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Apprenticeship Funding: rules and guidance for employers Version 2

Setting out the funding rules for levy-paying employers who are participating in the apprenticeship programme through an account on the new apprenticeship service

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Summary of the key features of the funding model



- **Funding bands** – 15 funding bands
- **Payments totalling 80% of the negotiated price will be allocated on a monthly basis**, spread evenly across the period of the apprenticeship. The remaining 20% will be paid at the end of the apprenticeship
- **Expiry date from 18 to 24 months** – to spend funds in the digital account.
- **Co-investment rate** – Employers co-invest 10% of the costs, with government paying the remaining 90%.
- **Re-Training** – substantive new skills and training is different.
- **Transferring of digital funds** –10% to supply chain from 2018.

Additional Support for Employers

- **Support for small employers** (those with fewer than 50 employees) training 16-18 year olds and recruiting disadvantaged learners. Waive co-investment
- Support for **English and maths training**
- **All** – supporting 16-18 year olds, additional learning needs or learning and/ disabilities.

Utilising the levy



- Can only be used for the delivery of apprenticeships and the **apprenticeship must be recorded in the digital account**
- There must be a **genuine job** available during the apprenticeship
- Apprentices must spend at least **50% of their working time in England** and have the right to work in England
- **Can only be used with training providers on the RoATP and End-point Assessment organisations on the RoAAO**
 - The training provider must be delivering more than just the start of the apprenticeship
 - There must be a written agreement between employer and training provider and training provider must contract with an assessment organisation
 - Employers must agree a price with the lead provider for the total cost of the apprenticeship.
- The employee must have an **apprenticeship agreement and employers must sign a contract with SFA**
- The apprenticeship must last for a **minimum of 1 year PLUS End-point Assessment unless** the framework or standard specification or assessment plan requires it to be longer.
 - Assumes working a min of 30hrs/wk. If less than 30hrs/wk, then the apprenticeship must be extended
- The apprenticeship must include learning in the workplace, formal off-the-job training and the opportunity to practice new skills in a real work environment
 - **Off the job training must be at least 20%.** English and maths, learning outside of working hours and reviews CANNOT be included within the 20%
- Apprentices, undertaking an apprenticeship at the **same or lower** level can only be allowed if substantive new skills are required and the content of the training is materially different from any prior qualification or previous apprenticeship.
- **Any prior learner must be accounted for**
- **Employer must provide evidence to the training provider on eligibility to start the apprenticeship, apprentices employment and claims for any additional payments**

What CAN be funded



“Funds must only be used to pay for training and assessment, including end-point assessment to attain an apprenticeship that is eligible for funding up to the limit of the funding band”. This includes (text highlighted in red denotes new or revised additions in version 2):

- **Off-the-job training relevant to the framework or standard, including the costs associated with mandatory qualifications, through an externally-contracted provider or evidenced costs for employer provider delivery.**
 - **Includes some aspects of a licence to practise or non-mandatory qualification required for the apprenticeship.**
 - Planned on-programme assessment (progress reviews) and the formal end-point assessment, including any costs associated with the completion certification for the apprenticeship.
 - **End-point assessment should not usually exceed 20% of the funding band.**
 - Distance, online or blended learning relating to the off-the-job training element of an apprenticeship.
- Materials (non-capital items) used in the delivery of the apprenticeship framework or standard. Such as equipment or supplies necessary to enable a particular learning activity to happen.
 - Any administration directly linked to the training and assessment, including end-point assessment. This includes costs relating to the development of teaching materials, lesson planning, the processing of the ILR and quality assurance.
 - Funding to re-take mandatory qualifications or the end-point assessment providing additional learning takes place.
 - Accommodation costs for learning delivered through residential modules where the residential learning is a requirement for all apprentices. Any costs for residential modules must represent value for money.
 - Costs of an apprentice taking part in a skills competition if you and the provider have agreed that participation in the competition directly contributes to helping that individual achieve the apprenticeship standard.

[Additional rules and guidance on part-time and zero-hour contracts.](#)

What CANNOT be funded



Funds in the employers digital account or government –employer co-investment must NOT be used for:

- English and maths up to level 2; this is funded separately
 - Enrolment, induction, prior assessment, initial diagnostic testing or similar activity
 - Apprentices' wages, and travel costs for apprentices, under any circumstances
 - Personal protective clothing and safety equipment required by the apprentice to carry out their day-to-day work
 - Off-the-job training delivered only by distance learning
 - Any training, optional modules, educational trips or trips to professional events in excess of those needed to achieve the apprenticeship. This includes training solely and specifically required for a licence to practice.
- Registration and examination (including certification) costs associated with a licence to practice. This applies even where a licence is specified in the apprenticeship standard and assessment plan.
 - Registration and examination, including certification costs, for non-mandatory qualifications (qualifications that are not specifically listed in the standard).
 - End point assessment costs incurred by the training provider but not included in the price agreed between the employer and the apprentice assessment organisations.
 - In other words – make sure you calculate your cost of the end-point assessment activities (the technical experts) so that they can be included in the overall price for End-point Assessment agreed between employer and training provider and recorded on the digital account

What CANNOT be funded



- Re-sits for mandatory qualifications or the end-point assessment needed for the apprenticeship where no additional learning is needed.
- Accommodation costs where the apprentice is resident away from their home base, because of the requirements of their day-to-day work or because this is convenient for the employer or provider. Residential costs associated with non-mandatory qualifications are also excluded.
- Capital purchases including lease agreements. Capital purchases are long-term assets which would have a lifespan beyond the individual apprenticeship being funded for example: land, buildings, machinery and ICT.
- Time spent by employees or managers supporting or mentoring apprentices, or the time of other employed staff arranging training support, except where this is directly linked to the training and assessment, including end-point assessment. For example, the SFA would not expect to pay for any time spent by the apprentice's line manager for any of these activities.
- Maintenance of capital purchases. This includes vehicle parts and labour, insurance and MOT.
- Specific services not related to the delivery and administration of the apprenticeship. This includes the recruitment and continuing professional development of staff involved in apprenticeships, company inductions, managing agents and those providing a brokerage service to an employer or provider.
- Skills already obtained - Repeating the same regulated qualification where the apprentice has previously achieved it, unless it is a requirement of the apprenticeship or for any GCSE where the apprentice has not achieved grade C, or 4, or higher.

Important guidance



Support for English & maths training

- Additional funding will be provided up to Level 2
- If framework or standard requires higher levels of English and maths the cost must be met from within the funding band assigned

Contracting and subcontracting

- If employers decide to ask main provider to use delivery subcontractors they must satisfy one of the following three criteria:
 - On the register as a main or supporting provider
 - On the register as an employer provider
 - They are not on the published register but will deliver less than £100,000 of apprenticeship training and on programme assessment.

Details must match

- To be funded from the digital account, the data entered in the account must correspond with the information submitted by the provider to SFA each month the ILR.
- Payments to the chosen training provider will only be made if these details match.



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Additional Information



- Refer to Energy & Utility Skills' online FAQ's – Members area
- Contact Energy & Utility Skills at somia.nasim@euskills.co.uk