

SDS Modern Apprenticeships

How SDS Modern Apprenticeship contribution rates work

April 2017

A large, abstract graphic on the right side of the page, consisting of several overlapping teal-colored rectangular blocks with white dotted borders. The blocks are arranged in a grid-like pattern, with some overlapping others, creating a sense of depth and movement.

MA Contribution Rates

Contribution rates are set against each MA framework, age group and level

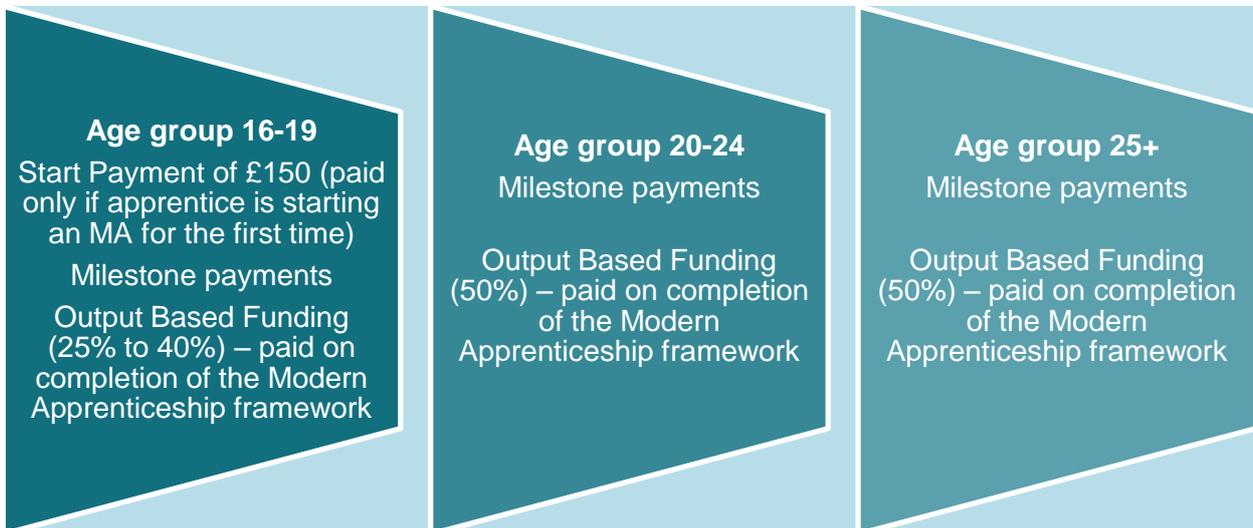
Each MA framework has a Payment Plan which sets out how the funding will be released – every plan has set number of targets known as milestones

A milestone can either be – a unit from the SVQ, a quarterly review or another agreed method that demonstrates progress towards the MA framework

Each Payment Plan retains an element of the contribution until the apprentices achieves all components of the Modern Apprenticeship framework – the amount retained can vary between 25% and 50% depending on the framework, level and age group

SDS will consider requests to pay 100% Output Based Funding which will be based on completion of the Modern Apprenticeship framework

Funding - aligned to 3 age groups

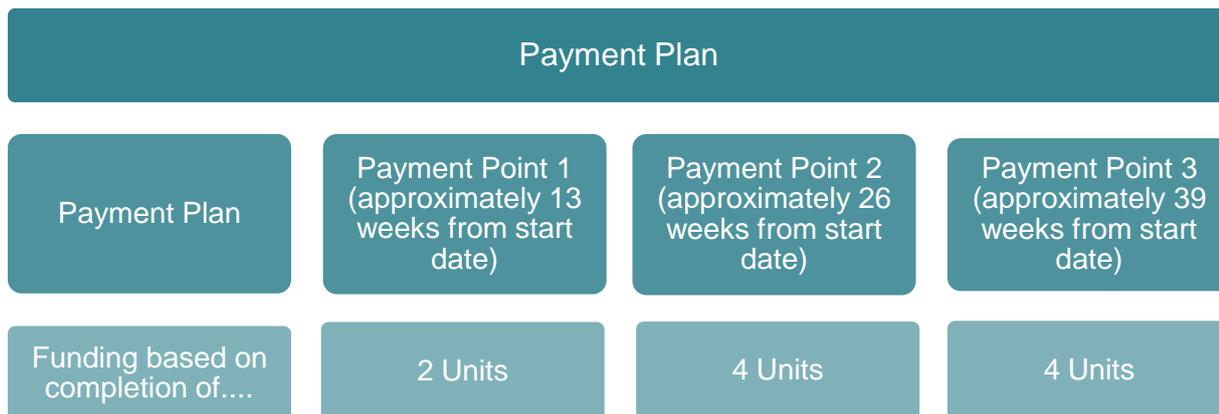


Examples of Funding

1. Modern Apprenticeship framework - Business & Administration

Contribution rates for Level 2			
16-19 age group	Output Based Funding percentage retained until completion	20-24 age group	Output Based Funding percentage retained until completion
£1,700	35%	£1,000	50%

8 units in SVQ – based on 3 mandatory and 5 optional units



Payment Plan 16-19 age group

Funding is calculated for this age group based on:

- Overall contribution rate - £150 start payment
- Balance x Output Based Funding percentage – this figure is the rate paid on completion
- Balance divided by the number of targets/milestones in the Payment Plan

Value - £1,700
Start Payment £150
Balance £1,550 x Output Based Funding (OBF) 35% - value of OBF - £542
Balance £1,008 divided by Targets/Milestones, 3 = each target has a value of £336

Payment Plan 20-24 age group

Funding is calculated for this age group based on:

- Overall contribution rate x Output Based Funding percentage – this figure is the rate paid on completion
- Balance divided by the number of targets/milestones in the Payment Plan

Value - £1,000
£1,000 x Output Based Funding (OBF) 50% - value of OBF - £499
Balance £500 divided by Targets/Milestones, 3 = each target has a value of £167

Evidence

Providers must have the required evidence before a claim can be made;

- In the example of Business & Administration; should an apprentice achieve 6 units the Provider can claim targets 1 and 2 – targets can only be claimed if the required number has been achieved
- Output Based Funding can only be claimed when a Provider has evidence that a Modern Apprenticeship certificate has been issued to the apprentice.

2. Modern Apprenticeship framework – Engineering

Contribution rates for Level 3			
16-19 age group	Output Based Funding percentage retained until completion	20-24 age group	Output Based Funding percentage retained until completion
£10,000	30%	£6,500	50%

Payment Plan

This MA framework targets are paid on completion of quarterly reviews – i.e. 13 weeks from start of the apprentice. There are 16 targets in this plan, approx 4 years to complete – below is 3 targets and this continues until target 16.

Payment Plan			
Payment Plan	Payment Point 1 (approximately 13 weeks from start date)	Payment Point 2 (approximately 26 weeks from start date)	Payment Point 3 (approximately 39 weeks from start date)
Funding based on completion of....	Quarterly review	Quarterly review	Quarterly review

Payment Plan 16-19 age group

Funding is calculated for this age group based on:

- Overall contribution rate - £150 start payment
- Balance x Output Based Funding percentage – this figure is the rate paid on completion
- Balance divided by the number of targets/milestones in the Payment Plan

Value - £10,000
 Start Payment £150
 Balance £9,500 x Output Based Funding (OBF) 30% - value of OBF - £2,954
 Balance £6,895 divided by Targets/Milestones, 16 = each target has a value of £431

Payment Plan 20-24 age group

Funding is calculated for this age group based on;

- Overall contribution rate x Output Based Funding percentage – this figure is the rate paid on completion
- Balance divided by the number of targets/milestones in the Payment Plan

Value - £6,500
£6,500 x Output Based Funding (OBF) 50% - value of OBF - £3,252
Balance £500 divided by Targets/Milestones, 16 = each target has a value of £203

Evidence

In the example of Engineering must have a quarterly review completed supported by acceptable evidence which proves progress is being made towards achievement of the mandatory elements of the MA framework. Output Based Funding can only be claimed when a Provider has evidence that a Modern Apprenticeship certificate has been issued to the apprentice .

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