

Apprenticeship Levy

A guide for employers

Find out all you need to know about the levy, how it will effect your business and how Group Horizon can support you

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If you currently employ apprentices or are considering doing so in the future then it is important to be aware of the changes that Government are making to apprenticeship support and funding. The Levy launched on 6th April 2017 with the aim of encouraging employers to train new and current staff through Apprenticeships to address the skills shortage within the UK.

Key Information:

- The Apprenticeship levy was introduced on 6th April 2017 with the aim of encouraging more businesses to offer Apprenticeships.
- All employers, in all sectors with an annual pay bill of £3 million or more will be required to pay the apprenticeship levy – these employers will be required to pay the levy whether they currently have apprentices in their business or not.
- Employers need to be prepared and plan for the apprenticeship levy as it will be automatically deducted through the PAYE process.
- Employers with a pay bill of less than £3 million each year will not be required to pay the apprenticeship levy.
- Apprenticeship Levy funding can only be spent with an approved training provider such as Group Horizon.
- Each Apprenticeship (they are known as Apprenticeship Standards and Apprenticeship Frameworks) has an allocated 'band value'. These bands range from £1500 to £27,000.
- Under the Apprenticeship Reforms, new Apprenticeship Standards will replace the old Specifications for Apprenticeship Standards in England (SASE) Frameworks. Each occupation will now have its own new Apprenticeship Standard linked to a specific occupational level.



Information for levy paying employers

Employers with an annual pay bill of £3 million or more are required to pay an Apprenticeship levy from April 2017. This levy must be paid even if there are no apprentices within the organisation. The levy will be set at 0.5% of the pay bill. You will have a £15,000 allowance to offset against your levy payment. Levy contributions will be made to HMRC automatically through PAYE. To find out more about calculating your levy payment you can contact HMRC for advice or you can use the online calculator found on the Skills Funding Agency website.

Levy funds will be available to access and invest via a new online system - the Digital Apprenticeship Service. It is the only way you are able to access and manage your levy funds so it is important that you register and familiarise yourself with the site. This digital service is also the platform to search for training providers, plan and advertise vacancies.

Levy funds can only be used for Apprenticeship training and assessment. Funds cannot be used for wages, travel or recruitment costs. Unused funds will expire after 24 months so it is important to make sure they are used in the timeframe allowed.

There may be additional funding to support the recruitment of apprentices such as those aged 16-18 years or if an Apprentice has additional learning needs.



Information for Non-levy paying employers

Employers with an annual pay bill of less than £3 million will not be required to pay the Apprenticeship Levy but will still be affected by levy changes if they wish to employ an apprentice. From April 2017, non-levy paying organisations will be able to benefit from 'co-investment' funding provided by the government to support businesses wishing to train apprentices. Through co-investment, the Government will pay 90% of the cost of apprenticeship training and assessment and the employer will pay the remaining 10% of costs. Non-levy paying businesses will pay their 10% contribution directly to the training provider with which they are partnered. The digital apprenticeship service will be available on the gov.uk website for non-levy paying organisations to plan and advertise apprenticeships.

There may be additional funding to support the recruitment of apprentices such as those aged 16-18 years or if an apprentice has additional learning needs for non-levy paying businesses in the same way as levy payers.

How Group Horizon can help

Group Horizon can help you minimise the risks and maximise the opportunities associated with the Apprenticeship Levy. Each of our employer partners will have a dedicated member of the Group Horizon team who will be on hand every step of the way, ensuring all training is perfectly matched to your needs, supporting business growth. Our offer includes a full training needs analysis of your business, identifying risks and opportunities whilst creating a tailored professional development plan for all staff.

Our team will work with you to:

- Understand the levy and what this means for your organisation
- Support your teams in preparing for the introduction of the Digital Apprenticeship Service and offer training and advice where needed
- Create your Apprentice and skills workforce strategy looking carefully at your business to ensure all staff are on clear defined progression pathway
- Create company specific marketing materials to support the learner journey and raise the profile of the training programmes
- Attract, Recruit & Match the right Apprentices for your business where required
- Manage all training provision from start to finish, with regular communication updates and reports from your dedicated member of the Group Horizon team
- Continually review training programmes and business needs to offer the best return on investment for learner and employer
- All training is carried out to the highest of standards, with regular quality review checks so you can be assured of a professional service at all times

Find out more

The Apprenticeship Levy offers a fantastic opportunity for your business. If you would like further information please get in touch with us today.

For further information please contact Group Horizon

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