



A City & Guilds Group Collaboration



# Making the apprenticeship levy work for you

A strategic guide to help your business  
get the most from the apprenticeship levy

# What's in this guide and why it's important for your business

The apprenticeship reforms offer you and your business more opportunity to directly drive the skills and training needed giving:

- control in designing apprenticeship programmes
- flexibility in delivery
- ability to control how funding is spent
- increased effectiveness of workplace training.

This guide helps you plan for using your levy payment so you can support productivity and get the greatest ROI for your business. Our team of workforce development experts have put together a series of actions and considerations for developing and delivering successful apprenticeship programmes to meet your business strategy.

And if you need more help or would like a tailored approach we're on hand to support. Email us at: [apprenticeships@cityandguilds.com](mailto:apprenticeships@cityandguilds.com)



## What's the apprenticeship levy?

Introduced by the Government in 2017, the levy is payable by all UK employers with a pay bill over £3m. No company is exempt and it's expected to generate £3bn by 2021. Levy funds should only be used for training and assessment of apprentices, including end-point assessment (EPA). They cannot be used to pay for apprentice wages, travel costs or capital expenditure. If you don't spend your levy fund after 24 months, the Government will remove it from your account to use elsewhere in the budget system.

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# Steps to optimise your levy

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# 1. The levy: what can it mean for your business?

While the levy might be a significant cost for your business, it can also present a great opportunity to drive new skills and enhance productivity. Some businesses are seeing the levy as a tax rather than an opportunity. What is your plan to ensure you utilise it for maximum impact and benefit?



## Things to consider

- *Has the opportunity and possible cost benefits been presented to your finance and senior management teams?*
- *The value of the levy versus your current spend on training. Can you use the levy to support your current training provision by moving into apprenticeship programmes?*



Remember, apprenticeships apply to all employees, not just young people or new recruits.

## 2. Your people plan: what skills do you need and where are the gaps?

Does your business have the right skills and talent in place to respond to an ever-changing world?

Once you're clear on your skills gaps and on-going skills requirements, we can help you identify where apprenticeships align to support your people plan.



### Things to consider

- *Develop or refer to your HR people plan across the whole organisation.*
- *Is there a need to develop new roles?*
- *Will your current training provision meet future talent pipelines?*
- *Where do you have recruitment challenges and how can internal progression through apprenticeships help to alleviate this and build talent from within?*
- *Have HR and Senior Management teams aligned business goals with workforce development programmes? By doing this, the business will be able to identify skills gaps and thereby recruitment opportunities.*



Read our

[People Power report](#)

To find out the impact of the skills crisis in UK industries and how it's affecting businesses with recruiting and training skilled workers.

## 3. Can you embed apprenticeships into your current training programmes?

If you offer existing training programmes you can map apprenticeship standards to job roles to support progression and keep staff engaged. And if your training programme is delivered as an apprenticeship you can use your levy to fund the delivery and assessment.

If you don't have existing training programmes, or have identified a skills gap, reviewing the apprenticeship standards may help identify where there are opportunities to recruit apprentices.

Have you considered all areas of your business where training can add value? Don't forget, apprenticeships offer opportunities from entry level up to leaders and managers. Find out about the apprenticeships we offer at: [cityandguilds.com/apprenticeships](http://cityandguilds.com/apprenticeships) or [i-l-m.com/apprentice](http://i-l-m.com/apprentice)



### Things to consider

- *Where can apprenticeships be introduced? Review alignment of any recent and future recruitment strategies and progression opportunities against apprenticeship standards.*
- *Map and plan future training against apprenticeship standards in order to maintain a seamless business as usual approach. When looking at financial planning, ensure you have checked the funding band for each apprenticeship. Remember to calculate the number of apprentices you can afford under the levy or the additional investment required under the co-investment model if exceeding the levy allowance.*
- *Consider offering new vacancies as apprenticeship opportunities.*
- *Consider offering Level 3 apprenticeships and above as a promotion route.*
- *Consider switching your graduate recruitment programme to a high level apprenticeship programme.*
- *20% off-the-job training must be within an apprentice's paid hours. It doesn't need to be away from the workplace.*

## 4. Ensuring your skills strategy is measurable

The aim of any learning programme, especially apprenticeships, is to achieve productivity and measurable return on investment (ROI). It's important to look at how you can measure the quality and success of your apprenticeship strategy.



### Things to consider

- What does success look like? Have you set objectives that directly align with your business strategy? You might measure performance based on the following data and information:
  - staff engagement – have you seen a reduction in staff absences? How is the wider business engaging with the training programme?
  - employee satisfaction – has the programme impacted employee satisfaction across the business? This is commonly tracked through employee surveys and feedback through HR.
  - business values – how are staff adhering to business values? For example, are you seeing new behaviours such as innovation or leadership?
  - commercial results – are you meeting and exceeding commercial targets?
  - business efficiency and productivity – have you seen an increase in productivity?
  - staff retention – how long do apprentices stay in the business after their apprenticeship? Has staff retention increased across the organisation?
- How will you report on performance and regularly review the programme? You may decide to make changes or improvements depending on the results of the reviews.

Being able to quantify the success of your skills strategy can help attract people to your business and gives visibility into their career growth and development with you.



## 5. Which apprenticeship delivery route is right for you?

Your business has the choice between:

1. applying to be listed on the Register of Apprenticeship Training Providers (RoATP) and becoming a provider to deliver the training yourself
2. selecting a college or training provider from the RoATP to partner with.

### **1** Independent delivery of an apprenticeship

If you intend to become an employer-provider and deliver your own apprenticeships, you must apply to be listed on the RoATP. You won't be able to access levy funding to deliver apprenticeship training if you're not listed on the RoATP. And you'll need to reapply every 12 months.



### Things to consider

- You'll need to be prepared for full Ofsted inspections.
- You'll need your own data system to make Individualised Learner Record (ILR) returns to the Education and Skills Funding Agency (ESFA) on a monthly basis.
- As an employer-provider you won't be included on the Government's apprenticeship service [\(AS\) search tool](#), a tool which enables you to see ratings for employer and apprentice satisfaction.

Speak to us if you need support and advice determining the best delivery method for your business  
[apprenticeships@cityandguilds.com](mailto:apprenticeships@cityandguilds.com)



## 2 Partnering with a college or training provider

Providers and colleges can support your business with recruitment, on- and off-the job learning and preparation for assessment (called end-point assessment or EPA). You both must agree on how the apprenticeship will be delivered and assessed as well as agreeing on a fee and payment schedule, which needs to be put into a legal contract. Funds will be transferred directly from an account on the apprenticeship service (AS) to the provider.

The AS allows you to:

- view your levy balance
- view statements, including monthly contributors and expenditure
- calculate how many apprentices you can hire using your levy
- find approved local providers who can deliver your apprenticeship.

## i Things to consider

- Ensure your chosen training provider or college has the capability and capacity to deliver the apprenticeships you want.
- Determine what quality service training provider to use that on the RoATP – we can support with this.
- What is your due diligence process to review how the provider is rated? Use the Government's [\(AS\) search tool](#) to compare providers.
- Determine the EPA delivery method and assessment organisation.
- If your provider delivers all of the apprenticeship, you won't be responsible for Ofsted inspections.
- You'll still need to collate evidence of delivery, but your provider will manage the overarching audit trail of apprentice progress and associated files.
- You won't need to manage monthly ILR returns to the ESFA, your provider can manage this for you, but you are required to provide information.



## 6. Choose your end-point assessment organisation

Your business has the right to decide which end-point assessment organisation (EPAO) to work with. You'll want to give your apprentices every chance to succeed and choosing the right EPAO is part of that. EPAOs are approved globally and can be found on the EPAO register.



### Things to consider

#### Experience in delivering assessment

*An organisation that has experience of taking people through the assessment process, using a range of methods, will understand what does and doesn't work. Your EPA organisation should be able to demonstrate and describe the robust systems and quality assurance processes for their service.*

#### Support for you and your training provider

*Find out if there are resources and learning tools to help prepare apprentices during their programme and as they approach EPA:*

- *on-programme support material*
- *sample assessments and resources to help apprentices prepare for EPA*
- *resources that help mentors and trainers work with apprentices in the run up to EPA*
- *an EPA team that will collaborate with you and your college or training provider.*

#### Breadth and flexibility of the offer

*Understand the needs of your business, for example, do you need a breadth of apprenticeships or do you need to accommodate shift patterns? It's unlikely that any EPA organisation will offer services in every standard as they have to work in key markets for which they have the capacity and capability. So while you'll probably want to work with as few organisations as possible, make sure you're confident in the quality for each standard where you work with them.*

## Pricing

*EPA organisations may seem to deliver at the same price point – it's a competitive market – but check what's included in the cost. What sort of materials and delivery methods are you getting and how does the organisation help you to manage the assessment process for example? All this and more can help you figure out where you can get value for money.*

## Maths and English support

*Each apprenticeship standard sets a minimum level of maths and English so getting the right training in this is crucial. The main reason apprentices don't get to gateway is that they don't meet the maths and English requirements. So look for an EPA organisation that offers high-quality, effective resources and relevant support, either embedded in their apprenticeship offer or as additional resources.*

## Assured recognition service

*You might have in-house training that can help to track an apprentice's progress against the standard. Or simply take the opportunity to benchmark the internal programmes you've developed. We're able to Assure your training programmes and this can add value to your training by demonstrating your commitment to excellence.*



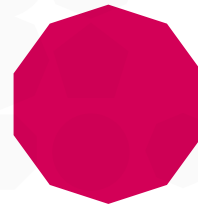
## 7. Ensuring readiness to deliver

The aim of any learning programme, especially apprenticeships, is to achieve productivity and measureable ROI. As part of developing apprenticeship programmes you'll want to make sure your existing staff can support the training and planning strategies.



### Things to consider

- *Determine if staff require leadership and management coaching or training to effectively support and manage apprentices and assess their knowledge and competency.*
- *Implement a strategy for training internal staff, mentoring and coaching.*
- *Decide how to manage and monitor the apprenticeship programme.*
- *Make sure your internal systems, facilities and equipment are in place as per the requirements of the apprenticeship programme.*





## 8. Speak to us

### What we do

We help make the apprenticeship levy work for your business.

City & Guilds has over 100 years of experience working with private and public-sector businesses, tailoring solutions that you can trust to deliver the best for your business.

As a market leader in technical training and education, we lead the way in supporting the employer groups who are developing apprenticeship standards. We assist them with shaping assessment plans and develop quality on-programme tools to keep learning at the heart of apprenticeships and offer an end-point assessment service that is fair, rigorous and high quality.

### How our team of dedicated workforce development experts help you

- Understand the levy, calculate your allowance and help finance and senior management teams determine how it can be allocated in line with your business and recruitment strategies.
- Review current training provision and map to apprenticeship programmes, providing a seamless business as usual transition.
- Choose the right apprenticeship standard and provide a programme of learning to prepare the apprentice for end-point assessment.
- Understand the options available and how to implement and deliver your apprenticeship programme.

### We also have solutions for nurturing your talent

- Apprenticeship on-programme learning.
- End-point assessment of apprenticeships.
- Off-the-shelf qualifications.
- Recognition of your in-house training programmes with our Assured service.
- Recognition of training materials.
- Technology solutions and e-learning.

Speak to us if you need support and advice determining the best delivery method for your business  
[apprenticeships@cityandguilds.com](mailto:apprenticeships@cityandguilds.com)





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