

Think Ahead



## Technical factsheet

# The apprenticeship landscape in England

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## **Introduction**

Apprenticeships attract significant central government funding. They are a highly cost-effective way for employers to recruit and develop ambitious new talent to help realise business ambitions. Apprenticeships also have the added benefits of offering people high-quality training, on-the-job experience and local employment opportunities.

The Apprenticeship Levy was introduced in April 2017 to reflect the government's stated commitment to improving the skills base within the UK economy and providing a viable alternative to university education. All UK employers with annual salary bills of more than £3m now pay an apprenticeship levy at the rate of 0.5% of the organisation pay bill.

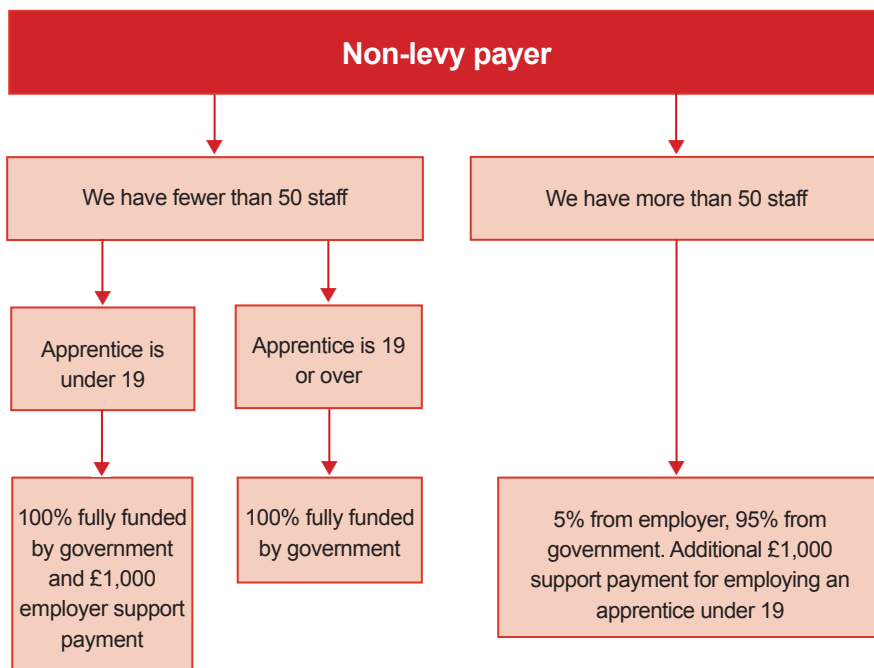
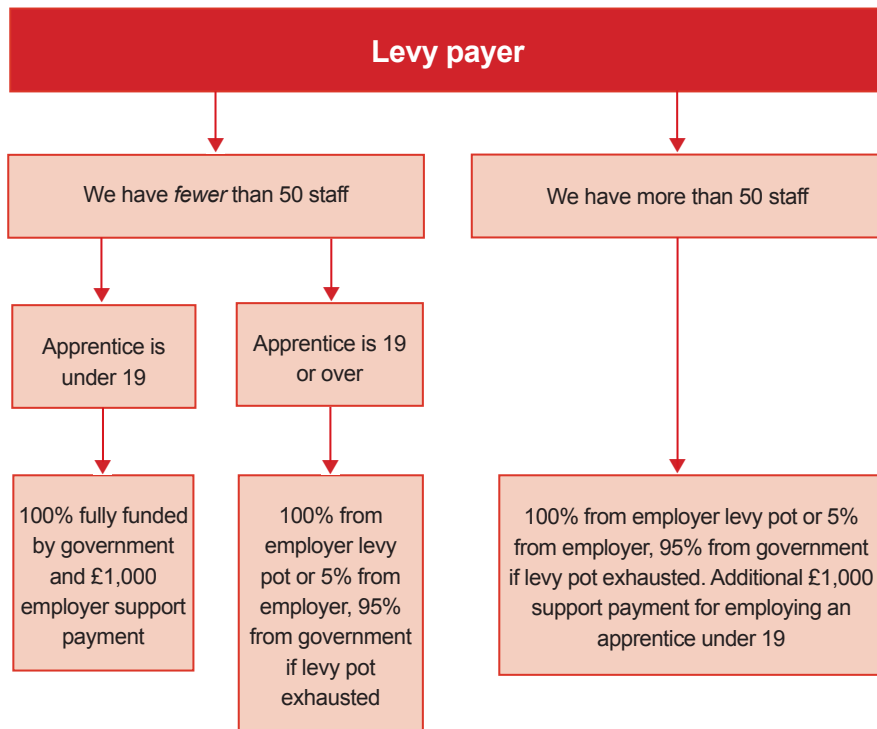
## **Introduction of standards for all new apprenticeship starts**

The government wants to enhance the quality of apprenticeships and so from 1 August 2020, all new apprenticeship starts must be on standards. Apprenticeship frameworks are no longer available to new starts but learners are still be able to complete their framework, provided they started it on or before 31 July 2020. The government intends that all apprentices who started an apprenticeship framework before 1 August 2020 complete their apprenticeship framework by 31 July 2025 (accounting for any breaks in learning).

A full list of available standards can be viewed on the [Institute for Apprenticeships and Technical Education's website](#).

## **Funding and ACCA apprenticeship schemes**

The funding available to you as an employer will vary based on the age of the apprentice you are employing and your apprentice levy-paying status. The flowchart below will provide an indication of the funding available; for further details on funding, please see pages 5-6 of this factsheet.



Our apprenticeships are offered at two levels in England:

- ACCA Accountancy Technician Apprenticeship – Level 4
- ACCA Professional Accountant Apprenticeship – Level 7

### **ACCA Accountancy Technician Apprenticeship – Level 4**

This covers the first part of the ACCA Qualification and gives people essential finance and accounting knowledge to help them flourish as a technician or see if they want to progress to chartered certified accountant status. Apprentices are trained to understand the structure and functions of different businesses, and build the technical knowledge to support financial planning. They'll be able to create, verify and review accurate and timely financial information for you.

- **Award:** ACCA's Diploma in Accounting and Business
- **Equivalent to:** foundation degree
- **Length:** minimum 12 months, but it's unlimited to account for business demands. Most complete in 12-18 months

### **ACCA Professional Accountant Apprenticeship – Level 7**

This is aligned to the full ACCA Qualification, meaning apprentices will explore the drivers of change that are shaping the roles and skillsets of finance professionals. Apprentices can also become an ACCA member after successfully completing their apprenticeship. They'll need 36 months of practical experience, some of which they'll gain on their apprenticeship. They can also continue their progression and study a BSc in Applied Accounting from Oxford Brookes University or an MSc in Professional Accounting from the University of London.

- **Award:** Professional Accountant and, once eligible, ACCA member
- **Equivalent to:** master's degree
- **Length:** typically 36 months but this may vary with prior qualifications and relevant work experience

## **Co-investment for employers that do not pay the Apprenticeship Levy**

Employers that do not pay the levy, and those that want to invest more in apprenticeship training than they have available in their levy accounts, benefit from significant government funding to support their commitment. These employers must make a financial contribution – a ‘co-investment’ – alongside this government funding.

All co-investment payments are made directly to the training provider. An employer cash contribution towards the costs of training is an essential part of apprenticeship reforms, designed to increase quality and employer engagement.

For new apprenticeships starting on or after 1 April 2019, you pay 5% towards the cost of apprenticeship training. The government will pay the rest (95%) up to the [funding band maximum](#).

## **Small employer waiver**

To support smaller employers to take on those who need more support, employers with fewer than 50 employees are able to train at no cost. This includes those aged 16-18 and those aged 19-24 who have previously been in care or who have a local authority education, health and care plan. These employers are not required to contribute the 5% co-investment; instead, the government will pay 100% of the training costs up to the funding band maximum.

## **Incentive payments for hiring a new apprentice**

From 11 January 2022, you will be able to apply for a payment of £3,000 for apprentices with an employment start date from 1 October 2021 to 31 January 2022. Applications close on 15 May 2022. In order to apply you must first set up [an apprenticeship service account](#).

The payment is different to Apprenticeship Levy funds, so you can spend it on anything to support your organisation's costs – for example, on uniforms, your apprentice's travel or their salary. You do not have to pay it back.

The payment is in addition to the existing £1,000 an employer will already get for taking on an apprentice who is either:

- aged 16 to 18 years old
- under 25 and has an education, health and care plan or has been in the care of their local authority

Learn more about the apprenticeship [incentive payment and eligibility criteria](#).

### **Reservation of funds**

Employers that do not pay the Apprenticeship Levy can use the [apprenticeship service](#) to reserve funding. This system was implemented in January 2020 and provides employers with greater control over their apprenticeship choices when compared to the use of government-procured contracts for apprenticeship training.

On 1 April 2021, all non-levy employer reservation levels were reset, to enable an employer that does not pay the apprenticeship levy to make up to 10 new reservations, to fund new starts in the financial year 2021/22. The Department for Education monitors the number of reservations used by employers that do not pay the apprenticeship levy and keeps this under review. It may pause reservations for employers within the financial year to ensure that the programme overall remains affordable.

For further information and guidance on reserving funds, please go to [GOV.UK](#).

### **Funding for employers that pay the Apprenticeship Levy**

The amount of funding that an employer paying the Apprenticeship Levy can access is linked to:

- the value of an employer's levy contributions

- the proportion of employees living in England plus a government top-up.

Employers access government funding for apprenticeships through their [apprenticeship service account](#).

### **Transfer of levy funds between employers**

Employers that pay the Apprenticeship Levy can transfer unspent levy funds to other employers via a new [online pledge function](#). If they wish to, employers will be able to define the criteria of the apprenticeship they wish to support via a transfer and specify the amount of their funds available for transfer. This pledge will be advertised on a public-facing platform, enabling other employers, training providers and intermediary bodies to see what opportunities are available. Potential receiving employers are now able to apply for these pledges (as of September 2021).

### **Expiry of unused funds in accounts**

Employers can spend their funds on their own apprentice training and assessment costs, or they can transfer them to another employer. If funds are not used, they expire. Funds due to expire each month are shown in the apprenticeship service account.

All funds that appear in the apprenticeship service accounts of levy-paying employers expire 24 months after they appear in the account, if not already spent. The oldest funds will expire each month on a first-in, first-out basis, minimising the potential for funds to expire. If in the latest month the employer spends the same or more than the funds that entered the account 24 months earlier, no funds will expire.

Employers can also use the 'estimate my apprenticeship funding' tool in their apprenticeship service account to estimate how much their organisation will have available to spend, and what funds are expected to expire each month, based on their current and planned activity.

## **Additional support for employers of young apprentices aged 16-18**

It is recognised that, for employers that take on young apprentices aged 16-18, there are some additional costs associated with supporting them in the workplace. For example, research suggests that this age group can require significantly more supervision and pastoral care.

When employers take on a 16-18-year-old on an apprenticeship standard, they receive £1,000 to help meet the extra associated costs. This will be paid to employers in two equal instalments at 90 days and 365 days. These payments are made via their training provider; they come from the government and will not be deducted from an employer's account.

Employers that benefit from the small employer co-investment waiver will also receive these payments.

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### **ACCA LEGAL NOTICE**

This technical factsheet is for guidance purposes only. It is not a substitute for obtaining specific legal advice. While every care has been taken with the preparation of the technical factsheet, neither ACCA nor its employees accept any responsibility for any loss occasioned by reliance on the contents.