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| Name of the instrument in English | 16-18, 19-23, and 24+ and employer contributions; as of 2017: employer co-funding |
| Country |  United Kingdom |
| Type of instrument | Grants for companies |

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| Level of operation | National |
| Part of the country where the instrument applies | England |
| Region(s) in which the instrument applies | nap |
| Sector(s) in which the instrument applies | nap |
| Legal basis | <p>Apprenticeships, Skills, Children and Learning Act 2009 (as amended). Most Government apprenticeships schemes are funded in part using section 100 of the 2009 Act (as amended) (the old frameworks under section 100(1)). The Apprenticeship Act refers to apprenticeship funding in general terms. The government sets priorities and budgets for the SFA/ESFA in the annual Skills Funding Letter. The funding details for apprenticeships are then laid down in the annual SFA/ESFA funding rules for apprenticeships. This includes a separate document on Trailblazer Apprenticeships Funding Rules 2015 to 2016 which details government and employer co-payment for the new Apprenticeship Standards developed as part of these new Trailblazers.</p> <p>All apprenticeships started before 1 May 2017 will be funded through to completion according to the existing rules.</p> |
| Objective(s) and target(s) | To support growth and improvement of apprenticeships at all levels. For 2015-16, the following priorities have been set by the government: growth of apprenticeships for 16-24 year olds, higher apprenticeships (particularly levels 6 and 7), priority sectors and small businesses. |
| Year of introduction | 2009 (as amended) |
| Governance (management, operation, monitoring and evaluation) | Skills Funding Agency (SFA) until March 2017 and as of April 2017, the Education and Skills Funding Agency (as the SFA and the Education Funding Agency have been merged) is responsible for the overall management, monitoring and evaluation of the instrument as well as day-to-day operation. The recently established Institute for Apprenticeships will advise the government on funding |

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| | bands for apprenticeships. |
| Eligible group(s) | <p>All companies</p> <p>In line with the priorities set by the government for 2015-16, particular emphasis is put on the growth of apprenticeships for 16-24 year olds, higher apprenticeships (particularly levels 6 and 7), priority sectors and small businesses.</p> |
| Education and training eligible | The instrument supports only apprenticeship. Funding is available for all levels of apprenticeships, however, Apprenticeships in England scheme (excluding Degree apprenticeships scheme) refers to EQF 3-5 levels (UK 2-5 levels). AH45 |
| Source of financing and collection mechanism | State |
| Financing formula and allocation mechanisms | <p>Apprenticeship in England includes both SASE (Specification of Apprenticeship Standards England) Apprenticeship Frameworks and Apprenticeship Standards. Apprenticeship Frameworks are currently being phased out and should be replaced by Apprenticeship standards by 2020.</p> <p>With regards to Apprenticeship Frameworks, in 2015/16 the maximum amount of funding depends on a number of factors: rates for the particular Apprenticeship Framework with age-group specific weightings (i.e. the age-group 16-18 attracts about 7% uplift compared to the reference group of 19-23 year olds and the age-group 24+ attracts 20% less than this reference group); co-funding rates according to age-group (100% for apprentices aged 16-18, 50% for those aged 19-23 and 40% for those aged 24+); disadvantage uplift of 12% for disadvantaged learners; area up-lift (maximum of 20%, depending on the area the apprentice lives to account for local differences in training costs); and size of employer (with those employing more than 1000 employees receiving 25% less).</p> <p>As for Apprenticeship Standards, funding is no longer age-group dependent. Instead, all apprenticeships are allocated to a funding band representing the upper ceiling for reimbursement of training costs. The employer co-invests 33% and the state covers 66% of off-the-job training costs (including external training and assessment) up to the maximum funding band set for each apprenticeship (e.g. the state would co-fund EUR 20,520 for the entire training for the highest funding band set at EUR 30,780.00). If applicable, the state also pays up to 3 employer incentives with the exact amount varying by funding band. Incentives are available for (1) recruiting a 16-18 year old, (2) for small companies with less than 50 employees if the company could otherwise not afford to take on an apprentice and (3) for completion of the apprenticeship. The total maximum government funding (including all employer incentives) is EUR 32,832 for the highest funding band and EUR 4,104 for the lowest funding band.</p> <p>Funds are disbursed to all eligible applicants on a 'first</p> |

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| | come - first served' basis. |
| Eligible costs | Off-the-job training programme provided by an approved provider |
| Volumes of funding | In 2016, the public funding amounted to EUR 1,640,000,000. In 2015, the amount of public funding was the same. No EU funds involved. (The figures concern apprenticeship funding, without payments for English and mathematics functional skills. These are funded separately if the apprentice does not have these skills or equivalent qualifications). |
| Beneficiaries/take up | The data on beneficiary companies is not available. |
| Monitoring/evaluation reports available | Skills Funding Agency (SFA) (2016) Annual Report and Accounts 2016. https://www.gov.uk/government/collections/sfa-annual-reports-and-accoun... |
| Monitoring/evaluation results | Apprenticeship surveys do not differentiate labour market outcomes by type of funding scheme. However, since this instrument is the main route of funding, data from regular apprenticeship surveys can be taken as a proxy. <ul style="list-style-type: none"> • 92 were employed or self-employed and 5% were unemployed 12-20 months after completion of the apprenticeship; • Overall 46% received a pay rise and 30% received a promotion - with most reporting that the apprenticeship had helped with either pay rise or promotion; and • 52% thought that 'their apprenticeship had given them significantly more chance of finding work in the future' |
| Recent or planned changes | In May 2017, the funding of apprenticeships changes as the Apprenticeship levy was introduced through the Finance Bill 2016. The levy applies to large companies with a pay bill above GBP 3 million. These large employers pay the apprenticeship training in full through the levy. If apprenticeship funding exceeds their levy, different rules apply. For non-levy paying companies the government co-invests 90% and the employer 10% up to the set funding band limit. Moreover, funding for off the job training programme is now irrespective of whether it is an Apprenticeship Framework (being phased out) or an Apprenticeship Standard (being phased in). The Apprenticeship levy was introduced to increase Apprenticeship funding and to help meet the target of 3 million new Apprenticeships starts between 2015 and 2020. |
| Sources | Skills Funding Agency (SFA) https://www.gov.uk/government/organisations/skills-funding-agency the Education and Skills Funding Agency https://www.gov.uk/government/organisations/education-and-skills-fundin... Skills Funding Agency (SFA) (2017) Annual Report and Accounts 2015 to 2016. https://www.gov.uk/government/publications/skills-funding-agency-annual... |

Skills Funding Agency (SFA) (2016) Annual Report and Accounts 2016.

<https://www.gov.uk/government/collections/sfa-annual-reports-and-accoun...>

IFF and IER (2016) Apprenticeships Evaluation 2015 - Learners. A report by IFF Research, with the Institute for Employment Research at the University of Warwick.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/fi...

Related apprenticeship schemes

Apprenticeships

 UNITED KINGDOM

Source URL: <https://www.cedefop.europa.eu/tools/financing-apprenticeships/financing-instruments/16-18-19-23-and-24-and-employer-contributions-2017-employer-co-funding>