



Education & Skills  
Funding Agency

# **Apprenticeship non- levy extensions technical guidance**

**Version 1**

**February 2021**

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## Summary

This document sets out how apprenticeship non-levy extension allocations for 1 April 2021 to 31 March 2022 have been calculated.

Allocation letters were issued in February 2021 through [Manage your Education and Skills Funding](#).

We will publish an updated version of the [apprenticeship performance-management rules for training providers](#) in Spring 2021. These rules will set out how we will manage your contract.

## **Who is this publication for?**

This document will be of interest to training providers with apprenticeship non-levy extension allocations for 1 April 2021 to 31 March 2022.

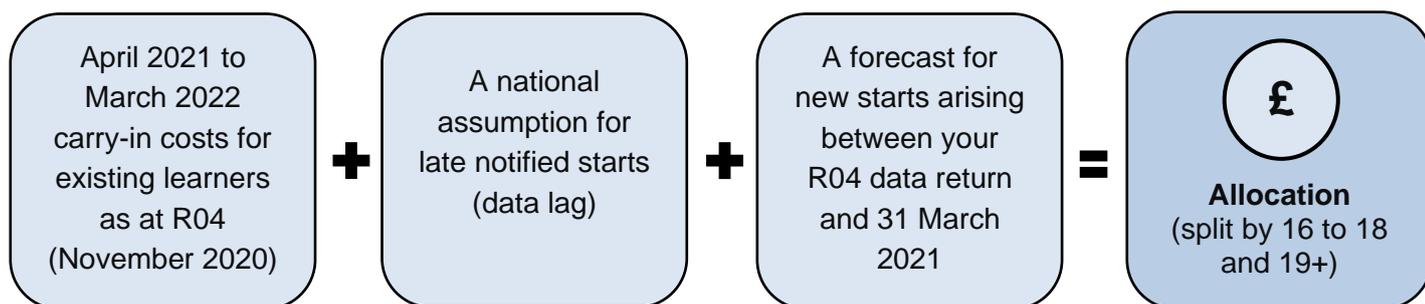
## Understanding the terminology

1. The terms 'we' and 'ESFA' refer to the 'Education and Skills Funding Agency' and associated staff.
2. 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

3. If you had issues with your R04 data (November 2020 data submitted in December 2020) that you believe have significantly affected your allocation, you can raise a business case with us. Please complete the [business case template](#) if you need to raise a case.
4. The deadline for submitting a business case is 31 March 2021. We aim to communicate outcomes of business cases in May 2021.
5. If successful, changes will be reflected in contracts shortly after outcomes are communicated.
6. We will review all allocations using R09 data (April 2021 submitted in May 2021) to ensure they are set at the correct level. You do not need to submit a business case for us to review your allocation using your R09 data. We will communicate the outcomes of this review in June 2021.

## Allocations methodology



7. We have used the same methodology for all providers to calculate allocations. We have used the same calculation for 16 to 18 and 19+ apprenticeships but we have run them separately, at age band level.

8. A minimum allocation of £1,000 has been set.

9. We have worked out your allocation by calculating all future costs occurring between 1 April 2021 and 31 March 2022 for apprentices that:

- you had on programme at the R04 data return (November 2020 data submitted in December 2020)
- plus those we forecast to be late notified starts – learners that were not recorded on your R04 data return but were on programme (data lag) based on a national assumption (see table 1 below)
- plus those we forecast for new starts arising between your R04 data return and 31 March 2021

10. 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. that your delivery mix and profile remains consistent
- d. a co-investment rate of 5% is applied from April 2019

11. To forecast the funding required for new starts arising between your R04 data return and 31 March 2021 we take the number of starts you delivered between December 2019 to March 2020. We then calculate how much funding was required for those starts between 1 April 2020 and 31 March 2021 and add this value to your allocation.

12. The methodology we have used to forecast the number of new starts arising between your R04 data return and the end of March is different to the methodology we used for 2020 to 2021 allocations. We have simplified our approach this year to mitigate the impact of COVID-19 on allocations.

**Table 1: National assumption for data lag**

	<b>August 2020</b>	<b>September 2020</b>	<b>October 2020</b>	<b>November 2020</b>
<b>16 to 18 data lag %</b>	107%	112%	119%	156%
<b>19+ data lag %</b>	110%	111%	117%	151%

## Contact us

If you have a query, please contact us using our [online form](#).



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