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Funding Focus – Apprenticeship funding – Overview, and where to find out more

9 December 2016

Funding Focus provides quick summaries of recent funding developments, or particular aspects of the funding system.

Introduction

In October the DfE confirmed the arrangements for apprenticeship funding, the levy, and the register of apprenticeship training providers (RoATP), following the original proposals published in August.

This Funding Focus brings you an overview of the key funding and levy arrangements confirmed in October, and the new/revised announcements. It also provides you with links to all the key official documents, and to the Pearson summaries available, so you have all the latest information in one place. It covers:

- Summary of key funding and levy proposals confirmed, and new/revised announcements made in October
- Register of apprenticeship training providers (RoATP)
- SFA webinars on the reforms
- Guidance on the register of apprentice assessment organisations, and new programme to tackle the shortage of end-point assessors
- What we are still waiting for
- Links to further information
- Pearson summaries

Summary of key funding and levy proposals confirmed, and new/revised announcements made in October

Confirmed

- *Government and employer contribution for non-levy payers:* Government will co-invest 90%, and employers will co-invest 10%.
- *Government contribution for small employers:* Government will cover 100% of the costs for training for small employers who have fewer than 50 staff for 16-18 year-olds, and 19-24 year-old care leavers or 19-24 year-olds with an LA EHC plan.
- *Additional payments for 16-18 and disadvantaged 19-24 year-olds:* Additional payments: of £1,000 to the employer and £1,000 to the provider will be made for all 16-18 year-olds, and all 19-24 year-old care leavers or 19-24 year-olds with an LA EHC plan (whether they are employed by levy-payers, non-levy payers, or non-levy paying small employers).
- *Additional payments for English and maths:* An additional flat rate of £471 for English and maths will be paid for each subject direct from the government to the provider. This funding will not come out of levy, and non-levy paying employers will not co-invest towards these costs.
- *Learner eligibility and prior learning:* Levy-paying employers will be able to use levy funds, and non-levy paying employers will be able to access the 90% co-investment, to train individuals on apprenticeship at the same or at a lower level than a qualification or apprenticeship they already hold. The only caveat is that the apprenticeship must allow the individual to acquire substantive new skills



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and the content of the training is materially different from any prior training, qualification, or previous apprenticeship.

- *Sharing digital funds*: The DfE have made a commitment to introduce a process by which levy-paying employers are able to transfer digital funds to other employers in their supply chains, sector, or to Apprenticeship Training Agencies in 2018. A new employer group will be set up to help government develop this system so it works for all employers. No further detail is available as yet on how or when this will be implemented (apart from the 2018 date). We will keep colleagues updated via our Pearson Funding News service (click [here](#) to sign up to receive these funding updates).

New

- *Higher funding bands for some STEM apprenticeship frameworks and apprenticeship standards*: The original funding bands set in August 2016 have been increased for some STEM frameworks, and for some standards.
- *Additional payments for 16-18 year-olds on frameworks (not standards)*: An additional 20% of the funding band maximum will be paid to the provider. This is a transitional measure and will be kept under review and reduced as more apprenticeship starts are on new standards.
- *Additional payments for 19-24 year-old care leavers or with an LA EHC plan on frameworks (not standards)*: An additional 20% of funding band maximum will be paid to the provider. Again, this is a transitional measure and will be kept under review and reduced as more apprenticeship starts are on new standards.
- *Additional payments for all disadvantaged learners on frameworks (not standards)*: An additional £600 will be paid to providers for learners on framework living in the top 10% of deprived areas (as per the IMD), £300 will be paid for those living in next 10%, £200 for those living in next 7%. This will be in place for the first year and again will be kept under review to 'ensure equal opportunity for all, regardless of circumstances'.
- *Longer period of time for employers to spend funds in their digital account*: 24 months, up from 18.

Links

- [Apprenticeship funding from May 2017](#): How apprenticeship funding for employers will work, including details of funding bands and the apprenticeship levy.
- [Apprenticeship technical funding guide for starts from May 2017](#): Sets out the technical details of the funding system used to fund apprenticeship frameworks and standards starting on or after 1 May 2017.
- [Apprenticeship funding and performance management rules 2017 to 2018](#): The draft rules that will apply to all apprenticeship provision funded by the SFA following the introduction of the apprenticeship levy.
- [Apprenticeship funding: how it will work \(the levy\)](#): Details of how employers will be affected by the apprenticeship funding system introduced from May 2017.
- [A revised apprenticeship funding calculator](#): to help employers understand what levy they will pay and how they could use the new digital service to plan and fund training.
- [SFA Digital blog](#): to help people keep up to date with the development of the Digital Apprenticeship Service (DAS).



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Register of apprenticeship training providers (RoATP)

Application routes to the new RoATP

- There are three 3 application routes for the RoATP which depend on how a provider is operating and who they are delivering to:
 - *Main route:* For providers who can be selected by levied employers, and by other mains, to work as subcontractor.
 - *Supporting route:* For providers offering a specialism, and who only want to deliver as subcontractor. They are able to deliver up to £500,000 training per year, before being required to apply to the main route.
 - *Employer-provider route:* For employers who want to provide training to own staff (as main or as a supporting provider).
- Providers need to pass tests in financial health, due diligence, quality, capacity and capability. These are differentiated according to the three routes.
- Organisations delivering less than £100k training per year as subcontractor do not need to be on RoATP. (This is a change from the original proposal in August which required any organisation wanting a role in apprenticeship delivery be on RoATP.)
- All main providers must directly deliver some of the apprenticeship training and/or on-programme assessment associated with each employer's apprenticeship programme. The volume of training and/or on-programme assessment directly delivered for each employer must have some substance and cannot be a token amount to satisfy this rule. It should 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. There is no minimum % of training and/or on-programme applying to this requirement. (Again, this is a change from the original proposal in August which required the main to always deliver a 'significant majority'.)
- During the first year of the operation of the RoATP parent company guarantees will be accepted for applications to give providers time to adapt to new requirement. (Again, this is a change to the original proposal in August which was that parent company guarantees would not be accepted for applications to register.)
- The RoATP will open four times a year for new applications, and the SFA will reopen it as soon as the results from the first round are available.

First opening of the RoATP, and invitation to tender for delivery to non-levy paying employers

- The RoATP opened for applications on 25 October 2016 after a delay to its opening which was originally planned for 3 October. The first selection of assured providers will be drawn from those who completed their applications by the deadline date of 25 November 2016.
- The SFA also ran a procurement exercise for the delivery of apprenticeship training to employers that will not use a digital account to pay for apprenticeship training. Organisations needed to the main route of the RoATP, and complete the invitation to tender, by the deadline date of 25 November 2016. The results will be known in March 2017 and those successful in the procurement will have contracts starting on 1 May 2017, and finish them on 31 July 2018.

Links

- [Working with the SFA as an apprenticeship training provider](#): Information for all providers who wish to offer apprenticeship training in England from May 2017 including existing providers as well as organisations that might wish to enter the apprenticeship training market.
- [Register of apprenticeship training providers](#): This series brings together guidance on how to apply to the register of apprenticeship training providers (RoATP).



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- The [apprenticeship employer-provider guide](#): Explains what employers need to do to become an apprenticeship training provider.
- SFA presentations on YouTube to provide information and guidance: [register of apprenticeship training providers](#), and [invitation to tender: apprenticeship training delivery for employers without a digital account](#).

SFA webinars on the reforms

Colleagues may be interested in the SFA [webinars](#) available for stakeholders on the latest information on the funding reforms. The next one is being held on Thursday 15 December.

Guidance on the register of apprentice assessment organisations, and new programme to tackle the shortage of end-point assessors

- [Register of apprentice assessment organisations, overview](#): information on the new register of apprentice assessment organisations for employers seeking an independent end-point assessment (EPA) organisation, and for potential applicants to the register.
- [New programme to tackle shortage of end-point assessors](#): funded by the DfE and commissioned by the ETF, with the aim of improving capacity to deliver independent EPAs in apprenticeships.

What we are still waiting for

- Further guidance for employers is expected from the HMRC this month (December) on how to calculate and pay the levy.
- As mentioned above, the DfE have made a commitment to introduce a process by which levy-paying employers are able to transfer digital funds to other employers in their supply chains, sector, or to Apprenticeship Training Agencies in 2018. A new employer group will be set up to help government develop this system so it works for all employers. No further detail is available as yet on how or when this will be implemented (apart from the 2018 date).
- We will keep colleagues updated with news via our Pearson Funding News service (click [here](#) to sign up to receive these funding updates).

Links to further information

- Justine Greening's (Secretary of State for Education and Minister for Women and Equalities) [written ministerial statement](#) on supporting apprenticeships.
- [Press release](#): New apprenticeship funding to transform investment in skills.
- [Research and analysis, The apprenticeship levy: how will employers respond?](#): research into how employers are likely to react to the introduction of the apprenticeship levy.
- [Research and analysis, Apprenticeships for 16- to 18-year-olds: the cost of providing](#): report comparing the cost of providing apprenticeships for 16-18 year-olds compared to those aged 19 and over. The research also looks into the amount these costs vary for different providers and employers.
- [Impact assessment: Apprenticeship funding from May 2017: equality analysis](#): analysis of the effect the new apprenticeship funding system will have on specific protected groups.
- [Apprenticeship evaluation 2015: learner and employer surveys](#): Results from the 2015 survey into the views and experiences of both employers and learners involved in apprenticeships.
- The SFA's [self-assessment survey](#) is there to help providers of apprenticeships understand what they need to do to prepare for the apprenticeship reforms in May 2017. Completing the survey will help



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providers assess how ready they are for the reforms and help the SFA identify further support providers might need to make sure they are ready to provide apprenticeships to employers paying the levy, and those accessing the co-investment model. The survey closes on **Friday 16 December**.

Pearson summaries

Pearson summaries of the funding and levy reforms are available on [Pearson Funding News](#):

- [Funding Focus – Apprenticeship funding from May 2017](#)
- [Funding Focus – Confirmed allocation of frameworks and standards to new funding bands from May 2017](#)
- [Funding Focus – Comparing existing apprenticeship funding with new apprenticeship funding from May 2017](#)
- [Funding Focus – The Apprenticeship levy from April 2017](#)
- [Funding Focus – The new register of apprenticeship training providers \(RoATP\)](#)

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Information is correct at the time of writing and offered in good faith. No liability is accepted for decisions made on the basis of information given