

Sheffield City Region Executive  
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Sheffield City Region  
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Dear Sheffield City Region Employer,

**Re Forthcoming Apprenticeship Funding Reform**

As a business in the Sheffield City Region (SCR), I thought you might find it useful to have some information about the new Apprenticeship Levy that comes in from April 6 2017.

From next month, the way apprenticeships will be funded is changing. The Government's Apprenticeship Levy requires all employers operating in the UK, with a pay bill of over £3million each year, to invest in apprenticeships.

The Levy will be charged at 0.5% of your annual pay bill; this money will be put into an apprenticeship 'service account' for your business to fund apprenticeship training and assessment. This could be for new apprentices and existing employees who you may want to receive training under the apprenticeship service. The Government will also apply a 10% top up to these funds.

Although the SCR doesn't fund apprenticeships – we have worked very hard to help provide the skills training that the employers in the region tell us they need to support growth.

The SCR is a partnership of private businesses and local authorities, and therefore we understand what employers want and are proud to work with them and make it easier to understand the wider picture of what help is available.

The SCR believes that apprenticeships are vital to the economy of the region and is very proud to be leading the way – in 2014/15 over 20,000 people started an apprenticeship in the City Region - a higher number than the rest of the England outside London and the South East.

**Some examples of our region's partnership working and apprenticeship news stories include:**

- Supercar maker McLaren is to build a new factory in the region to produce its luxury cars' chassis: this will create 200 jobs including 15 apprenticeships.
- 200 apprentices will be trained each year from September 2017 at the National College for High Speed Rail in Doncaster.
- 800 engineering apprentices have been trained at the Advanced Manufacturing Research Training Centre since it opened three years ago.

- The new Rotherham College 'Centre for Higher Level Skills', funded with £3,500,000 from the Sheffield City Region, will provide a range of courses including degree apprenticeships designed to get people in work, into higher education training.
- Sheffield Hallam University received funding from the Degree Apprenticeship Development Fund (DADF) in 2016 to increase participation in degree apprenticeships.

The first step you need to take is to register for the levy with HMRC and set up the service account for your business. You will need a few pieces of information when you set up your account. Further information can be found on [www.gov.uk](http://www.gov.uk) and navigating to the apprenticeship levy pages.

### **If you register now you will be able to access your funds from May.**

You will then be able to use the 0.5% levy to invest in the skills and training your organisation needs to grow and succeed. You will be able to select and pay Government-approved training providers and post apprenticeship vacancies.

The levy will not affect the way employers fund training for apprentices who have started an apprenticeship programme before 1 May 2017. You will need to continue funding training for these apprentices under the terms and conditions that were in place at the time the apprenticeship began.

If you have any questions about your account, you can:

- email [Helpdesk@manage-apprenticeships.service.gov.uk](mailto:Helpdesk@manage-apprenticeships.service.gov.uk)
- call 08000 150 600

### **Benefits of apprenticeships:**

A quick reminder about the range of opportunities and benefits that apprenticeships can bring to your organisation.

- **Tried and tested** way to recruit new staff, re-train or upskill existing staff
- Can help **tackle** skills shortages
- **Learning** can be done in your workplace, minimising disruption and maximising impact
- A great way of attracting enthusiastic talent with **fresh ideas**
- Can **help reduce staff turnover**, by increasing employee satisfaction and loyalty
- Can be **tailored** to specific job roles, making them flexible to the needs of your business
- Provide you with the skilled workers you need for the **future**

Yours Sincerely,

Sheffield City Region Executive