Apprenticeship non-levy extensions technical guidance

Introduction and purpose of this document

1.   This document sets out the methodology and technical details for apprenticeship non-levy extension allocations for April 2019 to March 2020

2.   We will publish version 2 of the apprenticeship performance-management rules for training providers in March 2019. These rules will set out how we will manage your allocation.

Understanding the terminology

3.   The terms 'we' and 'ESFA' refer to the 'Education and Skills Funding Agency' and associated staff.

4.   When we refer to 'you' or 'providers', this includes colleges, higher education institutions, training organisations, local authorities and employers that receive funding from us to deliver education and training.

Business case process

5.   If you experienced a significant data error at R04 (November 2018) that has affected your allocation, you can submit a business case to us. Please contact your local territorial team contact and use the ESFA online form.

Allocation methodology

6.   We have used your November 2018 (R04) data return, plus a national assumption for data lag, and an individualised delivery forecast for December 2018 to March 2019 to calculate your allocation.

7.　　We have applied nationally consistent methodologies to calculate allocations. We have used the same calculation for 16-18 and 19+ apprenticeships but we have run them separately, at age band level.

8.　　A minimum allocation of £5,000 has been set.

9.　　We assume that:

   a)　apprentices remain on programme until their planned end date and earn all on programme payments due

   b)　apprentices achieve on their planned end date and earn their achievement payment on this date

   c)　a national drop-out rate is applied

   d)　that delivery mix and profile remains consistent

   e)　a co-investment rate of 5% is applied from April 2019

10.　**Carry-in:** we have worked out the carry-in element of your allocation by calculating all future costs occurring between 1 April 2019 and 31 March 2020 for apprentices that:

- you had on programme at the November 2018 (R04) data return

- plus those we forecast to be late notified starts (data lag) based on a national assumption and your November 2018 (R04) data return

- plus those we forecast for new starts arising between December 2018 to March 2019.

11.　**New starts:** we take the number of starts you have delivered since 1 January 2018 based on your November 2018 (R04) data return. To this, we add a forecast for late notified starts (data lag) based on a national assumption and your November 2018 (R04) data return.

12.　We then use this figure to calculate your forecast learner starts for 1 December 2018 to 31 March 2019. We do this by extrapolating your full-year delivery between 1 August 2017 and 31 July 2018. If you did not deliver during that time, we apply a standard national delivery pattern.

13.　We then need to cost this forecast. We do this by multiplying your average cost per start per month for delivery since 1 January 2018 with:

- your forecast for late notified starts (data lag) based on your November 2018 (R04) data return

- your forecast learner starts for 1 December 2018 to 31 March 2019.

14.   We then calculate the new start element of your allocation by adding together:

- the forecast cost derived at paragraph 13

- all actual earnings received to date for your non-levied starts between 1 April 2018 and 30 November 2018.

15.   Finally, we add this to your carry-in to create your combined allocation at age-band level.

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