



Apprenticeships 101

A really simple guide to the
Apprenticeship Service

101 Factsheet for the Apprenticeship Service

Who is this guide for?

Employers, especially Senior Management, HR Managers and Finance Managers

MYTH BUSTER

Myth: Claiming funding back from the Government is really complicated.

Myth: As a non-levy paying employer the Apprenticeship Service has nothing to do with me.

Further information for employers who do not pay the apprenticeship levy can be found in the ESFA guidance

https://www.gov.uk/government/publications/apprenticeship-funding?utm_source=02b53b89-f953-48d6-a820-8a041752260c&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

Myth: The Apprenticeship Service won't work for my business - they won't have thought of all the variables that we need.

Fact: Levy paying businesses will need to claim funding back through the Apprenticeship Service. There is lots of help and support for businesses to get them up and running on the Apprenticeship Service and thousands of businesses are successfully navigating the system.

Fact: From January 2020, as part of testing new arrangements during a transition period, the Education and Skills Funding Agency (ESFA), invited all employers to use the apprenticeship service. For non-levy-paying employers use of the service during the early transition is optional. Following this transition the intention is, that towards the end of 2020, all apprenticeships will be arranged through the apprenticeship service.

From January 2020 employers who do not pay the apprenticeship levy have been able to create accounts on the apprenticeship service and reserve funding to cover the costs of apprenticeship training and assessment rather than use Government-procured contracts.

Since July 2020 the number of reservations available to non-levy paying employers increased from 3 to 10.

Fact: The ESFA has worked closely with business throughout the development of the Apprenticeship Service to ensure that it offers all of the desired functionality; and they aim to make continuous iterative improvements to the system based on user feedback, so you are able to influence the evolution of the system.

THE REALLY SIMPLE GUIDE TO THE APPRENTICESHIP SERVICE

Is the Apprenticeship Service the same as the Digital Apprenticeship Service?

Despite being called the Digital Apprenticeship Service throughout development, the 'Digital' part of the name was dropped for launch based on consumer feedback, so officially it's just the Apprenticeship Service. However it is still commonly referred to as both.

What is the Apprenticeship Service?

In a nutshell, it's the tool developed by the Education and Skills Funding Agency in partnership with HMRC to manage the movement of Apprenticeship funding between employers, the government and training providers (in the form of digital vouchers).

It also incorporates the 'Find apprenticeship training' tool to help you find training providers who offer the Apprenticeship standard(s) that you are looking to recruit into, and the 'Recruit an Apprentice' tool to help you share job postings with a pool of potential apprentices.

It's also where you'll see a record of all of your payments in and out, your current cohorts of apprentices and your current agreements.

Currently it is only used by levy-paying employers, although eventually it will be rolled out to all employers to help them manage their apprenticeships. (For more on the levy see our separate Levy 101 Factsheet).

How do I pay into the Apprenticeship Service?

You don't actually pay into the service like online banking. The levy is paid via your PAYE scheme and then shows up on your account when it is available. For anyone familiar with Childcare vouchers, it works in a similar way: the levy is taken at the point of payroll - while onward payments to providers are managed through an online system.

Where do I get my Government Gateway details from to set up my account on the Apprenticeship Service?

You will need your 'Government Gateway' details in order to link your PAYE scheme to your Apprenticeship Service account to feed through how much levy you have paid. Your payroll department should have this information. If your payroll is outsourced you may need to set up a new Government Gateway account, for which you will need your Accounts Office Reference and PAYE scheme number.

More details on how to do this here:

<http://www.gateway.gov.uk/>

What is a UKPRN?

This stands for UK Provider Reference Number. You will need this in order to connect your chosen Training Providers to your account. Your provider will be able to give you this.

We have several different companies under the same umbrella – will each have a separate levy account?

That's a decision for you to make. The system allows for you to add multiple payrolls to the same account, which then means you can manage your funding across all of your connected companies. You might prefer to keep them separate if your subsidiaries are fairly autonomous from one another, although you should be aware that it isn't possible to transfer funding between accounts.

Can we have multiple administrators of the system?

Yes, you can set up multiple logins and allocate specific permissions to different people (locking down editing rights), although you probably want to keep it to a tight group of the right people.

Can I get a 3rd party, such as an employment tax specialist or training provider, to set up and manage the system for me?

For set-up of your PAYE schemes, the answer is in theory 'yes', but we wouldn't recommend it without some cast-iron security guarantees, since sharing your Government Gateway login details about your payroll scheme(s) gives a 3rd party full access to sensitive information. The system is specifically designed, however, to allow you to delegate the set-up of apprentices to your Training Provider.



Is it better for me or my Training Provider to add Apprentices?

There are several advantages to your Training Provider doing this. They have ready access to details such as unique learner reference number, Individual Learner Records, the formal training start and end dates, and importantly have people trained specifically to do this. If you, as the employer, enters this information, our experience is that it needs to go through additional layers of approval.

Find official guidance on using the Apprenticeship Service at:
www.gov.uk/guidance/manage-apprenticeship-funds

How often are funds transferred to my Training Provider?

Your training provider will be paid in equal monthly installments according to the planned duration of the apprenticeship, so you don't need a critical level of funding in your account before starting an apprenticeship. This also means that you can stop payments for an apprentice if they leave after the apprenticeship has started or if they need to be paused for any reason.

Do I need to claim my 10% top up from the government?

No, the government will automatically add 10% to the funds in your apprenticeship service account.

How do I factor in my £15,000 levy allowance?

Your Apprenticeship levy allowance can be allocated between all your PAYE schemes and your connected companies or charities. However, you need to report how you've allocated your allowance the first time you have to pay Apprenticeship levy, and cannot make any changes during the same tax year.

What if I don't sign up to the Apprenticeship Service?

Eventually your funds will expire. You have 24 months to reclaim them (for legitimate, eligible training costs) so even if you haven't signed up yet, there is time to use them. It will have no effect however on whether you have to pay the levy or not.

Where can I go for more information?

qualifications.pearson.com/apprenticeships

