

Apprenticeship Funding



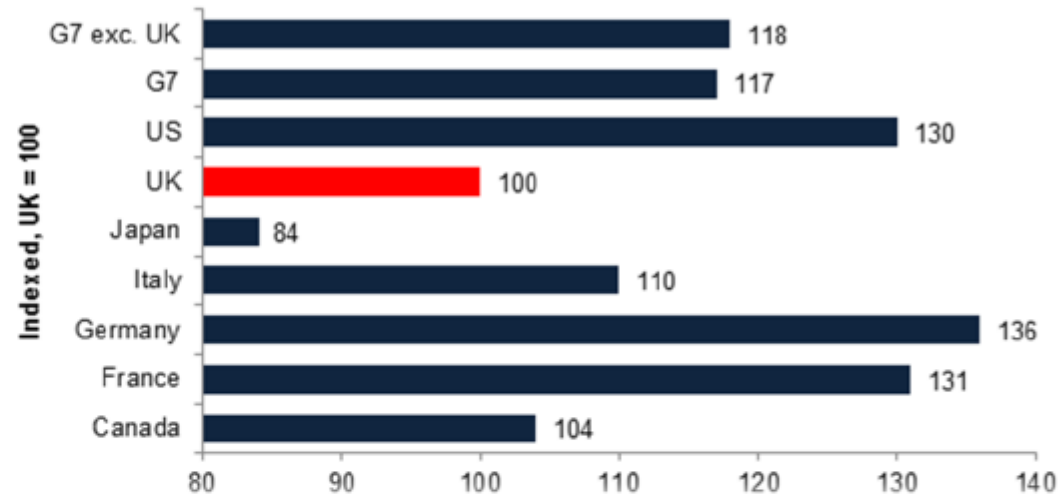
**GET IN
GO FAR**
APPRENTICESHIPS

Action is needed to address current economic trends

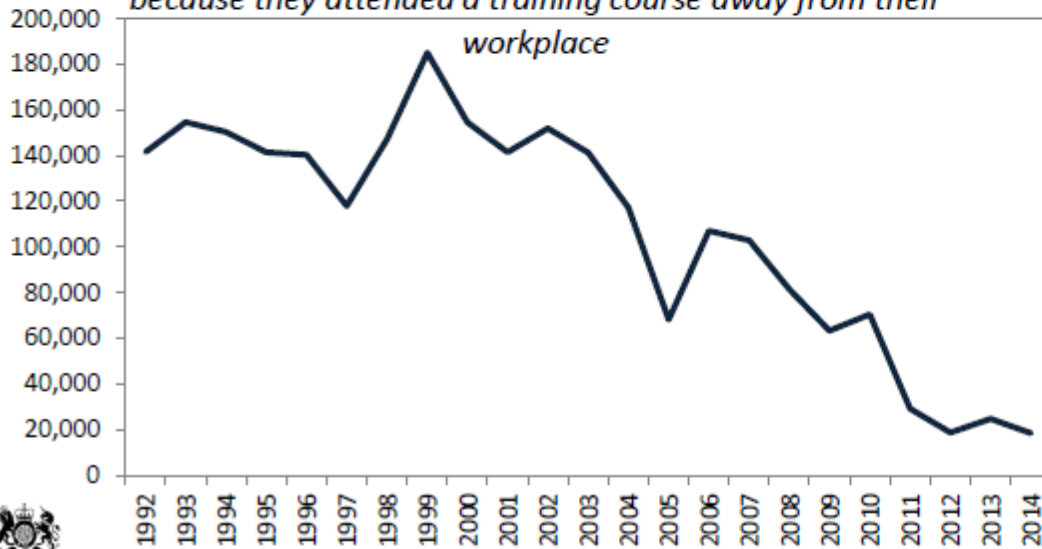
UK productivity lags behind other developed economies...

... and employers are investing less in training

GDP per hour worked for the UK and comparator countries, 2014



Number of employees who worked fewer hours than usual because they attended a training course away from their workplace



Meanwhile... relative social mobility has stagnated or declined over recent decades

The UK has low levels of intergenerational social mobility compared to some other developed countries



Apprenticeships contribute to addressing these challenges

That's why the government is committed to significantly increasing the **quantity and quality of apprenticeships** in England and **achieving 3 million starts** by 2020.

Benefits

Apprentices complete their apprenticeship with highly marketable skills...

...that make it more likely for them to remain employed, including with the same employer.

Employers experience tangible improvements to their product or service as a result of apprenticeships.

Apprenticeships create real benefits for the taxpayer and the wider **economy**...

...and contribute to the Government's overall goal of improving labour market outcomes.

83%



of apprentices said their career prospects have improved

70%



of surveyed employers said apprenticeships improved product quality and service

Apprenticeships provide a typical return of

£26-28

for every **£1** of government investment in apprenticeships at levels 2 and 3



But the programme could be bigger and better

Individual apprenticeships provide good returns, but there is an **insufficient number of apprenticeship opportunities** to meet demand from individuals, and **skills gaps remain in the economy.**

Whilst the vast majority of apprenticeships provide high quality training, feedback from employers shows that this is not always the case. We need to continue to **drive up the quality of apprenticeship training** and ensure that anyone completing an apprenticeship is fully competent in their occupation.

Ambitious Government reforms:

- Employers at the heart of designing new Apprenticeships Standards to replace apprenticeship frameworks by 2020.
- New Institute for Apprenticeships led by employers to oversee standards and ensure quality and rigour
- Apprenticeships given equal legal protection to degrees
- Apprenticeship target for public sector bodies – duty for 2.3% of workforce to be apprentices will grow opportunities
- Secondary Class 1 NICs abolished for apprentices under the age of 25 since April 2016

All underpinned by changes to how apprenticeships are paid for. New apprenticeship levy paid by 2% of employers will fund expansion. Digital Apprenticeship Service will enable employers to directly manage their apprenticeship programmes and purchase training.

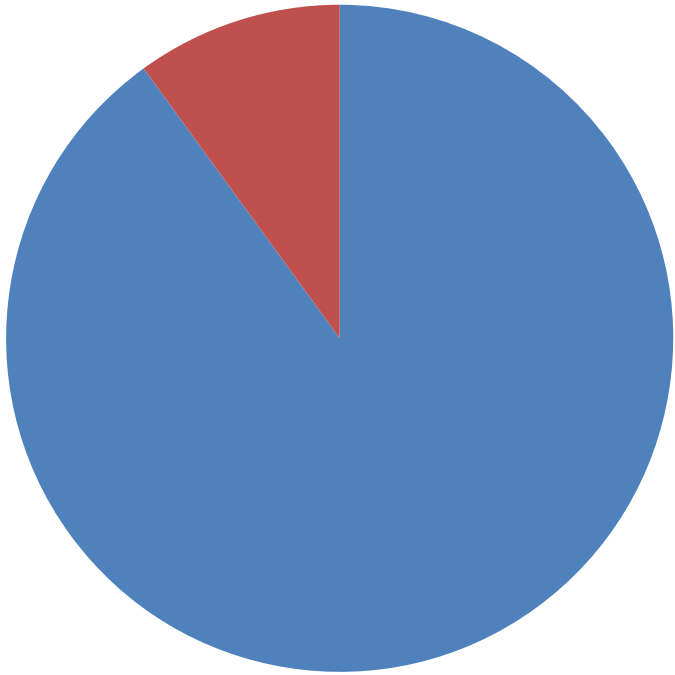


Funding For Apprenticeships after 1st April 2017

**New Funding
Model**

**Current funding model
50% Government 50%
Employer**

**New funding model
90% Government 10%
Employer**



Additional support

16-18 year olds

Government will pay **£1,000 to employers**, and a further **£1,000 to training providers** if they train a 16-18 year old apprentice

Disadvantaged young people

Government will pay **£1,000 to employers**, and a further **£1,000 to training providers** if they train 19-24 year olds leaving care or who have a Local Authority Education and Healthcare plan

Small Employers

Employers with fewer than 50 employees will have 100% of the training and assessment costs covered when training a 16-18 year old (or 19-24 year old formerly in care or has a Local Authority Education, Health and Care plan

Additional learning support

We will pay training providers **up to £150 a month** to support these learners, plus additional costs based on evidenced need

English and Maths training

To meet minimum standards of English and maths we will **pay training providers £471** for each of these qualifications (Level 1 and 2)



Funding bands for standards

Apprenticeship standards are employer-designed and offer employers and apprentices a more robust and relevant training experience.

Recognised in the funding system by allocating higher funding bands to apprenticeship standards, relative to equivalent frameworks, where appropriate.

Existing apprenticeship standards have been allocated to new funding bands according to the following principles:

Principles

- Lower cost standards should be allocated to the nearest funding band
- Those standards currently assigned to the widest and highest cost funding band will be allocated to a new band within this range. Taking into account:
 - Actual prices employers have negotiated with providers.
 - Evidence from Trailblazer employers on the estimated costs eligible apprenticeship training
 - The funding bands set for equivalent frameworks
 - The level and nature of the training, and consistency across similar types of apprenticeship standard.



Funding Bands

Number	Band Upper Limit
1	£1,500
2	£2,000
3	£2,500
4	£3,000
5	£3,500
6	£4,000
7	£5,000
8	£6,000
9	£9,000
10	£12,000
11	£15,000
12	£18,000
13	£21,000
14	£24,000
15	£27,000

Apprenticeships have been allocated a band

Maximum amount government will pay

Expectation is that employers will negotiate a cost within the banding level

Apprenticeships Standards

Sector	Apprenticeship standard	Level	Funding Band	Funding band maximum
Accounting	Professional Accounting Taxation Technician	4	9	£9,000
Accounting	Assistant Accountant	3	9	£9,000
Healthcare	Healthcare Science Assistant	2	7	£5,000
Healthcare	Healthcare Assistant Practitioner	5	10	£12,000
Healthcare	Healthcare Support Worker	2	4	£3,000
Healthcare	Healthcare Science Associate	4	7	£5,000
Healthcare	Senior Healthcare Support Worker	3	4	£3,000
Leadership & Management	Chartered Manager Degree Apprenticeship	6	15	£27,000
Leadership & Management	Operations/Departmental Manager	5	9	£9,000
Leadership & Management	Team Leader/Supervisor	3	7	£5,000
Project Management	Associate Project Manager	4	9	£9,000
Property Services	Property Maintenance Operative	2	9	£9,000

In Development

Healthcare	Nurse Ophthalmic technician Pharmacy services assistant Senior pharmacy services assistant	6		
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Further Information

- <https://www.gov.uk/government/collections/apprenticeship-changes>

[Apprenticeship funding from May 2017](#)

[Apprenticeship funding: how it will work](#)

Next Steps

What are the benefits of apprenticeships?

Does your organisation have the structures in place to maximise the opportunity provided by the changes to funding?

Does your workforce plan and training plan include apprenticeships?