

# **Business Update**

Issue 19 Dec 2016/Jan 2017

# Welcome

In this edition of Business Update, our round-up of business-critical news and information from the Skills Funding Agency (SFA).

- 1. Changes to apprenticeships the reforms information and webinars
- 2. National Apprenticeship Awards 2016 national finalists
- 3. Apprenticeships on social media

Business Update will inform you of our 'products' and services and their potential to make a positive impact upon your business.

Please share <u>Business Update</u> with your colleagues, who might like to register for <u>web</u> alerts. This will notify them by email when we add new editions to our website.

If you have any feedback, please email **Business Update**.

## 1. Changes to apprenticeships –

#### Inform

Apprenticeships benefit employers and individuals, and by boosting the skills of the workforce they help to improve economic productivity.

The employer-led apprenticeship reforms are making apprenticeships even more valuable to employers by putting them in control of apprenticeships – they are choosing the skills, provider, candidate and delivery of the apprenticeship, to ensure it meets their needs.

We have recently published an <u>Apprenticeship reforms factsheet</u> on GOV.UK, providing a simple guide to help employers understand the reforms.

# 2. New apprenticeship standards approved for delivery Inform

As part of the reforms new standards put employers in control of designing apprenticeships, so people are equipped with the skills that meet the needs of their organisation. The reforms are:

- replacing the existing complex frameworks with short, simple, accessible apprenticeship standards describing the skills and knowledge that an individual needs to be fully competent in an occupation; and written by employers in a language they understand
- improving the quality of apprenticeships through higher expectations of English and maths, more rigorous testing to ensure the apprentice is fully competent and raising aspirations for apprentices by introducing grading at the end of the apprenticeship

We now have 153 <u>approved apprenticeship standards</u> that are ready for you to use. More than 430 standards are either approved or in development.

Groups of employers (trailblazers) that want to create quality apprenticeships for their sector are developing new apprenticeship standards. You can see all the <u>apprenticeships</u> <u>approved for development</u> on the apprenticeships standards section on GOV.UK.

If you'd like to contribute to the development of standards, please read the <u>guidance for</u> trailblazers and email the trailblazer contact shown on GOV.UK.

### 3. How Apprenticeships are funded

#### Action

The apprenticeship reforms include changes to how apprenticeships are funded. In spring 2017, employers operating in the UK with an annual pay bill of more than £3 million will contribute to a new apprenticeship levy, the percentage of which relating to employees living in England can be spent on apprenticeships.

Where several employers are connected as a group, they will only be able to use one £15,000 levy allowance. The definition of connected companies and charities is based on the definition in the Employment Allowance.

Groups of connected employers must decide what proportion of the levy allowance each employer in the group will be entitled to. Find out more about 'Calculating the levy for connected companies or charities'.

## If you are a levy-paying employer, what do you need to do now?

- 1. Start planning how you could <u>use apprenticeships in your organisation</u>.
- 2. Read the updated guide for employers on paying the levy, accessing the digital apprenticeship service and paying for apprenticeships in future.
- 3. <u>Use the online tool for employers</u> to calculate your levy contribution, begin to plan your training and estimate what you will have available to spend on apprenticeships.

## If you are a non-levy paying employer, what do you need to do now?

As a non-levy paying employer, 90% of your apprenticeship training and assessment costs in England will be paid for by the government. We will ask you to make a 10% contribution to the cost, and the government will cover the rest. The government is offering additional support to organisations with fewer than 50 workers by paying 100% of training and assessment costs for their apprentices aged 16-18 and for those aged 19-24 formerly in care or with a local authority education, health and care plan.

## What do you need to do now?

- 1. Start planning how you could <u>use apprenticeships in your organisation</u>.
- 2. Read the updated guide for employers on the changes to apprenticeships.
- 3. Select a <u>framework</u> or <u>standard</u> for your apprenticeship training.
- 4. Choose the training provider or providers you want to deliver the training.

# 2. National Apprenticeship Awards – national finalists

#### Inform

Now in their 13th year, the National Apprenticeship Awards celebrate exemplary employers and apprentices from across England. The awards recognise excellence in two areas; apprentices who have made a significant contribution to their workplaces and employers that grow their own talent with apprenticeships.

The winners will be announced at the national ceremony, taking place on 20 January 2017 at Grosvenor House, Park Lane, London.

In advance on the National Apprenticeship Awards 2016 ceremony, <u>you can now view the</u> the finalists in each category on GOV.UK.

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## 3. Apprenticeships on social media

#### Inform

News, information and updates from the National Apprenticeship Service are made available via our social media channels. Please follow <a href="mailto:@apprenticeships">@apprenticeships</a> on Twitter or search for the <a href="Mational Apprenticeship Service">National Apprenticeship Service</a> on LinkedIn to keep up to date and to join in the conversation.

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