



## DEBATE PACK

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# Apprenticeships Funding

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## Summary

This pack has been prepared ahead of the debate on **apprenticeships funding** to take place in Westminster Hall on 1 November 2016 at 9:30am. The subject for the debate has been chosen by David Lammy MP.

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The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

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# 1. Background

## 1.1 What is changing?

Major changes to apprenticeship funding are due to come into place next year. Large employers across the UK will start paying the apprenticeship levy in April 2017 and a new funding system will be introduced in England in May 2017.

### New funding system

Proposals for the new funding system were published on 12 August 2016 and were followed by a consultation which closed on 5 September. The Government published its [final funding policy](#) on 25 October.

The final funding policy makes some significant changes to the draft proposals. Changes include additional funding to training providers for apprentices aged 16-18 and if an apprentice lives in a deprived area, although the Government has stated these are only transitional measures. These elements of the original proposals, which would have replaced a higher government funding rate for 16-18 year olds on apprenticeship frameworks with a single funding band for all ages and removed additional funding for apprentices living in deprived areas, had been the subject of a campaign by David Lammy MP and FE Week magazine.

A further change from the original proposals is that employers who pay the apprenticeship levy will have longer to spend the money they contribute through the apprenticeships levy (24 months instead of 18 months).

### Apprenticeship levy

The apprenticeship levy was originally announced in the 2015 Summer Budget. UK employers with a paybill over £3 million per year will have to pay 0.5% of their paybill over this amount. Employers will be able to spend their levy contributions on apprenticeship training.<sup>1</sup>

### Register of apprenticeship training providers

Alongside the final funding policy, the Government also published [details](#) of a new register of apprenticeship training providers on 25 October. The Government explains, "The register will give employers an assurance that the providers they are using have the capacity and capability to delivery good quality apprenticeship training." The register will come into use in May 2017.<sup>2</sup>

### 3 million apprenticeships target

The new funding arrangements and the introduction of the apprenticeship levy come at a time when the Government has committed to a target of 3 million new apprenticeship starts in England

<sup>1</sup> Library briefing paper, [The Apprenticeships Levy](#), 6 May 2016

<sup>2</sup> Skills Funding Agency, [Register of apprenticeship training providers: policy information](#), 25 October 2016

during the current parliament. The [Welfare Reform and Work Act 2016](#) requires the Secretary of State to report on progress towards the target.

The Government has stated that the levy “will allow us to double investment in apprenticeships by 2020 from 2010 levels, to £2.5bn [per year]”.<sup>3</sup>

The Government has committed to a target of 3 million new apprenticeship starts between 2015 and 2020

## 1.2 Current funding system

There are two different types of apprenticeship scheme, frameworks and standards. Apprenticeship frameworks are being progressively phased out and replaced by apprenticeship standards. Frameworks and standards are currently funded differently, although in both cases the government pays part of the apprentice’s training costs and government funding is paid directly to the training provider.

### Frameworks

For apprenticeship frameworks, the amount of training costs covered by government depends on the age of the apprentice:

- 100% of the training costs if the apprentice is aged 16-18;
- 50% of the training costs if the apprentice is aged 19-23;
- Up to 50% of the training costs if the apprentice is aged 24 and over.<sup>4</sup>

In certain circumstances, government will provide extra funding in the shape of a ‘disadvantage uplift’ to support learners living in the most deprived areas of the country or an ‘area cost uplift’ for those in areas where training costs are higher.<sup>5</sup>

Employers who choose to deliver additional training as part of an apprenticeship on top of the minimum requirements funded by the government must pay for it themselves. Employers can also fund apprenticeships themselves without any support from government.

### Standards

Funding for apprenticeship standards does not depend on age but on funding bands: all standards are assigned to one of five or six funding bands. The employer and training provider agree on a price for an apprentice’s training and assessment within the limits of the funding band. The government covers two-thirds of the total agreed price up to the set maximum for that funding band. The employer pays the remaining third.<sup>6</sup>

The total government contribution may increase further through incentive payments for employers recruiting a 16-18 year olds, for small

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<sup>3</sup> Department for Education, [Apprenticeship funding: Proposals for apprenticeship funding in England from May 2017](#), 25 October 2016, p3

<sup>4</sup> Skills Funding Agency, [Funding Rates and Formula 2016 to 2017](#), version 2, March 2016, pp9,12

<sup>5</sup> Ibid, pp7-9

<sup>6</sup> Skills Funding Agency, [Apprenticeship standards funding rules 2016 to 2017](#), version 2, March 2016, p6

businesses, for English and Maths qualifications and for successful completion of the apprenticeship.<sup>7</sup>

The funding system for apprenticeship standards does not include a disadvantage uplift or an area cost uplift, to take account of relative deprivation or differences in the cost of provision.

### 1.3 How will the new funding system work?

The Department for Education and Skills Funding Agency published proposals for changes to apprenticeship funding on 12 August 2016. This was followed by a consultation on the proposals for providers and employers which closed on 5 September. The final funding policy was published on 25 October.

Under the new policy, apprenticeship frameworks and standards would be funded in the same way, similar to how standards are funded currently. Employers would negotiate a price for training with the training provider. However, each apprenticeship framework or standard will be associated with a funding band and the government will only pay a share of costs below the upper limit of the funding band. In the case of employers paying the apprenticeship levy, levy contributions can only be used to pay for the apprentice's training costs below this upper limit; further costs must be paid for separately.

#### Funding bands and apprentices aged 16-18

In the draft proposals published on 12 August, the Government proposed that funding bands do not take into account the age of the apprentices, although incentive payments would apply for those aged 16-18. This is closer to the current system for apprenticeship standards rather than for frameworks.

However, under the current system for apprenticeship frameworks, funding varies by age. As noted above, the government pays over 100% of costs for apprentices aged 16-18; 50% of costs for apprentices aged 19-23; and in most cases 40% for those aged 24 and over. Under the new system, the funding band is set with reference to what the government currently pays for apprentices aged 19 and over. Consequently, the original plans would have represented a large reduction in funding made available for most 16-18 year old apprentices. The proposals document explained the change in approach:

...Apprentices between the ages of 16 and 18 years old are funded by government at a higher rate than adult learners. Employers are expected to make a cash contribution to the costs of training adults on apprenticeship frameworks, so that in total, providers earn the same amount whether training an adult or a younger apprentice.

However, we know that most employers do not make this additional cash contribution. Many training providers do not ask for it, either because they are able to subsidise the training of adult apprentices from the higher rates of funding they receive

The original plans published in August would have represented a large reduction in funding for most 16-18 year old apprentices.

<sup>7</sup> The value of the incentive payments varies by funding band. Details can be found in the Library's briefing paper, [Apprenticeships policy, England](#), 8 March 2016, p12

from government for training younger apprentices, or because they are able to provide training using government contribution alone.<sup>8</sup>

Following consultation on the draft proposals, the Government announced **it would pay providers a further 20%** (one-fifth) of the funding band maximum for training apprentices aged 16-18 on frameworks as a transitional measure to help providers adjust to the new system. This will also apply to apprentices aged 19-24 who have previously been in care or who have a Local Authority, Education, Health and Care plan. The final funding policy explains:

This 20% uplift for providers is a transitional measure designed to support stability whilst providers adjust to the reforms. We will keep this under review and envisage adjusting this uplift as more apprenticeship starts are on new apprenticeship standards.<sup>9</sup>

On top of the funding bands, the government will make an **incentive payment** of £1,000 for apprentices aged 16-18 to the employer and another payment of £1,000 to the training provider. This incentive payment also applies to apprentices aged 19-24 who have previously been in care or who have a Local Authority Education, Health and Care plan. The incentive payment was included in the original proposals published on 12 August.

## Funding bands and deprivation

In the original plans published on 12 August, the new funding system did not include a disadvantage uplift or area cost uplift (as currently used in apprenticeship frameworks).

Following the consultation on the proposals, the final funding policy does include **a simplified version of the disadvantage uplift**. The Government has stated that it will make available at least the same amount of disadvantage payments as provided under the current system. However, this arrangement will only operate for the first year of the new system, while the Government conducts "a fuller review into the best way to support individuals from all backgrounds into apprenticeships".<sup>10</sup>

## Funding bands and STEM

The Government is increasing the amount of funding it will make available for STEM (science, technology, engineering and mathematics) frameworks. The funding band limit is 40% higher for level 2 frameworks than the rate currently used and is 80% higher for level 3 frameworks. This is unchanged from the original proposals published on 12 August.

## What will employers pay under the new system?

Employers paying the apprenticeship levy will pay almost all of the cost of training their apprentices, except for a government 'top up' and the

Plans were changed after consultation so that providers can receive extra funding for 16-18 year old apprentices, as a transitional measure

<sup>8</sup> Department for Education, [Apprenticeship funding: Proposals for apprenticeship funding in England from May 2017](#), 12 August 2016, pp8-9 [accessed 30 August 2016]

<sup>9</sup> Department for Education, [Apprenticeship funding: Proposals for apprenticeship funding in England from May 2017](#), 25 October 2016, p6

<sup>10</sup> Ibid, p7

incentive payments described above. Employers who do not pay the levy would pay 10% of the cost of apprenticeship training, but may receive the incentive payments described above.

### **Employers paying the apprenticeship levy**

The levy applies to employers with a paybill over £3 million per year. The employer pays 0.5% of their annual paybill over this amount into their “digital account”, which they can spend on apprenticeship training. The government would add a 10% top up to the amount paid into the digital account each month. While the original proposals published on 12 August suggested funds in the digital account would expire if employers did not use them within 18 months, this was extended to **24 months** following consultation.

Employers can use funds in the digital account to pay for the cost of training up to the upper limit of the relevant funding band. Any cost above the upper limit of the funding band cannot come out of the digital account and must be paid separately by the employer.

From 2018, firms can transfer 10% of funds in their digital account to another employer with a digital account. This is particularly relevant for firms who take on apprentices indirectly through Apprenticeship Training Agencies, where the apprentice is employed through the agency rather than the firm.

### **Employers who do not pay the apprenticeship levy**

The government would pay 90% of the training costs for these apprentices and the employer would pay the remaining 10%, where the total cost is below the upper limit of the relevant funding band.

This also applies to employers who do pay the levy but have insufficient funds in their digital account to pay the apprentice’s training costs.

For **small employers with fewer than 50 employees**, the government would pay 100% of costs where the apprentice is aged 16-18 or for apprentices aged 19-24 who have previously been in care or have a Local Authority Education, Health and Care Plan.

## **1.4 Is funding for individual apprenticeships being reduced?**

Analysis by FE week magazine suggest that the draft proposals would result in government funding to providers for apprentices aged 16-18 being cut by around 30%, rising to over 50% for apprentices living in the most deprived areas of central London.<sup>11</sup>

Following the publication of the final funding plans on 25 October, further analysis by FE Week magazine found that under the revised arrangements, “most frameworks will still feel cuts of 20 per cent or more” while in certain sectors there could be cuts of up to 50%.<sup>12</sup>

<sup>11</sup> Nick Linford, [Funding rates cut by up to 50% for the most deprived 16-18 apprentices](#), FE Week, 19 August 2016

<sup>12</sup> Paul Offord, [Apprenticeship funding ‘u-turn’ – but how far does it really go?](#), FE Week, 27 October 2016

However, an Equality Analysis by the Department for Education suggests the final policy plans would result in a small reduction in total funding for apprenticeship frameworks of 2% in 2017/18, assuming the same distribution and volume of apprenticeships as in 2014/15 and 2015/16:

Much of the stakeholder reaction to the funding proposals published on 12 August focused on comparing current framework funding rates to the proposed new model, because frameworks represent the majority of the market at present.

In an analysis of the total funding available for frameworks for 2017-18 only, compared to in the current system, the proposals would result a small reduction in the amount of funding of around 2%. This is based on current overall volumes and funding, assumes the same distribution and volume of apprenticeships as for 2014-15 and 2015-16, and takes into account new incentive payments for employers and providers proposed in the new system as well as the 20% provider uplift for 16-18 year olds. The removal of the Apprenticeship Grant for Employers (AGE) from 2017/18 has been included in this analysis. It also takes into account the removal of area cost uplifts. The analysis considers the impact of changing the way in which disadvantaged areas receive extra funding (announced on 24 October) to be neutral, as the overall level of funding will remain the same. Comparing current participation funding with future total funding only (ie not considering AGE) would mean an overall increase of 4%.

Overall, the move from hundreds of different funding rates for different apprenticeships frameworks and the trailblazer model for standards to the new, simpler system of fifteen bands will change the amount of funding that providers receive for nearly every kind of apprenticeship that is currently offered. Some apprenticeships could attract higher funding, others less, depending on the nature of the apprenticeship, the provider and the learner, and the price that an employer ultimately agrees to pay.<sup>13</sup>

## 1.5 Reaction

Reaction from training providers and business groups to the final funding plans published on 25 October is [summarised](#) in an article in TES, the specialist education magazine.<sup>14</sup>

Comment from selected organisations is reproduced in sections 2 and 3 of this Library debate pack.

### Campaign by David Lammy MP and FE Week magazine

The draft proposals published on 12 August were strongly criticised by several Members of Parliament and were the subject of a [campaign](#) by specialist magazine FE Week.

A [letter](#) written by David Lammy and signed by 54 other Labour MPs called on the Minister for Apprenticeships and Skills, Robert Halfon, to reverse the changes. The letter highlighted the reduction in funding for

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<sup>13</sup> Department for Education, *Equality Analysis: Apprenticeship funding policy from May 2017*, 25 October 2016

<sup>14</sup> Will Martin, *Sector welcomes apprenticeship funding 'U-turn'*, TES, 25 October 2016

apprentices aged 16-18 and the removal of the disadvantage uplift, warning the impact could be 'devastating' in deprived areas.

### **Labour reaction**

The draft proposals were described as a "major strategic blunder" by the Shadow Minister for Apprenticeships, Gordon Marsden, as reported in an article by FE Week magazine.

Following the publication of the final funding plans on 25 October, Gordon Marsden welcomed the changes as a "major U-turn":

The Government have had to make a major U-turn to their original proposals for funding apprenticeships which would have disadvantaged tens of thousands of 16-18 year old young people, colleges and providers.

This is after a sustained campaign from our front-bench, David Lammy and other MP's, FE Week, colleges and providers.

However, there still remain big question marks over the Government's apprenticeship targets and policies, and we need to see the detail on transitional funding for disadvantaged areas. Labour will continue pressing them strongly for urgent answers on the digital service, the Institute for Apprenticeships, resources and capacity.<sup>15</sup>

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<sup>15</sup> [Gordon Marsden comments on Government's U-turn on apprenticeship funding proposals](#), Labour Press, 25 October 2016

## 2. Press Articles

The following is a selection of recent press and media articles which may be relevant to this debate. Please note: the Library is not responsible for either the views or accuracy of external content.

[Apprenticeship funding 'u-turn' – but how far does it really go?](#)

Paul Offord

FE Week, 27 October 2016

['Inflexible' apprentice levy overhauled by ministers](#)

Judith Burns

BBC, 25 October 2016

[Sector welcomes apprenticeship funding 'U-turn'](#)

Will Martin

Times Educational Supplement, 25 October 2016

[Four changes in the apprenticeship announcements you need to know](#)

Nick Linford

FE Week, 25 October 2016

[Apprenticeship 'U-turn' will help poorest teenagers](#)

Judith Burns

BBC, 25 October 2016

[How will the apprenticeship levy work?](#)

Josie Gurney-Read

The Telegraph, 25 October 2016

[Seven common misconceptions about apprenticeships](#)

Ella Turner

Daily Telegraph, 20 October 2016

[London mayor Sadiq Khan calls for government rethink on apprenticeship funding rates](#)

Jude Burke

FE Week, 19 October 2016

[Government set for u-turn on apprenticeships funding cuts](#)

Paul Offord

FE Week, 11 October 2016

[Businesses haven't even heard of Government's £3bn apprenticeship fund: Theresa May has pledged to support vocational training but many companies are unaware of flagship jobs scheme – those that are think it's an extra tax.](#)

Alan Jones

The Independent, 20 September 2016

[Save our apprenticeships campaign](#)

Nick Linford

FE Week, 9 September 2016

[Britain's young and poor are being hit yet again – this time on apprenticeships:](#)

David Lammy

The Guardian, 5 September 2016

[UK apprenticeship funding changes attacked by Labour](#)

Katie Allen

The Guardian, 4 September 2016

[Funding rates cut by up to 50% for the most deprived 16-18 apprentices](#)

Nick Linford

FE Week, 19 August, 2016

[No rethink on apprenticeship levy, says skills minister](#)

Marianne Calnan

CIPD, 28 June 2016

### 3. Press Releases

[New apprenticeship funding to transform investment in skills: How apprenticeships will be funded as part of the drive to help millions get the skills they need for a successful career.](#)

**Department for Education and The Rt. Hon. Robert Halfon MP**

**25 October 2016**

The government has today (25 October 2016) set out how apprenticeships will be funded as part of the drive to help millions get the skills they need for a successful career and make Britain a country that works for everyone.

Apprenticeships give people more control over their lives and can be the difference between just about managing and pursuing a skilled, long-term career. The government wants to give everyone this opportunity, regardless of their background or where they live, which is why we are giving more support for 16- to 18-year-olds and those from disadvantaged areas.

The funding policy will underpin the new apprenticeship levy, which will deliver much needed investment in the skills we need to change the lives of millions.

The government will continue to work with employers and providers as it introduces the reforms, to help ensure we transform our country's skills for the benefit of all.

Main measures confirmed today:

More support for younger apprentices and disadvantaged people:

100% of training costs will be paid by government for employers with fewer than 50 employees who take on apprentices aged 16 to 18 years old. This will also apply to smaller employers who take on 19- to 24-year-olds who were in care or 19- to 24-year-olds with an [education and health care plan](#)

£1,000 each from government to employers and training providers who take on 16- to 18-year-olds and 19- to 24-year-olds who were in care or who have an education and health care plan

providers that train 16- to 18-year-olds on apprenticeship frameworks will be given an additional cash payment equal to 20% of the funding band maximum in order to help them to adapt to the new, simpler funding model

providers that train apprentices from the most deprived areas on apprenticeship frameworks will continue to receive additional funding from government. More than £60 million will be invested in supporting the training of apprentices from the poorest areas in the country, equalling around one third of all apprentices. It is vital that we make sure that these funds are being invested in the right way, which is why we will conduct a fuller review into how to support individuals from all

backgrounds into apprenticeships in future. This will look at the support employers should receive, as well as providers, and conclude next year.

More flexibility for employers:

Longer for employers to spend funds in their digital account, now with 24 months before they expire, an increase from government's original proposal of just 18 months

a commitment to introducing the ability for employers to transfer digital funds to other employers in their supply chains, sector or to apprenticeship training agencies in 2018, with a new employer group including the Confederation of British Industry, Federation of Small Businesses, British Chambers of Commerce, Charity Finance Group and EEF - the manufacturers' organisation - to help government develop this system so that it works for employers.

More funding for STEM apprenticeship frameworks and higher pricing of apprenticeship standards to support improved quality, and providing greater flexibility to train those with prior qualifications. This will support the industrial strategy and provide wider opportunities for more individuals to develop new skills

**Skills Minister Robert Halfon said:**

Apprenticeships work. The reforms we are rolling out will guarantee support from employers and government, so that millions of people can get the apprenticeships, skills and jobs for the future.

Our apprenticeship levy will boost our economic productivity, increase our skills base and give millions a leg up on the ladder of opportunity - over 90% of apprentices currently go into work or further training. Making Britain a world leader on apprenticeships is essential if we truly want a country that works for everyone.

To ensure higher-quality apprenticeships, the government has also introduced a new [register of apprenticeship training providers](#), which opens today. All providers on the register will have to pass quality and financial tests. Those with an 'inadequate' Ofsted rating for apprenticeship provision will not be eligible to apply to the register.

The new [apprenticeship funding policy was outlined in August](#). It will underpin the levy which will be paid by employers with a pay bill of more than £3 million and will put the funding of apprenticeships on a sustainable long-term footing so we can support opportunities for all.

The measures announced today are the first steps in upskilling the nation by giving millions a leg up on the ladder of opportunity to high-quality jobs, and giving employers the skills they desperately need.

[AELP responds to latest Apprenticeship announcement](#)

**Association of employment and learning providers and Mark Dawe**

**25 October 2016**

Following the August consultations, the Department for Education has today published a series of documents including updated guidance with further announcements on the apprenticeship funding and register reforms.

Responding to them, **AELP CEO Mark Dawe said:**

AELP is pleased that the government were true to their word and treated the apprenticeship consultation as just that – a consultation. While there are clearly still areas of concern, significant steps have been taken to respond to the key matters raised by AELP and its members and we welcome that.

It's good to see a very much improved position for 16-18 year olds, particularly on existing frameworks. There may still be issues for individual sectors when a more detailed analysis is undertaken, but this is a positive move.

Today's moves towards the reinstatement of deprivation funding will be a great relief for those supporting the hardest to reach learners and fits with this new government's commitment to social justice. However while we welcome the £600 set amount as a good first step, it applies to frameworks only and it may not be enough. The government has promised to keep this under review and we look forward to working with it on securing the outcome that will work best for these learners and maintain the level of support seen previously for those greatest in need.

We are sure the extension of the period to utilise the levy to 24 months will be welcomed by employers to allow them time to develop, implement and embed their long-term apprenticeship strategy.

With regard to the provider register, sense has prevailed with a proposal around subcontracting that is actually deliverable, removing the ability to just tout funding around the system, while leaving enough flexibility to provide employer focused partnership solutions for delivery. The decision to exclude providers with contract values below £100k from having to join the register (they still can apply if they want to) in order to deliver apprenticeships is good news, demonstrating the true benefit of a proper consultative approach and in direct response to representations from AELP.

Understandably our members still have concerns that we think are legitimate and need action. The negotiation of price, auctioning apprentices to the lowest bidder, will add extra risk when attempting to achieve one of the skills minister's main aims of ensuring all apprenticeships are high quality.

AELP has highlighted strongly that without any underwriting of funding, non-levy payers will be picking up the scraps from the levy payers. We

have said that placing these smaller companies in a lower league of priority for apprenticeship delivery, even though they have been the core of delivery to date, provide accessibility across the country, would be disastrous for social mobility and productivity. We would therefore like to see the details of the non-levy budget and hope that it is maintained at current estimated levels.

While not part of this consultation, there are still concerns about many standards and end point assessments and the whole process for their development and approval. AELP hopes to work closely with the DfE and the Institute for Apprenticeships to find solutions to these concerns, which if not properly addressed, are in danger of undermining the success of the apprenticeship policy.[...]

### [Our response to Apprenticeship Levy funding rules](#)

#### **CBI, CBI Director Neil Carberry**

##### **25 October 2016**

The CBI has responded to the Department for Education's confirmation of Apprenticeship Levy funding rules, which includes the technical detail and full explanation of the new policy.

CBI Director, People and Skills, Neil Carberry, said:

"Businesses are committed to creating quality apprenticeships and working together with the Government to get our skills systems right. It's this commitment that has driven the widespread concern about the design and timetable of the Apprenticeship Levy.

The confirmation of the Apprenticeship Levy funding rules demonstrates that the Government has listened to some of business' concerns, and will now enable firms to better plan their training and recruitment.

Employers will be encouraged that they now have 24 months, rather than 18 to spend their levy fund. This is something the CBI has called for and will help the companies through the transition to the new system. It's also promising that the Government has committed to working together with business on a new approach where they can pay for training in their supply chain.

However six months out from the new levy going live, major questions remain about its readiness. Going ahead with introduction in 2017, it is vital that Ministers and officials work closely with companies to ensure the transition is as smooth as possible.

With business investment in apprenticeship training only one piece of the skills puzzle, the lack of flexibility in spending through the levy remains a genuine concern to companies. Nevertheless, firms stand ready to step up and work with the Government to put in place transitional arrangements, to make sure no apprentice or sector is disadvantaged by the new rules."

[Apprenticeship funding model announced](#)

**Association of Colleges and Chief Executive David Hughes**

**25 October 2016**

The Government has set out how [apprenticeships will be funded](#). In response, David Hughes, Chief Executive of the Association of Colleges (AoC), said:

“It is clear that the Government has listened to colleges, training providers and employers. We will all need to work in partnership to ensure that the levy is a success and that the reforms to apprenticeships deliver for students, employers and for inclusive economic growth. The levy and the reforms are big shifts in the apprenticeship programme which will need sensitive and watchful handling. The Association of Colleges will continue to work closely with the Government to help with those changes and support colleges to seize the opportunities that the funding reforms and new register will create.”

[More young people in apprenticeships than ever before: New figures show almost 3 million apprenticeships created since May 2010 as part of government’s drive to create opportunities for all.](#)

**Department for Education and The Rt. Hon. Robert Halfon MP**

**6 October 2016**

More people than ever before are taking advantage of high quality apprenticeships and traineeships that give them the skills and experience they need for a successful career.

[Provisional figures released today \(6 October 2016\)](#) show a rise in the number of people reaping the benefits of apprenticeships with around 905,000 people in an apprenticeship this year alone.

The figures also show that there are more young people starting apprenticeships, with over 130,000 starts by under 19-year-olds during the 2015 to 2016 academic year.

**Skills and Apprenticeships Minister Robert Halfon said:**

Apprenticeships work, that’s why they lie at the heart of our commitment to giving everyone the chance they deserve to get the skills and jobs they need for their future.

It is great news that there are more apprentices and trainees than ever before. I am determined that we build on this success so that everyone who wants to can benefit from the ladder of opportunity they offer.

High quality skills and apprenticeships lie at the heart of the government’s drive to create the skilled workforce British industry needs to thrive, to boost productivity and build an economy that works for all.

Today’s provisional figures show that just under 27,000 higher and degree apprenticeships were started so far in 2015 to 2016. Some of the top employers in the country such as BAE Systems and Fujitsu are already on board when it comes to higher apprenticeships and degree

apprenticeships are currently available in careers ranging from engineering to public relations. The government is continuing to work with higher education institutions, including Russell Group universities, to discuss their plans for delivering degree apprenticeships.

Traineeships play a significant part in the government's commitment to creating the highly skilled workforce our employers need. Today's figures show provisionally that there were 23,900 traineeship starts in 2015 to 2016, a substantial increase from 19,400 in 2014 to 2015. Traineeships equip young people who are looking for work with the skills, confidence and vital work experience they need to gain an apprenticeship or other job.

To encourage more young people to consider an apprenticeship as a valid and credible route to a rewarding career, the government has launched the [Get In Go Far campaign](#). The campaign shares the stories of top apprentices working in leading employers including Lloyds Banking Group, Accenture and JCB.

#### [Views sought on plans to boost apprenticeships](#)

**Department for Education, Skills Funding Agency and The Rt. Hon. Robert Halfon MP**

**12 August 2016**

The apprenticeship programme - launched in 2010 - has already given 2.9 million people the chance to learn new skills so they can go on to access fulfilling careers and help boost UK business.

The government today (12 August 2016) published proposals for a new funding model for apprenticeships and [further details on the apprenticeship levy](#). The funding will support people of all ages to gain high-quality skills and experience and help employers to offer more training opportunities and build a skilled workforce.

Under the plans for the levy, the government has proposed that employers that are too small to pay the levy - around 98% of employers in England - will have 90% of the costs of training paid for by the government, reassuring millions of small businesses.

Extra support - worth £2,000 per trainee - will also be available for employers and training providers that take on 16- to 18-year-old apprentices or young care leavers. Employers with fewer than 50 employees will also have 100% of training costs paid for by government if they take on these apprentices. This will help to ensure every young person, regardless of background or ability, has the chance to make their first step into work.

**Apprenticeships and Skills Minister Robert Halfon said:**

We need to make sure people of all ages and backgrounds have a chance to get on in life. Apprenticeships give young people - especially those from disadvantaged backgrounds - a ladder of opportunity. That's

why we continue to work tirelessly to deliver the skills our country needs. The apprenticeship levy is absolutely crucial to this.

Our businesses can only grow and compete on the world stage if they have the right people, with the right skills. The apprenticeship levy will help create millions of opportunities for individuals and employers. This will give our young people the chance they deserve in life and to build a highly-skilled future workforce that the UK needs.

The government is inviting employers and training providers to have their say on the initial funding proposals, to try to ensure final plans fully meet the needs of all those involved in the apprenticeship programme.

The proposals outlined today include plans to:

Support all employers to offer high-quality apprenticeships: employers which are too small to contribute to the apprenticeship levy would have 90% of the cost of apprenticeship training paid - ensuring employers of all sizes can develop the next generation of skilled workers

Provide extra funding for young apprentices and care leavers: the government will pay an additional £2,000 to help 16- to 18-year-olds, young care leavers and young people with an education, health and care (EHC) plan, make their first step into the world of work - with £1,000 going to employers and an additional £1,000 to training providers. Furthermore, employers with fewer than 50 employees will not have to pay anything towards the cost of training a 16- to 18-year-old apprentice, young care leaver or young person with an EHC plan

Offer more flexibility for employers to retrain individuals: employers will be able to use levy funds to retrain workers in new skills, even if they have prior qualifications - giving them the freedom to make the training decisions that are right for them so they can train any individual to start an apprenticeship, as long as it is significantly different from their previous qualifications

Support employers taking on more apprentices: levy-paying employers - those with a pay bill of over £3 million that want to spend more on training than is in their digital account - will benefit from government support with 90% of their additional apprenticeship training costs being funded, so they can continue to recruit and retrain highly-skilled employees

Give employers more control and access to better quality training: employers will have the power to determine exactly what training their apprentices receive and what provider they receive it from. A new register of training providers, also outlined today, will be introduced from April 2017 to improve the link between training providers and employers to will help employers identify a high-quality provider so they can deliver the skills they need to grow.

**Petra Wilton, the Chartered Management Institute's (CMI) Director of Strategy, said:**

Apprenticeships are a proven route for raising business productivity. Leading employers are already adopting the new professional pathways

such as the chartered manager degree apprenticeship, and the new generous levels of government co-investment announced today are welcomed by many businesses, especially those smaller organisations outside the scope of the levy.

I strongly encourage employers to get involved and ensure that this extensive new offer fully meets their needs. As it can provide the much needed injection of confidence and certainty in the skills agenda, which is needed now more than ever.

## 4. Parliamentary Material

### 4.1 Written Statements

[Supporting Apprenticeships - HCWS214](#)

**Made by Justine Greening**

**Made on 25 October 2016**

Apprenticeships transform lives and are vital in making this a country that works for everyone. As well as giving young people the chance to build a better future by taking their first step on the employment ladder, they give those already in work the opportunity to progress further. And for those just about managing, they can unlock a brighter future. That is why we are committed to 3 million new apprenticeships by 2020, spending £2.5bn to transform this country's investment in skills, in our people.

For employers, apprenticeships bring great benefits too, by boosting the skills of the workforce and helping to increase economic productivity. Yet for too long far too many employers have under-invested in the skills of their employees compared to in other countries. It is time to change that and ensure all employers play their part in improving productivity and social mobility. So we are working in partnership with employers to implement major reforms.

The new apprenticeship levy, which we are introducing in April 2017, will put the funding of apprenticeships on a sustainable long-term footing so we can support opportunities for all. The levy will be set at 0.5% of pay bill and only employers with a pay bill of more than £3 million will have to pay the levy. Employers that are not eligible to pay the levy will continue to receive government support towards the costs of apprenticeship training and assessment.

The levy applies to all UK employers but apprenticeship funding policy is devolved. It is for the Devolved Administrations to decide how they use their levy income. This statement sets out how we will fund apprenticeships in England to help build an economy that works for everyone.

To do that we are not only introducing the levy but also reforming the way we fund apprenticeships, introducing a dedicated register of approved apprenticeship training providers and launching the employer-led Institute for Apprenticeships. These changes will ensure apprenticeships are high quality, meet the needs of employers and provide opportunities for millions more people.

After extensive discussions with employers and training providers we are today publishing the final funding policy for May 2017 onwards and details of the new register of apprenticeship training providers. The adjustments we have made to the funding policy since our proposals in August will help ensure that the reforms benefit more employers, providers and apprentices.

Today we are confirming the final funding policy. Key features are:

Higher funding for STEM apprenticeship frameworks and higher pricing of apprenticeship standards to support improved quality, and greater flexibility to train those with prior qualifications;

Longer period of time for employers to spend funds in their digital account, now with 24 months before they expire, an increase from our original proposal of just 18 months;

A commitment to introducing the ability for employers to transfer digital funds to other employers in their supply chains, sector or to Apprenticeship Training Agencies in 2018, with a new employer group including the Confederation of British Industry, Federation of Small Businesses, British Chambers of Commerce, Charity Finance Group and EEF – the Manufacturers' Organisation – to help government develop this system so that it works for employers.

90% contribution from government to the cost of training for employers that will not pay the levy;

100% contribution from government to the cost of training for small employers that will not pay the levy and who take on apprentices who are 16 to 18 years old, 19 to 24 year old care leavers or 19 to 24 year olds with an Education and Health Care Plan;

£1,000 each from government to employers and training providers when they take on 16 to 18 year olds, 19 to 24 year olds who were in care or who have an Education and Health Care Plan;

Help for training providers to adapt to the new, simpler funding model through an additional cash payment equal to 20% of the funding band maximum where they train 16 to 18 year olds on frameworks; and

A simplified version of the current system of support for people from disadvantaged areas to ensure the opportunity to undertake an apprenticeship is open to everyone, no matter where in England they live, their background or family circumstances.

We will continue to work in close partnership with employers and providers in the implementation of these reforms. We know they are major changes and we want to work together to ensure we transform our country's skills for the benefit of all.

## 4.2 Oral Questions

[Apprenticeships: HC Deb 10 Oct 2016 c 9-10](#)

**Mary Glendon:** What assessment she has made of the potential effect of her Department's proposed changes to apprenticeship funding rates on the take-up of apprenticeships. [906518]

**The Minister of State, Department for Education (Robert Halfon):**

The proposed apprenticeship funding policy is designed to support an increase in the quality and quantity of apprenticeships. Our proposals include incentives and support for employers and providers that will encourage the take-up of many more apprenticeship opportunities by

people of all ages and backgrounds, giving many people their first step on the employment ladder of opportunity. We continue to engage with employers and providers, and we plan to publish the final policy shortly.

**Mary Glendon:** A recent National Audit Office report condemned the lack of contingency planning for apprenticeship funding reform. How does the Minister hope to address that?

**Robert Halfon:** We are busy with our plans to introduce the apprenticeship levy. By 2020, we will be spending more than double on apprenticeships, or £2.5 billion extra. We are well on the way towards achieving our target of 3 million apprenticeship starts by 2020, with over 500,000 starts in the past year alone.

**Andrew Bridgen:** Although I welcome the record number of people participating in apprenticeships in our country, will the Minister outline what steps the Government have taken to encourage more small businesses to offer apprenticeships?

**Robert Halfon:** My hon. Friend, who is a champion of apprenticeships in his area, will be pleased to know that, under the plans for the new apprenticeship levy, small businesses that hire 16 to 18-year-olds as apprentices will pay only 10% of the training costs. Furthermore, they and the providers will each receive £1,000. That will encourage small businesses to hire more apprentices.

**Gordon Marsden:** I welcome the Minister to his place, and I welcome his commitment to social mobility, but is not the truth that he found this shambles—30% to 50% of apprenticeship funding is being cut for our most disadvantaged 16 to 18-year-olds—in the welcome pack in his in-tray? He knows that it is a shambles. Nearly a month ago, he and I spoke here to a full house of sector leaders and heard it from them. On the same day, the Prime Minister was caught on the hop when she said that she did not recognise the figures, and the chief executive of the Institute of the Motor Industry said that it was a looming car crash. With no proper impact assessment of these cuts, and with the Government's credibility on the line, why one month later has the Minister still no solutions to these funding cuts?

**Robert Halfon:** I notice that the shadow Minister—I have great respect for him and am pleased to face him across the Dispatch Box—called his campaign "Save our apprenticeships". We have been saving 2.5 million people on apprenticeships over the past five years. In 2014-15, in his own constituency, he had 1,040 apprenticeship starts, 218 under-19 apprenticeship starts and 10,500 people participating in further education. If that is not saving apprentices, I do not know what is. As I have said, the apprentice funding will be doubled to £2.5 billion. He is ignoring the increase in the STEM uplifts, the extra money spent on new apprenticeship standards and the £1,000 going to every employer and every provider when they hire a 16 to 18-year-old.

[Prime Minister: HC: 14 September 2016](#)

**Richard Burden:** Tomorrow I will be helping to launch a programme at the engineering company ADI Group in my constituency to boost the interest of 14 to 16-year-olds in engineering skills. No doubt the Prime Minister would like to join me in congratulating ADI Group, but will she take it from me that her words of congratulation would mean rather more if they were not accompanied by cuts of between 30% and 50% in apprenticeships funding—a programme that the Institute of the Motor Industry has described as a “car crash”? [906345]

**The Prime Minister:** I am of course happy to commend the company that the hon. Gentleman has referred to. Of course, the west midlands is an important driver in terms of engineering skills in this country. But I simply do not recognise the situation that he has set out in relation to apprenticeships. We have seen 2 million apprenticeships created over the last six years, and we are committed as a Government to seeing more apprenticeships being created. That is giving young people, like the young people I met when I went to Jaguar Land Rover, opportunities to learn a skill to get into a job, to get into the workplace, and to get on where their talents will take them.

[Skills Shortage: HC 28 June 2016](#)

[...] **Byron Davies:** What steps he is taking to address skills shortages in the workforce. [905544]

**Wendy Morton:** I am grateful to my hon. Friend for his answer. He will be very aware, as I am, that certain employers have said that they are not happy with the apprenticeship levy and have asked the Government to rethink, but does he agree that the levy is the best way to ensure that businesses invest in their employees’ skills and for the Government to put apprenticeship funding on a sustainable footing?

**Nick Boles:** Forgive me, Mr Speaker; we are all somewhat discombobulated at the moment. I should have mentioned that I am seeking to group this question with a later one.

My hon. Friend is absolutely right. What we are trying to design with the apprenticeship levy is actually something of an innovation in government: it is a new tax, but the companies that pay the tax will be able to spend it on training that directly benefits them, so it creates a huge incentive for those employers who pay the levy to get maximum benefit from it by creating more apprenticeship, and I believe that it will have a powerful impact in her constituency.

**Byron Davies:** The importance of home-grown skills is clearly now even more important, given the result of the referendum last week. Considering the importance of EU funding to British universities, what steps is the Minister taking to ensure that universities and other major providers of skills in the UK are equipped and supported, following last Thursday’s vote?

**Nick Boles:** I agree with my hon. Friend. One of the results of the decision to leave the European Union is that we as a nation will have to do what we have done for hundreds of years, which is live by our wits and our talents, and we need to develop those talents by investing in education, in science, in research and in skills training. He is absolutely right about the crucial role that universities play—obviously, my hon. Friend the Minister for Universities and Science is leading on that—but we are working closely together to get more universities involved in providing degree apprenticeships, so that people can get degrees and rise to high positions through apprenticeships. [...]

[Apprenticeships: HC 3 May 2016](#)

**Vicky Foxcroft:** What steps the Government are taking to increase take-up of apprenticeships among (a) people with disabilities, (b) care leavers and (c) other disadvantaged groups. [904772]

**The Secretary of Business, Innovation and Skill and President of the Board of Trade: Sajid Javid:** We want to ensure that apprenticeships are accessible to the widest possible range of people. We are promoting reasonable adjustments for disabled learners and fully funding apprenticeship training for young people aged 19 to 24 with an education, health and care plan and for care leavers up to the age of 24.

**Vicky Foxcroft:** As the Government already have targets to increase the proportion of black and minority ethnic apprenticeships by 20%, does the Minister not agree that they should do the same for people with disabilities and for care leavers?

**Sajid Javid:** I agree that we should do all that we can, and we have made it a huge priority to help more individuals with learning difficulties and disabilities to take up apprenticeships. We have done this by providing guidance for individuals and working with employers to help them better to understand what more we can do. Our apprenticeship revolution will leave no one behind.

## 4.3 Written Questions

[HM Treasury: Apprentices: Taxation: 48753](#)

**Asked by Anna Turley**

**Asked on 14 October 2016**

To ask Mr Chancellor of the Exchequer, what assessment he has made of the adequacy of the timeframe to implement the Apprenticeship Levy; and what steps he is taking to ensure that businesses affected by the levy are given adequate time to make adjustments.

**Answered by Mr David Gauke**

**Answered on: 19 October 2016**

From April 2017 the government will introduce a levy to fund the step change needed to achieve 3 million apprenticeship starts and an uplift

in their quality by 2020. The systems required to implement this in time for April 2017 are on track and are being tested on a regular basis. This includes progress by both HM Revenue and Customs (HMRC), with regards to the collection of the levy, and from the Skills Funding Agency who are building the digital accounts for employers to access levy funds.

The Department for Education has issued guidance for employers regarding the apprenticeship levy. Further guidance, confirming the funding policy, will be published shortly. HMRC has also issued guidance to software developers to ensure that employers' payroll systems are ready for the apprenticeship levy and will publish further guidance for employers in December.

The government have been working with employers and training providers since the concept of the apprenticeship levy was introduced to ensure that it works for them. These conversations have played a major part in shaping how the apprenticeship levy will work and we will continue these discussions to assist employers and providers as they prepare for the introduction of the levy.

[Department for Education: Apprentices: 47388](#)

**Asked by Steve McCabe**

**Asked on 07 October 2016**

To ask the Secretary of State for Education, pursuant to the Answer of 13 September 2016 to Question 46284, what assessment she has made of the effect of apprenticeship standards on the productivity and growth of the UK economy.

**Answered by Robert Halfon**

**Answered on 17 October 2016**

Apprenticeships are a crucial way to develop the skills needed by employers. There is strong evidence that apprenticeships are already a good prospect for investment in terms of returns to individuals, to businesses and to Government. For each pound the Government invests in Level 2 and Level 3 adult apprenticeships, we receive economic benefits of £26 and £28 respectively over the rest of the learners' working lives.

By increasing the quality and quantity of apprenticeships to reach our commitment of 3 million starts in England by 2020, our goal is to secure greater benefits for more apprentices, employers and our economy. To increase numbers and improve access, we are focussing the work of the National Apprenticeships Service on communicating the benefits, and building strong relationships with a wider range of employers and intermediaries.

The 2020 Vision sets out the key elements of our strategy to further address skills shortages and stimulate economic growth through reforms to apprenticeships. .

Our strategy gives employers the opportunity to develop new apprenticeship standards to meet the skills needs of their sector. By increasing the relevance and quality of apprenticeships and developing the skills of workers, standards will ensure employers have the opportunity to develop and access the skills they need.

We are focusing development of apprenticeship standards where employers identify a skills need and demand exists, subject to suitability. In giving employers this freedom, we have seen increased appetite for standards at higher levels, where we know they add the most value. We have also seen standards developed in sectors where they have not been used before, ensuring the benefits are felt across the economy.

[Department for Education: Apprentices: 46452](#)

**Asked by Alistair Burt**

**Asked on 14 September 2016**

To ask the Secretary of State for Education, what steps the Government is taking to ensure that 16 to 18 year-olds take up apprenticeships.

**Answered by Robert Halfon**

**Answered on 10 October 2016**

Apprenticeships are paid jobs that give young people the chance to reach their potential; acquire transferable skills much valued in the labour market and the apprentice does not have to contribute to the costs of their learning.

We are encouraging a wide range of people into apprenticeships – our ‘Get In Go Far’ campaign is aimed at 14-24 year-olds, their parents, teachers and employers. This major four-year campaign aims to influence public perceptions, awareness and attitudes towards apprenticeships as a route into a successful career, encouraging more young people to apply and more employers to offer apprenticeship opportunities.

From May 2017, we have proposed giving employers and providers a cash payment each of £1,000 when they train a 16-18 year old, and we will fund 100 per cent of apprenticeship training costs for small employers with fewer than 50 staff when they employ 16-18 year old apprentices.

The National Careers Service provides independent, professional advice on careers, skills and the labour market, including on the benefits of apprenticeships and how to apply for vacancies.

[Department of Education: Apprentices: Taxation: HL1664](#)

**Asked by Lord Aberdare**

**Asked on 7 September 2016**

To ask Her Majesty's Government when employers in the devolved UK nations will start to pay the apprenticeship levy; and how funds raised from that levy will be made available to promote apprenticeships in the devolved nations.

**Answered by Lord Nash**

**Answered on 19 September 2016**

On 12 August, we published proposals for how apprenticeships will be funded in England from May 2017; these include how apprentices living elsewhere in the UK, but employed in England, will be supported.

Details are available at: <https://www.gov.uk/government/news/views-sought-on-plans-to-boost-apprenticeships>.

We are committed to publishing final funding rates and rules for England by the end of October. Discussions are taking place with devolved administrations to ensure that apprenticeship funding works for employers wherever they are in the UK, when the levy is introduced.

The apprenticeship levy will be payable at 0.5% of pay bill by employers across the whole of the UK. An allowance of £15,000 means that only employers with a pay bill of more than £3 million per year will pay the levy, less than 2% of employers. The levy will come into effect on 6 April 2017.

The UK government has made a commitment that the devolved administrations will receive a fair share of the levy, and discussions are ongoing to deliver this outcome. As skills policy is devolved it is for the devolved administrations to decide how they will fund apprenticeships in their nations.

[Department of Education: Apprentices: 45105](#)

**Asked by Gordon Marsden**

**Asked on 6 September 2016**

To ask the Secretary of State for Education, if she will hold discussions with HM Treasury on the potential to fully fund apprenticeships for 16 to 18 year olds from savings accrued as a result of the introduction of the Apprenticeship Levy.

**Answered by Robert Halfon**

**Answered on 12 September 2016**

The department and HM Treasury have worked closely together on the development of the apprenticeships funding policy and plans for implementation of the Levy, including the digital apprenticeship service.

Our proposals for how apprenticeships will be paid for in England in the future will simplify the current complex funding system by introducing a

single funding cap for individual apprenticeship framework pathways, regardless of the age of the learner or geographic location.

We expect the proposals will also include incentives for employers taking on younger apprentices - funding 100 per cent of apprenticeship training costs for small employers (with fewer than 50 staff) that don't pay the levy when they employ 16-18 year old apprentices; and providing a £1,000 cash payment to both the employer and training provider to help with the extra costs of supporting apprentices in this age group.

[Department of Education: Apprentices: Small Business: 44564](#)

**Asked by Karin Smyth**

**Asked on 2 September 2016**

To ask the Secretary of State for Education, what steps she is taking to ensure incentives and support packages meet the needs of small businesses in order to increase their ability to take on apprentices.

**Answered by Robert Halfon**

**Answered on 12 September 2016**

We want to continue to support small employers to take on younger apprentices and so propose that employers with fewer than 50 people working for them will be able to train 16 to 18 year old apprentices at no cost.

We propose to extend this to small employers who take on a 19 to 24 year old apprentice who was formerly in care or has a Local Authority Education, Health and Care plan. The government will pay 100% of the apprenticeship training costs for these individuals. Further funding detail and provisional funding rates were published in August.

Since April, employers have not been required to pay employer National Insurance contributions for almost all apprentices aged under 25 up to the Upper Secondary Threshold (£827 per week in 2016-17).

This change makes the business case for apprenticeships even stronger, reducing the cost of employing a young apprentice by over £500 a year on a salary of £12,000, and over £1,000 a year on a salary of £16,000.

[HM Treasury: Apprentices: Taxation: 42076](#)

**Asked by Stephen Timms**

**Asked on 6 July 2016**

To ask Mr Chancellor of the Exchequer, what assessment he has made of the potential merits of excluding agency workers from the pay bill when determining a company's liability for paying the Apprenticeship Levy due to such workers' ineligibility for apprenticeships.

**Answered by Mr David Gauke**

**Answered on 11 July 2016**

Where an employment agency supplies labour to a client and pays Class 1 secondary National Insurance contributions for those workers, they will be liable to pay the levy, providing their annual pay bill exceeds £3million.

The government recognises the important contribution that contingent labour makes to the economy, however, excluding agency workers would create adverse incentives to hire all staff off-payroll.

The government will support all employers in using the levy funds to invest in apprenticeships and the Department for Business Innovation and Skills is working with employers to create apprenticeships across all sectors.

[Department for Business, Energy and Industrial Strategy \(formerly BIS\):  
Apprentice: Taxation: 34733](#)

**Asked by Kevin Brennan****Asked on 19 April 2016**

To ask the Secretary of State for Business, Innovation and Skills, whether employers who pay the proposed apprenticeship levy and provide training will be able to use levy vouchers in their own organisations.

**Answered by Nick Boles****Answered on 25 April 2016**

Employers will be free to spend levy money on apprenticeships training which they judge best meets their needs. If the employer is a registered training provider, they could use the levy money on in-house training which meets the required quality standards for an apprenticeship.

Where an employer wishes to provide their own in-house training, they must be registered on the Skills Funding Agency's Register of Training Organisations. All providers are subject to inspection and reports by Ofsted on apprenticeship training provision.

[Department for Business, Energy and Industrial Strategy \(formally BIS\):  
Apprentices: Taxation: 34040](#)

**Asked by Gordon Marsden****Asked on 14 April 2016**

To ask the Secretary of State for Business, Innovation and Skills, whether apprenticeship levy funds will be usable to pay for qualifications embedded within apprenticeship standards.

**Answered by Nick Boles****Answered on 19 April 2016**

Employers will be able to use their levy funding (up to a maximum which will depend upon the standard or framework that is being trained

against) to cover the costs of an apprentice's training, assessment and certification. Apprenticeship training can either be on an apprenticeship standard, or on an apprenticeship framework.

Where a qualification is a requirement for achieving the standard or framework employers will be able to use levy funds to pay for the qualification. Levy funding cannot be used to fund other qualifications.

#### **4.4 Committee inquiry on Apprenticeships**

The House of Commons Sub-Committee on Education, Skills and the Economy, which is formed from sub-committees of the Education Committee and the Business, Innovation and Skills Committee (now the Business, Energy and Industrial Strategy Committee), is currently running an inquiry into apprenticeships. Oral and written evidence received by the Sub-Committee can be found on [its website](#).

## 5. Further Reading

### 5.1 House of Commons Library briefings

[Apprenticeship funding: where are we now?](#), Second Reading, 8 September 2016

[Adult further education funding in England since 2010](#), House of Commons Library, 16 September 2016

[Apprenticeship statistics: England \(1996-2015\)](#), House of Commons Library, 13 July 2016

[The Apprenticeship levy](#), House of Commons Library, 6 May 2016

[Apprenticeship policy, England 2015](#), House of Commons Library, 8 March 2016

### 5.2 Details of apprenticeship policy changes

[Apprenticeship Funding in England from May 2017](#), Department for Education, 25 October 2016

[Apprenticeship funding: how it will work](#), Department of Education, 25 October 2016

[Supporting quality and employer choice through a new register of apprenticeship training providers](#), Skills Funding Agency, 25 October 2016

[Equality analysis: apprenticeship funding policy from May 2017](#), Department for Education, 25 October 2016

### 5.3 Other material

[English Apprenticeships: Our 2020 Vision](#), Department for Business, Innovation and Skills, December 2015

[It's time for an Apprentice Premium](#), Learning and Work Institute, 14 October 2016

[Three Million careers: Making the Apprenticeship Levy Work](#), Learning and Work Institute, October 2016

[Consultation on Apprenticeship Levy](#), Association of employment and learning providers (AELP), 8 October 2015

[TUC unionlearn Apprenticeship Levy submission](#), TUC, 7 October 2015

[CBI response to the government's consultation on the introduction of an apprenticeship levy](#), CBI, September 2015

[Where next for apprenticeships?](#), CIPD, August 2016

[Make or Break: Getting Apprenticeship reform right for small business](#), Federation of Small Business, August 2016

[Apprenticeships: developing skills for future prosperity](#), Ofsted, 22 October 2015

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