

Questions and Answers

Developing the right systems and process to support SMEs and micro-businesses with apprenticeships

3 July 2017

The questions have been answered by both presenters as indicated below.

Bryony Kingsland – UK Funding Manager, City & Guilds

Simon Ashworth – Chief Policy Officer, AELP

How does one ensure as a SME employer we get effective advice in light of a provider offering sweeteners?

Simon: The Education and Skills Funding Agency (ESFA) publishes a list of funding rules for employers. As an employer you can [read and review these rules](#) to see what incentives are applicable.

Bryony: The ESFA has made the following statement in the funding rules for providers – *You (providers) must not pay incentives or inducements or any other payment not authorised by us (the ESFA) to the employer in relation to any part of the apprenticeship programme.*

Do we invoice our levy paying employers, or how is the money collected?

Simon: You should have agreed terms with a levy paying employer and this would be documented in your contract with them. As a provider you will claim for funding through the monthly ILR return. The employer is also required to make a short return through their Apprenticeship Service account. The ESFA will only release funds to you if both returns have been made and the data matches. [See Section 57](#) for further details.

If employer contributions are paid monthly by standing order can we issue one invoice to cover all payments, showing the dates? Or do we have to invoice each employer every month?

Simon: It's not really the invoicing arrangements that are key here – it's the evidence of the payments themselves which are key to this process. The funding rules stipulate that:

- The provider may agree a schedule of co-investment payment with the employer which does not match monthly payments made by the ESFA, provided the employer has paid a matching 10% at our three monthly data-points. At least every three months the provider must:
 - Have collected the matching co-investment from employers.
 - Report the cash value on the ILR of total employer contributions received from the beginning of the apprenticeship to the end of the quarter on the ILR in June, September, December and March.
 - The employer co-investment must be a transfer of funding visible in the providers' financial systems. This will typically be in the form of a provider invoice and corresponding employer payment.

At a conference we attended, it was announced there would be no further opportunities to enter ROATP. Has that changed?

Simon: The ESFA announced last week that the RoATP will remain closed to new providers until at least early 2018. Only providers currently on the RoATP will be able to apply for the new Invitation to Tender (ITT) for non-levy funding January 2018 to March 2019 as announced by the new Skills Minister Anne Milton MP last week.

Can we keep the incentive payment to cover the shortfall in frameworks, if employers are aware and agree?

Simon: No, all employer incentives must be passed onto each relevant employer as per the funding rules.

Is the end-point assessment (EPA) organisation classed as a sub-contractor to our business?

Bryony: Apprenticeship Assessment Organisations (AAOs), will not be considered to be second level sub-contractors by the ESFA. Providers and AAOs will have a contract in place for the EPA arrangements between the two partners, but there will not be a requirement to have permission from the ESFA for that contract.

Can you confirm whether a charging policy has to be available on The Academy's website, even if all employers have under 50 staff and are, therefore, not required to pay for training services?

Simon: The only thing you need to publish on your website are your fees and charges if you are subcontracting non-levy funding out. You don't need to openly publicise you prices or fees you charge employers.