



APP – 011 SMEs AND THE DIGITAL APPRENTICESHIP SERVICE GUIDE

SMEs and the Digital Apprenticeship Service Guide

Introduction

From the 1st January 2020 the ESFA gave access to the Digital Apprentices Service (DAS) to all small to medium size employers.

To assist you in supporting your partners and employers with the changes Group Horizon have produced this guide, which includes some information received directly from the ESFA and also links to online tools and instructions to help and support.

It will be very important that you do understand how to set up a DAS account ready for the 1st January 2020 to help give the maximum support and help to our existing and new none Levy Paying clients when prospecting or recruiting.

SMEs will have full access to ESFA's Apprenticeship service from January 2020

All employers in England will have better access to buy high quality apprenticeships from January 2020. Small and medium-sized businesses, who don't pay the Apprenticeship Levy, will take full control over apprenticeships in their business as they will have to register them and bring them on board using the Education and Skills Funding Agency's digital apprenticeship service (DAS)

Every apprenticeship employer in England will have access to the full benefits of the Education and Skills Funding Agency's (ESFA) apprenticeship service. With the first employers and providers commencing their use from January 2020.

Previously, only apprenticeship levy-paying employers – those with an annual total pay bill of over £3m – or those in receipt of a transfer of apprenticeship funds – were able to use the full benefits that the apprenticeship service brings.

From January 2020 employers who do not pay the apprenticeship levy will be able to create accounts on the apprenticeship service and begin arranging their own apprenticeships. These employers will be able to:

- Choose from a range of apprenticeship standards;
- Choose a provider from the Register of Apprenticeship Training Providers (RoATP) to deliver apprenticeship training;
- Find an End-Point Assessment Organisation (EPAO);
- Reserve access to funding for apprenticeship training and assessment;
- Agree contracts with providers; and
- Benefit from collaborative relationships by delegating permissions to providers to service their accounts

In order to help the ESFA forecast, monitor and manage the availability of funding for apprenticeships through the apprenticeship service, employers who do not pay the apprenticeship levy will be required to reserve funds before an apprenticeship can commence. In the longer term the ESFA may choose to operate the reservation of funds in a different way to ensure the continued availability and affordability of apprenticeships. (see Appendix A)

ESFA – Official Videos on how to set up a DAS Account

What you will need to set up a Digital Apprenticeship Account (DAS)

<https://www.youtube.com/watch?v=A787pMS6xkw>

How to set up a Digital Apprenticeship Account (DAS) – Video Training Guide

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<https://www.youtube.com/watch?v=ZHRxyem8hU>

How to add an Apprentice to your Digital Apprenticeship Account

<https://www.youtube.com/watch?v=XMgLFfGK0iM&t=7s>

How to add an Apprentice funded by a transfer

<https://www.youtube.com/watch?v=4jcUqiStyA4>

Guidance for employers

How to register and use the apprenticeship service as an employer

Before setting up your apprenticeship service account

To set up an account you will need:

your organisation's Government Gateway user ID and password

Your payroll or finance department should have your organisation's Government Gateway information if you don't already know it.

If your organisation has a payroll agent, don't use the agent's login details.

You will need to register for [HMRC's online services](#) if you don't already have Government Gateway credentials.

Setting up multiple connected organisations in your account:

You can add [multiple connected organisations](#) to the same account, if you want to manage all of your connected organisations in this way. You should register every organisation that will make an agreement with a training provider for apprenticeship training.

If you have set up your account with multiple connected organisations your transfers allowance will be worked out as a total of all the organisations within that account.

You cannot use a single PAYE scheme across multiple connected organisations.

You cannot move funds between the accounts once they are set up.

Apprenticeship account roles and permissions:

You need to think about who you want to have access to your apprenticeship service account. You can control what each person can do.

You can give staff members permission to:

approve apprenticeship data

approve costs for training which are agreed with the training provider

reconcile payments to training providers

reconcile payments coming into the account

sign the agreement with the Education and Skills Funding Agency (ESFA)

Registering on the apprenticeship service:

Once you are ready to register on the apprenticeship service, you need to [set up your account](#).

Using your account

After you have registered, you will need to follow the instructions given in your apprenticeship account.

Once you have completed the above you will be able to:

- sign your ESFA employer agreement
- add PAYE schemes you want to use for apprenticeship funding
- add your organisations contracting with training providers

- invite other members of your team to join the account
- add apprentices (you can request your training provider does this)
- search for [apprenticeships and approved training providers](#)
- manage and view the transactions in your account

You must approve apprentices added to your account, so GHL gets paid. The data they submit must match what you have approved.

Before the end of each month, you should agree with GHL a deadline for adding, checking and agreeing apprentices, to make sure the data is correct.

Managing cohorts and apprentices:

Before you approve your cohorts make sure that:

you're checking the correct cohort or apprentice

the apprenticeship details are what you agreed with GHL

the total price for training and end-point assessment are correct (excluding VAT)

you are able to pay the difference from your own budget if the price of training is more than [the funding band maximum](#)

Changing apprentice details:

You can make changes to apprentices' details:

- before you've approved the cohort GHL
- before the apprentice starts

Once the apprentice has started, you can only change:

- the cost of the training, but only in the first month and GHL will need to change the information they submit to the ESFA
- the date of birth and name of the apprentice

If the apprentice wants to change apprenticeship, you will have to stop the current apprenticeship and start a new one. You, or GHL, will need to add the new apprenticeship details and cost.

Make sure that you and GHL approve any changes that have been made.

Managing payments

You can manage payments in your account by using stop or pause.

Stopping payments

You can stop payments if the apprentice:

- didn't start the apprenticeship
- decided to leave after starting the apprenticeship
- the wrong apprenticeship information was approved

If you stop payments for an apprentice, you must make sure that you select the right stop date in the apprenticeship service. Any outstanding payments up to this date will be paid.

Once an apprenticeship is stopped, payments are permanently stopped for that apprenticeship.

An apprentice can only be on one apprenticeship at any time. You cannot start a new apprenticeship within the start and end dates of the previous apprenticeship.

Pausing payments

You can temporarily pause payments to GHL. When you resume payments, they will continue from the point that they were paused.

Help

You can contact the National Apprenticeship Service for advice or help using the service.

Telephone: 0800 015 0600 - Find out about call charges

Or email: helpdesk@manage-apprenticeships.service.gov.uk

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Appendix A

Reservation of funds¹

The Education and Skills Funding Agency (ESFA) has previously used annual contract allocations to manage the amount of apprenticeships funding that they make available to contracted training providers. One of the things this has enabled them to do is to ensure that funding for apprenticeships is affordable within the Government's overall budget for apprenticeships. In moving away from Government contracts and introducing a system in which employers can choose their apprenticeship and their training provider via the apprenticeship service, they have developed a new mechanism to achieve the same objectives – **'reserve my funding'**.

From January 2020 employers who do not pay the apprenticeship levy will be able to reserve funding for an apprenticeship in advance of recruitment or an offer of an apprenticeship being made to an existing employee. This reservation ensures that employers can plan, and that funds will be available to pay for the training from the point the apprenticeship starts. The employer must then turn this **'reservation'** into a **'commitment'** once the training provider and an apprentice are confirmed. At this point funding can be released to the training provider in the usual way.

During 2020 these new arrangements will run alongside the existing Government contracts for training provision so that the ESFA can test demand and operation of the system. As such they anticipate a gradual increase throughout 2020 in the number of employers arranging their own apprenticeships via the apprenticeship service. To enable them to manage this transition and ensure that the apprenticeship service is meeting the needs of users, and that the programme overall remains affordable, they will initially apply the following constraints:

- Employers can reserve funding for **apprenticeship standards only**; (Employers seeking to arrange training for apprenticeship frameworks, which will be withdrawn as of August 2020, should do so via providers with existing training contracts) and
- Employers may make reservations **for up to three apprenticeship starts**.

As they are satisfied that the new arrangements are operating effectively, they will consider adapting their policy on how the reservation of funds operates. **'Reserve my funding'** will enable them to forecast, monitor and manage apprenticeship funding. To ensure that the spend on apprenticeships training remains affordable within the Government's overall budget for apprenticeships, they will continue to manage access to reservations for employers during and beyond the transition period.

Who will reservations apply to?

During the transition period until autumn 2020, employers who do not pay the apprenticeship levy can choose to use the apprenticeship service to arrange an apprenticeship, alongside existing arrangements of accessing training via a provider with a Government contract, subject to the provider having sufficient funds available in their allocation.

¹ This document applies from January 2020. The ESFA will keep it under review as they monitor how the new arrangements are working during 2020, and will publish changes to the policy when required. This document should be read alongside:

- The apprenticeship funding rules
- The ESFA apprenticeship agreement for employers
- Guidance on gov.uk on how to use the apprenticeship service. Simply search "How to use the apprenticeship service", or use our ESFAGOVUK YouTube channel, which includes a playlist called 'Using the apprenticeship service'

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If an employer who does not pay the apprenticeship levy chooses to use the apprenticeship service to access apprenticeship funding, they will be required to reserve funds for prospective apprentices undertaking apprenticeship standards.

For the transition period, the following are in scope for reservations:

- Employers who do not pay the apprenticeship levy;
- Apprentices due to start on or after 1 January 2020;
- Funding for apprenticeship standards only;
- Apprenticeships with main providers listed on the RoATP.

The following are out of scope for reservations:

- Funding for apprenticeship frameworks;
- Apprentices starting before 1 January 2020;
- Apprenticeships arranged, and funded, through contracted training provision. An apprentice cannot be funded through both reservations, and via contracted provision, for the same apprenticeship.

During the transition the ESFA will keep under review how the reservation policy is applied.

How will reservations work?

Employers who do not pay the apprenticeship levy will be able to reserve funding for apprenticeship standards from January 2020. Initially, employers will be **limited to three 'active or used'** reservations at any given time. This will allow the ESFA to test the operation of **'reserve my funding'** on the apprenticeship service in a controlled way and ensure it is meeting the needs of users.

- An 'active' reservation is where the reservation has not yet turned into a commitment and has not yet expired;
- A 'used' reservation is where the reservation has been turned into a commitment.

Reserving funds is an action that **must** be undertaken by an employer prior to recruiting an apprentice or confirming a start date with an existing employee. The employer may give a provider their permission to do this on their behalf through the apprenticeship service.

Each reservation is linked to an employer and their account. If a provider reserves the funds on behalf of the employer, the employer can still use this reservation with any provider. The employer can change the provider at any time up to the point of turning the reservation into a commitment.

Once a reservation has been made, funds are guaranteed for that apprenticeship, subject to the reservation being turned into a commitment, and all other eligibility criteria being met as detailed in the **Apprenticeship Funding Rules**. This will be the eligibility criteria that is in place at the time the apprentice starts on programme and not when the reservation is made.

The ESFA will monitor the number of reservations being made by employers and retains the right to amend the operation of 'reserve my funding' – for example, by reducing or increasing the number of active reservations an employer may make, or restricting the ability to reserve funds for a given month².

² Changes to the policy will be set out in revised editions of this policy document.

How to make a reservation

Employers who do not pay the apprenticeship levy will be able to create accounts on the apprenticeship service from January 2020.

Once employers have set up their account and accepted the employer agreement, they can reserve funds.

When making a reservation the following details will be required:

- the month the apprenticeship training will start;
- the apprenticeship standard.

From January 2020 employers will be able to make reservations for apprenticeships that are due to start in January, February or March. The ESFA intend to allow employers to reserve funds up to three months before an apprenticeship is planned to start. As such, they intend that reservations for April can be made from February.

Once a reservation has been made it can be converted into a full apprenticeship record, or a commitment, by adding the chosen apprentice's details and being agreed by both the employer and provider.

Individualised Learner Records (ILR) and returns remain an essential feature of apprenticeship funding arrangements and will still need to be completed by providers.

Expired and deleted reservations

Reservations will expire if they are not turned into a commitment within 3 months of the apprenticeship start date, detailed within the reservation.

Where a reservation is not required it can be deleted by using the apprenticeship service.

Expired and deleted reservations cannot be turned into commitments. Where a commitment is needed, and a previous reservation has expired or been deleted, a new reservation must first be made.

Expired and deleted reservations are not classed as active reservations and will not count towards any reservation limits that are applied in the apprenticeship service.

Instructions on how to use the apprenticeship service to create an apprenticeship service account, make reservations and commitments, and more can be found in the beginning of the guide.

The [funding rules](#) also provide additional information on reservation of funding for employers and providers.