

## **What does the Apprenticeships funding changes mean for Early Years and Childcare providers?**

Apprenticeships can be for an existing employee or a new hire. They can be full or part time employees and suitable for anyone over the age of 16.

From April 2017 there are two types of employers who will benefit from government support towards the cost of apprenticeship training:

- Apprenticeship Levy Payers
- Non Levy Payers

### **What is the Apprenticeships Levy?**

The Levy is a new payment that will be collected from large employers in both the public and the private sectors with a paybill of over 3 million. The payment is paid to the HMRC via PAYE returns that can then be accessed by the employer to fund apprenticeship training for new apprentices or apprenticeships for existing staff to learn new skills. The government will top up employer contributions by 10%.

To find out more go to <https://www.gov.uk/guidance/pay-apprenticeship-levy>

### **I am a non levy payer, how will the government help?**

From April 2017 a new funding system for non levy payers will be introduced. To begin with you will choose the apprenticeship you want, and the training provider you want to deliver it, and you will agree a cost for the training with the provider. The government will ask you to make a contribution to the cost of training and government will pay the rest up to a cap.

The funding is based on co-invest rules so as a non-levy paying organisation you will pay 10% of the costs, with government paying the remaining 90% to be managed initially with training providers.

### **How much will the training of an apprentice cost?**

Every apprenticeship has been placed in a funding band between £1,500 and £27,000. The upper limit of each funding band will cap the maximum price that government will 'co-invest'.

### **What apprenticeships are available for early year's providers?**

The Apprenticeship Framework currently suitable for early year's providers is the Children and Young People's Workforce.

The caps awarded for 2017/18

- Level 2 has been capped at £2,000
- Level 3 has been capped at £2,500

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### **Can we negotiate the best price for the training we require?**

Yes, funding bands do not have a lower limit. If employers want to spend more than the funding band limit, using their own money, then they will be free to do that but the government will only pay 90% of the maximum cap.

### **What additional incentives are available?**

The government will give extra support for apprentices aged 16-18 years of age, 19-24 year old care leavers and those who have an Education, Health and Care Plan. This will be through an additional payment of £1,000 to employers and a further £1,000 payment to training providers for additional costs associated with supporting younger apprentices, young care leavers and young adults with additional learning needs

For small employers (those with fewer than 50 employees) the government will:

- waive the co-investment requirement for small employers that train 16-18 year old apprentices
- waive training costs where the apprentice is a 19-24 year old care leaver or is 19-24 years of age and has a Local Authority Education, Health and Care plan.

### **Can a degree holder embark on an apprenticeship?**

From April 2017 you will be able to use levy funds for degree holders subject to below:

- Employers to be able to use funds in their digital account or access government co-investment support to train any eligible individual to undertake an apprenticeship at a **higher level** than a qualification they already hold, including a previous apprenticeship.
- An individual can be funded to undertake an apprenticeship at the **same or lower level** than a qualification they already hold, if the apprenticeship will allow the individual to acquire substantive new skills and the content of the training is materially different from any prior training or a previous apprenticeship.

### **How do the new Apprenticeship Standards affect the existing Frameworks?**

Frameworks are slowly being switched off and replaced by Standards created by employers. The government's plan is that the standards system will completely replace the frameworks system by 2020. There will be a transitional phase where equivalent frameworks and standards will run side-by-side as standards are embedded but government has not yet decided how long this will be.

New standards in development include assistant early years practitioner, senior early years practitioner and early years centre leader. You can find out more at <https://www.gov.uk/government/collections/apprenticeship-standards>

**For further information on how apprenticeships can help your business, call the National Apprenticeship Service on 08000 150 600.**

**To find an approved training provider go to <https://findapprenticeshiptraining.sfa.bis.gov.uk/>**