



Pearson

## *Insight Webinar #6 – Progress towards the new funding regime Q&As – 6 December 2016*

*Do contact [funding@pearson.com](mailto:funding@pearson.com) if we have misunderstood your question or you have any follow up questions.*

1. Will the funding for those aged 19+ (not those who are care leavers) be at 50% of that for 16-18 year olds?

The new funding methodology is the same for 16-18 year-olds and 19+ year-olds. So, they both attract the funding band set for the framework or the standard.

The final funding amount will be negotiated with the employer, and for:

- An apprenticeship with a levy-paying employer this funding will come from their levy.
- An apprenticeship with a non-levy-paying employer this funding will be co-funded at 90% by government and 10% by the employer.

16-18s, and 19-24 year-old care leavers or with a LA EHC plan, also receive an additional £1,000 which is paid to the employer and £1,000 which is paid to the provider.

16-18s, and 19-24 year-old care leavers or with a LA EHC plan, on apprenticeship frameworks (not standards) also receive an additional 20% of the funding band.

For more on the funding model see [Funding Focus – Apprenticeship funding from May 2017](#)

2. Is the funding for the same for 16-18 year-olds, and 19+ year-olds, for both standards and frameworks?

No.

16-18 year-olds attract the same additional £1,000 which is paid to the employer and £1,000 which is paid to the provider for both standards and frameworks.

16-18s, and 19-24 year-old care leavers or with a LA EHC plan, attract the same additional £1,000 which is paid to the employer and £1,000 which is paid to the provider for both standards and frameworks.

However, only 16-18s, and 19-24 year-old care leavers or with a LA EHC plan, on apprenticeship frameworks (not standards) receive the additional 20% of the funding band.

The funding band for a framework and a standard will be different but this is not affected by the age of the learner.

For more on the funding model see [Funding Focus – Apprenticeship funding from May 2017](#)

For the funding bands see [Funding Focus - Confirmed allocation of frameworks and standards to new funding bands](#)

3. Does this mean that all employers will have an automatic allowance of £150k if their pay bill is less than £3million?

No.

The £15,000 allowance does not exist as a payment. It is an amount set which once reached (i.e. if 0.5% of an employer's pay bill is over £15,000) means an employer is a levy-paying employer. If it isn't reached (i.e. if 0.5% of an employer's pay bill is less than £15,000) then an employer will not pay the levy.

This example might help:

Example 1: An employer who will pay the levy	Example 2: An employer who will not pay the levy
<ul style="list-style-type: none"><li>· Annual pay bill: £6,000,000</li><li>· Levy sum: <math>0.5\% \times £6,000,000 = £30,000</math></li><li>· Annual levy payment: £15,000 (i.e. subtract levy allowance from levy sum: <math>£30,000 - £15,000</math>)</li></ul>	<ul style="list-style-type: none"><li>· Annual pay bill: £1,500,000</li><li>· Levy sum: <math>0.5\% \times £1,500,000 = £7,500</math></li><li>· Annual levy payment: £0 (i.e. subtract levy allowance from levy sum: <math>£7,500 - £15,000</math>)</li></ul>

For more on the levy see [Funding Focus – The apprenticeship levy from April 2017](#)

4. Can the levy payers not transfer any funds to other employers who are DAS account holders until 2018?

No.

We don't have any further detail on exactly when this will be implemented I'm afraid. We will keep you posted (email [funding@pearson.com](mailto:funding@pearson.com) to sign up to Pearson Funding News to receive our funding updates).

The latest on this can be found in the DfE's and SFA's [Apprenticeship funding from May 2017](#) (pages 9 and 10):

### **Directing funds in a digital account to another employer or to Apprenticeship Training Agencies (ATAs)**

*15. The main aim of the apprenticeship levy is to support employers in growing the quality and number of apprenticeships in their own workforce, but we know there are employers who will want to support their supply chain or other employers in their sector or community by transferring funds from their digital account. Other employers want to be able to transfer funds to Apprenticeship Training Agencies (ATAs) who employ apprentices on their behalf.*

*16. We are committed to introducing this in 2018, and to initially allowing levy-paying employers to transfer up to 10% of the annual value of funds entering their digital accounts to other employers or ATAs. We recognise the effective delivery of apprenticeships in supply chains is important and so we have created a new employer working group to help us further develop proposals for a transfers system that works for employers. Alongside detailed research into the needs of employers of all sizes, this group will help government design how transfers should work, the level of funds that could be transferred and what controls are needed to protect the integrity of the apprenticeship system.*

5. Am I right in thinking that once we have spent all our levy on Apprentice training we can get a further 90% of funding from the government to train more apprentices? All we have to do is invest 10%?

Yes.

If a levy paying employer spends all their levy funds, they will then move over to the non-levy paying employer model. Government contribute 90% of the final negotiated funding, and the employer contributes 10%.

6. Documents have shown that both employers and Training providers will each get £1k for each 16-18 year old. Will this be capped with each employer only being able to do this X amount of times as with the AGE Grant? Or will it be infinite – opening up scope for an abuse of the system?

There is no mention of capping this figure in any of the funding documents. The SFA will be responsible for monitoring the system (and, or with, the Institute for Apprenticeships after April 2017).

7. Can an existing member of staff become an apprentice as long as they are 16-24 when they start, or is it only for new employers?

Any existing member of staff can take an apprenticeship at any age. Apprenticeships are not just for new employees. The only restriction is that the apprenticeship allows the individual to acquire substantive new skills, and content materially different to, qualifications or an apprenticeship they already hold (at any level).

8. So with regards to negotiation on price there is still no movement towards a minimum amount to protect standards of provision?

No.

This isn't something that has been implemented in the new funding arrangements I'm afraid.

9. Do you only attract the 16-18 incentive if you have fewer than 50 employees?

No.

All 16-18s, and 19-24 year-old care leavers or with a LA EHC plan, receive an additional £1,000 which is paid to the employer and £1,000 which is paid to the provider.

And all 16-18s, and 19-24 year-old care leavers or with a LA EHC plan, on apprenticeship frameworks (not standards), receive an additional 20% of the funding band.

Only 16-18s, and 19-24 year-old care leavers or with a LA EHC plan, however have the cost of the funding band 100% paid for by government. I.e. the employer does not have to co-invest 10% if they have fewer than 50 staff. They still also attract all the additional payments.

10. Can care providers use the funding to complete only part of the apprenticeship e.g. the diploma only?

No.

Apprenticeship funding can only be used to fund apprenticeship training and assessment. For standalone qualifications (for example, a Diploma) the Adult Education Budget would need to be used (contact [funding@pearson.com](mailto:funding@pearson.com) with any questions about this).

11. Do you have guidance on the charge for the EPA yet?

We continue to develop our end point assessment offer, reviewing individual standards and assessment plans. Further details for specific sectors and standards will be made available as these come on line and at our launch events – further details will be available on [quals.pearson.com/apprenticeships](http://quals.pearson.com/apprenticeships)

12. In terms of new funding I am concerned that STEM subjects have been incorrectly classified. The Pharmaceutical Science apprenticeship has received a cut in funding instead of the uplift that should be allocated to STEM. Is there any way to raise this issue with the SFA to reclassify the funding band?

Possibly.

If you could contact [funding@pearson.com](mailto:funding@pearson.com) with details we can look into this and raise any issues with the SFA.

13. Is there a separate register for organisations that wish to only offer the end point assessments?

Yes.

For further information see the SFA's [Register of apprentice assessment organisations](#)

14. How do you envisage the negotiation working between provider and employer?

Employers may for example look for providers to develop new delivery methods to bring the costs down, or have providers delivering to a number of apprenticeships so costs can be managed that way. Employers, working within the funding caps, (and levy-paying employers will also use the DAS system), may also themselves procure assessment services for on-programme and end point assessment from organisations on the respective registers.

15. Is there a cap on how much a training provider can pay an employer as an associate delivering to their own employees?

Yes and No.

The funding cap is the maximum that can be spent on the apprenticeship.

There is no maximum on the amount a training provider can then pay the employer who is delivering some of the training. Cost would need to be evidenced.

16. What qualification will Trainers have to have to deliver ie. PTTLs / A1 Assessor? Is there a minimum requirement?

There is currently no clear guidance or policy on this relating to on-programme assessment. However it is worth looking at individual standards and assessment plans to see if the employer trailblazer groups have established any parameters. The AELP and the ETF are currently evaluating the skills needs of assessors undertaking EPA and we anticipate they will publish guidance in the spring on this.

17. Can they do an apprenticeship at Level 3 if they have a degree as long as the content is different?

Yes.

See question 7.