



# Apprenticeship Funding

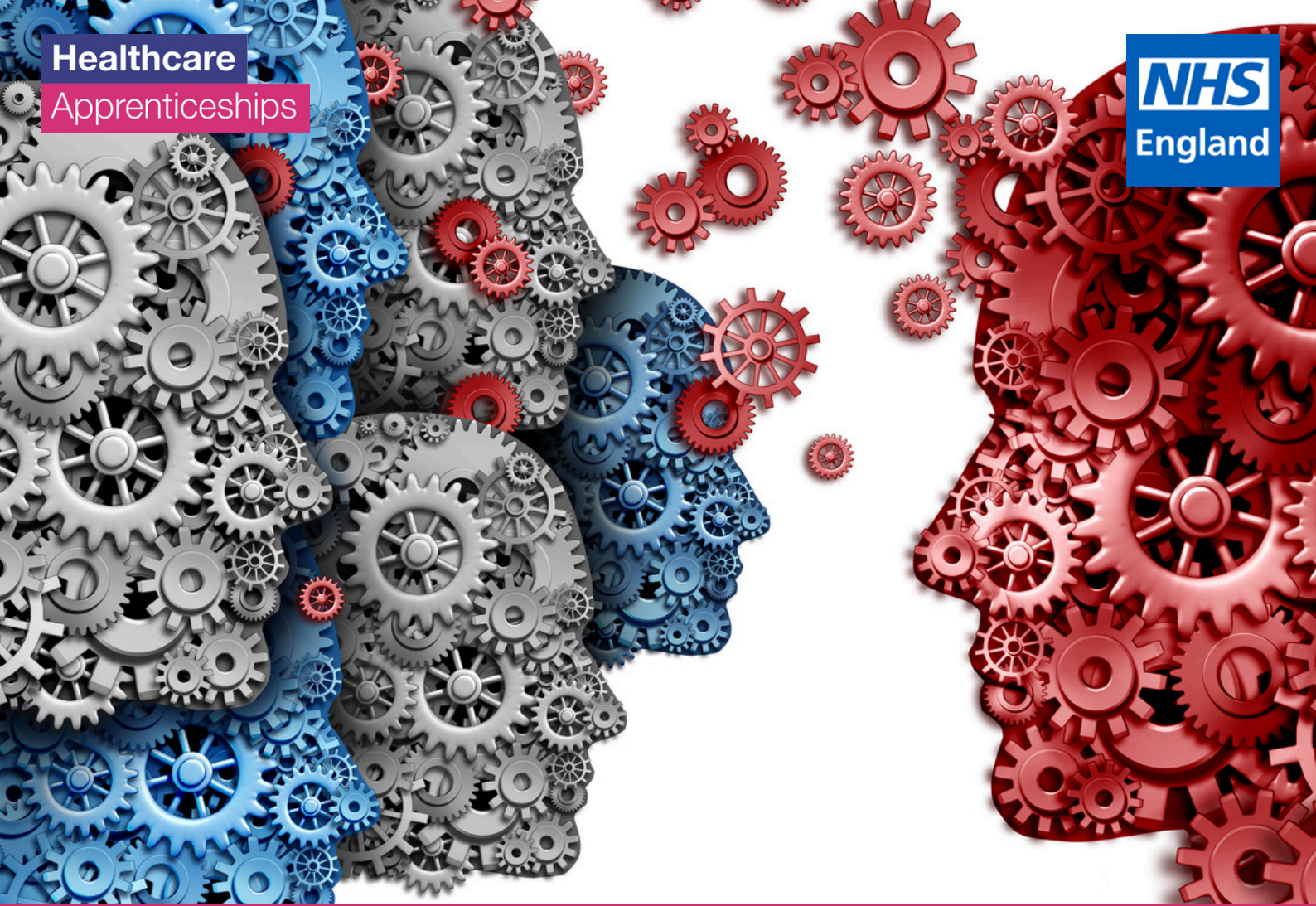


AN EMPLOYER'S GUIDE TO FUNDING  
APPRENTICESHIPS IN THE NHS

# Contents

- 03** The benefits of employing apprentices
- 04 Section 1: The apprenticeship levy**
  - Apprenticeship Levy
  - Funding bands
- 05** Employers who pay the apprenticeship levy
  - Employers who do not pay the apprenticeship levy
- 06** What happens to unspent levy?
  - Funding apprentices with prior qualifications
- 07** How payments are made to education providers
  - Funding end-point assessment
  - Levy Transfers
- 08** How to find or make a levy transfer
  - Additional payments
  - Additional payments for employers
  - Additional payments for individuals
- 09 Section 2: Funding Apprentice Salary**
- 10 Section 3: Further resources**





## The benefits of employing apprentices

On average in the UK, the estimated yearly gain for employers is between £2,500 and £18,000 per apprentice during their training period.

Apprentice outputs usually surpass their associated costs, delivering a net benefit to employers during their training.

They are likely to increase further once the apprentice completes their training and remains with the employer, after apprenticeship costs and expenses are removed and productivity increases.

[Read the study by St Martin's Group here](#)

# Section 1

## The apprenticeship levy

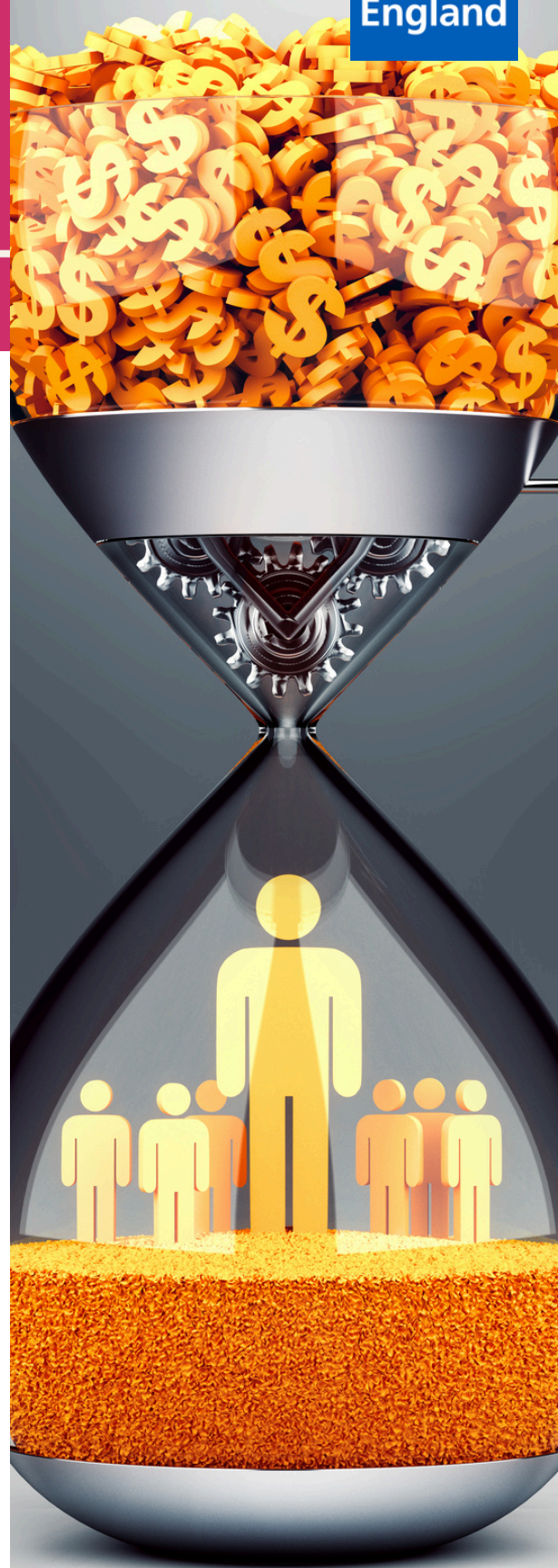
### Apprenticeship Levy

Apprenticeships are funded either via the levy (for employers with a payroll of over £3million) or via co-investment for smaller employers. You can read full details about how funding works on the [Education and Skills Funding Agency pages](#).

### Funding bands

Each apprenticeship standard is in a funding band. These funding bands range from £1,500 to £27,000.

Apprenticeship standards are allocated a funding band based on recommendations from [the Institute for Apprenticeships and Technical Education \(IfATE\)](#). IfATE also reviews existing standards' funding bands on a regular basis.





## Employers who pay the apprenticeship levy

Employers with a payroll of over £3 million pay the apprenticeship levy. Employers can use their apprenticeship levy to:

- Fund their own apprenticeship training and assessment costs
- Transfer them to another employer

After 24 months, funds become unavailable to use and are removed from accounts. This is so levy-paying employers cannot accrue large balances, with the potential to create financial commitments that the government has not planned to meet.

The oldest funds remaining in an account will be removed each month on a 'first-in, first-out basis'.

## Employers who do not pay the apprenticeship levy

Employers who have a wage bill under £3million can still benefit from significant government funding to support their commitment to apprenticeships. This is called 'co-investment', where the employer pays 5% of the total price of the apprentice's training and assessment costs and the government covers the remaining 95% of the cost.

Find out how to access co-investment here - [How to set up a digital service account & reserve apprenticeship funding](#)

From 1st April 2024, SME employers who do not pay the levy no longer have to contribute to the cost of apprenticeship training for 16–21-year-olds – government is fully funding the training costs for these individuals.

## What happens to unspent levy?

Any unused funds, including those that are removed from accounts and return to treasury, they then are used to support:

- New starts with non-levy paying employers
- New starts with levy paying employers who spend more than the funds available in their accounts
- Existing apprenticeship learners

## Funding apprentices with prior qualifications

Employers can use apprenticeship levy to train any eligible individual to undertake an apprenticeship. The apprenticeship can be at a higher, equal or lower level than a qualification they already hold, including a previous apprenticeship if:

- It allows the individual to acquire substantive new skills
- The content of the training is materially different from any prior training or previous apprenticeship

Education providers must consider all relevant prior learning and experience when assessing learner eligibility. They should adjust the content, duration and price of the apprenticeship where applicable.

## How payments are made to education providers

Payments are made to education providers when they have evidenced delivery of training and assessment activities through their monthly individualised learner record (ILR).

Government then makes monthly payments totalling 80% of the negotiated price of the apprenticeship. These payments are spread here evenly across the duration of the apprenticeship. The remaining 20% is paid at the end of the apprenticeship upon the apprentice's completion of the end-point assessment.

## Funding end-point assessment

All apprenticeship standards include end-point assessment, which must be delivered by an independent end-point assessor. The funding band allocated to an individual standard includes the cost of end-point assessment, as well as the cost of the training.

The cost for assessment will vary between standards. The cost of end-point assessment should not exceed 20% of the funding band maximum.

## Levy Transfers

Employers can transfer unused funds in their account to any number of other employers, for any number of apprenticeships. They can transfer up to the annual maximum transfer allowance of 50%. For example, employers could transfer funds to other employers in their supply chains or work with regional, local or sector partners.

The transfer amount covers 100% of the eligible training and assessment costs of the apprenticeship.

# How to find or make a levy transfer

Employers can transfer unspent levy funds to other employers via the government online pledge function within their apprenticeship service account. This pledge is then advertised on [search funding opportunities](#).

Alternatively, if an employer already knows who they want to send a transfer to then this can be done via a [direct transfer connection](#). Many Integrated Care Board (ICB) or NHS England regions also have local levy transfer processes in place to support their systems. Contact your regional NHSE team to find out more.

## Additional payments

Funding is available to help those who may need additional support in the workplace.

### Additional payments for employers

Employers will get an extra £1,000 when they take on an apprentice:

- aged 16 to 18
- aged 19 to 24 who has either:
- has previously been in care or has an education, health and care (EHC) plan.

This is to help with additional costs associated with supporting them in the workplace.

### Additional payments for individuals

Government understand that care leavers can face additional financial barriers in undertaking an apprenticeship.

Apprentices aged 16 to 24 who have been in the care of their local authority can get a bursary of £3,000. This is to help ensure they can access apprenticeships.



# Section 2

## Funding Apprentice Salary

Apprentices are salaried employees during their apprenticeship. The minimum wage per hour for an apprentice (correct as at April 2024) is £6.40 during the first year of their apprenticeship at any age. However, in health many organisations may choose to pay their trainees more than the minimum wage, view below.

Find out more about [How to Fund the Salary of Apprentices](#) here.

There may be instances in in 2024/25 where some apprenticeships will attract NHSE Training grants through METIP (Multi-professional Education and Training Investment Plan). Speak to your regional NHSE teams to understand regional funding for apprenticeships.



# Section 3

## Further resources

- [Apprenticeship funding rules - GOV.UK \(www.gov.uk\)](http://www.gov.uk)
- [Funding and Levy - HASO \(skillsforhealth.org.uk\)](http://skillsforhealth.org.uk)
- [Understanding apprenticeship benefits and funding \(apprenticeships.gov.uk\)](http://apprenticeships.gov.uk)
- <https://www.nhsemployers.org/publications/introduction-apprenticeships>
- NHS Employers [Agenda for Change](#)
- The NHS Staff Council [guidance on apprenticeships](#)
- [NHS apprenticeship pay guidance](#)

