



Connect

with Easton and Otley College

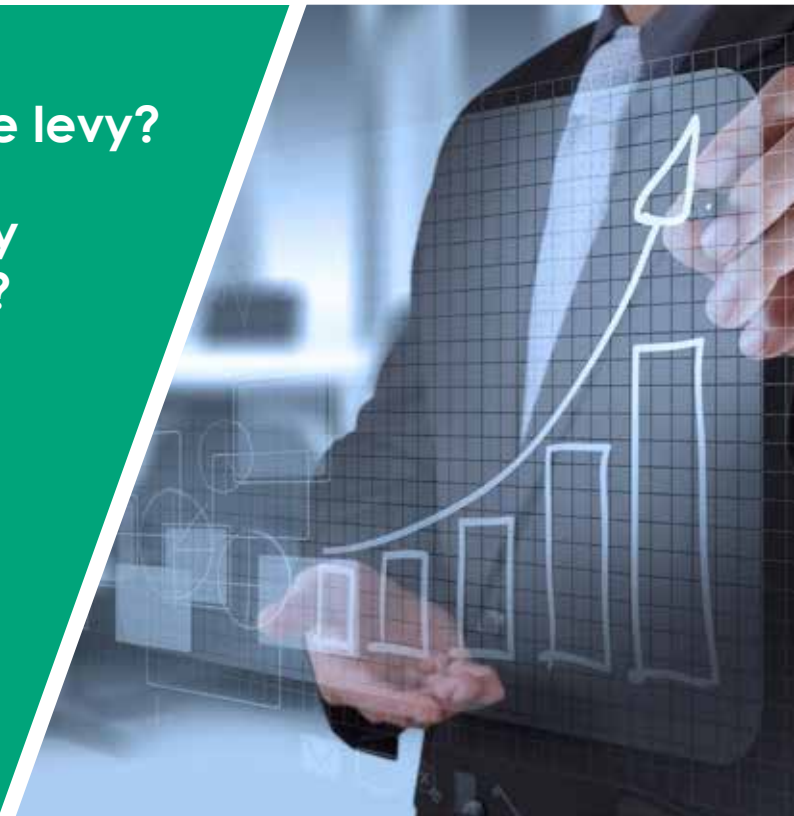
YOUR GUIDE TO THE APPRENTICESHIP LEVY

Is your business paying the levy?

Are you aware of how levy payments are calculated?

Are you spending the levy effectively?

Do you know government funding is available to support non-levy payers?



This is an initial guide to support employers wanting to recruit apprentices with Easton and Otley College.



WHAT IS THE APPRENTICESHIP LEVY?

The apprenticeship levy came into effect in April 2017 with first payments being made into the Apprenticeship Service (AS) in May 2017. The levy affects all organisations with an annual payroll over £3 million (including charities) whether or not you employ apprentices.

Changes have also been made to funding bands and there is now no upper age limit for undertaking an apprenticeship which means you can upskill your current staff with the levy.

DO I HAVE TO PAY THE LEVY?



If your pay bill is over £3M you will pay the levy at 0.5%



Employer to register on the Apprenticeship Service (AS)



Funds made available via AS account plus Government 10% top up



Funds can only be utilised towards the cost of apprenticeship training



Process repeats each financial year

HOW MUCH LEVY WILL I PAY?

You will pay the levy on your entire pay bill at a rate of 0.5%.

Your contribution calculation method:

A = No of employees

B = Average Gross Salary

C = Payroll bill (A x B)

C x 0.5% = Levy sum payable

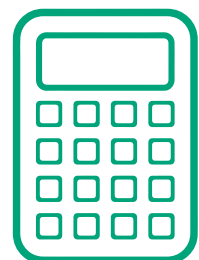
Example:

An employer has 200 employees, each earning a salary of £24,000.

200 (A) x 24,000 (B) = 4,800,000 (C)

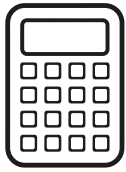
4,800,000 (C) x 0.5% = 24,000

(less Government credit of £15,000)



NON-LEVY PAYERS – HOW CAN I RECRUIT APPRENTICES?

If your business does not pay the levy you can access Government funding towards supporting apprenticeships within your organisation. You will be required to contribute 10% and the Government will fund the remaining 90%.



Example:
If cost of training
= £18,000

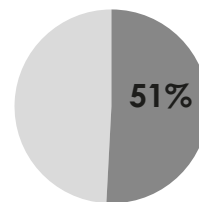
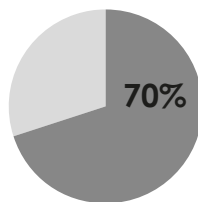
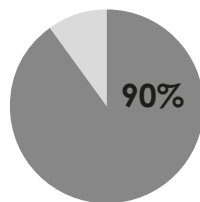


Employer contribution (10%)
= £1,800

Government contribution (90%)
= £16,200

WHY SHOULD I INVEST IN APPRENTICES?

- Apprentices can be any age - upskill your current staff to gain competitive advantage
- 90% of apprentices stay in work post apprenticeship
- Over 70% of apprentices stay with their employers
- 51% of companies said average time for an apprentice to reach management was 5 years or less



HOW CAN I SPEND MY LEVY OR GOVERNMENT FUNDING ON APPRENTICESHIPS?

Don't waste your levy/government funding, it can be used in any part of your business and with any of your staff. Our engagement team can support you in maximising apprenticeship spend by identify training and development needs within your business to give you clarity on developmental pathways helping you stay ahead of the competition.

Apprenticeship	Total Cost (Levy Payer)	Total Cost (Non-Levy Payer)	Duration
Customer Service Practitioner	£4,000	£400	12 months (minimum)
Golf Greenkeeper	£6,000	£600	20-24 months (minimum)
Heavy Vehicle Service & Maintenance Technician	£18,000	£800	36 months
Team Leader/Supervisor	£5,000	£500	24 months (minimum)

HOW CAN EASTON & OTLEY COLLEGE SUPPORT YOU?

Our Business Engagement Team can identify your organisational training and development needs to enable the delivery of high quality training programmes.

We provide:

- **Impartial Advice on levy and non-levy funding**
- **Organisational Needs Analysis**
- **Free Recruitment Service**
- **Flexible Delivery by experienced professionals**
- **Upskill and reskill of existing employees**
- **Accredited training delivery**
- **Employer Mentor Training**

Peter Beales

“We appreciate the professional support Easton & Otley College have provided, working with us to develop a training programme for our growing business”

Ian Limmer - Nursery Manager Peter Beales Roses



“Easton and Otley takes our raw talent and consistently turns them into highly prized employees”

Simon Power - Commercial Manager Vets 1 Group



“The team at Easton and Otley always take the time to understand exactly what our requirements are, and their understanding of the industry we are in really adds value to any employer”

Suzanne Smith - Head of Organisational Development Anglia Farmers Ltd

Connect with us to drive your business forward:

- connect@eastonotley.ac.uk
- www.eastonotley.ac.uk
- 08000 224 556

