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The Apprenticeship Hub

Liverpool City Region



Employer guide to

# apprenticeships

## What's an apprenticeship?

An Apprenticeship is a proper job combined with structured skills development and ongoing assessment.

An apprentice is employed and paid whilst they learn, and the Apprenticeship ultimately gives them the professional skills, knowledge and the experience to do a specific job.

[www.apprenticeshiphub.org.uk](http://www.apprenticeshiphub.org.uk)

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# Employer Guide to Apprenticeships

Apprentices acquire their skills through a mix of workplace learning, formal classroom learning, and practising tasks in a genuine work environment.

Employers favour Apprenticeships as a method for recruiting and developing staff as they contribute to business growth and productivity, helping create a skilled workforce and bringing benefits to both employers and individuals.

## How do they work?

Apprentices are employed but spend at least 20% of their time on off-the-job training which is usually delivered by an external Apprenticeships training provider.

The employer chooses the provider from an approved list, and works with them to decide how the training is delivered. This might be in the workplace or on regular day release, through workshops, or shadowing. Apprentices are supported by a mentor at work and training must be directly relevant to the Apprenticeship.

Ongoing assessment of the apprentice ensures they are meeting required standards for the qualifications they are working towards. Once an apprentice completes their Apprenticeship they must demonstrate they can perform relevant tasks to industry standards. This provides a guarantee of competence to the employer.

## Who are they for?

Apprenticeships are open to people who are over the age of 16, and not in full-time education.

Employers can offer apprenticeships to new recruits or use them to develop existing staff.

Apprenticeships give employers a structured programme that ensures the staff they recruit are developed to acquire the skills, knowledge and behaviour needed for specific job roles.

## Benefits of hiring apprentices

### ✓ Employers in the driving seat

Apprenticeships help businesses to grow staff skills in ways to suit their organisational needs

### ✓ Skills

Apprenticeships provide a framework for systematically building the skills level within an organisation

### ✓ Productivity

Employers with established Apprenticeship programmes report 76% productivity increase

### ✓ Quality

Employers with established Apprenticeship programmes report 75% improvement in quality of their product or service

### ✓ Employee satisfaction

Apprenticeships help keep staff motivated and reduce staff turnover

### ✓ Reduced costs

The Apprenticeships training provider can help find appropriate apprentices, reducing recruitment costs.

## Employer responsibilities

The apprentice's employer must

- Provide a genuine job with a contract of employment long enough for the apprenticeship to be completed
- Ensure the job role gives the apprentice the knowledge, skills and behaviour they need to achieve their apprenticeship
- Pay the apprentice at least the Apprenticeship national minimum wage (currently £3.70 per hour). Apprentices aged 19+ are entitled to the national minimum wage after they have completed the first year of their apprenticeship. Many businesses pay more, particularly for higher apprentices.
- Select a provider from the Register of Apprenticeship Training Providers and agree total costs. For an apprenticeship standard, this should include cost of the end-point assessment which must be agreed with the provider selected from the Register of End-Point Assessment Organisations.
- Have an Apprenticeship agreement in place with their apprentice for the duration of the Apprenticeship
- Have a commitment statement signed by the apprentice, their employer and the provider
- Have a written agreement with providers. Employers who pay the Apprenticeship levy and use the Apprenticeship service will need to have a contract for services with their main provider
- Record apprentice progression, average weekly hours and changes to working patterns & discuss with the training provider.

## Additional support

There is additional support available to employers as follows:

- £1,000 each for the employer and provider when a 16- to 18-year-old apprentice is taken on
- £1,000 each for the employer and provider when a 19- to 24-year-old is taken on who has previously been in care or who has a local authority education, health and care plan.
- Employers with fewer than 50 people working for them are not required to contribute to costs of training 16-18 year old apprentices
- Employers are exempt from paying NI contributions for apprentices under the age of 25 on earnings below the higher tax rate of £827 a week (£43,000/year).

## Apprenticeship reforms

The Government recently changed the way that Apprenticeships are funded and delivered, and is doubling the annual level of Apprenticeship spending to £2.5bn which will be funded by the Apprenticeship Levy. As a result, Apprenticeships are now more rigorous, better structured, independently assessed and more clearly aligned to the needs of employers.



## The Apprenticeship levy

Employers with a pay bill over £3m a year must pay the Apprenticeship levy.

This is 0.5% of the employer's wages bill and is paid to HMRC through the PAYE process.

The amount paid is deposited in the employer's Apprenticeship account, and can then be used by the employer to purchase Apprenticeship training.

The government tops up employers' levy with an extra 10%, paid directly to employers' Apprenticeship accounts. This means employers get more to spend on training than they put in.

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: wages, bonuses, commissions and pension contributions.

## 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.

90% of the cost of training and assessing apprentices in these organisations is paid by the government. If they have less than 50 employees, government will pay 100% of costs for 16 to 18 year apprentices or those aged 19-24 formerly in care or with a local authority education, health and care plan.

## The Apprenticeship service

There are tools available to employers on GOV.UK to help them manage their Apprenticeship programme and account.

### Estimate My Apprenticeship Funding

Allows employers to calculate whether they must pay the Apprenticeship levy or not, how much they will have to spend, and any government contributions.

### Find Apprenticeship training

Allows employers to search for Apprenticeship standards and frameworks, and compare training providers

### Find an Apprenticeship and Find a Traineeship

Allow employers to advertise their vacancies for free and find candidates who match their criteria

### Manage Apprenticeships

Allows levy-paying employers to view their account balance, manage their apprentices and approve funds to pay for Apprenticeship training.

For further information about Apprenticeships in Liverpool City Region, visit [www.apprenticeshiphub.org.uk](http://www.apprenticeshiphub.org.uk) or email [apprenticeshiphub@halton.gov.uk](mailto:apprenticeshiphub@halton.gov.uk)