

Apprentices can climb a ladder of

opportunity at Chelmsford College

Training schemes set for cash boost

In December 2015 the Government published its 2020 Vision for apprenticeships. The key outcomes for this vision were to achieve three million new apprenticeships, to improve the quality and quantity of apprenticeships by 2020.

Skills shortages are a big threat to UK employers. UK job numbers are projected to rise by about 1.8 million between 2014 and 2024.

Training young people in up-to-date relevant skills that are in demand is big business.

At present, there are more than 100,000 employers employing apprentices in more than 200,000 locations.

The Minister of State for Apprenticeships and Skills, Robert Halfon, said: "Apprenticeships work, that's a fact. We know that 90 per cent of apprentices go on to a job or further education. That's why the reforms we are making to apprenticeships are so important. They will upskill the nation and give millions, including some of the most disadvantaged, a ladder of opportunity to high-quality jobs."

About 75,000 16 to 18-year-olds undertake an apprenticeship through their local college every year.

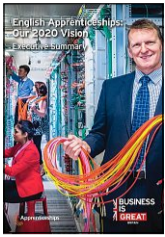
Chelmsford College trains 370 of these apprentices a year.

From April 1, a new tax – the Apprenticeship Levy – will be introduced.

Alison Wolf had made a case for introducing a levy in her report Fixing a Broken Training System, which was published in July 2015.

Compared with other countries, the UK's employers invest less in training and there has been a rapid decline of investment over the past 20 years.

Mr Halfon said: "Our apprenticeships, technical and further education reforms will provide the boost we need to



English Apprenticeships - Our 2020 Vision

become a world leader on apprenticeships and help make Britain a country that works for everyone.

The levy is a way to sustainably fund an increase in investment in apprenticeships. It's expected that the levy will have raised £3 billion across the UK by 2019-20.

If you're an employer, here's how it works: "The levy means employers who have a gross pay bill of over three million pounds will be able to earn their tax back by recruiting apprentices in their business."

A new Digital Apprenticeship Service Account means your contributions will be kept track of and you'll be entitled to receive digital vouchers for training.

The advantages of training an apprentice are many from recruiting new, enthusiastic and motivated employees which boosts staff morale to future-proofing your business with employees trained in how things work, your way.

Seventy-five per cent of employers surveyed in 2016 said apprenticeships improved the quality of their product or service.

In financial terms, returns for apprentices over their working lives can make a difference of



LEADERS: The Chelmsford College senior management team

POSITIVE: Antony Jenkins, shadow chairman of the Institute for Apprenticeships

£48,000 to £74,000 for level 2 apprenticeships; £77,000 to £117,000 for level 3 apprenticeships and for those completing an apprenticeship at level 4 or above £150,000 over their lifetime (AAT and CEBR (2015)).

Andy Sparks, principal of Chelmsford College, said: "The more you invest in yourself – with the right training and education – the more likely it is you will command a higher salary and be in a stronger position for promotion."

"At Chelmsford College we encourage all our students to think about their next step, providing free advice and support wherever they may be on their career journey."

The Government is investing more in its drive to improve apprenticeships.

At the end of January board members were appointed to create a new Institute for Apprenticeships (IFA) ready to open its doors next month, to drive the development of apprenticeships.

Antony Jenkins, Shadow Chair of the Institute for Apprenticeships, said: "Apprenticeships can change lives. They are powerful drivers for social mobility and the engine of a future skills workforce that is robust and returns on investment for employers and apprentices alike. The Institute for Apprenticeships will give employers a stronger role in the



REFORM: Minister Robert Halfon calls the changes "a ladder of opportunity to high-quality jobs"

leadership of the apprenticeship system, ensuring employees get the skills they need to succeed and the best apprenticeship possible."

In efforts to improve the quality of apprenticeships, new "standards" will also be introduced from April.

Employers have worked together to agree upon what should be included in their apprenticeship qualifications.

It's more of a tailor-made system, so apprenticeships are in employers' hands.

Employers get the skilled employees they need and apprentices get valuable, relevant training.

"Standards" is the term to describe the new framework that



PRODUCTIVITY BOOST: Sue Husband, director of the National Apprenticeship Service

out expectations and contractual obligations for both the employer and apprentice.

Skills will be transferable wherever possible and include "behaviour skills" such as communication, interpersonal skills and creativity.

Every apprenticeship will include an "end point assessment" – a test – before a certificate can be awarded.

English and maths are core skills present throughout and each new standard will have a progression route, so an apprentice may continue to "earn and learn" to degree level (and sometimes beyond) if they wish.

Apprenticeship Agreements have become Statements of Commitment and basically set

delivery of the apprenticeship, to ensure it meets their needs. Reforms include employers developing apprenticeships standards and changes to how apprenticeships are funded.

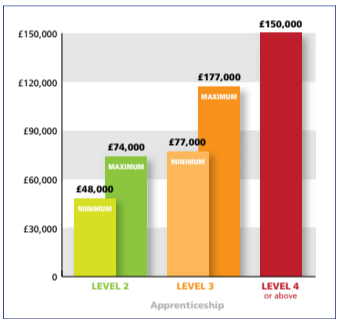
"These important changes will bring about the biggest revolution in apprenticeships in the last 40 years – and these significant reforms will put employers more in control of the skills they need for their business to succeed."

In summary, April marks a big change in UK apprenticeship history. These changes are intended to bring bigger benefits for apprentices and employers, to boost the economy and even the keel when comparing the UK with other countries' apprenticeship investment.

There has never been a better time to employ an apprentice.

With employers' backing, new systems and greater investment, the quality, diversity and industry-relevance of apprenticeships is set to steadily grow. Next week, the UK will celebrate the tenth anniversary of National Apprenticeship Week – a week designed to raise awareness of apprenticeships and showcase the very best on offer. Look out for how Chelmsford College will be marking the occasion.

For more information, please call Chelmsford College's employer engagement team on 01245 296010 or email information@chelmsford.ac.uk



Differences in returns made for apprentices over their working lives

How it Works

Does your annual wage bill come to £3 million (gross) or over?

NO YES

Does your business have less than 50 employees?

YES NO

Will you employ an apprentice aged under 19?

YES NO

You won't pay anything if you employ apprentices under 19. You'll also receive a £1,000 payment with an additional £1,000 for the training provider you choose to work with. The Government will ask you to pay this directly to the provider and you will be able to spread it over the lifetime of the apprenticeship, to a schedule you agree upon.

From April 2017 you'll have to pay 0.5% of your gross pay bill (this doesn't include NI or pension contributions) each month. This is offset by a £15,000 allowance. You can "earn back" your levy by delivering apprenticeships.

There will be an online tool to help you calculate the tax. It will be paid to HMRC through the PAYE process alongside tax and NICs. You will have to declare if you think you will be paying the levy and include it in usual PAYE payment to HMRC by 19th (or 22nd if you report electronically) of the following month. The first submission to declare will be in May. These payments will be allowable for Corporation Tax.

The allowance operates on a monthly basis, leaving you £1,250 a month. This can only be spent on government approved apprenticeships. Any unused allowance is carried forward to the next month.

The allowance will expire 24 months after it enters the account unless spent on training.

If you are a levy paying employer and spend your entire levy and 10% Government top-ups, the Government will co-fund any additional apprenticeship funding. As the employer, you will pay a percentage for additional apprenticeship training after your levy is used, and the Government will also contribute to this.