

Apprenticeship Levy

The University has to pay 0.5% of its total pay bill to the government as part of the Apprenticeship Levy. These funds must only be used to pay for apprenticeship training and assessment, including end-point assessment to attain an apprenticeship that is eligible for funding up to the limit of the funding band.

The Levy funding cannot be used for travel costs, apprentices' salary/wages, PPE or services not related to the delivery and administration of the apprenticeship. These costs must be met by the College or service recruiting the apprentice.

The Levy is paid via PAYE alongside Tax and NI contributions each month. People Services manage the training payments between the University and the Registered Training Provider using the Government online Apprenticeship Services account.

In summary:

- Our average apprenticeship levy payment is approx. £70,000 each month (paid around the 22nd day of every month). This is calculated from the Levy paid to HMRC by the university, multiplied by the % of English staff, plus a 10% government top-up.
- Funds will expire 24 months after they enter the University's digital account unless the University spends them on apprenticeship training and assessment.
- The levy account works on a first-in, first-out basis, through either payment or expiry.
- The Apprenticeship Levy digital account will cover the cost of apprenticeship training (15 funding bands ranging from £1,500 to 27,000, this will increase to 30 funding bands from August 2018). Therefore the individual, or directorate, will not need to budget for the training fees.
- Where apprenticeship training is not funded from the University's digital account (i.e. levy payers with insufficient funds), the University must co-invest 10% of the agreed total price up to the funding band maximum. The Government will co-invest 90% up to the funding band maximum.
- The University will receive incentive payments of £1,000 for each 16-18-year-old apprentice with an Education, Health and Care (EHC) plan. This is paid to the University in 2 instalments of £500 paid at 90 days and 365 days after the apprentice starts.

What can be funded?

Funds from our digital account, government-employer co-investment or the additional transitional funds paid for 16-18-year-olds on frameworks must only be used for activity directly related to the apprenticeship. These 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 the following:

1. Off-the-job training through a main provider, or evidenced costs for employer-provider delivery. This could include some or all of the training aspects of a licence to practise or non-mandatory qualification. In both cases, there must be a clear overlap between this training and the knowledge, skills and behaviours needed for the apprenticeship standard.
2. Registration, examination and certification costs associated with mandatory qualifications, excluding any licence to practise.
3. Regular planned on-programme assessments (progress reviews) to discuss progress to date against the commitment statement and the immediate next steps required.
4. Self-directed distance learning (where it forms only part of the learning experience), interactive online learning (virtual classrooms) or blended learning relating to the off-the-job training element of an apprenticeship.
5. Materials (non-capital items) used in the delivery of the apprenticeship framework or standard. By materials (non-capital items), we mean the equipment or supplies necessary to enable a particular learning activity to happen. These items would not normally have a lifespan beyond the individual apprenticeship being funded.
6. Any administration directly linked to training and assessment, including end-point assessment. This includes costs relating to the ongoing development of existing teaching materials, lesson planning, the processing of the ILR and quality assurance.
7. Time spent by employees/managers supporting or mentoring apprentices; this must be directly linked to the apprenticeship training and assessment, including end-point assessment, and be in addition to generic line management responsibilities.
8. Additional learning and/or the cost to resit an exam linked to a mandatory qualification.
9. Additional learning required to retake an end-point assessment.
10. Accommodation costs for training delivered through residential modules where the residential training is a mandatory requirement for all apprentices. By mandatory, we mean that there is a specific requirement in the apprenticeship standard which would apply equally to any apprentice, regardless of their location, employer or main provider (including subcontractors). Any costs for residential modules must represent value for money.
11. Costs of an apprentice taking part in a skills competition if you and the main provider have agreed that participation in the competition directly contributes to helping that individual achieve the apprenticeship standard.
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What cannot be funded?

Funds in our digital account or government-employer co-investment must not be used for any of the following:

1. Enrolment, main provider (or subcontractor) induction, prior assessment, initial diagnostic testing, or similar activity.
2. Travel costs for apprentices under any circumstances.
3. Apprentice wages.
4. Personal protective clothing and safety equipment required by the apprentice to carry out their day-to-day work.
5. Development of original teaching materials related to the delivery of a new apprenticeship offer.
6. Off-the-job training delivered only by self-directed distance learning,
7. Any training, optional modules, educational trips or trips to professional events in excess of those required to achieve the apprenticeship framework or meet the knowledge, skills and behaviours of the apprenticeship standard. This includes training solely and specifically required for a licence to practise.
8. Any fees to third parties associated with a licence to practise. This includes registration, examination and certification costs. This applies even where a licence to practise is specified in the apprenticeship standard and assessment plan.
9. Any fees to awarding bodies for non-mandatory qualifications (qualifications that are not specifically listed in the standard). This includes registration, examination and certification costs.
10. Student membership fees that are required by professional bodies, even where linked to mandatory qualifications.
11. End-point assessment costs incurred by the main provider but not included in the price negotiated between you and the end-point assessment organisation.
12. English and maths up to level 2 (this is funded separately).
13. 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.
14. 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 you or the main provider (including subcontractor). Residential costs associated with non-mandatory learning, including qualifications, are also excluded.
15. Capital purchases including lease agreements. Capital purchases are long-term assets that would have a lifespan beyond the apprenticeship being funded, such as land, buildings, machinery and ICT equipment (e.g. tablets and similar electronic devices).
16. Maintenance of capital purchases. This includes vehicle parts and labour, insurance and MOT.
17. Time spent by employees/managers supporting or mentoring apprentices, where this is not directly linked to the apprenticeship training and assessment, including end-point assessment.
18. 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, brokerage services (to an employer or main provider) and

the costs of memberships or other costs paid to employers, or their representatives, associated with procurement registers or opportunities to secure business.

Additional payments

- Additional payments totalling £1,000 for the training provider and £1,000 for the University if the apprentice is defined as a 16- to 18-year-old or an eligible 19- to 24-year-old. The University and the provider will receive a payment towards the additional cost associated with training [para E83 page 19 refers] if, at the start of the apprenticeship, the apprentice is:
 - aged between 16 and 18 years old (or 15 years of age if the apprentice's 16th birthday is between the last Friday of June and 31 August).
 - aged between 19 and 24 years old and has either an education, health and care plan provided by the local authority, or has been in the care of the local authority from August 2017, all 19+ continuing students (those continuing on a study programme they started when under the age of 19) are funded under the 16 to 19 funding model. Previously many of these students were funded under the adult funding regime.
- Additional payments will be paid to the training provider as follows:
 - 90 days after the apprentice starts, 50% will be paid (£500 for each eligible apprentice).
 - 365 days after the apprentice starts, the remaining 50% will be paid (£500 for each eligible apprentice).
- The training provider must pass these on in full to the University within 30 working days of receiving this funding.
- The context for these payments is that it is generally stated that recruiting and training a 16-18-year-old brings additional pressures in terms of tutors, mentors, support in the workplace etc.
- Where we attract additional payments, the University will work with respective line managers to ensure we use this funding to enhance the apprentice's experience.

FAQs:

- What is the rationale for these additional payments? Additional payments are intended to help with costs associated with employing apprentices from priority groups (young learners) and those from disadvantaged backgrounds (likely support needs).
- Does the payment have to be spent on the learner that triggered the payment? The ESFA do not specify in the funding rules what this payment must be spent on. It is up to the University what they do with the payment. However, the provider should not keep the money upfront; the ESFA rules are clear in that there must be a transfer of funds from the provider to the

University. Once the funds are with the University the ESFA have no claim on them.

- Who will receive the £1,000 additional payment? Both the provider and the University will receive a payment (currently £1,000) if, at the start of the apprenticeship, the apprentice is deemed a priority learner. Priority learners are those that are (1) aged 16–18 years old or (2) aged 19–24 with either an EHC plan provided by their local authority or who have been in the care of their local authority.
- How are the payments claimed? The £1,000 additional payments, for the provider and University, are split into 2 equal payments and are paid automatically if the apprentice is still in learning at 90 and 365 days. Note that providers are only paid once a month so it doesn't necessarily translate that they themselves will receive the payments at 90 and 365 days from the ESFA. Both payments are paid to the provider and the provider should pass on the University payment within 30 days of receipt of this funding.
 - The additional payments will be paid into our main University account, and will then be transferred into the HR budget. Once the funds are in the HR Budget they will then be journalled across into a budget in your reporting unit (you will need to specify the budget code and let me know).
- **Can a provider and employer get more than one £1,000 additional payment for a learner?** E.g. Level 2 apprentice recruited last year qualified and then progressed to a level 3 apprenticeship and they are still 16–18. Yes, this is a new start on a new programme and as they are still aged under 18 they would qualify.

Want to know more?

- [CIPD Early impact of the apprenticeship levy](#) - Analysis of the early impact of the levy on both apprenticeships and overall employer investment in workforce training and development

See the following links to the Government website:

- [Apprenticeship funding](#)
- [Apprenticeship funding and performance management rules 2018 to 2019](#) - The rules that apply to all apprenticeship provision funded by the ESFA following the introduction of the apprenticeship levy.
- [Apprenticeship technical funding guide](#) - Details of the funding system used for apprenticeship frameworks and standards from 1 May 2019.
- [Apprenticeship funding: how it works](#) - How apprenticeship funding will affect employers from May 2017, including the apprenticeship levy and the online apprenticeship service.

- [Apprenticeship grant: employer fact sheet](#) - Apprenticeship grant for employers of 16 to 24-year-olds (AGE 16 to 24), eligibility information and how to apply.
- [Apprenticeship Standard and Framework funding bands](#) - Sets out the funding bands that will apply for existing apprenticeship frameworks and apprenticeship standards.

Note: For apprenticeships that started between 2016 and 1 May 2017 see [Apprenticeships: common funding rules](#)