

## Guidance

# Termination of ESFA funding agreements: guidance for employers

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## 1. Guidance for employers of apprentices

If a provider you work with has its apprenticeship funding agreements with ESFA terminated, they may no longer be able to deliver apprenticeship training for your apprentices. This means that you may need to find another provider to help your apprentices complete their apprenticeship programme.

If this happens to your provider, ESFA will write to you about the termination at the earliest opportunity. ESFA will advise you how the termination affects your apprentices and their apprenticeship programme.

As apprenticeships are employer-led, it is your responsibility as the employer to keep your apprentices informed and updated with any changes that may affect their apprenticeship programme. However, if appropriate, ESFA may also write to your apprentices directly to notify them of the situation and actions they may need to take.

If any of your apprentices are taking a break from their apprenticeship programme at the point your provider's funding agreements are terminated, ESFA will write to them directly to let them know what is happening and advise what action they should take when they are ready to continue with their apprenticeship.

If your apprentices have any questions about their apprenticeship programme, they should discuss them with you, the employer, in the first instance. If you need support answering your apprentice's questions, please [contact ESFA](#) on their behalf.

## 2. Options and support available to employers with identifying suitable alternative providers

ESFA will support you (employers) if appropriate, with finding suitable, alternative providers that can help your apprentices continue with and complete their apprenticeship programme. ESFA will write to employers outlining the support we can offer.

As apprenticeships are employer-led, it is your responsibility to decide which provider you contract with for the delivery of your apprenticeships. Your apprentices are not responsible for finding a new provider.

If your provider has its apprenticeship funding agreements with ESFA terminated and your apprentices still need to complete their apprenticeships, the following support options are available to you:

### Completion with current provider:

Where providers are serving a period of notice, it may be possible that your apprentice could complete all of the mandatory elements of their apprenticeship training, up to [Gateway](#), during the notice period given to your provider. If so, you may agree with the provider that existing delivery arrangements can continue with them. Providers can continue to support an apprentice through the [end-point assessment](#) (EPA) after the termination date of their funding agreement has passed, providing the apprentice has passed Gateway before the termination date is reached. Further guidance regarding EPAs is also available in the [end-point assessment](#) section.

If this is your preferred option, please discuss it with your provider.

### Employer-choice transfer request:

You may choose to find and appoint a suitable alternative provider that can help your apprentice complete their apprenticeship. You can search for eligible providers using the [Find Apprenticeship Training](#) service on GOV.UK. If this is your preferred option, please note the following:

a. For apprenticeships that started on or after 1 May 2017 (levy or non-levy funded), please notify ESFA who your chosen provider is so they know this is your intention (contact details will be provided to you in writing). However, you can proceed with the transfer without approval from ESFA.

Employers are responsible for managing their apprenticeship funds in the [apprenticeships service](#). Guidance on managing your apprenticeship funding in the apprenticeship service is available on the [Get help with the apprenticeship service](#) page on GOV.UK.

b. For apprenticeships that started before 1 May 2017, you will need to inform ESFA who your chosen provider is before your apprentices can transfer and continue with their apprenticeship (contact details will be provided to you in writing). These apprenticeships will be funded (either in full or in part) by ESFA through a contract for services with a provider. As such, ESFA needs to ensure that the provider you have chosen is eligible for ESFA funding and has the appropriate funding agreements with ESFA in place. These apprenticeships cannot be funded through the apprenticeship service.

### ESFA offer to assist with identifying a provider:

If your apprentices are levy-funded, you can use the [find apprenticeship training for your apprentice](#) service on GOV.UK to identify an eligible, alternative provider.

If your apprentices are not levy-funded, ESFA will offer to assist you with identifying suitable, high quality alternative provision. If this is your preferred option and you opt-in to this service, ESFA will:

a. Undertake an 'options analysis' to review which providers deliver the training your apprentice(s) need near your location, considering:

- their eligibility to deliver apprenticeships
- the quality of provision they deliver
- capacity to deliver in your location
- funding agreements they already have in place with ESFA

b. Approach the most suitable provider identified to gain agreement-in-principle from them to transfer your apprentice.

c. Communicate approval to proceed with the transfer to both you and the new provider

At this stage, the new provider will contact you. They will arrange to review your apprentice's progress to date to determine how much additional learning is required before agreeing a price for the remaining delivery with you.

Please note: Employers and providers are not under any obligation to proceed with a transfer arranged by ESFA. Employers are responsible for undertaking their own due diligence before entering a contractual relationship with a provider.

## 3. Funding implications for employers

For apprenticeships that started on or after 1 May 2017, each apprenticeship standard or framework has a [funding band](#) applied to it. The funding band confirms the maximum value of funds that the government will contribute to the cost of an apprenticeship, across all instances of the same apprenticeship.

If your apprentice needs to transfer to a new provider to complete their apprenticeship, you will need to agree a new price with the new provider for the balance of delivery remaining (including the cost of the end-point assessment, if applicable). Your new provider will review your apprentice's progress to date before negotiating a new price with you.

If you pay the apprenticeship levy, apprenticeship costs will continue to be funded from your levy funds, through the apprenticeship service, up to the funding band maximum of the apprenticeship. If you do not pay the apprenticeship levy, the government will continue to contribute payments towards the balance of delivery remaining, up to the funding band maximum. If the new price you agree takes the total price of the apprenticeship (across all instances of the same apprenticeship) above the funding band maximum, after accounting for funding already paid to your previous provider, then you, the employer, are responsible for paying the difference above the funding band maximum to your provider. If you are a levy-paying employer, you cannot use additional levy-funds to pay any difference above the funding band maximum.

Please refer to the published [apprenticeship funding rules](#) on GOV.UK for more detailed funding guidance.

Apprentices must not contribute to the cost of the apprenticeship under any circumstances.

Employers with digital accounts in the [apprenticeship service](#) are responsible for managing the funding of their apprenticeships in the apprenticeship service, including pausing or stopping payments to providers as appropriate. Once you have appointed a new provider, you should update the apprenticeship service accordingly to reflect the change of provider.

## 4. Employer co-investment payments

If your organisation does not pay the apprenticeship levy, (or does pay the apprenticeship levy but has exhausted its levy funds), then it will co-invest towards the total cost of an apprenticeship with the government. If you have already paid some or all the co-investment payments to your original provider before their funding agreements with ESFA were terminated, ESFA does not expect you to make those payments again to your new provider.

If this applies to you, you should provide evidence to your new provider of any co-investment payments you have previously made. They can then apply to ESFA for permission that exempts them from having to collect the full co-investment value from you.

You should contact your original provider, or their legally appointed representatives (such as insolvency practitioners), if you have paid for training that they have not delivered for you.

## 5. Additional payments for employers

[Additional payments](#) are made to eligible employers and providers when they take on apprentices that meet certain eligibility criteria. All payments are made to the provider. The provider will then pay the employer their part of the payment within 30 working days of receipt.

An employer's eligibility to additional payments is not affected if their provider has their funding agreements terminated and they transfer their apprentice to a new provider.

If an additional payment was not earned while with the original provider, it will continue to be earned with the new provider. They will automatically receive these payments once the apprentice reaches the census point that the payment is due.

Where additional payments have been earned and paid to the provider before their funding agreements are terminated, the provider is still responsible for paying that money to the employer.

In the event of a provider entering insolvency, and where ESFA has already made the additional payment to the provider, the employer should contact the provider's appointed insolvency practitioner to request the payment.

If an additional payment has been earned but not paid to the provider before they ceased trading, ESFA will not pay the employer's part of the additional payment to the provider. When the employer transfers their apprentice to a new provider, the new provider will be able to claim the employer's part of the additional payment on the employer's behalf. The new provider should [contact ESFA](#) to request permission to do this.

## 6. End-point assessments

If your apprentice is not ready to start their end-point assessment (EPA) by the date your provider's funding agreements with ESFA are terminated, then you will need to identify a new provider to transfer your apprentice to so they can complete their learning before starting their EPA.

If your apprentice has started their EPA, or they have passed Gateway and are ready to start their EPA, when your provider's funding agreements are terminated, then they can complete it with your appointed End-Point Assessment Organisation (EPAO).

If your existing provider can continue supporting your apprentice through the EPA with your chosen EPAO after the termination date has passed, they can do so providing no further learning is required. In this instance, your EPAO will complete the EPA and your provider will pay the EPAO for the EPA, as originally agreed.

If your existing provider is unable to support your apprentice and EPAO through the EPA, your EPAO can continue to deliver the EPA without them or any other provider being in place. In this instance, ESFA will work with your EPAO to ensure your apprentice can complete the EPA. ESFA will also liaise with the provider and the EPAO to ensure payment for the EPA is made to EPAO.

If your apprentice passes their EPA and completes their apprenticeship, the EPAO will arrange for certificates to be sent to you.

If your apprentice does not pass their EPA, they may be required to resit their EPA, or even retake some additional learning.

If a resit is required, no additional learning will be needed. You should discuss arranging a resit for your apprentice directly with your EPAO.

If a retake is required, your apprentice will need additional learning before they can retake their EPA. In this instance, you will need to identify a new provider that can deliver the additional learning for you.

The [apprenticeship gateway and resits for end-point assessment \(EPA\)](#) page on GOV.UK provides guidance about resits and retakes (including paying for them).

## 7. Contact details for further guidance

If you need additional support regarding apprenticeships, please contact [Apprenticeship Support](#).

For all other queries, you can complete the [ESFA enquiry form](#) which will be redirected to the appropriate team.

## 8. Related published guidance, policies, and useful links

[Apprenticeship funding rules](#)

[ESFA Funding Rules for 2020 to 2021](#)

[Apprenticeship end-point assessments - rules and guidance](#)

[Apprenticeship gateway and resits for end-point assessment \(EPA\)](#)

[Find Apprenticeship Training](#)

[Apprentices that have been made redundant](#)

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