

Lord Lucas
House of Lords
London
SW1A 0PW

20 September 2018

Dear Lord Lucas

The Department for Education (DfE) has asked me to respond to you directly on behalf of the Institute for Apprenticeships regarding your Parliamentary Questions HL10261 & 10307 in which you enquire about the Chartered Manager Degree Apprenticeship with regards to ineligible costs and initial funding bands calculated by the Institute.

Re: PQ - HL10261 “To ask her Majesty’s Government, further to the final funding band review of 15 August for the Chartered Manager Degree Apprenticeship standard, what items from the nominated training providers’ cost estimates were removed by the review as being ineligible.”

There are several causes for costs to be considered ineligible. As stated in the Education and Skills Funding Agency - Apprenticeship funding and performance management rules 2018 to 2019, the ineligible costs can be found on page 18 on the following link:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733034/1819_Employer_Rules_v1.0.pdf

However, we are unable to disclose the exact costs considered ineligible in this specific case as the information is regarded as commercially confidential.

Re: PQ – HL10307 “To ask Her Majesty's Government, further to the final funding band review for the Chartered Manager Degree Apprenticeship standard of 15 August, what calculations or data were used to reach the conclusion that any new standard for a Chartered Manager Degree Apprenticeship would be allocated to an initial band of £8,000.”

I certainly appreciate your enquiry into the process behind establishing an initial funding band and how it impacts the remainder of the process.

For new apprenticeships, we make an initial funding band allocation at proposal stage. We do this based on:

- an estimate of the amount of training needed to complete the apprenticeship standard (based on the length of the apprenticeship

standard and the requirement that 20% of an apprentice's time is spent on off the job training);

- the Sector Subject Area of the training (15.3 - Business Management);
- an allowance for end-point assessment.

This enables employers to develop their occupational standard and EPA plan with the initial funding band in mind and consider whether it is the right amount of funding to deliver a high-quality apprenticeship. Initial funding band allocations can be accepted, or funding evidence can be submitted to inform final funding band recommendation.

For standards in the funding review which are already live for delivery, such as the one you have asked about, the initial funding band forms one of multiple evidence points the institute uses to reach a decision on the funding. Specifically:

- Information from trailblazer groups, training providers and assessment organisations;
- The cost and funding bands of any equivalent apprenticeship frameworks;
- The level and nature of the training/end-point assessment, and consistency across similar types of apprenticeship standard;
- Affordability within the wider apprenticeship programme, and other factors in the Institute's Strategic Guidance;
- The initial funding band which would have been allocated to the standard following the Institute's new funding approach;
- The expertise of our provider panel;
- The expertise of our route panels;
- The current funding band of the apprenticeship standard; and
- Current apprenticeship delivery cost data and current market activity.

I hope these responses have shed some light on your concerns and the processes carried out by staff at the Institute for Apprenticeships.

Yours sincerely



Sir Gerry Berragan
Chief Executive Officer
Institute for Apprenticeships