

Apprenticeships: Employer FAQs

What is an apprenticeship and what does it involve?

An apprenticeship combines a job with training. They can be used for anyone, regardless of their experience or age. e.g. a school leaver or existing member of staff. Apprenticeships enable individuals to carry out a structured training programme which include professional qualification(s) and on the job training. They equip individuals with the relevant skills, knowledge and behaviours required to carry out a specific job role.

How many apprenticeships standards are there?

Currently, there are over 500 apprenticeship standards in development and 20 are specific tailored to financial services roles in areas such as, Investment Operations, Compliance and Risk, Financial Service Administration, Paraplanning and Financial Advice. For a full list of apprenticeships available: [gov.uk/government/collections/apprenticeship-standards](https://www.gov.uk/government/collections/apprenticeship-standards).

For a full list of financial services apprenticeships with CISI qualifications embedded, please go to [cisi.org/apprenticeships](https://www.cisi.org/apprenticeships)

It is up to you, the employer, to identify the most suitable standard for the vacancy that you are looking to fill.

What are apprenticeship trailblazers?

Apprenticeship trailblazers are new employer-led apprenticeship standards which have been designed by employers in a specific sector. They are suitable for all organisations that wish to train or upskill a member of existing staff regardless of their age or level of experience.

What are the benefits of running apprenticeships?

Apprenticeships are a tried and tested way to recruit new staff. They provide an opportunity to develop new talent and upskill existing talent. Employers who recruit apprenticeships often notice a reduction in staff turnover, and an increase in employee loyalty and satisfaction. Additionally, they can be a cheaper way to recruit staff and can provide the apprentice with the opportunity to progress their skills and develop in their role.

What level of apprenticeships are there?

Apprenticeships programmes span from level 2 –7. Level 6 & 7 are intended to be equivalent to a bachelor's degree and a master's degree. The degree level Apprenticeship in Financial Services (Financial Services Professional) is expected to be ready for delivery in January 2018.

What is the difference between a 'standard' and a 'framework'?

Apprenticeship standards are much more rigorous than the old frameworks and are designed by industry employers. The key difference between the two is that apprenticeship standards require apprenticeships to last for a minimum of 12 months and include an end-point assessment. The new standards ensure apprenticeship programmes are both challenging and fit for purpose.

When will apprenticeship frameworks be phased out?

The old frameworks are currently being phased out and are being replaced with new standards. The government expect the standards system to completely replace the frameworks system by 2020.

How long do apprenticeships last?

The duration of an apprenticeship varies depending on the apprenticeship that you choose, and the apprentice you employ. The minimum duration of an apprenticeship is 12 months. Some higher-level or degree-level apprenticeships can run up to 48 months. Check the apprenticeship standard specification for the length of the programme.

Is an apprenticeship a real job?

Yes, apprentices must be employed into a real job. They are contracted into a role by the employer and are required to work a minimum of 30 hours per week. The apprenticeship contract must stipulate the following: the duration of the apprenticeship, the training provided, the working conditions, and the qualifications the apprentice will be working towards. Each apprenticeship must include a minimum of 20% time 'off the job' training.

Can a graduate participate in an apprenticeship?

Yes, from April 2017 funding will be available to all graduates, regardless of their experience or age. The apprenticeship that they are using must be significantly different to the qualifications they already hold so new skills are learned.

Can an existing member of staff be offered an apprenticeship? Are apprenticeships open to all staff in all roles?

Yes, if the apprenticeship is relevant to their job role, teaches them something new, and provides career progression. Funding is only available for apprenticeships that are relevant to the individual's job role. The apprentice must be able to demonstrate the required skills, knowledge and behaviour specified in the apprenticeship.

Can a part-time member of staff participate in an apprenticeship?

Yes, there are concessions available to allow part-time staff to participate in an apprenticeship. However, it will take a part-time apprentice substantially longer to complete the apprenticeship.

What happens if an apprentice goes on maternity, paternity or long term sick leave?

If an apprentice goes on maternity, paternity or long term sick leave during an apprenticeship. The apprenticeship can be paused and will continue when the apprentice returns to work.

How much should apprentices get paid?

All apprentices get paid a salary and this will differ depending on the job role. The employer must comply with the national minimum wage legislation (the current apprenticeship minimum wage is £3.30 an hour). Apprentices over 19 must be paid the minimum wage for their age category. Please note, higher-level apprenticeships are subject to the national minimum wage, not the apprenticeship minimum wage.

Apprentices must be offered the same conditions as other employees working on similar grades or in similar roles, including, paid holidays, sick pay, and any benefits you offer e.g. childcare voucher schemes, coaching or mentoring etc.

What is the Digital Apprenticeship Service?

The Digital Apprenticeship Service (DAS) is an online bank account where levy paying employers will be able to manage their levy funding. Registration for levy payers is now open at: gov.uk/guidance/manage-apprenticeship-funds. Registered levy payers will be able access funds from the DAS from May 2017. It is likely that this system will not be available to non-levy payers until 2018.

What is the Institute of Apprenticeships?

The Institute of Apprenticeships (IfA) is an independent employer-led body that will regulate the quality of apprenticeships. It will be launched in April 2017 to coincide with the levy, with Peter Lauener as the Shadow Chief Executive. The IfA will undertake quality and approval functions in relation to apprenticeship standards and assessment plans. They will also be responsible for assessing the quality of the end-point assessment for each apprenticeship, and will advise Government of funding allocations per each apprenticeship standard.

Will apprentices require time off to study?

Yes, a requirement of each apprenticeship standard is that the apprentices must have 20% off their paid for hours allocated to “off the job” learning. A range of activities will qualify as this and you can work with your chosen training provider to ensure that your apprenticeship programme meets these criteria.

Does the levy need to be spent on recognised qualifications?

Yes. The apprenticeship levy can only be used on qualifications specified within the apprenticeship standard. Most apprenticeship standards will have professional qualifications embedded.

Does the term ‘apprentice’ need to be used in the apprentice’s job title?

No. Job titles are set by each employer, therefore you will not need to include ‘apprentice’ in the job title.

Are there any concessions available to hiring an apprentice aged 16-18?

Organisations who employ an 16-18-year-old apprentice will receive £1,000 to meet additional costs (this will be paid in two instalments, via the training provider. Once the DAS is running, this will be paid directly to the employer). Additional support of £2,000 will be available for employers and training providers that take on 16-18 year olds or young care leavers (18-24 year olds) with an education, health and care (EHC) plan. This will be split evenly between the employer and training provider.

How much does apprenticeship training cost?

There are 15 funding bands which apprenticeship standards are allocated to. The bands range from £1,500 to £27,000 per apprenticeship depending on the level and apprenticeship type. All existing standards will be placed within one of these bands, and it will be up to the employer to negotiate costs with training providers.

I cannot find an apprenticeship suitable for my organisation’s needs, can I create an apprenticeship?

Yes. You can consider developing an apprenticeship standard yourself. you will need to create an employer group with a minimum of ten employers from industry, (including SMES) for more information on setting up an apprenticeship employer group please contact apprenticeships@cisi.org

If a member of staff is studying towards a professional qualification (eg the IOC, and they have already completed one paper), can they switch onto a levy-funded apprenticeship programme to cover the cost of their qualification?

Yes. Employers would need to liaise with their training provider to adjust the cost to take into account the examinations/ papers that have already been completed.

What is the Register of Apprenticeship Training Providers (RoATP)?

The Register of Apprenticeship Training Providers (RoATP) is the official register for apprenticeship training providers. From April 2017, only Training Providers registered on the RoATP will be able to access funding and run training for apprenticeships. You can find out which Training providers are registered to provide training for the apprenticeship that you are interested in at: findapprenticeshiptraining.sfa.bis.gov.uk/

What apprenticeships are available in financial services?

There are currently twenty apprenticeships available in financial services, nine of which have CISI qualifications available as part of the following apprenticeships. View apprenticeships available: cisi.org/apprenticeships

What is the apprenticeship levy?

The apprenticeship levy is a tax on all UK employers with an annual PAYE bill of over £3 million. The levy will come into place on 6 April 2017. From April 2017, all UK employers with an annual PAYE bill of over £3 million will pay a tax of 0.5% of their pay bill

What can the levy be spent on?

- ✓ Training and assessment for an apprentice
- ✓ On an approved apprenticeship standard or framework
(gov.uk/government/collections/apprenticeship-standards)
- ✓ On an approved training provider and assessment organisation
- ✓ Up to the funding band maximum to the apprenticeship (each apprenticeship standard is allocated within one of 15 funding caps).

- ✗ It cannot be spent on paying the salary of the apprentice
- ✗ It cannot be used for travel and subsistence costs
- ✗ It cannot be used to fund the management of the apprentice or apprenticeship programme (including any required training)
- ✗ It cannot be used to fund traineeships or work placements
- ✗ It cannot be used
- ✗ It cannot be used to cover the cost of setting up an apprenticeship programme

Why is the levy being introduced?

The apprenticeship levy has been introduced by the government to increase investment in training and to upskill the workforce. They have a target of creating 3 million new apprenticeship starts by 2020.

Will all employers receive an allowance of £15,000?

All employers will have a levy allowance of £15,000 per year to offset against the levy that they will pay. This means you will only pay the levy if your pay bill exceeds £3 million in each year.

Levy paying employers will receive one annual payment of £15,000 into their digital account in May 2017. Employers who want to access the levy and will need to register at gov.uk/take-on-an-apprentice/overview

When can I start using the apprenticeship levy?

Levy funding is set to be available from May 2017, however due to the launch of the Digital Apprenticeship Service (DAS) in April 2017 it is advisable to wait until June 2017 to start running your apprenticeship.

Are there any exemptions or opt outs for the levy?

No. This is a mandatory tax.

How will the levy be taken?

The levy will be taken monthly based on your monthly pay bill. Under or over payments will be adjusted in the same way as all tax calculations. Under and over payments will be adjusted in the same way as tax calculations.

How can I access the levy pot?

In England, the Digital Apprenticeship Service (DAS) will be available to view and access levy funding from May 2017. Each levy payment will have a 24-month expiration date; therefore, you can choose which funding you would like to use first. The DAS will be able to help employers run their apprenticeship programme and identify a suitable training provider.

As monthly pay bills will vary, what amount will trigger levy payments?

The levy will only be taken on months where an employer's pay bill exceeds £250,000. There will be several clauses relating to the payment of the levy from HMRC.

How much is the levy likely to raise?

It is estimated that the apprenticeship levy will raise approximately £2 billion to fund apprenticeships.

How will the levy work in the devolved nations?

The levy will affect employers with an annual PAYE Bill of over £3 million across the UK, including the devolved nations. However, the digital apprenticeship service will only support apprenticeships in England. Scotland, Wales and Northern Ireland have their own arrangements for supporting employers to access apprenticeships, therefore the level of funding in each levy account will be dependent on the proportion of the pay bill of the workforce living in England.

It is estimated that approximately £500 million from the levy will be made available to Scottish Government, Welsh Government and the Northern Irish Executive. As skills is a devolved issue it will be up to each individual government to decide where the funding will go, it is hoped that this will go towards skills and apprenticeship funding though it is not guaranteed.

If an apprenticeship begins before April 2017 will the apprenticeship funding automatically switch to the new funding?

No. Apprenticeships will remain on the old funding system for the entirety of the apprenticeship. All those starting after the 6 April 2017 will go onto the new funding system.

What happens if you spend all your levy before the end of an apprenticeship?

Any levy paying employer who wants to spend more money than is in their levy 'pot' will be able to. Once the levy pot is empty, employers will switch to the same co-funding rules that will be applied to non-levy paying employers. Therefore 90% of the remaining training and assessment costs will be covered by government, with the employer only paying 10% of the remaining costs.

What will happen to expired levy funding?

Each levy payment has a 24-month expiration date. At the end of 24 months, any unpaid levy will be made available to other employers who want to spend money on apprenticeships.

How will funding work for non-levy paying employers?

Apprenticeships that start after April 2017 will be eligible for 90% funding from government. Meaning non-levy paying employer will only have to pay 10% of the cost for training and assessment of apprenticeships. The government will pay 100% of the cost of apprenticeships to non-Levy paying employers, who employ less than 50 people or if they employ a 16-18-year-old apprentice.

Will there be any additional support for employers who employ apprentices aged 16-18 or young care leavers aged 18-24 with an Education, Health and Care (EHC) plan?

Additional support of £2,000 will be available for employers and training providers that take on 16-18 year olds or young care leavers (18-24 year olds) with an education, health and care (EHC) plan. This will be split evenly between the employer and training provider. This will be paid in two instalments, via the training provider. Once the DAS is running, this will be paid directly to the employer).