

Introduction to reformed apprenticeship funding - taster

10 November, 2017

Apprenticeship funding - critical update six months in

- 29 November - Liverpool
- 4 December - London
- 5 December - Birmingham
- 13 December - York

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Welcome to this Lsect webinar

More than 1,000 registrations for this webinar

Agenda

14:00 Registration

14:05 Introduction to apprenticeship funding - taster

14:50 Q&A

15:00 End

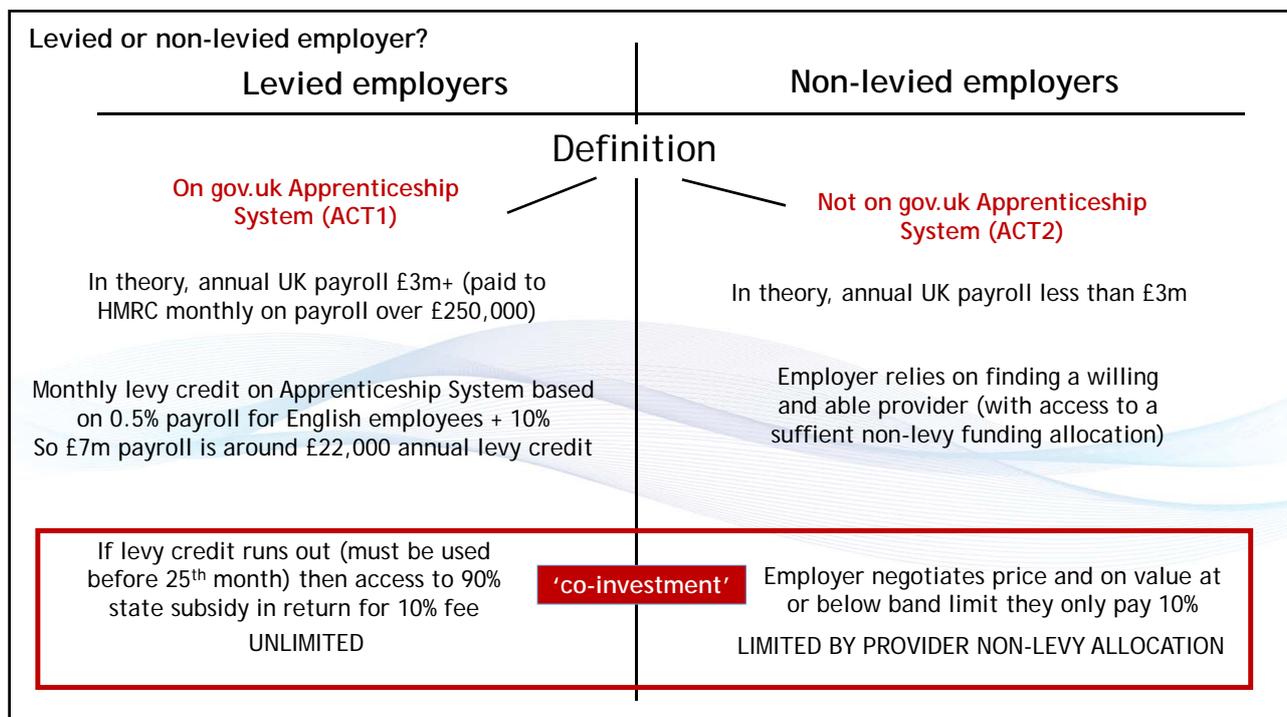
Slides from the webinar will be emailed to you later today

The apprenticeship levy funding national pot

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

Treasury makes annual £1.5bn saving as this new apprenticeship funding comes from around 20,000 large employers that pay extra 0.5% of payroll per month. *National levy pays for everything:*

- Direct: Pays for large employer training and assessment
- Indirect: Pays for large employer 10% top-up to levy credit
- Indirect: Pays for small employer training and assessment (90% or 100%)
- Indirect: Pays for large and small employer English, maths and incentives



'Negotiated' apprenticeship funding

Number	Band limit (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

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

The value of the band is referred to as the upper-limit, and providers may choose to offer the apprenticeship at a lower 'negotiated' rate, or even charge a fee above the upper-limit.

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

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

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



Key additional funding values that employer does not pay

£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)

Some of the key 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.

Transferring funding

In April 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

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**
[SO GRADUATES CAN BE FUNDED FOR DEGREE APPRENTICESHIPS MANAGEMENT]

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

ESFA slide

Some of the key technical documents



<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>



<https://www.gov.uk/government/publications/ilr-specification-validation-rules-and-appendices-2017-to-2018>



Apprenticeship frameworks and standard funding bands from May 2017

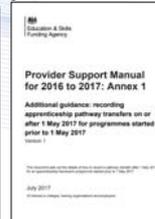
<https://www.gov.uk/government/publications/apprenticeship-funding-bands>



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



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



<https://www.gov.uk/government/publications/apprenticeship-service-bulk-upload-specification>

Final Q&A

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