

Apprenticeship Funding Policy Overview



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 pay 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 more than 50 employees	Payroll bill under £3million with fewer than 50 employees and you employ 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. Funds must be reserved via the Apprenticeship Service.
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?
We can support you to access a Levy Match service to access additional funds (as long as you haven't already lent your Levy to another organisation)	We can support you to use Levy Match service to access additional funds	We can support you to access additional funding through a Levy Match service

Incentive payments for all employers who hire new apprentices – The government have introduced a new payment of £2,000 to employers in England for each new apprentice they hire aged under 25, and a £1,500 payment for each new apprentice they hire aged 25 and over, from 1st August 2020 to 31st January 2021. These payments will be in addition to the existing £1,000 payment the government already provides for new 16-18 year-old apprentices, and those aged under 25 with an Education, Health and Care Plan – where that applies. There is no limit to the number of incentives that can be claimed by an employer.

Get additional support

We are here to help you through the new process, for advice call: 01733 269148 / 268199 or email: mail@apt4u.training.

You can also get additional support by contacting the Apprenticeship Service directly: Call 08000 150600 or Email us helpdesk@manage.apprenticeships.service.gov.uk.



Education & Skills Funding Agency

Apprenticeship Service

How to reserve your funding

From January 2020, smaller employers, with a paybill of less of £3 million, and who therefore do not pay the Apprenticeship Levy will have the opportunity to arrange Apprenticeship training and funding through the [Apprenticeship Service](#).

Why use the new Apprenticeship Service?

We encourage all employers to set up an account so they can experience the benefits of the Apprenticeship Service including;

- Tailoring Apprenticeship training to meet your business needs, filling skills gaps and boosting productivity.
- Accessing and managing Apprenticeship funding,
- Receiving a transfer of Apprenticeship Levy funds where eligible,
- Advertising vacancies on Find an Apprenticeship,
- Searching for Apprenticeships and approved training providers to select training for your Apprentice
- Selecting suitable end-point assessment organisations
- Provide feedback on Apprenticeship training
- You can also give your selected training provider permission to carry out the next steps on your behalf.

What do I need to set up an account?

- An email address you have access to e.g. setup@xxxx.com
- The Government Gateway login for your organisation (or you can use the accounts office reference number i.e.123PA12345678 and employer PAYE scheme reference number if your annual pay bill is less than £3 million i.e.123/AB12345)
- Authority to add PAYE schemes to the account
- Authority to accept the employer agreement on behalf of your organisation
- Details of the Apprenticeship standard your Apprentice will be doing and what month the Apprenticeship training will start
- Training provider's UKPRN – Anglia Professional Training: 10040684

What do I need to do?

- Create an account on [Apprenticeship Service](#)
- Add a PAYE scheme on behalf of your organisation
- Accept the employer agreement with the ESFA
- Reserve funds for the cost of the Apprenticeship - reserved funds are available to use from the month of the Apprenticeship start date and the following 2 months. The reservation will expire at the end of the 3rd month if you do not use it.

Apprenticeship account roles and permissions

We advise you give at least one other team member full access to the Apprenticeship Service. You can give staff members permission to:

- Approve Apprenticeship data
- Approve costs for training which are agreed with the training provider
- Reconcile payments to training providers
- Sign the agreement with ESFA

Once you have set up an account on the service you will be able to give us as your training provider permission to carry out the next steps on your behalf.

Important - please note

You must approve Apprentices added to your account, so your training provider gets paid. The data they submit must match what you have approved. This data includes each Apprentice's date of birth, programme start and end date, programme name and level and agreed negotiated training price. Any mismatch will create an error and the provider will not get paid until this is corrected. Your training provider will be notified of any errors to enable them to correct them.