

SKILLS

A quick guide to apprenticeships for business

April 2021 V7.0



What is an Apprenticeship?

- A genuine job with an integral skills development programme with independent competency assessment
- There are apprenticeships for accountancy through to zoo keeping
- A mix of learning in the workplace developing new skills in a real work environment and formal training (minimum 20%) by a training provider, further education college or university, either on site or away from the working environment, during normal working hours
- Can be used for new recruits and up-skilling or re-skilling people in the workforce
- You need to pay the apprentice a salary that does not go below the [minimum wage](#)
- There are a range of levels for apprenticeships:

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

Benefits to business

- 86% of employers said apprenticeships developed skills relevant to their organisation
- 78% reported improved productivity
- 90% of apprentices stay on in their place of work after completing an apprenticeship
- Increased employee satisfaction, reduced staff turnover and recruitment costs
- Other benefits [here](#)

Hiring an apprentice

There are several steps to taking on an apprentice:

1. Choose an apprenticeship standard at a suitable level
www.apprenticeships.gov.uk/employer/find-apprenticeship-training
2. Find an organisation that offers training for the apprenticeship standard you've chosen
www.apprenticeships.gov.uk/employer/choose-training-provider
3. Check what funding is available www.apprenticeships.gov.uk/employer/funding-an-apprenticeship
4. Advertise your apprenticeship - your training organisation will do this for you through the find an apprenticeship service.
5. Select your apprentice and make an apprenticeship agreement and commitment statement with them.

You can use an [apprenticeship training agency](#) if you want to employ an apprentice without the responsibility for running the apprenticeship scheme.

Free advice and support [here](#).

Government support for non-levy-paying employers (pay bill less than £3m a year)

You will get funding from the government to pay towards training and assessing apprentices. The amount of funding you get depends on the number of employees you have and the apprentice you're hiring.

- **If you are an employer with fewer than 50 employees**, the government will fund all the apprenticeship training costs up to the funding band maximum if, on the first day of the apprenticeship, the apprentice is:
 - between 16 and 18 years old
 - between 19 and 24 years old and has an Education, Health and Care (EHC) plan or has been in the care of their local authority
- **If you have at least 50 employees or your apprentice does not meet the criteria above**, you'll share apprenticeship costs with the government. This means:
 - you will pay 5% towards the cost of training and assessing your apprentice
 - the government will pay the remaining 95%, up to the funding band maximum
 - if your apprentice's training and assessment cost more than this, you will have to pay the difference.
- Employers can use the [apprenticeship service](#), to reserve a funds for training for apprenticeships.

Government support for levy-paying employers (pay bill over £3m a year)

If a business/organisation has a pay bill over £3m a year (includes wages, bonuses, commissions and pension contributions), they must pay the [apprenticeship levy](#) @0.5% of pay bill with a £15,000 allowance and use the [apprenticeship service](#).

You will receive funds through the apprenticeship service to spend on apprenticeship training and assessing your apprentices. The government will apply a 10% top up to the funds you have in your account.

If you don't have enough funds, you just pay 5% of the outstanding balance and the government will pay the rest. This is up to the funding band maximum allocated to each specific apprenticeship. Guidance on how to pay and report the apprenticeship levy to HMRC through the PAYE process can be found [here](#).

When you're ready to get started, you'll need to sign in or [create an account](#) on the apprenticeship service.

Employers who pay the apprenticeship levy are able to fund apprenticeships in another organisation through a [transfer](#) of up to 25% of their annual funds. Guidance can be found [here](#).

Surplus funds will expire 24 months after they appear in the apprenticeship service account.

Incentive payments for hiring a new apprentice

To help businesses offer new apprenticeships, there are increased incentive payments for employers hiring a new apprentice from 1 April 2021 to 30 September 2021.

Employers will receive £3,000 for new employees of any age who start their apprenticeship from 1 April 2021 to 30 September 2021. You can apply for incentive payments for these apprentices from 1 June 2021.

Employers can also receive an additional payment of £1,000 if the apprentice starts the apprenticeship aged 16 to 18 or 19 to 24 years old and has an education, health and care plan provided by their local authority or has been in the care of their local authority.

Hire an apprentice who has been made redundant

You can also use a new government service to [help you hire apprentices who have been made redundant](#).

Many of these apprentices may already have the skills and knowledge you need. Hiring a new apprentice in this way could mean you have a work-ready apprentice who can quickly add value to your business, shortening the time you'll see a return on your investment.

If you hire an apprentice that has been made redundant, you can [apply for incentive payments for hiring a new apprentice](#).

Other support and information

The apprenticeship service is made up of the following:

- Fire it Up, National Apprenticeship Service - www.apprenticeships.gov.uk
- Institute of Apprenticeships and Technical Education - www.instituteforapprenticeships.org
- A guide to apprenticeships - <https://www.gov.uk/government/publications/a-guide-to-apprenticeships>
- Apprentice Makers, a national network for apprentice employers - <http://apprenticemakers.org.uk/>
- Office for Students, recruiting and employing a degree apprentice - <https://www.officeforstudents.org.uk/advice-and-guidance/skills-and-employment/degree-apprenticeships/recruiting-and-employing-a-degree-apprentice/>

You can register your interest in apprenticeships [here](#)

Further and Higher Education apprenticeship support

South East Midlands Further Education Colleges

Barnfield College ([Together Training](#))

[Bedford College](#)

[Central Bedfordshire College](#)

[Milton Keynes College](#)

[Northampton College](#)

[Tresham College](#)

South East Midlands Universities

[Cranfield University](#)

[The Open University](#)

[University of Bedfordshire](#)

[University of Northampton](#)

[Buckinghamshire New University](#)

SEMLEP Contact

[SEMLEP's Growth Hub business support](#)

E: growthhub@semlep.com

T: 01604 212696