

Employer Co-investment Policy

Policy Details			
Policy Owner	Director of Apprenticeships and Business Solutions		
CE Sponsor	Principal and Chief Executive		
Date created this year	16 May 2023		
Version:	Approved by:	Date fully approved:	To be reviewed:
1	College Executive	13 June 2023	July 2024
1	Finance & Resources Committee	17 July 2023	July 2024

Version Control (Changes in this version)

1. Dates have been updated
2. Policy has been simplified in some sections to remove duplication of funding rules for Levy versus Non Levy

Equality Impact Assessment Tool

		Yes/No	Comments
1	Does the policy/guidance affect one group less or more favourably than another on the basis of:		
	Race or ethnicity	No	
	Disability	No	
	Gender	No	
	Religion or belief	No	
	Sexual orientation	No	
	Age	No	
	Marriage and Civil Partnership	No	
	Maternity and Pregnancy	No	
	Gender Reassignment	No	
2	Is there any evidence that some groups are affected differently?	No	
3	If you have identified potential discrimination, are any exceptions valid, legal and/or justifiable?	N/A	
4	Is the impact of the policy/guidance likely to be negative?	No	
5	If so, can the impact be avoided?	N/A	
6	What alternatives are there to achieving the policy/guidance without the impact?	N/A	
7	Can we reduce the impact by taking different action?	N/A	

Introduction

The following guidelines set out the requirements for co-investment payments by employers for apprenticeship training.

All businesses operating within the UK with a wage bill of over £3 million are required to contribute to the apprenticeship levy and will be known as **Levy** paying employers.

- If the levy applies to an organisation, it is required to pay 0.5% of its entire wage bill into the levy. This will be offset against a levy allowance worth £15,000 for each tax year.
- Organisations can only use levy payments for Government backed apprenticeship standards approved for delivery and published on the Institute for Apprenticeships and Technical Education (IFATE) website.
- Levy payments will expire after 24 months.
- Where there are insufficient funds in the Levy account, employers will be liable for a co-investment payment of 5%.

For employers not in the Levy category above, current funding guidelines require Training Providers to charge **non-Levy** paying employers 5% of the agreed total price* to support an apprentice with training and assessment, unless the apprentice is eligible for 100% funding (see Appendix 1)

**Prices are dependent on the maximum funding values set by Government for a Standard (see Colchester Institute Website for latest information)*

Government introduced the use of **Digital Accounts** for non-levy employers from April 2021 and these are used to reserve funds for payment. Details are below.

1. Apprenticeship Employers Terms of Contract (Levy and Non-Levy)

- 1.1 Employers must comply with the terms of any agreement between the employer and the Education and Skills Funding Agency (ESFA).
- 1.2 Contributions are limited to a maximum of 5% contribution of the Government's maximum funding band*. The fee for the apprenticeship is calculated on the basis of the anticipated delivery costs, taking into account any prior learning.

**Contribution amounts per apprenticeship are displayed on the Colchester Institute website.*
- 1.3 Employers are required to complete the Apprenticeship Employer Declaration form for each apprentice.

- 1.4 Learners, where a fee has been agreed, will not be accepted onto a programme until the Apprenticeship Employer Declaration Form has been completed and signed by the employer.
- 1.5 Employers will be asked to contribute to End Point Assessment (EPA) costs where the Assessment Organisation fee for the EPA is above 20% of the funding rate that has been agreed with the employer for the Standard.

The employer declaration form will confirm these additional fees and any revisions to this form by the Funding & Information team, will be communicated and agreed with the employer.
- 1.6 Employers must provide payment for resits for EPA required by the Approved Apprenticeship Standard if this exceeds the agreed training price.
- 1.7 Where indicated in the contract that Colchester Institute will be providing on-line administration in relation to the employer's digital account, the employer must either send a cohort request from their digital account or set up Colchester Institute with training provider permissions within their digital account in order for funding to be passed on by ESFA for each apprentice.
- 1.8 Employers should be aware that if any payment is not paid as agreed, Colchester Institute will pursue all unpaid debts and may inform debt collection agencies in order to recover the monies owed. Additional costs may be incurred.
- 1.9 Where payment is not received, the Apprenticeship may be suspended or withdrawn.
- 1.10 Colchester Institute shall notify the employer of any requirement to return incentive payments to the ESFA due to withdrawal of the apprentice, and the employer shall pay such amount to the Colchester institute within thirty (30) days of such notice.
- 1.11 Colchester Institute will not allow payments of invoices to be deferred for an employer who has a pending employer £1000 incentive payment.

2. Payment (Non-Levy):

- 2.1 Employers must apply for their digital account to reserve funding through a cohort request. Employers will be sent the link to this service through Colchester Institute Business Solutions before commencement of the apprenticeship.
- 2.2 Employer contributions become payable either when the learners' commencement date for their apprenticeship falls on, or after, their 19th birthday or where the employer has more than 50 employees.

- 2.3 Payment is expected before commencement of the Apprenticeship. This can be paid via the online store via the attached link <https://onlinestore.colchester.ac.uk/product-catalogue/employer-deposits/employer-deposit/employer-apprentice-payments>
- 2.4 Payment by instalment can only be requested for contributions over £1000 and can be agreed by contacting the Finance department of Colchester Institute details can be found on the employer declaration form.
- 2.5 A percentage of the co-investment payment is still liable if an apprentice leaves the employer, except within the first 6 weeks of them enrolling onto the apprenticeship.

3. Payment (Levy):

- 3.1 Where apprenticeship training is not funded from the employer's digital account (levy payers with insufficient funds) Colchester Institute shall send invoices in respect of the unfunded charges to the employer. The employer shall pay such invoices within thirty (30) days of receipt.

4. Refunds / Reductions to agreed fee:

- 4.1 An additional reduction to the fee may be negotiated by the Colchester Institute Business Solutions team where an employer agrees to accommodate more than one apprentice, thereby reducing delivery costs. All fees must be agreed prior to subsequent apprentices commencing employment and are based on delivery costs.
- 4.2 Employer contribution fees cannot be transferred between learners.
- 4.3 Where an apprentice leaves employment and the 5% employer contribution has been collected in full or partially, Colchester Institute will refund any unspent funding. This will vary depending on both the Apprenticeship Standard and the length of time the apprentice has been in learning before leaving.
- 4.4 If a learner withdraws and the employer co-investment that is due has not been paid then no future starts will be processed for this employer until all outstanding fees are paid.

Additional Information:

- All Employers will receive an incentive of £1000, paid over intervals of 3 months and 12 months for taking on a 16-18 apprentice or a 19-24 apprentice who has been in care or has an Education Health Care Plan.
- Apprentices aged 19 years and over may be eligible for Adult Funded courses where these are substantially different to the learning being developed as part of the apprenticeship. Apprentices will need to meet Adult funding eligibility.

- Apprentices who have degrees are eligible for Apprenticeship funding if it allows the apprentice to acquire substantive new skills.

Appendix 1: Funding for Apprenticeships

