

## WILL YOU BE PAYING THE APPRENTICESHIP LEVY?

Is your annual pay bill more than £3million?

**YES**

Levy paying employers will need to sign a legal agreement with the Education and Skills Funding Agency (ESFA) and sign up for a government 'Apprenticeship Service' online account before they will be able to take on apprentices after the 1st May 2017.

Levy paying employers will be able to see from their Apprenticeship Service account how much they have paid into the apprenticeship levy and how much they have available to pay for apprenticeship training. Levy paying employers will have a role to play in ensuring Shape is paid for the work we do, by authorising us to be paid from the levy funds in their account.

If a levy paying employer wants to spend more on apprenticeship training than they have in the apprenticeship service account, they will revert to the same terms as the non-levy paying employers shown on the right.

More information on the apprenticeship levy can be found at <https://goo.gl/xalSQ5>

**NO**

For employers who do not pay the apprenticeship levy, the government will pay 90% of the cost of apprenticeship training, employers will need to pay 10% directly to us.

We will agree a schedule of payments before the apprentice starts and invoice you for the contribution you are required to make. We must confirm to the ESFA on a regular basis that we are receiving your contribution or the ESFA will stop paying their 90% and the apprenticeship will stop.

However, if you are an employer with less than 50 staff and you want to recruit apprentices aged 16-18 (also 19-24 year olds who have previously been in care or with a local authority education, health and care plan), the government will pay 100% of the cost of training.

If you are required to contribute to the cost of training directly to us, we currently anticipate the cost will be approximately £250 for the existing apprenticeship frameworks.

Whether you are a levy paying employer or not, apprenticeship reforms are designed to involve employers as much as possible in the apprenticeship system by giving them more choice and power over funding, but with this power comes the need for considerably more complex legal arrangements.

New agreements will include employer agreements, payment schedules and commitment statements, our staff will give you more details on these documents when you wish to sign up a new apprentice.

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## ADDITIONAL CHANGES

- A key part of the reforms require that training providers negotiate a price for the training required to complete the apprenticeship with employers, up to a maximum amount set by the government. We will look at negotiating our price with you where you are proposing to take on an apprentice with significant prior experience that means there will be less work for us to do.
- Employers who take on 16-18 year old apprentices will be entitled to £500 after the apprentice has been employed for 3 months and a further £500 after 12 months. Shape will forward these payments to the employer within 30 days of receiving them from the ESFA.
- Over the coming 12 months, the existing apprenticeship programmes, known as apprenticeship frameworks, will be replaced by new apprenticeship standards. The new standards have been developed by employers and put more emphasis on to assessing an apprentices understanding of their apprenticeship at the end of the programme (referred to as 'end-point assessment'). The cost of end-point assessment will mean the cost of delivering the new standards is higher than existing frameworks, and consequently employer contributions will be higher. Shapes training staff will discuss these with you in more details as we get nearer to their implementation.
- New funding rules require all apprentices to spend at least 20% of their working hours undertaking off the job, vocational training. In addition to this they must be allowed suitable time for maths and English training if they require it to complete the apprenticeship.

## MORE INFORMATION

- There is significant additional information about apprenticeship reforms available online, a good place to start is to go to [www.gov.uk](http://www.gov.uk) and search for 'apprenticeship' to get all the latest information directly from the government.
- Information on apprenticeships can be found at [www.getingofar.gov.uk](http://www.getingofar.gov.uk).
- The latest version of the National Apprenticeship Services 'Employers guide to apprenticeships' which explains apprenticeships in a little more detail can be found here; [www.goo.gl/06Uddd](http://www.goo.gl/06Uddd) .
- By participating in the apprenticeship programme employers are agreeing to abide by the Education and Skills funding agency rules, for full details on these rules go to;

[www.goo.gl/YUT4eL](http://www.goo.gl/YUT4eL) (this will take you to the appropriate page on the gov.uk website)  
Select the document entitled 'Apprenticeship funding: rules and guidance for employers'.