more responsibility or moved into a more senior role.

**Will I be able to draw on Apprenticeship funding for existing staff that are on a contract of employment?**

Yes, but an Apprenticeship is subject to a minimum length so you must make a commitment for that person to be with you for 12 months and that individual will have an Apprenticeship contract.

**Are employers required to give apprentices time off work to study?**

Yes, you must give apprentices time off to study during their working hours. The number of hours and study mode is dependent on the standards and qualifications included. Do bear in mind that there will be no National Insurance payments for apprentices aged up to 24,in April 2016 the Government acknowledged that employers must allow study time. During the Apprenticeship there is a requirement for a minimum of 20 per cent ‘off the job’ training. This does not necessarily mean that apprentices must attend a centre/college, but they need to be undertaking some sort of training/development activity.

**Do employers have to use the job title ‘apprentice’ for these new recruits?**

Job titles are set by your organisation; however the apprentice must sign an apprentice contract of employment.

**Can a graduate start an Apprenticeship?**

The current funding rules state that as long as the apprentice does not have a qualification higher than the Apprenticeship standard they are eligible. There is still some clarification required on the funding rules that will apply to the levy which will be issued in the spring. Such as, if someone already holds a Level 6 Degree Apprenticeship, a Level 4 Higher Apprenticeship or if the Apprenticeship is in a totally different area/ specialism to their degree and is relevant to their role.

**Are there any criteria for apprentice recruitment or elimination from the programme?**

Employers can set their own criteria when selecting apprentices (although you should be confident that the apprentice has a realistic chance of being successful). Some professional bodies will set minimum education to start a qualification within an Apprenticeship standard or framework. In terms of elimination, apprentices should be subject to normal performance management as they are a paid employee.

**What is ‘The Institute for Apprenticeships’?**

This is a new organisation set up to have overall governance of Apprenticeships.

**How can I see what Apprenticeships standards are approved for delivery?**

You can visit [www.gov.uk/government/collections/apprenticeship-standards](http://www.gov.uk/government/collections/apprenticeship-standards)

**Why TCOE?**

We are Ofsted ‘Good’ provider.  Our successes are down to recruiting the right Apprentices for the right employer, providing the right assessment support and providing additional support to Apprentices and employers to ensure that Apprentices stay on track and become a great asset to their employer.

Apprenticeships are recognised, government backed qualifications that equip people with the practical skills and knowledge they need to fulfil their role and ensure business success.

Employing apprentices provides many benefits to you as the employer:

* Apprenticeships are a tried and tested way to recruit new staff, re-train or upskill existing staff
* Gain skilled qualified staff in a cost effective way
* Motivate your workforce
* Improve staff retention
* Enhance your productivity and profitability
* Reduce recruitment costs
* Up to 100% funding could be available to support Apprenticeship programmes in your business
* Apprenticeships can help you tackle skill shortages
* Learning can be done in your workplace, minimising disruption and maximising impact
* Apprenticeships are a great way of attracting enthusiastic talent with fresh ideas
* They can be tailored to specific job roles, making them flexible to the needs of your business
* Apprenticeships provide you with the skilled workers you need for the future.
* Apprenticeships can help reduce staff turnover, by increasing employee satisfaction and loyalty

Apprenticeships for your business can be delivered to your existing workforce or to new recruits, so why not take advantage of our free, professional recruitment and selection service, and employ an Apprentice today.