New World of Apprenticeships

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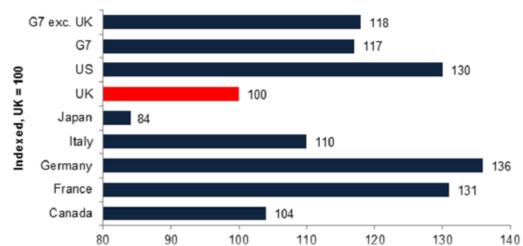


Action is needed to address current economic trends

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



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



What is the apprenticeship levy and who pays it?

Starts on 6 April 2017, at a rate of 0.5% of pay bill, paid through PAYE

Applies to all **UK employers** in all sectors

£15,000 allowance is **not a cash payment**

The levy will be set at 0.5% of an employer's pay bill. It will only be paid on any pay bill in excess of



Employers will have an allowance of £15,000 to offset against their levy payment



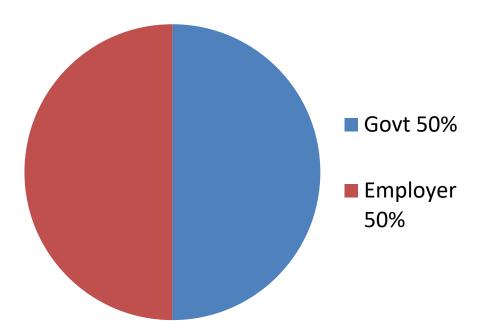
Only 1.3% of employers will pay the levy



Small Employer

Funding Model prior to 1st April 2017

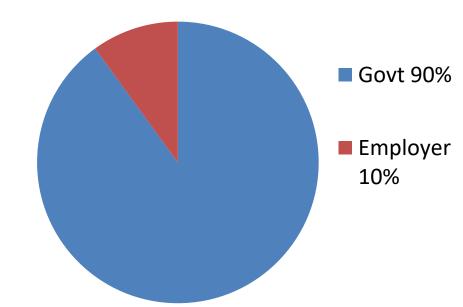
Apprentices over the age of 18 Govt pays 50% Employer Pays 50%



Employer contribution must be paid at the beginning of the programme

Funding Model after 1st April 2017

Apprentices over the age of 18 Govt pays 90% Employer Pays 10%



Employer contribution is paid in instalments 20% on achievement. Remainder monthly over the length of the programme

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

Number	Band 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		

Every apprenticeship will be placed in a funding band The upper limit of each funding band will cap the maximum:

- amount of digital funds an employer who pays the levy can use towards an individual apprenticeship.
- that government will 'co-invest' towards, where an employer does not pay the levy or has insufficient digital

Employers can negotiate the best price for the training they require

- If employers want to spend more than the funding band limit, using their own money, then they will be free to do that.
- Funding bands do not have a lower limit.

Eligibility

National minimu	m wage April 2017			
Age				
25	£7.50			
21	£7.05			
18 - 20	£5.60			
Under 18	£4.05			
Apprentice	£3.50			
Employers				
Apprentice rate can be paid either:				
under 19				
19 or over and in the first year of their apprenticeship				

Must be employed for a minimum of 30 hours per week

If part time then length of programme to be extended

Must have a contract for the length of the programme

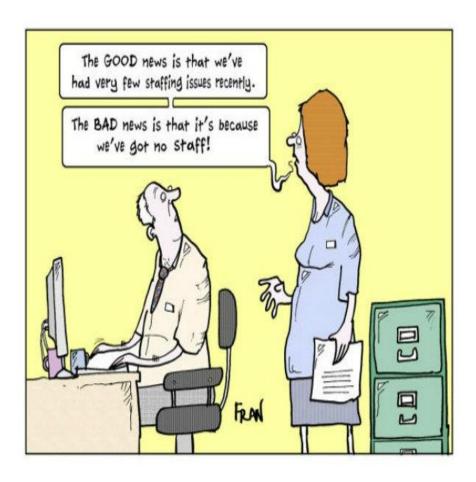
Can be on zero hour contracts as long as they work sufficient hours to gain the qualification

Can hold a non relevant degree qualificiation

Must have 20% 'off the job training'

Why Use Apprenticeships?

- Do you have staff shortages?
- Are you struggling to recruit staff?
- How many vacant posts do you have?
- How many of your existing staff are going to retire?
- Do you existing staff have the right skills and knowledge?



70% of the staff who will be working in 2020 are already in employment.

Need to attract young people into the sector

Future Staff

Suffolk School Leavers 2015			
Total school leavers	7576		
6th Form	4072		
FE College	2763		
Apprenticeship	367		
Govt supported training	86		
Employment	41		
Moved away	81		
NEET	166		

The Health and Social work sectors employ a significant amount of people in the Suffolk 39,000 and will continue as strong sector

Total Number of Claimants being paid out of work benefits	Suffolk (Level)	Suffolk (%)	East (%)
Aged 16+	6,500	1.5	1.3
Aged 16 To 17	15	0.1	0.1
Aged 18 To 24	1,385	2.6	2.1
Aged 25 To 49	3,345	1.5	1.3
Aged 50+	1,750	1.2	1.2

Source: ONS Claimant count by sex and age

Note: % is number of claimants as a proportion of resident population of the same age February 2017

Apprenticeships

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Adult Care Worker (level 2)
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Lead Adult Care Worker (level 3)

Lead Practitioner in Adult Care (level 4)

Leader in Adult Care (level 5) - this incorporates both managers and advanced practitioners.

Health Care Support Worker (level 2)

Senior Healthcare Support Worker (level 3)

Assistant Practitioner (level 4)

Registered Nurse (level 5)

Team Leader(level 3)

Management (level 2 – level 7)

Accountancy

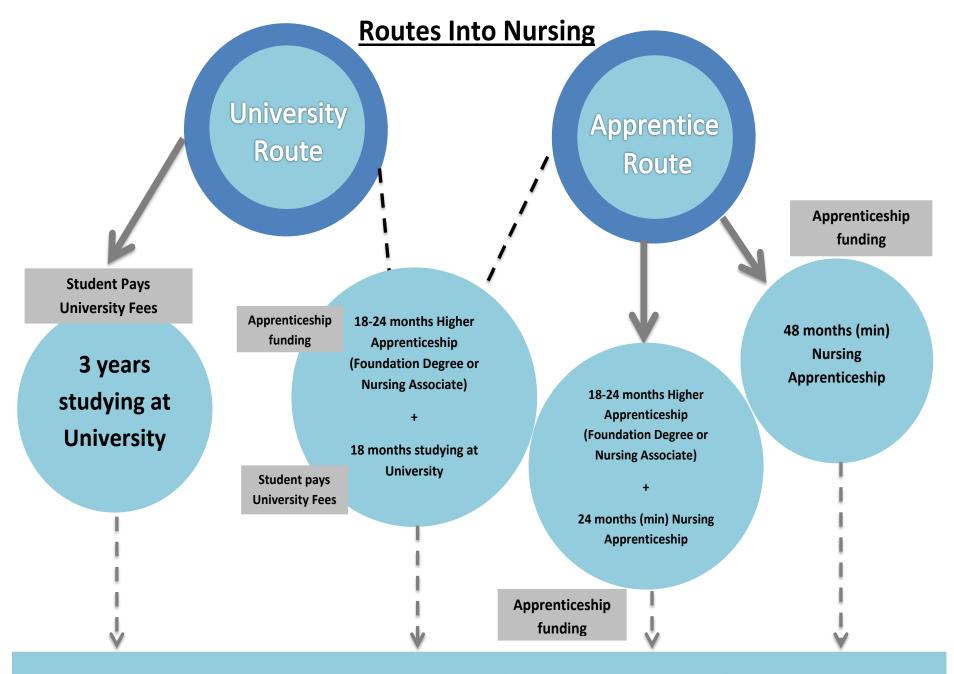
Customer Service

Business Administration

Catering

Cleaning

Hospitality



Next Steps





Access apprenticeship funding via digital account



