



Q&A Factsheet
Apprentice Levy for Life Sciences

Who contributes?

All UK employers with a payroll bill (defined as the total earnings of all its employees) of over £3million must contribute 0.5% of their total pay bill (payable through PAYE alongside income tax and NI). According to government estimates this affects less than 3% of UK business. The UK Government will offset £15,000 for each employer against the levy (monthly instalments of £1,250). E.g. An employer has 200 staff all earning £25,000p.a. - The levy will be 0.5% of its £5 million wage bill (£25,000), minus the £15,000 offset, so the levy for the business would be £10,000.

What if My Business Don't Contribute?

Even if your business is not over the £3million payroll bill threshold you can still utilise the Apprentice Levy funding.

Non-levy paying employers will share the cost of training and assessing their apprentices with government - this is called 'co-investment'.

From May 2017, you will pay 10% towards to the cost of apprenticeship training and government will pay the rest (90%),

How do I get the Money?

- You can no longer go to a supplier who can source funding for you, candidates, provide training and assess the apprentices.
- Employers now must secure funding directly and this can only be used towards the training and assessment aspects for the apprentices. It is held in an online 'Digital Apprenticeship Service' (DAS) account account, so is 'digital' money.
- Visit the government website for the links on how to apply for funding:
<https://www.gov.uk/guidance/manage-apprenticeship-funds>
- Each apprenticeship role will have a maximum funding band of £1,500 to £27,000:
<https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work#apprenticeship-service>
- The government will apply a 10% top-up to monthly funds entering levy paying employers digital accounts, for Apprenticeship training. This means that all funds entering a levy payer's account will be increased, e.g. £1 will be increased to £1.10 in value for you to spend on Apprenticeship training.

How Long is the Money Available?

- Levy funds expire 24 months after they enter your digital account unless you spend them on Apprenticeship training – **if you don't use them, you will lose them.**
- This also applies to any top-ups in your digital account. For example, funds entering your account in November 2017 will expire in November 2019.
- To limit the amount of expired funds and assist employers, whenever a payment is taken from your digital account it will automatically use funds that entered your account first.



What is the Money NOT Available for?

- These funds cannot be used to pay for wages, travel or subsidiary costs, work placements, traineeships, managerial costs or the costs of setting up an apprenticeship programme.

What Constitutes an Apprentice?

- Under the new apprenticeship programme there will be no age restrictions from 16 years upwards, and apprenticeships will be available for existing employees too, as long as it is a real job.
- If you have existing staff who you wish to train they could be eligible for an Apprenticeship as long as there is a real need for them to develop new skills in order to progress in their career.
- Apprenticeship levels – there are a range that lead to different qualifications, and they typically take between one and four years to complete. The table below shows how apprenticeship levels compare to other types of qualifications.

Apprenticeship level	Level descriptor	Equivalent qualification
Level 1		5 GCSEs graded D-G
Level 2	Intermediate level apprenticeship	5 GCSEs grades A*-C NVQ level 2 Key skills level 2 BTEC first diploma and certificate
Level 3	Advanced level apprenticeship	2 A/AS levels (any grade) NVQ level 3 Key skills level 3 BTEC Diplomas, Certificates and Awards
Level 4	Higher level apprenticeships	Certificate of higher education (first year of bachelor's degree) NVQ L4
Level 5		Diploma of higher education Foundation degree (second year of bachelor's degree)
Level 6		Bachelor's degree
Level 7	Higher apprenticeship routes are being developed	Master's degree



What Does the Apprenticeship Programme Look Like?

- Designed to run over 2 years, but a minimum of 12 months
- 20% of the Apprentice's time will be off-the-job training
- There are 2 different types of apprenticeships to choose from:
 - [apprenticeship standards](#) - each standard covers a specific occupation and sets out the core skills, knowledge and behaviours an apprentice will need; they are developed by employer groups known as '[trailblazers](#)' (usually 10-15 employers from that industry sector)
 - [apprenticeship frameworks](#) - a series of work-related vocational and professional qualifications, with workplace- and classroom-based training
- There have been delays in getting new standards and frameworks completed by January 2017 deadline; over 200 core frameworks are still awaiting approval so likely won't be ready until Q4 2017. This includes most major Life Sciences categories.
- Training providers and the assessors must be unconnected to remove any possible conflict of interest and maintain consistency and objectivity.
- Recruitment of prospective candidates must not be funded via the programme - companies risk having allowances removed and fines imposed.
- This means that businesses potentially need to deal with 3 separate providers: Recruitment/Talent sourcing, Training and Assessment.

How To Pick a Training Provider:

1) Choose a training provider

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- It will be up to employers to negotiate prices with providers, within their funding limits.

To choose training:

- use the '[Find apprenticeship training](#)' service to select an approved apprenticeship training provider
- If you are using a standard, use the [register of apprenticeship assessment organisations](#) to select an approved assessment organisation.
- You can also go to an approved Apprentice Training Agency on the register: <https://www.gov.uk/government/publications/apprenticeship-training-agencies> ATA's recruit, employ and arrange training for apprentices on behalf of employers i.e. and outsourced or hosted model. To be eligible to operate an apprenticeship training agency, organisations must be registered on the register of approved ATAs. Organisations listed on the register have been through an application process with the ESFA that considers due diligence, financial management and operational details.
- If you're a public sector body, you will need to follow [Public Contracts Regulation 2015](#) when selecting a training provider.



2) Agree a price and payment schedule

You and your training provider must agree a total price for each apprenticeship, which includes the costs of training and assessment.

For standards this must include the cost of the end-point assessment agreed with the apprentice assessment organisation.

3) Pay for training and assessment with funds through your apprenticeship service account

Once the apprenticeship training you've bought has started, monthly payments will be taken from your service account and sent to the provider.

You will see funds entering your account each month after you have declared the levy to HMRC, and funds leaving the account each month as you pay for training.

If you don't have enough funds in your account to pay for training in a particular month, we will ask you to share the remaining cost of training and assessing your apprentices for that month with the government. We call this 'co-investment'.

With 'co-investment', you will pay 10% of the outstanding balance for that month, and the government will pay the remaining 90% up to the [funding band maximum](#). If your costs go over the maximum, then you must pay the difference out of your own budget.

How To Pick a Talent Provider:

- There are specialist companies that look to place school leavers and graduates into work
- There are niche recruiters who work in the Life Science sector and understand each role and 'standard' in depth
- The ideal will be a combination of the above to ensure top quality apprentice candidates and an understanding of your market and delivery to the standard for the specific roles recruited to

Benefits of Taking on an Apprentice for your Business

- Solve recruitment challenges
- Retain and upskill current staff
- Offer training tailored to your business
- 95% of employers offer apprenticeships to maintain or improved future skills levels in the organisation
- 80% want to improve productivity, 78% staff morale and 71% to bring in new ideas
- 76% of employers say that productivity has improved
- Qualified apprentices are 15% more employable than recruits with other qualifications, say employers