

Apprenticeship funding and rules for 2020/21

12:00 - 14:30

29 July 2020

> Nick Linford, author of the Complete Guide to Funding Apprenticeships

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Webinar agenda

12:00 - 14:30

1. New apprenticeship policies
2. New apprenticeship rules
3. Funding formula and profiling in 2020/21
4. Nick's dynamic apprenticeship funding calculator for 2020/21
5. Final Q&A

All slides, the calculator and a video recording of this webinar will be sent to you via email after the webinar

New policies - a response (or not) to Covid-19

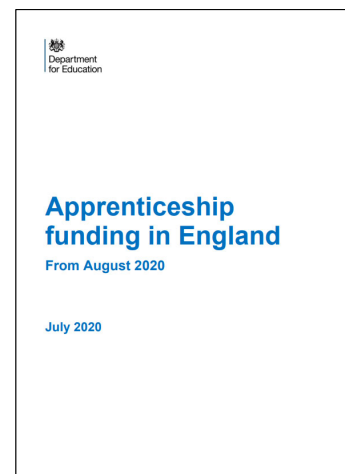
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Policy update published 14 July

“This document sets out the policy for apprenticeship funding in England, for new starts from 1 August 2020. It updates the policy that has been in place since 1 April 2019.”

1. “Some [Covid-19] flexibilities continue beyond 1 August 2020, further details can be found in the guidance” -> <https://tinyurl.com/t6vjw27>
2. New cash employer incentives
3. Increasing access to funding via online apprenticeship system for small employers (non-levy)
4. No framework starts funded from 1 August 2020

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



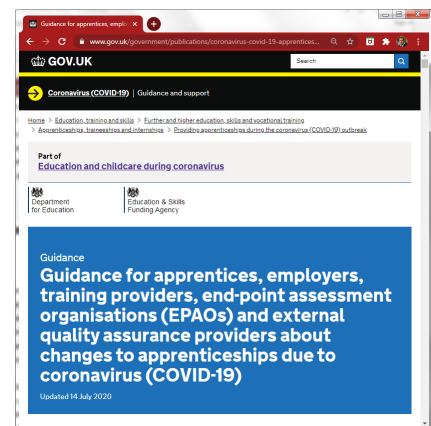
1. Covid-19 flexibilities

“The temporary flexibility suspending the funding rule requiring level 2 apprentices to study towards, and attempt, level 2 functional skills assessments has been extended until 31 December 2020”

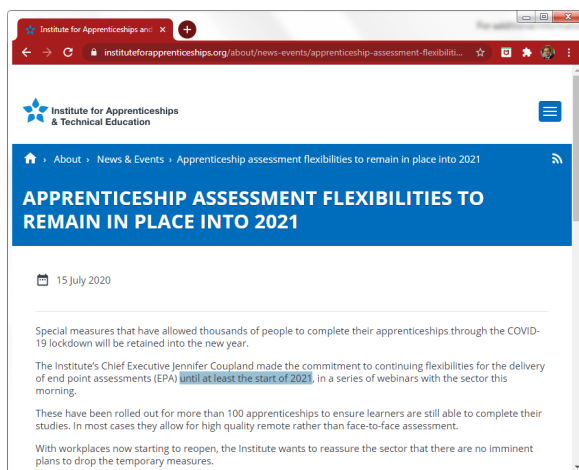
“Where an apprentice had planned to start with their new employer within 30 days of leaving their last, but has had a break of over 30 days between employers due to coronavirus (COVID-19) they will remain eligible for support on their return.”

For apprentices made redundant” If a new employer is not found within 12 weeks, the apprentice is withdrawn from the programme but can return to the same apprenticeship at a later date, **without the need to satisfy the 12 month minimum duration rule.**”

<https://tinyurl.com/t6vjw27>

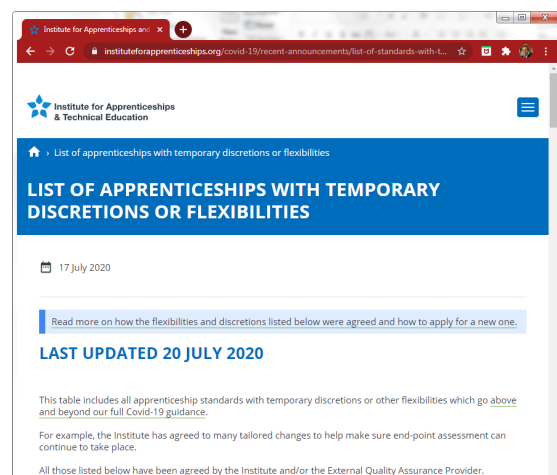


End point assessment (EPA) flexibilities continue



“The Institute will give 12 weeks from when any changes are announced to existing flexibilities before EPA organisations will have to deliver them.”

<https://www.instituteforapprenticeships.org/about/news-events/apprenticeship-assessment-flexibilities-to-remain-in-place-into-2021/>



Currently 118 standards listed on this webpage with EPA “flexibilities and discretions”

<https://www.instituteforapprenticeships.org/covid-19/recent-announcements/list-of-standards-with-temporary-discretions-or-flexibilities/>

2. New cash employer incentives

New “incentive payment will be made to employers who hire an apprentice between 1 August 2020 and 31 January 2021.”

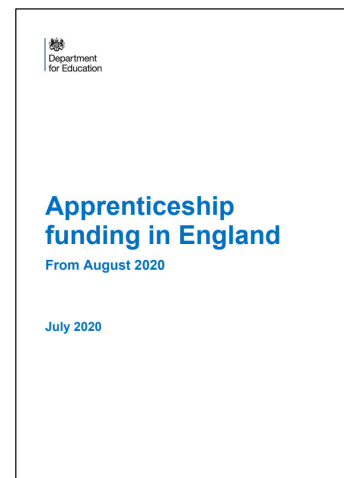
Apprentice “must not have been employed by the employer within the six months prior to the contract start date.”

Employer to make claim direct via apprenticeship system, and paid “in two equal instalments, where the apprentice is still in learning at day 90 and day 365”

£2,000 aged 16-24 and £1,500 aged 25+ (unlimited)

Existing £1,000 for all 16-18s, passed on by the provider to the employer, remains unchanged

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



3. Increase access for small employers

“For the remainder of the FY2020-21, the number of ‘active’ or ‘used’ reservations available to non-levy paying employers at any given time will increase from 3 to 10. This enables non-levy paying employers to recruit more apprentices for their businesses through the apprenticeship service. This policy will come into effect from 15 July and will continue to be kept under review as we further assess how the new system is working.

“Employers can reserve funds up to three months before an apprenticeship is planned to start. As such, reservations for September can be made from July.”

Reservations will expire if they are not turned into a commitment within 3 months of the apprenticeship start date, detailed within the reservation.

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



4. No framework starts from 1 August

Month	Framework starts	Standard starts	Total starts	Framework %
Jan-20	7,182	24,531	31,713	23%
Feb-20	6,036	18,217	24,253	25%
Mar-20	4,155	16,466	20,621	20%
Apr-20	1,751	7,264	9,015	19%



Apprenticeship funding in England

From August 2020

July 2020

568 apprenticeship standards approved for delivery

A further 133 apprenticeship standards in development

<https://www.instituteforapprenticeships.org/apprenticeship-standards/>

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

Technical guide

This document “explains how we will calculate funding for organisations receiving funding from us. Employers may find this information useful to help understand how employer accounts on the apprenticeship service operate or how government and employer co-investment will operate”

Waiting for the August 2020 update...

Not expecting any surprises



Apprenticeship technical funding guide

April 2019 to July 2020

January 2020: version 3

Page 1 of 44

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

Three rule books for 2020/21

- Main providers
- Employer-providers
- Employers (levy paying)

Remember: if you are a training provider employing your own apprentices then the employer-provider rules will apply (**no profit allowed**)

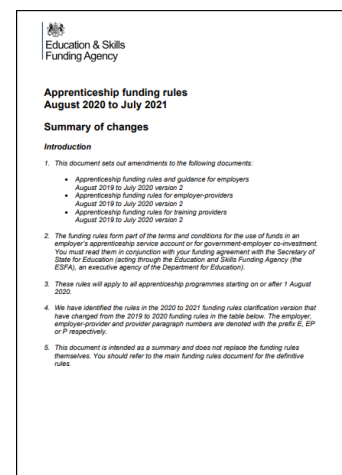
<https://www.gov.uk/guidance/apprenticeship-funding-rules>



Clarification version comes first with 7 page summary of changes

“We have identified the rules in the 2020 to 2021 funding rules clarification version that have changed from the 2019 to 2020 funding rules in the table below. The employer, employer-provider and provider paragraph numbers are denoted with the prefix E, EP or P respectively.”

“Following a review of any feedback we will issue a final version of the rules in July [this Friday?], in PDF and in our new manual format, to reflect any areas of clarification.”



<https://www.gov.uk/guidance/apprenticeship-funding-rules>

Also performance-management rules

P1. This document sets out the performance-management rules for training providers delivering apprenticeship training to apprentices that started:

- 1.1. with both levy and non-levy employers before 1 May 2017 (under the previous funding system)
- 1.2. with non-levy paying employers between 1 May and 31 December 2017 (under the new funding system and recorded in the ILR under funding model 36)
- 1.3. with non-levy paying employers between 1 January and 31 March 2018 (if you were awarded a 3 month run-down extension)
- 1.4. with non-levy paying employers from 1 January 2018 (if you were successful in the non-levy apprenticeship procurement)



Apprenticeship performance-management rules for training providers

This document sets out the performance-management rules for all training providers with non-levy procured funding and apprenticeships carry-in funding

July 2020 Version 3

“Initially you could only recruit new starts on this contract until 31 October 2020, following the outbreak of COVID 19 we have now extended the transition period. You can now use your allocation to recruit new starts until 31 March 2021. This is an extension of the time period you can recruit new starts only; we will not increase your contract value.”

<https://www.gov.uk/guidance/apprenticeship-funding-rules>

Status of the closed RoATP

The register of apprenticeship training providers (RoATP) closed for new applications from midnight on Wednesday 15 April 2020

ESFA on 1 April: "We will take this opportunity to review our future approach to the Register. The review will include initiating dialogue with the sector. We will advise further on when and in what form the Register will re-open."

“The Provider Growth Limit, to be applied to new RoATP listed providers and planned for later this year, will **not** now be introduced until further notice.”

<https://www.gov.uk/government/publications/apprenticeships-off-the-job-training#history>

Funding rule changes for 2020/21

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New rules

1. All starts from 1 August 2020 must be on standards. Apprentices on frameworks have until 31 July 2025 to complete.
2. All apprentices must have an apprenticeship agreement or be covered by one of the exceptions (e.g. Apprentices who have been made redundant with less than six months before the final day of their apprenticeship practical period)
3. Actual off-the-job training hours recorded in ILR at end of practical period for starts since last August (excluding where change of provider or programme)


Education & Skills
Funding Agency

Apprenticeship funding rules August 2020 to July 2021

Summary of changes

Introduction

1. This document sets out amendments to the following documents:

- Apprenticeship funding rules and guidance for employers August 2019 to July 2020 version 2
- Apprenticeship funding rules for employer-providers August 2019 to July 2020 version 2
- Apprenticeship funding rules for training providers August 2019 to July 2020 version 2

2. The funding rules form part of the terms and conditions for the use of funds in an employer's apprenticeship service account or for government-employer co-investment. You must read them in conjunction with your funding agreement with the Secretary of State for Education (acting through the Education and Skills Funding Agency (the ESFA), an executive agency of the Department for Education).

3. These rules will apply to all apprenticeship programmes starting on or after 1 August 2020.

4. We have identified the rules in the 2020 to 2021 funding rules clarification version that have changed from the 2019 to 2020 funding rules in the table below. The employer, employer-provider and provider paragraph numbers are denoted with the prefix E, EP or P respectively.

5. This document is intended as a summary and does not replace the funding rules themselves. You should refer to the main funding rules document for the definitive rules.

<https://www.gov.uk/guidance/apprenticeship-funding-rules>

New rules

4. “Apprentices on maternity, adoption or shared parental leave may use their statutory keep in touch (KIT/SPLIT) days to continue with off-the-job training during their period of leave.”

Maternity Leave

- P287** An apprentice may carry out up to 10 days' work for her employer without bringing her maternity leave period to an end (referred to as keeping in touch or KIT days).
- P288** If an apprentice wishes to use any of her 10 designated KIT days to continue apprenticeship training and/or assessment, including end-point assessment, they may do so.
- P289** Apprentices will lose their entitlement to statutory maternity pay and may bring their statutory maternity leave to an end if they undertake more than 10 days' work (their KIT entitlement) during their maternity leave. This may not affect any contractual rights.
- P290** Where KIT days are to be used for off-the job training during a period of maternity leave, you are required to agree in writing, with the apprentice and the employer, certain details (see paragraph P296). A copy of this agreement is to be kept in the apprentice evidence pack.

Adoption Leave

- P291** An apprentice may carry out up to 10 days' work for their employer during their statutory adoption leave period without bringing their statutory adoption leave or adoption pay period to an end (referred to as keeping in touch or KIT days).
- P292** Where KIT days are to be used for off-the job training during a period of adoption leave, you are required to agree in writing, with the apprentice and the employer, certain details (see paragraph P296). A copy of this agreement is to be kept in the apprentice evidence pack.

Shared Parental Leave

- P293** An apprentice may work for up to 20 days during the shared parental leave period for each of their employers without bringing their leave to an end. These days are "shared parental leave in touch" (SPLIT) days. These are separate and additional to any KIT days during a period of maternity or adoption leave.
- P294** Where SPLIT days are to be used for off-the job training during a period of shared parental leave, you are required to agree in writing, with the apprentice and the employer, certain details (see paragraph P296). A copy of this agreement is to be kept in the apprentice evidence pack.

Paternal Leave

- P295** Statutory paternal leave is a maximum period of 2 weeks. Any breaks of less than 4 weeks do not need to be reported to the ESFA. The expectation is that you would structure the off-the-job training delivery around any paternal leave allowing the apprentice to complete training as per the original plan.

<https://www.gov.uk/guidance/apprenticeship-funding-rules>

New rules

5. New employer statement where an apprentice had completed their off-the-job training in a shorter period (with consequently less hours) and updating of the commitment statement where off-the-job hours plans change.

- P63** During the programme, where it becomes clear through the regular progress reviews that the original volume of planned off-the-job training hours, that were agreed at the beginning of the programme, will not be delivered, this must be discussed and agreed with the employer and apprentice and documented on a new version of the commitment statement (see paragraph P73.2).

Note: All three parties (apprentice, employer and training provider) must keep a current signed and dated version of the commitment statement. You must keep your version (**and previous versions**) in the evidence pack with the apprenticeship agreement.

<https://www.gov.uk/guidance/apprenticeship-funding-rules>

New employer statement when planned and actual off the job hours don't match

P64 At the end of the programme, if the original volume of planned hours and the actual hours delivered do not align, you must produce a statement to summarise the following information:

- P64.1** The original volume of planned hours (as documented on the original apprenticeship agreement and commitment statement and recorded in the planned hours field of the ILR).
- P64.2** The actual hours delivered (as supported by proof of delivery in the evidence pack and recorded in the actual hours field of the ILR).
- P64.3** The volume difference between these two figures.
- P64.4** The reason for this difference (e.g. apprentice completed full content over a shorter timescale or prior learning identified part way through the apprenticeship).
- P64.5** Confirmation that the off-the-job training hours actually delivered met the minimum 20% requirement (20% of actual time on programme).
- P64.6** Confirmation that the apprenticeship met the minimum duration threshold (the 12-month practical period).

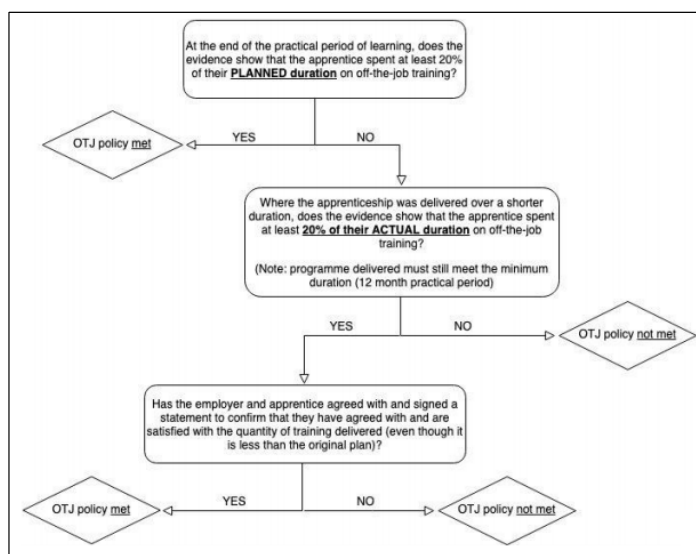
P65 The employer and apprentice must countersign this statement if they agree with, and are satisfied with, the quantity of training that was delivered, even though this is different to the volume agreed at the beginning of the apprenticeship.

- P65.1** The summary statement must align with changes made in the commitment statement(s). The statement serves only as a summary of these changes and is not a substitute for the commitment statement being updated, where necessary, on an ongoing basis (e.g. as a result of progress reviews) (see paragraph P73.2).
- P65.2** If the signed summary statement is not available in the evidence pack, the off-the-job training policy has not been met.
- P65.3** If the apprentice has spent less than 20% of their actual time on off-the-job training, then the programme is not a valid apprenticeship.

Reminder: "If the apprentice has spent less than 20% of their actual time on off-the job training [and/or a practical period of less than 12 months], then the programme is not a valid apprenticeship.

<https://www.gov.uk/guidance/apprenticeship-funding-rules>

Off-the-job flow chart and guidance documents



<https://www.gov.uk/guidance/apprenticeship-funding-rules>

Guidance
Apprenticeships: off-the-job training

How employers and training providers should meet the 20% off-the-job training requirement for apprentices, with some best practice examples.

Published 26 June 2017
Last updated 13 September 2019 — see all updates
From: Education and Skills Funding Board

Applies to: England

Related content

- Apprenticeship funding rules for employers: overview
- How apprenticeship service providers are assessed
- Apprenticeship funding rules for employers: overview
- Apprenticeship funding rules for employers: overview
- Apprenticeship funding rules for employers: overview

Documents

- Apprenticeship off-the-job training: policy background and examples
PDF 144KB, 1 page
18 March 2017
18 March 2017
- ESFA Apprenticeship Commitment Statement
PDF 144KB, 1 page
18 March 2017
18 March 2017
- Off-the-job training: steps to help you determine whether an activity counts as off-the-job training
PDF 144KB, 1 page
18 March 2017
18 March 2017
- Off-the-job training mythbusters
PDF 144KB, 1 page
18 March 2017
18 March 2017

<https://www.gov.uk/government/publications/apprenticeships-off-the-job-training>

New rules

6. “Written confirmation from the employer that the apprentice will be allowed to undertake off-the-job training within their normal working hours, in addition to English and maths training if required.” - so you may need to update your commitment statement

7. If the negotiated price changes then this needs to be recorded in the evidence pack “and the reason for this change”.

8. New employer cash incentives for new hire apprentices until 31 January 2021

£2,000 if, on the apprenticeship start date, the apprentice is aged between 16 and 24 years old (or 15 years of age if the apprentice’s 16th birthday is between the last Friday of June and 31 August inclusive); or

£1,500 if, on the apprenticeship start date, the apprentice is aged 25 years old or over.

Note: employer paid directly via online Apprenticeship Service and eligibility evidence needs to be in the evidence pack

<https://www.gov.uk/guidance/apprenticeship-funding-rules>

9. New redundancy rules

The employer provider “must also make reasons efforts to find the apprentice a new employer.” and include evidence of this in the evidence pack

And a new requirement to provide the apprentice with a ‘record for part completion of an apprenticeship’

P286.8 Where an apprentice is withdrawn because they have been unable to find a new employer, you must provide a ‘record for part-completion of an apprenticeship’ to support the individual to find new employment. This record must include, as a minimum:

P286.8.1 the apprentice details.

P286.8.2 the level and subject.

P286.8.3 the start date and planned end date.

P286.8.4 the percentage of the apprenticeship completed.

P286.8.5 a summary of the knowledge, skills and behaviours that you consider they have developed and evidenced.

P286.8.6 in the case of apprenticeships with mandatory qualifications, the qualification, or units thereof, achieved.

<https://www.gov.uk/guidance/apprenticeship-funding-rules>

New rules

10. When using the transfer funding facility (up to 25%) “the responsibility and liability of the transfer funded apprenticeship lies solely with the receiving employer.” - this rule is designed to help encourage/persuade more large employers to share funds with smaller ones

Redundancy evidence clarified

Where applicable, evidence that the apprentice meets the conditions of an alternative English apprenticeship. In the case of redundancy this must be evidence of a notice of dismissal from the previous employer that states the reason for termination as redundancy.

<https://www.gov.uk/guidance/apprenticeship-funding-rules>

Also note worthy : subcontracting

ESFA Update 15 July: “In light of COVID-19 we would not be issuing the templates for providers to tell us the actual level of funding paid and retained for each of their delivery subcontractors in 2019 to 2020. However, providers need to make sure that these are published on their website as detailed in the funding rules.”

Deadline for sending external assurance certificates for subcontracting controls extended from 31 July 2020 to 30 September 2020.

<https://www.gov.uk/government/publications/providing-external-assurance-on-subcontracting-controls>

Major subcontracting rule changes delayed

<https://www.gov.uk/government/news/esfa-to-require-reduction-in-subcontracted-activity-and-introduce-a-new-subcontracting-standard-following-sector-consultation>

But 2020/21 subcontracting rules “will be subject to further amendment”...

<https://www.gov.uk/guidance/apprenticeship-funding-rules>

Also note worthy : minimum duration exceptions

P46 The only exceptions to the minimum duration requirement are where an apprentice:

P46.1 Is made redundant with more than six, but less than 12 months remaining before their final day. In these cases, they may seek a further apprenticeship agreement which takes their prior apprenticeship experience into account. This further agreement may provide for a duration of less than 12 months.

P46.2 Returns to the same apprenticeship after a break in learning.

P46.3 Transfers between main providers but remains on the same standard.

P47 For the exceptions in paragraph P46 above you must have evidence that the total amount of time spent on their apprenticeship, which may include more than one episode of learning, meets the minimum duration requirement.

<https://www.gov.uk/guidance/apprenticeship-funding-rules>

Also note worthy : employer switch & 30 day rule

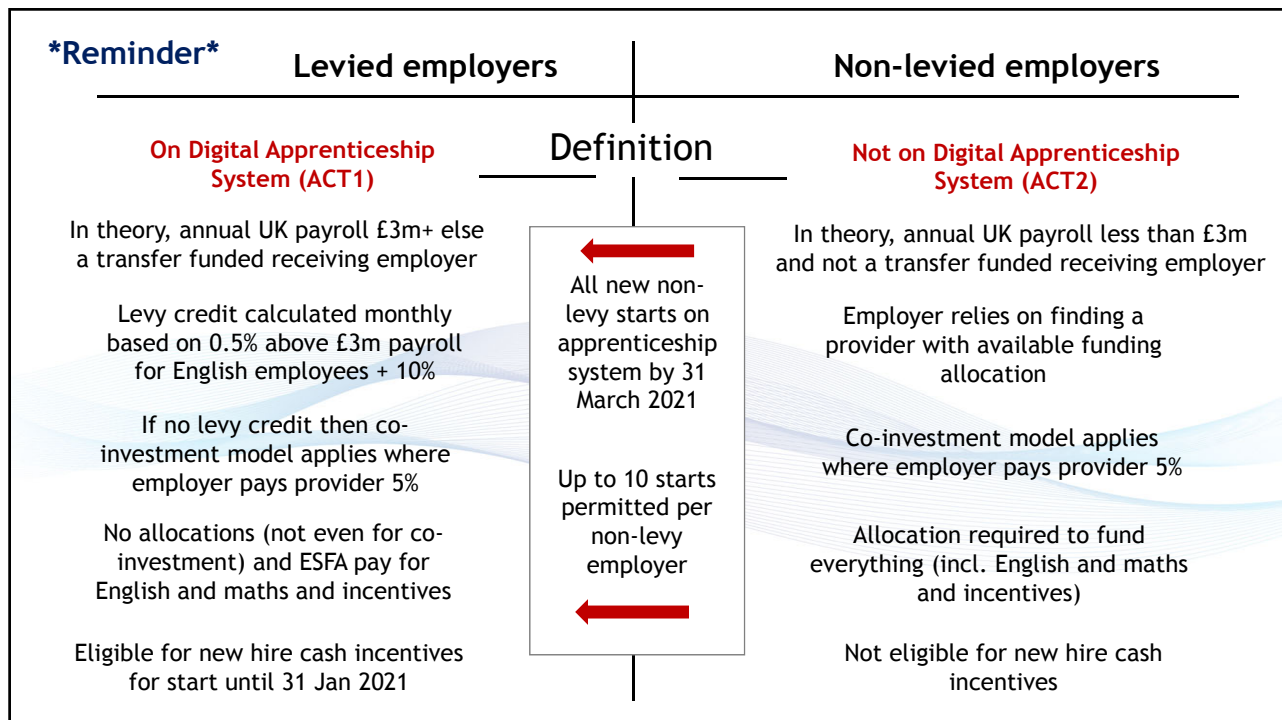
An apprentice must be employed continuously for the duration of the apprenticeship. If their employment is terminated, the individual cannot continue with their apprenticeship (with the exception of redundancy) where the break has been longer than 30 days. When employment or an apprenticeship agreement has ended (resignation, dismissal or any other action by the apprentice or the employer that results in the apprenticeship agreement ending) and new employment hasn't commenced within 30 days, you must notify us that the apprentice has left in line with P301. Where a new employer is found and employment starts within 30 days, you must manage this using a withdrawal and restart to ensure funds are not paid when the apprentice is not employed.

<https://www.gov.uk/guidance/apprenticeship-funding-rules>

Profiling standard starts in 2020/21

[No formula changes but keep an eye on funding cap rates changes and associated dates]

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Reminder**Working out if employer should be levied or not**

HMRC advice was that if employer payroll was £2.8m or more last year then they should register for paying the levy

The government will not 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 their payroll is £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 their payroll is £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 5% cash contribution in return for 95% ESFA funding. Unused levy pots fund non-levied employers plus top-up, incentives, English & maths etc (is the theory)

Reminder**The funding bands**

Meant to negotiate with employer but reducing for prior learning and experience is an actual funding rule

80% paid monthly with final 20% paid in last month on completion of the framework or EPA (do not need to pass)

42 day qualifying period unless returning from a break

For starts from 1 August 2018		For starts between 1 May 2017 and 31 July 2018	
Band Number	Band Maximum	Band Number	Band Maximum
1	£1,500	1	£1,500
2	£2,000	2	£2,000
3	£2,500	3	£2,500
4	£3,000	4	£3,000
5	£3,500	5	£3,500
6	£4,000	6	£4,000
7	£4,500	7	£5,000
8	£5,000	8	£6,000
9	£6,000	9	£9,000
10	£7,000	10	£12,000
11	£8,000	11	£15,000
12	£9,000	12	£18,000
13	£10,000	13	£21,000
14	£11,000	14	£24,000
15	£12,000	15	£27,000
16	£13,000		
17	£14,000		
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25	£22,000		
26	£23,000		
27	£24,000		
28	£25,000		
29	£26,000		
30	£27,000		

Education & Skills
Funding Agency

Apprenticeship technical funding guide

April 2019 to March 2020

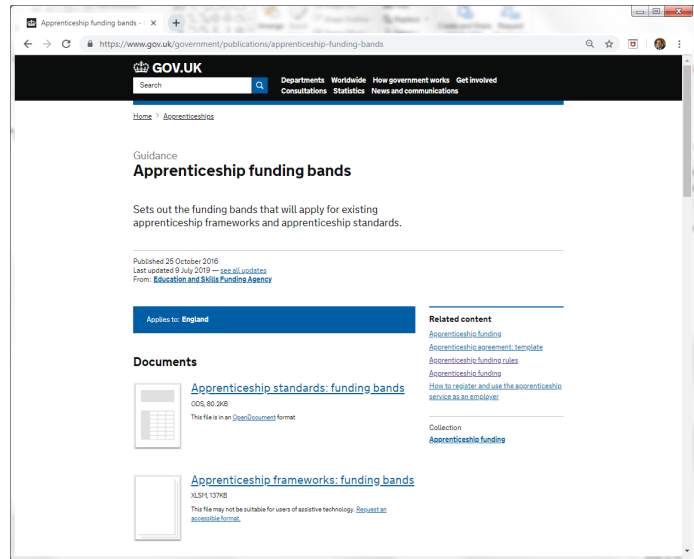
April 2019: version 1

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

Can only know band if you know start date

Band spreadsheet ***not reliable*** for standards given rate reviews...check dates and relevant band in LARS



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

Checking cap and cap dates on LARS

Category	Effective From	Effective To	Band Number	16-18 Provider Additional Payment	16-18 Employer Additional Payment	16-18 Framework Uplift	Care Leaver Additional Payment	Duration	Max Employer Levy Cap(£)	Standard Fundable Without Employer
App'ships from May 2017	01/05/2017	31/07/2018	7	1000	1000	0	1000	12.00000	5000	N
App'ships from May 2017	01/08/2018	03/03/2019	8	1000	1000	0	1000	12.00000	5000	N
App'ships from May 2017	04/03/2019		6	1000	1000	0	1000	12.00000	4000	N

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

Reminder [excl. new hire employer cash incentives for starts until 31 January 2021]

Other funding factors (not funded by levy credit but would come out of non-levy allocation)

£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

£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 ONLY). Paid to providers in two equal instalments at day 90 (3 months) and day 365 (12 months).

£1000 for care leavers, paid to provider 60 days from start and must be paid in full to apprentice within 30 days.

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

FRAMEWORKS ONLY: 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)

Demo of my apprenticeship
funding calculator - 2020/21
edition

