

Apprenticeship Funding from May 2017

Please read the [update](#) received below, from HMRC:

“From May 2017, the way apprenticeships [are funded is changing](#) – today we’ve set out how it will work. Our apprenticeship reforms will support an increase in the quality and quantity of apprenticeships so that more individuals have the chance to pursue a successful career – whether this is their first step on the employment ladder or progression within a current employer or sector. We want to make apprenticeships as accessible as possible, to all people, from all backgrounds and the funding reforms are an important step in enabling this.

After extensive discussions with employers and training providers we have now published the final funding policy for 2017-18 and details of the new register of apprenticeship training providers. Your feedback was vital in helping us make adjustments to the funding policy since our proposals in August, which will help ensure that the reforms benefit more employers and apprentices. Today we have announced some key changes:

- Give employers extra flexibility and the extra time they need to plan for the reforms by extending the expiry date of levy contributions to 24 months (from the 18 months originally proposed);
- Introduce a system for employers to transfer funds from 2018, working with a new employer steering group to design this system so that it meets their needs;
- Help training providers adapt to the new, simpler funding model, by increasing their funding by an extra 20% where they train 16 to 18 year olds on frameworks. This will come from government and not from employers' digital accounts. This transitional payment will ensure stability as the market adjusts to reforms;
- Retain a simplified version of the current system of support for those from disadvantaged areas for one year whilst we conduct a fuller review into the best way to support individuals from all backgrounds into apprenticeships.
- Employers paying the levy will be able to choose a provider from the new Register of Apprenticeship Training Providers. All providers on the register will have to pass quality and financial tests. Providers who want to deliver less than £100k of apprenticeship training per year as a subcontractor can choose to apply for the register but it will not be compulsory. The new register will open for applications later today and at the same time we will launch a procurement for apprenticeship delivery for smaller employers who will not pay the levy.

So you can get the information you need to plan for the reforms, I am pleased to confirm that we have published:

- [Apprenticeship funding in England from May 2017](#). This document sets out our final policy on how apprenticeship training will be funded from May 2017. This includes the final funding bands for existing apprenticeship frameworks and standards. The SFA has also published the [detailed funding rules](#) that underpin the policy.
- [A revised apprenticeship funding calculator](#). We have produced a revised version of this popular tool to help employers understand what levy they will pay and how they could use the new digital service to plan and fund training.
- **Updated guidance on the [apprenticeship levy: how it will work](#)**. We have also updated the existing online guidance, which gives employers a clear explanation of how they will pay the levy, manage and use their funds in the new system.
- [The approach to the Register of Apprenticeship Training Providers](#). This document sets out our final policy on the register, following feedback. The SFA will also be launching applications for the register and associated procurement later today (25th October).

Next steps

Over the next few months, we will continue to work with employers and training providers to ensure that they are aware of the reforms and how they can prepare for them. We will provide further online guidance, events and webinars. However, we would welcome your support to use your media and social media channels to share information with your networks.

If you would like to keep up to date with the development of the Digital Apprenticeship service then more information can be found on our [blog](#).”