

APPRENTICESHIP FUNDING FACT SHEET

The Apprenticeship funding policy from the ESFA sets out rules and guidelines for both Levy paying and non-Levy paying employers, outlining what contributions employers owe towards the cost of apprenticeship training and what funding options are available. This factsheet is designed to help employers understand the key elements of this funding policy.

Employer Contribution & Funding Options

Employers are divided into three categories to define the contribution the Employer is expected to pay towards the cost of the apprenticeship training. There are different funding options available if employers are unable to pay the required contribution.

Levy Payer	Co-Funded	Fully Funded
Payroll bill over £3million	Payroll bill under £3million but with more than 50 employees	Payroll bill under £3million with fewer than 50 employees and employing apprentices aged 16-18
0.5% Levy Tax on your annual payroll which can be used to pay for the cost of training	You will pay a 5% contribution towards the training costs	£0 required, apprenticeship training is fully funded
Plus, you will receive an additional 10% on your Levy Tax from the Government	The Government will pay the remaining 95% of the training costs	The Government will pay 100% of the training costs for you
What if I use up all the funds in my Levy pot and want to take on more apprentices?	What if there isn't enough Government funding available?	What if there isn't enough Government funding available?
Use our Levy Match service to access additional funds (as long as you haven't already lent your Levy to another employer)	Use our Levy Match service to access additional funds	Use our Levy Match service to access additional funds
	Use the Reservation of Funds pilot until the end of March 2020	
All employers receive a £1,000 incentive for taking on a 16-18 year old apprentice, a 'care leaver' aged up to 24, or an EHCP holder up to 24 years old. The incentive is paid in two payments: at 3 months and at 12 months.		

Funding Explained

There are 3 ways to fund an apprentice's training, depending on the employer's eligibility. Below is an overview of the options that are currently available.*

Government Funding

Each Apprenticeship Training Provider, like Cambridge Regional College, holds an **ESFA Training Provider Allocation Fund** which covers the 95% co-funded cost and 100% fully funded cost.

Levy Transfer

All employers can take advantage of our new Levy transfer service www.levymatch.com where Levy companies can pledge their unused Levy to be matched with other employers (Levy & non-Levy) who are looking for additional funding. This is completely cost free and even covers the 5% contribution for co-funded employers.

To submit your application to receive a Levy funds transfer, visit www.levymatch.com where we can help you find a match.

Reserve Funds

Up until the end of March 2020, non-Levy employers can take part in a 3 month pilot whereby they can access funding for up to 3 apprentices. This **Reservation of Funds** pilot is eligible for use on Standards only and co-funded employers still have to pay the 5% cost contribution. To reserve these funds, employers can do so through their DAS accounts or the College can do it on their behalf.

Currently, the pilot is due to end 31 March 2020 and we do not know what is going to happen between then and 31 October 2020 regarding Reservation of Funds. From 1 November 2020 it's anticipated that every apprenticeship start will be set up on the DAS.

*Funding advice is correct at time of print, March 2020

I am a small employer with fewer than 50 employees, but my apprentice is aged 19+, do I need to pay the 5%?

Yes, despite your size if your learner is aged 19+ you fall into the co-funded category requiring you to pay the 5% contribution.

I am a Levy Payer, how do I work out how much Levy I have?

The amount you have available to spend is calculated on a monthly basis as follows:

- Your levy is 0.5% of your gross annual payroll, less a £15,000 allowance.
 - The balance is then divided by 12 and rounded down to the nearest pound.
 - This gives a monthly levy payment which is then multiplied by the % of your employees living in England.
- The government tops that up by 10%, which gives you the final monthly amount.

I am eligible for co-funding, when am I expected to make the payments?

This can be paid in two ways:

- Upfront payment
- Instalments over the first three months - if over £1,200

Does this funding cover the cost of my apprentice's salary?

No, paying the apprentices salary is an additional cost on top of their training and is the responsibility of the employer.

Our team are here to help

We have an **Apprenticeship Funding Advisor** who is here to help you with all of your apprenticeship funding queries and can assist in the transfer of Levy funds between both parties involved.

Also in our team is a **Business Support Advisor** who can guide those employers who are new to taking on an apprentice; supporting in each step of the process and assisting in the set up and maintenance of the Digital Apprenticeship Service Account (DAS) which every employer is required to have.

Useful links

Visit the **Gov.UK** website for regular updates on policies and reforms

www.gov.uk/guidance/apprenticeship-funding-rules

For further information and tailored advice, you can contact us:

General Enquiries & Support

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www.camre.ac.uk/employers

Levy Transfer Enquiries

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