

Apprenticeship funding update - workshop taster

27 October, 2016

See www.lsect.com for funding workshops about final funding level, applying to the provider register and tendering for non-levied funding

> Friday 4th November in London
with Una Bennett, Funding Mechanism Deputy Director at the SFA

> Tuesday 8th November in Liverpool
with Kirsty Evans, Director of Funding and Programmes at the SFA

> Wednesday 9th November in Birmingham
with Una Bennett, Funding Mechanism Deputy Director at the SFA

LSECT
LEARNING & SKILLS
EVENTS, CONSULTANCY & TRAINING

Welcome to this Lsect webinar

More than 1,600 registrations for this webinar

Agenda

14:00 Registration

14:05 Apprenticeship funding update
Nick Linford, author of the Complete Guide to Funding Apprenticeships

15:00 End

What four?

1. Four years so far



In June 2012 Doug Richard was asked by the government to review apprenticeship content and funding

2. Four skills ministers so far



John Hayes



Matt Hancock
took over Sept 2012



Nick Boles
took over July 2014



Robert Halfon
Took over July 2016

3. Four consultations so far



July - Oct 2013



Mar - May 2014



Aug - Oct 2015



Aug - Sept 2016

What's the reform really for?

Reforms intended to be the solution to the problem of a lack of employer demand

Employer demand will go up as will 'be in the driving seat' and have 'ownership' of:

- > The content & assessment (standards)
- > The funding (levy, fees and negotiation)
- > The oversight (Institute for Apprenticeships)

But not everyone is convinced an employer-owned model is compatible with supporting the young and social justice

And not everyone is convinced a 3m starts target is compatible with a commitment to 'high quality'

4. Big key changes

1. All frameworks to be replaced by standards

Key changes: Standards are being designed by employer groups, require an end-point-assessment and often don't require any qualifications. Frameworks being switched off in phases through to 2019/20.

2. National funding rates replaced by 'negotiated' rates

Key changes: For apprentice starts from 1 May 2017 the SFA will no longer determine apprentice funding values using a formula. Instead, providers and employers will negotiate a level of subsidy within one of 15 upper limits (from £1,500 to £27,000).

3. Extra £1bn for apprenticeship via a levy

Key changes: From April employers will pay an extra 0.5% of their payroll above £3m into their levy pot. It's expected this will generate nearly £2.5bn per year for England and providers will access this pot via a new Digital Apprenticeship System.

4. A 90% subsidy when the employer levy pot is empty

Key changes: If an employer has no levy pot (98% of employers) or it runs out, the SFA will pay 90% of the negotiated rate on condition the employer has paid 10% in cash first. In the pilot, running since 2014, the subsidy was only 67% once 33% paid in cash first (concern over introduction of a mandatory cash contribution).

Final details published by DfE two days ago

1. Apprenticeship funding in England from May 2017 <http://tinyurl.com/ijeawhu>
 2. Apprenticeship frameworks: funding bands from May 2017 <http://tinyurl.com/hg9ds62>
 3. Apprenticeship standards: funding bands from May 2017 <http://tinyurl.com/zmkddjz>
 4. Apprenticeship funding: how it will work <http://tinyurl.com/iglfzji>
 5. Apprenticeship funding: rules and guidance for levy-paying employers <http://tinyurl.com/zro24ti>
 6. Apprenticeship funding: draft rules for employer-providers <http://tinyurl.com/zf2oym9>
 7. Apprenticeship funding: draft rules for training providers <http://tinyurl.com/hb6bg6o>
 8. Draft apprenticeship performance management rules 2017 to 2018 <http://tinyurl.com/z6bfvtd>
- And**
9. Equality analysis: apprenticeship funding policy from May 2017 <http://tinyurl.com/hucgzux>
 10. Costs and behaviours in the 16 to 18 apprenticeship system: a report by Frontier Economics and CFE Research <http://tinyurl.com/zbav3hy>
 11. The apprenticeship levy: how will employers respond? <http://tinyurl.com/zudfvsk>

'Negotiated' rates

All frameworks and standards set one of 15 upper limit values and negotiation with employer is expected to mean figure agreed is actually often lower

Number	Band Upper Limit
1	£1,500
2	£2,000
3	£2,500
4	£3,000
5	£3,500
6	£4,000
7	£5,000
8	£6,000
9	£9,000
10	£12,000
11	£15,000
12	£18,000
13	£21,000
14	£24,000
15	£27,000

Table 1: Proposed funding bands

Four key changes to proposals

1. Extra 20 per cent of funding band limit for 16-18 year-olds (in addition to the £1,000 provider and £1,000 employer incentive)
2. £60m of "additional support in areas of disadvantage" (up to £600 per apprentice)
3. Expiry of funds in digital accounts extended from 18 to 24 months (after pressure from CBI)
4. Softening of new provider register rules and back-peddling on subcontracting

In this spreadsheet you will find the final bands for all the current frameworks (589 including pathways) and standards (147) - taken from the two SFA's spreadsheets. <http://lsect.co.uk/wp-content/uploads/2016/10/Framework-and-standard-funding-25-10-16.xlsx>

Impact analysis with provisional rates



<http://feweek.co.uk/2016/08/19/exclusive-funding-rates-cuts-up-to-50-for-the-most-deprived-16-18-apprentices/>

And now?...see impact of final rates on ten most popular 16-18 frameworks



<http://feweek.co.uk/2016/10/27/apprenticeship-funding-u-turn-but-how-far-does-it-really-go/>

Also applications open to new provider register (RoATP)

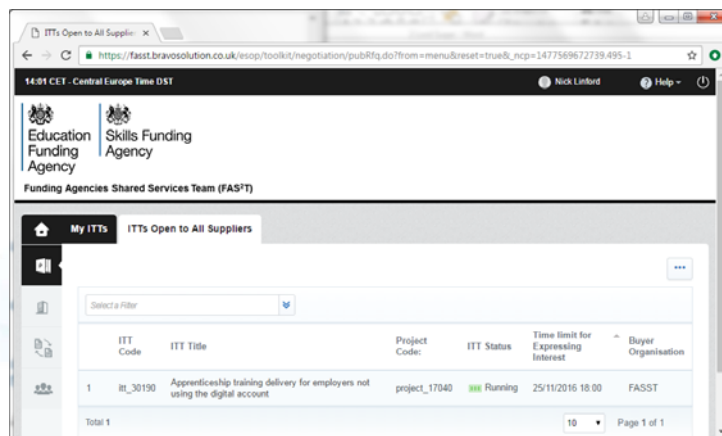
- 12. Supporting quality and employer choice through a new register of apprenticeship training providers
<http://tinyurl.com/zp2hgqj>
- 13. Joining the register of apprenticeship training providers - application instructions
<http://tinyurl.com/z9saa4c>
- 14. Financial health self-assessment toolkit
<http://tinyurl.com/jnjbyb7>
- 15. E-tendering portal guidance Register of Apprenticeship Training Providers
<http://tinyurl.com/jadacha>

And procurement of £440m for non-levied employers

- 16. Apprenticeship training delivery for employers not using the digital account
<http://tinyurl.com/jbs2xxv>
- 17, 18, 19, 20 and 21. Five documents on <https://fasst.bravosolution.co.uk>

Both the RoATP application and invitation to tender (procurement) must be submitted by 5.00pm on 25 November 2016."

Tendering for non-levied employers



The screenshot shows a web browser window with the URL <https://fasst.bravosolution.co.uk/essop/toolkit/negotiation/pubRfq.do?from=menu&reset=true&nrcp=1477569672739.495-1>. The page header includes the Education Funding Agency and Skills Funding Agency logos, and the text 'Funding Agencies Shared Services Team (FASST)'. Below the header, there is a navigation bar with 'My ITTs' and 'ITTs Open to All Suppliers'. A search filter is present above a table. The table has the following columns: ITT Code, ITT Title, Project Code, ITT Status, Time limit for Expressing Interest, and Buyer Organisation. One row is visible with the following data: ITT Code: IT_30190, ITT Title: Apprenticeship training delivery for employers not using the digital account, Project Code: project_17040, ITT Status: Running, Time limit for Expressing Interest: 25/11/2016 18:00, Buyer Organisation: FASST. The table footer shows 'Total 1' and 'Page 1 of 1'.

ITT Code	ITT Title	Project Code	ITT Status	Time limit for Expressing Interest	Buyer Organisation
IT_30190	Apprenticeship training delivery for employers not using the digital account	project_17040	Running	25/11/2016 18:00	FASST

"Both the RoATP application and invitation to tender must be submitted by 5.00pm on 25 November 2016."

"For those successful in the procurement, contracts will begin on 01 May 2017 and end on 31 July 2018."

<https://fasst.bravosolution.co.uk>

Procurement of non-levied funding

“The minimum funding that is available in this ITT is £440m (£213m for 16-18 and £227m for 19+). This funding is for the 15 month delivery period from 1 May 2017 to 31 July 2018.”

The minimum contract award is £100,000 and the maximum is £5,000,000*

PROCUREMENT TIMETABLE

61. The timetable set out below is fixed. However, the SFA reserves the right to amend the timings as necessary and any such amendments will be advised via the online message board on the e-tendering portal (Bravo)

TASK	DEADLINE
Publication of ITT	25 October 2016
Applicant briefing by narrated presentation	From 25 October 2016
ITT closes	25 November 2016
Notification of tender results	14 March 2017
Day 1 Mandatory Standstill Period	14 March 2017
Day 10 Mandatory Standstill Period	24 March 2017
Contracts issued from	31 March 2017
Delivery commences from	1 May 2017

* I'm told this does not include carry-over funding...

<https://fasst.bravosolution.co.uk>

For all the detail and impact analysis register for workshop with me & the SFA

4 November in London, 8th in Liverpool and 9th in Birmingham

10.30 Welcome and introduction to apprenticeship funding reforms
Nick Linford, author of the Complete Guide to Funding Apprenticeships

11.00 Levy funding for small and large employers - final details
Una Bennett or Kirsty Evans, SFA

12.10 Break for refreshments

12.20 Extended Q&A on the funding reforms
Una Bennett or Kirsty Evans, SFA

13.00 Break for lunch

13.50 Applying to become a registered apprenticeship provider and procurement ('market entry')
Una Bennett or Kirsty Evans, SFA

14.30 Modelling the impact of the new levy system, Nick Linford

15:00 Paying the apprenticeship levy, Nick Linford

15.30 Workshop end

Places going fast but still available via www.lsect.com