

Employer guide to apprenticeships



What is an apprenticeship?

An apprenticeship is a genuine job with an accompanying assessment and skills development programme. It is a way for individuals to earn while they learn, gaining valuable skills and knowledge in a specific job role. The apprentice gains this through a wide mix of learning in the workplace, formal off-the-job training and the opportunity to practise new skills in a real work environment. Apprenticeships benefit employers and individuals, and by boosting the skills of the workforce they help to improve economic productivity.

How do they work?

Apprentices must spend at least 20% of their time on off-the-job training. However, they may need more than this if, for example, they need training in English and maths. It is up to the employer and training provider to decide how the off-the-job training is delivered. It may include regular day release, block release and special training days or workshops. It must be directly relevant to the apprenticeship framework or standard and can be delivered at the apprentice's normal place of work as long as it is not part of their normal working duties. It can cover practical training such as shadowing, mentoring, industry visits and attending competitions.

On-the-job training helps an apprentice develop the specific skills for the workplace and they should be supported by a mentor.

Once an apprentice completes their apprenticeship they should be able to demonstrate that they can perform tasks confidently and completely to the standard set by industry.

Apprenticeship levels

There are various levels of apprenticeship available.

Name	Level	Equivalent educational level
Intermediate	2	5 GCSE passes
Advanced	3	2 A level passes
Higher	4, 5, 6 and 7	Foundation degree and above
Degree	6 and 7	Bachelor's or master's degree

Who are they for?

Individuals over the age of 16, spending at least 50% of their working hours in England over the duration of their apprenticeship and, not in full-time education, can apply for an apprenticeship. Employers can offer apprenticeships to new entrants or use them to grow talent among current employees. Apprenticeships equip individuals with the necessary skills, knowledge and behaviour they need for specific job roles, future employment and progression.

Benefits of hiring apprentices

86% of employers said apprenticeships helped them develop skills relevant to their organisation, while 78 per cent said apprenticeships improved productivity.¹ (Source: Apprenticeship Evaluation 2017: Employers).

Other benefits that apprenticeships contribute towards include:

- increasing employee satisfaction
- reducing staff turnover
- reducing recruitment costs

Employer responsibilities

There must be a genuine job available with a contract of employment long enough for an apprentice to complete their apprenticeship. Employers must pay an apprentice's wages and the role must help them gain the knowledge, skills and behaviour they need to achieve the apprenticeship with support from the employer.

Employers can select a training provider from the [Register of apprenticeship training providers](#) (ROATP) and agree a total price for the cost of training and assessment. For an apprenticeship standard, this should include the cost of the end-point assessment which must be agreed with the provider selected from the [Register of end-point assessment organisations](#).

Employers need to have:

- an apprenticeship agreement in place with their apprentice for the duration of the apprenticeship
- a commitment statement signed by the apprentice, their employer and the provider

For employers who pay the apprenticeship levy and use the apprenticeship service, they will need to have:

- a contract for services with their main provider
- an apprenticeship in place for at least one year
- the apprentice on the correct wage for their age, for the time they are in work, in off-the-job training and doing further study
- apprentices who are paid a wage consistent with the law for the time they are in work and in off-the-job training. Updates on progression and average weekly hours and changes to working patterns must be logged and checked with the training provider.

The government is offering additional support to organisations with fewer than 50 employees. For more details visit: apprenticeships.gov.uk

Additional payments and funding which may be available

- Employers are not required to pay National Insurance contributions for apprentices under the age of 25 on earnings below the higher tax rate of £827 a week (£43,000 a year).
- £1,000 payment to both the employer and provider when they train a 16- to 18-year-old.
- £1,000 payment to both the employer and provider when they train a 19- to 24-year-old who has previously been in care or who has a local authority education, health and care plan.

Apprenticeship reforms

Government has reformed the way apprenticeships are delivered and funded in England. The ambition is to increase the number of high-quality apprenticeships that meet the needs of employers. As part of the reforms apprenticeships are more rigorous, better structured, independently assessed and more clearly aligned to the needs of employers.

The reforms address the skills shortages reported by many industries and help keep the UK internationally competitive. Most importantly, apprenticeships offer high quality opportunities for people to develop their talents and progress their careers.

Recent legislation has come into effect which changes the minimum English and maths requirements needed to complete an apprenticeship for people with a learning difficulty or disability.

The changes lower the English and maths requirements for these apprentices to an Entry Level 3 qualification. It will make completing an apprenticeship more achievable for those who are able to meet all the occupational requirements to be fully competent in their role, but who may struggle to achieve English and maths qualifications at the level normally required.

The reforms are at the heart of a skills partnership between government, business and training providers

This partnership will create the skills revolution needed to meet the needs of business, education and training providers, as well as the economy.

The government is doubling the annual level of apprenticeship spending. By 2019-20 annual spending on apprenticeships in England will reach £2.45 billion, double the annual spend in 2010-11. This has been funded by the apprenticeship levy.

The apprenticeship levy

If you're an employer with a pay bill of more than £3 million a year, you must pay the apprenticeship levy from 6 April 2017. [Read guidance](#) on how to pay the apprenticeship levy.

You will report and pay your levy to HMRC through the PAYE process. The levy will not affect the way you fund training for apprentices who started an apprenticeship programme before 1 May 2017. You'll need to carry on funding training for these apprentices under the terms and conditions that were in place at the time the apprenticeship started

Less than 2% of UK employers pay the levy. Levy funds will create opportunities for young people across the country, delivering the skills British businesses need. The levy will give employers control of their training. Employers will agree a total price for each apprenticeship, which includes the costs of training and assessment. In England*, the government will top up employers' levy with an extra 10%, paid directly to employers' apprenticeship accounts.

An employer's pay bill is made up of the total amount of the employees' earnings that are subject to Class 1 National Insurance contributions, such as:

- wages
- bonuses
- commissions
- pension contributions

*Scotland, Wales and Northern Ireland will receive a share of the levy – the Devolved Administrations will receive £460 million. As skills is a devolved matter it will be for them to decide how levy funds should be used in their administrations.

What about non-levy paying employers?

Employers with a pay bill of less than £3 million a year do not need to pay the levy.

From 1 April 2019 for non-levy paying employers' new starts in England, at least 95% of the apprenticeship training and assessment costs will be paid for by the government. We ask these employers to make a 5% cash contribution (co-investment) to the cost, paid direct to the provider. The government will cover the remainder up to the agreed funding band maximum for the chosen standard or framework.

The apprenticeship service

Through the apprenticeship service on GOV.UK employers can plan and manage their apprenticeship programme, giving them greater control over their apprenticeships and account funds.

The apprenticeship service is made up of different platforms:

- [Estimate my apprenticeship funding](#) allows employers to calculate whether they will pay the apprenticeship levy or not, and how much they will have available to spend on apprenticeships. It also shows all employers how much the government will contribute towards the cost of training.
- [Find apprenticeship training](#) gives employers easy-to-digest information on the choices available to them. They can easily search for and find a standard, framework and training provider, and compare one provider with another.
- [Recruit an apprentice](#) is a new platform through which training providers and employers can post vacancies and manage applications for apprenticeships and traineeships.
- [Find an apprenticeship](#) and [Find a traineeship](#) are the recruitment sites that enable employers to advertise their vacancies for free and find candidates who match their criteria.
- [Manage apprenticeships](#) allows registered employers to view their account balance, manage their apprentices and approve funds to pay for their apprenticeship training.

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