



Herefordshire &
Ludlow College

**Levy Payers Guide to Apprenticeships and Spending
your Levy**

APPRENTICESHIPS AT HEREFORDSHIRE & LUDLOW COLLEGE

Thank you for considering taking on an apprentice via Herefordshire & Ludlow College. Here at the College we have been running apprenticeships for over 50 years and we offer a wide range of apprenticeships across many different occupational areas and sectors. We are an Approved Training Provider, which means we have been approved by the government to deliver apprenticeships for both levy and non-levy paying employers. We can help you to get the most out of your investment and train your apprentice to national standards, helping them to become a productive member of your workforce.

This levy paying employer's guide takes you through what you need to know and what you need to do in order to access and spend your levy with Herefordshire & Ludlow College.

Everything you need to know about apprenticeships

Our Apprenticeship Handbook for Employers is available to download from our website at www.hlcollege.ac.uk, and then click on "Apprenticeships" under the "Employers" tab on the home page.

The Apprenticeship Handbook for Employers will explain the benefits of taking on an apprentice, the different types and levels of apprenticeship available, the associated costs, how to go about recruiting an apprentice, the services that the college will provide and the responsibilities of the employer.

If you are new to apprenticeships then we would recommend that you read through the handbook first.

What are the costs of an apprenticeship?

All current Apprenticeship Frameworks and new Apprenticeship Standards have been allocated to one of 15 new funding bands, which identify the level of government funding available for that particular Framework or Standard. In the case of levy payers, it identifies the training costs for the apprenticeship to be met from the levy.

Your levy funds can only be used to cover the costs of apprenticeship training and end point assessment, and this must be through an approved training provider such as Herefordshire & Ludlow College. It can't be used on other costs associated with the training, such as wages, statutory licences to practice, travel and subsidiary costs, managerial costs or the costs of setting up an apprenticeship programme.

The funding band allocations for all apprenticeships, both Frameworks and Standards, can be found under;

<https://www.gov.uk/government/publications/apprenticeship-funding-bands>

You are a levy payer if your annual wage bill is greater than £3m.

As a large employer you will pay the apprenticeship levy, regardless of whether or not you take on any apprentices. The levy is calculated as 0.5% of that part of your annual wage bill that is over £3m. Your annual wage bill for levy purposes is calculated based only on those employees with an English home postcode whose earnings are subject to Class 1 National Insurance contributions. The levy is paid through the PAYE system monthly and the monies are deposited into an online digital account known as the “Manage Apprenticeships” service, and can be used to pay for some or all of the costs of training. You can attach more than one PAYE scheme to the same levy account where you have apprentices being paid through more than one PAYE scheme.

As a large employer, you will be required to pay 100% of the cost of training for the apprentice, regardless of their age and up to and including the total amount you have available in your on-line levy account. The cost of the training is as defined by the relevant funding band that the Apprenticeship Framework or Standard has been allocated to.

Once all the available funds in your levy account have been spent on apprenticeship training, any further training over and above this amount is subsidised by the government at a rate of 90%, which means that you will only have to contribute 10% of the training costs thereafter. This is known as the “co-investment” model and is the same model as is used for non-levy paying employers. In such cases, the college will invoice you directly for the 10% contribution payments.

The money in your levy account “expires” 24 months after it was initially paid in, which means if it is not spent on apprenticeship training through an approved training provider such as Herefordshire & Ludlow College, it will be collected by the government.

The government will allow you to transfer up to 10% of the annual value of funds in your account to other employers (such as those in a supply chain). The government will also top-up the monies in your levy account by 10% each month, so that for example, if £10,000 was paid into your levy account each month, the government would add a further £1,000 to be spent on apprenticeship training, up until the 24 month cut-off period.

However, if you recruit an apprentice who is 18 or under at the start of their apprenticeship, or an apprentice who is aged 19 to 24 who has previously been in

care or who has a Local Authority Education, Health & Care Plan (EHCP) then you will receive £1,000 from the government, via the college, to help towards your additional costs in supporting that apprentice, paid in equal instalments after 3 months and 12 months. This £1,000 can be used to offset your initial 100% contribution.

If the apprentice is required to achieve a Level 1 or 2 Maths and / or English qualification (GCSE or Functional Skills) as part of their apprenticeship, where they do not already hold such qualifications, it will be necessary in such cases for you to release the apprentice from work in order for them to attend the relevant maths and / or English classes to achieve this element of the apprenticeship. There is no additional cost or fee to the employer for this. Such classes are normally delivered on a 3 day block basis for each English or maths Functional skill required.

How to Access, Manage and Spend your Levy

Step 1 – register your levy account

In order to access and spend your levy, you first need to register with the government's on-line "Manage Apprenticeships" service.

Go to: <https://manage-apprenticeships.service.gov.uk/>

To access and spend your levy funds you will first need:

- the Government Gateway login details for your PAYE schemes (ask your payroll department if you don't have access to this)
- your organisation's Companies House number or Charity number (only if your organisation has one)

Follow the instructions to register with the service. Once you have registered you can log in to the service and view and access your levy.

When you first log on as a registered user for the first time, you will need to enable your spending by signing the apprenticeship agreement between yourself and the Education and Skills Funding Agency. Click on the "sign an agreement" hyperlink and then "view agreement".

Click on "Continue to Agreement", read through the agreement and then scroll to the end and click on "sign now".

On the next screen you should see confirmation that the agreement has been signed and your spending status has now changed to "spending enabled".

Step 2 – view and monitor your levy funds

On the home page click on “Finance”. This will then show the amount of funds you currently have in your levy account. You can click on the back arrow to see previous months’ transactions. Clicking on “details” will provide a breakdown of levy payments and any government top-ups paid.

Your English percentage is provided by HMRC based on the data in your payroll submissions. It represents the proportion of your payroll that's paid to your employees that live in England.

Step 3 – add other connected organisations and additional PAYE schemes

On the home page click on “your organisations and agreements”. You should see your organisation already listed as an organisation eligible to contract with a training provider for apprenticeships, based on the details you supplied during the registration stage.

If you wish to add connected organisations who you are allowing to access and spend your levy then click on “add new organisations” and follow the instructions.

For a definition and explanation of “connected organisations”, click on the “connected organisations” hyperlink.

You can also add additional PAYE schemes via the “PAYE schemes” option on the home page where you have apprentices being paid through more than one scheme.

Step 4 – give permissions for other people to access or administer your levy account

On the home page click on “your team”.

Here you can provide details of other people who are permitted to access or administer your levy account. There are three levels of permission;

- View information but can't make changes
- Add apprentices and view information
- Accept agreements, view information and manage PAYE schemes, organisations, apprentices and team members

You may wish to add permissions to other people in your organisation to view or to add apprentices or you may wish to allow Herefordshire & Ludlow College to add apprentices on your behalf as part of our service to levy paying employers.

If you wish to provide access to the college then please contact us to discuss further.

To add permissions, click on “Invite a new member” to add someone to the account, and then supply their e-mail address and click on the required level of access.

Step 5 – find out what apprenticeships Herefordshire & Ludlow College can offer

The best way to find out what apprenticeships are available at Herefordshire & Ludlow College is to take a look at our website, www.hlcollege.ac.uk and click on “Apprenticeships”. This will list, by sector, the full range of Apprenticeship Frameworks and Standards we offer, with further details about each one available by clicking on the relevant apprenticeship title. You can also access information about the full range of Apprenticeship Standards currently available nationally, including summaries and assessment plans, by visiting <https://www.gov.uk/government/collections/apprenticeship-standards>

Alternatively you can call us on 0800 032 1986 or email: enquiries@hlcollege.ac.uk

If you cannot find the apprenticeship you are looking for on our website then please contact us so that we can discuss your requirements further as we are continually developing and expanding our apprenticeship offer in response to demand.

Step 6 – starting an apprentice with Herefordshire & Ludlow College

Once you have decided to take on an apprentice in partnership with Herefordshire & Ludlow College, a member of our apprenticeship support team will provide the following services as part of the recruitment and sign-up process;

- Advice and guidance on the most appropriate training programme for your business, to suit your business needs
- Help and advice on planning workplace training and learning activities
- Clear information on content, duration, assessment requirements and costs.
- A recruitment and selection process that matches your requirements with the right applicants for your business.
- Initial assessment, advice and guidance for each apprentice and identification of additional support needs for those with disabilities or learning difficulties.
- Advice and guidance on any health and safety, equality and diversity and safeguarding requirements.
- An initial health and safety risk assessment for the workplace to ensure the apprentice is being placed in a healthy and safe environment. This is based on an assessment of your existing health and safety policies and practices.
- Issue of a Contract and Commitment Statement, signed by and retained by all parties, which sets out the roles and responsibilities on all sides.
- Issue of an agreed schedule of payments, where applicable, which sets out what the employer will pay and when.

And at the start of the apprenticeship training programme;

- An induction for the apprentice into the apprenticeship programme, including an induction into any college-based training programme.
- The production of a Commitment Statement that sets out the detailed requirements and content of the apprenticeship, including a training and assessment plan (including any End Point Assessment) which identifies the time spent at work in on-the-job training and time spent away from work in off-the-job training.

See our Apprenticeship Handbook for Employers for further information or contact us directly on 0800 032 1986 or email: enquiries@hlcollege.ac.uk

Step 7 – adding the apprentice to your levy account

Once you have completed the sign up and college enrolment process with us, you will then need to add the apprentice to your “manage apprenticeships” account so that the funds from your levy can be used to pay for the training.

On the home page, click on “apprentices”, and then “add an apprentice”.

You will need to know;

- the name(s) of your apprentice(s)
- the college’s UK Provider Reference Number (UKPRN). This is **10003023**

You will also need to make sure that;

- the organisation that’s named on the contract you have with the college is in your account – see step 3 above
- the PAYE scheme that each apprentice is paid through is in your account – check the “PAYE schemes” section in your account

On the next page, click on the organisation that is taking on the apprentice. This will be your organisation or a connected organisation previously set up by yourself.

On the next page provide the “UK Provider Reference Number” for the college, which is **10003023**

On the next page click on “Yes, use HEREFORDSHIRE AND LUDLOW COLLEGE”

On the next page you can either add the details of the apprentice yourself or you can ask the College to do this on your behalf if you have previously granted permissions for the college to do this – see step 4 above.

If you are adding apprentices yourself, on the next page, click on “add an apprentice” and then supply the apprentice’s name and date of birth.

Then choose from the drop-down list the apprenticeship title and level that you are starting the apprentice on, the planned start and end date for the apprentice and the total agreed apprenticeship price. These details should already have been agreed between yourself and the college as part of the sign up process and recorded in the Commitment Statement – see step 6 above.

Finally, you are asked about the “apprentice assessment organisation” to be used. This only applies to those apprentices who are on an Apprenticeship Standard – please see the Apprenticeship Handbook for Employers for further details. The Apprentice Assessment Organisation will normally be chosen towards the end of the apprenticeship and will be agreed between the college and yourself. Once agreed, the chosen Apprentice Assessment Organisation will be recorded in the Commitment Statement – see step 6 above.

Finally, click on “add” to add the apprentice to your account. Review and check the details and then click “save and continue”.

The next screen will ask you to either approve and send to the college, send to the college to review or add details, or to save without sending to the college. Click on the preferred option (we recommend option two), adding a comment or instruction as necessary, and then click “send”.

The process can be repeated for any additional apprentices signed up for the same or different apprenticeships within your organisation.

Step 8 – paying for apprenticeship training from your levy account

Once you have added and sent the apprentice to the college for approval in step 7 above, the college will check that the information matches the information we have on our systems, in line with the details contained within the Contract and Commitment Statement (see step 6 above), and we will then accept the apprentice. The apprentice will then be listed under the “manage your apprentices” section of your on-line account, where you can view approved apprentices, update details of existing apprentices or stop and pause payments to the college.

Thereafter, funds from your levy account will be automatically transferred to the college by the Education and Skills Fundy Agency (ESFA) to pay for the apprenticeship training, in accordance with the agreement you signed with the ESFA in step 1 above.

The amount transferred is based on 80% of the total value of the apprenticeship being paid for in equal monthly instalments over the agreed planned duration of the apprenticeship, with the remaining 20% being paid on achievement.

For example, if an apprentice has been signed up to a 24 month apprenticeship with a value of £6,000, £200/month will be taken from your levy account over 24 months (80%), with the remaining £1,200 (20%) being taken once the apprentice has officially achieved their Apprenticeship Framework or Standard.