

## HR DIRECTORS BOARDROOM London 2018

### The Apprenticeship Levy – Your Way Forward



Delegates gathered at the [Eversheds Sutherlands \(International\) LLP](#) and participated in this thought provoking and informative boardroom event. Introduced by [Karen Brown – Senior Business Manager](#) for Ashley Kate HR, [Kate Ryder – Senior HR Recruitment Consultant](#) and chaired by [Lizzie Field – Principal Associate](#) – Eversheds Sutherland (International) LLP.

[Lindsay Gallard – Group HRD](#), YMCA led the event with colleague [Sally Smith – Business Development Executive - YMCA](#), who had the unenviable task of taking us through this vast topic in just 1.5 hours. With the Apprenticeship Levy hitting the headlines again in relation to the poor utilisation of the monies collected, there has never been a better time for HR professionals to look deeper into how this Levy can support their HR strategy and plan for the way forward.

The YMCA has a proud history with apprentices – having been established by one over 175 years ago. Lindsay opened the session with a very pertinent question to see how the professionals in the room were utilising the Levy, if indeed they were. The response was incredibly mixed with some not having looked at this yet, to those who had developed programs and good relationships with providers. However, all agreed they could be doing more. To reassure those who had not looked into this yet Lindsay pointed out the 45% of Levy payers have not even logged into the Digital Apprenticeship Service (DAS) yet – so clearly a great topic for discussion.

So just a reminder, why did the funding change in the first place:

- 1) To ensure that it was more employer driven
- 2) To improve the quality
- 3) To simplify them

Whilst there was a consensus that these 3 aims had not been achieved, it would appear that the Levy is here to stay and if organisations focus on this, there are huge advantages to be had. It is fair to say that, already lean HR departments, have had a lot of additional requirements to deal with last year such as Gender Pay Gap reports and GDPR; so now needs to be time that attention is focused on the Levy and maximising the benefits you can achieve from this.

There was an important reminder that for those businesses who dropped in and out of being a Levy payer that once their “pot” is spent, as a result of co-investment, the government will meet 90% of the costs of any further training and assessing apprentices. It is therefore important that these businesses don’t feel disadvantaged at the size of their “pot”, but empowered at the funding that they can receive!

Some key points to come the discussions were around how the new apprenticeship standards can be tailored to operational requirements, so it is important to remember you need to make this work for you – and key to this is to work with the right provider.

A key message from the morning was to ensure that you find the right partner and build a strong and productive relationship as this will provide the key to the success of your Levy, and the impact it can have.

With regards to building this relationship, you need to allow time. Those who view the use of the Levy as a short term sticking plaster will not succeed in utilising this effectively. With the increase in quality, the adaptability of the apprenticeship standards and the bespoke nature of the possible provision – this is something for the long term. You need to ensure that your business builds the use of the Levy into your People Strategy – this is about pipelining, building your talent and building a culture where all Levy spending is seen as not only positive but what you do as a business.

Lindsay opened the floor to understand what has worked and what hasn’t. Many delegates expressed negativity towards the term “apprenticeships”, as this has historically been linked to certain industries and to certain entry points. This is something that needs to be tackled through effective communication and sharing knowledge of what this means moving forward.

Investing time into selecting a partner was highlighted on numerous occasions, and there were examples of where this had been difficult. It is worth remembering that providers have had to get to grips with the new Levy, and this has been a huge learning curve for them. But a time investment from providers getting to know your business inside and out is vital. Costs are largely similar, due to the government setting maximum funding bands (similar to university fees), so this is very much about the quality of relationship.

Be clear in your objectives, know what you want to get out of this and then map this out, a good provider can help you with this as you may not know what is actually possible!

Lindsay does believe that we are on the cusp of change – there are many reasons why this has had a slow start but it looks as though this is here to stay and businesses are starting to focus and to see the Levy as an investment and valuable funding stream rather than as a tax.

There were some great examples of many large professional service businesses have embracing this and are utilising the levy as new channels to introduce people into their business.

There is also a broader picture around this, such as the promotion that this receives within schools and apprenticeships being viewed as an option for all. It also requires employers to push harder for their own sectors, and HR professionals need to be leading the way on the positive promotion of the Apprenticeship Levy.

In addition, the development opportunity that the Levy offers in relation to upskilling and developing your entire workforce is such an opportunity that this should be fundamental to your L and D strategy. If not, and you are a Levy payer, you are effectively paying for your L and D twice! And the real heart of this is the qualifications you can provide for your employees.

There was much discussion on the barriers and challenges that the delegates had come across:

- 20% of the time has to be spent on off the job training. Again think smart – during quieter periods of work this could be mentoring, self-directed learning or webinars
- Communication can often focus on why this is good for the business, ensure that this is also about “what’s in it for me” from the employee’s perspective. Explain the benefits to the individuals
- Be honest, but be careful with the language used and perception around this
- New people are being invested in and often longer servers are not being included. This is why a longer term more strategic view is so important, the Levy should be for all, if you plan for this

So a key piece of advice from Lindsay and Sally is to think broadly and for the long term.

To summarise – it has been a turbulent year for all concerned with the Apprenticeship Levy, but now is the time to embrace this and ensure that this works for your business.

Think big and broad and ensure that this is built into your HR strategy to maximise your return on investment. And let your provider help, support and advise you.

Our exclusive HR Directors Boardroom discussion gives you unprecedented access to valuable business and professional contacts as well as providing you with unique opportunities to debate topical and strategic HR issues. We have dates in place for 2018 for these discussions as well as essential Employment Law Updates.

Please email [hrnetworking@ashleykatehr.com](mailto:hrnetworking@ashleykatehr.com) to find out more or to book your place.



**Ashley Kate**  
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### **HR DIRECTORS BOARDROOM 2018**

Thursday 20<sup>th</sup> September 2018 – Cambridge  
Thursday 27<sup>th</sup> September 2018 – London  
Thursday 4<sup>th</sup> October 2018 – Manchester  
Thursday 11<sup>th</sup> October 2018 - Nottingham

### **EMPLOYMENT LAW UPDATES 2018**

Thursday 17<sup>th</sup> May 2018 – Cambridge  
Thursday 7<sup>th</sup> June 2018 – Nottingham  
Tuesday 19<sup>th</sup> June 2018 – London  
Thursday 5<sup>th</sup> July 2018 – Manchester  
Thursday 8<sup>th</sup> November - Birmingham  
Thursday 15<sup>th</sup> November - Leeds  
Wednesday 21<sup>st</sup> November - London



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