

SALFORD CITY COLLEGE: RARING TO GO WITH THE APPRENTICESHIP REFORMS

REFORM
SPECIAL

The Apprenticeship Reforms, designed to place Apprenticeship provision at the heart of employment based training activity will come into effect from April 2017 with significant benefits and opportunities for employers in all sectors. Influential speakers suggest they are the biggest changes to Apprenticeship provision we will see for a lifetime, and really will make a huge difference to the educational landscape.

The reforms are based around four key areas:

1. Introduction of Apprenticeship Standards:

Employers up and down the country have been ripping up the old Apprenticeship frameworks and redesigning exactly what skills, attitudes and behaviours Apprentices require to succeed! Apprenticeship frameworks will gradually be removed by 2020, leaving the sector with a wide range of Apprenticeship Standards designed by industry, for industry. Apprenticeship Standards can include a wide variety of different training and development activity, to fit particular requirements in different sectors, but all will conclude in an 'end assessment', where Apprentices will have to prove they have the skills required.

2. The introduction of the Apprenticeship Levy:

To support the creation of a world class Apprenticeship sector, the Apprenticeship Levy will be introduced by HRMC in April 2017. Because of a £15,000 subsidy for all companies, the levy will only affect companies with a PAYE bill of over £250,000 per month (£3million per year). Where a company returns a PAYE bill of over £250,000 per month to HRMC, a 0.5% levy will be imposed on that PAYE bill, with the levy added into a digital account for that company to spend on Apprenticeship

training. The funds will remain in that digital account for 24 months for the company to use, thereafter, it will be recouped into the public purse to support other Apprenticeship provision.

3. Funding Reforms:

Significant changes in Apprenticeship funding will see a much simpler landscape for providers. From April 2017, Apprenticeship frameworks and standards will be placed in one of fifteen predetermined bands. Where employers pay the Apprenticeship Levy and have sufficient continuous funds in their 'pot' they will pay 100% of the costs. Where employers don't pay an Apprentice Levy, they will enter the market place as a 'co-investment' organisation. The government will pay a whopping 90% of their Apprenticeship training costs, with the company left to commit to the remaining 10%. The predetermined bands will guide the price charged for Apprenticeships, but employers are free to negotiate where they see fit. Small companies (under 50 employees) who support a 16-18 year old into an Apprenticeship will not pay any of the Apprenticeship costs.

4. The introduction of the Digital Apprenticeship Service (DAS):

The final element of the reforms will also see the addition of the DAS to the Apprenticeship market place. Eventually the DAS will control all transactions between employers and training providers, however, initially for the first year it will only manage transactions on behalf of those with a levy fund. The DAS will enable to employers to manage their own Apprenticeship provision, selecting the training providers who best fit their business needs. It will also be a fantastic resource which employers can turn to and find out information on apprenticeship provision and process.

Debbie Ward, Director of Apprenticeships & Community Learning at Salford City College is excited about what lies ahead, she said, "The Apprenticeship Reforms will ensure fantastic opportunities ahead for Apprenticeship providers, particularly the stronger ones with great quality. The reforms place control into the hands of employers, and obviously they will only want to work with the best providers, who can deliver the best training and development for their Apprentices"

Increased flexibilities on those who can undertake Apprenticeships will also ensure employers benefit. Previously individuals who had successfully obtained a degree could not be supported onto an Apprenticeship, but post April 2017, as long as that individual requires significant re-skilling, they can participate.

Giving the significance of the Apprenticeship Reforms, Salford City College are working hard to ensure they support all employers with further information and details. The following resource/events are available:

- Free consultancy to business on the impact of the Apprenticeship Reforms to their business
- Increased information on Salford City College website and Apprentice Levy Calculator
- Event on the 18 November 2016 in partnership with The Morson Group & Salford City Council aimed at Apprenticeship Levy paying organisations.
- A further Salford City College event in February 2017 for employers who will be affected by the reforms.

For further information on any of the above, please call 0161 631 5555 to speak to a member of the Apprenticeship team.