

Apprenticeship Levy

The apprenticeship Levy came into force from 6th April 2017. Employers will pay the levy via PAYE and HMRC, with funds going into an Apprenticeship Service account. The Government will top-up the account by 10%. Funds in the account can only be spent on training and assessment of apprenticeships.

- The levy will be 0.5% of an employer's pay bill where it exceeds £3 million (no employer is exempt). It is the employer's responsibility to declare that they are levy-paying
- HMRC collects the levy monthly via PAYE. It will be accessed through the Apprenticeship Service and 100% of the apprenticeship costs are paid to providers from this account. Levy payments will change monthly according to employer payroll (fluctuations in staffing and seasonal employment), with adjustments being made at the end of the tax year
- There will be a £15,000 allowance for levy-paying companies, similar to PAYE tax allowance, to off-set against the levy
- The Government will top-up monthly funds for apprenticeship training by 10%. The Government will also contribute £2000 towards the costs of 16-18 apprenticeships and for 19-24 year olds who were formerly in care or who have an Education and Health Care plan: £1000 for the employer and £1000 for the provider (50% at 90 days and £50% at 365 days)
- Employers who exhaust their levy funds can continue to with their existing apprentices and take on more apprentices using the co-investment model

For more on the levy, including how to report and pay, please go to: www.gov.uk/guidance/pay-apprenticeship-levy and

<https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work>

The Apprenticeship Service (formerly the Digital Apprenticeship Service, DAS) is a new virtual tool that levy-paying employers will use to manage their apprenticeships from April 2017. Levy-paying employers can set up an account online on the Apprenticeship Service to see their available funds that can be used for Government approved apprenticeships. Apprenticeship training providers will receive payments via the Education and Skills Funding Agency (ESFA).

Levy monthly amounts will accumulate in an employer’s Apprenticeship Service account throughout the year and any unused funds will be carried from one month to the next. If unused, funds will expire 24 months after they enter an employer’s account and will be removed.

The Apprenticeship Service will hold the following information:

- A list of apprenticeship training providers and their performance records
- A list of approved end-point assessment organisations (for Apprenticeship Standards, not required for Apprenticeship Frameworks)
- Apprenticeship vacancies
- A function to allow levy-paying employers to buy apprenticeship training

Levy paid	Contract between employer and provider	Monthly deductions paid to provider	Co-investment top up if insufficient funds
<p>Employer recruits apprentice (could be existing staff)</p> <p>Employer selects provider from the Apprenticeship service and negotiations take place</p>	<p>Provider and employer agree and sign a written contract (including end-point assessment if Apprenticeship Standards are used)</p> <p>Employer flags on account - prompts payment schedule</p>	<p>Provider establishes learner evidence pack</p> <p>Employer sets up registration, releasing funds from account to provider</p> <p>Provider pays employer any incentive payments</p> <p>20% of funding to be used for completion (end-point assessment if Apprenticeship Standards are used)</p>	<p>Employer may need to make cash contribution if levy funds are exhausted as per co-investment funding method</p>

Further information can be found at:

<https://sfadigital.blog.gov.uk/2016/10/25/what-is-the-digital-apprenticeship-service/>

Eligibility Criteria

Employees must:

- be in the correct job role to meet the requirements of the apprenticeship Framework
- be employed
- hold a National Insurance number
- spend at least 50% of their working hours in England over the duration of the apprenticeship (Wales, Scotland and Northern Ireland have their own funding arrangements).
- be a UK or EU citizen or have indefinite leave to remain
- have the right to work in England

English and maths functional skills will be fully funded by the Government.

Apprenticeships offered by Quest Vocational Training (depending on location):

Apprenticeship Framework and Level	Cost of Apprenticeship (Fully funded from Employer's levy pot)		Cost of Apprenticeship (Co-funded with Government)	
	Total Cost (Funded from Employer's Levy Pot)	Monthly Cost (Funded by Employer's Levy Pot, based on 12 month programme)	Government Contribution 90%	Employer's Contribution (10% net of VAT)
Care Leadership and Management L5 (available until August 2018)	£2000	£167	£1800	£200*
Team Leading L2	£1500	£125	£1350	£150*
Management L3	£2000	£167	£1800	£200*
Customer Service L2	£1500	£125	£1350	£150*
Customer Service L3	£2000	£167	£1800	£200*
Business Admin L2	£2000	£167	£1800	£200*
Business Admin L3	£2500	£208	£2250	£250*
CYPW L2	£2000	£167	£1800	£200*
CYPW L3 (EYE, SEN and Residential)	£2500	£208	£2250	£250*
Supporting Teaching and Learning L2	£2000	£167	£1800	£200*
Supporting Teaching and Learning L3	£2500	£208	£2250	£250*
Healthcare Support Services L2 & L3	£2000	£167	£1800	£200*

Apprenticeship Standards and Level	Cost of Apprenticeship (Fully funded from Employer's levy pot)		Cost of Apprenticeship (Co-funded with Government)	
	Total Cost (Funded from Employer's Levy Pot)	Monthly Cost (Funded by Employer's Levy Pot, based on 12 month programme)	Government Contribution 90%	Employer's Contribution (10% net of VAT)
Adult Care Worker Level 2	£3000	£250	£2700	£300*
Lead Adult Care Worker Level 3	£3000	£250	£2700	£300*

Awaiting further information		
Apprenticeship Standards and Level	Cost of Apprenticeship	Standard start date
Business Admin Level 3	TBA	January 2018
Care Leadership and Management Level 5	TBA	August 2018
Childcare	TBA	TBA
Customer Service Level 3	TBA	January 2018
Customer Service Practitioner Level 2	£4000	January 2018
Supporting Teaching and Learning	TBA	TBA
Team Leader/Supervisor Level 3	£5000	January 2018

If you are interested in apprenticeship training for your staff, please contact our sales team or your Trainer-Assessor on
01202 237 378