



Pearson

# The Digital Apprenticeship System: Getting your funding back!

ALWAYS LEARNING



# Frequently asked questions

## What is the Digital Apprenticeship System?

Put really simply, it's the tool developed by the ESFA in partnership with HMRC to manage the movement of Apprenticeship funding between employers, the government and Training Providers.

It 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. However, the system is still in infancy and we're hearing reports that some Training Providers have been a little 'click-happy' when it comes to registering which standards they are offering. At the moment, we recommend that you find your Training Provider 'offline' and use the search function within the DAS to link up with them once your agreement has been made.

## Where do I get my Government Gateway details from to set up my account?

Put really simply, it's the tool developed by the ESFA in partnership with HMRC to manage the movement of Apprenticeship funding between employers, the government and Training Providers.

These are the needed to link your PAYE scheme to your Digital Apprenticeship System account to feed through how much Levy you have paid. Your payroll department is your first port of call – hopefully somebody there 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](#).

## 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 should be able to give you this – after all, it's in their interests!

## To access funding employers need to be registered with the ESFA. As a Levy payer, am I automatically registered or do I need to do something additional?

All you need to do is accept the funding agreement when you log into your Digital Apprenticeship System account. You should get this checked out by your Legal department first, of course, and do make sure that you are fully conversant with the funding rules to ensure that you are not leaving yourself liable to penalties at a later date.

## Do I *have* to use my Levy funding?

In short, no. Obviously the government is hoping to encourage large organisations to hire and train apprentices by making payment of the Levy compulsory, however it is not compulsory for you to claim it back. But what's stopping you? Please get in touch and we'll do our best to answer any questions or solve any problems you might have.

You are also allowed to use 10% of your funding to fund apprenticeships at other organisations (e.g., within your supply chain) although this functionality will not be available until 2018.

## It's going to take a while for my organisation to set up our apprenticeship programme – will it be too late to use our Levy funding?

There is an expiration date on Levy funding of 2 years. That's on a rolling basis – so if it takes you 2 years and 3 months to set up your programme you'll only lose 3 months' worth of funding. The funding rolls back into the pot for the co-funding of Apprenticeships for SMEs. Functionality is hopefully in the pipeline to highlight when funding is about to expire – a bit like Tesco Clubcard vouchers.

## Can I spend my Levy funding on employees living in Scotland, Northern Ireland or Wales?

The Digital Apprenticeship Service is designed for Apprentices living in England. Upon receipt of your Levy payments, however, HMRC will apportion that funding according to employee postcodes and the relevant proportion of it will be transferred to the devolved nations.

## What is the £15,000 Levy allowance?

Each Levy paying employer is eligible for an allowance of £15,000 over the year, so in effect you pay slightly less than 0.5% of your payroll. You can decide how to split the allowance between your PAYE schemes or with your connected companies or charities. You'll need to report how you've allocated your allowance the first time you pay Apprenticeship Levy and can't change this distribution within the tax year. The £15,000 allowance is awarded per group of connected companies rather than per payroll.

## 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, so if they're separate, they're separate. As long as you have added all of the eligible PAYE schemes, you don't need to add the name of every organisation – unless they will be entering into an agreement with a Training Provider, in which case the legal name must be added onto the account.

## Can we have multiple administrators of the system?

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

## What happens if I fail to pay the Levy?

The Levy is a tax like any other and non-compliance will result in penalties, reputational risk with HMRC and potential Senior Accounting Officer disclosure issues.

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## Can I get a 3<sup>rd</sup> 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 due to issues around data security. You would need to share your Government Gateway login details for your payroll scheme(s) and therefore give a 3rd party full access to sensitive information with the potential for the data within to be manipulated on Government Gateway payroll records. 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. If you do delegate this, make sure you check the length of programme before you sign off, and that the end-point assessment has been allowed for.

## How long should we ask our Training Providers to allow for end-point assessment?

We at Pearson are currently allowing 3 months for end-point-assessment across the board - although we will be able to refine this for each standard once the first cohort (or couple of cohorts) of apprentices has gone through the process.

## What happens if an Apprentice leaves before the end of their training?

If they leave within first 6 weeks they're not classified in any of the data – you just 'exit' them out of the system. If an Apprentices leaves after that then training ceases and funding will cease to leave your Levy pot. Unfortunately, there is no way of recuperating lost investment. Once you have paid the Levy to HMRC it becomes public money. The funding rules state that an apprentice must not be asked to contribute to the direct cost of learning or assessment – including where an apprentice leaves the programme early; i.e., you cannot claim it back.

## I'm an SME. Do I need to use the Digital Apprenticeship System?

Not yet, although the idea is that all apprentice employers will be using the system from April 2018.

## Where can I go for more information?

Watch our **Insight webinr** on using the Digital Apprenticeship System or review the Government's own guidance <https://sfadigital.blog.gov.uk/category/digital-apprenticeship-service/>