Apprenticeships

The Government are making significant changes to apprenticeships, linked to their ‘2020 Vision’ of having 3 million apprenticeship starts in place, across the UK economy, by 2020. Pivotal to the changes are plans to make the availability and funding of apprenticeship qualifications employer-led, so that they meet business need and support economic growth and prosperity.

Funding apprenticeships

Large employers with an annual pay bill of over £3m will have to pay into an apprenticeship levy from April 2017. This levy will be ‘ring-fenced’ to enable the employer to fund their employee’s apprenticeship training and assessment for any new apprenticeship starts from 1st May 2017. Where early years settings are part of Devon County Council’s Community and Voluntary Maintained Schools they will be required to contribute to the Council’s levy account. Public sector bodies of more than 250 employees will also be subject to the new Public Sector Duty & Target and as with the levy, Devon County Council’s Community and Voluntary Maintained Schools will be required to comply.

For small employers, such as most early years settings, the levy will not apply and instead the employer will be able to access funds from the Government through an arrangement called ‘co-investment’. In these circumstances, the Government will pay 90% of the apprenticeship training and assessment cost and the employer 10%.

There are strict rules around what the levy/co-investment can be used for, for example it cannot be used for salary or other employment costs and there are ‘Funding Bands’ set which is the maximum amount that a training provider can charge the employer.

There are also some changes to the additional funds available to certain employers when employing certain types of apprentices. As a small employer, early years settings might have accessed funds such as the Government’s Apprenticeship Grant for Employers of 16 to 24 year olds (known as AGE 16 to 24). We have been advised by the Skills Funding Agency that this Grant will be ceasing this year, when the new levy/co-investment arrangements come in. There will however be other additional funds available. These include employers with fewer than 50 employees having 100% of the training and assessment costs covered when training a 16-18 year old (or 19-24 year old formerly in care or with a Local Authority Education, Health and Care plan) and additional funds for employers and training providers when training 16-18 year olds or care leavers or to provide additional learning support where required (for example, for people with disabilities).

Using apprenticeship qualifications

There are lots of opportunities for employers with regard to the Government changes. The existing qualifications, called ‘Frameworks’ are being replaced over time to new more employer-led ‘Standards’. Qualifications will be available at a wider range of levels (up to degree and Masters level) and available to new and existing staff, of all ages. Quality will be overseen by a new Institute for Apprenticeships, which will be in place by April 2017. Standards are being developed by employer ‘trailblazer’ groups and cover a breadth of sectors and roles. There is still a lot of work being done nationally and with training providers to get ready for the changes, but the reforms will provide employers and employees with new ways to upskill, improve employability and develop careers. There are already some early-years related Frameworks and new Standards have also been approved or are in development.

Further information

- You can find out more about funding from your apprenticeship training provider or at: https://www.gov.uk/government/publications/apprenticeship-funding-from-may-2017.
- You can search for relevant Frameworks, Standards and training providers at: https://findapprenticeshiptraining.sfa.bis.gov.uk/.
- You can see a summary of the Frameworks and Standards available at: https://www.gov.uk/government/publications/a-guide-to-apprenticeships
- https://www.gov.uk/topic/further-education-skills/apprenticeships

1 Please talk to your school’s business manager or finance officer for further information