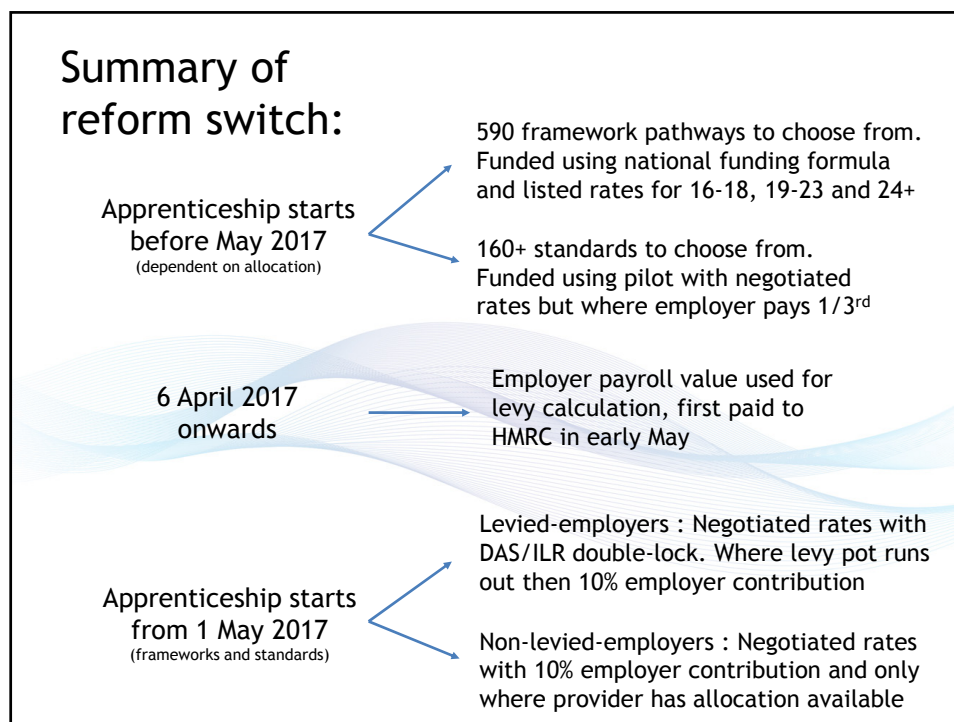




Agenda

- 10.30 Summary of the reforms and quickly spotting opportunities
- 11.00 Apprenticeship funding from 1 May 2017 - what you need to know
- 11.50 Break for refreshments
- 12.00 From policy to implementation - focus on off-the-job, eligible/ineligible costs and subcontracting
- 13.00 Break for lunch
- 13.50 Getting the contracting, finance and data (ILR) systems right
- 14:30 Modelling the impact of the new levy system
- 15:00 Briefing your customers: the employer
- 15:30 End

The slides will also be emailed to you after the event



Summary of future funding (England)

2016-17	2017-18	2018-19	2019-20
£1.808bn	£2.010bn	£2.231bn	£2.450bn

This forecast comes from the hypothecated tax on levied employers (about 20,000) and must pay for all apprenticeship delivery (including carry-over, English and maths and incentives)

Levied employers	Non-levied employers
<p>Annual UK payroll £3m+</p> <p>Must sign-up on Digital Account System (DAS), add PAYE schemes to account as well as assign users</p> <p>Monthly levy account (plus 10% top-up) used, else pays 10 percent contribution towards negotiated rate</p>	<p>Annual UK payroll less than £3m</p> <p>Does not use DAS and like now will rely on finding provider with available funding allocation</p> <p>Must pay 10 percent contribution towards negotiated rate (with exception of 16-18 apprentices where fewer than 50 staff)</p>

How do you know if levied employer?

An employer should register with HMRC and on DAS where they believe their annual UK payroll will exceed £3m

The SFA has said they have no plans to help identify which employers are levied. So you will have to do your own homework. Companies House and Charity Commission might be a good place to start.

For example, in etc venues accounts to June 2015 their payroll was £7m (all England)

$(£7m \times 0.005) - £15,000 = £20,000$
 $£20,000 / 12 = £1,667$ monthly tax
 $£1,667 \times 1 \times 1.1 = £1,883$ monthly credit
 $£21,996$ annual levy credit

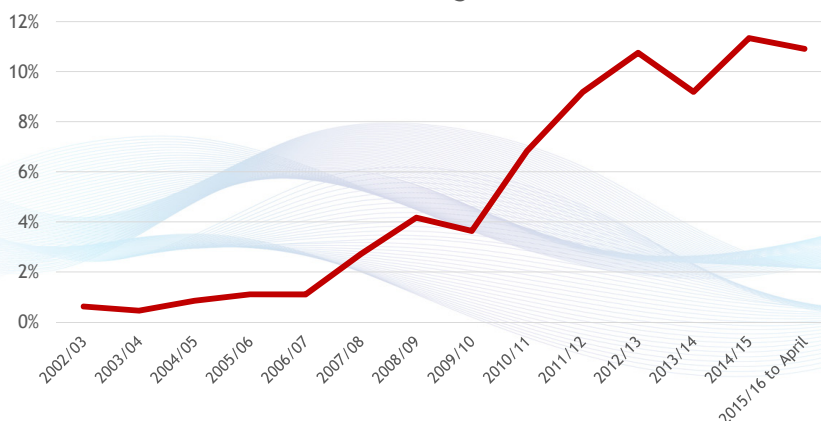
For example, BBC accounts say in 2015/16 their payroll was £990m (let's assume 80% for England)

$(£990m \times 0.005) - £15,000 = £4,935,000$
 $£4,935,000 / 12 = £411,250$ monthly tax
 $£411,250 \times 0.8 \times 1.1 = £361,900$ monthly credit
 $£4,342,800$ annual levy credit

If their monthly pot runs out they switch to 10% cash contribution in return for 90% SFA funding. Unused levy pots fund non-levied employers plus top-up, incentives, English & maths etc (is the theory)

Spotting opportunities

All age all level apprenticeships
starts % that are in management frameworks



Now the 3rd most popular apprenticeship

Keep an eye on the SFR tables: <https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships>

Apprenticeship funding from 1 May 2017 - what you need to know

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THE COMPLETE GUIDE TO FUNDING APPRENTICESHIPS

NICK LINFORD

AN **ESSENTIAL GUIDE** TO THE FUNDING FOR EVERY APPRENTICESHIP FRAMEWORK AND STANDARD IN ENGLAND

IN PARTNERSHIP WITH

LSECT LEARNING & SKILLS EVENTS, CONSULTANCY & TRAINING

nocn CREATING OPPORTUNITIES



LSECT LEARNING & SKILLS EVENTS, CONSULTANCY & TRAINING

The key documents (for starts from May 2017)

Skills Funding Agency

Apprenticeship funding: rules for employer-providers

May 2017 to March 2018

Version 2

This document sets out the funding rules which will apply to all employer-providers following the introduction of the apprenticeship levy.

March 2017

12 pages

Skills Funding Agency

Apprenticeship funding and performance-management rules for training providers

May 2017 to March 2018

Version 3

This document sets out the funding rules which will apply to all training providers following the introduction of the apprenticeship levy. It also sets out the performance-management rules which will apply to all training providers following the introduction of the apprenticeship levy.

April 2017

27 pages

Skills Funding Agency

Apprenticeship funding: rules and guidance for employers

May 2017 to March 2018

Version 2

This document sets out the guidance which will apply to all employers following the introduction of the apprenticeship levy. It also sets out the guidance which will apply to all employers following the introduction of the apprenticeship levy.

March 2017

12 pages

GOV.UK

Apprenticeship funding: legal agreement to enable spending

Employer agreement with the Skills Funding Agency (SFA) to pay training providers to carry out apprenticeship training.

Documents


[SFA agreement for employers \(apprenticeship service\)](#)

2017-01-06, 10 pages

This document is available for users of the Skills Funding Agency (SFA) website.

<https://www.gov.uk/government/publications/apprenticeship-funding-and-performance-management-rules-2017-to-2018>

<https://www.gov.uk/government/publications/apprenticeship-funding-legal-agreement-to-enable-spending>



Apprenticeship frameworks and standard funding bands from May 2017

October 2016

Apprenticeship Funding

Apprenticeship funding in England from May 2017

October 2016

Skills Funding Agency

Apprenticeship technical funding guide for starts from May 2017

Version 2

This document sets out the technical details of the funding system which will apply to all employers following the introduction of the apprenticeship levy.

February 2017

12 pages

Skills Funding Agency

Guidance for returning apprenticeships on the ILR from 1 May 2017

Version 2

This document sets out the guidance which will apply to all employers following the introduction of the apprenticeship levy.

March 2017

12 pages

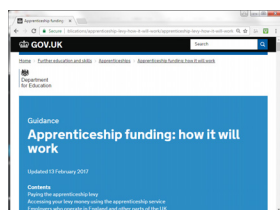
<https://www.gov.uk/government/publications/apprenticeship-funding-bands>

<https://www.gov.uk/government/publications/apprenticeship-funding-from-may-2017>

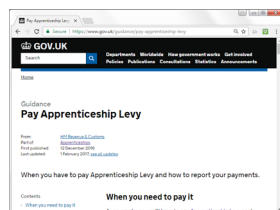
<https://www.gov.uk/government/publications/apprenticeship-technical-funding-guide>

<https://www.gov.uk/government/publications/ilr-guides-and-templates-for-2016-to-2017>

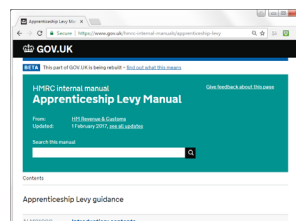
The key webpages (for starts from May 2017)



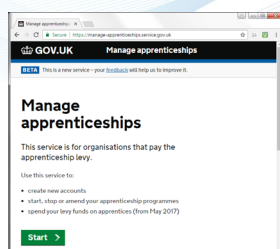
<https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work>



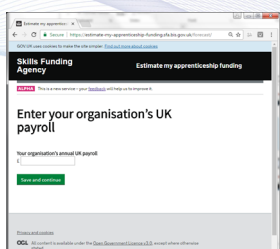
<https://www.gov.uk/guidance/pay-apprenticeship-levy>



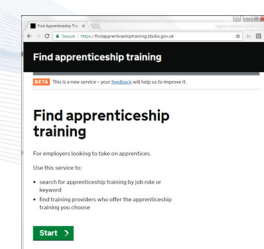
<https://www.gov.uk/hmrc-internal-manuals/apprenticeship-levy>



<https://manage-apprenticeships.service.gov.uk/>

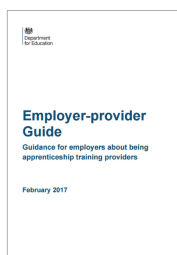


<https://estimate-my-apprenticeship-funding.sfa.bis.gov.uk/forecast/>

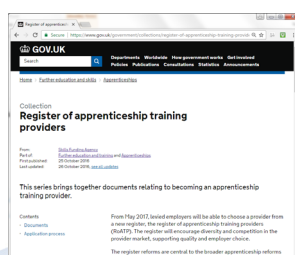


<https://findapprenticeshiptraining.sfa.bis.gov.uk/>

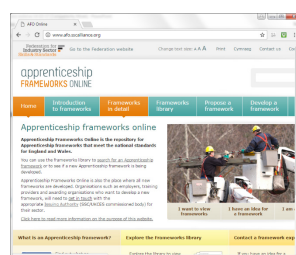
Also (for starts from May 2017)



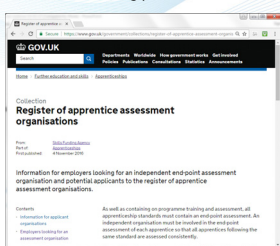
<https://www.gov.uk/government/publications/apprenticeships-become-a-training-provider>



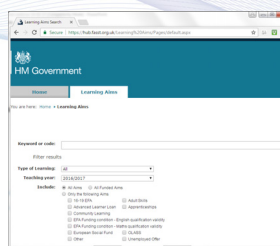
<https://www.gov.uk/government/collections/register-of-apprenticeship-training-providers>



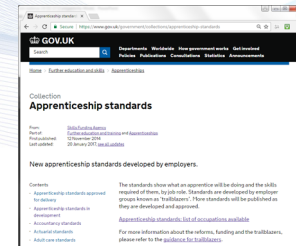
<http://www.afo.sscalliance.org/>



<https://www.gov.uk/government/collections/register-of-apprentice-assessment-organisations>



<https://hub.fasst.org.uk/Learning%20Aims/Pages/default.aspx>



<https://www.gov.uk/government/collections/apprenticeship-standards>

Funding bands for all starts from 1 May 2017

Number	Band 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

Every framework pathway and standard is assigned one of 15 funding bands

The value of the band is referred to the upper-limit, and providers may choose to offer the apprenticeship at a lower 'negotiated' rate

For example, accounting framework at level 2 has a band limit of £2,000.

Levied employer

From their levy account they pay £2,000 (£133 per month for 12 months and the remaining £404 for completion in month 13)

Non-levied employer

With no levy account they pay £200 (10%). £13 per month for 12 months and £40 for completion in month 13

However a provider may offer it for £1,800 over 14 months

Other funding factors

£1,000 employer incentive for 16-18s and 19-24s who have previously been in care or who have a Local Authority Education, Health and Care plan. Paid to employers in two equal instalments at 3 months and 12 months. This will be paid to the provider and must be passed on to the employer within 30 working days

A £1,000 provider incentive for 16-18s and 19-24s who have previously been in care or who have a Local Authority Education, Health and Care plan (plus for one year an extra 20 per cent of the upper limit for frameworks). Paid to providers in two equal instalments at day 90 (3 months) and day 365 (12 months).

No levy or employer contribution for 16-18s and 19-24s who have previously been in care or who have a Local Authority Education, Health and Care plan at employers with fewer than 50 staff

For additional learning support the SFA will pay providers up to £150 a month, plus additional costs based on evidenced need

Additional provider payments for apprentices who live in the top 27% deprived areas. £600 for top 10% of deprived areas, £300 for next 10% range and £200 for the next 7% range

English and maths at level 1 and 2 funded directly by the SFA at £471 for each qualification (no separate funding for ICT)

Funding profile

“The diagram below shows an example of how earnings are spread over time based on an apprentice starting on 1 August and completing on 10 August the following year. The cells with an ‘X’ represent the months when there are earnings. This example shows that English and maths qualifications can be started at different times compared to the apprenticeship. The example assumes that additional payments are due for this apprenticeship. For more information, see the ‘Completion and end-point assessment’ and the ‘Additional payments’ sections.”

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Apprenticeship instalments	X	X	X	X	X	X	X	X	X	X	X	X	
Apprenticeship completion													X
Framework uplift instalments	X	X	X	X	X	X	X	X	X	X	X	X	
Framework uplift completion													X
Additional payments			X									X	
English instalments		X	X	X	X								
Maths instalments						X	X	X	X				

<https://www.gov.uk/government/publications/apprenticeship-technical-funding-guide>

Band limits, with incentives

Number	Band limit	16-18 employer incentive	16-18 provider incentive (standards)	16-18 provider incentive (frameworks)
1	£1,500	£1,000	£1,000	£1,300
2	£2,000	£1,000	£1,000	£1,400
3	£2,500	£1,000	£1,000	£1,500
4	£3,000	£1,000	£1,000	£1,600
5	£3,500	£1,000	£1,000	£1,700
6	£4,000	£1,000	£1,000	£1,800
7	£5,000	£1,000	£1,000	£2,000
8	£6,000	£1,000	£1,000	£2,200
9	£9,000	£1,000	£1,000	£2,800
10	£12,000	£1,000	£1,000	£3,400
11	£15,000	£1,000	£1,000	£4,000
12	£18,000	£1,000	£1,000	£4,600
13	£21,000	£1,000	£1,000	£5,200
14	£24,000	£1,000	£1,000	£5,800
15	£27,000	£1,000	£1,000	£6,400

The incentives are fixed values, so do not alter if a lower negotiated rate is used

Funding rules

Cross-border funding

Applying a single test for funding through the English system: based on **whether the apprentice's main place of employment is England**.

'Workplace' is where the apprentice is expected to spend the majority of their time during their apprenticeship.

Prior qualifications

Now and in the future, you can train any individual to undertake an apprenticeship at a higher level than a qualification they already hold.

From May 2017, an individual can be funded to undertake an apprenticeship at the **same or lower** level to acquire **substantive new skills**

And, there must be "evidence that the apprentice spends at least 20% of their time on off-the-job training"

Transferring funding

During 2018 we will introduce means for employers to **transfer up to 10% of the levy funds** to another employer with a digital account, or to an ATA.

New employer steering group to design this system so that it meets their needs

SFA slide

Recap: Key changes (no point pretending it's simple)

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 formula replaced by 'negotiated' rates

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

3. Extra £1bn for apprenticeships via a levy

Key changes: Employers pay monthly an extra 0.5% of their payroll from 6 April above £3m (£250k per month) into their levy pot. Expected this will generate £2.5bn per year for England by 19/20 & providers will access this pot via a 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 are paying 90% of the negotiated rate on condition the employer has paid 10% in cash first and that provider has an allocation. In the pilot, running since 2014, the subsidy is 67% if 33% paid first (concern over size of mandatory cash contribution).

Recap: 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'

Getting the contracting, finance and data (ILR) systems right

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IN PARTNERSHIP WITH
nocn
CREATING OPPORTUNITIES



LSECT
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EVENTS, CONSULTANCY & TRAINING

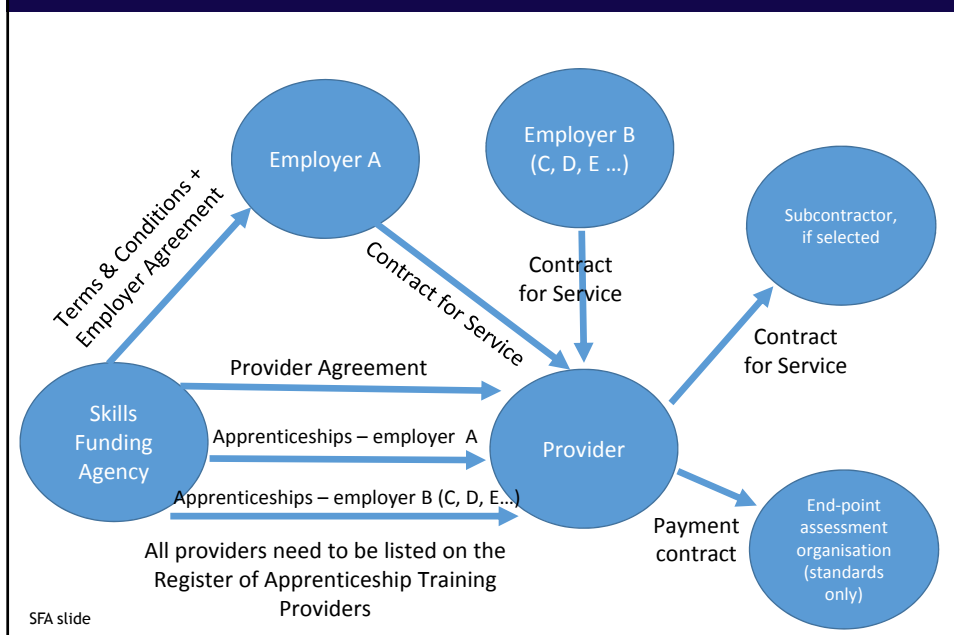
Contracts, contracts, contracts

The SFA says

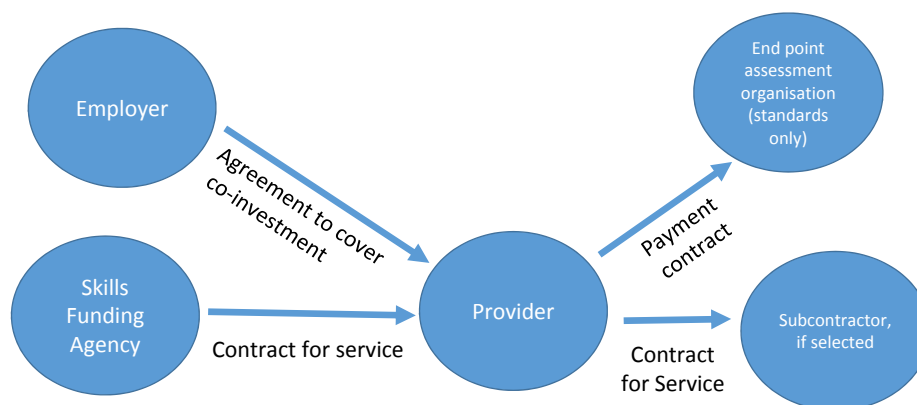
“Once you have been selected by an employer to deliver training to their apprentices, you will need to negotiate costs and ensure contracts are in place so that the funding can flow.

“The costs for any end point assessment will be included in the total price for the apprenticeship you agree with the employer. You will be required to pass this agreed amount on to the assessment organisation selected by the employer.”

Working with employers with a digital account



Working with employers without a digital account



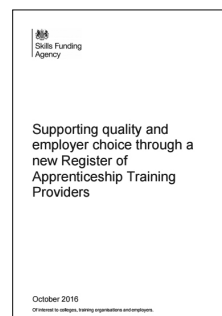
Any provider wishing to work with employers who do not pay the levy must:

- be listed on the Register of Apprenticeship Training Providers and
- have successfully completed an invitation to tender to work with employers that do not pay the levy

SFA slide

Types of registered providers

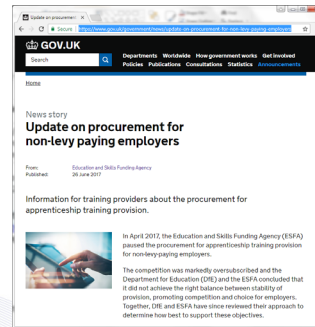
- **Main (1753 applications & 1303 approved), now 1678:** eligible for selection by levied employers to deliver apprenticeship training, or selection by another main provider to work as a subcontractor;
 - **Supporting (336 applications & 235 approved), now 317 :** for providers who only want to deliver as a subcontractor up to a value of £500,000 per year across all organisations they work with. This could be an entry route for a subsequent application to the main route;
 - **employer-provider (238 applications and 170 approved), now 220:** employers who want to provide training to their own staff. They will have the flexibility to lead their own programme, or act as a subcontractor to their appointed main provider”.
- > **Main plus non-levied allocation (1,310 applications but ‘PAUSED’)**



<https://www.gov.uk/government/collections/register-of-apprenticeship-training-providers>

Non-levy allocation update

- > Paused tender now scrapped
- > New tender round at end of July for January 2018 to April 2019
- > Plan is to get all non-levy employers access to DAS by May 2019
- > If you are not already on RoATP you wont be able to tender



<https://www.gov.uk/government/news/update-on-procurement-for-non-levy-paying-employers>

Non-levy growth requests

<https://www.gov.uk/government/publications/sfa-growth-request>

Providers can now submit growth requests for 16 to 18 and 19+ non-levy apprenticeship contract values for May 2017 to December 2017

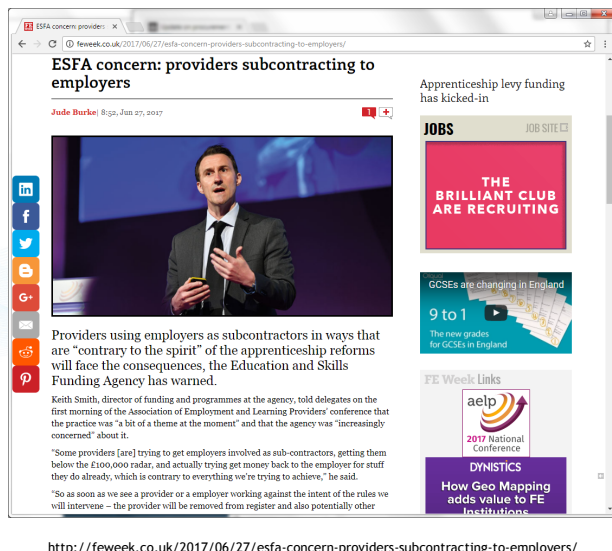
Growth Request forms must be sent to ProviderPerformanceManagement@sfa.bis.gov.uk and provider managers before 5.00pm on Tuesday 11 July.

Apprenticeship subcontracting (from May 2017)

“At the outset of each apprenticeship, a main provider and employer will agree a plan for its delivery. You must directly deliver some of the apprenticeship training and/or onprogramme assessment associated with each employer’s apprenticeship programme. By apprenticeship programme we mean the apprentices that are being trained for the employer that has chosen you. The volume of training and/or on-programme assessment that you directly deliver for each employer must have some substance and must not be a token amount to satisfy this rule. It must not be limited to a brief input at the start of each employer’s programme or involve delivery to just a few of a large number of apprentices.”

<https://www.gov.uk/government/publications/apprenticeship-funding-and-performance-management-rules-2017-to-2018>

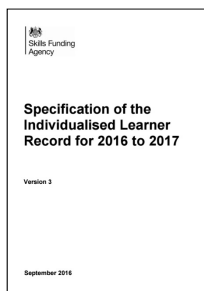
Apprenticeship subcontracting (from May 2017)



"Some providers [are] trying to get employers involved as sub-contractors, getting them below the £100,000 radar, and actually trying get money back to the employer for stuff they do already, which is contrary to everything we're trying to achieve,"

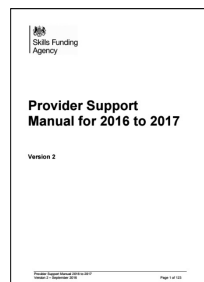
"So as soon as we see a provider or a employer working against the intent of the rules we will intervene - the provider will be removed from register and also potentially other larger consequences as well,"

The ILR and significance of data



With the exception of employer fees, the provider will receive all funding from the SFA on the basis of monthly ILR returns. The ILR specification document provides "a technical specification of the data collection requirements and file format of the ILR to enable the intended audience to be able to meet the requirements for ILR data returns in 2016 to 2017.

<https://www.gov.uk/government/publications/ilr-specification-validation-rules-and-appendices-2016-to-2017>



Section 12 is split into the following sections:

- Guidance that applies for all apprenticeship programmes
- Additional guidance for apprenticeship frameworks
- Additional guidance for apprenticeship standards
- Additional guidance for recording Higher and Degree apprenticeships
- Requirements for Higher Education Institutions (HEIs)

ILR deadlines and the 'double-lock'

Return No.	Return Date
R11	06/07/2017
R12	04/08/2017
R13	14/09/2017
R14	19/10/2017

For levied employers the SFA will only pay where DAS apprentice data matches ILR data (the SFA call this the 'double-lock')

Matching data between the ILR and apprenticeship service

80. We will match apprentice data from your ILR submissions with the data held in the apprenticeship service, depending on the contract type the apprentice is being funded through (recorded as the 'Apprenticeship contract type' (ACT) in the ILR). If the apprentice is recorded as being funded through:

- ACT 2: a contract for services with the SFA (for a non-levy paying employer), then the data match is not applied.
- ACT 1: a contract for services with the employer (for a levy-paying employer) then the details in the employer's digital account must match ILR data for a payment to be made. The employer must also have authorised the apprenticeship to be funded from their digital account.

81. The data values we will use to match are:

- an identifying number for the apprentice (the Unique Learner Number)
- the provider reference number (UKPRN)
- the apprenticeship framework or standard references, consisting of:
 - the apprenticeship code from our Learning Aims Reference Service
 - the programme level (for frameworks only)
 - the framework pathway (for frameworks only)
- the total negotiated price
- an additional check to ensure that the start date on the ILR is not before the start of the record on the employer's account
- the 'Trailblazer financial record date' on the ILR. This should be on or after the start of the matching record on the employer's account. Where a change of circumstances occurs, this must be recorded in the apprenticeship service and the latest 'Trailblazer financial record date' should be recorded on or after this date and within the same calendar month in the ILR.

82. If you submit your ILR file during a collection period, we will provide an indicative data match using data from the apprenticeship service from the previous day.

83. If any data fails this match, you will need to ensure that any necessary changes are confirmed before the ILR collection is closed so we can release funding.

84. We will run the final matching process when the ILR submission window has closed using data from the apprenticeship service at the same point when the ILR window closes. The ILR collection timetable is published alongside the [ILR specification, validation rules and appendices 2016 to 2017](#) on GOV.UK.

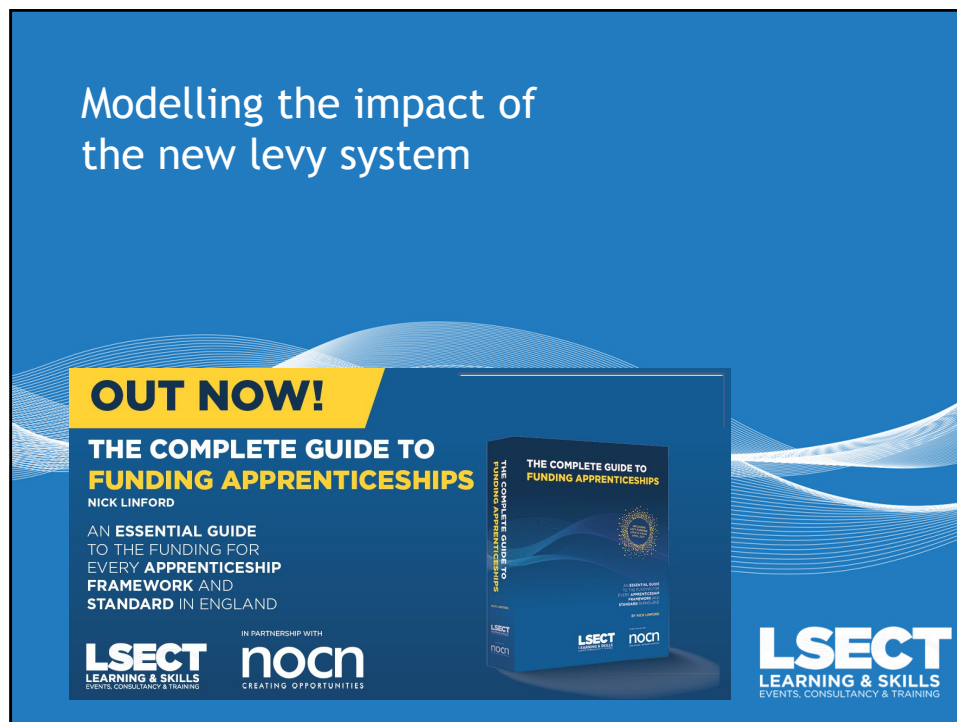
85. If a change in circumstance occurs for an apprentice during their programme, the detail of the changes will need to be recorded on both the ILR and the apprenticeship service. If the details of these changes do not match, funding will not be paid. These circumstances include changes in price, employer and provider.

86. We will provide reports to employers and providers to identify apprentices that have failed the data match that will explain which aspect of the ILR record does not match.

87. Once a record has passed the data match and funding has been paid, we will not claw back that funding if the data subsequently changes and the data match now fails. You will not earn any subsequent funding after the data match fails until the data matches again.

88. English and maths up to Level 2, learning support funding and all additional payments (including the framework uplift) will not be paid if the data match check fails, even though the payments would not come from the employer's digital account.

<https://www.gov.uk/government/publications/apprenticeship-technical-funding-guide>



Calculating funding for apprenticeships

> There are now three funding methodologies

1. Framework starts before 1st May 2017

Listed rates unchanged from 2012/13, with 20% for achievement, double payment in month one and variations for: delivery location; disadvantage; age at start; size of employer and no mandatory employer cash contribution.

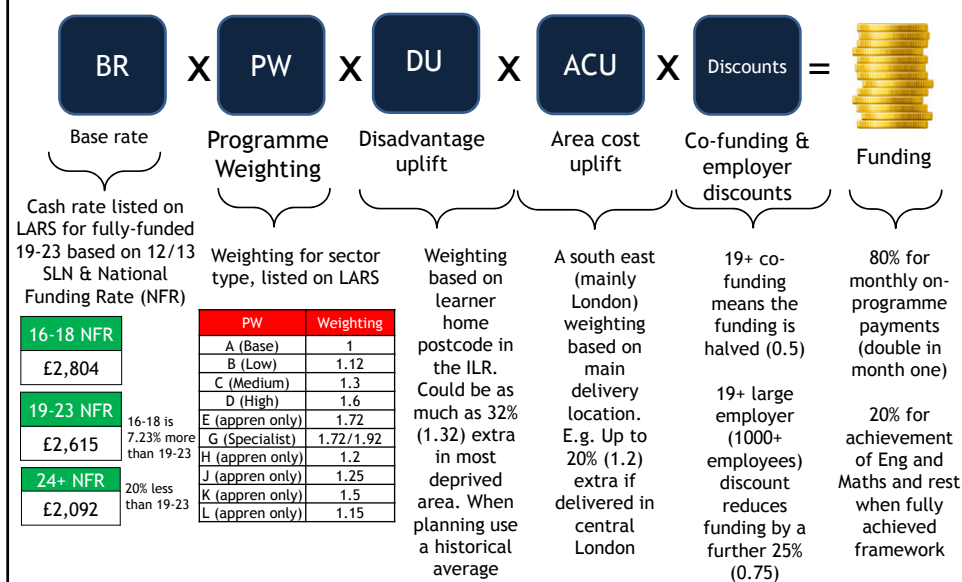
2. Standards starts before 1st May 2017

Pilot upper limits worth 2/3rd of provider income with mandatory employer cash contribution (1/3rd) substantial employer incentives for 16-18, small employers and end-point assessment achievement

3. Framework and standards starts from 1st May 2017

15 upper limits worth 100% for levied employers based on negotiation up to the upper limit, 100% of upper limit for SMEs with 16-18s from SFA else negotiated upper limit for non-levied employers split 10% employer cash payment and 90% SFA.

1. Apprenticeship funding formula (per qual)



2. Standards pilot funding (full cap)

Funding cap band	1	2	3	4	5	6
Core Gov Contribution (CGC) [max]	£2,000	£3,000	£6,000	£8,000	£13,000	£18,000
16-18 employer incentive [fixed]	£600	£900	£1,800	£2,400	£3,900	£5,400
Small employer incentive [fixed]	£500	£500	£900	£1,200	£1,950	£2,700
Completion employer incentive [fixed]	£500	£500	£900	£1,200	£1,950	£2,700
Maximum total government contribution	£3,600	£4,900	£9,600	£12,800	£20,800	£28,800
Employer contribution for training and assessment (to achieve max cap)	£1,000	£1,500	£3,000	£4,000	£6,500	£9,000
Core Government Contribution (CGC)	£2,000	£3,000	£6,000	£8,000	£8,000	£18,000
'Co-payment' : Provider income (excluding Eng & maths @ £471 each)	£3,000	£4,500	£9,000	£12,000	£14,500	£27,000
Large employer (50+ staff) with completed 19+ keeps	£500	£500	£900	£1,200	£1,950	£2,700
Large employer (50+ staff) with completed 16-18 keeps	£1,100	£1,400	£2,700	£3,600	£5,850	£8,100
Small employer (<50 staff) with completed 19+ keeps	£1,000	£1,000	£1,800	£2,400	£3,900	£5,400
Small employer (<50 staff) with completed 16-18 keeps	£1,600	£1,900	£3,600	£4,800	£7,800	£10,800
Net cost to large employer (50+ staff) with completed 19+	£500	£1,000	£2,100	£2,800	£4,550	£6,300
Net cost to large employer (50+ staff) with completed 16-18	£100	£100	£300	£400	£650	£900
Net cost to small employer (<50 staff) with completed 19+	£0	£500	£1,200	£1,600	£2,600	£3,600
Net cost to small employer (<50 staff) with completed 16-18	£600	£400	£600	£800	£1,300	£1,800

DfE or BIS payments via SFA

Provider income

Total employer incentives

Employer contribution greater than fee?

3. Levy funding for all starts from 1 May 2017

Number	Band limit	Non-levied fee (10%)	16-18 employer incentive	16-18 provider incentive (standards)	16-18 provider incentive (frameworks)
1	£1,500	£150	£1,000	£1,000	£1,300
2	£2,000	£200	£1,000	£1,000	£1,400
3	£2,500	£250	£1,000	£1,000	£1,500
4	£3,000	£300	£1,000	£1,000	£1,600
5	£3,500	£350	£1,000	£1,000	£1,700
6	£4,000	£400	£1,000	£1,000	£1,800
7	£5,000	£500	£1,000	£1,000	£2,000
8	£6,000	£600	£1,000	£1,000	£2,200
9	£9,000	£900	£1,000	£1,000	£2,800
10	£12,000	£1,200	£1,000	£1,000	£3,400
11	£15,000	£1,500	£1,000	£1,000	£4,000
12	£18,000	£1,800	£1,000	£1,000	£4,600
13	£21,000	£2,100	£1,000	£1,000	£5,200
14	£24,000	£2,400	£1,000	£1,000	£5,800
15	£27,000	£2,700	£1,000	£1,000	£6,400

Simplified Disadvantage uplift for frameworks (up to £600 per apprentice)

English & maths @ £471 each

Comparing framework funding for 1 May starts 16-18 example

Framework (Level 2)	Pathway	Upper limit
Business Administration	Business and Administration	£2,000

Framework (Level 2)	Pathway	Competence aim	Competence LARS 19-23 weighted rate	Knowledge aim	Knowledge LARS 19-23 weighted rate	Combined aim	Combined LARS 19-23 weighted rate
Business Administration	Business and Administration	n/a	n/a	n/a	n/a	60135463	£3,983

Framework (Level 2)	Pathway	Combined LARS 19-23 weighted rate	16-18 full-funding	16-18 delivery in central London	16-18 apprentice lives in most deprived area in England	Apprentice lives and works in most deprived area in central London
Business Administration	Business and Administration	£3,983	x 1.0725	x 1.0725 x 1.2	x 1.0725 x 1.3200001	x 1.0725 x 1.2 x 1.2209
		Current framework funding	£4,272	£5,126	£5,639	£6,258

Impact of final framework rates, published 25 October

Framework (Level 2)	Pathway	Upper limit + £1400 provider incentive	16-18 full-funding	16-18 delivery in central London	16-18 apprentice lives in most deprived area in England (£600 more)	Apprentice lives and works in most deprived area (£600 more) in central London
Business Administration	Business and Administration	£3,400	-£872	-£1,726	-£1,639	-£2,258
16-18 apprenticeship impact ranges (25 October)			-20%	-34%	-29%	-36%

Maximum value of disadvantage funding now	Value of disadvantage funding in most deprived central London area (Tottenham) now	Maximum value of disadvantage funding from 1 May
£1,367	£944	£600

<http://fewee.co.uk/wp-content/uploads/2016/10/Framework-rate-changes-25-10-16.pdf>

Comparing framework funding for 1 May starts 19+ example

Framework (Level 2)	Pathway	Upper limit
Business Administration	Business and Administration	£2,000

Framework (Level 2)	Pathway	Competence aim	Competence LARS 19-23 weighted ratio	Knowledge aim	Knowledge LARS 19-23 weighted ratio	Combined aim	Combined LARS 19-23 weighted ratio
Business Administration	Business and Administration	n/a	n/a	n/a	n/a	60135463	£3,983

Framework (Level 2)	Pathway	Combined LARS 19-23 co-funded weighted ratio	19-23 co-funding	19-23 delivery in central London	19-23 in most deprived area in England	19-23 lives and works in most deprived area in central London	co-funded large employer	co-funded 24+ large employer
Business Administration	Business and Administration	£3,983	x 0.5	x 0.5 x 1.2	x 0.5 x 1.3200001	x 0.5 x 1.2 x 1.2209	x 0.5 x 0.75	x 0.5 x 0.75 x 0.8
		Current framework funding	£1,992	£2,390	£2,629	£2,918	£1,494	£1,195

Impact of framework rates

Framework (Level 2)	Pathway	Upper limit	19-23 co-funding	19-23 delivery in central London	19-23 in most deprived area in England	19-23 lives and works in most deprived area in central London	co-funded large employer	co-funded 24+ large employer
Business Administration	Business and Administration	£2,000	£9	-£390	-£629	-£918	£506	£805
Apprenticeship funding impact ranges			0%	-16%	-24%	-31%	34%	67%

<http://feweek.co.uk/wp-content/uploads/2016/10/Framework-rate-changes-25-10-16.pdf>

Three things to note when modelling frameworks

- > Modelling old and new world for frameworks not easy as compares complicated old with simple(ish) new but with an assumed rate at the upper band...
- > STEM subjects better funded from 1 May assuming you aren't currently charging employers
- > For frameworks, the highest priority apprentices now (youngest and living in most disadvantaged area) typically sees funding percentage fall furthest - perverse but true

Briefing your customers: the employer


OUT NOW!

**THE COMPLETE GUIDE TO
FUNDING APPRENTICESHIPS**
NICK LINFORD

AN **ESSENTIAL GUIDE**
TO THE FUNDING FOR
EVERY **APPRENTICESHIP**
FRAMEWORK AND
STANDARD IN ENGLAND

LSECT
LEARNING & SKILLS
EVENTS, CONSULTANCY & TRAINING

IN PARTNERSHIP WITH
nocn
CREATING OPPORTUNITIES



LSECT
LEARNING & SKILLS
EVENTS, CONSULTANCY & TRAINING

Apprenticeship service

An employer's guide to the digital apprenticeship service

- #### 1 Plan your apprenticeship programme

 - Estimate how much funding you will have to spend on apprenticeships
- #### 2 Choose apprenticeship training and assessment

 - Find the right type of apprenticeship training for your business
 - Choose a training provider
 - Choose who will assess your apprentice at the end of their apprenticeship
- #### 3 Advertise a vacancy to recruit an apprentice

 - Work with your training provider to post an apprenticeship opportunity

If you are a **levy paying employer**, carry on to steps 4 and 5.

If you are a **non-levy paying employer**, work with your training provider to complete the next steps.
- #### 4 Manage the funding for your apprenticeship

 - Register securely to set up an employer account
 - View the current balance of your levy and any previous transactions
 - Forecast your funding available in the future
 - Find out support available if you don't have enough levy
- #### 5 Start a new apprenticeship contract

 - Agree how much you want to pay a training provider from your levy account
 - Manage payments to your training provider and see when they will be paid
 - Pause or stop a payment to your training provider

The digital service is coming soon.

Want to see how the digital service might work? Email DAS@bis.gov.uk to test the prototype and tell us what you think.

To find out more use our online guidance or contact our employer helpline:

Phone: 08000 150 600
Email: nationalhelpdesk@apprenticeships.gov.uk
Web: www.gov.uk/take-on-an-apprentice/overview

Funding Apprenticeships System

FAS free to use and an improvement on the SFA 'estimate my funding' tool, as it allows you to:

- > Set a negotiated rate
- > Set the duration in months
- > Select 16-18 or 19+ apprenticeship starts
- > Fully fund 16 to 18 year-olds at small employers
- > Assign 16-18 employer and provider incentives at month 3 and 12
- > Filter for selecting framework pathways or standards
- > Expand the view of the monthly funding
- > Send summary report feature

www.fas.report

**FAS
added
value**

You can use a filter
function to find the
framework or standard

You can click on
hyperlink to read
the framework
specification or
standard with
assessment plan

The screenshot shows the FAS Home - Funding Apprenticeships System interface. The page has a header with the FAS logo and navigation links. Below the header, there's a section for 'Basic Information' with input fields for 'Payroll (UK)' (set to £ 7,000,000), 'Approx. % of employees living in England?' (set to 100), and 'Less than 50 staff?'. A 'Recalculate my Levy credit' button is present. Below this, it shows the 'Annual levy credit: You'll receive £21,996 of levy credit per year. How is this worked out?'. The 'Add Apprenticeship' section includes a 'Filters' dropdown menu with options 'By Name', 'By Level', 'By Sector', and 'By Type'. A 'Negotiated rate*' input field is set to £ 2,000. A 'Duration in months*' input field is set to 12. A 'Number of apprentices*' section shows '16-18' set to 1 and '19+' set to 1. A 'Start date' input field is set to 05/02/17. Annotations with arrows point to various features: 'You can identify small employer to ensure 100% subsidy for 16-18 year old' points to the 'Less than 50 staff?' checkbox; 'You can set your own negotiated rate' points to the 'Negotiated rate*' input field; 'You can set your own duration in months' points to the 'Duration in months*' input field; 'You can set different ages so 16-18 incentives can be forecasted' points to the 'Number of apprentices*' section; 'You can use a filter function to find the framework or standard' points to the 'Filters' dropdown menu; and 'You can click on hyperlink to read the framework specification or standard with assessment plan' points to a link that reads 'Read more at: http://www.afs.sccalliance.org/frameworks-library/index.cfm?id=FR03885'.

Try for free at www.fas.report

Tips when briefing employers

- > Do your homework on the employer, to have hypothetical examples
- > Publish a price list, don't wait to negotiate
- > Factor the costs of assessment into the price (not always possible at present)
<https://www.gov.uk/government/collections/register-of-apprentice-assessment-organisations>
- > How will you support the employer admin? Access to their DAS? Your staff member permanently on their site?

Final Q&A

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