



# ARE YOU UTILISING YOUR APPRENTICESHIP LEVY?

Nearly 5,000 big businesses failed to spend all the money allocated to them for staff training through the levy scheme, leading to more than £400m in funds expiring and being returned to the government between May and December 2019. As per the levy rules, big businesses with a payroll of £3 million or more who pay into the pot have a 24-month limit to spend their funds. Once that time is up, the funds will expire on a month-by-month basis.

The levy works by charging a rate of 0.5% on your total annual payroll, which is paid monthly through the Pay As You Earn (PAYE) process to HMRC.

Your business will have an allowance of £15,000 to offset against the levy payment.

The government will top-up your levy pot with a further 10% of funding, therefore for every £1 your business puts in, you will get £1.10 to spend on the apprenticeship delivery. This means that the organisation will get more out than they have paid in to the levy.

The levy will be deducted on a monthly basis, when your pay bill is over £250,000. If at the end of the tax year your pay bill is below the £3,000,000 threshold, your business will be reimbursed.

Your levy contributions can be drawn down through digital vouchers via the Digital Apprenticeship Service (DAS). The DAS will help you to find recognised training providers, such as Gi Group, that will help you to design, develop and meet your apprenticeship needs to support your company's growth.

If you pay money into the levy but do not use it within 24 months, your vouchers will expire.

- The Apprenticeship Levy is a levy on UK businesses to fund new apprenticeships.
- The levy was introduced on 6 April 2017.
- The levy is linked to the government's aim of improving apprenticeship standards
- You can use all of your levy spend on apprenticeships
- The levy can be used to recruit and train new staff to upskill an existing workforce, as apprenticeships are available at Levels 2 to 7.
- Gi Group UK is a recognised Training Provider on the Government's register (RoATP)

## HOW CAN GI GROUP HELP YOU MAXIMISE YOUR APPRENTICE LEVY FUNDS?

- Explain, using clear and operational language how the Apprenticeship Levy works
- Identify appropriate apprenticeship programmes in line with your company's future strategy via a comprehensive Organisational Needs Analysis
- Design a bespoke delivery plan that accommodates your company's operational needs
- Train and offer guidance on setting up your company with the Digital Apprenticeship Service
- Create Individual Learning Plans for each apprentice, taking into account their prior learning and experience
- Run introduction programmes for line managers to ensure they have a full knowledge of their apprentice's programmes and where they can support
- Run an in-depth Functional Skills course, tailored for each apprentice's needs
- Deliver theory based sessions, taking a blended approach consisting of on-site classroom sessions, online learning, 121 sessions and a project-based method

