

Q: What is the 'apprenticeship levy'?

A: The Government has changed the way apprenticeships are funded in England, which includes the introduction of an employer levy.

The levy is being paid by employers with an annual pay bill of £3million or more from April 2017.

The levy is calculated at 0.5% of an employer's annual wage bill over the £3million and will be taken monthly via PAYE. These levy payments are then translated in apprenticeship vouchers for employers to spend on apprenticeship training and include a 10% contribution from Government.

Employers spend their vouchers through a digital apprenticeship service account.

Q: Why is the Levy being brought in?

A: The introduction of the levy is part of the Government's apprenticeship reforms in England, which aim to put employers in the driving seat. The levy will help the Government double investment in apprenticeships by 2020 from 2010 levels, to £2.5bn.

The new system will put employers in control of who they buy their apprenticeship training from.

The Government has an ambition to see 3 million new apprenticeship starts by 2020.

Q: These reforms are for England only, what if my company employs people who are based outside of England, including the UK Nations?

A: HMRC will calculate the value of an employer's apprenticeship vouchers using data they already hold about the home address of company employees. HMRC will work out what proportion of each employer's pay bill is paid to employees living in England, and will calculate this on a quarterly basis. This proportion will be available to view through the digital apprenticeship service from March 2017.

Here's an example of how the voucher value will be calculated:

Monthly levy payment: £1000

Percentage of pay bill paid to employees living in England (calculated from postcode data): 75%

= £1000 x 0.75 = £750 + 10% Government top-up (£75)

Monthly voucher value = £825

Q: What is included in the term 'pay bill'. Does this cover freelancers? What if we employ people through a subsidiary company?

A: Your pay bill will be based on the total amount of earnings subject to Class 1 secondary (employers) National Insurance Contributions (NICs). Earnings include anything such as wages, bonuses, commissions, and pension contributions that you pay NICs on.

In summary, it is calculated on what goes through an employer's PAYE.

If you pay freelancers outside of PAYE (e.g. through invoices) this would not be included as part of your pay bill.

Q: What's the difference between an apprenticeship, an intern and a placement?

A: Apprenticeships are recognised formally by the Government. Apprentices must be working to a published and approved Framework or Standard (which includes mandatory off-the-job training delivered by a training provider). Apprentices by law must have a contract of employment and be paid the appropriate minimum wage rate.

Internships are time limited work opportunities which must be paid (exceptions apply). There is no formal training or accreditation attached to an internship like there is with an apprenticeship.

Work placements are very short opportunities (usually no longer than two weeks) allowing somebody to observe the work of an organisation and gain some basic experience/understanding of a role and/or workplace.

Creative & Cultural Skills in partnership with Arts Council England has written a guide on apprenticeships, internships and volunteering, which helps outline the difference between each:

https://ccskills.org.uk/downloads/Apprenticeships_Best_Practice_Guide.PDF

Q: What does 3 million 'new in' actually mean in relation to apprenticeship starts?

A: The Government is committed to achieving 3 million apprenticeship 'starts' in England between 2015 and 2020. An increase in apprenticeship starts of 1 million since the previous government.

Q: Our pay bill is below the £3 million threshold – we're not affected are we?

A: In this instance an employer will not be required to pay the apprenticeship levy, but if they employ an apprentice after the 1st April 2017 they will be required to pay 10% of the training costs for the apprenticeship.

The amount this 10% represents varies depending on the value of the specific apprenticeship (referred to as the Government's funding band). There are 15

funding bands for apprenticeships which start at £1500 rising to £27,000. The funding band represents the total amount the Government is prepared to pay to cover the off-the-job training costs of an apprenticeship (including the levy voucher contribution) and end point assessment, which represents anywhere between 10% to 20% of the funding band. Employers are free to pay above the band for additional training but would incur this cost directly.

Q: How are the payments made? / I heard something about vouchers – what are they? What do we spend them on?

A: Apprenticeship vouchers are what levy-paying employers will use to buy their apprenticeship training and cover the cost of End Point Assessment (so the apprentice can achieve their apprenticeship when ready).

Each employer will have a digital Apprenticeship Service account, which will hold the value of an employer's vouchers and allow them to select the training they want to buy.

Vouchers are paid into the employer's account one month in arrears of the levy payment being made to HMRC via PAYE. From the point at which the vouchers appear in the employer's account they have two years to spend them, after which the Government will take them back.

The Government plans for employers to be able to pass-on up to 10% of their vouchers each year to other employers to use from 2018 onwards.

Q: When / how often do the payments leave our Digital Apprenticeship account?

A: When an employer selects the training they want to buy from an approved training provider listed in the digital Apprenticeship Service, payments will be taken monthly from the account and paid directly to selected training provider.

Q: We already do an apprenticeship scheme, what do we do to make sure it's counted?

A: Unless it is a Government recognised apprenticeship it won't be counted. If it is, then you will start paying for the apprenticeship training via your digital account from April 2017 onwards.

Non-levy payers are expected to have access to a digital Apprenticeship Service account from 2018. Until then they can liaise directly with their chosen Training Provider(s) to purchase their apprenticeship training.

Q: Does the Levy change how much our apprentices are paid?

A: No. The levy helps cover the cost of training and end point assessment only. The employer is still legally obligated to pay their apprentice the appropriate National Minimum Wage rate.

Details of National Minimum Wage rates can be found here:

<https://www.gov.uk/national-minimum-wage-rates>

Q: Do these changes only apply to certain age groups, or people from specific groups?

A: No. From April 2017 anyone over the age of 16 (having completed their GCSE year at school) can undertake an apprenticeship and can have their training costs covered. For graduates and those with higher level training they can only undertake an apprenticeship and have their training funded if their apprenticeship is in a different subject to their degree or prior higher-level qualification(s).

Employers that take on a 16-18 year old apprentice or a 19-24 year old who was formerly in care, or who has an Education and Health Care Plan, will receive an additional £1000 incentive payment from the Government to help cover additional costs associated with employing individuals from these demographics.

Q: I am a cultural organisation in Scotland / Wales / Northern Ireland – what does the Levy mean to me? If nothing, where do I go for information on Apprenticeships in these countries?

A: The levy only impacts England currently. If you would like information on apprenticeships in the Nations you can contact Creative & Cultural Skills who can discuss these with you or direct you to the most appropriate organisation or sector body: info@ccskills.org.uk

Q: Who do we contact to talk more about apprenticeships and the Levy? What website should we go to to learn more?

A: The www.gov.uk website contains all current information about apprenticeships and the associated levy in England. However, Creative & Cultural Skills has a role in supporting the sector around apprenticeships and can be approached with any apprenticeship query: apprenticeshipenquiries@ccskills.org.uk

Q: I am an apprentice – will I notice any difference?

A: The only difference for apprentices is that they will be formally assessed for their apprenticeship at the end of their apprenticeship rather than continuously throughout.

An apprentice should also experience much more industry relevant training as there is no longer a requirement to deliver formal qualifications as part of an apprenticeship standard (unless otherwise stated) and therefore training can be tailored to suit.

Q: We are a charity – does that make a difference?

A: No. Charities are subject to the same arrangements as any other employer as part of the Government's apprenticeship reforms.

Q: What is an apprenticeship?

A: A formal apprenticeship must be recognised by Government and appear on the list of approved Apprenticeship Standards or Frameworks.

A formal apprenticeship is a job that allows someone to gain certification in their field whilst working, and consists of three core elements:

- On the job learning (this is the job the apprentice has been employed to do)
- Off the job learning (delivered by a registered apprenticeship training provider)
- Functional skills in English and Maths (this only applies where an apprentice has not achieved GCSE English and Maths at an agreed level – this would typically be GCSE grade A* - C for a Level 3 apprenticeship)

Q: Do I need to treat an apprentice differently to other staff?

A: No. To the employer an apprentice is an employee and must be contracted and treated as such.

Q: Are they entitled to holiday?

A: Yes, in line with their employer's holiday policy. Apprentices are subject to the same company policies and procedures as any other staff member, including benefits.

Q: How long should an apprenticeship last?

A: Apprentices in England must be contracted and paid for a minimum of 30 hours a week (including their off-the-job training) for at least a year and a day. However, some apprenticeships are expected to take longer to complete. Employers are advised to contract apprentices for the minimum duration recommended for the specific apprenticeship. Details of the recommended duration can be found in the individual Apprenticeship Standard on the www.gov.uk website.

Q: Do I have to employ an apprentice once they've completed their apprenticeship?

A: No, but employers are asked to create apprenticeships with the intention on keeping their apprentice(s) on once they complete. This isn't mandated but is deemed preferable. It is advised that an employer's intentions are made clear to the apprentice throughout so an apprentice can plan their progression accordingly.

Notifying an apprentice that they will not continue in their role, only days or weeks before the apprenticeship ends, is considered poor practice.

Q: What's the difference between Apprenticeship Frameworks and Apprenticeship Standards?

A: Apprenticeship Frameworks are made up of Knowledge and Competency units of study, which are delivered as either combined or separate qualifications. Frameworks are written against National Occupational Standards, which inform the individual units of learning and associated criteria. Apprentices working to a framework are assessed on a continuous basis throughout their apprenticeship, and once all criteria has been successfully passed can achieve their full apprenticeship certificate.

Apprenticeship Standards are developed by employer 'trailblazer' groups, who identify the core Knowledge, Skills and Behaviours of a unique occupation. These Knowledge, Skills and Behaviours must be transferrable across, and relevant to, any employer that recruits for the occupation.

Apprenticeship Standards are much more high level than Frameworks, written across a maximum of three sides of A4. The Standard must be accompanied by an Assessment Plan, which the employer trailblazer group also writes to help determine how the core knowledge, skills and behaviours will be assessed at the end of the apprenticeship.

For guidance on how to develop a new apprenticeship standard please see here: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/616195/How_to_guide_for_trailblazers.pdf

Q: Why are Apprenticeship Frameworks being switched off?

A: The Government is withdrawing existing Apprenticeship Frameworks from delivery in a phased way. All frameworks will be withdrawn by 2020.

These are being withdrawn as they are deemed complex and not necessarily as current/relevant to real jobs in the industry as they could be. A number of apprenticeship standards are in development for the **Creative Industries**, details of these can be seen in our sector Apprenticeship Map, which can be found here: www.ccskills.org.uk

For details of all apprenticeship standards approved for delivery please see here: <https://www.gov.uk/government/collections/apprenticeship-standards#apprenticeship-standards-approved-for-delivery>

For details of all standards currently in development please see here: <https://www.gov.uk/government/publications/apprenticeship-standards-in-development>

Details on the frameworks already withdrawn and those set to be included in the next batch can be found here:

<https://www.gov.uk/government/publications/removal-of-apprenticeship-frameworks>

Q: Who is involved in the delivery of an apprenticeship standard?

A: There are three main organisations involved in the delivery of new apprenticeships:

The Employer – who is responsible for creating and providing the job and issuing a contract of employment for the duration. The employer is responsible for paying the apprentice's wages and selecting the training provider who will support the off-the-job training.

The Training Provider – is responsible for providing a minimum of 20% off-the-job training to the apprentice. This training must not form a qualification, unless mandated in the apprenticeship standard.

Training providers are expected to respond to employer need and therefore develop occupationally current and relevant training. They can only deliver apprenticeship training, and drawdown funding to do this, if they are formally on the Register of Apprenticeship Training Providers.

The End Point Assessment Organisation – who is responsible for assessing the apprentice's competence in line with the Assessment Plan. They must be independent of the Training Provider and Employer (but can be known to both) and must be on the formal Register of Apprenticeship Assessment Organisations. The employer is responsible for selecting the Assessment Organisation they use.

Assessment Organisations are responsible for recruiting occupationally competent assessors as per the conditions outlined in the Assessment Plan, and must meet agreed External Quality Assurance requirements.

Q: What is the Public Sector Target?

A: The Public Sector Apprenticeship Target has been set by the Department for Education. This requires all public sector bodies including schools and academy trusts, local authorities, central government and arm's-length bodies, NHS organisations, the armed forces, emergency services, and any other body that may be in scope of the target, who employ 250 staff or more, to employ on average at least 2.3% of their staff as apprentices between 1 April 2017 and the 31 March 2021.

Those subject to the target are required to have regard for this target when recruiting new staff and/or upskilling their existing workforce. The target can only be supported by new starts, not by those who had started an apprenticeship prior to the target being introduced.

Public Sector Bodies will be required to report to Government on their progress against this target each year.

Further details about the Public Sector Target can be found here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/606955/Public_Sector_Statutory_Guidance.pdf