

Summary of Recent Apprenticeship Reforms

The Apprenticeships Reform Programme has four key objectives:

- **To meet the skills needs of employers** - and the country, through high quality, relevant programmes that result in apprentices becoming fully competent in their occupation.
- **To create progression for apprentices** - by creating high quality programmes that result in apprentices becoming fully competent with transferrable skills in an occupation that offers progression.
- **To widen participation and social mobility in apprenticeships** – to ensure that more people from a diverse range of backgrounds have access to the benefits of apprenticeships at all levels.
- **To create more quality apprenticeships** - through campaign work and by creating a sustainable funding system and a high quality apprenticeships offer.

The programme of reform links to the ten key pillars of the Government's industrial strategy green paper published in January 2017 and the wider reform of the post 16 education sector.

Apprenticeship Levy

The Apprenticeship Levy for larger employers was introduced in April 2017 to fund new apprenticeships. The levy is paid on annual paybills in excess of £3 million, and so less than 2% of UK employers have to pay it. The levy is charged at a rate of 0.5% of an employer's pay bill. Each employer receives an allowance of £15,000 to offset against their levy payment.

In England, control of apprenticeship funding is now in the hands of employers through the Digital Apprenticeship Service.

Apprenticeship Training and Funding

All apprenticeships must be for definitive jobs and salary costs paid for by the employer.

In order to deliver Apprenticeship training, providers have to be listed on the Register of Apprenticeship Training Providers. (RoATP) Organisations that are listed on the RoATP have been through an application process with the Education and Skills Funding Agency (ESFA) that considers due diligence, capability, quality and financial health to assess their capability to deliver high-quality apprenticeship training.

Levy paying employers are able to choose a training provider through the RoATP and have the training 100% funded from their levy payments. The chosen training provider must be able to deliver a significant element of the training directly rather than sub-contracting the training.

Non levy paying employers have to pay a percentage of the training called co-investment. From May 2017, they pay 10% towards the cost of apprenticeship training. Government will pay the rest (90%), although employers with fewer than 50 employees who take on an apprentice aged 16-18 will attract fully funded apprenticeship training

There is additional Government funding available for all employers and training providers engaging:

- young apprentices aged 16 -18
- those aged 19-24 who:
 - have an education, health and care plan, or
 - have been in local authority care or
 - live in an area designated as in the top 30% most disadvantaged wards.