



ATAs and Levy
Paying Employers
– The ATA option
still offers
flexibility at very
little cost



Apprenticeships are changing, with new funding arrangements and the Apprenticeship Levy coming soon.

Many organisations that are due to be levy payers are focussing on “Levy Recovery” – using the Levy that they have paid to pay for apprenticeship training. This is very sensible but they need to be smart about how they go about this:

- ✓ The Levy is a tax – one of life’s certainties according to Benjamin Franklin – and once it has been paid it is a cost to the organisation.
- ✓ The levy can be “recovered” by using it to fund apprenticeships **but only if those apprenticeships replace training that the organisation currently pays to do** (for example management training), thus saving the training costs currently incurred.
- ✓ This can be done by mapping existing training to apprenticeship standards and having it funded from the levy (to continue the example, map the management training to a level 3 or 5 management apprenticeship) – this gives an actual cash saving as you will be saving on existing training and paying for it from your levy pot.

- ✓ If a levy payer wishes to use Apprenticeship Solutions we pay for the apprenticeship training under the co-investment model i.e. we will pay 10% of the training cost and the government will pay the rest.
- ✓ Apprenticeship Solutions will share the 10% co-investment cost but in cash terms* the additional cost could be £300 over the life of the apprenticeship, or £5.76 per week – a relatively small amount.
- ✓ Using the levy to pay for entry level apprenticeships (new starts) does not save a cost that the organisation is currently paying and so does not “recover levy” that has been paid.
- ✓ If you wish to take on entry level apprentices you have two choices in terms of cost implications:
 - Employ the apprentice and fund the training costs from the Levy pot – zero additional cost option (you are not saving or recovering any money as the levy has already been paid).
 - Use an ATA and potentially incur the 10% co-investment cost which is likely to be less than £6 per week.

If you would like more information on how Apprenticeship Solutions can support your organisation with recruiting and employing apprentices then please contact us:



Telephone: 0800 652 8214
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Apprenticeship Solutions is part of the New Futures Recruitment Group of companies

*(using as an example a mid-range band 4 standard max band £3000)