# Frequently Asked Questions (FAQs)

# Apprenticeship Funding guide

## Who pays and what is the apprenticeship levy?

The levy is paid by large employers with a pay bill of over £3 million (0.5% of the total annual pay bill). The payment is paid to the HMRC via PAYE returns. As the money goes into the digital account, it gains a 10% top up from the government. Currently, only 2% of employers pay the apprenticeship levy.

The levy funds apprenticeship training for all employers. Any unspent levy funds are used to support existing apprentices to complete their training and to pay for apprenticeship training for smaller employers.

Levy paying employers can now also [transfer up to 25% of their levy funds](https://www.gov.uk/guidance/apprenticeship-funding-rules-for-employers/apprenticeships-funded-by-transfer-of-levy-funds) to other employers.

If an employer’s levy funds don’t cover the full cost of the apprenticeship they would like to buy, then additional support is available. The government will pay 95% of the additional costs (up to the maximum of the relevant funding band) with the employer ‘co-investing’ 5%. Best Practice Network may be able to find external funding for the 5% if you need us to.

Funds that are not spent will expire 24 months after they enter an employer’s account.

Employers can use the [National Apprenticeship Service’s ‘Estimate my apprenticeship funding’](https://estimate-my-apprenticeship-funding.sfa.bis.gov.uk/) tool to estimate how much an organisation will have available to spend on apprenticeships.

## Not a levy payer

The levy funds apprenticeship training for all employers. Smaller employers – those with a total annual pay bill of less than £3million – pay just 5% of the cost of their apprenticeship training and the Government pays the rest or they can receive funds from other employer’s accounts, ask us if you need support with this.

<https://www.gov.uk/guidance/apprenticeship-funding-rules-for-employers/apprenticeships-funded-by-transfer-of-levy-funds>

## How to access funds?

The [National Apprenticeship Service](https://sfacontactforms.azurewebsites.net/employer-enquiry) provides face to face and telephone support to levy paying employers to help them invest their levy funds and use apprenticeships to support their businesses.

Levy paying (non-levy can opt to) employers access their funds through the online apprenticeship service. The funds are available to spend on apprenticeship training in England. For more in depth government advice and support [visit](https://www.gov.uk/guidance/manage-apprenticeship-funds):

## The public-sector target

All public sector bodies with more than 250 employees must employ at least 2.3% of their total headcount as new apprentices by March 2020. If you’re part of a MAT, the trust may have over 250 employees across the organisation and need to meet this requirement.

## How much does it cost? Funding

The Operations/Departmental Standard apprenticeship costs £7000 from Levy or non-levy funds.

<https://www.apprenticeships.gov.uk/employer/how-much-is-it-going-to-cost>

# The entire apprenticeship including the NPQ’s is eligible for funding

* The apprentice cannot pay towards an apprenticeship
* Resits may incur extra costs to the employer
* Certification for the NPQ’s (if required) will incur an additional charge

## How does the levy work for your school?

The levy will work differently depending on how your school is run. DfE estimate that around half of academy trusts, around 90% of MATs and 10% of foundation schools are affected by the Levy.

Only some schools pay the levy – whether you do or not depends on who employs the staff in your school. For small non-levy paying schools see above. Broadly speaking the following applies but please contact us to find out any information you need about funding, who to contact or how to apply.

## 1. Voluntary-aided and foundation schools

If your governing body’s salary bill is over £3 million, they will pay the levy. To access the funds, you will need to get in touch with your governing body to see how much allocation is available and agree funding.

## 2. Maintained, community and voluntary-aided schools

If your local authority’s pay bill is over £3 million, they will pay the levy. Your local authority should have let you know how much levy you have available to spend each year. If you are unsure how to access the funds, contact them to find out or contact Best Practice Network and we will find out for you and let you know.

## 3. Academies and multi-academy trusts, free schools

The trust is likely to be your employer and if you are part of a Multi-Academy Trust (MATs), the MAT will pay the levy if the pay bill for all schools in the trust combined is greater than £3m. You will need to get in contact with your trust to agree the relevant funding.

## Payments

Payments are spread across the duration of the apprenticeship - taken each month by Best Practice Network. There needs to be enough funds in the account to meet the monthly payments. In addition, 20% of the cost of the apprenticeship will be held back and taken from the Apprenticeship Service (AS) online account at the end of the apprenticeship.